TOWN OF PALM BEACH

TENTATIVE AGENDA:
SUBJECT TO REVISION

INVESTMENT ADVISORY COMMITTEE MEETING
COUNCIL CHAMBERS
SECOND FLOOR, TOWN HALL
360 SOUTH COUNTY ROAD

AUGUST 18, 2017
2:30 P.M.
WELCOME!

I. CALL TO ORDER AND ROLL CALL

Dr. Michael Andrews, Chairman
Mr. Andrew Frazier
Mr. Kevin McCluskey
Mr. Bernard R. Panfel
Mr. Chris Storkerson

II. PLEDGE OF ALLEGIANCE

III. APPROVAL OF AGENDA

IV. COMMUNICATION FROM CITIZENS

V. APPROVAL OF MINUTES
   a. MINUTES FROM MAY 19, 2017 MEETING

VI. ANDCO CONSULTING – [Dave West, AndCo, Consulting]
   a. REAL ESTATE MANAGER INTERVIEW
   b. QUARTERLY PERFORMANCE REPORT
   c. INVESTMENT POLICY REVIEW
   d. ASSET ALLOCATION AND MANAGER REVIEW

VII. PFM ASSET MANAGEMENT – [Scott Stitcher, PFM Asset Management]
   a. QUARTERLY PERFORMANCE REPORT
   b. BENCHMARK COMPARISON – TO BE DISTRIBUTED AT MEETING

VIII. JUNE INVESTMENT REPORT

IX. OVERSITE OF ONE-CENT SURTAX

a. QUARTERLY REPORT

X. 2017 UPCOMING MEETING SCHEDULE
   a. NEXT MEETING: NOVEMBER 17, 2017 AT 2:30PM

II. ANY OTHER MATTERS

III. ADJOURNMENT

PLEASE TAKE NOTE:

The progress of this meeting maybe monitored by visiting the Town's web site, (www.townofpalmbeach.com) and clicking on the “meeting Audio” in the left column. If you have questions regarding that feature, please contact the Office of Information Systems (561) 227-6315. The audio recording for this meeting will appear within 24 hours after the conclusion of the meeting.

Disabled persons who need an accommodation in order to participate in the Investment Advisory Committee meeting are requested to contact the Town Manager’s Office at 838-5410 or through the Florida Relay Service by dialing 1-800-955-8770 for voice callers or 1-800-955-8771 for TDD callers, at least two (2) working days before this meeting.

MINUTES OF THE INVESTMENT ADVISORY COMMITTEE MEETING
HELD ON FRIDAY, MAY 19, 2017

I. CALL TO ORDER AND ROLL CALL

The Investment Advisory Committee meeting was called to order on Friday, May 19, 2017, at 2:30 p.m., in the Town Council Chambers**.** On roll call, all members were found to be present, with the exception of Committee Member McCluskey. A quorum was present.

II. PLEDGE OF ALLEGIANCE

Chairman Andrews led the Pledge of Allegiance.

III. ANNUAL ELECTION OF CHAIRMAN AND VICE CHAIRMAN

A motion was made by Committee Member Frazier to re-elect Chairman Andrews and Vice Chairman Panfel. A second motion was made by Committee Member Storkerson.

IV. APPROVAL OF AGENDA

Chairman Andrews asked for an approval of the agenda dated May 19, 2017. Vice Chairman Panfel made a motion to approve the agenda. The agenda was approved.

V. COMMUNICATION FROM CITIZENS – *None*

VI. APPROVAL OF MINUTES

a. MINUTES FROM FEBRUARY 17, 2017 MEETING

A motion was made by Vice Chairman Panfel for the approval of the February 17, 2017 minutes. No discussion, minutes were approved.

VII. ANDCO CONSULTING – [Dave West, AndCo, Consulting]

a. QUARTERLY PERFORMANCE REPORT

Mr. West introduced himself and explained a little about Andco. He has been informed on the current portfolio and gave an update on the progress over the last quarter. There has been a turnaround on active managers out performing their benchmarks. The total fund, net of management fees is $27,932,772 market value, the return for the quarter was 3.39%, FY to date was 4.75%. The one year over year number was 10.5%, the 3 year 2.17% and the 5 year 5.5% with the inception as of May 1, 2007 annualizing at 3.08%. Liquid capital is available from the Archstone funds and needs to be invested.

b. STRATEGIC REVIEW AND IMPLEMENTATION PLAN

Mr. West requires that the Investment Policy have the necessary changes made before further strategies are implemented on behalf of Andco. It has been agreed upon that Mr. West will have a draft policy to Ms. Struder by late July. Future ideas for the portfolio would include reducing and redefining real assets and add hard assets (real estate) and eliminating all the alternative and commodity funds. Increasing domestic large cap allocation to 15%, mid cap index fund at 30%, which in-turn would increase the market beta. International equity at 15% and bond allocation would be dropped to 13% and diversify with global bond strategy at 5%. A small portion would go to middle market debt, providing a lending source for 4-5 years.

VIII. FLORIDA LEAGUE OF CITIES (FMIvT) [Jeff Blomley, Florida League of Cities, and Jim Womack, Atlanta Capital]

a. QUARTERLY PERFORMANCE REPORT

Mr. Womack reported that the two-year treasury note had an increased rate of 7 basis points and the five-year was down 5 basis points. The last 12 months were active and had a large impact on the overall outcome given. Return profile of the 2 year was up .5% and the 5 year down 2% over those past 12 months. A rise in interest rates are having an impact over the last 12 months but the defensive stand taken has allowed the portfolio to maintain benchmarks. Interest rates will rise over the remainder of the year.

IX. PFM ASSET MANAGEMENT – [Richard Pengelli, PFM Asset Management]

a. QUARTERLY PERFORMANCE REPORT

Mr. Pengelli reported that the 1-5 portfolio yield was 1.43% up 7 basis points. The portfolio was well diversified due to the recently amended investment policy. In summary, the return was 0.52% outperforming the benchmark by 15 basis points. For the year it was 0.2%, outperforming the benchmark by 28 basis points. Change in the portfolio's allocation over time We will be changing the portfolio's allocation by selling agencies and increasing corporate allocations. Committee member Frazier inquired on transaction costs when buying and selling. Mr. Pengelli stated that the costs are as minimal as possible.

X. MARCH INVESTMENT REPORT

The March Investment Report was given by Assistant Finance Director Cheryl Somers. Approximately $124,000,000 of investable funds, including bond funds. The total return is positive for FY to date and next month will add an additional $200,000.

XI. OVERSITE OF ONE-CENT SURTAX

a. QUARTERLY REPORT

Ms. Struder gave the first report for the one-cent surtax with two distributions totaling $83,913. The Town Council has not yet decided how to spend these funds. There is a possibility of it being used for the Underground Utility Project. Currently, the money is sitting in a reserve account in the capital fund.

XII. 2017 UPCOMING MEETING SCHEDULE

a. NEXT MEETING: AUGUST 18, 2017 AT 2:30PM

IX. ANY OTHER MATTERS

X. ADJOURNMENT

There being no further business, the May 19, 2017 Investment Advisory Committee meeting was adjourned at 3:55 p.m.

APPROVED:

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Dr. Michael F. Andrews, Chairman

Intercontinental Real Estate Corporation
Presents:

U.S. Real Estate Investment Fund, LLC (US REIF)

Firm Overview

The Firm's History

1960s

Established in 1959 with a primary focus on general contracting and engineering. Founder Petros A. Palandjian undertook large-scale public-bid construction projects that ranged from road construction, airports and hotels to churches, libraries and elderly and college housing projects.

1970s

Evolved from a large-scale construction company to a regional real estate development firm with the competitive advantage of superior in-house construction capability. In this era, Intercontinental solidified its position as one of the region's premier construction companies, while embarking on an investment program that focused on complex development and value-added real estate opportunities.

1980s

Vertically integrated into asset management, construction management, property management, finance, brokerage and consulting services. On its foundation of construction and development expertise, Intercontinental undertook projects for its own portfolio and for third party investors. Applied value-added skills to a diverse range of property types; office, residential, hotel and resort, industrial, leisure/entertainment, retail and mixed-use properties.

1990s-Present

Intercontinental's core business is private equity real estate investment management and advisory services.

- **SEC Registered Investment Adviser**
- **Developed, built, managed and owned more than $10B of commercial real estate**
- **Offices in Boston, New York, Orlando, Denver, Los Angeles, Atlanta, and Minneapolis**
- **102 employees**
- **Qualified Professional Asset Manager (QPAM)**
- **$6.4B in Assets Under Management**

Executive Committee

Peter Palandjian
Chairman & Chief Executive Officer
Investment Committee Member

Peter Palandjian oversees Intercontinental's affiliated operating companies, with primary responsibility for Investment Strategy and Institutional Relationships.

Mr. Palandjian earned his B.A. from Harvard College and his MBA from the Harvard Business School.

Joined Intercontinental in 1993

Paul J. Nasser
Chief Financial Officer & Chief Operating Officer
Investment Committee Member

Paul J. Nasser manages the firm's resources across investment and operating disciplines. As CFO and COO, he oversees Accounting, Finance, Investor Relations, Performance Reporting, Marketing, Human Resources, Information Technology and Administration.

Mr. Nasser received his B.A. in Urban Planning from the University of Rhode Island and his MBA from Suffolk University.

Joined Intercontinental in 2000

Thomas Taranto
Chief Investment Officer
Investment Committee Member

Tom Taranto manages and directs all aspects of Intercontinental's acquisitions, asset and portfolio management business. He also directs Intercontinental's disposition program and oversees the property management division.

Mr. Taranto received his B.S. in Business Management from Bentley University.

Joined Intercontinental in 1984

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www.intercontinental.net

Key Professionals

Devin Sullivan
Director, Institutional Services

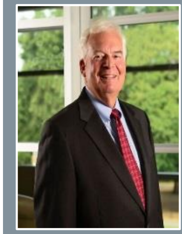
Devin Sullivan is responsible for developing and servicing Intercontinental's client and consultant relationships with a primary focus on the Public Fund sector.

B.A. in Government from Hamilton College

Bart Weinstein, CAIA
Director, Institutional Services/Research

Bart Weinstein is responsible for working with institutional clients and investment consultants. Mr. Weinstein performs financial analysis and research for the firm.

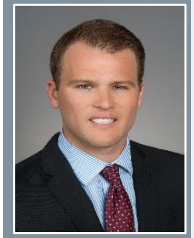
Mr. Weinstein holds the Chartered Alternative Investment Analyst designation and is a member of the CAIA Association.
B.A. from Cornell University



Peter Hapgood
Director, Institutional Services

Peter Hapgood is responsible for establishing and maintaining Intercontinental’s client and consultant relations with a primary focus on the public fund sector in Florida.

B.A. in Public Administration from Nichols College and his M.A. from American International College



Matthew Harrington, CAIA
Director, Institutional Services

Matthew Harrington is responsible for developing and servicing Intercontinental's client and consultant relationships.
Mr. Harrington holds the Chartered Alternative Investment Analyst designation and is a member of the CAIA Association.
B.S. from Babson College
Master of Business Administration from Northeastern University

James S. Beloff
Senior Managing Director, Institutional Services

James S. Beloff is responsible for developing and servicing Intercontinental's client and consultant relationships and has nearly twenty years of experience in the institutional investment sector.

B.A. from University of North Dakota

Ross Vaillancourt
Consultant Relations Officer, Institutional Services

Ross Vaillancourt is a member of the Institutional Services group, with a particular focus on developing and servicing relationships with the investment consultant community. Mr. Vaillancourt spearheads the Request for Proposals (RFP's) efforts internally and supports the Institutional Services Group from a client service perspective.
B.A. from Seattle Pacific University

Key Professionals

David Carella
Director, Corporate Finance

Dave Carella directs Corporate finance including non-fund accounting, bank reconciliation, accounts payables/receivables, payroll and benefits.

Associate in Science Degree from Quincy College and Bachelor of Science Degree in Accounting and Finance from Bridgewater State University.

Judy Chien
Fund Controller

Judy Chien is the Controller for Intercontinental's U.S. Real Estate Investment Fund, LLC. She produces financial statements for fund reporting, oversees external audit services, and implements and maintains proper internal controls.
B.B.A. in Accounting from University of Georgia

Steve Centrella
Senior Director, Acquisitions
Investment Committee Member

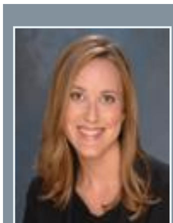
Steve Centrella is responsible for the sourcing, analysis and execution of acquisition opportunities throughout the mid west and south regions of the U.S.

B.A. Lake Forest College

Michael Keyes
Director, Acquisitions
Investment Committee Member

Michael Keyes is responsible for the sourcing, analysis and execution of acquisition opportunities throughout the north east region of the U.S.

B.A. Brown University, M.B.A. from the Tuck School at Dartmouth College



Jessica Levin
Director, Acquisitions
Investment Committee Member

Jessica Levin is responsible for the sourcing, analysis and execution of acquisition opportunities throughout the western region of the U.S.

B.A .from the University of Wisconsin-Madison

Alissa Crafa
Director, Research & Portfolio Analysis
Investment Committee Member

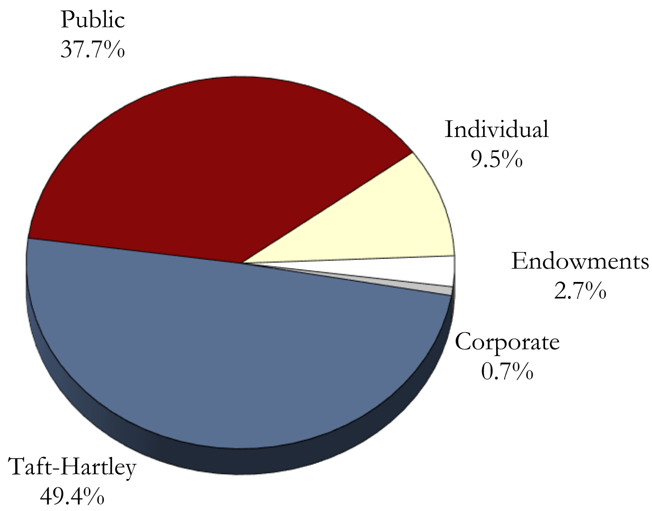
Alissa Crafa is responsible for financial modeling and analysis for the firm's investments in addition to performing market research for acquisitions, dispositions and portfolio analysis.
B.A. in Mathematics with a concentration in Business from the University of Connecticut.

Intercontinental Institutional FL Clients

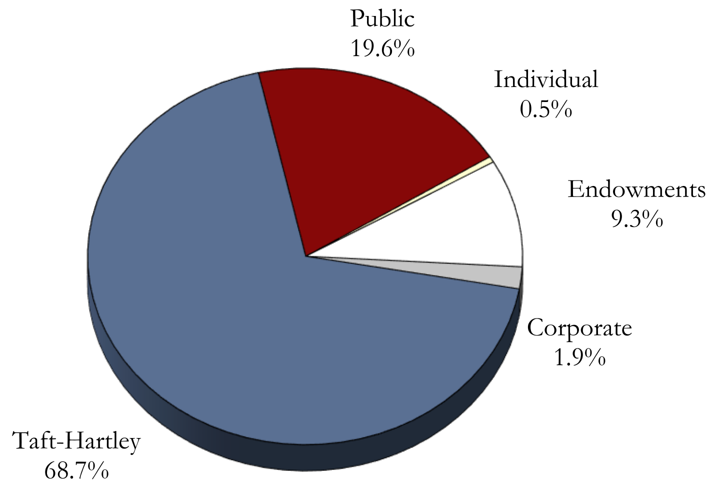
- 1977 City Employees' Retirement System of the City of St. Augustine, Florida
- City of Boynton Beach Firefighters' Pension Fund
- City of Bradenton Firefighters' Pension Fund
- City of Cocoa Beach Firefighters Pension Plan
- City of Clearwater Employees' Pension Plan
- City of Crestview Police & Fire Retirement System
- City of Crestview General Employees Retirement System
- City of Ft Walton Beach General Employees
- City of Hialeah Firefighters Pension Fund
- City of Hialeah Police Officers' Pension Fund
- City of Kissimmee General Employees Retirement Plan
- City of Kissimmee Municipal Police Officers' Retirement Plan
- City of Lady Lake Police Officers Pension Plan
- City of Lake Worth General Employees' Retirement System
- City of Lakeland Police Officers' Retirement System
- City of Lauderhill Firefighters Pension Plan
- City of Miramar Firefighters Pension Plan
- City of Miramar Management Retirement Plan
- City of Miramar Retirement Plan and Trust Fund for General Employees
- City of New Port Richey Police Officers' Retirement System
- City of Ocala Firefighters Pension Plan
- City of Palm Beach Gardens Firefighters' Pension Plan
- City of Panama Municipal Firefighters' Pension Trust Fund
- City of Sanford Firefighters' Retirement System
- City of Sanford Police Officers' Retirement System
- City of St. Cloud General Employees Retirement System
- City of St. Cloud Police Officers and Firefighters
- City of Tarpon Springs Firefighters' Pension Trust Fund
- City of Titusville Municipal Employees Retirement System
- City of Titusville Police & Fire Pension Fund
- City of Winter Springs General Employees' Retirement
- Community Foundation of Volusia & Flagler County
- Deerfield Beach Municipal Firefighters' Pension
- Deerfield Beach Police Officers' Pension Fund
- East Lake Tarpon Special Fire Control District Firefighters
- Greater Miami Convention & Visitors Bureau
- Holly Hill Police Pension Fund
- Hollywood Firefighters' Defined Benefit Pension Plan
- Hollywood Police Pension Fund
- Indian River State College Foundation, Inc
- Marco Island Police Pension Fund
- Miramar Police Officers' Pension Fund
- North Brevard County Hospital District Operating Fund
- North Brevard County Hospital District Pension Plan / DBA Parrish Medical Center
- North Miami Retirement System – Ordinance Number 748
- North Collier Fire Control & Rescue District Firefighters Retirement Plan (North Naples)
- Palm Beach County Firefighters
- Pembroke Pines OPEB
- Pembroke Pines Police & Fire Pension Fund
- Pinellas Park Fire
- Pinellas Park General Employees
- Pinellas Park Police
- Punta Gorda Firefighters Pension Fund
- Punta Gorda General Employees' Pension Fund
- Retirement System for the General Employees of the St. Lucie
- General Employees of the Utility Board of the City of Key West
- Robert A Sugarman Revocable Trust
- Sebastian Police Pension Plan
- South Walton Fire Control District Firefighters' Pension
- St. Augustine Police Officers' Pension Fund
- St. Lucie County Fire District Firefighters' Pension Trust
- Tallahassee Memorial Healthcare Foundation
- Temple Terrace Firefighters' Pension Fund
- Temple Terrace Police Officers' Pension Fund
- The Clair T. Singerman Employees' Retirement Fund
- Town of Davie Firefighters Pension Trust Fund
- Town of Davie Police Officers' Pension Plan
- Vero Beach Firefighters' Pension Fund
- West Palm Beach Police Pension Fund

U.S. REIF Investor Breakdown

Equity Diversification by Headcount



Equity Diversification by Dollar Amounts



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Advisory Board

- **William W. Bain, Jr**. is the founder of Bain & Company, a world-wide consulting firm; the extraordinarily successful Bain Capital, a venture capital firm; and Bain, Willard Companies, a private equity firm.
- **Warren A. Henderson** is the founder and CEO of Mosaic, a global equity investment advisory firm. Mr. Henderson is a former principal and head of Public Fund Services at State Street Global Advisors.
- **Thomas P. O'Neill, III** is the Chairman of O'Neill & Associates, a large government relations and public affairs firm. Mr. O'Neill is the former Lieutenant Governor of Massachusetts and a member of the Board of Trustees of Boston College.
- **Joseph Nolan** is a Senior Vice President for Eversource Energy, the largest energy delivery company in New England. Mr. Nolan serves on the boards of directors of the New England Council and Boston Children's Hospital Trust and is also active in the communications and government relations committees of the Edison Electric Institute.
- **Dr. Lou Moret** brings over 30 years experience in politics, administration and finance and has a diverse record of service on boards of for-profit and non-profit organizations. Dr. Moret served on the $230 Billion CalPERS Board of Administration, and has successfully completed the Directors Education and Certification Program at U.C.L.A. Prior to joining CalPERS, he was the longest serving appointed member in the history of the Los Angeles Fire and Police Pension Board, where he gained a wealth of knowledge in the areas of finance and investment.
- **Kevin P. Stringer** is the General Secretary Treasurer emeritus for the International Union of Elevator Construction (IUEC) and a retired member of IUEC Local 1, New York/New Jersey. Mr. Stringer's career in the elevator industry began in 1965. Currently, Mr. Stringer serves as a Union Plus Trustee for the AFL-CIO, an Advisory Board member for the Made In America Conference, and an Appointed IUEC liaison for the Global Conferences on Labor.
- **John Agenbroad** brings over 30 years of experience as a trustee, board member, and executive chair to various pension boards and labor councils including National Pension Fund GCC/IBT, Inter Local Pension Fund of Teamsters, Cincinnati ALF-CLO Labor Council, and Dayton AFL-CIO. Mr. Agenbroad has been the Mayor of Springboro, Ohio for 15 years, and also serves as a member of the Springboro Planning Commission, Finance Committee, Legal Committee, and Strategic Planning Committee. Mayor Agenbroad is a retired Marine and a Purple Heart recipient who now serves as State Commander and State Finance Officer of the Military Order of the Purple Heart.
- **John Jarger** brings over 35 years of experience as a member of the United Brotherhood of Carpenters and Joiners of America. Additionally, he has spent 23 years serving as a representative of the Chicago Regional Council of Carpenters, most recently as the Marketing Director. As an active board member, Mr. Jarger has held various positions with the Metropolitan Builders Association of Greater Milwaukee, The Builder's Fund, St. Louis and The Building Trades United Pension Trust Fund in Wisconsin. Mr. Jarger has found sources of capital to complete financing for 21 new construction real estate development projects with an aggregate total development cost of approximately $1 billion dollars. Mr. Jarger received his BA in Accounting and MBA from Dominican University.

U.S. Real Estate Investment Fund, LLC

(U.S. REIF)

Fund Summary

Structure:	▪ Delaware, limited liability company ▪ Open-ended commingled investment vehicle
Strategy:	▪ Multi-disciplinary investment strategy targeting an average annual income return in excess of 5% and a total return in excess of 10% ▪ Foundation of "yield driven" property assets ▪ Portfolio will be diversified geographically ▪ United States and Canada ▪ All property types (office, multi-family, industrial, retail, etc.)
Key Criteria:	▪ Liquidity – redemption available on a quarterly basis ▪ Portfolio leverage target of 50% ▪ 100% of Fund assets appraised independently each quarter (Altus Group serves as Appraisal Manager) ▪ Debt is marked to market (Derivative Advisors, LLC) each quarter ▪ No lock-out period ▪ Dividend Reinvestment available ("DRIP")
Current Status:	▪ Fund NAV: \$3.6 billion ▪ Fund GAV: \$6.3 billion ▪ Undrawn Capital (signed): \$281 million ▪ 269 Active Investors ▪ Investment by Intercontinental employees: \$47,352,253 ▪ 114 Portfolio Investments ▪ Firm AUM: \$6.4 billion

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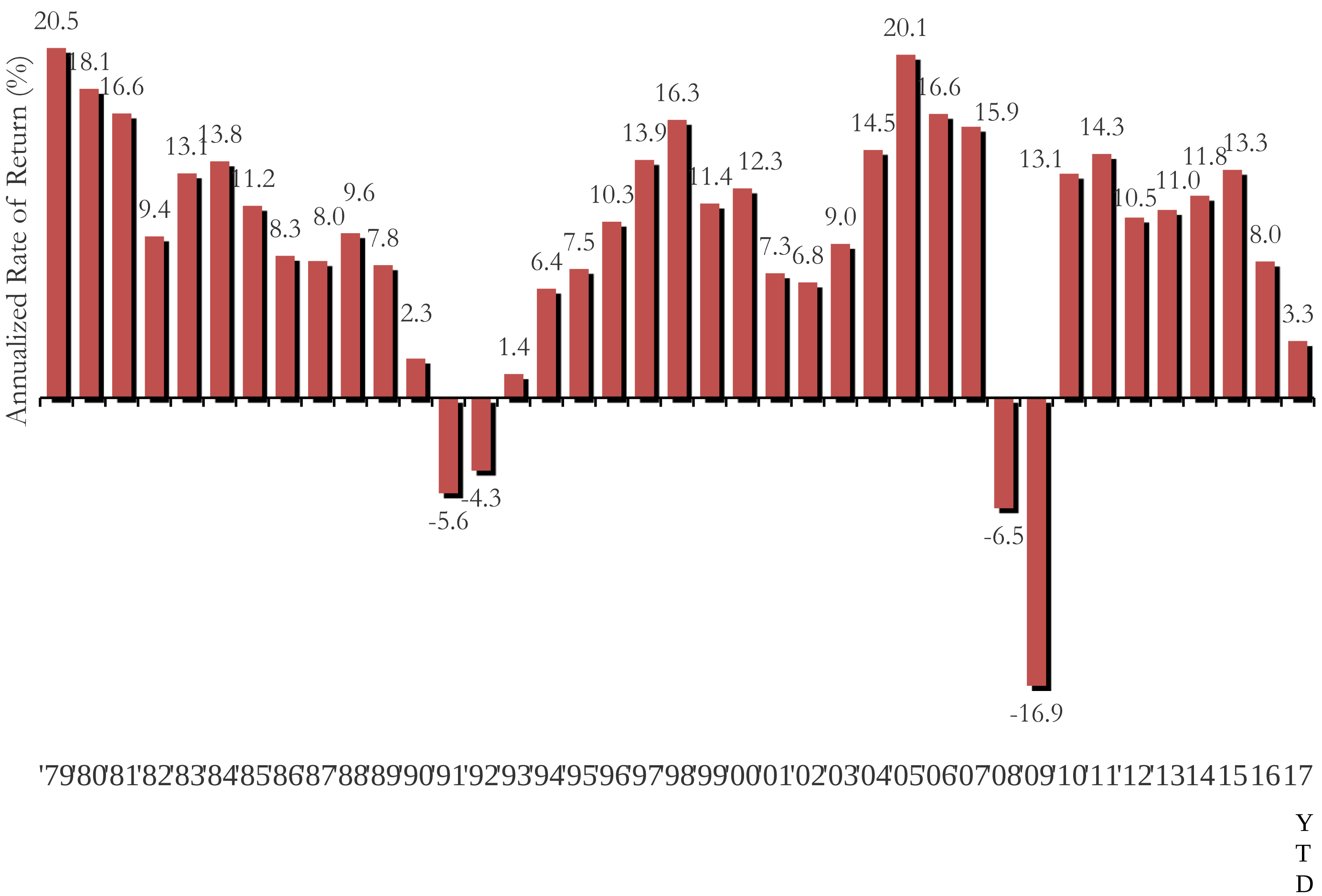
Historical NCREIF: Total Returns

NCREIF PROPERTY INDEX – *TOTAL RETURN*
As of 06/30/17



Sources: NCREIF

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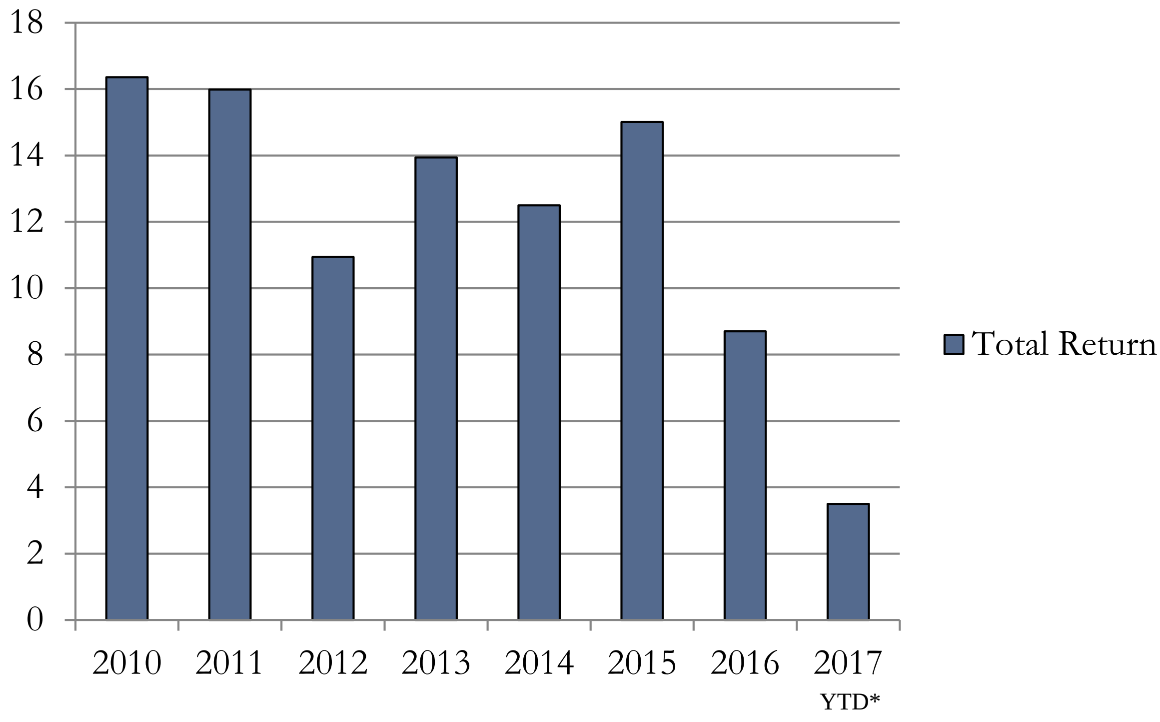
Core Real Estate Has Led the Way Out of the Recession, but…. What is most attractive today?

- "Flight to Quality" post recession (past 5+ years)
- Core real estate has enjoyed above average return over the past 3+ years (see below)
- As is typical out of a recession, Core-Plus has been slower to recover, but is now positioned to outperform for the near to mid-term
- Core-Plus funds positioned to invest new client commitments within one to two quarters providing exposure to today's attractive market characteristics

Core-Only
Total Return



*Preliminary ODCE returns
*Source: NCREIF-ODCE

Debt Summary

Top U.S. REIF Lenders

Debt Maturity Schedule

Year	Total % Maturing
2017	2.5%
2018	3.0%
2019	7.9%
2020	8.0%
2021	12.4%

Weighted Average Cost of Debt	**3.8%**
Weighted Average Cost of Fixed-Rate Debt	4.0%
Weighted Average Cost of Floating-Rate Debt	3.0%

Debt: 82.2% Fixed Rate **LTV: 41%**

Portfolio Research

Lease Expiration Schedule

Year	Total % Expiring (sf)
2017	4.0%
2018	5.4%
2019	8.0%
2020	8.2%
2021	6.3%

Note: Multi-family, Assisted Living, Hotel, and Operating Center assets are not included in the above figures. The above percentages are weighted by market value.

Weighted Average Portfolio Occupancy

Property Type	% Occupied
Office	91.9%
Healthcare	100.0%
Retail	90.4%
Industrial	86.8%
Multifamily	93.3%
Senior Living	90.0%
Total	**92.1%**

Note: The above percentages are value-weighted and are calculated using asset values gross of debt adjusted for ownership share.

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Fund Performance

2Q17		
	Intercontinental U.S. REIF	NCREIF ODCE
Income	1.38%	1.08%
Appreciation: RE	0.91%	N/A
Appreciation: Debt	-0.86%	N/A
Appreciation: Total	0.05%	0.61%
Total	**1.43%**	**1.70%**

1Q17		
	Intercontinental U.S. REIF	NCREIF ODCE
Income	1.29%	1.07%
Appreciation: RE	0.02%	N/A
Appreciation: Debt	0.38%	N/A
Appreciation: Total	0.40%	0.71%
Total	**1.69%**	**1.77%**

4Q16		
	Intercontinental U.S. REIF	NCREIF ODCE
Income	1.17%	1.07%
Appreciation: RE	1.02%	N/A
Appreciation: Debt	3.46%	N/A
Appreciation: Total	4.48%	1.04%
Total	**5.64%**	**2.11%**

2017 Year-to-Date		
	Intercontinental U.S. REIF	NCREIF ODCE
Income	2.69%	2.16%
Appreciation: RE	0.93%	N/A
Appreciation: Debt	-0.49%	N/A
Appreciation: Total	0.45%	1.32%
Total	**3.14%**	**3.50%**

US REIF returns are leveraged gross of fees. The above returns are calculated at the Fund level and may not be reflective of the actual performance returns experienced by any one investor. Past performance is not a guarantee of future results and it is important to understand that investments of the type made by the Fund pose the potential for loss of capital over any time period. According to the Fund's valuation policy, prior to its first appraisal, all acquired investments shall be valued at cost plus capital expenditures and the new investment will join the annual valuation cycle within 12 months following the acquisition date.
Since inception returns commence at the beginning of the first full year of the Fund's life.

Fund Performance

1 YR		
	Intercontinental U.S. REIF	NCREIF ODCE
Income	5.11%	4.41%
Appreciation:RE	4.37%	N/A
Appreciation: Debt	3.20%	N/A
Appreciation: Total	7.68%	3.34%
Total	**13.09%**	**7.87%**

3 YR		
	Intercontinental U.S. REIF	NCREIF ODCE
Income	5.25%	4.65%
Appreciation:RE	6.59%	N/A
Appreciation: Debt	1.06%	N/A
Appreciation: Total	7.70%	6.46%
Total	**13.24%**	**11.34%**

5 YR		
	Intercontinental U.S. REIF	NCREIF ODCE
Income	5.34%	4.88%
Appreciation:RE	7.35%	N/A
Appreciation: Debt	1.05%	N/A
Appreciation: Total	8.46%	6.65%
Total	**14.13%**	**11.79%**

7 YR		
	Intercontinental U.S. REIF	NCREIF ODCE
Income	5.44%	5.11%
Appreciation:RE	7.20%	N/A
Appreciation: Debt	0.53%	N/A
Appreciation: Total	7.76%	7.66%
Total	**13.52%**	**13.08%**

Since Inception		
	Intercontinental U.S. REIF	NCREIF ODCE
Income	5.57%	5.28%
Appreciation:RE	-0.98%	N/A
Appreciation: Debt	0.97%	N/A
Appreciation: Total	0.05%	-0.40%
Total	**5.61%**	**4.87%**

US REIF returns are leveraged gross of fees. The above returns are calculated at the Fund level and may not be reflective of the actual performance returns experienced by any one investor. Past performance is not a guarantee of future results and it is important to understand that investments of the type made by the Fund pose the potential for loss of capital over any time period. According to the Fund's valuation policy, prior to its first appraisal, all acquired investments shall be valued at cost plus capital expenditures and the new investment will join the annual valuation cycle within 12 months following the acquisition date.
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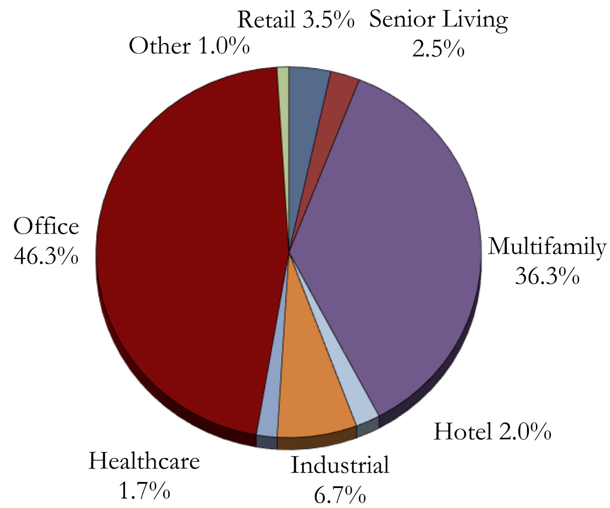
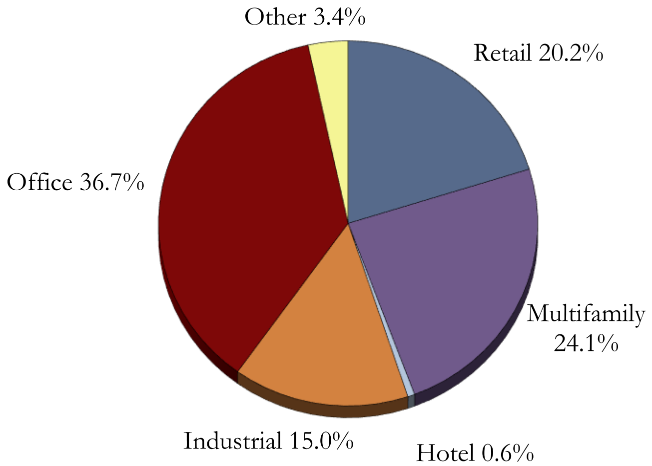
Diversification

Property Sector Diversification

US REIF – Gross Real Estate Market Value (1)

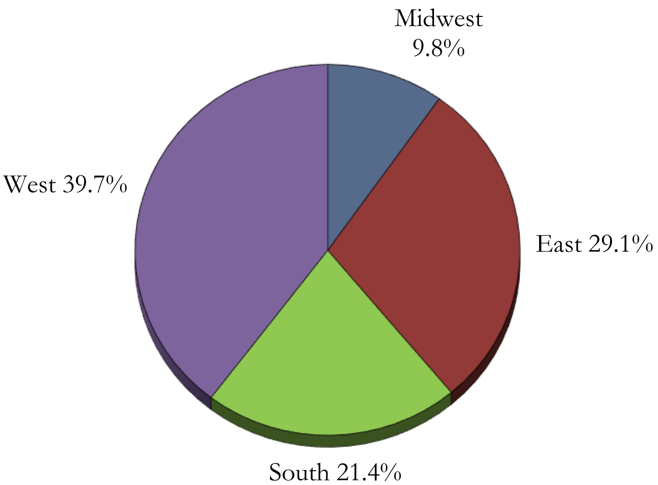


ODCE

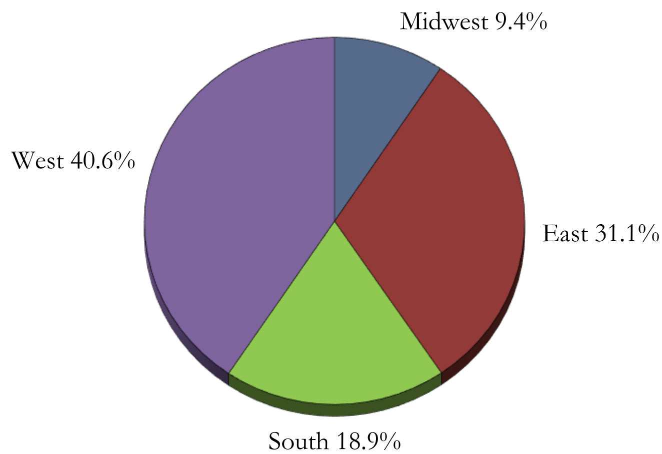


Geographic Diversification (1)

US REIF – Gross Real Estate Market Value



ODCE



1. Calculated using US REIF's proportionate share of gross assets' market value as of quarter end as of 6/30/17.

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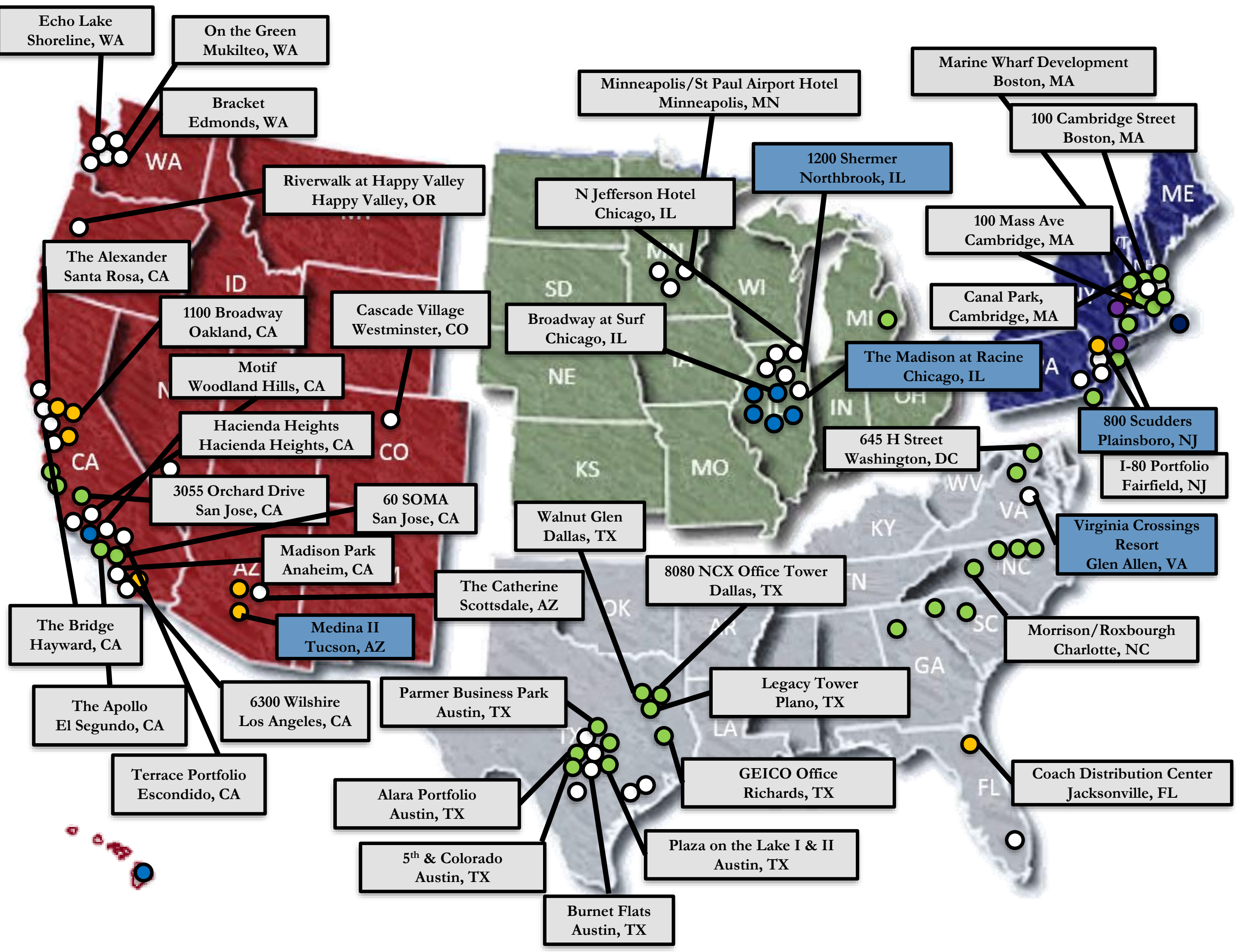
Investment Map



Portfolio: 114 properties

Multifamily/Senior Living/Hotel	Retail	Office
Industrial	Healthcare	Operating Company

Recent Acquisitions

Recent Sold Acquisitions

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Portfolio Highlights

Elysian at Southern Highlands, Las Vegas, NV

Type: Multifamily
Size: 255 Units
Acquired: December 4, 2014
Purchase Price: $53,550,000

Regency Creek, Cary, NC

Type: Office
Size: 122,087 sf
Acquired: January 23, 2015
Purchase Price: $20,550,000

Morris Corporate Center 4, Parsippany, NJ

Type: Office
Size: 345,218 sf
Acquired: February 3, 2015
Purchase Price: $29,250,000

The Saratoga Downs, Napa, CA

Type: Multifamily
Size: 178 Units
Acquired: February 6, 2015
Purchase Price: $58,500,000

Portfolio Highlights

2830 Orbiter Street, Brea, CA

Type: Industrial
Size: 101,420 sf
Acquired: February 9, 2015
Purchase Price: $14,000,000

100 Cambridge Street, Boston, MA

Type: Office
Size: 599,696 sf
Acquired: March 17, 2015
Purchase Price: $280,000,000

Madison Park Apartments, Anaheim, CA

Type: Multifamily
Size: 768 Units
Acquired: March 31, 2015
Purchase Price: $122,000,000

North Jefferson Street, Chicago, IL

Type: Land / Development (Hotel)
Size: 326 rooms and 7,488 sf retail space
Acquired: April 9, 2015
Purchase Price: $93,000,000

Portfolio Highlights

Burnet Flats Apartments, Austin, TX

Type: Multifamily
Size: 179 Units and 255 parking spaces
Acquired: May 11, 2015
Purchase Price: $36,750,000

6300 Wilshire, Los Angeles, CA

Type: Office
Size: 404,234 sf
Acquired: May 21, 2015
Projected Project Cost: $151,000,000

Brackett Apartment Homes, Edmonds, WA

Type: Multifamily
Size: 386 Units
Acquired: June 1, 2015
Purchase Price: $68,950,000

645 H Street, NE, Washington, D.C.

Type: Office
Size: 84,723 sf
Acquired: June 3, 2015
Purchase Price: $51,400,000

Portfolio Highlights

The Coach Distribution Center, Jacksonville, FL

Type: Industrial
Size: 851,696 sf
Acquired: July 31, 2015
Purchase Price: $90,500,000

The Maribelle Apartments, Santa Rosa, CA

Type: Multifamily
Size: 287 Units
Acquired: July 30, 2015
Purchase Price: $59,000,000

Cascade Village Apartments, Westminster, CO

Type: Multifamily
Size: 444 Units
Acquired: September 9, 2015
Purchase Price: $72,150,000

The Catherine Townhomes, Scottsdale, AZ

Type: Multifamily
Size: 539 Units
Acquired: October 1, 2015
Purchase Price: $95,750,000

Recent Acquisitions

Hills at Hacienda Heights, Hacienda Heights, CA

Type: Multifamily
Size: 350 Units
Acquired: November 19, 2015
Purchase Price: $81,500,000

The Bridge, Hayward, CA

Type: Multifamily
Size: 544 Units
Acquired: December 17, 2015
Purchase Price: $158,000,000

Motif, Woodland Hills, CA

Type: Multifamily
Size: 395 Units
Acquired: December 18, 2015
Purchase Price: $163,000,000

Parmer Business Park, Austin, TX

Type: Office
Size: 256,737 sf
Acquired: January 15, 2016
Purchase Price: $55,550,000

Recent Acquisitions

Nolina Flats, Austin, TX

Type: Multifamily
Size: 288 Units
Acquired: January 20, 2016
Purchase Price: $33,050,000

Abelia Flats, Austin, TX

Type: Multifamily
Size: 444 Units
Acquired: January 20, 2016
Purchase Price: $47,650,000

Plaza on the Lake I & II, Austin, TX

Type: Office
Size: 236,551 sf and 1,041 parking spaces
Acquired: April 1, 2016
Purchase Price: $74,700,000

Morrison/Roxborough, Charlotte, NC

Type: Office
Size: 178,338 sf and 534 parking spaces
Acquired: April 11, 2016
Purchase Price: $35,500,000

Recent Acquisitions

The Apollo at Rosecrans, El Segundo, CA

Type: Office
Size: 548,833 sf and 1,758 parking spaces
Acquired: May 6, 2016
Purchase Price: $328,500,000

Canal Park, Cambridge, MA

Type: Office
Size: 425,730 sf
Acquired: May 9, 2016
Purchase Price: $304,000,000

Green Apartments, Mukilteo, WA

Type: Multifamily
Size: 427 Units
Acquired: June 9, 2016
Purchase Price: $65,250,000

3055 Orchard Drive, San Jose, CA

Type: Office
Size: 111,285 sf
Acquired: June 17, 2016
Purchase Price: $37,300,000

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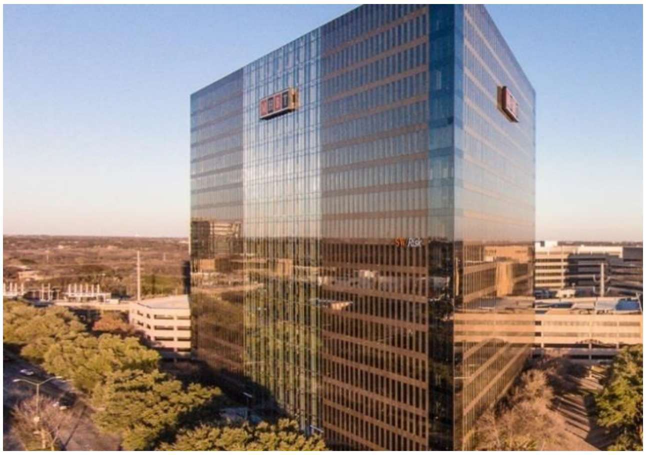
Recent Acquisitions

60 SOMA, San Jose, CA

Type: Office
Size: 234,835 sf
Acquired: July 25, 2016
Purchase Price: $89,600,000

Walnut Glen Tower, Dallas, TX



Type: Office
Size: 464,289 sf
Acquired: September 9, 2016
Purchase Price: $73,000,000

Riverwalk at Happy Valley, Portland, OR

Type: Multifamily
Size: 390 Units
Acquired: September 30, 2016
Purchase Price: $76,000,000

Legacy Tower, Plano, TX

Type: Office
Size: 342,033 sf
Acquired: October 3, 2016
Purchase Price: $135,000,000

Recent Acquisitions

I-80 Industrial Portfolio, Fairfield and Pine Brook, NJ

Type: Industrial
Size: 7 buildings, 729,756 sf
Acquired: October 5, 2016
Purchase Price: $78,100,000

Minneapolis Airport Hotel, Minneapolis, MN

(Rendering)

Type: Hotel to be Developed
Size: 295 rooms and 314 parking spaces
Acquired: October 21, 2016
Purchase Price: $91,200,000

8080 NCX Office Tower, Dallas, TX

Type: Office
Size: 289,041 sf
Acquired: November 29, 2016
Purchase Price: $58,450,000

1000 Mass Ave, Cambridge MA

Type: Office
Size: 105,062 sf
Acquired: December 16, 2016
Projected Project Cost: $69,500,000

Recent Acquisitions

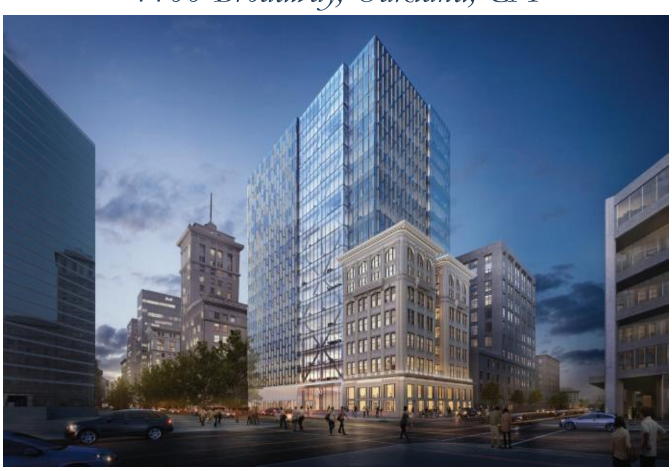
Terrace Portfolio, Escondido, CA

Type: Multifamily
Size: 551 Units
Acquired: December 19, 2016
Purchase Price: $84,420,000

The Broadway at Surf, Chicago, IL

Type: Retail
Size: 134,285 sf
Acquired: December 22, 2016
Purchase Price: $35,000,000

1100 Broadway, Oakland, CA



(Rendering)

Type: Office Development
Size: 366,227sf and 145 Parking spaces
Land closing date: March 14, 2017
Initial Purchase Price: $10,110,000
Projected Project Cost: $197,593,960

GEICO Office, Richardson, TX

Type: Office
Size: 228,506 sf
Acquired: May 25, 2017
Purchase Price: $52,650,000

Recent Acquisitions

Echo Lake, Shoreline, WA

Type: Multifamily
Size: 289 Units, 8,999 sf of retail space and 316 garage spaces
Purchase Price: $85,500,000
Acquired: May 31, 2017

Pending Acquisitions

The Marine Wharf Development, Boston, MA

(Rendering)

Type: Land/ Development (Hotel)
Size: 245 rooms, 166 suites, 21,850 sf retail and 77 parking spaces
Ground lease finalized: March 16, 2017
Projected Project Cost: $162,300,000

5th & Colorado, Austin, Texas

Type: Office
Size: 197,351 sf – 403 parking spaces
Projected closing: September 1, 2017
Purchase Price: $119,000,000

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Professional Services & Fees

- ## Fee Structure
  - Management Fee
    - 1.10% on investments up to $25 million
    - 1.00% on investments from $25 million up to $50 million
    - 0.85% in investments from $50 million up to $100 million
    - 0.75% on investments of $100 million and above
    - **Annual management fee is paid on drawn capital, original par amount (not NAV)**
  - Performance Fee
    - To be earned only in years when the Fund returns in excess of 8%
    - Members will receive a preferred return of 8% per annum, thereafter, 80% to the member and 20% to the manager
    - Performance fee shall be calculated and adjusted on an annual basis, subject to a clawback
    - Subject to high-water mark

- ## Fund Auditor
  - KPMG

- ## Valuation Manager
  - Altus Group (formerly PricewaterhouseCoopers)
    - All Fund Investments are appraised independently quarterly, with the exception of newly acquired assets which will join the appraisal cycle within two quarters of purchase.

- ## Legal Counsel
  - Mayer, Brown, Rowe & Maw LLP (Chicago)
  - Wilmer Cutler Pickering Hale and Dorr, LLP (Boston, Washington D.C)
  - Bradley & Associates (Boston)

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Additional Inserts

USREIF Debt Appreciation Sensitivity Analysis Quarterly

Interest Rate Basis Point Change	25	50	75	100	125	150	175	200	225	250	275	300
Debt Valuation Change	31,966,094	57,619,516	83,272,937	108,926,358	136,068,280	161,721,701	187,375,123	213,028,544	240,587,186	266,240,607	291,894,028	317,547,450
Fund NAV as of 12/31/2016	3,444,897,798	3,444,897,798	3,444,897,798	3,444,897,798	3,444,897,798	3,444,897,798	3,444,897,798	3,444,897,798	3,444,897,798	3,444,897,798	3,444,897,798	3,444,897,798
Debt Appreciation	0.93%	1.67%	2.42%	3.16%	3.95%	4.69%	5.44%	6.18%	6.98%	7.73%	8.47%	9.22%

The returns above show the effects on debt appreciation as part of total appreciation calculation. For example, if rates were to rise 25 basis points, the total debt appreciation would be 0.93% for a quarter.

Total return is calculated by adding income, property appreciation and debt appreciation.

The returns above are calculated on the Fund's NAV as of 12/31/2016. This analysis does not project in any way the Fund's debt appreciation or total returns.

Intercontinental Real Estate Corp.
U.S. REIF Property Valuation Summary
As of June 30, 2017

										2Q17					incl CapEx						
Property Name	City	State	Property Type	Current SF	Current units	Fund Own. %	Acquisition Date	Acquisition Price	Total Cost at 6/30/17	Market Value at 3/31/17	Capital Additions	Unrealized Gain/(Loss)	Market Value at 6/30/17	MV per SF/Unit	% Incr/(Decr) from 1Q17 MV	% Incr/(Decr) from Total Cost	Debt Balance	LTV Fund Own %	Debt Maturity Date	US REIF's share Current Qtr Unrealized Gain/(Loss)	Property Name
Unrealized Investments																					
Park Place	Palatine	IL	Retail	224,464	-	100%	01/30/07	24,000,000	25,632,704	6,660,000	-	(70,000)	6,590,000	29	-1.1%	-74.3%	-	0.0%		(70,000)	Park Place
400 Capital Boulevard	Rocky Hill	CT	Office	103,124	-	100%	04/02/07	15,450,000	17,381,655	15,300,000	-	(1,300,000)	14,000,000	136	-8.5%	-19.5%	-	0.0%		(1,300,000)	400 Capital Boulevard
Louis Joliet Point SC	Joliet	IL	Retail	238,677	-	100%	06/21/07	29,000,000	40,010,364	45,800,000	991,706	408,294	47,200,000	198	0.9%	18.0%	-	0.0%		408,294	Louis Joliet Point SC
Louis Joliet Point TL	Joliet	IL	Retail	-	-	100%	06/21/07	1,000,000	1,185,005	5,000,000	-	-	5,000,000		0.0%	321.9%	-	0.0%		-	Louis Joliet Point TL
TOTAL Joliet Shopping Center	*Joliet*	*IL*	*Retail*	*238,677*	*-*	*100%*	*06/21/07*	*30,000,000*	*41,195,369*	*50,800,000*	*991,706*	*408,294*	*52,200,000*	*219*	*0.8%*	*26.7%*	*-*	*0.0%*		*408,294*	*TOTAL Joliet Shopping Center*
Somerset Court	Waltham	MA	Office	67,401	-	100%	08/27/07	13,575,000	17,187,615	15,500,000	68,205	31,795	15,600,000	231	0.2%	-9.2%	-	0.0%		31,795	Somerset Court
Parkway	Bloomington	IL	Retail	217,295	-	100%	09/13/07	24,000,000	32,905,825	35,100,000	154,822	245,178	35,500,000	163	0.7%	7.9%	16,800,000	47.3%	10/1/2017	245,178	Parkway
4700 Falls of the Neuse	Raleigh	NC	Office	173,831	-	100%	09/13/07	33,000,000	40,023,449	32,600,000	57,044	542,956	33,200,000	191	1.7%	-17.0%	-	0.0%		542,956	4700 Falls of the Neuse
325 North Old Woodward	Birmingham	MI	Office	102,620	-	100%	12/19/07	37,676,464	39,036,443	37,600,000	-	(100,000)	37,500,000	365	-0.3%	-3.9%	14,584,400	38.9%	12/23/2023	(100,000)	325 North Old Woodward
Parker Ranch Center	Kamuela	HI	Retail	146,172	-	90%	12/20/07	45,800,000	48,051,444	50,400,000	369,628	2,030,372	52,800,000	361	4.0%	9.9%	19,000,000	36.0%	1/14/2018	1,827,335	Parker Ranch Center
Northpoint	Austin	TX	Office	151,126	-	100%	01/08/08	31,100,000	39,352,349	43,800,000	731,441	668,559	45,200,000	299	1.5%	14.9%	10,716,389	23.7%	2/5/2023	668,559	Northpoint
Locke Drive	Marlborough	MA	Industrial	295,700	-	100%	02/01/08	28,946,016	34,588,817	23,003,000	110,777	(1,413,777)	21,700,000	73	-6.1%	-37.3%	-	0.0%		(1,413,777)	Locke Drive
Lakeside Commons	Atlanta	GA	Office	524,175	-	100%	02/21/08	103,685,505	131,044,029	113,000,000	2,182,042	(1,582,042)	113,600,000	217	-1.4%	-13.3%	-	0.0%		(1,582,042)	Lakeside Commons
BayNorth Senior Living - Cordia	Westmont	IL	Senior Living	108,668	116	100%	05/19/08	31,500,000	32,531,532	50,500,000	(70,890)	170,890	50,600,000	436,207	0.3%	55.5%	19,740,786	39.0%	6/1/2022	245,012	BayNorth Senior Living - Cordia
International Village	Bloomington	MN	Multifamily	274,529	353	100%	08/05/08	30,100,000	34,246,781	40,500,000	297,873	2,002,127	42,800,000	121,246	4.9%	25.0%	20,350,000	47.5%	9/1/2018	2,002,127	International Village
Marine Home Center - R/E, Ma&Equip, Planes	Nantucket	MA	Operating Co	-	-	100%	08/22/08	31,487,074	38,774,397	30,799,296	1,054,484	(336,187)	31,517,593		-1.1%	-18.7%	-	0.0%		(336,187)	Marine Home Center - R/E, Ma&Equip, Plan
Marine Home Center - Goodwill	Nantucket	MA	Operating Co	-	-	100%	08/22/08	4,520,509	5,153,229	26,363,028	-	628,293	26,991,321		2.4%	423.8%	-	0.0%		628,293	Marine Home Center - Goodwill
TOTAL Marine Home Center	*Nantucket*	*MA*	*Operating Co*	*-*	*-*	*100%*	*08/22/08*	*36,007,583*	*43,927,626*	*57,162,324*	*1,054,484*	*292,106*	*58,508,914*		*0.5%*	*33.2%*	*-*	*0.0%*		*292,106*	*TOTAL Marine Home Center*
BayNorth Senior Living - Watermark	Blue Bell, Media, E.	PA,MA,DE	Senior Living	296,470	380	95%	08/26/08	83,000,000	91,186,446	95,100,000	(78,807)	2,478,807	97,500,000	256,579	2.6%	6.9%	26,475,364	27.2%	8/30/2017	2,354,867	BayNorth Senior Living - Watermark
Capitol Center	Columbia	SC	Office	460,020	-	37.556%	09/05/08	47,500,000	58,913,954	48,500,000	50,542	(3,550,542)	45,000,000	98	-7.3%	-23.6%	28,039,848	62.3%	1/15/2018	(1,333,441)	Capitol Center
Lake Forest	Lake Forest	CA	Retail	119,689	-	100%	10/20/08	37,557,170	39,473,495	33,500,000	96,549	503,451	34,100,000	285	1.5%	-13.6%	-	0.0%		503,451	Lake Forest
Central Plaza	Cambridge	MA	Office	172,186	-	100%	10/30/08	30,746,391	67,261,322	119,100,000	(23,316)	4,123,316	123,200,000	716	3.5%	83.2%	40,000,000	32.5%	10/1/2020	4,123,316	Central Plaza
Tucson Portfolio	Tucson	AZ	Industrial	571,788	-	100%	11/10/08	42,018,106	43,807,702	38,259,651	-	(1,059,651)	37,200,000	65	-2.8%	-15.1%	-	0.0%		(1,059,651)	Tucson Portfolio
Silicon Valley - Fremont	Fremont	CA	Industrial	236,142	-	100%	11/14/08	18,446,000	20,468,902	34,300,000	92,993	(92,993)	34,300,000	145	-0.3%	67.6%	7,008,589	20.4%	3/12/2019	(92,993)	Silicon Valley - Fremont
Silicon Valley - Milpitas	Milpitas	CA	Industrial	342,362	-	100%	11/14/08	26,646,000	30,091,110	49,500,000	38,740	661,260	50,200,000	147	1.3%	66.8%	10,631,274	21.2%	3/12/2019	661,260	Silicon Valley - Milpitas
TOTAL Silicon Valley Portfolio	*Fremont & Milpitas*	*CA*	*Industrial*	*578,504*	*-*	*100%*	*11/14/08*	*45,092,000*	*50,560,012*	*83,800,000*	*131,734*	*568,266*	*84,500,000*	*146*	*0.7%*	*67.1%*	*17,639,863*	*20.9%*	*3/12/2019*	*568,266*	*TOTAL Silicon Valley Portfolio*
Independence Corp Park	Greenville	SC	Office	296,246	-	100%	01/22/09	34,846,050	40,360,481	41,500,000	581,078	(1,381,078)	40,700,000	137	-3.3%	0.8%	18,344,854	45.1%	1/24/2024	(1,381,078)	Independence Corp Park
Riverview at Upper Landing	St Paul	MN	Multifamily	356,331	344	100%	03/18/09	43,500,000	45,494,883	78,300,000	152,030	(152,030)	78,300,000	227,616	-0.2%	72.1%	27,102,752	34.6%	4/1/2019	(152,030)	Riverview at Upper Landing
Oak Park	Oak Park	IL	Multifamily	105,648	125	100%	12/17/09	20,000,000	21,121,668	33,800,000	14,361	(114,361)	33,700,000	269,600	-0.3%	59.6%	11,000,000	32.6%	1/1/2020	(114,361)	Oak Park
1300 Franklin Ave	Garden City	NY	Healthcare	127,496	-	100%	10/01/10	62,575,000	64,683,205	76,900,000	(28,800)	(171,200)	76,700,000	602	-0.2%	18.6%	30,443,274	39.7%	10/1/2020	(171,200)	1300 Franklin Ave
Lots 50 & 58	Plainsboro	NJ	Office	-	-	13.5%	01/24/12	6,000,000	7,211,558	10,400,000	29,888	(29,888)	10,400,000		-0.3%	44.2%	-	0.0%		(4,035)	Lots 50 & 58
Vacaville Industrial	Vacaville	CA	Industrial	582,900	-	100%	09/25/12	30,200,000	32,083,384	38,200,000	-	100,000	38,300,000	66	0.3%	19.4%	13,436,800	35.1%	2/5/2022	100,000	Vacaville Industrial
Weymouth Woods	Weymouth	MA	Healthcare	68,621	-	100%	12/28/12	23,666,349	23,676,880	24,600,000	-	(100,000)	24,500,000	357	-0.4%	3.5%	15,502,097	63.3%	10/1/2017	(100,000)	Weymouth Woods
Westheimer	Houston	TX	Multifamily	233,502	244	100%	05/29/13	48,750,000	50,166,051	37,100,000	12,662	(2,612,662)	34,500,000	141,393	-7.0%	-31.2%	30,907,000	89.6%	6/1/2023	(2,612,662)	Westheimer
Belay	Seattle	WA	Multifamily	54,246	104	100%	09/11/13	27,650,000	28,308,385	27,600,000	9,382	(9,382)	27,600,000	265,385	0.0%	-2.5%	21,000,000	76.1%	9/10/2023	(9,382)	Belay
NOBA	Seattle	WA	Multifamily	28,430	51	100%	09/11/13	13,600,000	13,911,171	11,400,000	(500)	500	11,400,000	223,529	0.0%	-18.1%	-	0.0%		500	NOBA
TOTAL Belay and NOBA	*Seattle*	*WA*	*Multifamily*	*82,676*	*155*	*100%*	*09/11/13*	*41,250,000*	*42,219,556*	*39,000,000*	*8,882*	*(8,882)*	*39,000,000*	*251,613*	*0.0%*	*-7.6%*	*21,000,000*	*53.8%*	*9/10/2023*	*(8,882)*	*TOTAL Belay and NOBA*
Sawyer Heights	Houston	TX	Multifamily	307,402	326	100%	11/14/13	61,100,000	62,105,558	49,500,000	(21,370)	(1,978,630)	47,500,000	145,706	-4.0%	-23.5%	36,300,000	76.4%	12/1/2020	(1,978,630)	Sawyer Heights
Vine	Hoboken	NJ	Multifamily	154,668	135	9.9%	12/06/13	13,000,000	83,465,709	98,900,000	132,341	(132,341)	98,900,000	732,593	-0.1%	18.5%	53,852,504	54.5%	7/1/2018	113,183	Vine
Brigham Square	Arlington	MA	Multifamily	107,083	116	100%	12/30/13	50,500,000	51,063,004	53,300,000	24,813	575,187	53,900,000	464,655	1.1%	5.6%	24,003,000	44.5%	1/1/2021	575,187	Brigham Square
Westhaven	Seattle	WA	Multifamily	150,000	190	85%	03/27/14	27,438,432	29,812,594	45,400,000	180,895	(80,895)	45,500,000	239,474	-0.2%	52.6%	14,174,772	31.2%	8/1/2020	(5,139)	Westhaven
Regency Pines	Cary	NC	Office	124,944	-	93.34%	04/30/14	13,750,000	18,628,711	25,500,000	7,660	992,340	26,500,000	212	3.9%	42.3%	10,300,000	38.9%	8/31/2024	569,343	Regency Pines
University Building I	Phoenix	AZ	Industrial	116,078	-	90%	05/09/14	14,210,000	14,492,630	15,100,000	-	200,000	15,300,000	132	1.3%	5.6%	7,826,945	51.2%	5/8/2019		University Building I
University Building II	Phoenix	AZ	Industrial	52,027	-	90%	05/09/14	9,860,000	10,058,080	11,100,000	-	-	11,100,000	213	0.0%	10.4%	5,430,941	48.9%	5/8/2019		University Building II
Geneva Building	Tempe	AZ	Industrial	48,908	-	90%	05/09/14	4,930,000	5,032,257	5,400,000	-	-	5,400,000	110	0.0%	7.3%	2,715,471	50.3%	5/8/2019		Geneva Building
TOTAL Phoenix Tech Portfolio	*Phoenix*	*AZ*	*Industrial*	*217,013*	*-*	*90%*	*05/09/14*	*29,000,000*	*29,582,966*	*31,600,000*	*-*	*200,000*	*31,800,000*	*147*	*0.6%*	*7.5%*	*15,973,356*	*50.2%*	*5/8/2019*	*118,010*	*TOTAL Phoenix Tech Portfolio*
Pressler	Austin	TX	Multifamily	179,263	168	100%	05/29/14	41,500,000	41,983,598	44,400,000	16,359	683,641	45,100,000	268,452	1.5%	7.4%	21,920,000	48.6%	6/1/2021	683,641	Pressler
5th St Commons	Austin	TX	Multifamily	171,019	150	100%	05/29/14	39,500,000	40,071,545	45,200,000	154,981	(754,981)	44,600,000	297,333	-1.7%	11.3%	20,870,000	46.8%	6/1/2021	(754,981)	5th St Commons
TOTAL Pressler and 5th St Commons	*Austin*	*TX*	*Multifamily*	*350,282*	*318*	*100%*	*05/29/14*	*81,000,000*	*82,055,142*	*89,600,000*	*171,340*	*(71,340)*	*89,700,000*	*282,075*	*-0.1%*	*9.3%*	*42,790,000*	*47.7%*	*6/1/2021*	*(71,340)*	*TOTAL Pressler and 5th St Commons*
2900 Eisenhower Ave	Alexandria	VA	Office	59,778	-	100%	06/19/14	18,250,000	18,523,039	19,400,000	-	(100,000)	19,300,000	323	-0.5%	4.2%	9,125,000	47.3%	6/19/2024	(100,000)	2900 Eisenhower Ave
Niche 905	Chicago	IL	Multifamily	178,442	202	92.88%	06/25/14	1,600,000	72,154,206	95,100,000	(2,009,638)	2,009,638	95,100,000	470,792	2.2%	31.8%	38,456,012	40.4%	7/7/2019	1,811,038	Niche 905
Great Hills Corp	Austin	TX	Office	200,933	-	92.5%	06/27/14	35,199,000	38,470,042	44,400,000	181,899	(81,899)	44,500,000	221	-0.2%	15.7%	18,577,250	41.7%	6/27/2021		Great Hills Corp
Chancellor Centre	Austin	TX	Office	46,411	-	92.5%	06/27/14	6,597,000	7,520,628	9,500,000	(15,205)	115,205	9,600,000	207	1.2%	27.6%	3,481,750	36.3%	6/27/2021		Chancellor Centre
Stonecliff Office	Austin	TX	Office	66,027	-	92.5%	06/27/14	7,002,000	7,888,175	14,000,000	40,393	(40,393)	14,000,000	212	-0.3%	77.5%	3,695,500	26.4%	6/27/2021		Stonecliff Office
3307 Northland	Austin	TX	Office	98,888	-	92.5%	06/27/14	18,000,000	18,879,023	20,800,000	147,195	152,805	21,100,000	213	0.7%	11.8%	9,500,000	45.0%	6/27/2021		3307 Northland
Greystone Plaza	Austin	TX	Office	78,248	-	92.5%	06/27/14	16,002,000	17,101,197	20,000,000	51,975	(51,975)	20,000,000	256	-0.3%	17.0%	8,445,500	42.2%	6/27/2021		Greystone Plaza
Greystone Plaza II	Austin	TX	Office	47,318	-	92.5%	06/27/14	7,200,000	8,196,248	9,000,000	75,701	524,299	9,600,000	203	5.8%	17.1%	3,800,000	39.6%	6/27/2021		Greystone Plaza II
TOTAL Eurus Portfolio	*Austin*	*TX*	*Office*	*537,825*	*-*	*92.5%*	*06/27/14*	*90,000,000*	*98,055,313*	*117,700,000*	*481,958*	*618,042*	*118,800,000*	*221*	*0.5%*	*21.2%*	*47,500,000*	*40.0%*	*6/27/2021*	*723,275*	*TOTAL Eurus Portfolio*
700 Jackson	Hoboken	NJ	Multifamily	-	-	14.7%	06/30/14	32,220,000	76,761,972	63,200,000	14,877,177	22,823	78,100,000		0.0%	1.7%	-	0.0%		3,355	700 Jackson
Waterscape	Fairfield	CA	Multifamily	176,042	180	85%	06/30/14	26,000,000	29,352,786	34,100,000	62,684	(262,684)	33,900,000	188,333	-0.8%	15.5%	17,062,000	50.3%	6/30/2021	(87,333)	Waterscape
Watermill Center	Waltham	MA	Office	209,459	-	100%	08/27/14	55,015,706	60,538,728	66,100,000	927,322	(627,322)	66,400,000	317	-0.9%	9.7%	28,800,000	43.4%	11/10/2024	(627,322)	Watermill Center
Vue @ 3600	Richmond	CA	Multifamily	176,763	240	85%	08/28/14	38,800,000	44,455,455	42,500,000	(141,954)	741,954	43,100,000	179,583	1.8%	-3.0%	28,910,000	67.1%	9/1/2021	630,661	Vue @ 3600
Bristol 61	Culver City	CA	Office	75,598	-	90%	10/14/14	20,150,000	22,993,484	31,800,000	159,427	(159,427)	31,800,000	421	-0.5%	38.3%	15,000,000	47.2%	1/9/2018	(208,333)	Bristol 61
Midtown at Delray	Delray Beach	FL	Multifamily	191,897	116	100%	10/17/14	29,750,000	30,461,332	34,800,000	34,787	265,213	35,100,000	302,586	0.8%	15.2%	19,337,000	55.1%	11/1/2024	265,213	Midtown at Delray
Artessa at Quarry Village	San Antonio	TX	Multifamily	393,915	280	100%	11/25/14	105,000,000	107,707,310	109,000,000	194,559	(194,559)	109,000,000	389,286	-0.2%	1.2%	63,300,000	58.1%	12/1/2024	(194,559)	Artessa at Quarry Village
Elysian at Southern Highlands	Las Vegas	NV	Multifamily	333,246	255	81.185%	12/04/14	53,800,000	54,715,983	60,300,000	25,285	74,715	60,400,000	236,863	0.1%	10.4%	34,810,000	57.6%	7/1/2025	396,979	Elysian at Southern Highlands
Regency Creek	Cary	NC	Office	122,087	-	100%	01/23/15	21,620,908	21,782,858	21,200,000	-	200,000	21,400,000	175	0.9%	-1.8%	10,228,996	47.8%	10/1/2021	200,000	Regency Creek
Morris Corporate Center	Parsippany	NJ	Office	359,671	-	80%	02/03/15	29,250,000	30,423,997	26,700,000	7,236	(207,236)	26,500,000	74	-0.8%	-12.9%	-	0.0%		(165,788)	Morris Corporate Center

As of June 30, 2017											2Q17				incl CapEx						
Property Name	City	State	Property Type	Current SF	Current units	Fund Own. %	Acquisition Date	Acquisition Price	Total Cost at 6/30/17	Market Value at 3/31/17	Capital Additions	Unrealized Gain/(Loss)	Market Value at 6/30/17	MV per SF/Unit	% Incr/(Decr) from 1Q17 MV	% Incr/(Decr) from Total Cost	Debt Balance	LTV Fund Own %	Debt Maturity Date	US REIF's share Current Qtr Unrealized Gain/(Loss)	Property Name
Saratoga Downs	Napa	CA	Multifamily	217,122	178	80%	02/06/15	58,050,000	58,984,801	61,900,000	143,451	(943,451)	61,100,000	343,258	-1.5%	3.6%	38,731,000	63.4%	3/1/2025	(144,353)	Saratoga Downs
2830 Orbiter Street	Brea	CA	Industrial	101,420	-	100%	02/09/15	14,000,000	14,295,725	11,800,000	-	2,175,000	13,975,000	138	18.4%	-2.2%	-	0.0%		2,175,000	2830 Orbiter Street
100 Cambridge	Boston	MA	Office	599,696	-	100%	03/17/15	279,600,000	288,812,020	322,500,000	2,793,648	206,352	325,500,000	543	0.1%	12.7%	135,000,000	41.5%	4/10/2025	206,352	100 Cambridge
Madison Park	Anaheim	CA	Multifamily	484,536	768	95%	03/31/15	133,217,045	142,585,657	148,800,000	789,273	1,410,727	151,000,000	312	0.9%	5.9%	87,813,000	58.2%	4/1/2025	1,899,771	Madison Park
Jefferson Hotel	Chicago	IL	Hotel	264,134	336	90%	04/08/15	10,000,000	90,000,000	98,100,000	567,238	(467,238)	98,200,000	292,262	-0.5%	9.1%	59,072,221	60.2%	11/6/2019	(427,633)	Jefferson Hotel
Burnet Flats	Austin	TX	Multifamily	145,205	179	100%	05/11/15	36,750,000	37,017,536	34,700,000	19,839	680,161	35,400,000	197,765	2.0%	-4.4%	20,439,000	57.7%	6/1/2025	680,161	Burnet Flats
6300 Wilshire Blvd.	Los Angeles	CA	Office	392,118	-	80%	05/21/15	148,827,451	161,370,996	167,900,000	3,574,439	(674,439)	170,800,000	436	-0.4%	5.8%	72,213,510	42.3%	5/21/2020	(335,892)	6300 Wilshire Blvd.
Brackett	Edmonds	WA	Multifamily	317,570	386	85%	06/01/15	68,950,000	74,208,389	81,800,000	533,197	2,666,803	85,000,000	220,207	3.2%	14.5%	45,513,000	53.5%	6/1/2025	1,974,884	Brackett
645 H Street	Washington	DC	Office	84,724	-	100%	06/03/15	51,400,000	52,631,787	58,300,000	(20,887)	120,887	58,400,000	689	0.2%	11.0%	28,050,000	48.0%	6/3/2025	120,887	645 H Street
The Alexandar	Santa Rosa	CA	Multifamily	211,048	287	85%	07/30/15	59,000,000	63,642,203	62,010,000	314,934	275,066	62,600,000	218,118	0.4%	-1.6%	38,350,000	61.3%	7/30/2022	233,806	The Alexandar
One Coach Way	Jacksonville	FL	Industrial	851,696	-	100%	07/31/15	90,500,000	90,855,079	90,900,000	-	200,000	91,100,000	107	0.2%	0.3%	46,000,000	50.5%	7/31/2022	200,000	One Coach Way
Alvista Falls	Westminster	CO	Multifamily	340,674	444	93%	09/09/15	72,487,916	76,707,637	80,500,000	528,357	(1,128,357)	79,900,000	179,955	-1.4%	4.2%	47,500,000	59.4%	3/1/2022	(364,199)	Alvista Falls
The Catherine	Scottsdale	AZ	Multifamily	549,493	539	90%	10/01/15	95,750,000	102,400,284	98,800,000	656,150	543,850	100,000,000	185,529	0.5%	-2.3%	57,450,000	57.5%	10/1/2022	489,465	The Catherine
Hacienda Heights	Hacienda Heights	CA	Multifamily	277,250	350	95%	11/19/15	81,500,000	85,137,079	83,900,000	418,381	(718,381)	83,600,000	238,857	-0.9%	-1.8%	51,140,000	61.2%	12/1/2025	(682,462)	Hacienda Heights
The Bridge	Hayward	CA	Multifamily	452,020	544	95%	12/17/15	156,571,617	159,829,298	163,300,000	737,873	1,962,127	166,000,000	305,147	1.2%	3.9%	104,983,000	63.2%	7/1/2022	1,950,859	The Bridge
Motif	Woodland Hills	CA	Multifamily	419,290	395	95%	12/18/15	163,000,000	164,018,867	165,500,000	183,671	(683,671)	165,000,000	417,722	-0.4%	0.6%	103,114,000	62.5%	1/1/2026	(268,739)	Motif
Parmer Business Park	Austin	TX	Office	256,737	-	95%	01/15/16	55,550,000	55,871,908	59,800,000	170	499,830	60,300,000	235	0.8%	7.9%	26,904,725	44.6%	1/15/2021	467,511	Parmer Business Park
Nolina Flats	Austin	TX	Multifamily	270,264	288	90%	01/20/16	32,975,000	34,877,436	36,300,000	165,137	(165,137)	36,300,000	126,042	-0.5%	4.1%	20,453,000	56.3%	2/1/2023	-	Nolina Flats
Abelia Flats	Austin	TX	Multifamily	388,754	444	90%	01/20/16	47,550,000	49,897,592	52,500,000	372,389	(372,389)	52,500,000	118,243	-0.7%	5.2%	29,297,000	55.8%	2/1/2023	-	Abelia Flats
TOTAL Nolina and Abelia Flats	*Austin*	*TX*	*Multifamily*	*659,018*	*732*	*90%*	*01/20/16*	*80,525,000*	*84,775,028*	*88,800,000*	*537,525*	*(537,525)*	*88,800,000*	*121,311*	*-0.6%*	*4.7%*	*49,750,000*	*56.0%*	*2/1/2023*	*(69,446)*	*TOTAL Nolina and Abelia Flats*
Plaza on the Lake	Austin	TX	Office	236,561	-	100%	04/01/16	74,700,000	75,930,852	75,700,000	90,475	409,525	76,200,000	322	0.5%	0.4%	37,625,000	49.4%	4/1/2026	409,525	Plaza on the Lake
Morrison and Roxborough	Charlotte	NC	Office	178,930	-	92%	04/11/16	35,500,000	37,040,527	37,400,000	990,623	(890,623)	37,500,000	210	-2.3%	1.2%	20,220,106	53.9%	4/11/2026	(672,157)	Morrison and Roxborough
Apollo at Rosecrans	El Segundo	CA	Office	546,229	-	100%	05/06/16	316,245,694	317,277,500	335,500,000	-	1,500,000	337,000,000	617	0.4%	6.2%	98,175,000	29.1%	7/1/2026	1,500,000	Apollo at Rosecrans
One Canal Park	Cambridge	MA	Office	100,594	-	100%	05/09/16	72,960,000	75,462,966	83,000,000	13,508	286,493	83,300,000	828	0.3%	10.4%	22,080,000	26.5%	5/9/2021	286,493	One Canal Park
Two Canal Park	Cambridge	MA	Office	206,313	-	100%	05/09/16	155,040,000	156,529,497	197,300,000	782,619	1,617,381	199,700,000	968	0.8%	27.6%	46,920,000	23.5%	5/9/2021	1,617,381	Two Canal Park
Ten Canal Park	Cambridge	MA	Office	118,285	-	100%	05/09/16	76,000,000	76,325,080	101,400,000	-	2,200,000	103,600,000	876	2.2%	35.7%	23,000,000	22.2%	5/9/2021	2,200,000	Ten Canal Park
TOTAL Canal Park	*Cambridge*	*MA*	*Office*	*425,192*	*-*	*100%*	*05/09/16*	*304,000,000*	*308,317,543*	*381,700,000*	*796,126*	*4,103,874*	*386,600,000*	*909*	*1.1%*	*25.4%*	*92,000,000*	*23.8%*	*5/9/2021*	*4,103,874*	*TOTAL Canal Park*
On the Green	Mukilteo	WA	Multifamily	272,474	294	90%	06/09/16	65,665,359	67,882,408	69,600,000	205,800	294,200	70,100,000	238,435	0.4%	3.3%	42,485,000	60.6%	6/1/2023	337,681	On the Green
3055 Orchard Drive	San Jose	CA	Office	111,285	-	100%	06/17/16	36,458,750	37,388,469	38,100,000	703,468	2,496,532	41,300,000	371	6.4%	10.5%	9,325,000	22.6%	6/17/2019	2,496,532	3055 Orchard Drive
60 South Market Street	San Jose	CA	Office	235,499	-	95%	07/25/16	87,602,535	90,715,790	106,100,000	330,470	1,469,530	107,900,000	458	1.4%	18.9%	43,500,000	40.3%	7/25/2026	1,430,188	60 South Market Street
Walnut Glen	Dallas	TX	Office	464,289	-	92.5%	09/09/16	73,000,000	73,760,791	74,900,000	131,542	4,568,458	79,600,000	171	6.1%	7.9%	29,600,000	37.2%	9/9/2019	2,631,066	Walnut Glen
Riverwalk at Happy Valley	Happy Valley	OR	Multifamily	350,910	390	95%	09/29/16	76,000,000	76,937,077	76,600,000	287,391	912,609	77,800,000	199,487	1.2%	1.1%	50,920,000	65.4%	9/29/2026	1,089,457	Riverwalk at Happy Valley
Legacy Tower	Plano	TX	Office	342,033	-	100%	10/03/16	134,216,618	135,200,128	136,000,000	(3,005)	4,203,005	140,200,000	410	3.1%	3.7%	54,000,000	38.5%	10/3/2026	4,203,005	Legacy Tower
Fairfield Industrial I	Fairfield	NJ	Industrial	92,285	-	92.34%	10/05/16	8,974,489	9,137,347	8,700,000	48,738	(148,738)	8,600,000	93	-1.7%	-5.9%	3,246,686	37.8%	10/5/2026	-	Fairfield Industrial I
Fairfield Industrial II & III	Fairfield	NJ	Industrial	189,627	-	92.34%	10/05/16	23,162,705	23,468,364	22,400,000	11,213	(11,213)	22,400,000	118	-0.1%	-4.6%	7,261,405	32.4%	10/5/2026	-	Fairfield Industrial II & III
Fairfield Industrial IV	Fairfield	NJ	Industrial	125,692	-	92.34%	10/05/16	11,421,855	11,568,388	13,300,000	1,338	298,662	13,600,000	108	2.2%	17.6%	4,782,752	35.2%	10/5/2026	-	Fairfield Industrial IV
Pine Brook A&B	Pine Brook	NJ	Industrial	182,589	-	92.34%	10/05/16	20,317,392	20,594,878	21,300,000	1,488	(1,488)	21,300,000	117	0.0%	3.4%	7,051,941	33.1%	10/5/2026	-	Pine Brook A&B
Pine Brook C	Pine Brook	NJ	Industrial	133,563	-	92.34%	10/05/16	14,223,559	14,608,852	13,800,000	(58,334)	158,334	13,900,000	104	1.2%	-4.9%	4,992,216	35.9%	10/5/2026	-	Pine Brook C
TOTAL I-80 Industrial Portfolio	*Fairfield/Pine Brook*	*NJ*	*Industrial*	*723,756*	*-*	*92.34%*	*10/05/16*	*78,100,000*	*79,377,829*	*79,500,000*	*4,442*	*295,558*	*79,800,000*	*110*	*0.4%*	*0.5%*	*27,335,000*	*34.3%*	*10/5/2026*	*355,006*	*TOTAL I-80 Industrial Portfolio*
Minneapolis/St Paul Airport Hotel	Minneapolis	MN	Hotel	-	-	90%	10/21/16	-	30,163,543	21,700,000	11,663,543	1,136,457	34,500,000		3.4%	14.4%	-	0.0%		833,051	Minneapolis/St Paul Airport Hotel
8080 NCX Office Tower	Dallas	TX	Office	289,457	-	94%	11/29/16	58,450,000	59,035,871	59,200,000	122,824	2,577,176	61,900,000	214	4.3%	4.9%	23,600,000	38.1%	12/1/2026	1,656,020	8080 NCX Office Tower
1000 Mass Ave	Cambridge	MA	Office	107,820	-	100%	12/16/16	72,112,500	72,600,700	72,500,000	203,000	(603,000)	72,100,000	669	-0.8%	-0.7%	-	0.0%		(603,000)	1000 Mass Ave
Morning View Terrace	Escondido	CA	Multifamily	238,052	326	95%	12/19/16	48,920,000	50,904,453	50,800,000	206,959	(6,959)	51,000,000	156,442	0.0%	0.2%	33,072,000	64.8%	12/19/2027	470,555	Morning View Terrace
Terrace Gardens	Escondido	CA	Multifamily	174,828	225	95%	12/19/16	35,500,000	37,033,289	36,300,000	142,192	57,808	36,500,000	162,222	0.2%	-1.4%	23,614,000	64.7%	12/19/2027	388,900	Terrace Gardens
TOTAL Terrace Portfolio	*Escondido*	*CA*	*Multifamily*	*412,880*	*551*	*95%*	*12/19/16*	*84,420,000*	*87,937,742*	*87,100,000*	*349,151*	*50,849*	*87,500,000*	*158,802*	*0.1%*	*-0.5%*	*56,686,000*	*64.8%*	*12/19/2027*	*859,455*	*TOTAL Terrace Portfolio*
Broadway at Surf	Chicago	IL	Retail	134,285	-	90%	12/22/16	30,300,000	31,257,332	30,400,000	241,115	58,885	30,700,000	229	0.2%	-1.8%	15,150,000	49.3%	12/22/2021	62,140	Broadway at Surf
1100 Broadway	Oakland	CA	Office	-	-	95%	03/14/17	9,500,000	11,779,887	10,305,766	1,474,121	20,113	11,800,000		0.2%	0.2%	-	0.0%		(321,516)	1100 Broadway
2280 North Greenville	Richardson	TX	Office	228,506	-	100%	05/25/17	52,650,000	52,888,438	-	-	-	52,888,438	231		0.0%	20,000,000	37.8%	5/25/2007	-	2280 North Greenville
Echo Lake	Shoreline	WA	Multifamily	245,915	289	90%	05/31/17	85,500,000	86,085,268	-	-	-	86,085,268	297,873		0.0%	51,000,000	59.2%	7/1/2027	-	Echo Lake
Letter of Credit																	-				
Total - Unrealized Assets				**22,835,746**	**10,737**			**5,208,887,165**	**5,814,688,552**	**6,057,300,741**	**51,376,802**	**30,596,371**	**6,278,247,621**		**0.5%**	**8.0%**	**2,574,650,629**	**40.8%**		**32,954,203**	

Notes: All values represent 100% ownership figures, except where noted. Acquisition price includes adjustments for assumed loans at the time of purchase.

Property Name	City	State	Property Type	SF	Units	Fund Own. %	Acquisition Date	Acquisition Price	Total Cost	Sale Date	Sale Price	Sales Price per SF/unit	U.S. REIF IRR	U.S. REIF Multiple
Realized Investments														
Silicon Valley - Mabury	San Jose	CA	Industrial	217,825		100%	11/14/08	22,796,000	23,444,969	4/30/2012	25,036,495	115	6.2%	1.2
Westport Plaza	St Louis	MO	Office	699,679		98%	11/05/07	84,700,000	90,625,517	6/28/2012	33,000,000	47	N/A	0.1
Golden Town Center	Golden	CO	Retail	117,882		100%	06/29/07	19,350,000	20,057,927	11/22/2013	19,015,000	161	3.1%	1.1
800 Scudders Mill Rd	Plainsboro	NJ	Office	731,104		15%	07/28/11	35,000,000	203,856,310	8/11/2016	305,000,000	417	16.2%	2.0
1200 Shermer Road	Northbrook	IL	Office	80,811		100%	08/15/07	15,000,000	16,790,374	11/1/2016	9,800,000	121	-16.2%	0.5
Breakpointe	Isla Vista	CA	Student Housing	71,534	94	100%	05/17/10	27,504,261	28,190,667	1/19/2017	33,800,000	359,574	6.0%	1.4
Coronado	Isla Vista	CA	Student Housing	42,275	55	100%	05/17/10	14,995,739	15,545,987	1/19/2017	18,200,000	330,909	5.0%	1.3
TOTAL Breakpointe and Coronado	*Isla Vista*	*CA*	*Student Housing*	*113,809*	*149*	*100%*	*05/17/10*	*42,500,000*	*43,736,655*	*1/19/2017*	*52,000,000*	*348,993*	*5.8%*	*1.4*
The Madison at Racine	Chicago	IL	Multifamily	191,703	216	90%	08/30/12	2,500,000	62,499,444	3/14/2017	99,600,000	461,111	28.5%	2.5
Tucson - Medina II	Tucson	AZ	Industrial	46,709		100%	11/10/08	4,194,442	4,740,349	6/15/2017	6,072,170	130	16.0%	2.4
Virginia Crossings Resort	Glen Allen	VA	Hotel	190,474	183	93%	05/06/08	18,000,000	24,058,432	6/21/2017	18,000,000	98,361	-0.8%	1.0

As a part of the sale of 800 Scudders, the Fund gave the buyer a credit of $8.5M for a tenant improvement allowance owed on Mandatory Space. There was an additional $7.1M placed into escrow that will be released monthly, based upon an eight year amortization schedule, to the buyer if the Tenant does not lease the Optional Expansion Space. If the Tenant does lease the Optional Expansion space, the escrow will be released to the Fund and the buyer will pay up to an additional $23M depending on how much space is leased and in what year rent commences.

