



# Agenda Report

2725 Judge Fran Jamieson  
Way  
Viera, FL 32940

## Consent

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F.15.

2/22/2022

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### **Subject:**

Annual Investment Performance Report Year Ended September 30, 2021

### **Fiscal Impact:**

### **Dept/Office:**

County Finance Department

### **Requested Action:**

It is requested that the Board of County Commissioners accept the Brevard County Annual Investment Performance Report, for the Year-Ended September 30, 2021.

### **Summary Explanation and Background:**

The County's Investment Advisor, PFM Asset Management, LLC (PFM), has prepared the Annual Investment

Performance Report for year-ended September 30, 2021 as required by Brevard County Investment Policy No. BCC-49. Brevard County Investment Policy No. BCC-49 designates responsibility to the Brevard County Investment Committee, authorized by the County Commission, for providing oversight of the County's investment program.

This report complies with the Board's Investment Policy which is to foremost safeguard the County's funds, insure the availability of operating and capital funds when needed and then an investment return competitive with comparable funds and financial market indices. The report reflects the investment activity of the County as a whole and compares the performance with the prior year and established benchmarks. This report does not address the financial condition of the various individual County funds.

The Investment Committee at its meeting on November 12, 2021 approved the attached Investment Report.

County Investment Advisor:

PFM Asset management, LLC; Steve Alexander; (407) 341-5643; email alexanders@pfmam.com

### **Clerk to the Board Instructions:**



February 23, 2022

**MEMORANDUM**

**TO:** Kathleen Prothman, County Finance Director

**RE:** Item F.15., Annual Investment Performance Report Year-Ended September 30, 2021

The Board of County Commissioners, in regular session on February 22, 2022, accepted the Brevard County Annual Investment Performance Report, for the Year-Ended September 30, 2021.

Your continued cooperation is always appreciated.

Sincerely,

BOARD OF COUNTY COMMISSIONERS  
RACHEL M. SADOFF, CLERK

A handwritten signature in cursive script that reads "Kimberly Powell".

Kimberly Powell, Clerk to the Board

/sm



# Brevard County, Florida

## Annual Report For the Fiscal Year Ended September 30, 2021

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### Client Management Team

Steven Alexander, CTP, CGFO, CPPT, Managing Director  
Robert Cheddar, CFA, Chief Credit Officer, Managing Director  
Richard Pengelly, CFA, CTP, Director  
Sean Gannon, CTP, Senior Managing Consultant  
Scott Sweeten, BCM, CFS, Client Relationship Manager

### PFM Asset Management LLC

3501 Quadrangle Boulevard  
Suite 270  
Orlando, FL 32817  
407-723-5900

213 Market Street  
Harrisburg, PA 17101-2141  
717-232-2723

**Tab I**

- Annual Review

**Tab II**

- Executive Summary
- Asset Allocation Chart

**Tab III**

- Short Term and Bond Portfolio

**Tab IV**

- Long Term Portfolio
- Multi-Asset Class Management Portfolio

**Tab V**

- Disclosures

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# Tab I

**BREVARD COUNTY**

**Total Portfolio Balances and Interest Earnings**

| <b>Balances</b><br><b>Fund Name</b> | <b>Book Value</b><br><b>as of September 30, 2021</b> | <b>Book Value</b><br><b>as of September 30, 2020</b> | <b>Percent Change</b><br><b>From FY 2021 - 2020</b> |
|-------------------------------------|------------------------------------------------------|------------------------------------------------------|-----------------------------------------------------|
| General Fund                        | \$70,851,798                                         | \$42,479,038                                         | 66.79%                                              |
| Special Revenue                     | 509,087,491                                          | 437,644,185                                          | 16.32%                                              |
| Debt Service                        | 12,360,991                                           | 10,063,323                                           | 22.83%                                              |
| Capital Projects                    | 12,570,677                                           | 3,694,666                                            | 240.24%                                             |
| Enterprise                          | 145,102,903                                          | 128,270,158                                          | 13.12%                                              |
| Internal Service                    | 51,617,364                                           | 57,045,631                                           | -9.52%                                              |
| <b>Total</b>                        | <b>\$801,591,224</b>                                 | <b>\$679,197,001</b>                                 | <b>18.02%</b>                                       |

| <b>Interest Earnings</b><br><b>Fund Name</b> | <b>Interest Earned</b><br><b>Fiscal Year 2021</b> | <b>Interest Earned</b><br><b>Fiscal Year 2020</b> | <b>Percent Change</b><br><b>From FY 2021 - 2020</b> |
|----------------------------------------------|---------------------------------------------------|---------------------------------------------------|-----------------------------------------------------|
| General Fund                                 | \$1,042,339                                       | \$1,510,602                                       | -31.00%                                             |
| Special Revenue                              | 5,044,667                                         | 7,730,740                                         | -34.75%                                             |
| Debt Service                                 | 197,904                                           | 341,508                                           | -42.05%                                             |
| Capital Projects                             | 79,863                                            | 82,817                                            | -3.57%                                              |
| Enterprise                                   | 1,747,231                                         | 2,986,030                                         | -41.49%                                             |
| Internal Service                             | 642,734                                           | 1,252,495                                         | -48.68%                                             |
| <b>Total</b>                                 | <b>\$8,754,737</b>                                | <b>\$13,904,192</b>                               | <b>-37.04%</b>                                      |

| <b>County Total Portfolio</b> | <b>Book Value</b><br><b>as of September 30, 2021</b> | <b>Market Value</b><br><b>as of September 30, 2021</b> |
|-------------------------------|------------------------------------------------------|--------------------------------------------------------|
| Short Term and Bond Portfolio | \$400,795,609                                        | \$400,795,609                                          |
| Long Term Portfolio           | 312,152,986                                          | 313,144,482                                            |
| <b>Total</b>                  | <b>\$712,948,596</b>                                 | <b>\$713,940,091</b>                                   |

## Short Term and Long Term Portfolios Annual Review Fact Sheet

### Ending Balance as of September 30, 2021

|                                                |               |                                                   |                |
|------------------------------------------------|---------------|---------------------------------------------------|----------------|
| Short Term Portfolio Market Value <sup>1</sup> | \$400,795,609 | Short Term Portfolio Performance                  | Last 12 Months |
| Long Term Portfolio Market Value               | 313,144,482   | Yield at Cost                                     |                |
| Total All Assets                               | \$713,940,091 | Short Term Portfolio                              | 0.11%          |
|                                                |               | S&P Rated GIP Index Government 30 Day Gross Yield | 0.07%          |
|                                                |               | Performance over the Benchmark                    | 0.04%          |

### Interest Earnings

Total Portfolio Interest Earnings for Fiscal Year 2021

|  |                |                          |
|--|----------------|--------------------------|
|  | Last 12 Months | As of September 30, 2021 |
|  | \$8,754,737    | 15 Days                  |
|  |                | 30 Days                  |

### Additional Annual Returns in Dollars<sup>2</sup>

|                                            |                |                |
|--------------------------------------------|----------------|----------------|
| Total Return                               | Last 12 Months | Last 12 Months |
| Long Term Portfolio                        | \$1,127,320    |                |
| Merrill Lynch 1-3 Year U.S. Treasury Index | 93,943         | 0.36%          |
| Additional Returns over Benchmark          | \$1,033,377    | 0.03%          |
|                                            |                | 0.33%          |

|                                            |                 |
|--------------------------------------------|-----------------|
| Effective Duration                         | Fiscal Year End |
| Long Term Portfolio                        | 1.83 Years      |
| Merrill Lynch 1-3 Year U.S. Treasury Index | 1.83 Years      |

### Notes:

1. The Short Term Portfolio is managed by the County.
2. Based on the fiscal year end balance.

## Multi-Asset Class Management Portfolio Annual Review Fact Sheet

| Ending Balance as of September 30, 2021                          |              | Multi-Asset Class Management Portfolio Performance |        |
|------------------------------------------------------------------|--------------|----------------------------------------------------|--------|
| Multi-Asset Class Management Portfolio Market Value <sup>1</sup> | \$35,986,221 | Total Return                                       | 20.63% |
| Interest Earnings                                                |              | Multi-Asset Class Management Portfolio             | 17.94% |
| Total Portfolio Interest Earnings Year-to-Date                   | \$6,171,113  | Multi-Asset Class Management Portfolio Benchmark   | 2.69%  |
|                                                                  |              | Performance over the Benchmark                     |        |

| Sector Allocation Breakout |                        | Sector Allocation (%) | Benchmark Target (%) | Overweight/Underweight |  | Sector Performance Year-to-Date | Benchmark Performance YTD |
|----------------------------|------------------------|-----------------------|----------------------|------------------------|--|---------------------------------|---------------------------|
|                            | Sector Allocation (\$) |                       |                      |                        |  |                                 |                           |
| Domestic Equity            | \$15,047,195           | 41.8%                 | 42.0%                | -0.2%                  |  | 32.80%                          | 5.41%                     |
| International Equity       | 8,220,706              | 22.8%                 | 23.0%                | -0.2%                  |  | 24.60%                          | -5.44%                    |
| Fixed Income               | 8,851,623              | 24.6%                 | 35.0%                | -10.4%                 |  | 1.12%                           | 6.79%                     |
| Other Growth <sup>2</sup>  | 2,209,533              | 6.1%                  | 0.0%                 | 6.1%                   |  | N/A                             | N/A                       |
| Other Income <sup>2</sup>  | 972,579                | 2.7%                  | 0.0%                 | 2.7%                   |  | N/A                             | N/A                       |
| Real Return <sup>2</sup>   | 684,585                | 1.9%                  | 0.0%                 | 1.9%                   |  | N/A                             | N/A                       |
| Total                      | \$35,986,221           | 100.0%                | 100.0%               | 0.00%                  |  | 20.63%                          | 17.94%                    |

## Notes:

1. Based on the fiscal year end balance.
2. N/A is listed for sectors that do not have a full fiscal year of performance.

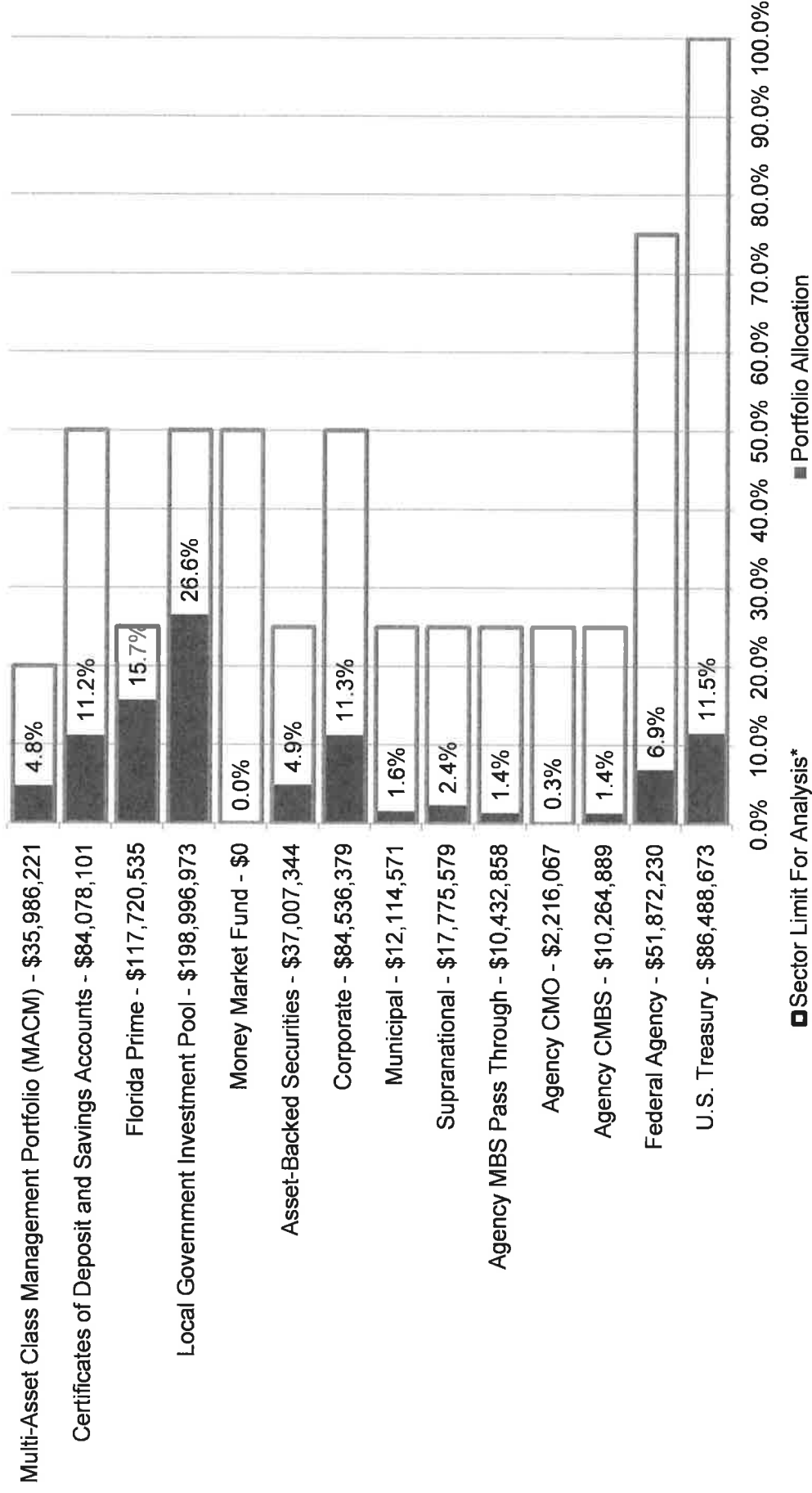
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# Tab II

BREVARD COUNTY

- The Short Term and Bond Portfolio is of high credit quality and invested in certificates of deposit, Florida Prime (SBA), FL PALM, Florida Fit, and bank accounts.
- The Short Term and Bond Portfolio ended the fiscal year with a yield to maturity at cost of 0.11%, 4 basis points (0.04%) higher than the benchmark yield of 0.07%.
- The Long Term Fund Portfolio is of high credit quality and invested in U.S. Treasury, corporate, federal agency, asset-backed, supranational, municipal, agency MBS passthrough, agency CMBS, and agency CMO securities
- The Long Term Fund Portfolio's annual total return performance of 0.36% outperformed the benchmark performance of 0.03% by 0.33%.
- The Multi-Asset Class Management Portfolio was created during the 4th Quarter of 2018. Fiscal year-to-date performance of the portfolio is 20.63%, outperforming the benchmark's performance of 17.94%.
- At the Federal Open Market Committee's (FOMC) September meeting, officials hinted that a tapering of bond purchases could begin as soon as November. More importantly, the Fed indicated that a likely path of tapering could conclude around the middle of next year – a faster pace than was expected by analysts. Half of the FOMC participants indicated that they expect to increase short-term rates at least once in 2022, with multiple hikes in place by the end of 2023. In its updated September projections, the Fed also lowered its forecast for GDP growth for 2021 from 7% to 5.9% and increased its forecast for inflation (Core PCE) from 3% to 3.7%. Longer-term projections were relatively unchanged.
- Diversification away from U.S. Treasuries was generally additive to performance in Q3. Broad, global demand for yield has continued to pressure yield spreads, which remained in very low and tight trading ranges. Most investment grade sectors produced positive excess returns for Q3 – returns in excess of comparable maturity Treasuries – but at a lesser pace than in prior recent quarters. Low yields mean lesser income, while narrow spreads mean less opportunity for price gains from further spread compression. Something close to index-level returns is about all that can be expected in upcoming quarters.

