TOWN OF PALM BEACH RETIREMENT SYSTEM
BOARD OF TRUSTEES
AGENDA
Meeting of May 18, 2018

Location: Town Hall
360 South County Road
Palm Beach, FL. 33480

Time: 9:00 a.m.

I. Call to Order and Roll Call

Dan Stanton, Chairman
Gerald Goldsmith, Chairman Pro Tem
Brett Madison, Secretary
Kirk Blouin, Town Manager
Brad Kaufman, Trustee
Jeff Amling, Trustee
Ed Carter, Trustee
Michael Marx, Trustee
Daniel Wilkinson, Trustee

II. Election of Officers, Jim Linn, Attorney

III. Approval of Agenda

IV. Trustees Comments

V. Public Comments

VI. Approval of Minutes: March 2, 2018

VII. Financial Report and Disbursements, Jane Le Clainche, Director of Finance

VIII. Town of Palm Beach Retirement System Annual Report, Jane Le Clainche, Director of Finance

IX. Auditor RFP and Recommendation, Chairman Stanton

X. Investment Report, Dave West, AndCo Consulting

A. Quarterly Investment Review (For Period Ended March 31, 2018)

B. Manager Review

1. Investment Grade Fixed Income
2. Domestic Equity Mid Cap Value
3. Foreign Equity

C. Defined Contribution Plan(s) Investment Review (For Period Ended March 31, 2018)

XI. Attorney Report, Jim Linn, Attorney

XII. Administrator Report, William Hanes, Administrator

XIII. Employee Purchase-GRS Analysis, William Hanes, Administrator

XIV. Other Business

XV. Adjournment

Next Quarterly Meeting Date:
August 24, 2018

If a person decides to appeal any decision made by this Board with respect to any matter considered at this meeting, he/she will need a record of the proceedings, and that, for such purpose, he/she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

This meeting may be conducted by or with electronic media technology. The public access point for the meeting is the Town Hall, 360 S. County Road, Palm Beach, Florida 33480.

The progress of this meeting may be monitored by visiting the Town's website (www.townofpalmbeach.com), selecting the "Your Government" tab and clicking on "Audio (Live and Archived)." If you have questions regarding that feature, please contact the Office of Information Systems (561) 227-6315. The audio recording of the meeting will appear within 24 hours after the conclusion of the meeting.

Notice: Disabled persons who need an accommodation in order to participate in this meeting are requested to contact the Human Resources Department at 838-955-8771 for TDD callers. Please make your requests at least (5) working days before this meeting.

TOWN OF PALM BEACH RETIREMENT SYSTEM
Board of Trustees
Meeting of March 2, 2018

I. Call to Order and Roll Call

Chairman Stanton called the meeting at 9:00 am in the Town of Palm Beach Chambers, 360 South County Road, Palm Beach, Florida 33480.

In Attendance:
Trustees:

Dan Stanton, Chairman
Gerald Goldsmith, Chairman Pro Tem
Brett Madison, Secretary
Kirk Blouin, Town Manager
Brad Kaufman, Trustee
Jeff Amling, Trustee
Ed Carter, Trustee
Michael Marx, Trustee
Daniel Wilkinson, Trustee

II. Approval of Agenda

Mr. Amling made the motion to approve the agenda. Mr. Kaufman seconded the motion. The trustees unanimously approved the agenda.

III. Comments by Trustees

Mr. Amling stated that since the last meeting of the board the trustees received a letter of admonishment from a Town Council member stating board members should be attending each meeting and should not leave early. Mr. Amling noted he is not compensated by the Town and runs a business, and did not appreciate the letter of admonishment.

Chairman Stanton asked if there were trustees who had discussed matters of the retirement system with candidates for Town Council. Mr. Madison stated that he had spent an hour and a half with Mr. Harris Fried to explain the plan's unfunded liability. Chairman Stanton stated that he had read articles from the local paper of candidates suggesting doing away with the additional costs. He commented he and the board had explained to Town Council the long-term costs associated with unfunded liabilities, and Town Council adopted additional funding by resolution. He argued it is irresponsible for a candidate to talk about doing away with the funding, and that people who wish to say things in their campaign should make sure they are in command of the facts.

IV. Public Comments

None.

V. Approval of Minutes

Chairman Stanton noted a typo that was corrected.

Mr. Madison made the motion to approve the minutes. Mr. Goldsmith seconded the motion. The Trustees unanimously approved the minutes.

VI. Professional Liability Policy, Judy Arenz, Vice President, Arthur J. Gallagher & Co., and Karen Temme, Town Risk Management

Ms. Temme, Town Risk Manager, introduced herself and Ms. Arenz, Arthur J. Gallagher. She and Ms. Arenz recommended a renewal of a fiduciary liability policy expiring with Chubb of $10 million liability, $150,000 deductible, at an annual premium of $31,998. She stated this is the limit the board has chosen each year since its inception in 2012. Mr. Kaufman asked where this board ranks compared to other similarly situated municipal boards with similar assets and exposure. Ms. Arenz stated there are no programs that line up municipalities on limits of insurance. She stated $10 million is a very comfortable limit, and there is not a lot of savings by reducing the amount from this limit.

Chairman Stanton asked Ms. Arenz to discuss what determines the cost for coverage, and Ms. Arenz stated that there are big differences between boards. She commented provider's base pricing on the exposure and when the assets are increased, there typically is an increase in the premium. She stated that it depends on what you are managing.

Mr. Linn stated that he views the purchase of fiduciary liability as a protection to the Town. He commented that the trustees are by ordinance indemnified by the Town, and it is the Town that is responsible for properly funding the plan. He commented that as a practical matter the major risk is with the cost of a lawsuit that is ultimately a risk to the Town. He added he is not aware of any typical breach of fiduciary duty law suit brought against a pension board, and that from his personal knowledge $10 million is not out of line with other municipal pension boards.

Mr. Blouin asked what the cost would be for higher deductibles. Ms. Arenz stated she would not expect it to lower the cost substantially and a $250,000 deductible might lower the premium by 10%. Mr. Blouin stated he would like to see those rates in writing before the board takes action and requested that Ms. Arenz provide standard liability limits applicable to this trust. Ms. Arenz stated she will do what she can. Mr. Madison requested that the board be able to review what coverage was provided in the past. Chairman Stanton asked that it be distributed to the board.

The motion was made by Mr. Goldsmith to purchase the fiduciary insurance as recommended for coverage of $10 million with $150,000 deductible at a premium $31,988 with the proviso that Town Manager Mr. Blouin has the option to amend at his discretion. Mr. Kaufman seconded the motion. The trustees unanimously adopted the motion.

VII. Financial Audit, Tammy Goldstrich, Marcum LLP.

Ms. Goldstrich reviewed the more significant items, and commented they had audited the net position and changes in fiduciary net position. She commented the financial statements in all respects were presented fairly, which is referred to as a clean opinion. She noted the net position went from approximately $194 million to $209 million in assets from last year, and commented that during the audit, they did not identify any deficiencies over control that would be considered as weak, and there was no evidence of non-compliance. Chairman Stanton requested if there were any unusual adjustments. Ms. Goldstrich stated there were not, and it was considered a clean audit. She noted that because of a lag in audit of certain alternative investments, they were able to increase asset values through adjustment by approximately $1 million in value. She concluded the plan had a good year, and the audit went very smooth.

The board accepted the audit without motion.

VIII. RFP for Audit Services, Jane Struder, Finance Director and William Hanes, Retirement Administrator

Ms. Struder presented the matter of request for proposal (RFP) regarding services of the auditor. She commented that this is the last year for the Marcum audit since they were hired in 2013 for a 5-year contract, and auditing services are now up for renewal. Chairman Stanton asked whether the current auditor will be able to submit a bid. Ms. Struder affirmed. Ms. Struder commented that most municipalities execute 5-year contracts with their auditors and suggested that a committee of the board be appointed for making a recommendation at a future board meeting. Chairman Stanton asked for volunteers from the board to serve on a selection committee to review and recommendation to the full board. Mr. Madison, Chairman Stanton, and Mr. Carter volunteered. Mr. Goldsmith stated he would serve as backup if needed. Chairman Stanton stated that Ms. Struder and Mr. Hanes will serve as non-voting members of the committee.

Mr. Madison made the motion to approve the RFP for the services of Auditor. Mr. Goldsmith seconded the motion. The trustees unanimously adopted the motion.

IX. Financial Report, Jane Struder, Finance Director

Ms. Struder presented the quarterly Financial Report as of December 31, 2017. She discussed the net assets equal $226 million and the statement of changes in net assets equals a total addition of $22.3 million. She discussed operating and investment expenses for the quarter equaled $111,197, and the cash flow projection resulting from early contributions including an additional $5.4 million appropriated by Town Council. She recommended an additional distribution be made from the sale of assets of $4.5 million for the quarter. She commented that disbursements made from the prior meeting equals $1,155,378.

Chairman Stanton took notice to very large disbursements for members eligible to receive their DROP balances, and requested if they were senior employees. Ms. Struder and Mr. Hanes agreed that the member sums are correct. Chairman Stanton noted a listed sum of 4.83 million contribution from the Town, and Ms. Struder explained this to be a portion of the $5.4 million appropriation from the Town and appropriated in year 2017.

Mr. Kaufman moved to approve the report and disbursements. Mr. Goldsmith seconded the motion. The trustees unanimously adopted the motion.

X. DROP Policy (revisions), Jane Struder, Finance Director

Ms. Studer discussed the DROP policy used in administration of the DROP plan, and commented on changes made by ordinance to the plans. Mr. Hanes commented that the law makes clear that plan B employees participating in DROP are at will employees. He added other cosmetic changes were made to comport with the Town code. The board approved without motion.

XI. Actuarial Presentation, Pete Strong, GRS

Actuary Pete Strong presented the September 30, 2017 valuation report. He reviewed the executive summary. He commented that payroll increased slightly over the year, driven by increases in payroll with Police Officers and Firefighters. He noted there were several newly hired Police Officers and Firefighters that drove contributions as a percentage of payroll above 8%. He commented the percentage of payroll for General employees was up about 3%, making total payroll up by 5%.

Mr. Strong commented that the Town has asked to calculate the dollar amount of required contributions if contributions are made in full at the beginning of the fiscal year. He stated by paying the full required contributions in October instead of spreading the payment over the fiscal year reduces contributions to 9.3% instead of 9.6% because of interest cost saved. He stated most of the Town's appropriated $5.4 million additional contributions were made in October of 2017 and counted in this 2017 valuation, resulting in $236,000 in interest savings.

Mr. Strong discussed that the assumed return was reduced from 7.4% to 7.3%, and will continue to be reduced each year by 10 basis points until it reaches 7.0%. He commented once the board reaches the target, it will be reasonable to review to determine if 7.0% is an appropriate range assumption. He commented that current capital market long-term forecast is predicting slightly less than 7.0%. Chairman Stanton asked what the current range of acceptability would be. Mr. Strong answered between 6.5% and 7.5%. Mr. Hanes asked what is the forecast period applicable to those rates. Mr. Strong answered 15-25 years generally representing mid to long term. He noted the mid-term forecast is quite a bit lower than 7.0%.

Mr. Strong stated the payroll growth assumption is used in the amortization of the unfunded liability, and the state Division of Retirement has insisted on bringing down from 3.25% last year to 3.0% in 2018, ending at 2.75% in 2019. The annual cost associated with the two changes (investment and wage assumptions) for this fiscal year was

$327,000. Mr. Carter asked if Mr. Strong had previously stated that the payroll increase in 2016 was 5%, and if so how does it interface with the current valuation. Mr. Strong answered that the state looks at a longer term, like 10-year period, and the state looks at the inflation forecast and plan history of payroll growth to determine assumption for payroll growth. Mr. Goldsmith noted that this information would be helpful to Town Council. Mr. Strong stated that the increase last year was largely due to head count of new employees rather than salary increases. Mr. Blouin stated that there were more increases with newer employees who are not topped out, as opposed to those fewer at the top that do not experience as much increase in pay. Mr. Madison asked about the past change in mortality tables, and Mr. Strong stated the changes had been made and already imbedded in the fiscal year valuation. He noted that the last change the board made relates to the amortization period from 30-years to 25-years made during the last fiscal year. This increased the cost by about $194,000. He commented that if you add all these changes, the dollar amount went up due to these changes by $435,000.

Mr. Strong discussed a most recent issue of the IRS Sec. 415 limitation on compensation as it related to two employees. He commented that GRS is now reflecting directly in the valuations the liability limits and the excess amounts paid by the town with the preservation of benefits plan adopted by Town Council. He said this brings down the unfunded liability by $340,000.

Mr. Strong noted that the 2017 net actuarial experiences created a loss, mostly caused by investment phased in losses. He commented that even though 2017 fiscal year experienced a gain of over 11% in market value, we are still smoothing in the significant market loss from year 2015 at about $4 million each year. So unfortunately, the plan experienced only a 6.7% actuarial return this year, representing a market loss of $1.5 million. This resulted in adding a $1.16 million unfunded liability loss when considering the small gain from other non-investment experiences.

Mr. Hanes asked Mr. Strong to discuss the impact of smoothing on future unrecognized losses and the possibility of resetting the smoothing of assets after next year if appropriate. Mr. Strong discussed smoothing of the losses, and noted there is a net $3.4 million loss phased in next year from prior years while the actuarial value and market value are growing closer together. He commented that if next year the plan experiences a 9.5% return on market, then the actuarial value and market value will actually merge together, but will still have net losses to experience from smoothing that will be merged into 2018. He commented that in order to prevent the drag of past losses when the actuarial valuation is crossing in value with the market valuation, the state Division of Retirement allows you to reset the actuarial value at market, and phase in gains and losses prospectively based on market valuation when it exceeds actuarial valuation. Mr. Strong stated that the board will need to wait and see what the market return is for 2018, and if the market value crosses or exceeds the actuarial value, the board may choose to reset at market valuation prospectively. Chairman Stanton stated the issue is something we will need to address later.

Mr. Strong stated that by amortizing the total experience losses (investment and demographic) of $1.27 million over 25 years resulted in an increase in Town contributions of $84,000.

Mr. Strong discussed that the Town has adopted a new funding policy starting this year that directs an additional appropriation of $5.42 million each year, subject to a total cap of $16 million (includes actuarial determined employer contributions). He noted that the plan is projected to be fully funded in 15 years and noted the funding ratio of the plan increased to 68.9% from 67.9% last year. He commented that without the extra contribution received that the funding ratio would have been around 67% range.

Chairman Stanton asked Mr. West to describe the cash flow. Mr. West commented that total cash flow last year was about $18 million, which is expected to grow each year with more retirees, but the total inflows each year, including the extra appropriation of $5.4 million has grown to about $13.5 million. He noted the plan experienced a very negative cash flow when contributions were $6 - $7 million each year while paying out $18 million. He commented that because of the extra contributions, the negative cash flow is now smaller, about $4 million instead of $10 to $12 million. He indicated benefit payments are forecast to be about $20 million in 10 years when contributions are expected to be in the $12 to $14 million range. Mr. Strong commented that 15% of contributions represent payment for the normal cost (benefits earned in the year), while the remainder 85% is representative of the payment toward unfunded liability, with most of this part representing an interest charge. Mr. Carter commented that as the unfunded liability is paid down, the interest charge goes down. Mr. Strong agreed.

Mr. Pat Cooper commented to the board with an inquiry to actuary Strong how to compute without consideration of unfunded liabilities the future cost associated with a newly hired employee. Mr. Strong answered by taking the normal cost rate times the salary.

Mr. Strong discussed a fee schedule change proposal by GRS. The actuarial valuation was accepted by the trustees without motion.

Mr. Kaufman made the motion to approve the fee schedule proposal by GRS. Mr. Amling seconded the motion. The trustees unanimously approved the motion.

XII. Investment Report, Dave West, AndCo Consulting

Investment Consultant Dave West presented the quarterly investment report. He gave a brief firm update on organizational changes. Mr. West acknowledged he had given up all of his ownership units to become an employee of the firm.

Mr. West stated the report does not include most of the real estate and private equities reporting on a delayed basis. He commented that for the quarter the fund is up 3.12%, and year to date basis up 14.86%. He discussed manger performance, and noted that Goldman Sachs is below the benchmark on the one, three, and five-year periods. He recommended a manager search for an investment grade fixed income class. He commented that AndCo received a notice last month from Goldman Sachs that one of the co-PM's is retiring from the firm and at this stage of the process it would be a good time to look at increasing the quality of the manager mandate. He discussed that he would like to introduce a mandate for a higher quality investment grade manager. The trustees agreed to a manager search.

In reference to TSW, Mr. Carter stated his understanding for the reason to go to a mid-cap sector of the market is you are higher on the risk curve, and looking for a higher than market return. He commented the market over the last year has been largely in favor of a large cap return, and when he looks at TSW even the benchmark is lagging by half of what a standard S&P would be. He made note that Vanguard mid-cap fund performed at 19% and expressed concern that we have a managed fund underperforming in the equity market that represents 7% of our entire fund in a very robust equity market. Chairman Stanton recalled that this is a group that took the small cap and mid cap to make a SMID cap, and put it together because the two managers' performance was so bad that they decided to roll it into a one to start performance over again. He stated performance has been unimpressive.

Mr. West commented that AndCo regards it as a legacy manager, and would be happy to include a mid-manager search, and to include the index fund as a potential presentation. He commented that in other areas where AndCo has had the opportunity to do the construction from the ground up, AndCo likes to emphasize an indexed approach to at least a substantial portion of the core. Mr. Carter and Chairman Stanton agreed. Mr. West stated that AndCo will bring two manager searches for the next meeting.

Mr. West discussed that at the last meeting there was discussion regarding finding an appropriate benchmarking as it related to Weatherlow Offshore fund. He commented that AndCo felt it more appropriate to use a Hedge fund of funds diversified index, and move off an index rate plus benchmark. Chairman Stanton commented he is frustrated with the Weatherlow compounded return over 5 years at 5%. Mr. Carter said he agrees we should be receiving better returns, and noted it looks like a bond fund. Mr. West commented that we previously did a fund of fund search and included the funds AndCo would have brought to the table, but included Weatherlow in the mix. He stated the decision was made to go toward a low volatility that is going to fall somewhere between bonds and equity returns. He commented that the return stream and nature of the volatility is very similar to what a bond portfolio might look like. He stated that since we advanced into a materially rising interest rate environment, this fund is delivering a positive return where the bond portfolio is substantially negative over the quarter. He noted it is serving a purpose, and as the cycle matures and equity markets return it will be a diversifying offset. He stated that if the board chooses to continue with the intent as he described, then he believes it still has a place.

Mr. Carter stated that he is not suggesting they get out of the hedge funds with this purpose, but noted that the hedge funds are certainly underperforming all the indices. Chairman Stanton disclosed that he has a bias, but that when he reviews the performance of the hedge funds that he believes we are with a B team. He notes there are hedge funds that do much better in the space, and noted that over a 5-year period the fund has not had a breakout year. Mr. Kaufman noted that he does not understand that with this particular hedge fund the purpose is to reduce the risks of a down return while limiting the up side, even though the hedge fund fee structure suggests there is more upside. He commented that the fund will continue to underperform unless the hedge fund sector blows up, at which point this fund will do better because it has less beta (risk). Mr. West commented that he agreed that we are hedging our bets too much since we are in a fund of funds. However, in this case he stated that AndCo tried to understand the reason for why this fund was in the portfolio, and reasoned independently that the previous consultant had the same opinion and probably intended to place into the portfolio to achieve a reasonable return, somewhere between stocks and bonds, with a much more stable and lower volatility fund. Mr. Kaufman asked why Mr. West believes it is not the time to make a change. Mr. West stated hedge funds compared to other spaces, and especially fund of funds, typically come in vogue when equity markets roll over, and they provide a low correlating diversifying offset. He said interest rates are currently rising, and we are looking at negative returns for the index fund in the current quarter. He stated that if we were to liquidate the fund at the moment, then the recommendation would be to go back to the fixed income equivalent, or bond market. He recommended that they keep on the front burner and maybe wait until the rates actually settle out.

Chairman Stanton asked Mr. West to provide Mr. Hanes within a week to 10-days on a one piece of paper one-year, two or three-years, and five-year return from every fund of funds that you recommend to any client so we can see how they have performed with respect to Weatherlow. He asked that Mr. Hanes send by email to the trustees. He stated that he would like to know what others of their clients have experienced in the space. Mr. Goldsmith asked what would happen to the money in the space, and Mr. West commented it is required by the policy statement to stay in the space, which would be high quality investment bond.

Chairman Stanton asked Mr. West about the duration of bonds within the portfolio. Mr. West answered that the Goldman Sachs bonds are around 5.7 to 5.8 years, and a very interest rate sensitive vehicle. He stated the duration on the broad market index is approximately a 5-year range. Mr. West commented that we are overweight in real estate with the addition of JP Morgan with quarterly liquidity, and that the timing of the investment over the last quarter was fortuitous and has provided a very stable income return.

Chairman Stanton commented that most of the discretionary $5.4 million lump sum that the Town contributed toward the unfunded liability was invested with the Vanguard total bond market index. Mr. West added that the reason it must go there is to stay in compliance with the fixed income allocation policy.

Mr. West commented on where he would like to pull $4.5 million for a distribution to the Town as requested. He stated his recommendation is to pull $2.7 million from the SSGA S&P 500 index fund and $1.8 million from the Vanguard total bond fund index. Mr. Kaufman asked Mr. West why he recommends the distribution from bond funds, and whether it is influenced by rising interest. Mr. West stated he agreed, and stated they are allocated sufficiently to stay within the range in the event interest rates decline instead of going up. Chairman Stanton recommended that ½ of the $4.5 million be taken from TCW, with the remaining split evenly between the S&P 500 index and Vanguard bond fund index.

Mr. Kaufman made the motion to adopt the recommendation by Chairman Stanton. Mr. Carter seconded the motion. The trustees unanimously approved the motion.

XIII. Ellen Schaffer Software Fee Request, Jim Linn, Attorney

Mr. Jim Linn discussed that Ms. Schaffer administers the software that Mr. Hanes uses for various purposes of administration of the plan, and we currently pay her around $9,000 per year. He commented she is requesting approximately 5% increase in fees. Chairman Stanton asked Mr. Hanes if he is supportive of the increase. Mr. Hanes confirmed his support and added that while she is accepting a 5% increase for her work, there is another licensing increase from $544 to $600.

Mr. Goldsmith made the motion to approve the requested increases. Mr. Carter seconded the motion. The trustees unanimously approved the motion.

XIV. Attorney Report

Mr. Linn made comments about retirement legislation before the state legislature, and noted there is no legislation that will be enacted impacting the plan.

XV. Retirement Benefit Payments, William P. Hanes, Administrator

Mr. Hanes presented the written report indicating 4 new DROP participants and 4 new Retirements since last quarter.

Mr. Carter made the motion to ratify the payments. Mr. Goldsmith seconded the motion. The Trustees unanimously approved the motion.

XVI. Other Business

Mr. Hanes congratulated Mr. Blouin for his newly appointed position as Town Manager and Trustee to the board. He also congratulated Mr. Madison for his re-election to service as trustee to the board. The trustees extended congratulations to Mr. Blouin and Mr. Madison.

XVII. Adjournment

The trustees agreed to adjourn the meeting without motion.

Respectfully Submitted,

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Brett E. Madison
Secretary
Town of Palm Beach Retirement System

Town of Palm Beach Retirement System

Quarterly Financial Reports

As of March 31, 2018

Town of Palm Beach Employee's Retirement Fund
Statement of Net Assets
March 31, 2018

	March 31, 2018
Assets	
Cash (held in bank accounts)	4,697,633
Cash and cash equivalents (held in custodial accounts)	2,705,955
Total Cash and Cash Equivalents	**7,403,588**
Receivables	
Due from Brokers	485,872
Due from General Fund	-
Interest Receivable	38,609
Total Receivables	**524,481**
Investments at Market Value	
Domestic Equity	71,595,223
Fixed Income	28,123,416
Alternative	16,433,737
International Equity	55,348,486
Private Equity	18,338,818
Real Estate	25,206,042
Total Investments	**215,045,722**
Other Assets	15,739
Total Assets	**222,989,530**
Liabilities	
Accounts Payable and Accrued Expenses	-
Due to General Fund	1,863,830
Due to Brokers	321,861
Total Liabilities	**2,185,690**
Net Assets Held in Trust for Pension Benefits	**220,803,840**

Town of Palm Beach Retirement System
Statement of Changes in Net Assets
March 31, 2018 and March 31, 2017

	FYTD Through March 31, 2018					*FYTD Through March 31, 2017*				
	General	**Ocean Rescue**	**Police Officers**	**Firefighters**	**Total**	**General**	**Ocean Rescue**	**Police Officers**	**Firefighters**	**Total**
Additions										
Contributions										
Employer	2,997,898	188,431	2,870,523	3,263,383	9,320,235	2,414,960	163,443	2,832,558	2,676,124	8,087,085
Employee	198,213	2,981	193,263	210,708	605,165	142,781	2,062	177,186	113,364	435,393
Employee Service Purchase	-	-	-	-	-	-	-	-	-	-
Additional Transfer from Town	1,488,114	98,428	1,579,232	1,717,532	4,883,306	783,186	53,006	821,110	842,698	2,500,000
Prepaid Contribution	-	-	-	-	-	-	-	-	-	-
Total Contributions	**4,684,225**	**289,840**	**4,643,018**	**5,191,623**	**14,808,706**	**3,340,927**	**218,511**	**3,830,854**	**3,632,186**	**11,022,478**
Investment Income (loss)										
Net Appreciation (Depreciation) in										
Fair Value of Investments	2,554,384	126,279	2,148,338	2,039,814	6,868,816	2,287,829	113,101	1,924,155	1,826,955	6,152,040
Interest and Dividends	198,981	9,837	167,351	158,897	535,065	302,422	14,951	254,349	241,500	813,222
Other	25,329	1,252	21,303	20,227	68,111	615	30	517	491	1,653
Total Investment Income	**2,778,694**	**137,368**	**2,336,992**	**2,218,938**	**7,471,992**	**2,590,866**	**128,082**	**2,179,021**	**2,068,946**	**6,966,915**
Less Investment Expense	76,297	3,775	64,152	60,931	205,155	81,906	4,052	68,868	65,410	220,236
Net Investment Income	**2,702,397**	**133,593**	**2,272,840**	**2,158,007**	**7,266,837**	**2,508,960**	**124,030**	**2,110,153**	**2,003,536**	**6,746,679**
Total Additions	**7,386,622**	**423,433**	**6,915,858**	**7,349,630**	**22,075,544**	**5,849,887**	**342,541**	**5,941,007**	**5,635,722**	**17,769,157**
Deductions										
Benefit Payments	2,976,750	164,782	2,582,033	2,698,265	8,421,829	2,844,988	161,979	2,451,635	2,587,675	8,046,277
Share distributions	-	-		99,729	99,729	-	-	-	-	-
DROP Withdrawal	832,631	-	-	500,617	1,333,248	57,398	-	-	-	57,398
Refunds of Participants Contributions	64,279	4,532	16,042	14,760	99,614	1,780	-	-	24,785	26,565
Salary and Benefits	12,033	595	10,120	9,609	32,357	14,541	719	12,229	11,612	39,101
Administrative Expense	58,849	2,912	49,481	46,997	158,239	63,889	3,161	53,719	51,022	171,791
Total Deductions	**3,944,543**	**172,821**	**2,657,677**	**3,369,976**	**10,145,016**	**2,982,596**	**165,859**	**2,517,583**	**2,675,094**	**8,341,132**
Net Increase (Decrease)	**3,442,079**	**250,613**	**4,258,181**	**3,979,654**	**11,930,527**	**2,867,291**	**176,682**	**3,423,424**	**2,960,628**	**9,428,025**

Town of Palm Beach Retirement System
Investment and Operating Expenses
For the Period October 1, 2017 – March 31, 2018

Description	Amount	% of Total MV of
Investment Management Fees		
Acadian		0.00%
Wellington		0.00%
Wells Capital Management	39,566	0.02%
Geneva Capital Management	10,541	0.00%
Thompson, Siegel & Walmsley	16,543	0.01%
JP Morgan - Venture Capital	6,680	0.00%
JP Morgan - Strategic Property	51,236	0.02%
State Street Global Advisors	6,472	0.00%
Goldman Sachs	12,286	0.01%
Total Investment Management Fees	**143,324**	**0.07%**
Other Investment Fees		
Custodial Fees	29,331	0.01%
Investment Consultant Services	32,500	0.01%
Total Investment Expense	**205,155**	**0.09%**
Operating Expenses		
Fiduciary Insurance		0.00%
Actuarial Services	29,544	0.01%
Audit Fees and Accounting Fees	23,900	0.01%
Software	6,034	0.00%
Administrator Fees	78,750	0.04%
Legal Fees	18,394	0.01%
Memberships	600	0.00%
Medical Exams		0.00%
Postage	1,018	0.00%
Miscellaneous		0.00%
Total Operating Expenses	**158,239**	**0.07%**
Total Operating and Investment Expenses	**363,394**	**0.17%**
Investments at Market Value as of March 31, 2018	218,309,965	
Total Assets at Cost as of March 31, 2018	164,047,054	
Total Expenses as a Percentage of Assets at Cost	0.22%	

Town of Palm Beach Retirement System
Historical Investment and Operating Expenses
FY2014 – FY2018

Description	FY2014	% of Total MV Assets	FY2015	% of Total MV Assets	FY2016	% of Total MV Assets	FY2017	% of Total MV Assets	YTD FY2018	% of Total MV Assets
Investment Management Fees										
Acadian Emerging Markets	70,795	0.04%	83,275	0.04%	67,871	0.03%	38,480	0.02%	-	0.00%
Wellington	36,667	0.02%	33,602	0.02%	26,844	0.01%	14,792	0.01%	-	0.00%
JP Morgan Venture Capital	-	0.00%	-	0.00%	13,679	0.01%	21,814	0.01%	6,680	0.00%
JP Morgan - Strategic Property	-	0.00%	-	0.00%	-	0.00%	16,107	0.00%	51,236	0.02%
State Street Global Advisors	-	0.03%	7,276	0.03%	9,845	0.03%	12,774	0.01%	6,472	0.00%
Wells Capital	46,942	0.00%	60,489	0.00%	41,086	0.00%	49,849	0.00%	39,566	0.02%
Income Research and Management	1,364	0.00%	16,108	0.00%	2,277	0.00%	-	0.00%	-	0.00%
Richmond Capital	6,633	0.00%		0.00%	-	0.00%	-	0.00%	-	0.00%
Geneva Capital Management	34,992	0.02%	39,108	0.02%	36,218	0.02%	36,902	0.02%	10,541	0.00%
Thompson Siegel & Walmsley	75,633	0.04%	123,071	0.04%	112,184	0.06%	75,941	0.04%	16,543	0.01%
Pyramis Global Advisors, Trust Company	36,419	0.02%	-	0.02%	-	0.00%	-	0.00%	-	0.00%
Goldman Sachs	100,142	0.05%	76,720	0.05%	47,376	0.02%	48,454	0.02%	12,286	0.01%
Total Investment Management Fees	409,587	0.21%	439,649	0.22%	357,379	0.19%	315,113	0.15%	143,324	0.07%
Other Investment Fees										
Custodial Fees	100,081	0.05%	74,797	0.05%	71,924	0.04%	58,576	0.03%	29,331	0.01%
Investment Consultant Services	92,000	0.05%	94,000	0.05%	126,167	0.06%	130,000	0.06%	32,500	0.01%
Total Investment Expense	**618,600**	**0.31%**	**608,446**	**0.31%**	**571,162**	**0.29%**	**503,689**	**0.24%**	**205,155**	**0.09%**
Operating Expenses										
Fiduciary Insurance	51,450	0.03%	33,805	0.03%	65,880	0.03%	31,478	0.02%	-	0.00%
Actuarial Services	42,500	0.02%	57,450	0.02%	56,450	0.03%	69,440	0.03%	29,544	0.01%
Accounting and Audit Fees	23,600	0.01%	22,800	0.01%	22,000	0.01%	26,700	0.01%	23,900	0.01%
Software	9,401	0.00%	20,847	0.00%	16,159	0.01%	7,712	0.00%	6,034	0.00%
Administrator Fees	150,054	0.07%	150,000	0.07%	150,000	0.08%	152,500	0.07%	78,750	0.04%
Legal Fees	81,116	0.04%	106,486	0.04%	61,682	0.03%	47,695	0.02%	18,394	0.01%
Memberships and Travel	-	0.00%		0.00%	-	0.00%	600	0.00%	600	0.00%
Medical Exams	2,772	0.00%	1,300	0.00%	-	0.00%	-	0.00%	-	0.00%
Postage and Office Expense	280	0.00%	255	0.00%	57	0.00%	1,395	0.00%	1,018	0.00%
Miscellaneous	493	0.00%	619	0.00%	947	0.00%	541	0.00%	-	0.00%
Total Operating Expenses	**361,666**	**0.18%**	**393,562**	**0.20%**	**373,176**	**0.19%**	**338,061**	**0.16%**	**158,239**	**0.07%**
Total Expenses	**$ 980,265**	**0.49%**	**$ 1,002,008**	**0.50%**	**$ 944,338**	**0.47%**	**$ 841,750**	**0.40%**	**$ 363,394**	**0.17%**
Investments at Market Value as of September 30	$200,852,218		$191,534,122		$193,698,501		$209,413,599		$218,309,965	
Investments at Cost as of September 30	$167,507,626		$176,650,573		$163,377,632		$161,047,667		$164,047,054	
Total Expenses as a Percentage of Assets at Cost	0.59%		0.57%		0.56%		0.52%		0.22%	

Town of Palm Beach Retirement System
Cash Flow Projection
For the Period of May 1, 2018 through July 31, 2018

Checking Account Balance as of May 1, 2018	984,614
Estimated Receipts	
Employer Transfer	-
Estimated Employee Contributions	300,000
Total Estimated Receipts	300,000
Estimated Expenditures	
Estimated Pension Benefits	(4,300,000)
Estimated Refunds/DROP Payouts	(989,106)
Estimated Expenses	(200,000)
Total Estimated Expenditures	(5,489,106)
Estimated Cash Balance available on July 31, 2018	(4,204,492)
Estimated Amount of Transfer from Money Manager Accounts	4,500,000

Town of Palm Beach Retirement System
Disbursements
February 23, 2018 – April 27, 2018

Check #	Check Date	Vendor Name	Description	Total Amount
1146927	2/23/2018	WILLIAM P.HANES CONSULTING INC	PENSION ADMINSTRATOR FEE - FEBRUARY	$13,125.00
1146949	2/23/2018	MURDOCK, JAMES M	J. MURDOCK DROP REFUND	$68,000.00
1146961	2/23/2018	VANTAGEPOINT TRSFR AGENTS/457, FBO J	J MURDOCK DROP ROLLOVER	$87,569.47
1146962	2/23/2018	VANTAGEPOINT TRSFR AGENTS/457, FBO M HEJAZI	M HEJAZI DROP ROLLOVER	$193,023.97
1146985	3/2/2018	ELLEN SCHAFFER	MICROFOCUS COBOL SERVER SUPPORT RENEWAL	$600.30
1147067	3/2/2018	WALLACE, ANTHONY	A. WALLACE SHARE REFUND	$568.92
1147085	3/9/2018	GABRIEL,ROEDER,SMITH & CO	PROFESSIONAL ACTUARIAL SERVICES FOR	$17,840.00
1147085	3/9/2018	GABRIEL,ROEDER,SMITH & CO	PROFESSIONAL ACTUARIAL SERVICES FOR TOPB RETIRMENT	$8,432.00
1147295	3/16/2018	VANTAGEPOINT TRSF AGENTS/457, FBO M. MYHRE	MARK MYHRE ROLLOVER 300786 SSN: 9438	$2,373.61
1147332	3/23/2018	STATE STREET BANK & TRUST CO.	EBBC-GENERAL EMPLOYEES RETIREMENT FUND / DEC 2017	$6,020.84
1147332	3/23/2018	STATE STREET BANK & TRUST CO.	EBBC-GENERAL EMPLOYEES RETIREMENT FUND / JAN 2018	$6,080.16
1147325	3/23/2018	LEWIS LONGMAN & WALKER P.A.	LEGAL SERVICES - RETIREMENT BOARD / FEB 2018	$3,156.28
1147443	3/30/2018	WILLIAM P.HANES CONSULTING INC	PENSION ADMINSTRATOR FEE - MARCH 2018	$13,125.00
1147648	4/13/2018	PENSION BENEFIT INFORMATION	PLATINUM CONTINUOUS MONITORING WITH	$450.00
1147593	4/13/2018	GABRIEL,ROEDER,SMITH & CO	PROFESSIONAL ACTUARIAL SERVICES FOR 01/01 -02/28/18	$17,127.00
1147582	4/13/2018	ANDCO CONSULTING, LLC	CONSULTING SERVICES AND PERFORMANCE / JAN 1 - MARCH 31,	$32,500.00
1147593	4/13/2018	GABRIEL,ROEDER,SMITH & CO	PROFESSIONAL ACTUARIAL SERVICES FOR MARCH 2018	$3,565.00
1147599	4/13/2018	LEWIS LONGMAN & WALKER P.A.	LEGAL SERVICES - RETIREMENT BOARD MARCH	$3,143.58
1147618	4/13/2018	ARTHUR J. GALLAGHER RISK MGMT	TPB RETIREMENT SYSTEM (FIDUCIARY / 4/1/18 - 4/1/19	$24,126.00
1147659	4/13/2018	VENTURE CAPITAL V	MGMT FEES FOR 1ST QTR ENDING 03/31/18	$6,680.00
1147657	4/13/2018	TD AMERITRADE CLEARING, INC., FBO C SOMERS	C SOMERS DROP ROLLOVER	$300,000.00
1147656	4/13/2018	SOMERS, CHERYL	C. SOMERS DROP REFUND	$38,605.86
1147702	4/20/2018	STATE STREET BANK & TRUST CO.	EBBC-GENERAL EMPLOYEES RETIREMENT FUND / NOV 2017	$5,550.12
1147706	4/20/2018	THOMPSON,SIEGEL,& WALMSLEY LLC	INVESTMENT MGMT FEES (TOPB RETIREMENT/EBBH JAN 1 - MAR	$16,363.54
1147680	4/20/2018	GOLDMAN SACHS TRUST COMPANY	MG102781 PB EMPLOYEES' RETIREMENT / JAN 1 - MARCH 31,	$12,168.68
1147728	4/20/2018	FIIOC	C. SOICH PLAN B ROLLOVER	$2,566.96
1147818	4/27/2018	WELLS CAPITAL MGMT, INC.	ACCT: ND25678800 ADMIN FEES	$21,605.11
1147820	4/27/2018	WILLIAM P.HANES CONSULTING INC	PENSION ADMINSTRATOR FEE - APRIL 2018	$13,125.00
28	**Total**			**$917,492.40**

Town of Palm Beach Retirement System
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February 23, 2018 - April 27, 2018

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28	**Total**			**$917,492.40**

Secretary

Date

2017

Town of Palm Beach Retirement System Annual Report

Plan Profile, Demographic and Financial Highlights

Jane Le Clainche CPA
Finance Director

May 4, 2018

Board of Trustees and Employees
Town of Palm Beach Retirement System
Palm Beach, FL 33480

Gentlemen and Participants:

It is our pleasure to present The Town of Palm Beach Employee's Retirement System Annual Report. The report represents the financial and actuarial information for the plan as of fiscal year end September 30, 2017. The demographic information presented for the defined contribution plans with ICMA covers the period January 1, 2017 through December 31, 2017.

Copies of this report will be accessible to all Town Employees and interested citizens via the Town's website.

The report includes; a summarized plan description, plan provisions, demographic information for both the defined benefit plans as well as the defined contribution plans, fiscal year-end financial statements, a listing of professional service providers for the plan, and current investment managers.

Sincerely,

Jane Le Clainche, CPA
Finance Director

William Hanes
Plan Administrator

Danielle Olson
Human Resource Director

Town of Palm Beach Retirement System

Retirement Board Members

Dan Stanton, Chairman
Gerald Goldsmith, Vice Chairman
Brett Madison, General Employee Representative, Secretary
Jeffrey Amling, Trustee
C. Edward Carter, Trustee
Brad Kaufman, Trustee
Kirk Blouin, Town Manager
Lieutenant Michael Marx, Firefighter Representative
Sergeant Daniel Wilkinson, Police Representative

Employees' Pension System

The Town of Palm Beach's employee pension plan was created in 1947.

The funds were overseen by a single Retirement System Board of Trustees until 1999. The board included citizens appointed by the Town Council, and police officer, firefighter, and general employee representatives elected by their respective peers. The Mayor, Town Council President, and Town Manager served ex officio. The 1999 State Legislature authorized police officers and firefighters to more independently oversee their pension funds (if their local plan was receiving the Chapter 175/185 subsidy), and the Town's single board was divided into a General Employees' Retirement Board of Trustees and a Public Safety Retirement Board of Trustees. In 2004, the Public Safety Retirement Board of Trustees further divided into a Police Officers' Retirement Board of Trustees and a Firefighters' Retirement Board of Trustees.

The plans were separately managed by 3 pension boards from 2004 until April 1, 2012, when the three retirement boards were consolidated into the Town of Palm Beach Retirement System Board of Trustees. This Board now oversees all of the Town's pension assets and retirement programs, including the Town's Retirement Savings Account (RSA). An outside pension consultant serves as investment advisor to the Board. The Board also has contracted out a portion of the plan administration services.

On May 1, 2012, the retirement benefits for most Town employees were changed from a defined benefit plan to a hybrid pension plan. Employees who were eligible to retire on or before that date were grandfathered into the legacy defined benefit plan, and the accrued benefits for all other employees were frozen as of May 1, 2012. Benefits accrued after that date by those not grandfathered were in a new hybrid pension plan that contained a defined benefit component and a defined contribution component. In addition, the Town ceased participation in the State of Florida's Chapter 175 and 185 programs for firefighters and police officers. Approximately 290 active employees and 418 retirees are covered by the Town's retirement plan.

During 2016, the Town Council approved benefit changes for non-union public safety officers. The changes included the elimination of the hybrid option and included an enhanced DB plan with an increased multiplier and reduced retirement age. The changes are described in more detail in the Summary of Plan Description section of this document.

During 2017, the Town Council approved benefit changes for union firefighters, general employees and lifeguards. The union firefighters have an enhanced DB plan with an increased multiplier and reduced retirement age. The plan is the same as was approved for the non-union public safety officers in 2016. The Town Council approved a change to the hybrid plan for the General Employees that included an increase in the multiplier and reduced retirement age for the DB plan partially offset by reduced Town DC contributions.

The Town Council approved a new policy requiring annual extraordinary contributions of $5,420,000 allocated to the Town's retirement system each year. The investment return assumption was decreased to 7.3% in fiscal year 2017 and will be decreased by .1% each subsequent year until a 7% assumption is achieved in 2020.

Investment Objective: The long-term objectives of the Fund are to invest System contributions and assets to ensure that there will be no principal erosion of funds or the purchasing power thereof. Investments are managed in a prudent and professional manner in compliance with all applicable statutes and regulations such as Florida Statutes Section 215.47. Though not regulated by the Employee Retirement Income Security Act of 1974, the Trustees and other fiduciaries are subject to fiduciary standards of the Act.

Investment Strategy: The Fund has adopted an investment strategy emphasizing broad diversification. Diversification helps to reduce portfolio volatility (variability of returns) and maximize investment returns at appropriate levels of risk over time.

AndCo Consulting: The Board of Trustees has retained AndCo Consulting, an independent investment consultant for the purpose of assisting the Board in developing and attaining the fund objectives. AndCo assists in establishing objectives, offers alternative models for asset allocation, identifies and recommends appropriate managers or funds, and produces timely quarterly reports that monitor performance of individual managers against similar managers as well as performance of the funds against objectives and appropriate indices.

Asset Allocation Policy: Industry and academic studies have consistently found that asset allocation is the primary driver of risk (volatility) and return. The Fund seeks to meet or exceed the System's actuarial rate of return assumption while looking for opportunities to reduce volatility through diversification.

Rebalancing Policy: Portfolio rebalancing is an important discipline for portfolio risk management. The Fund has established long-term asset allocation targets with ranges. Rebalancing is reviewed not less than quarterly and is required when actual allocation falls outside prescribed ranges. Where possible, rebalancing is coordinated with normal Fund contributions/withdrawals.

Plan Administration: William P. Hanes Consulting, Inc., is the administrator of the plan and processes all requests by employees for filing benefit claims and information on plan benefits. The plan administrator processes investment transactions between the investment consultant, consultant, and managers as directed by the board of trustees.

Professional Service Providers as of December 31, 2017

Plan Administrator	Contact
William P. Hanes Consulting, Inc. P.O. Box 2112 Palm Beach, FL 33480	William P. Hanes (561)906-5885 whanes@townofpalmbeach.com

Board Attorney	Contact
Lewis, Longman and Walker 315 South Calhoun Street, Suite 830 Tallahassee, Florida 32301	James W. Linn, Board Counsel (850)222-5702 jlinn@llw-law.com

Investment Consultant	Consultant
AndCo Consulting 4901 Vineland Road Suite 600 Orlando, FL 32811	Dave West (866)240-7932 davew@andcoconsulting.com

Actuary	Contact
Gabriel Roeder Smith & Company One East Broward Blvd Suite 505 Ft. Lauderdale, FL 33301-1804	Pete Strong FSA, EA, MAAA, FCA (954)713-2102 Pete.strong@grsconsulting.com

Custodial Bank	Contact
State Street Global Services 801 Pennsylvania Ave Kansas City, MO 64105	Kaylee Payne (816)871-3512 kpayne@statestreet.com

Independent Auditors	Contact
Marcum One SE Third Avenue 16th Floor Miami, FL 33131	Michael Futterman, CPA Partner (305)995-9610 Michael.futterman@marcumllp.com

Deferred Compensation	Contact	Contact
ICMA-RC Service, LLC 2655 LeJeune Road, Suite 545 Coral Gables, FL 33134	Joe Teague (202)962-4644 jteague@icmarc.org	Steven Feigelis (202)701-5969 or (561)963-1681 sfeigelis@icmarc.org

Financial and Accounting Services	Contact
Town of Palm Beach 360 South County Road Palm Beach, FL 33480	Jane Le Clainche, Finance Director (561)227-6330 jstruder@townofpalmbeach.com

Human Resources Enrollment/Training	Contact
Town of Palm Beach 360 South County Road Palm Beach, FL 33480	Danielle Olson, Human Resource Director (561)227-6322 dolson@townofpalmbeach.com

Investment Managers and Investments as of December 31, 2017

Domestic Equity
SSgA S&P 500 Flagship Fund
Thompson Siegel & Walmsley SMID Cap Value
Geneva Mid Cap Growth

International Equity
Artisan International Growth Fund
Harris/Oakmark International Value Fund
Wells Capital Berkeley Street Emerging Markets Equity Fund

Private Equity
Landmark Equity Partners
Private Equity Investment Fund
HarbourVest Private Equity
Pomona Capital
JP Morgan Venture Capital Fund

Hedge Fund of Funds
Weatherlow Offshore Fund I Ltd.
Blackrock Multi Asset Income Fund

Fixed Income
Goldman Sachs Core Plus Fixed Income
Vanguard Total Bond Market Index

Real Estate
Gerding Edlen Green Cities II
Westport Real Estate Fund IV
Gerding Edlen Green Cities III
Long Wharf Real Estate Partners
JP Morgan Strategic Property

Liquid Capital
State Street STIF Account

Summary of Plan Provisions

Grandfathered Benefits: The benefits consist of the prior defined benefit plan (Plan A - see below) including future accruals in Plan A for employees that were eligible to retire on or before May 1, 2012 (grandfather).

Plan A Benefits: The accrued benefits prior to May 1, 2012 in the legacy defined benefit plan (frozen benefits).

Plan B Benefits: The accrued benefits on and after May 1, 2012.

<u>Normal Retirement:</u>

ELIGIBILITY

Plan A

a) *General:* 30 or more years of service, regardless of age; or age 55 with 10 or more years of service

b) *Ocean Rescue:* Age 50 with 10 or more years of service. Or 10 or more years of service and age plus credited service totals 65 years or more.

c) *Police and Firefighters:* 20 or more years of service, regardless of age; or, age 50 with 10 or more years of service; or, at least 10 years of service and age plus credited service totals 65 years or more.

d) Immediate vesting was granted to all employees who on May 1, 2012, were active contributing plan participants.

Plan B

General and Ocean Rescue: Age 62 with 10 or more years of service if employed or participating in DROP on May 1, 2017. If not employed or participating in DROP on May 1, 2017, retirement eligibility age is 65 with 10 or more years of service. Employees hired on or after May 1, 2017 are eligible to retire at age 62 with 10 or more years of service.

Police and non-bargaining Firefighters: Age 56 with 10 or more years of service if employed on or participating in DROP on October 1, 2016. If not employed or participating in DROP on October 1, 2016, retirement eligibility age is 65 with 10 or more years of service. Employees hired on or after October 1, 2016 are eligible to retire at age 56 with 10 or more years of service.

Bargaining - Firefighters: Age 56 with 10 or more years of service if employed on or participating in DROP on August 12, 2017. If not employed or participating in DROP on August 12, 2017, retirement eligibility age of 65 with 10 or more years of service. Employees hired on or after August 12, 2017 are eligible to retire at age 56 with 10 or more years of service.

PENSION AMOUNT

Plan A

a) *General:* Average final compensation times the sum of a) 2.75% for service earned after September 30, 1990, to a maximum of 82.5%, plus 2.35% for service earned on or before September 30, 1990 for the first 30 years of service, plus, b) 1.0% for service in excess of 30 years.
b) *Ocean Rescue:* Average final compensation times the sum of a) 2.85% for the first 25 years of service with a maximum of 71.25%, plus, b) 1.0% for service in excess of 25 years.
c) *Police Officers and Firefighters*: Average final compensation multiplied by the sum of a) 3.5% per year of credited service to a maximum of 87.5 percent, plus, b) 2.0% per year of credited service, if any, in excess of 43.75 years.

Plan B

General and Ocean Rescue: The normal form of pension is a pension payable for life. Also see Automatic Death Benefit. Average final compensation multiplied by 1.25% per year of credited service from May 1, 2012, through April 30, 2017 and multiplied by 1.70% per year on and after May 1, 2017.

Bargaining Firefighters: The normal form of pension is a pension payable for life. Also see Automatic Death Benefit. Average final compensation multiplied by 1.25% per year of credited service from May 1, 2012 to August 12, 2017. Average final compensation multiplied by 2.75% per year of credited service on and after August 12, 2017.

Police and non-union Firefighters: The normal form of pension is a pension payable for life. Also see Automatic Death Benefit. Average final compensation multiplied by 1.25% per year of credited service from May 1, 2012 to October 1, 2016. Average final compensation multiplied by 2.75% per year of credited service on and after October 1, 2016.

Members can elect an optional survivorship benefit with an actuarial reduction in benefit.

Average Final Compensation:

Plan A

Average of the highest 2 consecutive years within the member's last 5 years of credited service.

Plan B

Average annual compensation after April 30, 2012, is the average of the final 5 years of credited service.

<u>DROP Retirement: Both Plan A and Plan B</u>

Eligibility - Same as Normal Retirement. Participation must be terminated within 5 years of DROP commencement.

Pension Amount

General and Ocean Rescue: 100% of member's accrued benefit at the date of election to participate in DROP. Grandfathered General and Ocean Rescue employees: 98% of member's accrued benefit at the date of election to participate in DROP

Police and Firefighters: 100% of the member's accrued benefit at the date of election to participate in DROP.

The rate of return credit for the DROP and Share accounts is calculated based on a five-year trailing average annual return of the plan, and applied to the DROP and Share balances at the end of each quarter on the average daily balance for the quarter.

A member who receives DROP payments for the portion of their pension earned on or after May 1, 2012, shall be an at-will employee for the reminder of the DROP period.

<u>Early Retirement (General Employees Only):</u>

ELIGIBILITY

Plan A

Age 50 with 10 or more years of credited service based on a monthly reduction from normal retirement date as explained below.

Plan B

Early retirement at age 60 with 10 or more years of credited service, based on a monthly reduction from normal retirement date based on actuarial equivalency.

PENSION AMOUNT

Plan A

Computed as a normal retirement benefit but reduced 6/10 of 1% (3/10 of 1% if service credit is 20 or more years) for each month early retirement precedes the member's normal retirement date.

<u>Deferred Retirement (Vested Termination Benefit): Both Plan A and Plan B</u>

Eligibility - 10 or more years of service (waived for frozen benefits). Pension begins upon meeting requirement for normal retirement. Contributions must be left on deposit in the

System; failure to do so results in forfeiture of the vested benefit. Frozen accrued benefits as of April 30, 2012 are vested immediately.

Pension Amount - Computed as for normal retirement, based upon Plan A frozen benefit, or Plan B service and average final compensation at time of termination.

Duty Disability Retirement: Both Plan A and Plan B

Eligibility - No age or service requirements.

General Employees and Ocean Rescue: Payment of sixty percent of the monthly final average compensation (greater of Plan A or B); or if the member retires prior to attaining the age for normal retirement, the amount of the monthly pension shall be computed as if the member has continued to accrue credited service until the date the member would have attained the age for normal retirement provided that the member has been in receipt of the disability benefit for at least five years.

Police Officers and Firefighters: Payment of sixty percent of the monthly average final compensation (greater of Plan A or B); or if the member retires prior to attaining the age for normal retirement, the amount of the monthly pension shall be computed as if the member has continued to accrue credited service until the date the member would have attained the age for normal retirement provided that the member has been in receipt of the disability benefit for at least five years.

Non-Duty Disability Before Retirement: Both Plan A and Plan B

Eligibility - 10 or more years of service (waived for frozen benefit).

Pension Amount - Computed as for normal retirement. For Police and Firefighter benefit groups, the disability pension benefit shall not be less than a payment of 30 percent of the member's average final compensation at the time of disability.

Duty Death Before Retirement: Both Plan A and Plan B

Eligibility - No age or service requirements.

Pension Amount - A pension to each surviving child of 25% of the member's average final compensation not to exceed an equal share of 75% of the deceased member's AFC when there are 4 or more surviving children being paid. A pension to the surviving spouse, if any, of the difference, if any, between 75% of the retiree's AFC and the aggregate amount paid to children for the month.

Non-Duty Death Before Retirement: Both Plan A and Plan B

Eligibility - 10 or more years of service (waived for frozen benefit).

Pension Amount - 75% of normal retirement benefit to a surviving spouse or equal shares of 25% not to exceed 75% of the normal retirement benefit to surviving unmarried children under 18, or to age 25 if not payable to a surviving spouse.

Automatic Death After Retirement Pension:

Plan A

To Surviving Child(ren): 25% of the retiree's pension payable to age 18, not to exceed an equal share of 75% of the retiree's pension. Payments to surviving children may be paid to age 25 if no surviving spouse.

To Surviving Spouse: The difference, if any, between 75% of the deceased retiree's pension and the aggregate amount paid to any surviving children for the month.

Plan B

Reduced option forms of payment are available for survivorship benefits.

Post-Retirement Cost-of-Living Adjustments:

Plan A

Pensions are increased 2.0% annually based on the total pension payable subsequent to an initial 3-year deferral period.

Plan B

None.

Purchase of Service Credit: Both Plan A and Plan B

A vested member who has not purchased service credit under Prior Governmental Service, including Military Service elsewhere may purchase years or fractional parts of years of service, not to exceed 5 years, to be added to years of credited service provided that the member contributes the sum that would have been contributed to the retirement plan to pay the full actuarial cost.

Purchase of service by members of benefit group firefighter may only be based upon actual prior service as a firefighter or service in the military and purchase of service by a member of benefit group police officer may only be based upon actual prior service as a police officer or service in the military.

Fiscal Year End Financial Statements

Town of Palm Beach Retirement System
Statement of Fiduciary Net Position
September 30, 2017

	2017
ASSETS	
Cash and cash equivalents	$ 111,225
Interest and dividends receivable	38,609
Due from broker for securities sold	515,099
Prepaid expenses and other assets	20,848
Investments, at fair value	
Short term investment fund	6,566,160
Domestic fixed income funds	24,207,768
Common Stock	20,282,997
Domestic equity funds	49,814,659
International equity funds	53,856,662
Hedge funds	12,858,855
Private equity funds	17,895,688
Real estate funds	23,959,422
Total Investments	209,442,211
Total Assets	210,127,992
LIABILITIES	
Accounts payable and accrued liabilities	109,901
Due to broker for securities purchased	195,363
Total Liabilities	305,264
TOTAL LIABILITIES	305,264
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	$ 209,822,728

Town of Palm Beach Retirement System
Statement of Changes in Fiduciary Net Position
Year ended September 30, 2017

		2017
ADDITIONS		
Contributions		
Town		$ 10,887,085
Member		963,707
	Total contributions	11,850,792
Investment income (loss)		
Net depreciation in fair value of investments		21,560,863
Interest and dividends		1,016,043
Other		3,309
	Total investment income/(loss)	22,580,215
Less investment expense		(509,681)
	Total additions	33,921,326
DEDUCTIONS		
Benefit payments		16,258,261
Share account distributions		-
DROP distributions		1,355,787
Refunds of participants' contributions		69,245
Administrative expense		425,985
	Total deductions	18,109,278
	Net increase	15,812,048
Net position held in trust for pension Benefits		
Beginning of Year Net Position		194,010,680
NET POSITION HELD IN TRUST FOR PENSION END OF YEAR		$ 209,822,728

Town and Employee Contributions

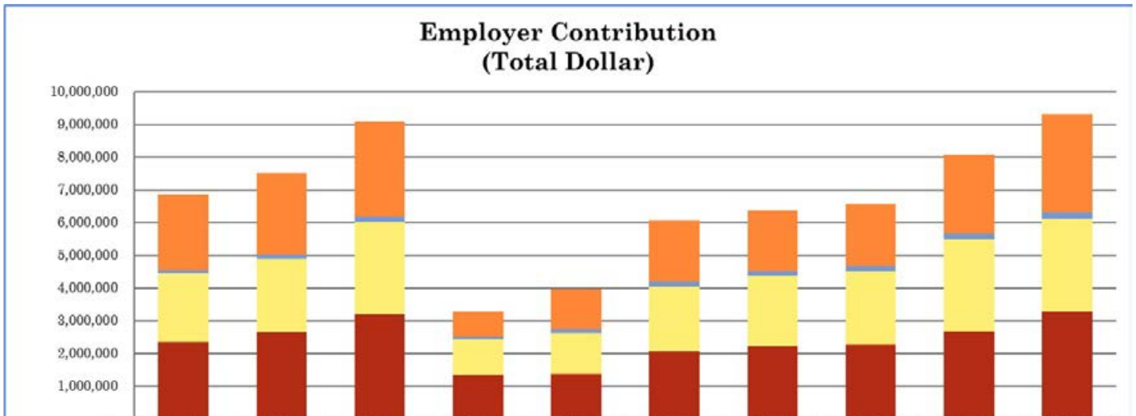
The contribution requirements of the Plan members are established and may be amended by the Town Council. Plan members are required to contribute a percentage of their annual pensionable wages as described in the following table. The member contribution rates for the FY18 budget year (presented as a percentage of the employees' annual compensation) vary by benefit group, and are shown below (along with the Town's matching contribution rates for the 401(a) plan):

	Defined Benefit Plan	**401(a) Defined Contribution Plan**			
Benefit Group	**Employee Contribution**	**Mandatory Contribution**		**Voluntary Contribution (post tax)**	
		Employee	Employer	Employee	Employer
General Employees	3.5%	3%	3%	Voluntary up to the maximum allowable under IRS regulations	Up to 2.0%
Lifeguard Employees	3.5%	3%	3%		Up to 2.0%
Firefighter Union	10% Variable				
Firefighter Non-Union	10% Variable				
Police Officer	10% Variable				

The Town's annual appropriation for the defined benefit pension plan is based upon the actuaries' determined rate. The defined contribution appropriation is based upon salary estimates and employer matching contribution rates including the discretionary contribution. In addition, the Town Council adopted a policy that provides for an annual appropriation of $5,420,000 to begin to fund the UAAL. The Town's actuarial determined contributions for the defined benefit and the defined contribution plans and the percent of budgeted payroll for the defined benefit plan and total Town contribution for FY18 are shown in the table below and do not include the extraordinary $5,420,000 contribution:

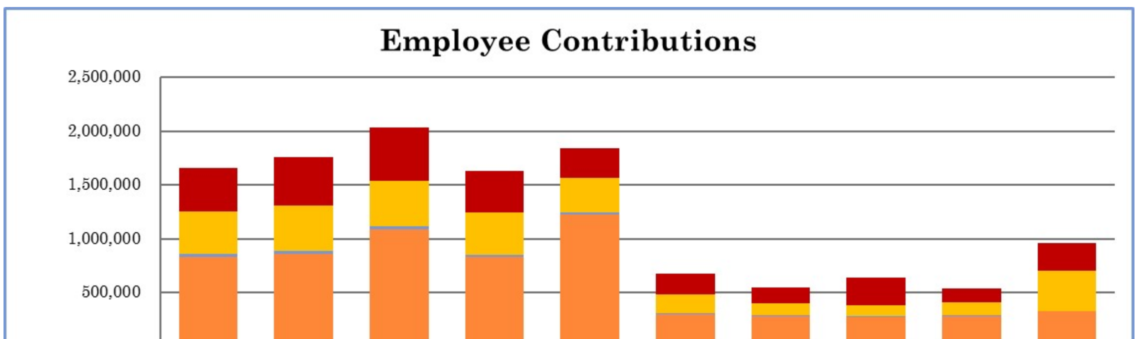
	DB Contribution	**DC Contribution**	**Total Town Contribution**	**% of Payroll (DB Plan)**	**% of Payroll (overall)**
General Employees	$2,997,898	$626,050	$3,623,948	28.42%	34.35%
Lifeguards	188,431	8,778	197,209	114.09%	119.40%
Police	2,870,523	0	2,870,523	80.65%	80.65%
Fire-Rescue	3,263,383	0	3,263,383	94.38%	94.38%
Total	**$9,320,235**	**$634,828**	**$9,955,063**	**52.56%**	**56.14%**

The employer funding history in total dollar contribution for the defined benefit plan for the past 10 years through FY18 budget is as follows:



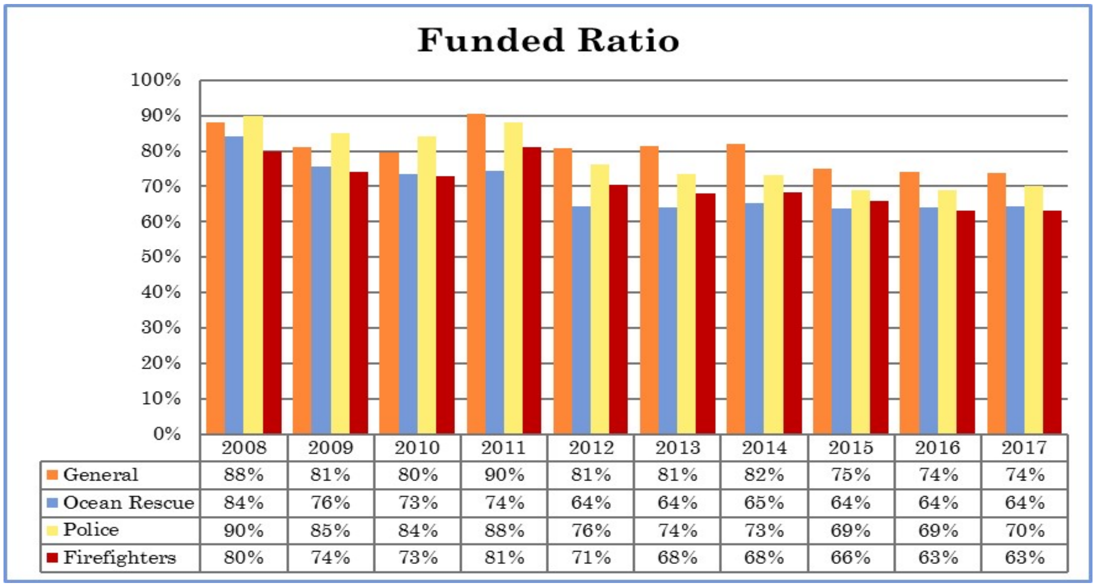
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General	2,319,374	2,507,174	2,927,020	738,879	1,223,869	1,873,887	1,856,320	1,908,865	2,414,960	2,997,898
Ocean Rescue	100,754	109,310	148,364	72,561	125,294	144,734	152,086	157,411	163,443	188,431
Police	2,090,160	2,261,552	2,828,758	1,113,892	1,257,107	1,979,219	2,144,661	2,233,214	2,832,558	2,870,523
Firefighter	2,359,327	2,647,210	3,189,802	1,348,313	1,370,637	2,071,503	2,223,585	2,285,579	2,676,124	3,263,383

Employee Contribution history for the past 10 years through FY17 actual is shown below. The FY17 contributions increased due to the increase in the Police and non-union firefighter contributions. FY18 will show an increase due to the increase in the General Employee and union firefighter contribution increases.



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Firefighters	403,835	442,892	490,483	389,972	279,466	190,047	154,199	255,766	129,585	262,473
Police	394,024	422,170	426,895	387,938	323,938	180,924	108,250	98,530	122,231	368,777
Ocean Rescue	27,320	27,582	29,740	20,637	12,447	8,942	8,333	6,316	4,585	4,865
General	832,252	863,445	1,085,608	833,715	1,228,879	298,561	281,091	275,968	284,732	327,592

The ten-year historical funded ratio though 2017 for the four member groups is as follows:



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General	88%	81%	80%	90%	81%	81%	82%	75%	74%	74%
Ocean Rescue	84%	76%	73%	74%	64%	64%	65%	64%	64%	64%
Police	90%	85%	84%	88%	76%	74%	73%	69%	69%	70%
Firefighters	80%	74%	73%	81%	71%	68%	68%	66%	63%	63%

The table below shows the breakdown in costs between Normal Cost and the amortization of the UAAL by benefit tier (Plan B and Legacy), for the plan as a whole and each employee group. A small number of grandfathered employees continue to accrue benefits under the legacy plan and their normal cost is included in the legacy plan below.

Actuarially Determined Contribution Breakdown by Benefit Tier

Valuation Date: September 30, 2017

	Total Plan	General	Ocean Rescue	Police	Firefighters
Participants	**290**	**174**	**4**	**54**	**58**
Total Plan					
Employer Normal Cost	7.95%	6.65%	7.42%	9.91%	9.75%
Amortization of UAAL	41.35%	20.00%	100.84%	62.76%	78.90%
Total	49.30%	26.65%	108.26%	72.67%	88.65%
Town Contribution	**$ 9,631,447**	**$ 3,041,335**	**$ 191,588**	**$ 2,936,040**	**$ 3,462,484**
Plan B - Ongoing Plan					
Employer Normal Cost	7.69%	6.33%	7.42%	9.55%	9.75%
Amortization of UAAL	0.51%	0.49%	0.36%	0.48%	0.59%
Total	8.20%	6.82%	7.78%	10.03%	10.34%
Town Contribution	**$ 1,601,171**	**$ 778,308**	**$ 13,768**	**$ 405,236**	**$ 403,859**
Plan A - Legacy Plan					
Employer Normal Cost	0.26%	0.32%	0.00%	0.36%	0.00%
Amortization of UAAL	40.84%	19.51%	100.48%	62.28%	78.31%
Total	41.10%	19.83%	100.48%	62.64%	78.31%
Town Contribution	**$ 8,030,276**	**$ 2,263,027**	**$ 177,820**	**$ 2,530,804**	**$ 3,058,625**

The Town Council has committed to lowering the investment return assumption from the current 7.3% to 7% by .1% per year. As of the September 30, 2017 valuation date, the cost to lower the assumption to 7% immediately would increase the Town Contribution for FY19 by $674,955 and increase the UAAL by $11,092,789. The details are shown in the chart below.

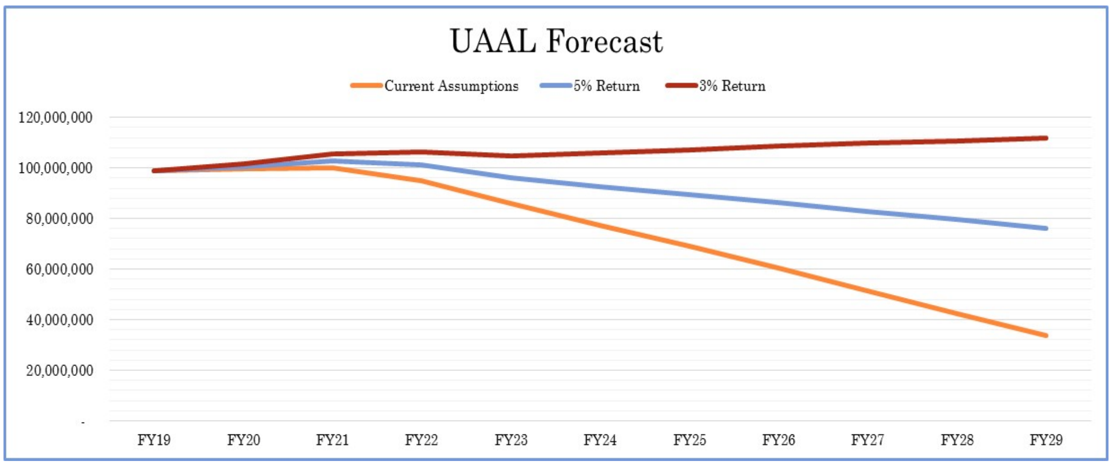
	Total Plan
Current Rate of 7.3%	
Employer Normal Cost	7.95%
Ammortization of UAAL	41.35%
Total	49.30%
Town Contribution	**$ 9,631,447**
UAAL	**$ 98,995,141**
Funded Ratio	68.90%
Assumtion Change to 7%	
Employer Normal Cost	8.70%
Ammortization of UAAL	44.06%
Total	52.76%
Town Contribution	**$ 10,306,402**
UAAL	**$ 110,087,930**
Funded Ratio	66.60%
Difference	
Town Contribution	**$ 674,955**
UAAL	**$ 11,092,789**
Funded Ratio	-2.30%

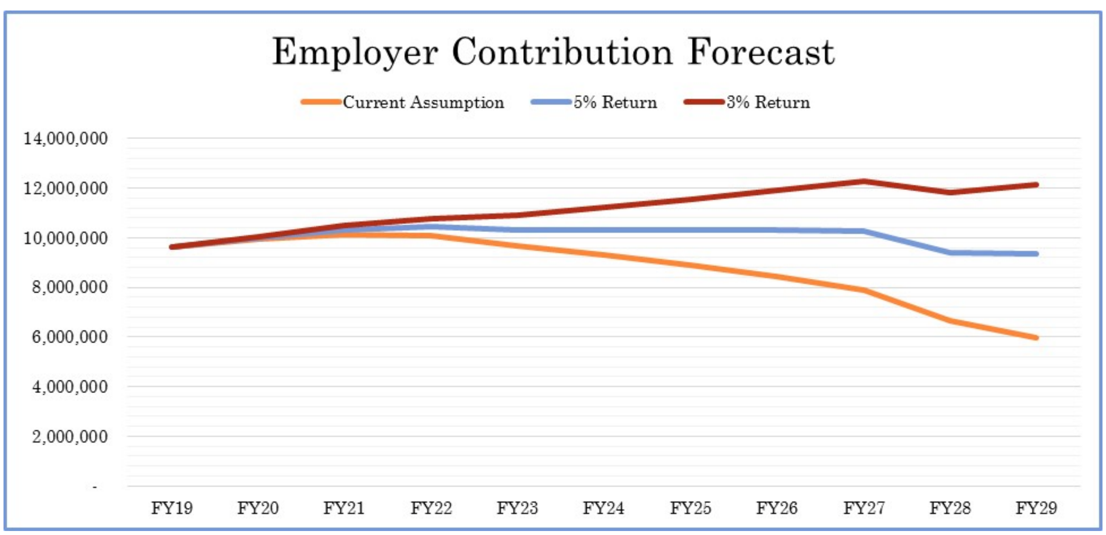
UAAL and Employer Contribution Forecast

A ten-year forecast of the Unfunded Actuarial Accrued Liability (UAAL) and Employer Contribution has been prepared by the actuary. The current assumptions include the reduction in investment return by .01% per year from 7.3% used in the September 30, 2017, Actuarial Valuation Report to 7.0% as of September 30, 2020 and the payroll growth assumption is assumed to decrease by .25% per year from 3% used in the September 30, 2017 report to 2.75% as of September 30, 2018.

This forecast was stress tested using an estimated actual return on the market value of assets of 5% per year and 3% per year. The results are shown on the following charts for UAAL and Employer Contribution.

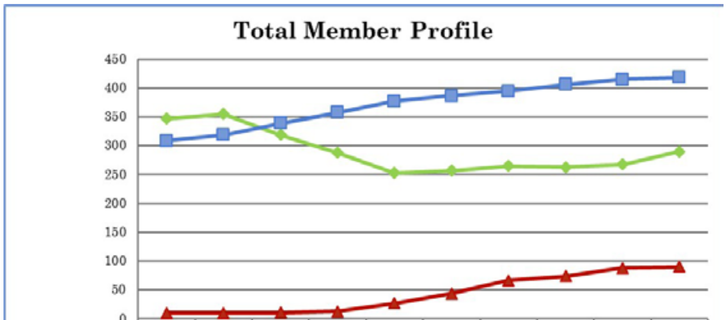
Since these forecasts were prepared last year, there has been significant improvement in both forecasts due mainly to the Town's commitment to contribute an additional $5,420,000 per year to the system, which has been included in the forecast.



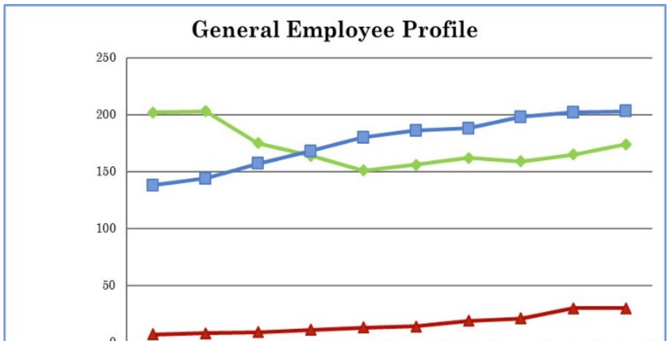


Demographic Information

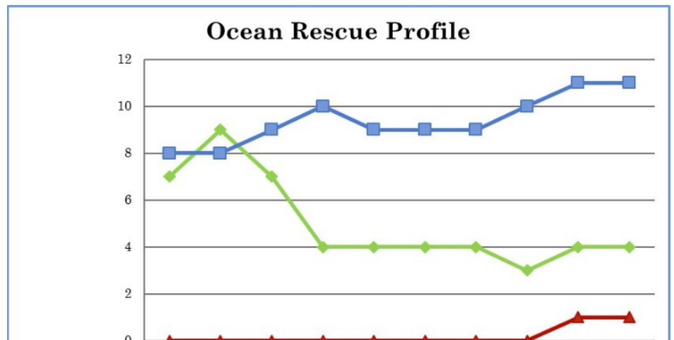
The following charts depict the System membership (Active, Retired and Vested Terminated Members) for the past 10 years. The first chart shows the total membership for all three funds. It is followed by charts depicting the membership for each separate benefit group. Information extracted from the September 30, 2017 Actuarial Report.



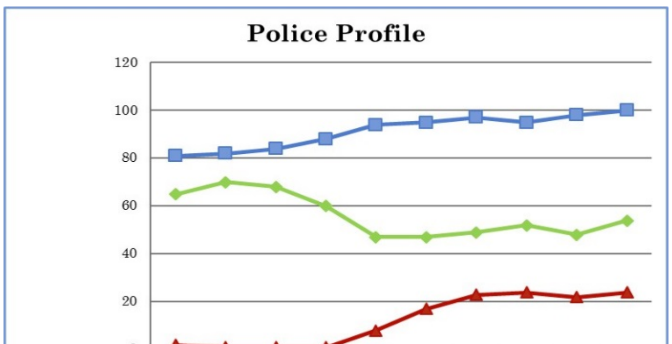
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Active	347	355	319	288	253	257	265	263	268	290
Retired	309	319	339	358	377	387	395	406	415	418
Vested/Term	10	10	11	13	27	44	67	74	88	90



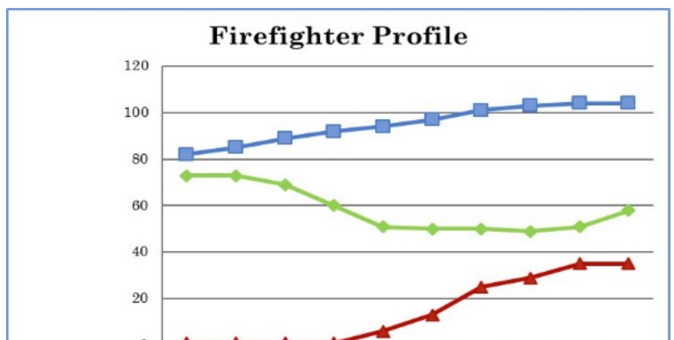
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Active	202	203	175	164	151	156	162	159	165	174
Retired	138	144	157	168	180	186	188	198	202	203
Vested Term	7	8	9	11	13	14	19	21	30	30



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Active	7	9	7	4	4	4	4	3	4	4
Retired	8	8	9	10	9	9	9	10	11	11
Vested Term	0	0	0	0	0	0	0	0	1	1

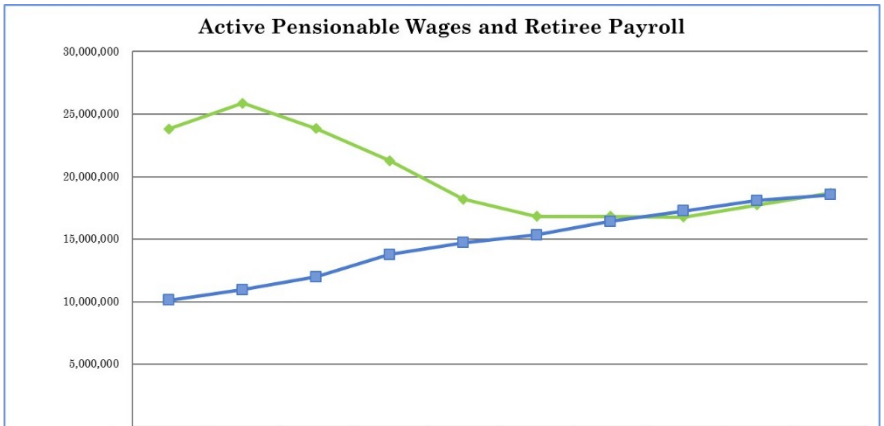


	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Active	65	70	68	60	47	47	49	52	48	54
Retired	81	82	84	88	94	95	97	95	98	100
Vested Term	2	1	1	1	8	17	23	24	22	24



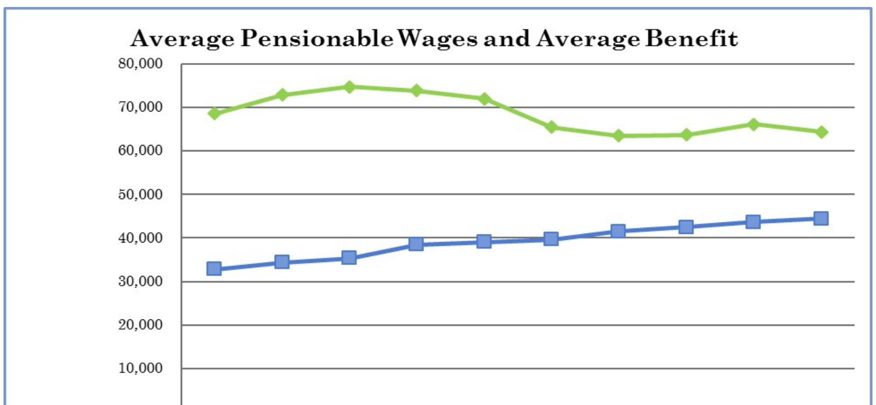
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Active	73	73	69	60	51	50	50	49	51	58
Retired	82	85	89	92	94	97	101	103	104	104
Vested Term	1	1	1	1	6	13	25	29	35	35

The following chart depicts the ten-year trend for total active employee salary and total retiree pension payroll information.



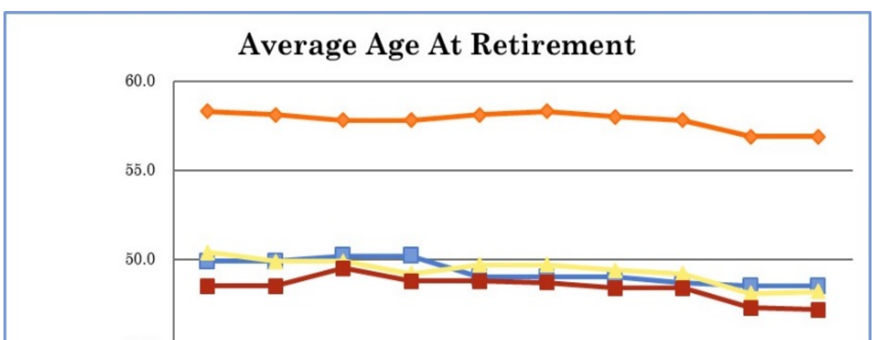
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Active Payroll	23,819,153	25,887,853	23,842,053	21,290,099	18,213,181	16,823,712	16,832,875	16,767,505	17,731,259	18,687,904
Retiree Payroll	10,124,460	10,974,528	11,993,078	13,764,953	14,725,546	15,339,973	16,414,468	17,267,259	18,103,885	18,561,861

The following chart depicts the ten-year trend for average active salary and average pension benefit for the entire fund.