US REIF Historical Quarterly Data

All total percentages are weighted by Fund share of Market Value

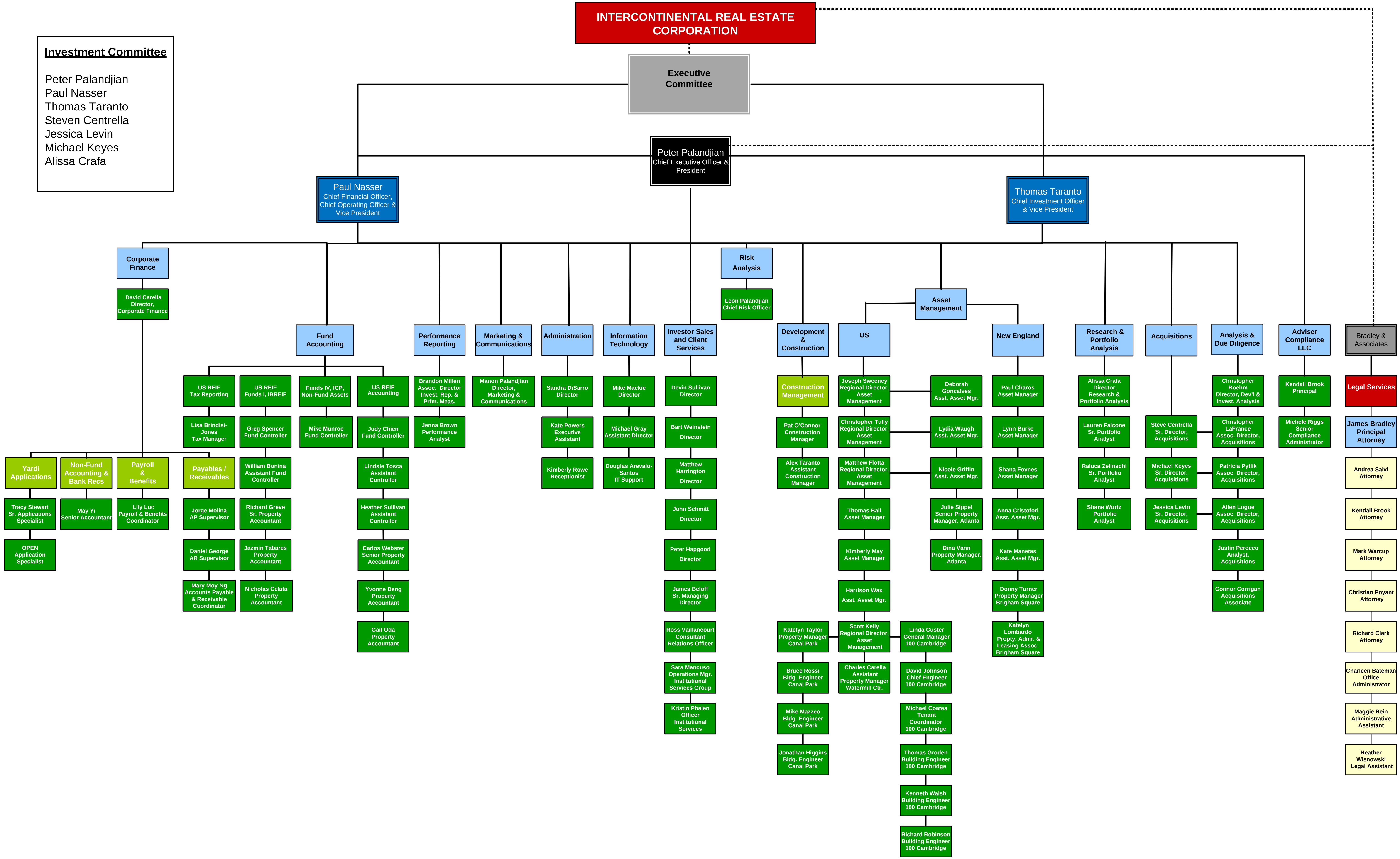
EXIT CAP RATES

=appraisal figures

Prop ID	Property	Type	Region	City	State	Acq Date	Current SF	Cur Units	PP	$/SF or unit	% Own	Acq Exit Cap	Acq Disc Rate	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	Property
559	Silicon Valley - Mabury	Industrial	West	San Jose	CA	11/14/08	217,825		22,890,798	105	100%	7.50%	9.50%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	7.50%	7.50%	SOLD	SOLD	SOLD	SOLD	SOLD	SOLD	SOLD	SOLD	SOLD	SOLD	SOLD	SOLD	SOLD	SOLD	SOLD	SOLD	SOLD	SOLD	SOLD	SOLD	SOLD	Silicon Valley - Mabury
530-539	Westport Plaza	Office	Midwest	St Louis	MO	11/05/07	699,679		84,700,000	121	97.6%	8.50%	9.60%	8.50%	8.50%	8.50%	8.50%	8.50%	9.25%	9.25%	9.25%	9.25%	SOLD	SOLD	SOLD	SOLD	SOLD	SOLD	SOLD	SOLD	SOLD	SOLD	SOLD	SOLD	SOLD	SOLD	SOLD	SOLD	SOLD	SOLD	SOLD	SOLD	SOLD	Westport Plaza
517	Golden Town Center	Retail	West	Golden	CO	06/29/07	117,882		19,350,000	164	100%	7.00%	7.60%	9.75%	9.00%	9.00%	9.00%	9.00%	8.75%	8.75%	8.50%	8.00%	8.00%	8.00%	7.75%	7.75%	7.75%	7.25%	SOLD	SOLD	SOLD	SOLD	SOLD	SOLD	SOLD	SOLD	SOLD	SOLD	SOLD	SOLD	SOLD	SOLD	SOLD	Golden Town Center
.scud	800 Scudders Mill Rd.	Office	East	Plainsboro	NJ	07/28/11	731,104		35,000,000	45	14.925%	6.50%	8.92%							6.50%	6.50%	6.50%	6.50%	6.50%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	6.75%	6.75%	6.75%	SOLD	SOLD	SOLD	SOLD	800 Scudders Mill Rd.
512	1200 Shermer Rd	Office	Midwest	Northbrook	IL	08/15/07	80,811		15,000,000	186	100%	7.75%	7.71%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	7.75%	7.75%	7.75%	7.75%	9.00%	9.00%	9.00%	9.00%	8.75%	SOLD	SOLD	SOLD	1200 Shermer Rd
565	Breakpointe	Student Housing	West	Isla Vista	CA	05/17/10	71,534	94	27,504,261	286,503	100%	7.00%	8.19%		7.00%	7.00%	7.00%	7.00%	N/A	N/A	N/A	N/A	5.625%	5.625%	5.625%	5.625%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	4.75%	SOLD	SOLD	Breakpointe
566	Coronado	Student Housing	West	Isla Vista	CA	05/17/10	42,275	55	14,995,739	272,650	100%	7.00%	8.19%		7.00%	7.00%	7.00%	7.00%	N/A	N/A	N/A	N/A	5.625%	5.625%	5.625%	5.625%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	4.75%	SOLD	SOLD	Coronado
507	The Madison at Racine	Multifamily	Midwest	Chicago	IL	08/30/12	191,703	216	3,300,000		90%	N/A	N/A											N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5.75%	5.75%	5.75%	5.50%	5.25%	5.00%	5.00%	5.00%	5.00%	SOLD	SOLD	The Madison at Racine
583b	Tucson Tech - Medina II	Industrial	West	Tucson	AZ	11/10/08	46,709		4,194,442	90	100%	9.00%	10.25%	9.00%	9.00%	9.00%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.25%	8.25%	8.25%	8.25%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	9.00%	9.00%	SOLD	Tucson Tech - Medina II
505-506	Virginia Crossing	Hotel	East	Glen Allen	VA	05/06/08	190,474	183	18,000,000	98,361	92.6%	9.50%	11.00%	11.75%	11.00%	11.00%	11.00%	11.00%	9.25%	9.25%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	8.75%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.25%	8.25%	8.00%	8.00%	8.25%	9.25%	9.25%	SOLD	Virginia Crossing
510	Park Place	Retail	Midwest	Palatine	IL	01/30/07	224,464		24,000,000	104	100%	7.75%	7.60%	8.75%	8.75%	8.75%	8.75%	8.50%	8.50%	8.50%	8.25%	8.25%	8.25%	8.25%	8.50%	8.50%	8.50%	8.50%	9.00%	9.00%	9.00%	9.00%	8.75%	8.75%	8.75%	8.75%	8.50%	8.50%	8.50%	8.50%	9.00%	9.75%	9.75%	Park Place
540	400 Capital Blvd	Office	East	Rocky Hill	CT	04/02/07	103,124		15,450,000	150	100%	8.00%	7.80%	9.25%	9.25%	9.25%	9.25%	8.50%	8.50%	8.50%	7.50%	7.50%	7.50%	7.50%	7.75%	7.75%	7.75%	7.75%	7.50%	7.25%	7.25%	7.25%	7.00%	7.75%	7.75%	7.75%	7.75%	7.75%	7.50%	7.50%	7.50%	7.75%	7.25%	400 Capital Blvd
591	Joliet	Retail	Midwest	Joliet	IL	06/21/07	238,677		29,000,000	122	100%	7.25%	10.10%	8.75%	9.00%	9.00%	9.00%	9.00%	8.75%	8.75%	8.50%	8.25%	8.25%	8.25%	8.00%	7.75%	7.75%	7.75%	7.50%	7.50%	7.50%	7.50%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	Joliet
592	Joliet - land	Retail	Midwest	Joliet	IL	06/21/07	-		1,000,000		100%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Joliet - land
581	Somerset Court	Office	East	Waltham	MA	08/27/07	67,401		13,575,000	200	100%	7.50%	9.80%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	7.75%	7.75%	7.75%	7.75%	7.50%	7.50%	7.50%	7.50%	7.50%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	6.75%	6.75%	6.50%	6.50%	6.50%	6.50%	6.50%	Somerset Court
521	Parkway	Retail	Midwest	Bloomington	IL	09/13/07	217,295		24,000,000	113	100%	7.50%	8.20%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.00%	8.00%	8.00%	8.00%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	Parkway
547	4700 Falls	Office	East	Raleigh	NC	09/13/07	173,831		33,000,000	190	100%	7.25%	8.70%	9.50%	9.50%	10.00%	10.00%	10.00%	10.00%	9.00%	9.00%	9.00%	9.00%	9.00%	8.75%	8.75%	8.75%	8.00%	8.00%	8.00%	8.00%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	4700 Falls
525	325 N. Old Woodward	Office	Midwest	Birmingham	MI	12/19/07	102,620		37,676,464	367	100%	7.50%	8.80%	9.50%	9.50%	9.50%	8.25%	8.25%	8.25%	8.25%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	325 N. Old Woodward
567	Parker Ranch	Retail	West	Kamuela	HI	12/20/07	146,172		45,800,000	320	90%	6.50%	10.30%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	7.75%	7.75%	7.75%	7.75%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.25%	7.25%	7.25%	7.25%	7.00%	7.00%	6.75%	6.75%	6.50%	6.50%	6.50%	6.50%	6.50%	Parker Ranch
520	Northpoint	Office	South	Austin	TX	01/08/08	151,126		31,100,000	206	100%	7.75%	9.50%	9.00%	9.00%	9.00%	9.00%	8.00%	8.00%	8.00%	7.75%	7.75%	7.75%	7.75%	7.75%	7.50%	7.50%	7.50%	7.25%	7.00%	7.00%	7.00%	7.00%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	Northpoint
561-563	Locke Drive	Industrial	East	Marlborough	MA	02/01/08	295,700		29,100,000	98	100%	8.00%	8.60%	8.00%	8.00%	8.00%	8.00%	8.75%	8.75%	8.75%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.00%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	Locke Drive
588-589	Lakeside Commons	Office	South	Atlanta	GA	02/21/08	524,175		102,800,000	200	100%	7.50%	9.10%	8.50%	8.50%	8.50%	8.50%	8.25%	8.25%	8.25%	8.25%	8.00%	8.00%	8.00%	8.00%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.50%	7.50%	7.50%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	Lakeside Commons
502-503	BayNorth - Cordia	Senior Living	Midwest	Westmont	IL	05/19/08	108,668	116	31,500,000	63,508	100%	8.45%	10.26%	9.00%	9.00%	9.00%	9.00%	8.50%	8.50%	8.50%	8.25%	8.25%	8.00%	8.00%	8.00%	8.00%	7.75%	7.75%	7.50%	7.50%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	BayNorth - Cordia
598-599	International Village	Multifamily	Midwest	Bloomington	MN	08/05/08	274,529	353	30,100,000	85,269	100%	7.00%	8.24%	7.25%	7.00%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	7.00%	7.00%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	International Village
543-546	Marine Lumber	Operating Co	East	Nantucket	MA	08/22/08			36,007,583		100%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Marine Lumber
571-574	BayNorth - Watermark	Senior Living	East	Blue Bell, Media, E. Longmeado	PA,MA,DE	08/26/08	296,470	380	83,000,000	216,146	95%	8.45%	10.26%	9.43%	9.44%	9.44%	9.44%	8.95%	8.95%	8.95%	8.79%	8.79%	8.56%	8.56%	8.55%	8.55%	8.55%	8.55%	8.17%	8.17%	8.17%	7.67%	7.69%	7.69%	7.73%	7.73%	7.68%	7.68%	7.68%	7.68%	7.68%	7.68%	7.70%	BayNorth - Watermark
523	Capitol Center	Office	East	Columbia	SC	09/05/08	460,020		47,500,000	103	37.6%	9.00%	10.00%	9.00%	9.00%	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%	8.75%	8.50%	8.50%	8.50%	8.50%	8.25%	8.25%	8.25%	8.25%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.50%	Capitol Center
541	Lake Forest Village	Retail	West	Lake Forest	CA	10/20/08	119,689		38,456,000	322	100%	6.75%	9.00%	7.75%	7.75%	7.75%	7.50%	7.50%	7.50%	7.50%	7.75%	7.75%	7.75%	7.75%	7.50%	7.50%	7.50%	7.50%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	6.50%	6.50%	6.25%	Lake Forest Village
514-515	Central Plaza	Office	East	Cambridge	MA	10/30/08	172,186		31,635,000	190	100%	7.50%	10.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.00%	7.00%	7.00%	7.00%	6.50%	6.50%	6.50%	6.50%	6.00%	6.00%	6.00%	6.00%	6.25%	6.25%	6.25%	6.25%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	Central Plaza
582-583	Tucson Tech	Industrial	West	Tucson	AZ	11/10/08	571,788		42,018,106	75	100%	9.00%	10.25%	9.00%	9.00%	9.00%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.25%	8.25%	8.25%	8.25%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	9.00%	9.00%	9.00%	Tucson Tech
557	Silicon Valley - Fremont	Industrial	West	Fremont	CA	11/14/08	236,142		18,446,000	78	100%	7.50%	9.50%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	7.50%	7.50%	7.50%	7.50%	7.00%	7.00%	7.00%	7.00%	6.50%	6.50%	6.50%	6.50%	6.00%	6.25%	6.25%	6.25%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	Silicon Valley - Fremont
558	Silicon Valley - Milpitas	Industrial	West	Milpitas	CA	11/14/08	342,362		26,646,000	78	100%	7.50%	9.50%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	7.50%	7.50%	7.50%	7.50%	7.00%	7.00%	7.00%	7.00%	6.50%	6.50%	6.50%	6.50%	5.75%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	Silicon Valley - Milpitas
511	Independence Corp Park	Office	East	Greenville	SC	01/22/09	296,246		34,846,050	118	100%	9.75%	9.50%	9.75%	9.75%	9.75%	9.50%	9.50%	9.50%	9.50%	9.25%	9.25%	9.25%	9.25%	9.00%	9.00%	9.00%	9.00%	8.75%	8.75%	8.75%	8.75%	8.50%	8.50%	8.50%	8.50%	8.25%	8.00%	8.00%	8.00%	8.25%	8.25%	8.25%	Independence Corp Park
556	Riverview at Upper Landing	Multifamily	Midwest	St Paul	MN	03/02/09	356,331	344	43,500,000	126,453	100%	8.00%	9.00%	7.25%	7.25%	6.75%	6.75%	6.75%	6.75%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.00%	5.75%	5.75%	6.00%	6.00%	6.00%	6.00%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	Riverview at Upper Landing
508	Oak Park	Multifamily	Midwest	Oak Park	IL	12/17/09	105,648	125	20,000,000	160,000	100%	6.50%	8.75%	6.50%	6.50%	6.50%	6.25%	6.25%	6.25%	6.25%	5.75%	5.75%	5.75%	5.75%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	Oak Park
513	1300 Franklin Ave	Healthcare	East	Garden City	NY	10/01/10	127,496		62,575,000	499	100%	6.50%	7.10%				6.50%	6.50%	6.50%	6.50%	7.25%	7.25%	7.25%	7.25%	6.50%	6.50%	6.50%	6.50%	6.00%	6.00%	6.00%	6.00%	5.75%	5.75%	5.75%	5.75%	5.50%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	1300 Franklin Ave
668	Lots 50&58	Office	East	Plainsboro	NJ	01/24/12	-		6,000,000		13.5%	N/A	N/A									N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Lots 50&58
553	Vacaville Industrial	Industrial	West	Vacaville	CA	09/23/12	582,900		30,200,000	52	100%	7.75%	8.90%											7.75%	7.75%	7.75%	7.75%	7.00%	7.00%	7.00%	7.00%	7.25%	7.25%	7.25%	7.25%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.25%	6.25%	Vacaville Industrial
585	Weymouth Woods	Healthcare	East	Weymouth	MA	12/28/12	68,621		22,800,000	332	100%	7.25%	7.44%												7.00%	7.00%	7.00%	7.00%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.00%	7.00%	6.75%	6.75%	7.00%	7.00%	7.00%	Weymouth Woods
519	Westheimer	Multifamily	South	Houston	TX	05/29/13	233,502	244	48,750,000	199,795	100%	6.00%	6.54%														6.00%	6.00%	6.00%	6.00%	5.75%	5.75%	5.75%	5.50%	5.50%	5.50%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	Westheimer
526	Belay	Multifamily	West	Seattle	WA	09/11/13	54,246	104	27,650,000	265,865	100%	5.00%	6.61%															5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	Belay
527	NOBA	Multifamily	West	Seattle	WA	09/11/13	28,430	51	13,600,000	266,667	100%	5.00%	6.61%															5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	NOBA
524	Sawyer Heights	Multifamily	South	Houston	TX	11/14/13	307,402	326	61,600,000	188,957	100%	6.00%	6.80%																6.00%	6.00%	6.00%	6.00%	5.75%	5.75%	5.75%	5.75%	5.50%	5.50%	5.50%	5.50%	5.75%	5.75%	5.75%	Sawyer Heights
690	Vine (fka 900 Monroe)	Multifamily	East	Hoboken	NJ	12/06/13	154,668	135	13,000,000		9.9%	N/A	N/A																N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5.00%	5.00%	5.00%	N/A	5.00%	Vine (fka 900 Monroe)
529^529r	Brigham Square	Multifamily	East	Arlington	MA	12/30/13	107,083	116	50,500,000	435,345	100%	5.35%	7.01%																5.35%	5.35%	5.35%	5.35%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	Brigham Square
522	Westhaven	Multifamily	West	Seattle	WA	03/27/14	150,000	190	27,000,000	142,105	85%	5.50%	8.56%																	5.50%	5.50%	5.50%	5.50%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	Westhaven
528	Regency Pines	Office	East	Cary	NC	04/30/14	124,944		13,750,000	110	93.34%	8.50%	9.25%																		8.50%	8.00%	8.00%	8.00%	8.00%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.25%	7.25%	Regency Pines
5001	3601 E. University Dr	Industrial	West	Phoenix	AZ	05/09/14	116,078		14,210,000	122	90%	8.00%	7.89%																		8.00%	8.00%	8.00%	8.00%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.50%	7.50%	3601 E. University Dr
5002	3701 E. University Dr	Industrial	West	Phoenix	AZ	05/09/14	52,027		9,860,000	190	90%	8.00%	7.89%																		8.00%	8.00%	8.00%	8.00%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.50%	7.50%	3701 E. University Dr
5003	405 W Geneva Dr	Industrial	West	Tempe	AZ	05/09/14	48,908		4,930,000	101	90%	8.00%	7.89%																		8.00%	8.00%	8.00%	8.00%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.50%	7.50%	405 W Geneva Dr
593 - 593r	Pressler	Multifamily	South	Austin	TX	05/29/14	179,263	168	41,500,000	247,024	100%	5.50%	7.06%																		5.50%	5.50%	5.50%	5.50%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	5.00%	4.75%	Pressler
594 - 594r	5th St Commons	Multifamily	South	Austin	TX	05/29/14	171,019	150	39,500,000	263,333	100%	5.50%	7.59%																		5.50%	5.50%	5.50%	5.50%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	4.75%	5.00%	4.75%	5th St Commons
509	2900 Eisenhower Ave	Office	East	Alexandria	VA	06/19/14	59,778		18,250,000	305	100%	7.50%	8.10%																		7.50%	7.50%	7.50%	7.50%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	2900 Eisenhower Ave
564	Niche 905	Multifamily	Midwest	Chicago	IL	06/26/14	178,442	202	1,600,000		92.88%	N/A	N/A																		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5.00%	5.00%	Niche 905
576a,b,c	Great Hills Corp	Office	South	Austin	TX	06/27/14	200,933		35,199,000	175	92.5%	7.50%	8.25%																		7.50%	7.50%	7.50%	7.75%	7.75%	7.75%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	Great Hills Corp
577	Chancellor Centre	Office	South	Austin	TX	06/27/14	46,411		6,597,000	142	92.5%	7.50%	8.25%																		7.50%	7.50%	7.50%	8.00%	8.00%	8.00%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	Chancellor Centre
578	Stonecliff Office	Office	South	Austin	TX	06/27/14	66,027		7,002,000	106	92.5%	7.50%	8.25%																		7.50%	7.50%	7.50%	7.75%	7.75%	7.75%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	Stonecliff Office
579	3307 Northland	Office	South	Austin	TX	06/27/14	98,888		18,000,000	182	92.5%	7.50%	8.25%																		7.50%	7.50%	7.50%	8.25%	8.25%	8.25%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	3307 Northland
586	Greystone Plaza	Office	South	Austin	TX	06/27/14	78,248		16,002,000	205	92.5%	7.50%	8.25%																		7.50%	7.50%	7.50%	8.00%	8.00%	8.00%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	Greystone Plaza
587	Greystone Plaza II	Office	South	Austin	TX	06/27/14	47,318		7,200,000	152	92.5%	7.50%	8.25%																		7.50%	7.50%	7.50%	8.25%	8.25%	8.25%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	Greystone Plaza II
671^672^6	700 Jackson	Multifamily	East	Hoboken	NJ	06/30/14	-		19,500,000		14.7%	N/A	N/A																		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	700 Jackson
516	Waterscape	Multifamily	West	Fairfield	CA	06/30/14	176,042	180	26,000,000	148	85%	6.50%	6.85%																		6.50%	6.50%	6.50%	6.50%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.00%	6.00%	6.25%	Waterscape
518	Watermill Center	Office	East	Waltham	MA	08/27/14	209,459		55,015,706	263	100%	6.75%	8.00%																			6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	Watermill Center
560	Vue @ 3600	Multifamily	West	Richmond	CA	08/28/14	176,763	240	38,800,000	161,667	85%	6.25%	7.30%																			6.25%	6.25%	6.25%	6.25%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.75%	Vue @ 3600
.culver	Bristol 61	Office	West	Culver City	CA	10/10/14	75,598		20,150,000	267	90%	6.50%	8.62%																				6.50%	6.75%	6.75%	6.75%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	Bristol 61
542	Midtown at Delray	Multifamily	South	Delray Beach	FL	10/17/14	191,897	116	29,750,000	256,466	100%	6.25%	6.56%																				6.25%	6.25%	6.25%	6.25%	5.75%	5.75%	5.50%	5.50%	5.50%	5.50%	5.50%	Midtown at Delray
.artess	Artessa at Quarry Village	Multifamily	South	San Antonio	TX	11/25/14	393,915	280	105,000,000	375,000	100%	5.25%	6.68%																				5.25%	5.25%	5.25%	5.25%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	Artessa at Quarry Village
548	Elysian at Southern Highlands	Multifamily	West	Las Vegas	NV	12/04/14	333,246	255	53,800,000	210,980	81.185%	6.25%	6.60%																				6.25%	6.25%	6.25%	6.25%	5.50%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	Elysian at Southern Highlands
5006	Regency Creek	Office	East	Cary	NC	01/23/15	122,087		20,550,000	168	100%	8.25%	10.77%																					8.25%	8.25%	8.25%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	Regency Creek
.morris	Morris Corporate Center 4	Office	East	Parsippany	NJ	02/04/15	359,671		29,250,000	81	80%	7.00%	12.50%																					7.00%	7.00%	7.00%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	Morris Corporate Center 4
5005	Saratoga Downs	Multifamily	West	Napa	CA	02/06/15	217,122	178	58,050,000	326,124	80%	5.50%	6.17%																					5.50%	5.50%	5.50%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	Saratoga Downs
5008	2830 Orbiter Street	Industrial	West	Brea	CA	02/09/15	101,420		14,000,000	138	100%	6.50%	7.60%																					6.50%	6.50%	n/a	6.25%	6.00%	6.00%	6.25%	6.25%	6.25%	6.25%	2830 Orbiter Street
.camb3	100 Cambridge Street	Office	East	Boston	MA	03/17/15	599,696		279,600,000	466	100%	5.50%	7.90%																					5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	100 Cambridge Street
5013	Madison Park	Multifamily	West	Anaheim	CA	03/31/15	484,536	768	133,217,045	173,460	95%	6.00%	6.60%																					6.00%	6.00%	6.00%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	Madison Park
5108	Jefferson Hotel	Hotel	Midwest	Chicago	IL	04/09/15	264,134	336	10,000,000		90%	N/A	N/A																						N/A	N/A	N/A	7.50%	7.50%	7.50%	7.75%	7.75%	7.75%	Jefferson Hotel
.burnet	Burnet Flats	Multifamily	South	Austin	TX	05/11/15	145,205	179	36,750,000	205,307	100%	5.45%	6.04%																						5.45%	5.45%	5.00%	5.00%	5.00%	5.00%	4.75%	5.00%	5.00%	Burnet Flats
5630	6300 Wilshire	Office	West	Los Angeles	CA	05/21/15	392,118		148,827,451	380	80%	6.00%	6.86%																						6.00%	6.00%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6300 Wilshire
5950	Brackett (fka Firdale Village)	Multifamily	West	Edmonds	WA	06/01/15	317,570	386	68,950,000	178,627	85%	6.00%	6.73%																						6.00%	6.00%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	6.00%	Brackett (fka Firdale Village)
.645h	645 H Street	Office	East	Washington	DC	06/03/15	84,724		51,400,000	607	100%	5.75%	6.00%																						5.75%	5.75%	5.00%	5.25%	5.25%	5.25%	5.00%	5.00%	5.00%	645 H Street
5750	The Alexandar (fka Maribelle)	Multifamily	West	Santa Rosa	CA	07/30/15	211,048	287	59,000,000	205,575	85%	5.75%	7.37%																							5.75%	5.75%	5.50%	5.75%	5.75%	5.75%	5.50%	5.75%	The Alexandar (fka Maribelle)
5100	One Coach Way	Industrial	South	Jacksonville	FL	07/31/15	851,696		90,500,000	106	100%	7.00%	6.65%																							7.00%	7.00%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	One Coach Way
5880	Alvista Falls (fka Cascade Villa	Multifamily	West	Westminster	CO	09/09/15	340,674	444	72,150,000	162,500	93%	6.00%	7.10%																							6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	Alvista Falls (fka Cascade Village)
5172	The Catherine (fka Pillar at Sc	Multifamily	West	Scottsdale	AZ	10/01/15	549,493	539	95,750,000	177,644	90%	5.25%	8.00%																								5.25%	5.25%	5.00%	5.25%	5.25%	5.25%	5.25%	The Catherine (fka Pillar at Scottsdale)
5401	Hacienda Heights	Multifamily	West	Hacienda Heights	CA	11/19/15	277,250	350	81,500,000	232,857	95%	5.75%	6.70%																								5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	5.75%	Hacienda Heights
5258	The Bridge	Multifamily	West	Hayward	CA	12/17/15	452,005	544	158,000,000	290,441	95%	6.05%	7.69%																								6.05%	6.05%	5.75%	5.75%	5.75%	5.75%	5.75%	The Bridge
5210	Motif	Multifamily	West	Woodland Hills	CA	12/18/15	419,290	395	163,000,000	412,658	95%	5.00%	6.65%																								5.00%	5.00%	4.75%	4.75%	4.75%	4.75%	4.75%	Motif
.parmer	Parmer Business Park	Office	South	Austin	TX	01/15/16	256,737		55,550,000	216	95%	7.25%	9.00%																									7.00%	7.00%	6.75%	6.75%	6.75%	6.75%	Parmer Business Park
5802	Nolina Flats	Multifamily	South	Austin	TX	01/20/16	270,240	288	32,975,000	114,497	90%	6.00%	9.56%																									6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	Nolina Flats
5803	Abelia Flats	Multifamily	South	Austin	TX	01/20/16	388,754	444	47,550,000	107,095	90%	6.00%	9.40%																									6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	Abelia Flats
5014^5015	Plaza on the Lake I&II	Office	South	Austin	TX	04/01/16	236,561		74,700,000	316	100%	7.75%	7.64%																										7.75%	7.00%	7.00%	7.00%	7.00%	Plaza on the Lake I&II
5211^5212	Morrison & Roxborough	Office	East	Charlotte	NC	04/11/16	178,930		35,500,000	198	92%	8.00%	6.63%																										8.00%	7.50%	7.50%	7.50%	7.50%	Morrison & Roxborough
.apollo	Apollo at Rosecrans	Office	West	El Segundo	CA	05/06/16	546,229		317,300,000	581	100%	5.50%	7.43%																										5.50%	6.00%	6.00%	6.00%	6.00%	Apollo at Rosecrans
5101	One Canal Park	Office	East	Cambridge	MA	05/09/16	100,594		72,960,000	725	100%	6.75%	7.33%																										6.75%	5.75%	5.75%	5.75%	5.75%	One Canal Park
5102	Two Canal Park	Office	East	Cambridge	MA	05/09/16	206,313		155,040,000	751	100%	6.75%	7.33%																										6.75%	5.75%	5.75%	5.75%	5.75%	Two Canal Park
5103	Ten Canal Park	Office	East	Cambridge	MA	05/09/16	118,285		76,000,000	643	100%	6.75%	7.33%																										6.75%	5.75%	5.75%	5.75%	5.75%	Ten Canal Park
5123	On The Green	Multifamily	West	Mukilteo	WA	06/09/16	272,474	294	65,250,000	221,939	90%	5.50%	8.67%																										5.50%	5.25%	5.25%	5.25%	5.25%	On The Green
5055	3055 Orchard Drive	Office	West	San Jose	CA	06/17/16	111,285		36,458,750	328	100%	7.75%	9.48%																										7.75%	7.50%	7.50%	7.50%	7.00%	3055 Orchard Drive
5060	60 SOMA	Office	West	San Jose	CA	07/25/16	235,935		89,000,000	377	95%	6.80%	8.23%																										6.80%	6.80%	6.50%	6.50%	6.50%	60 SOMA
5144	Walnut Glen	Office	South	Dallas	TX	09/09/16	464,289		73,000,000	157	92.5%	7.00%	8.24%																											7.00%	7.25%	7.25%	7.25%	Walnut Glen
5640	Riverwalk at Happy Valley	Multifamily	West	Happy Valley	OR	09/29/16	350,910	390	76,000,000	194,872	95%	5.50%	6.17%																											5.50%	5.50%	5.50%	5.50%	Riverwalk at Happy Valley
5250	Legacy Tower	Office	South	Plano	TX	10/03/16	342,033		134,216,618	392	100%	7.00%	7.13%																												7.00%	6.75%	6.75%	Legacy Tower
5180	Fairfield Industrial I	Industrial	East	Fairfield	NJ	10/05/16	92,285		8,974,489	97	92.34%	6.00%	6.51%																												6.00%	6.75%	6.75%	Fairfield Industrial I
5181-5182	Fairfield Industrial II & III	Industrial	East	Fairfield	NJ	10/05/16	195,627		23,162,705	118	92.34%	6.00%	6.51%																												6.00%	6.75%	6.75%	Fairfield Industrial II & III
5183	Fairfield Industrial IV	Industrial	East	Fairfield	NJ	10/05/16	125,692		11,421,855	91	92.34%	6.00%	6.51%																												6.00%	6.75%	6.75%	Fairfield Industrial IV
5184-5185	Pine Brook A&B	Industrial	East	Pine Brook	NJ	10/05/16	182,589		20,317,392	111	92.34%	6.00%	6.51%																												6.00%	6.75%	6.75%	Pine Brook A&B
5186-5187	Pine Brook C	Industrial	East	Pine Brook	NJ	10/05/16	133,563		14,223,559	106	92.34%	6.00%	6.51%																												6.00%	6.75%	6.75%	Pine Brook C
5009	Minneapolis/St Paul Hotel	Hotel	Midwest	Minneapolis	MN	10/21/16			-		90%	N/A	N/A																												N/A	N/A	N/A	Minneapolis/St Paul Hotel
5080	8080 NCX Office Tower	Office	South	Dallas	TX	11/29/16	289,041		58,450,000	202	94%	7.75%	8.44%																												7.75%	7.25%	7.25%	8080 NCX Office Tower
5000	1000 Mass Ave	Office	East	Cambridge	MA	12/16/16	107,820		69,500,000	645	100%	5.25%	7.96%																												5.25%	6.00%	6.00%	1000 Mass Ave
5402	Morning View Terrace	Multifamily	West	Escondido	CA	12/19/16	238,052	326	48,920,000	150,061	95%	6.00%	7.16%																												6.00%	5.50%	5.50%	Morning View Terrace
5403	Terrace Gardens	Multifamily	West	Escondido	CA	12/19/16	174,828	225	35,500,000	157,778	95%	6.00%	6.93%																												6.00%	5.50%	5.50%	Terrace Gardens
5844	Broadway at Surf	Retail	Midwest	Chicago	IL	12/22/16	134,285		30,300,000	226	90%	5.50%	7.40%																												5.50%	6.00%	6.00%	Broadway at Surf
5110	1100 Broadway	Office	West	Oakland	CA	03/14/17			9,500,000		95%	N/A	N/A																													N/A	N/A	1100 Broadway
5280	2280 North Greenville	Office	South	Richardson	TX	05/25/17	228,506		52,650,000	230	100%	7.00%	7.39%																														7.00%	2280 North Greenville
.echo	Echo Lake	Multifamily	West	Shoreline	WA	05/31/17	245,915	289	85,500,000	295,848	90%	5.25%	6.43%																														5.25%	Echo Lake
	Portfolio Exit Cap						23,032,201	10,737	5,195,861,773					8.57%	8.47%	8.43%	8.19%	8.11%	8.16%	8.09%	7.90%	7.86%	7.69%	7.67%	7.48%	7.44%	7.35%	7.21%	6.93%	6.89%	6.86%	6.82%	6.61%	6.49%	6.39%	6.36%	6.18%	6.17%	6.17%	6.12%	6.16%	6.20%	6.17%	**Portfolio Exit Cap**

Investment Committee

Peter Palandjian
Paul Nasser
Thomas Taranto
Steven Centrella
Jessica Levin
Michael Keyes
Alissa Crafa



6-22-17

Investment Performance Review
Period Ending June 30, 2017

Town of Palm Beach OPEB Trust

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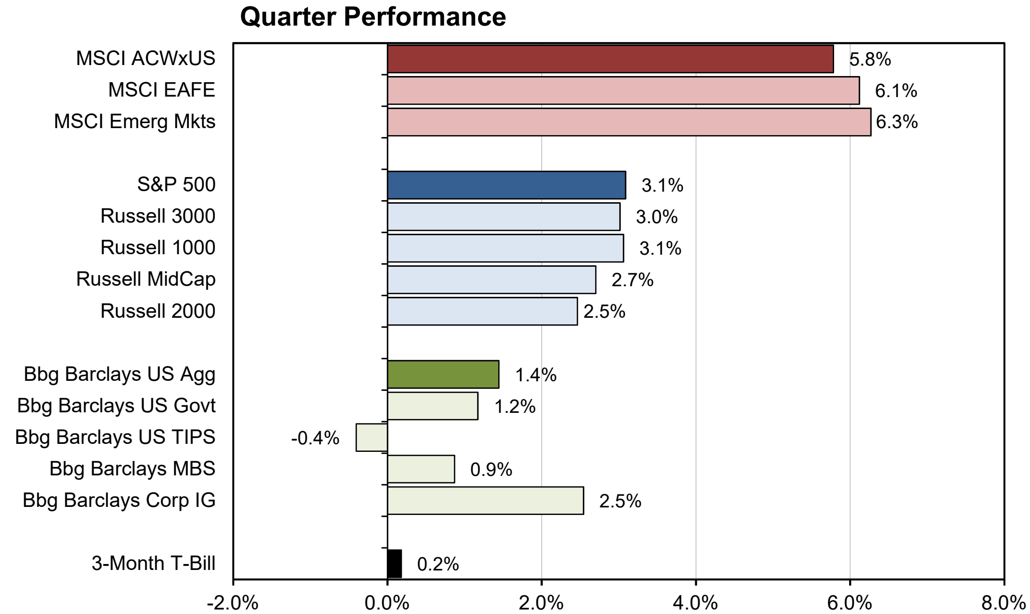
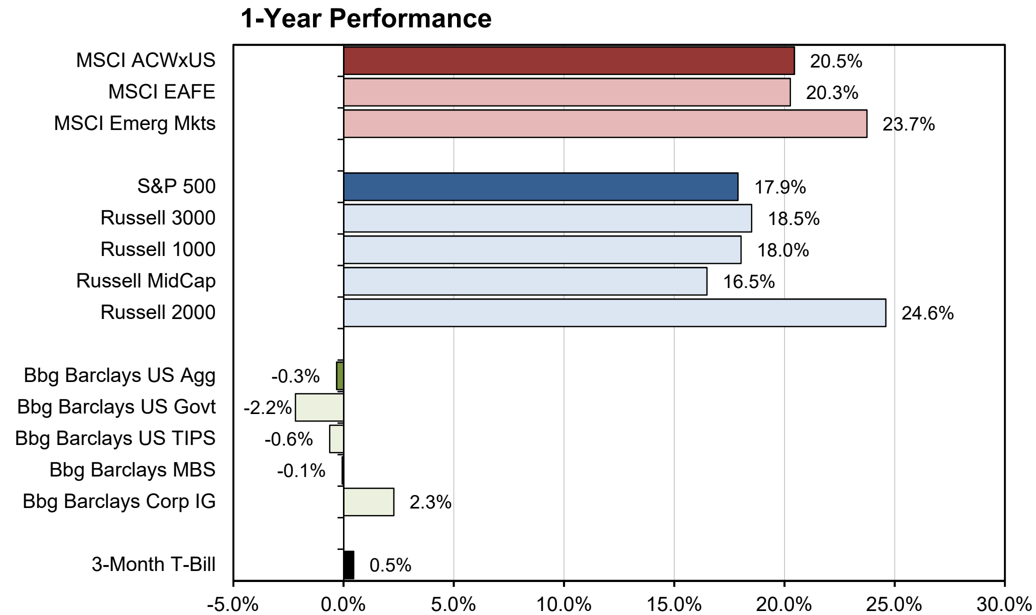
2nd Quarter 2017 Market Environment

- Returns for the 2nd quarter of 2017 were positive for most major equity and fixed income indices. Broad domestic and international equity market performance was largely fueled by continued improvement in economic data worldwide. Domestic equities trailed international indices during the quarter. While U.S. economic fundamentals and corporate earnings growth were viewed positively, political concerns surrounding the pace of implementation of Trump administration expansive fiscal policy reforms and the fallout associated with the dismissal of FBI Director James Comey dampened investor enthusiasm. Despite these concerns, investor optimism remained high and many major domestic equity indices hit record levels during the quarter. Large cap stocks continued a year-to-date trend of outperformance relative to small cap equities with the S&P 500 Index returning 3.1% versus a 2.5% return for the Russell 2000 Index. However, small cap stock returns still show substantial outperformance relative to large cap indices over the one-year period due to their remarkable performance in the second half of 2016.

- International equity market benchmarks continued to outpace U.S. markets through the 2nd quarter of 2017 as both developed and emerging market international equities saw benefits from continued strength in global macroeconomic data, a weakening U.S. Dollar (USD) and ongoing accommodative global central bank policies. While the ongoing improvement in the global economy pushed international index returns higher, gains were tempered toward the end of the quarter as central banks began to signal an increased probability of a future reduction in stimulus. Emerging markets narrowly outperformed developed markets for the quarter. The MSCI Emerging Market Index returned 6.3% for the quarter and a solid 23.7% for the 1-year period. While weaker by comparison, the developed market MSCI EAFE Index also posted robust performance returning 6.1% for the quarter and 20.3% for the year.

- The yield curve flattened through the 2nd quarter of 2017 as interest rates in the U.S. declined through the majority of the second quarter before rising moderately in June. The rise in interest rates coincided with the Federal Open Market Committee's (FOMC) June meeting and their decision to further tighten monetary policy by raising short-term interest rates by 0.25%. The Fed also announced a plan to systematically shrink the size of its balance sheet, gradually reducing its securities holdings by tapering the amount they reinvest as securities mature. This can be viewed similarly to a tightening of monetary policy. Broad fixed income indices were generally positive through the quarter with the bellwether Bloomberg Barclays U.S. Aggregate Index returning 1.4% for the quarter. Benefitting from falling credit spreads, corporate credit was the only investment grade sector to post gains over the 1-year period returning 2.3% versus a -0.3% return for the Bloomberg Barclays U.S. Aggregate Index.





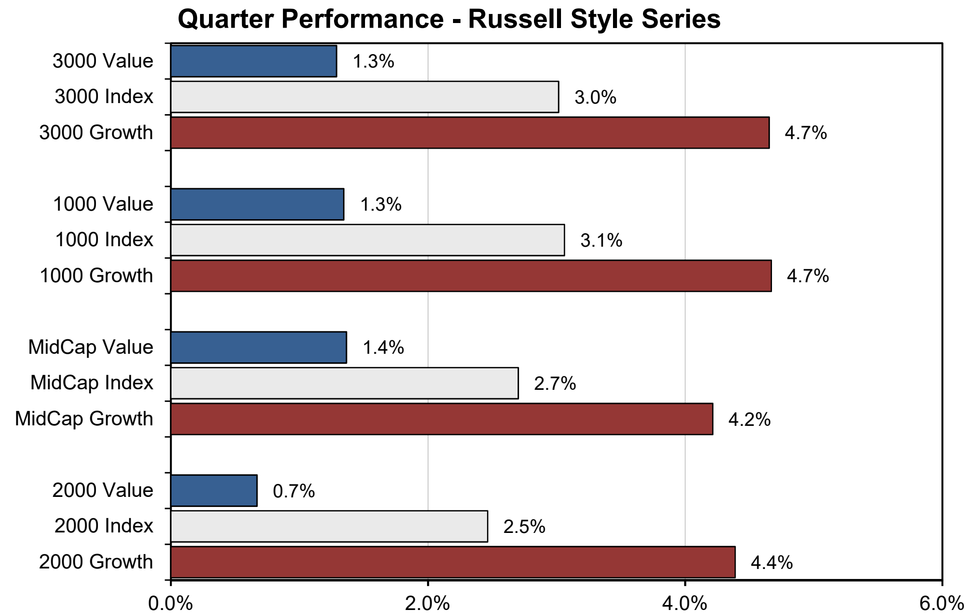
Source: Investment Metrics

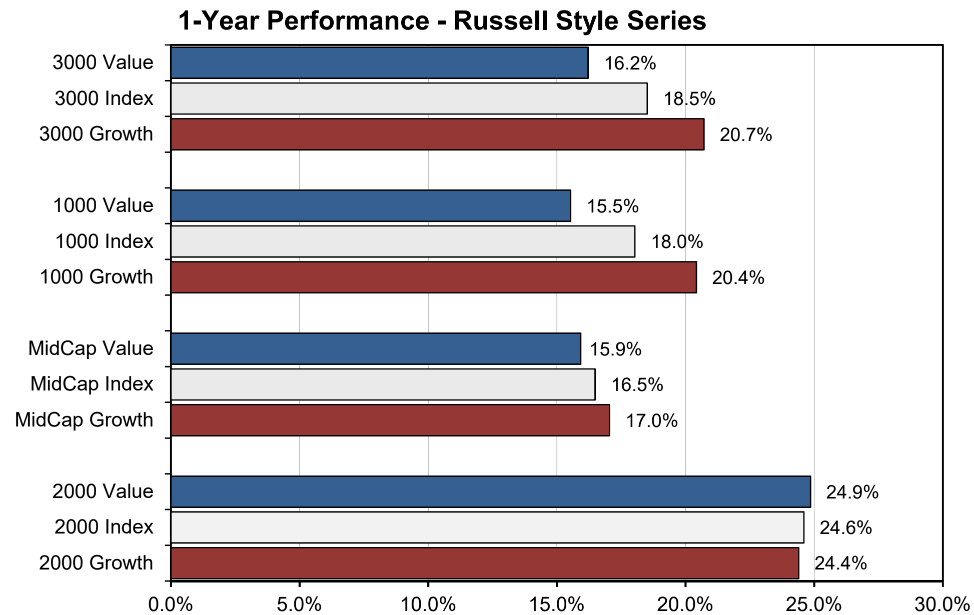
- U.S. equity index returns were positive across the style and capitalization spectrum for the 2nd quarter and the trailing 1-year period. Domestic equity index returns were driven by positive trends in economic data reported throughout the period including improvements in GDP, consumer and business sentiment, and employment. In addition, corporate earnings grew at a double digit pace for 1Q 2017 with most sectors showing improvement. U.S. equity returns were somewhat subdued by ongoing political concerns. Media attention surrounding the dismissal of FBI Director James Comey and the ongoing gridlock associated with the repeal and replacement of the Affordable Care Act has cast doubt on the current administration's ability to implement promised expansionary fiscal policy measures.

- Large cap stocks were the best performing capitalization segment for the quarter for both core and growth issues while mid cap equities posted a slight premium relative to other capitalizations within the value spectrum. While large cap stocks were the best performers, returns for the quarter fell in a narrow range for the period. Large-cap stocks represented by the Russell 1000 Index returned 3.1% for the quarter while the small cap Russell 2000 Index returned 2.5%. This return spread was partially due to the effects of rising interest rates and a falling USD. Conversely, over the 1-year period, small cap issues still maintain a considerable performance advantage, with the Russell 2000 returning 24.6% versus a return of 18.0% for the Russell 1000.

- Building on trends from the 1st quarter, index sector allocations were a substantial contributor to growth index outperformance during the 2nd quarter. Growth indices benefitted from significant underweights to the energy and telecommunications sectors, both of which lagged the broad index return. Growth benchmarks also benefitted from greater exposure to the information technology and health care sectors which posted strong sector returns. The Russell 2000 Value Index's return of 0.7% was the worst performing style index for the period. Over the 1-year period, growth indices outperformed value indices in the large and mid cap market capitalizations, but underperformed value equities within the small cap space.

- Domestic equity valuations appear stretched relative to historical levels based on Forward Price/Earnings ratios (P/E), with even the most reasonably valued indices trading above their historical P/E valuations. Index P/E valuations range from 112% to 134% of their respective 15-year P/E averages. The mid cap core and small cap value indices appear the most inexpensive and the large cap growth and small cap growth segments look the most overvalued.



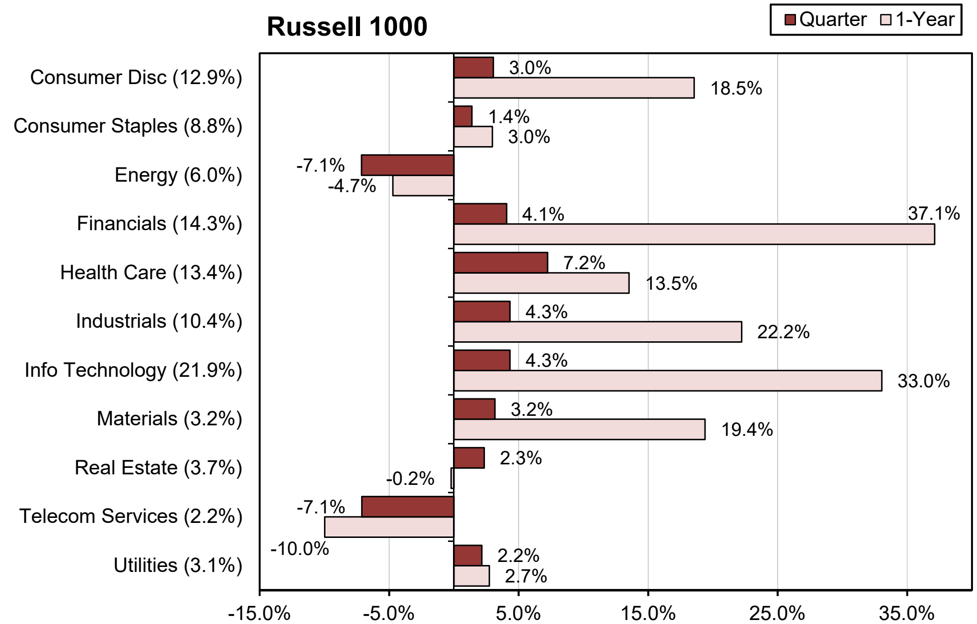


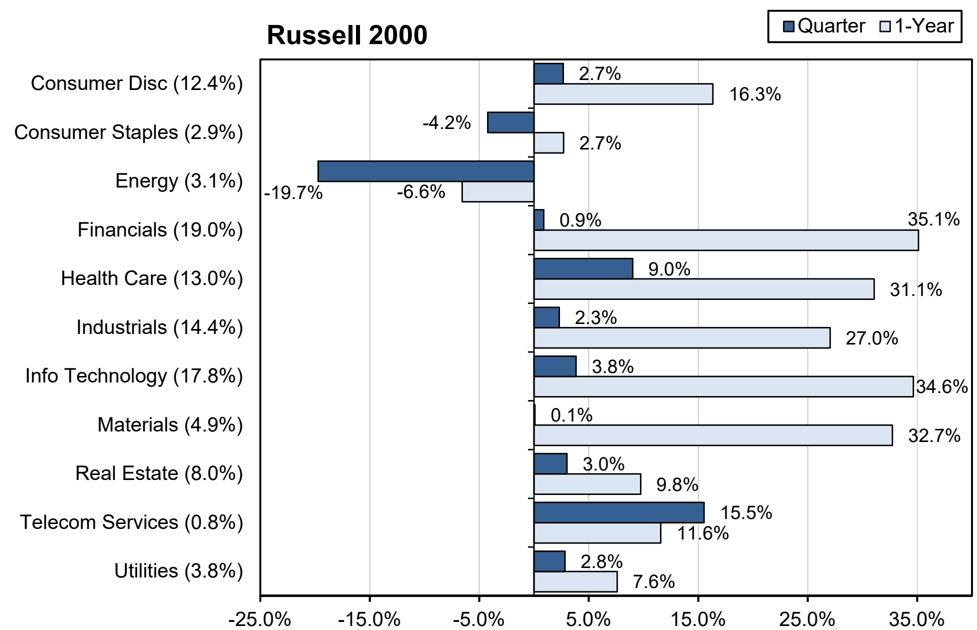
Source: Investment Metrics

- Sector performance within the Russell 1000 Index was largely positive for the 2nd quarter. Five of eleven economic sectors outpaced the Russell 1000 Index return, and nine of eleven sectors posted gains during the period. Energy trailed for the second consecutive quarter as crude prices continued to fall. While OPEC continues to take measures to limit production, accelerating output from shale producers in the U.S. fueled concerns of oversupply, putting downward pressure on prices. Telecommunication services was the only other large cap sector to post negative performance for the quarter, also returning -7.1%. Despite continued uncertainty surrounding potential reform, health care was the best performing sector in the large cap index, returning 7.2%. Technology and industrials also performed well as increasing business and consumer confidence and strong earnings pushed stock prices 4.3% higher in both sectors through the quarter. Over the trailing 1-year period, financials and technology were the best performing sectors in the Russell 1000, each returning greater than 30%. Eight of eleven large cap economic sectors posted positive returns for the 1-year period with six posting double digit returns.

- Small cap sector results generally lagged their large capitalization counterparts for the 2nd straight quarter. Six of eleven economic sectors outpaced the Russell 2000 Index return for the quarter, and nine of eleven sectors posted positive results for the period. Most of the sector trends observable in large cap index sector performance also impacted small cap sectors. However, small cap telecom services outperformed large cap telecom stocks by over 20%, returning 15.5%. Similar to large cap issues, energy was the biggest detractor, falling -19.7% for the quarter. Returns for health care were also solid through the quarter posting a 9.0% gain. Over the 1-year period, the materials, financials, health care and technology sectors each posted returns in excess of 30% and seven sectors had gains greater than 10%. Energy was the only Russell 2000 sector to post a negative return over last year, falling -6.6%.

- Using S&P 500 sector valuations as a proxy for the market, Forward P/E ratios for eight of the GICS sectors were higher than their long-term averages at quarter-end. Using these historical P/E measures, the energy, materials and utilities sectors appear the most extended. In contrast the technology, health care and telecommunications sectors were trading at a discount to their long-term average P/E ratios.





Source: Morningstar Direct

Top 10 Weighted Stocks

Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Apple Inc	3.24%	0.7%	53.5%	Information Technology
Microsoft Corp	2.23%	5.2%	38.0%	Information Technology
Amazon.com Inc	1.66%	9.2%	35.3%	Consumer Discretionary
Johnson & Johnson	1.54%	6.9%	12.0%	Health Care
Facebook Inc A	1.52%	6.3%	32.1%	Information Technology
Exxon Mobil Corp	1.48%	-0.6%	-10.7%	Energy
Berkshire Hathaway Inc B	1.40%	1.6%	17.0%	Financials
JPMorgan Chase & Co	1.39%	4.6%	51.0%	Financials
Alphabet Inc A	1.19%	9.7%	32.1%	Information Technology
Alphabet Inc C	1.18%	9.5%	31.3%	Information Technology

Top 10 Weighted Stocks

Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Kite Pharma Inc	0.26%	32.1%	107.3%	Health Care
Gramercy Property Trust	0.23%	13.0%	11.8%	Real Estate
Catalent Inc	0.23%	23.9%	52.7%	Health Care
Medidata Solutions Inc	0.23%	35.6%	66.8%	Health Care
Parexel International Corp	0.23%	37.7%	38.2%	Health Care
Healthsouth Corp	0.22%	13.6%	27.5%	Health Care
Idacorp Inc	0.22%	3.6%	7.8%	Utilities
bluebird bio Inc	0.22%	15.6%	142.7%	Health Care
Fair Isaac Corp	0.22%	8.1%	23.4%	Information Technology
WGL Holdings Inc	0.22%	1.7%	21.1%	Utilities

Top 10 Performing Stocks (by Quarter)

Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Wayfair Inc Class A	0.01%	89.9%	97.1%	Consumer Discretionary
Alnylam Pharmaceuticals Inc	0.03%	55.6%	43.7%	Health Care
SunPower Corp	0.00%	53.1%	-39.7%	Information Technology
First Solar Inc	0.01%	47.2%	-17.7%	Information Technology
Zillow Group Inc C	0.02%	45.6%	35.1%	Information Technology
Yum China Holdings Inc	0.06%	45.0%	N/A	Consumer Discretionary
Zillow Group Inc A	0.01%	44.5%	33.3%	Information Technology
Whole Foods Market Inc	0.06%	43.0%	33.9%	Consumer Staples
IAC/InterActiveCorp	0.03%	40.0%	83.4%	Information Technology
Akorn Inc	0.01%	39.3%	17.7%	Health Care

Top 10 Performing Stocks (by Quarter)

Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Straight Path Communications Inc	0.08%	399.4%	549.3%	Telecommunication Services
Altimmune Inc	0.00%	294.3%	146.8%	Health Care
Global Sources Ltd	0.01%	142.4%	118.1%	Information Technology
Puma Biotechnology Inc	0.13%	134.9%	193.4%	Health Care
Angie's List Inc	0.03%	124.4%	96.5%	Information Technology
Conn's Inc	0.02%	118.3%	154.0%	Consumer Discretionary
Weight Watchers International Inc	0.05%	114.6%	187.4%	Consumer Discretionary
NantKwest Inc	0.01%	113.8%	22.0%	Health Care
NovoCure Ltd	0.05%	113.6%	48.2%	Health Care
Vivint Solar Inc	0.01%	108.9%	90.6%	Industrials

Bottom 10 Performing Stocks (by Quarter)

Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Frontier Communications Corp Class B	0.00%	-44.2%	-73.4%	Telecommunication Services
Ensco PLC Class A	0.00%	-42.3%	-46.6%	Energy
Weatherford International PLC	0.01%	-41.8%	-30.3%	Energy
Whiting Petroleum Corp	0.01%	-41.8%	-40.5%	Energy
Noble Corp PLC	0.00%	-41.5%	-55.9%	Energy
Nabors Industries Ltd	0.01%	-37.3%	-17.3%	Energy
Chicago Bridge & Iron Co NV	0.00%	-35.5%	-42.3%	Industrials
Diamond Offshore Drilling Inc	0.00%	-35.2%	-55.5%	Energy
Hertz Global Holdings Inc	0.00%	-34.4%	-73.8%	Industrials
United States Steel Corp	0.02%	-34.4%	32.4%	Materials

Bottom 10 Performing Stocks (by Quarter)

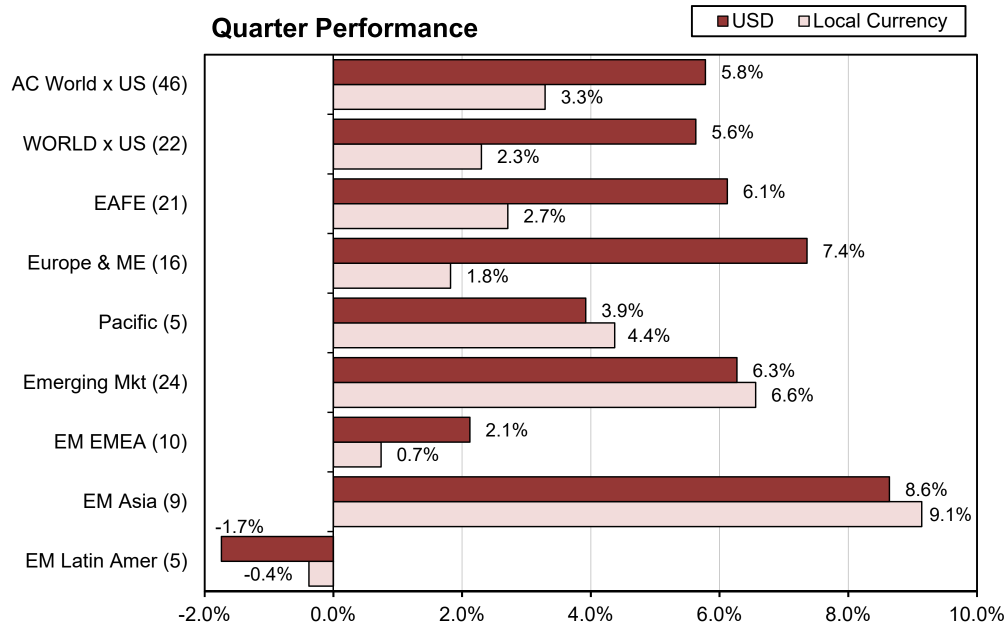
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
First NBC Bank Holding Co	0.00%	-99.3%	-99.8%	Financials
Seadrill Ltd	0.00%	-76.8%	-88.6%	Energy
Avinger Inc	0.00%	-76.4%	-96.2%	Health Care
Bonanza Creek Energy Inc	0.03%	-75.5%	-85.9%	Energy
EXCO Resources Inc	0.00%	-71.5%	-86.4%	Energy
XBiotech Inc	0.00%	-71.5%	-77.5%	Health Care
Vince Holding Corp	0.00%	-69.6%	-91.4%	Consumer Discretionary
NewLink Genetics Corp	0.01%	-69.5%	-34.7%	Health Care
Cobalt International Energy Inc	0.00%	-69.1%	-87.7%	Energy
Terravia Holdings Inc	0.00%	-67.8%	-91.1%	Materials

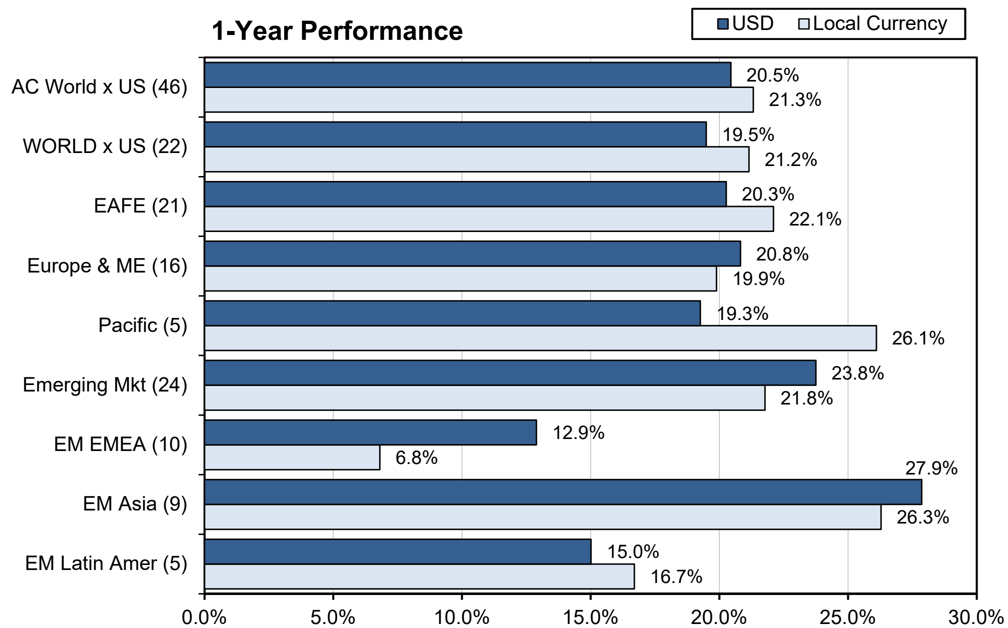
Source: Morningstar Direct

- International equity returns for the 2nd quarter were largely driven by ongoing improvement in the global economy, a weakening USD and political news in Europe and the U.K. Emerging markets were the greatest beneficiaries of these trends, outperforming developed economies for the second straight quarter. While USD strength remains on the high side of its 10-year range, the USD continued its year-to-date decline, providing further tailwinds to international index returns denominated in USD. However, the 1-year performance for broad international indices still show a modest negative currency impact due to USD strength.

- Broad developed market international index performance was positive for the 2nd quarter in both USD and local currency terms with the MSCI EAFE Index returning 6.1% and 2.7% respectively. Eurozone, U.K. and Japanese markets advanced on the back of positive macroeconomic data and strong corporate earnings. Similar to U.S. markets, ongoing political developments also had an effect on international markets with elections in France and the U.K. making headline news. In France, the presidential election of centrist candidate Emmanuel Macron calmed market fears of further break-up within the European Union. Macron's party also won parliamentary majority giving rise to optimism on the possibility of new economic reforms. In the U.K., Prime Minister Theresa May's decision to call special elections in an attempt to strengthen her party's parliamentary position prior to the start of Brexit negotiations had the opposite effect and resulted in a hung parliament, increasing the odds of a "hard Brexit" scenario. Markets gave back some gains towards the end of the quarter as central bank commentary indicated the increased possibility of tightened monetary policy in the future. When viewed over the last 12 months, developed market index performance is robust in both USD and local currency terms, with the MSCI EAFE returning 20.3% and 22.1% respectively.

- A supportive global economic environment and a weakening USD allowed emerging markets to build on their strong start to the year, outperforming developed markets, and returning 6.3% and 6.6% in USD and local currency terms respectively. Greece had a particularly good quarter, returning 33.8% in USD terms, after it was able to reach an agreement to obtain additional bailout funds needed to pay creditors. Russia, Qatar and Brazil were the worst performing countries in the index. Russia and Qatar both suffered from falling oil prices. Qatar was also subject to a blockade by several neighboring countries alleging that Qatar is responsible for supporting instability within the region. Brazilian equities fell as corruption allegations against its President, Michel Temer, increased political risk within the country, putting downward pressure on equity markets. One year returns on the MSCI Emerging Market Index are an impressive 23.8% in USD terms.





Source: MSCI Global Index Monitor (Returns are Net)

MSCI - EAFE	Sector Weight	Quarter Return	1-Year Return
Consumer Discretionary	12.1%	4.7%	24.2%
Consumer Staples	11.5%	7.6%	7.3%
Energy	4.7%	-0.7%	6.1%
Financials	21.5%	7.2%	39.8%
Health Care	10.8%	7.2%	4.6%
Industrials	14.5%	7.0%	24.5%
Information Technology	6.1%	9.5%	35.8%
Materials	7.5%	3.3%	33.1%
Real Estate	3.6%	4.6%	7.7%
Telecommunication Services	4.3%	4.8%	2.2%
Utilities	3.4%	7.2%	7.1%
Total	**100.0%**	**6.1%**	**20.3%**

MSCI - ACWIxUS	Sector Weight	Quarter Return	1-Year Return
Consumer Discretionary	11.3%	5.6%	23.7%
Consumer Staples	9.9%	7.1%	6.5%
Energy	6.3%	-2.9%	6.5%
Financials	23.3%	5.7%	33.6%
Health Care	8.1%	7.2%	4.3%
Industrials	12.0%	6.8%	23.8%
Information Technology	10.8%	12.9%	41.9%
Materials	7.6%	1.7%	27.2%
Real Estate	3.2%	5.8%	9.1%
Telecommunication Services	4.4%	4.0%	3.3%
Utilities	3.1%	5.2%	5.9%
Total	**100.0%**	**5.8%**	**20.5%**

MSCI - Emerging Mkt	Sector Weight	Quarter Return	1-Year Return
Consumer Discretionary	10.6%	8.4%	21.4%
Consumer Staples	6.8%	5.1%	2.5%
Energy	6.6%	-4.9%	15.9%
Financials	23.6%	3.9%	26.6%
Health Care	2.4%	4.4%	1.9%
Industrials	5.7%	3.9%	16.1%
Information Technology	26.6%	15.5%	46.9%
Materials	7.1%	-0.5%	28.1%
Real Estate	2.7%	11.4%	18.6%
Telecommunication Services	5.4%	2.0%	5.1%
Utilities	2.6%	-1.8%	1.6%
Total	**100.0%**	**6.3%**	**23.8%**

Country	MSCI-EAFE Weight	MSCI-ACWIxUS Weight	Quarter Return	1- Year Return
Japan	23.5%	16.3%	5.2%	19.2%
United Kingdom	17.7%	12.3%	4.7%	13.4%
France	10.5%	7.3%	9.1%	28.1%
Germany	9.5%	6.6%	6.4%	28.7%
Switzerland	8.5%	5.9%	9.0%	16.5%
Australia	7.1%	4.9%	-1.9%	18.3%
Netherlands	3.5%	2.5%	7.8%	28.2%
Hong Kong	3.5%	2.4%	7.2%	23.8%
Spain	3.5%	2.4%	7.9%	38.4%
Sweden	2.9%	2.0%	8.6%	26.7%
Italy	2.3%	1.6%	9.0%	30.9%
Denmark	1.8%	1.3%	15.3%	4.7%
Singapore	1.3%	0.9%	5.3%	14.9%
Belgium	1.1%	0.8%	4.8%	2.1%
Finland	1.0%	0.7%	13.4%	25.0%
Israel	0.7%	0.5%	6.5%	-2.3%
Norway	0.6%	0.4%	4.1%	14.9%
Ireland	0.5%	0.3%	3.8%	15.8%
Austria	0.2%	0.2%	21.8%	65.0%
New Zealand	0.2%	0.1%	8.1%	10.4%
Portugal	0.2%	0.1%	3.1%	15.2%
Total EAFE Countries	**100.0%**	**69.6%**	**6.1%**	**20.3%**
Canada		6.6%	0.6%	11.7%
Total Developed Countries		**76.2%**	**5.6%**	**19.5%**
China		6.6%	10.6%	32.2%
Korea		3.7%	10.2%	34.9%
Taiwan		3.0%	8.8%	32.9%
India		2.1%	2.9%	17.5%
Brazil		1.6%	-6.7%	17.0%
South Africa		1.6%	3.5%	10.2%
Mexico		0.9%	7.2%	12.0%
Russia		0.8%	-10.0%	10.3%
Indonesia		0.6%	8.5%	17.2%
Malaysia		0.6%	5.1%	2.7%
Thailand		0.5%	2.4%	17.1%
Poland		0.3%	13.6%	42.6%
Philippines		0.3%	7.1%	-6.2%
Turkey		0.3%	19.3%	8.1%
Chile		0.3%	-2.1%	14.0%
United Arab Emirates		0.2%	1.3%	8.4%
Qatar		0.2%	-10.9%	-2.3%
Colombia		0.1%	2.5%	8.8%
Peru		0.1%	7.2%	17.2%
Greece		0.1%	33.8%	50.4%
Hungary		0.1%	19.4%	44.4%
Czech Republic		0.0%	8.1%	10.0%
Pakistan		0.0%	-2.3%	18.3%
Egypt		0.0%	3.2%	-2.1%
Total Emerging Countries		**23.8%**	**6.3%**	**23.8%**
Total ACWIxUS Countries		**100.0%**	**5.8%**	**20.5%**

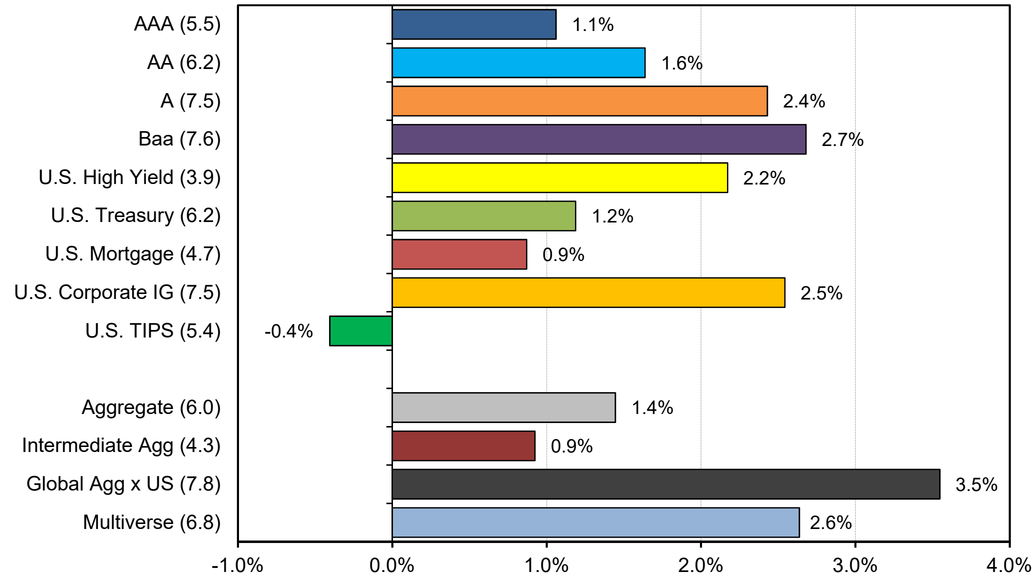
Source: MSCI Global Index Monitor (Returns are Net in USD)

- Most broad fixed income benchmarks finished the 2nd quarter with modest gains. The Bloomberg Barclays U.S. Aggregate Index ended the quarter with a 1.4% increase. Interest rates fell through most of the period before rising near the end of the quarter. The Federal Open Market Committee (FOMC) voted to increase short-term interest rates by 25 basis points (bps) during their June meeting. This represented the third consecutive interest rate increase in the last 3 quarters. While inflation remains below target, the Fed viewed the economy as healthy enough to warrant continued tightening. This caused a flattening of the yield curve as short-term market yields rose through the quarter, but long term interest rates fell. The Fed also outlined plans to gradually reduce its balance sheet by slowing the rate of reinvestment of the Treasury and mortgage backed securities (MBS) it holds on its books as the securities mature. The amount reinvested each month will fall systematically, reducing the size of the Fed's balance sheet over time. Implementation of this plan could begin before the end of the year and would be viewed as further tightening of monetary policy. This news from the Fed put upward pressure on interest rates as the quarter came to a close. Most investment grade indices posting slightly negative returns over the last year. The Bloomberg Barclays U.S. Aggregate index returned -0.3% for the 1-year period.

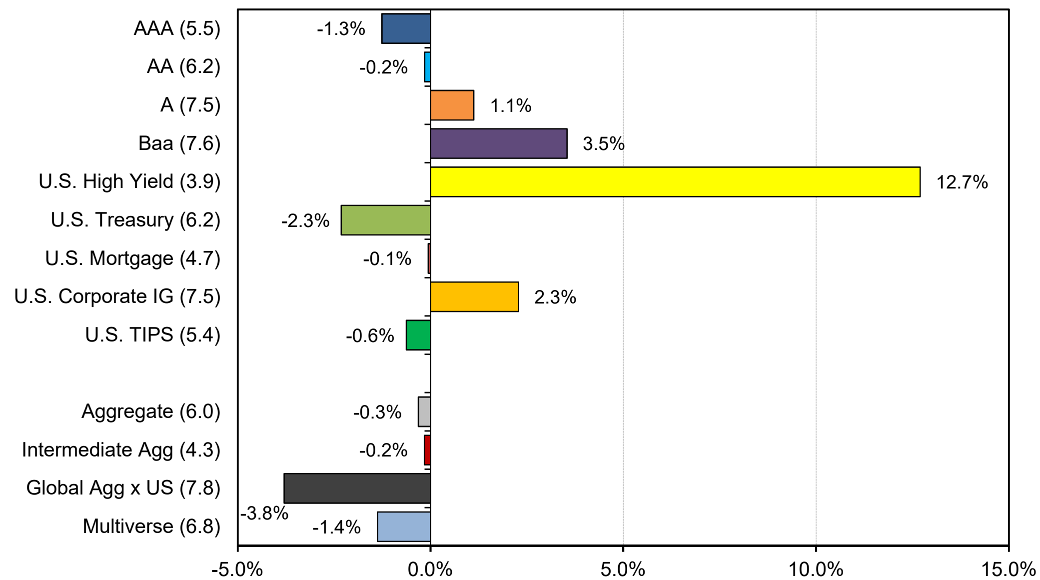
- Lower quality bonds outperformed higher quality issues for both the quarter and 1-year period as contracting credit spreads from improvements in economic fundamentals acted as a tailwind to these issues. During the 2nd quarter credit spreads for high yield debt decreased by 19 bps versus only 9 bps for investment grade corporate issues. BAA issues more than doubled the return of AAA securities, returning 2.7% versus a more modest 1.1% for AAA debt. High yield debt has been the largest beneficiary of the strengthening economy, returning 2.2% for the quarter and 12.7% for the 1-year period.

- A review of sector performance shows investment grade credit outpacing other Treasuries, and MBS indices. As previously mentioned, corporate issues benefited from tightening credit spreads. MBS trailed Treasuries and investment grade corporates for the quarter as the Fed's plan to taper their ongoing reinvestment in agency MBS pushed spreads on MBS 5 bps higher while spreads tightened across all other fixed income sectors. TIPS posted the worst returns for the quarter, falling -0.4%, as lower inflation expectations drove prices lower. Led by a weakening USD, global bond indices posted solid results for the quarter. However, hawkish comments from several global central banks pared some gains at the end of the period. Fixed income returns over the 1-year period were broadly negative with only corporate issues posting gains. Despite a strong start to 2017, global bond returns trail domestic indices over the 1-year period with the Bloomberg Barclays Aggregate ex U.S. returning -3.8% for the period.

Quarter Performance



1-Year Performance

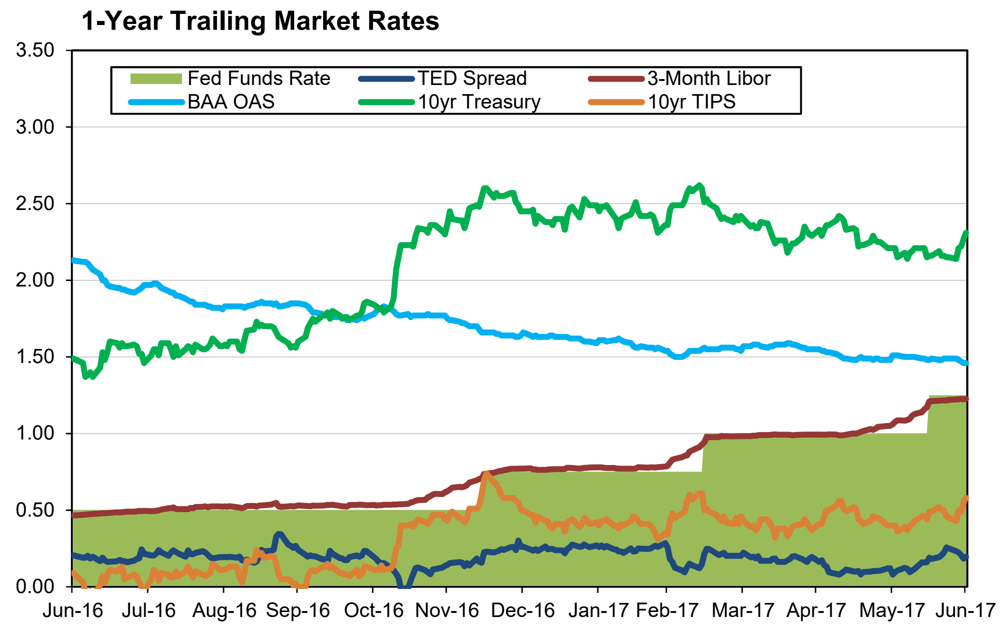


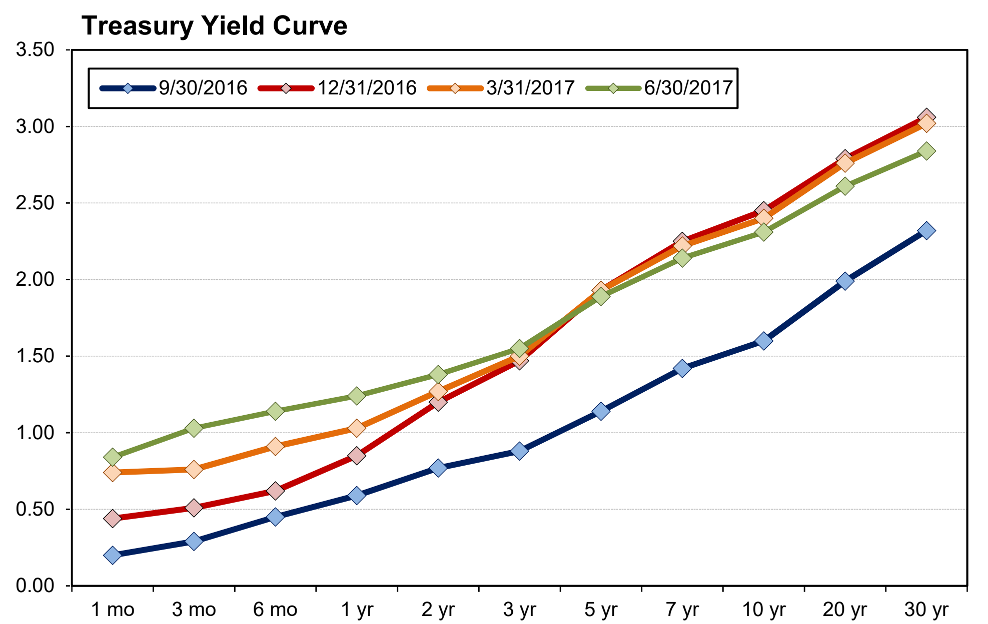
Source: Barclays Capital Live

- Much of the index performance detailed in the bar graphs on the previous page is visible on a time series basis by reviewing the line graphs to the right. The '1-Year Trailing Market Rates' chart illustrates that the 10-year Treasury yield (green line) rose dramatically in the 4th quarter of 2016, held largely steady during the 1st quarter of 2017 and then gradually fell through most of 2nd quarter before spiking at the end of June. The yield on the 10-year Treasury has fallen to 2.31% from 2.45% at the start of the year. The blue line illustrates changes in the BAA OAS (Option Adjusted Spread). This measure quantifies the additional yield premium that investors require to purchase and hold non-Treasury issues. This line illustrates a steady decline in credit spreads throughout 2016 and into 2017. This decline is equivalent to an interest rate decrease on corporate bonds, which produces a tailwind for corporate bond index returns. These credit spreads have tightened by about 65 bps over the last 12-months. The green shading at the bottom of the graph illustrates the continued increase in the Federal Funds Rate due to a less accommodative Fed monetary policy.

- The lower graph provides a snapshot of the U.S. Treasury yield curve at each of the last four calendar quarters. Similar to the 1st quarter, the yield curve flattened further throughout the 2nd quarter as yields on shorter-term maturities rose, while interest rates on the long end of the curve (5-years and beyond) continued to decline. Interest rate movement during the period was relatively muted, the significant upward shift in interest rates since the end of 2016 is clearly visible. Yields on the 3-month Treasury Bill have jumped by almost 75 bps since September 30, 2016. Yields on the 30-year Treasury Bond have increased by more than 50 bps over the same period.

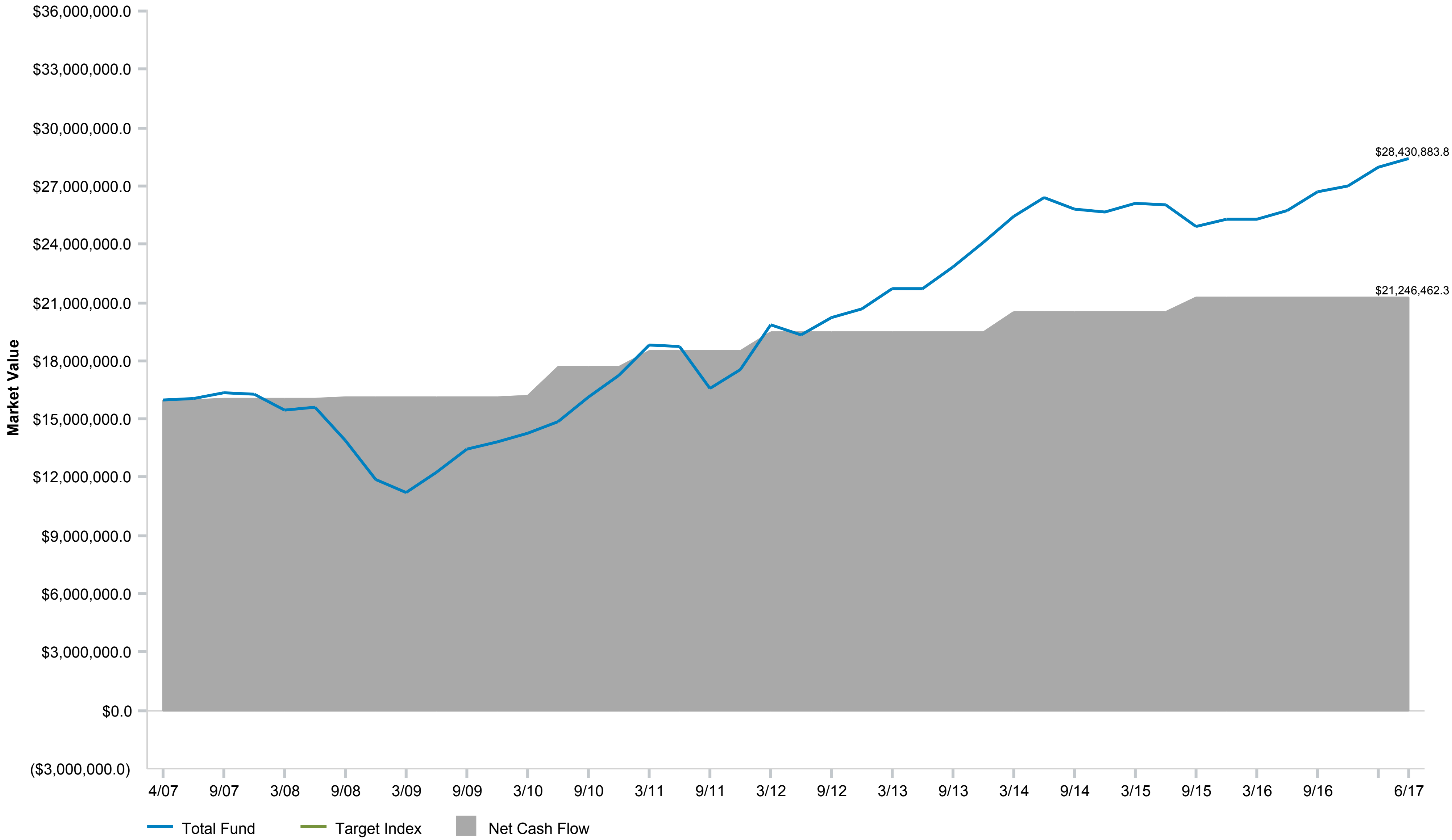
- Despite the rise in short-term interest rates, most fixed income indices finished the 2nd quarter in positive territory. In a rising rate environment, it is generally expected that longer-duration market indices will fall more than equivalent lower-duration benchmarks. However, the magnitude of interest rate shifts across the term structure and spread movements can lead to atypical short-term results. Finally, while global benchmarks are impacted by the same local yield and duration factors as domestic benchmarks, the returns of these indices are also significantly influenced by fluctuations in their currency denomination relative to the USD. This currency effect can either be an offsetting benefit to negative yield and duration factors in a rising rate environment as it has been year-to-date, or it can further exacerbate negative performance as it did in 2016.





