



Town of Palm Beach, Florida



Investment Performance Review Quarter Ended September 30, 2016

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QUARTERLY MARKET SUMMARY

Summary

- The volatile effects of Britain's Brexit vote to leave the European Union (EU) quickly dissipated at the beginning of the third quarter as investors concluded that any effects could take up to two years to play out. Investors turned their focus back to fundamental economic factors, such as growth, inflation, and the timing of future rate hikes by the Federal Reserve (Fed).
- The Fed left rates unchanged at its third quarter meetings and lowered rate expectations in September. Given the upcoming U.S. presidential election, the market expects no action at the Fed's November meeting, but holds roughly a 60% chance of a rate hike in December.
- Other central banks continued to implement accommodative monetary policy. The European Central Bank (ECB) kept its benchmark interest rate near 0% and continued its 80-billion-euro monthly bond-buying program. Meanwhile, the Bank of Japan (BoJ) introduced two policies: one keeps 10-year Japanese government bond yields near zero percent; the other expands money supply until inflation remains above the 2% target. The Bank of England (BoE) joined the easing by cutting its interest rate to 0.25% from 0.50% and enacting a bond purchase program to the tune of 10 billion pounds a month.

Economic Snapshot

- The U.S. economy continued to grow at a slow but steady pace. Consumers drove growth in the first half of the year, while business investment lagged. The labor market remained strong, with the unemployment rate remaining below 5% throughout most of the third quarter. The housing market was arguably the economy's strongest sector as home sales rose to levels not seen since before the 2008 financial crisis.
- U.S. gross domestic product (GDP) grew at a 1.4% rate in the second quarter, a modest rebound from the first quarter's 0.8% rate. Consumer spending drove growth in the second quarter, contributing the most to GDP since 2014, while weakness in business investment detracted the most since 2009. Economic growth is expected to rebound in the third quarter to between 2.5% and 3%.
- The unemployment rate ticked up to 5.0% by the end of the third quarter, as the pace of hiring aligned with the pace of economic growth. September's modest addition of 156,000 jobs rounded out a quarter that added 575,000 jobs, the most jobs added since the first quarter of 2016.

Weekly unemployment filings continued to fall to levels not seen since the early 1970s, while job openings reached record levels. Both were positive indications of labor market strength.

- Inflation pressures firmed slightly over the third quarter as the personal consumption expenditure (PCE) price index, the Fed's favored inflation metric, rose 1.7% for the year ended August 31. Housing and medical costs continued to rise. Average hourly earnings, an important measure of wages in the manufacturing sector, grew 2.6% over the 12 months ended September, the 19th consecutive month of greater than 2% year-over-year (YoY) growth.

Interest Rates

- Interest rates rose significantly in the third quarter, reversing second-quarter declines spurred by Brexit. Short-term yields led the rise, as expectations rebounded for a Fed rate hike this year, slightly flattening the yield curve. The two-year Treasury yield climbed 18 basis points (bps), while the yield on the 10-year Treasury rose 12 bps.
- In the money market space, shorter-term Treasury yields rebounded from their second-quarter compression. Short-term credit instruments, like commercial paper and negotiable bank certificates of deposit (CDs), continued to offer significant added income as yields remained elevated ahead of the Securities and Exchange Commission's money market reform effective October 14.

Sector Performance

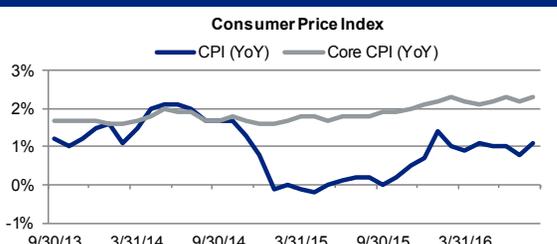
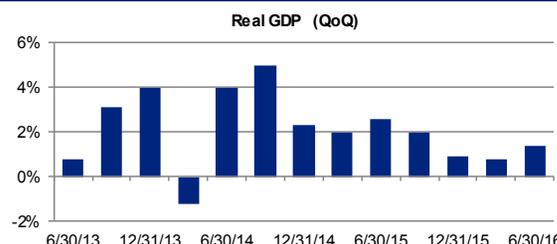
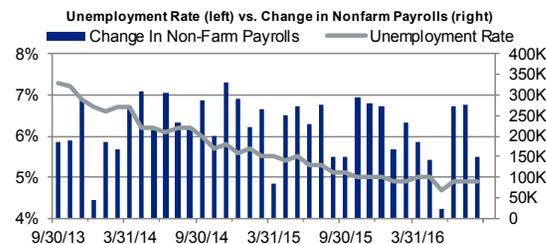
- Returns declined for U.S. Treasury indexes for the third quarter as yields rose, decreasing market values. The declines offset second quarter gains. Shorter maturity issues outperformed longer maturities.
- Non-callable federal agency spreads drifted tighter during the quarter, leading to the sector's modest outperformance relative to comparable-maturity Treasuries.
- Corporate yield spreads tightened throughout most of the third quarter, reaching their lowest levels of the year, as Brexit fears abated and investors' search for yield continued. The sector once again outperformed Treasuries.
- Mortgage-backed (MBS) and asset-backed securities (ABS) outperformed Treasuries for the first quarter this year as rising interest rates decreased prepayment risk.

Economic Snapshot

Labor Market	Latest	Jun 2016	Sep 2015	
Unemployment Rate	Aug'16	4.9%	4.9%	5.1%
Change In Non-Farm Payrolls	Aug'16	151,000	271,000	149,000
Average Hourly Earnings (YoY)	Aug'16	2.4%	2.6%	2.4%
Personal Income (YoY)	Aug'16	3.1%	3.1%	4.0%
Initial Jobless Claims (week)	9/23/16	254,000	270,000	277,000

Growth	Latest	Jun 2016	Sep 2015	
Real GDP (QoQ SAAR)	2016Q2	1.4%	0.8% ¹	2.6% ²
GDP Personal Consumption (QoQ SAAR)	2016Q2	4.3%	1.6% ¹	2.9% ²
Retail Sales (YoY)	Aug'16	1.9%	2.8%	2.1%
ISM Manufacturing Survey (month)	Aug'16	49.4	53.2	50.0
Existing Home Sales SAAR (month)	Aug'16	5.33 mil.	5.57 mil.	5.44 mil.

Inflation / Prices	Latest	Jun 2016	Sep 2015	
Personal Consumption Expenditures (YoY)	Aug'16	1.0%	0.9%	0.2%
Consumer Price Index (YoY)	Aug'16	1.1%	1.0%	0.0%
Consumer Price Index Core (YoY)	Aug'16	2.3%	2.3%	1.9%
Crude Oil Futures (WTI, per barrel)	Sep 30	\$48.24	\$48.33	\$45.09
Gold Futures (oz.)	Sep 30	\$1,313	\$1,321	\$1,116



1. Data as of Fourth Quarter 2015

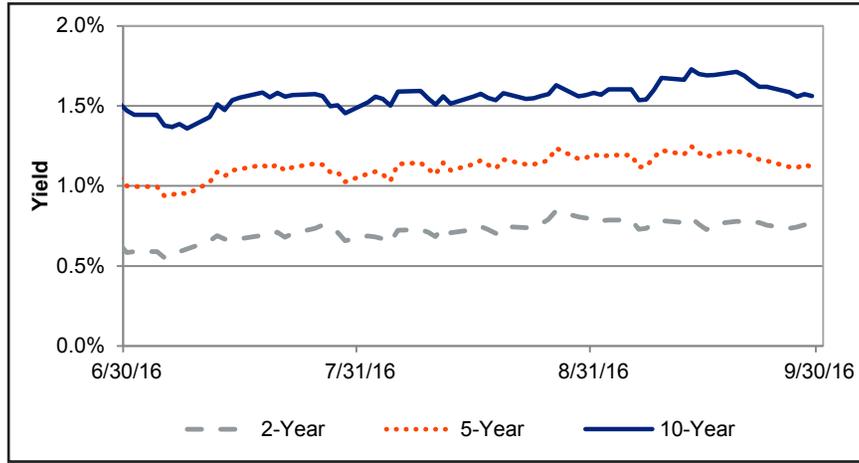
2. Data as of First Quarter 2015

Note: YoY = year over year, QoQ = quarter over quarter, SAAR = seasonally adjusted annual rate, WTI = West Texas Intermediate crude oil

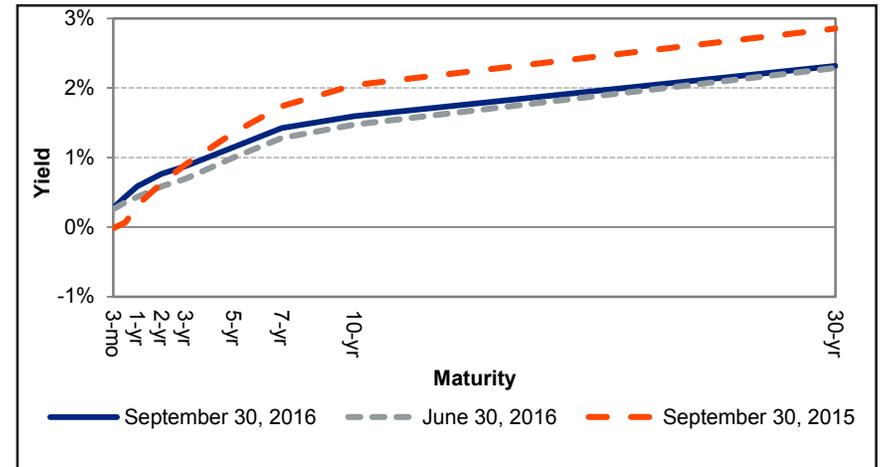
Source: Bloomberg

Interest Rate Overview

U.S. Treasury Note Yields



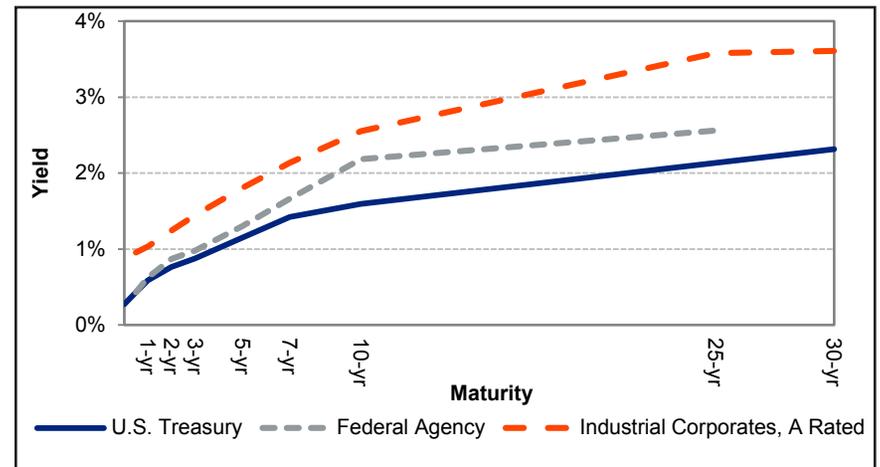
U.S. Treasury Yield Curve



U.S. Treasury Yields

Maturity	9/30/16	6/30/16	Change over Quarter	9/30/15	Change over Year
3-month	0.28%	0.26%	0.02%	(0.02%)	0.30%
1-year	0.59%	0.44%	0.15%	0.31%	0.28%
2-year	0.76%	0.58%	0.18%	0.63%	0.13%
5-year	1.15%	1.00%	0.15%	1.36%	(0.21%)
10-year	1.60%	1.47%	0.13%	2.04%	(0.44%)
30-year	2.32%	2.29%	0.03%	2.85%	(0.53%)

Yield Curves as of 9/30/2016



Source: Bloomberg

BofA Merrill Lynch Index Returns

	As of 9/30/16		Returns for Periods ended 9/30/16		
	Duration	Yield	3 Month	1 Year	3 Years
1-3 Year Indices					
U.S. Treasury	1.90	0.78%	(0.11%)	0.88%	0.85%
Federal Agency	1.69	0.90%	0.03%	0.94%	0.95%
U.S. Corporates, A-AAA rated	1.90	1.48%	0.17%	2.04%	1.60%
Agency MBS (0 to 3 years)	2.22	1.40%	0.29%	2.43%	1.67%
Taxable Municipals	1.99	1.95%	0.56%	3.44%	2.71%
1-5 Year Indices					
U.S. Treasury	2.73	0.90%	(0.19%)	1.52%	1.43%
Federal Agency	2.14	0.98%	0.00%	1.36%	1.41%
U.S. Corporates, A-AAA rated	2.76	1.66%	0.30%	3.01%	2.44%
Agency MBS (0 to 5 years)	3.29	1.81%	0.61%	3.29%	2.91%
Taxable Municipals	2.64	1.90%	0.52%	4.16%	3.64%
Master Indices (Maturities 1 Year or Greater)					
U.S. Treasury	6.59	1.28%	(0.33%)	4.33%	3.70%
Federal Agency	3.90	1.27%	0.13%	2.98%	2.82%
U.S. Corporates, A-AAA rated	7.16	2.46%	0.89%	7.52%	5.38%
Agency MBS (0 to 30 years)	3.49	1.90%	0.61%	3.66%	3.57%
Taxable Municipals	4.09	2.43%	0.09%	5.53%	5.19%

Returns for periods greater than one year are annualized.

Source: BofA Merrill Lynch Indices

Disclosures

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Tab II

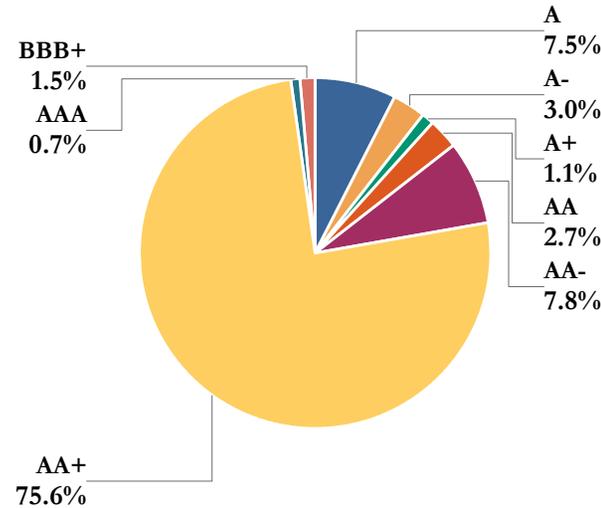
- The Town's 1-5 Year Investment, Short Term and Bond Proceed Portfolios are of high credit quality and invested in U.S. Treasury, Federal Agency/GSE, corporate, commercial paper, municipal securities, and the Florida Education Investment Trust Fund.
- PFM continued to actively manage the 1-5 Year Investment Portfolio during the second quarter and found value in the market, taking advantage of market inefficiencies or changes in economic outlook. As a result, the Portfolio realized \$48,092 in gains on sales (based on amortized cost) during the quarter. PFM is continually in the market monitoring for opportunities to add value to the Portfolio.
- The 1-5 Year Investment Portfolio's quarterly total return performance of -0.07% outperformed the benchmark performance of -0.17% by 0.10%. Over the past year, the Portfolio earned 1.80% versus 1.51% for the benchmark.
- The Short Term and Bond Proceeds Portfolios continue to provide the Town with favorable yield relative to the benchmark. At quarter end, the portfolios had a weighted average Yield to Maturity at Cost of 1.08%, exceeding the Yield to Maturity of its benchmark the S&P GIP Government 30 Day Index of .45% by 0.63%.
- Yields drifted modestly higher during the third quarter as early-quarter Brexit fears faded and U.S. economic data rebounded, bringing the Fed closer to an eventual rate hike, perhaps in December.
- We sought to generally maintain portfolio durations and maturity distributions comparable to those of benchmarks to reduce potential performance mismatches given the uncertain rate environment.
- We will continue to monitor incoming economic data to assess and confirm the prospect for a Fed rate hike by year-end. In the near-term, the upcoming U.S. Presidential election could be a source of market volatility.
- PFM will continue to navigate the market environment with a keen focus on relative value sector analysis, prudent duration management, and efficient yield curve placement. While producing strong investment returns remains a priority, it is secondary to maintaining safety and liquidity, particularly in the current environment where we expect yields to trend higher.