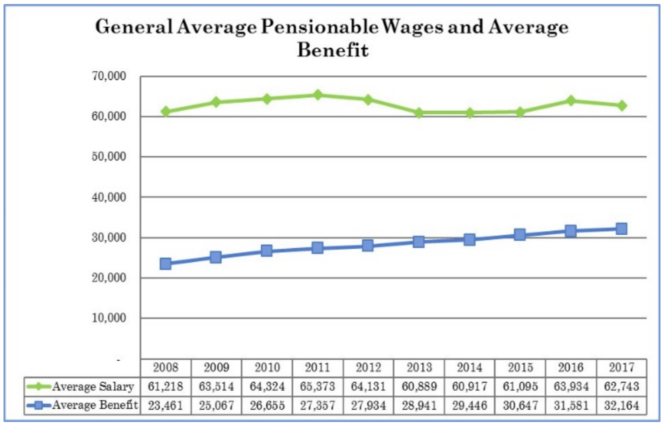
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Average Salary	68,643	72,924	74,740	73,924	71,989	65,462	63,520	63,755	66,161	64,441
Average Benefit	32,765	34,403	35,378	38,450	39,060	39,638	41,556	42,530	43,624	44,406

The following chart depicts the ten-year trend of average age at retirement.

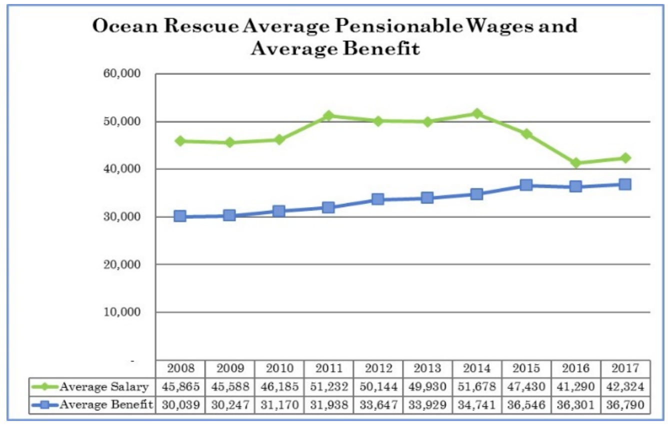


	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General	58.3	58.1	57.8	57.8	58.1	58.3	58.0	57.8	56.9	56.9
Ocean Rescue	49.9	49.9	50.2	50.2	49.0	49.0	49.0	48.7	48.5	48.5
Police	50.4	49.9	49.9	49.2	49.7	49.7	49.4	49.2	48.1	48.2
Firefighters	48.5	48.5	49.5	48.8	48.8	48.7	48.4	48.4	47.3	47.2

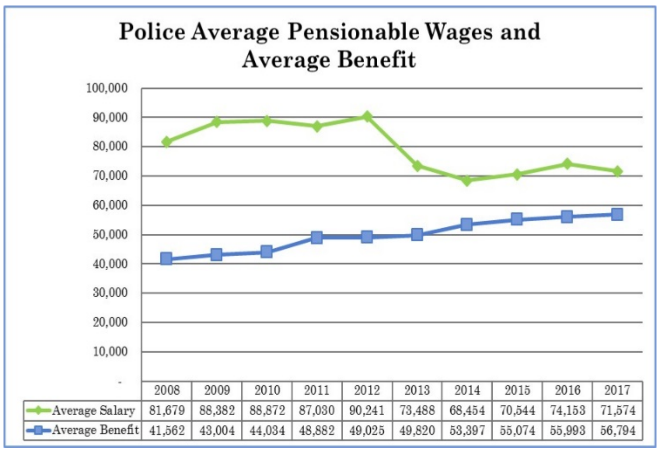
The following charts depict the average salary and average benefit for each of the member groups.



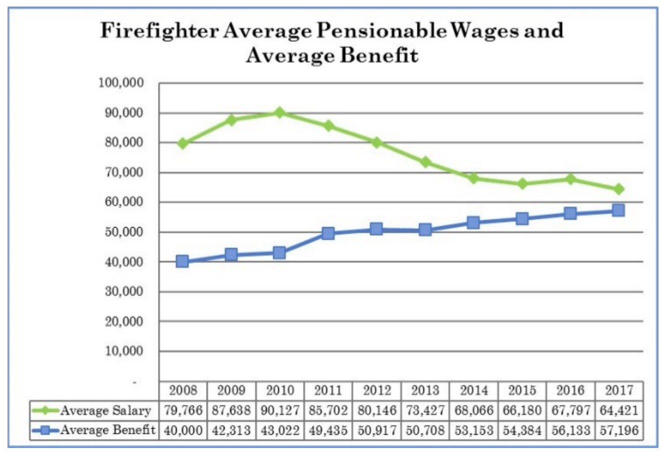
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Average Salary	61,218	63,514	64,324	65,373	64,131	60,889	60,917	61,095	63,934	62,743
Average Benefit	23,461	25,067	26,655	27,357	27,934	28,941	29,446	30,647	31,581	32,164



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Average Salary	45,865	45,588	46,185	51,232	50,144	49,930	51,678	47,430	41,290	42,324
Average Benefit	30,039	30,247	31,170	31,938	33,647	33,929	34,741	36,546	36,301	36,790

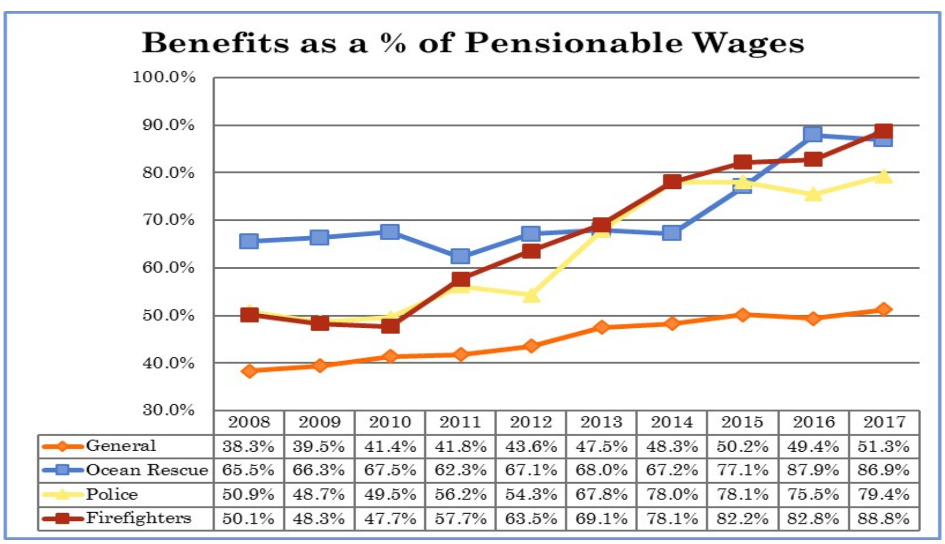


	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Average Salary	81,679	88,382	88,872	87,030	90,241	73,488	68,454	70,544	74,153	71,574
Average Benefit	41,562	43,004	44,034	48,882	49,025	49,820	53,397	55,074	55,993	56,794



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Average Salary	79,766	87,638	90,127	85,702	80,146	73,427	68,066	66,180	67,797	64,421
Average Benefit	40,000	42,313	43,022	49,435	50,917	50,708	53,153	54,384	56,133	57,196

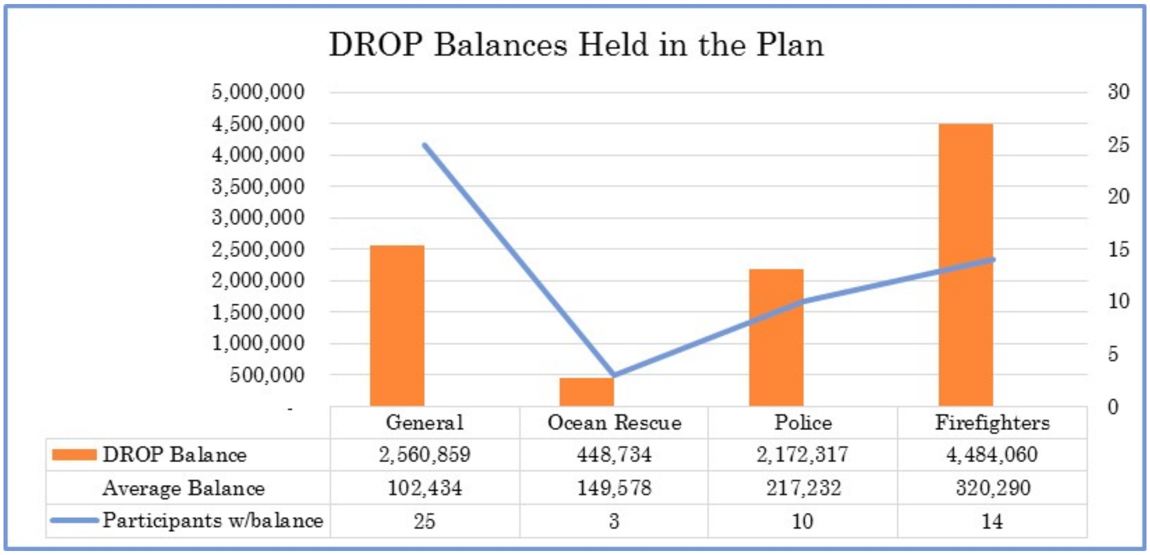
The following chart depicts the ten-year trend of retirement benefits as a percent of pensionable wages.



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General	38.3%	39.5%	41.4%	41.8%	43.6%	47.5%	48.3%	50.2%	49.4%	51.3%
Ocean Rescue	65.5%	66.3%	67.5%	62.3%	67.1%	68.0%	67.2%	77.1%	87.9%	86.9%
Police	50.9%	48.7%	49.5%	56.2%	54.3%	67.8%	78.0%	78.1%	75.5%	79.4%
Firefighters	50.1%	48.3%	47.7%	57.7%	63.5%	69.1%	78.1%	82.2%	82.8%	88.8%

Demographic Information for the DROP and Share Accounts Held in the Plan

DROP information as of December 31, 2017	
Total DROP Assets Held In the Plan	$9,665,971
Total Participants with a Balance	52
Total Contributing Participants	41
Average Account Balance	$185,884



Drop Entry Year for Contributing Participants

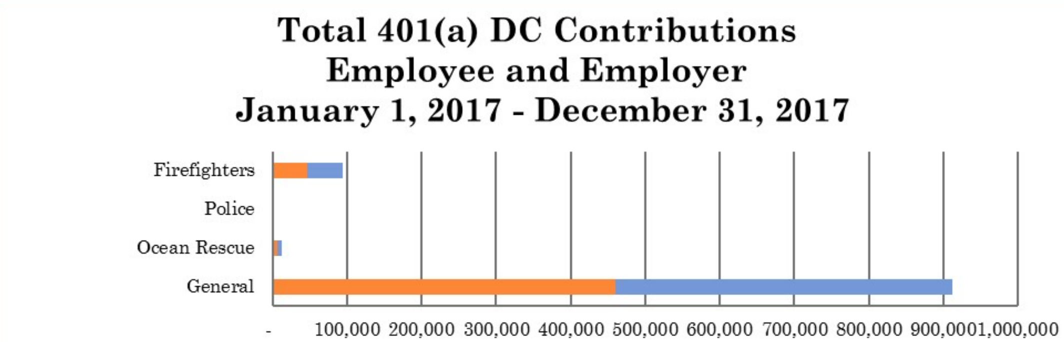
	2013	2014	2015	2016	2017	Total
General	5	3	5	5	3	21
Ocean Rescue	0	0	1	1	0	2
Police	0	4	1	3	1	9
Firefighters	0	4	4	1	0	9
Total	5	11	11	10	4	41

Firefighter Share Accounts

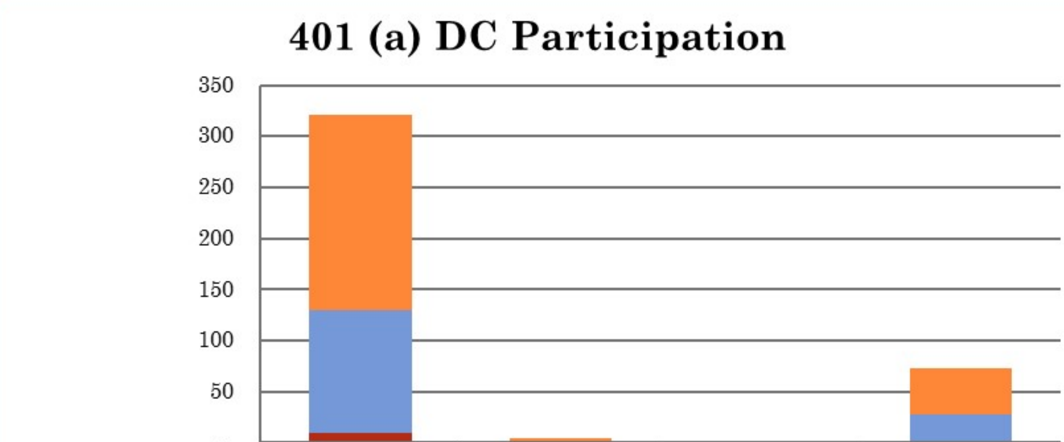
Firefighter Share Account information as of December 31, 2017	
Total Share Assets Held In the Plan	$797,536
Total Participants with a Balance	64
Total Contributing Participants	0
Average Account Balance	$12,461

Demographic Information for the 401(a) Defined Contribution Plan

Plan Snapshot as of December 31, 2017 Provided by ICMA-RC	
Total Assets	$10,182,716
Total Participants with a Balance	363
Total Contributing Participants	178
Average Account Balance	$28,052



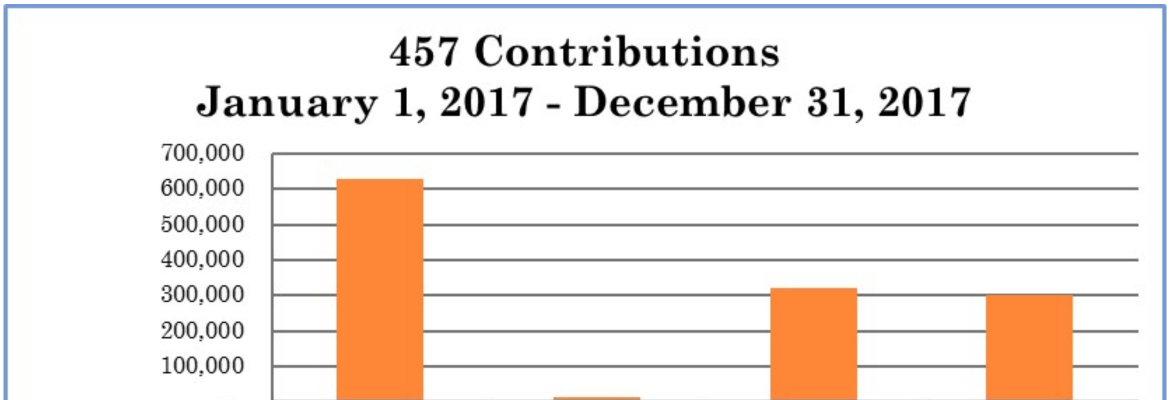
	General	Ocean Rescue	Police	Firefighters
Employee Contribution	460,306	6,203	-	47,424
Employer Contribution	452,575	6,203	-	47,424
Ave Employee Contribution	1,434	1,551	-	650



	General	Ocean Rescue	Police	Firefighters
Mandatory	191	4	-	45
Voluntary	121	1	-	28
Voluntary no match	9	-	-	-

Demographic Information for the 457 Deferred Compensation Plan

Plan Snapshot as of December 31, 2017 Provided by ICMA-RC	
Total Assets	**$36,278,294**
Total Participants with a Balance	**363**
Total Contributing Participants	**211**
Average Account Balance	**$99,940**



	General	Ocean Rescue	Police	Firefighters
457 Contributions	628,553	14,455	322,650	301,061
Ave Contribution	4,522	2,891	6,865	6,272
Participation	139	5	47	48

Above contributions, represent employee contributions only. The Town does not provide matching contributions to the 457 Deferred Compensation Plan.

Demographic Information for the Retirement Health Savings Plan (RHSP)

Plan Snapshot as of December 31, 2017 Provided by ICMA-RC	
Total Assets	$2,899,891
Total Participants with a Balance	458
Total Contributing Participants	293
Average Account Balance	$6,332

RHSP Contributions
January 1, 2017 - December 31, 2017

	General	Ocean Rescue	Police	Firefighters
RHSP	272,176	753	154,223	117,421
Ave Contribution	1,479	377	2,142	1,587
Participation	184	2	72	74

Above contributions represent employee contributions only. The Town does not provide matching contributions to the RHSP Plan. RHSP Contributions during the employee's career are based on different formulas for employee groups based on hire dates, and years of service and a percent of base pay. Contributions at retirement consist of a portion of accrued employee sick time and vacation leave balances at the time of retirement.

Demographic Information for Other ICMA-RC Plans

Plan Snapshot for Roth IRA Plan (705765) as of December 31, 2017, Provided by ICMA-RC

Total Assets	$386,086
Total Participants with a Balance	52
Total Contributing Participants	39
Average Account Balance	$7,425

Plan Snapshot for 401 DROP Plan for General Employees (108334) as of December 31, 2017, Provided by ICMA-RC (Discontinued)

Total Assets	$32,005
Total Participants with a Balance	2
Total Contributing Participants	0
Average Account Balance	$16,002

Plan Snapshot for 401 DROP Plan for Police Officers (108335) as of December 31, 2017, Provided by ICMA-RC (Discontinued)

Total Assets	$71,398
Total Participants with a Balance	1
Total Contributing Participants	0
Average Account Balance	$71,398

Plan Snapshot for 401 Old DROP Plan for Firefighters (108552) as of December 31, 2017, Provided by ICMA-RC (Discontinued)

Total Assets	$43,994
Total Participants with a Balance	4
Total Contributing Participants	0
Average Account Balance	$10,998

Plan Snapshot for 401 Firefighter SHARE Plan (106796) as of December 31, 2017, Provided by ICMA-RC (Discontinued)

Total Assets	$2,399,786
Total Participants with a Balance	46
Total Contributing Participants	0
Average Account Balance	$52,169

Plan Snapshot for RHS Plan (Discontinued) (800533) as of December 31, 2017, Provided by ICMA-RC

Total Assets	$536,009
Total Participants with a Balance	57
Average Account Balance	$9,404

TOWN OF PALM BEACH

MEMORANDUM

DATE: May 3, 2018

TO: Daniel Stanton, Retirement Board Chairman

FROM: Dean Mealy, Purchasing Manager

SUBJECT: Final Ranking - RFP No. 2018-15 – Audit Services for Retirement System

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The Selection Committee met on May 2, 2018. All members of the committee listed below were present:

Selection Committee Members -
Brett Madison – Retirement Board Member
Ed Carter – Retirement Board Member
Daniel Stanton – Retirement Board Chairman

Advisors and Facilitators (Non-Voting) -
William Hanes – Pension Administrator (Non-Voting)
Jane Le Clainche, CPA – Director of Finance (Non-Voting)
Dean Mealy – Purchasing Manager (Non-Voting)
John Cmar – Purchasing Coordinator (Non-Voting)

The Town received three (3) proposals. After thorough consideration, the Selection Committee arrived at the following ranking:

1. Marcum LLP
2. Caballero Fierman Llerena + Gardia LLP
3. Grau & Associates

It is the recommendation of the Selection Committee to award a contract to Marcum LLP, for the Audit Services for Retirement System.

Cc: File: RFP No. 2018-15
Selection Committee Members

Investment Performance Review
Period Ending March 31, 2018

Town of Palm Beach Retirement System

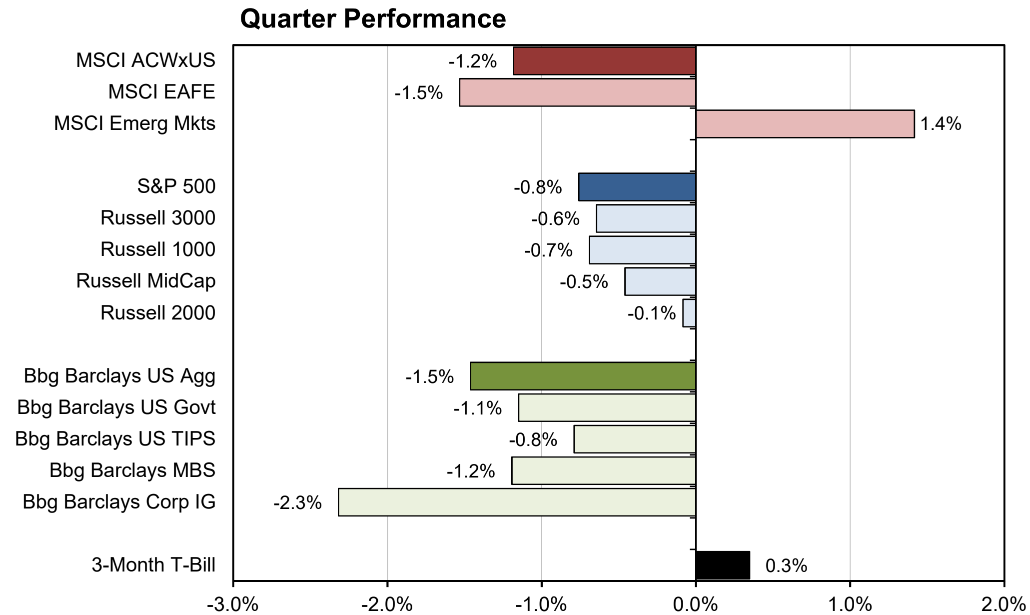
Preliminary Results

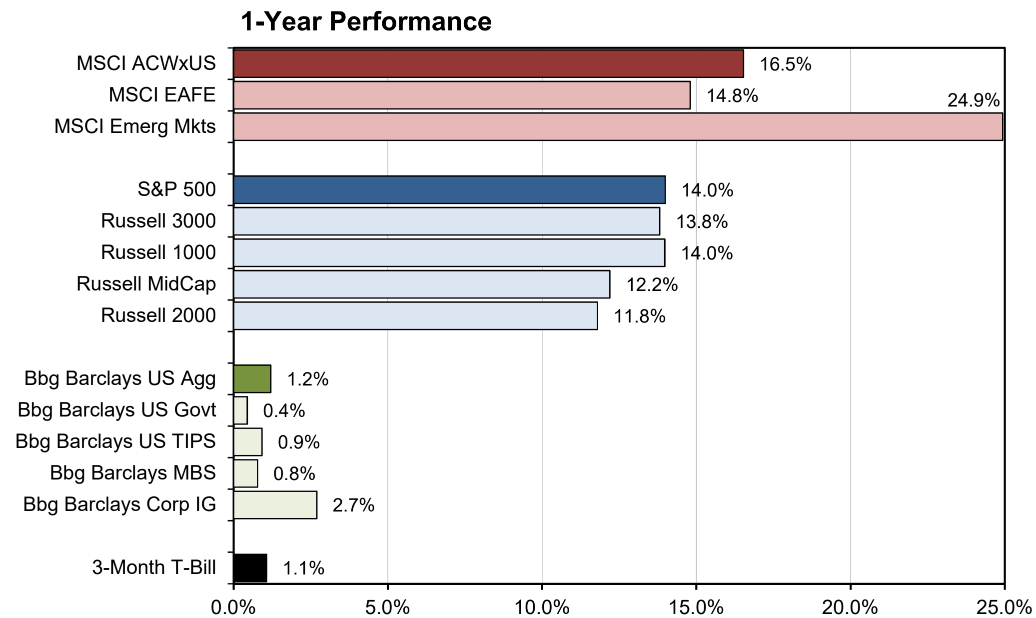
1st Quarter 2018 Market Environment

- Market returns were broadly negative across major equity and fixed income indices as we finished a highly volatile 1st quarter of 2018. Broad domestic and international equity markets pulled back modestly following a very strong 2017. Fixed income indices also posted negative results, producing returns in-line with those of equities during the quarter. However, when viewed over the past 1-year period, returns remain positive for major indices as improving macroeconomic data and robust corporate earnings worldwide outweighed the near-term market uncertainty. The US stock market represented by the Russell 3000 Index returned -0.6% and 13.8% for the quarter and 1-year period respectively. While the Russell 3000 outperformed the international MSCI ACWI ex US Index during the 1st quarter, international stocks have performed better over the last 12 months. While the US economy continues to show signs of expansion, investors focused on the future path of Federal Reserve (Fed) monetary policy and the emergence of new protectionist trade policies from the Trump administration during the quarter.

- International equity market benchmarks were mixed with developed markets posting modestly negative returns and emerging markets earning a slightly positive result. This is a continuation of the 2017 trend of emerging market outperformance relative to developed market equities. Emerging market stocks returned 1.4% and 24.9% over the quarter and 1-year period respectively. While the developed market MSCI EAFE Index lost ground through the 1st quarter, returning -1.5%, it still posted solid gains over the 1-year period returning 14.8%, narrowly outpacing major US indices. The strength in fundamentals abroad, ongoing US Dollar (USD) weakness and relatively accommodative global central bank policies continue to act as a tailwind to international markets relative to their US counterparts. Consequently, as the global recovery continues to take hold, international central banks have started to telegraph a greater likelihood of reduced stimulus in the future. Many international markets also saw their returns influenced, both positively and negatively, by ongoing political developments throughout the quarter.

- Interest rates on the US Treasury Yield Curve ended the 1st quarter of 2018 higher across all maturities. The movement in rates was considerable during the quarter as markets reacted to the greater likelihood of increasing inflation and a more restrictive than expected US monetary policy going forward. The Fed followed suit by increasing short-term interest rates by 25 basis points at their March meeting, the third increase in the last 12 months. The rising interest rate environment negatively impacted fixed income market returns for the quarter. The Bloomberg Barclays US Aggregate Index fell -1.5% for the quarter, but managed a positive 1.2% return for the 1-year period. Corporate credit reversed its 2017 trend of outperformance relative to other investment grade sectors returning -2.3% during the 1st quarter as credit spreads began to widen.





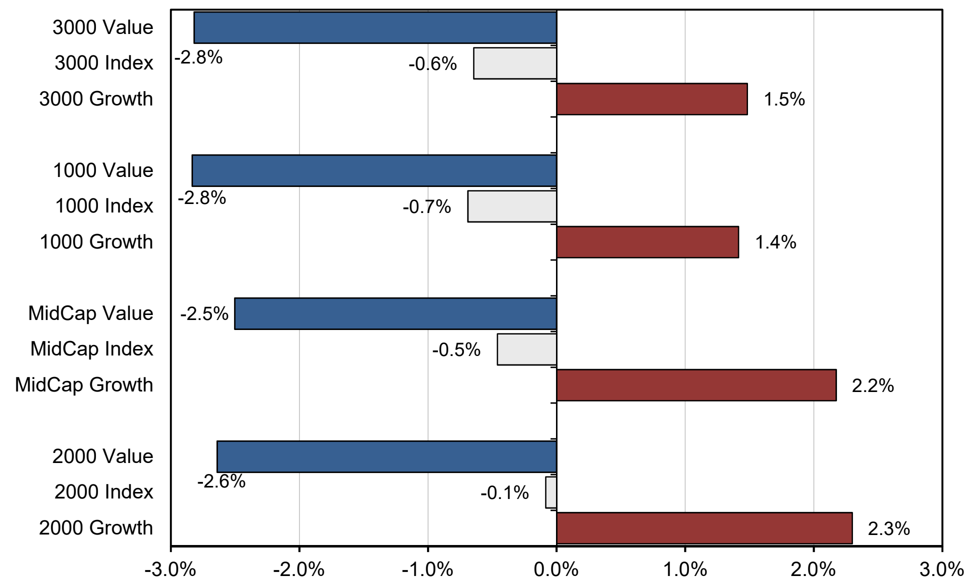
Source: Investment Metrics

- US equity index returns were mixed across the style and capitalization spectrum to start 2018 with growth indices being the best performers. Markets were highly volatile throughout the quarter. Investors initially cheered the passage of the republican party tax reforms containing reductions to both individual and corporate income tax rates, increasing expectations for consumer spending and corporate earnings going forward. However, high US wage growth in January raised investor concerns that inflation could be picking up more quickly than the market expected, and would therefore require increased Fed action to prevent overheating of the economy. Market volatility rose and the S&P 500 Index had its first correction since 2015, falling over 10%. The market began a recovery from its February low as later economic releases made it appear that fears over inflation had likely been overstated. However, volatility returned in March when the Trump administration announced a series of protectionist tariff policies, with emphasis placed on China, increasing the potential for a global trade war. Despite the considerable market volatility, most US economic data was positive during the quarter and congress passed a new federal budget deal that will increase government spending by about $300 billion over the next two years which can be used to stimulate the economy over the short-term.

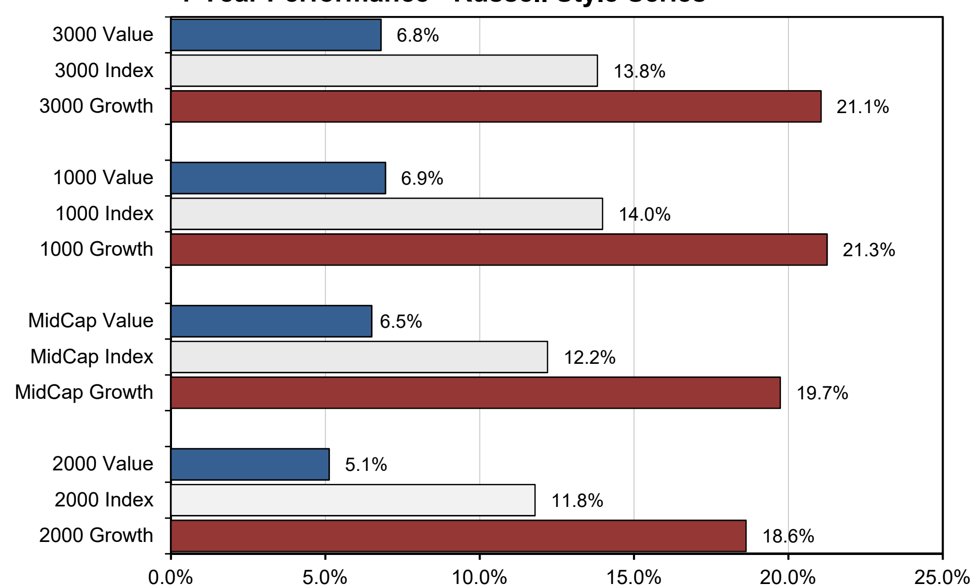
- During the quarter, small cap stocks outperformed mid and large cap equities. The small cap Russell 2000 Index returned -0.1% during the period, while the large cap Russell 1000 Index returned -0.7%. The opposite was true over the 1-year period as large cap names were the best performers. The Russell 1000 returned 14.0% over the trailing year while the Russell 2000 posted a return of 11.8%. This large cap outperformance can be partially explained by their greater exposure to foreign markets relative to small cap companies. This can be especially beneficial during periods of USD weakness, such as that experienced over the last year. Large cap companies generate more revenue outside of the US which can expose them to faster growing markets, foreign tax benefits or strengthening foreign currencies.

- Growth indices outperformed value indices across the market cap spectrum for the fifth straight quarter and were all able to post a positive return for the 1st quarter of 2018. Performance for growth indices more than doubled value index performance for each respective cap segment for the year. Growth benchmarks benefitted from larger exposures to more cyclical names within the information technology, consumer discretionary, health care and industrials sectors. They also benefitted from underweights to more defensive "bond proxy" sectors such as REITs, utilities and telecom. Lower exposure to the energy sector also acted as tailwind to growth benchmarks.

Quarter Performance - Russell Style Series



1-Year Performance - Russell Style Series

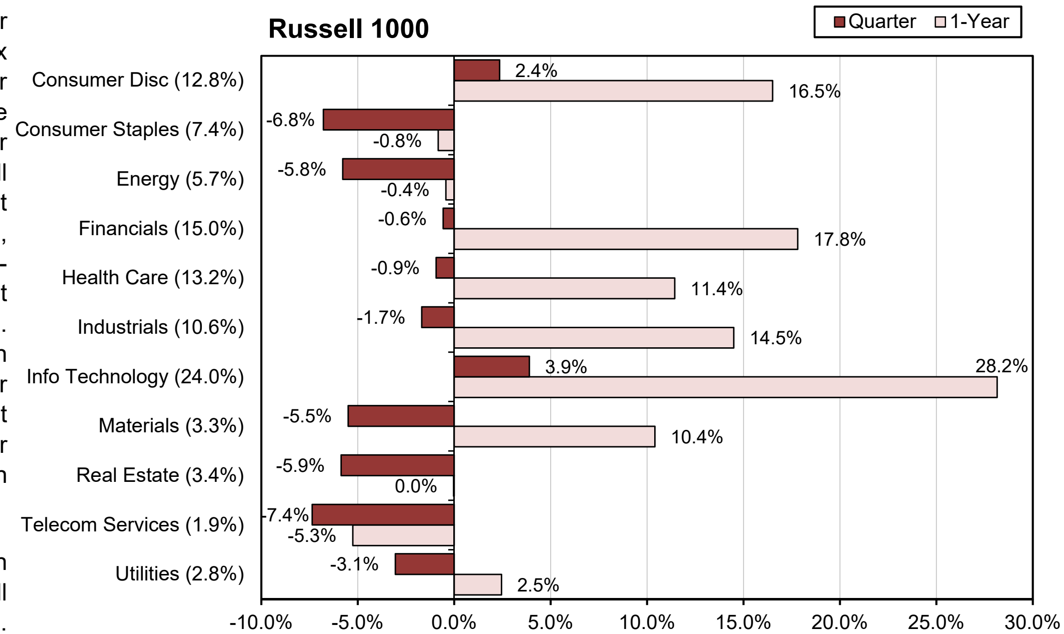


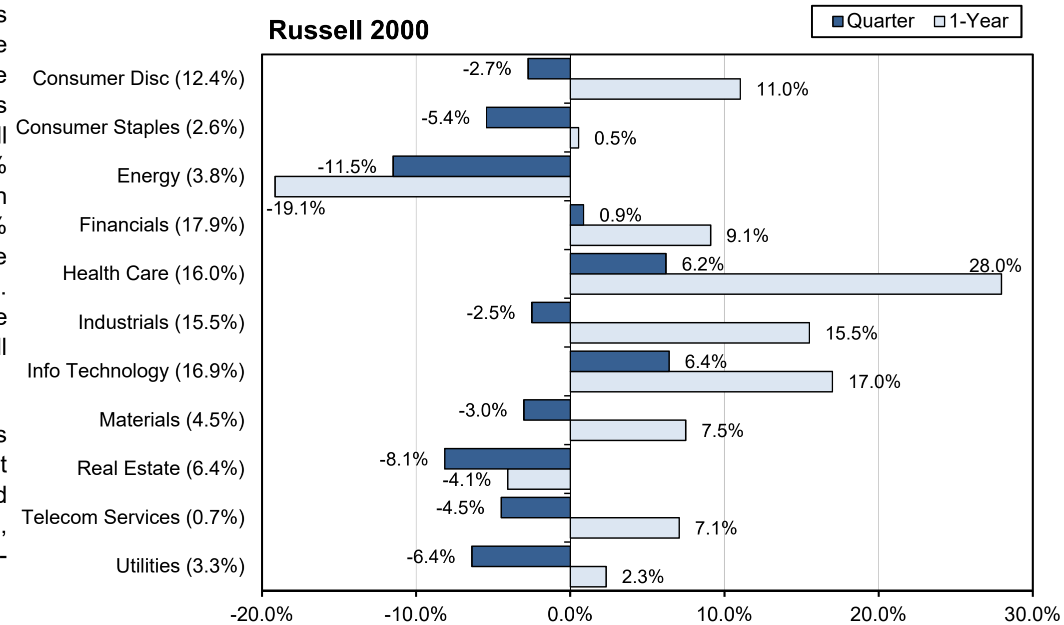
Source: Investment Metrics

- Sector performance was largely negative across large cap sectors for the 1st quarter of 2018. Only two of eleven sectors had positive returns for the quarter and only three of eleven economic sectors outpaced the Russell 1000 Index return. Cyclical sectors tended to do well through the quarter with the higher yielding bond proxy sectors lagging on a relative basis as interest rates rose sharply during the period. Technology stocks continued their 2017 gains over the quarter, gaining 3.9% and consumer discretionary stocks performed well on the back of a strong holiday season earning a 2.4% return. The largest detractors for the quarter were the more defensive telecom services, consumer staples and real estate sectors which returned -7.4%, -6.8% and -5.9% respectively. Over the trailing 1-year period, technology was the best performing sector by a relatively wide margin returning an impressive 28.2%. Consumer discretionary and financials also returned greater than 15%. Seven of eleven large cap economic sectors posted positive returns for the 1-year period with six posting double digit returns. Telecom services was the largest underperformer losing -5.3%. The three other sectors with negative returns for the trailing year (real estate, energy and consumer staples) fell by less than 1.0%.

- Small cap sector results were mixed relative to their large capitalization counterparts. Only three of eleven economic sectors outpaced the Russell 2000 Index return for the quarter and posted positive results for the period. Like the large cap index sector performance, higher dividend yielding sectors also tended to trail more economically sensitive sectors. Technology was the best performing sector returning 6.4%. However, there were several notable differences, particularly in consumer discretionary and energy where there was significant underperformance relative to their large cap counterparts. Small cap sectors trailed large cap sectors in those two categorizations by over 5.0% during the quarter. Similarly, the small cap health care sector had much stronger performance than the large cap health care sector posting a 6.2% gain for the quarter. Over the 1-year period, nine of eleven sectors have posted gains with four of eleven sectors having returns greater than 10%. Health care stocks were the best performers within the Russell 2000 for the year returning a solid 28.0%. Energy and real estate were the only Russell 2000 sectors to post a negative return, falling -19.1% and -4.1% respectively.

- 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 utilities, materials and energy sectors appear the most extended. In contrast the telecommunications, technology and health care 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	3.41%	-0.5%	18.6%	Information Technology
Microsoft Corp	2.74%	7.2%	41.5%	Information Technology
Amazon.com Inc	2.33%	23.8%	63.3%	Consumer Discretionary
Berkshire Hathaway Inc B	1.54%	0.6%	19.7%	Financials
JPMorgan Chase & Co	1.52%	3.4%	28.0%	Financials
Facebook Inc A	1.51%	-9.4%	12.5%	Information Technology
Johnson & Johnson	1.38%	-7.7%	5.5%	Health Care
Exxon Mobil Corp	1.27%	-9.9%	-5.5%	Energy
Alphabet Inc C	1.25%	-1.4%	24.4%	Information Technology
Alphabet Inc A	1.24%	-1.5%	22.3%	Information Technology

Top 10 Weighted Stocks

Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
bluebird bio Inc	0.52%	-4.1%	87.8%	Health Care
MGIC Investment Corp	0.49%	-7.9%	28.3%	Financials
Sterling Bancorp	0.49%	-8.1%	-3.7%	Financials
Wintrust Financial Corp	0.49%	4.7%	25.5%	Financials
Umpqua Holdings Corp	0.48%	3.9%	25.1%	Financials
Idacorp Inc	0.45%	-2.7%	9.2%	Utilities
Hancock Holding Co	0.44%	4.9%	15.8%	Financials
LivaNova PLC	0.44%	10.7%	80.6%	Health Care
WGL Holdings Inc	0.44%	-2.0%	3.8%	Utilities
Radian Group Inc	0.42%	-7.6%	6.1%	Financials

Top 10 Performing Stocks (by Quarter)

Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
XL Group Ltd	0.06%	57.8%	41.6%	Financials
Abiomed Inc	0.05%	55.3%	132.4%	Health Care
Netflix Inc	0.48%	53.9%	99.8%	Consumer Discretionary
Validus Holdings Ltd	0.02%	44.6%	23.1%	Financials
Herbalife Ltd	0.02%	43.9%	67.6%	Consumer Staples
Agios Pharmaceuticals Inc	0.02%	43.0%	40.0%	Health Care
Match Group Inc	0.01%	41.9%	172.1%	Information Technology
Square Inc A	0.05%	41.9%	184.7%	Information Technology
CSRA Inc	0.03%	38.6%	43.0%	Information Technology
DST Systems Inc	0.02%	34.8%	37.9%	Information Technology

Top 10 Performing Stocks (by Quarter)

Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Atara Biotherapeutics Inc	0.13%	115.5%	89.8%	Health Care
Iovance Biotherapeutics Inc	0.12%	111.3%	126.8%	Health Care
Cambium Learning Group Inc	0.01%	97.2%	128.6%	Consumer Discretionary
G1 Therapeutics Inc	0.01%	86.7%	N/A	Health Care
Arsanis Inc	0.00%	79.4%	N/A	Health Care
Eastman Kodak Co	0.00%	72.6%	-53.5%	Information Technology
American Public Education Inc	0.07%	71.7%	87.8%	Consumer Discretionary
Infinera Corp	0.16%	71.6%	6.2%	Information Technology
Novavax Inc	0.04%	69.4%	64.1%	Health Care
WMIH Corp	0.03%	67.2%	-2.1%	Financials

Bottom 10 Performing Stocks (by Quarter)

Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Colony NorthStar Inc A	0.01%	-49.8%	-52.7%	Real Estate
Weatherford International PLC	0.01%	-45.1%	-65.6%	Energy
Akorn Inc	0.01%	-41.9%	-22.3%	Health Care
Universal Display Corp	0.02%	-41.5%	17.4%	Information Technology
Macquarie Infrastructure Corp	0.01%	-40.3%	-49.7%	Industrials
Patterson Companies Inc	0.01%	-38.0%	-49.6%	Health Care
Mallinckrodt PLC	0.01%	-35.8%	-67.5%	Health Care
L Brands Inc	0.04%	-35.8%	-14.5%	Consumer Discretionary
OPKO Health Inc	0.00%	-35.3%	-60.4%	Health Care
Coherent Inc	0.02%	-33.6%	-8.9%	Information Technology

Bottom 10 Performing Stocks (by Quarter)

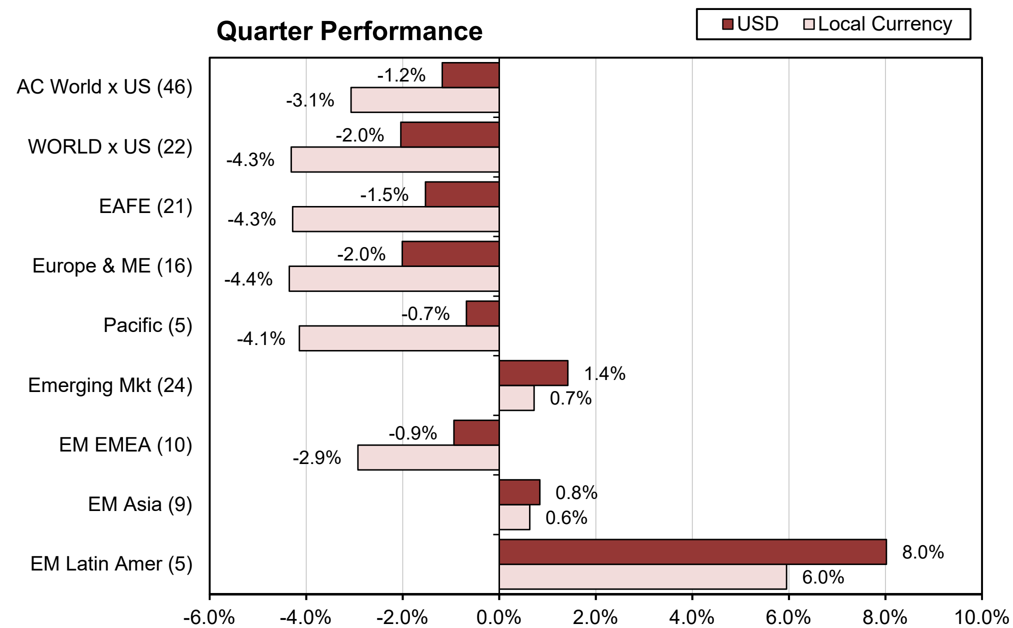
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Dermira Inc	0.01%	-71.3%	-76.6%	Health Care
Ascent Capital Group Inc A	0.00%	-68.0%	-74.0%	Consumer Discretionary
Roadrunner Transportation Systems Inc	0.01%	-67.1%	-63.0%	Industrials
Tintri Inc	0.00%	-66.5%	N/A	Information Technology
Westmoreland Coal Co	0.00%	-66.1%	-97.2%	Energy
Protagonist Therapeutics Inc	0.01%	-58.7%	-32.9%	Health Care
RAIT Financial Trust	0.00%	-56.9%	-94.5%	Real Estate
Ultra Petroleum Corp	0.08%	-54.0%	-67.4%	Energy
Melinta Therapeutics Inc	0.01%	-53.2%	-60.5%	Health Care
Tetraphase Pharmaceuticals Inc	0.02%	-51.3%	-66.6%	Health Care

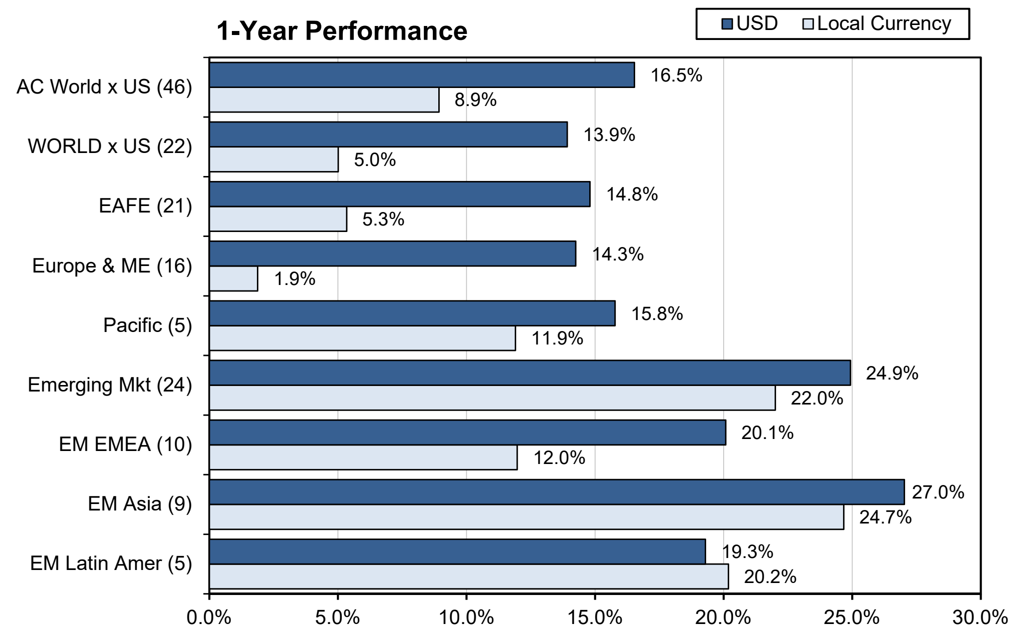
Source: Morningstar Direct

- Similar to domestic equities, broad international equity returns pulled back during the 1st quarter. Performance was largely driven by the same catalysts as the US equity markets, as global macroeconomic data remained generally positive. US investors in international markets had a currency effect tailwind as the USD continued its 2017 fall, weakening against most other currencies during the 1st quarter. The MSCI ACWI ex US Index lost -1.2% in USD terms and -3.1% in local currency terms. Emerging markets were a bright spot for the quarter with the MSCI Emerging Markets Index finishing with a slight gain. The returns over the 1-year period are substantially better with MSCI ACWI ex US returning 16.5% in USD terms and 8.9% in local currency terms.

- Results for developed market international indices were negative to start 2018 in both USD and local currency terms with the MSCI EAFE Index returning -1.5% and -4.3% respectively. Investors ignored broadly positive global economic data, focusing their attention on US monetary policy uncertainty and the outlook for global trade relations. There were several newsworthy political events during the quarter. In Europe, Italian elections resulted in a hung parliament with the populist Five Star Movement winning the largest number of seats. There is currently no clear path for a coalition government to be formed and it is possible elections may need to be re-held. In contrast, German Chancellor Merkel succeeded in forming a “grand coalition” government during March. In the UK, continued progress was made on “Brexit” as the UK and European Union were able to agree to initial terms on a transition period following the UK’s separation that should allow for an orderly withdrawal. In Japan, Prime Minister Abe was engulfed in a scandal regarding a discounted land sale to a school operator with ties to his wife and its subsequent coverup. The MSCI EAFE Index returned 14.8% and 5.3% for the last twelve months in USD and local currency terms respectively.

- The MSCI Emerging Market Index outperformed developed markets for the 1st quarter, posting a narrow gain of 1.4% and 0.7% in USD and local currency terms respectively. While emerging markets were also affected by the rise in global market volatility, strong GDP and corporate earnings growth combined with USD weakness helped them to finish the quarter ahead. China modestly outperformed despite late quarter trade tensions with the US. Brazil was the index’s strongest performer, returning 12.4% in USD terms, after former President Lula da Silva had a corruption and money laundering conviction upheld, likely preventing him from running for office again and opening the door for future economic reforms. Russian equities also performed well after Standard & Poor’s raised the countries credit rating to investment grade for the first time in over a decade citing prudent policy responses to sanctions and falling commodity prices. Indian stocks underperformed after fraud allegations emerged at a state-run bank. One year returns for the MSCI Emerging Market Index were 24.9% in USD terms and 22.0% in terms of local currency.





Source: MSCI Global Index Monitor (Returns are Net)

MSCI - EAFE	Sector Weight	Quarter Return	1-Year Return
Consumer Discretionary	12.6%	0.7%	19.2%
Consumer Staples	11.1%	-3.0%	10.4%
Energy	5.3%	-2.0%	21.4%
Financials	21.1%	-2.2%	13.6%
Health Care	10.2%	-0.9%	7.0%
Industrials	14.6%	-1.5%	17.4%
Information Technology	6.6%	1.1%	26.2%
Materials	8.0%	-3.8%	19.8%
Real Estate	3.5%	-1.5%	13.1%
Telecommunication Services	3.8%	-3.9%	3.1%
Utilities	3.3%	1.3%	12.1%
Total	**100.0%**	**-1.5%**	**14.8%**

MSCI - ACWIxUS	Sector Weight	Quarter Return	1-Year Return
Consumer Discretionary	11.4%	-1.0%	18.6%
Consumer Staples	9.5%	-2.8%	11.0%
Energy	6.7%	-1.8%	15.4%
Financials	23.1%	-1.1%	15.9%
Health Care	7.7%	-0.3%	9.1%
Industrials	11.8%	-1.6%	16.3%
Information Technology	11.8%	1.8%	34.3%
Materials	8.0%	-2.9%	18.4%
Real Estate	3.2%	-1.7%	16.5%
Telecommunication Services	3.9%	-4.1%	3.6%
Utilities	3.0%	1.2%	10.9%
Total	**100.0%**	**-1.2%**	**16.5%**

MSCI - Emerging Mkt	Sector Weight	Quarter Return	1-Year Return
Consumer Discretionary	9.5%	-6.1%	16.5%
Consumer Staples	6.4%	-0.8%	15.8%
Energy	7.2%	7.5%	24.7%
Financials	24.0%	4.2%	25.6%
Health Care	2.8%	7.0%	34.6%
Industrials	5.2%	-0.8%	10.1%
Information Technology	27.8%	2.1%	40.1%
Materials	7.3%	0.7%	20.0%
Real Estate	2.8%	-2.1%	32.5%
Telecommunication Services	4.6%	-3.7%	4.5%
Utilities	2.4%	3.0%	9.2%
Total	**100.0%**	**1.4%**	**24.9%**

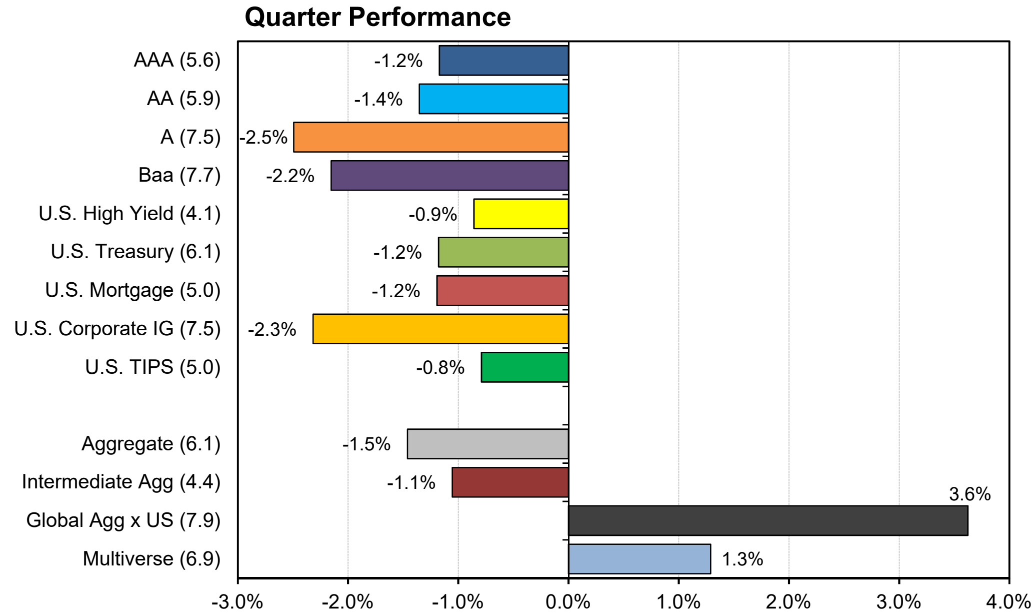
Country	MSCI-EAFE Weight	MSCI-ACWIxUS Weight	Quarter Return	1- Year Return
Japan	24.6%	16.8%	0.8%	19.6%
United Kingdom	17.3%	11.8%	-3.9%	11.9%
France	10.9%	7.5%	0.3%	20.4%
Germany	9.7%	6.6%	-3.6%	13.6%
Switzerland	7.8%	5.3%	-4.3%	8.2%
Australia	6.6%	4.5%	-6.2%	1.4%
Netherlands	3.7%	2.5%	1.0%	19.9%
Hong Kong	3.6%	2.5%	-1.4%	18.4%
Spain	3.2%	2.2%	-1.7%	8.8%
Sweden	2.7%	1.8%	-2.4%	7.6%
Italy	2.5%	1.7%	5.4%	27.5%
Denmark	1.8%	1.2%	-1.5%	25.1%
Singapore	1.4%	0.9%	2.8%	22.8%
Belgium	1.1%	0.8%	0.5%	13.3%
Finland	1.0%	0.7%	8.2%	23.5%
Norway	0.7%	0.5%	2.3%	29.3%
Ireland	0.5%	0.3%	-5.9%	7.2%
Israel	0.5%	0.3%	-5.3%	-8.4%
Austria	0.3%	0.2%	2.2%	48.5%
New Zealand	0.2%	0.1%	-5.1%	4.0%
Portugal	0.2%	0.1%	3.1%	17.9%
Total EAFE Countries	**100.0%**	**68.3%**	**-1.5%**	**14.8%**
Canada		6.2%	-7.4%	4.9%
Total Developed Countries		**74.5%**	**-2.0%**	**13.9%**
China		7.6%	1.8%	38.9%
Korea		3.9%	-0.5%	25.4%
Taiwan		3.0%	5.7%	20.6%
India		2.1%	-7.0%	10.2%
Brazil		1.9%	12.4%	26.4%
South Africa		1.7%	-4.2%	25.0%
Russia		0.9%	9.4%	20.6%
Mexico		0.7%	0.9%	0.9%
Malaysia		0.6%	8.5%	25.3%
Thailand		0.6%	9.0%	35.0%
Indonesia		0.5%	-7.2%	7.8%
Chile		0.3%	1.5%	24.5%
Poland		0.3%	-8.2%	20.7%
Philippines		0.3%	-11.6%	3.8%
Turkey		0.3%	-5.0%	18.6%
United Arab Emirates		0.2%	-1.0%	-0.4%
Qatar		0.1%	2.5%	-11.0%
Colombia		0.1%	4.9%	15.4%
Peru		0.1%	10.3%	44.7%
Greece		0.1%	-6.8%	24.3%
Hungary		0.1%	-1.0%	38.6%
Czech Republic		0.1%	6.4%	36.4%
Egypt		0.0%	10.9%	14.5%
Pakistan		0.0%	11.4%	-14.0%
Total Emerging Countries		**25.5%**	**1.4%**	**24.9%**
Total ACWIxUS Countries		**100.0%**	**-1.2%**	**16.5%**

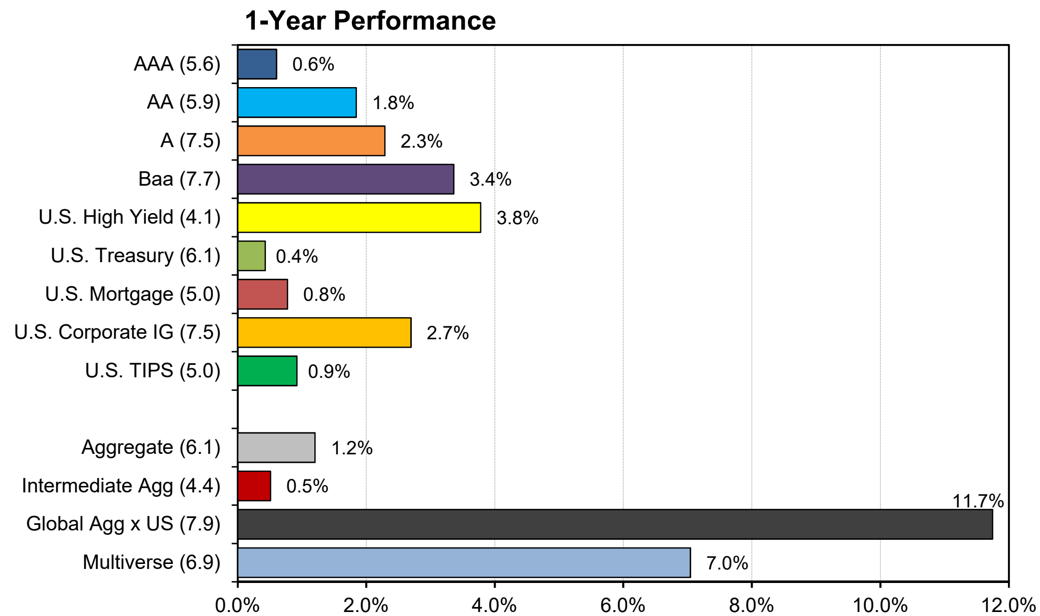
Source: MSCI Global Index Monitor (Returns are Net in USD)

- Broad fixed income benchmarks were mostly negative during the 1st quarter, with international bonds being the exception. Early in the quarter, particularly strong January wage growth report caused investors to speculate that inflation was quickly increasing and that the Fed would need to tighten monetary policy to a greater degree than originally planned. This sent a shock through financial markets and caused interest rates to rise considerably. Economic releases later in the quarter showed that the fear of inflation was most likely overstated. Later in the quarter, the Federal Open Market Committee (FOMC), led by new Fed Chair Jerome Powell, decided to increase short-term interest rates by 25 basis points. The current Fed Funds Rate target sits at 1.50% - 1.75%. This rate increase was expected by the market and, importantly, the Fed did not change its plan for further rate increases for 2018. Concerns over new Treasury issuance needed to finance plans for increased fiscal spending also could have contributed to the rise in interest rates. The yield curve flattened through the quarter as short-term yields rose at a greater rate than longer-term yields. The Bloomberg Barclays US Aggregate Index fell -1.5% the quarter, but managed a positive 1.2% return for the trailing year.

- Within investment grade credit, higher quality corporate issues generally outperformed lower quality issues for the quarter as credit spreads widened and investors looked for safety amid increased financial market volatility. AAA rated credit was the best performing investment grade credit quality segment returning -1.2% for the quarter. Interestingly, high yield debt outperformed relative to investment grade credit, returning -0.9%, as spreads widened to a lesser degree for these issues and the index benefitted from a lower duration. Part of the reason for the increased spread widening for investment grade issues relative to high yield issues was selling pressure from companies repatriating foreign cash reserves in response to the new tax code. When viewed over the 1-year period, lower quality issues have advanced to a greater degree, partly due to the continued strength in the global economy. High yield debt returned 3.8% over the period whereas AAA rated issues returned 0.6%.

- US Treasury securities were the best performing investment grade sector through the quarter, narrowly outperforming US mortgage backed securities (MBS). This reversed the trend of corporate credit outperformance that was witnessed through 2017 as investors reacted to market volatility and moved into higher quality government issues. The Bloomberg Barclays US Corporate IG Index returned -2.3% for the quarter as widening credit spreads and a higher duration acted as headwinds to these issues. US Treasury and US MBS both posted a -1.2%. However, over the trailing year, Treasury securities were the worst performing investment grade sector returning 0.4%, while US investment grade corporate bonds were the best performing investment grade sector gaining 2.7%.





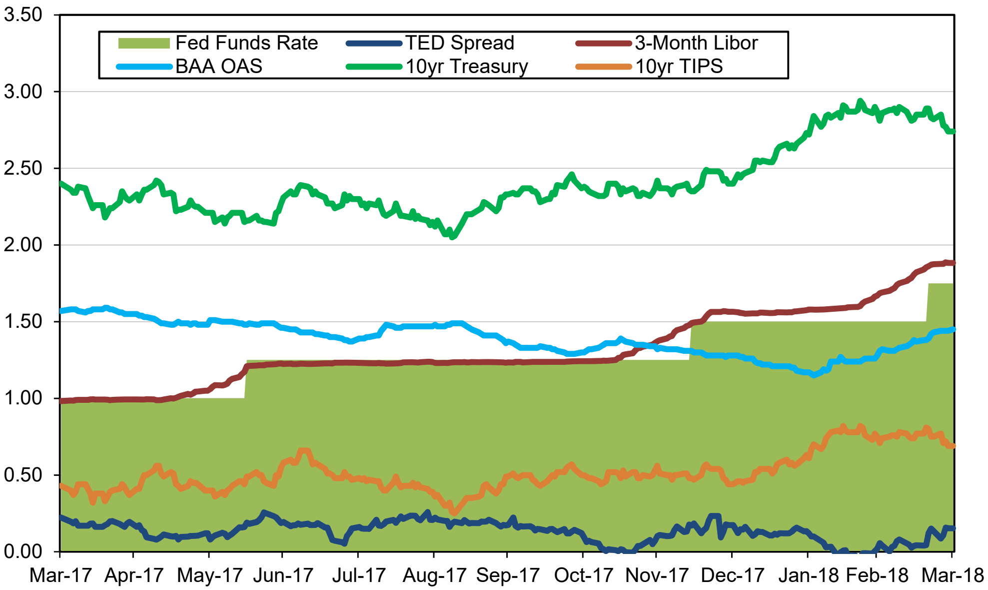
Source: Bloomberg

- In contrast to their domestic counterparts, global fixed income indices posted gains for the quarter. Global benchmarks are impacted by the same local yield and duration factors as domestic benchmarks. While these indices have relatively high durations, which would have acted as a headwind in the current quarter as interest rates increased, the returns of these indices are also significantly influenced by fluctuations in their currency denomination relative to the USD. This currency effect can add additional return to foreign issues as it did during calendar year 2017, or it can further exacerbate negative performance as it did in 2016. Global bonds outperformed domestic issues during the quarter and 1-year period partially due to a currency effect tailwind caused by a weakening USD. Returns on global bonds represented by the Bloomberg Barclays Global Aggregate ex US Index were 3.6% and 11.7% for the 1st quarter and trailing twelve months respectively. As the global economy continues to recover, several international central banks have started to move toward a less accommodative posture. Notably, the ECB, has extended its current quantitative easing program well into 2018, but has reduced the amount of monthly asset purchases from 60 billion euro per month to 30 billion euro per month. They also signaled that they would end the program entirely if the eurozone recovery continues to flourish. Similarly, the Bank of Japan (BoJ) inferred that they could end their quantitative easing program sometime in 2019 if target metrics were met. Lastly, the BoE voted to raise interest rates for the first time in a decade during the 4th quarter of 2017 and indicated rates may rise again more quickly than expected.

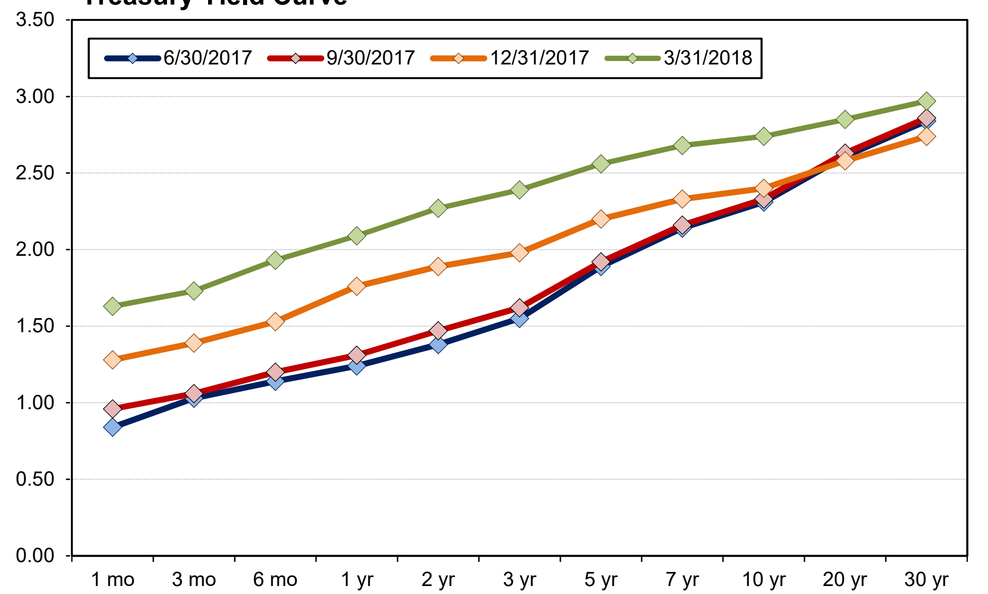
- Much of the index performance detailed in the bar graphs on the previous page is visible on a time series basis by reviewing the line graphs to the right. The '1-Year Trailing Market Rates' chart illustrates that the 10-year Treasury yield (green line) rose significantly during the 1st quarter, rising from 2.40%, to a peak of 2.94%, before falling to 2.74% to end the period. 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 2017. However, the trend begins to reverse in early February. This increase is equivalent to an interest rate increase on corporate bonds, which produces a headwind for corporate bond index returns. These credit spreads have widened by about 17 basis points over the last 3-months. The green shading at the bottom of the graph illustrates the gradual increase in the Federal Funds Rate due to a less accommodative US monetary policy.

- The lower graph provides a snapshot of the US Treasury yield curve at the end of each of the last four calendar quarters. As mentioned, the yield curve continues to flatten as yields on shorter-term maturities have risen more than interest rates on the long end of the curve. The significant upward shift in interest rates that occurred in the 1st quarter is clearly visible.

1-Year Trailing Market Rates



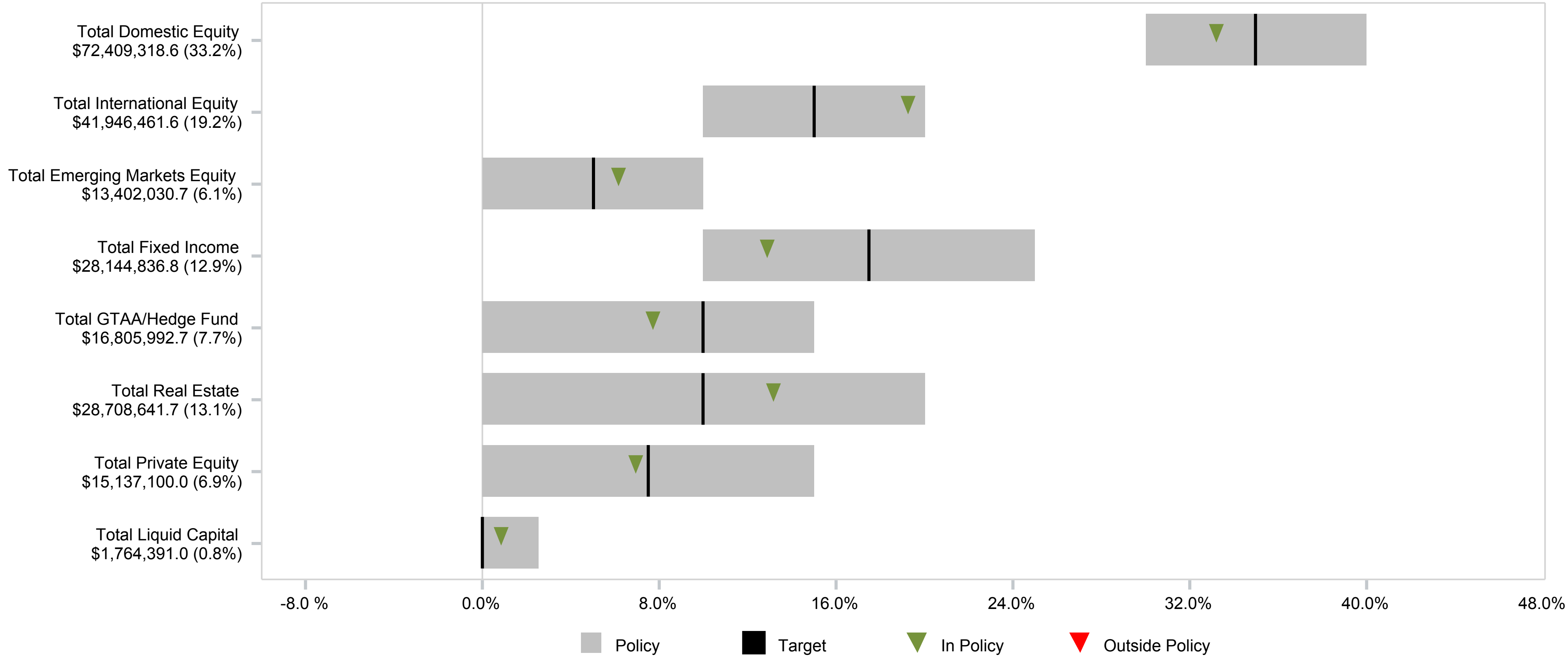
Treasury Yield Curve



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

Manager	Call as of	MV as of	Most Recent Statement Date
Private Equity			
HarbourVest Partners	4/30/2018	12/31/2017 (Unaudited)	12/31/2017 (Unaudited)
JpMorgan Venture Cap V	4/30/2018	12/31/2017	12/31/2017
Landmark XIV	4/30/2018	12/31/2017 (Estimated)	12/31/2017 (Estimated)
Pomona Cap VIII	4/30/2018	9/30/2017	9/30/2017
Private Equity Fund V	4/30/2018	12/31/2017 (Estimated)	12/31/2017 (Estimated)
Real Estate			
Gerding Edlen Green Cities II	4/30/2018	12/31/2017	12/31/2017
Gerding Edlen Green Cities III	4/30/2018	12/31/2017	12/31/2017
Long Whart Real Estate Fund V	4/30/2018	4/30/2018	4/30/2018
Westport RE Fund IV	4/30/2018	3/31/2018	3/31/2018

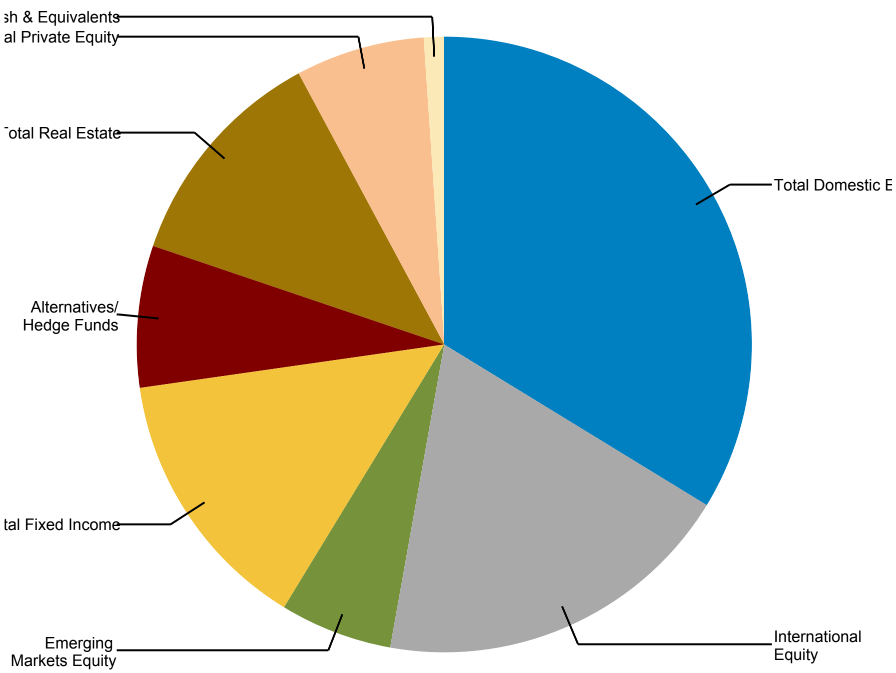
Executive Summary

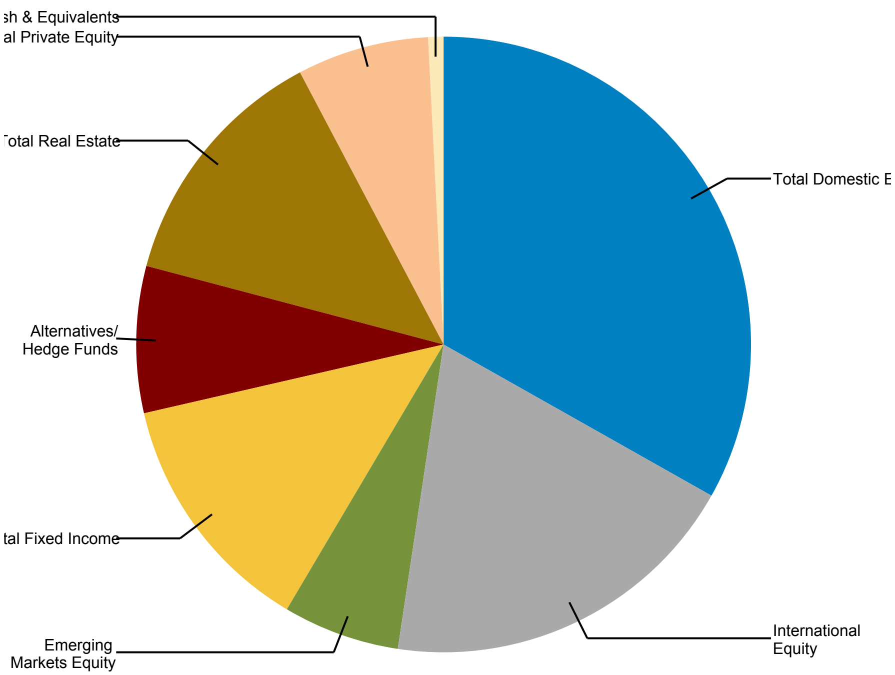


Asset Allocation Compliance

	Asset Allocation $	Current Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Target Allocation (%)
Total Fund	218,318,773	100.0	N/A	N/A	100.0
Total Domestic Equity	72,409,319	33.2	30.0	40.0	35.0
Total International Equity	41,946,462	19.2	10.0	20.0	15.0
Total Emerging Markets Equity	13,402,031	6.1	0.0	10.0	5.0
Total Fixed Income	28,144,837	12.9	10.0	25.0	17.5
Total GTAA/Hedge Fund	16,805,993	7.7	0.0	15.0	10.0
Total Real Estate	28,708,642	13.1	0.0	20.0	10.0
Total Private Equity	15,137,100	6.9	0.0	15.0	7.5
Total Liquid Capital	1,764,391	0.8	0.0	2.5	0.0

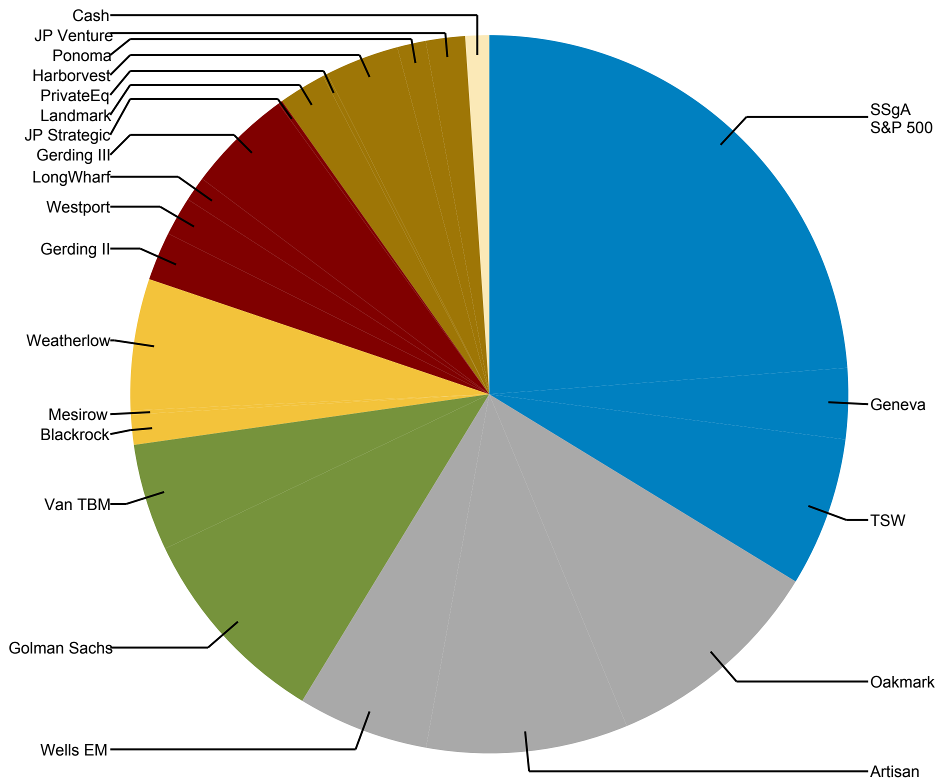
December 31, 2017 : $222,976,370	March 31, 2018 : $218,318,773





Allocation	Market Value ($)	Allocation (%)	Allocation	Market Value ($)	Allocation (%)
Total Domestic Equity	75,214,380	33.73	Total Domestic Equity	72,409,319	33.17
Total International Equity	42,558,289	19.09	Total International Equity	41,946,462	19.21
Total Emerging Markets Equity	13,162,705	5.90	Total Emerging Markets Equity	13,402,031	6.14
Total Fixed Income	31,270,373	14.02	Total Fixed Income	28,144,837	12.89
Total GTAA/Hedge Fund	16,607,885	7.45	Total GTAA/Hedge Fund	16,805,993	7.70
Total Real Estate	26,651,580	11.95	Total Real Estate	28,708,642	13.15
Total Private Equity	15,116,979	6.78	Total Private Equity	15,137,100	6.93
Cash & Equivalents	2,394,179	1.07	Cash & Equivalents	1,764,391	0.81

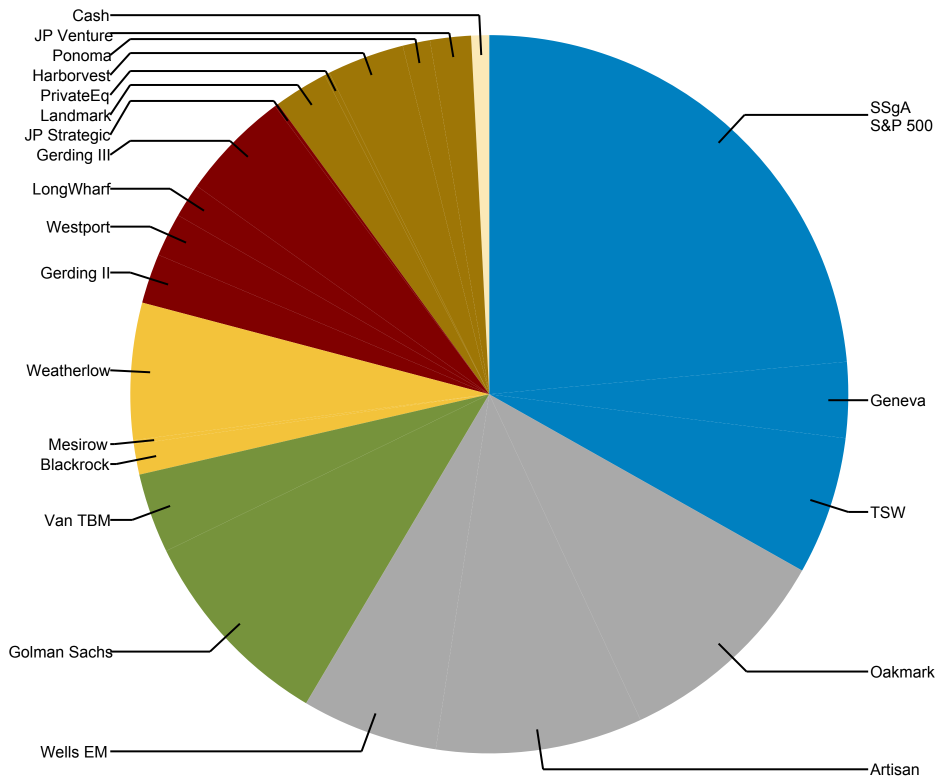
December 31, 2017 : $222,976,370



Allocation

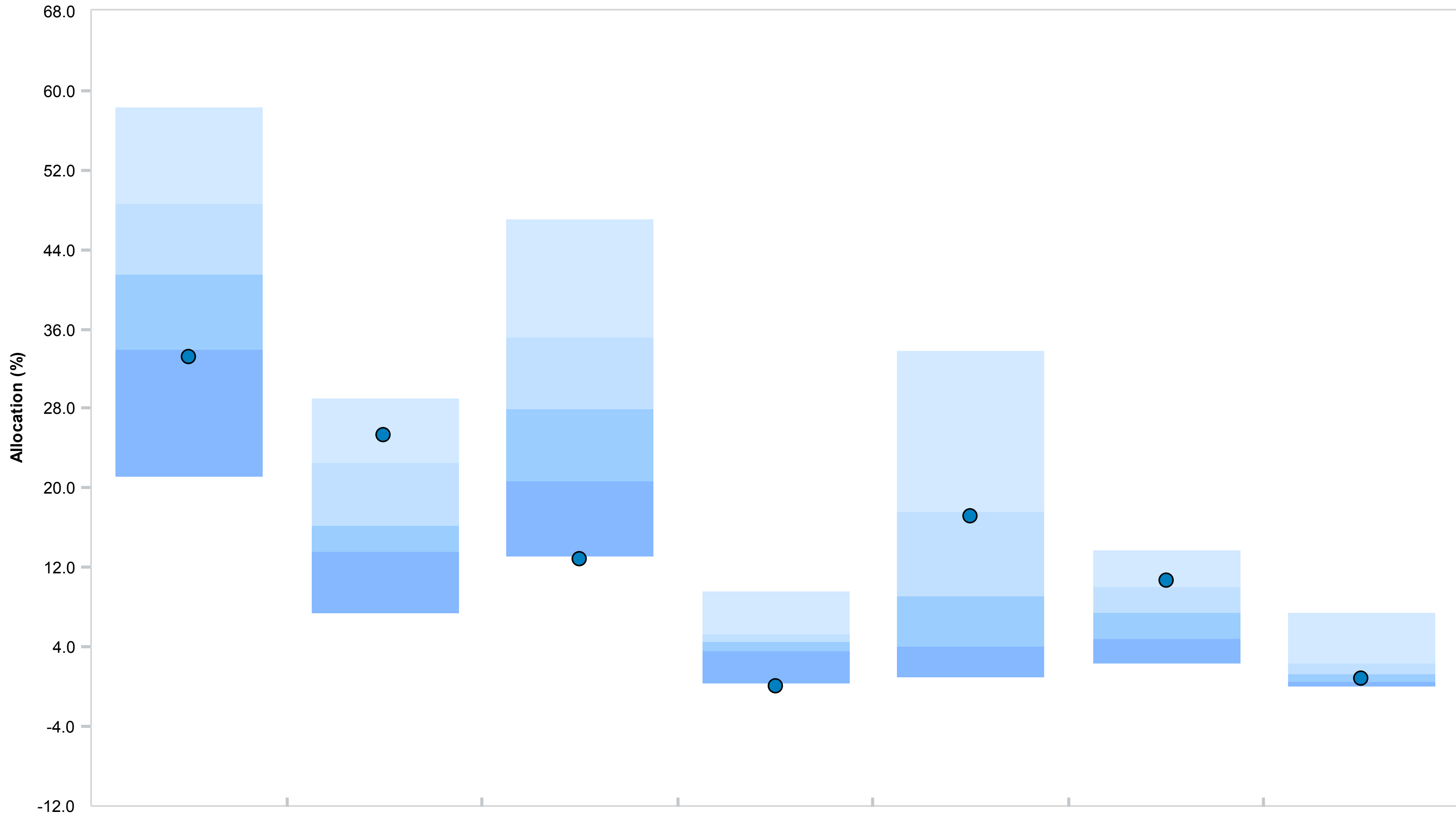
	Market Value ($)	Allocation (%)
SSgA S&P 500 Flagship Fund	53,129,332	23.83
Geneva Mid Cap Growth Equity	7,099,463	3.18
Thompson, Siegel & Walmsley SMID Value	14,985,586	6.72
Oakmark International Value	22,320,079	10.01
Artisan International Growth [ARTIX]	20,238,210	9.08
Wells Capital Emerging Markets	13,162,705	5.90
Goldman Sachs Asset Management	20,537,776	9.21
Vanguard Total Bond Market Index [VBTIX]	10,732,597	4.81
BlackRock Multi-Asset Income Fund (BKMIX)	3,018,731	1.35
Mesirow (Holdback)	401,992	0.18
Weatherlow Offshore Fund I Ltd.	13,187,162	5.91
Gerding Edlen Green Cities II	4,898,541	2.20
Gerding Edlen Green Cities III	3,884,083	1.74
Long Wharf Real Estate Partners Fund V	2,479,543	1.11
JP Morgan Strategic Property	10,640,554	4.77
Landmark Equity Partners XIV LP	409,705	0.18
Westport Real Estate Fund IV	4,748,860	2.13
Private Equity Investment Fund V	507,174	0.23
HarbourVest Partners IX	7,395,813	3.32
Pomona Capital VIII	2,875,143	1.29
JPMorgan Venture Capital Fund V	3,929,144	1.76
Cash Account	2,394,179	1.07

March 31, 2018 : $218,318,773



Allocation

	Market Value ($)	Allocation (%)
SSgA S&P 500 Flagship Fund	51,424,246	23.55
Geneva Mid Cap Growth Equity	7,418,874	3.40
Thompson, Siegel & Walmsley SMID Value	13,566,199	6.21
Oakmark International Value	21,635,735	9.91
Artisan International Growth [ARTIX]	20,310,727	9.30
Wells Capital Emerging Markets	13,402,031	6.14
Goldman Sachs Asset Management	20,287,315	9.29
Vanguard Total Bond Market Index [VBTIX]	7,857,522	3.60
BlackRock Multi-Asset Income Fund (BKMIX)	2,981,113	1.37
Mesirow (Holdback)	401,992	0.18
Weatherlow Offshore Fund I Ltd.	13,422,888	6.15
Gerding Edlen Green Cities II	4,885,747	2.24
Gerding Edlen Green Cities III	4,273,095	1.96
Long Wharf Real Estate Partners Fund V	3,376,388	1.55
JP Morgan Strategic Property	10,848,347	4.97
Landmark Equity Partners XIV LP	350,295	0.16
Westport Real Estate Fund IV	5,325,064	2.44
Private Equity Investment Fund V	507,174	0.23
HarbourVest Partners IX	7,584,684	3.47
Pomona Capital VIII	2,680,451	1.23
JPMorgan Venture Capital Fund V	4,014,496	1.84
Cash Account	1,764,391	0.81



	US Equity	Intl. Equity	US Fixed Income	Intl. Fixed Income	Alternative Inv.	Real Estate	Cash
● Total Fund	33.17 (77)	25.35 (13)	12.89 (96)	0.00	17.07 (26)	10.71 (18)	0.81 (64)
5th Percentile	58.28	29.06	46.96	9.55	33.84	13.69	7.46
1st Quartile	48.59	22.59	35.13	5.24	17.55	10.04	2.28
Median	41.51	16.19	27.95	4.55	9.12	7.46	1.26
3rd Quartile	33.86	13.52	20.75	3.62	3.97	4.87	0.54
95th Percentile	21.15	7.41	13.14	0.30	0.97	2.40	0.08

Comparative Performance

	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
Total Fund (Net)	**-0.12**	**3.02**	**10.25**	**9.73**	**4.88**	**4.57**	**6.04**
Total Fund (Gross)	-0.04	3.18	10.58	10.06	5.21	4.89	6.35
Total Fund Policy	-0.31	4.00	11.46	11.22	7.30	6.98	7.87
Total Fund (Net)	**-0.12**	**3.02**	**10.25**	**9.73**	**4.88**	**4.57**	**6.04**
Total Fund (Gross)	-0.04	3.18	10.58	10.06	5.21	4.89	6.35
Total Fund Policy Index ex Alts	-0.28	3.24	9.48	9.81	6.39	6.30	7.32
Total Domestic Equity (Net)	**-0.23**	**5.51**	**12.21**	**13.84**	**7.72**	**8.12**	**10.67**
Total Domestic Equity (Gross)	-0.17	5.63	12.45	14.12	8.04	8.45	10.96
Total Domestic Equity Policy	-0.64	5.65	13.81	15.30	10.61	11.14	13.20
Total International Equity (Net)	**-1.43**	**1.71**	**17.90**	**14.70**	**5.09**	**4.48**	**7.54**
Total International Equity (Gross)	-1.32	1.94	18.43	15.22	5.56	4.94	7.99
Total International Equity Policy	-1.08	3.93	17.05	14.72	6.48	4.58	7.06
Total Emerging Markets Equity (Net)	**1.66**	**5.94**	**22.21**	**21.55**	**9.61**	**7.11**	**N/A**
Total Emerging Markets Equity (Gross)	1.82	6.28	22.98	22.33	10.34	7.83	N/A
MSCI Emerging Markets (Net) Index	1.42	8.96	24.93	21.01	8.81	6.65	4.99
Total Fixed Income (Net)	**-1.36**	**-1.29**	**0.76**	**1.22**	**1.23**	**1.80**	**1.61**
Total Fixed Income (Gross)	-1.32	-1.20	0.96	1.37	1.37	1.95	1.77
Total Fixed Income Policy	-1.14	-0.52	1.78	3.14	2.24	2.71	2.19
Total GTAA/Hedge Fund	**1.19**	**3.79**	**5.53**	**5.63**	**0.96**	**1.52**	**3.00**
Total GTAA/Hedge Fund Policy	-0.15	2.13	6.23	6.06	2.71	3.12	4.04

Returns for periods greater than one year are annualized.
Returns are expressed as percentages.
Alger replaced Nuveen 11/1/2014.

