



# Town of Palm Beach, Florida



## Investment Performance Review Quarter Ended March 31, 2016

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- Market Update

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- 1-5 Year Investment Portfolio
- Short Term and Bond Proceed Portfolios Summary
- Short Term Portfolio
- 2013 Bond Fund

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# Tab I

## **Summary**

- Volatility ushered in the New Year, as slowing global growth drove investors out of riskier assets, such as equities and high-yield bonds, and into safe-haven securities such as U.S. government debt. Stocks posted one of their worst-ever starts to a year, with the S&P 500 falling more than 10% while commodity prices plunged. As a result, U.S. Treasury yields retraced nearly all of their fourth-quarter increases.
- Fear began to abate in February, spurring a rebound in stocks and commodities, which finished the quarter at or near 2016 highs. Interest rates rose off their February lows before giving back gains after the Federal Open Market Committee's (FOMC's) "dovish" March statement.
- The Federal Reserve (Fed) left policy rates unchanged in the 1st quarter. The FOMC lowered expectations for only two rate hikes in 2016, and acknowledged that global economic and financial market conditions posed a risk to its outlook.
- While the Fed embarks on a tightening path, other global central banks are still easing monetary policy. The European Central Bank expanded its bond purchase program to 80 billion euros per month, including the purchase of corporate bonds, while the Bank of Japan cut rates to -0.10%.

## **Economic Snapshot**

- U.S. gross domestic product (GDP) grew at a 1.4% rate in the fourth quarter of 2015 and 2.4% for all of 2015 as consumer spending continued to drive growth, while business investment and net exports were a drag. Preliminary estimates of growth in the first quarter are approximately 1%.
- The labor market remained strong, as employers added 628,000 net new jobs in the first three months of the year. The unemployment rate held around 5%, while the labor participation rate rose four months in a row.
- Inflationary pressures picked up in the first quarter as energy prices stabilized, home prices rose, and wages showed modest improvements. The personal consumption expenditure (PCE) price index, the Fed's most favored metric of inflation, rose 1.7% year-over-year ended February 29, 2016.

- Global commodity price declines deepened early in the year, as the supply-demand imbalance remained in focus. Domestic crude oil fell to less than \$30 a barrel in February, before staging a comeback and rebounding above \$40 a barrel on the possibility of an output freeze by the Organization of the Petroleum Exporting Countries (OPEC).
- The Chinese economy continued to slow, stoking concern that weakness in the world's second-largest economy may negatively impact global growth, but especially emerging market countries — those dependent on commodity exports.

### **Interest Rates**

- Interest rates declined in the first quarter, first due to widespread concern about the global economy and then later in the quarter after the Fed signaled a slower pace of rate increases. The two-year Treasury yield fell 33 basis points (0.33%) during the quarter, while the 10-year Treasury yield fell 50 basis points (0.50%).
- In the money market space, shorter Treasuries posted small declines, but short-term credit instruments, such as commercial paper and bank certificates of deposit (CDs) offered unusually wide yield spreads.

### **Sector Performance**

- U.S. Treasury indexes posted strong returns for the first quarter, as rate declines boosted market values. Longer maturity issues performed best.
- Non-callable federal agency securities performed generally in line with comparable-maturity Treasuries.
- Corporate yield spreads widened significantly through the middle of February amid energy-related weakness and declining corporate profits. Although corporates suffered sharp underperformance through January and much of February, spreads tightened dramatically in March, generating enough outperformance for the sector to surpass comparable-maturity Treasuries over the entire quarter.
- Mortgage-backed securities were the worst-performing sector in the quarter, underperforming Treasuries. They were hurt as declining interest rates increased anticipated pre-payments.

Economic Snapshot

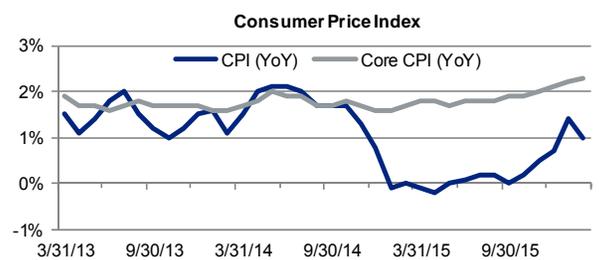
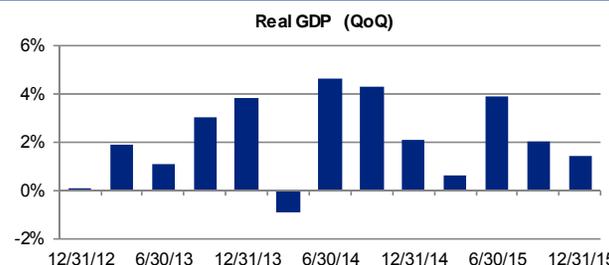
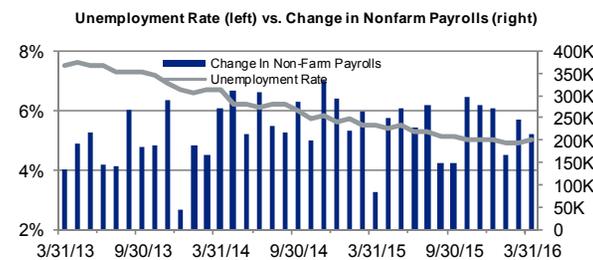
Labor Market	Latest	Dec 2015	Mar 2015	
Unemployment Rate	Mar'16	5.0%	5.0%	5.5%
Change In Non-Farm Payrolls	Mar'16	215,000	271,000	84,000
Average Hourly Earnings (YoY)	Mar'16	2.3%	2.6%	2.2%
Personal Income (YoY)	Feb'16	4.0%	3.9%	4.0%
Initial Jobless Claims (week)	3/26/16	276,000	285,000	268,000

Growth	Latest	Dec 2015	Mar 2015	
Real GDP (QoQ SAAR)	2015Q4	1.4%	2.0% <sup>1</sup>	2.1% <sup>2</sup>
GDP Personal Consumption (QoQ SAAR)	2015Q4	2.4%	3.0% <sup>1</sup>	4.3% <sup>2</sup>
Retail Sales (YoY)	Feb'16	3.1%	2.6%	2.1%
ISM Manufacturing Survey (month)	Mar'16	51.8	48.0	52.3
Existing Home Sales SAAR (month)	Feb'16	5.08 mil.	5.45 mil.	5.25 mil.

Inflation / Prices	Latest	Dec 2015	Mar 2015	
Personal Consumption Expenditures (YoY)	Feb'16	1.0%	0.7%	0.3%
Consumer Price Index (YoY)	Feb'16	1.0%	0.7%	-0.1%
Consumer Price Index Core (YoY)	Feb'16	2.3%	2.1%	1.8%
Crude Oil Futures (WTI, per barrel)	Mar 31	\$38.34	\$37.04	\$47.60
Gold Futures (oz.)	Mar 31	\$1,234	\$1,060	\$1,183



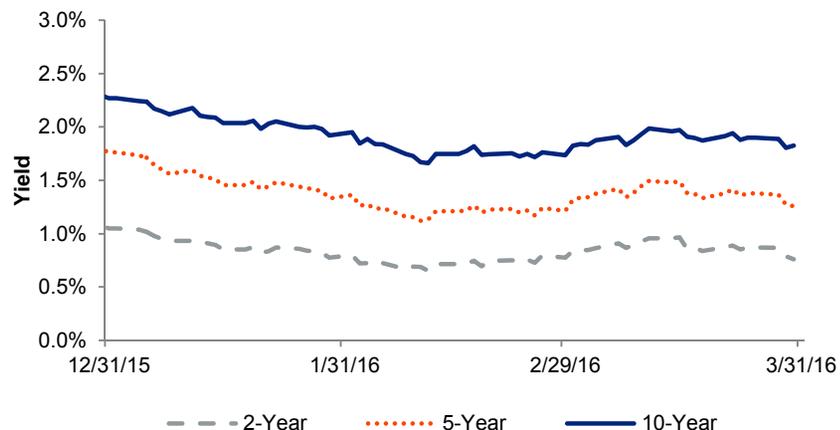
1. Data as of Third Quarter 2015

2. Data as of Fourth Quarter 2014

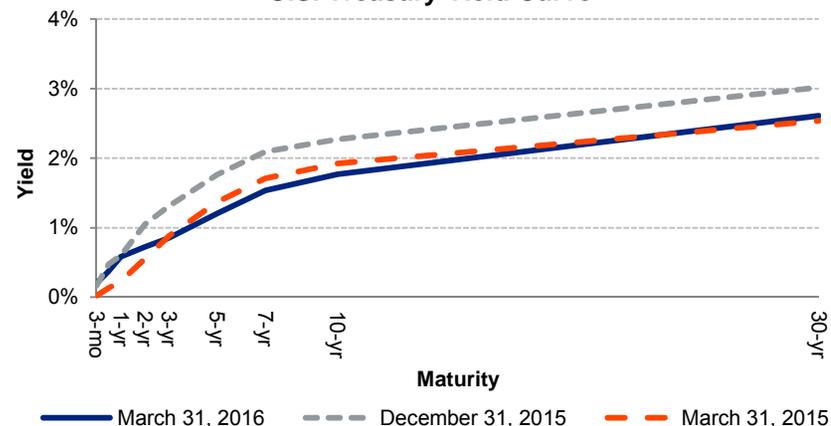
Note: YoY = year over year, QoQ = quarter over quarter, SAAR = seasonally adjusted annual rate, WTI = West Texas Intermediate crude oil

### Investment Rate Overview

U.S. Treasury Note Yields



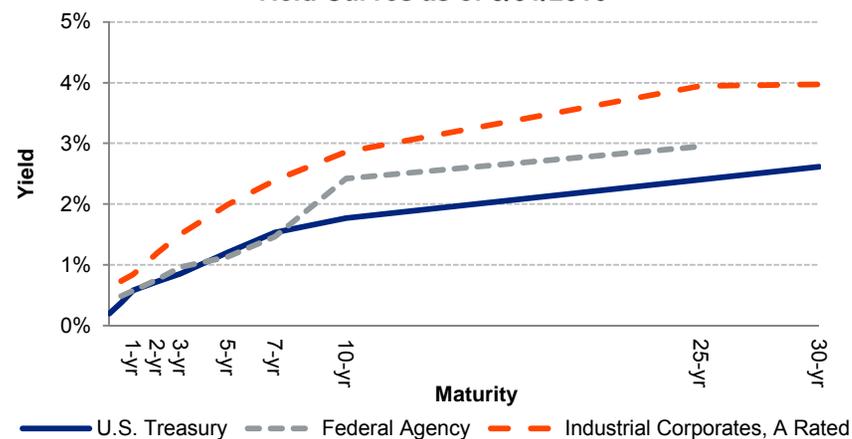
U.S. Treasury Yield Curve



U.S. Treasury Yields

Maturity	3/31/16	12/31/15	Change over Quarter	3/31/15	Change over Year
3-month	0.20%	0.17%	0.03%	0.02%	0.18%
1-year	0.58%	0.60%	(0.02%)	0.23%	0.35%
2-year	0.72%	1.05%	(0.33%)	0.56%	0.16%
5-year	1.21%	1.76%	(0.55%)	1.37%	(0.16%)
10-year	1.77%	2.27%	(0.50%)	1.92%	(0.15%)
30-year	2.61%	3.02%	(0.41%)	2.54%	0.07%

Yield Curves as of 3/31/2016



Source: Bloomberg

**BofA Merrill Lynch Index Returns**

As of 3/31/2016

Returns for Periods ended 3/31/2016

	Duration	Yield	3 Month	1 Year	3 Years
<b>1-3 Year Indices</b>					
U.S. Treasury	1.89	0.75%	0.90%	0.92%	0.77%
Federal Agency	1.56	0.80%	0.86%	1.02%	0.86%
U.S. Corporates, A-AAA rated	1.95	1.52%	1.09%	1.48%	1.43%
Agency MBS (0 to 3 years)	2.13	1.41%	0.50%	1.77%	1.37%
Municipals	1.79	0.84%	0.51%	1.01%	0.87%
<b>1-5 Year Indices</b>					
U.S. Treasury	2.72	0.89%	1.57%	1.62%	1.14%
Federal Agency	2.06	0.91%	1.26%	1.43%	1.14%
U.S. Corporates, A-AAA rated	2.77	1.77%	1.70%	2.02%	1.97%
Agency MBS (0 to 5 years)	3.18	1.88%	1.47%	1.86%	2.19%
Municipals	2.46	1.00%	0.72%	1.58%	1.27%
<b>Master Indices (Maturities 1 Year or Greater)</b>					
U.S. Treasury	6.43	1.34%	3.35%	2.42%	2.30%
Federal Agency	3.65	1.26%	2.14%	1.86%	1.75%
U.S. Corporates, A-AAA rated	6.96	2.70%	3.67%	2.13%	3.26%
Agency MBS (0 to 30 years)	3.79	2.14%	1.95%	2.41%	2.68%
Municipals	6.77	2.05%	1.64%	4.12%	3.73%

Returns for periods greater than one year are annualized

Source: BofA Merrill Lynch Indices

**Disclosures**

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# Tab II

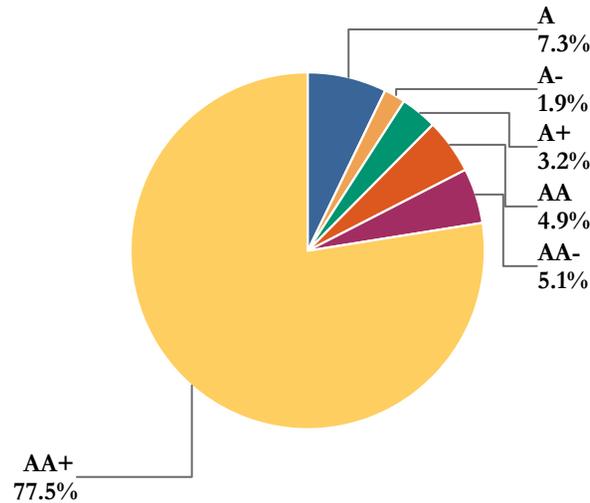
- The Town's 1-5 Year Investment and Bond Proceed Portfolios are of high credit quality and invested in U.S. Treasury, Federal Agency/GSE, high quality corporate, municipal securities, and money market mutual funds.
- PFM continued to actively manage the 1-5 Year Investment Portfolio during the first quarter and found value in the market, taking advantage of market inefficiencies or changes in economic outlook. As a result, the Portfolio realized \$1,293 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 1.61% outperformed the benchmark performance of 1.55% by 0.06%. Over the past year, the Portfolio earned 1.79% versus 1.61% 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 0.68%, exceeding the Yield to Maturity of its benchmark the S&P GIP Government 30 Day Index by 29 basis points (0.29%).
- We expect the U.S. economy to expand at a moderate pace in 2016 as consumer spending continues to drive positive growth. Outside the U.S., economic prospects are more challenged due to weak commodity prices, slowing growth in China, and various geopolitical risks. The market's concerns about the strength of the global economy will likely keep interest rates lower than previously expected.
- Economic projections released following the FOMC's March meeting indicated that FOMC participants believe that appropriate monetary policy warrants only two fed funds hikes in 2016, down from four hikes projected in December.
- Because of narrowed yield spreads, federal agencies currently have less appeal relative to comparable-maturity U.S. Treasuries. We will monitor the yield relationship and take advantage of any opportunities that arise — opportunities are most likely to occur with newly-issued federal agency securities.
- 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**