Portfolio Statistics

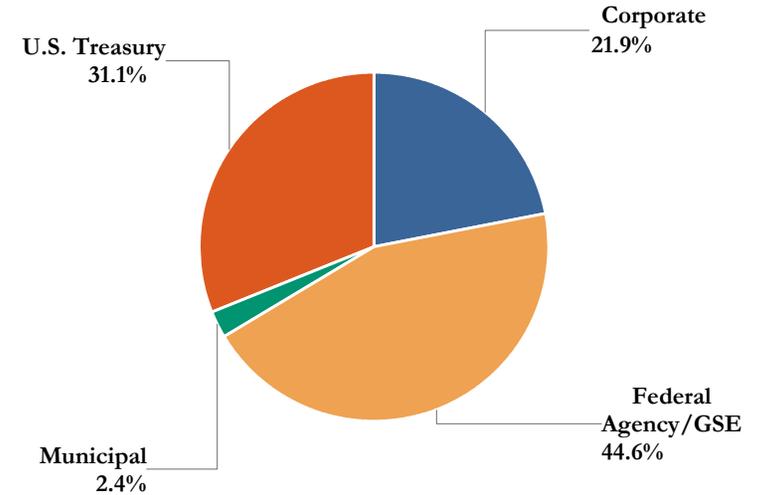
As of September 30, 2016

Par Value:	18,349,000
Total Market Value:	18,645,654
Security Market Value:	18,557,099
Accrued Interest:	56,416
Cash:	32,139
PFM	-
Amortized Cost:	18,430,577
Yield at Market:	1.06%
Yield at Cost:	1.32%
Effective Duration:	2.61 Years
Duration to Worst:	2.62 Years
Average Maturity:	2.71 Years
Average Credit: **	AA

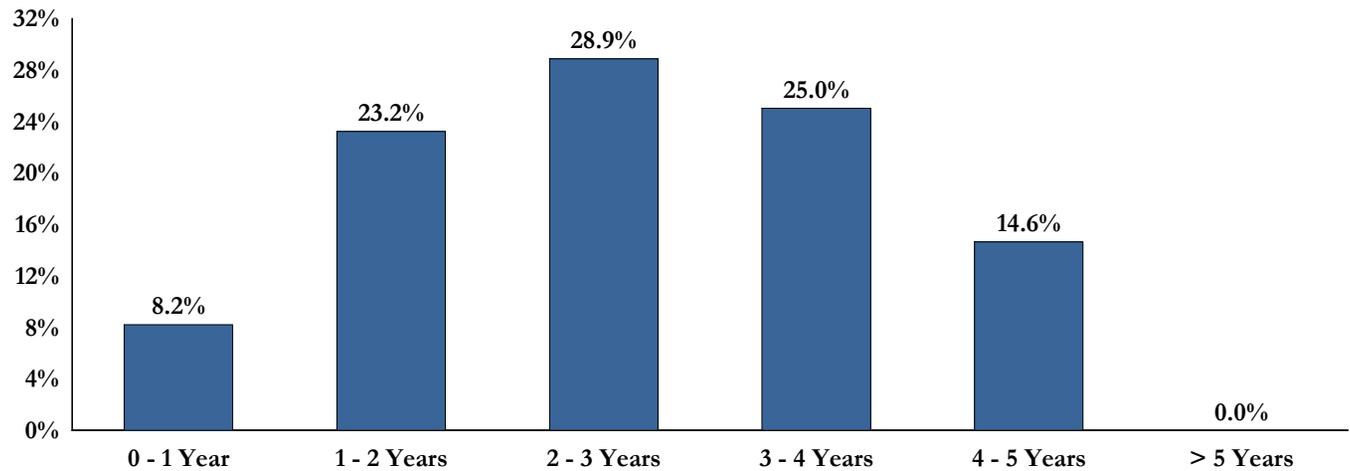
Credit Quality (S&P Ratings)



Sector Allocation



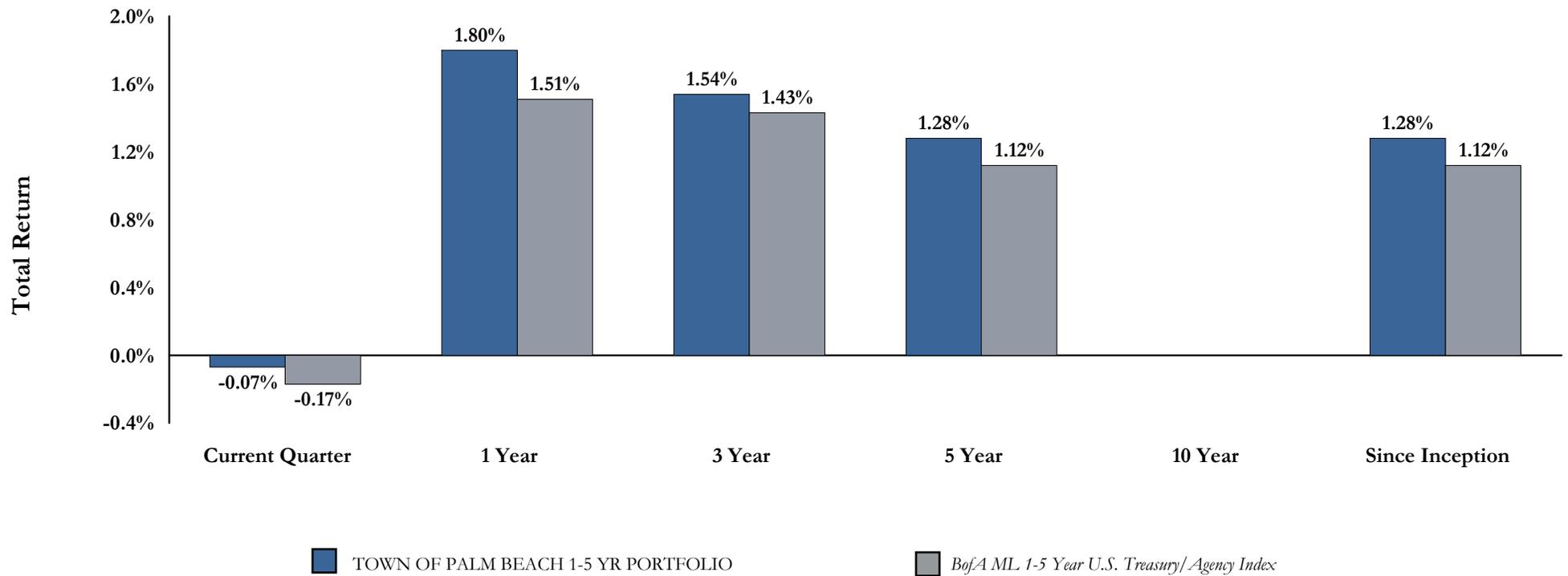
Maturity Distribution



** 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)

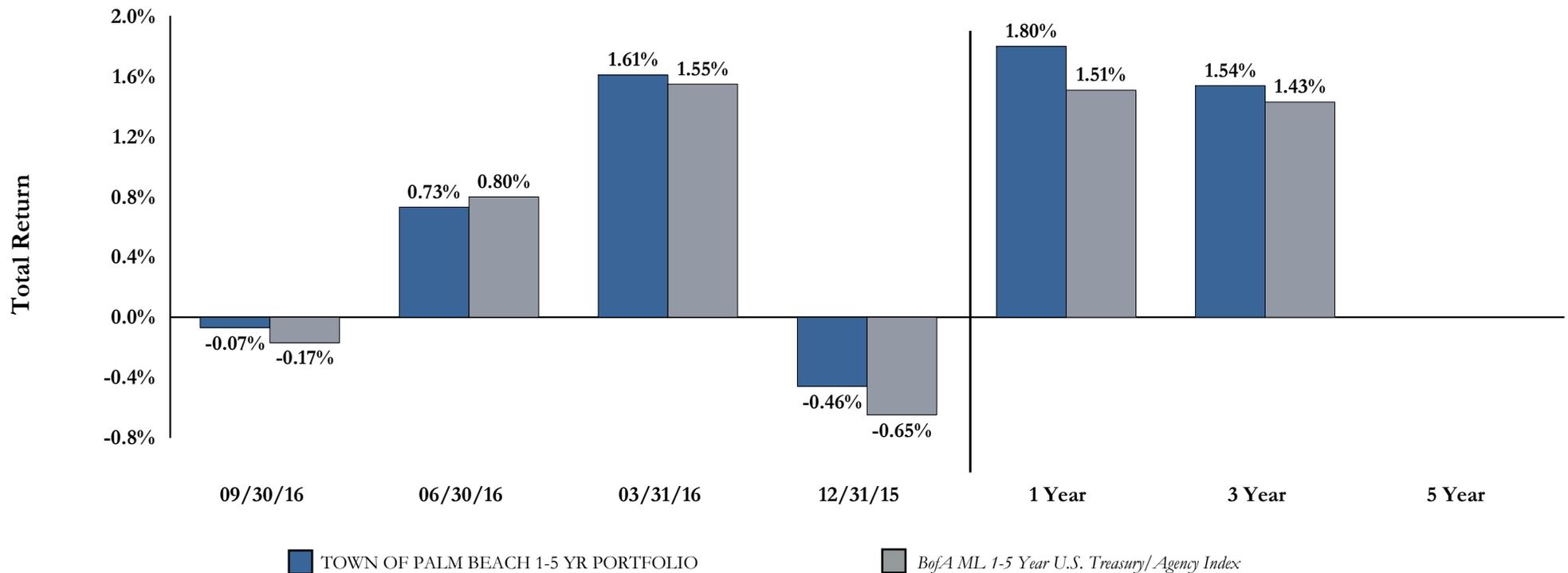
Portfolio/Benchmark	Effective Duration	Current Quarter	1 Year	Annualized Return			Since Inception (09/30/11) **
				3 Year	5 Year	10 Year	
TOWN OF PALM BEACH 1-5 YR PORTFOLIO	2.61	-0.07%	1.80%	1.54%	1.28%	-	1.28%
<i>BofA ML 1-5 Year U.S. Treasury/Agency Index</i>	2.62	-0.17%	1.51%	1.43%	1.12%	-	1.12%
Difference		0.10%	0.29%	0.11%	0.16%	-	0.16%



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)

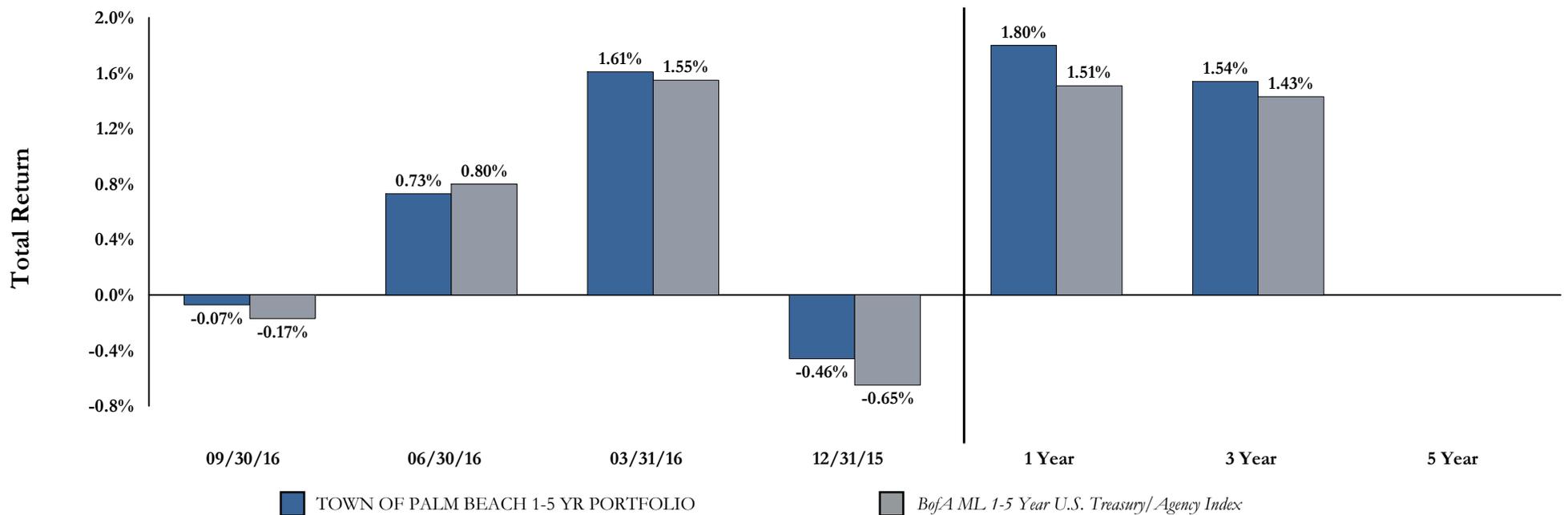
Portfolio/Benchmark	Effective Duration	Quarter Ended				1 Year	Annualized Return	
		09/30/16	06/30/16	03/31/16	12/31/15		3 Year	5 Year
TOWN OF PALM BEACH 1-5 YR PORTFOLIO	2.61	-0.07%	0.73%	1.61%	-0.46%	1.80%	1.54%	1.28%
<i>BofA ML 1-5 Year U.S. Treasury/Agency Index</i>	2.62	-0.17%	0.80%	1.55%	-0.65%	1.51%	1.43%	1.12%
Difference		0.10%	-0.07%	0.06%	0.19%	0.29%	0.11%	0.16%



Portfolio performance is gross of fees unless otherwise indicated.

Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Quarter Ended				1 Year	Annualized Return	
		09/30/16	06/30/16	03/31/16	12/31/15		3 Year	5 Year
TOWN OF PALM BEACH 1-5 YR PORTFOLIO	2.61	-0.07%	0.73%	1.61%	-0.46%	1.80%	1.54%	1.28%
<i>Net of Fees **</i>	-	-0.09%	0.71%	1.59%	-0.48%	1.74%	1.48%	1.22%
BofA ML 1-5 Year U.S. Treasury/Agency Index	2.62	-0.17%	0.80%	1.55%	-0.65%	1.51%	1.43%	1.12%
Difference (Gross)		0.10%	-0.07%	0.06%	0.19%	0.29%	0.11%	0.16%
Difference (Net)		0.08%	-0.09%	0.04%	0.17%	0.23%	0.05%	0.10%



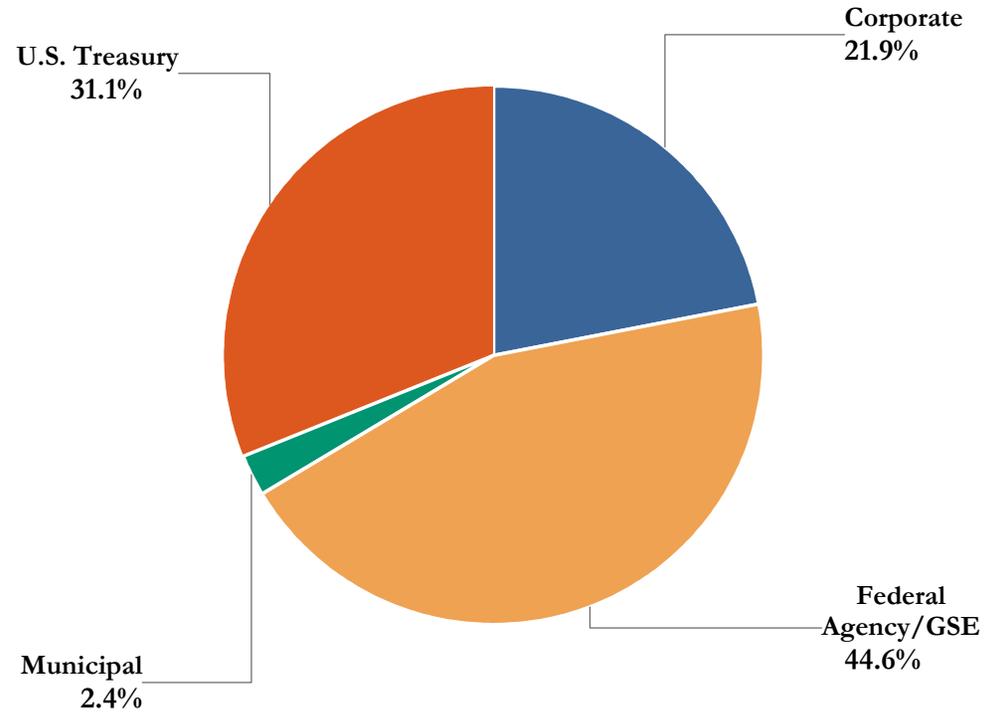
Portfolio performance is gross of fees unless otherwise indicated. ** Fees were calculated based on average assets during the period at the contractual rate.