Comparative Performance

	QTR		FYTD		1 YR		2 YR		3 YR		4 YR		5 YR	
Total Domestic Equity														
SSgA S&P 500 Flagship Fund (Net)	-0.76	(64)	5.83	(60)	13.98	(53)	15.55	(50)	10.76	(34)	11.24	(42)	13.28	(53)
SSgA S&P 500 Flagship Fund (Gross)	-0.72	(61)	5.89	(56)	14.07	(49)	15.63	(46)	10.83	(31)	11.31	(39)	13.35	(49)
S&P 500 Index	-0.76	(64)	5.84	(59)	13.99	(52)	15.57	(49)	10.78	(33)	11.26	(41)	13.31	(52)
IM U.S. Large Cap Core Equity (SA+CF) Median	-0.44		6.14		14.02		15.53		10.23		10.93		13.32	
Geneva Mid Cap Growth Equity (Net)	4.35	(30)	10.95	(30)	21.11	(41)	15.16	(83)	9.22	(53)	9.90	(60)	11.34	(86)
Geneva Mid Cap Growth Equity (Gross)	4.50	(29)	11.27	(28)	21.79	(36)	15.84	(79)	9.87	(39)	10.56	(50)	11.97	(81)
Russell Midcap Growth Index	2.17	(66)	9.13	(57)	19.74	(52)	16.87	(63)	9.17	(54)	10.73	(46)	13.31	(48)
IM U.S. Mid Cap Growth Equity (SA+CF) Median	2.98		9.52		19.94		17.80		9.27		10.54		13.19	
Thompson, Siegel & Walmsley SMID Value (Net)	-0.57	(32)	1.88	(79)	3.13	(94)	N/A		N/A		N/A		N/A	
Thompson, Siegel & Walmsley SMID Value (Gross)	-0.46	(30)	2.11	(74)	3.59	(90)	N/A		N/A		N/A		N/A	
Russell 2500 Value Index	-2.65	(81)	1.49	(83)	5.72	(82)	14.09	(68)	7.26	(61)	7.09	(73)	9.88	(81)
IM U.S. SMID Cap Value Equity (SA+CF) Median	-1.28		3.72		9.14		15.12		7.85		8.39		11.35	
Total International Equity														
Oakmark International Value (Net)	-3.06	(95)	-0.66	(99)	15.29	(50)	18.27	(14)	6.88	(48)	5.12	(44)	8.69	(25)
Oakmark International Value (Gross)	-2.85	(93)	-0.23	(98)	16.28	(39)	19.31	(10)	7.83	(33)	6.05	(29)	9.51	(14)
MSCI EAFE IMI Value (Net)	-1.88	(78)	1.63	(77)	13.31	(76)	14.49	(46)	5.18	(78)	3.06	(85)	6.39	(72)
IM International Large Cap Value Equity (SA+CF) Median	-1.26		3.32		15.24		14.11		6.70		4.78		7.63	
Artisan International Growth [ARTIX] (Net)	0.36	(25)	4.36	(32)	20.83	(16)	11.24	(69)	3.31	(89)	3.82	(69)	6.14	(58)
MSCI EAFE Growth Index (Net)	-1.04	(59)	4.14	(35)	17.51	(43)	12.36	(56)	6.73	(42)	5.28	(46)	7.14	(32)
IM International Large Cap Growth Equity (MF) Median	-0.70		3.30		16.10		13.31		6.33		5.04		6.36	
Total Emerging Markets Equity														
Wells Capital Emerging Markets (Net)	1.66	(54)	5.94	(89)	22.21	(65)	21.03	(55)	10.67	(40)	7.22	(58)	N/A	
Wells Capital Emerging Markets (Gross)	1.82	(50)	6.28	(86)	22.98	(61)	21.80	(47)	11.37	(30)	7.90	(46)	N/A	
MSCI Emerging Markets (Net) Index	1.42	(59)	8.96	(48)	24.93	(47)	21.01	(55)	8.81	(64)	6.65	(67)	4.99	(71)
IM Emerging Markets Equity (SA+CF) Median	1.81		8.83		24.56		21.45		9.86		7.65		6.05	

Returns for periods greater than one year are annualized.
Returns are expressed as percentages.
Alger replaced Nuveen 11/1/2014.

	QTR		FYTD		1 YR		2 YR		3 YR		4 YR		5 YR	
Total Fixed Income														
Goldman Sachs Asset Management (Net)	-1.28	(59)	-1.16	(95)	0.87	(100)	1.35	(93)	1.56	(85)	2.12	(94)	1.92	(95)
Goldman Sachs Asset Management (Gross)	-1.22	(51)	-1.04	(90)	1.11	(98)	1.59	(85)	1.82	(74)	2.38	(90)	2.17	(85)
Blmbg. Barc. U.S. Aggregate Index	-1.46	(82)	-1.08	(92)	1.20	(96)	0.82	(100)	1.20	(95)	2.31	(92)	1.82	(96)
IM U.S. Broad Market Core+ Fixed Income (SA+CF) Median	-1.21		-0.62		2.28		2.84		2.24		3.02		2.67	
Vanguard Total Bond Market Index [VBTIX] (Net)	-1.48	(49)	-1.08	(42)	1.10	(52)	0.54	(78)	N/A		N/A		N/A	
Blmbg. Barc. U.S. Aggregate Index	-1.46	(46)	-1.08	(42)	1.20	(45)	0.82	(63)	1.20	(40)	2.31	(32)	1.82	(35)
IM U.S. Broad Market Core Fixed Income (MF) Median	-1.48		-1.16		1.11		1.13		1.10		2.09		1.64	
Total GTAA/Hedge Fund														
BlackRock Multi-Asset Income Fund (BKMIX) (Net)	-1.25	(59)	N/A		N/A		N/A		N/A		N/A		N/A	
50% MSCI World / 50% Barcap Agg	-1.23	(59)	1.71	(51)	7.62	(45)	7.68	(60)	4.98	(30)	5.30	(28)	6.13	(29)
IM Flexible Portfolio (MF) Median	-1.04		1.73		7.04		8.42		4.01		4.17		5.15	
Weatherlow Offshore Fund I Ltd. (Net)	1.79	(3)	4.39	(23)	5.97	(79)	6.95	(79)	2.01	(92)	3.25	(89)	4.71	(77)
HFRI FOF: Diversified Index	0.12	(13)	2.18	(72)	5.00	(84)	5.18	(89)	1.49	(94)	2.51	(96)	3.22	(91)
IM Global Balanced/TAA (SA+CF+MF) Median	-0.58		3.43		9.88		10.25		5.85		6.57		7.48	
Total Real Estate														
JP Morgan Strategic Property (Net)	1.95	(79)	3.54	(100)	6.81	(96)	N/A		N/A		N/A		N/A	
JP Morgan Strategic Property (Gross)	2.20	(58)	4.04	(81)	7.50	(92)	N/A		N/A		N/A		N/A	
NCREIF Fund Index-ODCE (VW)	2.20	(58)	4.31	(61)	8.07	(81)	8.20	(73)	9.99	(76)	10.85	(68)	11.43	(70)
IM U.S. Open End Private Real Estate (SA+CF) Median	2.23		4.53		8.62		8.66		10.38		11.37		12.13	

Returns for periods greater than one year are annualized.
Returns are expressed as percentages.
Alger replaced Nuveen 11/1/2014.

Financial Reconciliation Fiscal Year to Date

	Market Value 01/01/2018	Net Transfers	Contributions	Distributions	Management Fees	Other Expenses	Income	Market Value 03/31/2018
Total Domestic Equity	**75,214,380**	**-2,648,222**	**-**	**-**	**-51,778**	**-**	**102,330**	**72,409,319**
SSgA S&P 500 Flagship Fund	53,129,332	-1,325,307	-	-	-24,693	-	-	51,424,246
Geneva Mid Cap Growth Equity	7,099,463	10,541	-	-	-10,541	-	12,899	7,418,874
Thompson, Siegel & Walmsley SMID Value	14,985,586	-1,333,457	-	-	-16,543	-	89,430	13,566,199
Total International Equity	**42,558,289**	**-**	**-**	**-**	**-48,968**	**-2,180**	**-**	**41,946,462**
Artisan International Growth [ARTIX]	20,238,210	-	-	-	-	-	-	20,310,727
Oakmark International Value	22,320,079	-	-	-	-48,968	-2,180	-	21,635,735
Total Emerging Markets Equity	**13,162,705**	**21,887**	**-**	**-**	**-21,887**	**-**	**-**	**13,402,031**
Wells Capital Emerging Markets	13,162,705	21,887	-	-	-21,887	-	-	13,402,031
Total Fixed Income	**31,270,373**	**-2,687,714**	**-**	**-**	**-12,286**	**-**	**66,698**	**28,144,837**
Goldman Sachs Asset Management	20,537,776	12,286	-	-	-12,286	-	-	20,287,315
Vanguard Total Bond Market Index [VBTIX]	10,732,597	-2,700,000	-	-	-	-	66,698	7,857,522
Total GTAA/Hedge Fund	**16,607,885**	**-**	**-**	**-**	**-**	**-**	**25,734**	**16,805,993**
Mesirow Absolute Return Fund	401,992	-	-	-	-	-	-	401,992
BlackRock Multi-Asset Income Fund (BKMIX)	3,018,731	-	-	-	-	-	25,734	2,981,113
Weatherlow Offshore Fund I Ltd.	13,187,162	-	-	-	-	-	-	13,422,888
Total Real Estate	**26,651,580**	**1,516,268**	**-**	**-**	**-43,550**	**-**	**-**	**28,708,642**
Gerding Edlen Green Cities II	4,898,541	-12,794	-	-	-	-	-	4,885,747
Gerding Edlen Green Cities III	3,884,083	389,012	-	-	-17,729	-	-	4,273,095
Long Wharf Real Estate Partners Fund V	2,479,543	690,049	-	-	-	-	-	3,376,388
Westport Real Estate Fund IV	4,748,860	450,000	-	-	-	-	-	5,325,064
JP Morgan Strategic Property	10,640,554	-	-	-	-25,822	-	-	10,848,347
Total Private Equity	**15,116,979**	**26,801**	**-**	**-**	**-6,680**	**-**	**-**	**15,137,100**
Landmark Equity Partners XIV LP	409,705	-59,410	-	-	-	-	-	350,295
Private Equity Investment Fund V	507,174	-	-	-	-	-	-	507,174
HarbourVest Partners IX [Consolidated]	7,395,813	188,871	-	-	-	-	-	7,584,684
Pomona Capital VIII	2,875,143	-194,692	-	-	-	-	-	2,680,451
JPMorgan Venture Capital Fund V	3,929,144	92,032	-	-	-6,680	-	-	4,014,496
Total Liquid Capital	**2,394,179**	**3,863,611**	**-**	**-4,500,000**	**-**	**-**	**6,600**	**1,764,391**
Cash Account	2,394,179	3,863,611	-	-4,500,000	-	-	6,600	1,764,391
Total Fund	**222,976,370**	**92,631**	**-**	**-4,500,000**	**-185,149**	**-2,180**	**201,362**	**218,318,773**
Receipts & Disbursements (From City)	**-**	**-92,631**	**446,353**	**-653,710**	**-**	**-146,693**	**-**	**-**
Total Fund including Town Flows	**222,976,370**	**-**	**446,353**	**-5,153,710**	**-185,149**	**-148,873**	**201,362**	**218,318,773**

Receipts & Disbursements (From Town) data provided by the Town of Palm Beach, as of 4/9/2018.

Financial Reconciliation Fiscal Year to Date

	Market Value 10/01/2017	Net Transfers	Contributions	Distributions	Management Fees	Other Expenses	Income	Market Value 03/31/2018
Total Domestic Equity	**71,091,201**	**-2,642,232**	**26,299**	**-**	**-84,067**	**-**	**193,907**	**72,409,319**
SSgA S&P 500 Flagship Fund	49,814,660	-1,319,316	-	-	-30,684	-	-	51,424,246
Geneva Mid Cap Growth Equity	6,667,654	10,541	9,857	-	-20,398	-	24,016	7,418,874
Thompson, Siegel & Walmsley SMID Value	14,608,887	-1,333,457	16,442	-	-32,985	-	169,891	13,566,199
Total International Equity	**41,246,430**	**-**	**-**	**-**	**-96,454**	**-4,390**	**181,873**	**41,946,462**
Artisan International Growth [ARTIX]	19,462,816	-	-	-	-	-	181,873	20,310,727
Oakmark International Value	21,783,614	-	-	-	-96,454	-4,390	-	21,635,735
Total Emerging Markets Equity	**12,610,239**	**35,480**	**6,719**	**-**	**-42,199**	**-**	**-**	**13,402,031**
Wells Capital Emerging Markets	12,610,239	35,480	6,719	-	-42,199	-	-	13,402,031
Total Fixed Income	**24,211,962**	**4,312,286**	**12,310**	**-**	**-24,595**	**-**	**113,142**	**28,144,837**
Goldman Sachs Asset Management	20,500,670	12,286	12,310	-	-24,595	-	-	20,287,315
Vanguard Total Bond Market Index [VBTIX]	3,711,291	4,300,000	-	-	-	-	113,142	7,857,522
Total GTAA/Hedge Fund	**13,260,847**	**3,000,000**	**-**	**-**	**-**	**-**	**44,458**	**16,805,993**
Mesirow Absolute Return Fund	401,992	-	-	-	-	-	-	401,992
BlackRock Multi-Asset Income Fund (BKMIX)	-	3,000,000	-	-	-	-	44,458	2,981,113
Weatherlow Offshore Fund I Ltd.	12,858,855	-	-	-	-	-	-	13,422,888
Total Real Estate	**26,055,368**	**1,849,878**	**-**	**-**	**-87,527**	**-**	**111,061**	**28,708,642**
Gerding Edlen Green Cities II	5,051,651	-40,514	-	-	-	-	-	4,885,747
Gerding Edlen Green Cities III	3,648,050	507,602	-	-	-36,291	-	-	4,273,095
Long Wharf Real Estate Partners Fund V	2,095,944	1,032,789	-	-	-	-	-	3,376,388
Westport Real Estate Fund IV	4,781,784	350,000	-	-	-	-	-	5,325,064
JP Morgan Strategic Property	10,477,939	-	-	-	-51,236	-	111,061	10,848,347
Total Private Equity	**15,798,694**	**-902,158**	**-**	**-**	**-13,360**	**-**	**-**	**15,137,100**
Landmark Equity Partners XIV LP	476,837	-125,283	-	-	-	-	-	350,295
Private Equity Investment Fund V	502,967	-	-	-	-	-	-	507,174
HarbourVest Partners IX [Consolidated]	7,365,886	34,884	-	-	-	-	-	7,584,684
Pomona Capital VIII	3,590,922	-910,471	-	-	-	-	-	2,680,451
JPMorgan Venture Capital Fund V	3,862,082	98,712	-	-	-13,360	-	-	4,014,496
Total Liquid Capital	**5,890,604**	**-5,534,360**	**5,883,305**	**-4,500,000**	**-**	**-**	**24,841**	**1,764,391**
Cash Account	5,890,604	-5,534,360	5,883,305	-4,500,000	-	-	24,841	1,764,391
Total Fund	**210,165,345**	**118,893**	**5,928,633**	**-4,500,000**	**-348,202**	**-4,390**	**669,281**	**218,318,773**
Receipts & Disbursements (From City)	**-**	**-118,893**	**2,414,596**	**-5,454,420**	**-**	**-251,036**	**-**	**-**
Total Fund including Town Flows	**210,165,345**	**-**	**8,343,228**	**-9,954,420**	**-348,202**	**-255,426**	**669,281**	**218,318,773**

Receipts & Disbursements (From Town) data provided by the Town of Palm Beach, as of 4/9/2018.

Domestic Equity

Historical Statistics 3 Years

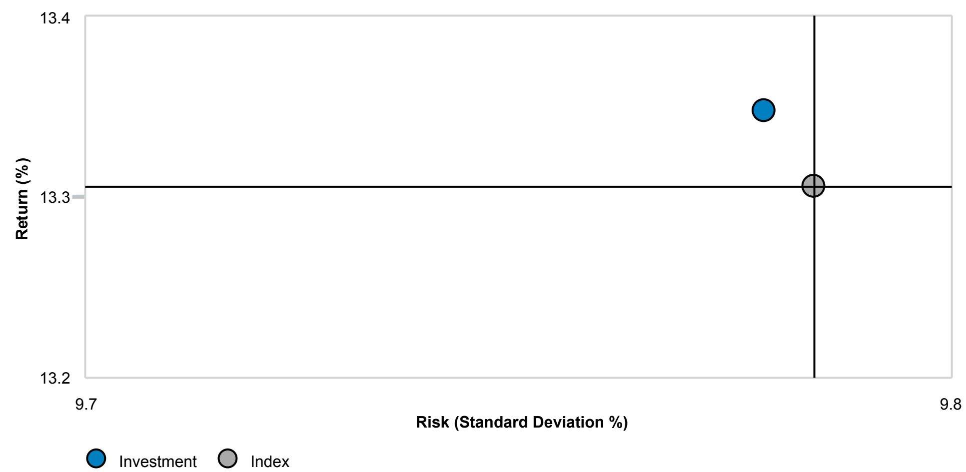
	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	10.83	10.10	1.02	100.21	10	99.92	2
Index	10.78	10.11	1.02	100.00	10	100.00	2

Historical Statistics 5 Years

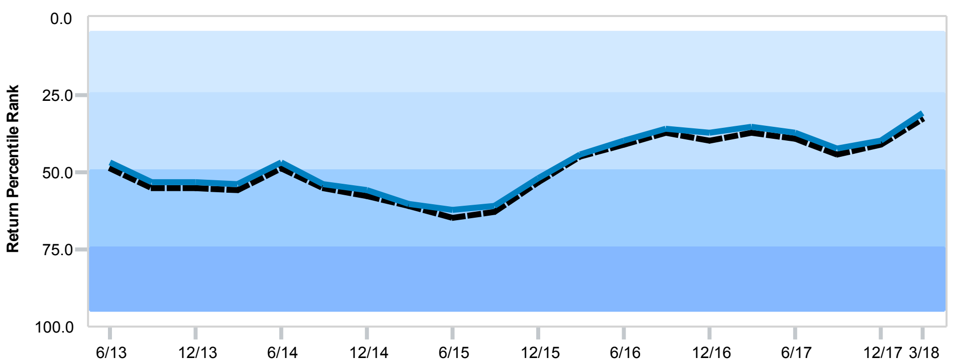
	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	13.35	9.78	1.30	100.15	18	99.95	2
Index	13.31	9.78	1.30	100.00	18	100.00	2

Risk and Return 3 Years

Risk and Return 5 Years

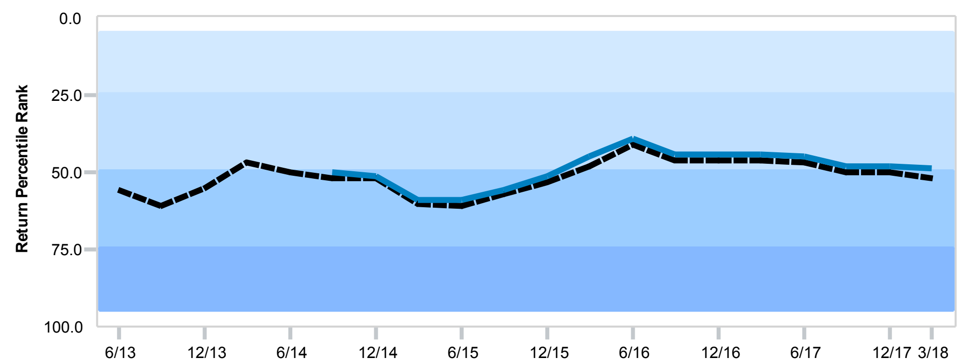


3 Year Rolling Percentile Rank IM U.S. Large Cap Core Equity (SA+CF)



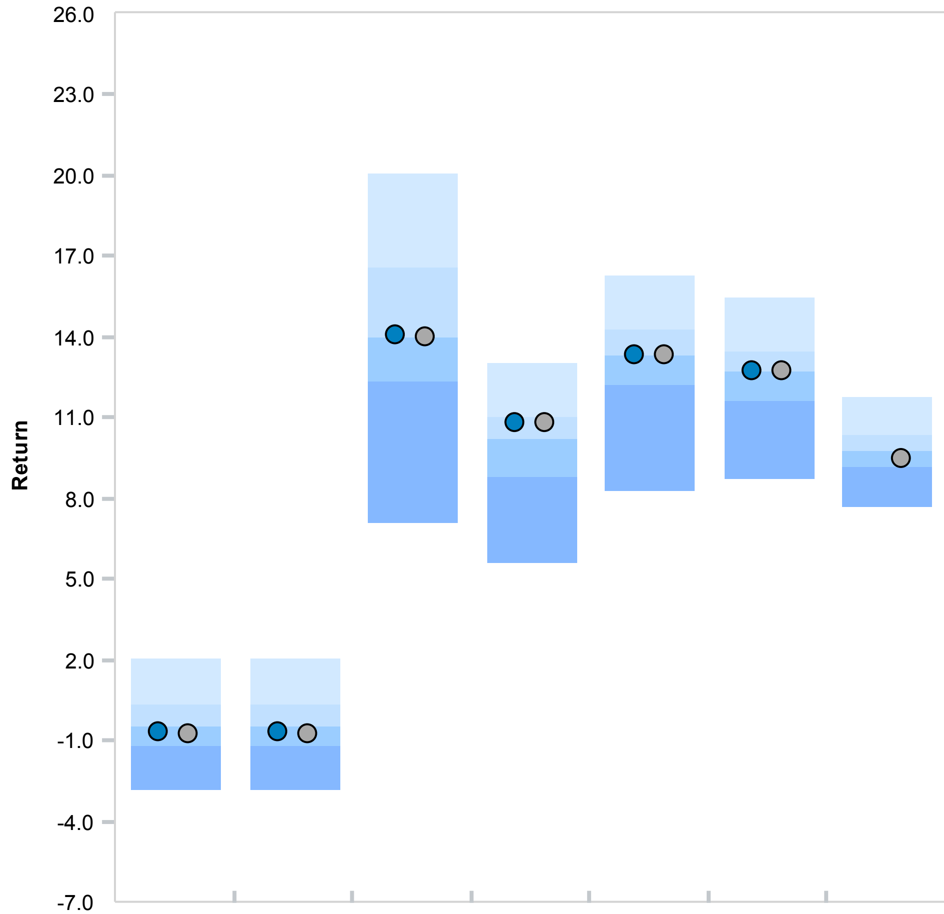
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	0 (0%)	11 (55%)	9 (45%)	0 (0%)
Index	20	0 (0%)	11 (55%)	9 (45%)	0 (0%)

5 Year Rolling Percentile Rank IM U.S. Large Cap Core Equity (SA+CF)



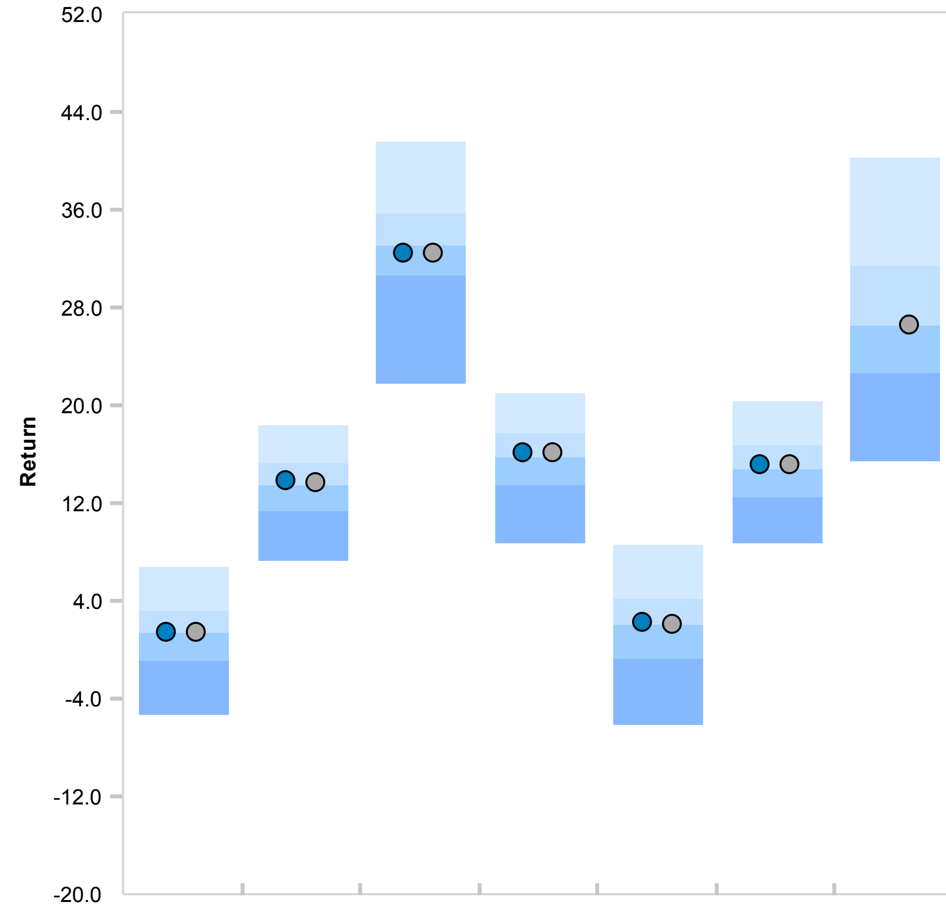
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	15	0 (0%)	10 (67%)	5 (33%)	0 (0%)
Index	20	0 (0%)	10 (50%)	10 (50%)	0 (0%)

Peer Group Analysis - IM U.S. Large Cap Core Equity (SA+CF)



	QTD	YTD	1 YR	3 YR	5 YR	7 YR	10 YR
Investment	-0.72 (61)	-0.72 (61)	14.07 (49)	10.83 (31)	13.35 (49)	12.75 (50)	N/A
Index	-0.76 (64)	-0.76 (64)	13.99 (52)	10.78 (33)	13.31 (52)	12.71 (52)	9.49 (61)
Median	-0.44	-0.44	14.02	10.23	13.32	12.73	9.75

Peer Group Analysis - IM U.S. Large Cap Core Equity (SA+CF)



	2015	2014	2013	2012	2011	2010	2009
Investment	1.40 (50)	13.72 (43)	32.44 (58)	16.06 (45)	2.14 (49)	15.14 (42)	N/A
Index	1.38 (51)	13.69 (44)	32.39 (60)	16.00 (47)	2.11 (50)	15.06 (44)	26.46 (51)
Median	1.39	13.43	32.98	15.71	2.03	14.80	26.53

Comparative Performance

	1 Qtr Ending Dec-2017	1 Qtr Ending Sep-2017	1 Qtr Ending Jun-2017	1 Qtr Ending Mar-2017	1 Qtr Ending Dec-2016	1 Qtr Ending Sep-2016
Investment	6.65 (51)	4.49 (57)	3.09 (43)	6.05 (47)	3.85 (51)	3.88 (53)
Index	6.64 (52)	4.48 (59)	3.09 (44)	6.07 (45)	3.82 (53)	3.85 (54)
Median	6.68	4.61	2.95	5.95	3.93	3.99

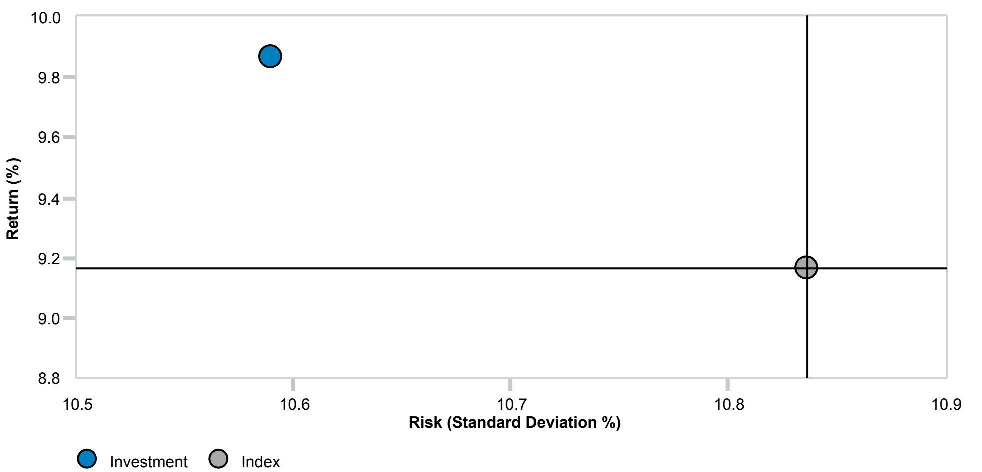
Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	9.87	10.59	0.90	95.30	9	84.58	3
Index	9.17	10.84	0.82	100.00	10	100.00	2

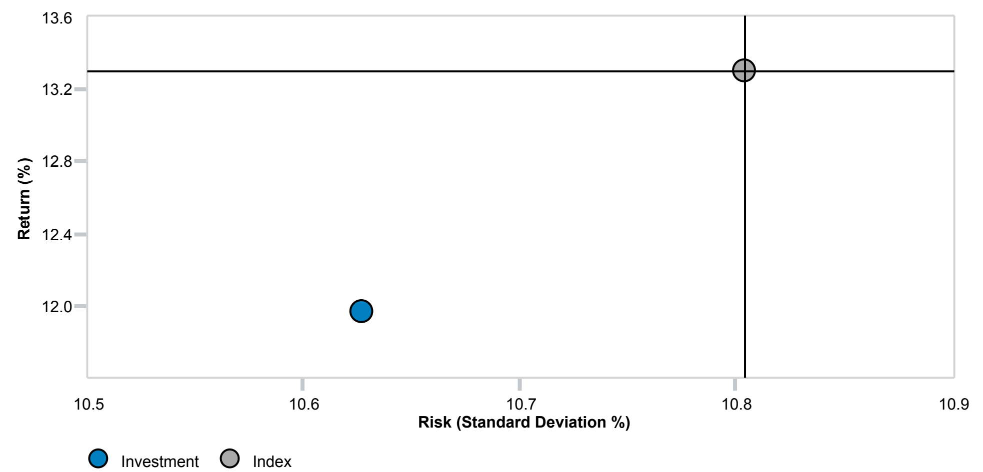
Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	11.97	10.63	1.09	90.79	14	90.91	6
Index	13.31	10.80	1.19	100.00	17	100.00	3

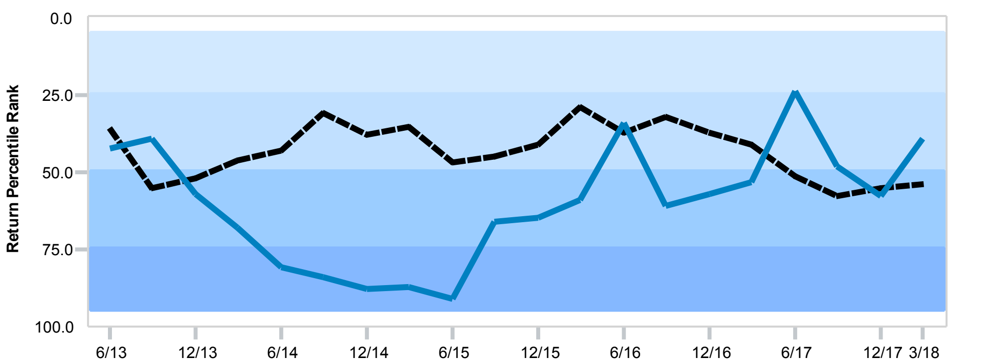
Risk and Return 3 Years



Risk and Return 5 Years

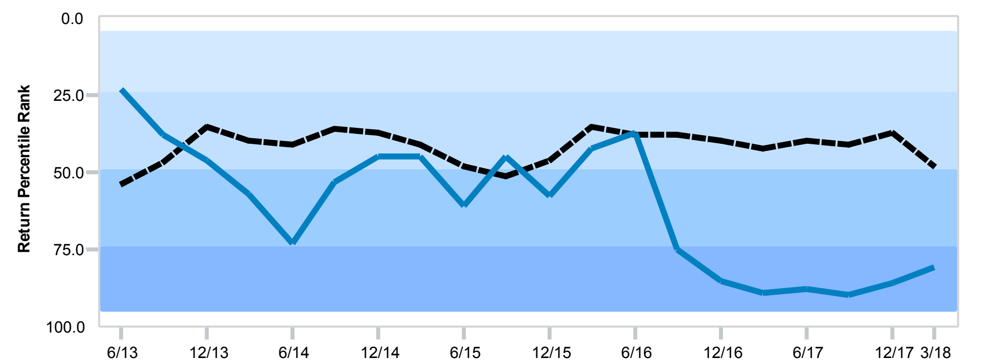


3 Year Rolling Percentile Rank IM U.S. Mid Cap Growth Equity (SA+CF)



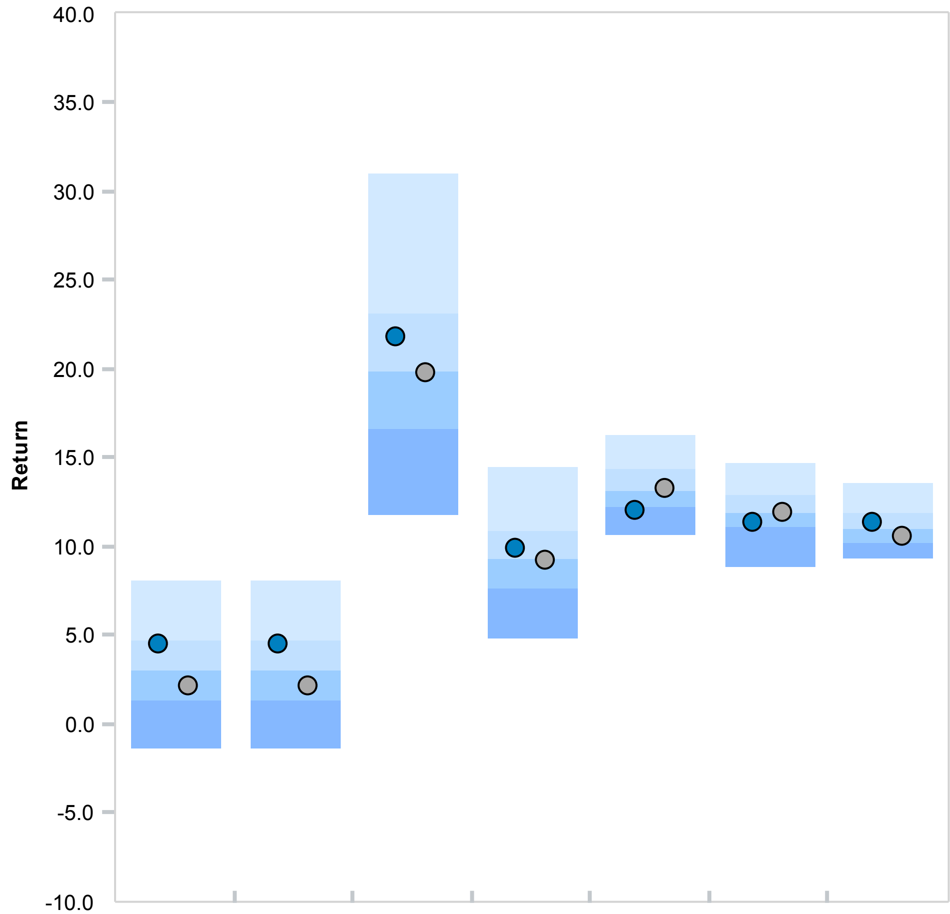
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	1 (5%)	5 (25%)	9 (45%)	5 (25%)
Index	20	0 (0%)	14 (70%)	6 (30%)	0 (0%)

5 Year Rolling Percentile Rank IM U.S. Mid Cap Growth Equity (SA+CF)



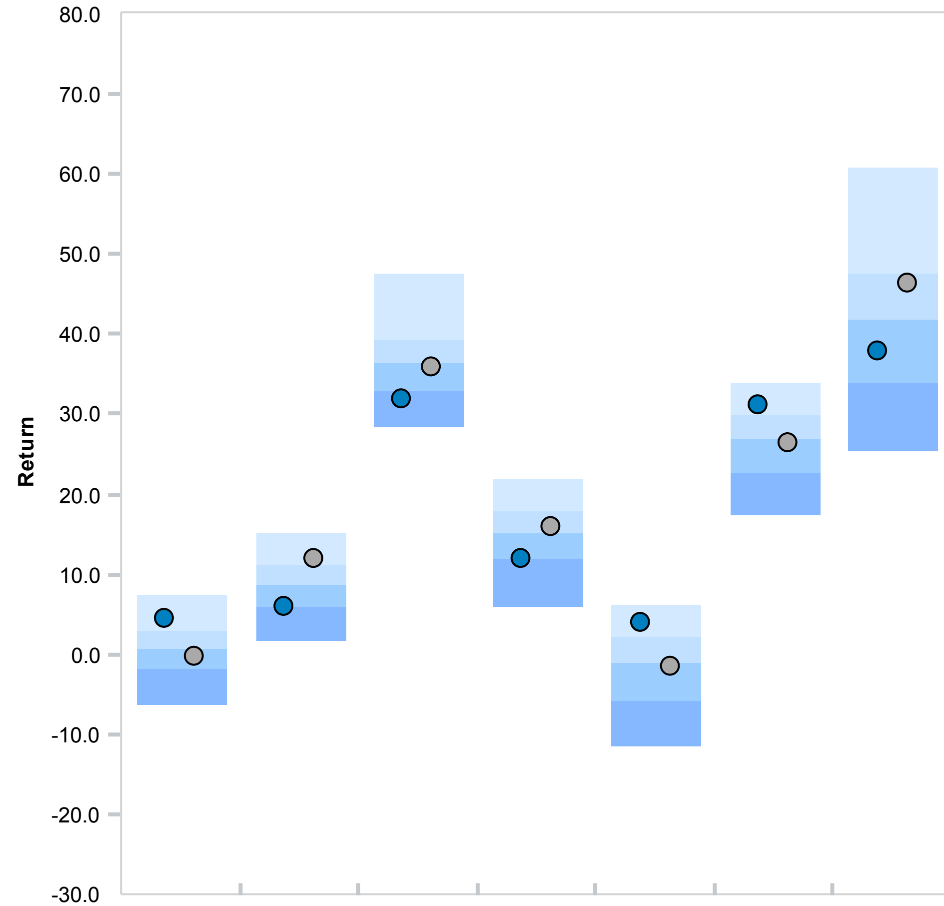
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	1 (5%)	7 (35%)	6 (30%)	6 (30%)
Index	20	0 (0%)	18 (90%)	2 (10%)	0 (0%)

Peer Group Analysis - IM U.S. Mid Cap Growth Equity (SA+CF)



	QTD		YTD		1 YR		3 YR		5 YR		7 YR		10 YR	
Investment	4.50	(29)	4.50	(29)	21.79	(36)	9.87	(39)	11.97	(81)	11.33	(71)	11.32	(42)
Index	2.17	(66)	2.17	(66)	19.74	(52)	9.17	(54)	13.31	(48)	11.92	(48)	10.61	(66)
Median	2.98		2.98		19.94		9.27		13.19		11.86		11.05	

Peer Group Analysis - IM U.S. Mid Cap Growth Equity (SA+CF)



	2015		2014		2013		2012		2011		2010		2009	
Investment	4.47	(12)	5.99	(74)	31.79	(82)	11.81	(77)	4.04	(15)	31.03	(19)	37.87	(63)
Index	-0.20	(59)	11.90	(23)	35.74	(56)	15.81	(44)	-1.65	(53)	26.38	(54)	46.29	(32)
Median	0.79		8.63		36.40		15.13		-0.95		26.75		41.78	

Comparative Performance

	1 Qtr Ending Dec-2017		1 Qtr Ending Sep-2017		1 Qtr Ending Jun-2017		1 Qtr Ending Mar-2017		1 Qtr Ending Dec-2016		1 Qtr Ending Sep-2016	
Investment	6.48	(40)	2.20	(91)	7.10	(13)	6.62	(74)	-0.13	(65)	0.40	(100)
Index	6.81	(36)	5.28	(30)	4.21	(58)	6.89	(67)	0.46	(52)	4.59	(52)
Median	6.00		4.50		4.55		7.57		0.50		4.70	

Portfolio Characteristics (Benchmark: Russell Midcap Growth Index)

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($)	13,714,156,058	16,157,112,973
Median Mkt. Cap ($)	10,576,050,240	8,772,241,660
Price/Earnings ratio	31.5	26.6
Price/Book ratio	5.0	5.4
5 Yr. EPS Growth Rate (%)	17.2	14.3
Current Yield (%)	0.6	1.0
Beta (5 Years, Monthly)	0.91	1.00
Number of Stocks	57	423

Top Ten Equity Holdings (Benchmark: Russell Midcap Growth Index)

	Portfolio Wt	Benchmark Wt	Active Wt	Qtr Rtrn
Red Hat Inc	3.0	0.8	2.2	24.5
Fiserv Inc.	2.9	0.9	2.0	8.8
Amphenol Corp	2.8	0.8	2.0	-1.7
Broadridge Fin. Solutions	2.7	0.4	2.3	21.5
CoStar Group Inc	2.6	0.4	2.2	22.1
ABIOMED Inc	2.6	0.4	2.2	55.3
LKQ Corp	2.5	0.1	2.4	-6.7
Tyler Technologies Inc.	2.5	0.2	2.3	19.2
Intuit Inc.	2.4	0.0	2.4	10.1
IDEX Corporation	2.4	0.3	2.1	8.3

Ten Best Performers (Benchmark: Russell Midcap Growth Index)

	Portfolio Wt	Benchmark Wt	Active Wt	Quarterly Rtrn
ABIOMED Inc	2.6	0.4	2.2	55.3
SS&C Tech. Holdings Inc	1.9	0.3	1.6	32.7
Red Hat Inc	3.0	0.8	2.2	24.5
IDEXX Laboratories Inc	2.0	0.5	1.5	22.4
CoStar Group Inc	2.6	0.4	2.2	22.1
National Instruments Corp	1.4	0.1	1.3	22.1
Broadridge Fin. Solutions	2.7	0.4	2.3	21.5
Ligand Pharmaceuticals	1.2	0.0	1.2	20.6
Tyler Technologies Inc.	2.5	0.2	2.3	19.2
Copart Inc	2.2	0.3	1.9	17.9

Ten Worst Performers (Benchmark: Russell Midcap Growth Index)

	Portfolio Wt	Benchmark Wt	Active Wt	Quarterly Rtrn
DENTSPLY SIRONA Inc	1.3	0.0	1.3	-23.4
Acuity Brands Inc.	1.0	0.1	0.9	-20.9
Beacon Roofing Supply Inc	1.4	0.0	1.4	-16.8
Snap-On Inc	1.2	0.0	1.2	-14.9
Cerner Corp	1.7	0.5	1.2	-13.9
Fortune Brands Home & Security Inc	1.5	0.3	1.2	-13.7
Trimble Inc	1.4	0.2	1.2	-11.7
Carter's Inc.	1.7	0.2	1.5	-11.0
NuVasive Inc	0.9	0.0	0.9	-10.7
Middleby Corp (The)	1.3	0.2	1.1	-8.3

Buy and Hold Sector Attribution (Benchmark: Russell Midcap Growth Index)

	Allocation		Performance		Attribution		
	Portfolio	Benchmark	Portfolio	Benchmark	Stock	Sector	Total
Consumer Discretionary	13.1	17.3	-5.56	-2.16	0.17	0.15	0.32
Consumer Staples	2.0	4.2	3.55	2.20	0.11	-0.02	0.09
Energy	0.0	2.4	0.00	-6.92	0.00	0.08	0.08
Financials	10.2	7.2	-5.10	4.68	-0.62	0.13	-0.49
Health Care	19.1	13.5	-1.92	5.52	0.18	0.03	0.21
Industrials	20.9	17.1	-3.22	0.85	0.01	0.00	0.02
Information Technology	32.1	28.7	0.84	7.35	0.64	0.08	0.72
Materials	0.0	6.2	0.00	-7.36	0.00	0.39	0.39
Real Estate	0.0	3.1	0.00	-4.10	0.00	-0.02	-0.02
Telecommunication Services	0.0	0.2	0.00	-7.17	0.00	0.01	0.01
Utilities	0.0	0.0	0.00	7.32	0.00	-0.01	-0.01
Cash	2.6	0.0	0.35	0.00	0.00	0.09	0.09
Total	**100.0**	**100.0**	**-1.92**	**2.19**	**0.49**	**0.91**	**1.40**

Portfolio Comparison

	Geneva Mid Cap Growth Equity	Russell Midcap Growth Index
Market Capitalization (%)		
Greater than 25000M	15.3	18.3
16000M To 25000M	10.9	25.6
12000M To 16000M	17.5	16.6
8000M To 12000M	28.8	19.5
5000M To 8000M	13.8	14.9
3000M To 5000M	11.0	3.9
1000M To 3000M	0.9	1.0
500M To 1000M	0.0	0.0
200M To 500M	0.0	0.0
Cash	1.6	0.0

Historical Statistics 3 Years

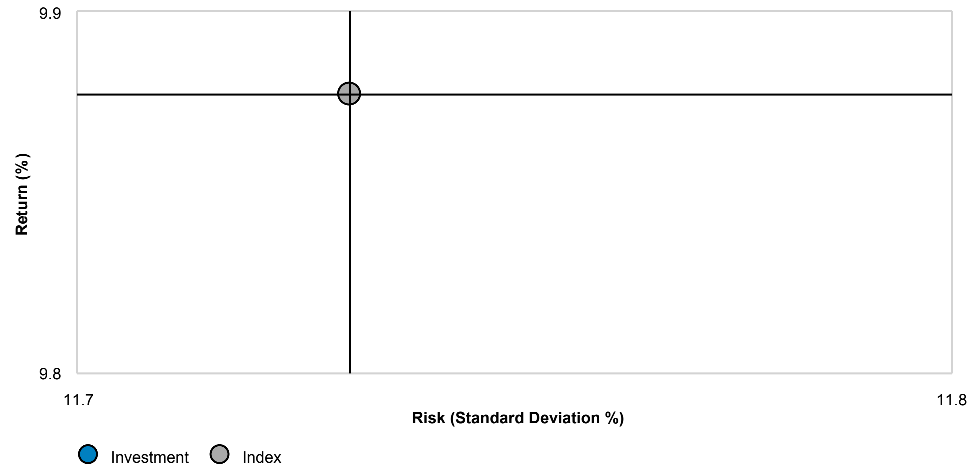
	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Index	7.26	11.90	0.61	100.00	9	100.00	3

Historical Statistics 5 Years

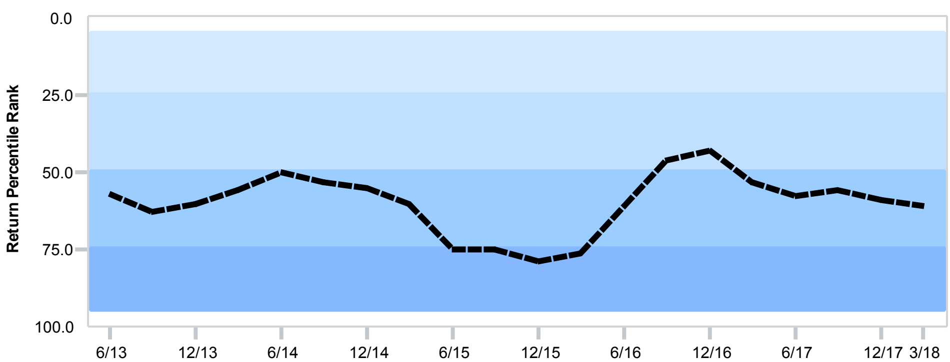
	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Index	9.88	11.73	0.84	100.00	16	100.00	4

Risk and Return 3 Years

Risk and Return 5 Years

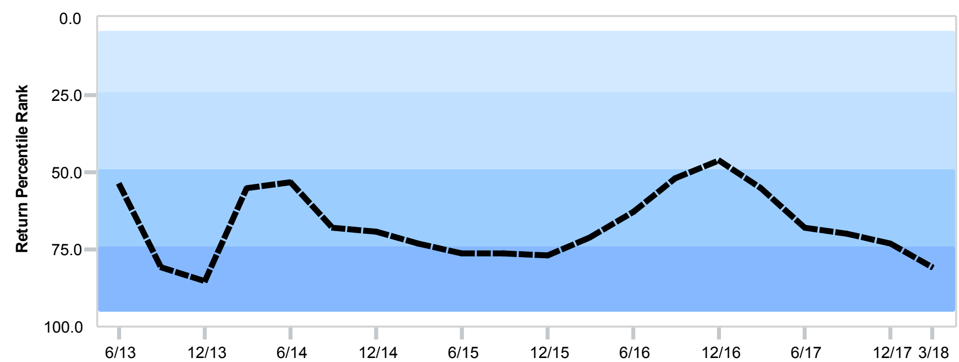


3 Year Rolling Percentile Rank IM U.S. SMID Cap Value Equity (SA+CF)



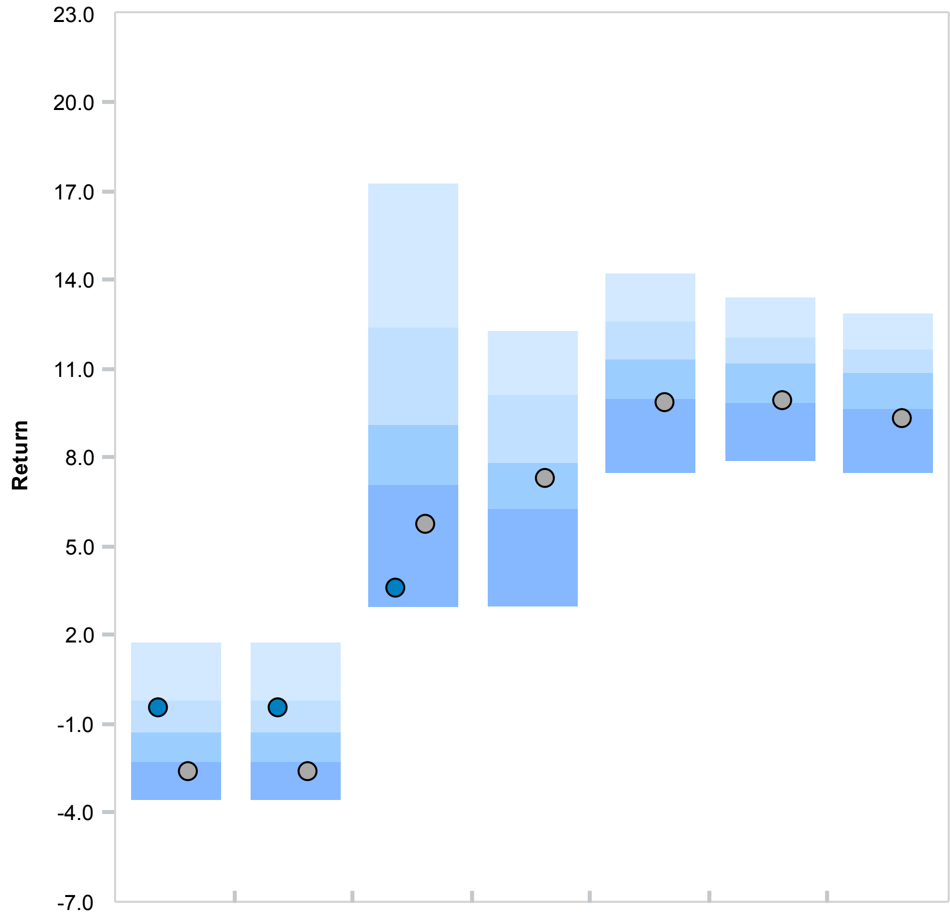
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	0	0	0	0	0
Index	20	0 (0%)	3 (15%)	15 (75%)	2 (10%)

5 Year Rolling Percentile Rank IM U.S. SMID Cap Value Equity (SA+CF)



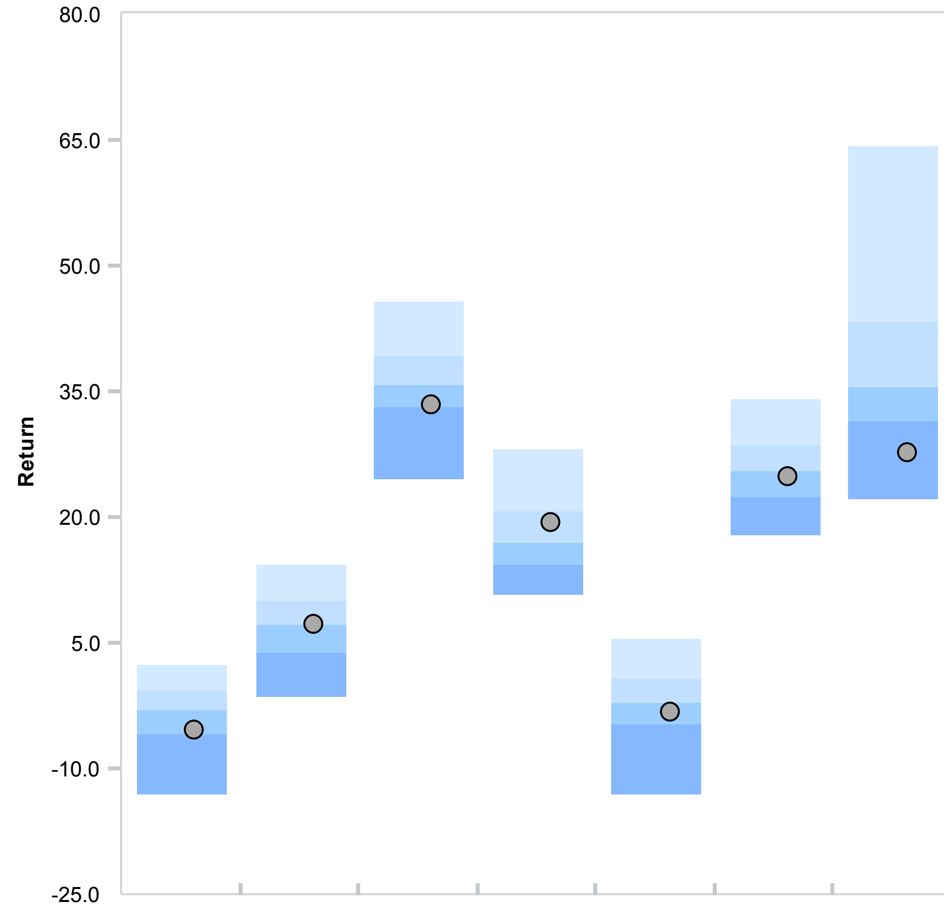
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	0	0	0	0	0
Index	20	0 (0%)	1 (5%)	13 (65%)	6 (30%)

Peer Group Analysis - IM U.S. SMID Cap Value Equity (SA+CF)



	QTD		YTD		1 YR		3 YR		5 YR		7 YR		10 YR	
Investment	-0.46	(30)	-0.46	(30)	3.59	(90)	N/A		N/A		N/A		N/A	
Index	-2.65	(81)	-2.65	(81)	5.72	(82)	7.26	(61)	9.88	(81)	9.95	(74)	9.34	(81)
Median	-1.28		-1.28		9.14		7.85		11.35		11.20		10.88	

Peer Group Analysis - IM U.S. SMID Cap Value Equity (SA+CF)



	2015		2014		2013		2012		2011		2010		2009	
Investment	N/A		N/A		N/A		N/A		N/A		N/A		N/A	
Index	-5.49	(69)	7.11	(50)	33.32	(74)	19.21	(36)	-3.36	(64)	24.82	(57)	27.68	(93)
Median	-3.01		7.06		35.78		16.99		-2.09		25.50		35.44	

Comparative Performance

	1 Qtr Ending Dec-2017		1 Qtr Ending Sep-2017		1 Qtr Ending Jun-2017		1 Qtr Ending Mar-2017		1 Qtr Ending Dec-2016		1 Qtr Ending Sep-2016	
Investment	2.58	(92)	-1.02	(96)	2.49	(28)	3.32	(60)	N/A		N/A	
Index	4.25	(68)	3.83	(59)	0.32	(70)	1.62	(80)	9.34	(37)	6.18	(50)
Median	5.29		4.01		1.61		3.78		8.22		6.07	

Portfolio Characteristics (Benchmark: Russell 2500 Value Index)

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($)	4,180,618,277	4,749,372,295
Median Mkt. Cap ($)	3,585,899,430	1,070,485,000
Price/Earnings ratio	15.9	17.5
Price/Book ratio	1.8	1.9
5 Yr. EPS Growth Rate (%)	9.0	8.8
Current Yield (%)	2.6	2.1
Beta	N/A	1.00
Number of Stocks	85	1,762

Top Ten Equity Holdings (Benchmark: Russell 2500 Value Index)

	Portfolio Wt	Benchmark Wt	Active Wt	Qtr Rtrn
Equity Commonwealth	2.5	0.2	2.3	0.5
White Mountains	2.4	0.1	2.3	-3.3
VEREIT Inc	2.2	0.0	2.2	-8.9
EchoStar Corp	2.1	0.1	2.0	-11.9
Patterson Companies Inc	2.0	0.1	1.9	-38.0
Alliant Energy Corp	2.0	0.4	1.6	-3.3
MFA Financial Inc	1.9	0.1	1.8	-2.4
AES Corporation (The)	1.8	0.0	1.8	6.2
Alleghany Corp	1.8	0.4	1.4	4.8
AGNC Investment Corp	1.8	0.3	1.5	-3.6

Ten Best Performers (Benchmark: Russell 2500 Value Index)

	Portfolio Wt	Benchmark Wt	Active Wt	Quarterly Rtrn
Oclaro Inc	0.7	0.0	0.7	41.8
MBIA Inc.	0.5	0.0	0.5	26.5
Travelport Worldwide Ltd	1.0	0.1	0.9	25.7
EVERTEC Inc	1.0	0.0	1.0	19.8
Advance Auto Parts Inc.	0.9	0.0	0.9	19.0
Popular Inc	0.9	0.2	0.7	17.9
Madison Square Garden Co (The)	1.7	0.2	1.5	16.6
Conduent Inc	1.4	0.1	1.3	15.3
AXIS Capital Holdings Ltd	1.8	0.2	1.6	15.3
MSG Networks Inc	0.2	0.1	0.1	11.6

Ten Worst Performers (Benchmark: Russell 2500 Value Index)

	Portfolio Wt	Benchmark Wt	Active Wt	Quarterly Rtrn
Colony Northstar Inc	1.5	0.1	1.4	-49.8
Patterson Companies Inc	2.0	0.1	1.9	-38.0
Houghton Mifflin Harcourt Co	1.2	0.0	1.2	-25.3
United Therapeutics Corp	0.7	0.2	0.5	-24.1
TreeHouse Foods Inc	1.4	0.1	1.3	-22.6
Finisar Corp	0.7	0.0	0.7	-22.3
Rent-A-Center Inc	0.5	0.0	0.5	-22.3
National CineMedia Inc	0.5	0.0	0.5	-22.0
Net 1 Ueps Technologies Inc	0.8	0.0	0.8	-20.4
RPX Corp	0.6	0.0	0.6	-20.1

Buy and Hold Sector Attribution (Benchmark: Russell 2500 Value Index)

	Allocation		Performance		Attribution		
	Portfolio	Benchmark	Portfolio	Benchmark	Stock	Sector	Total
Consumer Discretionary	16.4	10.7	-1.16	-2.79	0.77	-0.06	0.70
Consumer Staples	5.2	3.4	-7.56	-5.60	-0.12	-0.03	-0.15
Energy	4.3	7.0	-3.82	-7.93	0.12	0.08	0.20
Financials	18.3	24.6	0.75	1.64	0.33	-0.16	0.17
Health Care	4.9	5.8	-18.41	2.90	-0.66	0.01	-0.65
Industrials	8.7	13.7	-8.28	-4.33	-0.08	0.18	0.10
Information Technology	19.5	8.3	2.12	2.30	0.57	0.34	0.91
Materials	1.2	5.8	-8.50	-6.11	0.01	0.21	0.21
Real Estate	12.5	13.9	-2.65	-7.87	0.13	0.01	0.15
Telecommunication Services	0.5	0.3	-4.83	-5.64	0.00	0.00	0.00
Utilities	3.9	6.4	-0.28	-3.07	-0.05	-0.12	-0.17
Cash	4.6	0.0	0.35	0.00	0.00	0.19	0.19
Total	**100.0**	**100.0**	**-2.19**	**-2.63**	**1.02**	**0.66**	**1.68**

Portfolio Comparison

	Thompson, Siegel & Walmsley SMID Value	Russell 2500 Value Index
Market Capitalization (%)		
12000M To 16000M	0.7	2.6
8000M To 12000M	10.8	15.0
5000M To 8000M	21.9	24.2
3000M To 5000M	27.2	22.7
1000M To 3000M	27.8	25.4
500M To 1000M	4.6	6.4
200M To 500M	1.0	3.1
Less than 200M	0.0	0.6
Cash	6.0	0.0

International Equity

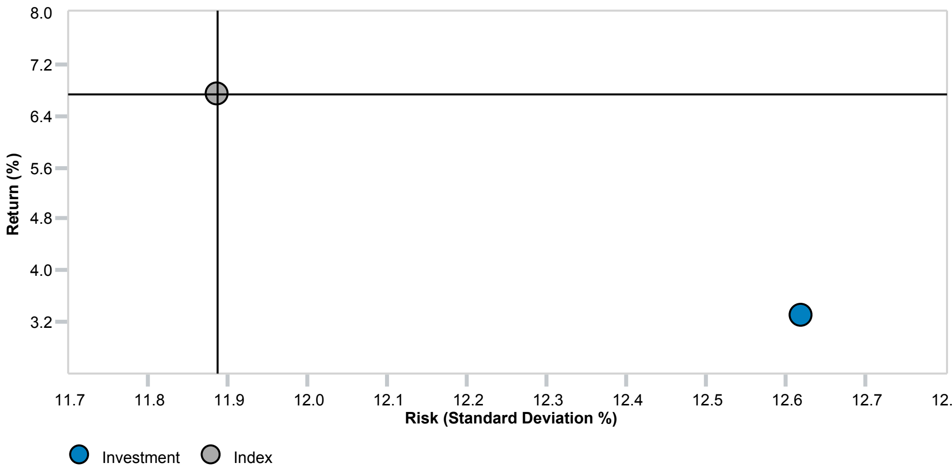
Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	3.31	12.62	0.28	84.03	7	98.95	5
Index	6.73	11.89	0.57	100.00	7	100.00	5

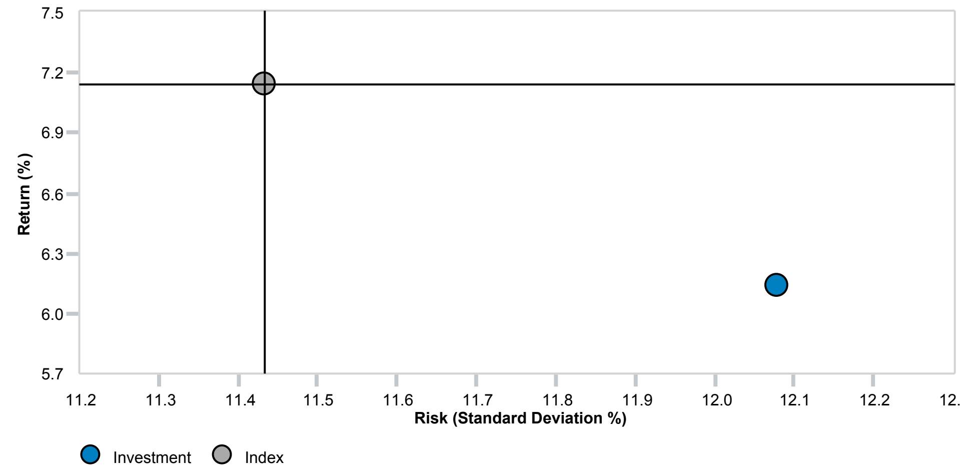
Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	6.14	12.08	0.53	94.83	12	98.62	8
Index	7.14	11.43	0.64	100.00	12	100.00	8

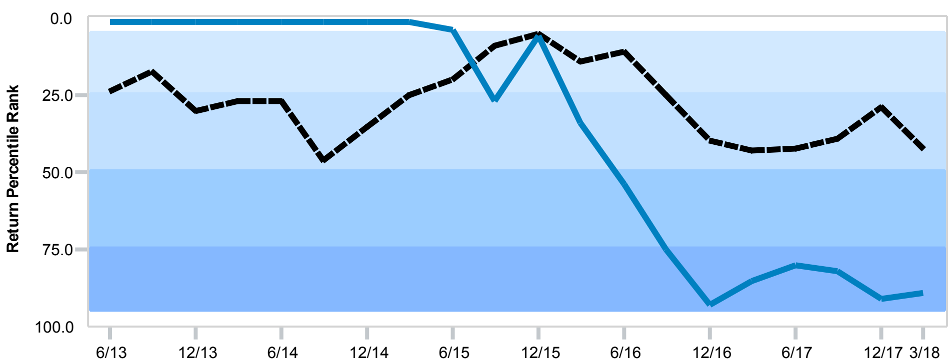
Risk and Return 3 Years



Risk and Return 5 Years

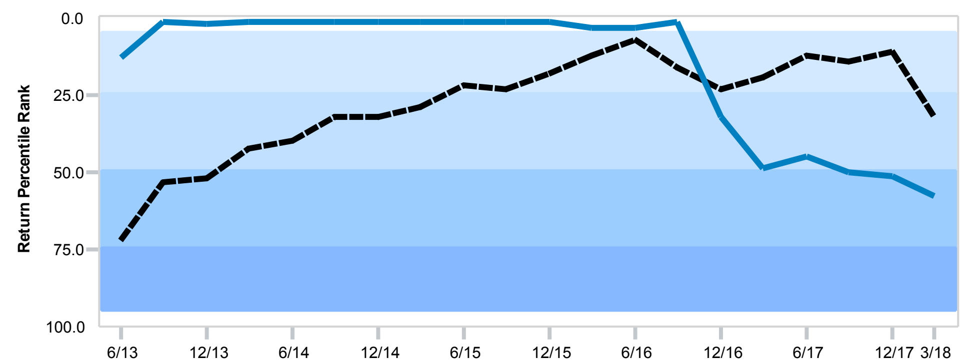


3 Year Rolling Percentile Rank IM International Large Cap Growth Equity (MF)



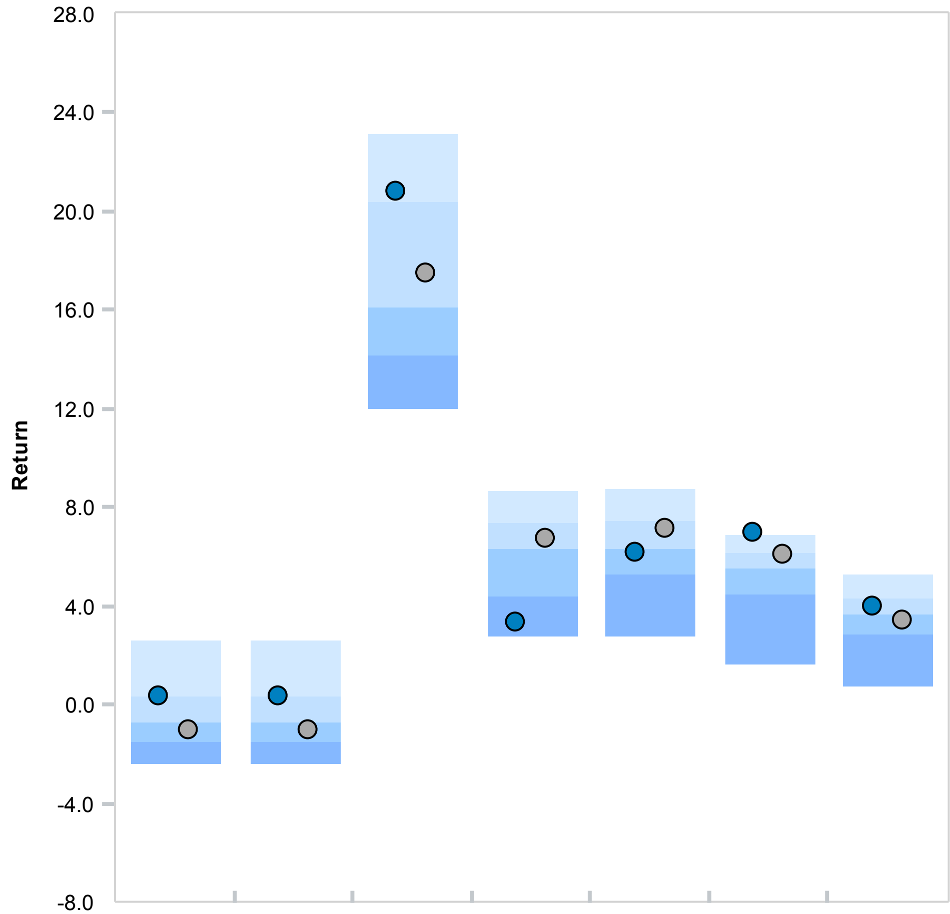
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	10 (50%)	2 (10%)	2 (10%)	6 (30%)
Index	20	9 (45%)	11 (55%)	0 (0%)	0 (0%)

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



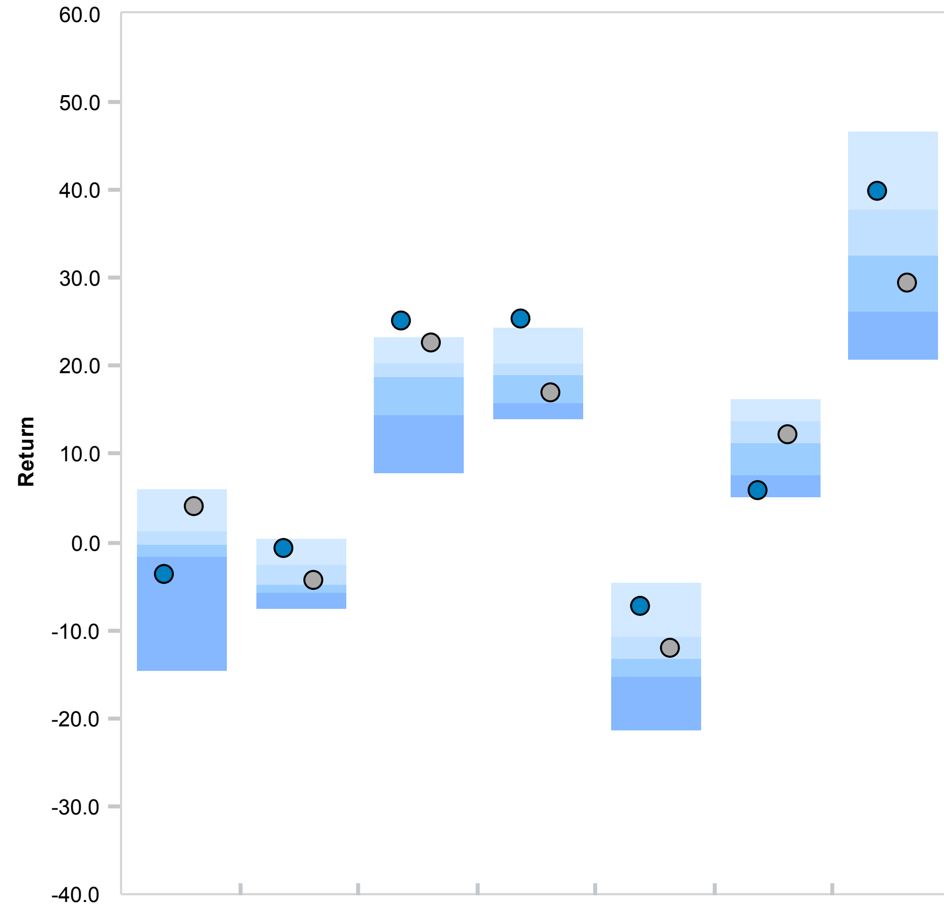
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	14 (70%)	4 (20%)	2 (10%)	0 (0%)
Index	20	11 (55%)	6 (30%)	3 (15%)	0 (0%)

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



	QTD		YTD		1 YR		3 YR		5 YR		7 YR		10 YR	
Investment	0.36	(25)	0.36	(25)	20.83	(16)	3.31	(89)	6.14	(58)	6.99	(5)	3.93	(35)
Index	-1.04	(59)	-1.04	(59)	17.51	(43)	6.73	(42)	7.14	(32)	6.11	(26)	3.44	(56)
Median	-0.70		-0.70		16.10		6.33		6.36		5.48		3.68	