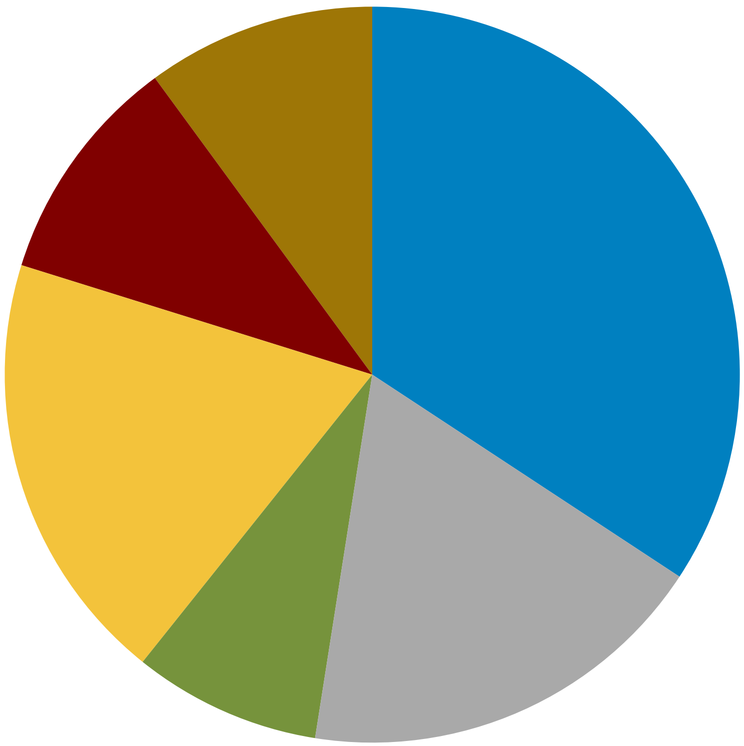
Source: US Department of Treasury, FRED (Federal Reserve of St. Louis)

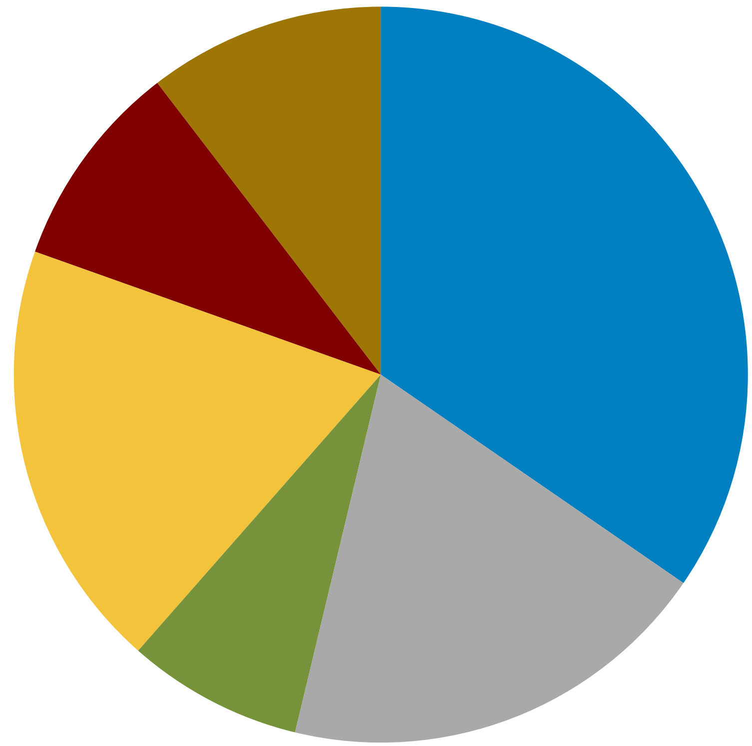
Schedule of Investable Assets



Periods Ending	Beginning Market Value $	Net Cash Flow $	Gain/Loss $	Ending Market Value $
Inception	16,000,000	5,246,462	7,184,421	28,430,884

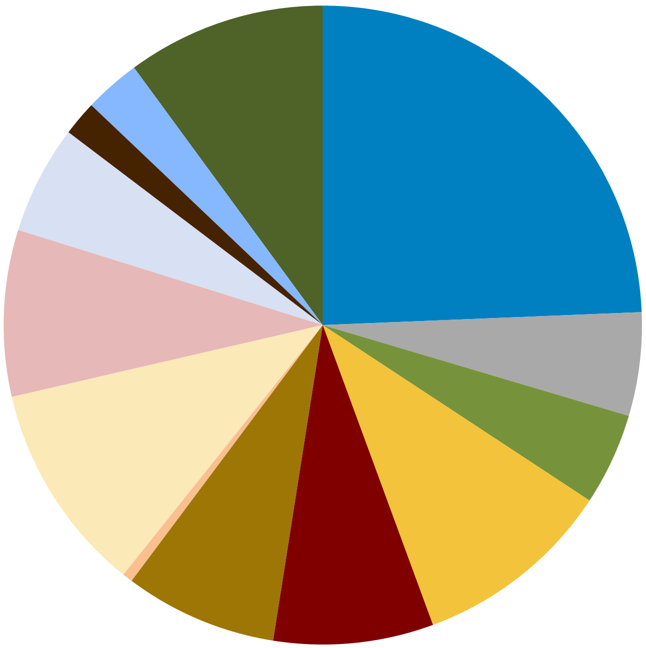
March 31, 2017 : $27,949,760	June 30, 2017 : $28,430,884



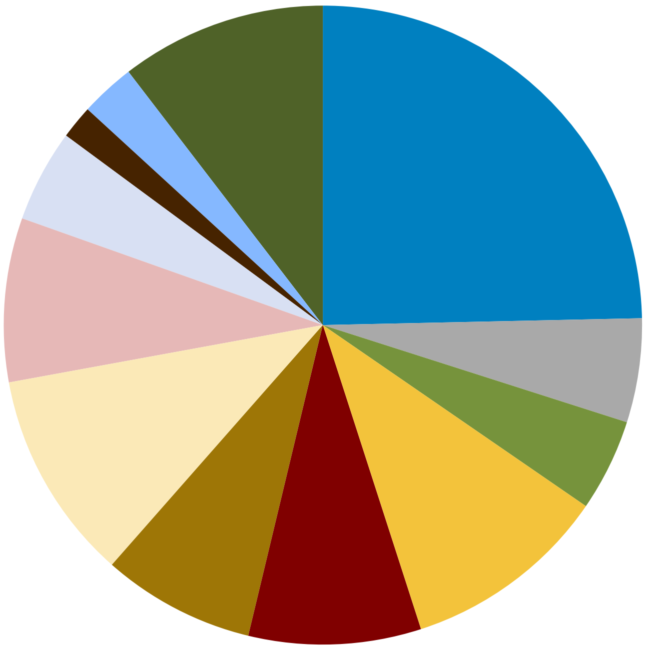


Allocation	Market Value ($)	Allocation (%)	Allocation	Market Value ($)	Allocation (%)
Domestic Equity	9,572,459	34.25	Domestic Equity	9,832,739	34.58
International Equity	5,098,063	18.24	International Equity	5,450,522	19.17
Total Alternative Strategies	2,305,805	8.25	Total Alternative Strategies	2,201,623	7.74
Total Fixed Income	5,331,172	19.07	Total Fixed Income	5,380,383	18.92
Total Real Assets	2,826,172	10.11	Total Real Assets	2,601,884	9.15
Total Liquid Capital	2,816,089	10.08	Total Liquid Capital	2,963,732	10.42

March 31, 2017 : $27,949,760



June 30, 2017 : $28,430,884



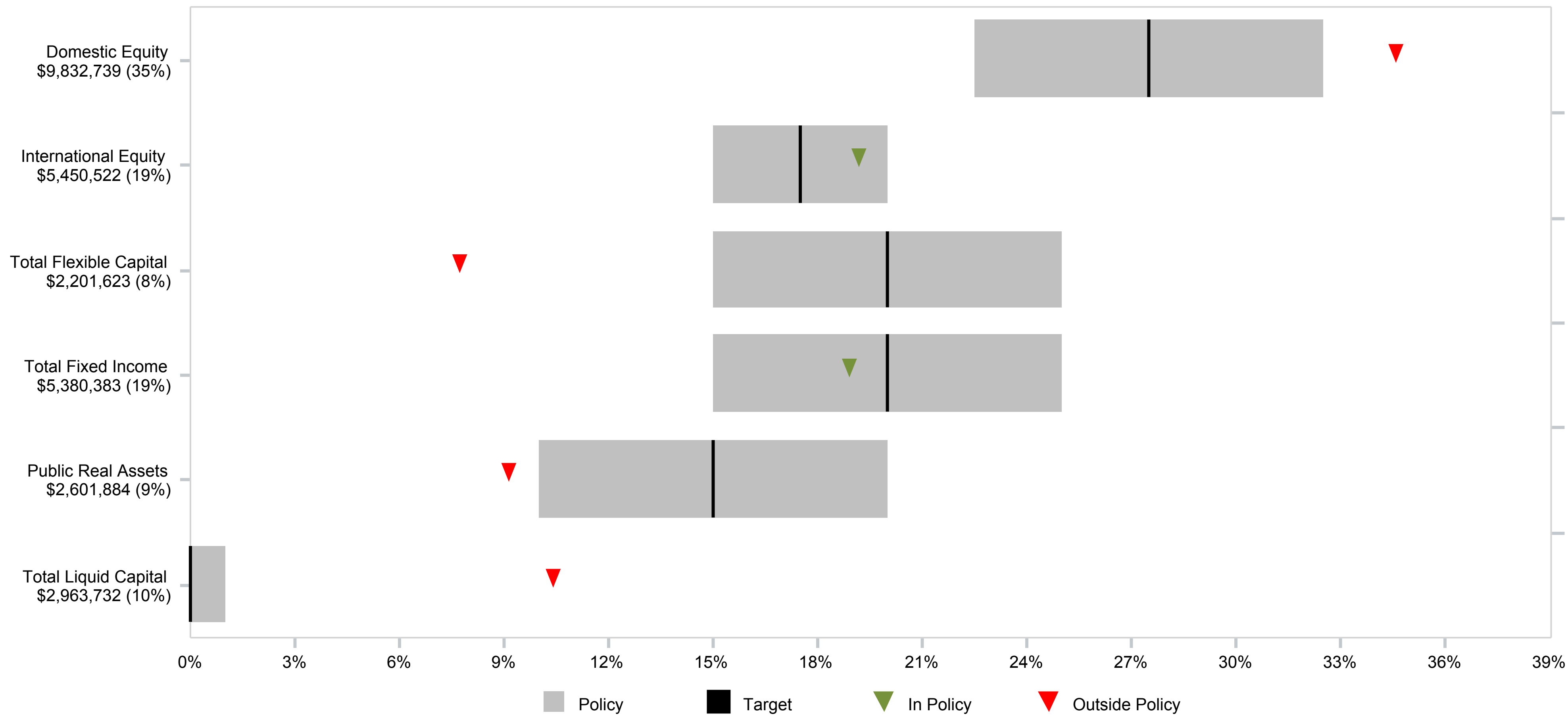
Allocation

	Market Value	Allocation
Fidelity Total Market Index Fund Premium Class	6,805,075	24.3
FMI Common Stock Fund	1,465,062	5.2
FPA Crescent Fund	1,302,322	4.7
Dodge & Cox Intl Stock Fund	2,834,874	10.1
Artisan International Instl Fd	2,263,189	8.1
Forester Offshore A2, Ltd.	2,162,136	7.7
Archstone Fund (Holdback)	143,669	0.5
Vanguard Total Bond Market Index Fund Adm	2,977,515	10.7
Vanguard Short Term US Treas Adm Fd	2,353,657	8.4
Van Eck Global Hard Assets I Fund	1,538,361	5.5
Nuveen Gresham Diversified Commodities Fund	495,508	1.8
Vanguard Short-Term Inflation Protected Securities Adm. Fund	792,302	2.8
Government Stif 15	2,816,089	10.1

Allocation

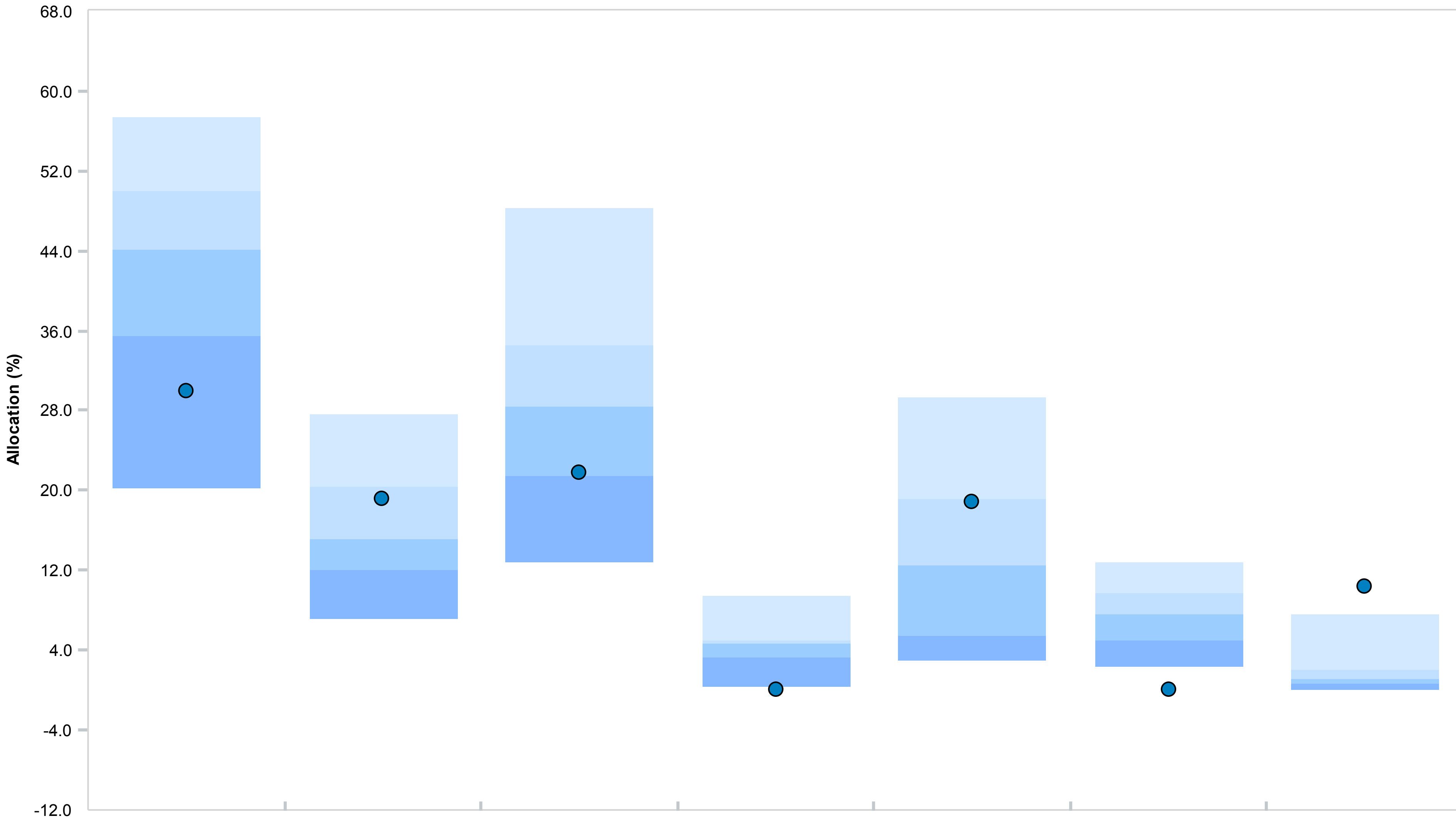
	Market Value	Allocation
Fidelity Total Market Index Fund Premium Class	7,008,918	24.7
FMI Common Stock Fund	1,497,546	5.3
FPA Crescent Fund	1,326,274	4.7
Dodge & Cox Intl Stock Fund	2,969,641	10.4
Artisan International Instl Fd	2,480,881	8.7
Forester Offshore A2, Ltd.	2,201,623	7.7
Archstone Fund (Holdback)	-	0.0
Vanguard Total Bond Market Index Fund Adm	3,021,719	10.6
Vanguard Short Term US Treas Adm Fd	2,358,664	8.3
Van Eck Global Hard Assets I Fund	1,334,129	4.7
Nuveen Gresham Diversified Commodities Fund	479,605	1.7
Vanguard Short-Term Inflation Protected Securities Adm. Fund	788,151	2.8
Government Stif 15	2,963,732	10.4

Executive Summary



Asset Allocation Compliance

	Asset Allocation $	Current Allocation (%)	Minimum Allocation (%)	Target Allocation (%)	Maximum Allocation (%)	Target Rebal.
Total Fund	28,430,884	100.0	N/A	100.0	N/A	-
Domestic Equity	9,832,739	34.6	22.5	27.5	32.5	-2,014,246
International Equity	5,450,522	19.2	15.0	17.5	20.0	-475,118
Total Flexible Capital	2,201,623	7.7	15.0	20.0	25.0	3,484,554
Total Fixed Income	5,380,383	18.9	15.0	20.0	25.0	305,794
Public Real Assets	2,601,884	9.2	10.0	15.0	20.0	1,662,748
Total Liquid Capital	2,963,732	10.4	0.0	0.0	1.0	-2,963,732



	US Equity	Intl. Equity	US Fixed Income	Intl. Fixed Income	Alternative Inv.	Real Estate	Cash
● Total Fund	29.92 (84)	19.17 (29)	21.70 (75)	0.00	18.79 (27)	0.00	10.42 (4)
5th Percentile	57.30	27.66	48.25	9.49	29.38	12.84	7.53
1st Quartile	49.93	20.43	34.51	4.99	19.20	9.81	1.99
Median	44.09	15.19	28.35	4.61	12.54	7.55	1.10
3rd Quartile	35.54	12.06	21.52	3.32	5.45	4.97	0.60
95th Percentile	20.23	7.10	12.89	0.26	2.95	2.40	0.06

PIMCO DiSCO II and PIMCO Tactical Opportunities Funds included in US Fixed Income classification in order to produce and utilize plan sponsor allocation chart.

Financial Reconciliation Quarter to Date

	Market Value 04/01/2017	Net Transfers	Contributions	Distributions	Management Fees	Other Expenses	Income	Apprec./ Deprec.	Market Value 06/30/2017
Domestic Equity	**9,572,459**	**-**	**-**	**-**	**-**	**-**	**29,261**	**231,019**	**9,832,739**
Fidelity Total Market Index Fund Premium Class	6,805,075	-	-	-	-	-	29,261	174,582	7,008,918
FMI Common Stock Fund	1,465,062	-	-	-	-	-	-	32,485	1,497,546
FPA Crescent Fund	1,302,322	-	-	-	-	-	-	23,953	1,326,274
International Equity	**5,098,063**	**-**	**-**	**-**	**-**	**-**	**-**	**352,459**	**5,450,522**
Dodge & Cox Intl Stock Fund	2,834,874	-	-	-	-	-	-	134,767	2,969,641
Artisan International Instl Fd	2,263,189	-	-	-	-	-	-	217,692	2,480,881
Total Alternative Strategies	**2,305,805**	**-143,669**	**-**	**-**	**-**	**-**	**-**	**39,487**	**2,201,623**
Forester Offshore A2, Ltd.	2,162,136	-	-	-	-	-	-	39,487	2,201,623
Archstone Fund (Holdback)	143,669	-143,669	-	-	-	-	-	-	-
Total Fixed Income	**5,331,172**	**-**	**-**	**-**	**-**	**-**	**20,896**	**28,315**	**5,380,383**
Vanguard Total Bond Market Index Fund Adm	2,977,515	-	-	-	-	-	19,105	25,098	3,021,719
Vanguard Short Term US Treas Adm Fd	2,353,657	-	-	-	-	-	1,791	3,216	2,358,664
Total Real Assets	**2,826,172**	**-**	**-**	**-**	**-**	**-**	**-**	**-224,288**	**2,601,884**
Van Eck Global Hard Assets I Fund	1,538,361	-	-	-	-	-	-	-204,233	1,334,129
Nuveen Gresham Diversified Commodities Fund	495,508	-	-	-	-	-	-	-15,903	479,605
Vanguard Short-Term Inflation Protected Securities Adm. Fund	792,302	-	-	-	-	-	-	-4,152	788,151
Total Liquid Capital	**2,816,089**	**143,669**	**-**	**-**	**-**	**-**	**3,974**	**-**	**2,963,732**
Government Stif 15	2,816,089	143,669	-	-	-	-	3,974	-	2,963,732
Total Fund	**27,949,760**	**-**	**-**	**-**	**-**	**-**	**54,132**	**426,992**	**28,430,884**

Financial Reconciliation Fiscal Year to Date

	Market Value 10/01/2016	Net Transfers	Contributions	Distributions	Management Fees	Other Expenses	Income	Apprec./ Deprec.	Market Value 06/30/2017
Domestic Equity	**8,693,725**	**-**	**-**	**-**	**-**	**-**	**135,467**	**1,003,546**	**9,832,739**
Fidelity Total Market Index Fund Premium Class	6,176,080	-	-	-	-	-	124,648	708,190	7,008,918
FMI Common Stock Fund	1,312,166	-	-	-	-	-	69	185,311	1,497,546
FPA Crescent Fund	1,205,480	-	-	-	-	-	10,750	110,045	1,326,274
International Equity	**4,774,546**	**-**	**-**	**-**	**-**	**-**	**86,589**	**589,387**	**5,450,522**
Dodge & Cox Intl Stock Fund	2,508,919	-	-	-	-	-	55,878	404,844	2,969,641
Artisan International Instl Fd	2,265,627	-	-	-	-	-	30,711	184,543	2,480,881
Total Alternative Strategies	**4,811,370**	**-2,793,083**	**-**	**-**	**-**	**-**	**-**	**183,336**	**2,201,623**
Forester Offshore A2, Ltd.	2,073,439	-	-	-	-	-	-	128,184	2,201,623
Archstone Fund (Holdback)	2,737,931	-2,793,083	-	-	-	-	-	55,152	-
Total Fixed Income	**5,408,269**	**-**	**-**	**-**	**-**	**-**	**69,328**	**-97,214**	**5,380,383**
Vanguard Total Bond Market Index Fund Adm	3,047,481	-	-	-	-	-	55,315	-81,078	3,021,719
Vanguard Short Term US Treas Adm Fd	2,360,787	-	-	-	-	-	14,013	-16,136	2,358,664
Total Real Assets	**2,812,352**	**-**	**-**	**-**	**-**	**-**	**6,381**	**-216,849**	**2,601,884**
Van Eck Global Hard Assets I Fund	1,537,926	-	-	-	-	-	455	-204,252	1,334,129
Nuveen Gresham Diversified Commodities Fund	485,883	-	-	-	-	-	-	-6,278	479,605
Vanguard Short-Term Inflation Protected Securities Adm. Fund	788,543	-	-	-	-	-	5,927	-6,319	788,151
Total Liquid Capital	**164,879**	**2,793,083**	**-**	**-**	**-**	**-**	**5,771**	**-**	**2,963,732**
Government Stif 15	164,879	2,793,083	-	-	-	-	5,771	-	2,963,732
Total Fund	**26,665,141**	**-**	**-**	**-**	**-**	**-**	**303,537**	**1,462,206**	**28,430,884**

Asset Allocation & Performance [Gross of Fees] - Trailing Returns

	Allocation		Performance(%)								
	Market Value $	%	MTH	QTD	FYTD	YTD	1 YR	3 YR	5 YR	Inception	Inception Date
Total Fund (Net of PBA Fees)	**28,430,884**	**100.0**	**0.19 (94)**	**1.72 (97)**	**6.62 (90)**	**5.24 (95)**	**10.44 (83)**	**1.49 (99)**	**6.53 (97)**	**3.18 (100)**	**05/01/2007**
Target Index			0.22 (94)	2.12 (94)	6.49 (91)	5.75 (92)	9.59 (89)	3.30 (96)	6.41 (97)	N/A	
All Public Plans-Total Fund Median			0.59	2.97	8.52	7.61	12.12	5.36	8.94	5.62	
Total Fund	**28,430,884**	**100.0**	**0.19 (94)**	**1.72 (97)**	**6.62 (90)**	**5.24 (95)**	**10.44 (83)**	**1.49 (99)**	**6.53 (97)**	**3.36 (99)**	**05/01/2007**
Target Index			0.22 (94)	2.12 (94)	6.49 (91)	5.75 (92)	9.59 (89)	3.30 (96)	6.41 (97)	N/A	
All Public Plans-Total Fund Median			0.59	2.97	8.52	7.61	12.12	5.36	8.94	5.62	
Domestic Equity	**9,832,739**	**34.6**	**0.91 (56)**	**2.72 (47)**	**13.10 (44)**	**7.95 (45)**	**18.35 (48)**	**7.92 (35)**	**13.55 (41)**	**5.30 (67)**	**06/01/2007**
Russell 3000 Index			0.90 (56)	3.02 (41)	13.52 (37)	8.93 (38)	18.51 (46)	9.10 (21)	14.58 (22)	6.99 (32)	
IM U.S. Equity (MF) Median			1.11	2.53	12.50	7.19	17.92	6.88	13.05	6.11	
Fidelity Total Market Index Fund Premium Class	7,008,918	24.7	0.91 (48)	3.00 (41)	13.48 (36)	8.95 (40)	18.53 (41)	9.05 (14)	14.55 (23)	7.11 (18)	06/01/2007
Wilshire 5000 Total Market Index (full-cap) Index			0.89 (49)	2.96 (43)	13.51 (35)	8.85 (42)	18.66 (39)	8.78 (18)	14.41 (28)	7.09 (18)	
IM U.S. Multi-Cap Core Equity (MF) Median			0.87	2.76	12.42	8.40	17.86	7.03	13.49	5.78	
FMI Common Stock Fund	1,497,546	5.3	1.62 (42)	2.22 (39)	14.13 (17)	5.81 (55)	19.78 (21)	5.70 (54)	N/A	12.00 (63)	01/01/2013
Russell 2500 Index			2.50 (12)	2.13 (40)	12.46 (33)	5.97 (52)	19.84 (20)	6.93 (33)	14.04 (28)	13.56 (28)	
IM U.S. Mid Cap Core Equity (MF) Median			1.43	1.79	11.44	6.14	16.35	5.95	13.01	12.49	
FPA Crescent Fund	1,326,274	4.7	0.12 (70)	1.84 (67)	10.02 (11)	5.27 (65)	15.84 (8)	4.89 (15)	N/A	9.04 (8)	01/01/2013
S&P 500 Index			0.62 (28)	3.09 (27)	13.52 (4)	9.34 (10)	17.90 (5)	9.61 (1)	14.63 (1)	14.90 (1)	
IM Flexible Portfolio (MF) Median			0.29	2.31	6.29	6.19	9.32	2.69	6.32	5.54	
International Equity	**5,450,522**	**19.2**	**0.35 (51)**	**6.91 (40)**	**14.16 (25)**	**16.73 (44)**	**22.19 (33)**	**0.41 (68)**	**9.23 (26)**	**2.15 (38)**	**06/01/2007**
MSCI EAFE (Net) Index			-0.18 (75)	6.12 (58)	13.00 (38)	13.81 (75)	20.27 (45)	1.15 (55)	8.69 (34)	1.03 (60)	
IM International Equity (MF) Median			0.37	6.41	12.11	15.96	19.73	1.39	7.69	1.41	
Dodge & Cox Intl Stock Fund	2,969,641	10.4	-0.27 (82)	4.75 (95)	18.36 (1)	14.51 (45)	30.37 (1)	0.64 (53)	10.24 (4)	2.35 (17)	06/01/2007
MSCI EAFE (Net) Index			-0.18 (78)	6.12 (47)	13.00 (48)	13.81 (61)	20.27 (46)	1.15 (37)	8.69 (22)	1.03 (37)	
IM International Large Cap Core Equity (MF) Median			0.15	6.04	12.85	14.23	19.83	0.68	7.37	0.69	
Artisan International Instl Fd	2,480,881	8.7	1.12 (4)	9.62 (3)	9.50 (87)	19.50 (8)	13.64 (94)	0.00 (70)	N/A	6.00 (39)	01/01/2013
MSCI EAFE (Net) Index			-0.18 (73)	6.12 (62)	13.00 (38)	13.81 (68)	20.27 (40)	1.15 (47)	8.69 (22)	6.56 (22)	
IM International Large Cap Equity (MF) Median			0.16	6.55	12.02	15.21	18.79	0.99	7.69	5.51	

Returns for periods greater than one year are annualized.
Returns are expressed as percentages. Mutual fund and ETF investments are reported net of fees.

	Allocation		Performance(%)								
	Market Value $	%	MTH	QTD	FYTD	YTD	1 YR	3 YR	5 YR	Inception	Inception Date
Total Alternative Strategies	**2,201,623**	**7.7**	**0.14**	**1.72**	**6.47**	**4.63**	**9.28**	**0.54**	**4.38**	**3.08**	**07/01/2007**
Forester Offshore A2, Ltd.	2,201,623	7.7	0.15	1.83	6.18	4.95	9.70	2.35	5.65	4.33	07/01/2007
Total Fixed Income	**5,380,383**	**18.9**	**-0.02 (65)**	**0.92 (85)**	**-0.52 (61)**	**1.56 (93)**	**-0.39 (76)**	**1.56 (29)**	**1.54 (54)**	**2.90 (75)**	**06/01/2007**
Fixed Income Composite Index			-0.13 (76)	0.93 (85)	-0.57 (63)	1.54 (93)	-0.44 (76)	1.77 (27)	1.53 (54)	N/A	
IM Global Fixed Income (MF) Median			0.05	2.25	-0.03	4.27	1.04	0.45	1.64	3.70	
Vanguard Total Bond Market Index Fund Adm	3,021,719	10.6	0.02 (28)	1.48 (45)	-0.85 (74)	2.40 (52)	N/A	N/A	N/A	-1.11 (86)	09/01/2016
Bloomberg Barclays U.S. Aggregate Index			-0.10 (71)	1.45 (52)	-0.77 (69)	2.27 (62)	-0.31 (73)	2.48 (27)	2.21 (54)	-0.83 (71)	
IM U.S. Broad Market Core Fixed Income (MF) Median			-0.05	1.45	-0.36	2.41	0.32	2.19	2.27	-0.36	
Vanguard Short Term US Treas Adm Fd	2,358,664	8.3	-0.08 (39)	0.21 (56)	-0.09 (50)	0.50 (55)	-0.22 (54)	0.82 (23)	N/A	0.68 (21)	01/01/2013
Blmbg. Barc. U.S. Treasury: 1-5 Year			-0.16 (71)	0.41 (13)	-0.39 (71)	0.80 (18)	-0.57 (73)	1.05 (7)	0.85 (12)	0.84 (9)	
IM U.S. Short Term Treasury/Govt Bonds (MF) Median			-0.10	0.22	-0.09	0.53	-0.18	0.58	0.48	0.40	
Total Real Assets	**2,601,884**	**9.2**	**-2.15 (98)**	**-7.94 (100)**	**-7.48 (100)**	**-9.81 (100)**	**-4.38 (95)**	**-12.12 (100)**	**-4.68 (100)**	**-5.57 (100)**	**07/01/2007**
Real Assets Composite Index			-0.44 (79)	-0.52 (87)	-0.05 (86)	0.16 (86)	0.19 (87)	-0.07 (78)	-0.57 (96)	N/A	
IM Absolute Return (MF) Median			-0.11	0.87	3.25	2.50	4.13	1.62	2.74	0.86	
Van Eck Global Hard Assets I Fund	1,334,129	4.7	-3.61 (96)	-13.28 (93)	-13.25 (94)	-16.20 (92)	-6.55 (93)	-16.92 (82)	N/A	-7.00 (78)	01/01/2013
S&P North American Natural Res Sector Index (TR)			-0.57 (38)	-7.09 (52)	-6.57 (63)	-11.04 (62)	-2.62 (62)	-11.92 (47)	0.13 (29)	-1.68 (32)	
IM Global Natural Resources (MF) Median			-1.51	-6.38	-4.18	-9.77	-0.13	-12.64	-2.29	-4.46	
Nuveen Gresham Diversified Commodities Fund	479,605	1.7	-0.78 (55)	-3.21 (21)	-1.29 (12)	-5.21 (31)	-5.37 (23)	N/A	N/A	-11.67 (55)	12/01/2014
Bloomberg Commodity Index Total Return			-0.19 (26)	-3.00 (15)	-2.74 (28)	-5.26 (31)	-6.50 (38)	-14.81 (46)	-9.25 (50)	-11.15 (50)	
IM Commodities General (MF) Median			-0.56	-4.01	-3.77	-5.91	-7.21	-15.19	-9.29	-11.30	
Vanguard Short-Term Inflation Protected Securities Adm. Fund	788,151	2.8	-0.44 (15)	-0.52 (57)	-0.05 (24)	0.16 (84)	0.19 (37)	-0.07 (54)	N/A	0.28 (80)	02/01/2014
Bloomberg Barclays US TIPS 0-5 Year Index			-0.43 (14)	-0.50 (53)	0.03 (20)	0.19 (83)	0.32 (33)	0.01 (48)	0.32 (19)	0.44 (71)	
IM U.S. TIPS (MF) Median			-0.87	-0.50	-1.15	0.68	-0.23	-0.02	-0.12	0.90	
Total Liquid Capital	**2,963,732**	**10.4**	**0.10 (1)**	**0.14 (42)**	**0.23 (48)**	**0.20 (47)**	**0.29 (43)**	**0.12 (39)**	**0.08 (40)**	**0.80 (5)**	**05/01/2007**
Citigroup 3 Month T-Bill Index			0.07 (10)	0.18 (17)	0.39 (18)	0.30 (18)	0.46 (18)	0.20 (15)	0.15 (12)	0.58 (44)	
IM U.S. Taxable Money Market (MF) Median			0.05	0.12	0.21	0.18	0.22	0.09	0.06	0.55	
Government Stif 15	2,963,732	10.4	0.10	0.14	0.23	0.20	0.29	0.12	0.08	0.80	05/01/2007
Citigroup 3 Month T-Bill Index			0.07	0.18	0.39	0.30	0.46	0.20	0.15	0.58	

Returns for periods greater than one year are annualized.
Returns are expressed as percentages. Mutual fund and ETF investments are reported net of fees.

Asset Allocation & Performance [Gross of Fees] - Fiscal Year Returns

	Allocation		Performance(%)								
	Market Value $	%	FYTD	FY2016	FY2015	FY2014	FY2013	FY2012	FY2011	FY2010	FY2009
Total Fund (Net of PBA Fees)	**28,430,884**	**100.0**	**6.62 (90)**	**7.16 (93)**	**-6.34 (100)**	**8.51 (85)**	**12.77 (46)**	**15.85 (83)**	**-1.70 (87)**	**7.69 (93)**	**-3.71 (94)**
Target Index			6.49 (91)	6.67 (95)	-1.94 (80)	7.36 (95)	9.79 (86)	N/A	N/A	N/A	N/A
All Public Plans-Total Fund Median			8.52	9.68	-0.53	10.15	12.50	17.96	0.29	9.94	1.59
Total Fund	**28,430,884**	**100.0**	**6.62 (90)**	**7.16 (93)**	**-6.34 (100)**	**8.51 (85)**	**12.77 (46)**	**15.89 (82)**	**-1.61 (86)**	**8.13 (90)**	**-3.23 (93)**
Target Index			6.49 (91)	6.67 (95)	-1.94 (80)	7.36 (95)	9.79 (86)	N/A	N/A	N/A	N/A
All Public Plans-Total Fund Median			8.52	9.68	-0.53	10.15	12.50	17.96	0.29	9.94	1.59
Domestic Equity	**9,832,739**	**34.6**	**13.10 (44)**	**13.63 (37)**	**-1.23 (52)**	**15.92 (36)**	**21.80 (54)**	**28.88 (38)**	**-1.86 (50)**	**9.14 (65)**	**-11.21 (82)**
Russell 3000 Index			13.52 (37)	14.96 (26)	-0.49 (45)	17.76 (23)	21.60 (55)	30.20 (26)	0.55 (31)	10.96 (50)	-6.42 (57)
IM U.S. Equity (MF) Median			12.50	11.89	-1.09	13.74	22.52	27.31	-1.88	10.88	-5.36
Fidelity Total Market Index Fund Premium Class	7,008,918	24.7	13.48 (36)	14.93 (15)	-0.51 (33)	17.91 (29)	21.40 (63)	30.39 (14)	0.62 (25)	11.27 (29)	-6.40 (60)
Wilshire 5000 Total Market Index (full-cap) Index			13.51 (35)	14.77 (16)	-1.18 (42)	17.67 (32)	22.03 (56)	29.64 (22)	0.48 (26)	11.86 (24)	-5.86 (53)
IM U.S. Multi-Cap Core Equity (MF) Median			12.42	11.47	-1.73	16.24	22.79	26.44	-1.71	9.57	-5.50
FMI Common Stock Fund	1,497,546	5.3	14.13 (17)	12.61 (39)	-3.38 (75)	10.44 (74)	N/A	N/A	N/A	N/A	N/A
Russell 2500 Index			12.46 (33)	14.44 (22)	0.38 (31)	8.97 (89)	29.79 (23)	30.93 (14)	-2.22 (36)	15.92 (30)	-5.68 (68)
IM U.S. Mid Cap Core Equity (MF) Median			11.44	11.68	-1.20	12.13	27.26	26.28	-3.56	13.72	-4.23
FPA Crescent Fund	1,326,274	4.7	10.02 (11)	8.45 (48)	-2.34 (27)	10.60 (22)	N/A	N/A	N/A	N/A	N/A
S&P 500 Index			13.52 (4)	15.43 (3)	-0.61 (16)	19.73 (1)	19.34 (7)	30.20 (2)	1.14 (28)	10.16 (39)	-6.91 (96)
IM Flexible Portfolio (MF) Median			6.29	8.32	-4.46	8.01	8.35	15.66	-0.81	9.40	3.27
International Equity	**5,450,522**	**19.2**	**14.16 (25)**	**5.63 (74)**	**-12.84 (66)**	**9.63 (8)**	**25.48 (15)**	**23.04 (8)**	**-13.12 (58)**	**5.62 (64)**	**4.13 (50)**
MSCI EAFE (Net) Index			13.00 (38)	6.52 (67)	-8.66 (48)	4.25 (50)	23.77 (22)	13.75 (71)	-9.36 (27)	3.27 (77)	3.23 (53)
IM International Equity (MF) Median			12.11	9.22	-9.20	4.24	17.78	16.17	-12.13	8.62	4.04
Dodge & Cox Intl Stock Fund	2,969,641	10.4	18.36 (1)	5.62 (56)	-16.19 (89)	13.24 (1)	27.76 (1)	15.88 (40)	-12.97 (74)	7.55 (99)	6.78 (8)
MSCI EAFE (Net) Index			13.00 (48)	6.52 (40)	-8.66 (58)	4.25 (43)	23.77 (14)	13.75 (64)	-9.36 (24)	3.27 (100)	3.23 (19)
IM International Large Cap Core Equity (MF) Median			12.85	5.89	-8.05	3.71	21.41	15.05	-11.31	16.93	1.45
Artisan International Instl Fd	2,480,881	8.7	9.50 (87)	5.64 (54)	-9.34 (69)	6.14 (19)	N/A	N/A	N/A	N/A	N/A
MSCI EAFE (Net) Index			13.00 (38)	6.52 (44)	-8.66 (61)	4.25 (50)	23.77 (12)	13.75 (71)	-9.36 (25)	3.27 (61)	3.23 (24)
IM International Large Cap Equity (MF) Median			12.02	5.90	-7.82	4.12	19.93	15.89	-11.25	3.96	1.12

Returns for periods greater than one year are annualized.
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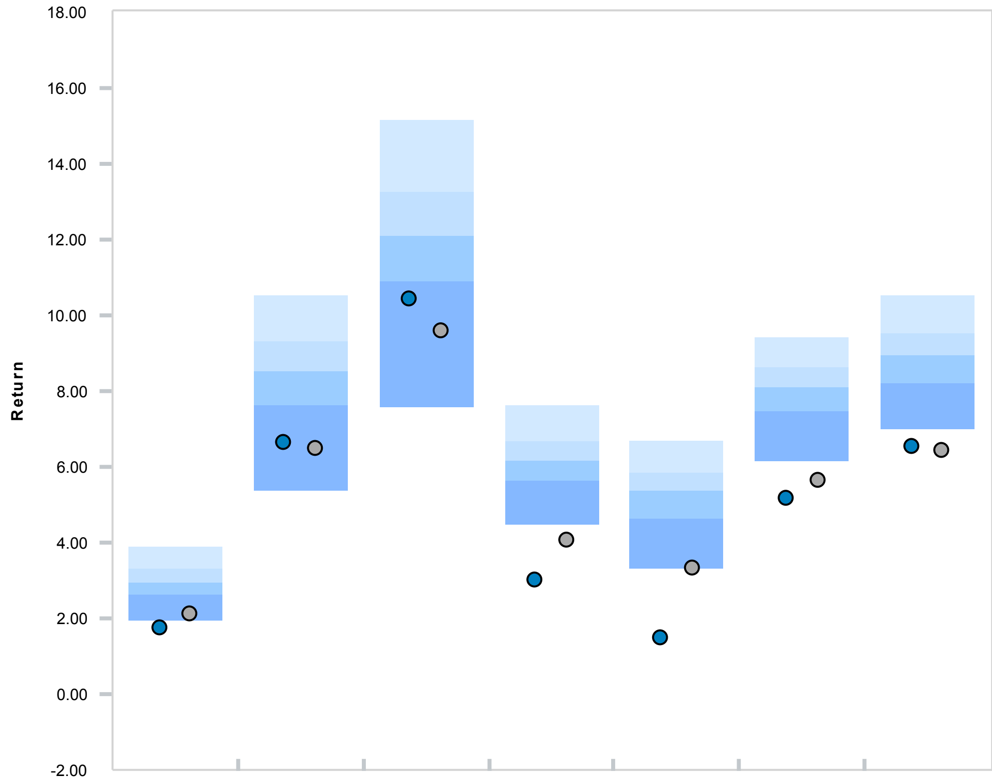
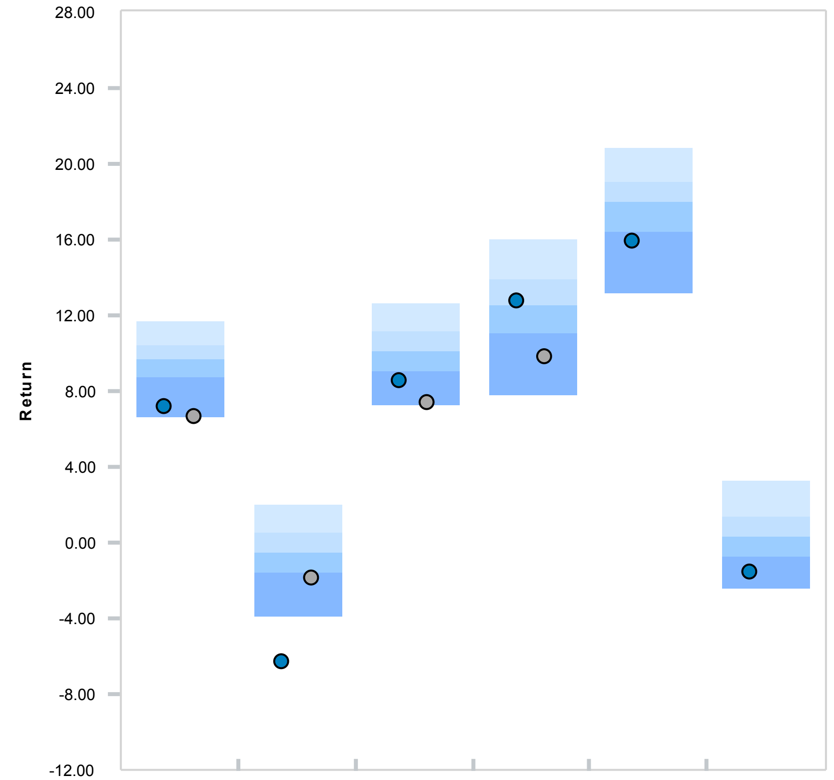
	Allocation		Performance(%)								
	Market Value $	%	FYTD	FY2016	FY2015	FY2014	FY2013	FY2012	FY2011	FY2010	FY2009
Total Alternative Strategies	**2,201,623**	**7.7**	**6.47**	**-0.33**	**-3.25**	**5.84**	**11.24**	**8.67**	**-0.63**	**5.91**	**4.94**
Forester Offshore A2, Ltd.	2,201,623	7.7	6.18	-0.03	1.35	7.23	11.72	11.22	-1.96	3.59	5.56
Total Fixed Income	**5,380,383**	**18.9**	**-0.52 (61)**	**3.03 (94)**	**2.51 (2)**	**1.75 (76)**	**-0.73 (36)**	**6.93 (59)**	**1.55 (57)**	**8.79 (37)**	**13.80 (51)**
Fixed Income Composite Index			-0.57 (63)	3.35 (93)	2.50 (2)	2.29 (69)	-0.85 (38)	4.54 (90)	2.18 (44)	7.34 (58)	13.36 (58)
IM Global Fixed Income (MF) Median			-0.03	7.27	-3.84	3.41	-1.80	7.18	1.77	7.68	13.86
Vanguard Total Bond Market Index Fund Adm	3,021,719	10.6	-0.85 (74)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bloomberg Barclays U.S. Aggregate Index			-0.77 (69)	5.19 (52)	2.94 (7)	3.96 (59)	-1.68 (52)	5.16 (81)	5.26 (14)	8.16 (76)	10.56 (59)
IM U.S. Broad Market Core Fixed Income (MF) Median			-0.36	5.21	1.85	4.18	-1.64	6.78	4.31	9.34	11.36
Vanguard Short Term US Treas Adm Fd	2,358,664	8.3	-0.09 (50)	1.19 (23)	1.49 (21)	0.43 (49)	N/A	N/A	N/A	N/A	N/A
Blmbg. Barc. U.S. Treasury: 1-5 Year			-0.39 (71)	1.54 (5)	2.06 (3)	0.63 (38)	-0.01 (15)	1.28 (43)	2.21 (14)	4.36 (21)	4.67 (49)
IM U.S. Short Term Treasury/Govt Bonds (MF) Median			-0.09	0.78	0.79	0.42	-0.67	1.14	1.04	2.92	4.48
Total Real Assets	**2,601,884**	**9.2**	**-7.48 (100)**	**13.86 (4)**	**-29.45 (100)**	**1.79 (67)**	**-4.60 (94)**	**11.79 (6)**	**3.67 (1)**	**11.65 (7)**	**-38.31 (100)**
Real Assets Composite Index			-0.05 (86)	2.51 (47)	-1.22 (45)	0.14 (85)	-6.10 (95)	N/A	N/A	12.93 (6)	-21.10 (100)
IM Absolute Return (MF) Median			3.25	2.03	-1.81	3.67	1.54	4.53	-1.82	2.02	-1.77
Van Eck Global Hard Assets I Fund	1,334,129	4.7	-13.25 (94)	29.40 (6)	-42.92 (75)	4.86 (53)	N/A	N/A	N/A	N/A	N/A
S&P North American Natural Res Sector Index (TR)			-6.57 (63)	22.36 (22)	-33.57 (52)	10.27 (8)	7.25 (38)	20.48 (18)	-1.63 (7)	8.87 (32)	-8.43 (73)
IM Global Natural Resources (MF) Median			-4.18	17.21	-33.14	5.22	5.74	14.20	-9.12	5.50	-5.30
Nuveen Gresham Diversified Commodities Fund	479,605	1.7	-1.29 (12)	-5.15 (83)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bloomberg Commodity Index Total Return			-2.74 (28)	-2.59 (70)	-25.99 (34)	-6.58 (43)	-14.35 (60)	6.00 (58)	0.02 (81)	10.01 (39)	-23.71 (47)
IM Commodities General (MF) Median			-3.77	-0.92	-27.52	-6.94	-12.81	7.94	2.46	8.67	-24.47
Vanguard Short-Term Inflation Protected Securities Adm. Fund	788,151	2.8	-0.05 (24)	2.51 (93)	-1.22 (22)	N/A	N/A	N/A	N/A	N/A	N/A
Bloomberg Barclays US TIPS 0-5 Year Index			0.03 (20)	2.62 (91)	-1.19 (21)	0.21 (73)	-1.00 (12)	2.78 (97)	4.46 (89)	4.47 (97)	2.91 (85)
IM U.S. TIPS (MF) Median			-1.15	5.77	-1.83	0.95	-6.17	8.21	8.10	8.70	5.16
Total Liquid Capital	**2,963,732**	**10.4**	**0.23 (48)**	**0.14 (26)**	**0.00 (89)**	**0.00 (92)**	**0.00 (76)**	**0.00 (89)**	**0.07 (9)**	**0.10 (13)**	**0.38 (53)**
Citigroup 3 Month T-Bill Index			0.39 (18)	0.20 (17)	0.02 (24)	0.02 (19)	0.08 (6)	0.06 (13)	0.09 (8)	0.10 (13)	0.38 (53)
IM U.S. Taxable Money Market (MF) Median			0.21	0.04	0.01	0.01	0.01	0.01	0.01	0.02	0.42
Government Stif 15	2,963,732	10.4	0.23	0.14	0.00	0.00	0.00	0.00	0.08	0.10	0.38
Citigroup 3 Month T-Bill Index			0.39	0.20	0.02	0.02	0.08	0.06	0.09	0.10	0.38

Returns for periods greater than one year are annualized.
Returns are expressed as percentages. Mutual fund and ETF investments are reported net of fees.

Plan Sponsor Peer Group Analysis - All Public Plans-Total Fund





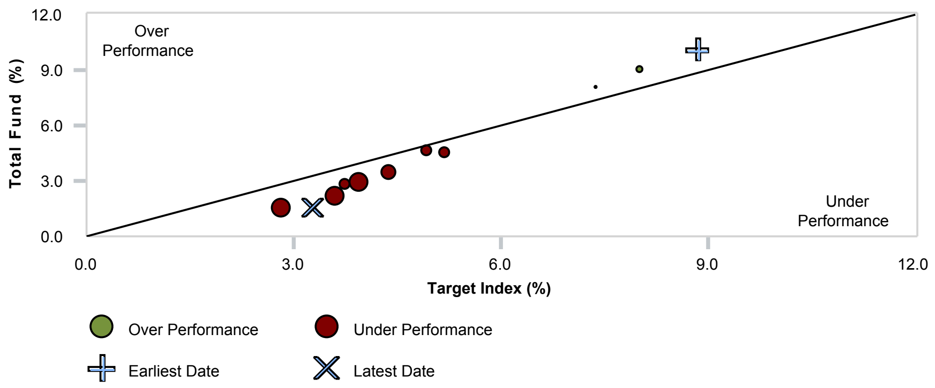
	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
Total Fund	1.72 (97)	6.62 (90)	10.44 (82)	2.99 (98)	1.49 (99)	5.17 (98)	6.53 (97)
Target Index	2.12 (94)	6.49 (91)	9.59 (89)	4.03 (97)	3.30 (96)	5.66 (97)	6.41 (97)
Median	2.97	8.51	12.10	6.15	5.35	8.12	8.93

	Oct-2015 To Sep-2016	Oct-2014 To Sep-2015	Oct-2013 To Sep-2014	Oct-2012 To Sep-2013	Oct-2011 To Sep-2012	Oct-2010 To Sep-2011
Total Fund	7.16 (93)	-6.34 (100)	8.51 (85)	12.77 (46)	15.89 (82)	-1.61 (86)
Target Index	6.67 (95)	-1.94 (80)	7.36 (95)	9.79 (86)	N/A	N/A
Median	9.68	-0.53	10.15	12.50	17.96	0.29

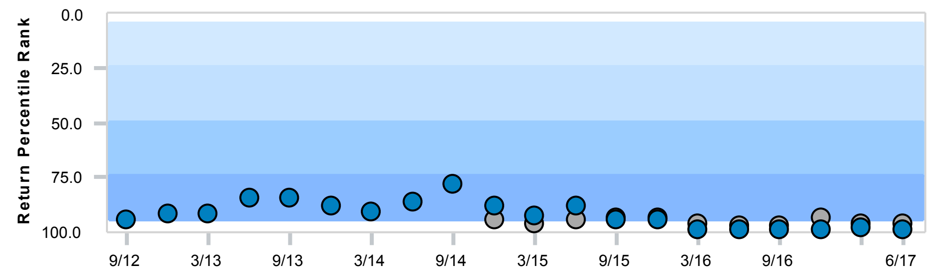
Comparative Performance

	1 Qtr Ending Mar-2017	1 Qtr Ending Dec-2016	1 Qtr Ending Sep-2016	1 Qtr Ending Jun-2016	1 Qtr Ending Mar-2016	1 Qtr Ending Dec-2015
Total Fund	3.45 (91)	1.32 (25)	3.58 (42)	1.89 (51)	0.01 (92)	1.53 (95)
Target Index	3.56 (89)	0.70 (54)	2.90 (75)	1.07 (93)	0.22 (85)	2.33 (75)
All Public Plans-Total Fund Median	4.44	0.79	3.42	1.90	1.05	2.88

3 Yr Rolling Under/Over Performance - 5 Years

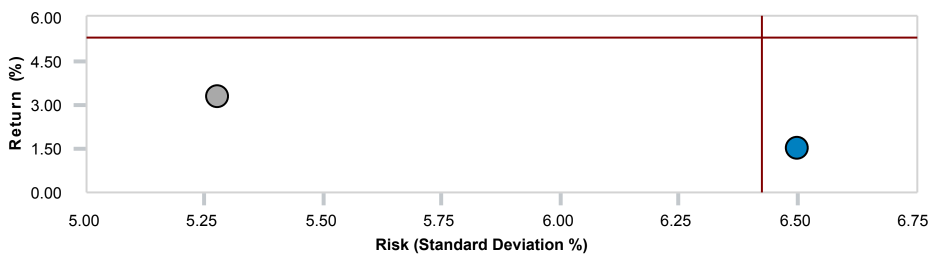


3 Yr Rolling Percentile Ranking - 5 Years



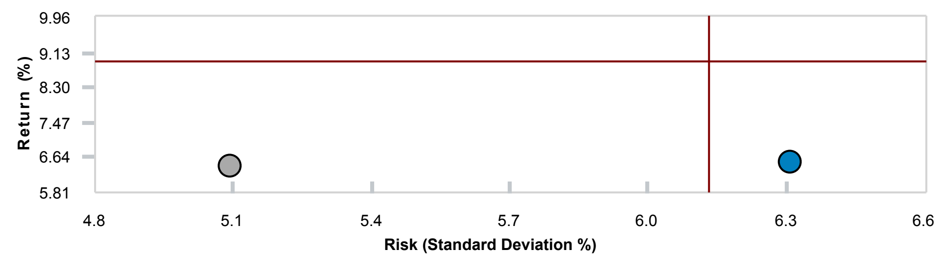
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Total Fund	20	0 (0%)	0 (0%)	0 (0%)	20 (100%)
Target Index	11	0 (0%)	0 (0%)	0 (0%)	11 (100%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
Total Fund	1.49	6.50
Target Index	3.30	5.28
Median	5.32	6.43

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
Total Fund	6.53	6.31
Target Index	6.41	5.10
Median	8.93	6.13

Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund	1.86	105.85	140.71	-2.33	-0.91	0.23	1.20	4.38
Target Index	0.00	100.00	100.00	0.00	N/A	0.61	1.00	3.29

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund	1.88	113.70	129.44	-1.07	0.10	1.01	1.20	3.69
Target Index	0.00	100.00	100.00	0.00	N/A	1.22	1.00	2.85

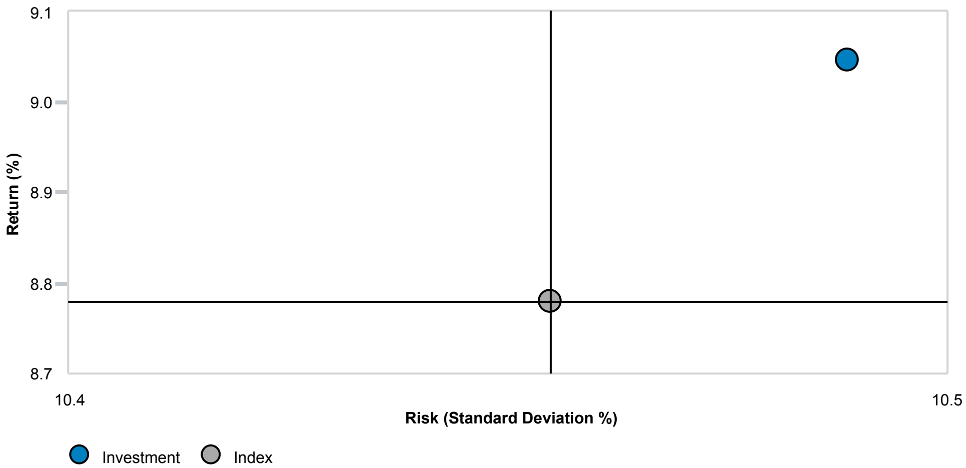
Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	9.05	10.49	0.86	100.77	10.00	98.89	2.00
Index	8.78	10.46	0.84	100.00	9.00	100.00	3.00

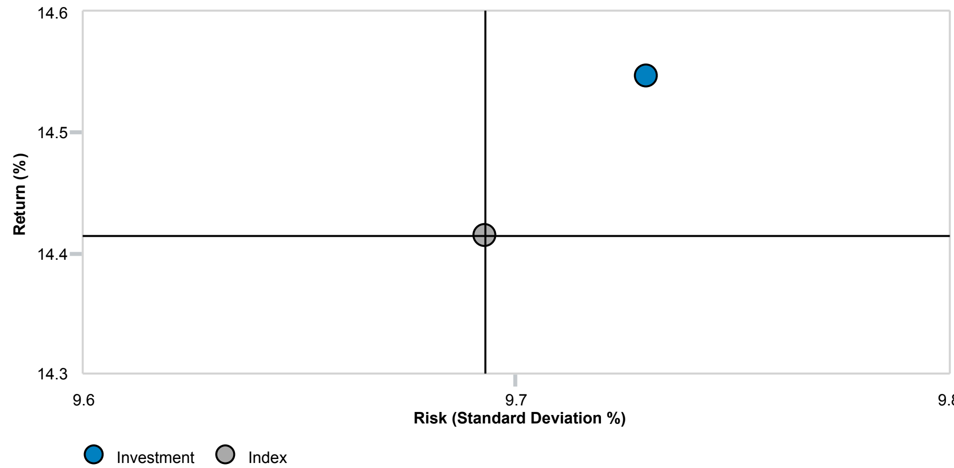
Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	14.55	9.73	1.44	100.41	18.00	99.57	2.00
Index	14.41	9.69	1.43	100.00	17.00	100.00	3.00

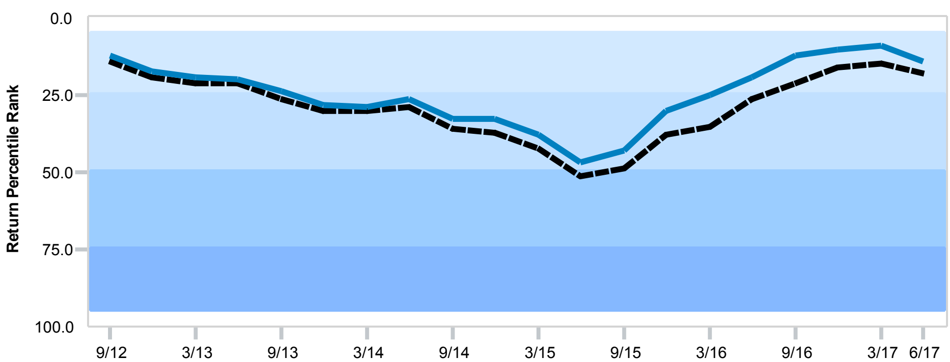
Risk and Return 3 Years



Risk and Return 5 Years

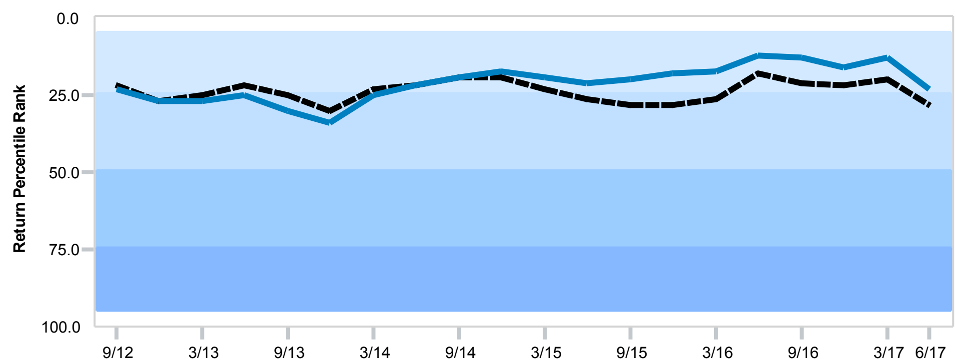


3 Year Rolling Percentile Rank IM U.S. Multi-Cap Core Equity (MF)



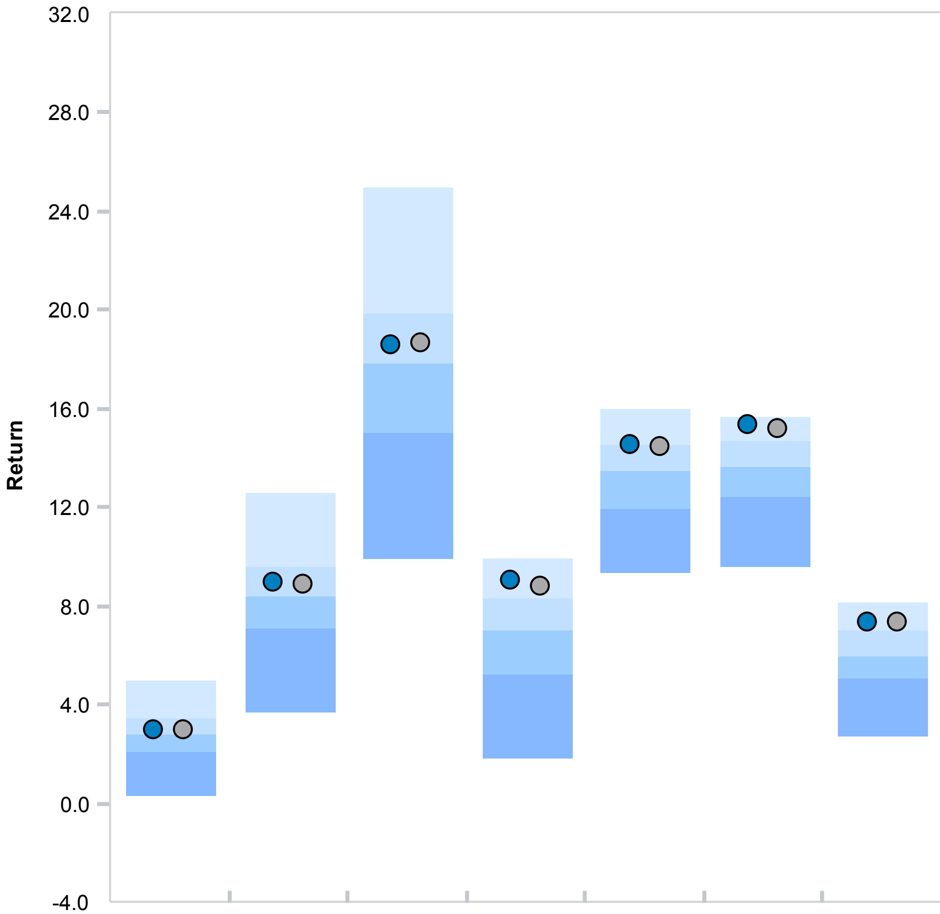
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	11 (55%)	9 (45%)	0 (0%)	0 (0%)
Index	20	8 (40%)	11 (55%)	1 (5%)	0 (0%)

5 Year Rolling Percentile Rank IM U.S. Multi-Cap Core Equity (MF)



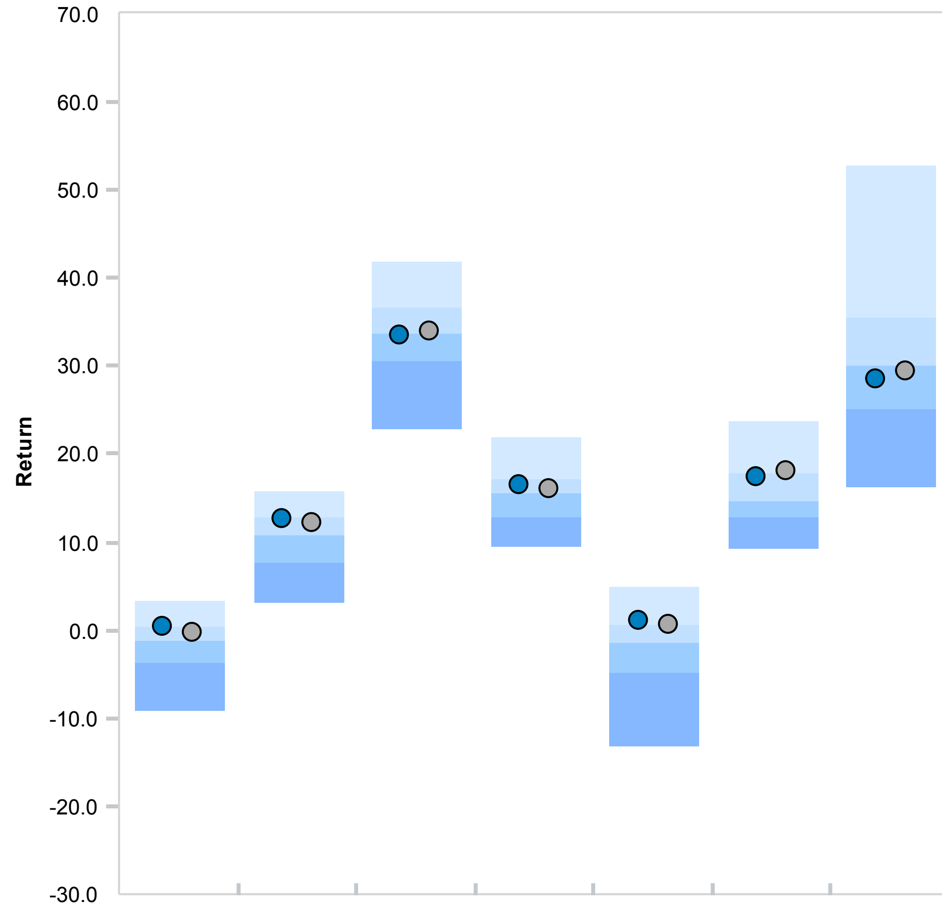
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	16 (80%)	4 (20%)	0 (0%)	0 (0%)
Index	20	13 (65%)	7 (35%)	0 (0%)	0 (0%)

Peer Group Analysis - IM U.S. Multi-Cap Core Equity (MF)



	QTD		YTD		1 YR		3 YR		5 YR		7 YR		10 YR	
Investment	3.00	(41)	8.95	(40)	18.53	(41)	9.05	(14)	14.55	(23)	15.35	(9)	7.34	(17)
Index	2.96	(43)	8.85	(42)	18.66	(39)	8.78	(18)	14.41	(28)	15.18	(14)	7.32	(17)
Median	2.76		8.40		17.86		7.03		13.49		13.66		5.98	

Peer Group Analysis - IM U.S. Multi-Cap Core Equity (MF)



	2015		2014		2013		2012		2011		2010		2009	
Investment	0.46	(27)	12.72	(28)	33.39	(53)	16.53	(31)	1.01	(21)	17.43	(28)	28.43	(61)
Index	-0.24	(39)	12.10	(36)	33.98	(48)	16.12	(40)	0.59	(26)	18.06	(25)	29.42	(55)
Median	-1.23		10.91		33.63		15.53		-1.34		14.72		30.19	

Comparative Performance

	1 Qtr Ending Mar-2017		1 Qtr Ending Dec-2016		1 Qtr Ending Sep-2016		1 Qtr Ending Jun-2016		1 Qtr Ending Mar-2016		1 Qtr Ending Dec-2015	
Investment	5.78	(43)	4.16	(39)	4.45	(51)	2.61	(25)	0.92	(41)	6.25	(16)
Index	5.72	(47)	4.29	(34)	4.53	(49)	2.84	(19)	0.83	(42)	5.89	(24)
Median	5.52		3.60		4.48		1.45		0.39		4.90	

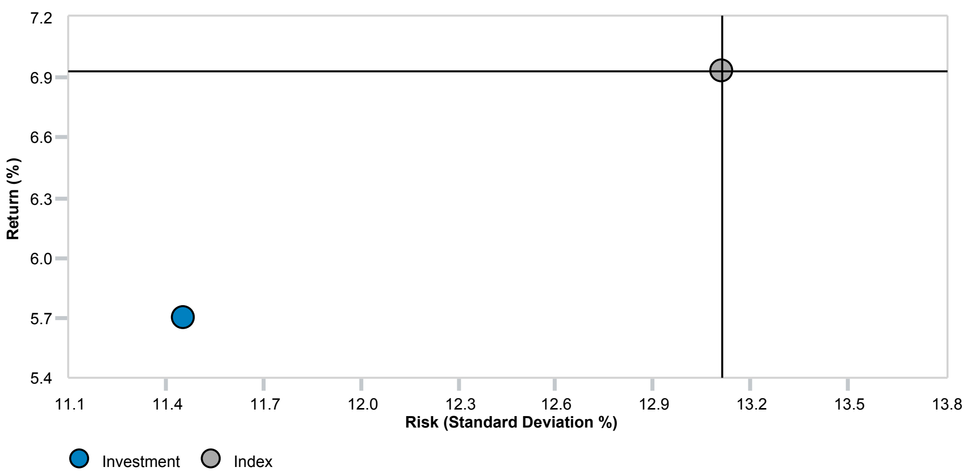
Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	5.70	11.46	0.52	80.50	9.00	79.79	3.00
Index	6.93	13.11	0.56	100.00	9.00	100.00	3.00

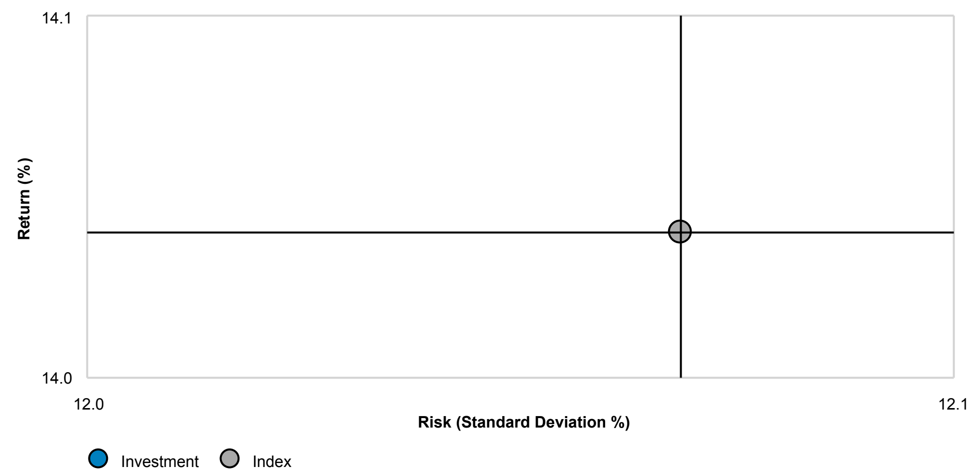
Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Index	14.04	12.07	1.14	100.00	17.00	100.00	3.00

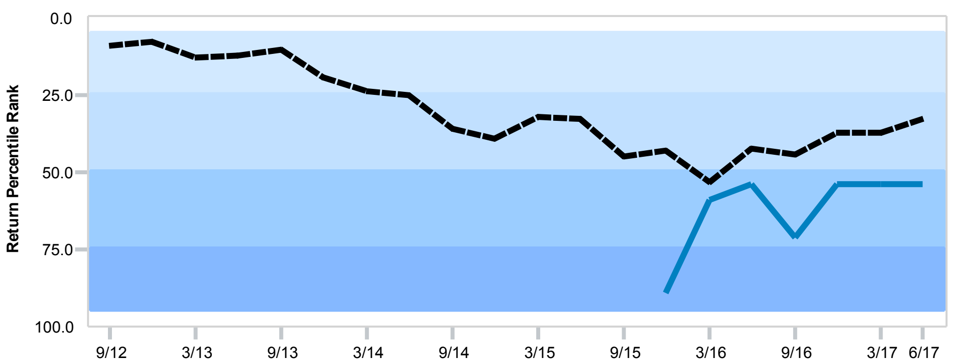
Risk and Return 3 Years



Risk and Return 5 Years

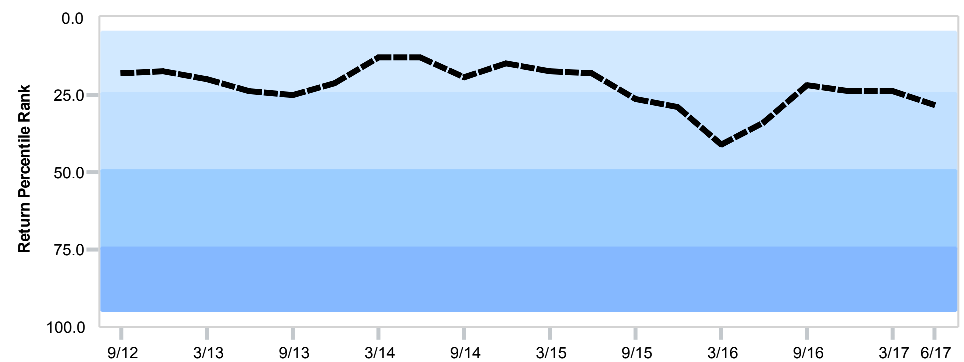


3 Year Rolling Percentile Rank IM U.S. Mid Cap Core Equity (MF)



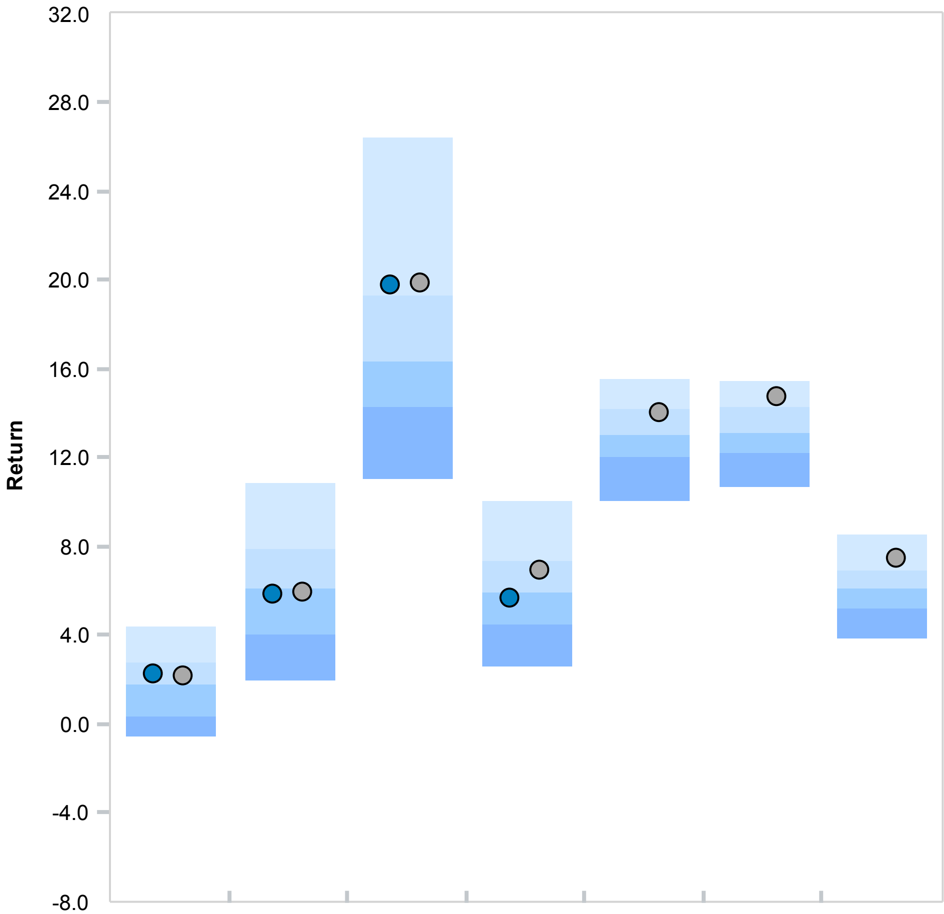
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	7	0 (0%)	0 (0%)	6 (86%)	1 (14%)
Index	20	8 (40%)	11 (55%)	1 (5%)	0 (0%)

5 Year Rolling Percentile Rank IM U.S. Mid Cap Core Equity (MF)



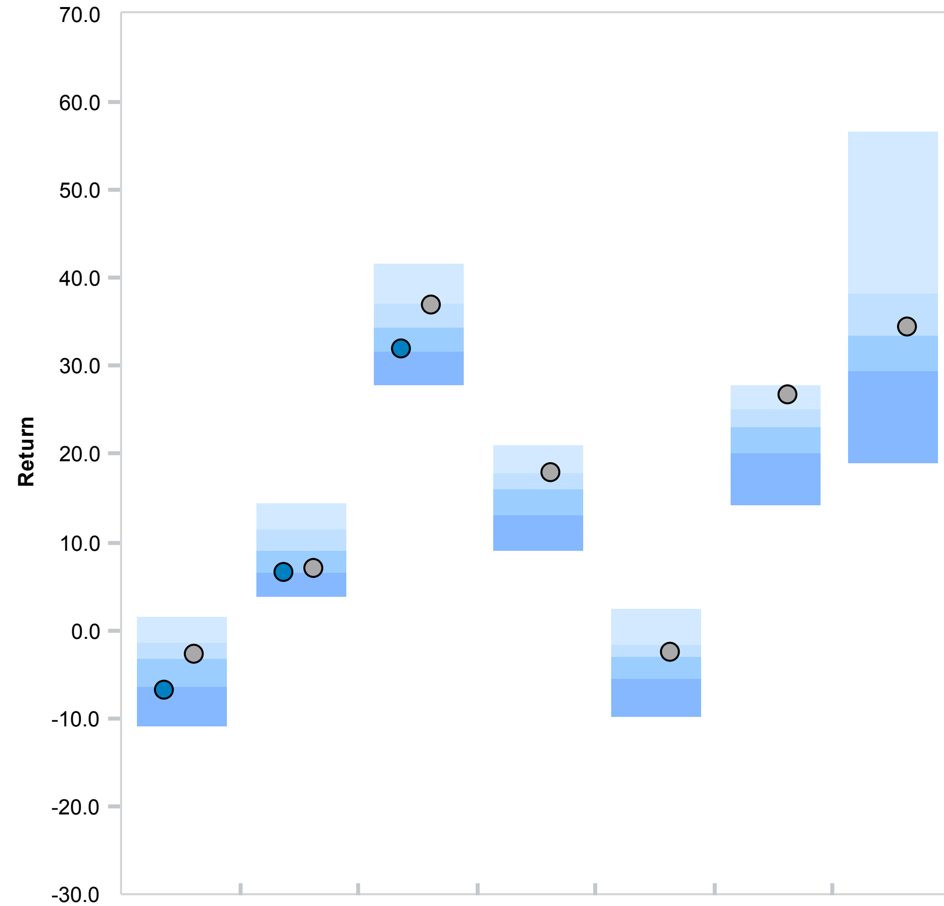
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	0	0	0	0	0
Index	20	15 (75%)	5 (25%)	0 (0%)	0 (0%)

Peer Group Analysis - IM U.S. Mid Cap Core Equity (MF)



	QTD		YTD		1 YR		3 YR		5 YR		7 YR		10 YR	
● Investment	2.22	(39)	5.81	(55)	19.78	(21)	5.70	(54)	N/A		N/A		N/A	
● Index	2.13	(40)	5.97	(52)	19.84	(20)	6.93	(33)	14.04	(28)	14.78	(16)	7.42	(18)
Median	1.79		6.14		16.35		5.95		13.01		13.12		6.10	

Peer Group Analysis - IM U.S. Mid Cap Core Equity (MF)



	2015		2014		2013		2012		2011		2010		2009	
● Investment	-6.84	(77)	6.47	(76)	32.01	(74)	N/A		N/A		N/A		N/A	
● Index	-2.90	(46)	7.07	(71)	36.80	(28)	17.88	(24)	-2.51	(43)	26.71	(10)	34.39	(42)
Median	-3.30		8.98		34.31		16.02		-3.01		23.15		33.39	

Comparative Performance

	1 Qtr Ending Mar-2017		1 Qtr Ending Dec-2016		1 Qtr Ending Sep-2016		1 Qtr Ending Jun-2016		1 Qtr Ending Mar-2016		1 Qtr Ending Dec-2015	
Investment	3.52	(71)	7.86	(11)	4.95	(45)	0.71	(76)	5.44	(3)	1.05	(81)
Index	3.76	(65)	6.12	(33)	6.56	(14)	3.57	(20)	0.39	(67)	3.28	(42)
Median	4.24		5.21		4.63		2.44		1.64		2.93	

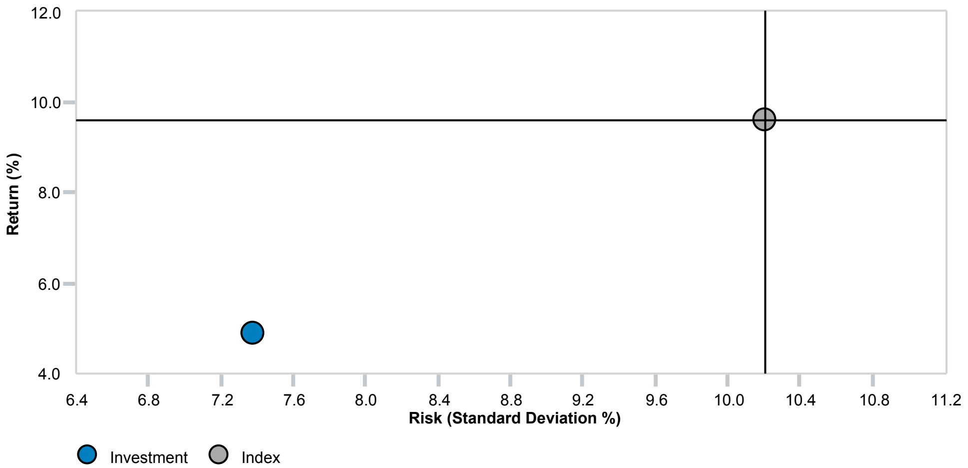
Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	4.89	7.38	0.66	62.41	8.00	73.87	4.00
Index	9.61	10.21	0.93	100.00	11.00	100.00	1.00

Historical Statistics 5 Years

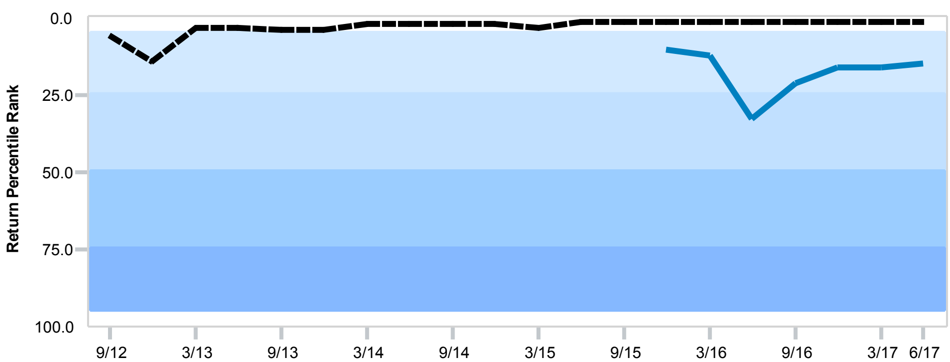
	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Index	14.63	9.48	1.48	100.00	18.00	100.00	2.00

Risk and Return 3 Years



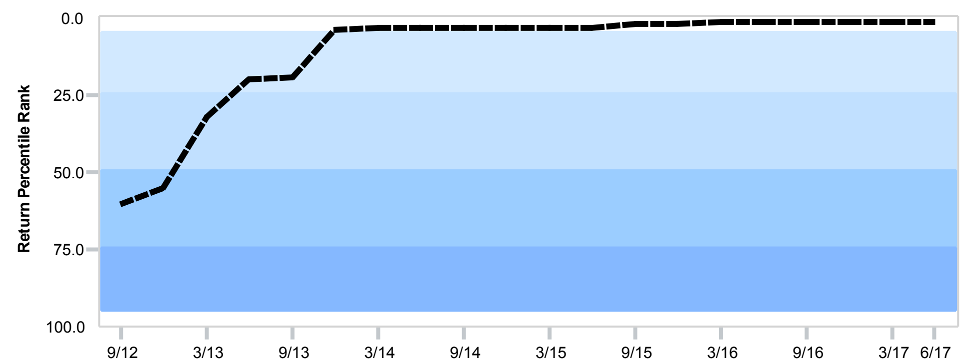
Risk and Return 5 Years

3 Year Rolling Percentile Rank IM Flexible Portfolio (MF)



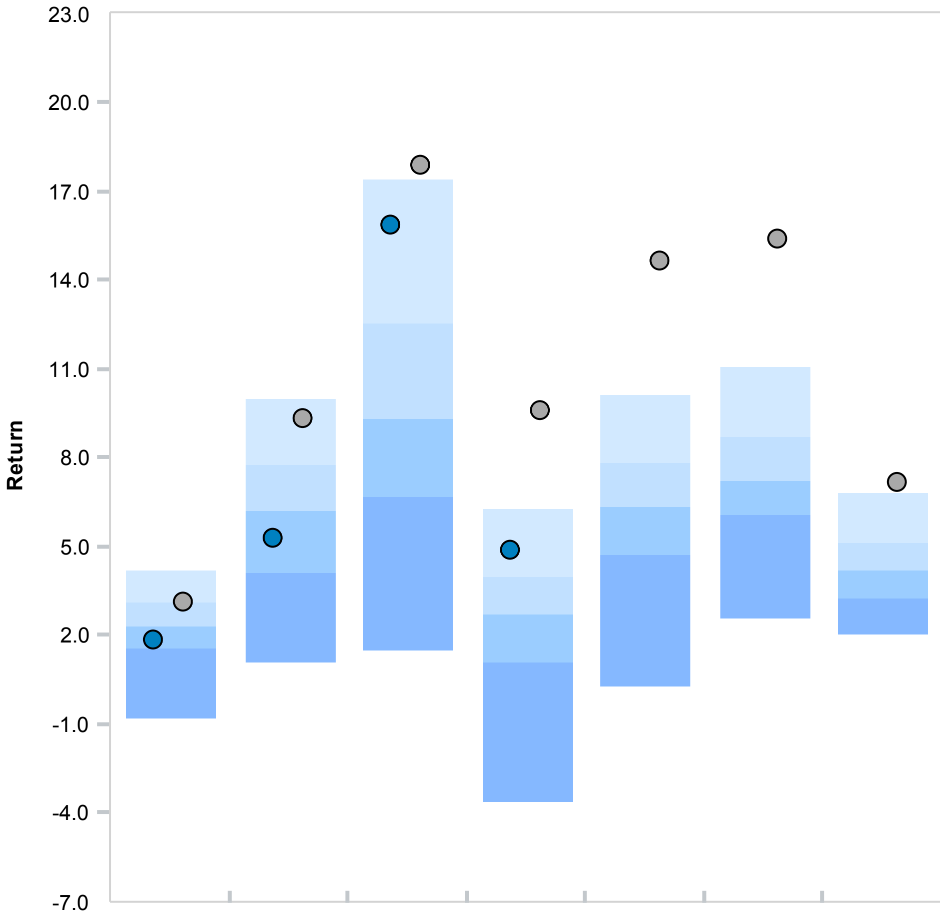
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	7	6 (86%)	1 (14%)	0 (0%)	0 (0%)
Index	20	20 (100%)	0 (0%)	0 (0%)	0 (0%)

5 Year Rolling Percentile Rank IM Flexible Portfolio (MF)



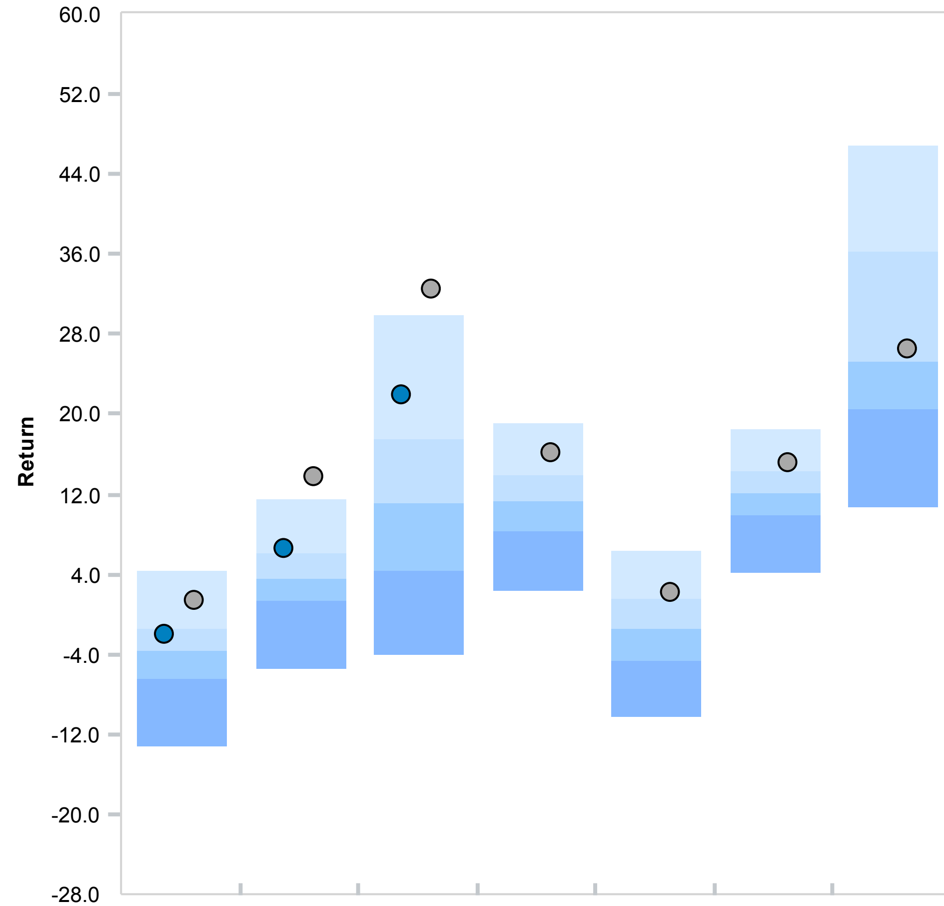
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	0	0	0	0	0
Index	20	17 (85%)	1 (5%)	2 (10%)	0 (0%)

Peer Group Analysis - IM Flexible Portfolio (MF)



	QTD		YTD		1 YR		3 YR		5 YR		7 YR		10 YR	
Investment	1.84	(67)	5.27	(65)	15.84	(8)	4.89	(15)	N/A		N/A		N/A	
Index	3.09	(27)	9.34	(10)	17.90	(5)	9.61	(1)	14.63	(1)	15.41	(1)	7.18	(1)
Median	2.31		6.19		9.32		2.69		6.32		7.20		4.21	

Peer Group Analysis - IM Flexible Portfolio (MF)



	2015		2014		2013		2012		2011		2010		2009	
Investment	-2.06	(32)	6.50	(23)	21.95	(12)	N/A		N/A		N/A		N/A	
Index	1.38	(10)	13.69	(2)	32.39	(4)	16.00	(14)	2.11	(22)	15.06	(21)	26.46	(49)
Median	-3.61		3.48		11.07		11.41		-1.54		12.05		25.23	

Comparative Performance

	1 Qtr Ending Mar-2017		1 Qtr Ending Dec-2016		1 Qtr Ending Sep-2016		1 Qtr Ending Jun-2016		1 Qtr Ending Mar-2016		1 Qtr Ending Dec-2015	
Investment	3.37	(62)	4.51	(7)	5.29	(7)	0.39	(88)	-0.19	(71)	2.80	(20)
Index	6.07	(6)	3.82	(8)	3.85	(31)	2.46	(48)	1.35	(43)	7.04	(1)
Median	3.87		-0.24		3.02		2.39		0.76		1.24	

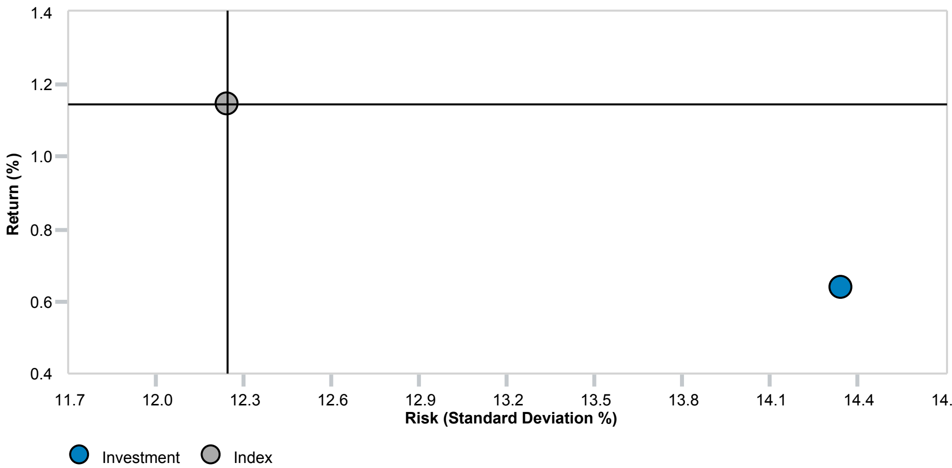
Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	0.64	14.34	0.10	102.16	6.00	103.77	6.00
Index	1.15	12.25	0.14	100.00	6.00	100.00	6.00

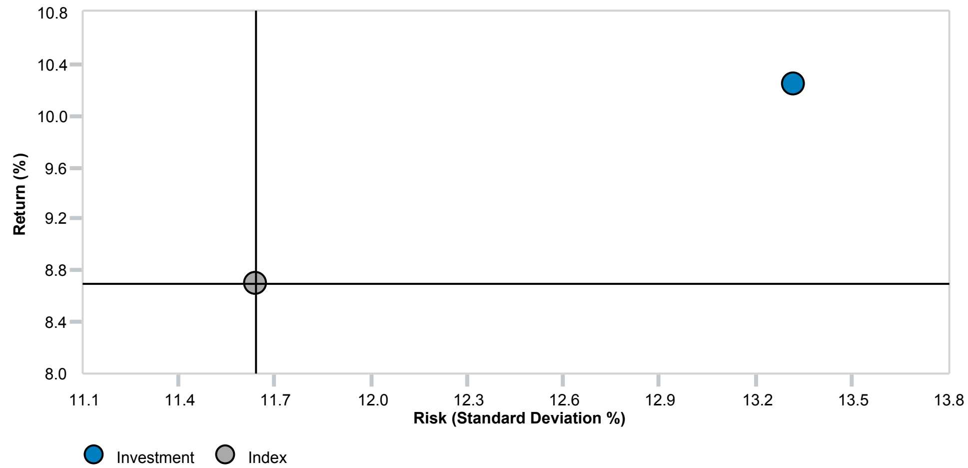
Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	10.24	13.32	0.79	106.72	14.00	98.33	6.00
Index	8.69	11.64	0.76	100.00	13.00	100.00	7.00

