



Town of Palm Beach, Florida



Investment Performance Review For the Quarter Ended December 31, 2017

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Tab I

QUARTERLY MARKET SUMMARY

SUMMARY

- The fourth quarter came to a close with an exclamation point from Washington, as lawmakers agreed on an historic tax cut bill. The tax overhaul is projected to provide an economic boost, for at least the near term, as the top corporate tax rate was slashed from 35% to 21% and personal tax levels were reduced across the board. While the long term impact is yet to be determined, immediate market reaction has been positive.
- True to their “dot plot” forecasts, the Federal Open Market Committee (FOMC or Fed) raised the federal funds target rate by a quarter of a percent to a range of 1.25% to 1.50% at its December meeting. This marked the third time in calendar year 2017 that the Fed raised rates. The FOMC also provided projections that include three more expected hikes in 2018. Across the pond, the United Kingdom bumped its overnight rate back up to 0.50%, following a temporary cut to 0.25% following the 2016 Brexit vote.
- Early 2018 will see a changeover at the Fed as Chair Janet Yellen will be replaced by Jerome Powell. As an existing Federal Reserve board member, Mr. Powell is viewed as a “Republican version of Yellen” and someone who is likely to follow a similar path for modest tightening of monetary policy amid stubbornly low inflation. Perhaps in contrast, he has voiced a preference for tailoring regulations to relieve the burden on smaller community banks.
- While bond yields generally increased over the quarter, so did equity prices. The S&P 500 Index returned 6.6% for the quarter, setting multiple new record highs. The Dow Jones Industrial Average crossed both 23,000 and 24,000, levels never before breached, while the NASDAQ finished the year up over 30%.

ECONOMIC SNAPSHOT

- The U.S. economy notched back-to-back quarters of solid growth with GDP increasing at a 3.2% real rate for the third quarter, following a second quarter tally of 3.1%. 2017 capped the 8th straight year of recovery from the 2008-09 Great Recession – the third longest expansion of the past century. Initial fourth quarter estimates are for growth in the 2.5% to 3% range, with consumer spending and business investment fueling the growth.
- The U.S. labor market remained strong, with the unemployment rate holding at a 15-year low of 4.1% during the quarter. Although job gains in December were disappointing, the economy added over 2 million net new jobs in 2017. At the same time, the labor force participation rate improved modestly, while wage growth over the past year was modest.
- Prices remained well contained, running below the Fed’s desired 2% target for core inflation. But, oil and other commodities like copper, rebounded in the 2nd half of the year.
- Outside of inflation, economic indicators have been strong: manufacturing,

services and consumer confidence indexes reached multi-year highs, housing markets strengthened further and positive real GDP growth across the globe serve as positive backdrop for the new year.

INTEREST RATES

- Shorter-term Treasury yields (5 years and under) increased in the fourth quarter, largely on the run-up to the December FOMC rate hike. Long-term Treasury yields (10 years and longer) moved in the opposite direction, with the yield on a 30-year Treasury actually declining 12 basis points. This resulted in a much flatter yield curve.
- In the cash and money market segment, yields on Treasury maturities less than one year increased 30 to 45 basis points in lockstep with the Fed’s expected rate hike trajectory. The increase of shorter Treasury yields led the market; yield increases on short credit (commercial paper and certificates of deposit) did not initially keep up. The result was tighter short-term credit spreads that persisted through quarter-end.

SECTOR PERFORMANCE

- U.S. Treasury benchmark returns, with the exception of the longest maturity benchmarks, were negative for the fourth quarter, as investment income was not able to fully offset the adverse impact of increasing interest rates on fixed income prices.
- Federal agency securities performed in line with similar maturity Treasuries, as the sector’s narrow yield spreads provided little to no incremental income benefit, and relatively unchanged spreads over the quarter muted any additional excess return.
- Corporate yield spreads tightened further, as spreads in the sector reached new post-recession tightness. As a result, the corporate sector performed well in the quarter. Despite narrow spreads, corporate securities still offer risk-adjusted income pick-up. The sector is supported with a positive economic landscape and corporate fundamentals, and is poised for additional excess return potential over the near term.
- The mortgage backed securities (MBS) sector performed well in the fourth quarter, generally outperforming Treasury and federal agency benchmarks; but, excess returns varied based on specific security structure.
- High-quality asset-backed securities (ABS) also performed positively relative to Treasuries, as their yield spreads narrowed, and were near the top of the best performers for the quarter.
- Short-term commercial paper and bank CDs continued to offer incremental value relative to both short and intermediate-term government securities. The incremental yield advantage offered in these sectors is a valuable return attribute in the face of rising rates.

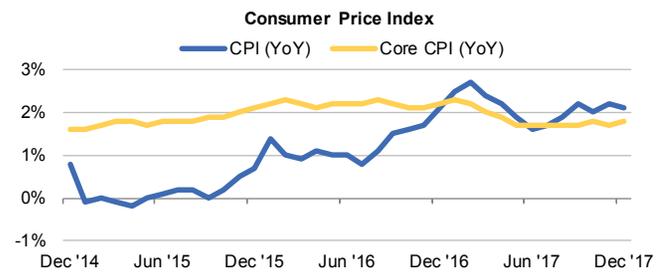
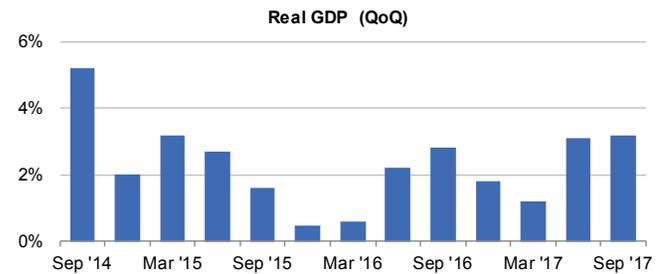
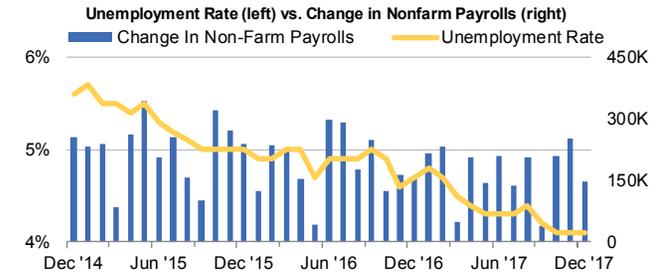
QUARTERLY MARKET SUMMARY

Economic Snapshot

Labor Market		Latest	Sep '17	Dec '16
Unemployment Rate	Dec'17	4.1%	4.2%	4.7%
Change In Non-Farm Payrolls	Dec'17	148,000	38,000	155,000
Average Hourly Earnings (YoY)	Dec'17	2.5%	2.8%	2.9%
Personal Income (YoY)	Nov'17	3.8%	2.9%	1.6%
Initial Jobless Claims (week)	1/6/18	261,000	258,000	241,000

Growth		Latest	Sep '17	Dec '16
Real GDP (QoQ SAAR)	2017Q3	3.2%	3.1% ¹	2.8% ²
GDP Personal Consumption (QoQ SAAR)	2017Q3	2.2%	3.3% ¹	2.8% ²
Retail Sales (YoY)	Dec'17	5.4%	5.0%	3.8%
ISM Manufacturing Survey (month)	Dec'17	59.7	60.8	54.5
Existing Home Sales SAAR (month)	Nov'17	5.81 mil.	5.37 mil.	5.51 mil.

Inflation / Prices		Latest	Sep '17	Dec '16
Personal Consumption Expenditures (YoY)	Nov'17	1.8%	1.7%	1.8%
Consumer Price Index (YoY)	Dec'17	2.1%	2.2%	2.1%
Consumer Price Index Core (YoY)	Dec'17	1.8%	1.7%	2.2%
Crude Oil Futures (WTI, per barrel)	Dec 31	\$60.42	\$51.67	\$53.72
Gold Futures (oz.)	Dec 31	\$1,309	\$1,282	\$1,152



1. Data as of Second Quarter 2017.

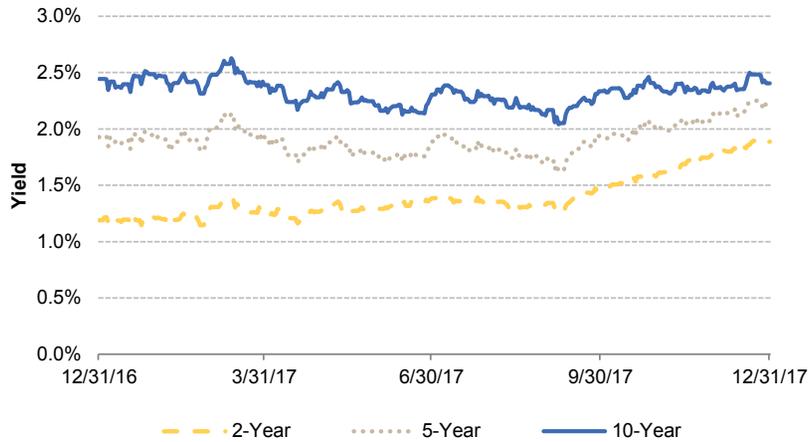
2. Data as of Third Quarter 2016.

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

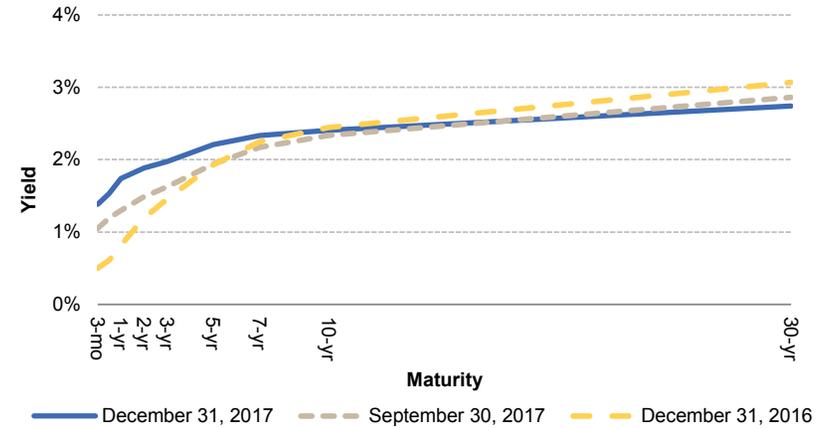
Source: Bloomberg.

Interest Rate Overview

U.S. Treasury Note Yields



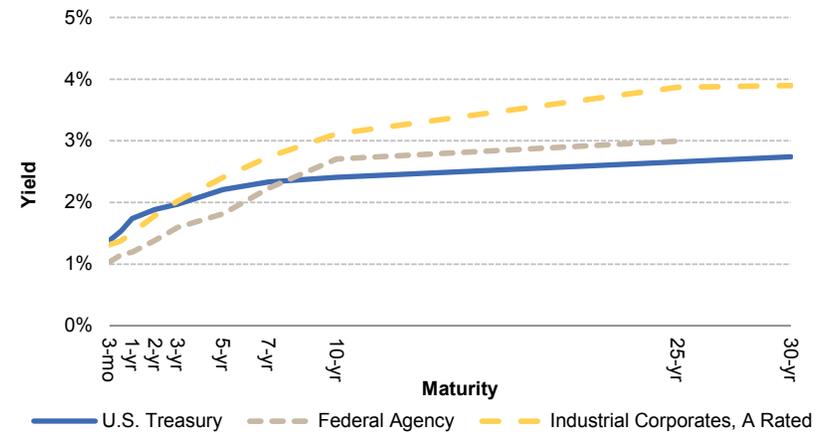
U.S. Treasury Yield Curve



U.S. Treasury Yields

Maturity	Dec '17	Sep '17	Change over Quarter	Dec '16	Change over Year
3-month	1.38%	1.05%	0.33%	0.50%	0.88%
1-year	1.74%	1.29%	0.45%	0.81%	0.93%
2-year	1.89%	1.49%	0.40%	1.19%	0.70%
5-year	2.21%	1.94%	0.27%	1.93%	0.28%
10-year	2.41%	2.33%	0.08%	2.45%	(0.04%)
30-year	2.74%	2.86%	(0.12%)	3.07%	(0.33%)

Yield Curves as of 12/31/17



Source: Bloomberg.

