



## Town of Palm Beach, Florida



### **Investment Performance Review For the Quarter Ended March 31, 2018**

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# Tab I

## QUARTERLY MARKET SUMMARY

### SUMMARY

- The first quarter was characterized by a spike in volatility associated with an equity market correction, talks of tariffs and trade wars, a modest uptick in inflation, and a panoply of geopolitical concerns. Despite healthy fundamentals and a robust global economic backdrop, “risk-off” sentiment began to take hold of the financial markets. For the first time in nearly 10 years, both the stock market and bond market posted losses for the quarter.
- During the quarter, President Trump signed a \$1.3 trillion omnibus spending bill which averted a government shutdown, significantly increased military spending, and increased funding in a variety of discretionary areas, including background checks for gun purchases, election security, infrastructure, the opioid crisis, child care, low-income housing, the National Park Service, veterans’ hospitals, pay raises for the troops, school safety, and border security. As a result, the Congressional Budget Office (CBO) now estimates that the federal budget deficit will exceed \$1 trillion per year by 2020.
- Under new Federal Reserve (Fed) chair Jay Powell, the Federal Open Market Committee (FOMC) raised the short-term federal funds target rate 0.25% to a new range of 1.50 to 1.75% at its March meeting. While widely anticipated, the March rate hike indicates the Fed remains committed to its well-defined and well-telegraphed path of monetary policy tightening. Expectations point to two or three more rate hikes over the balance of 2018, with additional hikes likely in 2019 and 2020 as well.
- Bond yields continued their ascent over the quarter, with the two-year Treasury reaching a near-decade high. Meanwhile, the S&P 500 index dipped into negative territory for the quarter – the first negative quarter for the headline index since the third quarter of 2015. International indices also posted declines for the quarter, but a weaker U.S. dollar helped temper those relative losses.

### ECONOMIC SNAPSHOT

- Economic data continues to support growth and optimism (both business and consumer) as a myriad of indicators reached or remained at multi-year bests during the quarter, including the unemployment rate, consumer confidence, productivity, and manufacturing.
- The U.S. economy posted solid results last year, as the Gross Domestic Product (GDP) for the fourth quarter was revised up to show a real growth rate of 2.9%, after back-to-back readings in excess of 3.0% the prior two quarters. In the midst of eight straight years of domestic economic expansion, global growth is now in synchrony, with nearly every advanced economy around the globe, including the Eurozone, Japan, and China, showing positive growth rates.
- The U.S. labor market remained strong as the unemployment rate hovered at a 17-year low of 4.1%. The economy also posted positive net job gains for consecutive months dating back to the fourth quarter of 2010. Meanwhile, wages are beginning to gain some traction, as average hourly earnings – an important measure of wage growth – increased 2.7% over the past year.

### INTEREST RATES

- U.S. Treasury yields rose across the yield curve, as the yield on the 2-year increased 38 basis points (bps) from 1.88 to 2.26%, while the yield on a 10-year increased 33 bps from 2.40 to 2.73%. Although the yield curve initially steepened early in the quarter, as longer-term rates moved up in response to a modest uptick in inflation expectations, the flattening trend ultimately resumed, retreating to post-recession tightness by quarter-end.
- Money market investors have reaped the benefits of the Fed’s rate increases, as yields on securities with maturities less than one year continued to reflect rising short-term rates. In addition, a huge surge in the supply of U.S. Treasury bills pushed shorter-term yields higher still.
- After years of tightening yield spreads, the spike in market volatility caused spreads on corporates and other non-government sectors to widen sharply.

### SECTOR PERFORMANCE

- The continued federal fund rate hikes resulted in negative returns for most bond indices, with longer maturities performing worst. Although higher yields provide greater income over time, that income was not sufficient to offset the adverse impact of increasing interest rates on fixed income prices.
- Although Federal Agency returns were also negative, they generated returns slightly more positive than similar duration Treasuries, as their modest incremental income was a slight benefit.
- The municipal sector provided some reprieve for fixed income investors during the quarter, as returns were positive and outperformed most other investment-grade (IG) alternatives. The large decline in new issuance in the first quarter, caused by tax changes enacted in the fourth quarter, created a supply/demand imbalance that benefited the sector.
- IG corporate yield spreads ended the quarter wider, resulting in the sector being one of the worst performing fixed-income sectors in the first quarter. Despite the poor quarter, trailing returns over longer time periods remain strong, and the underlying strength of corporate fundamentals remains intact.
- The mortgage-backed securities (MBS) sector struggled to find footing during the quarter as low yield spreads, upcoming seasonal supply, and Fed balance sheet unwinding continued to weigh on investor demand. As a result, the sector generated a negative excess return for the quarter.
- Short-term commercial paper (CP) and bank Certificates of Deposits (CDs) offered even greater incremental value in the first quarter as short-term yields rose in response to the burgeoning Treasury supply, and credit spreads widened. The incremental yield advantage offered in these sectors continues to be a valuable return attribute in the face of rising rates.

Economic Snapshot

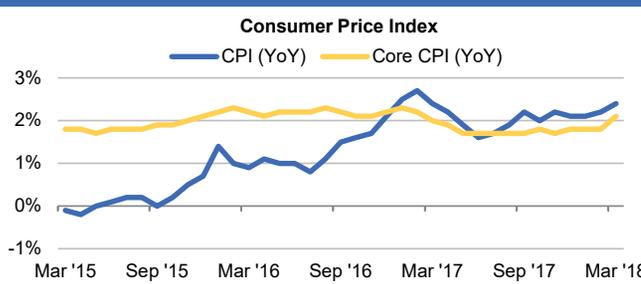
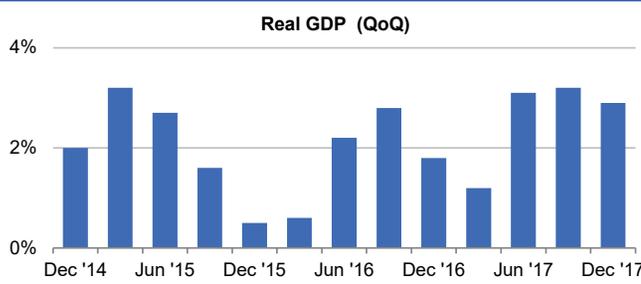
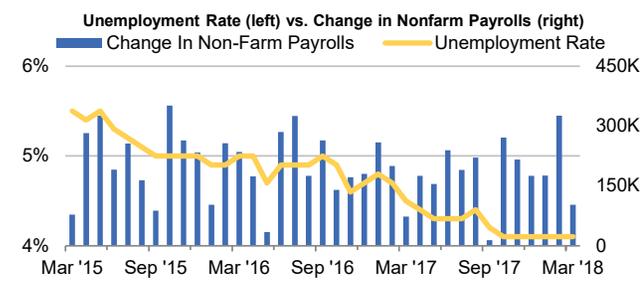
Labor Market		Latest	Dec '17	Mar '17
Unemployment Rate	Mar '18	4.1%	4.1%	4.5%
Change In Non-Farm Payrolls	Mar '18	103,000	175,000	73,000
Average Hourly Earnings (YoY)	Mar '18	2.7%	2.7%	2.6%
Personal Income (YoY)	Feb '18	3.7%	4.3%	3.4%
Initial Jobless Claims (week)	4/7/18	233,000	248,000	241,000

Growth				
Real GDP (QoQ SAAR)	2017 Q4	2.9%	3.2% <sup>1</sup>	1.8% <sup>2</sup>
GDP Personal Consumption (QoQ SAAR)	2018 Q4	4.0%	2.2% <sup>1</sup>	2.9% <sup>2</sup>
Retail Sales (YoY)	Mar '18	4.5%	5.1%	4.9%
ISM Manufacturing Survey (month)	Mar '18	59.3	59.3	56.6
Existing Home Sales SAAR (month)	Feb '18	5.54 mil.	5.56 mil.	5.67 mil.

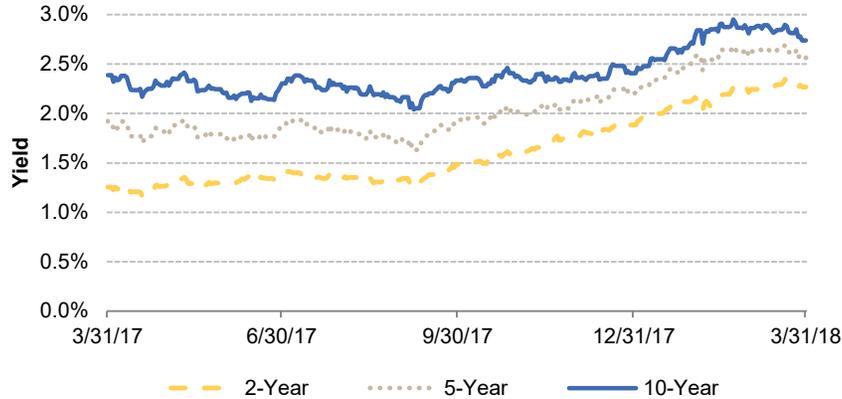
Inflation / Prices				
Personal Consumption Expenditures (YoY)	Feb '18	1.8%	1.7%	1.8%
Consumer Price Index (YoY)	Mar '18	2.4%	2.1%	2.4%
Consumer Price Index Core (YoY)	Mar '18	2.1%	1.8%	2.0%
Crude Oil Futures (WTI, per barrel)	Mar 31	\$64.94	\$60.42	\$50.60
Gold Futures (oz.)	Mar 31	\$1,323	\$1,309	\$1,247



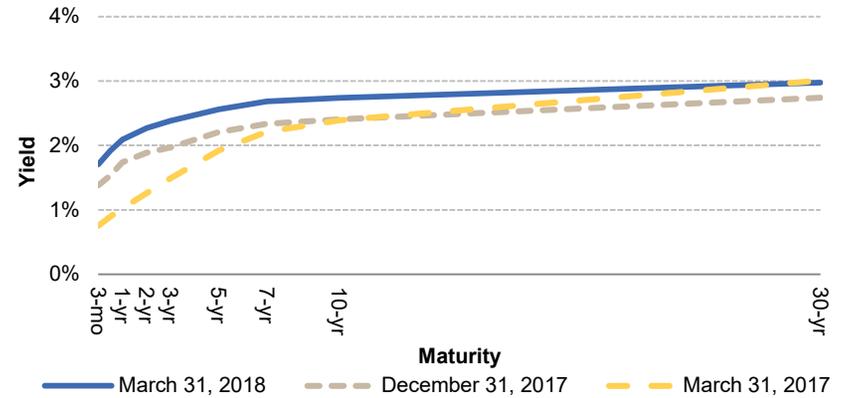
1. Data as of Third Quarter 2017.  
2. Data as of Fourth Quarter 2016.  
Note: YoY = year-over-year, QoQ = quarter over quarter, SAAR = seasonally adjusted annual rate, WTI = West Texas Intermediate crude oil.  
Source: Bloomberg.

Interest Rate Overview

U.S. Treasury Note Yields



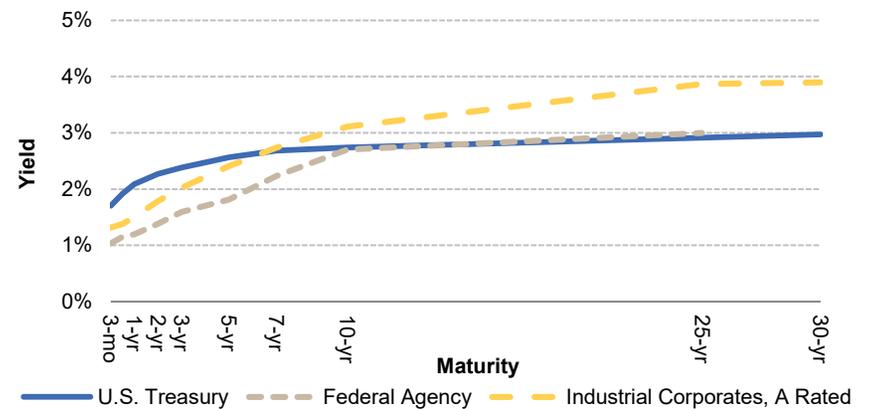
U.S. Treasury Yield Curve



U.S. Treasury Yields

Maturity	Mar '18	Dec '17	Change over Quarter	Mar '17	Change over Year
3-month	1.71%	1.38%	0.33%	0.75%	0.96%
1-year	2.09%	1.74%	0.35%	1.02%	1.07%
2-year	2.27%	1.89%	0.38%	1.26%	1.01%
5-year	2.56%	2.21%	0.35%	1.92%	0.64%
10-year	2.74%	2.41%	0.33%	2.39%	0.35%
30-year	2.97%	2.74%	0.23%	3.01%	(0.04%)

Yield Curves as of 3/31/18



Source: Bloomberg.

ICE BofAML Index Returns

March 31, 2018	As of 3/31/18	Yield	Returns for Periods ended 3/31/18		
	Duration		3-Month	1-Year	3-Years
<b>1-3 Year Indices</b>					
U.S. Treasury	1.80	2.27%	(0.13%)	0.03%	0.40%
Federal Agency	1.74	2.31%	(0.02%)	0.32%	0.58%
U.S. Corporates, A-AAA rated	1.81	2.90%	(0.41%)	0.65%	1.15%
Agency MBS (0 to 3 years)	2.38	2.57%	0.01%	0.99%	1.05%
Taxable Municipals	1.49	2.76%	0.25%	1.69%	1.83%
<b>1-5 Year Indices</b>					
U.S. Treasury	2.59	2.36%	(0.38%)	(0.10%)	0.47%
Federal Agency	2.10	2.36%	(0.18%)	0.26%	0.65%
U.S. Corporates, A-AAA rated	2.61	3.04%	(0.80%)	0.62%	1.31%
Agency MBS (0 to 5 years)	3.27	2.75%	(0.61%)	0.52%	0.92%
Taxable Municipals	2.23	2.84%	0.13%	1.62%	1.99%
<b>Master Indices (Maturities 1 Year or Greater)</b>					
U.S. Treasury	6.24	2.55%	(1.21%)	0.51%	0.47%
Federal Agency	3.86	2.53%	(0.53%)	0.85%	0.94%
U.S. Corporates, A-AAA rated	6.97	3.50%	(2.31%)	2.11%	1.96%
Agency MBS (0 to 30 years)	5.03	3.26%	(1.21%)	0.74%	1.10%
Taxable Municipals	10.63	3.88%	(1.73%)	6.82%	3.73%

Returns for periods greater than one year are annualized.

