



AGENDA REPORT
January 22, 2019

Annual Investment Performance Report Year Ended September 30, 2018,
Finance Department

SUBJECT:

Annual Investment Performance Report Year Ended September 30, 2018

DEPT/OFFICE:

Agenda Coordinator

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, 2018.

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, 2018 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 overall investment return for the combined long term and short term portfolio was 1.70% which both portfolio's exceeded their benchmark 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 December 3, 2018 approved the attached Annual Investment Report.

County Investment Advisor:

PFM Asset management, LLC; Steve Alexander; (407) 648-2208; email alexanders@pfm.com

ATTACHMENTS:

Description

- ▯ **2018 Brevard County Year end '18 Investment Rept**



Tammy Rowe, Clerk to the Board, 400 South Street • P.O. Box 999, Titusville, Florida 32781-0999

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Fax: (321) 264-6972
Tammy.Rowe@brevardclerk.us

January 23, 2019

M E M O R A N D U M

TO: Stephen Burdett, County Finance Director

RE: Item F.10., Annual Investment Performance Report Year Ended September 30, 2018

The Board of County Commissioners, in regular session on January 22, 2019, accepted the Brevard County Annual Investment Performance Report, for the Year-Ended September 30, 2018.

Your continued cooperation is greatly appreciated.

Sincerely yours,

BOARD OF COUNTY COMMISSIONERS
SCOTT ELLIS, CLERK

Tammy Rowe

Tammy Rowe, Deputy Clerk

/cmw

cc: Budget



Brevard County, Florida



Investment Performance Review For the Fiscal Year Ended September 30, 2018

Investment Advisors

Steven Alexander, CTP, CGFO, CPPT, Managing Director
Robert Cheddar, CFA, Chief Credit Officer, Managing Director
Richard Pengelly, CFA, CTP, Director
Jason Human, Client Manager
Sean Gannon, Senior Analyst

PFM Asset Management LLC

213 Market Street
Harrisburg, PA 17101
717.232.2723
717.233.6073 fax

300 South Orange Avenue
Suite 1170
Orlando, FL 32801
407.648.2208
407.648.1323 fax

Tab I

- ◆ Annual Review

Tab II

- ◆ Executive Summary
- ◆ Long Term Portfolio

Tab III

- ◆ Short Term and Bond Portfolio
- ◆ Asset Allocation Chart
- ◆ Important Disclosures

Tab I

Total Portfolio Balances and Interest Earnings

Balances	Book Value	Book Value	Percent Change
<u>Fund Name</u>	<u>as of September 30, 2018</u>	<u>as of September 30, 2017</u>	<u>From FY 2018 - 2017</u>
General Fund	\$40,298,548	\$32,212,805	25.10%
Special Revenue	240,702,178	184,470,796	30.48%
Debt Service	4,237,943	5,699,017	-25.64%
Capital Projects	10,199,335	7,032,991	45.02%
Enterprise	103,446,710	95,211,339	8.65%
Internal Service	64,287,423	64,304,756	-0.03%
Total	\$463,172,137	\$388,931,704	19.09%

Interest Earnings	Interest Earned	Interest Earned	Percent Change
<u>Fund Name</u>	<u>Fiscal Year 2018</u>	<u>Fiscal Year 2017</u>	<u>From FY 2018 - 2017</u>
General Fund	\$979,882	\$473,090	107.12%
Special Revenue	3,817,866	2,142,146	78.23%
Debt Service	169,104	115,019	47.02%
Capital Projects	134,399	83,916	60.16%
Enterprise	1,812,864	1,200,501	51.01%
Internal Service	979,558	619,333	58.16%
Total	\$7,893,674	\$4,634,005	70.34%

	Book Value	Market Value
<u>County Total Portfolio</u>	<u>as of September 30, 2018</u>	<u>as of September 30, 2018</u>
Short Term and Bond Portfolio	\$250,294,874	\$250,294,874
Long Term Portfolio	212,711,563	210,213,737
Total	\$463,006,438	\$460,508,612

Short Term and Long Term Portfolios Annual Review Fact Sheet**Ending Balance as of September 30, 2018**

Short Term Portfolio Market Value ¹	\$250,294,874
Long Term Portfolio Market Value	210,213,737
Total All Assets	<u>\$460,508,612</u>

Long Term Portfolio Performance**Total Return**

Long Term Portfolio	0.50%
Merrill Lynch 1-3 Year U.S. Treasury Index	0.04%
Performance over the Benchmark	<u>0.46%</u>

Interest Earnings

	Last 12 Months
Total Portfolio Interest Earnings for Fiscal Year 2018	\$7,893,674

Effective Duration³

	Fiscal Year End
Long Term Portfolio	1.63 Years
Merrill Lynch 1-3 Year U.S. Treasury Index	1.80 Years

Additional Annual Returns in Dollars²

	Last 12 Months
Total Return	
Long Term Portfolio	\$1,051,069
Merrill Lynch 1-3 Year U.S. Treasury Index	84,085
Additional Returns over Benchmark	<u>\$966,983</u>

Short Term Portfolio Performance**Yield at Cost**

	Last 12 Months
Short Term Portfolio	2.33%
S&P Rated GIP Index Government 30 Day Gross Yield	2.04%
Performance over the Benchmark	<u>0.29%</u>

Weighted Average Maturity

	As of September 30, 2018
Short Term Portfolio	27 Days
S&P Rated GIP Index Government	31 Days

Summary

1. As of September 30, 2018, the County's Portfolio is in compliance with the Investment Policy. The investment composition and allocation is provided on the Asset Allocation Chart in this report.

Notes:

1. The Short Term Portfolio is managed by the County.

2. Based on the fiscal year end balance.

Tab II

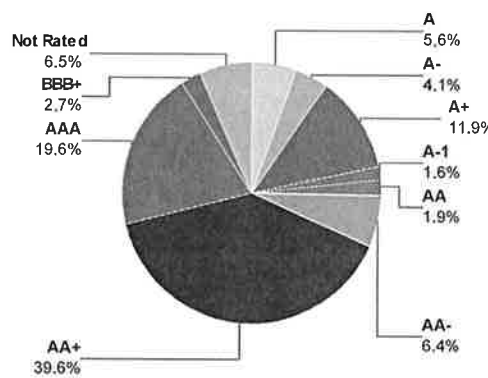
- The Long Term Fund Portfolio is of high credit quality and invested in U.S. Treasury, federal agency/GSE, federal agency/CMO, federal agency/MBS, supranationals, municipal obligations, asset-backed, commercial paper, and corporate note securities.
- The Long Term Fund Portfolio's annual total return performance of 0.50% outperformed the benchmark performance of 0.04% by 0.46%.
- In the past 12 months, the Federal Reserve has followed their strategy of methodically raising the Fed Funds Interest Rate in 0.25% increments on 4 separate occasions.
- We positioned portfolios with a defensive duration posture for the majority of the past two quarters in light of the Fed's impact on short-term rates. This has benefited portfolio returns as yields across the curve approached new highs for this cycle. Economic Conditions were characterized by:
 - The yield on the 2-year Treasury note rising by 29 basis points to end the quarter at 2.82%,
 - A robust labor market, with the U.S. unemployment rate near 48 year lows,
 - Core inflation near the Fed's 2% target, while oil prices surged and wages trended higher,
 - Consumer confidence is at a near two-decade high, while measures of manufacturing activity are also very strong,
 - As well as, an escalating trade war with China, weakness in emerging market economies and currencies, and political uncertainty.
- While the Fed's policy actions will depend on future economic data, we believe the current strength of the U.S. economy, coupled with a strong labor market and rising inflation, will cause the Fed to continue raising rates at a pace of about one ¼ percent hike per quarter well into 2019. Therefore, we plan to maintain a defensive duration posture to mitigate a portion of interest rate risk relative to benchmarks.

