INVESTMENT UPDATE

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CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM

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Thursday, May 16, 2019

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Paul H. Lundmark, CFA
Managing Director
Portfolio Manager

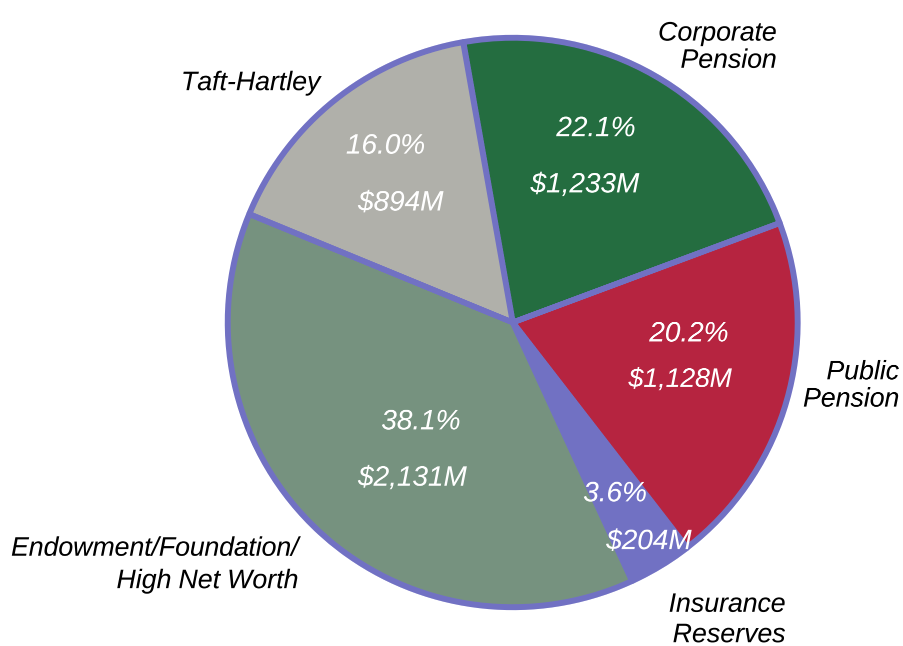
RICHMOND CAPITAL MANAGEMENT
Experience, Knowledge, Service

ORGANIZATION

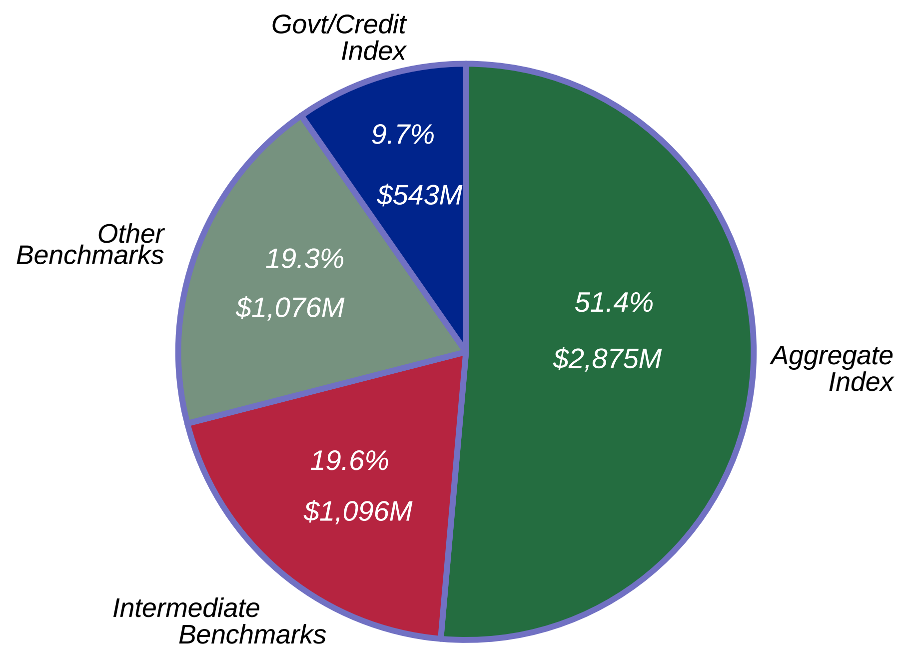
As of March 31, 2019

» Independent Investment Advisor since 1987
» 100% Employee Owned
» Seasoned Investment Team of Bond Specialists
» $5.6 Billion Under Management

Assets by Client Type



Assets by Benchmark



PROFESSIONALS FOCUSED ON YOUR PORTFOLIO

Portfolio Management Team

Howard K. Bos, CFA*
President, Portfolio Manager
RCM since 1999
Prior Experience: Key Capital Partners
B.A. College of William & Mary, 1985

