



## Fort Lauderdale, Florida



### **Investment Performance Review For the Quarter Ended September 30, 2020**

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## Markets Face Many Uncertainties Moving into the Fourth Quarter

### ◆ Coronavirus

- Spread during **colder months** and flu season
- Development of **vaccines**
- Impact on **economic recovery**

### ◆ Markets

- **Valuations** of bonds and equities
- Further **fiscal stimulus**
- **Fed** policies

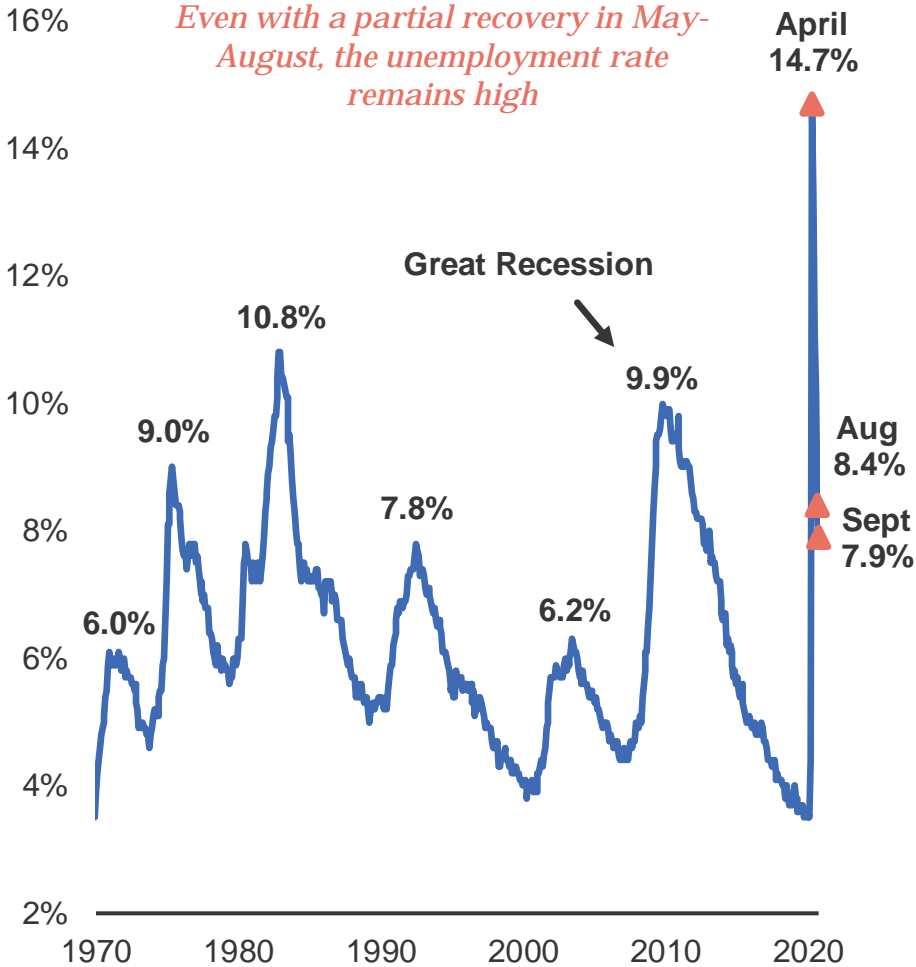
### ◆ Presidential election

- Priorities of government **spending**
- **Tax law** changes
- **Foreign** and **trade policies**
- Future of **ACA**

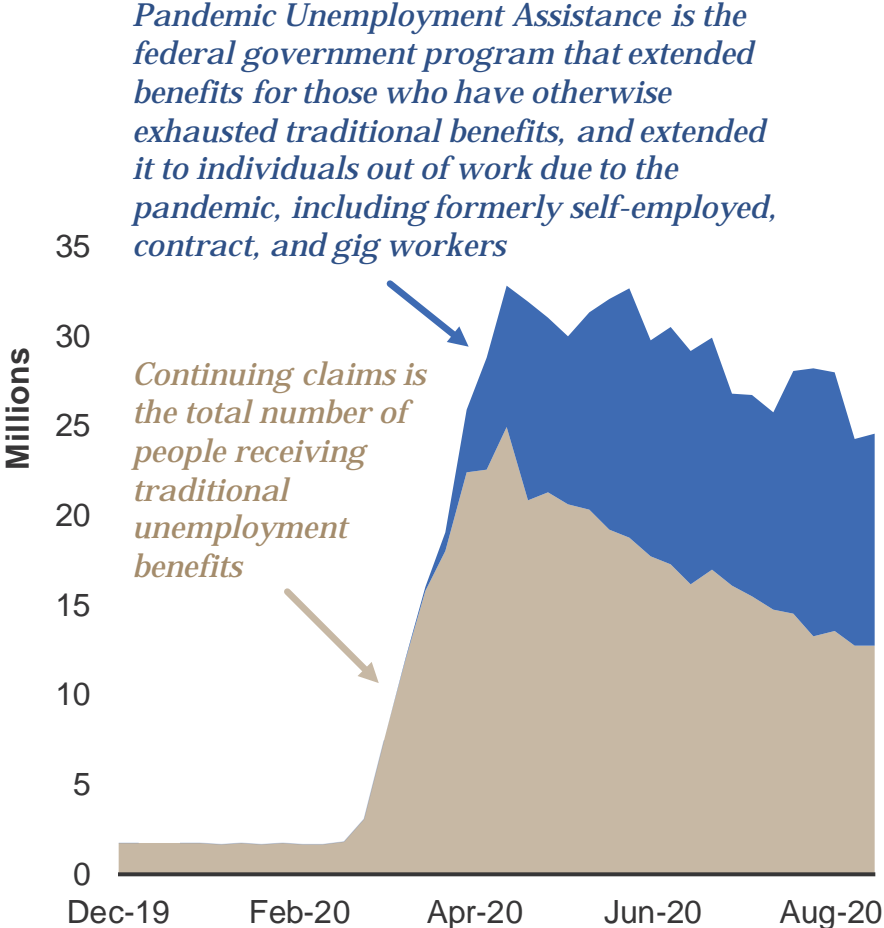


### Achieving Pre-Pandemic Employment Levels May Be Challenging

#### Unemployment Rate

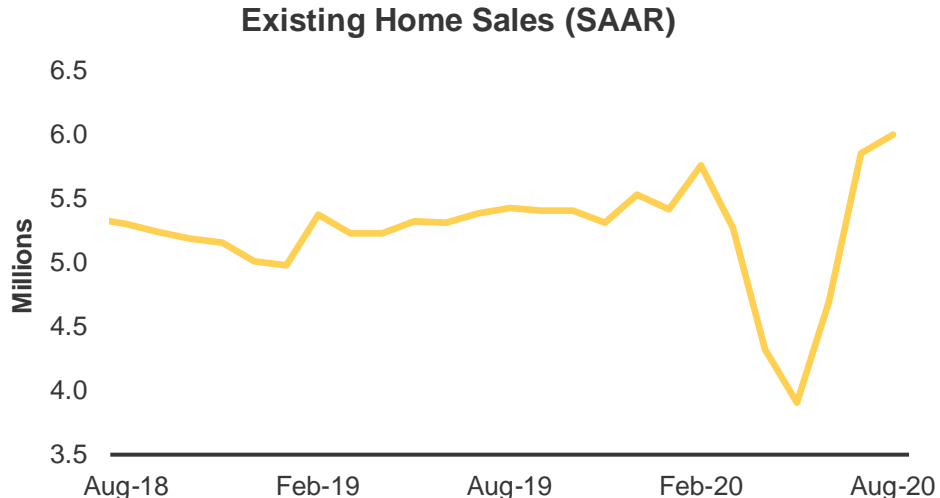
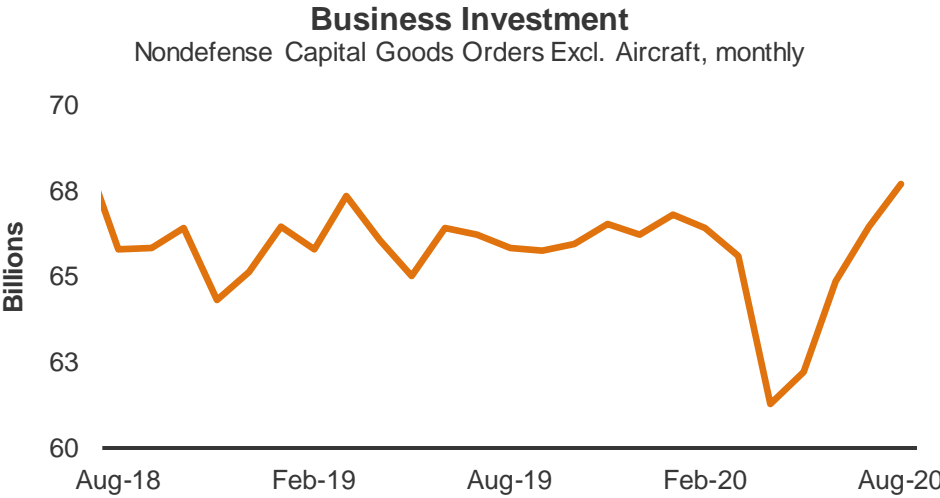
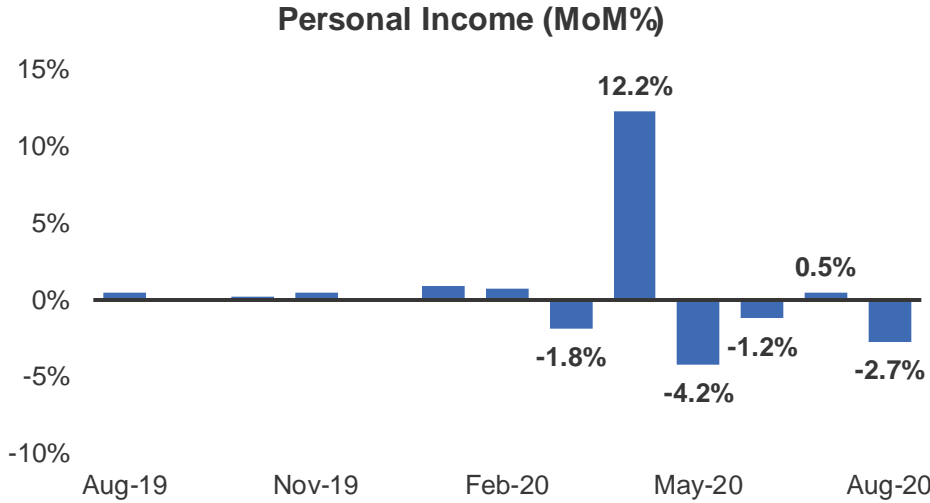
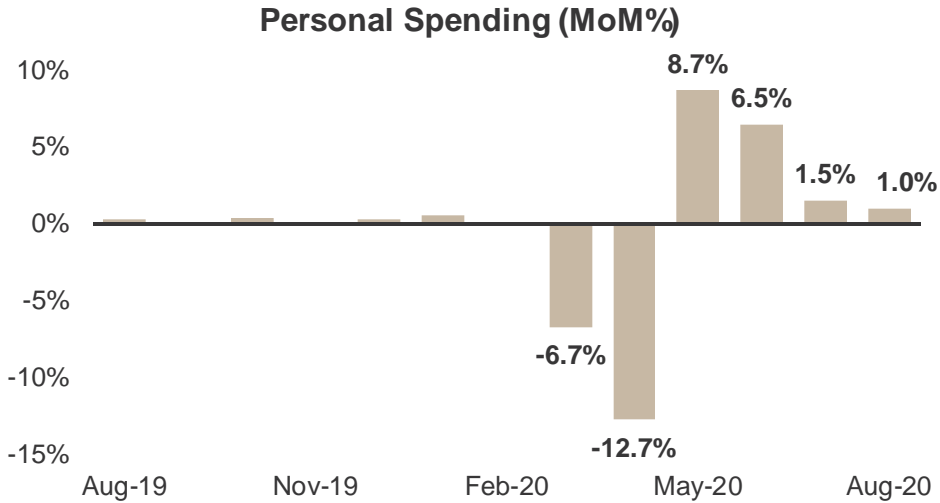