Source: ICE BofAML Indices.

QUARTERLY MARKET SUMMARY

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**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 -0.50% underperformed the benchmark performance of -0.37% by 0.13%. Over the past year, the Portfolio earned 0.04% versus -0.08% for the benchmark.
- The Short Term Portfolio provided the Town with a Yield to Maturity at Cost of 2.23%, exceeding the Yield to Maturity of its benchmark the S&P GIP All 30 Day Index of 1.68% by 0.55%<sup>1</sup>.
- New Fed Chair Jay Powell made his first public address at February's semi-annual monetary policy report to Congress. His maiden testimony hinted at a continuance of gradual rate hikes, while acknowledging that "the economic outlook remains strong" and the expectation for inflation to increase and closely approach the FOMC's 2% objective remains intact.
- The combined effects of less predictable U.S. politics and policy (e.g. tariffs, trade wars, Facebook, global relations, budget deficits, etc.) created an environment of heightened volatility. The "risk off" sentiment triggered wider credit spreads.
  - Wider spreads caused corporate-related investments to underperform for the quarter. While portfolios typically benefit from increased credit allocations, returns in Q1 were negatively affected.
  - Federal agency yield spreads remained very narrow throughout the quarter. New issue agencies continued to be our preferred – in some cases only -- outlet to add exposure at relatively attractive yields. Generally, the agency sector added modest positive excess returns in Q1 (returns in excess of similar duration Treasuries) across much of the yield curve, benefitting portfolio performance.
- The economic themes that carried over into 2018 remain: healthy job production, consistent GDP growth, positive corporate guidance, and heightened consumer confidence. However, where complacency had characterized the global markets quarter after quarter, volatility roared back in Q1. While rising volatility increases some market risks, it can also create investment opportunities.

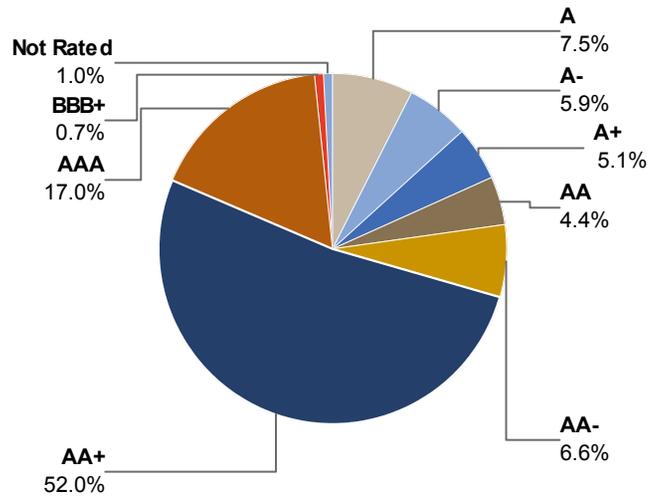
1. According to the Town's investment policy the short term benchmark is the S&P GIP All 30 Day Gross of Fees. However, due to system limitations the 3 month T-Bill is utilized for comparative purposes for the short term portfolio.

**Portfolio Statistics**

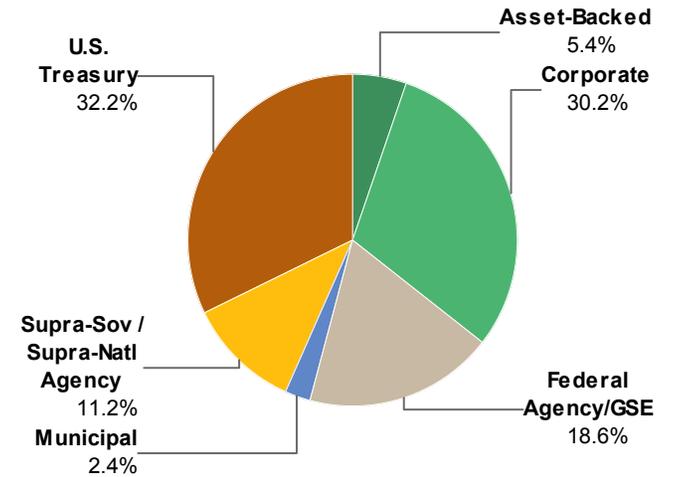
As of March 31, 2018

<b>Par Value:</b>	\$18,734,000
<b>Total Market Value:</b>	\$18,568,463
<b>Security Market Value:</b>	\$18,444,605
<b>Accrued Interest:</b>	\$66,652
<b>Cash:</b>	\$57,206
<b>Amortized Cost:</b>	\$18,799,252
<b>Yield at Market:</b>	2.56%
<b>Yield at Cost:</b>	1.76%
<b>Effective Duration:</b>	2.45 Years
<b>Duration to Worst:</b>	2.45 Years
<b>Average Maturity:</b>	2.65 Years
<b>Average Credit: *</b>	AA

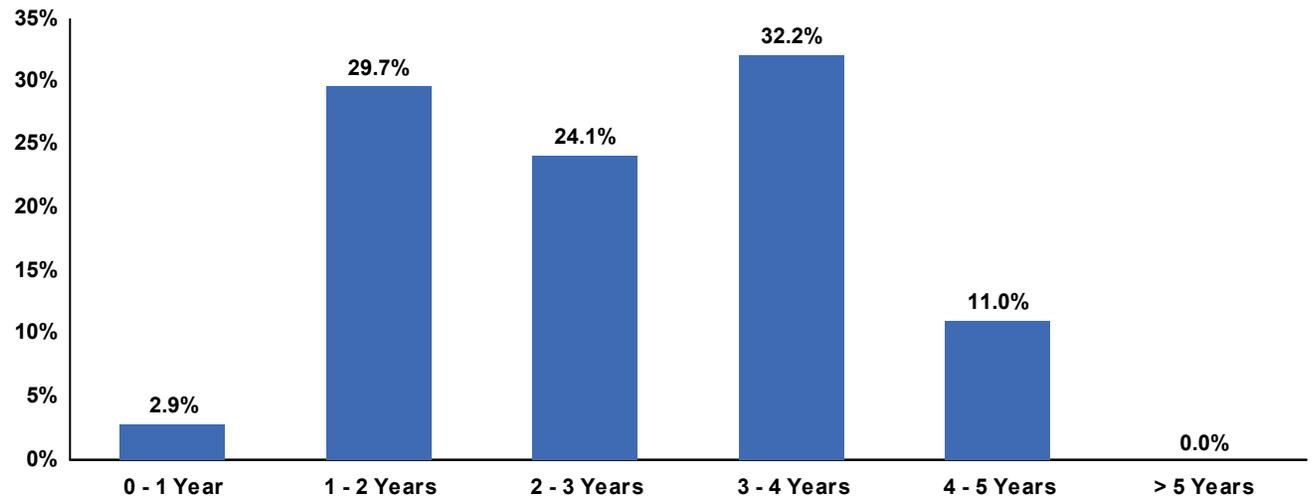
**Credit Quality (S&P Ratings)**



**Sector Allocation**



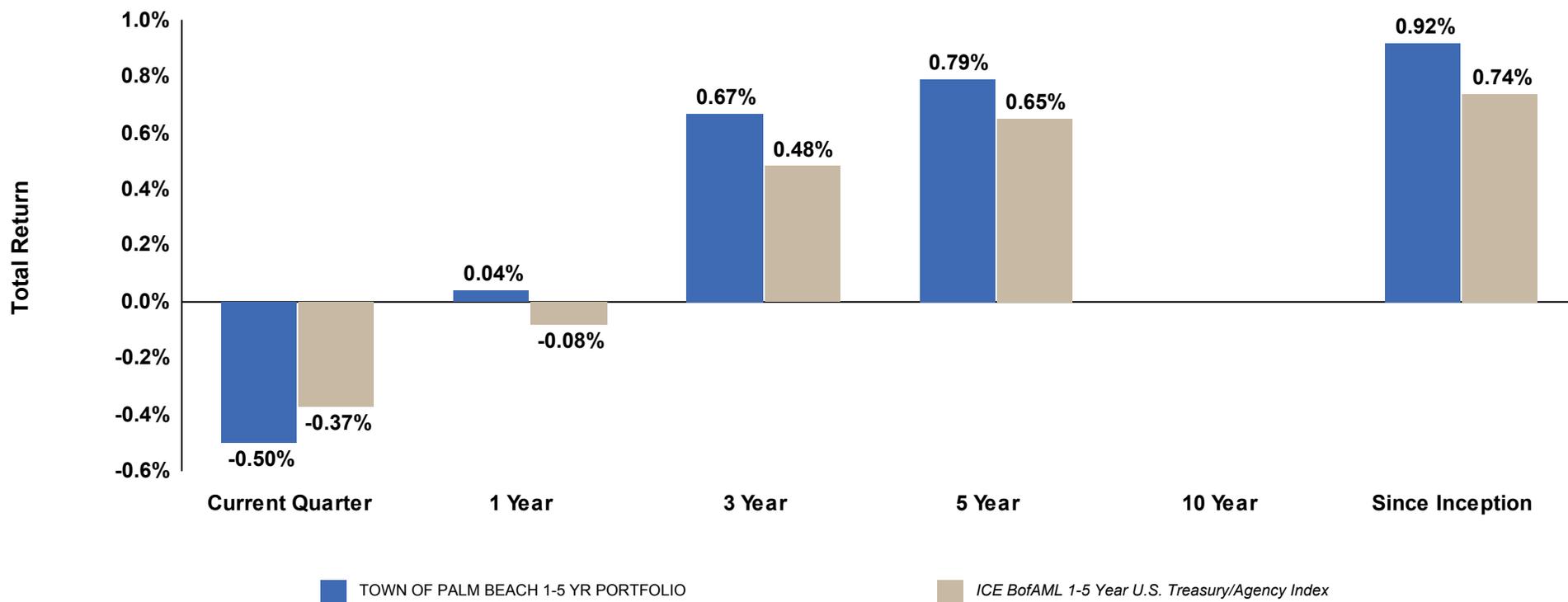
**Maturity Distribution**



\* 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)

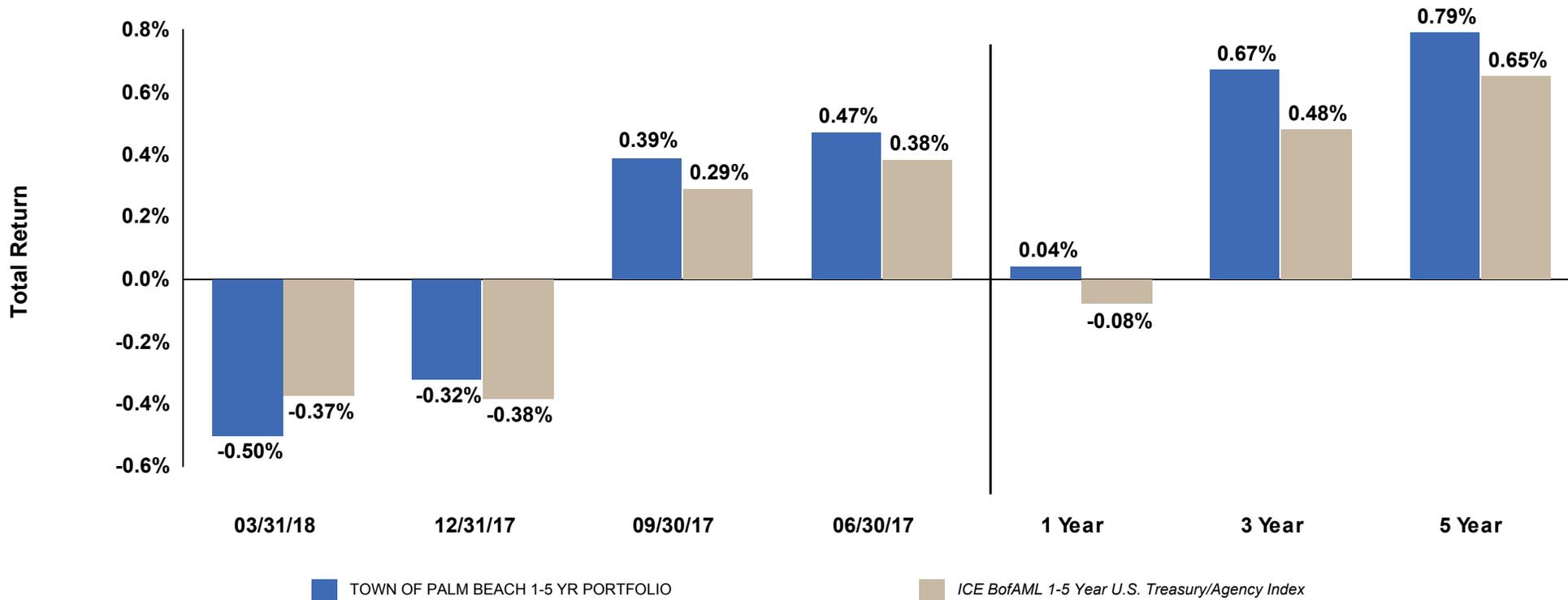
Portfolio/Benchmark	Effective Duration	Current Quarter	Annualized Return				Since Inception (09/30/11) **
			1 Year	3 Year	5 Year	10 Year	
TOWN OF PALM BEACH 1-5 YR PORTFOLIO	2.45	-0.50%	0.04%	0.67%	0.79%	-	0.92%
ICE BofAML 1-5 Year U.S. Treasury/Agency Index	2.56	-0.37%	-0.08%	0.48%	0.65%	-	0.74%
Difference		-0.13%	0.12%	0.19%	0.14%	-	0.18%



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

Portfolio Performance (Total Return)