William H. Schultz, CFA*
Managing Director, Portfolio Manager
RCM since 1991
Prior Experience: Sovran Capital Management
M.S. University of Wisconsin, 1978
B.B.A. University of Wisconsin, 1975

Paul H. Lundmark, CFA*
Managing Director, Portfolio Manager
RCM since 2003
Prior Experience: USAA Investment Management
M.B.A. University of Minnesota, 1987
B.S. University of Minnesota, 1983

David W. Schultz, CFA
Investment Officer, Portfolio Manager
RCM since 2017
Prior Experience: Virginia Retirement System
M.S. Sloan School, Mass. Institute of Technology, 2014
B.S. University of Virginia, 2011

Beth L. Baron, CFA, CFP®*
Managing Director, Portfolio Manager
RCM since 2000
Prior Experience: Banc of America Investment Svcs.
B.S. University of Virginia, 1983

Patton H. Roark, Jr., CFA*
Managing Director, Portfolio Manager
RCM since 2003
Prior Experience: AFL-CIO Housing Invest. Trust
B.S. Shepherd University, 1989

R. Wheatley McDowell, CFA*
Managing Director, Portfolio Manager
RCM since 2001
Prior Experience: Lehman Brothers
M.B.A. University of Virginia, 1987
B.A. University of Virginia, 1982

John R. Sides
Investment Officer, Portfolio Manager
RCM since 2019
Prior Experience: J.P. Morgan Investment Mgmt.
B.A. University of Pennsylvania, 2011
CFA Level III Candidate

Client Services, Operations, Compliance, and Business Development

Elizabeth M. Harris*
Managing Director, Client Services
RCM since 1984
B.S. Virginia Commonwealth University, 1984

Janis H. Warren*
Managing Director, Operations
RCM since 1987
B.S. Bob Jones University, 1979

Geoffrey B. Sale*
Chief Compliance Officer
RCM since 2002
Prior Experience: Wachovia Securities
M.B.A. University of Richmond, 1996
B.S. Clemson University, 1988

O. Gregory Glatt III
Head of Business Development
RCM since 2018
Prior Experience: Thompson Davis, BB&T
B.A. Albright College, 1993
CFA Level I Candidate

***Shareholder**

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM

Portfolio Review

As of March 31, 2019

Cash Flows Since Inception *Through March 31, 2019*	
Market Value *(8/1/1989)*	$12,816,948
Change in Market Value of Holdings	3,251,071
Interest Earned	68,408,110
Contributions/ *Withdrawals*	26,508,163 *(63,132,198)*
Total	$47,852,094

Portfolio Review *Through March 31, 2019*	
Average Maturity	7.70 Years
Portfolio Duration *(Barclays Aggregate)*	5.64 Years *5.82 Years*
Average Yield to Maturity *(Barclays Aggregate)*	3.04% *2.94%*
Average Quality	AA

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

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM

Performance Summary

As of March 31, 2019

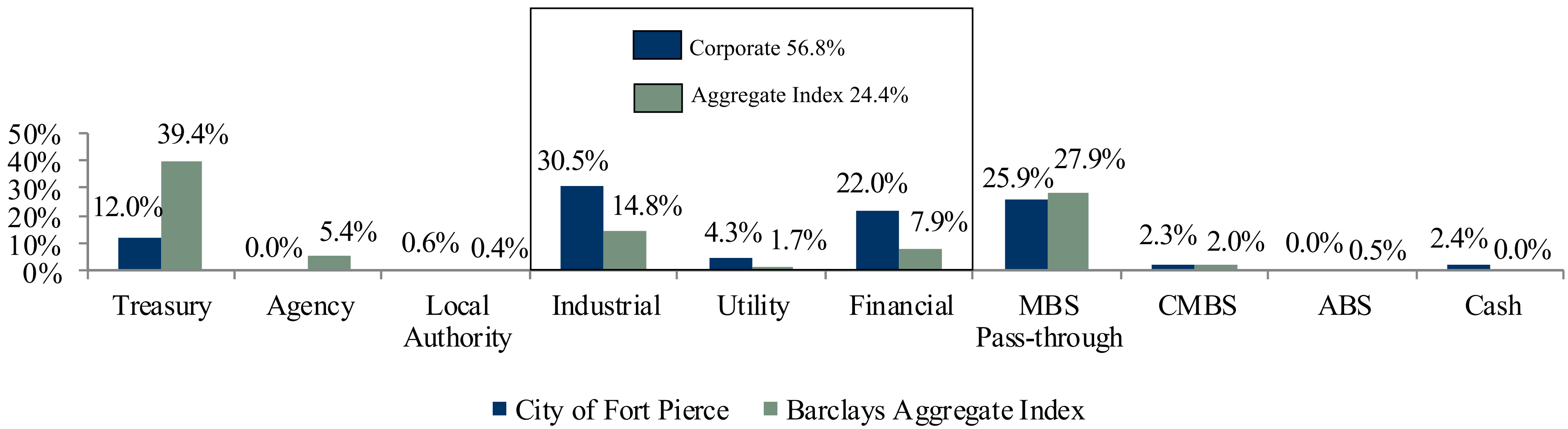
	City of Fort Pierce Retirement and Benefit System	Barclays Aggregate Index	Value Added
1st Quarter, 2019	3.04%	2.94%	+0.10%
Six Months to Date	4.75%	4.62%	+0.13%
12 Months to Date	4.78%	4.48%	+0.30%
Annualized: 3 Years	2.44%	2.03%	+0.41%
5 Years	3.16%	2.74%	+0.42%
10 Years	5.11%	3.93%	+1.18%
Annualized Since Inception (8/1/1989)	6.46%	5.91%	+0.55%