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



	2015		2014		2013		2012		2011		2010		2009	
Investment	-3.63	(87)	-0.79	(10)	25.17	(4)	25.39	(4)	-7.26	(13)	5.91	(89)	39.80	(12)
Index	4.09	(8)	-4.43	(43)	22.55	(10)	16.86	(70)	-12.11	(38)	12.25	(43)	29.36	(68)
Median	-0.39		-4.75		18.69		19.05		-13.35		11.14		32.46	

Comparative Performance

	1 Qtr Ending Dec-2017		1 Qtr Ending Sep-2017		1 Qtr Ending Jun-2017		1 Qtr Ending Mar-2017		1 Qtr Ending Dec-2016		1 Qtr Ending Sep-2016	
Investment	3.98	(54)	5.62	(41)	9.62	(9)	9.01	(34)	-8.36	(94)	3.78	(76)
Index	5.24	(9)	4.94	(52)	7.52	(37)	8.52	(43)	-5.53	(81)	4.96	(65)
Median	4.07		4.99		6.99		8.09		-4.17		6.01	

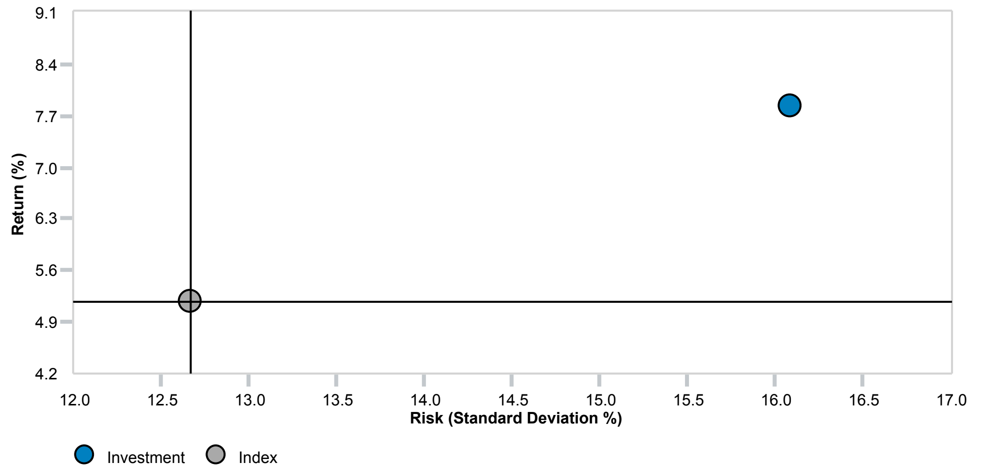
Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	7.83	16.09	0.52	122.70	7	111.70	5
Index	5.18	12.67	0.43	100.00	8	100.00	4

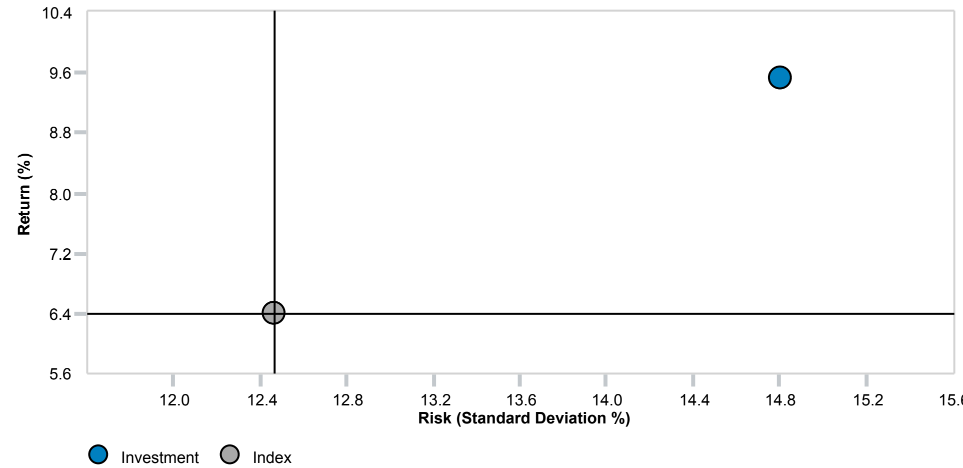
Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	9.51	14.81	0.67	114.29	14	98.53	6
Index	6.39	12.47	0.54	100.00	13	100.00	7

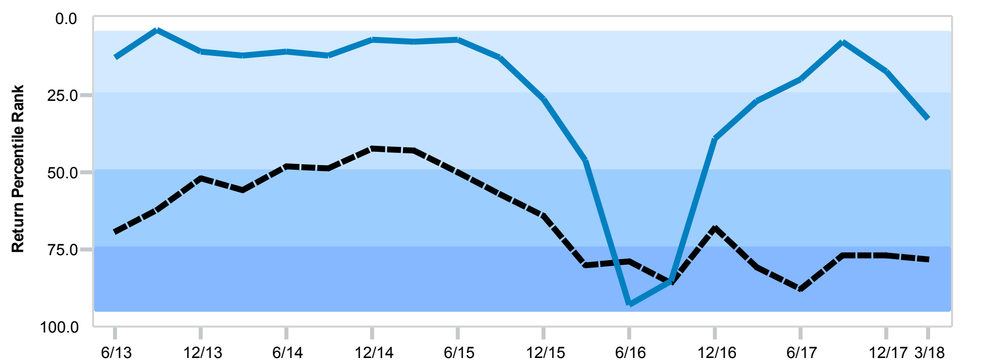
Risk and Return 3 Years



Risk and Return 5 Years

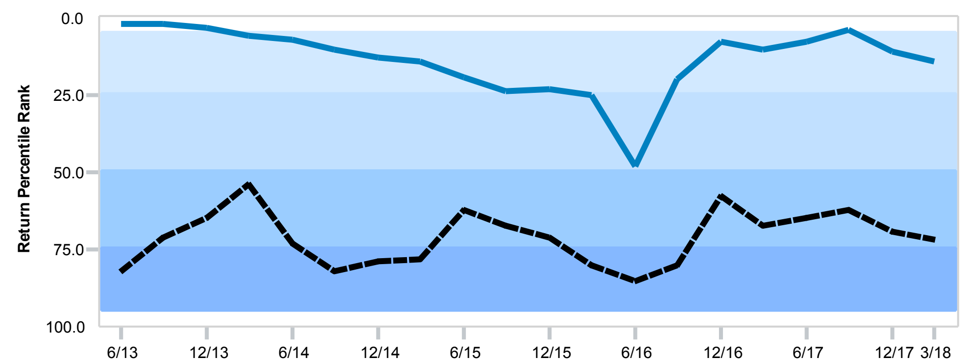


3 Year Rolling Percentile Rank IM International Large Cap Value Equity (SA+CF)



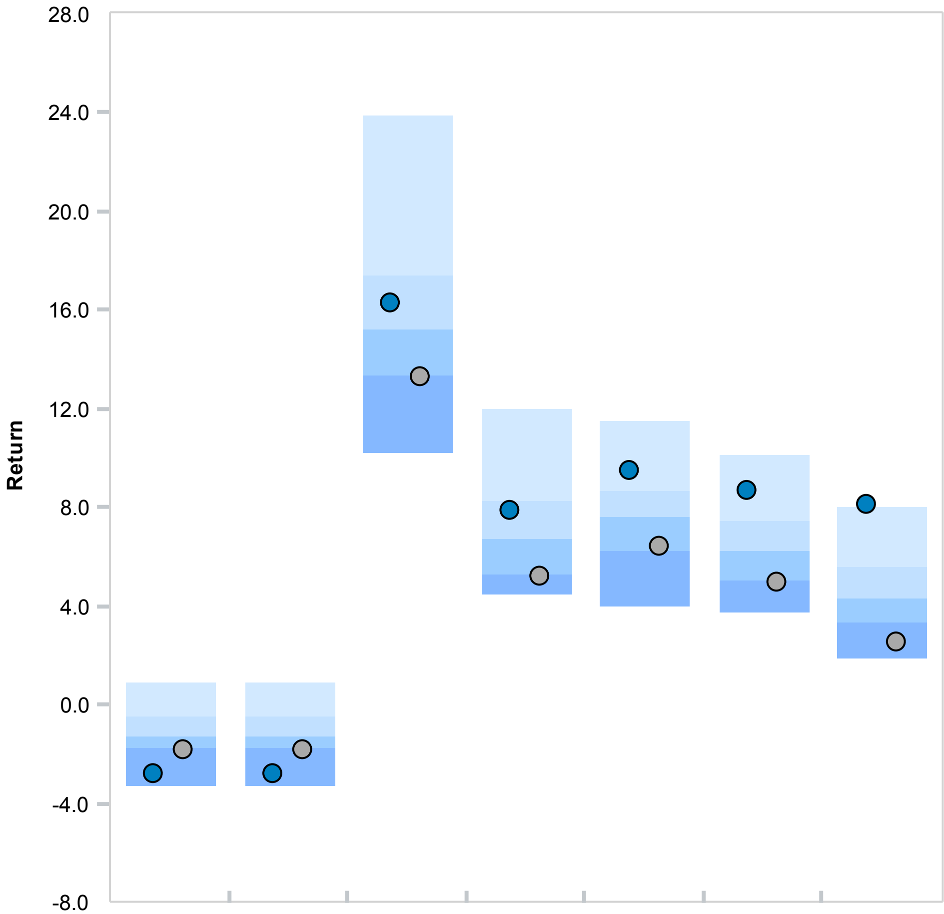
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	13 (65%)	5 (25%)	0 (0%)	2 (10%)
Index	20	0 (0%)	5 (25%)	7 (35%)	8 (40%)

5 Year Rolling Percentile Rank IM International Large Cap Value Equity (SA+CF)



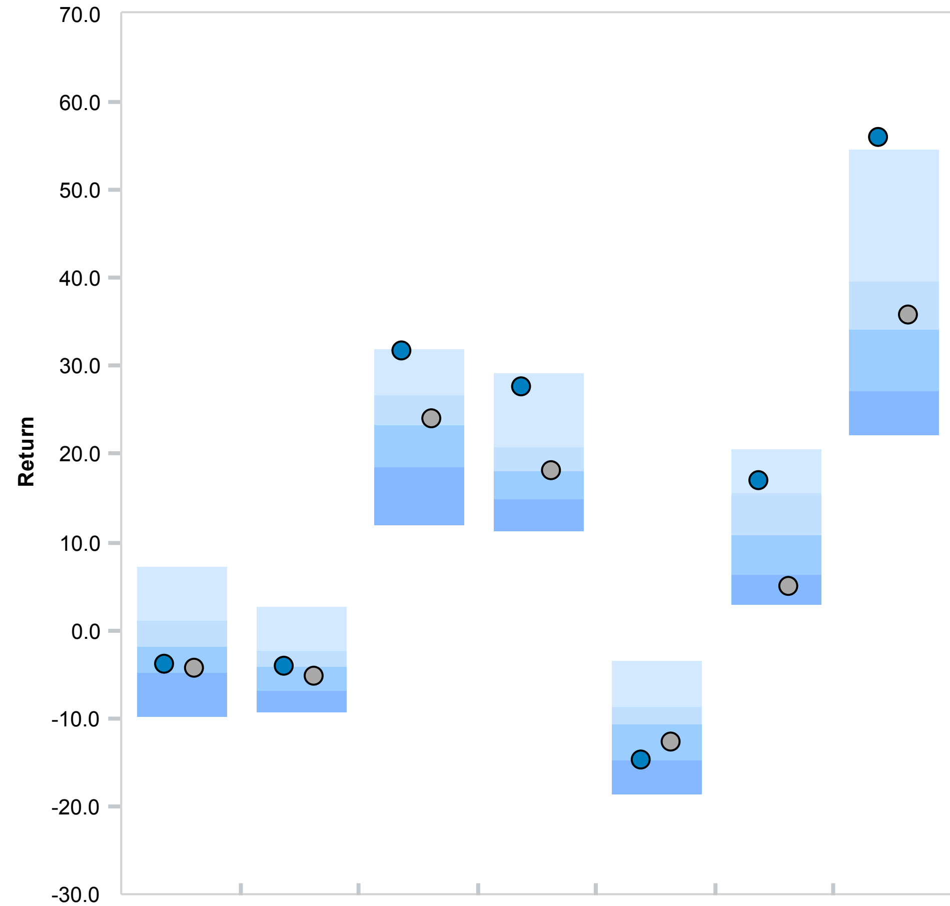
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	19 (95%)	1 (5%)	0 (0%)	0 (0%)
Index	20	0 (0%)	0 (0%)	13 (65%)	7 (35%)

Peer Group Analysis - IM International Large Cap Value Equity (SA+CF)



	QTD		YTD		1 YR		3 YR		5 YR		7 YR		10 YR	
Investment	-2.85	(93)	-2.85	(93)	16.28	(39)	7.83	(33)	9.51	(14)	8.71	(14)	8.11	(5)
Index	-1.88	(78)	-1.88	(78)	13.31	(76)	5.18	(78)	6.39	(72)	4.93	(81)	2.49	(94)
Median	-1.26		-1.26		15.24		6.70		7.63		6.23		4.29	

Peer Group Analysis - IM International Large Cap Value Equity (SA+CF)



	2015		2014		2013		2012		2011		2010		2009	
Investment	-3.83	(66)	-4.17	(50)	31.75	(6)	27.56	(6)	-14.72	(75)	16.96	(18)	56.01	(4)
Index	-4.31	(71)	-5.37	(64)	23.96	(42)	18.12	(48)	-12.85	(64)	4.95	(88)	35.73	(44)
Median	-1.92		-4.26		23.25		18.00		-10.82		10.77		34.16	

Comparative Performance

	1 Qtr Ending Dec-2017		1 Qtr Ending Sep-2017		1 Qtr Ending Jun-2017		1 Qtr Ending Mar-2017		1 Qtr Ending Dec-2016		1 Qtr Ending Sep-2016	
Investment	2.69	(88)	9.72	(1)	6.23	(46)	9.64	(8)	6.78	(3)	13.78	(1)
Index	3.58	(71)	6.05	(39)	5.13	(72)	6.23	(91)	3.54	(8)	8.23	(28)
Median	4.21		5.66		6.02		7.70		-0.20		7.01	

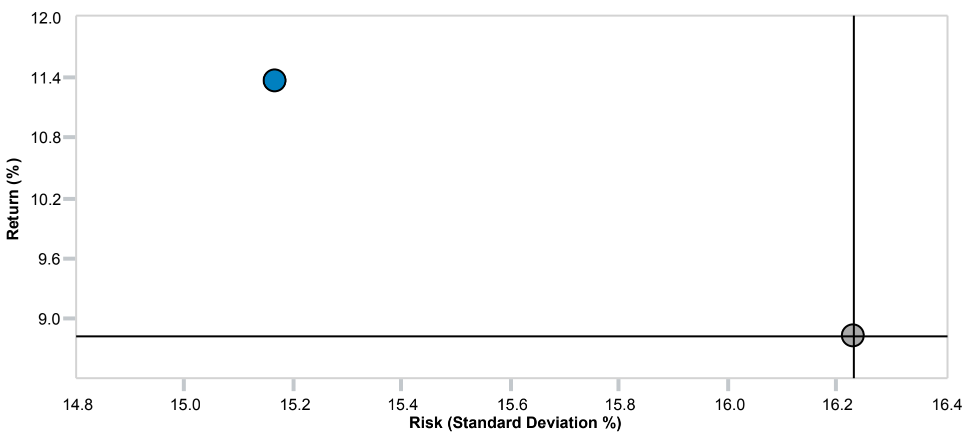
Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	11.37	15.17	0.76	96.23	10	81.96	2
Index	8.81	16.23	0.57	100.00	10	100.00	2

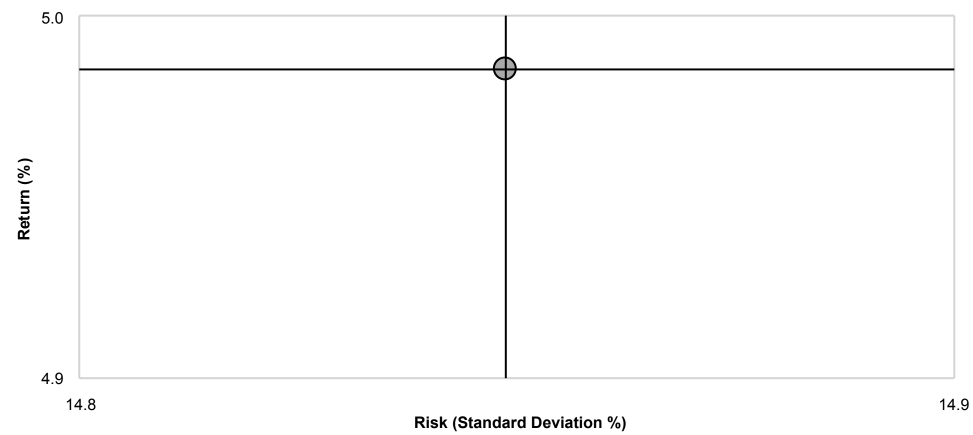
Historical Statistics 5 Years

	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	4.99	14.85	0.38	100.00	14	100.00	6

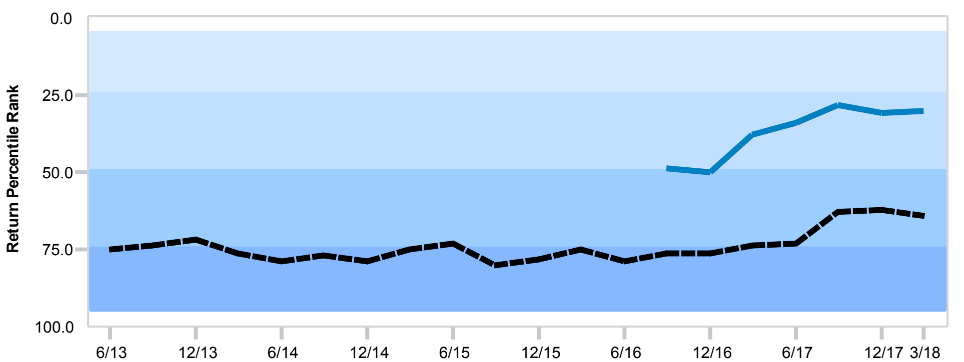
Risk and Return 3 Years



Risk and Return 5 Years

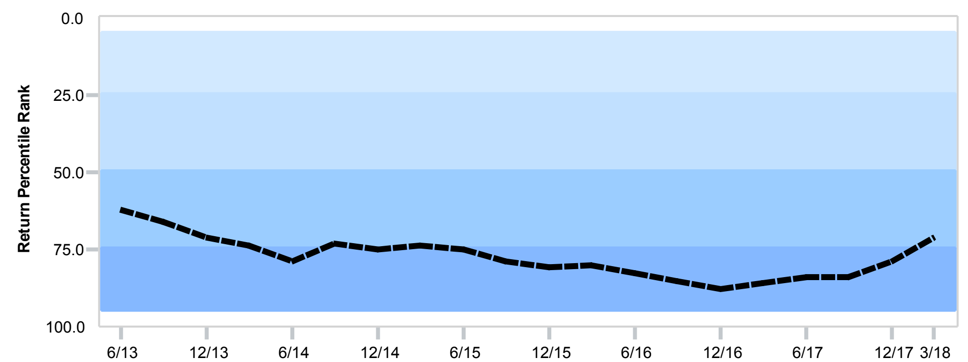


3 Year Rolling Percentile Rank IM Emerging Markets Equity (SA+CF)



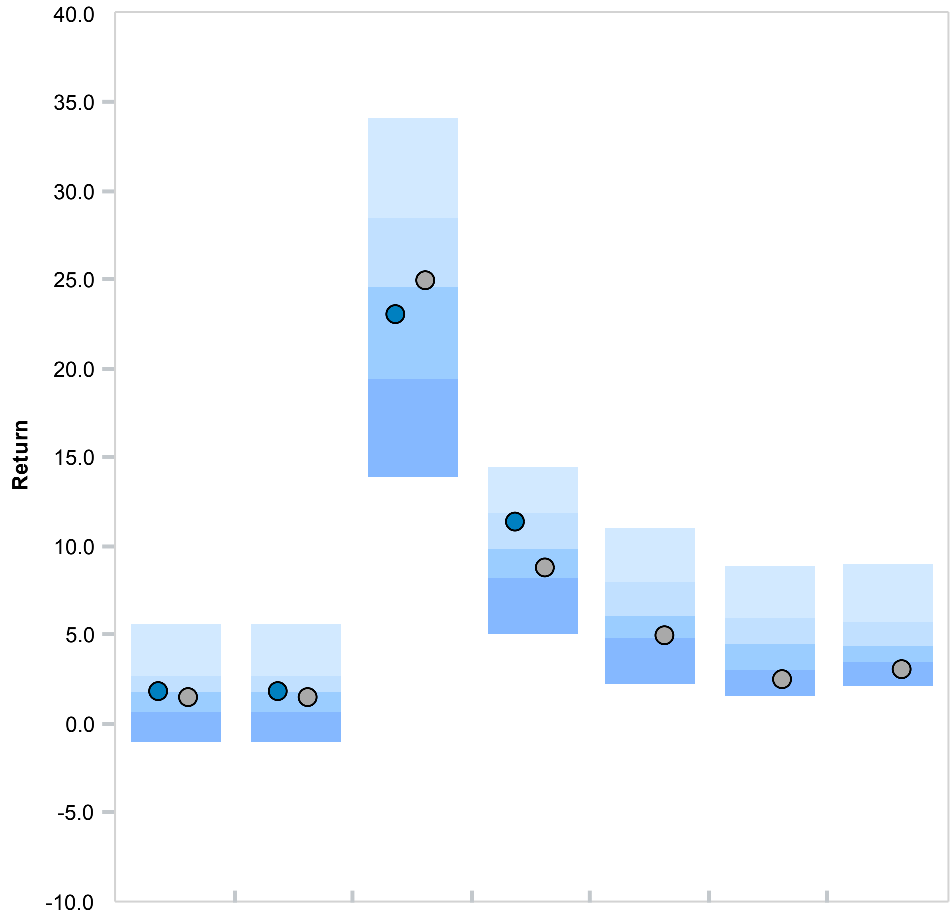
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	7	0 (0%)	7 (100%)	0 (0%)	0 (0%)
Index	20	0 (0%)	0 (0%)	11 (55%)	9 (45%)

5 Year Rolling Percentile Rank IM Emerging Markets Equity (SA+CF)



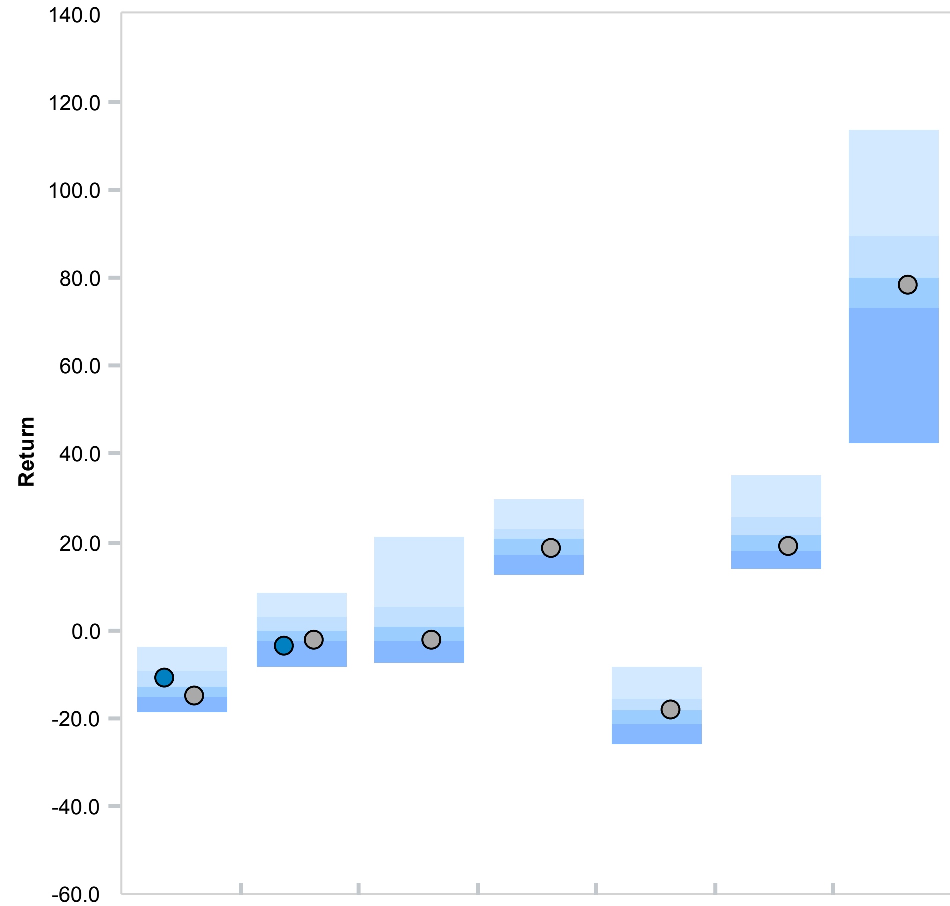
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	0	0	0	0	0
Index	20	0 (0%)	0 (0%)	9 (45%)	11 (55%)

Peer Group Analysis - IM Emerging Markets Equity (SA+CF)



	QTD		YTD		1 YR		3 YR		5 YR	7 YR	10 YR	
Investment	1.82	(50)	1.82	(50)	22.98	(61)	11.37	(30)	N/A	N/A	N/A	
Index	1.42	(59)	1.42	(59)	24.93	(47)	8.81	(64)	4.99 (71)	2.47 (84)	3.02	(86)
Median	1.81		1.81		24.56		9.86		6.05	4.48	4.41	

Peer Group Analysis - IM Emerging Markets Equity (SA+CF)



	2015		2014		2013		2012		2011		2010		2009	
Investment	-11.24	(36)	-3.91	(83)	N/A		N/A		N/A		N/A		N/A	
Index	-14.92	(69)	-2.19	(73)	-2.60	(75)	18.23	(69)	-18.42	(52)	18.88	(70)	78.51	(59)
Median	-12.66		-0.14		0.95		20.53		-18.17		21.83		80.34	

Comparative Performance

	1 Qtr Ending Dec-2017		1 Qtr Ending Sep-2017		1 Qtr Ending Jun-2017		1 Qtr Ending Mar-2017		1 Qtr Ending Dec-2016		1 Qtr Ending Sep-2016	
Investment	4.38	(91)	8.83	(29)	6.33	(53)	13.44	(24)	-6.72	(80)	9.18	(40)
Index	7.44	(37)	7.89	(44)	6.27	(54)	11.44	(67)	-4.16	(47)	9.03	(44)
Median	6.95		7.59		6.46		12.22		-4.37		8.69	

Fixed Income

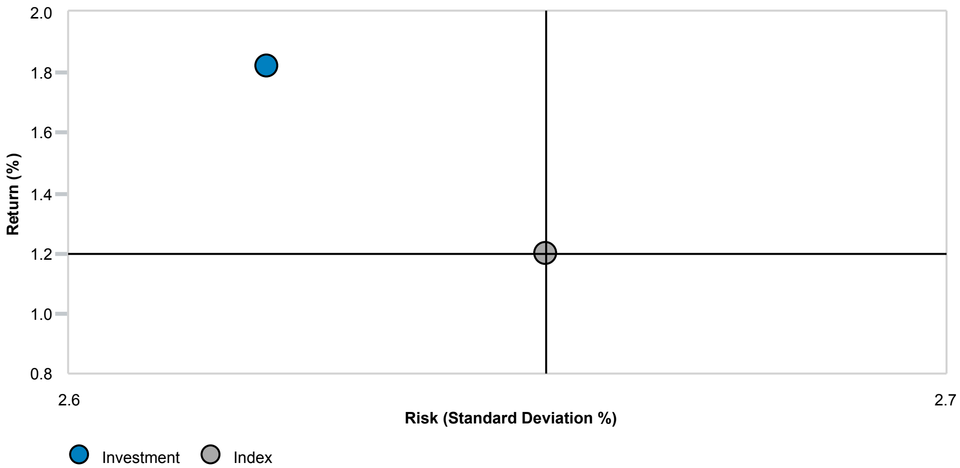
Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	1.82	2.62	0.51	106.40	8	87.83	4
Index	1.20	2.65	0.28	100.00	8	100.00	4

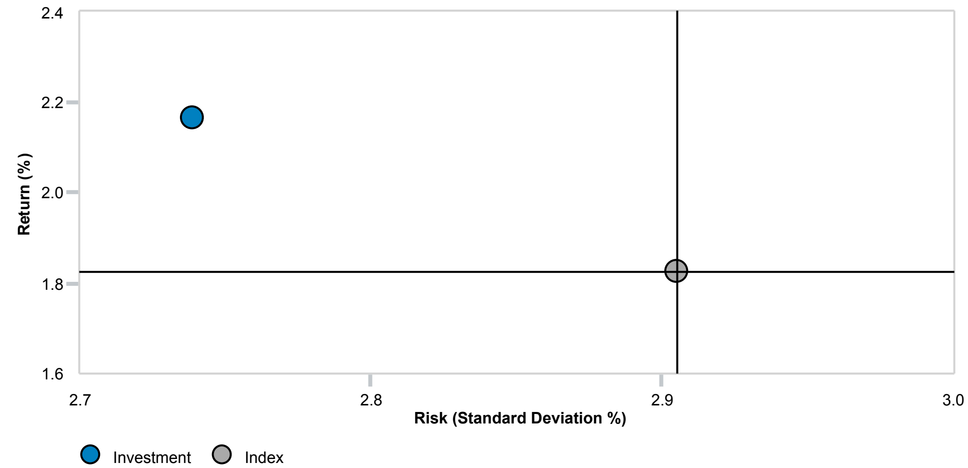
Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	2.17	2.74	0.68	95.44	15	81.92	5
Index	1.82	2.91	0.53	100.00	14	100.00	6

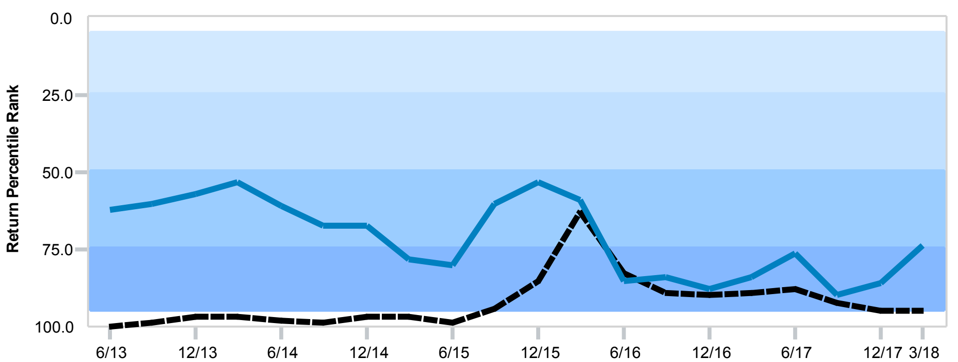
Risk and Return 3 Years



Risk and Return 5 Years

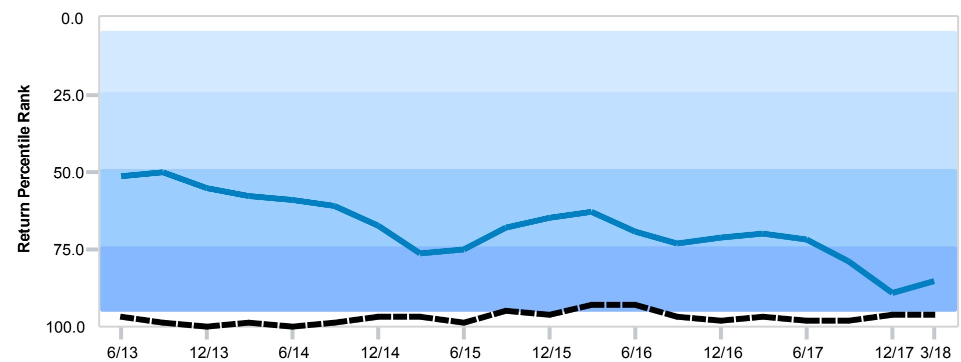


3 Year Rolling Percentile Rank IM U.S. Broad Market Core+ Fixed Income (SA+CF)



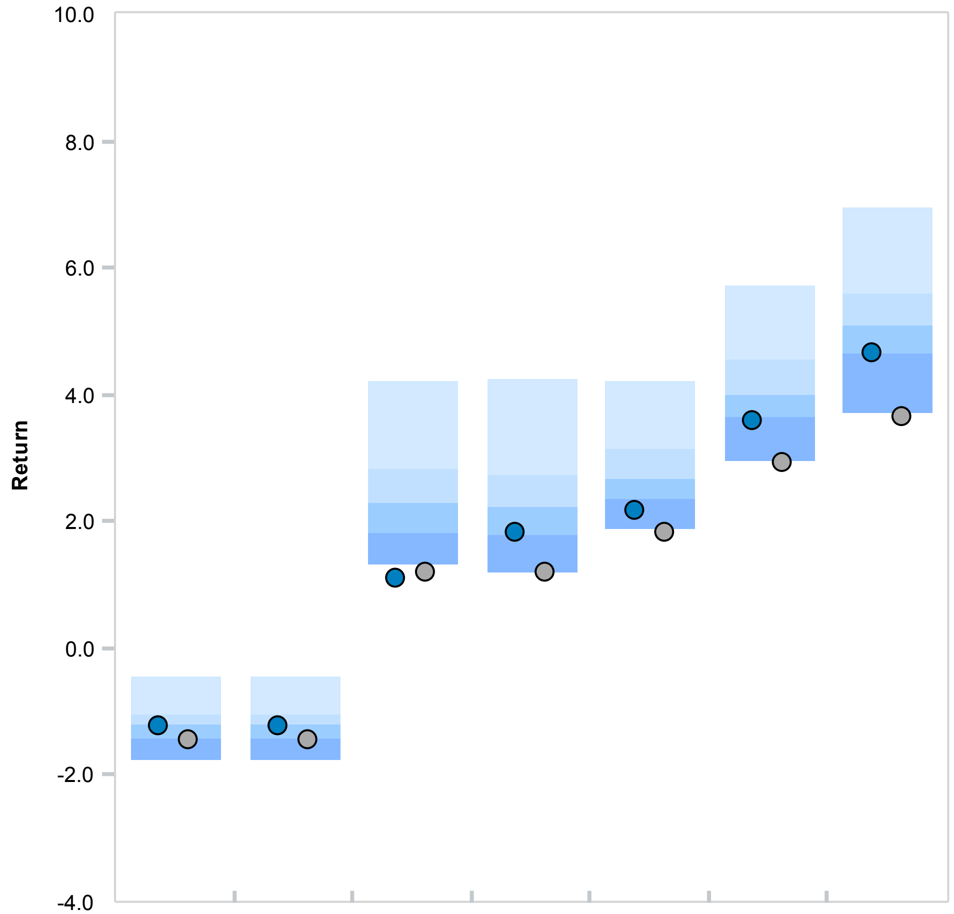
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	0 (0%)	0 (0%)	11 (55%)	9 (45%)
Index	20	0 (0%)	0 (0%)	1 (5%)	19 (95%)

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



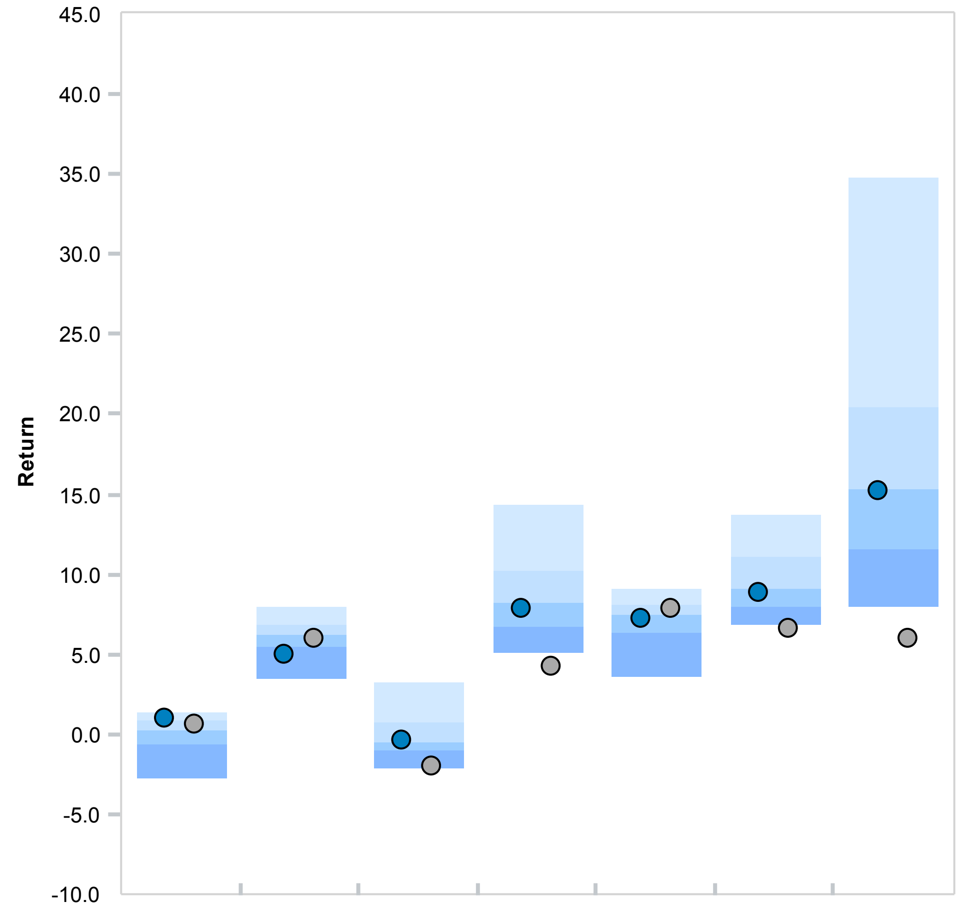
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	0 (0%)	1 (5%)	15 (75%)	4 (20%)
Index	20	0 (0%)	0 (0%)	0 (0%)	20 (100%)

Peer Group Analysis - IM U.S. Broad Market Core+ Fixed Income (SA+CF)



	QTD		YTD		1 YR		3 YR		5 YR		7 YR		10 YR	
Investment	-1.22	(51)	-1.22	(51)	1.11	(98)	1.82	(74)	2.17	(85)	3.58	(80)	4.66	(75)
Index	-1.46	(82)	-1.46	(82)	1.20	(96)	1.20	(95)	1.82	(96)	2.92	(96)	3.63	(96)
Median	-1.21		-1.21		2.28		2.24		2.67		3.99		5.10	

Peer Group Analysis - IM U.S. Broad Market Core+ Fixed Income (SA+CF)



	2015		2014		2013		2012		2011		2010		2009	
Investment	0.93	(18)	5.02	(87)	-0.45	(49)	7.81	(57)	7.19	(59)	8.86	(58)	15.15	(52)
Index	0.55	(38)	5.97	(61)	-2.02	(94)	4.21	(99)	7.84	(35)	6.54	(99)	5.93	(100)
Median	0.27		6.19		-0.49		8.16		7.42		9.05		15.36	

Comparative Performance

	1 Qtr Ending Dec-2017		1 Qtr Ending Sep-2017		1 Qtr Ending Jun-2017		1 Qtr Ending Mar-2017		1 Qtr Ending Dec-2016		1 Qtr Ending Sep-2016	
Investment	0.18	(97)	0.64	(99)	1.53	(73)	1.17	(62)	-2.55	(71)	1.48	(44)
Index	0.39	(86)	0.85	(92)	1.45	(82)	0.82	(97)	-2.98	(96)	0.46	(100)
Median	0.62		1.16		1.71		1.27		-2.27		1.34	

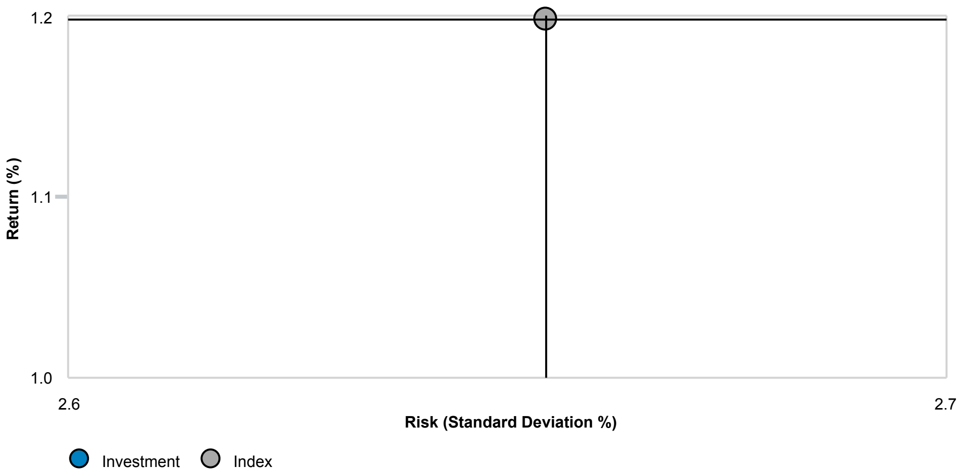
Historical Statistics 3 Years

	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	1.20	2.65	0.28	100.00	8	100.00	4

Historical Statistics 5 Years

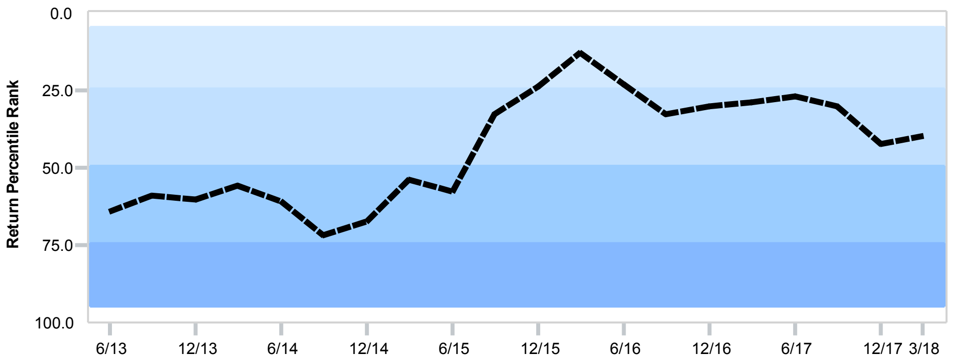
	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Index	1.82	2.91	0.53	100.00	14	100.00	6

Risk and Return 3 Years



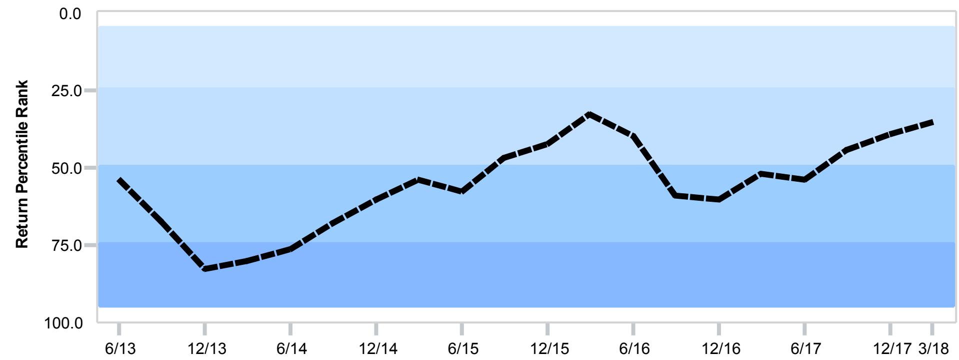
Risk and Return 5 Years

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



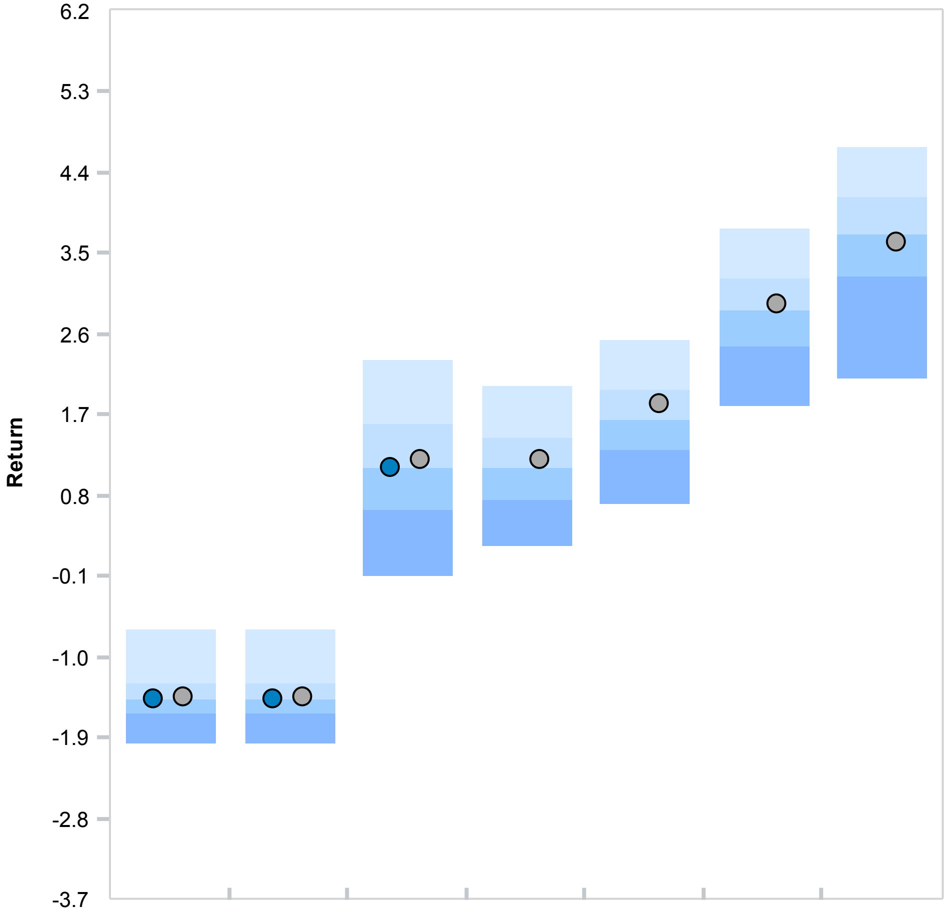
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	0	0	0	0	0
Index	20	3 (15%)	8 (40%)	9 (45%)	0 (0%)

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



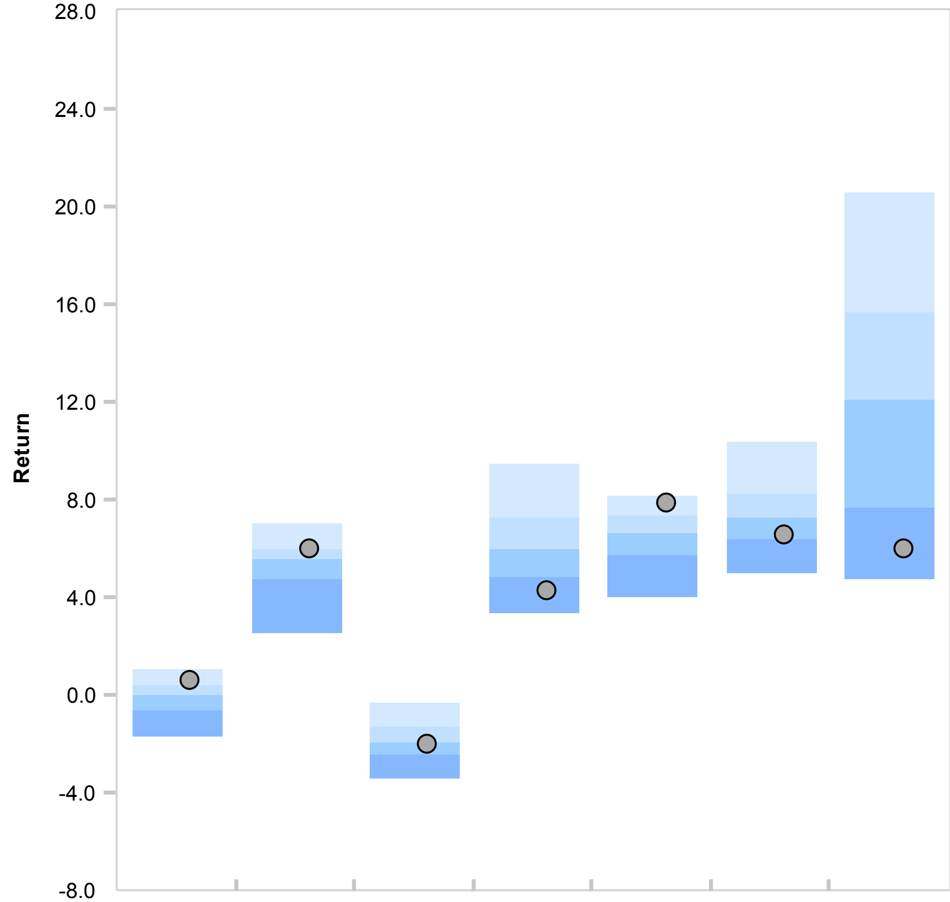
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	0	0	0	0	0
Index	20	0 (0%)	7 (35%)	10 (50%)	3 (15%)

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	(49)	-1.48	(49)	1.10	(52)	N/A		N/A		N/A		N/A	
Index	-1.46	(46)	-1.46	(46)	1.20	(45)	1.20	(40)	1.82	(35)	2.92	(46)	3.63	(54)
Median	-1.48		-1.48		1.11		1.10		1.64		2.87		3.70	

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	(81)	7.84	(11)	6.54	(69)	5.93	(90)
Median	0.00		5.55		-1.98		5.99		6.65		7.25		12.12	

Comparative Performance

	1 Qtr Ending Dec-2017		1 Qtr Ending Sep-2017		1 Qtr Ending Jun-2017		1 Qtr Ending Mar-2017		1 Qtr Ending Dec-2016		1 Qtr Ending Sep-2016	
Investment	0.41	(35)	0.71	(75)	1.48	(45)	0.42	(98)	-3.16	(87)	0.41	(79)
Index	0.39	(38)	0.85	(42)	1.45	(53)	0.82	(69)	-2.98	(71)	0.46	(75)
Median	0.34		0.81		1.46		0.94		-2.71		0.73	

GTAA

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	4.98	5.38	0.84	100.00	8	100.00	4

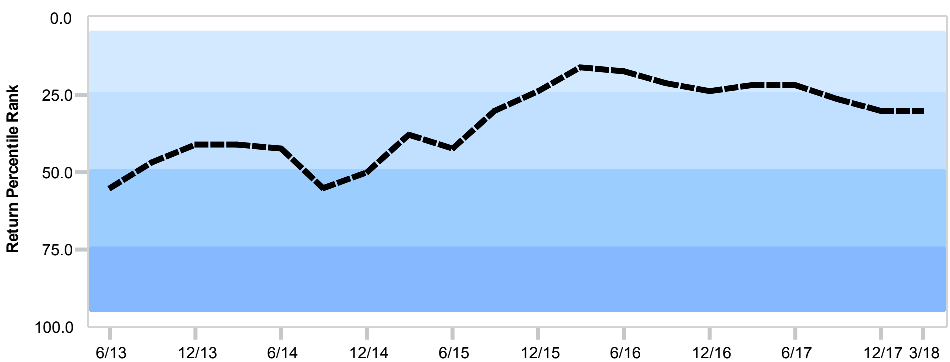
Historical Statistics 5 Years

	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	6.13	5.31	1.09	100.00	14	100.00	6

Risk and Return 3 Years

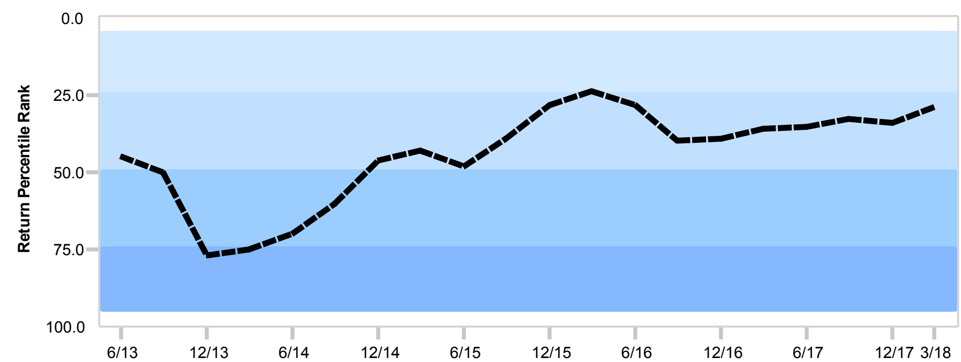
Risk and Return 5 Years

3 Year Rolling Percentile Rank IM Flexible Portfolio (MF)



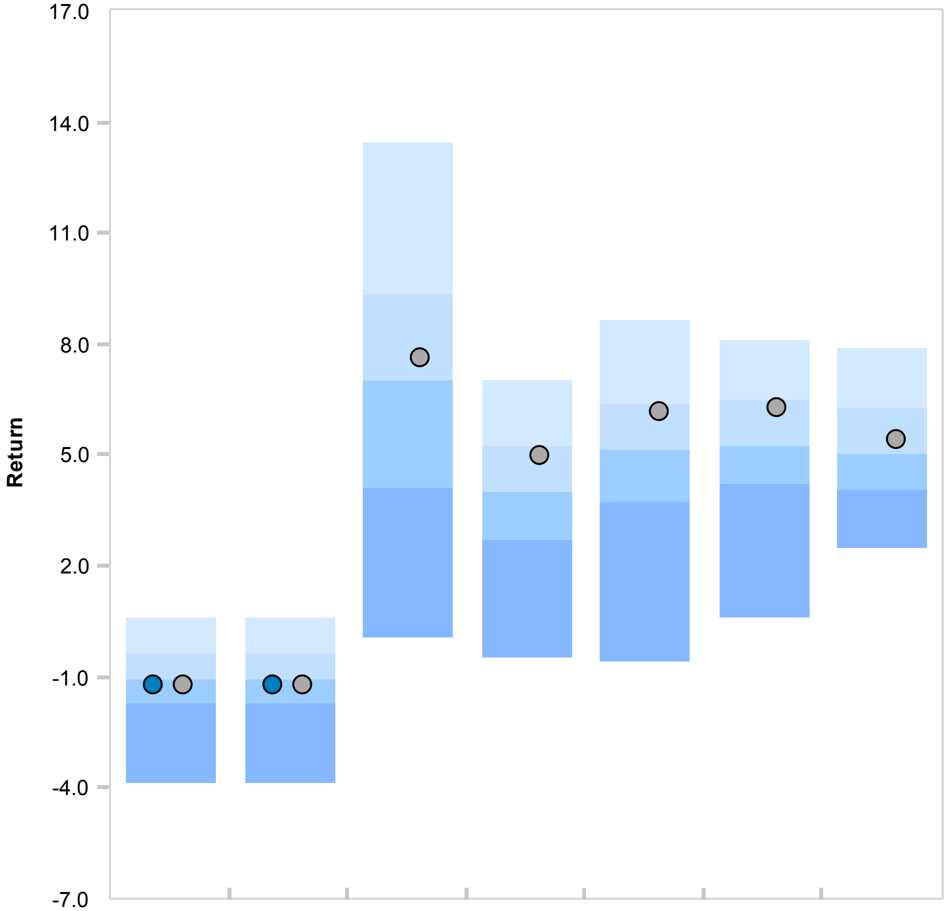
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	0	0	0	0	0
Index	20	7 (35%)	11 (55%)	2 (10%)	0 (0%)

5 Year Rolling Percentile Rank IM Flexible Portfolio (MF)



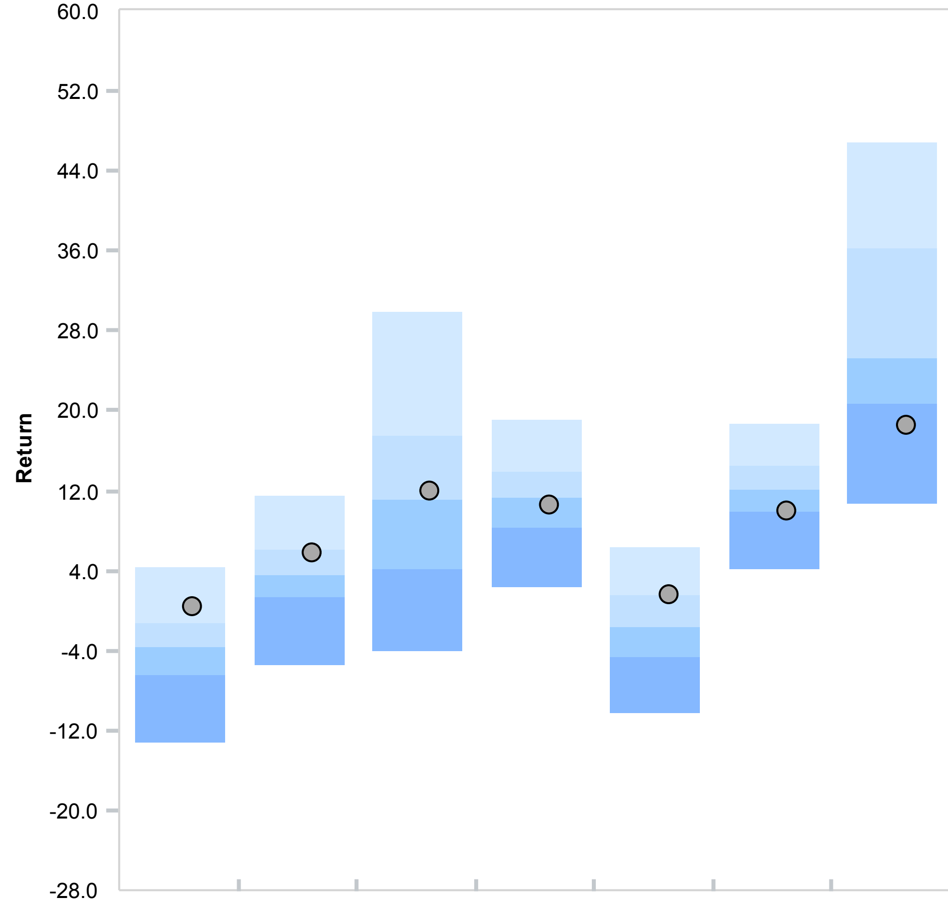
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	0	0	0	0	0
Index	20	1 (5%)	15 (75%)	3 (15%)	1 (5%)

Peer Group Analysis - IM Flexible Portfolio (MF)



	QTD		YTD		1 YR		3 YR		5 YR		7 YR		10 YR	
Investment	-1.25	(59)	-1.25	(59)	N/A		N/A		N/A		N/A		N/A	
Index	-1.23	(59)	-1.23	(59)	7.62	(45)	4.98	(30)	6.13	(29)	6.25	(31)	5.41	(39)
Median	-1.04		-1.04		7.04		4.01		5.15		5.24		5.02	

Peer Group Analysis - IM Flexible Portfolio (MF)



	2015		2014		2013		2012		2011		2010		2009	
Investment	N/A		N/A		N/A		N/A		N/A		N/A		N/A	
Index	0.36	(12)	5.82	(27)	11.86	(48)	10.46	(59)	1.62	(25)	10.01	(75)	18.39	(87)
Median	-3.59		3.46		11.07		11.38		-1.57		12.05		25.24	

Comparative Performance

	1 Qtr Ending Dec-2017		1 Qtr Ending Sep-2017		1 Qtr Ending Jun-2017		1 Qtr Ending Mar-2017		1 Qtr Ending Dec-2016		1 Qtr Ending Sep-2016	
Investment	N/A		N/A		N/A		N/A		N/A		N/A	
Index	2.98	(49)	2.90	(47)	2.82	(34)	3.65	(56)	-0.51	(60)	2.72	(56)
Median	2.89		2.83		2.32		3.87		-0.22		3.04	

Private Equity and Real Estate

Private Equity Summary of Partnership										
Partnerships	**Valuation Date**	**Vintage Year**	**Investment Strategy**	**Capital Commitment $**	**Drawn Down $**	**Market Value $**	**Distributed $**	**IRR (%)**	**TVPI Multiple**	**Remaining Commitment**
Private Equity										
Landmark Equity Partners XIV LP	03/31/2018	2008	Secondaries	1,250,000	1,202,959	350,295	1,232,202	10.40	1.32	47,041
Private Equity Investment Fund V	03/31/2018	2009	Secondaries	1,250,000	1,253,016	507,174	601,766	-3.22	0.89	-
HarbourVest Partners IX	03/31/2018	2010	Hybrid	10,000,000	7,848,815	7,584,684	3,552,835	15.04	1.43	2,206,250
Pomona Capital VIII	03/31/2018	2012	Secondaries	10,000,000	6,336,651	2,680,451	6,014,555	20.93	1.40	5,310,808
JPMorgan Venture Capital Fund V	03/31/2018	2014	Venture Capital	5,000,000	5,254,910	4,014,496	1,667,022	6.24	1.09	1,486,815
Real Estate										
Gerding Edlen Green Cities II	03/31/2018	2012	Real Estate	5,000,000	4,903,486	4,885,747	1,938,038	10.78	1.39	330,000
Gerding Edlen Green Cities III	03/31/2018	2015	Value-Add Real Estate	5,000,000	3,905,267	4,273,095	150,375	9.37	1.13	1,121,220
Westport Real Estate Fund IV	03/31/2018	2014	Real Estate	5,000,000	6,909,000	5,325,064	2,751,920	9.70	1.16	797,500
Long Wharf Real Estate Partners Fund V	03/31/2018	2015	Value-Add Real Estate	5,000,000	3,207,559	3,376,388	102,780	7.61	1.09	1,763,967
Total				**47,500,000**	**40,821,664**	**32,997,395**	**18,011,492**	**-**	**-**	**13,063,601**

Comparative Performance - IRR

	QTD	1 YR	3 YR	5 YR	Inception	Inception Date
Private Equity						
Landmark Equity Partners XIV LP	0.00	6.31	-1.22	6.13	10.40	11/12/2009
Private Equity Investment Fund V	0.00	4.39	-21.35	-11.69	-3.22	01/21/2010
HarbourVest Partners IX [Consolidated]	0.00	10.49	11.96	N/A	15.04	07/29/2013
Pomona Capital VIII	0.00	12.21	11.57	N/A	20.93	03/25/2014
JPMorgan Venture Capital Fund V	-0.17	5.10	N/A	N/A	6.24	07/31/2015
Real Estate						
Gerding Edlen Green Cities II	0.00	-4.15	7.60	N/A	10.78	08/28/2013
Gerding Edlen Green Cities III	0.00	5.72	N/A	N/A	9.37	03/03/2016
Westport Real Estate Fund IV	2.53	10.33	10.53	N/A	9.70	03/24/2014
Long Wharf Real Estate Partners Fund V	8.15	13.46	N/A	N/A	7.61	11/20/2015

Private Equity

Fund Information

Type of Fund:	Secondary	**Vintage Year:**	2008
Strategy Type:	Secondaries	**Management Fee:**	Class A [Class B] Basis, Years 1-4: 1.0% [0.85%] Committed Capital; Years 5-8: 1.0% [0.85%] Invested Capital (Invested capital for advisory fees includes contributed capital plus amounts callable for obligations to existing deals.)
Size of Fund:	1,997,242,424	**Preferred Return:**	8%; Incentive Fee: 10%
Inception:	12/27/2007	**General Partner:**	Landmark Partners XIV, LLC
Final Close:	7/30/2010	**Number of Funds:**	

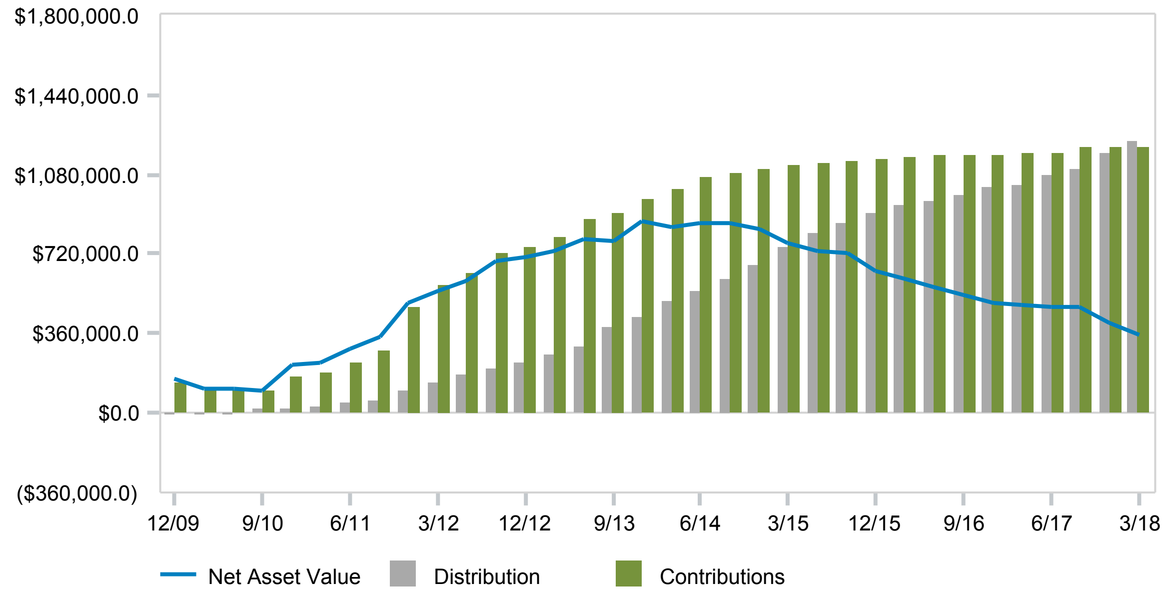
Investment Strategy: Landmark strives to execute transactions primarily on a negotiated basis and acquire portfolios of interests in private equity funds and direct investments through secondary market transactions that are unique, may require structuring, and where the opportunity for value creation exists. Landmark has developed the capability to execute a differentiated strategy generally focused on sourcing exclusive secondary transactions where the Firm's aptitude and expertise are highly valued. The Firm has developed strong deal sourcing competencies through sharing research and portfolio management tools which assist limited partners and general partners in identifying opportunities to improve investment performance and that allow Landmark's investment team to establish close relationships with potential sellers. Through these proprietary transactions, Landmark believes it benefits from minimal price competition and extended due diligence periods and it enables the Firm to create preferred structures which mitigate risk while providing the potential for upside in many transactions.

In addition, Landmark has developed strong deal sourcing competencies focused on establishing close institutional relationships with sellers through sharing research and portfolio management tools which assists limited partners in identifying opportunities to improve investment performance and allows the investment team to establish close relationships with sellers. This differentiated relationship with sellers, based on value-add services and customized transaction solutions, establishes Landmark's credibility as a thought-leader and problem solver and often results in opportunities for unique and proprietary transactions.

Cash Flow Summary

Capital Committed:	$1,250,000
Capital Invested:	$1,202,959
Management Fees:	-
Expenses:	-
Interest:	-
Total Contributions:	$1,202,959
Remaining Capital Commitment:	$47,041
Total Distributions:	$1,232,202
Market Value:	$350,295
Inception Date:	11/12/2009
Inception IRR:	10.4
TVPI:	1.3

Cash Flow Analysis



Fund Information

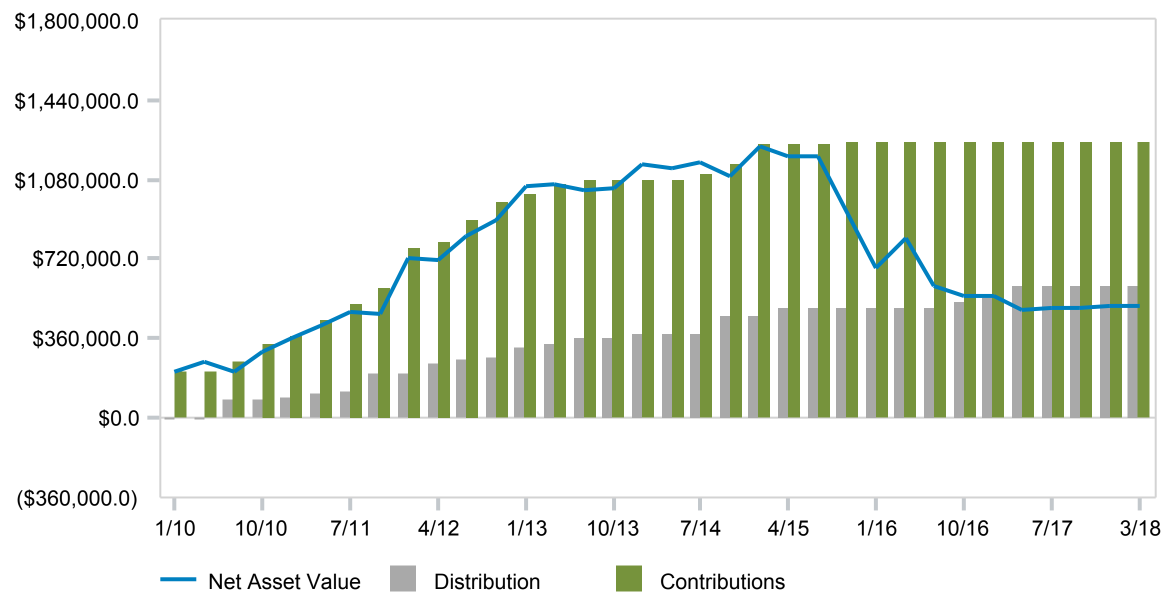
Type of Fund:	Secondary	**Vintage Year:**	2009
Strategy Type:	Secondaries	**Management Fee:**	1.75%; Incentive fee: 12.5% carry
Size of Fund:	109,248,367	**Preferred Return:**	8%
Inception:	06/24/2008	**General Partner:**	PEI Managing Partners V, L.L.C.
Final Close:	04/15/2010	**Number of Funds:**	

Investment Strategy: The purpose of PEIF V is to purchase, invest in, or otherwise acquire investment in venture capital funds, leveraged buyout funds, and private companies on a 'secondary' basis (i.e., existing limited partnership interests or company shares) and to see and liquidate such investments, and to engage in any other activities incident and/or ancillary thereto or in furtherance of the foregoing.

Cash Flow Summary

Capital Committed:	$1,250,000
Capital Invested:	$1,250,000
Management Fees:	-
Expenses:	-
Interest:	$3,016
Total Contributions:	$1,253,016
Remaining Capital Commitment:	-
Total Distributions:	$601,766
Market Value:	$507,174
Inception Date:	01/21/2010
Inception IRR:	-3.2
TVPI:	0.9

Cash Flow Analysis



Fund Information

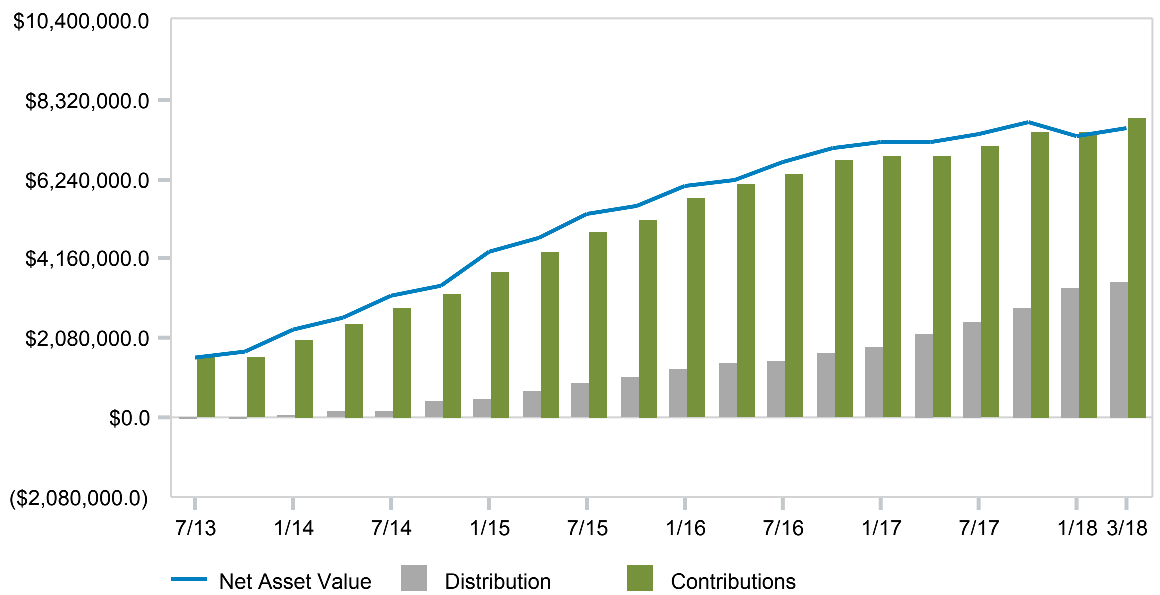
Type of Fund:	Fund Of Funds	**Vintage Year:**	2010
Strategy Type:	Hybrid	**Management Fee:**	1% of LP committed capital. Incentive fee: 10% on cumulative gain of secondary and direct investments.
Size of Fund:	3,000,000,000	**Preferred Return:**	N/A
Inception:	03/01/2010	**General Partner:**	HarbourVest IX
Final Close:		**Number of Funds:**	0

Investment Strategy: HarbourVest Partners IX is a continuation of the private equity investment strategy successfully employed in eight previous funds which consist of over $16 billion in committed capital since 1982. The Investment Program will be structed as four separate LP vehicles, collectively known as the 'Funds'; one for venture investment (HarbourVest PArtners IX-Venture Fund LP); one for buyout investments (HarbourVest Partners IX-Buyout Fund LP); and one for mezzanine and distressed debt investments (HarbourVest Partners IX-Credit Opportunities Fund LP), and a core fund, which includes allocations to the three specialized funds. The core fund will be allocated 60% to Fund IX Buyout, 30% to Fund IX Venture, and 10% to Fund IX Credit Opportunities. LPs may invest up to 100% of their commitment to any of the four funds. Geographically, the core fund is to be 60-75% US, 10-25% Europe, and 0-25% Other.

Cash Flow Summary

Capital Committed:	$10,000,000
Capital Invested:	$7,793,750
Management Fees:	-
Expenses:	-
Interest:	$55,065
Total Contributions:	$7,848,815
Remaining Capital Commitment:	$2,206,250
Total Distributions:	$3,552,835
Market Value:	$7,584,684
Inception Date:	07/29/2013
Inception IRR:	15.0
TVPI:	1.4

Cash Flow Analysis



Fund Information

Type of Fund:	Secondary	**Vintage Year:**	2012
Strategy Type:	Secondaries	**Management Fee:**	On commitments, Yr 1-3: 1.50%; Yr 4-5: 1.25%; Yr 6: 1.00%; Yr 7-8: 0.75%; Yr 9: 0.50%; Yr 10: 0.50% on remaining NAV
Size of Fund:	1,750,000,000	**Preferred Return:**	8%, incentive is 12.5%
Inception:	10/26/2012	**General Partner:**	Pomona Associates VIII
Final Close:	04/10/2014	**Number of Funds:**	

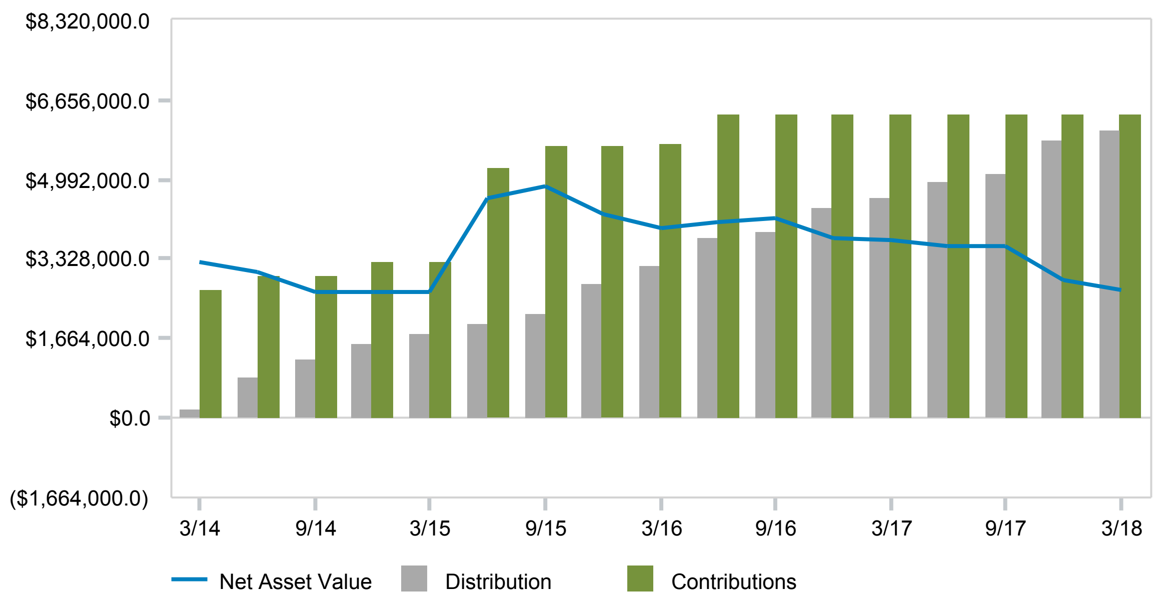
Investment Strategy: Pomona Capital executes a differentiated secondaries strategy that is focused on acquiring high-quality, mature assets with identifiable near-term liquidity at attractive pricing that meet our risk and return criteria.

Pomona pursues a disciplined investment strategy based on: (i) proactively sourcing transactions where Pomona believes it has and can create a competitive advantage; (ii) developing a granular understanding of target assets using both fund-level information and detailed, company-level analysis along with established general partner relationships; (iii) focusing on buying the highest quality assets; (iv) maintaining a middle-market focus and pricing discipline over investment volume; (v) diversifying investments to mitigate risk; and (vi) fostering transactional creativity in an evolving market environment.

Cash Flow Summary

Capital Committed:	$10,000,000
Capital Invested:	$6,234,695
Management Fees:	-
Expenses:	-
Interest:	$101,956
Total Contributions:	$6,336,651
Remaining Capital Commitment:	$5,310,808
Total Distributions:	$6,014,555
Market Value:	$2,680,451
Inception Date:	03/25/2014
Inception IRR:	20.9
TVPI:	1.4

Cash Flow Analysis



Fund Information

Type of Fund:	Fund Of Funds	**Vintage Year:**	2014
Strategy Type:	Venture Capital	**Management Fee:**	Based on Committed Capital (Option 1: 0.72% annual average; Option 2: 0.44% annual average)
Size of Fund:	159,721,789	**Preferred Return:**	8%
Inception:	03/24/2014	**General Partner:**	J.P. Morgan Investment Management Inc.
Final Close:	11/20/2015	**Number of Funds:**	0

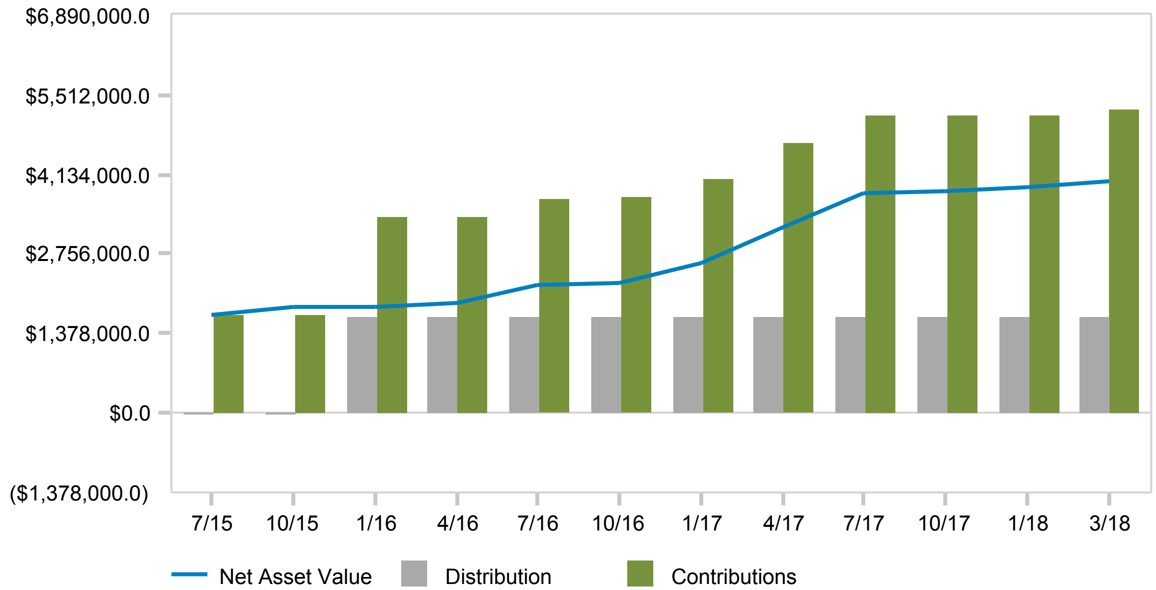
Investment Strategy: PEG Venture Capital Institutional Investors V LLC(the 'Fund') is a Delaware limited liability company, which commenced operations on June 27, 2014. The investment objective of the Fund is to generate capital returns through investing in limited partnerships and other pooled and direct vehicles which, in turn, make equity-oriented investments in venture capital companies. The Fund is expected to terminate on March 31, 2029, unless terminated earlier or extended in accordance with Agreement provisions.