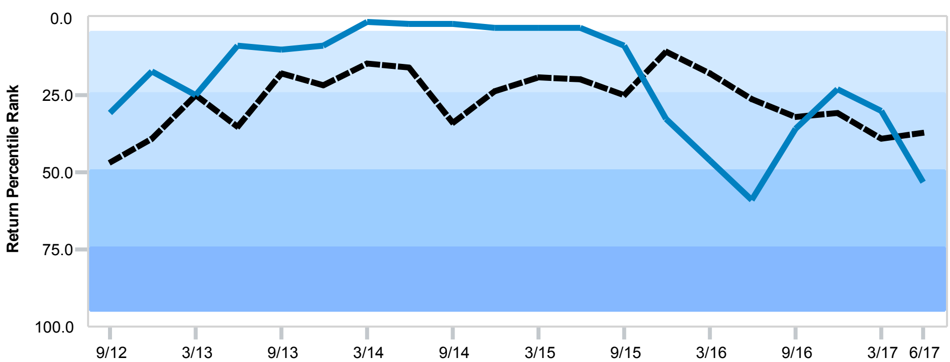
Risk and Return 3 Years



Risk and Return 5 Years

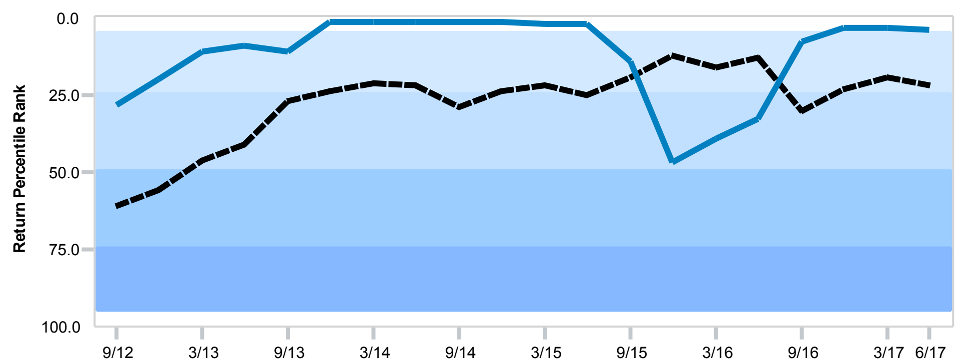


3 Year Rolling Percentile Rank IM International Large Cap Core Equity (MF)



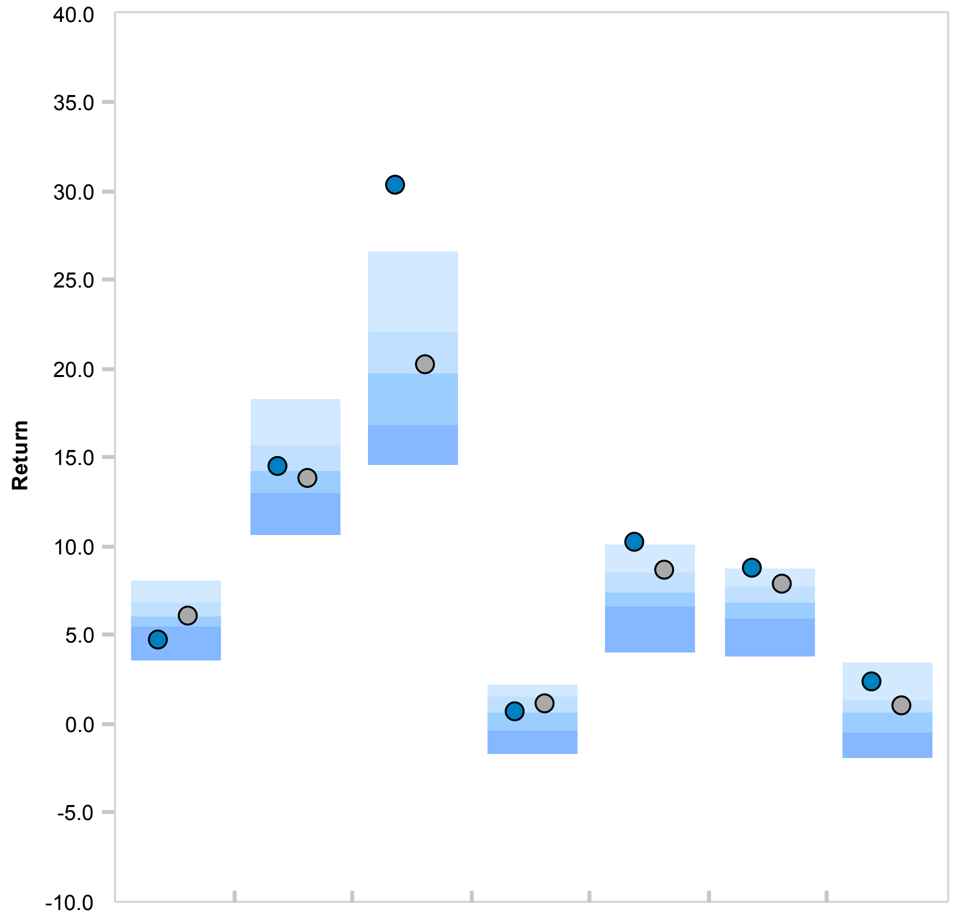
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	13 (65%)	5 (25%)	2 (10%)	0 (0%)
Index	20	11 (55%)	9 (45%)	0 (0%)	0 (0%)

5 Year Rolling Percentile Rank IM International Large Cap Core Equity (MF)



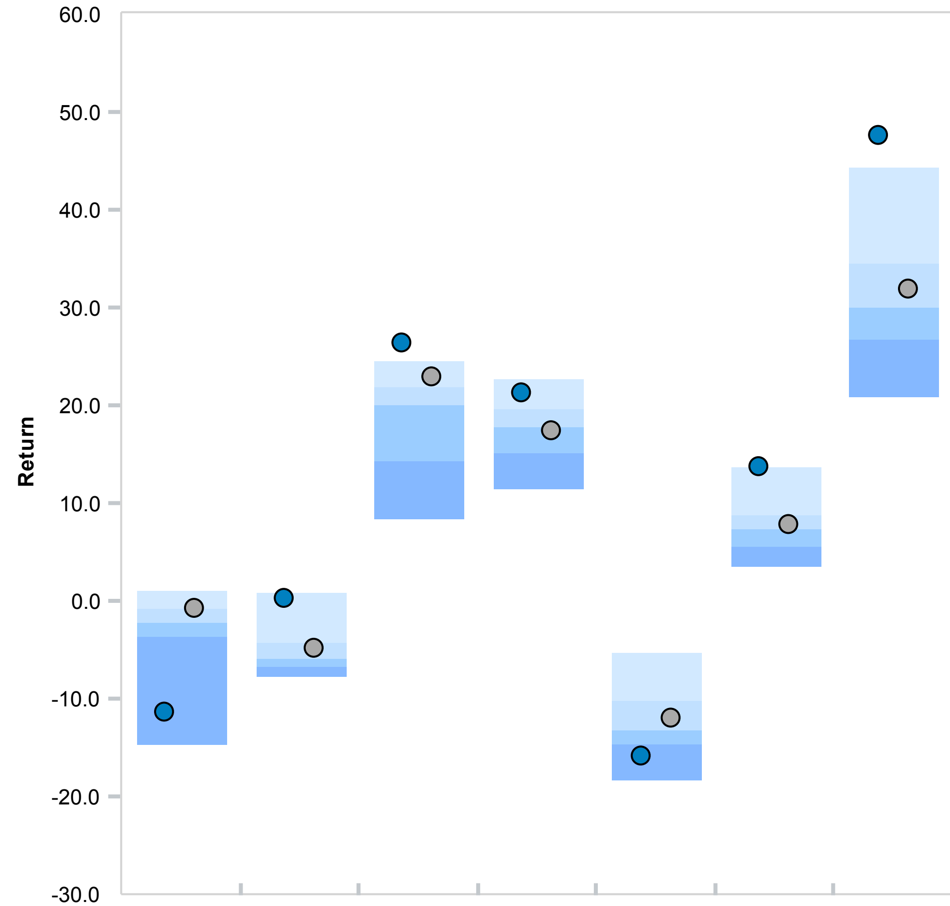
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	16 (80%)	4 (20%)	0 (0%)	0 (0%)
Index	20	13 (65%)	5 (25%)	2 (10%)	0 (0%)

Peer Group Analysis - IM International Large Cap Core Equity (MF)



	QTD		YTD		1 YR		3 YR		5 YR		7 YR		10 YR	
Investment	4.75	(95)	14.51	(45)	30.37	(1)	0.64	(53)	10.24	(4)	8.81	(5)	2.36	(17)
Index	6.12	(47)	13.81	(61)	20.27	(46)	1.15	(37)	8.69	(22)	7.91	(19)	1.03	(35)
Median	6.04		14.23		19.83		0.68		7.37		6.89		0.65	

Peer Group Analysis - IM International Large Cap Core Equity (MF)



	2015		2014		2013		2012		2011		2010		2009	
Investment	-11.35	(89)	0.12	(9)	26.31	(1)	21.25	(11)	-15.97	(86)	13.68	(5)	47.47	(1)
Index	-0.81	(27)	-4.90	(33)	22.78	(13)	17.32	(54)	-12.14	(34)	7.75	(43)	31.78	(33)
Median	-2.31		-5.95		19.96		17.67		-13.33		7.33		29.91	

Comparative Performance

	1 Qtr Ending Mar-2017		1 Qtr Ending Dec-2016		1 Qtr Ending Sep-2016		1 Qtr Ending Jun-2016		1 Qtr Ending Mar-2016		1 Qtr Ending Dec-2015	
Investment	9.32	(13)	3.36	(1)	10.15	(1)	-1.20	(51)	-3.76	(81)	0.83	(92)
Index	7.25	(61)	-0.71	(31)	6.43	(54)	-1.46	(56)	-3.01	(46)	4.71	(15)
Median	7.71		-1.51		6.63		-1.19		-3.07		3.15	

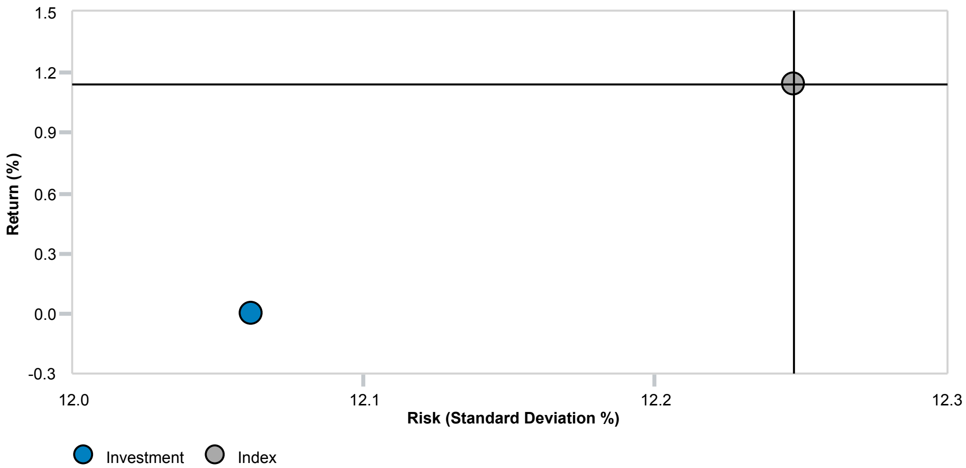
Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	0.00	12.06	0.04	81.33	6.00	86.33	6.00
Index	1.15	12.25	0.14	100.00	6.00	100.00	6.00

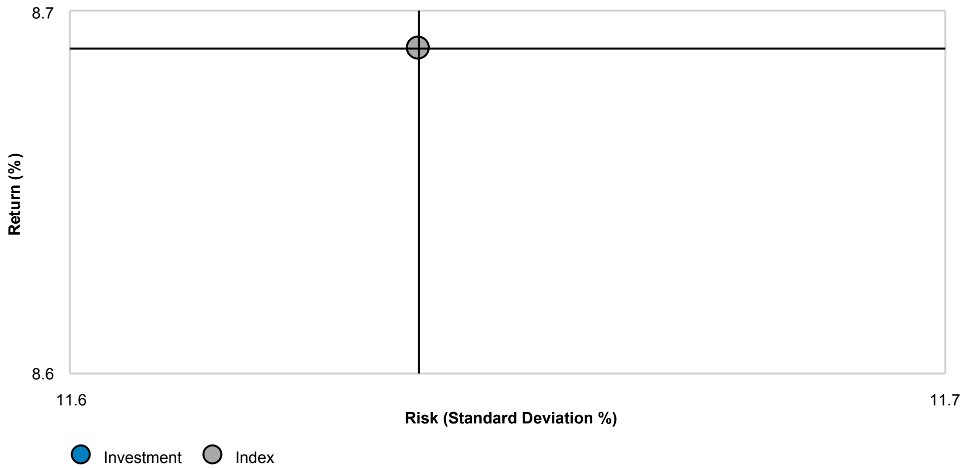
Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Index	8.69	11.64	0.76	100.00	13.00	100.00	7.00

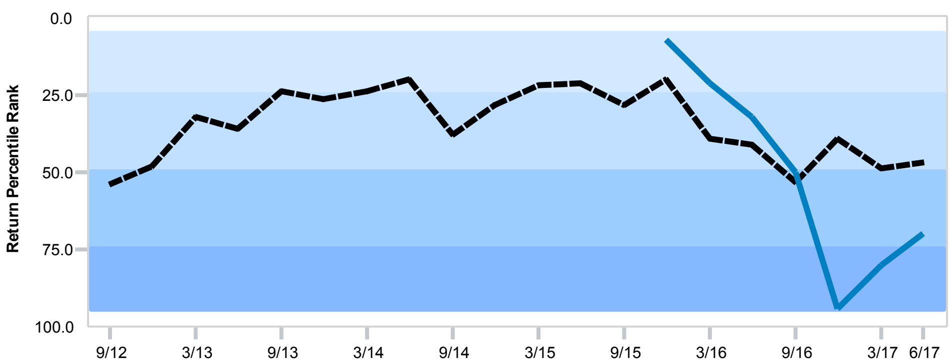
Risk and Return 3 Years



Risk and Return 5 Years

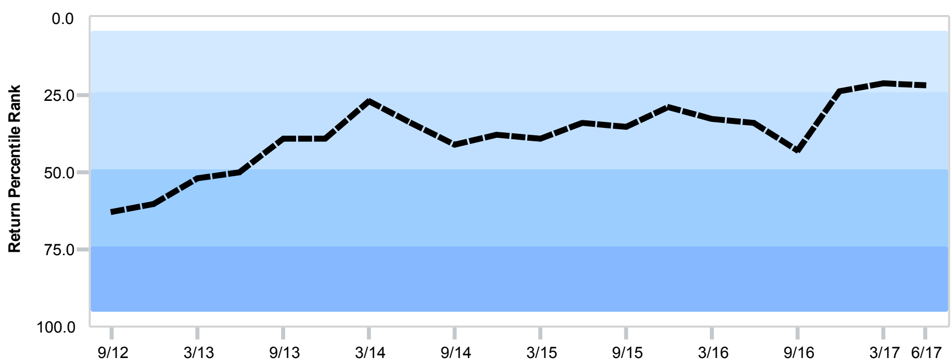


3 Year Rolling Percentile Rank IM International Large Cap Equity (MF)



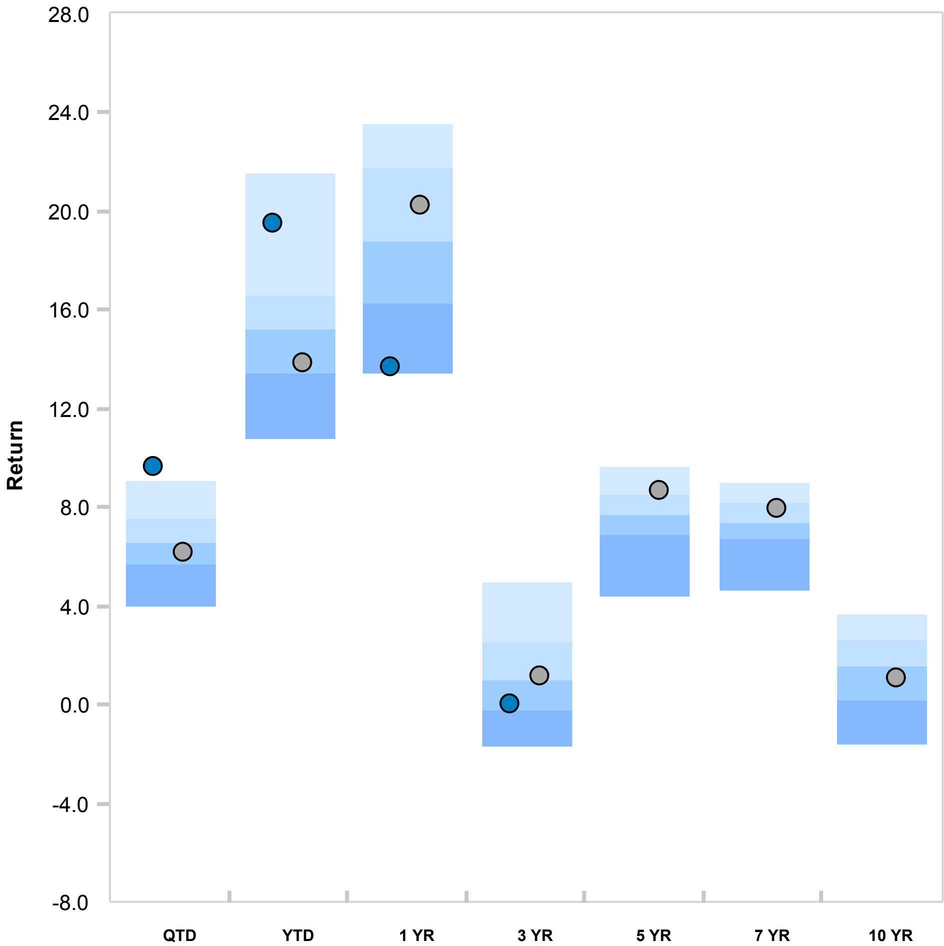
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	7	2 (29%)	2 (29%)	1 (14%)	2 (29%)
Index	20	6 (30%)	12 (60%)	2 (10%)	0 (0%)

5 Year Rolling Percentile Rank IM International Large Cap Equity (MF)



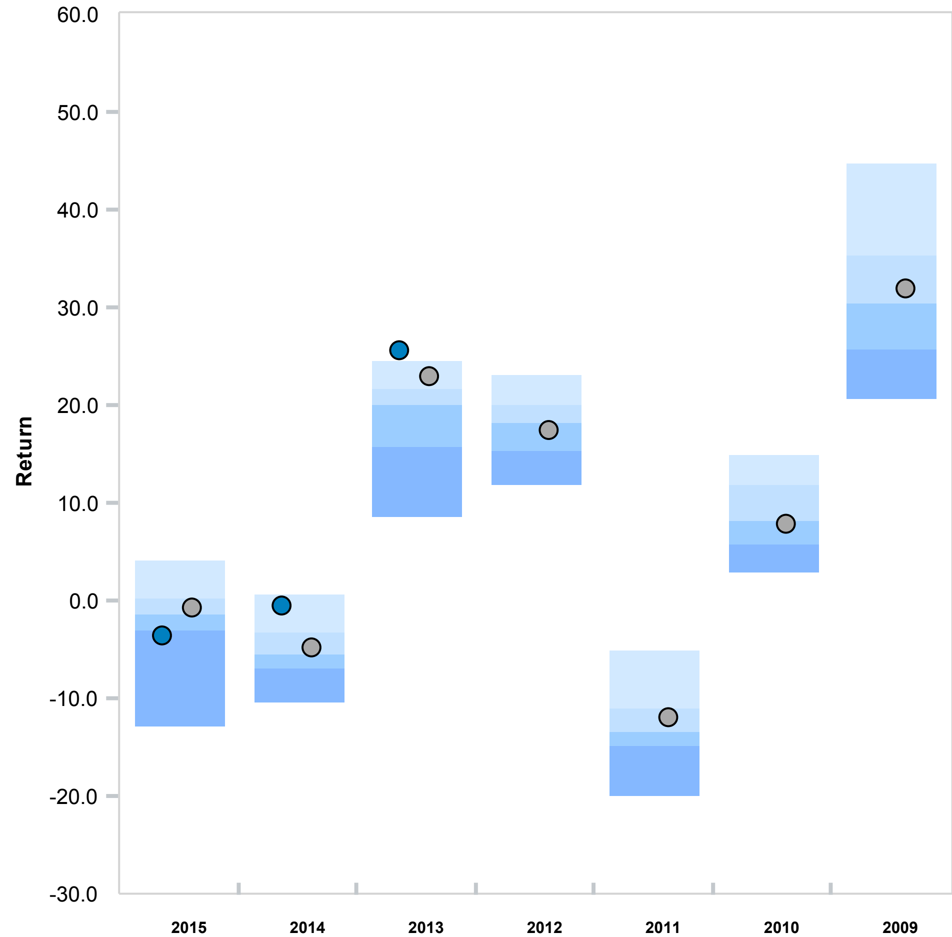
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	0	0	0	0	0
Index	20	3 (15%)	14 (70%)	3 (15%)	0 (0%)

Peer Group Analysis - IM International Large Cap Equity (MF)



	QTD		YTD		1 YR		3 YR		5 YR		7 YR		10 YR	
Investment	9.62	(3)	19.50	(8)	13.64	(94)	0.00	(70)	N/A		N/A		N/A	
Index	6.12	(62)	13.81	(68)	20.27	(40)	1.15	(47)	8.69	(22)	7.91	(32)	1.03	(58)
Median	6.55		15.21		18.79		0.99		7.69		7.41		1.53	

Peer Group Analysis - IM International Large Cap Equity (MF)



	2015		2014		2013		2012		2011		2010		2009	
Investment	-3.63	(83)	-0.71	(10)	25.47	(2)	N/A		N/A		N/A		N/A	
Index	-0.81	(41)	-4.90	(40)	22.78	(12)	17.32	(59)	-12.14	(33)	7.75	(54)	31.78	(42)
Median	-1.53		-5.54		19.97		18.21		-13.49		8.14		30.42	

Comparative Performance

	1 Qtr Ending Mar-2017		1 Qtr Ending Dec-2016		1 Qtr Ending Sep-2016		1 Qtr Ending Jun-2016		1 Qtr Ending Mar-2016		1 Qtr Ending Dec-2015	
Investment	9.01	(22)	-8.36	(97)	3.78	(87)	-1.22	(52)	-3.57	(70)	6.86	(3)
Index	7.25	(66)	-0.71	(25)	6.43	(47)	-1.46	(58)	-3.01	(60)	4.71	(21)
Median	7.83		-2.28		6.34		-1.19		-2.58		3.06	

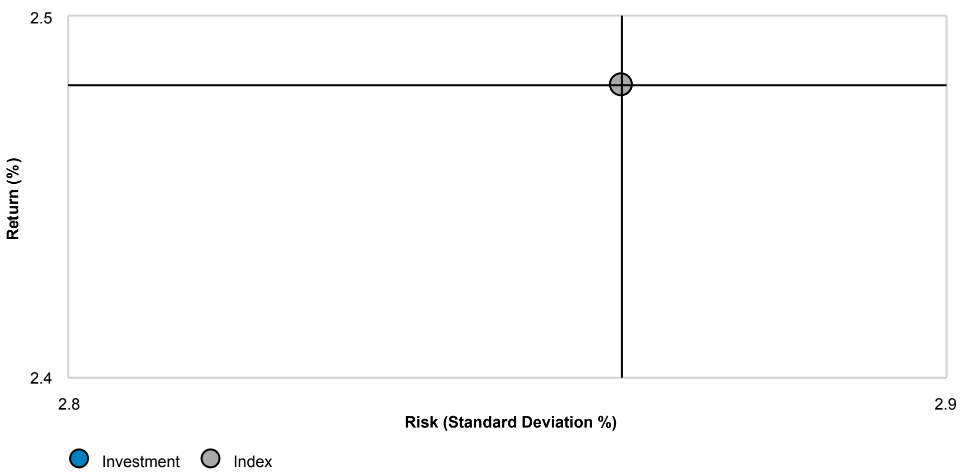
Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Index	2.48	2.86	0.80	100.00	9.00	100.00	3.00

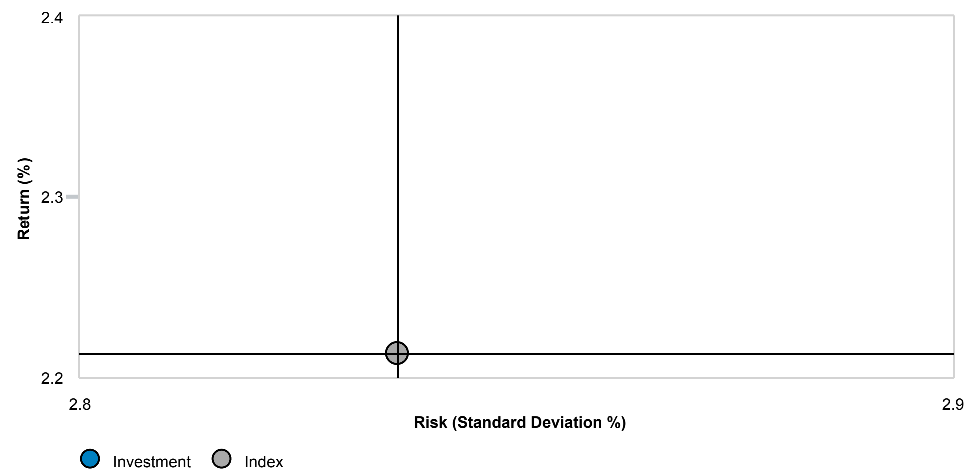
Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Index	2.21	2.84	0.74	100.00	14.00	100.00	6.00

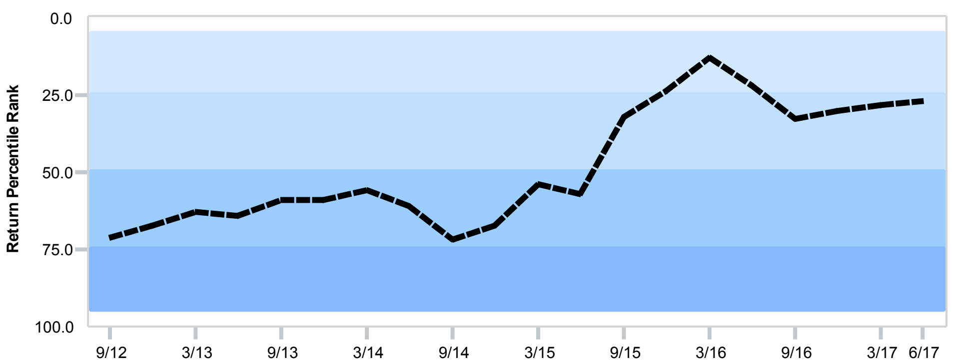
Risk and Return 3 Years



Risk and Return 5 Years

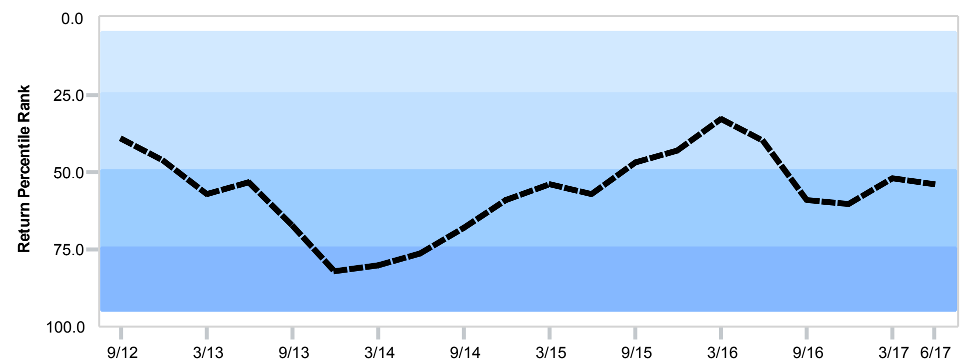


3 Year Rolling Percentile Rank IM U.S. Broad Market Core Fixed Income (MF)



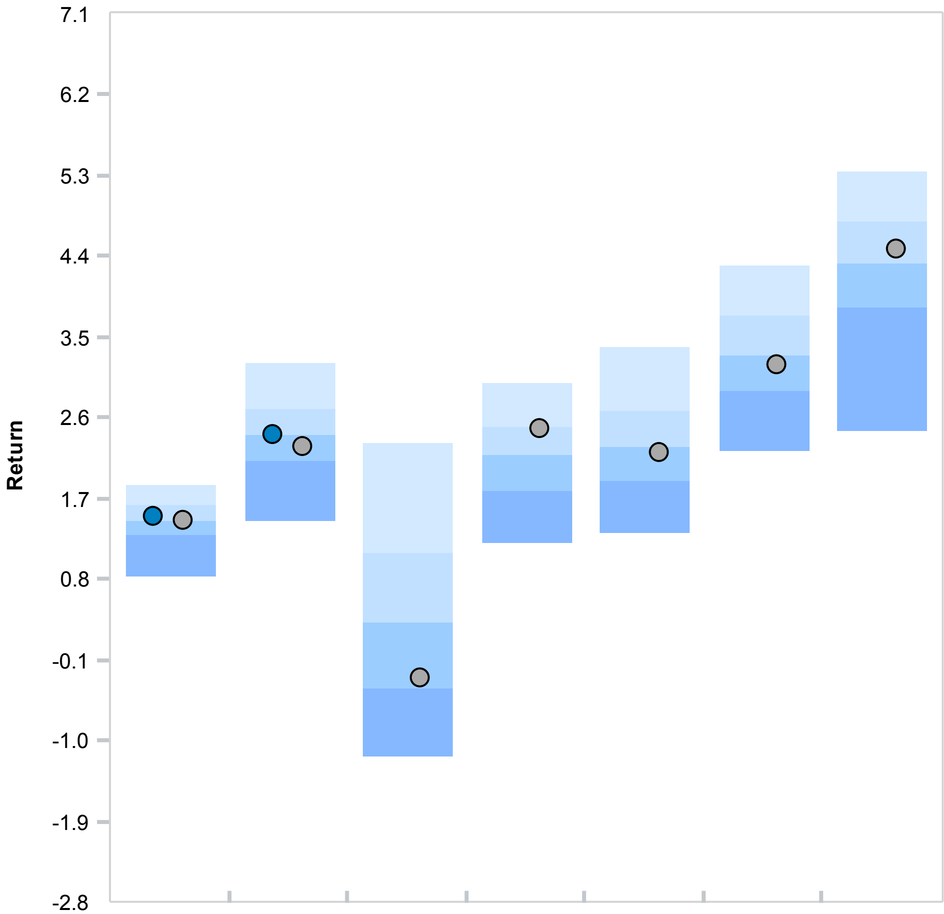
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	0	0	0	0	0
Index	20	3 (15%)	5 (25%)	12 (60%)	0 (0%)

5 Year Rolling Percentile Rank IM U.S. Broad Market Core Fixed Income (MF)



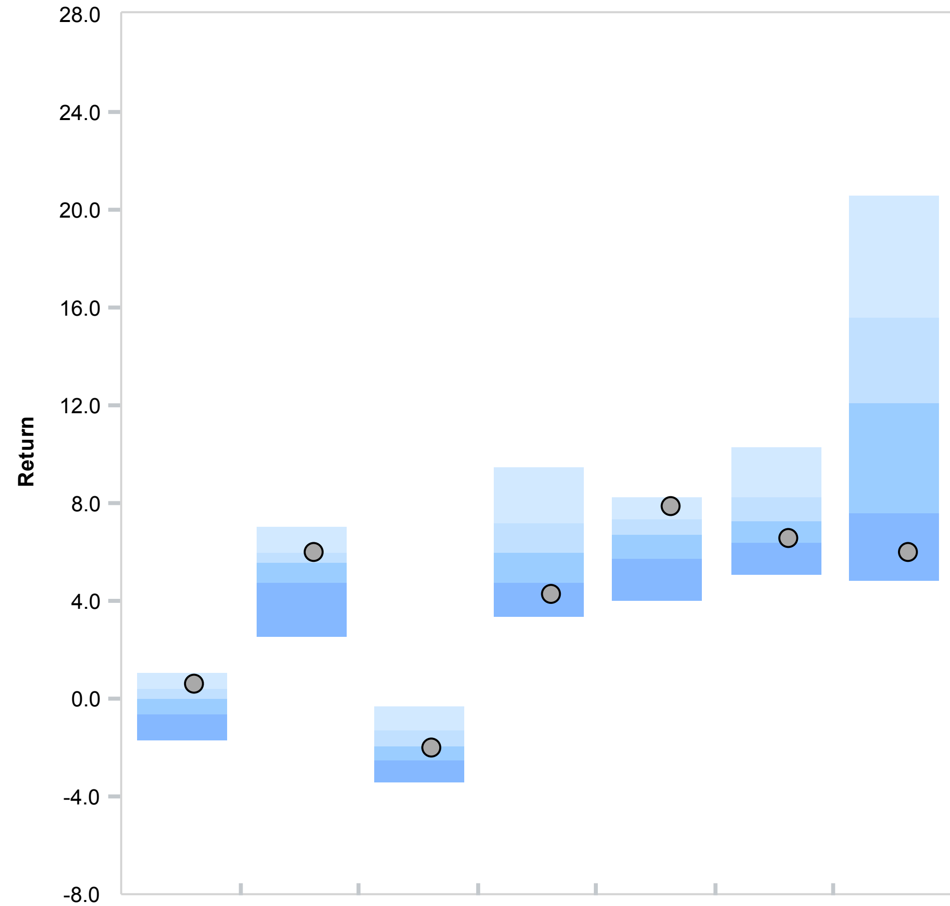
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	0	0	0	0	0
Index	20	0 (0%)	6 (30%)	11 (55%)	3 (15%)

Peer Group Analysis - IM U.S. Broad Market Core Fixed Income (MF)



	QTD		YTD		1 YR		3 YR		5 YR		7 YR		10 YR	
Investment	1.48	(45)	2.40	(52)	N/A		N/A		N/A		N/A		N/A	
Index	1.45	(52)	2.27	(62)	-0.31	(73)	2.48	(27)	2.21	(54)	3.19	(57)	4.48	(40)
Median	1.45		2.41		0.32		2.19		2.27		3.30		4.32	

Peer Group Analysis - IM U.S. Broad Market Core Fixed Income (MF)



	2015		2014		2013		2012		2011		2010		2009	
Investment	N/A		N/A		N/A		N/A		N/A		N/A		N/A	
Index	0.55	(18)	5.97	(26)	-2.02	(53)	4.21	(80)	7.84	(11)	6.54	(69)	5.93	(90)
Median	-0.01		5.55		-1.99		5.98		6.65		7.24		12.07	

Comparative Performance

	1 Qtr Ending Mar-2017		1 Qtr Ending Dec-2016		1 Qtr Ending Sep-2016		1 Qtr Ending Jun-2016		1 Qtr Ending Mar-2016		1 Qtr Ending Dec-2015	
Investment	0.90	(57)	-3.17	(87)	N/A		N/A		N/A		N/A	
Index	0.82	(68)	-2.98	(71)	0.46	(74)	2.21	(64)	3.03	(18)	-0.57	(37)
Median	0.94		-2.72		0.73		2.35		2.72		-0.64	

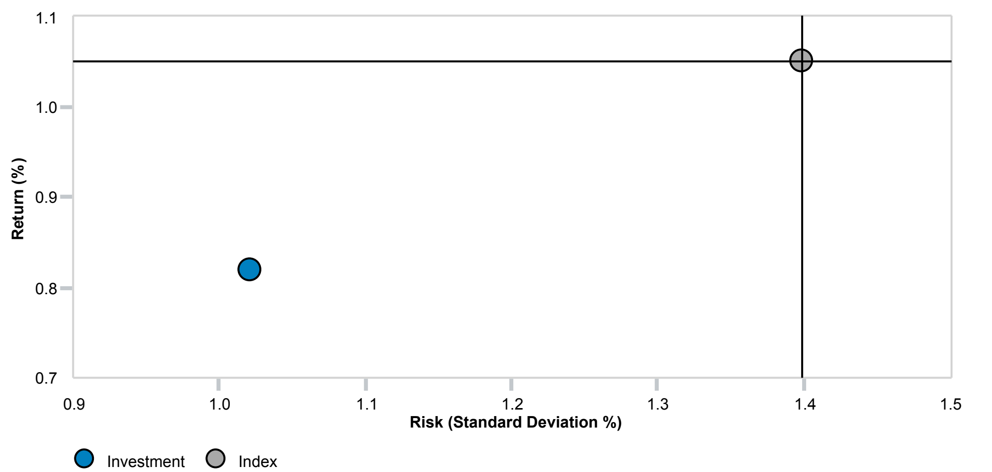
Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	0.82	1.02	0.61	76.06	8.00	74.61	4.00
Index	1.05	1.40	0.61	100.00	8.00	100.00	4.00

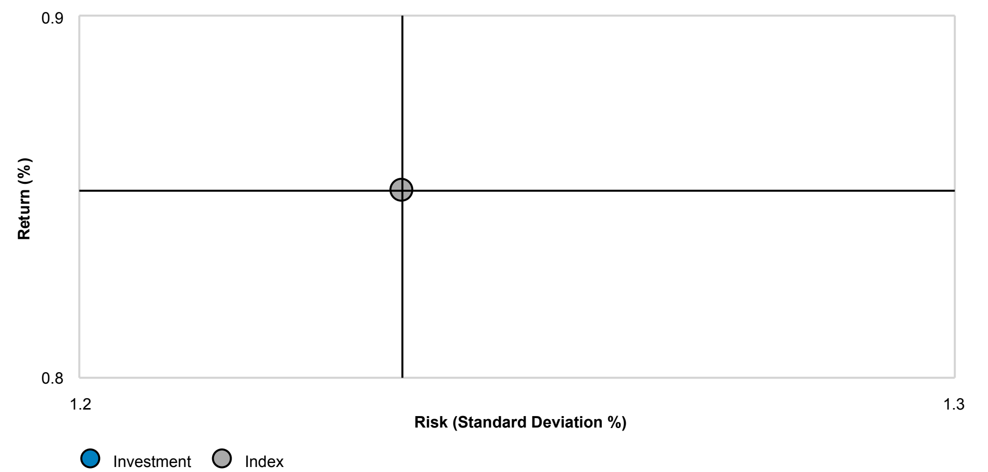
Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Index	0.85	1.24	0.58	100.00	14.00	100.00	6.00

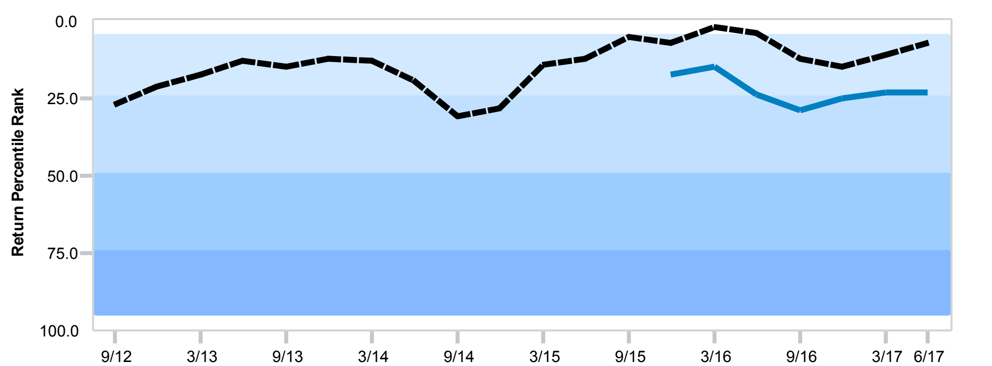
Risk and Return 3 Years



Risk and Return 5 Years

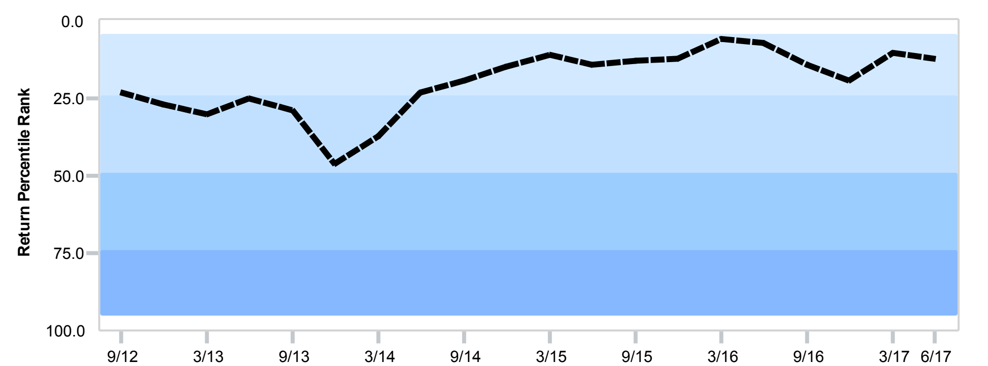


3 Year Rolling Percentile Rank IM U.S. Short Term Treasury/Govt Bonds (MF)



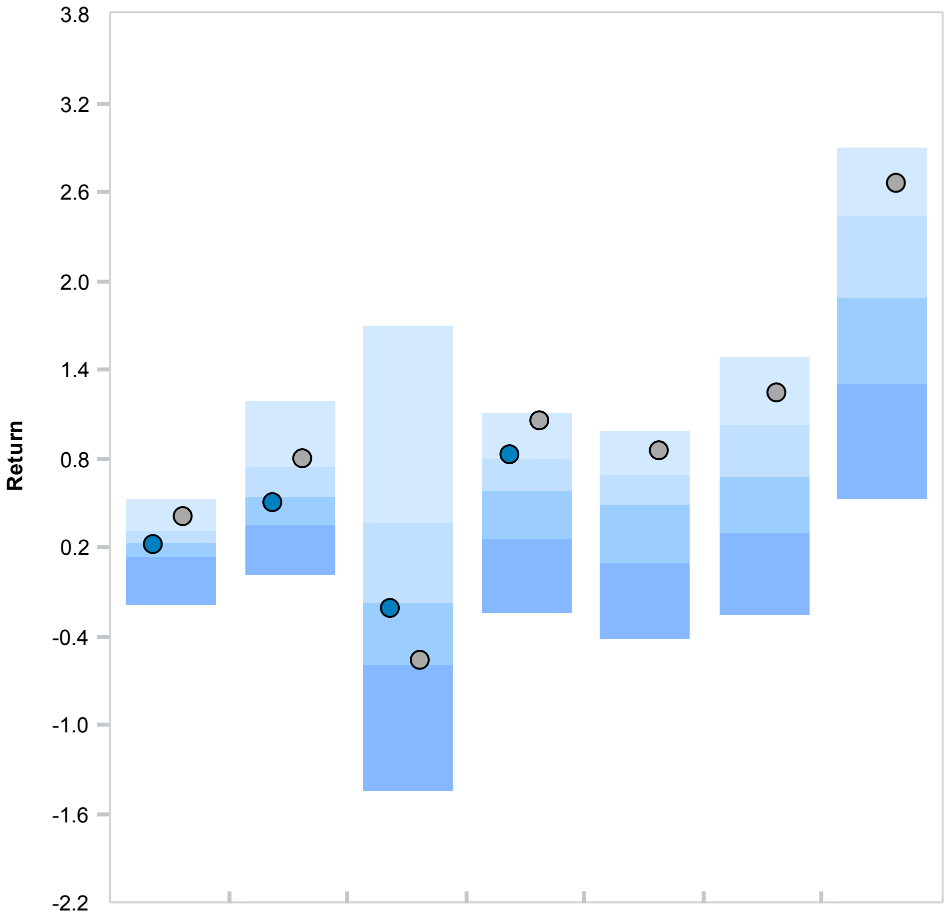
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	7	6 (86%)	1 (14%)	0 (0%)	0 (0%)
Index	20	17 (85%)	3 (15%)	0 (0%)	0 (0%)

5 Year Rolling Percentile Rank IM U.S. Short Term Treasury/Govt Bonds (MF)



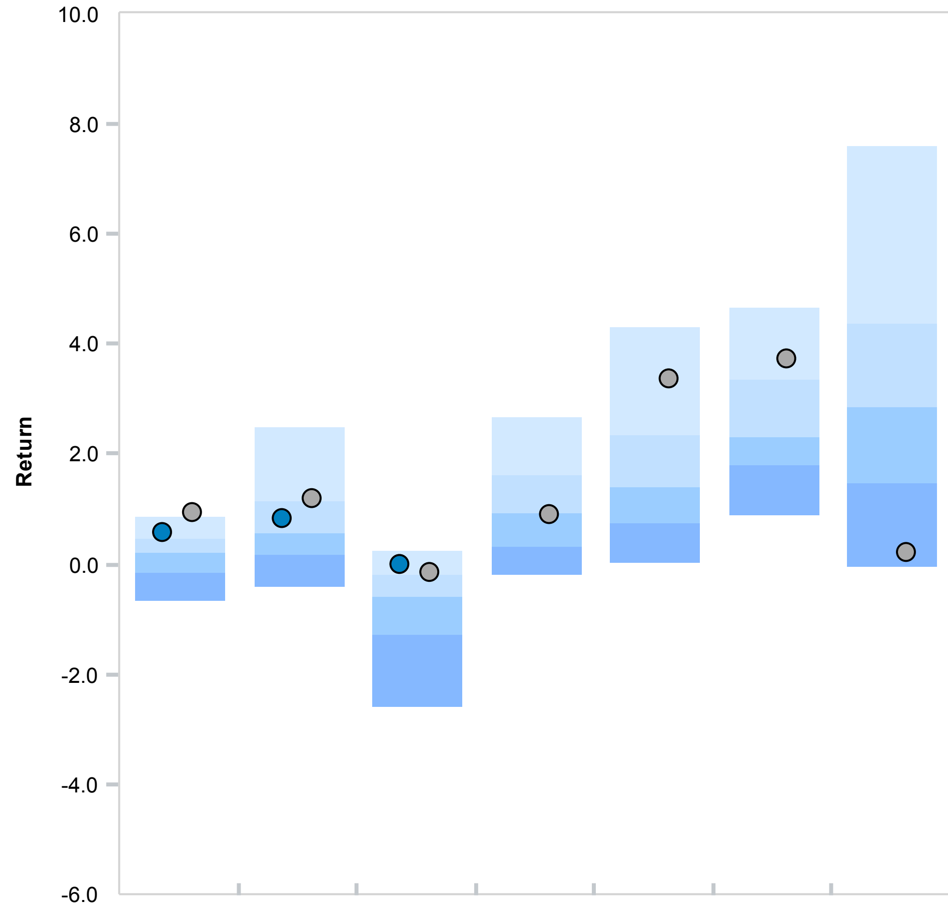
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	0	0	0	0	0
Index	20	15 (75%)	5 (25%)	0 (0%)	0 (0%)

Peer Group Analysis - IM U.S. Short Term Treasury/Govt Bonds (MF)



	QTD		YTD		1 YR		3 YR		5 YR		7 YR		10 YR	
Investment	0.21	(56)	0.50	(55)	-0.22	(54)	0.82	(23)	N/A		N/A		N/A	
Index	0.41	(13)	0.80	(18)	-0.57	(73)	1.05	(7)	0.85	(12)	1.24	(12)	2.66	(12)
Median	0.22		0.53		-0.18		0.58		0.48		0.67		1.88	

Peer Group Analysis - IM U.S. Short Term Treasury/Govt Bonds (MF)



	2015		2014		2013		2012		2011		2010		2009	
Investment	0.55	(17)	0.84	(37)	0.00	(17)	N/A		N/A		N/A		N/A	
Index	0.92	(5)	1.17	(25)	-0.14	(23)	0.89	(52)	3.38	(13)	3.73	(18)	0.19	(93)
Median	0.21		0.57		-0.61		0.91		1.39		2.32		2.85	

Comparative Performance

	1 Qtr Ending Mar-2017		1 Qtr Ending Dec-2016		1 Qtr Ending Sep-2016		1 Qtr Ending Jun-2016		1 Qtr Ending Mar-2016		1 Qtr Ending Dec-2015	
Investment	0.28	(55)	-0.58	(50)	-0.13	(64)	0.64	(20)	1.26	(20)	-0.57	(56)
Index	0.39	(29)	-1.18	(85)	-0.19	(78)	0.82	(5)	1.58	(11)	-0.67	(70)
Median	0.32		-0.59		-0.08		0.48		0.84		-0.52	

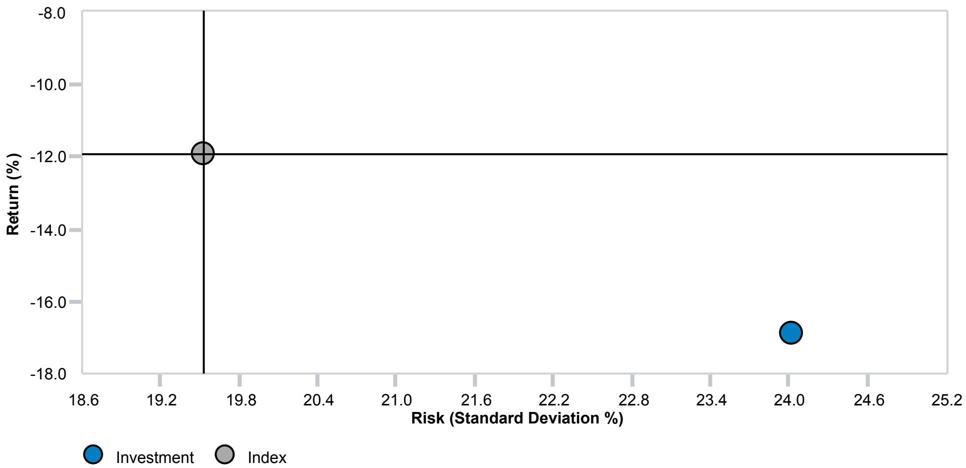
Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	-16.92	24.02	-0.66	118.58	5.00	127.14	7.00
Index	-11.92	19.54	-0.56	100.00	4.00	100.00	8.00

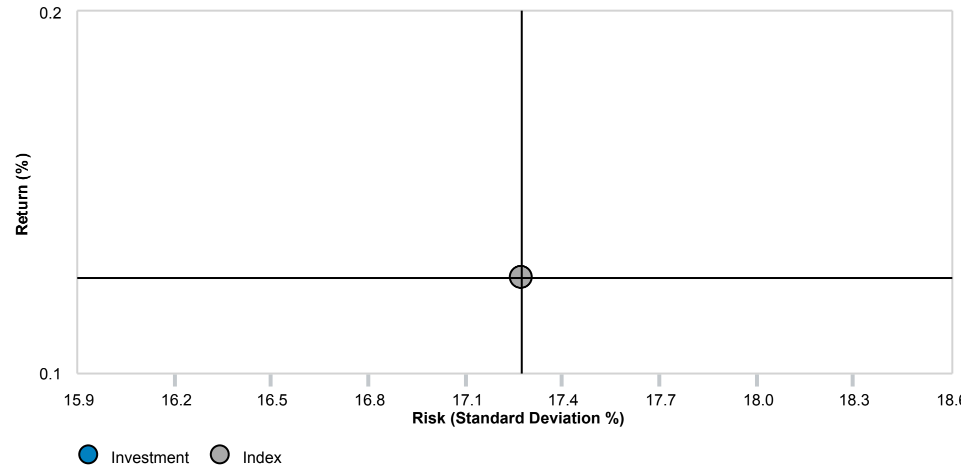
Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Index	0.13	17.27	0.08	100.00	10.00	100.00	10.00

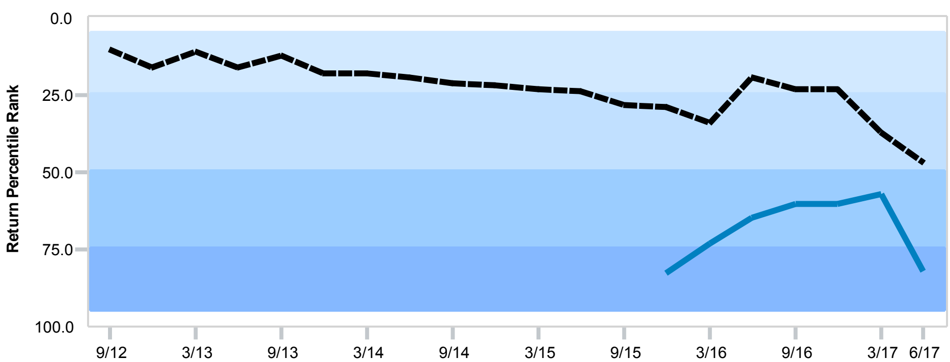
Risk and Return 3 Years



Risk and Return 5 Years

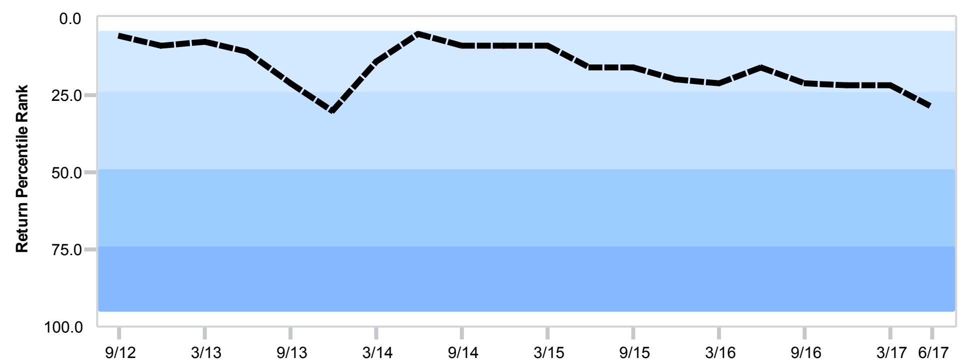


3 Year Rolling Percentile Rank IM Global Natural Resources (MF)



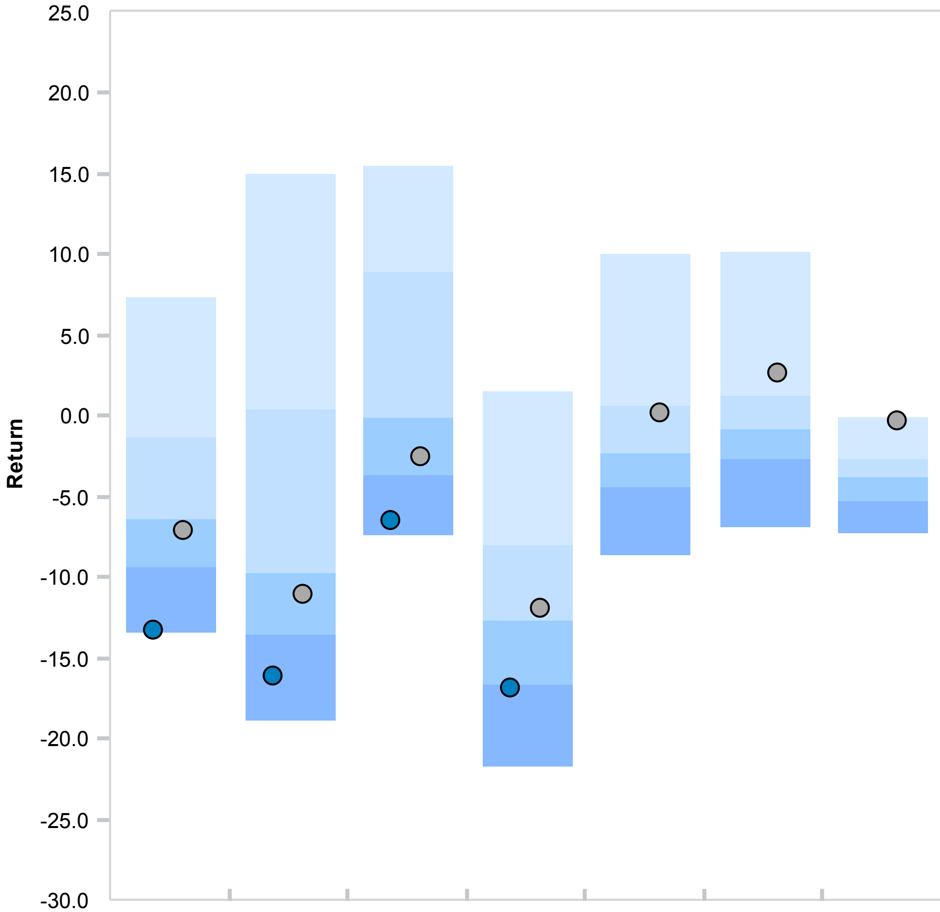
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	7	0 (0%)	0 (0%)	5 (71%)	2 (29%)
Index	20	15 (75%)	5 (25%)	0 (0%)	0 (0%)

5 Year Rolling Percentile Rank IM Global Natural Resources (MF)



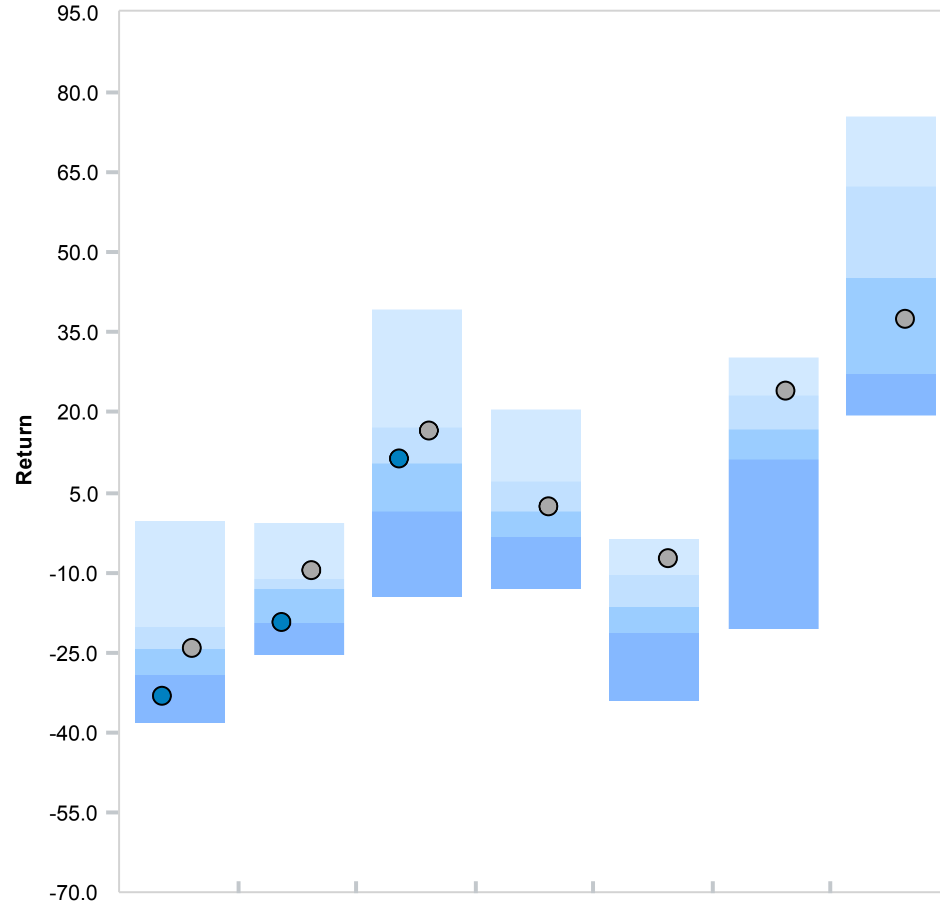
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	0	0	0	0	0
Index	20	18 (90%)	2 (10%)	0 (0%)	0 (0%)

Peer Group Analysis - IM Global Natural Resources (MF)



	QTD		YTD		1 YR		3 YR		5 YR		7 YR		10 YR	
Investment	-13.28	(93)	-16.20	(92)	-6.55	(93)	-16.92	(82)	N/A		N/A		N/A	
Index	-7.09	(52)	-11.04	(62)	-2.62	(62)	-11.92	(47)	0.13	(29)	2.62	(17)	-0.33	(7)
Median	-6.38		-9.77		-0.13		-12.64		-2.29		-0.89		-3.77	

Peer Group Analysis - IM Global Natural Resources (MF)



	2015		2014		2013		2012		2011		2010		2009	
Investment	-33.18	(86)	-19.36	(72)	11.17	(48)	N/A		N/A		N/A		N/A	
Index	-24.28	(50)	-9.77	(18)	16.49	(26)	2.20	(46)	-7.35	(10)	23.88	(23)	37.54	(66)
Median	-24.32		-13.02		10.58		1.43		-16.31		16.64		45.29	

Comparative Performance

	1 Qtr Ending Mar-2017		1 Qtr Ending Dec-2016		1 Qtr Ending Sep-2016		1 Qtr Ending Jun-2016		1 Qtr Ending Mar-2016		1 Qtr Ending Dec-2015	
Investment	-3.38	(68)	3.52	(67)	7.73	(7)	15.79	(6)	11.31	(7)	-6.80	(90)
Index	-4.25	(80)	5.02	(51)	4.23	(55)	12.51	(18)	6.26	(30)	-1.81	(47)
Median	-2.22		5.16		4.51		8.67		4.84		-2.38	

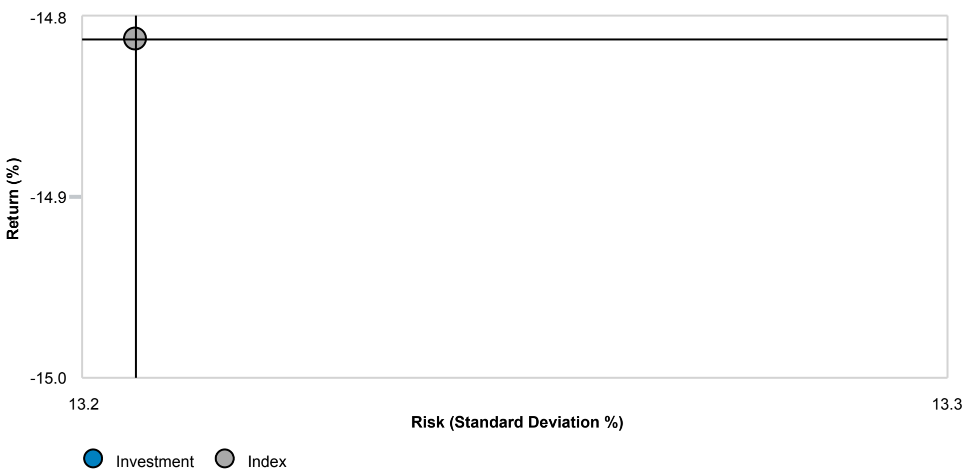
Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Index	-14.81	13.21	-1.16	100.00	4.00	100.00	8.00

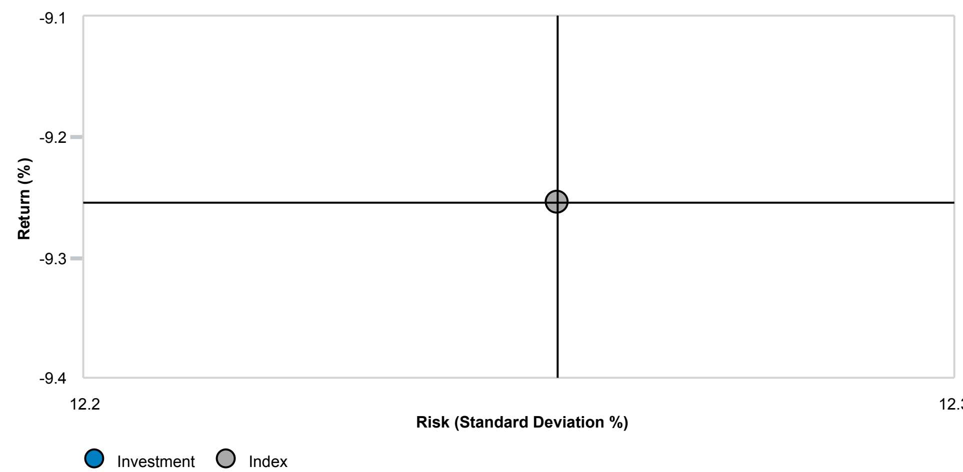
Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Index	-9.25	12.25	-0.74	100.00	8.00	100.00	12.00

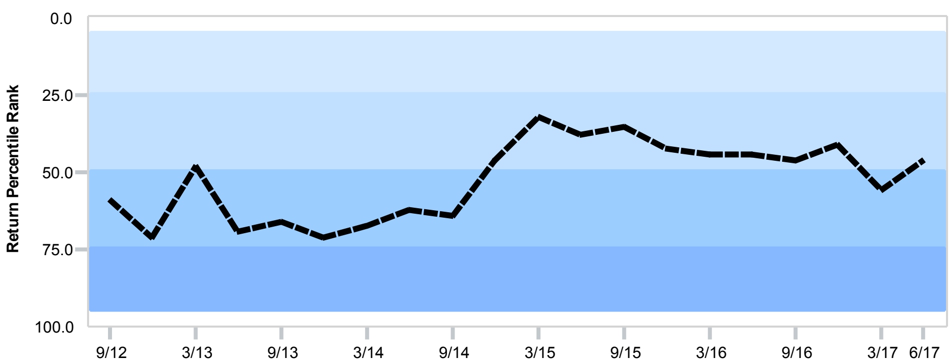
Risk and Return 3 Years



Risk and Return 5 Years

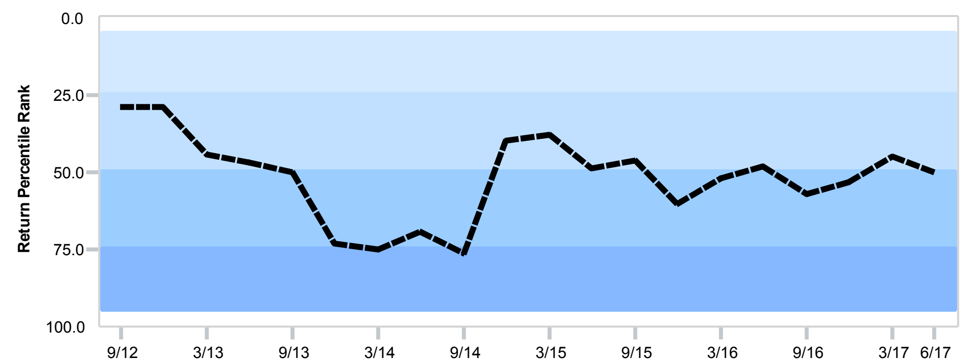


3 Year Rolling Percentile Rank IM Commodities General (MF)



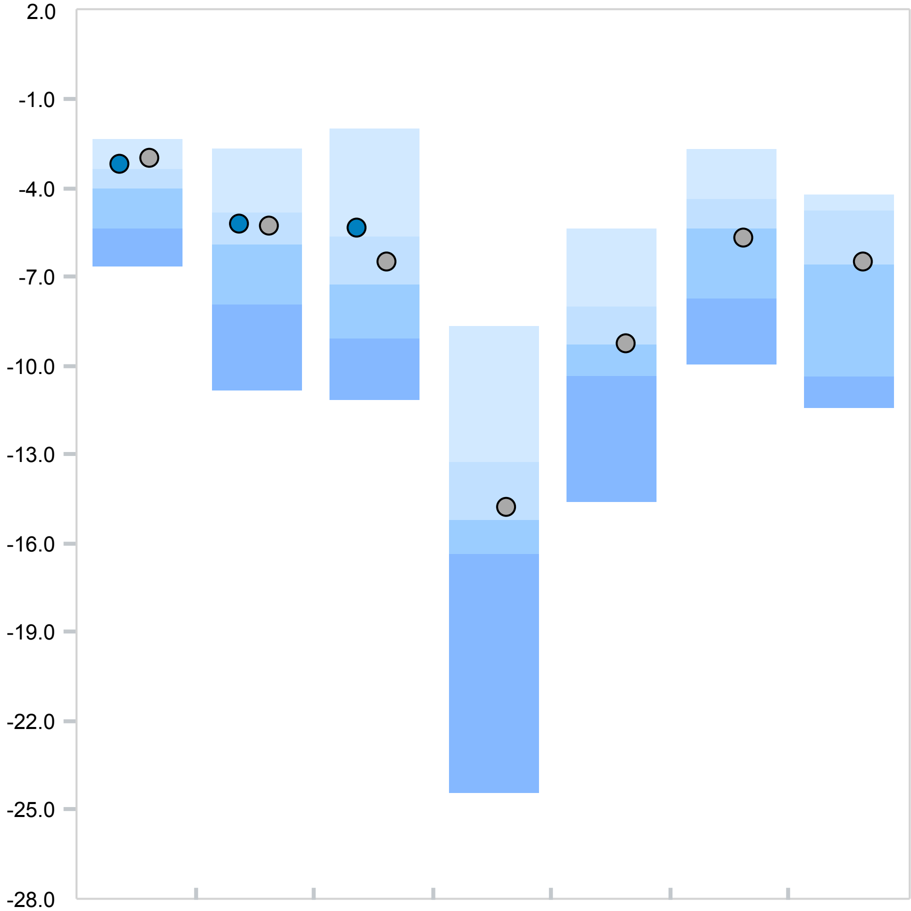
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	0	0	0	0	0
Index	20	0 (0%)	11 (55%)	9 (45%)	0 (0%)

5 Year Rolling Percentile Rank IM Commodities General (MF)



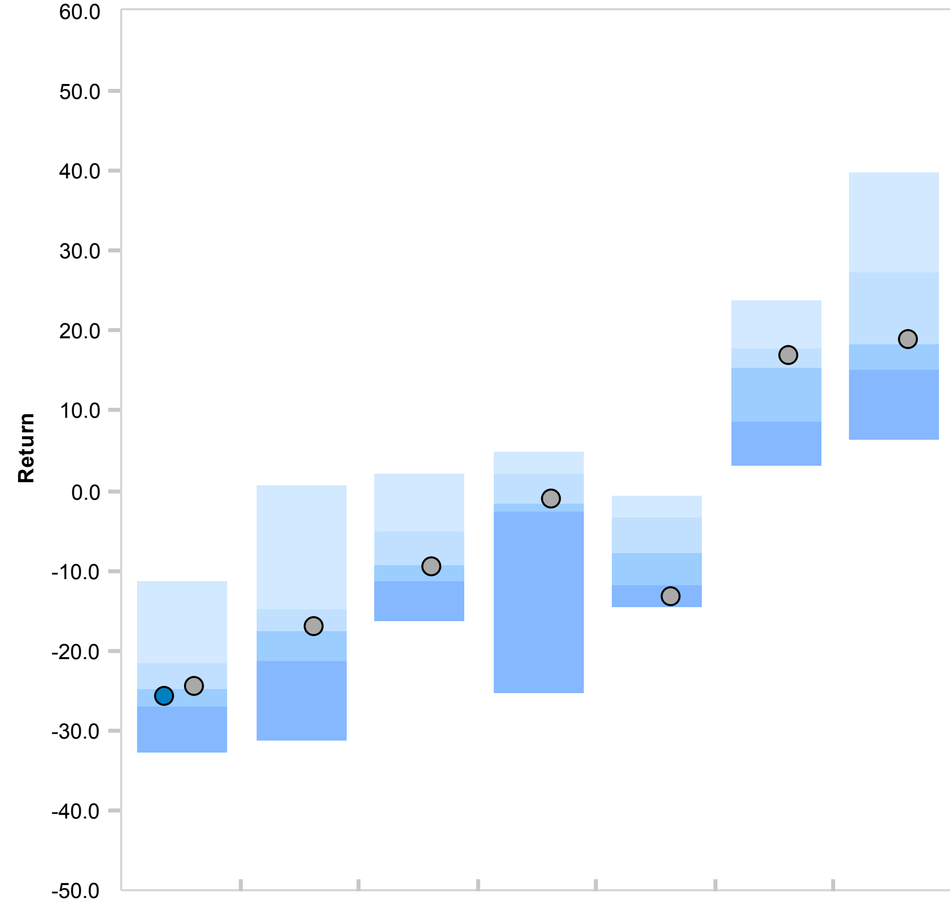
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	0	0	0	0	0
Index	20	0 (0%)	12 (60%)	7 (35%)	1 (5%)

Peer Group Analysis - IM Commodities General (MF)



	QTD		YTD		1 YR		3 YR		5 YR		7 YR		10 YR	
Investment	-3.21	(21)	-5.21	(31)	-5.37	(23)	N/A		N/A		N/A		N/A	
Index	-3.00	(15)	-5.26	(31)	-6.50	(38)	-14.81	(46)	-9.25	(50)	-5.68	(56)	-6.49	(50)
Median	-4.01		-5.91		-7.21		-15.19		-9.29		-5.32		-6.54	

Peer Group Analysis - IM Commodities General (MF)



	2015		2014		2013		2012		2011		2010		2009	
Investment	-25.70	(64)	N/A		N/A		N/A		N/A		N/A		N/A	
Index	-24.66	(47)	-17.01	(41)	-9.52	(52)	-1.06	(45)	-13.32	(85)	16.83	(31)	18.91	(48)
Median	-24.83		-17.66		-9.29		-1.53		-7.89		15.29		18.29	

Comparative Performance

	1 Qtr Ending Mar-2017		1 Qtr Ending Dec-2016		1 Qtr Ending Sep-2016		1 Qtr Ending Jun-2016		1 Qtr Ending Mar-2016		1 Qtr Ending Dec-2015	
Investment	-2.07	(48)	4.13	(24)	-4.13	(74)	11.51	(63)	-0.37	(76)	-10.95	(72)
Index	-2.33	(55)	2.66	(37)	-3.86	(69)	12.76	(44)	0.42	(64)	-10.52	(65)
Median	-2.15		2.43		-3.28		12.58		0.69		-9.97	

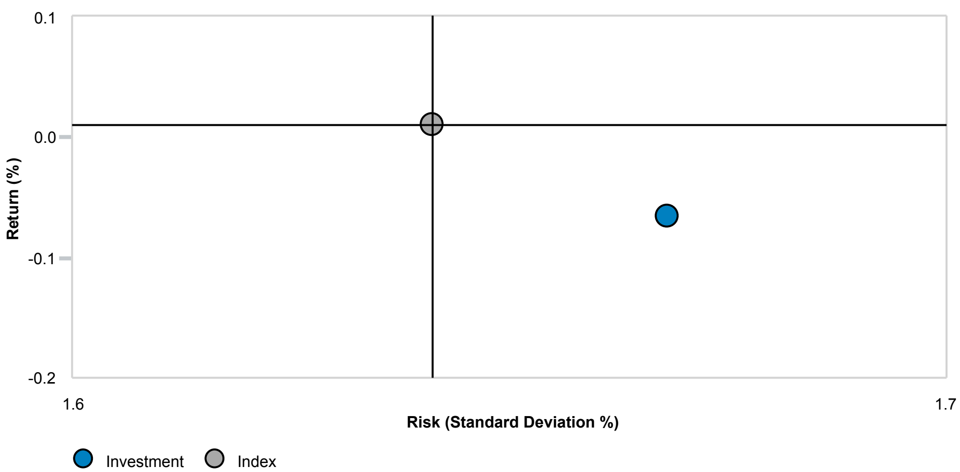
Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	-0.07	1.67	-0.15	98.46	6.00	102.21	6.00
Index	0.01	1.64	-0.11	100.00	6.00	100.00	6.00

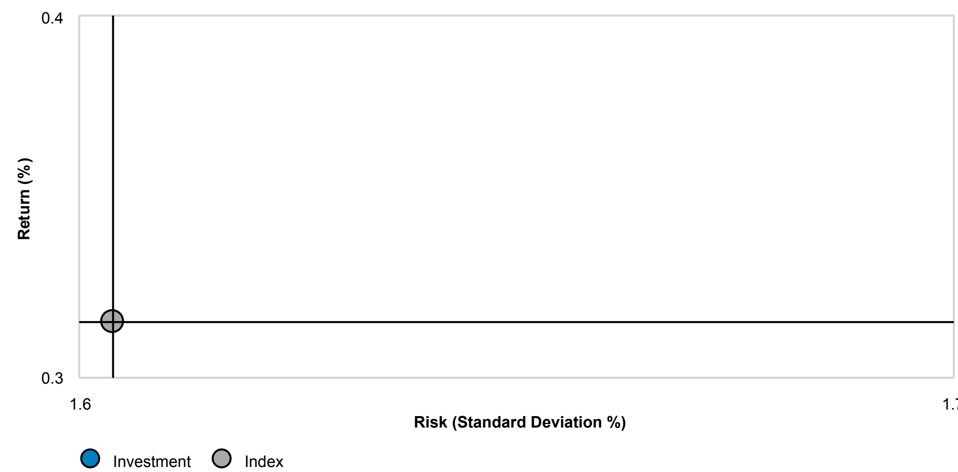
Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Index	0.32	1.60	0.11	100.00	12.00	100.00	8.00

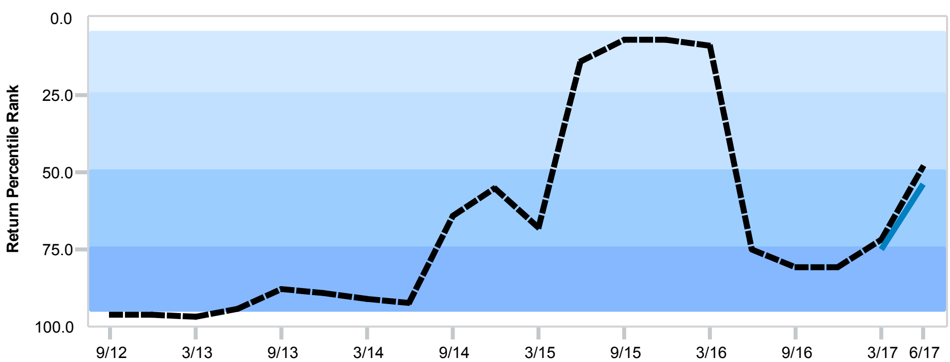
Risk and Return 3 Years



Risk and Return 5 Years

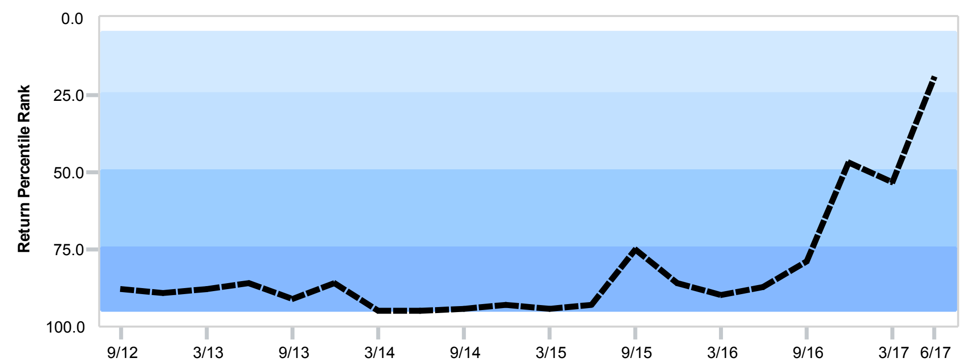


3 Year Rolling Percentile Rank IM U.S. TIPS (MF)



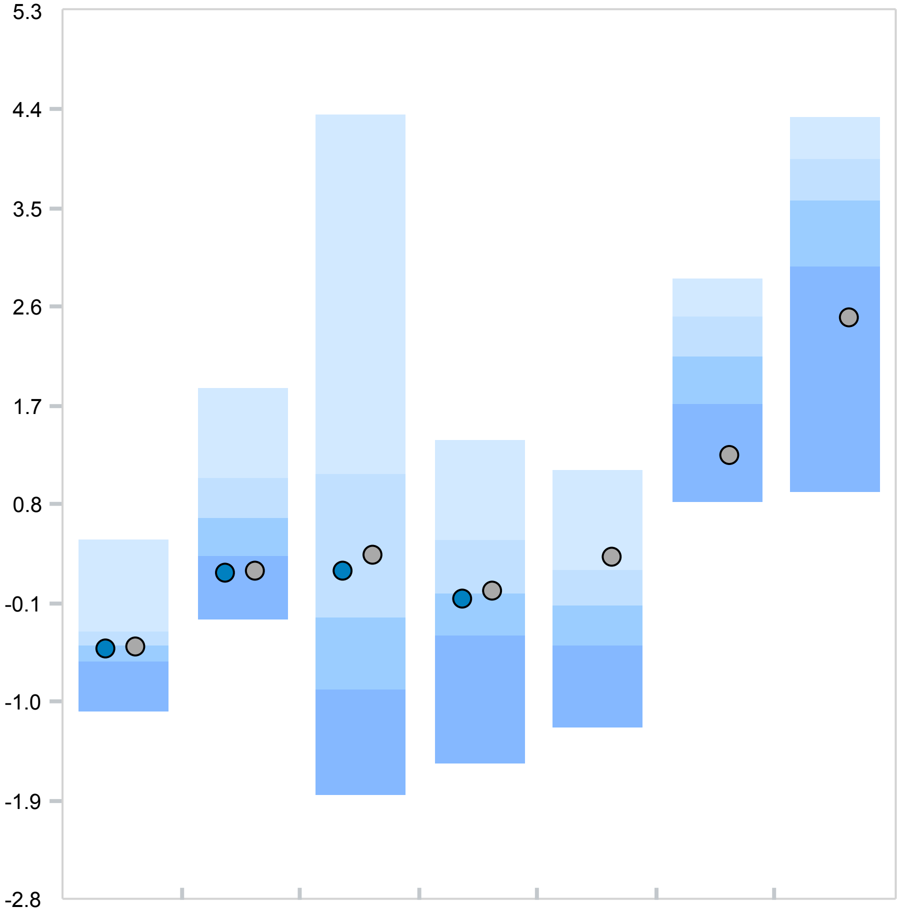
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	2	0 (0%)	0 (0%)	2 (100%)	0 (0%)
Index	20	4 (20%)	1 (5%)	5 (25%)	10 (50%)

5 Year Rolling Percentile Rank IM U.S. TIPS (MF)



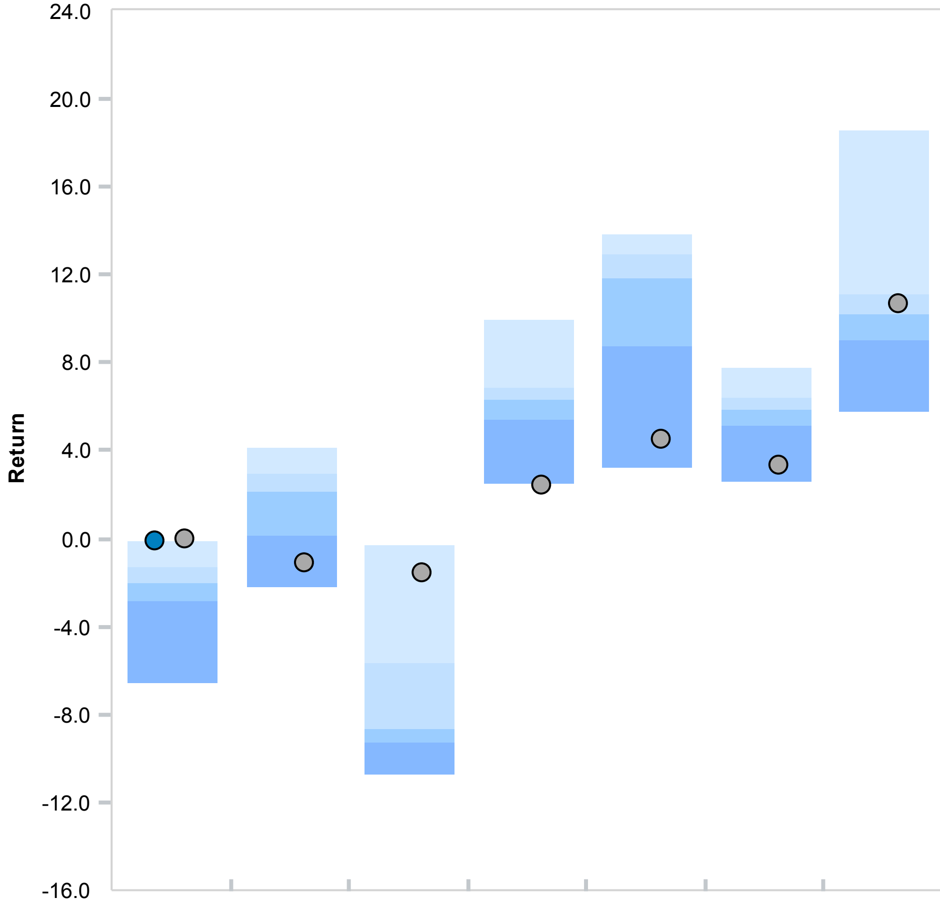
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	0	0	0	0	0
Index	20	1 (5%)	1 (5%)	2 (10%)	16 (80%)

Peer Group Analysis - IM U.S. TIPS (MF)



	QTD	YTD	1 YR	3 YR	5 YR	7 YR	10 YR
Investment	-0.52 (57)	0.16 (84)	0.19 (37)	-0.07 (54)	N/A	N/A	N/A
Index	-0.50 (53)	0.19 (83)	0.32 (33)	0.01 (48)	0.32 (19)	1.23 (91)	2.50 (82)
Median	-0.50	0.68	-0.23	-0.02	-0.12	2.14	3.57

Peer Group Analysis - IM U.S. TIPS (MF)



	2015	2014	2013	2012	2011	2010	2009
Investment	-0.17 (9)	N/A	N/A	N/A	N/A	N/A	N/A
Index	-0.02 (4)	-1.13 (87)	-1.59 (10)	2.40 (96)	4.51 (93)	3.30 (94)	10.65 (37)
Median	-2.07	2.10	-8.70	6.31	11.88	5.84	10.21

Comparative Performance

	1 Qtr Ending Mar-2017	1 Qtr Ending Dec-2016	1 Qtr Ending Sep-2016	1 Qtr Ending Jun-2016	1 Qtr Ending Mar-2016	1 Qtr Ending Dec-2015
Investment	0.69 (91)	-0.21 (15)	0.24 (97)	0.85 (87)	1.82 (90)	-0.41 (26)
Index	0.70 (90)	-0.16 (13)	0.29 (93)	0.85 (88)	1.81 (90)	-0.35 (20)
Median	1.19	-2.13	1.01	1.60	3.78	-0.69

	Market Value ($)	Estimated Annual Fee (%)	Estimated Annual Fee ($)
Fidelity Total Market Index Fund Premium Class	7,008,918	0.05	3,504
FMI Common Stock Fund	1,497,546	1.12	16,773
FPA Crescent Fund	1,326,274	1.07	14,191
Dodge & Cox Intl Stock Fund	2,969,641	0.64	19,006
Artisan International Instl Fd	2,480,881	0.95	23,568
Forester Offshore A2, Ltd.	2,201,623	0.95	20,915
Vanguard Total Bond Market Index Fund Adm	3,021,719	0.05	1,511
Vanguard Short Term US Treas Adm Fd	2,358,664	0.10	2,359
Van Eck Global Hard Assets I Fund	1,334,129	1.00	13,341
Nuveen Gresham Diversified Commodities Fund	479,605	1.06	5,084
Vanguard Short-Term Inflation Protected Securities Adm. Fund	788,151	0.07	552
Government Stif 15	2,963,732		-
Total Fund	**28,430,884**	**0.42**	**120,804**

Total Fund Historical Hybrid Composition

Allocation Mandate	Weight (%)
Jan-2015	
Russell 3000 Index	27.50
MSCI AC World ex USA (Net)	17.50
HFRI Fund of Funds Composite Index	20.00
Real Assets Composite Index Attribution Hybrid	15.00
Citigroup 3 Month T-Bill Index	0.00
Blmbg. Barc. U.S. Treasury: 1-5 Year	10.00
Bloomberg Barclays U.S. Aggregate Index	10.00
Sep-2013	
Russell 3000 Index	27.50
MSCI AC World ex USA (Net)	17.50
HFRI Fund of Funds Composite Index	20.00
Fixed Income Composite Index	20.00
Real Assets Composite Index	15.00
Citigroup 3 Month T-Bill Index	0.00
Dec-2011	
Russell 3000 Index	27.50
MSCI EAFE (Net) Index	17.50
HFRI Fund of Funds Composite Index	20.00
Fixed Income Composite Index	20.00
Real Assets Composite Index	15.00
Citigroup 3 Month T-Bill Index	0.00

Fixed Income Composite Historical Hybrid Composition	
Allocation Mandate	**Weight (%)**
Dec-2011	
Bloomberg Barclays U.S. Aggregate Index	50.00
Blmbg. Barc. U.S. Treasury: 1-5 Year	50.00
Jan-2011	
Bloomberg Barclays U.S. Aggregate Index	50.00
BofA ML Convertible Bonds, US Inv Grade	50.00
Jun-2007	
Fixed Income Composite Index	100.00

Real Asset Composite Historical Hybrid Composition

Allocation Mandate	Weight (%)
Mar-2014	
Vanguard Short-Term Inflation Protected Securities Adm. Fund	100.00
Jan-2012	
Bloomberg Barclays U.S. TIPS Index	100.00
Jul-2011	
70/30 ncreif nareit hybrid	10.00
Bloomberg Barclays U.S. TIPS Index	30.00
Spliced Energy Index	30.00
Bloomberg Commodity Index Total Return	30.00
Jan-2011	
70/30 ncreif nareit hybrid	40.00
Bloomberg Barclays U.S. TIPS Index	20.00
Spliced Energy Index	20.00
Bloomberg Commodity Index Total Return	20.00
Sep-2006	
Inflation Hedging Composite Index	100.00

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

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Formerly The Bogdahn Group

Asset Allocation & Manager Analysis

July 2017

Town of Palm Beach
OPEB Investment Program

CONTENTS

Policy Asset Allocation Summary

Asset Class	Target	Range	Benchmark Index
Domestic Equity	45%	40% - 50%	Russell 3000
International Equity	15%	10% - 20%	MSCI-ACWI ex US
Total Equity	**60%**	**55% - 65%**	
Broad Market Fixed Income	15%	10% - 40%	BB-Barclays Aggregate.
Non-Core Fixed Income[1]	5%	0% - 10%	BB-Barclays TIPs
Total Fixed Income	**20.0%**	**15% - 40%**	
Real Estate Core / Plus	10%	0% - 15%	NFI-ODCE Fund Index (EW)
Direct Lending – Middle Mkt. Debt. Pvt. Equity	5%	0% -15%	Strategy Index[2,3]
Global Macro Allocation[2]	5%	0% -15%	Strategy Index[2,3]
Alternative Investment[2]	0%	0% -10%	Strategy Index[2,3]
Total Non-Traditional Assets	**20.0%**	**0% - 35%**	

Note: Allocation to Pvt. Equity shall be based on invested capital.

1. Absent of a full allocation, all or a portion of the target allocation will remain in domestic fixed income with the corresponding allowable range adjustment around the revised domestic fixed income target.
2. Absent of a full allocation, all or a portion of the target allocation will remain in domestic fixed income with the corresponding allowable range adjustment around the revised domestic fixed income target.
3. The “strategy index” for alternative assets is defined as 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 and reflected in performance evaluation reports.

Manager Allocation Summary

Allocation & Manager Assignments (NAV 6/30/2017; ROR Target 7.5%)

Manager		Allocation to % Target	Recommended Allocation	Policy Target Allocation	Annual Fees	Wtd Fees
Fidelity Spartan Totl Mrkt Instl Index Fund, FSTVX:	Index	$4,264,633	15.00%	15.00%	0.045%	0.007%
Vanguard Mid-Cap 400 Index Fund, VSPMX	Index	$8,529,265	30.00%	30.00%	0.08%	0.024%
Dodge & Cox International Equity, DODGX;	Active	$4,264,633	15.00%	15.00%	0.52%	0.078%
Metropolitan West Core Plus Fund, MWTSX;	Active	$3,696,015	13.00%	15.00%	0.37%	0.048%
PIMCO Diversified Inc. Fund, PDIIX:	Active	$1,421,544	5.00%	5.00%	0.76%	0.038%
Crescent Fund II Levered; LLC	Active	$1,421,544	5.00%	5.00%	0.75%	0.038%
InterContinental U.S. Real Estate; LLC	Active	$1,990,162	7.00%	5.00%	1.10%	0.077%
Principal Enhanced Property Fund; LLC	Active	$1,421,544	5.00%	5.00%	1.40%	0.070%
Vanguard Short Term Treas. Infl., VTAPX	Index	$1,421,544	5.00%	5.00%	0.07%	0.004%
Total Portfolio & Total Cost (Est. Annual Fee)		**$28,430,884**	-	-	**$108,848**	**0.38%**

ASSET ALLOCATION ANALYSIS

Definition and Characteristics

Asset allocation is a tool employed to manage a portfolio's risk. Risk may be defined as the standard deviation of returns, the probability of achieving a target return, or other measures of variability. In theory there is a positive relationship between risk and returns – the greater the risk, the greater the returns. However, the capital markets do not always behave in this manner. The modeling process is imperfect, relying on forecasts for the asset classes. Accurately predicting the performance of the capital markets is nearly impossible. Therefore, we utilize several models to help assist with the evaluation process. Additional modeling may be performed to evaluate other asset allocation polices.