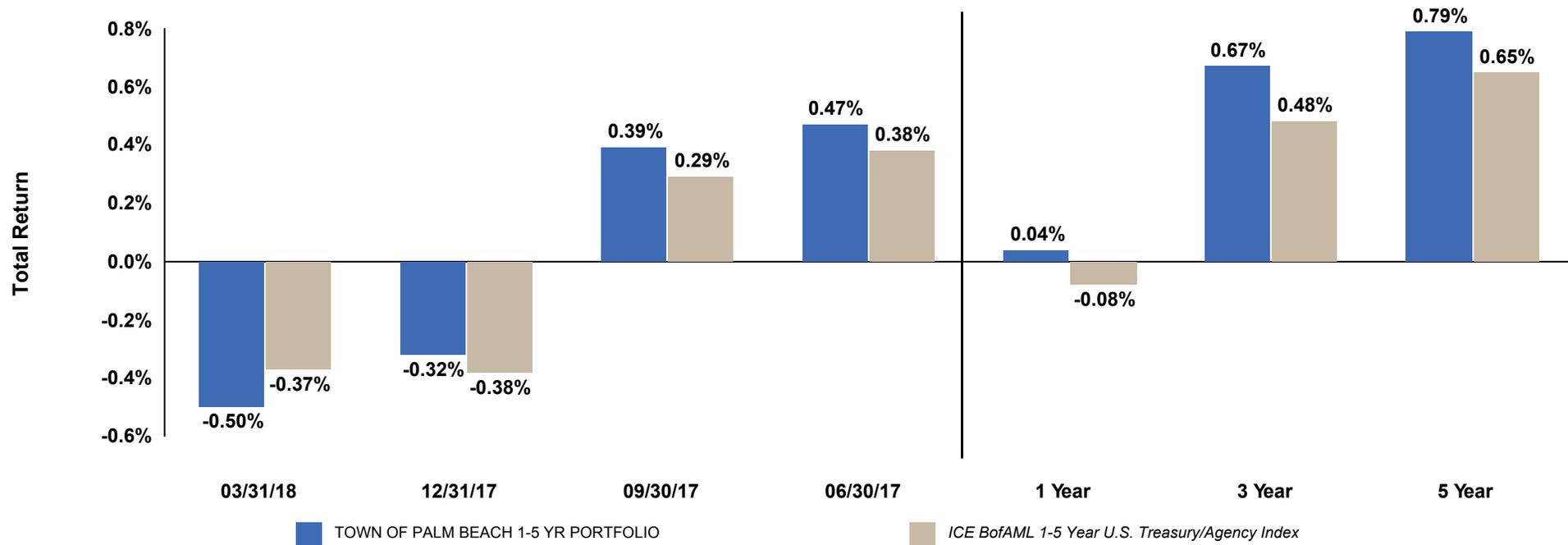
Portfolio/Benchmark	Effective Duration	Quarter Ended				1 Year	Annualized Return	
		03/31/18	12/31/17	09/30/17	06/30/17		3 Year	5 Year
TOWN OF PALM BEACH 1-5 YR PORTFOLIO	2.45	-0.50%	-0.32%	0.39%	0.47%	0.04%	0.67%	0.79%
ICE BofAML 1-5 Year U.S. Treasury/Agency Index	2.56	-0.37%	-0.38%	0.29%	0.38%	-0.08%	0.48%	0.65%
Difference		-0.13%	0.06%	0.10%	0.09%	0.12%	0.19%	0.14%



Portfolio performance is gross of fees unless otherwise indicated.

Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Quarter Ended				Annualized Return		
		03/31/18	12/31/17	09/30/17	06/30/17	1 Year	3 Year	5 Year
TOWN OF PALM BEACH 1-5 YR PORTFOLIO	2.45	-0.50%	-0.32%	0.39%	0.47%	0.04%	0.67%	0.79%
Net of Fees **	-	-0.52%	-0.34%	0.37%	0.45%	-0.02%	0.61%	0.73%
ICE BofAML 1-5 Year U.S. Treasury/Agency Index	2.56	-0.37%	-0.38%	0.29%	0.38%	-0.08%	0.48%	0.65%
Difference (Gross)		-0.13%	0.06%	0.10%	0.09%	0.12%	0.19%	0.14%
Difference (Net)		-0.15%	0.04%	0.08%	0.07%	0.06%	0.13%	0.08%



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

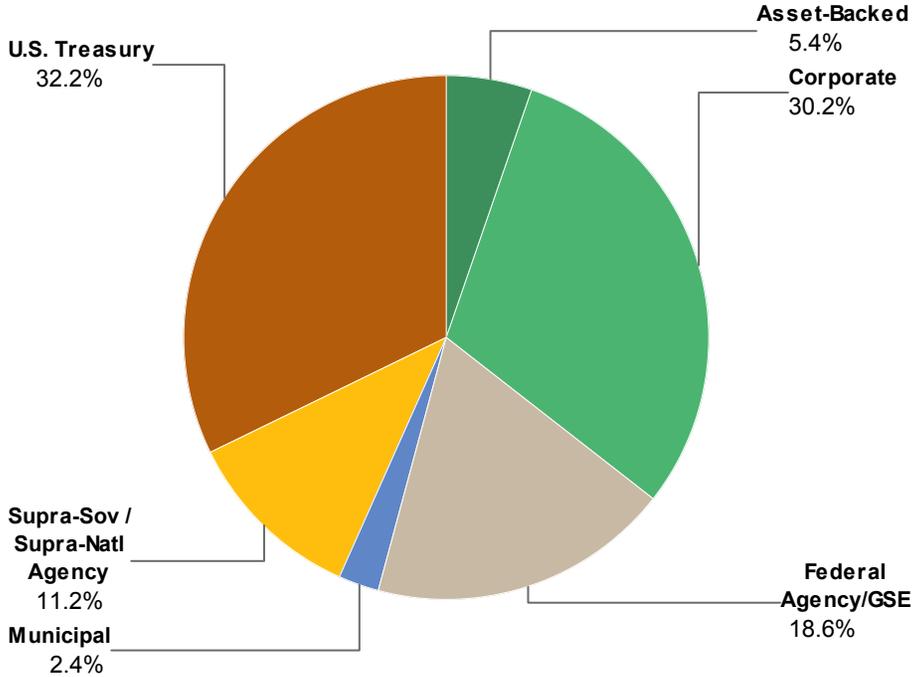
**Portfolio Earnings**  
**Quarter-Ended March 31, 2018**

	<u>Market Value Basis</u>	<u>Accrual (Amortized Cost) Basis</u>
<b>Beginning Value (12/31/2017)</b>	\$18,514,258.65	\$18,703,722.83
<b>Net Purchases/Sales</b>	\$111,339.23	\$111,339.23
<b>Change in Value</b>	(\$180,992.75)	(\$15,810.42)
<b>Ending Value (03/31/2018)</b>	\$18,444,605.13	\$18,799,251.64
<b>Interest Earned</b>	\$87,145.94	\$87,145.94
<b>Portfolio Earnings</b>	(\$93,846.81)	\$71,335.52

Sector Allocation

As of March 31, 2018

Sector	Market Value (\$)	% of Portfolio
U.S. Treasury	5,935,737	32.2%
Corporate	5,568,447	30.2%
Federal Agency/GSE	3,435,439	18.6%
Supra-Sov / Supra-Natl Agency	2,065,800	11.2%
Asset-Backed	995,726	5.4%
Municipal	443,456	2.4%
<b>Total</b>	<b>\$18,444,605</b>	<b>100.0%</b>

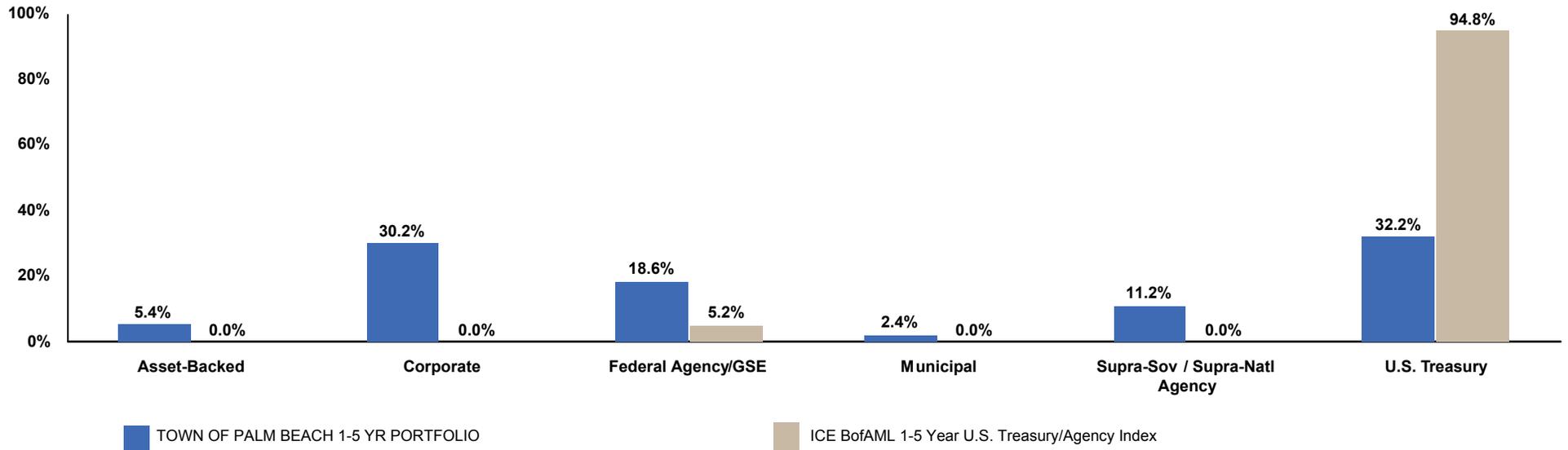


Detail may not add to total due to rounding.

**Sector Allocation**

*As of March 31, 2018*

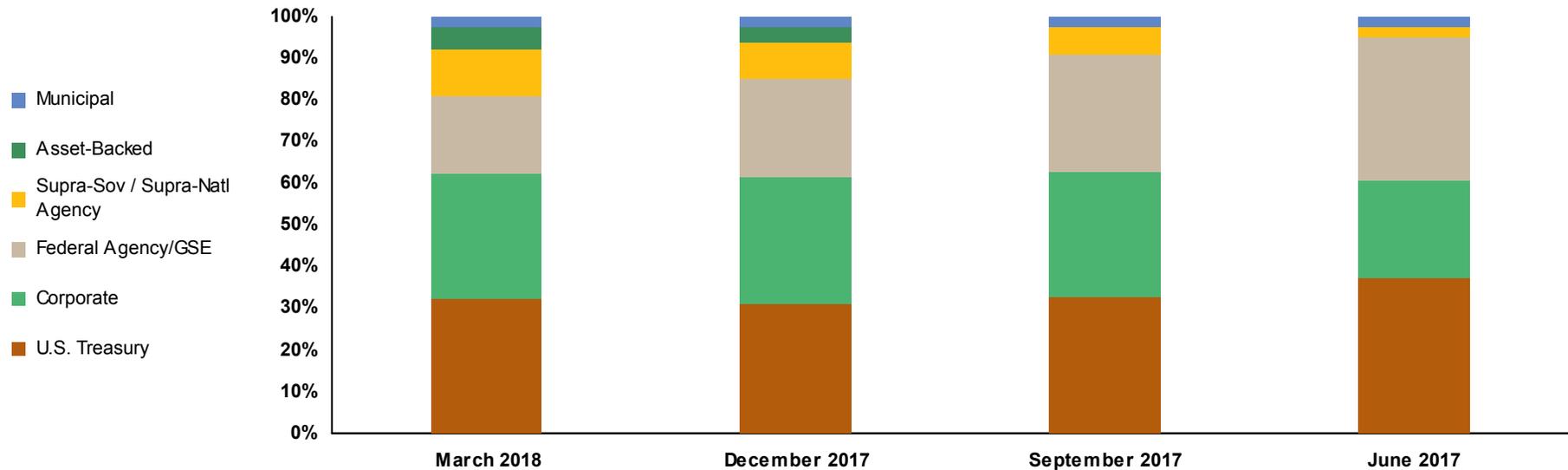
Sector	Market Value (\$)	% of Portfolio	% of Benchmark
U.S. Treasury	5,935,737	32.2%	94.8%
Corporate	5,568,447	30.2%	-
Federal Agency/GSE	3,435,439	18.6%	5.2%
Supra-Sov / Supra-Natl Agency	2,065,800	11.2%	-
Asset-Backed	995,726	5.4%	-
Municipal	443,456	2.4%	-
<b>Total</b>	<b>\$18,444,605</b>	<b>100.0%</b>	<b>100.0%</b>



Detail may not add to total due to rounding.

Sector Allocation

Sector	March 31, 2018		December 31, 2017		September 30, 2017		June 30, 2017	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
U.S. Treasury	5.9	32.2%	5.7	30.9%	6.1	32.8%	6.9	37.3%
Corporate	5.6	30.2%	5.6	30.5%	5.5	29.7%	4.3	23.3%
Federal Agency/GSE	3.4	18.6%	4.4	23.7%	5.2	28.2%	6.3	34.3%
Supra-Sov / Supra-Natl Agency	2.1	11.2%	1.6	8.8%	1.3	6.9%	0.5	2.7%
Asset-Backed	1.0	5.4%	0.7	3.7%	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%
<b>Total</b>	<b>\$18.4</b>	<b>100.0%</b>	<b>\$18.5</b>	<b>100.0%</b>	<b>\$18.5</b>	<b>100.0%</b>	<b>\$18.4</b>	<b>100.0%</b>

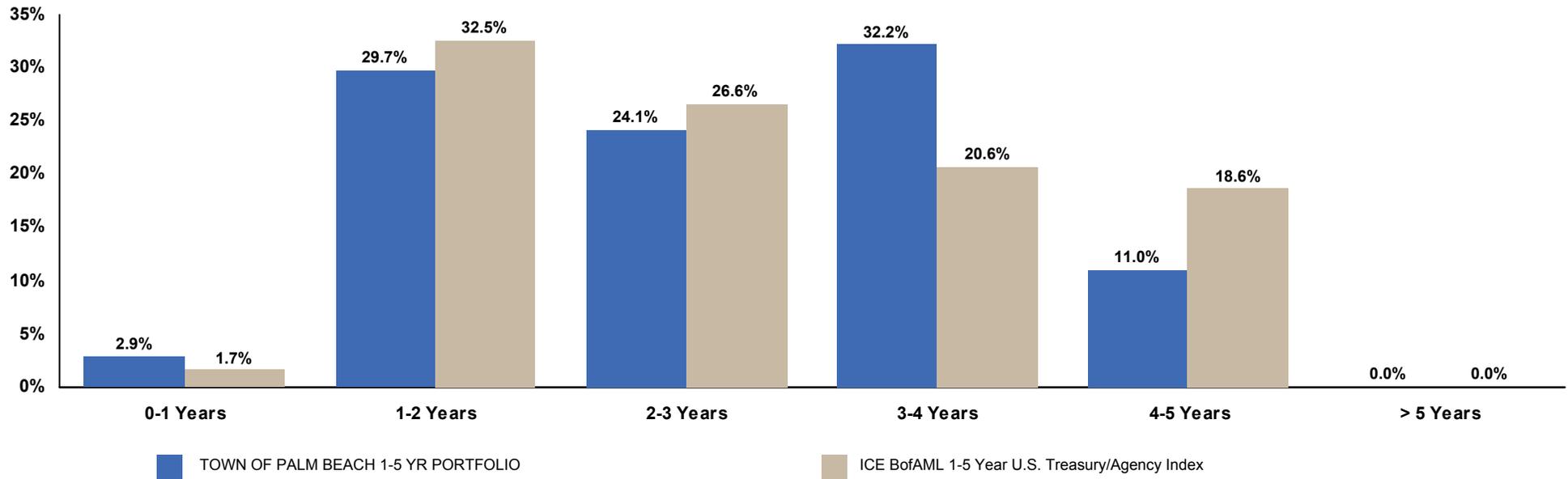


Detail may not add to total due to rounding.