Barclays G/C 8/1/89 to 5/31/13, Barclays Aggregate 6/1/13 forward
Fiscal Year End September 30th

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM

As of March 31, 2019

Quality Distribution	City of Fort Pierce	Barclays Aggregate Index
AAA	44.2%	72.4%
AA	4.6%	3.4%
A	34.0%	10.6%
BAA	17.2%	13.6%



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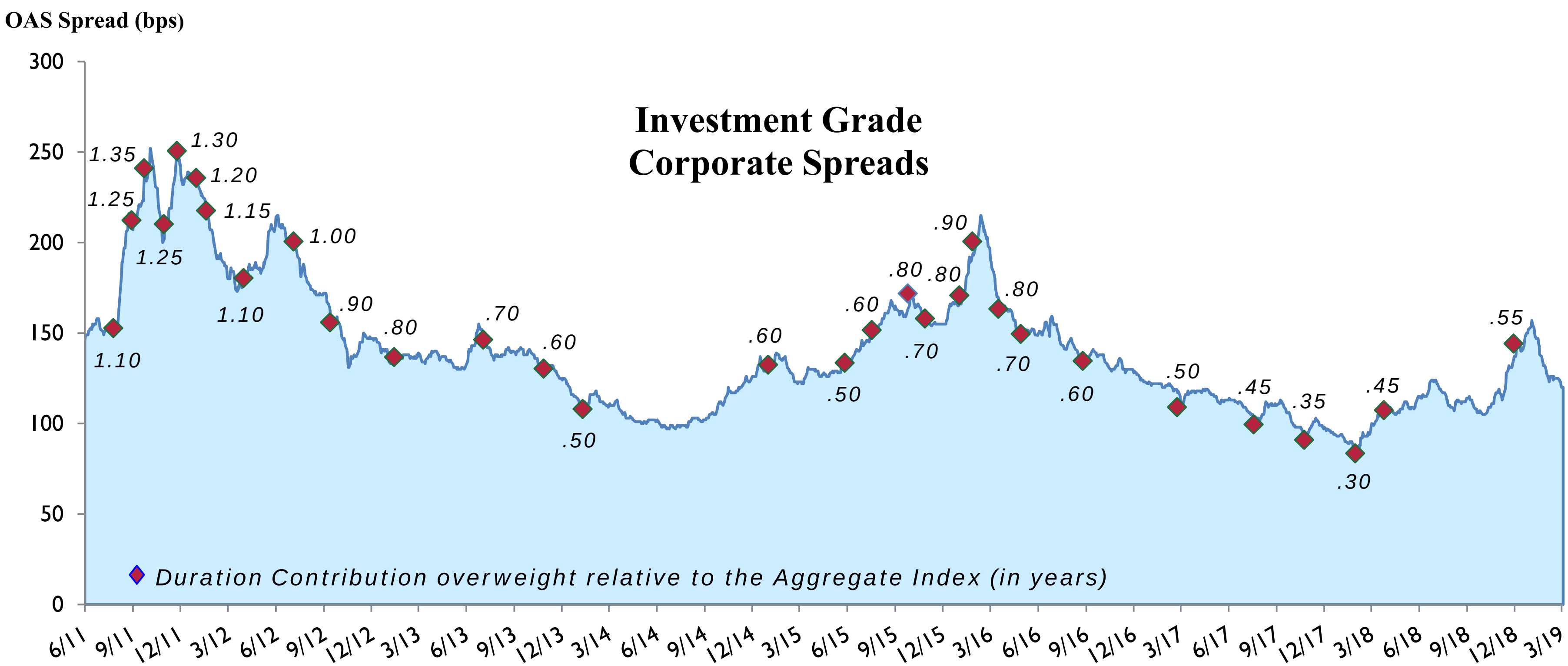
INVESTMENT THEME: OPPORTUNISTIC CORPORATE BOND ALLOCATION

