CITY OF PORT ORANGE
POLICE OFFICERS' PENSION BOARD
QUARTERLY MEETING AGENDA

Port Orange Police Department
Police Department Training Room
4545 Clyde Morris Blvd.
Port Orange FL 32129
Thursday, November 15, 2018
9:00 a.m.

Disability Information: If you are a person with a disability who needs any accommodation in order to participate in this proceeding, you are entitled, at no cost to you, to the provision of certain assistance. Please contact the City Clerk for the City of Port Orange, 1000 City Center Circle, Port Orange, FL 32129, telephone number 386-506-5563, within two working days of your receipt of this notice or five days prior to the meeting date. If you are hearing or voice impaired, contact the relay operator at 1-800-955-8771.
Appeal Notice: Any person who decides to appeal any decision made by the Port Orange Police Officers' Pension Board will need a record of the proceedings, and for such purpose he or she may need to ensure at his or her own expense for the taking and preparation of a verbatim record of all testimony and evidence of the proceedings upon which the appeal is to be based.

1. **CALL TO ORDER**
2. **DETERMINATION OF A QUORUM**
3. **APPROVAL OF MINUTES**

   A. Approve the minutes of quarterly meeting August 16, 2018.

4. **OFFICER AND TRUSTEE REPORTS**
5. **CONSENT AGENDA**

   A. Ratify plan expenditures as follows:
   1. Sugarman & Susskind – monthly retainer for August 2018 - $2,600;
   2. Sugarman & Susskind – monthly retainer for September 2018 - $2,600;
   3. Sugarman & Susskind – monthly retainer for October 2018 - $2,600;
   4. Plan Administrator Karan Rounsavall – monthly fee (August 2018, September 2018, October 2018) - $9,000;
   5. Florida Public Pension Trustees' Association (FPPTA) – registration fee for FPPTA fall trustee school for Trustees Drew Bastian and Warren Carman - $1,200;
   6. Hyatt Regency Coconut Point Resort – lodging expenses for Trustee Drew Bastian (FPPTA Fall Trustee School) - $597;
   7. Hyatt Regency Coconut Point Resort – lodging expenses for Trustee Warren Carman (FPPTA Fall Trustee School) - $597;
   8. Trustee Drew Bastian – reimbursement of mileage and meal expenses for attendance at FPPTA Fall Trustee School in Bonita Springs - $299.72;

9. Trustee Warren Carman – reimbursement of mileage and meal expenses for attendance at FPPTA Fall Trustee School in Bonita Springs - $299.72;
10. AndCo Consulting – investment consulting and performance monitoring services for quarter ended September 30, 2018 - $8,750;
11. First State Trust Company – custodial services for quarter ended September 30, 2018 - $4,625.

6. OLD BUSINESS

7. NEW BUSINESS

A. Ratify normal retirement benefits for Aaron Mcilrath (100 percent joint & survivor) commencing October 1, 2018

B. Establish quarterly meeting dates for 2019 (SUBJECT TO CHANGE)
- Thursday, February 21, 2019 at 9:00 a.m.
- Thursday, May 16, 2019 at 9:00 a.m.
- Thursday, August 22, 2019 at 9:00 a.m.
- Thursday, November 21, 2019 at 9:00 a.m.

C. Authorization to renew membership in Florida Public Pension Trustees Association (FPPTA) for 2019 at a cost of $600

8. CONSULTANT REPORTS

A. Tyler Grumbles – *AndCo Consulting* (Investment Consultant)
1. Investment Performance Report for quarter ended September 30, 2018
2. Introduction and review of bank loans (fixed income alternative)
3. Introduction and review of infrastructure investment opportunities
4. Updated investment policy statement review

B. Chad Little – *Freiman Little Actuaries, LLC* (Plan Actuary)
1. Presentation – asset allocation and assumed investment rate of return

C. Ken Harrison – *Sugarman & Susskind* (Attorney)

D. Karan Rounsavall – Plan Administrator
1. Educational Opportunities:
   - ✓ Florida Public Pension Trustees' Association (FPPTA) Winter Trustees School in Orlando (February 3 – 6, 2019)

9. PUBLIC COMMENT

10. ADJOURNMENT

CITY OF PORT ORANGE
POLICE OFFICERS' PENSION BOARD
AUGUST 16, 2018

The Port Orange Police Officers' Pension Board of Trustees held its quarterly meeting on Thursday, August 16, 2018 in the Police Department Training Room, 4545 Clyde Morris Boulevard, Port Orange, Florida.

MEMBERS PRESENT:	Chairman Steve Braddock (police member) Brian Cobb (resident member) William Proctor (police member)
MEMBERS ABSENT:	Drew Bastian (resident member) – excused Warren Carman (fifth member) – excused
CONSULTANTS:	Ken Harrison, Board Attorney – Sugarman & Susskind Jose Rodriguez, Associate Attorney – Sugarman & Susskind Tyler Grumbles, Investment Consultant – AndCo Chad Little, Actuary – Freiman Little Actuaries Karan Rounsavall, Plan Administrator
CITY STAFF:	Lori Bockelman, Assistant Finance Director Cynthia Burgess, Compliance Manager

Chairman Braddock called the meeting to order at 9:10 a.m. A quorum was in attendance.

APPROVAL OF MINUTES

Member Cobb moved to approve minutes of quarterly meeting May 17, 2018 as submitted. Member Proctor seconded the motion and it carried unanimously.

OFFICER AND TRUSTEE REPORTS - *None*

CONSENT AGENDA

The following items were presented for action as recommended:

A. Approve plan expenditures as follows:
   1. Sugarman & Susskind – monthly retainer for May 2018 - $2,600. *Recommendation:* Ratify payment.
   2. Sugarman & Susskind – monthly retainer for June 2018 - $2,600. *Recommendation:* Ratify payment.
   3. Sugarman & Susskind – monthly retainer for July 2018 - $2,600. *Recommendation:* Ratify payment.
   4. Plan Administrator Karan Rounsavall – monthly fee (May 2018, June 2018, July 2018) - $9,000. *Recommendation:* Ratify payments.
   5. Florida Public Pension Trustees' Association (FPPTA) – registration fee for FPPTA annual conference for Chairman Steve Braddock and Plan Administrator Karan Rounsavall - $1,300. *Recommendation:* Ratify payment. (Note: Chairman Braddock cancelled registration and plan received refund in the amount of $600.)

6. United Members Insurance – annual premium for fiduciary liability insurance through May 31, 2019 - $4,878. *Recommendation*: Ratify payment.
7. Rosen Shingle Creek – lodging expenses for Plan Administrator Karan Rounsavall (FPPTA Annual Conference) - $447. *Recommendation:* Ratify payment.
8. AndCo Consulting – investment consulting and performance monitoring services for quarter ending June 30, 2018 - $8,750. *Recommendation*: Ratify payment.
9. First State Trust Company – custodial services for quarter ended June 30, 2018 - $4,625. *Recommendation*: Ratify payment.

Member Proctor moved to ratify plan expenses as recommended. Member Cobb seconded the motion and it carried on an all yes *vote.*

B. Acknowledge refund of member contributions to the following non-vested members:
   1. Joshua Cruz (non-vested member) in the amount of $3,305.29;
   2. Carlos Landin (non-vested member) in the amount of $4,511.11.

Member Proctor moved to acknowledge refunds to the non-vested members as stated. Member Cobb seconded the motion and it carried unanimously.

OLD BUSINESS

A. Ordinance No. 2018-19 increasing investment limits on equities held in the portfolio from 65 to 70 percent

Plan Administrator Rounsavall advised that the Port Orange City Council unanimously adopted this ordinance at its July 17, 2018 meeting. No action was necessary on the part of the Pension Board at this time.

NEW BUSINESS

A. Discussion and possible action related to change of date for quarterly meetings going forward.

Plan Administrator Rounsavall stated that today's meeting was rescheduled from Friday, August 17, 2018 to Thursday, August 16, 2018 in order to accommodate recent changes in the attorney's meeting/travel schedule involving other pension plan clients. Attorney Harrison added that the Port Orange Fire Pension Plan recently engaged Sugarman & Susskind for legal services. Further, the Port Orange General Pension Plan recently concluded a request for proposal (RFP) for legal services for which Sugarman & Susskind submitted a response. Depending on the General Pension Board's ultimate selection of a law firm, there could be an effort to coordinate all three boards on the same meeting date in the future.

Given the pending uncertainties mentioned above, it was the consensus of the Police Pension Board to schedule its next quarterly meeting for Thursday, November 15, 2018. Plan Administrator Rounsavall would reserve the Police Training Room for the meeting and advise the City Clerk's Office.

B. Approval of administrative expense budget for Plan Year 2018/2019 in accordance with *Florida Statutes*

The Pension Board was in receipt of the proposed budget for Plan Year 2018/2019 as prepared by the plan administrator. Pursuant to *Florida Statutes*, the Board was required to adopt and operate pursuant to an administrative expense budget each year. The budget included all administrative expenses (e.g. actuary, legal, investment consultant, custody, administration, insurance, etc.) but did not include investment management fees. The proposed budget for 2018/2019 was $191,458 which was less than the adopted budget for 2017/2018 of $227,225.

Plan Administrator Rounsavall reviewed individual line items in the proposed budget noting that it included $5,500 for an actuarial experience study. Investment consulting fees were less than previous years. She also advised that estimated expenditures for 2017/2018 were less than budgeted.

Member Cobb moved to approve the administrative expense budget for Fiscal Year 2018/2019 in the amount of $191,458 as presented. Member Proctor seconded the motion and it carried unanimously. The budget would be provided to city staff (plan sponsor) and posted on the bulletin board at the Police Department for plan members.

C. Acknowledge receipt of 2017 premium tax distribution in the amount of $444,090.23

The City received the state monies on August 15, 2018. The funds would be deposited to the pension fund within the required five days. The 2017 distribution was approximately a 12 percent increase over the prior year. *The pension board acknowledged receipt.*

<u>CONSULTANT REPORTS</u>

A. Tyler Grumbles – AndCo Consulting (Investment Consultant)

1. Investment Performance Report for quarter ended June 30, 2018

Mr. Grumbles delivered the Investment Performance Report for the quarter ended June 30, 2018. Market returns were mixed across major equity and fixed income indices for the quarter. Domestic equities saw healthy gains while fixed income returns were generally flat or slightly negative for the quarter. International equities posted negative returns due in part to the U.S. dollar appreciating rapidly against other currencies. Mr. Grumbles noted that the top ten weighted stocks were driving the market. As such, it was a good time to be invested in equity index funds as opposed to active management. This passive strategy was working for the Port Orange Police Pension.

Total market value as of June 30, 2018 was $36,367,679 up from $35,494,438 for the previous quarter ended March 31, 2018. On a percentage basis, the composite portfolio was up 1.71 percent (gross) for the quarter which ranked in the 30th percentile of public plans. Fiscal year to date, the fund was up 5.00 percent (gross return) which ranked in the 44th percentile.

Quarterly performance results (i.e. quarter ending June 30, 2018) for the various investment styles/managers represented in the portfolio were as follows:

Vanguard Total Stock Market Index Fund – positive return of 3.90% (20)*
EuroPacific Growth (international equity) – <u>negative</u> return of -2.83% (70)*

Oakmark International (international equity) – negative return of -4.97% (93)*
Dodge & Cox (domestic fixed income) – negative return of -0.33% (64)*
Metropolitan West (domestic fixed income) – negative return of -0.09% (20)*
UBS Trumbull (private real estate) – positive return of 1.75% (98)*

Mr. Grumbles noted that just under $30,000 remained in the portfolio with Private Advisors (hedge fund). This was a carryover from Morgan Stanley (previous investment consultant); this position should be liquidated during the next quarter.

All asset classes were within target ranges. Given adoption of ordinance increasing investment limits on equities, he proposed two action items: (1) increasing allocation to international equity to 15 percent and increasing real estate to ten percent. As to additional investments in real estate, the fund would most likely have to enter a queue and wait for a capital call from UBS Trumbull.

Mr. Grumbles reviewed the compliance checklist which reflected a number of underperforming investment categories over longer time periods. Attorney Harrison stated that it would take some time for AndCo to "dig out of the hole" left by the previous investment consultant.

The Board accepted the investment performance report as presented.

2. Revisions to Investment Policy Statement (IPS) increasing equity exposure from 65 to 70 percent of the total portfolio

Board members were in receipt of a revised IPS increasing the portfolio's maximum exposure to equities from 65 to 70 percent (both domestic and international). This revision was in line with Ordinance No. 2018-19 (adopted by City Council on July 17, 2018). The IPS established the following asset allocation targets for the total fund: Equities – 65%; Fixed Income – 25%; and Real Estate – 10%. Attorney Harrison previously reviewed the proposed IPS and found it to be in good form.

Member Cobb moved to approve the revised IPS as presented. Member Proctor seconded the motion and it carried unanimously. The new IPS would be sent to the Florida Division of Retirement as required.

Consistent with the newly adopted IPS, Member Proctor then moved to rebalance the portfolio in order to increase the fund's allocation to international equity to 15 percent overall and to increase the allocation to private real estate back to 10 percent (roughly $550,000). It was understood that timing for the real estate investment was dependent upon a capital call from UBS Trumbull. Member Cobb seconded the motion; it carried on an all yes vote.

3. Global Fixed Income/Bond Opportunities

As mentioned at the previous quarterly meeting, Mr. Grumbles was prepared with a presentation introducing global bonds/fixed income into the Port Orange Police portfolio. Current low interest rates in domestic fixed income opportunities presented a challenge to the fund achieving its assumed investment rate of return. Global bonds offered further diversification. Differences in business cycles across countries and industries created the potential for enhanced fixed income returns and reduced risk (volatility) through the inclusion of non-correlated fixed income investments. Additionally, the inclusion of high yield bonds and/or bonds whose rates were not directly linked to the U.S. yield curve had the potential to provide higher current income and yield enhancement in certain market environments. The major risks with global fixed income investments involved currency fluctuations.

Mr. Grumbles' presentation vetted three large mutual funds in the global fixed income asset class. These included *PIMCO Diversified, Templeton Global Total Return, and Loomis Sayles.* He recommended PIMCO because of its consistency of returns and diversification among holdings. Templeton Global tended to be more of a "home run hitter" with greater quarter-to-quarter volatility. Should the Pension Board decide to diversify into global fixed income, he recommended a five percent allocation.

Board members were most comfortable with a fund showing stable performance. *Member Cobb moved to accept the consultant's recommendation and establish a five percent allocation in global bonds with PIMCO Diversified Income Fund (institutional class shares). This allocation would be funded with premium tax monies received earlier in the week. Member Proctor seconded the motion and it carried unanimously.*

B. Chad Little – *Freiman Little Actuaries, LLC* (Plan Actuary)

1. Ratification of consultant/staff joint recommendation to use swear-in dates for pension credit start dates for plan participants

A meeting was held on May 11, 2018 to discuss a consistent policy for identifying credited service start dates for active members and new hires going forward and to clarify credit start dates for certain other active plan members. In attendance were Plan Administrator Karan Rounsavall, Support Services Director Jamie Miller, Human Resources Director Heather Carrizales, and Jason Keller, Human Resources Assistant. Actuary Chad Little participated in the meeting via conference call.

Mr. Little stated that a lot of work went into developing a policy that was not only consistent with the pension plan document, *Florida Statutes,* and a 2015 legal opinion on the matter of a participant's vesting date but also fair to plan participants by ensuring credit for <u>all time</u> served as a certified law enforcement officer. Hire dates, swear-in dates, and contribution start dates were also reviewed for a number of individual active participants to identify and clarify credit start dates. (Reference Plan Administrator's memorandum dated August 8, 2018)

The following recommendations were presented for consideration and ratification by the Port Orange Police Pension Board:

(*1*) *The plan administrator will maintain a record of swear-in dates for new hires and provide these to the actuary at the end of each fiscal year. An officer's swear-in date will be recognized as their start date for credited service.*

(2) A member's hire date will no longer be disclosed on annual statements as this date could very well differ from swear-in date and possibly cause confusion to the member. (Example: Recruits are hired and sponsored through the police academy and are not sworn in as police officers for several months pending graduation.)

(3) Based on the actuary's thorough examination of personnel and pension records, ratify pension start dates for a number of individual members as outlined in plan

administrator's August 8, 2018 memorandum. The actuary would use these dates on member annual benefit statements and benefit calculation requests.

Member Proctor moved to accept the staff/consultant recommendations as outlined above. Member Cobb seconded the motion and it carried on an all yes vote.

Member Cobb then moved to ratify the start dates for individual plan participants as set forth in the plan administrator's August 8, 2018 memorandum. Member Proctor seconded the motion and it likewise carried.

C. Ken Harrison – *Sugarman & Susskind* (Attorney)

Attorney Harrison reiterated that the State Legislature passed a bill providing workers compensation coverage for PTSD (post-traumatic stress disorder) for first responders. This could potentially affect applications for disability retirement in the future.

He went on to introduce Jose Rodriguez, a new attorney with the Sugarman & Susskind Law Firm.

D. Karan Rounsavall – Plan Administrator

1. Educational Opportunities:
   - ✓ Florida Public Pension Trustees Association (FPPTA) Fall Trustees School in Bonita Springs (September 30 – October 3, 2018)
   - ✓ Florida Division of Retirement Annual Police Officers' & Firefighters' Pension Conference in Orlando (November 14-16, 2018)

If any member wished to attend, they were to contact her at their earliest opportunity.

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The next quarterly meeting was scheduled for Thursday, November 15, 2018.

PUBLIC COMMENT - None

ADJOURNMENT

The meeting adjourned at 10:30 a.m.

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Steve Braddock, Chairman

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Karan Rounsavall, Plan Administrator

Investment Performance Review
Period Ending September 30, 2018

Port Orange Police Pension

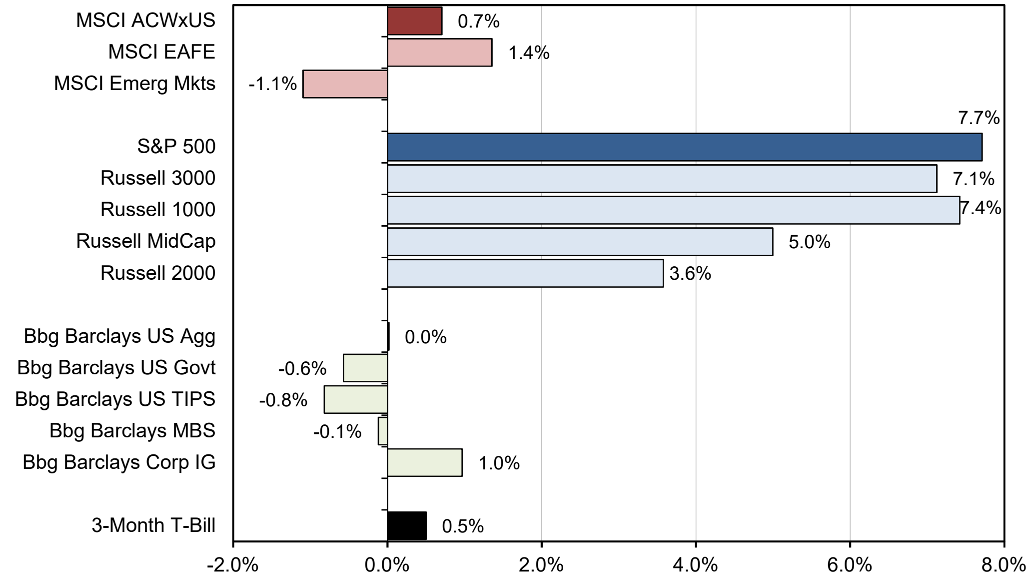
3rd Quarter 2018 Market Environment

- Market returns were mixed across major equity and fixed income indices for the 3rd quarter of 2018 with many themes from the 2nd quarter repeating during the current period. Broad domestic equity indices pushed higher on continued strength in both economic and corporate earnings data. Corporate earnings continue to benefit from fiscal stimulus tailwinds in the form of the late 2017 tax reform. International indices underperformed domestic indices during the period, posting more muted returns in US dollar (USD) terms, as investors weighed relatively soft economic data, a strengthening USD and geopolitical concerns, especially around global trade relations. Fixed income returns were flat for the quarter as interest rates continued to rise. Domestic stocks rose as concerns around ongoing monetary policy tightening by the Federal Reserve (Fed) and an escalating trade war between the US and China were not substantial enough to dampen investor enthusiasm around the ongoing strength of the US economy. The US stock market represented by the Russell 3000 Index returned 7.1% and 17.6% for the quarter and 1-year period respectively.

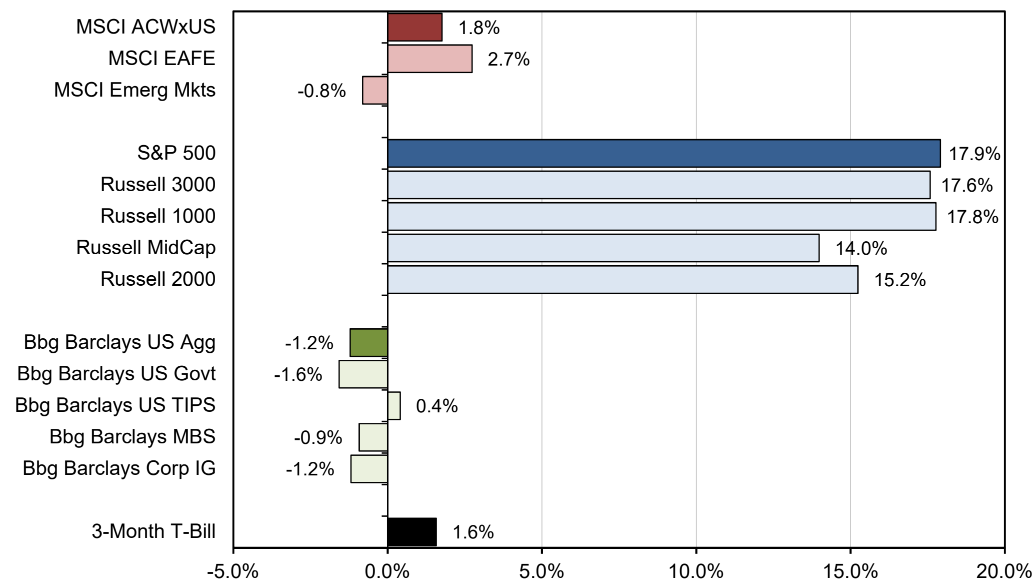
- International equity returns finished the quarter slightly positive with the MSCI ACWI ex US Index returning 0.7%. Developed market stocks pushed higher through the period, however, relatively subdued economic growth and ongoing political and trade uncertainty tempered returns versus domestic equities. The developed market MSCI EAFE Index gained 1.4% during the quarter. Emerging market stocks struggled in comparison, posting negative returns for the period, as trade tensions grew between the US and China. In addition, a strengthening USD caused headwinds for most international markets, but caused particular difficulties for emerging market countries that issue debt in USD. The MSCI Emerging Markets Index posted a small decline of -1.1% during the 3rd quarter. The relative outperformance of developed markets can also be seen in the 1-year period with the MSCI EAFE and MSCI Emerging Markets indices returning 2.7% and -0.8% respectively.

- Interest rates on the US Treasury Yield Curve continued their year-to-date rise during the 3rd quarter as investor expectations for further Fed tightening of monetary policy increased during the period. The yield curve did flatten slightly as interest rates had the greatest increase in short-term maturities, but overall, the shift in rates was fairly consistent throughout the entire curve. The Fed did implement another interest rate increase following their September meeting citing the continued strength of the US economy and stable inflation. The broad market Bloomberg Barclays US Aggregate Index was flat for the quarter returning 0.0% and is slightly negative over the 1-year period returning -1.2%. Corporate issues rebounded following underperformance during the first half of the year and were the only investment grade sector to post a positive return during the quarter, as they benefitted from tightening credit spreads and strong investor demand.

Quarter Performance



1-Year Performance

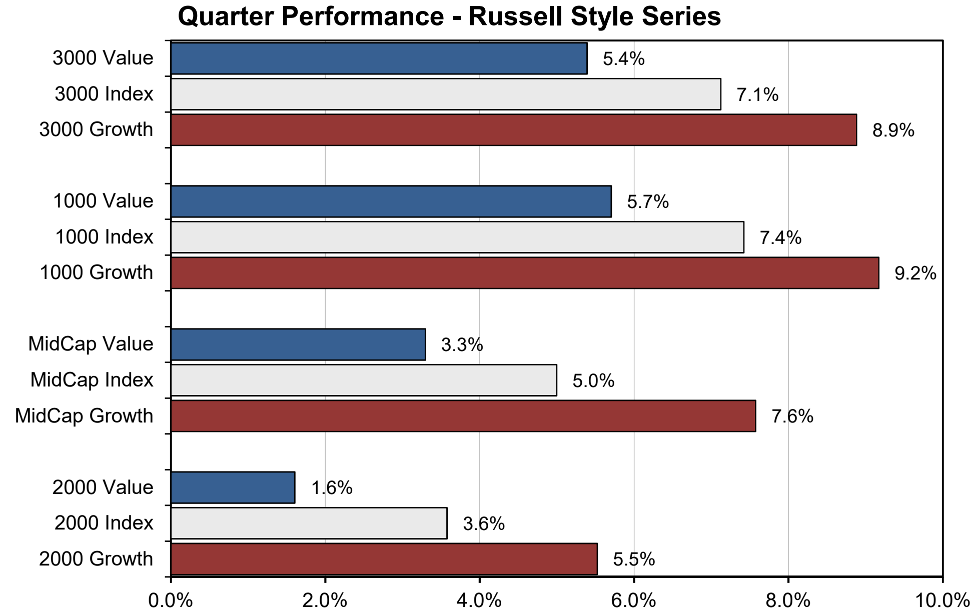


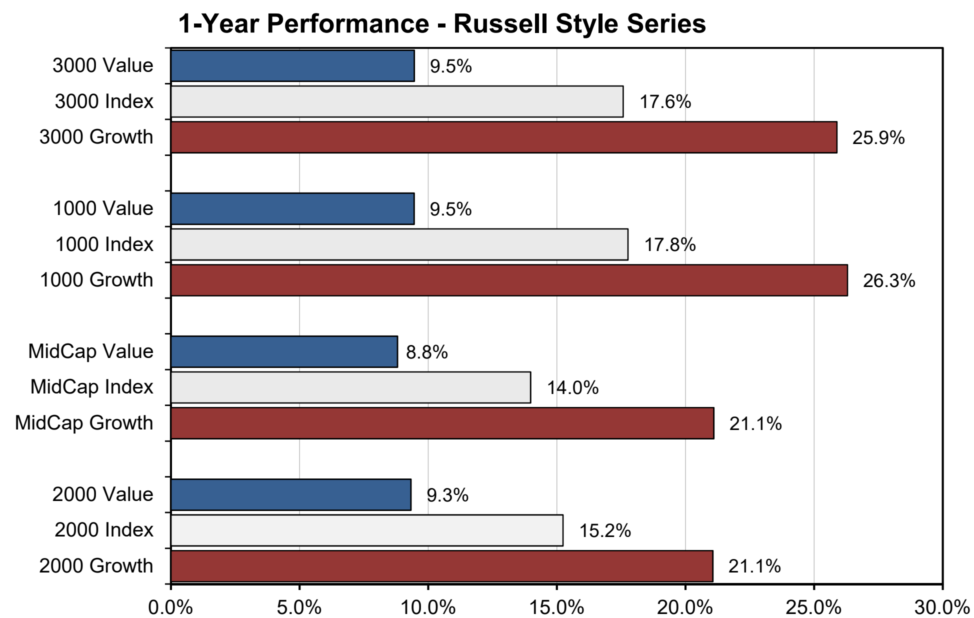
Source: Investment Metrics

- US equity index returns were positive across the style and capitalization spectrum during the 3rd quarter of 2018. US equity markets were pushed higher by the ongoing strength in US economic data and corporate earnings. Positive data releases in GDP, unemployment, retail sales, consumer consumption and investor sentiment highlighted the continued health of the US economy. Corporate earnings released during the quarter were also impressive. Earnings reported for S&P 500 companies were up over 20% on a year-over-year basis for the second straight quarter as corporate profits continued to benefit from the new tax code. The current expansion in US equity markets now marks the longest bull market in history. While the positive economic data drove returns through the quarter, trade negotiations with China broke down with both the US and China instituting several rounds of new tariffs during the period. Currently the US is imposing tariffs on $250 billion of Chinese imports with China placing tariffs on $110 billion worth of goods. Further action has been threatened by both countries. While negotiations with China have been unsuccessful, progress was made in the renegotiation of the North American Free Trade Agreement (NAFTA) and discussions with the European Union (EU) appear to be moving ahead productively.

- During the quarter, large cap stocks outperformed mid and small cap equities across growth, value and core indices. The large cap Russell 1000 Index returned 7.4% for the quarter versus a 3.6% return for the Russell 2000 Index. The Russell 1000 benefitted from strong performance from some of its largest exposures. Apple Inc, Microsoft Corp and Amazon.com Inc alone make up over 10% of the index and posted quarterly returns of 22.4%, 16.4% and 17.8% respectively. Those same three stocks have gained 48.7%, 56.3% and 108.4% over the 1-year period. This strong performance from some of the index's largest constituents has helped large caps outperform small caps over the 1-year period as well with the Russell 1000 returning 17.8% over the trailing year while the Russell 2000 posted a still solid return of 15.2%.

- Growth stocks outperformed value stocks across the market cap spectrum during the 3rd quarter. The large cap Russell 1000 Growth Index was the best performing style index for the period returning a notable 9.2% for the quarter. The outperformance of growth indices relative to value indices is also evident over the 1-year period as growth indices continue to show significant outperformance relative to their value counterparts. The returns for growth indices more than double the returns of the corresponding value indices over the last 12 months. Growth benchmarks benefitted from larger exposures to more cyclical names within the information technology, consumer discretionary, health care and industrials sectors. They also benefitted from underweights to more defensive sectors such as REITs and utilities.





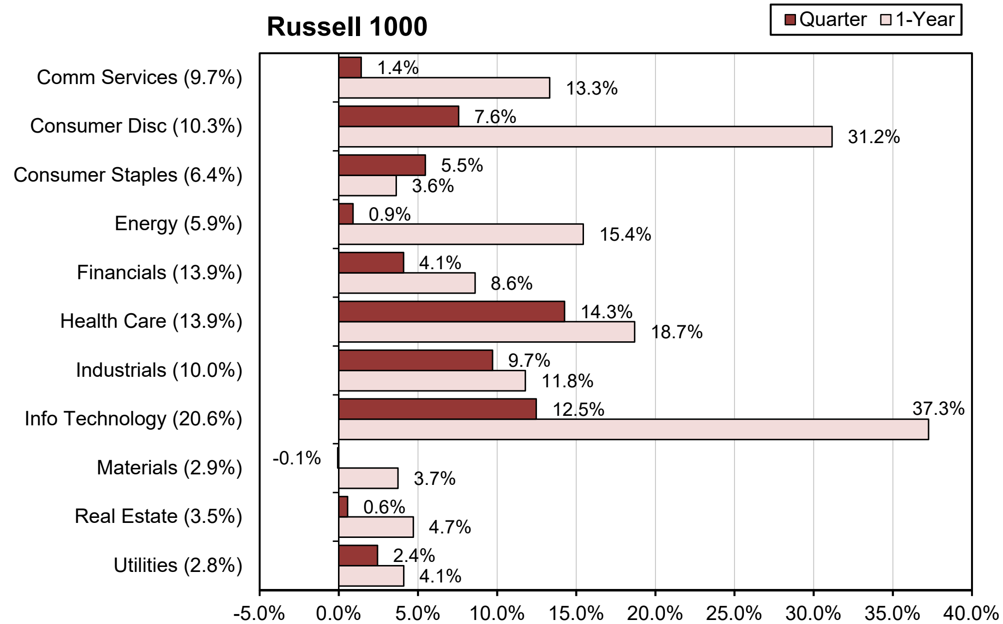
Source: Investment Metrics

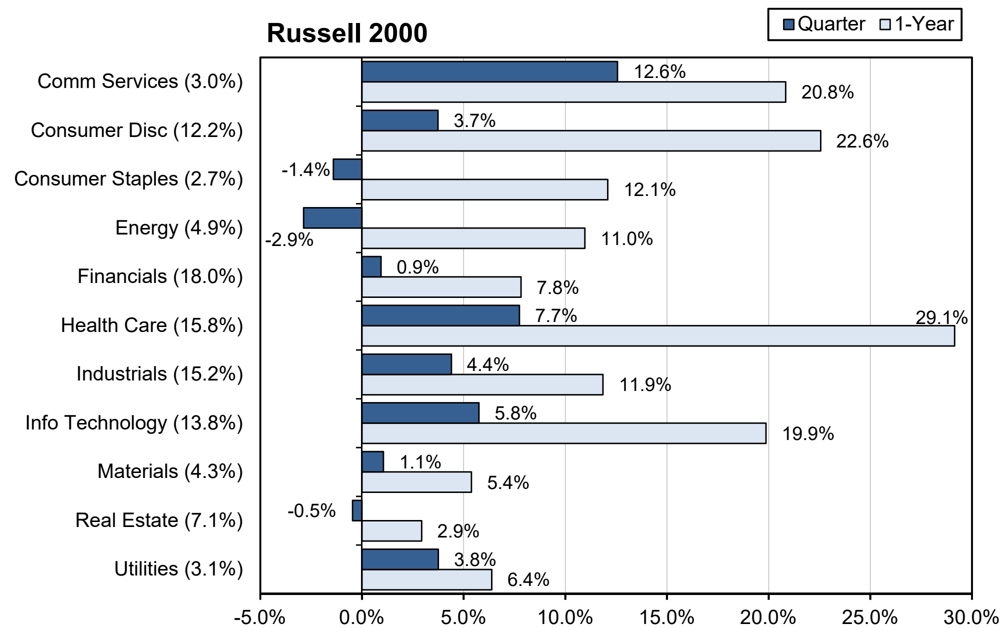
- Both S&P Dow Jones Indices and MSCI made changes to the Global Industry Classification Standard (GICS) sector configurations of their indices, creating a new GICS sector classification called Communication Services which replaced the Telecommunications sector on September 28, 2018. The Communication Services sector is comprised of companies in the Telecommunications sector, as well as certain companies formerly classified as Consumer Discretionary and Information Technology. As a result, the sector, went from a weighting of about 2% of the Russell 1000 Index to almost 10% post reclassification. Notable names now classified under Communication Services include Netflix, Alphabet, Facebook and Disney. This is just the second change to the GICS classifications since 1999.

- Sector performance was broadly positive across large cap sectors for the 3rd quarter. Ten of eleven sectors had positive returns for the quarter with four outpacing the Russell 1000 Index return. The consumer discretionary sector continues to do well on the back of strong retail sales and increased consumer spending, gaining 7.6% for the period. Health care and technology stocks increased 14.3% and 12.5% during the quarter respectively, with companies in both sectors reporting strong earnings. Industrials benefitted from continued economic strength returning 9.7%. The largest detractors for the quarter were the materials, real estate and energy sectors which returned -0.1%, 0.6% and 0.9% respectively. Over the trailing 1-year period, all large cap all sectors were positive. The information technology and consumer discretionary sectors were the best performers, returning over 30% over the last 12 months, and six of eleven sectors have returns over 10% for the year.

- Quarterly results for small cap sectors were generally lower relative to their large capitalization counterparts. Nine of eleven sectors had positive returns during the period with six of eleven economic sectors outpacing the Russell 2000 Index return for the quarter. Energy, consumer staples and real estate posted negative returns for the period returning -2.9%, -1.4% and -0.5% respectively. Communications services and health care were the best performers returning 12.6% and 7.7%. Over the trailing 1-year period, all eleven sectors posted gains. Health care stocks were the best performers within the Russell 2000 for the trailing year returning a solid 29.1%. Communication services, technology, and consumer discretionary also had particularly robust returns for the 1-year period.

- Using S&P 500 sector valuations as a proxy for the market, forward P/E ratios for seven of the eleven GICS sectors were higher than their long-term averages at quarter-end. Using these historical P/E measures, the utilities, consumer discretionary and real estate sectors appear the most extended. In contrast the financials, technology and health care sectors were trading at a discount to their long-term average P/E ratios.





Source: Morningstar Direct
As a result of the GICS classification changes on 9/28/2018 and certain associated reporting limitations, sector performance represents backward looking performance for the prior year of each sector's current constituency, post creation of the Communication Services sector.

Top 10 Index Weights & Quarterly Performance for the Russell 1000 & 2000

As of September 30, 2018

Top 10 Weighted Stocks

Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Apple Inc	3.97%	22.4%	48.7%	Information Technology
Microsoft Corp	3.15%	16.4%	56.3%	Information Technology
Amazon.com Inc	2.96%	17.8%	108.4%	Consumer Discretionary
Berkshire Hathaway Inc B	1.51%	14.7%	16.8%	Financials
Facebook Inc A	1.42%	-15.4%	-3.8%	Communication Services
JPMorgan Chase & Co	1.37%	8.9%	20.7%	Financials
Johnson & Johnson	1.35%	14.6%	9.1%	Health Care
Alphabet Inc Class C	1.32%	7.0%	24.4%	Communication Services
Alphabet Inc A	1.31%	6.9%	24.0%	Communication Services
Exxon Mobil Corp	1.31%	3.8%	7.9%	Energy

Top 10 Weighted Stocks

Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Five Below Inc	0.31%	33.1%	137.0%	Consumer Discretionary
Etsy Inc	0.27%	21.8%	204.4%	Consumer Discretionary
Integrated Device Technology Inc	0.27%	47.5%	76.9%	Information Technology
LivaNova PLC	0.27%	24.2%	76.9%	Health Care
Haemonetics Corp	0.26%	27.8%	155.4%	Health Care
Teladoc Health Inc	0.25%	48.8%	160.5%	Health Care
Ligand Pharmaceuticals Inc	0.25%	32.5%	101.6%	Health Care
HubSpot Inc	0.24%	20.4%	79.6%	Information Technology
Primerica Inc	0.23%	21.3%	49.2%	Financials
HealthEquity Inc	0.22%	25.7%	86.7%	Health Care

Top 10 Performing Stocks (by Quarter)

Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Advanced Micro Devices Inc	0.10%	106.1%	142.3%	Information Technology
Square Inc A	0.10%	60.6%	243.7%	Information Technology
Paycom Software Inc	0.03%	57.2%	107.3%	Information Technology
Twilio Inc A	0.02%	54.0%	189.0%	Information Technology
Atlassian Corporation PLC A	0.03%	53.8%	173.5%	Information Technology
Molina Healthcare Inc	0.03%	51.8%	116.3%	Health Care
DexCom Inc	0.05%	50.6%	192.4%	Health Care
Match Group Inc	0.01%	49.5%	149.7%	Communication Services
Fortinet Inc	0.05%	47.8%	157.4%	Information Technology
IAC/InterActiveCorp	0.06%	42.1%	84.3%	Communication Services

Top 10 Performing Stocks (by Quarter)

Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
CareDx Inc	0.04%	135.7%	679.7%	Health Care
Reata Pharmaceuticals Inc A	0.07%	133.8%	162.9%	Health Care
Invitae Corp	0.05%	127.6%	78.5%	Health Care
RigNet Inc	0.01%	97.6%	18.3%	Energy
Tandem Diabetes Care Inc	0.10%	94.6%	486.8%	Health Care
Health Insurance Innovations Inc	0.03%	90.6%	325.2%	Financials
Funko Inc Class A	0.01%	88.8%	N/A	Consumer Discretionary
LSB Industries Inc	0.01%	84.5%	23.2%	Materials
Viking Therapeutics Inc	0.04%	83.6%	812.0%	Health Care
Ra Pharmaceuticals Inc	0.01%	81.8%	23.9%	Health Care

Bottom 10 Performing Stocks (by Quarter)

Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Floor & Decor Holdings Inc	0.01%	-38.8%	-22.5%	Consumer Discretionary
Twitter Inc	0.07%	-34.8%	68.7%	Communication Services
IPG Photonics Corp	0.02%	-29.3%	-15.7%	Information Technology
Visteon Corp	0.01%	-28.1%	-24.9%	Consumer Discretionary
Zillow Group Inc A	0.01%	-26.0%	10.1%	Communication Services
Zillow Group Inc C	0.02%	-25.1%	10.0%	Communication Services
Western Digital Corp	0.06%	-23.7%	-30.4%	Information Technology
Wynn Resorts Ltd	0.05%	-23.7%	-13.3%	Consumer Discretionary
Extraction Oil & Gas Inc	0.00%	-23.1%	-26.6%	Energy
Tesla Inc	0.13%	-22.8%	-22.4%	Consumer Discretionary

Bottom 10 Performing Stocks (by Quarter)

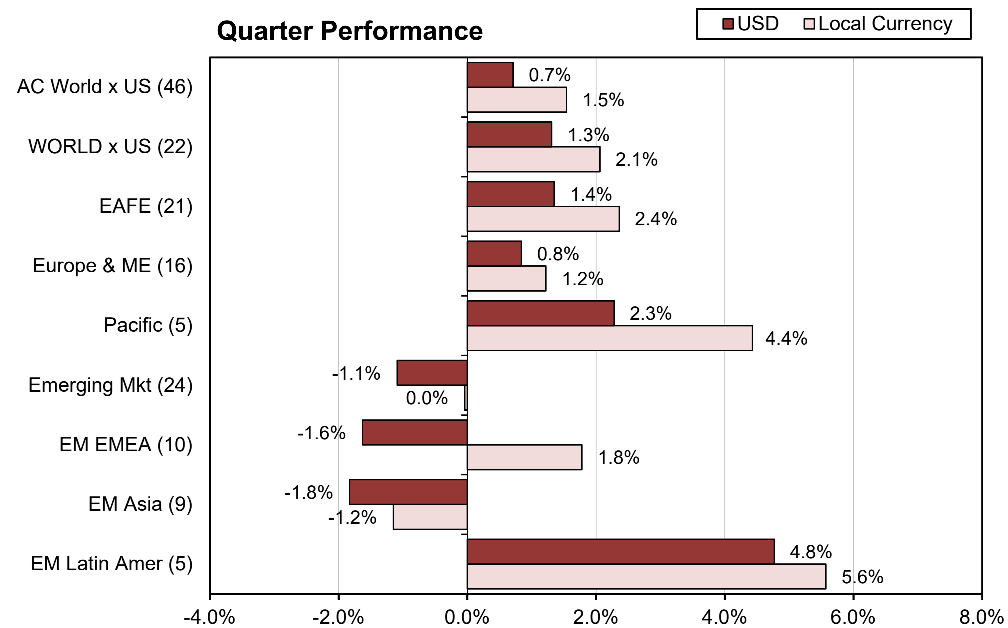
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Vital Therapies Inc	0.00%	-96.0%	-94.5%	Health Care
GTx Inc	0.00%	-89.7%	-81.4%	Health Care
Ampio Pharmaceuticals Inc	0.00%	-76.9%	-16.9%	Health Care
Innovate Biopharmaceuticals Inc	0.01%	-71.0%	-2.4%	Health Care
Zion Oil & Gas Inc	0.00%	-68.4%	-62.5%	Energy
Endologix Inc	0.01%	-66.3%	-57.2%	Health Care
Lannett Co Inc	0.01%	-65.1%	-74.3%	Health Care
Maiden Holdings Ltd	0.01%	-62.6%	-61.1%	Financials
Diebold Nixdorf Inc	0.02%	-62.3%	-80.1%	Information Technology
Sears Holdings Corp	0.00%	-59.2%	-86.7%	Consumer Discretionary

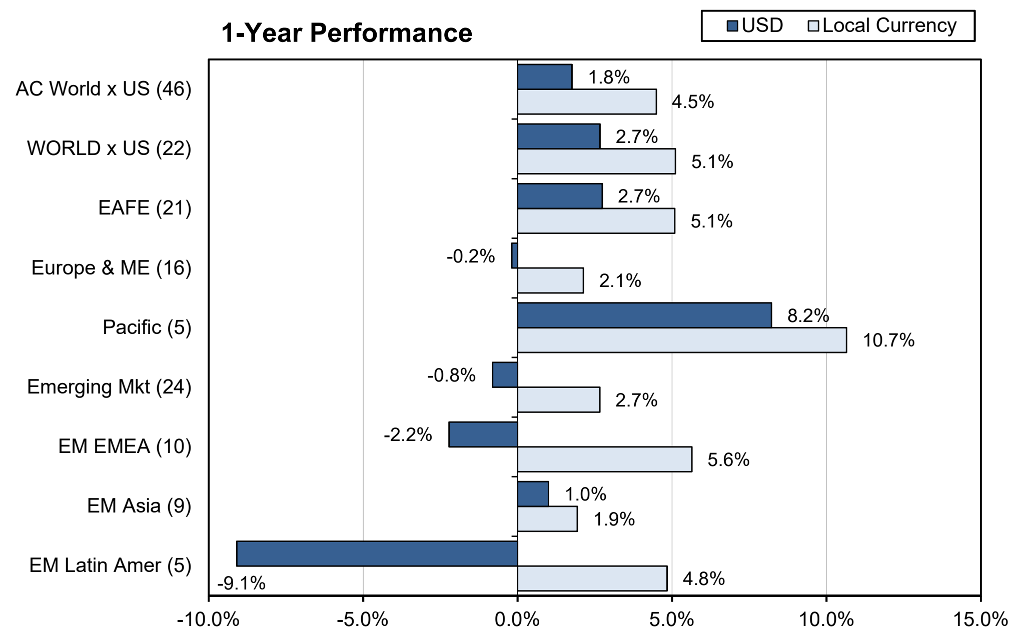
Source: Morningstar Direct

- Broad international equity returns were mixed for the quarter. Most developed markets were positive in local currency and USD terms whereas emerging markets were negative in both local currency and USD terms. Performance was largely driven by the same catalysts as the US equity markets for the second straight quarter. We saw global macroeconomic data slow, but remain generally positive through the period, with returns being tempered by global trade tensions and ongoing political uncertainty. The USD continued to strengthen against most currencies for the period as relatively strong US economic fundamentals and the continued divergence in global monetary policy hurt US investors in international markets. The MSCI ACWI ex US Index gained 1.5% in local currency terms and 0.7% in USD terms during the 3rd quarter. Returns over the 1-year period are modestly positive in both local currency and USD terms with the MSCI ACWI ex US returning 4.5% and 1.8% respectively.

