

December 31, 2018

SENT VIA EMAIL

City Commission
Town of Indian River Shores
C/o Robbie Stabe, Town Manager
6001 Hwy A1A
Indian River Shores, FL 32963

**RE: INDIAN RIVER SHORES PUBLIC SAFETY
ANNUAL REPORT OF INVESTMENT ACTIVITY**

Dear Commissioner:

In accordance with Section 112.661(15), Florida Statutes, please find enclosed the annual report of investment activity of the Town of Indian River Shores Public Safety Officers' and Firefighters' Defined Benefit Plan.. This report includes investments in the portfolio as of September 30, 2018, listed by class or type, book value, income earned and market value as of the stated date. This report must also be made available to the public.

Thank you,



Ferrell B. Jenne
Plan Administrator

Statement Period
Account Number

10/01/2017 through 09/30/2018

SALEM TRUST COMPANY
AS CUSTODIAN FOR THE
INDIAN RIVER SHORES FIREFIGHTERS
AND POLICE OFFICERS PENSION PLAN
STATEMENTS

Balance Sheet

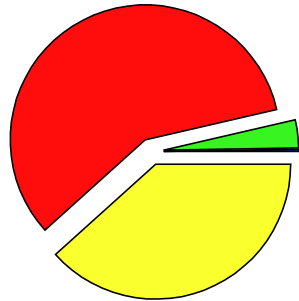
| | AS OF 10/01/2017 | | AS OF 09/30/2018 | |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | COST VALUE | MARKET VALUE | COST VALUE | MARKET VALUE |
| A S S E T S | | | | |
| CASH | 0.00 | 0.00 | 0.00 | 0.00 |
| ACCRUED INCOME | 47,970.51 | 47,970.51 | 41,453.64 | 41,453.64 |
| TOTAL CASH & RECEIVABLES | 47,970.51 | 47,970.51 | 41,453.64 | 41,453.64 |
| CASH AND EQUIVALENTS | | | | |
| SHORT TERM INVESTMENTS | 515,985.48 | 515,985.48 | 587,102.73 | 587,102.73 |
| TOTAL CASH AND EQUIVALENTS | 515,985.48 | 515,985.48 | 587,102.73 | 587,102.73 |
| FIXED INCOME | | | | |
| U S GOVERNMENT OBLIGATIONS | 1,879,039.25 | 1,846,349.44 | 1,887,349.38 | 1,831,601.02 |
| MORTGAGE/ASSET BACKED SEC | 796,988.00 | 799,819.99 | 1,000,569.74 | 970,958.70 |
| COLLATERALIZED MTGE OBLIG | 899,976.83 | 898,053.96 | 428,560.37 | 428,107.78 |
| CORPORATE BONDS | 2,225,862.09 | 2,241,546.30 | 1,375,290.28 | 1,346,474.96 |
| FOREIGN BDS NTS DEB | 222,807.40 | 222,220.80 | 79,213.40 | 75,773.57 |
| TOTAL FIXED INCOME | 6,024,673.57 | 6,007,990.49 | 4,770,983.17 | 4,652,916.03 |
| EQUITIES | | | | |
| COMMON STOCK | 7,232,254.88 | 8,866,154.62 | 7,581,690.78 | 9,858,613.30 |
| FOREIGN STOCK | 219,509.26 | 249,115.88 | 239,687.85 | 286,873.80 |
| TOTAL EQUITIES | 7,451,764.14 | 9,115,270.50 | 7,821,378.63 | 10,145,487.10 |
| TOTAL HOLDINGS | 13,992,423.19 | 15,639,246.47 | 13,179,464.53 | 15,385,505.86 |
| TOTAL ASSETS | 14,040,393.70 | 15,687,216.98 | 13,220,918.17 | 15,426,959.50 |
| L I A B I L I T I E S | | | | |
| TOTAL LIABILITIES | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL NET ASSET VALUE | 14,040,393.70 | 15,687,216.98 | 13,220,918.17 | 15,426,959.50 |





