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, May 16, 2019
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.

CALL TO ORDER

DETERMINATION OF A QUORUM

APPROVAL OF MINUTES

A. Approve the minutes of quarterly meeting February 21, 2019

OFFICER AND TRUSTEE REPORTS

CONSENT AGENDA

A. Ratify plan expenditures as follows:
   1. Sugarman & Susskind – monthly retainer for February 2019 - $2,600;
   2. Sugarman & Susskind – monthly retainer for March 2019 - $2,600;
   3. Sugarman & Susskind – monthly retainer for April 2019 - $2,600;
   4. Plan Administrator Karan Rounsavall – monthly fee (February 2019, March 2019, April 2019) - $9,000;
   5. Freiman Little Actuaries – contracted actuarial services from February 13, 2018 through February 12, 2019 - $24,627;
   6. Freiman Little Actuaries – supplemental actuarial services from February 13, 2018 through February 12, 2019 - $12,072;
   7. James Moore & Co., CPA – Fiscal Year 2018 Audit – Final billing through February 28, 2019 - $5,000;
   8. AndCo Consulting – investment consulting and performance monitoring services for quarter ended March 31, 2019 - $8,750;

9. First State Trust Company – custodial services for quarter ended March 31, 2019 - $4,625.

B. Acknowledge refund of member contributions to the following non-vested members:
   1. Kevin Fernandez (non-vested member) in the amount of $2,991.26;
   2. Jacob Bissonnette (non-vested member) in the amount of $7,330.78.

OLD BUSINESS

NEW BUSINESS

A. Renewal of fiduciary liability insurance policy with Markel American Insurance Company through Ullico Casualty Group
B. Periodic review of professional service provider agreements
C. Ratify normal retirement benefits for Joseph Swetz (10-year certain & life) commencing February 1, 2019

CONSULTANT REPORTS

A. Tyler Grumbles – *AndCo Consulting* (Investment Consultant)
   1. Investment Performance Report for quarter ended March 31, 2019
   2. Informational introduction to high-yield bond investments (floating bank loans - fixed income alternative)
   3. Review of managers offering bank loan investments
   4. Discussion and possible action to revise Investment Policy Statement to allow high-yield bond investments (i.e. floating bank loans)
   5. Status report on investment management agreement/side letters with Brookfield Super-Core Infrastructure Partners to introduce infrastructure investments into portfolio.
B. Chad Little – *Freiman Little Actuaries, LLC* (Plan Actuary)
   1. Review of actuarial cost methodology for purchase of prior military or law enforcement service
C. Ken Harrison – *Sugarman & Susskind* (Attorney)
D. Karan Rounsavall – Plan Administrator
   1. Educational Opportunities: Florida Public Pension Trustees Association (FPPTA) annual conference in Orlando (June 30 – July 3, 2019)
   2. Annual Financial Disclosure Filing Deadline (July 1, 2019)

PUBLIC COMMENT

ADJOURNMENT

CITY OF PORT ORANGE
POLICE OFFICERS' PENSION BOARD
FEBRUARY 21, 2019

The Port Orange Police Officers' Pension Board of Trustees held its quarterly meeting on Thursday, February 21, 2019 in the Police Department Training Room, 4545 Clyde Morris Boulevard, Port Orange, Florida.

MEMBERS PRESENT:	Chairman Warren Carman (fifth member) Brian Cobb (resident member) Drew Bastian (resident member) Andrew McKay (police member) William Proctor (police member)
CONSULTANTS:	Ken Harrison, Board Attorney – Sugarman & Susskind Tyler Grumbles, Investment Consultant – AndCo Chad Little, Actuary – Freiman Little Actuaries Zach Chalifour, Auditor – James Moore CPA Karan Rounsavall, Plan Administrator
CITY STAFF:	None

Member Carman called the meeting to order at 9:00 a.m. A quorum was in attendance.

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Plan Administrator Rounsavall advised of a vacancy on the Pension Board as of December 28, 2018 due to the retirement of Chairman Steve Braddock. Pursuant to policy for election of police members, she posted a call for candidates to fill the vacancy for the balance of the unexpired term. As of February 20, 2019 (the closing date for candidates to submit their names), the only name submitted was Andrew McKay.

Member Bastian moved to certify the election. Member Carman seconded the motion which carried unanimously. Member Bastian then moved to seat Andrew McKay on the Port Orange Police Pension Board to fill the remainder of the unexpired term for a police member through October 2021. Member Carman seconded the motion; it carried on an all yes vote.

ELECTION OF OFFICERS

It was necessary to elect a new chairman due to retirement of former chairman Steve Braddock. *Member Bastian nominated Warren Carman. There were no other nominations. Member Bastian's motion to close nominations was seconded by Member Cobb and carried unanimously. Accordingly, Member Carman was elected as chairman.*

Chairman Carman opened nominations for secretary. *Member Bastian moved that Member Proctor continue his role as secretary for the Pension Board. There were no further nominations. Member McKay seconded the motion. The motion carried on an all yes vote.*

APPROVAL OF MINUTES

Member Bastian moved to approve minutes of quarterly meeting November 15, 2018 as submitted. Member Cobb 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 November 2018 - $2,600. *Recommendation:* Ratify payment.
   2. Sugarman & Susskind – monthly retainer for December 2018 - $2,600. *Recommendation:* Ratify payment.
   3. Sugarman & Susskind – monthly retainer for January 2019 - $2,600. *Recommendation:* Ratify payment.
   4. Plan Administrator Karan Rounsavall – monthly fee (November 2018, December 2018, January 2019) - $9,000. *Recommendation:* Ratify payments.
   5. Florida Public Pension Trustees' Association (FPPTA) – 2019 membership dues in FPPTA for Pension Board - $600. *Recommendation:* Ratify payment.
   6. Florida Public Pension Trustees' Association (FPPTA) – 2019 Annual Certified Public Pension Trustee (CPPT) re-certification fee for Trustees Warren Carman and Drew Bastian - $60. *Recommendation:* Ratify payment.
   7. James Moore & Co., CPA – Audit – Progress billing through December 31, 2018 - $4,000. *Recommendation:* Ratify payment.
   8. AndCo Consulting – investment consulting and performance monitoring services for quarter ending December 31, 2018 - $8,750. *Recommendation*: Ratify payment.
   9. First State Trust Company – custodial services for quarter ended December 31, 2018 - $4,625. *Recommendation*: Ratify payment.

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

OLD BUSINESS - None

NEW BUSINESS

A. Ratify normal retirement benefits for Steve Braddock (100 percent joint & survivor) commencing January 1, 2019

Member Cobb moved to ratify retirement benefits for Steve Braddock. Member Proctor seconded the motion and it carried unanimously.

B. Acknowledge receipt of detailed accounting report for Fiscal Year 2017/2018

Board members were in receipt of the detailed accounting report for Fiscal Year 2017/2018 prepared by the plan administrator. It reflected administrative expenses that were paid on behalf of the plan during the fiscal year. Administrative expenses included legal counsel, actuarial, investment consultant, plan administration, education, fiduciary insurance, etc. Total administrative expenses were $225,689 which was less than the adopted budget for the fiscal year. Investment management expenses were not considered administrative expenses and, as such, were not reported. Nor were mutual fund holdings (reported net of fees) considered administrative expenses.

Member Bastian moved to accept the detailed accounting report for Fiscal Year 2017/2018 as presented. Member Cobb seconded the motion and it carried on an all *yes vote.* A copy of the report would be posted on the police department bulletin board as well as the City's web site.

C. Discussion and possible action related to reasonable assurance that monthly benefit payments were received by retirees

Plan Administrator Rounsavall was recently contacted by a retiree who wished to change their direct deposit authorization. This was a routine request which she regularly processed on behalf of retirees. However, this particular request raised some concern with her because the retiree had changed their direct deposit authorization several times in the past few months. Additionally, this time, the request was to a joint account with an unrelated individual.

Attorney Harrison stated that the plan administrator was proper in bringing this matter to the board's attention. The retiree in question was David Fouts, who survived a tragic accident two years earlier. The attorney advised that the Pension Board could move to appoint a guardian for Retiree Fouts but this could be a protracted and difficult course of action. Chairman Carman was familiar with the individual who was named as a joint account holder and was comfortable that they would act in Retiree Fouts' best interest.

Member Bastian moved to authorize Plan Administrator Rounsavall to process Retiree Fouts' request for a new direct deposit authorization. Member Cobb seconded the motion which carried unanimously.

Member Proctor wondered if it would be possible to include a notary clause on the direct deposit form. Attorney Harrison advised this was not an option as the form was prescribed by the custodian. As an alternative, Member Proctor asked if an administrative form could be developed to ensure that benefit payments were going to the retiree. Mrs. Rounsavall mentioned the annual confirmation of receipt of benefits form that was sent to all retirees.

CONSULTANT REPORTS

A. Tyler Grumbles – AndCo Consulting (Investment Consultant)

1. Investment Performance Report for quarter ended December 31, 2018

Mr. Grumbles presented the performance report for the quarter ended December 31, 2018. It was a very challenging quarter for equities, in fact, the worst in nearly a decade. Fear and economic uncertainty drove the markets. Trade tensions with China, midterm elections, tightening of monetary policy by the Federal Reserve, and the partial government shutdown, etc. outweighed any positive news reported during the quarter. The S&P 500 Index (domestic equity) ended the calendar year in negative territory. Small capitalization equities were the worst performing asset class. International equities also experienced considerable losses. Fixed income returns, while muted, were the safe haven for the quarter.

Total market value as of December 31, 2018 was $35,390,042 down from $36,648,504 for the previous quarter ended September 30, 2018. On a percentage basis, the composite portfolio was down -8.87 percent (gross) for the quarter which ranked in the 68th percentile of public plans. Since the first of the year, the pension plan was up significantly and recouped losses such that the portfolio was only down one to two percent since the start of the fiscal year. The fund was valued at $38,197,161 as of the previous day's market close.

Quarterly performance results (i.e. quarter ending December 31, 2018) for the various investment styles/managers represented in the portfolio were as follows:

Vanguard Total Stock Market Index Fund – <u>negative</u> return of -14.26% (46)*
EuroPacific Growth (international equity) – <u>negative</u> return of -12.59% (28)*
Oakmark International (international equity) – <u>negative</u> return of -16.30% (99)*
Dodge & Cox (domestic fixed income) – positive return of 0.29% (86)*
Metropolitan West (domestic fixed income) – positive return of 1.53% (18)*
PIMCO Diversified Income (global fixed) – <u>negative</u> return of -1.26% (90)
UBS Trumbull (private real estate) – positive return of 1.73% (66)*
*Public peer rankings

Mr. Grumbles reminded board members of their earlier decision (August 6, 2018) to increase the allocation to private real estate back to ten percent (roughly $550,000). He received the capital call from UBS Trumbull at the end of December and the allocation was funded. At the attorney's request, the consultant reviewed the compliance checklist.

Member Bastian moved to accept the investment performance report as presented. Member Cobb seconded the motion which carried on an all yes vote.

2. Infrastructure Investment Opportunities

At its November 15, 2018 meeting, the pension board was introduced to infrastructure investments. Such investments tended to be counter-cyclical in nature with a low correlation to other asset classes. The board agreed to receive presentations from two infrastructure funds at this meeting.

- ✓ Brookfield Super-Core Infrastructure Partners

A conference call was initiated with Michael Botha of Brookfield Super-Core Infrastructure Partners (BSIP) who proceeded with an investor presentation of the Brookfield Super-Core strategy. BSIP was an open-end fund targeting core infrastructure in developed markets with a focus on current yield, lower volatility, diversification and inflation protection. It was a long duration investment with a targeted gross rate of return of nine percent. Average current yield was between five and six percent. The investment strategy focused on high quality, stable infrastructure assets, to-wit: utilities, energy, power and transportation sectors principally located in North America, Western Europe and Australia. Assets were valued quarterly by a third party.

While the minimum investment was typically $5 million, BSIP agreed to accept smaller investments from pension funds. The fee structure was 100 basis points on net asset value with an incentive fee calculated as five percent of distributions. There was an early investor discount of 25 percent (i.e. 75 basis points) that would close in March 2021.

Following several questions from board members, the Brookfield presentation concluded.

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The meeting recessed at 10:28 and reconvened at 10:34 a.m.

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✓ J.P. Morgan Asset Management – Infrastructure Investments Fund

A conference call was initiated with George Blake and Daniel Galinko of J.P. Morgan who began their presentation on the Infrastructure Investments Fund (IIF) strategy. IIF was an open-ended core portfolio that sought to deliver stable cash yield, diversification, attractive risk-adjusted returns and inflation protection through market cycles. This was a mature fund founded in 2006. Reflecting its core positioning, the majority of revenues were generated from contracts/regulated sources. This created a predictable cash flow. Assets were valued quarterly by an independent third party.

The fund was willing to accept a $2.5 million investment. Fees were one percent on net asset value. Capital calls were placed at the end of each quarter. There was a four-year commitment on investments with an early withdrawal fee. Additionally, there was an incentive fee when the fund produced a return in excess of seven percent.

There were no questions; the presentation was concluded.

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Discussion ensued. Mr. Grumbles commented on each fund. The J.P. Morgan fund (IIF) was fully invested at present and somewhat more risky than the Brookfield fund. It was sensitive to GDP (gross domestic product). While the Brookfield fund (BSIP) was more conservative with most of its investments in utility companies, its risk exposure was that it was a new fund. There was a three-year hard lock-in with BSIP. Member Cobb was comfortable with this sector and felt that the board should diversify its portfolio with infrastructure investments. Infrastructure was considered an alternative investment.

Member Proctor moved to allow infrastructure investments in the Port Orange Police Pension Fund. Member Cobb seconded the motion; it carried unanimously.

Member McKay then moved to invest $2.5 million with the Brookfield Super-Core Infrastructure Partners Fund and to direct the attorney to prepare the necessary investment management agreements and side letters. The allocation would be funded by a reduction to the domestic equity allocation. Member Cobb seconded the motion which carried on an all-yes vote.

3. Revised investment policy statement (IPS) to allow infrastructure investments

Board members were in receipt of a draft IPS which established a five percent target allocation to core infrastructure products with a corresponding decrease to the domestic equity allocation from 50 to 45 percent. The proposed IPS was reviewed and approved by the attorney as to form and content.

Member Proctor moved to approve the revised investment policy statement to provide for an allocation to core infrastructure. Member McKay seconded the motion which carried unanimously.

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

1. Presentation of annual valuation for fiscal year ending September 30, 2018

Board members were in receipt of the October 1, 2018 Actuarial Valuation Report for the Port Orange Police Officers' Pension Plan. This report established the annual City contribution to the Pension Plan for the fiscal year ending September 30, 2020. The

City's minimum required contribution, expressed as both a dollar amount and percent of pay, increased slightly. The total minimum funding requirement (city and state) was $3,344,724. Expressed as a percentage of payroll, the minimum contribution was 66.71 percent (city plus state). The city's contribution alone was 57.85 percent. The Plan's funded status was 73.96 percent, representing an increase over the previous year's funded percentage of 71.64 percent. The unfunded accrued liability (UAL) was $13,483,148.

The investment return on the "market" value of assets was 8.5 percent; the return on the "actuarial/smoothed" value of assets (five-year smoothing) was 6.39 percent which was less than the 7.35 percent assumed net investment rate of return.

At its previous quarterly meeting, the Pension Board received an experience study which reviewed current actuarial assumptions for the purpose of recommending changes that represented the best estimate of anticipated experience. Assumption changes approved at that meeting were incorporated into this valuation. Assumption changes, along with annual decreases in the assumed rate of return, had the effect of increasing city contributions.

Looking at amortization of the unfunded liability, Mr. Little suggested that the Board consider a *"fresh start"* with the next valuation. A *fresh start* would establish an equivalent single amortization period of seven to eight years and dramatically reduce the unfunded liability over that timeframe. *It was the Board's consensus to allow Mr. Little to discuss this opportunity with the city's new finance director.*

Mr. Little also mentioned that the city overfunded the pension plan by approximately $360,000 in Fiscal Year 2017/2018. Of this overpayment, $60,000 was directed to reduce the unfunded liability and the balance was directed as a prepaid contribution for Fiscal Year 2018/2019.

The valuation report also included required disclosures under *Florida Statutes* 112.664(1). Report disclosures required by Governmental Accounting Standards Board (GASB) 67 and 68 were provided as a supplemental report.

Member Bastian moved to approve the 2018 actuarial valuation report as presented. Member Cobb seconded the motion and it carried on an all yes vote. Plan Administrator Rounsavall would forward the report to city staff for required posting on its web site.

2. Declare expected annual rate of investment return for assets of Port Orange Police Officers' Pension Plan for short term and long term thereafter in accordance with *Florida Statutes*

Board members sought input from their actuary and investment professional as to an expected investment rate of return going forward. Actuary Little was comfortable with the current 7.35 percent expected investment rate of return as was Mr. Grumbles given the long timeframe for a pension fund.

Per the Board's previous direction to reduce the assumed rate of return by ten basis points each year (September 3, 2015), the actuary would prepare the 2019 valuation using 7.25 percent as the assumed annual rate of return.

Member Bastian moved to declare a 7.35 percent expected rate of return for retirement plan assets going forward. Member Proctor seconded the motion and it carried on an all yes vote.

Member Bastian also moved to approve the actuary's appearance before the Port Orange City Council to present the 2018 valuation report as had been done in past years. Member Proctor seconded the motion which likewise carried.

C. Zach Chalifour – *James Moore CPA* (Auditor)

1. Presentation of draft audit of Police Pension Fund financials for fiscal year ended September 30, 2018

Mr. Chalifour advised that there was nothing in the audit report assessed as a material weakness to be disclosed. His firm presented an *"unmodified opinion"* of police pension financials for Fiscal Year 2017/2018 which was the highest standard.

The audit was performed in conformance with governmental auditing standards. The Pension Plan reflected a fiduciary net position of $34,814,690. The net pension liability was $13,360,699. For purposes of the financial statements, the pension plan's funded percentage was 74.20.

There were no recommendations or comments for improving the Plan's efficiency and internal controls. All prior comments were satisfactorily addressed in previous years.

Member Bastian moved to accept the audit report for fiscal year ended September 30, 2018 as presented. Member Cobb seconded the motion which carried unanimously.

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

1. Legal opinion related to reinstatement of cost-of-living increases for joint annuitants upon death of retiree as it related to $95,000 benefit cap

Actuary Little raised this question at the previous meeting, specifically whether or not a member selecting a joint and survivor option (other than 100 percent) and predeceasing their joint annuitant, would the COLA for the survivor be reinstated because the benefit decreased based on the selected option.

Attorney Harrison opined that, in such cases, the COLA would be reinstated until the $95,000 benefit cap was reached again.

2. Legal opinion related to permissibility of high yield bond investments (i.e. bank loans) in Port Orange Police Pension Fund

The Board was in receipt of the legal opinion dated January 16, 2019. It concluded that investments in *"bank loans"* (floating rate debt securities below investment grade) were permissible under the current plan document provided the total allocation to securities below investment grade did not exceed five percent of the total portfolio. However, the attorney emphasized that it would be preferable to amend the ordinance to be more specific as to this type of security.

Mr. Grumbles commented on bank loans which offered a higher yield and low default rate. He proposed an allocation of 2.5 percent to be funded from global fixed income.

Board members expressed interest in receiving more information about bank loans. *Member Proctor moved to direct the investment consultant to prepare an informational* *presentation on bank loans for the next meeting. Member Cobb seconded the motion; it carried unanimously.*

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The plan administrator received a query from the Human Resources Department seeking guidance on a recent instance where the certification form for an officer was not timely submitted to the Florida Department of Law Enforcement. However, that officer had been making contributions to the pension plan.

It was the attorney's opinion that the police officer in question was entitled to credited service dating back to his swear-in date even though the official certification was not in place at that time. The Pension Board agreed. Plan Administrator Rounsavall would relay this consensus back to Human Resources.

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Attorney Harrison reported that there were no prefiled bills pending that would impact the Pension Plan. There was some discussion as to expanding presumptive diseases for police officers and firefighters but these had yet to be introduced.

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E. Karan Rounsavall – Plan Administrator

   1. Educational Opportunities: Police Officers' and Firefighters' Pension Trustees' School sponsored by Florida Division of Retirement in Tallahassee (April 30 – May 2, 2019)

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, May 16, 2019.

PUBLIC COMMENT - None

ADJOURNMENT

The meeting adjourned at 12:42 p.m.

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Sgt. Warren Carman, Chairman

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Karan Rounsavall, Plan Administrator

ULLICO ORGANIZED LABOR PROTECTION GROUP, LLC

a voluntary membership organization operating pursuant to the Liability Risk Retention Act of 1986 and whose principal office is: 1625 Eye Street NW, Washington, DC 20006

Markel American Insurance Company
4521 Highwoods Parkway
Glen Allen, VA 23060

RENEWAL BUSINESS APPLICATION

Fiduciary Liability Claims-Made Policy

Important Information and Instructions:

1. All questions must be answered fully and completely. Please type or print clearly in ink. If a question does not apply to the Trust or Plan, state "Not Applicable" or "N/A."

2. All information identified in Section I (Requested Attachments) must be submitted with this application.

3. If a single policy is desired for more than one Trust or Plan, please submit a separate application for each Trust or Plan.

4. The policy for which application is made is written on a claims-made basis. The coverage afforded by this policy is limited to liability for only those claims first made during the policy period specified on the Policy Certificate resulting from wrongful acts and which are subsequently reported to the Insurer as soon as practicable. This is a policy with claims expenses included in the Limits of Liability. Please read the policy carefully.

5. Please submit application and all required attachments to your Producer/broker.

6. Producer/broker, please submit application and all required attachments to:

Ullico Casualty Group, Inc.**
8403 Colesville Road
Silver Spring, MD 20910
Phone: (888) 315-3352
Fax: (202) 962-8853

Renewal Application

A. General Information

1. Name of Trust or Plan: Port Orange Municipal Police Officers' Pension Plan

EIN Number(s): 59-340050

State Trust or Plan is Domiciled: Florida

2. Address of Trust or Plan: 1000 City Center Parkway Telephone No. 386-506-5500

City: Port Orange State: FL Zip: 32129

3. Producer/Broker: United Member Insurance

4. Address of Producer/Broker: 6826 W. Linebaugh Ave., Tampa FL 33625 Telephone No. 813-265-2300

B. Coverage Request

6. Renewal Effective Date: May 31, 2019
Month Day Year

7. Requested Limits of Liability: (Choose appropriate Limit(s))

(X)	Limit Each Claim/Aggregate Per Policy Period	(X)	Limit Each Claim/Aggregate Per Policy Period
	$ 500,000 / $ 500,000		$ 8,000,000 / $ 8,000,000
x	$ 1,000,000 / $ 1,000,000		$ 9,000,000 / $ 9,000,000
	$ 2,000,000 / $ 2,000,000		$10,000,000 / $10,000,000
	$ 3,000,000 / $ 3,000,000		$11,000,000 / $11,000,000
	$ 4,000,000 / $ 4,000,000		$12,000,000 / $12,000,000
	$ 5,000,000 / $ 5,000,000		$13,000,000 / $13,000,000
	$ 6,000,000 / $ 6,000,000		$14,000,000 / $14,000,000
	$ 7,000,000 / $ 7,000,000		$15,000,000 / $15,000,000

C. Trust/Plan Information and Management

8. Provide total number of present Trustees and any employees of the Trust or Plan:

Trustees (including signatory to this application): 6

Employees (including inside administrators and all administrative/clerical staff): _____

NOTE: If you answer YES to questions 9-12 below, you must provide a detailed, written narrative and pertinent documentation.

	YES	NO
9. In the past year has the name of the Trust or Plan been changed?	☐	☑
10. In the past year has any other trust or plan merged with or been merged into the Trust or Plan or is any anticipated to be merged with or into the Trust or Plan in the next twelve (12) months?	☐	☑
11. In the past year has there been any Trust or Plan amendments or do you anticipate any Trust or Plan amendments that will result in a reduction in benefits?	☐	☑
12. Has the Trust or Plan been terminated or is termination anticipated in the next 12 months?	☐	☑

NOTE: If you answer YES to questions 9-12 above, you must provide a detailed, written narrative and pertinent documentation.

	YES	NO
13. Does the Trust or Plan have current coverage under an ERISA fidelity bond? If **no**, please explain (attach additional pages as needed): ____	☐	☑

14. Have changes been made in any of the below service providers during the past year (1):

	YES	NO
a. Third Party Administrator	☐	☑
b. Consultant/Actuary	☐	☑
c. Legal Counsel	☐	☑
d. Certified Public Accountant	☐	☑
e. Custodian of Assets	☐	☑
f. Investment Consultant/Manager	☐	☑

If **yes**, please provide details, including the name of the provider and years of service (attach additional pages as needed):____

____

D. Employment Practices Liability Coverage (complete Section E. found in Addendum A only if this coverage is desired)

E. Professional Services Liability (Services provided for or to a Third Party, or services for which a Trust or Plan receives compensation or remuneration of any kind)
(Complete Section F. found in Addendum A only if this coverage is desired)

F. Joint Apprenticeship Training Committee (Complete Section G. found in Addendum A only if this coverage is desired)

G. Cyber Liability – Third Party Liability for Data Loss – Personal Injury Electronic Media Professional Liability arising out of Technical Professional Services (Complete Section H. found in Addendum A only if this coverage is desired)

H. Required Attachments

Provide the following material with respect to the Trust or Plan:

1. Latest CPA audited annual financial statement (including investment schedule/portfolio).
2. Latest IRS Form 5500 (or 990) and all completed schedules.
3. Names and home addresses of Trustees of the Trust or Plan

Additional information may be requested based on specific applicant characteristics.

FRAUD WARNINGS

NOTICE TO COLORADO APPLICANTS: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado division of insurance within the department of regulatory agencies.

NOTICE TO KANSAS APPLICANTS: It is unlawful to knowingly commit a "fraudulent insurance act." Which is an act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto.

NOTICE TO NEW YORK APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any material false information, conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

NOTICE TO OHIO APPLICANTS: Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

NOTICE TO OREGON APPLICANTS: Any person who knowingly and with intent to injure, deceive, defraud any insurer or other person files an application or a claim containing any false, incomplete or misleading information or conceals information concerning any material fact may be guilty of insurance fraud, which is a crime and may subject such person to criminal and civil penalties.

NOTICE TO WASHINGTON APPLICANTS: It is a crime to knowingly provide false, incomplete, or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines, and denial of insurance benefits.

NOTICE TO APPLICANTS IN AR, FL, KY, MN, NJ, OK, AND PA: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and subjects such person to criminal and civil penalties.

NOTICE TO ALL OTHER APPLICANTS: Any person who knowingly and with intent to injure, deceive, defraud any insurer or other person files an application or a claim containing any false, incomplete or misleading information or conceals information concerning any material fact commits insurance fraud, which is a crime and subjects such person to criminal and civil penalties.

The undersigned represents, after inquiry, that to the best of his or her knowledge and belief the statements set forth herein are true, and he or she has not withheld any information which is reasonably likely to influence the judgment of Markel American Insurance Company in considering this application for fiduciary liability insurance. The undersigned further represents that if the information supplied by him or her on this application changes between the date of this application and the effective date of the insurance or the time when the policy is bound (whichever is later), the undersigned will immediately notify Markel American Insurance Company in writing of such changes and the insurer may withdraw or modify any outstanding quotations based upon such changes. The signing of this application does not bind the insurer to complete the insurance, but it is agreed that this application and any attachments form the basis of the contract should a policy be issued and shall be deemed attached to and form part of a policy. Markel American Insurance Company is hereby authorized to make any investigation and inquiry in connection with this application it deems necessary.

Signature of Trustee or Authorized Representative: Karan Rounsavall

Date: March 18, 2019

Print Name: Karan Rounsavall, Plan Administrator

**Ullico Organized Labor Protection Group, LLC is administered by Ullico Casualty Group, Inc., a/k/a Ullico Insurance Agency, Inc. in CA, and Ullico Casualty Agency in NY. CA License #OH86030 and FL (Craig Arneson) License # A008437.

PORT ORANGE POLICE OFFICERS' PENSION PLAN
CONSULTANT LIST – AGREEMENT DATES 2019

Company	Title	Contact	Agreement Dates
Freiman Little Actuaries	**Plan Actuary**	Chad Little Paula Freiman	November 10, 2006 (original agreement) August 22, 2014 (revised fee schedule guaranteed for three years thru 8/22/2017) November 17, 2017 (revised fee schedule guaranteed for three years through 9/30/2020) *Last Review: August 2016*
Sugarman & Susskind	**Plan Attorney**	Ken Harrison Pedro Herrera	December 1, 2006 (original agreement) August 22, 2014 (revised monthly retainer fee to provide for annual increases for three years through 10/31/2017) *Last Review: May 2017*
AndCo Consulting, LLC	**Investment Consultant and Performance Monitor**	Tyler Grumbles Dan Johnson	August 1, 2017 (original agreement) $35,000 annual fee guaranteed for two years thru 7/31/2019. $37,500 fee effective August 1, 2019.
Karan Rounsavall	**Plan Administrator**	Karan Rounsavall	March 19, 2014 (original agreement) August 21, 2015 (fee guaranteed for two years thru 5/01/2017) February 16, 2018 (fee guaranteed for four years thru 3/01/2022) *Last Review: May 2018*
First State Trust	**Custodian Bank**	James Robinson	October 2, 2017 (original agreement) $18,500 annual fee guaranteed for two year thru 10/2/2019
James Moore, Certified Public Accountants & Consultants	**Auditor**	Zach Chalifour	September 3, 2015 (original agreement) Audit financial statements of the pension plan for years ended 9/30/2015, 9/30/2016, and 9/30/2017 May 18, 2018 renewed agreement for years ended 9/30/2018, 9/30/2019, & 9/30/2020)

May 9, 2019

PORT ORANGE POLICE OFFICERS' PENSION PLAN

POLICY STATEMENT

PERIODIC REVIEW OF PROFESSIONAL SERVICE PROVIDER AGREEMENTS

WHEREAS, Section 54-134(d) and (e) of the Port Orange Police Officers' Pension Plan (plan document), as restated in the *City of Port Orange Code of Ordinances,* vests the Port Orange Police Pension Board of Trustees with the authority to adopt bylaws, rules and regulations for the administration of the Pension Plan; and

WHEREAS, the Port Orange Police Officers' Pension Board of Trustees regularly retains professional service providers to assist in the administration and operation of the Pension Plan/Fund; and

WHEREAS, the Port Orange Police Officers' Pension Board of Trustees believes it to be in the best interest of the participants and beneficiaries of the Pension Plan/Fund to routinely review all professional service provider agreements; and

WHEREAS, the Port Orange Police Officers' Pension Board of Trustees desires to adopt a Policy Statement regarding the routine review of professional service provider agreements.

NOW, THEREFORE, it is hereby resolved this 20th day of February, 2015 that the following Policy Statement regarding the routine review of professional service provider agreements is hereby adopted.

GENERAL CONSIDERATIONS

A. The Port Orange Police Officers' Pension Board of Trustees is vested with the authority and responsibility to administer the operation of the Pension Plan/Fund.

B. The Port Orange Police Officers' Pension Board of Trustees has the authority to retain professional service providers to assist in such administration of the Pension Plan/Fund.

C. The Port Orange Police Officers' Pension Board of Trustees retains professional service providers to assist in the administration of Pension Plan/Fund operations, actuarial services, investment of Plan/Fund assets, monitoring/evaluating of such investment activities, custody of Pension Plan/Fund assets, legal services, etc.

REVIEW POLICY

A. The Port Orange Police Officers' Pension Board of Trustees shall routinely review all professional service provider agreements to determine appropriateness and timeliness of the terms contained therein.

REVIEW POLICY

A. The Board of Trustees shall routinely review all professional service provider agreements to determine appropriateness and timeliness of the terms contained therein.

B. The Board of Trustees shall conduct a review of one professional service provider agreement each year based on the date of original execution with the oldest professional relationship being the first agreement subject to review.

C. The Board of Trustees may, in its sole discretion at that time, continue with that service provider, solicit bids or issue a request for proposal (RFP) for the professional services under review.

D. Notwithstanding the foregoing, the Board of Trustees reserves its right to review and terminate any service provider contract at any time and in its sole discretion.

ADOPTED this 20th day of February, 2015, at a meeting of the Port Orange Police Officers' Pension Board of Trustees

City of Port Orange Police Pension Fund

By: Sgt. Braddock 2/19
Sgt. Steve Braddock, Chairman

By: Lt. Wm Proctor
Lt. William Proctor, Secretary

Investment Performance Review
Period Ending March 31, 2019

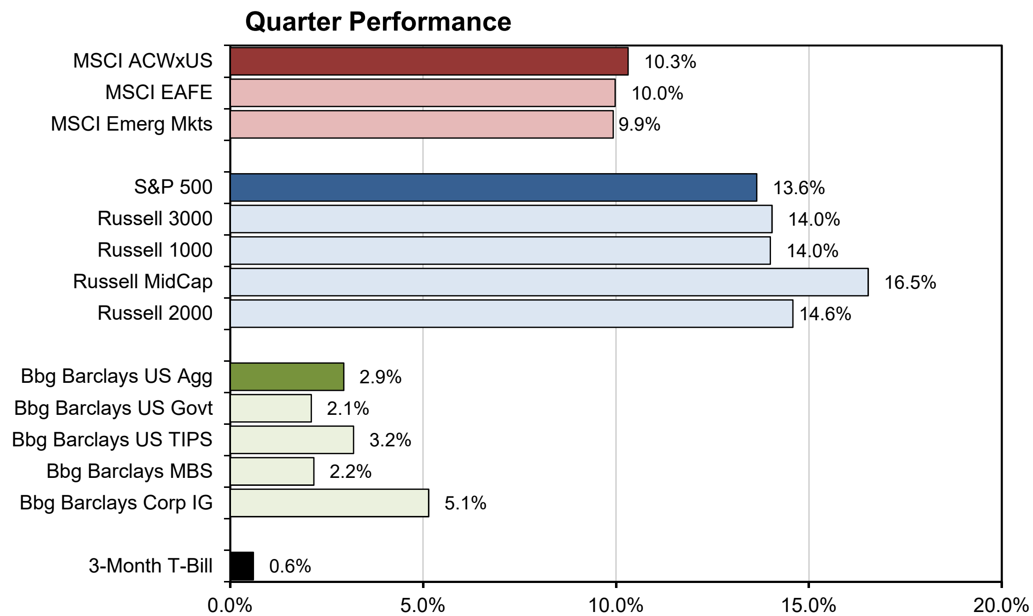
Port Orange Police Pension

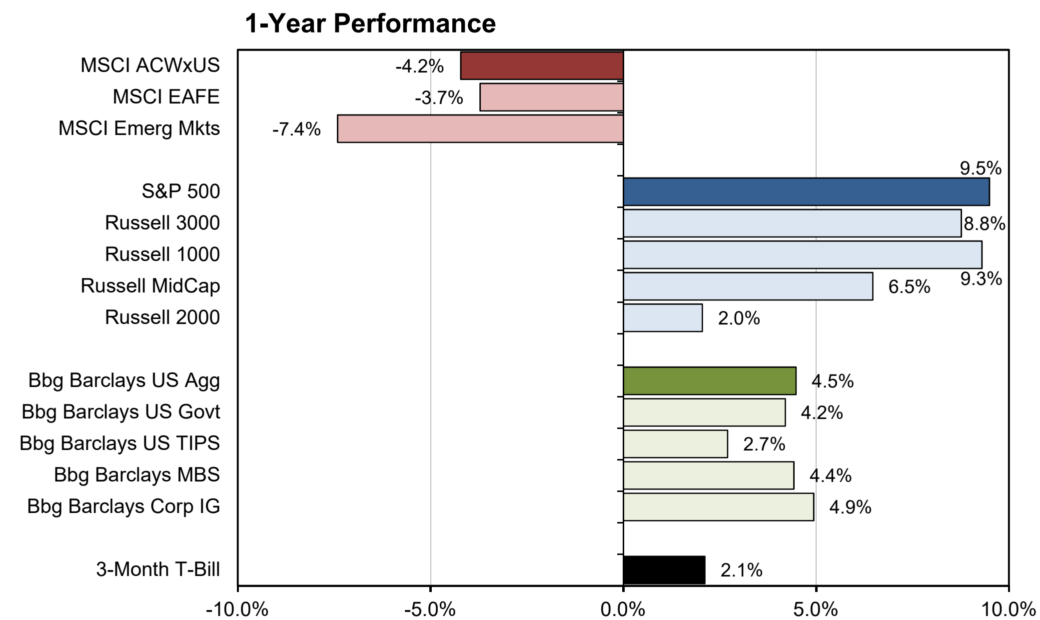
1st Quarter 2019 Market Environment

- After a difficult end to 2018, markets rebounded strongly during the 1st quarter of 2019 with higher risk assets posting the greatest returns. Broad international and domestic equity markets had double-digit gains during the period as investors overlooked signs of weakening global growth in favor of increased accommodation in global monetary policy and progress in global trade negotiations. While muted relative to equities, fixed income returns were also positive during the quarter. Within equities, domestic stocks outperformed international markets. US markets pushed higher as the US Federal Reserve (Fed) shifted their stance on monetary policy toward a more accommodative posture, the US and China moved closer to a resolution of their ongoing trade dispute and the partial government shutdown that began in December came to an end. The large cap S&P 500 Index returned 13.6% during the quarter while the small cap Russell 2000 Index gained 14.6% for the period. US equity returns over the 1-year period are positive with the S&P 500 appreciating 9.5% while the Russell 2000 posted a more modest gain of 2.0%.