QUARTERLY MARKET SUMMARY

BofA Merrill Lynch Index Returns

December 31, 2017	As of 12/31/17		Returns for Periods ended 12/31/17		
	Duration	Yield	3 Month	1 Year	3 Years
1-3 Year Indices					
U.S. Treasury	1.80	1.88%	(0.25%)	0.42%	0.62%
Federal Agency	1.73	1.96%	(0.19%)	0.65%	0.77%
U.S. Corporates, A-AAA rated	1.84	2.29%	(0.05%)	1.67%	1.54%
Agency MBS (0 to 3 years)	2.27	2.21%	0.03%	1.37%	1.19%
Taxable Municipals	1.55	2.45%	0.06%	2.15%	1.99%
1-5 Year Indices					
U.S. Treasury	2.60	1.97%	(0.38%)	0.65%	0.90%
Federal Agency	2.14	2.01%	(0.25%)	0.86%	0.98%
U.S. Corporates, A-AAA rated	2.64	2.44%	(0.10%)	2.24%	1.98%
Agency MBS (0 to 5 years)	3.22	2.51%	(0.11%)	1.74%	1.40%
Taxable Municipals	2.24	2.53%	0.05%	2.10%	2.40%
Master Indices (Maturities 1 Year or Greater)					
U.S. Treasury	6.34	2.20%	0.11%	2.43%	1.46%
Federal Agency	3.90	2.19%	0.00%	2.15%	1.54%
U.S. Corporates, A-AAA rated	7.19	2.98%	1.07%	5.68%	3.50%
Agency MBS (0 to 30 years)	4.41	2.83%	0.14%	2.45%	1.86%
Taxable Municipals	10.87	3.63%	2.34%	10.12%	5.17%

Returns for periods greater than one year are annualized.

Source: BofA Merrill Lynch Indices.

QUARTERLY MARKET SUMMARY

DISCLOSURES

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Tab II

- The Town's 1-5 Year Investment and Short Term Portfolios are of high credit quality and invested in U.S. Treasury, federal agency/GSE, corporate notes, commercial paper, asset-backed, municipal, and supranational securities.
- The 1-5 Year Investment Portfolio's quarterly total return performance of -0.32% outperformed the benchmark performance of -0.38% by 0.06%. Over the past year, the Portfolio earned 1.07% versus 0.66% for the benchmark.
- The Short Term Portfolio provided the Town with a Yield to Maturity at Cost of 1.48%, exceeding the Yield to Maturity of its benchmark the S&P GIP All 30 Day Index of 1.34% by 0.14%¹.
- The 2013 Bond Fund Portfolio spent down during the quarter with the final maturity occurring on October 26, 2017.
- In the quarter, economic data was generally favorable, the unemployment rate hovered near a 15-year low, inflation remained in check, and the Fed raised rates for a third time in 2017. At the same time, both consumer and business confidence remained high, and Congress passed large corporate and individual tax cuts.
- The strength of the U.S. economy coupled with the December Fed rate hike drove yields on all but the longest Treasuries higher in the quarter. As a result, fixed-income returns were generally muted for the quarter, but reinvestment opportunities became more attractive. As such, we generally employed a duration-neutral approach relative to benchmarks.
- Credit instruments and other "spread product" generated outperformance for the quarter relative to government securities. The primary driver of portfolio performance was diversification and asset allocation.
- Following a three-hike 2017, the dot plot released at the December 2017 FOMC meeting indicated an expectation for three more in 2018. As of year-end, the market-implied probability of a fed rate hike at the March 2018 FOMC meeting was 70%. Additionally, while incoming FOMC Chairman, Jerome Powell, is largely expected to continue the policy normalization path initiated by his predecessor, Janet Yellen, leadership changes have the potential for uncertainty.
- Generally, the economic themes that brought 2017 to a close will carry forward into 2018, including: moderate growth and job production, healthy personal consumption, and strong corporate fundamentals.

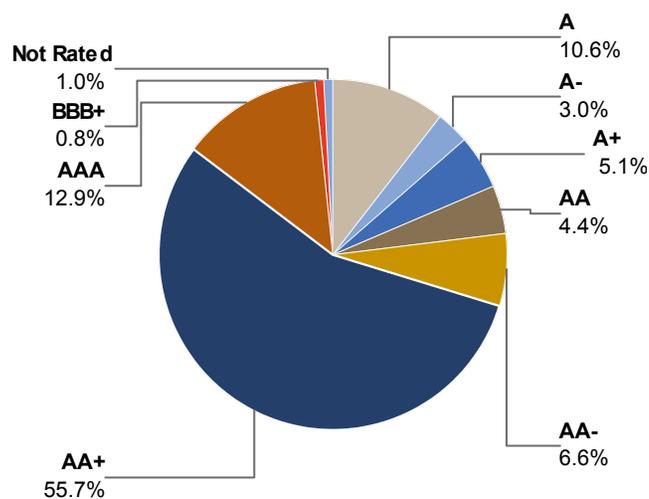
1. According to the Town's investment policy the short term benchmark is the S&P GIP All 30 Day Gross of Fees. However, due to system limitations the 3 month T-Bill is utilized for comparative purposes for the short term portfolio.

Portfolio Statistics

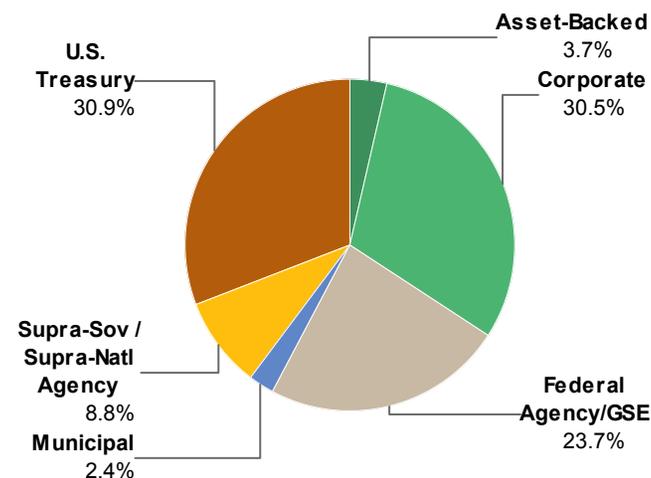
As of December 31, 2017

Par Value:	\$18,624,000
Total Market Value:	\$18,662,310
Security Market Value:	\$18,514,259
Accrued Interest:	\$98,231
Cash:	\$49,820
Amortized Cost:	\$18,703,723
Yield at Market:	2.10%
Yield at Cost:	1.66%
Effective Duration:	2.52 Years
Duration to Worst:	2.52 Years
Average Maturity:	2.70 Years
Average Credit: *	AA

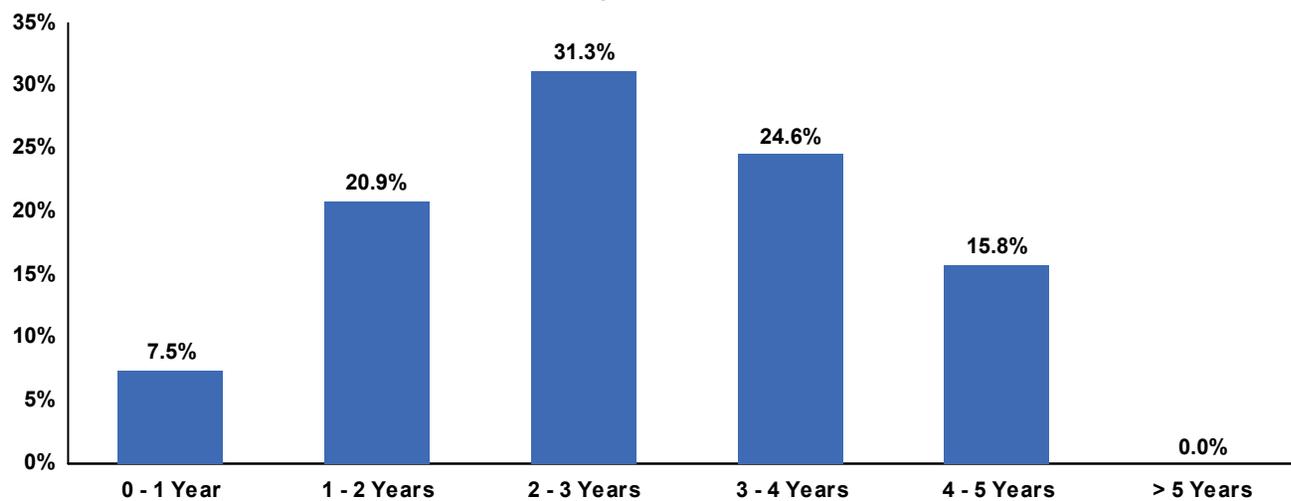
Credit Quality (S&P Ratings)



Sector Allocation



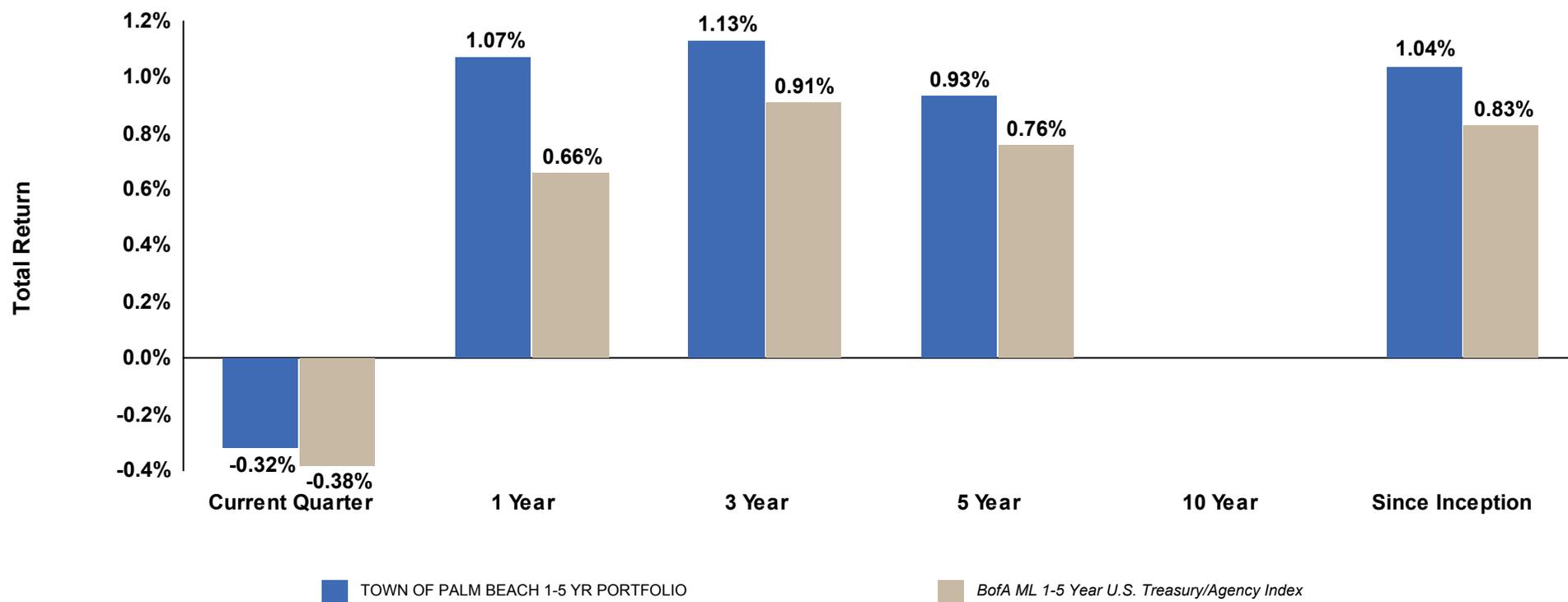
Maturity Distribution



* 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)

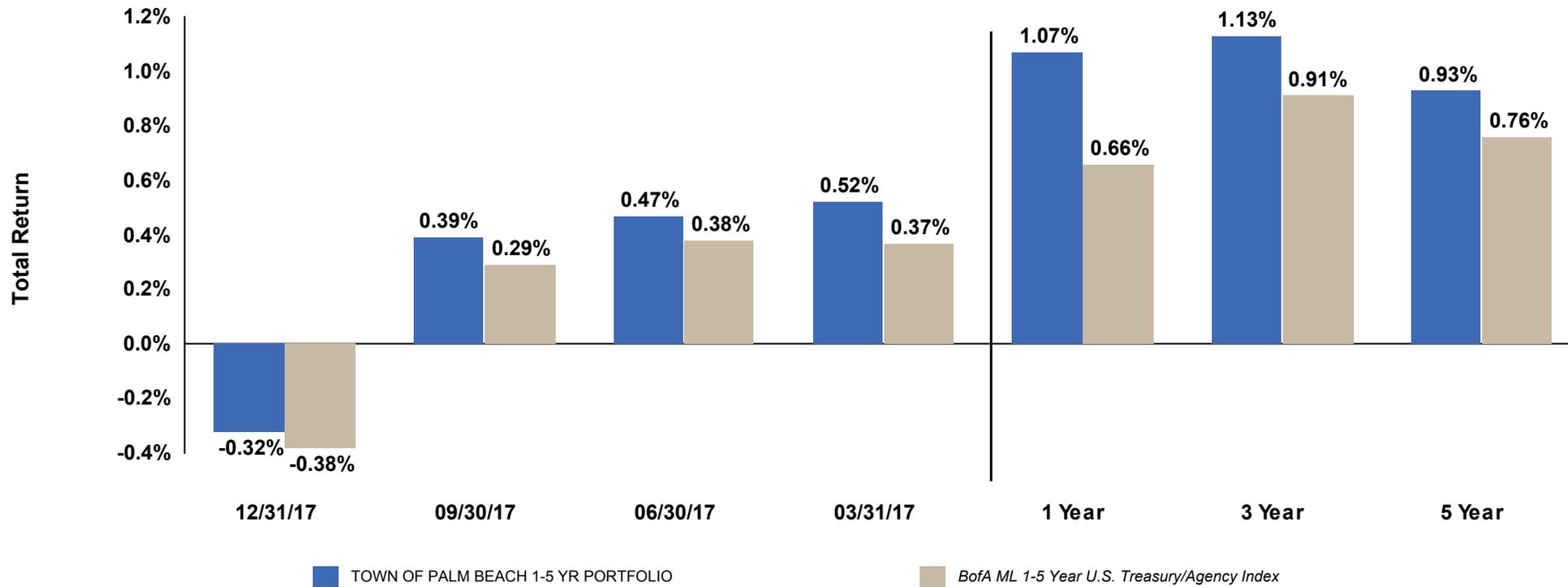
Portfolio/Benchmark	Effective Duration	Current Quarter	Annualized Return				Since Inception (09/30/11) **
			1 Year	3 Year	5 Year	10 Year	
TOWN OF PALM BEACH 1-5 YR PORTFOLIO	2.52	-0.32%	1.07%	1.13%	0.93%	-	1.04%
BofA ML 1-5 Year U.S. Treasury/Agency Index	2.57	-0.38%	0.66%	0.91%	0.76%	-	0.83%
Difference		0.06%	0.41%	0.22%	0.17%	-	0.21%