Statement Period
Account Number

10/01/2017 through 09/30/2018

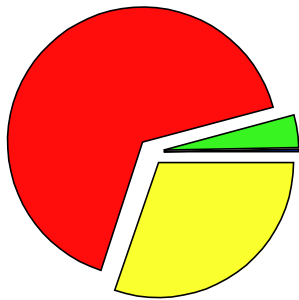
SALEM TRUST COMPANY
AS CUSTODIAN FOR THE
INDIAN RIVER SHORES FIREFIGHTERS
AND POLICE OFFICERS PENSION PLAN
STATEMENTS





Beginning Market Allocation



| | | | |
|--------|---|-------------------------------|----------------------|
| 0.3% |  | CASH & RECEIVABLES | 47,970.51 |
| 3.3% |  | CASH AND EQUIVALENTS | 515,985.48 |
| 58.1% |  | EQUITIES | 9,115,270.50 |
| 38.3% |  | FIXED INCOME | 6,007,990.49 |
| 100.0% | | Total | 15,687,216.98 |

Ending Market Allocation



| | | | |
|--------|---|-------------------------------|----------------------|
| 0.3% |  | CASH & RECEIVABLES | 41,453.64 |
| 3.8% |  | CASH AND EQUIVALENTS | 587,102.73 |
| 65.7% |  | EQUITIES | 10,145,487.10 |
| 30.2% |  | FIXED INCOME | 4,652,916.03 |
| 100.0% | | Total | 15,426,959.50 |

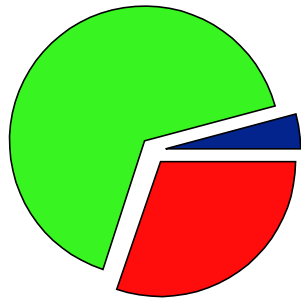
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Account Number

10/01/2017 through 09/30/2018

SALEM TRUST COMPANY
AS CUSTODIAN FOR THE
INDIAN RIVER SHORES FIREFIGHTERS
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Summary Of Investments

Investment Allocation



| | | |
|--------|----------------------|----------------------|
| 4.1% | CASH AND EQUIVALENTS | 628,556.37 |
| 65.7% | EQUITIES | 10,145,487.10 |
| 30.2% | FIXED INCOME | 4,652,916.03 |
| 100.0% | Total | 15,426,959.50 |

Investment Summary

| | Cost | Market Value | % of Acct | Estim Ann Inc | Income Yield |
|-----------------------------------|-------------------|-------------------|-------------|---------------|--------------|
| CASH AND EQUIVALENTS | | | | | |
| CASH | 41,453.64 | 41,453.64 | 0.27 | 0 | 0.00 |
| SHORT TERM INVESTMENTS | 587,102.73 | 587,102.73 | 3.81 | 9,654 | 1.64 |
| TOTAL CASH AND EQUIVALENTS | 628,556.37 | 628,556.37 | 4.07 | 9,654 | 1.54 |
| FIXED INCOME | | | | | |
| U S GOVERNMENT OBLIGATIONS | 1,887,349.38 | 1,831,601.02 | 11.87 | 41,722 | 2.28 |
| MORTGAGE/ASSET BACKED SEC | 1,000,569.74 | 970,958.70 | 6.29 | 41,094 | 4.23 |
| COLLATERALIZED MTGE OBLIG | 428,560.37 | 428,107.78 | 2.78 | 6,811 | 1.59 |