- Similar to US markets, international equity investors were encouraged by a general easing in central bank monetary policy, including new stimulus measures in Europe and China, as well as the de-escalation of trade tensions with the US. Despite the continued softening in global macroeconomic data and the lack of certainty around Brexit, international equity index returns finished the quarter in positive territory with the MSCI ACWI ex US Index returning 10.3%. The developed market MSCI EAFE Index and the MSCI Emerging Markets Index had similar performance during the 1st quarter returning 10.0% and 9.9% respectively. Despite the strong quarter, returns over the 1-year period remain negative with developed markets falling -3.7%, outperforming emerging markets which fell -7.4%.

- Fixed income securities underperformed equities to start 2019 with the broad market Bloomberg Barclays Aggregate Index returning 2.9%. Interest rates fell for all maturities across the US Treasury Yield Curve as Fed guidance signaled a pause in monetary policy tightening through 2019. Interest rates in the middle of the curve saw the greatest declines causing the curve to invert with shorter-term maturities paying higher interest rates than those in the middle of the curve. This has historically preceded a recession by 6-24 months. Investment grade corporate issues were the best performing securities this quarter, outperforming Treasury and securitized issues. The Bloomberg Barclays Corporate IG Index returned 5.1% for the period, as corporate credit had tailwinds due to its greater interest rate sensitivity, higher yields and tightening credit spreads. Corporate issues also outperformed the other major fixed income sectors over the 1-year period, returning 4.9% versus a 4.5% return for the Bloomberg Barclays Aggregate Index.

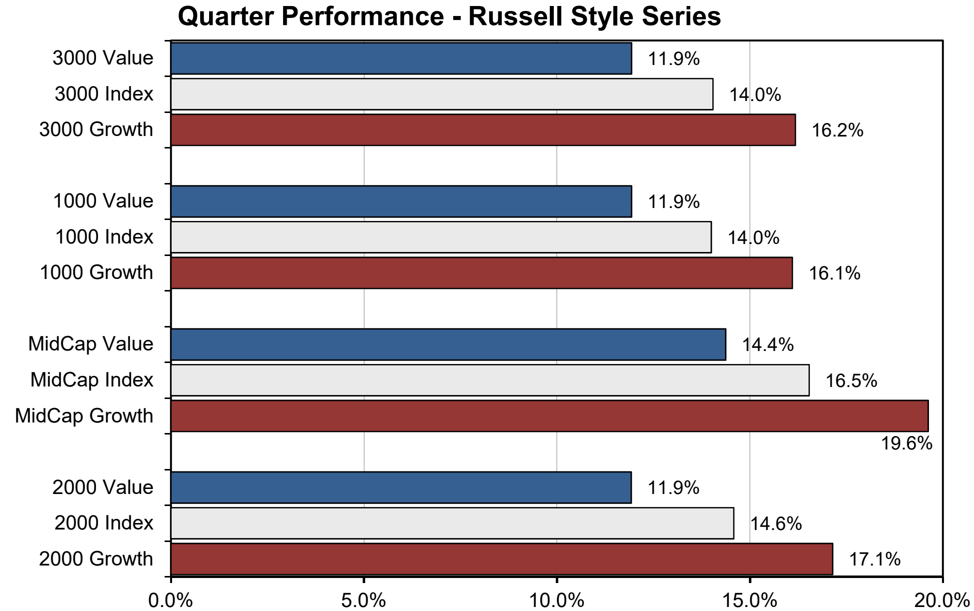


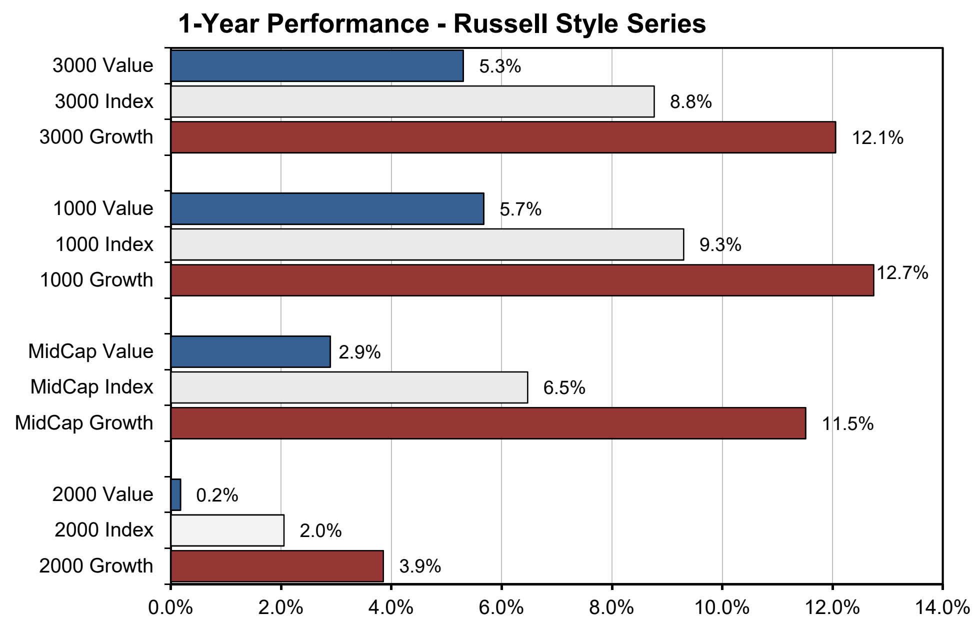


- US equity index returns were strongly positive across the style and capitalization spectrum to start the year with all indices posting double digit returns. Macroeconomic data released during the quarter was mixed with disappointing data released late in the quarter for GDP and employment being particularly notable. Even though earnings reported during the period were viewed favorably, many companies provided negative forward earnings guidance due to slowing global growth, trade concerns and the fading effects of US tax reform. However, investor concerns over the economy were overshadowed by positive developments in trade negotiations with China and an accommodative shift in Fed monetary policy. With regards to trade, President Trump delayed the implementation of new Chinese tariffs scheduled for March 1st citing substantial progress in ongoing discussions. Stocks also rallied on Fed guidance to put further monetary policy tightening on hold as they lowered projections for growth and inflation. Lastly, we saw the end of the partial government shutdown that began in December due to a partisan disagreement over funds for the construction of a border wall with Mexico. While the spending bill that passed did not budget for the wall, President Trump declared a national state of emergency later in the quarter in order to secure the needed funding.

- During the quarter, mid cap stocks were the best performers while small cap stocks outperformed large cap equities across growth, value and core indices. The Russell MidCap Index gained 16.5% during the period versus a 14.6% return for the small cap Russell 2000 Index and a 14.0% gain on the large cap Russell 1000 Index. Part of the reason for strength in small cap names is the projected hold on interest rate increases that occurred over 2018 as small and mid-cap companies typically maintain higher percentages of debt than their large cap peers. Small and mid-cap companies are usually more domestically focused which will serve as a tailwind in periods where the US economy is on stronger footing than international markets. It is also not unusual for smaller market cap stocks to outperform in risk-on market environments. When viewed over the most recent 1-year period, large cap stocks outperformed relative to small cap stocks. The Russell 1000 returned 9.3% for the year while the Russell 2000 gained only 2.0%.

- Growth indices outperformed value indices across the market cap spectrum during the 1st quarter. Growth stocks have outperformed value in all but one quarter over the last two years. The Russell MidCap Growth Index was the best performing style index for the period, returning 19.6% for the quarter. The large cap and small cap value indices had the lowest relative returns, both gaining 11.9%. The trend of growth outperformance is also visible over the 1-year period as growth indices have benefitted from larger exposures to technology which has been a large driver of index performance over the last year, as well as a meaningful underweight to financials which has been a relative detractor.

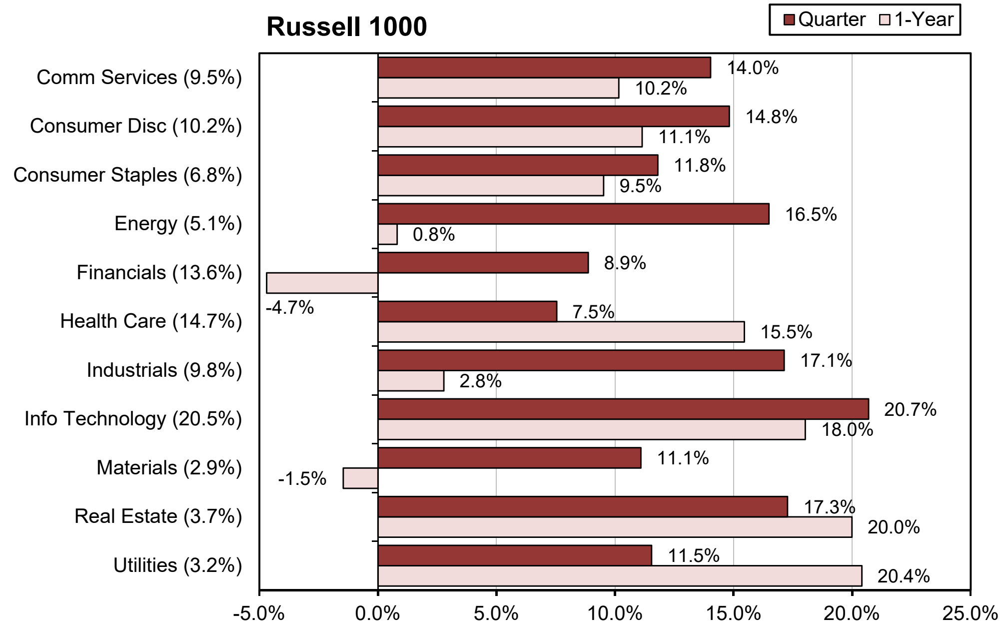


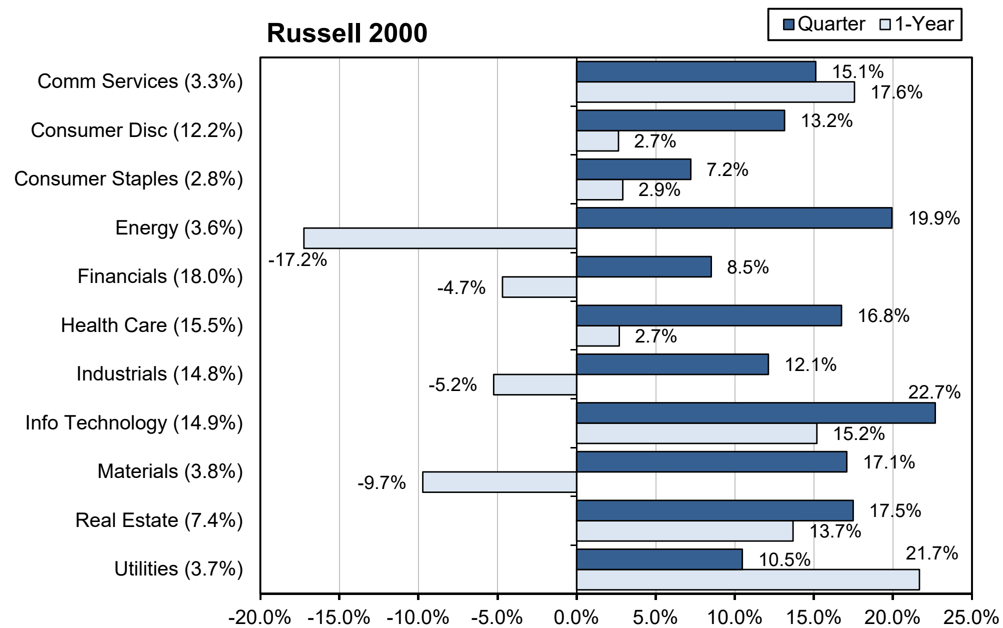


Source: Investment Metrics

- Sector performance was broadly positive across large cap sectors for the 1st quarter. There were strong gains for all sectors within the Russell 1000 Index during for the period with five sectors outpacing the return of the index. While the rally was broad with nine of eleven sectors posting double digit returns, cyclical sectors such as technology, industrials and energy were some of the best performers through the quarter returning 20.7%, 17.1% and 16.5% respectively. Technology stocks rose on strong earnings and attractive valuations following their 4th quarter 2018 sell off. Energy companies benefitted from a large rebound in oil prices which increased by over 30% during the quarter following an OPEC led supply cut and US sanctions against Iran and Venezuela. Industrial stocks, among others, gained on hopes that trade tensions between the US and China would continue to abate. REITs also had a particularly strong quarter, returning 17.3% as the prospect of lower interest rates acted as a tailwind. Financials and health care stocks were the worst performers during the period returning 8.9% and 7.5% respectively. Health care stocks faced uncertainty around the potential for future regulation following congressional hearings on drug pricing while the prospect of lower earnings due to a muted interest rate environment weighed on financial stocks. Returns over the 1-year period were positive with nine out of eleven sectors posting gains, six of which were over 10%. Utilities, REITs and information technology were the best performers returning 20.4%, 20.0% and 18.0% respectively. Financials and materials posted negative results at -4.7% and -1.5% while energy was only slightly positive at 0.8%.

- Quarterly results for small cap sectors were mixed relative to their large capitalization counterparts with six of eleven sectors outperforming their corresponding large cap equivalents. Like large caps, all eleven sectors produced gains during the period with six of eleven economic sectors outpacing the Russell 2000 Index return for the quarter and nine returning over 10.0%. Similar to large caps, cyclical sectors performed well with technology, energy and materials returning 22.7%, 19.9% and 17.1% respectively. Real estate also did well returning 17.5%. The largest detractors over the period were consumer staples, financials and utilities which still produced gains of 7.2%, 8.5% and 10.5%. Over the trailing 1-year period, returns varied significantly with four sectors posting double digit gains and four losing value. Despite a very strong quarter, energy stocks were the worst performers over the 1-year period, falling a considerable -17.2%, while the defensive utilities sector produced the greatest gains, appreciating 21.7%.





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 March 31, 2019

Top 10 Weighted Stocks

Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Apple Inc	3.42%	20.9%	14.9%	Information Technology
Microsoft Corp	3.39%	16.6%	30.8%	Information Technology
Amazon.com Inc	2.78%	18.6%	23.0%	Consumer Discretionary
Facebook Inc A	1.50%	27.2%	4.3%	Communication Services
Berkshire Hathaway Inc B	1.48%	-1.6%	0.7%	Financials
Johnson & Johnson	1.42%	9.0%	12.1%	Health Care
Alphabet Inc C	1.36%	13.3%	13.7%	Communication Services
Alphabet Inc A	1.33%	12.6%	13.5%	Communication Services
Exxon Mobil Corp	1.30%	19.8%	12.9%	Energy
JPMorgan Chase & Co	1.27%	4.6%	-5.6%	Financials

Top 10 Weighted Stocks

Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Etsy Inc	0.40%	41.3%	139.6%	Consumer Discretionary
Five Below Inc	0.33%	21.4%	69.4%	Consumer Discretionary
The Trade Desk Inc A	0.32%	70.6%	298.9%	Information Technology
Integrated Device Technology Inc	0.31%	1.2%	60.3%	Information Technology
HubSpot Inc	0.30%	32.2%	53.5%	Information Technology
Planet Fitness Inc A	0.30%	28.2%	81.9%	Consumer Discretionary
Cree Inc	0.29%	33.8%	41.9%	Information Technology
Ciena Corp	0.26%	10.1%	44.2%	Information Technology
Primerica Inc	0.26%	25.4%	27.7%	Financials
Array BioPharma Inc	0.25%	71.1%	49.4%	Health Care

Top 10 Performing Stocks (by Quarter)

Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Versum Materials Inc	0.02%	81.9%	34.7%	Information Technology
Coty Inc Class A	0.02%	77.3%	-34.3%	Consumer Staples
Nabors Industries Ltd	0.00%	72.5%	-48.7%	Energy
Sage Therapeutics Inc	0.03%	66.0%	-1.3%	Health Care
Wayfair Inc Class A	0.03%	64.8%	119.8%	Consumer Discretionary
Chipotle Mexican Grill Inc Class A	0.07%	64.5%	119.8%	Consumer Discretionary
Universal Display Corp	0.02%	63.5%	51.7%	Information Technology
Xerox Corp	0.02%	63.1%	15.7%	Information Technology
Floor & Decor Holdings Inc	0.01%	59.2%	-20.9%	Consumer Discretionary
bluebird bio Inc	0.03%	58.6%	-7.9%	Health Care

Top 10 Performing Stocks (by Quarter)

Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Immune Design Corp	0.01%	350.0%	77.3%	Health Care
Diebold Nixdorf Inc	0.04%	344.6%	-28.1%	Information Technology
Constellation Pharmaceuticals Inc	0.01%	237.9%	N/A	Health Care
Flotek Industries Inc	0.01%	197.2%	-46.9%	Materials
Spark Therapeutics Inc	0.18%	191.0%	71.0%	Health Care
Magenta Therapeutics Inc	0.01%	188.9%	N/A	Health Care
ION Geophysical Corp	0.01%	178.8%	-46.7%	Energy
Catalyst Pharmaceuticals Inc	0.02%	165.6%	113.4%	Health Care
VirnetX Holding Corp	0.02%	163.8%	60.3%	Information Technology
Rockwell Medical Inc	0.01%	151.8%	9.2%	Health Care

Bottom 10 Performing Stocks (by Quarter)

Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Uniti Group Inc	0.01%	-27.8%	-23.8%	Real Estate
PG&E Corp	0.03%	-25.1%	-59.5%	Utilities
The Kraft Heinz Co	0.07%	-23.2%	-45.1%	Consumer Staples
Realogy Holdings Corp	0.01%	-21.8%	-57.3%	Real Estate
Nu Skin Enterprises Inc Class A	0.01%	-21.5%	-33.7%	Consumer Staples
Biogen Inc	0.18%	-21.4%	-13.7%	Health Care
Centennial Resource Development A	0.01%	-20.2%	-52.1%	Energy
CenturyLink Inc	0.04%	-19.3%	-19.0%	Communication Services
Qurate Retail Inc Class A	0.03%	-18.1%	-36.5%	Consumer Discretionary
Macy's Inc	0.03%	-18.0%	-15.2%	Consumer Discretionary

Bottom 10 Performing Stocks (by Quarter)

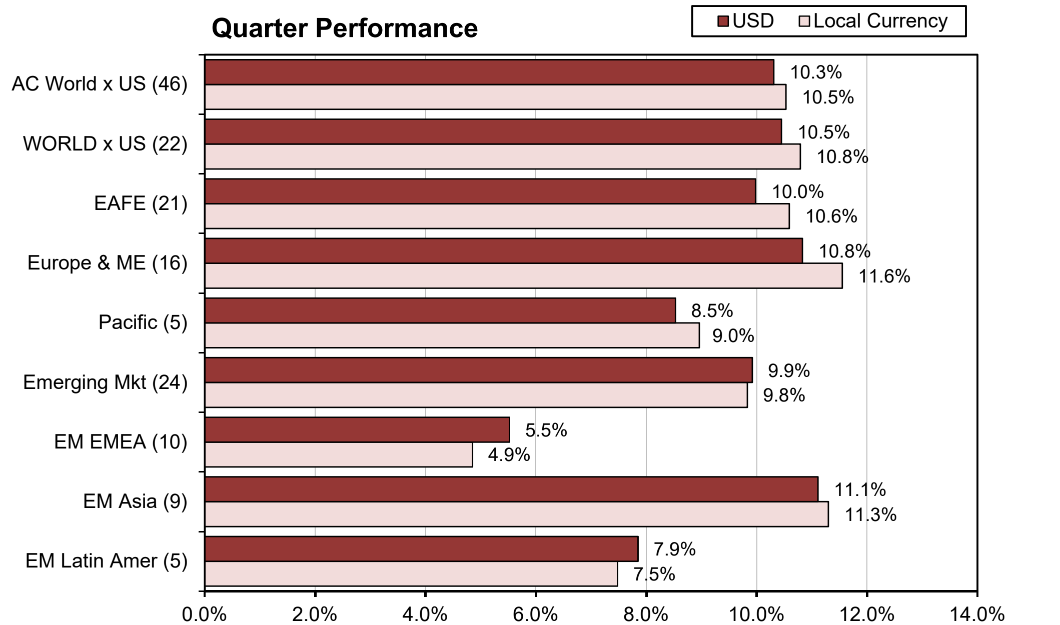
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Zomedica Pharmaceuticals Corp	0.00%	-77.0%	-84.2%	Health Care
Aptinyx Inc	0.00%	-75.5%	N/A	Health Care
Alta Mesa Resources Inc Class A	0.00%	-73.5%	-96.7%	Energy
Novavax Inc	0.01%	-70.1%	-73.8%	Health Care
Maxar Technologies Inc	0.01%	-66.3%	-91.0%	Industrials
Solid Biosciences Inc	0.01%	-65.7%	22.7%	Health Care
Achaogen Inc	0.00%	-62.9%	-96.5%	Health Care
EP Energy Corp A	0.00%	-62.9%	-80.6%	Energy
Proteostasis Therapeutics Inc	0.00%	-61.1%	-73.5%	Health Care
Approach Resources Inc	0.00%	-59.4%	-86.4%	Energy

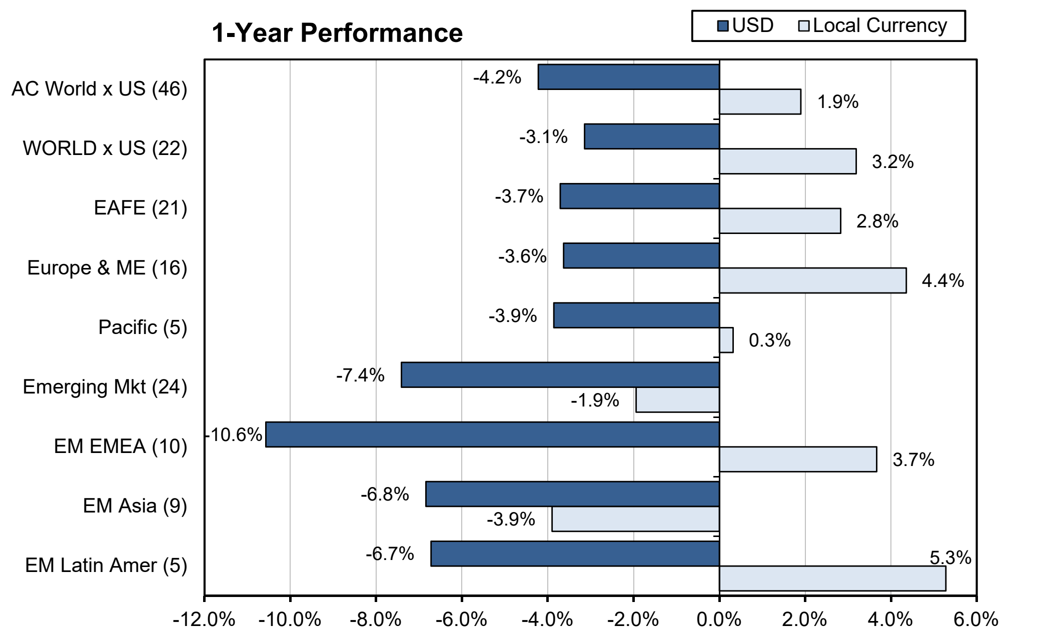
Source: Morningstar Direct

- Broad international equity returns were positive for the quarter in both local currency and USD terms. The MSCI ACWI ex US Index gained 10.5% in local currency terms and 10.3% in USD terms during the 1st quarter. Similar to US markets, international equity investors were encouraged by central bank responses to slowing global growth as they shifted towards more accommodative policies and the improvement in dialogue around global trade. Returns in local currency typically outperformed USD returns in the developed markets, as the USD continued to strengthen against most major developed currencies. While the currency effect was detrimental in developed markets, it acted as a slight tailwind in emerging markets. The USD strength is particularly noticeable over the 1-year period where local currency returns on the MSCI ACWI ex US Index were 1.9%, but after accounting for foreign exchange, translated to a loss of -4.2% for a USD investor.

- Fourth quarter results for developed market international indices were positive in both local currency and USD terms with the MSCI EAFE Index returning 10.6% and 10.0% respectively. Ongoing weakness in global economic reporting pushed major central banks to move toward less restrictive postures around monetary policy. In Europe, the European Central Bank (ECB) announced plans for additional stimulus while putting any future interest rate increases on hold until 2020. The Bank of England (BoE) left policy unchanged as uncertainties around Brexit coincided with a slowing economy. Prime Minister Theresa May held two votes on her withdrawal plan, both of which failed, forcing her to request an extension to the March 29th withdrawal deadline. Data from Japan drew concerns that the country's economy is contracting as corporate earnings, exports, manufacturing, retail sales and inflation all hinted at an economic slowdown. The MSCI EAFE Index returned 2.8% and -3.7% for the last twelve months in local currency and USD terms respectively.

- Emerging markets slightly underperformed relative to developed markets for the 1st quarter, but still appreciated in both local currency and USD terms with the MSCI Emerging Markets Index returning 9.8% and 9.9% respectively. A major tailwind for equity markets was the improvement in trade relations between the US and China. As Chinese economic data appeared to be slowing, the Chinese government also announced continued stimulus in the form of tax cuts, infrastructure investment and lowered the reserve requirement for banks in order to encourage lending. We also saw commodity prices rise over the quarter which is generally beneficial to emerging market countries with rising oil prices helping Russian and Colombian equity returns. In Brazil, President Jair Bolsonaro officially took office. Bolsonaro announced his plan to reform the country's debt laden pension system and promised market friendly economic reforms. One year returns for the MSCI Emerging Market Index were -1.9% in local currency terms and -7.4% in USD terms.





Source: MSCI Global Index Monitor (Returns are Net)

MSCI - EAFE	Sector Weight	Quarter Return	1-Year Return
Communication Services	5.4%	4.3%	-4.5%
Consumer Discretionary	11.0%	7.5%	-10.4%
Consumer Staples	11.8%	12.4%	3.3%
Energy	5.9%	10.4%	4.6%
Financials	18.9%	6.9%	-12.7%
Health Care	11.3%	11.2%	7.4%
Industrials	14.4%	10.6%	-5.4%
Information Technology	6.3%	15.3%	-3.8%
Materials	7.5%	13.2%	-3.0%
Real Estate	3.9%	14.0%	4.2%
Utilities	3.7%	9.0%	8.7%
Total	100.0%	10.0%	-3.7%

MSCI - ACWIxUS	Sector Weight	Quarter Return	1-Year Return
Communication Services	7.1%	6.9%	-1.8%
Consumer Discretionary	11.1%	11.2%	-10.3%
Consumer Staples	9.9%	11.2%	1.6%
Energy	7.4%	12.4%	5.2%
Financials	21.6%	7.7%	-9.4%
Health Care	8.4%	11.0%	4.4%
Industrials	11.7%	10.2%	-4.9%
Information Technology	8.4%	14.7%	-7.3%
Materials	7.6%	11.3%	-3.6%
Real Estate	3.5%	14.4%	2.8%
Utilities	3.3%	8.2%	6.1%
Total	100.0%	10.3%	-4.2%

MSCI - Emerging Mkt	Sector Weight	Quarter Return	1-Year Return
Communication Services	12.3%	9.5%	-3.3%
Consumer Discretionary	13.4%	20.8%	-13.2%
Consumer Staples	6.4%	5.3%	-8.4%
Energy	8.1%	12.2%	9.4%
Financials	24.2%	7.2%	-6.0%
Health Care	2.6%	3.6%	-23.4%
Industrials	5.4%	4.8%	-7.6%
Information Technology	14.6%	12.8%	-10.8%
Materials	7.4%	6.9%	-6.2%
Real Estate	3.2%	15.6%	-2.1%
Utilities	2.5%	4.2%	-2.7%
Total	100.0%	9.9%	-7.4%

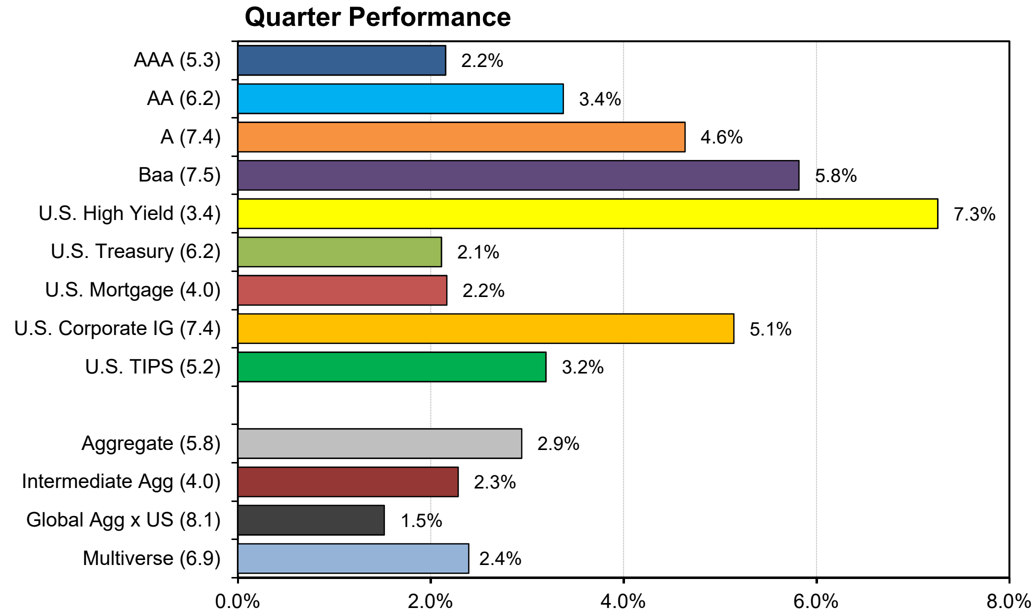
Country	MSCI-EAFE Weight	MSCI-ACWIxUS Weight	Quarter Return	1- Year Return
Japan	24.0%	16.1%	6.7%	-7.8%
United Kingdom	17.1%	11.5%	11.9%	-0.1%
France	11.3%	7.6%	10.7%	-3.7%
Switzerland	8.9%	6.0%	13.1%	7.5%
Germany	8.6%	5.8%	6.9%	-13.7%
Australia	6.9%	4.7%	11.4%	4.5%
Hong Kong	4.1%	2.8%	15.6%	8.0%
Netherlands	3.6%	2.4%	13.6%	-2.3%
Spain	3.0%	2.0%	7.0%	-8.8%
Sweden	2.6%	1.8%	7.4%	-5.1%
Italy	2.4%	1.6%	14.6%	-10.6%
Denmark	1.8%	1.2%	12.8%	-3.2%
Singapore	1.3%	0.9%	6.2%	-6.4%
Finland	1.0%	0.7%	8.0%	-3.6%
Belgium	1.0%	0.7%	16.2%	-15.5%
Norway	0.7%	0.5%	7.0%	-4.4%
Ireland	0.5%	0.4%	11.4%	-11.6%
Israel	0.5%	0.4%	10.1%	9.9%
Austria	0.2%	0.2%	8.4%	-23.0%
New Zealand	0.2%	0.2%	16.7%	18.1%
Portugal	0.2%	0.1%	10.2%	-4.9%
Total EAFE Countries	100.0%	67.1%	10.0%	-3.7%
Canada		6.8%	15.4%	3.1%
Total Developed Countries		73.9%	10.5%	-3.1%
China		8.6%	17.7%	-6.2%
Korea		3.4%	4.9%	-16.7%
Taiwan		3.0%	9.0%	-6.1%
India		2.4%	7.2%	6.8%
Brazil		1.9%	8.1%	-4.2%
South Africa		1.5%	4.4%	-18.0%
Russia		1.0%	12.2%	2.2%
Mexico		0.7%	5.5%	-11.7%
Thailand		0.6%	7.4%	-6.9%
Indonesia		0.6%	4.3%	2.0%
Malaysia		0.6%	0.3%	-13.1%
Poland		0.3%	-0.6%	-5.7%
Philippines		0.3%	7.9%	1.8%
Chile		0.3%	4.1%	-17.5%
Qatar		0.2%	-3.5%	22.2%
United Arab Emirates		0.2%	8.7%	1.3%
Turkey		0.1%	-3.2%	-40.3%
Colombia		0.1%	24.8%	5.3%
Peru		0.1%	11.0%	2.2%
Hungary		0.1%	6.0%	0.5%
Greece		0.1%	12.8%	-23.6%
Czech Republic		0.0%	3.8%	-6.8%
Egypt		0.0%	15.8%	-10.2%
Pakistan		0.0%	8.3%	-36.6%
Total Emerging Countries		26.1%	9.9%	-7.4%
Total ACWIxUS Countries		100.0%	10.3%	-4.2%

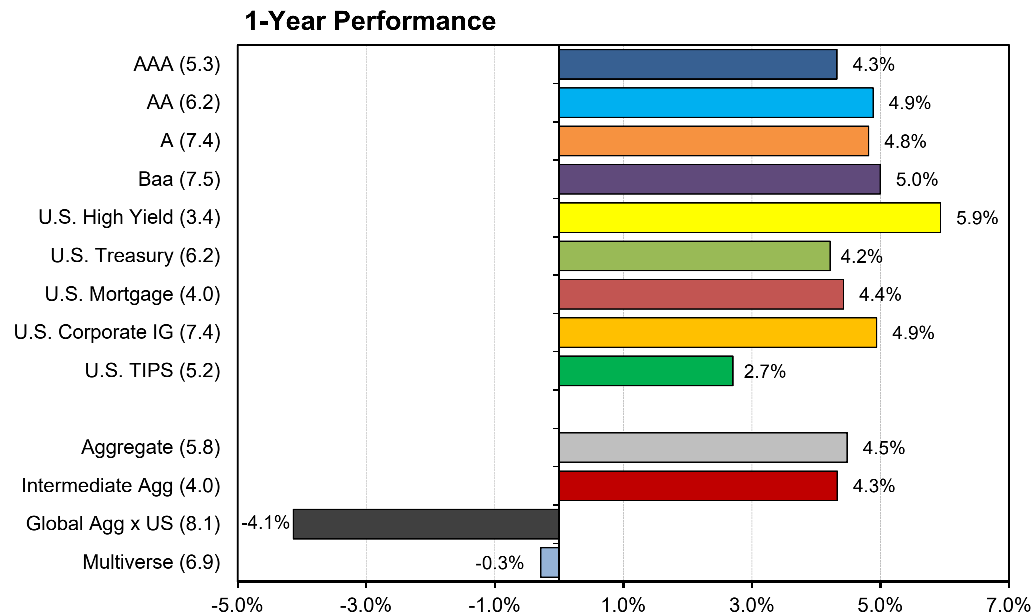
Source: Morningstar Direct, MSCI Global Index Monitor (Returns are Net in USD)
As a result of the GICS classification changes on 9/28/2018 and certain associated reporting limitations, sector performance represents backward looking performance for the prior year of each sector's current constituency,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

- Broad fixed income benchmarks were positive to start 2019. Following the late 2018 market volatility, the Federal Open Market Committee (FOMC) issued dovish guidance after their January meeting stating that they would be patient in determining future interest rate adjustments. The FOMC also commented on the ongoing balance sheet reduction program, stating that they would be open to changes to the program if market conditions warranted them. Later in March, Fed Chair Jerome Powell communicated that the FOMC is no longer projecting any further interest rate increases through 2019. He also stated that they would begin tapering the roll off from the balance sheet reduction program in May with a plan to halt the program entirely in September. The stoppage of the balance sheet reduction program represents an easing of monetary policy. Interest rates fell across all maturities on the US Treasury Yield Curve with the greatest declines occurring in the mid- and long-term issues. This caused continued inversion in the yield curve with short-term maturities paying higher interest rates than issues in the mid- to long-end of the curve. The difference in yields between the 2-year and 10-year Treasury now sits at just 0.14% with the 30-day T-Bill yielding more than the 10-year bond by 0.02%. Historically, an inverted yield curve has been a leading indicator of a recession in the next 6-24 months. The bellwether Bloomberg Barclays US Aggregate Index posted positive returns for both the 1st quarter and the 1-year period, returning 2.9% and 4.5% respectively.

- Within investment grade credit, lower quality issues outperformed higher quality issues as investors gravitated toward higher risk securities during the quarter. Lower quality issues also benefitted from their higher durations. 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 5.8% for the quarter, while AAA was the worst performing, returning 2.2%. Despite their relatively low durations, high yield securities posted very strong returns for the quarter, gaining 7.3%, as spreads tightened by 135 basis points on these issues. When viewed over the 1-year period, returns for the various quality segments generally show lower quality securities outperforming higher quality issues by a small margin.