- Third quarter results for developed market international indices were positive in local currency terms and USD terms with the MSCI EAFE Index returning 2.4% and 1.4% respectively. Returns were dampened for US investors as continued strength in the USD pushed returns lower. Developed markets were pushed higher by broadly positive, but slowing, global economic and earnings data despite several significant political events in Europe during the quarter. Concerns over a “no deal” Brexit and worries over a pending budget approval in Italy weighed on returns, while markets were encouraged by progress in trade negotiations between the US and the eurozone and signs of continued political stability in Japan. The MSCI EAFE Index returned 5.1% and 2.7% for the last twelve months in local currency and USD terms respectively.

- Emerging markets underperformed relative to developed markets for the 3rd quarter, posting a flat return in local currency terms that was exacerbated by the rising USD. The MSCI Emerging Markets Index returned 0.0% and -1.1% in local currency and USD terms respectively. Returns in emerging markets were the hurt by the deterioration in trade negotiations between the US and China followed by several rounds of new tariffs enacted by both countries. Emerging market stocks were also negatively affected by rising US interest rates coupled with an appreciating USD. Many emerging market countries and companies issue debt denominated in USD and the combination of higher interest rates and a relatively weaker local currency can put stress on the balance sheets of these borrowers, especially those heavily dependent on external capital. This was particularly problematic for Turkey, Argentina and South Africa during the 3rd quarter with Argentina having to expedite their request for an emergency bailout of $50 billion from the World Monetary Fund. In positive news, Mexico and the US made progress toward the renegotiation of NAFTA. One year returns for the MSCI Emerging Market Index were 2.7% in local currency terms and -0.8% in USD terms.





Source: MSCI Global Index Monitor (Returns are Net)

MSCI - EAFE	Sector Weight	Quarter Return	1-Year Return
Communication Services	5.4%	3.3%	-2.4%
Consumer Discretionary	11.1%	-0.5%	3.3%
Consumer Staples	11.3%	-0.1%	2.5%
Energy	6.0%	3.5%	24.6%
Financials	19.8%	0.9%	-4.0%
Health Care	10.9%	5.6%	7.1%
Industrials	14.3%	2.6%	4.2%
Information Technology	6.2%	0.3%	7.4%
Materials	8.1%	0.4%	5.1%
Real Estate	3.5%	-3.0%	1.0%
Utilities	3.3%	-0.6%	0.7%
Total	**100.0%**	**1.4%**	**2.7%**

MSCI - ACWIxUS	Sector Weight	Quarter Return	1-Year Return
Communication Services	7.6%	-3.0%	-4.1%
Consumer Discretionary	10.7%	-3.2%	-1.4%
Consumer Staples	9.7%	-0.6%	1.6%
Energy	7.1%	4.1%	18.3%
Financials	22.0%	1.7%	-1.9%
Health Care	8.3%	4.5%	7.6%
Industrials	11.7%	2.8%	3.8%
Information Technology	8.5%	1.3%	5.6%
Materials	8.2%	0.4%	5.2%
Real Estate	3.2%	-3.5%	-2.7%
Utilities	3.0%	-0.9%	-1.2%
Total	**100.0%**	**0.7%**	**1.8%**

MSCI - Emerging Mkt	Sector Weight	Quarter Return	1-Year Return
Communication Services	14.8%	-9.4%	-6.0%
Consumer Discretionary	11.3%	-9.9%	-13.2%
Consumer Staples	6.7%	-2.9%	-1.9%
Energy	6.3%	14.5%	26.0%
Financials	23.3%	1.5%	0.4%
Health Care	3.1%	-7.2%	11.4%
Industrials	5.3%	2.5%	-4.3%
Information Technology	15.9%	2.2%	2.3%
Materials	7.8%	4.5%	8.6%
Real Estate	2.9%	-5.6%	-15.1%
Utilities	2.5%	-1.9%	-5.4%
Total	**100.0%**	**-1.1%**	**-0.8%**

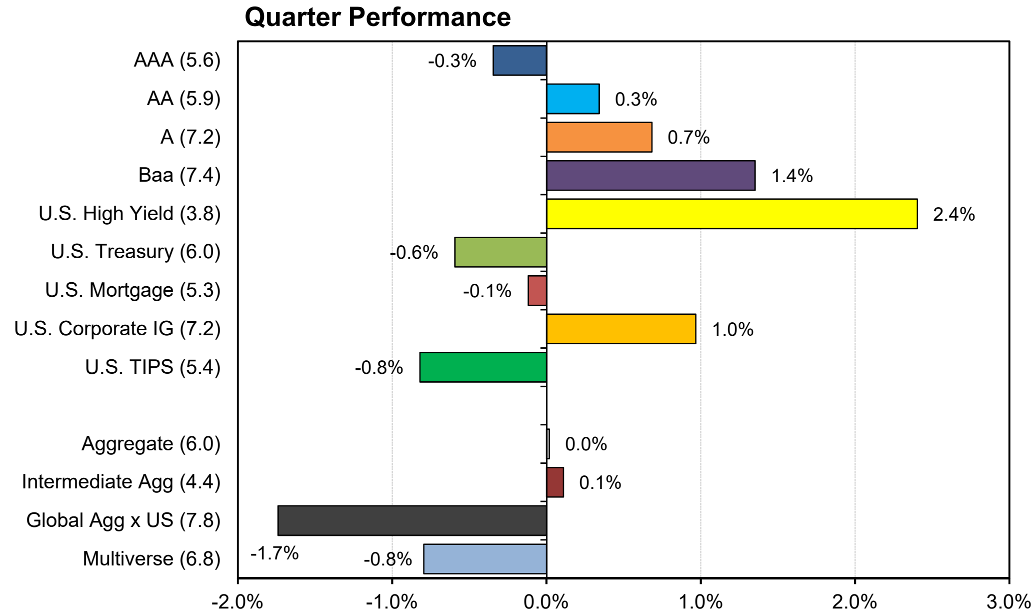
Country	MSCI-EAFE Weight	MSCI-ACWIxUS Weight	Quarter Return	1- Year Return
Japan	24.6%	16.9%	3.7%	10.2%
United Kingdom	17.5%	12.0%	-1.7%	2.9%
France	11.2%	7.7%	2.8%	4.2%
Germany	9.4%	6.5%	-0.6%	-5.4%
Switzerland	8.3%	5.7%	7.3%	1.6%
Australia	6.8%	4.7%	-0.9%	4.4%
Hong Kong	3.5%	2.4%	-1.0%	2.9%
Netherlands	3.3%	2.3%	-1.5%	-1.6%
Spain	3.0%	2.0%	-2.4%	-9.7%
Sweden	2.7%	1.9%	7.0%	-3.3%
Italy	2.3%	1.6%	-4.5%	-8.9%
Denmark	1.7%	1.2%	2.3%	-4.2%
Singapore	1.3%	0.9%	2.2%	6.9%
Finland	1.1%	0.7%	3.2%	10.3%
Belgium	1.0%	0.7%	-5.2%	-11.8%
Norway	0.8%	0.5%	6.7%	13.7%
Israel	0.6%	0.4%	5.1%	14.9%
Ireland	0.5%	0.4%	-5.4%	-6.1%
Austria	0.2%	0.2%	0.2%	-3.1%
New Zealand	0.2%	0.2%	2.4%	4.4%
Portugal	0.2%	0.1%	-0.6%	1.7%
Total EAFE Countries	**100.0%**	**68.7%**	**1.4%**	**2.7%**
Canada		6.7%	0.8%	1.9%
Total Developed Countries		**75.3%**	**1.3%**	**2.7%**
China		7.6%	-7.5%	-2.2%
Korea		3.7%	0.7%	1.4%
Taiwan		3.0%	6.5%	9.7%
India		2.1%	-2.3%	1.1%
Brazil		1.5%	6.1%	-14.0%
South Africa		1.5%	-7.4%	-5.1%
Russia		0.9%	6.2%	13.7%
Mexico		0.8%	6.9%	-4.4%
Thailand		0.6%	13.6%	15.2%
Malaysia		0.6%	3.8%	7.6%
Indonesia		0.5%	2.0%	-10.4%
Poland		0.3%	10.6%	-5.0%
Chile		0.3%	-2.0%	-5.7%
Philippines		0.2%	1.0%	-15.6%
Qatar		0.2%	12.8%	25.3%
United Arab Emirates		0.2%	3.1%	-6.9%
Turkey		0.2%	-20.5%	-41.7%
Colombia		0.1%	-2.5%	10.0%
Peru		0.1%	-2.1%	12.2%
Greece		0.1%	-17.6%	-14.8%
Hungary		0.1%	4.7%	-5.0%
Czech Republic		0.1%	4.0%	12.8%
Egypt		0.0%	-6.8%	-7.1%
Pakistan		0.0%	-4.9%	-20.6%
Total Emerging Countries		**24.7%**	**-1.1%**	**-0.8%**
Total ACWIxUS Countries		**100.0%**	**0.7%**	**1.8%**

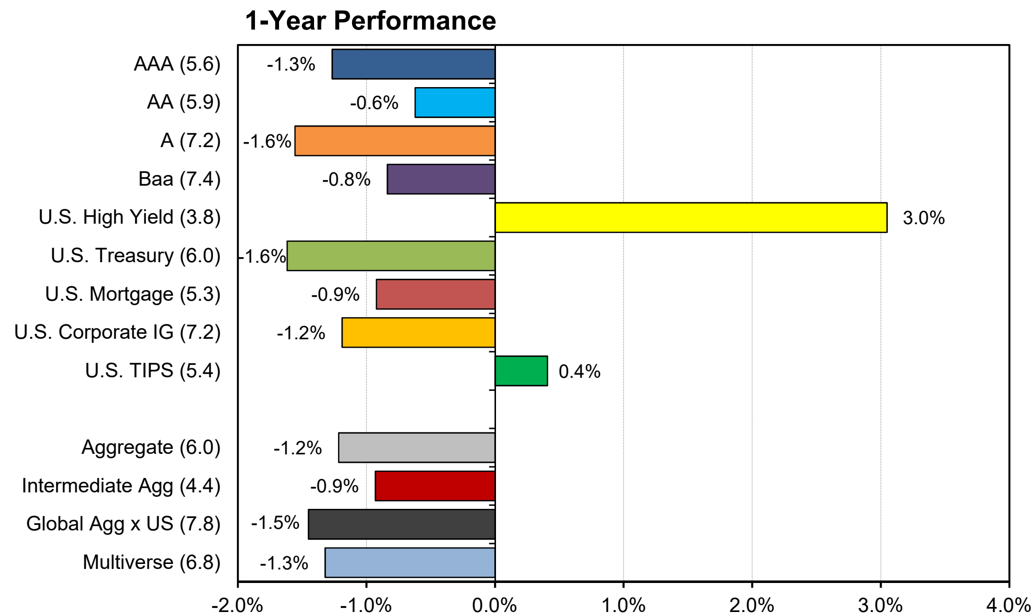
Source: Morningstar Direct, MSCI Global Index Monitor (Returns are Net in USD)
As a result of the GICS classification changes on 9/28/2018 and certain associated reporting limitations, sector performance represents backward looking performance for the prior year of each sector's current constituency, post creation of the Communication Services sector.

- Broad fixed income benchmarks had mixed results during the 3rd quarter. Interest rates rose across all maturities on the US Treasury Yield Curve. The Federal Open Market Committee (FOMC), decided to increase short-term interest rates by 25 basis points at their September meeting citing continued strength in the economy and stable inflation. This is the third rate hike of 2018. The current Fed Funds Rate target range sits at 2.00%-2.25%. The FOMC also changed the language used in its policy statement, removing the word "accommodative", which investors took as a signal that the Fed plans to continue its trend of monetary policy tightening. The yield curve continued to flatten, although very gradually, as short-term yields rose at a greater rate than long-term yields during the quarter. The difference in yields between the 2-year and 10-year Treasury now sits at just 0.24%. As the curve continues to flatten, it moves closer to becoming "inverted", which happens when short-term maturities have greater yields than long-term securities. Historically, an inverted yield curve has signaled a greater probability of a recession. The Fed is also continuing the reduction of the size of its balance sheet by slowing its pace of reinvestment as the securities it holds mature. The Bloomberg Barclays US Aggregate Index was flat during the quarter, posting a 0.0% return. Over the 1-year period the index has fallen -1.2%.

- Within investment grade credit, lower quality corporate issues outperformed higher quality issues as credit spreads tightened steadily over the quarter. On an absolute basis, without negating the duration differences in the sub-indices, Baa rated credit was the best performing investment grade credit quality segment returning 1.4% for the quarter, while AAA was the worst performing, falling -0.3%. High yield debt outperformed relative to investment grade credit, returning 2.0%, as spreads tightened to a greater degree for these issues and the index benefitted from less sensitivity to rising interest rates due to its lower duration. Returns are negative for all investment grade quality segments when viewed over the 1-year period while high yield continues to outperform with a return of 3.0%.

- Of the Bloomberg Barclays US Aggregate Index's three broad sectors, US investment grade corporates were the best performing investment grade sector through the quarter, returning 1.0%, and the only sector to post a positive return for the period. Corporate credit outperformed as credit spreads tightened. Demand for these securities outweighed supply for the period despite considerable new issuance and a headwind from the sectors higher duration relative to other index sectors. Treasuries were the worst performing sector posting a -0.6% return. Over the 1-year period, all three broad investment grade sectors posted losses with mortgages, investment grade credit and Treasuries falling -0.9%, -1.2% and -1.6% respectively.





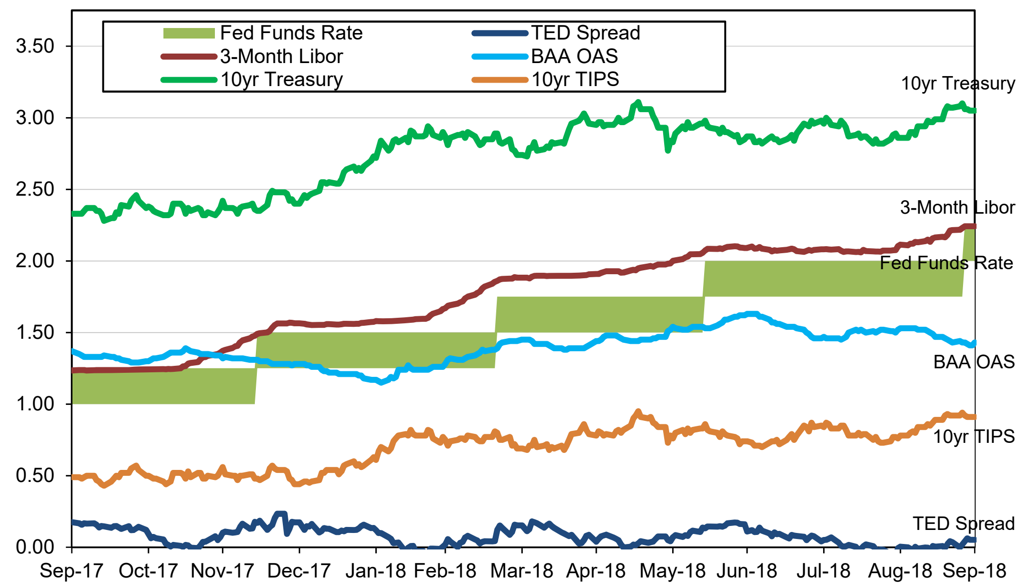
Source: Bloomberg

- Global fixed income indices continue to struggle relative to their domestic counterparts, underperforming during the 3rd quarter. These indices have lower yields and their relatively high duration acted as a headwind to performance in the current quarter as interest rates increased. The returns of these indices are also significantly influenced by fluctuations in their currency denomination relative to the USD. During the 3rd quarter the USD strengthened against most other currencies, negatively impacting the returns on global bond indices. The return on global bonds, as represented by the Bloomberg Barclays Global Aggregate ex US Index, was -1.7% and -1.5% for the quarter and 1-year period respectively. As the global economy continues to recover, several international central banks have started to move toward less accommodative postures. Notably, the ECB, began to slow its monthly bond purchase program in September, reducing new purchases to 15 billion euro per month from 30 billion euro per month, as well as forecasting an end to the program by the end of the year assuming the eurozone recovery continues to flourish. However, they have indicated a continuation of reinvestment in maturing securities and would likely not raise interest rates from current levels until summer 2019. The Bank of England increased interest rates by 0.25% during the quarter citing improvement in their near-term economic outlook and the Bank of Japan has changed its policy to allow flexibility for future tightening in the future.

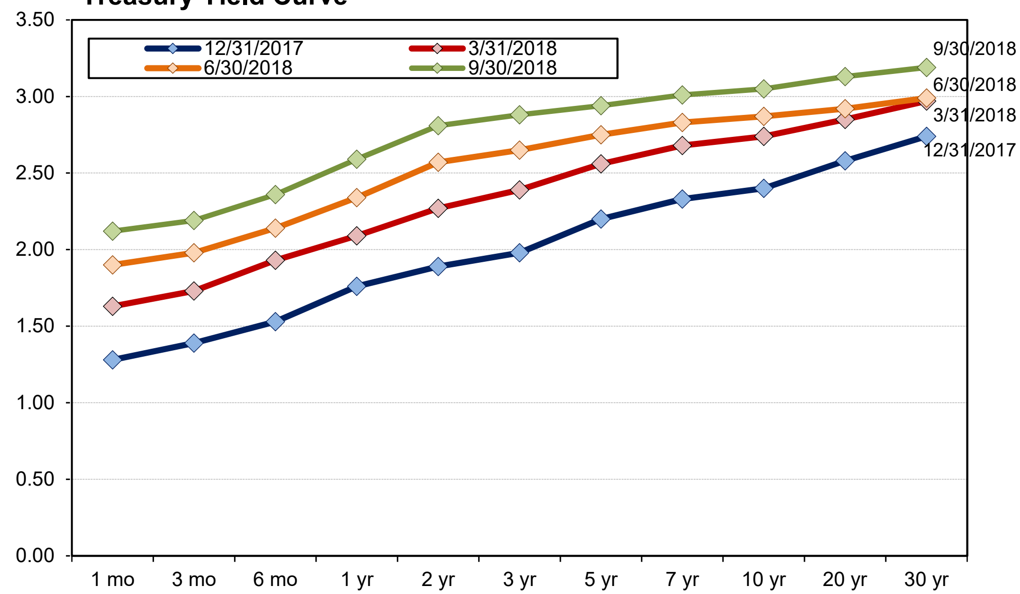
- Much of the index performance detailed in the bar graphs on the previous page is visible on a time series basis by reviewing the line graphs to the right. The ‘1-Year Trailing Market Rates’ chart illustrates that the 10-year Treasury yield (green line) rose steadily during the end of the 3rd quarter, ending the period at 3.05%. The blue line illustrates changes in the BAA OAS (Option Adjusted Spread). This measure quantifies the additional yield premium that investors require to purchase and hold non-Treasury issues. This line illustrates a steady increase in credit spreads through the first two quarters of 2018, followed by a smooth decline during the 3rd quarter. This decline is equivalent to an interest rate decrease on corporate bonds, which produces an additional tailwind for corporate bond index returns. These credit spreads have tightened by about 20 basis points over the last 3-months. The green band across the graph illustrates the gradual increase in the Federal Funds Rate (three increases in the last twelve months) due to the continued unwinding of accommodative US monetary policy.

- The lower graph provides a snapshot of the US Treasury yield curve at the end of each of the last four calendar quarters. As mentioned, the yield curve continues to flatten as yields on shorter-term maturities have risen more than interest rates on the long end of the curve. The upward momentum of interest rates as well as a general flattening of the yield curve are clearly visible over the last twelve months.

1-Year Trailing Market Rates

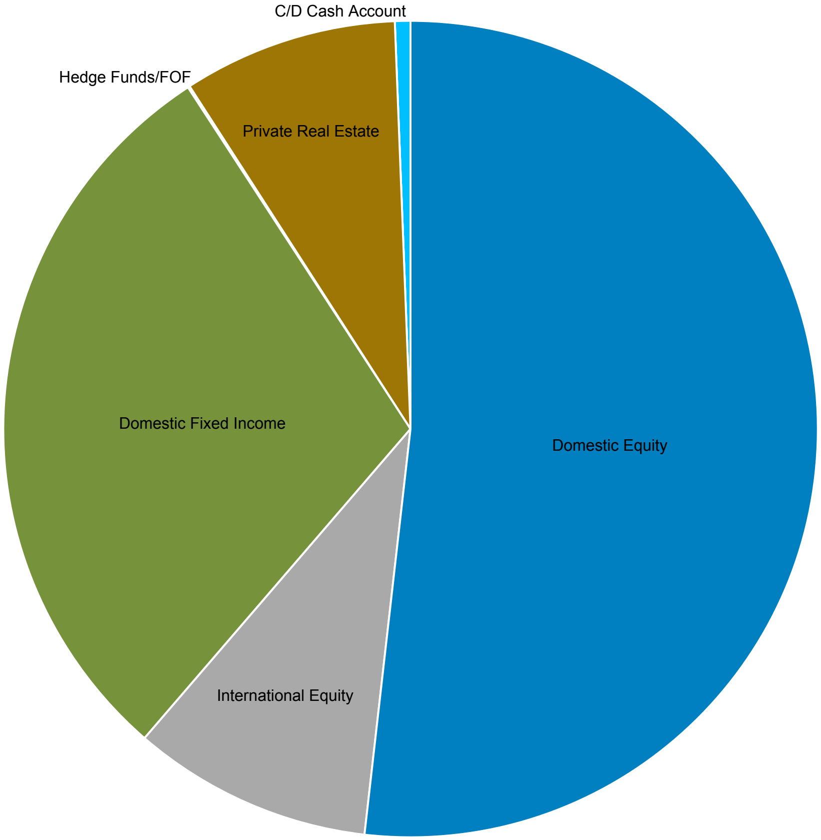


Treasury Yield Curve

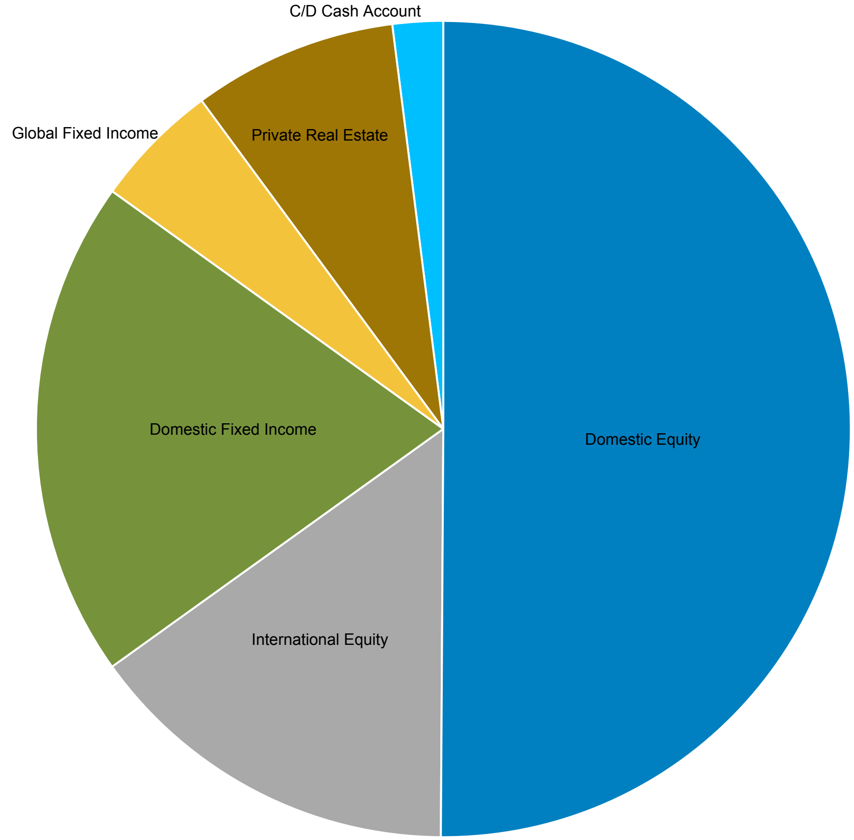


Source: US Department of Treasury, FRED (Federal Reserve of St. Louis)

June 30, 2018 : $36,367,679



September 30, 2018 : $38,648,504



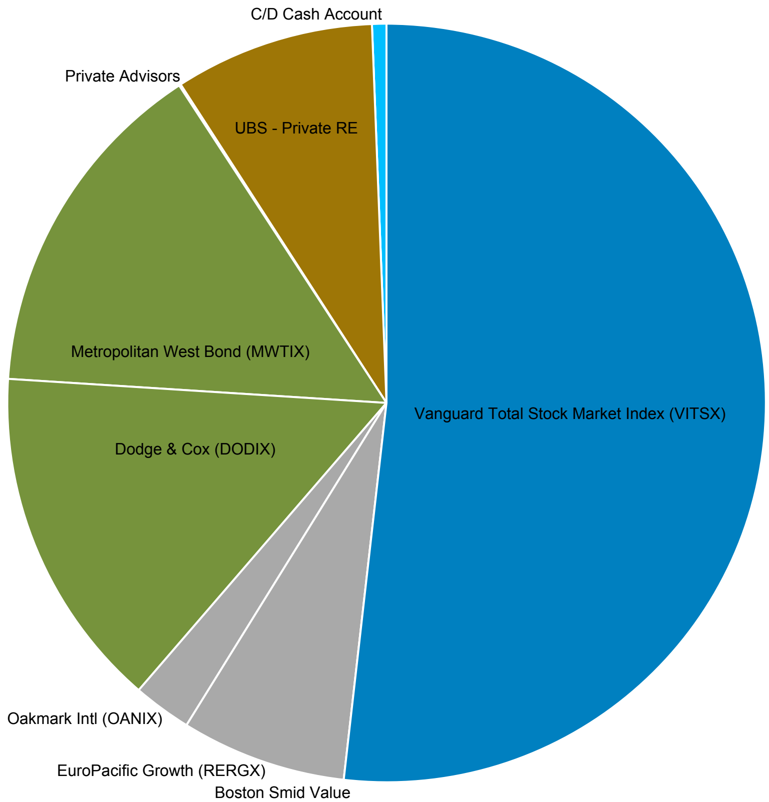
Allocation

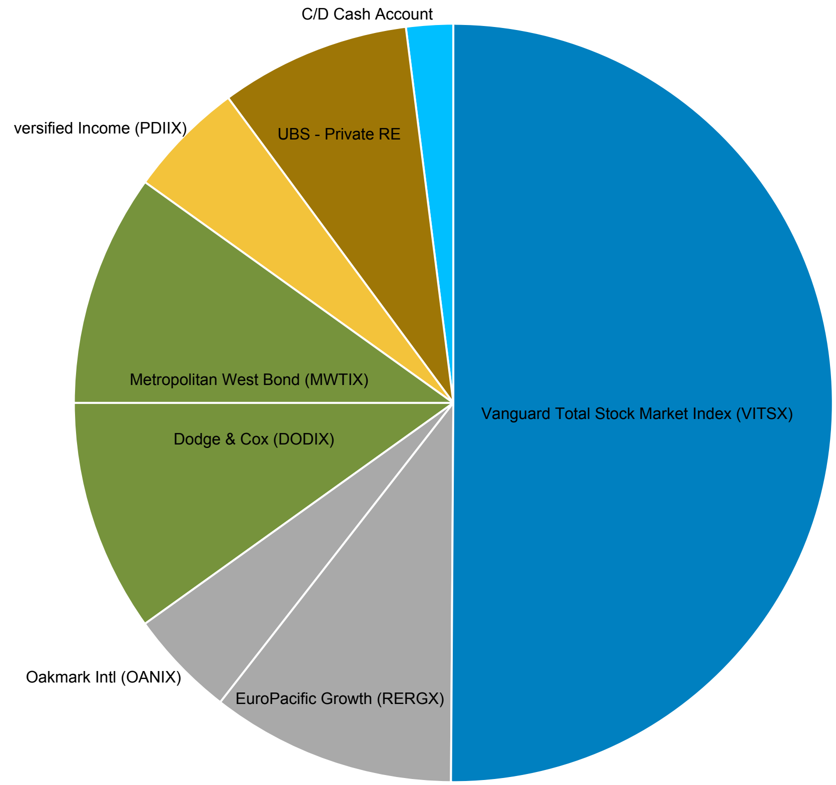
	Market Value	Allocation
Domestic Equity	18,839,713	51.8
International Equity	3,464,922	9.5
Domestic Fixed Income	10,714,214	29.5
Global Fixed Income	-	0.0
Hedge Funds/FOF	27,395	0.1
Private Real Estate	3,097,437	8.5
R&D Cash Account	439	0.0
C/D Cash Account	223,560	0.6

Allocation

	Market Value	Allocation
Domestic Equity	19,363,421	50.1
International Equity	5,799,177	15.0
Domestic Fixed Income	7,648,915	19.8
Global Fixed Income	1,928,268	5.0
Hedge Funds/FOF	-	0.0
Private Real Estate	3,133,921	8.1
R&D Cash Account	-	0.0
C/D Cash Account	774,802	2.0

June 30, 2018 : $36,367,678	September 30, 2018 : $38,648,504





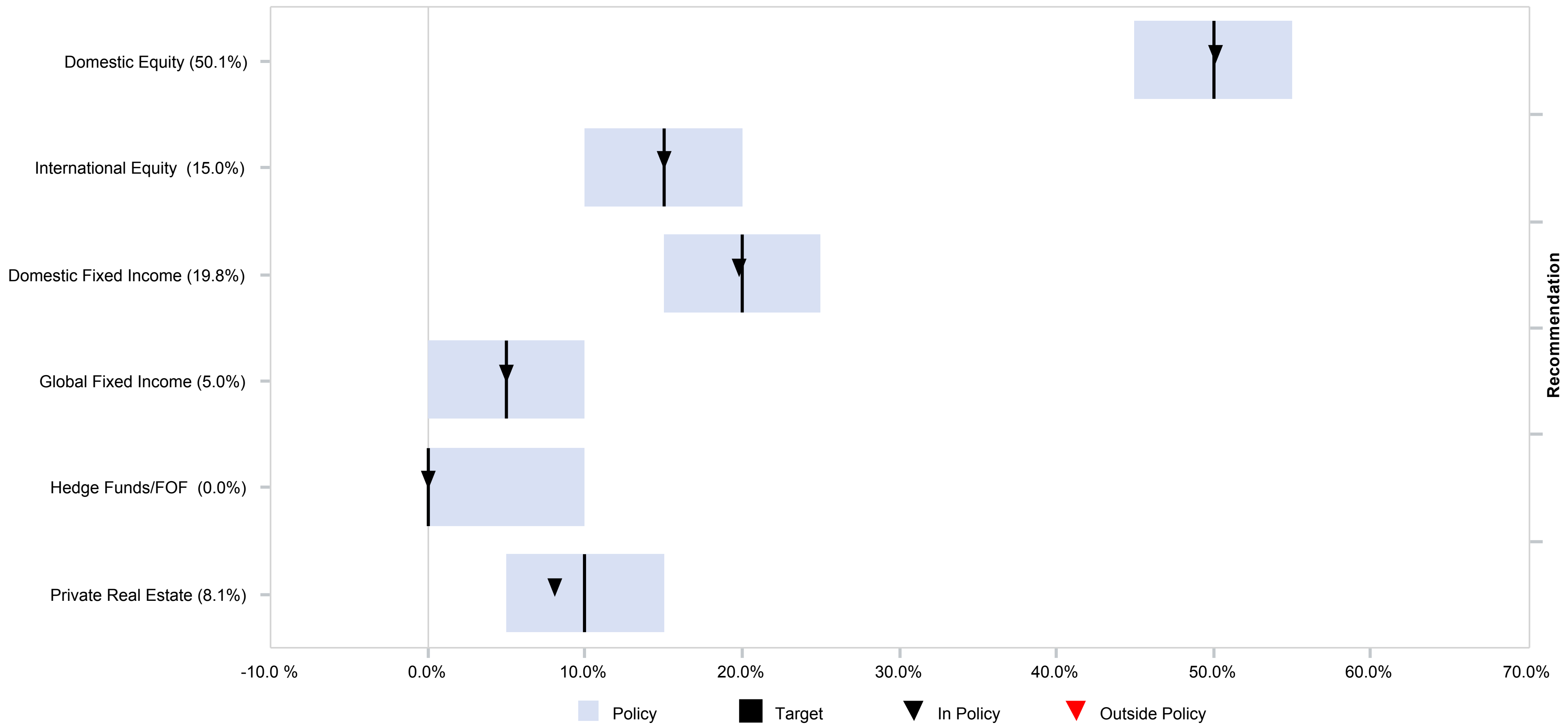
Allocation

	Market Value	Allocation
Vanguard Total Stock Market Index (VITSX)	18,839,713	51.8
Boston Smid Value	-	0.0
EuroPacific Growth (RERGX)	2,560,724	7.0
Oakmark Intl (OANIX)	904,197	2.5
Dodge & Cox (DODIX)	5,340,545	14.7
Metropolitan West Bond (MWTIX)	5,373,668	14.8
PIMCO Diversified Income (PDIIX)	-	0.0
Private Advisors	27,395	0.1
UBS - Private RE	3,097,437	8.5
R&D Cash Account	439	0.0
C/D Cash Account	223,560	0.6

Allocation

	Market Value	Allocation
Vanguard Total Stock Market Index (VITSX)	19,363,421	50.1
Boston Smid Value	-	0.0
EuroPacific Growth (RERGX)	4,030,422	10.4
Oakmark Intl (OANIX)	1,768,754	4.6
Dodge & Cox (DODIX)	3,825,596	9.9
Metropolitan West Bond (MWTIX)	3,823,319	9.9
PIMCO Diversified Income (PDIIX)	1,928,268	5.0
Private Advisors	-	0.0
UBS - Private RE	3,133,921	8.1
R&D Cash Account	-	0.0
C/D Cash Account	774,802	2.0

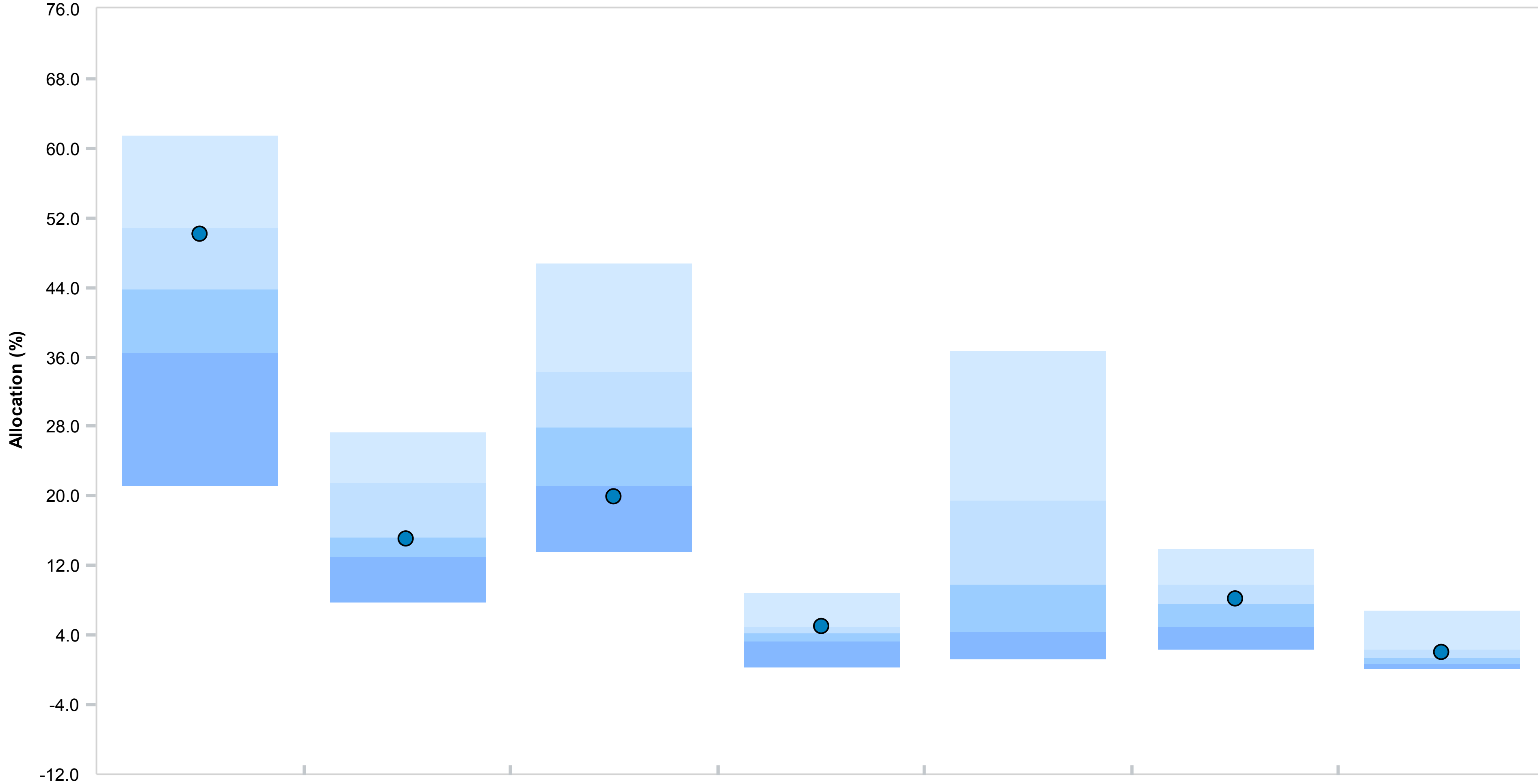
Executive Summary



Asset Allocation Compliance

	Minimum Allocation (%)	Maximum Allocation (%)	Current Allocation (%)	Target Allocation (%)
Hedge Funds/FOF	0.0	10.0	0.0	0.0
Global Fixed Income	0.0	10.0	5.0	5.0
Private Real Estate	5.0	15.0	8.1	10.0
International Equity	10.0	20.0	15.0	15.0
Domestic Fixed Income	15.0	25.0	19.8	20.0
Domestic Equity	45.0	55.0	50.1	50.0
Total Fund	N/A	N/A	100.0	100.0

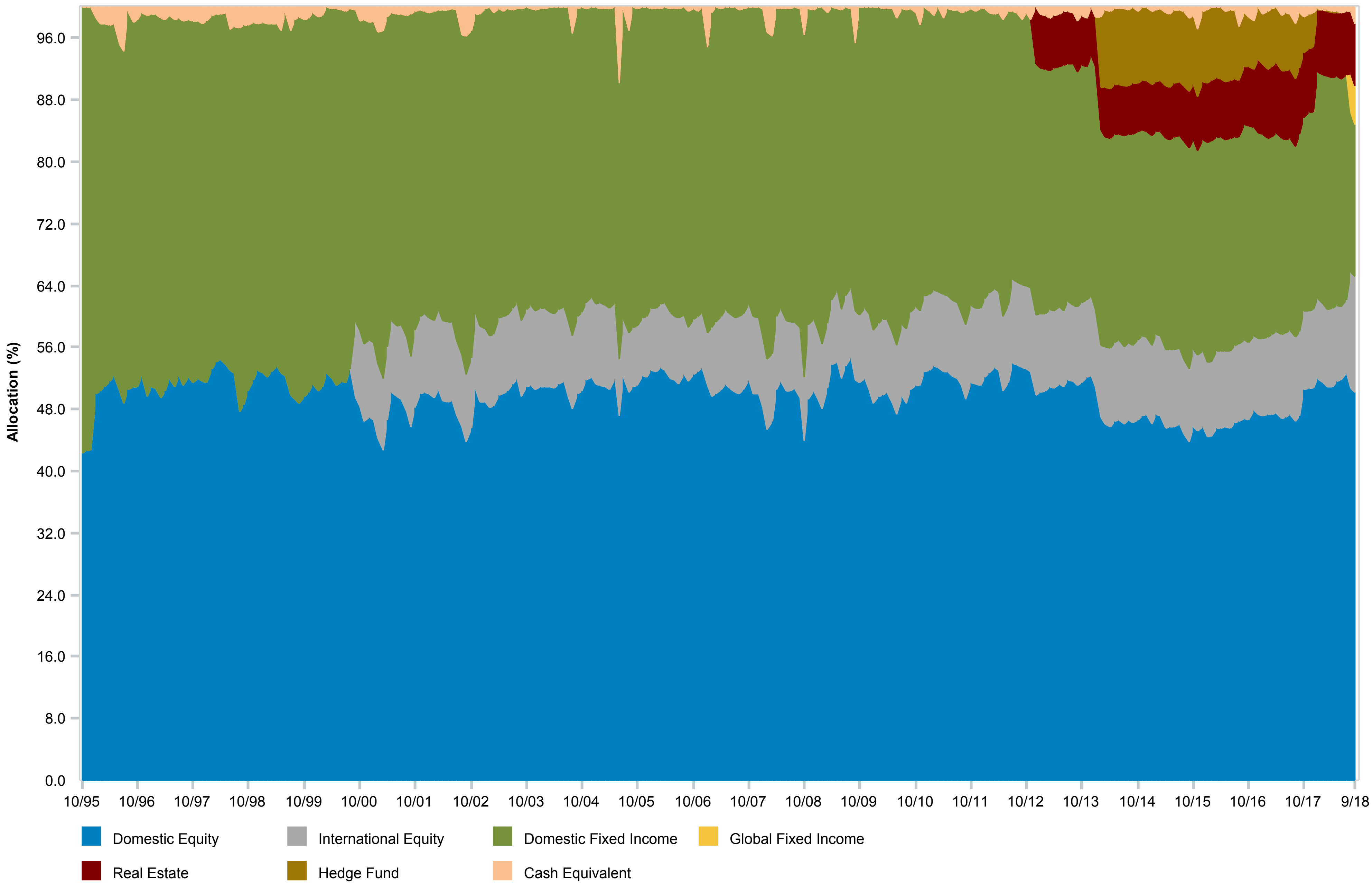
Plan Sponsor TF Asset Allocation vs. All Public Plans-Total Fund



	US Equity	Intl. Equity	US Fixed Income	Intl. Fixed Income	Alternative Inv.	Real Estate	Cash
● Total Fund	50.10 (28)	15.00 (52)	19.79 (79)	4.99 (22)	N/A	8.11 (45)	2.00 (33)
5th Percentile	61.55	27.29	46.72	8.95	36.75	13.89	6.74
1st Quartile	50.78	21.60	34.32	4.92	19.44	9.84	2.32
Median	43.74	15.16	27.84	4.31	9.75	7.55	1.34
3rd Quartile	36.55	12.90	21.23	3.27	4.45	4.91	0.62
95th Percentile	21.11	7.73	13.56	0.25	1.33	2.34	0.05
Population	552	522	554	170	163	344	490

Parentheses contain percentile rankings.

