



## Fort Lauderdale, Florida



### Investment Performance Review For the Quarter Ended December 31, 2018

#### Investment Advisors

#### PFM Asset Management LLC

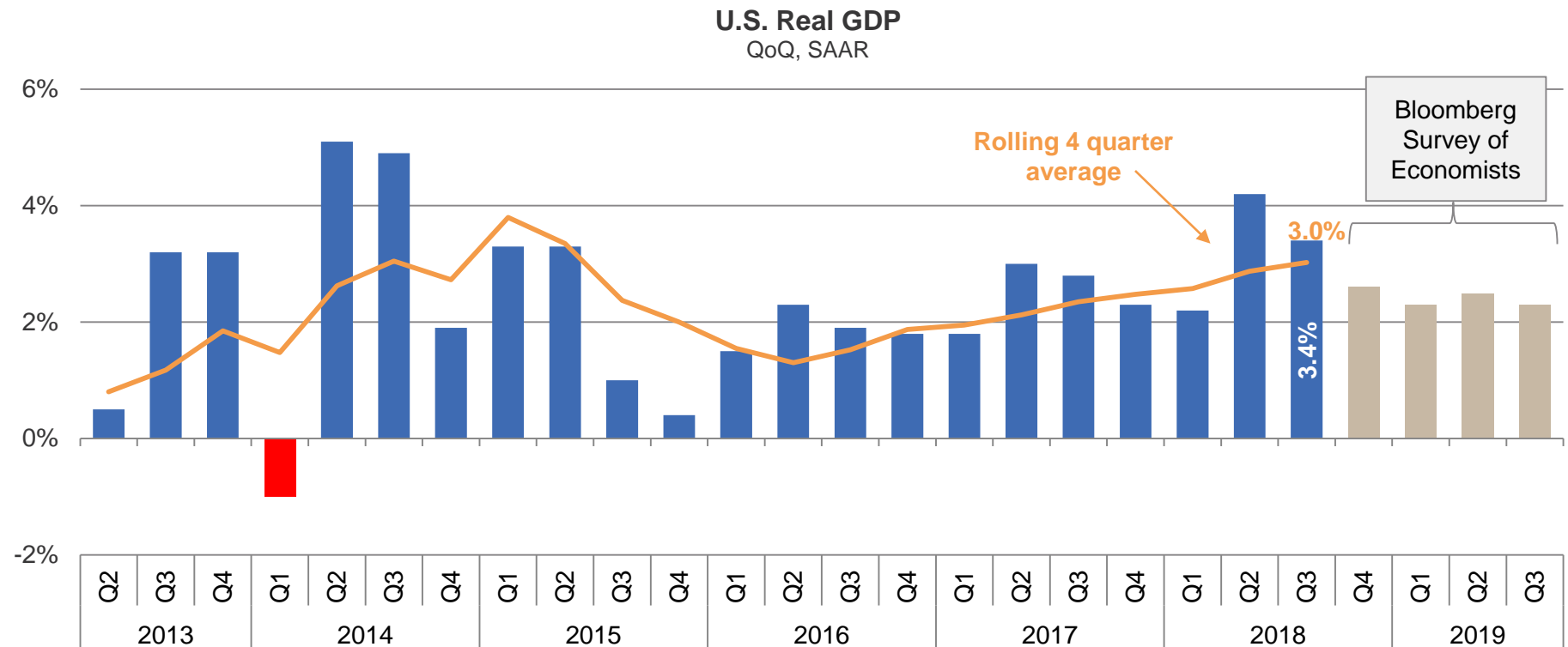
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## Strong Economic Growth Continues in the Third Quarter

- U.S. gross domestic product (GDP) grew at an annualized rate of 3.4% in the third quarter of 2018, making it the best six-month period of growth since 2014.
- Third-quarter GDP reflected positive contributions from business investment, consumer spending, and federal, state, and local government spending.
- Trade (net imports) detracted the most from GDP in 33 years.

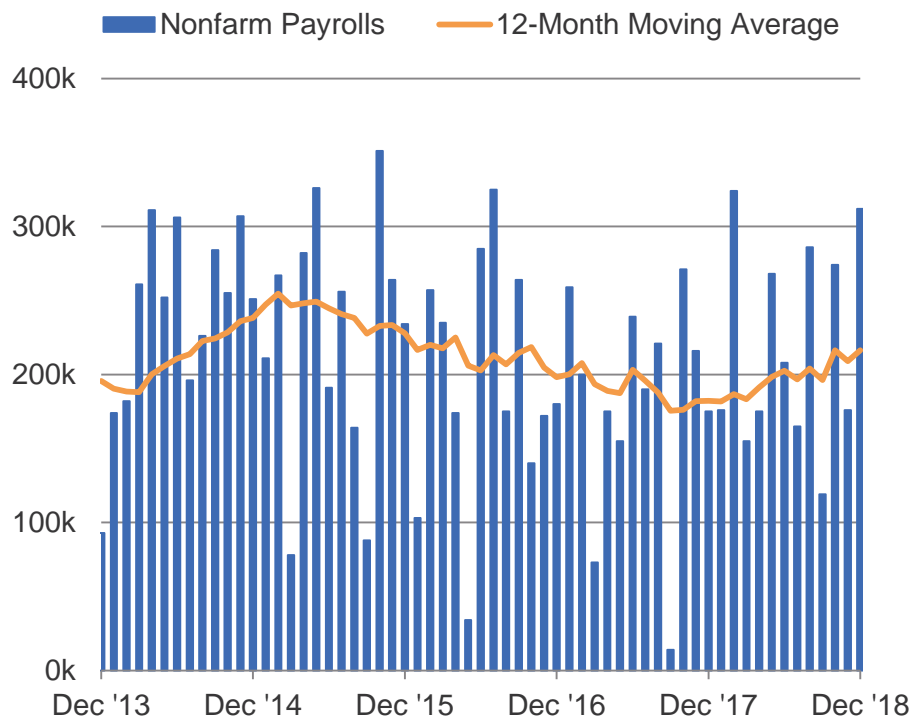


Source: Bloomberg, as of third quarter 2018. SAAR is seasonally adjusted annualized rate.