#### Number of People Collecting Unemployment Assistance



Source: Bloomberg, as of 9/30/2020. Data is seasonally adjusted. Source (quote): Department of Labor.

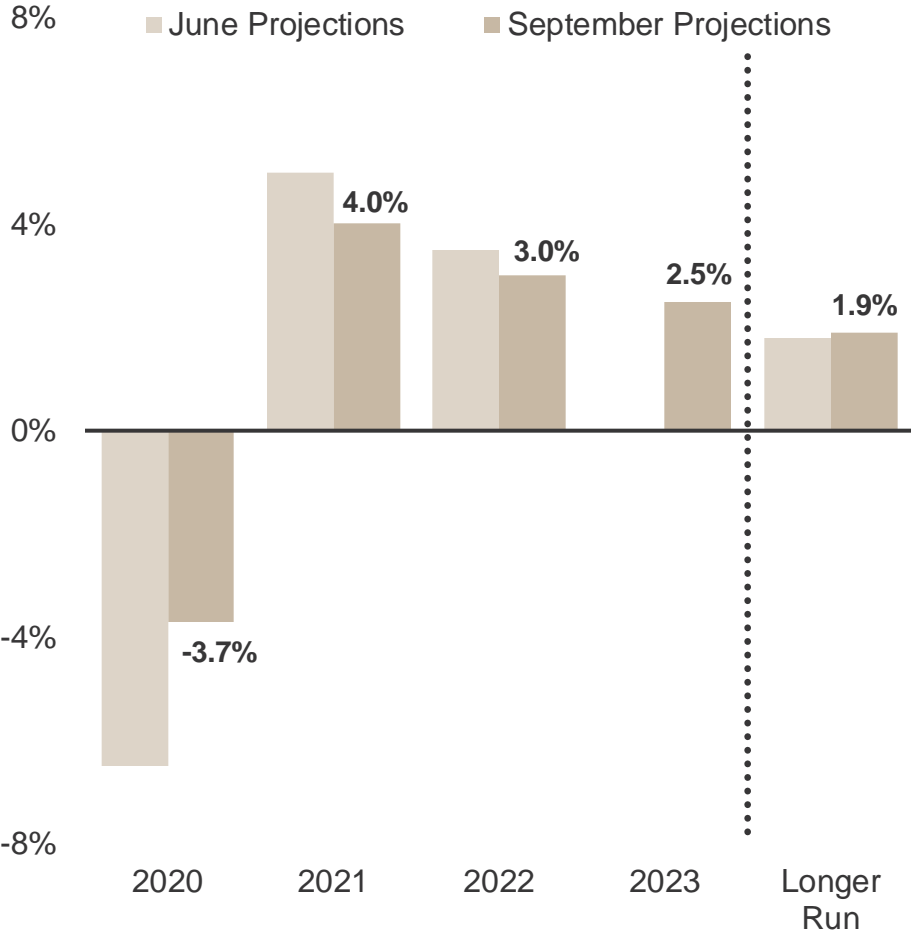
### Economic Indicators Show Resilience, But Future Improvement May Slow



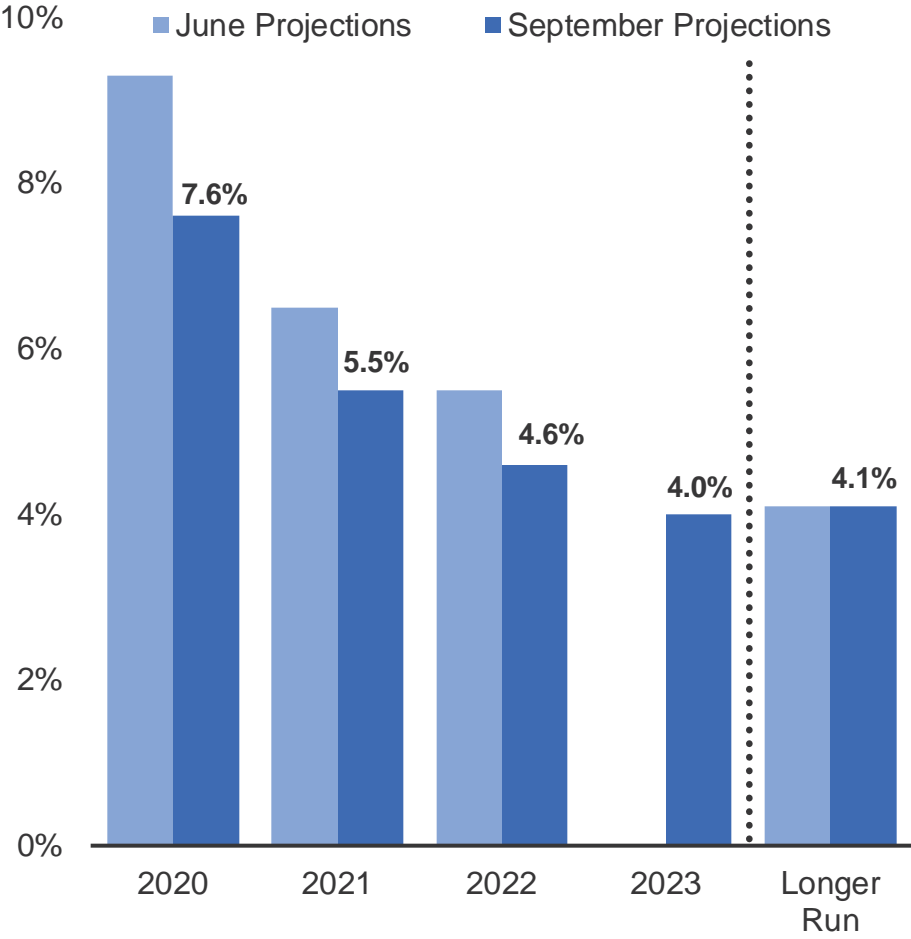
Source: Bloomberg, latest available data as of 10/2/2020.

### The Fed's Updated Economic Projections Pull Improvement Forward

#### Change in Real GDP



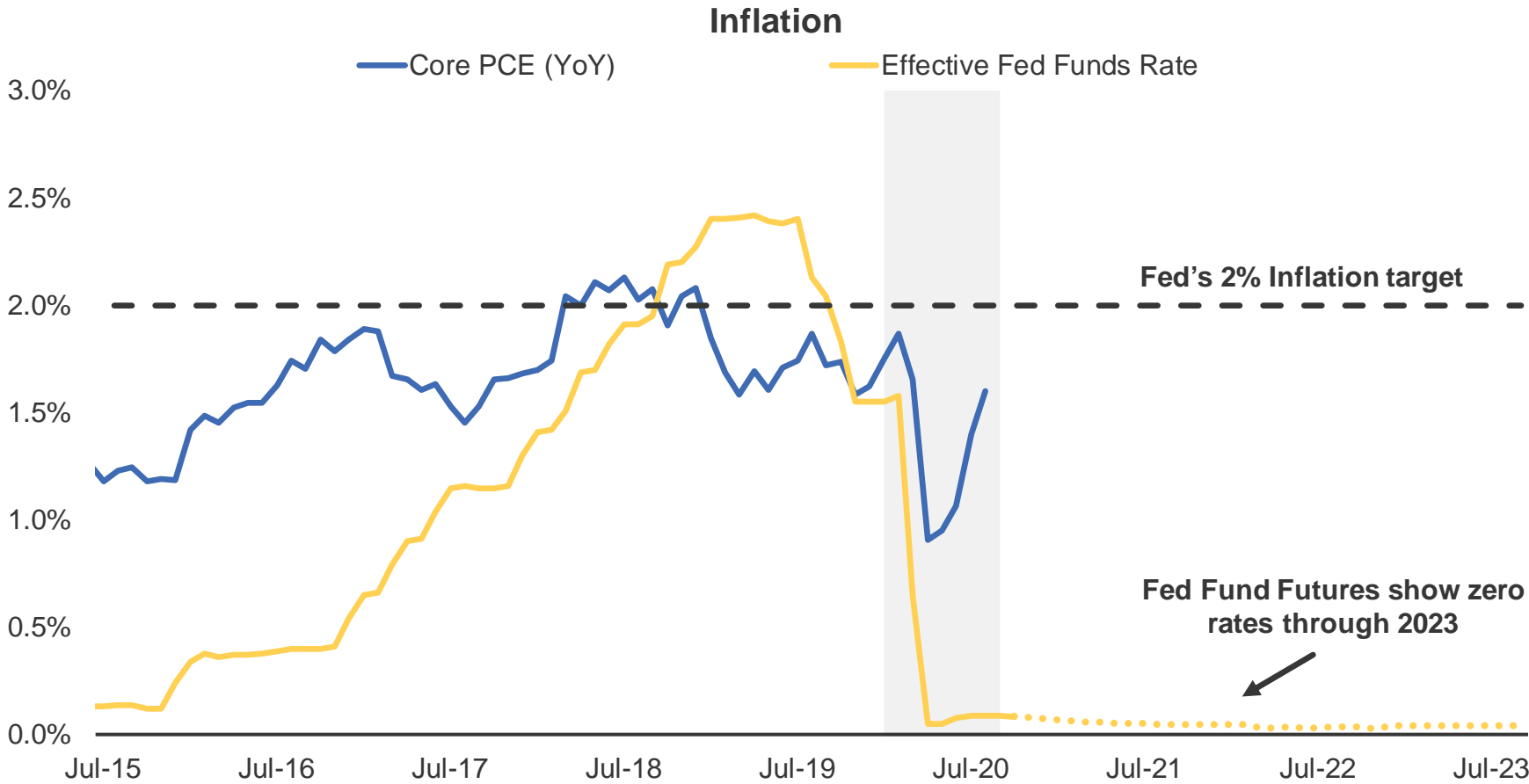
#### Unemployment Rate



Source: Federal Reserve, economic projections as of June and September 2020.