## Sector Allocation Analytics



For informational/analytical purposes only and is not provided for compliance assurance.

\*Sector Limit for Analysis is as derived from our interpretation of your most recent Investment Policy and the request from the County to include MACM Portfolios at a sector limit of 20%.

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# Tab III

## Short Term and Bond Portfolio Yields

### Yields<sup>1,2</sup>

| <u>Security Type</u>                   | <u>Yield at Cost as of<br/>September 30, 2021</u> | <u>Percent of Portfolio<br/>September 30, 2021</u> | <u>Yield at Cost as of<br/>September 30, 2020</u> | <u>Percent of Portfolio<br/>September 30, 2020</u> |
|----------------------------------------|---------------------------------------------------|----------------------------------------------------|---------------------------------------------------|----------------------------------------------------|
| Florida PRIME (SBA)                    | 0.09%                                             | 29.37%                                             | 0.33%                                             | 34.01%                                             |
| SunTrust Bank Account                  | 0.35%                                             | 7.75%                                              | 0.35%                                             | 2.21%                                              |
| PFM FL PALM                            | 0.05%                                             | 24.09%                                             | 0.29%                                             | 19.30%                                             |
| PFM FL PALM - Term                     | 0.00%                                             | 0.00%                                              | 0.32%                                             | 3.42%                                              |
| Bank United Money Market Fund          | 0.20%                                             | 5.74%                                              | 0.30%                                             | 7.67%                                              |
| Florida FIT                            | 0.09%                                             | 25.56%                                             | 0.41%                                             | 22.99%                                             |
| Bank United CD                         | 0.13%                                             | 7.49%                                              | 0.35%                                             | 10.40%                                             |
| <b>Total Average Yield<sup>2</sup></b> | <b>0.11%</b>                                      | <b>100.00%</b>                                     | <b>0.34%</b>                                      | <b>100.00%</b>                                     |

### Benchmarks

S&P Rated GIP Index Government 30 Day Yield<sup>3</sup>

September 30, 2021

0.07%

September 30, 2020

0.19%

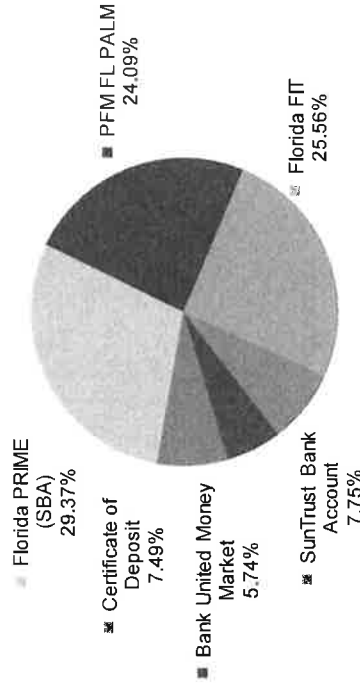
### Notes:

1. Yields are presented as "Yield on Cost" pursuant to the County's Investment Policy Performance Section for short-term securities and compared to the benchmark which is the Standard & Poor's GIP 30 Day Index.
2. Yield on Cost is a dollar-weighted yield.
3. Monthly yield, gross of fees. Source Standard & Poor's Financial Institutions Ratings.
4. Bank Deposits in excess of \$250,000 are collateralized under Florida State Statute 280 with U.S. Government and U.S. Government Agency securities, including Mortgage-Backed Securities.

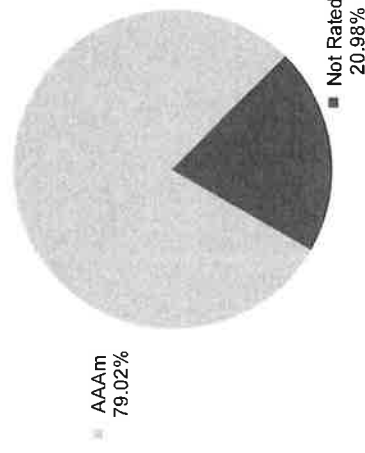
Short Term and Bond Portfolio Composition (Market Value)

| Security Type <sup>1</sup> | Balance as of<br>September 30, 2021 | Percent of<br>Portfolio | Balance as of<br>September 30, 2020 | Percent of<br>Portfolio |
|----------------------------|-------------------------------------|-------------------------|-------------------------------------|-------------------------|
| Florida PRIME (SBA)        | \$117,720,535                       | 29.37%                  | \$99,524,893                        | 34.01%                  |
| PFM FL PALM                | 96,567,324                          | 24.09%                  | 56,470,122                          | 19.30%                  |
| Florida FIT                | 102,429,649                         | 25.56%                  | 67,278,228                          | 22.99%                  |
| SunTrust Bank Account      | 31,073,537                          | 7.75%                   | 6,464,926                           | 2.21%                   |
| Bank United Money Market   | 22,995,041                          | 5.74%                   | 22,449,840                          | 7.67%                   |
| PFM FL PALM - Term         | 0                                   | 0.00%                   | 10,008,679                          | 3.42%                   |
| Certificate of Deposit     | 30,009,524                          | 7.49%                   | 30,417,288                          | 10.40%                  |
| <b>Totals</b>              | <b>\$400,795,609</b>                | <b>100.00%</b>          | <b>\$292,613,976</b>                | <b>100.00%</b>          |

Portfolio Composition  
as of September 30, 2021<sup>1</sup>



Credit Quality Distribution  
as of September 30, 2021<sup>2</sup>



Notes:

1. Investment balances are market values as of September 30, 2021.
2. Credit rating of securities held in portfolio. Standard & Poor's is the source of the credit ratings. The SBA Fund B and Bank Deposits are not rated.
3. Bank Deposits in excess of \$250,000 are collateralized under Florida State Statute 280 with U.S. Government and U.S. Government Agency securities, including Mortgage-Backed Securities.
4. Market Values listed exclude Multi-Asset Class Assets. Market Values exclude accrued interest or estimated income from FL PALM TERM securities.

**For the Fiscal Year Ended September 30, 2021**

**BREVARD COUNTY**

*Short Term and Bond Portfolio Composition*

**Short Term and Bond Portfolio Holdings and Yields<sup>1</sup> as of September 30, 2021**

| Security Description     | CUSIP      | Purchase Date | Maturity Date | Par Value      | Book Amount    | Market Value   | Yield on Cost <sup>2</sup> |
|--------------------------|------------|---------------|---------------|----------------|----------------|----------------|----------------------------|
| Florida Prime (SBA)      |            |               |               | \$ 117,720,535 | \$ 117,720,535 | \$ 117,720,535 | 0.09%                      |
| PFM FL PALM              |            |               |               | \$ 96,567,324  | \$ 96,567,324  | \$ 96,567,324  | 0.05%                      |
| Florida FIT              |            |               |               | \$102,429,649  | \$102,429,649  | \$102,429,649  | 0.09%                      |
| SunTrust Bank Account    |            |               |               | 31,073,537     | 31,073,537     | 31,073,537     | 0.35%                      |
| Bank United CD           | 1815113150 | 5/25/2021     | 2/26/2022     | 10,005,303     | 10,005,303     | 10,005,303     | 0.15%                      |
| Bank United CD           | 1815057503 | 8/24/2021     | 2/24/2022     | 10,000,192     | 10,000,192     | 10,000,192     | 0.10%                      |
| Bank United CD           | 1815043014 | 6/26/2021     | 6/28/2022     | 10,004,029     | 10,004,029     | 10,004,029     | 0.15%                      |
| Bank United Money Market |            |               |               | 22,995,041     | 22,995,041     | 22,995,041     | 0.20%                      |

|                    |  |  |  |                       |                      |                       |              |
|--------------------|--|--|--|-----------------------|----------------------|-----------------------|--------------|
| <b>Grand Total</b> |  |  |  | <b>\$ 400,795,609</b> | <b>\$400,795,609</b> | <b>\$ 400,795,609</b> | <b>0.11%</b> |
|--------------------|--|--|--|-----------------------|----------------------|-----------------------|--------------|

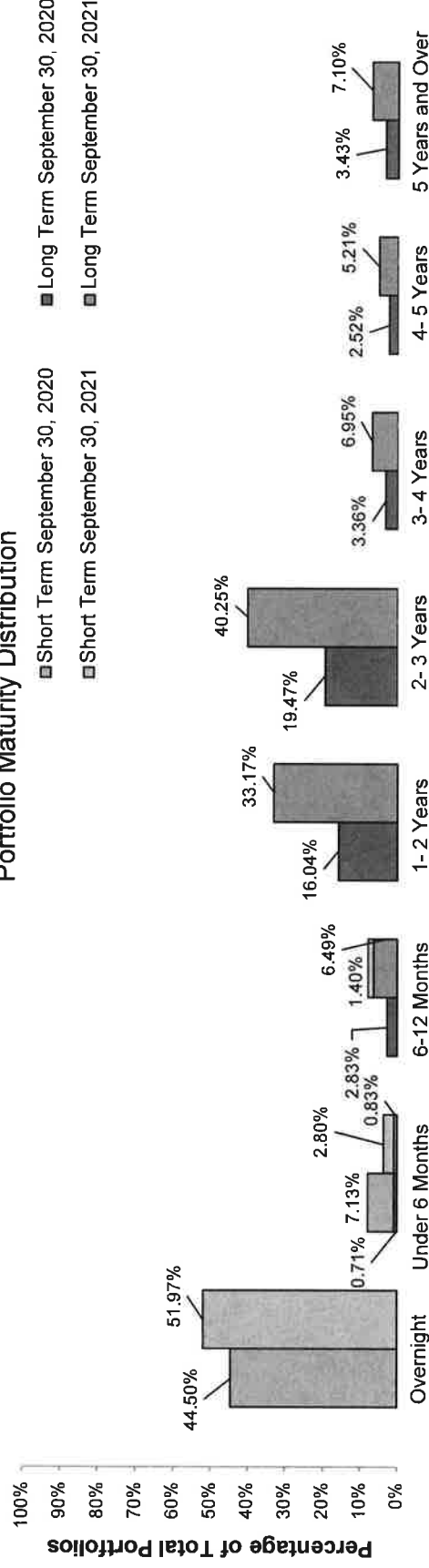
**Notes:**

1. Yields are presented as "Yield on Cost" pursuant to the County's Investment Policy Performance Section for short-term securities and compared to the benchmark which is the Standard & Poor's GIP 30 Day Index.
2. Yield on Cost is a dollar-weighted yield.
3. Bank Deposits in excess of \$250,000 are collateralized under Florida State Statute 280 with U.S. Government and U.S. Government Agency securities, including Mortgage-Backed Securities.

### Long Term and Short Term Fund Portfolios Maturity Distribution

| <u>Maturity Distribution</u> <sup>1</sup> | <u>September 30, 2021</u> | <u>September 30, 2020</u> |
|-------------------------------------------|---------------------------|---------------------------|
| Overnight (Money Market Fund)             | \$370,786,086             | \$252,188,009             |
| Under 6 Months                            | 26,469,434                | 44,455,811                |
| 6 - 12 Months                             | 13,467,167                | 16,053,955                |
| 1 - 2 Years                               | 132,092,472               | 90,936,877                |
| 2 - 3 Years                               | 115,861,547               | 110,340,179               |
| 3 - 4 Years                               | 32,257,263                | 19,051,228                |
| 4 - 5 Years                               | 8,343,253                 | 14,274,433                |
| 5 Years and Over                          | 14,226,978                | 19,466,445                |
| <b>Totals</b>                             | <b>\$713,504,199</b>      | <b>\$566,766,936</b>      |

### Portfolio Maturity Distribution



#### Notes:

1. Callable securities in portfolio are included in the maturity distribution analysis to their stated maturity date, although they may be called prior to maturity.
2. Market Values listed exclude Multi-Asset Class Assets. Market Values exclude accrued interest or estimated income from FL PALM TERM securities.

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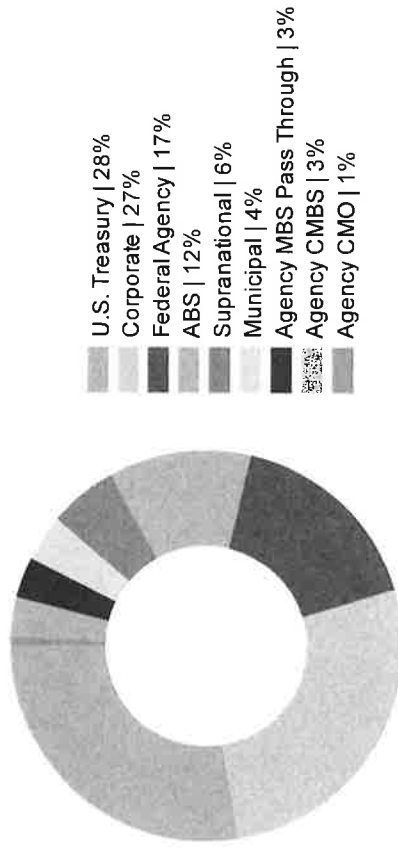
# Tab IV

## Portfolio Snapshot - BREVARD COUNTY LONG TERM<sup>1</sup>

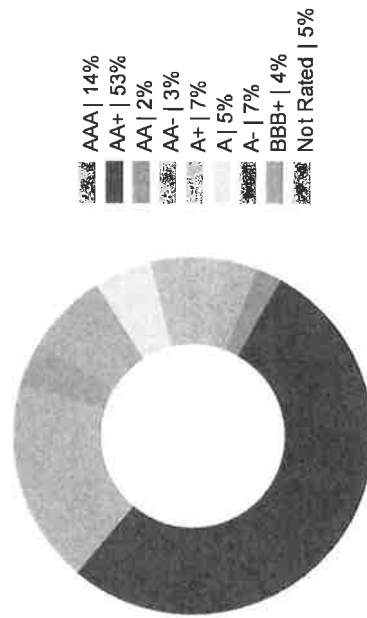
### Portfolio Statistics

|                              |                  |
|------------------------------|------------------|
| Total Market Value           | \$313,144,481.67 |
| Portfolio Effective Duration | 1.83 years       |
| Benchmark Effective Duration | 1.83 years       |
| Yield At Cost                | 0.73%            |
| Yield At Market              | 0.54%            |
| Portfolio Credit Quality     | AA               |

