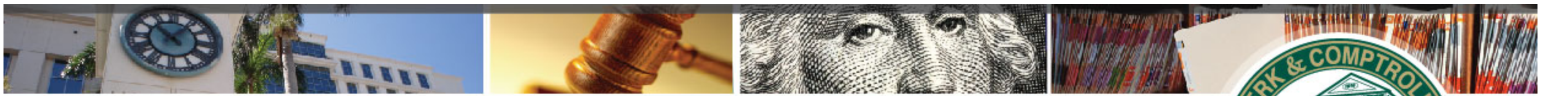


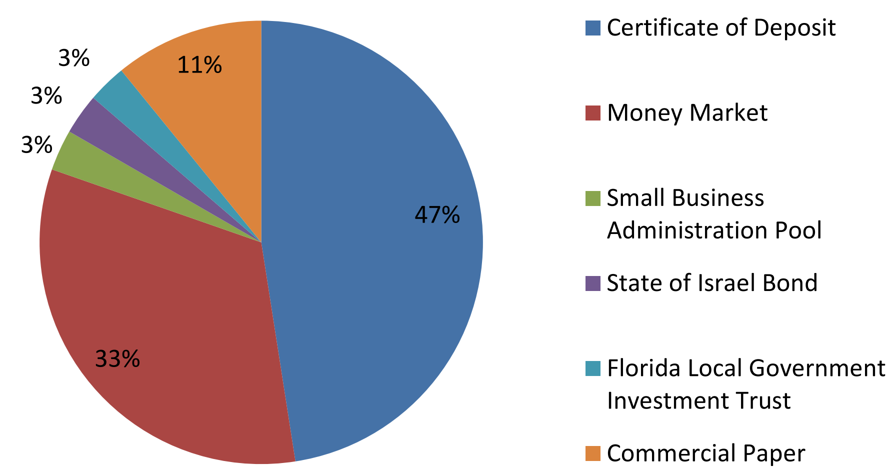
Consolidated Investment Report

April 2017

SHARON R. BOCK
Clerk & Comptroller
Palm Beach County

As Palm Beach County's Chief Financial Officer, the Clerk & Comptroller is charged with safeguarding and investing all County funds. The Clerk's management of the fixed income portfolio is in accordance with regulations set forth in Palm Beach County's Investment Policy. The County Investment Policy is very specific in terms of its stated investment objectives. The primary objective of the policy is to prevent any loss of principal and, secondarily, to meet the County's expenditures. After meeting these two objectives, the Clerk actively seeks opportunities to maximize investment income.

Portfolio Allocation
April 30, 2017



Performance
Total Return

Fiscal Year to Date	0.90%
Prior Month	0.12%
Prior Quarter	0.38%
Prior Year	1.42%*
Prior 3 Years	1.36%*
Prior 5 Years	1.20%*
Prior 8 Years	2.67%*

*figures annualized

Portfolio Statistics

	April '17	March '17	February '17	January '17	December '16	November '16
Month-end Market Value	$1,833,505,199.10	$1,850,504,712.50	$1,747,174,706.13	$1,794,172,991.83	$2,121,143,574.45	$1,577,621,113.99
Book Value	$1,817,601,485.75	$1,835,297,017.11	$1,731,746,186.84	$1,778,959,240.30	$2,106,376,006.34	$1,562,901,829.62
Unrealized Gain/Loss	$15,903,713.35	$15,207,695.39	$15,428,519.29	$15,213,751.53	$14,767,568.10	$14,719,284.37
Book Yield	1.581%	1.493%	1.588%	1.579%	1.392%	1.542%
Market Yield	1.586%	1.516%	1.590%	1.592%	1.360%	1.503%
Effective Duration	.66 years	.67 years	.82 years	.86 years	.68 years	.85 years
Convexity	.252	.265	.359	.364	.259	.448
Average Credit Rating	AA/Aa2/AA	AA/Aa2/AA	AA-/Aa3/AA-	AA-/Aa3/AA-	AA/Aa2/AA	AA-/Aa3/AA-

www.mypalmbeachclerk.com/investments

Portfolio Income

	April '17	March '17	February '17	January '17	December '16	November '16
Interest Income (FYTD)	$14,565,782.10	$12,392,314.71	$10,136,346.71	$8,166,681.30	$ 6,121,127.89	$3,837,399.25
Investment Income (FYTD)	$15,424,382.65	$12,761,495.54	$10,407,751.56	$8,365,064.54	$5,920,502.73	$3,661,699.77
Interest Income (current month)	$2,069,540.13	$2,151,297.73	$1,854,504.58	$2,045,553.41	$2,283,729.26	$1,916,943.55