### Federal Reserve’s New Inflation Policy Means Rates May Be Lower for Longer

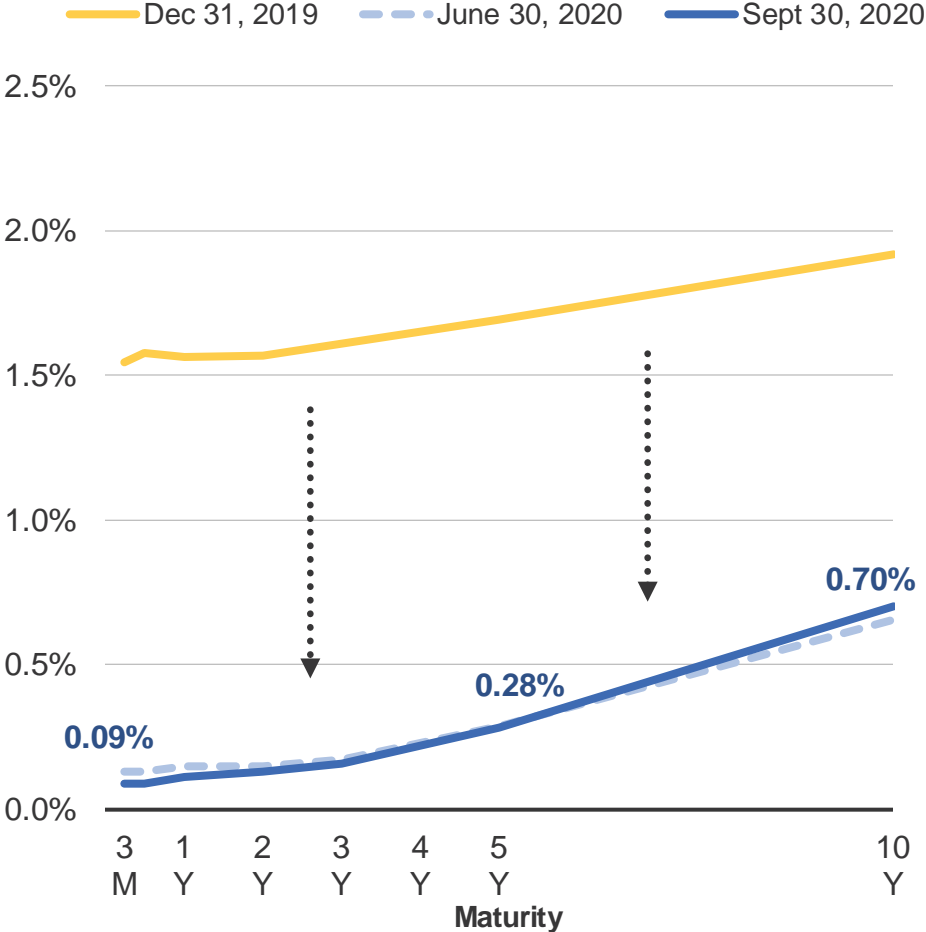
*“...the Committee seeks to achieve inflation that averages 2 percent over time... following periods when inflation has been running persistently below 2 percent, appropriate monetary policy will likely aim to achieve inflation moderately above 2 percent for some time.”*



Source: Federal Reserve, as of 8/27/2020 (quote); Bloomberg, as of 10/02/2020 (chart). Fed Funds Futures projections as of 10/05/2020.

### Interest Rates Remain Stable Near Historic Lows

#### US Treasury Yield Curve



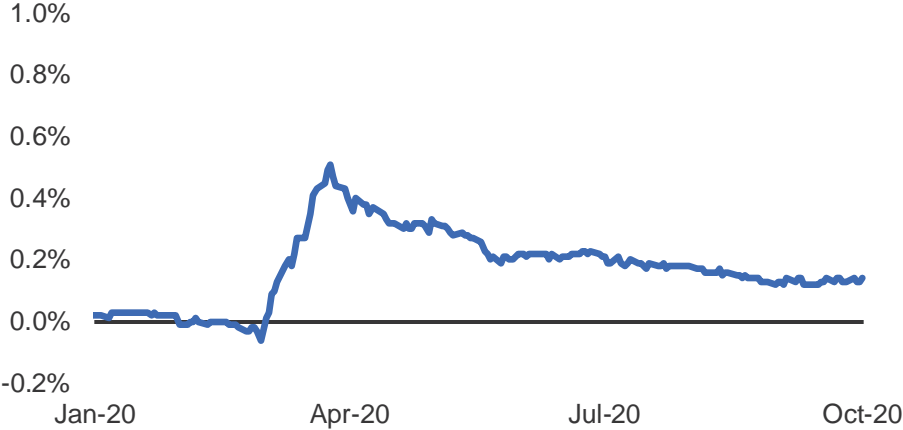
#### 3-Year Treasury Yield



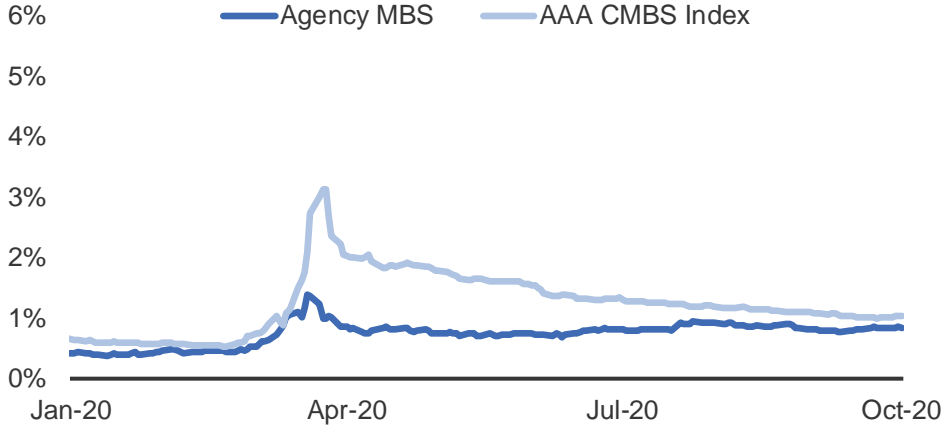
Source: Bloomberg as of 10/02/2020.

### Yield Spreads Narrow Further in Q3 1-5 Year Indices

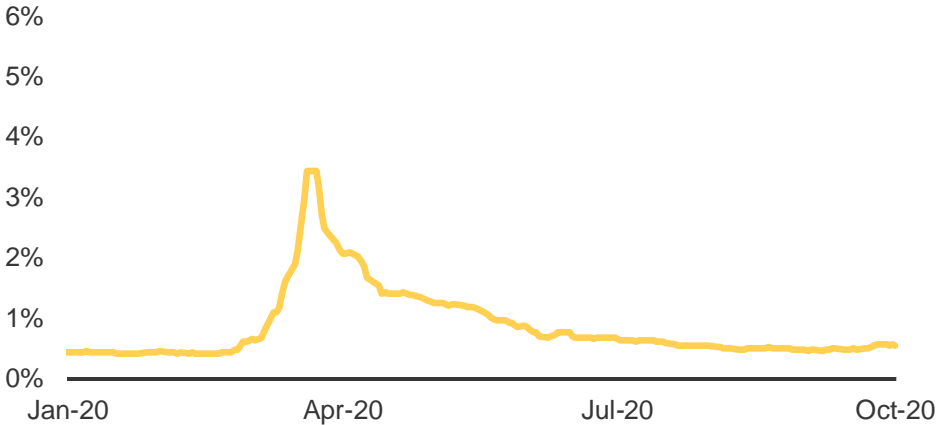
#### Federal Agency Yield Spreads



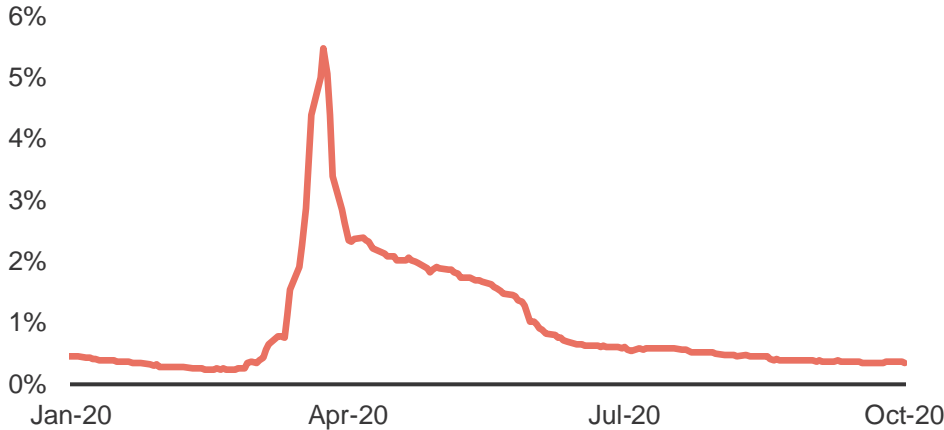
#### Mortgage-Backed Securities Yield Spreads



