



School District of Lake County



Investment Performance Review For the Quarter Ended March 31, 2018

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Tab I

- ◆ Market Update

Tab II

- ◆ Executive Summary
- ◆ Impact Fee Portfolio
- ◆ Short Term Portfolio

Tab III

- ◆ Asset Allocation Chart
- ◆ Important Disclosures

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

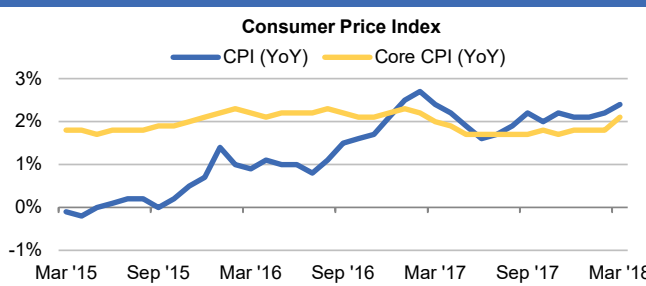
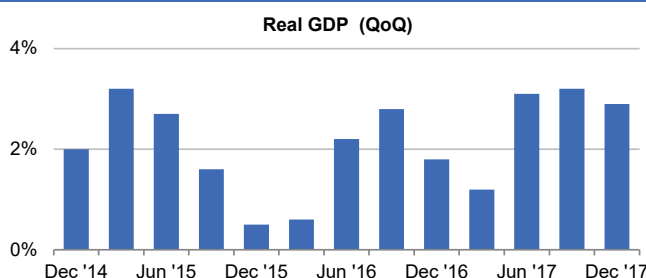
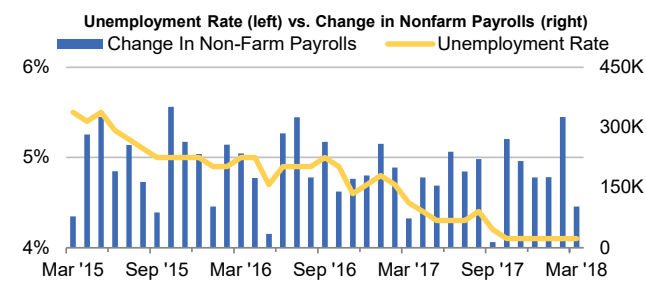
- The continued federal fund rate hikes resulted in negative returns for most bond indices, with longer maturities performing worst. Although higher yields provide greater income over time, that income was not sufficient to offset the adverse impact of increasing interest rates on fixed income prices.
- 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		Latest	Dec '17	Mar '17
Real GDP (QoQ SAAR)	2017 Q4	2.9%	3.2% ¹	1.8% ²
GDP Personal Consumption (QoQ SAAR)	2018 Q4	4.0%	2.2% ¹	2.9% ²
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.

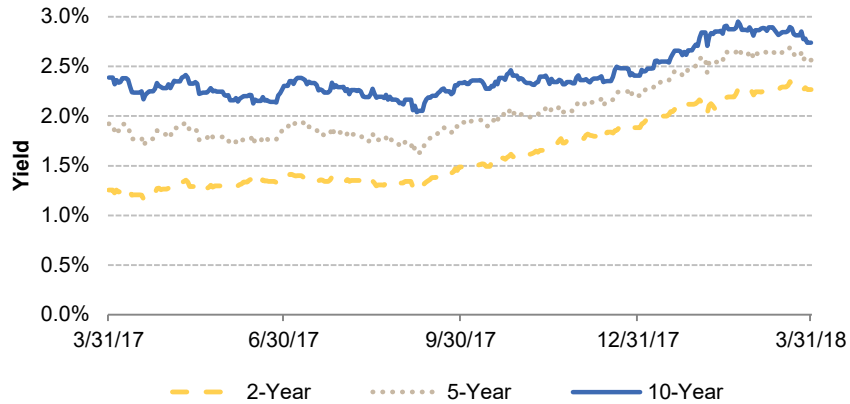
Inflation / Prices		Latest	Dec '17	Mar '17
Personal Consumption Expenditures (YoY)	Feb '18	1.8%	1.7%	1.8%
Consumer Price Index (YoY)	Mar '18	2.4%	2.1%	2.4%
Consumer Price Index Core (YoY)	Mar '18	2.1%	1.8%	2.0%
Crude Oil Futures (WTI, per barrel)	Mar 31	\$64.94	\$60.42	\$50.60
Gold Futures (oz.)	Mar 31	\$1,323	\$1,309	\$1,247



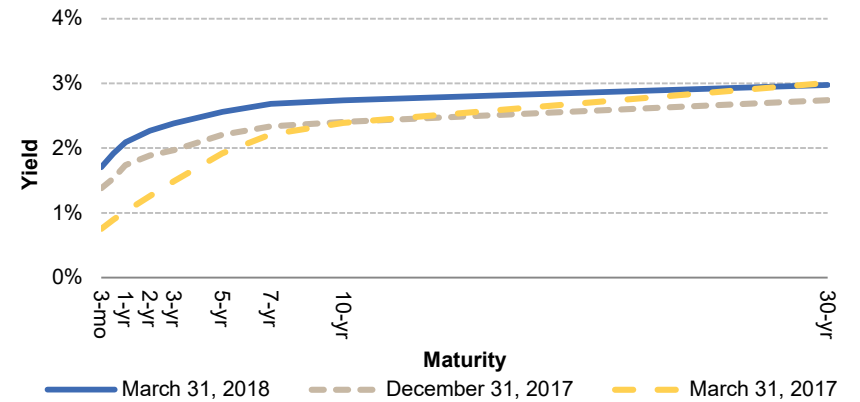
1. Data as of Third Quarter 2017.
2. Data as of Fourth Quarter 2016.
Note: YoY = year-over-year, QoQ = quarter over quarter, SAAR = seasonally adjusted annual rate, WTI = West Texas Intermediate crude oil.
Source: Bloomberg.