- During the 1st quarter, investment grade corporates outperformed the more defensive Treasury and mortgage backed sectors of the Bloomberg Barclays US Aggregate Index's three broad sectors. Investment grade corporate credit returned 5.1%, as the drop in interest rates benefitted these securities to a greater degree and credit spreads tightened considerably since the end of 2018. This quarter's performance carried through to the 1-year period as corporate credit outperformed both Treasuries and mortgage backed securities. Corporate issues returned 4.9% versus a 4.4% return for mortgages and 4.2% gain on Treasury securities.





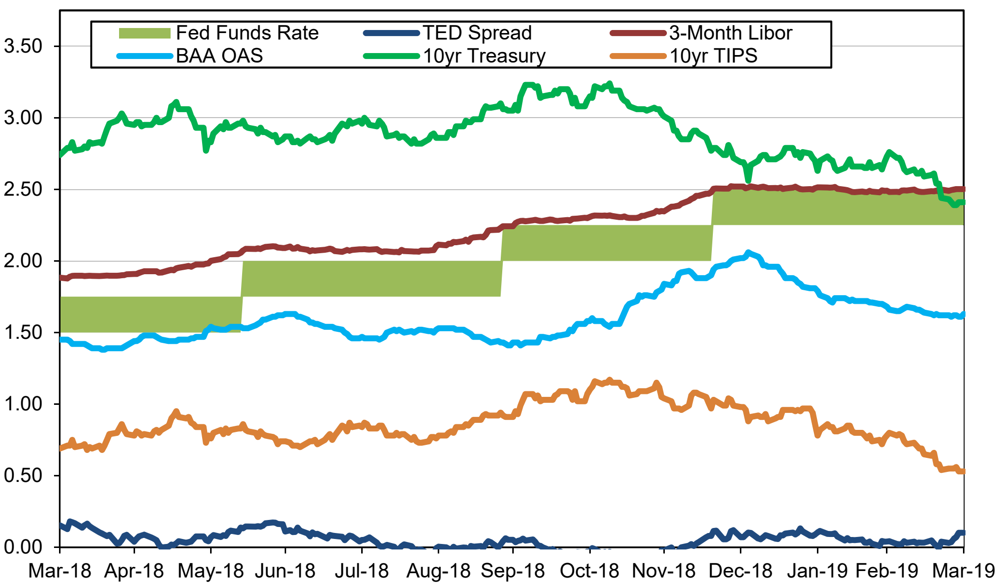
Source: Bloomberg

- Global fixed income indices continue to struggle relative to their domestic counterparts, underperforming during the 1st quarter. These indices have lower, or in some cases (Germany, Japan), negative yields and the returns of these indices are also significantly influenced by fluctuations in their currency denomination relative to the USD. The USD has appreciated against most other developed 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 1.5% and -4.1% for the quarter and 1-year period respectively. As global growth has shown signs of stalling, several international central banks have started to step back from more restrictive postures. Notably, the ECB announced a program to extend loans to European banks in an effort to increase lending and pledged to keep interest rates steady through the end of 2019. China also announced new stimulus to help spur its economy. The Bank of England and the Bank of Japan made no major policy changes during the quarter as they continue to review macroeconomic data within their respective countries.

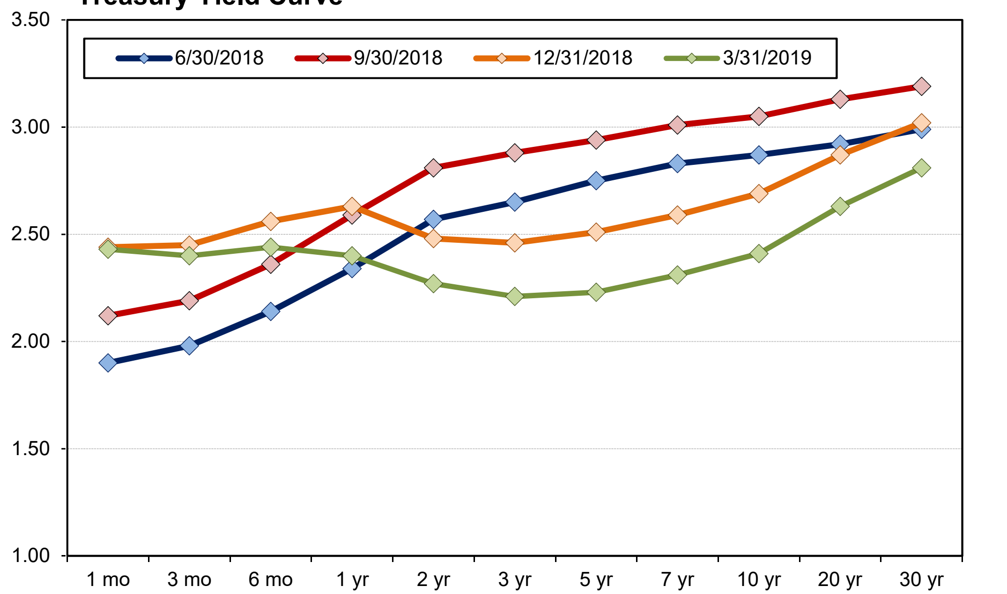
- Much of the index performance detailed in the bar graphs on the previous page is visible on a time series basis by reviewing the line graphs to the right. The '1-Year Trailing Market Rates' chart illustrates that the 10-year Treasury yield (green line) fell from recent high's greater than 3.0%, to yields below 2.5% to end the first quarter. 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 relatively tight range in credit spreads throughout most of 2018, but highlights an abrupt increase during the 4th quarter of 2018 as investors moved to higher quality assets during the quarter's risk-off environment. Subsequently, spreads dropped steadily over the 1st quarter of 2019. This spread tightening 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 34 basis points over the last three months. The green band across the graph illustrates the gradual increase in the Federal Funds Rate due to the tightening of US monetary policy during 2018. As mentioned, the Fed's current guidance is for zero rate increases in 2019.

- The lower graph provides a snapshot of the US Treasury yield curve at the end of each of the last four calendar quarters. The downward shift of interest rates as well as a general flattening of the yield curve are clearly visible over the last quarter. As mentioned, the yield curve continues to invert as yields on shorter-term maturities fell less than interest rates in the middle- to long-end of the curve.

1-Year Trailing Market Rates

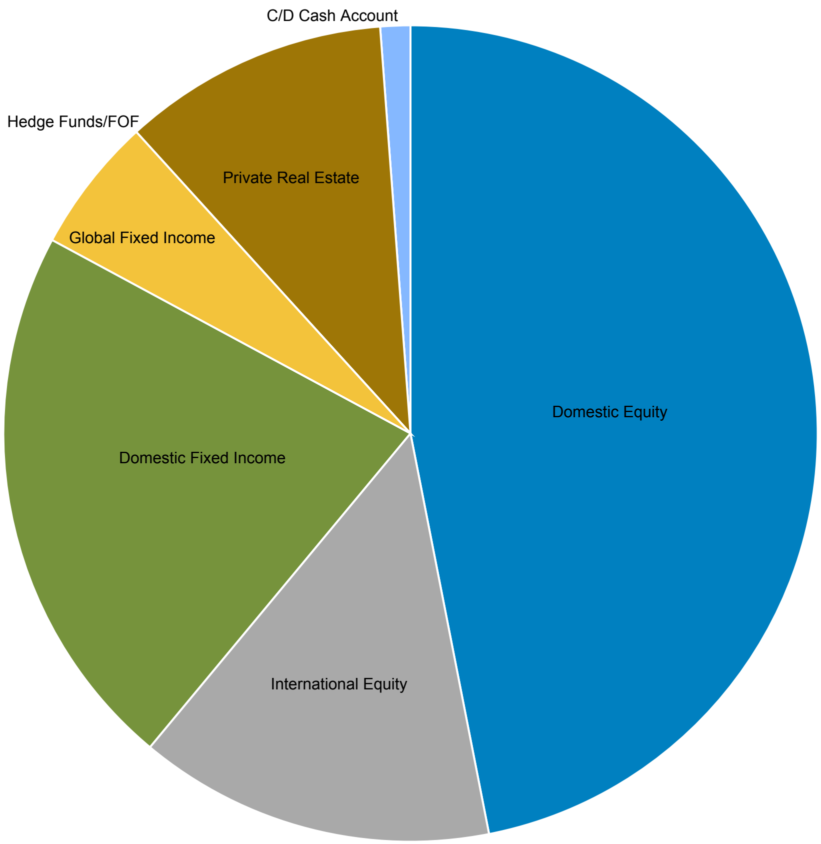


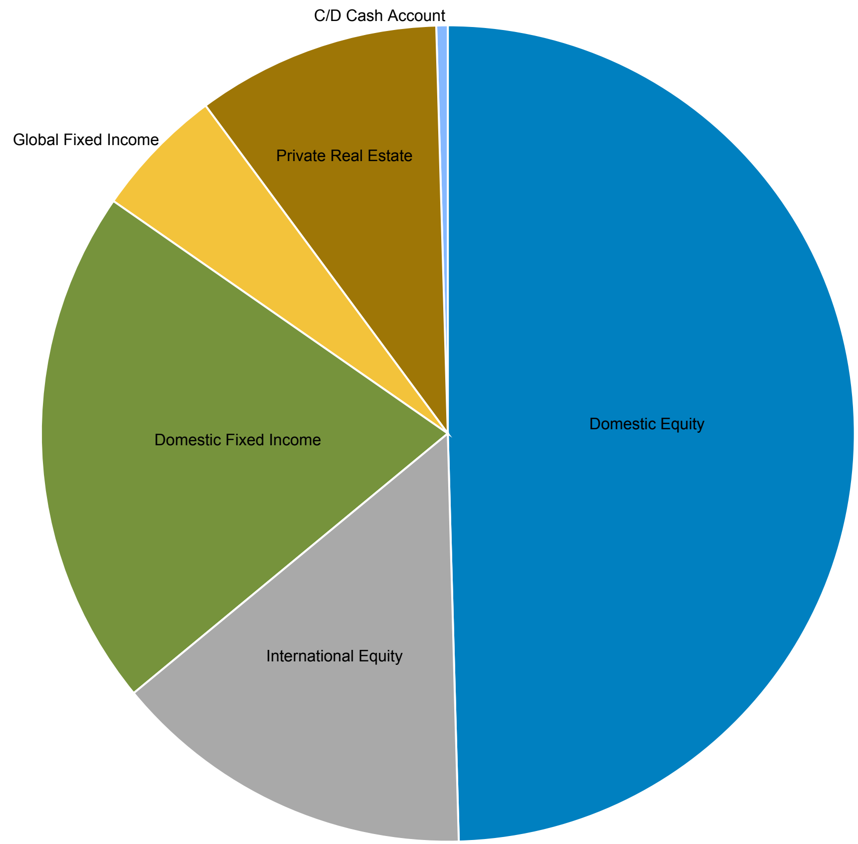
Treasury Yield Curve



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

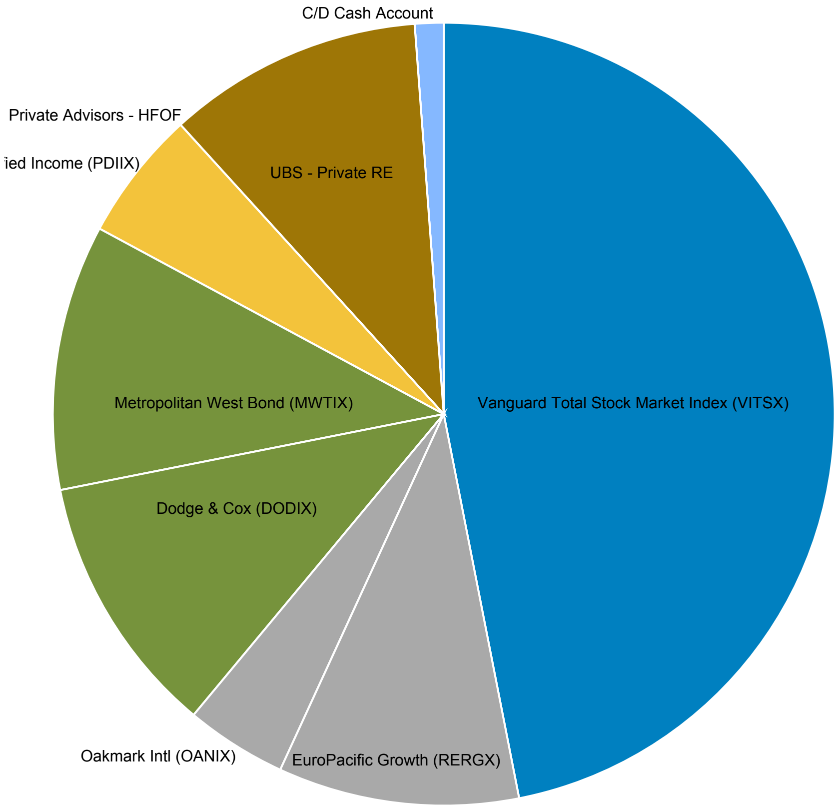
December 31, 2018 : $35,390,042	March 31, 2019 : $38,739,101



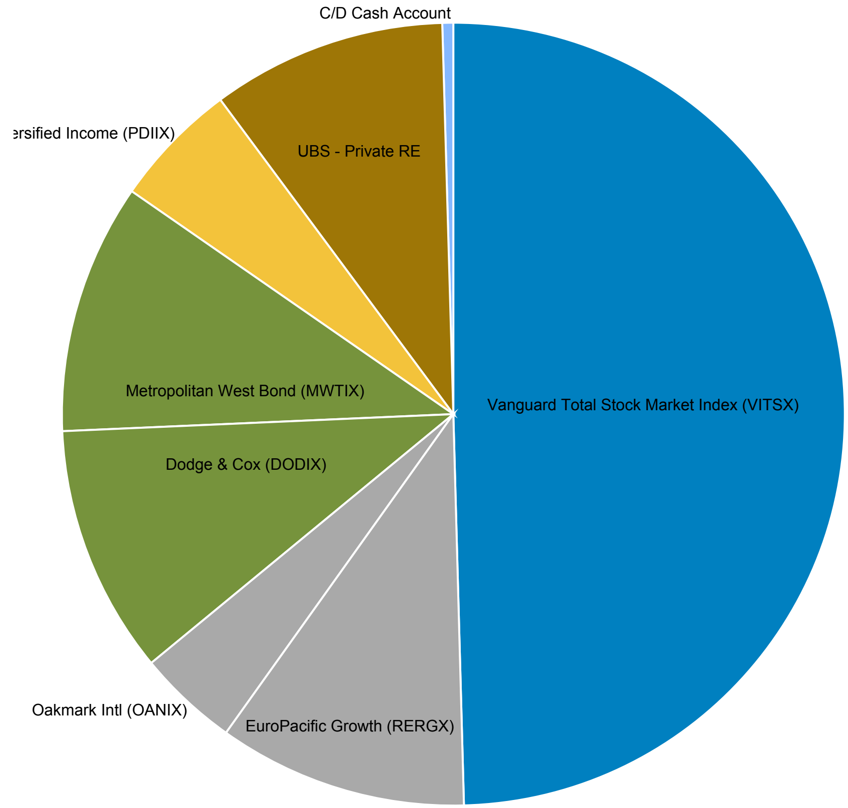


Allocation			Allocation		
	Market Value	Allocation		Market Value	Allocation
Domestic Equity	16,602,561	46.9	Domestic Equity	19,203,368	49.6
International Equity	5,003,320	14.1	International Equity	5,603,159	14.5
Domestic Fixed Income	7,718,449	21.8	Domestic Fixed Income	7,984,442	20.6
Global Fixed Income	1,904,039	5.4	Global Fixed Income	2,014,804	5.2
Hedge Funds/FOF	88	0.0	Hedge Funds/FOF	-	0.0
Private Real Estate	3,740,067	10.6	Private Real Estate	3,756,783	9.7
R&D Cash Account	-	0.0	R&D Cash Account	-	0.0
C/D Cash Account	421,518	1.2	C/D Cash Account	176,545	0.5

December 31, 2018 : $35,390,042



March 31, 2019 : $38,739,101



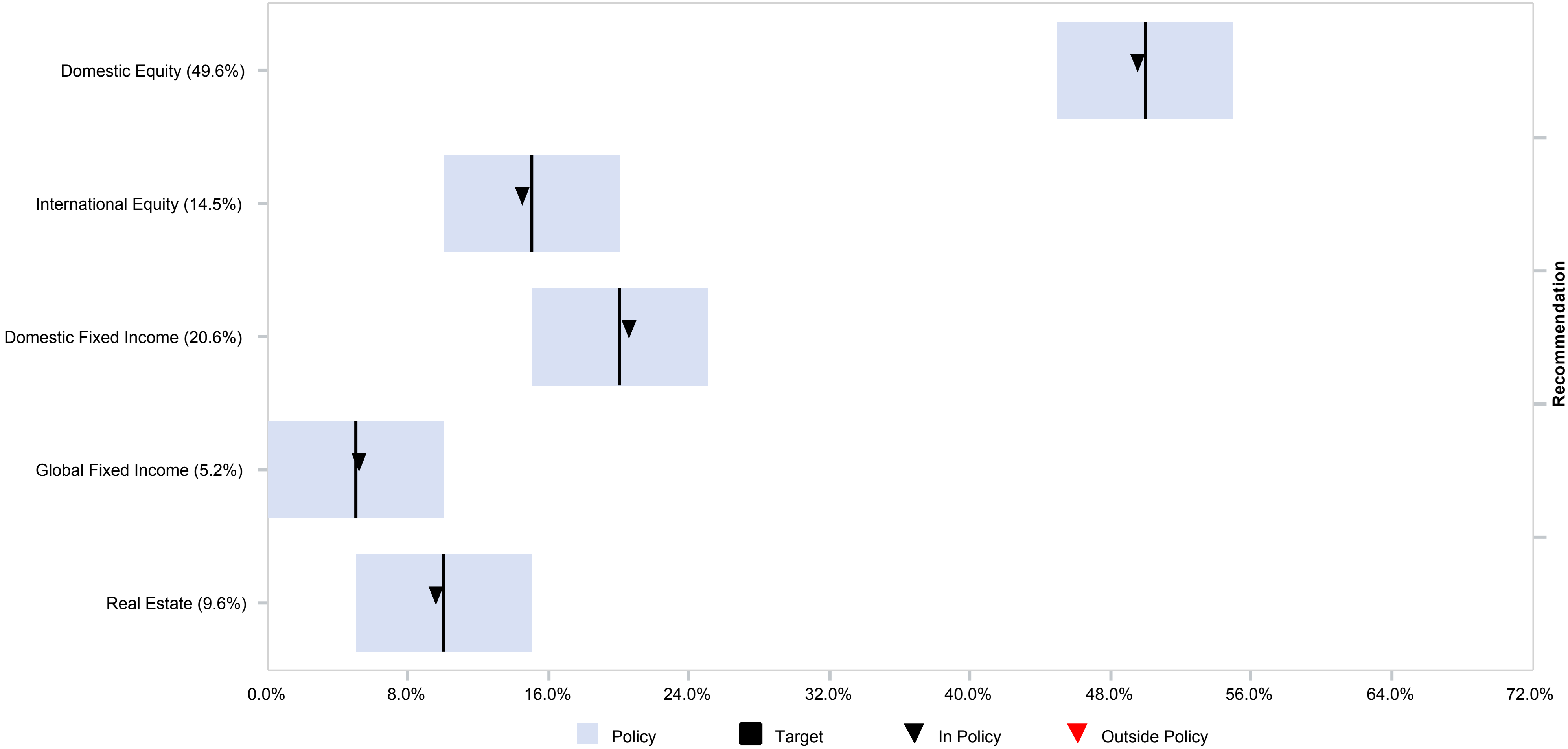
Allocation

	Market Value	Allocation
Vanguard Total Stock Market Index (VITSX)	16,602,561	46.9
EuroPacific Growth (RERGX)	3,522,845	10.0
Oakmark Intl (OANIX)	1,480,475	4.2
Dodge & Cox (DODIX)	3,836,794	10.8
Metropolitan West Bond (MWTIX)	3,881,655	11.0
PIMCO Diversified Income (PDIIX)	1,904,039	5.4
Private Advisors - HFOF	88	0.0
UBS - Private RE	3,740,067	10.6
R&D Cash Account	-	0.0
C/D Cash Account	421,518	1.2

Allocation

	Market Value	Allocation
Vanguard Total Stock Market Index (VITSX)	19,203,368	49.6
EuroPacific Growth (RERGX)	3,987,964	10.3
Oakmark Intl (OANIX)	1,615,195	4.2
Dodge & Cox (DODIX)	3,978,599	10.3
Metropolitan West Bond (MWTIX)	4,005,844	10.3
PIMCO Diversified Income (PDIIX)	2,014,804	5.2
Private Advisors - HFOF	-	0.0
UBS - Private RE	3,756,783	9.7
R&D Cash Account	-	0.0
C/D Cash Account	176,545	0.5

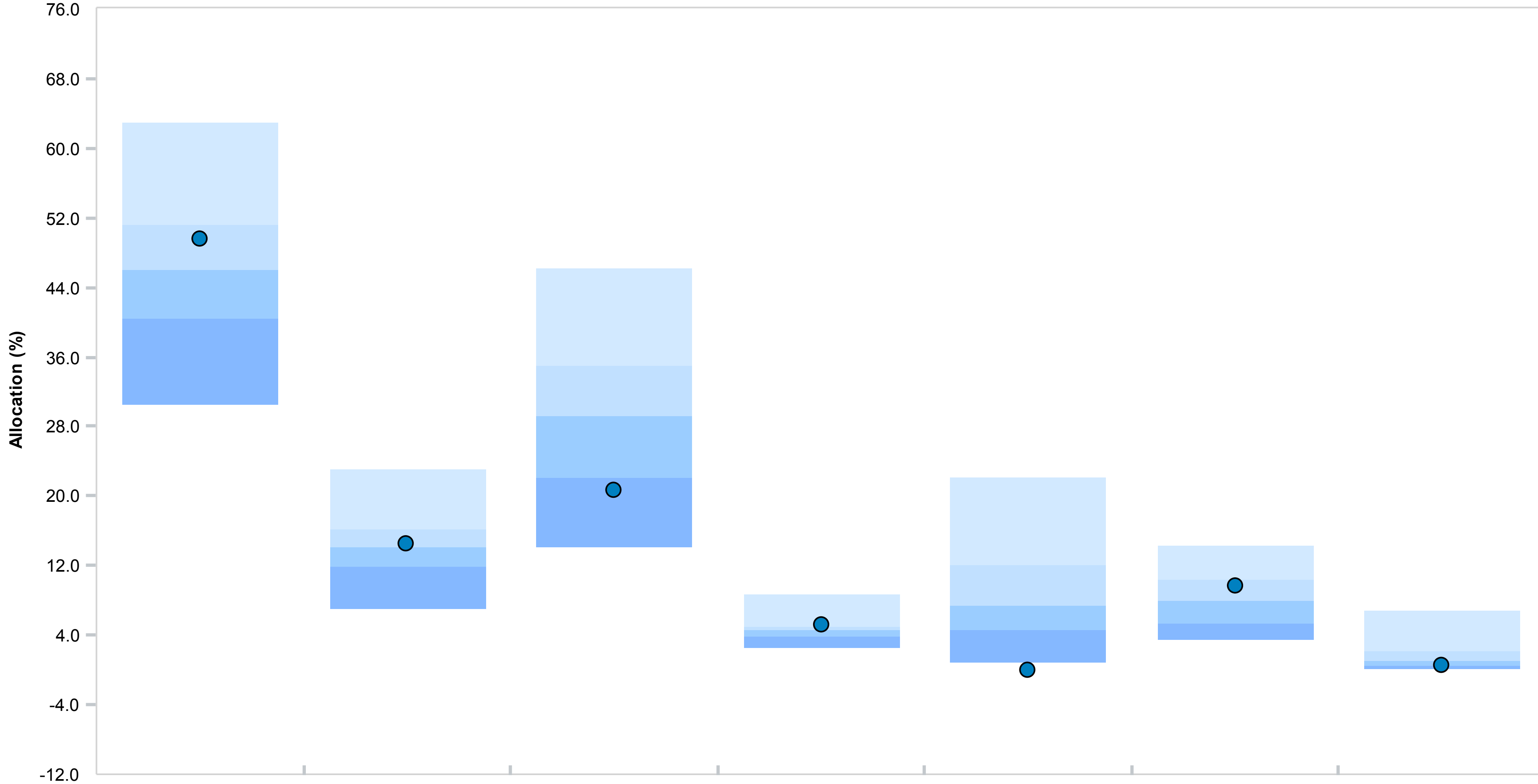
Executive Summary



Asset Allocation Compliance

	Minimum Allocation (%)	Maximum Allocation (%)	Current Allocation (%)	Target Allocation (%)
Global Fixed Income	0.0	10.0	5.2	5.0
Real Estate	5.0	15.0	9.6	10.0
International Equity	10.0	20.0	14.5	15.0
Domestic Fixed Income	15.0	25.0	20.6	20.0
Domestic Equity	45.0	55.0	49.6	50.0
Total Fund	N/A	N/A	100.0	100.0

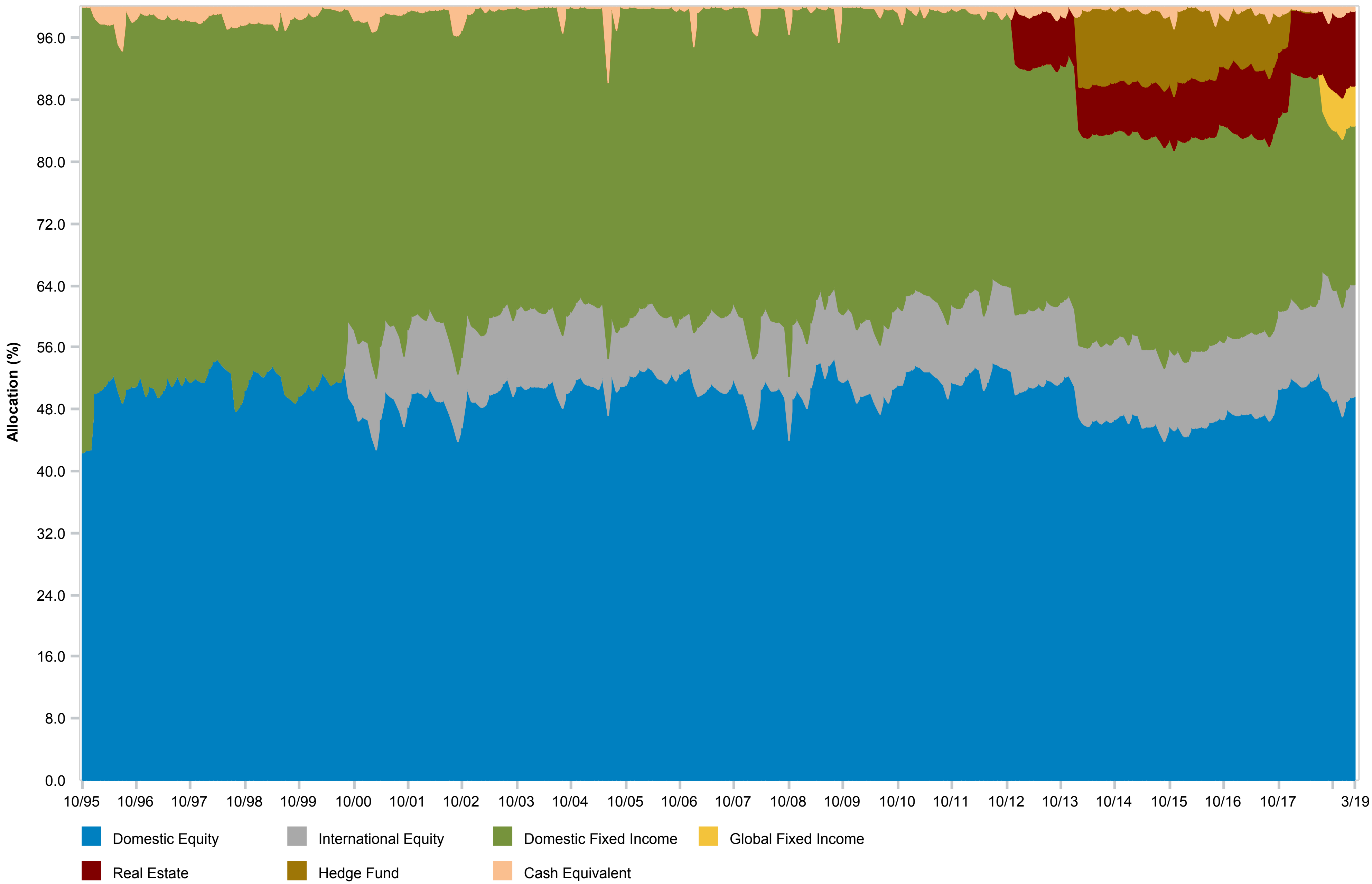
Plan Sponsor TF Asset Allocation vs. All Public Plans-Total Fund



	US Equity	Intl. Equity	US Fixed Income	Intl. Fixed Income	Alternative Inv.	Real Estate	Cash
● Total Fund	49.57 (31)	14.46 (43)	20.61 (81)	5.20 (21)	0.00	9.70 (37)	0.46 (74)
5th Percentile	62.91	23.05	46.20	8.62	22.21	14.36	6.83
1st Quartile	51.18	16.11	35.00	5.03	12.08	10.40	2.20
Median	46.01	14.07	29.14	4.62	7.48	7.92	0.98
3rd Quartile	40.48	11.94	22.03	3.91	4.55	5.37	0.45
95th Percentile	30.49	7.01	14.15	2.58	0.78	3.51	0.07
Population	237	217	236	85	43	162	213

Parentheses contain percentile rankings.

	Mar-2019		Dec-2018		Sep-2018		Jun-2018	
	($)	%	($)	%	($)	%	($)	%
Total Equity	**24,806,527**	**64.03**	**21,605,881**	**61.05**	**25,162,597**	**65.11**	**22,304,634**	**61.33**
Domestic Equity	**19,203,368**	**49.57**	**16,602,561**	**46.91**	**19,363,421**	**50.10**	**18,839,713**	**51.80**
Vanguard Total Stock Market Index (VITSX)	19,203,368	49.57	16,602,561	46.91	19,363,421	50.10	18,839,713	51.80
International Equity	**5,603,159**	**14.46**	**5,003,320**	**14.14**	**5,799,177**	**15.00**	**3,464,922**	**9.53**
EuroPacific Growth (RERGX)	3,987,964	10.29	3,522,845	9.95	4,030,422	10.43	2,560,724	7.04
Oakmark Intl (OANIX)	1,615,195	4.17	1,480,475	4.18	1,768,754	4.58	904,197	2.49
Total Fixed Income	**9,999,246**	**25.81**	**9,622,488**	**27.19**	**9,577,183**	**24.78**	**10,714,214**	**29.46**
Domestic Fixed Income	**7,984,442**	**20.61**	**7,718,449**	**21.81**	**7,648,915**	**19.79**	**10,714,214**	**29.46**
Dodge & Cox (DODIX)	3,978,599	10.27	3,836,794	10.84	3,825,596	9.90	5,340,545	14.68
Metropolitan West Bond (MWTIX)	4,005,844	10.34	3,881,655	10.97	3,823,319	9.89	5,373,668	14.78
Global Fixed Income	**2,014,804**	**5.20**	**1,904,039**	**5.38**	**1,928,268**	**4.99**	**-**	**0.00**
PIMCO Diversified Income (PDIIX)	2,014,804	5.20	1,904,039	5.38	1,928,268	4.99	-	0.00
Hedge Funds/FOF	**-**	**0.00**	**88**	**0.00**	**-**	**0.00**	**27,395**	**0.08**
Private Advisors - HFOF	-	0.00	88	0.00	-	0.00	27,395	0.08
Private Real Estate	**3,756,783**	**9.70**	**3,740,067**	**10.57**	**3,133,921**	**8.11**	**3,097,437**	**8.52**
UBS - Private Real Estate	3,756,783	9.70	3,740,067	10.57	3,133,921	8.11	3,097,437	8.52
R&D Cash Account	-	0.00	-	0.00	-	0.00	439	0.00
C/D Cash Account	176,545	0.46	421,518	1.19	774,802	2.00	223,560	0.61
Total Fund	**38,739,101**	**100.00**	**35,390,042**	**100.00**	**38,648,504**	**100.00**	**36,367,679**	**100.00**


Allocation (%)
96.0
88.0
80.0
72.0
64.0
56.0
48.0
40.0
32.0
24.0
16.0
8.0
0.0
10/95
10/96
10/97
10/98
10/99
10/00
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10/14
10/15
10/16
10/17
3/19
Domestic Equity
International Equity
Domestic Fixed Income
Global Fixed Income
Real Estate
Hedge Fund
Cash Equivalent

	Market Value 01/01/2019	Net Transfers	Contributions	Distributions	Management Fees	Other Expenses	Income	Capital Gain/Loss	Market Value 03/31/2019
Total Equity	**21,605,881**	**250,527**	**-**	**-**	**-**	**-**	**101,846**	**2,848,273**	**24,806,527**
Domestic Equity	**16,602,561**	**250,527**	**-**	**-**	**-**	**-**	**101,846**	**2,248,434**	**19,203,368**
Vanguard Total Stock Market Index (VITSX)	16,602,561	250,527	-	-	-	-	101,846	2,248,434	19,203,368
International Equity	**5,003,320**	**-**	**-**	**-**	**-**	**-**	**-**	**599,839**	**5,603,159**
EuroPacific Growth (RERGX)	3,522,845	-	-	-	-	-	-	465,119	3,987,964
Oakmark Intl (OANIX)	1,480,475	-	-	-	-	-	-	134,720	1,615,195
Total Fixed Income	**9,622,488**	**-**	**-**	**-**	**-**	**-**	**84,837**	**291,921**	**9,999,246**
Domestic Fixed Income	**7,718,449**	**-**	**-**	**-**	**-**	**-**	**62,316**	**203,678**	**7,984,442**
Dodge & Cox (DODIX)	3,836,794	-	-	-	-	-	31,829	109,977	3,978,599
Metropolitan West Bond (MWTIX)	3,881,655	-	-	-	-	-	30,487	93,701	4,005,844
Global Fixed Income	**1,904,039**	**-**	**-**	**-**	**-**	**-**	**22,521**	**88,243**	**2,014,804**
PIMCO Diversified Income (PDIIX)	1,904,039	-	-	-	-	-	22,521	88,243	2,014,804
Hedge Funds/FOF	**88**	**-**	**-**	**-88**	**-**	**-**	**-**	**-**	**-**
Private Advisors - HFOF	88	-	-	-88	-	-	-	-	-
Private Real Estate	**3,740,067**	**-**	**-**	**-**	**-8,926**	**-**	**39,502**	**-13,860**	**3,756,783**
UBS - Private Real Estate	3,740,067	-	-	-	-8,926	-	39,502	-13,860	3,756,783
R&D Cash Account	-	-	-	-	-	-	-	-	-
C/D Cash Account	421,518	-250,527	720,652	-644,215	-	-72,874	1,992	-	176,545
Total Fund	**35,390,042**	**-**	**720,652**	**-644,304**	**-8,926**	**-72,874**	**228,177**	**3,126,334**	**38,739,101**

	Market Value 10/01/2018	Net Transfers	Contributions	Distributions	Management Fees	Other Expenses	Income	Capital Gain/Loss	Market Value 03/31/2019
Total Equity	**25,162,597**	**250,527**	**-**	**-**	**-**	**-**	**402,338**	**-1,008,935**	**24,806,527**
Domestic Equity	**19,363,421**	**250,527**	**-**	**-**	**-**	**-**	**194,716**	**-605,296**	**19,203,368**
Vanguard Total Stock Market Index (VITSX)	19,363,421	250,527	-	-	-	-	194,716	-605,296	19,203,368
International Equity	**5,799,177**	**-**	**-**	**-**	**-**	**-**	**207,622**	**-403,640**	**5,603,159**
EuroPacific Growth (RERGX)	4,030,422	-	-	-	-	-	104,293	-146,751	3,987,964
Oakmark Intl (OANIX)	1,768,754	-	-	-	-	-	103,329	-256,888	1,615,195
Total Fixed Income	**9,577,183**	**-**	**-**	**-**	**-**	**-**	**176,012**	**246,051**	**9,999,246**
Domestic Fixed Income	**7,648,915**	**-**	**-**	**-**	**-**	**-**	**130,491**	**205,036**	**7,984,442**
Dodge & Cox (DODIX)	3,825,596	-	-	-	-	-	71,631	81,372	3,978,599
Metropolitan West Bond (MWTIX)	3,823,319	-	-	-	-	-	58,861	123,664	4,005,844
Global Fixed Income	**1,928,268**	**-**	**-**	**-**	**-**	**-**	**45,520**	**41,015**	**2,014,804**
PIMCO Diversified Income (PDIIX)	1,928,268	-	-	-	-	-	45,520	41,015	2,014,804
Hedge Funds/FOF	**-**	**-**	**-**	**-88**	**-**	**-**	**88**	**-**	**-**
Private Advisors - HFOF	-	-	-	-88	-	-	88	-	-
Private Real Estate	**3,133,921**	**550,000**	**-**	**-**	**-16,417**	**-**	**77,380**	**11,899**	**3,756,783**
UBS - Private Real Estate	3,133,921	550,000	-	-	-16,417	-	77,380	11,899	3,756,783
R&D Cash Account	-	-	-	-	-	-	-	-	-
C/D Cash Account	774,802	-800,527	1,585,343	-1,278,030	-	-109,199	4,156	-	176,545
Total Fund	**38,648,504**	**-**	**1,585,343**	**-1,278,118**	**-16,417**	**-109,199**	**659,974**	**-750,985**	**38,739,101**