Statement Period
Account Number

10/01/2017 through 09/30/2018

SALEM TRUST COMPANY
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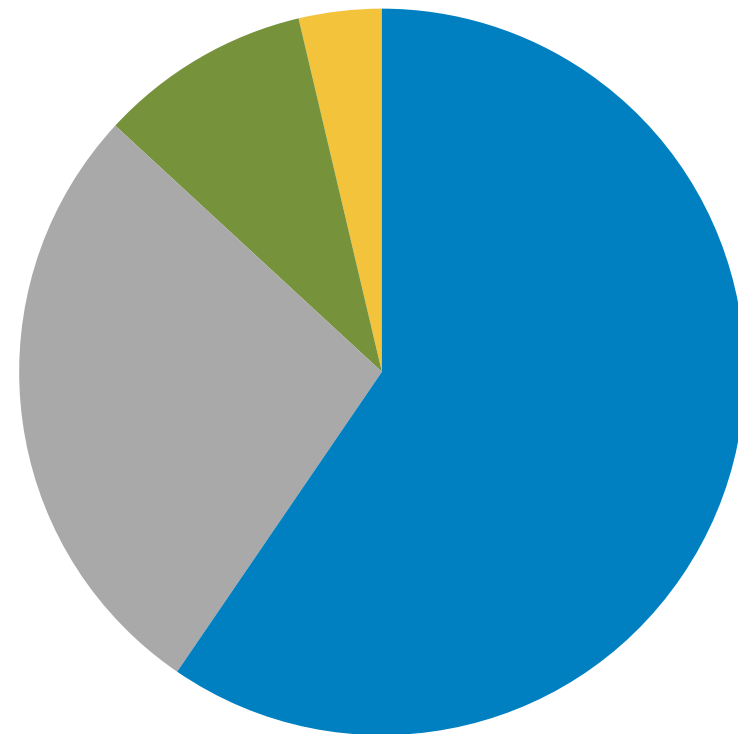
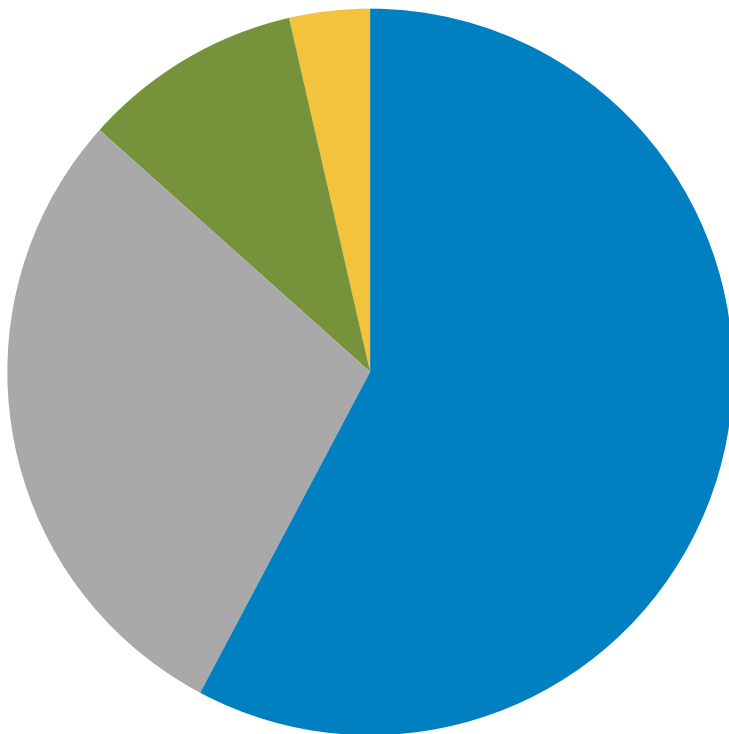
Summary Of Investments

Investment Summary

| | Cost | Market Value | % of Acct | Estim Ann Inc | Income Yield |
|------------------------------|----------------------|----------------------|---------------|----------------|--------------|
| CORPORATE BONDS | 1,375,290.28 | 1,346,474.96 | 8.73 | 63,212 | 4.69 |
| FOREIGN BDS NTS DEB | 79,213.40 | 75,773.57 | 0.49 | 4,785 | 6.31 |
| TOTAL FIXED INCOME | 4,770,983.17 | 4,652,916.03 | 30.16 | 157,624 | 3.39 |
| EQUITIES | | | | | |
| COMMON STOCK | 7,581,690.78 | 9,858,613.30 | 63.91 | 270,421 | 2.74 |
| FOREIGN STOCK | 239,687.85 | 286,873.80 | 1.86 | 7,790 | 2.72 |
| TOTAL EQUITIES | 7,821,378.63 | 10,145,487.10 | 65.76 | 278,211 | 2.74 |
| Total Net Asset Value | 13,220,918.17 | 15,426,959.50 | 100.00 | 445,489 | 2.89 |