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

Portfolio Performance (Total Return)

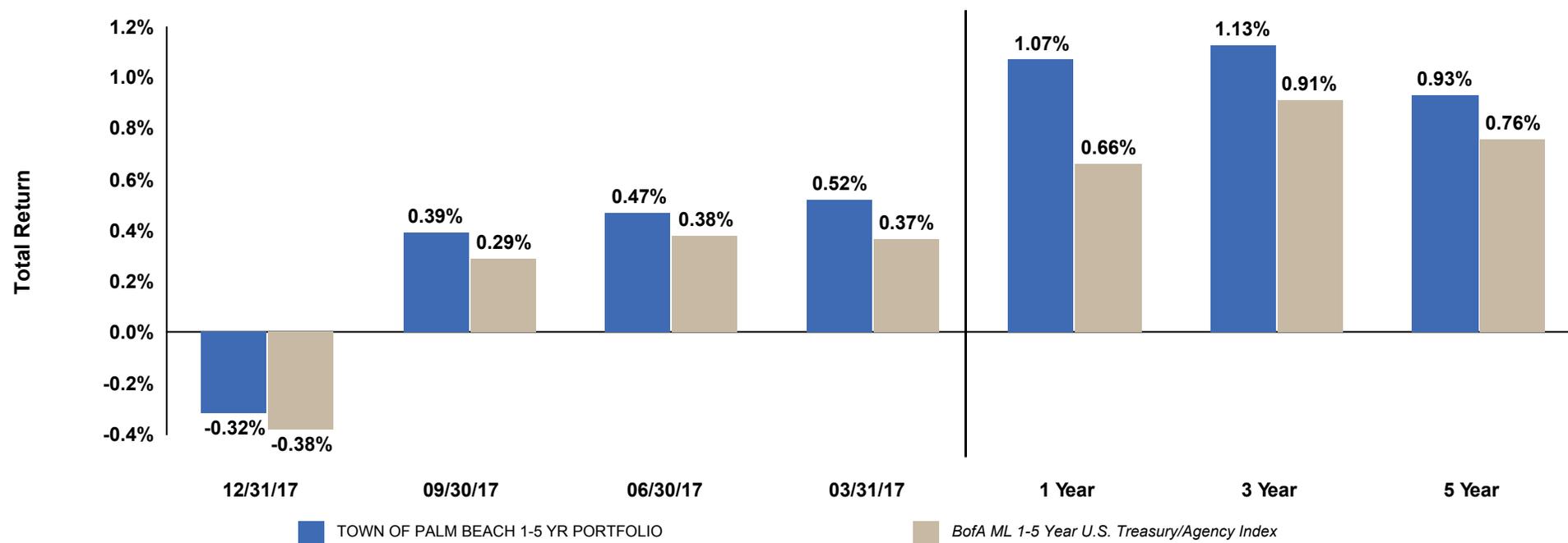
Portfolio/Benchmark	Effective Duration	Quarter Ended				Annualized Return		
		12/31/17	09/30/17	06/30/17	03/31/17	1 Year	3 Year	5 Year
TOWN OF PALM BEACH 1-5 YR PORTFOLIO	2.52	-0.32%	0.39%	0.47%	0.52%	1.07%	1.13%	0.93%
BofA ML 1-5 Year U.S. Treasury/Agency Index	2.57	-0.38%	0.29%	0.38%	0.37%	0.66%	0.91%	0.76%
Difference		0.06%	0.10%	0.09%	0.15%	0.41%	0.22%	0.17%



Portfolio performance is gross of fees unless otherwise indicated.

Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Quarter Ended				Annualized Return		
		12/31/17	09/30/17	06/30/17	03/31/17	1 Year	3 Year	5 Year
TOWN OF PALM BEACH 1-5 YR PORTFOLIO	2.52	-0.32%	0.39%	0.47%	0.52%	1.07%	1.13%	0.93%
<i>Net of Fees **</i>	-	-0.34%	0.37%	0.45%	0.50%	1.01%	1.07%	0.87%
<i>BofA ML 1-5 Year U.S. Treasury/Agency Index</i>	2.57	-0.38%	0.29%	0.38%	0.37%	0.66%	0.91%	0.76%
Difference (Gross)		0.06%	0.10%	0.09%	0.15%	0.41%	0.22%	0.17%
Difference (Net)		0.04%	0.08%	0.07%	0.13%	0.35%	0.16%	0.11%



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

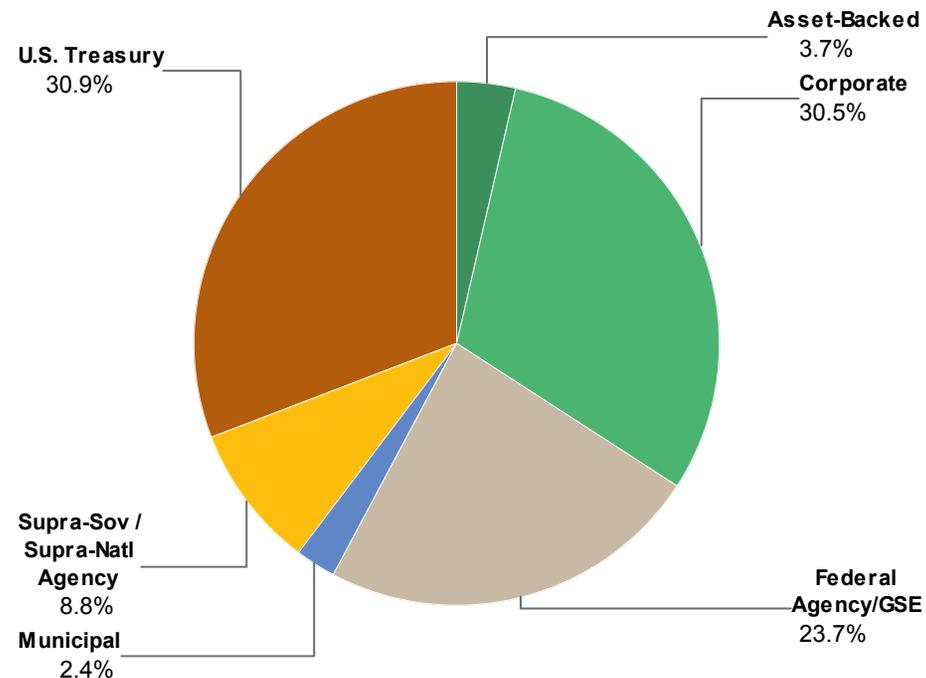
Portfolio Earnings

Quarter-Ended December 31, 2017

	<u>Market Value Basis</u>	<u>Accrual (Amortized Cost) Basis</u>
Beginning Value (09/30/2017)	\$18,538,462.97	\$18,601,002.83
Net Purchases/Sales	\$118,364.88	\$118,364.88
Change in Value	(\$142,569.20)	(\$15,644.88)
Ending Value (12/31/2017)	\$18,514,258.65	\$18,703,722.83
Interest Earned	\$83,494.28	\$83,494.28
Portfolio Earnings	(\$59,074.92)	\$67,849.40

Sector Allocation
As of December 31, 2017

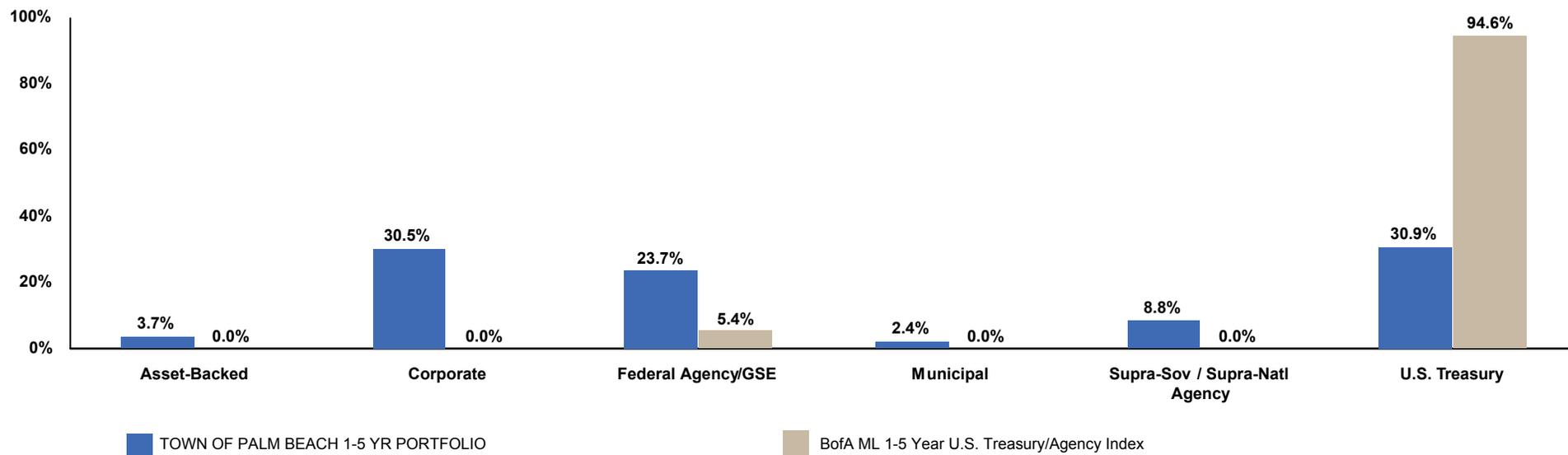
Sector	Market Value (\$)	% of Portfolio
U.S. Treasury	5,706,965	30.9%
Corporate	5,648,202	30.5%
Federal Agency/GSE	4,392,635	23.7%
Supra-Sov / Supra-Natl Agency	1,630,016	8.8%
Asset-Backed	692,494	3.7%
Municipal	443,947	2.4%
Total	\$18,514,259	100.0%



Detail may not add to total due to rounding.

Sector Allocation
As of December 31, 2017

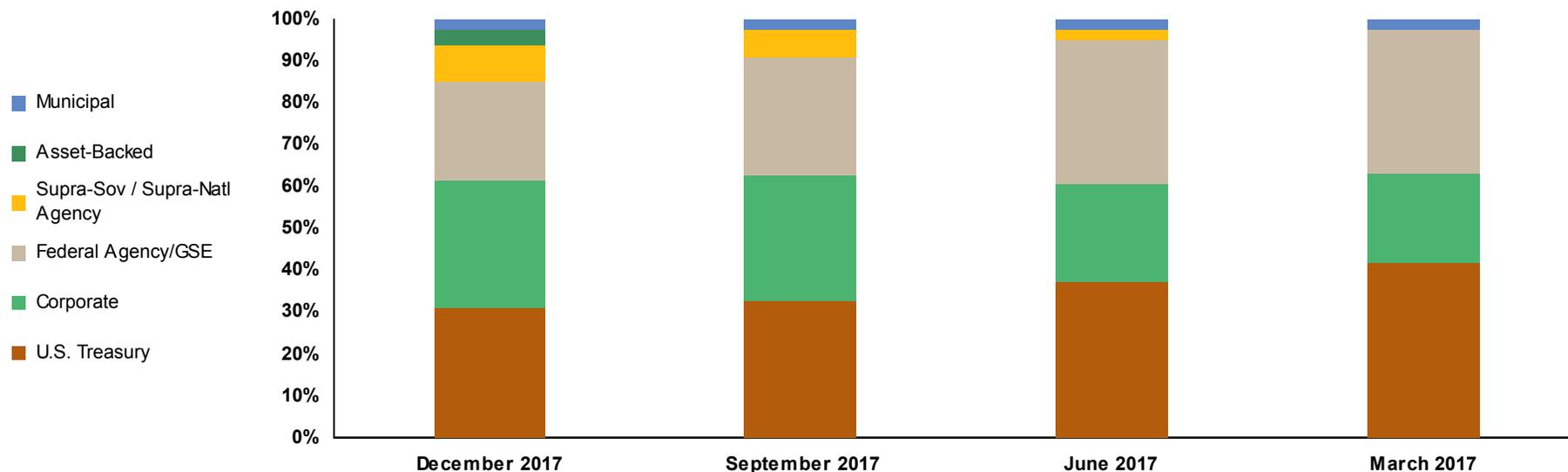
Sector	Market Value (\$)	% of Portfolio	% of Benchmark
U.S. Treasury	5,706,965	30.9%	94.6%
Corporate	5,648,202	30.5%	-
Federal Agency/GSE	4,392,635	23.7%	5.4%
Supra-Sov / Supra-Natl Agency	1,630,016	8.8%	-
Asset-Backed	692,494	3.7%	-
Municipal	443,947	2.4%	-
Total	\$18,514,259	100.0%	100.0%



Detail may not add to total due to rounding.