#### Corporate Notes A-AAA Yield Spreads



#### Asset-Backed Securities Yield Spreads

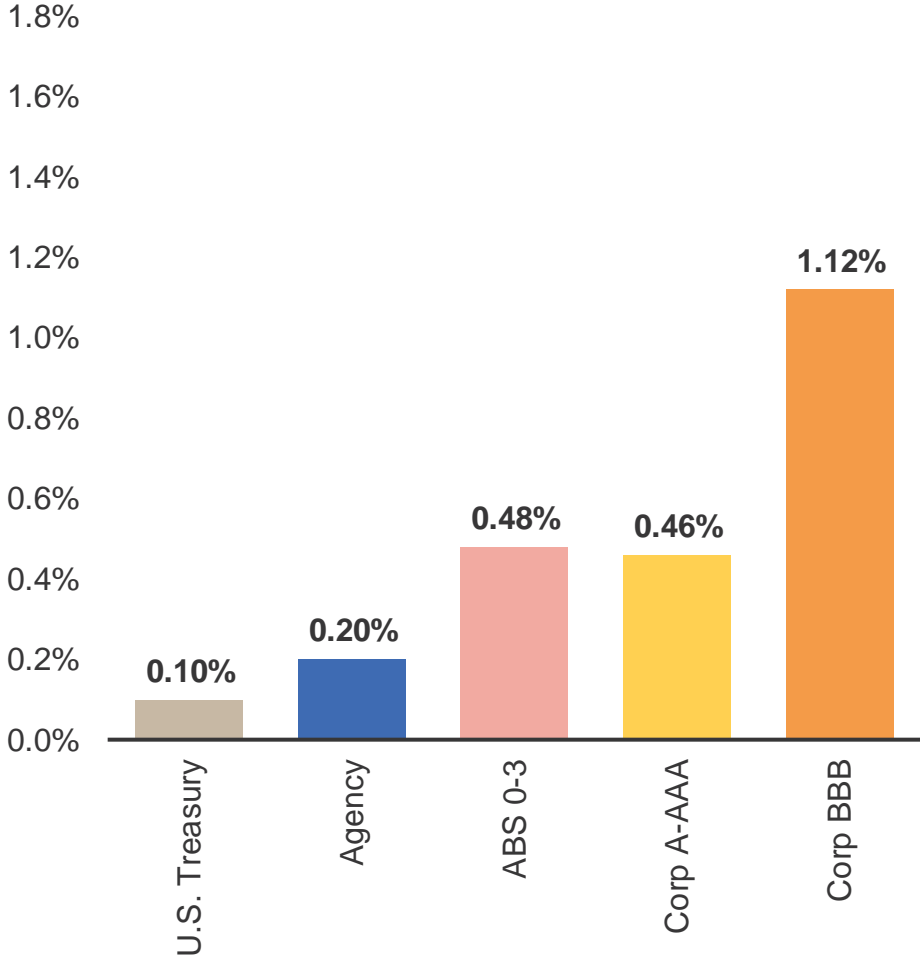


Source: ICE BofAML 1-5 year Indices via Bloomberg, MarketAxess and PFM as of 10/02/2020. Spreads on ABS and MBS are option-adjusted spreads of 0-5 year indices based on weighted average life; spreads on agencies are relative to comparable maturity Treasuries. CMBS is Commercial Mortgage-Backed Securities.

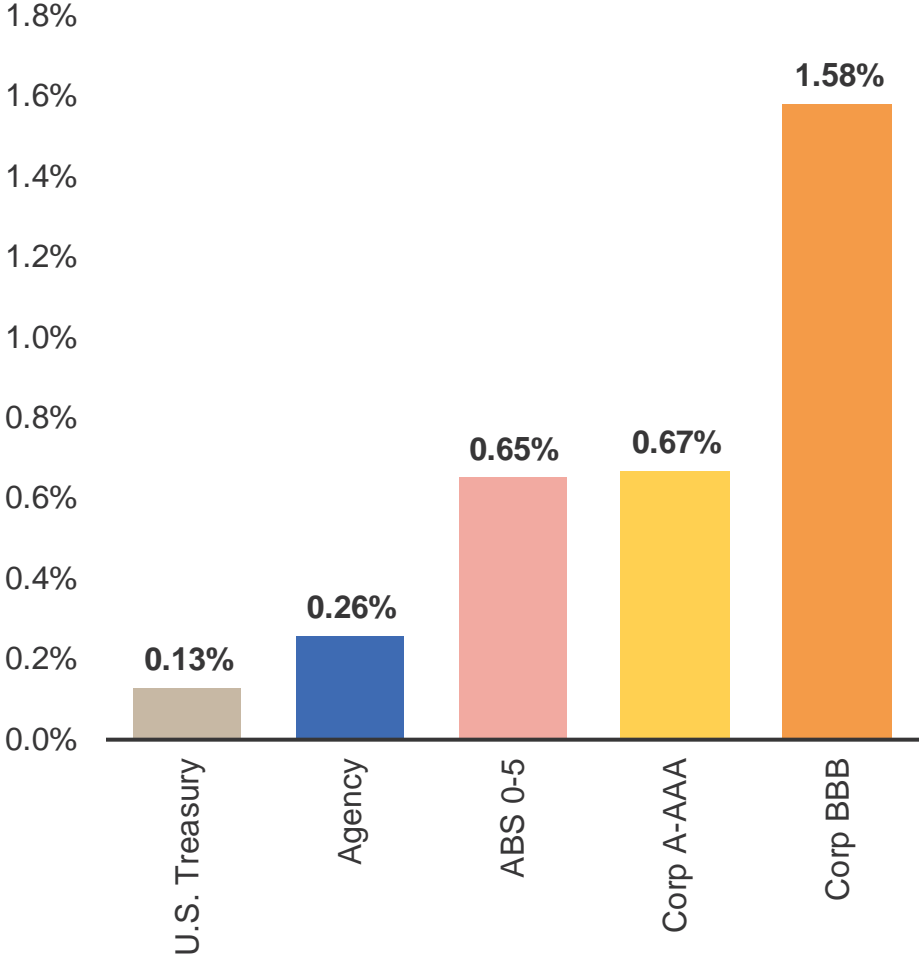


### Credit Sectors Outperform in the Third Quarter

#### 1-3 Year Indices



#### 1-5 Year Indices



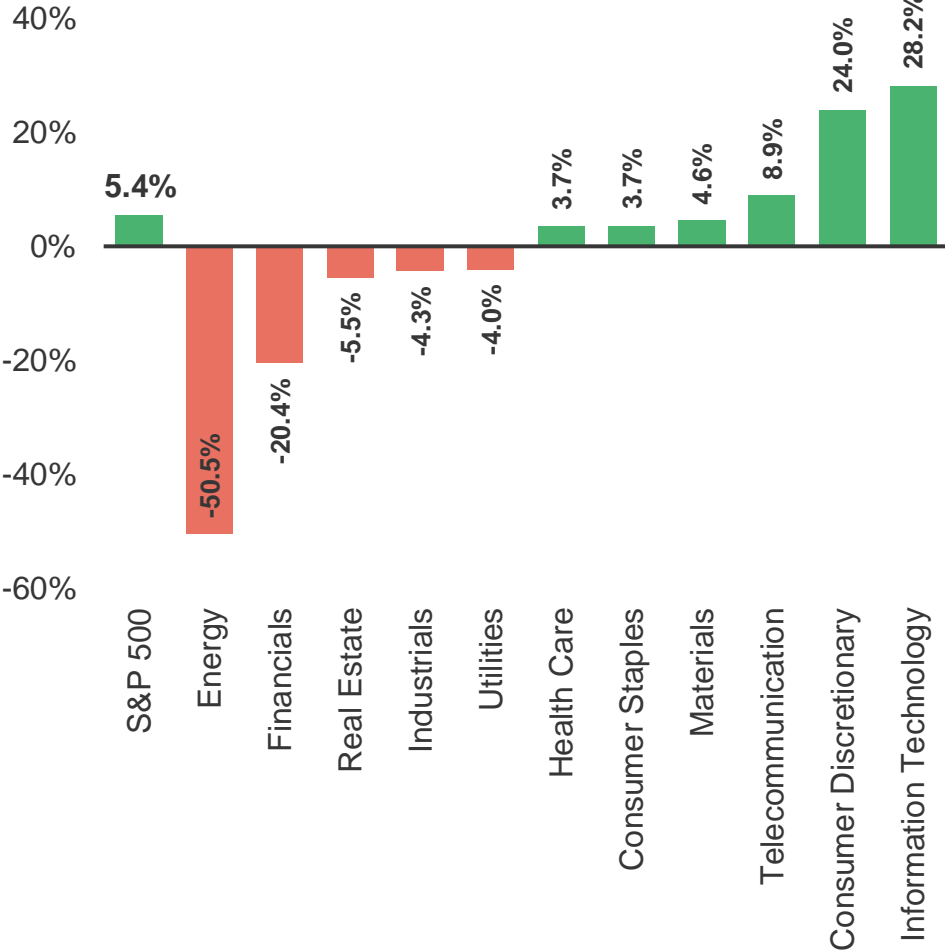
Source: Bloomberg, as of 9/30/2020.

### Equity Market Reaches New High Before Pullback

#### S&P 500 Price Change



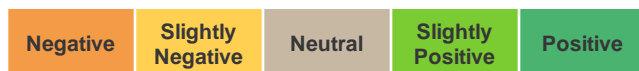
#### S&P 500 YTD Sector Performance



Source: Bloomberg, as of 10/02/2020.

