

SIX MONTH INVESTMENT UPDATE

as of

THIRD QUARTER 2018

for

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM



RICHMOND CAPITAL MANAGEMENT
Experience, Knowledge, Service

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM

Performance Summary

As of September 30, 2018

	City of Fort Pierce Retirement and Benefit System	Barclays Aggregate Index	Value Added
Six Months, 2018	0.02%	-0.14%	+0.16%
Year to Date, 2018	-1.32%	-1.60%	+0.28%
1 Year	-0.82%	-1.22%	+0.40%
Annualized: 3 Years	1.69%	1.31%	+0.38%
5 Years	2.60%	2.16%	+0.44%
10 Years	5.08%	3.97%	+1.11%
Annualized Since Inception (8/1/1989)	6.41%	5.85%	+0.56%

Barclays Govt/Credit from 8/1/89 to 5/31/13, Barclays Aggregate from 6/1/13 forward

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM

Portfolio Review

As of September 30, 2018

Cash Flows Since Inception <i>Through September 30, 2018</i>	
Market Value <i>(8/1/1989)</i>	\$12,816,948
Change in Market Value of Holdings	1,973,739
Interest Earned	67,514,483
Contributions/ <i>Withdrawals</i>	26,508,163 <i>(63,062,613)</i>
Total	\$45,750,720

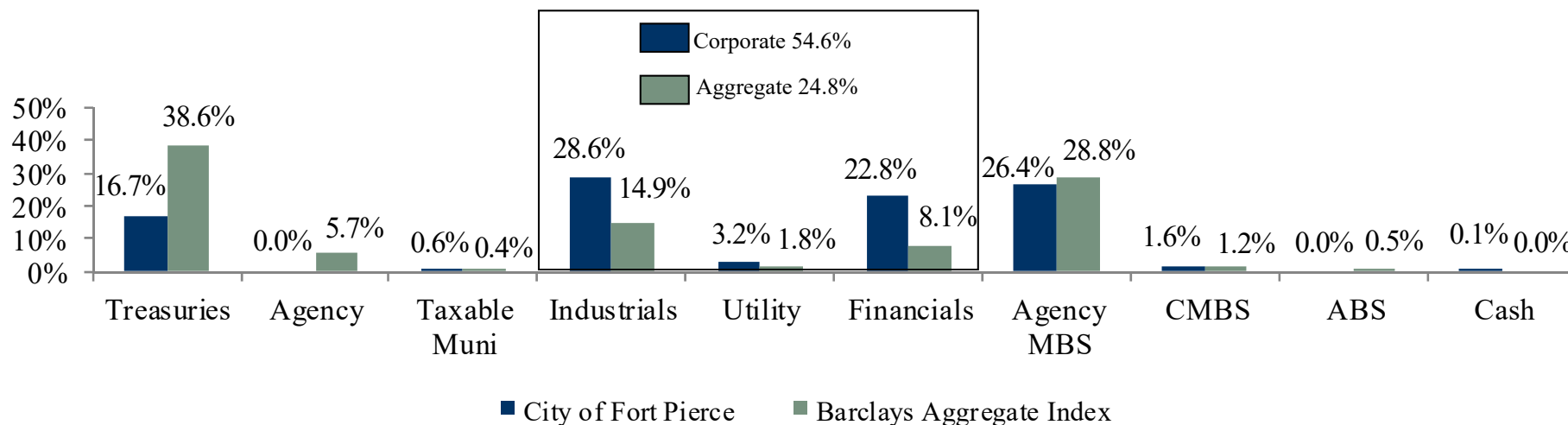
Portfolio Review <i>Through September 30, 2018</i>	
Average Maturity	7.95 Years
Portfolio Duration <i>(Barclays Aggregate)</i>	5.82 Years 6.03 Years
Average Yield to Maturity <i>(Barclays Aggregate)</i>	3.51% 3.46%
Average Quality	AA

Statistics in this report are calculated by Bloomberg PORT Fixed Income Analytic models.

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM

As of September 30, 2018

Quality Distribution		
	City of Fort Pierce	Barclays Aggregate Index
AAA	45.3%	71.9%
AA	4.1%	3.7%
A	32.2%	10.9%
BAA	18.4%	13.5%



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STRATEGY FOR 2018

- » **We still expect interest rates to move higher** and have positioned the portfolio modestly shorter than the benchmark.
- » **Disciplined approach to overweighting the corporate sector.** We remain overweight corporates on a diversified basis in the front end of the yield curve as breakevens are attractive. We are underweight longer maturity corporates favoring U.S. Treasury securities since breakevens are less compelling out the curve.
- » Overall, we are in “**patient**” mode. We reduced credit risk and interest rate risk as we await opportunity. Our yield curve positioning is neutral in the longer end of the curve.
- » While we wait, portfolio yield is now above 3.50% and out-yields the index.