Interest Rate Overview

U.S. Treasury Note Yields



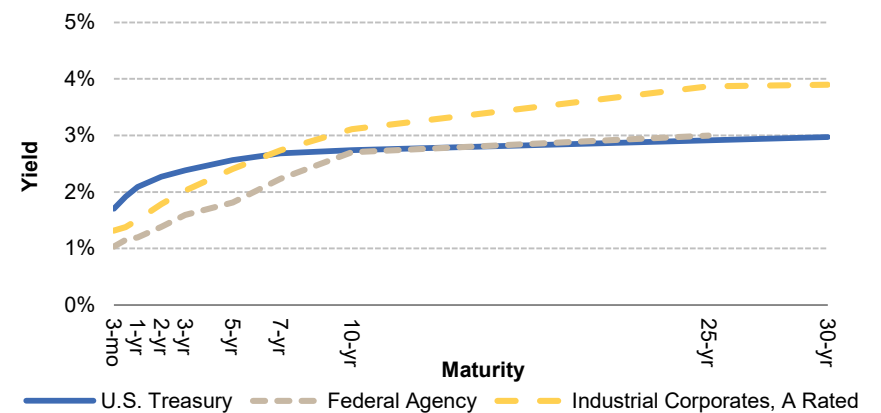
U.S. Treasury Yield Curve



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
1-3 Year Indices					
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%
1-5 Year Indices					
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%
Master Indices (Maturities 1 Year or Greater)					
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

DISCLOSURES

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Tab II

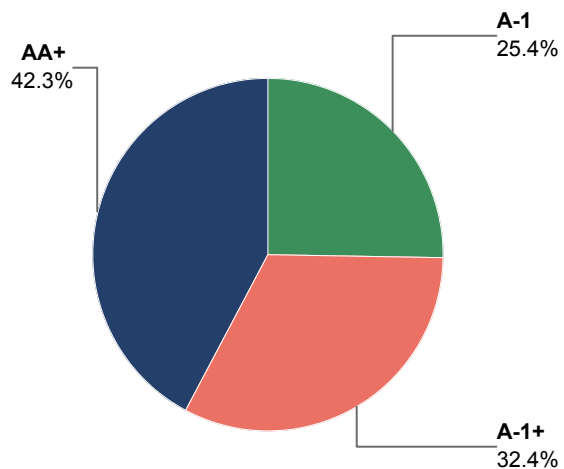
- ◆ The Portfolio is of high credit quality and invested in U.S. Treasury, federal agency, and commercial paper securities.
- ◆ The Impact Fee Portfolio provided the District with a yield to maturity at cost of 1.63%.
- ◆ New Fed Chair Jay Powell made his first public address at February's semi-annual 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.

Portfolio Statistics

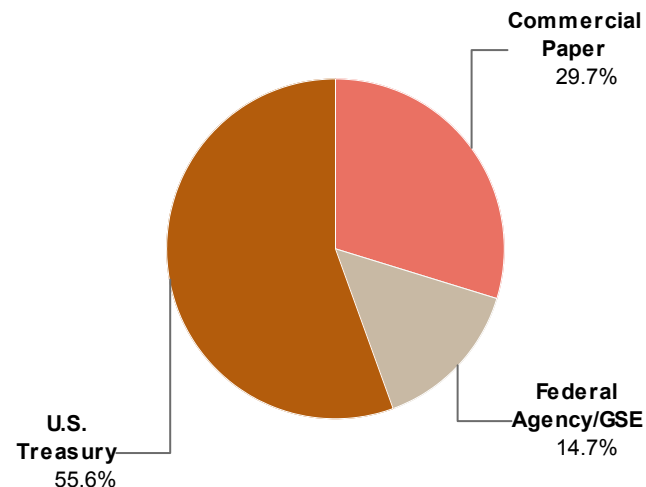
As of March 31, 2018

Par Value:	\$23,200,000
Total Market Value:	\$26,627,083
Security Market Value:	\$23,138,256
Accrued Interest:	\$29,549
Cash:	\$3,459,278
Amortized Cost:	\$23,150,157
Yield at Market:	2.02%
Yield at Cost:	1.63%
Effective Duration:	0.20 Years
Duration to Worst:	0.20 Years
Average Maturity:	0.20 Years
Average Credit: *	AA
Benchmark Eff. Yield:	1.61%

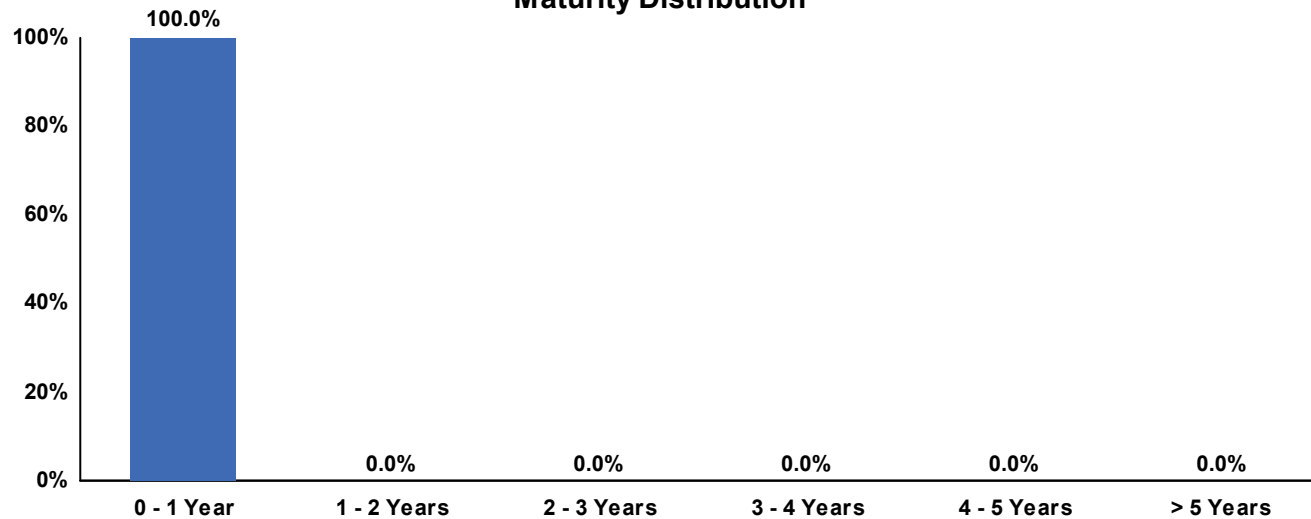
Credit Quality (S&P Ratings)