Portfolio Statistics

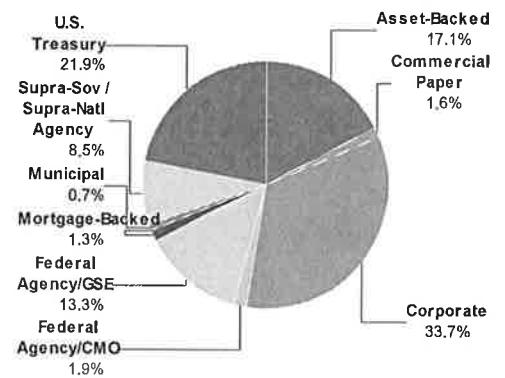
As of September 30, 2018

Par Value:	\$212,902,121
Total Market Value:	\$210,964,374
Security Market Value:	\$210,213,737
Accrued Interest:	\$750,637
Cash:	-
Amortized Cost:	\$212,711,563
Yield at Market:	2.84%
Yield at Cost:	2.03%
Effective Duration:	1.63 Years
Duration to Worst:	1.70 Years
Average Maturity:	2.12 Years
Average Credit: *	AA

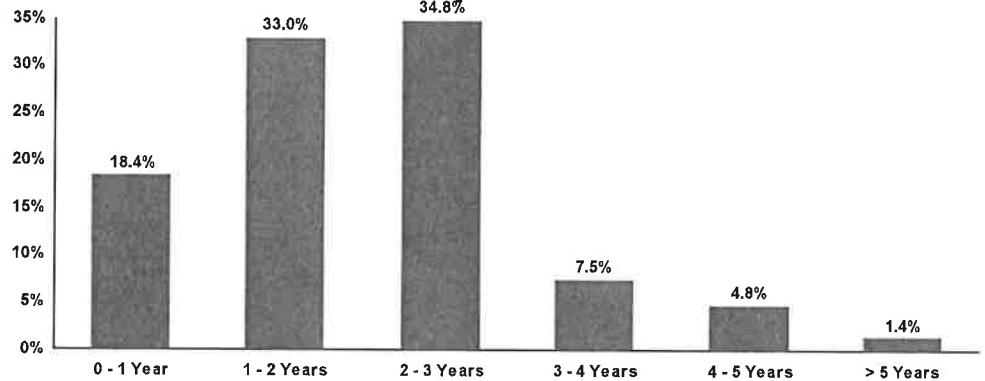
Credit Quality (S&P Ratings)



Sector Allocation



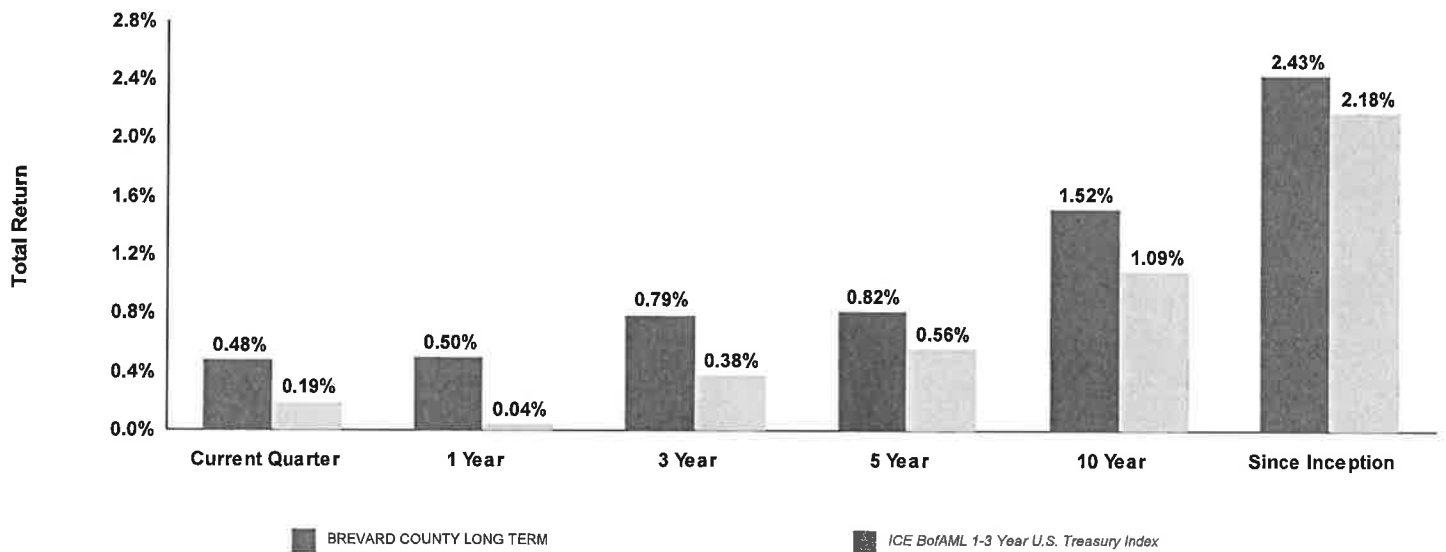
Maturity Distribution



* An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

Portfolio Performance (Total Return)

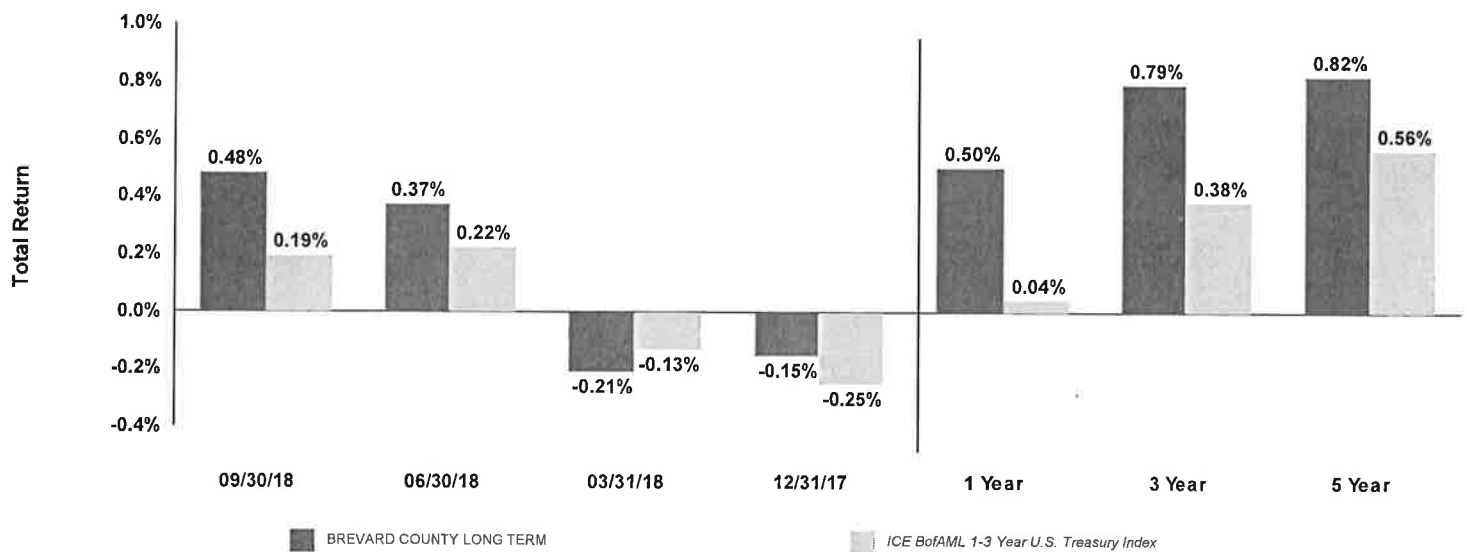
Portfolio/Benchmark	Effective Duration	Current Quarter	1 Year	Annualized Return			
				3 Year	5 Year	10 Year	Since Inception (03/31/02) **
BREVARD COUNTY LONG TERM	1.63	0.48%	0.50%	0.79%	0.82%	1.52%	2.43%
ICE BofAML 1-3 Year U.S. Treasury Index	1.80	0.19%	0.04%	0.38%	0.56%	1.09%	2.18%
Difference		0.29%	0.46%	0.41%	0.26%	0.43%	0.25%



Portfolio performance is gross of fees unless otherwise indicated. **Since Inception performance is not shown for periods less than one year.