**Maturity Distribution**

*As of March 31, 2018*

Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
TOWN OF PALM BEACH 1-5 YR PORTFOLIO	2.56%	2.65 yrs	2.9%	29.7%	24.1%	32.2%	11.0%	0.0%
ICE BofAML 1-5 Year U.S. Treasury/Agency Index	2.37%	2.75 yrs	1.7%	32.5%	26.6%	20.6%	18.6%	0.0%

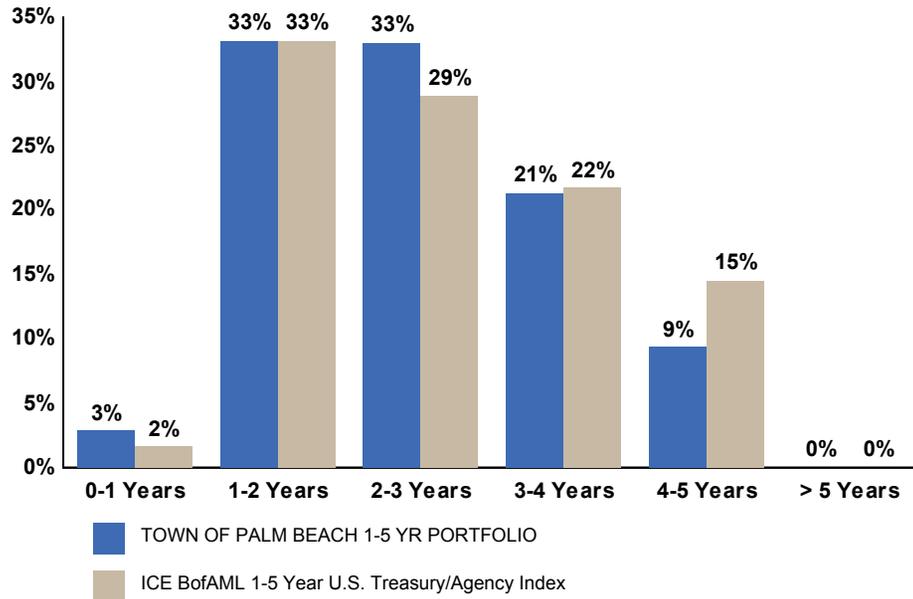


**Duration Distribution**

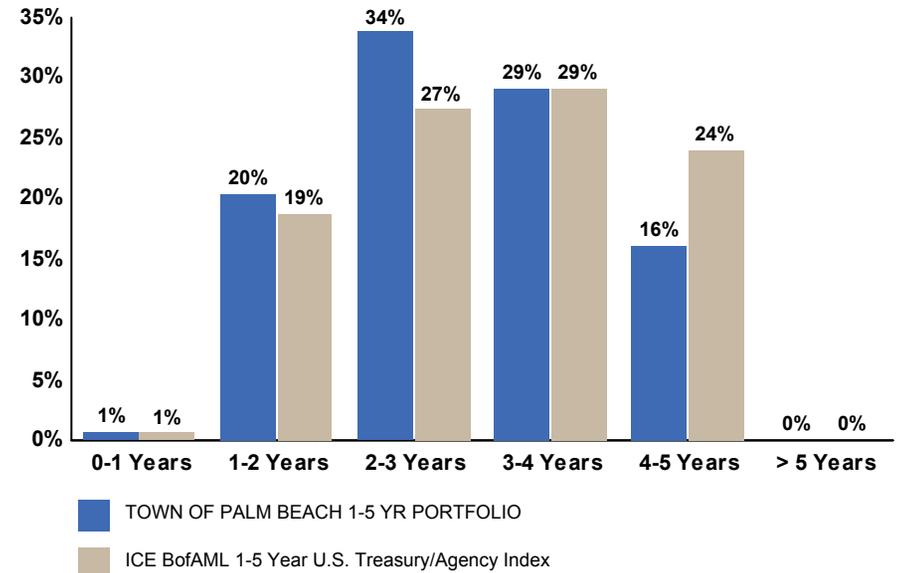
*As of March 31, 2018*

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	2.45	2.9%	33.2%	33.1%	21.4%	9.4%	0.0%
ICE BofAML 1-5 Year U.S. Treasury/Agency Index	2.56	1.7%	33.2%	28.9%	21.7%	14.5%	0.0%

**Distribution by Effective Duration**



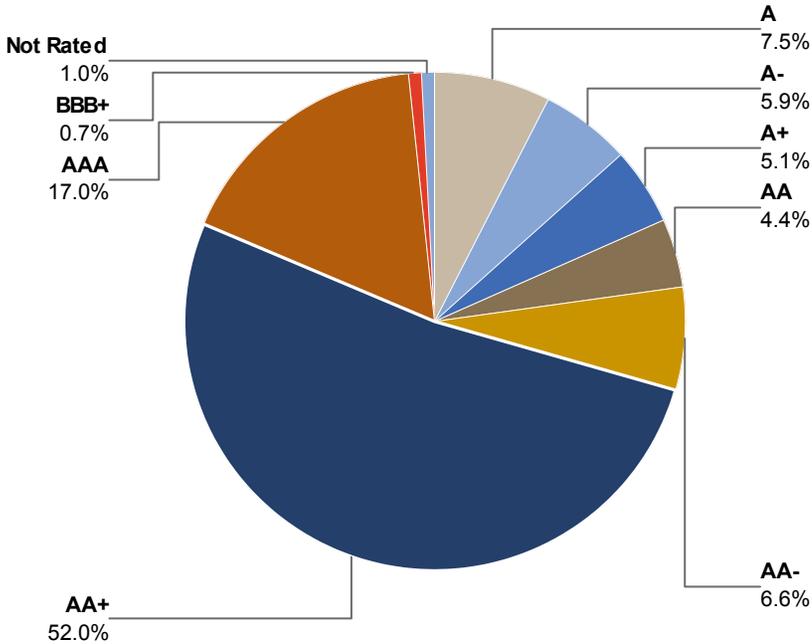
**Contribution to Portfolio Duration**



**Credit Quality**

**As of March 31, 2018**

S&P Rating	Market Value (\$)	% of Portfolio
AA+	\$9,585,266	52.0%
AAA	\$3,129,848	17.0%
A	\$1,384,384	7.5%
AA-	\$1,212,837	6.6%
A-	\$1,079,723	5.9%
A+	\$930,745	5.1%
AA	\$806,313	4.4%
Not Rated	\$178,313	1.0%
BBB+	\$137,177	0.7%
<b>Totals</b>	<b>\$18,444,605</b>	<b>100.0%</b>



Detail may not add to total due to rounding.

**Issuer Distribution**

**As of March 31, 2018**

Issuer	Market Value (\$)	% of Portfolio
UNITED STATES TREASURY	5,935,737	32.2%
FEDERAL HOME LOAN BANKS	1,767,348	9.6%
FANNIE MAE	1,668,091	9.0%
TOYOTA MOTOR CORP	901,446	4.9%
INTL BANK OF RECONSTRUCTION AND DEV	772,742	4.2%
WELLS FARGO & COMPANY	539,695	2.9%
ASIAN DEVELOPMENT BANK	486,380	2.6%
GENERAL ELECTRIC CO	468,032	2.5%
AFRICAN DEVELOPMENT BANK	449,699	2.4%
THE BANK OF NEW YORK MELLON CORPORATION	446,530	2.4%
CITY OF NEW YORK CITY, NY	443,456	2.4%
CISCO SYSTEMS INC	397,570	2.2%
INTER-AMERICAN DEVELOPMENT BANK	356,980	1.9%
JP MORGAN CHASE & CO	345,747	1.9%
HONDA AUTO RECEIVABLES	328,251	1.8%
WAL-MART STORES INC	313,763	1.7%
MICROSOFT CORP	246,634	1.3%
APPLE INC	214,090	1.2%

Top 5 = 59.9%

Top 10 = 72.9%

Issuer	Market Value (\$)	% of Portfolio
AMERICAN HONDA FINANCE	207,120	1.1%
IBM CORP	194,022	1.1%
DEERE & COMPANY	191,367	1.0%
FORD CREDIT AUTO OWNER TRUST	182,684	1.0%
CATERPILLAR INC	146,442	0.8%
UNITED PARCEL SERVICE INC	146,359	0.8%
ALLY AUTO RECEIVABLES TRUST	143,165	0.8%
MORGAN STANLEY	137,177	0.7%
PACCAR FINANCIAL CORP	135,424	0.7%
VISA INC	125,272	0.7%
THE WALT DISNEY CORPORATION	122,549	0.7%
PROCTER & GAMBLE CO	116,206	0.6%
AMERICAN EXPRESS CO	107,152	0.6%
BB&T CORPORATION	87,129	0.5%
HOME DEPOT INC	83,498	0.5%
NISSAN AUTO RECEIVABLES	79,901	0.4%
NEW YORK UNIVERSITY	59,339	0.3%
BERKSHIRE HATHAWAY INC	49,094	0.3%
STATE STREET CORPORATION	48,515	0.3%
<b>Grand Total:</b>	<b>18,444,605</b>	<b>100.0%</b>

## Sector/Issuer Distribution

As of March 31, 2018

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
<b>Asset-Backed</b>			
ALLY AUTO RECEIVABLES TRUST	143,165	14.4%	0.8%
FORD CREDIT AUTO OWNER TRUST	182,684	18.3%	1.0%
HONDA AUTO RECEIVABLES	328,251	33.0%	1.8%
NISSAN AUTO RECEIVABLES	79,901	8.0%	0.4%
TOYOTA MOTOR CORP	261,725	26.3%	1.4%
<b>Sector Total</b>	<b>995,726</b>	<b>100.0%</b>	<b>5.4%</b>
<b>Corporate</b>			
AMERICAN EXPRESS CO	107,152	1.9%	0.6%
AMERICAN HONDA FINANCE	207,120	3.7%	1.1%
APPLE INC	214,090	3.8%	1.2%
BB&T CORPORATION	87,129	1.6%	0.5%
BERKSHIRE HATHAWAY INC	49,094	0.9%	0.3%
CATERPILLAR INC	146,442	2.6%	0.8%
CISCO SYSTEMS INC	397,570	7.1%	2.2%
DEERE & COMPANY	191,367	3.4%	1.0%
GENERAL ELECTRIC CO	468,032	8.4%	2.5%
HOME DEPOT INC	83,498	1.5%	0.5%
IBM CORP	194,022	3.5%	1.1%
JP MORGAN CHASE & CO	345,747	6.2%	1.9%

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
MICROSOFT CORP	246,634	4.4%	1.3%
MORGAN STANLEY	137,177	2.5%	0.7%
NEW YORK UNIVERSITY	59,339	1.1%	0.3%
PACCAR FINANCIAL CORP	135,424	2.4%	0.7%
PROCTER & GAMBLE CO	116,206	2.1%	0.6%
STATE STREET CORPORATION	48,515	0.9%	0.3%
THE BANK OF NEW YORK MELLON CORPORATION	446,530	8.0%	2.4%
THE WALT DISNEY CORPORATION	122,549	2.2%	0.7%
TOYOTA MOTOR CORP	639,721	11.5%	3.5%
UNITED PARCEL SERVICE INC	146,359	2.6%	0.8%
VISA INC	125,272	2.2%	0.7%
WAL-MART STORES INC	313,763	5.6%	1.7%
WELLS FARGO & COMPANY	539,695	9.7%	2.9%
<b>Sector Total</b>	<b>5,568,447</b>	<b>100.0%</b>	<b>30.2%</b>
<b>Federal Agency/GSE</b>			
FANNIE MAE	1,668,091	48.6%	9.0%
FEDERAL HOME LOAN BANKS	1,767,348	51.4%	9.6%
<b>Sector Total</b>	<b>3,435,439</b>	<b>100.0%</b>	<b>18.6%</b>
<b>Municipal</b>			
CITY OF NEW YORK CITY, NY	443,456	100.0%	2.4%
<b>Sector Total</b>	<b>443,456</b>	<b>100.0%</b>	<b>2.4%</b>