### Fixed-Income Sector Outlook – October 2020

Sector	Our Investment Preferences	Comments
<b>COMMERCIAL PAPER / CD</b>		<ul style="list-style-type: none"> <li>Front end credit spreads are close to historic tights; however, investor appetite remains strong; selectively add exposure.</li> </ul>
<b>TREASURIES</b>		
<b>T-Bill</b>		<ul style="list-style-type: none"> <li>T-Bills remain attractive relative to other short-term options. Renewed fiscal stimulus may result in elevated supply and drive the continued value in this sector.</li> </ul>
<b>T-Note</b>		<ul style="list-style-type: none"> <li>Treasury yields decreased over the month as Treasury volatility fell. Uncertainty around the path of the virus, additional fiscal support and the November elections have offset the record level of treasury coupon issuance in moving yields lower.</li> </ul>
<b>FEDERAL AGENCIES</b>		
<b>Bullets</b>		<ul style="list-style-type: none"> <li>Agency spreads remained mostly range bound over the month. Current valuations remain attractive in the 3- and 5-year area, which have benefited the most from supply, and should continued to be targeted.</li> </ul>
<b>Callables</b>		<ul style="list-style-type: none"> <li>Callable spreads tightened and new-issue coupons continued to fall as Treasury volatility hit a record low. Value remains on a structure-by-structure basis.</li> </ul>
<b>SUPRANATIONALS</b>		<ul style="list-style-type: none"> <li>Supranational spreads softened across the curve in response to robust issuance, which is expected to slow given annual funding targets are nearly met. New issue opportunities should continue to be evaluated.</li> </ul>
<b>CORPORATES</b>		
<b>Financials</b>		<ul style="list-style-type: none"> <li>We remain cautious with valuations on high-quality corporate bonds near record tight levels while fundamentals remain highly uncertain. New issue supply will likely decline after the record pace seen so far this year, a positive factor for the sector.</li> </ul>
<b>Industrials</b>		<ul style="list-style-type: none"> <li>The Fed's unprecedented support should help anchor spreads, but we have concerns around consumer finances and corporate balance sheets. Another surge in COVID-19 cases, rising geopolitical tensions and the Presidential election could be catalysts for another spike in volatility.</li> </ul>
<b>SECURITIZED</b>		
<b>Asset-Backed</b>		<ul style="list-style-type: none"> <li>ABS yield spreads tightened even as the sector experienced an elevated level of issuance in September. Credit enhancements on some new issue auto ABS deals have increased in response to concerns regarding consumer stress.</li> </ul>
<b>Agency Mortgage-Backed</b>		<ul style="list-style-type: none"> <li>The Fed continues "to support the smooth functioning" of the MBS market through its ongoing purchase program. However, spreads are narrow, and prepayments will stay elevated over the near-term as refinancings remain robust.</li> </ul>
<b>Agency CMBS</b>		<ul style="list-style-type: none"> <li>Agency CMBS spreads moved slightly wider in September and remain above historical averages as concerns regarding the ability of renters to pay remain.</li> </ul>
<b>MUNICIPALS</b>		<ul style="list-style-type: none"> <li>Taxable supply continues to come to market while spreads continue to tighten due to increased investor demand. We remain focused on the largest issuers while exercising caution on many sub-sectors given the fiscal impact from COVID-19.</li> </ul>



- The Investment Portfolio is of high credit quality and invested in U.S. Treasury, federal agency/GSE, federal agency/CMO, mortgage-backed, municipal, supranational, and corporate notes securities.
- The Investment Portfolio's quarterly total return performance of 0.35% outperformed the benchmark performance of 0.13% by 0.22%. In the last 12 months, the portfolio returned 4.86%, outperforming the benchmark's performance of 4.60% by 0.26%.
- The effects of the coronavirus continued to ripple through global economies and financial markets during Q3:
  - **Global health crisis** – Coronavirus restrictions were gradually eased throughout the U.S. but were followed by regional hot spots of infection, reminding people of how long the virus may linger.
  - **Economic shutdown** – U.S. second quarter GDP plunged by a record annualized rate of 31.7%. For context, GDP fell by 8.4% during the height of the 2008 financial crisis. However, other economic indicators were surprisingly strong and recovered at a faster pace than originally expected, leading various economists to pull forward the expected timeframe for recovery. The labor market has rebounded off its lows, but with the unemployment rate still near 8%, the jobs landscape remains a significant headwind to a more robust and sustained recovery.
  - **Financial markets** – The Federal Reserve (Fed) continued to play a large role in supporting financial market stability. The central bank re-affirmed its ongoing support of many bond market sectors through its continuing purchase and liquidity programs, and it extended the expiration date of many of its lending facilities. The Fed also extended its forward guidance regarding zero short-term interest rates through 2023.
- The U.S. Treasury yield curve remained relatively unchanged over the quarter, with all maturities ending the quarter within 0.05% of where they began. Yields on shorter-term maturities drifted lower as the lack of new fiscal stimulus resulted in lighter Treasury debt issuance. Longer-dated yields inched only slightly higher, nudged primarily by the Fed's new inflation targeting policy. As a result, Treasury index returns were muted for the quarter.
- The U.S. and global economic recoveries have been stronger than expected. In the U.S., however, the pace of recovery appears to be slowing. Getting back to pre-pandemic growth and employment levels will likely be challenging.
- Considering the economic uncertainties that remain, we plan on structuring portfolios to have neutral durations relative to their respective benchmarks.

<u>Portfolios</u>	<u>Market Value</u>	<u>Current Quarter</u>	<u>Fiscal Year To Date</u>	<u>Trailing 12 Months</u>	<u>Assumed Rate of Return</u>
<b>City Operating Funds - Self-Directed<sup>1</sup></b> <i>S&amp;P GIP All Gross Yield Index</i>	\$ 215,990,632	0.21% 0.08%	1.33% 1.17%	1.33% 1.17%	
<b>CRA Funds</b> <i>S&amp;P GIP All Gross Yield Index</i>	\$ 60,303,574	0.68% 0.08%	2.40% 1.17%	2.40% 1.17%	
<b>Fixed Income Investment Portfolio - PFM</b> <i>ICE BofAML 1-5 Year U.S. Treasury Index</i>	\$ 314,972,500	0.35% 0.13%	4.86% 4.60%	4.86% 4.60%	
<b>Total City of Fort Lauderdale Funds<sup>2</sup></b> <i>City of Fort Lauderdale Blended Benchmark</i>	\$ 591,266,706	0.33% 0.11%	3.32% 3.00%	3.32% 3.00%	
<b>Bond Proceeds<sup>3</sup></b>	\$ 310,523,000	0.14%	1.10%	1.10%	
<b>OPEB Trust Funds</b> <i>Benchmark</i>	\$ 40,663,651	4.93% 5.06%	9.10% 9.30%	9.10% 9.30%	7.00%
<b>Cemetery Trust Fund<sup>4</sup></b> <i>Benchmark</i>	\$ 30,012,204	4.08% 4.81%	3.69% 11.70%	3.69% 11.70%	5.00%
<b>General Employees Retirement System<sup>4</sup></b> <i>Benchmark</i>	\$ 673,273,224	5.10% 5.20%	7.60% 7.70%	7.60% 7.70%	7.20%
<b>Police &amp; Fire Retirement System<sup>4</sup></b> <i>Benchmark</i>	\$ 992,316,891	3.68% 4.60%	5.43% 9.17%	5.43% 9.17%	7.30%

Notes:

1. City Operating Funds – Self-Directed performance is calculated based on the weighted average yield of the City Self – Directed Account portfolio and all of the self-directed bank accounts, as well as the Florida CLASS and FL PALM Holdings.
2. Total City of Fort Lauderdale Funds calculated as the weighted average return of City Operating Funds - Self Directed, CRA Funds, and Fixed Income Investment Portfolio - PFM
3. Bond Proceeds balance includes all bond proceeds portfolios. Current quarter yields estimated based on all bond proceeds holdings. Fiscal Year to Date and Trailing 12 Month yields are estimated based on current quarter yields and 2018 Water & Sewer bond yield data.
4. Performance and Market Values from Fixed Income Investment Portfolio – PFM, OPEB Trust Funds, Cemetery Trust Funds, General Employees Retirement System ("GERS"), and Police & Fire Retirement System ("P&F") are derived from their manager reports as of September 30, 2020.

	<u>Market Value as of September 30, 2020</u>	<u>Percent of Portfolio</u>		<u>Market Value as of June 30, 2020</u>	<u>Percent of Portfolio</u>
<b><u>Funds Held for Liquidity</u></b>					
CitiBank - Health Ins	530,416	0.06%		639,132	0.07%
Wells Fargo - Wks Comp	390,870	0.04%		197,314	0.02%
Wells Fargo Govt Ckg - BMPO	1,017,251	0.11%		1,017,251	0.11%
Wells Fargo Master Account	31,242,720	3.46%		22,362,947	2.33%
Wells Fargo Utility Account	8,054,444	0.89%		8,011,343	0.84%
Wells Fargo CRA	9,658,869	1.07%		12,349,272	1.29%
Wells Fargo Police Evidence	822,587	0.09%		783,894	0.08%
<b>Total Funds for Liquidity</b>	<b>\$ 51,717,157</b>	<b>5.73%</b>		<b>\$ 45,361,153</b>	<b>4.73%</b>
<b><u>Funds Held for Investment</u></b>					
PFM Investment Portfolio	314,972,500	34.93%	\$	311,919,902	32.55%
CRA City Self - Directed Account	21,290,661	2.36%		21,288,141	2.22%
CRA Central Beach	29,354,044	3.26%		35,865,007	3.74%
City Self - Directed Account	18,417,966	2.04%		38,773,571	4.05%
FMIT Subsidiary Accounts	133,765	0.01%		133,562	0.01%
FL CLASS	77,691,764	8.62%		87,618,192	9.14%
FL PALM	\$77,688,850	8.61%		87,620,792	9.14%
<b>Total Funds for Investment</b>	<b>\$ 539,549,549</b>	<b>59.83%</b>		<b>\$ 583,219,167</b>	<b>60.86%</b>
<b><u>Bond Proceeds</u></b>					
Water & Sewer Bond 2018	\$ 125,509,500	13.92%	\$	144,342,069	15.06%
Parks 2020-A	78,260,217	8.68%		78,037,551	8.14%
Public Safety 2020-B	100,880,655	11.19%		100,661,414	10.51%
FMIT G.O. Series 2011-A	5,872,627	0.65%		6,598,860	0.69%
<b>Total Bond Proceeds</b>	<b>\$ 310,523,000</b>	<b>34.43%</b>		<b>\$ 329,639,895</b>	<b>34.40%</b>
<b>Grand Total</b>	<b>\$ 901,789,706</b>	<b>100.00%</b>		<b>\$ 958,220,215</b>	<b>100.00%</b>

Notes:

Market Values plus accrued interest as of September 30, 2020 and June 30, 2020 are derived from their respective statements from Wells Fargo, PFM, City National, or FMIT.

Bond Proceeds balances for Parks 2020-A and Public Safety 2020-B include cash balances, FL PALM balances, and FL PALM Term balances.