Sector Allocation

Sector	December 31, 2017		September 30, 2017		June 30, 2017		March 31, 2017	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
U.S. Treasury	5.7	30.9%	6.1	32.8%	6.9	37.3%	7.7	41.9%
Corporate	5.6	30.5%	5.5	29.7%	4.3	23.3%	3.9	21.4%
Federal Agency/GSE	4.4	23.7%	5.2	28.2%	6.3	34.3%	6.3	34.3%
Supra-Sov / Supra-Natl Agency	1.6	8.8%	1.3	6.9%	0.5	2.7%	0.0	0.0%
Asset-Backed	0.7	3.7%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Municipal	0.4	2.4%	0.4	2.4%	0.4	2.4%	0.4	2.4%
Total	\$18.5	100.0%	\$18.5	100.0%	\$18.4	100.0%	\$18.4	100.0%

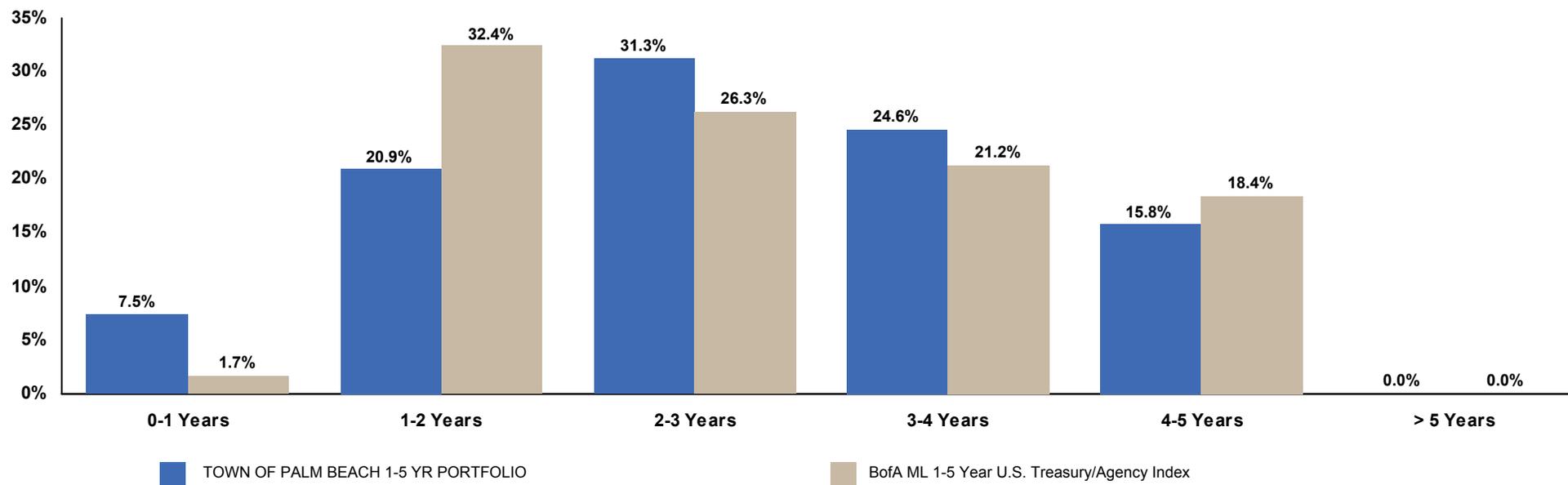


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Maturity Distribution

As of December 31, 2017

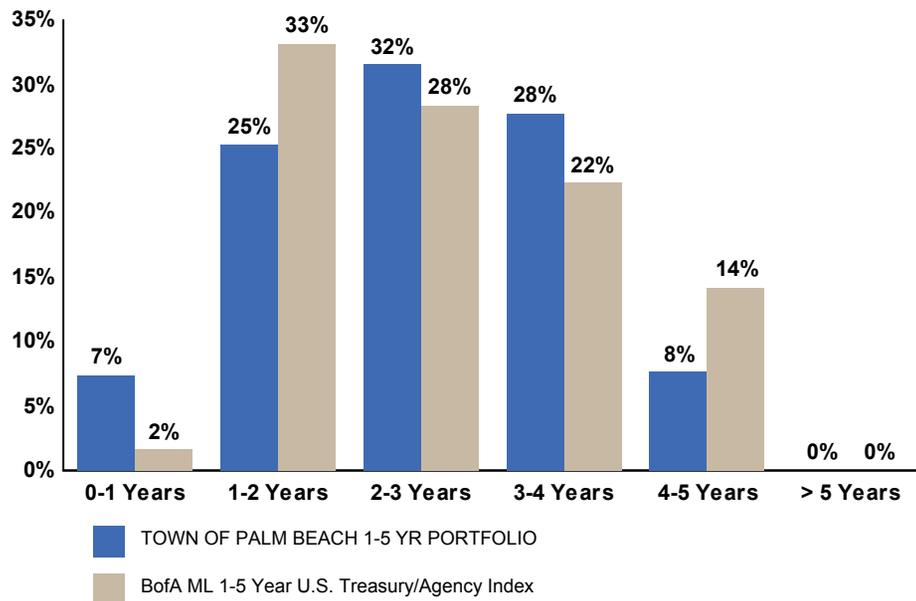
Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
TOWN OF PALM BEACH 1-5 YR PORTFOLIO	2.10%	2.70 yrs	7.5%	20.9%	31.3%	24.6%	15.8%	0.0%
BofA ML 1-5 Year U.S. Treasury/Agency Index	1.98%	2.75 yrs	1.7%	32.4%	26.3%	21.2%	18.4%	0.0%



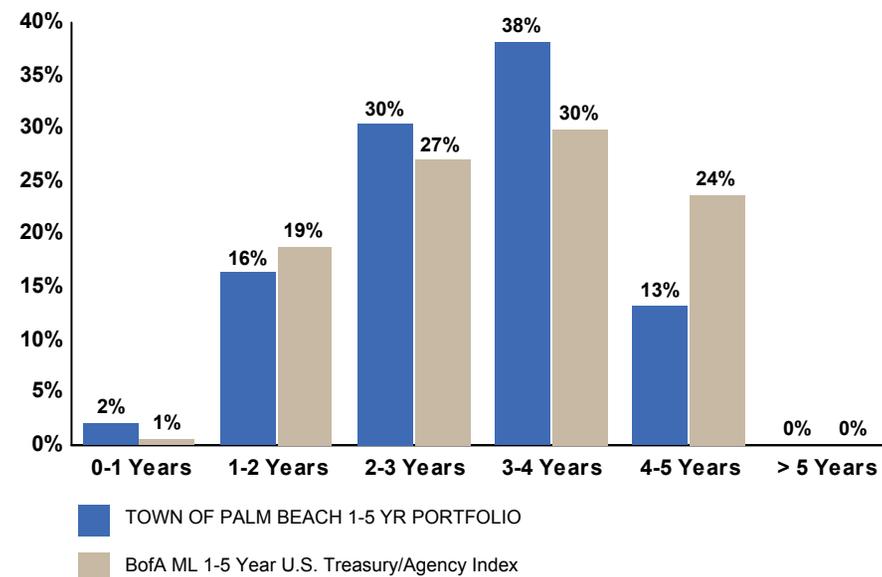
Duration Distribution
As of December 31, 2017

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	2.52	7.5%	25.4%	31.6%	27.9%	7.7%	0.0%
BofA ML 1-5 Year U.S. Treasury/Agency Index	2.57	1.7%	33.2%	28.5%	22.3%	14.3%	0.0%

Distribution by Effective Duration



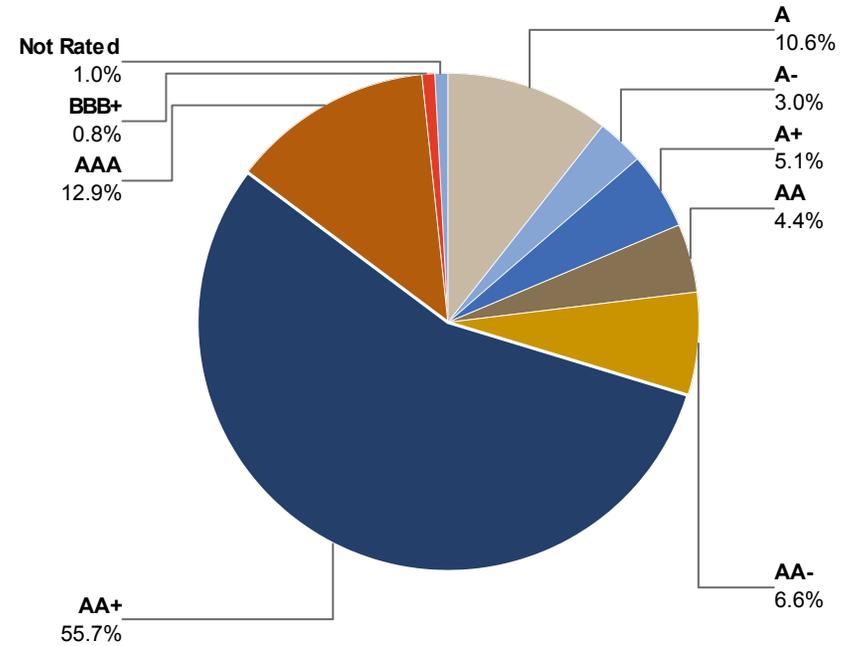
Contribution to Portfolio Duration



Credit Quality

As of December 31, 2017

S&P Rating	Market Value (\$)	% of Portfolio
AA+	\$10,316,739	55.7%
AAA	\$2,390,823	12.9%
A	\$1,955,041	10.6%
AA-	\$1,227,619	6.6%
A+	\$945,810	5.1%
AA	\$811,254	4.4%
A-	\$547,613	3.0%
Not Rated	\$179,593	1.0%
BBB+	\$139,766	0.8%
Totals	\$18,514,259	100.0%



Detail may not add to total due to rounding.