Sector Allocation



Maturity Distribution



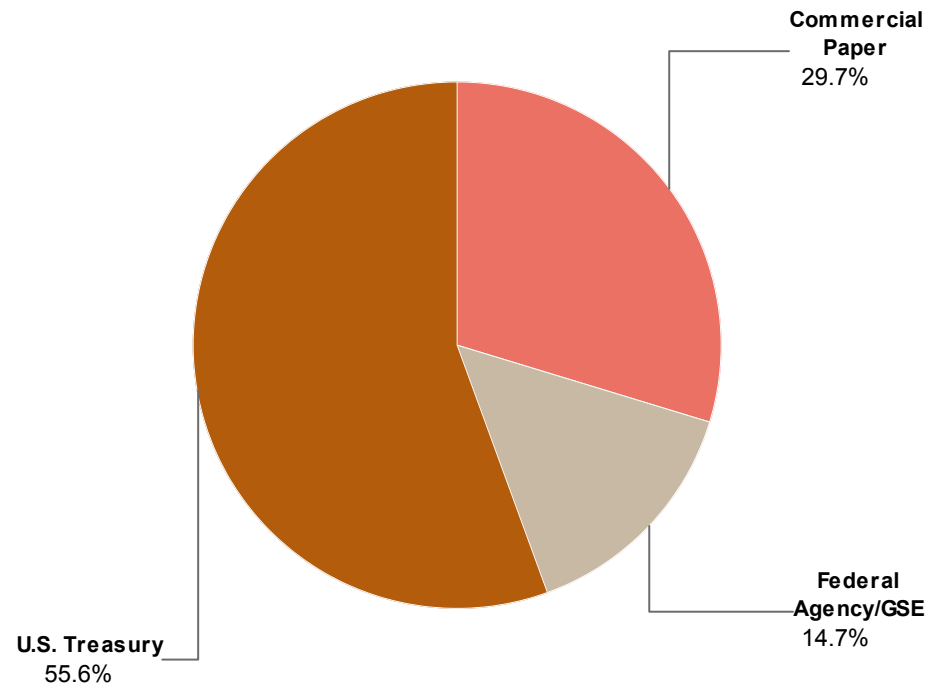
* An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

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

	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (12/31/2017)	\$26,402,629.46	\$26,406,863.90
Net Purchases/Sales	(\$3,323,200.88)	(\$3,323,200.88)
Change in Value	\$58,827.46	\$66,493.72
Ending Value (03/31/2018)	\$23,138,256.04	\$23,150,156.74
Interest Earned	\$28,574.07	\$28,574.07
Portfolio Earnings	\$87,401.53	\$95,067.79

Sector Allocation
As of March 31, 2018

Sector	Market Value (\$)	% of Portfolio
U.S. Treasury	12,874,062	55.6%
Commercial Paper	6,867,383	29.7%
Federal Agency/GSE	3,396,811	14.7%
Total	\$23,138,256	100.0%

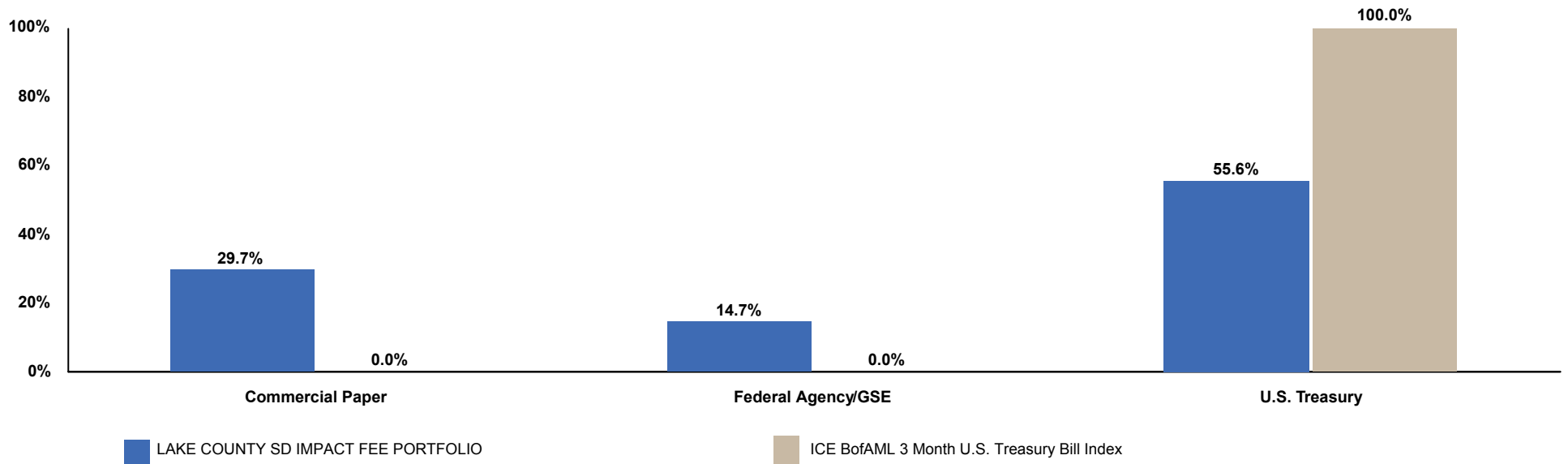


Detail may not add to total due to rounding.