	Sep-2018		Jun-2018		Mar-2018		Dec-2017	
	($)	%	($)	%	($)	%	($)	%
Total Equity	**25,162,597**	**65.11**	**22,304,634**	**61.33**	**21,621,230**	**60.91**	**21,811,870**	**61.00**
Domestic Equity	**19,363,421**	**50.10**	**18,839,713**	**51.80**	**18,048,863**	**50.85**	**18,171,960**	**50.82**
BlackRock LCV	-	0.00	-	0.00	-	0.00	8,882	0.02
Jennison LCG	-	0.00	-	0.00	-	0.00	643	0.00
Connors LCC	-	0.00	-	0.00	-	0.00	2,657	0.01
Boston Smid Value	-	0.00	-	0.00	160	0.00	1,897	0.01
RBC Small Growth	-	0.00	-	0.00	-	0.00	108	0.00
Vanguard Total Stock Market Index (VITSX)	19,363,421	50.10	18,839,713	51.80	18,048,703	50.85	18,157,773	50.78
International Equity	**5,799,177**	**15.00**	**3,464,922**	**9.53**	**3,572,367**	**10.06**	**3,639,911**	**10.18**
Lazard Int'l Value	-	0.00	-	0.00	-	0.00	11,228	0.03
Renaissance Int'l Growth	-	0.00	-	0.00	-	0.00	3,488	0.01
Vanguard Total International Stock (VXUS)	-	0.00	-	0.00	-	0.00	3,625,195	10.14
EuroPacific Growth (RERGX)	4,030,422	10.43	2,560,724	7.04	2,625,177	7.40	-	0.00
Oakmark Intl (OANIX)	1,768,754	4.58	904,197	2.49	947,189	2.67	-	0.00
Total Fixed Income	**9,577,183**	**24.78**	**10,714,214**	**29.46**	**10,693,608**	**30.13**	**9,179,465**	**25.67**
Domestic Fixed Income	**7,648,915**	**19.79**	**10,714,214**	**29.46**	**10,693,608**	**30.13**	**9,179,465**	**25.67**
Dodge & Cox (DODIX)	3,825,596	9.90	5,340,545	14.68	5,336,772	15.04	4,591,621	12.84
Metropolitan West Bond (MWTIX)	3,823,319	9.89	5,373,668	14.78	5,356,836	15.09	4,587,844	12.83
Global Fixed Income	**1,928,268**	**4.99**	**-**	**0.00**	**-**	**0.00**	**-**	**0.00**
PIMCO Diversified Income (PDIIX)	1,928,268	4.99	-	0.00	-	0.00	-	0.00
Hedge Funds/FOF	**-**	**0.00**	**27,395**	**0.08**	**30,323**	**0.09**	**1,591,392**	**4.45**
BlackRock Global L/S Credit	-	0.00	-	0.00	-	0.00	20	0.00
Pine Grove - HFOF	-	0.00	-	0.00	-	0.00	1,438,100	4.02
Private Advisors - HFOF	-	0.00	27,395	0.08	30,323	0.09	153,272	0.43
Private Real Estate	**3,133,921**	**8.11**	**3,097,437**	**8.52**	**3,051,255**	**8.60**	**3,002,005**	**8.40**
UBS - Private Real Estate	3,133,921	8.11	3,097,437	8.52	3,051,255	8.60	3,002,005	8.40
R&D Cash Account	-	0.00	439	0.00	439	0.00	3,234	0.01
C/D Cash Account	774,802	2.00	223,560	0.61	97,583	0.27	168,554	0.47
Total Fund	**38,648,504**	**100.00**	**36,367,679**	**100.00**	**35,494,438**	**100.00**	**35,756,521**	**100.00**


96.0
88.0
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Allocation (%)
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10/17
9/18
Domestic Equity
International Equity
Domestic Fixed Income
Global Fixed Income
Real Estate
Hedge Fund
Cash Equivalent

	Market Value 07/01/2018	Net Transfers	Contributions	Distributions	Management Fees	Other Expenses	Income	Capital Gain/Loss	Market Value 09/30/2018
Total Equity	**22,304,634**	**1,556,760**	**-**	**-**	**-**	**-**	**92,084**	**1,209,119**	**25,162,597**
Domestic Equity	**18,839,713**	**-807,520**	**-**	**-**	**-**	**-**	**92,084**	**1,239,144**	**19,363,421**
Vanguard Total Stock Market Index (VITSX)	18,839,713	-807,520	-	-	-	-	92,084	1,239,144	19,363,421
International Equity	**3,464,922**	**2,364,280**	**-**	**-**	**-**	**-**	**-**	**-30,025**	**5,799,177**
EuroPacific Growth (RERGX)	2,560,724	1,497,460	-	-	-	-	-	-27,762	4,030,422
Oakmark Intl (OANIX)	904,197	866,820	-	-	-	-	-	-2,263	1,768,754
Total Fixed Income	**10,714,214**	**-1,198,760**	**-**	**-**	**-**	**-**	**69,605**	**-7,876**	**9,577,183**
Domestic Fixed Income	**10,714,214**	**-3,117,240**	**-**	**-**	**-**	**-**	**61,665**	**-9,724**	**7,648,915**
Dodge & Cox (DODIX)	5,340,545	-1,553,620	-	-	-	-	27,010	11,660	3,825,596
Metropolitan West Bond (MWTIX)	5,373,668	-1,563,620	-	-	-	-	34,655	-21,384	3,823,319
Total Global Fixed Income	**-**	**1,918,480**	**-**	**-**	**-**	**-**	**7,940**	**1,848**	**1,928,268**
PIMCO Diversified Income (PDIIX)	-	1,918,480	-	-	-	-	7,940	1,848	1,928,268
Hedge Funds/FOF	**27,395**	**-**	**-**	**-27,395**	**-**	**-**	**-**	**-**	**-**
Private Advisors - HFOF	27,395	-	-	-27,395	-	-	-	-	-
Private Real Estate	**3,097,437**	**-**	**-**	**-**	**-7,491**	**-**	**31,959**	**12,016**	**3,133,921**
UBS - Private Real Estate	3,097,437	-	-	-	-7,491	-	31,959	12,016	3,133,921
R&D Cash Account	439	-	122,618	-123,058	-	-	-	-	-
C/D Cash Account	223,560	-358,000	1,554,138	-619,659	-	-27,175	1,938	-	774,802
Total Fund	**36,367,679**	**-**	**1,676,757**	**-770,112**	**-7,491**	**-27,175**	**195,587**	**1,213,259**	**38,648,504**

	Market Value 10/01/2017	Net Transfers	Contributions	Distributions	Management Fees	Other Expenses	Income	Capital Gain/Loss	Market Value 09/30/2018
Total Equity	**19,706,331**	**2,828,190**	**-**	**-237**	**-**	**-7,848**	**377,966**	**2,258,196**	**25,162,597**
Domestic Equity	**16,008,475**	**599,952**	**-**	**-237**	**-**	**-7,848**	**337,195**	**2,425,884**	**19,363,421**
BlackRock LCV	3,992,758	-3,965,128	-	-	-	-7,848	-	-19,783	-
Jennison LCG	2,148,655	-2,148,548	-	-237	-	-	-	130	-
Wedgewood LCG	1,882,285	-1,881,624	-	-	-	-	-	-661	-
Connors LCC	3,588,764	-3,578,527	-	-	-	-	117	-10,353	-
Boston Smid Value	2,208,964	-2,206,303	-	-	-	-	406	-3,067	-
RBC Small Growth	2,187,049	-2,213,344	-	-	-	-	-	26,295	-
Vanguard Total Stock Market Index (VITSX)	-	16,593,426	-	-	-	-	336,672	2,433,323	19,363,421
International Equity	**3,697,856**	**2,228,238**	**-**	**-**	**-**	**-**	**40,771**	**-167,688**	**5,799,177**
Lazard Int'l Value	1,832,036	-1,827,824	-	-	-	-	2,338	-6,550	-
Renaissance Int'l Growth	1,865,821	-1,862,301	-	-	-	-	1,929	-5,449	-
Vanguard Total International Stock (VXUS)	-	-120,582	-	-	-	-	34,078	86,504	-
EuroPacific Growth (RERGX)	-	4,167,831	-	-	-	-	2,425	-139,834	4,030,422
Oakmark Intl (OANIX)	-	1,871,114	-	-	-	-	-	-102,359	1,768,754
Total Fixed Income	**8,733,908**	**947,634**	**-**	**-2**	**-**	**-**	**288,455**	**-392,812**	**9,577,183**
Domestic Fixed Income	**8,733,908**	**-970,846**	**-**	**-2**	**-**	**-**	**280,515**	**-394,660**	**7,648,915**
Madison Intermediate FI	8,733,908	-8,686,110	-	-2	-	-	-	-47,795	-
Dodge & Cox (DODIX)	-	3,840,816	-	-	-	-	152,385	-167,604	3,825,596
Metropolitan West Bond (MWTIX)	-	3,870,816	-	-	-	-	109,939	-157,436	3,823,319
Global Fixed Income	**-**	**1,918,480**	**-**	**-**	**-**	**-**	**7,940**	**1,848**	**1,928,268**
PIMCO Diversified Income (PDIIX)	-	1,918,480	-	-	-	-	7,940	1,848	1,928,268
Hedge Funds/FOF	**2,408,461**	**-2,265,571**	**-**	**-149,839**	**20**	**-**	**-**	**6,930**	**-**
BlackRock Global L/S Credit	413,456	-413,855	-	-	20	-	-	380	-
Blackstone Multi Strategy	412,498	-413,616	-	-	-	-	-	1,118	-
Pine Grove - HFOF	1,420,910	-1,438,100	-	-	-	-	-	17,190	-
Private Advisors - HFOF	161,597	-	-	-149,839	-	-	-	-11,758	-
Private Real Estate	**2,940,515**	**-1**	**-**	**-**	**-29,808**	**-**	**125,798**	**97,417**	**3,133,921**
UBS - Private Real Estate	2,940,515	-1	-	-	-29,808	-	125,798	97,417	3,133,921
R&D Cash Account	214,068	-139,804	122,618	-191,257	-	-5,640	14	1	-
C/D Cash Account	-	-1,370,446	4,155,636	-2,262,858	-	-146,718	66,943	332,245	774,802
Total Fund	**34,003,283**	**-**	**4,278,254**	**-2,604,193**	**-29,788**	**-160,206**	**859,176**	**2,301,977**	**38,648,504**

	QTR		FYTD		1 YR		3 YR		4 YR		5 YR		Inception		Inception Date
Total Fund - Gross	**3.85**	**(17)**	**9.04**	**(30)**	**9.04**	**(30)**	**9.04**	**(81)**	**6.79**	**(67)**	**7.14**	**(76)**	**7.18**	**(76)**	**10/01/1995**
Total Fund Hybrid	3.82	(18)	9.16	(28)	9.16	(28)	9.79	(58)	7.47	(41)	7.85	(49)	7.53	(59)	
All Public Plans-Total Fund Median	3.12		8.15		8.15		10.00		7.23		7.84		7.65		
Total Fund - Net	3.83		8.95		8.95		8.47		6.13		6.42		6.23		10/01/1995
Total Equity	**5.79**		**12.56**		**12.56**		**N/A**		**N/A**		**N/A**		**14.18**		**07/01/2017**
Total Equity	6.07		14.90		14.90		N/A		N/A		N/A		N/A		
Domestic Equity	**7.07**	**(24)**	**15.94**	**(39)**	**15.94**	**(39)**	**N/A**		**N/A**		**N/A**		**16.80**	**(36)**	**07/01/2017**
Russell 3000 Index	7.12	(19)	17.58	(19)	17.58	(19)	17.07	(11)	12.41	(10)	13.46	(11)	17.98	(24)	
IM U.S. Multi-Cap Core Equity (MF) Median	5.83		14.51		14.51		14.53		10.39		11.56		15.23		
International Equity	**-0.61**	**(88)**	**-3.27**	**(98)**	**-3.27**	**(98)**	**N/A**		**N/A**		**N/A**		**1.61**	**(96)**	**07/01/2017**
MSCI AC World ex USA	0.80	(32)	2.25	(20)	2.25	(20)	10.49	(2)	4.45	(17)	4.60	(15)	6.86	(17)	
IM International Large Cap Core Equity (MF) Median	0.52		1.34		1.34		8.17		3.35		3.55		5.25		
Total Fixed Income	**0.57**		**-1.45**		**-1.45**		**N/A**		**N/A**		**N/A**		**-0.93**		**07/01/2017**
Total Fixed Income	0.00		-1.23		-1.23		N/A		N/A		N/A		N/A		
Domestic Fixed Income	**0.40**	**(32)**	**-1.61**	**(81)**	**-1.61**	**(81)**	**N/A**		**N/A**		**N/A**		**-1.06**	**(83)**	**07/01/2017**
Blmbg. Barc. U.S. Aggregate Index	0.02	(70)	-1.22	(68)	-1.22	(68)	1.31	(31)	1.72	(9)	2.16	(3)	-0.30	(53)	
IM U.S. Intermediate Duration Fixed Income (MF) Median	0.22		-0.78		-0.78		0.76		1.02		1.21		-0.25		
Global Fixed Income	**N/A**		**N/A**		**N/A**		**N/A**		**N/A**		**N/A**		**0.80**	**(5)**	**09/01/2018**
Blmbg. Barc. Global Multiverse	-0.80	(67)	-1.32	(52)	-1.32	(52)	2.34	(51)	0.83	(49)	0.95	(66)	-0.73	(95)	
IM Global Fixed Income (MF) Median	-0.39		-1.19		-1.19		2.36		0.78		1.39		-0.30		
Private Real Estate	**1.42**	**(100)**	**7.62**	**(86)**	**7.62**	**(86)**	**N/A**		**N/A**		**N/A**		**7.30**	**(86)**	**07/01/2017**
NCREIF Fund Index-Open End Diversified Core (EW)	2.09	(61)	8.82	(65)	8.82	(65)	9.08	(60)	10.46	(62)	10.84	(63)	8.61	(68)	
IM U.S. Open End Private Real Estate (SA+CF) Median	2.19		9.63		9.63		9.72		11.02		11.25		9.20		

Returns for periods greater than one year are annualized. Returns are expressed as percentages.

Port Orange Police Pension
Trailing Returns
As of September 30, 2018

	QTR		FYTD		1 YR		3 YR		4 YR		5 YR		Inception		Inception Date
Domestic Equity Strategies															
Vanguard Total Stock Market Index (VITSX)	7.09	(22)	N/A		N/A		N/A		N/A		N/A		11.71	(19)	12/01/2017
Russell 3000 Index	7.12	(19)	17.58	(19)	17.58	(19)	17.07	(11)	12.41	(10)	13.46	(11)	11.68	(20)	
IM U.S. Multi-Cap Core Equity (MF) Median	5.83		14.51		14.51		14.53		10.39		11.56		9.09		
International Equity Strategies															
EuroPacific Growth (RERGX)	-0.84	(98)	N/A		N/A		N/A		N/A		N/A		-4.39	(91)	03/01/2018
MSCI AC World ex USA	0.80	(32)	2.25	(20)	2.25	(20)	10.49	(2)	4.45	(17)	4.60	(15)	-3.27	(76)	
IM International Large Cap Core Equity (MF) Median	0.52		1.34		1.34		8.17		3.35		3.55		-2.00		
Oakmark Intl (OANIX)	-0.87	(98)	N/A		N/A		N/A		N/A		N/A		-9.01	(100)	03/01/2018
MSCI AC World ex USA	0.80	(32)	2.25	(20)	2.25	(20)	10.49	(2)	4.45	(17)	4.60	(15)	-3.27	(76)	
IM International Large Cap Core Equity (MF) Median	0.52		1.34		1.34		8.17		3.35		3.55		-2.00		
Domestic Fixed Income Strategies															
Dodge & Cox (DODIX)	0.63	(6)	N/A		N/A		N/A		N/A		N/A		-0.60	(7)	01/01/2018
Blmbg. Barc. U.S. Aggregate Index	0.02	(64)	-1.22	(40)	-1.22	(40)	1.31	(53)	1.72	(31)	2.16	(42)	-1.60	(43)	
IM U.S. Broad Market Core Fixed Income (MF) Median	0.10		-1.35		-1.35		1.34		1.53		2.06		-1.67		
Metropolitan West Bond (MWTIX)	0.04	(60)	N/A		N/A		N/A		N/A		N/A		-0.95	(27)	12/01/2017
Blmbg. Barc. U.S. Aggregate Index	0.02	(64)	-1.22	(40)	-1.22	(40)	1.31	(53)	1.72	(31)	2.16	(42)	-1.15	(39)	
IM U.S. Broad Market Core Fixed Income (MF) Median	0.10		-1.35		-1.35		1.34		1.53		2.06		-1.25		
Global Fixed Income Strategies															
PIMCO Diversified Income (PDIIX)	N/A		N/A		N/A		N/A		N/A		N/A		0.79	(5)	09/01/2018
Blmbg. Barc. Global Multiverse	-0.80	(67)	-1.32	(52)	-1.32	(52)	2.34	(51)	0.83	(49)	0.95	(66)	-0.73	(95)	
IM Global Fixed Income (MF) Median	-0.39		-1.19		-1.19		2.36		0.78		1.39		-0.30		
Private Real Estate Strategies															
UBS - Private Real Estate	1.42	(100)	7.62	(86)	7.62	(86)	7.31	(100)	8.69	(95)	9.12	(95)	9.59	(N/A)	09/01/2012
NCREIF Fund Index-Open End Diversified Core (EW)	2.09	(61)	8.82	(65)	8.82	(65)	9.08	(60)	10.46	(62)	10.84	(63)	11.13	(N/A)	
IM U.S. Open End Private Real Estate (SA+CF) Median	2.19		9.63		9.63		9.72		11.02		11.25		N/A		

Returns for periods greater than one year are annualized. Returns are expressed as percentages.

Comparative Performance

	FYTD		FY 2017		FY 2016		FY 2015		FY 2014		FY 2013		FY 2012	
Total Fund - Gross	**9.04**	**(29)**	**11.00**	**(76)**	**7.12**	**(93)**	**0.32**	**(30)**	**8.52**	**(85)**	**12.76**	**(45)**	**18.10**	**(47)**
Total Fund Hybrid	9.16	(28)	11.12	(74)	9.11	(66)	0.80	(22)	9.39	(67)	13.04	(40)	18.21	(45)
All Public Plans-Total Fund Median	8.15		12.20		9.66		-0.50		10.17		12.49		17.99	
Total Fund - Net	8.95		10.29		6.21		-0.59		7.59		11.70		17.03	
Total Equity	**12.56**		**N/A**		**N/A**		**N/A**		**N/A**		**N/A**		**N/A**	
Total Equity Policy	14.90		N/A		N/A		N/A		N/A		N/A		N/A	
Domestic Equity	**15.94**	**(39)**	**N/A**		**N/A**		**N/A**		**N/A**		**N/A**		**N/A**	
Russell 3000 Index	17.58	(19)	18.71	(36)	14.96	(17)	-0.49	(32)	17.76	(31)	21.60	(59)	30.20	(18)
IM U.S. Multi-Cap Core Equity (MF) Median	14.51		17.51		11.85		-1.88		16.33		22.79		26.86	
International Equity	**-3.27**	**(98)**	**N/A**		**N/A**		**N/A**		**N/A**		**N/A**		**N/A**	
MSCI AC World ex USA	2.25	(20)	20.15	(22)	9.80	(4)	-11.78	(78)	5.22	(32)	16.98	(75)	15.04	(47)
IM International Large Cap Core Equity (MF) Median	1.34		18.41		5.55		-7.83		4.19		21.59		14.76	
Total Fixed Income	**-1.45**		**N/A**		**N/A**		**N/A**		**N/A**		**N/A**		**N/A**	
Total Fixed Income Policy	-1.23		N/A		N/A		N/A		N/A		N/A		N/A	
Domestic Fixed Income	**-1.61**	**(70)**	**N/A**		**N/A**		**N/A**		**N/A**		**N/A**		**N/A**	
Blmbg. Barc. U.S. Aggregate Index	-1.22	(40)	0.07	(64)	5.19	(51)	2.94	(9)	3.96	(59)	-1.68	(53)	5.16	(81)
IM U.S. Broad Market Core Fixed Income (MF) Median	-1.35		0.47		5.21		1.98		4.19		-1.62		6.79	
Global Fixed Income	**N/A**		**N/A**		**N/A**		**N/A**		**N/A**		**N/A**		**N/A**	
Blmbg. Barc. Global Multiverse	-1.32	(52)	-0.56	(77)	9.23	(25)	-3.56	(42)	1.40	(79)	-2.22	(56)	5.57	(81)
IM Global Fixed Income (MF) Median	-1.19		1.02		7.42		-3.85		3.37		-1.81		7.17	
Private Real Estate	**7.62**	**(86)**	**N/A**		**N/A**		**N/A**		**N/A**		**N/A**		**N/A**	
NCREIF Fund Index-Open End Diversified Core (EW)	8.82	(65)	7.81	(60)	10.62	(69)	14.71	(62)	12.39	(68)	12.47	(67)	11.77	(66)
IM U.S. Open End Private Real Estate (SA+CF) Median	9.63		8.29		11.32		15.45		12.78		13.18		12.90	

Returns for periods greater than one year are annualized. Returns are expressed as percentages.

	FYTD		FY 2017		FY 2016		FY 2015		FY 2014		FY 2013		FY 2012	
Domestic Equity Strategies														
Vanguard Total Stock Market Index (VITSX)	N/A		N/A		N/A		N/A		N/A		N/A		N/A	
Russell 3000 Index	17.58	(19)	18.71	(36)	14.96	(17)	-0.49	(32)	17.76	(31)	21.60	(59)	30.20	(18)
IM U.S. Multi-Cap Core Equity (MF) Median	14.51		17.51		11.85		-1.88		16.33		22.79		26.86	
BlackRock LCV	N/A		20.98	(21)	14.43	(40)	-2.92	(48)	15.57	(79)	16.08	(94)	N/A	
Russell 1000 Value Index	9.45	(77)	15.12	(76)	16.19	(25)	-4.42	(65)	18.89	(42)	22.30	(60)	30.92	(26)
IM U.S. Large Cap Value Equity (SA+CF) Median	11.82		17.92		13.13		-3.27		18.35		23.71		28.17	
Jennison LCG	N/A		25.44	(8)	9.04	(75)	6.79	(15)	20.45	(26)	N/A		N/A	
Russell 1000 Growth Index	26.30	(37)	21.94	(36)	13.76	(23)	3.17	(55)	19.15	(40)	19.27	(63)	29.19	(38)
IM U.S. Large Cap Growth Equity (SA+CF) Median	24.42		20.79		11.62		3.60		18.13		20.24		27.63	
Wedgewood LCG	N/A		13.75	(96)	5.14	(96)	-2.95	(94)	15.99	(72)	N/A		N/A	
Russell 1000 Growth Index	26.30	(37)	21.94	(36)	13.76	(23)	3.17	(55)	19.15	(40)	19.27	(63)	29.19	(38)
IM U.S. Large Cap Growth Equity (SA+CF) Median	24.42		20.79		11.62		3.60		18.13		20.24		27.63	
Connors LCC	N/A		13.83	(89)	11.61	(67)	0.43	(47)	16.54	(79)	N/A		N/A	
S&P 500 Index	17.91	(39)	18.61	(52)	15.43	(23)	-0.61	(63)	19.73	(45)	19.34	(65)	30.20	(44)
IM U.S. Large Cap Core Equity (SA+CF) Median	17.25		18.68		13.30		0.05		19.21		20.71		29.63	
Boston Smid Value	N/A		19.58	(42)	N/A		N/A		N/A		N/A		N/A	
Russell 2500 Value Index	10.24	(48)	15.75	(71)	17.68	(19)	-2.44	(67)	9.88	(60)	27.58	(72)	32.15	(32)
IM U.S. SMID Cap Value Equity (SA+CF) Median	10.09		18.61		13.60		-0.25		11.13		29.98		29.73	
RBC Small Growth	N/A		14.94	(90)	14.58	(35)	6.08	(35)	1.00	(76)	32.33	(66)	32.30	(39)
Russell 2000 Growth Index	21.06	(74)	20.98	(58)	12.12	(46)	4.04	(49)	3.79	(54)	33.07	(58)	31.18	(48)
IM U.S. Small Cap Growth Equity (SA+CF) Median	26.92		21.53		11.53		3.76		4.28		33.93		30.61	

Returns for periods greater than one year are annualized. Returns are expressed as percentages.

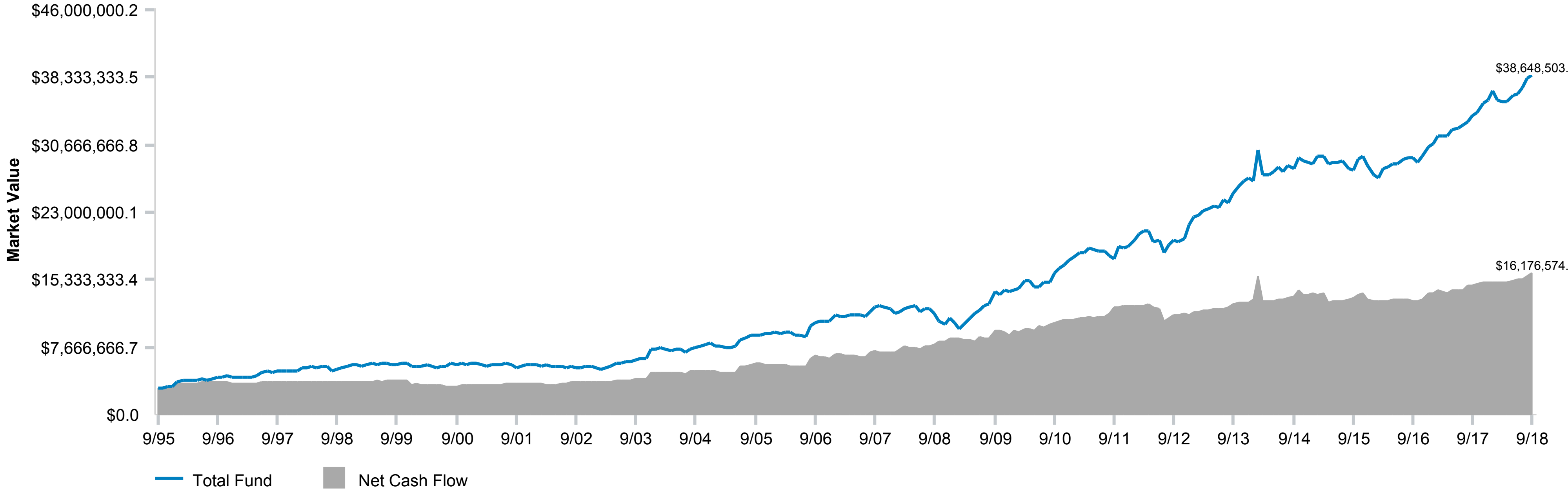
	FYTD		FY 2017		FY 2016		FY 2015		FY 2014		FY 2013		FY 2012	
International Equity Strategies														
EuroPacific Growth (RERGX)	N/A		N/A		N/A		N/A		N/A		N/A		N/A	
MSCI AC World ex USA	2.25	(20)	20.15	(22)	9.80	(4)	-11.78	(78)	5.22	(32)	16.98	(75)	15.04	(47)
IM International Large Cap Core Equity (MF) Median	1.34		18.41		5.55		-7.83		4.19		21.59		14.76	
Oakmark Intl (OANIX)	N/A		N/A		N/A		N/A		N/A		N/A		N/A	
MSCI AC World ex USA	2.25	(20)	20.15	(22)	9.80	(4)	-11.78	(78)	5.22	(32)	16.98	(75)	15.04	(47)
IM International Large Cap Core Equity (MF) Median	1.34		18.41		5.55		-7.83		4.19		21.59		14.76	
Lazard Int'l Value	N/A		15.52	(86)	4.43	(89)	-1.72	(20)	6.99	(38)	20.04	(52)	23.27	(11)
MSCI EAFE (Net) Index	2.74	(39)	19.10	(66)	6.52	(80)	-8.66	(52)	4.25	(68)	23.77	(37)	13.75	(76)
IM International Equity (SA+CF) Median	1.49		21.05		11.48		-8.28		5.80		20.31		17.27	
Renaissance Int'l Growth	N/A		19.28	(64)	10.53	(55)	-11.86	(67)	10.85	(15)	24.85	(31)	16.00	(60)
MSCI AC World ex USA (Net)	1.76	(47)	19.61	(61)	9.26	(63)	-12.16	(68)	4.77	(62)	16.48	(64)	14.49	(70)
IM International Equity (SA+CF) Median	1.49		21.05		11.48		-8.28		5.80		20.31		17.27	

Returns for periods greater than one year are annualized. Returns are expressed as percentages.

	FYTD		FY 2017		FY 2016		FY 2015		FY 2014		FY 2013		FY 2012	
Domestic Fixed Income Strategies														
Dodge & Cox (DODIX)	N/A		N/A		N/A		N/A		N/A		N/A		N/A	
Blmbg. Barc. U.S. Aggregate Index	-1.22	(40)	0.07	(64)	5.19	(51)	2.94	(9)	3.96	(59)	-1.68	(53)	5.16	(81)
IM U.S. Broad Market Core Fixed Income (MF) Median	-1.35		0.47		5.21		1.98		4.19		-1.62		6.79	
Metropolitan West Bond (MWTIX)	N/A		N/A		N/A		N/A		N/A		N/A		N/A	
Blmbg. Barc. U.S. Aggregate Index	-1.22	(40)	0.07	(64)	5.19	(51)	2.94	(9)	3.96	(59)	-1.68	(53)	5.16	(81)
IM U.S. Broad Market Core Fixed Income (MF) Median	-1.35		0.47		5.21		1.98		4.19		-1.62		6.79	
Madison Intermediate FI	N/A		0.23	(88)	2.08	(99)	2.04	(83)	1.28	(100)	-0.38	(62)	3.04	(99)
Bloomberg Barclays Intermediate US Govt/Credit Idx	-0.96	(97)	0.23	(88)	3.52	(76)	2.68	(52)	2.20	(85)	-0.50	(66)	4.40	(81)
IM U.S. Intermediate Duration (SA+CF) Median	-0.38		0.69		3.90		2.70		2.88		-0.27		5.56	
Global Fixed Income Strategies														
PIMCO Diversified Income (PDIIX)	N/A		N/A		N/A		N/A		N/A		N/A		N/A	
Blmbg. Barc. Global Multiverse	-1.32	(52)	-0.56	(77)	9.23	(25)	-3.56	(42)	1.40	(79)	-2.22	(56)	5.57	(81)
IM Global Fixed Income (MF) Median	-1.19		1.02		7.42		-3.85		3.37		-1.81		7.17	
Hedge Funds / FOF Strategies														
Private Advisors - HFOF	N/A		4.45		0.69		-4.24		N/A		N/A		N/A	
HFRI FOF: Conservative Index	3.62		4.61		0.25		0.62		5.64		6.61		2.59	
Pine Grove - HFOF	N/A		6.75		0.38		-4.18		N/A		N/A		N/A	
HFRI FOF: Conservative Index	3.62		4.61		0.25		0.62		5.64		6.61		2.59	
Real Estate Strategies														
UBS - Private Real Estate	7.62	(86)	5.52	(87)	8.83	(100)	12.93	(82)	10.87	(91)	10.06	(91)	N/A	
NCREIF Fund Index-Open End Diversified Core (EW)	8.82	(65)	7.81	(60)	10.62	(69)	14.71	(62)	12.39	(68)	12.47	(67)	11.77	(66)
IM U.S. Open End Private Real Estate (SA+CF) Median	9.63		8.29		11.32		15.45		12.78		13.18		12.90	

Returns for periods greater than one year are annualized. Returns are expressed as percentages.