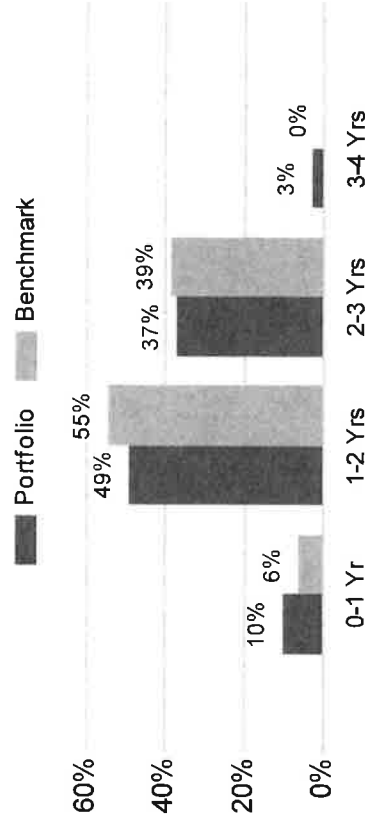
### Sector Allocation



### Credit Quality - S&P



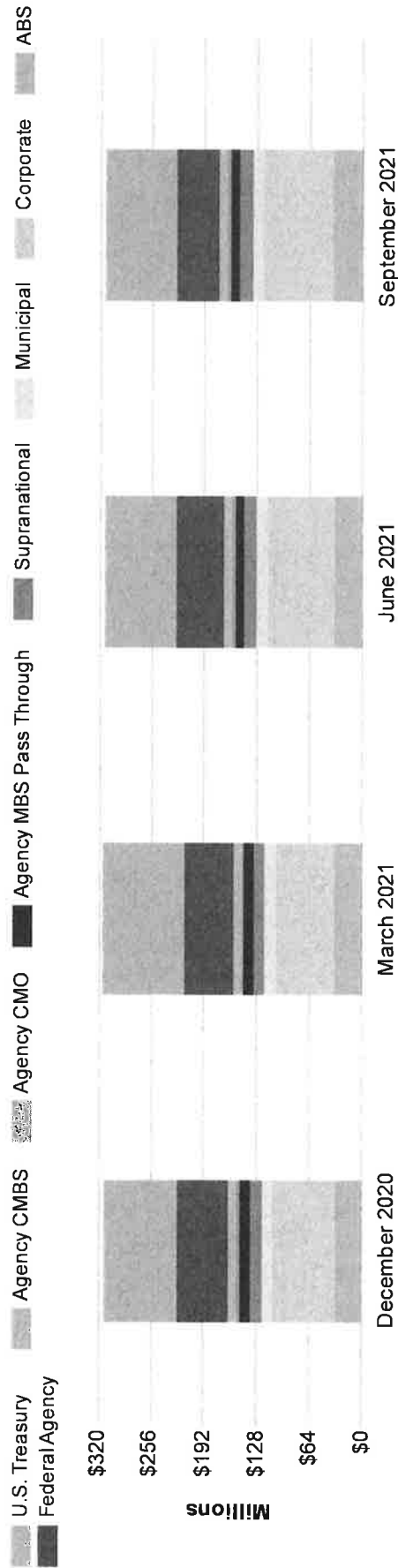
### Duration Distribution



1. The portfolio's benchmark is the ICE BofAML 1-3 Year U.S. Treasury Index. Source: Bloomberg.  
An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.

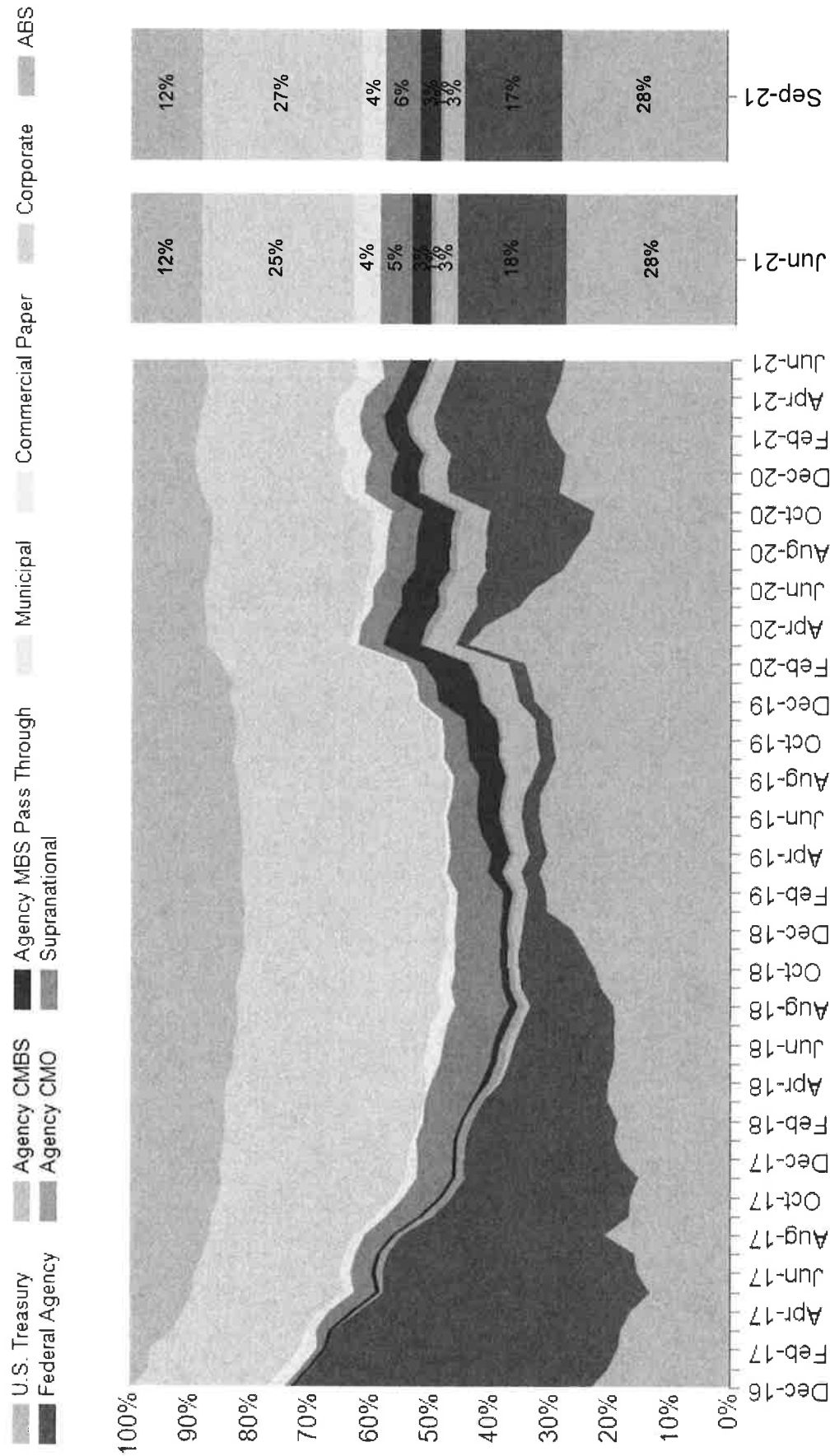
## Sector Allocation Review - BREVARD COUNTY LONG TERM

| Security Type           | Dec-20         | % of Total    | Mar-21         | % of Total    | Jun-21         | % of Total    | Sep-21         | % of Total    |
|-------------------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|
| U.S. Treasury           | \$89.3         | 28.3%         | \$98.7         | 31.3%         | \$88.2         | 28.1%         | \$86.5         | 27.7%         |
| Federal Agency          | \$61.5         | 19.6%         | \$59.3         | 18.8%         | \$57.3         | 18.2%         | \$51.9         | 16.6%         |
| Agency CMBS             | \$11.7         | 3.7%          | \$11.2         | 3.6%          | \$10.6         | 3.4%          | \$10.3         | 3.3%          |
| Agency CMO              | \$3.0          | 1.0%          | \$2.7          | 0.9%          | \$2.5          | 0.8%          | \$2.2          | 0.7%          |
| Agency MBS Pass Through | \$13.8         | 4.4%          | \$11.3         | 3.6%          | \$10.2         | 3.2%          | \$10.4         | 3.3%          |
| Supranational           | \$13.5         | 4.3%          | \$13.1         | 4.1%          | \$15.8         | 5.0%          | \$17.8         | 5.7%          |
| Municipal               | \$13.0         | 4.1%          | \$13.7         | 4.3%          | \$13.7         | 4.4%          | \$12.1         | 3.9%          |
| Corporate               | \$76.0         | 24.2%         | \$71.1         | 22.5%         | \$79.9         | 25.4%         | \$84.5         | 27.0%         |
| ABS                     | \$32.6         | 10.4%         | \$34.3         | 10.9%         | \$36.0         | 11.5%         | \$37.0         | 11.8%         |
| <b>Total</b>            | <b>\$314.5</b> | <b>100.0%</b> | <b>\$315.4</b> | <b>100.0%</b> | <b>\$314.2</b> | <b>100.0%</b> | <b>\$312.7</b> | <b>100.0%</b> |



Market values, excluding accrued interest. Only includes investments held within the separately managed account(s). Detail may not add to total due to rounding.

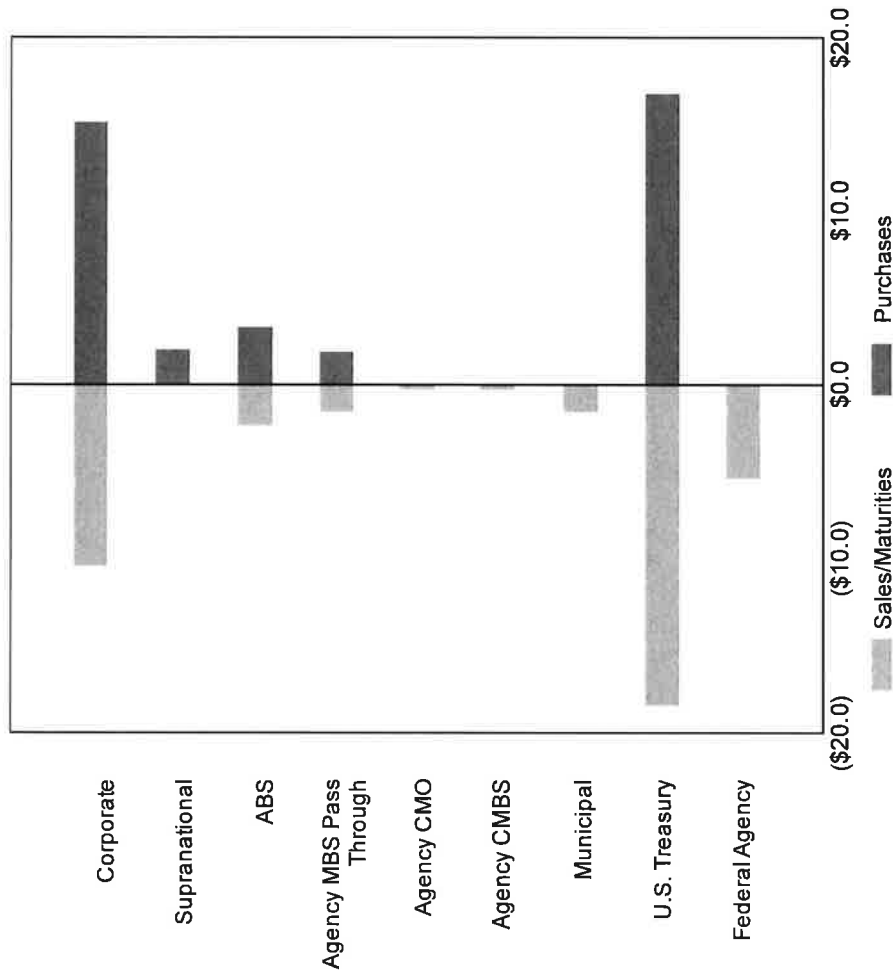
## Historical Sector Allocation - BREVARD COUNTY LONG TERM



Only includes investments held within the separately managed account(s).

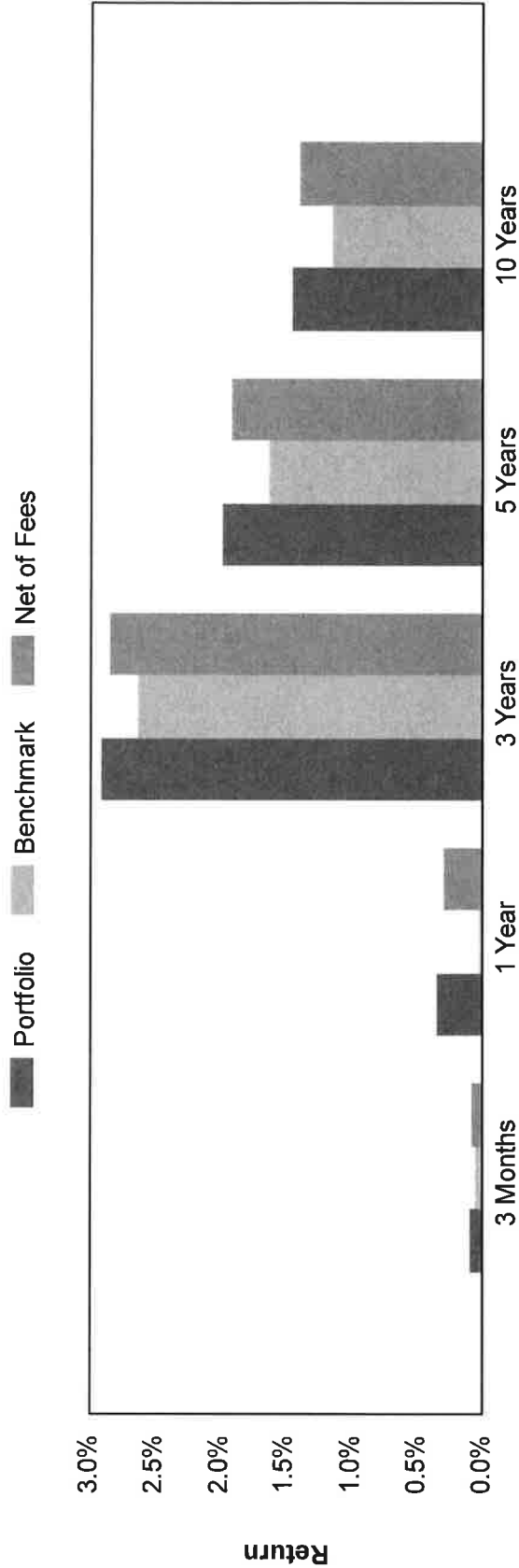
## Portfolio Activity - BREVARD COUNTY LONG TERM

Net Activity by Sector  
(\$ millions)



Based on total proceeds (principal and accrued interest) of buys, sells, maturities, and principal paydowns. Detail may not add to total due to rounding.