Sector Allocation

As of March 31, 2018

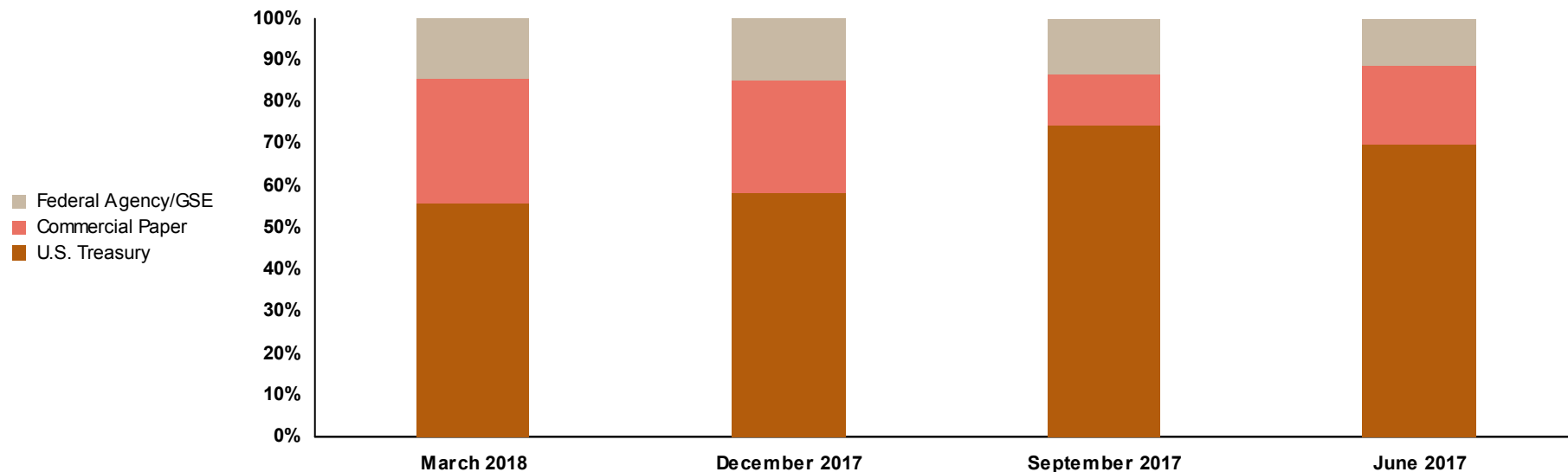
Sector	Market Value (\$)	% of Portfolio	% of Benchmark
U.S. Treasury	12,874,062	55.6%	100.0%
Commercial Paper	6,867,383	29.7%	-
Federal Agency/GSE	3,396,811	14.7%	-
Total	\$23,138,256	100.0%	100.0%



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	12.9	55.6%	15.4	58.3%	15.2	74.4%	18.3	69.6%
Commercial Paper	6.9	29.7%	7.0	26.6%	2.5	12.4%	5.0	19.0%
Federal Agency/GSE	3.4	14.7%	4.0	15.1%	2.7	13.2%	3.0	11.4%
Total	\$23.1	100.0%	\$26.4	100.0%	\$20.4	100.0%	\$26.3	100.0%

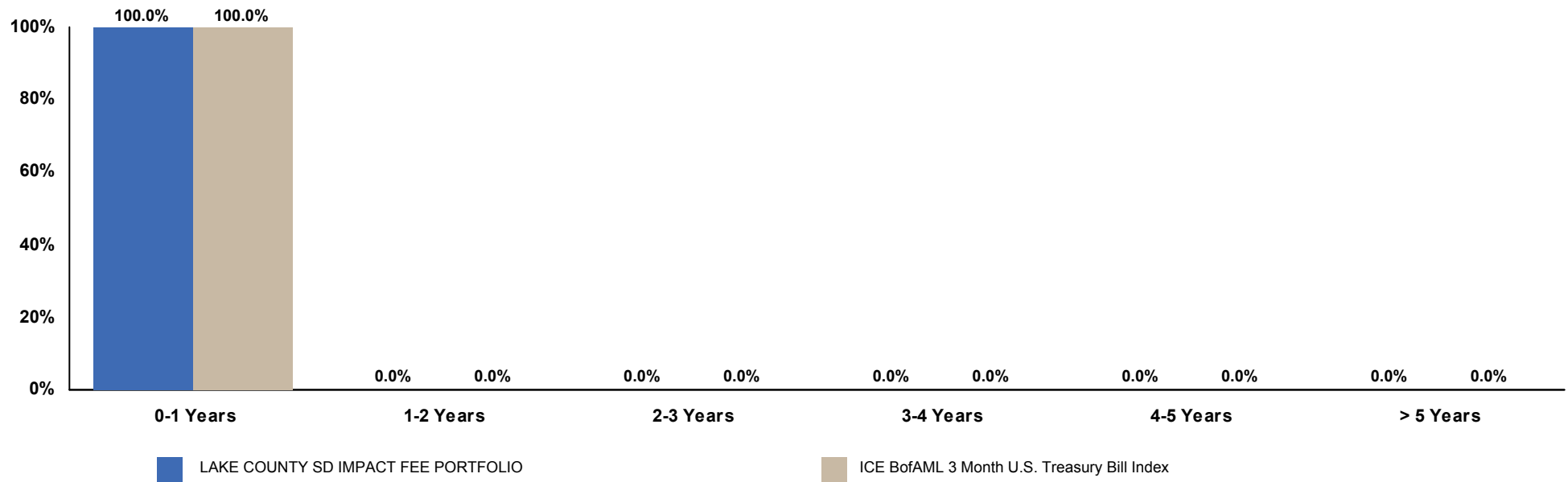


Detail may not add to total due to rounding.

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
LAKE COUNTY SD IMPACT FEE PORTFOLIO	2.02%	0.20 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%