Developing an investment strategy is based on four decisions:

– What asset classes should be considered for potential investment?

– What strategic (long-term) weights should be assigned to each asset class?

– What are the appropriate allocation ranges (+/-) around the strategic weight of each asset class?

– What are the most appropriate managers/vehicles to implement and retain for each asset class?

While manager and investment vehicle selection is an important part of implementing and maintaining an investment strategy, approximately 90% of a portfolio's variability over time is determined by the first two investment strategy decisions.

Key Steps

1- Identify and define the objectives

a) Assess liquidity needs – current and future cash flows
b) Assess investment time horizon
c) Assess return target

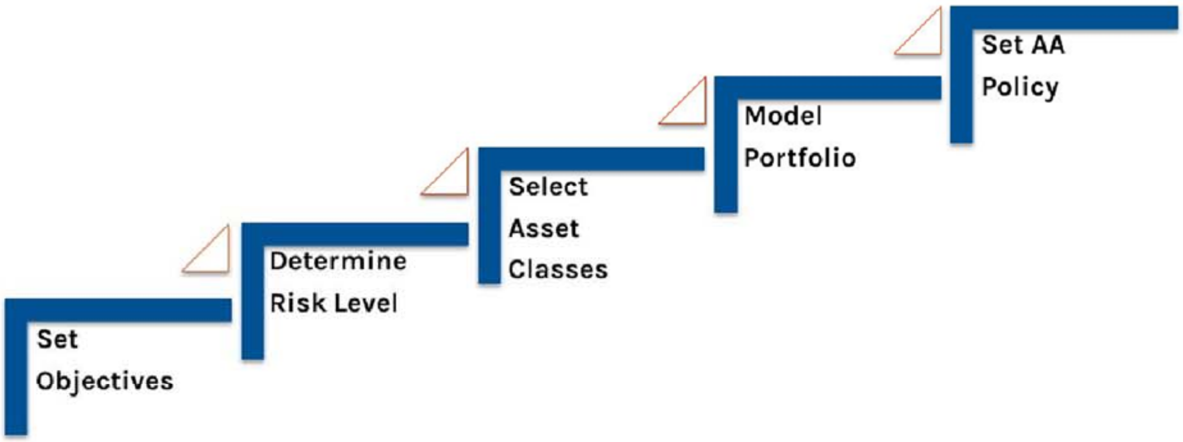
2- Assess risk tolerance

3- Determine appropriate asset classes.

4- Model investment portfolio alternatives

a) Historical model
b) Forecasting model
c) Monte Carlo simulations
d) Allocation to alternatives
e) Human overlay

5- Select an appropriate target asset allocation policy



Limitations of Asset Allocation Models

– The model output is based on the capital market assumptions; accurately predicting the expected return, standard deviation, and correlation coefficients for each asset class in very difficult.

– Many asset classes have historically exhibited non-normal return distributions (fat-tails and/or skewness); models generally assume normal distributions.

– Correlation coefficients change over time and may potentially overestimate the diversification benefits of combining asset classes (particularly during periods of market stress).

– Alternative asset classes introduce risk factors that are not captured in their standard deviation.

The return, risk, and correlation forecasts utilized in this report were developed by JP Morgan Asset Management. These projections are based on their expectations over the next 10 to 15 years.

Purpose for this Asset Allocation Study

The purpose of this asset allocation study is to determine probability outcomes for the portfolio modeled in this analysis.

Long Term Asset Allocation Model Inputs

Model Asset Class	Expected Return	Standard Deviation	Asset Class / Model Proxy
1. US Large Cap	7.3%	14.8%	Domestic Large Cap Equity
2. US Mid Cap	8.0%	16.9%	Domestic Mid Cap Equity
3. US Small Cap	8.7%	19.2%	Domestic Small Cap Equity
4. EAFE (unhedged)	7.9%	16.6%	Developed Market Intl Equity
5. Emerging Market Equity	11.4%	22.6%	Emerging Market Intl Equity
6. US Aggregate	3.1%	3.5%	US Broad Market Fixed Income
7. US High Yield	6.1%	9.1%	US High Yield Fixed Income
8. World Gov't Bonds ex US (unhedged)	2.3%	8.0%	Developing Market Global Bonds
9. Emerging Market Bonds (unhedged)	6.0%	10.0%	Emerging Market Global Bonds
10. US Core RE (UL)	6.0%	10.9%	US Private Core Real Estate
11. US Val Add RE (UL)	7.9%	14.0%	US Private Value Added Real Estate
12. Direct Lending	7.2%	9.8%	Private Non-Core Fixed Income
13. US Cash	2.0%	0.5%	US T-Bills (Cash Equivalents)

Correlation Matrix	1	2	3	4	5	6	7	8	9	10	11	12
1. US Large Cap	1											
2. US Mid Cap	0.96	1										
3. US Small Cap	0.91	0.95	1									
4. EAFE (unhedged)	0.89	0.87	0.79	1								
5. Emerging Market Equity	0.77	0.79	0.71	0.87	1							
6. US Aggregate	0.00	0.00	-0.08	0.09	0.13	1						
7. US High Yield	0.70	0.75	0.68	0.75	0.73	0.19	1					
8. World Gov't Bonds ex US	0.23	0.19	0.14	0.39	0.40	0.59	0.25	1				
9. Emerging Market Bonds	0.54	0.55	0.46	0.66	0.69	0.57	0.72	0.55	1			
10. US Direct RE UL	0.30	0.31	0.31	0.26	0.22	0.05	0.24	0.10	0.19	1		
11. US Val Add RE UL	0.33	0.34	0.34	0.28	0.23	0.04	0.25	0.10	0.20	0.95	1	
12. Direct Lending	0.33	0.37	0.28	0.45	0.49	0.73	0.69	0.46	0.77	0.12	0.12	1

Asset Class Historical Performance vs. Assumptions

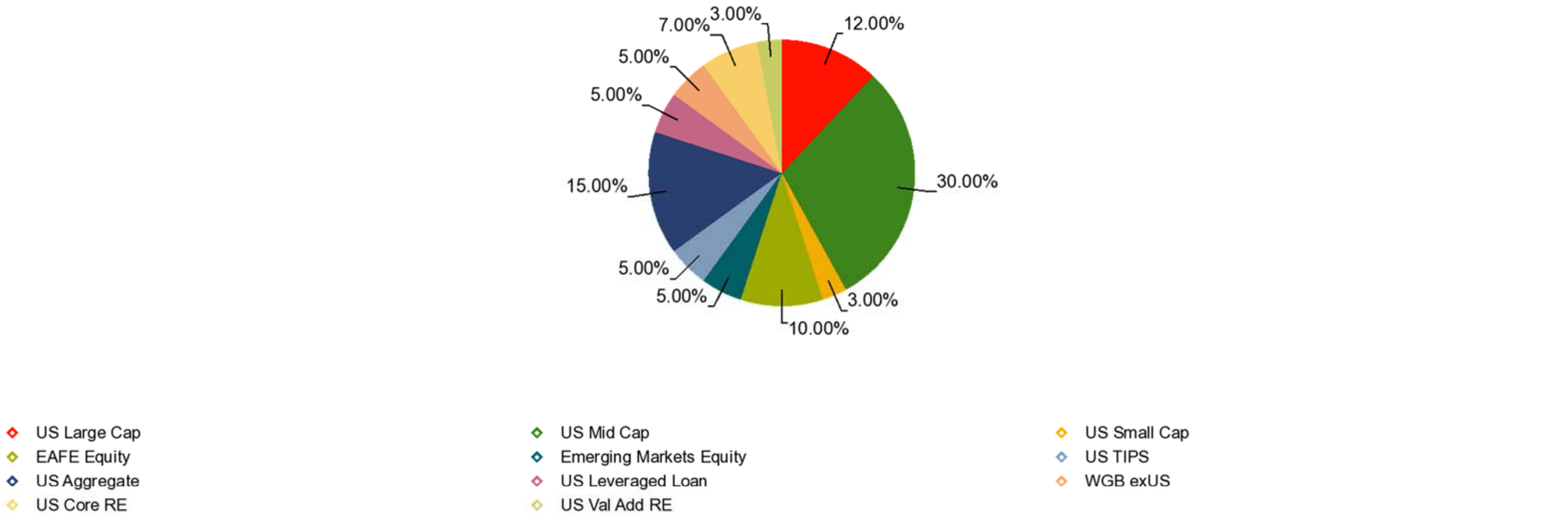
Annualized as of 12/31/2016	Historical					Forecast	
	5 Year	10 Year	15 Year	20 Year	LT Std. Dev.*	Return	Std. Dev.
US Large Cap	14.7	7.1	7.0	7.9	15.5	7.3	14.8
US Mid Cap	14.7	7.9	9.5	10.0	17.1	8.0	16.9
US Small Cap	14.5	7.1	8.5	8.2	20.1	8.7	19.2
EAFE (unhedged)	3.6	(2.1)	2.5	1.8	17.4	7.9	16.6
Emerging Market Equity	(1.2)	(0.6)	6.9	3.0	23.8	11.4	22.6
US Aggregate	2.2	4.3	4.6	5.3	3.4	3.1	3.5
US High Yield	7.4	7.5	8.4	7.0	9.2	6.1	9.1
WGB ex US (unhedged)	(-1.9)	2.5	4.8	3.6	8.4	2.3	8.0
EM Bonds (unhedged)	7.8	7.8	10.9	9.4	13.5	6.0	10.0
US Direct RE (UL)	10.9	6.9	9.0	9.8	11.5	6.0	10.9
US Val Add RE (UL)	13.9	3.8	N/A	N/A	15.0	7.9	14.0
Private Equity	14.4	10.7	11.3	12.5	21.0	10.0	21.0
Infrastructure	7.7	3.7	9.9	N/A	14.9	6.9	11.6
Hedge Funds – Diversified	4.3	3.8	5.7	7.1	6.6	3.7	6.5
Commodities	(9.0)	(5.6)	1.2	0.5	16.4	5.3	17.8
US Cash	0.1	0.8	1.3	2.3	0.7	2.0	0.5

*20 years or longest period available

Portfolios Composition

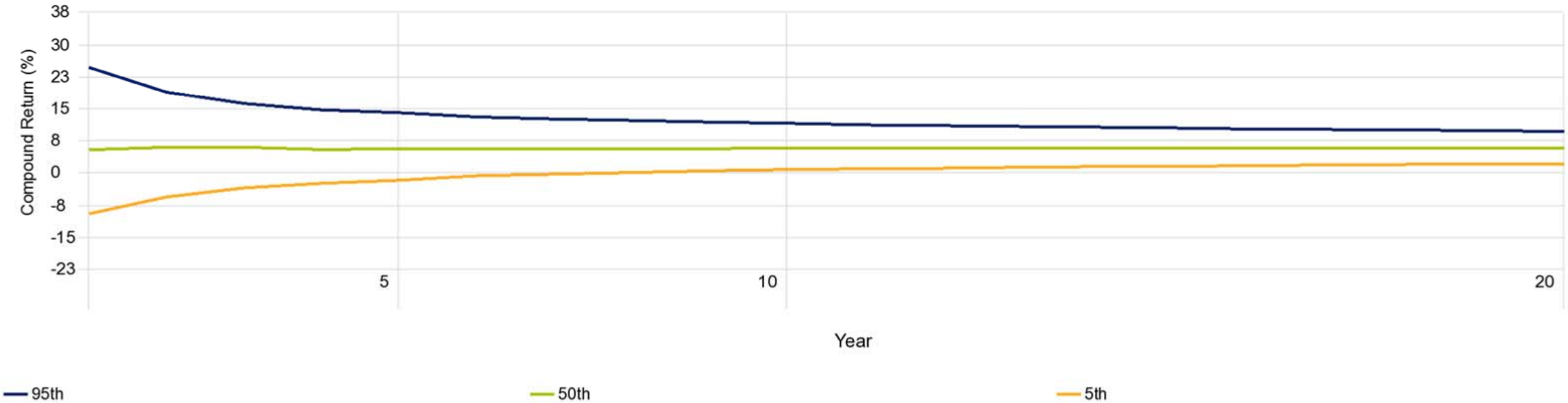
	Mix 1
US Large Cap	12.00%
US Mid Cap	30.00%
US Small Cap	3.00%
EAFE Equity	10.00%
Emerging Markets Equity	5.00%
US TIPS	5.00%
US Aggregate	15.00%
US Leveraged Loan	5.00%
WGB exUS	5.00%
US Core RE	7.00%
US Val Add RE	3.00%

Mix 1



Return Percentiles

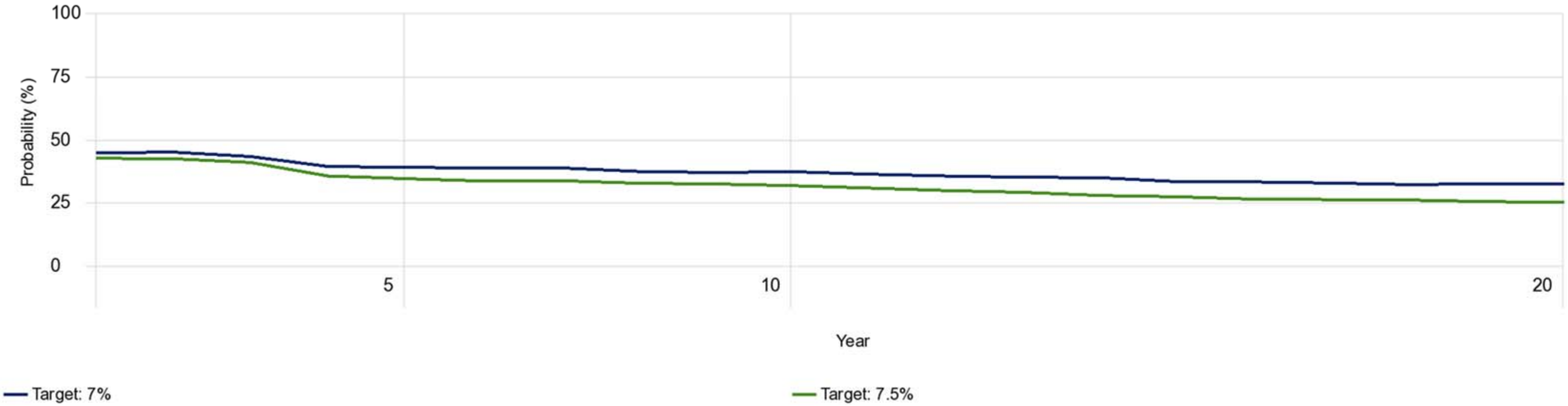
Mix 1



	Percentile		
	95th	50th	5th
Mix 1			
5 Year	14.21%	5.80%	-1.54%
10 Year	11.75%	5.96%	0.96%
20 Year	9.84%	5.94%	2.20%

Target Return

Mix 1



	Target Return	
	7%	7.5%
Mix 1		
5 Year	39.60	35.15
10 Year	37.90	32.40
20 Year	33.20	25.80

	Cumulative probability of loss	
	7.0%	7.5%
Mix 1		
5 Year	17.30%	16.30%
10 Year	18.95%	17.85%
20 Year	19.30%	18.25%

Cumulative probability answers a very risk adverse question. It is designed for a plan which states 'it can't lose more than x% at any time from its starting wealth'. It shows the probability that a loss of the specified magnitude will have occurred any time up to the current time period. So, in the table above, for the 'Mix 1' portfolio, 17.85% of the simulations were down 7.5% from their initial value sometime over the course of 10 years. Most of the losses will occur at the beginning of a simulation as they are reported in annualized terms and it gets more and more difficult to achieve large loses in annualized terms due to convergence over time.

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CORE PLUS FIXED INCOME

Purpose for this Manager Evaluation Report

The goal of this search is to evaluate domestic core plus fixed income options for inclusion in the plan.

Investment Options for this Manager Evaluation Report

Firm Name	Strategy Name	Vehicle	Management Fee
Dodge & Cox	Income Fund (DODIX)	MF	0.43%
J.P. Morgan Investment Management	Core Plus Bond Fund R6 (JCPUX)	MF	0.39%
Metropolitan West Asset Management	Total Return Bond Fund Plan (MWTSX)	MF	0.37%
Vanguard Group	Total Bond Market Index Adm (VBTLX)	MF	0.05%

Definition and Characteristics

The US Core Bond category is typically defined as all US investment grade bonds. The most popular benchmark for the category is the Bloomberg Barclays US Aggregate Index, which contains US dollar-denominated, fixed-rate, taxable bonds meeting some basic criteria on amount outstanding and term to maturity. The index consists of almost 10,000 securities including US Treasuries, government agency bonds, Mortgage Back Securities (MBS), and corporate bonds. US Treasuries and agency securities consistently account for approximately 45% of the index and MBS securities make up another 30%. The result is that over 70% of the index is made up of the highest rated securities. Only about 20% of the portfolio is corporate credits which are usually rated A and BBB.

Role within a Portfolio

The Core Bond category is typically the portfolio's primary exposure to the US bond asset class. It is used to provide income, thorough coupon payments, and to reduce a portfolio's overall risk. Bond returns are typically uncorrelated with equity returns over long periods, and high-grade credits, especially Treasuries, typically have a negative correlation to equities in times of economic stress.

Benchmark and Peer Group

This US Core Bond search report will use the following benchmark and peer group:

Index – Bloomberg Barclays US Aggregate: Consists of over 9,700 US investment-grade, dollar-denominated, fixed-rate, taxable bonds meeting basic criteria on term to maturity and minimum amount outstanding.

Morningstar Category - Intermediate-Term Bond: Intermediate-term bond portfolios invest primarily in corporate and other investment-grade U.S. fixed-income issues and typically have durations of 3.5 to 6.0 years. These portfolios are less sensitive to interest rates, and therefore less volatile, than portfolios that have longer durations. Morningstar calculates monthly breakpoints using the effective duration of the Morningstar Core Bond Index in determining duration assignment. Intermediate-term is defined as 75% to 125% of the three-year average effective duration of the Morningstar Core Bond Index.

Firm Information

	Dodge & Cox Income	JPMorgan Core Plus Bond R6	Metropolitan West Total Return Bd Plan	Vanguard Total Bond Market Index Adm
Firm Name	Dodge & Cox	JPMorgan	Metropolitan West Funds	Vanguard
Firm City	San Francisco	New York	LOS ANGELES	Malvern
Firm State or Province	CA	NY	CA	PA
Firm Phone	415-981-1710	1-800-480-4111	+1 8002414671	+1 8776627447
Firm Web Address	www.dodgeandcox.com	www.jpmorganfunds.com	www.mwamllc.com	www.vanguard.com

Strategy Information

Inception Date	1/3/1989	2/22/2005	7/29/2011	11/12/2001
Investment Type	Open-End Fund	Open-End Fund	Open-End Fund	Open-End Fund
Ticker if Open-End Fund	DODIX	JCPUX	MWTSX	VBTLX
Strategy Assets if Mutual Fund	49,991,403,061	9,487,501,353	79,769,527,220	183,445,384,509
Strategy Assets if Sep Accnt or CIT	78,899,690,000			
Minimum Investment	2,500	15,000,000	25,000,000	10,000

	Dodge & Cox Income	JPMorgan Core Plus Bond R6	Metropolitan West Total Return Bd Plan	Vanguard Total Bond Market Index Adm
COMPOSITION				
# of Holdings	985	3,173	1,849	17,374
% Asset in Top 10 Holdings	10.40	11.57	30.35	4.35
Asset Alloc Cash %	2.32	4.20	7.41	1.90
Asset Alloc Equity %	0.00	0.11	0.00	0.00
Asset Alloc Bond %	96.56	95.10	106.09	98.08
Asset Alloc Other %	1.15	0.58	0.54	0.02
STATISTICS				
Average Eff Duration	4.20	5.56	5.62	6.14
Average Eff Maturity	8.00	7.71	7.16	8.40
Average Coupon	4.20	3.97	3.15	3.09
Yield to Maturity	2.99	3.41	2.88	2.63
Average Credit Quality	BBB	BB	BBB	AA
SECTOR ALLOCATION				
Government %	16.71	22.67	22.50	41.21
Government Related %	0.62	0.61	12.50	3.89
Municipal Taxable %	3.79	0.10	0.83	0.61
Municipal Tax-Exempt %	0.00	0.00	0.12	0.00
Bank Loan %	0.00	0.04	0.00	0.00
Corporate Bond %	42.06	28.25	23.07	28.06
Agency Mortgage-Backed %	31.88	21.93	18.73	18.45
Non-Ag. Res. Mortgage-Backed %	0.03	4.41	3.13	0.33
Commercial Mortgage-Backed %	0.28	2.31	11.85	4.92
Asset-Backed %	2.11	14.56	6.71	0.57
Cash & Equivalents %	2.32	4.20	0.61	1.90

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

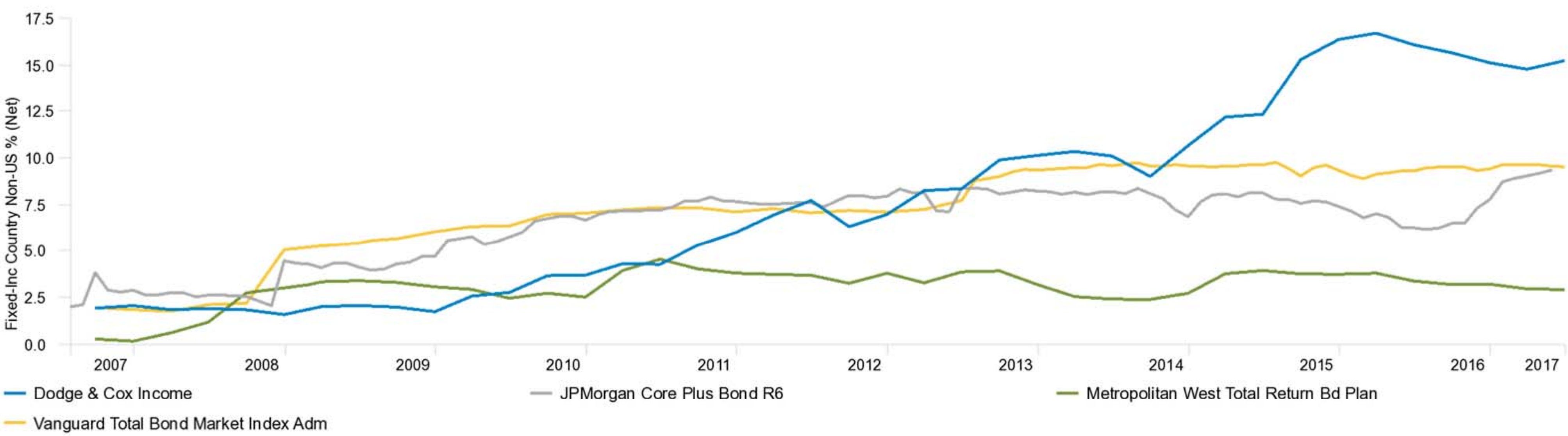
	Dodge & Cox Income	JPMorgan Core Plus Bond R6	Metropolitan West Total Return Bd Plan	Vanguard Total Bond Market Index Adm
MATURITY DISTRIBUTION				
Maturity 1-3 Yr %	15.94	7.38	-1.08	20.94
Maturity 3-5 Yr %	7.04	14.84	13.61	17.18
Maturity 5-7 Yr %	6.23	12.10	4.60	10.88
Maturity 7-10 Yr %	13.13	15.70	9.05	11.02
Maturity 10-15 Yr %	7.25	6.48	2.63	3.85
Maturity 15-20 Yr %	13.66	8.20	5.91	4.02
Maturity 20-30 Yr %	25.19	21.43	29.50	27.80
Maturity 30+ Yr %	4.34	7.28	8.18	2.33
QUALITY DISTRIBUTION				
Credit Qual AAA %	53.10	48.46	64.59	69.34
Credit Qual AA %	3.80	3.86	5.25	4.02
Credit Qual A %	3.40	10.49	15.89	11.69
Credit Qual BBB %	31.40	14.15	9.62	14.95
Credit Qual BB %	6.80	11.34	1.62	0.00
Credit Qual B %	0.00	2.96	0.45	0.00
Credit Qual Below B %	1.50	1.05	2.55	0.00
Credit Qual Not Rated %	0.00	7.69	0.03	0.00

Current Portfolio Region Allocation

Portfolio Date: 3/31/2017

	Dodge & Cox Income	JPMorgan Core Plus Bond R6	Metropolitan West Total Return Bd Plan	Vanguard Total Bond Market Index Adm
Fixed-Inc Country United States %	84.57	90.56	96.45	90.09
North America %	85.59	91.95	96.57	93.24
Latin America %	2.69	2.15	0.97	1.36
United Kingdom %	5.37	1.35	0.55	1.08
Europe dev %	5.79	3.29	1.77	2.83
Europe emrg %	0.00	0.28	0.00	0.20
Japan %	0.00	0.10	0.00	0.36
Australasia %	0.56	0.19	0.15	0.43
Asia dev %	0.00	0.00	0.00	0.19
Asia emrg %	0.00	0.25	0.00	0.15
Africa/Middle East %	0.00	0.44	0.00	0.15
Developed %	97.31	97.77	100.00	98.43
Emerging %	2.69	2.23	0.00	1.57

Historical Non-US Portfolio Exposure



Peer Group (5-95%): Open End Funds - U.S. - Intermediate-Term Bond

	1 Year	Rank	2 Years	Rank	3 Years	Rank	4 Years	Rank	5 Years	Rank	6 Years	Rank	7 Years	Rank	8 Years	Rank	9 Years	Rank	10 Years	Rank
Dodge & Cox Income	4.39	7	2.41	5	3.08	16	2.91	8	3.41	15	3.90	19	4.23	25	5.90	28	5.16	10	5.02	16
JPMorgan Core Plus Bond R6	2.41	30	1.80	20	3.13	15	2.88	8	3.49	12	4.11	13	4.78	9	6.28	19	5.29	8	5.30	8
Metropolitan West Total Return Bd Plan	1.03	65	1.18	51	2.63	39	2.30	25	3.74	8	4.17	11	4.82	8	6.74	11	5.72	4	5.69	4
Vanguard Total Bond Market Index Adm	0.43	80	1.12	56	2.60	42	1.89	49	2.27	66	3.15	59	3.42	67	3.92	81	3.84	68	4.23	54
BBgBarc US Agg Bond TR USD	0.44	79	1.20	50	2.68	36	1.98	43	2.34	62	3.21	55	3.48	62	4.00	80	3.90	65	4.27	51

Dodge & Cox Income

JPMorgan Core Plus Bond R6

Metropolitan West Total Return Bd Plan

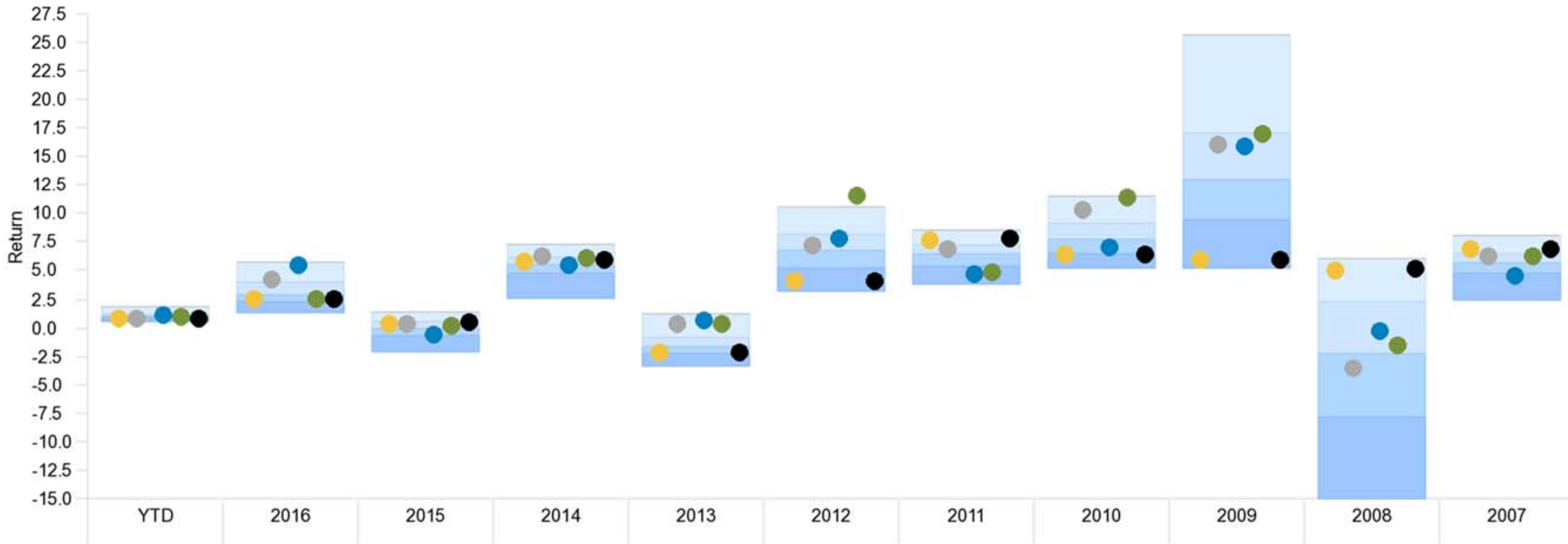
Vanguard Total Bond Market Index Adm

BBgBarc US Agg Bond TR USD

Returns Net of Fees.

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

Peer Group (5-95%): Open End Funds - U.S. - Intermediate-Term Bond



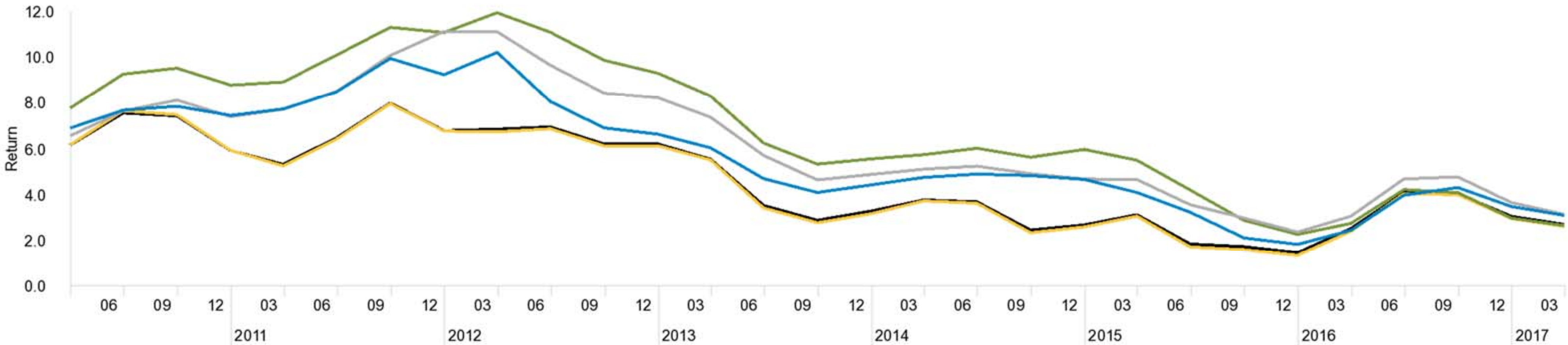
	YTD	Rank	2016	Rank	2015	Rank	2014	Rank	2013	Rank	2012	Rank	2011	Rank	2010	Rank	2009	Rank	2008	Rank	2007	Rank
Dodge & Cox Income	1.19	30	5.61	6	-0.59	72	5.48	53	0.64	8	7.94	30	4.76	86	7.17	62	16.05	29	-0.29	38	4.68	75
JPMorgan Core Plus Bond R6	0.93	61	4.25	21	0.35	31	6.39	17	0.42	9	7.32	41	7.00	31	10.35	12	16.19	28	-3.44	54	6.29	30
Metropolitan West Total Return Bd Plan	0.96	56	2.56	65	0.25	37	6.16	24	0.45	9	11.54	3	4.92	83	11.53	5	17.08	25	-1.47	46	6.25	31
Vanguard Total Bond Market Index Adm	0.91	63	2.60	64	0.40	30	5.89	33	-2.15	68	4.15	85	7.69	14	6.54	76	6.04	91	5.15	10	7.02	14
BBgBarc US Agg Bond TR USD	0.82	73	2.65	62	0.55	21	5.97	30	-2.02	65	4.21	84	7.84	11	6.54	75	5.93	92	5.24	10	6.97	15

Dodge & Cox Income
JPMorgan Core Plus Bond R6
Metropolitan West Total Return Bd Plan
Vanguard Total Bond Market Index Adm
BBgBarc US Agg Bond TR USD

Rolling Returns

Time Period: 4/1/2007 to 3/31/2017

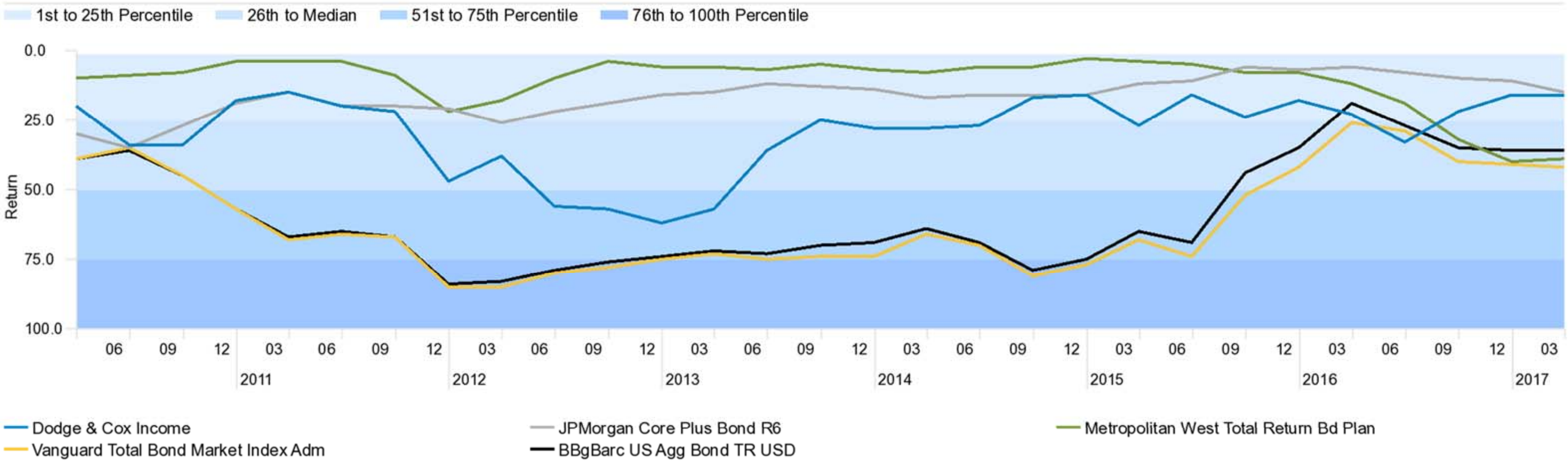
Rolling Window: 3 Years 3 Months shift   Calculation Benchmark: BBgBarc US Agg Bond TR USD



Rolling Return Rankings

Time Period: 4/1/2007 to 3/31/2017

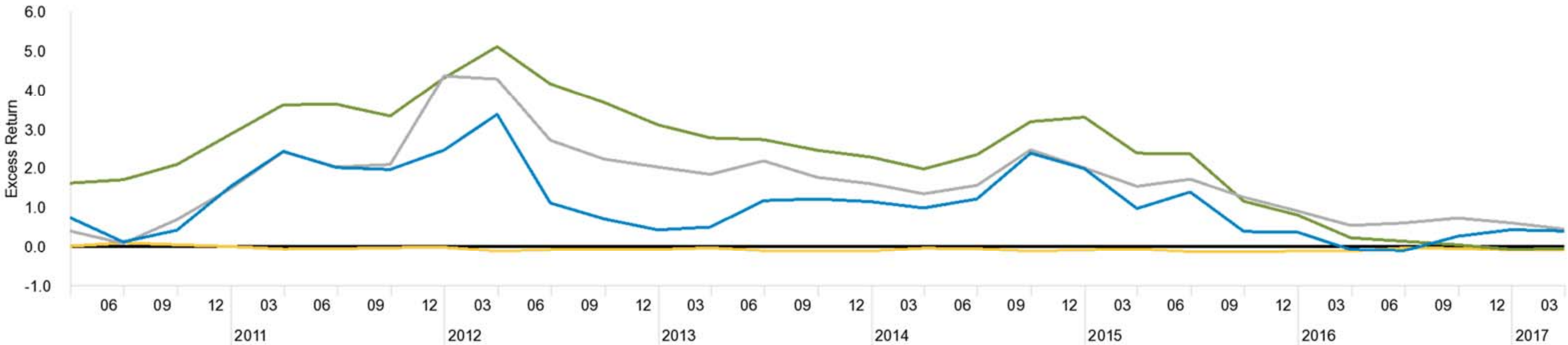
Rolling Window: 3 Years 3 Months shift   Calculation Benchmark: BBgBarc US Agg Bond TR USD



Rolling Excess Returns

Time Period: 4/1/2007 to 3/31/2017

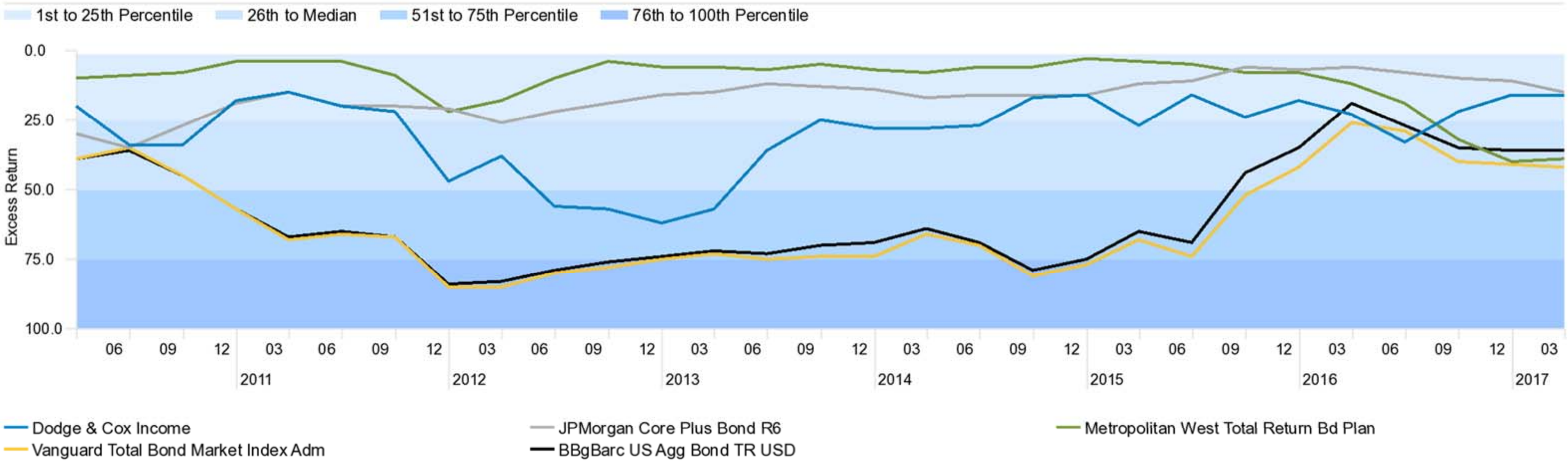
Rolling Window: 3 Years 3 Months shift Calculation Benchmark: BBgBarc US Agg Bond TR USD



Rolling Excess Return Rankings

Time Period: 4/1/2007 to 3/31/2017

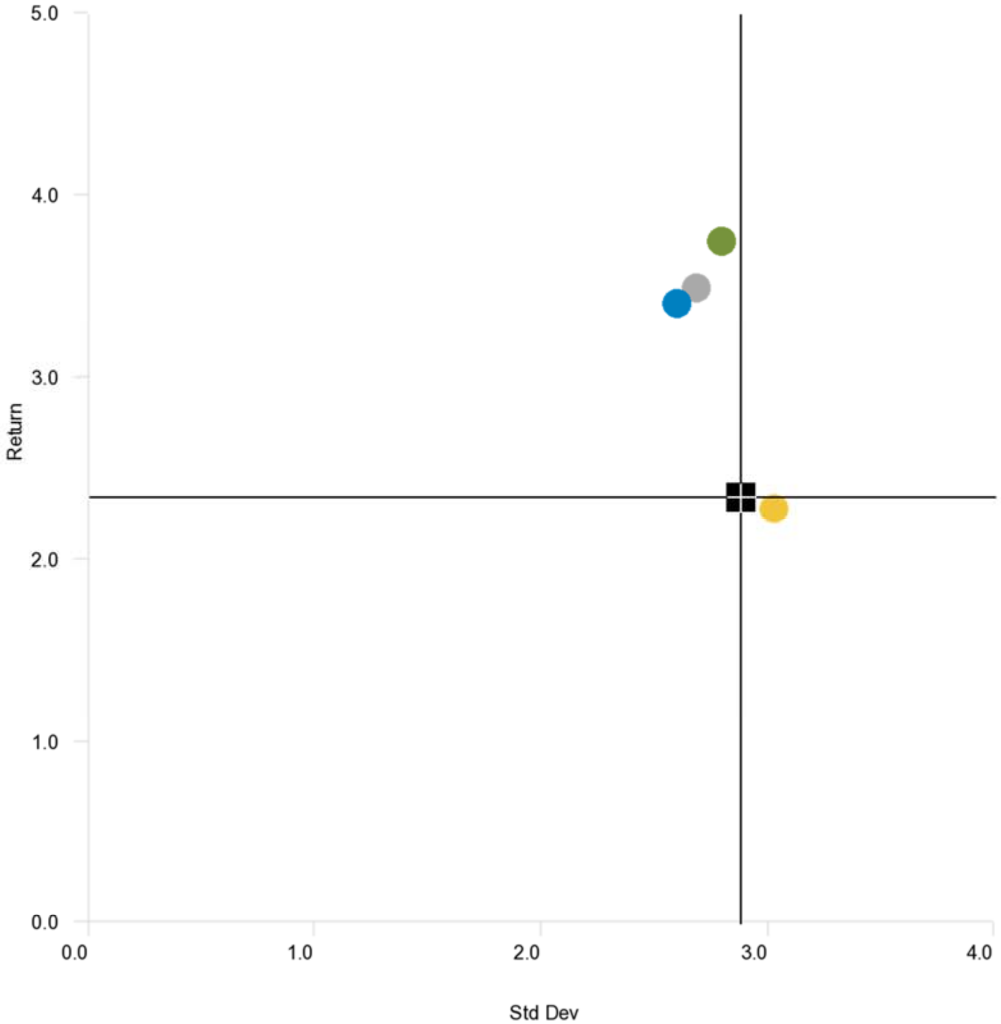
Rolling Window: 3 Years 3 Months shift Calculation Benchmark: BBgBarc US Agg Bond TR USD



Risk-Reward: 5-Year

Time Period: 4/1/2012 to 3/31/2017

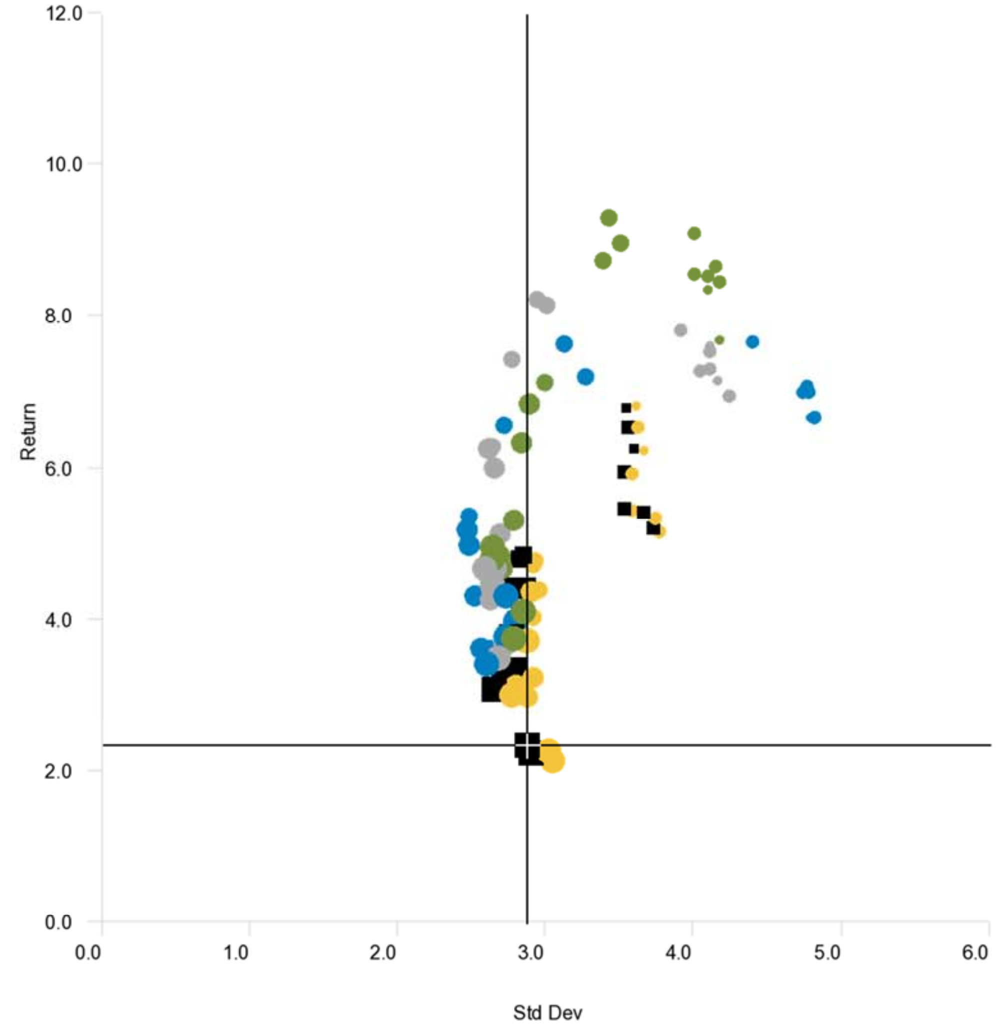
Calculation Benchmark: BBgBarc US Agg Bond TR USD



Risk-Reward: Rolling 5-Year

Time Period: 4/1/2007 to 3/31/2017

Rolling Window: 5 Years 3 Months shift Calculation Benchmark: BBgBarc US Agg Bond TR USD

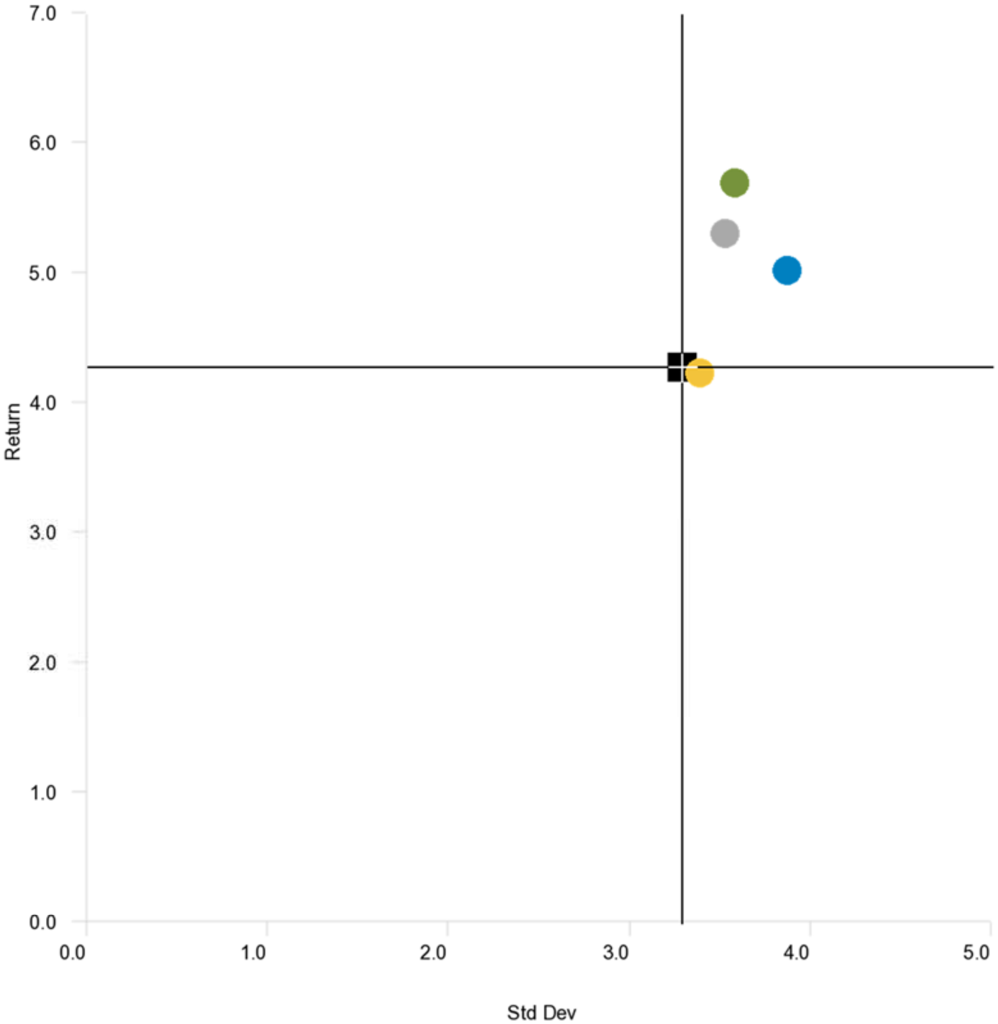


- Dodge & Cox Income
- JPMorgan Core Plus Bond R6
- Metropolitan West Total Return Bd Plan
- Vanguard Total Bond Market Index Adm
- BBgBarc US Agg Bond TR USD

Risk-Reward: 10-Year

Time Period: 4/1/2007 to 3/31/2017

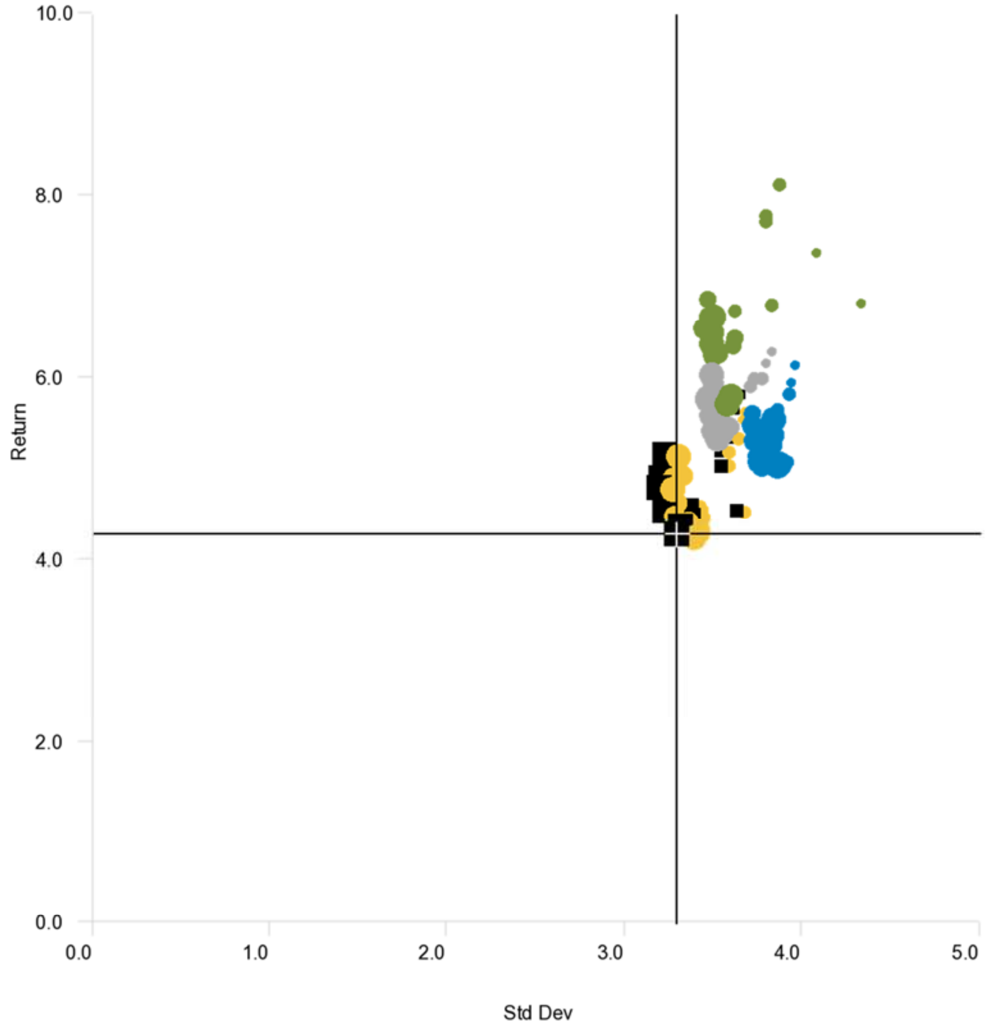
Calculation Benchmark: BBgBarc US Agg Bond TR USD



Risk-Reward: Rolling 10-Year

Time Period: 4/1/2002 to 3/31/2017

Rolling Window: 10 Years 3 Months shift Calculation Benchmark: BBgBarc US Agg Bond TR USD

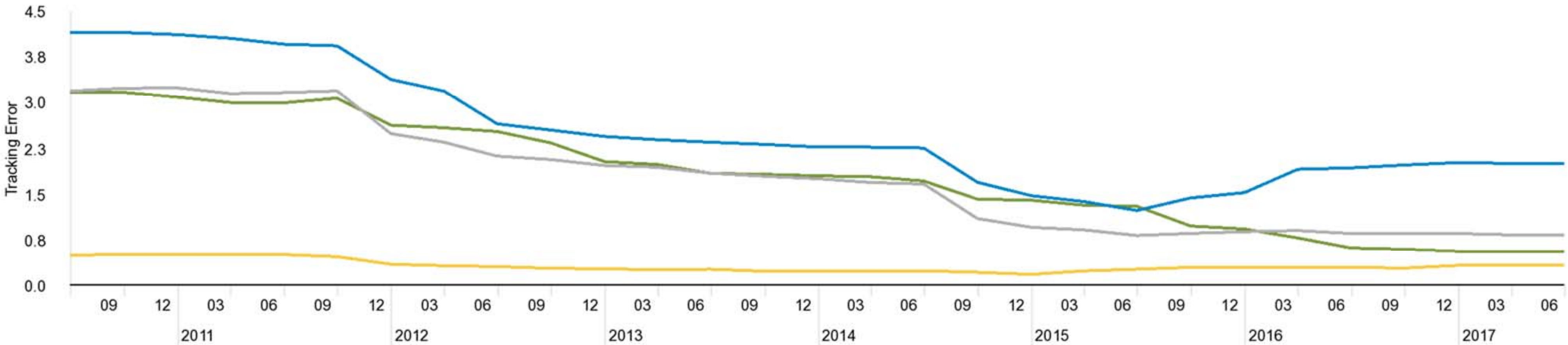


- Dodge & Cox Income
- JPMorgan Core Plus Bond R6
- Metropolitan West Total Return Bd Plan
- Vanguard Total Bond Market Index Adm
- BBgBarc US Agg Bond TR USD

Rolling Tracking Error

Time Period: 7/1/2007 to 6/30/2017

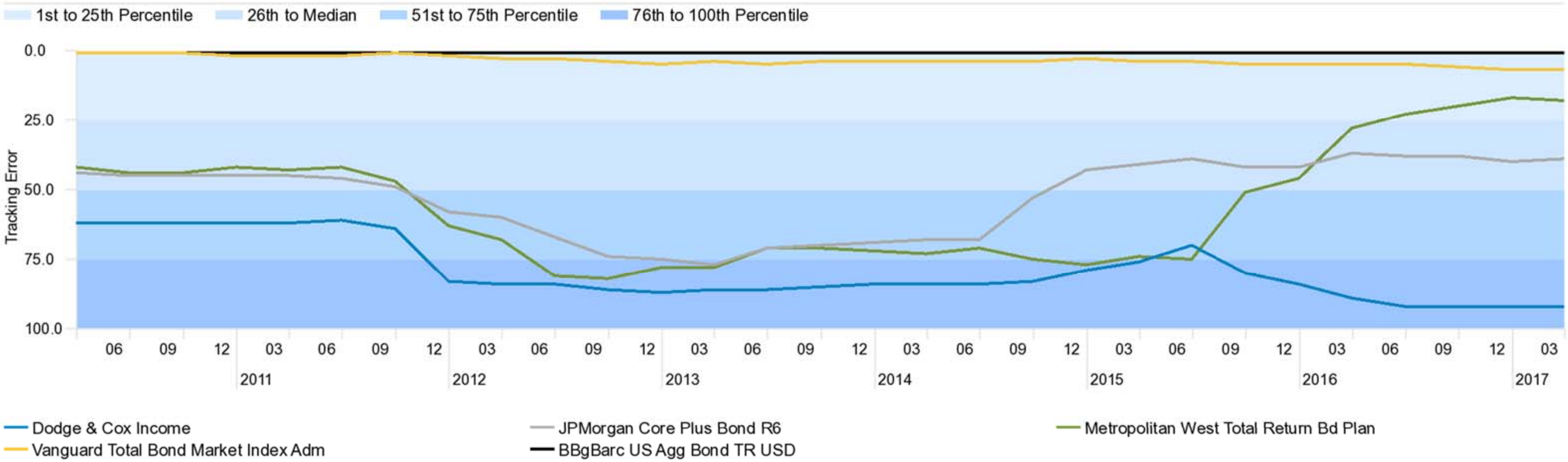
Rolling Window: 3 Years 3 Months shift Calculation Benchmark: BBgBarc US Agg Bond TR USD

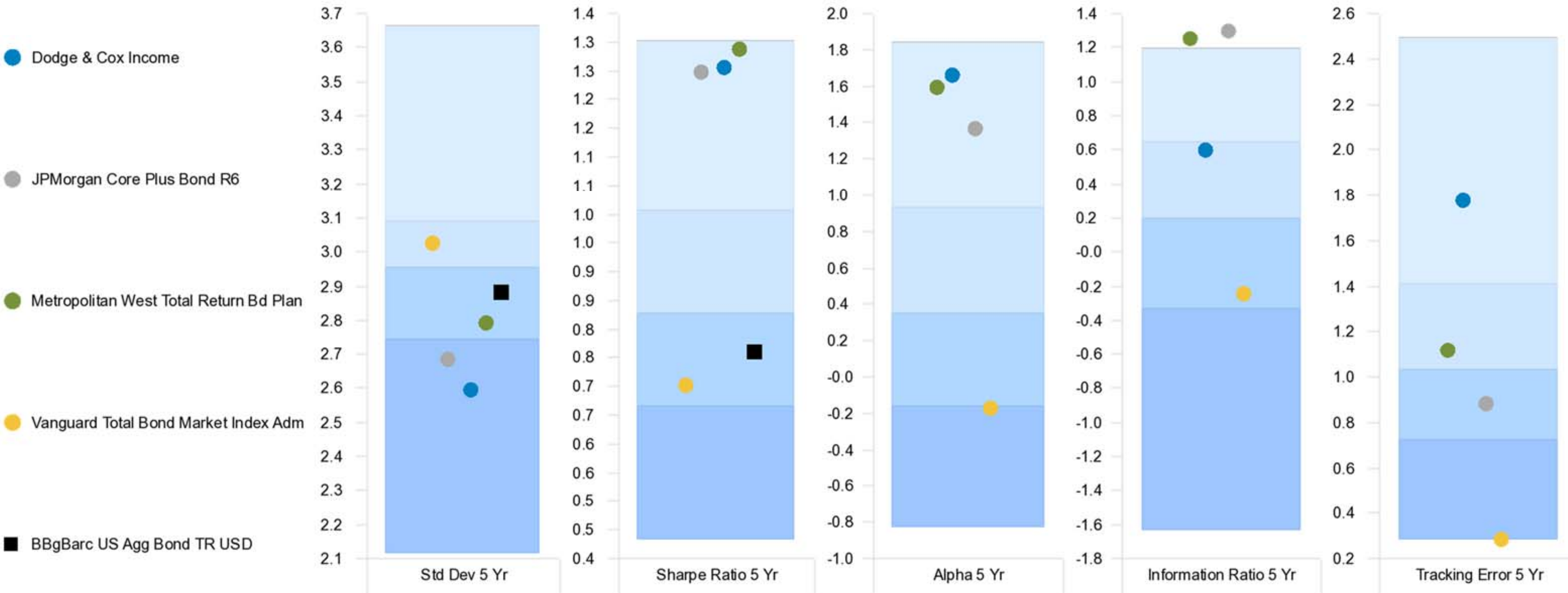


Rolling Tracking Error Rankings

Time Period: 4/1/2007 to 3/31/2017

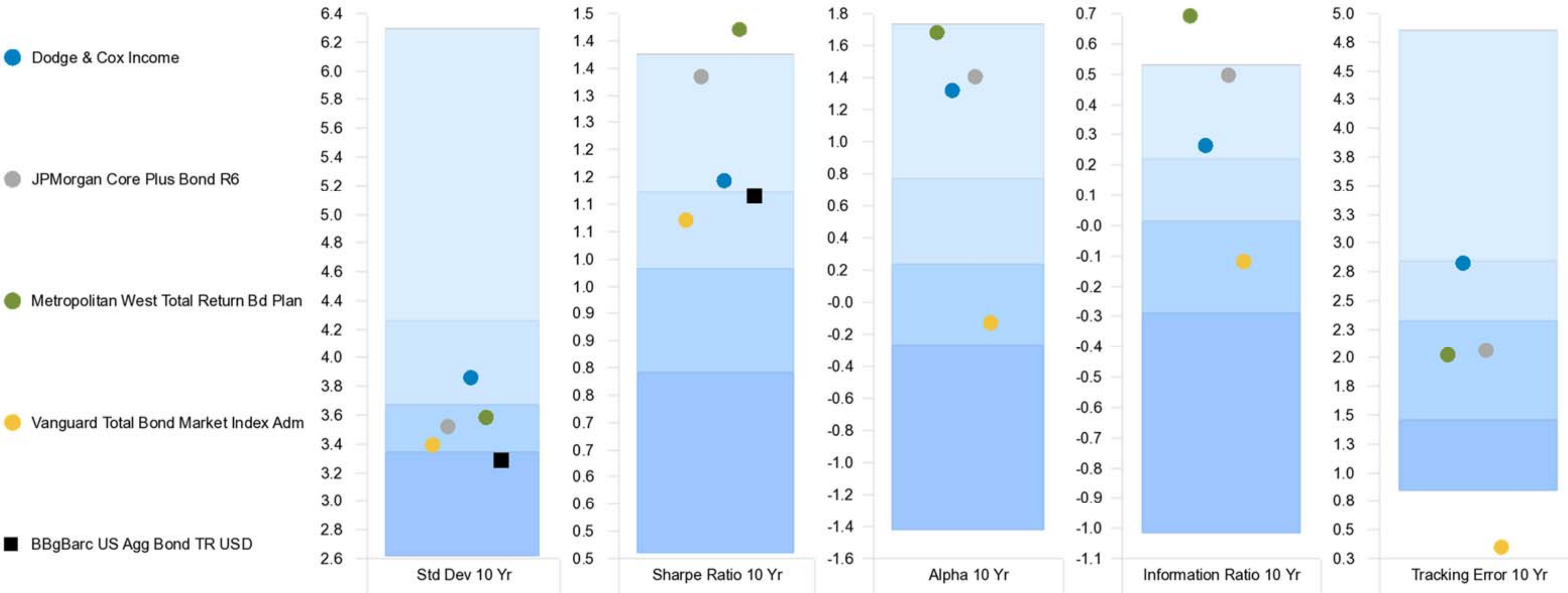
Rolling Window: 3 Years 3 Months shift Calculation Benchmark: BBgBarc US Agg Bond TR USD





Time Period: 7/1/2012 to 6/30/2017

	Std Dev	Rank	Sharpe Ratio	Rank	Alpha	Rank	Information Ratio	Rank	Tracking Error	Rank
Dodge & Cox Income	2.60	81	1.25	6	1.74	6	0.72	24	1.71	12
JPMorgan Core Plus Bond R6	2.69	77	1.22	7	1.43	10	1.51	3	0.84	65
Metropolitan West Total Return Bd Plan	2.78	73	1.21	7	1.49	9	1.19	8	1.11	42
Vanguard Total Bond Market Index Adm	3.00	36	0.65	70	-0.16	75	-0.27	74	0.29	95
BBgBarc US Agg Bond TR USD	2.86	63	0.71	62	0.00	68			0.00	100



Time Period: 7/1/2007 to 6/30/2017

	Std Dev	Rank	Sharpe Ratio	Rank	Alpha	Rank	Information Ratio	Rank	Tracking Error	Rank
Dodge & Cox Income	3.85	42	1.22	26	1.37	10	0.26	23	2.82	27
JPMorgan Core Plus Bond R6	3.51	59	1.43	8	1.46	9	0.50	8	2.07	59
Metropolitan West Total Return Bd Plan	3.55	57	1.52	4	1.75	6	0.70	3	2.04	59
Vanguard Total Bond Market Index Adm	3.37	71	1.17	33	-0.12	69	-0.08	60	0.36	98
BBgBarc US Agg Bond TR USD	3.27	80	1.22	27	0.00	63			0.00	100

Current Up and Down Market Capture: 5-Year

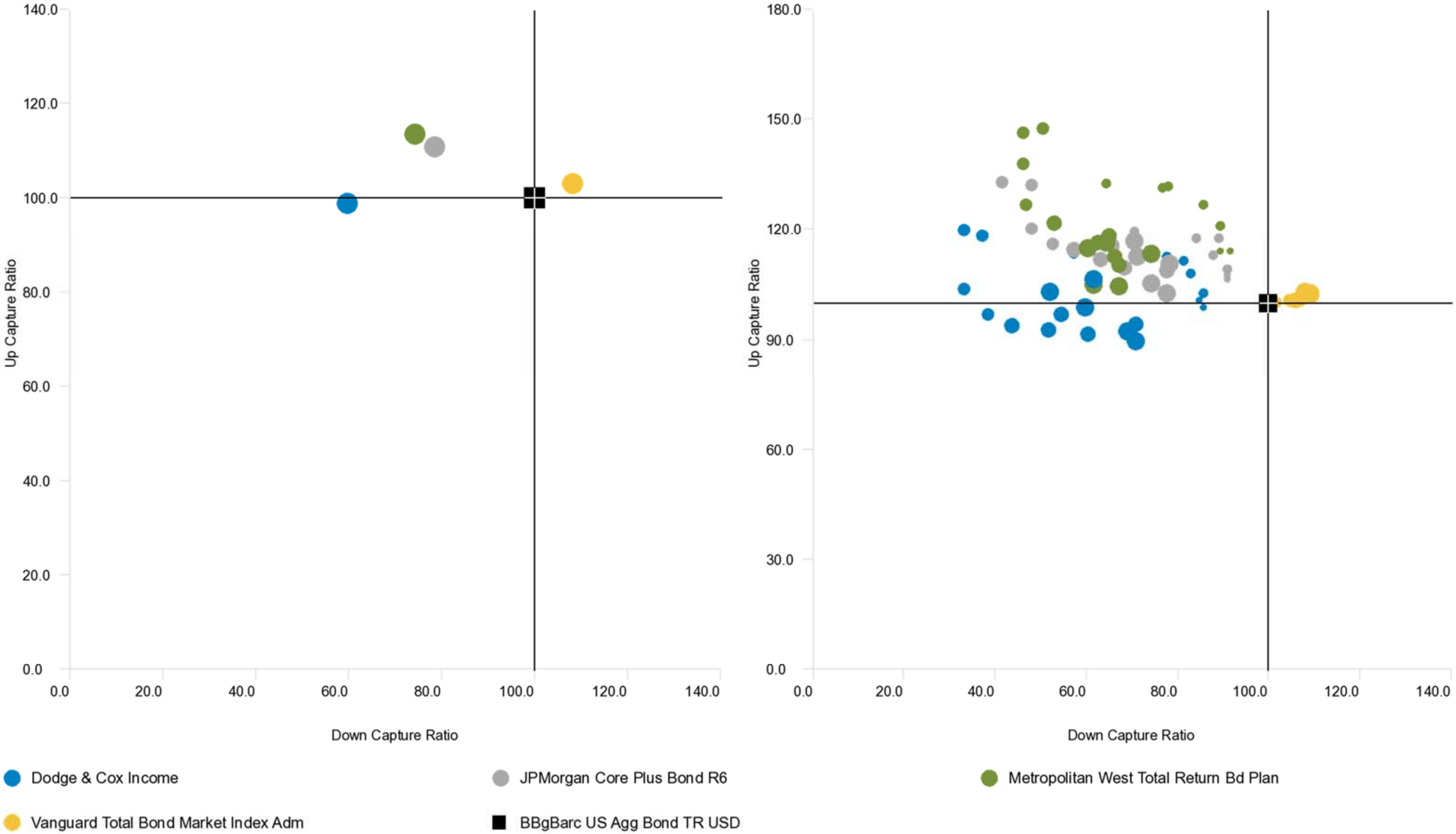
Time Period: 4/1/2012 to 3/31/2017

Calculation Benchmark: BBgBarc US Agg Bond TR USD

Historical Up and Down Market Capture: Rolling 5-Year

Time Period: 4/1/2007 to 3/31/2017

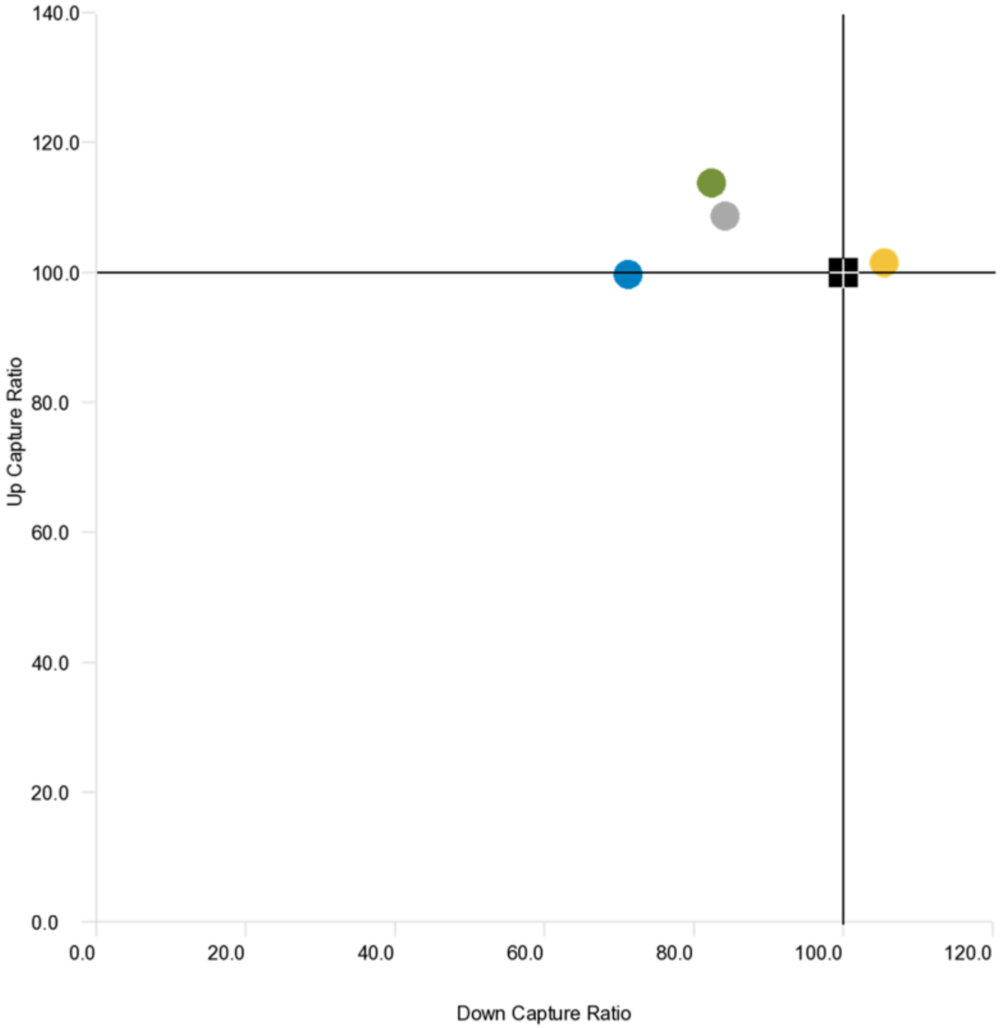
Rolling Window: 5 Years 3 Months shift Calculation Benchmark: BBgBarc US Agg Bond TR USD



Current Up and Down Market Capture: 10-Year

Time Period: 4/1/2007 to 3/31/2017

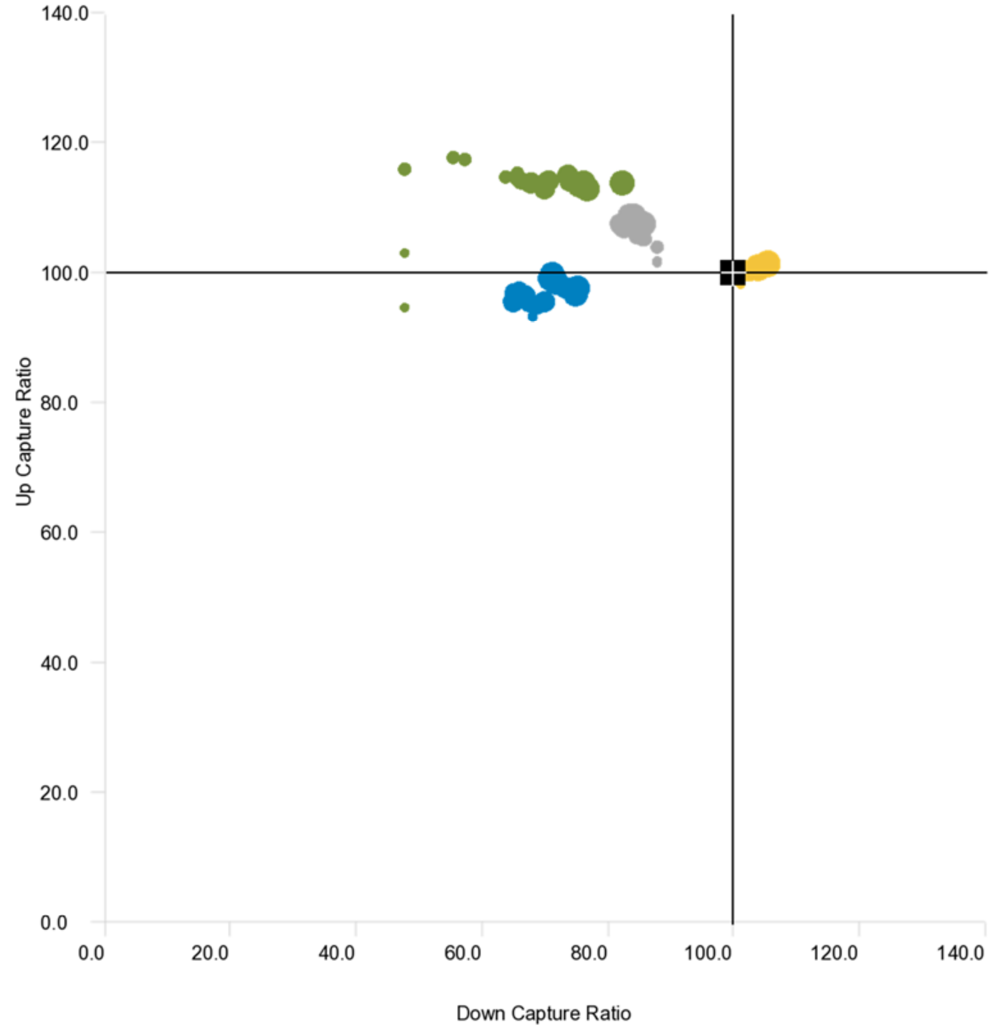
Calculation Benchmark: BBgBarc US Agg Bond TR USD



Historical Up and Down Market Capture: Rolling 10-Year

Time Period: 4/1/2002 to 3/31/2017

Rolling Window: 10 Years 3 Months shift   Calculation Benchmark: BBgBarc US Agg Bond TR USD

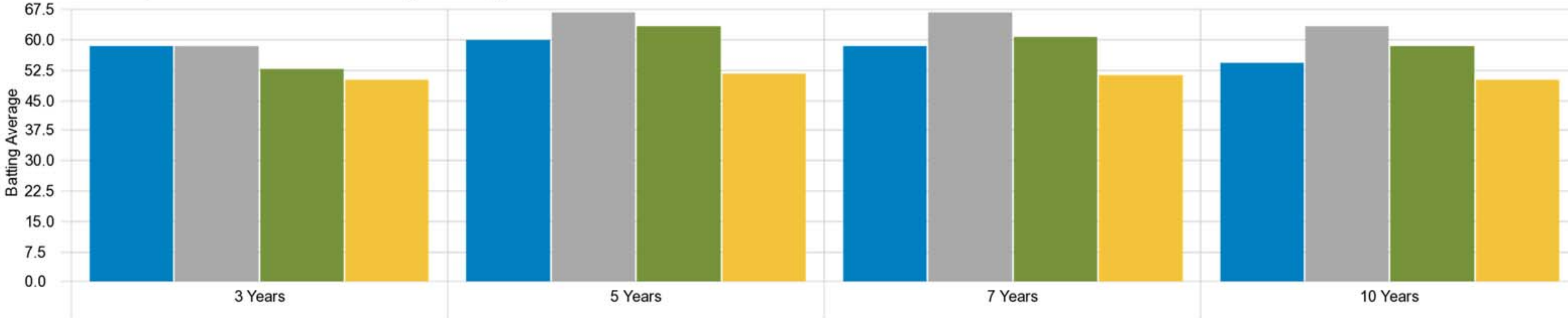


Dodge & Cox Income   JPMorgan Core Plus Bond R6   Metropolitan West Total Return Bd Plan

Vanguard Total Bond Market Index Adm   BBgBarc US Agg Bond TR USD

Batting Average

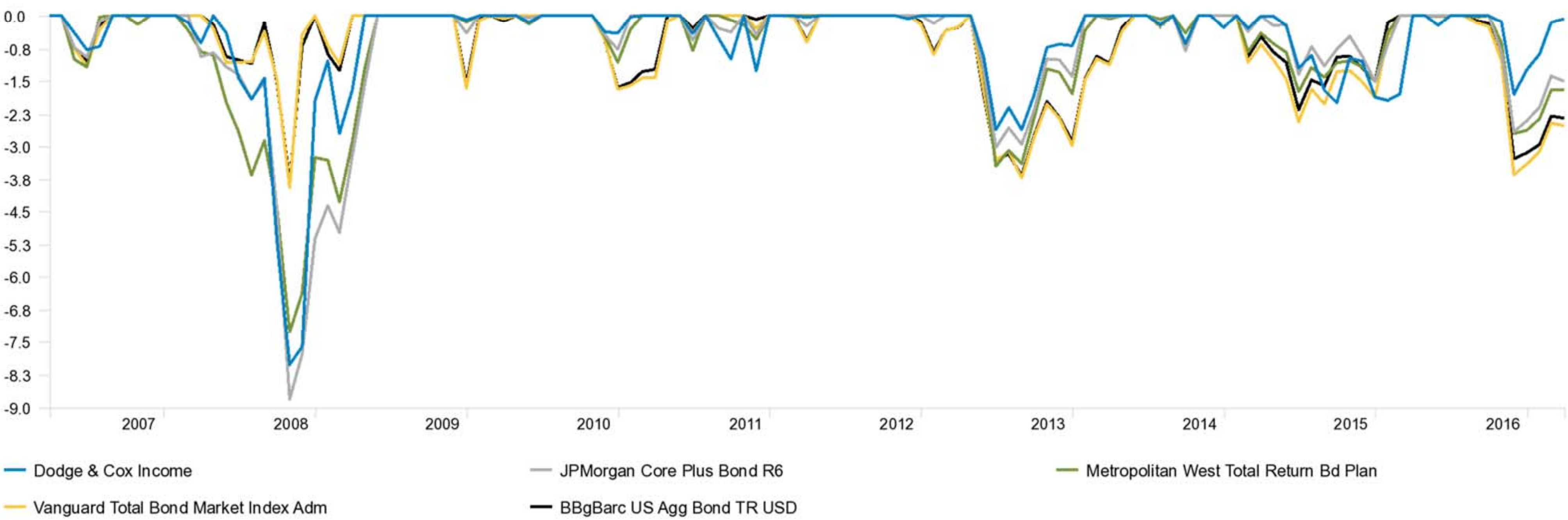
Source Data: Monthly Return   Calculation Benchmark: BBgBarc US Agg Bond TR USD



Drawdown

Time Period: 4/1/2007 to 3/31/2017

Source Data: Monthly Return



Firm Overview

TCW was founded in 1971 in Los Angeles under its original name Trust Company of the West. In 2001, Societe General acquired a controlling interest in the parent entity, TCW Group. TCW grew dramatically through a 2009 acquisition of Metropolitan West Asset Management, LLC (MetWest). At that time, MetWest's investment team took over management of most of TCW's legacy fixed income strategies and TCW retained the MetWest name on its suite of mutual funds. Societe Genral sold its interest in TCW in early 2013 to TCW management and private equity manager the Carlyle Group. The firm remains jointly owned by its employees (40%) and the Carlyle Group (60%). TCW operates a full range of equity, fixed income, and alternative investment strategies. Headquartered in Los Angeles, the firm has offices in New York, Boston, Chicago, London, Tokyo, and Hong Kong.

Team Overview

Tad Rivelle, Laird Landmann, Stephen Kane, and Bryan Whalan manage the Total Return Bond strategy. The four are generalist portfolio managers, and with the exception of Whalan, they have managed this strategy since its inception. Rivelle, Landmann, and Kane worked together at PIMCO and then Hotchkis & Wiley before founding MetWest in 1996. Rivelle serves as the Chief Investment Officer, but the team operates by consensus. They are supported by a large team of research analysts, who are organized by sector. These group include corporate credit analysts, securitized product analysts, and government bond specialists. TCW also employs dedicated risk analysts and portfolio specialists to assist the management team.

Strategy Overview

MetWest Total Return Bond strategy seeks to maximize long-term total return. It pursues this objective by investing at least 80% of its assets in investment grade fixed income securities. With the balance of the portfolio, the strategy may invest in below investment grade securities. The portfolio manager keeps the duration of the fund between two and eight years, though typically it is within a year of the benchmark, Bloomberg Barclays Aggregate Bond index.

The investment team employs a full range of strategies aimed at delivering long-term total return: duration management, yield curve positioning, sector rotation, and security selection. Although the strategy has historically had its largest allocation to corporate bonds, it will shift into securitized products, including CMBS, MBS, and ABS, as the manager deems appropriate.

MetWest's investment team can best be characterized as value investors. They look to buy bonds that are trading below MetWest's estimate of fair value. This requires deep fundamental research, which is the cornerstone of MetWest's process. The firm has invested in the data, tools, and human resources necessary to evaluate the opportunity set comprehensively.

The four portfolio managers set the top-down positioning: curve, duration, and sector. They then work with the sector teams to identify undervalued securities to build out the portfolio.

Expectations

This strategy ought to perform well in most environments. The manager has the flexibility to move the portfolio's duration, yield curve positioning, and sector allocations to adjust to different market conditions. A quick change in interest rates can catch the fund off-guard, but under normal market conditions, this strategy can reposition quickly.

That said, historically, the long-term return to fixed income has been roughly equivalent to the starting yield on the benchmark, plus or minus. MetWest may be able to add 100 to 125bps over the benchmark due to alpha, but investors should not expect outsized returns. As a value investor, MetWest is not afraid to be early.

Points to Consider

Investors looking for a pure investment grade bond approach ought to consider other options. MetWest can and will have exposure to below investment grade securities, including Emerging Markets Debt.

Since Bill Gross left PIMCO, MetWest has been the recipient of significant asset inflows. The Total Return Bond fund grew from under $40B in 2014 to more than $78B at the end of 2016. While the firm has added a number of resources to the investment team, it will take MetWest some time to adjust to the new conditions it faces managing almost twice as much money as it did just two years ago.

Recommendation Summary

We are most impressed by the caliber of the senior professionals running this strategy. Rivelle, Landmann, and Kane have worked together nearly thirty years, and they have managed fixed income portfolios through a wide variety of market conditions. They are supported by more than 50 analysts, including a number of seasoned specialists. Turnover has been quite low at MetWest.

We also appreciate the fact that MetWest has a full range of strategies to employ to make money. Most fixed income managers aim to beat the benchmark by focusing on buying corporate bonds. In an environment of declining interest rates and shrinking credit spreads, that is a simple, yet effective formula. MetWest, however, has the tools to be successful if those market conditions change. It is equally adept at sector rotation, yield curve positioning and duration management.

GLOBAL BOND

Purpose for this Manager Evaluation Report

The goal of this search is to evaluate global fixed income options for inclusion in the plan.

Investment Options for this Manager Evaluation Report

Firm Name	Strategy Name	Vehicle	Management Fee
Legg Mason Partners Fund Advisor Subadvisor: Brandywine Global Investment Management	Legg Mason BW Global Opportunities Bond Fund IS (GOBSX)	MF	0.58%
Pacific Investment Management Co ("PIMCO")	PIMCO Diversified Income Fund Instl (PDIIX)	MF	0.75%
Franklin Advisers	Templeton Global Total Return Fund R6 (FTTRX)	MF	0.70%

Definition and Characteristics

The Global Bond category consists of fixed-income securities of both developed and emerging countries. The typical benchmarks for the category are the Citi World Government Bond Index, the J.P. Morgan Global Government Bond Index, Bloomberg Barclays Multiverse Index, and the Bloomberg Barclays Global Aggregate Index.

The Citi World Government Bond Index contains investment grade sovereign issues of 20 countries. The index consists of over 1,000 securities that need to meet the following minimum criteria in order to be included within the index: One-year maturity, rated at least 'A-'/'A3', fully accessible to foreign investors, $50 billion in market size. Over 85% of the total allocation is rated 'A' or higher. The US represents the largest country exposure (35%), followed by Japan (21%). The Citi World Government Bond index includes the Citi EMU (European Economic and Monetary Union) Government Bond Index, which consists of Austria, Belgium, Finland, France, Germany, Ireland, Italy, Netherlands, and Spain. The aggregate allocation to these EMU countries represents around 32% of the Citi World Government Bond Index. Emerging markets such as Malaysia, Poland, Mexico, and South Africa are also included in the Citi World Government Bond Index, making up less than 5% of the total weight.

Role within a Portfolio

The Global Bond category provides the portfolio exposure to bond markets around the world. Adding global fixed-income exposure to a portfolio offers diversification benefits compared to a strictly US-focused strategy. The Global Bond category provides diversification through exposures to currencies, interest rates, and countries with varying macroeconomic environments. Managers in the space typically invest a significant share of the total allocation to foreign bonds (usually 40% or more). The more conservative ones favor sovereign issues and high-quality instruments from developed markets while the more aggressive portfolios will own a higher percentage of lower-quality bonds, including high-yield US debt, and emerging markets securities.

Benchmark and Peer Group

This Global Bond search report will use the following benchmark and peer group:

Index – Citi World Government Bond Index: The World Government Bond Index (WGBI) measures the performance of fixed-rate, local currency, investment grade sovereign bonds. The WGBI currently comprises sovereign debt from over 20 countries, denominated in a variety of currencies, and has more than 25 years of history available. The WGBI provides a broad benchmark for the global sovereign fixed income market.

Morningstar Category - World Bond: World-bond portfolios invest 40% or more of their assets in foreign bonds. Some world-bond portfolios follow a conservative approach, favoring high-quality bonds from developed markets. Others are more adventurous and own some lower-quality bonds from developed or emerging markets. Some portfolios invest exclusively outside the U.S., while others regularly invest in both U.S. and non-U.S. bonds.

Firm Information	Legg Mason BW Global Opportunities Bd IS	PIMCO Diversified Inc Instl	Templeton Global Bond R6
Firm Name	Legg Mason	Pimco	Franklin Templeton Investments
Firm City	Baltimore	Newport Beach	San Mateo
Firm State or Province	MD	CA	CA
Firm Web Address	www.leggmason.com	www.pimco.com	www.franklintempleton.com

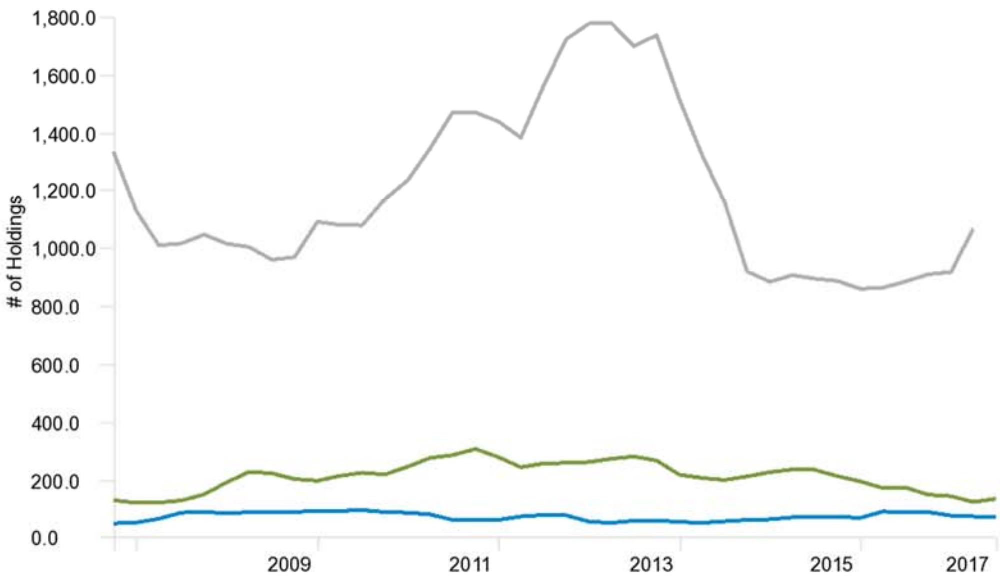
Strategy Information			
Inception Date	11/1/2006	7/31/2003	5/1/2013
Investment Type	Open-End Fund	Open-End Fund	Open-End Fund
Ticker if Open-End Fund	GOBSX	PDIIX	FBNRX
Strategy Assets if Mutual Fund	3,357,681,764	2,785,382,828	39,567,091,026
Strategy Assets if Sep Accnt or CIT	26,749,705,000	19,203,206,000	72,553,315,000
Minimum Investment	1,000,000	1,000,000	1,000,000

	Legg Mason BW Global Opportunities Bd IS	PIMCO Diversified Inc Instl	Templeton Global Bond R6
COMPOSITION			
# of Holdings	73	1,067	134
% Asset in Top 10 Holdings	40.19	56.41	29.14
Asset Alloc Cash %	7.55	24.70	31.22
Asset Alloc Equity %	0.00	0.00	0.00
Asset Alloc Bond %	89.33	189.68	68.12
Asset Alloc Other %	3.12	1.91	1.13
STATISTICS			
Average Eff Duration	5.95	5.49	0.28
Average Eff Maturity		9.05	3.80
Average Coupon	4.41	3.92	8.72
Yield to Maturity			
Average Credit Quality	BBB		BB
SECTOR ALLOCATION			
Government %	59.17	31.84	66.88
Government Related %	4.78	40.68	0.00
Municipal Taxable %	0.56	0.84	0.00
Municipal Tax-Exempt %	0.00	0.00	0.00
Bank Loan %	0.00	2.41	0.00
Corporate Bond %	21.27	38.40	1.10
Agency Mortgage-Backed %	0.14	0.03	0.00
Non-Ag. Res. Mortgage-Backed %	0.43	5.94	0.00
Commercial Mortgage-Backed %	0.00	15.95	0.00
Asset-Backed %	0.00	8.94	0.00
Cash & Equivalents %	7.55	-89.63	31.22

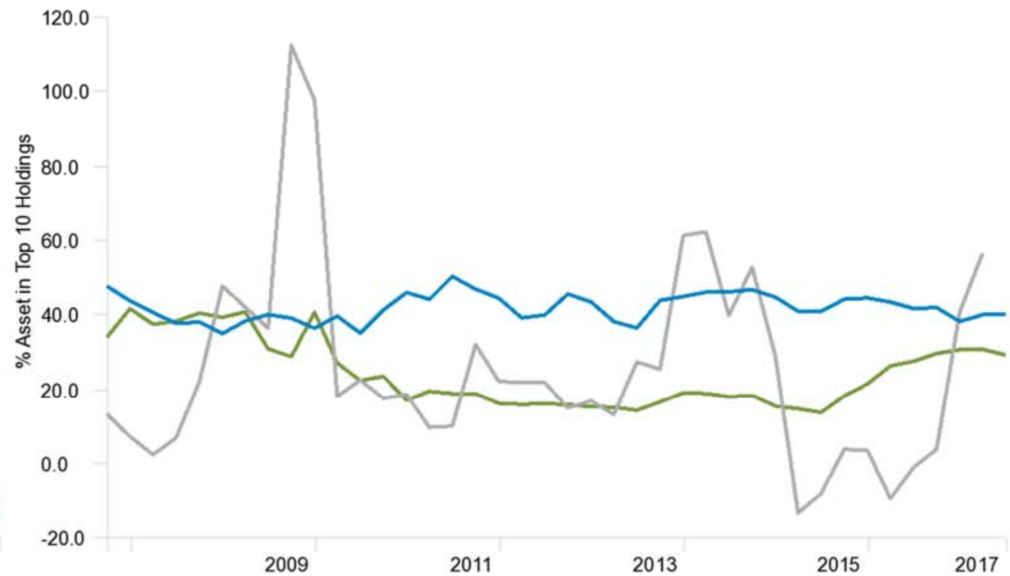
Morningstar Direct does not provide fundamental data for the Citi WBGI Index.