## Portfolio Performance



| Market Value Basis Earnings  |  | 3 Months    | 1 Year        | 3 Years      | 5 Years      | 10 Years     |
|------------------------------|--|-------------|---------------|--------------|--------------|--------------|
| Interest Earned <sup>2</sup> |  | \$688,828   | \$3,493,104   | \$13,683,360 | \$19,645,384 | \$29,946,572 |
| Change in Market Value       |  | (\$380,812) | (\$2,407,796) | \$6,105,619  | \$2,384,727  | \$1,165,111  |
| Total Dollar Return          |  | \$308,016   | \$1,085,308   | \$19,788,979 | \$22,030,111 | \$31,111,683 |
| Total Return <sup>3</sup>    |  |             |               |              |              |              |
| Portfolio                    |  | 0.10%       | 0.36%         | 2.92%        | 1.98%        | 1.45%        |
| Benchmark <sup>4</sup>       |  | 0.06%       | 0.03%         | 2.64%        | 1.63%        | 1.16%        |
| Basis Point Fee              |  | 0.02%       | 0.06%         | 0.07%        | 0.06%        | 0.06%        |
| Net of Fee Return            |  | 0.08%       | 0.30%         | 2.85%        | 1.91%        | 1.39%        |

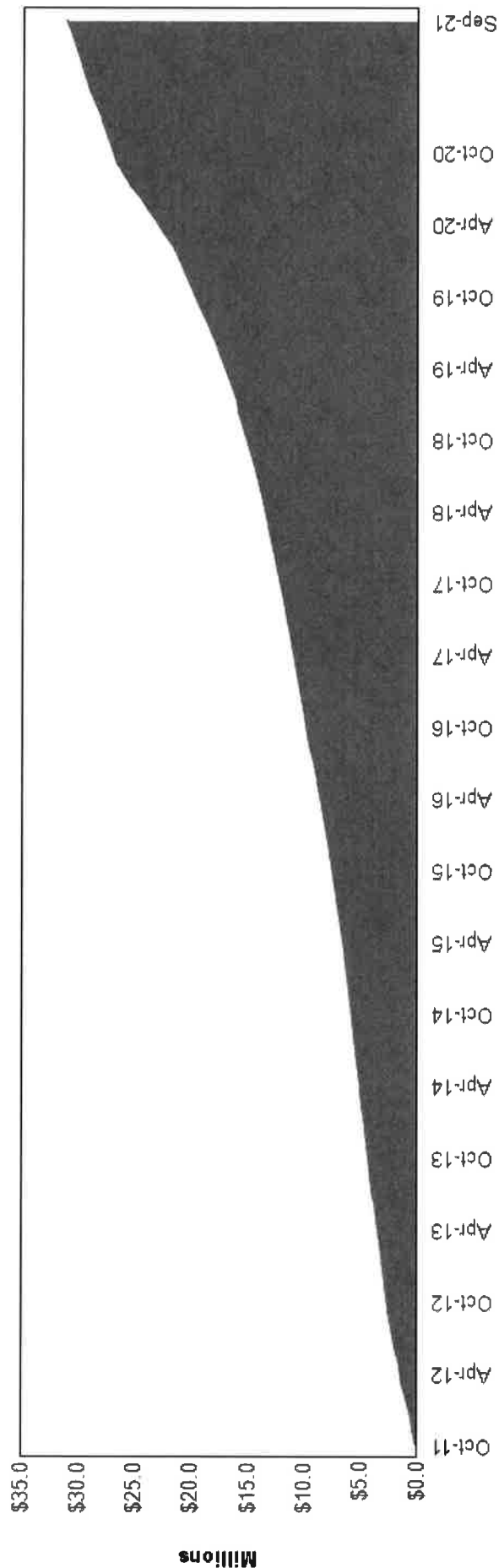
1. The lesser of 10 years or since inception is shown. Performance inception date is March 31, 2002.

2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

3. Returns for periods one year or less are presented on a periodic basis. Returns for periods greater than one year are presented on an annualized basis.

4. The portfolio's benchmark is the ICE BofAML 1-3 Year U.S. Treasury Index. Source: Bloomberg

## Accrual Basis Earnings - BREVARD COUNTY LONG TERM



| Accrual Basis Earnings    | 3 Months           | 1 Year             | 3 Years             | 5 Year              | 10 Year             |
|---------------------------|--------------------|--------------------|---------------------|---------------------|---------------------|
| Interest Earned           | \$688,828          | \$3,493,104        | \$13,683,360        | \$19,645,384        | \$29,946,572        |
| Realized Gains / (Losses) | \$482,420          | \$1,440,775        | \$3,220,903         | \$2,733,099         | \$4,939,349         |
| Change in Amortized Cost  | (\$83,006)         | (\$487,076)        | (\$604,605)         | (\$818,466)         | (\$3,634,645)       |
| <b>Total Earnings</b>     | <b>\$1,088,242</b> | <b>\$4,446,803</b> | <b>\$16,299,658</b> | <b>\$21,560,017</b> | <b>\$31,251,276</b> |

1. The lesser of 10 years or since inception is shown. Performance inception date is March 31, 2002.
2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.
3. Realized gains / (losses) are shown on an amortized cost basis.



**Brevard County  
Board of Commissioners  
Multi-Asset Class Portfolio**

**Investment Performance Review  
For the Quarter Ended September 30, 2021**

**Client Management Team**

Steven Alexander, CTP, CGFO, CPPT, Managing Director  
Khalid Yasin, CIMA, CHP, Director

**PFM Asset Management LLC**

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Philadelphia, PA 19103  
215-567-6100

## **Financial Markets & Investment Strategy Review**

**Market Index Performance**

As of September 30, 2021

|                                                | QTD    | YTD    | 1 Year | 3 Years | 5 Years | 7 Years | 10 Years |
|------------------------------------------------|--------|--------|--------|---------|---------|---------|----------|
| <b>DOMESTIC EQUITY</b>                         |        |        |        |         |         |         |          |
| S&P 500                                        | 0.58%  | 15.92% | 30.00% | 15.99%  | 16.90%  | 14.01%  | 16.63%   |
| Russell 3000 Index                             | -0.10% | 14.99% | 31.88% | 16.00%  | 16.85%  | 13.93%  | 16.60%   |
| Russell 1000 Value Index                       | -0.78% | 16.14% | 35.01% | 10.07%  | 10.94%  | 9.32%   | 13.51%   |
| Russell 1000 Growth Index                      | 1.16%  | 14.30% | 27.32% | 22.00%  | 22.84%  | 18.51%  | 19.68%   |
| Russell Midcap Index                           | -0.93% | 15.17% | 38.11% | 14.22%  | 14.39%  | 12.15%  | 15.52%   |
| Russell 2500 Index                             | -2.68% | 13.83% | 45.03% | 12.47%  | 14.25%  | 12.19%  | 15.27%   |
| Russell 2000 Value Index                       | -2.98% | 22.92% | 63.92% | 8.58%   | 11.03%  | 10.19%  | 13.22%   |
| Russell 2000 Index                             | -4.36% | 12.41% | 47.68% | 10.54%  | 13.45%  | 11.90%  | 14.63%   |
| Russell 2000 Growth Index                      | -5.65% | 2.82%  | 33.27% | 11.70%  | 15.34%  | 13.19%  | 15.74%   |
| <b>INTERNATIONAL EQUITY</b>                    |        |        |        |         |         |         |          |
| MSCI EAFE (net)                                | -0.45% | 8.35%  | 25.73% | 7.62%   | 8.81%   | 5.80%   | 8.10%    |
| MSCI AC World Index (Net)                      | -1.05% | 11.12% | 27.44% | 12.58%  | 13.20%  | 9.95%   | 11.90%   |
| MSCI AC World ex USA (Net)                     | -2.99% | 5.90%  | 23.92% | 8.03%   | 8.94%   | 5.68%   | 7.48%    |
| MSCI AC World ex USA Small Cap (Net)           | 0.00%  | 12.23% | 33.06% | 10.33%  | 10.28%  | 8.15%   | 9.44%    |
| MSCI EM (Net)                                  | -8.09% | -1.25% | 18.20% | 8.58%   | 9.23%   | 5.62%   | 6.09%    |
| <b>ALTERNATIVES</b>                            |        |        |        |         |         |         |          |
| FTSE NAREIT Equity REIT Index                  | 0.98%  | 23.15% | 37.39% | 10.01%  | 6.83%   | 9.04%   | 11.27%   |
| FTSE EPRA/NAREIT Developed Index               | -0.73% | 15.26% | 30.81% | 7.18%   | 5.51%   | 6.65%   | 9.27%    |
| Bloomberg Commodity Index Total Return         | 6.59%  | 29.13% | 42.29% | 6.86%   | 4.54%   | -1.49%  | -2.66%   |
| <b>FIXED INCOME</b>                            |        |        |        |         |         |         |          |
| Bimbg. Barc. U.S. Aggregate                    | 0.05%  | -1.56% | -0.90% | 5.35%   | 2.94%   | 3.26%   | 3.01%    |
| Bimbg. Barc. U.S. Government/Credit            | 0.04%  | -1.93% | -1.13% | 5.94%   | 3.24%   | 3.54%   | 3.24%    |
| Bimbg. Barc. Interm. U.S. Government/Credit    | 0.02%  | -0.87% | -0.40% | 4.63%   | 2.60%   | 2.74%   | 2.52%    |
| Bimbg. Barc. U.S. Treasury: 1-3 Year           | 0.07%  | -0.03% | 0.02%  | 2.68%   | 1.64%   | 1.47%   | 1.17%    |
| Bimbg. Barc. U.S. Corp: High Yield             | 0.89%  | 4.53%  | 11.28% | 6.91%   | 6.52%   | 5.89%   | 7.42%    |
| Credit Suisse Leveraged Loan Index             | 1.13%  | 4.65%  | 8.46%  | 4.09%   | 4.64%   | 4.25%   | 5.04%    |
| ICE BofAML Global High Yield Constrained (USD) | -0.35% | 2.13%  | 9.75%  | 6.43%   | 6.04%   | 5.27%   | 7.12%    |
| Bimbg. Barc. Global Aggregate Ex USD           | -1.59% | -5.95% | -1.16% | 3.17%   | 1.10%   | 1.23%   | 0.90%    |
| JPM EMBI Global Diversified                    | -0.70% | -1.36% | 4.36%  | 5.65%   | 3.89%   | 4.90%   | 5.80%    |
| <b>CASH EQUIVALENT</b>                         |        |        |        |         |         |         |          |
| 90 Day U.S. Treasury Bill                      | 0.02%  | 0.04%  | 0.07%  | 1.18%   | 1.15%   | 0.85%   | 0.61%    |

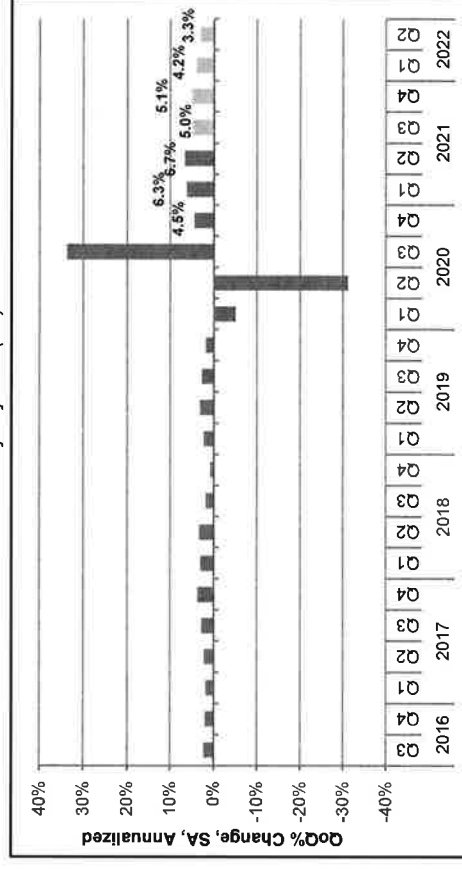
Source: Investment Metrics. Returns are expressed as percentages. Please refer to the last page of this document for important disclosures relating to this material.

## QUARTERLY MARKET SUMMARY

### THE ECONOMY

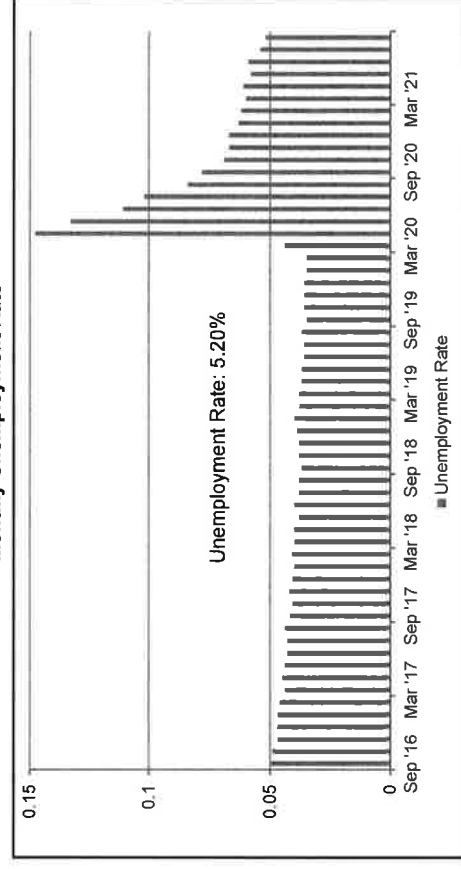
- Over the quarter, a surge of COVID-19 infections driven by the highly contagious delta variant put a strain on economic recovery as well as healthcare systems. The spike in global cases had widespread effects that reached many corners of the economic environment. Consumer sentiment declined all throughout the quarter, dropping to its lowest level since November last year. Whether this drag on recovery will continue is yet to be seen. Signs point to a decline in delta, as new case growth, on a seven-day-average basis, decreased by one-third during September. The positive test rate was down by a similar amount, and hospitalizations have been falling by almost as much. The improvement has been sharp, and it may well continue.
- The labor market showed inconsistent signs of recovery. While wages have increased and the number of job openings climbs higher, labor force participation has remained depressed with many industries unable to find workers. The positivity of the quarter-end decline in initial jobless claims was overshadowed by a jobs growth report that showed employment continuing to slow to its weakest pace this year.
- In the September meeting, the Federal Open Market Committee (FOMC) hinted at the possible tapering of asset purchasing later this year, perhaps as early as November. However, a "substantial further progress" hurdle on jobs and inflation in order to begin tapering was set in December. The updated September projections showed officials are now evenly split on whether or not it will be appropriate to begin raising the Federal Funds at least once in 2022. The Federal Reserve (Fed) has telegraphed it would not raise it before 2024, but policymakers' timelines have been expedited over rising inflation concerns as August saw inflation at 4.3%. Consumer concerns about inflation have been high as well, with September's survey of American households showing expectations of inflation rose to 5.3%.
- The U.S. trade deficit widened to a record high in August, jumping 4.2% as American consumers continued to show a strong appetite for imported goods such as pharmaceutical products and toys. However, supply chain disruptions continued to constrain global trade. The trade gap expanded to \$73.3 billion in August from \$70.3 billion in July. The increasing trade deficit will increasingly drag growth, subtracting from gross domestic product (GDP) growth for four straight quarters. The Atlanta Federal Reserve is forecasting a slowing of the GDP growth to a 2.3% annualized rate in the third quarter, a significant decrease from the incredible recent recovery, which resulted in a 6.7% growth rate in the second quarter.