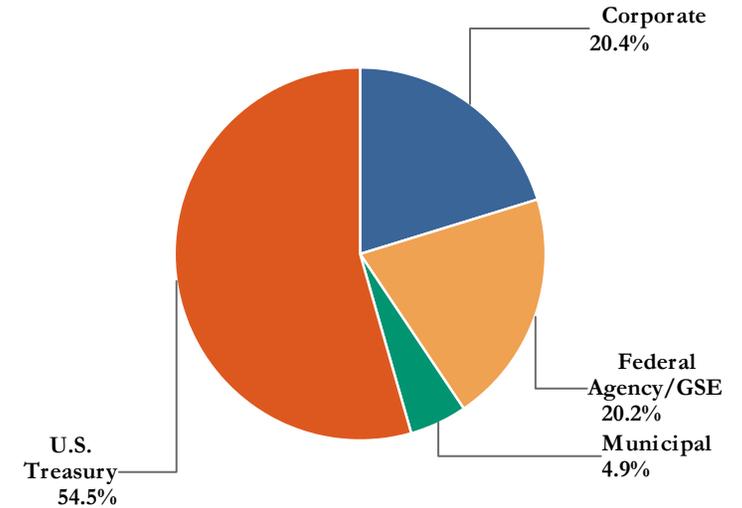
As of March 31, 2016

<b>Par Value:</b>	18,160,000
<b>Total Market Value:</b>	18,524,332
<i>Market Value:</i>	18,420,092
<i>Accrued Interest:</i>	52,071
<i>Cash:</i>	52,169
<b>Amortized Cost:</b>	18,230,999
<b>Yield at Market:</b>	1.00%
<b>Yield at Cost:</b>	1.34%
<b>Effective Duration:</b>	2.54 Years
<b>Duration to Worst:</b>	2.55 Years
<b>Average Maturity:</b>	2.64 Years
<b>Average Credit (**):</b>	AA

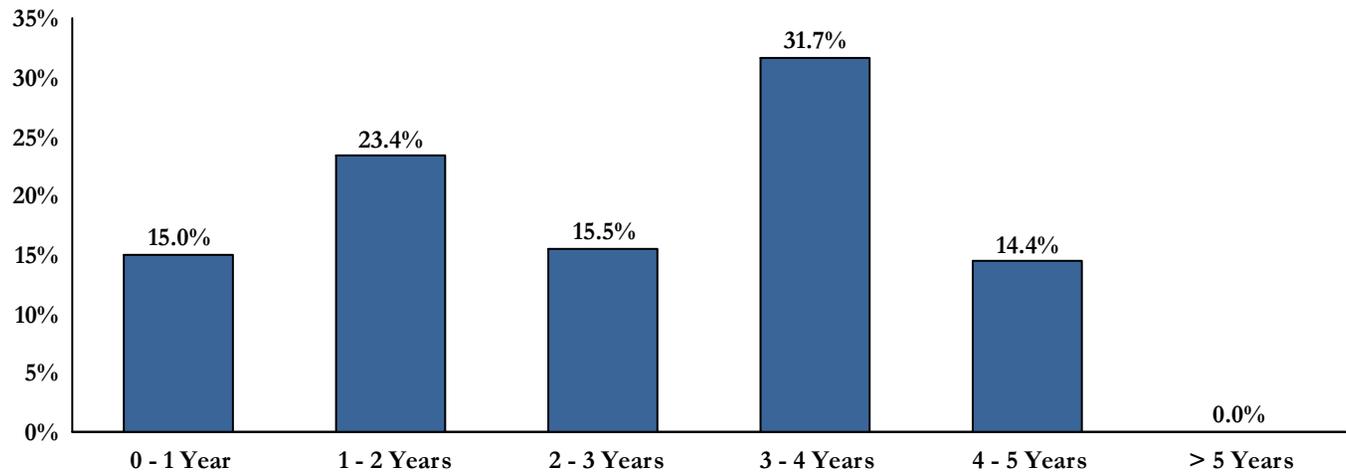
**Credit Quality (S&P Ratings)**



**Sector Allocation**



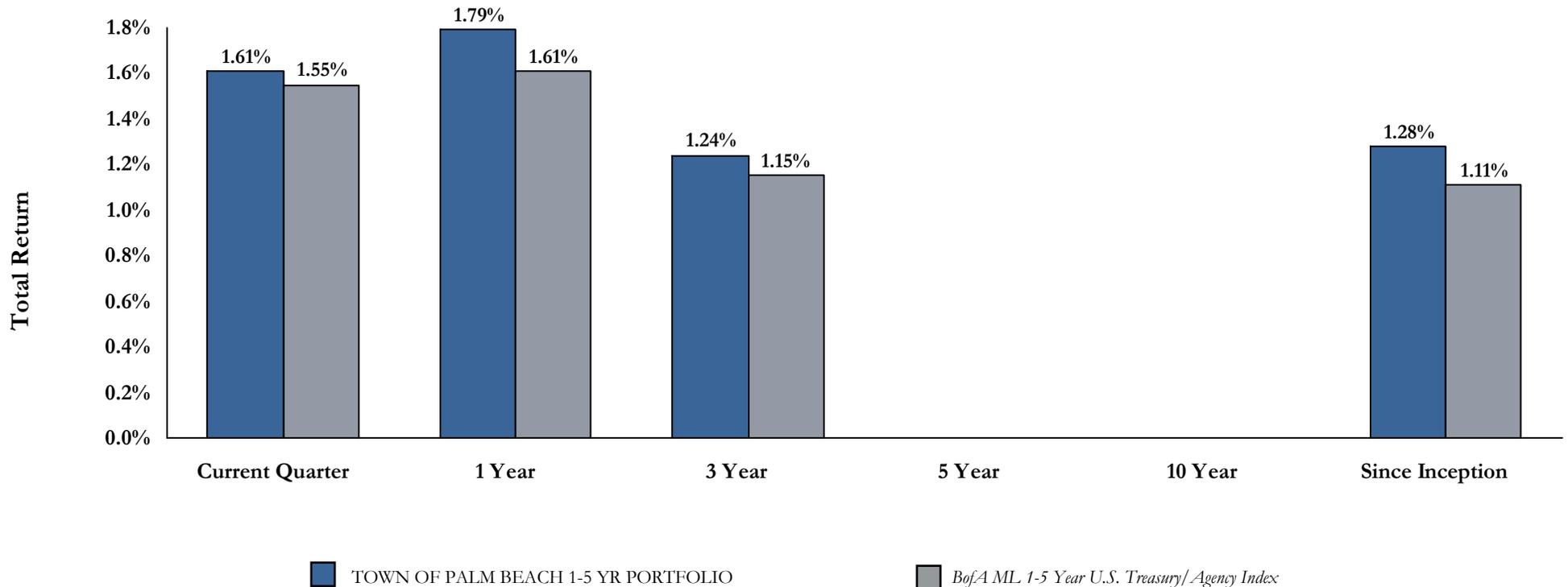
**Maturity Distribution**



\*\* 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)**

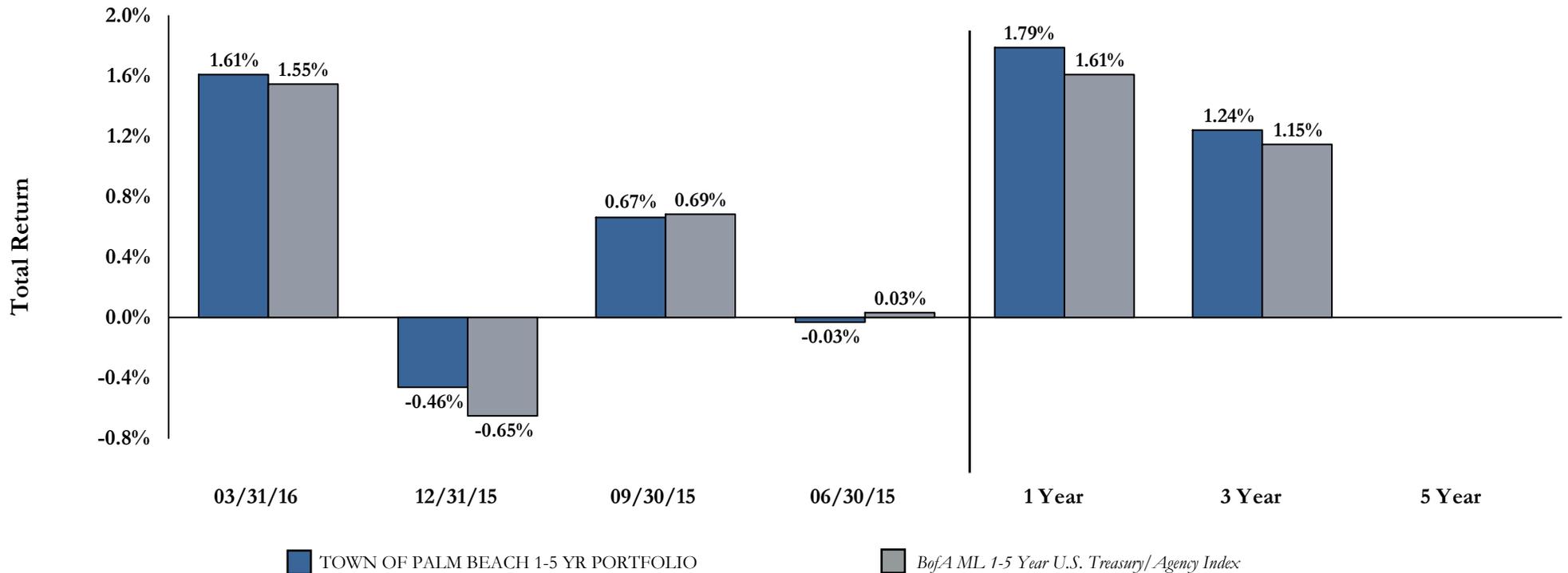
Portfolio/Benchmark	Effective Duration	Current Quarter	1 Year	Annualized Return			Since Inception (09/30/11)
				3 Year	5 Year	10 Year	
<b>TOWN OF PALM BEACH 1-5 YR PORTFOLIO</b>	2.54	1.61%	1.79%	1.24%	-	-	1.28%
<i>BofA ML 1-5 Year U.S. Treasury/Agency Index</i>	2.60	1.55%	1.61%	1.15%	-	-	1.11%
<b>Difference</b>		0.06%	0.18%	0.09%	-	-	0.17%



Portfolio performance is gross of fees unless otherwise indicated.

Portfolio Performance (Total Return)

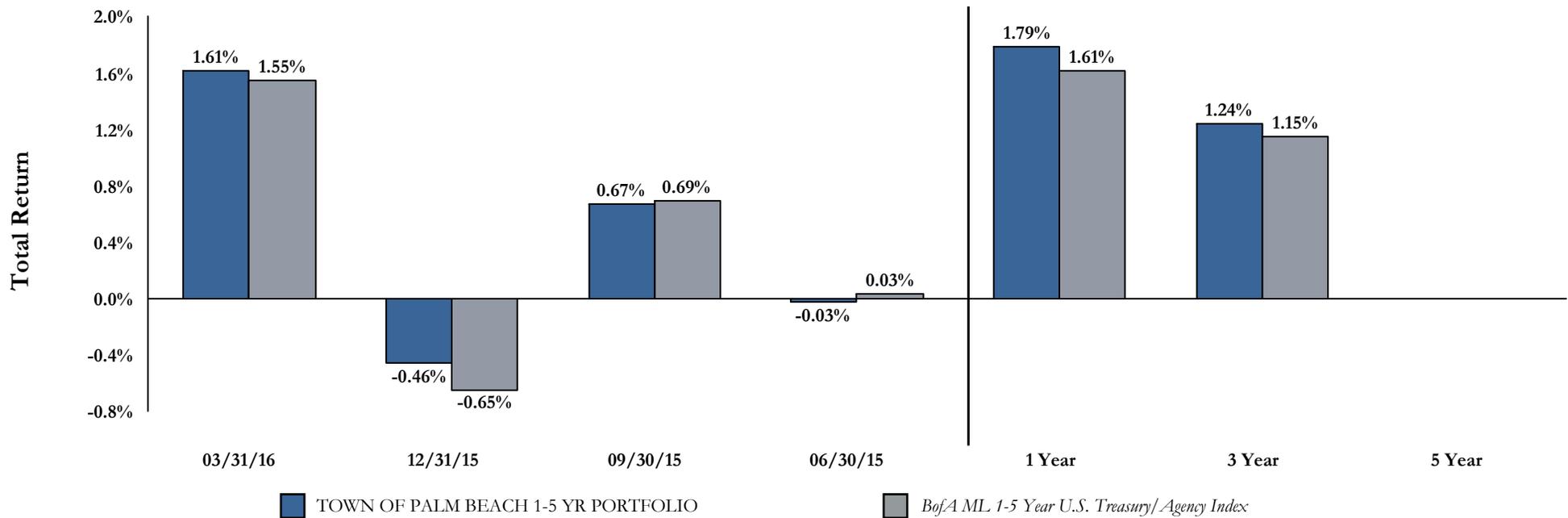
Portfolio/Benchmark	Effective Duration	Quarter Ended				1 Year	Annualized Return	
		03/31/16	12/31/15	09/30/15	06/30/15		3 Year	5 Year
<b>TOWN OF PALM BEACH 1-5 YR PORTFOLIO</b>	2.54	1.61%	-0.46%	0.67%	-0.03%	1.79%	1.24%	-
<i>BofA ML 1-5 Year U.S. Treasury/Agency Index</i>	2.60	1.55%	-0.65%	0.69%	0.03%	1.61%	1.15%	-
<b>Difference</b>		0.06%	0.19%	-0.02%	-0.06%	0.18%	0.09%	-



Portfolio performance is gross of fees unless otherwise indicated.

Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Quarter Ended				Annualized Return		
		03/31/16	12/31/15	09/30/15	06/30/15	1 Year	3 Year	5 Year
<b>TOWN OF PALM BEACH 1-5 YR PORTFOLIO</b>	2.54	1.61%	-0.46%	0.67%	-0.03%	1.79%	1.24%	-
<i>Net of Fees (**)</i>	2.54	1.59%	-0.48%	0.65%	-0.05%	1.73%	1.18%	-
<i>BofA ML 1-5 Year U.S. Treasury/Agency Index</i>	2.60	1.55%	-0.65%	0.69%	0.03%	1.61%	1.15%	-
<b>Difference (Gross)</b>		0.06%	0.19%	-0.02%	-0.06%	0.18%	0.09%	-
<b>Difference (Net)</b>		0.04%	0.17%	-0.04%	-0.08%	0.12%	0.03%	-



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

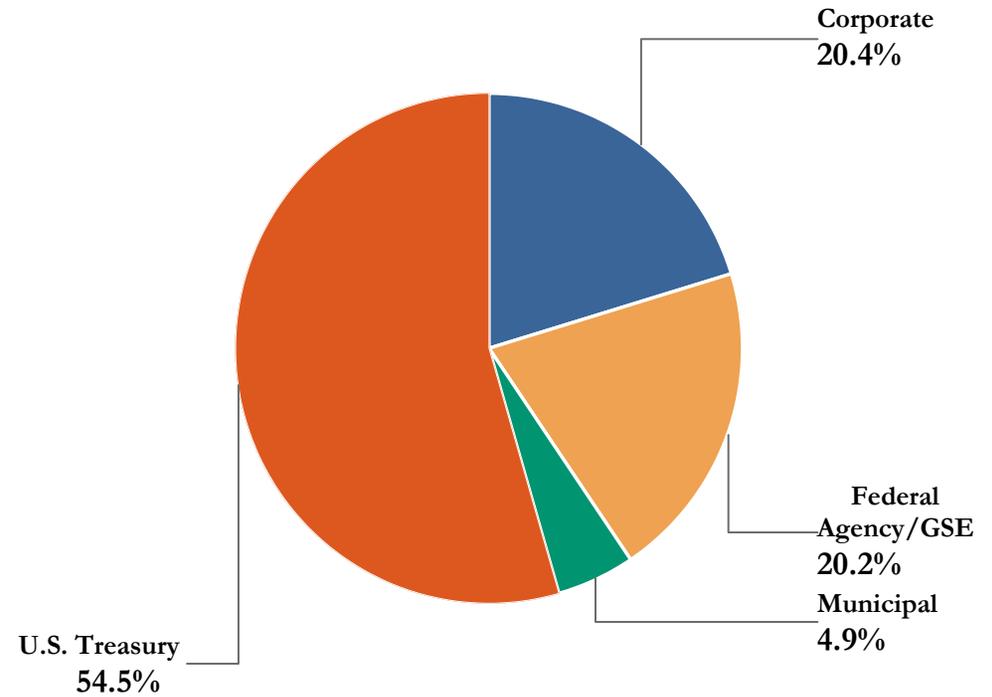
**Portfolio Earnings**  
*Quarter-Ended March 31, 2016*

	<u>Market Value Basis</u>	<u>Accrual (Amortized Cost) Basis</u>
<b>Beginning Value (12/31/2015)</b>	\$18,113,163.88	\$18,155,386.71
<b>Net Purchases/Sales</b>	\$76,977.77	\$76,977.77
<b>Change in Value</b>	\$229,950.07	(\$1,365.43)
<b>Ending Value (03/31/2016)</b>	\$18,420,091.72	\$18,230,999.05
<b>Interest Earned</b>	\$62,736.24	\$62,736.24
<b>Portfolio Earnings</b>	\$292,686.31	\$61,370.81

**Sector Allocation**

*As of March 31, 2016*

Sector	Market Value (\$)	% of Portfolio
U.S. Treasury	10,043,259	54.5%
Corporate	3,753,599	20.4%
Federal Agency/GSE	3,721,260	20.2%
Municipal	901,973	4.9%
<b>Total</b>	<b>18,420,092</b>	<b>100.0%</b>

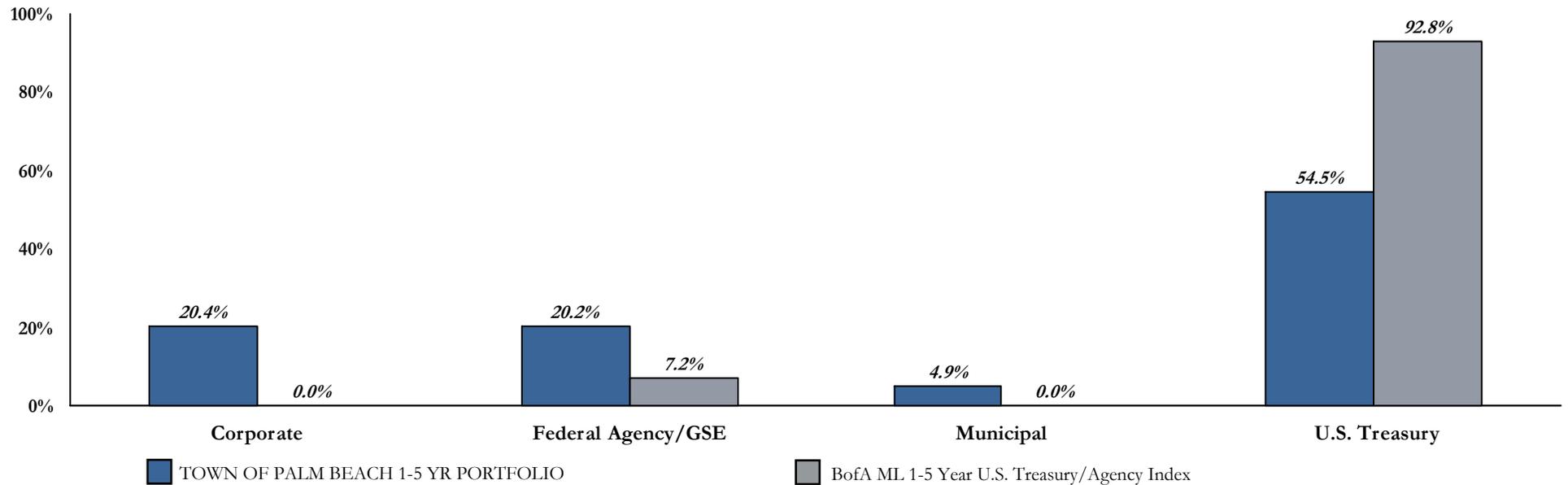


*Detail may not add to total due to rounding.*

### Sector Allocation

As of March 31, 2016

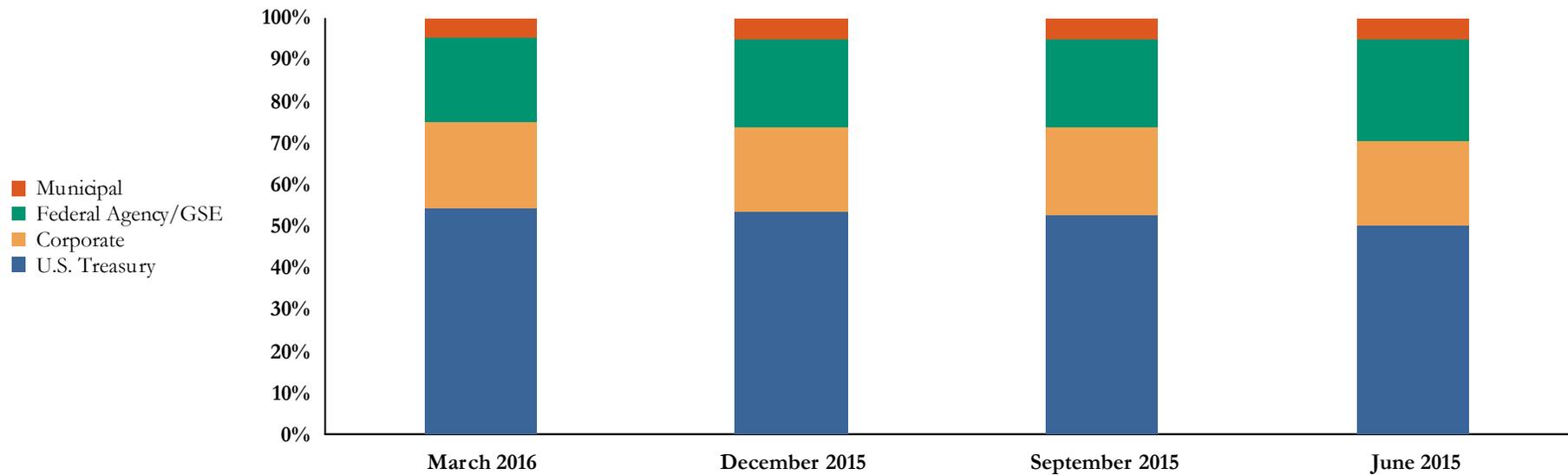
Sector	Market Value (\$)	% of Portfolio	% of Benchmark
U.S. Treasury	10,043,259	54.5%	92.8%
Corporate	3,753,599	20.4%	-
Federal Agency/GSE	3,721,260	20.2%	7.2%
Municipal	901,973	4.9%	-
<b>Total</b>	<b>18,420,092</b>	<b>100.0%</b>	<b>100.0%</b>



Detail may not add to total due to rounding.

### Sector Allocation

Sector	March 31, 2016		December 31, 2015		September 30, 2015		June 30, 2015	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
U.S. Treasury	10.0	54.5%	9.7	53.4%	9.6	52.8%	9.1	50.4%
Corporate	3.8	20.4%	3.7	20.3%	3.8	20.9%	3.6	19.9%
Federal Agency/GSE	3.7	20.2%	3.9	21.4%	3.9	21.4%	4.5	24.7%
Municipal	0.9	4.9%	0.9	5.0%	0.9	4.9%	0.9	4.9%
<b>Total</b>	<b>\$18.4</b>	<b>100.0%</b>	<b>\$18.1</b>	<b>100.0%</b>	<b>\$18.2</b>	<b>100.0%</b>	<b>\$18.1</b>	<b>100.0%</b>

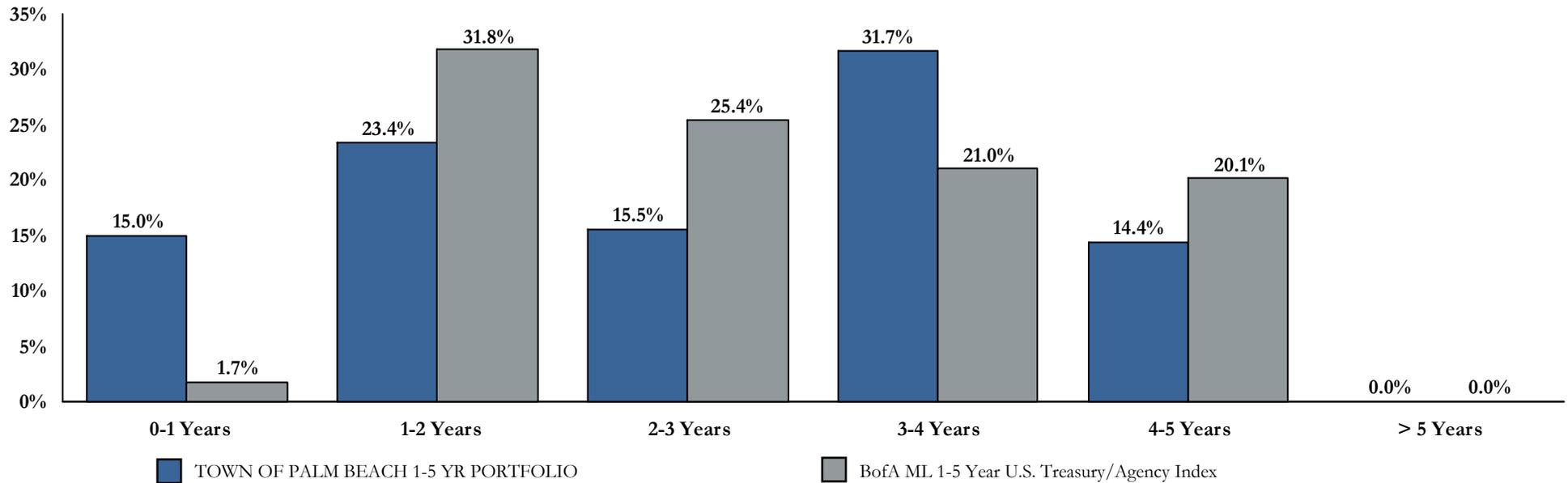


Detail may not add to total due to rounding.

### Maturity Distribution

As of March 31, 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
<b>TOWN OF PALM BEACH 1-5 YR PORTFOLIO</b>	1.00%	2.64 yrs	15.0%	23.4%	15.5%	31.7%	14.4%	0.0%
<b>BofA ML 1-5 Year U.S. Treasury/Agency Index</b>	0.89%	2.79 yrs	1.7%	31.8%	25.4%	21.0%	20.1%	0.0%

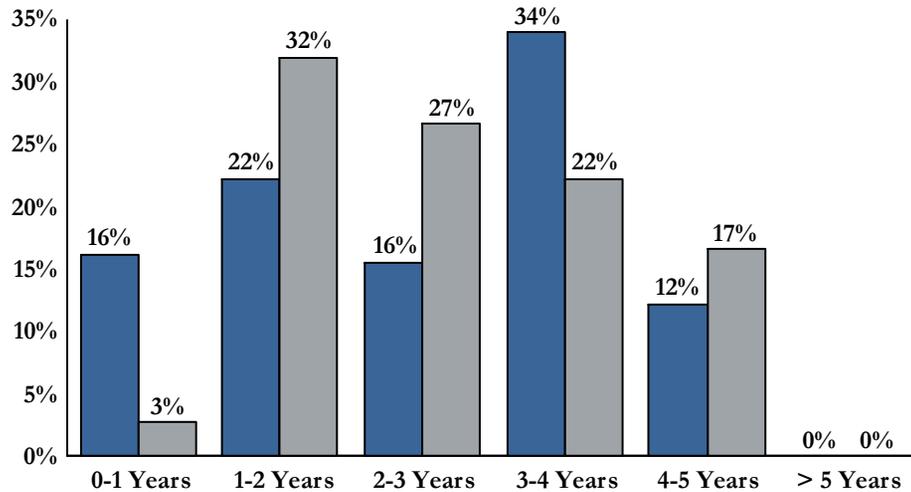


### Duration Distribution

As of March 31, 2016

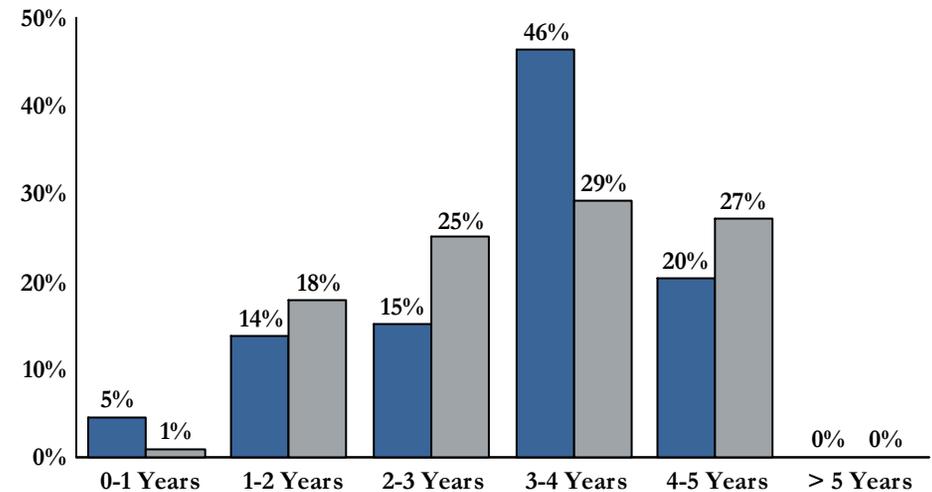
Portfolio / Benchmark	Effective Duration	0-1 YEARS	1-2 YEARS	2-3 YEARS	3-4 YEARS	4-5 YEARS	> 5 YEARS
TOWN OF PALM BEACH 1-5 YR PORTFOLIO	2.54	16.21%	22.18%	15.50%	33.93%	12.17%	0.00%
BofA ML 1-5 Year U.S. Treasury/Agency Index	2.60	2.69%	31.91%	26.61%	22.21%	16.58%	0.00%