	Legg Mason BW Global Opportunities Bd IS	PIMCO Diversified Inc Instl	Templeton Global Bond R6
MATURITY DISTRIBUTION			
Maturity 1-3 Yr %	21.01	35.78	12.78
Maturity 3-5 Yr %	6.56	53.62	17.86
Maturity 5-7 Yr %	2.90	20.74	11.44
Maturity 7-10 Yr %	18.29	14.69	11.18
Maturity 10-15 Yr %	6.05	9.34	5.54
Maturity 15-20 Yr %	1.98	5.14	1.52
Maturity 20-30 Yr %	24.30	11.55	0.64
Maturity 30+ Yr %	2.80	13.79	0.09
QUALITY DISTRIBUTION			
Credit Qual AAA %	21.34	0.00	0.49
Credit Qual AA %	20.93	0.00	11.94
Credit Qual A %	32.23	19.00	21.57
Credit Qual BBB %	15.10	39.00	33.51
Credit Qual BB %	9.28	25.00	21.71
Credit Qual B %	0.74	14.00	10.78
Credit Qual Below B %	0.24	3.00	0.00
Credit Qual Not Rated %	0.14	0.00	0.00

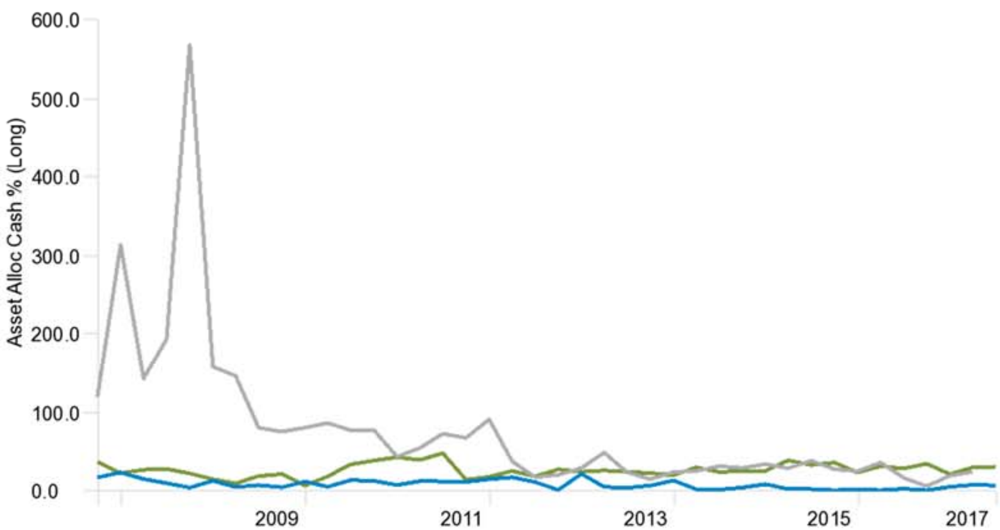
Historical Number of Holdings



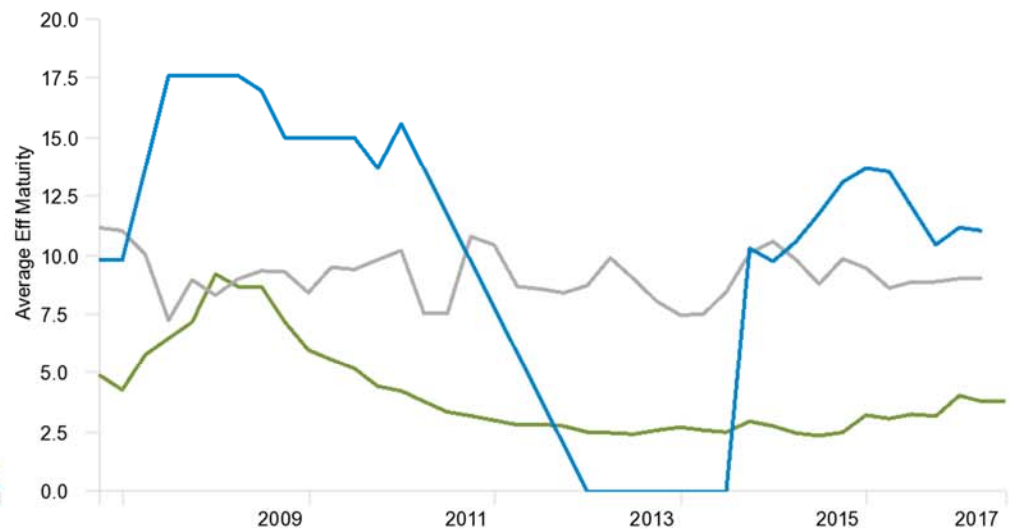
Historical Percentage of Assets in Top 10 Holdings



Historical Cash Allocation

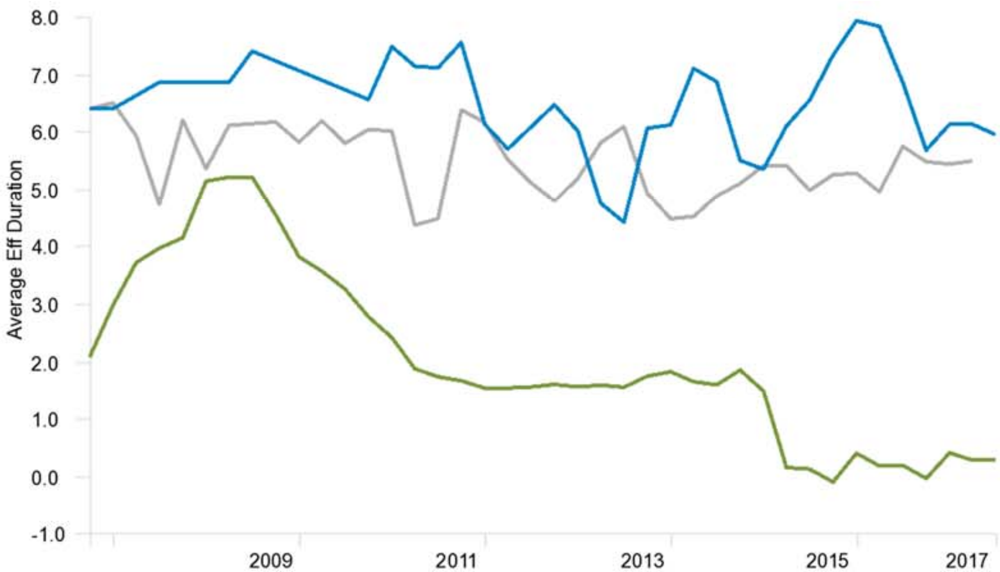


Historical Effective Maturity

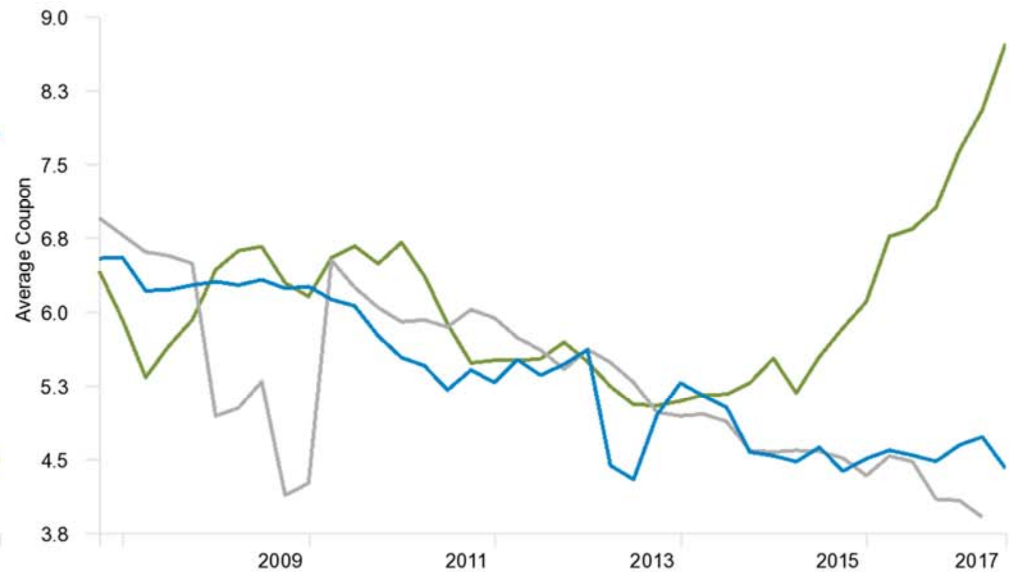


— Legg Mason BW Global Opportunities Bd IS — PIMCO Diversified Inc Instl — Templeton Global Bond R6

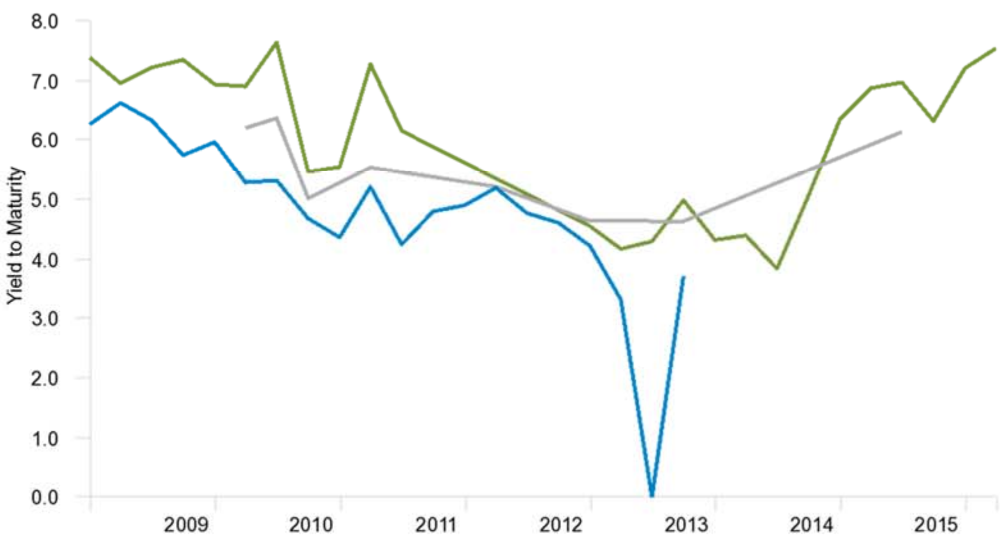
Historical Average Effective Duration



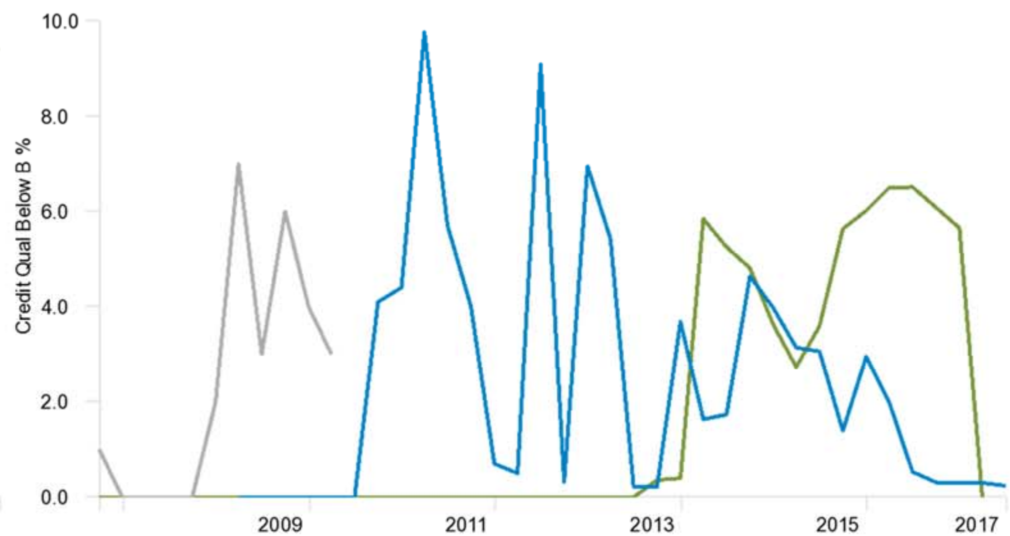
Historical Average Coupon



Historical Yield to Maturity



Historical Highly Speculative Exposure

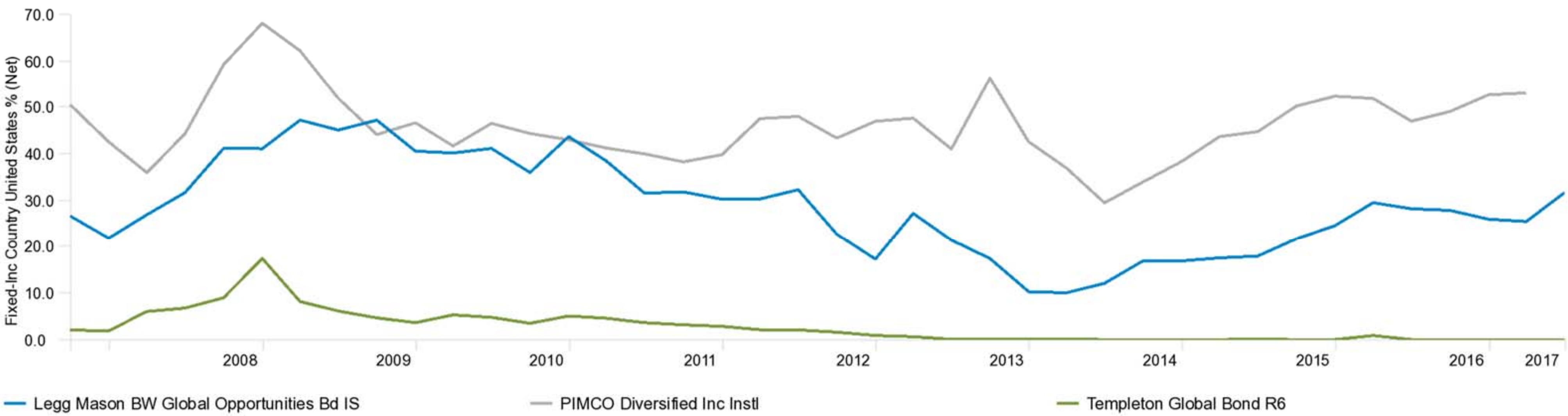


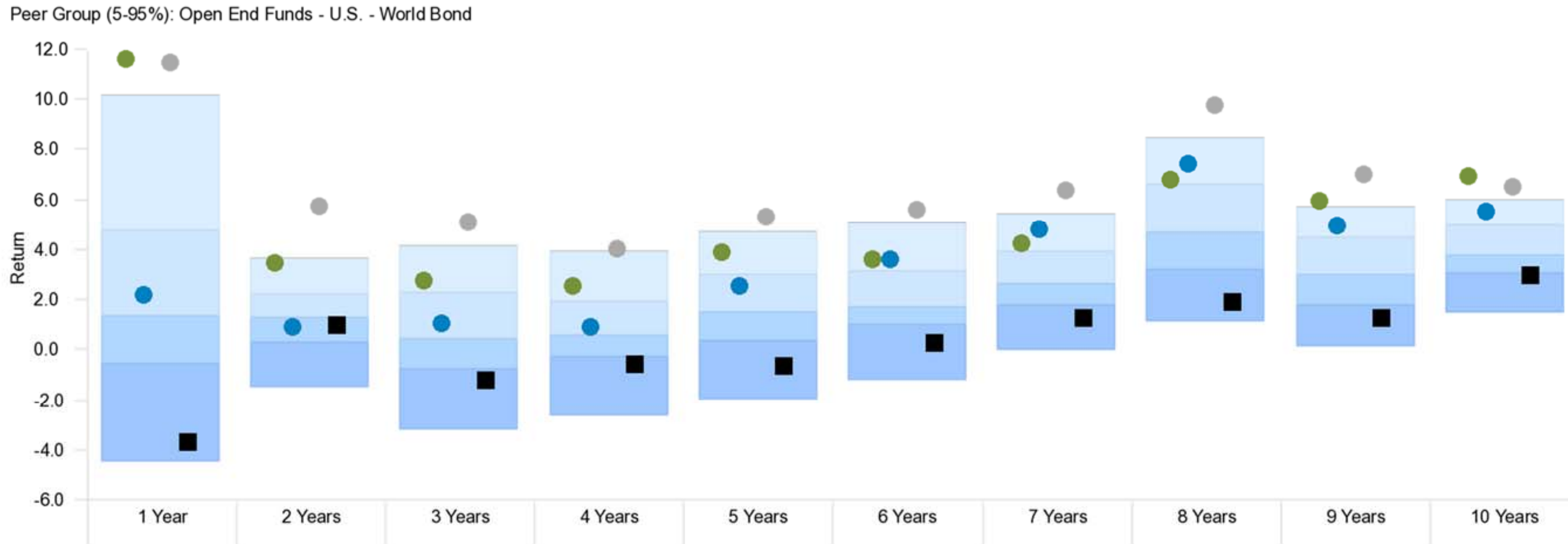
— Legg Mason BW Global Opportunities Bd IS — PIMCO Diversified Inc Instl — Templeton Global Bond R6

Current Portfolio Region Allocation

	Legg Mason BW Global Opportunities Bd IS	PIMCO Diversified Inc Instl	Templeton Global Bond R6
Fixed-Inc Country United States %	48.31	52.20	0.00
North America %	50.54	52.42	0.00
Latin America %	11.20	19.78	58.12
United Kingdom %	0.00	5.97	0.00
Europe dev %	10.26	16.08	1.18
Europe emrg %	8.13	0.41	4.75
Japan %	0.00	0.00	0.00
Australasia %	14.31	0.01	0.00
Asia dev %	3.91	0.15	7.00
Asia emrg %	0.00	2.37	28.04
Africa/Middle East %	1.65	2.81	0.92
Developed %	79.94	82.14	8.66
Emerging %	20.06	17.86	91.34

Historical US Portfolio Exposure





	1 Year	Rank	2 Years	Rank	3 Years	Rank	4 Years	Rank	5 Years	Rank	6 Years	Rank	7 Years	Rank	8 Years	Rank	9 Years	Rank	10 Years	Rank
Legg Mason BW Global Opportunities Bd IS	2.23	40	0.96	58	1.10	39	0.97	39	2.58	28	3.63	22	4.88	13	7.48	12	4.98	12	5.56	10
PIMCO Diversified Inc Instl	11.53	3	5.75	1	5.11	2	4.08	5	5.35	4	5.62	3	6.38	1	9.82	4	7.02	1	6.56	2
Templeton Global Bond R6	11.64	2	3.51	6	2.81	21	2.56	19	3.94	12	3.66	21	4.30	21	6.82	23	6.00	3	6.98	1
Citi WGBI USD	-3.65	90	1.02	56	-1.20	83	-0.56	81	-0.58	84	0.35	80	1.31	81	1.92	90	1.27	83	3.03	75

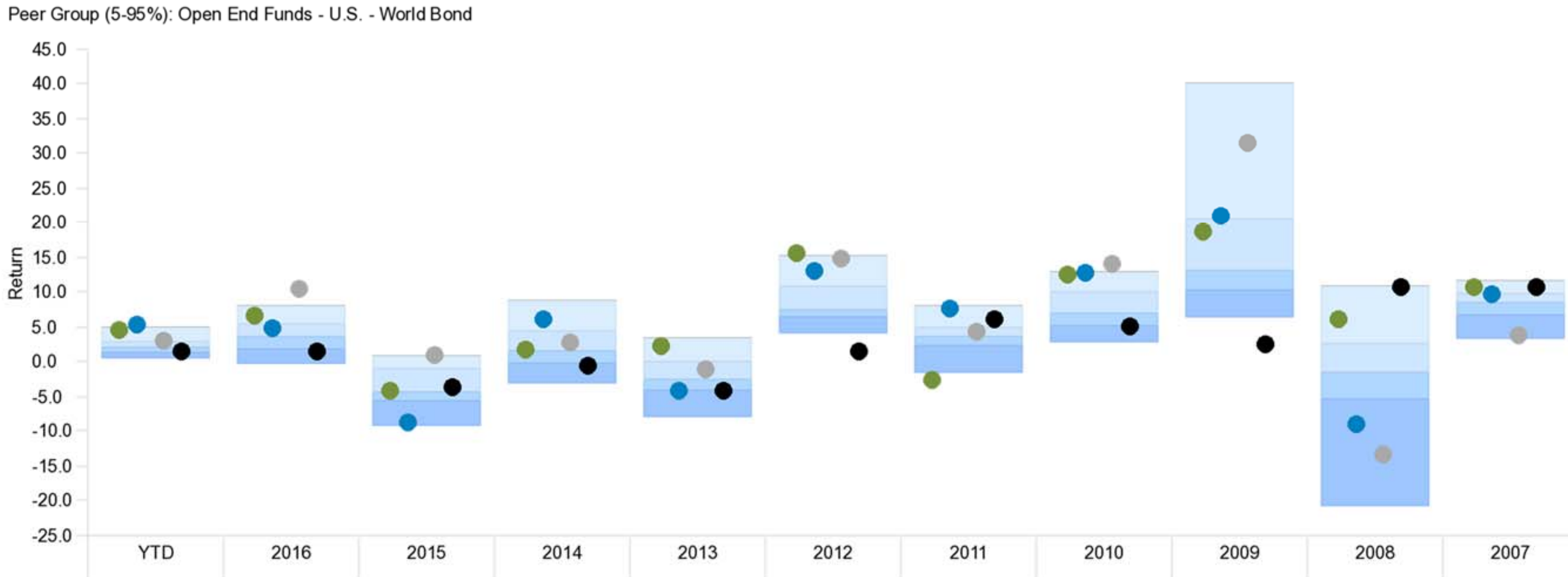
● Legg Mason BW Global Opportunities Bd IS
● PIMCO Diversified Inc Instl
● Templeton Global Bond R6
■ Citi WGBI USD

Returns Net of Fees.

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

Calendar Year Performance

As of 3/31/2017



	YTD	Rank	2016	Rank	2015	Rank	2014	Rank	2013	Rank	2012	Rank	2011	Rank	2010	Rank	2009	Rank	2008	Rank	2007	Rank
Legg Mason BW Global Opportunities Bd IS	5.54	2	5.02	33	-8.50	92	6.26	15	-3.92	75	13.22	15	7.79	8	13.06	5	21.04	21	-8.93	78	9.93	22
PIMCO Diversified Inc Instl	3.25	21	10.56	2	1.26	3	2.96	36	-0.91	35	14.98	7	4.42	34	14.26	4	31.57	9	-13.34	86	3.97	88
Templeton Global Bond R6	4.69	6	6.78	12	-3.91	44	1.97	45	2.36	8	15.81	3	-2.37	97	12.68	7	18.86	32	6.28	14	10.86	9
Citi WGBI USD	1.55	70	1.60	79	-3.57	40	-0.48	78	-4.00	75	1.65	98	6.35	14	5.17	73	2.55	99	10.89	5	10.95	9

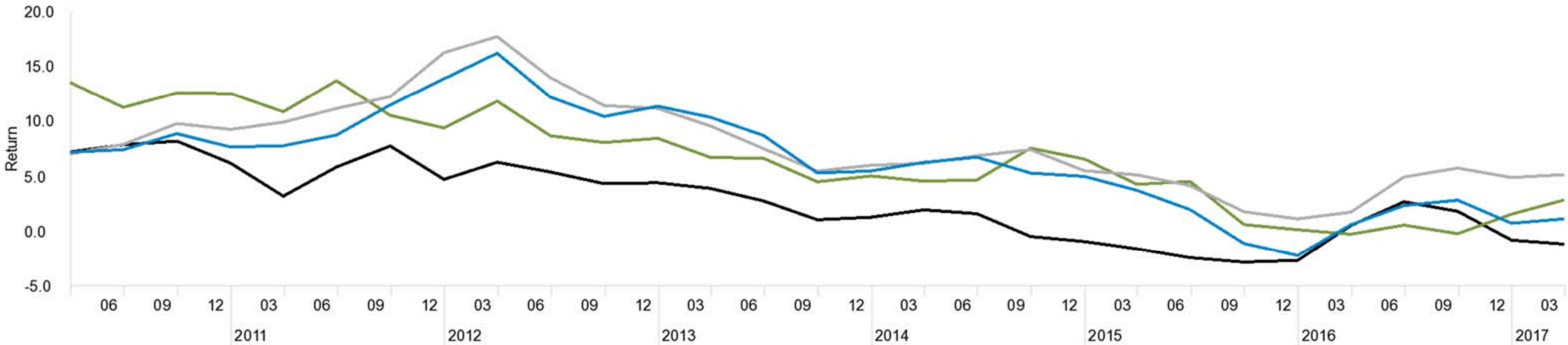
● Legg Mason BW Global Opportunities Bd IS ● PIMCO Diversified Inc Instl ● Templeton Global Bond R6

■ Citi WGBI USD

Rolling Returns

Time Period: 4/1/2007 to 3/31/2017

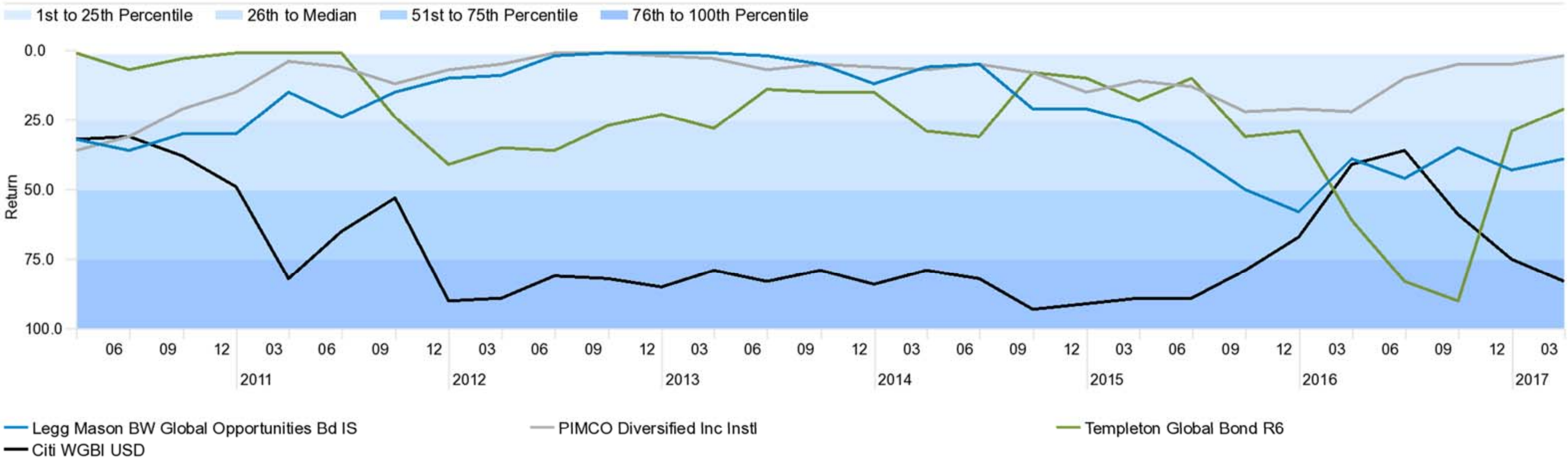
Rolling Window: 3 Years 3 Months shift   Calculation Benchmark: Citi WGBI USD



Rolling Return Rankings

Time Period: 4/1/2007 to 3/31/2017

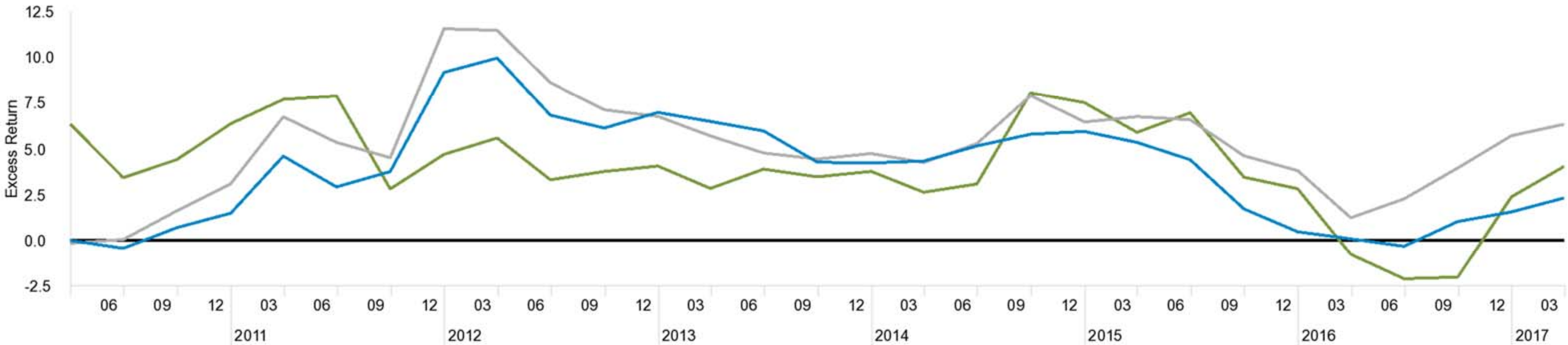
Rolling Window: 3 Years 3 Months shift   Calculation Benchmark: Citi WGBI USD



Rolling Excess Returns

Time Period: 4/1/2007 to 3/31/2017

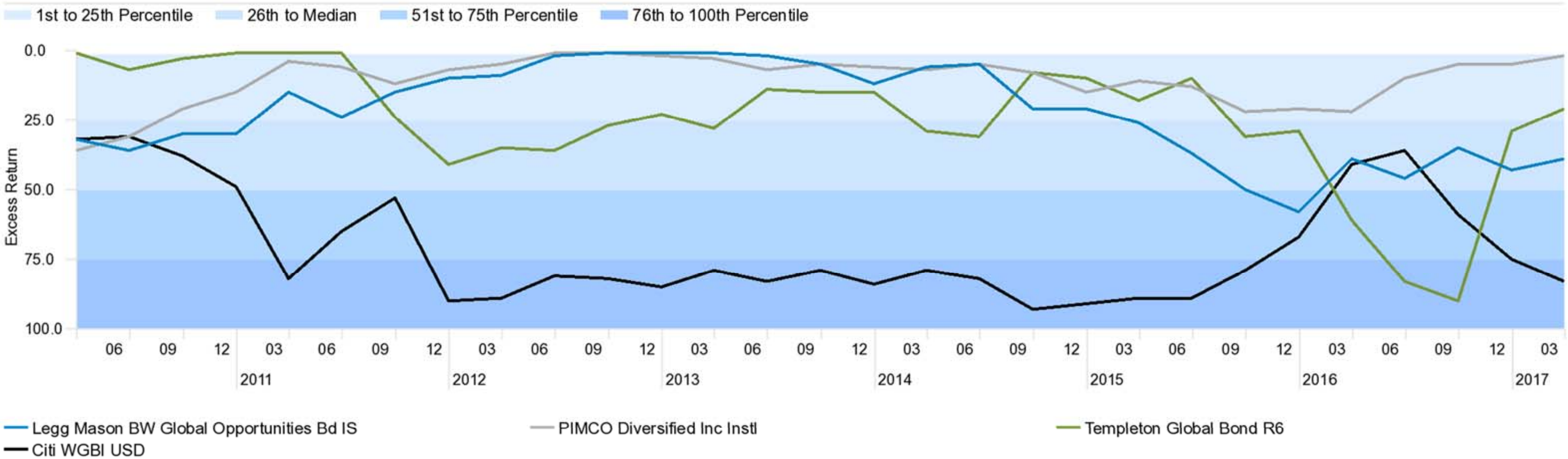
Rolling Window: 3 Years 3 Months shift   Calculation Benchmark: Citi WGBI USD



Rolling Excess Return Rankings

Time Period: 4/1/2007 to 3/31/2017

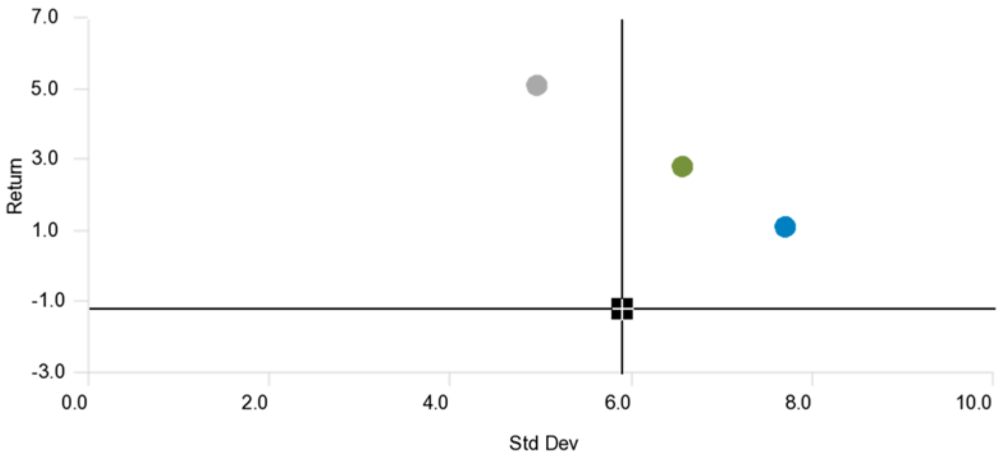
Rolling Window: 3 Years 3 Months shift   Calculation Benchmark: Citi WGBI USD



Risk-Reward: 3-Year

Time Period: 4/1/2014 to 3/31/2017

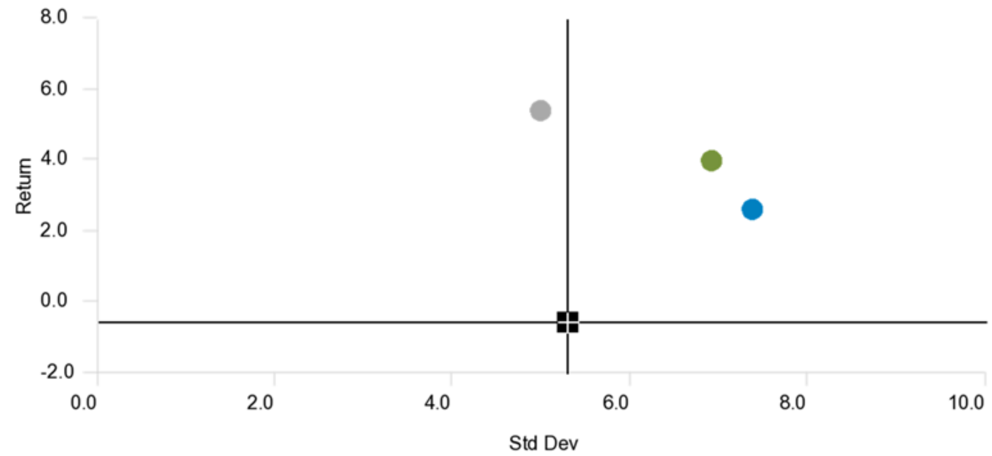
Calculation Benchmark: Citi WGBI USD



Risk-Reward: 5-Year

Time Period: 4/1/2012 to 3/31/2017

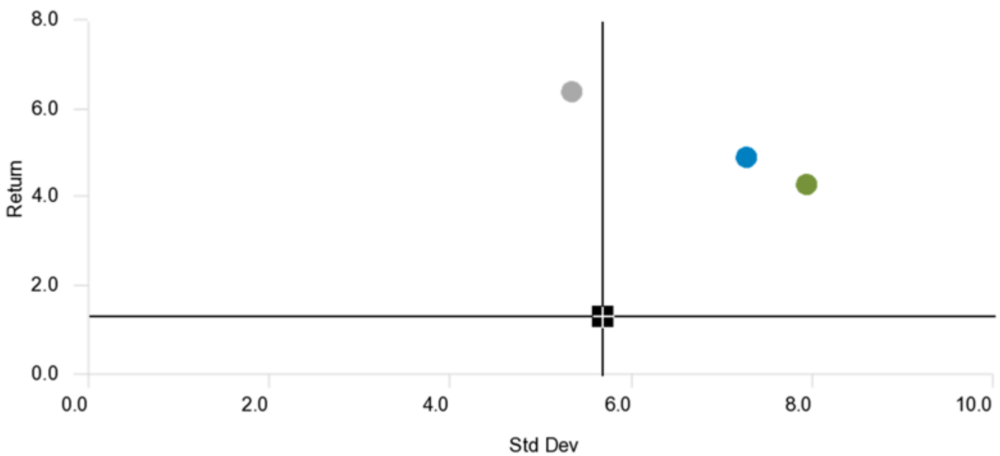
Calculation Benchmark: Citi WGBI USD



Risk-Reward: 7-Year

Time Period: 4/1/2010 to 3/31/2017

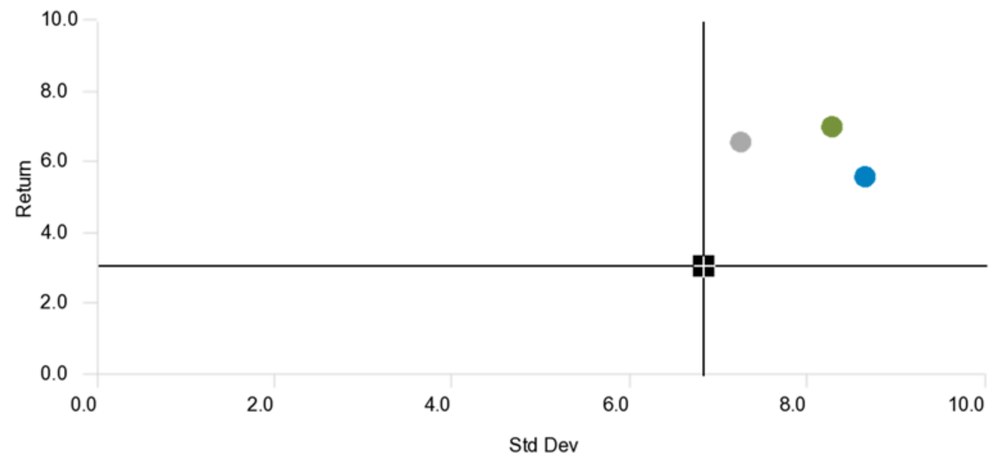
Calculation Benchmark: Citi WGBI USD



Risk-Reward: 10-Year

Time Period: 4/1/2007 to 3/31/2017

Calculation Benchmark: Citi WGBI USD



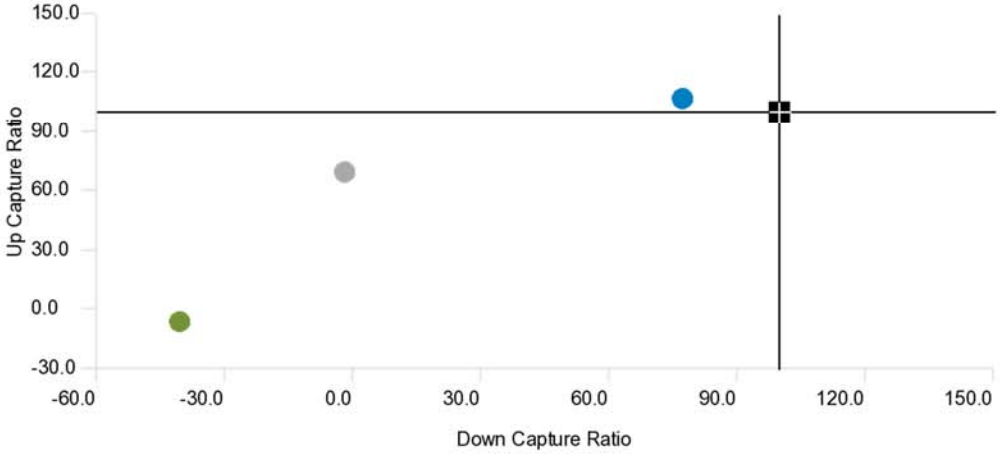
Legg Mason BW Global Opportunities Bd IS   PIMCO Diversified Inc Instl   Templeton Global Bond R6

Citi WGBI USD

Up and Down Market Capture: 3-Year

Time Period: 4/1/2014 to 3/31/2017

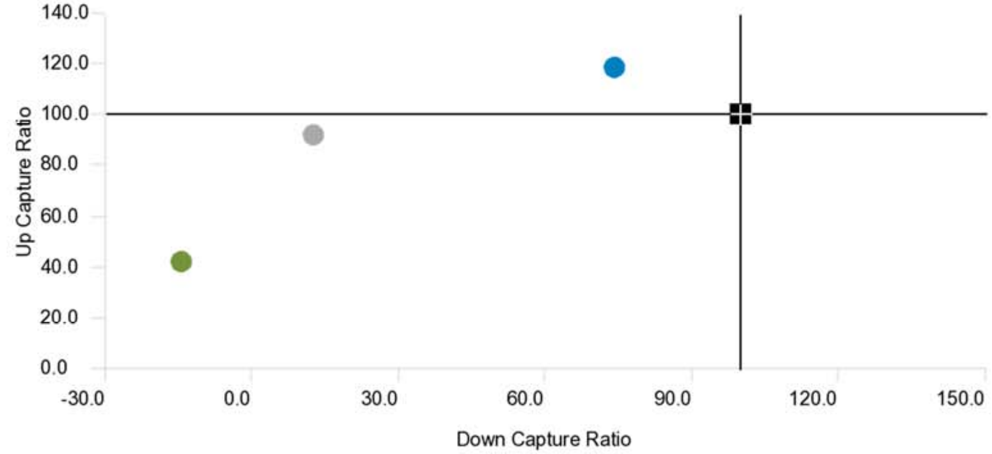
Calculation Benchmark: Citi WGBI USD



Up and Down Market Capture: 5-Year

Time Period: 4/1/2012 to 3/31/2017

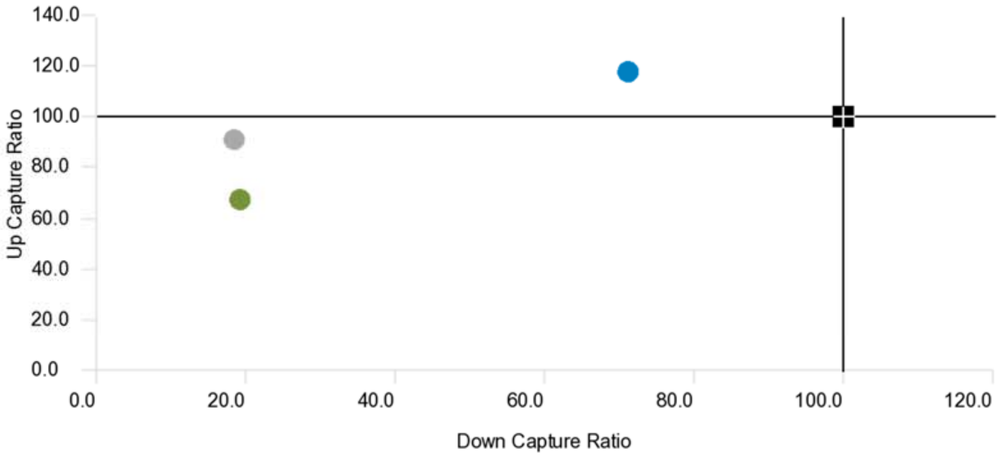
Calculation Benchmark: Citi WGBI USD



Up and Down Market Capture: 7-Year

Time Period: 4/1/2010 to 3/31/2017

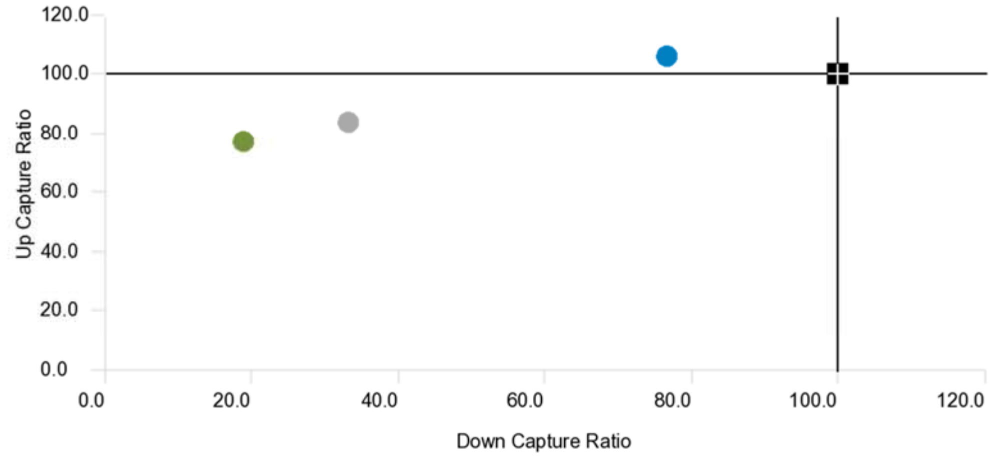
Calculation Benchmark: Citi WGBI USD



Up and Down Market Capture: 10-Year

Time Period: 4/1/2007 to 3/31/2017

Calculation Benchmark: Citi WGBI USD



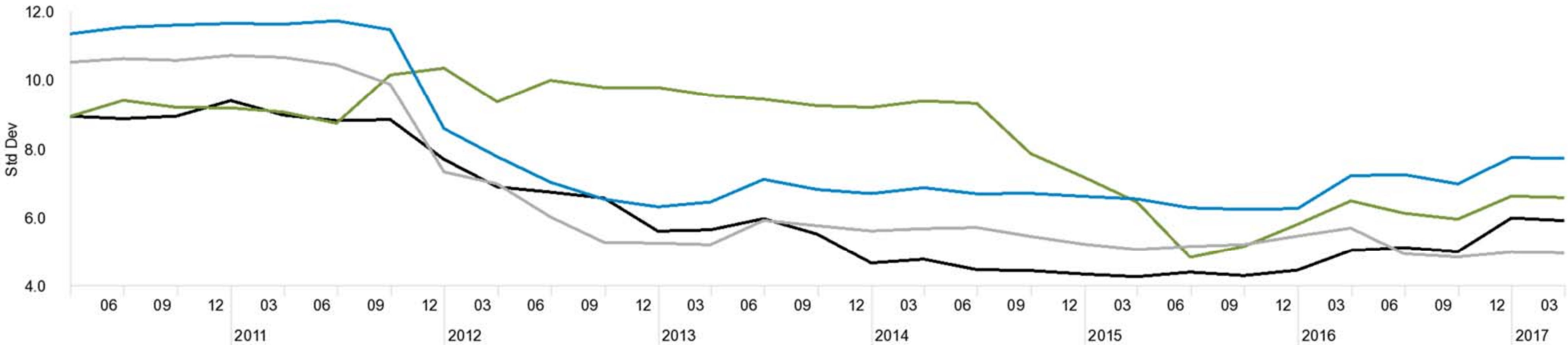
Legg Mason BW Global Opportunities Bd IS   PIMCO Diversified Inc Instl   Templeton Global Bond R6

Citi WGBI USD

Rolling Standard Deviation

Time Period: 4/1/2007 to 3/31/2017

Rolling Window: 3 Years 3 Months shift Calculation Benchmark: Citi WGBI USD

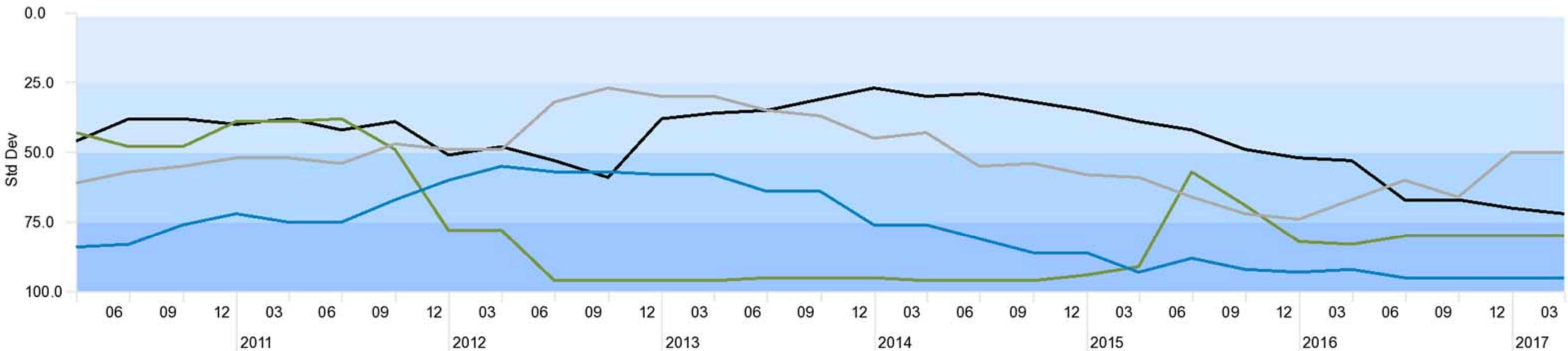


Rolling Standard Deviation Rankings

Time Period: 4/1/2007 to 3/31/2017

Rolling Window: 3 Years 3 Months shift Calculation Benchmark: Citi WGBI USD

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

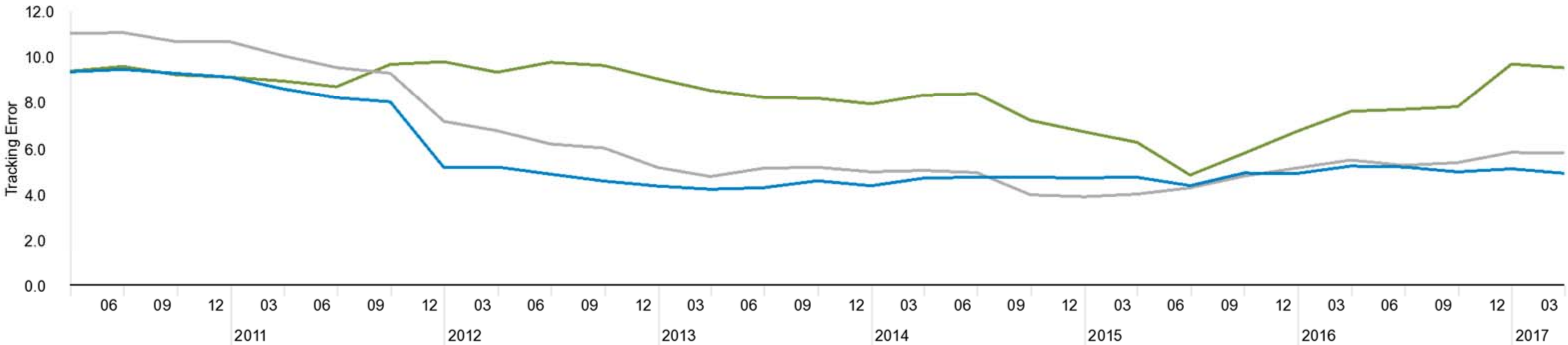


Legg Mason BW Global Opportunities Bd IS — PIMCO Diversified Inc Instl — Templeton Global Bond R6 — Citi WGBI USD

Rolling Tracking Error

Time Period: 4/1/2007 to 3/31/2017

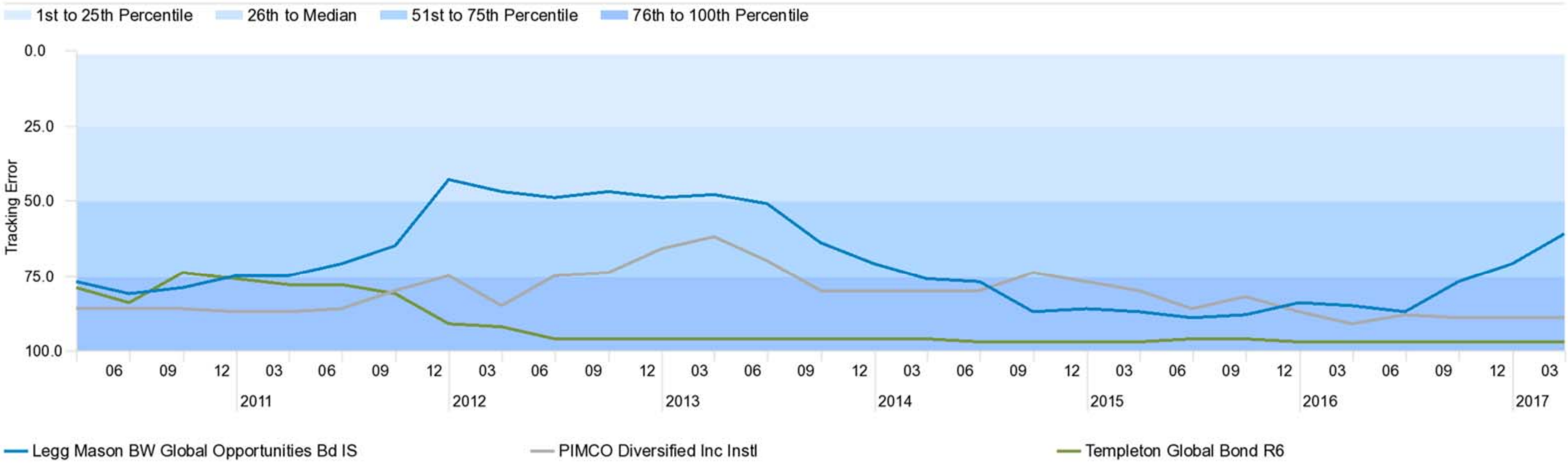
Rolling Window: 3 Years 3 Months shift   Calculation Benchmark: Citi WGBI USD

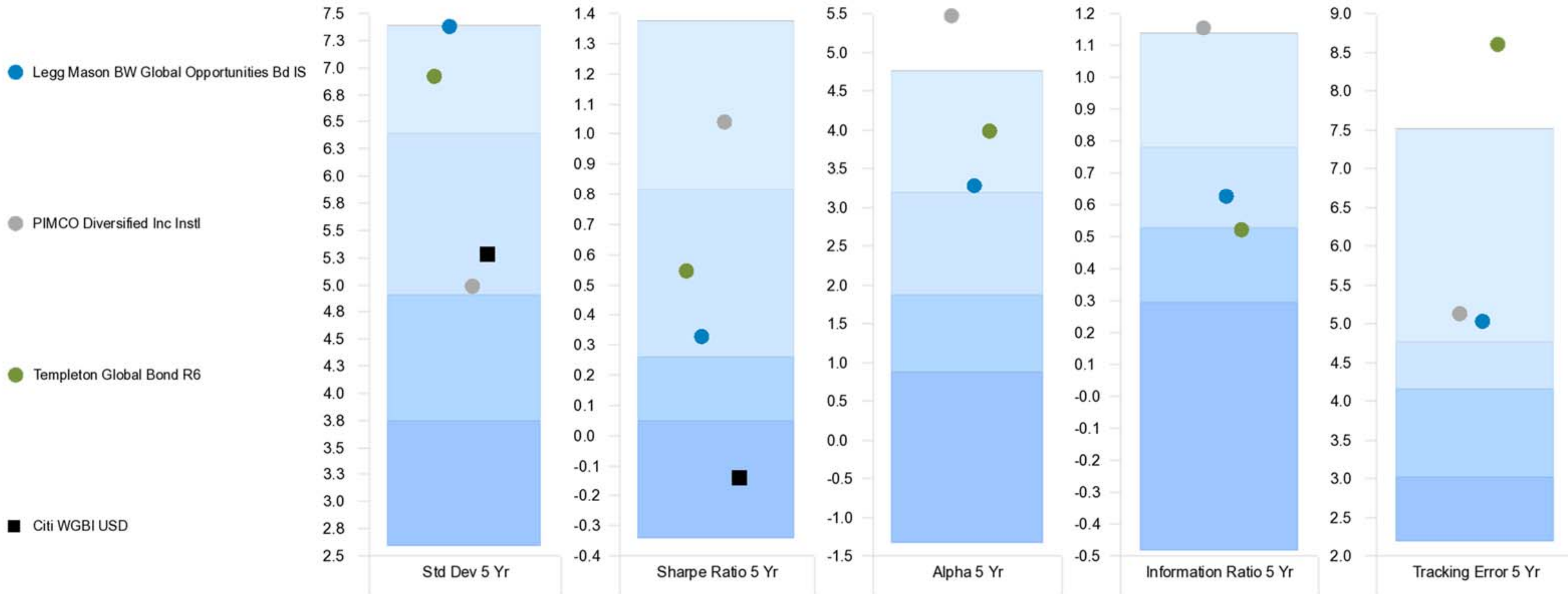


Rolling Tracking Error Rankings

Time Period: 4/1/2007 to 3/31/2017

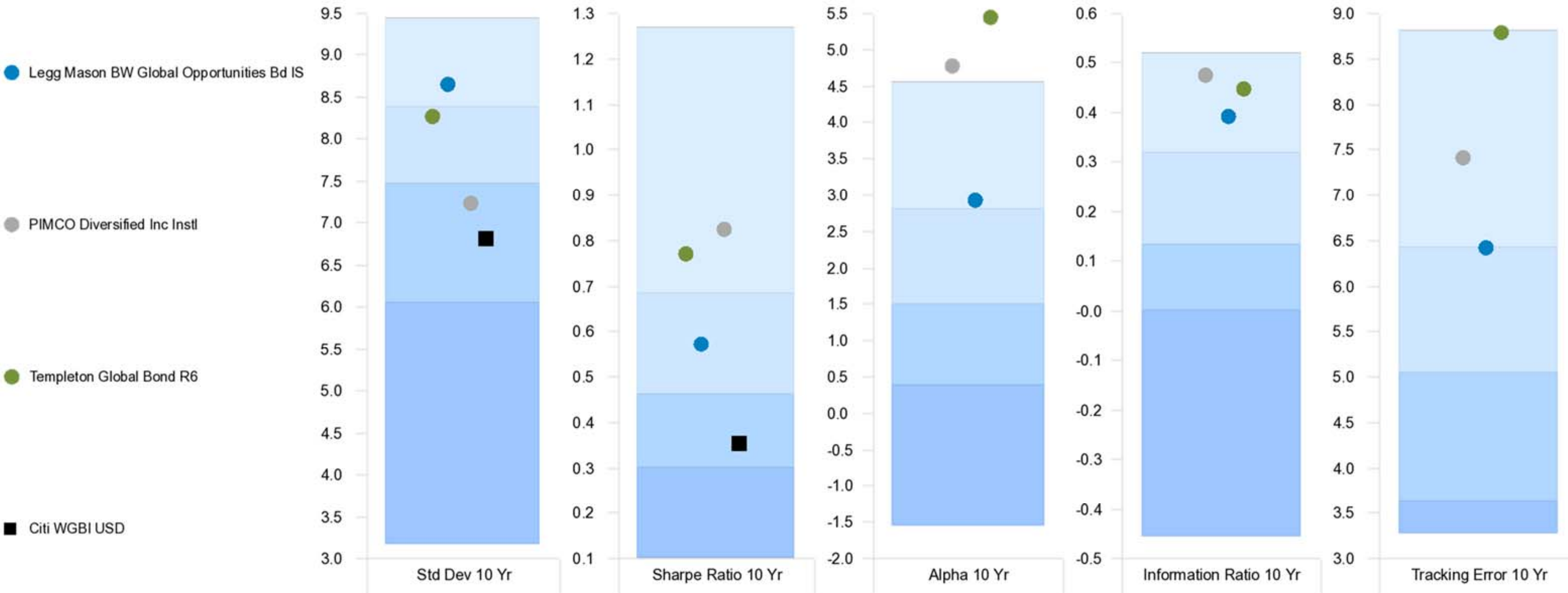
Rolling Window: 3 Years 3 Months shift   Calculation Benchmark: Citi WGBI USD





Time Period: 4/1/2012 to 3/31/2017

	Std Dev	Rank	Sharpe Ratio	Rank	Alpha	Rank	Information Ratio	Rank	Tracking Error	Rank
Legg Mason BW Global Opportunities Bd IS	7.38	7	0.33	45	3.28	23	0.63	37	5.04	21
PIMCO Diversified Inc Instl	4.99	49	1.04	18	5.49	2	1.16	5	5.13	15
Templeton Global Bond R6	6.92	10	0.55	33	3.98	12	0.53	51	8.61	2
Citi WGBI USD	5.29	41	-0.14	85	0.00	85			0.00	100

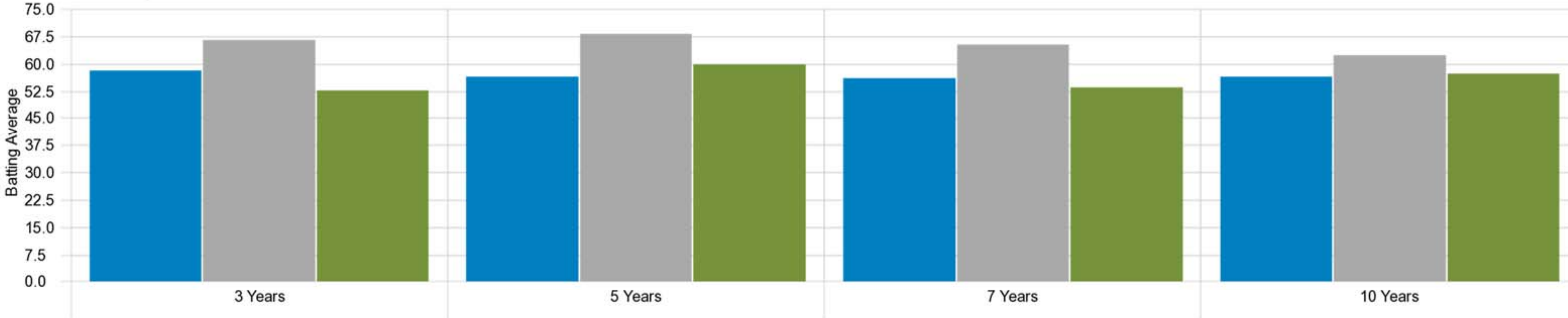


Time Period: 4/1/2007 to 3/31/2017

	Std Dev	Rank	Sharpe Ratio	Rank	Alpha	Rank	Information Ratio	Rank	Tracking Error	Rank
Legg Mason BW Global Opportunities Bd IS	8.66	22	0.57	32	2.93	22	0.39	19	6.43	21
PIMCO Diversified Inc Instl	7.24	50	0.82	18	4.78	5	0.48	10	7.41	12
Templeton Global Bond R6	8.29	32	0.77	20	5.46	1	0.45	12	8.81	6
Citi WGBI USD	6.82	53	0.36	69	0.00	78			0.00	100

Batting Average

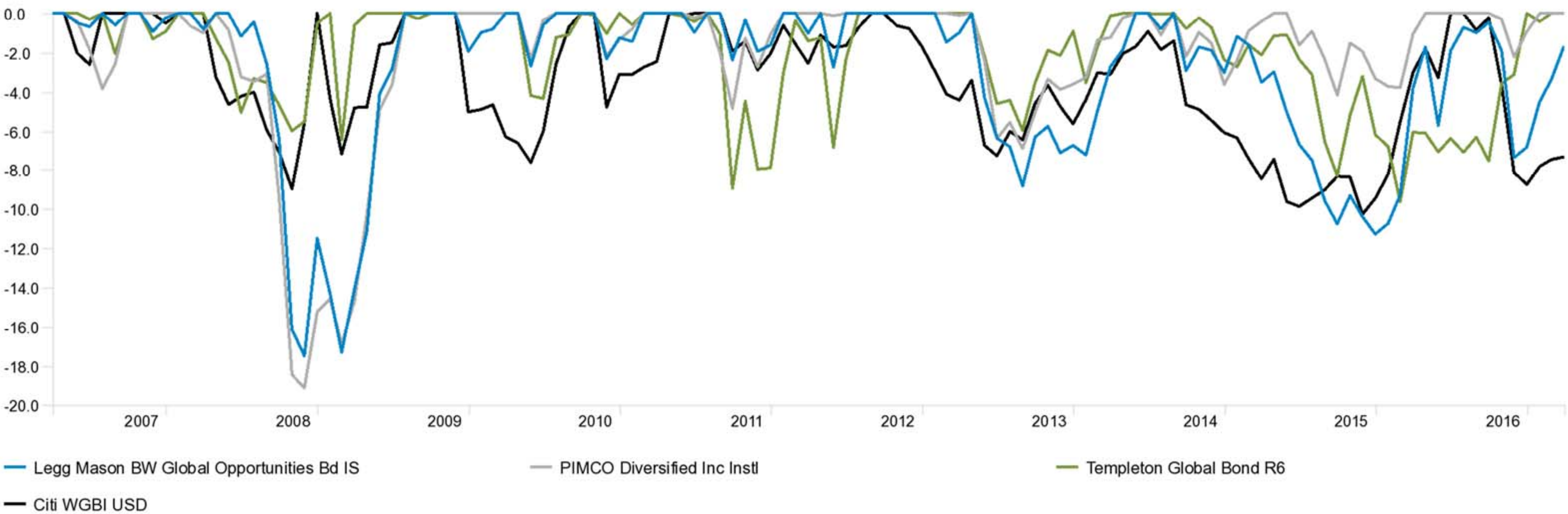
Source Data: Monthly Return   Calculation Benchmark: Citi WGBI USD



Drawdown

Time Period: 4/1/2007 to 3/31/2017

Source Data: Monthly Return



Firm Overview

Pacific Investment Management Company (PIMCO) was founded in Newport Beach, CA in 1971. PIMCO started as a subsidiary of Pacific Life Insurance Company to manage separate accounts for institutional clients. In 2000, PIMCO was acquired by Allianz, a global financial services company headquartered in Germany. PIMCO operates as a separate and autonomous subsidiary of Allianz. Today, the firm is one of the world's largest fixed income managers with a presence in every major bond market. PIMCO has offices in Newport Beach and 12 other global locations and manages over $1.4 trillion in client assets.

Team Overview

Daniel Ivascyn is the lead portfolio manager responsible for the Diversified Income Fund, and works in conjunction with Alfred Murata and Eve Tournier, and the Investment Grade Credit, Emerging Markets, High Yield, and Mortgage Backed Security specialist portfolio managers in constructing Diversified Income portfolios. Additionally, PIMCO's Diversified Income team utilizes over 30 global corporate credit analysts who provide research coverage on a broad range of credits, with an emphasis on independent and original research.

Strategy Overview

The Diversified Income strategy is designed to provide investors with a comprehensive global credit solution. It is a multi-sector strategy that invests across a broad spectrum of global credit market sectors, including investment grade and high yield, corporate debt as well as emerging market debt. The allocation among each of these markets will vary based on PIMCO's assessment of global trends and relative valuations. This active and dynamic approach allows for increased responsiveness in asset allocation to changing economic and market conditions while remaining anchored by PIMCO's investment process and longer-term orientation.

PIMCO's investment process stars with an annual Secular Forum at which PIMCO investment professionals from around the world gather with industry experts for a three-day discussion about the future of the global economy and financial markets. The goal of this forum is to look beyond the current business cycle and determine how secular forces will play out over the next three-to-five years. The Diversified Income team is responsible for implementing top down strategies developed at the Forum, as well as for developing bottom-up strategy by maintaining constant contact with the PIMCO specialist teams responsible for the sectors in the Diversified Income strategy's opportunity set. New investment ideas are sourced by individual team members and discussed in regularly scheduled strategy meetings. In evaluating new investment ideas, the team applies a number of qualitative and quantitative screens. The team also makes a full assessment of the fundamental credit factors underpinning an investment idea, incorporating the relevant credit analysis team into the discussion as needed.

Expectations

PIMCO's investment philosophy seeks to add value in all market environments and circumstances. The philosophy of measured risk-taking across multiple concurrent strategies may deliver stable excess returns across different market conditions. At any one time, one or several of their strategies may be working to provide excess return. The disciplined style works to limit the likelihood that any single strategy that falls out of favor would negate the positive returns from other strategies.

During periods of extreme volatility, PIMCO's investment philosophy may be deemed out of favor. During these periods, certain managers may accurately predict large movements in prices and subject the portfolio to more risk than PIMCO would. This would result in substantially higher returns than PIMCO could be expected to achieve. However, in volatile periods, large amounts of risk can also lead to substantial underperformance, which PIMCO's approach seeks to mitigate.

Points to Consider

As with most PIMCO strategies, assets under management and capacity are always considerations. With over $8B in AUM, the strategy will employ liberal use of derivatives to manage portfolio exposures as it is often difficult, and sometimes impossible, for PIMCO to manage exposures in this fashion via the cash market. Therefore, clients need to be comfortable with the use of derivatives. In addition, accurately assessing what the strategy is invested in is problematic because the use of deriviates will often showcase unique and confusing portfolio exposures, such as negative cash balances and leverage (per 40 Act regulations, the strategy can be up to 30% levered). These are considerations clients need to assess to determine suitability.

Recommendation Summary

PIMCO's scale gives it a significant advantage when sourcing allocations to new issuance. In oversubscribed situations, PIMCO typically gets a sizeable allocation where smaller managers would be forced to source in the secondary market. Furthermore, the team's global credit resources compare favorably with best in class peers. The firm employs over 30 analysts located around the globe. These analysts internally rate every credit held across PIMCO portfolios. While this is a practice utilized by many peers, the depth and experience of the team give PIMCO a competitive advantage in this area. Finally, PIMCO's contacts within emerging markets are also a differentiator. The team operates out of multiple locations including Singapore, Munich, and Newport Beach. Analysts travel extensively to investigate opportunities around the globe. This "boots on the ground" orientation provides unique insights that less global firms are unable to secure.

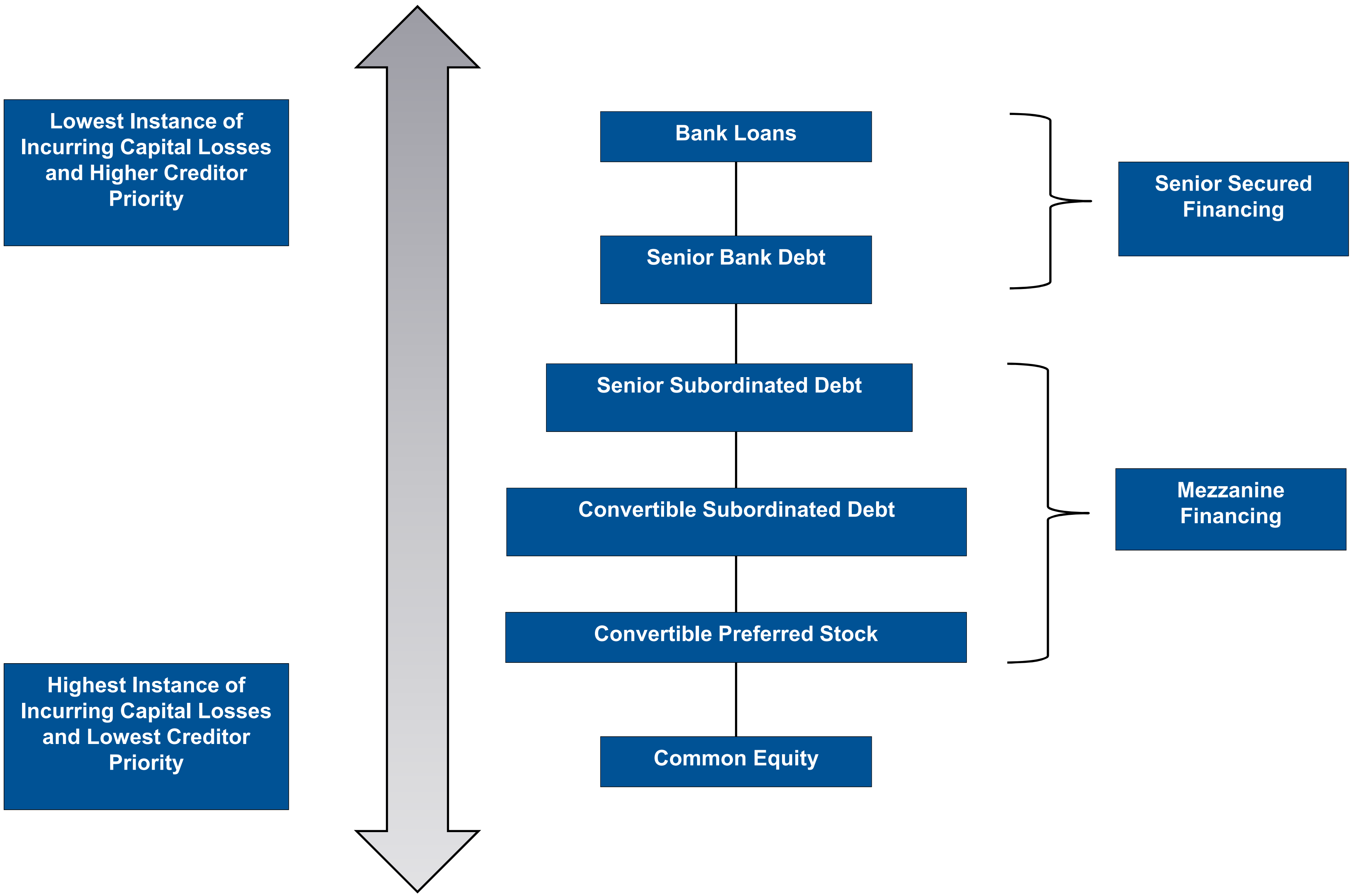
We believe that PIMCO is suitable for clients seeking a higher yielding alternative to core fixed income, and low correlation to G-3 government interest rates. The diversified approach looks to benefit from PIMCO's macroeconomic views on credit trends, global interest rates, duration, currencies, and curve positioning. This diversified approach aims to provide the potential for consistent outperformance over the long-term through relative value trades, especially compared to approaches that focus on a single asset class.

DIRECT LENDING

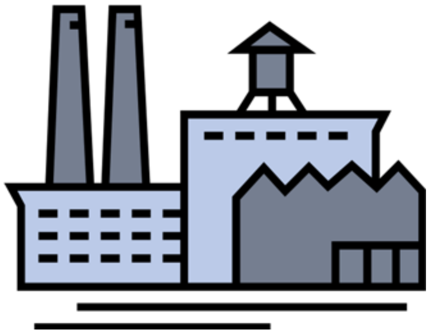
Objectives

- Diversify portfolio
  - Consider floating rate securities
- Maintain appropriate level of yield
  - Seek 6%+ current yield
- Capital preservation
  - Seek to avoid equity risk

Direct Lending Overview - Capital Structure



Direct Lending Overview – Case Study



Cutler & Company is the dominant provider of release agents, ingredients, and oiling and greasing machines to the baking industry. It had $44.8mm in revenues and $3.9mm in EBITDA when it sought $8mm in debt financing to expand its productive capacity.

Investment Manager evaluated Cutler and identified several reasons to make the loan: leading market position, stable volumes/profits over cycle, strong management team, and reasonable debt burden (3.1x after loan).

Investment Manager structured $8mm senior secured term loan with a 8.75% (floating rate). Additionally, provided a $2mm revolver to help Cutler manage its cash flows. Within three years, Cutler was able to delever through pay-downs and refinance the loan.

Review Process

AndCo has done extensive work identifying and evaluating Direct Lending investment managers. We narrowed the broad universe using these criteria:

- The investment manager is a Registered Investment Advisor with the Securities and Exchange Commission;
- The investment manager and/or its employee invest in the fund, side-by-side with outside investors;
- The investment manager has an identifiable track record of managing private debt; and
- The investment manager has managed more than $100 million in private debt.

After applying this filter, we further refined the candidate list based on the following attributes:

- Stable and experienced investment team;
- Reasonable investment philosophy;
- Effective and repeatable investment process with strong credit underwriting skills; and
- A performance track record consistent with the strategy

Candidates

Based on discussions and our research into the universe of possible candidates, we are including the following managers for your review:

- Benefit Street Partners (BSP)
- Crescent Capital Group (Crescent)
- LBC Credit Partners (LBC)*

*LBC Fund IV has not yet been formally approved by AndCo's Investment Committee. The Research Group is going to present it to the Committee for approval. The prior vintage (Fund III) was approved, and there have been no material changes to the strategy.

Candidate Review – Key Points to Consider

Investment Manager (Founded)	Key Differentiators	Key Considerations
BSP (2008)	• Focused on the senior secured portion of the capital structure. • Investors have control over amount of leverage utilized.	• Because this fund is limited to the top of the capital structure, its upside potential will be more limited than a more flexible approach.
Crescent (1991)	• Key decision-makers have worked together across several firms. • Developed lending expertise while at FleetBoston.	• The team's historically conservative approach may temper return potential
LBC (2005)	• Flexible investment strategy allows team to loan across the capital structure • Firm is focused entirely on middle market lending	• Investors must access strategy through a feeder fund, which protects against UBTI, but likely generates lower return than main fund

Candidate Review - Portfolio

Investment Manager	Target Securities	Borrower Attributes	Portfolio Characteristics
BSP	BSP restricts this fund to senior-secured 1st lien and unitranche debt. Typically originates the majority of its loans.	US-focused. Fairly even split between sponsor-backed and non-sponsor-backed debt. Companies typically earn between $10M and $1B in revenues, and $30M and $500M in debt.	Target investment size of $20M to $40M. Aim to fund 40 to 60 transactions. Investor can choose levered one or two times or unlevered fund. BSP invests in a wide range of industries, typically the maximum exposure is 15% to 20% to one industry.
Crescent	Nearly all loans are 1st lien senior secured or unitranche. Crescent originates majority of its loans.	US-focused. Primarily private equity sponsor-backed companies with $5M to $25M in EBITDA. Favor companies with recurring revenue models such as business and consumer services. Tend to have little in retail or restaurants.	Target investment size of $25M to $35M. Aim to fund 40 to 60 transactions. Investor can choose levered or unlevered fund.
LBC	LBC moves up and down the capital structure, though it focuses primarily on senior-secured 1st lien debt. Originates more than 70% of its loans.	US-focused. Agnostic between sponsor-backed and non-sponsor-backed debt. Companies typically earn less than $750M in revenues, with $5M to $50M in EBITDA.	Target investment size of $15M to $35M. Aim to fund 50 to 70 transactions over the life of the fund. LBC invests in a wide range of industries, typically the maximum exposure is less than 15%.

Candidate Review – Investment Team

Investment Manager	Key Decision-Makers	Team Stability	Team Background
BSP	Blair Faulstich heads the direct lending team. He, CEO Thomas Gahan, and Senior Managing Director Michael Paasche comprise the investment committee. They are supported by four Managing Directors and ten team members.	This team has been stable. Although the team has come together over the last decade, the team members are very experienced, seasoned investors.	Gahan and Paasche joined BSP in 2008 from Deutsche Bank. They hired Faulstich in 2011 from Citadel. All three have more than 20 years of investment experience.
Crescent	John Bowman (Managing Director) leads the investment team. He joined Crescent in 2012, bringing over his team from Highpointe Capital, including Managing Directors Scott Carpenter, Michael Rodgers, Jake Garney, and Jonathan Cignetti. They are supported by nine team members.	The team has been quite stable since joining Crescent. It has not suffered any key departures.	Bowman's senior team has worked together since 2008. Bowman, Carpenter, and Rogers have been together since 1998. The five Managing Directors averages more than 25 years of lending experience.
LBC	All investment decisions are made by the Investment Committee: John Brignola, Chris Calabrese, Hoymar Choksi, Nate Cohen, Allan Allweiss, David Fraimow, and John Capparella. Brignola, Calabrese, Cohen, and Ira Lubert founded LBC in 2005. The IC is supported by a dedicated 16-person team.	LBC has not experienced any material turnover amongst its senior ranks.	The five partners each possess more than 22 years of industry experience. Although they came together from different firms, the partners had worked with each other since the 1990s in various capacities.

Candidate Review – Key Terms

Investment Manager	Fund Size – Target/ Raised	First Close	Final Close	Target Return	Fund Lifecycle	Fees
BSP	$500M/ $300M	January 2017	Q4 2017	Varies by amount of leverage used	Three year investment period; seven year term	Unlevered Class: Management fee of 1.0% on invested capital. Incentive fee of 10% (no preferred return). Levered Classes (1x and 2x): Management fee of 0.65% on invested capital. Incentive fee of 10% after a 6% annual preferred return.
Crescent	$1,000M/ NA	May 2017	Q3 2017	7-9% (unlevered); 10-12% (levered) net	Four year investment period; six year term (plus 2 one year extensions)	Management fee is 0.75% of invested assets. No incentive on the unlevered fund. 10% incentive fee on the levered fund, subject to a 7% preferred return.
LBC	$850M/ $770M	April 2016	Q2 2017	9-12% net	Three year investment period; eight year term (plus 2 one-year extensions)	Management fee of 1.5% on assets under management. Incentive fee of 20%, after a 7% annual preferred return.

Track Records

Investment Manager	Fund	Vintage	Capital Called	Capital Distributed	Net IRR	Gross IRR
BSP*	Fund I	2008	$1,000.1M	$1,845.5M	14.3%	17.6%
	Fund II	2010	$721.4M	$767.9M	11.1%	13.8%
	Fund III	2013	$1,624.0M	$169.7M	10.2%	13.5%
Crescent	Unlevered Fund I	2013	$501.7M	$209.8M	6.8%	8.0%
	Levered Fund I	2014	$287.3M	$87.4M	9.8%**	14.4%
LBC	Fund I	2005	$285.0M	$345.9M	11.2%	14.1%
	Fund II	2008	$603.3M	$682.0M	14.2%	19.0%
	Fund III	2013	$818.5M	$497.1	13.1%	18.8%

*Note that BSP's Senior Opportunities Fund will only invest in senior secured and unitranche loans, which is more narrow than the prior funds shown here. As result, investors must be cautious about placing too much significance on these results.
**This is a pro forma figure that reflects an adjusted net IRR intended to even out the impact of credit facility related costs in the early life of the fund where deployment of capital and investment is over a shorter period.

Crescent Capital

Firm Overview

Crescent Capital Group (Crescent) was founded in 1991. The firm specializes in credit investments with six primary strategies across bank loans, high yield, direct lending, mezzanine, and distressed debt both in the US and Europe. Crescent has investment professionals in five offices: Los Angeles, New York, Boston, London, and Chicago. As of September 2016, the firm managed approximately $23 billion in assets.

Team Overview

Crescent's direct lending team originated in 2005 at HighPoint Capital, and joined Crescent in 2012. John Bowman, Managing Director, leads the team, and he is assisted by Managing Directors Scott Carpenter, Michael Rogers, Jake Garmey, and Jonathan Cignetti. Bowman, Carpenter, and Rogers have worked together since 1998, tracing their roots to FleetBoston Financial. Crescent's senior team is supported by eight VPs, associates, and analysts, as well as the firm-wide central industry-focused research team.

Strategy Overview

Crescent aims to generate an 8% to 10% net IRR by making loans to private equity-backed US lower middle market companies. Most of these loans (typically 70% or more) are senior secured first lien or unitranche obligations, and the funds are used by these companies to support growth, make acquisitions, or refinance prior debt.

The investment process starts with Crescent actively sourcing loans in the market. The team does this primarily by developing strong relationships with private equity sponsors, intermediaries, and other referral sources. Team members regularly call upon their network to identify sourcing opportunities. In a typical year, Crescent will pursue more than 500 leads. And since forming the direct lending business, Crescent has worked with more than 70 equity sponsors.

Each loan goes through a thorough underwriting process. Crescent reviews 400-500 transactions each year. The transaction team assigned to each loan performs the initial review, then brings the most appealing deals to the senior partners for a deep dive into the investment thesis and structure. To the extent feasible, Crescent works with the private equity sponsor to structure the terms and covenants of the loan to protect capital. Finally, Crescent's Investment Committee votes on every recommendation, and the team requires a unanimous approval before proceeding. This credit process eliminates more than 90% of transactions from further consideration.

Expectations

Because Crescent typically lends to companies backed by private equity sponsors, its ability to control pricing is limited by the marketplace. Private equity sponsors usually engage with multiple lenders to arrive at a competitive lending arrangement, so as more capital is competing to make loans, the returns available to lenders like Crescent decline. That said, the Dodd-Frank legislation has made lower middle-market lending less attractive to banks, which have been significant market participants historically.

Points to Consider

Crescent tends to focus on the top of the capital structure. Upwards of 70% of its loans are first lien, and less than 20% are last-out or second lien. When fully invested, the portfolio will be diversified across 15-20 industries and 40-60 companies. The largest investment is typically less than 7% of total AUM, and most investments range from $25 million to $35 million in size. Crescent emphasizes industries such as business and consumer services, media, and healthcare services. The team avoids commodity-related businesses, real estate, deep cyclicals, high tech, and restaurants. It targets borrowers with EBITDA of $5-$25 million.

Recommendation Summary

Crescent's investment team is its main strength. Bowman, Carpenter, and Rogers have worked together for nearly two decades, which is a significant advantage because their easy communication makes the process move smoothly. Additionally, their depth of experience gives them better perspective on the hidden dangers inherent in corporate lending. They have the support of a solid team of investment professionals.

Crescent's investment process is thorough and repeatable. It relies on fundamental analysis and due diligence, and is executed in a consistent fashion across the team. Importantly, it centers around the critical issues of each business. Although the team joined Crescent only in 2012, it has worked together far longer.

Finally, Crescent runs the strategy in a sensible fashion. The team does not try to take on too much risk by aiming for outsized returns. It finds a yield appropriate for the market environment, and as the market has gotten tighter, expected yields have come down. Crescent does not compromise its lending standards or covenant protections to chase return. Also, the firm has sized the fund appropriately to be able to offer a reasonable yield. Crescent probably could have raised more money, but it didn't want to dilute the returns.

REAL ESTATE - CORE

Introduction

Purpose for this Manager Analysis Report:

This search report reviews potential candidates for an allocation to an open-end, non-core real estate strategy. Based on our research and due diligence of open-end, non-core real estate managers and an evaluation of fit with the existing portfolio, we present the following candidates:

Firm	Fund
American Realty Advisors	American Strategic Value Fund
Intercontinental Real Estate Corporation	U.S. Real Estate Investment Fund
J.P. Morgan Asset Management – Global Real Assets	J.P. Morgan Special Situations Property Fund
PGIM Real Estate	PRISA II
Principal Real Estate Investors	Principal Enhanced Property Fund

Strategy Overview

Definition and Characteristics:

- The profiled open-end, non-core real estate managers invest utilizing both core and value-add strategies.
- Core real estate strategies focus on the four primary property types: industrial, multifamily, retail and industrial. A typical core investment is a high-quality, “class A” asset located in a primary market that is 80% plus leased. Leverage is typically in the 0% to 40% Loan-to-Value (LTV) range. The long-term target return (gross) is in the 7% to 10% range. The primary component of total return is current income.
- Value-add real estate strategies focus primarily on core property types in need of re-leasing, renovation, repositioning or redevelopment. It may also include a limited amount of development. Leverage is typically in the 40% to 60% Loan-to-Value (LTV) range. The target IRR (gross) is in the 14% to 17% range. Total return is comprised of appreciation and current income.

Role within a Portfolio:

- Real estate provides diversification benefits, reduces overall portfolio volatility, generates income and has inflation hedging characteristics. A strategic allocation to a non-core strategy is positioned as a complement to a core strategy that is generally the primary component of an institutional investor’s real estate portfolio.

Benchmark and Peer Group:

- Performance evaluation is typically done relative to the NCREIF Fund Index – Open End Diversified Core Equity Index (NFI-ODCE). NFI-ODCE is a capitalization-weighted, gross of fee, time-weighted return index with an inception date of December 31, 1977. The index is currently comprised of 24 open-end, core real estate funds. In order to adjust for the higher-risk/return profile of non-core strategies a margin of +200 bps may be added to the NFI-ODCE return.