**U.S. Real GDP Growth**  
Seasonally Adjusted (SA)



Source: Bloomberg. Blue bars indicate actual numbers; taupe bars indicate forecasted estimates.

**Monthly Unemployment Rate**



Source: Bloomberg.

## QUARTERLY MARKET SUMMARY

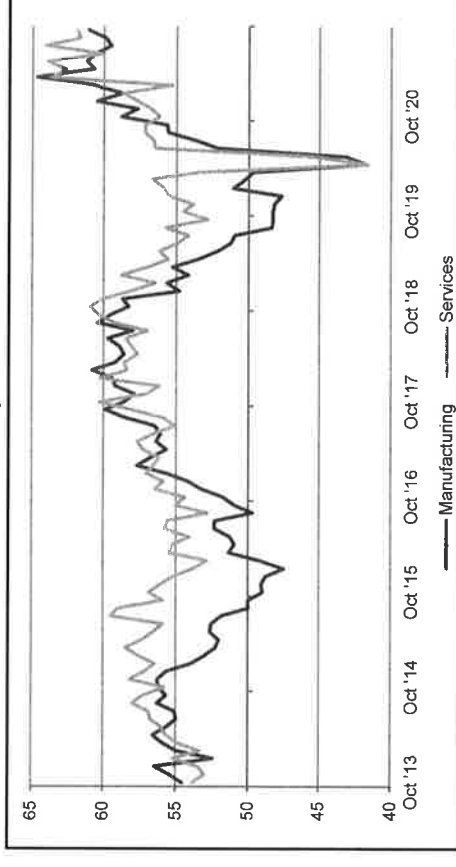
### WHAT WE'RE WATCHING

- The supply chain crisis continues, prompting worries about the world economy possibly slumping while prices are still rising quickly. Drewry's shipping index measures the composite cost of shipping containers and is up 291% compared with a year ago, with some of the busiest routes up sixfold. Contributing to the high prices are the long waits as ships and goods pile up at ports, met with a shortage workers and drivers. Even as other parts of the economy continue to recover, bottlenecks are forecast to constrain manufacturing output well into next year, hurting a sector that had powered the global recovery until recently. The IMF has revised their projections for the global economy's growth, stating the current global growth projection is 5.9% in 2021 and 4.9% in 2022, 0.1% lower for 2021 than in the July forecast.

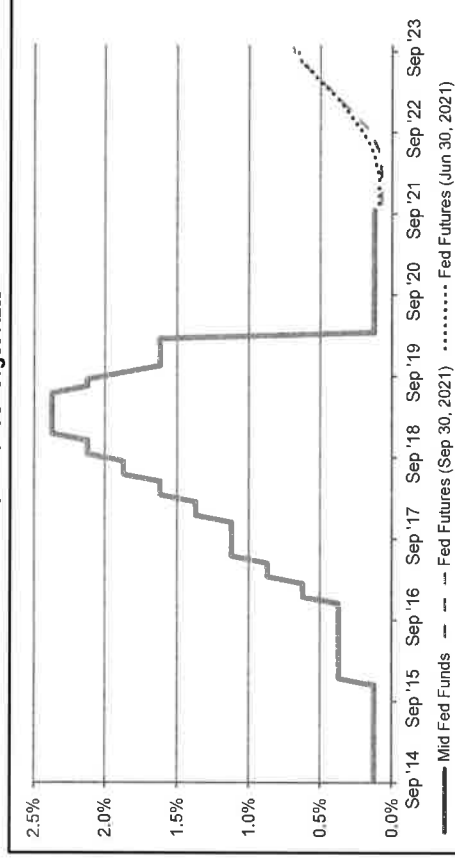
- The global energy crisis is making its mark across all economies. More than half of China's provinces have been rationing electricity, causing China's factory activity to unexpectedly shrink in September as manufacturers are forced to pause production. While China has just loosened its regulation of coal-powered energy producers in a bid to encourage more energy production, the energy shortage may weigh on GDP growth in 2022. In Europe, natural gas prices have rocketed almost 600% this year on worries that current low storage levels will be insufficient for the winter. Meanwhile, an increasing number of gas stations have been running out of fuel in the UK due to its "just-in-time market," leaving the country with little reserves. An agreement with Russia may reduce some of the issues in supply, but it remains to be seen if and how that will play out. Here in the U.S., gas prices have risen by 47% since the start of August and oil prices have hit a seven-year high, a ripple effect of the energy crunch elsewhere in the world.

- The ending of emergency stimulus and raising of rates across the world is creeping closer as central bankers look to the balance of risks. They will have to decide between targeting inflation with tighter monetary policy adding to the pressure on economies or trying to boost demand, possibly igniting prices further. Some countries have taken a more aggressive approach, with Norway, Brazil, Mexico, South Korea and New Zealand already raising interest rates. Others are more concerned about slowing growth. The European Central Bank and the Bank of Japan have communicated a continued plan to keep stimulating their economies, maintaining that the current inflation is transitory. The U.S. stands somewhere in the middle with the plans to taper bond purchases while maintaining rates.

ISM Manufacturing & Services PMI



Federal Funds Target Rate

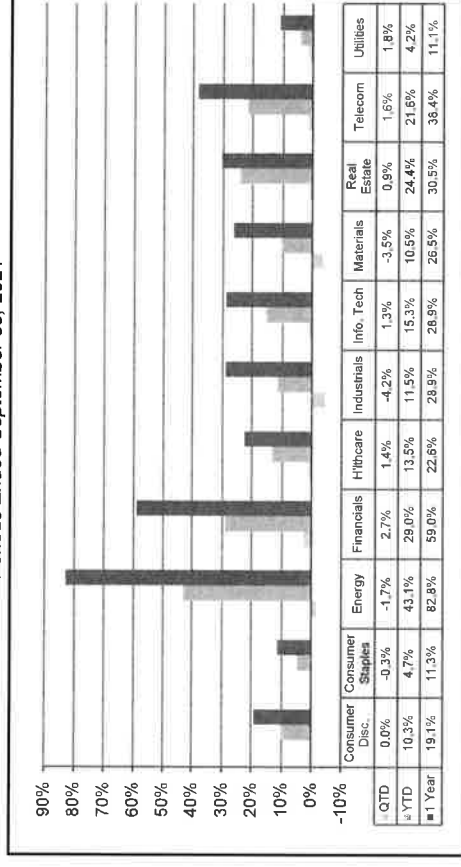


## QUARTERLY MARKET SUMMARY

### DOMESTIC EQUITY

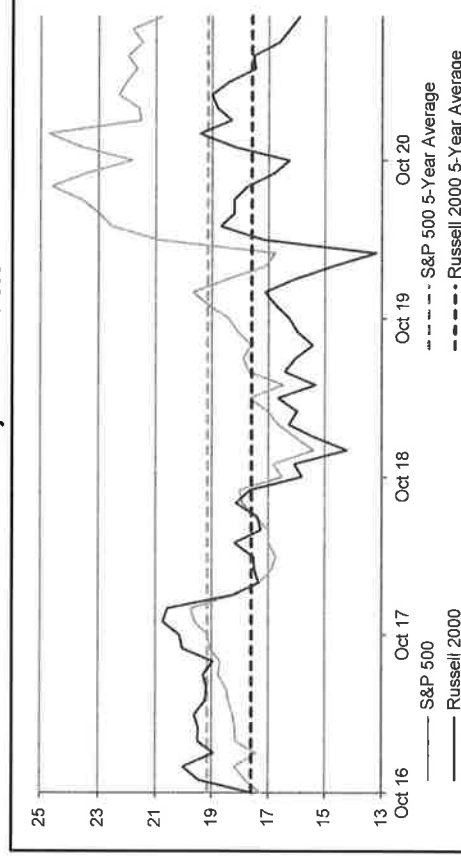
- The S&P 500 Index (S&P) posted a return of 0.58% for the quarter because September posted a negative return of -4.65%, which was a drag on the July and August returns. The Fed's recent meeting suggested tapering asset purchases, rising inflation expectations, debt ceiling discussions and slowing activity indicators. This resulted from the delta variant surge that led to higher volatility during the back half of the quarter.
- Within the S&P, six out of 11 sectors produced positive returns, with Financials (+2.7%), Utilities (+1.8%), and Communication services (+1.6%) leading the way. The Industrials (-4.2%) sector was the worst-performing sector during the quarter.
- Value stocks, as represented by the Russell 1000 Value Index, returned -0.78%, lagging growth stocks, as represented by the Russell 1000 Growth Index, which returned 1.16%.
- Small-caps, as represented by the Russell 2000 Index, returned -4.36% during the quarter, lagging mid- and large-caps. The Russell Midcap and Russell 1000 indices returned -0.93% and 0.21%, respectively.

**S&P 500 Index Performance by Sector**  
Periods Ended September 30, 2021



Source: Bloomberg.

**P/E Ratios of Major Stock Indices\***



Source: Bloomberg.

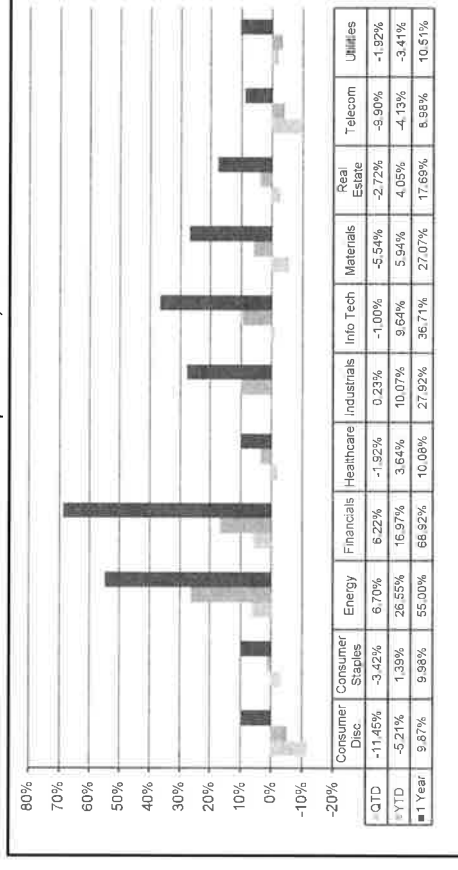
\*P/E ratios are calculated based on one-year forward estimates and adjusted to include only positive earnings results for consistency.

## QUARTERLY MARKET SUMMARY

### NON-U.S. EQUITY

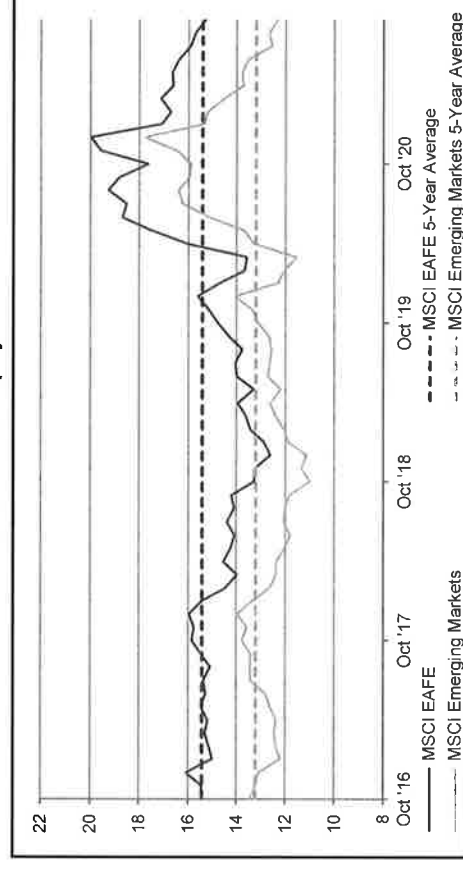
- Markets outside of the United States, as measured by the MSCI ACWI ex-U.S. Index, underperformed their U.S. counterparts, returning -2.99% for the quarter. Within the index, three of the 11 sectors posted positive returns for the quarter. Energy was the best-performing sector returning 6.7%, while Consumer Discretionary was the worst-performing sector returning -11.5%.
- Emerging markets (EM), as represented by MSCI Emerging Market Index, underperformed Developed ex-U.S. Markets, represented by the MSCI EAFE Index, returning -8.09% versus -0.45% for the quarter. MSCI China was a significant detractor returning -18.17% for the quarter, as the uncertainty surrounding the recent regulatory shifts and the default of Evergrande Property Group created a negative sentiment for Chinese equities.
- Value outperformed growth for the quarter across the International Markets (MSCI AC World ex-USA Value -2.32% versus MSCI AC World ex-USA Growth -2.99%), a reversal from the second quarter of 2021.
- Small-caps outperformed within the international equity markets, returning 0.00% for the quarter, as represented by MSCI ACWI ex-U.S. Small Cap Index.

MSCI ACWI ex-U.S. Sectors  
Periods Ended September 30, 2021



Source: Bloomberg

### P/E Ratios of MSCI Equity Indices\*



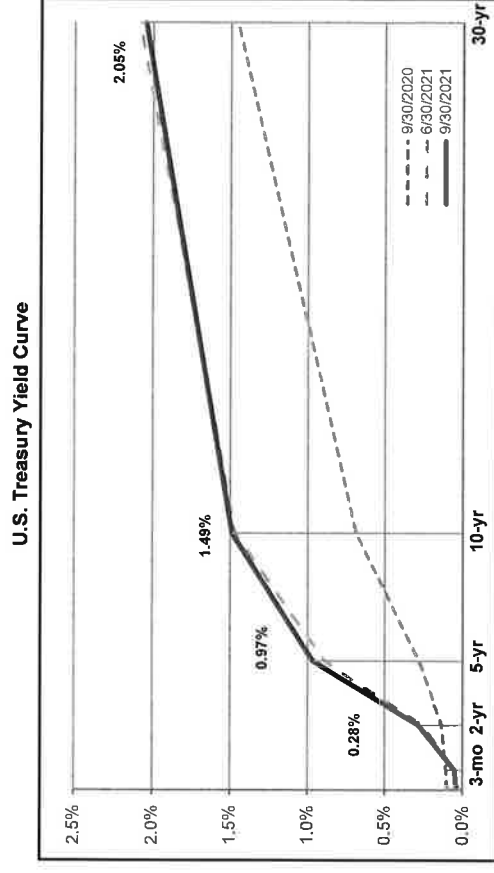
Source: Bloomberg

\*P/E ratios are calculated based on one-year forward estimates and adjusted to include only positive earnings results for consistency

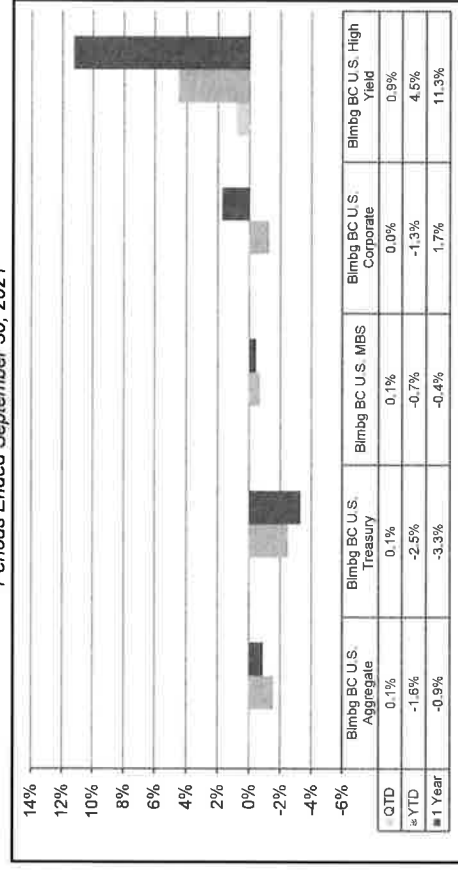
## QUARTERLY MARKET SUMMARY

### FIXED INCOME

- The U.S. bond market represented by the Bloomberg U.S. Aggregate (Aggregate) Index posted a mild gain of 0.05% in the third quarter.
- After drifting lower much of the quarter, long-term rates spiked in late September and erased the prior movement. Concerns arose after the FOMC meeting and inflation data. The 10- and 30-year treasury rates ended up seven and two basis points (bps) higher, respectively, versus the prior quarter-end. While the 5 year gained 11 bps. The Bloomberg Barclays U.S. Treasury Index gained 0.09%.
- Due to its higher duration, corporate credit had mixed results because the Bloomberg U.S. Corporate Index was flat for the quarter. High yield bonds, as represented by the Bloomberg U.S. Corporate High Yield (HY) Index, posted a return of 0.89% despite some spread widening. Within HY, results were strongest in the BB-rated area.