Portfolio Earnings
Quarter-Ended September 30, 2016

	<u>Market Value Basis</u>	<u>Accrual (Amortized Cost) Basis</u>
Beginning Value (06/30/2016)	\$18,491,724.84	\$18,241,451.49
Net Purchases/Sales	\$145,405.12	\$145,405.12
Change in Value	(\$80,031.36)	\$43,720.34
Ending Value (09/30/2016)	\$18,557,098.60	\$18,430,576.95
Interest Earned	\$66,586.34	\$66,586.34
Portfolio Earnings	(\$13,445.02)	\$110,306.68

Sector Allocation
As of September 30, 2016

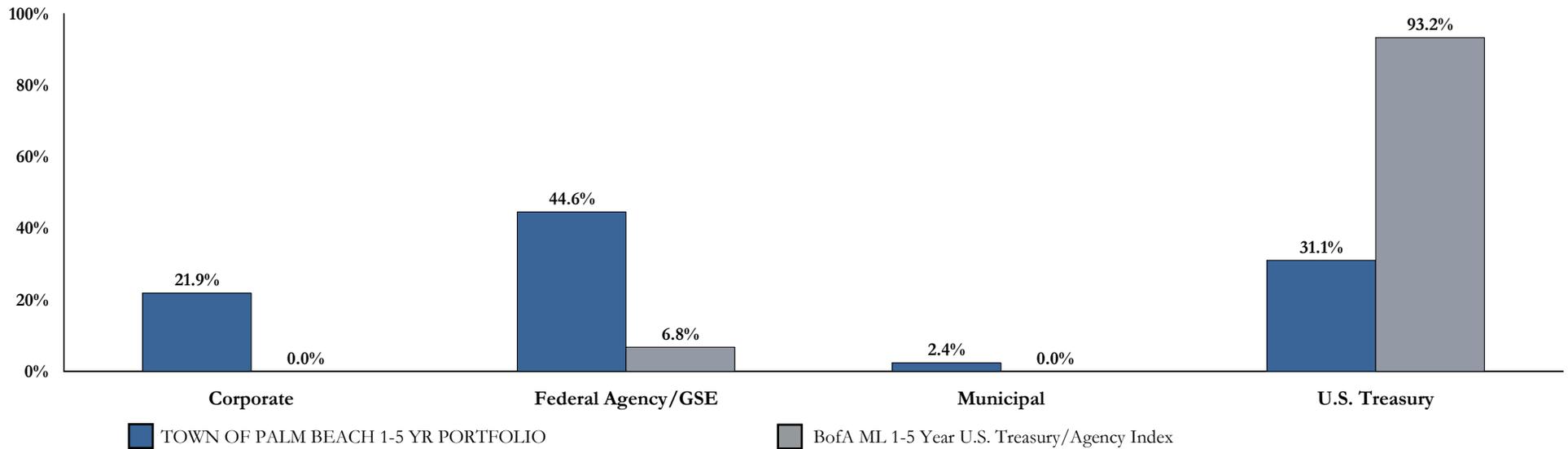
Sector	Market Value (\$)	% of Portfolio
Federal Agency/GSE	8,259,834	44.6%
U.S. Treasury	5,776,640	31.1%
Corporate	4,070,079	21.9%
Municipal	450,545	2.4%
Total	18,557,099	100.0%



Detail may not add to total due to rounding.

Sector Allocation
As of September 30, 2016

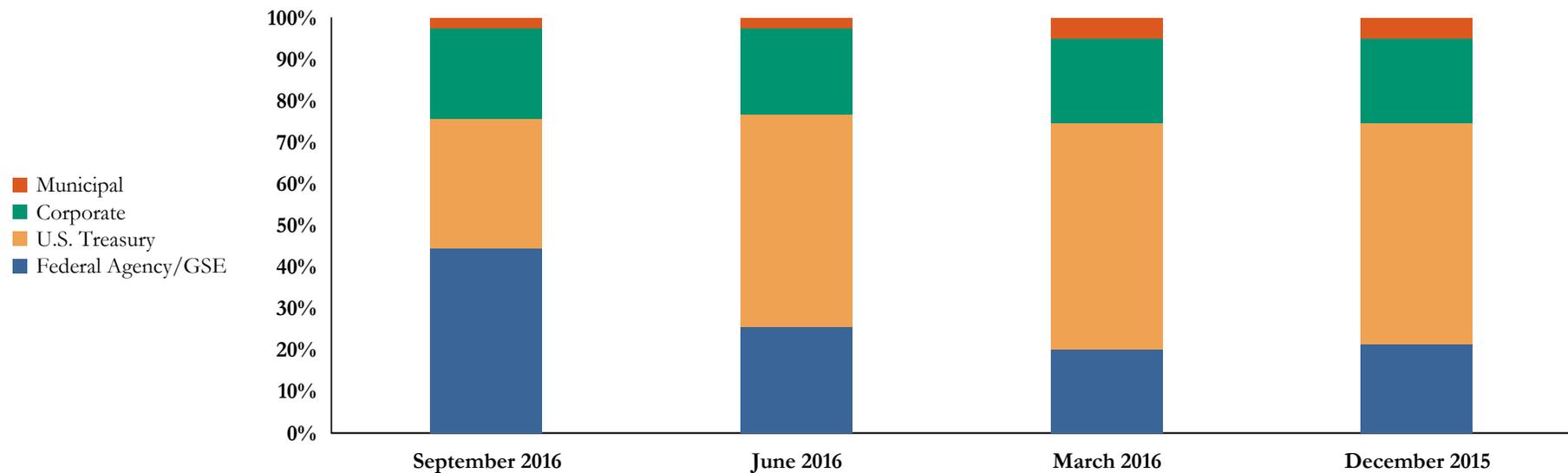
Sector	Market Value (\$)	% of Portfolio	% of Benchmark
Federal Agency/GSE	8,259,834	44.6%	6.8%
U.S. Treasury	5,776,640	31.1%	93.2%
Corporate	4,070,079	21.9%	-
Municipal	450,545	2.4%	-
Total	18,557,099	100.0%	100.0%



Detail may not add to total due to rounding.

Sector Allocation

Sector	September 30, 2016		June 30, 2016		March 31, 2016		December 31, 2015	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
Federal Agency/GSE	8.3	44.6%	4.7	25.6%	3.7	20.2%	3.9	21.4%
U.S. Treasury	5.8	31.1%	9.5	51.1%	10.0	54.5%	9.7	53.3%
Corporate	4.1	21.9%	3.8	20.8%	3.8	20.4%	3.7	20.3%
Municipal	0.5	2.4%	0.5	2.5%	0.9	4.9%	0.9	5.0%
Total	\$18.6	100.0%	\$18.5	100.0%	\$18.4	100.0%	\$18.1	100.0%

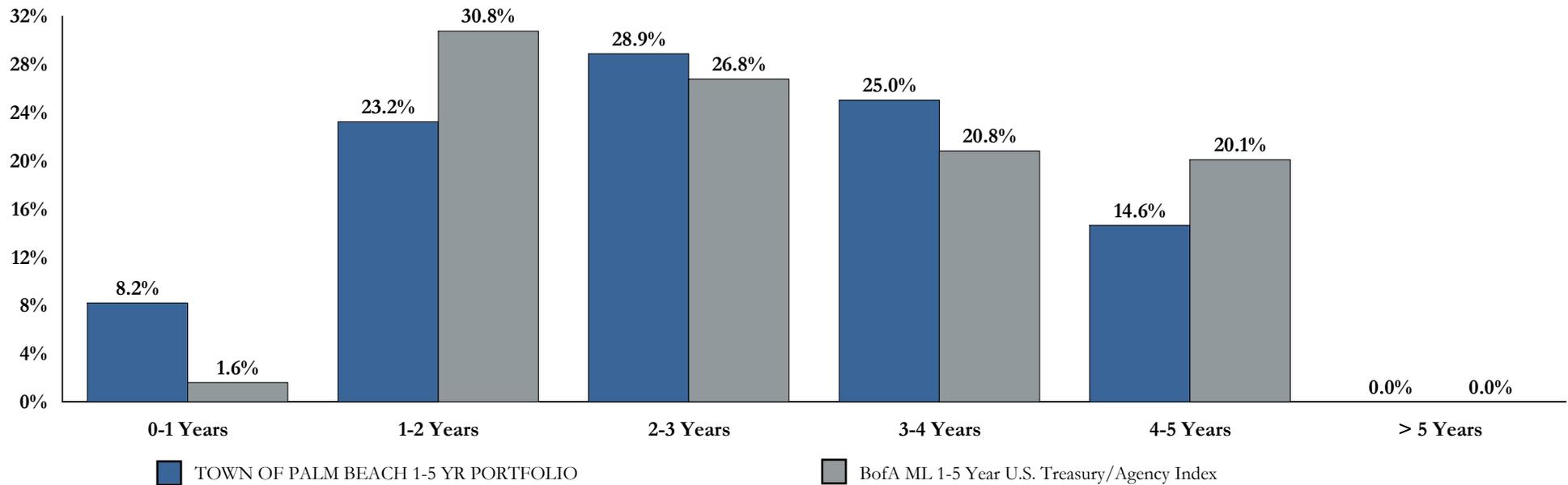


Detail may not add to total due to rounding.

Maturity Distribution

As of September 30, 2016

Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
TOWN OF PALM BEACH 1-5 YR PORTFOLIO	1.06%	2.71 yrs	8.2%	23.2%	28.9%	25.0%	14.6%	0.0%
BofA ML 1-5 Year U.S. Treasury/Agency Index	0.91%	2.80 yrs	1.6%	30.8%	26.8%	20.8%	20.1%	0.0%

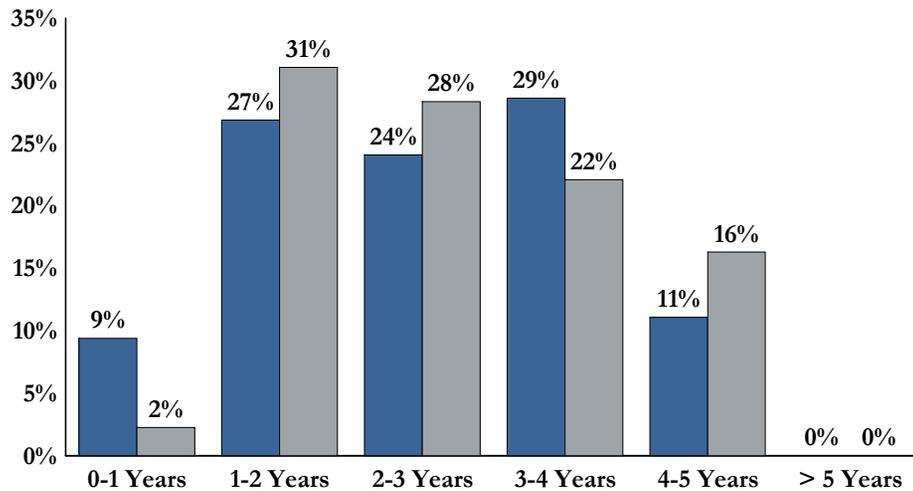


Duration Distribution

As of September 30, 2016

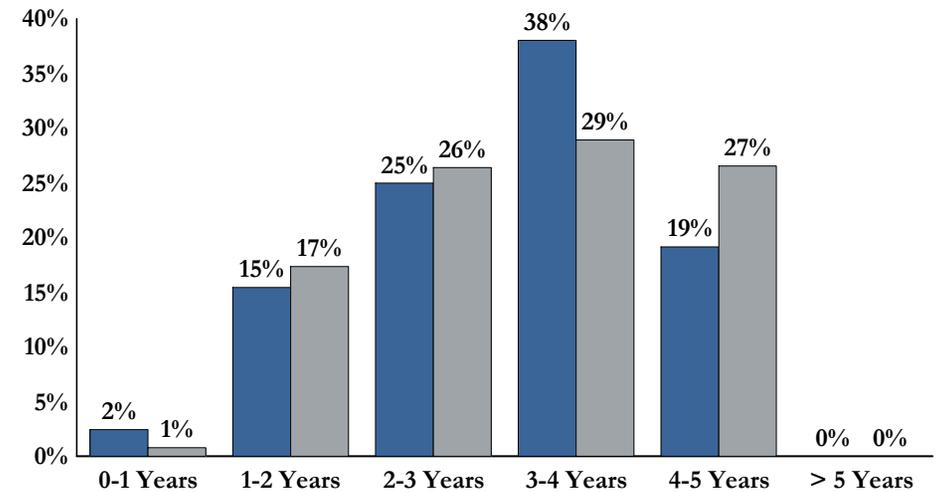
Portfolio / Benchmark	Effective Duration	0-1 YEARS	1-2 YEARS	2-3 YEARS	3-4 YEARS	4-5 YEARS	> 5 YEARS
TOWN OF PALM BEACH 1-5 YR PORTFOLIO	2.61	9.40%	26.85%	24.07%	28.61%	11.07%	0.00%
BofA ML 1-5 Year U.S. Treasury/Agency Index	2.62	2.27%	31.05%	28.31%	22.07%	16.29%	0.00%

Distribution by Effective Duration



■ TOWN OF PALM BEACH 1-5 YR PORTFOLIO
 ■ BofA ML 1-5 Year U.S. Treasury/Agency Index

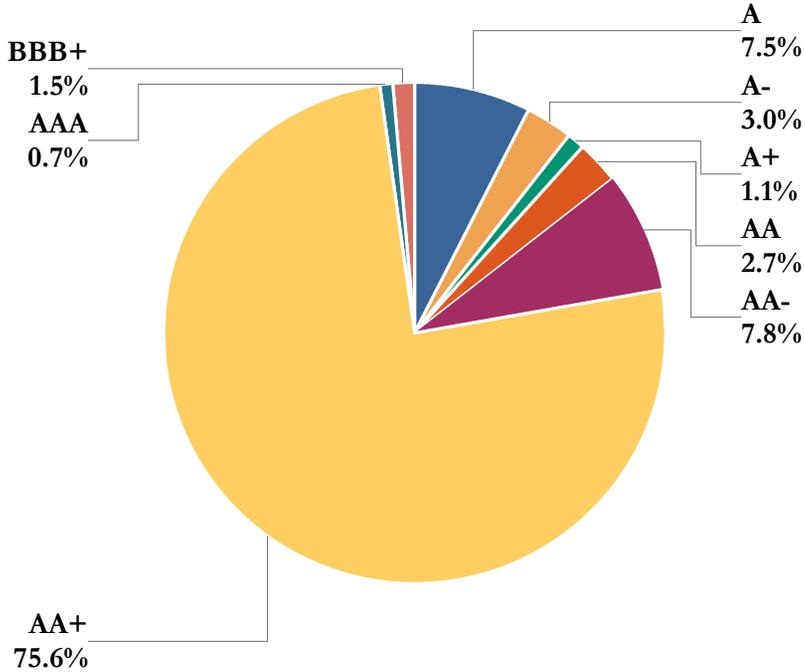
Contribution to Portfolio Duration



■ TOWN OF PALM BEACH 1-5 YR PORTFOLIO
 ■ BofA ML 1-5 Year U.S. Treasury/Agency Index

Credit Quality
As of September 30, 2016

S&P Rating	Market Value (\$)	% of Portfolio
AA+	\$14,036,474	75.6%
AA-	\$1,441,513	7.8%
A	\$1,399,599	7.5%
A-	\$557,226	3.0%
AA	\$500,630	2.7%
BBB+	\$281,865	1.5%
A+	\$210,206	1.1%
AAA	\$129,585	0.7%
Totals	\$18,557,099	100.0%



Detail may not add to total due to rounding.