Asset Allocation By Segment as of
June 30, 2018 : \$16,041,825

Asset Allocation By Segment as of
September 30, 2018 : \$17,037,690

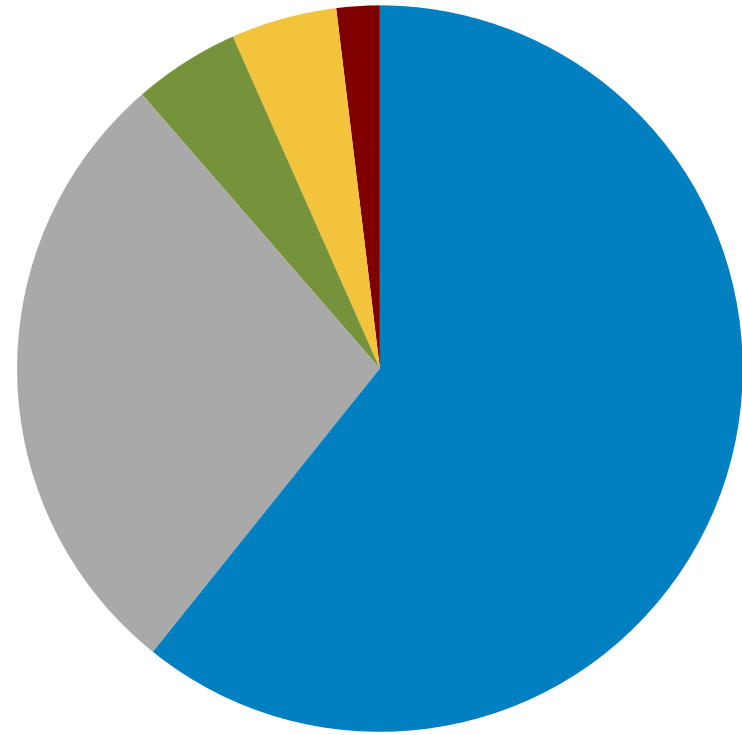
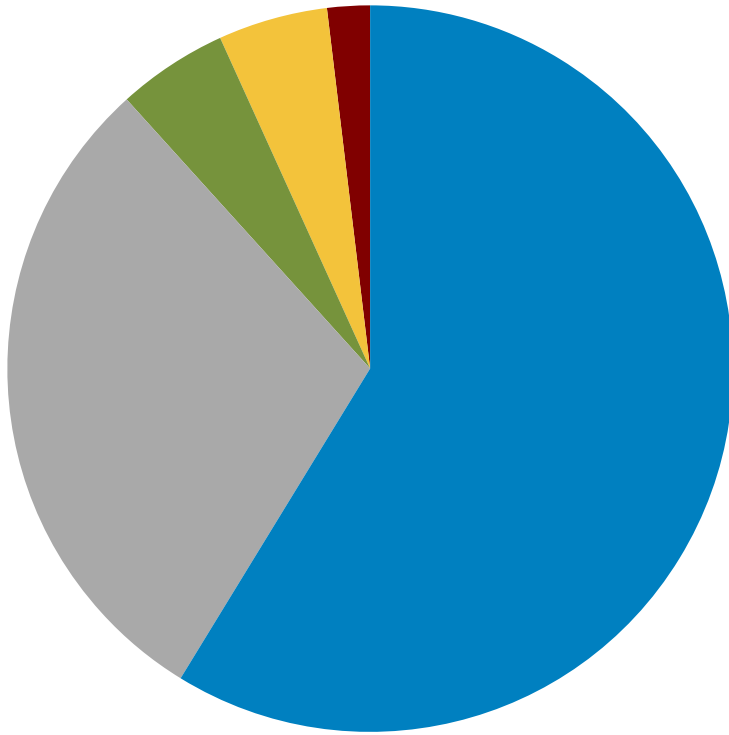