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
<b>Supra-Sov / Supra-Natl Agency</b>			
AFRICAN DEVELOPMENT BANK	449,699	21.8%	2.4%
ASIAN DEVELOPMENT BANK	486,380	23.5%	2.6%
INTER-AMERICAN DEVELOPMENT BANK	356,980	17.3%	1.9%
INTL BANK OF RECONSTRUCTION AND DEV	772,742	37.4%	4.2%
<b>Sector Total</b>	<b>2,065,800</b>	<b>100.0%</b>	<b>11.2%</b>
<b>U.S. Treasury</b>			
UNITED STATES TREASURY	5,935,737	100.0%	32.2%
<b>Sector Total</b>	<b>5,935,737</b>	<b>100.0%</b>	<b>32.2%</b>
<b>Portfolio Total</b>	<b>18,444,605</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>									
1/2/18	1/4/18	500,000	9128282W9	US TREASURY N/B NOTES	1.87%	9/30/22	494,386.59	2.24%	
1/23/18	1/31/18	80,000	89238BAD4	TAOT 2018-A A3	2.35%	5/16/22	79,999.08	2.35%	
2/21/18	2/28/18	80,000	65478DAD9	NAROT 2018-A A3	2.65%	5/15/22	79,990.86	2.66%	
2/22/18	2/28/18	150,000	43814UAC3	HAROT 2018-1 A3	2.64%	2/15/22	149,980.61	2.65%	
3/14/18	3/22/18	450,000	00828ECZ0	AFRICAN DEVELOPMENT BANK NOTE	2.62%	3/22/21	449,536.50	2.66%	
<b>Total BUY</b>		<b>1,260,000</b>					<b>1,253,893.64</b>		
<b>INTEREST</b>									
1/1/18	1/1/18	60,000	650119AF7	NEW YORK UNIVERSITY CORPORATE NOTE	1.76%	7/1/19	530.10		
1/2/18	1/2/18	0	MONEY0002	MONEY MARKET FUND			41.77		
1/8/18	1/8/18	450,000	36962G4J0	GENERAL ELECTRIC CAP CORP NOTES	5.50%	1/8/20	12,375.00		
1/12/18	1/12/18	110,000	02665WBE0	AMERICAN HONDA FINANCE	1.20%	7/12/19	660.00		
1/15/18	1/15/18	185,000	34532AAD5	FORDO 2017-C A3	2.01%	3/15/22	309.88		
1/15/18	1/15/18	185,000	89238KAD4	TAOT 2017-D A3	1.93%	1/15/22	297.54		
1/15/18	1/15/18	145,000	02007YAC8	ALLYA 2017-5 A3	1.99%	3/15/22	240.46		
1/18/18	1/18/18	450,000	89236TBP9	TOYOTA MOTOR CREDIT CORP NOTES	2.12%	7/18/19	4,781.25		
1/20/18	1/20/18	200,000	44932HAB9	IBM CREDIT CORP NOTE	1.80%	1/20/21	1,320.00		
1/21/18	1/21/18	180,000	43813FAC7	HAROT 2017-4 A3	2.05%	11/21/21	307.50		
1/22/18	1/22/18	100,000	95000U2B8	WELLS FARGO & COMPANY CORP NOTE	2.62%	7/22/22	1,297.92		
1/23/18	1/23/18	350,000	46625HKA7	JPMORGAN CHASE & CO (CALLABLE)	2.25%	1/23/20	3,937.50		
1/30/18	1/30/18	450,000	94974BGF1	WELLS FARGO & CO CORP BONDS	2.15%	1/30/20	4,837.50		
1/31/18	1/31/18	250,000	912828V72	US TREASURY NOTES	1.87%	1/31/22	2,343.75		
1/31/18	1/31/18	490,000	912828WY2	US TREASURY N/B	2.25%	7/31/21	5,512.50		
1/31/18	1/31/18	600,000	912828VP2	US TREASURY NOTES	2.00%	7/31/20	6,000.00		

## 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)
1/31/18	1/31/18	300,000	912828VP2	US TREASURY NOTES	2.00%	7/31/20	3,000.00		
1/31/18	1/31/18	620,000	912828VP2	US TREASURY NOTES	2.00%	7/31/20	6,200.00		
2/1/18	2/1/18	0	MONEY0002	MONEY MARKET FUND			59.46		
2/5/18	2/5/18	550,000	3130A8Y72	FHLB GLOBAL NOTE	0.87%	8/5/19	2,406.25		
2/5/18	2/5/18	600,000	3130A8Y72	FHLB GLOBAL NOTE	0.87%	8/5/19	2,625.00		
2/6/18	2/6/18	120,000	594918BV5	MICROSOFT CORP NOTES	1.85%	2/6/20	1,110.00		
2/8/18	2/8/18	130,000	594918BN3	MICROSOFT CORP NOTES	1.10%	8/8/19	715.00		
2/9/18	2/9/18	220,000	037833AY6	APPLE INC CORP NOTES	2.15%	2/9/22	2,365.00		
2/10/18	2/10/18	140,000	69371RN77	PACCAR FINANCIAL CORP	2.30%	8/10/22	1,610.00		
2/11/18	2/11/18	120,000	742718EU9	PROCTER & GAMBLE CO/THE CORP NOTES	2.15%	8/11/22	1,290.00		
2/15/18	2/15/18	50,000	084664CK5	BERKSHIRE HATHAWAY INC CORPORATE NOTES	1.30%	8/15/19	325.00		
2/15/18	2/15/18	145,000	02007YAC8	ALLYA 2017-5 A3	1.99%	3/15/22	240.46		
2/15/18	2/15/18	185,000	34532AAD5	FORDO 2017-C A3	2.01%	3/15/22	309.88		
2/15/18	2/15/18	185,000	89238KAD4	TAOT 2017-D A3	1.93%	1/15/22	297.54		
2/17/18	2/17/18	310,000	3135G0N82	FNMA NOTES	1.25%	8/17/21	1,937.50		
2/17/18	2/17/18	90,000	3135G0N82	FNMA NOTES	1.25%	8/17/21	562.50		
2/21/18	2/21/18	180,000	43813FAC7	HAROT 2017-4 A3	2.05%	11/21/21	307.50		
2/22/18	2/22/18	100,000	02665WBA8	AMERICAN HONDA FINANCE CORP NOTES	1.70%	2/22/19	850.00		
2/28/18	2/28/18	520,000	3135G0P49	FNMA NOTES	1.00%	8/28/19	2,600.00		
2/28/18	2/28/18	725,000	912828D72	US TREASURY NOTES	2.00%	8/31/21	7,250.00		
2/28/18	2/28/18	400,000	912828L24	US TREASURY N/B NOTES	1.87%	8/31/22	3,750.00		
2/28/18	2/28/18	320,000	3135G0T29	FNMA NOTES	1.50%	2/28/20	2,400.00		
2/28/18	2/28/18	235,000	912828UQ1	US TREASURY NOTES	1.25%	2/29/20	1,468.75		
3/1/18	3/1/18	0	MONEY0002	MONEY MARKET FUND			30.91		
3/4/18	3/4/18	125,000	25468PDQ6	WALT DISNEY COMPANY CORP NOTES	2.45%	3/4/22	1,531.25		
3/4/18	3/4/18	250,000	459058GA5	INTL BANK OF RECON AND DEV GLOBAL NOTES	1.62%	9/4/20	2,087.50		
3/4/18	3/4/18	150,000	14913Q2A6	CATERPILLAR FINL SERVICE NOTE	1.85%	9/4/20	1,364.38		
3/8/18	3/8/18	200,000	24422ETV1	JOHN DEERE CAPITAL CORP NOTE	2.15%	9/8/22	2,150.00		
3/8/18	3/8/18	200,000	89236TEC5	TOYOTA MOTOR CREDIT CORP	2.15%	9/8/22	2,150.00		
3/11/18	3/11/18	450,000	06406HCW7	BANK OF NEW YORK MELLON NT (CALLABLE)	2.30%	9/11/19	5,175.00		

## 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)
3/12/18	3/12/18	300,000	45905UP32	INTL BANK OF RECONSTRUCTION AND DEV NOTE	1.56%	9/12/20	2,250.44		
3/15/18	3/15/18	185,000	34532AAD5	FORDO 2017-C A3	2.01%	3/15/22	309.88		
3/15/18	3/15/18	80,000	65478DAD9	NAROT 2018-A A3	2.65%	5/15/22	100.12		
3/15/18	3/15/18	130,000	92826CAG7	VISA INC (CALLABLE) NOTE	2.15%	9/15/22	1,428.56		
3/15/18	3/15/18	145,000	02007YAC8	ALLYA 2017-5 A3	1.99%	3/15/22	240.46		
3/15/18	3/15/18	150,000	43814UAC3	HAROT 2018-1 A3	2.64%	2/15/22	165.00		
3/15/18	3/15/18	185,000	89238KAD4	TAOT 2017-D A3	1.93%	1/15/22	297.54		
3/15/18	3/15/18	80,000	89238BAD4	TAOT 2018-A A3	2.35%	5/16/22	235.00		
3/21/18	3/21/18	180,000	43813FAC7	HAROT 2017-4 A3	2.05%	11/21/21	307.50		
3/31/18	3/31/18	215,000	912828C57	US TREASURY NOTES	2.25%	3/31/21	2,418.75		
3/31/18	3/31/18	260,000	912828Q37	US TREASURY NOTES	1.25%	3/31/21	1,625.00		
3/31/18	3/31/18	149,000	912828J84	US TREASURY NOTES	1.37%	3/31/20	1,024.38		
3/31/18	3/31/18	500,000	9128282W9	US TREASURY N/B NOTES	1.87%	9/30/22	4,687.50		
<b>Total INTEREST</b>		<b>14,384,000</b>					<b>118,051.68</b>		
<b>SELL</b>									
1/2/18	1/4/18	500,000	3130A8PK3	FHLB NOTES	0.62%	8/7/18	498,096.04	1.71%	(2,641.69)
2/28/18	2/28/18	200,000	912828UQ1	US TREASURY NOTES	1.25%	2/29/20	195,984.38	2.28%	(3,183.33)
3/15/18	3/22/18	450,000	3130A9AE1	FHLB GLOBAL NOTES	0.87%	10/1/18	449,147.81	2.04%	(2,645.19)
<b>Total SELL</b>		<b>1,150,000</b>					<b>1,143,228.23</b>		<b>-8,470.21</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	1/1/18	1/1/18	60,000.00	650119AF7	NEW YORK UNIVERSITY CORPORATE NOTE	1.76%	7/1/19	530.10		
INTEREST	1/2/18	1/2/18	0.00	MONEY0002	MONEY MARKET FUND			41.77		
BUY	1/2/18	1/4/18	500,000.00	9128282W9	US TREASURY N/B NOTES	1.87%	9/30/22	(494,386.59)	2.24%	
SELL	1/2/18	1/4/18	500,000.00	3130A8PK3	FHLB NOTES	0.62%	8/7/18	498,096.04	1.71%	(2,641.69)
INTEREST	1/8/18	1/8/18	450,000.00	36962G4J0	GENERAL ELECTRIC CAP CORP NOTES	5.50%	1/8/20	12,375.00		
INTEREST	1/12/18	1/12/18	110,000.00	02665WBE0	AMERICAN HONDA FINANCE	1.20%	7/12/19	660.00		
INTEREST	1/15/18	1/15/18	185,000.00	34532AAD5	FORDO 2017-C A3	2.01%	3/15/22	309.88		
INTEREST	1/15/18	1/15/18	185,000.00	89238KAD4	TAOT 2017-D A3	1.93%	1/15/22	297.54		
INTEREST	1/15/18	1/15/18	145,000.00	02007YAC8	ALLYA 2017-5 A3	1.99%	3/15/22	240.46		
INTEREST	1/18/18	1/18/18	450,000.00	89236TBP9	TOYOTA MOTOR CREDIT CORP NOTES	2.12%	7/18/19	4,781.25		
INTEREST	1/20/18	1/20/18	200,000.00	44932HAB9	IBM CREDIT CORP NOTE	1.80%	1/20/21	1,320.00		
INTEREST	1/21/18	1/21/18	180,000.00	43813FAC7	HAROT 2017-4 A3	2.05%	11/21/21	307.50		
INTEREST	1/22/18	1/22/18	100,000.00	95000U2B8	WELLS FARGO & COMPANY CORP NOTE	2.62%	7/22/22	1,297.92		
INTEREST	1/23/18	1/23/18	350,000.00	46625HKA7	JPMORGAN CHASE & CO (CALLABLE)	2.25%	1/23/20	3,937.50		
BUY	1/23/18	1/31/18	80,000.00	89238BAD4	TAOT 2018-A A3	2.35%	5/16/22	(79,999.08)	2.35%	
INTEREST	1/30/18	1/30/18	450,000.00	94974BGF1	WELLS FARGO & CO CORP BONDS	2.15%	1/30/20	4,837.50		
INTEREST	1/31/18	1/31/18	250,000.00	912828V72	US TREASURY NOTES	1.87%	1/31/22	2,343.75		
INTEREST	1/31/18	1/31/18	490,000.00	912828WY2	US TREASURY N/B	2.25%	7/31/21	5,512.50		
INTEREST	1/31/18	1/31/18	600,000.00	912828VP2	US TREASURY NOTES	2.00%	7/31/20	6,000.00		
INTEREST	1/31/18	1/31/18	300,000.00	912828VP2	US TREASURY NOTES	2.00%	7/31/20	3,000.00		

## TOWN OF PALM BEACH 1-5 YR PORTFOLIO

Portfolio Activity

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
INTEREST	1/31/18	1/31/18	620,000.00	912828VP2	US TREASURY NOTES	2.00%	7/31/20	6,200.00		
INTEREST	2/1/18	2/1/18	0.00	MONEY0002	MONEY MARKET FUND			59.46		
INTEREST	2/5/18	2/5/18	550,000.00	3130A8Y72	FHLB GLOBAL NOTE	0.87%	8/5/19	2,406.25		
INTEREST	2/5/18	2/5/18	600,000.00	3130A8Y72	FHLB GLOBAL NOTE	0.87%	8/5/19	2,625.00		
INTEREST	2/6/18	2/6/18	120,000.00	594918BV5	MICROSOFT CORP NOTES	1.85%	2/6/20	1,110.00		
INTEREST	2/8/18	2/8/18	130,000.00	594918BN3	MICROSOFT CORP NOTES	1.10%	8/8/19	715.00		
INTEREST	2/9/18	2/9/18	220,000.00	037833AY6	APPLE INC CORP NOTES	2.15%	2/9/22	2,365.00		
INTEREST	2/10/18	2/10/18	140,000.00	69371RN77	PACCAR FINANCIAL CORP	2.30%	8/10/22	1,610.00		
INTEREST	2/11/18	2/11/18	120,000.00	742718EU9	PROCTER & GAMBLE CO/THE CORP NOTES	2.15%	8/11/22	1,290.00		
INTEREST	2/15/18	2/15/18	50,000.00	084664CK5	BERKSHIRE HATHAWAY INC CORPORATE NOTES	1.30%	8/15/19	325.00		
INTEREST	2/15/18	2/15/18	145,000.00	02007YAC8	ALLYA 2017-5 A3	1.99%	3/15/22	240.46		
INTEREST	2/15/18	2/15/18	185,000.00	34532AAD5	FORDO 2017-C A3	2.01%	3/15/22	309.88		
INTEREST	2/15/18	2/15/18	185,000.00	89238KAD4	TAOT 2017-D A3	1.93%	1/15/22	297.54		
INTEREST	2/17/18	2/17/18	310,000.00	3135G0N82	FNMA NOTES	1.25%	8/17/21	1,937.50		
INTEREST	2/17/18	2/17/18	90,000.00	3135G0N82	FNMA NOTES	1.25%	8/17/21	562.50		
INTEREST	2/21/18	2/21/18	180,000.00	43813FAC7	HAROT 2017-4 A3	2.05%	11/21/21	307.50		
BUY	2/21/18	2/28/18	80,000.00	65478DAD9	NAROT 2018-A A3	2.65%	5/15/22	(79,990.86)	2.66%	
INTEREST	2/22/18	2/22/18	100,000.00	02665WBA8	AMERICAN HONDA FINANCE CORP NOTES	1.70%	2/22/19	850.00		
BUY	2/22/18	2/28/18	150,000.00	43814UAC3	HAROT 2018-1 A3	2.64%	2/15/22	(149,980.61)	2.65%	
INTEREST	2/28/18	2/28/18	520,000.00	3135G0P49	FNMA NOTES	1.00%	8/28/19	2,600.00		
INTEREST	2/28/18	2/28/18	725,000.00	912828D72	US TREASURY NOTES	2.00%	8/31/21	7,250.00		
INTEREST	2/28/18	2/28/18	400,000.00	912828L24	US TREASURY N/B NOTES	1.87%	8/31/22	3,750.00		