Venture capital investments may include early-stage investments in businesses still in the conceptual stage, businesses where products may not be fully developed and revenues and/or profits may be several years away, and later-stage venture capital investments in more mature companies in need of expansion or growth capital, including capital for growth buyouts. The Fund is the first in a planned series of annual fund of funds, which provides exposure to corporate finance and venture capital on a global basis. The portfolio construction seeks to create appropriate diversification by geography, stage, setor, and vintage year, so there are no predetermined allocations. Investments are expected to be predominately in existing companies in buyout, growth capital, and build-up strategies, as well as special situations with opportunistic mezzanine, distressed equity, and venture capital.

Cash Flow Summary

Capital Committed:	$5,000,000
Capital Invested:	$5,156,878
Management Fees:	$73,806
Expenses:	-
Interest:	$24,226
Total Contributions:	$5,254,910
Remaining Capital Commitment:	$1,486,815
Total Distributions:	$1,667,022
Market Value:	$4,014,496
Inception Date:	07/31/2015
Inception IRR:	6.2
TVPI:	1.1

Cash Flow Analysis



Real Estate

Fund Information

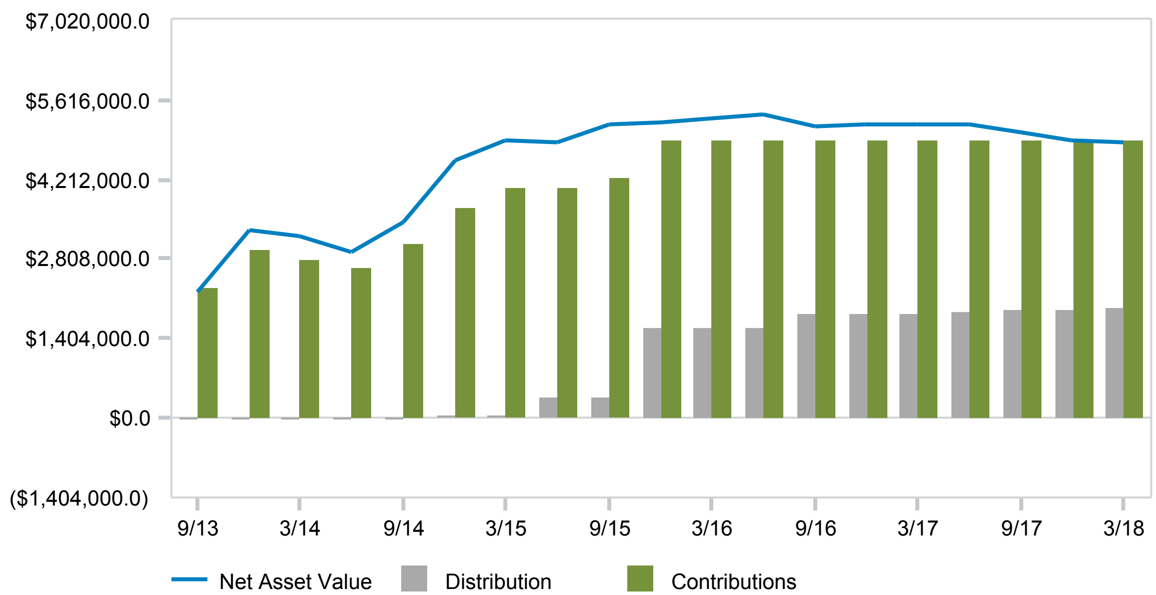
Type of Fund:	Partnership	**Vintage Year:**	2012
Strategy Type:	Real Estate	**Management Fee:**	1.50%
Size of Fund:	234,000,000	**Preferred Return:**	First to LP a 9% IRR; then, 80%/20% split to LP/GP until 14% IRR; 70%/30% after.
Inception:	11/20/2012	**General Partner:**	Gerding Edlen Fund Management II
Final Close:	05/20/2014	**Number of Funds:**	

Investment Strategy: The strategy of Gerding Edlen Green Cities II, is to execute the Firm's niche expertise in the acquisition, investment, management, retrofit and/or development of urban, modern, green apartment and/or office properties in the Firm's key targeted markets for value-add returns.

Cash Flow Summary

Capital Committed:	$5,000,000
Capital Invested:	$4,922,413
Management Fees:	-
Expenses:	-$18,927
Interest:	-
Total Contributions:	$4,903,486
Remaining Capital Commitment:	$330,000
Total Distributions:	$1,938,038
Market Value:	$4,885,747
Inception Date:	08/28/2013
Inception IRR:	10.8
TVPI:	1.4

Cash Flow Analysis



Fund Information

Type of Fund:	Partnership	**Vintage Year:**	2014
Strategy Type:	Real Estate	**Management Fee:**	Investment Period: 1.50% per annum of aggregate capital commitments of LP each quarter; Liquidation Period: 1.50% per annum of cost basis of investments
Size of Fund:	314,000,000	**Preferred Return:**	8%
Inception:	05/01/2013	**General Partner:**	WCP Real Estate Fund IV GP, LLC
Final Close:	12/31/2015	**Number of Funds:**	

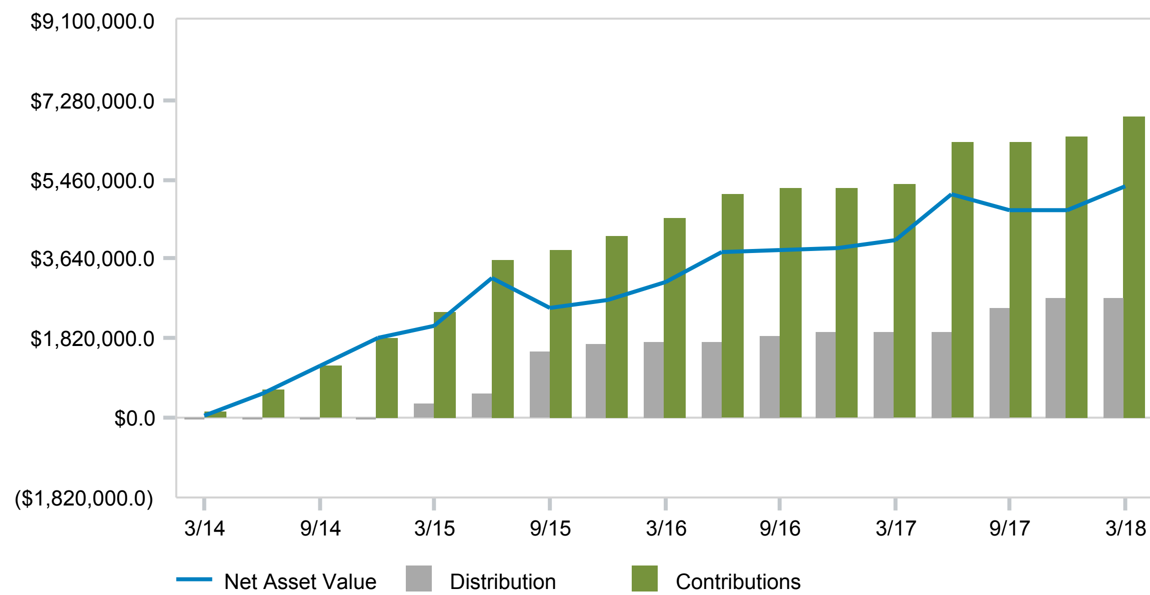
Investment Strategy: Primarily invests in distressed and opportunistic real estate and debt with potential for significant capital appreciation. The Fund makes direct and indirect investments in real estate. The Fund may also invest in equity securities of real estate-related companies, real estate mortgage loans, real estate mezzanine loans, and other debt instruments.

Incentive fee: 50% to GP and 50% to LPs until GP receives 20% carried interest over 8% preferred return; 20% to GP and 80% to LPs, thereafter.

Cash Flow Summary

Capital Committed:	$5,000,000
Capital Invested:	$6,909,000
Management Fees:	-
Expenses:	-
Interest:	-
Total Contributions:	$6,909,000
Remaining Capital Commitment:	$797,500
Total Distributions:	$2,751,920
Market Value:	$5,325,064
Inception Date:	03/24/2014
Inception IRR:	9.7
TVPI:	1.2

Cash Flow Analysis



Fund Information

Type of Fund:	Partnership	**Vintage Year:**	2015
Strategy Type:	Value-Add Real Estate	**Management Fee:**	1.5% per annum on committed capital during investment period; 1.5% per annum on invested equity thereafter. Incentive fee: 20%.
Size of Fund:	350,000,000	**Preferred Return:**	9%
Inception:	11/20/2015	**General Partner:**	LREP V, LLC
Final Close:	09/30/2016	**Number of Funds:**	

Investment Strategy: Long Wharf employs a diversified value-added strategy targeting opportunities across an array of U.S. markets and sectors. Long Wharf's value-added approach to real estate investing focuses principally on cost basis relative to asset quality, location and competing properties. We analyze acquisition price and all-in cost basis compared to replacement cost, the basis of the prior owner, and the cost basis of other properties in the submarket against which it will compete for tenants. Rather than basing investment decisions on forecasted capital flows, pricing momentum, and outsized rent growth assumptions, our analysis is centered on cost basis relative to the intrinsic long-term value of the property.

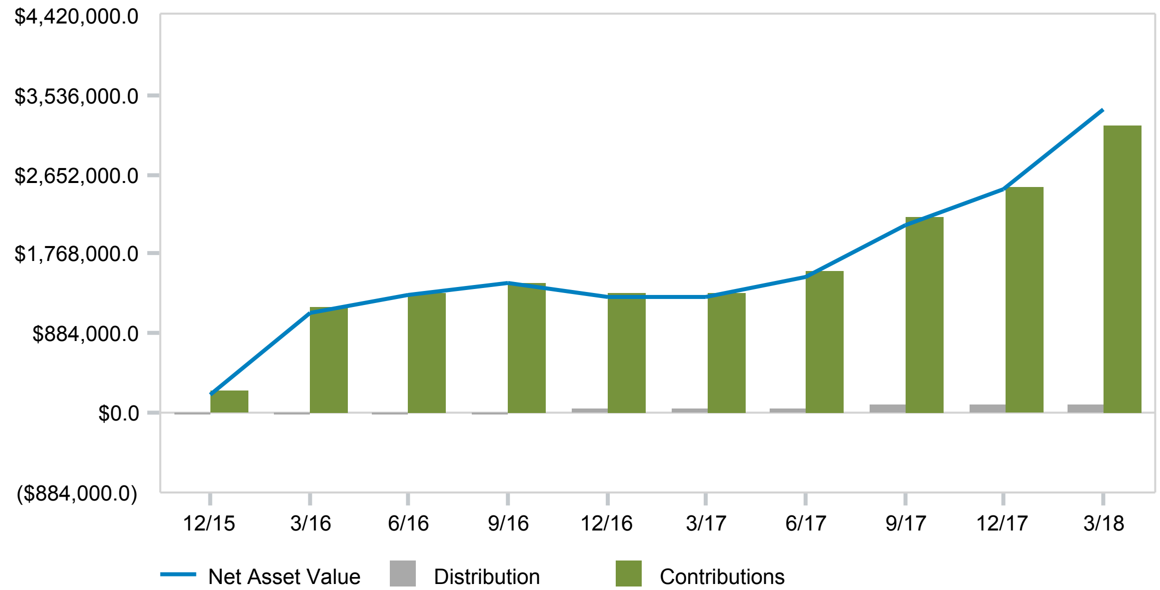
Our focus on cost basis is closely tied to the importance we place on projected stabilized yield-on-cost in analyzing prospective investments. By focusing on stabilizing and improving a property's operations – facets of an investment over which we have substantially more control – we reduce our reliance on capital flows, debt markets, and timing to achieve our return objectives. Generating an attractive unlevered income stream upon stabilization also serves to protect the investment in the event of a market downturn or a material increase in cap rates.

We believe the current market environment is providing a number of attractive relative value opportunities for value-added investors. Long Wharf is experienced in executing a variety of value-added investment strategies including distress, rehabilitation, management turnaround, and development.

Cash Flow Summary

Capital Committed:	$5,000,000
Capital Invested:	$3,236,033
Management Fees:	-
Expenses:	-$28,474
Interest:	-
Total Contributions:	$3,207,559
Remaining Capital Commitment:	$1,763,967
Total Distributions:	$102,780
Market Value:	$3,376,388
Inception Date:	11/20/2015
Inception IRR:	7.6
TVPI:	1.1

Cash Flow Analysis



Fund Information

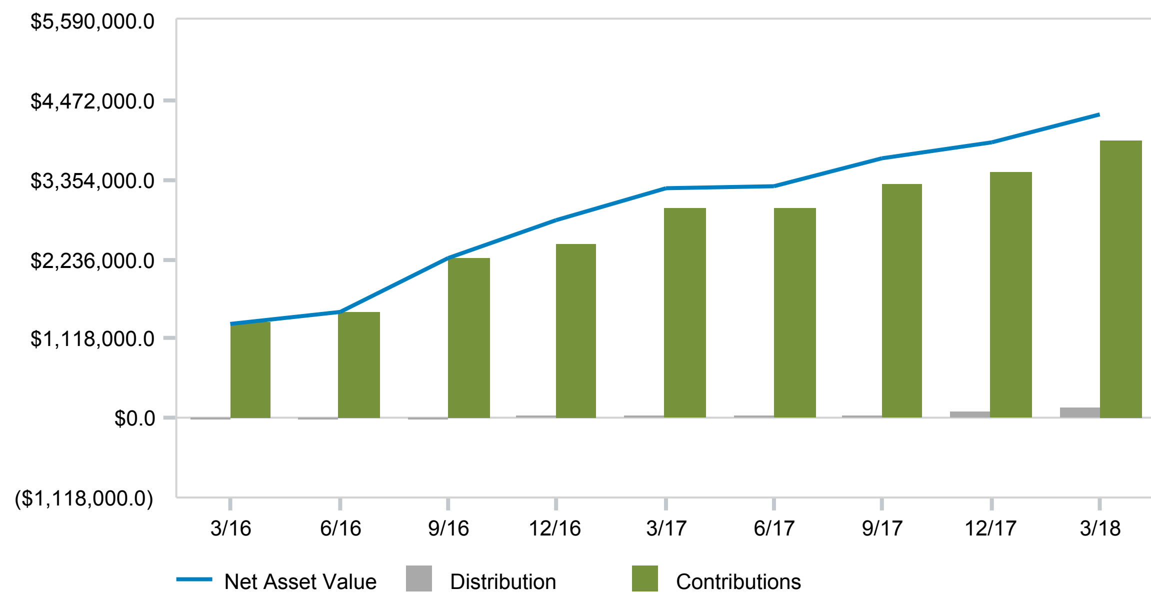
Type of Fund:	Partnership	**Vintage Year:**	2015
Strategy Type:	Value-Add Real Estate	**Management Fee:**	1.50% management fee; 8% hurdle with no catch up, 80%/20% split to LP/GP until 14% IRR
Size of Fund:	313,503,293	**Preferred Return:**	8% to LP
Inception:	02/18/2015	**General Partner:**	Gerding Edlen Fund Management III
Final Close:	02/01/2022	**Number of Funds:**	

Investment Strategy: The strategy of Gerding Edlen Green Cities III is to execute the Firm's niche expertise in the acquisition, investment, management, retrofit and/or development of urban, modern, green apartment and/or office properties in the Firm's key targeted markets for value-add returns.

Cash Flow Summary

Capital Committed:	$5,000,000
Capital Invested:	$3,646,199
Management Fees:	$230,460
Expenses:	$2,121
Interest:	$26,487
Total Contributions:	$3,905,267
Remaining Capital Commitment:	$1,121,220
Total Distributions:	$150,375
Market Value:	$4,273,095
Inception Date:	03/03/2016
Inception IRR:	9.4
TVPI:	1.1

Cash Flow Analysis



Comparative Performance

	QTD	FYTD	1 YR	3 YR	5 YR
Town of Palm Beach Retirement System Combined (Gross)**	-0.04	3.18	10.58	5.21	6.35
Estimated Quarterly Return over 5 Years as of 3/31/2018 (Gross): 1.59%					
Town of Palm Beach Retirement System Combined (Net)**	-0.12	3.02	10.25	4.88	6.04
Estimated Quarterly Return over 5 Years as of 3/31/2018 (Net): 1.51%					

Returns for periods greater than one year are annualized.
Returns are expressed as percentages.
Performance shown is not GIPS compliant and is an estimation. Historical data and calculations prior to March 31, 2016 provided by former consultant.
*October 2009-September 2012 represents each Plan's unique performance. October 2012-present represents performance for the combined Plan.
**Prior to October 2012, performance is a theoretical weighted average of the each Plan's composite given a static weighting between the Plans. October 2012-present represents performance for the combined Plan.

Total Fund Policy

Allocation Mandate	Weight (%)
Oct-2012	
Russell 3000 Index	30.00
MSCI EAFE (Net) Index	13.00
Blmbg. Barc. U.S. Aggregate Index	24.00
CPI + 5%	9.00
90 Day T-Bill + 3.75%	22.00
S&P 500 + 5%	2.00
Jul-2013	
S&P 500 Index	7.50
MSCI EAFE (Net) Index	15.00
Blmbg. Barc. U.S. Aggregate Index	17.50
Bloomberg Commodity Index Total Return	2.50
90 Day T-Bills + 5%	15.00
S&P 500 + 5%	10.00
Russell Midcap Value Index	3.75
Russell Midcap Growth Index	3.75
MSCI Emerging Markets (Net) Index	10.00
Bloomberg Barclays U.S. TIPS Index	2.50
Blmbg. Barc. U.S. Corp High Yield	2.50
NCREIF Property Index	10.00
Jan-2017	
Russell 3000 Index	35.00
MSCI AC World ex USA	20.00
Blmbg. Barc. U.S. Aggregate Index	12.50
Blmbg. Barc. Global Multiverse	5.00
NCREIF Fund Index-Open End Diversified Core (EW)	10.00
S&P 500 + 3%	7.50
Total GTAA/Hedge Fund Policy	10.00

Total Domestic Equity Policy

Allocation Mandate	Weight (%)
Jan-1926	
S&P 500 Index	100.00
Jan-2017	
Russell 3000 Index	100.00

Total GTAA/Hedge Fund Policy

Allocation Mandate	Weight (%)
Jan-1990	
HFRI FOF: Diversified Index	70.00
Balanced Index [Standard Life GAR]	30.00
Sep-2017	
HFRI FOF: Diversified Index	100.00
Nov-2017	
HFRI FOF: Diversified Index	80.00
50% MSCI World / 50% Barcap Agg	20.00

Total International Equity Policy

Allocation Mandate	Weight (%)
Oct-2012	
MSCI EAFE (Net) Index	100.00
Jan-2017	
MSCI AC World ex USA	100.00

Total Private Equity Policy

Allocation Mandate	Weight (%)
Jan-1926	
CPI + 5%	82.00
S&P 500 + 5%	18.00
Jul-2013	
S&P 500 + 5%	100.00
Jan-2017	
S&P 500 + 3%	100.00

Total Real Estate Policy

Allocation Mandate	Weight (%)
Sep-2013	
NCREIF Property + 3%	100.00
Jan-2017	
NCREIF Fund Index-Open End Diversified Core (EW)	100.00

Updated Results from Prior Quarter

Comparative Performance

	1 Quarter Ending Dec-2017		1 Year Ending Dec-2017		2 Years Ending Dec-2017		3 Years Ending Dec-2017		4 Years Ending Dec-2017		5 Years Ending Dec-2017	
Total Fund (Net)	**3.15**	**(86)**	**14.90**	**(62)**	**10.23**	**(84)**	**5.65**	**(95)**	**4.96**	**(98)**	**7.23**	**(94)**
Total Fund (Gross)	3.23	(82)	15.25	(55)	10.58	(74)	5.98	(92)	5.28	(97)	7.53	(91)
Total Fund Policy	4.32	(13)	17.13	(16)	12.39	(17)	8.23	(18)	7.56	(36)	8.89	(60)
All Public Plans-Total Fund Median	3.75		15.43		11.23		7.41		7.29		9.17	
Total Fund (Net)	**3.15**	**(86)**	**14.90**	**(62)**	**10.23**	**(84)**	**5.65**	**(95)**	**4.96**	**(98)**	**7.23**	**(94)**
Total Fund (Gross)	3.23	(82)	15.25	(55)	10.58	(74)	5.98	(92)	5.28	(97)	7.53	(91)
Total Fund Policy Index ex Alts	3.53	(65)	14.15	(73)	10.95	(64)	7.30	(52)	6.87	(69)	8.33	(77)
All Public Plans-Total Fund Median	3.75		15.43		11.23		7.41		7.29		9.17	
Total Domestic Equity (Net)	**5.75**		**18.12**		**14.58**		**8.85**		**8.67**		**13.13**	
Total Domestic Equity (Gross)	5.80		18.38		14.89		9.19		9.00		13.43	
Total Domestic Equity Policy	6.34		21.13		16.46		11.20		11.82		15.66	
Total International Equity (Net)	**3.19**		**30.65**		**13.62**		**7.36**		**4.67**		**9.04**	
Total International Equity (Gross)	3.30		31.23		14.13		7.84		5.14		9.47	
Total International Equity Policy	5.06		27.77		13.60		8.58		5.04		8.37	
Total Emerging Markets Equity (Net)	**4.22**		**36.49**		**23.90**		**9.22**		**6.46**		**N/A**	
Total Emerging Markets Equity (Gross)	4.38		37.34		24.71		9.95		7.17		N/A	
MSCI Emerging Markets (Net) Index	7.44		37.28		23.55		9.10		6.16		4.35	
Total Fixed Income (Net)	**0.07**		**3.01**		**3.37**		**2.09**		**2.66**		**1.89**	
Total Fixed Income (Gross)	0.12		3.20		3.51		2.24		2.82		2.03	
Total Fixed Income Policy	0.63		4.39		5.52		3.24		3.56		2.54	
Total GTAA/Hedge Fund	**2.57**		**5.23**		**3.59**		**1.37**		**1.47**		**3.67**	
Total GTAA/Hedge Fund Policy	2.29		9.21		5.51		3.43		3.39		4.75	

Returns for periods greater than one year are annualized.
Returns are expressed as percentages.
Alger replaced Nuveen 11/1/2014.

Comparative Performance

	1 Quarter Ending Dec-2017		1 Year Ending Dec-2017		2 Years Ending Dec-2017		3 Years Ending Dec-2017		4 Years Ending Dec-2017		5 Years Ending Dec-2017	
Total Domestic Equity												
SSgA S&P 500 Flagship Fund (Net)	6.64	(53)	21.79	(51)	16.78	(37)	11.39	(42)	11.95	(44)	15.77	(50)
SSgA S&P 500 Flagship Fund (Gross)	6.65	(51)	21.84	(49)	16.83	(34)	11.44	(40)	12.01	(41)	15.83	(48)
S&P 500 Index	6.64	(52)	21.83	(50)	16.79	(36)	11.41	(41)	11.98	(43)	15.79	(50)
IM U.S. Large Cap Core Equity (SA+CF) Median	6.68		21.82		16.14		11.16		11.71		15.76	
Geneva Mid Cap Growth Equity (Net)	6.32	(42)	23.56	(65)	12.50	(83)	9.54	(66)	8.48	(78)	12.68	(89)
Geneva Mid Cap Growth Equity (Gross)	6.48	(40)	24.26	(57)	13.18	(76)	10.20	(58)	9.13	(68)	13.33	(86)
Russell Midcap Growth Index	6.81	(36)	25.27	(54)	15.95	(45)	10.30	(55)	10.70	(38)	15.30	(37)
IM U.S. Mid Cap Growth Equity (SA+CF) Median	6.00		25.47		15.63		10.50		9.78		15.04	
Thompson, Siegel & Walmsley SMID Value (Net)	2.46	(92)	6.95	(96)	N/A		N/A		N/A		N/A	
Thompson, Siegel & Walmsley SMID Value (Gross)	2.58	(92)	7.52	(91)	N/A		N/A		N/A		N/A	
Russell 2500 Value Index	4.25	(68)	10.36	(85)	17.55	(42)	9.30	(59)	8.75	(60)	13.27	(73)
IM U.S. SMID Cap Value Equity (SA+CF) Median	5.29		14.78		17.19		9.78		9.29		14.37	
Total International Equity												
Oakmark International Value (Net)	2.47	(92)	30.11	(14)	18.32	(16)	10.09	(30)	6.10	(35)	10.80	(16)
Oakmark International Value (Gross)	2.69	(88)	31.23	(12)	19.37	(13)	11.07	(17)	7.05	(20)	11.59	(11)
MSCI EAFE IMI Value (Net)	3.58	(71)	22.67	(81)	13.57	(58)	7.27	(77)	3.96	(81)	7.68	(69)
IM International Large Cap Value Equity (SA+CF) Median	4.21		26.26		14.16		8.95		5.48		8.92	
Artisan International Growth [ARTIX] (Net)	3.98	(54)	31.24	(19)	9.04	(89)	4.64	(91)	3.25	(77)	7.31	(51)
MSCI EAFE Growth Index (Net)	5.24	(9)	28.86	(48)	11.78	(62)	9.15	(29)	5.59	(31)	8.78	(11)
IM International Large Cap Growth Equity (MF) Median	4.07		28.48		12.51		8.16		4.83		7.31	
Total Emerging Markets Equity												
Wells Capital Emerging Markets (Net)	4.22	(92)	36.16	(57)	23.45	(49)	10.36	(39)	6.44	(63)	N/A	
Wells Capital Emerging Markets (Gross)	4.38	(91)	37.02	(50)	24.23	(40)	11.06	(31)	7.11	(49)	N/A	
MSCI Emerging Markets (Net) Index	7.44	(37)	37.28	(48)	23.55	(47)	9.10	(62)	6.16	(66)	4.35	(79)
IM Emerging Markets Equity (SA+CF) Median	6.95		37.02		23.38		9.82		7.01		5.90	

Returns for periods greater than one year are annualized.
Returns are expressed as percentages.
Alger replaced Nuveen 11/1/2014.

	1 Quarter Ending Dec-2017		1 Year Ending Dec-2017		2 Years Ending Dec-2017		3 Years Ending Dec-2017		4 Years Ending Dec-2017		5 Years Ending Dec-2017	
Total Fixed Income												
Goldman Sachs Asset Management (Net)	0.12	(98)	3.31	(97)	3.20	(97)	2.34	(95)	2.94	(94)	2.21	(95)
Goldman Sachs Asset Management (Gross)	0.18	(97)	3.55	(94)	3.44	(91)	2.60	(86)	3.20	(90)	2.46	(89)
Blmbg. Barc. U.S. Aggregate Index	0.39	(86)	3.54	(95)	3.09	(98)	2.24	(95)	3.16	(91)	2.10	(96)
IM U.S. Broad Market Core+ Fixed Income (SA+CF) Median	0.62		4.85		4.80		3.24		3.90		3.02	
Vanguard Total Bond Market Index [VBTIX] (Net)	0.41	(35)	3.05	(76)	2.84	(74)	N/A		N/A		N/A	
Blmbg. Barc. U.S. Aggregate Index	0.39	(38)	3.54	(52)	3.09	(58)	2.24	(42)	3.16	(34)	2.10	(39)
IM U.S. Broad Market Core Fixed Income (MF) Median	0.34		3.58		3.26		2.14		2.99		1.95	
Total GTAA/Hedge Fund												
BlackRock Multi-Asset Income Fund (BKMIX) (Net)	N/A		N/A		N/A		N/A		N/A		N/A	
50% MSCI World / 50% Barcap Agg	2.98	(49)	12.93	(44)	9.18	(56)	6.16	(30)	6.07	(27)	7.21	(34)
IM Flexible Portfolio (MF) Median	2.89		12.09		9.57		5.10		4.94		6.16	
Weatherlow Offshore Fund I Ltd. (Net)	2.55	(80)	5.73	(96)	3.33	(98)	2.71	(96)	3.26	(96)	5.26	(81)
HFRI FOF: Diversified Index	2.05	(89)	6.87	(93)	3.61	(98)	2.33	(96)	2.60	(96)	3.86	(92)
IM Global Balanced/TAA (SA+CF+MF) Median	3.97		15.69		11.71		7.34		7.25		8.74	
Total Real Estate												
JP Morgan Strategic Property (Net)	1.55	(100)	N/A		N/A		N/A		N/A		N/A	
JP Morgan Strategic Property (Gross)	1.80	(83)	N/A		N/A		N/A		N/A		N/A	
NCREIF Fund Index-ODCE (VW)	2.07	(69)	7.62	(64)	8.19	(74)	10.42	(65)	10.94	(72)	11.53	(71)
IM U.S. Open End Private Real Estate (SA+CF) Median	2.25		8.08		8.81		11.03		11.72		12.30	

Returns for periods greater than one year are annualized.
Returns are expressed as percentages.
Alger replaced Nuveen 11/1/2014.

	Market Value ($)	Estimated Annual Fee (%)	Estimated Annual Fee ($)
Total Domestic Equity			
SSgA S&P 500 Flagship Fund	51,424,246	0.03	15,427
Geneva Mid Cap Growth Equity	7,418,874	0.60	44,513
Thompson, Siegel & Walmsley SMID Value	13,566,199	0.45	61,048
Total International Equity			
Artisan International Growth [ARTIX]	20,310,727	1.19	241,698
Oakmark International Value	21,635,735	0.90	194,722
Total Emerging Markets			
Wells Capital Emerging Markets	13,402,031	0.63	84,433
Total Fixed Income			
Goldman Sachs Asset Management	20,287,315	0.24	48,690
Vanguard Total Bond Market Index [VBTIX]	7,857,522	0.04	3,143
Total GTAA/HedgeFunds			
BlackRock Multi-Asset Income Fund (BKMIX)	2,981,113	0.52	15,502
Weatherlow Offshore Fund I Ltd.	13,422,888	1.00	134,229
Mesirow Absolute Return Fund	401,992	1.00	4,020
Total Real Estate			
Gerding Edlen Green Cities II	4,885,747	1.50	73,286
Westport Real Estate Fund IV	5,325,064	1.50	79,876
Long Wharf Real Estate Partners Fund V	3,376,388	1.50	50,646
Gerding Edlen Green Cities III	4,273,095	1.50	64,096
JP Morgan Strategic Property	10,848,347	1.00	108,483
Total Private Equity			
Landmark Equity Partners XIV LP	350,295	1.00	3,503
Private Equity Investment Fund V	507,174	1.75	8,876
HarbourVest Partners IX [Consolidated]	7,584,684	1.00	75,847
Pomona Capital VIII	2,680,451	1.00	26,805
JPMorgan Venture Capital Fund V	4,014,496	0.55	22,080
Cash			
Cash Account	1,764,391		-
Total Fund	**218,318,773**	**0.62**	**1,360,921**

Active Return - Arithmetic difference between the manager's performance and the designated benchmark return over a specified time period.

Alpha - A measure of the difference between a portfolio's actual performance and its expected return based on its level of risk as determined by beta. It determines the portfolio's non-systemic return, or its historical performance not explained by movements of the market.

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

Consistency - The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. Higher consistency indicates the manager has contributed more to the product's performance.

Distributed to Paid In (DPI) - The ratio of money distributed to Limited Partners by the fund, relative to contributions. It is calculated by dividing cumulative distributions by paid in capital. This multiple shows the investor how much money they got back. It is a good measure for evaluating a fund later in its life because there are more distributions to measure against.

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

Downside Risk - A measure similar to standard deviation that utilizes only the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. A higher factor is indicative of a riskier product.

Excess Return - Arithmetic difference between the manager's performance and the risk-free return over a specified time period.

Excess Risk - A measure of the standard deviation of a portfolio's performance relative to the risk free return.

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

Public Market Equivalent (PME) - Designs a set of analyses used in the Private Equity Industry to evaluate the performance of a Private Equity Fund against a public benchmark or index.

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

Return - Compounded rate of return for the period.

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

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

Total Value to Paid In (TVPI) - The ratio of the current value of remaining investments within a fund, plus the total value of all distributions to date, relative to the total amount of capital paid into the fund to date. It is a good measure of performance before the end of a fund's life

Tracking Error - This is a measure of the standard deviation of a portfolio's returns in relation to the performance of its designated market benchmark.

Treynor Ratio - Similar to Sharpe ratio but utilizes beta rather than excess risk as determined by standard deviation. It is calculated by taking the excess rate of return above the risk free rate divided by beta to derive the absolute rate of return per unit of risk. A higher value indicates a product has achieved better historical risk-adjusted performance.

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

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

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

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

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U.S. Core Fixed Income Manager Analysis
March 31, 2018

Town of Palm Beach Retirement System

Purpose for this Manager Evaluation Report

The goal of this search is to assess high-quality bond managers to potentially replace the current Goldman Sachs Core Plus mandate.

Investment Options for this Manager Evaluation Report

Firm Name	Strategy Name	Vehicle	Management Fee	Investment Minimum
Agincourt Capital Management	Agincourt Core Fixed Income	SA	0.25% on the first $25 million; 0.20% on the next $75 million; 0.15% on the first $50 million; 0.10% on the next $50 million; 0.05% thereafter	$5 million
Galliard Capital Management	Galliard Broad Market Core	SA	0.20% on the first $50 million; 0.15% on the next $50 million; 0.10% thereafter	$25 million (negotiated)
Garcia Hamilton & Associates	Garcia Hamilton Fix-Inc Aggregate	SA	0.25% on the first $25 million; 0.20% thereafter	$5 million
Integrity Fixed Income Management	Integrity Core Aggregate	SA	0.25% on the first $30 million; 0.20% thereafter	None
Goldman Sachs	Goldman Sachs Core Plus	SA	0.24%	Not Applicable

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.

Investment Option Comparison

	Agincourt Core Fixed Income	Galliard Broad Market Core	Garcia Hamilton Aggregate	Integrity Core Aggregate*
Firm Information				
Year Founded	1/1/1999	1/1/1995	6/1/1988	1/1/2005
US Headquarters Location	Richmond, VA	Minneapolis, MN	Houston, Texas	Orlando, FL
Number of Major Global Offices	1	1	1	1
Year Began Managing Ext. Funds	1/1/1999	1/1/1995	1/1/1988	1/1/2006
Firm AUM ($ M)	6,355	93,923	9,597	399
Ownership Type	Independent	Subsidiary	Independent	Independent
Largest Owner (Name)	Brad Coats	Wells Fargo	Gilbert Garcia	Michelle Denney
Employee Ownership (%)	100	0	100	100
Qualify as Emerging Manager?	No	No	Yes	Yes
Team Information				
Decision Making Structure	Team	Team	PM-Led	Team
Number of Decision Makers	11	2	1	3
Names of Decision Makers	11 Team members	Richard Merriam, Ajay Mirza	Gilbert Garcia	E. Denney, T. Fant, C. Caputo
Date Began Managing Strategy	1999	1995	2002	2007, 2016, 2007
Date Began with Firm	1999	1995	2002	2005, 2016, 2005
Number of Products Managed by Team	5	6	11	6
Number of Investment Analysts	3	14	9	0
Investment Analyst Team Structure	Sector/Industry Specialists	Sector/Industry Specialists	Generalists	N/A

***Integrity Core Aggregate claims GIPS compliance, but is not independently verified.**

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

	Agincourt Core Fixed Income	Galliard Broad Market Core	Garcia Hamilton Aggregate	Integrity Core Aggregate
Strategy Information				
Inception Date	1/1/1999	10/1/1995	12/31/1991	3/1/2007
Open/Closed	Open	Open	Open	Open
Primary Benchmark	BBgBarc US Agg Bond	BBgBarc US Agg Bond	BBgBarc US Agg Bond	BBgBarc US Agg Bond
Secondary Benchmark	N/A	N/A	N/A	N/A
Peer Universe	US Core Fixed Income	US Core Fixed Income	US Core Fixed Income	US Core Fixed Income
Outperformance Estimate (%)	0.5	0.5-0.7	N/A	1.2
Tracking Error Estimate (%)	0.6	1.00 or less	N/A	0.4-.8
Strategy AUM ($ M)	1,801	1,890	6,807	71
Strategy AUM as % Firm Assets	28	2	71	18
Investment Approach - Primary	Combination	Combination	Top-Down	Top-Down
Investment Approach - Secondary	Hybrid	Fundamental	Hybrid	Fundamental
Portfolio Construction Information				
Broad Style Category	Core Fixed Income	Core Fixed Income	Core Fixed Income	Core Fixed Income
Style Bias	Relative Value	Relative Value	Macro	Relative Value
Duration Constraint Type	Relative	Relative	Absolute	Relative
Duration Constraint (%)	+/- 10%	+/- 10%	0 - 7 years	+/-25
Sector Constraint Type	contribution-to-duration (CTD)	Absolute	Absolute	N/A
Sector Constraints (%)	Corp.: -.25/+1.5 yr; MBS: -1/+1.25 yr	Max. Corp, MBS: 65; ABS: 30; Muni; 25	Max: Treas: 75; Agency, MBS, Corp: 60	N/A
Typical Sector/s Overweight	Corporates, Agency MBS, CMBS	Spread Sectors	Varies	Credit sectors
Typical Sector/s Underweight	Treasuries, Agencies	Treasuries, Agencies	Varies	Treasury, Agency
Typical Number of Holdings	120	200-350	35-45	100
Average Full Position Size (%)	1	Credit: 0.3-0.5; Structured: 0.5-0.75	3	Varies
Maximum Position Size (%)	3	5	5	A = 2, BBB = 1
Annual Typical Asset Turnover (%)	40	~20-30	45-75	75-100
Annual Typical Name Turnover (%)	5	~10-20	45-75	N/A
Max <BBB Credit (%)	0	25	0	0
Maximum Foreign Exposure (%)	0	0	0	0
Maximum Cash Allocation (%)	5	5	5	10
Derivatives Used?	No	Yes	No	No

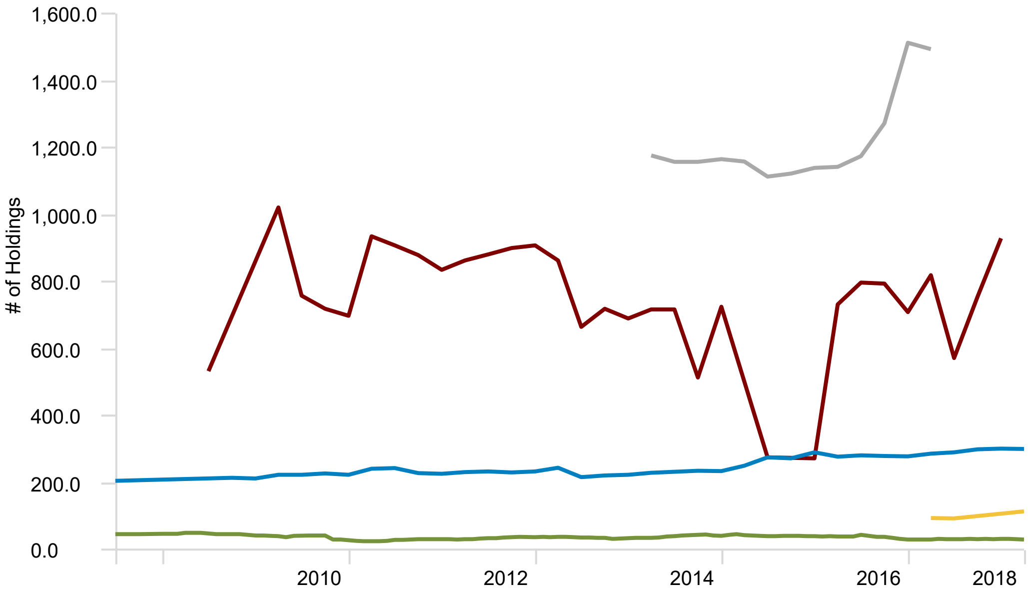
The source of data and figures provided is generally the respective managers. Certain data represents AndCo's view and could differ from the manager's interpretation. The most current AUM of each strategy may therefore differ from what is currently stated.

	Agincourt Core Fixed Income	Galliard Broad Market Core	Garcia Hamilton Aggregate	Integrity Core Aggregate	Goldman Sachs Core Plus
COMPOSITION					
# of Holdings	302	1,494	32	116	930
% Asset in Top 10 Holdings	25.35		62.58	32.70	11.83
Asset Alloc Cash %	0.87	0.36	0.00	1.79	1.53
Asset Alloc Equity %	0.00	0.00	3.94	0.00	0.00
Asset Alloc Bond %	99.13	99.50	96.06	98.21	95.84
Asset Alloc Other %	0.00	0.14	0.00	0.00	2.63
STATISTICS					
Average Eff Duration	5.84	5.82	4.58		5.58
Average Eff Maturity	8.08	7.82	8.30		16.22
Average Coupon	4.09	3.28	2.68	4.59	
Yield to Maturity	3.37	3.08	2.61	3.50	4.32
Average Credit Quality	A	AA	AA		BBB
SECTOR ALLOCATION					
Government %	9.03	4.81	38.91	12.74	18.46
Government Related %	2.14	6.41	14.43	2.21	3.04
Municipal Taxable %	0.00	7.89	0.00	3.66	0.99
Municipal Tax-Exempt %	0.00	0.12	0.00	0.00	0.16
Bank Loan %	0.00	0.00	0.00	0.00	0.09
Corporate Bond %	53.03	32.82	30.98	58.44	29.03
Agency Mortgage-Backed %	31.53	32.24	11.74	20.61	24.42
Non-Ag. Res. Mortgage-Backed %	0.00	0.01	0.00	0.00	0.11
Commercial Mortgage-Backed %	3.25	8.74	0.00	0.00	0.01
Asset-Backed %	0.14	6.42	0.00	0.55	19.88
Cash & Equivalents %	0.87	0.22	0.00	1.79	1.44

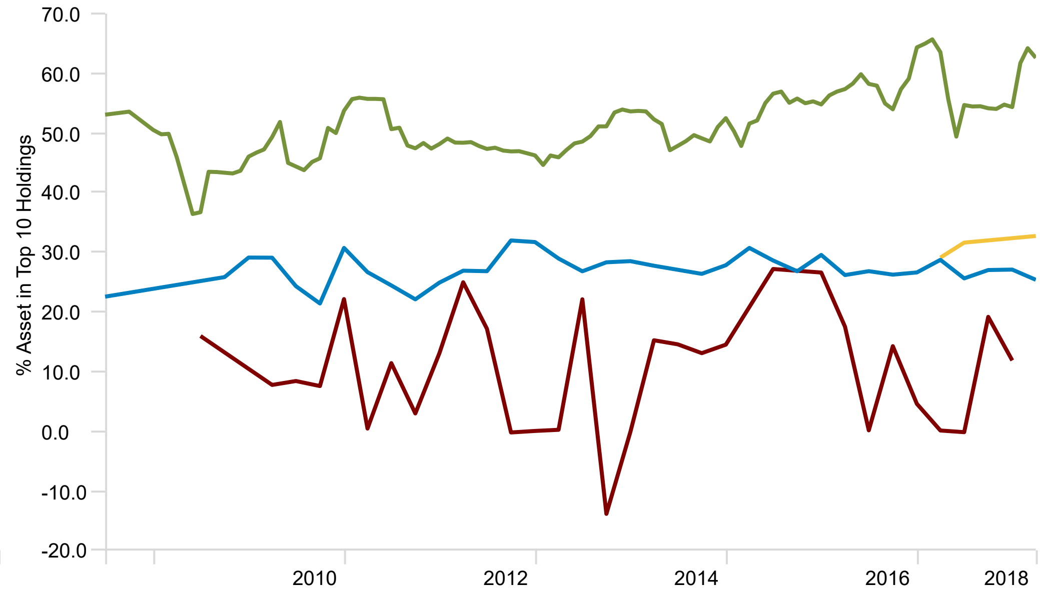
Morningstar Direct does not provide fundamental data on Bloomberg Barclays' fixed income indices.

	Agincourt Core Fixed Income	Galliard Broad Market Core	Garcia Hamilton Aggregate	Integrity Core Aggregate	Goldman Sachs Core Plus
MATURITY DISTRIBUTION					
Maturity 1-3 Yr %	9.95	4.93	25.51	18.61	4.10
Maturity 3-5 Yr %	19.51	11.88	28.44	9.29	10.01
Maturity 5-7 Yr %	9.27	15.14	11.16	12.53	12.35
Maturity 7-10 Yr %	7.37	14.30	8.88	12.63	16.15
Maturity 10-15 Yr %	2.87	5.94	0.00	7.95	26.53
Maturity 15-20 Yr %	6.03	10.29	0.00	13.25	3.94
Maturity 20-30 Yr %	39.99	31.65	0.00	15.15	35.91
Maturity 30+ Yr %	0.60	5.07	0.00	2.07	5.41
QUALITY DISTRIBUTION					
Credit Qual AAA %	47.11	64.11	67.75	35.20	65.72
Credit Qual AA %	2.81	9.04	0.00	6.90	2.86
Credit Qual A %	18.46	15.49	31.23	45.40	11.15
Credit Qual BBB %	31.62	11.34	1.02	12.50	15.57
Credit Qual BB %	0.00	0.01	0.00	0.00	1.39
Credit Qual B %	0.00	0.00	0.00	0.00	1.02
Credit Qual Below B %	0.00	0.01	0.00	0.00	1.20
Credit Qual Not Rated %	0.00	0.00	0.00	0.00	1.09

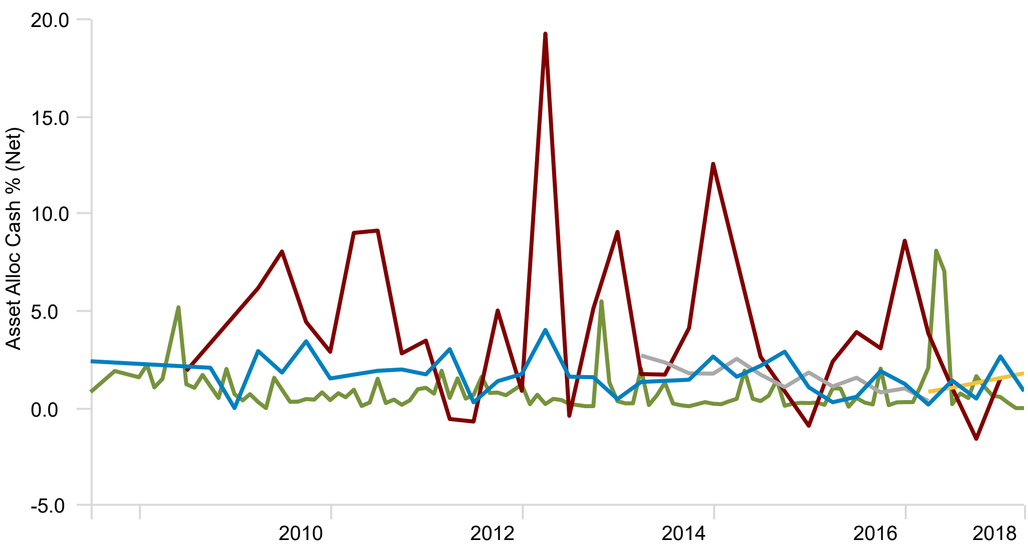
Historical Number of Holdings



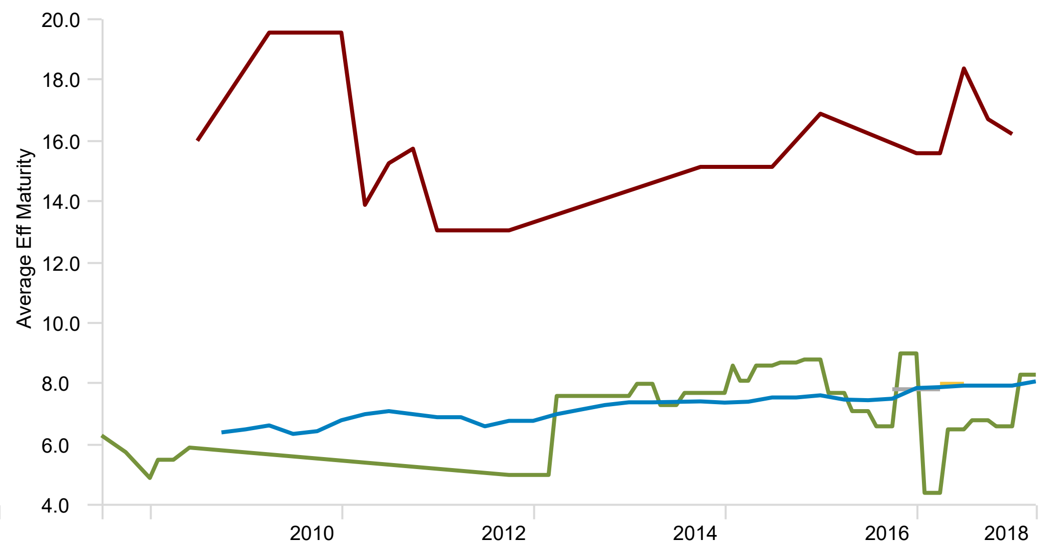
Historical Percentage of Assets in Top 10 Holdings



Historical Cash Allocation



Historical Effective Maturity

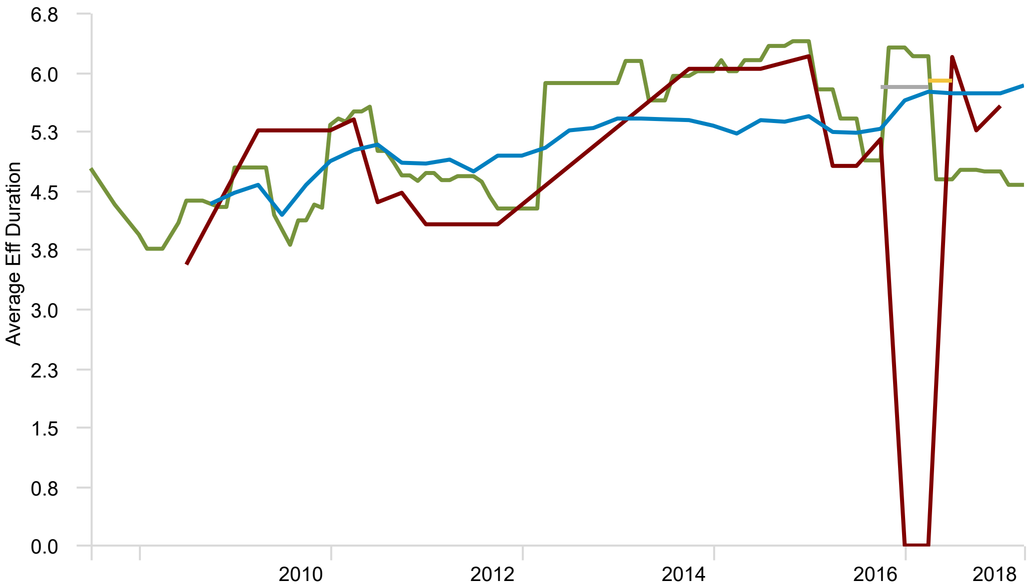


Agincourt Core Fixed Income | Galliard Broad Market Core | Garcia Hamilton Aggregate
Integrity Core Aggregate | Goldman Sachs Core Plus | BBgBarc US Agg Bond TR USD

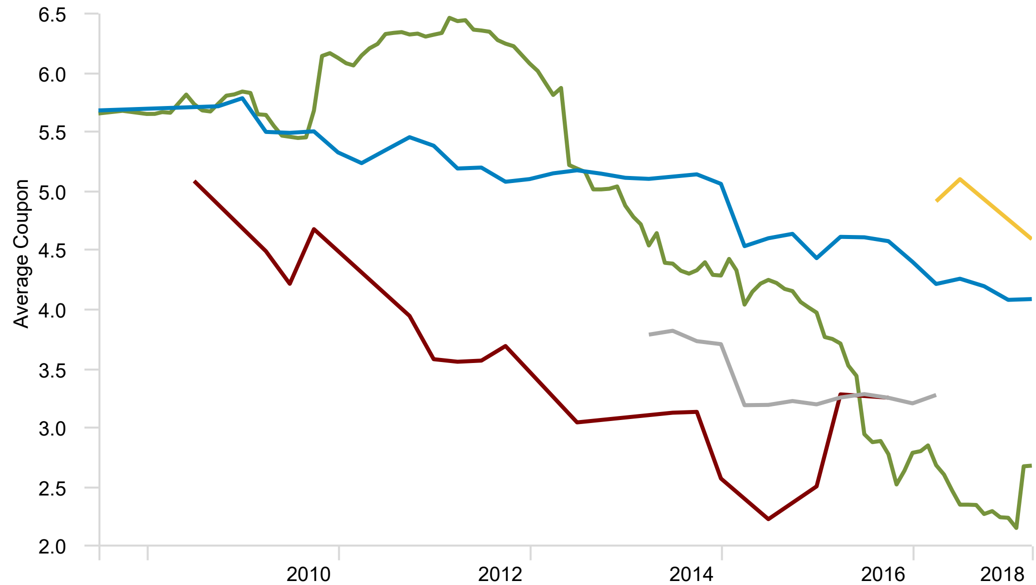
Historical Portfolio Characteristics Comparison

As of 3/31/2018

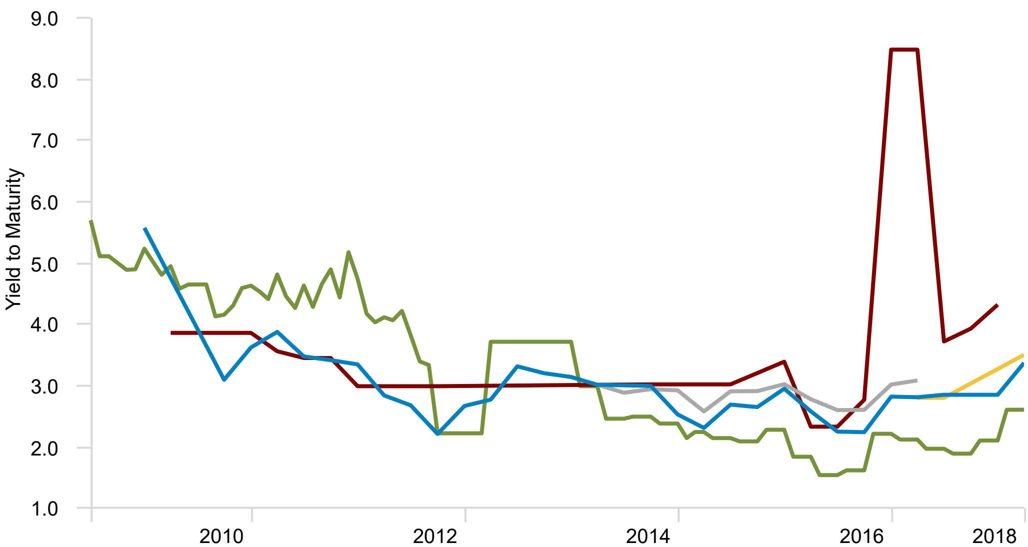
Historical Average Effective Duration



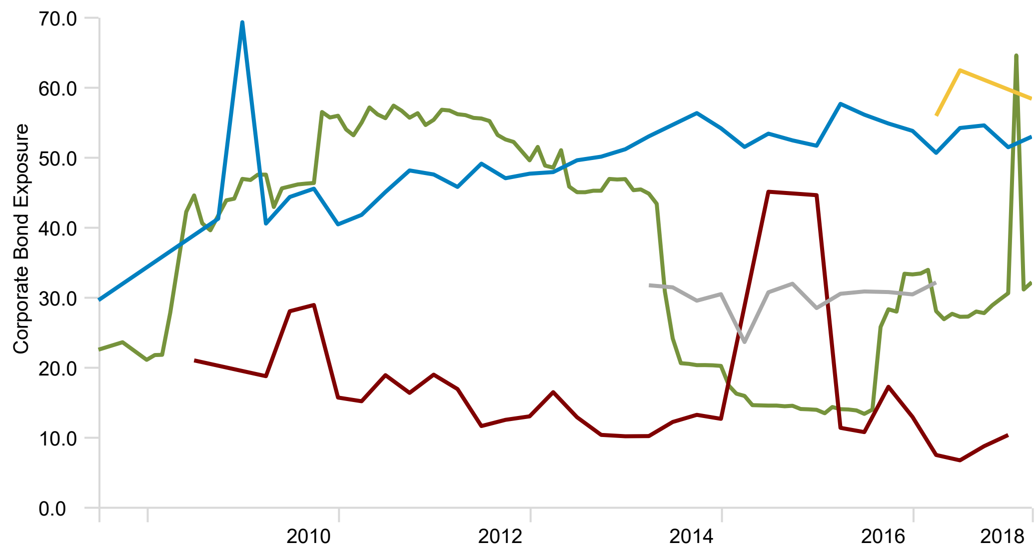
Historical Average Coupon



Historical Yield to Maturity



Historical Corporate Bond Exposure



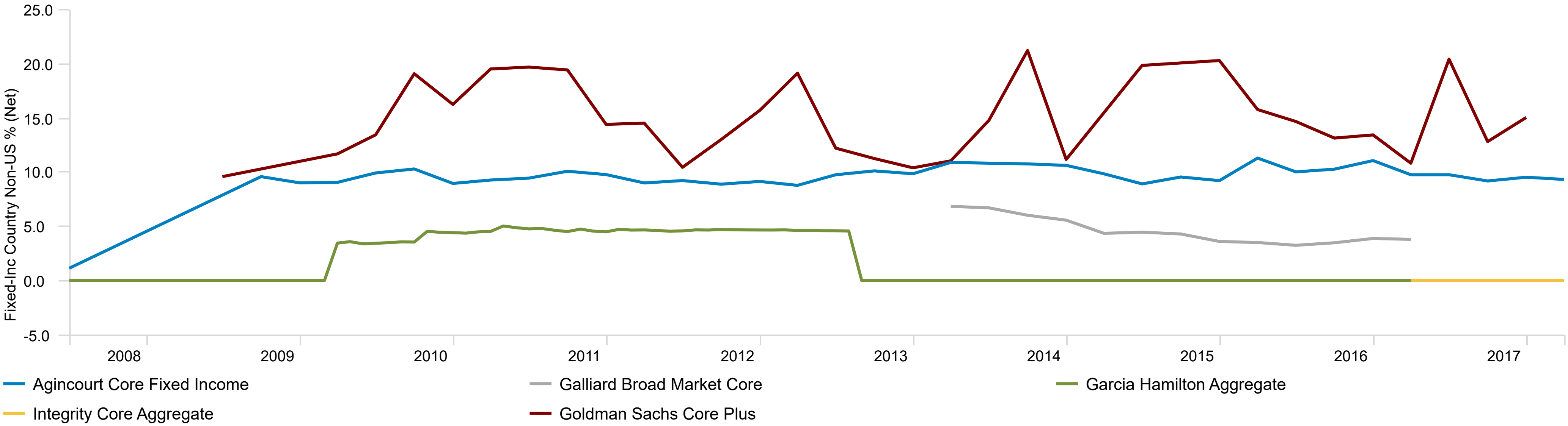
- Agincourt Core Fixed Income
- Galliard Broad Market Core
- Garcia Hamilton Aggregate
- Integrity Core Aggregate
- Goldman Sachs Core Plus

Current Portfolio Region Allocation

Portfolio Date: 3/31/2017

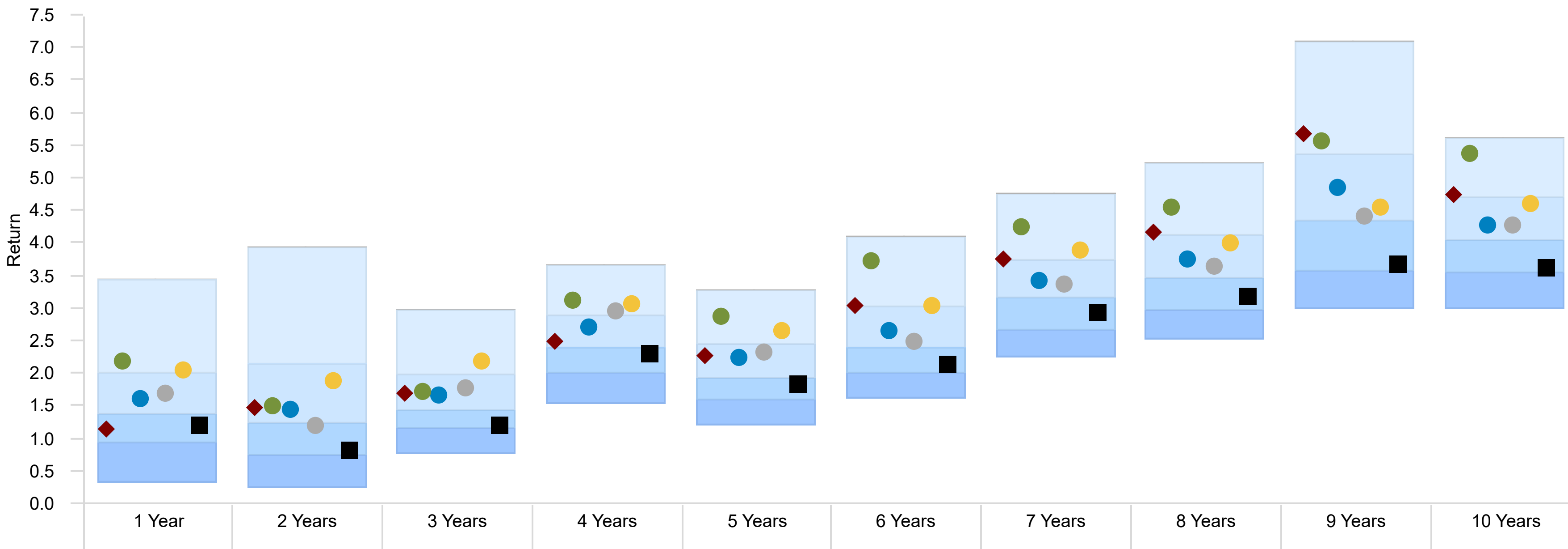
	Agincourt Core Fixed Income	Galliard Broad Market Core	Garcia Hamilton Aggregate	Integrity Core Aggregate	Goldman Sachs Core Plus
Fixed-Inc Country United States %	90.21	96.18	100.00	100.00	88.19
North America %	93.12	96.87	100.00	100.00	
Latin America %	1.06	0.16	0.00	0.00	
United Kingdom %	2.13	0.89	0.00	0.00	
Europe dev %	3.50	1.50	0.00	0.00	
Europe emrg %	0.00	0.00	0.00	0.00	
Japan %	0.00	0.25	0.00	0.00	
Australasia %	0.19	0.04	0.00	0.00	
Asia dev %	0.00	0.09	0.00	0.00	
Asia emrg %	0.00	0.14	0.00	0.00	
Africa/Middle East %	0.00	0.06	0.00	0.00	
Developed %	99.20	99.63	100.00	100.00	
Emerging %	0.80	0.37	0.00	0.00	

Historical Non-US Portfolio Exposure



Quantitative Review

Peer Group (5-95%): Separate Accounts/CITs - U.S. - Intermediate-Term Bond

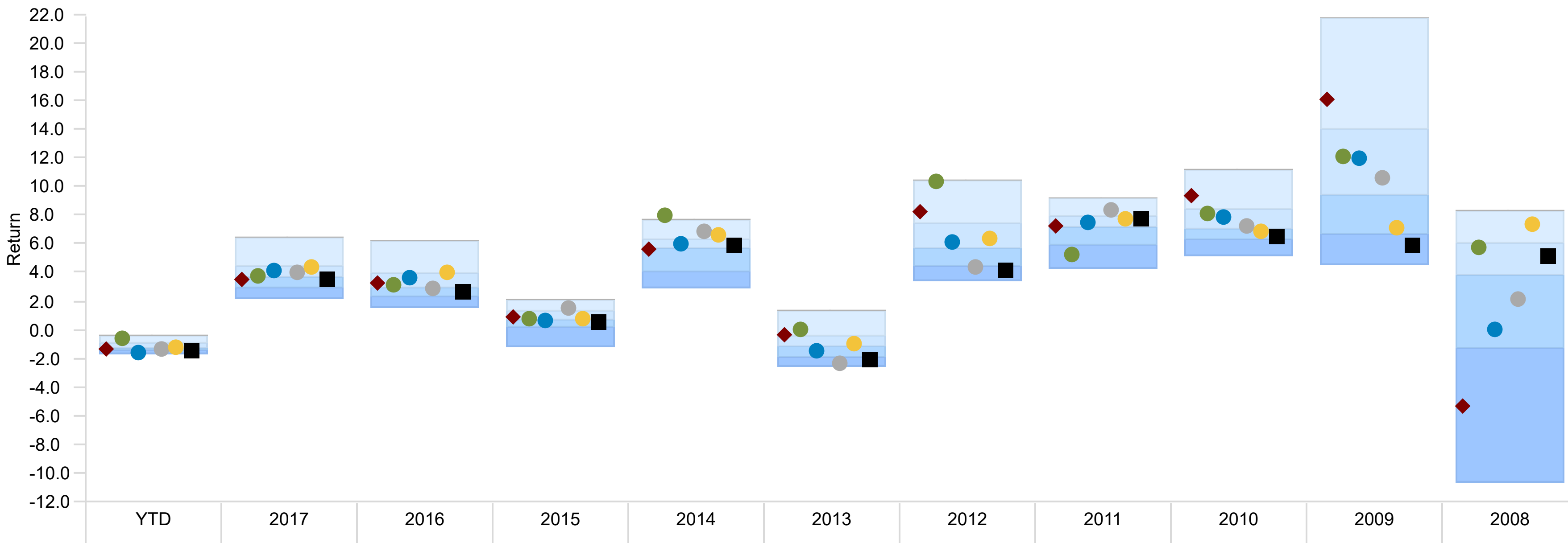


	1 Year	Rank	2 Years	Rank	3 Years	Rank	4 Years	Rank	5 Years	Rank	6 Years	Rank	7 Years	Rank	8 Years	Rank	9 Years	Rank	10 Years	Rank
Agincourt Core Fixed Income	1.62	40	1.46	41	1.68	36	2.72	31	2.25	32	2.67	37	3.43	36	3.77	36	4.85	36	4.29	40
Galliard Broad Market Core	1.69	38	1.21	51	1.79	32	2.98	21	2.34	29	2.50	44	3.37	38	3.65	41	4.41	47	4.27	41
Garcia Hamilton Aggregate	2.20	21	1.51	40	1.73	34	3.13	16	2.88	12	3.72	10	4.26	11	4.56	12	5.57	20	5.37	9
Integrity Core Aggregate	2.06	24	1.88	31	2.19	19	3.08	17	2.66	18	3.04	25	3.89	19	4.02	28	4.56	43	4.61	28
Goldman Sachs Core Plus	1.14	63	1.48	41	1.70	35	2.51	42	2.27	32	3.04	25	3.75	25	4.17	23	5.68	19	4.76	22
BBgBarc US Agg Bond TR USD	1.20	59	0.82	69	1.20	70	2.31	56	1.82	59	2.15	66	2.92	61	3.20	62	3.69	69	3.63	68

Agincourt Core Fixed Income | Galliard Broad Market Core | Garcia Hamilton Aggregate
Integrity Core Aggregate | Goldman Sachs Core Plus | BBgBarc US Agg Bond TR USD

Returns Net of Fees.

Peer Group (5-95%): Separate Accounts/CITs - U.S. - Intermediate-Term Bond



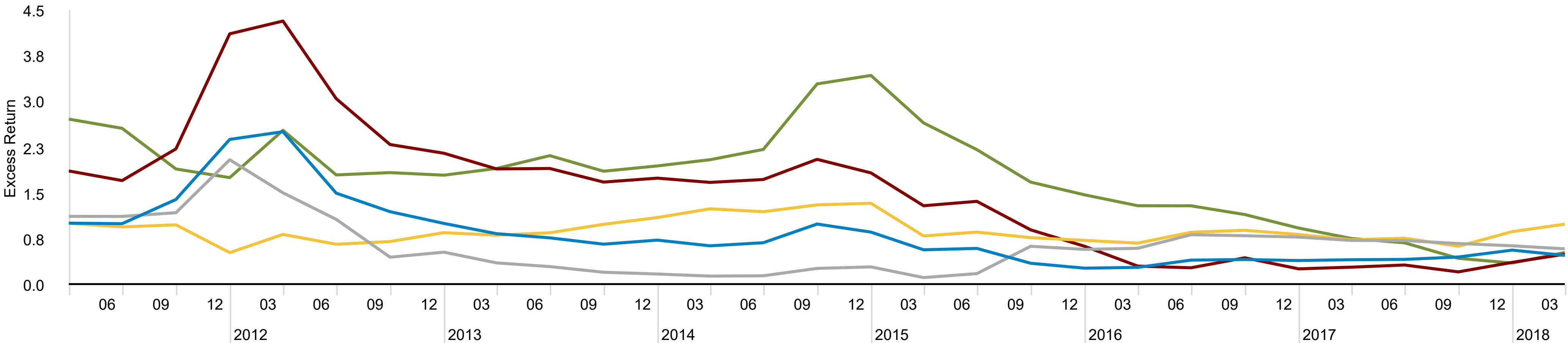
	YTD	Rank	2017	Rank	2016	Rank	2015	Rank	2014	Rank	2013	Rank	2012	Rank	2011	Rank	2010	Rank	2009	Rank	2008	Rank
Agincourt Core Fixed Income	-1.54	83	4.14	35	3.62	34	0.69	48	6.03	35	-1.44	61	6.16	43	7.49	38	7.94	32	12.08	35	0.04	70
Galliard Broad Market Core	-1.36	61	4.06	37	2.97	50	1.61	12	6.93	11	-2.26	85	4.41	73	8.45	12	7.35	43	10.68	42	2.17	61
Garcia Hamilton Aggregate	-0.59	8	3.81	46	3.16	44	0.84	42	8.01	3	0.08	14	10.46	5	5.34	85	8.21	29	12.13	35	5.86	27
Integrity Core Aggregate	-1.20	45	4.39	26	4.11	22	0.86	41	6.67	15	-0.87	41	6.37	39	7.81	28	6.95	50	7.12	69	7.45	9
Goldman Sachs Core Plus	-1.30	56	3.61	53	3.27	40	0.95	39	5.70	50	-0.34	22	8.31	17	7.27	46	9.46	14	16.09	18	-5.24	86
BBgBarc US Agg Bond TR USD	-1.46	70	3.54	57	2.65	62	0.55	57	5.97	38	-2.02	78	4.21	78	7.84	27	6.54	63	5.93	82	5.24	37

- Agincourt Core Fixed Income
- Galliard Broad Market Core
- Garcia Hamilton Aggregate
- Integrity Core Aggregate
- Goldman Sachs Core Plus
- BBgBarc US Agg Bond TR USD

Rolling Excess Returns

Time Period: 4/1/2008 to 3/31/2018

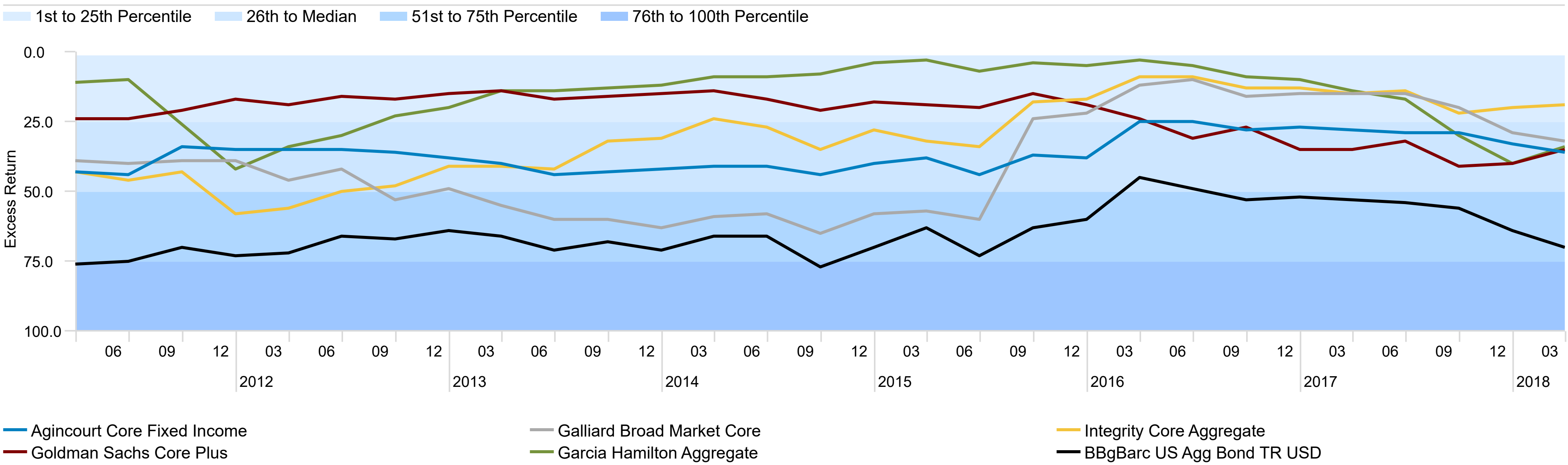
Rolling Window: 3 Years 3 Months shift   Calculation Benchmark: BBgBarc US Agg Bond TR USD



Rolling Excess Return Rankings

Time Period: 4/1/2008 to 3/31/2018

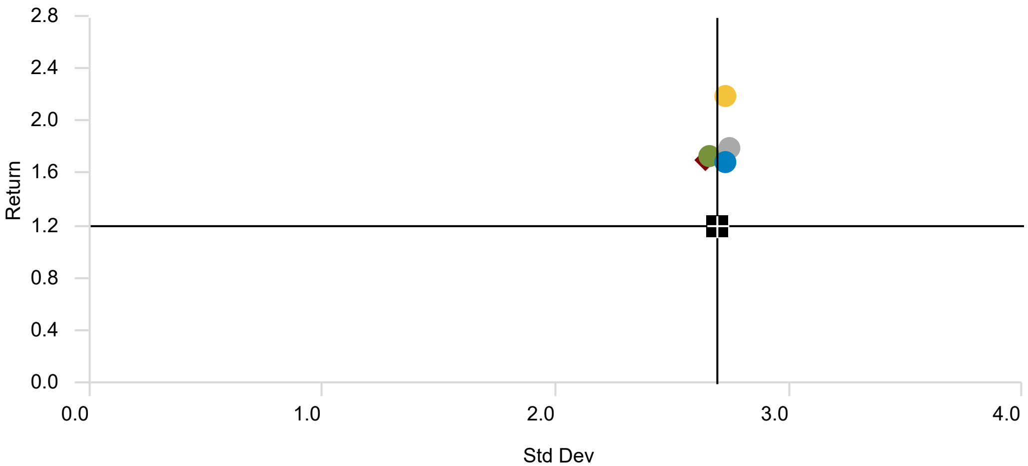
Rolling Window: 3 Years 3 Months shift   Calculation Benchmark: BBgBarc US Agg Bond TR USD



Risk-Reward: 3-Year

Time Period: 4/1/2015 to 3/31/2018

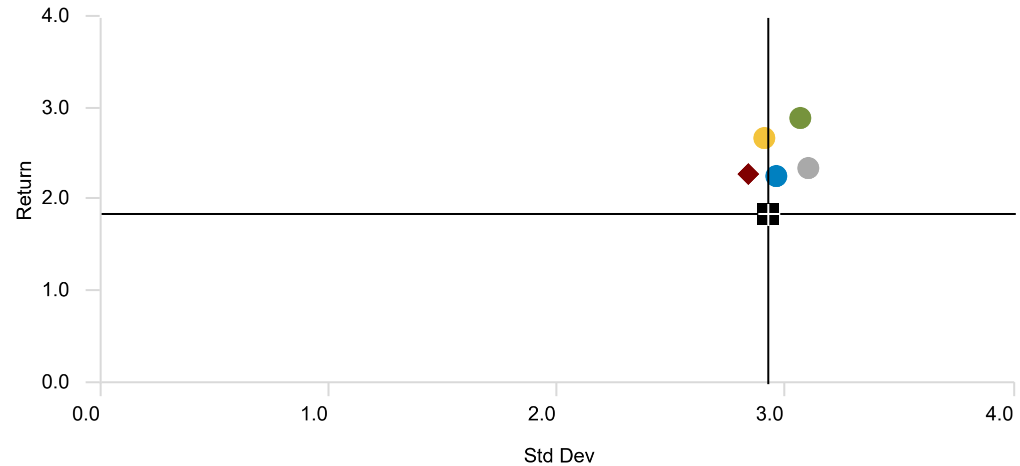
Calculation Benchmark: BBgBarc US Agg Bond TR USD



Risk-Reward: 5-Year

Time Period: 4/1/2013 to 3/31/2018

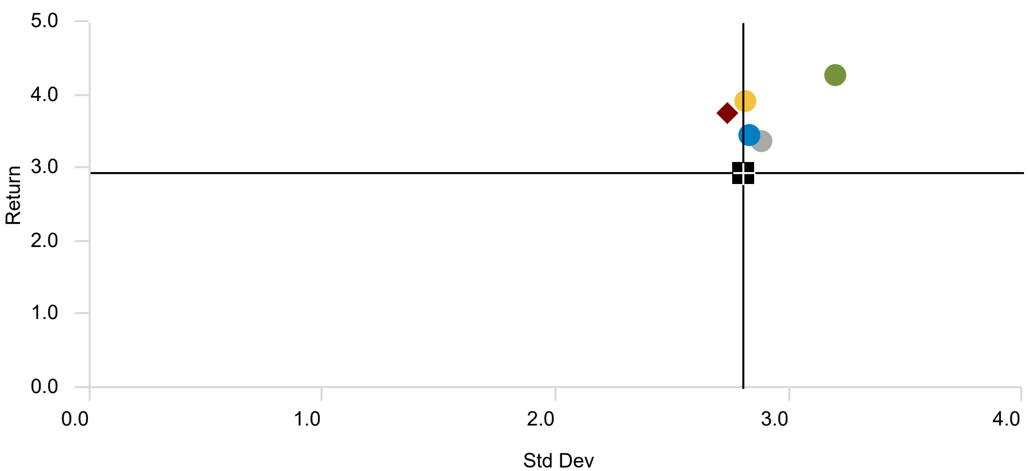
Calculation Benchmark: BBgBarc US Agg Bond TR USD



Risk-Reward: 7-Year

Time Period: 4/1/2011 to 3/31/2018

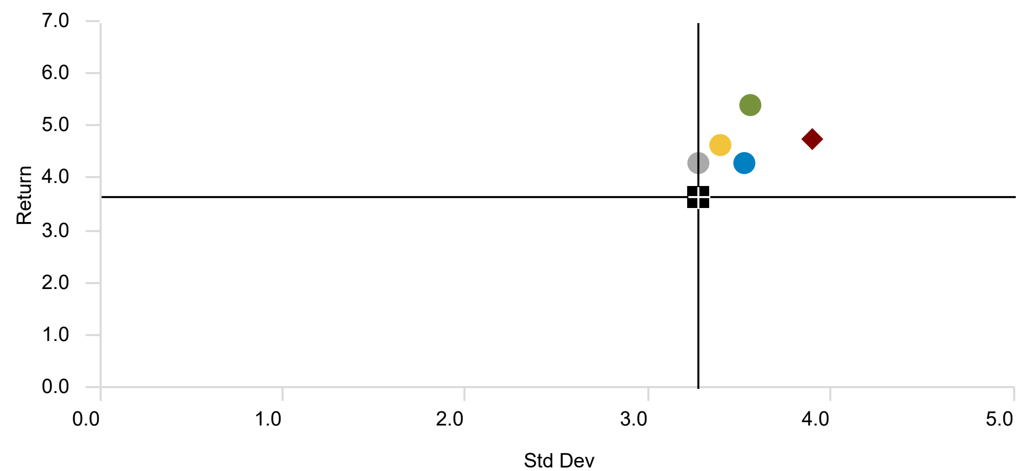
Calculation Benchmark: BBgBarc US Agg Bond TR USD



Risk-Reward: 10-Year

Time Period: 4/1/2008 to 3/31/2018

Calculation Benchmark: BBgBarc US Agg Bond TR USD

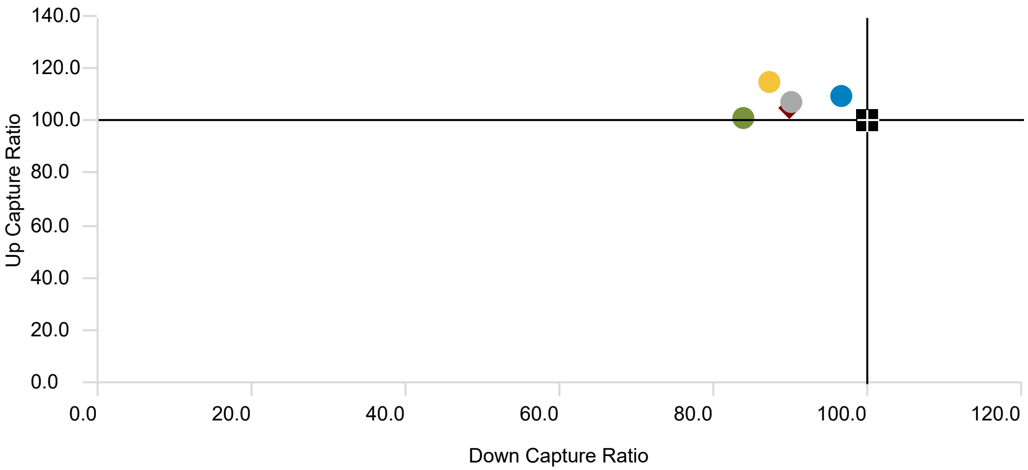


- Agincourt Core Fixed Income
- Galliard Broad Market Core
- Garcia Hamilton Aggregate
- Integrity Core Aggregate
- Goldman Sachs Core Plus
- BBgBarc US Agg Bond TR USD