Issuer Distribution

As of September 30, 2016

Issuer	Market Value (\$)	% of Portfolio
UNITED STATES TREASURY	5,776,640	31.1%
FANNIE MAE	3,397,771	18.3%
FEDERAL HOME LOAN BANKS	3,256,657	17.6%
FREDDIE MAC	1,605,406	8.7%
GENERAL ELECTRIC CO	508,458	2.7%
BANK OF NEW YORK CO INC	460,672	2.5%
TOYOTA MOTOR CORP	458,317	2.5%
WELLS FARGO & COMPANY	453,275	2.4%
CITY OF NEW YORK CITY, NY	450,545	2.4%
CISCO SYSTEMS INC	414,173	2.2%
JP MORGAN CHASE & CO	354,598	1.9%
GOLDMAN SACHS GROUP INC	281,865	1.5%
BOEING COMPANY	220,265	1.2%
DEERE & COMPANY	215,006	1.2%
AMERICAN HONDA FINANCE	210,206	1.1%
MICROSOFT CORP	129,585	0.7%
AMERICAN EXPRESS CO	111,687	0.6%
BB&T CORPORATION	90,940	0.5%

Top 5 = 78.4%

Top 10 = 90.4%

Issuer	Market Value (\$)	% of Portfolio
NEW YORK UNIVERSITY	60,564	0.3%
STATE STREET CORPORATION	50,382	0.3%
BERKSHIRE HATHAWAY INC	50,084	0.3%
Grand Total:	18,557,099	100.0%

Sector/Issuer Distribution

As of September 30, 2016

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
Corporate			
AMERICAN EXPRESS CO	111,687	2.7%	0.6%
AMERICAN HONDA FINANCE	210,206	5.2%	1.1%
BANK OF NEW YORK CO INC	460,672	11.3%	2.5%
BB&T CORPORTATION	90,940	2.2%	0.5%
BERKSHIRE HATHAWAY INC	50,084	1.2%	0.3%
BOEING COMPANY	220,265	5.4%	1.2%
CISCO SYSTEMS INC	414,173	10.2%	2.2%
DEERE & COMPANY	215,006	5.3%	1.2%
GENERAL ELECTRIC CO	508,458	12.5%	2.7%
GOLDMAN SACHS GROUP INC	281,865	6.9%	1.5%
JP MORGAN CHASE & CO	354,598	8.7%	1.9%
MICROSOFT CORP	129,585	3.2%	0.7%
NEW YORK UNIVERSITY	60,564	1.5%	0.3%
STATE STREET CORPORATION	50,382	1.2%	0.3%
TOYOTA MOTOR CORP	458,317	11.3%	2.5%
WELLS FARGO & COMPANY	453,275	11.1%	2.4%
Sector Total	4,070,079	100.0%	21.9%
Federal Agency/GSE			
FANNIE MAE	3,397,771	41.1%	18.3%

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
FEDERAL HOME LOAN BANKS	3,256,657	39.4%	17.5%
FREDDIE MAC	1,605,406	19.4%	8.7%
Sector Total	8,259,834	100.0%	44.5%
Municipal			
CITY OF NEW YORK CITY, NY	450,545	100.0%	2.4%
Sector Total	450,545	100.0%	2.4%
U.S. Treasury			
UNITED STATES TREASURY	5,776,640	100.0%	31.1%
Sector Total	5,776,640	100.0%	31.1%
Portfolio Total	18,557,099	100.0%	100.0%

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
BUY									
7/6/16	7/8/16	345,000	912828Q37	US TREASURY NOTES	1.25%	3/31/21	351,071.97	0.94%	
7/7/16	7/12/16	110,000	02665WBE0	AMERICAN HONDA FINANCE	1.20%	7/12/19	109,890.00	1.23%	
7/14/16	7/15/16	420,000	3130A8QS5	FHLB GLOBAL NOTE	1.12%	7/14/21	417,467.93	1.25%	
8/1/16	8/8/16	130,000	594918BN3	MICROSOFT CORP NOTES	1.10%	8/8/19	129,866.10	1.14%	
8/1/16	8/2/16	100,000	3130A8QS5	FHLB GLOBAL NOTE	1.12%	7/14/21	99,745.25	1.19%	
8/3/16	8/4/16	550,000	3130A8Y72	FHLB GLOBAL NOTE	0.87%	8/5/19	548,944.00	0.94%	
8/8/16	8/15/16	50,000	084664CK5	BERKSHIRE HATHAWAY INC CORPORATE NOTES	1.30%	8/15/19	49,951.50	1.33%	
8/12/16	8/15/16	600,000	3130A8Y72	FHLB GLOBAL NOTE	0.87%	8/5/19	598,816.42	0.95%	
8/12/16	8/15/16	500,000	3130A8PK3	FHLB NOTES	0.62%	8/7/18	498,279.44	0.81%	
8/17/16	8/19/16	90,000	3135G0N82	FNMA NOTES	1.25%	8/17/21	89,692.11	1.32%	
8/17/16	8/19/16	310,000	3135G0N82	FNMA NOTES	1.25%	8/17/21	308,744.50	1.33%	
8/25/16	8/26/16	625,000	3130A9AE1	FHLB GLOBAL NOTE	0.87%	10/1/18	624,575.00	0.91%	
8/31/16	9/2/16	520,000	3135G0P49	FNMA NOTES	1.00%	8/28/19	519,188.80	1.05%	
9/1/16	9/2/16	375,000	912828Q37	US TREASURY NOTES	1.25%	3/31/21	377,527.13	1.22%	
Total BUY		4,725,000					4,723,760.15		

INTEREST

7/1/16	7/1/16	60,000	650119AF7	NEW YORK UNIVERSITY CORPORATE NOTE	1.76%	7/1/19	530.10		
7/1/16	7/1/16	0	MONEY0002	MONEY MARKET FUND			9.96		
7/8/16	7/8/16	450,000	36962G4J0	GENERAL ELECTRIC CAP CORP NOTES	5.50%	1/8/20	12,375.00		
7/18/16	7/18/16	450,000	89236TBP9	TOYOTA MOTOR CREDIT CORP NOTES	2.12%	7/18/19	4,781.25		
7/20/16	7/20/16	320,000	3135G0E33	FNMA NOTES	1.12%	7/20/18	1,800.00		
7/23/16	7/23/16	350,000	46625HKA7	JPMORGAN CHASE & CO (CALLABLE)	2.25%	1/23/20	3,937.50		
7/28/16	7/28/16	270,000	3137EADJ5	FREDDIE MAC GLOBAL NOTES	1.00%	7/28/17	1,350.00		

TOWN OF PALM BEACH 1-5 YR PORTFOLIO

Portfolio Activity

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
7/29/16	7/29/16	220,000	097023BF1	BOEING COMPANY (FLOATING) NOTE	0.87%	10/30/17	424.51		
7/30/16	7/30/16	450,000	94974BGF1	WELLS FARGO & CO	2.15%	1/30/20	4,837.50		
7/31/16	7/31/16	600,000	912828VP2	US TREASURY NOTES	2.00%	7/31/20	6,000.00		
7/31/16	7/31/16	500,000	912828VQ0	US TREASURY NOTES	1.37%	7/31/18	3,437.50		
7/31/16	7/31/16	620,000	912828VP2	US TREASURY NOTES	2.00%	7/31/20	6,200.00		
7/31/16	7/31/16	350,000	912828VP2	US TREASURY NOTES	2.00%	7/31/20	3,500.00		
7/31/16	7/31/16	695,000	912828B33	US TREASURY NOTES	1.50%	1/31/19	5,212.50		
8/1/16	8/1/16	0	MONEY0002	MONEY MARKET FUND			7.26		
8/22/16	8/22/16	100,000	02665WBA8	AMERICAN HONDA FINANCE CORP NOTES	1.70%	2/22/19	845.28		
8/28/16	8/28/16	465,000	3135G0MZ3	FANNIE MAE GLOBAL NOTES	0.87%	8/28/17	2,034.38		
8/31/16	8/31/16	640,000	912828UQ1	US TREASURY NOTES	1.25%	2/29/20	4,000.00		
9/1/16	9/1/16	0	MONEY0002	MONEY MARKET FUND			3.10		
9/7/16	9/7/16	170,000	3137EADP1	FREDDIE MAC GLOBAL NOTES	0.87%	3/7/18	743.75		
9/7/16	9/7/16	425,000	3137EADP1	FREDDIE MAC GLOBAL NOTES	0.87%	3/7/18	1,859.38		
9/11/16	9/11/16	450,000	06406HCW7	BANK OF NEW YORK MELLON NT' (CALLABLE)	2.30%	9/11/19	5,175.00		
9/27/16	9/27/16	230,000	3135G0ZL0	FNMA NOTES	1.00%	9/27/17	1,150.00		
9/30/16	9/30/16	375,000	912828Q37	US TREASURY NOTES	1.25%	3/31/21	2,343.75		
9/30/16	9/30/16	100,000	912828J84	US TREASURY NOTES	1.37%	3/31/20	687.50		
9/30/16	9/30/16	100,000	912828J84	US TREASURY NOTES	1.37%	3/31/20	687.50		
9/30/16	9/30/16	249,000	912828J84	US TREASURY NOTES	1.37%	3/31/20	1,711.88		
9/30/16	9/30/16	35,000	912828Q37	US TREASURY NOTES	1.25%	3/31/21	218.75		

Total INTEREST		8,674,000					75,863.35		
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SELL

7/6/16	7/8/16	350,000	912828SM3	US TREASURY NOTES	1.00%	3/31/17	352,272.89	0.48%	644.79
7/7/16	7/12/16	40,000	02665WAB7	AMERICAN HONDA FINANCE GLOBAL NOTES	1.12%	10/7/16	40,158.75	0.70%	51.16
7/14/16	7/15/16	260,000	912828B90	US TREASURY NOTES	2.00%	2/28/21	272,833.52	1.07%	3,331.03
7/14/16	7/15/16	135,000	912828B90	US TREASURY NOTES	2.00%	2/28/21	141,663.56	1.07%	1,500.21

TOWN OF PALM BEACH 1-5 YR PORTFOLIO

Portfolio Activity

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
8/1/16	8/2/16	70,000	912828SM3	US TREASURY NOTES	1.00%	3/31/17	70,477.79	0.48%	117.08
8/3/16	8/4/16	550,000	912828B33	US TREASURY NOTES	1.50%	1/31/19	560,294.75	0.75%	11,641.97
8/8/16	8/8/16	100,000	912828SM3	US TREASURY NOTES	1.00%	3/31/17	100,671.60	0.51%	144.28
8/8/16	8/15/16	50,000	912828B33	US TREASURY NOTES	1.50%	1/31/19	50,876.27	0.80%	974.78
8/12/16	8/15/16	500,000	912828VQ0	US TREASURY NOTES	1.37%	7/31/18	506,666.95	0.72%	4,917.24
8/12/16	8/15/16	100,000	912828TR1	US TREASURY NOTES	1.00%	9/30/19	100,827.45	0.85%	1,693.68
8/12/16	8/15/16	500,000	912828TR1	US TREASURY NOTES	1.00%	9/30/19	504,137.20	0.85%	8,878.90
8/17/16	8/19/16	310,000	912828Q37	US TREASURY NOTES	1.25%	3/31/21	313,067.04	1.14%	(2,729.43)
8/19/16	8/19/16	50,000	912828VP2	US TREASURY NOTES	2.00%	7/31/20	51,909.05	1.04%	522.23
8/25/16	8/26/16	615,000	912828A34	US TREASURY NOTES	1.25%	11/30/18	622,809.20	0.82%	8,168.74
8/31/16	9/2/16	520,000	912828TR1	US TREASURY NOTES	1.00%	9/30/19	523,055.32	0.95%	7,625.30
9/1/16	9/2/16	155,000	3137EADH9	FREDDIE MAC GLOBAL NOTES	1.00%	6/29/17	155,697.50	0.67%	373.67
9/1/16	9/2/16	220,000	912828SM3	US TREASURY NOTES	1.00%	3/31/17	221,507.47	0.54%	237.09
Total SELL		4,525,000					4,588,926.31		48,092.72

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
INTEREST	7/1/16	7/1/16	60,000.00	650119AF7	NEW YORK UNIVERSITY CORPORATE NOTE	1.76%	7/1/19	530.10		
INTEREST	7/1/16	7/1/16	0.00	MONEY0002	MONEY MARKET FUND			9.96		
BUY	7/6/16	7/8/16	345,000.00	912828Q37	US TREASURY NOTES	1.25%	3/31/21	(351,071.97)	0.94%	
SELL	7/6/16	7/8/16	350,000.00	912828SM3	US TREASURY NOTES	1.00%	3/31/17	352,272.89	0.48%	644.79
BUY	7/7/16	7/12/16	110,000.00	02665WBE0	AMERICAN HONDA FINANCE	1.20%	7/12/19	(109,890.00)	1.23%	
SELL	7/7/16	7/12/16	40,000.00	02665WAB7	AMERICAN HONDA FINANCE GLOBAL NOTES	1.12%	10/7/16	40,158.75	0.70%	51.16
INTEREST	7/8/16	7/8/16	450,000.00	36962G4J0	GENERAL ELECTRIC CAP CORP NOTES	5.50%	1/8/20	12,375.00		
BUY	7/14/16	7/15/16	420,000.00	3130A8QS5	FHLB GLOBAL NOTE	1.12%	7/14/21	(417,467.93)	1.25%	
SELL	7/14/16	7/15/16	260,000.00	912828B90	US TREASURY NOTES	2.00%	2/28/21	272,833.52	1.07%	3,331.03
SELL	7/14/16	7/15/16	135,000.00	912828B90	US TREASURY NOTES	2.00%	2/28/21	141,663.56	1.07%	1,500.21
INTEREST	7/18/16	7/18/16	450,000.00	89236TBP9	TOYOTA MOTOR CREDIT CORP NOTES	2.12%	7/18/19	4,781.25		
INTEREST	7/20/16	7/20/16	320,000.00	3135G0E33	FNMA NOTES	1.12%	7/20/18	1,800.00		
INTEREST	7/23/16	7/23/16	350,000.00	46625HKA7	JPMORGAN CHASE & CO (CALLABLE)	2.25%	1/23/20	3,937.50		
INTEREST	7/28/16	7/28/16	270,000.00	3137EADJ5	FREDDIE MAC GLOBAL NOTES	1.00%	7/28/17	1,350.00		
INTEREST	7/29/16	7/29/16	220,000.00	097023BF1	BOEING COMPANY (FLOATING) NOTE	0.87%	10/30/17	424.51		
INTEREST	7/30/16	7/30/16	450,000.00	94974BGF1	WELLS FARGO & CO	2.15%	1/30/20	4,837.50		
INTEREST	7/31/16	7/31/16	600,000.00	912828VP2	US TREASURY NOTES	2.00%	7/31/20	6,000.00		
INTEREST	7/31/16	7/31/16	500,000.00	912828VQ0	US TREASURY NOTES	1.37%	7/31/18	3,437.50		
INTEREST	7/31/16	7/31/16	620,000.00	912828VP2	US TREASURY NOTES	2.00%	7/31/20	6,200.00		
INTEREST	7/31/16	7/31/16	350,000.00	912828VP2	US TREASURY NOTES	2.00%	7/31/20	3,500.00		