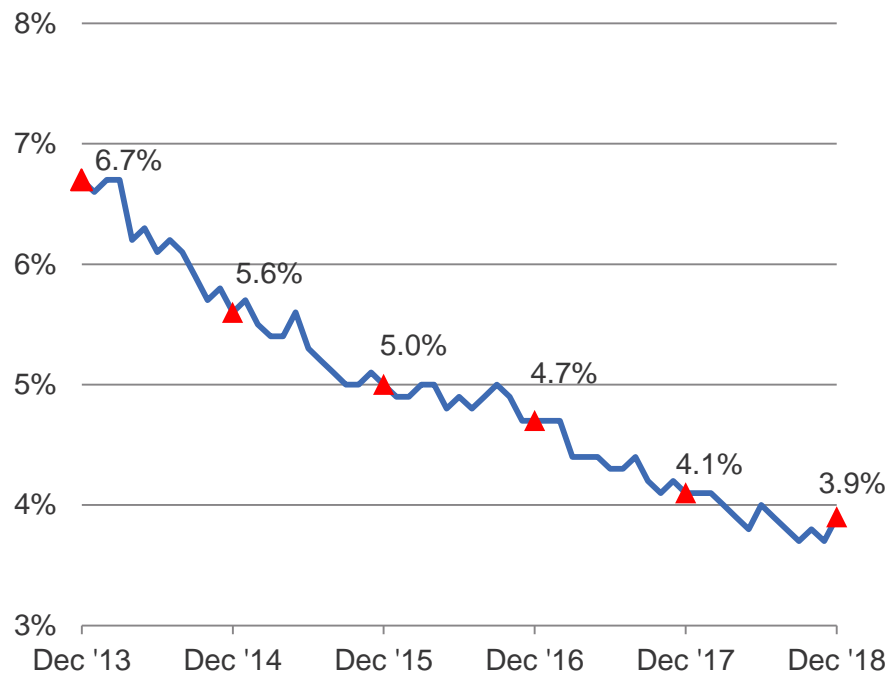
## Labor Market Strength Pushes Forward

- The U.S. labor market added a robust 312,000 jobs in December, for a total of 762,000 total jobs added in the fourth quarter.
  - The headline unemployment rate rose slightly to 3.9% in December as the labor force participation rate increased to 63.1%.
  - The broader U-6 measure of unemployment held steady at 7.6%.

### Monthly Change in Nonfarm Payrolls

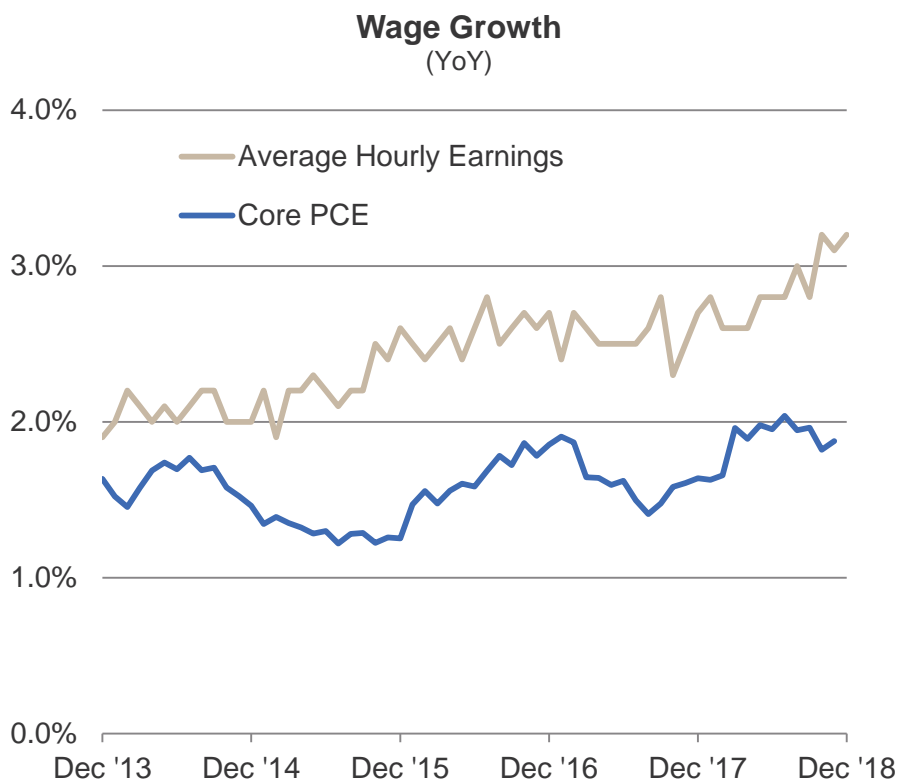
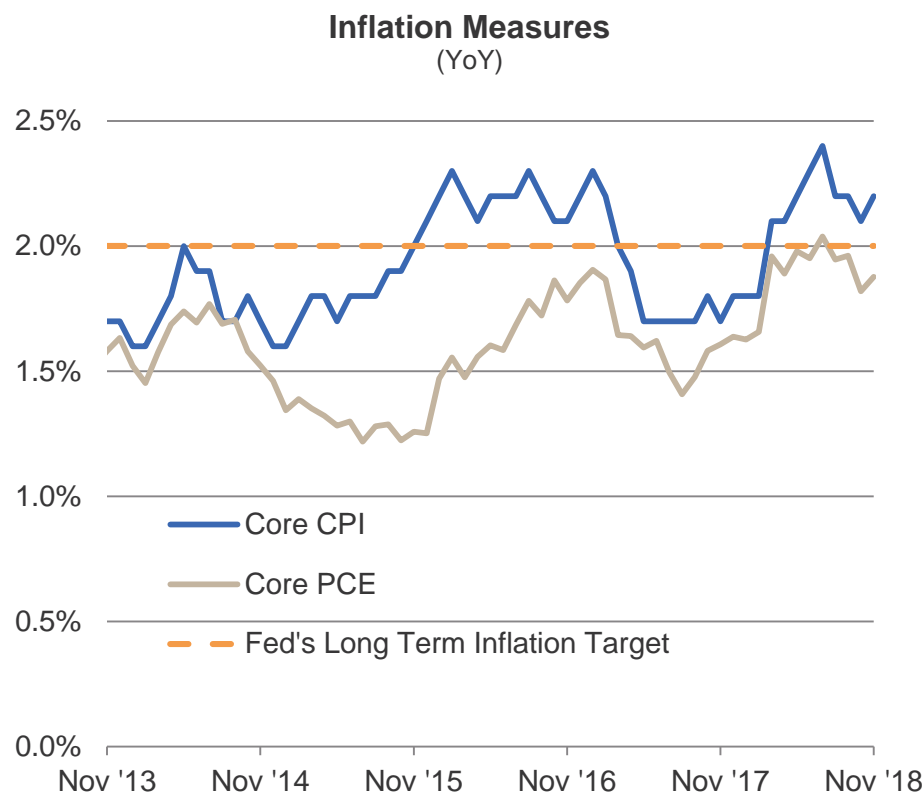


### Unemployment Rate



## Inflation Dips Below Fed's Target at Year-End

- The core personal consumption expenditures (PCE) price index, the Fed's preferred measure of inflation, decelerated to 1.9% in November, just below the Fed's 2% target.
- The tight labor market continued to support wage growth, with average hourly earnings hitting 3.2% year-over-year in December.



## Treasury Yields Fall from Recent Highs

- The sell-off in equity markets in the fourth quarter sparked a flight to quality as investors sought the relative safety of U.S. Treasury obligations, pushing yields lower.
- As was widely expected, the Federal Reserve raised the federal funds target rate by 25 basis points for the fourth time in 2018 at its December meeting, but the consequential bump in yields was overcome by continued equity market uncertainty.
- The 2-year Treasury decreased by 33 basis points to end the quarter at 2.49%.