Portfolio Performance (Total Return)

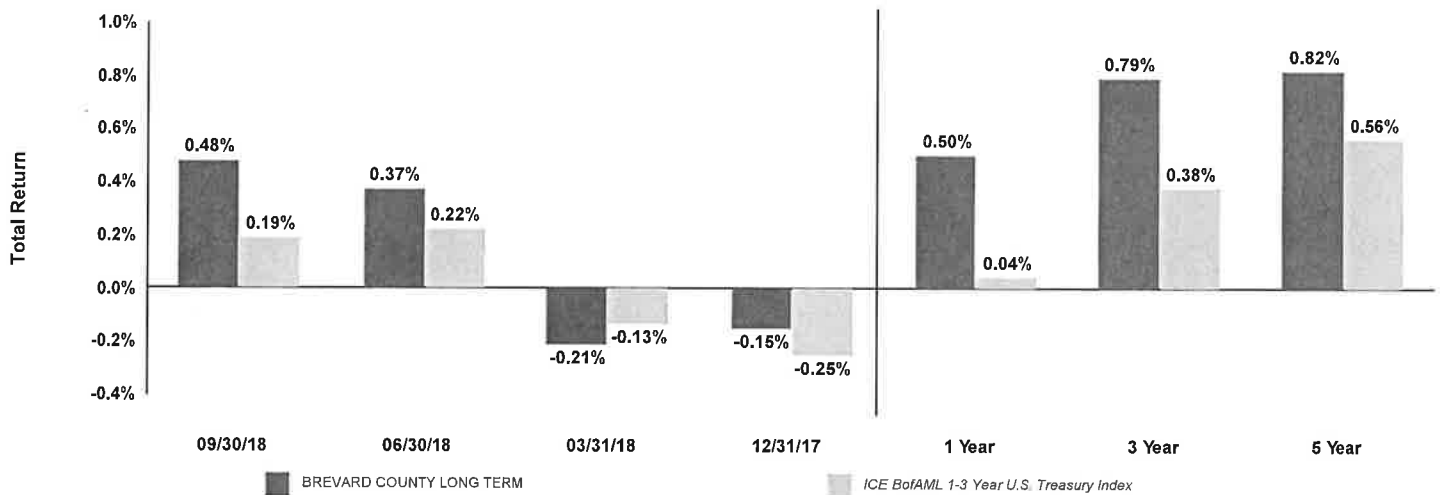
Portfolio/Benchmark	Effective Duration	Quarter Ended				Annualized Return		
		09/30/18	06/30/18	03/31/18	12/31/17	1 Year	3 Year	5 Year
BREVARD COUNTY LONG TERM	1.63	0.48%	0.37%	-0.21%	-0.15%	0.50%	0.79%	0.82%
ICE BofAML 1-3 Year U.S. Treasury Index	1.80	0.19%	0.22%	-0.13%	-0.25%	0.04%	0.38%	0.56%
Difference		0.29%	0.15%	-0.08%	0.10%	0.46%	0.41%	0.26%



Portfolio performance is gross of fees unless otherwise indicated.

Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Quarter Ended				Annualized Return		
		09/30/18	06/30/18	03/31/18	12/31/17	1 Year	3 Year	5 Year
BREVARD COUNTY LONG TERM	1.63	0.48%	0.37%	-0.21%	-0.15%	0.50%	0.79%	0.82%
Net of Fees **	-	0.46%	0.35%	-0.23%	-0.17%	0.44%	0.73%	0.76%
ICE BofAML 1-3 Year U.S. Treasury Index	1.80	0.19%	0.22%	-0.13%	-0.25%	0.04%	0.38%	0.56%
Difference (Gross)		0.29%	0.15%	-0.08%	0.10%	0.46%	0.41%	0.26%
Difference (Net)		0.27%	0.13%	-0.10%	0.08%	0.40%	0.35%	0.20%



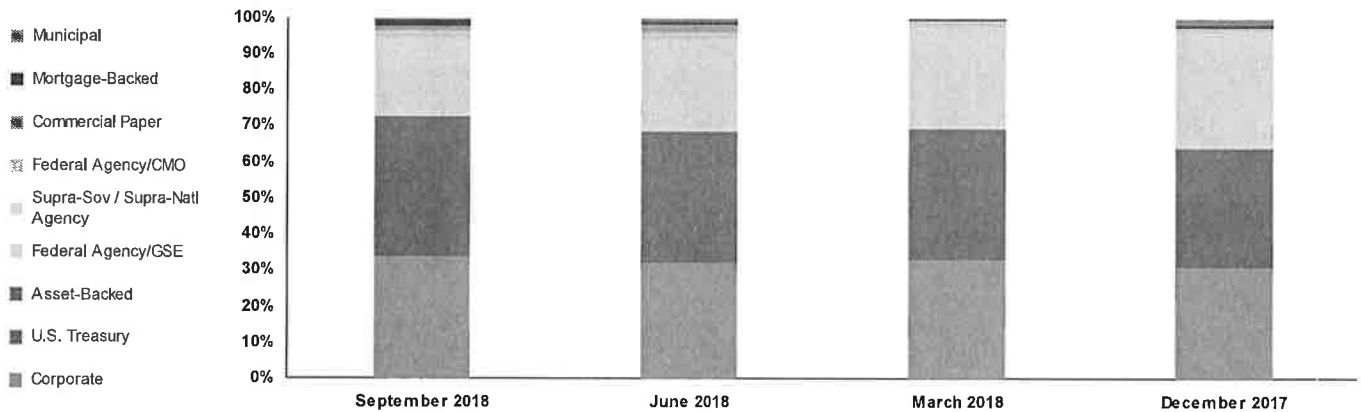
Portfolio performance is gross of fees unless otherwise indicated. ** Fees were calculated based on average assets during the period at the contractual rate.

Portfolio Earnings*Quarter-Ended September 30, 2018*

	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (06/30/2018)	\$191,517,329.84	\$194,046,937.16
Net Purchases/Sales	\$18,712,664.23	\$18,712,664.23
Change in Value	(\$16,256.71)	(\$48,038.21)
Ending Value (09/30/2018)	\$210,213,737.36	\$212,711,563.18
Interest Earned	\$945,059.43	\$945,059.43
Portfolio Earnings	\$928,802.72	\$897,021.22

Sector Allocation

Sector	September 30, 2018		June 30, 2018		March 31, 2018		December 31, 2017	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
Corporate	71.0	33.7%	62.0	32.3%	62.7	33.2%	59.5	31.0%
U.S. Treasury	46.0	21.9%	37.1	19.4%	39.2	20.7%	35.4	18.4%
Asset-Backed	35.8	17.1%	32.2	16.8%	29.4	15.5%	28.3	14.8%
Federal Agency/GSE	27.9	13.3%	32.5	17.0%	39.6	20.9%	50.3	26.2%
Supra-Sov / Supra-Natl Agency	17.9	8.5%	15.9	8.3%	14.6	7.7%	11.2	5.8%
Federal Agency/CMO	3.9	1.9%	4.6	2.4%	2.6	1.4%	2.7	1.4%
Commercial Paper	3.4	1.6%	3.4	1.8%	0.0	0.0%	0.0	0.0%
Mortgage-Backed	2.8	1.3%	2.1	1.1%	0.9	0.5%	1.1	0.6%
Municipal	1.4	0.7%	1.6	0.9%	0.2	0.1%	3.5	1.8%
Total	\$210.2	100.0%	\$191.5	100.0%	\$189.4	100.0%	\$192.1	100.0%