TOWN OF PALM BEACH 1-5 YR PORTFOLIO

Portfolio Activity

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
INTEREST	7/31/16	7/31/16	695,000.00	912828B33	US TREASURY NOTES	1.50%	1/31/19	5,212.50		
INTEREST	8/1/16	8/1/16	0.00	MONEY0002	MONEY MARKET FUND			7.26		
BUY	8/1/16	8/2/16	100,000.00	3130A8QS5	FHLB GLOBAL NOTE	1.12%	7/14/21	(99,745.25)	1.19%	
SELL	8/1/16	8/2/16	70,000.00	912828SM3	US TREASURY NOTES	1.00%	3/31/17	70,477.79	0.48%	117.08
BUY	8/1/16	8/8/16	130,000.00	594918BN3	MICROSOFT CORP NOTES	1.10%	8/8/19	(129,866.10)	1.14%	
BUY	8/3/16	8/4/16	550,000.00	3130A8Y72	FHLB GLOBAL NOTE	0.87%	8/5/19	(548,944.00)	0.94%	
SELL	8/3/16	8/4/16	550,000.00	912828B33	US TREASURY NOTES	1.50%	1/31/19	560,294.75	0.75%	11,641.97
SELL	8/8/16	8/8/16	100,000.00	912828SM3	US TREASURY NOTES	1.00%	3/31/17	100,671.60	0.51%	144.28
BUY	8/8/16	8/15/16	50,000.00	084664CK5	BERKSHIRE HATHAWAY INC CORPORATE NOTES	1.30%	8/15/19	(49,951.50)	1.33%	
SELL	8/8/16	8/15/16	50,000.00	912828B33	US TREASURY NOTES	1.50%	1/31/19	50,876.27	0.80%	974.78
BUY	8/12/16	8/15/16	600,000.00	3130A8Y72	FHLB GLOBAL NOTE	0.87%	8/5/19	(598,816.42)	0.95%	
BUY	8/12/16	8/15/16	500,000.00	3130A8PK3	FHLB NOTES	0.62%	8/7/18	(498,279.44)	0.81%	
SELL	8/12/16	8/15/16	500,000.00	912828VQ0	US TREASURY NOTES	1.37%	7/31/18	506,666.95	0.72%	4,917.24
SELL	8/12/16	8/15/16	100,000.00	912828TR1	US TREASURY NOTES	1.00%	9/30/19	100,827.45	0.85%	1,693.68
SELL	8/12/16	8/15/16	500,000.00	912828TR1	US TREASURY NOTES	1.00%	9/30/19	504,137.20	0.85%	8,878.90
BUY	8/17/16	8/19/16	90,000.00	3135G0N82	FNMA NOTES	1.25%	8/17/21	(89,692.11)	1.32%	
BUY	8/17/16	8/19/16	310,000.00	3135G0N82	FNMA NOTES	1.25%	8/17/21	(308,744.50)	1.33%	
SELL	8/17/16	8/19/16	310,000.00	912828Q37	US TREASURY NOTES	1.25%	3/31/21	313,067.04	1.14%	(2,729.43)
SELL	8/19/16	8/19/16	50,000.00	912828VP2	US TREASURY NOTES	2.00%	7/31/20	51,909.05	1.04%	522.23
INTEREST	8/22/16	8/22/16	100,000.00	02665WBA8	AMERICAN HONDA FINANCE CORP NOTES	1.70%	2/22/19	845.28		
BUY	8/25/16	8/26/16	625,000.00	3130A9AE1	FHLB GLOBAL NOTE	0.87%	10/1/18	(624,575.00)	0.91%	
SELL	8/25/16	8/26/16	615,000.00	912828A34	US TREASURY NOTES	1.25%	11/30/18	622,809.20	0.82%	8,168.74

TOWN OF PALM BEACH 1-5 YR PORTFOLIO

Portfolio Activity

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
INTEREST	8/28/16	8/28/16	465,000.00	3135G0MZ3	FANNIE MAE GLOBAL NOTES	0.87%	8/28/17	2,034.38		
INTEREST	8/31/16	8/31/16	640,000.00	912828UQ1	US TREASURY NOTES	1.25%	2/29/20	4,000.00		
BUY	8/31/16	9/2/16	520,000.00	3135G0P49	FNMA NOTES	1.00%	8/28/19	(519,188.80)	1.05%	
SELL	8/31/16	9/2/16	520,000.00	912828TR1	US TREASURY NOTES	1.00%	9/30/19	523,055.32	0.95%	7,625.30
INTEREST	9/1/16	9/1/16	0.00	MONEY0002	MONEY MARKET FUND			3.10		
BUY	9/1/16	9/2/16	375,000.00	912828Q37	US TREASURY NOTES	1.25%	3/31/21	(377,527.13)	1.22%	
SELL	9/1/16	9/2/16	155,000.00	3137EADH9	FREDDIE MAC GLOBAL NOTES	1.00%	6/29/17	155,697.50	0.67%	373.67
SELL	9/1/16	9/2/16	220,000.00	912828SM3	US TREASURY NOTES	1.00%	3/31/17	221,507.47	0.54%	237.09
INTEREST	9/7/16	9/7/16	170,000.00	3137EADP1	FREDDIE MAC GLOBAL NOTES	0.87%	3/7/18	743.75		
INTEREST	9/7/16	9/7/16	425,000.00	3137EADP1	FREDDIE MAC GLOBAL NOTES	0.87%	3/7/18	1,859.38		
INTEREST	9/11/16	9/11/16	450,000.00	06406HCW7	BANK OF NEW YORK MELLON NT (CALLABLE)	2.30%	9/11/19	5,175.00		
INTEREST	9/27/16	9/27/16	230,000.00	3135G0ZL0	FNMA NOTES	1.00%	9/27/17	1,150.00		
INTEREST	9/30/16	9/30/16	375,000.00	912828Q37	US TREASURY NOTES	1.25%	3/31/21	2,343.75		
INTEREST	9/30/16	9/30/16	100,000.00	912828J84	US TREASURY NOTES	1.37%	3/31/20	687.50		
INTEREST	9/30/16	9/30/16	100,000.00	912828J84	US TREASURY NOTES	1.37%	3/31/20	687.50		
INTEREST	9/30/16	9/30/16	249,000.00	912828J84	US TREASURY NOTES	1.37%	3/31/20	1,711.88		
INTEREST	9/30/16	9/30/16	35,000.00	912828Q37	US TREASURY NOTES	1.25%	3/31/21	218.75		
TOTALS								(58,970.49)		48,092.72

Short Term and Bond Proceed Portfolios Statistics

<u>Account Name</u>	<u>Amortized Cost^{1,2,3} September 30, 2016</u>	<u>Amortized Cost^{1,2,3} June 30, 2016</u>	<u>Market Value^{1,2,3} September 30, 2016</u>	<u>Market Value^{1,2,3} June 30, 2016</u>	<u>Duration (Years)⁴ September 30, 2016</u>
Short Term Portfolio - 4245	\$8,457,237.72	\$13,984,264.85	\$8,460,174.00	\$13,988,536.50	0.400
2013 Bond Fund - 4265	23,235,513.00	23,289,301.14	20,770,864.00	23,336,053.80	0.560
LGIP - FEITF Excess Funds - 174 ⁸	3,533,529.44	3,019,569.27	3,533,529.44	3,019,569.27	47 Days
LGIP -FEITF 2013 Bond Fund - 357 ⁸	1,674,193.00	3,005,362.60	1,674,193.00	3,005,362.60	47 Days
Money Market Account -Bank United 1280 -Short Term	1,175,460.56	1,034,334.09	1,175,460.56	1,034,334.09	0.001
Money Market Fund - Goldman Sachs Financial Squares Government Fund (TD Bank) - Short Term	110,119.53	\$150,383.33	110,119.53	\$59,274.31	0.001
Money Market Fund - Goldman Sachs Financial Squares Government Fund (TD Bank) - 2013 Bond Fund	111,590.40	1,983,728.26	111,590.40	1,983,728.26	0.001
Total	\$38,297,643.65	\$46,466,943.54	\$35,835,930.93	\$46,426,858.83	

<u>Account Name</u>	<u>Yield to Maturity at Cost^{5,6} September 30, 2016</u>	<u>Yield to Maturity at Cost^{5,6} June 30, 2016</u>	<u>Yield to Maturity at Market^{5,6} September 30, 2016</u>	<u>Yield to Maturity at Market^{5,6} June 30, 2016</u>	<u>Duration (Years)⁴ June 30, 2016</u>
Short Term Portfolio - 4245	1.05%	0.78%	0.89%	0.51%	0.400
2013 Bond Fund - 4265	0.98%	0.67%	0.76%	0.37%	0.560
LGIP - FEITF Excess Funds - 174 ^{8,8}	0.71%	0.63%	0.71%	0.63%	41 Days
LGIP - FEITF 2013 Bond Fund - 357 ^{6,8}	0.71%	0.63%	0.71%	0.63%	41 Days
Money Market Account -Bank United 1280 -Short Term	0.40%	0.40%	0.40%	0.40%	0.001
Money Market Fund - Goldman Sachs Financial Squares Government Fund (TD Bank) - Short Term	0.29%	0.14%	0.29%	0.14%	0.001
Money Market Fund - Goldman Sachs Financial Squares Government Fund (TD Bank) - 2013 Bond Fund	0.29%	0.14%	0.29%	0.14%	0.001
Weighted Average Yield	0.94%	0.67%	0.77%	0.44%	

Benchmarks

	<u>September 30, 2016</u>	<u>June 30, 2016</u>
S&P GIP Government 30 Day Index ⁷	0.45%	0.42%

Notes:

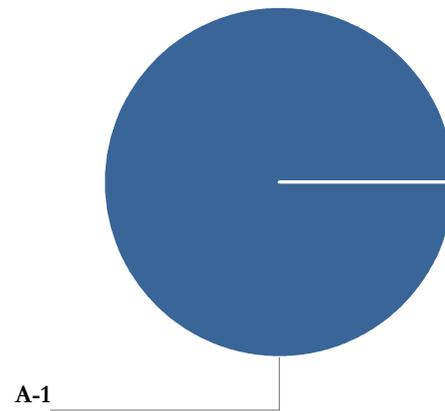
- End of quarter trade-date market values of portfolio holdings, including accrued interest.
- In order to comply with GASB accrual accounting reporting requirements; forward settling trades are included in the monthly balances.
- Includes any money market fund/cash balances held in custodian account.
- Money Market Fund duration is based on weighted average duration in days.
- Past performance is not indicative of future results.
- Seven day yield as of quarter end. The yields shown above represent past performance. Past performance is no guarantee of future results and yields may vary. The current fund performance may be higher or lower than that cited. The current seven-day yield does not include realized gains and losses on the sale of securities. The yields shown above may reflect fee waivers by service providers that subsidize and reduce the total operating expenses of the Funds. Fund yields would be lower if there were no such waivers.
- Monthly yields, source Bloomberg.
- PFM Prime Funds were moved into FEITF during the second quarter of 2016. All March 31, 2016 numbers reflect PFM PRIME balances and statistics.

Portfolio Statistics

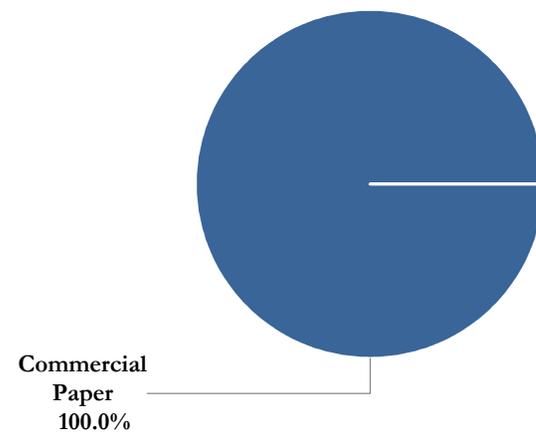
As of September 30, 2016

Par Value:	8,500,000
Total Market Value:	8,570,294
Security Market Value:	8,460,174
Accrued Interest:	0
Cash:	110,120
PFM	-
Amortized Cost:	8,457,238
Yield at Market:	0.89%
Yield at Cost:	1.05%
Effective Duration:	0.40 Years
Duration to Worst:	0.40 Years
Average Maturity:	0.41 Years
Average Credit: **	A
Benchmark Eff. Yield:	0.27%

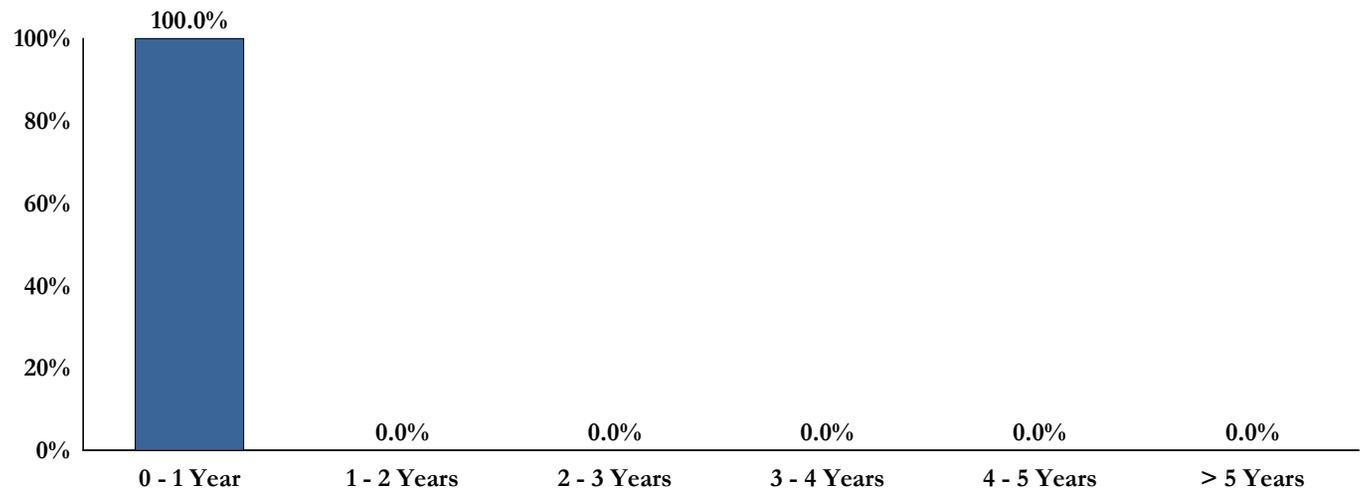
Credit Quality (S&P Ratings)



Sector Allocation



Maturity Distribution



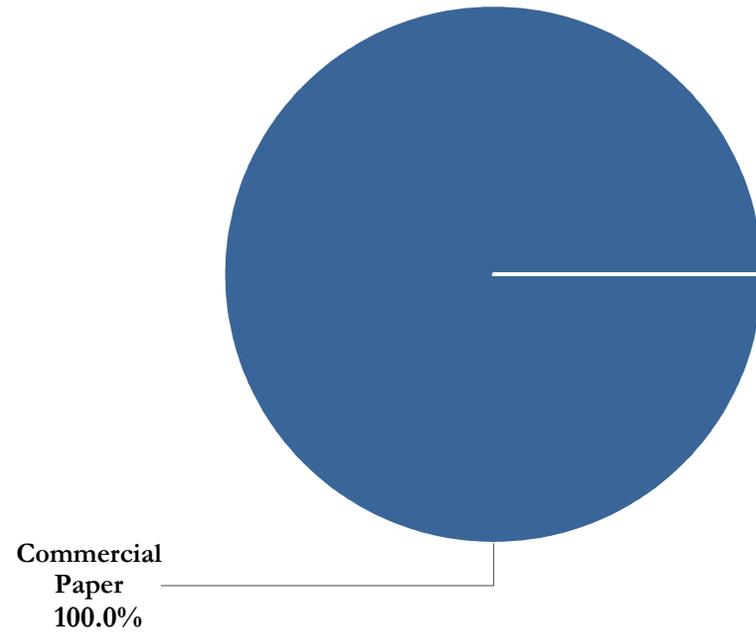
** An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

Portfolio Earnings
Quarter-Ended September 30, 2016

	<u>Market Value Basis</u>	<u>Accrual (Amortized Cost) Basis</u>
Beginning Value (06/30/2016)	\$13,988,536.50	\$13,984,264.85
Net Purchases/Sales	(\$5,550,521.21)	(\$5,550,521.21)
Change in Value	\$22,158.71	\$23,494.08
Ending Value (09/30/2016)	\$8,460,174.00	\$8,457,237.72
Interest Earned	\$324.01	\$324.01
Portfolio Earnings	\$22,482.72	\$23,818.09

Sector Allocation
As of September 30, 2016

Sector	Market Value (\$)	% of Portfolio
Commercial Paper	8,460,174	100.0%
Total	8,460,174	100.0%



Detail may not add to total due to rounding.