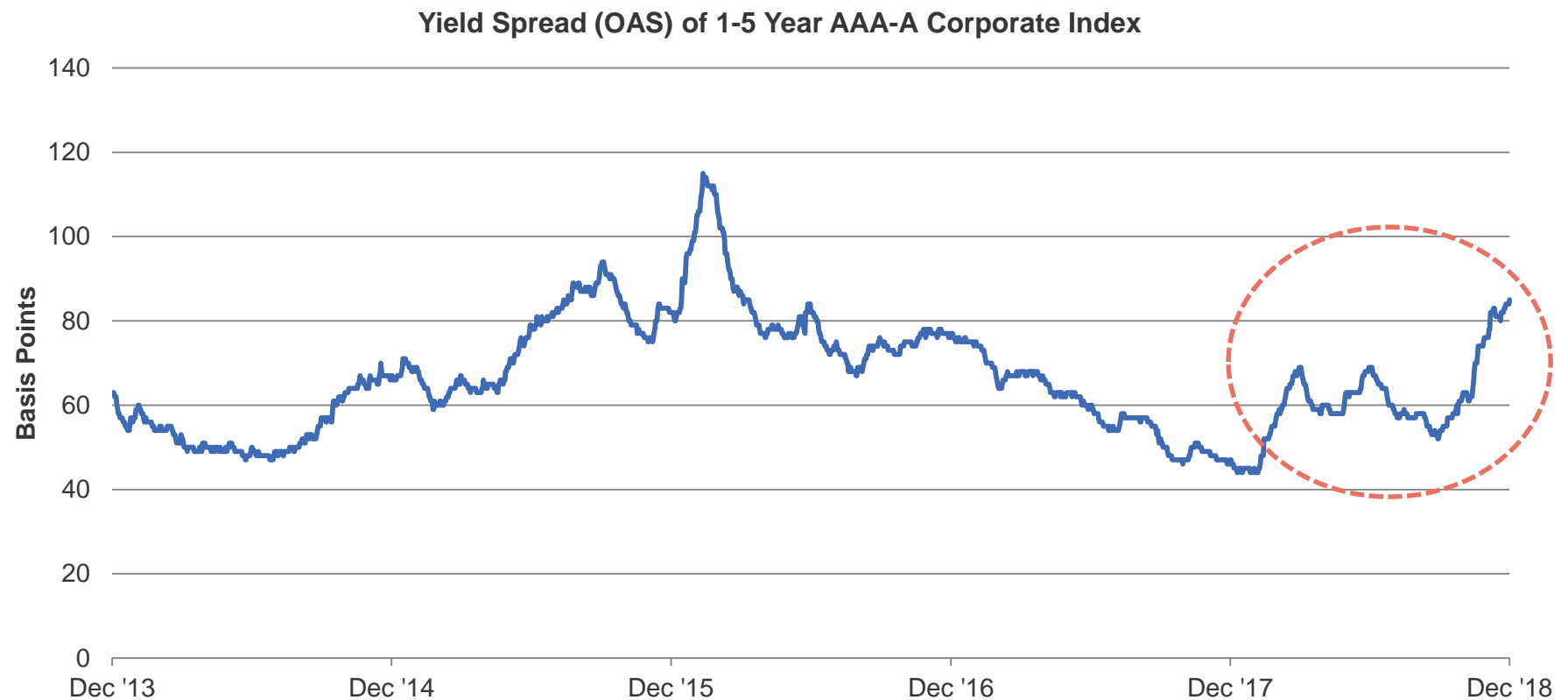
Quarter	Ending Yield	QoQ Change
4Q 2018	2.49%	-0.33%
3Q 2018	2.82%	0.29%
2Q 2018	2.53%	0.26%
1Q 2018	2.27%	0.38%
4Q 2017	1.89%	0.42%
3Q 2017	1.47%	0.09%
2Q 2017	1.38%	0.11%
1Q 2017	1.27%	0.07%
4Q 2016	1.20%	0.56%



Source: Bloomberg, as of 12/31/2018.

## Credit Spreads Widen with Market Volatility

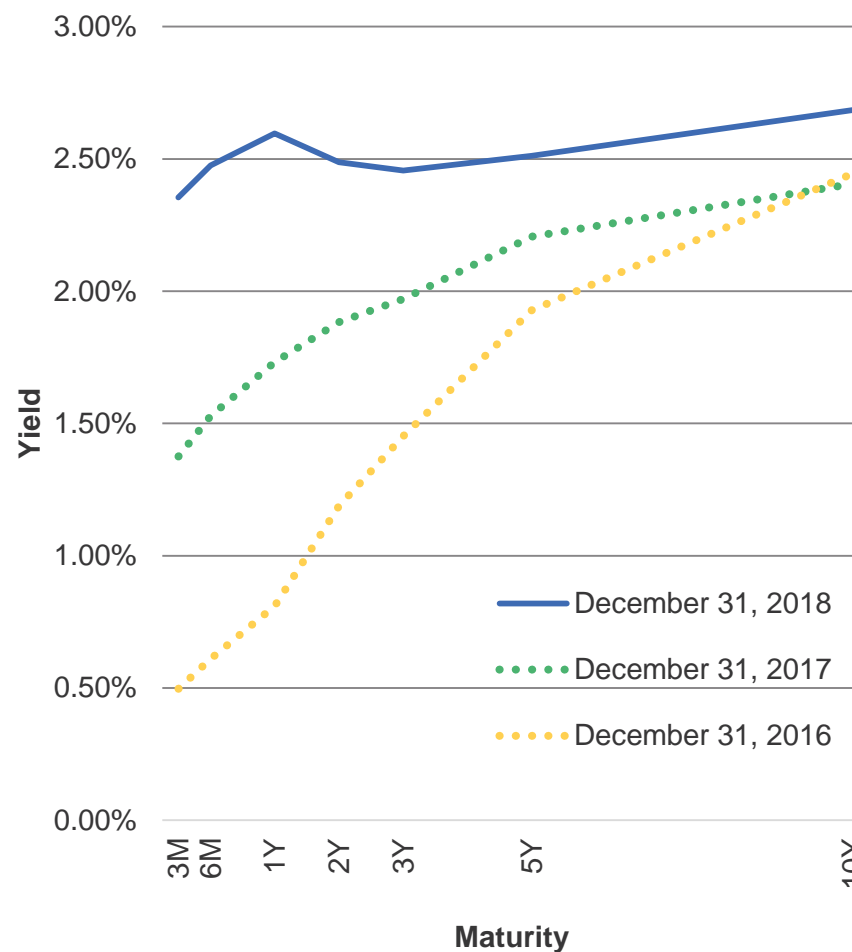
- Volatility in equity markets in the fourth quarter caused an increase in demand for haven assets like Treasury bonds, widening credit spreads further to the highest level since 2016.



Source: ICE BofAML Indices, as of 12/31/2018. OAS is option-adjusted spread versus a comparable maturity Treasury.