Up and Down Market Capture: 3-Year

Time Period: 4/1/2015 to 3/31/2018

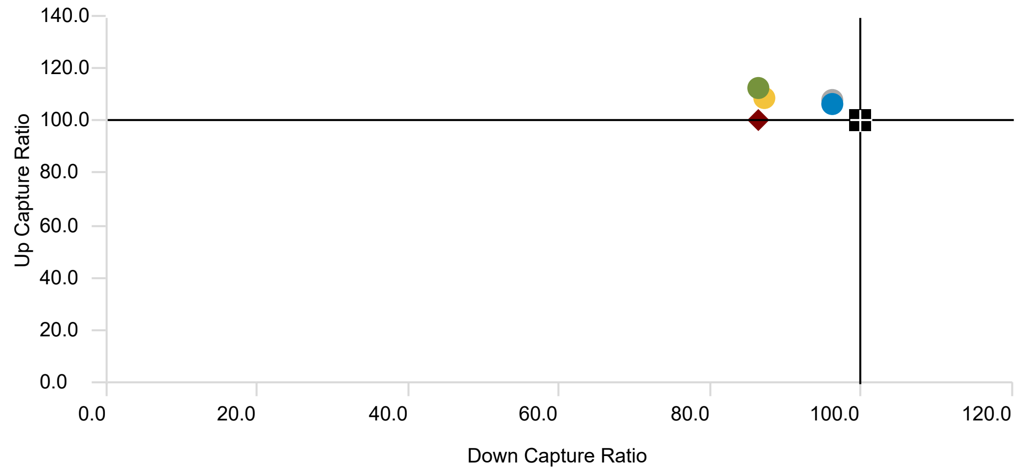
Calculation Benchmark: BBgBarc US Agg Bond TR USD



Up and Down Market Capture: 5-Year

Time Period: 4/1/2013 to 3/31/2018

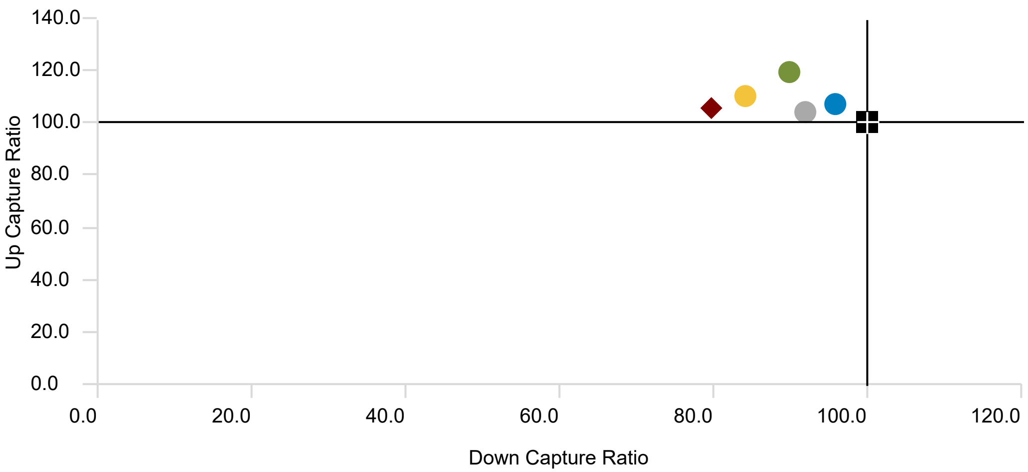
Calculation Benchmark: BBgBarc US Agg Bond TR USD



Up and Down Market Capture: 7-Year

Time Period: 4/1/2011 to 3/31/2018

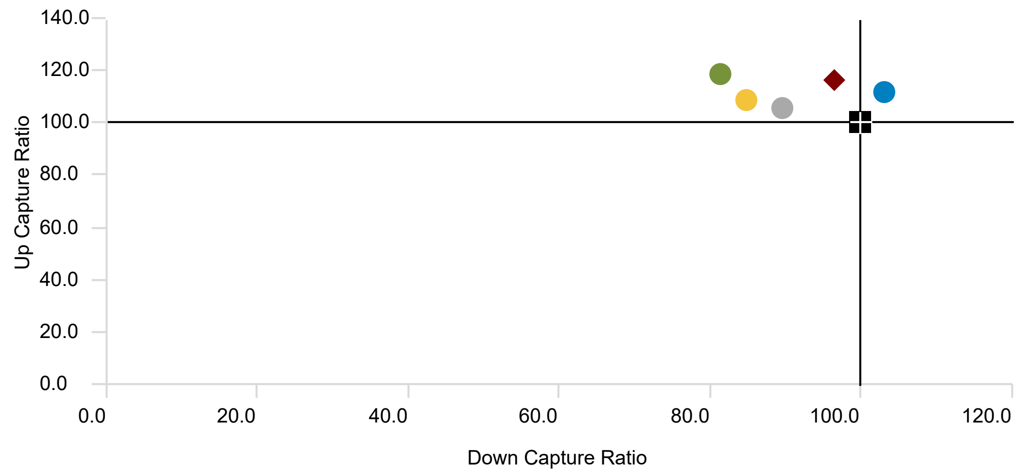
Calculation Benchmark: BBgBarc US Agg Bond TR USD



Up and Down Market Capture: 10-Year

Time Period: 4/1/2008 to 3/31/2018

Calculation Benchmark: BBgBarc US Agg Bond TR USD

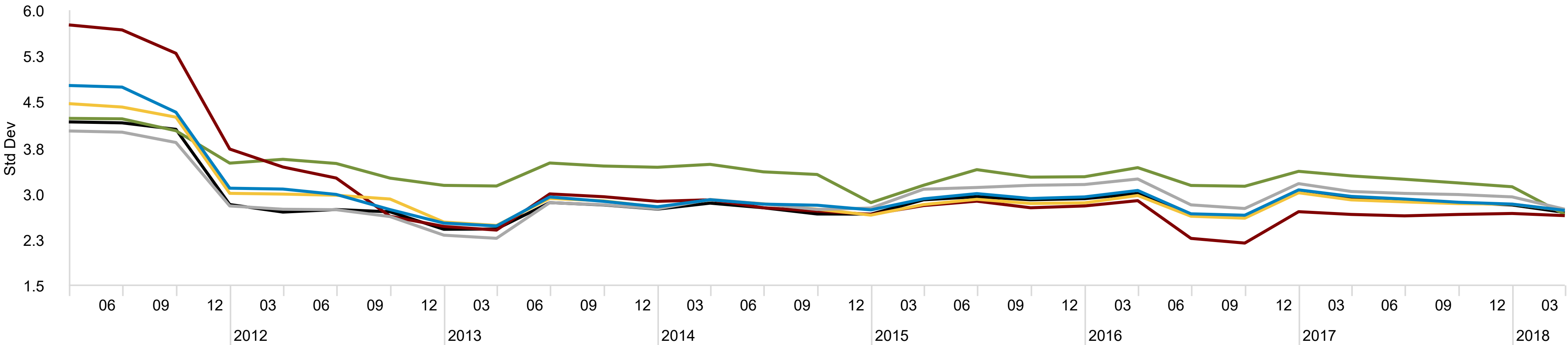


- Agincourt Core Fixed Income
- Galliard Broad Market Core
- Garcia Hamilton Aggregate
- Integrity Core Aggregate
- Goldman Sachs Core Plus
- BBgBarc US Agg Bond TR USD

Rolling Standard Deviation

Time Period: 4/1/2008 to 3/31/2018

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

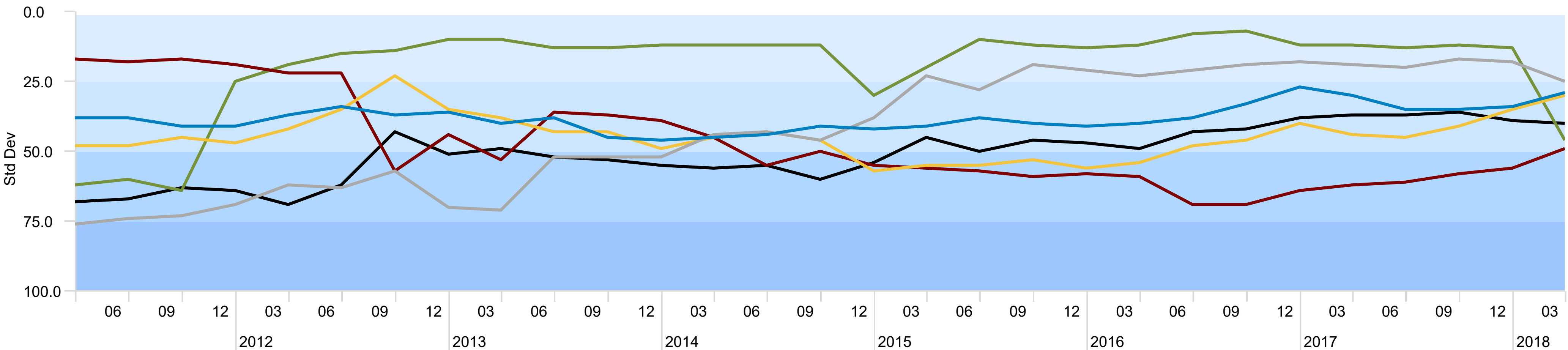


Rolling Standard Deviation Rankings

Time Period: 4/1/2008 to 3/31/2018

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

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

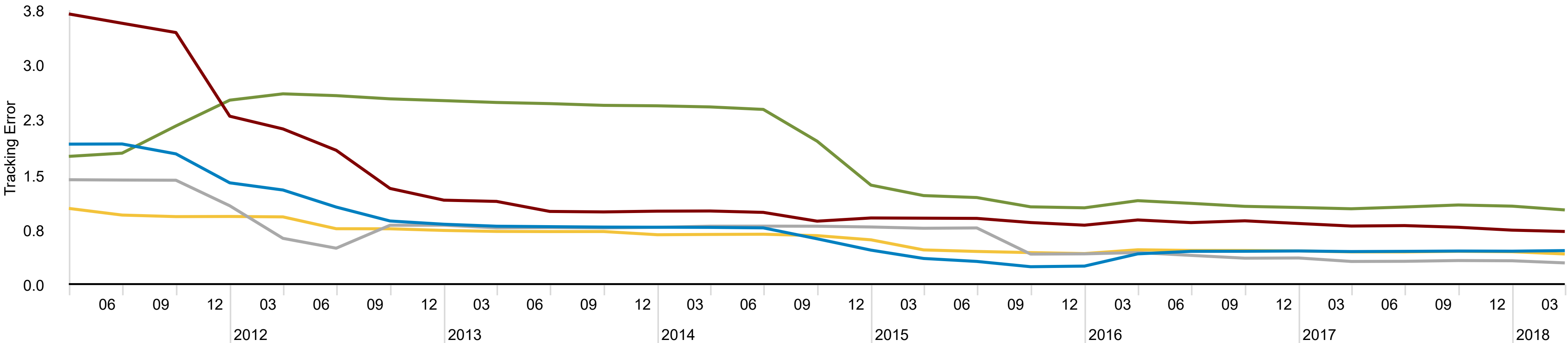


Agincourt Core Fixed Income
Galliard Broad Market Core
Integrity Core Aggregate
Goldman Sachs Core Plus
Garcia Hamilton Aggregate
BBgBarc US Agg Bond TR USD

Rolling Tracking Error

Time Period: 4/1/2008 to 3/31/2018

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

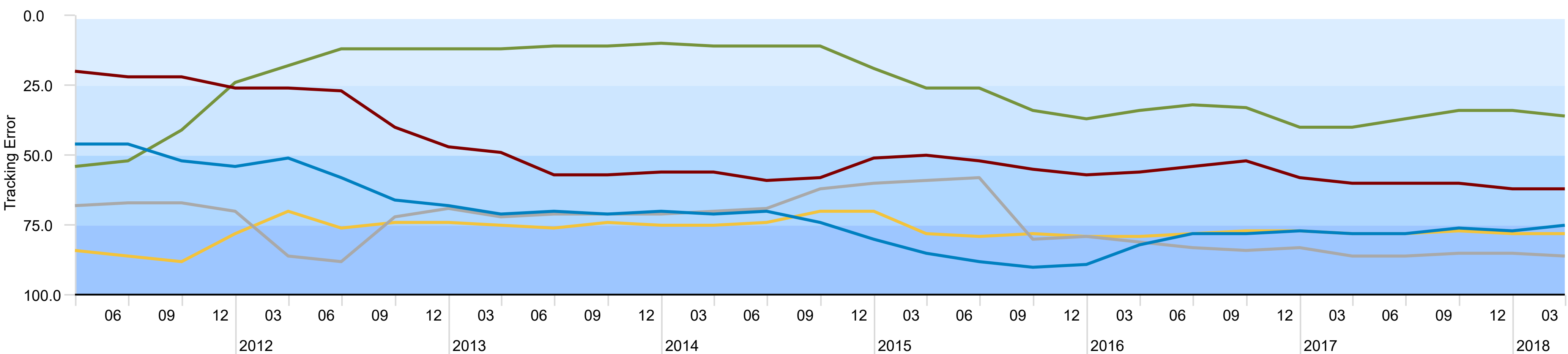


Rolling Tracking Error Rankings

Time Period: 4/1/2008 to 3/31/2018

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

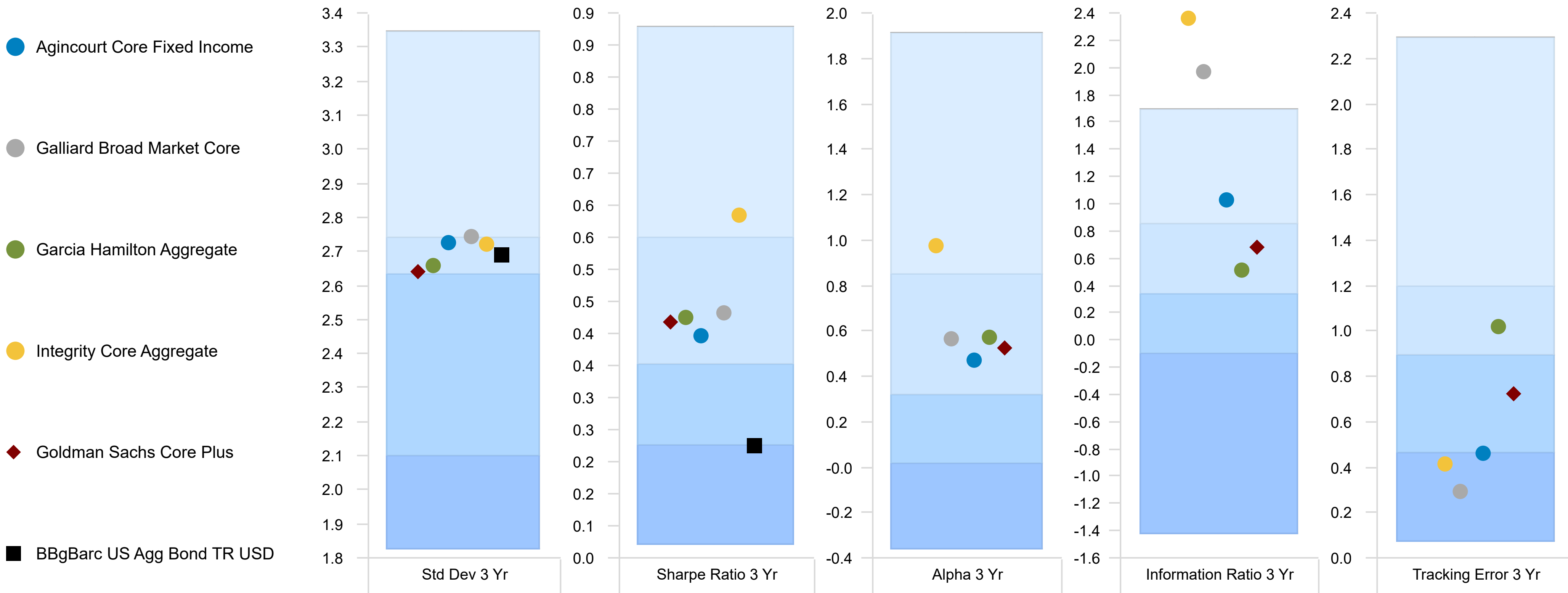
1st to 25th Percentile   26th to Median   51st to 75th Percentile   76th to 100th Percentile



Agincourt Core Fixed Income   Galliard Broad Market Core   Integrity Core Aggregate
Goldman Sachs Core Plus   Garcia Hamilton Aggregate   BBgBarc US Agg Bond TR USD

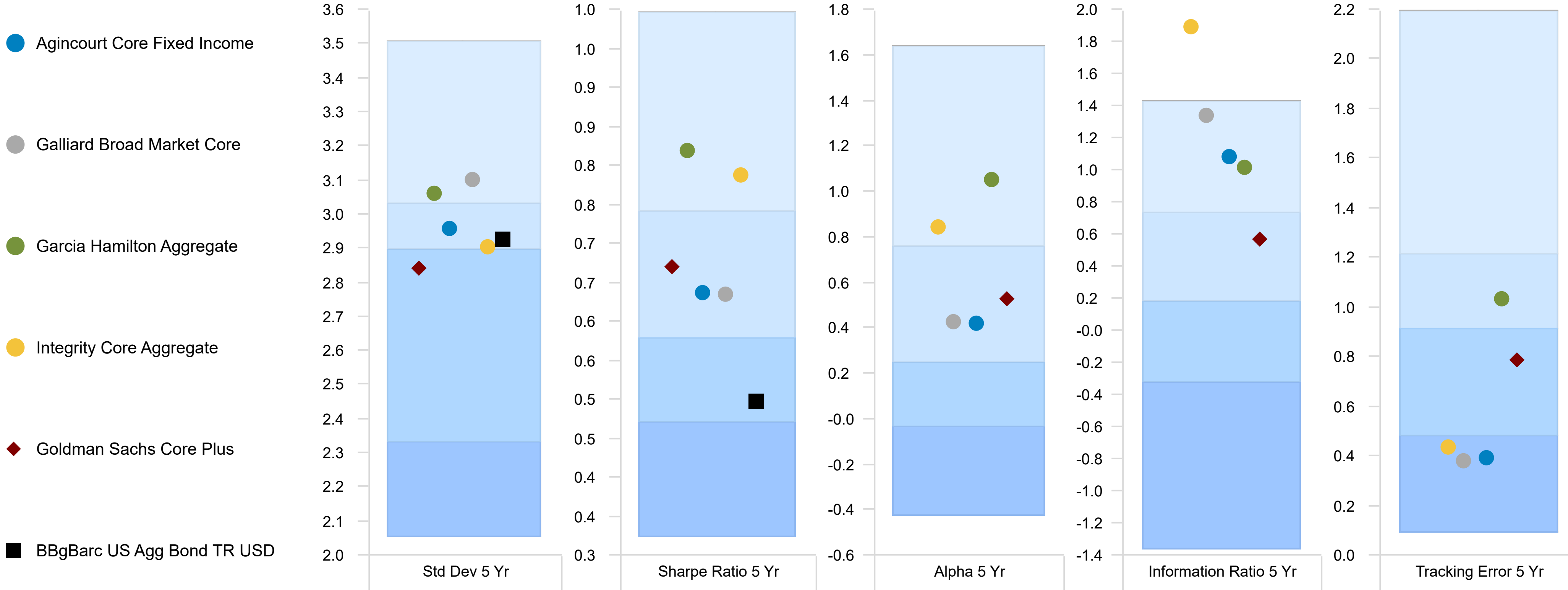
Multi Statistic Analysis

As of 3/31/2018



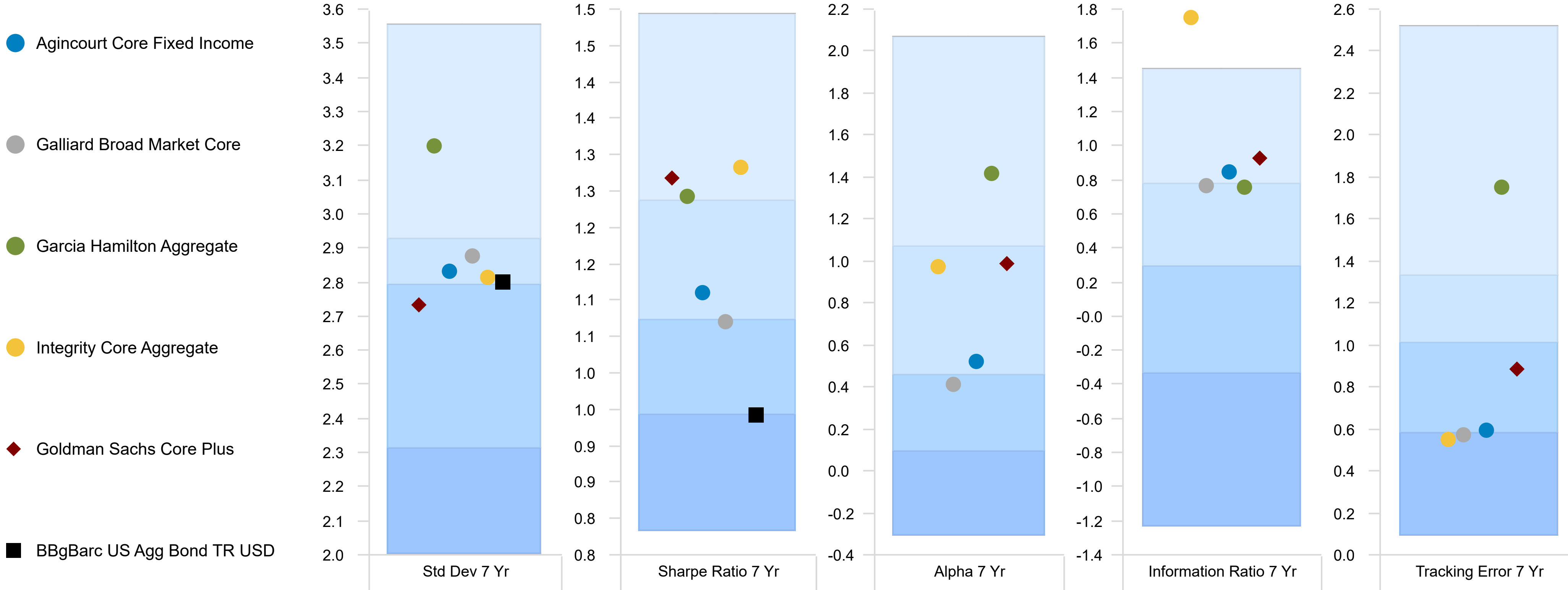
Time Period: 4/1/2015 to 3/31/2018

	Std Dev	Rank	Sharpe Ratio	Rank	Alpha	Rank	Information Ratio	Rank	Tracking Error	Rank
Agincourt Core Fixed Income	2.73	29	0.40	44	0.48	41	1.03	18	0.47	75
Galliard Broad Market Core	2.75	25	0.44	38	0.57	36	1.98	3	0.30	86
Garcia Hamilton Aggregate	2.66	46	0.43	39	0.57	36	0.52	40	1.02	36
Integrity Core Aggregate	2.72	30	0.59	22	0.98	21	2.37	1	0.42	78
Goldman Sachs Core Plus	2.64	49	0.42	41	0.53	38	0.69	33	0.73	62
BBgBarc US Agg Bond TR USD	2.69	40	0.23	75	0.00	77			0.00	100



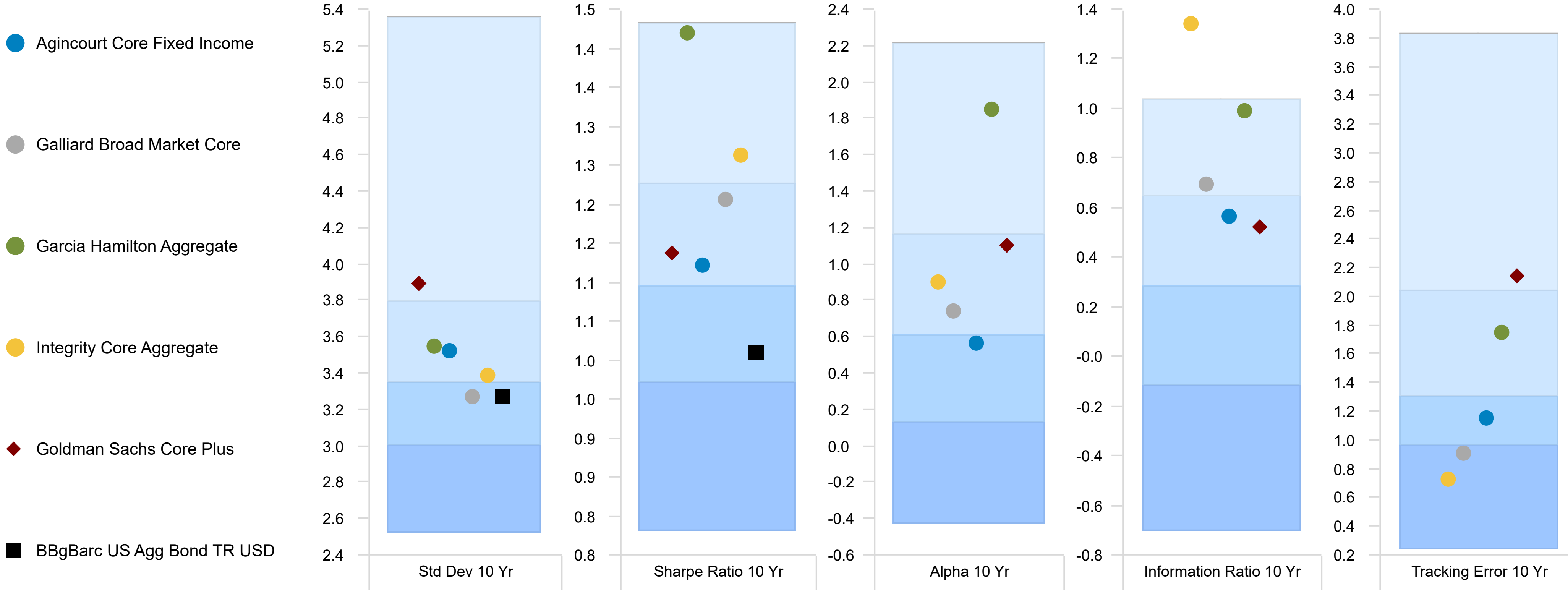
Time Period: 4/1/2013 to 3/31/2018

	Std Dev	Rank	Sharpe Ratio	Rank	Alpha	Rank	Information Ratio	Rank	Tracking Error	Rank
Agincourt Core Fixed Income	2.96	37	0.64	39	0.42	39	1.09	13	0.39	81
Galliard Broad Market Core	3.10	20	0.63	40	0.43	39	1.34	7	0.38	82
Garcia Hamilton Aggregate	3.06	22	0.82	14	1.06	14	1.01	15	1.04	37
Integrity Core Aggregate	2.91	49	0.79	18	0.85	22	1.89	2	0.44	78
Goldman Sachs Core Plus	2.84	55	0.67	33	0.53	33	0.57	32	0.79	58
BBgBarc US Agg Bond TR USD	2.93	44	0.50	68	0.00	71			0.00	100



Time Period: 4/1/2011 to 3/31/2018

	Std Dev	Rank	Sharpe Ratio	Rank	Alpha	Rank	Information Ratio	Rank	Tracking Error	Rank
Agincourt Core Fixed Income	2.83	40	1.11	41	0.52	47	0.85	22	0.60	74
Galliard Broad Market Core	2.88	31	1.07	51	0.41	53	0.77	26	0.57	76
Garcia Hamilton Aggregate	3.20	12	1.24	24	1.42	14	0.76	27	1.76	14
Integrity Core Aggregate	2.82	43	1.28	19	0.98	27	1.75	2	0.55	77
Goldman Sachs Core Plus	2.73	57	1.27	21	0.99	27	0.93	18	0.89	61
BBgBarc US Agg Bond TR USD	2.80	48	0.94	75	0.00	82			0.00	100

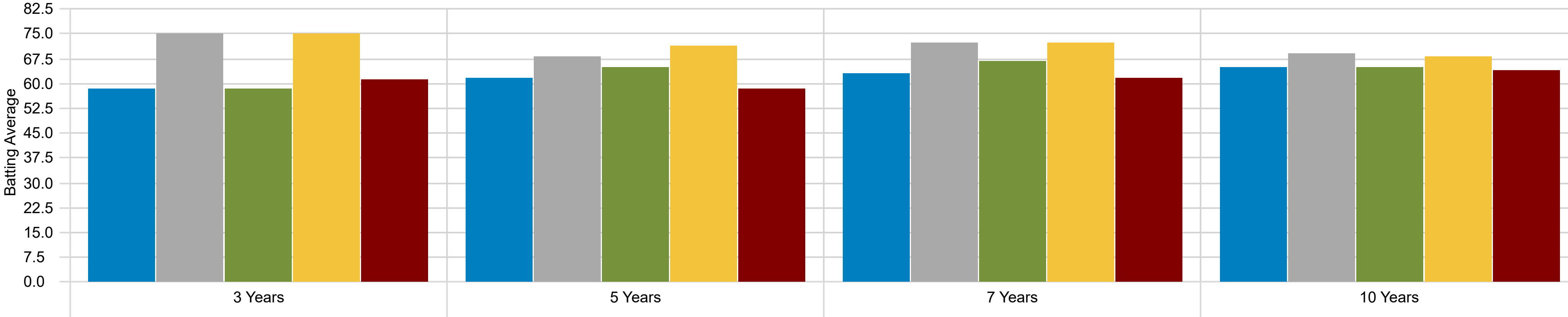


Time Period: 4/1/2008 to 3/31/2018

	Std Dev	Rank	Sharpe Ratio	Rank	Alpha	Rank	Information Ratio	Rank	Tracking Error	Rank
Agincourt Core Fixed Income	3.52	36	1.12	45	0.57	54	0.57	30	1.16	62
Galliard Broad Market Core	3.27	62	1.21	29	0.74	45	0.70	21	0.92	78
Garcia Hamilton Aggregate	3.55	34	1.42	6	1.85	10	0.99	7	1.76	32
Integrity Core Aggregate	3.39	44	1.26	19	0.91	37	1.34	1	0.73	85
Goldman Sachs Core Plus	3.90	22	1.14	42	1.11	27	0.53	33	2.14	23
BBgBarc US Agg Bond TR USD	3.27	62	1.01	67	0.00	83			0.00	100

Batting Average

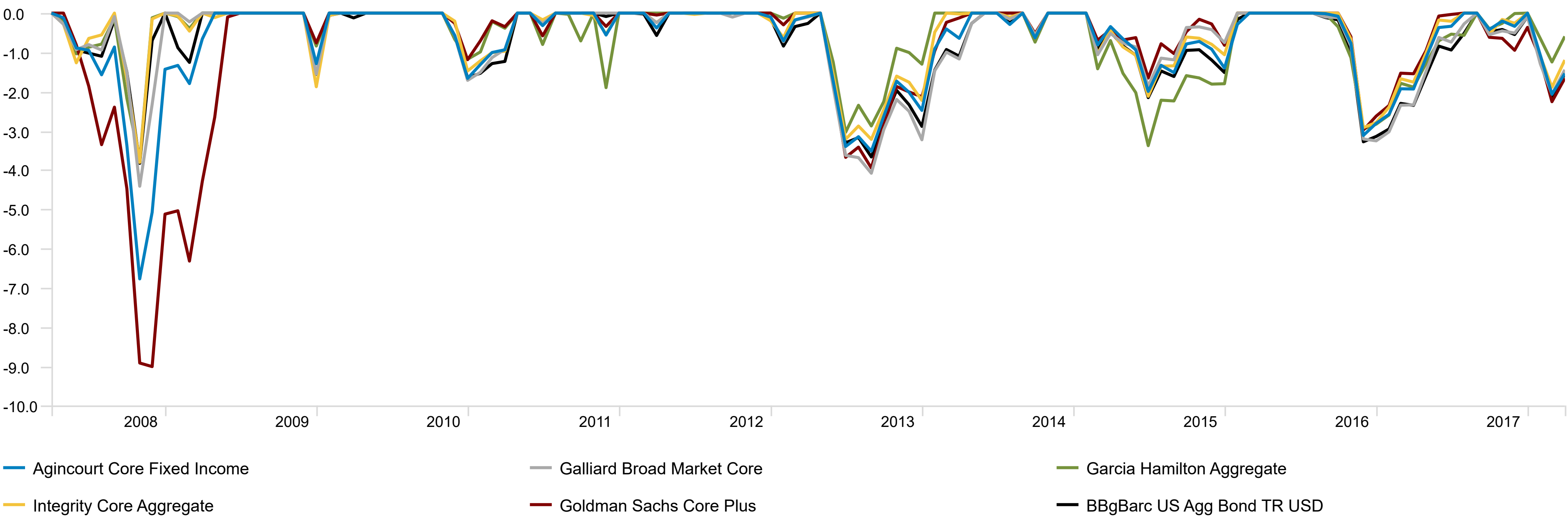
Source Data: Monthly Return Calculation Benchmark: BBgBarc US Agg Bond TR USD



Drawdown

Time Period: 4/1/2008 to 3/31/2018

Source Data: Monthly Return



MPT Statistics: 3-Year

Time Period: 4/1/2015 to 3/31/2018   Calculation Benchmark: BBgBarc US Agg Bond TR USD

	Agincourt Core Fixed Income	Galliard Broad Market Core	Garcia Hamilton Aggregate	Integrity Core Aggregate	Goldman Sachs Core Plus	BBgBarc US Agg Bond TR USD
Return	1.68	1.79	1.73	2.19	1.70	1.20
Excess Return	0.48	0.59	0.53	0.99	0.50	0.00
Std Dev	2.73	2.75	2.66	2.72	2.64	2.69
Beta	1.00	1.01	0.91	1.00	0.95	1.00
Tracking Error	0.47	0.30	1.02	0.42	0.73	0.00
Sharpe Ratio	0.40	0.44	0.43	0.59	0.42	0.23
Alpha	0.48	0.57	0.57	0.98	0.53	0.00
Information Ratio	1.03	1.98	0.52	2.37	0.69	
Batting Average	58.33	75.00	58.33	75.00	61.11	100.00
Up Capture Ratio	109.22	107.24	101.35	115.00	104.82	100.00
Down Capture Ratio	96.57	90.11	83.90	87.28	89.71	100.00

MPT Statistics: 5-Year

Time Period: 4/1/2013 to 3/31/2018   Calculation Benchmark: BBgBarc US Agg Bond TR USD

	Agincourt Core Fixed Income	Galliard Broad Market Core	Garcia Hamilton Aggregate	Integrity Core Aggregate	Goldman Sachs Core Plus	BBgBarc US Agg Bond TR USD
Return	2.25	2.34	2.88	2.66	2.27	1.82
Excess Return	0.43	0.51	1.05	0.83	0.45	0.00
Std Dev	2.96	3.10	3.06	2.91	2.84	2.93
Beta	1.00	1.05	0.98	0.98	0.94	1.00
Tracking Error	0.39	0.38	1.04	0.44	0.79	0.00
Sharpe Ratio	0.64	0.63	0.82	0.79	0.67	0.50
Alpha	0.42	0.43	1.06	0.85	0.53	0.00
Information Ratio	1.09	1.34	1.01	1.89	0.57	
Batting Average	61.67	68.33	65.00	71.67	58.33	100.00
Up Capture Ratio	106.22	107.84	112.34	108.55	100.38	100.00
Down Capture Ratio	96.27	96.20	86.39	87.22	86.47	100.00

MPT Statistics: 7-Year

Time Period: 4/1/2011 to 3/31/2018   Calculation Benchmark: BBgBarc US Agg Bond TR USD

	Agincourt Core Fixed Income	Galliard Broad Market Core	Garcia Hamilton Aggregate	Integrity Core Aggregate	Goldman Sachs Core Plus	BBgBarc US Agg Bond TR USD
Return	3.43	3.37	4.26	3.89	3.75	2.92
Excess Return	0.51	0.44	1.34	0.97	0.82	0.00
Std Dev	2.83	2.88	3.20	2.82	2.73	2.80
Beta	0.99	1.01	0.96	0.99	0.93	1.00
Tracking Error	0.60	0.57	1.76	0.55	0.89	0.00
Sharpe Ratio	1.11	1.07	1.24	1.28	1.27	0.94
Alpha	0.52	0.41	1.42	0.98	0.99	0.00
Information Ratio	0.85	0.77	0.76	1.75	0.93	
Batting Average	63.10	72.62	66.67	72.62	61.90	100.00
Up Capture Ratio	107.23	104.27	119.51	110.25	105.57	100.00
Down Capture Ratio	95.72	91.91	89.80	84.21	79.78	100.00

MPT Statistics: 10-Year

Time Period: 4/1/2008 to 3/31/2018   Calculation Benchmark: BBgBarc US Agg Bond TR USD

	Agincourt Core Fixed Income	Galliard Broad Market Core	Garcia Hamilton Aggregate	Integrity Core Aggregate	Goldman Sachs Core Plus	BBgBarc US Agg Bond TR USD
Return	4.29	4.27	5.37	4.61	4.76	3.63
Excess Return	0.65	0.64	1.74	0.98	1.13	0.00
Std Dev	3.52	3.27	3.55	3.39	3.90	3.27
Beta	1.02	0.96	0.95	1.01	1.00	1.00
Tracking Error	1.16	0.92	1.76	0.73	2.14	0.00
Sharpe Ratio	1.12	1.21	1.42	1.26	1.14	1.01
Alpha	0.57	0.74	1.85	0.91	1.11	0.00
Information Ratio	0.57	0.70	0.99	1.34	0.53	
Batting Average	65.00	69.17	65.00	68.33	64.17	100.00
Up Capture Ratio	111.46	105.41	118.87	108.58	115.94	100.00
Down Capture Ratio	103.07	89.53	81.50	84.77	96.47	100.00

Investment Option Narratives

Firm Overview

Agincourt Capital Management was formed in 1999 and is headquartered in Richmond, Virginia. The team previously managed fixed income strategies at Sovran Capital Management, a subsidiary of Bank of America. The firm invests exclusively in Fixed Income assets, managing nearly $6.0 billion in AUM. The firm manages separate accounts exclusively for its clients and is focused on providing highly customized solutions.

Agincourt is 100% employee-owned. The majority of the firm's ownership lies with the four person management team consisting of Brad Coats, Patrick Kelly , Duncan Buoyer and Patrick O'Hara. Each of the four managing directors are founding members and worked together at Sovran prior to forming the firm.

Team Overview

The investment team consists of four generalist PM's who are directly supported by a group of highly experienced research analysts. The analyst team is divided between corporate and structured credit sectors. Investment decision making is made utilizing a team-based approach with shared idea generation responsibilities which engenders a sense of comradery. Investment themes and recommendations are discussed and vetted during the weekly investment team meeting. The senior members of the team are tenured and seasoned with the PM's averaging more than 30-years of experience.

Strategy Overview

Agincourt's investment philosophy is predicated on the belief that superior long-term performance is achieved through consistent relative returns. As such, the strategy is designed to access diverse sources of alpha instead of focusing on one particular strategy. The investment process utilizes both top-down (40%) and bottom-up (40%) approaches in addition to relying on quantitative inputs (20%). The benchmark-aware strategy is relative value focused and designed to offer a natural yield advantage relative to the benchmark by overweighting higher-yielding securities such as non-Agency MBS and corporate bonds. Interest rate sensitivity is low with the duration of the strategy managed within a narrow +/- 10% of the benchmark.

Beginning with the top-down process, Kelly focuses primarily on the economic environment and business factors to determine duration and curve positioning while Buoyer seeks to identify value between sectors. Bottom-up, fundamental analysis is handled by the sector research teams. Once identified, the team utilizes a proprietary computer model to test security structures over various scenarios in order to aid in the portfolio construction process. All of the research information used in the investment process is generated internally.

Buy/sell decisions are made primarily based on the relative attractiveness of the security. Bonds are sold when they have met their price targets or when cheaper, more attractive, bonds are identified. The team does not utilize a dedicated sell-stop process to limit drawdowns.

Expectations

Agincourt's goal is to outperform the benchmark by 50 basis points annually over the long term while limiting the strategy's standard deviation to between 2.5% - 3.5% with tracking error less than 1.0.

The strategy maintains a consistent overweight to credit which tend to outperform during periods of stable to improving economic conditions. Conversely, during periods of increasing market volatility, the strategy should be expected to lag the benchmark given the relative underweight to U.S. Treasury and Agency bonds.

Points to Consider

The investment team is small with only 11 members in total. As a result, many of the team members are responsible for a variety of tasks which may distract from their core duties. Furthermore, the senior members of the investment team are approaching retirement age. Our concern relates to both future capacity and succession planning. While we believe the team is capable of continuing to manage the strategy given current AUM levels, we have concerns about their capacity to add value should AUM continue to grow. Regarding succession planning, the team has not specifically addressed our concerns relating to future roles and responsibilities within the team in the event that a senior PM or managing director were to retire. As such, any announcement regarding the pending retirement of a senior member of the team would necessitate a review of our recommendation.

Recommendation Summary

We believe that Agincourt's investment process is sound and rigorous, having been tested over a variety of market environments. The relative value approach is designed to produce a high quality, diversified portfolio which maintains a natural yield advantage relative to the benchmark. The resulting long-term relative and risk-adjusted performance has been consistent which validates the process.

The 11-member investment team is seasoned with many of the members having worked together since the inception of the firm. We are impressed with the firm's approach to collaboration and idea generation. Each member of the team is empowered in the process which we believe leads to a higher level of satisfaction and longevity at the firm.

Finally, the firm's approach portfolio customization, fee levels and client service are key differentiators. While only offered in separate account format, the strategy is priced attractively and is offered with a low minimum investment. Additionally, the firm has demonstrated the willingness to provide high-touch client service. As such, we believe the Core Bond strategy is suitable for clients seeking a high quality exposure to the space who require personalized solutions.

Firm Overview

Galliard Capital Management (Galliard) is a wholly owned subsidiary of Wells Fargo & Company, a publicly-traded financial services company. The Managing Partners have an agreement with Wells Fargo to split Galliard's revenues. Their structure offers clients the expertise of a specialized investment management firm plus access to the vast resources of Wells Fargo including legal, technology and custody support services.

Galliard focuses exclusively on providing stable value and fixed income management services to institutional investors. The company opened its doors in 1995 with 15 clients and $1.8 billion in assets under management. Today, Galliard manages more than $93 billion in assets under management for hundreds of institutional clients.

Team Overview

The Galliard investment process is team-based. The eight-member fixed income committee meets monthly on a formal basis and more frequently as needed to discuss potential changes to the portfolios. The three senior managing partners on the committee are Richard Merriam, Ajay Mirza and Karl Tourville. Merriam and Mirza share duties as Co-Heads of Fixed Income and are the final decision-makers on the product. Head of Credit Brandon Kanz and an additional 13 corporate credit and structured product analysts, as well as three traders, support the key decision-makers.

Strategy Overview

Galliard actively manages fixed income portfolios through a team approach. As a fundamental value manager, most of Galliard's time and resources focus on individual security selection with strong emphasis on credit research and relative value analysis. Furthermore, the team has a bias towards high quality companies/ structures with tangible hard assets. In addition, providing an above average yield is a major focus and a significant source of excess return. The process is the same for all strategies, only the benchmark/universe is different.

The investment team focuses on spread sectors and combines top-down macro analysis with fundamental bottom-up credit analysis. Galliard does not try to anticipate interest rate movements because it introduces unacceptable risk to achieving long-term portfolio objectives. The team keeps a broad exposure to all of the benchmark's sectors and portfolios are well diversified with individual holdings typically around 0.5%.

Galliard controls market risk by maintaining overall portfolio duration to +/-10% that of the benchmark and the average portfolio quality is around AA-. The team manages credit risk by completing a thorough underwriting process where they take a lender's perspective, focusing on collateral, cash flow and covenants.

Expectations

The strategy will remain strategically overweight credit relative to the benchmark. As such, it should be expected to perform well in relatively stable interest rate environments and during economic expansions when credit spreads are tightening. Conversely, the strategy will most likely underperform during market dislocations and periods of slowing economic growth which result in credit spread widening. While the strategy seeks to provide downside protection primarily through diversification and exposure to higher quality credits, the relative underweight to U.S. Treasury bonds can result in diminished performance as volatility increases.

Points to Consider

Senior leadership at the firm has entered a phase where succession planning is called for. Founding Partner John Caswell retired last year and Richard Merriam and Karl Tourville have 32 and 29 years of experience, respectively. While neither have indicated they are considering retirement, Galliard has instituted officer level positions within each functional area as a part of the broader planning process.

Galliard does not meet with management teams when assessing corporate credit issues. The team also relies on third-party rating services as a devil's advocate check to the team's internal work. While many of its peers conduct 100% of credit research internally, Galliard's team's experience and approach to conducting research give us conviction in the strategy.

Recommendation Summary

We believe Galliard's willingness to provide customized solutions with an emphasis on customer service are key differentiators for the strategy. The investment team is led by seasoned veterans who have demonstrated the ability to generate excess returns through a variety of market conditions. Galliard's investment philosophy of remaining overweight investment grade credit to generate excess yield while avoiding negative credit events and limiting deviations from benchmark duration is time-tested. As such, we believe the Galliard Broad Market Core strategy is suitable for clients seeking a high-quality, low turnover approach to the space.

Firm Overview

Founded in 1988, Garcia Hamilton & Associates (GH&A) is 100% employee-owned investment advisor. Nine employees hold equity in the business. In 2011, the firm changed its name from Davis Hamilton Jackson & Associates to Garcia Hamilton & Associates in recognition of Gilbert Garcia's contributions as the driver behind the firm's fixed income strategies. In early 2017, the firm started to wind down its US equity strategy, and is now entirely focused on fixed income strategies. GH&A is based in Houston, TX.

Team Overview

Gilbert Garcia is the lead portfolio manager and key decision-maker for this strategy. He has been active in fixed income markets since 1985, and has built a team of ten experienced investment professionals to support him in managing the portfolio. Jeffrey Detwiler, Ben Monkiewicz, Don Elsenbrock, Nancy Rodriguez, and Karen Tass are portfolio managers. The investment team has witnessed no personnel turnover since 2003.

Strategy Overview

GH&A's investment philosophy is that fixed income is supposed to be the anchor of an asset allocation, allowing the investor to take risk in other asset classes. The firm does not view fixed income as the place to earn significant alpha. GH&A further believes in a top-down approach to managing portfolios, arguing that individual credits, industry groups, and broad sectors are highly correlated. The key tools in GH&A's arsenal are sector rotation, interest rate anticipation, and yield curve positioning.

GH&A's investment process is comprised of a qualitative and a quantitative component. On the qualitative side, GH&A evaluates five key factors: sentiment, monetary policy, economy, valuation, and inflation. These factors help GH&A anticipate interest rate changes because all five play a role in the direction and magnitude of rates. On the quantitative side, the team has developed two proprietary models that give it a more objective view on these five factors. These models assist in anticipating major turns in economic activity. The first model is a liquidity model, while the second is a spread model.

GH&A does not perform exhaustive security analysis. It limits its exposure to only those securities deemed highest quality: US Treasuries, federal agency securities, agency MBS, and A-or-better corporate credits.

Expectations

The fundamental tenets of the strategy are preservation of capital, maintaining liquidity, and providing high current income. GH&A aims to outperform its benchmark net of all fees over a full market cycle. It also strives to deliver this return with less risk, lower volatility, and low turnover.

We expect this strategy to do well as corporate credit spreads decline, but due to its high-quality bias, it may not participate if lower rated securities lead the rally. Because GH&A moves its duration around more than other managers, it can be difficult to predict how well the strategy will fare in a rising or declining rate environment.

Points to Consider

Most bond managers take on credit risk but tend to avoid or minimize interest rate risk, while GH&A avoids credit risk and uses interest rate risks to generate excess return. Thus, this strategy can be a good complement to a credit-focused manager, though it can also produce rather high volatility.

There is significant key man risk. If Gilbert Garcia left the strategy abruptly for any reason, it would be time to redeem.

Recommendation Summary

We recommend GH&A as a top-down option in the Core Fixed Income category. The strategy's main strength is Gilbert Garcia, who developed the qualitative and quantitative methodologies driving this strategy. Gilbert Garcia has been investing in fixed income markets since 1985, so he has had ample experience to hone his program. Very few bond managers have demonstrated as much skill in managing through rising and falling interest rates as he has.

Part of the key to GH&A's success is its quantitative models. These models are not elaborate or overly complicated, but have been quite effective. The models consider the main drivers of interest rates and put these factors into an objective, repeatable framework. As much as anything, the models keep GH&A grounded.

We like the way that GH&A has focused its strategy on the areas in which the team has an edge: interest rate anticipation, sector rotation, and yield curve positioning. GH&A does not have the resources to compete on credit risk, so it minimizes the impact of that factor as much as it can.

Firm Overview

Founded in 2005, Integrity Fixed Income Management, LLC ("Integrity") is a 100% employee owned fixed income investment advisory firm based in Orlando, Florida. The three founders are Michelle Denney, Earl Denney, CFA, and Christopher Caputo, CFA. In addition, the firm recently added a Sr. Portfolio Manager that specializes in Agency MBS, and experienced operations professional. Integrity offers Core Fixed Income, Government Agency MBS and TIPS Indexing strategies.

Team Overview

Earl Denney, CFA is the lead portfolio manager and key decision-maker for this strategy. He has been active in fixed income markets since 1977 and founded Integrity in 2005. The team consists of Chris Caputo, who focuses on credit, and Thomas Fant, who focuses on the Agency MBS sector. Denney and Caputo have been with Integrity since 2005 after previously working together at Trusco Capital Management. Fant joined Integrity in 2016 as Sr. Portfolio Manager, having previously worked at BPV Capital Management (formerly Cain Brothers Asset Management).

Strategy Overview

Integrity's investment philosophy is that excess returns can be achieved in a fixed income portfolio through spread sector allocation, security selection and yield curve positioning. Integrity is primarily a top down investment manager that develops an economic outlook and then builds a portfolio that they believe will achieve excess returns based on the economic outlook.

Integrity's process is qualitative and relies on economic research to determine their economic outlook. Their economic outlook will impact sector allocation and yield curve structure of the portfolios. Integrity also spends considerable time on relative value security selection and curve placement of corporate bonds. Integrity favors the corporate sector but maintains a high-quality bias in recognizing that capital preservation is critical to the function of a fixed income portfolio in the client's overall investment allocation.

Expectations

Integrity attempts to outperform relevant benchmark indices over time by emphasizing capital preservation, liquidity and excess yield. It also seeks to minimize risk by not taking large duration bets as it considers interest rate risk the primary source of risk for a fixed income portfolio and these risks are often subject to unpredictable events. It also seeks to minimize risk by limiting allocations to individual corporate issuers, maintaining a high-quality bias in the corporate sector and maintaining a shorter duration for the corporate holdings.

We expect this strategy to outperform during periods of either corporate sector outperformance or during periods when the yield curve shifts in a way that favors their portfolio structure. Interestingly, relative to peers and often the benchmark index, Integrity has shown the ability to outperform during periods of spread sector widening because of curve positioning, and their high quality/defensive bias with corporate security selection.

Points to Consider

Risk vs return has been exceptional historically, with a long track record of outperformance. The firm has an ability to provide specialized/custom investment solutions and has a strong history of client service and relationships with AndCo accounts. This includes a willingness to accept mid-sized accounts.

Integrity is subject to key man risk (the firm has established policy and procedure for the orderly management and transition of client assets in the event of a forced closure.)

The firm is self-promoting and does not employ inhouse or 3rd party marketing. As a result, asset growth has been slow given the significant success of the strategy.

Recommendation Summary

Integrity Fixed Income is a client focused, independent & employee owned boutique with a long history of key man success as a portfolio manager. Integrity generates a no surprises, consistent upper quartile performance both on an ROR and risk-adjusted basis. The process seeks to consistently hit singles and doubles opportunistically in: Yield Curve Strategy, Sector Weighting, and in modest Duration plays. At current AUM, Integrity seeks to maximize a trading advantage as a manager positioned to find opportunity in both odd lot and whole lot trade size. Stylistically, attribution bias is present with a focus on the corporate sector and high-quality ABS. Any manager pairing would suggest utilizing a firm or product with a bias to MBS, or low quality.

The firm has demonstrated great adaptability to custom client mandates through this separate account management process.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Return - Compounded rate of return for the period.

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

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

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

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

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

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

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

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

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

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.

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U.S. Mid Cap Value Equity Manager Analysis
March 31, 2018

Town of Palm Beach Retirement System

Purpose for this Manager Evaluation Report

The client is considering a replacement for Thompson, Siegel & Walmsley SMID Value due to underwhelming performance. This will be a complement to the Geneva Mid Cap Growth and the SSgA S&P 500 Index within the client's domestic equity allocation.

Investment Options for this Manager Evaluation Report

Firm Name	Strategy Name	Vehicle	Management Fee	Investment Minimum
Cooke & Bieler	Cooke & Bieler Mid Cap Value Equity	SA	0.69% on all assets.	$10,000,000
Kennedy Capital Management	Kennedy Mid Cap Value	SA	0.75% on the first $25 million; 0.70% on the next $25 million; 0.60% on the remainder.	$1,000,000
LSV Asset Management	LSV Mid Cap Value	SA	0.65% on the first $25 million; 0.55% on the next $25 million; 0.45% on the remainder.	$25,000,000 (waived)
Vanguard Group	Vanguard S&P Mid-Cap 400 Value Index Institutional (VMFVX)	MF	0.08% on all assets.	$5,000,000
WEDGE Capital Management	WEDGE Mid Cap Value	SA	0.75% on the first $10 million; 0.65% on the next $15 million; 0.50% on the next $75 million; 0.40% on the next $50 million; 0.30% on the remainder.	$10,000,000
Thompson, Siegel & Walmsley	TSW SMID Cap Value	SA	0.45% on all assets.	$10,000,000

Definition and Characteristics

US Mid Cap Value is typically defined as US-based companies with a market capitalization between $2 and $10 billion, with lower than average price-to-book and price-to-earnings ratios and lower forecasted growth rates. The primary benchmark for strategies in this space is the Russell Midcap Value Index. In this index, names less than $10 billion in market cap are more numerous, but the larger cap names dominate the index by market cap. The weighted average market cap of the Russell Midcap Value Index typically exceeds $10 billion, while the median market cap is closer to $7 billion. The largest sectors by market are Financials, Utilities and Industrials.

Role within a Portfolio

The primary role of a US Mid Cap Value strategy is to provide exposure to stocks with market caps less than $15 billion that trade at attractive valuations. The space is dominated by Financials, Real Estate and Utilities which combine for slightly less than half of the index's sector exposures. Consequently, the group has a higher than average dividend yield, but with a substantially lower projected growth rate. Companies in this capitalization range have typically grown to a meaningful size through solid business fundamentals making them less sensitive to economic conditions and will typically have lower price volatility than smaller cap companies.

Benchmark and Peer Group

This US Mid Cap Value search report will use the following benchmark and peer group:

Index - Russell Midcap Value: Consists of stocks in the Russell Midcap Index with lower price-to-book and price-to-earnings ratios and lower forecasted growth rates. These stocks are also members of the Russell 1000 Index.

Morningstar Category - Mid Cap Value: Some mid cap value portfolios focus on medium-size companies while others land here because they own a mix of small, mid, and large cap stocks. All look for US stocks that are less expensive or growing more slowly than the market. The US mid cap range for market capitalization typically falls between $1 billion and $8 billion and represents 20% of the total capitalization of the US equity market. Value is defined based on low valuations (low price ratios and high dividend yields) and slow growth (low growth rates for earnings, sales, book value, and cash flow).

Investment Option Comparison

	Cooke & Bieler Mid Cap Value Eq	Kennedy Mid-Cap Value	LSV Asset Mgt Md-Cap Val Eq	WEDGE Mid-Cap Value
Firm Information				
Year Founded	1/1/1949	1/1/1980	1/1/1994	1/1/1984
US Headquarters Location	Philadelphia, PA	St Louis, MO	Chicago, IL	Charlotte, NC
Number of Major Global Offices	1	1	1	1
Year Began Managing Ext. Funds	1/1/1949	1/1/1980	1/1/1994	1/1/1984
Firm AUM ($ M)	5,488	5,363	101,242	12,600
Ownership Type	Independent	Independent	Independent	Independent
Largest Owner (Name)	Not Disclosed	F. Latuda Jr.	SEI Funds	Not Disclosed
Employee Ownership (%)	80	100	61	100
Qualify as Emerging Manager?	No	No	No	No
Strategy Information				
Inception Date	2/28/1998	1/1/2002	9/1/1997	10/1/1995
Open/Closed	Open	Open	Open	Open
Primary Benchmark	Russell Midcap Value	Russell Midcap Value	Russell Midcap Value	Russell Midcap Value
Secondary Benchmark	None	None	Russell Midcap	None
Peer Universe	US Mid Cap Value	US Mid Cap Value	US Mid Cap Value	US Mid Cap Value
Outperformance Estimate (%)	1.5-2	1-3	2	2-3
Tracking Error Estimate (%)	4-6	3-5	3-5	3-5
Strategy AUM ($ M)	522	261	2,878	4,100
Strategy AUM as % Firm Assets	10	5	3	33
Estimated Capacity ($ M)	4,000	3,000	4,000	8,000
Investment Approach - Primary	Bottom-up	Bottom-up	Bottom-up	Bottom-up
Investment Approach - Secondary	Fundamental	Fundamental	Quantitative	Fundamental

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

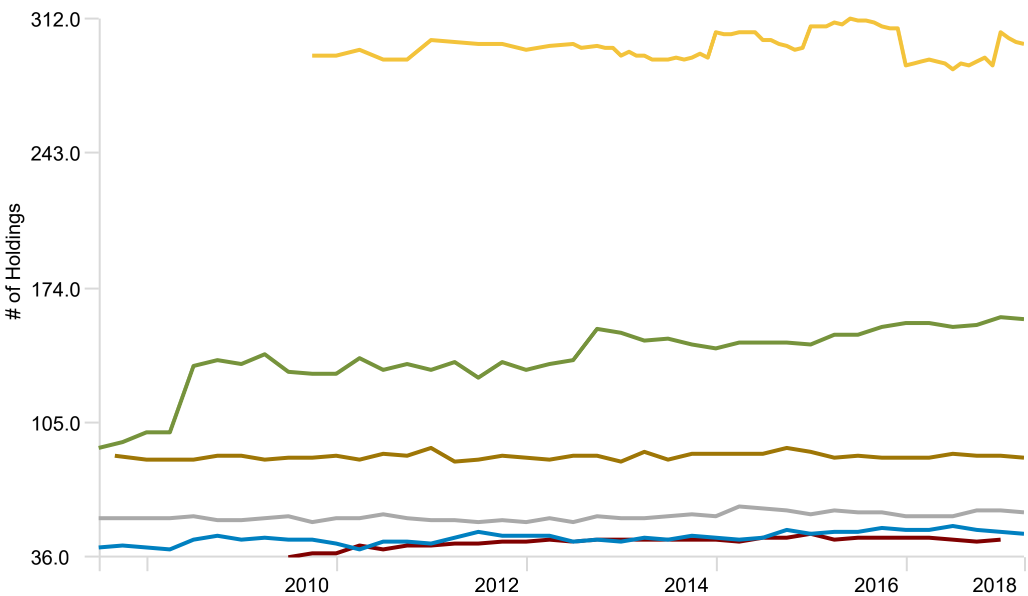
	Cooke & Bieler Mid Cap Value Eq	Kennedy Mid-Cap Value	LSV Asset Mgt Md-Cap Val Eq	WEDGE Mid-Cap Value
Team Information				
Decision Making Structure	Team	PM-Led	Team	PM-Led
Number of Decision Makers	7	1	5	1
Names of Decision Makers	7 Person PM Team	F. Latuda Jr.	5 Person PM Team	Brian Pratt
Date Began Managing Strategy	1998-2014	2002	1997-2014	2016
Date Began with Firm	1987-2014	1997	1994-2009	2007
Number of Products Managed by Team	5	4	32	1
Number of Investment Analysts	7	14	6	5
Investment Analyst Team Structure	Sector/Industry Specialists	Sector/Industry Specialists	Generalists	Combination

Portfolio Construction Information				
Broad Style Category	Value	Value	Value	Value
Style Bias	Relative Value	Relative Value	Deep Value	Traditional Value
Sector Constraint Type	Absolute	Benchmark Relative	Benchmark Relative	Combination
Sector Constraints (%)	35 (Sector), 20 (Industry)	+/-10	+/-5	25 or +5
Typical Sector/s Overweight	Cons Disc, Industrials, Health Care	Technology	Technology	Consumer Discretionary
Typical Sector/s Underweight	Energy, Real Estate, Telecom, Utilities	None	Real Estate	Consumer Staples, Real Estate
Typical Number of Holdings	40-50	40-60	125-150	30-45
Average Full Position Size (%)	3	2	1	3-4
Maximum Position Size (%)	5	3	2.5	5
Annual Typical Asset Turnover (%)	40	25-50	25	30
Annual Typical Name Turnover (%)	20	20-40	25	20
Maximum Cash Allocation (%)	10	10	6	5
Maximum Foreign Exposure (%)	15	10	0	Typically < 10

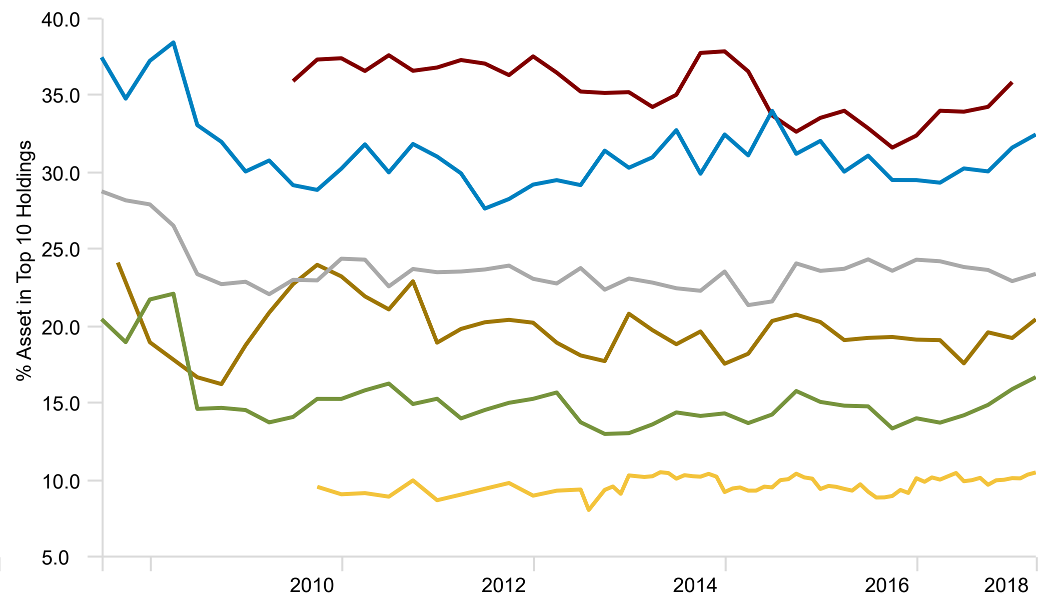
The source of data and figures provided is generally the respective managers. Certain data represents AndCo's view and could differ from the manager's interpretation. The most current AUM of each strategy may therefore differ from what is currently stated.

	Cooke & Bieler Mid Cap Value Eq	Kennedy Mid-Cap Value	LSV Asset Mgt Md-Cap Val Eq	Vanguard S&P Mid-Cap 400 Value Idx I	WEDGE Mid-Cap Value	TSW SMID Cap Value	S&P MidCap 400 Value TR USD	Russell 2500 Value TR USD
COMPOSITION								
# of Holdings	48	59	158	299	45	87	295	1,762
% Asset in Top 10 Holdings	32.47	23.41	16.70	10.51	35.87	20.46	10.55	4.49
Asset Alloc Cash %	0.00	2.61	0.67	0.42	3.95	4.78	0.00	0.00
Asset Alloc Equity %	100.00	97.39	99.33	99.58	96.05	95.22	100.00	100.00
Asset Alloc Bond %	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Asset Alloc Other %	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CHARACTERISTICS								
Average Market Cap (mil)	6,448.62	9,847.27	8,118.81	4,422.45	9,428.19	3,712.98	4,422.44	3,511.47
P/E Ratio (TTM)	18.38	15.90	13.68	15.12	19.54	15.65	15.11	15.39
P/B Ratio (TTM)	2.15	2.17	1.73	1.62	2.02	1.26	1.62	1.61
LT Earn Growth	10.21	12.17	10.32	10.54	8.95	9.83	10.54	11.02
Dividend Yield	1.52	1.88	2.97	2.05	1.75	2.78	2.05	2.25
ROE % (TTM)	14.46	16.49	15.79	12.30	13.52	7.75	12.31	8.50
GICS SECTORS %								
Energy %	1.28	8.63	5.93	8.50	10.53	4.27	8.50	7.00
Materials %	11.75	8.36	6.78	9.49	8.90	1.35	9.49	5.56
Industrials %	21.14	14.01	12.53	14.47	12.67	9.43	14.47	13.54
Consumer Discretionary %	17.99	12.05	14.86	9.53	11.83	13.26	9.53	10.43
Consumer Staples %	1.24	4.41	4.60	3.90	0.00	5.75	3.90	3.16
Healthcare %	9.44	4.42	4.39	4.19	10.39	4.87	4.19	5.63
Financials %	25.22	18.55	23.78	19.29	17.52	19.81	19.29	25.29
Information Technology %	10.27	10.59	11.25	10.76	10.52	20.49	10.76	8.58
Telecom Services %	0.00	0.00	0.00	0.31	0.00	0.58	0.31	0.32
Utilities %	0.00	7.74	6.38	9.20	8.65	4.19	9.20	6.44
Real Estate %	1.67	11.24	9.51	10.35	8.99	16.01	10.35	14.06
MARKET CAPITALIZATION								
Market Cap Giant %	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Market Cap Large %	22.57	19.34	32.97	0.00	15.08	0.00	0.00	0.35
Market Cap Mid %	57.29	77.65	44.26	76.11	66.47	58.64	76.43	61.49
Market Cap Small %	18.13	0.39	20.99	23.19	14.50	34.58	23.29	32.06
Market Cap Micro %	2.01	0.00	1.10	0.00	0.00	2.00	0.00	5.73

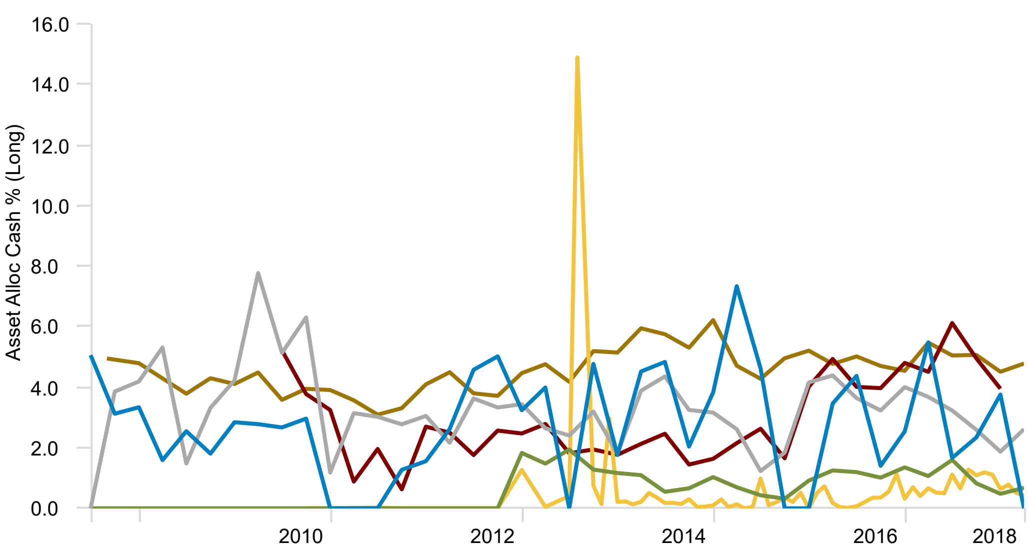
Historical Number of Holdings



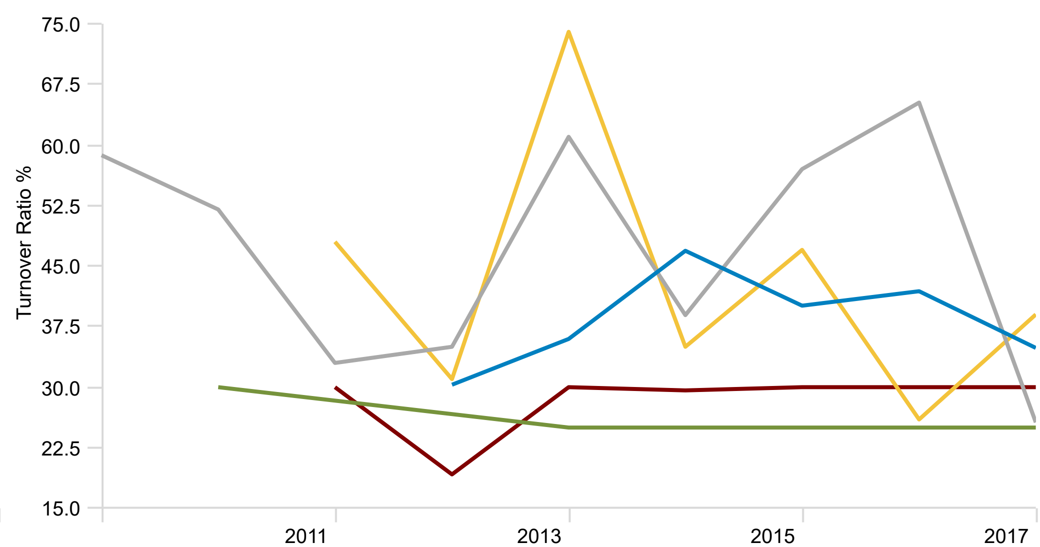
Historical Percentage of Assets in Top 10 Holdings



Historical Cash Allocation

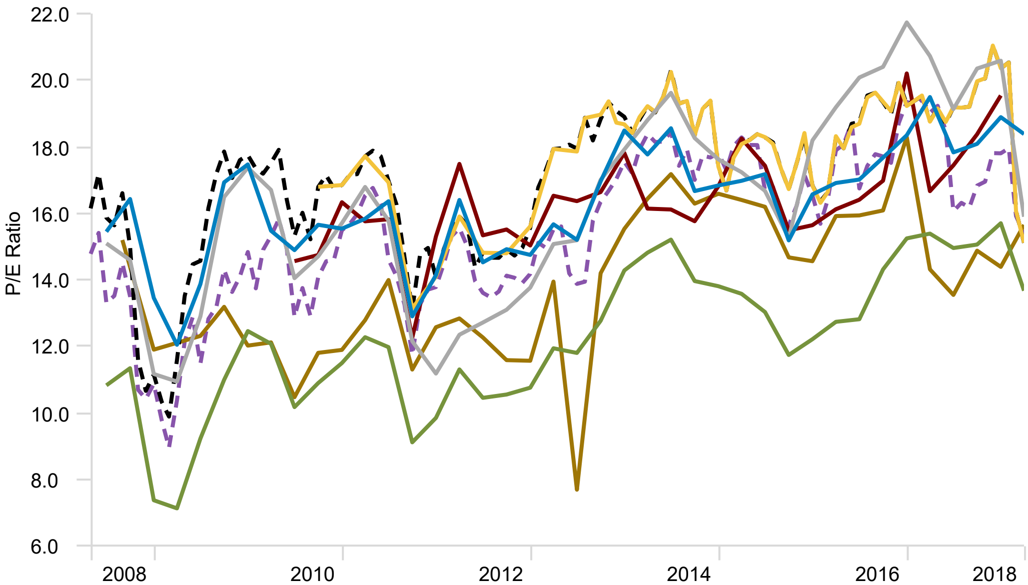


Historical Portfolio Turnover

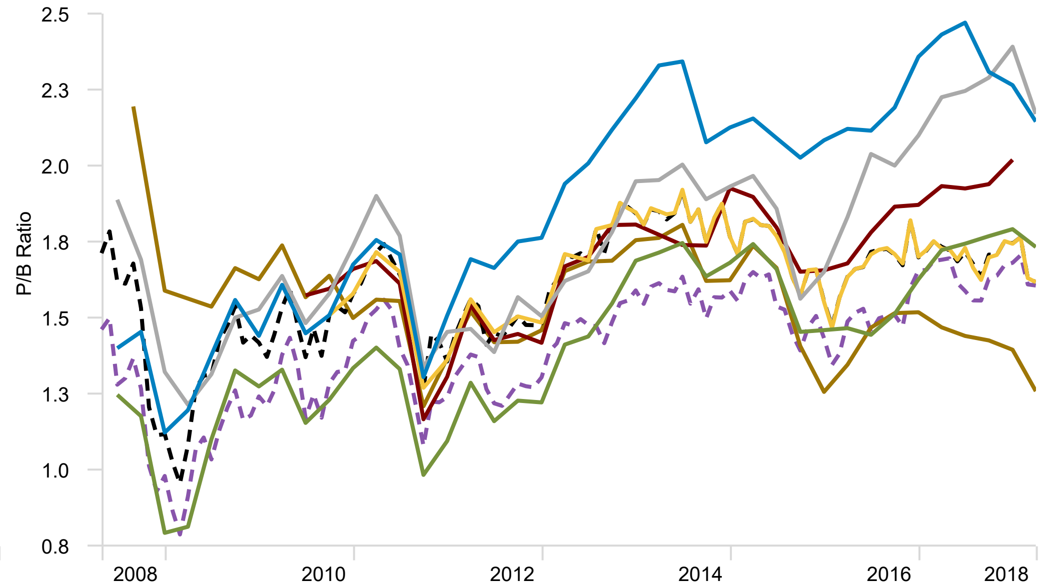


Cooke & Bieler Mid Cap Value Eq
Kennedy Mid-Cap Value
LSV Asset Mgt Md-Cap Val Eq
Vanguard S&P Mid-Cap 400 Value Idx I
WEDGE Mid-Cap Value
TSW SMID Cap Value

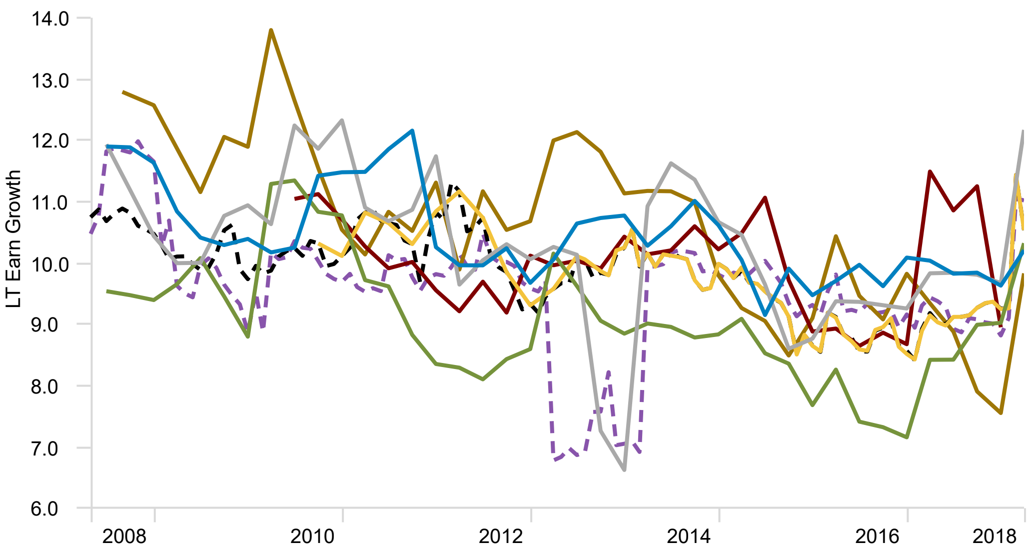
Historical P/E Ratio



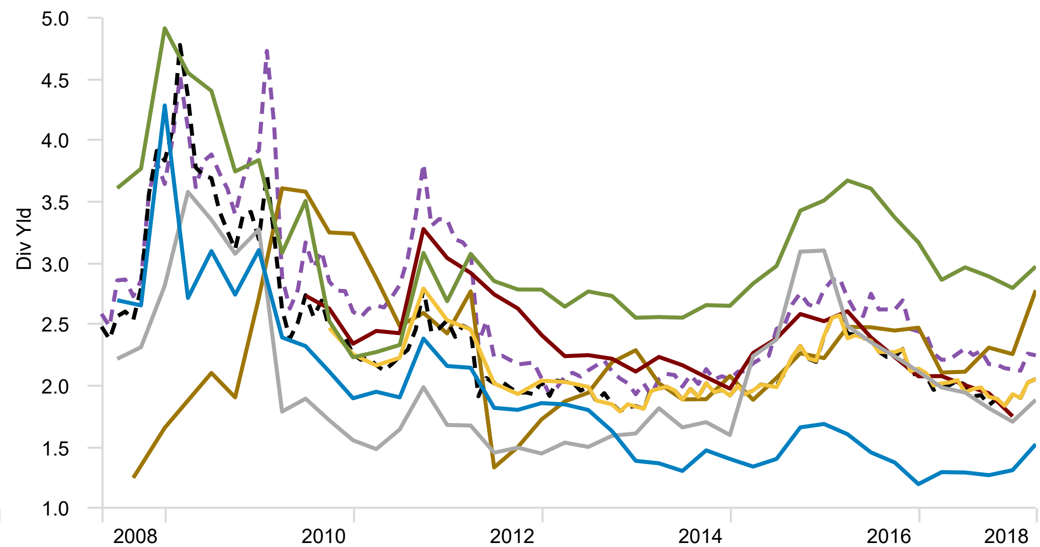
Historical P/B Ratio



Historical Earnings Growth



Historical Dividend Yield

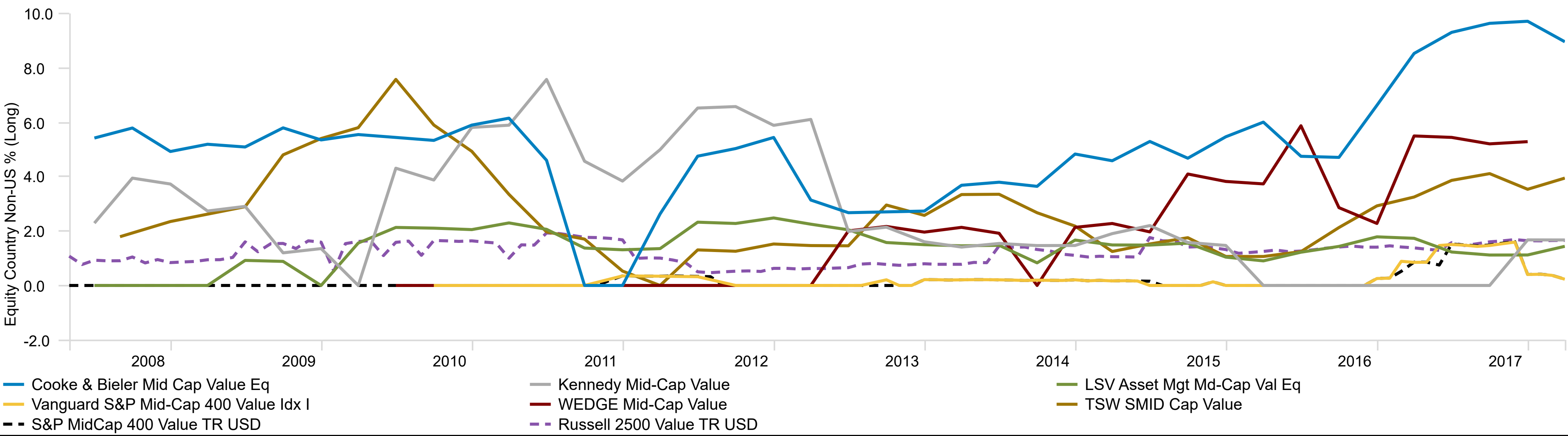


- Cooke & Bieler Mid Cap Value Eq
- Vanguard S&P Mid-Cap 400 Value Idx I
- S&P MidCap 400 Value TR USD
- Kennedy Mid-Cap Value
- WEDGE Mid-Cap Value
- Russell 2500 Value TR USD
- LSV Asset Mgt Md-Cap Val Eq
- TSW SMID Cap Value

Current Portfolio Region Allocation

	Cooke & Bieler Mid Cap Value Eq	Kennedy Mid-Cap Value	LSV Asset Mgt Md-Cap Val Eq	Vanguard S&P Mid-Cap 400 Value Idx I	WEDGE Mid-Cap Value	TSW SMID Cap Value	S&P MidCap 400 Value TR USD	Russell 2500 Value TR USD
Portfolio Date	3/31/2018	3/31/2018	3/31/2018	3/31/2018	12/31/2017	3/31/2018	3/31/2018	3/31/2018
Equity Country United States %	91.04	98.28	98.55	99.77	94.49	95.85	99.77	98.34
Equity Region North America %	94.44	98.28	98.55	99.77	94.50	95.85	99.77	98.36
Equity Region Latin America %	0.00	0.00	0.00	0.00	0.00	1.96	0.00	0.34
Equity Region United Kingdom %	0.00	0.00	0.00	0.23	0.00	0.00	0.23	0.40
Equity Region Europe dev %	3.21	0.00	0.00	0.00	2.59	1.66	0.00	0.30
Equity Region Europe emrg %	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
Equity Region Japan %	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Equity Region Australasia %	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Equity Region Asia dev %	0.00	0.00	0.98	0.00	0.00	0.00	0.00	0.01
Equity Region Asia emrg %	2.35	1.72	0.47	0.00	2.92	0.00	0.00	0.39
Equity Region Africa/Middle East %	0.00	0.00	0.00	0.00	0.00	0.53	0.00	0.19
Equity Region Developed %	97.66	98.28	99.53	100.00	97.08	99.47	100.00	99.35
Equity Region Emerging %	2.35	1.72	0.47	0.00	2.92	0.53	0.00	0.64