| Allocation | | | Allocation | | |
|-----------------------|--------------|------------|-----------------------|--------------|------------|
| Segments | Market Value | Allocation | Segments | Market Value | Allocation |
| Domestic Equity | 9,266,084 | 57.8 | Domestic Equity | 10,145,487 | 59.5 |
| Domestic Fixed Income | 4,625,952 | 28.8 | Domestic Fixed Income | 4,652,916 | 27.3 |
| Real Estate | 1,573,685 | 9.8 | Real Estate | 1,610,731 | 9.5 |
| Cash Equivalent | 576,104 | 3.6 | Cash Equivalent | 628,556 | 3.7 |



Asset Allocation By Manager as of
 June 30, 2018 : \$16,041,825

Asset Allocation By Manager as of
 September 30, 2018 : \$17,037,690



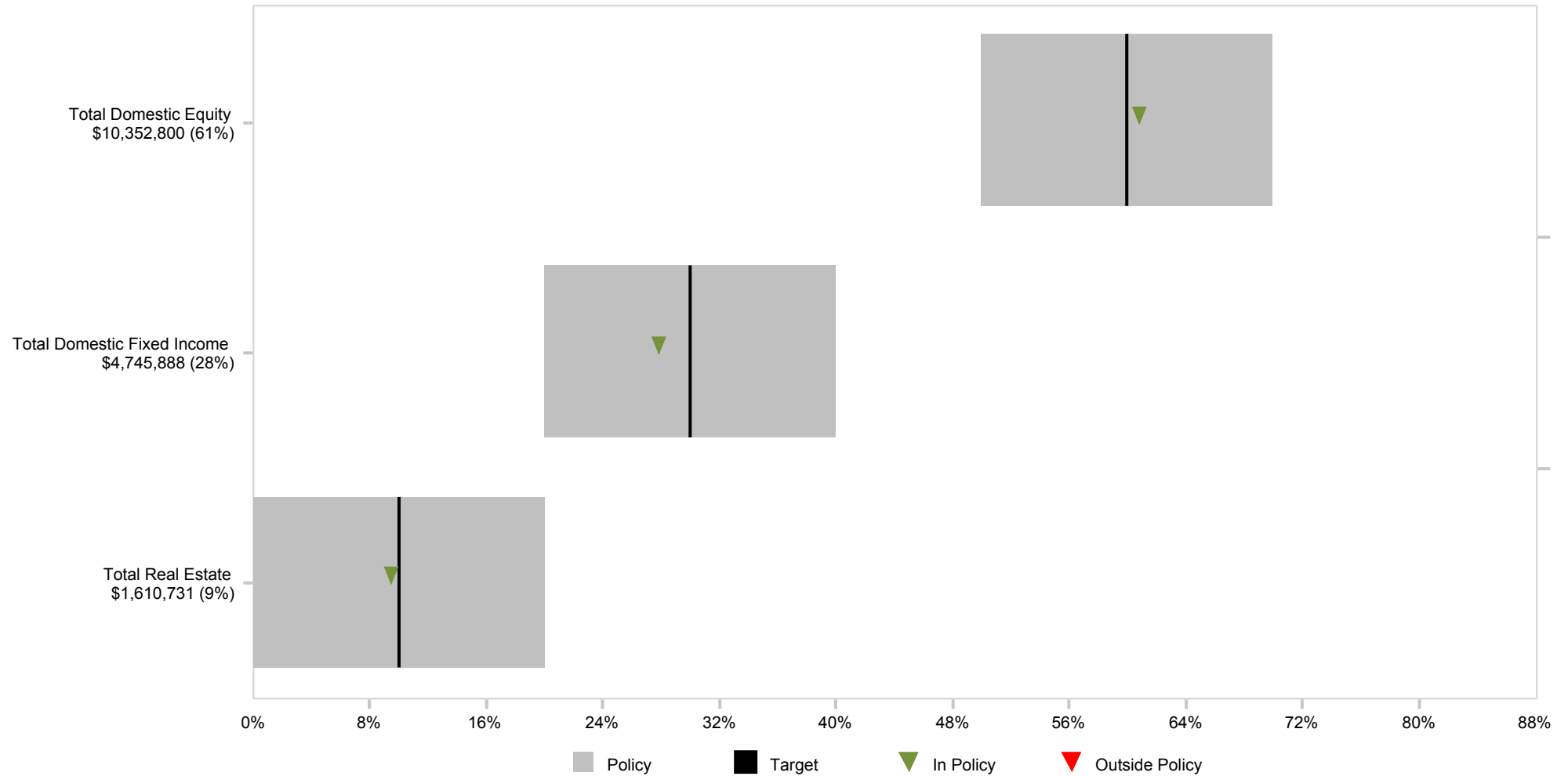
| Allocation | | | Allocation | | |
|---------------------------------|--------------|------------|---------------------------------|--------------|------------|
| | Market Value | Allocation | | Market Value | Allocation |
| ■ Manning & Napier Equity | 9,424,578 | 58.8 | ■ Manning & Napier Equity | 10,352,800 | 60.8 |
| ■ Manning & Napier Fixed Income | 4,738,301 | 29.5 | ■ Manning & Napier Fixed Income | 4,745,888 | 27.9 |
| ■ Intercontinental Real Estate | 789,878 | 4.9 | ■ Intercontinental Real Estate | 807,661 | 4.7 |
| ■ Principal Real Estate | 783,807 | 4.9 | ■ Principal Real Estate | 803,070 | 4.7 |
| ■ Receipts & Disbursements | 305,260 | 1.9 | ■ Receipts & Disbursements | 328,271 | 1.9 |