## U.S. Treasury Curve

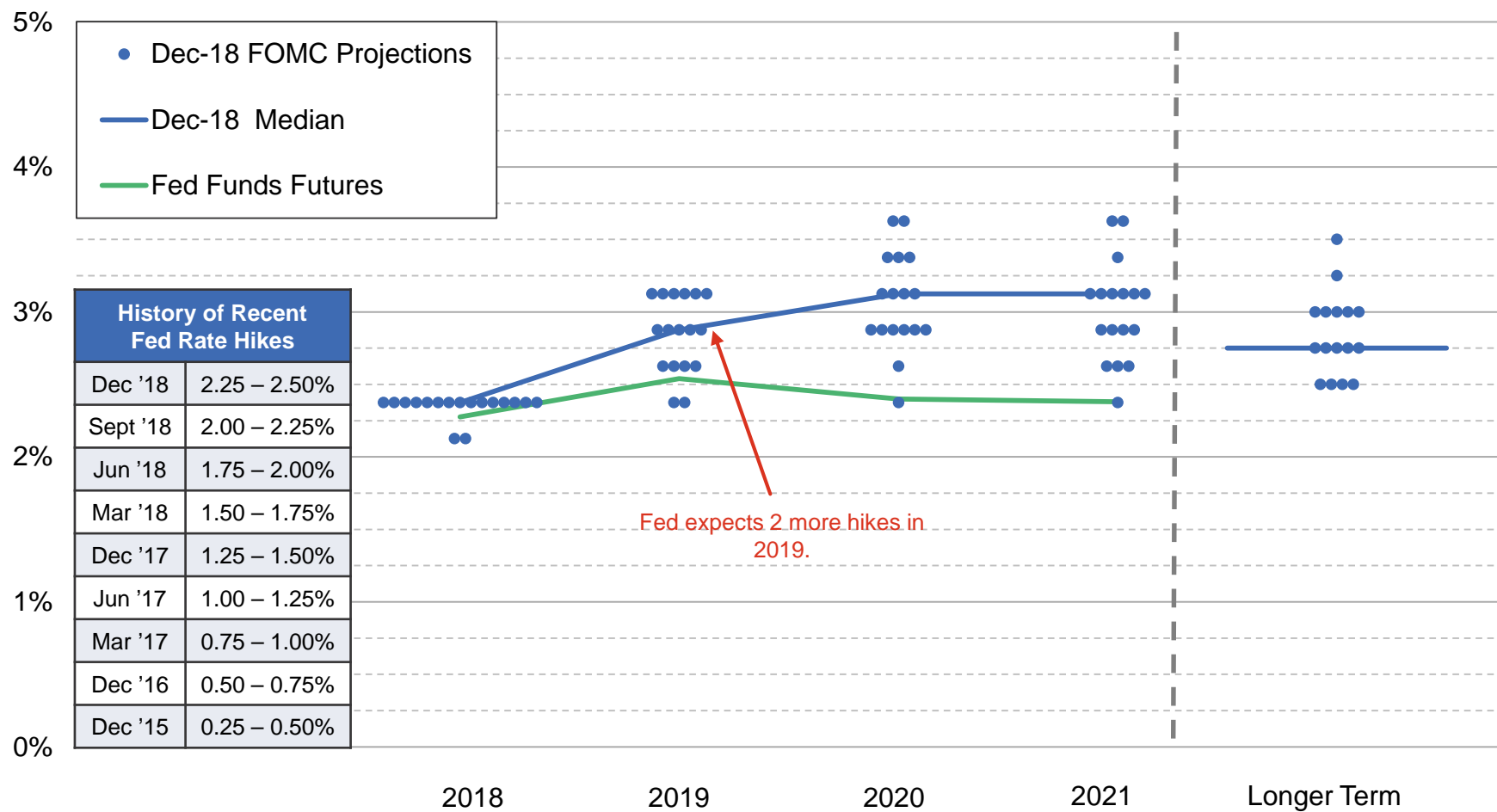
	4Q2018 12/31/18	4Q2017 12/31/17	4Q2016 12/31/16
3-month	2.35%	1.38%	0.50%
6-month	2.48%	1.53%	0.61%
1-year	2.60%	1.73%	0.81%
2-year	2.49%	1.88%	1.19%
3-year	2.46%	1.97%	1.45%
5-year	2.51%	2.21%	1.93%
10-year	2.68%	2.41%	2.44%



Source: Bloomberg, as of 12/31/2018.

## FOMC “Dot Plot” – A Fourth 2018 Rate Hike in December

### Fed Participants' Assessments of “Appropriate” Monetary Policy December 2018



Source: Federal Reserve and Bloomberg. Individual dots represent each Fed members' judgement of the midpoint of the appropriate target range for the federal funds rate at each year end as of 12/19/2018.

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EXHIBIT 1

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- The Investment Portfolio is of high credit quality and invested in U.S. Treasury, federal agency/GSE, mortgage-backed, municipal, and corporate notes securities.
- The Investment Portfolio's quarterly total return performance of 1.44% underperformed the benchmark performance of 1.72% by 0.28%.
- We positioned portfolios with a defensive duration for the majority of the past several quarters in light of the Fed's tightening cycle and the outlook for higher rates over at least the near term.
  - The defensive bias benefitted portfolios for most of 2018 as the Fed raised rates and yields across the curve increased to multi-year highs. However, sudden shifts in market sentiment during Q4, and significant declines in yields across the curve, eroded the majority of short-duration benefits on portfolio performance.
- Economic conditions, which remain solid, were characterized by:
  - U.S. GDP grew at 3.4% in Q3 (following 4.2% growth in Q2; both figures are the highest since Q3 2014);
  - Inflation continued to hover just shy of the Fed's objective of 2%, as measured by the personal consumption expenditures (PCE) core price index;
  - Wage growth continued its ascent, maintaining a gradual upward trend and reinforcing the desired trajectory of inflation; and
  - The Fed increased short-term rates by an additional ¼ percent in December (the fourth hike of 2018).
- While the path of future Fed rate hikes remains less clear than in recent years, we expect future tightening, if any, to be modest. Further, the shake-up on Capitol Hill adds additional uncertainty.
  - As uncertainty typically warrants a more neutral duration posture, we will seek to reduce the short duration bias over the quarter.
  - However, we remain cognizant of the dislocation in the current yield curve (inverted and/or very flat between one and five years) and will approach yield curve positioning with prudence and caution.

<u>Portfolios</u>	<u>Market Value</u>	<u>Current Quarter</u>	<u>Fiscal Year To Date</u>	<u>Trailing 12 Months</u>	<u>Fiscal Year Projected Rate of Return</u>
<b>City Operating Funds - Self-Directed</b>	<b>\$ 275,695,238</b>	<b>0.61%</b>	<b>0.61%</b>	<b>1.67%</b>	
<b>Total Bond Proceeds</b>	<b>\$ 196,221,739</b>	<b>0.67%</b>	<b>0.67%</b>	<b>1.77%</b>	
<b>CRA Funds</b>	<b>\$ 69,924,481</b>	<b>0.77%</b>	<b>0.77%</b>	<b>2.00%</b>	
<i>BofA Merrill Lynch 1-3 Year Treasury Index</i>		1.29%	1.29%	1.58%	
<b>Fixed Income Investment Portfolio - PFM</b>	<b>\$ 285,895,388</b>	<b>1.44%</b>	<b>1.44%</b>	<b>N/A</b>	
<i>BofA Merrill Lynch 1-5 Year Treasury Index</i>		1.72%	1.72%	1.52%	
<b>Total City of Fort Lauderdale Funds</b>	<b>\$ 827,736,845</b>	<b>0.92%</b>	<b>0.92%</b>	<b>1.14%</b>	<b>0.83%</b>
<b>OPEB Trust Fund</b>	<b>\$ 24,632,280</b>	<b>-7.67%</b>	<b>-7.67%</b>	<b>-4.10%</b>	<b>7.00%</b>
<i>Russell 3000 55% / Barclays Agg Bond Index 45%<sup>1</sup></i>		-7.25%	-7.25%	-2.60%	
<b>Cemetery Trust Funds</b>	<b>\$ 28,621,248</b>	<b>-6.08%</b>	<b>-6.08%</b>	<b>-4.46%</b>	<b>5.00%</b>
<i>Benchmark</i>		-6.05%	-6.05%	-1.90%	
<b>General Employees Retirement System</b>	<b>\$ 632,068,131</b>	<b>-8.70%</b>	<b>-8.70%</b>	<b>-4.10%</b>	<b>7.50%</b>
<i>Benchmark</i>		-8.90%	-8.90%	-4.80%	
<b>Police &amp; Fire Retirement System</b>	<b>\$ 883,359,587</b>	<b>-7.43%</b>	<b>-7.43%</b>	<b>-3.45%</b>	<b>7.50%</b>
<i>Benchmark</i>		-8.00%	-8.00%	-3.76%	