Issuer Distribution
As of December 31, 2017

Issuer	Market Value (\$)	% of Portfolio
UNITED STATES TREASURY	5,706,965	30.8%
FEDERAL HOME LOAN BANKS	2,714,006	14.7%
FANNIE MAE	1,678,629	9.1%
TOYOTA MOTOR CORP	830,734	4.5%
INTL BANK OF RECONSTRUCTION AND DEV	777,503	4.2%
WELLS FARGO & COMPANY	548,475	3.0%
ASIAN DEVELOPMENT BANK	492,209	2.7%
GENERAL ELECTRIC CO	477,801	2.6%
THE BANK OF NEW YORK MELLON CORPORATION	451,173	2.4%
CITY OF NEW YORK CITY, NY	443,947	2.4%
CISCO SYSTEMS INC	402,617	2.2%
INTER-AMERICAN DEVELOPMENT BANK	360,304	2.0%
JP MORGAN CHASE & CO	349,766	1.9%
WAL-MART STORES INC	317,939	1.7%
MICROSOFT CORP	247,907	1.3%
APPLE INC	217,139	1.2%
AMERICAN HONDA FINANCE	208,067	1.1%
INTERNATIONAL BUSINESS MACHINES	196,888	1.1%

Top 5 = 63.2%

Top 10 = 76.3%

TOWN OF PALM BEACH 1-5 YR PORTFOLIO

Portfolio Composition

Issuer	Market Value (\$)	% of Portfolio
DEERE & COMPANY	195,739	1.1%
FORD CREDIT AUTO OWNER TRUST	184,458	1.0%
HONDA AUTO RECEIVABLES	179,593	1.0%
UNITED PARCEL SERVICE INC	149,326	0.8%
CATERPILLAR INC	148,249	0.8%
ALLY AUTO RECEIVABLES TRUST	144,534	0.8%
MORGAN STANLEY	139,766	0.8%
PACCAR FINANCIAL CORP	138,473	0.8%
VISA INC	128,192	0.7%
THE WALT DISNEY CORPORATION	124,864	0.7%
PROCTER & GAMBLE CO	118,667	0.6%
AMERICAN EXPRESS CO	109,132	0.6%
BB&T CORPORATION	88,715	0.5%
HOME DEPOT INC	84,324	0.5%
NEW YORK UNIVERSITY	59,510	0.3%
BERKSHIRE HATHAWAY INC	49,369	0.3%
STATE STREET CORPORATION	49,278	0.3%
Grand Total:	18,514,259	100.0%

Sector/Issuer Distribution

As of December 31, 2017

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
Asset-Backed			
ALLY AUTO RECEIVABLES TRUST	144,534	20.9%	0.8%
FORD CREDIT AUTO OWNER TRUST	184,458	26.6%	1.0%
HONDA AUTO RECEIVABLES	179,593	25.9%	1.0%
TOYOTA MOTOR CORP	183,909	26.6%	1.0%
Sector Total	692,494	100.0%	3.7%
Corporate			
AMERICAN EXPRESS CO	109,132	1.9%	0.6%
AMERICAN HONDA FINANCE	208,067	3.7%	1.1%
APPLE INC	217,139	3.8%	1.2%
BB&T CORPORATION	88,715	1.6%	0.5%
BERKSHIRE HATHAWAY INC	49,369	0.9%	0.3%
CATERPILLAR INC	148,249	2.6%	0.8%
CISCO SYSTEMS INC	402,617	7.1%	2.2%
DEERE & COMPANY	195,739	3.5%	1.1%
GENERAL ELECTRIC CO	477,801	8.5%	2.6%
HOME DEPOT INC	84,324	1.5%	0.5%
INTERNATIONAL BUSINESS MACHINES	196,888	3.5%	1.1%
JP MORGAN CHASE & CO	349,766	6.2%	1.9%
MICROSOFT CORP	247,907	4.4%	1.3%

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
MORGAN STANLEY	139,766	2.5%	0.8%
NEW YORK UNIVERSITY	59,510	1.1%	0.3%
PACCAR FINANCIAL CORP	138,473	2.5%	0.7%
PROCTER & GAMBLE CO	118,667	2.1%	0.6%
STATE STREET CORPORATION	49,278	0.9%	0.3%
THE BANK OF NEW YORK MELLON CORPORATION	451,173	8.0%	2.4%
THE WALT DISNEY CORPORATION	124,864	2.2%	0.7%
TOYOTA MOTOR CORP	646,826	11.5%	3.5%
UNITED PARCEL SERVICE INC	149,326	2.6%	0.8%
VISA INC	128,192	2.3%	0.7%
WAL-MART STORES INC	317,939	5.6%	1.7%
WELLS FARGO & COMPANY	548,475	9.7%	3.0%
Sector Total	5,648,202	100.0%	30.5%
Federal Agency/GSE			
FANNIE MAE	1,678,629	38.2%	9.1%
FEDERAL HOME LOAN BANKS	2,714,006	61.8%	14.7%
Sector Total	4,392,635	100.0%	23.7%
Municipal			
CITY OF NEW YORK CITY, NY	443,947	100.0%	2.4%
Sector Total	443,947	100.0%	2.4%
Supra-Sov / Supra-Natl Agency			

TOWN OF PALM BEACH 1-5 YR PORTFOLIO

Portfolio Composition

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
ASIAN DEVELOPMENT BANK	492,209	30.2%	2.7%
INTER-AMERICAN DEVELOPMENT BANK	360,304	22.1%	1.9%
INTL BANK OF RECONSTRUCTION AND DEV	777,503	47.7%	4.2%
Sector Total	1,630,016	100.0%	8.8%
U.S. Treasury			
UNITED STATES TREASURY	5,706,965	100.0%	30.8%
Sector Total	5,706,965	100.0%	30.8%
Portfolio Total	18,514,259	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									
10/2/17	10/10/17	360,000	4581X0CD8	INTER-AMERICAN DEVELOPMENT BANK	2.12%	11/9/20	366,545.63	1.81%	
10/11/17	10/20/17	320,000	931142EA7	WAL-MART STORES INC CORP NOTE	1.90%	12/15/20	319,536.00	1.95%	
11/1/17	11/3/17	140,000	61746BEA0	MORGAN STANLEY CORP NOTES	2.50%	4/21/21	140,407.87	2.44%	
11/7/17	11/15/17	185,000	89238KAD4	TAOT 2017-D A3	1.93%	1/15/22	184,982.94	2.26%	
11/14/17	11/21/17	185,000	34532AAD5	FORDO 2017-C A3	2.01%	3/15/22	184,966.64	2.02%	
11/14/17	11/22/17	145,000	02007YAC8	ALLYA 2017-5 A3	1.99%	3/15/22	144,988.75	1.99%	
11/22/17	11/29/17	180,000	43813FAC7	HAROT 2017-4 A3	2.05%	11/21/21	179,974.64	2.06%	
12/1/17	12/5/17	400,000	912828L24	US TREASURY N/B NOTES	1.87%	8/31/22	398,301.45	2.08%	
Total BUY		1,915,000					1,919,703.92		
INTEREST									
10/1/17	10/1/17	625,000	3130A9AE1	FHLB GLOBAL NOTES	0.87%	10/1/18	2,734.38		
10/1/17	10/1/17	265,000	64966LZC8	NYC, NY TXBL GO BONDS	1.65%	10/1/18	2,186.25		
10/2/17	10/2/17	0	MONEY0002	MONEY MARKET FUND			62.95		
10/25/17	10/25/17	40,000	38141GVT8	GOLDMAN SACHS GRP INC CORP NT (CALLABLE)	2.00%	4/25/19	400.00		
10/25/17	10/25/17	240,000	38141GVT8	GOLDMAN SACHS GRP INC CORP NT (CALLABLE)	2.00%	4/25/19	2,400.00		
10/31/17	10/31/17	350,000	912828F96	US TREASURY NOTES	2.00%	10/31/21	3,500.00		
11/1/17	11/1/17	0	MONEY0002	MONEY MARKET FUND			93.60		
11/5/17	11/5/17	110,000	0258M0EB1	AMERICAN EXPRESS CREDIT (CALLABLE) NOTES	2.25%	5/5/21	1,237.50		
11/6/17	11/6/17	475,000	3135G0K69	FNMA BENCHMARK NOTE	1.25%	5/6/21	2,968.75		
11/9/17	11/9/17	360,000	4581X0CD8	INTER-AMERICAN DEVELOPMENT BANK	2.12%	11/9/20	3,825.00		
11/10/17	11/10/17	90,000	05531FAV5	BRANCH BANKING & TRUST (CALLABLE) NOTE	2.05%	5/10/21	922.50		
11/16/17	11/16/17	150,000	911312BC9	UNITED PARCEL SERVICE (CALLABLE) NOTES	2.35%	5/16/22	1,762.50		
11/19/17	11/19/17	50,000	857477AV5	STATE STREET CORP NOTES	1.95%	5/19/21	487.50		

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)
11/21/17	11/21/17	485,000	3135G0WJ8	FANNIE MAE GLOBAL NOTES	0.87%	5/21/18	2,121.88		
11/27/17	11/27/17	240,000	459058FS7	INTL BANK OF RECON AND DEV GLOBAL NOTES	1.12%	11/27/19	1,351.20		
11/30/17	11/30/17	410,000	912828WN6	US TREASURY NOTES	2.00%	5/31/21	4,100.00		
11/30/17	11/30/17	50,000	912828A42	US TREASURY NOTES	2.00%	11/30/20	500.00		
11/30/17	11/30/17	270,000	912828A42	US TREASURY NOTES	2.00%	11/30/20	2,700.00		
12/1/17	12/1/17	180,000	64966LN49	NYC, NY TXBL GO BONDS	1.80%	6/1/19	1,620.00		
12/1/17	12/1/17	0	MONEY0002	MONEY MARKET FUND			132.39		
12/5/17	12/5/17	85,000	437076BQ4	HOME DEPOT INC CORP NOTES	1.80%	6/5/20	765.00		
12/8/17	12/8/17	500,000	045167EA7	ASIAN DEVELOPMENT BANK NOTE	1.75%	6/8/21	4,375.00		
12/15/17	12/15/17	400,000	17275RAX0	CISCO SYSTEMS INC CORP NOTES	2.45%	6/15/20	4,900.00		
12/15/17	12/15/17	145,000	02007YAC8	ALLYA 2017-5 A3	1.99%	3/15/22	184.35		
12/15/17	12/15/17	185,000	89238KAD4	TAOT 2017-D A3	1.93%	1/15/22	297.54		
12/15/17	12/15/17	185,000	34532AAD5	FORDO 2017-C A3	2.01%	3/15/22	247.90		
12/21/17	12/21/17	180,000	43813FAC7	HAROT 2017-4 A3	2.05%	11/21/21	225.50		
12/21/17	12/21/17	470,000	3130A8DB6	FHLB GLOBAL NOTE	1.12%	6/21/19	2,643.75		
12/31/17	12/31/17	400,000	912828G87	US TREASURY NOTES	2.12%	12/31/21	4,250.00		
Total INTEREST		6,940,000					52,995.44		

SELL

10/2/17	10/10/17	390,000	912828WL0	US TREASURY NOTES	1.50%	5/31/19	392,429.76	1.45%	(2,442.26)
10/13/17	10/20/17	320,000	912828A42	US TREASURY NOTES	2.00%	11/30/20	325,620.56	1.68%	(2,912.58)
11/1/17	11/3/17	240,000	38141GVT8	GOLDMAN SACHS GRP INC CORP NT (CALLABLE)	2.00%	4/25/19	239,938.66	2.05%	(91.15)
11/1/17	11/3/17	40,000	38141GVT8	GOLDMAN SACHS GRP INC CORP NT (CALLABLE)	2.00%	4/25/19	39,989.78	2.05%	27.64
11/17/17	11/21/17	320,000	3135G0E33	FNMA NOTES	1.12%	7/20/18	320,397.20	1.51%	(1,497.69)
11/28/17	11/29/17	180,000	3135G0WJ8	FANNIE MAE GLOBAL NOTES	0.87%	5/21/18	179,498.60	1.50%	(380.84)
12/1/17	12/5/17	305,000	3135G0WJ8	FANNIE MAE GLOBAL NOTES	0.87%	5/21/18	304,216.23	1.51%	(633.16)

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)
Total SELL		1,795,000					1,802,090.79		-7,930.04

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
INTEREST	10/1/17	10/1/17	625,000.00	3130A9AE1	FHLB GLOBAL NOTES	0.87%	10/1/18	2,734.38		
INTEREST	10/1/17	10/1/17	265,000.00	64966LZC8	NYC, NY TXBL GO BONDS	1.65%	10/1/18	2,186.25		
INTEREST	10/2/17	10/2/17	0.00	MONEY0002	MONEY MARKET FUND			62.95		
BUY	10/2/17	10/10/17	360,000.00	4581X0CD8	INTER-AMERICAN DEVELOPMENT BANK	2.12%	11/9/20	(366,545.63)	1.81%	
SELL	10/2/17	10/10/17	390,000.00	912828WL0	US TREASURY NOTES	1.50%	5/31/19	392,429.76	1.45%	(2,442.26)
BUY	10/11/17	10/20/17	320,000.00	931142EA7	WAL-MART STORES INC CORP NOTE	1.90%	12/15/20	(319,536.00)	1.95%	
SELL	10/13/17	10/20/17	320,000.00	912828A42	US TREASURY NOTES	2.00%	11/30/20	325,620.56	1.68%	(2,912.58)
INTEREST	10/25/17	10/25/17	40,000.00	38141GVT8	GOLDMAN SACHS GRP INC CORP NT (CALLABLE)	2.00%	4/25/19	400.00		
INTEREST	10/25/17	10/25/17	240,000.00	38141GVT8	GOLDMAN SACHS GRP INC CORP NT (CALLABLE)	2.00%	4/25/19	2,400.00		
INTEREST	10/31/17	10/31/17	350,000.00	912828F96	US TREASURY NOTES	2.00%	10/31/21	3,500.00		
INTEREST	11/1/17	11/1/17	0.00	MONEY0002	MONEY MARKET FUND			93.60		
BUY	11/1/17	11/3/17	140,000.00	61746BEA0	MORGAN STANLEY CORP NOTES	2.50%	4/21/21	(140,407.87)	2.44%	
SELL	11/1/17	11/3/17	240,000.00	38141GVT8	GOLDMAN SACHS GRP INC CORP NT (CALLABLE)	2.00%	4/25/19	239,938.66	2.05%	(91.15)
SELL	11/1/17	11/3/17	40,000.00	38141GVT8	GOLDMAN SACHS GRP INC CORP NT (CALLABLE)	2.00%	4/25/19	39,989.78	2.05%	27.64
INTEREST	11/5/17	11/5/17	110,000.00	0258M0EB1	AMERICAN EXPRESS CREDIT (CALLABLE) NOTES	2.25%	5/5/21	1,237.50		
INTEREST	11/6/17	11/6/17	475,000.00	3135G0K69	FNMA BENCHMARK NOTE	1.25%	5/6/21	2,968.75		
BUY	11/7/17	11/15/17	185,000.00	89238KAD4	TAOT 2017-D A3	1.93%	1/15/22	(184,982.94)	2.26%	
INTEREST	11/9/17	11/9/17	360,000.00	4581X0CD8	INTER-AMERICAN DEVELOPMENT BANK	2.12%	11/9/20	3,825.00		
INTEREST	11/10/17	11/10/17	90,000.00	05531FAV5	BRANCH BANKING & TRUST (CALLABLE) NOTE	2.05%	5/10/21	922.50		
BUY	11/14/17	11/21/17	185,000.00	34532AAD5	FORDO 2017-C A3	2.01%	3/15/22	(184,966.64)	2.02%	