## TOWN OF PALM BEACH 1-5 YR PORTFOLIO

Portfolio Activity

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
INTEREST	2/28/18	2/28/18	320,000.00	3135G0T29	FNMA NOTES	1.50%	2/28/20	2,400.00		
INTEREST	2/28/18	2/28/18	235,000.00	912828UQ1	US TREASURY NOTES	1.25%	2/29/20	1,468.75		
SELL	2/28/18	2/28/18	200,000.00	912828UQ1	US TREASURY NOTES	1.25%	2/29/20	195,984.38	2.28%	(3,183.33)
INTEREST	3/1/18	3/1/18	0.00	MONEY0002	MONEY MARKET FUND			30.91		
INTEREST	3/4/18	3/4/18	125,000.00	25468PDQ6	WALT DISNEY COMPANY CORP NOTES	2.45%	3/4/22	1,531.25		
INTEREST	3/4/18	3/4/18	250,000.00	459058GA5	INTL BANK OF RECON AND DEV GLOBAL NOTES	1.62%	9/4/20	2,087.50		
INTEREST	3/4/18	3/4/18	150,000.00	14913Q2A6	CATERPILLAR FINL SERVICE NOTE	1.85%	9/4/20	1,364.38		
INTEREST	3/8/18	3/8/18	200,000.00	24422ETV1	JOHN DEERE CAPITAL CORP NOTE	2.15%	9/8/22	2,150.00		
INTEREST	3/8/18	3/8/18	200,000.00	89236TEC5	TOYOTA MOTOR CREDIT CORP	2.15%	9/8/22	2,150.00		
INTEREST	3/11/18	3/11/18	450,000.00	06406HCW7	BANK OF NEW YORK MELLON NT (CALLABLE)	2.30%	9/11/19	5,175.00		
INTEREST	3/12/18	3/12/18	300,000.00	45905UP32	INTL BANK OF RECONSTRUCTION AND DEV NOTE	1.56%	9/12/20	2,250.44		
BUY	3/14/18	3/22/18	450,000.00	00828ECZ0	AFRICAN DEVELOPMENT BANK NOTE	2.62%	3/22/21	(449,536.50)	2.66%	
INTEREST	3/15/18	3/15/18	185,000.00	34532AAD5	FORDO 2017-C A3	2.01%	3/15/22	309.88		
INTEREST	3/15/18	3/15/18	80,000.00	65478DAD9	NAROT 2018-A A3	2.65%	5/15/22	100.12		
INTEREST	3/15/18	3/15/18	130,000.00	92826CAG7	VISA INC (CALLABLE) NOTE	2.15%	9/15/22	1,428.56		
INTEREST	3/15/18	3/15/18	145,000.00	02007YAC8	ALLYA 2017-5 A3	1.99%	3/15/22	240.46		
INTEREST	3/15/18	3/15/18	150,000.00	43814UAC3	HAROT 2018-1 A3	2.64%	2/15/22	165.00		
INTEREST	3/15/18	3/15/18	185,000.00	89238KAD4	TAOT 2017-D A3	1.93%	1/15/22	297.54		
INTEREST	3/15/18	3/15/18	80,000.00	89238BAD4	TAOT 2018-A A3	2.35%	5/16/22	235.00		
SELL	3/15/18	3/22/18	450,000.00	3130A9AE1	FHLB GLOBAL NOTES	0.87%	10/1/18	449,147.81	2.04%	(2,645.19)
INTEREST	3/21/18	3/21/18	180,000.00	43813FAC7	HAROT 2017-4 A3	2.05%	11/21/21	307.50		
INTEREST	3/31/18	3/31/18	215,000.00	912828C57	US TREASURY NOTES	2.25%	3/31/21	2,418.75		

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	3/31/18	3/31/18	260,000.00	912828Q37	US TREASURY NOTES	1.25%	3/31/21	1,625.00		
INTEREST	3/31/18	3/31/18	149,000.00	912828J84	US TREASURY NOTES	1.37%	3/31/20	1,024.38		
INTEREST	3/31/18	3/31/18	500,000.00	9128282W9	US TREASURY N/B NOTES	1.87%	9/30/22	4,687.50		
<b>TOTALS</b>								<b>7,386.27</b>		<b>(8,470.21)</b>

## Short Term and Bond Proceed Portfolios Statistics

<u>Account Name</u>	<u>Amortized Cost<sup>1,2,3</sup></u>	<u>Amortized Cost<sup>1,2,3</sup></u>	<u>Market Value<sup>1,2,3</sup></u>	<u>Market Value<sup>1,2,3</sup></u>	<u>Duration (Years)<sup>4</sup></u>
	<u>March 31, 2018</u>	<u>December 31, 2017</u>	<u>March 31, 2018</u>	<u>December 31, 2017</u>	<u>March 31, 2018</u>
Short Term Portfolio - 4245	\$2,968,421	\$2,991,669	\$2,965,103	\$2,991,669	0.47
2013 Bond Fund - 4265	0	\$0	0	\$0	0.00
LGIP - FEITF Excess Funds - 174	17,756,716	\$21,651,203	17,756,716	\$21,651,203	28 Days
LGIP -FEITF 2013 Bond Fund - 357	2,596,230	\$95,789	2,596,230	\$95,789	28 Days
Money Market Account - Bank United 1280 - Short Term	859,169	\$0	859,169	\$0	0.003
Money Market Fund - Goldman Sachs Financial Squares Government Fund (TD Bank) - Short Term	73,212	\$94,939	73,212	\$94,939	0.003
Money Market Fund - Goldman Sachs Financial Squares Government Fund (TD Bank) - 2013 Bond Fund	0	\$39,030	0	\$39,030	0.003
<b>Total</b>	<b>\$24,253,747.31</b>	<b>\$24,872,630.82</b>	<b>\$24,250,429.31</b>	<b>\$24,872,630.82</b>	

<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)<sup>4</sup></u>
	<u>at Cost<sup>5,6</sup></u>	<u>at Cost<sup>5,6</sup></u>	<u>at Market<sup>5,6</sup></u>	<u>at Market<sup>5,6</sup></u>	<u>December 31, 2017</u>
	<u>March 31, 2018</u>	<u>December 31, 2017</u>	<u>March 31, 2018</u>	<u>December 31, 2017</u>	
Short Term Portfolio - 4245	2.23%	1.48%	2.45%	1.64%	0.17
2013 Bond Fund - 4265	0.00%	0.00%	0.00%	0.00%	0.00
LGIP - FEITF Excess Funds - 174 <sup>6</sup>	1.71%	1.35%	1.71%	1.35%	63 Days
LGIP - FEITF 2013 Bond Fund - 3576	1.71%	1.35%	1.71%	1.35%	63 Days
Money Market Account - Bank United 1280 - Short Term	0.08%	0.08%	0.08%	0.08%	0.003
Money Market Fund - Goldman Sachs Financial Squares Government Fund (TD Bank) - Short Term	1.75%	1.19%	1.75%	1.19%	0.003
Money Market Fund - Goldman Sachs Financial Squares Government Fund (TD Bank) - 2013 Bond Fund	1.75%	1.19%	1.75%	1.19%	0.003
<b>Weighted Average Yield</b>	<b>1.72%</b>	<b>1.36%</b>	<b>1.74%</b>	<b>1.38%</b>	

Benchmarks

	<u>March 31, 2018</u>	<u>December 31, 2017</u>
S&P GIP All 30 Day Index <sup>7</sup>	1.68%	1.34%

## Notes:

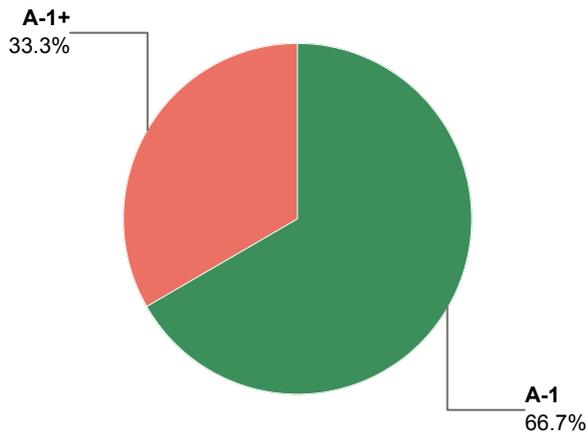
- End of quarter trade-date market values of portfolio holdings, including accrued interest.
- In order to comply with GASB accrual accounting reporting requirements; forward settling trades are included in the monthly balances.
- Includes any money market fund/cash balances held in custodian account.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

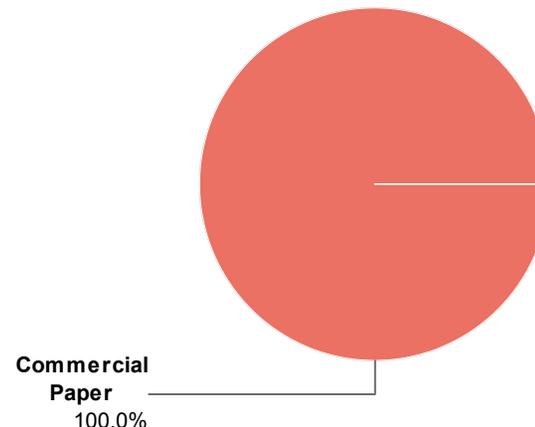
As of March 31, 2018

<b>Par Value:</b>	\$3,000,000
<b>Total Market Value:</b>	\$3,046,697
<b>Security Market Value:</b>	\$2,965,103
<b>Accrued Interest:</b>	-
<b>Cash:</b>	\$81,594
<b>Amortized Cost:</b>	\$2,968,421
<b>Yield at Market:</b>	2.45%
<b>Yield at Cost:</b>	2.23%
<b>Effective Duration:</b>	0.47 Years
<b>Duration to Worst:</b>	0.47 Years
<b>Average Maturity:</b>	0.47 Years
<b>Average Credit: *</b>	A
<b>Benchmark Eff. Yield:</b>	1.61%

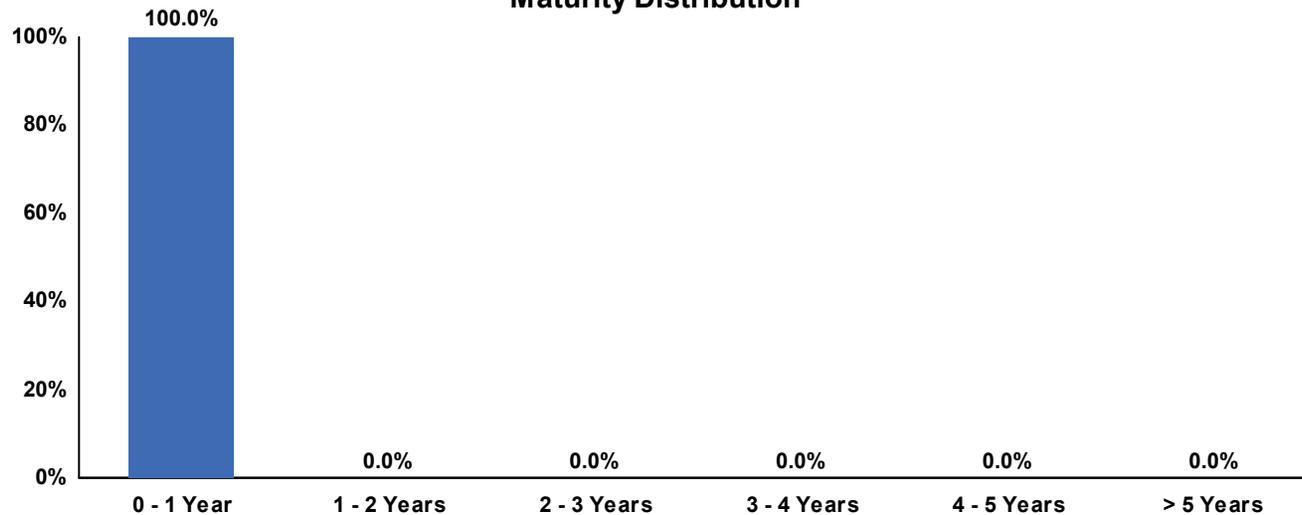
**Credit Quality (S&P Ratings)**



**Sector Allocation**



**Maturity Distribution**



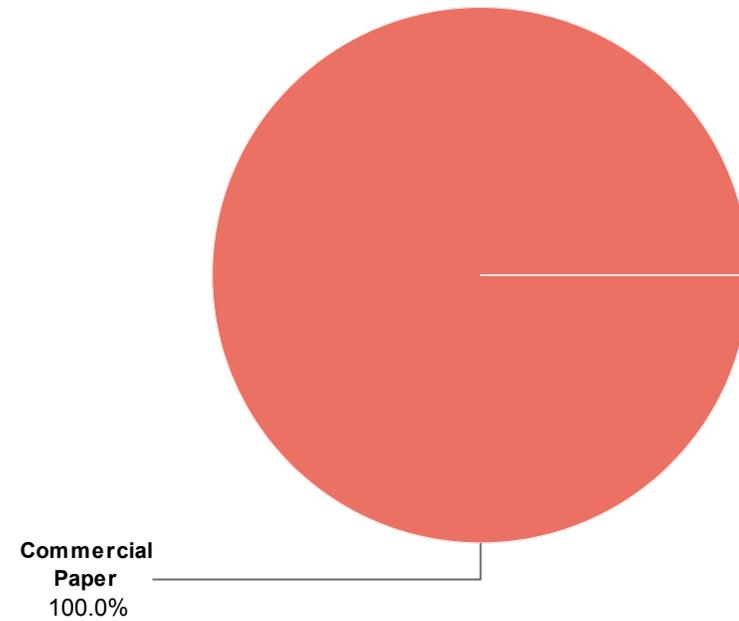
\* An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