## Notes:

1. The Russell 3000 55%, Barclays Agg Bond Index 45% is the City's benchmark by Policy.

Performance and market value for the Cemetery Trust Funds, General Employee Retirement System and Police & Fire Retirement System portfolios are derived from their manager reports. PFM calculated the performance for the OPEB Trust Fund from the data provided on the custody statements. The performance for the CRA Funds are calculated as a weighted average of the yield over the period. The Fixed Income Investment Portfolio return is calculated from the custody statements. The Bond Proceeds returns are calculated as a weighted average of the return from the FMIT portfolios. The City Operating Funds return is calculated as a weighted average of their respective yields derived from the custody statements. The Fixed Income Investment Portfolio was managed under AndCo Consulting from January 1, 2018 through June 30, 2018.

**PFM Asset Management LLC**

<u>Account Names</u>	<u>Yield to Market as of December 31, 2018</u>	<u>Percent of Portfolio December 31, 2018</u>	<u>Yield to Market as of September 30, 2018</u>	<u>Percent of Portfolio September 30, 2018</u>
<b><u>Funds Held for Liquidity</u></b>				
City National Bank	2.33%	1.31%	3.28%	4.56%
CitiBank - Health Ins	0.00%	0.03%	0.00%	0.12%
Wells Fargo - Wks Comp	2.31%	0.02%	2.06%	0.02%
Wells Fargo Govt Ckg - BMPO	2.31%	0.12%	2.06%	0.14%
Wells Fargo Master Account	2.31%	4.17%	2.06%	4.34%
Wells Fargo Utility Account	0.00%	0.94%	0.00%	1.08%
Wells Fargo CRA	2.31%	2.76%	2.06%	0.45%
Wells Fargo Midgard	0.00%	0.00%	0.00%	0.00%
Wells Fargo Police Evidence	0.00%	0.08%	0.00%	0.09%
<b>Total Funds for Liquidity</b>	<b>2.06%</b>	<b>9.43%</b>	<b>2.33%</b>	<b>10.81%</b>
<b><u>Funds Held for Investment</u></b>				
PFM Investment Portfolio	2.71%	34.54%	2.87%	39.09%
CRA City Self - Directed Account	3.03%	2.67%	1.74%	2.89%
CRA Central Beach	3.41%	5.78%	2.66%	6.74%
City National CD	N/A	0.00%	N/A	0.00%
City Self - Directed Account	2.57%	23.81%	3.10%	13.34%
FMIT Subsidiary Accounts	2.80%	0.06%	2.84%	0.07%
<b>Total Funds for Investment</b>	<b>2.73%</b>	<b>66.86%</b>	<b>2.84%</b>	<b>62.13%</b>
<b><u>Bond Proceeds</u></b>				
Water & Sewer Bond 2018	2.62%	22.47%	2.84%	25.62%
FMIT Spl Ob Loans 2011A	N/A	0.00%	N/A	0.00%
FMIT G.O. Series 2011-A	2.80%	1.23%	2.65%	1.45%
<b>Total Bond Proceeds</b>	<b>2.63%</b>	<b>23.71%</b>	<b>2.83%</b>	<b>27.06%</b>
<b>Total Average Yield</b>	<b>2.64%</b>	<b>100.00%</b>	<b>2.78%</b>	<b>100.00%</b>

<u>Benchmarks</u>	<u>December 31, 2018</u>	<u>September 30, 2018</u>
BofA Merrill Lynch 3 Month Treasury Bill Index	2.39%	2.12%
BofA Merrill Lynch 1-3 Year Treasury Index	2.53%	2.80%
BofA Merrill Lynch 1-5 Year Treasury Index	2.51%	2.87%

## Notes:

Yields as of December 31 and September 30 are derived from their respective statements from Wells Fargo, PFM, City National, or FMIT.

	<b>Market Value as of December 31, 2018</b>	<b>Percent of Portfolio</b>	<b>Market Value as of September 30, 2018</b>	<b>Percent of Portfolio</b>
<b><u>Funds Held for Liquidity</u></b>				
City National Bank	\$ 10,873,378	1.31%	\$ 32,882,728	4.56%
CitiBank - Health Ins	270,983	0.03%	885,028	0.12%
Wells Fargo - Wks Comp	151,375	0.02%	174,053	0.02%
Wells Fargo Govt Ckg - BMPO	1,017,251	0.12%	1,017,251	0.14%
Wells Fargo Master Account	34,482,364	4.17%	31,312,857	4.34%
Wells Fargo Utility Account	7,771,953	0.94%	7,771,953	1.08%
Wells Fargo CRA	22,878,518	2.76%	3,274,038	0.45%
Wells Fargo Midgard	-	0.00%	24,605	0.00%
Wells Fargo Police Evidence	646,634	0.08%	646,634	0.09%
<b>Total Funds for Liquidity</b>	<b>\$ 78,092,456</b>	<b>9.43%</b>	<b>\$ 77,989,147</b>	<b>10.81%</b>
<b><u>Funds Held for Investment</u></b>				
PFM Investment Portfolio	\$ 285,895,388	34.54%	\$ 282,104,225	39.09%
CRA City Self - Directed Account	22,062,694	2.67%	20,888,254	2.89%
CRA Central Beach	47,861,787	5.78%	48,641,682	6.74%
City National CD	-	0.00%	-	0.00%
City Self - Directed Account	197,109,342	23.81%	96,262,048	13.34%
FMIT Subsidiary Accounts	493,440	0.06%	479,492	0.07%
<b>Total Funds for Investment</b>	<b>\$ 553,422,651</b>	<b>66.86%</b>	<b>\$ 448,375,701</b>	<b>62.13%</b>
<b><u>Bond Proceeds</u></b>				
Water & Sewer Bond 2018	\$ 186,029,260	22.47%	\$ 184,855,142	25.62%
FMIT Spl Ob Loans 2011A	-	0.00%	-	0.00%
FMIT G.O. Series 2011-A	10,192,479	1.23%	10,431,952	1.45%
<b>Total Bond Proceeds</b>	<b>\$ 196,221,739</b>	<b>23.71%</b>	<b>\$ 195,287,095</b>	<b>27.06%</b>
<b>Grand Total</b>	<b>\$ 827,736,846</b>	<b>100.00%</b>	<b>\$ 721,651,943</b>	<b>100.00%</b>

## Notes:

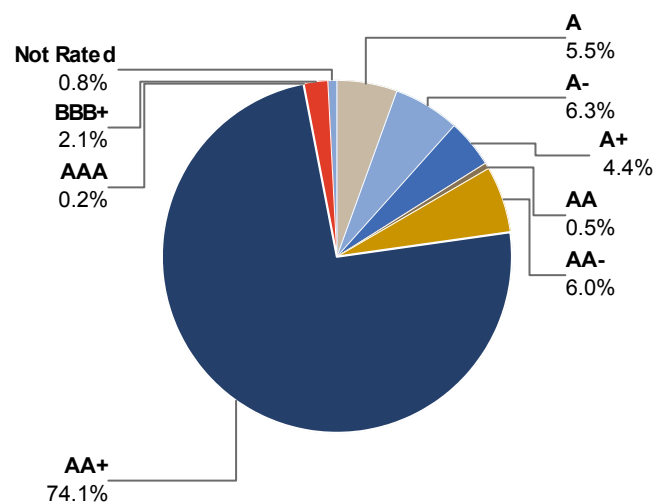
Market values as of December 31 and September 30 are derived from their respective statements from Wells Fargo, PFM, City National, or FMIT.