Distribution by Effective Duration



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

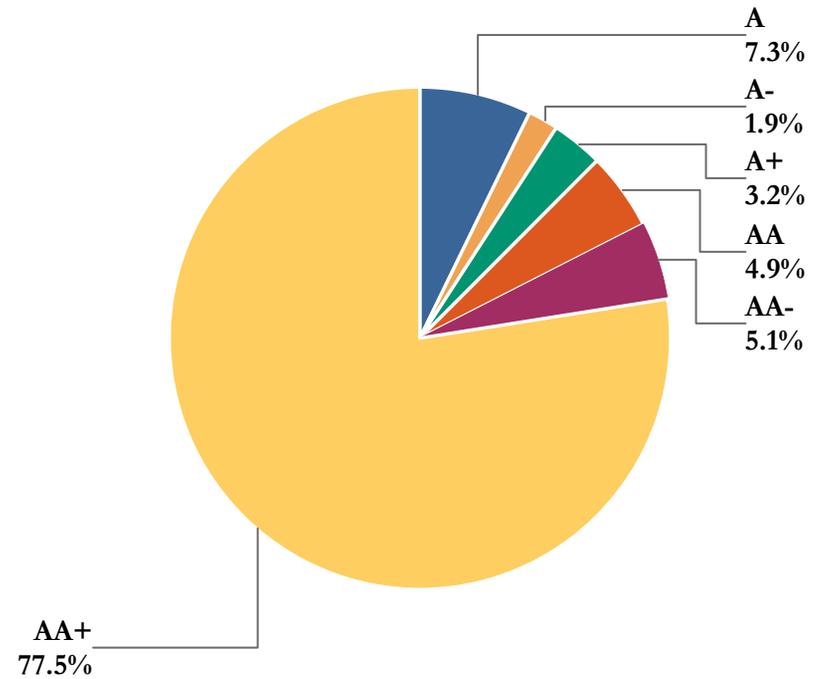
Contribution to Portfolio Duration



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

**Credit Quality**  
As of March 31, 2016

S&P Rating	Market Value (\$)	% of Portfolio
AA+	\$14,280,695	77.5%
A	\$1,351,133	7.3%
AA-	\$936,228	5.1%
AA	\$901,973	4.9%
A+	\$597,294	3.2%
A-	\$352,769	1.9%
<b>Totals</b>	<b>\$18,420,092</b>	<b>100.0%</b>



Detail may not add to total due to rounding.

### Issuer Distribution

As of March 31, 2016

Issuer	Market Value (\$)	% of Portfolio
UNITED STATES TREASURY	10,043,259	54.5%
FREDDIE MAC	1,762,680	9.6%
FANNIE MAE	1,683,452	9.1%
GENERAL ELECTRIC CO	516,175	2.8%
BANK OF NEW YORK CO INC	460,731	2.5%
TOYOTA MOTOR CORP	460,163	2.5%
ABBOTT LABORATORIES	456,378	2.5%
WELLS FARGO & COMPANY	455,255	2.5%
CITY OF NEW YORK CITY, NY	452,067	2.5%
REGIONAL TRANS AUTH, IL	449,906	2.4%
CISCO SYSTEMS INC	415,398	2.3%
JP MORGAN CHASE & CO	352,769	1.9%
FEDERAL HOME LOAN BANKS	275,129	1.5%
BOEING COMPANY	219,868	1.2%
DEERE & COMPANY	215,279	1.2%
AMERICAN HONDA FINANCE	140,916	0.8%
NEW YORK UNIVERSITY	60,667	0.3%
<b>Grand Total:</b>	<b>18,420,092</b>	<b>100.0%</b>

Top 5 = 78.5%

Top 10 = 90.9%

## Sector/Issuer Distribution

As of March 31, 2016

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
<b>Corporate</b>			
ABBOTT LABORATORIES	456,378	12.2%	2.5%
AMERICAN HONDA FINANCE	140,916	3.8%	0.8%
BANK OF NEW YORK CO INC	460,731	12.3%	2.5%
BOEING COMPANY	219,868	5.9%	1.2%
CISCO SYSTEMS INC	415,398	11.1%	2.3%
DEERE & COMPANY	215,279	5.7%	1.2%
GENERAL ELECTRIC CO	516,175	13.8%	2.8%
JP MORGAN CHASE & CO	352,769	9.4%	1.9%
NEW YORK UNIVERSITY	60,667	1.6%	0.3%
TOYOTA MOTOR CORP	460,163	12.3%	2.5%
WELLS FARGO & COMPANY	455,255	12.1%	2.5%
<b>Sector Total</b>	<b>3,753,599</b>	<b>100.0%</b>	<b>20.4%</b>
<b>Federal Agency/GSE</b>			
FANNIE MAE	1,683,452	45.2%	9.1%
FEDERAL HOME LOAN BANKS	275,129	7.4%	1.5%
FREDDIE MAC	1,762,680	47.4%	9.6%
<b>Sector Total</b>	<b>3,721,260</b>	<b>100.0%</b>	<b>20.2%</b>
<b>Municipal</b>			

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
CITY OF NEW YORK CITY, NY	452,067	50.1%	2.5%
REGIONAL TRANS AUTH, IL	449,906	49.9%	2.4%
<b>Sector Total</b>	<b>901,973</b>	<b>100.0%</b>	<b>4.9%</b>
<b>U.S. Treasury</b>			
UNITED STATES TREASURY	10,043,259	100.0%	54.5%
<b>Sector Total</b>	<b>10,043,259</b>	<b>100.0%</b>	<b>54.5%</b>
<b>Portfolio Total</b>	<b>18,420,092</b>	<b>100.0%</b>	<b>100.0%</b>

## Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
<b>BUY</b>									
2/1/16	2/3/16	350,000	912828VP2	US TREASURY NOTES	2.00%	7/31/20	360,653.39	1.30%	
2/18/16	2/23/16	100,000	02665WBA8	AMERICAN HONDA FINANCE CORP NOTES	1.70%	2/22/19	99,980.00	1.71%	
3/2/16	3/4/16	370,000	912828A42	US TREASURY NOTE	2.00%	11/30/20	382,457.10	1.38%	
3/30/16	3/31/16	225,000	912828B90	US TREASURY NOTES	2.00%	2/28/21	232,726.74	1.31%	
<b>Total BUY</b>		<b>1,045,000</b>					<b>1,075,817.23</b>		
<b>INTEREST</b>									
1/1/16	1/1/16	60,000	650119AF7	NEW YORK UNIVERSITY CORPORATE NOTE	1.76%	7/1/19	750.98		
1/4/16	1/4/16	0	MONEY0002	MONEY MARKET FUND			0.60		
1/8/16	1/8/16	450,000	36962G4J0	GENERAL ELECTRIC CAP CORP NOTES	5.50%	1/8/20	12,375.00		
1/18/16	1/18/16	450,000	89236TBP9	TOYOTA MOTOR CREDIT CORP NOTES	2.12%	7/18/19	4,781.25		
1/23/16	1/23/16	350,000	46625HKA7	JPMORGAN CHASE & CO (CALLABLE)	2.25%	1/23/20	3,937.50		
1/28/16	1/28/16	270,000	3137EADJ5	FREDDIE MAC GLOBAL NOTES	1.00%	7/28/17	1,350.00		
1/29/16	1/29/16	220,000	097023BF1	BOEING COMPANY (FLOATING) NOTE	0.74%	10/30/17	248.53		
1/30/16	1/30/16	450,000	94974BGF1	WELLS FARGO & CO	2.15%	1/30/20	4,837.50		
1/31/16	1/31/16	500,000	912828VQ0	US TREASURY NOTES	1.37%	7/31/18	3,437.50		
1/31/16	1/31/16	620,000	912828VP2	US TREASURY NOTES	2.00%	7/31/20	6,200.00		
1/31/16	1/31/16	320,000	912828SC5	US TREASURY NOTES	0.87%	1/31/17	1,400.00		
1/31/16	1/31/16	695,000	912828B33	US TREASURY NOTES	1.50%	1/31/19	5,212.50		
1/31/16	1/31/16	600,000	912828VP2	US TREASURY NOTES	2.00%	7/31/20	6,000.00		
2/1/16	2/1/16	0	MONEY0002	MONEY MARKET FUND			3.38		
2/28/16	2/28/16	465,000	3135G0MZ3	FANNIE MAE GLOBAL NOTES	0.87%	8/28/17	2,034.38		
2/29/16	2/29/16	250,000	912828SJ0	US TREASURY NOTES	0.87%	2/28/17	1,093.75		
2/29/16	2/29/16	640,000	912828UQ1	US TREASURY NOTES	1.25%	2/29/20	4,000.00		

## 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)
3/1/16	3/1/16	0	MONEY0002	MONEY MARKET FUND			5.53		
3/7/16	3/7/16	170,000	3137EADP1	FREDDIE MAC GLOBAL NOTES	0.87%	3/7/18	743.75		
3/7/16	3/7/16	425,000	3137EADP1	FREDDIE MAC GLOBAL NOTES	0.87%	3/7/18	1,859.38		
3/11/16	3/11/16	450,000	06406HCW7	BANK OF NEW YORK MELLON NT (CALLABLE)	2.30%	9/11/19	5,175.00		
3/15/16	3/15/16	450,000	002824AZ3	ABBOTT LABORATORIES	2.00%	3/15/20	4,500.00		
3/27/16	3/27/16	230,000	3135G0ZL0	FNMA NOTES	1.00%	9/27/17	1,150.00		
3/31/16	3/31/16	1,020,000	912828TR1	US TREASURY NOTES	1.00%	9/30/19	5,100.00		
3/31/16	3/31/16	100,000	912828TR1	US TREASURY NOTES	1.00%	9/30/19	500.00		
3/31/16	3/31/16	1,210,000	912828SM3	US TREASURY NOTES	1.00%	3/31/17	6,050.00		
<b>Total INTEREST</b>		<b>10,395,000</b>					<b>82,746.53</b>		
<b>SELL</b>									
2/1/16	2/3/16	310,000	912828RX0	US TREASURY NOTES	0.87%	12/31/16	310,919.37	0.64%	601.01
2/1/16	2/3/16	20,000	912828RX0	US TREASURY NOTES	0.87%	12/31/16	20,059.32	0.64%	49.40
2/18/16	2/23/16	100,000	02665WAB7	AMERICAN HONDA FINANCE GLOBAL NOTES	1.12%	10/7/16	100,625.00	0.80%	273.42
3/2/16	3/4/16	390,000	912828RX0	US TREASURY NOTES	0.87%	12/31/16	391,148.44	0.70%	474.08
3/30/16	3/31/16	175,000	3130A3J70	FHLB NOTES	0.62%	11/23/16	175,413.39	0.60%	(104.44)
<b>Total SELL</b>		<b>995,000</b>					<b>998,165.52</b>		<b>1,293.47</b>

## Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
INTEREST	1/1/16	1/1/16	60,000.00	650119AF7	NEW YORK UNIVERSITY CORPORATE NOTE	1.76%	7/1/19	750.98		
INTEREST	1/4/16	1/4/16	0.00	MONEY0002	MONEY MARKET FUND			0.60		
INTEREST	1/8/16	1/8/16	450,000.00	36962G4J0	GENERAL ELECTRIC CAP CORP NOTES	5.50%	1/8/20	12,375.00		
INTEREST	1/18/16	1/18/16	450,000.00	89236TBP9	TOYOTA MOTOR CREDIT CORP NOTES	2.12%	7/18/19	4,781.25		
INTEREST	1/23/16	1/23/16	350,000.00	46625HKA7	JPMORGAN CHASE & CO (CALLABLE)	2.25%	1/23/20	3,937.50		
INTEREST	1/28/16	1/28/16	270,000.00	3137EADJ5	FREDDIE MAC GLOBAL NOTES	1.00%	7/28/17	1,350.00		
INTEREST	1/29/16	1/29/16	220,000.00	097023BF1	BOEING COMPANY (FLOATING) NOTE	0.74%	10/30/17	248.53		
INTEREST	1/30/16	1/30/16	450,000.00	94974BGF1	WELLS FARGO & CO	2.15%	1/30/20	4,837.50		
INTEREST	1/31/16	1/31/16	500,000.00	912828VQ0	US TREASURY NOTES	1.37%	7/31/18	3,437.50		
INTEREST	1/31/16	1/31/16	620,000.00	912828VP2	US TREASURY NOTES	2.00%	7/31/20	6,200.00		
INTEREST	1/31/16	1/31/16	320,000.00	912828SC5	US TREASURY NOTES	0.87%	1/31/17	1,400.00		
INTEREST	1/31/16	1/31/16	695,000.00	912828B33	US TREASURY NOTES	1.50%	1/31/19	5,212.50		
INTEREST	1/31/16	1/31/16	600,000.00	912828VP2	US TREASURY NOTES	2.00%	7/31/20	6,000.00		
INTEREST	2/1/16	2/1/16	0.00	MONEY0002	MONEY MARKET FUND			3.38		
BUY	2/1/16	2/3/16	350,000.00	912828VP2	US TREASURY NOTES	2.00%	7/31/20	(360,653.39)	1.30%	
SELL	2/1/16	2/3/16	310,000.00	912828RX0	US TREASURY NOTES	0.87%	12/31/16	310,919.37	0.64%	601.01
SELL	2/1/16	2/3/16	20,000.00	912828RX0	US TREASURY NOTES	0.87%	12/31/16	20,059.32	0.64%	49.40
BUY	2/18/16	2/23/16	100,000.00	02665WBA8	AMERICAN HONDA FINANCE CORP NOTES	1.70%	2/22/19	(99,980.00)	1.71%	
SELL	2/18/16	2/23/16	100,000.00	02665WAB7	AMERICAN HONDA FINANCE GLOBAL NOTES	1.12%	10/7/16	100,625.00	0.80%	273.42
INTEREST	2/28/16	2/28/16	465,000.00	3135G0MZ3	FANNIE MAE GLOBAL NOTES	0.87%	8/28/17	2,034.38		