Firm Overview

Firm	RE Business Inception	Ownership	Real Estate AUM	Headquarters	Real Estate Professionals
American Realty	1988	100% Employee Owned	$8.0 billion	Glendale, CA	45
Intercontinental	1959	100% Employee Owned	$6.5 billion	Boston, MA	97
J.P. Morgan – GRA	1970	Wholly-owned subsidiary of J.P. Morgan Chase & Co., a publicly-traded corporation	$80.0 billion	New York, NY	246
PGIM Real Estate	1970	A business unit of PGIM, Inc. the investment management business of Prudential Financial, Inc., a publicly-traded corporation	$65.9 billion	Madison, NJ	600
Principal	1998*	Wholly-owned subsidiary of Principal Financial Group, a publicly-traded company	$71.8 billion	Des Moines, IA	230

*Previously Bankers Life which formed in 1879

Investment Team

Firm	Key Decision-Makers	Team Stability	Team Experience
American Realty	CIO Kirk Helgeson is the dedicated portfolio manager for the fund. The firm's Investment Committee, which includes Helgeson, is comprised of eight senior professionals from each of the operational areas.	In place since inception	Helgeson has 27 years of real estate experience
Intercontinental	CEO Peter Palandjian, heads the firm's Investment Committee. The other senior members of the IC are: CFO/COO Paul Nassar and Director of Acquisitions, Asset Management, and Portfolio Management Thomas Taranto.	Palandjian, Nassar and Taranto have been working together since 2000.	The senior members of the IC each possess more than 20 years of real estate experience.
J.P. Morgan – GRA	Managing Director Craig Theirl is the lead portfolio manager for the Fund. The Fund's Investment Committee comprised of Theirl, CIO Doug Schwartz, a property sector head and senior representative of the Real Estate Research Group	Theirl took over as the lead portfolio manager in January 2016 when Schwartz was appointed to the CIO role.	More than 20 years
PGIM Real Estate	Senior Portfolio Manager Darin Bright leads the 28 professionals comprising the PRISA II team. All major investment decisions are reviewed and voted on by the Investment Committee	Bright has been a member of the portfolio management team for PRISA II since 2004.	Bright has 25 years of experience. The IC members average over two decades of experience.
Principal	Todd White and Mark Scholz are the portfolio managers. Principal's Management Committee provides oversight.	The portfolio management team has been together for the last seven years.	More than 20 years each

Portfolio Summary Statistics

	Strategy Inception	Fund Size GAV	Number of Investments	Vacancy Rate	% of Assets in Top Ten Properties	Leverage
American Strategic Value Fund	2009	$891 million	16	16.1%	83.1%	43.3%
Intercontinental U.S. Real Estate Investment Fund	2007	$6.2 billion	116	8.0%	34.6%	42.4%
J.P. Morgan Special Situations Property Fund	1998	$6.3 billion	73	14.8%	53.4%	41.9%
PGIM Real Estate PRISA II	1980	$11.6 billion	143	13.2%	26.9%	31.4%
Principal Enhanced Property Fund	2004	$2.5 billion	43	9.5%	42.3%	40.5%

Key Differentiators

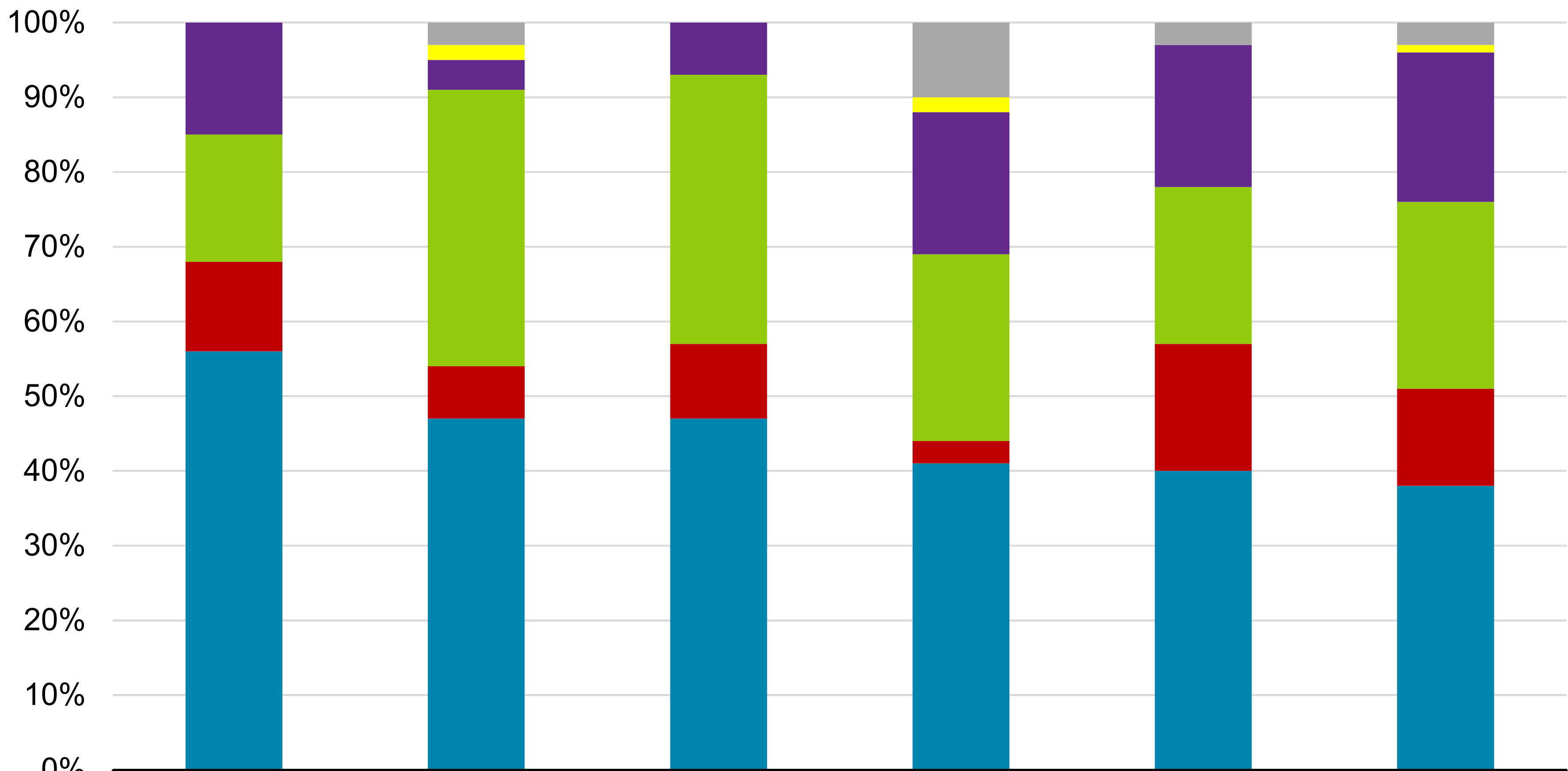
Firm	Target Return	Unique Features	Points to Consider
American Realty	11% to 13% net	▪ Primarily value-add investments with some exposure to development ▪ Invests primarily across the four main property types located in urban areas of the major markets in the U.S. ▪ Typical investment size is over $50 million of gross asset value	Leverage over the last five years has been in the 40% to 45% range, limit is 65%
Intercontinental	10%+ net	▪ Combination of core, core plus and value-add strategies provides a core plus risk profile. ▪ Invests across the four main property types plus hotels and senior housing, primarily located in the suburban areas of primary and secondary markets ▪ Typical investment size is over $50 million of gross asset value	Target leverage is 50%
J.P. Morgan	ODCE + 200bps over a full market cycle	▪ A blend of core, value-add and development ▪ Invests across the four main property types, mostly located in urban areas of primary markets ▪ Typical investment size is over $100 million of gross asset value	Leverage over the last five years has been in the 35% to 45% range, limit is 60%
PGIM Real Estate	8% to 10% net	▪ Minimum of 65% stabilized assets (>80% leased) and up to 35% value-add, development projects and preferred equity/mezzanine debt. ▪ Invests across the four main property types and self-storage, located primarily in major coastal markets ▪ Typical investment size is over $50 million of gross asset value	Target leverage is 30% to 35% with a limit of 40%
Principal	11% to 13% net	▪ Core plus risk profile with the Fund's guidelines requiring a minimum of 75% invested in core/stabilized properties and a maximum of 25% in value-add and development projects ▪ Invests across the four main property types, mostly located in the suburban areas of primary and secondary markets ▪ Typical investment size is in the $25 to $100 million gross asset value range	Target leverage is 40% to 45% with a limit of 50%.

Terms

	Stated Minimum ($millions)	Contribution/ Redemption Queue ($ and Qtrs)	Redemption Terms	Fees	ERISA Fiduciary
American Strategic Value Fund	$2 million	$258M entry queue 3 to 8 quarters	Quarterly with 10 day notice after a one-year lock-up.	**Management Fee:** 1.25% on the first $10M **Incentive Fee:** 20% on the excess IRR over 10%	Yes
Intercontinental U.S. Real Estate Investment Fund	$1 million	$255M entry queue 1 to 2 quarters $101M redemption queue 2 to 3 quarters	Quarterly with 90 day notice	**Management Fee:** 1.10% on the first $25M **Incentive Fee:** 20% on the profits above 8% per annum, subject to a high-water mark	Yes
J.P. Morgan Special Situations Property Fund	$10 million	$5M entry queue 1 quarter	Quarterly with 45 day notice	**Management Fee:** 1.25% of NAV plus 0.625% of the pro-rata share of debt. Maximum annual fee of 1.60% **Incentive Fee:** None	Yes
PGIM Real Estate PRISA II	$5 million	None	Quarterly with 90 day notice	**Management Fee:** 1.20% on the first $25 million **Incentive Fee:** None	No
Principal Enhanced Property Fund	$1 million	$71M entry queue 2 quarters $31M redemption queue 1 quarter	Quarterly with 90 day notice after a one-year lock-up.	**Management Fee:** 1.40% for less than $5M 1.30% from $5M to $10M 1.20% from $10M to $50M **Incentive Fee:** 15% of the excess IRR over 11%, calculated on a trailing three-year basis	Yes, the firm's legal counsel has language for a side letter

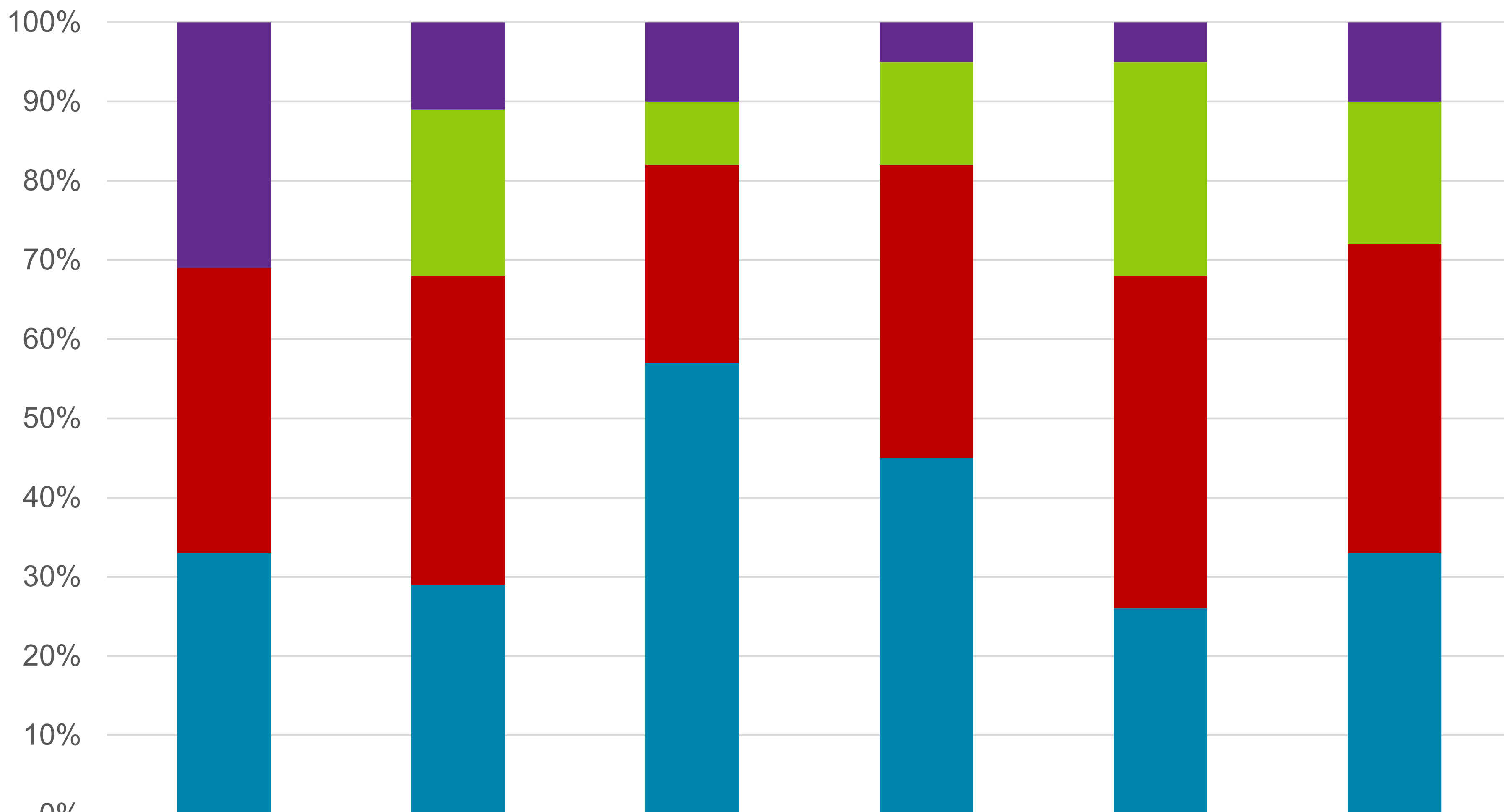
Note: contribution/redemption queues as of quarter-end 1Q 2017

Sector Allocation: December 31, 2016



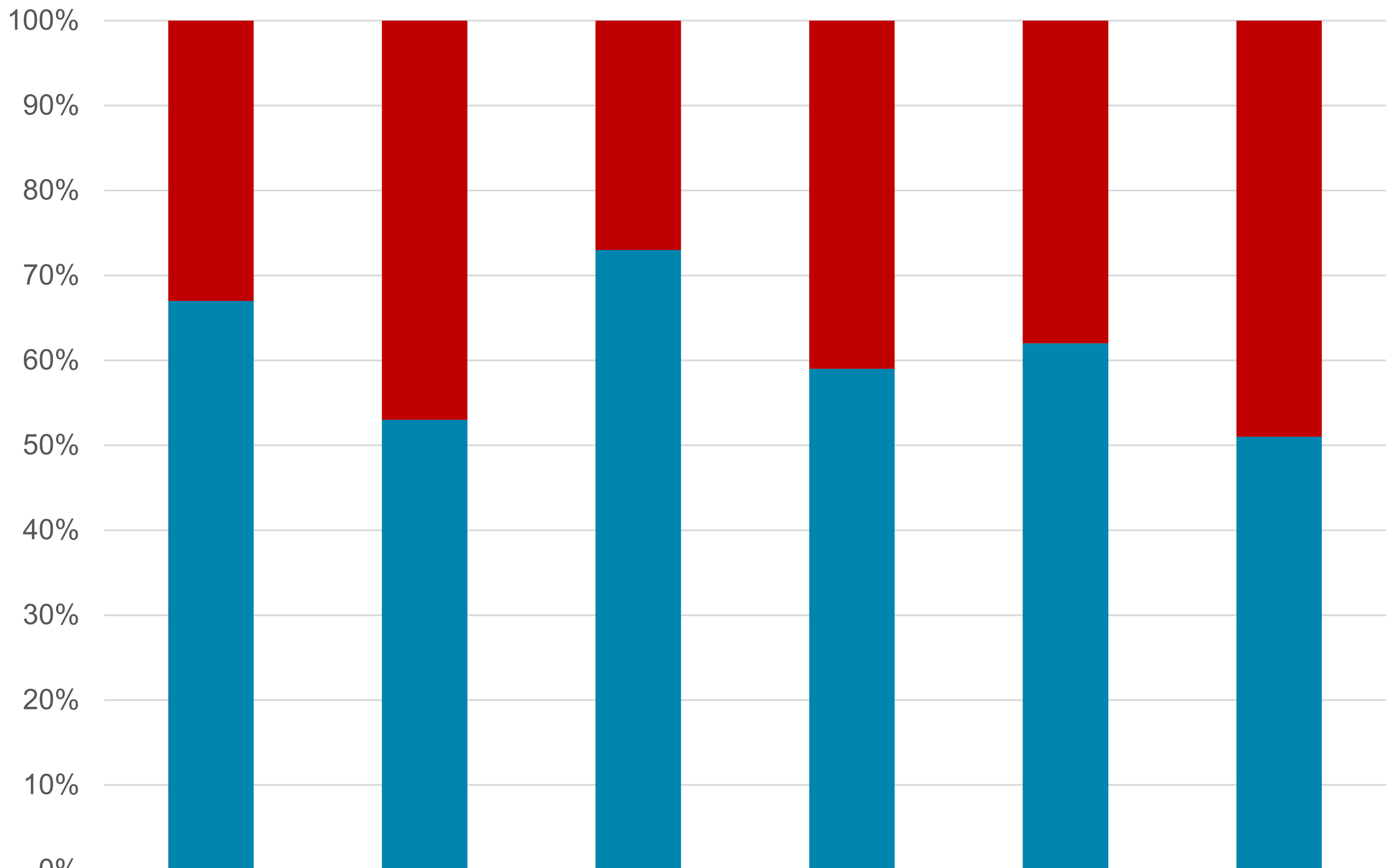
	American	Intercontinental	J.P. Morgan	PGIM RE	Principal	NFI-ODCE
Other	0%	3%	0%	10%	3%	3%
Hotel	0%	2%	0%	2%	0%	1%
Retail	15%	4%	7%	19%	19%	20%
Multifamily	17%	37%	36%	25%	21%	25%
Industrial	12%	7%	10%	3%	17%	13%
Office	56%	47%	47%	41%	40%	38%

Geographic Allocation: December 31, 2016



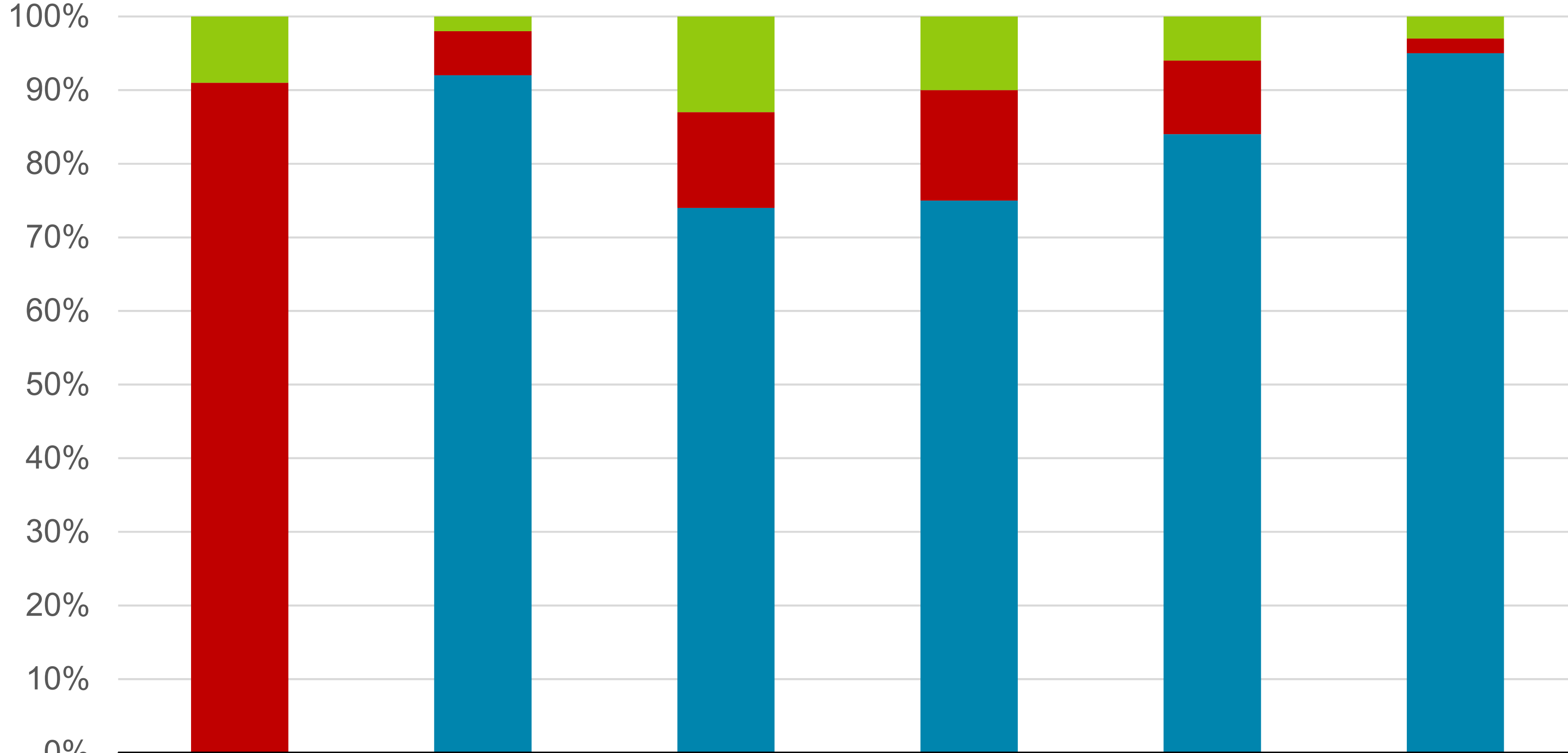
	American	Intercontinental	J.P. Morgan	PGIM RE	Principal	NFI-ODCE
Midwest	31%	11%	10%	5%	5%	10%
South	0%	21%	8%	13%	27%	18%
West	36%	39%	25%	37%	42%	39%
East	33%	29%	57%	45%	26%	33%

Property Location: December 31, 2016



	American	Intercontinental	J.P. Morgan	PGIM RE	Principal	NPI-ODCE
Secondary Mkts	33%	47%	27%	41%	38%	49%
Major Metro Mkts	67%	53%	73%	59%	62%	51%

Property Life Cycle: December 31, 2016

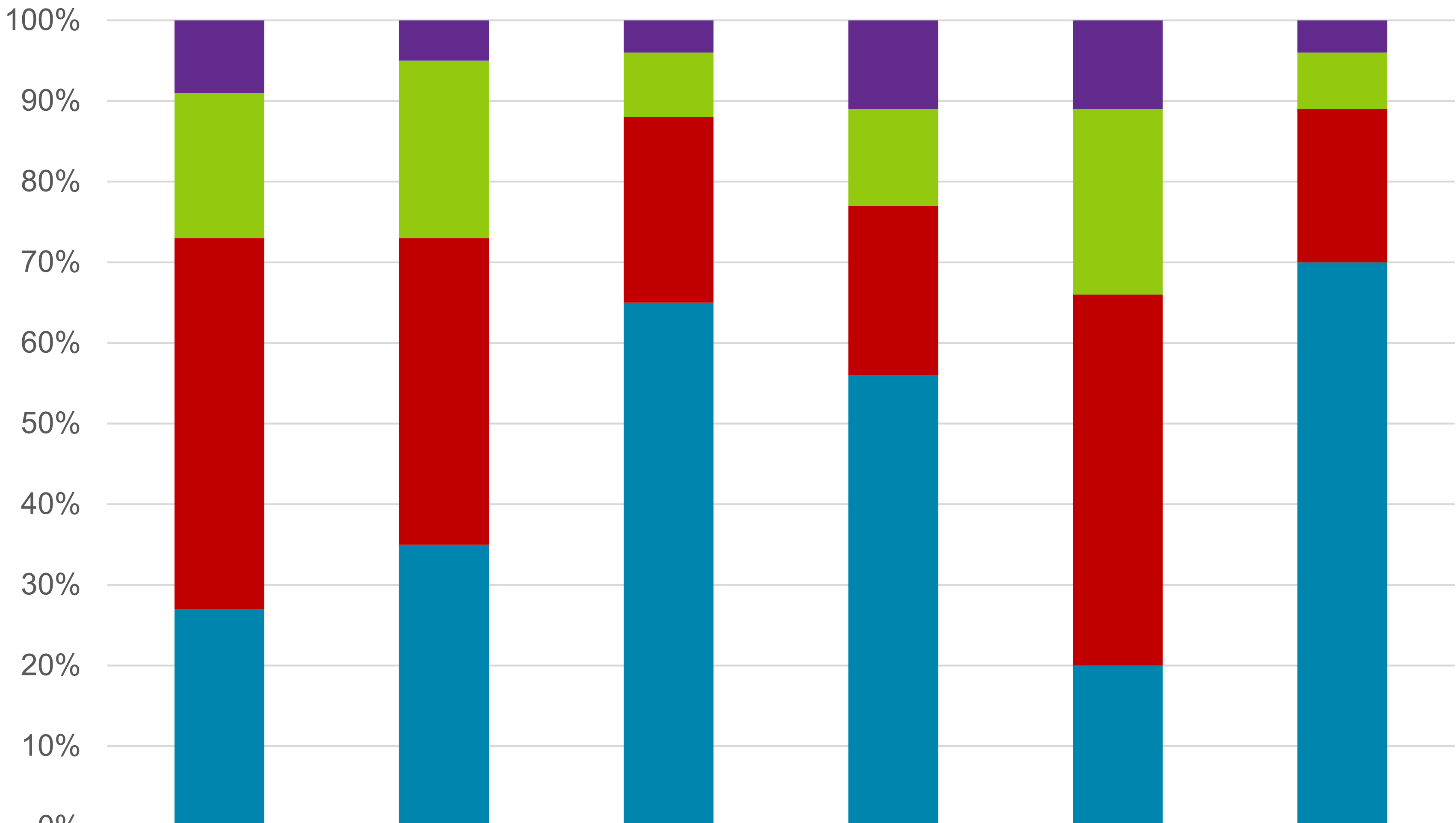


	American	Intercontinental	J.P. Morgan	PGIM RE	Principal	NFI-ODCE
Development	9%	2%	13%	10%	6%	3%
Value-Add	91%	6%	13%	15%	10%	2%
Core	0%	92%	74%	75%	84%	95%

Core Value-Add Development

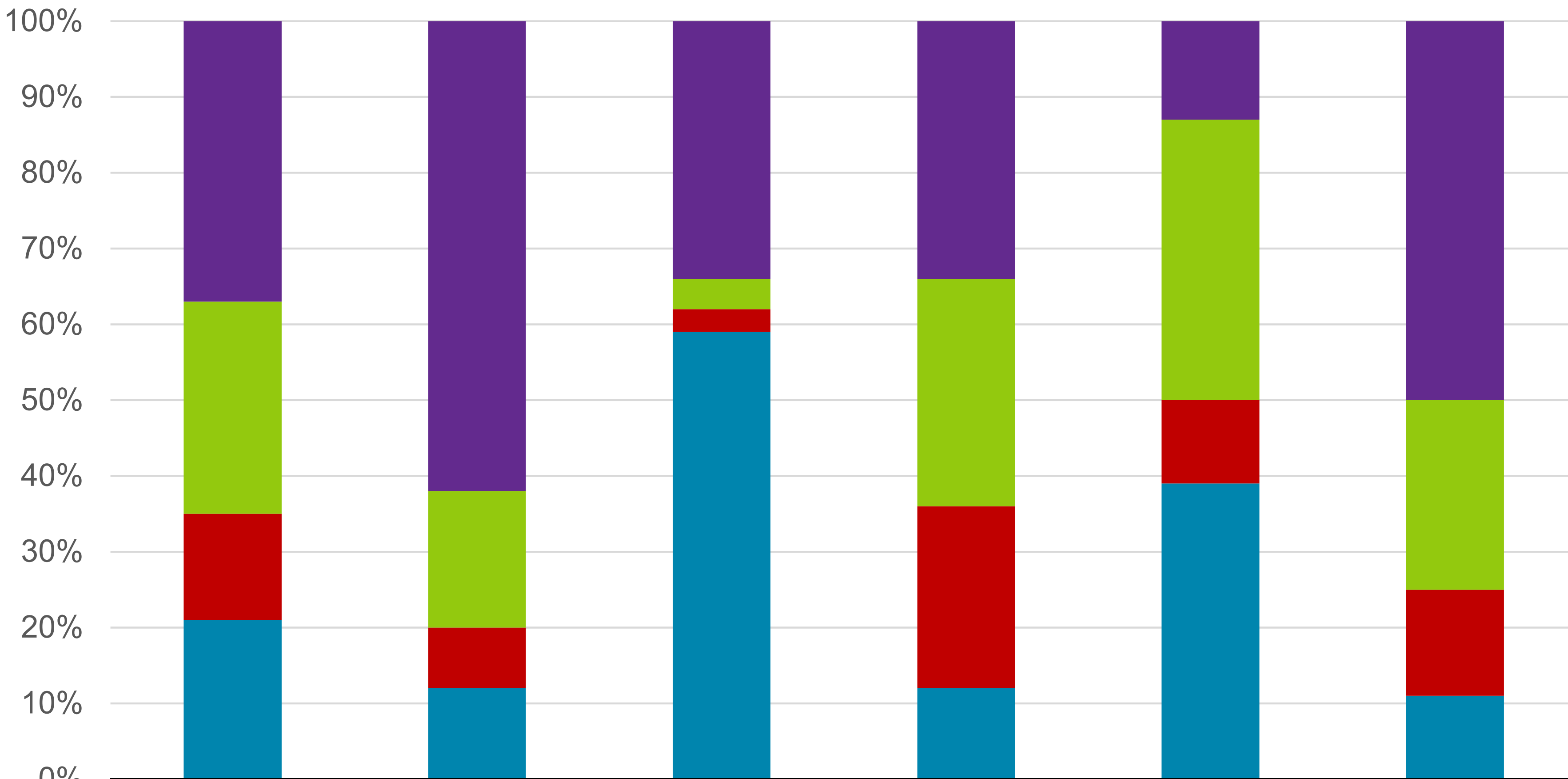
Core: asset that is 80%+ leased   Value-add: asset that requires renovation and/or lease-up

Investment Size Allocation: December 31, 2016



	American	Intercontinental	J.P. Morgan	PGIM RE	Principal	NPI-ODCE
$0-$25 million	9%	5%	4%	11%	11%	4%
$25-$50 million	18%	22%	8%	12%	23%	7%
$50-$100 million	46%	38%	23%	21%	46%	19%
Over $100 million	27%	35%	65%	56%	20%	70%

Property Age Allocation: December 31, 2016



	American	Intercontinental	J.P. Morgan	PGIM RE	Principal	NPI-ODCE
Over 20	37%	62%	34%	34%	13%	50%
10 to 20	28%	18%	4%	30%	37%	25%
5 to 10	14%	8%	3%	24%	11%	14%
Under 5	21%	12%	59%	12%	39%	11%

Under 5 | 5 to 10 | 10 to 20 | Over 20

*Morgan Stanley does not report this data

Comparative Performance: Trailing Periods

	QTR 12/16	QTR 9/16	QTR 6/16	QTR 3/16	YTD	1-yr	3-yr	5-yr	7-yr	10-yr
American Strategic Value Fund	3.44	2.24	3.32	3.57	13.18	13.18	16.53	14.67	16.31	n/a
Intercontinental U.S. Real Estate Investment Fund	5.64	3.78	1.83	1.11	12.88	12.88	13.67	14.66	13.52	n/a
J.P. Morgan Special Situations Property Fund	2.24	1.70	3.11	3.07	10.50	10.50	15.61	15.78	17.25	5.87
PGIM Real Estate PRISA II	2.76	2.37	2.68	2.49	10.70	10.70	14.10	14.36	16.70	4.84
Principal Enhanced Property Fund	4.24	2.97	4.04	3.27	15.32	15.32	18.13	17.77	17.50	5.52
NCREIF – ODCE (EW)	2.16	2.18	2.18	2.44	9.26	9.26	12.22	12.20	13.28	5.62
NCREIF – ODCE (VW)	2.11	2.07	2.13	2.18	8.77	8.77	12.07	12.21	13.33	5.82
NCREIF Property Index	1.73	1.77	2.03	2.21	7.97	7.97	11.02	10.92	11.70	6.93
IM U.S. Open End Private Real Estate (SA+CF) Median	2.20	2.07	2.47	2.64	9.11	9.11	12.60	12.65	13.76	n/a

Note: all returns are gross of fees

Comparative Performance: Calendar Year

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
American Strategic Value Fund	13.18	22.91	13.76	12.22	11.65	15.39	25.87	n/a	n/a	n/a
Intercontinental U.S. Real Estate Investment Fund	12.88	14.48	13.66	17.02	15.31	15.87	5.80	-32.92	-0.07	4.39
J.P. Morgan Special Situations Property Fund	10.50	20.85	15.72	19.73	12.46	23.53	18.52	-44.07	-12.53	18.71
PGIM Real Estate PRISA II	10.70	17.53	14.22	15.17	14.38	20.72	24.86	-44.99	-16.10	17.79
Principal Enhanced Property Fund	15.32	23.56	15.69	20.21	14.32	19.35	14.35	-42.99	-15.15	14.38
NCREIF – ODCE (EW)	9.26	15.17	12.28	13.34	11.03	15.96	16.14	-30.65	-10.37	16.08
NCREIF – ODCE (VW)	8.77	15.02	12.50	13.94	10.94	15.99	16.36	-29.76	-10.01	15.97
NCREIF Property Index	7.97	13.33	11.82	10.98	10.54	14.26	13.11	-16.85	-6.46	15.85
IM U.S. Open End Private Real Estate (SA+CF) Median	9.11	15.01	13.66	14.63	12.45	15.78	16.28	-29.76	-11.00	15.90

Note: all returns are gross of fees

Disclosures

AndCo compiled this report for the sole use of the client for which it was prepared. AndCo uses the results from this evaluation to make observations and recommendations to the client.

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.

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

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Formerly The Bogdahn Group

ATTACHMENT

RESOLUTION NO. 35-10

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF PALM BEACH, PALM BEACH COUNTY, FLORIDA, ADOPTING AMENDMENTS TO THE STATEMENT OF INVESTMENT POLICY FOR THE OPES TRUST BOARD OF TRUSTEES OF THE TOWN OF PALM BEACH PURSUANT TO SECTION 82-153 OF THE CODE OF ORDINANCES OF THE TOWN OF PALM BEACH; PROVIDING AN EFFECTIVE DATE.

WHEREAS, by adoption of Resolution No. 13-07 the Town Council adopted a Statement of Investment Policy for the OPEB Trust Board of Trustees of the Town of Palm Beach pursuant to Section 82-153 of the Code of Ordinances of the Town; and

WHEREAS, it is the desire of the Town Council to amend the Statement of Investment Policy for the OPEB Trust Board of Trustees.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF PALM BEACH, PALM BEACH COUNTY, AS FOLLOWS:

Section 1. Resolution No. 13-07 is hereby rescinded.

Section 2. The Statement of Investment Policy for the OPEB Trust Board of Trustees attached hereto as Exhibit "A" is hereby adopted.

Section 3. This Resolution shall become effective immediately upon passage by the Town Council.

PASSED AND ADOPTED in a regular, adjourned session of the Town Council of the Town of Palm Beach assembled this 9th day of March, 2010.

Jack McDonald, Mayor

David A Rosow, Town Council President

Gail Coniglio, Town Council President Pro Tem

William J. Diamond, Town Council Member

Richard M. Kleid, Town Council Member

ATTEST:

Joanna Cunningham, Town Clerk

Robert N. Wildrick, Town Council Member

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TOWN OF PALM BEACH HEALTH INSURANCE TRUST

STATEMENT OF INVESTMENT POLICY Effective:

The purpose of this Statement of Investment Policy is to establish and communicate the long-term objectives of the Town of Palm Beach Health Insurance Trust (the "Trust") by establishing a policy structure to maximize financial return consistent with the risks incumbent in each investment while establishing and maintaining appropriate diversification of assets. In addition, this Policy Statement describes the responsibilities of the Trustees, Investment Managers and performance benchmarks that will be used by the Trustees in monitoring investment performance.

General Objectives

The long-term objectives shall be to invest Trust contributions and assets controlled by the Trustees to ensure that there will be no erosion of the purchasing power of the funds. Investment Managers will be retained to ensure that investments are managed in a prudent and professional manner in compliance with all applicable statutes and regulations such as F.S. 215.47(1)·(8), (10) and (16). In addition thereto, the Trustees are governed by the "Prudent Investor Rule", codified in Section 518.11, Florida Statutes.

The assets of the Trust controlled by the Trustees shall be managed solely in the interests of plan participants and their beneficiaries. It is the intention of the Trustees to give the Investment Managers full investment discretion with respect to assets under their management, subject to the restrictions of this Statement of Investment Policy.

Investment Objectives

The investment return objective for the Total Fund will be measured against a benchmark comprised of the target asset allocation weights with benchmark index returns. The Investment Managers are expected to add value above their benchmark index net of fees over a five year moving period. According to the current actuarial assumptions, the expected return is designated at 8%.

Investment Consultant

The Trustees shall retain a professional investment consultant to monitor Investment Manager performance and provide such services as the Trustees deems appropriate.

Asset Allocation Policy

Since the selection and weighting of asset classes is the primary determinant of investment return and volatility, asset choice will be carefully considered by the Trustees in accordance with a systematic allocation process derived from consultation with their advisors. Asset allocation parameters have been developed for various funds within the structure, based on investment objectives and time horizons for intended use. The Trustees are aware that the markets will vary dramatically in the short term and that the actuarial rate of return assumption is based upon on a long term time horizon.

Approved asset classes and policy target ranges are as follows:

Asset Class		Target	Range	Benchmark
Domestic Equity	*U.S. Al/ Cap*	27.5	22.5-32.5 ~~17./ii 7./ii~~	Russell3000
Non U.S. Equity	*International*	17.5	15-20* 17./ii 7.13	MSCI AC World ex. US
Alternative Strategies	*Directional Hedge*	10.0	7.5-10	HFRI FOF Strategic +gills • aGG

• Fla. statues limit investment in foreign securities (equity, fixed income, and other) to 25%. Unconstrained, the target allocation to equities would be 22.5% Domestic and 22.5% International.
*biFflites te a% esest

Asset Class		Target	Range	Benchmark
Alternative Strategies	*Absolute Return*	10.0	7.5-10 .a-.1-a	HFRI FOF Conservative +Bills •aGG
Fixed Income	*Multi-Strategy*	10.0	7.5-10 .a-.1-a	Barclays Capital Aggregate ~~beFIFfleA BFetFieF!i~~
	Convertibles	10.0	7.5-10 .a-.1-a	BOA Conv. Bond US IG beF!FfleA GeA¥eFtil91es
Real Assets	Marketable Real *Assets*	15.0	10-20	Custom Index +gills • aGG

Directional hedge investments are strategies in which a manager holds both long and short positions in securities, usually with net long exposure. Absolute return investments include various arbitrage strategies and other strategies designed to benefit from security mispricings.

Rebalancing Policy

The portfolio will be rebalanced to the target allocations whenever an individual asset class allocation moves outside its allowed range. Rebalancing discipline is the best process to maintain the risk/return posture originally adopted by the Trustees.

If any asset class falls outside the specified ranges, the Finance Director will order the Investment Manager(s) to either sell or expect new proceeds with which to purchase more securities. The investment manager/fund will be identified by their portion of assets held versus their target levels.

Manager Responsibilities

1. Each Investment Manager shall have investment discretion with respect to purchase and sale of assets under its management, consistent with this statement of investment policy.

   Each Investment Manager is expected to immediately report to the Trustees any substantive changes in the ownership, affiliations, organizational structure, financial condition, regulatory actions, professional personnel staffing and clientele of their respective investment management organizations.

2. Each Investment Manager shall employ internal controls to ensure that investments will be accomplished in compliance with all controlling statutes and regulations. In addition, each Investment Manager will monitor portfolio activity to minimize uninvested cash balances.

3. Each Investment Manager shall be responsible only for those assets under its management and shall never aggregate such assets together with assets under management at any· other Investment Manager in determining whether a particular guideline or limitation has been met.

4. Each Investment Manager shall employ controls which will ensure that diversification, marketability, and other guidelines provided in this Statement of Investment Policy shall be followed. Any exceptions shall be communicated to the Trustees for reviw and discussion at least quarterly.

5. Each Investment Manager is responsible for voting proxies on the stocks held in their portfolio in a manner consistent with the best interests of the Trust participants. Voting of proxies is viewed primarily as an investment decision integral to the duties of the Investment Managers and the Trustees will not express opinions on individual proxies.

6. Each Investment Manager shall be responsible to assure that not more than ten percent (10%) of the equity assets it manages are the common stock, preferred stock, and interest-bearing obligations having an option to convert into common stock, of any one issuing corporation; and shall not invest more than 3 percent of the equity assets of any fund in such securities of any one issuing corporation

except to the extent a higher percentage of the same issue is included in a nationally recognized market index, based on market values, at least as broad as the Standard and Poor's Composite Index of 500 Companies, without prior approval by the Trustees.

7. When feasible and appropriate, securities shall be purchased on competitive bid and the most economically advantageous bid must be selected.

8. The investment managers shall discharge their responsibilities in the same manner as if the Fund were governed by the fiduciary responsibility provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Although the Fund Trustees acknowledge that ERISA does not apply to the fund as a governmental fund, it hereby imposes the fiduciary provisions of ERISA upon each investment manager, whose performance shall conform to the statutory provisions, rules, regulations, interpretations and case law of ERISA.

Authorized Investments

Trust assets may only be invested in investments permitted by F.S. 215.47(1)-(8), (10) and (11), and the restrictions set forth in this Statement of Investment Policy.

Internal Controls

The Trustees shall retain investment management organizations to actively invest in equity, fixed income, and cash. equivalent securities. Each Investment Manager, within these guidelines, shall have full discretion with respect to the investment process. It is assumed and expected that each investment Manager has established internal controls to ensure that the investment activity remains in compliance with all controlling statutes, regulations and the Trust's investment policies.

The Trustees shall retain a professional investment consultant to monitor each Investment Manager based on performance and other organizational issues.

As the plan sponsor, the Town of Palm Beach has established a system of internal controls,which include safeguarding controls, to promote the Town Council's objectives regarding compliance with applicable laws and other guidelines, the economic and efficient operation of the Town of Palm Beach, and the reliability of financial records and reports. Established procedures were designed to prevent losses of funds that might arise from fraud, employee error, or misrepresentation by third parties. The system of internal controls is set forth in the operational procedures of the Town of Palm Beach and is applicable to the assets controlled by the Trustees. Such system of internal controls shall be reviewed by independent certified public accountants as part of any financial audit required for the Trustees.

Restrictions

These restrictions apply to separately managed accounts only. To the extent commingled vehicles are utilized, the Trustees will endeavor to select funds that comply with these restrictions.

1. There shall be no short-selling, securities lending, options trading, financial futures, or other specialized investment activity without prior approval by the Trustees.

2. There shall be no non-marketable direct investments in equity or debt private placements, or leasebacks. However, the Trustees may decide to invest in open-end commingled funds that invest in equity or debt private placements of real estate and/or participating and non-participating insurance contracts.

3. Each Investment Manager shall monitor assets under its jurisdiction to ensure that no purchase shall be made which would cause the holding of any one issuer to exceed ten percent (10%) of the equity assets it manages of the common stock, preferred stock, and interest-bearing obligations having an option to convert into common stock, of any one issuing corporation; and shall not invest more than 3 percent of the equity assets of any fund in such securities of any one issuing corporation except to the extent a higher percentage of the same issue is included in a nationally recognized market index, based on market values, at least as broad as the Standard and Poor's Composite Index of 500 Companies, without prior approval by the Trustees. In addition, no bond purchase shall be made which would cause the holding of any one issuer (excluding the U.S. Government and agencies or any bonds guaranteed by the U.S. Government) to exceed 5% of the Investment Manager's fixed-income portfolio valued at market.

4. Each equity manager shall monitor equity portfolio activity to assure that no holding shall exceed 5% of the issue outstanding.

5. Managers shall not invest in bonds or preferred stocks rated below investment grade without prior approval of the Trustees. In the event a security is split-rated, the higher rating will apply. Securities, which are unrated, may be purchased if, in the judgment of the manager, they would carry an investment grade rating. In the event an investment grade security is downgraded to below investment grade, the manager shall sell the security within a reasonable time period.

6. Not more than 2% of each Investment Manager's portfolio, valued at market, shall be invested in the commercial paper of a single issuer. No short-term money market instrument shall be purchased which has a rating less than A-1 (Standard & Poor's) or P-1 (Moody's).

7. Not more than 2% of each Investment Manager's portfolio, valued at market, shall be invested in the bank certificates of deposit of a single issuer.

8. Not more than 10% of each Investment Manager's portfolio, valued at market, shall be invested in short term instruments less than one year of maturity or cash equivalents.

9. No repurchase agreements shall be entered into by an Investment Manager or the Trustees.

10. Managers shall be notified of and be in compliance with Florida Chapters 215.473(e) no later than September 30, 2010. See Appendix A.

Investment Manager Reporting

At the end of each month, each Investment Manager shall forward to the Trustees, the Finance Director and the Investment Consultant the following information: 1) A listing of all equity or fixed-income securities bought and sold during the month, 2) The date of each purchase or sale, 3) The price paid or received for each security, 4) The number of shares or bonds bought and sold, 5) The market value gain or loss resulting from each sale, 6) Any proxy votes against management. Annually, the Investment Manager shall forward to the Trustees, the Finance Director and the Investment Consultant the following information: 1) A listing of all proxy votes for the previous 12 months, 2) A letter indicating compliance with the investment restriction contained herein.

Third-Party Custodial Agreements

Appropriate arrangements must be made by the Trustees for securities under its control to be held by third parties. The custodian shall hold all securities, collect and credit all proceeds from the sale of such securities, collect and credit to income all dividends, interest, and other income on the securities, and invest the principal and income of the account as directed by the Trustees or authorized Investment Manager. No withdrawal of securities, in whole or in part, shall be made from safekeeping, except as authorized by the Trustees. 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, if applicable, to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction.

Expected Annual Rate of Return/Filing

For each actuarial valuation, the Trustees 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 and this Statement of Investment Policy, together with any amendments, must be filed by the Finance Director with the Department of Management Services of the State of Florida, the Town Council of the Town of Palm Beach, and with the consulting actuary.

Review of Policy

This Statement of Investment Policy must be reviewed at least annually by the Trustees and revised or confirmed as appropriate. Each Investment Manager shall acknowledge in writing the receipt of this Statement of Investment Policy and acceptance of its terms. If any Investment Manager believes at any time that any changes, additions or deletions to this Statement are advisable, it will be the responsibility of that Manager to recommend (in writing) such changes to the Trustees. Investment returns shall be related to objectives and performance benchmarks in conjunction with the investment performance consultant's pre entation of results.

APPENDIX A: SUDAN AND IRAN DIVESTITURE

- **Florida Chapter 215.473(e):** Notwithstanding the prov1s1ons of this act. paragraphs (b) and (c) do not apply to indirect holdings in actively managed investment funds. However. the public fund shall submit letters to the managers of such investment funds containing companies that have scrutinized active business operations requesting that they consider removing such companies from the fund or create a similar actively managed fund having indirect holdings devoid of such companies. If the manager creates a similar fund. the public fund shall replace all applicable investments with investments in the similar fund in an expedited timeframe consistent with prudent investor standards. For the purposes of this section. a private equity fund is deemed to be an actively managed investment fund.

TOWN OF PALM BEACH

Information for Town Council Meeting on: March 9, 2010

To: Mayor and Town Council

Via: Peter B. Elwell, Town Manager

From: Jane Struder, Finance Director

Re: Modifications to the Investment Policy for the Town's OPEB Trust
Resolution No. 35-10

Date: February 25,2010

STAFF RECOMMENDATION

Staff recommends that the Town Council approve Resolution No. 35-10 modifYing the investment policy for the OPEB Trust.

BOARD OR COMMISSION RECOMMENDATION

The Investment Advisory Committee recommends that the Town Council approve the modifications to the OPEB Trust Investment Policy.

GENERAL INFORMATION

The OPEB Trust Investment Policy was originally adopted with Resolution 13-07 on March 13, 2007. The Investment Advisory Committee is recommending changes to the OPEB Trust investment policy. These changes include citing Florida Statute 215.473(e) which directs money managers to divest any investments held Sudan and Iran. In addition, the policy is amended to modifY the asset allocation as shown with the in the attached policy. The Investment Advisor, Prime Buchholz worked with the Investment Advisory Committee to develop the changes to the asset allocation.

TOWN ATTORNEY REVIEW

The attached policy has been reviewed by the Town Attorney for legal form and sufficiency. Resolution No. 35-10 has been prepared by the Town Attorney.

jls

TOWN OF PALM BEACH
OPEB TRUST

INVESTMENT POLICY STATEMENT

I. PURPOSE OF INVESTMENT POLICY STATEMENT

The OPEB TRUST Board of Trustees ("Board") maintains that an important determinant of future investment returns is the expression and periodic review of the Town of Palm Beach OPEB System ("the OPEB System") investment objectives. To that end, the Board has adopted this statement of Investment Policy and directs that it applies to all assets under their control.

In fulfilling their fiduciary responsibility, the Board recognizes that the OPEB system is an essential vehicle for providing income benefits to retired participants or their beneficiaries. The Board also recognizes that the obligations of the OPEB System 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 OPEB System. 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-ACWI ex US
Total Equity	***60%***	***55% - 65%***	
Broad Market Fixed Income	15%	10% - 40%	BB-Barclays Aggregate.
Non-Core Fixed Income[1]	5%	0% - 10%	BB-Barclays TIPs
Total Fixed Income	***20.0%***	***15% - 45%***	
Real Estate Core / Plus[1]	10%	0% - 15%	NFI-ODCE Fund Index (EW)
Direct Lending – Middle Mkt. Debt. Pvt. Equity[1]	5%	0% - 10%	Strategy Index[2]
Global Macro Allocation[1]	5%	0% - 15%	Strategy Index[2]
Alternative Investment[1]	0%	0% -10%	Strategy Index[2]
Total Non-Traditional Assets	***20.0%***	***0% - 30%***	

Note: Allocation to Pvt. Equity and Real Estate shall be based on invested capital.

1. Absent of a full allocation, all or a portion of the target allocation will remain in Broad Market Fixed Income with the corresponding allowable range adjustment around the revised Broad Market Fixed Income target.
2. The "strategy index" for alternative assets is defined as 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 and reflected in performance evaluation reports.

The Board of Trustees, with assistance from the Consultant, 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.

The Office of the Town Finance Director is authorized to move funds as required within the existing investment structure and its established investments as required for the maintenance of the target allocation, and for the management of OPEB System Cash Flow.

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 Target Index for the OPEB System is defined in the TARGET ASSET ALLOCATION table included within this policy.

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 as established by the Board (7.5% concurrently), and provide inflation protection by meeting Consumer Price Index plus 3%.

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 the respective indices indicated in the target allocation table. 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 the respective indices indicated in the target allocation table. Individual components of the bond 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.

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 total fund, defined as core, open ended private real estate, is expected to perform at a rate at least equal to the NFI-ODCE Fund Index (EW) and rank in the top 50th percentile of the appropriate peer universe over 5-year time periods.

E. Alternative and Other Non-Traditional Asset Performance

The overall objective of the alternative and/or "other asset" portion of the portfolio, if utilized, is to reduce the overall volatility of the portfolio and enhance returns. This portion of the fund will be benchmarked as outlined in the manager addendum.

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 five percent (5%) of the OPEB System'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; and
   c. Additional criteria may be outlined in the manager's addendum.

2. Fixed Income:
   a. All directly held fixed income investments shall have a rating of in the Top Four ratings classifications as reported by a major credit rating service;
   b. The value of bonds issued by any single corporation shall not exceed 5% of the total fund;
   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 OPEB System's custodian;
   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, but are not limited to, mutual funds, commingled funds, exchange-traded funds, limited partnerships and private equity. The asset classification of the fund will be based upon its investment objective and may be interpreted consistent with the Florida Department of Management Services Division of Retirement. Pooled funds may be governed by separate documents which may include investments not expressly permitted in this Investment Policy Statement. In the event of investment by the OPEB System into a pooled fund, the Board will adopt the prospectus or governing policy of that fund as the stated addendum to this Investment Policy Statement.

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 OPEB System will be governed by the Portfolio Management Agreement between the OPEB System and the Investment Managers.

C. Limitations

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

2. Foreign securities shall not exceed thirty percent (30%) of OPEB System's market value.

3. All directly held 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.

3. Direct investment in 'Scrutinized Companies' identified in the periodic publication by the State Board of Administration ("SBA list", updated on their website www.sbafla.com/fsb/), is prohibited. Any security identified as non-compliant on or before January 1, 2010 must be divested by September 1, 2010. Securities identified after January 1, 2010, must be divested within twelve (12) months of the company's initial appearance on the list. However, if divestiture of business activities is accomplished and the company is subsequently removed from the SBA list, the manager can continue to hold that security. Indirect investment in 'Scrutinized Companies' (through pooled funds) are governed by the provisions of Section V. (G) below.

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 OPEB System's performance, forecast of the market and economy, portfolio analysis and current assets of the OPEB System. 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 Town, 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.

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 OPEB System outlining the investment 'hold or sell' strategy shall be provided to the Board immediately.

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 OPEB System.

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 OPEB System on a periodic basis.

F. At least annually, the Board shall provide the Investment Managers with projected disbursement needs of the OPEB System 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.

G. The Investment Consultant, on behalf of the Retirement System, shall send a letter to any pooled fund referring the investment manager to the listing of 'Scrutinized Companies' by the State Board of Administration ('SBA list'), on their website www.sbafla.com/fsb/. This letter shall request that they consider removing such companies from the fund or create a similar actively managed fund having indirect holdings devoid of such companies. If the manager creates a similar fund, the Retirement System shall replace all applicable investments with investments in the similar fund in an expedited timeframe consistent with prudent investing standards. For the purposes of this section, a private equity fund is deemed to be an actively managed investment fund. However, after sending the required correspondence, the Retirement System is not required to sell the pooled fund.

VI. COMPLIANCE

A. It is the direction of the Board that the OPEB System assets are held by a third party custodian, and that all securities purchased by, and all collateral obtained by the OPEB System shall be properly designated as OPEB System 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 operations of the OPEB System shall be reviewed by independent certified public accountants as part of any financial audit periodically required. Compliance with the Board's internal controls shall 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 OPEB System sponsor, to the extent possible.

D. The Board acknowledges the importance of continuing education for the Trustees. Education will be provided on an on-going basis by the Fund's actuary, attorney, custodian, investment manager(s), consultant and administrator. In addition, the Trustees are encouraged to attend educational conferences in connection with their duties and responsibilities. Each trustee is encouraged to attend a minimum of one conference or seminar per year. Additional conferences or seminars are also encouraged.

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 appropriate State Agency as so required, the OPEB System's sponsor and the consulting actuary.

F. The proxy votes must be exercised for the exclusive benefit of the participants of the OPEB System. 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.

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 OPEB System'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 index.
- Three (3) year trailing return below the top 50th percentile within the appropriate peer group and under performance verses the benchmark index.

- Five (5) year trailing return below the top 50th percentile and under performance verses the benchmark index.
- 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 TOWN ORDINANCES

If at any time this document is found to be in conflict with the Town Ordinances or applicable Florida Statutes such as F.S. 215.47(1) (8), (10) and (16), and 215.473(e), 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 OPEB System'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 Town, and the OPEB System's actuary. The effective date of the Investment Policy shall be the 31 days following the filing date with the Town.

______________________________________ ____________

For the Town of Palm Beach OPEB System Chairman — Date

______________________________________ ____________

Approved as to form and legal sufficiency:

Date

Town of Palm Beach, Florida

Investment Performance Review
For the Quarter Ended June 30, 2017

Investment Advisors

PFM Asset Management LLC

Steven Alexander, CTP, CGFO, CPPT, Managing Director
Robert Cheddar, CFA, Chief Credit Officer, Managing Director
D. Scott Stitcher, CFA, Director
Rebecca Geyer, CTP, Senior Analyst
Sean Gannon, Analyst

One Keystone Plaza, Suite 300
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Harrisburg, PA 17101-2044
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300 South Orange Avenue
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Orlando, FL 32801
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Tab I

SUMMARY

- Despite mixed economic data, and political and policy difficulties in the U.S., market conditions were characterized by investor optimism amid very low volatility. Bond yields were relatively well behaved during the quarter, credit spreads narrowed further, and equity markets moved higher still.
- For the second time this year, the Federal Open Market Committee (FOMC) raised the federal funds rate by 0.25%, setting a new target range of 1.00% to 1.25% for the overnight benchmark rate. The FOMC's latest economic forecasts and "dot plot" were largely unchanged. The Federal Reserve (the Fed) is still forecasting one more rate hike this year, although market-implied probabilities show only about a 50% chance of a hike in the second half of the year.
- Perhaps just as important, the Fed announced plans to gradually reduce the size of its balance sheet by decreasing its reinvestment of principal payments on existing holdings. The reduction will be $10 billion per month initially, and will increase in steps of $10 billion per month at three-month intervals, until it reaches $50 billion per month. The specific timetable is likely to be announced later this year.
- U.S. equity markets had another strong quarter. In the past three months, all three major U.S. indices hit new all-time highs. The S&P 500 Index (S&P 500) returned 3.1% and is up 9.3% for the first half of the year. The Health Care and Industrial sectors were the strongest performers during the quarter.

ECONOMIC SNAPSHOT

- U.S. economic data released in June was below expectations. While business investment accelerated, it was partly offset by weak consumer spending and a slowdown in government spending and inventories. On the positive side, the labor market remained strong, consumer confidence remained high, business surveys were optimistic and the housing market returned to near pre-crisis levels. Second quarter gross domestic product (GDP) growth is expected to show a rebound from the weak 1.4% growth rate of the first quarter.
- The labor market remained strong in the second quarter as the U.S. economy added 581,000 net new jobs, the most since the third quarter of 2016. The unemployment rate declined to a 16-year low, ending the quarter at 4.4%, but the labor force participation rate remained suppressed. At the same time, wage growth remained tepid, as average hourly earnings rose only 2.5% year-over-year (YoY) in June. The lack of wage pressures — a key driver of inflation — seems to indicate further slack remains in the labor market despite strong job gains.

INTEREST RATES

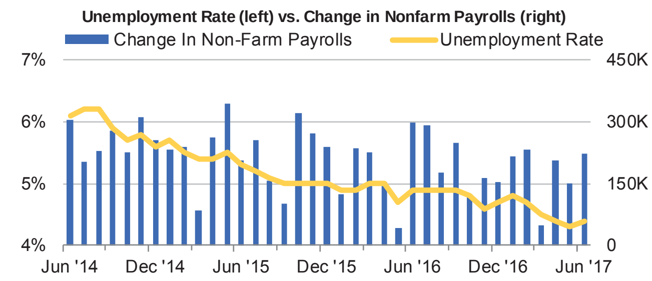
- Short-term (three years and under) yields ended the second quarter higher, reflecting the Fed's June rate hike, while medium- to long-term yields declined amid subdued inflation expectations and fading prospects for near-term stimulus from tax reform or infrastructure spending.
- The two-year Treasury note yield ended the quarter 13 basis points (bps) (0.13%) higher at 1.38%, while the 10-year Treasury yield fell 8 bps (0.08%) to 2.30%. The result was a notably flatter yield curve, which reduced the incentive to invest in longer maturities.
- In the money market space, shorter-term Treasury yields continued to rise, reflecting the Fed's June rate hike, but beyond 6-month maturities, yields flattened out. Yield spreads on commercial paper (CP) and certificates of deposit (CD) relative to U.S. Treasuries continued to narrow from their exceptionally wide levels of late 2016 and early 2017. CP/CD spreads now offer only modest incremental yield, similar to long-standing averages, and are considered fair value.

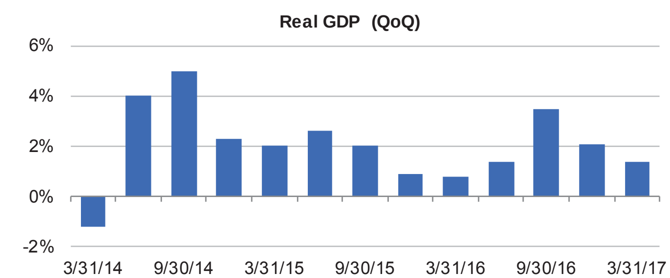
SECTOR PERFORMANCE

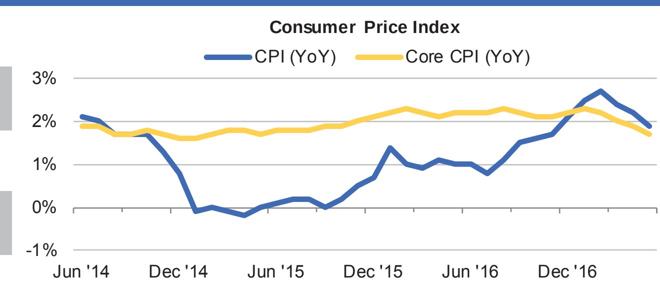
- U.S. Treasury indices posted positive returns in the second quarter. Returns for shorter indices were generated mostly by income, offset by modest price depreciation as yields on shorter maturities increased. Returns on longer Treasury indices were quite strong, benefitting from both income return and price appreciation from falling long-term rates and a flattening yield curve.
- Federal agency yield spreads ground tighter during the quarter as demand continued to outpace supply. The sector modestly outperformed comparable-duration Treasuries for the fourth quarter in a row.
- Corporate yield spreads tightened further during the quarter, reaching their narrowest levels since 2014 as the reach for yield continued globally. The sector generated strong outperformance relative to comparable-maturity Treasuries, its seventh straight quarter of outperformance.
- Shorter-duration mortgage-backed securities (MBS) outperformed Treasuries, but longer-duration structures could not keep pace. MBS remains at risk from the expected reduction in the Fed's balance sheet holdings later this year.
- For the second quarter in a row, asset-backed securities (ABS) posted strong outperformance versus Treasuries. Spreads across nearly all credit sectors tightened, including ABS.

Economic Snapshot

Labor Market		Latest	Mar '17	Jun '16
Unemployment Rate	Jun'17	4.4%	4.5%	4.9%
Change In Non-Farm Payrolls	Jun'17	222,000	50,000	297,000
Average Hourly Earnings (YoY)	Jun'17	2.5%	2.6%	2.6%
Personal Income (YoY)	May'17	3.5%	3.9%	3.4%
Initial Jobless Claims (week)	7/1/17	248,000	235,000	267,000
Growth				
Real GDP (QoQ SAAR)	2017Q1	1.4%	1.4% [1]	1.4% [2]
GDP Personal Consumption (QoQ SAAR)	2017Q1	1.1%	1.1% [1]	4.3% [2]
Retail Sales (YoY)	May'17	3.8%	4.8%	3.0%
ISM Manufacturing Survey (month)	Jun'17	57.8	57.2	52.8
Existing Home Sales SAAR (month)	May'17	5.62 mil.	5.70 mil.	5.48 mil.
Inflation / Prices				
Personal Consumption Expenditures (YoY)	May'17	1.4%	1.8%	0.9%
Consumer Price Index (YoY)	May'17	1.9%	2.4%	1.0%
Consumer Price Index Core (YoY)	May'17	1.7%	2.0%	2.2%
Crude Oil Futures (WTI, per barrel)	Jun 30	$46.04	$50.60	$48.33
Gold Futures (oz.)	Jun 30	$1,242	$1,247	$1,321



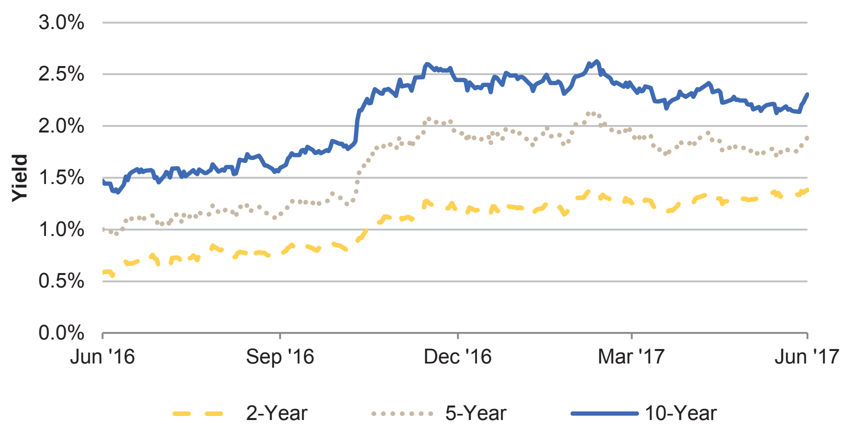




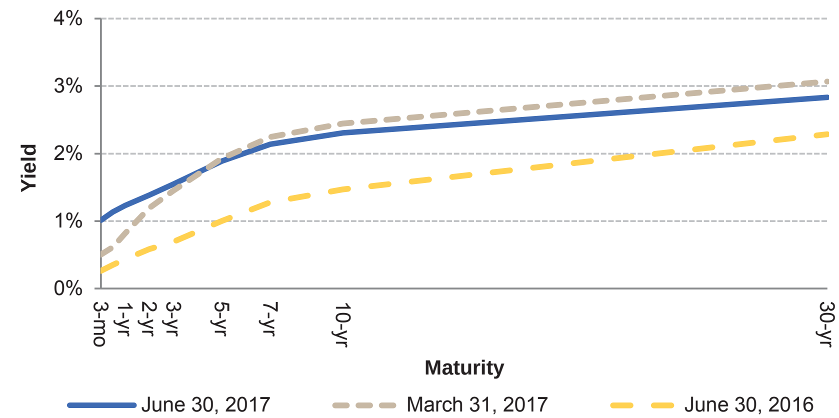
1. Data as of First Quarter 2017.
2. Data as of Second Quarter 2016.
Note: YoY = year-over-year, QoQ = quarter over quarter, SAAR = seasonally adjusted annual rate, WTI = West Texas Intermediate crude oil.
Source: Bloomberg.

Interest Rate Overview

U.S. Treasury Note Yields



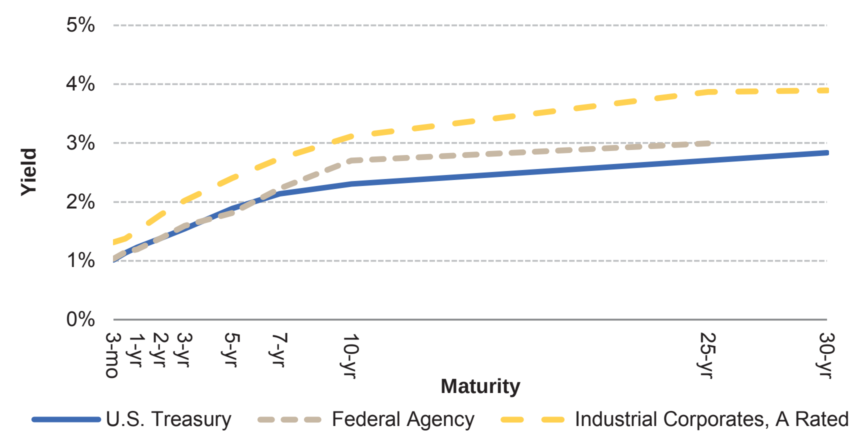
U.S. Treasury Yield Curve



U.S. Treasury Yields

Maturity	Jun '17	Mar '17	Change over Quarter	Jun '16	Change over Year
3-month	1.01%	0.75%	0.26%	0.26%	0.75%
1-year	1.23%	1.02%	0.21%	0.44%	0.79%
2-year	1.38%	1.26%	0.12%	0.58%	0.80%
5-year	1.89%	1.92%	(0.03%)	1.00%	0.89%
10-year	2.31%	2.39%	(0.08%)	1.47%	0.84%
30-year	2.84%	3.01%	(0.17%)	2.29%	0.55%

Yield Curves as of 6/30/17



Source: Bloomberg.

BofA Merrill Lynch Index Returns

June 30, 2017	Duration	Yield	3-month	1-year	3-years
	As of 6/30/17		Returns for Periods ended 6/30/17		
1-3 Year Indices					
U.S. Treasury	1.89	1.40%	0.17%	(0.11%)	0.69%
Federal Agency	1.78	1.48%	0.25%	0.25%	0.83%
U.S. Corporates, A-AAA rated	1.95	1.95%	0.55%	1.04%	1.43%
Agency MBS (0 to 3 years)	2.25	1.88%	0.60%	0.35%	1.15%
Taxable Municipals	1.74	2.34%	0.34%	1.20%	1.77%
1-5 Year Indices					
U.S. Treasury	2.69	1.54%	0.38%	(0.53%)	1.08%
Federal Agency	2.24	1.58%	0.37%	0.06%	1.10%
U.S. Corporates, A-AAA rated	2.80	2.16%	0.84%	0.99%	1.91%
Agency MBS (0 to 5 years)	3.33	2.32%	0.66%	0.04%	1.65%
Taxable Municipals	2.65	2.41%	0.56%	0.88%	2.27%
Master Indices (Maturities 1 Year or Greater)					
U.S. Treasury	6.36	1.91%	1.22%	(2.45%)	2.20%
Federal Agency	3.99	1.87%	0.88%	(0.35%)	1.88%
U.S. Corporates, A-AAA rated	7.16	2.91%	2.21%	0.98%	3.49%
Agency MBS (0 to 30 years)	4.69	2.76%	0.90%	(0.03%)	2.15%
Taxable Municipals	4.18	2.86%	0.94%	(0.16%)	2.74%

Returns for periods greater than one year are annualized.

Source: BofA Merrill Lynch Indices.

DISCLOSURES

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Tab II

- The Town's 1-5 Year Investment, Short Term and Bond Proceed Portfolios are of high credit quality and invested in U.S. Treasury, Federal Agency/GSE, corporate, commercial paper, municipal securities, and supranational securities.
- The 1-5 Year Investment Portfolio's quarterly total return performance of 0.47% outperformed the benchmark performance of 0.38% by 0.09%. Over the past year, the Portfolio earned -0.06% versus -0.49% for the benchmark.
- The Short Term Portfolio provided the Town with a Yield to Maturity at Cost of 1.48%, exceeding the Yield to Maturity of its benchmark the S&P GIP All 30 Day Index of 1.07% by 0.41%[1].
- The 2013 Bond Fund Portfolio had a Yield to Maturity at Cost of 0.99%, exceeding the Yield to Maturity of its benchmark the BofA Merrill Lynch 3 month T-Bill Index of 0.71% by 0.28%[1].
- Key drivers of market conditions in the 2nd quarter included:
  - An additional Federal Reserve (Fed) rate hike,
  - Mixed readings on key economic data in the U.S.,
  - Persistently subdued inflation readings,
  - Narrowing credit spreads, and
  - Stronger growth readings and higher yields in Europe and elsewhere.
- Short-term and long-term Treasury yields diverged during the second quarter as short-term (three years and under) yields moved higher, pricing in the Fed's June rate hike, while yields on longer-term maturities fell amid muted inflation and fading prospects for stimulative fiscal policy. As a result, the yield curve flattened, retracing all the steepening that took place following the U.S. presidential election.
- Our duration strategy is to remain largely in line with benchmark durations unless we have a strong conviction that rates are not appropriately reflecting market risks and expectations. Since market conditions were consistent with moderate growth and a Fed on track to gradually raise rates, we positioned portfolios to be "neutral" – that is with durations equal to benchmark durations – to start the second quarter. During May and June, however, we allowed durations to drift shorter as we believed that rates were not adequately pricing in the likelihood of a near-term Fed rate increase. When the Fed did raise rates in June, shorter-term portfolios benefited as yields adjusted to reflect a higher Fed funds rate.
- Our outlook for the third quarter is for continued modest growth in the U.S. economy. But, the future path of Fed tightening is less certain, as recent economic data has been disappointing, fiscal policy initiatives have stalled, and inflation remains below the Fed's 2% target.
- With rates priced for the current level of uncertainty, we are once again positioning portfolio durations to match that of benchmarks. We will continue to assess our duration positioning during the quarter as we gain more clarity surrounding Fed policy and trajectory of the U.S. and global economy.

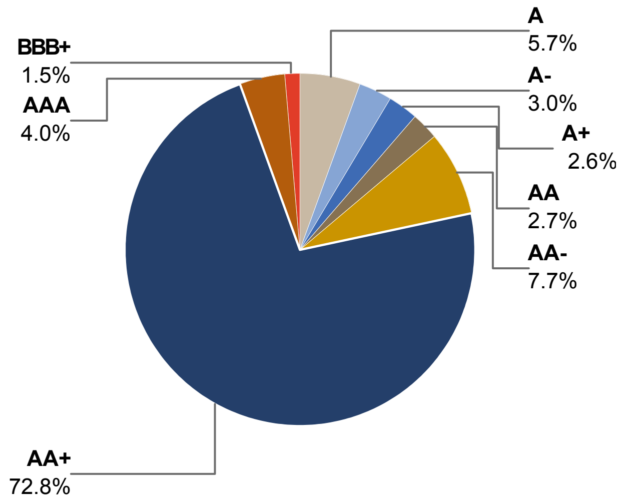
1. According to the Town's investment policy the short term benchmark is the S&P GIP All 30 Day Gross of Fees. However, due to system limitations the 3 month T-Bill is utilized for comparative purposes for the short term portfolio.

Portfolio Statistics

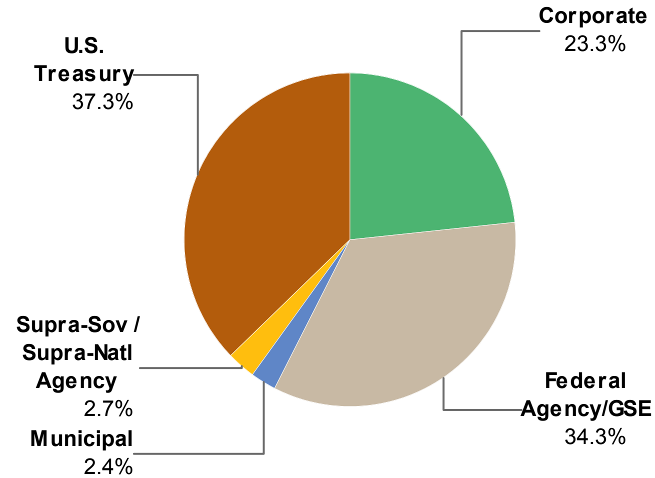
As of June 30, 2017

Par Value:	$18,354,000
Total Market Value:	$18,648,024
Security Market Value:	$18,405,372
Accrued Interest:	$86,841
Cash:	$155,811
Amortized Cost:	$18,473,426
Yield at Market:	1.65%
Yield at Cost:	1.49%
Effective Duration:	2.58 Years
Duration to Worst:	2.58 Years
Average Maturity:	2.69 Years
Average Credit: **	AA

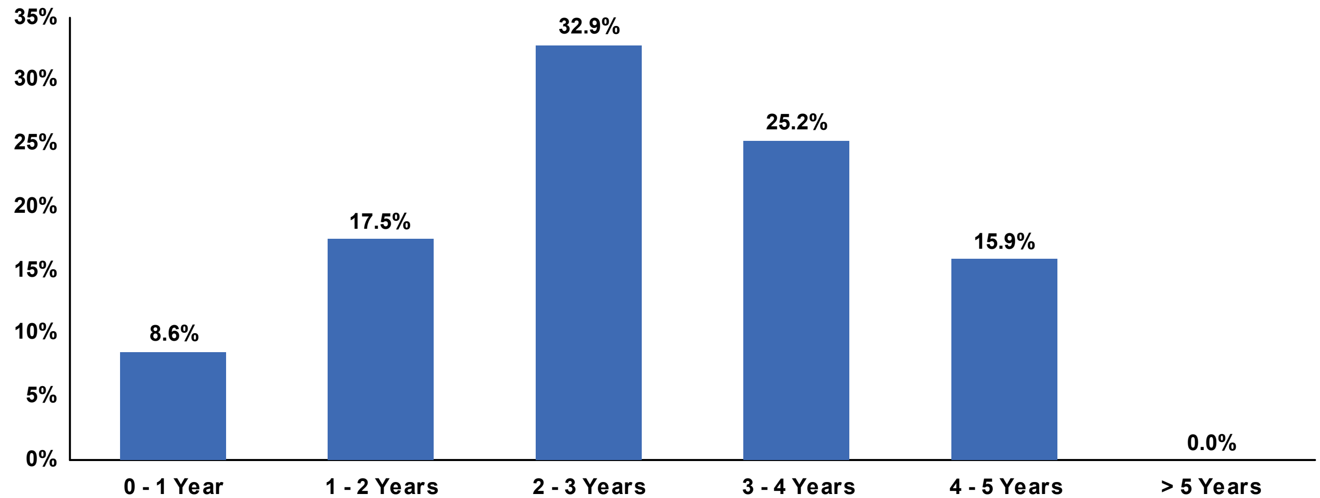
Credit Quality (S&P Ratings)



Sector Allocation



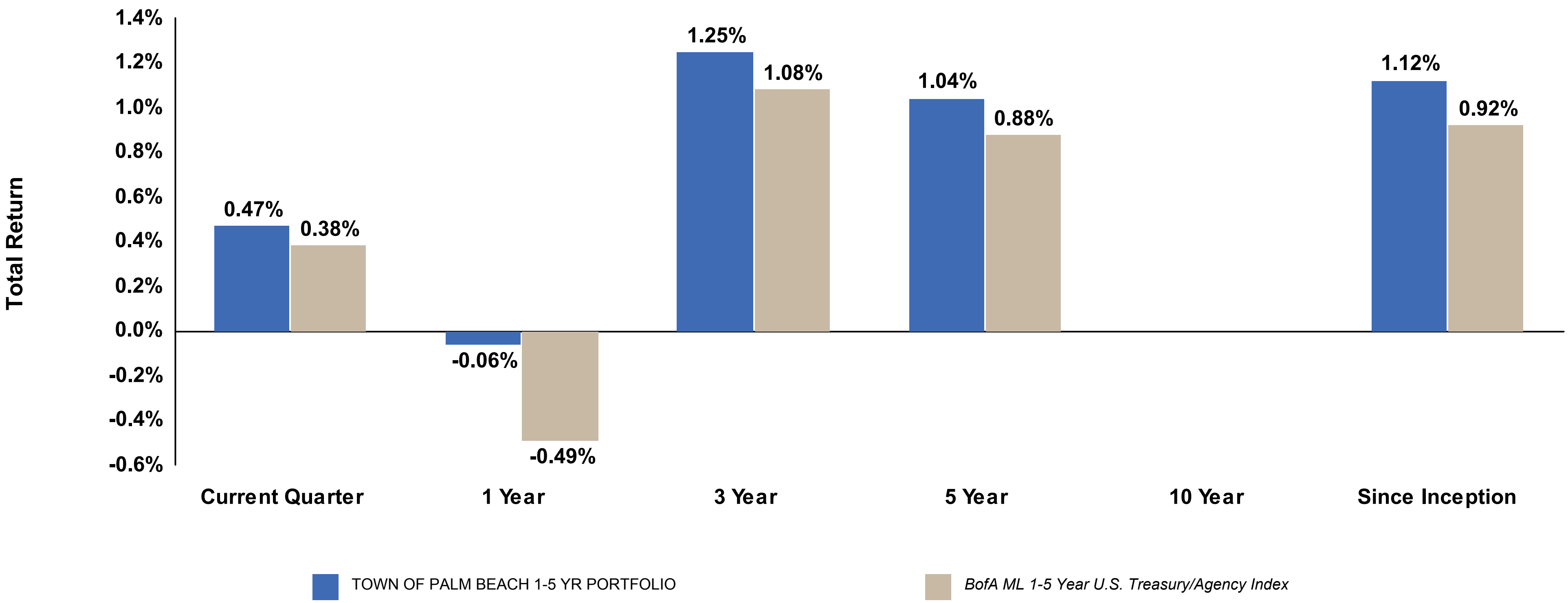
Maturity Distribution



** An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.*

Portfolio Performance (Total Return)

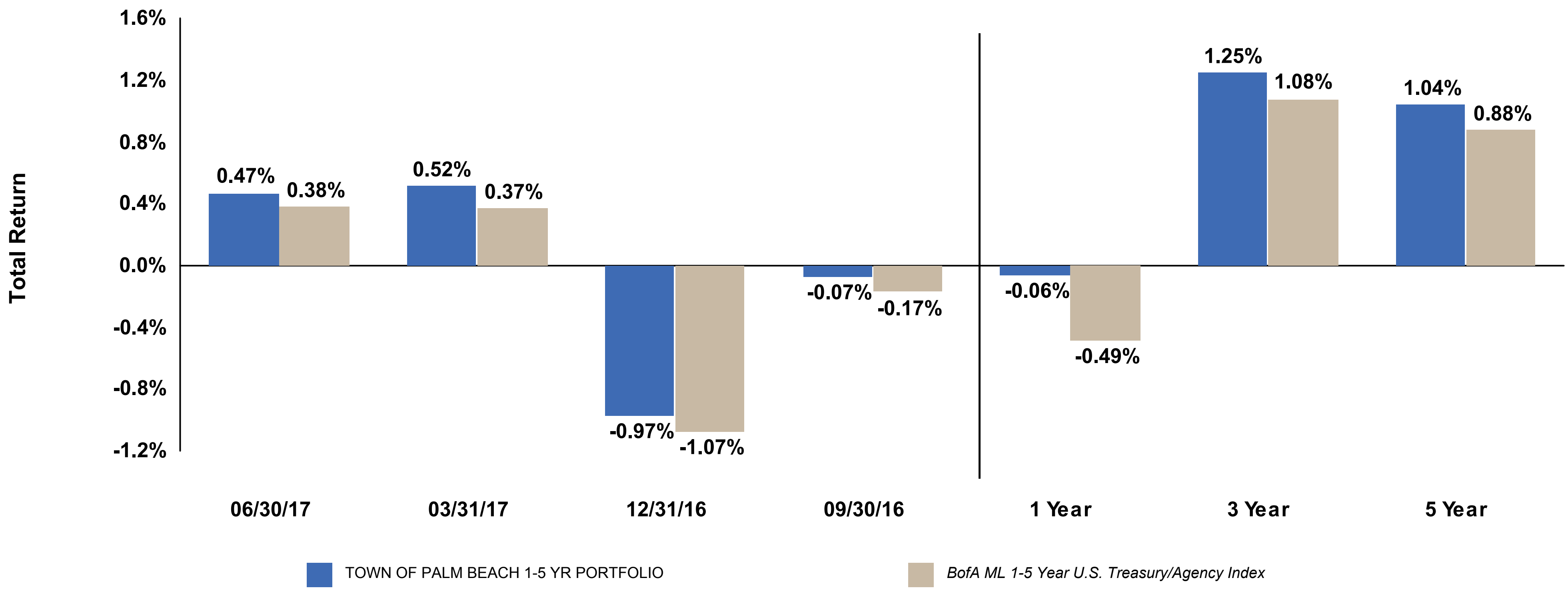
Portfolio/Benchmark	Effective Duration	Current Quarter	1 Year	Annualized Return 3 Year	5 Year	10 Year	Since Inception (09/30/11) **
TOWN OF PALM BEACH 1-5 YR PORTFOLIO	2.58	0.47%	-0.06%	1.25%	1.04%	-	1.12%
BofA ML 1-5 Year U.S. Treasury/Agency Index	*2.60*	*0.38%*	*-0.49%*	*1.08%*	*0.88%*	-	*0.92%*
Difference		0.09%	0.43%	0.17%	0.16%	-	0.20%



*Portfolio performance is gross of fees unless otherwise indicated. **Since Inception performance is not shown for periods less than one year.*

Portfolio Performance (Total Return)

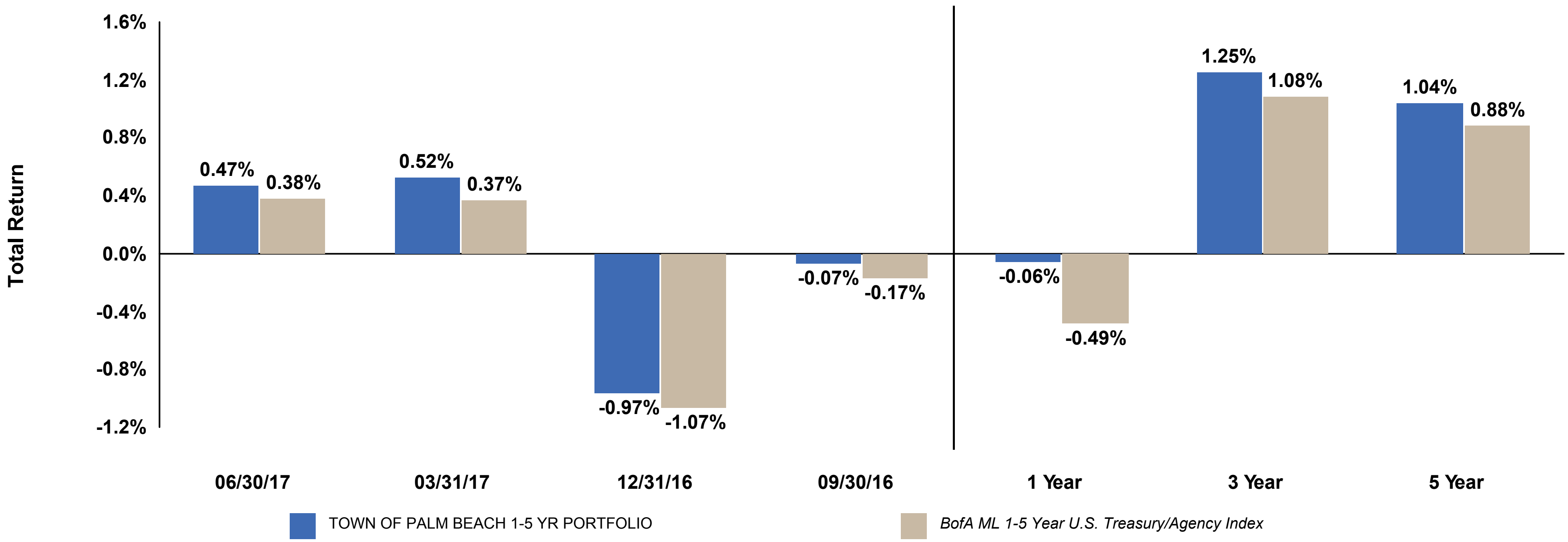
Portfolio/Benchmark	Effective Duration	Quarter Ended 06/30/17	03/31/17	12/31/16	09/30/16	1 Year	Annualized Return 3 Year	5 Year
TOWN OF PALM BEACH 1-5 YR PORTFOLIO	2.58	0.47%	0.52%	-0.97%	-0.07%	-0.06%	1.25%	1.04%
BofA ML 1-5 Year U.S. Treasury/Agency Index	*2.60*	*0.38%*	*0.37%*	*-1.07%*	*-0.17%*	*-0.49%*	*1.08%*	*0.88%*
Difference		0.09%	0.15%	0.10%	0.10%	0.43%	0.17%	0.16%



Portfolio performance is gross of fees unless otherwise indicated.

Portfolio Performance (Total Return)

Portfolio/Benchmark	Effective Duration	Quarter Ended					Annualized Return	
		06/30/17	03/31/17	12/31/16	09/30/16	1 Year	3 Year	5 Year
TOWN OF PALM BEACH 1-5 YR PORTFOLIO	2.58	0.47%	0.52%	-0.97%	-0.07%	-0.06%	1.25%	1.04%
Net of Fees **	0.00	0.45%	0.50%	-0.99%	-0.09%	-0.12%	1.19%	0.98%
BofA ML 1-5 Year U.S. Treasury/Agency Index	2.60	0.38%	*0.37%*	*-1.07%*	*-0.17%*	*-0.49%*	*1.08%*	*0.88%*
Difference (Gross)		0.09%	0.15%	0.10%	0.10%	0.43%	0.17%	0.16%
Difference (Net)		0.07%	0.13%	0.08%	0.08%	0.37%	0.11%	0.10%



*Portfolio performance is gross of fees unless otherwise indicated. ** Fees were calculated based on average assets during the period at the contractual rate.*

Portfolio Earnings

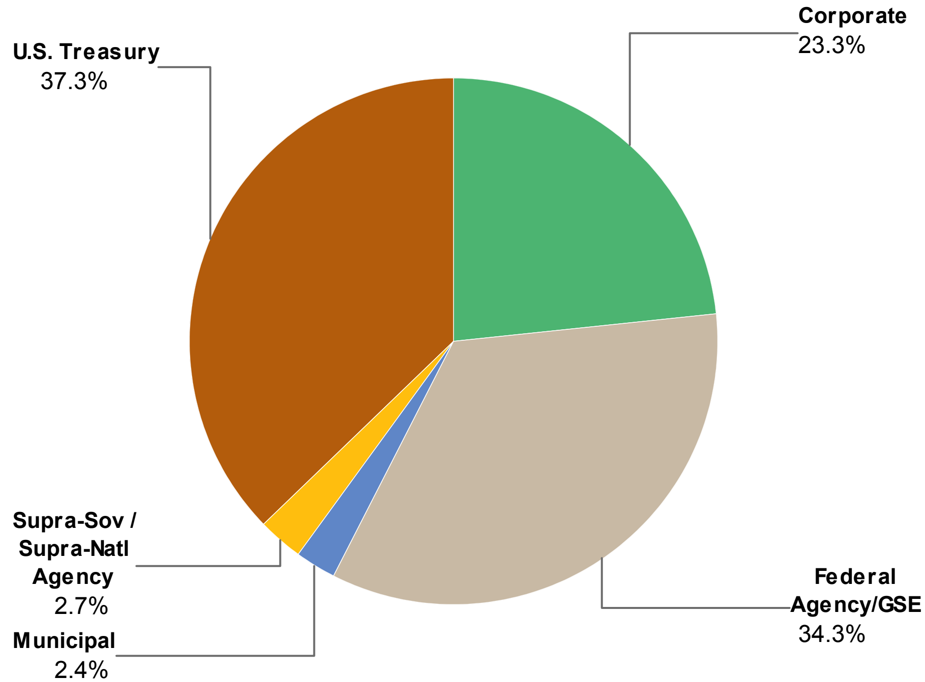
Quarter-Ended June 30, 2017

	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (03/30/2017)	$18,365,872.66	$18,443,858.53
Net Purchases/Sales	$27,161.01	$27,161.01
Change in Value	$12,338.80	$2,406.00
Ending Value (06/30/2017)	$18,405,372.47	$18,473,425.54
Interest Earned	$74,088.51	$74,088.51
Portfolio Earnings	$86,427.31	$76,494.51

Sector Allocation

As of June 30, 2017

Sector	Market Value ($)	% of Portfolio
U.S. Treasury	6,872,223	37.3%
Federal Agency/GSE	6,308,166	34.3%
Corporate	4,282,183	23.3%
Supra-Sov / Supra-Natl Agency	497,437	2.7%
Municipal	445,365	2.4%
Total	**$18,405,372**	**100.0%**

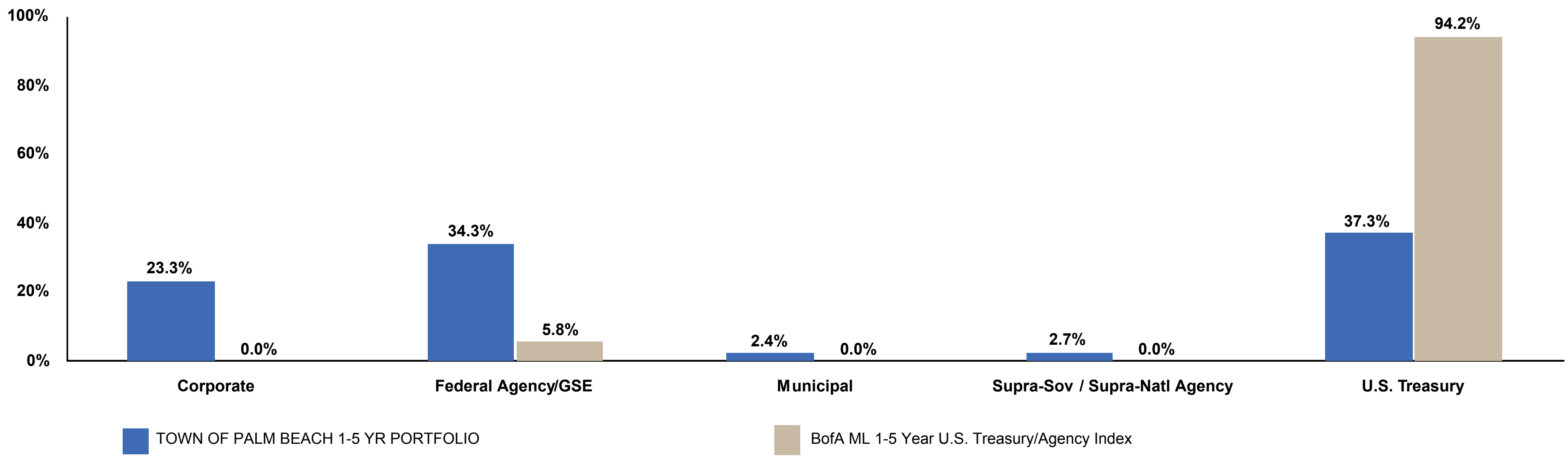


Detail may not add to total due to rounding.