	QTR		FYTD		1 YR		3 YR		4 YR		5 YR		Inception		Inception Date
Total Fund - Gross	**9.45**	**(35)**	**-0.26**	**(67)**	**5.36**	**(24)**	**7.96**	**(67)**	**5.70**	**(45)**	**5.59**	**(64)**	**7.01**	**(71)**	**10/01/1995**
Total Fund Hybrid	9.09	(52)	0.72	(32)	6.49	(6)	8.72	(33)	6.29	(11)	6.52	(20)	7.39	(42)	
All Public Plans-Total Fund Median	9.22		0.17		4.55		8.37		5.51		5.91		7.19		
Total Fund - Gross (AndCo)	**9.45**	**(35)**	**-0.26**	**(67)**	**5.36**	**(24)**	**N/A**		**N/A**		**N/A**		**3.72**	**(30)**	**01/01/2018**
Total Fund Hybrid	9.09	(52)	0.72	(32)	6.49	(6)	N/A		N/A		N/A		4.57	(11)	
All Public Plans-Total Fund Median	9.22		0.17		4.55		N/A		N/A		N/A		3.19		
Total Fund - Net	**9.43**		**-0.30**		**5.27**		**7.55**		**5.15**		**4.97**		**6.08**		**10/01/1995**
Total Equity	**13.59**		**-2.46**		**5.96**		**N/A**		**N/A**		**N/A**		**8.38**		**07/01/2017**
Total Equity	13.21		-2.21		6.64		N/A		N/A		N/A		N/A		
Domestic Equity	**14.04**	**(31)**	**-2.22**	**(35)**	**8.78**	**(17)**	**N/A**		**N/A**		**N/A**		**10.31**	**(32)**	**07/01/2017**
Russell 3000 Index	14.04	(31)	-2.27	(36)	8.77	(17)	N/A		N/A		N/A		11.07	(18)	
IM U.S. Multi-Cap Core Equity (MF) Median	13.30		-3.12		5.52		N/A		N/A		N/A		9.03		
International Equity	**11.99**	**(31)**	**-3.38**	**(56)**	**-7.23**	**(52)**	**N/A**		**N/A**		**N/A**		**-0.82**	**(82)**	**07/01/2017**
MSCI AC World ex USA	10.44	(52)	-2.16	(47)	-3.74	(23)	N/A		N/A		N/A		3.55	(32)	
IM International Equity (MF) Median	10.53		-2.60		-7.09		N/A		N/A		N/A		2.01		
Total Fixed Income	**3.92**		**4.41**		**4.78**		**N/A**		**N/A**		**N/A**		**1.82**		**07/01/2017**
Total Fixed Income	2.83		4.39		4.23		N/A		N/A		N/A		N/A		
Domestic Fixed Income	**3.45**	**(33)**	**4.39**	**(43)**	**4.59**	**(14)**	**N/A**		**N/A**		**N/A**		**1.71**	**(78)**	**07/01/2017**
Blmbg. Barc. U.S. Aggregate Index	2.94	(72)	4.63	(20)	4.48	(20)	N/A		N/A		N/A		2.40	(26)	
IM U.S. Broad Market Core Fixed Income (MF) Median	3.23		4.28		4.09		N/A		N/A		N/A		2.13		
Global Fixed Income	**5.82**	**(1)**	**4.49**	**(13)**	**N/A**		**N/A**		**N/A**		**N/A**		**5.32**	**(4)**	**09/01/2018**
Blmbg. Barc. Global Multiverse	2.39	(76)	3.44	(45)	N/A		N/A		N/A		N/A		2.68	(59)	
IM Global Fixed Income (MF) Median	3.10		3.22		N/A		N/A		N/A		N/A		2.98		
Private Real Estate	**0.69**	**(100)**	**2.42**	**(93)**	**5.70**	**(100)**	**N/A**		**N/A**		**N/A**		**6.61**	**(100)**	**07/01/2017**
NCREIF Fund Index-Open End Diversified Core (EW)	1.68	(71)	3.32	(80)	7.73	(68)	N/A		N/A		N/A		8.08	(64)	
IM U.S. Open End Private Real Estate (SA+CF) Median	1.93		3.68		8.23		N/A		N/A		N/A		8.32		

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

Port Orange Police Pension
Trailing Returns
As of March 31, 2019

	QTR		FYTD		1 YR		3 YR		4 YR		5 YR		Inception		Inception Date
Domestic Equity Strategies															
Vanguard Total Stock Market Index (VITSX)	14.04	(31)	-2.22	(35)	8.80	(16)	N/A		N/A		N/A		6.85	(20)	12/01/2017
Russell 3000 Index	14.04	(31)	-2.27	(36)	8.77	(17)	N/A		N/A		N/A		6.78	(21)	
IM U.S. Multi-Cap Core Equity (MF) Median	13.30		-3.12		5.52		N/A		N/A		N/A		4.66		
International Equity Strategies															
EuroPacific Growth (RERGX)	13.20	(20)	-1.05	(39)	-4.66	(30)	N/A		N/A		N/A		-4.99	(30)	03/01/2018
MSCI AC World ex USA	10.44	(52)	-2.16	(47)	-3.74	(23)	N/A		N/A		N/A		-4.96	(30)	
IM International Equity (MF) Median	10.53		-2.60		-7.09		N/A		N/A		N/A		-7.21		
Oakmark Intl (OANIX)	9.10	(75)	-8.68	(93)	-13.98	(92)	N/A		N/A		N/A		-15.71	(97)	03/01/2018
MSCI AC World ex USA	10.44	(52)	-2.16	(47)	-3.74	(23)	N/A		N/A		N/A		-4.96	(30)	
IM International Equity (MF) Median	10.53		-2.60		-7.09		N/A		N/A		N/A		-7.21		
Domestic Fixed Income Strategies															
Dodge & Cox (DODIX)	3.70	(15)	4.00	(69)	4.31	(35)	N/A		N/A		N/A		2.69	(9)	01/01/2018
Blmbg. Barc. U.S. Aggregate Index	2.94	(72)	4.63	(20)	4.48	(20)	N/A		N/A		N/A		2.36	(24)	
IM U.S. Broad Market Core Fixed Income (MF) Median	3.23		4.28		4.09		N/A		N/A		N/A		2.07		
Metropolitan West Bond (MWTIX)	3.20	(53)	4.77	(8)	4.72	(10)	N/A		N/A		N/A		2.82	(10)	12/01/2017
Blmbg. Barc. U.S. Aggregate Index	2.94	(72)	4.63	(20)	4.48	(20)	N/A		N/A		N/A		2.56	(24)	
IM U.S. Broad Market Core Fixed Income (MF) Median	3.23		4.28		4.09		N/A		N/A		N/A		2.26		
Global Fixed Income Strategies															
PIMCO Diversified Income (PDIIX)	5.82	(1)	4.49	(13)	N/A		N/A		N/A		N/A		5.31	(4)	09/01/2018
Blmbg. Barc. Global Multiverse	2.39	(76)	3.44	(45)	N/A		N/A		N/A		N/A		2.68	(59)	
IM Global Fixed Income (MF) Median	3.10		3.22		N/A		N/A		N/A		N/A		2.98		
Private Real Estate Strategies															
UBS - Private Real Estate	0.69	(100)	2.42	(93)	5.70	(100)	6.38	(100)	7.74	(100)	8.61	(96)	9.23	(N/A)	09/01/2012
NCREIF Fund Index-Open End Diversified Core (EW)	1.68	(71)	3.32	(80)	7.73	(68)	8.17	(59)	9.62	(52)	10.34	(57)	10.80	(N/A)	
IM U.S. Open End Private Real Estate (SA+CF) Median	1.93		3.68		8.23		8.47		9.64		10.49		N/A		

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

Comparative Performance

	FYTD		FY 2018		FY 2017		FY 2016		FY 2015		FY 2014		FY 2013		FY 2012	
Total Fund - Gross	**-0.26**	**(67)**	**9.04**	**(17)**	**11.00**	**(69)**	**7.12**	**(94)**	**0.32**	**(24)**	**8.52**	**(79)**	**12.76**	**(46)**	**18.10**	**(39)**
Total Fund Hybrid	0.72	(32)	9.16	(16)	11.12	(66)	9.11	(70)	0.80	(17)	9.39	(61)	13.04	(41)	18.21	(37)
All Public Plans-Total Fund Median	0.17		7.58		12.02		9.71		-0.78		9.86		12.45		17.43	
Total Fund - Net	-0.30		8.95		10.29		6.21		-0.59		7.59		11.70		17.03	
Total Equity	**-2.46**		**12.56**		**N/A**		**N/A**		**N/A**		**N/A**		**N/A**		**N/A**	
Total Equity Policy	-2.21		14.90		N/A		N/A		N/A		N/A		N/A		N/A	
Domestic Equity	**-2.22**	**(35)**	**15.94**	**(40)**	**N/A**		**N/A**		**N/A**		**N/A**		**N/A**		**N/A**	
Russell 3000 Index	-2.27	(36)	17.58	(20)	18.71	(36)	14.96	(17)	-0.49	(32)	17.76	(32)	21.60	(59)	30.20	(18)
IM U.S. Multi-Cap Core Equity (MF) Median	-3.12		14.74		17.59		11.75		-1.81		16.34		22.72		27.01	
International Equity	**-3.38**	**(56)**	**-3.27**	**(77)**	**N/A**		**N/A**		**N/A**		**N/A**		**N/A**		**N/A**	
MSCI AC World ex USA	-2.16	(47)	2.25	(29)	20.15	(43)	9.80	(47)	-11.78	(62)	5.22	(37)	16.98	(54)	15.04	(60)
IM International Equity (MF) Median	-2.60		0.08		19.36		9.33		-8.76		4.27		17.81		16.20	
Total Fixed Income	**4.41**		**-1.45**		**N/A**		**N/A**		**N/A**		**N/A**		**N/A**		**N/A**	
Total Fixed Income Policy	4.39		-1.23		N/A		N/A		N/A		N/A		N/A		N/A	
Domestic Fixed Income	**4.39**	**(43)**	**-1.61**	**(71)**	**N/A**		**N/A**		**N/A**		**N/A**		**N/A**		**N/A**	
Blmbg. Barc. U.S. Aggregate Index	4.63	(20)	-1.22	(41)	0.07	(64)	5.19	(52)	2.94	(9)	3.96	(59)	-1.68	(53)	5.16	(81)
IM U.S. Broad Market Core Fixed Income (MF) Median	4.28		-1.35		0.48		5.21		1.98		4.19		-1.62		6.79	
Global Fixed Income	**4.49**	**(13)**	**N/A**		**N/A**		**N/A**		**N/A**		**N/A**		**N/A**		**N/A**	
Blmbg. Barc. Global Multiverse	3.44	(45)	-1.32	(51)	-0.56	(77)	9.23	(25)	-3.56	(42)	1.40	(79)	-2.22	(56)	5.57	(81)
IM Global Fixed Income (MF) Median	3.22		-1.29		1.02		7.42		-3.85		3.37		-1.81		7.17	
Private Real Estate	**2.42**	**(93)**	**7.62**	**(82)**	**N/A**		**N/A**		**N/A**		**N/A**		**N/A**		**N/A**	
NCREIF Fund Index-Open End Diversified Core (EW)	3.32	(80)	8.82	(59)	7.81	(60)	10.62	(69)	14.71	(62)	12.39	(68)	12.47	(67)	11.77	(63)
IM U.S. Open End Private Real Estate (SA+CF) Median	3.68		9.04		8.29		11.32		15.45		12.78		13.18		12.87	

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	FYTD		FY 2018		FY 2017		FY 2016		FY 2015		FY 2014		FY 2013		FY 2012	
Domestic Equity Strategies																
Vanguard Total Stock Market Index (VITSX)	-2.22	(35)	N/A		N/A		N/A		N/A		N/A		N/A		N/A	
Russell 3000 Index	-2.27	(36)	17.58	(20)	18.71	(36)	14.96	(17)	-0.49	(32)	17.76	(32)	21.60	(59)	30.20	(18)
IM U.S. Multi-Cap Core Equity (MF) Median	-3.12		14.74		17.59		11.75		-1.81		16.34		22.72		27.01	
BlackRock LCV	N/A		N/A		20.98	(20)	14.43	(41)	-2.92	(47)	15.57	(80)	16.08	(94)	N/A	
Russell 1000 Value Index	-1.19	(26)	9.45	(77)	15.12	(75)	16.19	(26)	-4.42	(64)	18.89	(43)	22.30	(60)	30.92	(26)
IM U.S. Large Cap Value Equity (SA+CF) Median	-2.97		11.72		17.89		13.22		-3.29		18.40		23.76		28.16	
Jennison LCG	N/A		N/A		25.44	(8)	9.04	(75)	6.79	(15)	20.45	(27)	N/A		N/A	
Russell 1000 Growth Index	-2.34	(61)	26.30	(36)	21.94	(37)	13.76	(23)	3.17	(55)	19.15	(40)	19.27	(63)	29.19	(39)
IM U.S. Large Cap Growth Equity (SA+CF) Median	-1.59		24.38		20.82		11.64		3.61		18.18		20.25		27.65	
Wedgewood LCG	N/A		N/A		13.75	(95)	5.14	(96)	-2.95	(94)	15.99	(72)	N/A		N/A	
Russell 1000 Growth Index	-2.34	(61)	26.30	(36)	21.94	(37)	13.76	(23)	3.17	(55)	19.15	(40)	19.27	(63)	29.19	(39)
IM U.S. Large Cap Growth Equity (SA+CF) Median	-1.59		24.38		20.82		11.64		3.61		18.18		20.25		27.65	
Connors LCC	N/A		N/A		13.83	(89)	11.61	(67)	0.43	(48)	16.54	(79)	N/A		N/A	
S&P 500 Index	-1.72	(37)	17.91	(40)	18.61	(53)	15.43	(22)	-0.61	(63)	19.73	(45)	19.34	(65)	30.20	(44)
IM U.S. Large Cap Core Equity (SA+CF) Median	-2.42		17.31		18.74		13.26		0.09		19.21		20.66		29.63	
Boston Smid Value	N/A		N/A		19.58	(41)	N/A		N/A		N/A		N/A		N/A	
Russell 2500 Value Index	-6.25	(56)	10.24	(49)	15.75	(71)	17.68	(19)	-2.44	(67)	9.88	(60)	27.58	(71)	32.15	(31)
IM U.S. SMID Cap Value Equity (SA+CF) Median	-5.88		10.09		18.75		13.49		-0.25		10.89		29.74		29.73	
RBC Small Growth	N/A		N/A		14.94	(89)	14.58	(35)	6.08	(35)	1.00	(76)	32.33	(66)	32.30	(39)
Russell 2000 Growth Index	-8.22	(65)	21.06	(75)	20.98	(58)	12.12	(47)	4.04	(50)	3.79	(55)	33.07	(58)	31.18	(49)
IM U.S. Small Cap Growth Equity (SA+CF) Median	-7.16		26.69		21.37		11.64		3.76		4.39		33.99		30.76	

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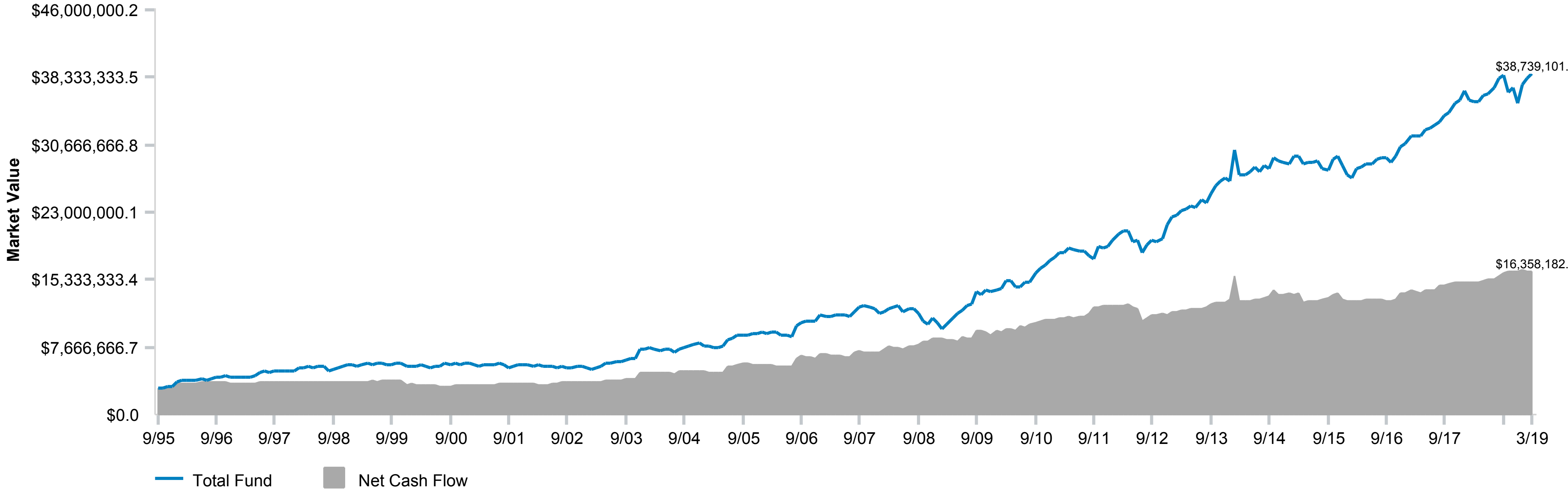
	FYTD		FY 2018		FY 2017		FY 2016		FY 2015		FY 2014		FY 2013		FY 2012	
International Equity Strategies																
EuroPacific Growth (RERGX)	-1.05	(39)	N/A		N/A		N/A		N/A		N/A		N/A		N/A	
MSCI AC World ex USA	-2.16	(47)	2.25	(29)	20.15	(43)	9.80	(47)	-11.78	(62)	5.22	(37)	16.98	(54)	15.04	(60)
IM International Equity (MF) Median	-2.60		0.08		19.36		9.33		-8.76		4.27		17.81		16.20	
Oakmark Intl (OANIX)	-8.68	(93)	N/A		N/A		N/A		N/A		N/A		N/A		N/A	
MSCI AC World ex USA	-2.16	(47)	2.25	(29)	20.15	(43)	9.80	(47)	-11.78	(62)	5.22	(37)	16.98	(54)	15.04	(60)
IM International Equity (MF) Median	-2.60		0.08		19.36		9.33		-8.76		4.27		17.81		16.20	
Lazard Int'l Value	N/A		N/A		15.52	(86)	4.43	(89)	-1.72	(20)	6.99	(39)	20.04	(51)	23.27	(11)
MSCI EAFE (Net) Index	-3.81	(63)	2.74	(38)	19.10	(66)	6.52	(80)	-8.66	(52)	4.25	(68)	23.77	(36)	13.75	(76)
IM International Equity (SA+CF) Median	-2.38		1.44		21.01		11.50		-8.31		5.82		20.27		17.28	
Renaissance Int'l Growth	N/A		N/A		19.28	(63)	10.53	(56)	-11.86	(67)	10.85	(15)	24.85	(30)	16.00	(60)
MSCI AC World ex USA (Net)	-2.33	(50)	1.76	(47)	19.61	(61)	9.26	(63)	-12.16	(68)	4.77	(62)	16.48	(63)	14.49	(70)
IM International Equity (SA+CF) Median	-2.38		1.44		21.01		11.50		-8.31		5.82		20.27		17.28	

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

	FYTD		FY 2018		FY 2017		FY 2016		FY 2015		FY 2014		FY 2013		FY 2012	
Domestic Fixed Income Strategies																
Dodge & Cox (DODIX)	4.00	(69)	N/A		N/A		N/A		N/A		N/A		N/A		N/A	
Blmbg. Barc. U.S. Aggregate Index	4.63	(20)	-1.22	(41)	0.07	(64)	5.19	(52)	2.94	(9)	3.96	(59)	-1.68	(53)	5.16	(81)
IM U.S. Broad Market Core Fixed Income (MF) Median	4.28		-1.35		0.48		5.21		1.98		4.19		-1.62		6.79	
Metropolitan West Bond (MWTIX)	4.77	(8)	N/A		N/A		N/A		N/A		N/A		N/A		N/A	
Blmbg. Barc. U.S. Aggregate Index	4.63	(20)	-1.22	(41)	0.07	(64)	5.19	(52)	2.94	(9)	3.96	(59)	-1.68	(53)	5.16	(81)
IM U.S. Broad Market Core Fixed Income (MF) Median	4.28		-1.35		0.48		5.21		1.98		4.19		-1.62		6.79	
Madison Intermediate FI	N/A		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	4.01	(35)	-0.96	(97)	0.23	(88)	3.52	(76)	2.68	(51)	2.20	(85)	-0.50	(66)	4.40	(81)
IM U.S. Intermediate Duration (SA+CF) Median	3.92		-0.39		0.69		3.90		2.70		2.88		-0.27		5.56	
Global Fixed Income Strategies																
PIMCO Diversified Income (PDIIX)	4.49	(13)	N/A		N/A		N/A		N/A		N/A		N/A		N/A	
Blmbg. Barc. Global Multiverse	3.44	(45)	-1.32	(51)	-0.56	(77)	9.23	(25)	-3.56	(42)	1.40	(79)	-2.22	(56)	5.57	(81)
IM Global Fixed Income (MF) Median	3.22		-1.29		1.02		7.42		-3.85		3.37		-1.81		7.17	
Hedge Funds / FOF Strategies																
Private Advisors - HFOF	N/A		N/A		4.45		0.69		-4.24		N/A		N/A		N/A	
HFRI FOF: Conservative Index	0.24		3.64		4.61		0.25		0.62		5.64		6.61		2.59	
Pine Grove - HFOF	N/A		N/A		6.75		0.38		-4.18		N/A		N/A		N/A	
HFRI FOF: Conservative Index	0.24		3.64		4.61		0.25		0.62		5.64		6.61		2.59	
Real Estate Strategies																
UBS - Private Real Estate	2.42	(93)	7.62	(82)	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)	3.32	(80)	8.82	(59)	7.81	(60)	10.62	(69)	14.71	(62)	12.39	(68)	12.47	(67)	11.77	(63)
IM U.S. Open End Private Real Estate (SA+CF) Median	3.68		9.04		8.29		11.32		15.45		12.78		13.18		12.87	

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

Plan Growth



Trailing Returns

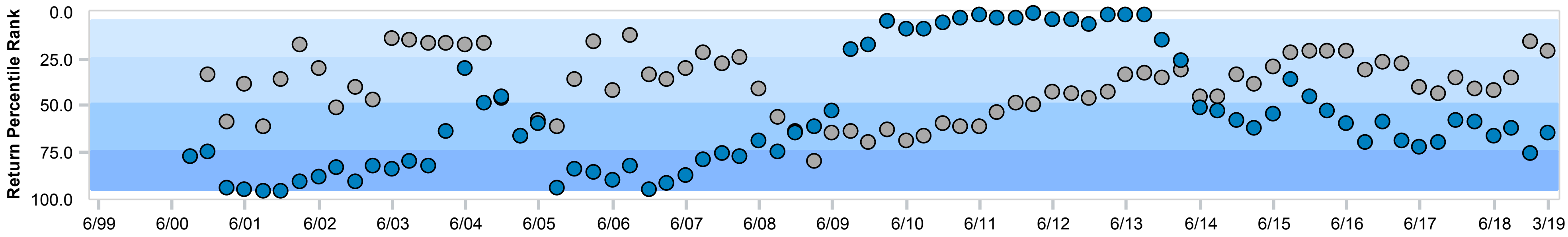
	QTR	YTD	1 YR	2 YR	3 YR	5 YR	7 YR	10 YR	15 YR
Total Fund	9.45 (36)	9.45 (36)	5.36 (24)	7.12 (43)	7.96 (65)	5.59 (65)	7.05 (69)	10.11 (38)	6.62 (31)
Total Fund Hybrid	9.09 (52)	9.09 (52)	6.49 (6)	7.68 (20)	8.72 (33)	6.52 (21)	7.91 (25)	10.50 (28)	6.61 (32)
Median	9.22	9.22	4.55	6.97	8.38	5.91	7.44	9.82	6.48

Fiscal Year Returns

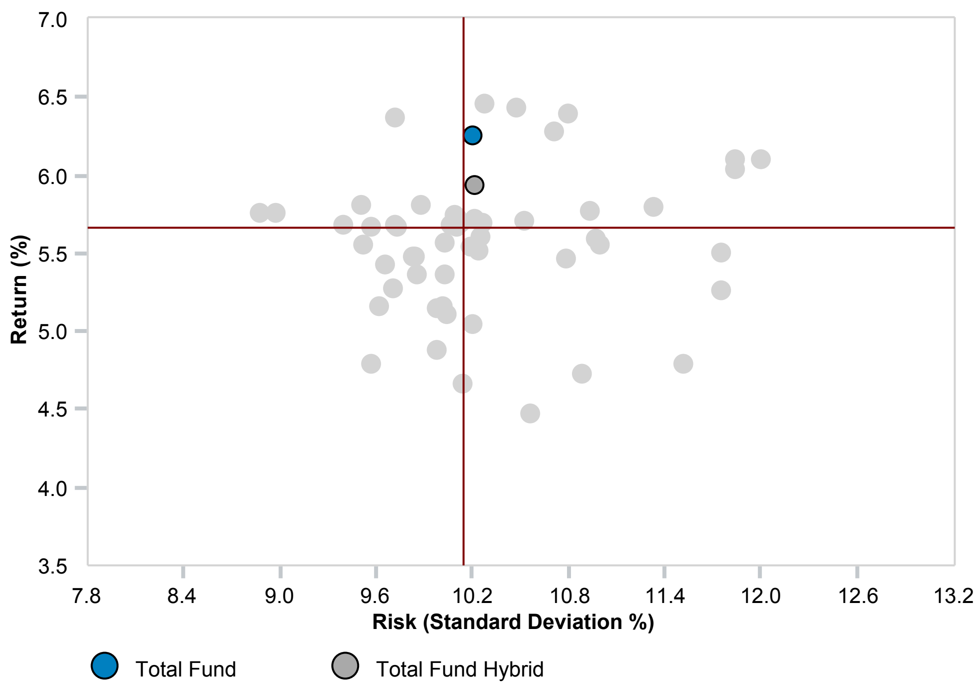
	FYTD	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011
Total Fund	-0.26 (66)	9.04 (15)	11.00 (61)	7.12 (93)	0.32 (19)	8.52 (81)	12.76 (43)	18.10 (49)	0.66 (23)
Total Fund Hybrid	0.72 (34)	9.16 (15)	11.12 (58)	9.11 (79)	0.80 (12)	9.39 (60)	13.04 (36)	18.21 (48)	0.55 (25)
Median	0.22	7.39	11.58	9.67	-1.26	9.80	12.27	18.06	-0.30

Peer Group: All Public Plans-Total Fund

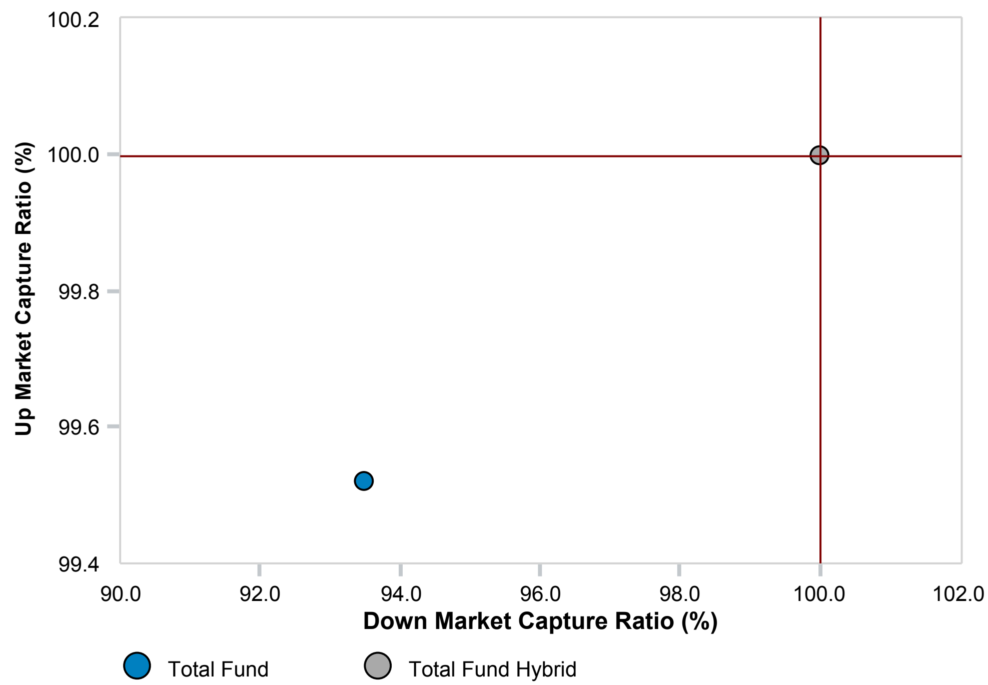
5 Year Rolling Percentile Ranking



Risk vs Return: October 2007 to Present



Up/Down Markets: October 2007 to Present



Historical Statistics: October 1, 2007 To March 31, 2019

	Consistency	Maximum Drawdown	Alpha	Active Return	Sharpe Ratio	Information Ratio	Treynor Ratio	Beta	Tracking Error
Total Fund	45.65	-23.70	0.39	0.30	0.58	0.18	0.06	0.99	1.67
Total Fund Hybrid	0.00	-28.52	0.00	0.00	0.55	N/A	0.06	1.00	0.00

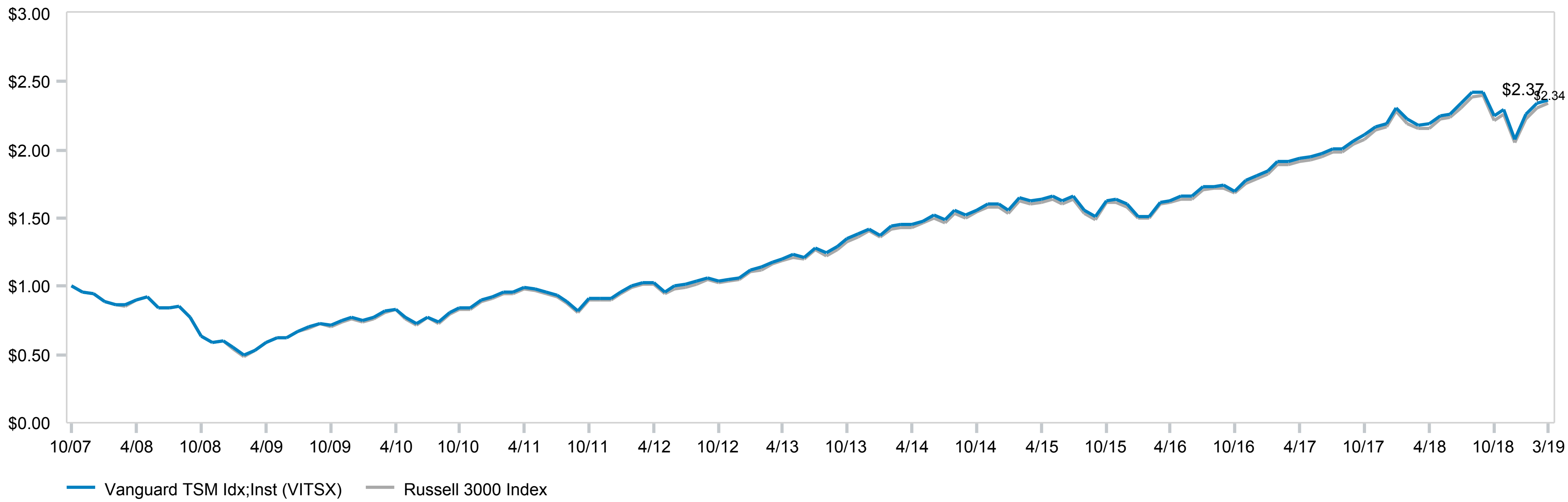
Peer Group: All Public Plans-Total Fund

Multi Timeperiod Statistics

	1 Qtr Return		1 Quarter Ending Dec-2018 Return		1 Quarter Ending Sep-2018 Return		1 Quarter Ending Jun-2018 Return		3 YR Return		5 YR Return		3 YR Down Market Capture		5 YR Down Market Capture	
Total Fund	**9.45**	**(35)**	**-8.87**	**(81)**	**3.85**	**(9)**	**1.71**	**(24)**	**7.96**	**(67)**	**5.59**	**(64)**	**113.74**	**(25)**	**105.80**	**(59)**
Total Fund Hybrid	9.09	(52)	-7.67	(49)	3.82	(9)	1.84	(18)	8.72	(33)	6.52	(20)	100.00		100.00	
All Public Plans-Total Fund Median	9.22		-7.70		2.71		1.19		8.37		5.91		103.14		109.29	
Domestic Equity Strategies																
Vanguard Total Stock Market Index (VITSX)	14.04	(31)	-14.26	(47)	7.09	(23)	3.90	(18)	N/A		N/A		N/A		N/A	
Russell 3000 Index	14.04	(31)	-14.30	(48)	7.12	(20)	3.89	(19)	13.49	(12)	10.36	(8)	100.00		100.00	
IM U.S. Multi-Cap Core Equity (MF) Median	13.30		-14.37		5.83		2.65		11.47		8.21		100.02		102.78	
International Equity Strategies																
EuroPacific Growth (RERGX)	13.20	(20)	-12.59	(55)	-0.84	(59)	-2.83	(44)	N/A		N/A		N/A		N/A	
MSCI AC World ex USA	10.44	(52)	-11.41	(43)	0.80	(29)	-2.39	(38)	8.61	(33)	3.05	(40)	100.00		100.00	
IM International Equity (MF) Median	10.53		-12.23		-0.27		-3.33		7.21		2.55		116.42		105.04	
Oakmark Intl (OANIX)	9.10	(75)	-16.30	(89)	-0.87	(59)	-4.97	(66)	N/A		N/A		N/A		N/A	
MSCI AC World ex USA	10.44	(52)	-11.41	(43)	0.80	(29)	-2.39	(38)	8.61	(33)	3.05	(40)	100.00		100.00	
IM International Equity (MF) Median	10.53		-12.23		-0.27		-3.33		7.21		2.55		116.42		105.04	
Domestic Fixed Income Strategies																
Dodge & Cox (DODIX)	3.70	(15)	0.29	(86)	0.63	(6)	-0.33	(64)	N/A		N/A		N/A		N/A	
Blmbg. Barc. U.S. Aggregate Index	2.94	(72)	1.64	(11)	0.02	(65)	-0.16	(30)	2.03	(57)	2.74	(28)	100.00		100.00	
IM U.S. Broad Market Core Fixed Income (MF) Median	3.23		0.99		0.09		-0.25		2.13		2.49		97.32		99.27	
Metropolitan West Bond (MWTIX)	3.20	(53)	1.53	(18)	0.04	(60)	-0.09	(20)	N/A		N/A		N/A		N/A	
Blmbg. Barc. U.S. Aggregate Index	2.94	(72)	1.64	(11)	0.02	(65)	-0.16	(30)	2.03	(57)	2.74	(28)	100.00		100.00	
IM U.S. Broad Market Core Fixed Income (MF) Median	3.23		0.99		0.09		-0.25		2.13		2.49		97.32		99.27	
Global Fixed Income Strategies																
PIMCO Diversified Income (PDIIX)	5.82	(1)	-1.26	(91)	N/A		N/A		N/A		N/A		N/A		N/A	
Blmbg. Barc. Global Multiverse	2.39	(76)	1.02	(23)	-0.80	(66)	-2.83	(53)	1.85	(67)	1.20	(58)	100.00		100.00	
IM Global Fixed Income (MF) Median	3.10		0.35		-0.39		-2.29		2.25		1.31		69.16		82.62	
Real Estate Strategies																
UBS - Private Real Estate	0.69	(100)	1.73	(57)	1.42	(100)	1.75	(99)	6.38	(100)	8.61	(96)	N/A		N/A	
NCREIF Fund Index-Open End Diversified Core (EW)	1.68	(71)	1.62	(65)	2.09	(54)	2.13	(61)	8.17	(59)	10.34	(57)	N/A		N/A	
IM U.S. Open End Private Real Estate (SA+CF) Median	1.93		1.76		2.10		2.22		8.47		10.49		N/A		N/A	