## 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	2/29/16	2/29/16	250,000.00	912828SJ0	US TREASURY NOTES	0.87%	2/28/17	1,093.75		
INTEREST	2/29/16	2/29/16	640,000.00	912828UQ1	US TREASURY NOTES	1.25%	2/29/20	4,000.00		
INTEREST	3/1/16	3/1/16	0.00	MONEY0002	MONEY MARKET FUND			5.53		
BUY	3/2/16	3/4/16	370,000.00	912828A42	US TREASURY NOTE	2.00%	11/30/20	(382,457.10)	1.38%	
SELL	3/2/16	3/4/16	390,000.00	912828RX0	US TREASURY NOTES	0.87%	12/31/16	391,148.44	0.70%	474.08
INTEREST	3/7/16	3/7/16	170,000.00	3137EADP1	FREDDIE MAC GLOBAL NOTES	0.87%	3/7/18	743.75		
INTEREST	3/7/16	3/7/16	425,000.00	3137EADP1	FREDDIE MAC GLOBAL NOTES	0.87%	3/7/18	1,859.38		
INTEREST	3/11/16	3/11/16	450,000.00	06406HCW7	BANK OF NEW YORK MELLON NT (CALLABLE)	2.30%	9/11/19	5,175.00		
INTEREST	3/15/16	3/15/16	450,000.00	002824AZ3	ABBOTT LABORATORIES	2.00%	3/15/20	4,500.00		
INTEREST	3/27/16	3/27/16	230,000.00	3135G0ZL0	FNMA NOTES	1.00%	9/27/17	1,150.00		
BUY	3/30/16	3/31/16	225,000.00	912828B90	US TREASURY NOTES	2.00%	2/28/21	(232,726.74)	1.31%	
SELL	3/30/16	3/31/16	175,000.00	3130A3J70	FHLB NOTES	0.62%	11/23/16	175,413.39	0.60%	(104.44)
INTEREST	3/31/16	3/31/16	1,020,000.00	912828TR1	US TREASURY NOTES	1.00%	9/30/19	5,100.00		
INTEREST	3/31/16	3/31/16	100,000.00	912828TR1	US TREASURY NOTES	1.00%	9/30/19	500.00		
INTEREST	3/31/16	3/31/16	1,210,000.00	912828SM3	US TREASURY NOTES	1.00%	3/31/17	6,050.00		
<b>TOTALS</b>								<b>5,094.82</b>		<b>1,293.47</b>

## Short Term and Bond Proceed Portfolios Statistics

<u>Account Name</u>	<u>Amortized Cost<sup>1,2,3</sup> March 31, 2016</u>	<u>Amortized Cost<sup>1,2,3</sup> December 31, 2015</u>	<u>Market Value<sup>1,2,3</sup> March 31, 2016</u>	<u>Market Value<sup>1,2,3</sup> December 31, 2015</u>	<u>Duration (Years)<sup>4</sup> March 31, 2016</u>
Short Term Portfolio - 4245	\$13,963,620.37	N/A	\$13,968,765.50	N/A	0.33
2013 Bond Fund - 4265	27,074,179.11	27,086,511.75	27,108,780.56	27,061,069.11	0.67
Money Market Fund - PFM Funds Prime Series Excess Funds - 174	19,443.97	19,422.74	19,443.97	19,422.74	55 Days
Money Market Fund - PFM Funds Prime Series 2013 Bond Fund - 357	5,254.13	1,284,124.63	5,254.13	1,284,124.63	55 Days
Money Market Fund - Goldman Sachs Financial Squares Government Fund (TD Bank) - Short Term	52,169.24	N/A	52,169.24	N/A	38 Days
Money Market Fund - Goldman Sachs Financial Squares Government Fund (TD Bank) - 2013 Bond Fund	85,739.26	9,583,208.26	85,739.26	9,583,208.26	38 Days
<b>Total</b>	<b>\$41,200,406.08</b>	<b>\$37,973,267.38</b>	<b>\$41,240,152.66</b>	<b>\$37,947,824.74</b>	

<u>Account Name</u>	<u>Yield to Maturity at Cost<sup>5</sup> March 31, 2016</u>	<u>Yield to Maturity at Cost<sup>5</sup> December 31, 2015</u>	<u>Yield to Maturity at Market March 31, 2016</u>	<u>Yield to Maturity at Market December 31, 2015</u>	<u>Duration (Years)<sup>4</sup> December 31, 2015</u>
Short Term Portfolio - 4245	0.78%	N/A	0.66%	N/A	N/A
2013 Bond Fund - 4265	0.63%	0.63%	0.50%	0.76%	0.92
Money Market Fund - PFM Funds Prime Series Excess Funds - 174 <sup>6</sup>	0.49%	0.21%	0.49%	0.21%	33 Days
Money Market Fund - PFM Funds Prime Series 2013 Bond Fund - 357	0.49%	0.21%	0.49%	0.21%	33 Days
Money Market Fund - Goldman Sachs Financial Squares Government Fund (TD Bank) - Short Term	0.10%	N/A	0.10%	N/A	55 Days
Money Market Fund - Goldman Sachs Financial Squares Government Fund (TD Bank) - 2013 Bond Fund	0.10%	0.03%	0.10%	0.03%	55 Days
<b>Weighted Average Yield</b>	<b>0.68%</b>	<b>0.46%</b>	<b>0.55%</b>	<b>0.56%</b>	

**Benchmarks**

	<u>March 31, 2016</u>	<u>December 31, 2015</u>
S&P GIP Government 30 Day Index <sup>7</sup>	0.39%	0.25%

## Notes:

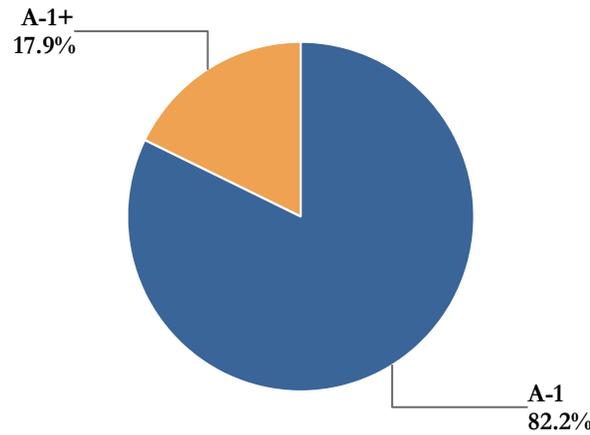
- End of quarter trade-date market values of portfolio holdings, including accrued interest.
- In order to comply with GASB accrual accounting reporting requirements; forward settling trades are included in the monthly balances.
- Includes any money market fund/cash balances held in custodian account.
- 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.

**Portfolio Statistics**

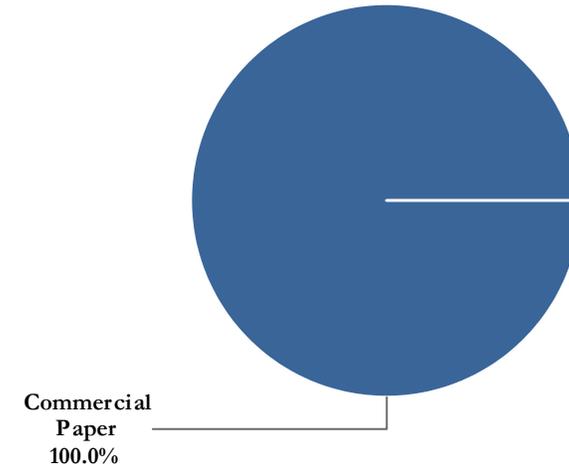
As of March 31, 2016

Par Value:	14,000,000
Total Market Value:	14,021,054
Market Value:	13,968,766
Accrued Interest:	0
Cash:	52,289
Amortized Cost:	13,963,620
Yield at Market:	0.66%
Yield at Cost:	0.78%
Effective Duration:	0.33 Years
Duration to Worst:	0.33 Years
Average Maturity:	0.33 Years
Average Credit (**):	AAA
Benchmark Eff. Yield:	0.39%

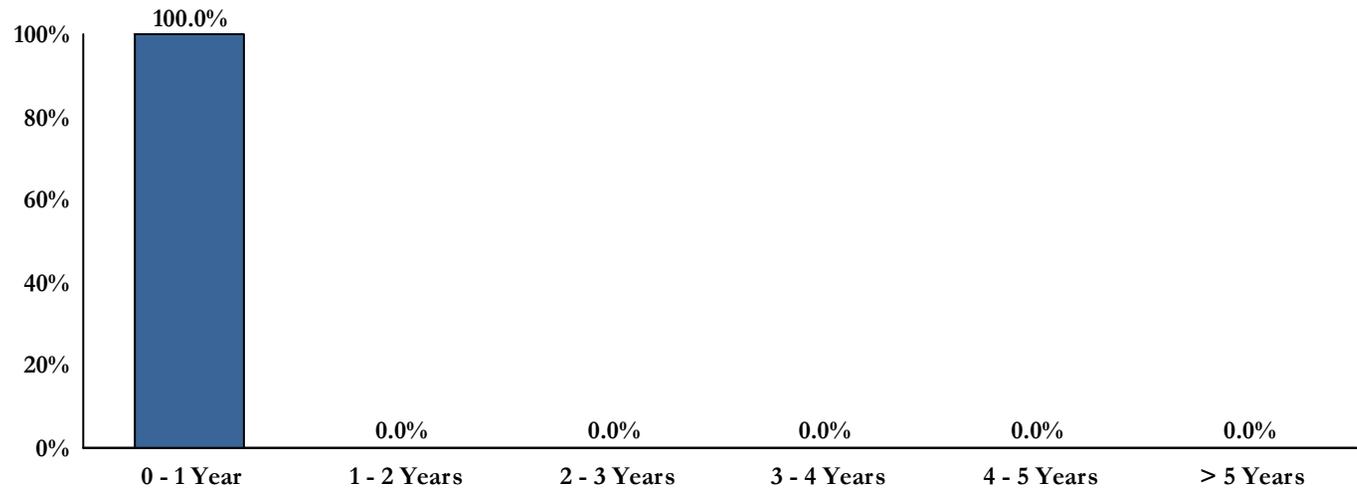
**Credit Quality (S&P Ratings)**



**Sector Allocation**



**Maturity Distribution**



Benchmark: S&P AAA & AA Rated GIP Govt - 30 Day Gross Yield

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

Account 68904245

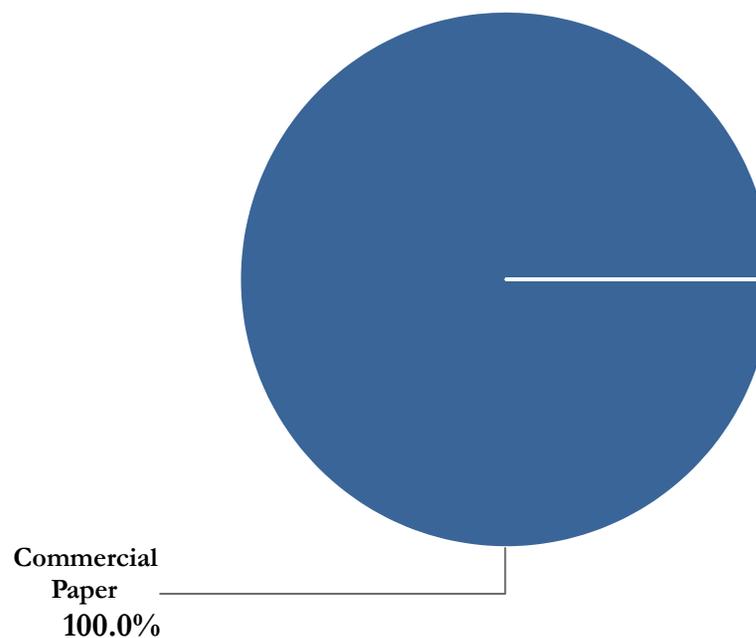
**Portfolio Earnings**  
*Quarter-Ended March 31, 2016*

	<u>Market Value Basis</u>	<u>Accrual (Amortized Cost) Basis</u>
<b>Beginning Value (12/31/2015)</b>	\$0.00	\$0.00
<b>Net Purchases/Sales</b>	\$13,948,260.50	\$13,948,260.50
<b>Change in Value</b>	\$20,505.00	\$15,359.87
<b>Ending Value (03/31/2016)</b>	\$13,968,765.50	\$13,963,620.37
<b>Interest Earned</b>	\$43.15	\$43.15
<b>Portfolio Earnings</b>	\$20,548.15	\$15,403.02

**Sector Allocation**

*As of March 31, 2016*

Sector	Market Value (\$)	% of Portfolio
Commercial Paper	13,968,766	100.0%
<b>Total</b>	<b>13,968,766</b>	<b>100.0%</b>

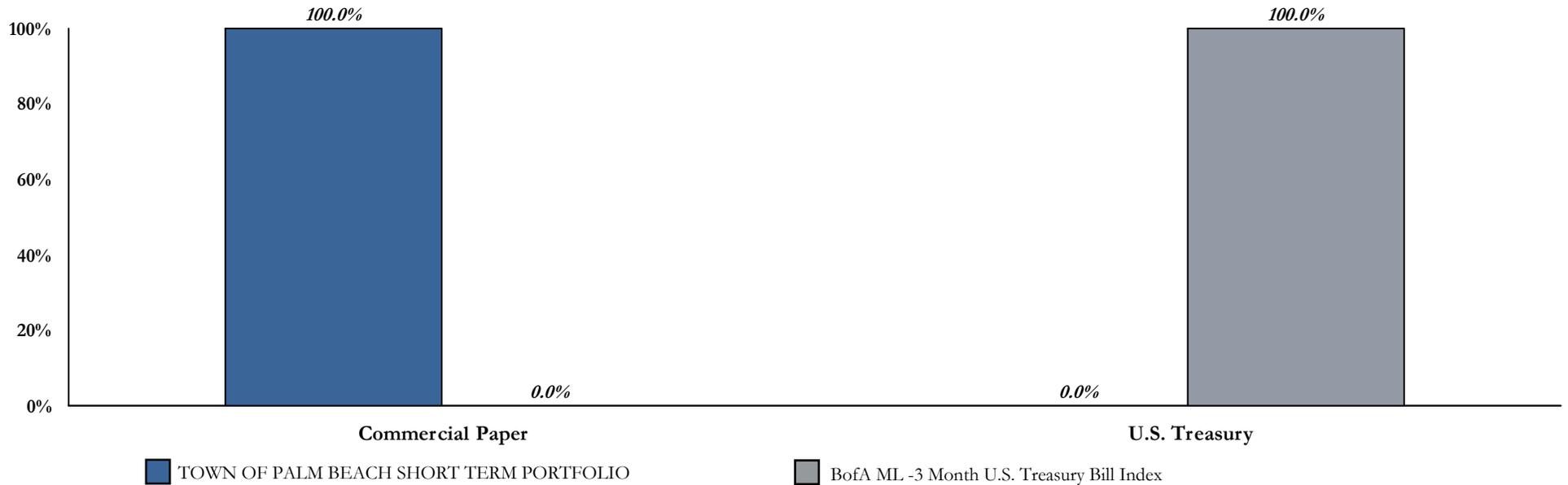


*Detail may not add to total due to rounding.*

**Sector Allocation**

*As of March 31, 2016*

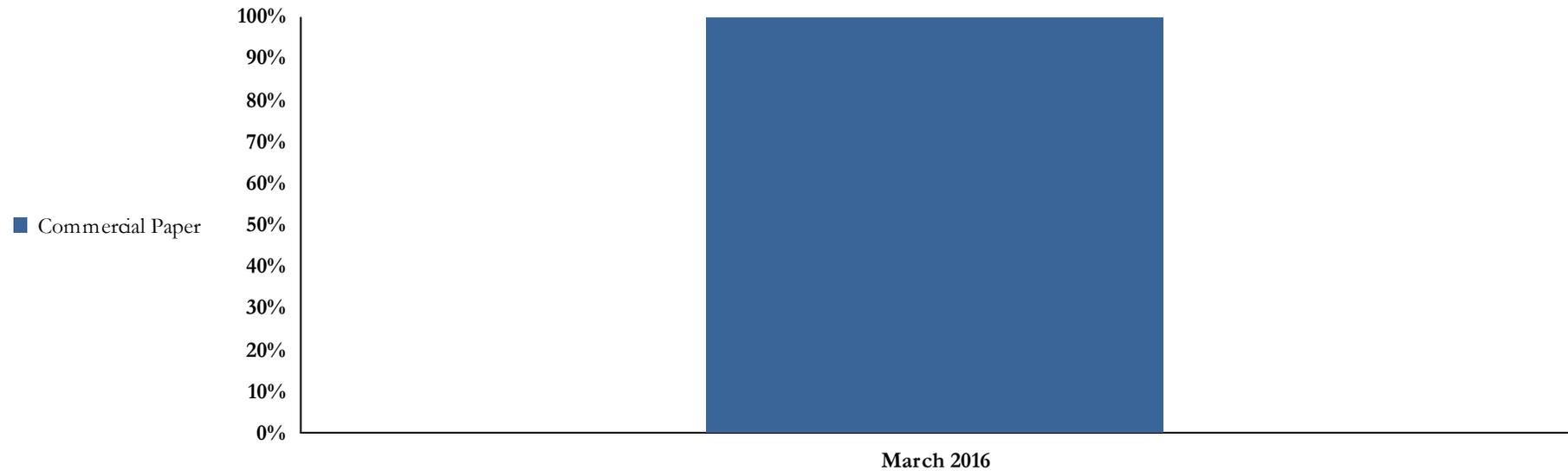
Sector	Market Value (\$)	% of Portfolio	% of Benchmark
Commercial Paper	13,968,766	100.0%	-
U.S. Treasury	0	-	100.0%
<b>Total</b>	<b>13,968,766</b>	<b>100.0%</b>	<b>100.0%</b>



Detail may not add to total due to rounding.