Sector Allocation

As of June 30, 2017

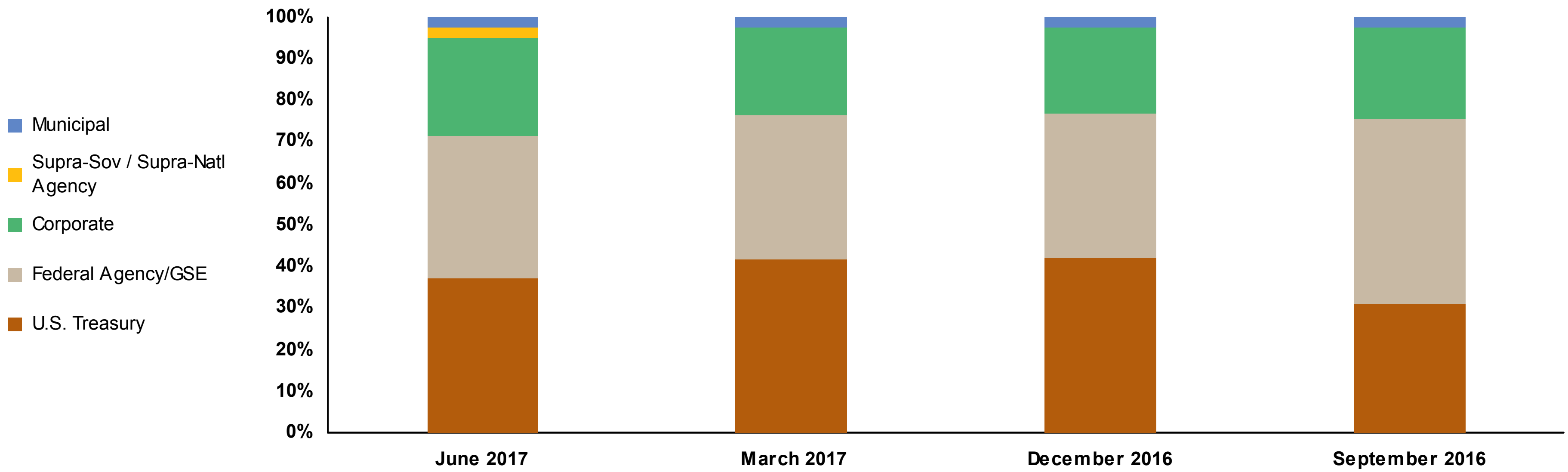
Sector	Market Value ($)	% of Portfolio	% of Benchmark
U.S. Treasury	6,872,223	37.3%	*94.2%*
Federal Agency/GSE	6,308,166	34.3%	*5.8%*
Corporate	4,282,183	23.3%	-
Supra-Sov / Supra-Natl Agency	497,437	2.7%	-
Municipal	445,365	2.4%	-
Total	**$18,405,372**	**100.0%**	***100.0%***



Detail may not add to total due to rounding.

Sector Allocation

	June 30, 2017		March 31, 2017		December 31, 2016		September 30, 2016	
Sector	**MV ($MM)**	**% of Total**	**MV ($MM)**	**% of Total**	**MV ($MM)**	**% of Total**	**MV ($MM)**	**% of Total**
U.S. Treasury	6.9	37.3%	7.7	41.9%	7.7	42.1%	5.8	31.1%
Federal Agency/GSE	6.3	34.3%	6.3	34.3%	6.4	34.8%	8.3	44.6%
Corporate	4.3	23.3%	3.9	21.4%	3.8	20.7%	4.1	21.9%
Supra-Sov / Supra-Natl Agency	0.5	2.7%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Municipal	0.4	2.4%	0.4	2.4%	0.4	2.4%	0.5	2.4%
Total	**$18.4**	**100.0%**	**$18.4**	**100.0%**	**$18.4**	**100.0%**	**$18.6**	**100.0%**

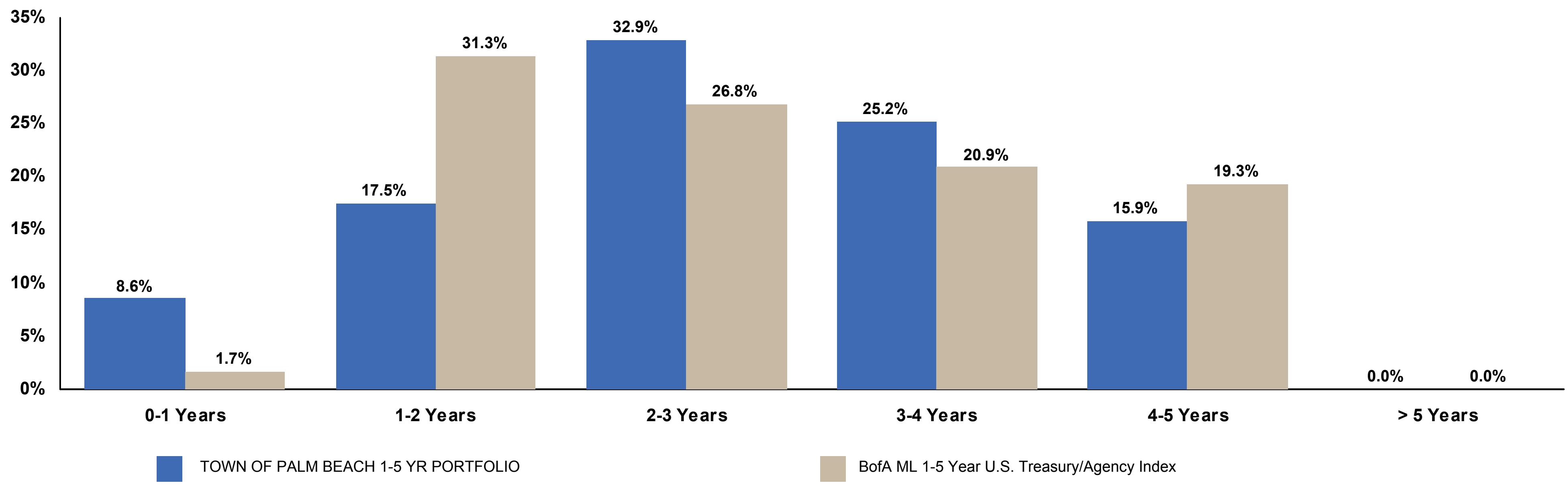


Detail may not add to total due to rounding.

Maturity Distribution

As of June 30, 2017

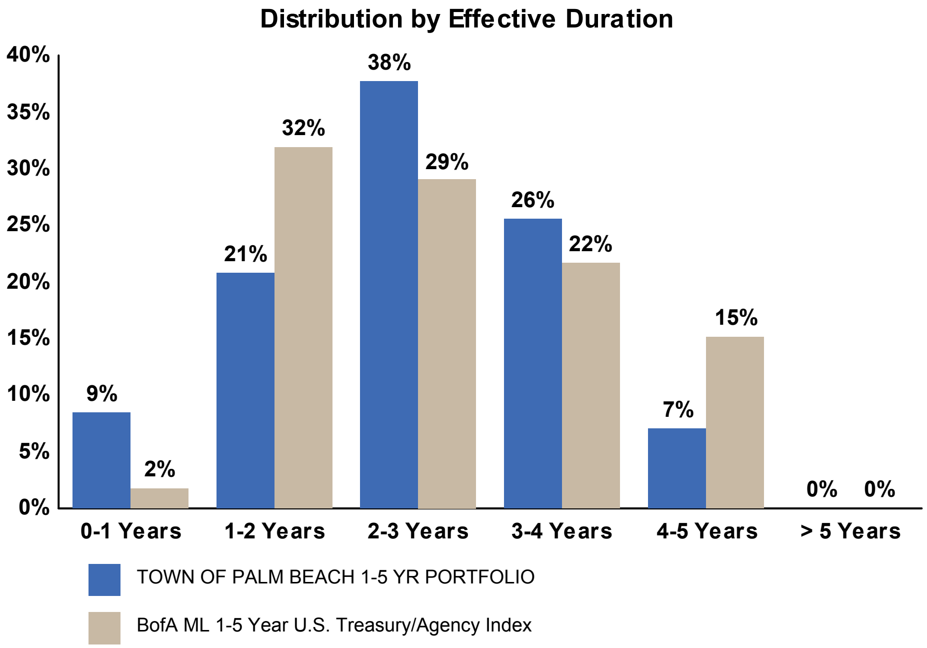
Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
TOWN OF PALM BEACH 1-5 YR PORTFOLIO	1.65%	2.69 yrs	8.6%	17.5%	32.9%	25.2%	15.9%	0.0%
BofA ML 1-5 Year U.S. Treasury/Agency Index	*1.55%*	*2.78 yrs*	*1.7%*	*31.3%*	*26.8%*	*20.9%*	*19.3%*	*0.0%*

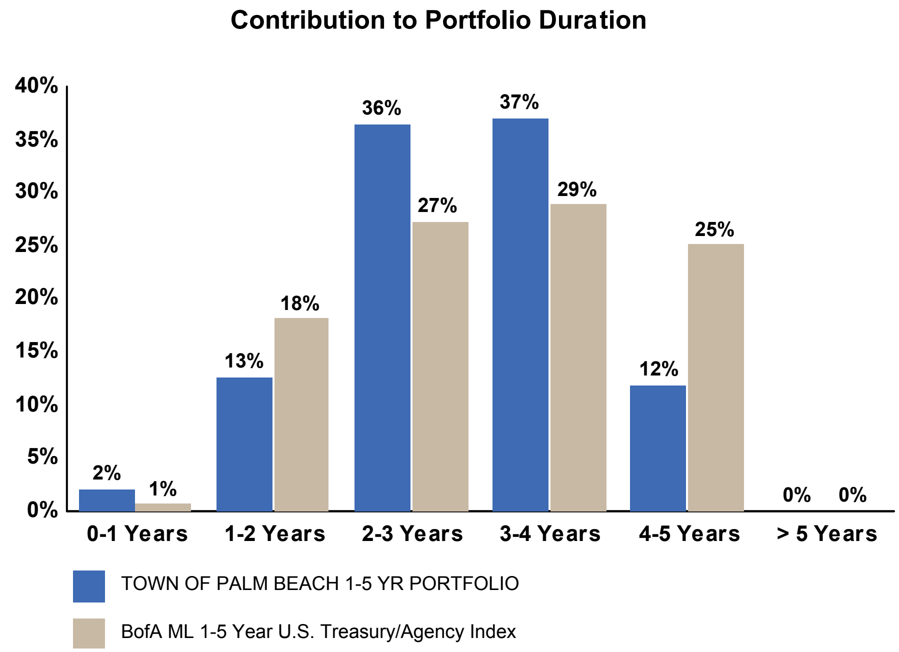


Duration Distribution

As of June 30, 2017

Portfolio / Benchmark	Effective Duration	0-1 YEARS	1-2 YEARS	2-3 YEARS	3-4 YEARS	4-5 YEARS	> 5 YEARS
TOWN OF PALM BEACH 1-5 YR PORTFOLIO	2.58	8.6%	20.8%	37.8%	25.7%	7.1%	0.0%
BofA ML 1-5 Year U.S. Treasury/Agency Index	*2.60*	*1.9%*	*32.0%*	*29.1%*	*21.8%*	*15.3%*	*0.0%*

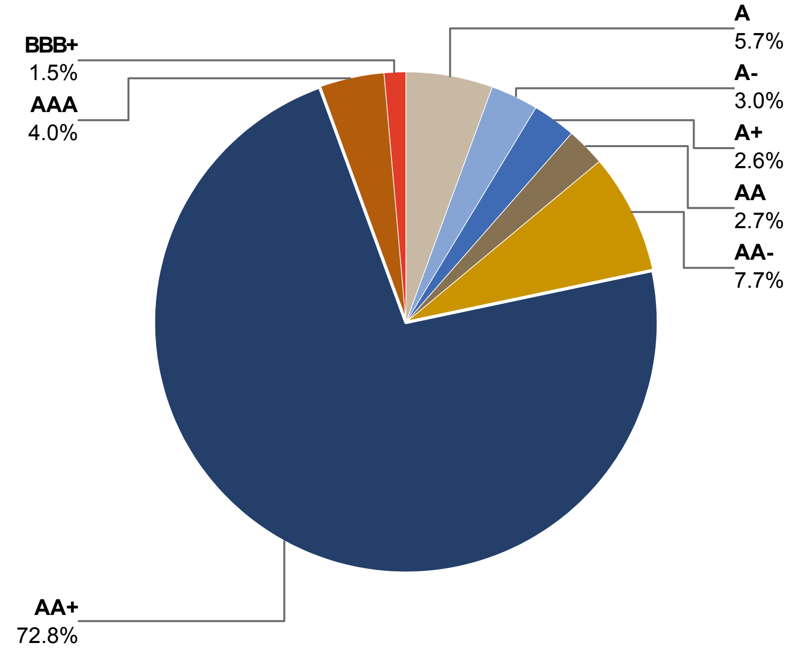




Credit Quality

As of June 30, 2017

S&P Rating	Market Value ($)	% of Portfolio
AA+	$13,398,951	72.8%
AA-	$1,409,615	7.7%
A	$1,039,999	5.7%
AAA	$746,202	4.1%
A-	$550,213	3.0%
AA	$495,002	2.7%
A+	$485,512	2.6%
BBB+	$279,878	1.5%
Totals	**$18,405,372**	**100.0%**



Detail may not add to total due to rounding.

Issuer Distribution

As of June 30, 2017

Issuer	Market Value ($)	% of Portfolio
UNITED STATES TREASURY	6,872,223	37.3%
FANNIE MAE	2,994,056	16.3%
FEDERAL HOME LOAN BANKS	2,720,650	14.8%
FREDDIE MAC	593,460	3.2%
ASIAN DEVELOPMENT BANK	497,437	2.7%
GENERAL ELECTRIC CO	490,160	2.7%
THE BANK OF NEW YORK MELLON CORPORATION	454,435	2.5%
TOYOTA MOTOR CORP	453,123	2.5%
WELLS FARGO & COMPANY	451,157	2.5%
CITY OF NEW YORK CITY, NY	445,365	2.4%
CISCO SYSTEMS INC	406,419	2.2%
JP MORGAN CHASE & CO	351,086	1.9%
GOLDMAN SACHS GROUP INC	279,878	1.5%
MICROSOFT CORP	248,765	1.4%
APPLE INC	218,562	1.2%
AMERICAN HONDA FINANCE	209,060	1.1%
UNITED PARCEL SERVICE INC	150,496	0.8%
THE WALT DISNEY CORPORATION	125,956	0.7%

Top 5 = 74.3%

Top 10 = 86.8%

Issuer	Market Value ($)	% of Portfolio
AMERICAN EXPRESS CO	109,830	0.6%
BB&T CORPORATION	89,298	0.5%
HOME DEPOT INC	85,039	0.5%
NEW YORK UNIVERSITY	59,912	0.3%
BERKSHIRE HATHAWAY INC	49,637	0.3%
STATE STREET CORPORATION	49,369	0.3%
Grand Total:	**18,405,372**	**100.0%**

Sector/Issuer Distribution

As of June 30, 2017

Sector / Issuer	Market Value ($)	% of Sector	% of Total Portfolio
Corporate			
AMERICAN EXPRESS CO	109,830	2.6%	0.6%
AMERICAN HONDA FINANCE	209,060	4.9%	1.1%
APPLE INC	218,562	5.1%	1.2%
BB&T CORPORATION	89,298	2.1%	0.5%
BERKSHIRE HATHAWAY INC	49,637	1.2%	0.3%
CISCO SYSTEMS INC	406,419	9.5%	2.2%
GENERAL ELECTRIC CO	490,160	11.4%	2.7%
GOLDMAN SACHS GROUP INC	279,878	6.5%	1.5%
HOME DEPOT INC	85,039	2.0%	0.5%
JP MORGAN CHASE & CO	351,086	8.2%	1.9%
MICROSOFT CORP	248,765	5.8%	1.4%
NEW YORK UNIVERSITY	59,912	1.4%	0.3%
STATE STREET CORPORATION	49,369	1.2%	0.3%
THE BANK OF NEW YORK MELLON CORPORATION	454,435	10.6%	2.5%
THE WALT DISNEY CORPORATION	125,956	2.9%	0.7%
TOYOTA MOTOR CORP	453,123	10.6%	2.5%
UNITED PARCEL SERVICE INC	150,496	3.5%	0.8%
WELLS FARGO & COMPANY	451,157	10.5%	2.5%
Sector Total	**4,282,183**	**100.0%**	**23.3%**

Sector / Issuer	Market Value ($)	% of Sector	% of Total Portfolio
Federal Agency/GSE			
FANNIE MAE	2,994,056	47.5%	16.3%
FEDERAL HOME LOAN BANKS	2,720,650	43.1%	14.8%
FREDDIE MAC	593,460	9.4%	3.2%
Sector Total	**6,308,166**	**100.0%**	**34.3%**
Municipal			
CITY OF NEW YORK CITY, NY	445,365	100.0%	2.4%
Sector Total	**445,365**	**100.0%**	**2.4%**
Supra-Sov / Supra-Natl Agency			
ASIAN DEVELOPMENT BANK	497,437	100.0%	2.7%
Sector Total	**497,437**	**100.0%**	**2.7%**
U.S. Treasury			
UNITED STATES TREASURY	6,872,223	100.0%	37.3%
Sector Total	**6,872,223**	**100.0%**	**37.3%**
Portfolio Total	**18,405,372**	**100.0%**	**100.0%**

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt ($)	Yield at Market	Realized G/L (BV)
BUY									
4/3/17	4/6/17	220,000	037833AY6	APPLE INC CORP NOTES	2.15%	2/9/22	218,702.92	2.35%	
4/3/17	4/6/17	165,000	912828U65	US TREASURY N/B	1.75%	11/30/21	165,208.23	1.86%	
5/1/17	5/4/17	125,000	25468PDQ6	WALT DISNEY COMPANY CORP NOTES	2.45%	3/4/22	126,555.90	2.26%	
5/24/17	6/5/17	85,000	437076BQ4	HOME DEPOT INC CORP NOTES	1.80%	6/5/20	84,950.70	1.82%	
5/31/17	6/8/17	500,000	045167EA7	ASIAN DEVELOPMENT BANK NOTE	1.75%	6/8/21	498,885.00	1.81%	
6/6/17	6/9/17	150,000	911312BC9	UNITED PARCEL SERVICE CORP NOTES	2.35%	5/16/22	151,863.21	2.12%	
6/26/17	6/28/17	800,000	912828G87	US TREASURY NOTES	2.12%	12/31/21	822,468.58	1.72%	
Total BUY		**2,045,000**					**2,068,634.54**		
INTEREST									
4/1/17	4/1/17	625,000	3130A9AE1	FHLB GLOBAL NOTE	0.87%	10/1/18	2,734.38		
4/1/17	4/1/17	265,000	64966LZC8	NYC, NY TXBL GO BONDS	1.65%	10/1/18	2,186.25		
4/3/17	4/3/17	0	MONEY0002	MONEY MARKET FUND			38.20		
4/25/17	4/25/17	240,000	38141GVT8	GOLDMAN SACHS GRP INC CORP NT (CALLABLE)	2.00%	4/25/19	2,400.00		
4/25/17	4/25/17	40,000	38141GVT8	GOLDMAN SACHS GRP INC CORP NT (CALLABLE)	2.00%	4/25/19	400.00		
4/26/17	4/26/17	500,000	3135G0PQ0	FANNIE MAE GLOBAL NOTES	0.87%	10/26/17	2,187.50		
4/30/17	4/30/17	345,000	912828T67	US TREASURY NOTES	1.25%	10/31/21	2,156.25		
4/30/17	4/30/17	265,000	912828T67	US TREASURY NOTES	1.25%	10/31/21	1,656.25		
5/1/17	5/1/17	0	MONEY0002	MONEY MARKET FUND			55.90		
5/5/17	5/5/17	110,000	0258M0EB1	AMERICAN EXPRESS CREDIT CORP NOTES	2.25%	5/5/21	1,237.50		
5/6/17	5/6/17	475,000	3135G0K69	FNMA BENCHMARK NOTE	1.25%	5/6/21	2,968.75		
5/10/17	5/10/17	90,000	05531FAV5	BRANCH BANKING & TRUST CORP NOTE	2.05%	5/10/21	922.50		
5/19/17	5/19/17	50,000	857477AV5	STATE STREET CORP NOTES	1.95%	5/19/21	487.50		
5/21/17	5/21/17	485,000	3135G0WJ8	FANNIE MAE GLOBAL NOTES	0.87%	5/21/18	2,121.88		

Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt ($)	Yield at Market	Realized G/L (BV)
5/31/17	5/31/17	270,000	912828A42	US TREASURY NOTE	2.00%	11/30/20	2,700.00		
5/31/17	5/31/17	165,000	912828U65	US TREASURY N/B	1.75%	11/30/21	1,443.75		
5/31/17	5/31/17	390,000	912828WL0	US TREASURY NOTES	1.50%	5/31/19	2,925.00		
5/31/17	5/31/17	370,000	912828A42	US TREASURY NOTE	2.00%	11/30/20	3,700.00		
5/31/17	5/31/17	410,000	912828WN6	US TREASURY NOTES	2.00%	5/31/21	4,100.00		
5/31/17	5/31/17	240,000	912828UB4	US TREASURY NOTES	1.00%	11/30/19	1,200.00		
6/1/17	6/1/17	0	MONEY0002	MONEY MARKET FUND			64.63		
6/1/17	6/1/17	180,000	64966LN49	NYC, NY TXBL GO BONDS	1.80%	6/1/19	1,620.00		
6/15/17	6/15/17	400,000	17275RAX0	CISCO SYSTEMS INC CORP NOTES	2.45%	6/15/20	4,900.00		
6/21/17	6/21/17	470,000	3130A8DB6	FHLB GLOBAL NOTE	1.12%	6/21/19	2,643.75		
6/30/17	6/30/17	800,000	912828G87	US TREASURY NOTES	2.12%	12/31/21	8,500.00		
Total INTEREST		**7,185,000**					**55,349.99**		

SELL

Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt ($)	Yield at Market	Realized G/L (BV)
4/3/17	4/6/17	165,000	912828UZ1	US TREASURY NOTES	0.62%	4/30/18	164,609.36	1.11%	(509.93)
4/4/17	4/6/17	220,000	097023BF1	BOEING COMPANY (FLOATING) NOTE	1.29%	10/30/17	220,611.16	1.06%	141.68
5/1/17	5/4/17	125,000	912828T67	US TREASURY NOTES	1.25%	10/31/21	122,111.71	1.79%	803.97
5/26/17	6/5/17	85,000	912828UQ1	US TREASURY NOTES	1.25%	2/29/20	84,921.47	1.41%	122.72
6/1/17	6/8/17	345,000	912828T67	US TREASURY NOTES	1.25%	10/31/21	338,678.32	1.72%	5,669.00
6/1/17	6/8/17	140,000	912828T67	US TREASURY NOTES	1.25%	10/31/21	137,434.68	1.72%	1,318.93
6/6/17	6/9/17	165,000	912828U65	US TREASURY N/B	1.75%	11/30/21	165,715.53	1.66%	1,413.42
6/26/17	6/28/17	800,000	912828UE8	US TREASURY NOTES	0.75%	12/31/17	801,404.35	1.14%	14.05
Total SELL		**2,045,000**					**2,035,486.58**		**8,973.84**

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt ($)	Yield	Realized G/L (BV)
INTEREST	4/1/17	4/1/17	625,000.00	3130A9AE1	FHLB GLOBAL NOTE	0.87%	10/1/18	2,734.38		
INTEREST	4/1/17	4/1/17	265,000.00	64966LZC8	NYC, NY TXBL GO BONDS	1.65%	10/1/18	2,186.25		
INTEREST	4/3/17	4/3/17	0.00	MONEY0002	MONEY MARKET FUND			38.20		
BUY	4/3/17	4/6/17	220,000.00	037833AY6	APPLE INC CORP NOTES	2.15%	2/9/22	(218,702.92)	2.35%	
BUY	4/3/17	4/6/17	165,000.00	912828U65	US TREASURY N/B	1.75%	11/30/21	(165,208.23)	1.86%	
SELL	4/3/17	4/6/17	165,000.00	912828UZ1	US TREASURY NOTES	0.62%	4/30/18	164,609.36	1.11%	(509.93)
SELL	4/4/17	4/6/17	220,000.00	097023BF1	BOEING COMPANY (FLOATING) NOTE	1.29%	10/30/17	220,611.16	1.06%	141.68
INTEREST	4/25/17	4/25/17	240,000.00	38141GVT8	GOLDMAN SACHS GRP INC CORP NT (CALLABLE)	2.00%	4/25/19	2,400.00		
INTEREST	4/25/17	4/25/17	40,000.00	38141GVT8	GOLDMAN SACHS GRP INC CORP NT (CALLABLE)	2.00%	4/25/19	400.00		
INTEREST	4/26/17	4/26/17	500,000.00	3135G0PQ0	FANNIE MAE GLOBAL NOTES	0.87%	10/26/17	2,187.50		
INTEREST	4/30/17	4/30/17	345,000.00	912828T67	US TREASURY NOTES	1.25%	10/31/21	2,156.25		
INTEREST	4/30/17	4/30/17	265,000.00	912828T67	US TREASURY NOTES	1.25%	10/31/21	1,656.25		
INTEREST	5/1/17	5/1/17	0.00	MONEY0002	MONEY MARKET FUND			55.90		
BUY	5/1/17	5/4/17	125,000.00	25468PDQ6	WALT DISNEY COMPANY CORP NOTES	2.45%	3/4/22	(126,555.90)	2.26%	
SELL	5/1/17	5/4/17	125,000.00	912828T67	US TREASURY NOTES	1.25%	10/31/21	122,111.71	1.79%	803.97
INTEREST	5/5/17	5/5/17	110,000.00	0258M0EB1	AMERICAN EXPRESS CREDIT CORP NOTES	2.25%	5/5/21	1,237.50		
INTEREST	5/6/17	5/6/17	475,000.00	3135G0K69	FNMA BENCHMARK NOTE	1.25%	5/6/21	2,968.75		
INTEREST	5/10/17	5/10/17	90,000.00	05531FAV5	BRANCH BANKING & TRUST CORP NOTE	2.05%	5/10/21	922.50		
INTEREST	5/19/17	5/19/17	50,000.00	857477AV5	STATE STREET CORP NOTES	1.95%	5/19/21	487.50		
INTEREST	5/21/17	5/21/17	485,000.00	3135G0WJ8	FANNIE MAE GLOBAL NOTES	0.87%	5/21/18	2,121.88		

Tran. Type	Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt ($)	Yield	Realized G/L (BV)
BUY	5/24/17	6/5/17	85,000.00	437076BQ4	HOME DEPOT INC CORP NOTES	1.80%	6/5/20	(84,950.70)	1.82%	
SELL	5/26/17	6/5/17	85,000.00	912828UQ1	US TREASURY NOTES	1.25%	2/29/20	84,921.47	1.41%	122.72
INTEREST	5/31/17	5/31/17	270,000.00	912828A42	US TREASURY NOTE	2.00%	11/30/20	2,700.00		
INTEREST	5/31/17	5/31/17	165,000.00	912828U65	US TREASURY N/B	1.75%	11/30/21	1,443.75		
INTEREST	5/31/17	5/31/17	390,000.00	912828WL0	US TREASURY NOTES	1.50%	5/31/19	2,925.00		
INTEREST	5/31/17	5/31/17	370,000.00	912828A42	US TREASURY NOTE	2.00%	11/30/20	3,700.00		
INTEREST	5/31/17	5/31/17	410,000.00	912828WN6	US TREASURY NOTES	2.00%	5/31/21	4,100.00		
INTEREST	5/31/17	5/31/17	240,000.00	912828UB4	US TREASURY NOTES	1.00%	11/30/19	1,200.00		
BUY	5/31/17	6/8/17	500,000.00	045167EA7	ASIAN DEVELOPMENT BANK NOTE	1.75%	6/8/21	(498,885.00)	1.81%	
INTEREST	6/1/17	6/1/17	0.00	MONEY0002	MONEY MARKET FUND			64.63		
INTEREST	6/1/17	6/1/17	180,000.00	64966LN49	NYC, NY TXBL GO BONDS	1.80%	6/1/19	1,620.00		
SELL	6/1/17	6/8/17	345,000.00	912828T67	US TREASURY NOTES	1.25%	10/31/21	338,678.32	1.72%	5,669.00
SELL	6/1/17	6/8/17	140,000.00	912828T67	US TREASURY NOTES	1.25%	10/31/21	137,434.68	1.72%	1,318.93
BUY	6/6/17	6/9/17	150,000.00	911312BC9	UNITED PARCEL SERVICE CORP NOTES	2.35%	5/16/22	(151,863.21)	2.12%	
SELL	6/6/17	6/9/17	165,000.00	912828U65	US TREASURY N/B	1.75%	11/30/21	165,715.53	1.66%	1,413.42
INTEREST	6/15/17	6/15/17	400,000.00	17275RAX0	CISCO SYSTEMS INC CORP NOTES	2.45%	6/15/20	4,900.00		
INTEREST	6/21/17	6/21/17	470,000.00	3130A8DB6	FHLB GLOBAL NOTE	1.12%	6/21/19	2,643.75		
BUY	6/26/17	6/28/17	800,000.00	912828G87	US TREASURY NOTES	2.12%	12/31/21	(822,468.58)	1.72%	
SELL	6/26/17	6/28/17	800,000.00	912828UE8	US TREASURY NOTES	0.75%	12/31/17	801,404.35	1.14%	14.05
INTEREST	6/30/17	6/30/17	800,000.00	912828G87	US TREASURY NOTES	2.12%	12/31/21	8,500.00		
TOTALS								**22,202.03**		**8,973.84**

Short Term and Bond Proceed Portfolios Statistics

Account Name	Amortized Cost[1,2,3] June 30, 2017	Amortized Cost[1,2,3] March 31, 2017	Market Value[1,2,3] June 30, 2017	Market Value[1,2,3] March 31, 2017	Duration (Years)[4] June 30, 2017
Short Term Portfolio - 4245	**$2,970,313**	$5,492,242	**$2,969,846**	$5,493,890	**0.67**
2013 Bond Fund - 4265	**$6,246,982**	$14,810,614	**$6,247,129**	$14,814,592	**0.18**
LGIP - FEITF Excess Funds - 174[8]	**$4,730,510**	$10,155,373	**$4,730,510**	$10,155,373	**54 Days**
LGIP -FEITF 2013 Bond Fund - 357[8]	**$2,092,830**	$3,191,082	**$2,092,830**	$3,191,082	**54 Days**
Money Market Account -Bank United 1280 -Short Term	**$10,734,684**	$0	**$10,734,684**	$0	**0.003**
Money Market Fund - Goldman Sachs Financial Squares Government Fund (TD Bank) - Short Term	**$44,736**	$10,327	**$44,736**	$10,327	**0.003**
Money Market Fund - Goldman Sachs Financial Squares Government Fund (TD Bank) - 2013 Bond Fund	**$15,176**	$36,598	**$15,176**	$36,598	**0.003**
Total	**$26,835,230.89**	$33,696,236.43	**$26,834,910.89**	$33,701,861.18	

Account Name	Yield to Maturity at Cost[5,6] June 30, 2017	Yield to Maturity at Cost[5,6] March 31, 2017	Yield to Maturity at Market[5,6] June 30, 2017	Yield to Maturity at Market[5,6] March 31, 2017	Duration (Years)[4] March 31, 2017
Short Term Portfolio - 4245	**1.48%**	1.25%	**1.49%**	0.95%	0.11
2013 Bond Fund - 4265	**0.99%**	0.99%	**0.94%**	0.85%	0.23
LGIP - FEITF Excess Funds - 174[6,8]	**1.09%**	0.98%	**1.09%**	0.98%	51 Days
LGIP - FEITF 2013 Bond Fund - 357[6,8]	**1.09%**	0.98%	**1.09%**	0.98%	51 Days
Money Market Account -Bank United 1280 -Short Term	**0.06%**	0.06%	**0.06%**	0.06%	0.003
Money Market Fund - Goldman Sachs Financial Squares Government Fund (TD Bank) - Short Term	**0.86%**	0.62%	**0.86%**	0.62%	0.003
Money Market Fund - Goldman Sachs Financial Squares Government Fund (TD Bank) - 2013 Bond Fund	**0.86%**	0.62%	**0.86%**	0.62%	0.003
Weighted Average Yield	**0.70%**	1.03%	**0.69%**	0.92%	

Benchmarks	June 30, 2017	March 31, 2017
S&P GIP All 30 Day Index[7]	**1.07%**	0.89%

Notes:

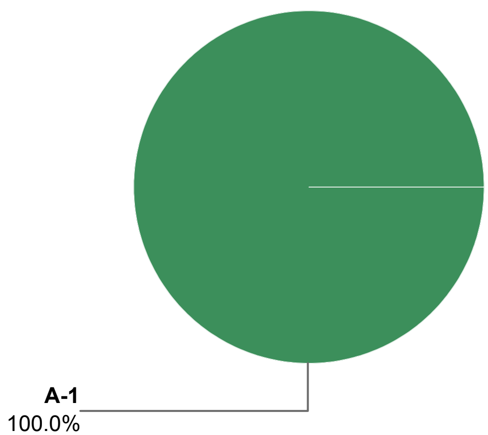
1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. In order to comply with GASB accrual accounting reporting requirements; forward settling trades are included in the monthly balances.
3. Includes any money market fund/cash balances held in custodian account.
4. Money Market Fund duration is based on weighted average duration in days.
5. Past performance is not indicative of future results.
6. Seven day yield as of quarter end. The yields shown above represent past performance. Past performance is no guarantee of future results and yields may vary. The current fund performance may be higher or lower than that cited. The current seven-day yield does not include realized gains and losses on the sale of securities. The yields shown above may reflect fee waivers by service providers that subsidize and reduce the total operating expenses of the Funds. Fund yields would be lower if there were no such waivers.
7. Monthly yields, source Bloomberg.
8. PFM Prime Funds were moved into FEITF during the second quarter of 2016. All March 31, 2016 numbers reflect PFM PRIME balances and statistics.

Portfolio Statistics

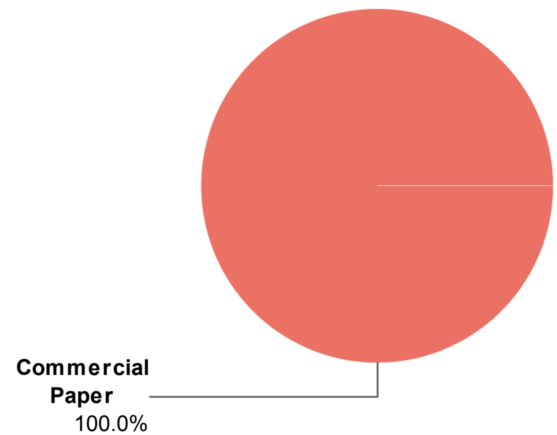
As of June 30, 2017

Par Value:	$3,000,000
Total Market Value:	$3,014,581
Security Market Value:	$2,969,846
Accrued Interest:	-
Cash:	$44,736
Amortized Cost:	$2,970,313
Yield at Market:	1.49%
Yield at Cost:	1.48%
Effective Duration:	0.67 Years
Duration to Worst:	0.67 Years
Average Maturity:	0.67 Years
Average Credit: **	A
Benchmark Eff. Yield:	0.88%

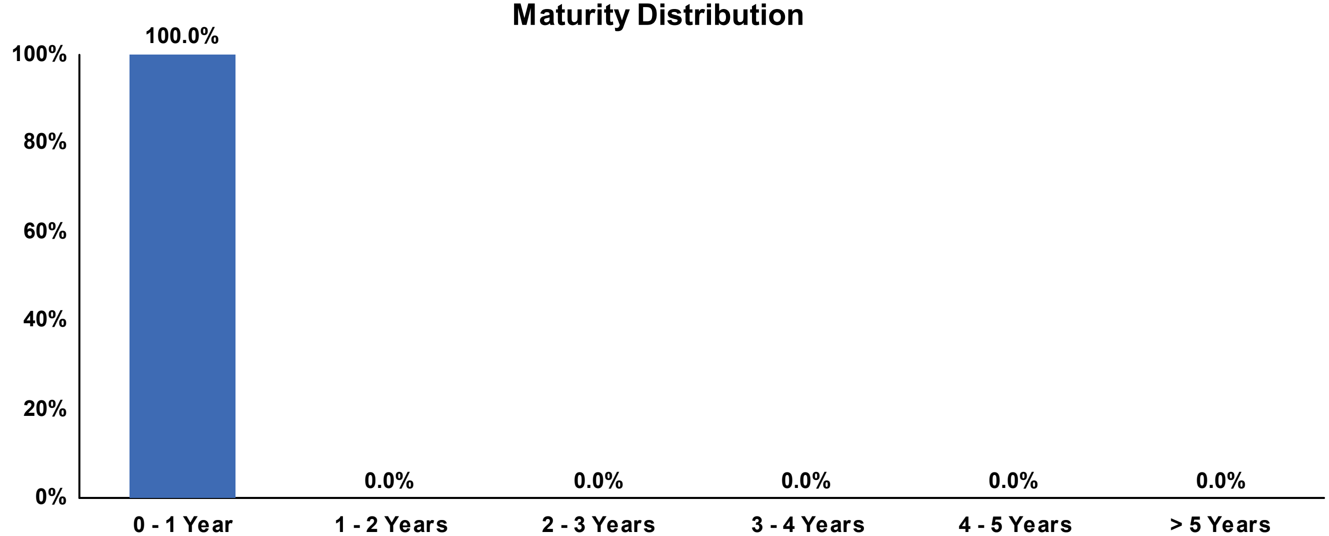
Credit Quality (S&P Ratings)



Sector Allocation



Maturity Distribution



** An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.*

Portfolio Earnings

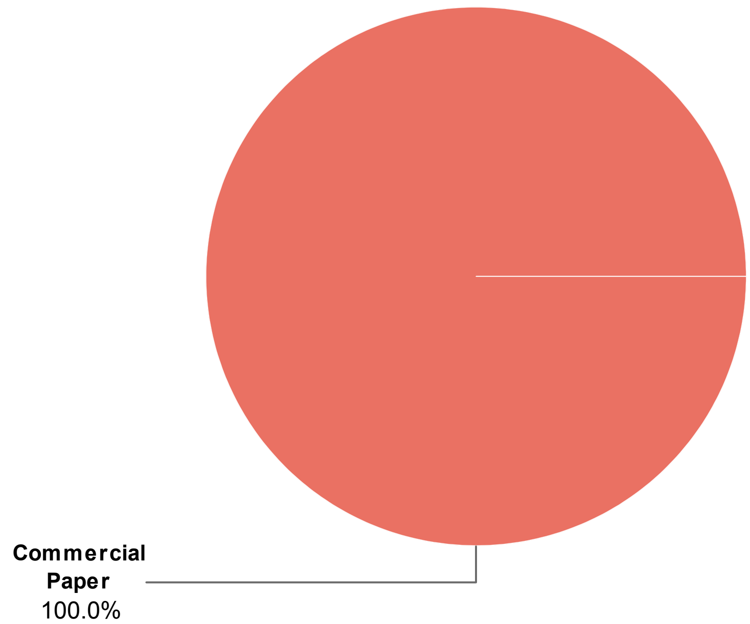
Quarter-Ended June 30, 2017

	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (03/31/2017)	$5,493,889.50	$5,492,242.09
Net Purchases/Sales	($2,532,850.00)	($2,532,850.00)
Change in Value	$8,806.00	$10,921.25
Ending Value (06/30/2017)	$2,969,845.50	$2,970,313.34
Interest Earned	$1,558.63	$1,558.63
Portfolio Earnings	$10,364.63	$12,479.88

Sector Allocation

As of June 30, 2017

Sector	Market Value ($)	% of Portfolio
Commercial Paper	2,969,846	100.0%
Total	**$2,969,846**	**100.0%**

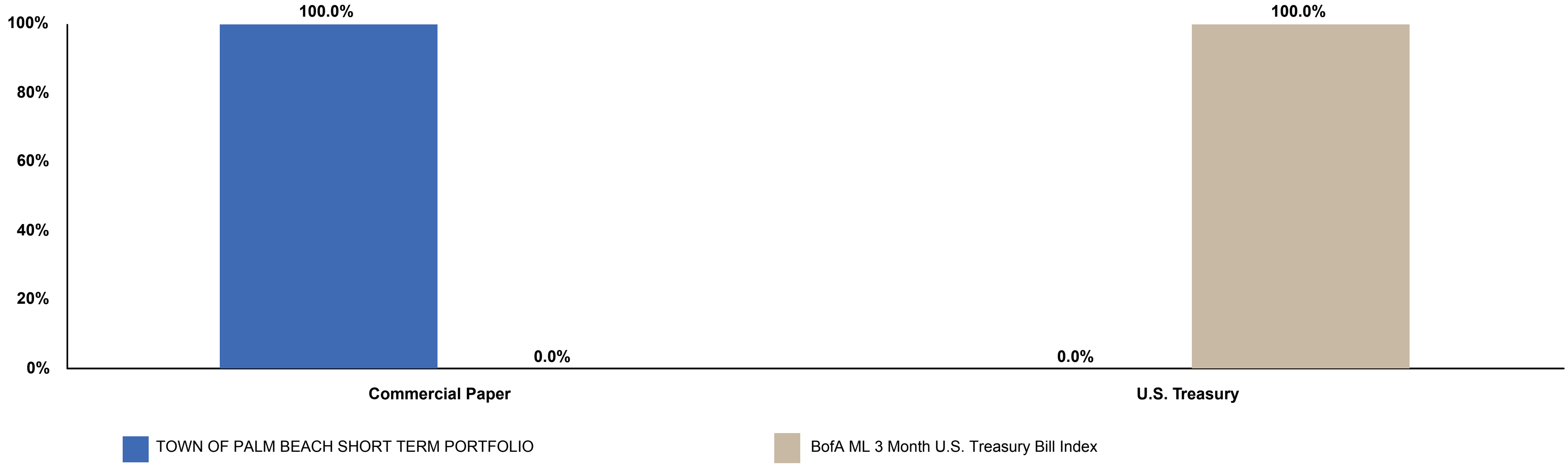


Detail may not add to total due to rounding.

Sector Allocation

As of June 30, 2017

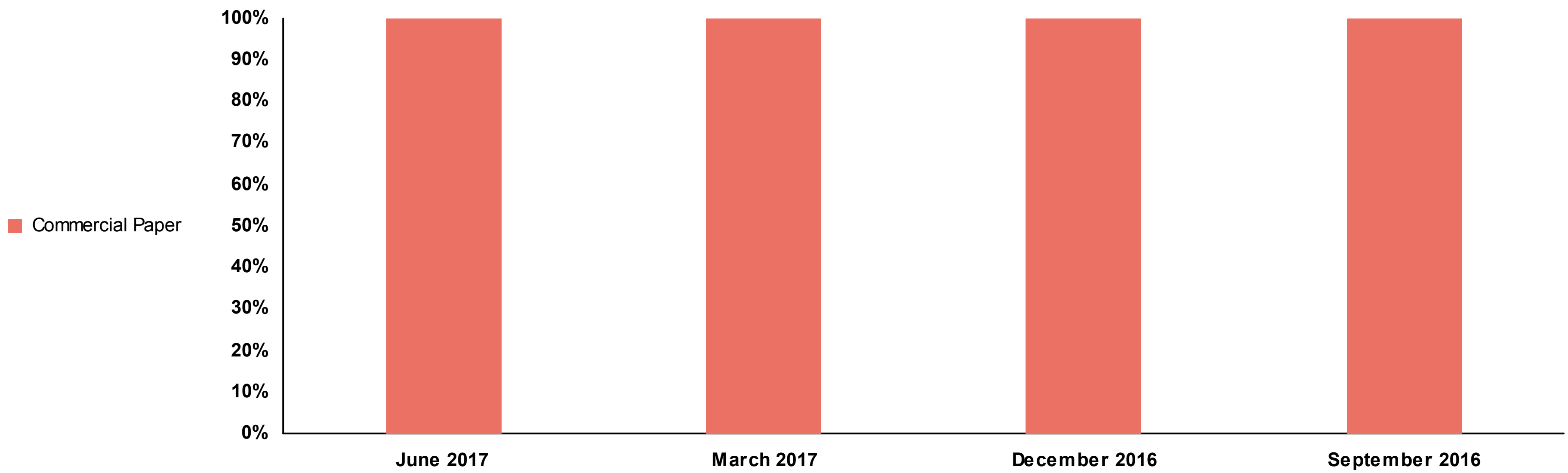
Sector	Market Value ($)	% of Portfolio	% of Benchmark
Commercial Paper	2,969,846	100.0%	-
U.S. Treasury	-	-	*100.0%*
Total	**$2,969,846**	**100.0%**	***100.0%***



Detail may not add to total due to rounding.

Sector Allocation

	June 30, 2017		March 31, 2017		December 31, 2016		September 30, 2016	
Sector	**MV ($MM)**	**% of Total**	**MV ($MM)**	**% of Total**	**MV ($MM)**	**% of Total**	**MV ($MM)**	**% of Total**
Commercial Paper	3.0	100.0%	5.5	100.0%	5.5	100.0%	8.5	100.0%
Total	**$3.0**	**100.0%**	**$5.5**	**100.0%**	**$5.5**	**100.0%**	**$8.5**	**100.0%**

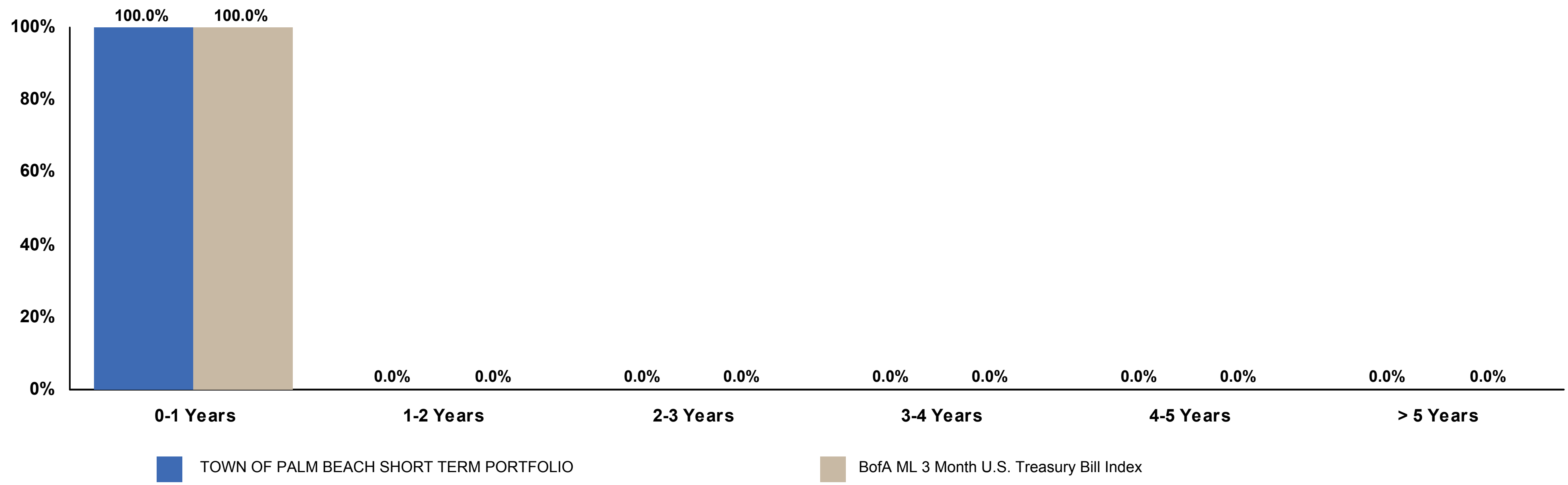


Detail may not add to total due to rounding.

Maturity Distribution

As of June 30, 2017

Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
TOWN OF PALM BEACH SHORT TERM PORTFOLIO	1.49%	0.67 yrs	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
BofA ML 3 Month U.S. Treasury Bill Index	*1.00%*	*0.25 yrs*	*100.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*

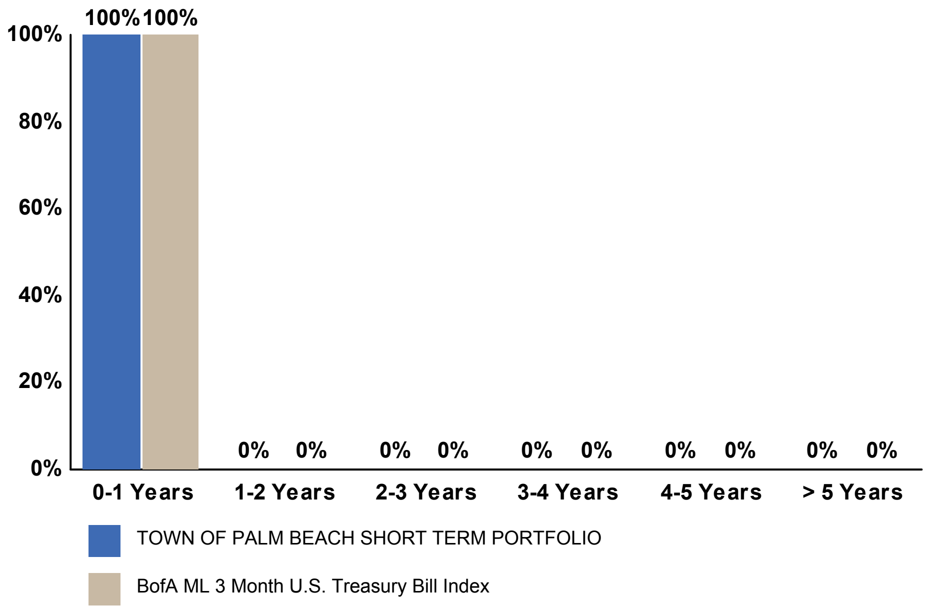


Duration Distribution

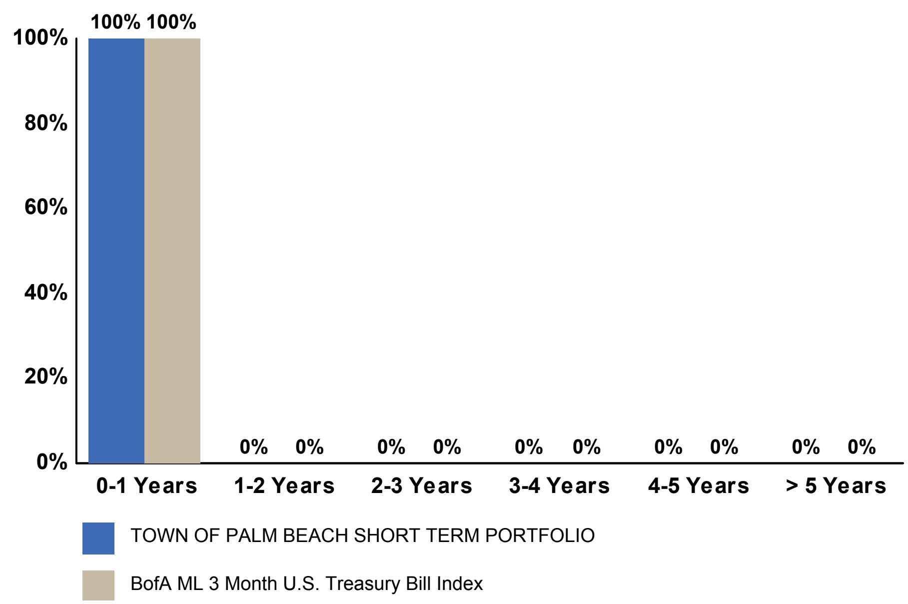
As of June 30, 2017

Portfolio / Benchmark	Effective Duration	0-1 YEARS	1-2 YEARS	2-3 YEARS	3-4 YEARS	4-5 YEARS	> 5 YEARS
TOWN OF PALM BEACH SHORT TERM PORTFOLIO	0.67	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
BofA ML 3 Month U.S. Treasury Bill Index	*0.15*	*100.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*

Distribution by Effective Duration



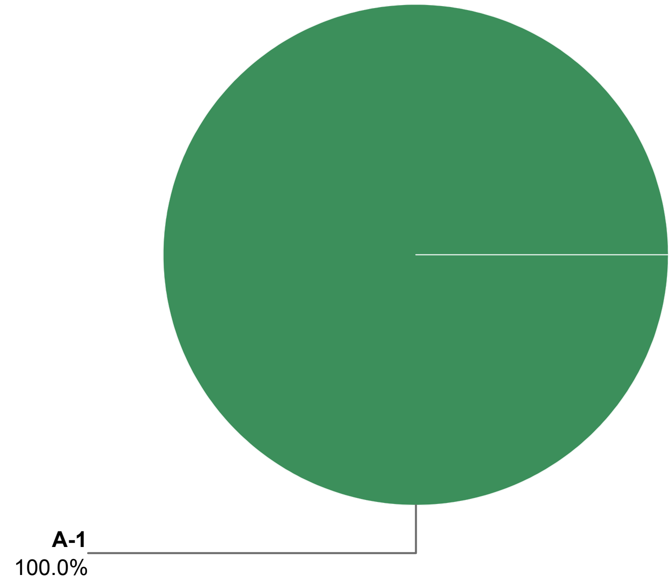
Contribution to Portfolio Duration



Credit Quality

As of June 30, 2017

S&P Rating	Market Value ($)	% of Portfolio
A-1	$2,969,846	100.0%
Totals	**$2,969,846**	**100.0%**



Detail may not add to total due to rounding.

Issuer Distribution

As of June 30, 2017

Issuer	Market Value ($)	% of Portfolio
MITSUBISHI UFJ FINANCIAL GROUP INC	1,485,005	50.0%
BNP PARIBAS	1,484,841	50.0%
Grand Total:	**2,969,846**	**100.0%**

Sector/Issuer Distribution

As of June 30, 2017

Sector / Issuer	Market Value ($)	% of Sector	% of Total Portfolio
Commercial Paper			
BNP PARIBAS	1,484,841	50.0%	50.0%
MITSUBISHI UFJ FINANCIAL GROUP INC	1,485,005	50.0%	50.0%
Sector Total	**2,969,846**	**100.0%**	**100.0%**
Portfolio Total	**2,969,846**	**100.0%**	**100.0%**

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt ($)	Yield at Market	Realized G/L (BV)
BUY									
6/5/17	6/5/17	1,500,000	06538CC25	BANK OF TOKYO MITSUBISHI COMM PAPER	0.00%	3/2/18	1,483,462.50	1.49%	
6/5/17	6/5/17	1,500,000	09659CC22	BNP PARIBAS NY BRANCH COMM PAPER	0.00%	3/2/18	1,483,687.50	1.47%	
Total BUY		**3,000,000**					**2,967,150.00**		
INTEREST									
4/3/17	4/3/17	0	MONEY0002	MONEY MARKET FUND			3.37		
5/1/17	5/1/17	0	MONEY0002	MONEY MARKET FUND			4.12		
6/1/17	6/1/17	0	MONEY0002	MONEY MARKET FUND			1,551.14		
Total INTEREST		**0**					**1,558.63**		
MATURITY									
5/12/17	5/12/17	5,500,000	06366GSC4	BANK OF MONTREAL CHICAGO COMM PAPER	0.00%	5/12/17	5,500,000.00		0.00
Total MATURITY		**5,500,000**					**5,500,000.00**		**0.00**

Quarterly Portfolio Transactions

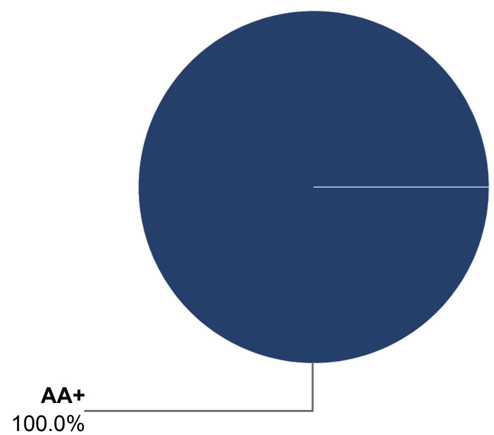
Tran. Type	Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt ($)	Yield	Realized G/L (BV)
INTEREST	4/3/17	4/3/17	0.00	MONEY0002	MONEY MARKET FUND			3.37		
INTEREST	5/1/17	5/1/17	0.00	MONEY0002	MONEY MARKET FUND			4.12		
MATURITY	5/12/17	5/12/17	5,500,000.00	06366GSC4	BANK OF MONTREAL CHICAGO COMM PAPER	0.00%	5/12/17	5,500,000.00		0.00
INTEREST	6/1/17	6/1/17	0.00	MONEY0002	MONEY MARKET FUND			1,551.14		
BUY	6/5/17	6/5/17	1,500,000.00	06538CC25	BANK OF TOKYO MITSUBISHI COMM PAPER	0.00%	3/2/18	(1,483,462.50)	1.49%	
BUY	6/5/17	6/5/17	1,500,000.00	09659CC22	BNP PARIBAS NY BRANCH COMM PAPER	0.00%	3/2/18	(1,483,687.50)	1.47%	
TOTALS								**2,534,408.63**		**0.00**

Portfolio Statistics

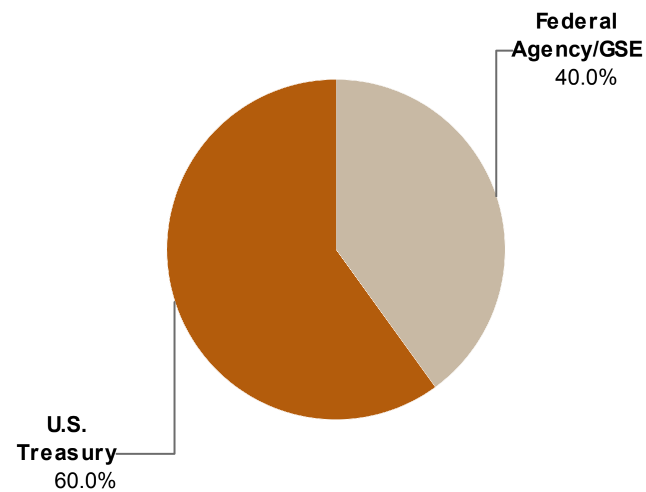
As of June 30, 2017

Par Value:	$6,250,000
Total Market Value:	$6,274,076
Security Market Value:	$6,247,129
Accrued Interest:	$11,771
Cash:	$15,176
Amortized Cost:	$6,246,982
Yield at Market:	0.94%
Yield at Cost:	0.99%
Effective Duration:	0.18 Years
Duration to Worst:	0.18 Years
Average Maturity:	0.18 Years
Average Credit: **	AA
Benchmark Eff. Yield:	0.88%

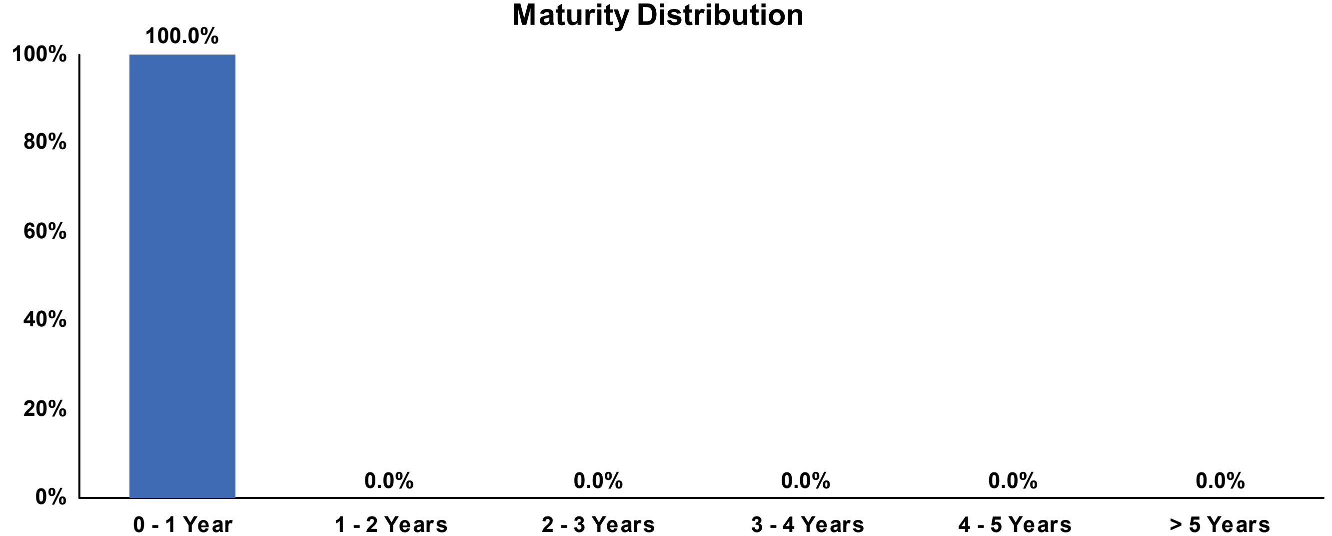
Credit Quality (S&P Ratings)



Sector Allocation



Maturity Distribution



** An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.*

Portfolio Earnings

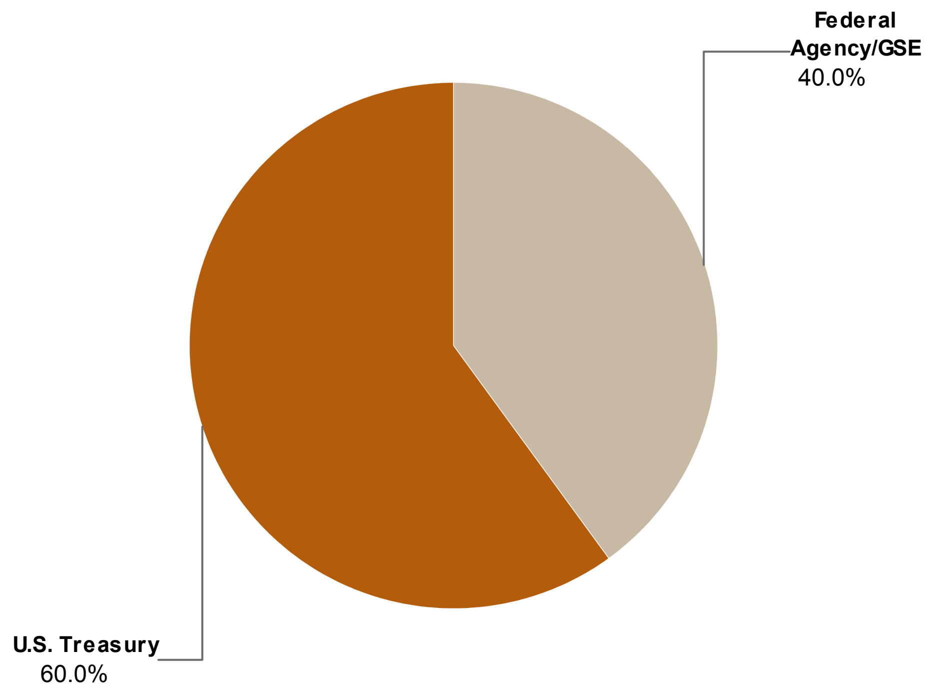
Quarter-Ended June 30, 2017

	Market Value Basis	Accrual (Amortized Cost) Basis
Beginning Value (03/31/2017)	$14,789,487.40	$14,785,510.06
Net Purchases/Sales	($8,550,000.00)	($8,550,000.00)
Change in Value	$7,641.35	$11,471.72
Ending Value (06/30/2017)	$6,247,128.75	$6,246,981.78
Interest Earned	$15,244.80	$15,244.80
Portfolio Earnings	$22,886.15	$26,716.52

Sector Allocation

As of June 30, 2017

Sector	Market Value ($)	% of Portfolio
U.S. Treasury	3,748,894	60.0%
Federal Agency/GSE	2,498,235	40.0%
Total	**$6,247,129**	**100.0%**

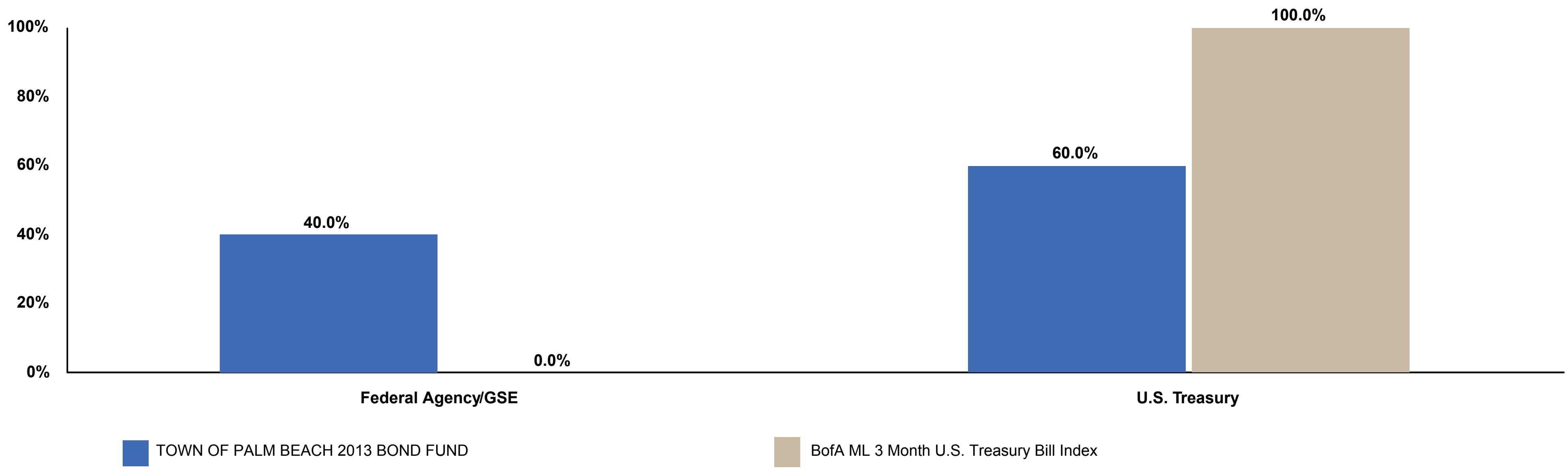


Detail may not add to total due to rounding.

Sector Allocation

As of June 30, 2017

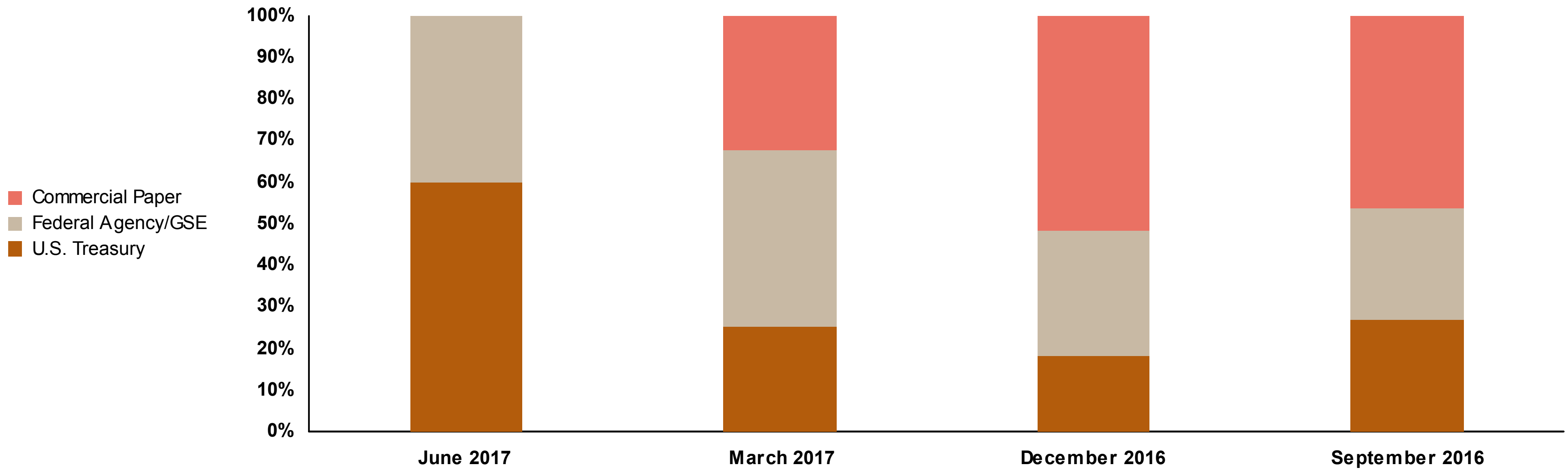
Sector	Market Value ($)	% of Portfolio	% of Benchmark
U.S. Treasury	3,748,894	60.0%	*100.0%*
Federal Agency/GSE	2,498,235	40.0%	-
Total	**$6,247,129**	**100.0%**	***100.0%***



Detail may not add to total due to rounding.

Sector Allocation

Sector	June 30, 2017 MV ($MM)	June 30, 2017 % of Total	March 31, 2017 MV ($MM)	March 31, 2017 % of Total	December 31, 2016 MV ($MM)	December 31, 2016 % of Total	September 30, 2016 MV ($MM)	September 30, 2016 % of Total
U.S. Treasury	3.7	60.0%	3.7	25.3%	3.7	18.0%	6.2	26.9%
Federal Agency/GSE	2.5	40.0%	6.2	42.3%	6.3	30.1%	6.3	26.9%
Commercial Paper	0.0	0.0%	4.8	32.4%	10.8	51.9%	10.7	46.2%
Total	**$6.2**	**100.0%**	**$14.8**	**100.0%**	**$20.8**	**100.0%**	**$23.3**	**100.0%**

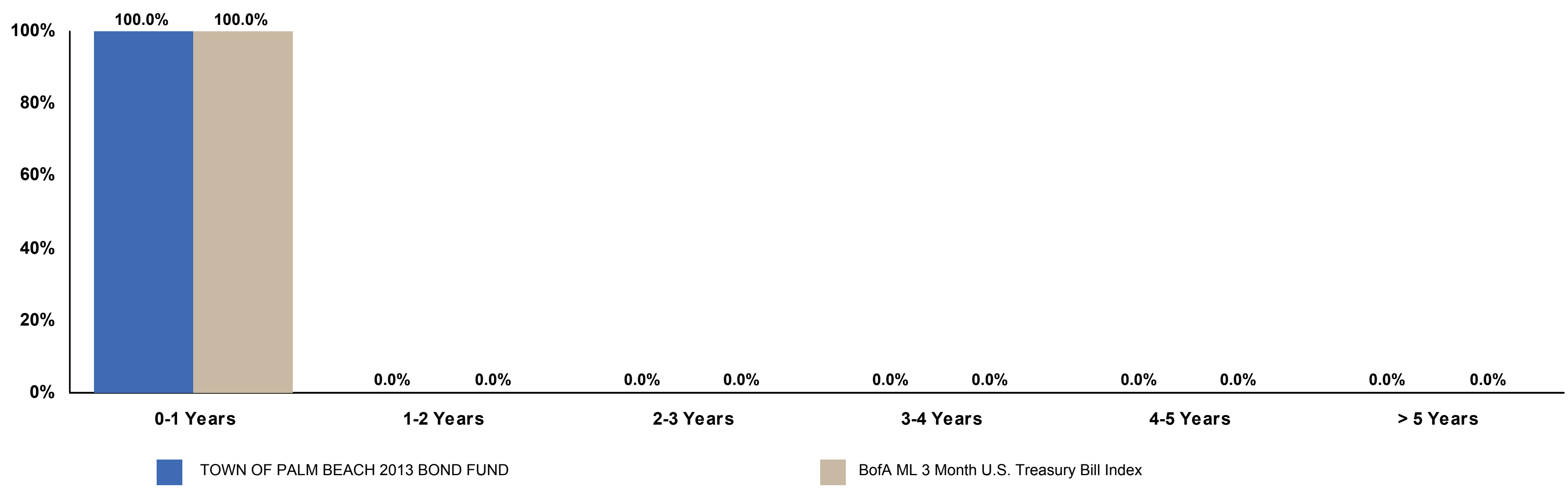


Detail may not add to total due to rounding.

Maturity Distribution

As of June 30, 2017

Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
TOWN OF PALM BEACH 2013 BOND FUND	0.94%	0.18 yrs	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
BofA ML 3 Month U.S. Treasury Bill Index	*1.00%*	*0.25 yrs*	*100.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*

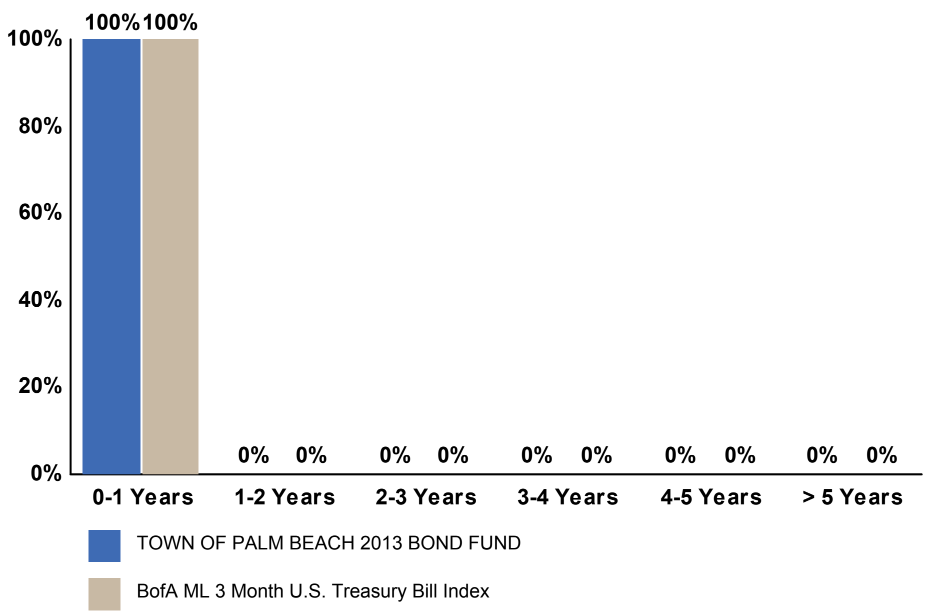


Duration Distribution

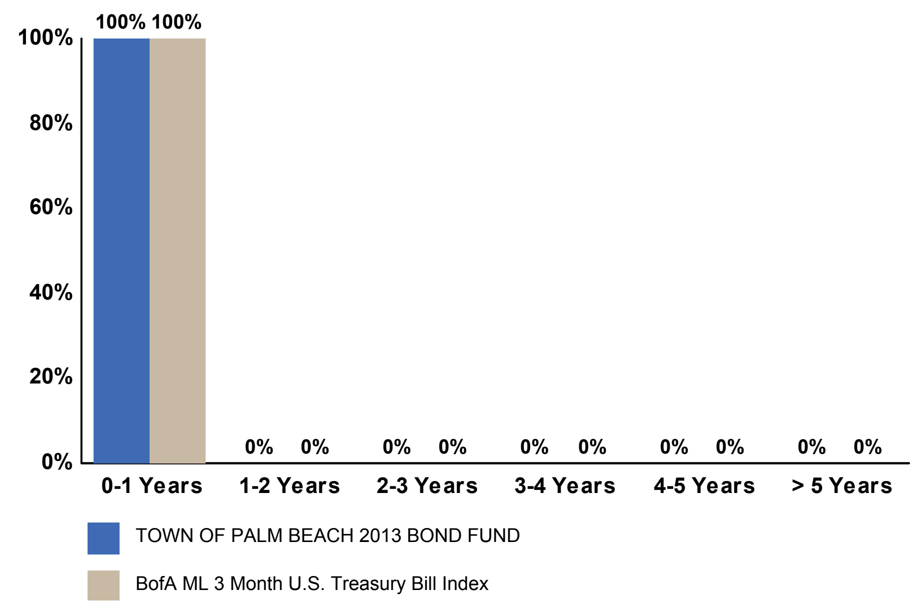
As of June 30, 2017

Portfolio / Benchmark	Effective Duration	0-1 YEARS	1-2 YEARS	2-3 YEARS	3-4 YEARS	4-5 YEARS	> 5 YEARS
TOWN OF PALM BEACH 2013 BOND FUND	0.18	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
BofA ML 3 Month U.S. Treasury Bill Index	*0.15*	*100.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*

Distribution by Effective Duration



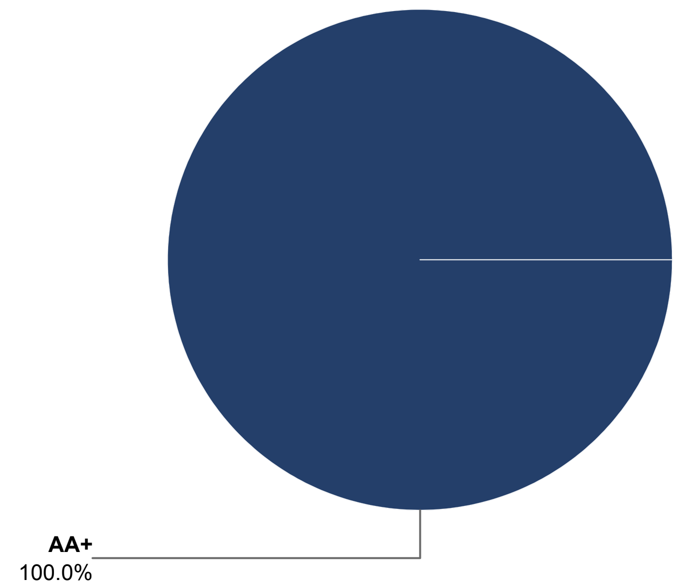
Contribution to Portfolio Duration



Credit Quality

As of June 30, 2017

S&P Rating	Market Value ($)	% of Portfolio
AA+	$6,247,129	100.0%
Totals	**$6,247,129**	**100.0%**



Detail may not add to total due to rounding.

Issuer Distribution

As of June 30, 2017

Issuer	Market Value ($)	% of Portfolio
UNITED STATES TREASURY	3,748,894	60.0%
FANNIE MAE	2,498,235	40.0%
Grand Total:	**6,247,129**	**100.0%**

Sector/Issuer Distribution

As of June 30, 2017

Sector / Issuer	Market Value ($)	% of Sector	% of Total Portfolio
Federal Agency/GSE			
FANNIE MAE	2,498,235	100.0%	40.0%
Sector Total	**2,498,235**	**100.0%**	**40.0%**
U.S. Treasury			
UNITED STATES TREASURY	3,748,894	100.0%	60.0%
Sector Total	**3,748,894**	**100.0%**	**60.0%**
Portfolio Total	**6,247,129**	**100.0%**	**100.0%**

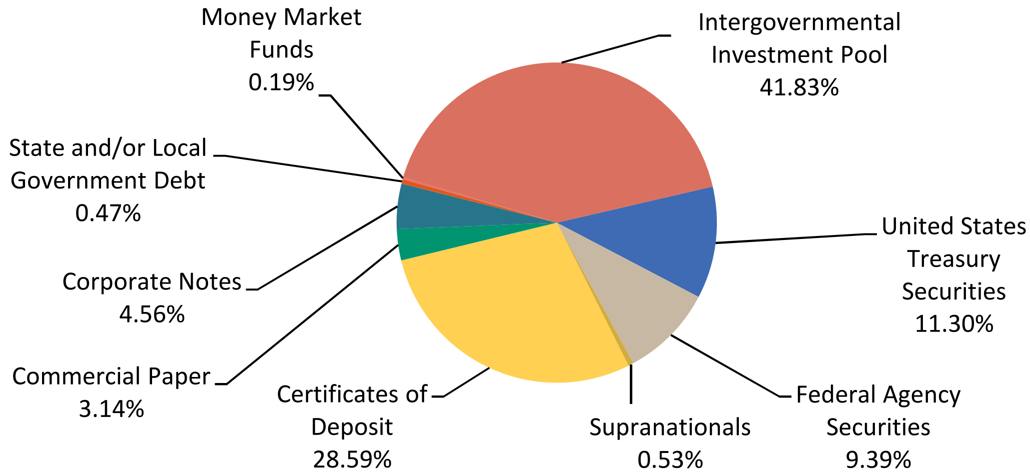
Quarterly Portfolio Transactions

Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt ($)	Yield at Market	Realized G/L (BV)
INTEREST									
4/3/17	4/3/17	0	MONEY0002	MONEY MARKET FUND			11.94		
4/20/17	4/20/17	3,750,000	3135G0ZB2	FNMA NOTES	0.75%	4/20/17	14,062.50		
4/26/17	4/26/17	2,500,000	3135G0PQ0	FANNIE MAE GLOBAL NOTES	0.87%	10/26/17	10,937.50		
5/1/17	5/1/17	0	MONEY0002	MONEY MARKET FUND			574.72		
6/1/17	6/1/17	0	MONEY0002	MONEY MARKET FUND			2,991.62		
Total INTEREST		**6,250,000**					**28,578.28**		
MATURITY									
4/20/17	4/20/17	3,750,000	3135G0ZB2	FNMA NOTES	0.75%	4/20/17	3,750,000.00		0.00
5/12/17	5/12/17	4,800,000	46640PSC8	JP MORGAN SECURITIES LLC COMM PAPER	0.00%	5/12/17	4,800,000.00		0.00
Total MATURITY		**8,550,000**					**8,550,000.00**		**0.00**

Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt ($)	Yield	Realized G/L (BV)
INTEREST	4/3/17	4/3/17	0.00	MONEY0002	MONEY MARKET FUND			11.94		
INTEREST	4/20/17	4/20/17	3,750,000.00	3135G0ZB2	FNMA NOTES	0.75%	4/20/17	14,062.50		
MATURITY	4/20/17	4/20/17	3,750,000.00	3135G0ZB2	FNMA NOTES	0.75%	4/20/17	3,750,000.00		0.00
INTEREST	4/26/17	4/26/17	2,500,000.00	3135G0PQ0	FANNIE MAE GLOBAL NOTES	0.87%	10/26/17	10,937.50		
INTEREST	5/1/17	5/1/17	0.00	MONEY0002	MONEY MARKET FUND			574.72		
MATURITY	5/12/17	5/12/17	4,800,000.00	46640PSC8	JP MORGAN SECURITIES LLC COMM PAPER	0.00%	5/12/17	4,800,000.00		0.00
INTEREST	6/1/17	6/1/17	0.00	MONEY0002	MONEY MARKET FUND			2,991.62		
TOTALS								**8,578,578.28**		**0.00**

Tab III



Security Type[1]	Amortized Cost (Includes Interest)	Allocation Percentage	Notes	Permitted by Policy	In Compliance
United States Treasury Securities	10,688,109.41	11.30%		**100%**	YES
Federal Agency Securities	8,876,361.54	9.39%	4	**75%**	YES
Supranationals	499,461.29	0.53%		**25%**	YES
Certificates of Deposit	27,036,145.57	28.59%	5	**50%**	YES
Asset-Backed Securities	-	0.00%		**25%**	YES
Agency Mortgage-Backed Securities	-	0.00%	4	**25%**	YES
Commercial Paper	2,970,313.34	3.14%	2,3	**50%**	YES
Corporate Notes	4,308,723.63	4.56%	2,3	**50%**	YES
Bankers' Acceptances	-	0.00%		**10%**	YES
Repurchase Agreements	-	0.00%		**40%**	YES
State and/or Local Government Debt	446,363.13	0.47%		**25%**	YES
Money Market Funds	180,534.06	0.19%		**50%**	YES
Intergovernmental Investment Pool	39,556,342.59	41.83%	5	**50%**	YES
Total	$94,562,354.56	100.00%			

Notes:
1. End of month trade-date amortized cost of portfolio holdings, including accrued interest.
2. Maximum allocation to all corporate and bank credit instruments is 50% combined. As of June 30, 2017 the allocation is 7.7%.
3. The industry limit for credit is 15%. The largest allocation as of 06/30/17 is 5.09% in the Financial industry.
4. The maximum exposure to any one Federal agency, including the combined holdings of Agency debt and Agency MBS, is 40%. As of June 30, 2017 the allocation is 9.39%.
5. Balances allocated by the town.
*All Funds

Individual Issuer Breakdown	Amortized Cost (Includes Interest)	Allocation Percentage	Notes	Permitted by Policy	In Compliance
Government National Mortgage Association (GNMA)	-	0.00%		**40%**	YES
Federal Farm Credit Bank (FFCB)	-	0.00%		**40%**	YES
Federal Home Loan Bank (FHLB)	2,748,772.09	2.91%		**40%**	YES
Federal National Mortgage Association (FNMA)	5,531,107.90	5.85%		**40%**	YES
Federal Home Loan Mortgage Corporation (FHLMC)	596,481.55	0.63%		**40%**	YES
BNP Paribas Commercial Paper	1,485,258.33	1.57%		**5%**	YES
Bank of Tokyo Mitsubishi Commercial Paper	1,485,055.01	1.57%		**5%**	YES
American Express Credit Corporate Notes	110,854.57	0.12%		**5%**	YES
American Honda Corporate Notes	211,142.86	0.22%		**5%**	YES
Apple Inc. Corporate Notes	219,916.26	0.23%		**5%**	YES
Bank of New York Mellon Corporate Notes	456,081.52	0.48%		**5%**	YES
Berkshire Hathaway Corporate Notes	50,211.06	0.05%		**5%**	YES
Branch Banking & Trust Corporate Notes	90,168.47	0.10%		**5%**	YES
Cisco Systems Corporate Notes	401,070.91	0.42%		**5%**	YES
General Electric Corporate Notes	496,922.67	0.53%		**5%**	YES
Goldman Sachs Corporate Notes	280,864.40	0.30%		**5%**	YES
Home Depot Corporate Notes	85,062.36	0.09%		**5%**	YES
Microsoft Corporate Notes	251,298.02	0.27%		**5%**	YES
New York University Corporate Notes	60,530.10	0.05%		**5%**	YES
JP Morgan Corporate Notes	352,651.06	0.37%		**5%**	YES
State Street Corporate Notes	49,965.00	0.05%		**5%**	YES
Toyota Corporate Notes	458,026.08	0.48%		**5%**	YES
United Parcel Service Corporate Notes	152,059.43	0.16%		**5%**	YES
Walt Disney Corporate Notes	127,008.52	0.13%		**5%**	YES
Wells Fargo & Company Corporate Notes	454,890.34	0.48%		**5%**	YES
Asian Development Bank Notes	499,461.29	0.53%		**10%**	YES
New York City, New York Taxable G.O Bonds	446,363.13	0.47%		**5%**	YES
Florida Education Investment Trust Fund	2,793,494.59	2.95%	5	**50%**	YES
FMIvT 1-3	25,115,984.00	26.56%	5	**50%**	YES
FMIvT Intermediate	11,646,864.00	12.32%	5	**50%**	YES

Notes:

1. End of month trade-date amortized cost of portfolio holdings, including accrued interest.
2. Maximum allocation to all corporate and bank credit instruments is 50% combined. As of June 30, 2017 the allocation is 7.7%. (See previous page)
3. The industry limit for credit is 15%. The largest allocation as of 06/30/17 is 5.09% in the Financial industry. (See previous page)
4. The maximum exposure to any one Federal agency, including the combined holdings of Agency debt and Agency MBS, is 40%. As of June 30, 2017 the allocation is 9.39%. (See previous page)
5. Balances allocated by the town.

*All Funds

Portfolio Holdings

Corporate Industry Allocations	Corporate Industry Allocation	Industry Limit	Compliance
Communications	0.00%	15.00%	Yes
Consumer Discretionary	0.51%	15.00%	Yes
Consumer Staples	0.16%	15.00%	Yes
Energy	0.00%	15.00%	Yes
Financials	5.09%	15.00%	Yes
Health Care	0.00%	15.00%	Yes
Industrials	1.23%	15.00%	Yes
Materials	0.00%	15.00%	Yes
Technology	0.69%	15.00%	Yes
Utilities	0.00%	15.00%	Yes
Aerospace & Defense	0.00%	15.00%	Yes

IMPORTANT DISCLOSURES

This material is based on information obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management LLC cannot guarantee its accuracy, completeness or suitability. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation. All statements as to what will or may happen under certain circumstances are based on assumptions, some, but not all of which, are noted in the presentation. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Past performance does not necessarily reflect and is not a guaranty of future results.The information contained in this presentation is not an offer to purchase or sell any securities.

- Market values that include accrued interest are derived from closing bid prices as of the last business day of the month as supplied by Interactive Data, Bloomberg, or Telerate. Where prices are not available from generally recognized sources, the securities are priced using a yield based matrix system to arrive at an estimated market value.
- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis.Past performance is not indicative of future returns.
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.

GLOSSARY

- **ACCRUED INTEREST:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **AGENCIES:** Federal agency securities and/or Government-sponsored enterprises.
- **AMORTIZED COST:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **BANKERS' ACCEPTANCE:** A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **COMMERCIAL PAPER:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **CONTRIBUTION TO DURATION:** Represents each sector or maturity range's relative contribution to the overall duration of the portfolio measured as a percentage weighting. Since duration is a key measure of interest rate sensitivity, the contribution to duration measures the relative amount or contribution of that sector or maturity range to the total rate sensitivity of the portfolio.
- **DURATION TO WORST:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years, computed from cash flows to the maturity date or to the put date, whichever results in the highest yield to the investor.
- **EFFECTIVE DURATION:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **EFFECTIVE YIELD:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while ominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **INTEREST RATE:** Interest per year divided by principal amount and expressed as a percentage.
- **MARKET VALUE:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.
- **NEGOTIABLE CERTIFICATES OF DEPOSIT:** A CD with a very large denomination, usually $1 million or more, that can be traded in secondary markets.
- **PAR VALUE:** The nominal dollar face amount of a security.

GLOSSARY

- **PASS THROUGH SECURITY:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.
- **REPURCHASE AGREEMENTS:** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- **SETTLE DATE:** The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- **TRADE DATE:** The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- **UNSETTLED TRADE:** A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- **U.S. TREASURY:** The department of the U.S. government that issues Treasury securities.
- **YIELD:** The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- **YTM AT COST:** The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- **YTM AT MARKET:** The yield to maturity at market is the rate of return, based on the current market value, the annual interest receipts, maturity value and the time period remaining until maturity, stated as a percentage, on an annualized basis.

1% Sales Tax Quarterly Report

PRESENTATION TO INVESTMENT ADVISORY COMMITTEE

AUGUST 18, 2017

Receipts

FY2017	Amount Received
March 2017	$41,264.66
April 2017	$42,648.45
May 2017	$56,697.78
June 2017	$41,806.27
July 2017	$40,114.02
Total	**$222,531.18**

Disbursements

- The Town Council approved using $2.6 million of the one-cent surtax revenues for the undergrounding project at the July 12, 2017 Town Council meeting.

Investment Advisory Committee Schedule 2016

Meeting Date:	Presentations/Business:
Friday, February 19, 2016 2:30 P.M. Town Council Chambers	Prime Buchholz Fiduciary Liability Policy Renewal Annual Report to the Town Council Actuarial report
Friday, May 20, 2016 2:30 P.M. Town Council Chambers	Prime Buchholz PFM Asset Management Florida League of Cities (FMIvT) Election of Chairman and Vice Chairman
Friday, August 19, 2016 2:30 P.M. Town Council Chambers	Prime Buchholz PFM Asset Management
Friday, November 18, 2016 2:30 P.M. Town Council Chambers (Fiscal Year End Presentations)	Prime Buchholz (Investment Policy and Asset Allocation Review) PFM Asset Management Florida League of Cities (FMIvT)