Sector Allocation
As of September 30, 2016

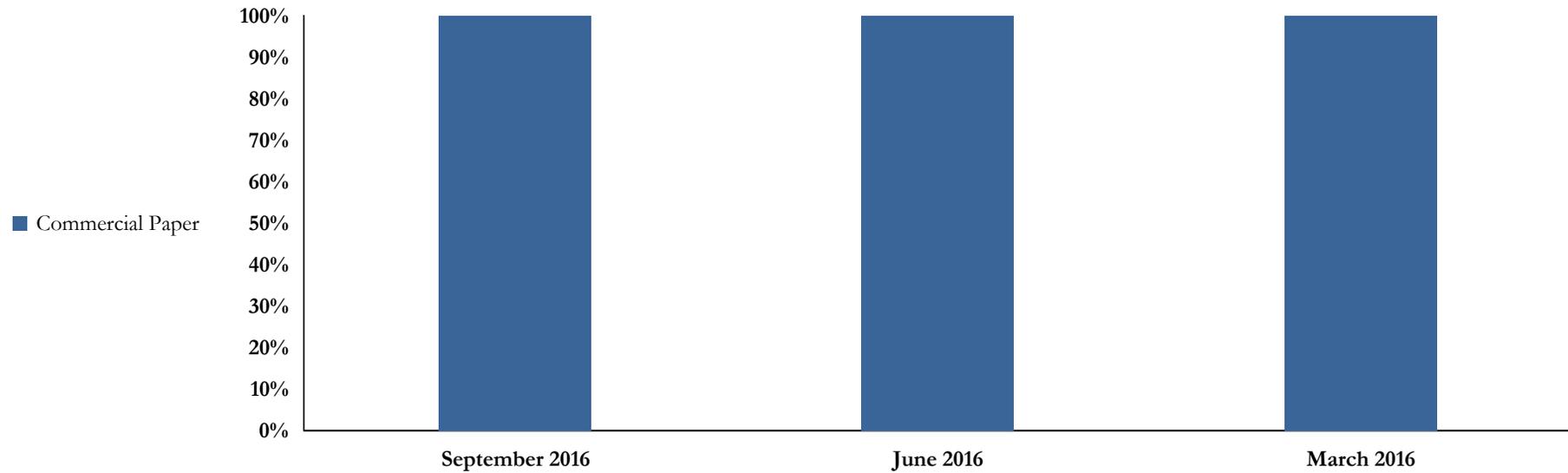
Sector	Market Value (\$)	% of Portfolio	% of Benchmark
Commercial Paper	8,460,174	100.0%	-
U.S. Treasury	0	-	100.0%
Total	8,460,174	100.0%	100.0%



Detail may not add to total due to rounding.

Sector Allocation

Sector	September 30, 2016		June 30, 2016		March 31, 2016		December 31, 2015	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
Commercial Paper	8.5	100.0%	14.0	100.0%	14.0	100.0%	0.0	0.0%
Total	\$8.5	100.0%	\$14.0	100.0%	\$14.0	100.0%	\$0.0	0.0%

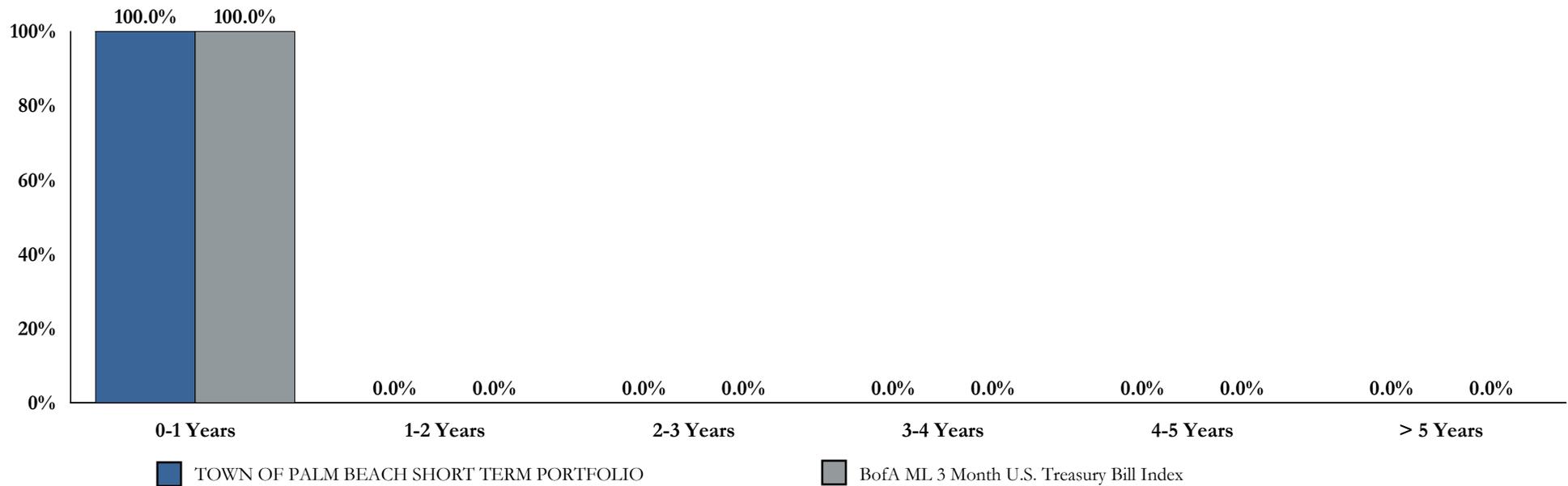


Detail may not add to total due to rounding.

Maturity Distribution

As of September 30, 2016

Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
TOWN OF PALM BEACH SHORT TERM PORTFOLIO	0.89%	0.41 yrs	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
BofA ML 3 Month U.S. Treasury Bill Index	0.27%	0.25 yrs	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%

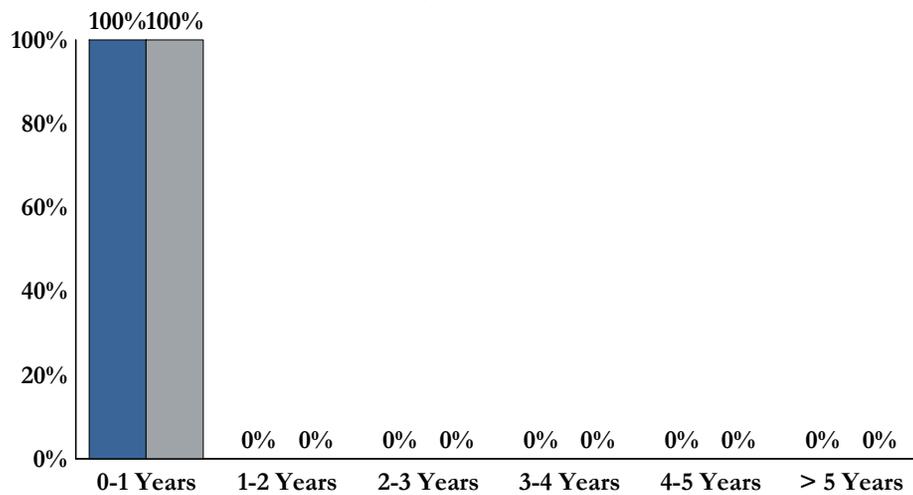


Duration Distribution

As of September 30, 2016

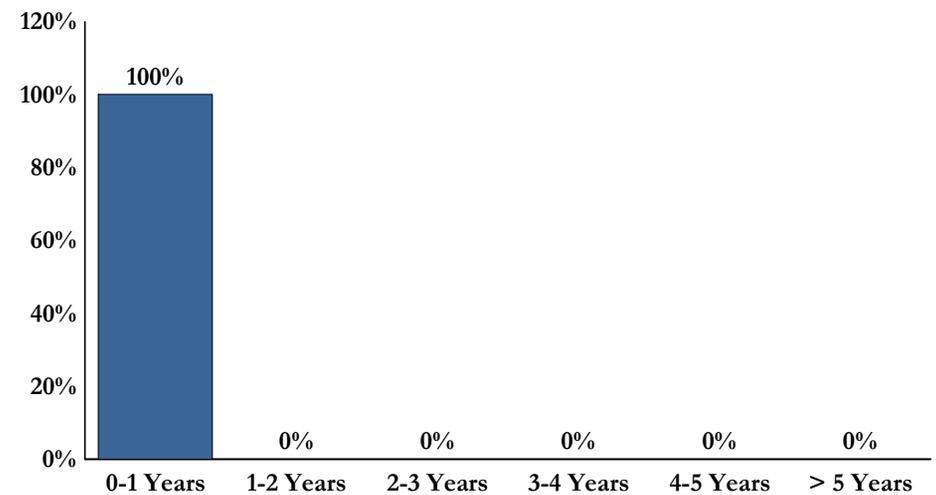
Portfolio / Benchmark	Effective Duration	0-1 YEARS	1-2 YEARS	2-3 YEARS	3-4 YEARS	4-5 YEARS	> 5 YEARS
TOWN OF PALM BEACH SHORT TERM PORTFOLIO	0.40	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%
BofA ML 3 Month U.S. Treasury Bill Index	0.15	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Distribution by Effective Duration



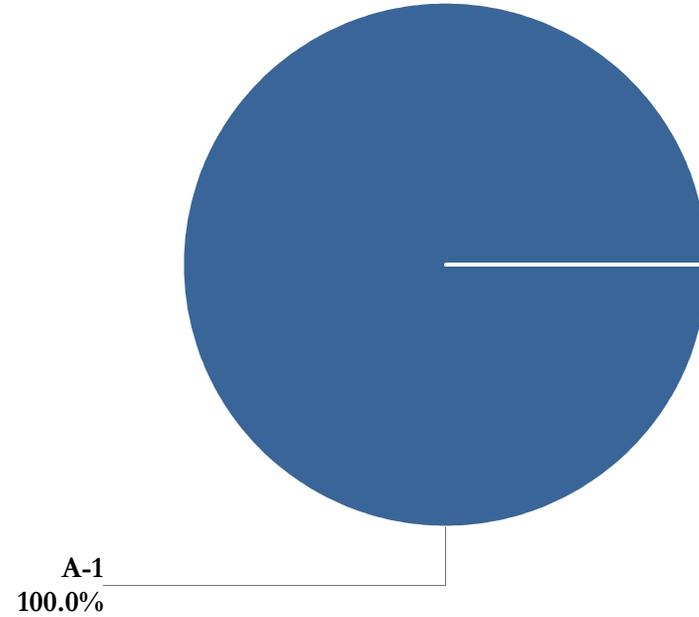
■ TOWN OF PALM BEACH SHORT TERM PORTFOLIO
■ BofA ML 3 Month U.S. Treasury Bill Index

Contribution to Portfolio Duration



Credit Quality
As of September 30, 2016

S&P Rating	Market Value (\$)	% of Portfolio
A-1	\$8,460,174	100.0%
Totals	\$8,460,174	100.0%



Detail may not add to total due to rounding.

Issuer Distribution*As of September 30, 2016*

Issuer	Market Value (\$)	% of Portfolio
BANK OF MONTREAL	5,460,543	64.5%
BNP PARIBAS	2,999,631	35.5%
Grand Total:	8,460,174	100.0%

Sector/Issuer Distribution*As of September 30, 2016*

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
Commercial Paper			
BANK OF MONTREAL	5,460,543	64.5%	64.5%
BNP PARIBAS	2,999,631	35.5%	35.5%
Sector Total	8,460,174	100.0%	100.0%
Portfolio Total	8,460,174	100.0%	100.0%

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
BUY									
8/17/16	8/18/16	5,500,000	06366GSC4	BANK OF MONTREAL CHICAGO COMM PAPER	0.00%	5/12/17	5,449,478.79	1.25%	
Total BUY		5,500,000					5,449,478.79		
INTEREST									
7/1/16	7/1/16	0	MONEY0002	MONEY MARKET FUND			6.49		
8/1/16	8/1/16	0	MONEY0002	MONEY MARKET FUND			7.25		
9/1/16	9/1/16	0	MONEY0002	MONEY MARKET FUND			310.27		
Total INTEREST		0					324.01		
MATURITY									
8/8/16	8/8/16	3,000,000	06538BH89	BANK OF TOKYO MITSUBISHI UFJ COMM PAPER	0.00%	8/8/16	3,000,000.00		0.00
8/8/16	8/8/16	3,000,000	90262CH83	UBS FINANCE DELAWARE LLC COMM PAPER	0.00%	8/8/16	3,000,000.00		0.00
8/10/16	8/10/16	2,500,000	89233GHA7	TOYOTA MOTOR CREDIT CORP COMM PAPER	0.00%	8/10/16	2,500,000.00		0.00
8/16/16	8/16/16	2,500,000	21687AHG1	RABOBANK NEDERLAND NV NY COMM PAPER	0.00%	8/16/16	2,500,000.00		0.00
Total MATURITY		11,000,000					11,000,000.00		0.00