### Sector Allocation

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

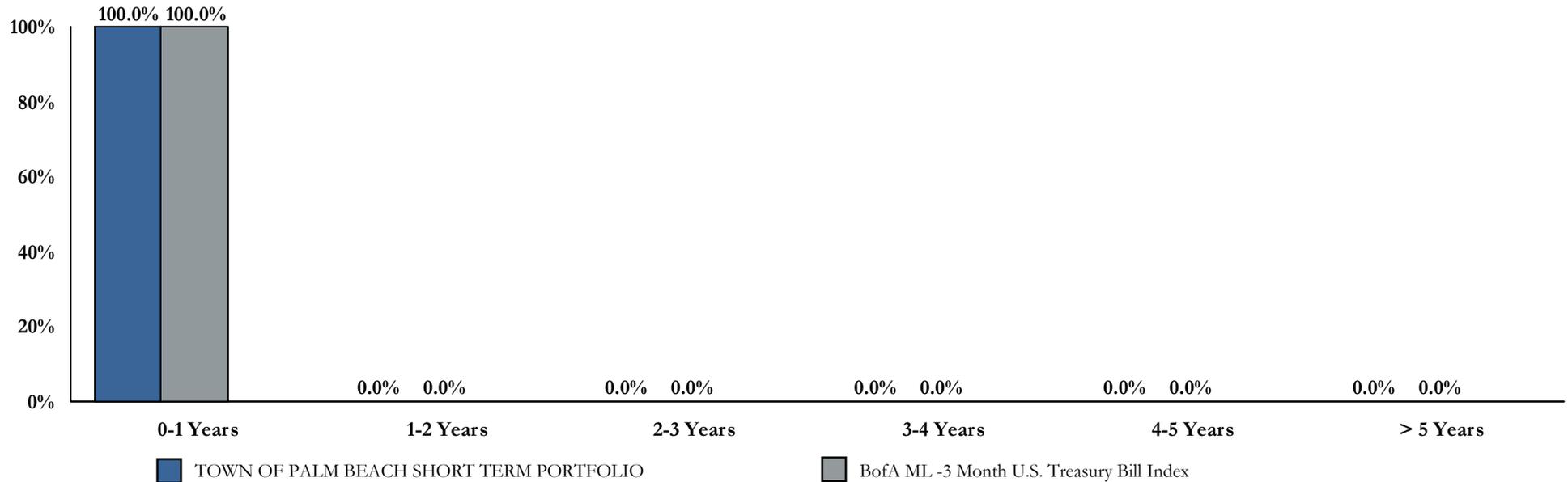


Detail may not add to total due to rounding.

### Maturity Distribution

As of March 31, 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
<b>TOWN OF PALM BEACH SHORT TERM PORTFOLIO</b>	0.66%	0.33 yrs	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>BofA ML -3 Month U.S. Treasury Bill Index</b>	0.15%	0.16 yrs	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%

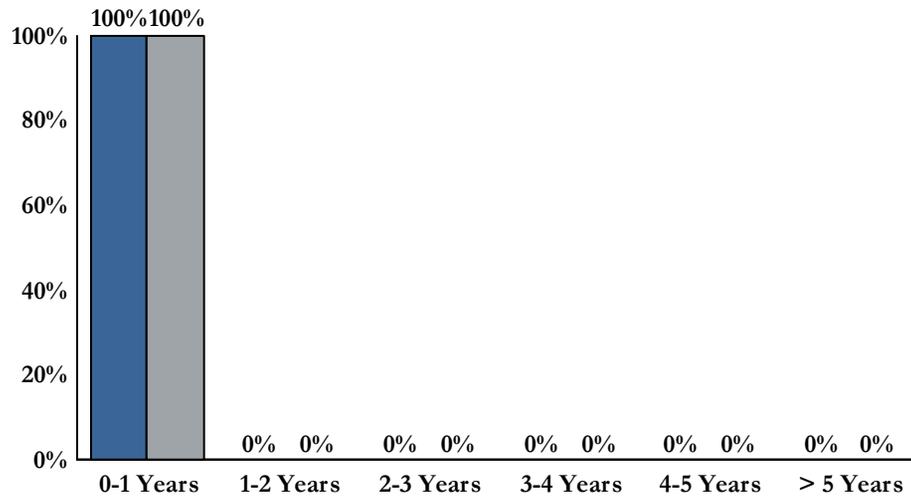


### Duration Distribution

As of March 31, 2016

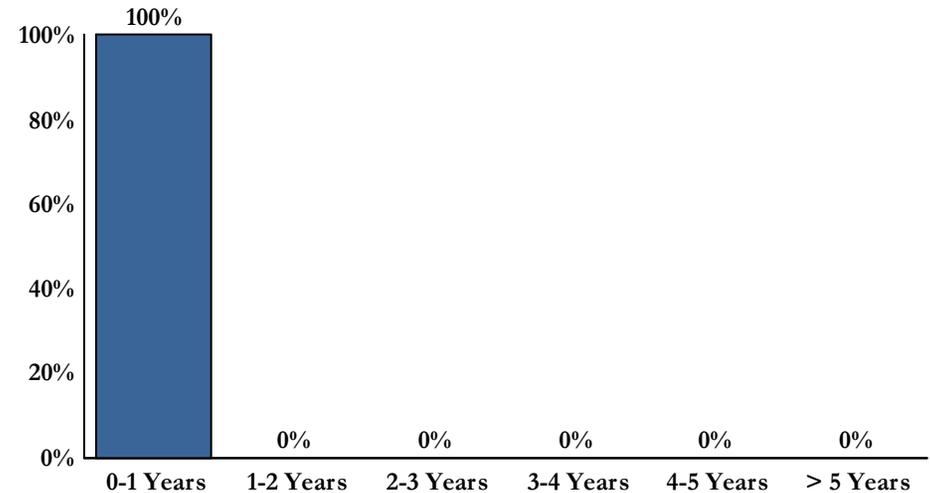
Portfolio / Benchmark	Effective Duration	0-1 YEARS	1-2 YEARS	2-3 YEARS	3-4 YEARS	4-5 YEARS	> 5 YEARS
TOWN OF PALM BEACH SHORT TERM PORTFOLIO	0.33	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%
BofA ML -3 Month U.S. Treasury Bill Index	0.08	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Distribution by Effective Duration



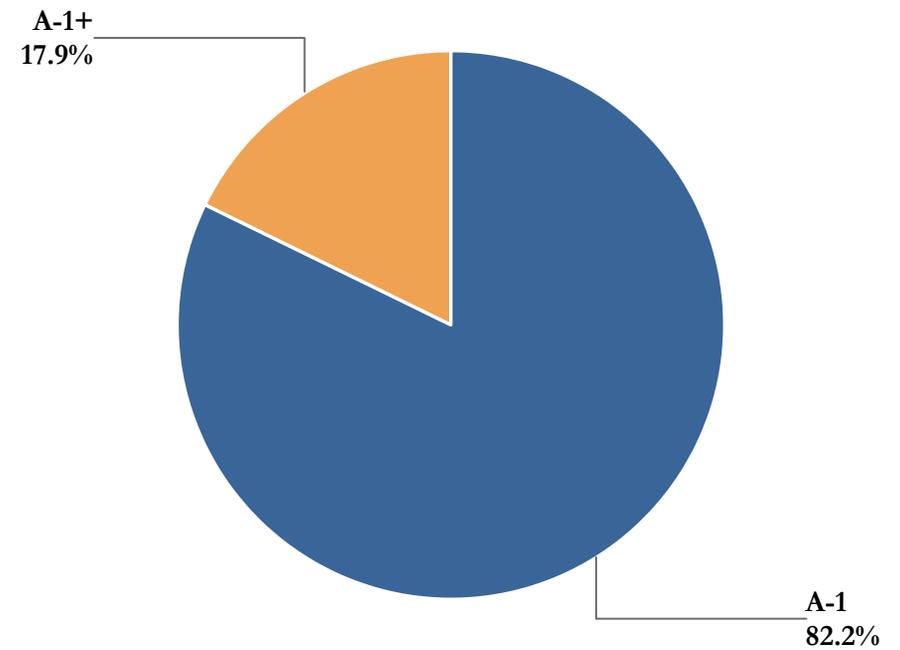
■ TOWN OF PALM BEACH SHORT TERM PORTFOLIO  
 ■ BofA ML -3 Month U.S. Treasury Bill Index

Contribution to Portfolio Duration



**Credit Quality**  
As of March 31, 2016

S&P Rating	Market Value (\$)	% of Portfolio
A-1	\$11,474,871	82.2%
A-1+	\$2,493,895	17.9%
<b>Totals</b>	<b>\$13,968,766</b>	<b>100.0%</b>



Detail may not add to total due to rounding.

**Issuer Distribution***As of March 31, 2016*

<b>Issuer</b>	<b>Market Value (\$)</b>	<b>% of Portfolio</b>
BNP PARIBAS	2,996,922	21.5%
UBS AG	2,992,449	21.4%
mitsubishi ufi financial group inc	2,992,092	21.4%
TOYOTA MOTOR CORP	2,493,895	17.9%
RABOBANK NEDERLAND	2,493,408	17.9%
<b>Grand Total:</b>	<b>13,968,766</b>	<b>100.0%</b>

**Sector/Issuer Distribution***As of March 31, 2016*

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
<b>Commercial Paper</b>			
BNP PARIBAS	2,996,922	21.5%	21.5%
MITSUBISHI UFJ FINANCIAL GROUP INC	2,992,092	21.4%	21.4%
RABOBANK NEDERLAND	2,493,408	17.8%	17.8%
TOYOTA MOTOR CORP	2,493,895	17.9%	17.9%
UBS AG	2,992,449	21.4%	21.4%
<b>Sector Total</b>	<b>13,968,766</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Portfolio Total</b>	<b>13,968,766</b>	<b>100.0%</b>	<b>100.0%</b>

## Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
<b>BUY</b>									
2/9/16	2/10/16	3,000,000	09659BFA3	BNP PARIBAS NY BRANCH COMM PAPER	0.00%	6/10/16	2,993,244.17	0.67%	
2/9/16	2/10/16	3,000,000	06538BH89	BANK OF TOKYO MITSUBISHI UFJ COMM PAPER	0.00%	8/8/16	2,987,400.00	0.84%	
2/10/16	2/10/16	3,000,000	90262CH83	UBS FINANCE DELAWARE LLC COMM PAPER	0.00%	8/8/16	2,987,250.00	0.85%	
2/10/16	2/11/16	2,500,000	21687AHG1	RABOBANK NEDERLAND NV NY COMM PAPER	0.00%	8/16/16	2,489,416.33	0.82%	
2/10/16	2/11/16	2,500,000	89233GHA7	TOYOTA MOTOR CREDIT CORP COMM PAPER	0.00%	8/10/16	2,490,950.00	0.72%	
<b>Total BUY</b>		<b>14,000,000</b>					<b>13,948,260.50</b>		
<b>INTEREST</b>									
2/1/16	2/1/16	0	MONEY0002	MONEY MARKET FUND			0.03		
3/1/16	3/1/16	0	MONEY0002	MONEY MARKET FUND			43.12		
<b>Total INTEREST</b>		<b>0</b>					<b>43.15</b>		

## Quarterly Portfolio Transactions

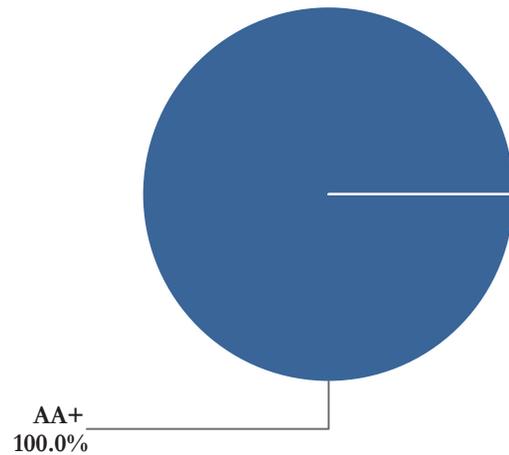
Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
INTEREST	2/1/16	2/1/16	0.00	MONEY0002	MONEY MARKET FUND			0.03		
BUY	2/9/16	2/10/16	3,000,000.00	09659BFA3	BNP PARIBAS NY BRANCH COMM PAPER	0.00%	6/10/16	(2,993,244.17)	0.67%	
BUY	2/9/16	2/10/16	3,000,000.00	06538BH89	BANK OF TOKYO MITSUBISHI UFJ COMM PAPER	0.00%	8/8/16	(2,987,400.00)	0.84%	
BUY	2/10/16	2/10/16	3,000,000.00	90262CH83	UBS FINANCE DELAWARE LLC COMM PAPER	0.00%	8/8/16	(2,987,250.00)	0.85%	
BUY	2/10/16	2/11/16	2,500,000.00	21687AHG1	RABOBANK NEDERLAND NV NY COMM PAPER	0.00%	8/16/16	(2,489,416.33)	0.82%	
BUY	2/10/16	2/11/16	2,500,000.00	89233GHA7	TOYOTA MOTOR CREDIT CORP COMM PAPER	0.00%	8/10/16	(2,490,950.00)	0.72%	
INTEREST	3/1/16	3/1/16	0.00	MONEY0002	MONEY MARKET FUND			43.12		
<b>TOTALS</b>								<b>(13,948,217.35)</b>		