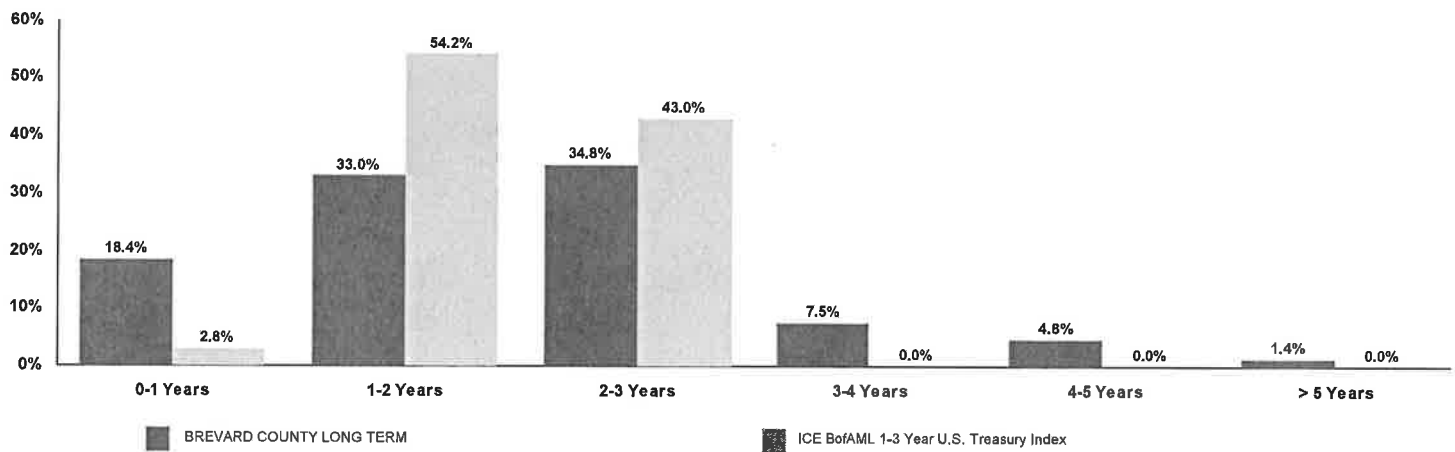


Detail may not add to total due to rounding.

Maturity Distribution

As of September 30, 2018

Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
BREVARD COUNTY LONG TERM	2.84%	2.12 yrs	18.4%	33.0%	34.8%	7.5%	4.8%	1.4%
ICE BofAML 1-3 Year U.S. Treasury Index	2.81%	1.94 yrs	2.8%	54.2%	43.0%	0.0%	0.0%	0.0%

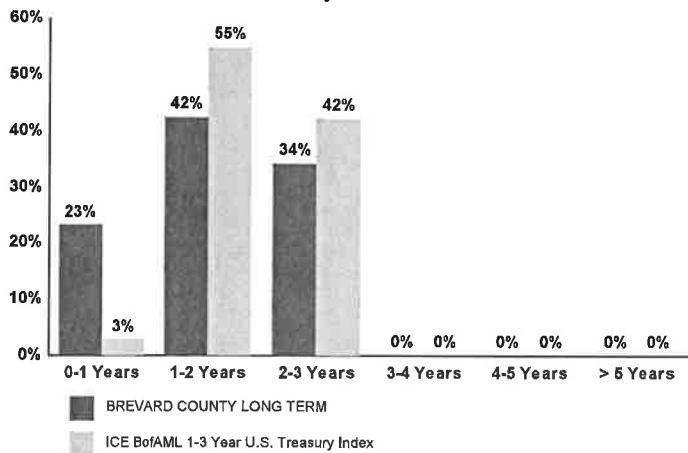


Duration Distribution

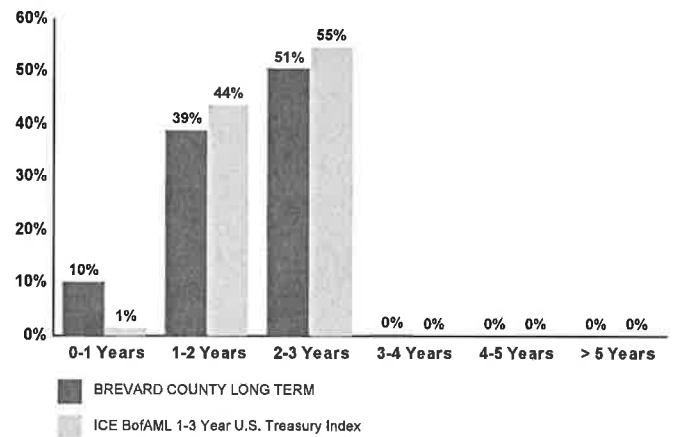
As of September 30, 2018

Portfolio / Benchmark	Effective Duration	0-1 YEARS	1-2 YEARS	2-3 YEARS	3-4 YEARS	4-5 YEARS	> 5 YEARS
BREVARD COUNTY LONG TERM	1.63	23.2%	42.4%	34.3%	0.1%	0.0%	0.0%
ICE BofAML 1-3 Year U.S. Treasury Index	1.80	2.8%	54.9%	42.3%	0.0%	0.0%	0.0%

Distribution by Effective Duration

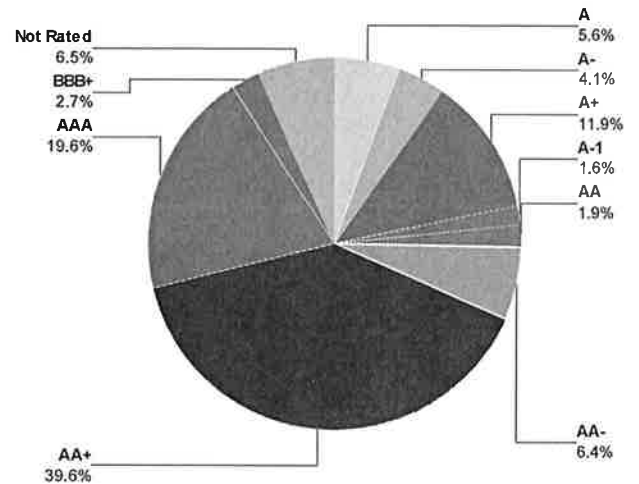


Contribution to Portfolio Duration



Credit Quality
As of September 30, 2018

S&P Rating	Market Value (\$)	% of Portfolio
AA+	\$83,308,371	39.6%
AAA	\$41,215,498	19.6%
A+	\$25,095,609	11.9%
Not Rated	\$13,741,659	6.5%
AA-	\$13,398,703	6.4%
A	\$11,807,812	5.6%
A-	\$8,593,386	4.1%
BBB+	\$5,646,632	2.7%
AA	\$3,967,499	1.9%
A-1	\$3,438,567	1.6%
Totals	\$210,213,737	100.0%



Detail may not add to total due to rounding.

Issuer Distribution
As of September 30, 2018

Issuer	Market Value (\$)	% of Portfolio		
UNITED STATES TREASURY	45,991,062	21.9%	Top 5 = 41.0%	Top 10 = 62.1%
FANNIE MAE	21,405,550	10.2%		
FEDERAL HOME LOAN BANKS	7,707,444	3.7%		
AFRICAN DEVELOPMENT BANK	5,708,519	2.7%		
AMERICAN EXPRESS CO	5,498,626	2.6%		
FREDDIE MAC	5,486,723	2.6%		
CITIGROUP INC	5,191,862	2.5%		
TOYOTA MOTOR CORP	4,911,446	2.3%		
INTL BANK OF RECONSTRUCTION AND DEV	4,765,380	2.3%		
HONDA AUTO RECEIVABLES	4,090,436	2.0%		
INTER-AMERICAN DEVELOPMENT BANK	3,953,140	1.9%		
CNH EQUIPMENT TRUST	3,909,699	1.9%		
ALLY AUTO RECEIVABLES TRUST	3,726,218	1.8%		
MITSUBISHI UFJ FINANCIAL GROUP INC	3,438,567	1.6%		
TORONTO-DOMINION BANK	3,405,185	1.6%		
BANK OF AMERICA CO	3,307,746	1.6%		
FORD CREDIT AUTO OWNER TRUST	2,637,396	1.3%		
INTERNATIONAL FINANCE CORPORATION	2,635,700	1.3%		