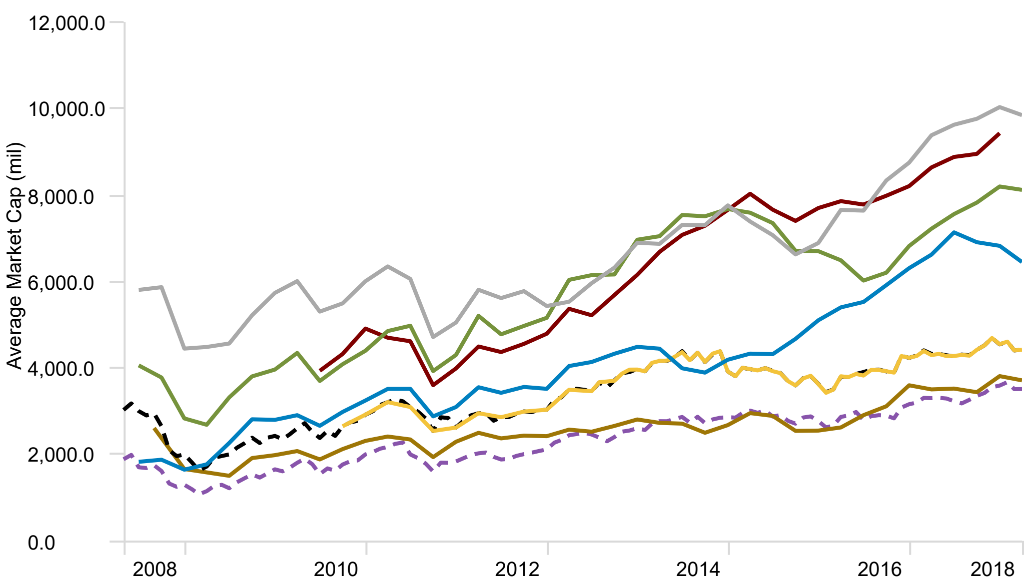
Historical Non-US Portfolio Exposure



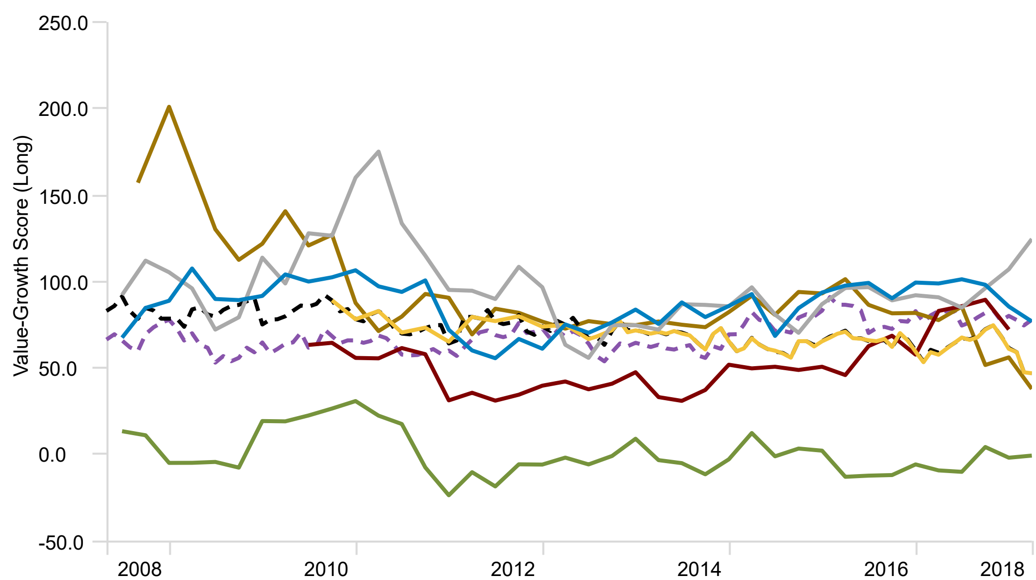
Style Allocation

	Cooke & Bieler Mid Cap Value Eq	Kennedy Mid-Cap Value	LSV Asset Mgt Md-Cap Val Eq	Vanguard S&P Mid-Cap 400 Value Idx I	WEDGE Mid-Cap Value	TSW SMID Cap Value	S&P MidCap 400 Value TR USD	Russell 2500 Value TR USD
Portfolio Date	3/31/2018	3/31/2018	3/31/2018	3/31/2018	12/31/2017	3/31/2018	3/31/2018	3/31/2018
Equity Style Large Value %	6.81	1.89	23.05	0.00	0.00	0.00	0.00	0.00
Equity Style Large Core %	12.35	13.44	8.71	0.00	12.91	0.00	0.00	0.35
Equity Style Large Growth %	3.40	4.01	1.22	0.00	2.16	0.00	0.00	0.00
Equity Style Mid Value %	35.66	30.04	36.09	43.19	34.99	29.96	43.37	28.77
Equity Style Mid Core %	9.69	34.69	6.65	26.51	25.36	23.10	26.62	21.86
Equity Style Mid Growth %	11.94	12.92	1.52	6.03	6.12	4.05	6.06	9.73
Equity Style Small Value %	10.45	0.39	17.30	13.51	13.08	19.55	13.57	17.33
Equity Style Small Core %	9.70	0.00	4.43	7.39	0.00	13.82	7.42	13.80
Equity Style Small Growth %	0.00	0.00	0.36	2.14	1.42	3.21	2.15	5.72

Historical Average Market Capitalization

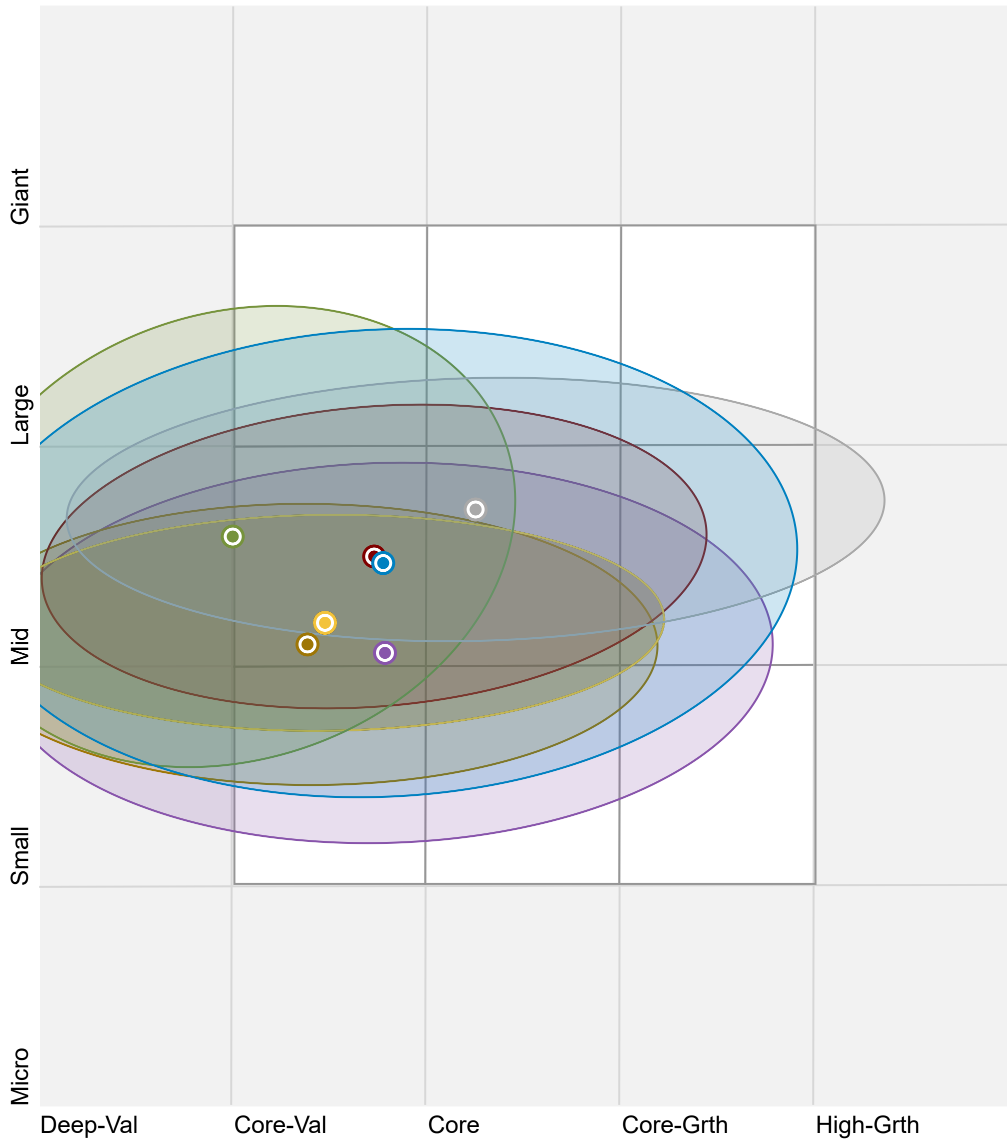


Historical Value - Growth Score



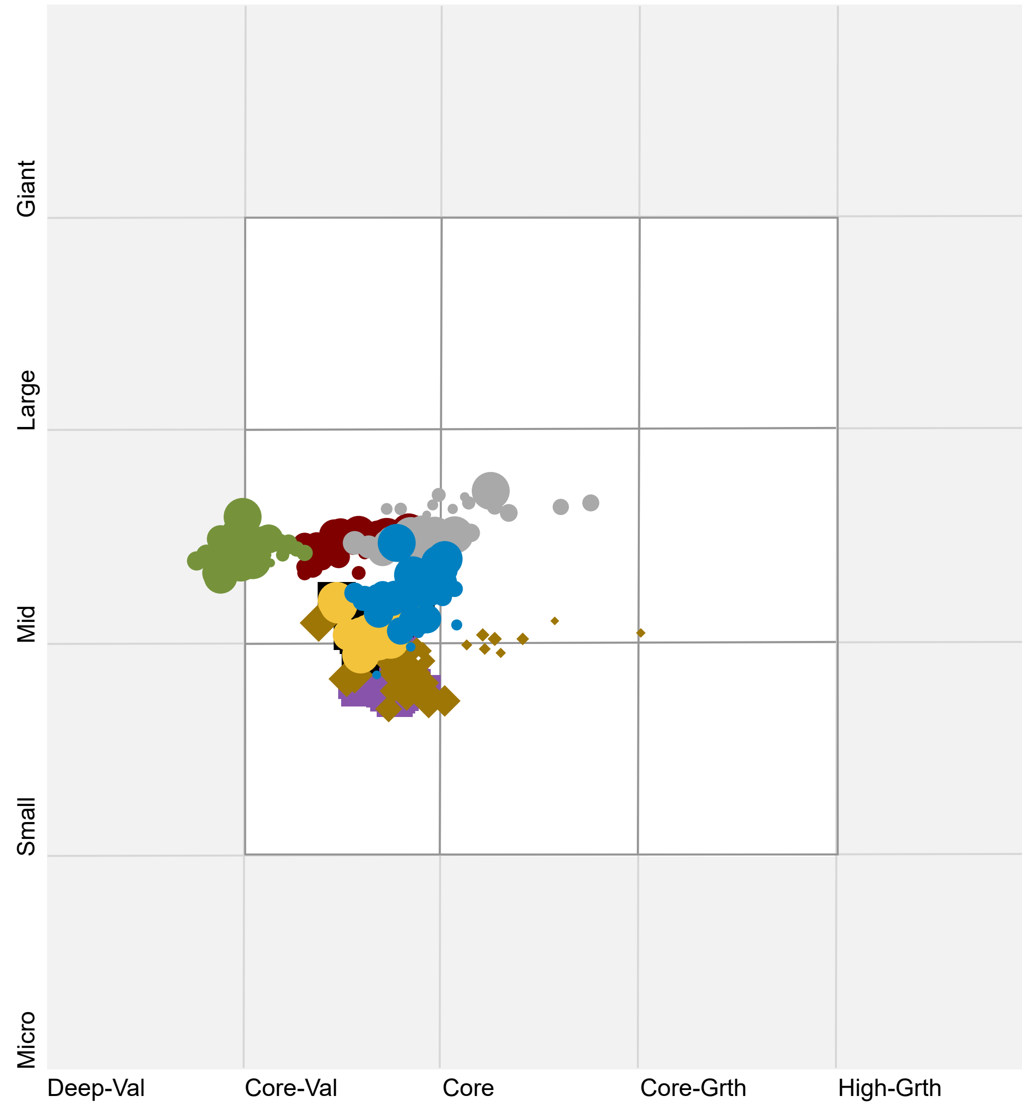
Cooke & Bieler Mid Cap Value Eq
Kennedy Mid-Cap Value
LSV Asset Mgt Md-Cap Val Eq
Vanguard S&P Mid-Cap 400 Value Idx I
WEDGE Mid-Cap Value
TSW SMID Cap Value
S&P MidCap 400 Value TR USD
Russell 2500 Value TR USD

Current Portfolio Holdings-Style Map



Historical Holdings-Based Style Trail

Time Period: 4/30/2008 to 3/31/2018



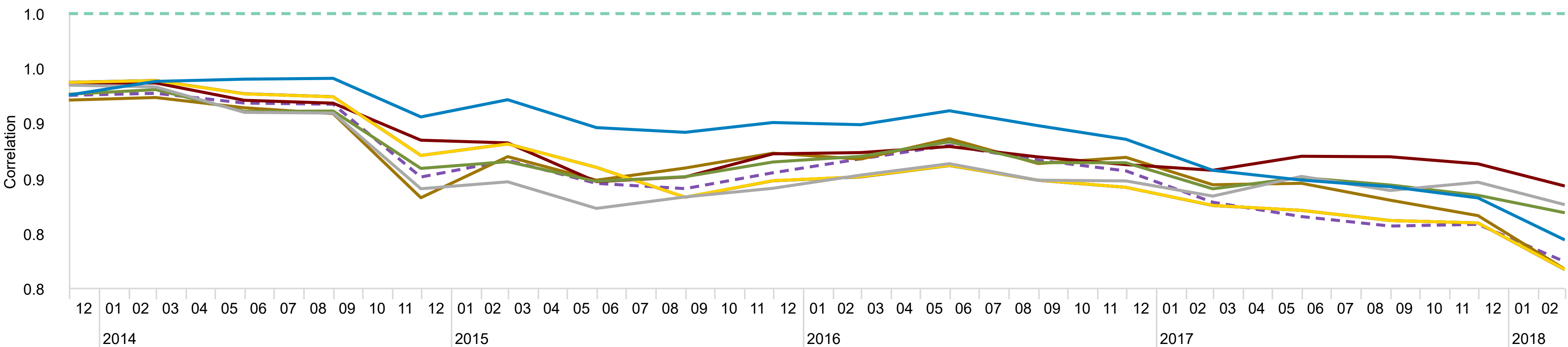
- Cooke & Bieler Mid Cap Value Eq
- Vanguard S&P Mid-Cap 400 Value Idx I
- S&P MidCap 400 Value TR USD
- Kennedy Mid-Cap Value
- WEDGE Mid-Cap Value
- Russell 2500 Value TR USD
- LSV Asset Mgt Md-Cap Val Eq
- TSW SMID Cap Value

Quantitative Review

Rolling Correlation vs. Geneva US Mid Cap Growth

Time Period: 12/1/2010 to 2/28/2018

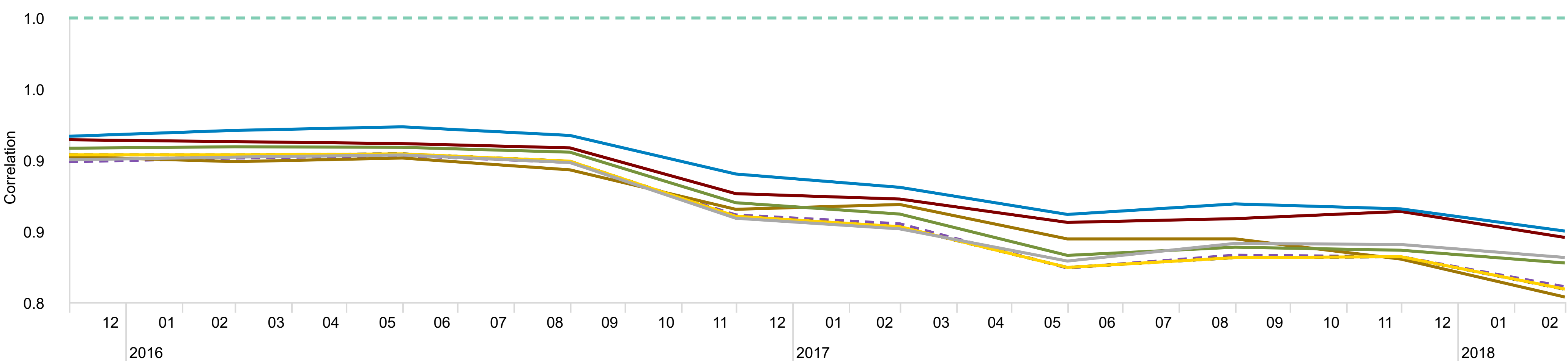
Rolling Window: 3 Years 3 Months shift



Rolling Correlation vs. Geneva US Mid Cap Growth

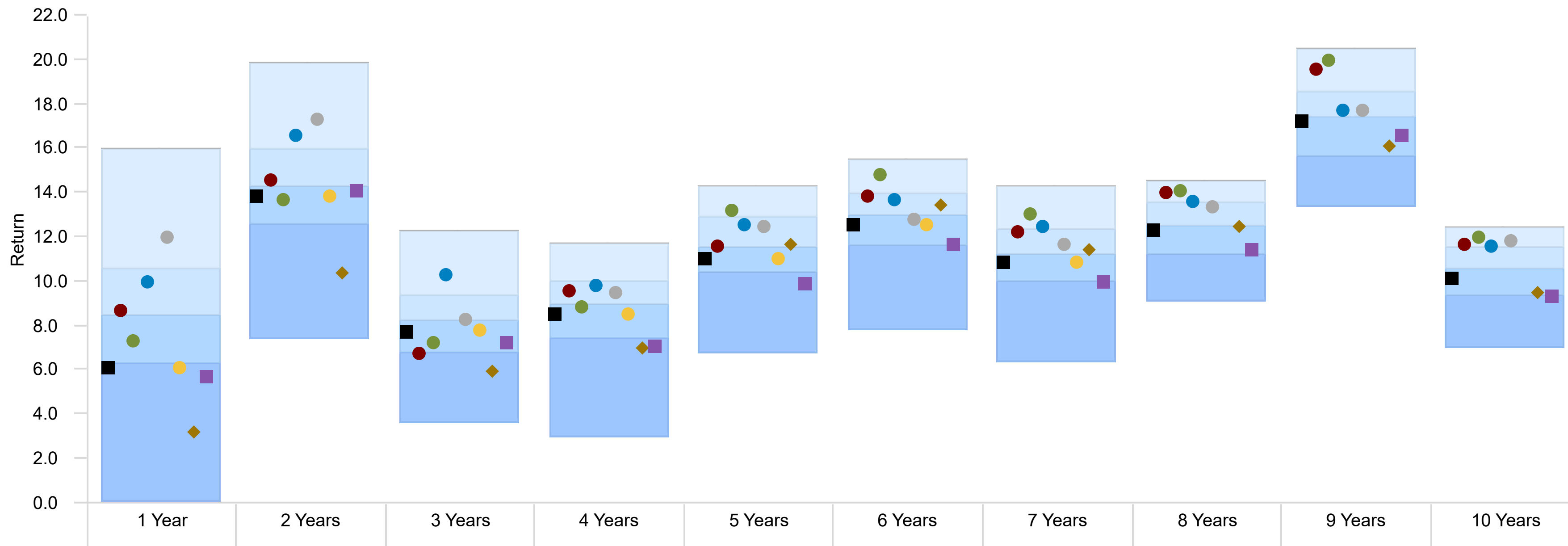
Time Period: 12/1/2010 to 2/28/2018

Rolling Window: 5 Years 3 Months shift



Cooke & Bieler Mid Cap Value Eq
Kennedy Mid-Cap Value
LSV Asset Mgt Md-Cap Val Eq
Vanguard S&P Mid-Cap 400 Value Idx I
WEDGE Mid-Cap Value
TSW SMID Cap Value
S&P MidCap 400 Value TR USD
Russell 2500 Value TR USD
Geneva US Mid Cap Growth

Peer Group (5-95%): Separate Accounts/CITs - U.S. - Mid-Cap Value

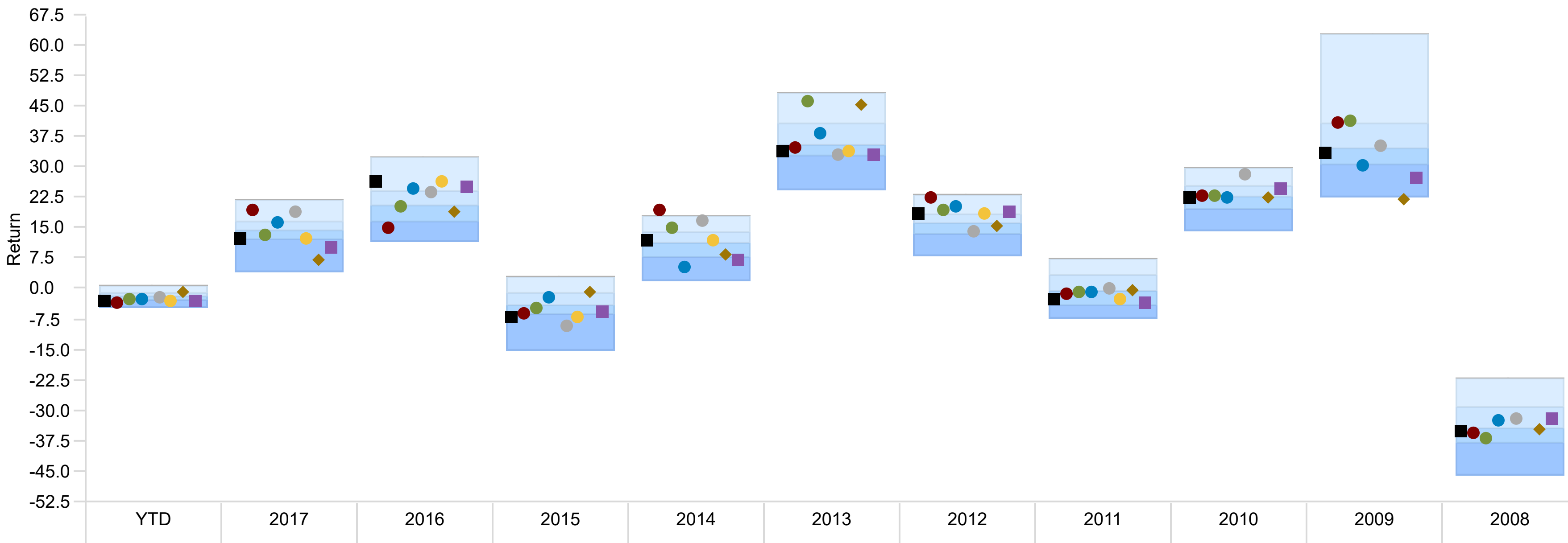


	1 Year	Rank	2 Years	Rank	3 Years	Rank	4 Years	Rank	5 Years	Rank	6 Years	Rank	7 Years	Rank	8 Years	Rank	9 Years	Rank	10 Years	Rank
Cooke & Bieler Mid Cap Value Eq	10.02	32	16.60	19	10.30	17	9.81	28	12.54	32	13.71	31	12.51	23	13.60	24	17.69	47	11.62	22
Kennedy Mid-Cap Value	11.98	15	17.35	11	8.28	48	9.53	36	12.53	33	12.80	53	11.67	41	13.39	28	17.75	46	11.87	15
LSV Asset Mgt Md-Cap Val Eq	7.29	65	13.72	60	7.25	66	8.86	52	13.18	18	14.79	11	13.05	14	14.11	10	20.02	8	11.99	12
Vanguard S&P Mid-Cap 400 Value Idx I	6.16	75	13.88	56	7.80	57	8.55	60	11.04	67	12.58	59	10.86	63						
WEDGE Mid-Cap Value	8.72	46	14.61	45	6.78	75	9.60	35	11.63	48	13.88	25	12.27	26	14.03	12	19.57	12	11.68	20
TSW SMID Cap Value*	3.20	88	10.36	90	5.94	85	7.01	79	11.66	48	13.48	35	11.46	46	12.51	50	16.12	70	9.53	69
S&P MidCap 400 Value TR USD	6.12	75	13.84	56	7.76	57	8.52	60	11.02	67	12.56	59	10.85	63	12.29	57	17.24	51	10.12	61
Russell 2500 Value TR USD	5.72	78	14.09	51	7.26	65	7.09	79	9.88	79	11.68	71	9.95	76	11.46	71	16.60	63	9.34	75

- Cooke & Bieler Mid Cap Value Eq
- Kennedy Mid-Cap Value
- LSV Asset Mgt Md-Cap Val Eq
- Vanguard S&P Mid-Cap 400 Value Idx I
- WEDGE Mid-Cap Value
- TSW SMID Cap Value*
- S&P MidCap 400 Value TR USD
- Russell 2500 Value TR USD

Returns are Gross of Fees.
***Reference p. 31 for TS&W comparison to appropriate SMID Value universe.**

Peer Group (5-95%): Separate Accounts/CITs - U.S. - Mid-Cap Value



	YTD	Rank	2017	Rank	2016	Rank	2015	Rank	2014	Rank	2013	Rank	2012	Rank	2011	Rank	2010	Rank	2009	Rank	2008	Rank
Cooke & Bieler Mid Cap Value Eq	-2.26	61	16.30	30	24.88	20	-1.85	32	5.65	90	38.67	31	20.55	16	-0.88	53	22.64	49	30.44	76	-32.32	38
Kennedy Mid-Cap Value	-1.94	52	19.05	12	24.13	24	-9.17	84	16.83	8	33.35	70	14.43	69	0.22	47	28.33	10	35.56	45	-31.95	36
LSV Asset Mgt Md-Cap Val Eq	-2.32	63	13.60	57	20.42	52	-4.40	52	15.07	17	46.50	8	19.73	18	-0.85	52	23.11	44	41.65	21	-36.85	67
Vanguard S&P Mid-Cap 400 Value Idx I	-3.00	78	12.36	71	26.55	15	-6.62	75	12.09	39	34.23	64	18.58	24	-2.44	65						
WEDGE Mid-Cap Value	-3.29	89	19.59	11	15.13	82	-6.01	74	19.54	3	34.89	56	22.84	6	-1.04	55	23.02	45	40.92	24	-35.22	55
TSW SMID Cap Value*	-0.79	22	7.04	91	19.34	58	-0.87	22	8.68	64	45.72	9	15.57	56	-0.12	48	22.74	48	22.11	96	-34.71	51
S&P MidCap 400 Value TR USD	-3.01	78	12.32	71	26.53	15	-6.65	75	12.10	39	34.25	64	18.53	25	-2.43	65	22.78	47	33.73	54	-34.87	54
Russell 2500 Value TR USD	-2.65	72	10.36	82	25.20	19	-5.49	67	7.11	77	33.32	71	19.21	22	-3.36	70	24.82	31	27.68	81	-31.99	37

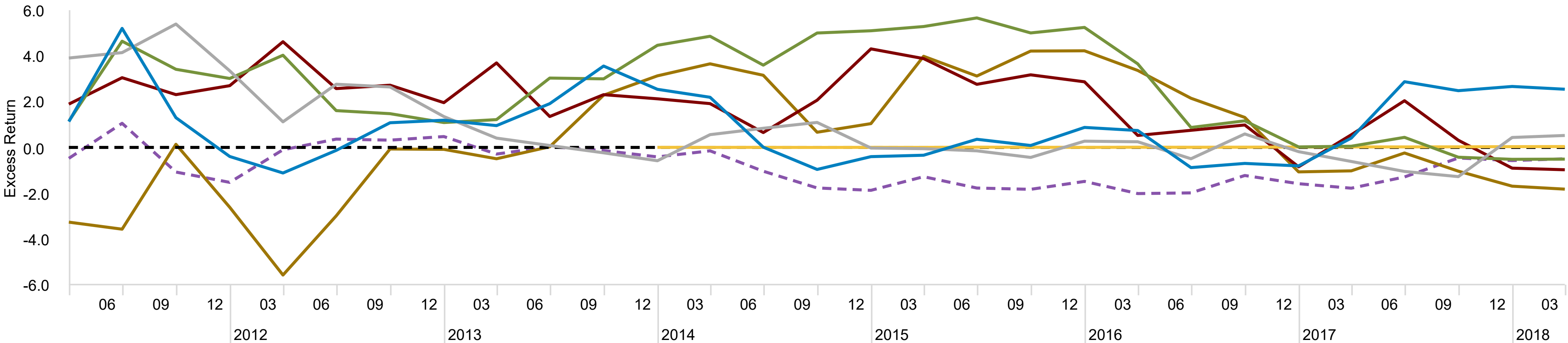
- Cooke & Bieler Mid Cap Value Eq
- Kennedy Mid-Cap Value
- LSV Asset Mgt Md-Cap Val Eq
- Vanguard S&P Mid-Cap 400 Value Idx I
- WEDGE Mid-Cap Value
- TSW SMID Cap Value*
- S&P MidCap 400 Value TR USD
- Russell 2500 Value TR USD

***Reference p. 31 for TS&W comparison to appropriate SMID Value universe.**

Rolling Excess Returns

Time Period: 4/1/2008 to 3/31/2018

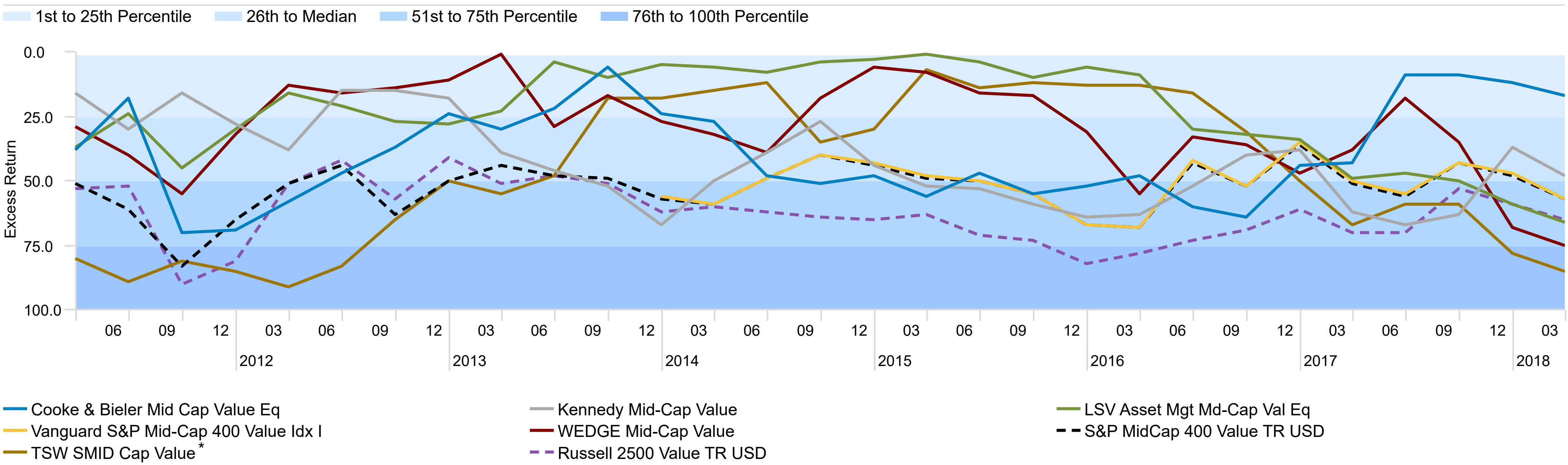
Rolling Window: 3 Years 3 Months shift   Calculation Benchmark: S&P MidCap 400 Value TR USD



Rolling Excess Return Rankings

Time Period: 4/1/2008 to 3/31/2018

Rolling Window: 3 Years 3 Months shift   Calculation Benchmark: S&P MidCap 400 Value TR USD

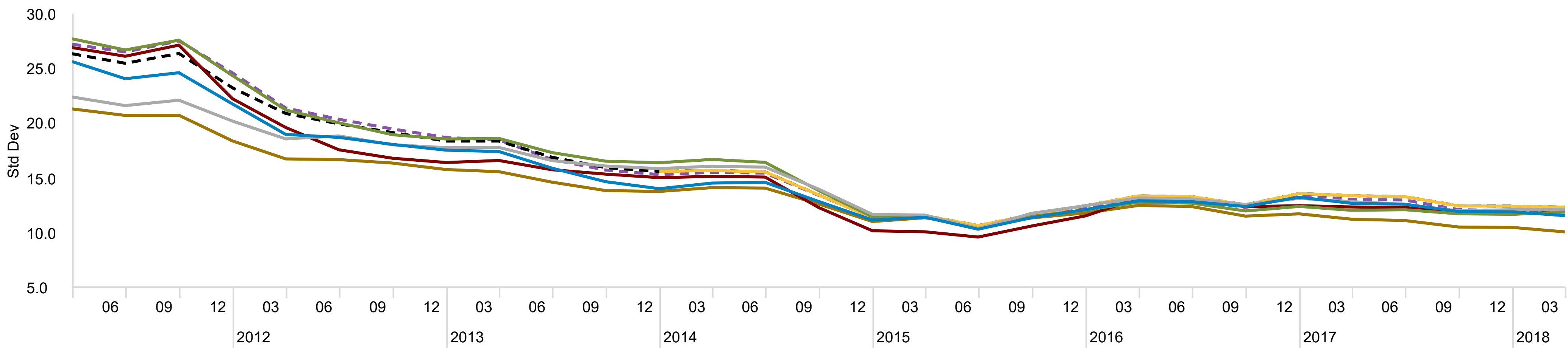


***Reference p. 31 for TS&W comparison to appropriate SMID Value universe.**

Rolling Standard Deviation

Time Period: 4/1/2008 to 3/31/2018

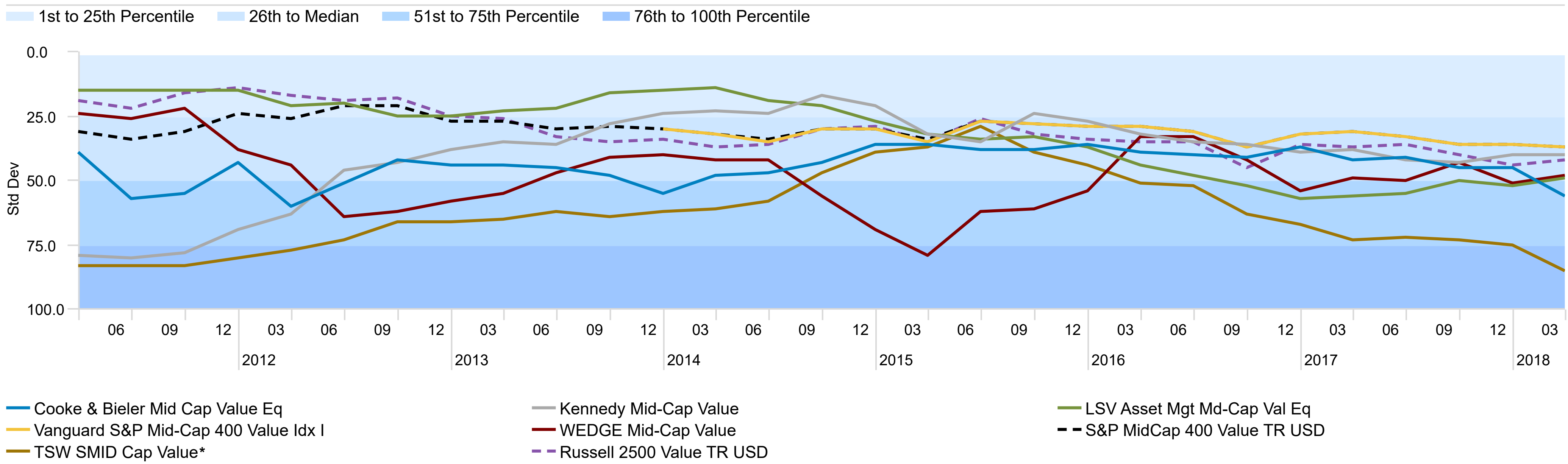
Rolling Window: 3 Years 3 Months shift



Rolling Standard Deviation Rankings

Time Period: 4/1/2008 to 3/31/2018

Rolling Window: 3 Years 3 Months shift

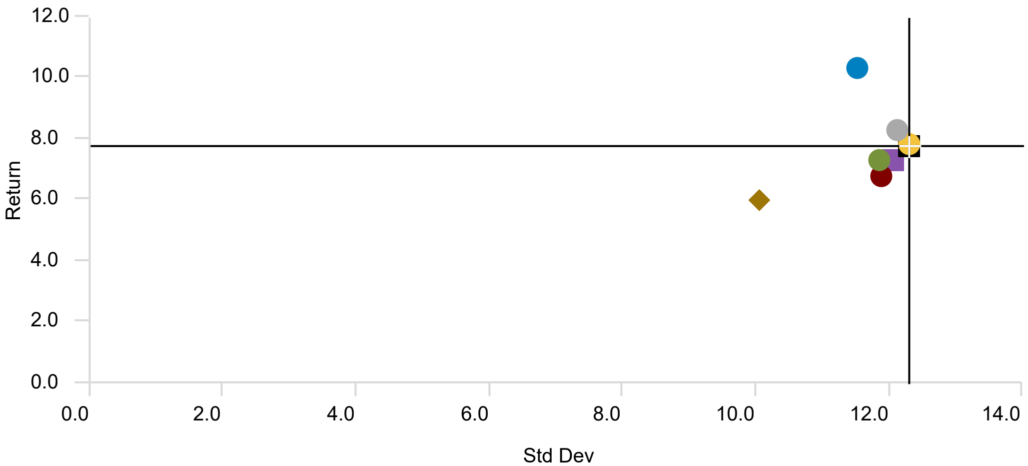


***Reference p. 31 for TS&W comparison to appropriate SMID Value universe.**

Risk-Reward: 3-Year

Time Period: 4/1/2015 to 3/31/2018

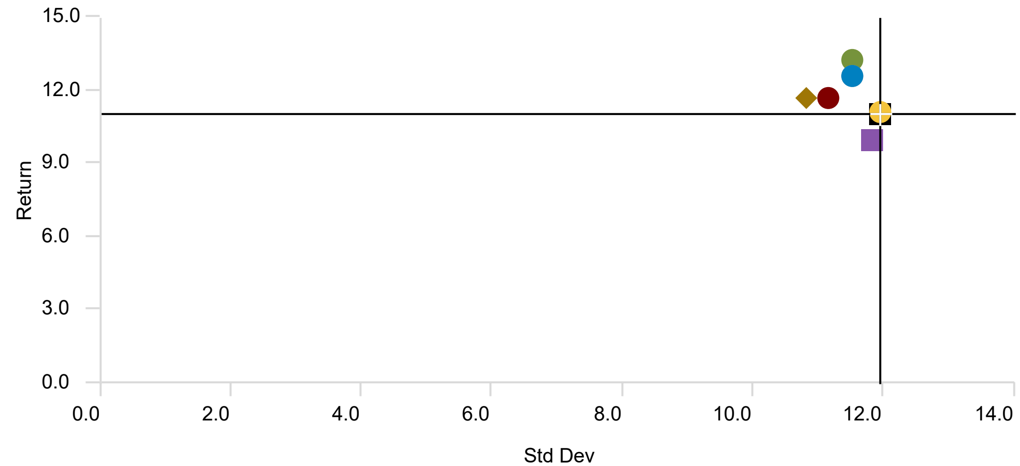
Calculation Benchmark: S&P MidCap 400 Value TR USD



Risk-Reward: 5-Year

Time Period: 4/1/2013 to 3/31/2018

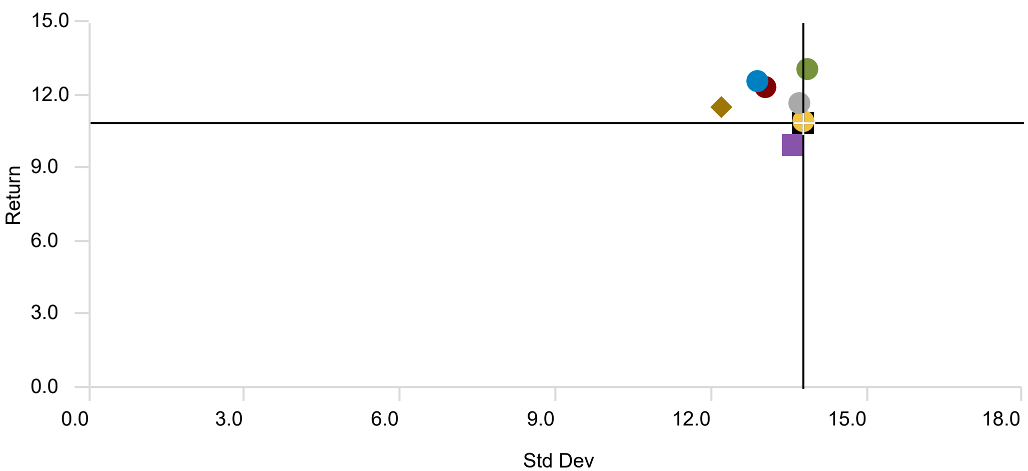
Calculation Benchmark: S&P MidCap 400 Value TR USD



Risk-Reward: 7-Year

Time Period: 4/1/2011 to 3/31/2018

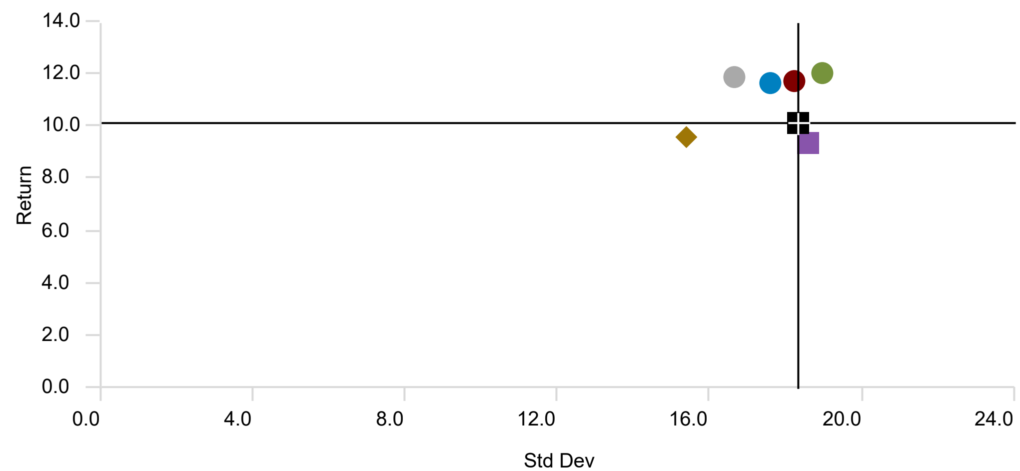
Calculation Benchmark: S&P MidCap 400 Value TR USD



Risk-Reward: 10-Year

Time Period: 4/1/2008 to 3/31/2018

Calculation Benchmark: S&P MidCap 400 Value TR USD

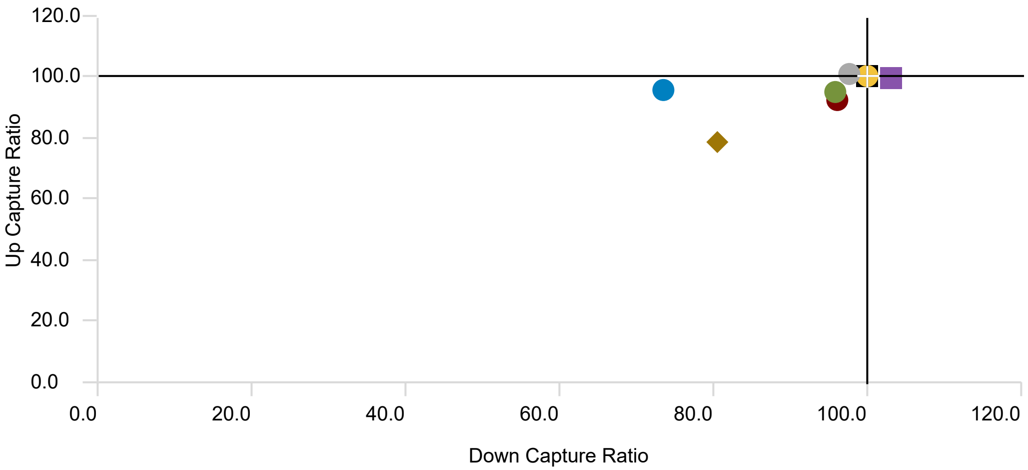


- Cooke & Bieler Mid Cap Value Eq
- Kennedy Mid-Cap Value
- LSV Asset Mgt Md-Cap Val Eq
- Vanguard S&P Mid-Cap 400 Value Idx I
- WEDGE Mid-Cap Value
- TSW SMID Cap Value
- S&P MidCap 400 Value TR USD
- Russell 2500 Value TR USD

Up and Down Market Capture: 3-Year

Time Period: 4/1/2015 to 3/31/2018

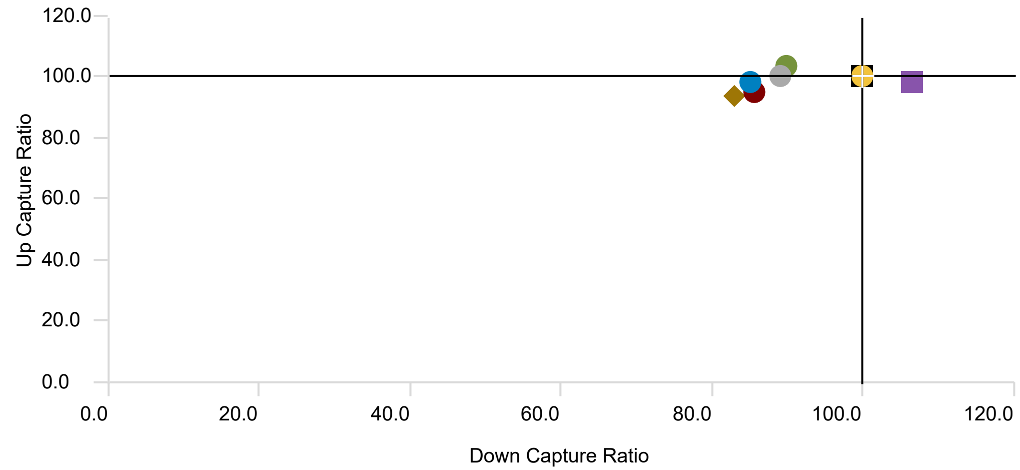
Calculation Benchmark: S&P MidCap 400 Value TR USD



Up and Down Market Capture: 5-Year

Time Period: 4/1/2013 to 3/31/2018

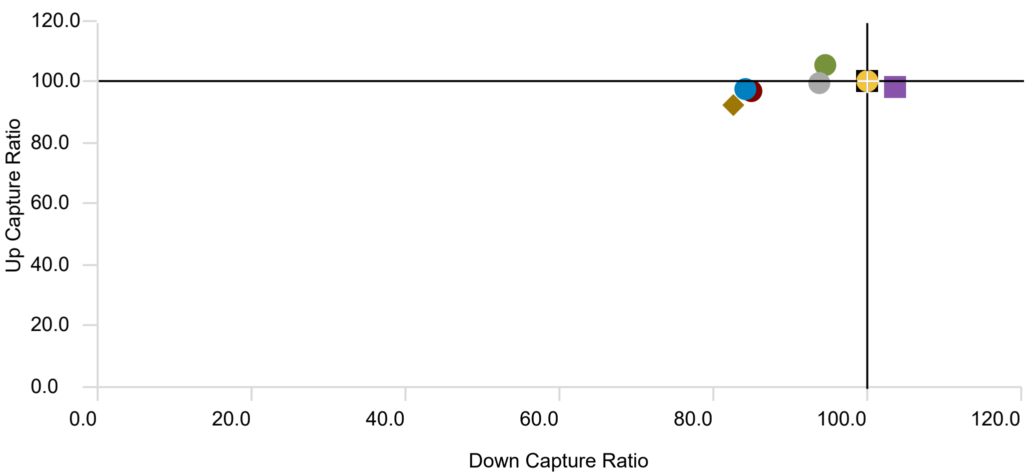
Calculation Benchmark: S&P MidCap 400 Value TR USD



Up and Down Market Capture: 7-Year

Time Period: 4/1/2011 to 3/31/2018

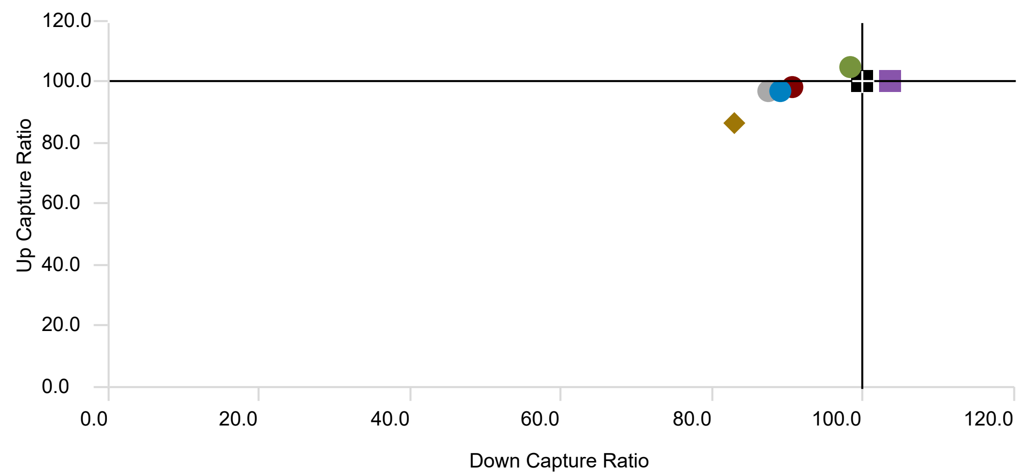
Calculation Benchmark: S&P MidCap 400 Value TR USD



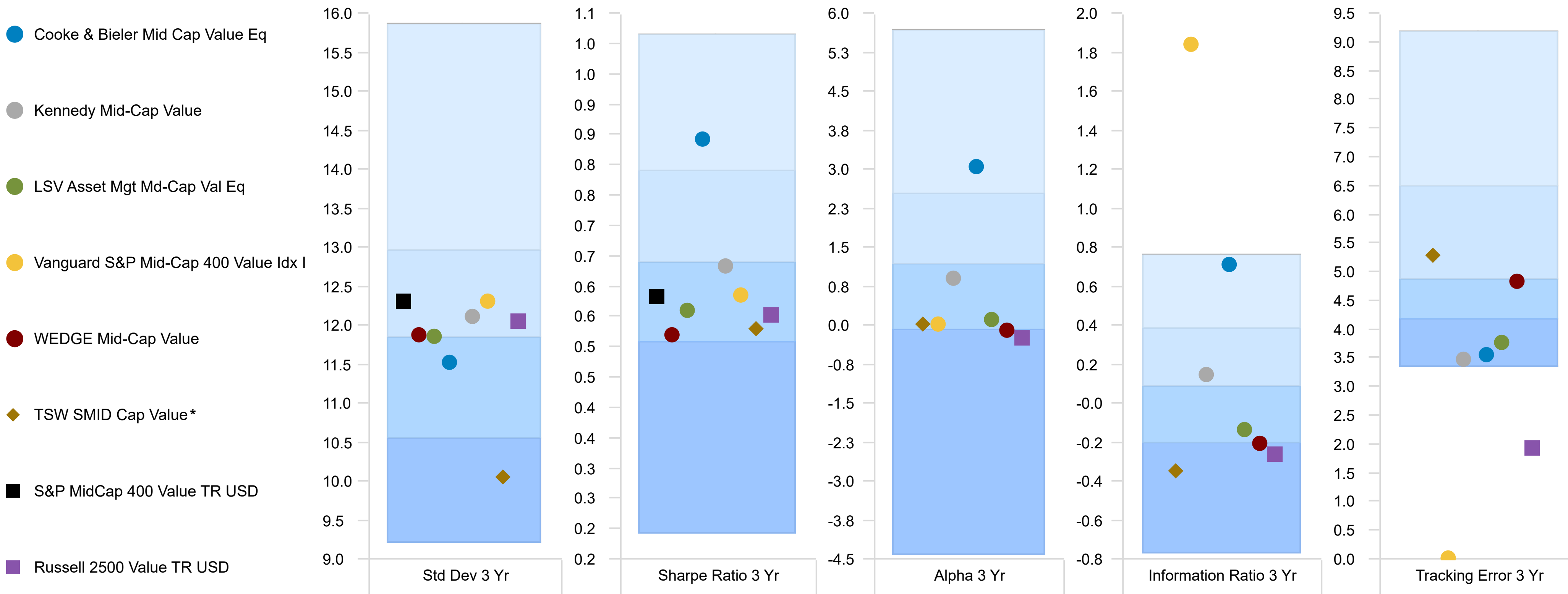
Up and Down Market Capture: 10-Year

Time Period: 4/1/2008 to 3/31/2018

Calculation Benchmark: S&P MidCap 400 Value TR USD



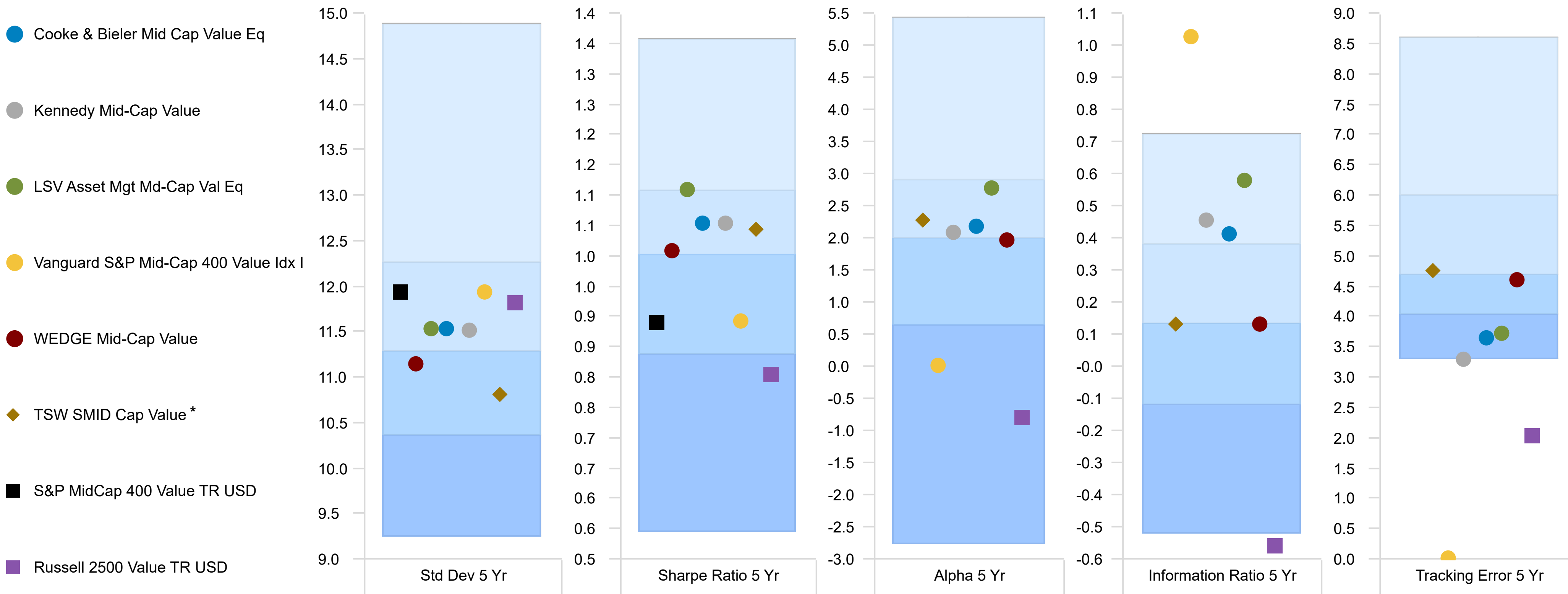
- Cooke & Bieler Mid Cap Value Eq
- Kennedy Mid-Cap Value
- LSV Asset Mgt Md-Cap Val Eq
- Vanguard S&P Mid-Cap 400 Value Idx I
- WEDGE Mid-Cap Value
- TSW SMID Cap Value
- S&P MidCap 400 Value TR USD
- Russell 2500 Value TR USD



Time Period: 4/1/2015 to 3/31/2018

	Std Dev	Rank	Sharpe Ratio	Rank	Alpha	Rank	Information Ratio	Rank	Tracking Error	Rank
Cooke & Bieler Mid Cap Value Eq	11.54	56	0.84	19	3.05	20	0.71	7	3.57	90
Kennedy Mid-Cap Value	12.12	40	0.63	52	0.90	56	0.15	44	3.49	93
LSV Asset Mgt Md-Cap Val Eq	11.86	49	0.56	66	0.12	70	-0.14	69	3.78	87
Vanguard S&P Mid-Cap 400 Value Idx I	12.31	37	0.59	59	0.04	73	1.85	1	0.02	100
WEDGE Mid-Cap Value	11.89	48	0.52	73	-0.10	75	-0.20	73	4.84	52
TSW SMID Cap Value*	10.06	85	0.53	71	0.03	73	-0.34	87	5.29	40
S&P MidCap 400 Value TR USD	12.31	37	0.58	59	0.00	73			0.00	100
Russell 2500 Value TR USD	12.06	42	0.55	69	-0.24	77	-0.26	79	1.95	100

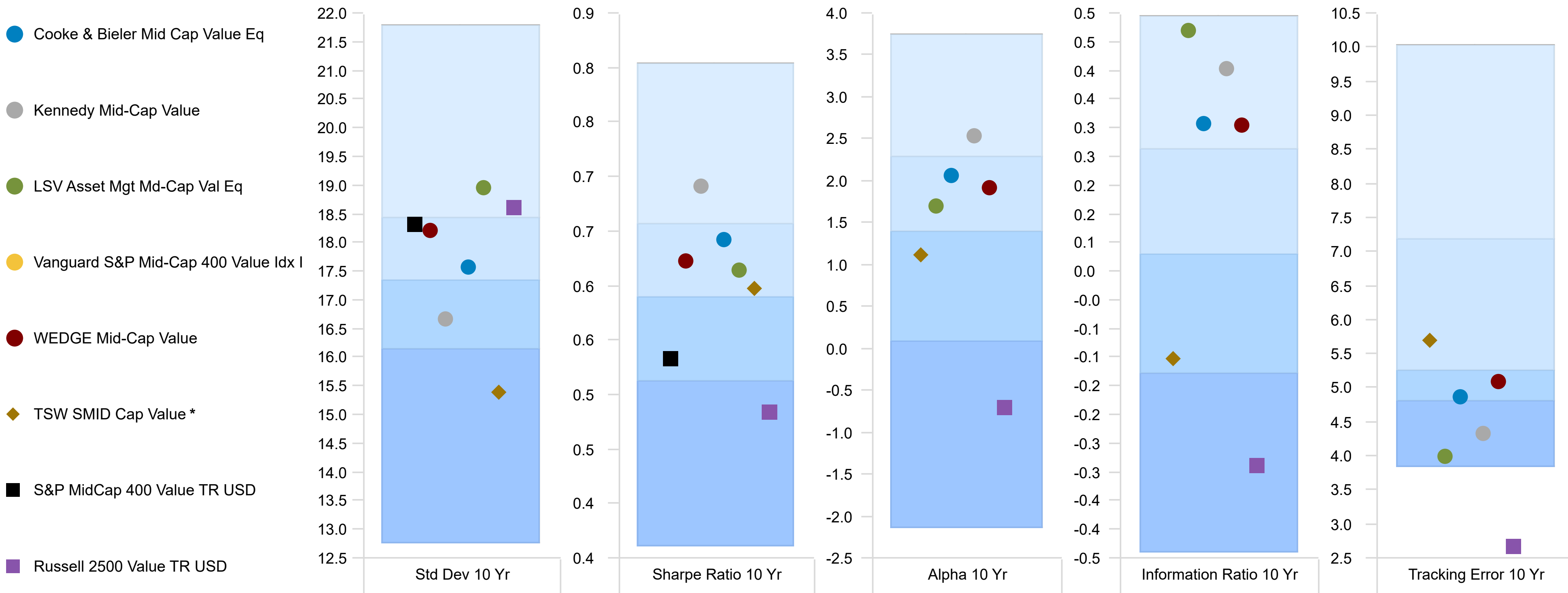
***Reference p. 31 for TS&W comparison to appropriate SMID Value universe.**



Time Period: 4/1/2013 to 3/31/2018

	Std Dev	Rank	Sharpe Ratio	Rank	Alpha	Rank	Information Ratio	Rank	Tracking Error	Rank
Cooke & Bieler Mid Cap Value Eq	11.53	44	1.06	37	2.20	42	0.42	24	3.65	85
Kennedy Mid-Cap Value	11.53	45	1.05	38	2.11	47	0.46	19	3.30	95
LSV Asset Mgt Md-Cap Val Eq	11.54	43	1.11	25	2.79	30	0.58	10	3.74	83
Vanguard S&P Mid-Cap 400 Value Idx I	11.95	31	0.89	67	0.02	81	1.03	1	0.02	100
WEDGE Mid-Cap Value	11.16	54	1.01	47	1.97	50	0.13	50	4.61	54
TSW SMID Cap Value *	10.81	63	1.04	43	2.29	41	0.14	49	4.76	48
S&P MidCap 400 Value TR USD	11.95	31	0.89	67	0.00	83			0.00	100
Russell 2500 Value TR USD	11.83	34	0.80	81	-0.79	89	-0.56	95	2.05	100

***Reference p. 31 for TS&W comparison to appropriate SMID Value universe.**



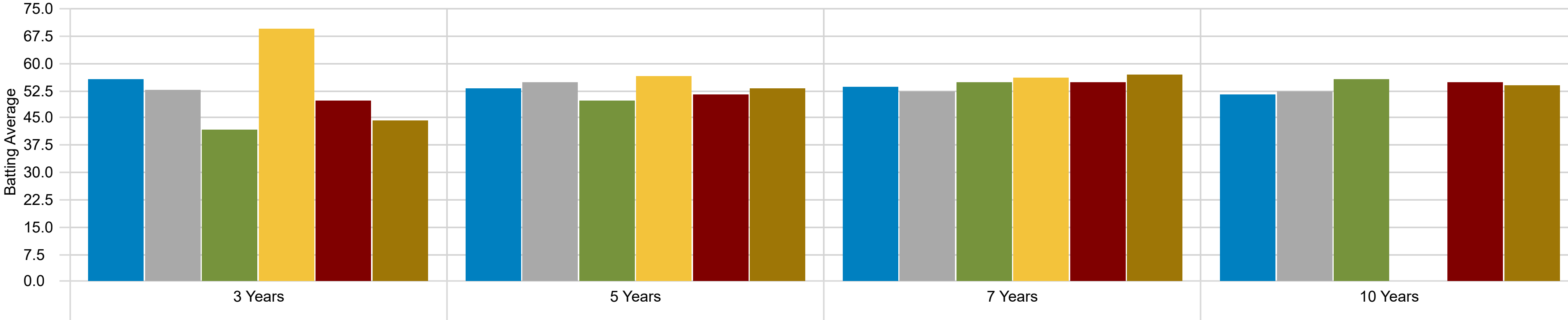
Time Period: 4/1/2008 to 3/31/2018

	Std Dev	Rank	Sharpe Ratio	Rank	Alpha	Rank	Information Ratio	Rank	Tracking Error	Rank
Cooke & Bieler Mid Cap Value Eq	17.59	43	0.64	30	2.06	33	0.31	18	4.88	71
Kennedy Mid-Cap Value	16.67	63	0.69	18	2.55	19	0.40	9	4.33	84
LSV Asset Mgt Md-Cap Val Eq	18.97	16	0.62	40	1.70	41	0.47	7	3.99	91
Vanguard S&P Mid-Cap 400 Value Idx I										
WEDGE Mid-Cap Value	18.22	31	0.62	36	1.92	37	0.31	19	5.10	55
TSW SMID Cap Value *	15.40	80	0.60	48	1.12	54	-0.10	70	5.70	45
S&P MidCap 400 Value TR USD	18.34	26	0.53	69	0.00	76			0.00	100
Russell 2500 Value TR USD	18.61	24	0.48	80	-0.70	88	-0.29	84	2.68	100

***Reference p. 31 for TS&W comparison to appropriate SMID Value universe.**

Batting Average

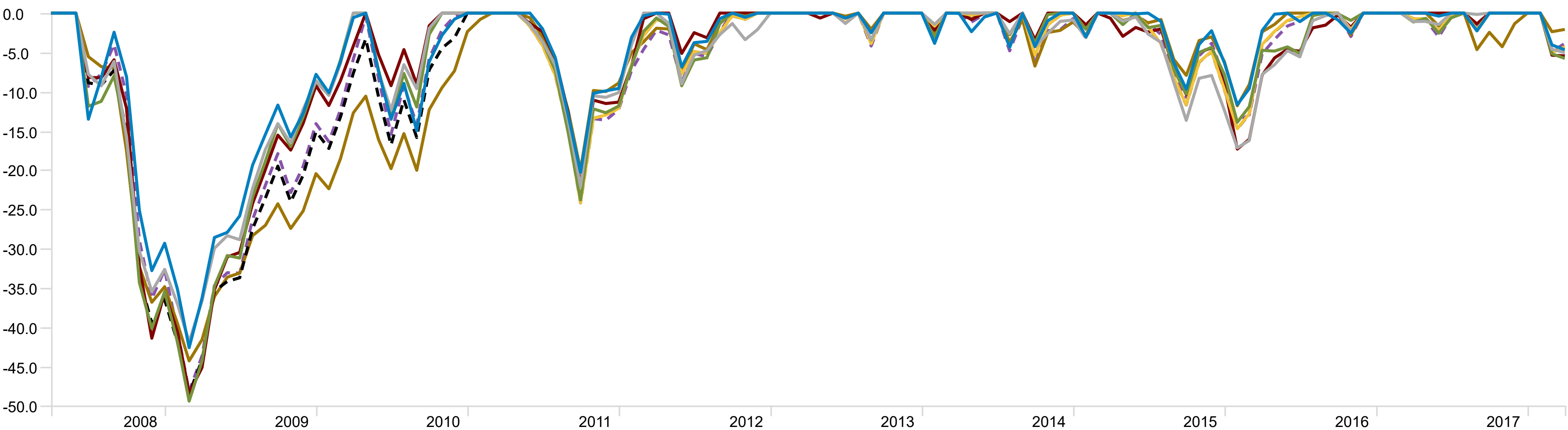
Source Data: Monthly Return   Calculation Benchmark: S&P MidCap 400 Value TR USD



Drawdown

Time Period: 4/1/2008 to 3/31/2018

Source Data: Monthly Return



Cooke & Bieler Mid Cap Value Eq
Kennedy Mid-Cap Value
LSV Asset Mgt Md-Cap Val Eq
Vanguard S&P Mid-Cap 400 Value Idx I
WEDGE Mid-Cap Value
TSW SMID Cap Value
S&P MidCap 400 Value TR USD
Russell 2500 Value TR USD

MPT Statistics: 3-Year

Time Period: 4/1/2015 to 3/31/2018   Calculation Benchmark: S&P MidCap 400 Value TR USD

	Cooke & Bieler Mid Cap Value Eq	Kennedy Mid-Cap Value	LSV Asset Mgt Md-Cap Val Eq	Vanguard S&P Mid-Cap 400 Value Idx I	WEDGE Mid-Cap Value	TSW SMID Cap Value	S&P MidCap 400 Value TR USD	Russell 2500 Value TR USD
Return	10.30	8.28	7.25	7.80	6.78	5.94	7.76	7.26
Excess Return	2.54	0.52	-0.51	0.04	-0.98	-1.82	0.00	-0.50
Std Dev	11.54	12.12	11.86	12.31	11.89	10.06	12.31	12.06
Beta	0.90	0.94	0.92	1.00	0.89	0.74	1.00	0.97
Tracking Error	3.57	3.49	3.78	0.02	4.84	5.29	0.00	1.95
Sharpe Ratio	0.86	0.67	0.60	0.62	0.56	0.57	0.62	0.59
Alpha	3.05	0.90	0.12	0.04	-0.10	0.03	0.00	-0.24
Information Ratio	0.71	0.15	-0.14	1.85	-0.20	-0.34		-0.26
Batting Average	55.56	52.78	41.67	69.44	50.00	44.44	100.00	50.00
Up Capture Ratio	95.59	101.06	94.93	100.10	92.76	78.90	100.00	99.45
Down Capture Ratio	73.39	97.64	95.90	99.87	96.08	80.55	100.00	102.99

MPT Statistics: 5-Year

Time Period: 4/1/2013 to 3/31/2018   Calculation Benchmark: S&P MidCap 400 Value TR USD

	Cooke & Bieler Mid Cap Value Eq	Kennedy Mid-Cap Value	LSV Asset Mgt Md-Cap Val Eq	Vanguard S&P Mid-Cap 400 Value Idx I	WEDGE Mid-Cap Value	TSW SMID Cap Value	S&P MidCap 400 Value TR USD	Russell 2500 Value TR USD
Return	12.54	12.53	13.18	11.04	11.63	11.66	11.02	9.88
Excess Return	1.52	1.51	2.16	0.02	0.62	0.64	0.00	-1.14
Std Dev	11.53	11.53	11.54	11.95	11.16	10.81	11.95	11.83
Beta	0.92	0.93	0.92	1.00	0.86	0.83	1.00	0.98
Tracking Error	3.65	3.30	3.74	0.02	4.61	4.76	0.00	2.05
Sharpe Ratio	1.05	1.05	1.10	0.91	1.01	1.04	0.91	0.83
Alpha	2.20	2.11	2.79	0.02	1.97	2.29	0.00	-0.79
Information Ratio	0.42	0.46	0.58	1.03	0.13	0.14		-0.56
Batting Average	53.33	55.00	50.00	56.67	51.67	53.33	100.00	50.00
Up Capture Ratio	98.55	100.54	103.67	100.06	95.09	93.79	100.00	98.57
Down Capture Ratio	85.15	89.01	89.75	99.95	85.77	83.09	100.00	106.46

Investment Option Narratives

Firm Overview

Cooke & Bieler (C&B) was founded as a partnership in Philadelphia in 1949 by Louis Bieler, and was incorporated as Cooke & Bieler, Inc. with the arrival of Jay Cooke in 1951. The partners merged C&B in 1986 into United Asset Management, a publicly traded company, but continued to actively manage the business. In 2000, United Asset Management agreed to be acquired by Old Mutual, an overseas insurance company. In 2001, the partners led a management buy-back of the firm. Cooke & Bieler, LP remains today an independent firm, owned by its partners. The firm's 13 Partners are active, full-time employees and represent approximately 80% of the ownership. The outside investor who represents approximately 20% is not an employee of the firm and plays a passive role.

Team Overview

The seven-member team consists of individuals of equal standing. Investment professionals serve a dual role of PM/Analyst with dedicated industry/sector responsibilities. C&B's "career analyst" model consists of individuals who are each responsible for selecting securities into the various portfolios. The benefits of such a structure are the lack of a "star" system, full accountability and transparency across the team and no information lost between Analysts and PM as can typically occur at competitor firms.

Strategy Overview

The universe of securities for C&B's Mid Cap Value equity strategy consists of approximately ~2,000 companies. Market capitalization range for mid cap is $1 billion to $12 billion or within the Russell Midcap Value Index at the time of purchase. The team screens this universe for high quality companies (high ROE, reasonable yield, low Debt/Capital, etc.) selling at reasonable valuation levels.

Promising buy candidates are subjected to a rigorous fundamental evaluation (business quality assessment) which includes an assessment of the company's long term financial and operating strategies, competitive positioning and management talent. Portfolios are constructed based on the bottom-up recommendations of individual stocks by each analyst. Once an analyst is prepared to consider adding a business to our clients' portfolio, the analyst will present the company formally to the entire investment team. The components of that presentation are, in addition to background material, the analyst's investment thesis, discounted cash flow model, and his/her analysis of appreciation potential. After being challenged by the analyst's colleagues, the analyst will decide whether or not to initiate a position (sometimes this is at a second meeting, after he or she has gathered additional information or thought more about some of his/her colleagues' questions). It is important to understand that this decision lies with the analyst, not a team or committee vote. Generally, C&B will purchase a stock only if the difference between its market price and its intrinsic value allows for at least 40% appreciation potential.

Cash is a residual, typically less than 5% of the total portfolio, however can range from 0-10% and determined by the team's ability to fund suitable investment ideas that meet all of their rigorous criteria for investment. Individual securities are capped at 5%. The maximum percentage allocation to a single sector or industry is 35% and 20%, respectively. There is no minimum requirement. While the strategy can purchase up to 25% in non-US companies (via ADRs), the historical average has been less than 1% to securities of this type.

Expectations

C&B portfolios tend to do extremely well during periods of market or economic stress when people become concerned about the quality of their investments. For example, with concerns about an economic recession in 2001, C&B Mid Cap Value equity portfolios outperformed the Russell Midcap Value Index by 24%.

The team largely avoids cyclical and commodity sensitive exposures in favor of durable, secular franchises. This leaves the strategy prone to bouts of underperformance during periods when commodity sensitive businesses outperform. For example, in 2007, Energy was the best performing sector within the Russell Mid Cap Value Index (+41%). C&B had only 1.11% exposure to this area and suffered greatly. Similarly, Utilities and Real Estate produced 27% and 29% returns in 2014 and accounted for 25% of the index. C&B's exposure was limited to 0.15% in these two areas.

C&B's "high quality, low risk" investment approach tends to lag during very strong up markets as well as markets that are driven by an industry phenomenon (e.g., the technology boom of 1999, the oil boom of 1979-1980, the commodities boom in 2H04-2005 & 2007) or a rapid decline in interest rates (which tends to benefit low quality companies more than high quality companies).

Points to Consider

The strategy's benchmark-agnostic approach tends to result in large sector deviations versus the benchmark. This, in conjunction with a conservative approach, contributes to Mid Cap Value's above average tracking error relative to the Russell Midcap Value Index. Clients considering the strategy should be willing to be patient when short term performance lags (e.g. 2009 -2010 or 2014).

Recommendation Summary

C&B Mid Cap Value offers an attractive value proposition. The firm has a long, established history of capital preservation combined with adequate market participation, a risk profile that allows us to endorse this as a stand-alone option or client portfolios. We feel confident in the team's ability to repeat its prior success over a full market cycle.

The team structure and firm culture was established at the onset of the organization's history and has been entrenched ever since. C&B purposefully combines very senior investment professionals with hungry, but talented and seasoned "new blood". The result is a team less prone to groupthink with varying perspectives on market dynamics based on the unique backgrounds of the various individuals. The group is deep, but not bloated and the product suite the team covers is modest for a team of this size. We also like the firm's performance-based culture. Six of the seven investment professionals are partners in the firm, each with an equal stake. With each member of the team incentivized to the exact same degree, both true collaboration and healthy discourse can be achieved.

Firm Overview

Kennedy Capital Management, Inc. (KCM) was founded in 1980 by Gerald Kennedy and Richard (Dick) Sinise with a focus on small cap investing for high net worth individuals. In 1993, KCM began marketing its services to institutional investors and the firm eventually broadened its focus to include both the small cap and mid cap areas of the U.S. equity market. KCM maintains one office in St. Louis, MO and is 100% employee-owned by approximately 40 partners.

Team Overview

Frank Latuda, Jr. is the lead portfolio manager for KCM's Mid Cap Value, Small Cap Value I, SMID Cap Value I, and All Cap Value strategies. He joined the firm in 1997 as an equity research analyst and served as Director of Research from 1998-2000, before being promoted to Portfolio Manager. Latuda began his investment career in 1992 as a research analyst with Burns, Pauli, Mahoney Company. Gary Kauppila, who joined KCM in 2007, serves as the assistant portfolio manager for Mid Cap Value, Small Cap Value I and SMID Cap Value. Latuda and Kauppila rely heavily on KCM's deep centralized research team whose analysts are organized by sector.

Strategy Overview

KCM MCV employs a bottom-up, fundamental approach that seeks to take advantage of expected inefficiencies in the pricing of mid cap stocks. These inefficiencies generally result from a lack of Wall Street sponsorship, limited institutional ownership, and/or a lack of timely and accurate information available on those companies. The strategy focuses on mid cap companies with high and/or improving Returns on Invested Capital (ROIC), as well as growing asset bases. Initial screens narrow the investment universe from approximately 1,400 stocks to a range of 600-1,000. The team then conducts fundamental analysis on the most attractive companies. After evaluating public filings, conducting discussions with management and reviewing the competitive landscape for the company and its industry, analysts build financial models and lobby for stocks to be owned in various KCM portfolios. While most stock ideas are generated by the firm's centralized research team, portfolio managers may also sponsor stocks not covered by the rest of the team and add them to their portfolios. Stocks are sold when valuations become excessive, company fundamentals deteriorate, earnings disappoint, there is a change in company management, or competitive forces rise resulting in a change in investment thesis.

MCV portfolios will typically hold 40 to 60 stocks. Generally, no single security will be greater than 5% of the overall portfolio. Sector exposures will fall within a +/- 10% range relative to the Russell Midcap Value Index. Turnover averages between 40% and 60% per annum.

Expectations

MCV tends to have a growth bias relative to the value index, as its focus on companies with strong growth prospects that can reinvest in their businesses keeps KCM out of many of the deeper value names in the index. We would expect it to struggle when yield-oriented sectors are in favor, such as 2015. Not surprisingly, there is a positive tilt toward quality factors, as Latuda tends to focus on companies with low leverage (debt-to-equity), higher returns on equity and sustainable business models. The strategy also has a modest tilt toward lower market cap stocks, which is a function of the firm's history and the team's skillset.

The strategy has possessed a pro-cyclical bias since 2009, which should continue to contribute to good up-market capture, while providing a headwind during market sell-offs. Despite its modest concentration, tracking error should fall in the 3-5% range in normal market environments. While sector weights may deviate +/- 10% versus the benchmark, they are typically within 5% of index weights. We expect the portfolio to generate outperformance of 1-3% gross of fees over the long term.

Points to Consider

Although Latuda began managing MCV at its 2002 inception, he up gave lead PM responsibilities to Joe Kinnison in December 2005 and stepped off the strategy from September 2006 through January 2009. In September 2009, Latuda resumed the title of sole lead PM with Assistant PM Kauppila. The decision to reassume MCV responsibilities was based on KCM's desire at the time for Kinnison to focus on the firm's growth strategies.

The firm's research-oriented culture is very competitive and analysts are compensated quarterly based on the outperformance of their shadow portfolios, which reflect their best ideas. Extensive travel to meet with companies is expected. As such, the research team has experienced a moderate level of turnover. We are comfortable with historical attrition (approximately 1-2 analyst(s) per year given KCM's research depth, but would be concerned if this turnover rate rose.

On March 21, 2018, CEO Kim Wood resigned from the firm after approximately 18 months on the job. We understand that the principals of KCM were uncomfortable with the firm's spending trajectory as part of her efforts to accelerate AUM growth. She was replaced internally by Small Cap Core PM Don Cobin. While Wood's departure is not concerning on its own, we will be monitoring the firm's staffing closely in the upcoming year, especially given KCM just brought on board its first external Director of Research hire, Jean Bernard, in February 2018.

Recommendation Summary

We recommend KCM MCV as a core or complementary option in the mid cap value category. We like that the firm is 100% employee-owned with a wide distribution of ownership. We are impressed by the depth of KCM's small and mid-cap research team, which provides a potential "information edge" compared to its competitors. The strategy's higher quality, ROIC-focused approach has remained consistent over time. The portfolio maintains a pro-cyclical bias, and a modest tilt towards lower market cap stocks, which should contribute to above 100% up-market capture, but also provides a headwind during a market sell-offs. MCV offers a relatively concentrated (40-60 stock) portfolio, yet broad diversification such that tracking error is modest.

Lead PM Frank Latuda Jr. is an experienced small & mid cap investor and began managing this strategy when it was incepted in 2002. Although he manages three other strategies at the firm, representing a potential distraction, we take solace in the fact that he is supported by Assistant PM Gary Kauppila, who has worked on the strategy since 2009, and the firm's robust centralized research team that is responsible for the lion's share of portfolio ideas.

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

Firm Overview

Based in Chicago, IL, LSV Asset Management was established to provide domestic, international and global value equity services for institutional investors using the firm's proprietary quantitative models. The firm manages more than $100 billion in assets. LSV has academic roots in behavioral finance. and is named after the firm's three founding partners, Josef Lakonishok (University of Illinois professor), Andrei Shleifer (Harvard), and Robert Vishny (University of Chicago). Lakonishok remains the active leader of the business, while Shleifer and Vishny and have retired from the firm.

LSV was organized as partnership and is 39% owned by SEI Funds, Inc., a wholly-owned subsidiary of SEI Investments Co. (Ticker-SEIC), with the remaining equity owned by LSV employees. While SEI provided the initial working capital for LSV, it is not involved in the day-to-day management of LSV.