## Portfolio Statistics

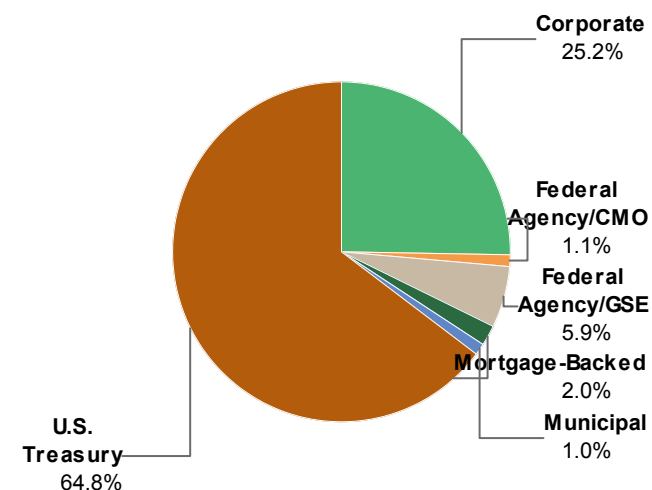
As of December 31, 2018

Par Value:	\$289,494,281
Total Market Value:	\$287,818,592
Security Market Value:	\$285,895,388
Accrued Interest:	\$1,392,055
Cash:	\$531,149
Amortized Cost:	\$286,513,969
Yield at Market:	2.71%
Yield at Cost:	2.52%
Effective Duration:	2.35 Years
Duration to Worst:	2.45 Years
Average Maturity:	2.75 Years
Average Credit: *	AA

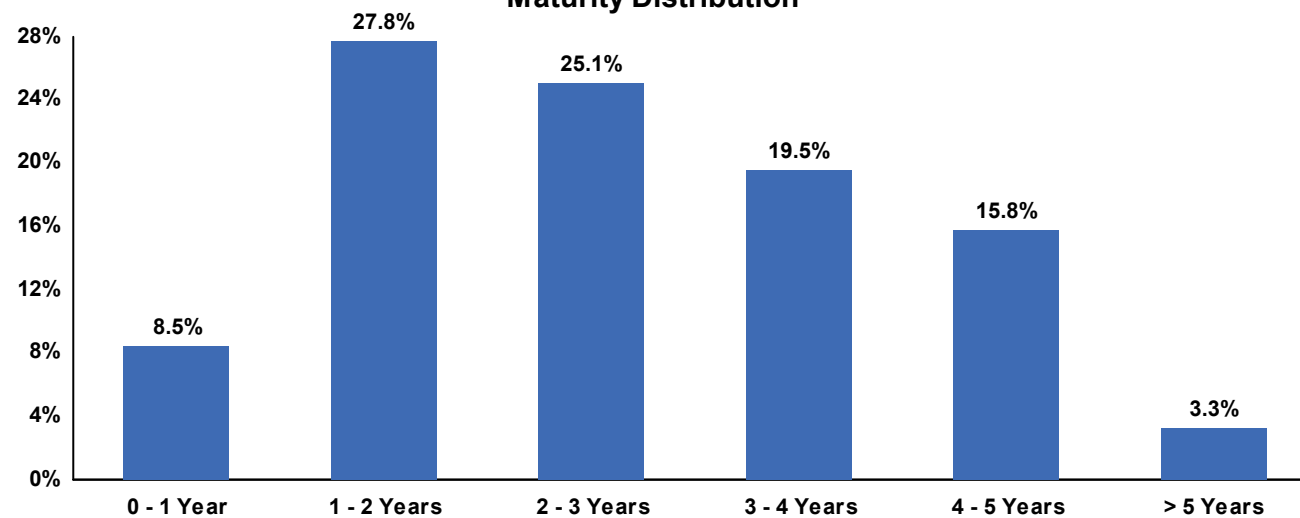
## Credit Quality (S&amp;P Ratings)



## Sector Allocation



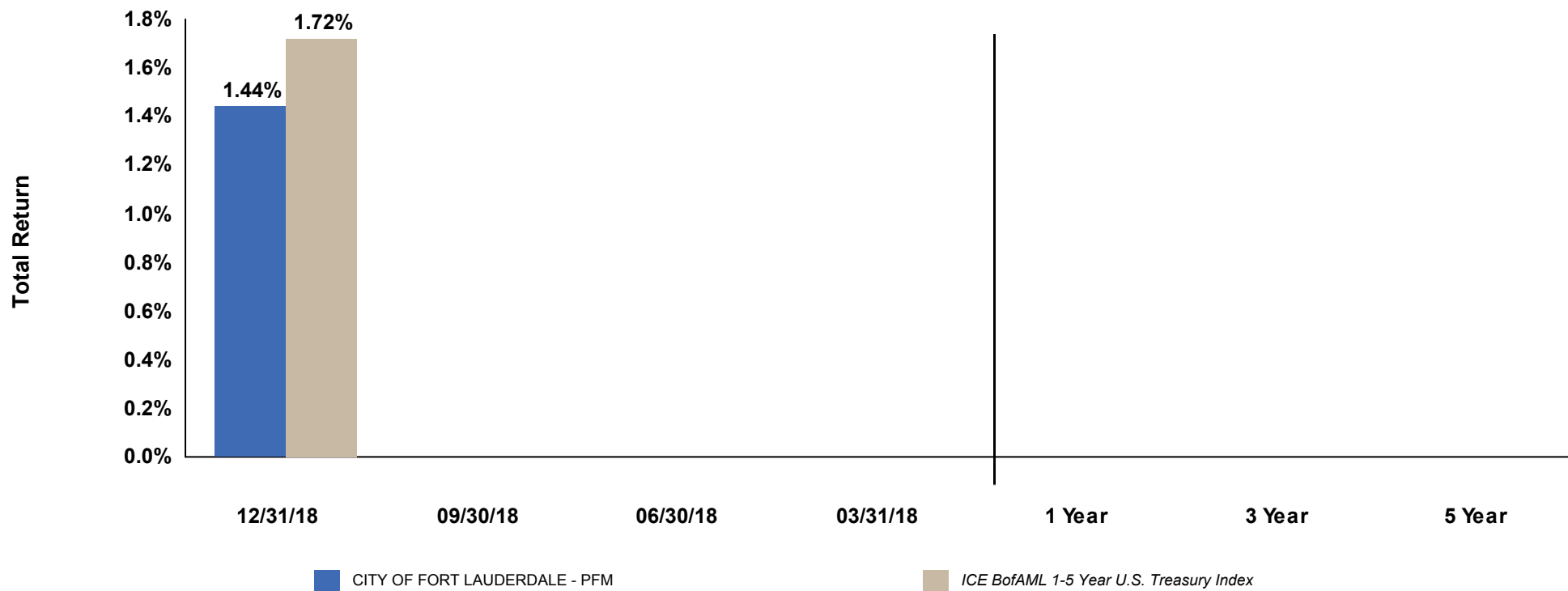
## Maturity Distribution



\* 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	Quarter Ended				1 Year	Annualized Return	
		12/31/18	09/30/18	06/30/18	03/31/18		3 Year	5 Year
CITY OF FORT LAUDERDALE - PFM	2.35	1.44%	-	-	-	-	-	-
ICE BofAML 1-5 Year U.S. Treasury Index	2.56	1.72%	-	-	-	-	-	-
Difference		-0.28%	-	-	-	-	-	-