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)
BUY	11/14/17	11/22/17	145,000.00	02007YAC8	ALLYA 2017-5 A3	1.99%	3/15/22	(144,988.75)	1.99%	
INTEREST	11/16/17	11/16/17	150,000.00	911312BC9	UNITED PARCEL SERVICE (CALLABLE) NOTES	2.35%	5/16/22	1,762.50		
SELL	11/17/17	11/21/17	320,000.00	3135G0E33	FNMA NOTES	1.12%	7/20/18	320,397.20	1.51%	(1,497.69)
INTEREST	11/19/17	11/19/17	50,000.00	857477AV5	STATE STREET CORP NOTES	1.95%	5/19/21	487.50		
INTEREST	11/21/17	11/21/17	485,000.00	3135G0WJ8	FANNIE MAE GLOBAL NOTES	0.87%	5/21/18	2,121.88		
BUY	11/22/17	11/29/17	180,000.00	43813FAC7	HAROT 2017-4 A3	2.05%	11/21/21	(179,974.64)	2.06%	
INTEREST	11/27/17	11/27/17	240,000.00	459058FS7	INTL BANK OF RECON AND DEV GLOBAL NOTES	1.12%	11/27/19	1,351.20		
SELL	11/28/17	11/29/17	180,000.00	3135G0WJ8	FANNIE MAE GLOBAL NOTES	0.87%	5/21/18	179,498.60	1.50%	(380.84)
INTEREST	11/30/17	11/30/17	410,000.00	912828WN6	US TREASURY NOTES	2.00%	5/31/21	4,100.00		
INTEREST	11/30/17	11/30/17	50,000.00	912828A42	US TREASURY NOTES	2.00%	11/30/20	500.00		
INTEREST	11/30/17	11/30/17	270,000.00	912828A42	US TREASURY NOTES	2.00%	11/30/20	2,700.00		
INTEREST	12/1/17	12/1/17	180,000.00	64966LN49	NYC, NY TXBL GO BONDS	1.80%	6/1/19	1,620.00		
INTEREST	12/1/17	12/1/17	0.00	MONEY0002	MONEY MARKET FUND			132.39		
BUY	12/1/17	12/5/17	400,000.00	912828L24	US TREASURY N/B NOTES	1.87%	8/31/22	(398,301.45)	2.08%	
SELL	12/1/17	12/5/17	305,000.00	3135G0WJ8	FANNIE MAE GLOBAL NOTES	0.87%	5/21/18	304,216.23	1.51%	(633.16)
INTEREST	12/5/17	12/5/17	85,000.00	437076BQ4	HOME DEPOT INC CORP NOTES	1.80%	6/5/20	765.00		
INTEREST	12/8/17	12/8/17	500,000.00	045167EA7	ASIAN DEVELOPMENT BANK NOTE	1.75%	6/8/21	4,375.00		
INTEREST	12/15/17	12/15/17	400,000.00	17275RAX0	CISCO SYSTEMS INC CORP NOTES	2.45%	6/15/20	4,900.00		
INTEREST	12/15/17	12/15/17	145,000.00	02007YAC8	ALLYA 2017-5 A3	1.99%	3/15/22	184.35		
INTEREST	12/15/17	12/15/17	185,000.00	89238KAD4	TAOT 2017-D A3	1.93%	1/15/22	297.54		
INTEREST	12/15/17	12/15/17	185,000.00	34532AAD5	FORDO 2017-C A3	2.01%	3/15/22	247.90		
INTEREST	12/21/17	12/21/17	180,000.00	43813FAC7	HAROT 2017-4 A3	2.05%	11/21/21	225.50		

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	12/21/17	12/21/17	470,000.00	3130A8DB6	FHLB GLOBAL NOTE	1.12%	6/21/19	2,643.75		
INTEREST	12/31/17	12/31/17	400,000.00	912828G87	US TREASURY NOTES	2.12%	12/31/21	4,250.00		
TOTALS								(64,617.69)		(7,930.04)

Short Term and Bond Proceed Portfolios Statistics

<u>Account Name</u>	<u>Amortized Cost^{1,2,3}</u>	<u>Amortized Cost^{1,2,3}</u>	<u>Market Value^{1,2,3}</u>	<u>Market Value^{1,2,3}</u>	<u>Duration (Years)⁴</u>
	<u>December 31, 2017</u>	<u>September 30, 2017</u>	<u>December 31, 2017</u>	<u>September 30, 2017</u>	<u>December 31, 2017</u>
Short Term Portfolio - 4245	\$2,991,669	\$2,981,507	\$2,991,669	\$2,981,765	0.17
2013 Bond Fund - 4265	0	\$2,509,053	0	\$2,509,136	0.00
LGIP - FEITF Excess Funds - 174 ⁸	21,651,203	\$12,331,847	21,651,203	\$12,331,847	63 Days
LGIP -FEITF 2013 Bond Fund - 357 ⁸	95,789	\$95,487	95,789	\$95,487	63 Days
Money Market Account -Bank United 1280 -Short Term	0	\$11,461,029	0	\$11,461,029	0.003
Money Market Fund - Goldman Sachs Financial Squares Government Fund (TD Bank) - Short Term	94,939	\$45,031	94,939	\$45,031	0.003
Money Market Fund - Goldman Sachs Financial Squares Government Fund (TD Bank) - 2013 Bond Fund	38,387	\$25,404	38,387	\$25,404	0.003
Total	\$24,871,987.39	\$29,449,357.52	\$24,871,987.39	\$29,449,698.25	

<u>Account Name</u>	<u>Yield to Maturity</u>	<u>Yield to Maturity</u>	<u>Yield to Maturity</u>	<u>Yield to Maturity</u>	<u>Duration (Years)⁴</u>
	<u>at Cost^{5,6}</u>	<u>at Cost^{5,6}</u>	<u>at Market^{5,6}</u>	<u>at Market^{5,6}</u>	<u>September 30, 2017</u>
	<u>December 31, 2017</u>	<u>September 30, 2017</u>	<u>December 31, 2017</u>	<u>September 30, 2017</u>	
Short Term Portfolio - 4245	1.48%	1.48%	1.64%	1.44%	0.42
2013 Bond Fund - 4265	0.00%	1.09%	0.00%	1.03%	0.00
LGIP - FEITF Excess Funds - 174 ⁸	1.35%	1.21%	1.35%	1.21%	51 Days
LGIP - FEITF 2013 Bond Fund - 3576	1.35%	1.21%	1.35%	1.21%	51 Days
Money Market Account -Bank United 1280 -Short Term	0.08%	0.06%	0.08%	0.06%	0.003
Money Market Fund - Goldman Sachs Financial Squares Government Fund (TD Bank) - Short Term	1.19%	0.91%	1.19%	0.91%	0.003
Money Market Fund - Goldman Sachs Financial Squares Government Fund (TD Bank) - 2013 Bond Fund	1.19%	0.91%	1.19%	0.91%	0.003
Weighted Average Yield	1.36%	0.78%	1.38%	0.77%	

Benchmarks

	<u>December 31, 2017</u>	<u>September 30, 2017</u>
S&P GIP All 30 Day Index ⁷	1.34%	1.21%

Notes:

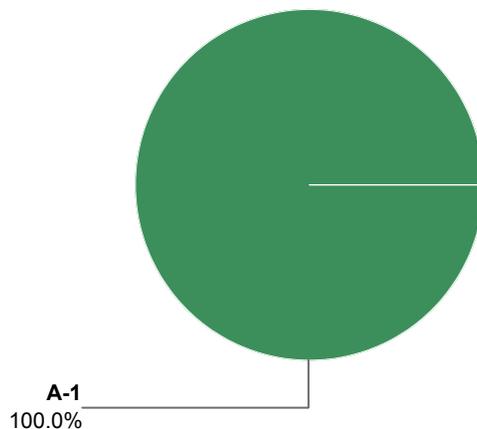
- End of quarter trade-date market values of portfolio holdings, including accrued interest.
- In order to comply with GASB accrual accounting reporting requirements; forward settling trades are included in the monthly balances.
- Includes any money market fund/cash balances held in custodian account.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

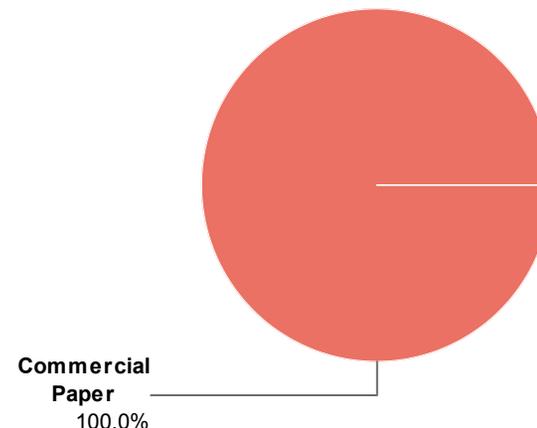
As of December 31, 2017

Par Value:	\$3,000,000
Total Market Value:	\$3,036,788
Security Market Value:	\$2,991,669
Accrued Interest:	-
Cash:	\$45,119
Amortized Cost:	\$2,992,700
Yield at Market:	1.64%
Yield at Cost:	1.48%
Effective Duration:	0.17 Years
Duration to Worst:	0.17 Years
Average Maturity:	0.17 Years
Average Credit: *	A
Benchmark Eff. Yield:	1.25%

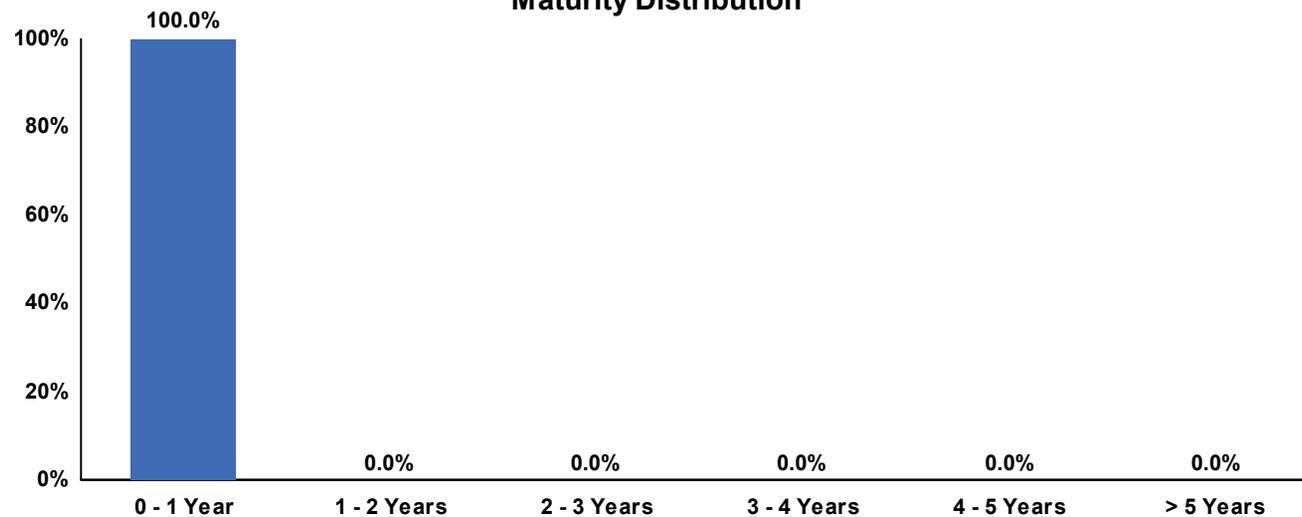
Credit Quality (S&P Ratings)



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.