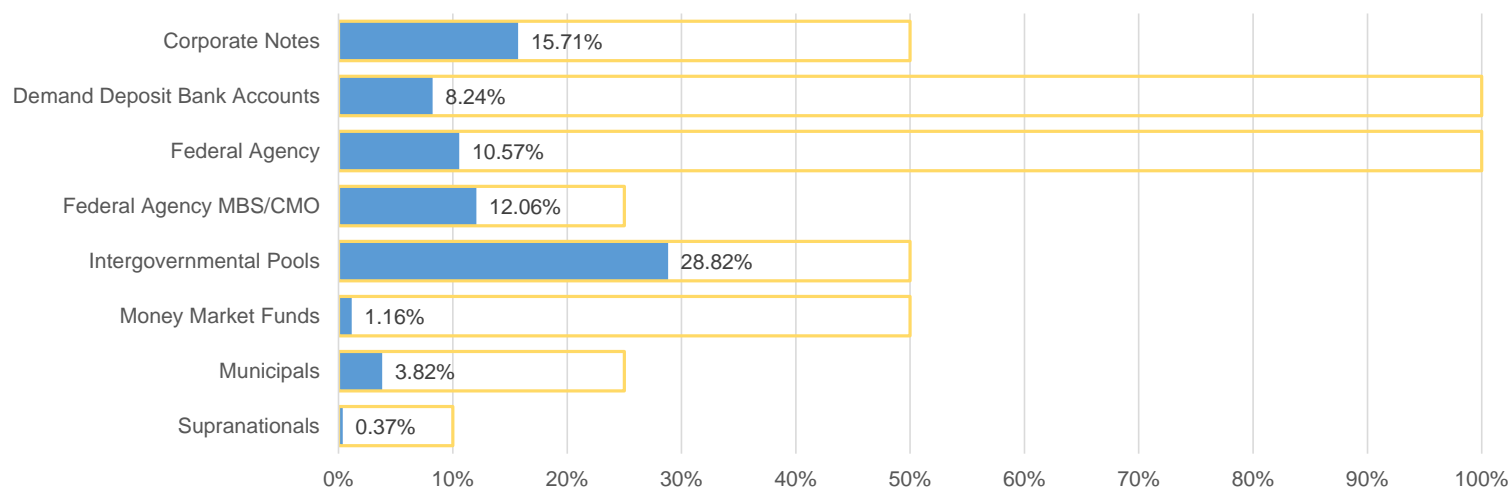
<u>Account Names</u>	<u>Yield to Market as of September 30, 2020</u>	<u>Percent of Portfolio September 30, 2020</u>	<u>Yield to Market as of June 30, 2020</u>	<u>Percent of Portfolio June 30, 2020</u>
<b><u>Funds Held for Liquidity</u></b>				
CitiBank - Health Ins	0.00%	0.06%	0.00%	0.07%
Wells Fargo - Wks Comp	0.06%	0.04%	0.06%	0.02%
Wells Fargo Govt Ckg - BMPO	0.06%	0.11%	0.06%	0.11%
Wells Fargo Master Account	0.06%	3.46%	0.06%	2.33%
Wells Fargo Utility Account	0.00%	0.89%	0.00%	0.84%
Wells Fargo CRA	0.06%	1.07%	0.06%	1.29%
Wells Fargo Police Evidence	0.00%	0.09%	0.00%	0.08%
<b>Total Funds for Liquidity</b>	<b>0.05%</b>	<b>5.73%</b>	<b>0.05%</b>	<b>4.73%</b>
<b><u>Funds Held for Investment</u></b>				
PFM Investment Portfolio	0.83%	34.93%	0.87%	32.55%
CRA City Self - Directed Account	1.89%	2.36%	1.24%	2.22%
CRA Central Beach	0.01%	3.26%	0.01%	3.74%
City Self - Directed Account	0.08%	2.04%	0.20%	4.05%
FMIT Subsidiary Accounts	0.38%	0.01%	0.51%	0.01%
FL CLASS	0.26%	8.62%	0.51%	9.14%
FL PALM	0.29%	8.61%	0.55%	9.14%
<b>Total Funds for Investment</b>	<b>0.64%</b>	<b>59.83%</b>	<b>0.68%</b>	<b>60.86%</b>
<b><u>Bond Proceeds</u></b>				
Water & Sewer Bond 2018	0.01%	13.92%	0.01%	15.06%
Parks 2020-A	0.25%	8.68%	0.34%	8.14%
Public Safety 2020-B	0.21%	11.19%	0.30%	10.51%
FMIT G.O. Series 2011-A	0.37%	0.65%	0.55%	0.69%
<b>Total Bond Proceeds</b>	<b>0.14%</b>	<b>34.43%</b>	<b>0.19%</b>	<b>34.40%</b>
<b>Total Average Yield</b>	<b>0.44%</b>	<b>100.00%</b>	<b>0.48%</b>	<b>100.00%</b>

<u>Benchmarks</u>	<u>September 30, 2020</u>	<u>June 30, 2020</u>
S&P GIP All 30 Day Gross Yield Index	0.26%	0.50%
BofA Merrill Lynch 1-3 Year Treasury Index	0.13%	0.17%
BofA Merrill Lynch 1-5 Year Treasury Index	0.16%	0.19%

## Notes:

Market Values plus accrued interest as of September 30, 2020 and June 30, 2020 are derived from their respective statements from Wells Fargo, PFM, City National, or FMIT.

Bond Proceeds balances for Parks 2020-A and Public Safety 2020-B include cash balances, FL PALM balances, and FL PALM Term balances.



Security Type	Market Value (Includes Interest)	Allocation Percentage	Permitted by Policy	In Compliance
Bankers' Acceptances	-	-	10%	Yes
Certificates of Deposit and Savings Accounts	-	-	50%	Yes
Commercial Paper	-	-	35%	Yes
Corporate Notes	84,763,889.86	15.71%	50%	Yes
Demand Deposit Bank Accounts	44,459,470.99	8.24%	100%	Yes
Federal Agency	57,010,783.12	10.57%	100%	Yes
Florida Prime (SBA)	-	-	25%	Yes
Intergovernmental Pools	155,514,378.30	28.82%	50%	Yes
Federal Agency MBS/CMO	65,092,597.94	12.06%	25%	Yes
Money Market Funds	6,269,426.03	1.16%	50%	Yes
Municipals	20,601,475.69	3.82%	25%	Yes
Repurchase Agreements	-	-	20%	Yes
Supranationals	2,022,165.78	0.37%	10%	Yes
United States Treasury Securities	103,816,224.43	19.24%	100%	
<b>Total</b>	<b>539,550,412.14</b>	<b>100.00%</b>		

End of month trade-date market value of portfolio holdings, including accrued interest. This also includes CRA Self, Central Beach, Self-Directed, FL CLASS, FL PALM, and FMIT Subsidiary Account holdings.



Sector	Individual Issuer Breakdown	Market Value (Includes Interest)	Allocation Percentage	Permitted by Policy	In Compliance
CORPORATE NOTE	AMERICAN EXPRESS CREDIT	2,851,654.25	0.53%	5%	Yes
CORPORATE NOTE	AMERICAN HONDA FINANCE	2,816,703.42	0.52%	5%	Yes
CORPORATE NOTE	APPLE INC	3,210,068.84	0.59%	5%	Yes
CORPORATE NOTE	BRANCH BANKING & TRUST	2,128,493.67	0.39%	5%	Yes
CORPORATE NOTE	CHEVRON CORP	2,006,297.35	0.37%	5%	Yes
CORPORATE NOTE	CITIGROUP INC	1,102,214.03	0.20%	5%	Yes
CORPORATE NOTE	GOLDMAN SACHS GROUP INC	2,977,497.26	0.55%	5%	Yes
CORPORATE NOTE	MORGAN STANLEY	2,967,005.35	0.55%	5%	Yes
CORPORATE NOTE	TOYOTA MOTOR CREDIT CORP	6,020,889.75	1.12%	5%	Yes
CORPORATE NOTE	WELLS FARGO BANK NA	2,561,447.51	0.47%	5%	Yes
CORPORATE NOTE	COSTCO WHOLESALE CORP	779,605.67	0.14%	5%	Yes
CORPORATE NOTE	JOHN DEERE CAPITAL CORP	2,751,704.41	0.51%	5%	Yes
CORPORATE NOTE	EMERSON ELECTRIC COMPANY	931,239.00	0.17%	5%	Yes
CORPORATE NOTE	FIFTH THIRD BANK	356,284.78	0.07%	5%	Yes
CORPORATE NOTE	INTEL CORP	1,902,919.05	0.35%	5%	Yes
CORPORATE NOTE	JPMORGAN CHASE & CO	4,185,754.56	0.78%	5%	Yes
CORPORATE NOTE	KEY BANK NA	1,078,767.87	0.20%	5%	Yes
CORPORATE NOTE	PNC BANK NA	2,138,491.33	0.40%	5%	Yes
CORPORATE NOTE	CHARLES SCHWAB CORP	1,358,744.53	0.25%	5%	Yes
CORPORATE NOTE	US BANK NA CINCINNATI	6,056,848.33	1.12%	5%	Yes
CORPORATE NOTE	BANK OF AMERICA CORP	3,407,567.64	0.63%	5%	Yes
CORPORATE NOTE	UNILEVER CAPITAL CORP	1,543,272.89	0.29%	5%	Yes
CORPORATE NOTE	3M COMPANY	1,149,041.23	0.21%	5%	Yes
CORPORATE NOTE	BLACKROCK INC	4,772,836.55	0.88%	5%	Yes
CORPORATE NOTE	CISCO SYSTEMS	3,652,589.80	0.68%	5%	Yes
CORPORATE NOTE	HOME DEPOT INC	1,462,671.47	0.27%	5%	Yes
CORPORATE NOTE	WALT DISNEY COMPANY/THE	2,358,927.75	0.44%	5%	Yes
CORPORATE NOTE	PACCAR FINANCIAL CORP	1,089,834.90	0.20%	5%	Yes
CORPORATE NOTE	CATERPILLAR FINANCIAL SERVICES CORP	2,607,729.49	0.48%	5%	Yes
CORPORATE NOTE	AMAZON.COM INC	2,799,129.45	0.52%	5%	Yes
CORPORATE NOTE	WAL-MART STORES INC	979,700.60	0.18%	5%	Yes
CORPORATE NOTE	UNITED PARCEL SERVICE	795,473.50	0.15%	5%	Yes
CORPORATE NOTE	HONEYWELL INTERNATIONAL	2,750,100.93	0.51%	5%	Yes
CORPORATE NOTE	PEPSICO INC	658,596.90	0.12%	5%	Yes
CORPORATE NOTE	BANK OF NY MELLON CORP	1,147,990.71	0.21%	5%	Yes
CORPORATE NOTE	UNITEDHEALTH GROUP INC	1,589,401.17	0.29%	5%	Yes
CORPORATE NOTE	EXXON MOBIL CORPORATION	888,619.26	0.16%	5%	Yes
CORPORATE NOTE	ADOBE INC	309,893.20	0.06%	5%	Yes
CORPORATE NOTE	ALPHABET INC	617,881.46	0.11%	5%	Yes
MBS / CMO	FANNIE MAE	36,247,746.09	6.72%	40%	Yes
MBS / CMO	FHLMC MULTIFAMILY STRUCTURED P	15,370,808.40	2.85%	40%	Yes
MBS / CMO	FREDDIE MAC	11,152,527.40	2.07%	40%	Yes