Plan Growth



Trailing Returns

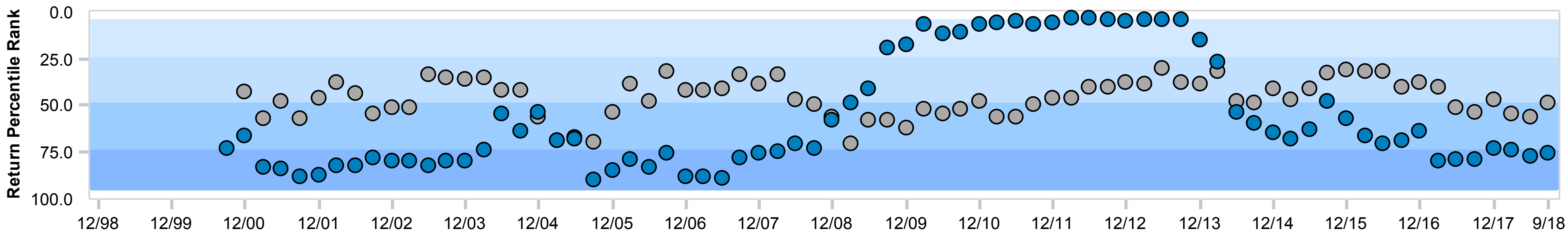
	QTR	YTD	1 YR	2 YR	3 YR	5 YR	7 YR	10 YR	15 YR
Total Fund	3.85 (17)	4.94 (29)	9.04 (30)	10.01 (58)	9.04 (81)	7.14 (76)	9.43 (68)	8.57 (27)	7.32 (46)
Total Fund Hybrid	3.82 (18)	4.99 (28)	9.16 (28)	10.13 (54)	9.79 (58)	7.85 (49)	10.01 (46)	8.20 (43)	7.32 (45)
Median	3.12	4.25	8.15	10.27	10.00	7.83	9.87	8.05	7.27

Fiscal Year Returns

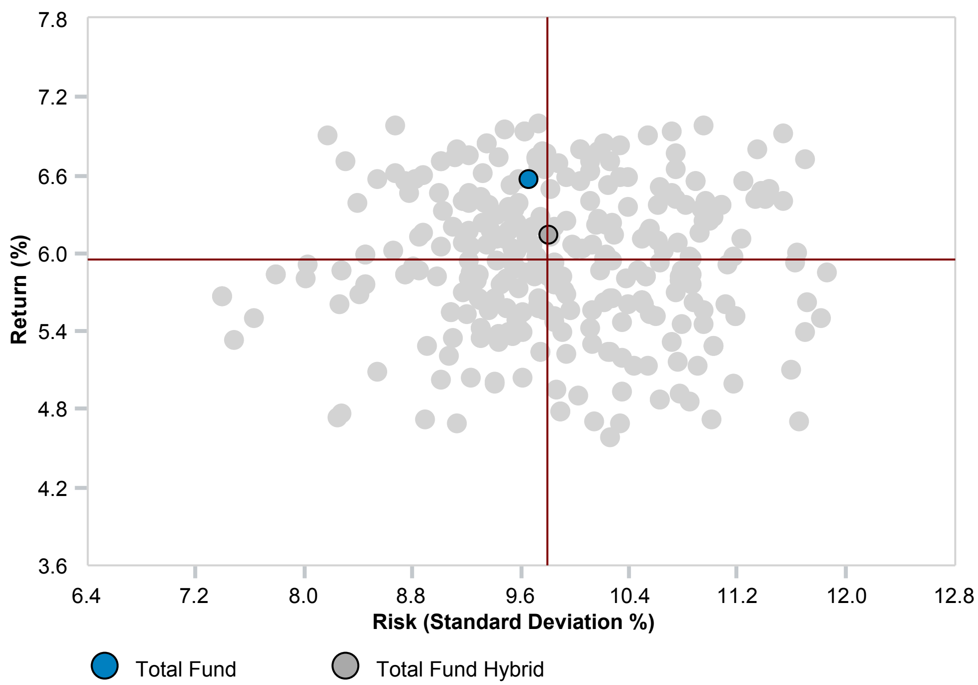
	FYTD	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011	FY 2010
Total Fund	9.04 (30)	11.00 (78)	7.12 (92)	0.32 (28)	8.52 (86)	12.76 (45)	18.10 (48)	0.66 (39)	9.63 (57)
Total Fund Hybrid	9.16 (28)	11.12 (75)	9.11 (67)	0.80 (19)	9.39 (68)	13.04 (40)	18.21 (46)	0.55 (41)	9.98 (49)
Median	8.15	12.22	9.67	-0.55	10.17	12.44	18.01	0.16	9.90

Peer Group: All Public Plans-Total Fund

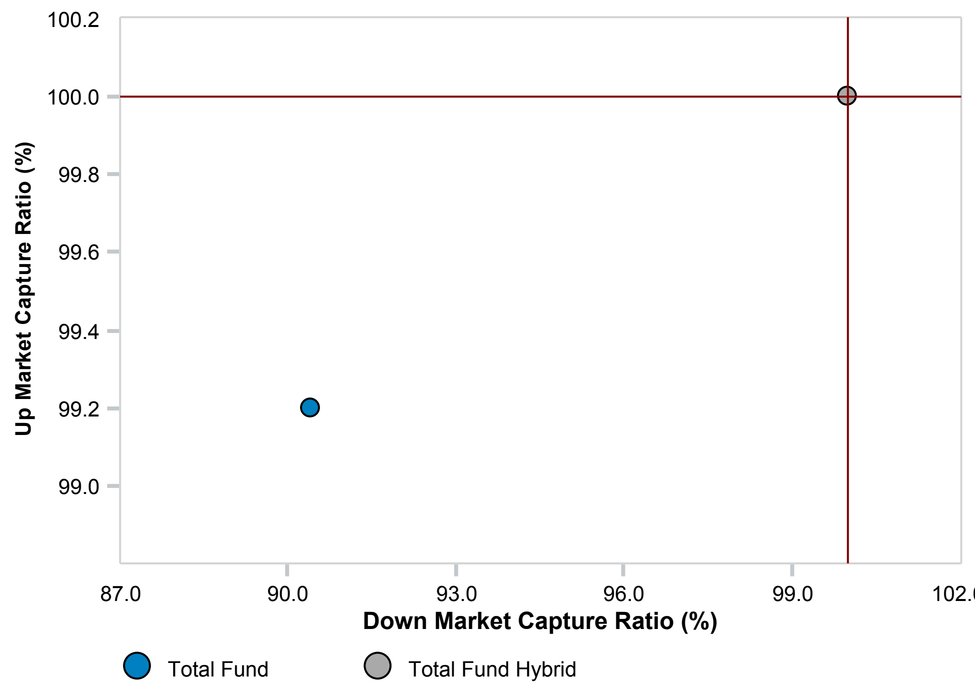
5 Year Rolling Percentile Ranking



Risk vs Return: October 2007 to Present



Up/Down Markets: October 2007 to Present



Historical Statistics: October 1, 2007 To September 30, 2018

	Consistency	Maximum Drawdown	Alpha	Active Return	Sharpe Ratio	Information Ratio	Treynor Ratio	Beta	Tracking Error
Total Fund	45.45	-23.70	0.59	0.39	0.65	0.23	0.07	0.97	1.66
Total Fund Hybrid	0.00	-28.52	0.00	0.00	0.60	N/A	0.06	1.00	0.00

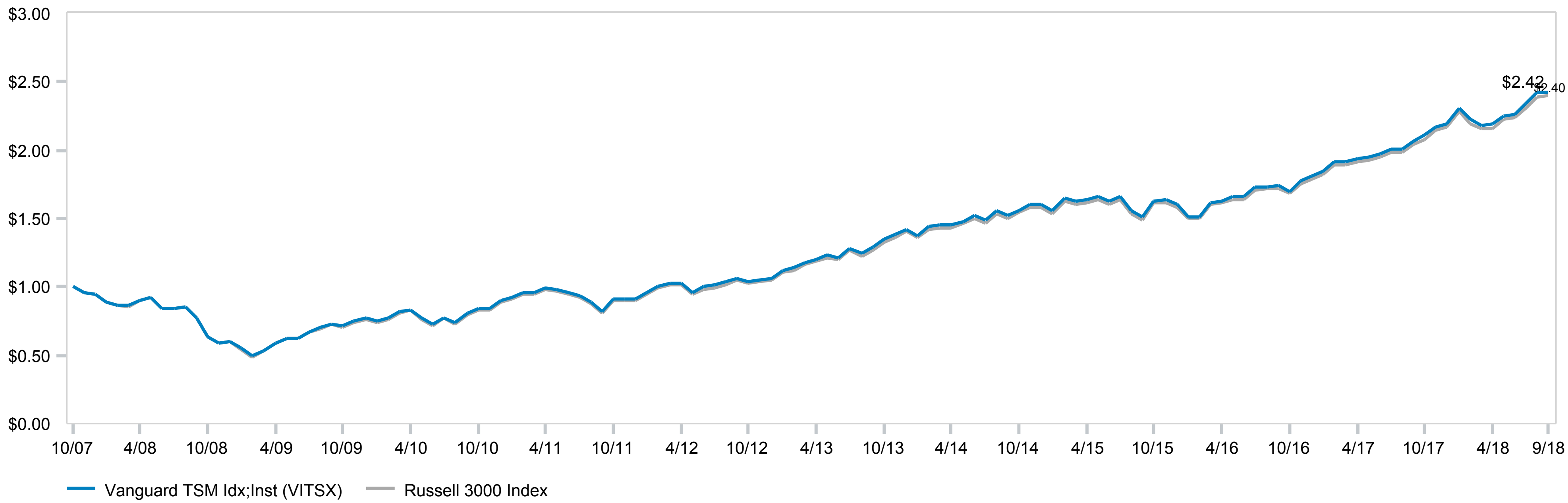
Peer Group: All Public Plans-Total Fund

Multi Timeperiod Statistics

	1 Qtr Return		1 Quarter Ending Jun-2018 Return		1 Quarter Ending Mar-2018 Return		1 Quarter Ending Dec-2017 Return		3 YR Return		5 YR Return		3 YR Down Market Capture		5 YR Down Market Capture	
Total Fund	**3.85**	**(17)**	**1.71**	**(34)**	**-0.65**	**(78)**	**3.90**	**(38)**	**9.04**	**(81)**	**7.14**	**(76)**	**92.92**	**(25)**	**93.60**	**(70)**
Total Fund Hybrid	3.82	(18)	1.84	(29)	-0.70	(81)	3.97	(34)	9.79	(58)	7.85	(49)	100.00		100.00	
All Public Plans-Total Fund Median	3.12		1.42		-0.28		3.74		10.00		7.83		43.22		106.24	
Domestic Equity Strategies																
Vanguard Total Stock Market Index (VITSX)	7.09	(22)	3.90	(20)	-0.60	(49)	N/A		N/A		N/A		N/A		N/A	
Russell 3000 Index	7.12	(19)	3.89	(20)	-0.64	(52)	6.34	(43)	17.07	(11)	13.46	(11)	100.00		100.00	
IM U.S. Multi-Cap Core Equity (MF) Median	5.83		2.64		-0.61		6.13		14.53		11.56		93.84		106.51	
International Equity Strategies																
EuroPacific Growth (RERGX)	-0.84	(98)	-2.83	(87)	N/A		N/A		N/A		N/A		N/A		N/A	
MSCI AC World ex USA	0.80	(32)	-2.39	(79)	-1.08	(46)	5.06	(13)	10.49	(2)	4.60	(15)	100.00		100.00	
IM International Large Cap Core Equity (MF) Median	0.52		-1.78		-1.18		4.01		8.17		3.55		167.74		106.94	
Oakmark Intl (OANIX)	-0.87	(98)	-4.97	(92)	N/A		N/A		N/A		N/A		N/A		N/A	
MSCI AC World ex USA	0.80	(32)	-2.39	(79)	-1.08	(46)	5.06	(13)	10.49	(2)	4.60	(15)	100.00		100.00	
IM International Large Cap Core Equity (MF) Median	0.52		-1.78		-1.18		4.01		8.17		3.55		167.74		106.94	
Domestic Fixed Income Strategies																
Dodge & Cox (DODIX)	0.63	(6)	-0.33	(63)	-0.90	(7)	N/A		N/A		N/A		N/A		N/A	
Blmbg. Barc. U.S. Aggregate Index	0.02	(64)	-0.16	(30)	-1.46	(46)	0.39	(39)	1.31	(53)	2.16	(42)	100.00		100.00	
IM U.S. Broad Market Core Fixed Income (MF) Median	0.10		-0.26		-1.48		0.34		1.34		2.06		100.00		95.56	
Metropolitan West Bond (MWTIX)	0.04	(60)	-0.09	(20)	-1.28	(24)	N/A		N/A		N/A		N/A		N/A	
Blmbg. Barc. U.S. Aggregate Index	0.02	(64)	-0.16	(30)	-1.46	(46)	0.39	(39)	1.31	(53)	2.16	(42)	100.00		100.00	
IM U.S. Broad Market Core Fixed Income (MF) Median	0.10		-0.26		-1.48		0.34		1.34		2.06		100.00		95.56	
Global Fixed Income Strategies																
PIMCO Diversified Income (PDIIX)	N/A		N/A		N/A		N/A		N/A		N/A		N/A		N/A	
Blmbg. Barc. Global Multiverse	-0.80	(67)	-2.83	(54)	1.30	(33)	1.06	(18)	2.34	(51)	0.95	(66)	100.00		100.00	
IM Global Fixed Income (MF) Median	-0.39		-2.23		0.76		0.66		2.36		1.39		69.63		81.49	
Real Estate Strategies																
UBS - Private Real Estate	1.42	(100)	1.75	(99)	1.90	(75)	2.34	(43)	7.31	(100)	9.12	(95)	N/A		N/A	
NCREIF Fund Index-Open End Diversified Core (EW)	2.09	(61)	2.13	(64)	2.17	(57)	2.15	(59)	9.08	(60)	10.84	(63)	N/A		N/A	
IM U.S. Open End Private Real Estate (SA+CF) Median	2.19		2.25		2.22		2.26		9.72		11.25		N/A		N/A	

Long-Term
Manager Composite
Data

Growth of a Dollar



Trailing Returns

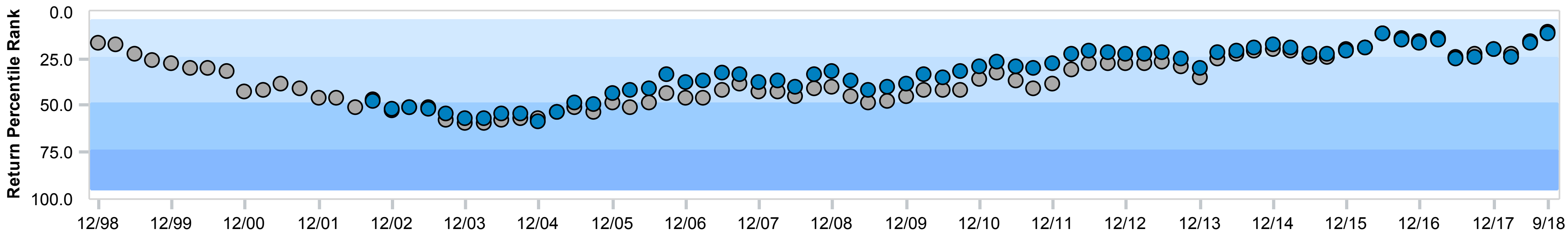
	QTR	YTD	1 YR	2 YR	3 YR	5 YR	7 YR	10 YR	15 YR
Vanguard TSM Idx;Inst (VITSX)	7.09 (22)	10.61 (20)	17.62 (19)	18.13 (25)	17.07 (11)	13.44 (12)	16.85 (15)	12.09 (15)	10.02 (13)
Russell 3000 Index	7.12 (19)	10.57 (22)	17.58 (19)	18.14 (25)	17.07 (11)	13.46 (11)	16.86 (15)	12.01 (17)	9.86 (19)
Median	5.83	7.91	14.51	16.10	14.53	11.56	15.25	10.46	8.84

Fiscal Year Returns

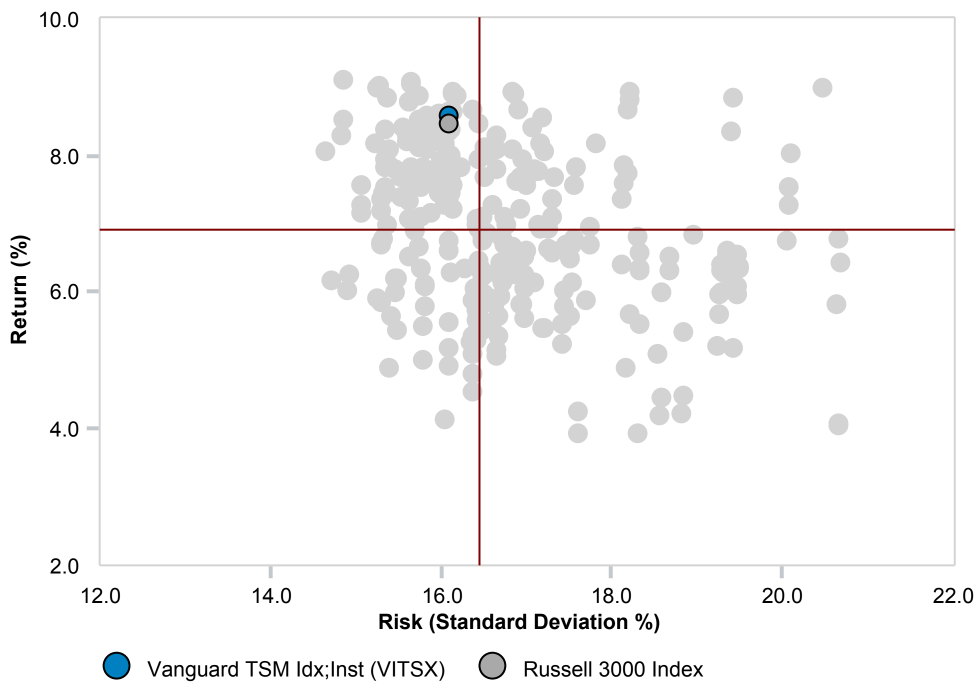
	FYTD	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011	FY 2010
Vanguard TSM Idx;Inst (VITSX)	17.62 (19)	18.64 (38)	15.00 (16)	-0.57 (34)	17.76 (31)	21.52 (61)	30.24 (17)	0.72 (26)	11.13 (26)
Russell 3000 Index	17.58 (19)	18.71 (36)	14.96 (17)	-0.49 (32)	17.76 (31)	21.60 (59)	30.20 (18)	0.55 (30)	10.96 (29)
Median	14.51	17.51	11.85	-1.88	16.33	22.79	26.86	-1.52	9.17

Long-term composite performance. Actual client results may vary.
October 2007 represents the beginning of the current market cycle.
Peer Group: IM U.S. Multi-Cap Core Equity (MF)

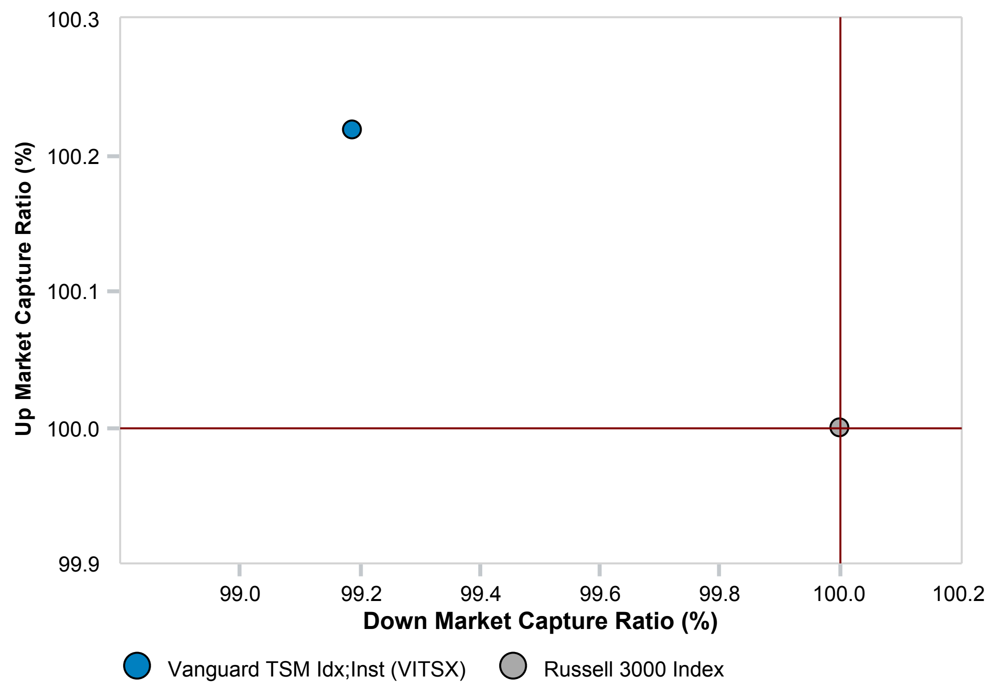
5 Year Rolling Percentile Ranking



Risk vs Return: October 2007 to Present



Up/Down Markets: October 2007 to Present

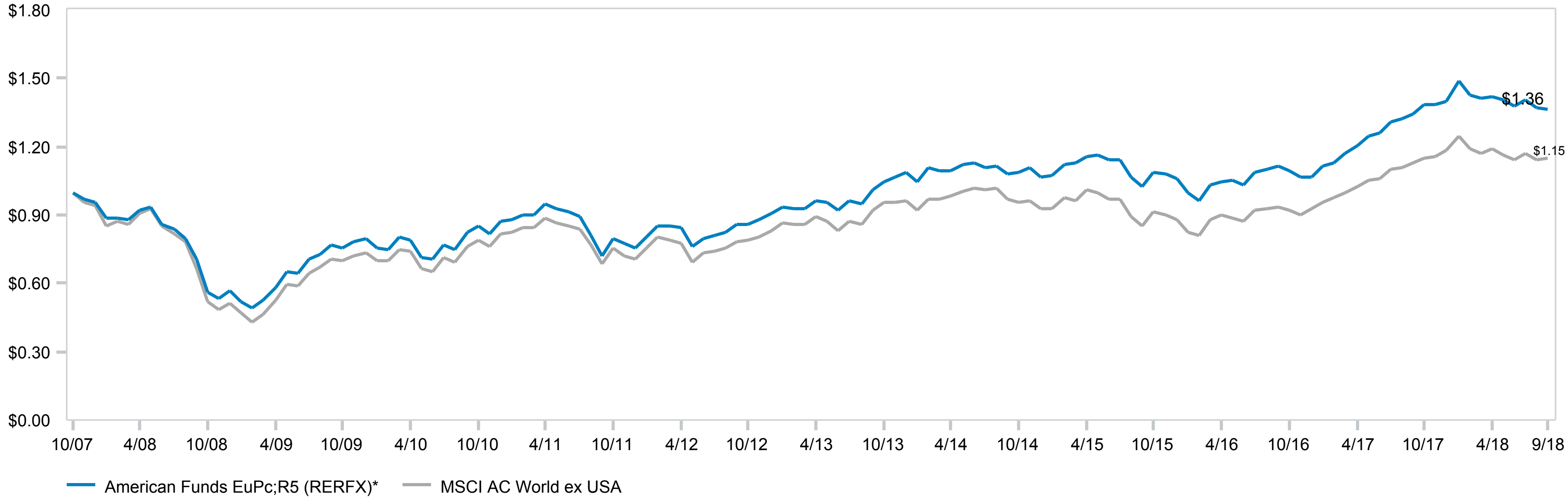


Historical Statistics: October 1, 2007 To September 30, 2018

	Consistency	Maximum Drawdown	Alpha	Active Return	Sharpe Ratio	Information Ratio	Treynor Ratio	Beta	Tracking Error
Vanguard TSM Idx;Inst (VITSX)	59.09	-45.55	0.12	0.11	0.56	0.83	0.09	1.00	0.13
Russell 3000 Index	0.00	-45.95	0.00	0.00	0.55	N/A	0.09	1.00	0.00

Long-term composite performance. Actual client results may vary.
October 2007 represents the beginning of the current market cycle.
Peer Group: IM U.S. Multi-Cap Core Equity (MF)

Growth of a Dollar



Trailing Returns

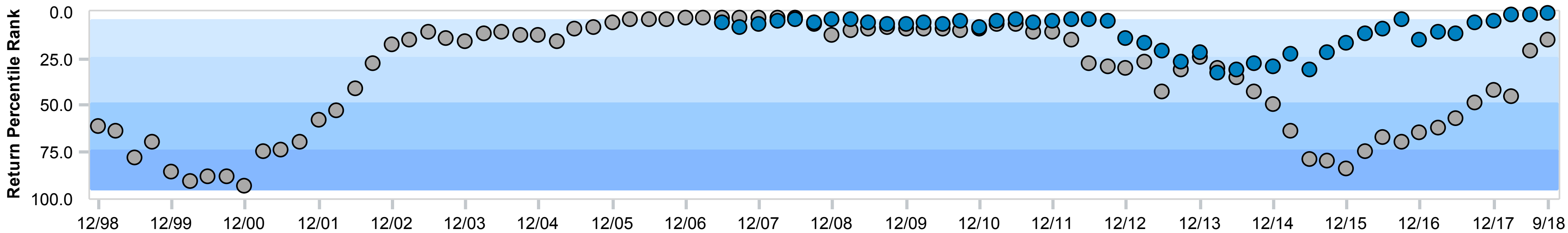
	QTR	YTD	1 YR	2 YR	3 YR	5 YR	7 YR	10 YR	15 YR
American Funds EuPc;R5 (RERFX)*	-0.86 (98)	-2.68 (52)	1.44 (46)	10.58 (29)	9.88 (6)	6.15 (1)	9.49 (2)	6.81 (11)	8.62 (5)
MSCI AC World ex USA	0.80 (32)	-2.67 (51)	2.25 (20)	10.84 (27)	10.49 (2)	4.60 (15)	7.74 (61)	5.67 (38)	7.67 (17)
Median	0.52	-2.63	1.34	9.65	8.17	3.55	8.07	4.83	6.77

Fiscal Year Returns

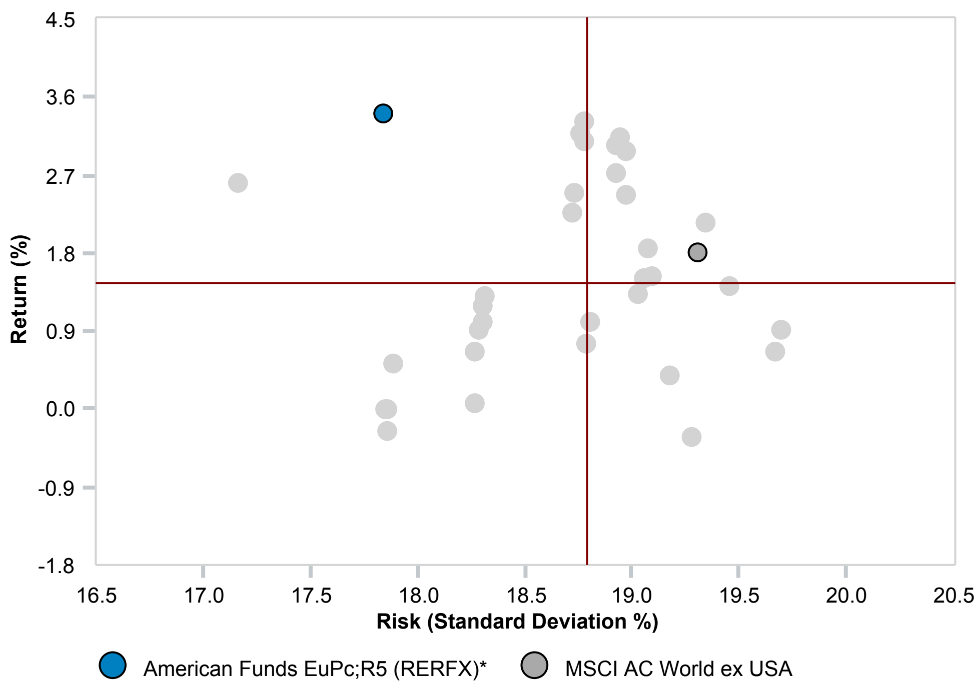
	FYTD	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011	FY 2010
American Funds EuPc;R5 (RERFX)*	1.44 (46)	20.56 (21)	8.47 (6)	-4.97 (8)	6.93 (12)	18.22 (73)	18.39 (13)	-12.38 (75)	7.35 (11)
MSCI AC World ex USA	2.25 (20)	20.15 (22)	9.80 (4)	-11.78 (78)	5.22 (32)	16.98 (75)	15.04 (47)	-10.42 (29)	8.00 (5)
Median	1.34	18.41	5.55	-7.83	4.19	21.59	14.76	-11.30	3.37

Long-term composite performance. Actual client results may vary.
October 2007 represents the beginning of the current market cycle.
Peer Group: IM International Large Cap Core Equity (MF)

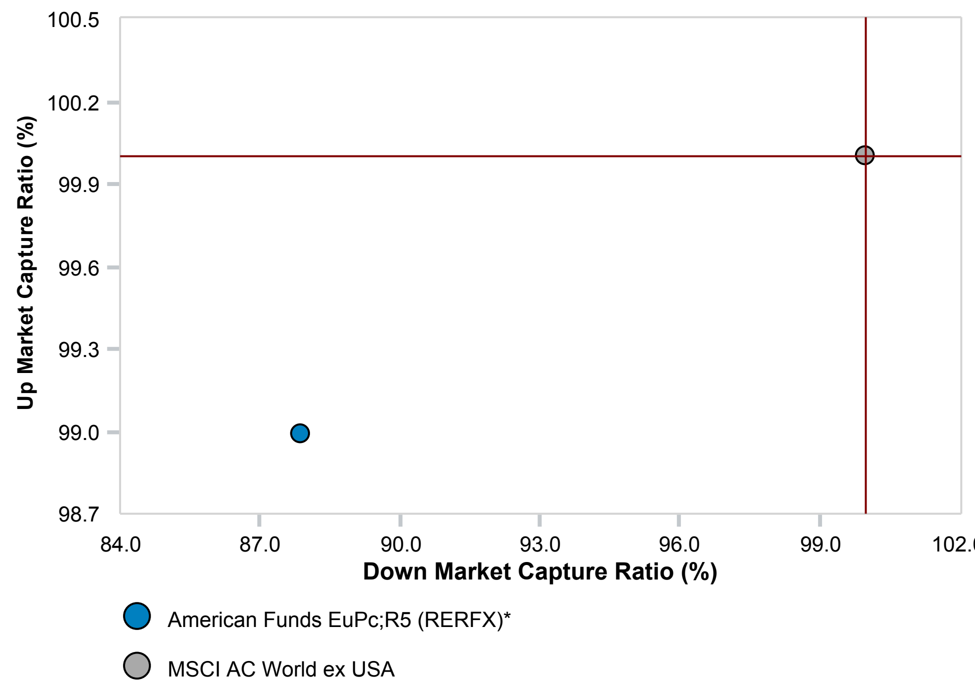
5 Year Rolling Percentile Ranking



Risk vs Return: October 2007 to Present



Up/Down Markets: October 2007 to Present

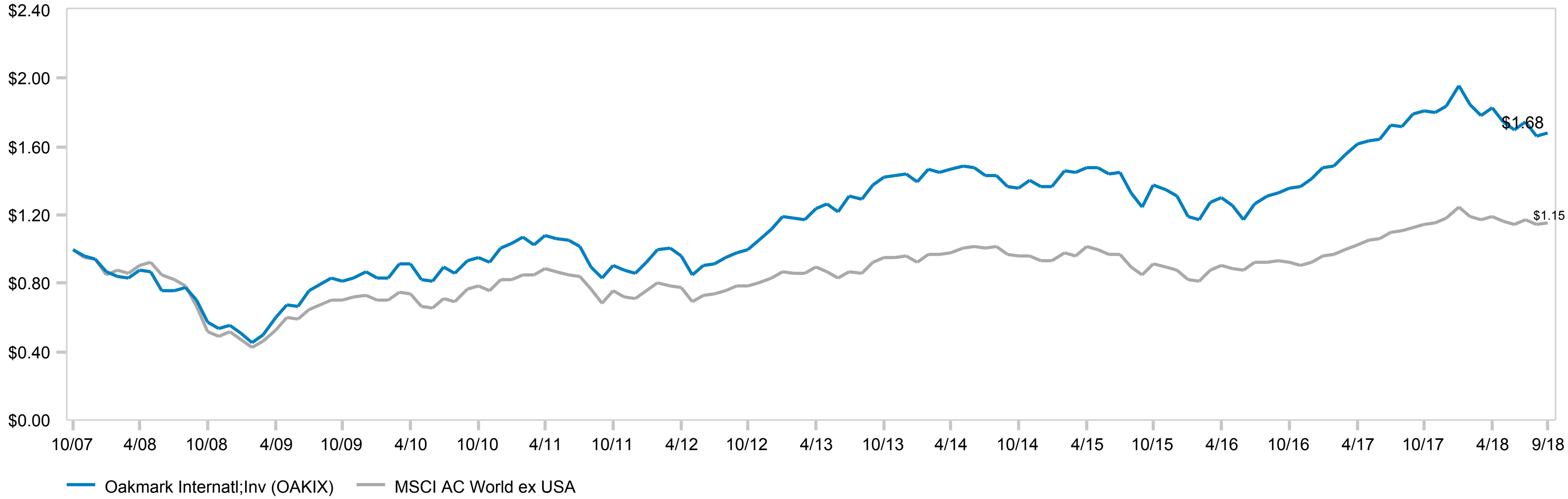


Historical Statistics: October 1, 2007 To September 30, 2018

	Consistency	Maximum Drawdown	Alpha	Active Return	Sharpe Ratio	Information Ratio	Treynor Ratio	Beta	Tracking Error
American Funds EuPc;R5 (RERFX)*	59.09	-45.07	1.65	1.31	0.25	0.37	0.05	0.91	3.51
MSCI AC World ex USA	0.00	-51.36	0.00	0.00	0.16	N/A	0.03	1.00	0.00

Long-term composite performance. Actual client results may vary.
October 2007 represents the beginning of the current market cycle.
Peer Group: IM International Large Cap Core Equity (MF)

Growth of a Dollar



Trailing Returns

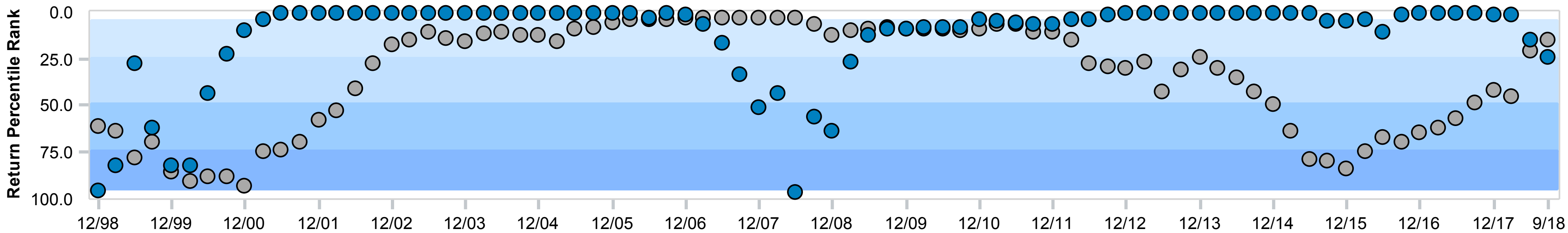
	QTR		YTD		1 YR		2 YR		3 YR		5 YR		7 YR		10 YR		15 YR	
Oakmark Internatl;Inv (OAKIX)	-0.91	(99)	-8.51	(100)	-6.33	(100)	12.40	(9)	10.45	(2)	4.03	(24)	10.52	(2)	9.10	(1)	9.04	(1)
MSCI AC World ex USA	0.80	(32)	-2.67	(51)	2.25	(20)	10.84	(27)	10.49	(2)	4.60	(15)	7.74	(61)	5.67	(38)	7.67	(17)
Median	0.52		-2.63		1.34		9.65		8.17		3.55		8.07		4.83		6.77	

Fiscal Year Returns

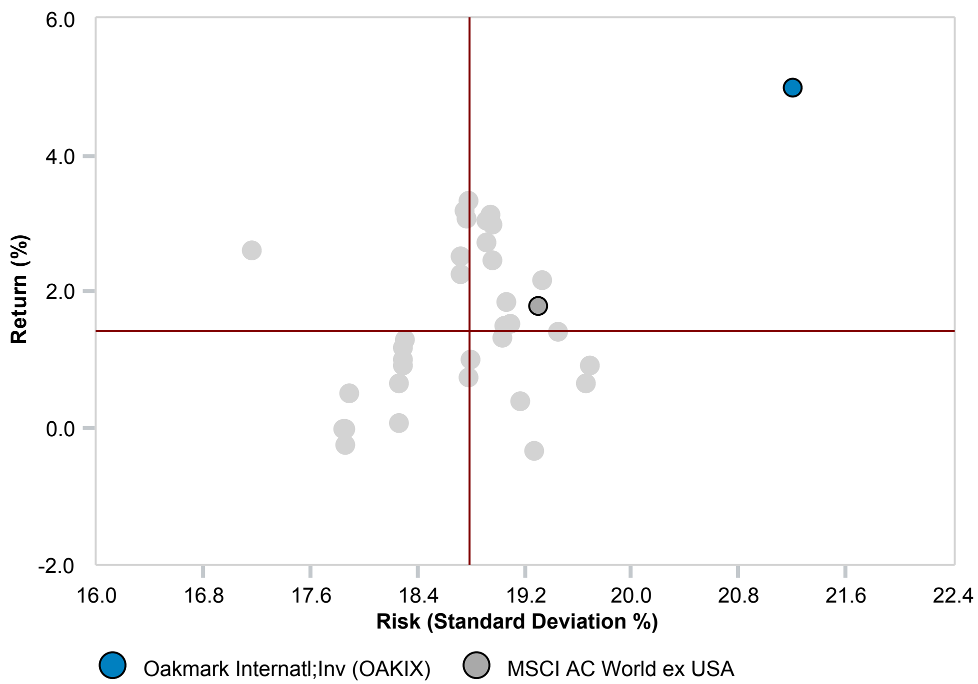
	FYTD		FY 2017		FY 2016		FY 2015		FY 2014		FY 2013		FY 2012		FY 2011		FY 2010	
Oakmark Internatl;Inv (OAKIX)	-6.33	(100)	34.88	(1)	6.66	(25)	-8.98	(65)	-0.64	(100)	40.79	(1)	17.40	(24)	-10.54	(29)	12.67	(1)
MSCI AC World ex USA	2.25	(20)	20.15	(22)	9.80	(4)	-11.78	(78)	5.22	(32)	16.98	(75)	15.04	(47)	-10.42	(29)	8.00	(5)
Median	1.34		18.41		5.55		-7.83		4.19		21.59		14.76		-11.30		3.37	

Long-term composite performance. Actual client results may vary.
October 2007 represents the beginning of the current market cycle.
Peer Group: IM International Large Cap Core Equity (MF)

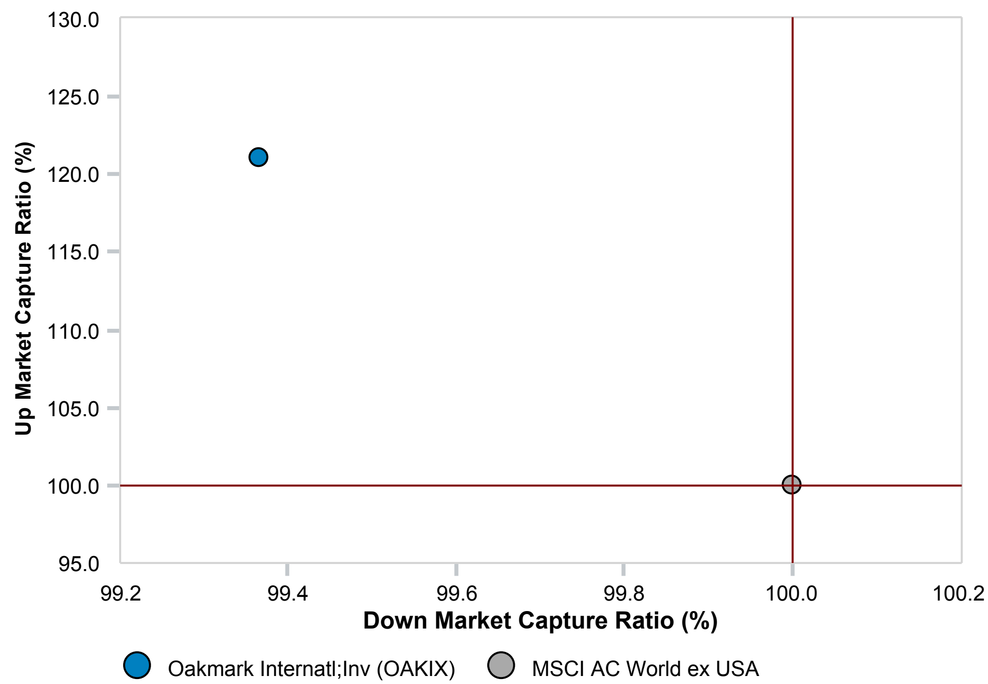
5 Year Rolling Percentile Ranking



Risk vs Return: October 2007 to Present



Up/Down Markets: October 2007 to Present

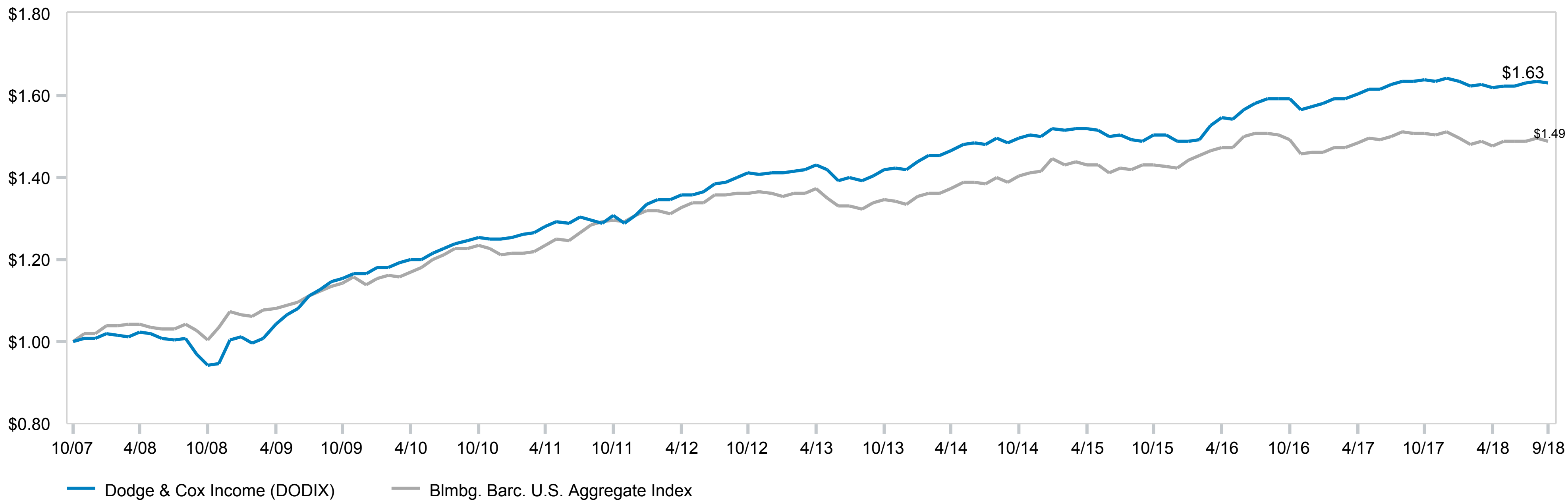


Historical Statistics: October 1, 2007 To September 30, 2018

	Consistency	Maximum Drawdown	Alpha	Active Return	Sharpe Ratio	Information Ratio	Treynor Ratio	Beta	Tracking Error
Oakmark Internatl;Inv (OAKIX)	56.82	-49.10	3.40	3.41	0.31	0.42	0.06	1.01	8.16
MSCI AC World ex USA	0.00	-51.36	0.00	0.00	0.16	N/A	0.03	1.00	0.00

Long-term composite performance. Actual client results may vary.
October 2007 represents the beginning of the current market cycle.
Peer Group: IM International Large Cap Core Equity (MF)