Long-Term
Manager Composite
Data

Growth of a Dollar



Trailing Returns

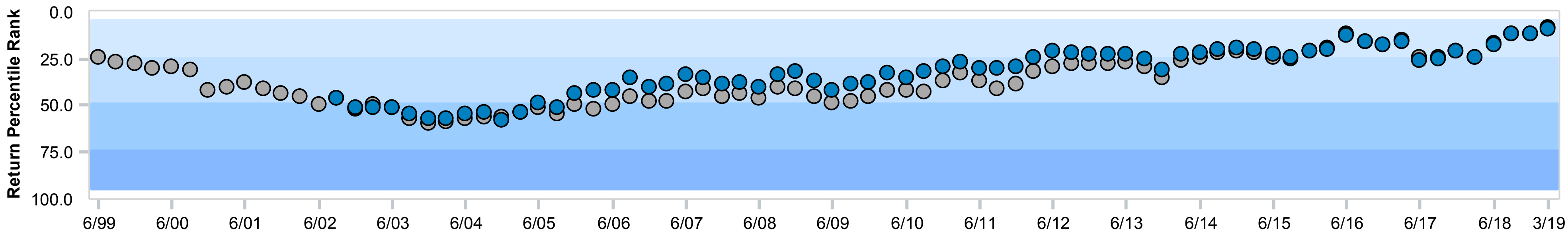
	QTR	YTD	1 YR	2 YR	3 YR	5 YR	7 YR	10 YR	15 YR
Vanguard TSM Idx;Inst (VITSX)	14.04 (31)	14.04 (31)	8.81 (16)	11.30 (18)	13.52 (11)	10.34 (9)	12.61 (12)	16.06 (11)	8.82 (12)
Russell 3000 Index	14.04 (31)	14.04 (31)	8.77 (17)	11.26 (19)	13.49 (12)	10.36 (8)	12.63 (11)	16.00 (14)	8.68 (16)
Median	13.30	13.30	5.52	9.21	11.47	8.21	11.05	14.40	7.63

Fiscal Year Returns

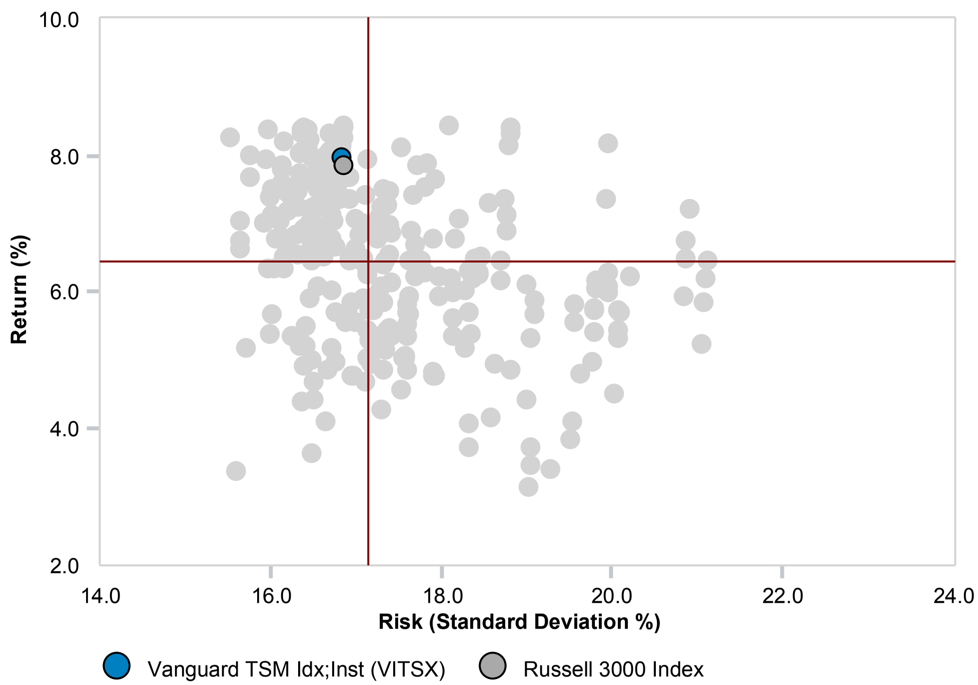
	FYTD	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011
Vanguard TSM Idx;Inst (VITSX)	-2.22 (35)	17.62 (19)	18.64 (38)	15.00 (16)	-0.57 (34)	17.76 (32)	21.52 (61)	30.24 (17)	0.72 (26)
Russell 3000 Index	-2.27 (36)	17.58 (20)	18.71 (36)	14.96 (17)	-0.49 (32)	17.76 (32)	21.60 (59)	30.20 (18)	0.55 (30)
Median	-3.12	14.74	17.59	11.75	-1.81	16.34	22.72	27.01	-1.53

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)

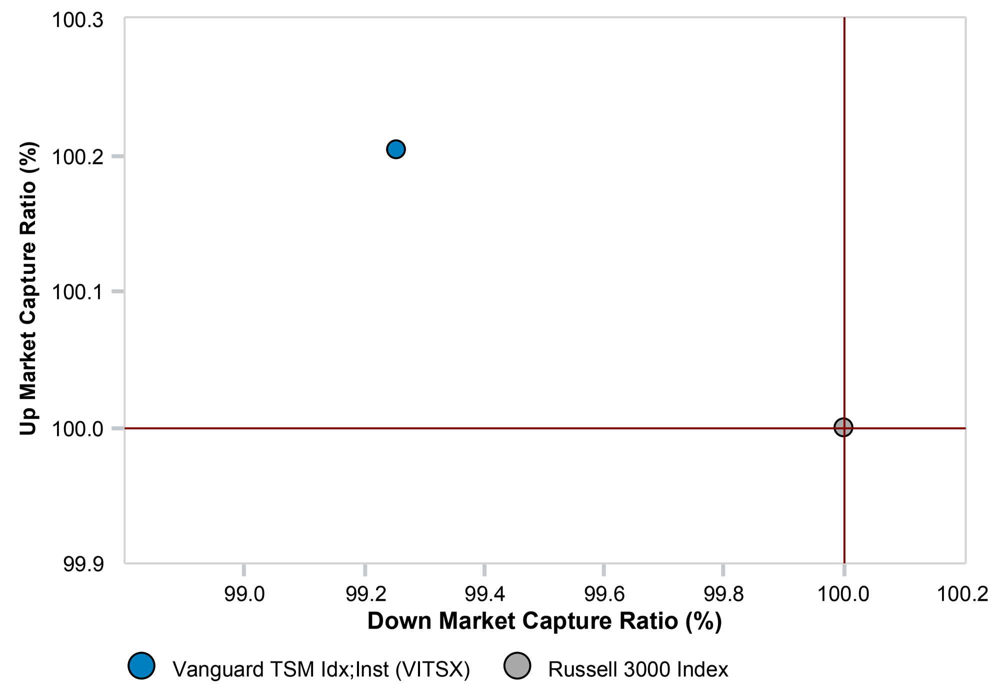
5 Year Rolling Percentile Ranking



Risk vs Return: October 2007 to Present



Up/Down Markets: October 2007 to Present

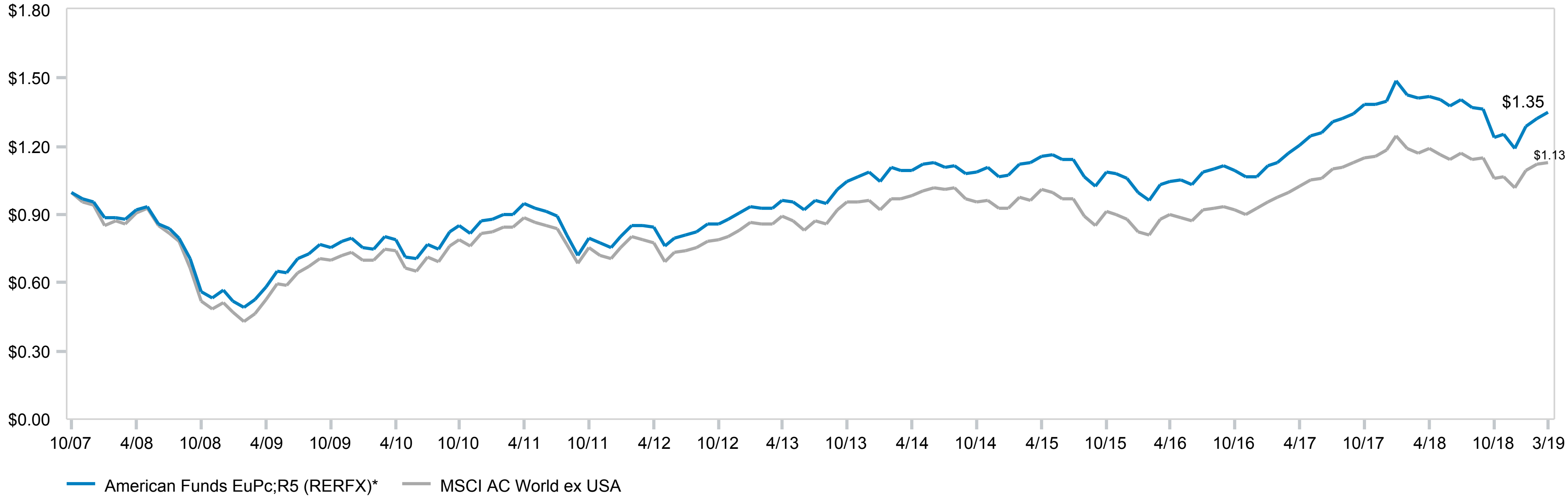


Historical Statistics: October 1, 2007 To March 31, 2019

	Consistency	Maximum Drawdown	Alpha	Active Return	Sharpe Ratio	Information Ratio	Treynor Ratio	Beta	Tracking Error
Vanguard TSM Idx;Inst (VITSX)	58.70	-45.55	0.12	0.11	0.50	0.84	0.09	1.00	0.13
Russell 3000 Index	0.00	-45.95	0.00	0.00	0.50	N/A	0.08	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

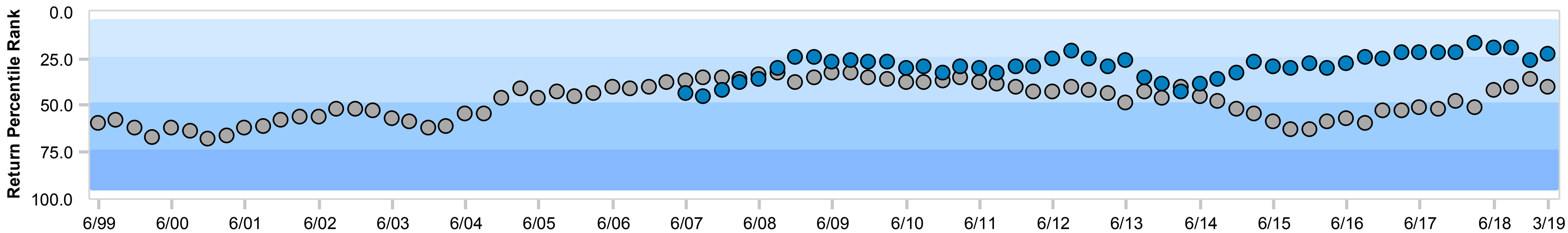
	QTR	YTD	1 YR	2 YR	3 YR	5 YR	7 YR	10 YR	15 YR
American Funds EuPc;R5 (RERFX)*	13.19 (20)	13.19 (20)	-4.70 (31)	7.42 (25)	9.27 (28)	4.22 (23)	6.83 (17)	9.90 (31)	7.11 (25)
MSCI AC World ex USA	10.44 (52)	10.44 (52)	-3.74 (23)	6.15 (35)	8.61 (33)	3.05 (40)	5.21 (43)	9.35 (42)	6.06 (41)
Median	10.53	10.53	-7.09	4.99	7.21	2.55	4.88	8.92	5.67

Fiscal Year Returns

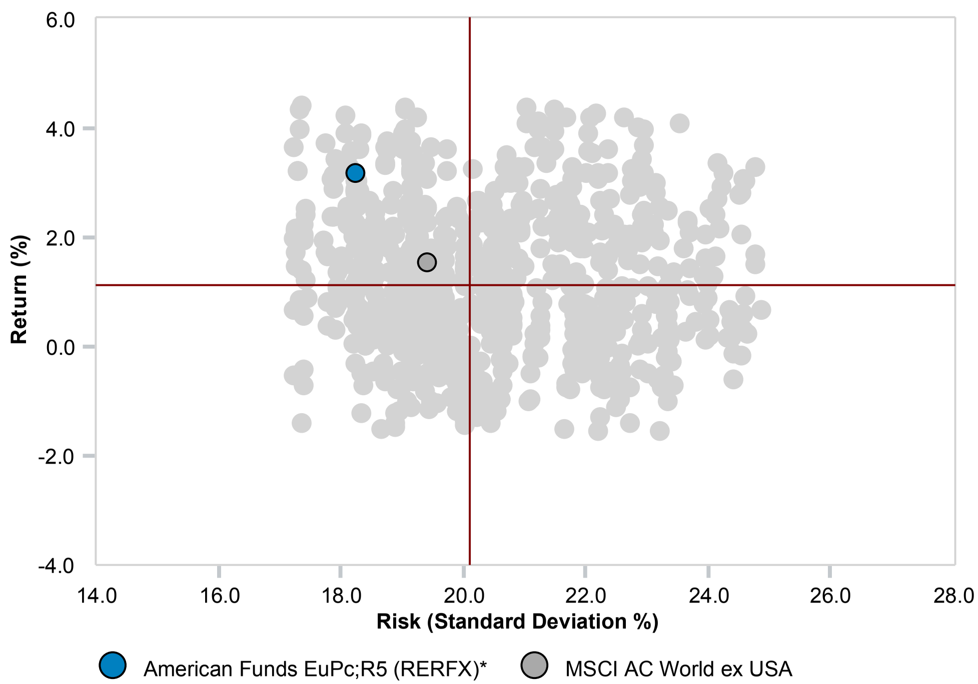
	FYTD	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011
American Funds EuPc;R5 (RERFX)*	-1.08 (39)	1.44 (38)	20.56 (39)	8.47 (56)	-4.97 (26)	6.93 (19)	18.22 (49)	18.39 (30)	-12.38 (53)
MSCI AC World ex USA	-2.16 (47)	2.25 (29)	20.15 (43)	9.80 (47)	-11.78 (62)	5.22 (37)	16.98 (54)	15.04 (60)	-10.42 (35)
Median	-2.60	0.08	19.36	9.33	-8.76	4.27	17.81	16.20	-12.09

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

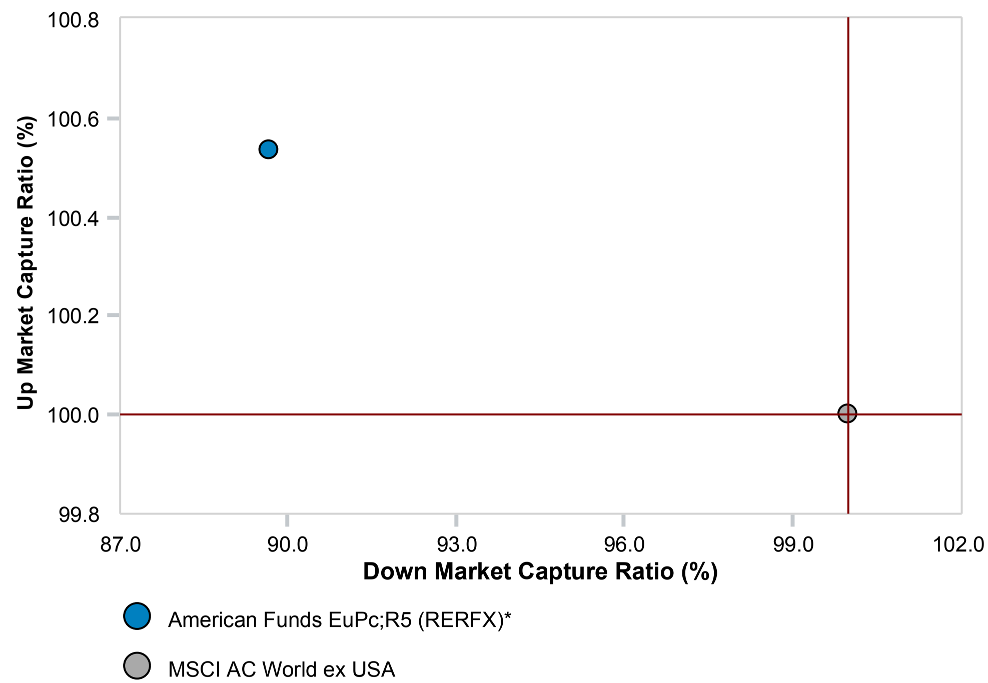
5 Year Rolling Percentile Ranking



Risk vs Return: October 2007 to Present



Up/Down Markets: October 2007 to Present

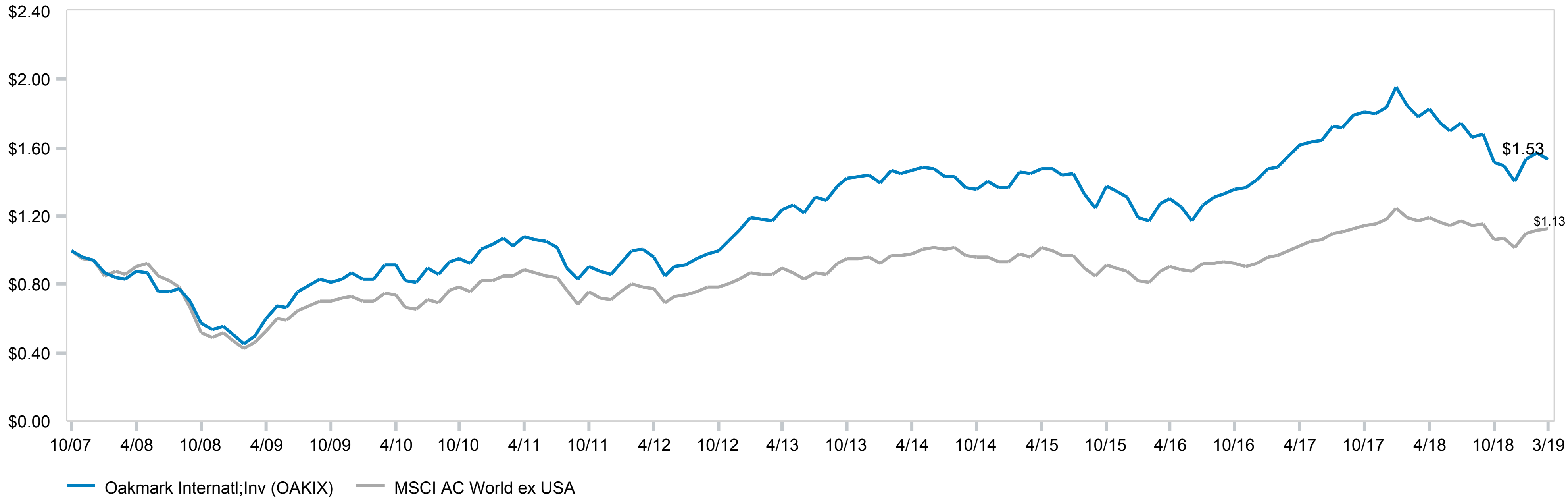


Historical Statistics: October 1, 2007 To March 31, 2019

	Consistency	Maximum Drawdown	Alpha	Active Return	Sharpe Ratio	Information Ratio	Treynor Ratio	Beta	Tracking Error
American Funds EuPc;R5 (RERFX)*	58.70	-45.07	1.66	1.39	0.23	0.39	0.05	0.93	3.54
MSCI AC World ex USA	0.00	-51.36	0.00	0.00	0.14	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 Equity (MF)

Growth of a Dollar



Trailing Returns

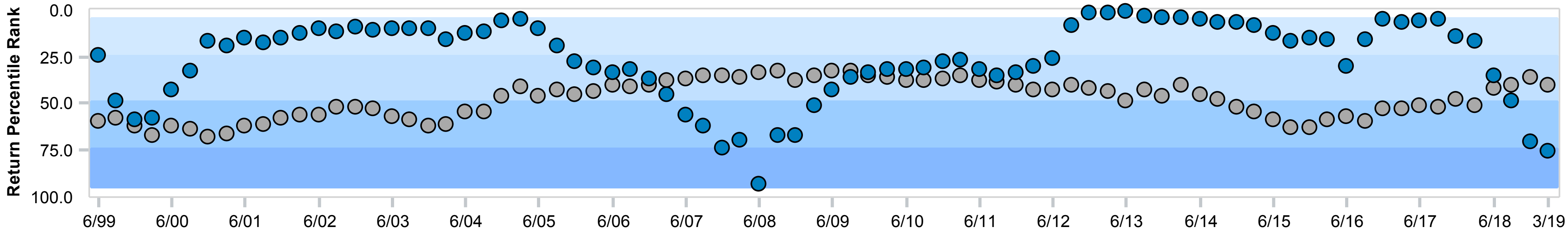
	QTR	YTD	1 YR	2 YR	3 YR	5 YR	7 YR	10 YR	15 YR
Oakmark Internatl;Inv (OAKIX)	9.04 (76)	9.04 (76)	-14.13 (92)	-0.50 (96)	6.40 (64)	1.08 (76)	6.18 (25)	11.83 (13)	7.07 (26)
MSCI AC World ex USA	10.44 (52)	10.44 (52)	-3.74 (23)	6.15 (35)	8.61 (33)	3.05 (40)	5.21 (43)	9.35 (42)	6.06 (41)
Median	10.53	10.53	-7.09	4.99	7.21	2.55	4.88	8.92	5.67

Fiscal Year Returns

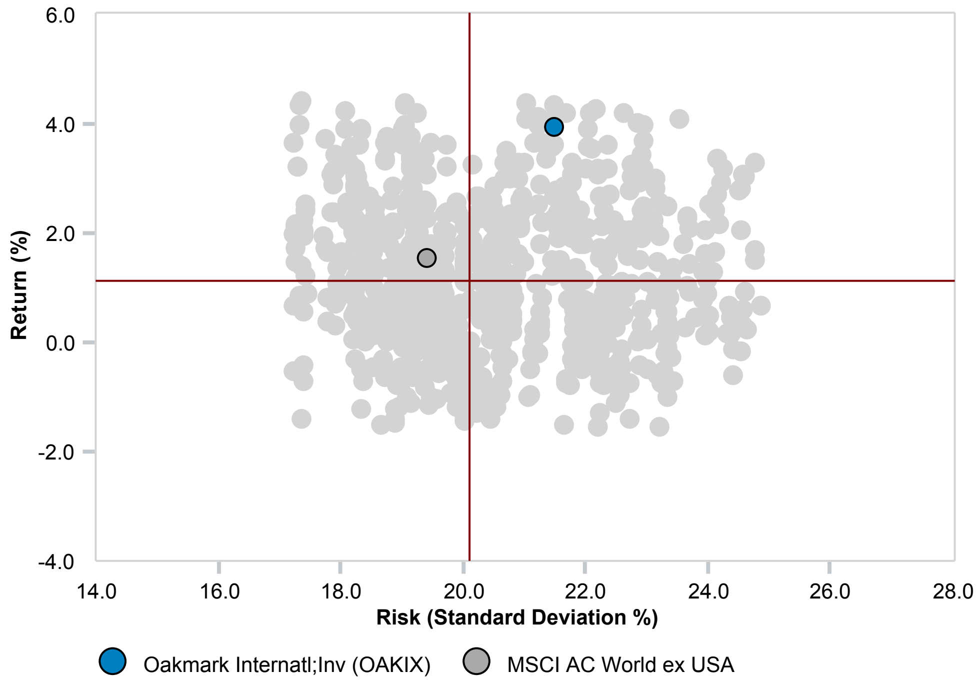
	FYTD	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011
Oakmark Internatl;Inv (OAKIX)	-8.74 (94)	-6.33 (89)	34.88 (2)	6.66 (66)	-8.98 (52)	-0.64 (92)	40.79 (1)	17.40 (40)	-10.54 (35)
MSCI AC World ex USA	-2.16 (47)	2.25 (29)	20.15 (43)	9.80 (47)	-11.78 (62)	5.22 (37)	16.98 (54)	15.04 (60)	-10.42 (35)
Median	-2.60	0.08	19.36	9.33	-8.76	4.27	17.81	16.20	-12.09

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

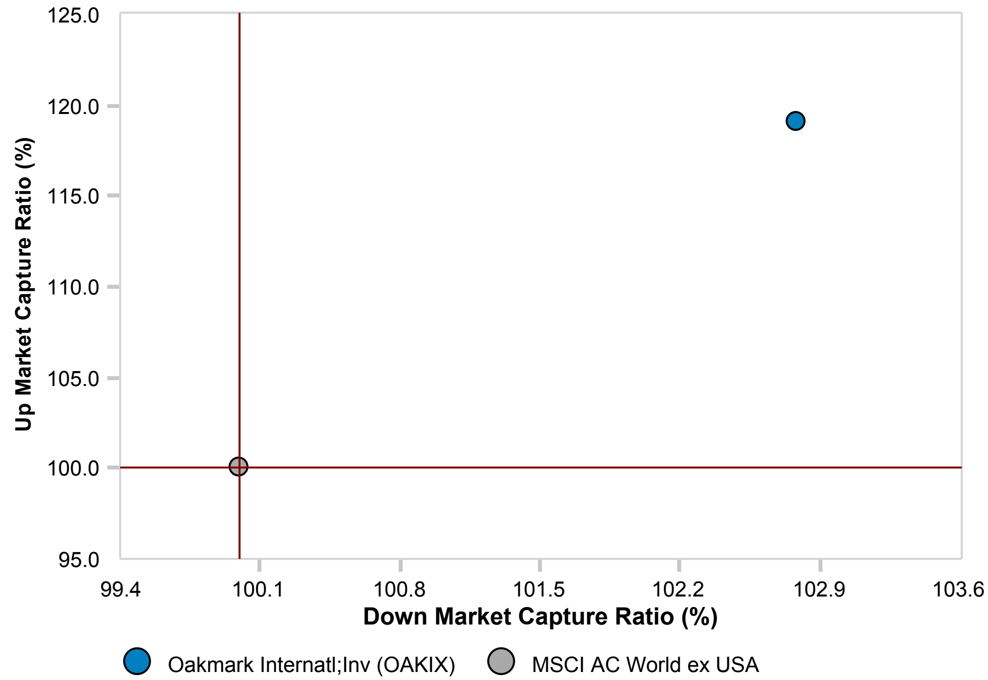
5 Year Rolling Percentile Ranking



Risk vs Return: October 2007 to Present



Up/Down Markets: October 2007 to Present

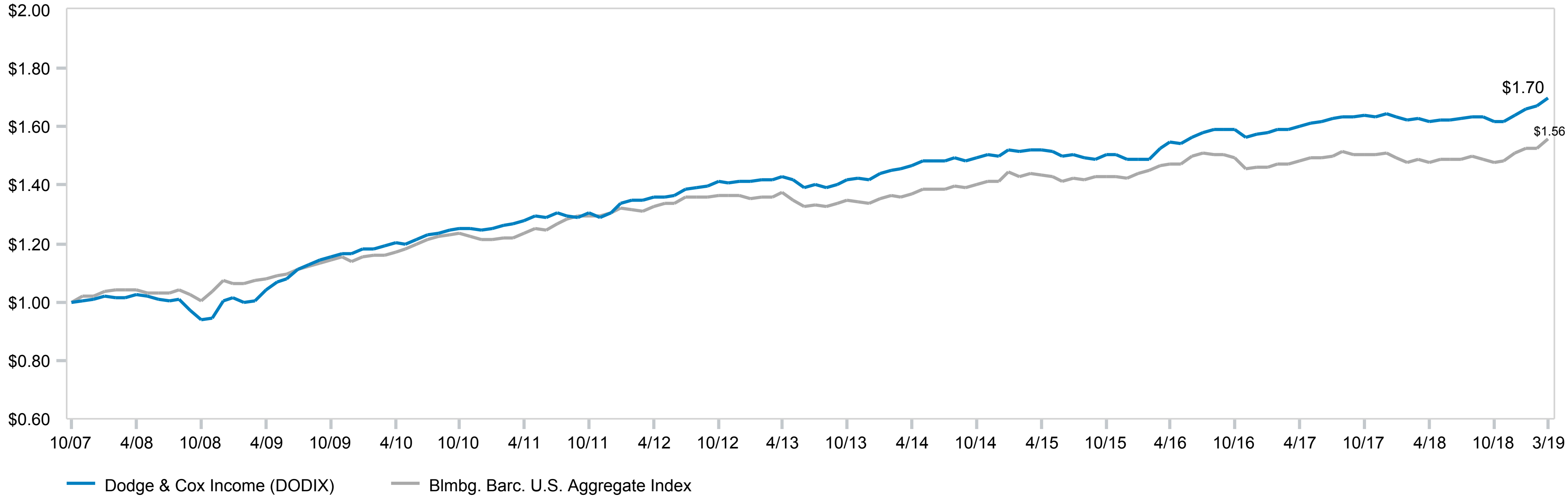


Historical Statistics: October 1, 2007 To March 31, 2019

	Consistency	Maximum Drawdown	Alpha	Active Return	Sharpe Ratio	Information Ratio	Treynor Ratio	Beta	Tracking Error
Oakmark Internatl;Inv (OAKIX)	54.35	-49.10	2.66	2.72	0.25	0.33	0.05	1.02	8.18
MSCI AC World ex USA	0.00	-51.36	0.00	0.00	0.14	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 Equity (MF)

Growth of a Dollar



Trailing Returns

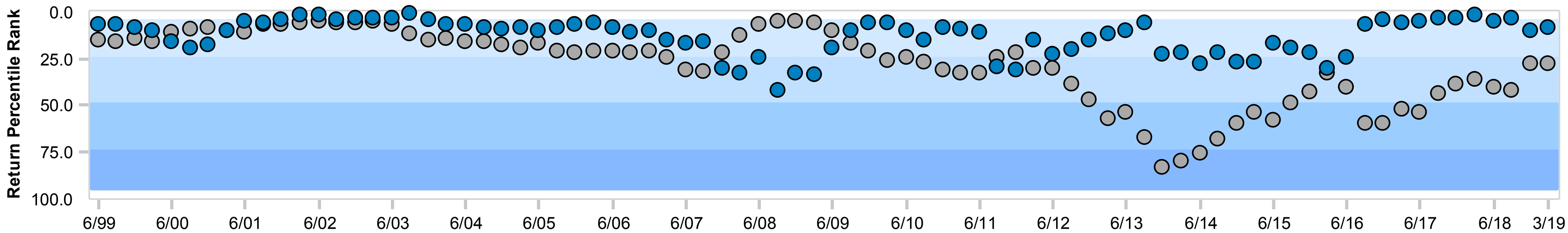
	QTR	YTD	1 YR	2 YR	3 YR	5 YR	7 YR	10 YR	15 YR
Dodge & Cox Income (DODIX)	3.70 (15)	3.70 (15)	4.31 (34)	3.26 (10)	3.64 (3)	3.15 (8)	3.36 (5)	5.37 (17)	4.48 (6)
Blmbg. Barc. U.S. Aggregate Index	2.94 (72)	2.94 (72)	4.48 (20)	2.83 (30)	2.03 (57)	2.74 (28)	2.48 (48)	3.77 (76)	3.89 (35)
Median	3.23	3.23	4.09	2.63	2.13	2.49	2.45	4.50	3.72

Fiscal Year Returns

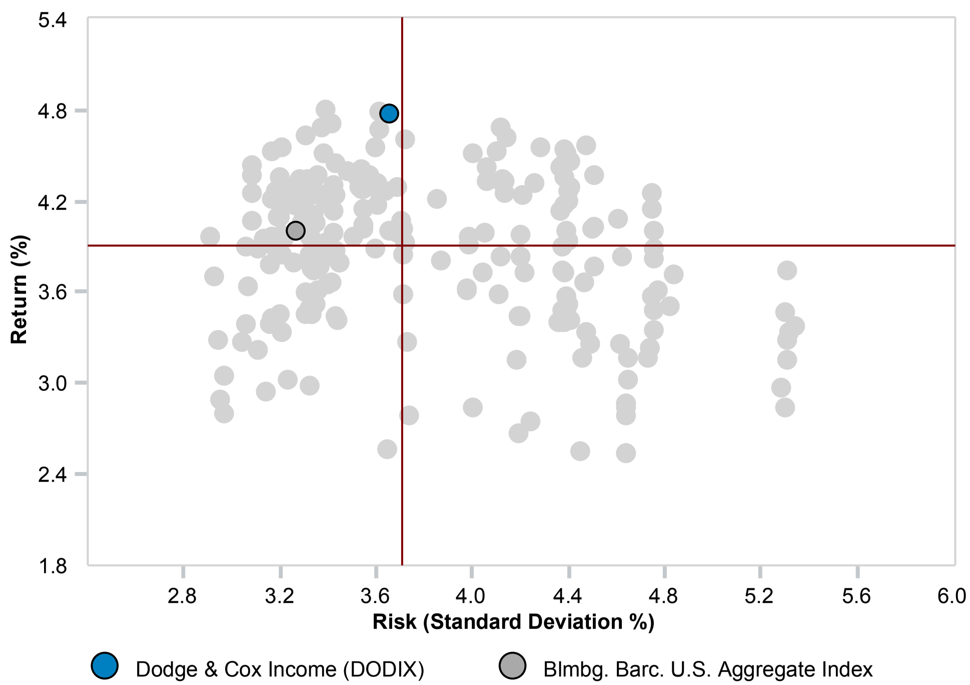
	FYTD	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011
Dodge & Cox Income (DODIX)	4.00 (70)	-0.12 (7)	2.57 (3)	7.09 (3)	0.16 (94)	5.76 (9)	0.46 (5)	8.37 (15)	3.55 (72)
Blmbg. Barc. U.S. Aggregate Index	4.63 (20)	-1.22 (41)	0.07 (64)	5.19 (52)	2.94 (9)	3.96 (59)	-1.68 (53)	5.16 (81)	5.26 (14)
Median	4.28	-1.35	0.48	5.21	1.98	4.19	-1.62	6.79	4.30

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)

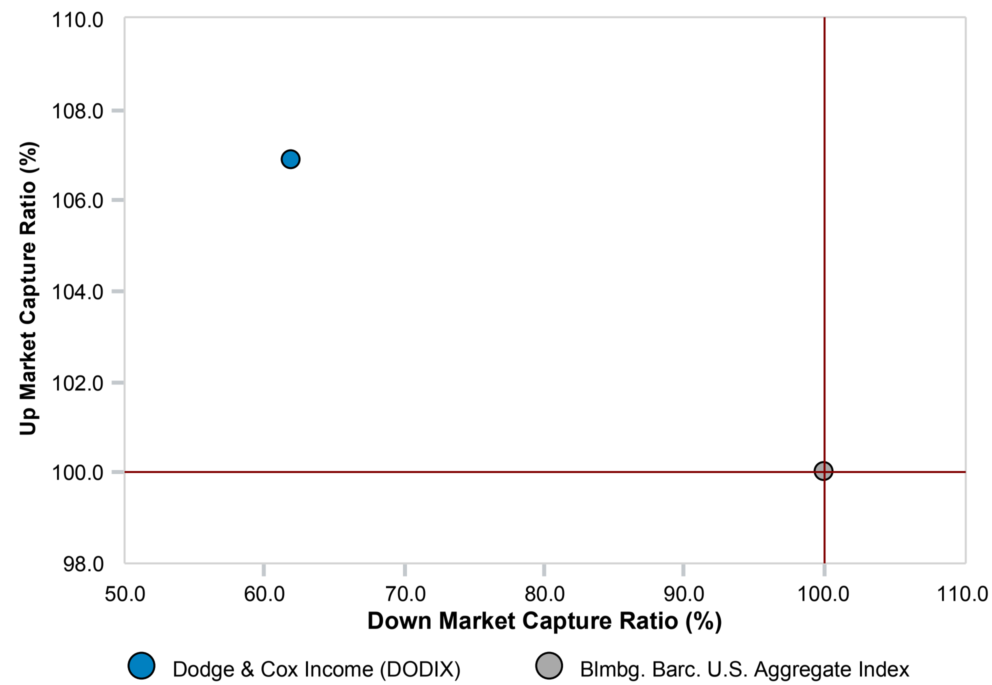
5 Year Rolling Percentile Ranking



Risk vs Return: October 2007 to Present



Up/Down Markets: October 2007 to Present

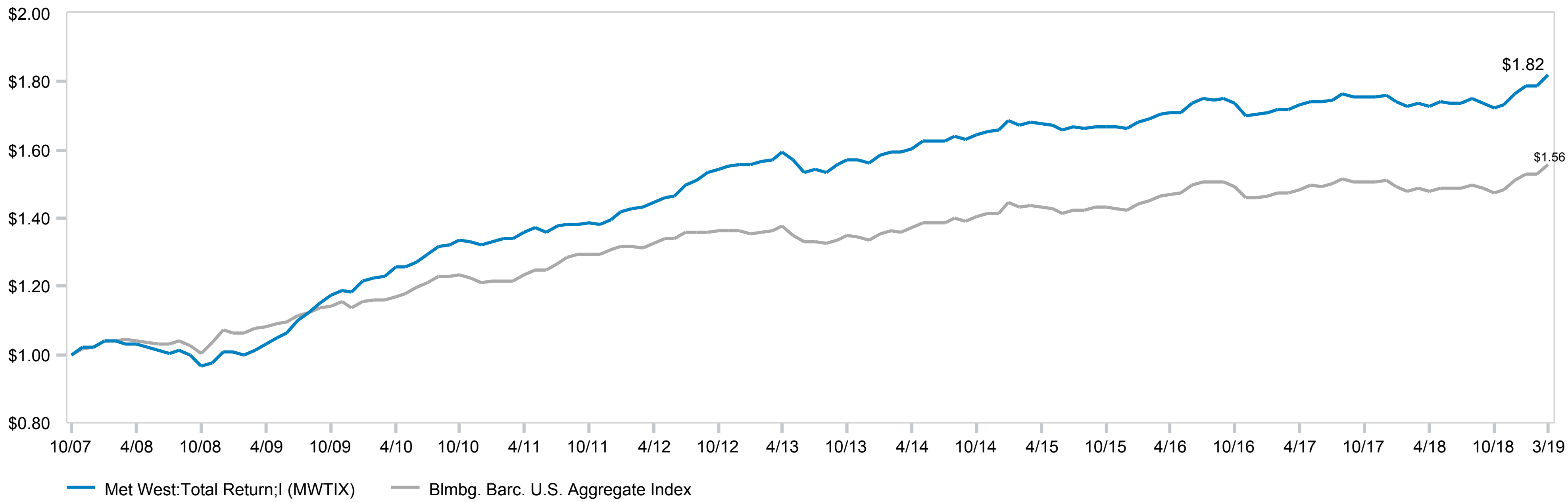


Historical Statistics: October 1, 2007 To March 31, 2019

	Consistency	Maximum Drawdown	Alpha	Active Return	Sharpe Ratio	Information Ratio	Treynor Ratio	Beta	Tracking Error
Dodge & Cox Income (DODIX)	67.39	-4.08	1.90	0.75	1.09	0.25	0.06	0.72	2.97
Blmbg. Barc. U.S. Aggregate Index	0.00	-2.98	0.00	0.00	1.04	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