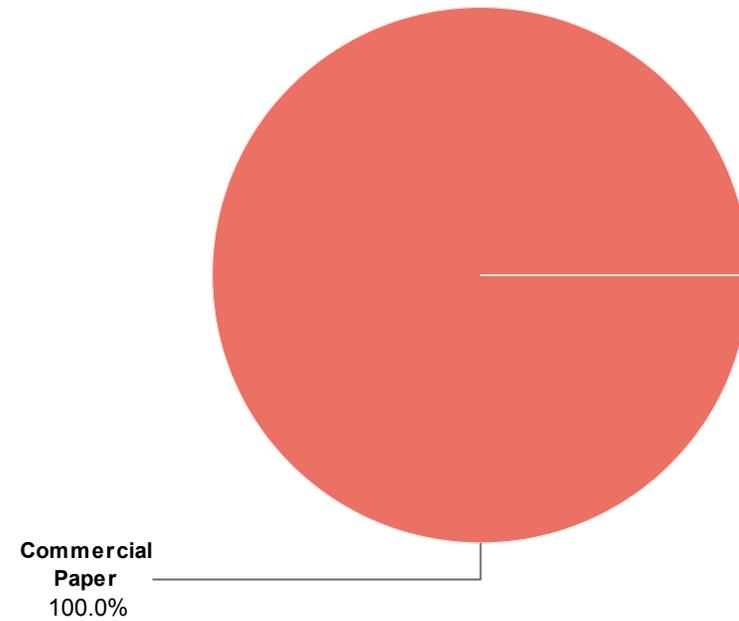
Portfolio Earnings

Quarter-Ended December 31, 2017

	<u>Market Value Basis</u>	<u>Accrual (Amortized Cost) Basis</u>
Beginning Value (09/30/2017)	\$2,981,764.50	\$2,981,506.67
Net Purchases/Sales	\$0.00	\$0.00
Change in Value	\$9,904.50	\$11,193.33
Ending Value (12/31/2017)	\$2,991,669.00	\$2,992,700.00
Interest Earned	\$88.05	\$88.05
Portfolio Earnings	\$9,992.55	\$11,281.38

Sector Allocation
As of December 31, 2017

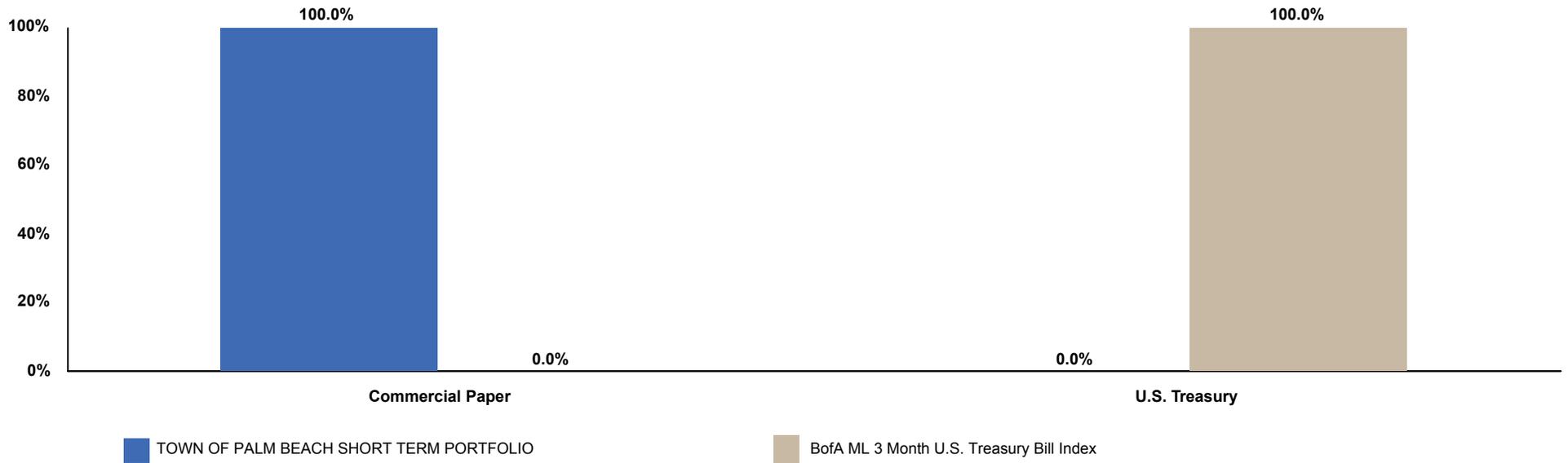
Sector	Market Value (\$)	% of Portfolio
Commercial Paper	2,991,669	100.0%
Total	\$2,991,669	100.0%



Detail may not add to total due to rounding.

Sector Allocation
As of December 31, 2017

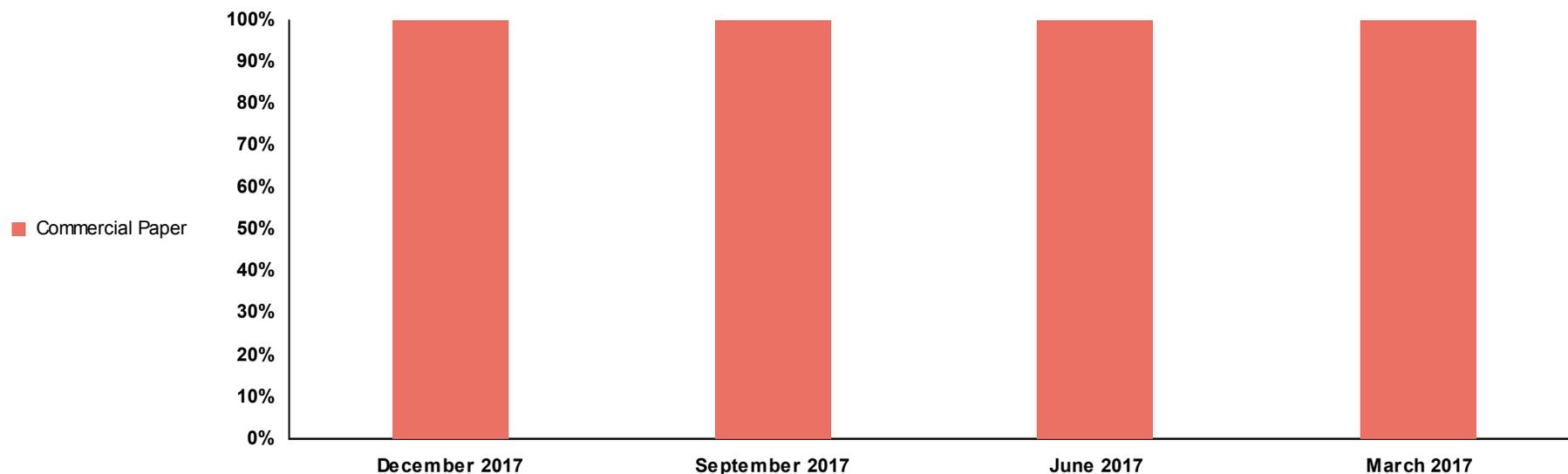
Sector	Market Value (\$)	% of Portfolio	% of Benchmark
Commercial Paper	2,991,669	100.0%	-
U.S. Treasury	-	-	100.0%
Total	\$2,991,669	100.0%	100.0%



Detail may not add to total due to rounding.

Sector Allocation

Sector	December 31, 2017		September 30, 2017		June 30, 2017		March 31, 2017	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
Commercial Paper	3.0	100.0%	3.0	100.0%	3.0	100.0%	5.5	100.0%
Total	\$3.0	100.0%	\$3.0	100.0%	\$3.0	100.0%	\$5.5	100.0%

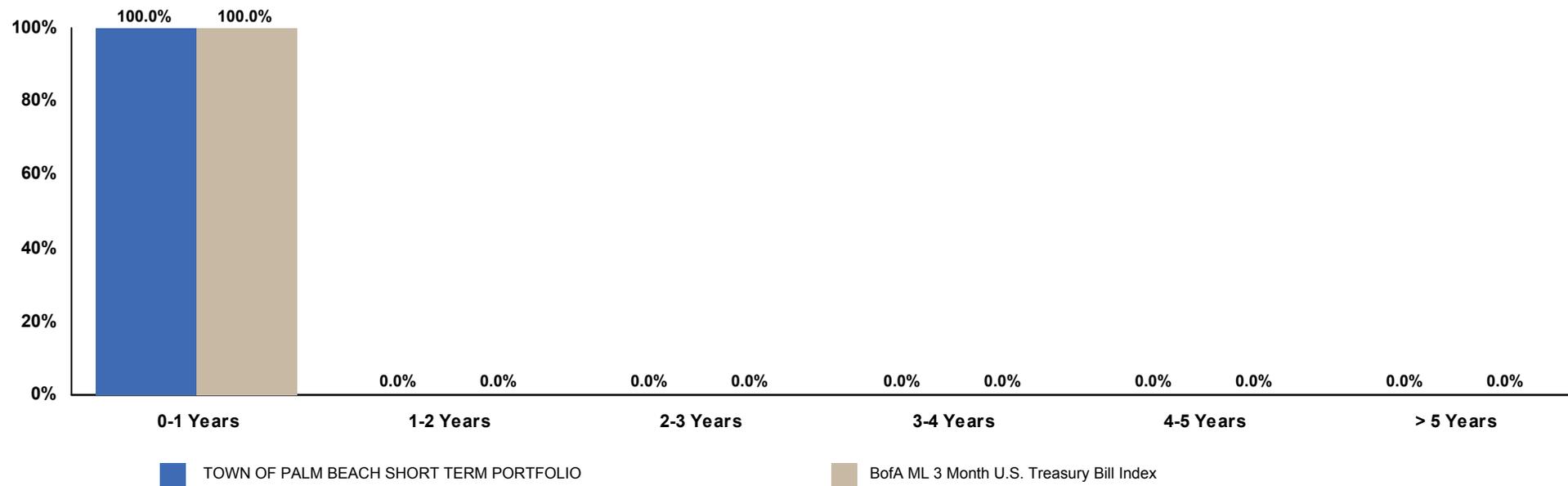


Detail may not add to total due to rounding.

Maturity Distribution

As of December 31, 2017

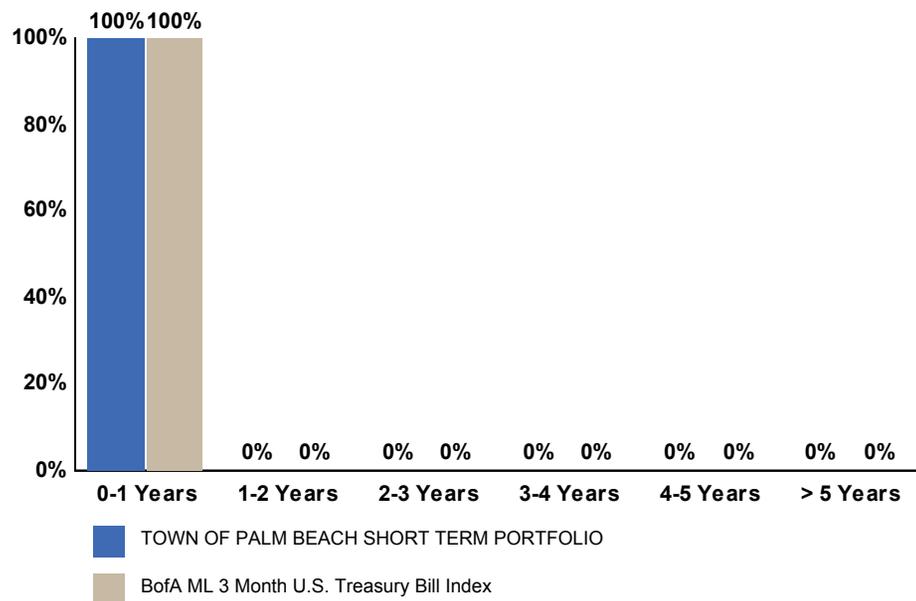
Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
TOWN OF PALM BEACH SHORT TERM PORTFOLIO	1.64%	0.17 yrs	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
BofA ML 3 Month U.S. Treasury Bill Index	1.36%	0.24 yrs	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%



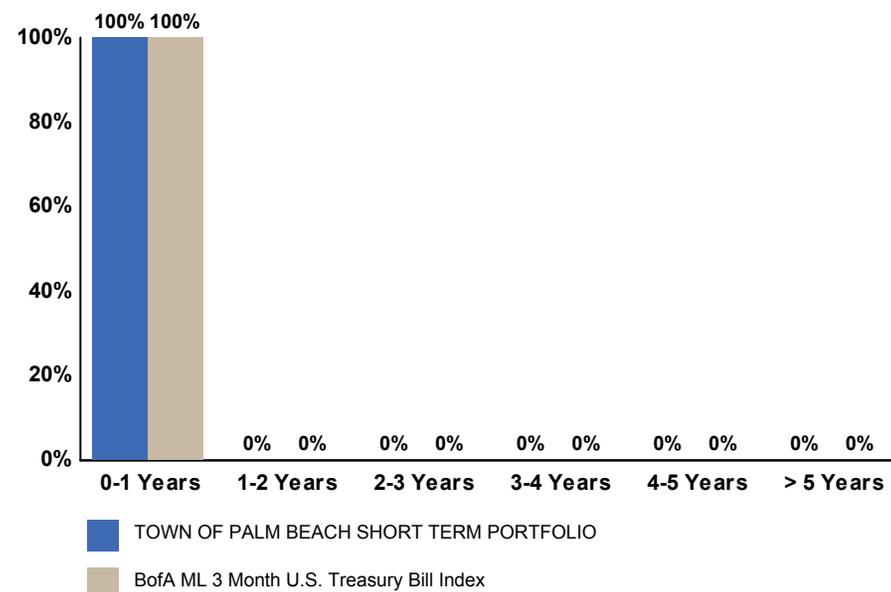
Duration Distribution
As of December 31, 2017