Sector	Individual Issuer Breakdown	Market Value (Includes Interest)	Allocation Percentage	Permitted by Policy	In Compliance
MBS / CMO	GOVERNMENT NATIONAL MORTGAGE ASSOC	2,321,516.05	0.43%	40%	Yes
US TSY BOND/NOTE	UNITED STATES TREASURY	103,816,224.43	19.24%	100%	Yes
SUPRANATL	ASIAN DEVELOPMENT BANK	2,022,165.78	0.37%	5%	Yes
MUNI BOND/NOTE	NEW YORK ST DORM AUTH ST PERSO	2,751,300.69	0.51%	5%	Yes
MUNI BOND/NOTE	MISSISSIPPI ST	380,635.81	0.07%	5%	Yes
MUNI BOND/NOTE	NEW YORK NY	5,598,901.93	1.04%	5%	Yes
MUNI BOND/NOTE	SAN DIEGO COUNTY	816,500.30	0.15%	5%	Yes
MUNI BOND/NOTE	AZ TRAN BOARD TXBL REV BONDS	3,435,403.73	0.64%	5%	Yes
MUNI BOND/NOTE	FLORIDA ST BRD OF ADMIN FIN CO	2,016,152.91	0.37%	5%	Yes
MUNI BOND/NOTE	MINNESOTA ST	643,270.40	0.12%	5%	Yes
MUNI BOND/NOTE	NEW YORK ST URBAN DEV CORP REV	1,356,357.00	0.25%	5%	Yes
MUNI BOND/NOTE	PORT AUTH OF NY/NJ TXBL REV BONDS	763,090.38	0.14%	5%	Yes
MUNI BOND/NOTE	TAMPA WTR & WSTWTR SYS, FL TXBL REV BNDS	804,919.41	0.15%	5%	Yes
MUNI BOND/NOTE	WI DEPT OF TRANS TXBL REV BONDS	2,034,943.13	0.38%	5%	Yes
FED AGY BOND/NOTE	FANNIE MAE	22,512,101.16	4.17%	40%	Yes
FED AGY BOND/NOTE	FEDERAL HOME LOAN BANKS	7,461,756.88	1.38%	40%	Yes
FED AGY BOND/NOTE	FREDDIE MAC	24,285,643.41	4.50%	40%	Yes
FED AGY BOND/NOTE	FEDERAL FARM CREDIT BANK	2,009,432.56	0.37%	40%	Yes
FED AGY BOND/NOTE	TENN VALLEY AUTHORITY	741,849.11	0.14%	40%	Yes
INTERGOVERNMENTAL POOLS	FL CLASS	77,691,763.55	14.40%	25%	Yes
INTERGOVERNMENTAL POOLS	FMIT SUBSIDIARY ACCOUNTS	133,764.54	0.02%	25%	Yes
MNY MKT/MUTUAL FND	MONEY MARKET FUNDS	5,877,919.90	1.09%	25%	Yes
DEMAND DEPOSIT BANK ACCOUNT	BANK DEPOSITS	44,459,470.99	8.24%	100%	Yes
MNY MKT/MUTUAL FND	CASH BALANCE	391,506.13	0.07%	25%	Yes
INTERGOVERNMENTAL POOLS	FL PALM	77,688,850.21	14.40%	25%	Yes
<b>Total</b>		<b>539,550,412.14</b>	<b>100.00%</b>		

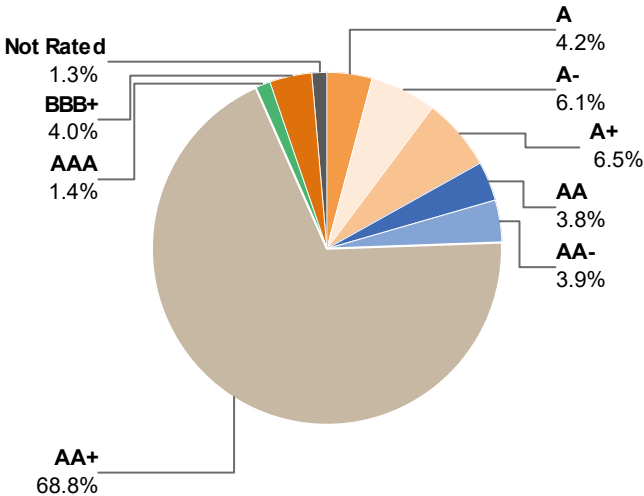
End of month trade-date market value of portfolio holdings, including accrued interest. This also includes CRA Self, Central Beach, Self-Directed, FL CLASS, FL PALM, and FMIT Subsidiary Account holdings.

**Portfolio Statistics**

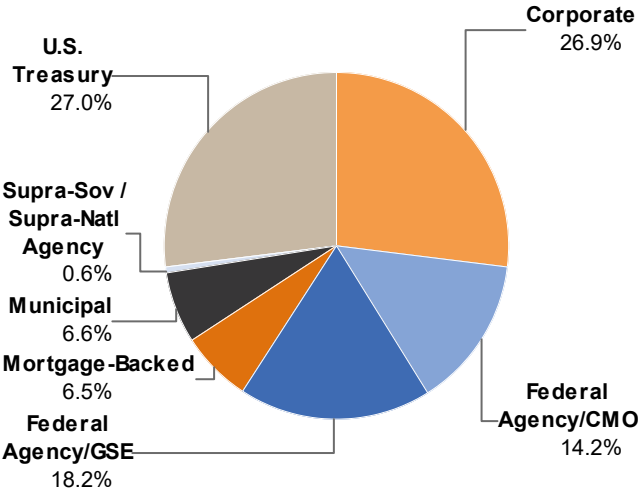
As of September 30, 2020

<b>Par Value:</b>	\$299,945,107
<b>Total Market Value:</b>	\$314,972,500
<b>Security Market Value:</b>	\$313,336,643
<b>Accrued Interest:</b>	\$1,244,351
<b>Cash:</b>	\$391,506
<b>Amortized Cost:</b>	\$302,753,197
<b>Yield at Market:</b>	0.82%
<b>Yield at Cost:</b>	2.12%
<b>Effective Duration:</b>	2.64 Years
<b>Average Maturity:</b>	4.88 Years
<b>Average Credit: *</b>	AA