**Portfolio Statistics**

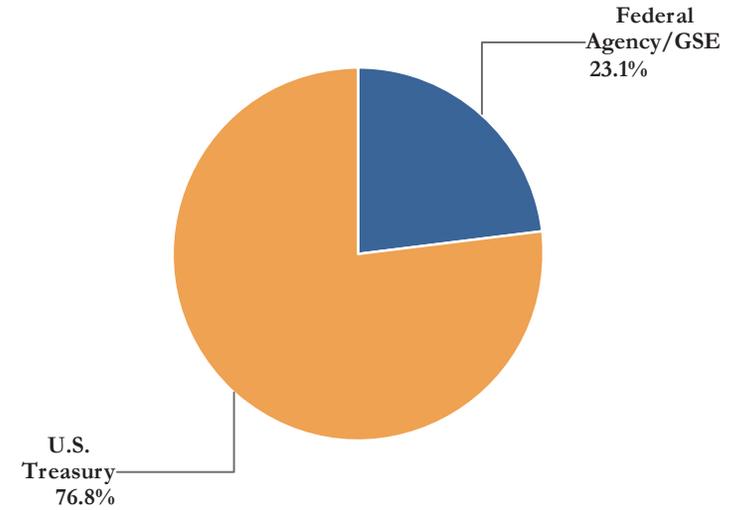
As of March 31, 2016

<b>Par Value:</b>	27,000,000
<b>Total Market Value:</b>	27,194,520
<i>Market Value:</i>	27,026,317
<i>Accrued Interest:</i>	82,464
<i>Cash:</i>	85,739
<b>Amortized Cost:</b>	26,991,716
<b>Yield at Market:</b>	0.50%
<b>Yield at Cost:</b>	0.63%
<b>Effective Duration:</b>	0.67 Years
<b>Duration to Worst:</b>	0.67 Years
<b>Average Maturity:</b>	0.68 Years
<b>Average Credit (**):</b>	AA
<b>Benchmark Eff. Yield:</b>	0.39%

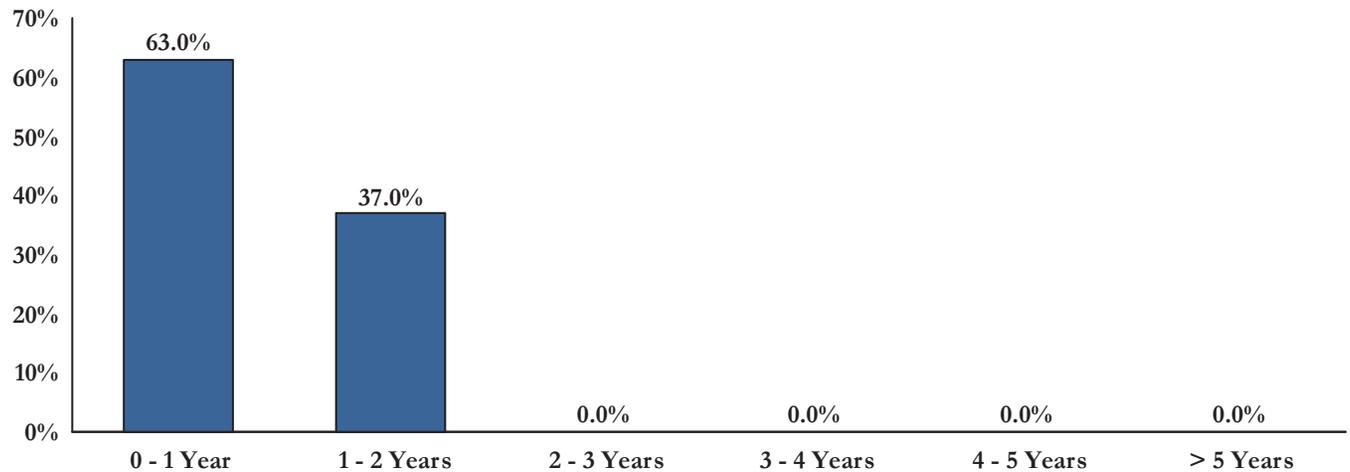
**Credit Quality (S&P Ratings)**



**Sector Allocation**



**Maturity Distribution**



Benchmark: S&P AAA & AA Rated GIP Govt - 30 Day Gross Yield

Account 68904265

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

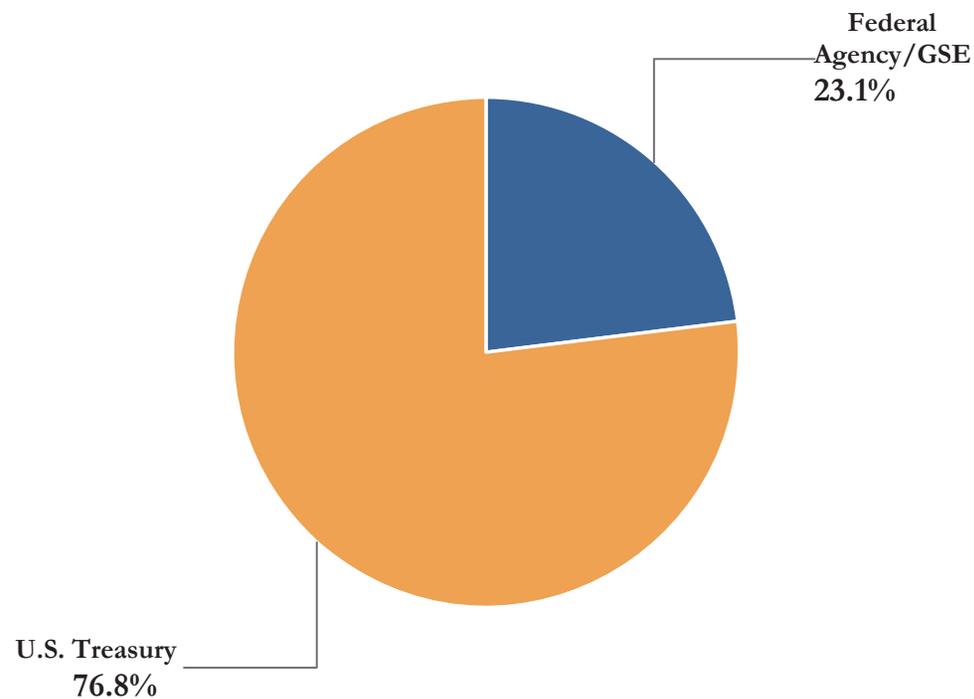
**Portfolio Earnings**  
*Quarter-Ended March 31, 2016*

	<u>Market Value Basis</u>	<u>Accrual (Amortized Cost) Basis</u>
<b>Beginning Value (12/31/2015)</b>	\$26,988,507.00	\$27,013,949.64
<b>Net Purchases/Sales</b>	\$0.00	\$0.00
<b>Change in Value</b>	\$37,810.00	(\$22,234.09)
<b>Ending Value (03/31/2016)</b>	\$27,026,317.00	\$26,991,715.55
<b>Interest Earned</b>	\$65,723.57	\$65,723.57
<b>Portfolio Earnings</b>	\$103,533.57	\$43,489.48

### Sector Allocation

As of March 31, 2016

Sector	Market Value (\$)	% of Portfolio
U.S. Treasury	20,770,227	76.9%
Federal Agency/GSE	6,256,090	23.2%
<b>Total</b>	<b>27,026,317</b>	<b>100.0%</b>

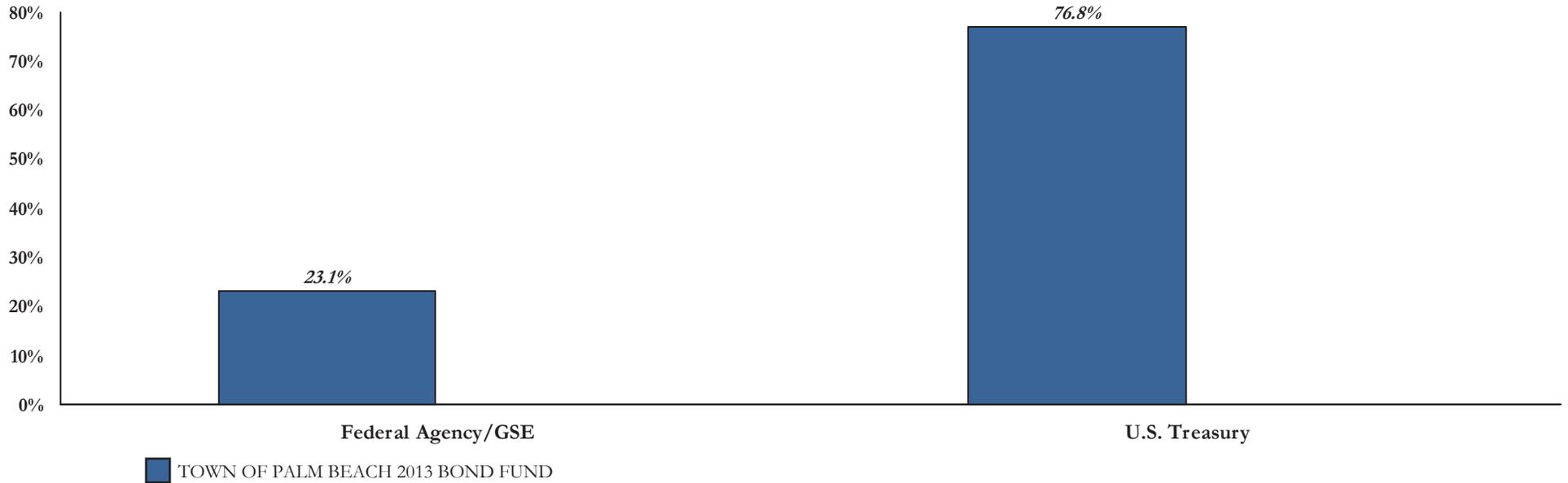


Detail may not add to total due to rounding.

**Sector Allocation**

*As of March 31, 2016*

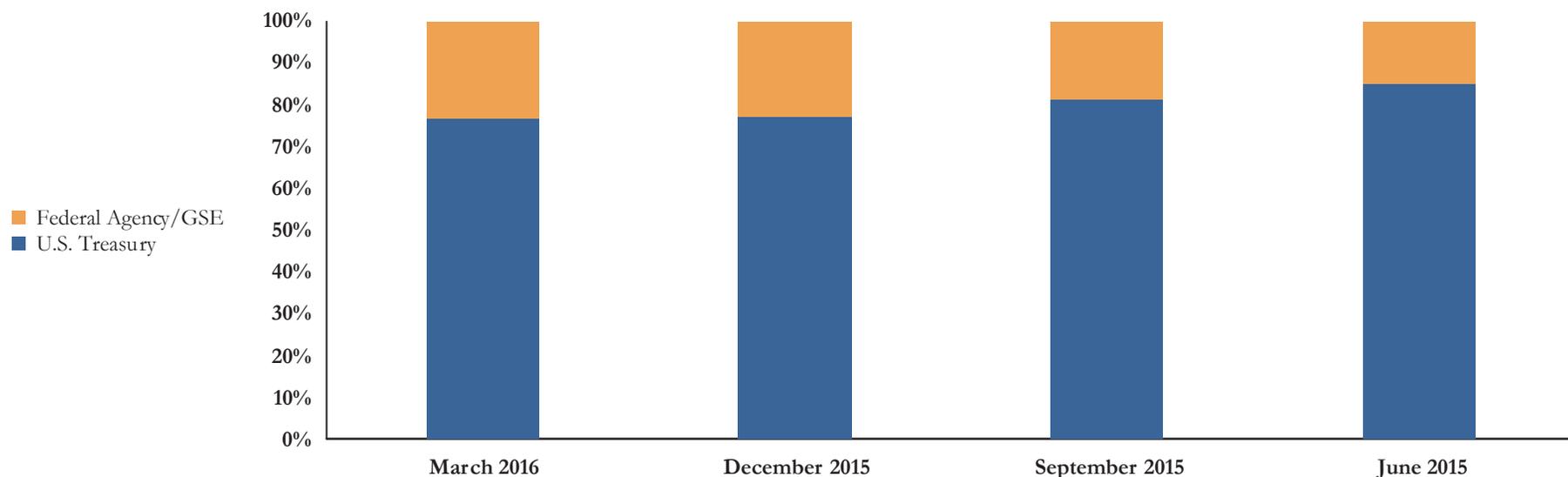
Sector	Market Value (\$)	% of Portfolio	% of Benchmark
U.S. Treasury	20,770,227	76.9%	-
Federal Agency/GSE	6,256,090	23.2%	-
<b>Total</b>	<b>27,026,317</b>	<b>100.0%</b>	<b>0.0%</b>



*Detail may not add to total due to rounding.*

### Sector Allocation

Sector	March 31, 2016		December 31, 2015		September 30, 2015		June 30, 2015	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
U.S. Treasury	20.8	76.9%	20.8	76.9%	26.8	81.1%	35.9	85.2%
Federal Agency/GSE	6.3	23.2%	6.2	23.1%	6.3	18.9%	6.3	14.9%
<b>Total</b>	<b>\$27.0</b>	<b>100.0%</b>	<b>\$27.0</b>	<b>100.0%</b>	<b>\$33.1</b>	<b>100.0%</b>	<b>\$42.1</b>	<b>100.0%</b>

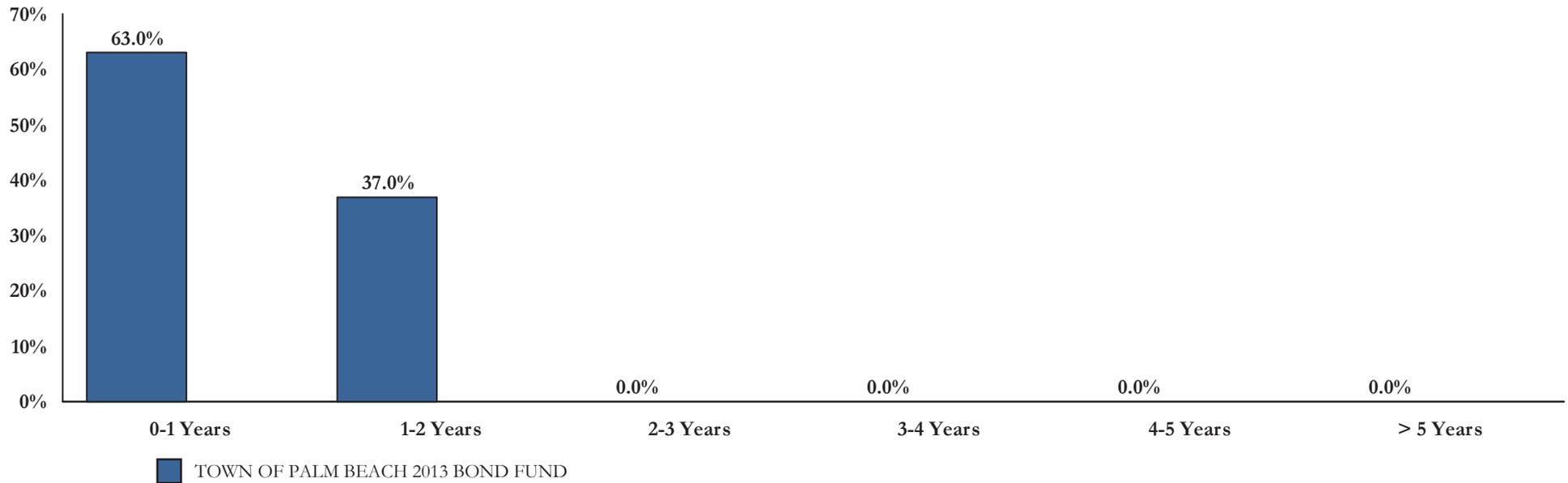


Detail may not add to total due to rounding.