**Portfolio Earnings****Quarter-Ended March 31, 2018**

	<b>Market Value Basis</b>	<b>Accrual (Amortized Cost) Basis</b>
<b>Beginning Value (12/31/2017)</b>	\$2,991,669.00	\$2,992,700.00
<b>Net Purchases/Sales</b>	(\$36,360.28)	(\$36,360.28)
<b>Change in Value</b>	\$9,793.78	\$12,081.11
<b>Ending Value (03/31/2018)</b>	\$2,965,102.50	\$2,968,420.83
<b>Interest Earned</b>	\$114.35	\$114.35
<b>Portfolio Earnings</b>	\$9,908.13	\$12,195.46

**Sector Allocation**  
As of March 31, 2018

Sector	Market Value (\$)	% of Portfolio
Commercial Paper	2,965,103	100.0%
<b>Total</b>	<b>\$2,965,103</b>	<b>100.0%</b>

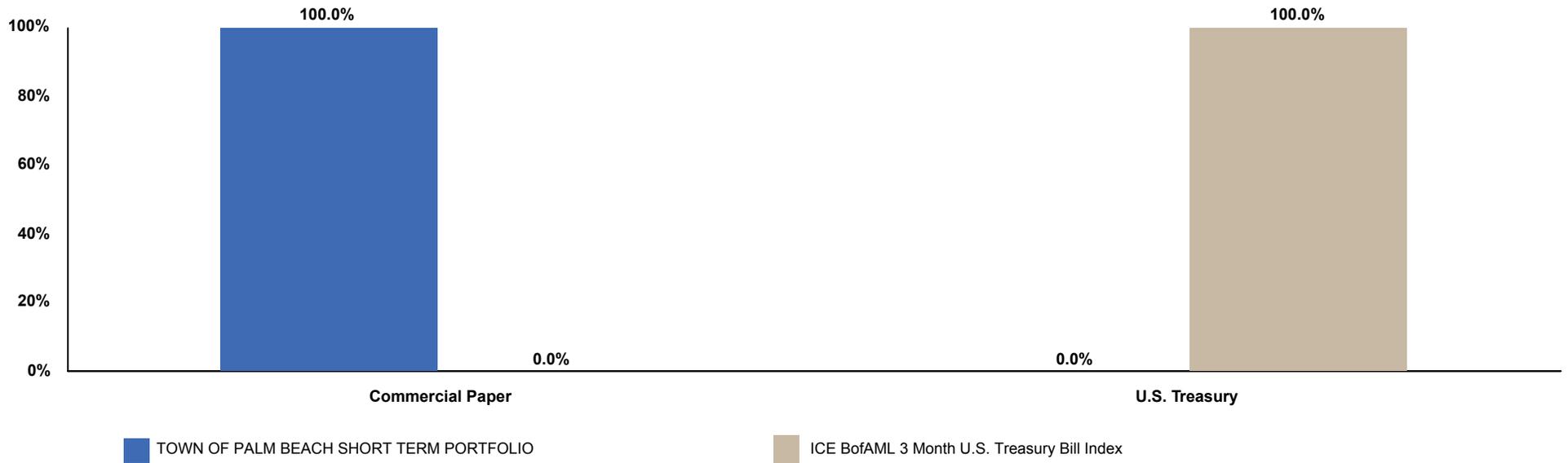


Detail may not add to total due to rounding.

**Sector Allocation**

*As of March 31, 2018*

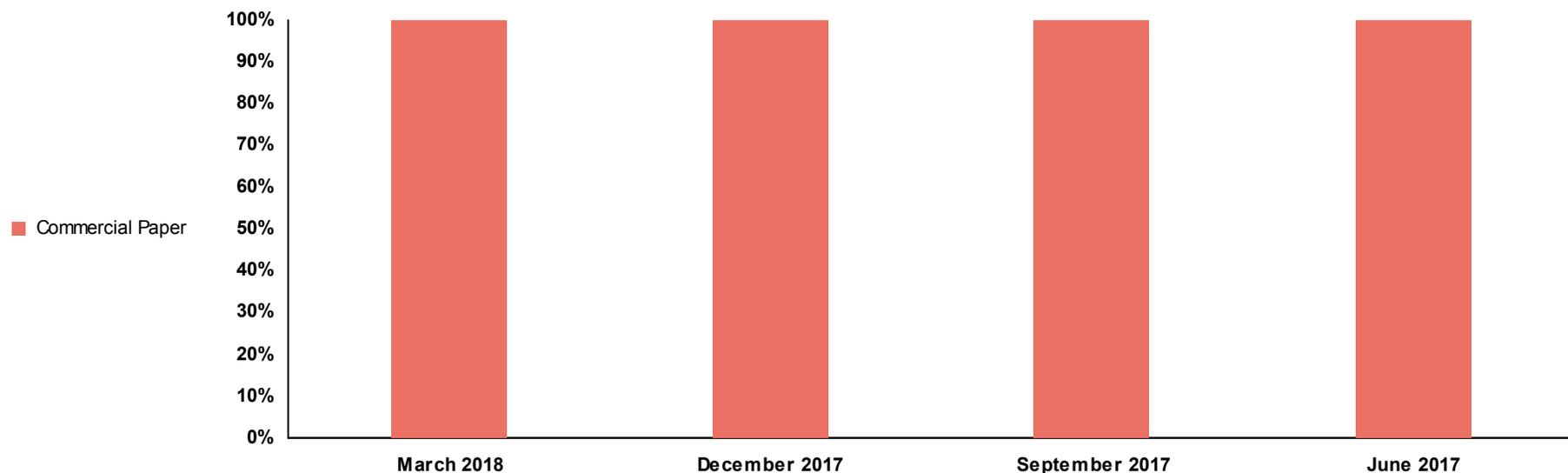
Sector	Market Value (\$)	% of Portfolio	% of Benchmark
Commercial Paper	2,965,103	100.0%	-
U.S. Treasury	-	-	100.0%
<b>Total</b>	<b>\$2,965,103</b>	<b>100.0%</b>	<b>100.0%</b>



Detail may not add to total due to rounding.

**Sector Allocation**

Sector	March 31, 2018		December 31, 2017		September 30, 2017		June 30, 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%	3.0	100.0%
<b>Total</b>	<b>\$3.0</b>	<b>100.0%</b>	<b>\$3.0</b>	<b>100.0%</b>	<b>\$3.0</b>	<b>100.0%</b>	<b>\$3.0</b>	<b>100.0%</b>

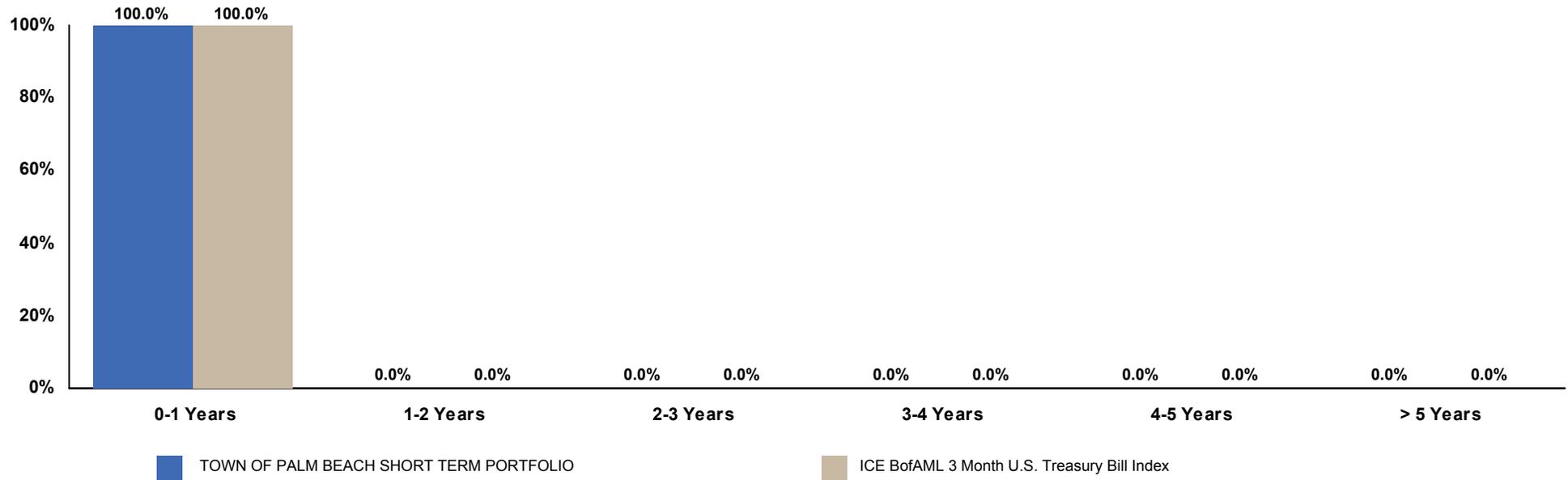


Detail may not add to total due to rounding.

**Maturity Distribution**

*As of March 31, 2018*

Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
TOWN OF PALM BEACH SHORT TERM PORTFOLIO	2.45%	0.47 yrs	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
ICE BofAML 3 Month U.S. Treasury Bill Index	1.68%	0.24 yrs	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%

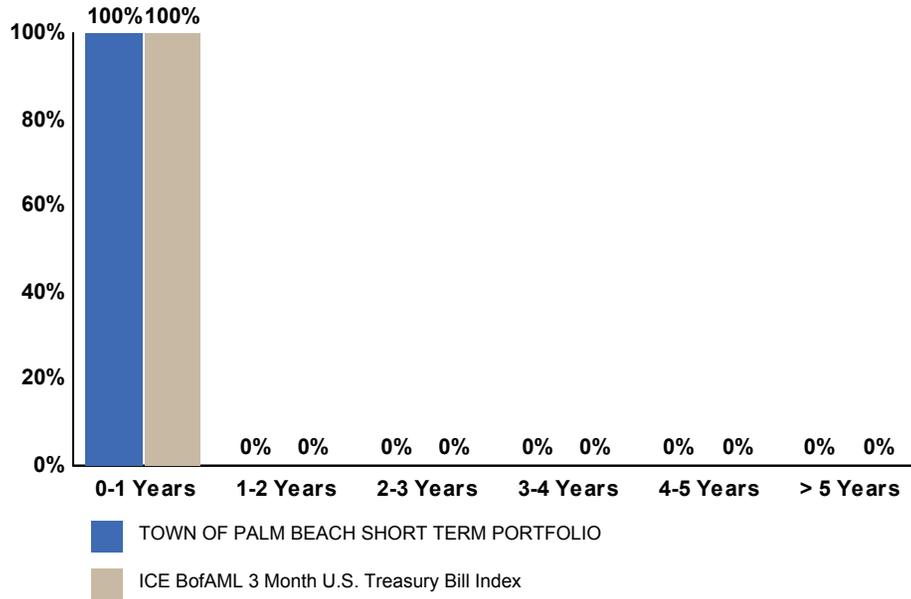


**Duration Distribution**

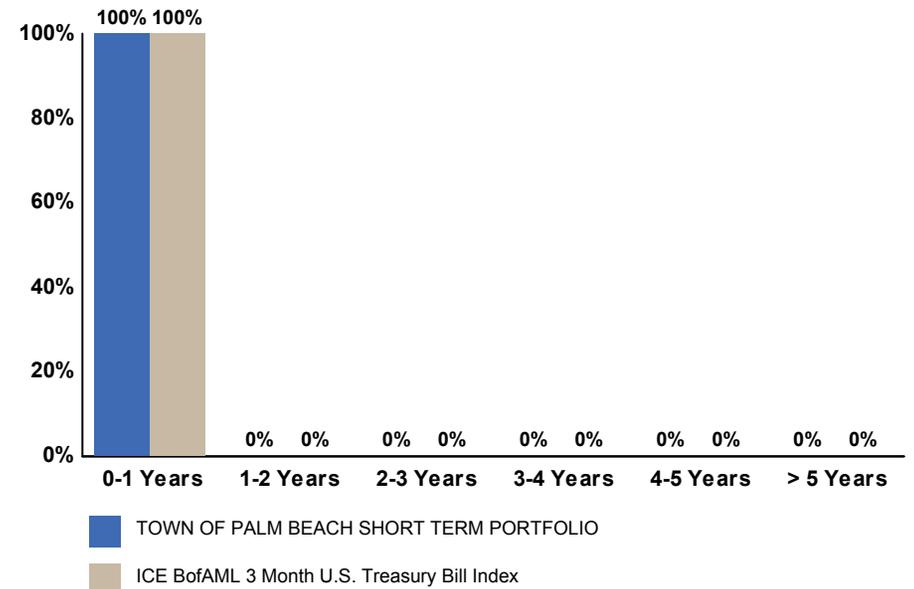
*As of March 31, 2018*

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	0.47	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
ICE BofAML 3 Month U.S. Treasury Bill Index	0.14	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%

**Distribution by Effective Duration**



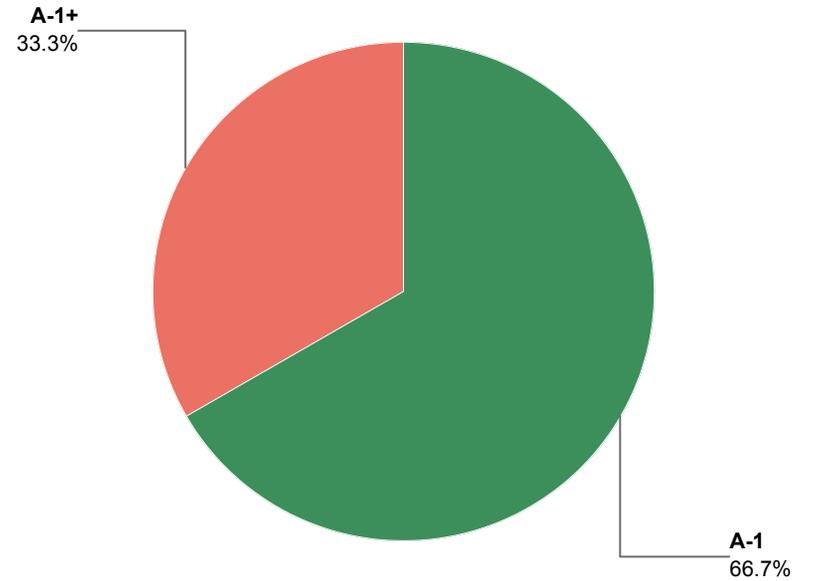
**Contribution to Portfolio Duration**



**Credit Quality**

*As of March 31, 2018*

S&P Rating	Market Value (\$)	% of Portfolio
A-1	\$1,976,938	66.7%
A-1+	\$988,165	33.3%
<b>Totals</b>	<b>\$2,965,103</b>	<b>100.0%</b>



Detail may not add to total due to rounding.