Issuer	Market Value (\$)	% of Portfolio
HYUNDAI AUTO RECEIVABLES	2,329,765	1.1%
PACCAR FINANCIAL CORP	2,247,929	1.1%
AMERICAN HONDA FINANCE	2,161,724	1.0%
ROYAL BANK OF CANADA	2,107,966	1.0%
WAL-MART STORES INC	2,075,899	1.0%
THE WALT DISNEY CORPORATION	2,072,009	1.0%
WESTPAC BANKING CORP	2,043,414	1.0%
HSBC HOLDINGS PLC	2,024,588	1.0%
WELLS FARGO & COMPANY	1,987,632	1.0%
MORGAN STANLEY	1,969,201	0.9%
NISSAN AUTO RECEIVABLES	1,924,581	0.9%
DEERE & COMPANY	1,908,330	0.9%
BANK OF MONTREAL	1,906,607	0.9%
PFIZER INC	1,891,600	0.9%
BP PLC	1,883,018	0.9%
CHEVRON CORPORATION	1,876,334	0.9%
BANK OF NOVA SCOTIA	1,868,228	0.9%
JP MORGAN CHASE & CO	1,781,581	0.9%
UNILEVER PLC	1,770,048	0.8%
CATERPILLAR INC	1,765,008	0.8%
APPLE INC	1,729,581	0.8%

Issuer	Market Value (\$)	% of Portfolio
LLOYDS BANKING GROUP PLC	1,628,666	0.8%
IBM CORP	1,622,880	0.8%
CANADIAN IMPERIAL BANK OF COMMERCE	1,567,864	0.8%
GOLDMAN SACHS GROUP INC	1,452,427	0.7%
CALIFORNIA ST	1,395,352	0.7%
JOHN DEERE OWNER TRUST	1,386,058	0.7%
BANCO SANTANDER SA	1,294,905	0.6%
NATIONAL RURAL UTILITIES CO FINANCE CORP	1,285,987	0.6%
INTEL CORPORATION	1,229,993	0.6%
TOTAL SA	1,220,964	0.6%
BB&T CORPORATION	1,217,706	0.6%
CHARLES SCHWAB	1,200,149	0.6%
CAPITAL ONE FINANCIAL CORP	1,199,880	0.6%
GENERAL DYNAMICS CORP	1,097,342	0.5%
UNITED PARCEL SERVICE INC	1,071,145	0.5%
EXXON MOBIL CORP	988,011	0.5%
PEPSICO INC	943,671	0.5%
MERCEDES-BENZ AUTO RECEIVABLES	923,888	0.4%
HOME DEPOT INC	910,214	0.4%
MICROSOFT CORP	898,962	0.4%
HERSHEY COMPANY	898,772	0.4%

Issuer	Market Value (\$)	% of Portfolio
ASIAN DEVELOPMENT BANK	833,440	0.4%
3M COMPANY	723,768	0.3%
GLAXOSMITHKLINE PLC	698,907	0.3%
CARMAX AUTO OWNER TRUST	599,930	0.3%
WORLD OMNI AUTO REC TRUST	549,753	0.3%
FORD CREDIT AUTO LEASE TRUST	539,969	0.3%
HONEYWELL INTERNATIONAL	519,859	0.3%
GM FINANCIAL SECURITIZED TERM	499,044	0.2%
GM FINANCIAL AUTO LEASING TRUST	400,058	0.2%
JOHNSON & JOHNSON	318,431	0.2%
Grand Total:	210,213,737	100.0%

Sector/Issuer Distribution

As of September 30, 2018

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
Asset-Backed			
ALLY AUTO RECEIVABLES TRUST	3,726,218	10.4%	1.8%
AMERICAN EXPRESS CO	3,444,074	9.6%	1.6%
BANK OF AMERICA CO	1,351,040	3.8%	0.6%
CAPITAL ONE FINANCIAL CORP	1,199,880	3.3%	0.6%
CARMAX AUTO OWNER TRUST	599,930	1.7%	0.3%
CITIGROUP INC	3,267,033	9.1%	1.6%
CNH EQUIPMENT TRUST	3,909,699	10.9%	1.9%
FORD CREDIT AUTO LEASE TRUST	539,969	1.5%	0.3%
FORD CREDIT AUTO OWNER TRUST	2,637,396	7.4%	1.3%
GM FINANCIAL AUTO LEASING TRUST	400,058	1.1%	0.2%
GM FINANCIAL SECURITIZED TERM	499,044	1.4%	0.2%
HONDA AUTO RECEIVABLES	4,090,436	11.4%	1.9%
HYUNDAI AUTO RECEIVABLES	2,329,765	6.5%	1.1%
JOHN DEERE OWNER TRUST	1,386,058	3.9%	0.7%
MERCEDES-BENZ AUTO RECEIVABLES	923,888	2.6%	0.4%
NISSAN AUTO RECEIVABLES	1,924,581	5.4%	0.9%
TOYOTA MOTOR CORP	3,064,762	8.6%	1.5%
WORLD OMNI AUTO REC TRUST	549,753	1.5%	0.3%
Sector Total	35,843,585	100.0%	17.0%

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
Commercial Paper			
MITSUBISHI UFJ FINANCIAL GROUP INC	3,438,567	100.0%	1.6%
Sector Total	3,438,567	100.0%	1.6%
Corporate			
3M COMPANY	723,768	1.0%	0.3%
AMERICAN EXPRESS CO	2,054,552	2.9%	1.0%
AMERICAN HONDA FINANCE	2,161,724	3.0%	1.0%
APPLE INC	1,729,581	2.4%	0.8%
BANCO SANTANDER SA	1,294,905	1.8%	0.6%
BANK OF AMERICA CO	1,956,706	2.8%	0.9%
BANK OF MONTREAL	1,906,607	2.7%	0.9%
BANK OF NOVA SCOTIA	1,868,228	2.6%	0.9%
BB&T CORPORATION	1,217,706	1.7%	0.6%
BP PLC	1,883,018	2.7%	0.9%
CANADIAN IMPERIAL BANK OF COMMERCE	1,567,864	2.2%	0.7%
CATERPILLAR INC	1,765,008	2.5%	0.8%
CHARLES SCHWAB	1,200,149	1.7%	0.6%
CHEVRON CORPORATION	1,876,334	2.6%	0.9%
CITIGROUP INC	1,924,829	2.7%	0.9%
DEERE & COMPANY	1,908,330	2.7%	0.9%
EXXON MOBIL CORP	988,011	1.4%	0.5%
GENERAL DYNAMICS CORP	1,097,342	1.5%	0.5%
GLAXOSMITHKLINE PLC	698,907	1.0%	0.3%
GOLDMAN SACHS GROUP INC	1,452,427	2.0%	0.7%

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
HERSHEY COMPANY	898,772	1.3%	0.4%
HOME DEPOT INC	910,214	1.3%	0.4%
HONEYWELL INTERNATIONAL	519,859	0.7%	0.2%
HSBC HOLDINGS PLC	2,024,588	2.8%	1.0%
IBM CORP	1,622,880	2.3%	0.8%
INTEL CORPORATION	1,229,993	1.7%	0.6%
JOHNSON & JOHNSON	318,431	0.4%	0.2%
JP MORGAN CHASE & CO	1,781,581	2.5%	0.8%
LLOYDS BANKING GROUP PLC	1,628,666	2.3%	0.8%
MICROSOFT CORP	898,962	1.3%	0.4%
MORGAN STANLEY	1,969,201	2.8%	0.9%
NATIONAL RURAL UTILITIES CO FINANCE CORP	1,285,987	1.8%	0.6%
PACCAR FINANCIAL CORP	2,247,929	3.2%	1.1%
PEPSICO INC	943,671	1.3%	0.4%
PFIZER INC	1,891,600	2.7%	0.9%
ROYAL BANK OF CANADA	2,107,966	3.0%	1.0%
THE WALT DISNEY CORPORATION	2,072,009	2.9%	1.0%
TORONTO-DOMINION BANK	3,405,185	4.8%	1.6%
TOTAL SA	1,220,964	1.7%	0.6%
TOYOTA MOTOR CORP	1,846,684	2.6%	0.9%
UNILEVER PLC	1,770,048	2.5%	0.8%
UNITED PARCEL SERVICE INC	1,071,145	1.5%	0.5%
WAL-MART STORES INC	2,075,899	2.9%	1.0%
WELLS FARGO & COMPANY	1,987,632	2.8%	0.9%
WESTPAC BANKING CORP	2,043,414	2.9%	1.0%