Growth of a Dollar



Trailing Returns

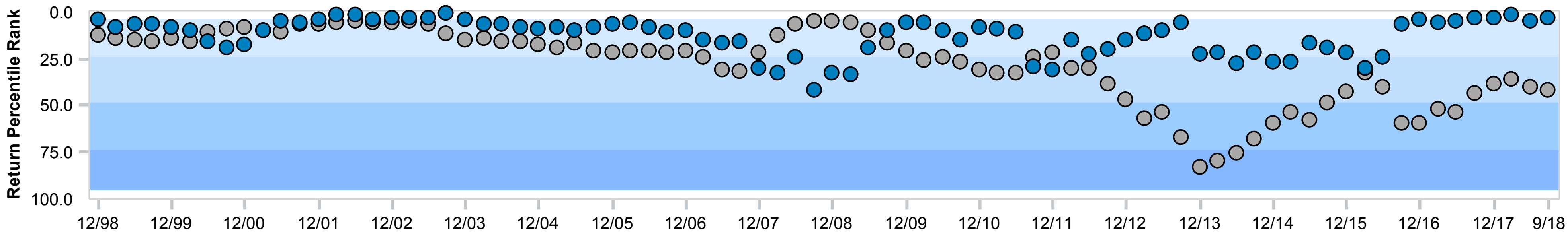
	QTR	YTD	1 YR	2 YR	3 YR	5 YR	7 YR	10 YR	15 YR
Dodge & Cox Income (DODIX)	0.64 (5)	-0.60 (7)	-0.12 (7)	1.22 (4)	3.14 (2)	3.05 (3)	3.42 (3)	5.33 (3)	4.41 (6)
Blmbg. Barc. U.S. Aggregate Index	0.02 (64)	-1.60 (43)	-1.22 (40)	-0.57 (56)	1.31 (53)	2.16 (42)	2.02 (59)	3.77 (66)	3.78 (38)
Median	0.10	-1.67	-1.35	-0.46	1.34	2.06	2.16	4.05	3.60

Fiscal Year Returns

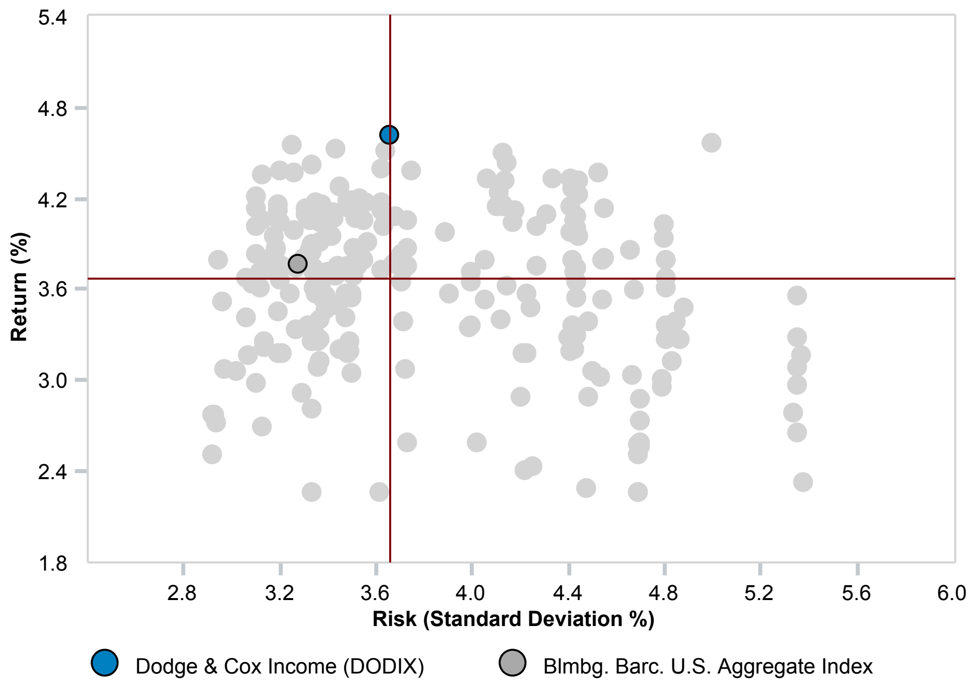
	FYTD	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011	FY 2010
Dodge & Cox Income (DODIX)	-0.12 (7)	2.57 (3)	7.09 (3)	0.16 (94)	5.76 (9)	0.46 (5)	8.37 (15)	3.55 (72)	8.84 (63)
Blmbg. Barc. U.S. Aggregate Index	-1.22 (40)	0.07 (64)	5.19 (51)	2.94 (9)	3.96 (59)	-1.68 (53)	5.16 (81)	5.26 (14)	8.16 (76)
Median	-1.35	0.47	5.21	1.98	4.19	-1.62	6.79	4.30	9.34

Long-term composite performance. Actual client results may vary.
October 2007 represents the beginning of the current market cycle.
Peer Group: IM U.S. Broad Market Core Fixed Income (MF)

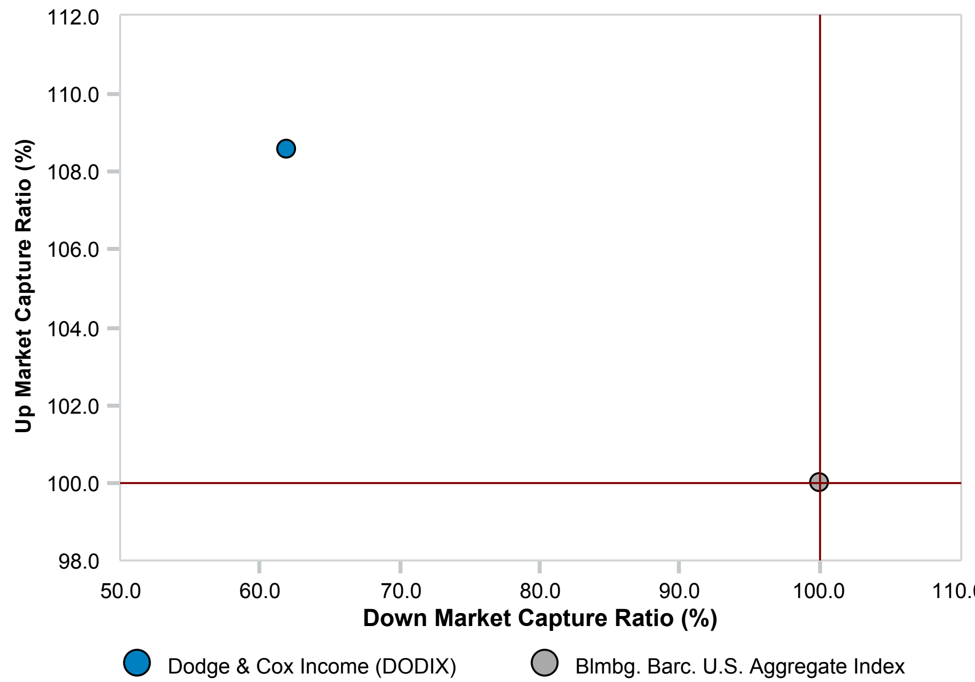
5 Year Rolling Percentile Ranking



Risk vs Return: October 2007 to Present



Up/Down Markets: October 2007 to Present

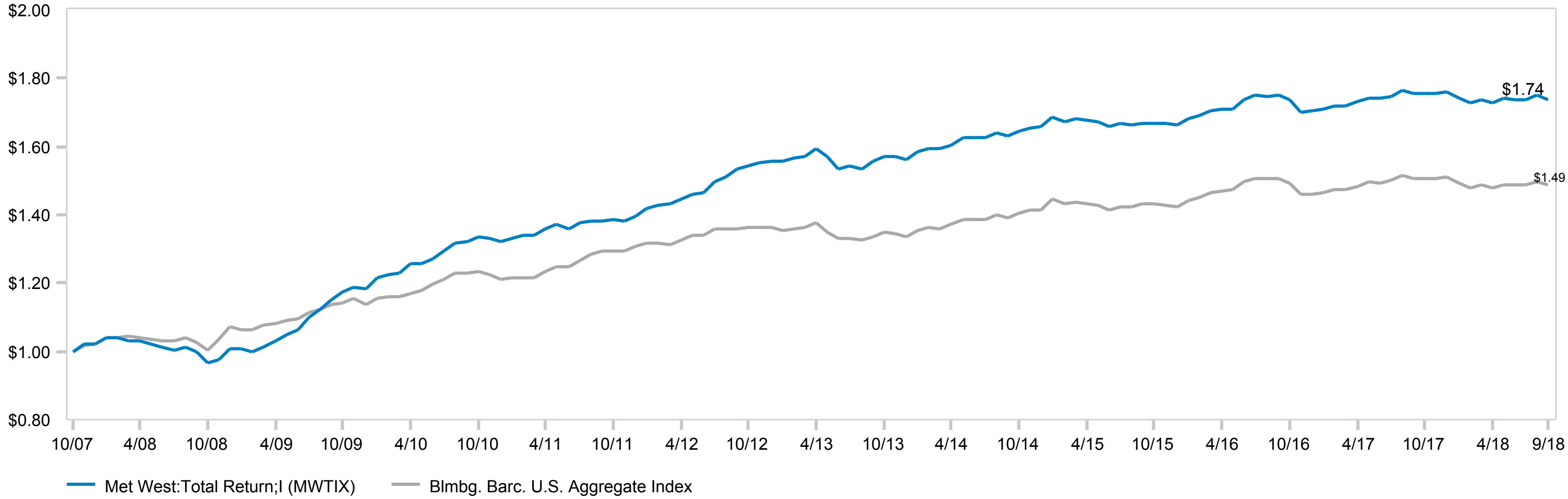


Historical Statistics: October 1, 2007 To September 30, 2018

	Consistency	Maximum Drawdown	Alpha	Active Return	Sharpe Ratio	Information Ratio	Treynor Ratio	Beta	Tracking Error
Dodge & Cox Income (DODIX)	68.18	-4.08	1.97	0.84	1.07	0.28	0.06	0.70	2.99
Blmbg. Barc. U.S. Aggregate Index	0.00	-2.98	0.00	0.00	0.98	N/A	0.03	1.00	0.00

Long-term composite performance. Actual client results may vary.
October 2007 represents the beginning of the current market cycle.
Peer Group: IM U.S. Broad Market Core Fixed Income (MF)

Growth of a Dollar



Trailing Returns

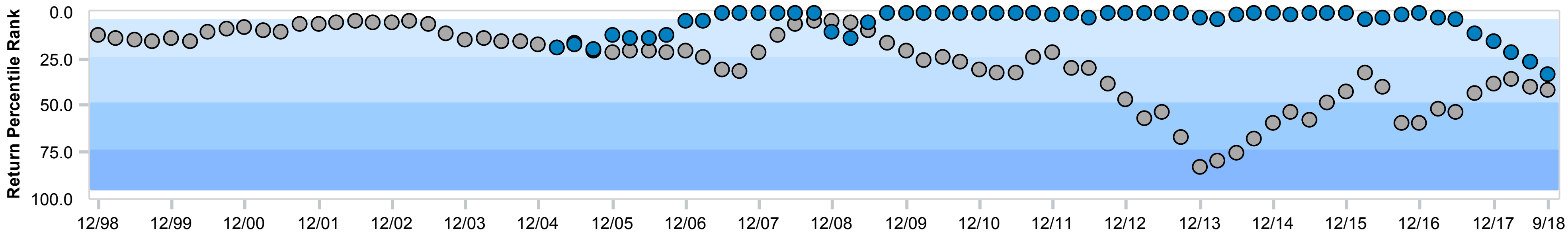
	QTR	YTD	1 YR	2 YR	3 YR	5 YR	7 YR	10 YR	15 YR
Met West:Total Return;I (MWTIX)	0.04 (59)	-1.35 (26)	-0.97 (27)	-0.33 (43)	1.36 (50)	2.25 (34)	3.33 (4)	5.71 (2)	5.35 (1)
Blmbg. Barc. U.S. Aggregate Index	0.02 (64)	-1.60 (43)	-1.22 (40)	-0.57 (56)	1.31 (53)	2.16 (42)	2.02 (59)	3.77 (66)	3.78 (38)
Median	0.10	-1.67	-1.35	-0.46	1.34	2.06	2.16	4.05	3.60

Fiscal Year Returns

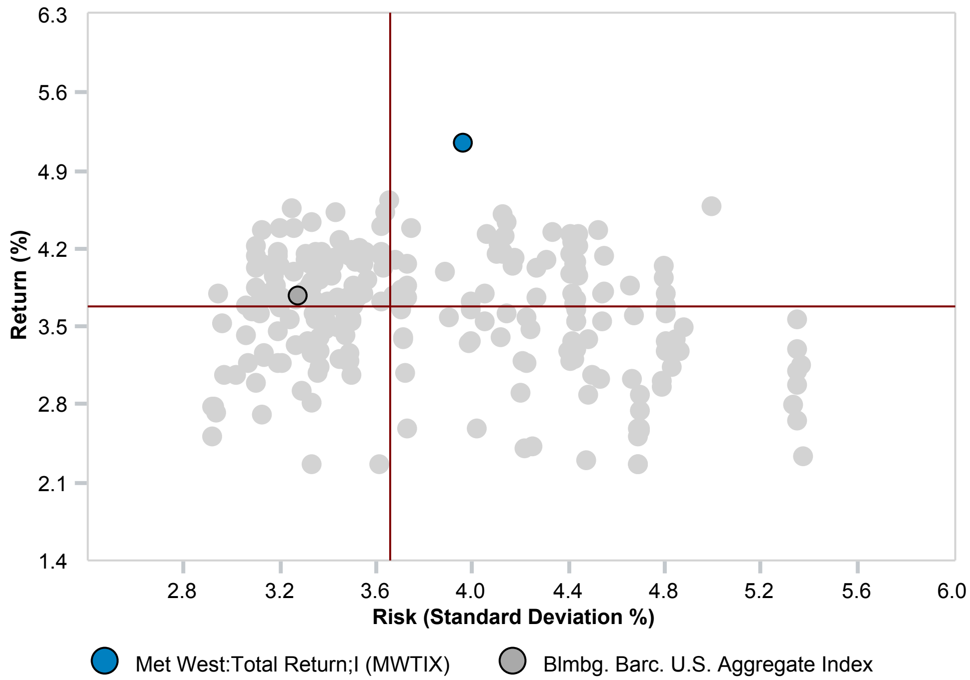
	FYTD	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011	FY 2010
Met West:Total Return;I (MWTIX)	-0.97 (27)	0.31 (56)	4.82 (71)	2.27 (37)	4.95 (23)	1.38 (2)	11.02 (1)	4.37 (47)	15.16 (2)
Blmbg. Barc. U.S. Aggregate Index	-1.22 (40)	0.07 (64)	5.19 (51)	2.94 (9)	3.96 (59)	-1.68 (53)	5.16 (81)	5.26 (14)	8.16 (76)
Median	-1.35	0.47	5.21	1.98	4.19	-1.62	6.79	4.30	9.34

Long-term composite performance. Actual client results may vary.
October 2007 represents the beginning of the current market cycle.
Peer Group: IM U.S. Broad Market Core Fixed Income (MF)

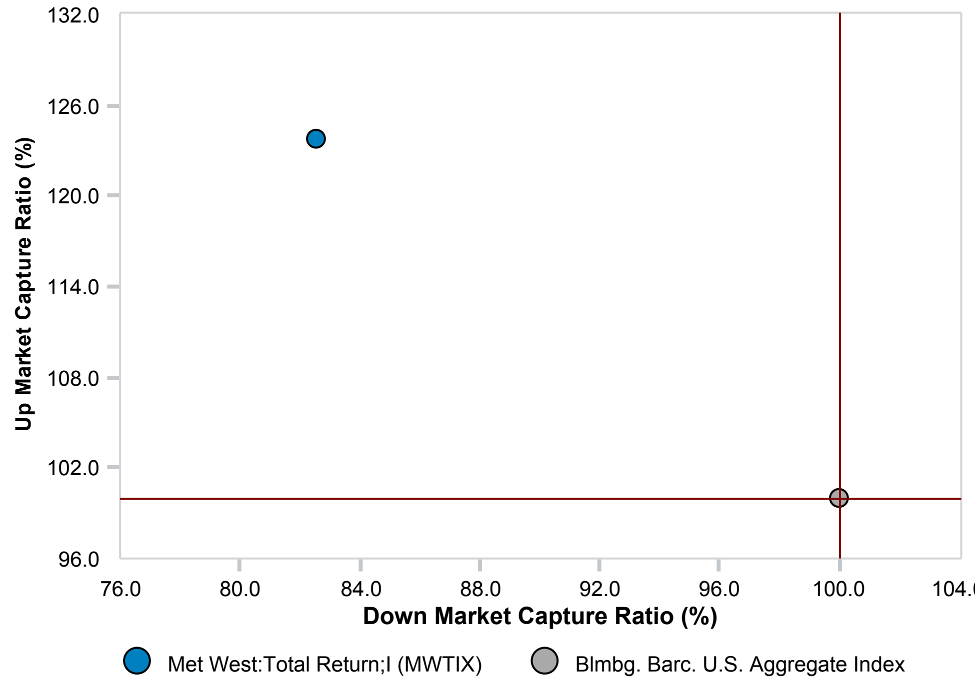
5 Year Rolling Percentile Ranking



Risk vs Return: October 2007 to Present



Up/Down Markets: October 2007 to Present

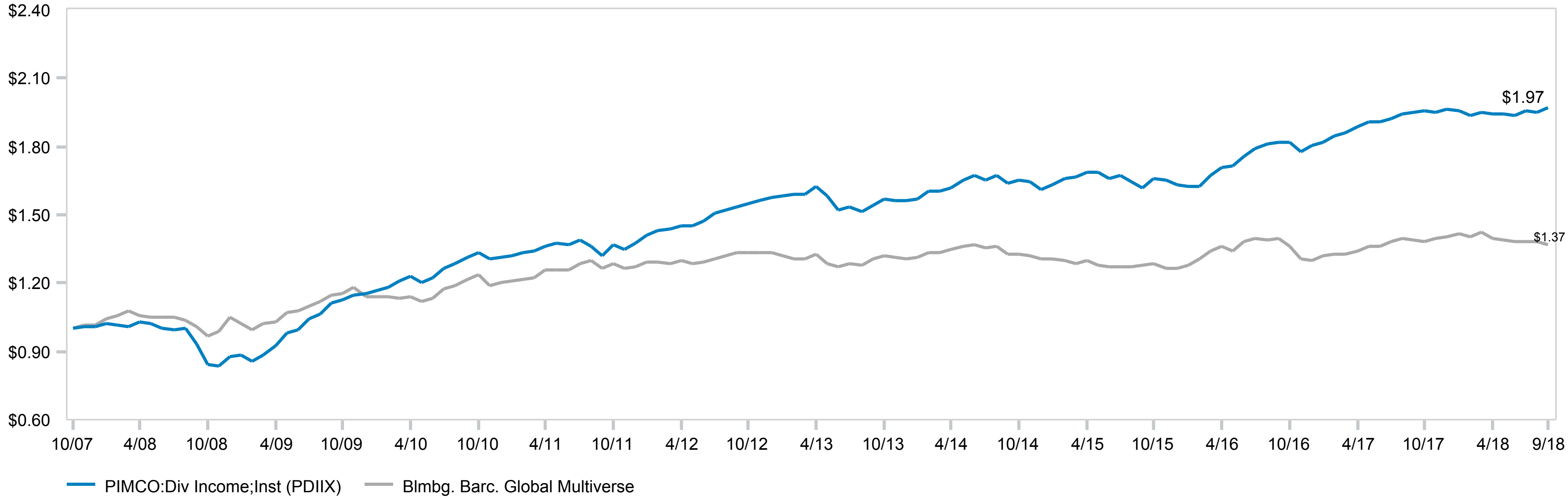


Historical Statistics: October 1, 2007 To September 30, 2018

	Consistency	Maximum Drawdown	Alpha	Active Return	Sharpe Ratio	Information Ratio	Treynor Ratio	Beta	Tracking Error
Met West:Total Return;I (MWTIX)	59.09	-3.50	1.81	1.35	1.12	0.49	0.05	0.88	2.74
Blmbg. Barc. U.S. Aggregate Index	0.00	-2.98	0.00	0.00	0.98	N/A	0.03	1.00	0.00

Long-term composite performance. Actual client results may vary.
October 2007 represents the beginning of the current market cycle.
Peer Group: IM U.S. Broad Market Core Fixed Income (MF)

Growth of a Dollar



Trailing Returns

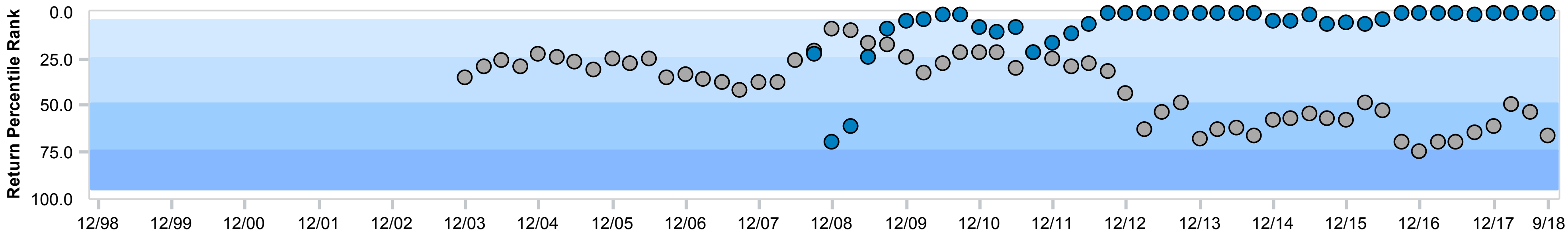
	QTR	YTD	1 YR	2 YR	3 YR	5 YR	7 YR	10 YR	15 YR
PIMCO:Div Income;Inst (PDIIX)	1.68 (3)	0.28 (13)	1.08 (11)	3.98 (3)	6.76 (1)	5.01 (1)	5.87 (1)	7.73 (1)	6.68 (1)
Blmbg. Barc. Global Multiverse	-0.80 (67)	-2.35 (58)	-1.32 (52)	-0.94 (71)	2.34 (51)	0.95 (66)	1.13 (73)	3.12 (62)	3.69 (60)
Median	-0.39	-1.86	-1.19	0.00	2.36	1.39	1.73	3.57	3.78

Fiscal Year Returns

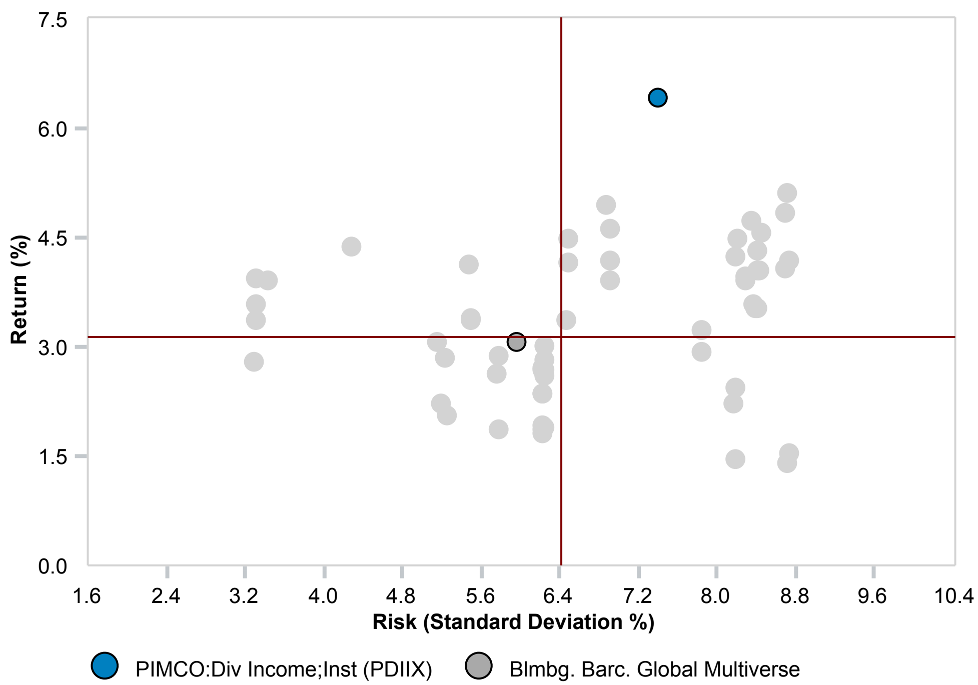
	FYTD	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011	FY 2010
PIMCO:Div Income;Inst (PDIIX)	1.08 (11)	6.97 (2)	12.55 (2)	-1.10 (26)	6.09 (16)	0.37 (22)	16.28 (2)	0.41 (84)	18.38 (1)
Blmbg. Barc. Global Multiverse	-1.32 (52)	-0.56 (77)	9.23 (25)	-3.56 (42)	1.40 (79)	-2.22 (56)	5.57 (81)	3.85 (11)	6.42 (76)
Median	-1.19	1.02	7.42	-3.85	3.37	-1.81	7.17	1.74	7.68

Long-term composite performance. Actual client results may vary.
October 2007 represents the beginning of the current market cycle.
Peer Group: IM Global Fixed Income (MF)

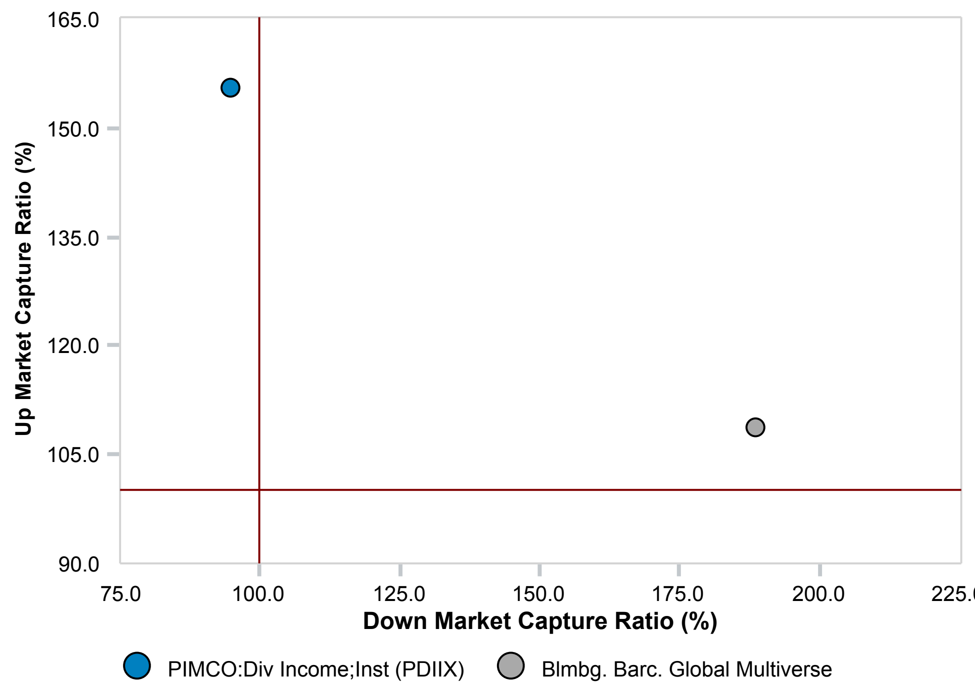
5 Year Rolling Percentile Ranking



Risk vs Return: October 2007 to Present



Up/Down Markets: October 2007 to Present

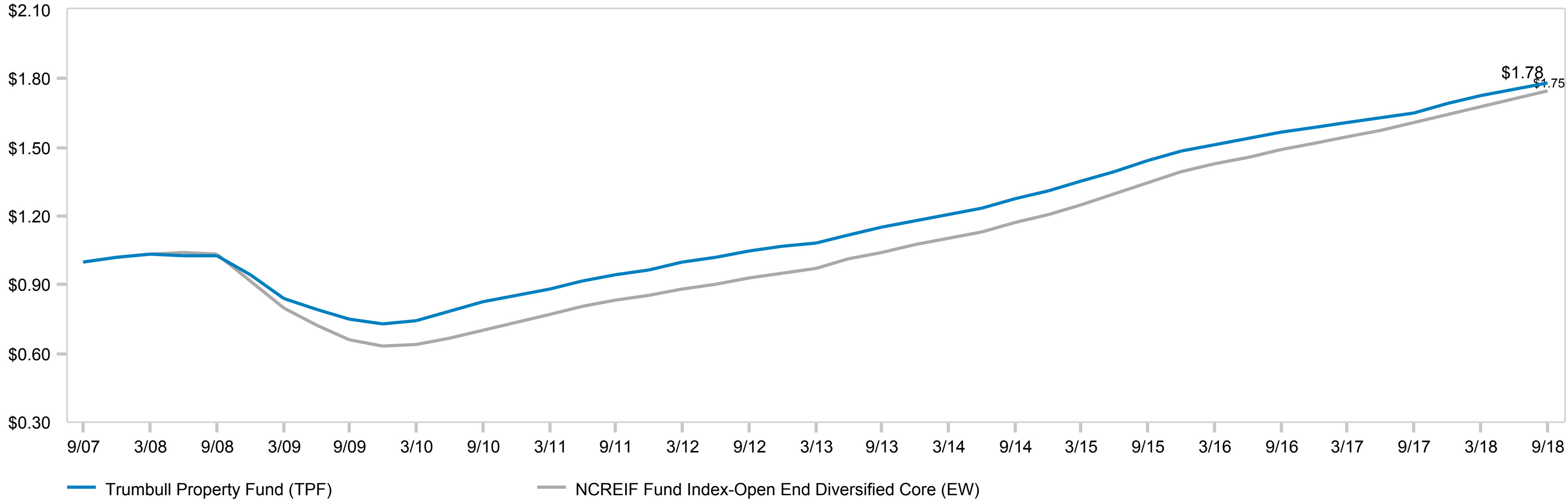


Historical Statistics: October 1, 2007 To September 30, 2018

	Consistency	Maximum Drawdown	Alpha	Active Return	Sharpe Ratio	Information Ratio	Treynor Ratio	Beta	Tracking Error
PIMCO:Div Income;Inst (PDIIX)	68.18	-13.47	4.12	2.76	0.79	0.38	0.09	0.65	7.18
Blmbg. Barc. Global Multiverse	52.27	-7.47	-1.62	-0.57	0.45	-0.13	0.02	1.28	4.33

Long-term composite performance. Actual client results may vary.
October 2007 represents the beginning of the current market cycle.
Peer Group: IM Global Fixed Income (MF)

Growth of a Dollar



Trailing Returns

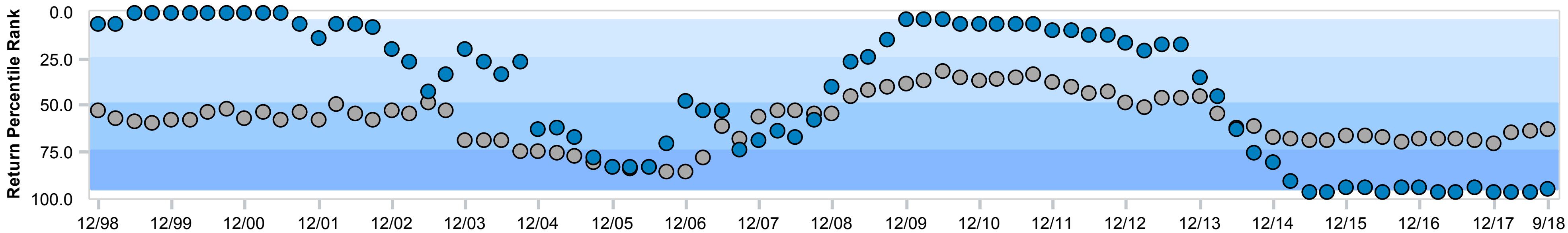
	QTR	YTD	1 YR	2 YR	3 YR	5 YR	7 YR	10 YR	15 YR
Trumbull Property Fund (TPF)	1.42 (100)	5.17 (96)	7.64 (86)	6.50 (86)	7.28 (100)	9.11 (95)	9.45 (95)	5.62 (64)	8.11 (75)
NCREIF Fund Index-Open End Diversified Core (EW)	2.09 (61)	6.53 (67)	8.82 (65)	8.32 (63)	9.08 (60)	10.84 (63)	11.21 (77)	5.35 (72)	8.04 (84)
Median	2.19	6.81	9.63	8.83	9.72	11.25	11.80	6.05	8.61

Fiscal Year Returns

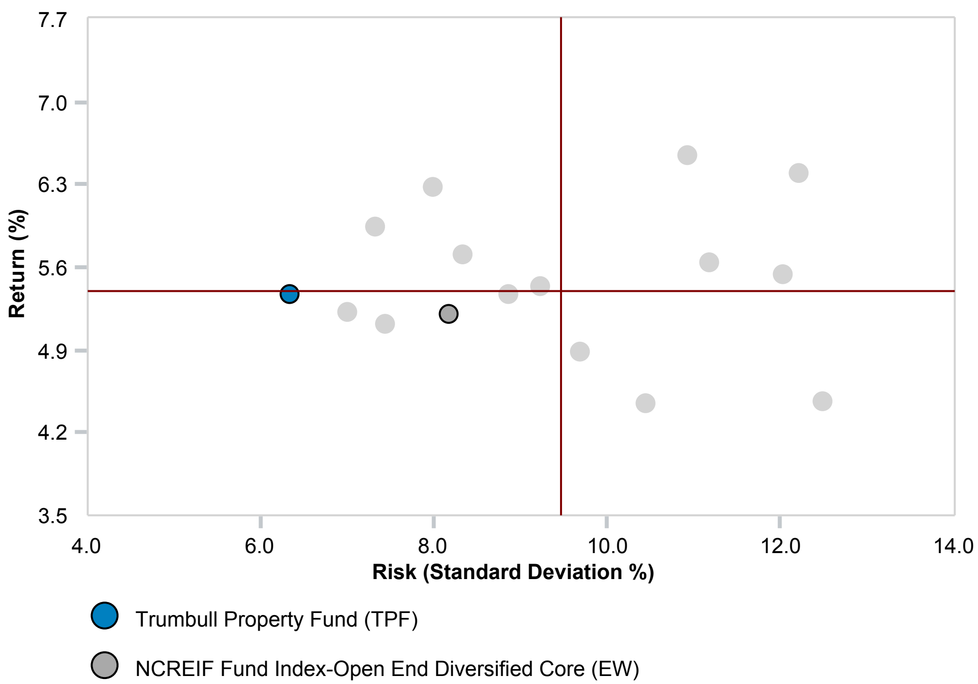
	FYTD	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011	FY 2010
Trumbull Property Fund (TPF)	7.64 (86)	5.37 (94)	8.85 (100)	12.94 (82)	10.89 (91)	10.08 (91)	10.53 (84)	14.50 (87)	9.57 (18)
NCREIF Fund Index-Open End Diversified Core (EW)	8.82 (65)	7.81 (60)	10.62 (69)	14.71 (62)	12.39 (68)	12.47 (67)	11.77 (66)	18.03 (44)	6.14 (55)
Median	9.63	8.29	11.32	15.45	12.78	13.18	12.90	16.96	6.43

Long-term composite performance. Actual client results may vary.
October 2007 represents the beginning of the current market cycle.
Peer Group: IM U.S. Open End Private Real Estate (SA+CF)

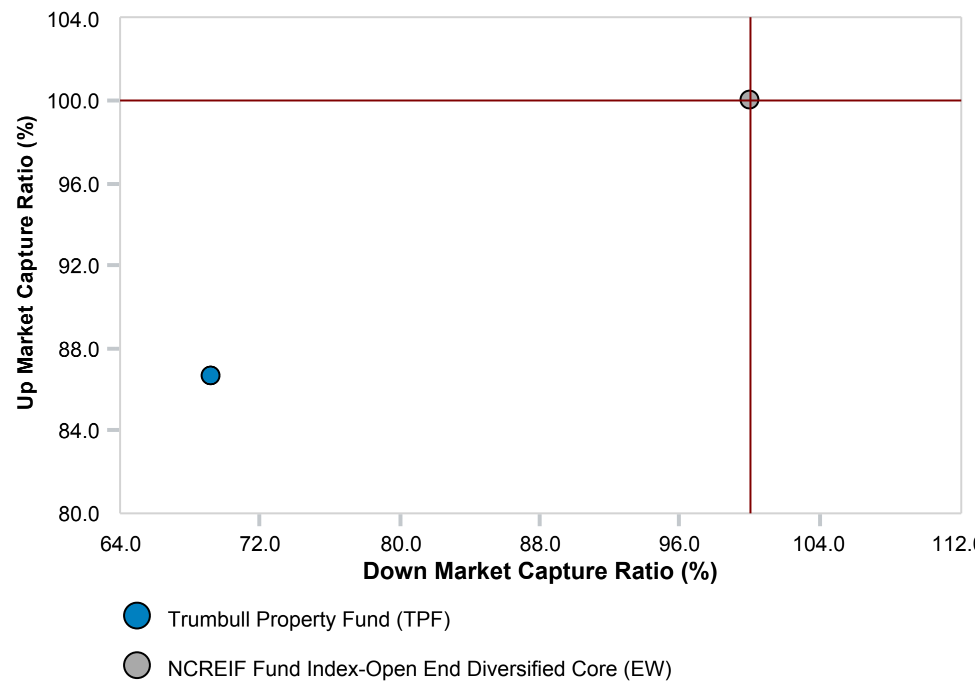
5 Year Rolling Percentile Ranking



Risk vs Return: October 2007 to Present



Up/Down Markets: October 2007 to Present



Historical Statistics: October 1, 2007 To September 30, 2018

	Consistency	Maximum Drawdown	Alpha	Active Return	Sharpe Ratio	Information Ratio	Treynor Ratio	Beta	Tracking Error
Trumbull Property Fund (TPF)	29.55	-29.41	1.33	0.02	0.77	0.01	0.06	0.76	2.27
NCREIF Fund Index-Open End Diversified Core (EW)	0.00	-39.11	0.00	0.00	0.60	N/A	0.05	1.00	0.00

Long-term composite performance. Actual client results may vary.
October 2007 represents the beginning of the current market cycle.
Peer Group: IM U.S. Open End Private Real Estate (SA+CF)

	Estimated Annual Fee (%)	09/30/18 Market Value	09/30/18 Allocation (%)	Estimated Annual Fee ($)
Domestic Equity				
Vanguard Total Stock Market Index (VITSX)	0.04	19,363,421	50.10	7,745
International Equity				
EuroPacific Growth (RERGX)	0.49	4,030,422	10.43	19,749
Oakmark Intl (OANIX)	0.77	1,768,754	4.58	13,619
Domestic Fixed Income				
Dodge & Cox (DODIX)	0.43	3,825,596	9.90	16,450
Metropolitan West Bond (MWTIX)	0.45	3,823,319	9.89	17,205
Global Fixed Income				
PIMCO Diversified Income (PDIIX)	0.77	1,928,268	4.99	14,848
Real Estate				
UBS - Private Real Estate	0.96	3,133,921	8.11	30,086
Cash Accounts				
R&D Cash Account		-	0.00	-
C/D Cash Account		774,802	2.00	-
Total Fund	**0.31**	**38,648,504**	**100.00**	**119,702**

Total Fund Policy

Oct-1995

Russell 1000 Value Index	20.00
Russell 1000 Growth Index	17.50
Russell 2500 Growth Index	12.50
Bloomberg Barclays Intermediate US Govt/Credit Idx	50.00

Nov-1995

Russell 1000 Value Index	20.00
Russell 1000 Growth Index	17.50
Russell 2500 Growth Index	12.50
Bloomberg Barclays Intermediate US Govt/Credit Idx	50.00

Oct-2000

Russell 1000 Value Index	20.00
Russell 1000 Growth Index	17.50
Russell 2000 Value Index	6.25
Russell 2000 Growth Index	6.25
MSCI EAFE (Net) Index	10.00
Bloomberg Barclays Intermediate US Govt/Credit Idx	40.00

Aug-2005

Russell 1000 Value Index	18.75
Russell 1000 Growth Index	18.75
Russell 2000 Value Index	6.25
Russell 2000 Growth Index	6.25
MSCI EAFE (Net) Index	10.00
Bloomberg Barclays Intermediate US Govt/Credit Idx	40.00

Feb-2009

Russell 1000 Value Index	18.75
Russell 1000 Growth Index	18.75
Russell 2000 Value Index	6.25
Russell 2000 Growth Index	6.25
MSCI EAFE (Net) Index	5.00
MSCI AC World ex USA (Net)	5.00
Bloomberg Barclays Intermediate US Govt/Credit Idx	40.00

Sep-2013

Russell 1000 Value Index	13.75
Russell 1000 Growth Index	13.75
Russell 2000 Value Index	6.25
Russell 2000 Growth Index	6.25
MSCI EAFE (Net) Index	5.00
MSCI AC World ex USA (Net)	5.00
Bloomberg Barclays Intermediate US Govt/Credit Idx	32.50
S&P 500 Index	10.00
NCREIF Property Index	7.50

Mar-2014

Russell 1000 Value Index	11.25
Russell 1000 Growth Index	11.25
Russell 2000 Value Index	6.25
Russell 2000 Growth Index	6.25
MSCI EAFE (Net) Index	5.00
MSCI AC World ex USA (Net)	5.00
Bloomberg Barclays Intermediate US Govt/Credit Idx	27.50
S&P 500 Index	10.00
NCREIF Property Index	7.50
HFRI FOF: Conservative Index	10.00

Apr-2016

Russell 1000 Value Index	11.25
Russell 1000 Growth Index	11.25
Russell 2500 Value Index	6.25
Russell 2000 Growth Index	6.25
MSCI EAFE (Net) Index	5.00
MSCI AC World ex USA (Net)	5.00
Bloomberg Barclays Intermediate US Govt/Credit Idx	27.50
S&P 500 Index	10.00
NCREIF Property Index	7.50
HFRI FOF: Conservative Index	10.00

Oct-2017

Russell 3000 Index	50.00
MSCI AC World ex USA	10.00
Blmbg. Barc. U.S. Aggregate Index	30.00
NCREIF Property Index	10.00

Sep-2018

Russell 3000 Index	50.00
MSCI AC World ex USA	10.00
Blmbg. Barc. U.S. Aggregate Index	25.00
Blmbg. Barc. Global Multiverse	5.00
NCREIF Fund Index-Open End Diversified Core (EW)	10.00

Total Equity Policy	
Oct-2017	
Russell 3000 Index	83.00
MSCI AC World ex USA	17.00
Sep-2018	
Russell 3000 Index	77.00
MSCI AC World ex USA	23.00

Total Fixed Income Policy	
Oct-2017	
Blmbg. Barc. U.S. Aggregate Index	100.00
Sep-2018	
Blmbg. Barc. U.S. Aggregate Index	80.00
Blmbg. Barc. Global Multiverse	20.00

Active Return	- Arithmetic difference between the manager's performance and the designated benchmark return over a specified time period.
Alpha	- A measure of the difference between a portfolio's actual performance and its expected return based on its level of risk as determined by beta. It determines the portfolio's non-systemic return, or its historical performance not explained by movements of the market.
Beta	- A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of the portfolio's systematic risk.
Consistency	- The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. Higher consistency indicates the manager has contributed more to the product's performance.
Distributed to Paid In (DPI)	- The ratio of money distributed to Limited Partners by the fund, relative to contributions. It is calculated by dividing cumulative distributions by paid in capital. This multiple shows the investor how much money they got back. It is a good measure for evaluating a fund later in its life because there are more distributions to measure against.
Down Market Capture	- The ratio of average portfolio performance over the designated benchmark during periods of negative returns. A lower value indicates better product performance
Downside Risk	- A measure similar to standard deviation that utilizes only the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. A higher factor is indicative of a riskier product.
Excess Return	- Arithmetic difference between the manager's performance and the risk-free return over a specified time period.
Excess Risk	- A measure of the standard deviation of a portfolio's performance relative to the risk free return.
Information Ratio	- This calculates the value-added contribution of the manager and is derived by dividing the active rate of return of the portfolio by the tracking error. The higher the Information Ratio, the more the manager has added value to the portfolio.
Public Market Equivalent (PME)	- Designs a set of analyses used in the Private Equity Industry to evaluate the performance of a Private Equity Fund against a public benchmark or index.
R-Squared	- The percentage of a portfolio's performance that can be explained by the behavior of the appropriate benchmark. A high R-Squared means the portfolio's performance has historically moved in the same direction as the appropriate benchmark.
Return	- Compounded rate of return for the period.
Sharpe Ratio	- Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is an absolute rate of return per unit of risk. A higher value demonstrates better historical risk-adjusted performance.
Standard Deviation	- A statistical measure of the range of a portfolio's performance. It represents the variability of returns around the average return over a specified time period.
Total Value to Paid In (TVPI)	- The ratio of the current value of remaining investments within a fund, plus the total value of all distributions to date, relative to the total amount of capital paid into the fund to date. It is a good measure of performance before the end of a fund's life
Tracking Error	- This is a measure of the standard deviation of a portfolio's returns in relation to the performance of its designated market benchmark.
Treynor Ratio	- Similar to Sharpe ratio but utilizes beta rather than excess risk as determined by standard deviation. It is calculated by taking the excess rate of return above the risk free rate divided by beta to derive the absolute rate of return per unit of risk. A higher value indicates a product has achieved better historical risk-adjusted performance.
Up Market Capture	- The ratio of average portfolio performance over the designated benchmark during periods of positive returns. A higher value indicates better product performance.