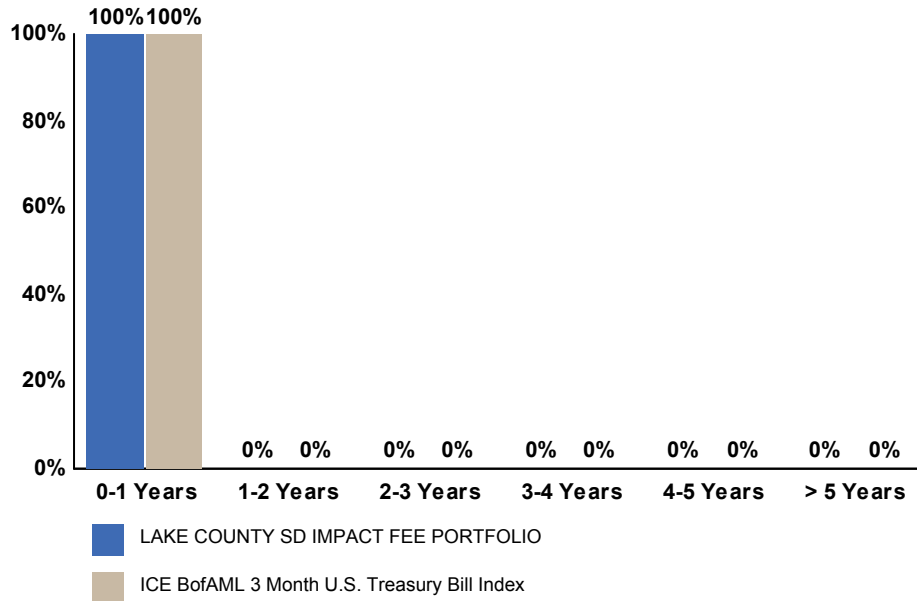


Duration Distribution

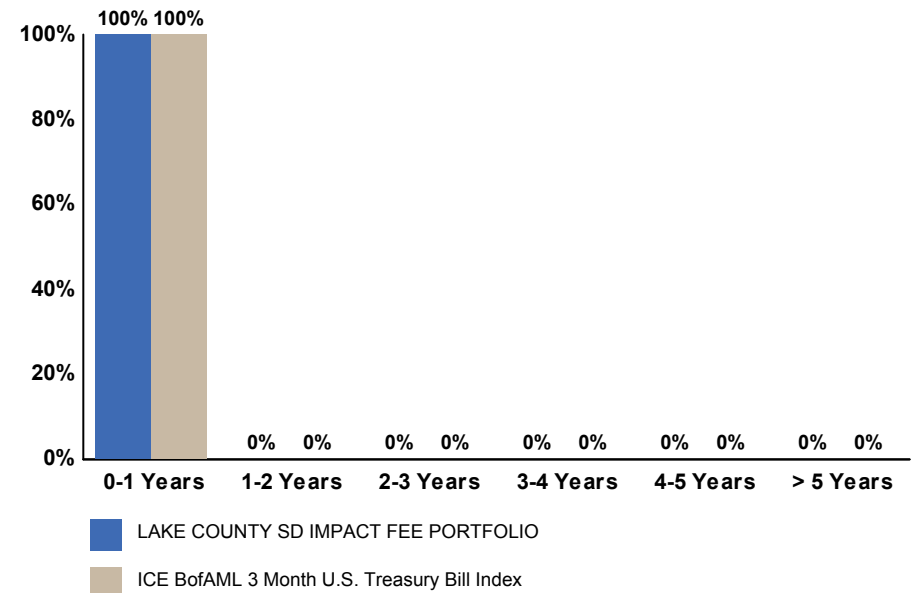
As of March 31, 2018

Portfolio / Benchmark	Effective Duration	0-1 YEARS	1-2 YEARS	2-3 YEARS	3-4 YEARS	4-5 YEARS	> 5 YEARS
LAKE COUNTY SD IMPACT FEE PORTFOLIO	0.20	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



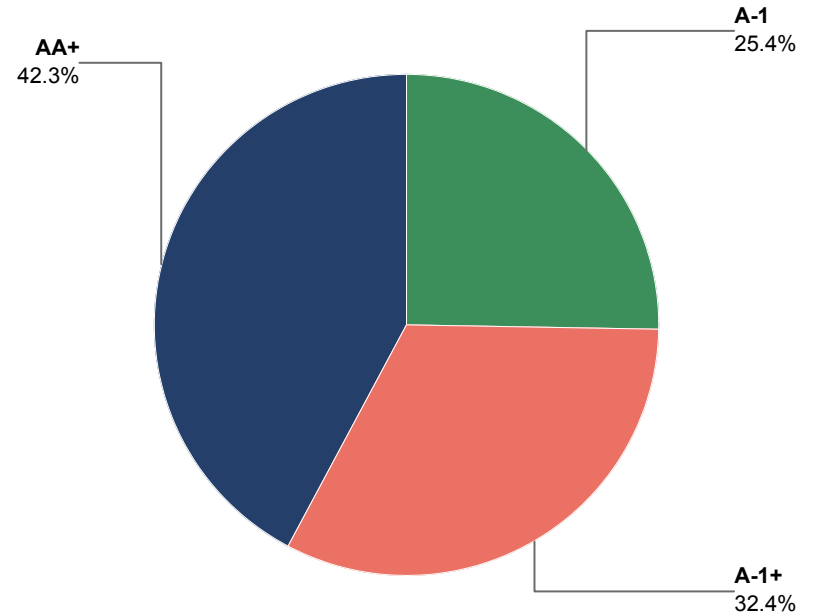
Contribution to Portfolio Duration



Credit Quality

As of March 31, 2018

S&P Rating	Market Value (\$)	% of Portfolio
AA+	\$9,776,860	42.3%
A-1+	\$7,493,831	32.4%
A-1	\$5,867,565	25.4%
Totals	\$23,138,256	100.0%



Detail may not add to total due to rounding.

Issuer Distribution**As of March 31, 2018**

Issuer	Market Value (\$)	% of Portfolio
UNITED STATES TREASURY	12,874,062	55.7%
FEDERAL HOME LOAN BANKS	3,396,811	14.7%
JP MORGAN CHASE & CO	1,499,705	6.5%
TOYOTA MOTOR CORP	999,818	4.3%
GENERAL ELECTRIC CO	993,793	4.3%
CREDIT AGRICOLE SA	993,242	4.3%
BANK OF MONTREAL	795,981	3.4%
BNP PARIBAS	792,467	3.4%
MITSUBISHI UFJ FINANCIAL GROUP INC	792,378	3.4%
Grand Total:	23,138,256	100.0%