April 2017 Economic Overview

Long term fixed income yields fell while shorter maturities rose. Short term rates rose on fears of more Fed rate hikes after the one in March while bond yields fell on safe-haven buying sparked by U.S. military action in Syria and Afghanistan and threats from North Korea. The 10-year Treasury note hit a low yield of 2.17% in mid-April after closing March out at 2.39%, and ended April at 2.28%. Dow Jones Industrial Average rose to 20,941 at the end of April vs. 20,663 at the end of March.

Consumers:

March nonfarm payrolls rose 98,000, which was nearly half of the consensus expectations and lowest monthly gain since May 2016, while the prior two months were revised lower by 38,000 workers. Yet, the March unemployment rate unexpectedly fell to 4.5%, its lowest level in almost a decade, vs. 4.7% in February. March auto sales fell to 16.53 million units at a seasonally adjusted annualized rate vs. 17.47 million in February. March retail sales fell 0.2% due to weak auto sales, but overall first-quarter retail sales were 5.4% above 2016. U.S. first quarter GDP grew 0.7%, below the consensus of 1.0%. The largest factor was weak consumer spending, as car sales sagged, coupled with a decline in business inventories and government spending. Consumer spending in March was weak and the first quarter consumer spending was the weakest since the fourth quarter of 2009 with an increase of 0.3%. Consumer sentiment softened in April, but remained historically strong. The Conference Board's consumer confidence index hit its best back-to-back level since 2000. Consumer spending could revive on improving earnings, solid confidence supported by rising stocks and home prices.

Business:

Business optimism remained fairly high in March. The March ISM Manufacturing Index fell to 57.2 vs. 57.7 in February. The March ISM Non-Manufacturing (Services) Index fell to 55.2, the slowest in five months, vs. 57.6 in February. Factory orders rose 1.0% in February, the third straight month at or above 1%, a first since mid-2013. Industrial production rose 0.5% in March, while capacity utilization rose to 76.1%, matching expectations. The Conference Board's Leading Economic Indicator Index rose 0.2% in March, increasing for

the seventh straight month. New durable goods orders rose 0.7%. Core capital goods orders, which exclude defense and aircraft, rose 0.2%. Year-to-date new orders rose 3.4% above the same period in 2016.

International:

Trade was essentially neutral to first quarter GDP growth, adding a modest 0.1%. Trade data have been gradually improving since the fourth quarter of 2016.

Inflation:

The Consumer Price Index fell 0.3% in March, the first decline in 13 months as gasoline prices fell 6.2%. But overall prices increased 2.4% year-over-year. Excluding food and energy, core consumer prices fell 0.1% in March. The Producer Price Index, which measures wholesale prices, fell 0.3% in March. About 75% of the increase was due to services. Excluding food and energy, wholesale prices were flat in March.

Housing:

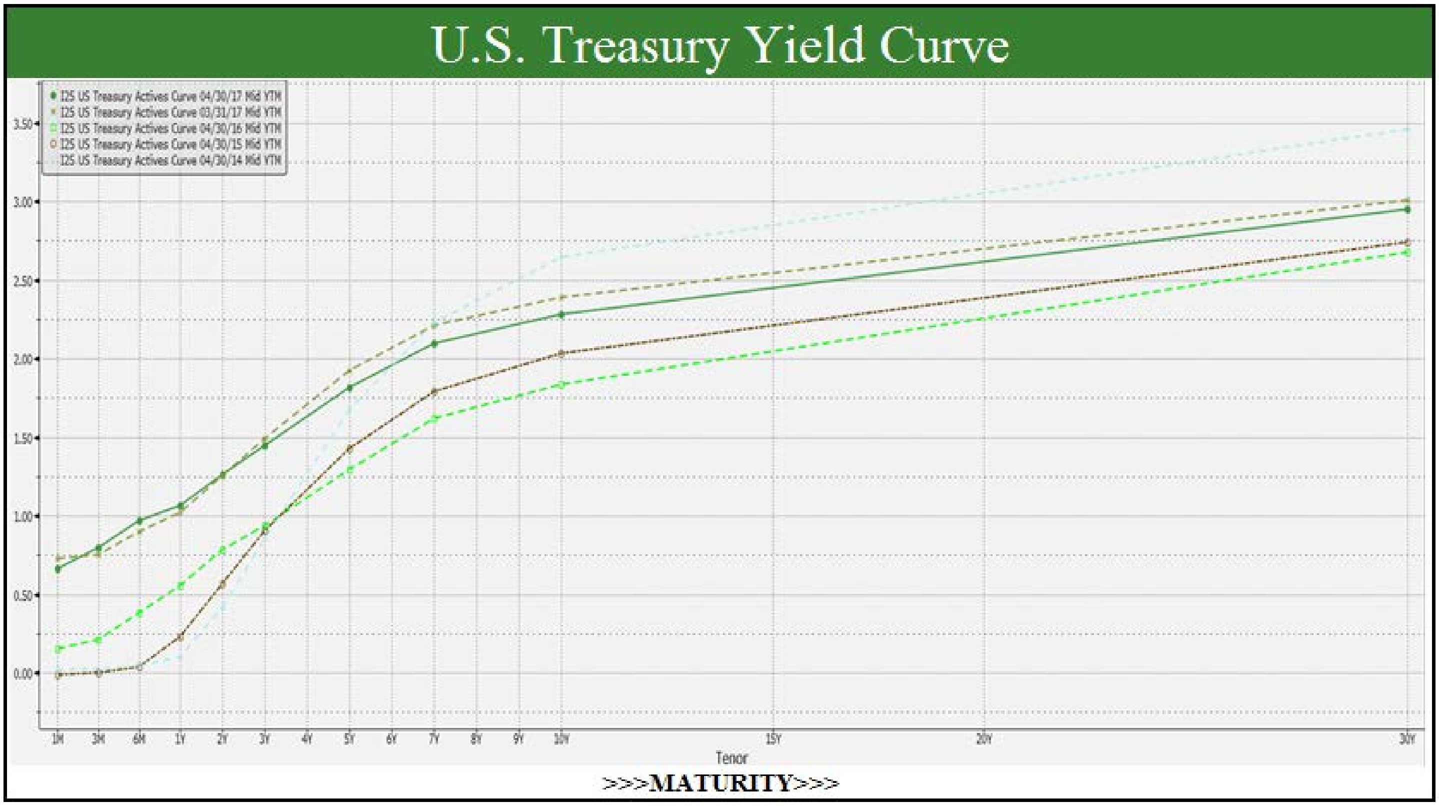
Existing home sales rose at their fastest pace in a decade, increasing 4.4% in March to 5.71 million units at a seasonally adjusted annualized pace. March housing starts fell 6.8% (month-over-month) to 1.215 million units (SAAR-seasonally adjusted annualized rate), but was still the best first quarter in 10 years. Building permits rose 3.6% to 1.260 million units SAAR as multifamily permits recovered, up 18.3%. New home sales rose 5.8% to 621,000 SAAR, almost matching July 2016, which was the highest level since 2007. The S&P/Case-Shiller 20-City Home Price Index rose 5.85%, the fastest year-over-year gains since August 2014.

Monetary Policy:

The Federal Reserve's March meeting minutes revealed a healthy debate on reducing the Fed's $4.5 trillion fixed income portfolio, although most officials favored reducing the amount reinvested over time. Portfolio downsizing could start as early as the end of 2017. The Bank of Japan and the European Central Bank maintained low-rate monetary policies and are worried about low inflation and slow growth.

Bottom Line:

Financial market trends remain: higher bond yields, higher short term interest rates, and higher stock prices. The market trends seem to imply moderate, low inflation growth ahead with the job market at near full employment and wage/salary growth poised to increase.



U.S. Treasury Yield Curve
I25 US Treasury Actives Curve 04/30/17 Mid YTM
I25 US Treasury Actives Curve 03/31/17 Mid YTM
I25 US Treasury Actives Curve 04/30/16 Mid YTM
I25 US Treasury Actives Curve 04/30/15 Mid YTM
I25 US Treasury Actives Curve 04/30/14 Mid YTM
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Tenor
>>>MATURITY>>>