AndCo compiled this report for the sole use of the client for which it was prepared. AndCo is responsible for evaluating the performance results of the Total Fund along with the investment advisors by comparing their performance with indices and other related peer universe data that is deemed appropriate. AndCo uses the results from this evaluation to make observations and recommendations to the client.

AndCo uses time-weighted calculations which are founded on standards recommended by the CFA Institute. The calculations and values shown are based on information that is received from custodians. AndCo analyzes transactions as indicated on the custodian statements and reviews the custodial market values of the portfolio. As a result, this provides AndCo with a reasonable basis that the investment information presented is free from material misstatement. This methodology of evaluating and measuring performance provides AndCo with a practical foundation for our observations and recommendations. Nothing came to our attention that would cause AndCo to believe that the information presented is significantly misstated.

This performance report is based on data obtained by the client's custodian(s), investment fund administrator, or other sources believed to be reliable. While these sources are believed to be reliable, the data providers are responsible for the accuracy and completeness of their statements. Clients are encouraged to compare the records of their custodian(s) to ensure this report fairly and accurately reflects their various asset positions.

The strategies listed may not be suitable for all investors. We believe the information provided here is reliable, but do not warrant its accuracy or completeness. Past performance is not an indication of future performance. Any information contained in this report is for informational purposes only and should not be construed to be an offer to buy or sell any securities, investment consulting, or investment management services.

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Introduction to Bank Loans
A Primer for Institutional Clients

Putting clients first.

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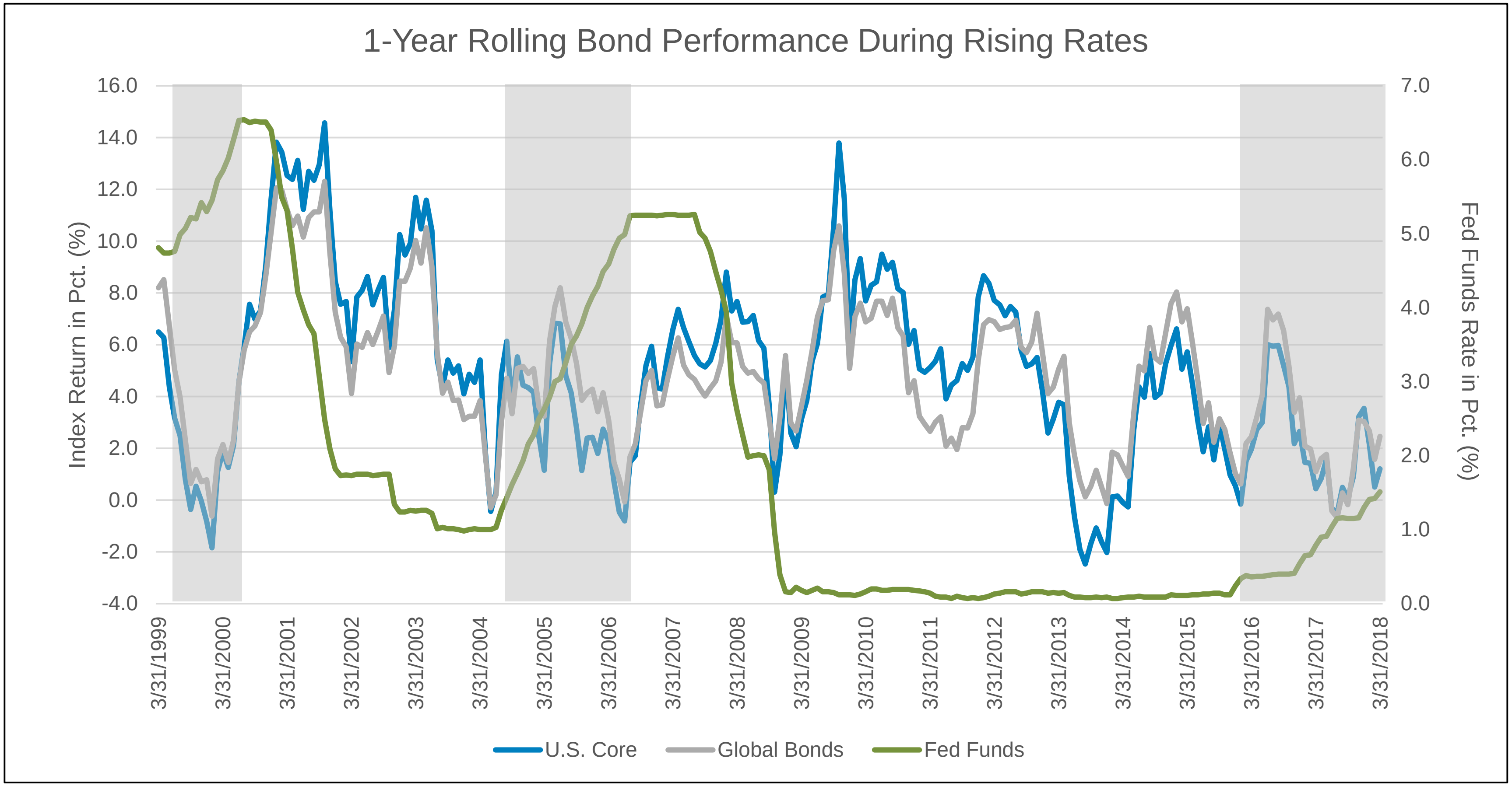
The Investment Challenge

1) Expected return from a traditional institutional portfolio will be challenged to meet return targets, and
2) As interest rates rise fixed income security prices have historically declined



Source: Expected return and correlation are from the "2018 JPMorgan Long-Term Capital Market Assumptions", St. Louis Federal Reserve, Morningstar and AndCo Consulting as of March 2018

Addressing the Investment Challenge

Bank loans have characteristics that can address these challenges:

- **Bank loans offer returns which are typically higher than those of Core bonds, but with generally lower credit risk than comparable to high yield bonds**
  - Bank loans trade based on a spread to an index, typically LIBOR, with comparable yields to high yield bonds
  - Bank loans are higher in the issuing company's capital structure and are often collateralized by assets which can reduce the potential for loss of capital in the event of a default
- **Bank loans offer investors floating coupons designed to minimize interest rate sensitivity**
  - Bank loan coupons reset every 90 days which can mitigate interest rate risk and potentially limit drawdowns during periods of rising interest rates

Ultimately, these benefits improve the risk-return characteristics of a traditional institutional portfolio, resulting in a more optimal asset allocation for institutional investors

Defining Bank Loans

- Bank loans have structural features that are unique and differentiated relative to fixed coupon high yield bonds: seniority in the capital structure and floating rate coupons
- Being senior in the capital structure and collateralized has historically led to higher recovery rates in the event of a default
- Bank loans have floating rate coupons which are highly sensitive to short-term interest rates. Given that the coupons reset every 30-90 days, bank loans have little to no duration

Characteristic	Description	Benefit
Senior Secured	Typically secured by assets and senior in a capital structure to bonds and equity	**Downside protection and higher recoveries –** Loans typically provide a higher recovery in the case of default and seniority in the capital structure allows the lender to be repaid first
Restrictive Covenants	Bank loans typically require that borrowers maintain pre-determined credit metrics	**Control –** This provides a lender more control over a borrower's strategic initiatives and allows a lender options to help control a borrower when performance deteriorates
Floating Rate Coupon	Bank loans typically set the interest payments to a floating rate index, such as LIBOR, plus a spread compensating you for the credit risk	**Mitigates interest rate risk –** The floating rate coupon helps keep pace with the market in rising rate environments
Recovery vs. High Yield Bonds	Bank loans are more senior in a firm's capital structure than bonds	**Recovery –** Being senior and secured by assets increases the likelihood of recovery of capital in the event of default

Institutional Investments in Bank Loans

- Institutional investors began investing in the late 1980s as banks sold or syndicated their corporate loans
- The Loan Syndications and Trading Association (LSTA) was formed in 1995 with the goal of fostering cooperation and coordination between market participants
  - Indexes were created
  - Loan ratings were standardized
- By the early 2000s, collateralized loan obligations (CLOs) were the primary driver of new loan issuance
- During the Financial Crisis in 2009, bank loans experienced similar default levels as high yield bonds. However, investors were able to recover significantly more assets as a result of the pledged collateral
- Easy monetary policies from global central banks resulted in a surge of new loan issuance as investors sought higher yielding assets. The bank loan market has grown to more than $1 trillion in market capitalization
- More recently, as the Federal Reserve has started to raise interest rates, investors have looked to bank loans as a way to hedge interest rate risk

Benefits of Implementing an Allocation to Bank Loans

Risk-Adjusted Return Potential

Bank loans are anticipated to generate an attractive long-term, risk-adjusted return profile relative to equities and fixed income according to the below

	Return	Standard Deviation
Bank Loans	5.28	7.75
Core Fixed Income	3.32	3.75
Global Fixed Income	2.71	6.50
High Yield	5.59	8.50
U.S. Large Cap	6.41	14.00
U.S. Small Cap	7.35	18.84

Source: Forecast returns are from the "2018 JPMorgan Long-Term Capital Market Assumptions"

Benefits of Implementing an Allocation to Bank Loans

Diversification

Bank loans typically exhibit a lower correlation with traditional equities and fixed income due mainly to the duration profile of the asset class

	Bank Loans	Core Fixed Income	Global Fixed Income	High Yield	U.S. Large Cap	U.S. Small Cap
Bank Loans	1.00					
Core Fixed Income	-0.07	1.00				
Global Fixed Income	-0.14	-0.07	1.00			
High Yield	0.80	0.19	0.17	1.00		
U.S. Large Cap	0.55	0.00	0.14	0.69	1.00	
U.S. Small Cap	0.51	-0.02	0.03	0.65	0.96	1.00

Source: Forecast returns are from the "2018 JPMorgan Long-Term Capital Market Assumptions"

Benefits of Implementing an Allocation to Bank Loans

Calendar Year Returns

Bank loans have historically provided consistent absolute returns with less volatility compared to traditional equity and fixed income assets

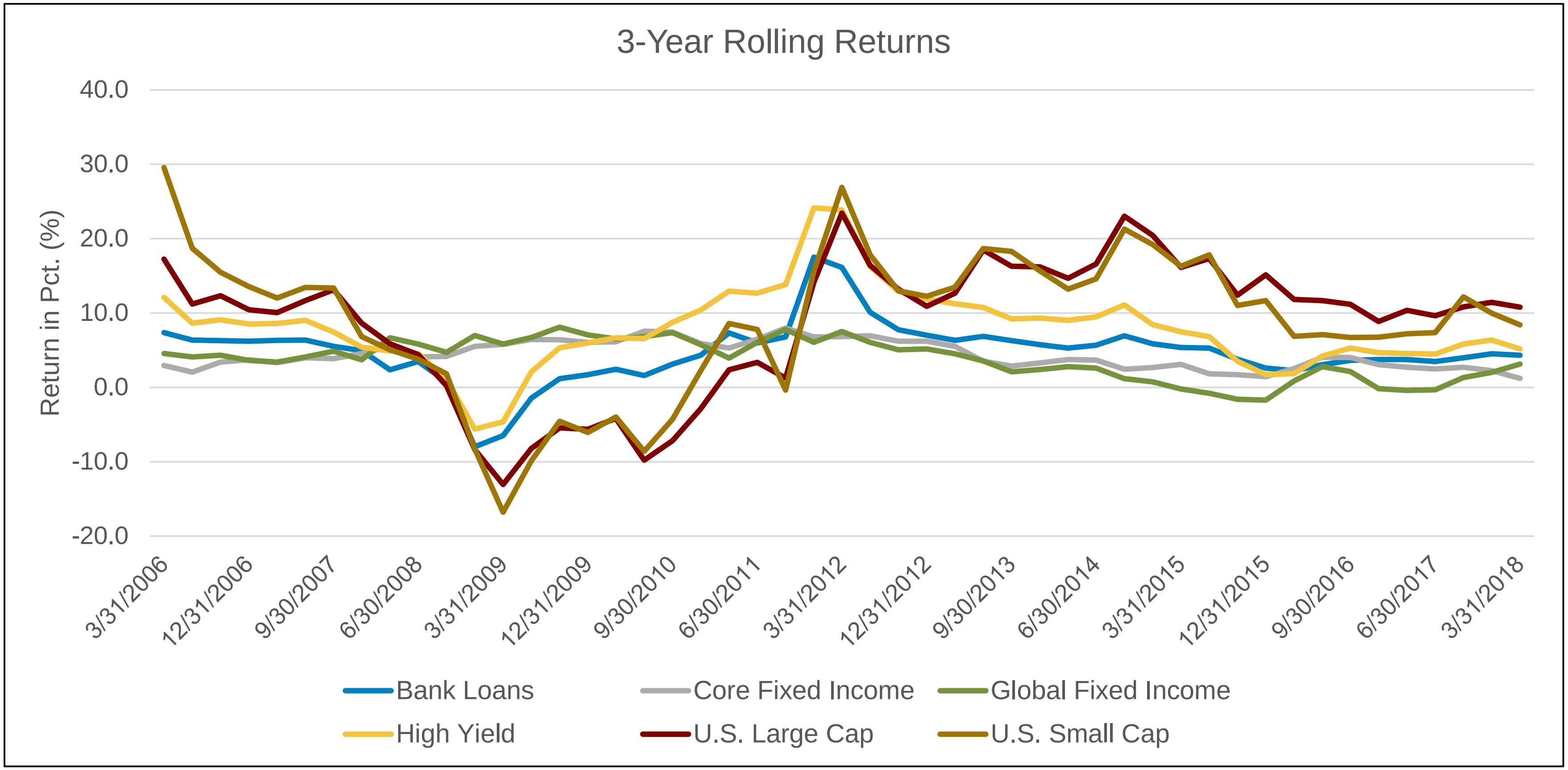
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Bank Loans	4.2%	9.9%	-0.4%	2.1%	6.2%	9.4%	1.8%	10.0%	44.9%	-28.8%
Core Fixed Income	3.5%	2.6%	0.5%	6.0%	-2.0%	4.2%	7.8%	6.5%	5.9%	5.2%
Global Fixed Income	7.4%	2.1%	-3.2%	0.6%	-2.6%	4.3%	5.6%	5.5%	6.9%	4.8%
High Yield	7.5%	17.1%	-4.5%	2.5%	7.4%	15.8%	5.0%	15.1%	58.2%	-26.2%
U.S. Large Cap	21.8%	12.0%	1.4%	13.7%	32.4%	16.0%	2.1%	15.1%	26.5%	-37.0%
U.S. Small Cap	14.6%	21.3%	-4.4%	4.9%	38.8%	16.3%	-4.2%	26.9%	27.2%	-33.8

Source: Morningstar as of December 2017. Past performance is no guarantee of future returns.

Benefits of Implementing an Allocation to Bank Loans

Rolling Returns

Bank loans have historically provided investors with similar returns as traditional assets with lower volatility

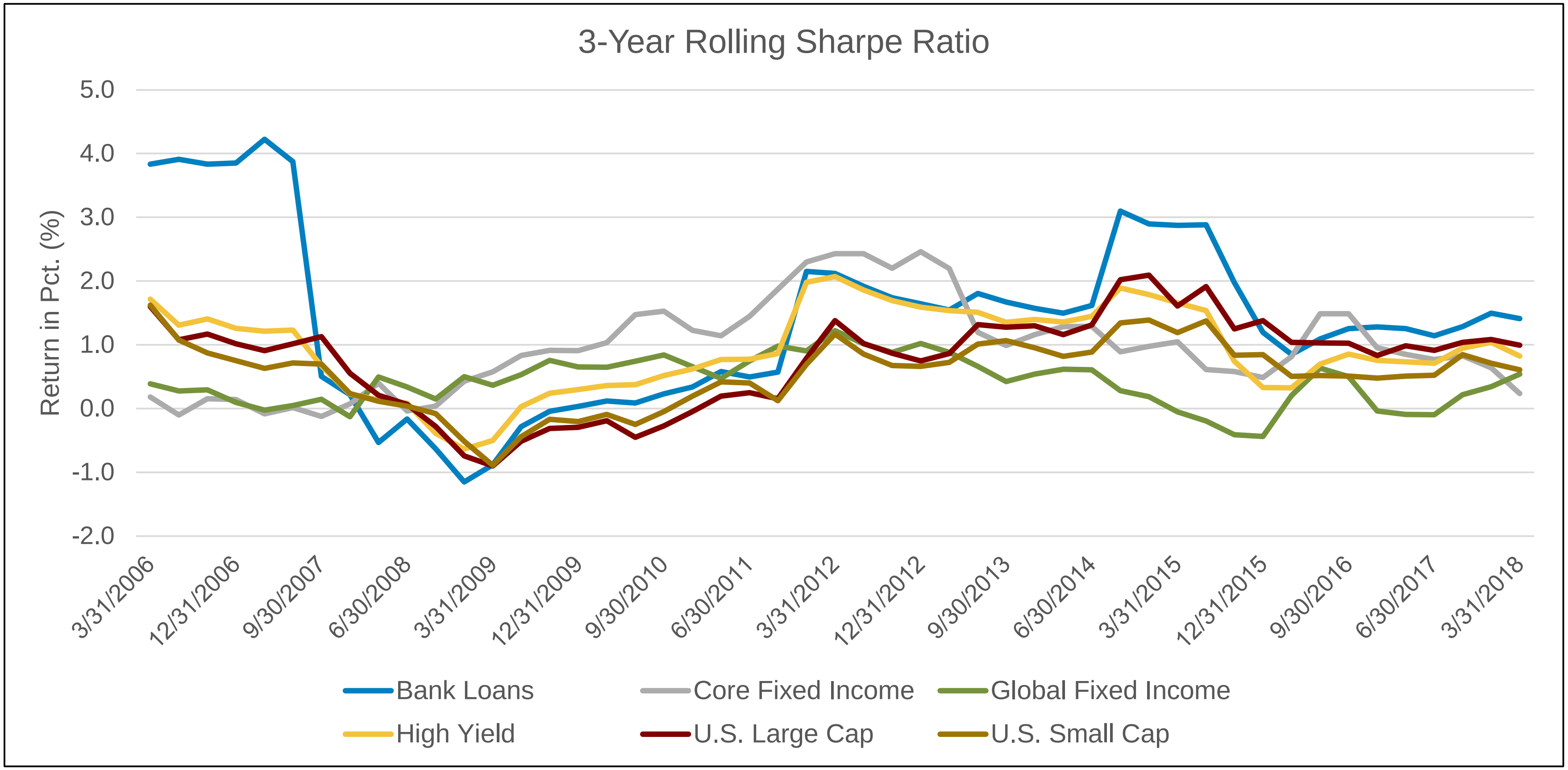


Source: Bloomberg Barclays, Standard & Poors and AndCo Consulting as of March 2018

Benefits of Implementing an Allocation to Bank Loans

Risk-adjusted Returns

Bank loans have historically provided investors with high risk-adjusted return compared to traditional assets

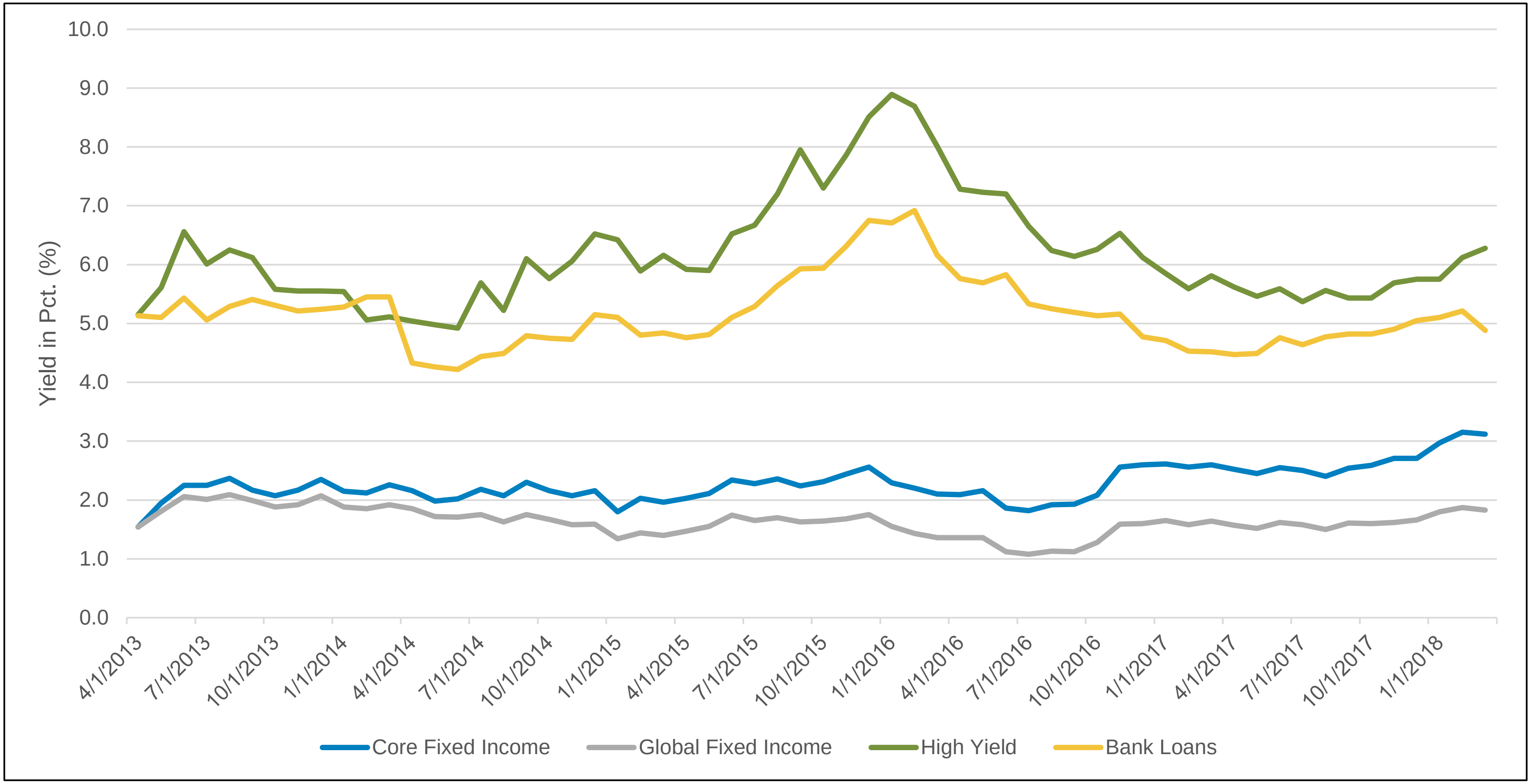


Source: Bloomberg Barclays, Standard & Poors and AndCo Consulting as of March 2018

Benefits of Implementing an Allocation to Bank Loans

Yield Enhancement

Bank loans have historically provided investors with enhanced yields compared to core and global bonds



Source: Bloomberg Barclays, Standard & Poors and AndCo Consulting as of March 2018

Benefits of Implementing an Allocation to Bank Loans

Downside Protection

Given their seniority in the capital structure and collateral, bank loans have historically protected investors' capital with lower default rates and higher recovery rates

	Default Rate (%)		Average Recovery Rate (%)	
	High Yield	Bank Loans	High Yield	Bank Loans
1995	2.3	0.5	42	94
1996	1.4	1.3	47	57
1997	0.9	0.6	54	78
1998	1.4	0.9	38	74
1999	4.1	2.5	31	51
2000	4.5	5.3	26	57
2001	9.2	6.8	28	57
2002	15.5	8.1	30	63
2003	4.3	3.8	44	67
2004	1.3	1.0	53	83
2005	2.6	1.6	51	86
2006	0.7	0.4	66	66
2007	0.5	0.2	60	89
2008	5.5	2.9	35	54
2009	9.4	9.6	27	43
2010	1.6	2.5	58	51
2011	1.8	0.7	54	55
2012	1.7	1.9	55	57
2013	0.9	1.4	58	65
2014	2.1	3.0	61	56
2015	3.4	1.6	37	58
2016	3.6	1.5	30	63
2017	1.3	1.8	49	62
Yearly Averages	**3.5**	**2.6**	**45**	**65**

Source: JPMorgan, Credit Suisse and AndCo as of December 2017

Implementation Considerations – Risks and Unique Characteristics

Primary considerations to implementing a Bank Loans allocation:

- **Economic:**
  - Bank loans are sensitive to economic growth conditions. Periods of decelerating growth marked by declining interest rates can negatively impact returns
- **Default:**
  - As with all other bonds, it is possible for a company to default on its loan payments. However, bank loans sit higher in the capital structure of the borrowing company compared to subordinated bonds, and as such, have a higher probability of recovery in the event of a default
- **Liquidity:**
  - While bank loan markets have experienced considerable growth in recent years, liquidity can be challenging during risk-off periods marked by widening credit spreads
  - Bank loans typically trade on a T +29 basis which can result in mismatched in cash flows
- **Prepayment:**
  - There is a risk that the borrowing company may choose to repay the loan early which may impact expected cash flows and subject investors to reinvestment risk
- **Ratings:**
  - The borrowing company's creditworthiness may deteriorate which can result in a rating downgrade which can affect the market value of the loan
- **Fees:**
  - Fees for bank loan funds are higher than other public fixed income options. Fees typically range between 0.5% and 1.0%

Implementation Considerations – Manager/Strategy Selection

What does AndCo look for when evaluating bank loan managers?

- **Team stability:**
  - Due to the long-term nature of the investments, we generally believe that it is critical to partner with a team that has had minimal turnover of key professionals responsible for generating the firm's track record
- **Size, depth and resources:**
  - Compared to more efficient sectors of the fixed income market, bank loans are labor intensive in nature and require considerable resources. Given this, we tend to favor larger managers with well-resourced research capabilities
- **Ability to add value through active management:**
  - Demonstrated capabilities of adding value through techniques such as sector rotation, security selection, and negotiating contracts
- **Product design and investment policy constraints:**
  - Bank loan funds contain corporate credit exposures. The ability to access attractive terms on these structures will generally impact total return
- **Portfolio construction process:**
  - Most bank loan funds are constructed with a greater focus on relative return compared to a benchmark. The ability to control positing sizing and limit risk should impact total return
- **Track record:**
  - Have demonstrated an ability to generate net returns consistent with the investment strategy across market cycles
- **Terms:**
  - Reasonable fees and terms that are consistent with institutional market standards

The Bank Loans Opportunity

AndCo's View

- Allocating 2% to 5% of an institutional portfolio to bank loans is a reasonable long-term strategic allocation, depending on the investor's objectives
- We view bank loans as a component of a long term strategic allocation, not a short-term trade idea
- We believe a steady and consistent allocation to bank loans can further diversify a portfolio and potentially add return depending on the portfolio funding source
- We prefer strategies which offer investors the opportunity to participate in broadly-syndicated loans with the potential to mitigate liquidity and credit risks
- We prefer that clients access bank loan strategies through commingled funds given the liquidity profile of the space and the potential for defaults and workouts

Bank Loan Terms

Alpha: A measure of performance on a risk-adjusted basis.

Basis Point (BPS): refer to a common unit of measure for interest rates and other percentages in finance. One basis point is equal to 1/100th of 1%, or 0.01% (0.0001), and is used to denote the percentage change in a financial instrument.

Bloomberg Barclays Capital U.S. Aggregate Bond Index: Also known as 'core' bonds. An index that represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities.

Bloomberg Barclays Capital Global Aggregate Bond Index: Also known as 'global' bonds. An index that represents securities that are SEC-registered, taxable, and denominated in local currency. The index covers the global investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities.

Below Investment Grade: Also known as "junk bond" is a security rated below investment grade having a rating of BBB- or below. These bonds are seen as having higher default risk or other adverse credit events, but typically pay higher yields than better quality bonds in order to make them attractive. They are less likely to pay back at par/$100 cents on the dollar.

Beta: A measure of the volatility of a security or portfolio in comparison to the market as a whole.

Correlation: A statistical measurement of the relationship between two variables. Possible correlations range from +1 to -1. A zero correlation indicates that there is no relationship between the variables. A correlation of -1 indicates a perfect negative correlation and +1 indicates a perfect positive correlation.

Default: When a borrower (issuer of debt) has failed to fulfill their obligations or conditions on their debt.

Duration: A commonly used measure of the potential volatility of the price of a debt security, or the aggregate market value of a portfolio of debt securities, prior to maturity. Securities with a longer duration generally have more volatile prices than securities of comparable quality with a shorter duration.

Gross Domestic Product (GDP): The monetary value of all the finished goods and services produced within a country's borders in a specific time period.

Management Fee: A fee paid to the Investment Manager for its services, typically as a percentage of aggregate capital commitments. Management fees in a mutual fund typically range from 0.50% to 1.0% of assets.

Primary Market: The market in which securities are created and firms sell stocks and bonds to the public for the first time.

S&P/LSTA U.S. Leveraged Loan Index: The index used to reflect the performance of the largest facilities in the leveraged loan market.

Secondary Market: The market in which investors purchase securities or assets from other investors, rather than from issuing companies themselves.

Sharpe Ratio: A reward-to-variability ratio and a measure of the excess return (or Risk Premium) per unit of risk in an investment asset or a trading strategy.

Sovereign Bonds: Bonds issued by governments, or government-backed, entities.

Spread: The difference between the quoted rates of return or yield on two different investments, usual of different credit qualities but similar maturities.

Standard Deviation: A measure of the dispersion of a set of data from its mean. The more spread apart the data, the higher the deviation. Calculated by the square-root of the variance.

Tracking Error: A divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark. This is often in the context of a hedge or mutual fund that did not work as effectively as intended, creating an unexpected profit or loss instead.

Yield: The income return on an investment, such as the interest or dividends received from holding a particular security. The yield is usually expressed as an annual percentage rate based on the investment's cost, current market value or face value

Investment Options

Purpose for this Manager Evaluation Report

This search has been conducted to identify possible candidates for the addition of an allocation to Bank Loans.

Investment Options for this Manager Evaluation Report

Firm Name	Strategy Name	Vehicle	Management Fee	Investment Minimum
Credit Suisse Asset Management	Credit Suisse Floating Rate Hi Inc Instl (CSHIX)	MF	0.70%	$250,000
Loomis Sayles	Loomis Sayles Senior Floating Rate and Fixed Income (LSFNX)	MF	0.75%	$1,000,000
Pacific Life Fund Advisors	Pacific Funds Floating Rate Income I (PLFRX)	MF	0.71%	$500,000

Definition and Characteristics

The U.S. Bank Loan category is defined as corporate loans rated BB or below by an established credit rating agency, which is often categorized as non-investment grade. The most popular benchmarks for the category are the Standard and Poors/Loan Syndications & Trading Association (S&P/LSTA) Leveraged Loan Index and the Credit Suisse Leveraged Loan (CSLL) Index. Both the S&P/LSTA and CSLL Indexes focus on US domestic corporate issues which contain US dollar denominated loans. Both focus on floating-rate loans which typically reset their coupon payments every 90 days based on a reference index such as 90-day LIBOR.

Role within a Portfolio

The Bank Loan category can play an important role in a diversified fixed income portfolio. Bank Loans offer larger coupons compared to U.S. Treasury, Agency and investment grade corporate bonds with the added potential for price appreciation in the event of an improvement in the economy, or performance of the issuing company. Importantly, bank loans offer the added benefit of a shorter duration profile because of the frequent coupon resets. Bank loans generally provide lower correlation to other sectors of the fixed income market, along with less sensitivity to interest rate risk. An allocation to bank loans may provide portfolio diversification benefits.

Benchmark and Peer Group

This Bank Loan search report will use the following benchmark and peer group:

Index – S&P/LSTA Leveraged Loan Index: The index is a market value-weighted index which covers the U.S. Corporate non-investment grade floating-rate loan market and contains over 1,200 issues. The index is composed of U.S. dollar-denominated corporate loans in a variety of sectors a minimum $50 million par amount outstanding and minimum initial maturity of greater than one year.

Morningstar Category – Bank Loan: Bank-loan portfolios primarily invest in floating-rate bank loans instead of bonds. In exchange for their credit risk, these loans offer high interest payments that typically float above a common short-term benchmark such as the London Interbank Offered Rate, or LIBOR.

Investment Option Comparison

	Credit Suisse Floating Rate Hi Inc Instl	Loomis Sayles Sr Floating Rate and F/I N	Pacific Funds Floating Rate Income I
Firm Information			
Year Founded	1/1/1997	1/1/1926	1/1/2007
US Headquarters Location	New York, NY	Boston, MA	Newport Beach, CA
Number of Major Global Offices	2	3	1
Year Began Managing Ext. Funds	1/1/2004	1/1/1926	1/1/2007
Firm AUM ($ M)	382,200	266,656	7,400
Ownership Type	Subsidiary	Subsidiary	Subsidiary
Largest Owner (Name)	Credit Suisse	NGAM	Pacific Life
Employee Ownership (%)	0	0	0
Qualify as Emerging Manager?	No	No	No

Team Information			
Decision Making Structure	Team	PM-Led	PM-Led
Number of Decision Makers	5	2	2
Names of Decision Makers	5 decision makers	J. Bell, M. Klawitter	JP Leasure, Michael Marzouk
Date Began Managing Strategy	1998	2011	2007
Date Began with Firm	1997-2008	2001	2007
Number of Products Managed by Team	7	2	1
Number of Investment Analysts	18	5	13
Investment Analyst Team Structure	Sector/Industry analysts	Generalists	Sector/Industry analysts

The source of data and figures provided is generally the respective managers. Certain data represents AndCo's view and could differ from the manager's interpretation. The most current AUM of each strategy may therefore differ from what is currently stated.

	Credit Suisse Floating Rate Hi Inc Instl	Loomis Sayles Sr Floating Rate and F/I N	Pacific Funds Floating Rate Income I
Strategy Information			
Inception Date	6/1/1998	9/30/2011	1/1/2007
Open/Closed	Open	Open	Open
Primary Benchmark	Credit Suisse Leveraged Loan	S&P/LSTA Leveraged Loan	Credit Suisse Leveraged Loan
Secondary Benchmark	N/A	N/A	N/A
Peer Universe	Bank Loan Universe	Bank Loans	Bank Loan Universe
Outperformance Estimate (%)	.5-1	0.75-1	.5-1
Tracking Error Estimate (%)	1-1.5	1-1.5	1
Strategy AUM ($ M)	3,500	3,608	3,200
Strategy AUM as % Firm Assets	12	1	40
Investment Approach - Primary	Bottom-up	Combination	Bottom-up
Investment Approach - Secondary	Quantitative	Fundamental	Fundamental
Portfolio Construction Information			
Broad Style Category	Bank Loans	Bank Loans	Bank Loans
Style Bias	Relative Value	Relative Value	Relative Value
Duration Constraint Type	N/A	N/A	Absolute
Duration Constraint (%)	N/A	N/A	1-year maximum
Sector Constraint Type	Absolute	Absolute	Relative
Sector Constraints (%)	Max 25%	Bank Loans: 65-100; Other FI: 0-35	3x Index Weighting
Typical Sector/s Overweight	N/A	N/A	N/A
Typical Sector/s Underweight	N/A	N/A	N/A
Typical Number of Holdings	425-475	200-300	80-150
Average Full Position Size (%)	1.25	0.5	.5-1.5
Maximum Position Size (%)	5	5	5
Annual Typical Asset Turnover (%)	25-35	N/A	100
Annual Typical Name Turnover (%)	25-35	N/A	30-50
Max <BBB Credit (%)	N/A	N/A	100
Maximum Foreign Exposure (%)	30	20; EMD: 10	20
Maximum Cash Allocation (%)	5	Varies; Current: 3	10
Derivatives Used?	No	Yes	No

The source of data and figures provided is generally the respective managers. Certain data represents AndCo's view and could differ from the manager's interpretation. The most current AUM of each strategy may therefore differ from what is currently stated.

	Credit Suisse Floating Rate Hi Inc Instl	Loomis Sayles Sr Floating Rate and F/I N	Pacific Funds Floating Rate Income I
COMPOSITION			
# of Holdings	474	350	156
% Asset in Top 10 Holdings	7.46	6.50	12.82
Asset Alloc Cash %	7.70	7.00	8.08
Asset Alloc Equity %	0.07	0.45	0.00
Asset Alloc Bond %	91.60	91.30	91.92
Asset Alloc Other %	0.63	1.25	0.00
STATISTICS			
Average Eff Duration	0.52	0.26	0.32
Average Eff Maturity	3.01	5.06	5.18*
Average Coupon	4.43	6.29*	5.63*
Yield to Maturity	6.13	N/A	N/A
Average Credit Quality	B	B	B
SECTOR ALLOCATION			
Government %	0.00	0.00	0.00
Government Related %	0.00	0.00	0.00
Municipal Taxable %	0.00	0.00	0.00
Municipal Tax-Exempt %	0.00	0.00	0.00
Bank Loan %	75.41	83.22	87.85
Corporate Bond %	12.08	7.85	4.07
Agency Mortgage-Backed %	0.00	0.00	0.00
Non-Ag. Res. Mortgage-Backed %	0.00	0.00	0.00
Commercial Mortgage-Backed %	0.17	0.23	0.00
Asset-Backed %	3.83	0.00	0.00
Cash & Equivalents %	7.70	7.00	8.08

Morningstar Direct does not provide fundamental data for Bloomberg Barclays' fixed income indices.