Quarterly Portfolio Transactions

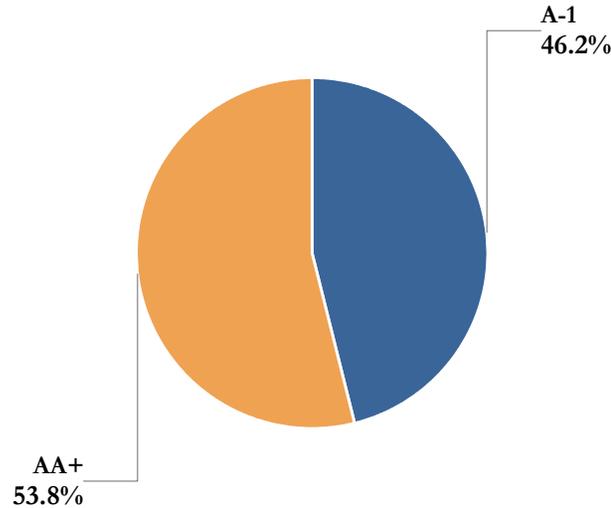
Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
INTEREST	7/1/16	7/1/16	0.00	MONEY0002	MONEY MARKET FUND			6.49		
INTEREST	8/1/16	8/1/16	0.00	MONEY0002	MONEY MARKET FUND			7.25		
MATURITY	8/8/16	8/8/16	3,000,000.00	06538BH89	BANK OF TOKYO MITSUBISHI UFJ COMM PAPER	0.00%	8/8/16	3,000,000.00		0.00
MATURITY	8/8/16	8/8/16	3,000,000.00	90262CH83	UBS FINANCE DELAWARE LLC COMM PAPER	0.00%	8/8/16	3,000,000.00		0.00
MATURITY	8/10/16	8/10/16	2,500,000.00	89233GHA7	TOYOTA MOTOR CREDIT CORP COMM PAPER	0.00%	8/10/16	2,500,000.00		0.00
MATURITY	8/16/16	8/16/16	2,500,000.00	21687AHG1	RABOBANK NEDERLAND NV NY COMM PAPER	0.00%	8/16/16	2,500,000.00		0.00
BUY	8/17/16	8/18/16	5,500,000.00	06366GSC4	BANK OF MONTREAL CHICAGO COMM PAPER	0.00%	5/12/17	(5,449,478.79)	1.25%	
INTEREST	9/1/16	9/1/16	0.00	MONEY0002	MONEY MARKET FUND			310.27		
TOTALS								5,550,845.22		0.00

Portfolio Statistics

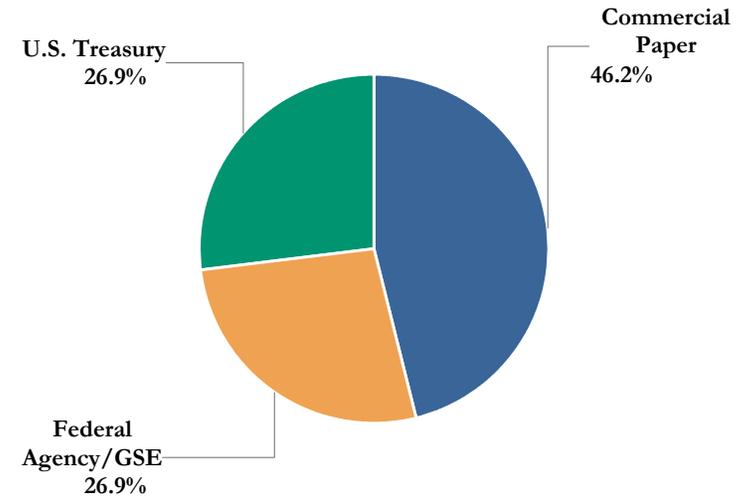
As of September 30, 2016

Par Value:	23,300,000
Total Market Value:	23,401,346
Security Market Value:	23,254,138
Accrued Interest:	35,617
Cash:	111,590
PFM	-
Amortized Cost:	23,224,517
Yield at Market:	0.76%
Yield at Cost:	0.98%
Effective Duration:	0.56 Years
Duration to Worst:	0.56 Years
Average Maturity:	0.56 Years
Average Credit: **	AA
Benchmark Eff. Yield:	0.27%

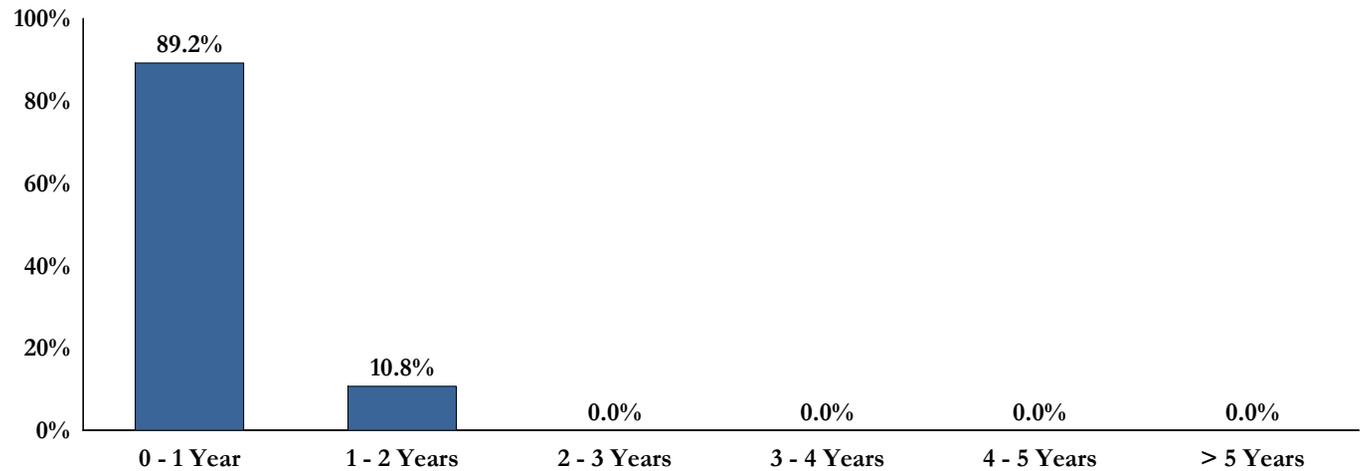
Credit Quality (S&P Ratings)



Sector Allocation



Maturity Distribution



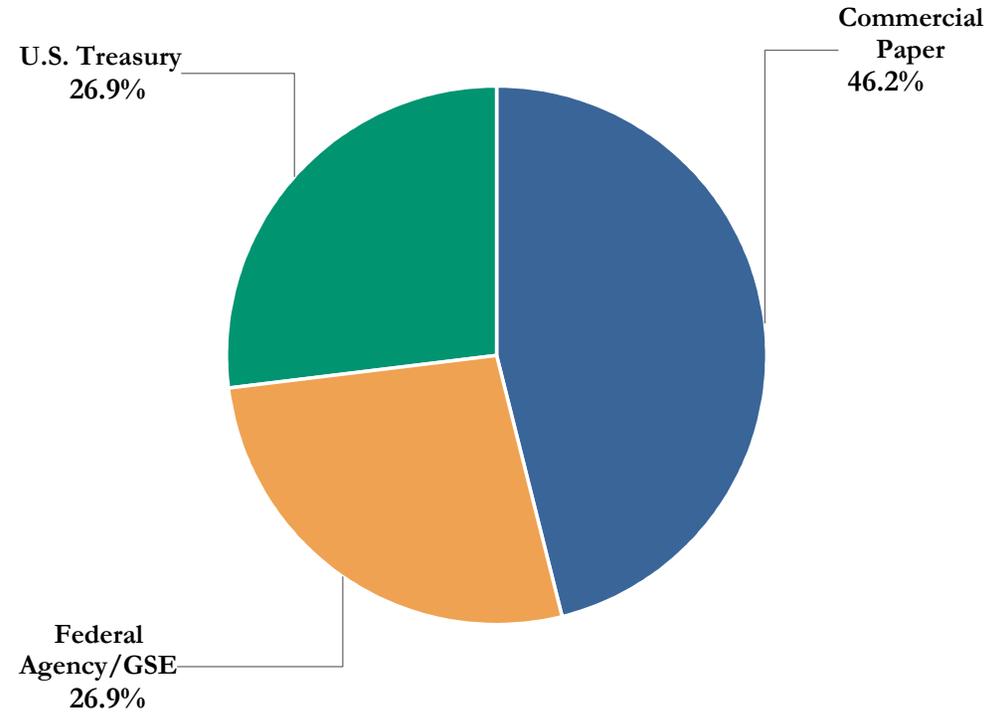
** An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

Portfolio Earnings
Quarter-Ended September 30, 2016

	<u>Market Value Basis</u>	<u>Accrual (Amortized Cost) Basis</u>
Beginning Value (06/30/2016)	\$23,276,411.25	\$23,229,658.59
Net Purchases/Sales	(\$22,262.00)	(\$22,262.00)
Change in Value	(\$11.10)	\$17,120.90
Ending Value (09/30/2016)	\$23,254,138.15	\$23,224,517.49
Interest Earned	\$31,575.05	\$31,575.05
Portfolio Earnings	\$31,563.95	\$48,695.95

Sector Allocation
As of September 30, 2016

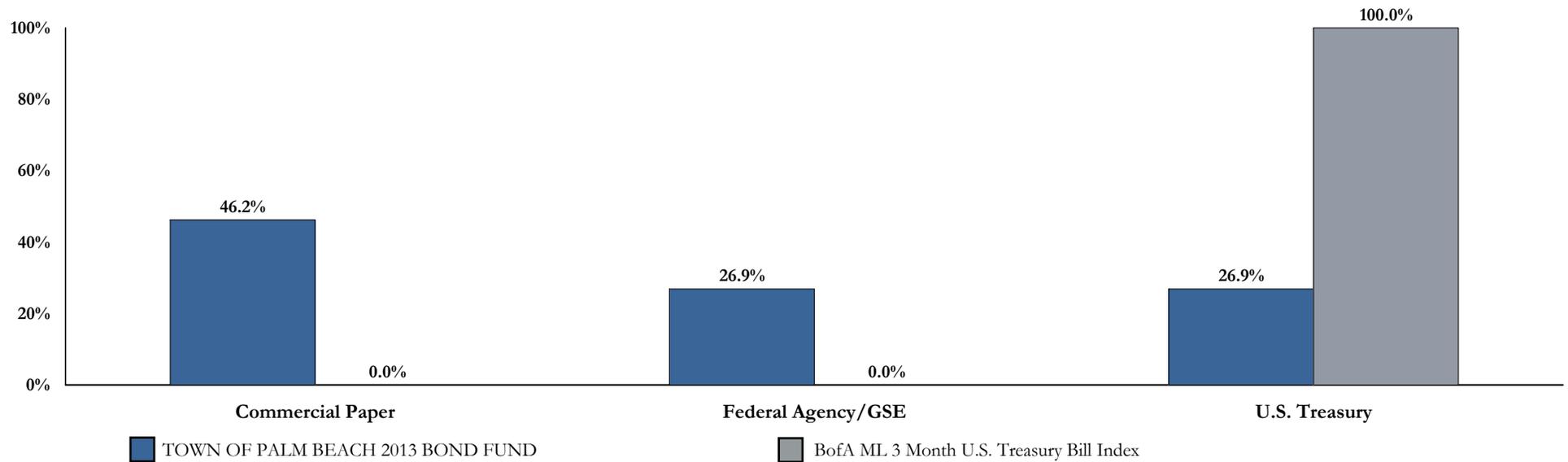
Sector	Market Value (\$)	% of Portfolio
Commercial Paper	10,747,334	46.2%
Federal Agency/GSE	6,258,669	26.9%
U.S. Treasury	6,248,135	26.9%
Total	23,254,138	100.0%



Detail may not add to total due to rounding.

Sector Allocation
As of September 30, 2016

Sector	Market Value (\$)	% of Portfolio	% of Benchmark
Commercial Paper	10,747,334	46.2%	-
Federal Agency/GSE	6,258,669	26.9%	-
U.S. Treasury	6,248,135	26.9%	100.0%
Total	23,254,138	100.0%	100.0%



Detail may not add to total due to rounding.

Sector Allocation

Sector	September 30, 2016		June 30, 2016		March 31, 2016		December 31, 2015	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
Commercial Paper	10.7	46.2%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Federal Agency/GSE	6.3	26.9%	6.3	26.9%	6.3	23.2%	6.2	23.1%
U.S. Treasury	6.2	26.9%	17.0	73.1%	20.8	76.8%	20.8	76.9%
Total	\$23.3	100.0%	\$23.3	100.0%	\$27.0	100.0%	\$27.0	100.0%

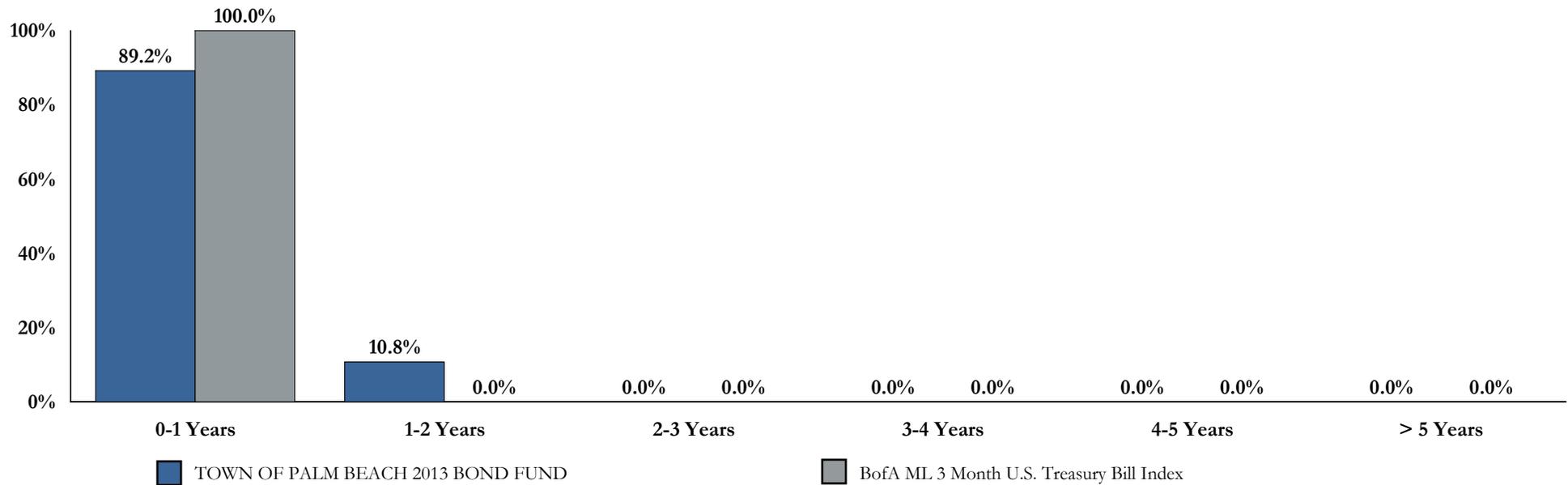


Detail may not add to total due to rounding.