### Returns for Fixed-Income Segments Periods Ended September 30, 2021



- The fixed-rate mortgage market, as measured by the Bloomberg U.S. Mortgage-Backed Securities (MBS) Index, had another weak performance and only gained 0.10%. Meanwhile, the Bloomberg U.S. Agency CMBS Index (measuring commercial MBS) fell 0.22%.
- EM USD sovereign bonds, as represented by the JP Morgan EMBI Global Diversified Index, fell 70 bps. By region, Africa and Latin America have the most significant selloffs.

## QUARTERLY MARKET SUMMARY

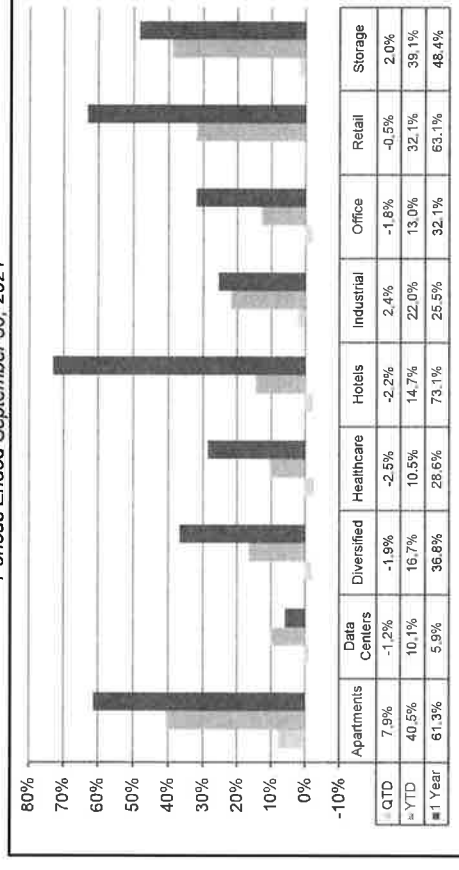
### ALTERNATIVES

- REITs, as measured by the FTSE NAREIT Equity REITs Index, returned just 1.0% in the third quarter of 2021, compared to a 12.0% return in the prior quarter. Several major sectors posted moderate losses over the third quarter, suggesting that investors are taking some profits following a strong performance in the industry over the course of the year. The gains were led by the Residential and Industrial sectors, which posted returns of 6.8% and 2.4%, respectively. Healthcare fell 2.5% and was the worst-performing sector in the third quarter.
- Private real estate, as measured by the NCREIF Property Index, returned 3.6% in the second quarter of 2021, resulting in a 7.4% return over the last twelve-month period. Industrial properties continued to be the top-performing sector, with a total return of 8.9% in the second quarter, comprising 1.1% in income return and 7.8% in appreciation return. Hotel properties were again the worst performers, but the sector still posted a slightly positive total return of 0.6%, comprised of -0.2% in income return and 0.8% in appreciation return.
- Hedge fund returns were relatively flat in the third quarter of 2021, with the HFRI Fund Weighted Composite Index returning -0.03%. During the same period, the HFRI Macro (Total) Index returned 0.02%. The HFRI Equity Hedge (Total) Index and the HFRI Fund of Funds Index returned -0.45% and 1.37%, respectively.
- In the second quarter of 2021, private capital fundraising was led by private equity funds, which closed on \$139 billion, followed by \$40 billion raised by private debt funds, \$29 billion raised by real assets funds, and \$24 billion raised by private real estate funds. Global private equity dry powder, which accounts for the bulk of private capital dry powder, reached a record \$2.3 trillion as of August 2021. According to Cambridge Associates, U.S. private equity generated a return of 15.3% for the five years ended Q4 2020. According to Cliffwater Direct Lending Index, U.S. middle-market loans, a proxy for private debt, generated a return of 8.9% for the five years ended Q2 2021.

- Commodity futures, represented by the Bloomberg Commodity Total Return Index, returned 6.6% in the third quarter of 2021. The U.S. Dollar Index (DXY) gained 1.9% over the same period. Gold spot price finished the quarter at \$1,756.95 per ounce, a -0.7% decline over the period. Despite the dip in the middle of the quarter, the West Texas Intermediate (WTI) Crude Oil spot price ended higher, increasing 2.3% from \$73.52 to \$75.22 per barrel during the third quarter of 2021.

### FTSE NAREIT Sectors

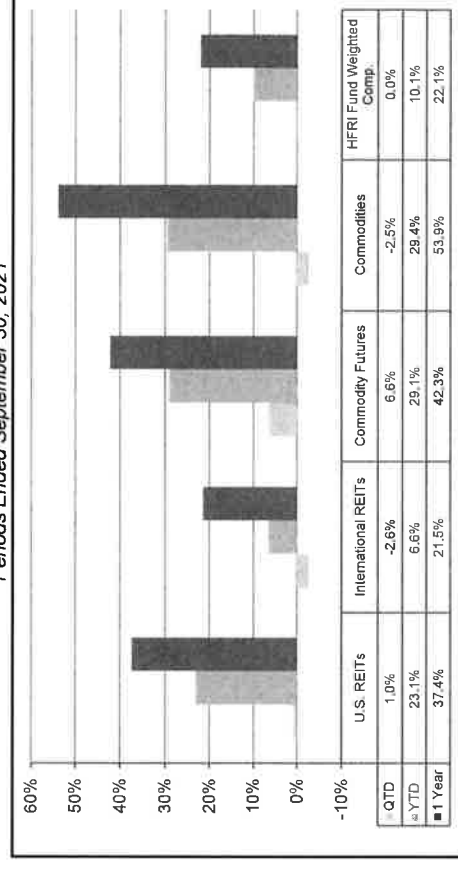
Periods Ended September 30, 2021



Source: Bloomberg.

### Returns for Alternative Assets

Periods Ended September 30, 2021



Sources: Bloomberg and Hedge Fund Research, Inc.

Investment Strategy Overview  
For the Fourth Quarter 2021

| Asset Class                                    | Our Investment Outlook | Comments                                                                                                                                                                                                                                       |
|------------------------------------------------|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>U.S. EQUITIES</b>                           |                        |                                                                                                                                                                                                                                                |
| Large-Caps                                     |                        | • Strong economic recovery and corporate earnings are currently baked into equity valuations. We expect equities to outperform fixed income in the near term, but we see higher volatility amidst rising inflation and Fed's tapering.         |
| Mid-Caps                                       |                        | • Earnings and profit margins are recovering strongly but possible rise in corporate taxes and impact of rising inflation needs to be considered.                                                                                              |
| Small-Caps                                     |                        | • Tilt towards large-caps which provide higher quality exposure while being neutral on mid- and small-caps.                                                                                                                                    |
| <b>NON - U.S. EQUITIES</b>                     |                        |                                                                                                                                                                                                                                                |
| Developed Markets                              |                        | • International equities continue to trade at a discount to U.S. equities. Steady improvement in economic activity is a tailwind while higher cyclical exposure does not offer defensive positioning.                                          |
| Emerging Markets                               |                        | • Improving global trade and pent-up demand are tailwinds for export-oriented developed economies.                                                                                                                                             |
| International Small-Caps                       |                        | • EM economies are still struggling with uneven recovery as lack of vaccines has been a headwind for most. Softer economic data coupled with regulatory crackdown in China create headline risk for EM.                                        |
| <b>FIXED INCOME</b>                            |                        |                                                                                                                                                                                                                                                |
| Long Duration, Interest-Rate-Sensitive Sectors |                        | • International small-caps are expected to recover as economic recovery continues.                                                                                                                                                             |
| Credit-Sensitive Sectors                       |                        | • Concerns of rising inflation have pressured long term rates this year. We expect to see long term rates rising further in anticipation of Fed tapering and rate rise. We expect the rise in inflation and long-term rates to be range bound. |
|                                                |                        | • Corporate spreads have narrowed substantially as credit markets have stabilized. A strong economic recovery is a tailwind while the tighter spreads limit the upside.                                                                        |
| <b>ALTERNATIVES</b>                            |                        |                                                                                                                                                                                                                                                |
| Real Estate                                    |                        | • Attractive valuations, low level of interest rates and improving economic activity resulting in higher asset prices and steady income are positives for Real Estate.                                                                         |
| Private Equity                                 |                        | • Improved credit market conditions and easy access to capital are a positive for private equity strategies especially as strong economic recovery takes hold.                                                                                 |
| Private Debt                                   |                        | • Private debt strategies are better poised for economic recovery and have better expected returns and higher yield potential over public markets due to differentiated opportunity set.                                                       |
| Hedge Funds                                    |                        | • Select hedge fund strategies managed by talented managers may provide some benefit in the current market environment of increased volatility. We remain cautious on the overall hedge fund universe.                                         |

## QUARTERLY MARKET SUMMARY

### Factors to Consider Over the Next 6-12 Months For Fourth Quarter 2021

|                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                               |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Monetary Policy:</b> <ul style="list-style-type: none"> <li>The Fed could start tapering before the year end and could raise rates in 2022.</li> <li>Globally, while all major central banks continue on the path of accommodative monetary policy, rate rise is being considered in light of rising inflation concerns.</li> </ul> | <b>Economic Growth:</b> <ul style="list-style-type: none"> <li>Global growth expectations have slowed from the recent highs due to the impact of delta variants.</li> <li>Developed economies are expected to grow faster while uneven recovery expected across EM economies.</li> </ul>                                                                  | <b>Fiscal Stimulus:</b> <ul style="list-style-type: none"> <li>Infrastructure and stimulus through budget reconciliation bills are currently being debated.</li> <li>Benefits of infrastructure spending accrue over long-term unlike relief-based measures which have near-term impact.</li> </ul>                           |
| <b>COVID-19 Containment:</b> <ul style="list-style-type: none"> <li>Delta variant negatively impacted consumer spending on high-touch services recently.</li> <li>Globally, pockets of vulnerability remain as new strains spread but vaccination rates have picked up pace too.</li> </ul>                                            | <b>Consumer Spending (U.S.):</b> <ul style="list-style-type: none"> <li>Labor market conditions continue to improve as economy reopens.</li> <li>Pent-up demand, strong consumer balance sheet and improving financial prospects expected to spur consumer spending.</li> <li>The strong housing market is a positive.</li> </ul>                         | <b>Inflation (U.S.):</b> <ul style="list-style-type: none"> <li>Rising inflation risk continues to evolve as supply constraints put upward pressure on various inflation metrics.</li> <li>Inflation expectations, and its impact on Fed policy will continue to weigh on risk-asset performance in the near-term.</li> </ul> |
| <b>Corporate Fundamentals:</b> <ul style="list-style-type: none"> <li>Earnings and profit margins are recovering strongly in 2021 globally but persistent inflation could dent these expectations.</li> <li>Impact of potential increase in corporate tax rate and taxation on stock buybacks needs to be considered.</li> </ul>       | <b>Valuations:</b> <ul style="list-style-type: none"> <li>Within U.S. equities, strong earnings growth is driving returns. Rising level of interest rates and rising inflation are headwinds make current valuation levels less attractive.</li> <li>Credit spreads are closer to historical lows, but strong economic recovery is a tailwind.</li> </ul> | <b>Political Risks:</b> <ul style="list-style-type: none"> <li>The U.S. and China continue to evolve with the risk of polarization between U.S. and China increasing.</li> </ul>                                                                                                                                              |

Current outlook
 Outlook one quarter ago

Stance  
 Unfavorable to Risk Assets
 
 Stance  
 Favorable to Risk Assets

The view expressed within this material constitute the perspective and judgment of PFM Asset Management LLC at the time of distribution (9/30/2021) and are subject to change.