***The source of the noted figure is the respective manager.**

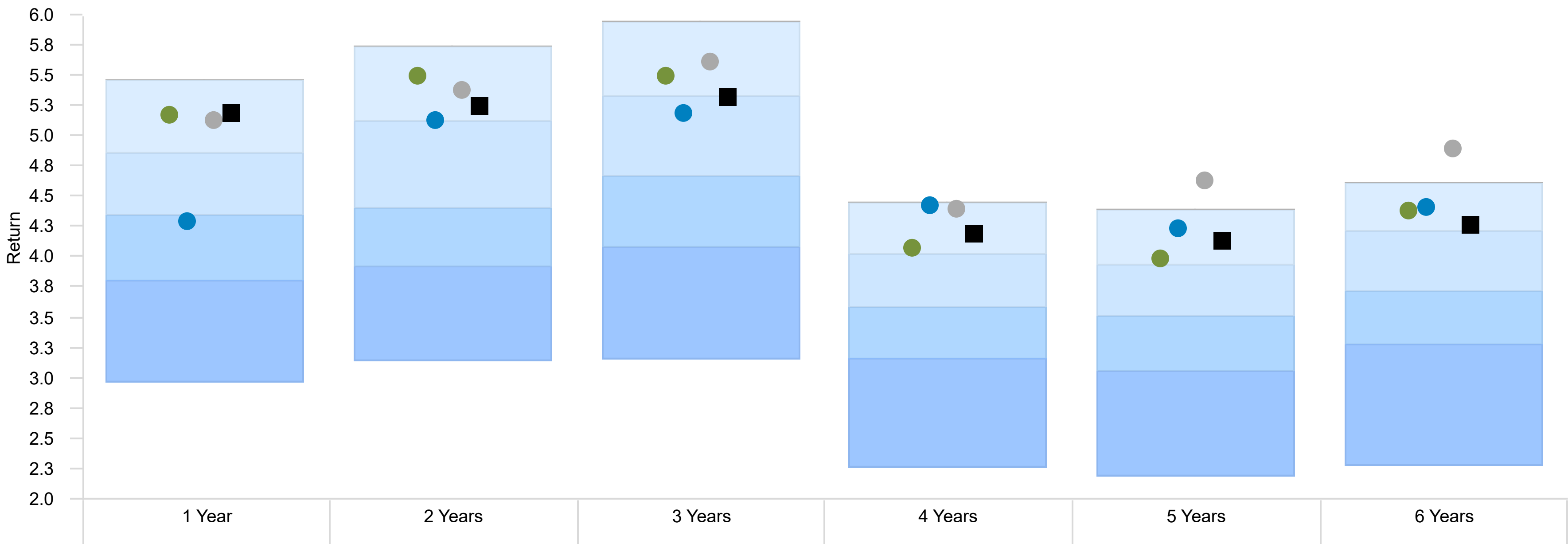
	Credit Suisse Floating Rate Hi Inc Instl	Loomis Sayles Sr Floating Rate and F/I N	Pacific Funds Floating Rate Income I
MATURITY DISTRIBUTION			
Maturity 1-3 Yr %	8.11	4.47	6.37
Maturity 3-5 Yr %	18.37	28.47	16.07
Maturity 5-7 Yr %	55.63	56.35	61.79
Maturity 7-10 Yr %	5.96	1.78	7.29
Maturity 10-15 Yr %	2.54	0.00	0.00
Maturity 15-20 Yr %	0.00	0.00	0.00
Maturity 20-30 Yr %	0.50	0.00	0.00
Maturity 30+ Yr %	0.02	0.00	0.00
QUALITY DISTRIBUTION			
Credit Qual AAA %	7.61	0.00	0.00
Credit Qual AA %	0.00	4.51	0.00
Credit Qual A %	0.96	0.00	0.00
Credit Qual BBB %	9.96	0.00	5.62
Credit Qual BB %	31.88	10.09	21.83
Credit Qual B %	41.81	73.48	61.93
Credit Qual Below B %	5.26	11.13	10.21
Credit Qual Not Rated %	2.52	0.79	0.41

Quantitative Review

Returns Net of Fees.

Performance data shown prior to fund's inception date represents extended performance of an older share class of the same strategy.

Peer Group (5-95%): Open End Funds - U.S. - Bank Loan



	1 Year	Rank	2 Years	Rank	3 Years	Rank	4 Years	Rank	5 Years	Rank	6 Years	Rank
Credit Suisse Floating Rate Hi Inc Instl	4.30	53	5.13	25	5.19	30	4.43	7	4.25	9	4.41	14
Loomis Sayles Sr Floating Rate and F/I N	5.14	17	5.38	16	5.61	13	4.40	8	4.64	3	4.89	1
Pacific Funds Floating Rate Income I	5.18	13	5.50	13	5.51	19	4.08	23	4.00	20	4.39	15
S&P/LSTA Leveraged Loan TR	5.19	12	5.25	22	5.32	25	4.20	18	4.13	15	4.28	22

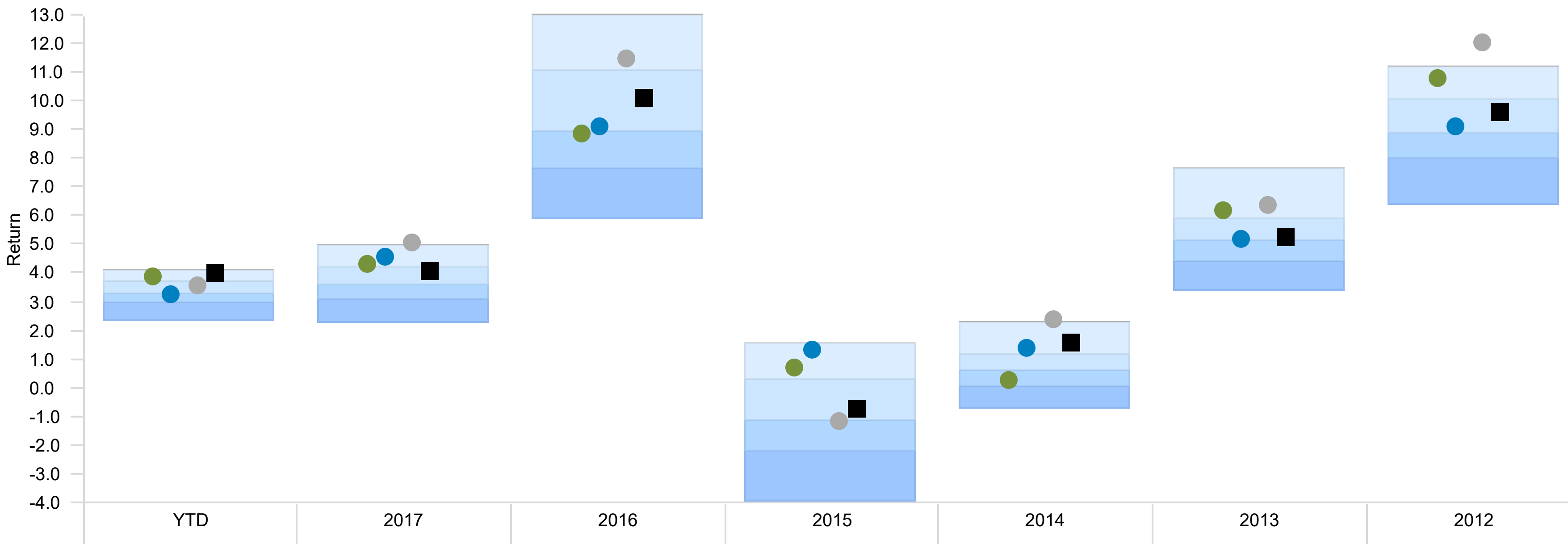
Credit Suisse Floating Rate Hi Inc Instl

Loomis Sayles Sr Floating Rate and F/I N

Pacific Funds Floating Rate Income I

S&P/LSTA Leveraged Loan TR

Peer Group (5-95%): Open End Funds - U.S. - Bank Loan



	YTD	Rank	2017	Rank	2016	Rank	2015	Rank	2014	Rank	2013	Rank	2012	Rank
Credit Suisse Floating Rate Hi Inc Instl	3.29	50	4.57	12	9.11	49	1.37	7	1.38	19	5.24	47	9.13	45
Loomis Sayles Sr Floating Rate and F/I N	3.56	31	5.10	4	11.51	16	-1.14	49	2.41	5	6.39	15	12.04	1
Pacific Funds Floating Rate Income I	3.93	11	4.33	20	8.91	50	0.75	16	0.31	62	6.22	18	10.80	9
S&P/LSTA Leveraged Loan TR	4.03	7	4.12	28	10.16	35	-0.69	43	1.60	11	5.29	45	9.66	31

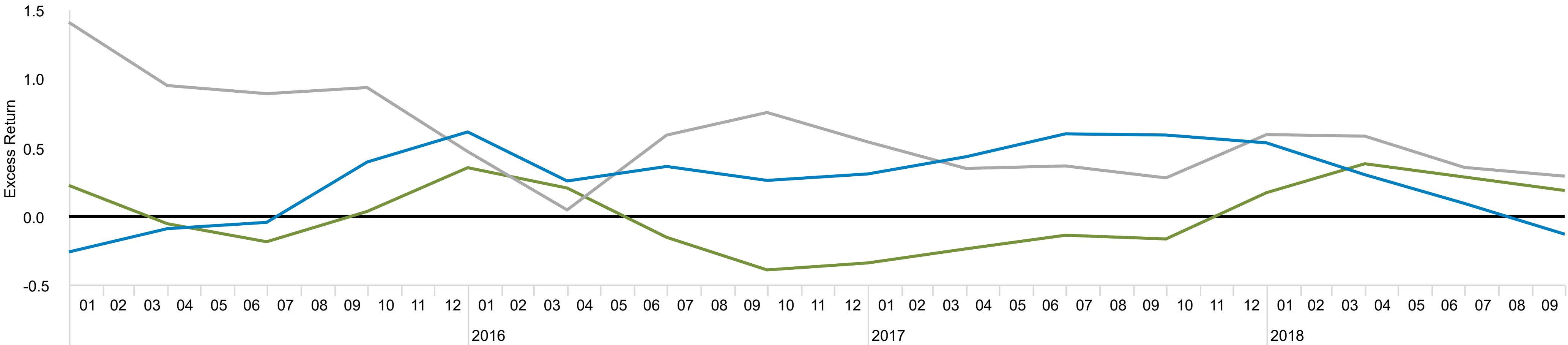
● Credit Suisse Floating Rate Hi Inc Instl ● Loomis Sayles Sr Floating Rate and F/I N ● Pacific Funds Floating Rate Income I

■ S&P/LSTA Leveraged Loan TR

Rolling Excess Returns

Time Period: 1/1/2012 to 9/30/2018

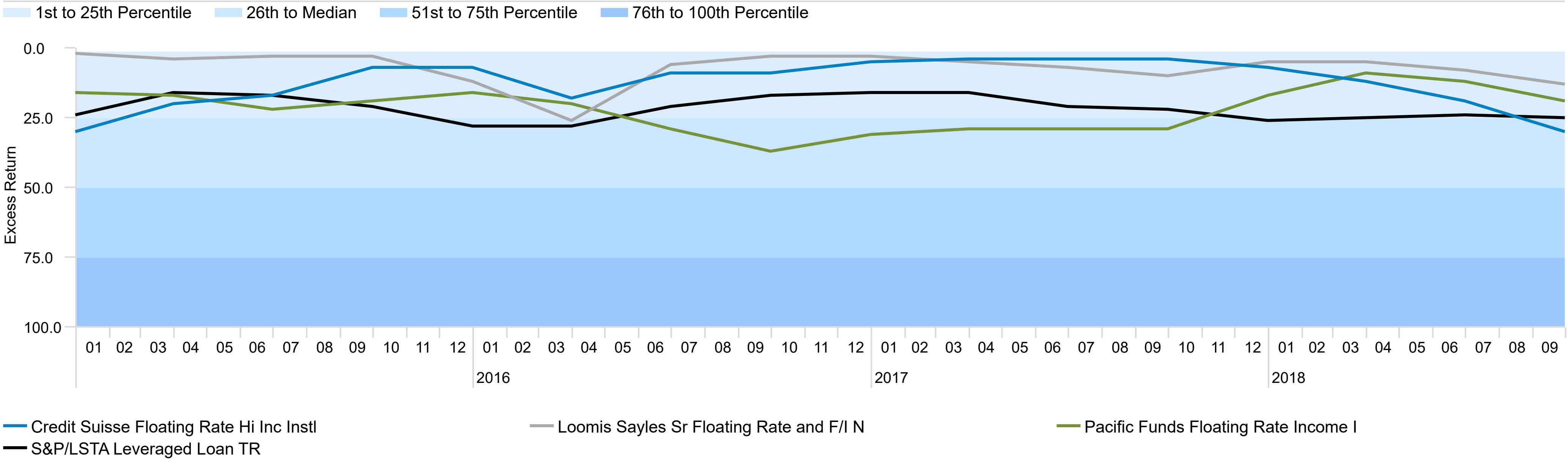
Rolling Window: 3 Years 3 Months shift Calculation Benchmark: S&P/LSTA Leveraged Loan TR



Rolling Excess Return Rankings

Time Period: 1/1/2012 to 9/30/2018

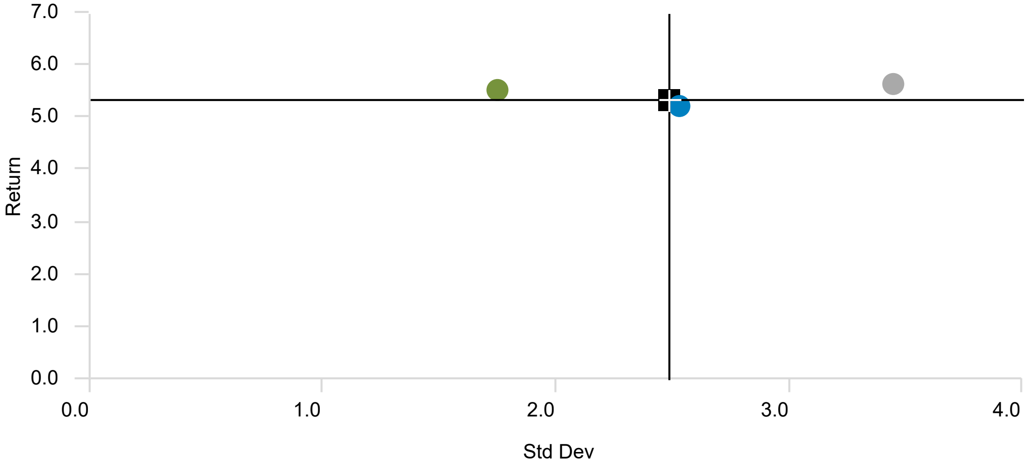
Rolling Window: 3 Years 3 Months shift Calculation Benchmark: S&P/LSTA Leveraged Loan TR



Risk-Reward: 3-Year

Time Period: 10/1/2015 to 9/30/2018

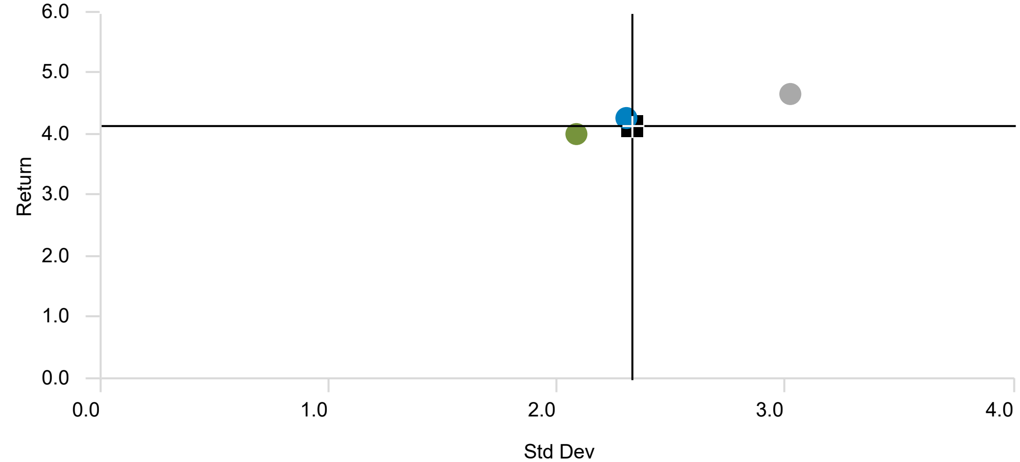
Calculation Benchmark: S&P/LSTA Leveraged Loan TR



Risk-Reward: 5-Year

Time Period: 10/1/2013 to 9/30/2018

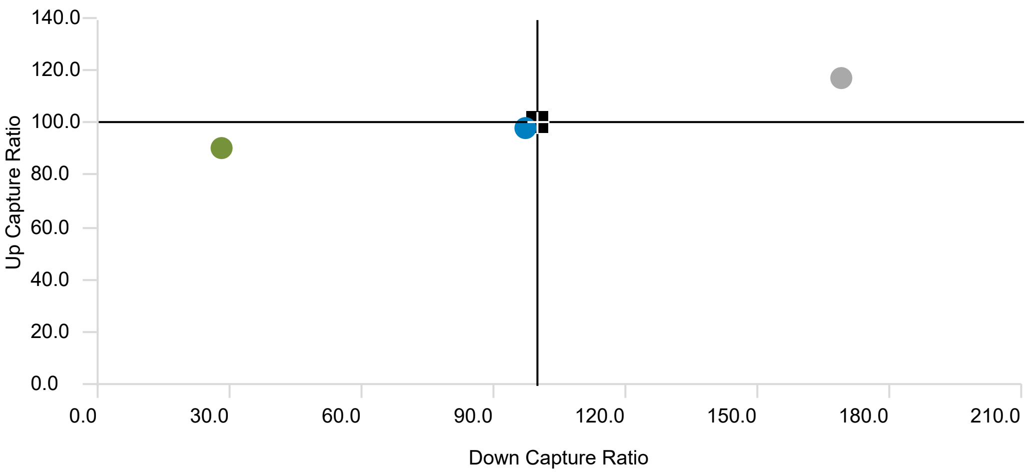
Calculation Benchmark: S&P/LSTA Leveraged Loan TR



Up and Down Market Capture: 3-Year

Time Period: 10/1/2015 to 9/30/2018

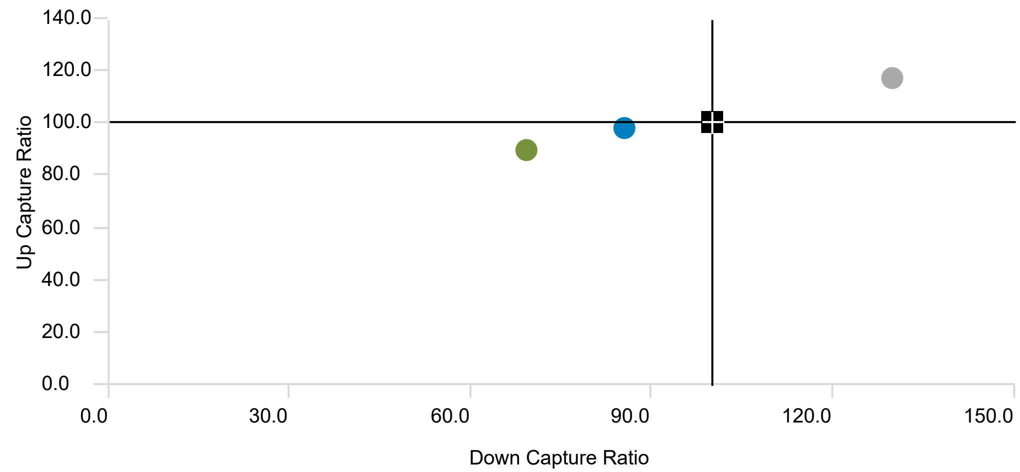
Calculation Benchmark: S&P/LSTA Leveraged Loan TR



Up and Down Market Capture: 5-Year

Time Period: 10/1/2013 to 9/30/2018

Calculation Benchmark: S&P/LSTA Leveraged Loan TR

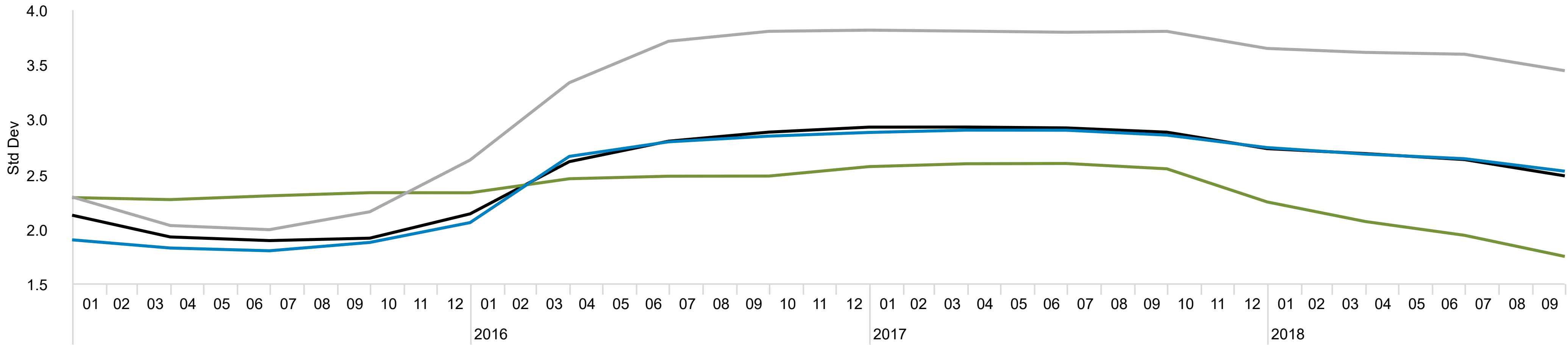


● Credit Suisse Floating Rate Hi Inc Instl
● Loomis Sayles Sr Floating Rate and F/I N
● Pacific Funds Floating Rate Income I
■ S&P/LSTA Leveraged Loan TR

Rolling Standard Deviation

Time Period: 1/1/2012 to 9/30/2018

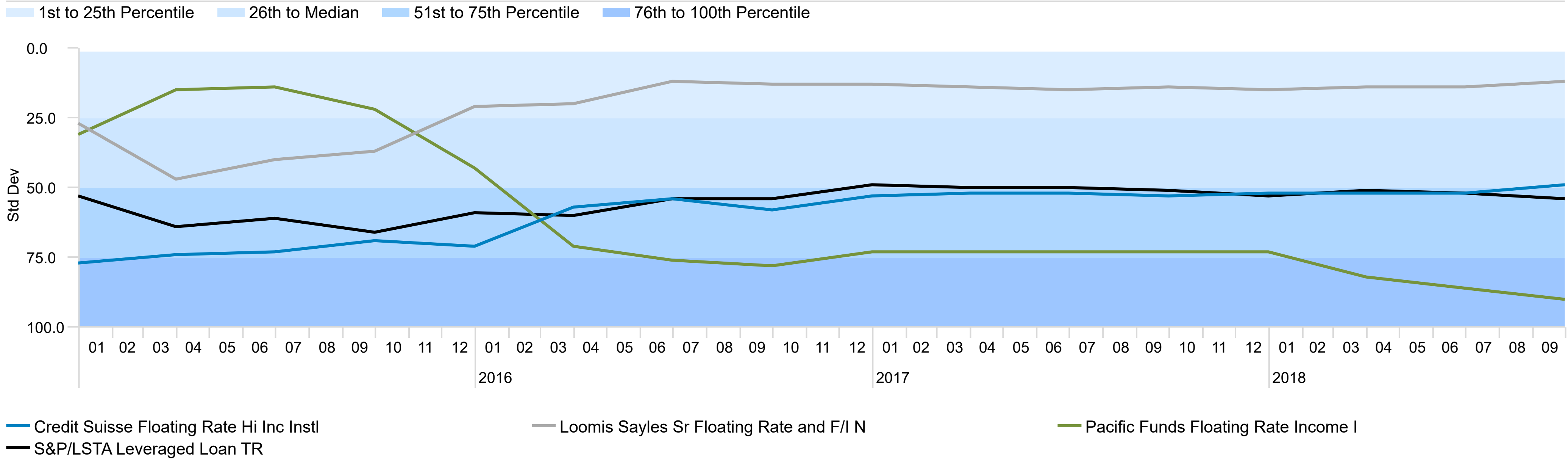
Rolling Window: 3 Years 3 Months shift   Calculation Benchmark: S&P/LSTA Leveraged Loan TR



Rolling Standard Deviation Rankings

Time Period: 1/1/2012 to 9/30/2018

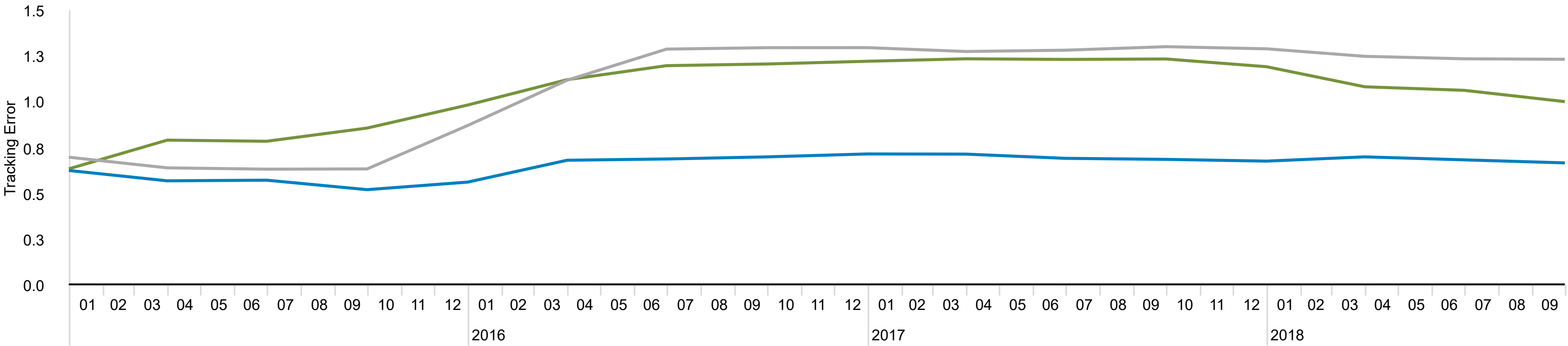
Rolling Window: 3 Years 3 Months shift   Calculation Benchmark: S&P/LSTA Leveraged Loan TR



Rolling Tracking Error

Time Period: 1/1/2012 to 9/30/2018

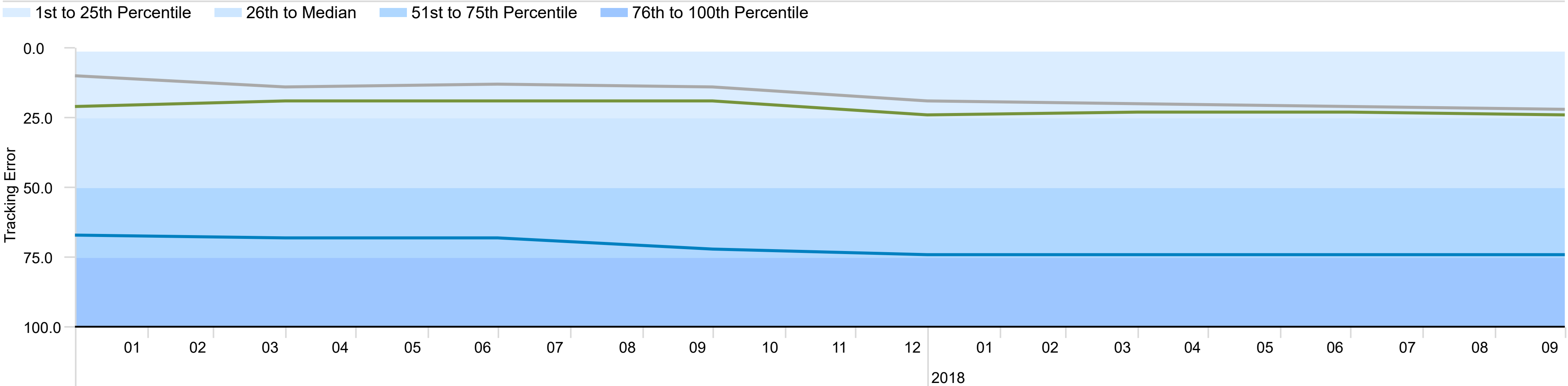
Rolling Window: 3 Years 3 Months shift   Calculation Benchmark: S&P/LSTA Leveraged Loan TR



Rolling Tracking Error Rankings

Time Period: 1/1/2012 to 9/30/2018

Rolling Window: 5 Years 3 Months shift   Calculation Benchmark: S&P/LSTA Leveraged Loan TR

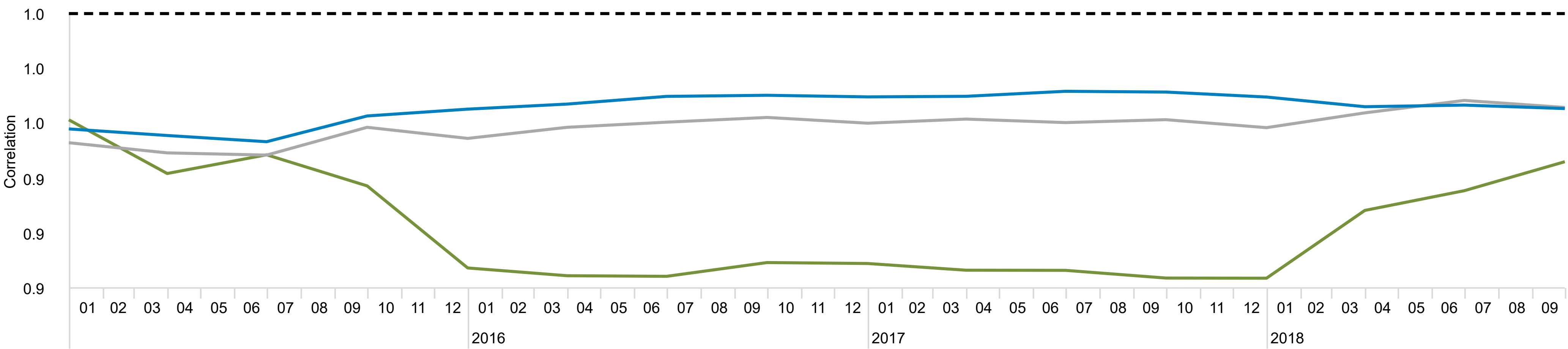


Credit Suisse Floating Rate Hi Inc Instl
Loomis Sayles Sr Floating Rate and F/I N
Pacific Funds Floating Rate Income I
S&P/LSTA Leveraged Loan TR

Rolling Correlation

Time Period: 1/1/2012 to 9/30/2018

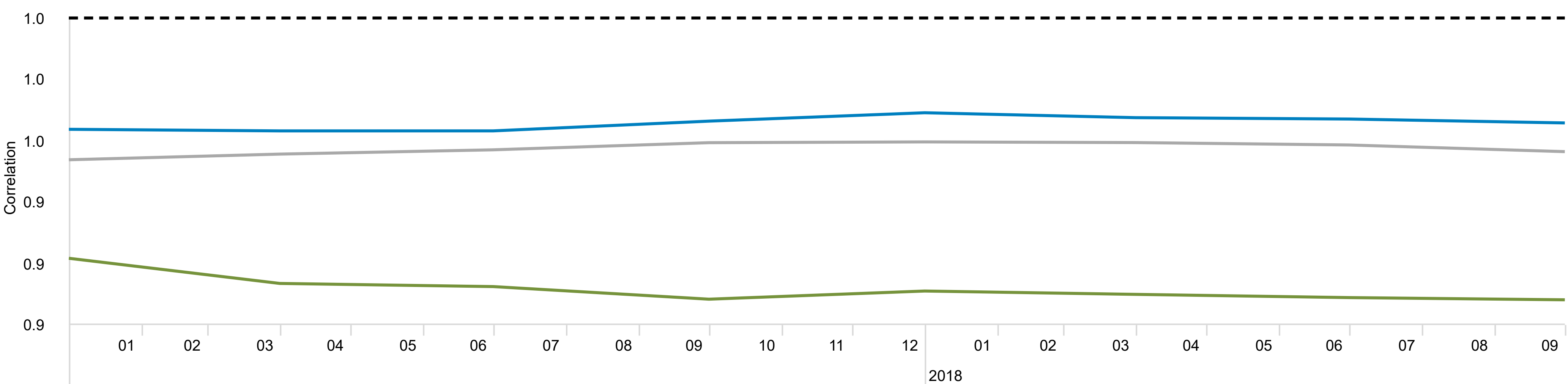
Rolling Window: 3 Years 3 Months shift



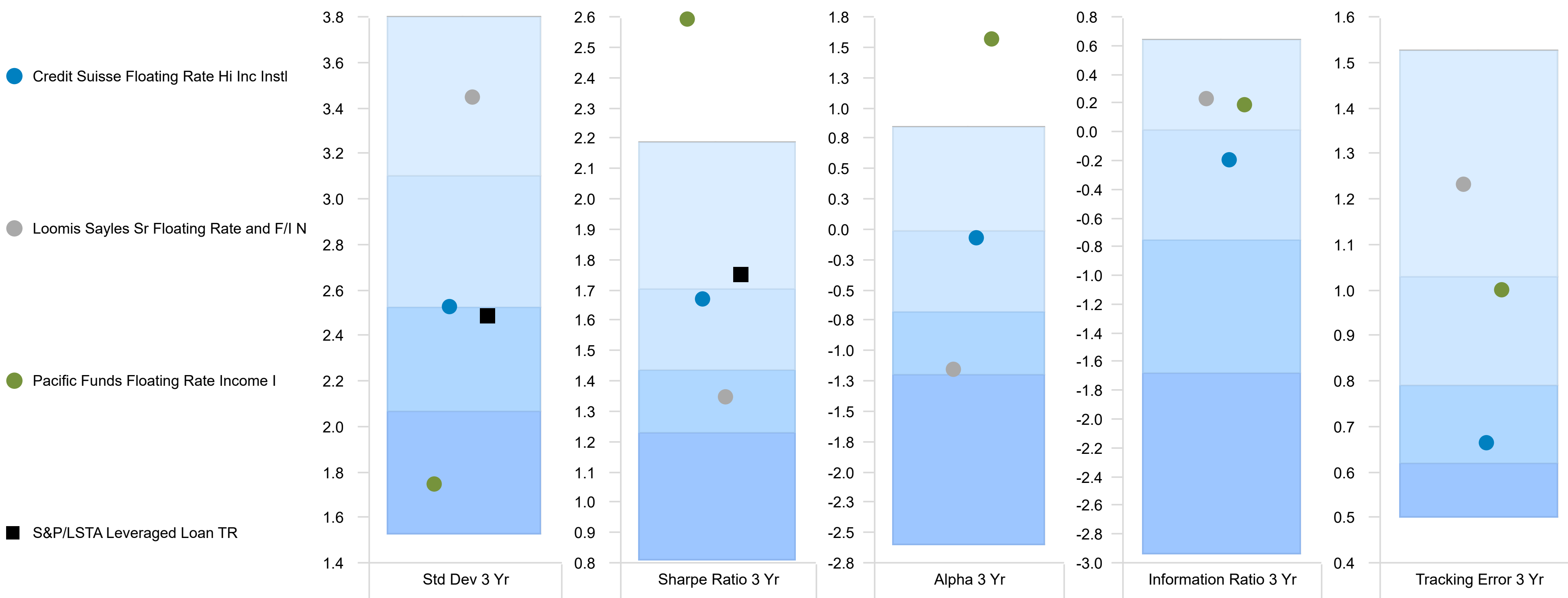
Rolling Correlation

Time Period: 1/1/2012 to 9/30/2018

Rolling Window: 5 Years 3 Months shift

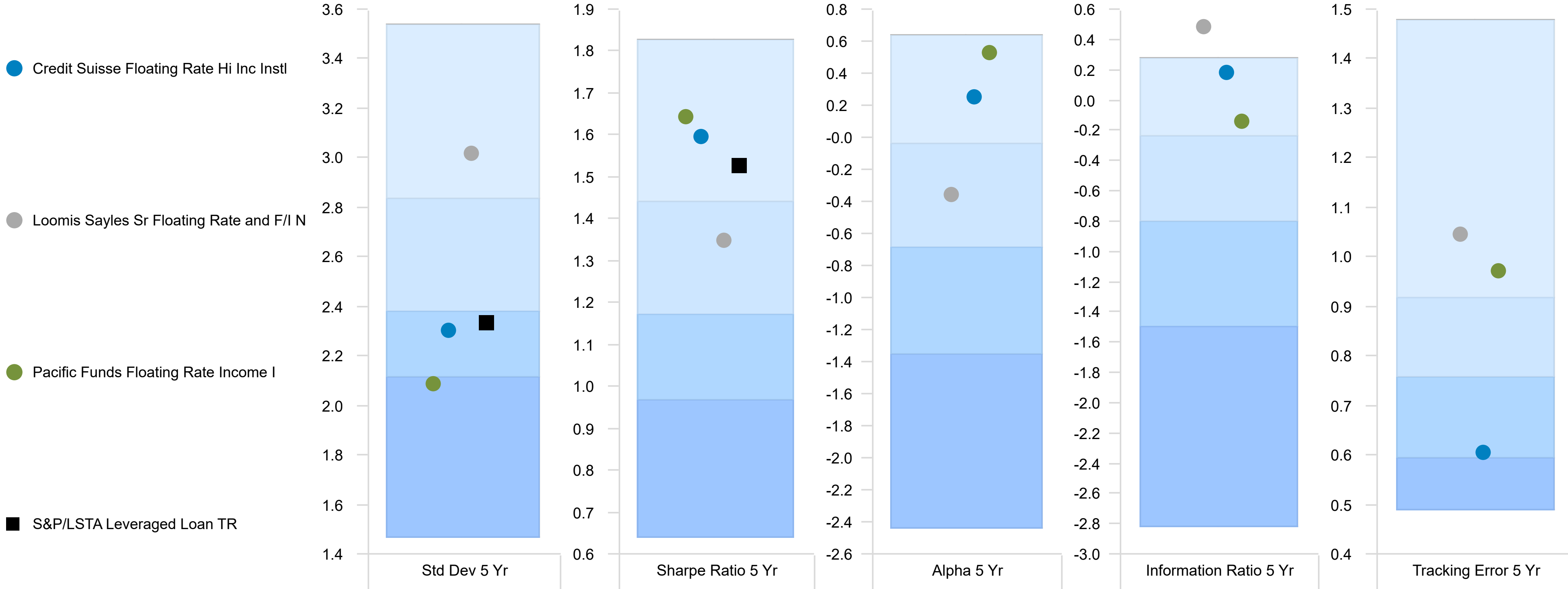


Credit Suisse Floating Rate Hi Inc Instl
Loomis Sayles Sr Floating Rate and F/I N
Pacific Funds Floating Rate Income I
S&P/LSTA Leveraged Loan TR



Time Period: 10/1/2015 to 9/30/2018

	Std Dev	Rank	Sharpe Ratio	Rank	Alpha	Rank	Information Ratio	Rank	Tracking Error	Rank
Credit Suisse Floating Rate Hi Inc Instl	2.53	49	1.69	27	-0.06	27	-0.19	31	0.67	66
Loomis Sayles Sr Floating Rate and F/I N	3.45	12	1.36	62	-1.15	71	0.24	20	1.23	20
Pacific Funds Floating Rate Income I	1.75	90	2.62	3	1.58	3	0.19	21	1.00	27
S&P/LSTA Leveraged Loan TR	2.49	54	1.77	21	0.00	25			0.00	100

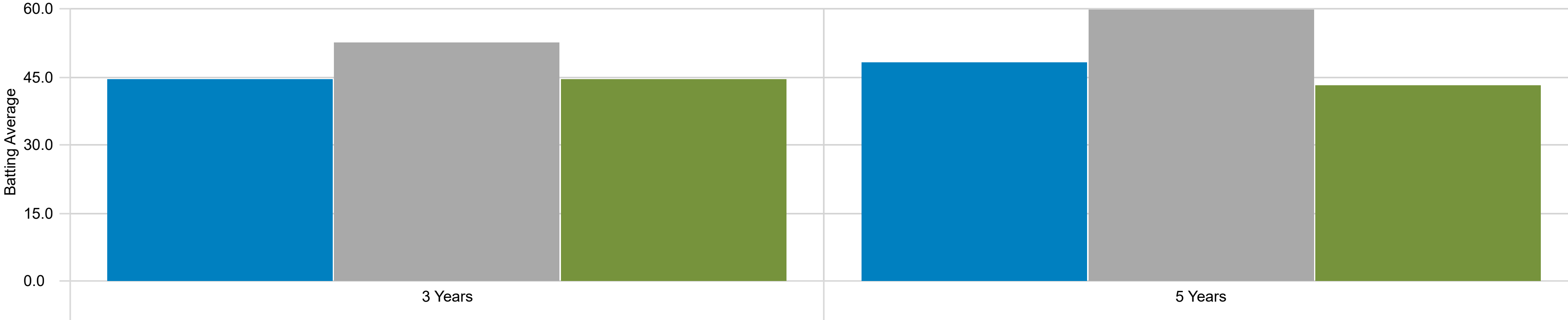


Time Period: 10/1/2013 to 9/30/2018

	Std Dev	Rank	Sharpe Ratio	Rank	Alpha	Rank	Information Ratio	Rank	Tracking Error	Rank
Credit Suisse Floating Rate Hi Inc Instl	2.30	59	1.60	17	0.26	16	0.19	8	0.61	74
Loomis Sayles Sr Floating Rate and F/I N	3.02	16	1.35	30	-0.35	33	0.49	3	1.05	22
Pacific Funds Floating Rate Income I	2.09	78	1.64	13	0.53	8	-0.14	19	0.97	24
S&P/LSTA Leveraged Loan TR	2.34	55	1.53	21	0.00	24			0.00	100

Batting Average

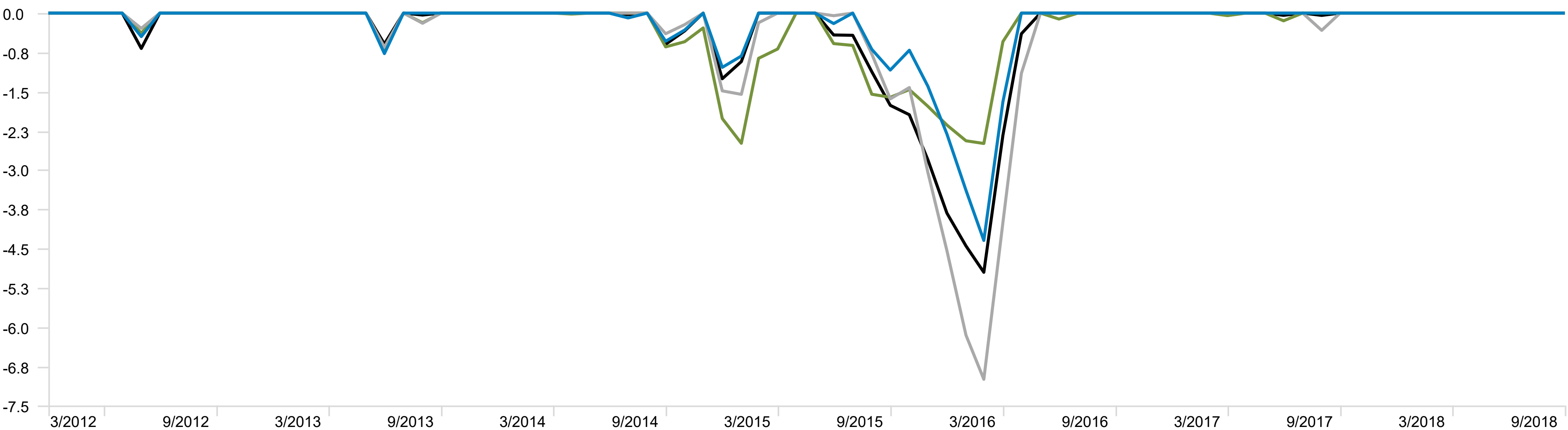
Source Data: Monthly Return Calculation Benchmark: S&P/LSTA Leveraged Loan TR



Drawdown

Time Period: 1/1/2012 to 9/30/2018

Source Data: Monthly Return



Credit Suisse Floating Rate Hi Inc Instl

Loomis Sayles Sr Floating Rate and F/I N

Pacific Funds Floating Rate Income I

S&P/LSTA Leveraged Loan TR

MPT Statistics: 3-Year

Time Period: 10/1/2015 to 9/30/2018 Calculation Benchmark: S&P/LSTA Leveraged Loan TR

	Credit Suisse Floating Rate Hi Inc Instl	Loomis Sayles Sr Floating Rate and F/I N	Pacific Funds Floating Rate Income I	S&P/LSTA Leveraged Loan TR
Return	5.19	5.61	5.51	5.32
Excess Return	-0.13	0.29	0.19	0.00
Std Dev	2.53	3.45	1.75	2.49
Beta	0.99	1.34	0.67	1.00
Tracking Error	0.67	1.23	1.00	0.00
Sharpe Ratio	1.69	1.36	2.62	1.77
Alpha	-0.06	-1.15	1.58	0.00
Information Ratio	-0.19	0.24	0.19	
Batting Average	44.44	52.78	44.44	100.00
Up Capture Ratio	97.57	116.90	89.99	100.00
Down Capture Ratio	97.25	169.17	28.38	100.00

MPT Statistics: 5-Year

Time Period: 10/1/2013 to 9/30/2018 Calculation Benchmark: S&P/LSTA Leveraged Loan TR

	Credit Suisse Floating Rate Hi Inc Instl	Loomis Sayles Sr Floating Rate and F/I N	Pacific Funds Floating Rate Income I	S&P/LSTA Leveraged Loan TR
Return	4.25	4.64	4.00	4.13
Excess Return	0.11	0.51	-0.14	0.00
Std Dev	2.30	3.02	2.09	2.34
Beta	0.96	1.24	0.81	1.00
Tracking Error	0.61	1.05	0.97	0.00
Sharpe Ratio	1.60	1.35	1.64	1.53
Alpha	0.26	-0.35	0.53	0.00
Information Ratio	0.19	0.49	-0.14	
Batting Average	48.33	60.00	43.33	100.00
Up Capture Ratio	98.28	116.80	89.67	100.00
Down Capture Ratio	85.67	130.02	69.44	100.00

Firm Overview

CSAM is based in New York and has been registered with the Securities and Exchange Commission (SEC) since 1968, through its predecessor firm, BEA Associates. In 1997, all institutional investment management divisions within Credit Suisse were re-branded as one business: CSAM. The firm operates as a subsidiary of Credit Suisse AG, which is a publicly traded company on the New York Stock Exchange (ticker: CS). The firm manages in excess of $382 billion in AUM across a wide variety of asset classes including equity, fixed income, commodities, currencies and alternatives.