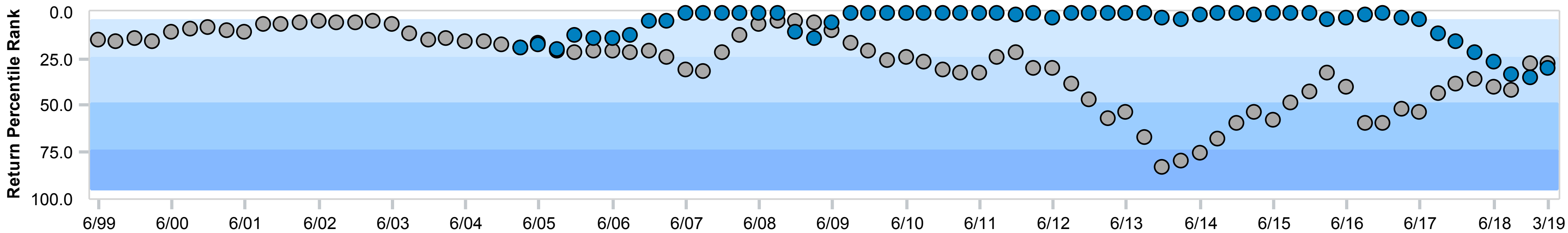
	QTR	YTD	1 YR	2 YR	3 YR	5 YR	7 YR	10 YR	15 YR
Met West:Total Return;I (MWTIX)	3.20 (53)	3.20 (53)	4.72 (10)	2.93 (24)	2.26 (43)	2.72 (30)	3.48 (4)	6.03 (6)	5.24 (1)
Blmbg. Barc. U.S. Aggregate Index	2.94 (72)	2.94 (72)	4.48 (20)	2.83 (30)	2.03 (57)	2.74 (28)	2.48 (48)	3.77 (76)	3.89 (35)
Median	3.23	3.23	4.09	2.63	2.13	2.49	2.45	4.50	3.72

Fiscal Year Returns

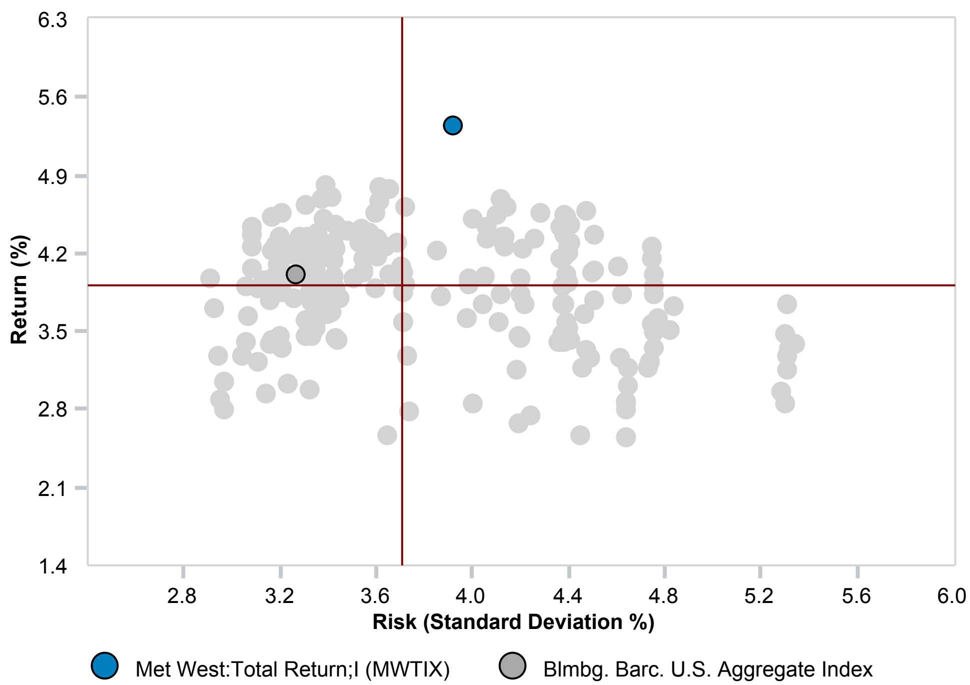
	FYTD	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011
Met West:Total Return;I (MWTIX)	4.77 (8)	-0.97 (27)	0.31 (56)	4.82 (71)	2.27 (37)	4.95 (23)	1.38 (2)	11.02 (1)	4.37 (47)
Blmbg. Barc. U.S. Aggregate Index	4.63 (20)	-1.22 (41)	0.07 (64)	5.19 (52)	2.94 (9)	3.96 (59)	-1.68 (53)	5.16 (81)	5.26 (14)
Median	4.28	-1.35	0.48	5.21	1.98	4.19	-1.62	6.79	4.30

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)

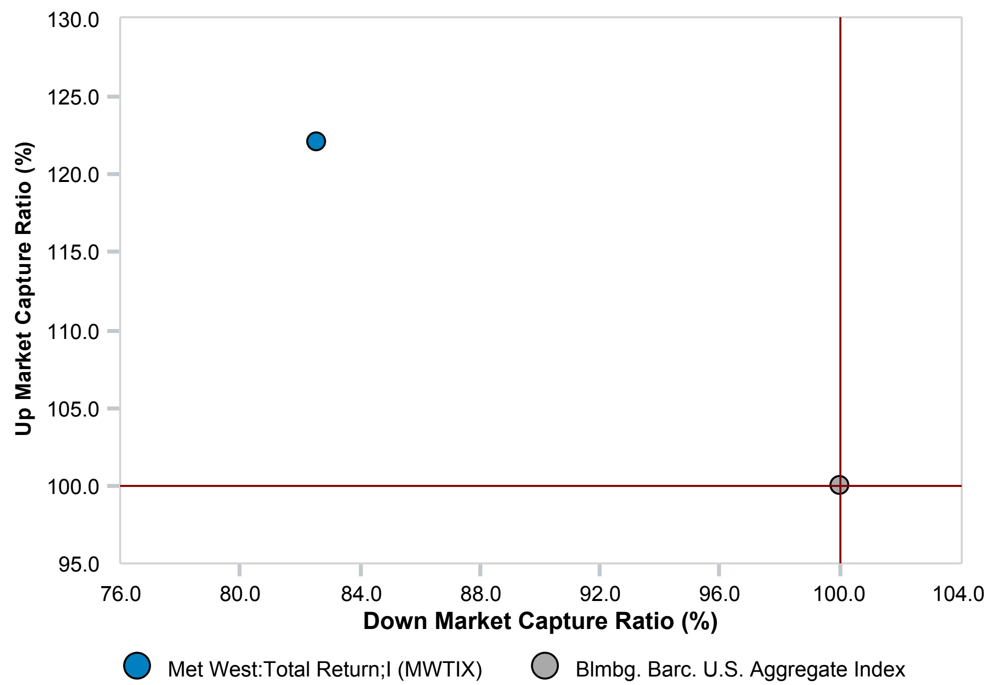
5 Year Rolling Percentile Ranking



Risk vs Return: October 2007 to Present



Up/Down Markets: October 2007 to Present

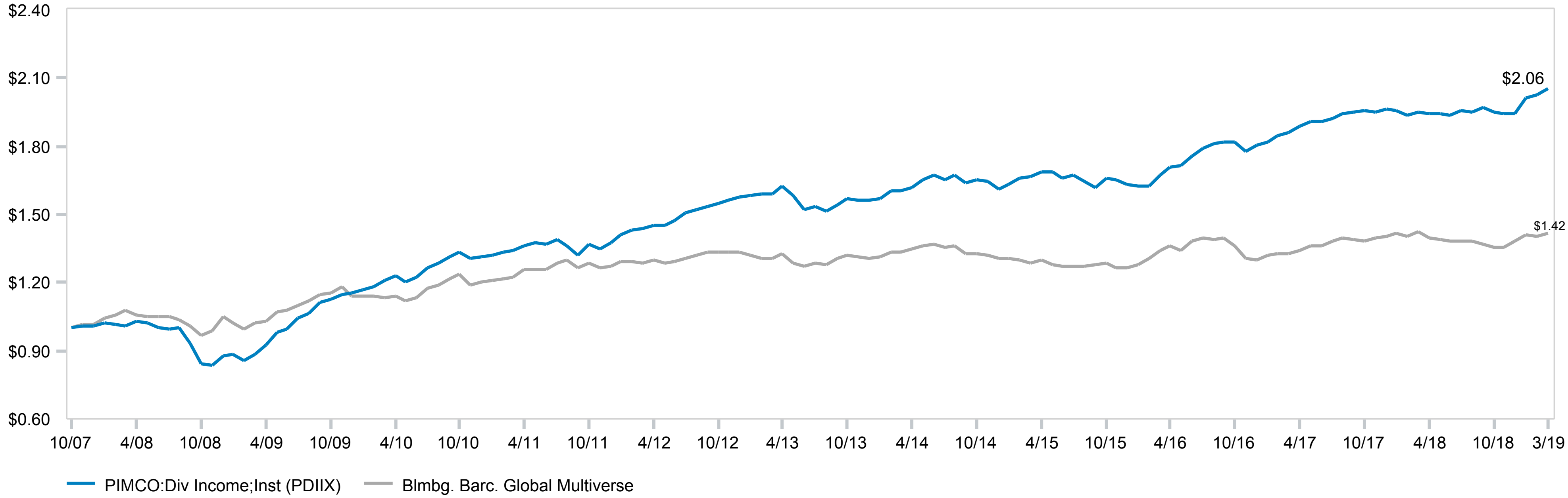


Historical Statistics: October 1, 2007 To March 31, 2019

	Consistency	Maximum Drawdown	Alpha	Active Return	Sharpe Ratio	Information Ratio	Treynor Ratio	Beta	Tracking Error
Met West:Total Return;I (MWTIX)	58.70	-3.50	1.79	1.31	1.16	0.49	0.05	0.88	2.69
Blmbg. Barc. U.S. Aggregate Index	0.00	-2.98	0.00	0.00	1.04	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

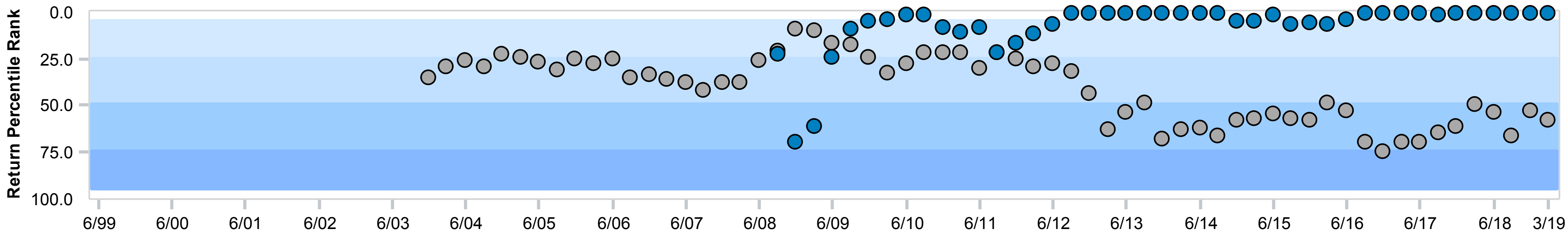
	QTR	YTD	1 YR	2 YR	3 YR	5 YR	7 YR	10 YR	15 YR
PIMCO:Div Income;Inst (PDIIX)	5.83 (1)	5.83 (1)	5.44 (1)	5.10 (2)	7.18 (1)	5.10 (1)	5.28 (1)	8.85 (1)	6.54 (1)
Blmbg. Barc. Global Multiverse	2.39 (76)	2.39 (76)	-0.29 (56)	3.32 (25)	1.85 (67)	1.20 (58)	1.41 (69)	3.33 (70)	3.50 (60)
Median	3.10	3.10	0.24	2.78	2.25	1.31	1.70	3.95	3.67

Fiscal Year Returns

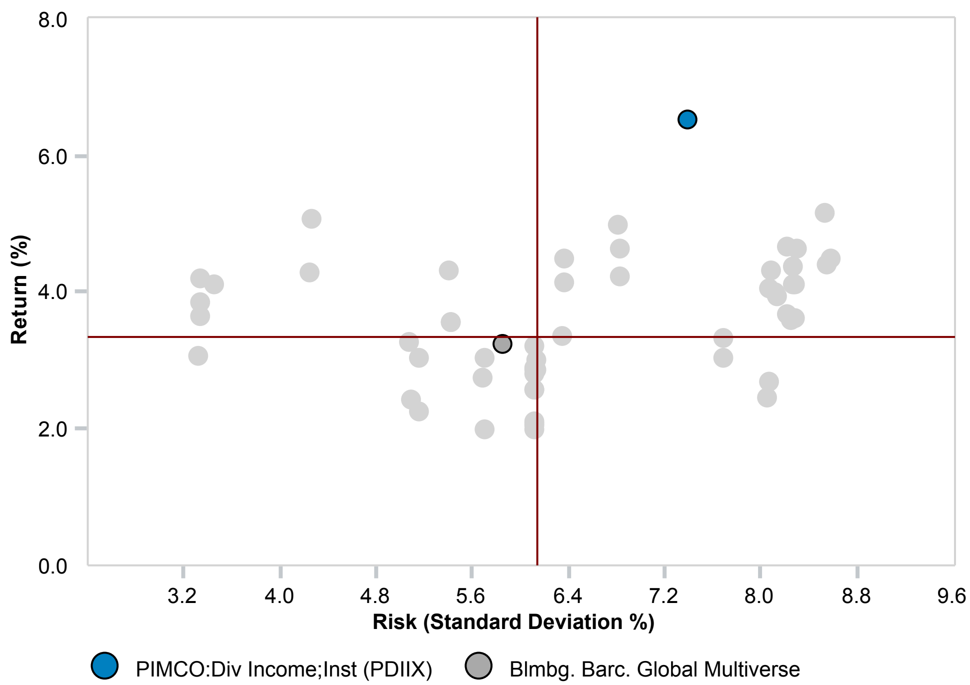
	FYTD	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011
PIMCO:Div Income;Inst (PDIIX)	4.47 (13)	1.08 (10)	6.97 (2)	12.55 (2)	-1.10 (26)	6.09 (16)	0.37 (22)	16.28 (2)	0.41 (84)
Blmbg. Barc. Global Multiverse	3.44 (45)	-1.32 (51)	-0.56 (77)	9.23 (25)	-3.56 (42)	1.40 (79)	-2.22 (56)	5.57 (81)	3.85 (11)
Median	3.22	-1.29	1.02	7.42	-3.85	3.37	-1.81	7.17	1.74

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)

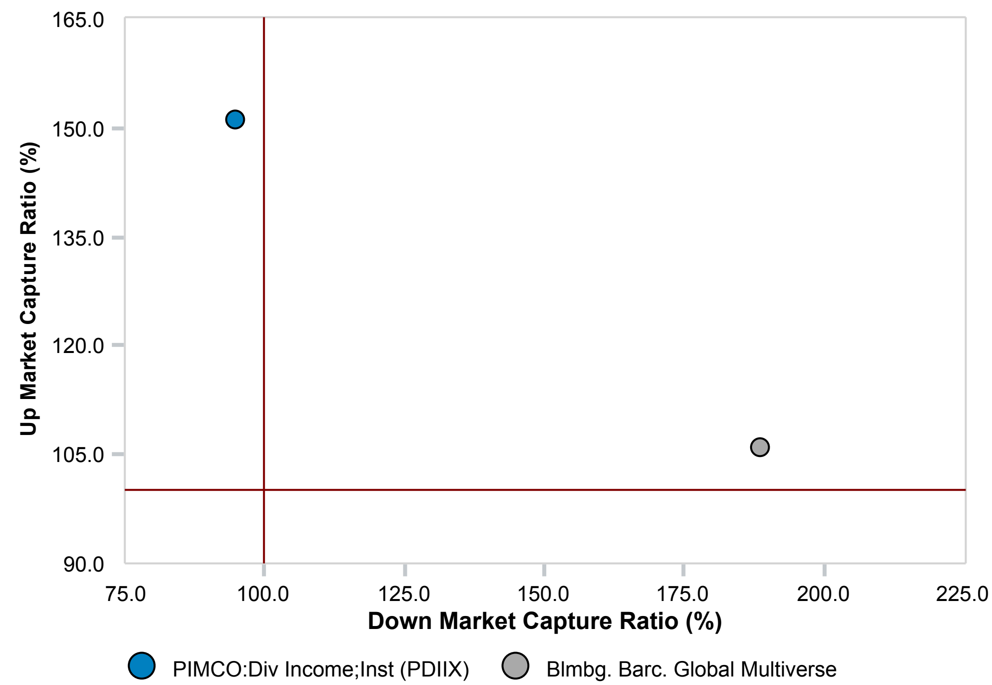
5 Year Rolling Percentile Ranking



Risk vs Return: October 2007 to Present



Up/Down Markets: October 2007 to Present

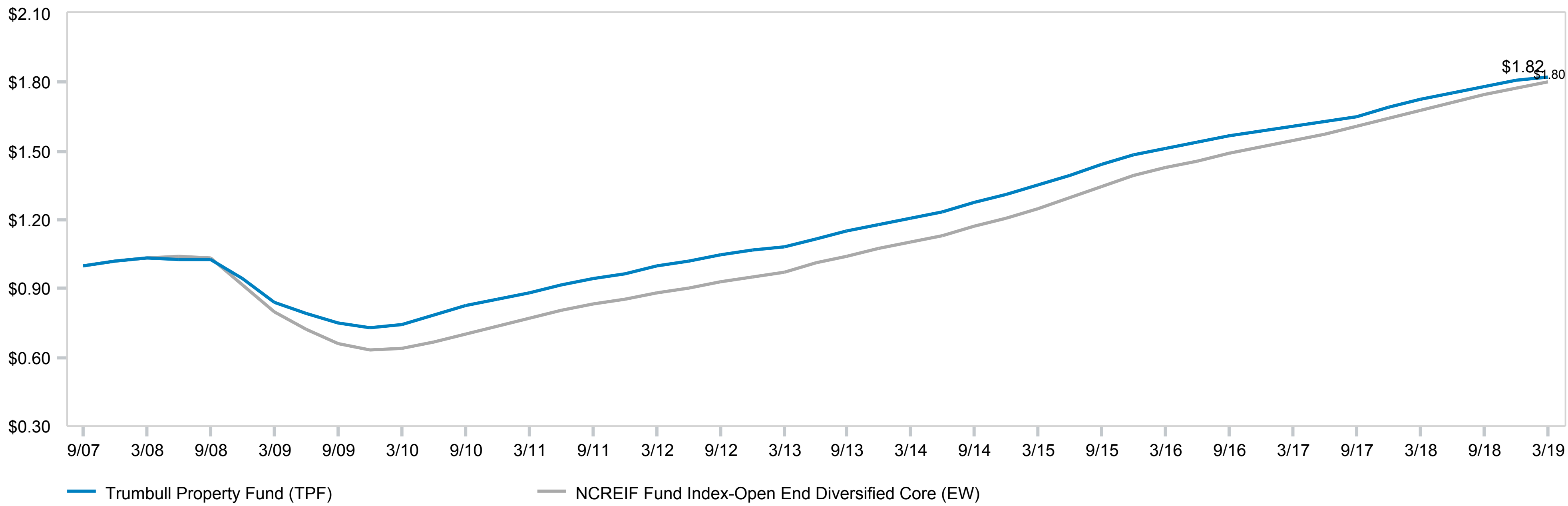


Historical Statistics: October 1, 2007 To March 31, 2019

	Consistency	Maximum Drawdown	Alpha	Active Return	Sharpe Ratio	Information Ratio	Treynor Ratio	Beta	Tracking Error
PIMCO:Div Income;Inst (PDIIX)	67.39	-13.47	3.96	2.63	0.80	0.37	0.09	0.68	7.14
Blmbg. Barc. Global Multiverse	50.00	-7.47	-1.68	-0.65	0.47	-0.15	0.02	1.26	4.24

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

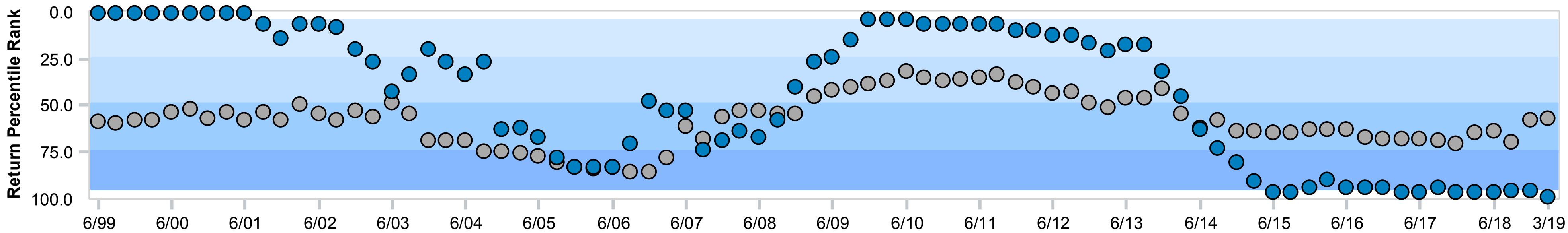
	QTR	YTD	1 YR	2 YR	3 YR	5 YR	7 YR	10 YR	15 YR
Trumbull Property Fund (TPF)	0.69 (100)	0.69 (100)	5.73 (100)	6.40 (100)	6.34 (100)	8.59 (100)	9.01 (100)	8.01 (92)	7.95 (N/A)
NCREIF Fund Index-Open End Diversified Core (EW)	1.68 (71)	1.68 (71)	7.73 (68)	7.95 (67)	8.17 (59)	10.34 (57)	10.81 (65)	8.46 (77)	7.95 (N/A)
Median	1.93	1.93	8.23	8.25	8.47	10.49	11.38	9.65	N/A

Fiscal Year Returns

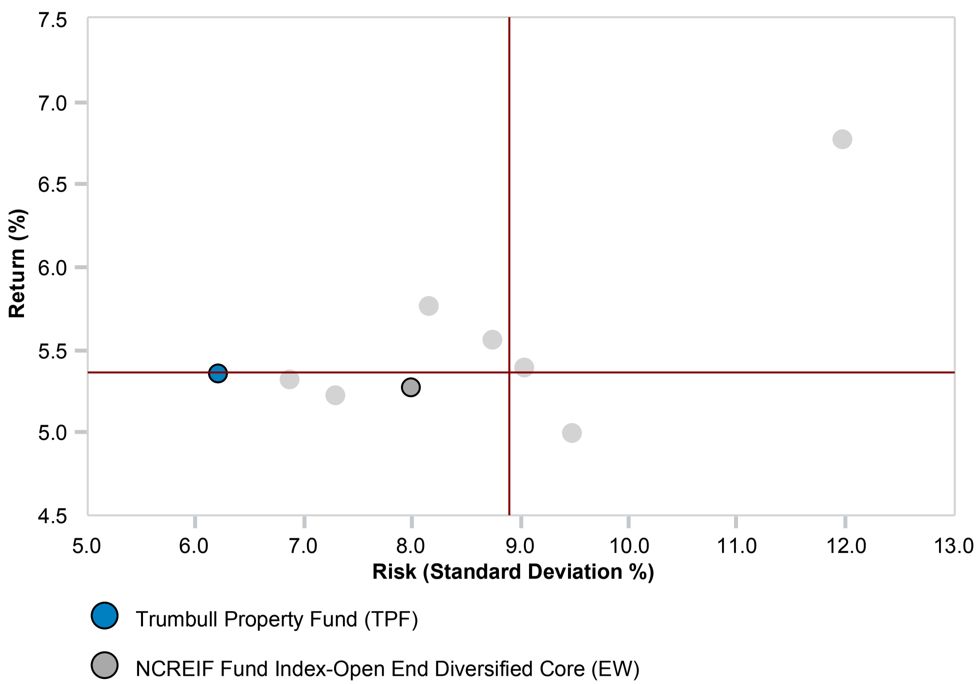
	FYTD	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013	FY 2012	FY 2011
Trumbull Property Fund (TPF)	2.43 (93)	7.64 (81)	5.37 (94)	8.85 (100)	12.94 (82)	10.89 (91)	10.08 (91)	10.53 (81)	14.50 (87)
NCREIF Fund Index-Open End Diversified Core (EW)	3.32 (80)	8.82 (59)	7.81 (60)	10.62 (69)	14.71 (62)	12.39 (68)	12.47 (67)	11.77 (63)	18.03 (44)
Median	3.68	9.04	8.29	11.32	15.45	12.78	13.18	12.87	16.96

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)

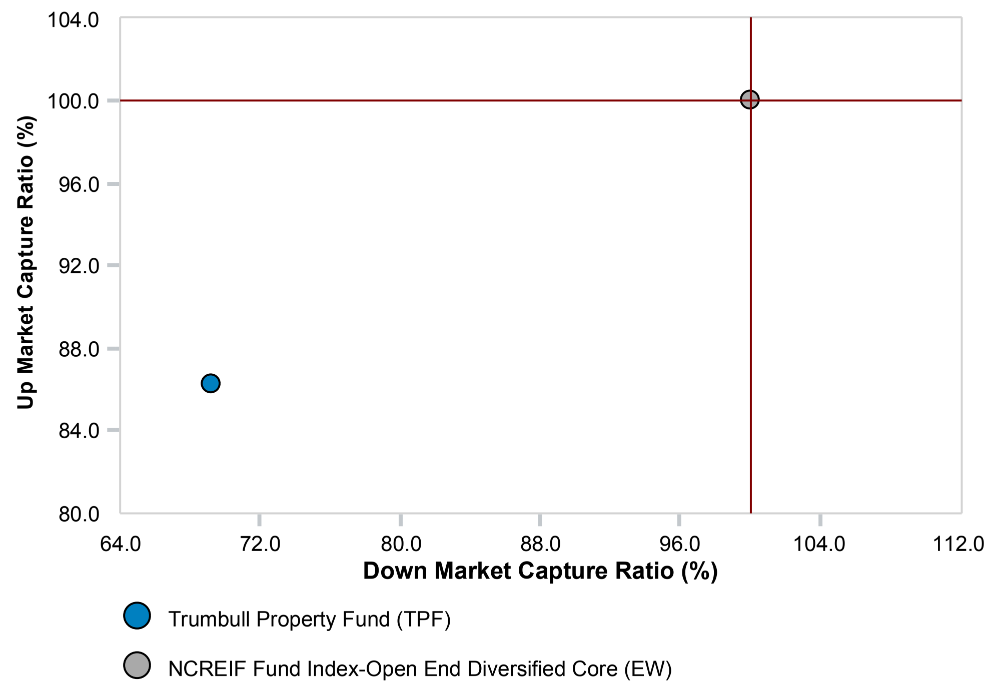
5 Year Rolling Percentile Ranking



Risk vs Return: October 2007 to Present



Up/Down Markets: October 2007 to Present



Historical Statistics: October 1, 2007 To March 31, 2019

	Consistency	Maximum Drawdown	Alpha	Active Return	Sharpe Ratio	Information Ratio	Treynor Ratio	Beta	Tracking Error
Trumbull Property Fund (TPF)	30.43	-29.41	1.26	-0.06	0.77	-0.03	0.06	0.76	2.24
NCREIF Fund Index-Open End Diversified Core (EW)	0.00	-39.11	0.00	0.00	0.61	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 (%)	03/31/19 Market Value	03/31/19 Allocation (%)	Estimated Annual Fee ($)
Domestic Equity				
Vanguard Total Stock Market Index (VITSX)	0.04	19,203,368	49.57	7,681
International Equity				
EuroPacific Growth (RERGX)	0.49	3,987,964	10.29	19,541
Oakmark Intl (OANIX)	0.77	1,615,195	4.17	12,437
Domestic Fixed Income				
Dodge & Cox (DODIX)	0.43	3,978,599	10.27	17,108
Metropolitan West Bond (MWTIX)	0.45	4,005,844	10.34	18,026
Global Fixed Income				
PIMCO Diversified Income (PDIIX)	0.77	2,014,804	5.20	15,514
Real Estate				
UBS - Private Real Estate	0.96	3,756,783	9.70	36,065
Cash Accounts				
R&D Cash Account		-	0.00	-
C/D Cash Account		176,545	0.46	-
Total Fund	**0.33**	**38,739,101**	**100.00**	**126,373**

Total Fund Compliance:	**Yes**	**No**	**N/A**
1. The Total Plan return equaled or exceeded the 7.35% actuarial earnings assumption over the trailing three year period.	✓		
2. The Total Plan return equaled or exceeded the 7.35% actuarial earnings assumption over the trailing five year period.		✓	
3. The Total Plan return equaled or exceeded the total plan benchmark over the trailing three year period.		✓	
4. The Total Plan return equaled or exceeded the total plan benchmark over the trailing five year period.		✓	
5. The Total Plan return ranked within the top 50th percentile of its peer group over the trailing three year period.		✓	
6. The Total Plan return ranked within the top 50th percentile of its peer group over the trailing five year period.		✓	

Equity Compliance:	**Yes**	**No**	**N/A**
1. Total Equity return equaled or exceeded the benchmark over the trailing three year period.			✓
2. Total Equity return equaled or exceeded the benchmark over the trailing five year period.			✓
3. Total Equity allocation was less than 75% of the total plan assets at market.	✓		
4. Total foreign equity was less than 25% of the total plan assets at market.	✓		

Fixed Income Compliance:	**Yes**	**No**	**N/A**
1. Total Fixed Income return equaled or exceeded the benchmark over the trailing three year period.			✓
2. Total Fixed Income return equaled or exceeded the benchmark over the trailing five year period.			✓
3. No more than 5% of the fixed income portfolio was rated below BBB/Baa.	✓		

Manager Compliance:	**VITSX**			**RERGX**			**OANIX**		
	Yes	**No**	**N/A**	**Yes**	**No**	**N/A**	**Yes**	**No**	**N/A**
1. Manager outperformed the index over the trailing three year period.			✓			✓			✓
2. Manager outperformed the index over the trailing five year period.			✓			✓			✓
3. Manager ranked within the top 50th percentile over the trailing three year period.			✓			✓			✓
4. Manager ranked within the top 50th percentile over the trailing five year period.			✓			✓			✓
5. Manager had less than 4 consecutive quarters of underperformance.	✓			✓				✓	
6. Manager three year down market capture ratio is less than the index.			✓			✓			✓
7. Manager five year down market capture ratio is less than the index.			✓			✓			✓
8. Manager reports compliance with PFIA.			✓			✓			✓

Manager Compliance:	**DODIX**			**MWTIX**			**PDIIX**			**UBS Real Estate**		
	Yes	**No**	**N/A**	**Yes**	**No**	**N/A**				**Yes**	**No**	**N/A**
1. Manager outperformed the index over the trailing three year period.			✓			✓			✓		✓	
2. Manager outperformed the index over the trailing five year period.			✓			✓			✓		✓	
3. Manager ranked within the top 50th percentile over the trailing three year period.			✓			✓			✓		✓	
4. Manager ranked within the top 50th percentile over the trailing five year period.			✓			✓			✓		✓	
5. Manager had less than 4 consecutive quarters of underperformance.	✓			✓			✓			✓		
6. Manager three year down market capture ratio is less than the index.			✓			✓			✓			✓
7. Manager five year down market capture ratio is less than the index.			✓			✓			✓			✓
8. Manager reports compliance with PFIA.			✓			✓			✓			✓

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.