**Issuer Distribution**

**As of March 31, 2018**

<b>Issuer</b>	<b>Market Value (\$)</b>	<b>% of Portfolio</b>
JP MORGAN CHASE & CO	989,356	33.4%
TOYOTA MOTOR CORP	988,165	33.3%
MITSUBISHI UFJ FINANCIAL GROUP INC	493,842	16.7%
BNP PARIBAS	493,740	16.7%
<b>Grand Total:</b>	<b>2,965,103</b>	<b>100.0%</b>

## Sector/Issuer Distribution

As of March 31, 2018

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
<b>Commercial Paper</b>			
BNP PARIBAS	493,740	16.7%	16.7%
JP MORGAN CHASE & CO	989,356	33.4%	33.4%
MITSUBISHI UFJ FINANCIAL GROUP INC	493,842	16.7%	16.7%
TOYOTA MOTOR CORP	988,165	33.3%	33.3%
<b>Sector Total</b>	<b>2,965,103</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Portfolio Total</b>	<b>2,965,103</b>	<b>100.0%</b>	<b>100.0%</b>

## Quarterly Portfolio Transactions

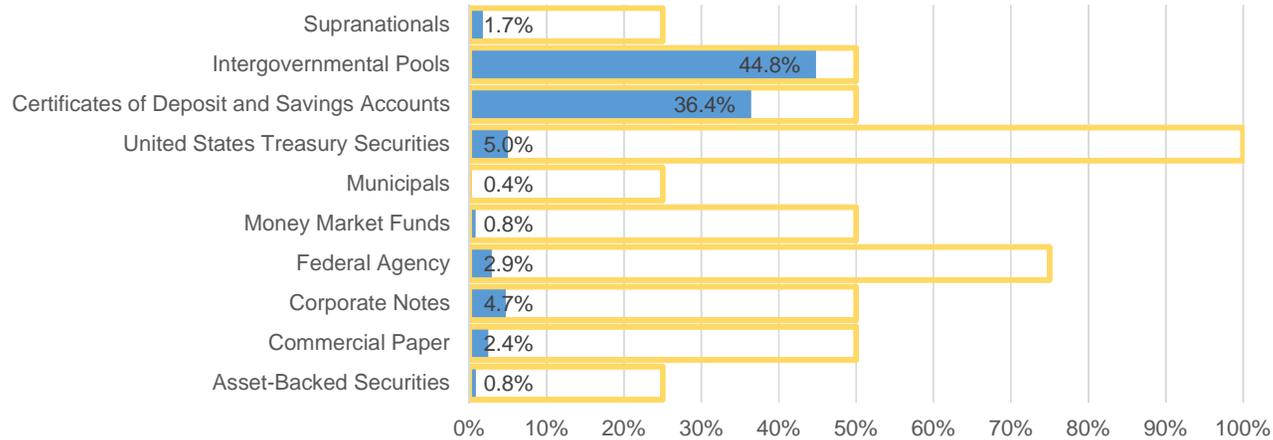
Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
<b>BUY</b>									
3/6/18	3/6/18	500,000	09659CJU3	BNP PARIBAS NY BRANCH COMM PAPER	0.00%	9/28/18	493,619.72	2.26%	
3/6/18	3/6/18	500,000	06538CJU6	BANK OF TOKYO MITSUBISHI UFJ LTD COMM PA	0.00%	9/28/18	493,562.50	2.28%	
3/6/18	3/6/18	1,000,000	46640QJ44	JP MORGAN SECURITIES LLC COMM PAPER	0.00%	9/4/18	988,928.33	2.21%	
3/6/18	3/6/18	1,000,000	89233HJT2	TOYOTA MOTOR CREDIT CORP COMM PAPER	0.00%	9/27/18	987,529.17	2.22%	
<b>Total BUY</b>		<b>3,000,000</b>					<b>2,963,639.72</b>		
<b>INTEREST</b>									
1/2/18	1/2/18	0	MONEY0002	MONEY MARKET FUND			36.55		
2/1/18	2/1/18	0	MONEY0002	MONEY MARKET FUND			40.35		
3/1/18	3/1/18	0	MONEY0002	MONEY MARKET FUND			37.45		
<b>Total INTEREST</b>		<b>0</b>					<b>114.35</b>		
<b>MATURITY</b>									
3/2/18	3/2/18	1,500,000	06538CC25	BANK OF TOKYO MITSUBISHI COMM PAPER	0.00%	3/2/18	1,500,000.00		0.00
3/2/18	3/2/18	1,500,000	09659CC22	BNP PARIBAS NY BRANCH COMM PAPER	0.00%	3/2/18	1,500,000.00		0.00
<b>Total MATURITY</b>		<b>3,000,000</b>					<b>3,000,000.00</b>		<b>0.00</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	1/2/18	1/2/18	0.00	MONEY0002	MONEY MARKET FUND			36.55		
INTEREST	2/1/18	2/1/18	0.00	MONEY0002	MONEY MARKET FUND			40.35		
INTEREST	3/1/18	3/1/18	0.00	MONEY0002	MONEY MARKET FUND			37.45		
MATURITY	3/2/18	3/2/18	1,500,000.00	06538CC25	BANK OF TOKYO MITSUBISHI COMM PAPER	0.00%	3/2/18	1,500,000.00		0.00
MATURITY	3/2/18	3/2/18	1,500,000.00	09659CC22	BNP PARIBAS NY BRANCH COMM PAPER	0.00%	3/2/18	1,500,000.00		0.00
BUY	3/6/18	3/6/18	500,000.00	09659CJU3	BNP PARIBAS NY BRANCH COMM PAPER	0.00%	9/28/18	(493,619.72)	2.26%	
BUY	3/6/18	3/6/18	500,000.00	06538CJU6	BANK OF TOKYO MITSUBISHI UFJ LTD COMM PA	0.00%	9/28/18	(493,562.50)	2.28%	
BUY	3/6/18	3/6/18	1,000,000.00	46640QJ44	JP MORGAN SECURITIES LLC COMM PAPER	0.00%	9/4/18	(988,928.33)	2.21%	
BUY	3/6/18	3/6/18	1,000,000.00	89233HJT2	TOYOTA MOTOR CREDIT CORP COMM PAPER	0.00%	9/27/18	(987,529.17)	2.22%	
<b>TOTALS</b>								<b>36,474.63</b>		<b>0.00</b>

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# Tab III



Security Type	Amortized Cost (Includes Interest)	Allocation Percentage	Permitted by Policy	In Compliance
United States Treasury Securities	6,082,687.99	5.01%	100%	YES
Federal Agency	3,516,467.53	2.89%	75%	YES
Supranationals	2,106,940.34	1.73%	25%	YES
Corporate Notes	5,705,741.64	4.69%	50%	YES
Municipals	448,266.25	0.37%	25%	YES
Agency Mortgage-Backed Securities (MBS)	-	0.00%	25%	YES
Asset-Backed Securities	1,005,799.62	0.83%	25%	YES
Certificates of Deposit and Savings Accounts	44,254,161.43	36.41%	50%	YES
Commercial Paper	2,968,420.83	2.44%	50%	YES
Bankers' Acceptances	-	0.00%	10%	YES
Repurchase Agreements	-	0.00%	40%	YES
Money Market Funds	997,968.74	0.82%	50%	YES
Intergovernmental Pools	54,442,681.71	44.80%	50%	YES

End of month trade-date amortized cost of portfolio holdings, including accrued interest.

Sector	Individual Issuer Breakdown	Amortized Cost (Includes Interest)	Allocation Percentage	Permitted by Policy	In Compliance
Us Tsy Bond/Note	UNITED STATES TREASURY	6,082,687.99	5.01%	100%	YES
Supranatl	INTER-AMERICAN DEVELOPMENT BANK	365,853.47	0.30%	10%	YES
Supranatl	INTL BANK OF RECONSTRUCTION AND DEV	789,399.23	0.65%	10%	YES
Supranatl	AFRICAN DEVELOPMENT BANK	449,835.55	0.37%	10%	YES
Supranatl	ASIAN DEVELOPMENT BANK	501,852.09	0.41%	10%	YES
Muni Bond/Note	CITY OF NEW YORK CITY, NY	448,266.25	0.37%	5%	YES
Mny Mkt/Mutual Fnd	BANK UNITED	859,168.70	0.71%	25%	YES
Intergovernmental Pools	FEITF	17,691,127.66	14.56%	50%	YES
Intergovernmental Pools	FMIVT 1-3	25,146,543.86	20.69%	50%	YES
Intergovernmental Pools	FMIVT INTERMEDIATE	11,605,010.19	9.55%	50%	YES
Fed Agy Bond/Note	FEDERAL HOME LOAN BANKS	1,797,602.05	1.48%	40%	YES
Fed Agy Bond/Note	FANNIE MAE	1,718,865.48	1.41%	40%	YES
Corporate Note	TOYOTA MOTOR CREDIT CORP	654,207.88	0.54%	5%	YES
Corporate Note	AMERICAN HONDA FINANCE	210,420.34	0.17%	5%	YES
Corporate Note	NEW YORK UNIVERSITY	60,265.05	0.05%	5%	YES
Corporate Note	MELLON BANK	452,472.34	0.37%	5%	YES
Corporate Note	BERKSHIRE HATHAWAY INC	50,060.64	0.04%	5%	YES
Corporate Note	CATERPILLAR FINANCIAL SERVICES CORP	150,105.38	0.12%	5%	YES
Corporate Note	CISCO SYSTEMS	403,363.78	0.33%	5%	YES
Corporate Note	GENERAL ELEC CAP CORP	480,509.17	0.40%	5%	YES
Corporate Note	HOME DEPOT INC	85,456.95	0.07%	5%	YES
Corporate Note	JP MORGAN CHASE & CO	350,913.30	0.29%	5%	YES
Corporate Note	MICROSOFT CORP	250,438.75	0.21%	5%	YES
Corporate Note	WELLS FARGO & COMPANY	452,234.17	0.37%	5%	YES
Corporate Note	AMERICAN EXPRESS CREDIT CORP	111,380.95	0.09%	5%	YES
Corporate Note	APPLE INC	219,038.00	0.18%	5%	YES
Corporate Note	BRANCH BANKING & TRUST	90,647.21	0.07%	5%	YES
Corporate Note	JOHN DEERE CAPITAL CORP	199,912.35	0.16%	5%	YES
Corporate Note	WALT DISNEY COMPANY/THE	126,102.62	0.10%	5%	YES
Corporate Note	IBM CORP	200,362.26	0.16%	5%	YES
Corporate Note	MORGAN STANLEY	141,813.97	0.12%	5%	YES
Corporate Note	PACCAR FINANCIAL CORP	140,375.05	0.12%	5%	YES
Corporate Note	PROCTER & GAMBLE CO/THE	120,204.49	0.10%	5%	YES
Corporate Note	STATE STREET CORPORATION	50,236.58	0.04%	5%	YES
Corporate Note	UNITED PARCEL SERVICE	152,698.50	0.13%	5%	YES
Corporate Note	VISA INC	129,772.91	0.11%	5%	YES
Corporate Note	WAL-MART STORES INC	322,322.52	0.27%	5%	YES
Corporate Note	WELLS FARGO BANK NA	100,426.48	0.08%	5%	YES
Commercial Paper	MUFG BANK, LTD	494,375.00	0.41%	5%	YES
Commercial Paper	BNP PARIBAS NY BRANCH	494,425.00	0.41%	5%	YES
Commercial Paper	JP MORGAN SECURITIES LLC	990,510.00	0.82%	5%	YES

<b>Sector</b>	<b>Individual Issuer Breakdown</b>	<b>Amortized Cost (Includes Interest)</b>	<b>Allocation Percentage</b>	<b>Permitted by Policy</b>	<b>In Compliance</b>
Commercial Paper	TOYOTA MOTOR CREDIT CORP	989,110.83	0.81%	5%	YES
CD / Savings Account	CERTIFICATE OF DEPOSITS	33,246,095.68	27.36%	50%	YES
CD / Savings Account	TD BANK MMA	11,008,065.75	9.06%	50%	YES
Asset-Backed	ALLY AUTO RECEIVABLES TRUST	145,117.88	0.12%	5%	YES
Asset-Backed	FORD CREDIT AUTO OWNER TRUST	185,134.54	0.15%	5%	YES
Asset-Backed	HONDA AUTO RECEIVABLES OWNER T	330,236.11	0.27%	5%	YES
Asset-Backed	NISSAN AUTO RECEIVABLES OWNER	80,085.24	0.07%	5%	YES
Asset-Backed	TOYOTA AUTO RECEIVABLES OWNER	265,225.85	0.22%	5%	YES

End of month trade-date amortized cost of portfolio holdings, including accrued interest.

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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.

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**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.

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**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.