| Asset Allocation Attributes | Sep-2018 | | Jun-2018 | | Mar-2018 | | Dec-2017 | | Sep-2017 | |
|-------------------------------------|-------------------|---------------|-------------------|---------------|-------------------|---------------|-------------------|---------------|-------------------|---------------|
| | (\$) | % | (\$) | % | (\$) | % | (\$) | % | (\$) | % |
| Total Fund | 17,037,690 | 100.00 | 16,041,825 | 100.00 | 16,401,456 | 100.00 | 16,740,601 | 100.00 | 15,687,217 | 100.00 |
| Total Equity | 10,352,800 | 60.76 | 9,424,578 | 58.75 | 9,675,113 | 58.99 | 9,992,181 | 59.69 | 9,299,707 | 59.28 |
| Manning & Napier Equity | 10,352,800 | 60.76 | 9,424,578 | 58.75 | 9,675,113 | 58.99 | 9,992,181 | 59.69 | 9,299,707 | 59.28 |
| Total Fixed Income | 4,745,888 | 27.86 | 4,738,301 | 29.54 | 5,189,336 | 31.64 | 5,995,439 | 35.81 | 6,387,510 | 40.72 |
| Manning & Napier Fixed Income | 4,745,888 | 27.86 | 4,738,301 | 29.54 | 5,189,336 | 31.64 | 5,995,439 | 35.81 | 6,387,510 | 40.72 |
| Total Real Estate | 1,610,731 | 9.45 | 1,573,685 | 9.81 | 1,537,007 | 9.37 | 752,981 | 4.50 | - | 0.00 |
| Intercontinental Real Estate | 807,661 | 4.74 | 789,878 | 4.92 | 769,976 | 4.69 | - | 0.00 | - | 0.00 |
| Principal Real Estate | 803,070 | 4.71 | 783,807 | 4.89 | 767,031 | 4.68 | 752,981 | 4.50 | - | 0.00 |
| Receipts & Disbursements | 328,271 | 1.93 | 305,260 | 1.90 | - | 0.00 | - | 0.00 | - | 0.00 |