Maturity Distribution

As of September 30, 2016

Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
TOWN OF PALM BEACH 2013 BOND FUND	0.76%	0.56 yrs	89.2%	10.8%	0.0%	0.0%	0.0%	0.0%
BofA ML 3 Month U.S. Treasury Bill Index	0.27%	0.25 yrs	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%

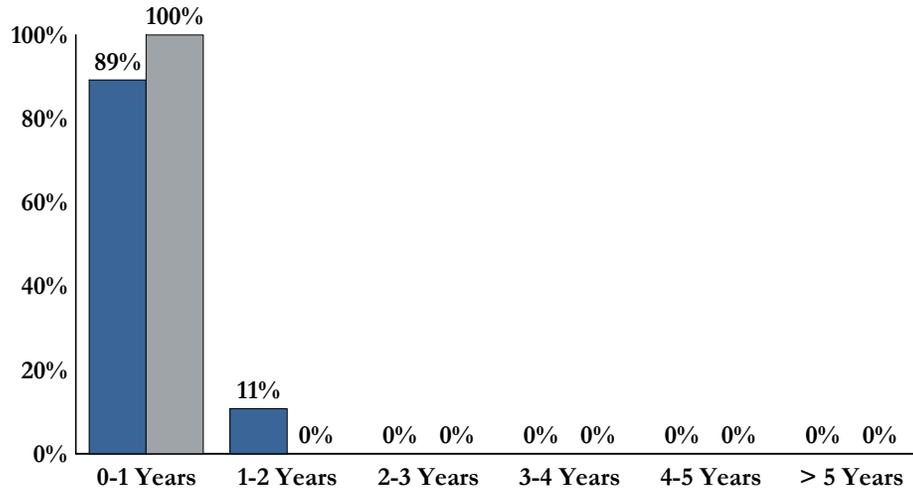


Duration Distribution

As of September 30, 2016

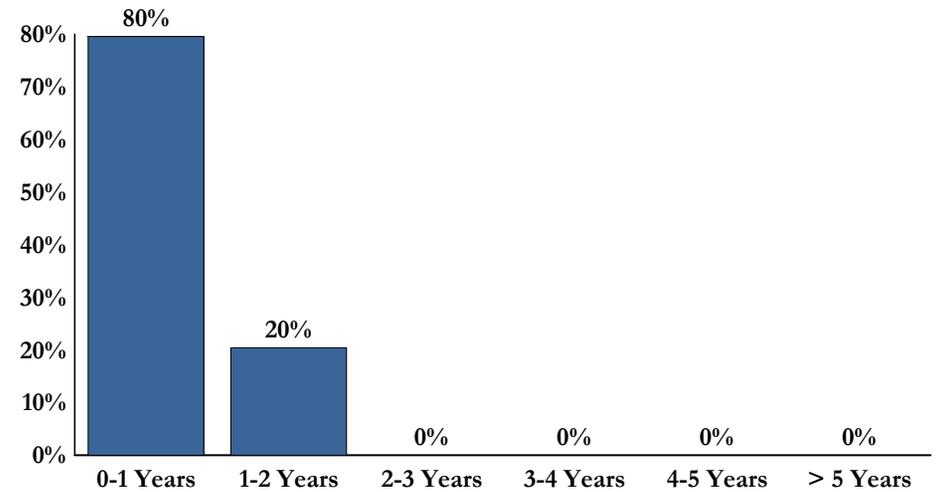
Portfolio / Benchmark	Effective Duration	0-1 YEARS	1-2 YEARS	2-3 YEARS	3-4 YEARS	4-5 YEARS	> 5 YEARS
TOWN OF PALM BEACH 2013 BOND FUND	0.56	89.23%	10.77%	0.00%	0.00%	0.00%	0.00%
BofA ML 3 Month U.S. Treasury Bill Index	0.15	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Distribution by Effective Duration



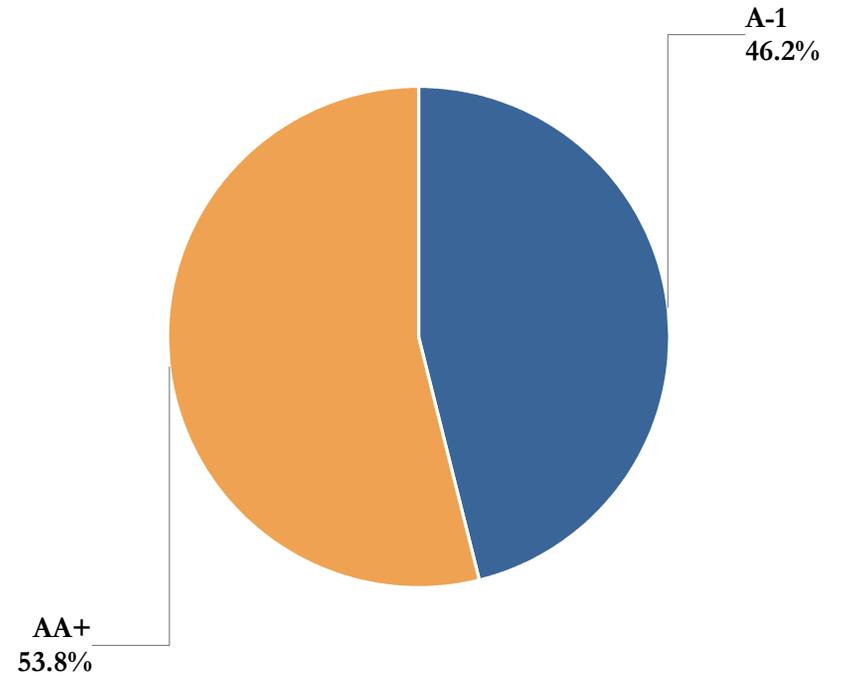
■ TOWN OF PALM BEACH 2013 BOND FUND
■ BofA ML 3 Month U.S. Treasury Bill Index

Contribution to Portfolio Duration



Credit Quality
As of September 30, 2016

S&P Rating	Market Value (\$)	% of Portfolio
AA+	\$12,506,804	53.8%
A-1	\$10,747,334	46.2%
Totals	\$23,254,138	100.0%



Detail may not add to total due to rounding.

Issuer Distribution*As of September 30, 2016*

Issuer	Market Value (\$)	% of Portfolio
FANNIE MAE	6,258,669	26.9%
UNITED STATES TREASURY	6,248,135	26.9%
MITSUBISHI UFJ FINANCIAL GROUP INC	5,978,664	25.7%
JP MORGAN CHASE & CO	4,768,670	20.5%
Grand Total:	23,254,138	100.0%

Sector/Issuer Distribution

As of September 30, 2016

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
Commercial Paper			
JP MORGAN CHASE & CO	4,768,670	44.4%	20.5%
MITSUBISHI UFJ FINANCIAL GROUP INC	5,978,664	55.6%	25.7%
Sector Total	10,747,334	100.0%	46.2%
Federal Agency/GSE			
FANNIE MAE	6,258,669	100.0%	26.9%
Sector Total	6,258,669	100.0%	26.9%
U.S. Treasury			
UNITED STATES TREASURY	6,248,135	100.0%	26.9%
Sector Total	6,248,135	100.0%	26.9%
Portfolio Total	23,254,138	100.0%	100.0%

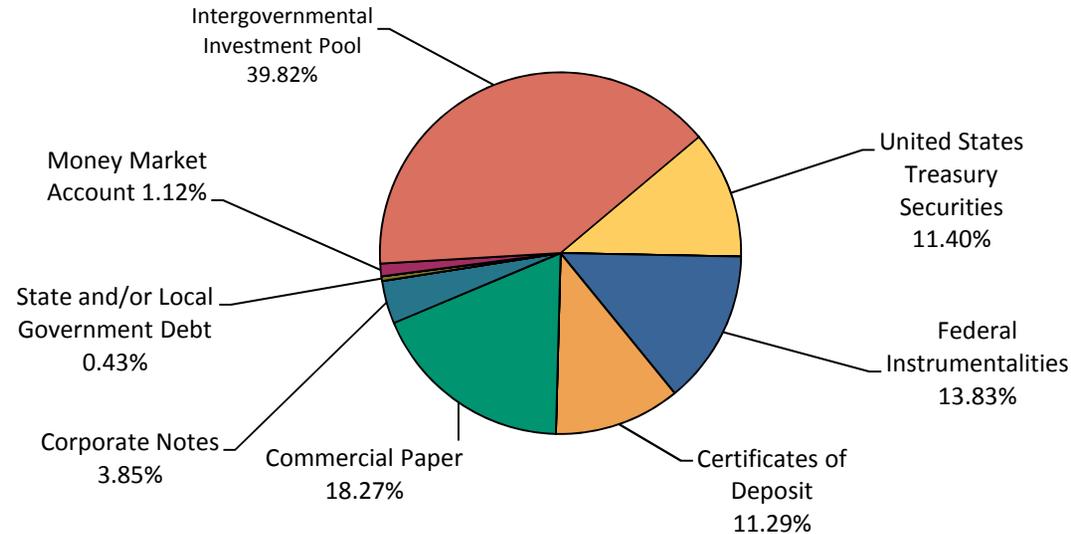
Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
BUY									
8/5/16	8/5/16	6,000,000	06538BP31	BANK OF TOKYO MITSUBISHI UFJ COMM PAPER	0.00%	2/3/17	5,966,330.00	1.12%	
8/17/16	8/17/16	4,800,000	46640PSC8	JP MORGAN SECURITIES LLC COMM PAPER	0.00%	5/12/17	4,761,408.00	1.09%	
Total BUY		10,800,000					10,727,738.00		
INTEREST									
7/1/16	7/1/16	0	MONEY0002	MONEY MARKET FUND			223.54		
7/31/16	7/31/16	3,750,000	912828QX1	US TREASURY NOTES	1.50%	7/31/16	28,125.00		
7/31/16	7/31/16	7,000,000	912828WX4	US TREASURY NOTES	0.50%	7/31/16	17,500.00		
7/31/16	7/31/16	3,750,000	912828TG5	US TREASURY NOTES	0.50%	7/31/17	9,375.00		
8/1/16	8/1/16	0	MONEY0002	MONEY MARKET FUND			4.15		
9/1/16	9/1/16	0	MONEY0002	MONEY MARKET FUND			372.45		
Total INTEREST		14,500,000					55,600.14		
MATURITY									
7/31/16	7/31/16	7,000,000	912828WX4	US TREASURY NOTES	0.50%	7/31/16	7,000,000.00		0.00
7/31/16	7/31/16	3,750,000	912828QX1	US TREASURY NOTES	1.50%	7/31/16	3,750,000.00		0.00
Total MATURITY		10,750,000					10,750,000.00		0.00

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
INTEREST	7/1/16	7/1/16	0.00	MONEY0002	MONEY MARKET FUND			223.54		
INTEREST	7/31/16	7/31/16	3,750,000.00	912828QX1	US TREASURY NOTES	1.50%	7/31/16	28,125.00		
INTEREST	7/31/16	7/31/16	7,000,000.00	912828WX4	US TREASURY NOTES	0.50%	7/31/16	17,500.00		
INTEREST	7/31/16	7/31/16	3,750,000.00	912828TG5	US TREASURY NOTES	0.50%	7/31/17	9,375.00		
MATURITY	7/31/16	7/31/16	7,000,000.00	912828WX4	US TREASURY NOTES	0.50%	7/31/16	7,000,000.00		0.00
MATURITY	7/31/16	7/31/16	3,750,000.00	912828QX1	US TREASURY NOTES	1.50%	7/31/16	3,750,000.00		0.00
INTEREST	8/1/16	8/1/16	0.00	MONEY0002	MONEY MARKET FUND			4.15		
BUY	8/5/16	8/5/16	6,000,000.00	06538BP31	BANK OF TOKYO MITSUBISHI UFJ COMM PAPER	0.00%	2/3/17	(5,966,330.00)	1.12%	
BUY	8/17/16	8/17/16	4,800,000.00	46640PSC8	JP MORGAN SECURITIES LLC COMM PAPER	0.00%	5/12/17	(4,761,408.00)	1.09%	
INTEREST	9/1/16	9/1/16	0.00	MONEY0002	MONEY MARKET FUND			372.45		
TOTALS								77,862.14		0.00

Tab III



Security Type ¹	Amortized Cost (Includes Interest)	Allocation Percentage	Notes	Permitted by Policy	In Compliance
Florida Prime (SBA)	-	0.00%		0%	YES
United States Treasury Securities	11,982,225.01	11.40%		100%	YES
United States Government Agency Securities	-	0.00%		50%	YES
Federal Instrumentalities	14,531,119.17	13.83%		80%	YES
Certificates of Deposit	11,864,888.40	11.29%	3	50%	YES
Repurchase Agreements	-	0.00%		50%	YES
Commercial Paper	19,202,000.70	18.27%		25%	YES
Corporate Notes	4,040,754.96	3.85%	2	25%	YES
Bankers' Acceptances	-	0.00%		35%	YES
State and/or Local Government Debt	448,266.25	0.43%		20%	YES
Intergovernmental Investment Pool	-	0.00%		20%	YES
Money Market Account	1,175,460.56	1.12%		50%	YES
Intergovernmental Investment Pool	41,840,635.32	39.82%	3,4	50%	YES
Total	105,085,350.37	100.00%			

Notes:

1. End of month trade-date amortized cost of portfolio holdings, including accrued interest.
2. Maximum allocation in A rated securities is 10%. At month end there was 4.11% rated A by any two Nationally Recognized Statistical Rating Organizations.
3. Balances managed by the Town.
4. Combined total for Florida Municipal Investment Trust and FEIT Fund cannot exceed 50%.

Individual Issuer Breakdown	Amortized Cost (Includes Interest)	Allocation Percentage	Notes	Permitted by Policy	In Compliance
Government National Mortgage Association (GNMA)	-	0.00%		25%	YES
Federal Farm Credit Bank (FFCB)	-	0.00%		30%	YES
Federal Home Loan Bank (FHLB)	3,263,025.81	3.11%		30%	YES
Federal National Mortgage Association (FNMA)	9,666,319.79	9.20%		30%	YES
Federal Home Loan Mortgage Corporation (FHLMC)	1,601,773.57	1.52%		30%	YES
Bank of Tokyo Mitsubishi Commercial Paper	5,976,874.98	5.69%		15%	YES
JP Morgan Commercial Paper	4,767,888.00	4.54%		15%	YES
Bank of Montreal Chicago Commercial Paper	5,457,804.39	5.19%		15%	YES
BNP Paribas Commercial Paper	2,999,433.33	2.85%		15%	YES
Berkshire Hathaway Corporate Notes	50,036.59	0.05%		5%	YES
General Electric Corporate Notes	500,770.93	0.48%		5%	YES
American Honda Corporate Notes	210,355.71	0.20%		5%	YES
Microsoft Corporate Notes	130,083.11	0.12%		5%	YES
Boeing Company Corporate Notes	220,332.10	0.21%		5%	YES
Toyota Corporate Notes	456,957.15	0.43%		5%	YES
Wells Fargo & Company Corporate Notes	452,705.22	0.43%		5%	YES
John Deere Corporate Notes	216,063.48	0.21%		5%	YES
Bank of New York Mellon Corporate Notes	454,501.60	0.43%		5%	YES
JP Morgan Corporate Notes	350,455.55	0.33%		5%	YES
Goldman Sachs Corporate Notes	282,199.08	0.27%		5%	YES
Cisco Systems Corporate Notes	403,675.06	0.38%		5%	YES
New York University Corporate Notes	60,265.05	0.06%		5%	YES
American Express Credit Corporate Notes	111,560.54	0.11%		5%	YES
Branch Banking & Trust Corporate Notes	90,612.47	0.09%		5%	YES
State Street Corp Notes	50,181.32	0.05%		5%	YES
New York City, New York Taxable G.O Bonds	448,266.25	0.43%		5%	YES
Florida Education Investment Trust Fund	5,097,092.32	4.85%	3	50%	YES
Bank United Money Market Account	1,175,460.56	1.12%	3	25%	YES
FMLvT 1-3	25,057,478.00	23.84%	3	50%	YES
FMLvT Intermediate	11,686,065.00	11.12%	3	50%	YES
Bank United CD's	4,035,454.38	3.84%	3	25%	YES
TD Bank CD's	7,829,434.02	7.45%	3	25%	YES

Notes:

1. End of month trade-date amortized cost of portfolio holdings, including accrued interest.
2. Maximum allocation in A rated securities is 10%. At month end there was 4.11% rated A by S&P and Moody's.
3. Managed by the Town.
4. Combined total for Florida Municipal Investment Trust cannot exceed 50%.

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 which include accrued interest, are derived from closing bid prices as of the last business day of the month as supplied by a third party vendor. 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 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, 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 occurs on a non-business day (i.e. coupon payments and maturity proceeds), 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.