BREVARD COUNTY LONG TERM

For the Fiscal Year Ended September 30, 2018

Portfolio Composition

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
Sector Total	71,049,275	100.0%	33.8%
Federal Agency/CMO			
FANNIE MAE	1,410,450	35.8%	0.7%
FREDDIE MAC	2,526,191	64.2%	1.2%
Sector Total	3,936,641	100.0%	1.9%
Federal Agency/GSE			
FANNIE MAE	17,234,037	61.8%	8.2%
FEDERAL HOME LOAN BANKS	7,707,444	27.6%	3.7%
FREDDIE MAC	2,960,532	10.6%	1.4%
Sector Total	27,902,013	100.0%	13.3%
Mortgage-Backed			
FANNIE MAE	2,761,063	100.0%	1.3%
Sector Total	2,761,063	100.0%	1.3%
Municipal			
CALIFORNIA ST	1,395,352	100.0%	0.7%
Sector Total	1,395,352	100.0%	0.7%
Supra-Sov / Supra-Natl Agency			
AFRICAN DEVELOPMENT BANK	5,708,519	31.9%	2.7%
ASIAN DEVELOPMENT BANK	833,440	4.7%	0.4%

BREVARD COUNTY LONG TERM

For the Fiscal Year Ended September 30, 2018

Portfolio Composition

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
INTER-AMERICAN DEVELOPMENT BANK	3,953,140	22.1%	1.9%
INTERNATIONAL FINANCE CORPORATION	2,635,700	14.7%	1.3%
INTL BANK OF RECONSTRUCTION AND DEV	4,765,380	26.6%	2.3%
Sector Total	17,896,179	100.0%	8.5%
U.S. Treasury			
UNITED STATES TREASURY	45,991,062	100.0%	21.9%
Sector Total	45,991,062	100.0%	21.9%
Portfolio Total	210,213,737	100.0%	100.0%

Tab III

Short Term and Bond Portfolio Yields

Yields^{1,2}	Yield at Cost as of	Percent of Portfolio	Yield at Cost as of	Percent of Portfolio
<u>Security Type</u>	<u>September 30, 2018</u>	<u>September 30, 2018</u>	<u>September 30, 2017</u>	<u>September 30, 2017</u>
Florida PRIME (SBA)	2.97%	28.47%	1.36%	31.59%
SunTrust Bank Account ⁴	0.75%	2.08%	0.45%	6.07%
Florida Community Bank CD	1.94%	6.33%	1.28%	5.14%
Florida Community Bank Demand Deposit Account	0.00%	0.00%	0.00%	0.00%
Florida Community Bank Public Funds Money Market ⁴	0.00%	0.00%	0.90%	2.83%
Bank United Money Market Fund	2.03%	4.28%	1.00%	2.69%
Florida FIT	2.26%	28.13%	1.27%	10.34%
Florida Education Investment Trust Fund	2.14%	18.59%	1.22%	25.90%
Bank United CD	2.03%	12.11%	1.15%	15.45%
Federal Home Loan Bank	N/A	N/A	N/A	N/A
PFM Fund - Govt Select, Instl Money Market Fund	N/A	N/A	N/A	N/A
Total Average Yield²	2.33%	100.00%	1.20%	100.00%

<u>Benchmarks</u>	<u>September 30, 2018</u>	<u>September 30, 2017</u>
S&P Rated GIP Index Government 30 Day Yield ³	2.04%	1.08%

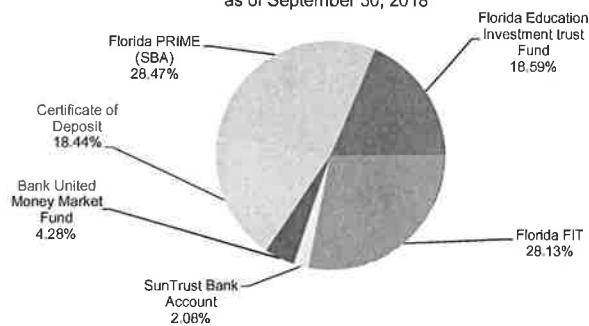
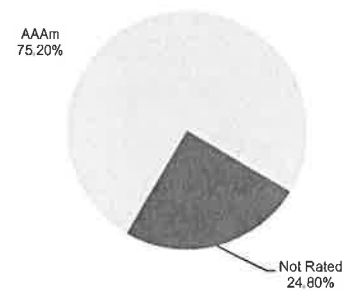
Notes:

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.

PFM Asset Management LLC

Short Term and Bond Portfolio Composition (Market Value)

<u>Security Type¹</u>	<u>Balance as of September 30, 2018</u>	<u>Percent of Portfolio</u>	<u>Balance as of September 30, 2017</u>	<u>Percent of Portfolio</u>
Florida PRIME (SBA)	\$71,268,394	28.47%	\$61,503,739	13.90%
Federal Farm Credit Bureau	0	0.00%	0	5.42%
Federal Home Loan Bank	0	0.00%	0	13.56%
Florida Education Investment trust Fund	46,540,751	18.59%	50,424,325	0.00%
Florida FIT	70,402,523	28.13%	20,130,473	0.00%
U.S. Treasury Note	0	0.00%	0	0.00%
SunTrust Bank Account ³	5,207,812	2.08%	11,828,545	17.84%
SunTrust Public Now Account ³	0	0.00%	0	5.42%
Florida Community Bank Public Funds Money Market ³	0	0.00%	5,506,219	10.96%
Florida Community Bank Demand Deposit ³	0	0.00%	0	2.72%
PFM Fund - Govt Select, Instl Money Market Fund	0	0.00%	0	11.12%
Bank United Money Market Fund	10,718,252	4.28%	5,236,851	5.43%
Fidelity Prime Money Market Fund	0	0.00%	0	0.00%
JP Morgan Prime Money Market Fund	0	0.00%	0	0.00%
Certificate of Deposit	46,157,142	18.44%	40,079,976	13.63%
Totals	\$250,294,874	100.00%	\$194,710,129	100.00%

Portfolio Composition
as of September 30, 2018¹Credit Quality Distribution
as of September 30, 2018²

Notes:

- Investment balances are market values as of September 30, 2018.
- 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.
- 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.

PFM Asset Management LLC

Short Term and Bond Portfolio Holdings and Yields¹ as of September 30, 2018

Security Description	CUSIP	Purchase Date	Maturity Date	Par Value	Book Amount	Market Value	Yield on Cost ²
Florida Prime (SBA)				\$ 71,268,394	\$ 71,268,394	\$ 71,268,394	2.97%
Florida Education Investment trust Fund				\$ 46,540,751	\$ 46,540,751	\$ 46,540,751	2.14%
FEIT Term				\$ -	\$ -	\$ -	0.00%
Florida FIT				\$70,402,523	\$70,402,523	\$70,402,523	2.26%
SunTrust Bank Account ³				5,207,812	5,207,812	5,207,812	0.75%
Bank United CD	1815043014	11/20/2017	11/19/2018	20,274,920	20,274,920	20,274,920	1.60%
Bank United CD	1815057503	7/30/2018	7/30/2019	10,042,053	10,042,053	10,042,053	2.45%
Bank United Money Market Fund				10,718,252	10,718,252	10,718,252	2.03%
Florida Community Bank CD	3138382300	3/7/2017	3/7/2019	15,840,169	15,840,169	15,840,169	1.94%
Florida Community Bank Public Funds Money Market ⁴							
Grand Total				\$ 250,294,874	\$250,294,874	\$ 250,294,874	2.33%

Notes:

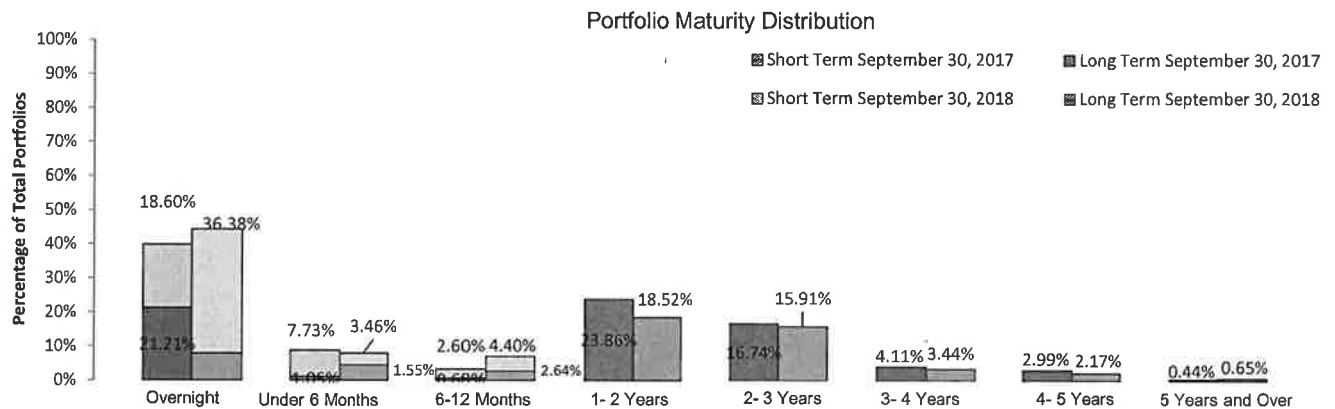
1. Yields are presented as "Yield on Cost" pursuant to the County's Investment Policy Performance Section for short-term securities and compared to the benchmark which is the Standard & Poor's GIP 30 Day Index.

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 Distribution¹</u>	<u>September 30, 2018</u>	<u>September 30, 2017</u>
Overnight (Money Market Fund)	\$204,137,732	\$154,630,153
Under 6 Months	36,588,045	34,080,888
6 - 12 Months	32,440,758	12,708,160
1 - 2 Years	85,274,187	92,640,713
2 - 3 Years	73,254,587	64,988,578
3 - 4 Years	15,829,128	15,959,445
4 - 5 Years	9,988,906	11,627,788
5 Years and Over	2,995,270	1,696,226
Totals	\$460,508,612	\$388,331,949



Notes:

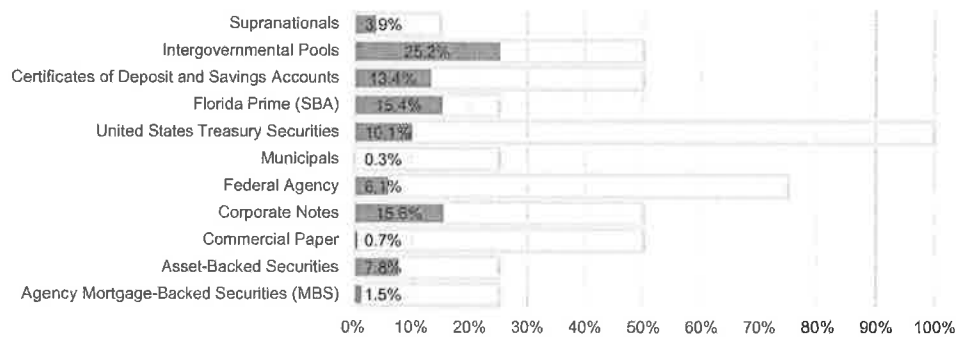
1. Callable securities in portfolio are included in the maturity distribution analysis to their stated maturity date, although they may be called prior to maturity.

PFM Asset Management LLC

For the Fiscal Year Ended September 30, 2018

BREVARD COUNTY

Asset Allocation



Security Type	Amortized Cost (Includes Interest)	Allocation Percentage	Permitted by Policy	In Compliance
Florida Prime (SBA)	71,268,393.74	15.37%	25%	YES
United States Treasury Securities	46,838,002.39	10.10%	100%	YES
Federal Agency	28,325,158.60	6.11%	75%	YES
Supranationals	18,199,875.99	3.92%	15%	YES
Corporate Notes	72,191,829.50	15.57%	50%	YES
Municipals	1,417,021.33	0.31%	25%	YES
Agency Mortgage-Backed Securities (MBS)	6,795,599.10	1.47%	25%	YES
Asset-Backed Securities	36,256,356.84	7.82%	25%	YES
Certificates of Deposit and Savings Accounts	62,083,206.49	13.39%	50%	YES
Commercial Paper	3,438,356.25	0.74%	50%	YES
Bankers' Acceptances	-	0.00%	10%	YES
Repurchase Agreements	-	0.00%	40%	YES
Money Market Funds	-	0.00%	50%	YES
Intergovernmental Pools	116,943,274.16	25.22%	50%	YES

End of month trade-date amortized cost of portfolio holdings, including accrued interest. Does not include bond proceeds funds. Some funds managed by the County.

Sector	Individual Issuer Breakdown	Amortized Cost (Includes Interest)	Allocation Percentage	Permitted by Policy	In Compliance
Us Tsy Bond/Note	UNITED STATES TREASURY	46,838,002.39	10.10%	100%	YES
Supranatl	AFRICAN DEVELOPMENT BANK	5,772,597.61	1.24%	5%	YES
Supranatl	ASIAN DEVELOPMENT BANK	854,577.96	0.18%	5%	YES
Supranatl	INTER-AMERICAN DEVELOPMENT BANK	4,049,169.33	0.87%	5%	YES
Supranatl	INTL BANK OF RECONSTRUCTION AND DEV	4,855,245.20	1.05%	5%	YES
Supranatl	INTERNATIONAL FINANCE CORPORATION	2,668,285.89	0.58%	5%	YES
Muni Bond/Note	CALIFORNIA ST	1,417,021.33	0.31%	5%	YES
Mbs / Cmo	FANNIE MAE	2,805,872.97	0.61%	25%	YES
Mbs / Cmo	FREDDIE MAC	318,125.33	0.07%	25%	YES
Mbs / Cmo	FANNIEMAE-ACES	1,426,161.01	0.31%	25%	YES
Mbs / Cmo	FHLMC MULTIFAMILY STRUCTURED P	2,245,439.79	0.48%	25%	YES
Intergovernmental Pools	FEITF	46,540,750.70	10.04%	25%	YES
Intergovernmental Pools	FLFIT	70,402,523.46	15.18%	25%	YES
Florida Prime (SBA)	FLORIDA PRIME (SBA)	71,268,393.74	15.37%	25%	YES
Fed Agy Bond/Note	FANNIE MAE	17,495,100.03	3.77%	40%	YES
Fed Agy Bond/Note	FEDERAL HOME LOAN BANKS	7,826,766.07	1.69%	40%	YES
Fed Agy Bond/Note	FREDDIE MAC	3,003,292.50	0.65%	40%	YES
Corporate Note	AMERICAN EXPRESS CREDIT CORP	624,150.84	0.13%	5%	YES
Corporate Note	AMERICAN HONDA FINANCE	2,200,151.57	0.47%	5%	YES
Corporate Note	APPLE INC	1,758,484.89	0.38%	5%	YES
Corporate Note	BP CAPITAL MARKETS PLC	1,913,398.00	0.41%	5%	YES
Corporate Note	CHEVRON CORP	1,906,072.51	0.41%	5%	YES
Corporate Note	GOLDMAN SACHS GROUP INC	1,479,765.54	0.32%	5%	YES
Corporate Note	HSBC USA	892,610.51	0.19%	5%	YES
Corporate Note	IBM CORP	1,641,263.90	0.35%	5%	YES
Corporate Note	JOHN DEERE CAPITAL CORP	1,932,874.19	0.42%	5%	YES
Corporate Note	MICROSOFT CORP	912,294.09	0.20%	5%	YES
Corporate Note	ROYAL BANK OF CANADA NY	2,141,529.32	0.46%	5%	YES
Corporate Note	TOYOTA MOTOR CREDIT CORP	1,891,404.34	0.41%	5%	YES
Corporate Note	AMERICAN EXPRESS CREDIT	1,460,120.85	0.31%	5%	YES
Corporate Note	WESTPAC BANKING CORP NY	2,078,159.43	0.45%	5%	YES
Corporate Note	WALT DISNEY COMPANY/THE	2,119,481.27	0.46%	5%	YES
Corporate Note	TOTAL CAPITAL SA	1,235,412.92	0.27%	5%	YES
Corporate Note	EXXON MOBIL CORP	1,004,118.22	0.22%	5%	YES
Corporate Note	PEPSICO INC	955,883.47	0.21%	5%	YES
Corporate Note	INTEL CORP	1,258,734.75	0.27%	5%	YES
Corporate Note	JP MORGAN CHASE & CO	1,809,966.76	0.39%	5%	YES
Corporate Note	WELLS FARGO BANK NA	2,015,504.46	0.43%	5%	YES
Corporate Note	BRANCH BANKING & TRUST	1,244,386.00	0.27%	5%	YES
Corporate Note	CITIGROUP INC	1,945,652.33	0.42%	5%	YES
Corporate Note	PFIZER INC	1,910,250.37	0.41%	5%	YES