## Plan Performance Review

**Brevard County Board of County Commissioners Multi-Asset Class Portfolio**      **As of September 30, 2021**

**Asset Allocation & Performance**

|                                                 | Allocation        |        | Performance(%) |              |        |         |         |                 |                |
|-------------------------------------------------|-------------------|--------|----------------|--------------|--------|---------|---------|-----------------|----------------|
|                                                 | Market Value (\$) | %      | 1 Quarter      | Year To Date | 1 Year | 3 Years | 5 Years | Since Inception | Inception Date |
| Total Fund                                      | 35,986,221        | 100.00 | -0.24          | 8.95         | 20.63  | N/A     | N/A     | 13.48           | 11/01/2018     |
| Blended Benchmark                               |                   |        | -0.69          | 6.97         | 17.94  | N/A     | N/A     | 13.22           | 11/01/2018     |
| Domestic Equity                                 | 15,047,195        | 41.81  | 0.43           | 16.00        | 32.80  | N/A     | N/A     | 20.11           | 11/01/2018     |
| PFM Multi-Manager Domestic Equity Fund          | 15,047,195        | 41.81  | 0.36           | 15.91        | 33.08  | 15.95   | N/A     | 19.56           | 11/01/2018     |
| Russell 3000 Index                              |                   |        | -0.10          | 14.99        | 31.88  | 16.00   | 16.85   | 19.59           | 11/01/2018     |
| Vanguard Total Stock Market ETF - 64.6%         |                   | 0.00   | -0.06          | 15.18        | 32.09  | 16.04   | 16.87   | 22.05           | 02/01/2020     |
| Russell 3000 Index                              |                   |        | -0.10          | 14.99        | 31.88  | 16.00   | 16.85   | 21.93           | 02/01/2020     |
| Vaughan Nelson Select - 12.8% (*)               |                   | 0.00   | 3.83           | 24.37        | 39.18  | 17.78   | N/A     | 22.65           | 11/01/2018     |
| Nuance All Cap Value - 10.0% (*)                |                   | 0.00   | -0.63          | 10.32        | 29.64  | 14.10   | N/A     | 16.53           | 11/01/2018     |
| Russell 3000 Index                              |                   |        | -0.10          | 14.99        | 31.88  | 16.00   | 16.85   | 19.59           | 11/01/2018     |
| Champlain Mid Cap Core - 9.2% (*)               |                   | 0.00   | 3.28           | 18.24        | 39.99  | 20.52   | N/A     | 24.17           | 11/01/2018     |
| S&P MidCap 400                                  |                   |        | -1.76          | 15.52        | 43.68  | 11.08   | 12.97   | 15.32           | 11/01/2018     |
| Jacobs Levy Small Cap - 3.1% (*)                |                   | 0.00   | -2.61          | 26.44        | 71.53  | N/A     | N/A     | 20.16           | 05/01/2019     |
| S&P SmallCap 600                                |                   |        | -2.84          | 20.05        | 57.64  | 9.44    | 13.57   | 15.45           | 05/01/2019     |
| International Equity                            | 8,220,706         | 22.84  | -2.48          | 6.62         | 24.60  | N/A     | N/A     | 13.27           | 11/01/2018     |
| PFM Multi-Manager International Equity Fund     | 8,220,706         | 22.84  | -2.52          | 6.48         | 24.86  | 8.79    | N/A     | 12.24           | 11/01/2018     |
| MSCI AC World ex USA (Net)                      |                   |        | -2.99          | 5.90         | 23.92  | 8.03    | 8.94    | 11.46           | 11/01/2018     |
| iShares Core MSCI Total Int'l Stock ETF - 38.2% |                   | 0.00   | -3.05          | 6.39         | 24.70  | 8.28    | 9.19    | 12.46           | 02/01/2020     |
| MSCI AC World ex USA (Net)                      |                   |        | -2.99          | 5.90         | 23.92  | 8.03    | 8.94    | 11.79           | 02/01/2020     |
| Lazard Int'l ACW ex US - 5.7% (*)               |                   | 0.00   | 4.08           | 10.44        | 29.81  | 9.14    | N/A     | 12.19           | 11/01/2018     |
| MSCI AC World ex USA (Net)                      |                   |        | -2.99          | 5.90         | 23.92  | 8.03    | 8.94    | 11.46           | 11/01/2018     |
| WCM Focused Growth International - 15.2% (*)    |                   | 0.00   | 0.88           | 12.47        | 31.96  | N/A     | N/A     | 27.19           | 12/01/2019     |
| MSCI AC World ex USA (Net)                      |                   |        | -2.99          | 5.90         | 23.92  | 8.03    | 8.94    | 11.58           | 12/01/2019     |
| Acadian Non-U.S. Equity - 11.8% (*)             |                   | 0.00   | -1.58          | 10.13        | 26.19  | N/A     | N/A     | 12.22           | 01/01/2020     |
| MSCI EAFE (net)                                 |                   |        | -0.45          | 8.35         | 25.73  | 7.62    | 8.81    | 9.29            | 01/01/2020     |
| Aristotle International Equity - 12.2 (*)       |                   | 0.00   | 2.87           | 21.84        | 45.71  | 12.96   | N/A     | 17.12           | 11/01/2018     |
| MSCI EAFE (net)                                 |                   |        | -0.45          | 8.35         | 25.73  | 7.62    | 8.81    | 10.96           | 11/01/2018     |
| Artisan International Small-Mid - 3.5%          |                   | 0.00   | -1.33          | 4.53         | 23.30  | 15.92   | 13.97   | 6.02            | 02/01/2021     |
| MSCI AC World ex USA Smid Cap Index (Net)       |                   |        | -0.94          | 9.48         | 28.94  | 8.88    | 9.40    | 9.87            | 02/01/2021     |

Returns are net of mutual fund fees and are expressed as percentages.

Blended Benchmark: See historical hybrid composition page for details. Asset class level returns may vary from individual underlying manager returns due to cash flows.

(\*) Performance information is gross of fees and reflects sleeve level information (not specific to this client/investor). It is provided by sub-advisers of the PFM Multi-Manager Equity Fund, PFM Multi-Manager International Equity Fund and PFM Multi-Manager Fixed-Income Fund.

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**Brevard County Board of County Commissioners Multi-Asset Class Portfolio** **As of September 30, 2021**

**Asset Allocation & Performance**

|                                                   | Allocation        |       | Performance(%) |              |        |         |         |                 |                |
|---------------------------------------------------|-------------------|-------|----------------|--------------|--------|---------|---------|-----------------|----------------|
|                                                   | Market Value (\$) | %     | 1 Quarter      | Year To Date | 1 Year | 3 Years | 5 Years | Since Inception | Inception Date |
| Kayne Anderson International Small Cap - 6.0% (^) |                   | 0.00  | 0.61           | N/A          | N/A    | N/A     | N/A     | 1.67            | 05/01/2021     |
| MSCI AC World ex USA Small Cap (Net)              |                   |       | 0.00           | 12.23        | 33.06  | 10.33   | 10.28   | 1.68            | 05/01/2021     |
| Schroders Global Emerging Markets - 7.2% (^)      |                   | 0.00  | -7.64          | -0.86        | 22.60  | N/A     | N/A     | 14.20           | 01/01/2020     |
| MSCI EM (net)                                     |                   |       | -8.09          | -1.25        | 18.20  | 8.58    | 9.23    | 9.30            | 01/01/2020     |
| Other Growth                                      | 2,209,533         | 6.14  | 1.82           | N/A          | N/A    | N/A     | N/A     | 13.93           | 04/01/2021     |
| Cohen & Steers Inst Realty Shares                 | 525,036           | 1.46  | 1.07           | 22.86        | 33.48  | 14.13   | 9.65    | 13.18           | 04/01/2021     |
| Principal RE Securities Inst Fund                 | 530,736           | 1.47  | 1.47           | 21.73        | 32.85  | 13.01   | 9.23    | 13.79           | 04/01/2021     |
| SPDR Blmbg Barclays Convert Secs ETF              | 1,153,761         | 3.21  | -1.46          | 4.11         | 26.66  | 20.86   | 17.40   | N/A             | 10/01/2021     |
| Bloomberg Liquid US Convertibles Index            |                   |       | -1.33          | 4.81         | 27.78  | 21.72   | 18.13   | N/A             | 10/01/2021     |
| MSCI US REIT Index                                |                   |       | 0.98           | 23.00        | 37.16  | 10.10   | 6.84    | 13.09           | 04/01/2021     |
| Fixed Income                                      | 8,851,623         | 24.60 | 0.09           | -0.78        | 1.12   | N/A     | N/A     | 5.87            | 11/01/2018     |
| PFM Multi-Manager Fixed Income Fund               | 8,851,623         | 24.60 | 0.11           | -0.72        | 1.23   | 5.48    | N/A     | 6.01            | 11/01/2018     |
| Blmbg. U.S. Aggregate                             |                   |       | 0.05           | -1.56        | -0.90  | 5.35    | 2.94    | 5.80            | 11/01/2018     |
| PGIM Core Fixed - 39.7% (^)                       |                   | 0.00  | 0.16           | -1.08        | 0.39   | 6.21    | N/A     | 6.70            | 11/01/2018     |
| TIAA Core Fixed - 36.7% (^)                       |                   | 0.00  | 0.28           | -0.77        | 0.90   | 6.41    | N/A     | 6.83            | 11/01/2018     |
| Blmbg. U.S. Aggregate                             |                   |       | 0.05           | -1.56        | -0.90  | 5.35    | 2.94    | 5.80            | 11/01/2018     |
| iShares Core U.S. Aggregate Bond ETF - 0.8%       |                   | 0.00  | 0.06           | -1.58        | -0.93  | 5.30    | 2.89    | 1.08            | 05/01/2021     |
| Blmbg. U.S. Aggregate                             |                   |       | 0.05           | -1.56        | -0.90  | 5.35    | 2.94    | 1.08            | 05/01/2021     |
| PineBridge IG Credit - 5.1% (^)                   |                   | 0.00  | -0.03          | -0.25        | 3.53   | 9.57    | N/A     | 10.42           | 11/01/2018     |
| Blmbg. U.S. Credit Index                          |                   |       | -0.03          | -1.30        | 1.45   | 7.10    | 4.37    | 7.83            | 11/01/2018     |
| Brown Bros. Harriman Structured - 9.1% (^)        |                   | 0.00  | 0.76           | 2.82         | 4.34   | 4.25    | N/A     | 4.32            | 11/01/2018     |
| ICE BofAML Asset-Bckd Fxd & Fltng Rate AA-BBB     |                   |       | 0.34           | 2.16         | 3.91   | 3.91    | 3.63    | 3.96            | 11/01/2018     |
| iShares JP Morgan USD Emgng Mkts Bd ETF - 3.3%    |                   | 0.00  | -0.95          | -2.15        | 3.69   | 5.45    | 3.39    | 4.90            | 07/01/2020     |
| JPM EMBI Global Diversified                       |                   |       | -0.70          | -1.36        | 4.36   | 5.65    | 3.89    | 5.38            | 07/01/2020     |
| Brandywine Global High Yield - 2.6%               |                   | 0.00  | 0.82           | 4.82         | 11.72  | 10.41   | 9.34    | 11.72           | 10/01/2020     |
| Blmbg. Ba to B U.S. High Yield                    |                   |       | 0.91           | 3.89         | 9.85   | 7.53    | 6.48    | 9.85            | 10/01/2020     |
| MainStay MackKay High Yield Corp Bond Fund - 2.5% |                   | 0.00  | 0.99           | 5.04         | 10.29  | 6.45    | 5.98    | 2.16            | 06/01/2021     |
| ICE BofAML High Yield Master II                   |                   |       | 0.94           | 4.67         | 11.46  | 6.62    | 6.35    | 2.32            | 06/01/2021     |

Returns are net of mutual fund fees and are expressed as percentages.  
 Blended Benchmark: See historical hybrid composition page for details. Asset class level returns may vary from individual underlying manager returns due to cash flows.  
 (^) Performance information is gross of fees and reflects sleeve level information (not specific to this client/investor). It is provided by sub-advisers of the PFM Multi-Manager Equity Fund, PFM Multi-Manager International Equity Fund and PFM Multi-Manager Fixed-Income Fund.  
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**Brevard County Board of County Commissioners Multi-Asset Class Portfolio**      **As of September 30, 2021**

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**Asset Allocation & Performance**

|                                                   | Allocation        |      | Performance(%) |              |        |         |         |                 |                |
|---------------------------------------------------|-------------------|------|----------------|--------------|--------|---------|---------|-----------------|----------------|
|                                                   | Market Value (\$) | %    | 1 Quarter      | Year To Date | 1 Year | 3 Years | 5 Years | Since Inception | Inception Date |
| Other Income                                      | 972,579           | 2.70 | N/A            | N/A          | N/A    | N/A     | N/A     | -1.32           | 09/01/2021     |
| iShares Preferred and Income Securities ETF       | 972,579           | 2.70 | 0.03           | 4.33         | 12.20  | 7.04    | 5.25    | -0.74           | 09/01/2021     |
| ICE Exchange-Listed Preferred & Hybrid Securities |                   |      | 0.23           | 4.88         | 12.72  | 8.49    | N/A     | -0.72           | 09/01/2021     |
| Real Return                                       | 684,585           | 1.90 | 3.29           | N/A          | N/A    | N/A     | N/A     | 6.16            | 06/01/2021     |
| PIMCO Commodity Real Return Strategy              | 684,585           | 1.90 | 7.26           | 33.84        | 50.62  | 10.07   | 6.54    | 8.95            | 06/01/2021     |
| Bloomberg Commodity Index Total Return            |                   |      | 6.59           | 29.13        | 42.29  | 6.86    | 4.54    | 8.56            | 06/01/2021     |

Returns are net of mutual fund fees and are expressed as percentages.  
 Blended Benchmark: See historical hybrid composition page for details. Asset class level returns may vary from individual underlying manager returns due to cash flows.  
 (\*) Performance information is gross of fees and reflects sleeve level information (not specific to this client/investor). It is provided by sub-advisers of the PFM Multi-Manager Equity Fund, PFM Multi-Manager International Equity Fund and PFM Multi-Manager Fixed-Income Fund.  
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**Brevard County Board of County Commissioners Multi-Asset Class Portfolio**  
**Comparative Performance** **As of September 30, 2021**