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	0.17	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
BofA ML 3 Month U.S. Treasury Bill Index	0.16	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Distribution by Effective Duration



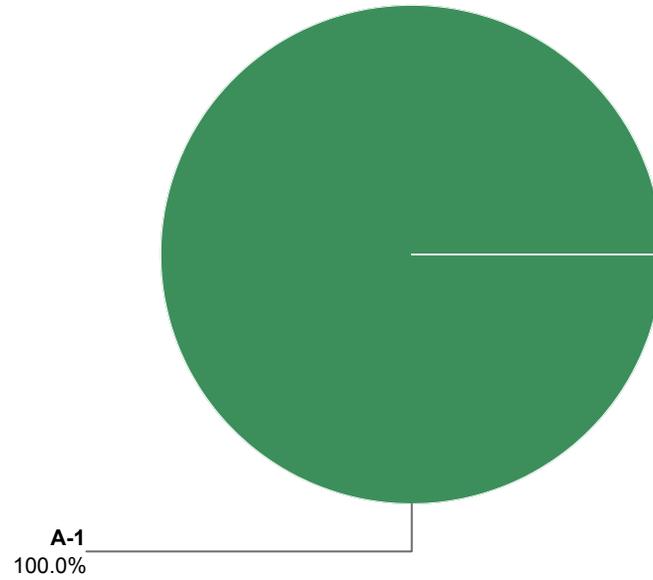
Contribution to Portfolio Duration



Credit Quality

As of December 31, 2017

S&P Rating	Market Value (\$)	% of Portfolio
A-1	\$2,991,669	100.0%
Totals	\$2,991,669	100.0%



Detail may not add to total due to rounding.

Issuer Distribution
As of December 31, 2017

Issuer	Market Value (\$)	% of Portfolio
BNP PARIBAS	1,495,961	50.0%
MITSUBISHI UFJ FINANCIAL GROUP INC	1,495,709	50.0%
Grand Total:	2,991,669	100.0%

Sector/Issuer Distribution

As of December 31, 2017

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
Commercial Paper			
BNP PARIBAS	1,495,961	50.0%	50.0%
MITSUBISHI UFJ FINANCIAL GROUP INC	1,495,709	50.0%	50.0%
Sector Total	2,991,669	100.0%	100.0%
Portfolio Total	2,991,669	100.0%	100.0%

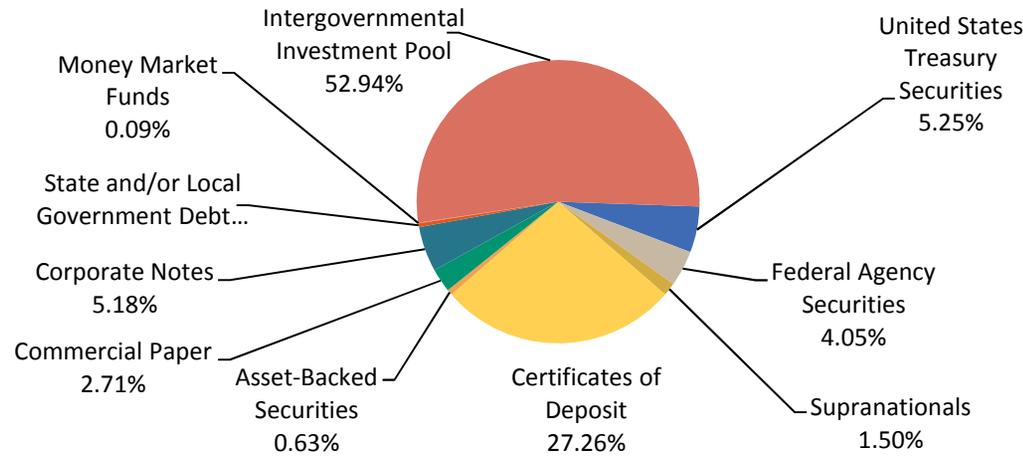
Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
10/2/17	10/2/17	0	MONEY0002	MONEY MARKET FUND			28.08		
11/1/17	11/1/17	0	MONEY0002	MONEY MARKET FUND			30.00		
12/1/17	12/1/17	0	MONEY0002	MONEY MARKET FUND			29.97		
Total INTEREST		0					88.05		

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
INTEREST	10/2/17	10/2/17	0.00	MONEY0002	MONEY MARKET FUND			28.08		
INTEREST	11/1/17	11/1/17	0.00	MONEY0002	MONEY MARKET FUND			30.00		
INTEREST	12/1/17	12/1/17	0.00	MONEY0002	MONEY MARKET FUND			29.97		
TOTALS								88.05		

Tab III



Security Type ¹	Amortized Cost (Includes Interest)	Allocation Percentage	Notes	Permitted by Policy	In Compliance
United States Treasury Securities	5,806,777.43	5.25%		100%	YES
Federal Agency Securities	4,470,850.04	4.05%	4	75%	YES
Supranationals	1,654,399.53	1.50%		25%	YES
Certificates of Deposit	30,123,829.04	27.26%	5	50%	YES
Asset-Backed Securities	695,469.67	0.63%		25%	YES
Agency Mortgage-Backed Securities	-	0.00%	4	25%	YES
Commercial Paper	2,992,700.00	2.71%	2,3	50%	YES
Corporate Notes	5,728,094.32	5.18%	2,3	50%	YES
Bankers' Acceptances	-	0.00%		10%	YES
Repurchase Agreements	-	0.00%		40%	YES
State and/or Local Government Debt	446,363.13	0.40%		25%	YES
Money Market Funds	94,939.17	0.09%		50%	YES
Intergovernmental Investment Pool	58,508,980.56	52.94%	5,6	50%	YES
Total	\$110,522,402.89	100.00%			

Notes:

1. End of month trade-date amortized cost of portfolio holdings, including accrued interest.
2. Maximum allocation to all corporate and bank credit instruments is 50% combined. As of December 31, 2017 the allocation is 7.89%.
3. The industry limit for credit is 15%. The largest allocation as of 12/31/17 is 4.59% in the Financial industry.
4. The maximum exposure to any one Federal agency, including the combined holdings of Agency debt and Agency MBS, is 40%. As of December 31, 2017 the allocation is 4.05%.
5. Balances allocated by the town.
6. As of January 5, 2018, the sector is back in compliance.

Corporate Industry Allocations	Portfolio Holdings		Compliance
	Corporate Industry Allocation	Industry Limit	
Communications	0.00%	15.00%	Yes
Consumer Discretionary	0.85%	15.00%	Yes
Consumer Staples	0.14%	15.00%	Yes
Energy	0.00%	15.00%	Yes
Financials	4.59%	15.00%	Yes
Health Care	0.00%	15.00%	Yes
Industrials	1.55%	15.00%	Yes
Materials	0.00%	15.00%	Yes
Technology	0.77%	15.00%	Yes
Utilities	0.00%	15.00%	Yes
Aerospace & Defense	0.00%	15.00%	Yes

Individual Issuer Breakdown	Amortized Cost (Includes Interest)	Allocation Percentage	Permitted Notes by Policy	In Compliance
Government National Mortgage Association (GNMA)	-	0.00%	40%	YES
Federal Farm Credit Bank (FFCB)	-	0.00%	40%	YES
Federal Home Loan Bank (FHLB)	2,749,759.63	2.49%	40%	YES
Federal National Mortgage Association (FNMA)	1,721,090.41	1.56%	40%	YES
Federal Home Loan Mortgage Corporation (FHLMC)	-	0.00%	40%	YES
BNP Paribas Commercial Paper	1,496,375.00	1.35%	5%	YES
Bank of Tokyo Mitsubishi Commercial Paper	1,496,325.00	1.35%	5%	YES
American Express Credit Corporate Notes	110,792.39	0.10%	5%	YES
American Honda Corporate Notes	211,164.48	0.19%	5%	YES
Apple Inc. Corporate Notes	220,118.80	0.20%	5%	YES
Bank of New York Mellon Corporate Notes	455,401.77	0.41%	5%	YES
Berkshire Hathaway Corporate Notes	50,219.10	0.05%	5%	YES
Branch Banking & Trust Corporate Notes	90,180.10	0.08%	5%	YES
Caterpillar Financial Corporate Notes	150,765.72	0.14%	5%	YES
Cisco Systems Corporate Notes	400,966.53	0.36%	5%	YES
General Electric Corporate Notes	490,130.38	0.44%	5%	YES
Home Depot Corporate Notes	85,070.40	0.08%	5%	YES
IBM Corporate Notes	200,752.29	0.18%	5%	YES
Microsoft Corporate Notes	251,333.44	0.23%	5%	YES
Morgan Stanley Corporate Notes	140,958.91	0.13%	5%	YES
New York University Corporate Notes	60,530.10	0.05%	5%	YES
John Deere Corporate Notes	200,967.98	0.18%	5%	YES
JP Morgan Corporate Notes	352,804.53	0.32%	5%	YES
Paccar Financial Corporate Notes	141,175.64	0.13%	5%	YES
Proctor & Gamble Corporate Notes	120,841.10	0.11%	5%	YES
State Street Corporate Notes	49,983.50	0.05%	5%	YES
Toyota Corporate Notes	658,103.09	0.60%	5%	YES
United Parcel Service Corporate Notes	151,898.56	0.14%	5%	YES
Visa Corporate Notes	130,452.98	0.12%	5%	YES
Walmart Corporate Notes	320,764.84	0.29%	5%	YES
Walt Disney Corporate Notes	126,921.22	0.11%	5%	YES
Wells Fargo & Company Corporate Notes	555,796.47	0.50%	5%	YES
Asian Development Bank Notes	499,596.47	0.45%	10%	YES

Notes:

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5. Balances allocated by the town.
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Individual Issuer Breakdown	Amortized Cost (Includes Interest)	Allocation Percentage	Notes	Permitted by Policy	In Compliance
Inter-American Development Bank Notes	364,206.07	0.33%		10%	YES
International Bank of Recon and Development Notes	790,596.99	0.72%		10%	YES
Ally Auto Receivables ABS	145,117.25	0.13%		5%	YES
Ford Auto Receivables ABS	185,132.67	0.17%		5%	YES
Honda Auto Receivables ABS	180,077.61	0.16%		5%	YES
Toyota Auto Receivables ABS	185,142.14	0.17%		5%	YES
New York City, New York Taxable G.O Bonds	446,363.13	0.40%		5%	YES
Florida Education Investment Trust Fund	21,651,203.16	19.59%	5	50%	YES
FMIvT 1-3	25,170,137.08	22.77%	5	50%	YES
FMIvT Intermediate	11,687,640.32	10.57%	5	50%	YES

Notes:

1. End of month trade-date amortized cost of portfolio holdings, including accrued interest.
2. Maximum allocation to all corporate and bank credit instruments is 50% combined. As of December 31, 2017 the allocation is 7.89%. (See previous page)
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IMPORTANT DISCLOSURES

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

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

GLOSSARY

- **ACCRUED INTEREST:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **AGENCIES:** Federal agency securities and/or Government-sponsored enterprises.
- **AMORTIZED COST:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **BANKERS' ACCEPTANCE:** A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **COMMERCIAL PAPER:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **CONTRIBUTION TO DURATION:** Represents each sector or maturity range's relative contribution to the overall duration of the portfolio measured as a percentage weighting. Since duration is a key measure of interest rate sensitivity, the contribution to duration measures the relative amount or contribution of that sector or maturity range to the total rate sensitivity of the portfolio.
- **DURATION TO WORST:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years, computed from cash flows to the maturity date or to the put date, whichever results in the highest yield to the investor.
- **EFFECTIVE DURATION:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **EFFECTIVE YIELD:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **INTEREST RATE:** Interest per year divided by principal amount and expressed as a percentage.
- **MARKET VALUE:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.
- **NEGOTIABLE CERTIFICATES OF DEPOSIT:** A CD with a very large denomination, usually \$1 million or more, that can be traded in secondary markets.
- **PAR VALUE:** The nominal dollar face amount of a security.

GLOSSARY

- **PASS THROUGH SECURITY:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.
- **REPURCHASE AGREEMENTS:** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- **SETTLE DATE:** The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- **TRADE DATE:** The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- **UNSETTLED TRADE:** A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- **U.S. TREASURY:** The department of the U.S. government that issues Treasury securities.
- **YIELD:** The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- **YTM AT COST:** The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- **YTM AT MARKET:** The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.