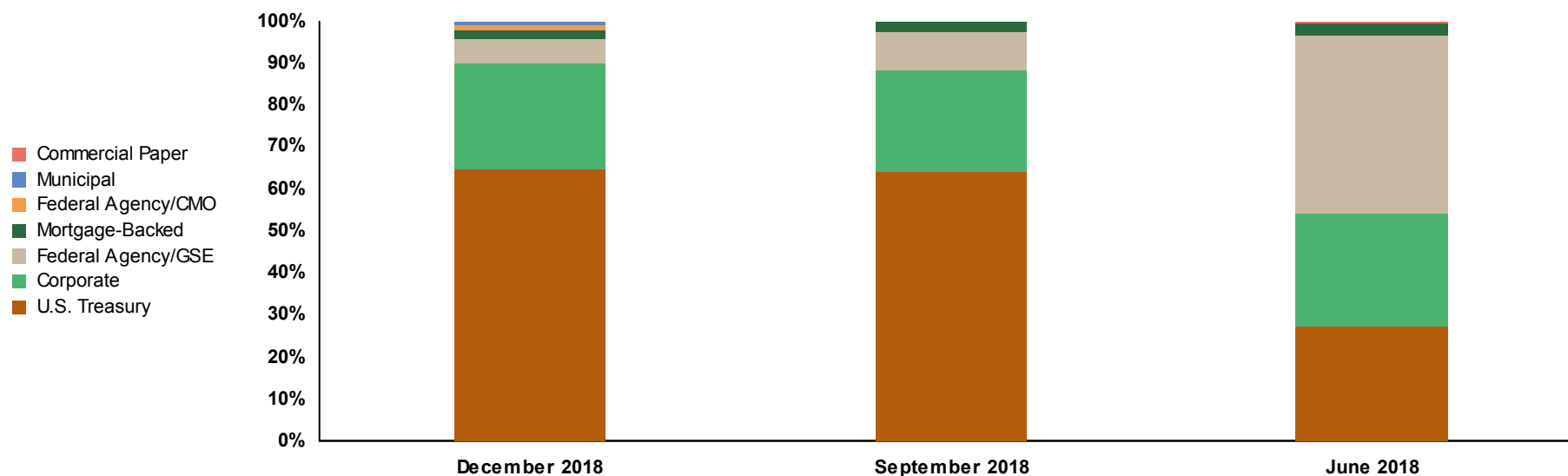


**Portfolio Earnings****Quarter-Ended December 31, 2018**

	<b>Market Value Basis</b>	<b>Accrual (Amortized Cost) Basis</b>
<b>Beginning Value (09/30/2018)</b>	\$282,104,225.27	\$285,148,067.99
<b>Net Purchases/Sales</b>	\$1,217,792.27	\$1,217,792.27
<b>Change in Value</b>	\$2,573,370.03	\$148,108.64
<b>Ending Value (12/31/2018)</b>	\$285,895,387.57	\$286,513,968.90
<b>Interest Earned</b>	\$1,506,193.36	\$1,506,193.36
<b>Portfolio Earnings</b>	\$4,079,563.39	\$1,654,302.00

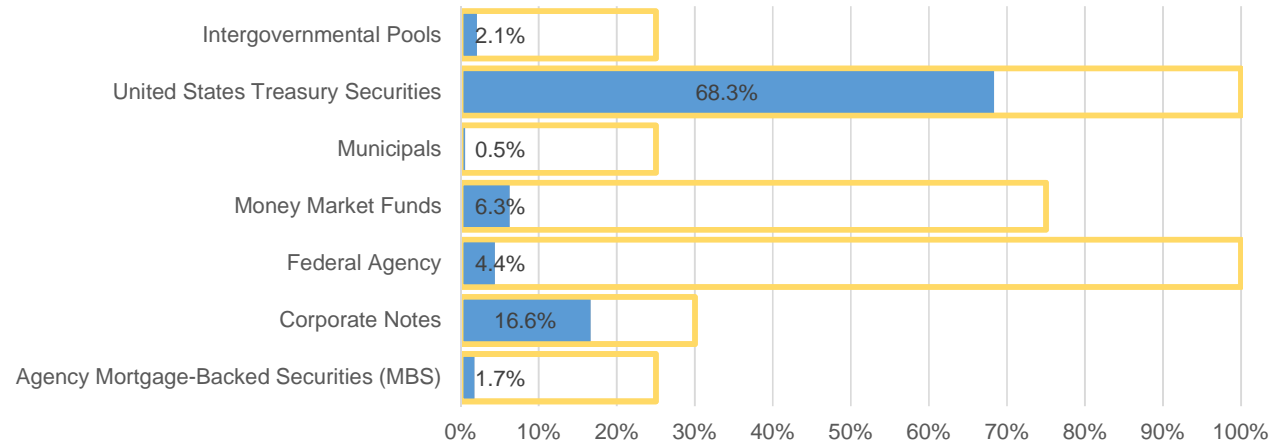
## Sector Allocation

Sector	December 31, 2018		September 30, 2018		June 30, 2018		March 31, 2018	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
U.S. Treasury	185.6	64.8%	180.3	63.9%	72.7	27.4%	0.0	0.0%
Corporate	71.9	25.2%	68.4	24.2%	71.2	26.8%	0.0	0.0%
Federal Agency/GSE	16.8	5.9%	26.4	9.4%	113.2	42.5%	0.0	0.0%
Mortgage-Backed	5.7	2.0%	6.2	2.2%	6.8	2.6%	0.0	0.0%
Federal Agency/CMO	3.0	1.1%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Municipal	2.8	1.0%	0.9	0.3%	0.9	0.3%	0.0	0.0%
Commercial Paper	0.0	0.0%	0.0	0.0%	1.0	0.4%	0.0	0.0%
<b>Total</b>	<b>\$285.9</b>	<b>100.0%</b>	<b>\$282.1</b>	<b>100.0%</b>	<b>\$265.8</b>	<b>100.0%</b>	<b>\$0.0</b>	<b>0.0%</b>



Detail may not add to total due to rounding.