Sector	Individual Issuer Breakdown	Amortized Cost (Includes Interest)	Allocation Percentage	Permitted by Policy	In Compliance
Corporate Note	MORGAN STANLEY	2,013,534.30	0.43%	5%	YES
Corporate Note	UNILEVER CAPITAL CORP	1,786,364.12	0.39%	5%	YES
Corporate Note	BANK OF MONTREAL CHICAGO	1,936,903.36	0.42%	5%	YES
Corporate Note	CATERPILLAR FINANCIAL SERVICES CORP	1,801,703.70	0.39%	5%	YES
Corporate Note	TORONTO DOMINION BANK	3,437,031.35	0.74%	5%	YES
Corporate Note	JOHNSON & JOHNSON	327,235.70	0.07%	5%	YES
Corporate Note	BANK OF NOVA SCOTIA HOUSTON	1,908,577.00	0.41%	5%	YES
Corporate Note	HOME DEPOT INC	930,061.46	0.20%	5%	YES
Corporate Note	BANK OF AMERICA CORP	2,007,117.60	0.43%	5%	YES
Corporate Note	HONEYWELL INTERNATIONAL	528,740.71	0.11%	5%	YES
Corporate Note	WAL-MART STORES INC	2,097,052.09	0.45%	5%	YES
Corporate Note	CANADIAN IMP BK COMM NY	1,611,779.22	0.35%	5%	YES
Corporate Note	PACCAR FINANCIAL CORP	2,284,236.95	0.49%	5%	YES
Corporate Note	UNITED PARCEL SERVICE	1,109,970.03	0.24%	5%	YES
Corporate Note	NATIONAL RURAL UTIL COOP	1,294,083.30	0.28%	5%	YES
Corporate Note	HSBC BANK USA NA	1,154,514.80	0.25%	5%	YES
Corporate Note	HERSHEY COMPANY	909,743.04	0.20%	5%	YES
Corporate Note	GENERAL DYNAMICS CORP	1,109,144.62	0.24%	5%	YES
Corporate Note	CHARLES SCHWAB CORP	1,213,942.61	0.26%	5%	YES
Corporate Note	GLAXOSMITHKLINE CAPITAL	706,608.55	0.15%	5%	YES
Corporate Note	LLOYDS BANK PLC	1,654,690.14	0.36%	5%	YES
Corporate Note	SANTANDER UK PLC	1,312,560.98	0.28%	5%	YES
Corporate Note	3M COMPANY	724,563.34	0.16%	5%	YES
Commercial Paper	MUFG BANK LTD/NY	3,438,356.25	0.74%	5%	YES
CD / Savings Account	BANK UNITED CERTIFICATE OF DEPOSIT	30,316,973.18	6.54%	50%	YES
CD / Savings Account	FLORIDA COMMUNITY BANK CERTIFICATE OF DEPOSIT	15,840,169.24	3.42%	50%	YES
CD / Savings Account	SUNTRUST BANK ACCOUNT	5,207,812.00	1.12%	50%	YES
CD / Savings Account	BANK UNITED MONEY MARKET ACCOUNT	10,718,252.07	2.31%	50%	YES
Asset-Backed	ALLY AUTO RECEIVABLES TRUST	3,763,744.15	0.81%	5%	YES
Asset-Backed	CARMAX AUTO OWNER TRUST	600,700.18	0.13%	5%	YES
Asset-Backed	CNH EQUIPMENT TRUST	3,953,121.89	0.85%	5%	YES
Asset-Backed	FORD CREDIT AUTO OWNER TRUST	2,652,590.14	0.57%	5%	YES
Asset-Backed	HYUNDAI AUTO RECEIVABLES TRUST	2,361,715.77	0.51%	5%	YES
Asset-Backed	JOHN DEERE OWNER TRUST	1,401,192.03	0.30%	5%	YES
Asset-Backed	CITIBANK CREDIT CARD ISSUANCE	3,325,974.87	0.72%	5%	YES
Asset-Backed	AMERICAN EXPRESS CREDIT ACCOUN	3,502,367.01	0.76%	5%	YES
Asset-Backed	BANK OF AMERICA CREDIT CARD TR	1,370,902.75	0.30%	5%	YES
Asset-Backed	TOYOTA AUTO RECEIVABLES OWNER	3,102,240.21	0.67%	5%	YES
Asset-Backed	HONDA AUTO RECEIVABLES OWNER T	4,126,388.87	0.89%	5%	YES
Asset-Backed	NISSAN AUTO RECEIVABLES OWNER	1,951,390.51	0.42%	5%	YES
Asset-Backed	CAPITAL ONE MULTI-ASSET EXECUT	1,226,004.65	0.26%	5%	YES
Asset-Backed	GM FINANCIAL SECURITIZED TERM	500,517.25	0.11%	5%	YES

For the Fiscal Year Ended September 30, 2018

BREVARD COUNTY

Asset Allocation

Sector	Individual Issuer Breakdown	Amortized Cost (Includes Interest)	Allocation Percentage	Permitted by Policy	In Compliance
Asset-Backed	MERCEDES-BENZ AUTO RECEIVABLES	926,211.98	0.20%	5%	YES
Asset-Backed	WORLD OMNI AUTO RECEIVABLES TR	550,716.07	0.12%	5%	YES
Asset-Backed	GM FINANCIAL AUTO LEASING TRUST	400,145.23	0.09%	5%	YES
Asset-Backed	FORD CREDIT AUTO LEASE TRUST	540,433.28	0.12%	5%	YES

End of month trade-date amortized cost of portfolio holdings, including accrued interest. Does not include bond proceed funds. Some funds managed by the County.

IMPORTANT DISCLOSURES

This material is based on information obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management LLC cannot guarantee its accuracy, completeness or suitability. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation. All statements as to what will or may happen under certain circumstances are based on assumptions, some, but not all of which, are noted in the presentation. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Past performance does not necessarily reflect and is not a guaranty of future results. The information contained in this presentation is not an offer to purchase or sell any securities.

- Market values that include accrued interest are derived from closing bid prices as of the last business day of the month as supplied by Interactive Data, Bloomberg, or Telerate. 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.
- **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 DURATION:** Represents each sector or maturity range's relative contribution to the overall duration of the portfolio measured as a percentage weighting. Since duration is a key measure of interest rate sensitivity, the contribution to duration measures the relative amount or contribution of that sector or maturity range to the total rate sensitivity of the portfolio.
- **DURATION TO WORST:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years, computed from cash flows to the maturity date or to the put date, whichever results in the highest yield to the investor.
- **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.

GLOSSARY

- **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.
- **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.
- **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.