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U.S. Bank Loans Primer and Manager Analysis

March 31, 2019

Port Orange Police Pension

Introduction to Bank Loans

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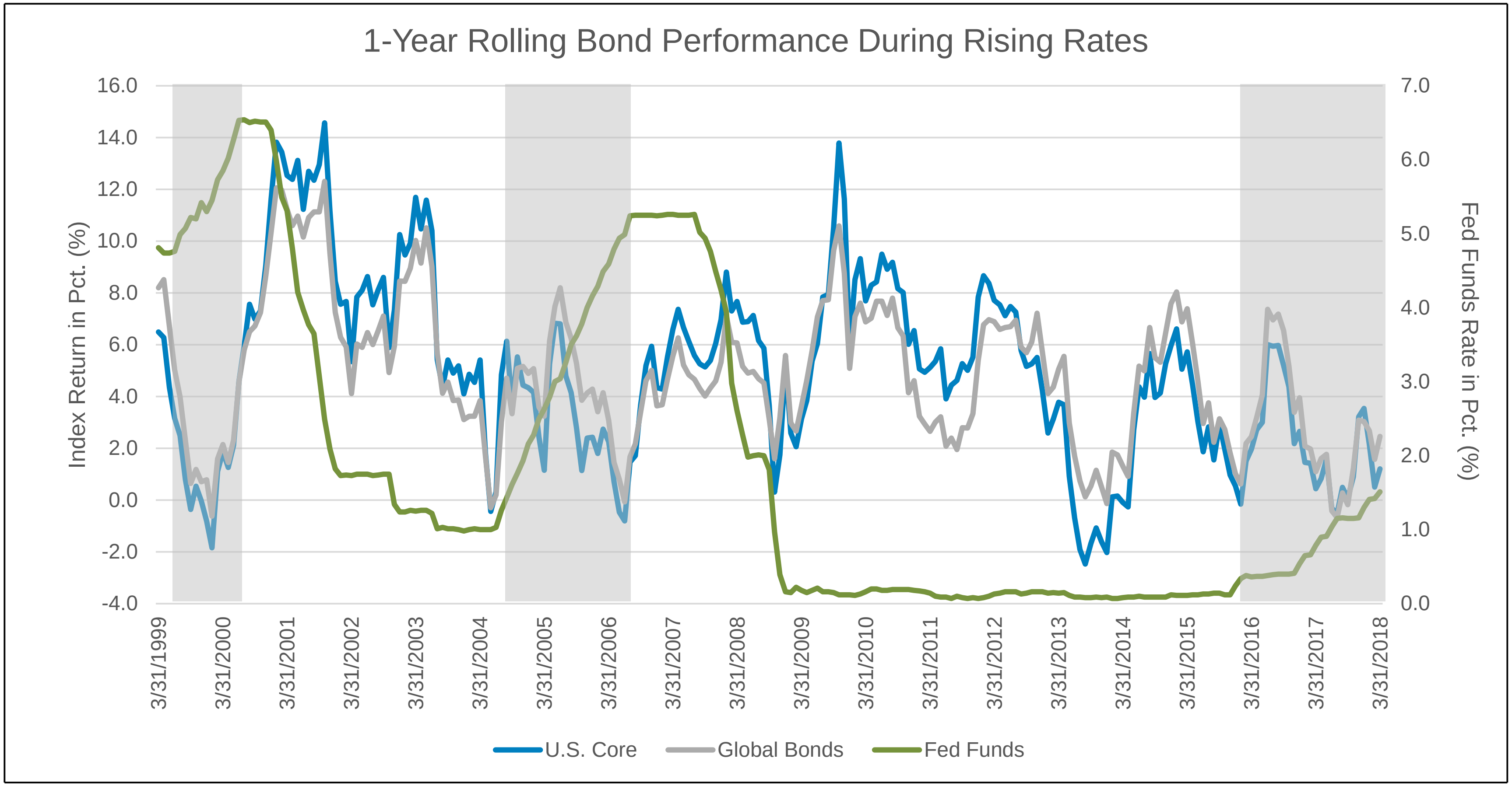
The Investment Challenge

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 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

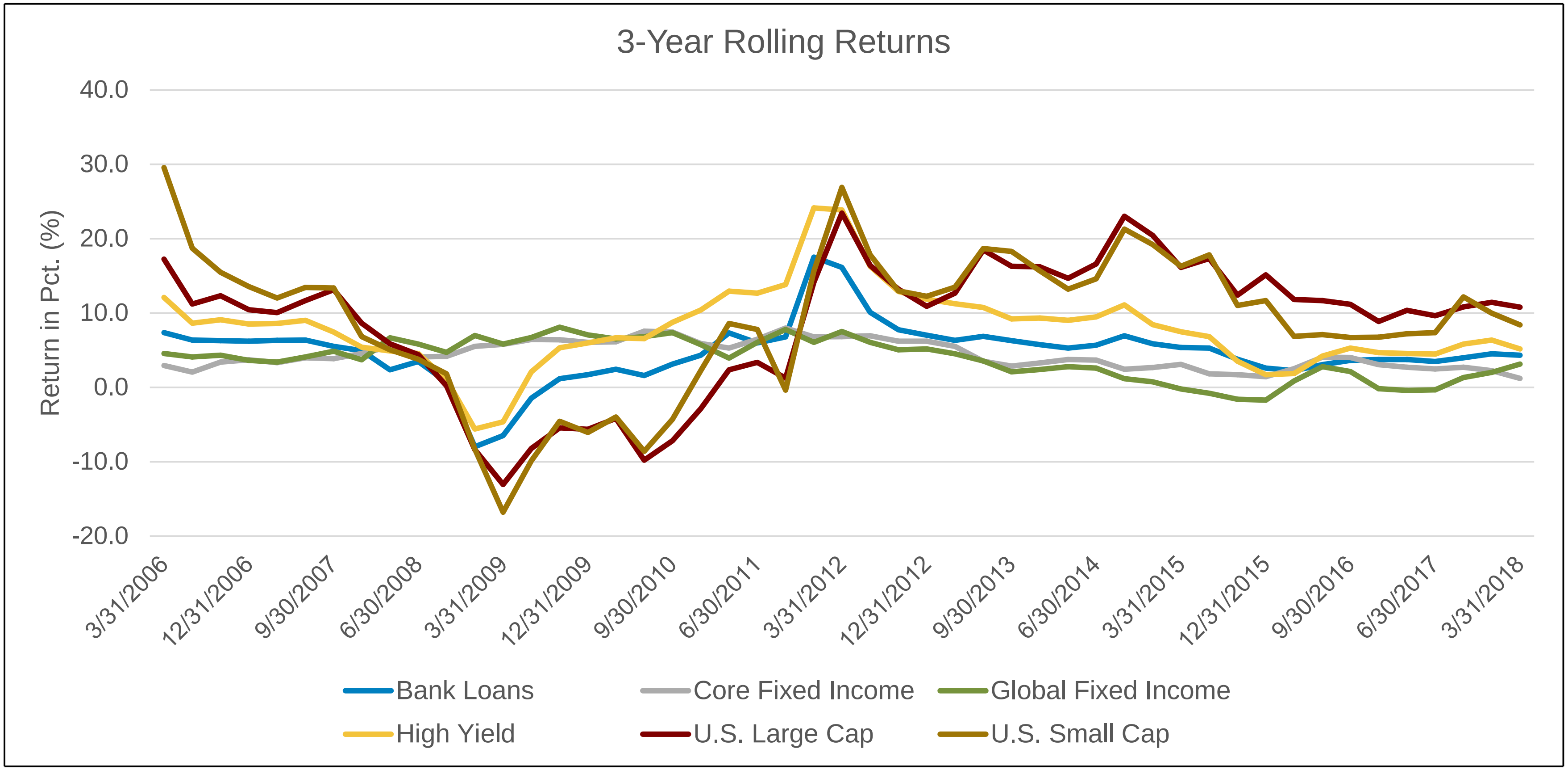
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Bank Loans	4.2%	9.9%	-0.4%	2.1%	6.2%	9.4%	1.8%	10.0%	44.9%	-28.8%
Core Fixed Income	3.5%	2.6%	0.5%	6.0%	-2.0%	4.2%	7.8%	6.5%	5.9%	5.2%
Global Fixed Income	7.4%	2.1%	-3.2%	0.6%	-2.6%	4.3%	5.6%	5.5%	6.9%	4.8%
High Yield	7.5%	17.1%	-4.5%	2.5%	7.4%	15.8%	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

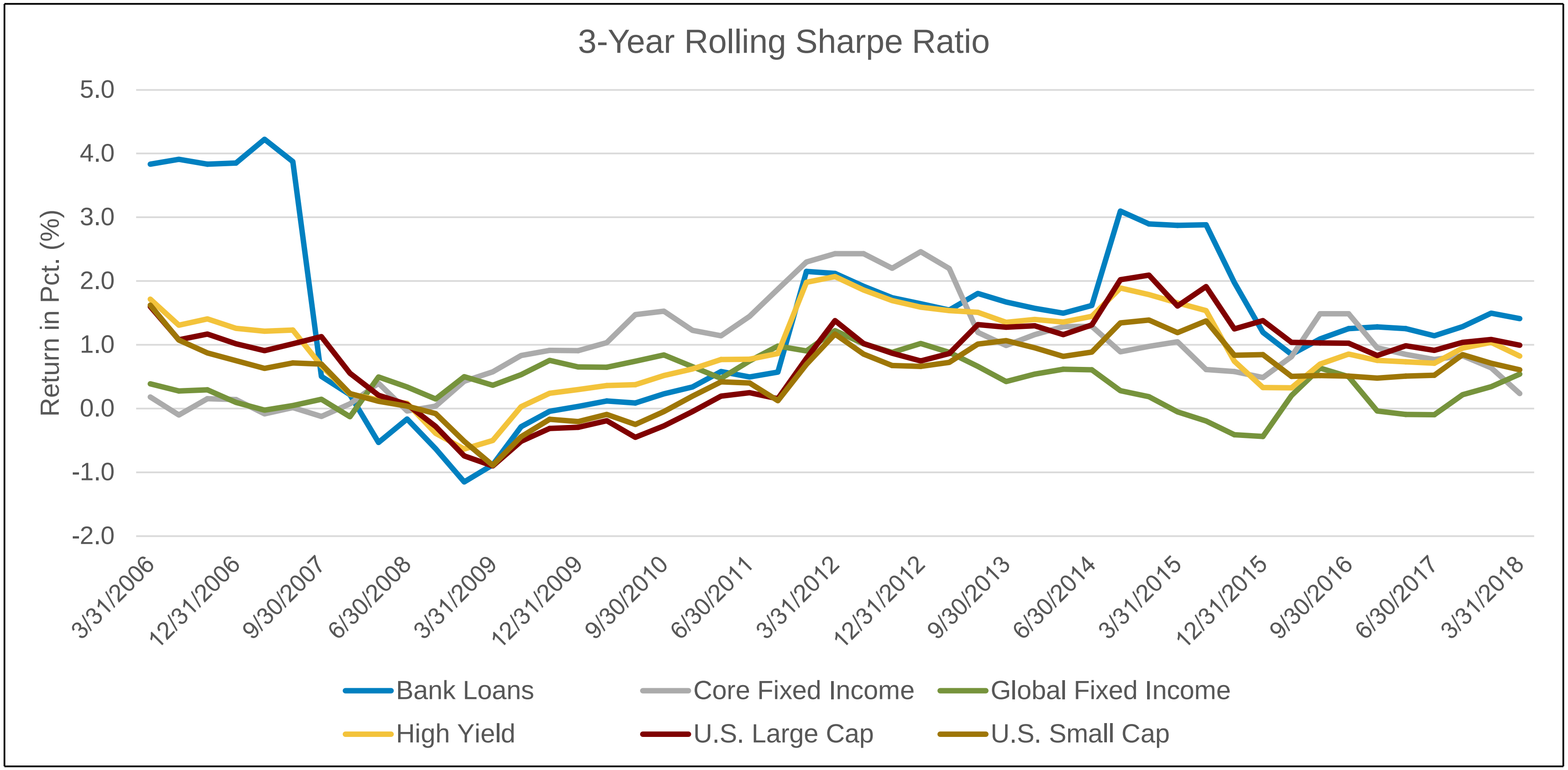


Source: Bloomberg Barclays, Standard & Poors and AndCo Consulting as of March 2018

Benefits of Implementing an Allocation to Bank Loans

Risk-adjusted Returns

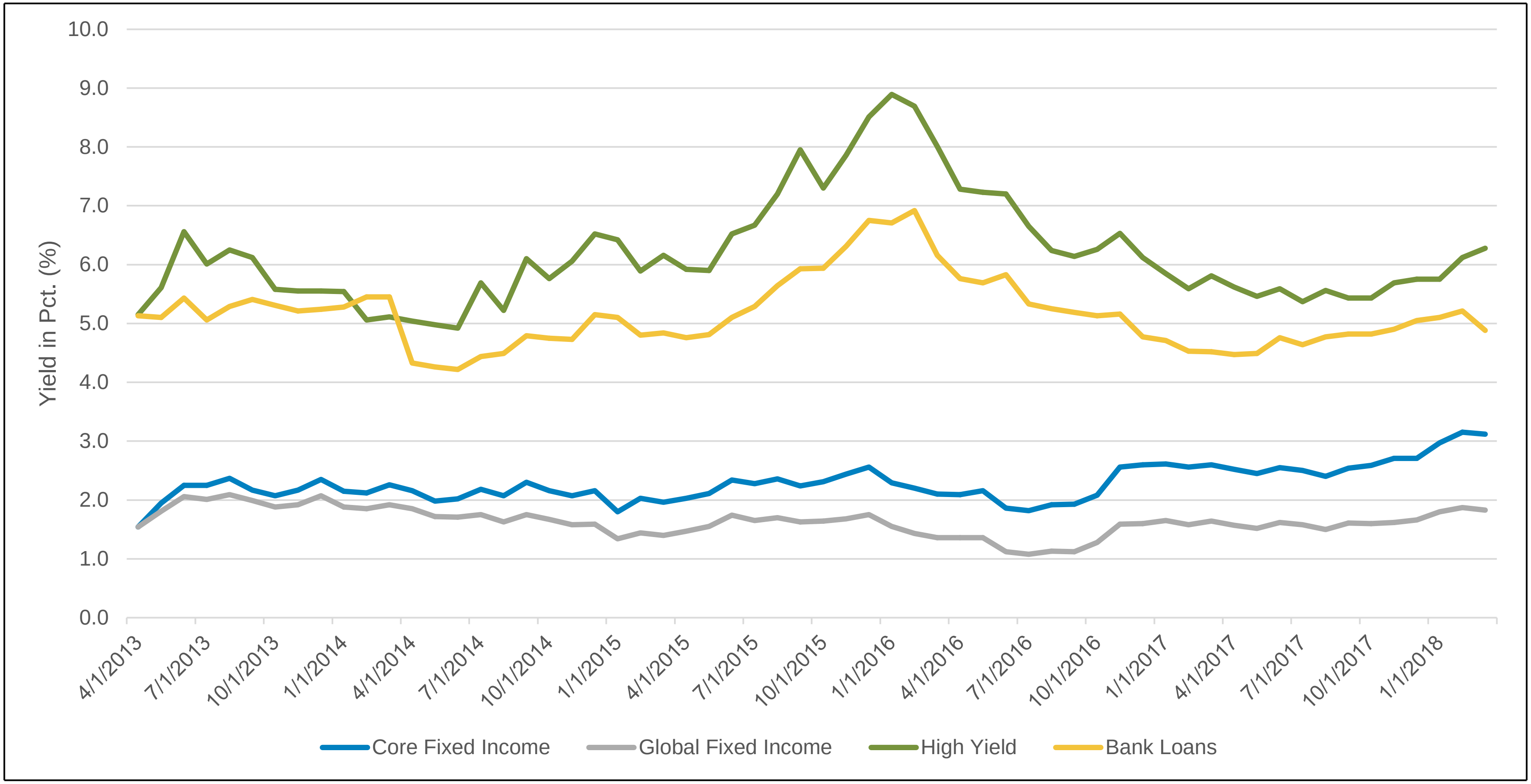
Bank loans have historically provided investors with high risk-adjusted return compared to traditional assets



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

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

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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

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; 2016	2007
Date Began with Firm	1997-2008	2001; 2000	2007
Number of Products Managed by Team	7	2	1
Number of Investment Analysts	18	4	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

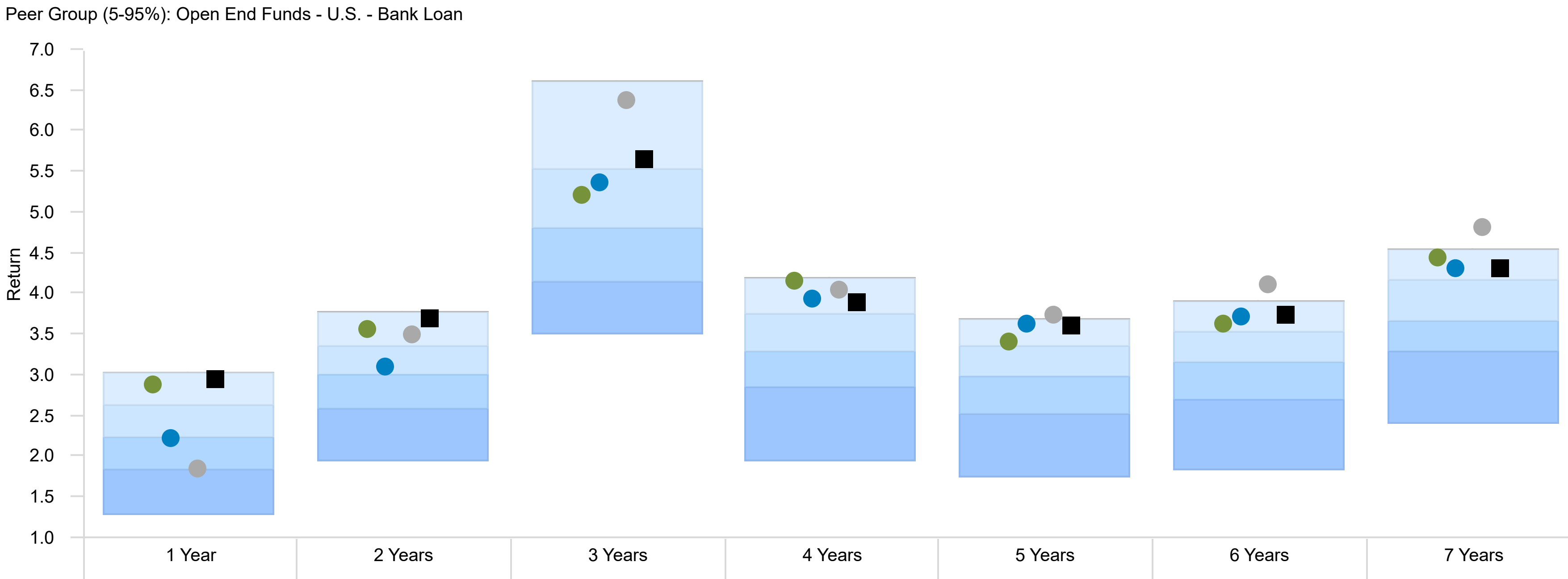
The source of data and figures provided is generally the respective managers. Certain data represents AndCo's view and could differ from the manager's interpretation. The most current AUM of each strategy may therefore differ from what is currently stated.

	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	386	286	158
% Asset in Top 10 Holdings	8.70	7.09	14.30
Asset Alloc Cash %	4.95	4.30	4.89
Asset Alloc Equity %	0.12	0.31	0.00
Asset Alloc Bond %	94.74	94.98	95.11
Asset Alloc Other %	0.18	0.40	0.00
STATISTICS			
Average Eff Duration	0.59	0.26	0.30
Average Eff Maturity	3.01	4.89	N/A
Average Coupon	4.79	N/A	N/A
Yield to Maturity	7.13	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 %	76.39	85.91	91.29
Corporate Bond %	13.08	8.81	3.82
Agency Mortgage-Backed %	0.00	0.00	0.00
Non-Ag. Res. Mortgage-Backed %	0.00	0.00	0.00
Commercial Mortgage-Backed %	0.25	0.26	0.00
Asset-Backed %	4.86	0.00	0.00
Cash & Equivalents %	4.95	4.30	4.89

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

	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 %	8.42	6.03	3.99
Maturity 3-5 Yr %	31.46	30.55	25.76
Maturity 5-7 Yr %	45.12	56.61	62.95
Maturity 7-10 Yr %	5.13	1.49	2.01
Maturity 10-15 Yr %	3.53	0.00	0.00
Maturity 15-20 Yr %	0.00	0.00	0.00
Maturity 20-30 Yr %	0.39	0.00	0.00
Maturity 30+ Yr %	0.00	0.00	0.00
QUALITY DISTRIBUTION			
Credit Qual AAA %	3.03	0.00	0.00
Credit Qual AA %	0.00	0.35	0.00
Credit Qual A %	1.02	0.00	0.00
Credit Qual BBB %	6.10	0.35	6.37
Credit Qual BB %	31.82	11.70	31.91
Credit Qual B %	48.12	72.35	53.12
Credit Qual Below B %	6.32	13.48	8.19
Credit Qual Not Rated %	3.59	1.77	0.41

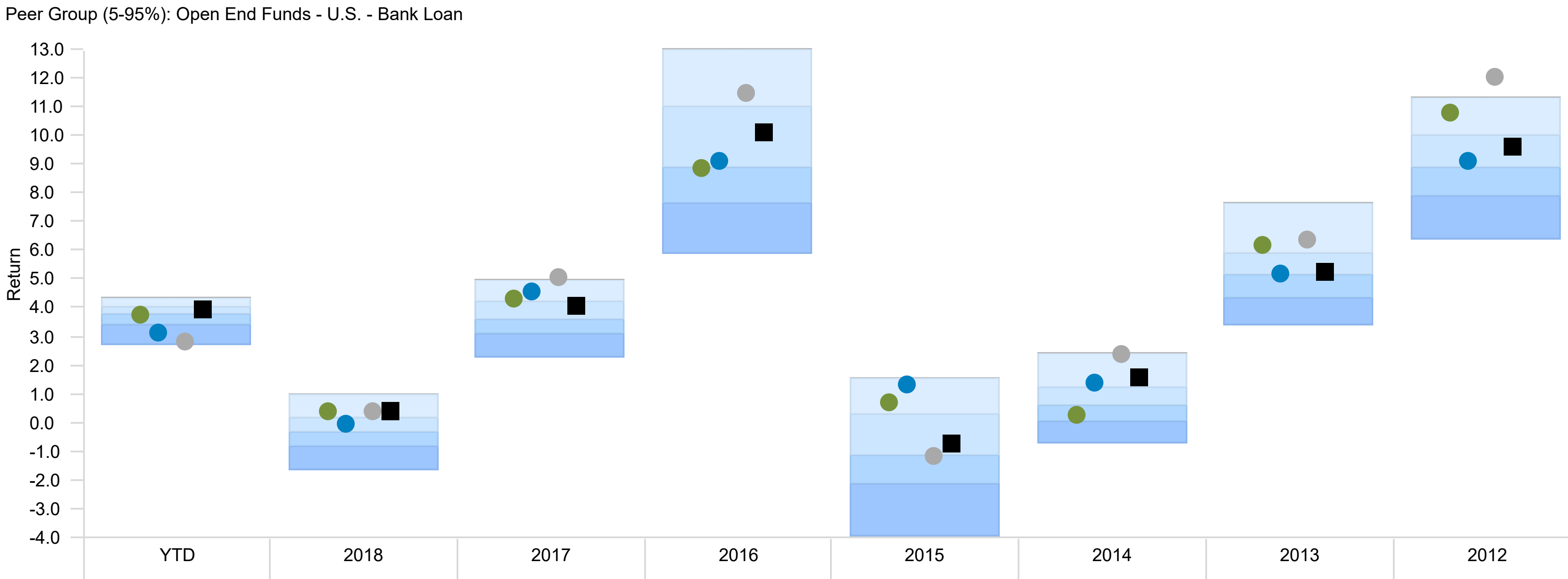
Quantitative Review



	1 Year	Rank	2 Years	Rank	3 Years	Rank	4 Years	Rank	5 Years	Rank	6 Years	Rank	7 Years	Rank
Credit Suisse Floating Rate Hi Inc Instl	2.23	50	3.11	43	5.36	30	3.93	13	3.64	7	3.72	14	4.31	15
Loomis Sayles Sr Floating Rate and F/I N	1.86	73	3.51	16	6.38	7	4.05	9	3.75	4	4.11	4	4.82	1
Pacific Funds Floating Rate Income I	2.89	10	3.57	12	5.23	34	4.16	6	3.43	19	3.63	21	4.46	9
S&P/LSTA Leveraged Loan TR	2.97	8	3.69	6	5.67	23	3.89	16	3.62	8	3.74	12	4.33	13

● 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



	YTD	Rank	2018	Rank	2017	Rank	2016	Rank	2015	Rank	2014	Rank	2013	Rank	2012	Rank
Credit Suisse Floating Rate Hi Inc Instl	3.18	87	-0.01	34	4.57	12	9.11	48	1.37	7	1.38	19	5.24	46	9.13	44
Loomis Sayles Sr Floating Rate and F/I N	2.84	94	0.45	13	5.10	4	11.51	15	-1.14	50	2.41	5	6.39	16	12.04	1
Pacific Funds Floating Rate Income I	3.79	50	0.41	15	4.33	20	8.91	49	0.75	16	0.31	62	6.22	18	10.80	10
S&P/LSTA Leveraged Loan TR	4.00	30	0.44	14	4.12	28	10.16	34	-0.69	43	1.60	11	5.29	44	9.66	30

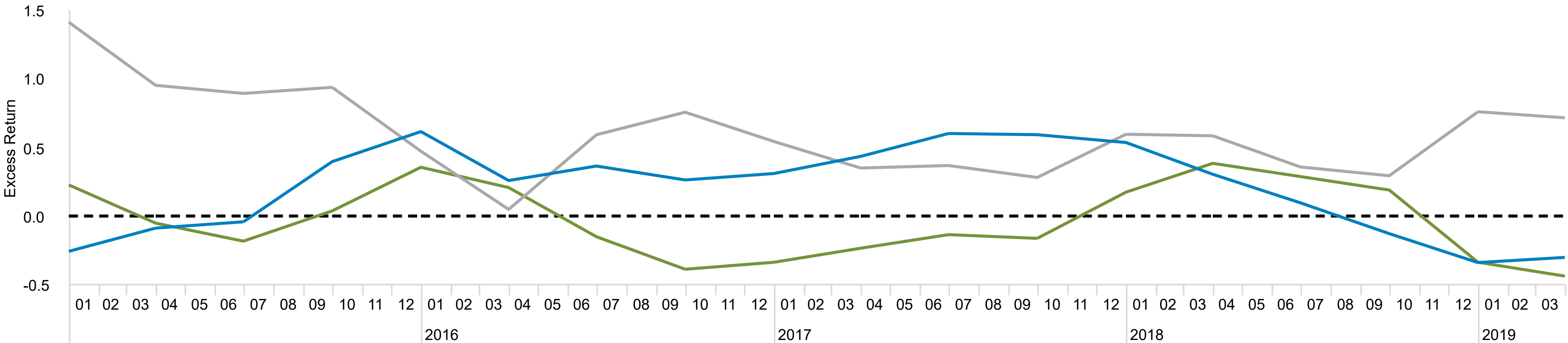
● Credit Suisse Floating Rate Hi Inc Instl ● Loomis Sayles Sr Floating Rate and F/I N ● Pacific Funds Floating Rate Income I

■ S&P/LSTA Leveraged Loan TR

Rolling Excess Returns

Time Period: 1/1/2012 to 3/31/2019

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

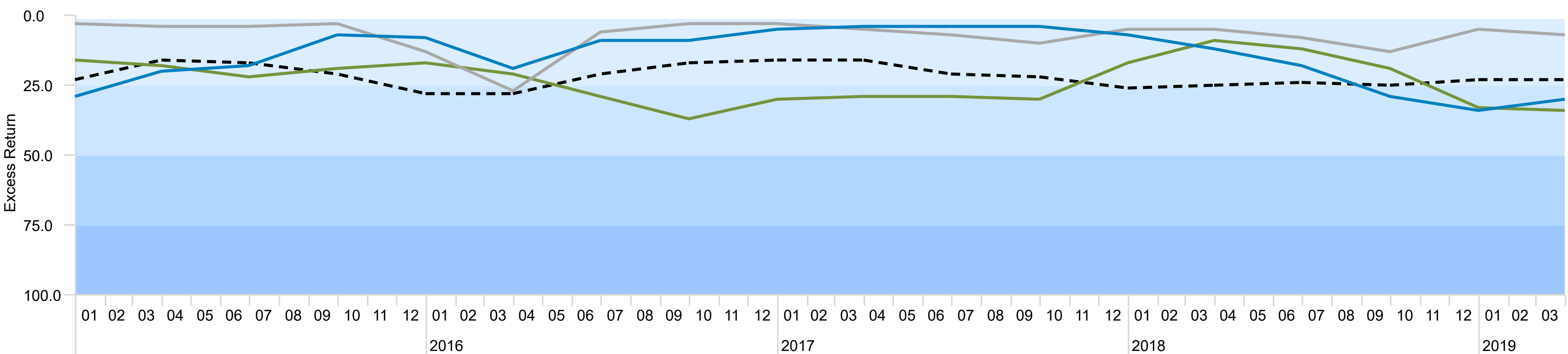


Rolling Excess Return Rankings

Time Period: 1/1/2012 to 3/31/2019

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

1st to 25th Percentile   26th to Median   51st to 75th Percentile   76th to 100th Percentile

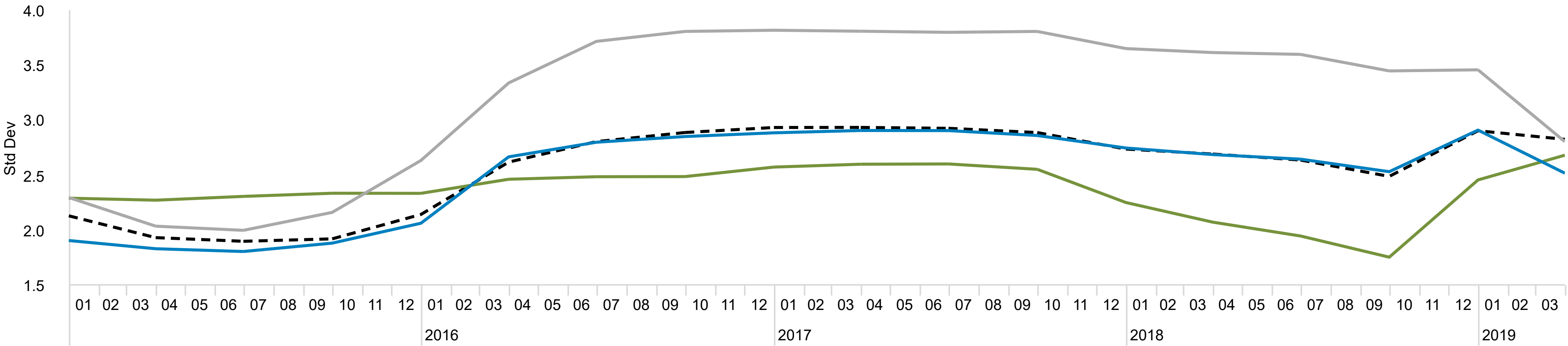


Credit Suisse Floating Rate Hi Inc Instl   Loomis Sayles Sr Floating Rate and F/I N   Pacific Funds Floating Rate Income I
S&P/LSTA Leveraged Loan TR

Rolling Standard Deviation

Time Period: 1/1/2012 to 3/31/2019

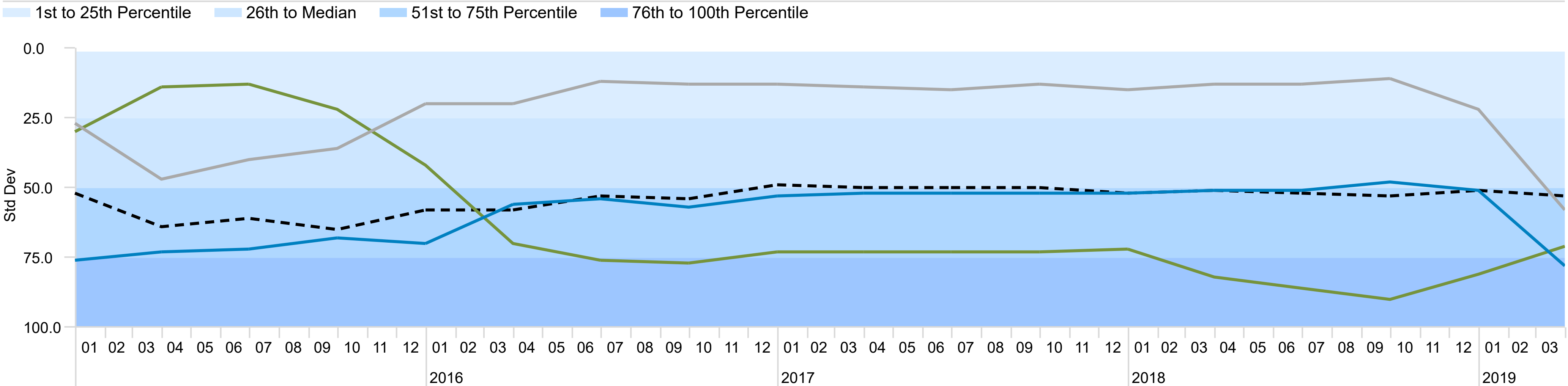
Rolling Window: 3 Years 3 Months shift Calculation Benchmark: S&P/LSTA Leveraged Loan TR



Rolling Standard Deviation Rankings

Time Period: 1/1/2012 to 3/31/2019

Rolling Window: 3 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

Correlation Matrix

Time Period: 1/1/2012 to 3/31/2019

	1	2	3	4
1 Credit Suisse Floating Rate Hi Inc Instl	1.00			
2 Loomis Sayles Sr Floating Rate and F/I N	0.96	1.00		
3 Pacific Funds Floating Rate Income I	0.93	0.87	1.00	
4 S&P/LSTA Leveraged Loan TR	0.97	0.94	0.95	1.00

Correlation Matrix (Excess Returns vs. S&P/LSTA Leveraged Loan TR)

Time Period: 1/1/2012 to 3/31/2019

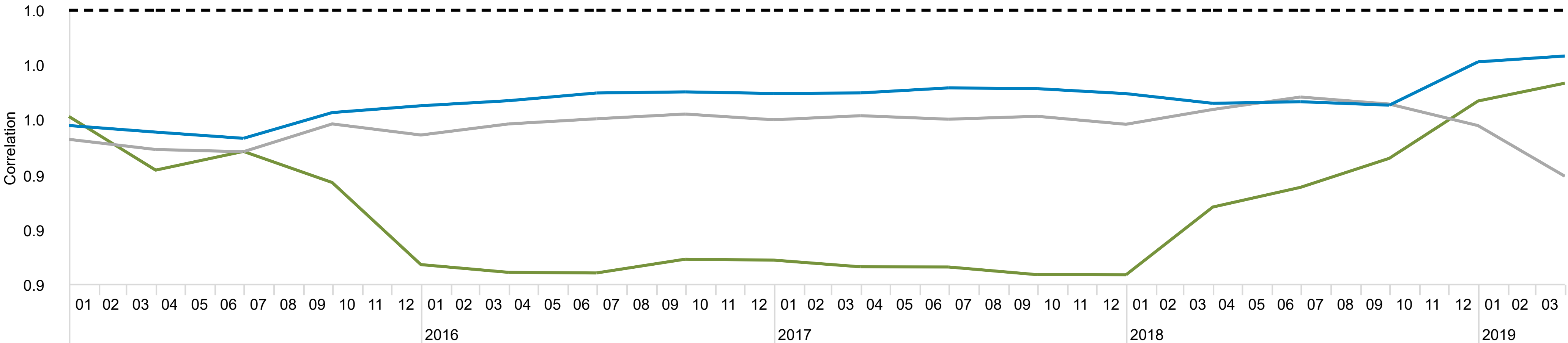
Calculation Benchmark: S&P/LSTA Leveraged Loan TR

		1	2	3	4
1 Credit Suisse Floating Rate Hi Inc Instl	S&P/LSTA Leveraged Loan TR	1.00			
2 Loomis Sayles Sr Floating Rate and F/I N	S&P/LSTA Leveraged Loan TR	0.42	1.00		
3 Pacific Funds Floating Rate Income I	S&P/LSTA Leveraged Loan TR	0.25	-0.25	1.00	
4 S&P/LSTA Leveraged Loan TR	S&P/LSTA Leveraged Loan TR				1.00

Rolling Correlation

Time Period: 1/1/2012 to 3/31/2019

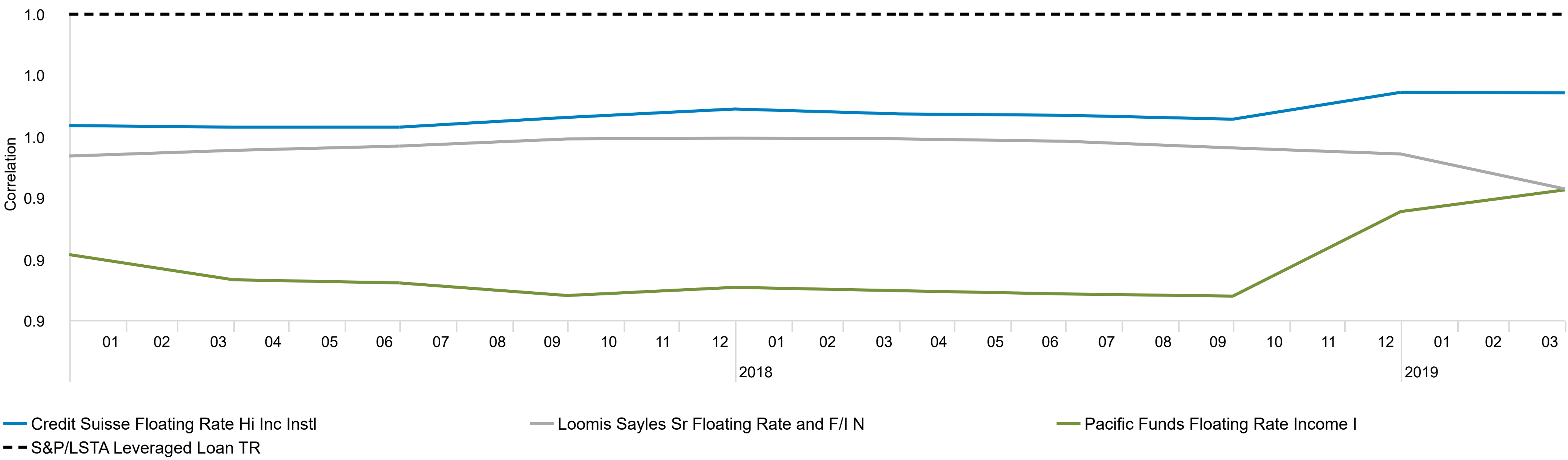
Rolling Window: 3 Years 3 Months shift



Rolling Correlation

Time Period: 1/1/2012 to 3/31/2019

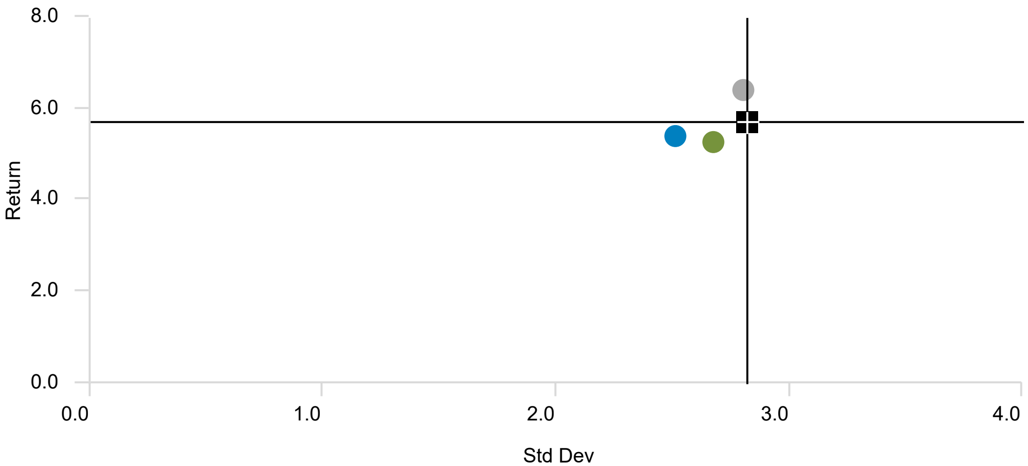
Rolling Window: 5 Years 3 Months shift



Risk-Reward: 3-Year

Time Period: 4/1/2016 to 3/31/2019

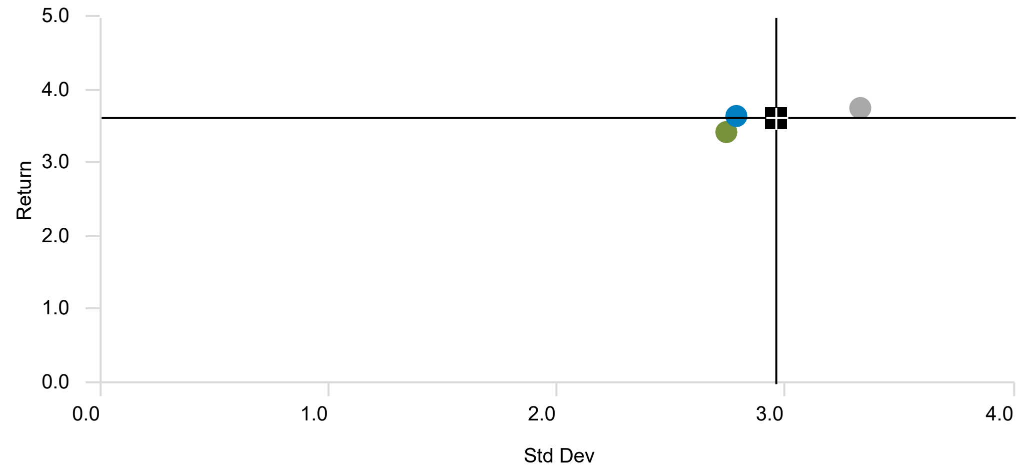
Calculation Benchmark: S&P/LSTA Leveraged Loan TR