Sector/Issuer Distribution

As of March 31, 2018

Sector / Issuer	Market Value (\$)	% of Sector	% of Total Portfolio
Commercial Paper			
BANK OF MONTREAL	795,981	11.6%	3.4%
BNP PARIBAS	792,467	11.5%	3.4%
CREDIT AGRICOLE SA	993,242	14.5%	4.3%
GENERAL ELECTRIC CO	993,793	14.5%	4.3%
JP MORGAN CHASE & CO	1,499,705	21.8%	6.5%
MITSUBISHI UFJ FINANCIAL GROUP INC	792,378	11.5%	3.4%
TOYOTA MOTOR CORP	999,818	14.6%	4.3%
Sector Total	6,867,383	100.0%	29.7%
Federal Agency/GSE			
FEDERAL HOME LOAN BANKS	3,396,811	100.0%	14.7%
Sector Total	3,396,811	100.0%	14.7%
U.S. Treasury			
UNITED STATES TREASURY	12,874,062	100.0%	55.6%
Sector Total	12,874,062	100.0%	55.6%
Portfolio Total	23,138,256	100.0%	100.0%

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
BUY									
1/17/18	1/17/18	3,400,000	313385VS2	FEDERAL HOME LOAN BANKS DISC NOTE	0.00%	4/18/18	3,387,581.03	1.45%	
1/17/18	1/17/18	1,000,000	22533UGG2	CREDIT AGRICOLE CIB NY COMM PAPER	0.00%	7/16/18	990,900.00	1.84%	
1/17/18	1/17/18	1,000,000	36164KGG0	GE CAPITAL TREASURY LLC COMM PAPER	0.00%	7/16/18	990,850.00	1.85%	
1/31/18	1/31/18	1,100,000	912796PF0	UNITED STATES TREASURY BILL	0.00%	5/10/18	1,095,718.11	1.42%	
2/21/18	2/22/18	800,000	06538CHL8	BANK OF TOKYO MITSUBISHI UFJ COMM PAPER	0.00%	8/20/18	791,567.11	2.14%	
2/21/18	2/22/18	800,000	09659CHL5	BNP PARIBAS NY BRANCH COMM PAPER	0.00%	8/20/18	791,606.89	2.13%	
2/21/18	2/22/18	2,000,000	912796PA1	UNITED STATES TREASURY BILL	0.00%	4/12/18	1,995,863.58	1.52%	
2/28/18	2/28/18	5,000,000	912796NU9	TREASURY BILL	0.00%	3/8/18	4,998,666.67	1.20%	
3/6/18	3/6/18	800,000	06366HFN2	BANK OF MONTREAL CHICAGO COMM PAPER	0.00%	6/22/18	794,944.16	2.12%	
3/12/18	3/13/18	1,500,000	912828XK1	US TREASURY NOTES	0.87%	7/15/18	1,497,320.55	1.80%	
3/12/18	3/13/18	3,500,000	912828R51	US TREASURY NOTES	0.87%	5/31/18	3,502,513.53	1.68%	
Total BUY		20,900,000					20,837,531.63		
INTEREST									
1/2/18	1/2/18	0	MONEY0002	MONEY MARKET FUND			820.42		
1/15/18	1/15/18	1,750,000	912828H37	US TREASURY N/B	0.87%	1/15/18	7,656.25		
1/15/18	1/15/18	1,000,000	912828H37	US TREASURY N/B	0.87%	1/15/18	4,375.00		
1/17/18	1/17/18	0	MONEY0002	MONEY MARKET FUND			49.67		
1/31/18	1/31/18	1,100,000	912828P20	US TREASURY NOTE	0.75%	1/31/18	4,125.00		
2/1/18	2/1/18	0	MONEY0002	MONEY MARKET FUND			290.61		
2/15/18	2/15/18	0	MONEY0002	MONEY MARKET FUND			55.05		
2/28/18	2/28/18	3,000,000	912828UR9	US TREASURY NOTES	0.75%	2/28/18	11,250.00		
2/28/18	2/28/18	1,250,000	912828UR9	US TREASURY NOTES	0.75%	2/28/18	4,687.50		
3/1/18	3/1/18	0	MONEY0002	MONEY MARKET FUND			1,011.63		

LAKE COUNTY SD IMPACT FEE PORTFOLIO

Portfolio Activity

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
3/13/18	3/13/18	0	MONEY0002	MONEY MARKET FUND			55.89		
3/15/18	3/15/18	1,000,000	912828L40	US TREASURY NOTES	1.00%	9/15/18	5,000.00		
3/31/18	3/31/18	1,000,000	912828Q45	US TREASURY NOTES	0.87%	3/31/18	4,375.00		
3/31/18	3/31/18	1,500,000	912828UU2	US TREASURY NOTES	0.75%	3/31/18	5,625.00		
Total INTEREST		11,600,000					49,377.02		
MATURITY									
1/3/18	1/3/18	550,000	22533UA37	CREDIT AGRICOLE CIB NY COMM PAPER	0.00%	1/3/18	550,000.00		0.00
1/15/18	1/15/18	1,000,000	912828H37	US TREASURY N/B	0.87%	1/15/18	1,000,000.00		0.00
1/15/18	1/15/18	1,750,000	912828H37	US TREASURY N/B	0.87%	1/15/18	1,750,000.00		0.00
1/17/18	1/17/18	2,000,000	313385RX6	FEDERAL HOME LOAN BANKS DISC NOTE	0.00%	1/17/18	2,000,000.00		0.00
1/31/18	1/31/18	1,100,000	912828P20	US TREASURY NOTE	0.75%	1/31/18	1,100,000.00		0.00
2/6/18	2/6/18	2,000,000	313385ST4	FED HOME LN DISCOUNT NT	0.00%	2/6/18	2,000,000.00		0.00
2/21/18	2/21/18	1,000,000	09659CBM9	BNP PARIBAS NY BRANCH COMM PAPER	0.00%	2/21/18	1,000,000.00		0.00
2/21/18	2/21/18	1,000,000	06538CBM2	BANK OF TOKYO MITSUBISHI UFJ COMM PAPER	0.00%	2/21/18	1,000,000.00		0.00
2/27/18	2/27/18	1,000,000	30229BBT3	EXXON MOBIL CORP COMM PAPER	0.00%	2/27/18	1,000,000.00		0.00
2/28/18	2/28/18	3,000,000	912828UR9	US TREASURY NOTES	0.75%	2/28/18	3,000,000.00		0.00
2/28/18	2/28/18	1,250,000	912828UR9	US TREASURY NOTES	0.75%	2/28/18	1,250,000.00		0.00
3/6/18	3/6/18	1,000,000	25214PBV4	DEXIA CREDIT LOCAL SA NY COMM PAPER	0.00%	3/6/18	1,000,000.00		0.00
3/8/18	3/8/18	5,000,000	912796NU9	TREASURY BILL	0.00%	3/8/18	5,000,000.00		0.00
3/31/18	3/31/18	1,000,000	912828Q45	US TREASURY NOTES	0.87%	3/31/18	1,000,000.00		0.00
3/31/18	3/31/18	1,500,000	912828UU2	US TREASURY NOTES	0.75%	3/31/18	1,500,000.00		0.00
Total MATURITY		24,150,000					24,150,000.00		0.00