Credit Spreads Snap Back

***Action*:**
Moderate Corporate Overweight

- We are very disciplined in our approach to overweighting the corporate sector.
- An end-of-year spread widening allowed us to increase our allocation to the corporate sector.



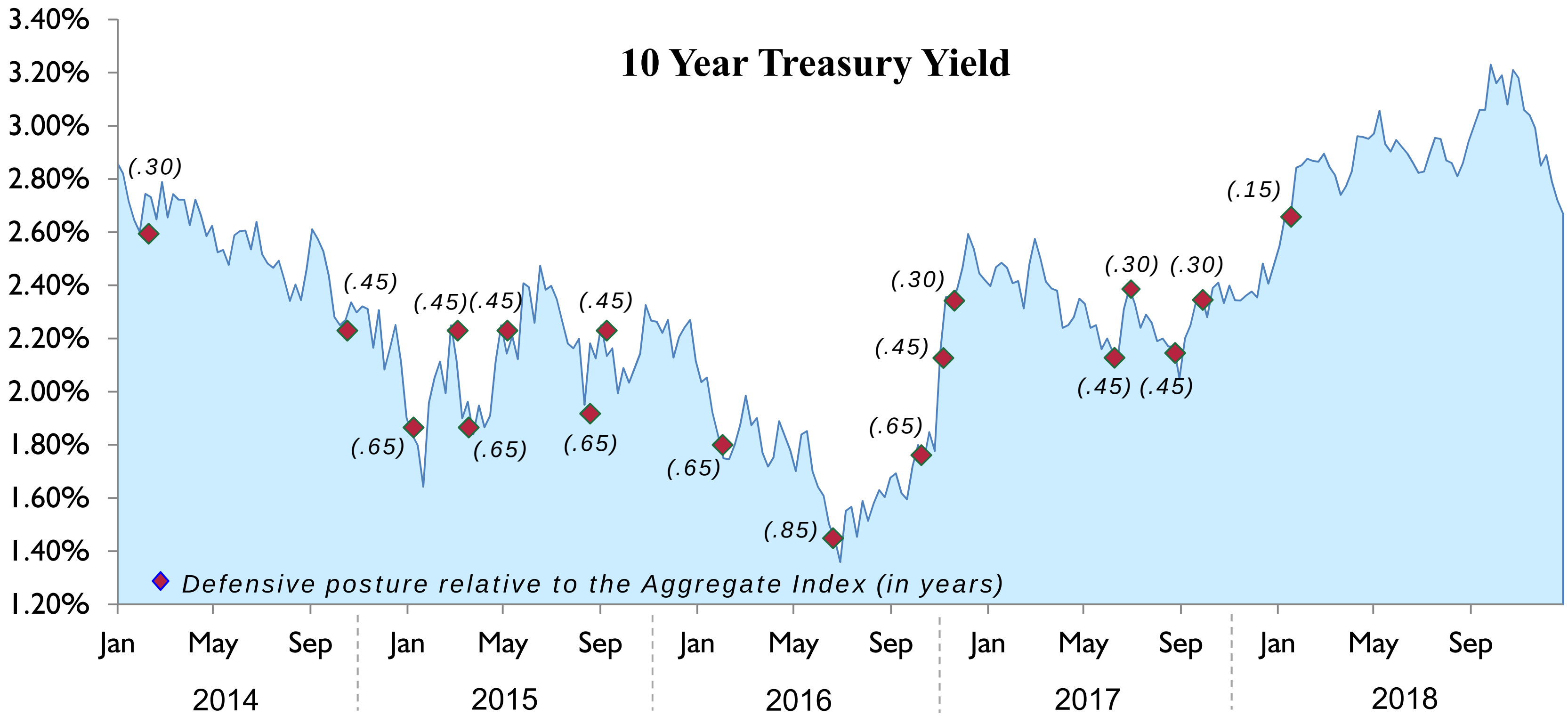
Source: Bloomberg Barclays

INVESTMENT THEME: INTEREST RATES

Market Direction Uncertain

Action:
Slight Defensive Duration

- We employ an emotionless duration schedule to take advantage of volatility.
- In December, Fed Funds futures trading implied a 60% probability of a rate hike in June, 2019. Today, that probability is 0%.