|                                                          | 2020         | 2019         | 2018          | 2017         | 2016         |
|----------------------------------------------------------|--------------|--------------|---------------|--------------|--------------|
| <b>Total Fund</b>                                        | <b>15.08</b> | <b>20.81</b> | <b>N/A</b>    | <b>N/A</b>   | <b>N/A</b>   |
| <i>Blended Benchmark</i>                                 | <i>14.56</i> | <i>20.95</i> | <i>N/A</i>    | <i>N/A</i>   | <i>N/A</i>   |
| <b>Domestic Equity</b>                                   |              |              |               |              |              |
| <b>PFM Multi-Manager Domestic Equity Fund</b>            | <b>20.05</b> | <b>29.70</b> | <b>N/A</b>    | <b>N/A</b>   | <b>N/A</b>   |
| <i>Russell 3000 Index</i>                                | <i>20.89</i> | <i>31.02</i> | <i>-5.24</i>  | <i>21.13</i> | <i>12.74</i> |
| <i>Vanguard Total Stock Market ETF - 64.6%</i>           | <i>20.95</i> | <i>30.80</i> | <i>-5.13</i>  | <i>21.16</i> | <i>12.68</i> |
| <i>Russell 3000 Index</i>                                | <i>20.89</i> | <i>31.02</i> | <i>-5.24</i>  | <i>21.13</i> | <i>12.74</i> |
| <i>Vaughan Nelson Select - 12.8% (*)</i>                 | <i>20.01</i> | <i>29.17</i> | <i>N/A</i>    | <i>N/A</i>   | <i>N/A</i>   |
| <i>Nuance All Cap Value - 10.0% (*)</i>                  | <i>9.69</i>  | <i>31.33</i> | <i>N/A</i>    | <i>N/A</i>   | <i>N/A</i>   |
| <i>Russell 3000 Index</i>                                | <i>20.89</i> | <i>31.02</i> | <i>-5.24</i>  | <i>21.13</i> | <i>12.74</i> |
| <i>Champlain Mid Cap Core - 9.2% (*)</i>                 | <i>30.51</i> | <i>27.82</i> | <i>N/A</i>    | <i>N/A</i>   | <i>N/A</i>   |
| <i>S&amp;P MidCap 400</i>                                | <i>13.66</i> | <i>26.20</i> | <i>-11.08</i> | <i>16.24</i> | <i>20.74</i> |
| <i>Jacobs Levy Small Cap - 3.1% (*)</i>                  | <i>18.81</i> | <i>N/A</i>   | <i>N/A</i>    | <i>N/A</i>   | <i>N/A</i>   |
| <i>S&amp;P SmallCap 600</i>                              | <i>11.29</i> | <i>22.78</i> | <i>-8.48</i>  | <i>13.23</i> | <i>26.56</i> |
| <b>International Equity</b>                              |              |              |               |              |              |
| <b>PFM Multi-Manager International Equity Fund</b>       | <b>13.74</b> | <b>21.23</b> | <b>N/A</b>    | <b>N/A</b>   | <b>N/A</b>   |
| <i>MSCI AC World ex USA (Net)</i>                        | <i>10.65</i> | <i>21.51</i> | <i>-14.20</i> | <i>27.19</i> | <i>4.50</i>  |
| <i>iShares Core MSCI Total Int'l Stock ETF - 38.2%</i>   | <i>11.14</i> | <i>21.85</i> | <i>-14.55</i> | <i>28.08</i> | <i>4.66</i>  |
| <i>MSCI AC World ex USA (Net)</i>                        | <i>10.65</i> | <i>21.51</i> | <i>-14.20</i> | <i>27.19</i> | <i>4.50</i>  |
| <i>Lazard Int'l ACW ex US - 5.7% (*)</i>                 | <i>8.64</i>  | <i>21.01</i> | <i>N/A</i>    | <i>N/A</i>   | <i>N/A</i>   |
| <i>WCM Focused Growth International - 15.2% (*)</i>      | <i>32.21</i> | <i>N/A</i>   | <i>N/A</i>    | <i>N/A</i>   | <i>N/A</i>   |
| <i>MSCI AC World ex USA (Net)</i>                        | <i>10.65</i> | <i>21.51</i> | <i>-14.20</i> | <i>27.19</i> | <i>4.50</i>  |
| <i>Acadian Non-U.S. Equity - 11.8% (*)</i>               | <i>11.10</i> | <i>N/A</i>   | <i>N/A</i>    | <i>N/A</i>   | <i>N/A</i>   |
| <i>Aristotle International Equity - 12.2 (*)</i>         | <i>10.14</i> | <i>25.45</i> | <i>N/A</i>    | <i>N/A</i>   | <i>N/A</i>   |
| <i>MSCI EAFE (net)</i>                                   | <i>7.82</i>  | <i>22.01</i> | <i>-13.79</i> | <i>25.03</i> | <i>1.00</i>  |
| <i>Artisan International Small-Mid - 3.5%</i>            | <i>33.31</i> | <i>36.66</i> | <i>-16.75</i> | <i>33.61</i> | <i>N/A</i>   |
| <i>MSCI AC World ex USA Smid Cap Index (Net)</i>         | <i>12.01</i> | <i>22.36</i> | <i>-17.06</i> | <i>30.35</i> | <i>3.57</i>  |
| <i>Kayne Anderson International Small Cap - 6.0% (*)</i> | <i>N/A</i>   | <i>N/A</i>   | <i>N/A</i>    | <i>N/A</i>   | <i>N/A</i>   |
| <i>MSCI AC World ex USA Small Cap (Net)</i>              | <i>14.24</i> | <i>22.42</i> | <i>-18.20</i> | <i>31.65</i> | <i>3.91</i>  |
| <i>Schroders Global Emerging Markets - 7.2% (*)</i>      | <i>27.26</i> | <i>N/A</i>   | <i>N/A</i>    | <i>N/A</i>   | <i>N/A</i>   |
| <i>MSCI EM (net)</i>                                     | <i>18.31</i> | <i>18.44</i> | <i>-14.58</i> | <i>37.28</i> | <i>11.19</i> |

Returns are net of mutual fund fees and are expressed as percentages.

Blended Benchmark: See historical hybrid composition page for details.

(\*) Performance information is gross of fees and reflects sleeve level information (not specific to this client/investor). It is provided by sub-advisers of the

PFM Multi-Manager Equity Fund, PFM Multi-Manager International Equity Fund and PFM Multi-Manager Fixed-Income Fund.

**Brevard County Board of County Commissioners Multi-Asset Class Portfolio**  
**Comparative Performance** As of September 30, 2021

|                                                  | 2020  | 2019  | 2018   | 2017  | 2016  |
|--------------------------------------------------|-------|-------|--------|-------|-------|
| <b>Other Growth</b>                              |       |       |        |       |       |
| Cohen & Steers Inst Realty Shares                | -2.57 | 33.01 | -3.99  | 7.45  | 5.91  |
| Principal RE Securities Inst Fund                | -3.23 | 31.13 | -4.31  | 9.03  | 5.93  |
| MSCI US REIT Index                               | -7.57 | 25.84 | -4.57  | 5.07  | 8.60  |
| SPDR Blmbg Barclays Convert Secs ETF             | 53.37 | 22.39 | -2.32  | 16.24 | 10.50 |
| Bloomberg Liquid US Convertibles Index           | 54.45 | 22.79 | -1.79  | 17.32 | 10.22 |
| <b>Fixed Income</b>                              |       |       |        |       |       |
| PFM Multi-Manager Fixed Income Fund              | 7.86  | 9.56  | N/A    | N/A   | N/A   |
| Blmbg. U.S. Aggregate                            | 7.51  | 8.72  | 0.01   | 3.54  | 2.65  |
| PGIM Core Fixed - 39.7% (^)                      | 9.01  | 9.65  | N/A    | N/A   | N/A   |
| TIAA Core Fixed - 36.7% (^)                      | 9.44  | 9.59  | N/A    | N/A   | N/A   |
| iShares Core U.S. Aggregate Bond ETF - 0.8%      | 7.42  | 8.68  | -0.05  | 3.53  | 2.56  |
| Blmbg. U.S. Aggregate                            | 7.51  | 8.72  | 0.01   | 3.54  | 2.65  |
| PineBridge IG Credit - 5.1% (^)                  | 14.54 | 15.48 | N/A    | N/A   | N/A   |
| Blmbg. U.S. Credit Index                         | 9.35  | 13.80 | -2.11  | 6.18  | 5.63  |
| Brown Bros. Harriman Structured - 9.1% (^)       | 3.42  | 5.07  | N/A    | N/A   | N/A   |
| ICE BofAML Asset-Bckd Fxd & Fltng Rate AA-BBB    | 3.94  | 4.31  | 3.16   | 4.53  | 3.08  |
| iShares JP Morgan USD Emging Mkts Bd ETF - 3.3%  | 5.48  | 15.57 | -5.67  | 9.98  | 9.41  |
| JPM EMBI Global Diversified                      | 5.26  | 15.04 | -4.26  | 10.26 | 10.15 |
| Brandywine Global High Yield - 2.6%              | 13.92 | 15.56 | 1.27   | 10.48 | 14.73 |
| Blmbg. Ba to B U.S. High Yield                   | 7.78  | 15.18 | -1.86  | 6.92  | 14.14 |
| MainStay MacKay High Yield Corp Bond Fund - 2.5% | 5.28  | 13.03 | -1.34  | 6.79  | 15.99 |
| ICE BofAML High Yield Master II                  | 6.17  | 14.41 | -2.27  | 7.48  | 17.49 |
| <b>Other Income</b>                              |       |       |        |       |       |
| iShares Preferred and Income Securities ETF      | 7.94  | 15.62 | -4.77  | 8.33  | 1.26  |
| ICE Exchange-Listed Preferred & Hybrid Secs      | 8.58  | 18.45 | N/A    | N/A   | N/A   |
| <b>Real Return</b>                               |       |       |        |       |       |
| PIMCO Commodity Real Return Strategy             | 0.82  | 12.27 | -13.77 | 2.70  | 14.54 |
| Bloomberg Commodity Index Total Return           | -3.12 | 7.69  | -11.25 | 1.70  | 11.77 |

Returns are net of mutual fund fees and are expressed as percentages.  
 Blended Benchmark: See historical hybrid composition page for details.

(^\*) Performance information is gross of fees and reflects sleeve level information (not specific to this client/investor). It is provided by sub-advisers of the PFM Multi-Manager Equity Fund, PFM Multi-Manager International Equity Fund and PFM Multi-Manager Fixed-Income Fund.

**Brevard County Board of County Commissioners Multi-Asset Class Portfolio** **As of September 30, 2021**

**Account Reconciliation**

**QTR**

|            | Market Value<br>As of<br>07/01/2021 | Net Flows | Return On<br>Investment | Market Value<br>As of<br>09/30/2021 |
|------------|-------------------------------------|-----------|-------------------------|-------------------------------------|
| Total Fund | 36,062,434                          | 8,524     | (84,737)                | 35,986,221                          |

**YTD**

|            | Market Value<br>As of<br>01/01/2021 | Net Flows | Return On<br>Investment | Market Value<br>As of<br>09/30/2021 |
|------------|-------------------------------------|-----------|-------------------------|-------------------------------------|
| Total Fund | 33,111,410                          | (89,823)  | 2,964,633               | 35,986,221                          |

**1 Year**

|            | Market Value<br>As of<br>10/01/2020 | Net Flows | Return On<br>Investment | Market Value<br>As of<br>09/30/2021 |
|------------|-------------------------------------|-----------|-------------------------|-------------------------------------|
| Total Fund | 25,904,930                          | 3,910,177 | 6,171,113               | 35,986,221                          |

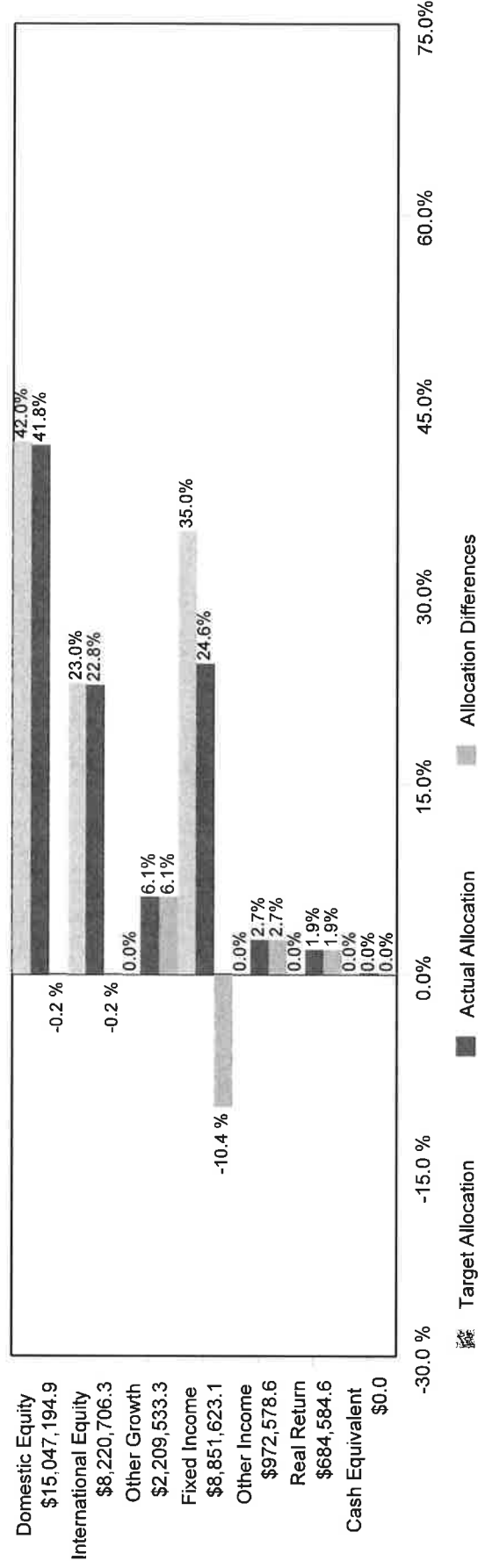
**Since Inception**

|            | Market Value<br>As of<br>11/01/2018 | Net Flows  | Return On<br>Investment | Market Value<br>As of<br>09/30/2021 |
|------------|-------------------------------------|------------|-------------------------|-------------------------------------|
| Total Fund | -                                   | 25,907,580 | 10,078,641              | 35,986,221                          |

**Brevard County Board of County Commissioners Multi-Asset Class Portfolio** **As of September 30, 2021**

**Asset Allocation Summary**

|                      | Asset Allocation (%) | Target Allocation (%) | Minimum Allocation (%) | Maximum Allocation (%) | Differences (%) |
|----------------------|----------------------|-----------------------|------------------------|------------------------|-----------------|
| <b>Total Fund</b>    | <b>100.0</b>         | <b>100.0</b>          | <b>N/A</b>             | <b>N/A</b>             | <b>0.0</b>      |
| Domestic Equity      | 41.8                 | 42.0                  | 22.0                   | 62.0                   | -0.2            |
| International Equity | 22.8                 | 23.0                  | 3.0                    | 43.0                   | -0.2            |
| Other Growth         | 6.1                  | 0.0                   | 0.0                    | 20.0                   | 6.1             |
| Fixed Income         | 24.6                 | 35.0                  | 15.0                   | 55.0                   | -10.4           |
| Other Income         | 2.7                  | 0.0                   | 0.0                    | 20.0                   | 2.7             |
| Real Return          | 1.9                  | 0.0                   | 0.0                    | 20.0                   | 1.9             |
| Cash Equivalent      | 0.0                  | 0.0                   | 0.0                    | 20.0                   | 0.0             |



**Historical Hybrid Composition - Blended Benchmark**

| <b>Allocation Mandate</b>  | <b>Weight (%)</b> |
|----------------------------|-------------------|
| <b>Nov-2018</b>            |                   |
| Russell 3000 Index         | 42.0              |
| MSCI AC World ex USA (Net) | 23.0              |
| Bimbg. U.S. Aggregate      | 35.0              |

## IMPORTANT DISCLOSURES

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# Tab V

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- Market values that include accrued interest are derived from closing bid prices as of the last business day of the month as supplied by Refinitiv or Bloomberg. Where prices are not available from generally recognized sources, the securities are priced using a yield-based matrix system to arrive at an estimated market value.
- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. Past performance is not indicative of future returns.
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.

## Glossary

- **Accrued Interest:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **Agencies:** Federal agency securities and/or Government-sponsored enterprises.
- **Amortized Cost:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **Asset-Backed Security:** A financial instrument collateralized by an underlying pool of assets – usually ones that generate a cash flow from debt, such as loans, leases, credit card balances, and receivables.
- **Bankers' Acceptance:** A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **Commercial Paper:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **Contribution to Total Return:** The weight of each individual security multiplied by its return, then summed for each sector to determine how much each sector added or subtracted from the overall portfolio performance.
- **Effective Duration:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **Effective Yield:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **Interest Rate:** Interest per year divided by principal amount and expressed as a percentage.
- **Market Value:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **Maturity:** The date upon which the principal or stated value of an investment becomes due and payable.
- **Negotiable Certificates of Deposit:** A CD with a very large denomination, usually \$1 million or more, that can be traded in secondary markets.
- **Par Value:** The nominal dollar face amount of a security.
- **Pass-through Security:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.

## **Glossary**

- **Repurchase Agreements:** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- **Settle Date:** The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- **Supranational:** A multinational union or association in which member countries cede authority and sovereignty on at least some internal matters to the group, whose decisions are binding on its members.
- **Trade Date:** The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- **Unsettled Trade:** A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- **U.S. Treasury:** The department of the U.S. government that issues Treasury securities.
- **Yield:** The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- **YTM at Cost:** The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- **YTM at Market:** The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.