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			820.42		
MATURITY	1/3/18	1/3/18	550,000.00	22533UA37	CREDIT AGRICOLE CIB NY COMM PAPER	0.00%	1/3/18	550,000.00		0.00
INTEREST	1/15/18	1/15/18	1,750,000.00	912828H37	US TREASURY N/B	0.87%	1/15/18	7,656.25		
INTEREST	1/15/18	1/15/18	1,000,000.00	912828H37	US TREASURY N/B	0.87%	1/15/18	4,375.00		
MATURITY	1/15/18	1/15/18	1,000,000.00	912828H37	US TREASURY N/B	0.87%	1/15/18	1,000,000.00		0.00
MATURITY	1/15/18	1/15/18	1,750,000.00	912828H37	US TREASURY N/B	0.87%	1/15/18	1,750,000.00		0.00
BUY	1/17/18	1/17/18	3,400,000.00	313385VS2	FEDERAL HOME LOAN BANKS DISC NOTE	0.00%	4/18/18	(3,387,581.03)	1.45%	
BUY	1/17/18	1/17/18	1,000,000.00	22533UGG2	CREDIT AGRICOLE CIB NY COMM PAPER	0.00%	7/16/18	(990,900.00)	1.84%	
BUY	1/17/18	1/17/18	1,000,000.00	36164KGG0	GE CAPITAL TREASURY LLC COMM PAPER	0.00%	7/16/18	(990,850.00)	1.85%	
INTEREST	1/17/18	1/17/18	0.00	MONEY0002	MONEY MARKET FUND			49.67		
MATURITY	1/17/18	1/17/18	2,000,000.00	313385RX6	FEDERAL HOME LOAN BANKS DISC NOTE	0.00%	1/17/18	2,000,000.00		0.00
BUY	1/31/18	1/31/18	1,100,000.00	912796PF0	UNITED STATES TREASURY BILL	0.00%	5/10/18	(1,095,718.11)	1.42%	
INTEREST	1/31/18	1/31/18	1,100,000.00	912828P20	US TREASURY NOTE	0.75%	1/31/18	4,125.00		
MATURITY	1/31/18	1/31/18	1,100,000.00	912828P20	US TREASURY NOTE	0.75%	1/31/18	1,100,000.00		0.00
INTEREST	2/1/18	2/1/18	0.00	MONEY0002	MONEY MARKET FUND			290.61		
MATURITY	2/6/18	2/6/18	2,000,000.00	313385ST4	FED HOME LN DISCOUNT NT	0.00%	2/6/18	2,000,000.00		0.00
INTEREST	2/15/18	2/15/18	0.00	MONEY0002	MONEY MARKET FUND			55.05		
MATURITY	2/21/18	2/21/18	1,000,000.00	09659CBM9	BNP PARIBAS NY BRANCH COMM PAPER	0.00%	2/21/18	1,000,000.00		0.00
MATURITY	2/21/18	2/21/18	1,000,000.00	06538CBM2	BANK OF TOKYO MITSUBISHI UFJ COMM PAPER	0.00%	2/21/18	1,000,000.00		0.00
BUY	2/21/18	2/22/18	800,000.00	06538CHL8	BANK OF TOKYO MITSUBISHI UFJ COMM PAPER	0.00%	8/20/18	(791,567.11)	2.14%	

LAKE COUNTY SD IMPACT FEE PORTFOLIO

Portfolio Activity

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
BUY	2/21/18	2/22/18	800,000.00	09659CHL5	BNP PARIBAS NY BRANCH COMM PAPER	0.00%	8/20/18	(791,606.89)	2.13%	
BUY	2/21/18	2/22/18	2,000,000.00	912796PA1	UNITED STATES TREASURY BILL	0.00%	4/12/18	(1,995,863.58)	1.52%	
MATURITY	2/27/18	2/27/18	1,000,000.00	30229BBT3	EXXON MOBIL CORP COMM PAPER	0.00%	2/27/18	1,000,000.00		0.00
BUY	2/28/18	2/28/18	5,000,000.00	912796NU9	TREASURY BILL	0.00%	3/8/18	(4,998,666.67)	1.20%	
INTEREST	2/28/18	2/28/18	3,000,000.00	912828UR9	US TREASURY NOTES	0.75%	2/28/18	11,250.00		
INTEREST	2/28/18	2/28/18	1,250,000.00	912828UR9	US TREASURY NOTES	0.75%	2/28/18	4,687.50		
MATURITY	2/28/18	2/28/18	3,000,000.00	912828UR9	US TREASURY NOTES	0.75%	2/28/18	3,000,000.00		0.00
MATURITY	2/28/18	2/28/18	1,250,000.00	912828UR9	US TREASURY NOTES	0.75%	2/28/18	1,250,000.00		0.00
INTEREST	3/1/18	3/1/18	0.00	MONEY0002	MONEY MARKET FUND			1,011.63		
BUY	3/6/18	3/6/18	800,000.00	06366HFN2	BANK OF MONTREAL CHICAGO COMM PAPER	0.00%	6/22/18	(794,944.16)	2.12%	
MATURITY	3/6/18	3/6/18	1,000,000.00	25214PBV4	DEXIA CREDIT LOCAL SA NY COMM PAPER	0.00%	3/6/18	1,000,000.00		0.00
MATURITY	3/8/18	3/8/18	5,000,000.00	912796NU9	TREASURY BILL	0.00%	3/8/18	5,000,000.00		0.00
BUY	3/12/18	3/13/18	1,500,000.00	912828XK1	US TREASURY NOTES	0.87%	7/15/18	(1,497,320.55)	1.80%	
BUY	3/12/18	3/13/18	3,500,000.00	912828R51	US TREASURY NOTES	0.87%	5/31/18	(3,502,513.53)	1.68%	
INTEREST	3/13/18	3/13/18	0.00	MONEY0002	MONEY MARKET FUND			55.89		
INTEREST	3/15/18	3/15/18	1,000,000.00	912828L40	US TREASURY NOTES	1.00%	9/15/18	5,000.00		
INTEREST	3/31/18	3/31/18	1,000,000.00	912828Q45	US TREASURY NOTES	0.87%	3/31/18	4,375.00		
INTEREST	3/31/18	3/31/18	1,500,000.00	912828UU2	US TREASURY NOTES	0.75%	3/31/18	5,625.00		
MATURITY	3/31/18	3/31/18	1,000,000.00	912828Q45	US TREASURY NOTES	0.87%	3/31/18	1,000,000.00		0.00
MATURITY	3/31/18	3/31/18	1,500,000.00	912828UU2	US TREASURY NOTES	0.75%	3/31/18	1,500,000.00		0.00
TOTALS								3,361,845.39		0.00