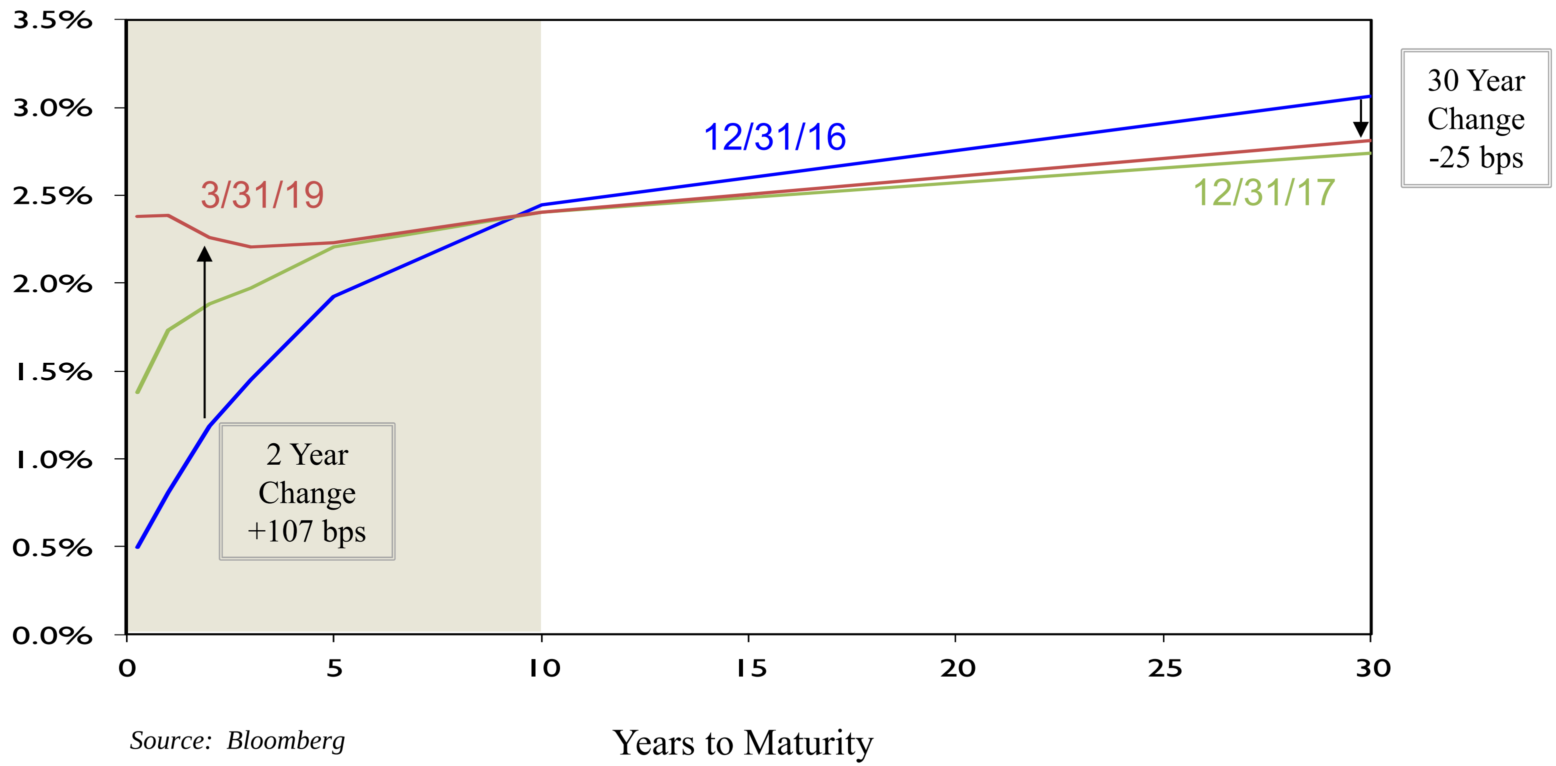
Source: Bloomberg

INVESTMENT THEME: FLATTER YIELD CURVE

Yield Curve Flatter

***Action*:**
Even Yield Curve Distribution

- As the yield curve has flattened, we have reduced our underweight to the front end of the yield curve.
- We are currently yield curve agnostic, particularly out the curve.



Source: Bloomberg

INVESTMENT THEME SUMMARY

- Interest rate direction uncertain, modestly defensive to protect against rising rates.
- Reduced corporate exposure as spreads tighten. Adding as spreads widen.
- Diversified portfolio to reduce risk.
- Yield curve agnostic.