Security Type	Amortized Cost (Includes Interest)	Allocation Percentage	Permitted by Policy	In Compliance
Florida Prime (SBA)	-	0.00%	25%	YES
United States Treasury Securities	350,306,585.23	68.33%	100%	YES
Federal Agency	22,483,673.17	4.39%	100%	YES
Corporate Notes	85,279,976.79	16.64%	30%	YES
Municipals	2,809,160.71	0.55%	25%	YES
Agency Mortgage-Backed Securities (MBS)	8,956,090.08	1.75%	25%	YES
Certificates of Deposit and Savings Accounts	-	0.00%	10%	YES
Commercial Paper	-	0.00%	25%	YES
Bankers' Acceptances	-	0.00%	10%	YES
Repurchase Agreements	-	0.00%	20%	YES
Money Market Funds	32,122,145.33	6.27%	75%	YES
Intergovernmental Pools	10,685,919.49	2.08%	25%	YES

End of month trade-date amortized cost of portfolio holdings, including accrued interest. This analysis includes the City's Fixed Income Investment Portfolio, the FMIT Subsidiary Accounts and Series 2011-A G.O. Bonds, the Central Beach CRA, the CRA Self-Directed and the City Self-Directed Accounts.

Sector	Individual Issuer Breakdown	Amortized Cost (Includes Interest)	Allocation Percentage	Permitted by Policy	In Compliance
Us Tsy Bond/Note	UNITED STATES TREASURY	186,188,927.77	36.32%	100%	YES
US Tsy Bond/Note	U.S. TREASURY SECURITIES	164,117,657.46	32.01%	100%	YES
Muni Bond/Note	NASSAU CNTY NY	507,129.04	0.10%	10%	YES
Muni Bond/Note	NEW YORK ST DORM AUTH ST PERSO	2,302,031.67	0.45%	10%	YES
Mny Mkt/Mutual Fnd	MONEY MARKET FUNDS	31,590,996.10	6.16%	25%	YES
Mbs / Cmo	FANNIE MAE	4,475,150.68	0.87%	15%	YES
Mbs / Cmo	FREDDIE MAC	2,778,295.07	0.54%	15%	YES
Mbs / Cmo	FHLMC MULTIFAMILY STRUCTURED P	1,702,644.33	0.33%	15%	YES
Intergovernmental Pools	FMIT SUBSIDIARY ACCOUNTS	493,440.37	0.10%	25%	YES
Intergovernmental Pools	FMIT G.O. SERIES 2011-A	10,192,479.12	1.99%	25%	YES
Fed Agy Bond/Note	FEDERAL HOME LOAN BANKS	5,926,696.04	1.16%	25%	YES
Fed Agy Bond/Note	FANNIE MAE	6,848,267.91	1.34%	25%	YES
Fed Agy Bond/Note	FREDDIE MAC	4,249,864.49	0.83%	25%	YES
Fed Agy Bond/Note	FEDERAL AGENCY SECURITIES	5,458,844.73	1.06%	25%	YES
Corporate Note	AMERICAN HONDA FINANCE	2,672,411.42	0.52%	5%	YES
Corporate Note	WELLS FARGO BANK NA	4,165,539.51	0.81%	5%	YES
Corporate Note	IBM CORP	864,243.94	0.17%	5%	YES
Corporate Note	JP MORGAN CHASE & CO	401,681.62	0.08%	5%	YES
Corporate Note	PROCTER & GAMBLE CO/THE	763,932.84	0.15%	5%	YES
Corporate Note	WAL-MART STORES INC	900,856.16	0.18%	5%	YES
Corporate Note	BRANCH BANKING & TRUST	2,070,103.24	0.40%	5%	YES
Corporate Note	BANK OF AMERICA CORP	3,217,562.58	0.63%	5%	YES
Corporate Note	MELLON BANK	2,531,829.67	0.49%	5%	YES
Corporate Note	CATERPILLAR FINANCIAL SERVICES CORP	1,448,321.27	0.28%	5%	YES
Corporate Note	JOHN DEERE CAPITAL CORP	3,232,183.14	0.63%	5%	YES
Corporate Note	HOME DEPOT INC	1,399,389.25	0.27%	5%	YES
Corporate Note	TOYOTA MOTOR CREDIT CORP	766,840.87	0.15%	5%	YES
Corporate Note	BLACKROCK INC	3,074,423.86	0.60%	5%	YES
Corporate Note	CHEVRON CORP	654,359.28	0.13%	5%	YES
Corporate Note	CISCO SYSTEMS	4,445,246.15	0.87%	5%	YES
Corporate Note	JPMORGAN CHASE & CO	1,991,253.67	0.39%	5%	YES
Corporate Note	ORACLE CORP	753,936.60	0.15%	5%	YES
Corporate Note	STATE STREET CORPORATION	245,495.11	0.05%	5%	YES
Corporate Note	WELLS FARGO & COMPANY	952,074.14	0.19%	5%	YES
Corporate Note	BOEING COMPANY	379,810.10	0.07%	5%	YES
Corporate Note	BRISTOL-MYERS SQUIBB CO	1,004,985.46	0.20%	5%	YES
Corporate Note	CITIGROUP INC	2,118,889.65	0.41%	5%	YES
Corporate Note	MIDAMERICAN ENERGY CO	806,185.05	0.16%	5%	YES
Corporate Note	AMERICAN EXPRESS CREDIT CORP	3,201,016.21	0.62%	5%	YES
Corporate Note	FIFTH THIRD BANK	2,084,017.55	0.41%	5%	YES
Corporate Note	UNITEDHEALTH GROUP INC	1,705,128.50	0.33%	5%	YES

Sector	Individual Issuer Breakdown	Amortized Cost (Includes Interest)	Allocation Percentage	Permitted by Policy	In Compliance
Corporate Note	MANUF & TRADERS TRUST CO	1,712,111.20	0.33%	5%	YES
Corporate Note	PNC BANK NA	605,864.43	0.12%	5%	YES
Corporate Note	GOOGLE INC	810,170.63	0.16%	5%	YES
Corporate Note	EMERSON ELECTRIC COMPANY	901,714.19	0.18%	5%	YES
Corporate Note	GENERAL ELEC CAP CORP	596,690.14	0.12%	5%	YES
Corporate Note	STATE STREET BANK & TR	552,807.87	0.11%	5%	YES
Corporate Note	3M COMPANY	1,127,909.56	0.22%	5%	YES
Corporate Note	US BANK NA CINCINNATI	5,235,053.15	1.02%	5%	YES
Corporate Note	UNILEVER CAPITAL CORP	1,492,540.33	0.29%	5%	YES
Corporate Note	VISA INC	1,535,375.09	0.30%	5%	YES
Corporate Note	COSTCO WHOLESALE CORP	752,119.42	0.15%	5%	YES
Corporate Note	GOLDMAN SACHS GROUP INC	2,835,025.14	0.55%	5%	YES
Corporate Note	INTEL CORP	1,822,256.68	0.36%	5%	YES
Corporate Note	KEY BANK NA	1,020,640.26	0.20%	5%	YES
Corporate Note	MORGAN STANLEY	2,775,313.94	0.54%	5%	YES
Corporate Note	CHARLES SCHWAB CORP	1,303,137.79	0.25%	5%	YES
Corporate Note	CORPORATE NOTES	12,349,530.13	2.41%	5%	YES

End of month trade-date amortized cost of portfolio holdings, including accrued interest. This analysis includes the City's Fixed Income Investment Portfolio, the FMIT Subsidiary Accounts and Series 2011-A G.O. Bonds, the Central Beach CRA, the CRA Self-Directed and the City Self-Directed Accounts.

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- 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.