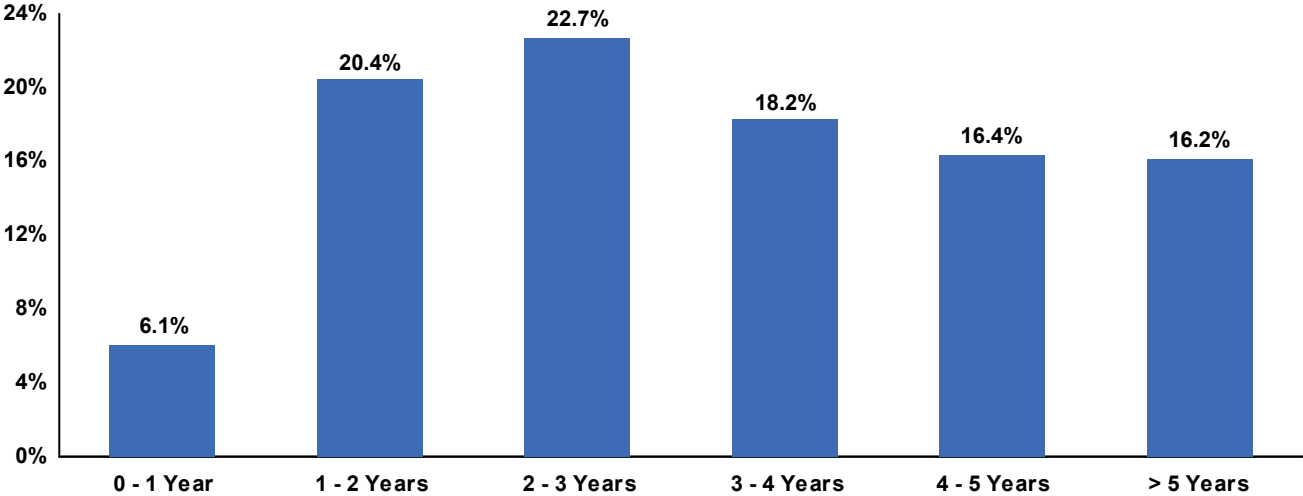
**Credit Quality (S&P Ratings)**



**Sector Allocation**



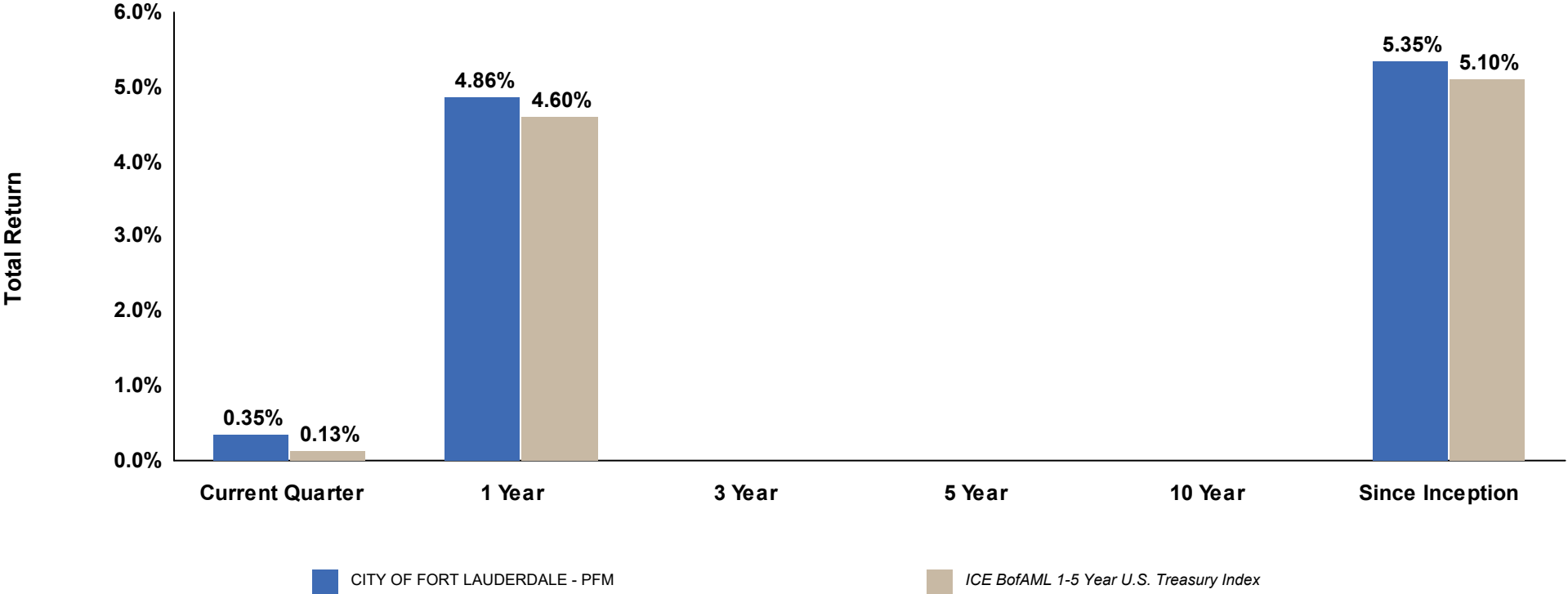
**Maturity Distribution**



\* 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)**

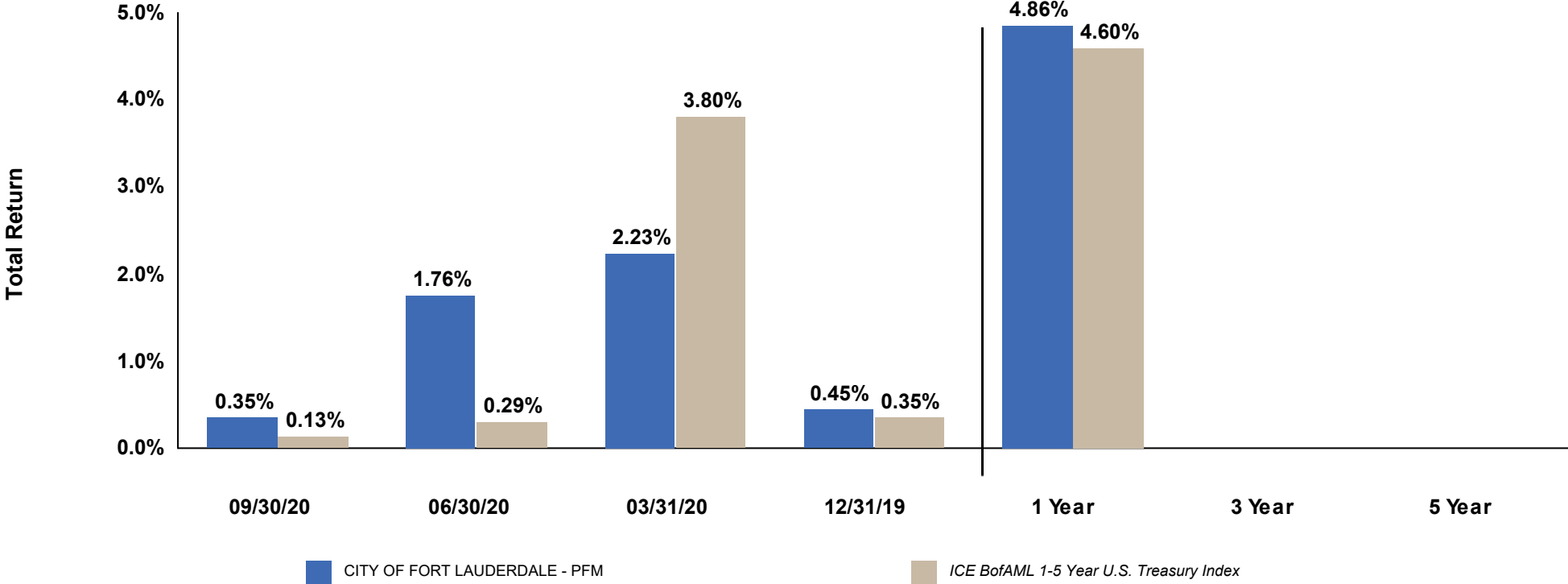
Portfolio/Benchmark	Effective Duration	Current Quarter	Annualized Return				Since Inception (09/30/18) **
			1 Year	3 Year	5 Year	10 Year	
CITY OF FORT LAUDERDALE - PFM	2.64	0.35%	4.86%	-	-	-	5.35%
ICE BofAML 1-5 Year U.S. Treasury Index	2.58	0.13%	4.60%	-	-	-	5.10%
Difference		0.22%	0.26%	-	-	-	0.25%



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

Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Quarter Ended				1 Year	Annualized Return	
		09/30/20	06/30/20	03/31/20	12/31/19		3 Year	5 Year
CITY OF FORT LAUDERDALE - PFM	2.64	0.35%	1.76%	2.23%	0.45%	4.86%	-	-
ICE BofAML 1-5 Year U.S. Treasury Index	2.58	0.13%	0.29%	3.80%	0.35%	4.60%	-	-
Difference		0.22%	1.47%	-1.57%	0.10%	0.26%	-	-



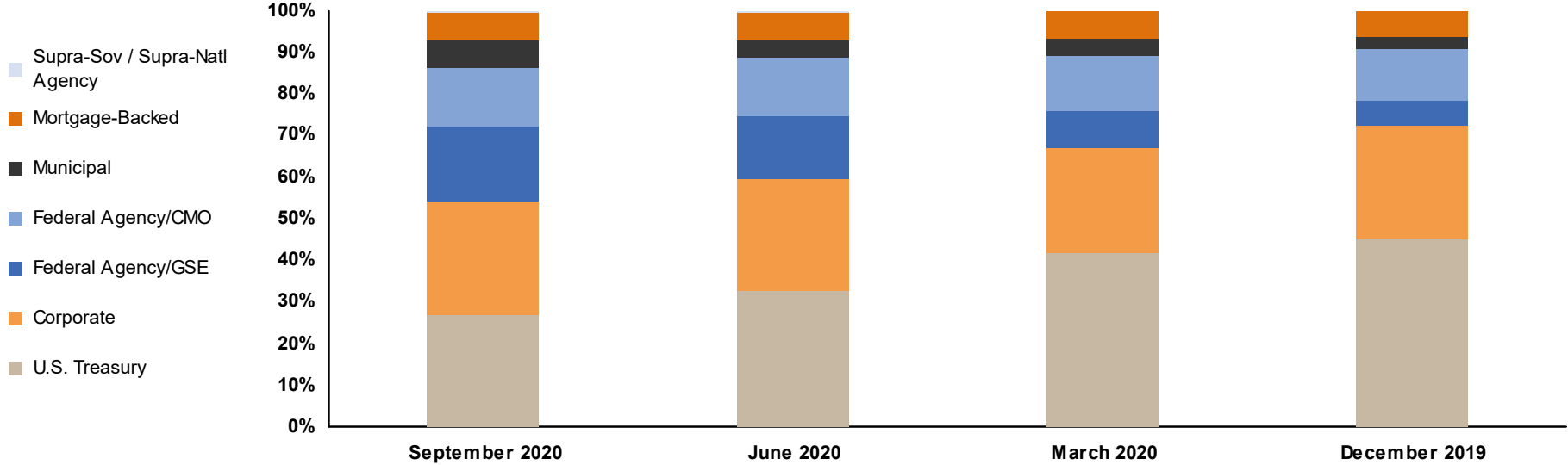
Portfolio performance is gross of fees unless otherwise indicated.

**Portfolio Earnings**  
**Quarter-Ended September 30, 2020**

	<b>Market Value Basis</b>	<b>Accrual (Amortized Cost) Basis</b>
<b>Beginning Value (06/30/2020)</b>	\$311,919,901.92	\$300,299,252.29
<b>Net Purchases/Sales</b>	\$2,071,945.84	\$2,071,945.84
<b>Change in Value</b>	(\$655,205.15)	\$381,998.86
<b>Ending Value (09/30/2020)</b>	\$313,336,642.61	\$302,753,196.99
<b>Interest Earned</b>	\$1,742,676.15	\$1,742,676.15
<b>Portfolio Earnings</b>	\$1,087,471.00	\$2,124,675.01

Sector Allocation

Sector	September 30, 2020		June 30, 2020		March 31, 2020		December 31, 2019	
	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total	MV (\$MM)	% of Total
U.S. Treasury	84.6	27.0%	101.8	32.6%	127.7	41.5%	134.8	45.1%
Corporate	84.3	26.9%	84.0	26.9%	78.1	25.4%	81.4	27.2%
Federal Agency/GSE	56.9	18.2%	47.3	15.2%	27.5	9.0%	18.2	6.1%
Federal Agency/CMO	44.4	14.2%	43.1	13.8%	40.4	13.2%	37.2	12.4%
Municipal	20.5	6.6%	13.9	4.5%	12.2	4.0%	8.8	2.9%
Mortgage-Backed	20.5	6.5%	19.8	6.3%	21.2	6.9%	18.9	6.3%
Supra-Sov / Supra-Natl Agency	2.0	0.6%	2.0	0.7%	0.0	0.0%	0.0	0.0%
<b>Total</b>	<b>\$313.3</b>	<b>100.0%</b>	<b>\$311.9</b>	<b>100.0%</b>	<b>\$307.0</b>	<b>100.0%</b>	<b>\$299.3</b>	<b>100.0%</b>



Detail may not add to total due to rounding.

## 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 Refinitiv, 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.
- **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.
- **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.

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## GLOSSARY

- **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.