Executive Summary



Asset Allocation Compliance

| | Asset Allocation \$ | Current Allocation (%) | Target Allocation (%) | Target Rebal. |
|-----------------------------|---------------------|------------------------|-----------------------|---------------|
| Total Fund | 17,037,690 | 100.0 | 100.0 | - |
| Total Domestic Equity | 10,352,800 | 60.8 | 60.0 | -130,186 |
| Total Domestic Fixed Income | 4,745,888 | 27.9 | 30.0 | 365,419 |
| Total Real Estate | 1,610,731 | 9.5 | 10.0 | 93,038 |



Financial Reconciliation - Current Quarter

| | Market Value 07/01/2018 | Net Transfers | Contributions | Distributions | Management Fees | Other Expenses | Income | Apprec./ Deprec. | Market Value 09/30/2018 |
|-------------------------------------|----------------------------|------------------|----------------|-----------------|--------------------|-------------------|----------------|---------------------|----------------------------|
| Total Fund | 16,041,825 | - | 354,139 | -170,166 | -28,366 | -12,135 | 124,227 | 728,167 | 17,037,690 |
| Total Equity | 9,424,578 | 150,000 | - | - | -17,520 | - | 75,439 | 720,304 | 10,352,800 |
| Manning & Napier Equity | 9,424,578 | 150,000 | - | - | -17,520 | - | 75,439 | 720,304 | 10,352,800 |
| Total Fixed Income | 4,738,301 | - | - | - | -8,774 | - | 39,209 | -22,849 | 4,745,888 |
| Manning & Napier Fixed Income | 4,738,301 | - | - | - | -8,774 | - | 39,209 | -22,849 | 4,745,888 |
| Total Real Estate | 1,573,685 | - | - | - | -2,072 | - | 8,406 | 30,712 | 1,610,731 |
| Intercontinental Real Estate | 789,878 | - | - | - | -2,072 | - | 8,406 | 11,449 | 807,661 |
| Principal Real Estate | 783,807 | - | - | - | - | - | - | 19,263 | 803,070 |
| Receipts & Disbursements | 305,260 | -150,000 | 354,139 | -170,166 | - | -12,135 | 1,173 | - | 328,271 |

Financial Reconciliation - Fiscal Year to Date

| | Market Value 10/01/2017 | Net Transfers | Contributions | Distributions | Management Fees | Other Expenses | Income | Apprec./ Deprec. | Market Value 09/30/2018 |
|-------------------------------------|----------------------------|-------------------|----------------|-----------------|--------------------|-------------------|----------------|---------------------|----------------------------|
| Total Fund | 15,687,217 | - | 979,709 | -983,084 | -60,270 | -68,837 | 448,090 | 1,034,866 | 17,037,690 |
| Total Equity | 9,299,707 | -320,000 | - | - | -35,610 | - | 266,828 | 1,141,876 | 10,352,800 |
| Manning & Napier Equity | 9,299,707 | -320,000 | - | - | -35,610 | - | 266,828 | 1,141,876 | 10,352,800 |
| Total Fixed Income | 6,387,510 | -1,330,000 | 554,150 | -751,787 | -18,746 | -51,328 | 161,881 | -205,792 | 4,745,888 |
| Manning & Napier Fixed Income | 6,387,510 | -1,330,000 | 554,150 | -751,787 | -18,746 | -51,328 | 161,881 | -205,792 | 4,745,888 |
| Total Real Estate | - | 1,500,000 | - | - | -5,914 | - | 17,862 | 98,783 | 1,610,731 |
| Intercontinental Real Estate | - | 750,000 | - | - | -5,914 | - | 17,862 | 45,713 | 807,661 |
| Principal Real Estate | - | 750,000 | - | - | - | - | - | 53,070 | 803,070 |
| Receipts & Disbursements | - | 150,000 | 425,559 | -231,298 | - | -17,510 | 1,519 | - | 328,271 |