### Maturity Distribution

As of March 31, 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	0.50%	0.68 yrs	63.0%	37.0%	0.0%	0.0%	0.0%	0.0%

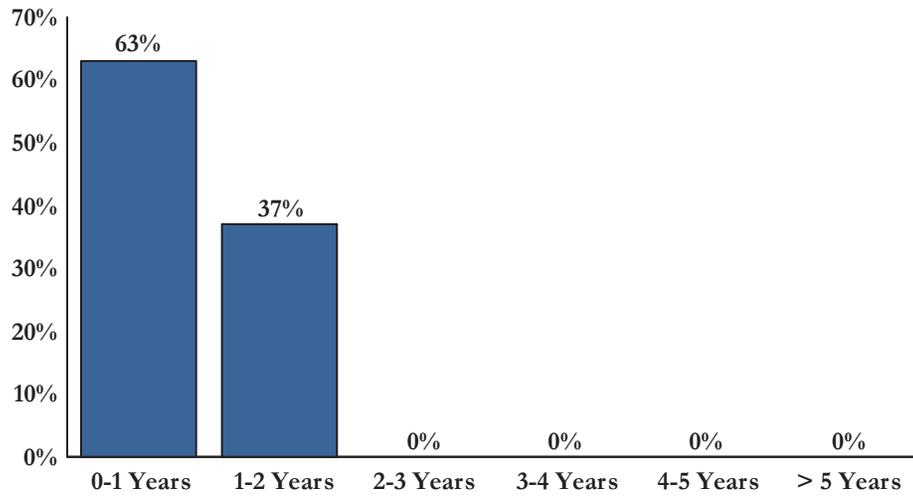


### Duration Distribution

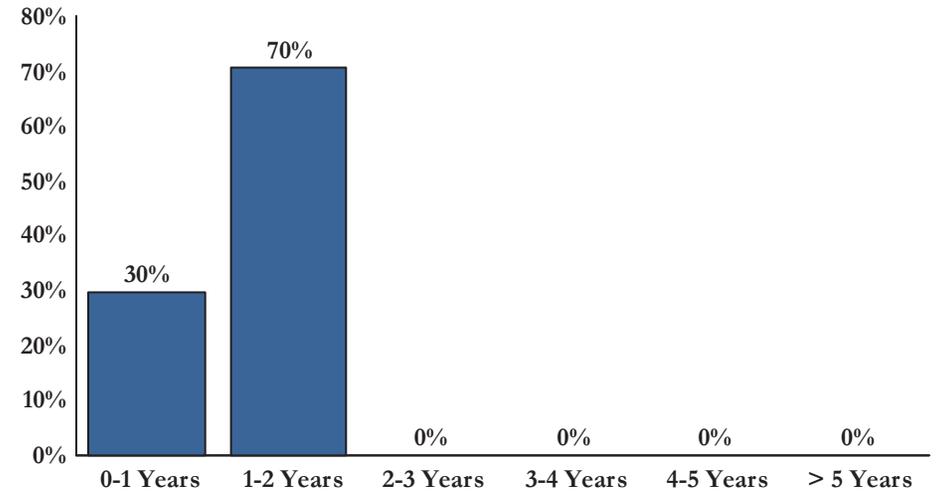
As of March 31, 2016

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	0.67	63.01%	36.99%	0.00%	0.00%	0.00%	0.00%

Distribution by Effective Duration

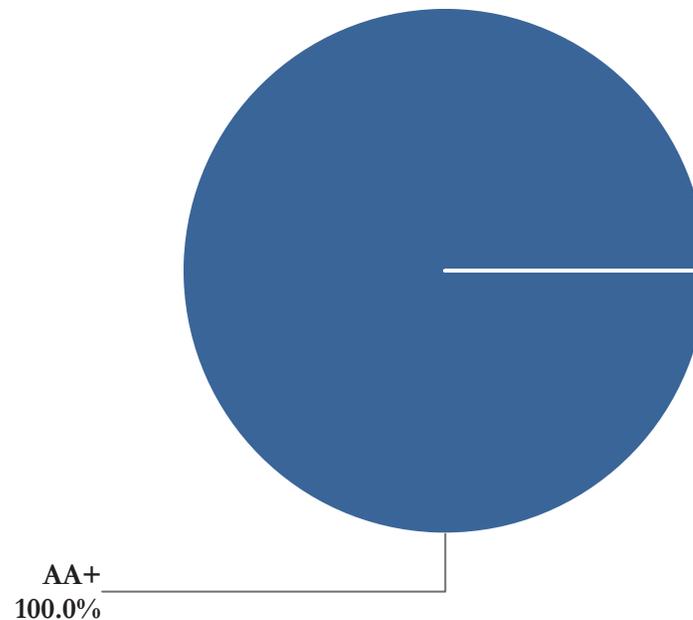


Contribution to Portfolio Duration



**Credit Quality**  
As of March 31, 2016

S&P Rating	Market Value (\$)	% of Portfolio
AA+	\$27,026,317	100.0%
<b>Totals</b>	<b>\$27,026,317</b>	<b>100.0%</b>



Detail may not add to total due to rounding.

**Issuer Distribution***As of March 31, 2016*

<b>Issuer</b>	<b>Market Value (\$)</b>	<b>% of Portfolio</b>
UNITED STATES TREASURY	20,770,227	76.9%
FANNIE MAE	6,256,090	23.2%
<b>Grand Total:</b>	<b>27,026,317</b>	<b>100.0%</b>

## Sector/Issuer Distribution

As of March 31, 2016

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
<b>Federal Agency/GSE</b>			
FANNIE MAE	6,256,090	100.0%	23.1%
<b>Sector Total</b>	<b>6,256,090</b>	<b>100.0%</b>	<b>23.1%</b>
<b>U.S. Treasury</b>			
UNITED STATES TREASURY	20,770,227	100.0%	76.9%
<b>Sector Total</b>	<b>20,770,227</b>	<b>100.0%</b>	<b>76.9%</b>
<b>Portfolio Total</b>	<b>27,026,317</b>	<b>100.0%</b>	<b>100.0%</b>

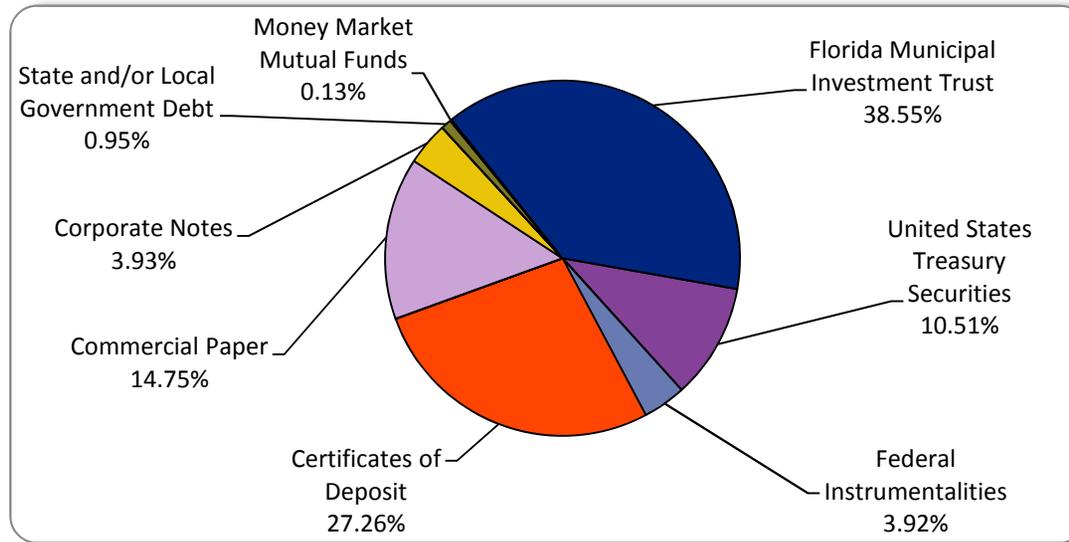
## Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
<b>INTEREST</b>									
1/4/16	1/4/16	0	MONEY0002	MONEY MARKET FUND			120.47		
1/31/16	1/31/16	3,750,000	912828QX1	US TREASURY NOTES	1.50%	7/31/16	28,125.00		
1/31/16	1/31/16	3,750,000	912828TG5	US TREASURY NOTES	0.50%	7/31/17	9,375.00		
1/31/16	1/31/16	7,000,000	912828WX4	US TREASURY NOTES	0.50%	7/31/16	17,500.00		
2/1/16	2/1/16	0	MONEY0002	MONEY MARKET FUND			473.95		
3/1/16	3/1/16	0	MONEY0002	MONEY MARKET FUND			227.70		
<b>Total INTEREST</b>		<b>14,500,000</b>					<b>55,822.12</b>		

## Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
INTEREST	1/4/16	1/4/16	0.00	MONEY0002	MONEY MARKET FUND			120.47		
INTEREST	1/31/16	1/31/16	3,750,000.00	912828QX1	US TREASURY NOTES	1.50%	7/31/16	28,125.00		
INTEREST	1/31/16	1/31/16	3,750,000.00	912828TG5	US TREASURY NOTES	0.50%	7/31/17	9,375.00		
INTEREST	1/31/16	1/31/16	7,000,000.00	912828WX4	US TREASURY NOTES	0.50%	7/31/16	17,500.00		
INTEREST	2/1/16	2/1/16	0.00	MONEY0002	MONEY MARKET FUND			473.95		
INTEREST	3/1/16	3/1/16	0.00	MONEY0002	MONEY MARKET FUND			227.70		
<b>TOTALS</b>								<b>55,822.12</b>		

# Tab III



Security Type <sup>1</sup>	Amortized Cost (Includes Interest)	Allocation Percentage	Notes	Permitted by Policy	In Compliance
Florida Prime (SBA)	-	0.00%		0%	YES
United States Treasury Securities	9,952,514.71	10.51%		100%	YES
United States Government Agency Securities	-	0.00%		50%	YES
Federal Instrumentalities	3,714,045.84	3.92%		80%	YES
Certificates of Deposit	25,814,532.68	27.26%	3	50%	YES
Repurchase Agreements	-	0.00%		50%	YES
Commercial Paper	13,963,620.37	14.75%		25%	YES
Corporate Notes	3,717,021.27	3.93%	2	25%	YES
Bankers' Acceptances	-	0.00%		35%	YES
State and/or Local Government Debt	899,488.72	0.95%		20%	YES
Money Market Mutual Funds	123,643.49	0.13%		50%	YES
Florida Municipal Investment Trust	36,497,922.00	38.55%	3,4	50%	YES
<b>Total</b>	<b>94,682,789.08</b>	<b>100.00%</b>			

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 2.42% rated A by S&P and Moody's.
  3. Managed by the Town.
  4. Combined total for Florida Municipal Investment Trust cannot exceed 50%.
- \* Does not include bond proceeds

<b>Individual Issuer Breakdown</b>	<b>Amortized Cost (Includes Interest)</b>	<b>Allocation Percentage</b>	<b>Notes</b>	<b>Permitted by Policy</b>	<b>In Compliance</b>
Government National Mortgage Association (GNMA)	-	0.00%		<b>25%</b>	YES
Federal Farm Credit Bank (FFCB)	-	0.00%		<b>30%</b>	YES
Federal Home Loan Bank (FHLB)	275,813.73	0.29%		<b>30%</b>	YES
Federal National Mortgage Association (FNMA)	1,680,327.86	1.77%		<b>30%</b>	YES
Federal Home Loan Mortgage Corporation (FHLMC)	1,757,904.25	1.86%		<b>30%</b>	YES
Toyota Commercial Paper	2,493,450.00	2.63%		<b>15%</b>	YES
Bank of Tokyo Mitsubishi Commercial Paper	2,990,970.00	3.16%		<b>15%</b>	YES
UBS Finance Commercial Paper	2,990,862.51	3.16%		<b>15%</b>	YES
BNP Paribas Commercial Paper	2,996,091.66	3.16%		<b>15%</b>	YES
Rabobank NY Commercial Paper	2,492,246.20	2.63%		<b>15%</b>	YES
General Electric Corporate Notes	507,371.73	0.54%		<b>5%</b>	YES
American Honda Corporate Notes	140,353.22	0.15%		<b>5%</b>	YES
Boeing Company Corporate Notes	220,286.09	0.23%		<b>5%</b>	YES
Toyota Corporate Notes	457,829.31	0.48%		<b>5%</b>	YES
Wells Fargo & Company Corporate Notes	452,859.02	0.48%		<b>5%</b>	YES
John Deere Corporate Notes	216,017.36	0.23%		<b>5%</b>	YES
Bank of New York Mellon Corporate Notes	455,164.77	0.48%		<b>5%</b>	YES
JP Morgan Corporate Notes	350,306.49	0.37%		<b>5%</b>	YES
Abbot Laboratories Corporate Notes	452,791.85	0.48%		<b>5%</b>	YES
Cisco Systems Corporate Notes	403,776.38	0.43%		<b>5%</b>	YES
New York University Corporate Notes	60,265.05	0.06%		<b>5%</b>	YES
New York City, New York Taxable G.O Bonds	448,266.25	0.47%		<b>5%</b>	YES
Regional Trans Authority, IL Taxable Revenue Bonds	451,222.47	0.48%		<b>20%</b>	YES
Money Market Fund - PFM Funds Prime Series #174	19,443.97	0.02%		<b>25%</b>	YES
Money Market Fund - Goldman Sachs Financial	104,199.52	0.11%		<b>25%</b>	YES
Squares Government Fund (TD Bank)					
FMIvT 1-3	24,740,722.00	26.13%	3	<b>50%</b>	YES
FMIvT Intermediate	11,757,200.00	12.42%	3	<b>50%</b>	YES
Bank United CD's	15,054,916.19	15.90%	3	<b>25%</b>	YES
TD Bank CD's	10,759,616.49	11.36%	3	<b>25%</b>	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 2.42% rated A by S&P and Moody's.
  3. Managed by the Town.
  4. Combined total for Florida Municipal Investment Trust cannot exceed 50%.
- \* Does not include bond proceeds

## 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.
- **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.
- **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.
- **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.

## Glossary

- **SETTLEMENT DATE:** The date on which the transaction is settled and monies/securities are exchanged.
- **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.