Portfolio Statistics

As of March 31, 2018

Par Value:	
Total Market Value:	\$146,341
Security Market Value:	-
Accrued Interest:	-
Cash:	\$146,341
Amortized Cost:	-
Yield at Market:	0.00%
Yield at Cost:	0.00%
Effective Duration:	0.00 Years
Duration to Worst:	0.00 Years
Average Maturity:	0.00 Years
Average Credit: *	

Credit Quality (S&P Ratings)

Sector Allocation

Maturity Distribution



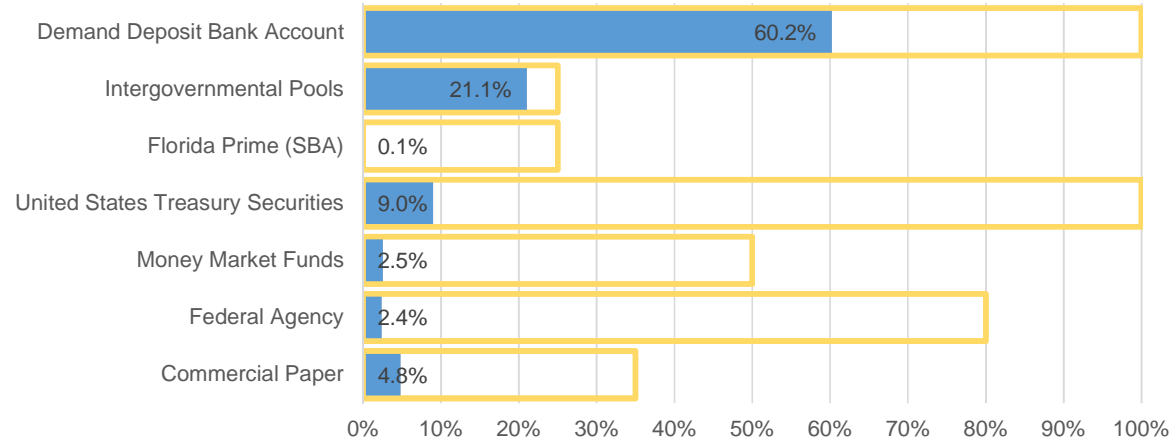
* An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

Portfolio Earnings

Quarter-Ended March 31, 2018

	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (12/31/2017)	\$0.00	\$0.00
Net Purchases/Sales	\$0.00	\$0.00
Change in Value	\$0.00	\$0.00
Ending Value (03/31/2018)	\$0.00	\$0.00
Interest Earned	\$324.90	\$324.90
Portfolio Earnings	\$324.90	\$324.90

Tab III



Security Type	Amortized Cost (Includes Interest)	Allocation Percentage	Permitted by Policy	In Compliance
Florida Prime (SBA)	80,319.26	0.06%	25%	YES
United States Treasury Securities	12,909,967.63	9.00%	100%	YES
United States Government Agency Securities	-	0.00%	50%	YES
Federal Agency	3,397,679.98	2.37%	80%	YES
Municipals	-	0.00%	20%	YES
Agency Mortgage-Backed Securities (MBS)	-	0.00%	20%	YES
Certificates of Deposit and Savings Accounts	-	0.00%	25%	YES
Demand Deposit Bank Account	86,335,438.84	60.20%	100%	YES
Commercial Paper	6,872,057.99	4.79%	35%	YES
Bankers' Acceptances	-	0.00%	35%	YES
Repurchase Agreements	-	0.00%	50%	YES
Money Market Funds	3,605,619.02	2.51%	50%	YES
Intergovernmental Pools	30,201,574.50	21.06%	25%	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	12,909,967.63	9.00%	100%	YES
Intergovernmental Pools	FEITF	30,201,574.50	21.06%	25%	YES
Florida Prime (SBA)	Florida Prime (SBA)	80,319.26	0.06%	25%	YES
Fed Agy Bond/Note	FEDERAL HOME LOAN BANKS	3,397,679.98	2.37%	40%	YES
Demand Deposit Bank Account	Bank Accounts	86,335,438.84	60.20%	100%	YES
Commercial Paper	TOYOTA MOTOR CREDIT CORP	999,960.00	0.70%	10%	YES
Commercial Paper	BNP PARIBAS NY BRANCH	793,388.66	0.55%	10%	YES
Commercial Paper	CREDIT AGRICOLE CIB NY	994,641.11	0.69%	10%	YES
Commercial Paper	JP MORGAN SECURITIES LLC	1,499,937.92	1.05%	10%	YES
Commercial Paper	BANK OF MONTREAL CHICAGO	796,161.30	0.56%	10%	YES
Commercial Paper	GE CAPITAL TREASURY LLC	994,611.67	0.69%	10%	YES
Commercial Paper	MUFG BANK, LTD	793,357.33	0.55%	10%	YES

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

IMPORTANT DISCLOSURES

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

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

GLOSSARY

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

GLOSSARY

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