Team Overview

CSAM's Credit Investments Group (CIG) is led by John Popp who serves as Global Head and CIO. Popp is supported by four PMs; Andrew Marshak, Louis Farano, Wing Chan and Thomas Flannery, with Flannery retaining final decision-making authority. Popp joined the firm in 1997, after having served as a founding partner and head of asset management for First Dominion Capital. Prior to joining CSAM in 1998, Flannery served as an associate at First Dominion Capital. Combined, the senior members of the CIG have more than 110 years of investment experience. The CIG leverages CSAM's team of more than 95 sector credit research analysts in addition to the firm's equity and commodities teams.

Strategy Overview

The team's investment philosophy is predicated on the belief that given the asymmetric risk profile of bank loans, security selection and risk avoidance are critical to achieving excess returns. The CIG employs a combination approach to portfolio construction that is multi-faceted. Beginning with the top-down approach, the CIG Credit Committee (the Committee) seeks to develop a macroeconomic viewpoint. Led by Popp, the Committee outlines both near and medium-term views of the credit markets on at least a monthly basis. These top-down viewpoints consider a variety of technical and fundamental factors affecting the global capital markets and serve as drivers for investment sourcing and idea generation.
Portfolio construction is implemented through the five phases of the CIG's investment process; origination, screening, credit analysis, security selection and risk management. The senior members of the team have been actively involved in the bank loan market since its inception. As such, the team benefits from new deal flow through its relationships with banks, LBO firms and sell-side counterparties. In addition, the CIG assesses investment opportunities on a daily basis using a relative value approach. The assessment also includes the allocation between loans, bonds and CLOs. Once an opportunity is identified, the credit analyst will create a screen which considers a variety of factors. If the opportunity is deemed worthy, the analyst will perform a company-specific analysis to determine its creditworthiness and ability to service the debt. If the opportunity is pursued, the analyst will present during the daily portfolio management meeting where the idea is vetted. A consensus by the Committee is required for a security to be approved for purchase.
Risk management and portfolio monitoring are ongoing. The CIG uses a proprietary system to review market conditions and monitor the forward calendar. Watch lists are generated based on criteria determined by the Committee and are used by the analysts to follow credits and industries to determine relative value as well as to track research notes. Finally, the PMs are responsible for buy and sell decisions in the strategy after receiving pre-compliance trade approval. The team does not employ a dedicated sell-stop process. Rather, credits are usually sold once they reach their relative value targets versus the peer group, the credit quality deteriorates or if there has been a material change with either the issuer's fundamentals or management team.

Expectations

The strategy has historically focused on the upper-end of the high yield credit spectrum which has resulted in a lower beta compared to more aggressive managers in the space. Given that, we would expect the strategy to perform well during risk-off periods marked by increasing credit spreads and rising defaults. Conversely, the strategy may lag its peers during strong up markets when higher beta and lower credit quality securities outperform.

Points to Consider

Many of the members on the CIG are nearing the age when retirement is considered. While we have not been given any indication that conversations between senior members of the team and Credit Suisse have taken place, we believe that it is important that Credit Suisse formalize a succession plan for the team. In the event Popp were to leave the CIG, we would re-evaluate our recommendation.
Prior to 2011, the mutual fund version of the strategy was managed as a high yield strategy by another team. As part of an internal reorganization, CSAM assigned the strategy to the CIG's control and the mandate was changed to focus on bank loans. The mutual fund may invest up to 20% in off-benchmark exposures including high yield bonds and CLOs. Historically, high yield bond exposures have averaged between 5% to 10% while CLOs have averaged between 1% and 5%.

Recommendation Summary

We believe that CSAM enjoys a competitive advantage in the bank loan space due to their experienced management team and breadth of issuer coverage by a large industry research group. The firm's Credit Investment Group (CIG), which consists of Global Head and CIO John Popp and four PMs, is tasked with the management of the strategy. The founding members of the CIG have been managing assets together for more than 19 years and collectively have nearly 120 years of experience. The team is further supported by the firm's Sector Research and Portfolio Strategy teams consisting of more than 18 research analysts covering all sectors within the benchmark. The team utilizes a rigorous fundamental, bottom-up approach to credit selection with an emphasis placed on loss avoidance. As evidence of the process, both the absolute and risk-adjusted returns have been strong. Importantly, the team has demonstrated the ability to rotate away from risk and avoid drawdowns. The strategy is offered in a wide variety of vehicles with low minimums and competitive fees. As such, we believe the strategy is worthy of consideration by clients seeking a high-quality exposure to the space.

Firm Overview

Loomis Sayles & Company, was founded in 1926 and is a wholly-owned subsidiary of Natixis Global Asset Management, L.P., the US-based subsidiary of Natixis which is based in Paris, France. Headquartered in Boston, Massachusetts, Loomis Sayles maintains offices in San Francisco, Detroit, London and Singapore and employs more than 675 professionals. The firm manages in excess of $260 billion in AUM across a variety of equity, fixed income and multi-asset strategies.

Team Overview

Co-lead PMs Kevin Perry and John Bell have been at the helm of the Loomis Sayles Senior Floating Rate and Fixed Income strategy since its inception in 2011. The two PMs are supported by Michael Klawitter who serves as the primary backup PM, two analysts and two dedicated bank loan traders. Importantly, the Bank Loan Team has access to Loomis Sayles' large resource base. Among these resources are over credit 80 analysts and almost 50 traders along with various other investment professionals. While the team incorporates input from a variety of internal sources including Loomis Sayles' broad macro and credit research teams, Perry and Bell retain final investment decision-making authority.

Strategy Overview

The Bank Loan Team believes that credit markets typically overreact to negative corporate events, and as such, do not properly assess credit risk. As such, the team utilizes a rigorous bottom-up, fundamental approach to credit research to identify companies with perceived strong balance sheets and a willingness to pay. Specifically, within the bank loan space, bank loans tend to amortize quickly over a brief period, or are refinanced. Given those things, the team focuses on the company's probability of default over the next 12 to 24 months. Importantly, the team seeks to identify those loans that are overcollateralized which increases the probability of recovery in the event of a default. This approach is designed to mitigate the price volatility of the portfolio. Portfolio construction is a multi-step process that incorporates both top-down and bottom-up approaches. Loomis Sayles' top-down views are developed through a collaborative process of several groups within the Loomis organization. The Macro Strategies group meets regularly with Loomis' Chief Economist and other professionals to discuss economic, geo-political, and market news. In a similar fashion, the Sovereign group meets and is charged with evaluating similar macro questions. Each group presents their thoughts on countries and currencies at a monthly Global Asset Allocation meeting where macro and market outlooks are debated. In the end, the macro process is designed to provide a framework and outlook to be used by Loomis' sector and product teams. Similar to the top-down process, the sector teams meet regularly to develop recommendations across all fixed income markets and identify horizon returns and risk assessments by integrating the firm's macro views. The Bank Loan Team constructs the portfolio by evaluating relative value across sectors, both on and off benchmark and then selects securities recommended by the credit research team. The strategy's mandate is broad and invests at a minimum 65% in floating rate loans with the remaining portion allocated to high yield bonds, investment grade bonds and U.S. Treasury bonds. Portfolio risk is primarily controlled through diversification with position size limits providing a secondary control. Importantly, the team has access to a variety of third-party systems including Barclays Capital POINT, Yield Book, and Bloomberg which are used for scenario analysis as well as RiskInSite, which provides daily risk reports that compare the strategy to the benchmark by duration, sector, industry, quality, and country. Finally, the PMs meet regularly with the CIO, CIRO, and Risk Management Committee to confirm that the strategy meets all client guidelines.

Expectations

The strategy's goal is to beat the S&P/LSTA Leveraged Loan Index by 100 basis points gross of fees on an annual basis. According to Perry, the majority of the strategy's relative outperformance could result from the team's asset allocation decisions. The team seeks to overweight those securities and sectors that provide the highest relative value opportunities. As such, the strategy should be expected to perform well during periods of strong economic growth marked by narrowing credit spreads. Conversely, given the strategy's risk bias, it may underperform during periods of decelerating growth or rising credit spreads.

Points to Consider

Succession planning will be key for this team moving forward. Importantly, Perry informed us that Michael Klawitter has been identified as the next PM. Klawitter has more than 20 years of industry experienced focus on leveraged credit. While the loss of either co-PM would be material, given Klawitter's tenure and contributions to the team, his accession would most likely result in the continuation of the strategy with no resulting changes to client portfolios.

The strategy's use of off-benchmark sectors can lead to periods of increased volatility relative to the benchmark. Historically, the tracking error has averaged around 100bps with a portfolio beta of more than 1.0. However, during the most recent period of spread widening in 2015, the strategy's beta increased to 1.2 as the team allocated more towards energy-related high yield bonds. The mandate provides flexibility to allocate to U.S. Treasury bonds as a way for the team to control the overall risk profile of the strategy. While we have confidence in the team's ability to identify and rotate into or away from risk, the approach may be too much for clients seeking a more conservative offering in the space.

The mandate allows the team to employ leverage up to 33% in the mutual fund vehicle. Historically, the team has only modestly used the facility in normal markets with a maximum of 7.4% during the 4Q 2014. While we are confident in the team's ability to tactically use leverage for the benefit of the portfolio, it may result in periods of higher tracking error.

Recommendation Summary

The strategy offers investors a unique approach to leveraged finance markets. Specifically, the strategy's mandate has the flexibility to invest up to 35% of NAV in off benchmark allocations to U.S. Treasury, investment grade and high yield bonds and second lien loans. While we normally are skeptical of strategies that take such a broad view of the market, we are comforted by the fact that the team led by co-PMs Bell and Perry are long-tenured, experienced and have access to Loomis Sayles' deep credit research team. The strategy is diversified across over 250 exposures and invests a minimum of 65% in floating rate loans with the remainder in high yield and investment grade corporate bonds and U.S. Treasury bonds. Importantly, we hold Loomis Sayles' deep and experienced credit research team in high regard for their ability to underwrite credits.

Investors considering the strategy should be comfortable with the flexibility provided by the mandate and the team's opportunistic approach to credit selection. As evidence of the approach, the strategy's beta has averaged nearly 1.2 since inception. Not surprisingly given the market environment since the strategy's inception, the performance of the strategy relative to its benchmark has been strong over all trailing periods as of March 2018. However, while the strategy has a seven-year track record, it has yet to be tested over a full market cycle. We take comfort in the fact that the co-PMs have considerable experience having worked together since 2001. Nonetheless, clients considering the strategy should consider the fact that the approach may potentially lead to higher levels of risk compared to more benchmark-like approaches. Finally, the strategy is available in a variety of vehicles with competitive fees. Given these things, we recommend the strategy for clients seeking broad exposure to leveraged credit markets guided by a seasoned team.

Narratives presented for strategies Approved at AndCo. All data represents AndCo's view and may differ from the manager's interpretation.

Firm Overview

Pacific Asset Management is a division of Pacific Life Advisors, an SEC registered investment advisory and subsidiary of Pacific Life Insurance Company. The firm was incepted in 2007, and was created to manage the parent company's internal assets. Pacific is headquartered in Newport Beach, CA, and is solely focused on fixed income investment management across a variety of mandates including short duration, core and leveraged finance. Currently, the firm manages over $7.3 billion.

Team Overview

The strategy is co-lead by long-tenured co-PMs JP Leasure and Michael Marzouk. Bob Boyd serves as the Senior Director of Research and oversees the firm's sector credit analysts. The strategy is managed in a team-based approach with investment ideas originating from across the organization. Pacific's Investment Committee, which consists of the strategy PMs, the Head of Research Bob Boyd and Senior Managing Director Dominic Nolan, provides the macro framework which serves to guide the teams risk-taking. The committee meets regularly to review market conditions and portfolio exposures which the broader team meets more infrequently. In the event the team does not reach consensus when considering an idea, the co-PMs retain final investment decision-making authority.

Strategy Overview

The Pacific Corporate Bank Loan strategy seeks to outperform the Credit Suisse Leveraged Loan Index by employing a selective approach to the space. To achieve this, the team incorporates elements of top-down and bottom-up approaches to construct a portfolio with between 80-150 exposures with a focus on larger, more liquid issues. Portfolio construction begins with the Investment Committee's assessment of market conditions with a focus on various macro factors such as overall market health, interest rates and technical factors. The analysis is designed to identify market themes and industry dynamics that may influence the ability of issuers to pay in short and intermediate term outlooks. The output provides the framework for the strategy's risk budgeting and sector allocations.

Next, the credit research team then screens the bank loan universe for opportunities, focusing on issuers with more than $100 million in EBITDA and issues sizes of more than $300 million. From here, the team will evaluate companies on a fundamental basis by examining the issuers ability to pay interest and principal. Such metrics include enterprise valuations, leverage, free cash flow and industry position. Analysts are charged with evaluating the issuers capital structure given that they cover both loans and high yield bonds. Finally, the team seeks to invest in companies with strong management teams. The research team will regularly meet with management teams to help solidify its view.

Following the fundamental assessment, the analyst evaluates the structure of the issue paying strict attention to guarantors, collateral and maintenance covenants. Once complete, the analyst presents his evaluation to the broader investment team for approval where the idea is further vetted. Once consensus is reached on the fundamentals, the team discusses the relative value merits of the issue, both on a stand-alone basis and in the context of the aggregate portfolio. Ideas deemed to be of the highest conviction constitute roughly 60% to 80% of the total portfolio. Once implemented, the sponsoring analyst is charged with reviewing each issuer on a quarterly basis, or more frequently if warranted. Finally, sell decisions are made based on a combination of fundamental and pricing inputs with the goal of exiting positions prior to the credit deteriorating and price deterioration.

Expectations

Given Pacific's bias toward the higher end of the credit spectrum, and the team's focus on assessing an issuer's creditworthiness, we would expect the strategy to avoid negative credit events. Additionally, given that the strategy invests primarily in the largest, most liquid issues in the space, the strategy should exhibit strong downside protection relative to the index during periods of increased market volatility and credit spread widening. Conversely, during periods of strong credit markets when credit spreads tighten, lower quality credits tend to outperform, and as such, the strategy should be expected to lag its peers.

Points to Consider

Jason Rosiak, co-Head and PM, left the firm in March 2016. Rosiak, who joined the firm at its inception in 2007, oversaw the firm's portfolio management activities and was a member of the firm's Executive Committee. His decision to separate from the firm was amicable and deemed personal in nature. His PM responsibilities were assumed by Marzouk. While his loss was material, we are comfortable with the depth and experience of the team.

The strategy has seen significant growth in AUM in recent years. As recently as 2013, AUM stood at nearly $500 million compared to nearly $2.8 billion as of September 2017. The primary driver of growth in the strategy has been its adoption on a variety of retail-oriented platforms including Wells Fargo Advisors and LPL Financial. In total, AUM in the retail mutual fund stood at nearly $1 billion as of September 2017. While significant growth in AUM, especially in less liquid markets, can be reason for concern, we take comfort in the fact that Pacific focuses on a unique opportunity set within bank loans where there is more than sufficient capacity left. However, in the event the strategy was to begin to experience deteriorating performance, or take on a more benchmark-like profile, we would feel compelled to revisit our recommendation.

Recommendation Summary

The Pacific Corporate Bank Loan strategy differentiates itself from the peer group by utilizing a high-conviction, concentrated approach that is designed to mitigate risk by avoiding deteriorating credits. Unlike many of its larger peers in the space, the team focuses primarily on identifying creditworthy, larger issuers which have been shown to historically outperform relative to small or middle-market loans which tend to be less trafficked in given their issue size. JP Leasure and Michael Marzouk serve as the team's co-PMs and are highly experienced with each having managed leveraged assets for more than 15 years. Importantly, the co-PMs benefit from the support of Pacific's seasoned 16-member credit research team, many of whom have served for more than a decade. Finally, the strategy is available in separate account, commingled pooled and mutual fund vehicles, all with competitive fees and low minimums. Given these points, we believe the strategy offers clients a differentiated and compelling option in the bank loan space.

Alpha - A measure of the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by beta.

Batting Average – A measure of a manager's ability to consistently beat the market. It is calculated by dividing the number of months in which the manager beat or matched an index by the total number of months in the period.

Best Quarter- This is the highest quarterly (3 month) return of the investment since its inception.

Beta - A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of the portfolio's systematic risk.

Down Period Percent - Number of months below 0 divided by the total number of months.

Downmarket Capture Ratio - The ratio of average portfolio performance over the designated benchmark during periods of negative returns. A lower value indicates better product performance.

Downside Std Dev - This measures only deviations below a specified benchmark.

Excess Return- This is a measure of an investment's return in excess of a benchmark.

Information Ratio - This calculates the value-added contribution of the manager and is derived by dividing the excess rate of return of the portfolio by the tracking error. The higher the Information Ratio, the more the manager has added value to the portfolio.

Longest Down-Streak Return - Return for the longest series of negative monthly returns.

Longest Down-Streak # of Periods - Longest series of negative monthly returns.

Longest Up-Streak Return - Return for the longest series of positive monthly returns.

Longest Up-Streak - Longest series of positive monthly returns.

Kurtosis - Kurtosis indicates the peakedness of a distribution. For normal distribution, Kurtosis is 3.

Max Drawdown - The peak to trough decline during a specific record period of an investment or fund. It is usually quoted as the percentage between the peak to the trough.

Max Drawndown # of Periods - This is the number of months that encompasses the max drawdown for an investment.

R-Squared - The percentage of a portfolio's performance that can be explained by the behavior of the appropriate benchmark. A high R-Squared means the portfolio's performance has historically moved in the same direction as the appropriate benchmark.

Return - Compounded rate of return for the period.

Sharpe Ratio - Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is an absolute rate of return per unit of risk. A higher value demonstrates better historical risk-adjusted performance.

Skewness - Skewness reflects the degree of asymmetry of a distribution. If the distribution has a longer left tail, the function has negative skewness. Otherwise, it has positive skewness. A normal distribution is symmetric with skewness 0.

Sortino Ratio - The Sortino Ratio is similar to Sharpe Ratio except it uses downside risk (Downside Deviation) in the denominator. It was developed in early 1980's by Frank Sortino. Since upside variability is not necessarily a bad thing, Sortino ratio is sometimes more preferable than Sharpe ratio.

Standard Deviation - A statistical measure of the range of a portfolio's performance. It represents the variability of returns around the average return over a specified time period.

Tracking Error - This is a measure of the standard deviation of a portfolio's excess returns versus its designated market benchmark.

Treynor Ratio - Similar to Sharpe Ratio, Treynor Ratio is a measurement of efficiency utilizing the relationship between annualized risk-adjusted return and risk. Unlike Sharpe Ratio, Treynor Ratio utilizes "market" risk (beta) instead of total risk (standard deviation). Good performance efficiency is measured by a high ratio.

Up period Percent - Number of months above 0 divided by the total number of months.

Upmarket Capture Ratio - The ratio of average portfolio performance over the designated benchmark during periods of positive returns. A higher value indicates better product performance.

Worst Quarter - This is the lowest quarterly (3 month) return of the investment since its inception.

IMPORTANT DISCLOSURE INFORMATION

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Performance data is provided for historical and informational purposes only. Where applicable, results shown represent past performance and do not represent expected future performance or experience. Past performance does not guarantee future results. Returns are typically stated net of fees, which may include: investment advisory fees, taxes and other expenses. There may be instances where certain returns are shown gross of fees (i.e., before the aforementioned fees are deducted) and would be noted as such. Generally, there are two instances where returns may be shown as gross figures. In the case of separate accounts, typically returns are demonstrated as gross of fees due to the fact that the fee structure would generally vary widely depending on the client's size and circumstances. Additionally, there are instances where a strategy vehicle is relatively new and does not have a sufficiently long track record to represent a viable comparison relative to other strategies. Accordingly, the returns for the separate account version of such a strategy could be used as demonstrative of the performance for a similar vehicle; separate account returns are generally shown as gross of fees. It is important to note that any such separate accounts being used as a "proxy" are strictly for illustrative purposes. An investor should not expect the same results from the actual strategy(ies) under consideration. When client-specific performance is shown, AndCo uses time-weighted calculations, which are founded on standards recommended by the CFA Institute. In these cases, the performance-related data shown are based on information that is received from custodians. As a result, this provides AndCo with a reasonable basis that the investment information presented is free from material misstatement.

RISK FACTORS

The risks outlined herein do not purport to cover all risks or underlying factors associated with investing in fixed income products. Please refer to the respective offering documents for complete information.

Prospective investors should be aware that investing in fixed income products may not be suitable for all investors and involves a degree of risk. The primary risk factors which affect fixed income strategies are interest rate risk and credit risk. The value of most bonds and bond strategies are impacted by changes in interest rates. Interest rate risk is the risk that a bond's value will decline due to an increase in market interest rates. The price of bonds with longer maturities is typically affected more by rising interest rates than the price of bonds with shorter maturities. Credit risk is the risk that the issuer of a bond will fail to repay principal and interest on the security when due, as well as the potential downgrading on individual bonds. Potential investors should also consider other associated risks with these products, such as: inflation risk, income risk and liquidity risk.

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CITY OF PORT ORANGE
(PLAN SPONSOR)
POLICE PENSION FUND

Investment Policy Statement

I. PURPOSE OF INVESTMENT POLICY STATEMENT

The Pension Board of Trustees (Board) maintains that an important determinant of future investment returns is the expression and periodic review of the City of Port Orange Police Pension Fund (the Plan) investment objectives. To that end, the Board has adopted this statement of Investment Policy and directs that it apply to all assets under their control.

In fulfilling their fiduciary responsibility, as named fiduciaries, the Board recognizes that the retirement system is an essential vehicle for providing income benefits to retired participants or their beneficiaries. The Board also recognizes that the obligations of the Plan are long-term and that investment policy should be made with a view toward performance and return over a number of years. The general investment objective is to obtain a reasonable total rate of return - defined as interest and dividend income plus realized and unrealized capital gains or losses - commensurate with the Prudent Investor Rule and any other applicable ordinances and statutes.

Reasonable consistency of return and protection of assets against the inroads of inflation are paramount. However, interest rate fluctuations and volatility of securities markets make it necessary to judge results within the context of several years rather than over short periods of five years or less.

The Board will employ investment professionals to oversee and invest the assets of the Plan. Within the parameters allowed in this document and their agreements with the Board, the investment management professionals shall have investment discretion over their mandates, including security selection, sector weightings and investment style.

The Board, in performing their investment duties, shall comply with the fiduciary standards set forth in Employee Retirement Income Security Act of 1974 (ERISA) at 29 U.S.C. s. 1104(a) (1) (A) – (C). In case of conflict with other provisions of law authorizing investments, the investment and fiduciary standards set forth in this section shall prevail.

II. TARGET ALLOCATIONS

In order to provide for a diversified portfolio, the Board has engaged investment professional(s) to manage and administer the fund. The investment manager(s) are responsible for the assets and allocation of their mandate only and may be provided an addendum to this policy with their specific performance objectives and investment criteria. The Board has established the following asset allocation targets for the total fund:

Asset Class	Target	Range	Benchmark Index
Domestic Equity	45% ~~50%~~	40% - 50% ~~45% - 50%~~	Russell 3000
International Equity	15%	10% - 20%	MSCI AC World ex USA
Total Equities	**60%**	**55% - 65%**	
Domestic Fixed Income	20%	15% - 25%	Barclays Aggregate
Global Fixed Income*	2.5% ~~5%~~	0% - 5% ~~0% - 10%~~	Barclays Multiverse
Bank Loans*	2.5%	0% - 5%	S&P/LSTA Leveraged Loan
Total Fixed Income	**25%**	**20% - 30%**	
Core Real Estate*	10%	5% - 15%	NCREIF ODCE (EW)
Core Infrastructure**	5%	0% - 10%	CPI +4%
Total Alternatives*	~~**10%**~~ **15%**	~~**5% - 10%**~~ **10% - 20%**	

**Allocation/Benchmark will default to Domestic Fixed Income if these portfolios are not funded. Targets and ranges above are based on market value of total Plan assets.*

*** Allocation/Benchmark will default to 50% Domestic Equity / 50% Domestic Fixed Income if these portfolios are not funded. Targets and ranges above are based on market value of total Plan assets.*

The Board will monitor the aggregate asset allocation of the portfolio, and will rebalance to the target asset allocation based on market conditions. If at the end of any calendar quarter, the allocation of an asset class falls outside of its allowable range, barring extenuating circumstances such as pending cash flows or allocation levels viewed as temporary, the asset allocation will be rebalanced into the allowable range. To the extent possible, contributions and withdrawals from the portfolio will be executed proportionally based on the most current market values available. The Board does not intend to exercise short-term changes to the target allocation.

III. INVESTMENT PERFORMANCE OBJECTIVES

The following performance measures will be used as objective criteria for evaluating the effectiveness of the Investment Managers.

A. <u>Total Portfolio Performance</u>

1. The performance of the total portfolio will be measured for rolling three and five year periods. The performance of the portfolio will be compared to the return of the policy indexes comprised of 45~~50~~% Russell 3000, 15% MSCI ACWI ex US, 20% Barclays

Aggregate, 2.5~~5~~% Barclays Multiverse Index, 2.5% S&P/LSTA Leveraged Loan, 10% NCREIF ODCE (EW) and 5% CPI+4%.

2. On a relative basis, it is expected that the total portfolio performance will rank in the top 50th percentile of the appropriate peer universe over three and five-year time periods.

3. On an absolute basis, the objective is that the return of the total portfolio will equal or exceed the actuarial earnings assumption (7.45%), and provide inflation protection by meeting Consumer Price Index plus 3%. The actuarial earnings assumption is expected to drop 10 bps every fiscal year beginning on 10/1/2018 as follows:

   a. 10/1/2017 Valuation: 7.45%
   b. 10/1/2018 Valuation: 7.35%
   c. 10/1/2019 Valuation: 7.25%

B. <u>Equity Performance</u>

The combined equity portion of the portfolio, defined as common stocks and convertible bonds, is expected to perform at a rate at least equal to 75~~7~~% of the Russell 3000 Index and of the 25~~3~~% MSCI ACWI ex US Index. Individual components of the equity portfolio will be compared to the specific benchmarks defined in each Investment Manager addendum. All portfolios are expected to rank in the top 50th percentile of the appropriate peer universe over three and five-year time periods.

C. <u>Fixed Income Performance</u>

The overall objective of the fixed income portion of the portfolio is to add stability and liquidity to the total portfolio. The fixed income portion of the portfolio is expected to perform at a rate at least equal to 80% of the Barclays Capital U.S. Aggregate Bond Index, 10% S&P/LSTA Leveraged Loan and 10~~20~~% of the Barclays Multiverse*. All portfolios are expected to rank in the top 50th percentile of the appropriate peer universe over three and five-year time periods.

** Benchmark will default to "Barclays Aggregate" if these portfolios are not funded.*

D. <u>Real Estate Performance</u>

The overall objective of the real estate portion of the portfolio, if utilized, is to add diversification and another stable income stream to the total fund. The real estate portion of the portfolio, defined as core, open ended private real estate, is expected to perform at a rate at least equal to the NCREIF Open End Diversified Core (ODCE) (EW) Index and rank in the top 50th percentile of the appropriate peer universe over three and five-year time periods.

E. <u>Other Assets</u>

The overall objective of the alternative investment portion of the portfolio, if utilized, is to reduce the overall volatility of the portfolio and/or enhance returns. This portion of the Plan will be benchmarked against the most appropriate index, combination of indices, or absolute return target for the investment(s) in question. The "strategy index" will be determined at the time of engagement based on the specific investment's long-term objective, prospectus, and/or governing documents.

IV. INVESTMENT GUIDELINES

A. Authorized Investments

Pursuant to the investment powers of the Board of Trustees as set forth in the Florida Statutes and local ordinances, the Board of Trustees sets forth the following investment guidelines and limitations:

1. Equities:

    a. Must be traded on a national exchange or electronic network; and

    b. Not more than 5% of the Plan's assets, at the time of purchase, shall be invested in the common stock, capital stock or convertible stock of any one issuing company, nor shall the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of the company (this restriction shall not apply to any single holding within a diversified pooled fund); and

    c. Additional criteria may be outlined in the manager's addendum.

2. Fixed Income:

    a. All fixed income investments shall have a minimum rating in one of the four highest classifications by a major rating service, except that no more than 5% of the total portfolio may be invested in securities that fall below these rating guidelines.

    b. The value of bonds issued by any single corporation shall not exceed 10% of the total fund (excluding issues from the U.S. government, or agency thereof; and this restriction shall not apply to any single holding within a diversified pooled fund); and

    c. Additional criteria may be outlined in the manager's addendum.

3. Money Market:

    a. The money market fund or STIF options provided by the Plan's custodian; and

    b. Have a minimum rating of Standard & Poor's A1 or Moody's P1.

4. Pooled Funds:

    Investments made by the Board may include pooled funds. For purposes of this policy pooled funds may include mutual funds, commingled funds, and exchange-traded funds.

    a. Pooled funds may be governed by separate prospectus which may include investments not expressly permitted in this Investment Policy Statement. In the event of investment by the Plan into a pooled fund the Board the prospectus or governing policy of that pooled fund, as updated from time to time, shall be treated as an addendum to this Investment Policy Statement.

b. The asset classification of the fund will be based upon its investment objective.

B. Trading Parameters

When feasible and appropriate, all securities shall be competitively bid. Except as otherwise required by law, the most economically advantageous bid shall be selected. Commissions paid for purchase of securities must meet the prevailing best-execution rates. The responsibility of monitoring best price and execution of trades placed by each manager on behalf of the Plan will be governed by the Portfolio Management Agreement between the Plan and the Investment Managers.

C. Limitations

1. Investments in corporate common stock and convertible bonds shall not exceed sixty-five (65%) of the Plan assets at market.

2. Foreign securities shall not exceed twenty-five percent (25%) of Plan's market value.

3. All equity and fixed income securities must be readily marketable. Commingled funds must be independently appraised at least annually.

D. Absolute Restrictions

No investments shall be permitted in;

1. Any investment not specifically allowed as part of this policy.

2. Illiquid investments, as described in Chapter 215.47, Florida Statutes.

V. COMMUNICATIONS

A. On a monthly basis, the custodian shall supply an accounting statement that will include a summary of all receipts and disbursements and the cost and the market value of all assets.

B. On a quarterly basis, the Investment Managers shall provide a written report affirming compliance with the security restrictions of Section IV (as well as any provisions outlined in the Investment Manager's addendum). In addition, the Investment Managers shall deliver a report each quarter detailing the Plan's performance, forecast of the market and economy, portfolio analysis and current assets of the Plan. Written reports shall be delivered to the Board within 30 days of the end of the quarter. A copy of the written report shall be submitted to the person designated by the City, and shall be available for public inspection. The Investment Managers will provide immediate written and telephone notice to the Board of any significant market related or non-market related event, specifically including, but not limited to, any deviation from the standards set forth in Section IV or their Investment Manager addendum. In the event of any deviation from the standards set forth in Section IV or their Investment Manager addendum an action plan outlining the investment strategy shall be provided to the Board immediately.

C. If the Fund owns investments, that complied with section IV at the time of purchase, which subsequently exceed the applicable limit or do not satisfy the applicable investment standard, such excess or noncompliant investments may be continued until it is economically feasible to dispose of such investment in accordance with the prudent man standard of care, but no additional investment may be made unless authorized by law or ordinance. An action plan outlining the investment 'hold or sell' strategy shall be provided to the Board immediately; and followed by a required detailed quarterly report from the investment manager indicating the status of the non-compliant security. The detailed report should include the original date of purchase and corresponding rating agency and rating change dates.

D. The Investment Consultant shall evaluate and report on a quarterly basis the rate of return net of investment fees and relative performance of the Plan.

E. The Board will meet periodically to review the Investment Consultant performance report. The Board will meet with the investment manager and appropriate outside consultants to discuss performance results, economic outlook, investment strategy and tactics and other pertinent matters affecting the Plan on a periodic basis.

F. At least annually, the Board shall provide the Investment Managers with projected disbursement needs of the Plan so that the investment portfolio can be structured in such a manner as to provide sufficient liquidity to pay obligations as they come due. To this end the Investment Managers should, to the extent possible, attempt to match investment maturities with known cash needs and anticipated cash-flow requirements.

VI. COMPLIANCE

A. It is the direction of the Board that the plan assets are held by a third party custodian, and that all securities purchased by, and all collateral obtained by the plan shall be properly designated as Plan assets. No withdrawal of assets, in whole or in part, shall be made from safekeeping except by an authorized member of the Board or their designee. Securities transactions between a broker-dealer and the custodian involving purchase or sale of securities by transfer of money or securities must be made on a "delivery vs. payment" basis to insure that the custodian will have the security or money in hand at conclusion of the transaction.

B. The investment policy shall require all approved institutions and dealers transacting repurchase agreements to execute and perform as stated in the Master Repurchase Agreement. All repurchase agreement transactions shall adhere to the requirements of the Master Repurchase Agreement.

C. At the direction of the Board, the Plan's compliance with "Section IV. Authorized Investments" shall be reviewed by independent certified public accountants as part of any financial audit periodically required. Compliance with the Board's internal controls over financial reporting shall also be verified. These controls have been designed to prevent losses of assets that might arise from fraud, error, or misrepresentation by third parties or imprudent actions by the Board or employees of the plan sponsor, to the extent possible.

D. Each member of the Board shall participate in a continuing education program relating to investments and the Board's responsibilities to the Plan. It is suggested that this education process begin during each Trustee's first term.

E. With each actuarial valuation, the Board shall determine the total expected annual rate of return for the current year, for each of the next several years and for the long term thereafter. This determination shall be filed promptly with the Department of Management Services, the plan's sponsor and the consulting actuary.

F. The proxy votes must be exercised for the exclusive benefit of the participants of the Plan. Each Investment Manager shall provide the Board with a copy of their proxy voting policy for approval. On a regular basis, at least annually, each manager shall report a record of their proxy vote.

G. Investments for which there is no generally recognized market or consistent accepted pricing mechanism shall be valued at 50% cost. Assets without a fair market value shall be excluded from determination of annual funding cost. The board will disclose to the Department of Management Services and the plan's sponsor each such investment for which the fair market value is not provided

VII. CRITERIA FOR INVESTMENT MANAGER REVIEW

The Board wishes to adopt standards by which judgments of the ongoing performance of a portfolio manager may be made. If, at any time, any three of the following is breached, the portfolio manager may be warned of the Board's serious concern for the Plan's continued safety and performance. If any five of these are violated the consultant may recommend a manager search for that mandate.

- Four (4) consecutive quarters of relative under-performance verses the benchmark.
- Three (3) year trailing return below the top 50th percentile within the appropriate peer group and under performance verses the benchmark.
- Five (5) year trailing return below the top 50th percentile and under performance verses the benchmark.
- Three (3) year downside volatility greater than the index (greater than 100), as measured by down market capture ratio.
- Five (5) year downside volatility greater than the index (greater than 100), as measured by down market capture ratio.
- Style consistency or purity drift from the mandate.
- Management turnover in portfolio team or senior management.
- Investment process change, including varying the index or benchmark.
- Failure to adhere to the IPS or other compliance issues.
- Investigation of the firm by the Securities and Exchange Commission (SEC).
- Significant asset flows into or out of the company.
- Merger or sale of firm.
- Fee increases outside of the competitive range.
- Servicing issues – key personnel stop servicing the account without proper notification.
- Failure to attain a 60% vote of confidence by the Board.

Nothing in this section shall limit or diminish the Board’s right to terminate the manager at any time for any reason.

VIII. APPLICABLE CITY ORDINANCES

If at any time this document is found to be in conflict with the City Ordinances or applicable Florida Statutes, the Ordinances and Statutes shall prevail.

IX. REVIEW AND AMENDMENTS

It is the Board's intention to review this document at least annually subsequent to the actuarial report and to amend this statement to reflect any changes in philosophy, objectives, or guidelines. In this regard, the Investment Manager's interest in consistency in these matters is recognized and will be taken into account when changes are being considered. If, at any time, the Investment Manager feels that the specific objectives defined herein cannot be met, or the guidelines constrict performance, the Board should be notified in writing. By initialing and continuing acceptance of this Investment Policy Statement, the Investment Managers concur with the provisions of this document. By signing this document, the Chairman attests that this policy has been recommended by the Investment Consultant, reviewed by the plan's legal counsel for compliance with applicable law, and approved by the Board of Trustees.

X. FILING OF THE INVESTMENT POLICY

Upon adoption by the Board, the investment policy shall be promptly filed with the Florida Department of Management Services, the City, and the plan's actuary. The effective date of the Investment Policy shall be the 31 days following the filing date with the City.

CITY OF PORT ORANGE POLICE PENSION FUND

_________________________ ___________

Chairman, Board of Trustees Date