Risk-Reward: 5-Year

Time Period: 4/1/2014 to 3/31/2019

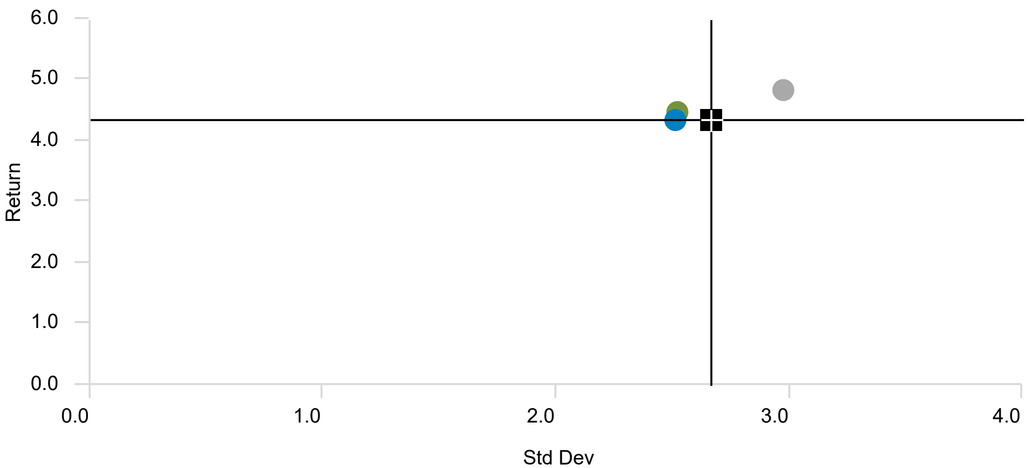
Calculation Benchmark: S&P/LSTA Leveraged Loan TR



Risk-Reward: 7-Year

Time Period: 4/1/2012 to 3/31/2019

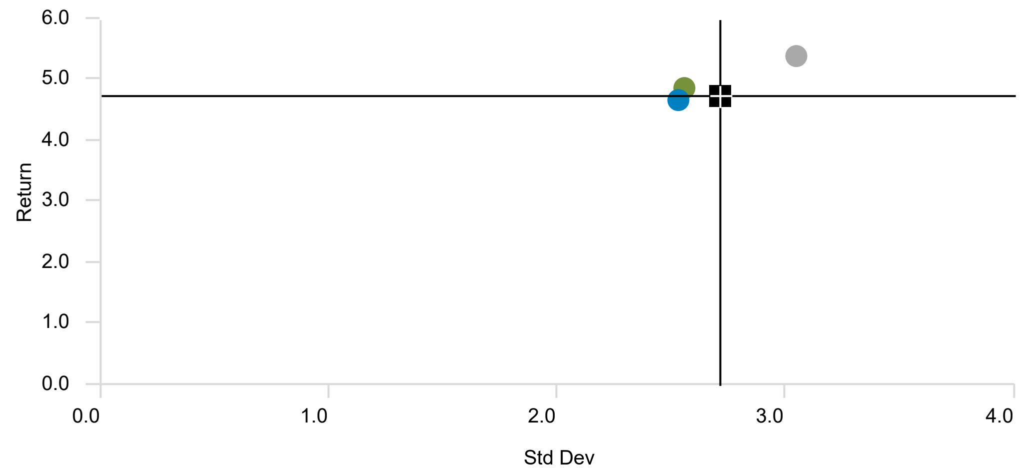
Calculation Benchmark: S&P/LSTA Leveraged Loan TR



Risk-Reward: Since 1/1/2012

Time Period: 1/1/2012 to 3/31/2019

Calculation Benchmark: S&P/LSTA Leveraged Loan TR



Credit Suisse Floating Rate Hi Inc Instl

Loomis Sayles Sr Floating Rate and F/I N

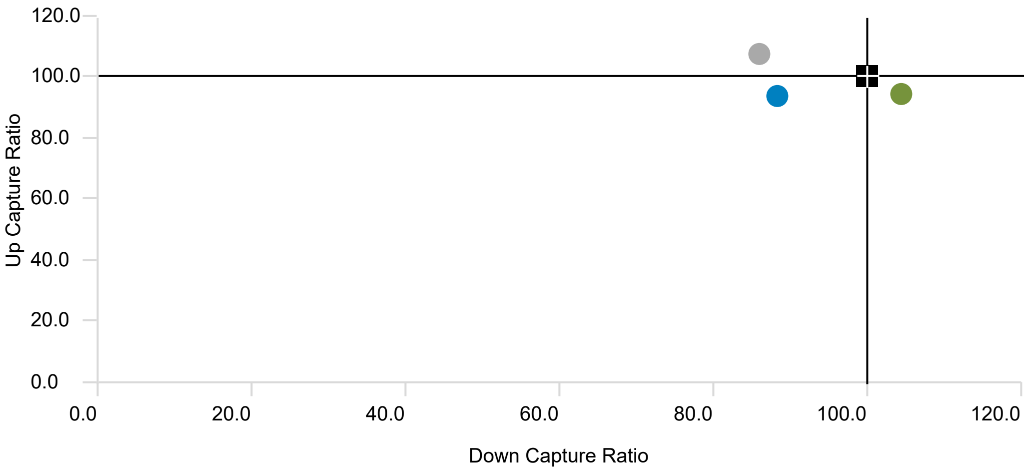
Pacific Funds Floating Rate Income I

S&P/LSTA Leveraged Loan TR

Up and Down Market Capture: 3-Year

Time Period: 4/1/2016 to 3/31/2019

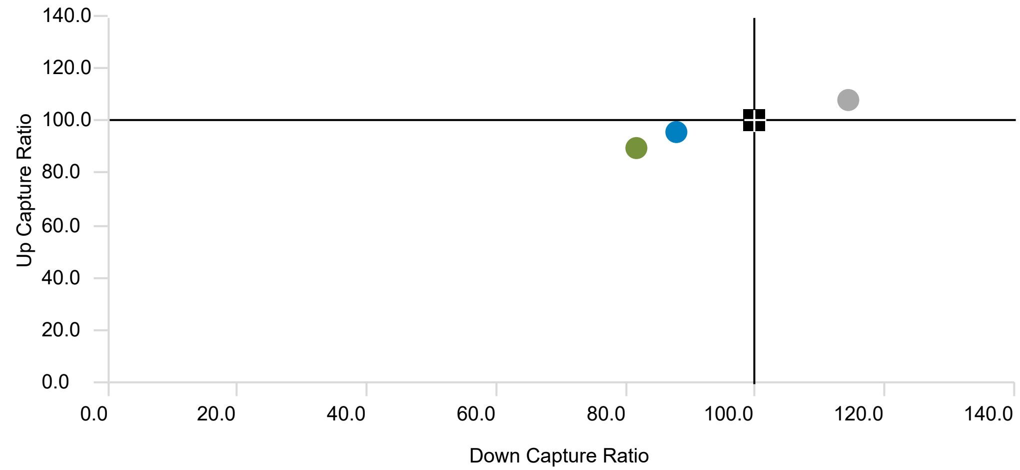
Calculation Benchmark: S&P/LSTA Leveraged Loan TR



Up and Down Market Capture: 5-Year

Time Period: 4/1/2014 to 3/31/2019

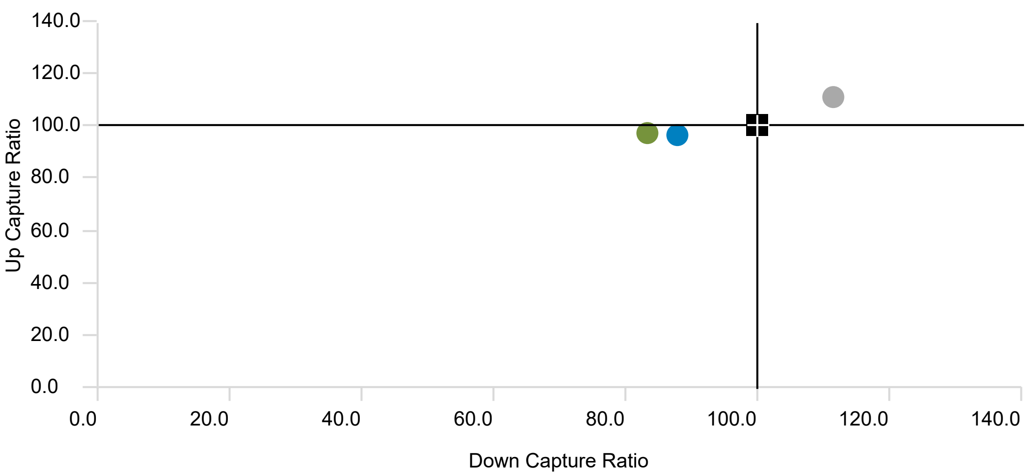
Calculation Benchmark: S&P/LSTA Leveraged Loan TR



Up and Down Market Capture: 7-Year

Time Period: 4/1/2012 to 3/31/2019

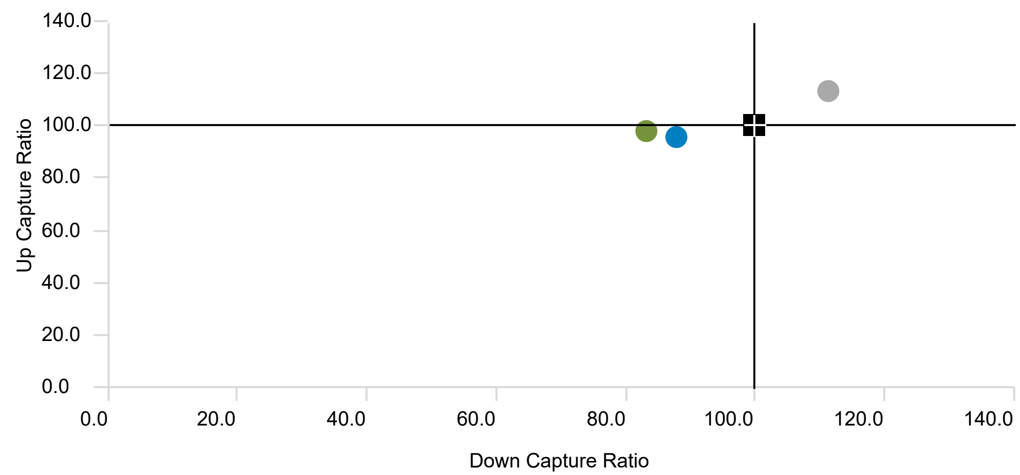
Calculation Benchmark: S&P/LSTA Leveraged Loan TR



Up and Down Market Capture: Since 1/1/2012

Time Period: 1/1/2012 to 3/31/2019

Calculation Benchmark: S&P/LSTA Leveraged Loan TR

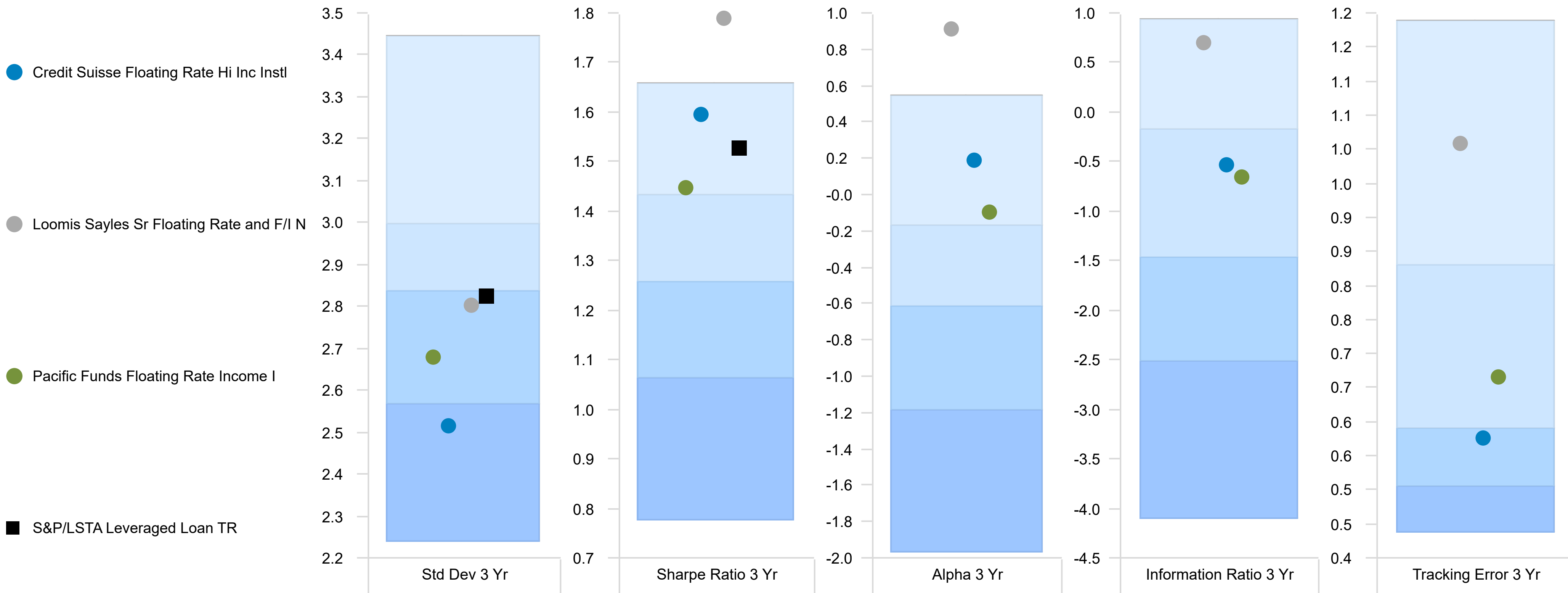


Credit Suisse Floating Rate Hi Inc Instl

Loomis Sayles Sr Floating Rate and F/I N

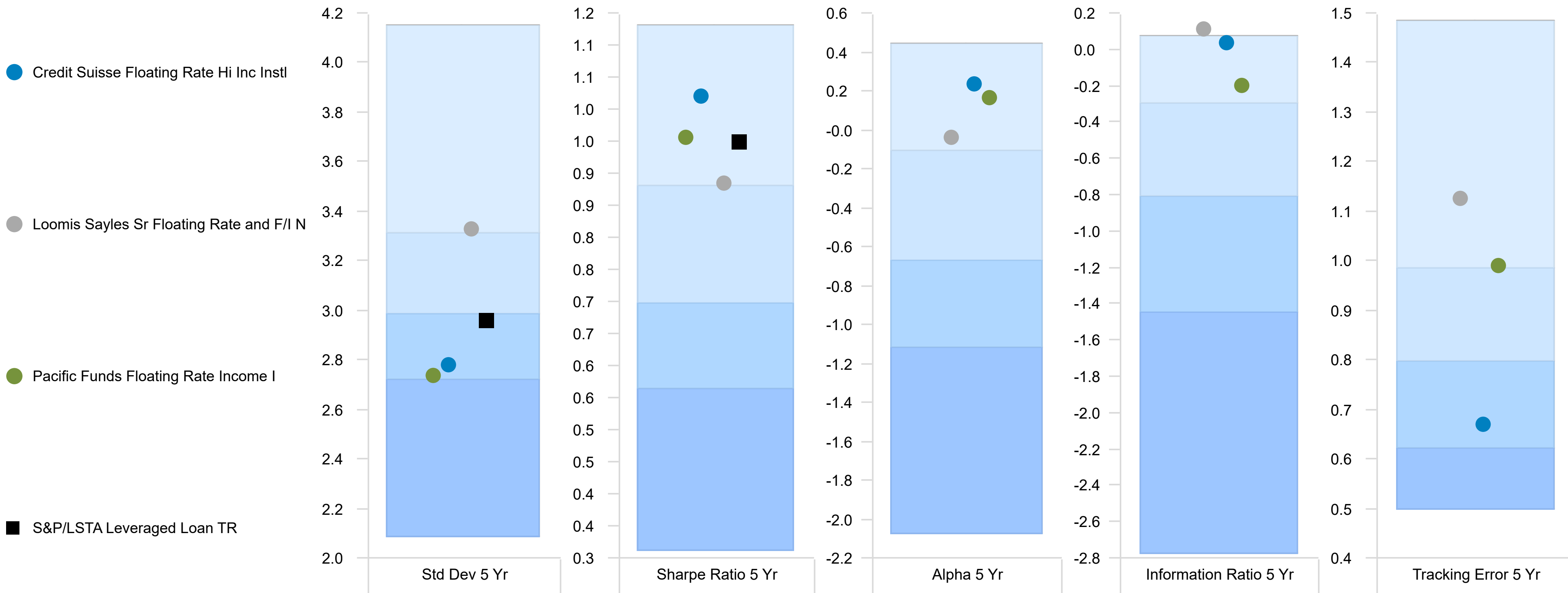
Pacific Funds Floating Rate Income I

S&P/LSTA Leveraged Loan TR



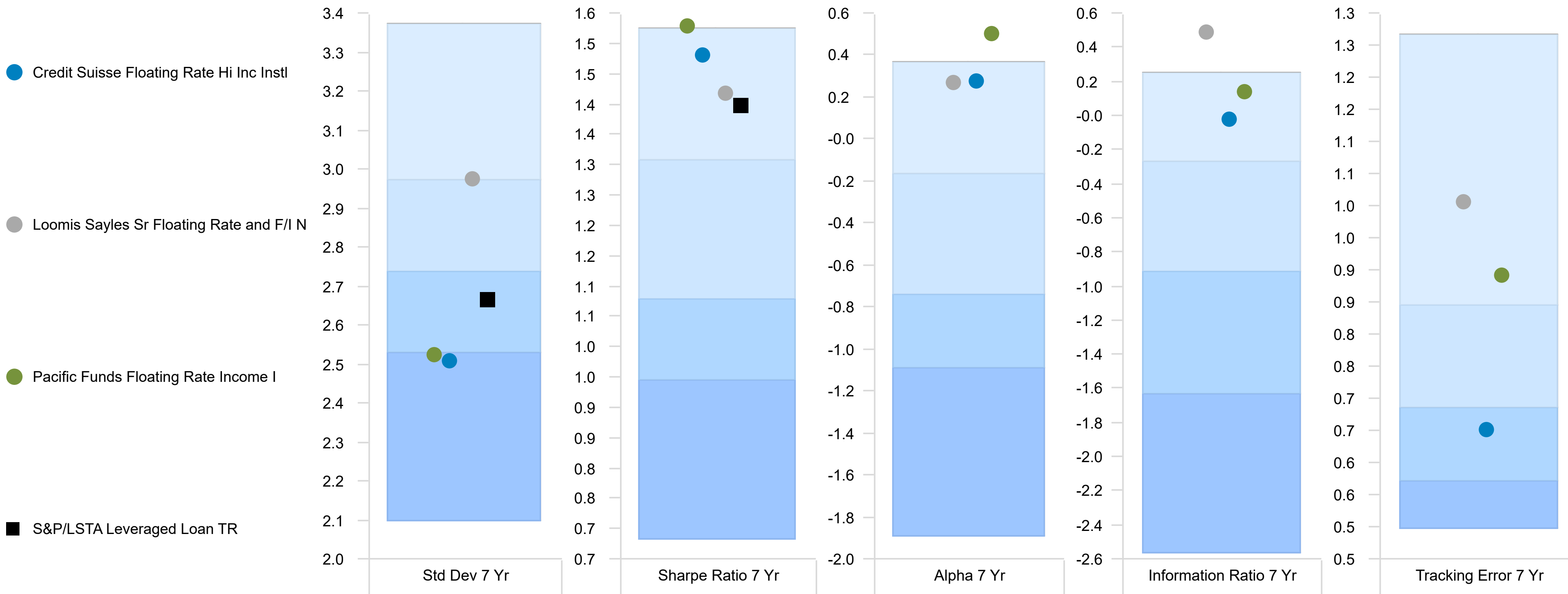
Time Period: 4/1/2016 to 3/31/2019

	Std Dev	Rank	Sharpe Ratio	Rank	Alpha	Rank	Information Ratio	Rank	Tracking Error	Rank
Credit Suisse Floating Rate Hi Inc Instl	2.52	78	1.62	10	0.19	12	-0.52	30	0.58	54
Loomis Sayles Sr Floating Rate and F/I N	2.80	58	1.82	2	0.91	1	0.71	7	1.01	17
Pacific Funds Floating Rate Income I	2.68	71	1.47	23	-0.09	21	-0.66	34	0.67	37
S&P/LSTA Leveraged Loan TR	2.82	53	1.55	15	0.00	17			0.00	100



Time Period: 4/1/2014 to 3/31/2019

	Std Dev	Rank	Sharpe Ratio	Rank	Alpha	Rank	Information Ratio	Rank	Tracking Error	Rank
Credit Suisse Floating Rate Hi Inc Instl	2.78	65	1.02	11	0.24	10	0.04	7	0.67	67
Loomis Sayles Sr Floating Rate and F/I N	3.33	25	0.89	25	-0.04	22	0.12	4	1.13	20
Pacific Funds Floating Rate Income I	2.74	71	0.96	15	0.17	12	-0.19	18	0.99	25
S&P/LSTA Leveraged Loan TR	2.96	53	0.95	17	0.00	18			0.00	100

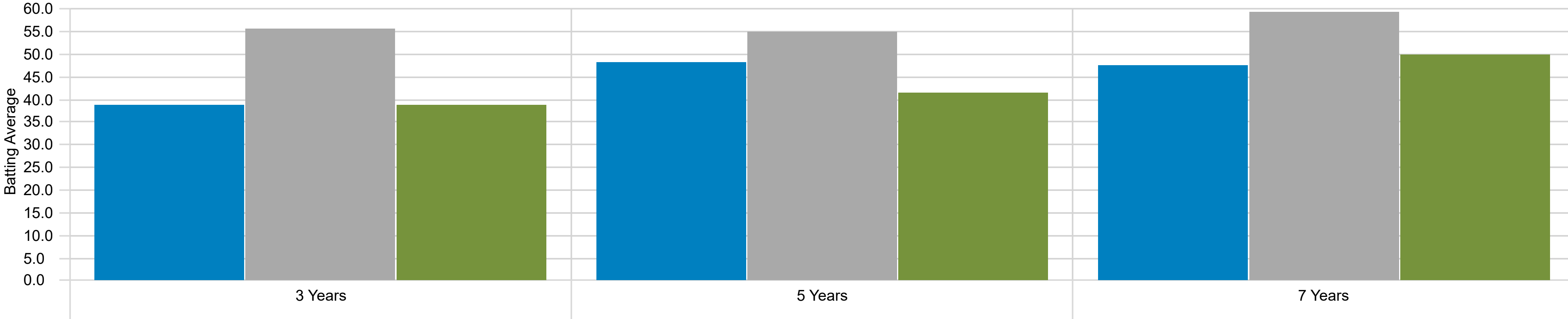


Time Period: 4/1/2012 to 3/31/2019

	Std Dev	Rank	Sharpe Ratio	Rank	Alpha	Rank	Information Ratio	Rank	Tracking Error	Rank
Credit Suisse Floating Rate Hi Inc Instl	2.51	78	1.48	10	0.28	9	-0.02	15	0.65	56
Loomis Sayles Sr Floating Rate and F/I N	2.98	24	1.42	12	0.27	10	0.49	1	1.01	14
Pacific Funds Floating Rate Income I	2.53	75	1.53	4	0.51	3	0.15	10	0.89	21
S&P/LSTA Leveraged Loan TR	2.67	55	1.40	14	0.00	20			0.00	100

Batting Average

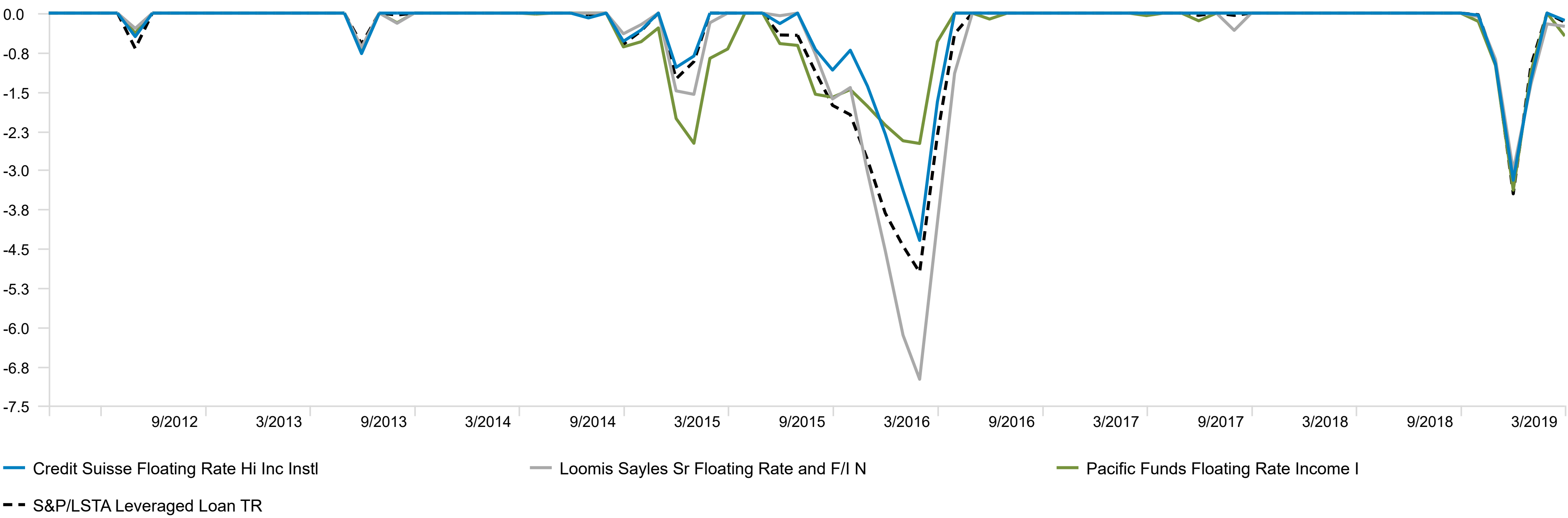
Source Data: Monthly Return Calculation Benchmark: S&P/LSTA Leveraged Loan TR



Drawdown

Time Period: 1/1/2012 to 3/31/2019

Source Data: Monthly Return



MPT Statistics: 3-Year

Time Period: 4/1/2016 to 3/31/2019 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	5.36	6.38	5.23	5.67
Excess Return	-0.30	0.72	-0.44	0.00
Std Dev	2.52	2.80	2.68	2.82
Beta	0.89	0.94	0.92	1.00
Tracking Error	0.58	1.01	0.67	0.00
Sharpe Ratio	1.62	1.82	1.47	1.55
Alpha	0.19	0.91	-0.09	0.00
Information Ratio	-0.52	0.71	-0.66	
Batting Average	38.89	55.56	38.89	100.00
Up Capture Ratio	93.58	107.38	94.66	100.00
Down Capture Ratio	88.31	85.93	104.33	100.00

MPT Statistics: 5-Year

Time Period: 4/1/2014 to 3/31/2019 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	3.64	3.75	3.43	3.62
Excess Return	0.02	0.14	-0.19	0.00
Std Dev	2.78	3.33	2.74	2.96
Beta	0.92	1.06	0.87	1.00
Tracking Error	0.67	1.13	0.99	0.00
Sharpe Ratio	1.02	0.89	0.96	0.95
Alpha	0.24	-0.04	0.17	0.00
Information Ratio	0.04	0.12	-0.19	
Batting Average	48.33	55.00	41.67	100.00
Up Capture Ratio	95.78	107.71	89.82	100.00
Down Capture Ratio	87.78	114.27	81.73	100.00

MPT Statistics: 7-Year

Time Period: 4/1/2012 to 3/31/2019 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	4.31	4.82	4.46	4.33
Excess Return	-0.01	0.50	0.13	0.00
Std Dev	2.51	2.98	2.53	2.67
Beta	0.92	1.06	0.90	1.00
Tracking Error	0.65	1.01	0.89	0.00
Sharpe Ratio	1.48	1.42	1.53	1.40
Alpha	0.28	0.27	0.51	0.00
Information Ratio	-0.02	0.49	0.15	
Batting Average	47.62	59.52	50.00	100.00
Up Capture Ratio	96.28	111.28	97.26	100.00
Down Capture Ratio	87.99	111.36	83.30	100.00

MPT Statistics: Since 1/1/2012

Time Period: 1/1/2012 to 3/31/2019 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	4.64	5.37	4.84	4.71
Excess Return	-0.06	0.66	0.13	0.00
Std Dev	2.53	3.05	2.56	2.71
Beta	0.91	1.06	0.90	1.00
Tracking Error	0.67	1.04	0.89	0.00
Sharpe Ratio	1.61	1.57	1.66	1.52
Alpha	0.30	0.39	0.55	0.00
Information Ratio	-0.09	0.64	0.15	
Batting Average	47.13	60.92	50.57	100.00
Up Capture Ratio	95.82	113.18	97.56	100.00
Down Capture Ratio	87.99	111.36	83.30	100.00

Investment Option Narratives

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.

Co-lead PM John Bell has been at the helm of the Loomis Sayles Senior Floating Rate and Fixed Income strategy since its inception in 2011. His Co-PM, Michael Klawitter, has also been a part of the team since its inception, becoming a portfolio manager in 2016. The two PMs are supported 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, Bell and Klawitter 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 the team, 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.

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 Klawitter 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 2002. 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.

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.

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

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.

SOURCING

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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%	40% - 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*	~~5~~2.5%	0% - ~~10~~5%	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*	**15%**	**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. Total Portfolio Performance

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% Russell 3000, 15% MSCI ACWI ex US, 20% Barclays

Aggregate, ~~5~~2.5% 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. Equity Performance

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% of the Russell 3000 Index and of the 25% 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. Fixed Income Performance

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 and ~~20~~10% of the Barclays Multiverse and 10% S&P/LSTA Leveraged Loan*. 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. Real Estate Performance

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. Other Assets

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

______________________________ __________
Sgt. Warren Carman Date

ATTEST:

____
Karan Rounsavall, Plan Administrator

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RECEIVED KJR
By Karan Rounsavall at 2:17 pm, Jan 19, 2019

January 16, 2019

Board of Trustees
Port Orange Police Pension Fund
c/o Karan Rounsavall, Plan Administrator
3695 Indian River Drive
Cocoa, FL 32926

Re: High Yield Bond Investments

Dear Trustees:

You have inquired about the permissibility of investing in "bank loans," as recommended by your financial consultant AndCo., which are classified as floating rate debt securities that rank below investment grade. Based upon the facts and understandings set forth below, our opinion is that such an investment would be permissible, provided the ordinance for the Port Orange Police Pension Fund is amended to allow for the deviation from F.S. 185.06 and the Board of Trustees verify that the limitations imposed in the existing Investment Policy Statement ("IPS") are properly satisfied.

Section 185.06(1)(b)(4)(a), Florida Statutes, provides parameters for permissible investments stating specifically:

> The corporation is listed on any one or more of the recognized national stock exchanges or on the National Market System of the NASDAQ Stock Market and, **in the case of bonds only, holds a rating in one of the three highest classifications by a major rating service**; (emphasis added)

While this section maintains limitations on local law police pension funds such as yours, the statute also provides for a variance therefrom through local legislative action. The statute goes on to provide:

> This paragraph applies to all boards of trustees and participants. However, if a municipality or special fire control district has a duly enacted pension plan pursuant to, and in compliance with, s. 185.35, and the trustees desire to vary the investment

> procedures, **<u>the trustees of such plan must request a variance of the investment procedures as outlined herein only through a municipal ordinance</u>**, special act of the Legislature, or resolution by the governing body of the special fire control district… (emphasis added)

Section 54-134(e)(10) of the governing ordinance states:

> To invest and reinvest such funds as are not necessary for current expenditures or liquid reserves, as the board may from time to time determine, in a manner consistent with the investment policies or guidelines adopted by the board, provided that pension fund investments in common stocks shall not exceed 70 percent of the value of the pension fund investment portfolio, at market value. The board of trustees may sell, exchange or otherwise dispose of such investments at any time, and from time to time, as determined appropriate by the board. The board of trustees shall have the authority, in respect to any stocks, bonds or other property, real or personal, held by the board, to exercise all such rights, powers and privileges as may be lawfully exercised by any person owning similar stocks, bonds or other property in his own right. Notwithstanding the above, no more than 25 percent of fund assets may be invested in foreign securities.

Here, the ordinance provides the Board of Trustees with the authority to "invest and reinvest" plan assets in conformity with the governing IPS. Based on the existing broad language in the controlling ordinance and the aforementioned statutory restrictions, we recommend amending this section to provide for conformity with the existing IPS as well as the necessary variance from statutory requirements with respect to permissible debt securities.

Furthermore, Sec. 112.661, F.S., requires that a duly adopted IPS detail permissible investments. It is our understanding that the most current IPS was adopted by the Board in August of 2018. Here, Sec. IV(A)(2)(a), states:

> 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.

The adopted IPS properly permits investment in lower grade debt instruments, provided that the total allocation to below investment grade securities does not exceed 5% of the total portfolio. The IPS requires that you know the rating of any below investment grade investment. It also requires that you review the rating scale with your financial consultant to ensure any holdings are rated at one of the four highest classifications. Should the proposed bank loan mandate meet this requirement, nothing in the IPS prohibits you from holding it. If, however, the bank loans are rated at a level below one of the four highest classifications by a major rating service, then you must ensure with AndCo. whether the 5% threshold has been, or is anticipated to be, met.

Please be advised that our opinion may change if the facts described in this letter change. If any of the facts described in this letter are incorrect or incomplete or have changed, please let us know. Feel free to contact me directly should you have any further questions or comments. We look forward to discussing this opinion with you at your convenience.

Yours truly,

PEDRO A. HERRERA

PAH/jdv

Subject: FPPTA 35th Annual Conference
From: FPPTA <fppta@fppta.org>
Date: 5/1/2019, 12:17 PM
To: rounsavall@earthlink.net

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Registration to Open Next Week

2019 is the FPPTA's 35th Anniversary! Come celebrate this great milestone with us at the 35th Annual Conference at the Marriott World Center, June 30th - July 3rd, 2019. Registration for the 35th Annual Conference will open next week. Please keep an eye out for a registration email along with instructions on how to login into the FPPTA's new website.

This year's theme "Investing in a World Economy" will provide attendees with a tour of investment opportunities around the globe in seven distinct regions and a discussion regarding the role of these investments in pension funds.

To celebrate this year's milestone anniversary, the welcome gathering will be transformed into an unforgettable night of dinner, dancing, and fun with entertainment by the band None Other. Child care will be provided.

We hope you will join us in Orlando for the 35th Annual Conference.

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