Team Overview

LSV employs a team-based approach to management of all its strategies. LSV Mid Cap Value (MCV) is managed by Josef Lakonishok, Menno Vermeuelen, Puneet Mansharamani, Greg Sleight, and Guy Lakonishok, who have worked on the strategy since 1997, 1997, 2000, 2006 and 2009, respectively. While portfolio managers are responsible for implementation, investment decisions are driven by the firm's quantitative model. LSV's research and portfolio construction team comprises 11 portfolio managers, researchers and systems developers, all of whom are partners in the firm. Director of Research Bhaskaran Swaminathan joined LSV in 2004. The team is also supported by two academic advisors, Louis Chan and Dan Givoly, both of whom have worked with LSV for more than a decade.

Strategy Overview

LSV's investment philosophy for all of its strategies is based on the premise that superior long-term returns may be achieved by systematically, exploiting the judgmental biases and behavioral weaknesses that influence many investors' decisions. The firm's quantitative strategies generally have a deeper value tilt. The model is divided between Value Indicators (75%) and Momentum Factors (25%). The Value Indicators are further split between Value Factors (Cash Flow, Earnings, Book, Sales, Dividend Yield) and Long-Term Performance, which are contrarian indicators that favors stocks with poor long-run returns and slow long-term earnings and sales growth, looking back from seven years ago to one year ago. The Momentum Factors focus on share price momentum, operating momentum, share repurchases and insider buying over the trailing 12 months,

LSV MCV starts with a universe of approximately 1,900 stocks that fall within a market cap of $500M and $25B and meet certain liquidity requirements. Companies that rank in top 15% of the quantitative model are eligible for purchase, which is then optimized for risk control, producing a buy list of approximately 175-200 names. The portfolio will generally hold 125-150 stocks. Stocks are sold when they fall below the top 40% of the model or its active weight exceeds 2.4%.

Sectors are kept to within 5% of their weightings in the benchmark, with industry weights kept within 3-4% depending on industry size. Initial stocks weights range from 0.5%-1.4%. The portfolio is rebalanced every 6-8 weeks with annual turnover in the 30% range.

Expectations

LSV Mid Cap Value's deeper value approach typically performs well in value-oriented market environments. Additionally, with a low minimum market capitalization of $500m, the strategy is typically overweight small cap stocks relative the Russell Midcap Value Index by approximately 20%, which should contribute to relative performance when small cap stocks rally. The portfolio's beta has remained above 1.0 since its 1997 composite inception.

The strategy will tend to lag in growth-oriented market environments, as well as markets where momentum is working. This was the case in 2007, when the strategy lagged the benchmark by 7.1% gross of fees. While short-term momentum is a component of the firm's quantitative model, it is used in a defensive manner to avoid value traps and the strategy is typically underweight momentum relative to the benchmark.

Given MCV's broad stock and sector diversification, we would anticipate tracking error remaining in the 3-5% range. The portfolios managers are focused on maximizing expected return and minimizing tracking error for clients.

Points to Consider

LSV does not manage its institutional accounts to a model portfolio. As such, portfolio holdings may differ depending on when an account is incepted. While MCV portfolios will possess similar characteristics across composites, performance may vary from year to year with composite dispersion ranging from 0.5%-2.1% over the past decade. Additionally, the Harbor Mid Cap Value mutual fund, subadvised by LSV, holds 175-200 stocks compared to the firm's institutional separate account target of 125-150 stocks. The difference is based on the growth of the Harbor mutual fund assets. Since LSV does not manage to a model portfolio, and does not sell stocks that rank in the top 40% of its model, accounts experiencing cash inflows will tend to hold more stocks compared to new accounts or those with no cash flow activity. There is no difference in the expected returns across accounts.

The portfolio's deeper value and smaller cap approach has contributed to above benchmark volatility over time and down-market capture generally above 100%. As such, it is only appropriate for clients willing to be patient and reallocate to the approach when it underperforms during market sell-offs.

Recommendation Summary

We recommend LSV Mid Cap Value, and its mutual fund counterpart, Harbor Mid Cap Value for clients seeking a deep value manager in the mid cap value category. We consider it appropriate for defined benefit plans, endowments and foundations, in addition to defined contribution plans whose investment committees are willing to be patient with the strategy's more volatile approach.

LSV has consistently applied its systematic, value-oriented approach across it suite of equity strategies since the firm's 1994 inception. The firm's partnership structure and academic, collegial culture facilitates patience with respect to model enhancements. There have been no departures on the investment team since the firm's inception other than retirements or a return to academia, Additionally, while the firm's model continues to evolve, LSV has avoided the recent trend towards factor timing.

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

Firm Overview

Based in Charlotte, NC, WEDGE Capital Management (WEDGE) was founded in June 1984. The firm is owned by 12 active general partners. The firm is structured as a limited liability partnership and is fully independent. Each general partner is an active employee in the firm. WEDGE's product offerings fall into three distinct categories: Traditional Equity, Quantitative Equity and Fixed Income.

Team Overview

Brian Pratt heads up the Mid Cap team. He joined WEDGE in 2007 and transitioned to his current role at the end of 2015. As lead Mid Cap analyst, Pratt signs off on all portfolio decisions and is responsible for sector positioning in addition to his research analyst responsibilities. Pratt is joined by Senior Equity Analysts Darrin Whitt (joined WEDGE in 2004) and Mike Ritzer (2010), Equity Analyst Brandon Smith (2016) and Associate Analyst Andrew Hamlin (2015). All analysts are dedicated the firm's Mid Cap strategy and cover 10-20 stocks, expect Whitt and Hamlin. Whitt covers about 45 financials stocks across the market cap spectrum and is supported by Hamlin. All stock decisions are subject to the approval of the firm's Investment Policy Committee (IPC), comprising senior members of the firm's fundamental and quantitative teams, as well as trading, compliance and WEDGE's client PM group. However, the IPC rarely vetoes lead analyst recommendations.

Strategy Overview

WEDGE believes that a fundamentally sound, value-oriented discipline, employing rigorous quantitative research and enhanced by thorough, independent qualitative analysis will outperform the appropriate benchmark.

Initially, WEDGE employs two proprietary, fundamentally-based screening models, using publicly available data on all eligible companies. The team's Fundamental Value Model identifies those stocks with the greatest profit potential, based on value, quality, capital use, and momentum factors. To preclude investing in financially unsound companies, WEDGE then employs its Financial Quality Model, which focuses on multiple earnings growth, profitability, leverage, and liquidity factors. Stocks are ranked by both models for relative attractiveness, with approximately 35% of the initial universe eligible for subsequent research. Focusing on companies that meet the firm's value and financial quality parameters, research analysts employ comprehensive, quantitative and qualitative analysis, seeking stocks with unrecognized value. Areas of emphasis include independent earnings forecasts and financial statement analysis, an evaluation of free cash flow generation and return on invested capital, absolute and relative valuations, industry analysis and competitive positioning, management capabilities and incentives. This bottom-up analysis is then coupled with macro-economic research, focusing on the current and future stages of the economic cycle and their impact on the profitability and performance of broad sectors and specific industries. Ideas are constructively debated among the investment team, culminating with a review and required approval by WEDGE's Investment Policy Committee, prior to purchase. In essence, the process begins with a stock recommendation that originates at the analyst level. From that point, Pratt vets the idea as PM and has veto power over the initial recommendation. If Pratt signs off on the idea, it gets promoted to the Investment Policy Committee, which consists of members of WEDGE's quantitative and fundamental research teams, plus members of the firm's client service contingent. While the IPC has veto power over recommendations that are presented before it, this veto power is rarely exercised.

Generally, portfolios consist of 30-45 stocks. Sector weights are limited to 25% or the benchmark weight plus 5%, whichever is greater, but the portfolio can be completely absent in certain sectors. Typical security weightings are 1-4% with a maximum of 5%. Cash tends to be a residual of the process and rarely exceeds 5% of the total portfolio weight.

Expectations

WEDGE is likely to experience its best relative performance in markets favoring higher quality companies, with investors clearly focused on company-specific fundamentals and valuations. While the firm strives to outperform its value benchmarks in all environments, WEDGE will have more difficulty in erratic markets that are driven by broad macro factors and emotion (versus company-specific fundamentals) and when participants favor lower quality companies, such as 2016, when metals and mining stocks, as well as airlines, boosted the return for the benchmark.

Despite the portfolio's concentration among 30-45 stocks, we expect modest tracking of 3-5% given the strategy's broad sector diversification. Over a full market cycle, we believe WEDGE Mid Cap Value has the potential to generate 2-3% annualized excess returns gross of fees.

Points to Consider

Long-time lead Mid Cap analyst Paul VeZolles retired at the end of 2015. We conducted an onsite visit in early 2017, which reaffirmed our conviction in the approach. Brian Pratt, who VeZolles made his first hire in 2007, had been groomed to take the lead analyst for three years. In addition to Pratt, we were impressed with the depth of stock knowledge demonstrated by the rest of the team during our visit.

The team parted ways with research analyst Dennis Tong in the early 2017 for cultural fit reasons. Tong, who joined WEDGE in July 2014, was responsible for seven stocks in the portfolio that were absorbed by the rest of the team. While we believe the Mid Cap team has adequate research capacity, we anticipate Pratt adding one additional analyst in the next couple of years given the departures of both VeZolles and Tong.

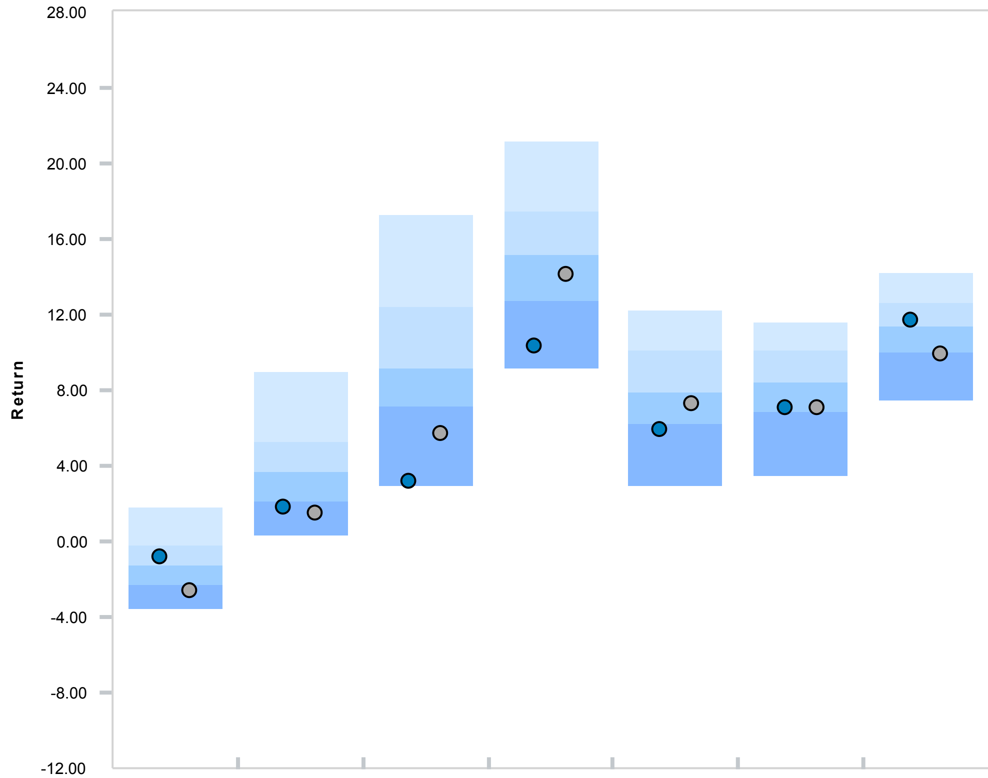
Recommendation Summary

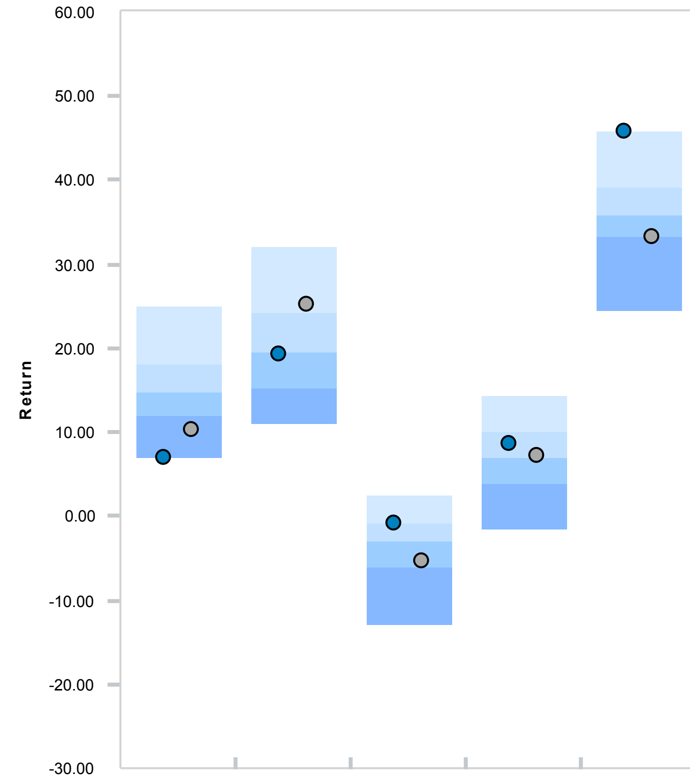
We recommend WEDGE Mid Cap Value as a core or complementary option in the mid cap value category. The strategy combines the right mix of quantitative and fundamental inputs that serve as the framework for the team's idea generation process. It benefits from a robust quantitative screening methodology, customized by sector and industry, to provide the team with a strong subset of preferred investments. From there, the team's fundamental analysis uncovers high quality, undervalued companies that deploy capital in a shareholder friendly manner.

We appreciate WEDGE's patient, long-term approach to investing that emphasizes the team's differentiated view relative to consensus. We also like the team's willingness take on risk in a controlled fashion. Rarely is the strategy completely absent exposure within a sector or industry that is a significant weight in the index. This allows the strategy to act like a more diversified offering while maintaining high active share.

Appendix: TSW SMID Cap Value Quantitative Review

Peer Group Analysis - IM U.S. SMID Cap Value Equity (SA+CF)





	QTR		FYTD		1 YR		2 YR		3 YR		4 YR		5 YR	
TSW SMID Value	-0.79	(37)	1.81	(79)	3.20	(92)	10.36	(92)	5.94	(82)	7.01	(75)	11.66	(44)
Russell 2500 Value	-2.65	(81)	1.49	(83)	5.72	(82)	14.09	(68)	7.26	(61)	7.09	(73)	9.88	(81)
Median	-1.28		3.72		9.14		15.12		7.85		8.39		11.35	

	2017		2016		2015		2014		2013	
TSW SMID Value	7.04	(96)	19.34	(51)	-0.87	(26)	8.68	(36)	45.72	(6)
Russell 2500 Value	10.36	(85)	25.20	(24)	-5.49	(69)	7.11	(50)	33.32	(74)
Median	14.78		19.40		-3.01		7.06		35.78	

Comparative Performance

	1 Qtr Ending Dec-2017		1 Qtr Ending Sep-2017		1 Qtr Ending Jun-2017		1 Qtr Ending Mar-2017		1 Qtr Ending Dec-2016		1 Qtr Ending Sep-2016	
TSW SMID Value	2.62	(92)	-1.13	(97)	2.53	(27)	2.89	(63)	4.19	(92)	6.19	(50)
Russell 2500 Value Index	4.25	(68)	3.83	(59)	0.32	(70)	1.62	(80)	9.34	(37)	6.18	(50)
IM U.S. SMID Cap Value Equity (SA+CF) Median	5.29		4.01		1.61		3.78		8.22		6.07	

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Return - Compounded rate of return for the period.

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

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

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

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

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

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

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

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

Value-Growth Score - Morningstar assigns an Overall Value score and an Overall Growth score to each stock within a fund. Morningstar then calculates a net value-core-growth score for each stock by subtracting the stock's Overall Value score from its Overall Growth score. Once this is done, these raw scores are rescaled to range between -100 to 400 in order to fit within the Morningstar Style Box. Scores below 67 are classified as value, scores above 233 are classified as growth, and scores between 67 and 233 fit within the core boundaries.

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

IMPORTANT DISCLOSURE INFORMATION

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

RISK FACTORS

THE RISK DISCLOSURES HEREIN DO NOT PURPORT TO COVER ALL RISKS, PLEASE REFER TO THE RESPECTIVE PROSPECTUSES FOR COMPLETE INFORMATION.

As presented in this report, although investing in equities can be beneficial, it is also important to consider the associated risks. Investing in such funds may not be suitable for all investors. Equity markets can be volatile and can decline significantly in response to, or investor perceptions of, issuer, market, economic, industry, political, regulatory, geopolitical, and other conditions. These conditions can affect a single issuer or type of security, issuers within a broad market sector, industry or geographic region, or the equity markets in general. The primary risk factors to consider include, but are not limited to: stock market risk, manager risk, investment style risk, sector-focus risk, issuer risk and liquidity risk. The securities markets are volatile and the market prices of the funds' securities may decline generally. Securities fluctuate in price based on changes in a company's financial condition and overall market and economic conditions. If the market prices of the securities owned by the fund fall, the value of your investment in the fund will decline. Depending on the specific strategy, there many additional considerations such as the risks associated with equity investing.

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International Growth Equity Manager Analysis
March 31, 2018

Town of Palm Beach Retirement System

Purpose for this Manager Evaluation Report

The client is considering a replacement for Artisan International Growth (ARTIX) due to underwhelming performance. This will be a complement to the Oakmark International Value strategy within the client's international equity allocation.

Investment Options for this Manager Evaluation Report

Firm Name	Strategy Name	Vehicle	Management Fee	Investment Minimum
Harding Loevner	Harding Loevner International Eq Instl Z (HLIZX)	MF	0.73% on all assets.	$10,000,000
Massachusetts Financial Services	MFS International Growth R6 (MGRDX)	MF	0.82% on all assets.	No Investment Minimum
Vontobel Asset Management	Vontobel International Equity	CF	0.75% on all assets.	No Investment Minimum
WCM Investment Management	WCM Focused Growth International Instl (WCMIX)	MF	1.04% on all assets.	$100,000
Artisan Partners	Artisan Partners International Investor (ARTIX)	MF	1.18% on all assets.	$1,000

The Harding Loevner International Equity Instl (HLMIX) fund will be used as a proxy for the Harding Loevner International Equity Instl Z (HLZIX) fund due to its longer performance/data history.
The Vontobel International Equity separate account composite will be used as a proxy for the Vontobel International Equity CIT due to its longer performance/data history.
The WCM Focused Growth International separate account composite will be used as a proxy for The WCM Focused Growth International Instl (WCMIX) fund due to its longer performance/data history.

Definition and Characteristics

The International Growth Equity asset class is typically defined as the markets of all developed and developing countries, excluding the US. These countries account for approximately 50% of the global equity exposure by market cap. The category is dedicated to growth companies which are typically characterized by fast sales and earnings growth, high valuations and low dividend yields . The most often used benchmarks for the category are the MSCI All Country World ex U.S.A. Growth (MSCI ACWI ex US Growth) Index and the MSCI EAFE Growth Index. The MSCI ACWI ex US Growth covers all developed market countries other than the US, as well as the largest emerging market countries. The MSCI EAFE Growth Index covers only developed markets in Europe, Asia and Australia. In both indices, the largest country exposures are typically Japan and the United Kingdom, with France and Germany each accounting for meaningful exposures. China is also a significant exposure in the MSCI ACWI ex US Growth Index. The largest sectors are Technology, Industrials and the Consumer sectors.

Role within a Portfolio

International Growth Equity provides the portfolio with exposure to companies with higher future growth prospects within equity markets across the world. These markets typically have a relatively high correlation to US equity markets over the long-term, but can provide diversification benefits over shorter time periods. While expected risk is typically higher, International Equity makes up a significant part of global equity's potential investment growth. Growth companies generally have higher earnings and sales growth, higher valuations, but typically have lower dividend yields and higher volatility when broader economic conditions deteriorate. This asset class tends to include mostly developed markets, and smaller allocations to Emerging Markets Equity. Within the portfolio, an International Growth strategy is usually paired with an International Value strategy to provide additional diversification across different economic environments.

Benchmark and Peer Group

This International Equity search report will use the following benchmark and peer group:

Index – MSCI All Country World ex U.S.A. Growth (ACWI ex U.S.A. Growth) (Net): Captures large and mid cap securities exhibiting overall growth style characteristics across 22 Developed Markets (DM) countries and 24 Emerging Markets (EM) countries. The growth investment style characteristics for index construction are defined using five variables: long-term forward EPS growth rate, short-term forward EPS growth rate, current internal growth rate and long-term historical EPS growth trend and long-term historical sales per share growth trend.

Morningstar Category - Foreign Large Growth: Foreign large-growth portfolios focus on high-priced growth stocks, mainly outside of the United States. Most of these portfolios divide their assets among a dozen or more developed markets, including Japan, Britain, France, and Germany. These portfolios primarily invest in stocks that have market caps in the top 70% of each economically integrated market (such as Europe or Asia ex-Japan). Growth is defined based on fast growth (high growth rates for earnings, sales, book value, and cash flow) and high valuations (high price ratios and low dividend yields). These portfolios typically will have less than 20% of assets invested in U.S. stocks.

Investment Option Comparison

	Harding Loevner International Eq Instl Z	MFS® International Growth R6	Vontobel Asset Mgt Intl Eq	WCM Inv Mgt Focused Growth Intl
Firm Information				
Year Founded	1/1/1989	1/1/1924	1/1/1984	1/1/1976
US Headquarters Location	Bridgewater, NJ	Boston, MA	New York, NY	Laguna Beach, CA
Number of Major Global Offices	2	9	2	1
Year Began Managing Ext. Funds	1/1/1989	1/1/1924	1/1/1990	1/1/1976
Firm AUM ($ M)	49,731	440,610	33,088	17,800
Ownership Type	Independent	Subsidiary	Publicly Traded	Independent
Largest Owner (%)	60	94	N/A	40
Largest Owner (Name)	AMG Funds	Sun Life Financial	N/A	P. Black, K. Winrich
Employee Ownership (%)	40	6	0	100
Qualify as Emerging Manager?	No	No	No	No
Strategy Information				
Inception Date	1/1/1989	10/1/2001	7/6/1990	11/30/2004
Open/Closed	Open	Open	Open	Open
Primary Benchmark	MSCI ACWI ex US	MSCI ACWI ex US Growth	MSCI ACWI ex US	MSCI ACWI ex US
Secondary Benchmark	MSCI EAFE	MSCI ACWI ex US	MSCI EAFE	MSCI EAFE
Peer Universe	International Developed	International Developed	International Developed	International Developed
Outperformance Estimate (%)	3	2	2	4-6
Tracking Error Estimate (%)	3-6	3-8	6-8	5-7
Strategy AUM ($ M)	11,315	11,373	3,667	15,800
Estimated Capacity ($ M)	25,000-29,000	Not Provided	25,000	40,000
Strategy AUM as % Firm Assets	43	3	11	88
Investment Approach - Primary	Bottom-up	Bottom-up	Bottom-up	Bottom-up
Investment Approach - Secondary	Fundamental	Fundamental	Fundamental	Fundamental

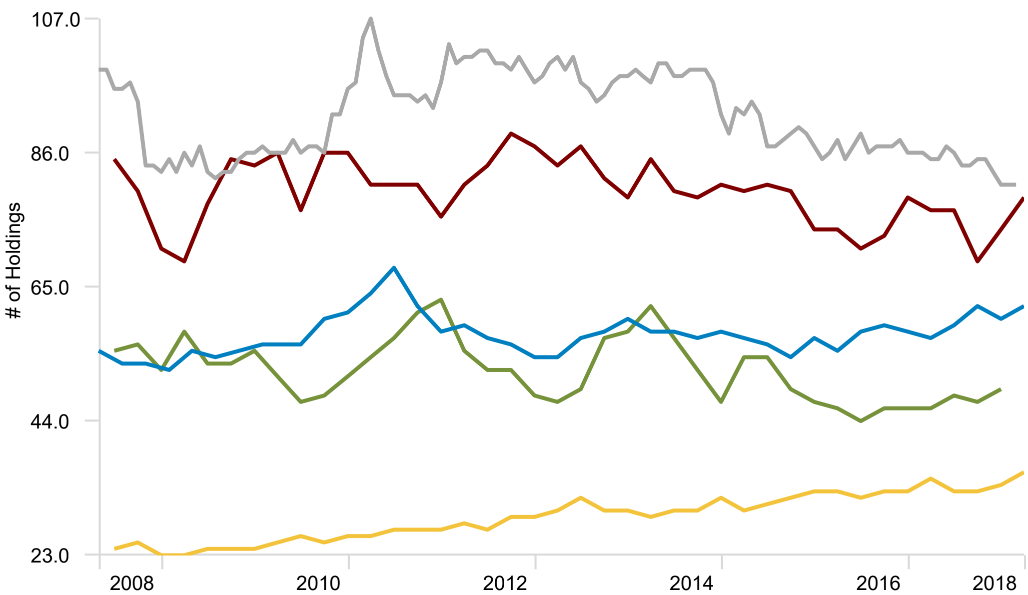
The source of data and figures provided is generally the respective managers. Certain data represents AndCo's view and could differ from the manager's interpretation. The most current AUM of each strategy may therefore differ from what is currently stated.

	Harding Loevner International Eq Instl Z	MFS® International Growth R6	Vontobel Asset Mgt Intl Eq	WCM Inv Mgt Focused Growth Intl
Team Information				
Decision Making Structure	PM-Led	PM-Led	Team	Team
Number of Decision Makers	2	3	3	3
Names of Decision Makers	F. Roll, A. Walsh	D. Antonelli, M. Barrett, K. Dwan	M. Benkendorf, D. Kranson, D. Souccar	M. Trigg, P. Hunkel, P. Black
Date Began Managing Strategy	2004, 2001	2010, 2015, 2012	2016, 2016, 2016	2006, 2004, 2004
Date Began with Firm	1996, 1994	1991, 2000, 2005	1999, 2007, 2007	2006, 2004, 2004
Number of Products Managed by Team	3	1	6	3
Number of Investment Analysts	24	71	15	7
Investment Analyst Team Structure	Sector/Industry Specialists	Sector/Industry Specialists	Combination	Combination
Portfolio Construction Information				
Broad Style Category	Growth	Growth	Core	Growth
Style Bias	Core Growth	Core Growth	Growth Tilt	GARP
Country/Region Constraint Type	Absolute	None	Benchmark Relative	None
Typical Country Constraints (%)	40	None	+20	None
Typical Region Constraints (%)	None	None	None	None
Typical Countries/Regions Overweight	None	None	None	None
Typical Countries/Regions Underweight	None	None	None	None
Maximum Emerging Market Exposure (%)	30	Benchmark + 5	30	35
Sector Constraint Type	Absolute	None	Absolute	Absolute
Sector Constraints (%)	25, > 7 Sectors	None	> 5 Sectors	45
Typical Sector/s Overweight	None	None	None	Technology, Consumer Health Care
Typical Sector/s Underweight	None	None	None	Energy, Materials, Utilities
Typical Number of Holdings	35-75	80-100	50-70	30-40
Average Full Position Size (%)	1-3	1.5	2-3	2-5
Maximum Position Size (%)	5	5	7	10
Annual Typical Asset Turnover (%)	15	35	45-65	30
Annual Typical Name Turnover (%)	13	15	20	15
Maximum Cash Allocation (%)	10	10	10	10
Currency Hedged?	No	Yes	No	No

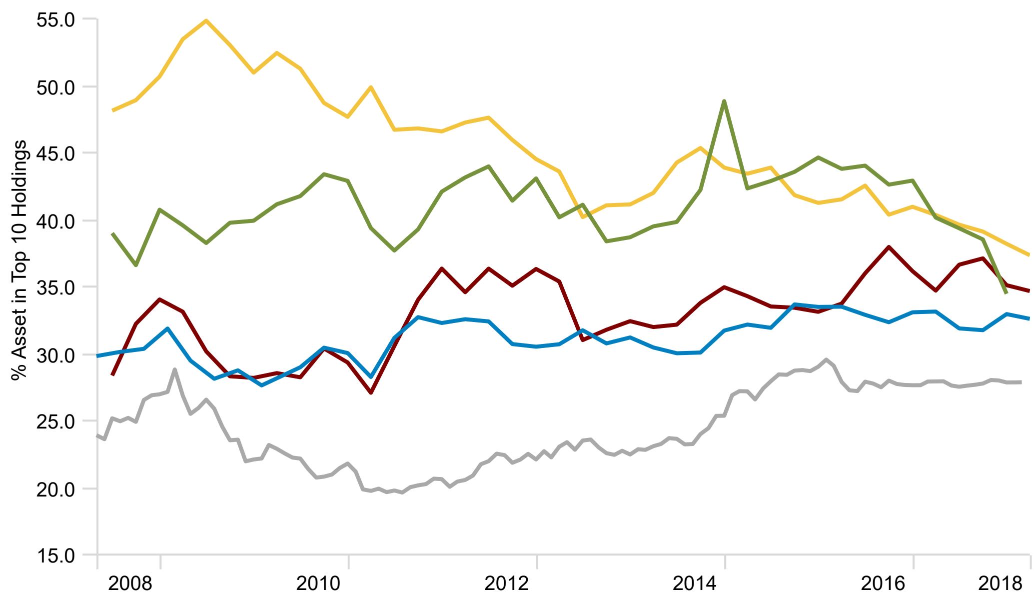
The source of data and figures provided is generally the respective managers. Certain data represents AndCo's view and could differ from the manager's interpretation. The most current AUM of each strategy may therefore differ from what is currently stated.

	Harding Loevner International Eq Instl Z	MFS® International Growth R6	Vontobel Asset Mgt Intl Eq	WCM Inv Mgt Focused Growth Intl	Artisan International Investor	MSCI ACWI Ex USA Growth NR USD
COMPOSITION						
# of Holdings	62	81	49	36	79	1,003
% Asset in Top 10 Holdings	32.62	27.90	34.49	37.36	34.69	15.02
Asset Alloc Cash %	2.57	1.19	3.62	5.37	6.07	0.01
Asset Alloc Equity %	97.43	98.87	96.38	94.63	93.93	99.92
Asset Alloc Bond %	0.00	0.00	0.00	0.00	0.00	0.00
Asset Alloc Other %	0.00	0.00	0.00	0.00	0.00	0.10
CHARACTERISTICS						
Average Market Cap (mil)	46,043.33	45,370.37	62,842.80	41,484.39	43,002.27	33,618.25
P/E Ratio (TTM)	19.76	22.96	25.81	27.17	19.07	17.90
P/B Ratio (TTM)	2.61	3.32	4.66	4.99	2.22	2.70
LT Earn Growth	11.96	10.15	11.98	13.20	10.97	14.86
Dividend Yield	2.29	2.24	1.83	1.32	2.41	2.07
ROE % (TTM)	17.66	19.27	28.65	27.33	15.82	20.24
GICS SECTORS %						
Energy %	5.37	1.90	0.00	2.48	1.79	2.60
Materials %	7.73	7.26	1.03	6.08	10.60	8.51
Industrials %	12.85	12.94	10.43	16.65	17.38	15.22
Consumer Discretionary %	6.15	10.67	16.73	18.14	3.39	13.04
Consumer Staples %	7.21	19.03	30.11	10.18	11.77	15.46
Healthcare %	18.12	14.60	5.80	12.28	5.51	10.18
Financials %	20.16	12.11	11.12	11.41	36.41	10.50
Information Technology %	21.55	19.96	21.75	22.79	11.94	19.79
Telecom Services %	0.00	1.04	0.00	0.00	1.23	1.73
Utilities %	0.00	0.50	0.00	0.00	0.00	1.16
Real Estate %	0.87	0.00	3.03	0.00	0.00	1.82
MARKET CAPITALIZATION						
Market Cap Giant %	45.09	54.12	63.70	39.13	41.39	45.99
Market Cap Large %	22.22	28.09	27.13	33.07	37.01	34.42
Market Cap Mid %	7.71	14.98	5.55	7.40	5.02	12.00
Market Cap Small %	0.00	0.18	0.00	0.00	0.00	0.11
Market Cap Micro %	0.00	0.00	0.00	0.00	0.00	0.00

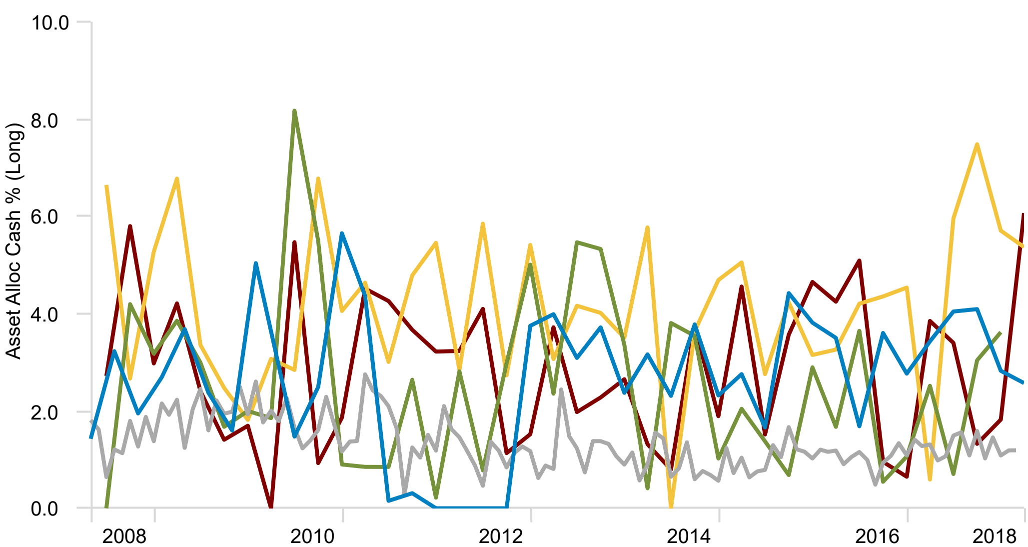
Historical Number of Holdings



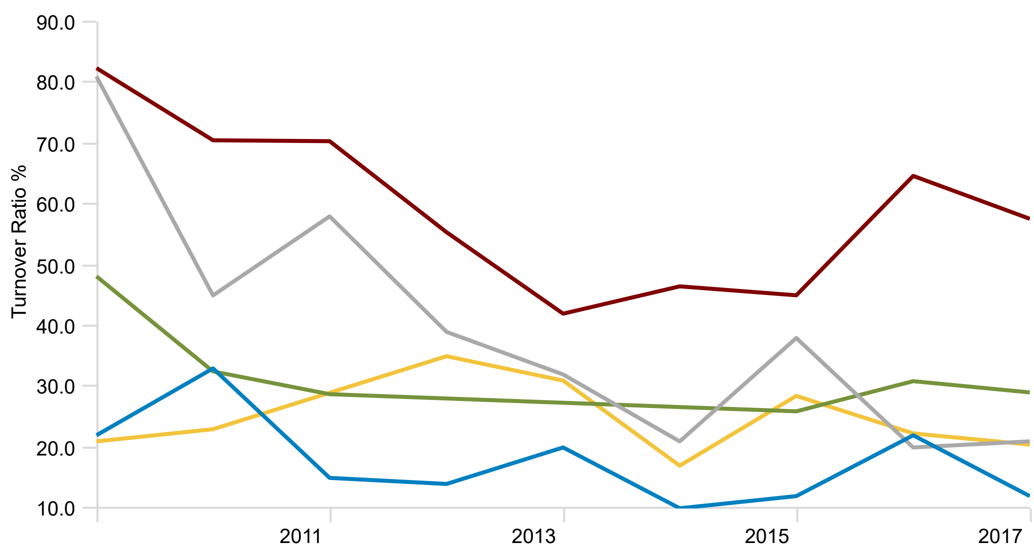
Historical Percentage of Assets in Top 10 Holdings



Historical Cash Allocation

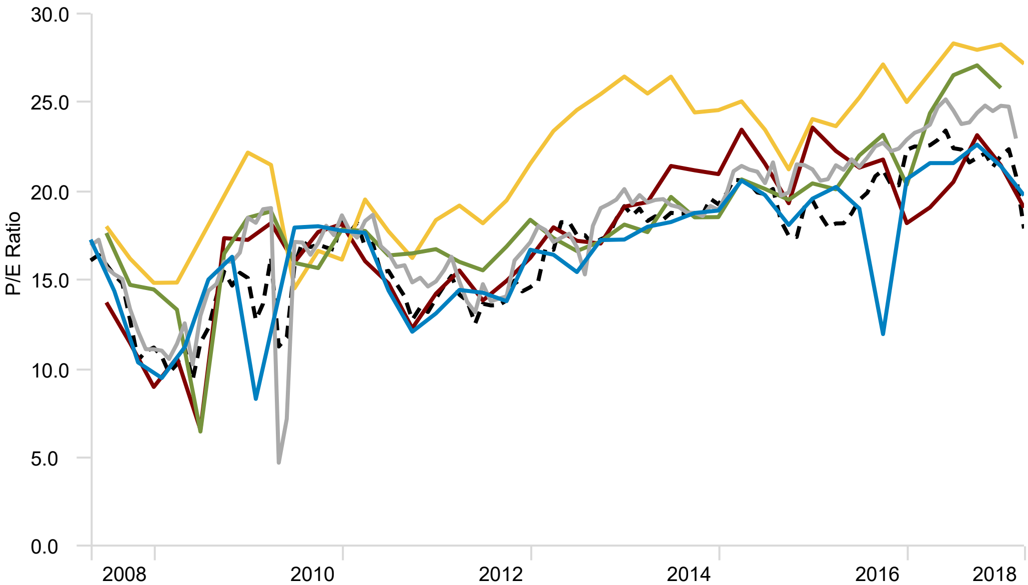


Historical Portfolio Turnover

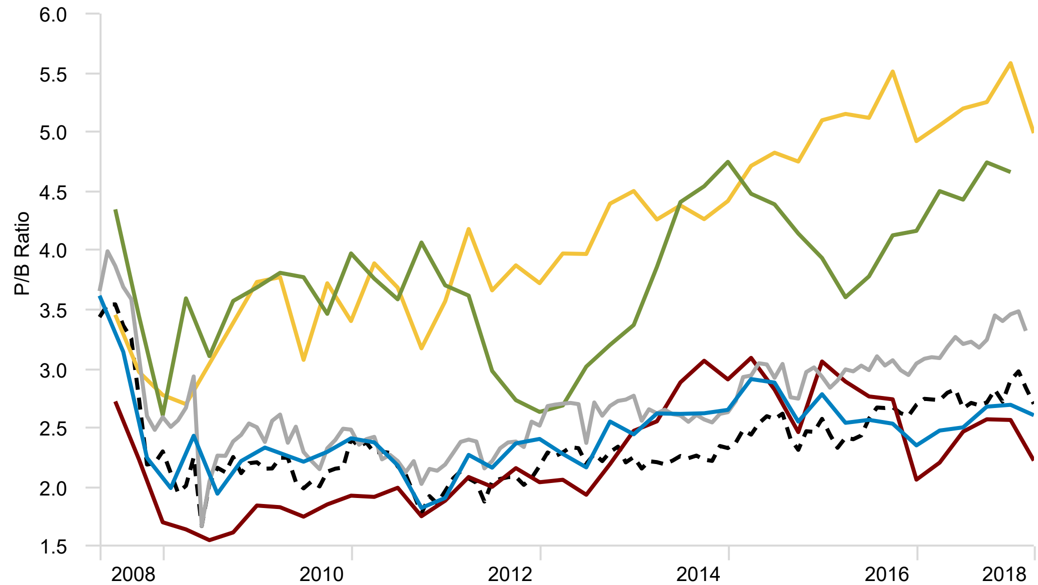


- Harding Loevner International Eq Instl Z
- MFS® International Growth R6
- Vontobel Asset Mgt Intl Eq
- WCM Inv Mgt Focused Growth Intl
- Artisan International Investor

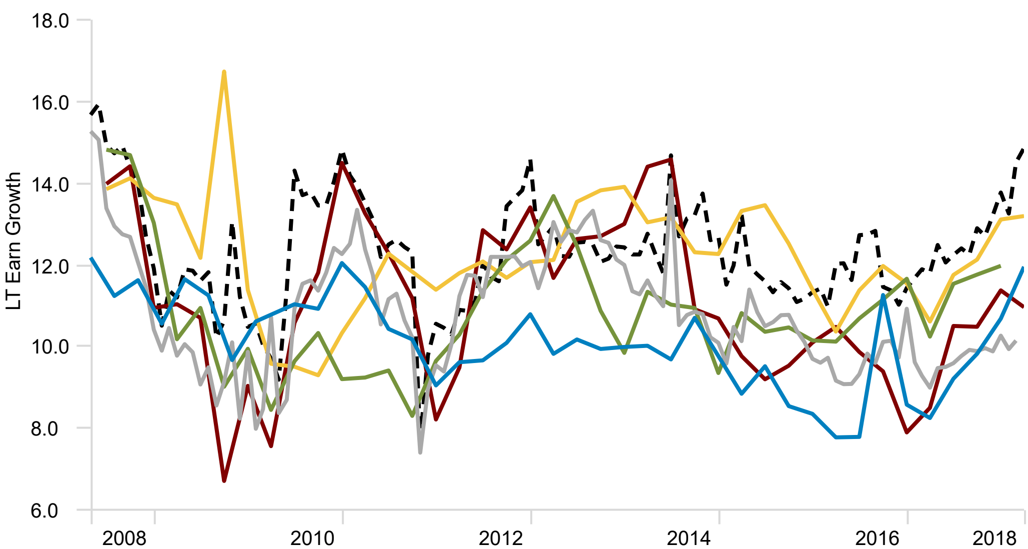
Historical P/E Ratio



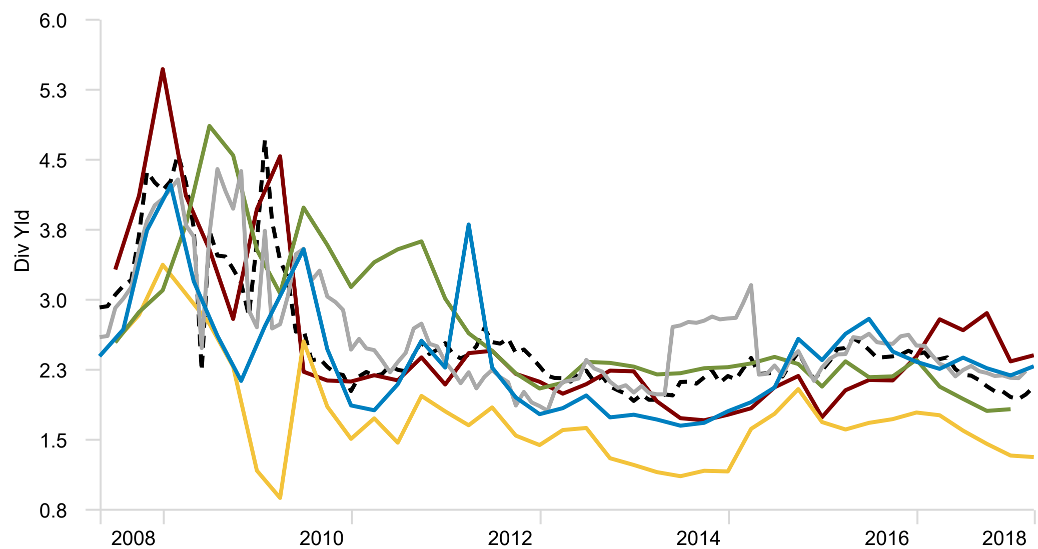
Historical P/B Ratio



Historical Earnings Growth



Historical Dividend Yield



- Harding Loevner International Eq Instl Z
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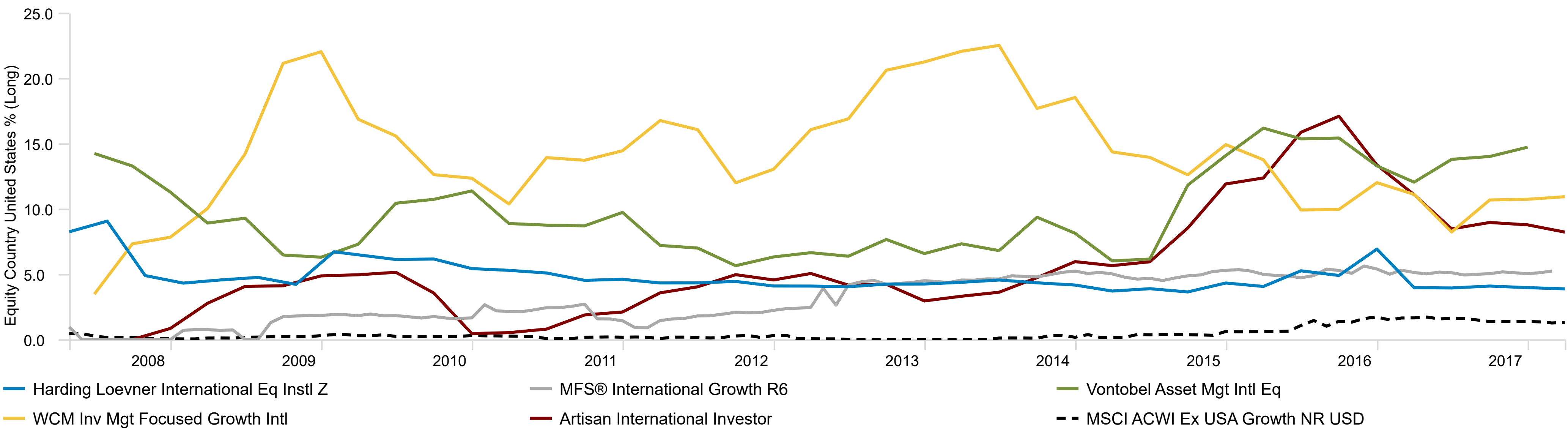
- Vontobel Asset Mgt Intl Eq
- WCM Inv Mgt Focused Growth Intl
- Artisan International Investor
- MSCI ACWI Ex USA Growth NR USD

Current Portfolio Region Allocation

	Harding Loevner International Eq Instl Z	MFS® International Growth R6	Vontobel Asset Mgt Intl Eq	WCM Inv Mgt Focused Growth Intl	Artisan International Investor	MSCI ACWI Ex USA Growth NR USD
Portfolio Date	3/31/2018	12/31/2017	12/31/2017	3/31/2018	3/31/2018	3/31/2018
Equity Country United States %	3.99	5.10	15.30	11.57	9.01	1.31
Equity Region North America %	5.88	9.33	22.83	17.48	11.25	7.41
Equity Region Latin America %	3.14	2.01	2.61	4.55	2.42	2.87
Equity Region United Kingdom %	7.44	12.99	17.36	3.41	11.99	9.73
Equity Region Europe dev %	40.19	47.58	32.73	41.71	55.47	31.83
Equity Region Europe emrg %	0.82	0.00	0.00	3.35	1.25	1.60
Equity Region Japan %	15.45	8.69	5.32	10.51	7.96	16.91
Equity Region Australasia %	1.05	1.25	1.02	4.29	0.00	4.70
Equity Region Asia dev %	13.17	7.99	2.52	7.67	3.09	10.43
Equity Region Asia emrg %	6.14	8.37	12.33	7.06	6.58	12.40
Equity Region Africa/Middle East %	6.71	1.80	3.29	0.00	0.00	2.14
Equity Region Developed %	85.49	89.62	83.21	85.05	89.76	81.56
Equity Region Emerging %	14.51	10.38	16.80	14.95	10.24	18.44

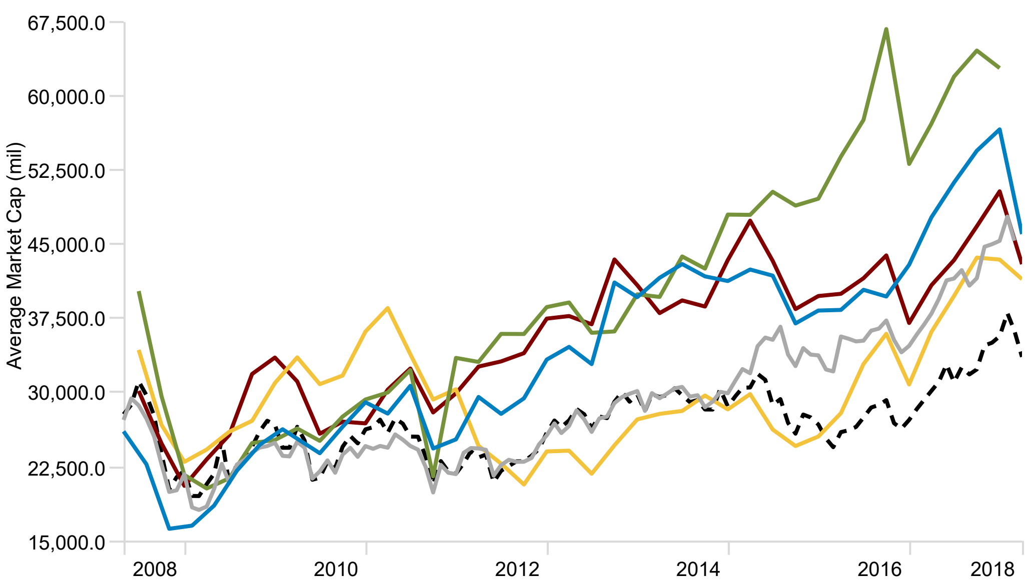
Historical US Portfolio Exposure



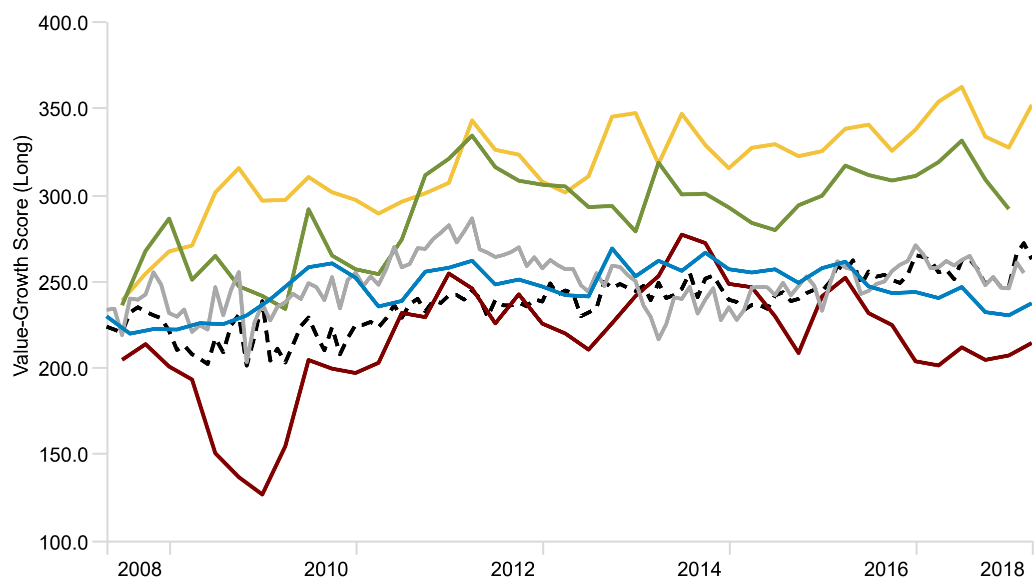
Style Allocation

	Harding Loevner International Eq Instl Z	MFS® International Growth R6	Vontobel Asset Mgt Intl Eq	WCM Inv Mgt Focused Growth Intl	Artisan International Investor	MSCI ACWI Ex USA Growth NR USD
Portfolio Date	3/31/2018	12/31/2017	12/31/2017	3/31/2018	3/31/2018	3/31/2018
Equity Style Large Value %	19.90	7.81	2.35	0.00	16.57	5.62
Equity Style Large Core %	22.64	23.29	17.78	10.65	35.21	30.05
Equity Style Large Growth %	41.47	55.58	66.42	70.92	32.58	46.91
Equity Style Mid Value %	1.17	0.00	0.00	0.00	0.27	2.35
Equity Style Mid Core %	2.47	1.28	0.00	0.00	2.31	4.83
Equity Style Mid Growth %	4.87	6.86	5.55	7.40	2.44	5.10
Equity Style Small Value %	0.00	0.00	0.00	0.00	0.00	0.05
Equity Style Small Core %	0.00	0.00	0.00	0.00	0.00	0.03
Equity Style Small Growth %	0.00	0.30	0.00	0.00	0.00	0.04

Historical Average Market Capitalization

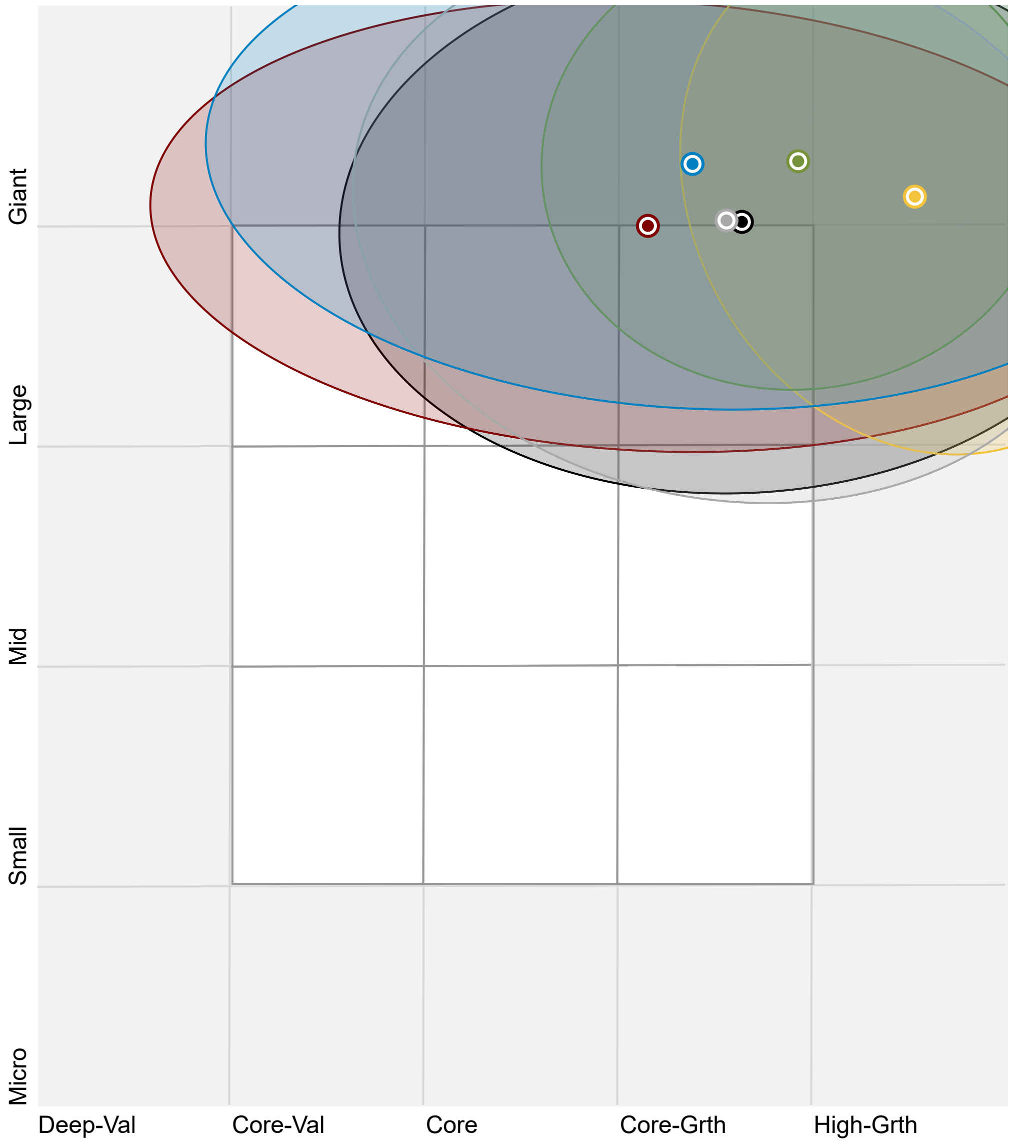


Historical Value - Growth Score



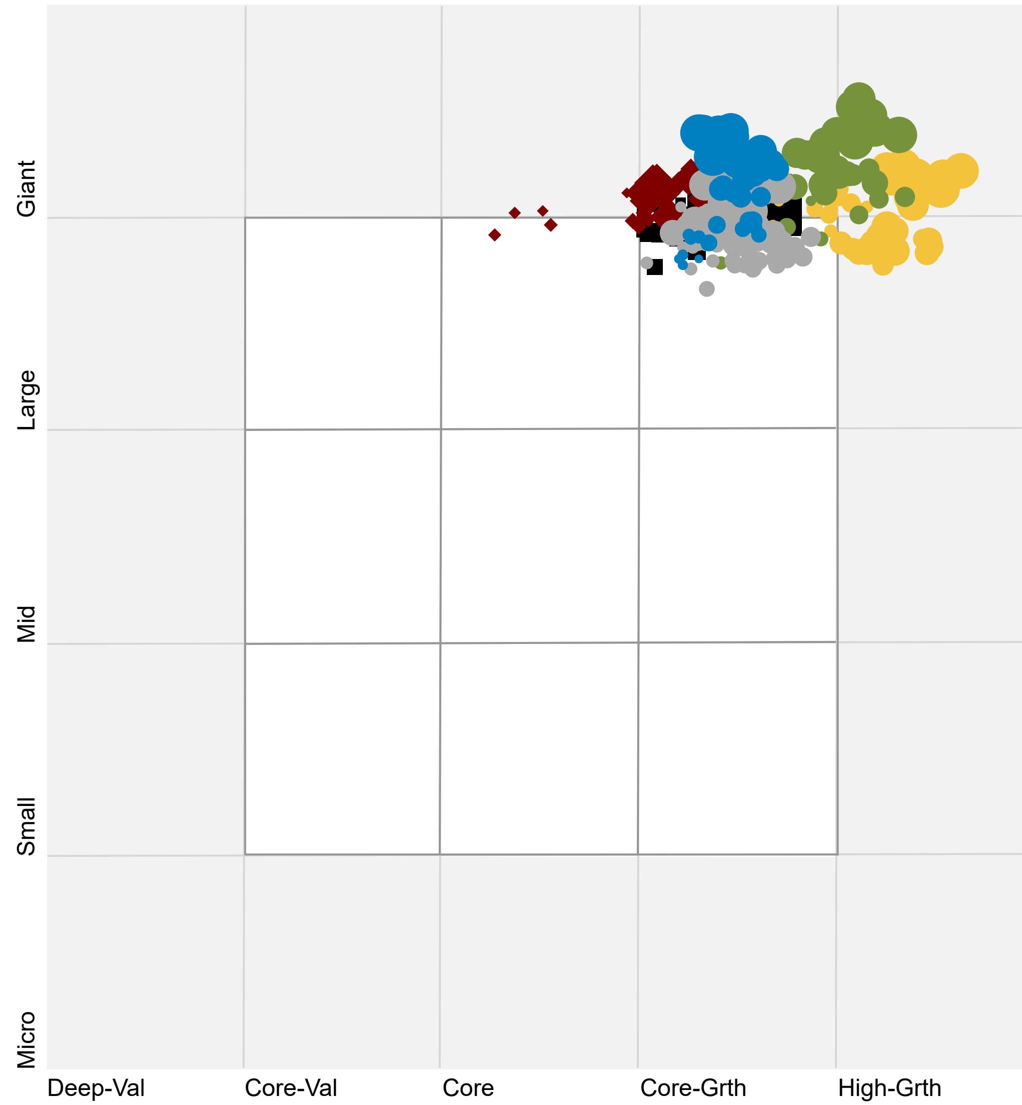
Harding Loevner International Eq Instl Z
MFS® International Growth R6
Vontobel Asset Mgt Intl Eq
WCM Inv Mgt Focused Growth Intl
Artisan International Investor
MSCI ACWI Ex USA Growth NR USD

Current Portfolio Holdings-Style Map



Historical Holdings-Based Style Trail

Time Period: 4/30/2008 to 3/31/2018



- Harding Loevner International Eq Instl Z
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- Vontobel Asset Mgt Intl Eq
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Quantitative Review

The Harding Loevner International Equity Instl (HLMIX) fund will be used as a proxy for the Harding Loevner International Equity Instl Z (HLZIX) fund due to its longer performance/data history.
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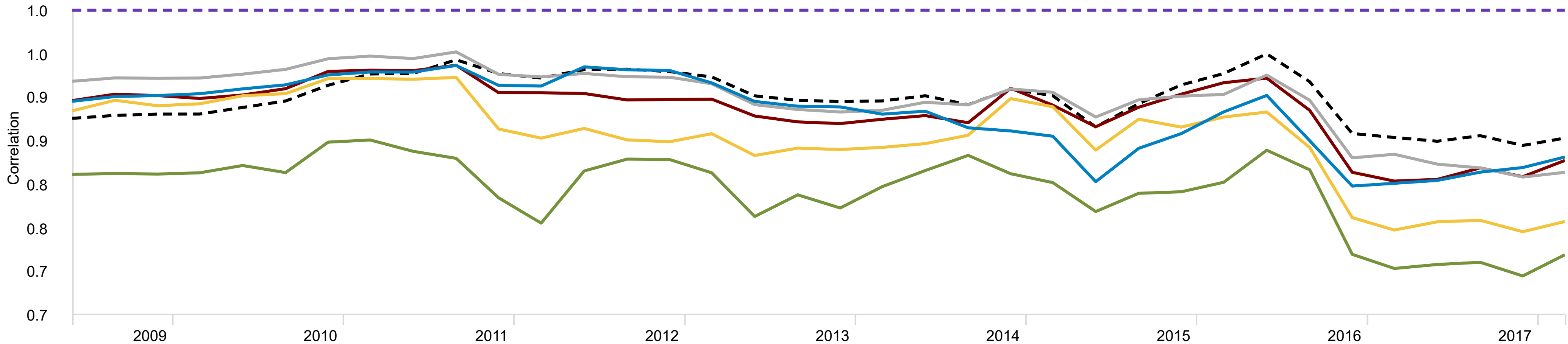
The WCM Focused Growth International separate account composite will be used as a proxy for The WCM Focused Growth International Instl (WCMIX) fund due to its longer performance/data history.

Rolling Correlation vs. Oakmark International Value

Time Period: 6/1/2006 to 2/28/2018

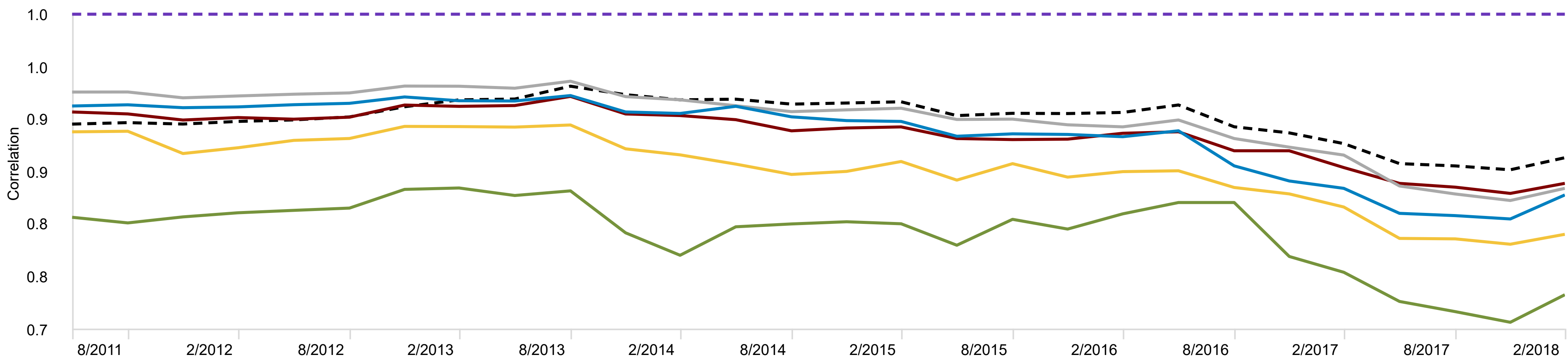
Rolling Window: 3 Years 3 Months shift



Rolling Correlation vs. Oakmark International Value

Time Period: 6/1/2006 to 2/28/2018

Rolling Window: 5 Years 3 Months shift



Harding Loevner International Eq Instl
MFS® International Growth R6
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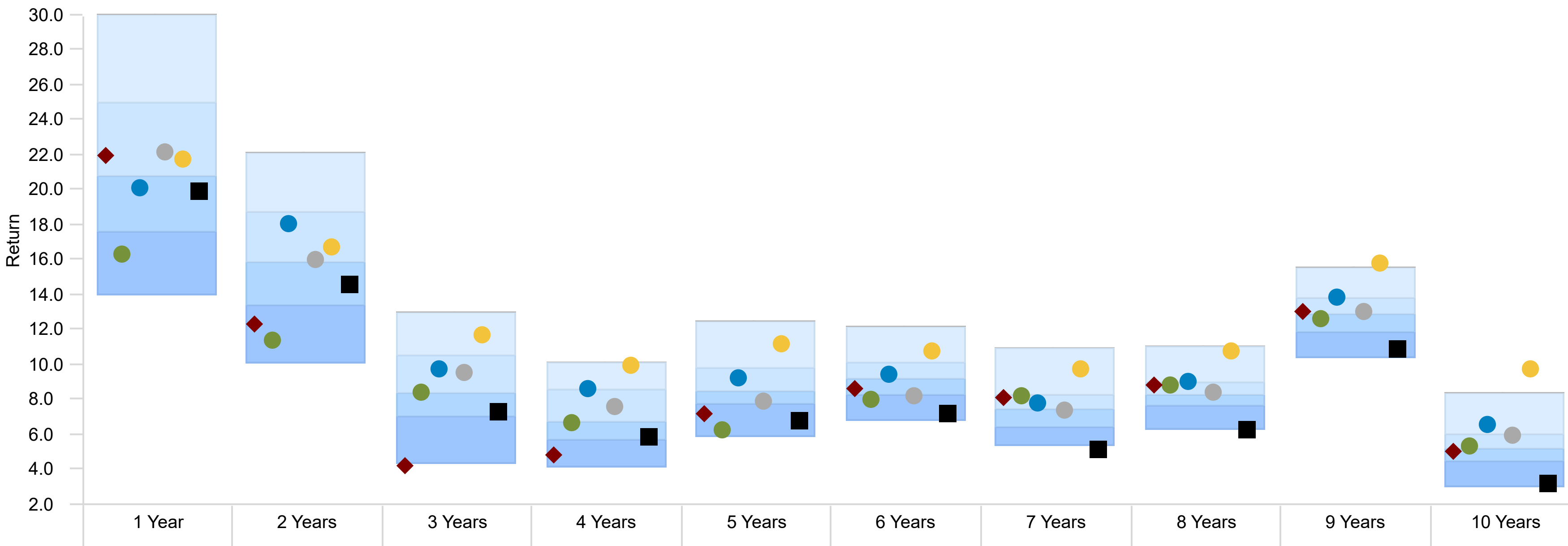
WCM Inv Mgt Focused Growth Intl
Artisan International Investor
MSCI ACWI Ex USA Growth NR USD
Oakmark International Value

Peer Group (5-95%): Separate Accounts/CITs - U.S. - Foreign Large Growth



	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
Harding Loevner International Eq Instl	20.18	54	18.06	31	9.81	32	8.65	25	9.26	37	9.52	39	7.80	39	9.10	23	13.91	24	6.65	15
MFS® International Growth R6	22.21	43	16.07	45	9.63	35	7.58	37	7.90	71	8.28	74	7.41	50	8.44	44	13.11	42	6.00	25
Vontobel Asset Mgt Intl Eq	16.39	82	11.44	89	8.42	49	6.73	50	6.34	93	8.00	79	8.28	24	8.82	27	12.64	57	5.34	43
WCM Inv Mgt Focused Growth Intl	21.83	44	16.76	41	11.69	13	9.99	7	11.20	10	10.84	13	9.76	7	10.86	6	15.85	4	9.78	2
Artisan International Investor	22.02	43	12.31	82	4.30	96	4.82	91	7.20	84	8.70	68	8.13	30	8.82	28	13.02	44	5.09	53
MSCI ACWI Ex USA Growth NR USD	19.92	57	14.66	64	7.28	69	5.86	69	6.84	89	7.21	91	5.17	95	6.32	94	10.96	89	3.25	92

Harding Loevner International Eq Instl
MFS® International Growth R6
Vontobel Asset Mgt Intl Eq
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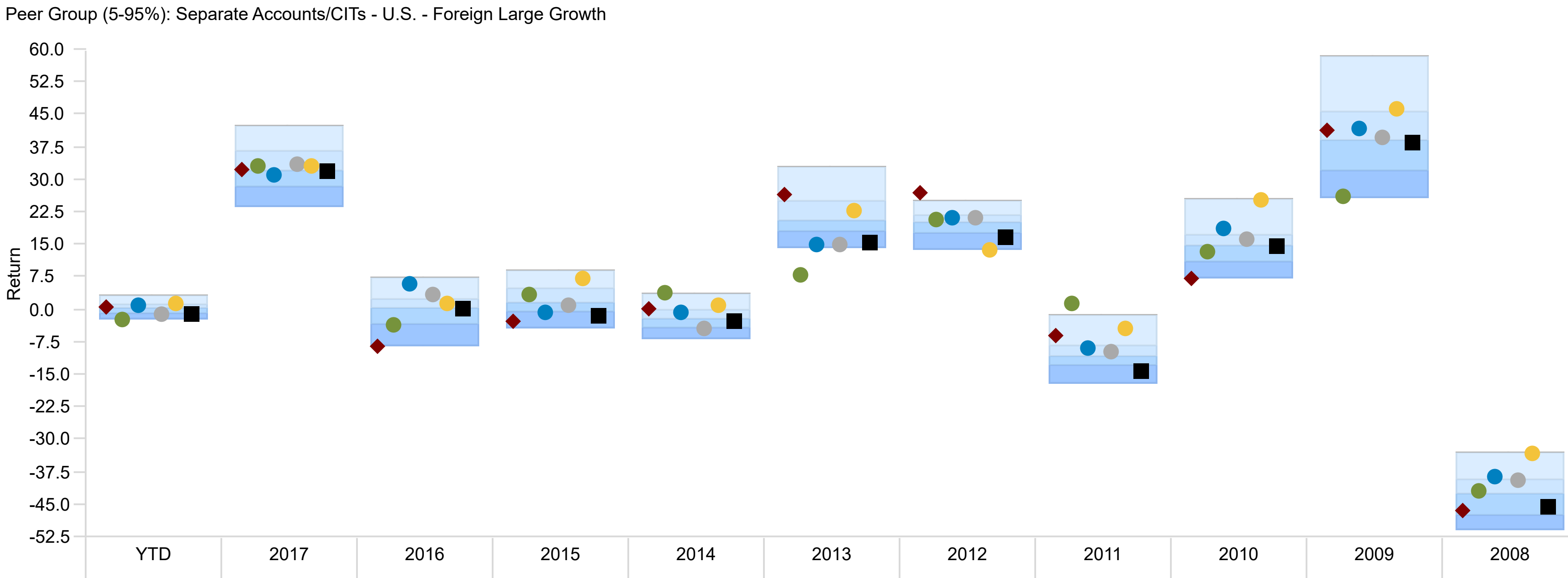
Artisan International Investor
MSCI ACWI Ex USA Growth NR USD

Returns are Gross of Fees.



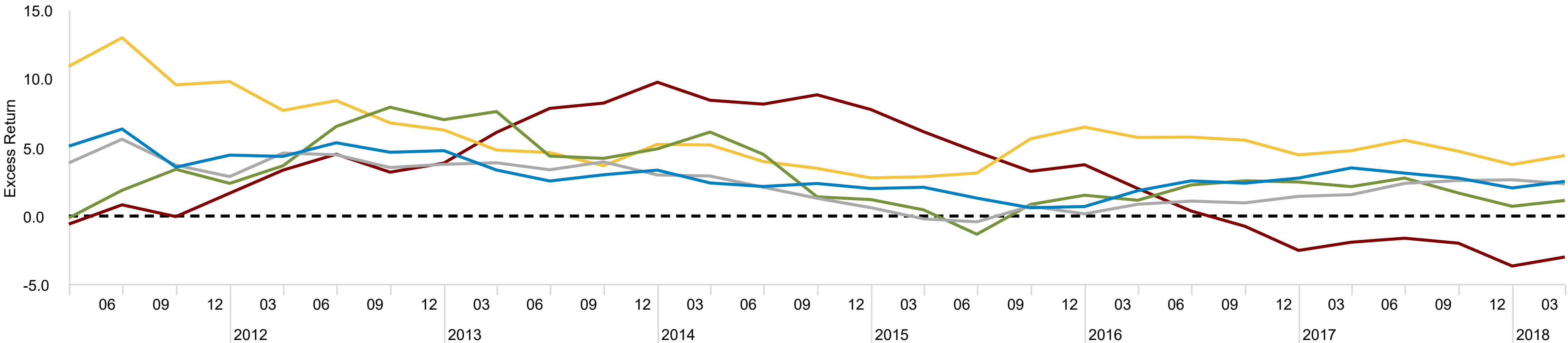
	YTD	Rank	2017	Rank	2016	Rank	2015	Rank	2014	Rank	2013	Rank	2012	Rank	2011	Rank	2010	Rank	2009	Rank	2008	Rank
Harding Loevner International Eq Instl	1.13	27	30.97	59	6.19	7	-0.78	74	-0.75	32	15.02	90	21.34	28	-9.00	28	18.58	17	41.97	37	-38.64	19
MFS® International Growth R6	-0.98	76	33.66	37	3.64	15	1.23	52	-4.19	73	15.00	90	21.05	32	-9.65	33	16.49	31	39.71	48	-39.18	24
Vontobel Asset Mgt Intl Eq	-2.34	97	33.32	39	-3.56	74	3.51	33	3.87	4	7.86	100	20.96	34	1.58	1	13.29	61	26.10	94	-41.64	42
WCM Inv Mgt Focused Growth Intl	1.55	18	33.04	41	1.37	40	7.10	11	1.21	11	22.87	34	13.72	95	-4.29	9	25.33	4	46.35	22	-33.06	5
Artisan International Investor	0.60	33	32.58	42	-8.58	95	-2.72	85	0.20	21	26.68	21	26.89	1	-6.13	11	7.21	94	41.49	38	-46.31	72
MSCI ACWI Ex USA Growth NR USD	-0.87	74	32.01	51	0.12	53	-1.25	80	-2.65	52	15.49	87	16.67	79	-14.21	81	14.45	50	38.67	52	-45.61	68

Harding Loevner International Eq Instl
MFS® International Growth R6
Vontobel Asset Mgt Intl Eq
WCM Inv Mgt Focused Growth Intl
Artisan International Investor
MSCI ACWI Ex USA Growth NR USD

Rolling Excess Returns

Time Period: 4/1/2008 to 3/31/2018

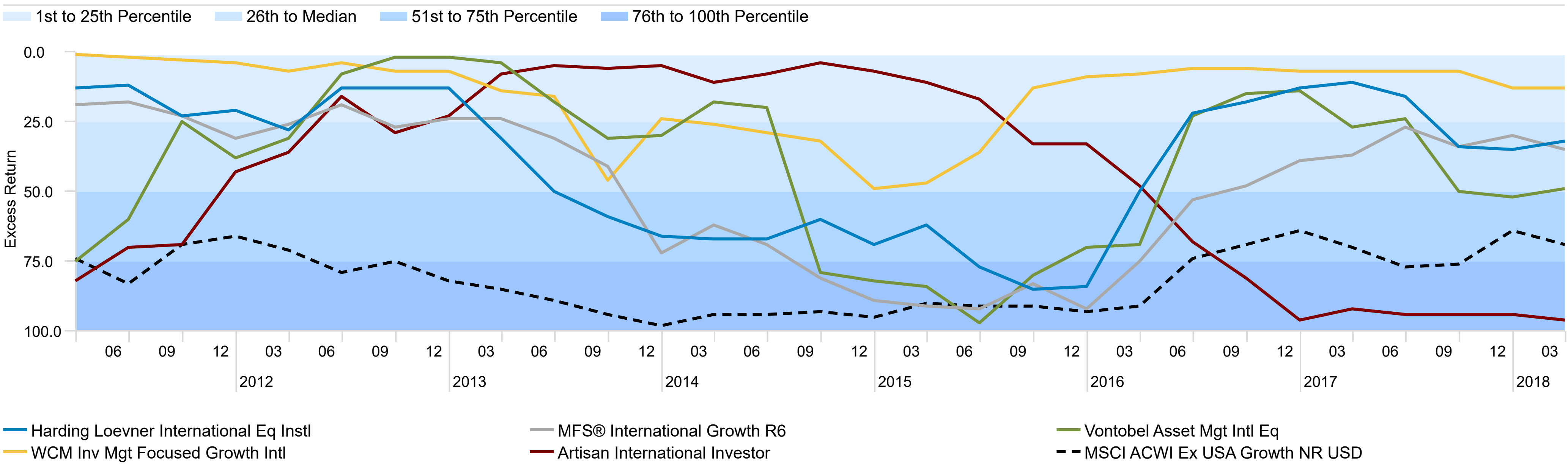
Rolling Window: 3 Years 3 Months shift Calculation Benchmark: MSCI ACWI Ex USA Growth NR USD



Rolling Excess Return Rankings

Time Period: 4/1/2008 to 3/31/2018

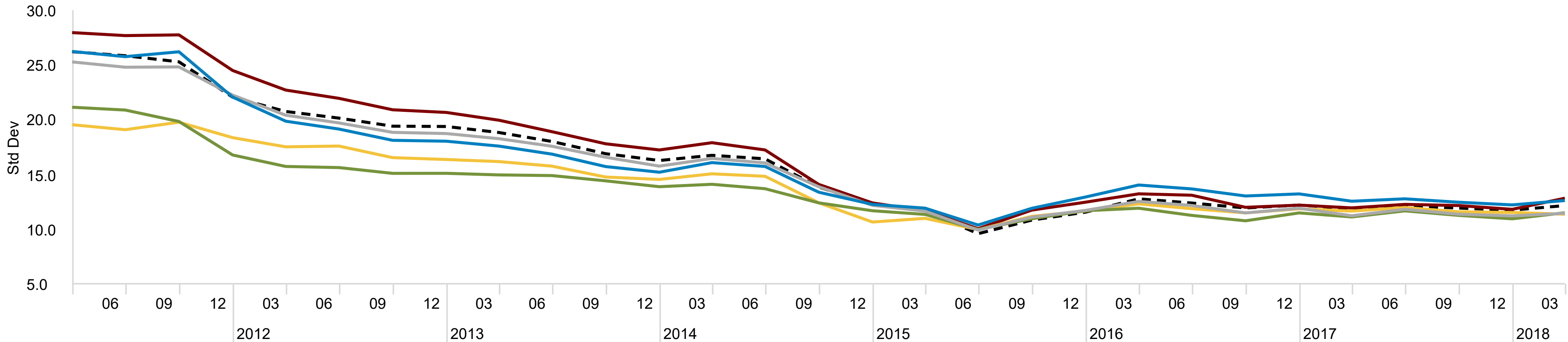
Rolling Window: 3 Years 3 Months shift Calculation Benchmark: MSCI ACWI Ex USA Growth NR USD



Rolling Standard Deviation

Time Period: 4/1/2008 to 3/31/2018

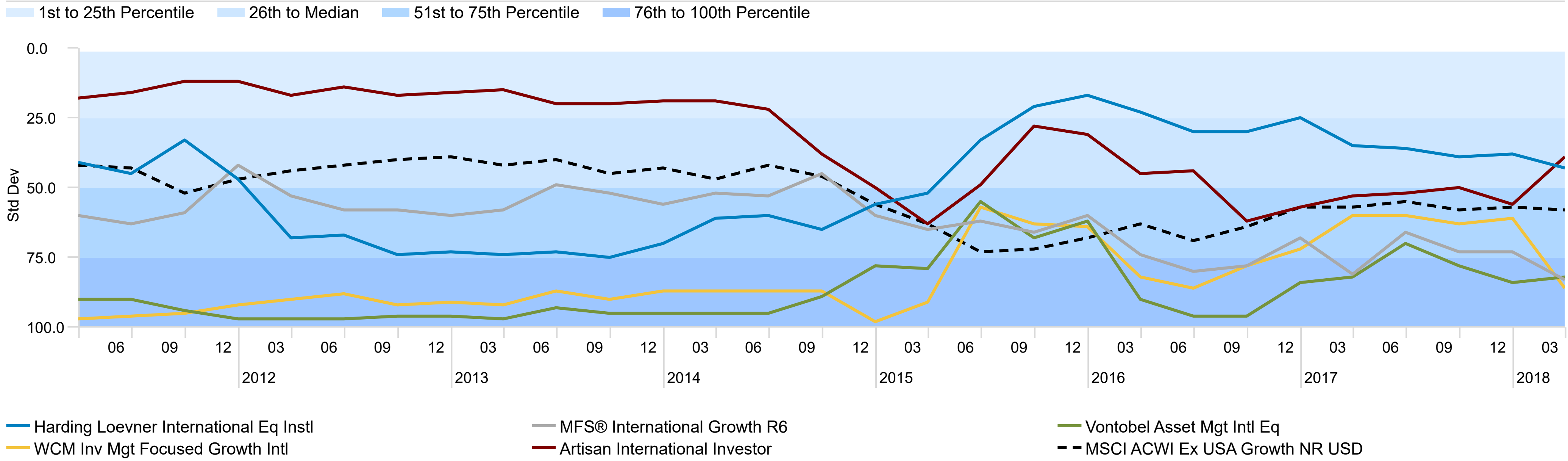
Rolling Window: 3 Years 3 Months shift



Rolling Standard Deviation Rankings

Time Period: 4/1/2008 to 3/31/2018

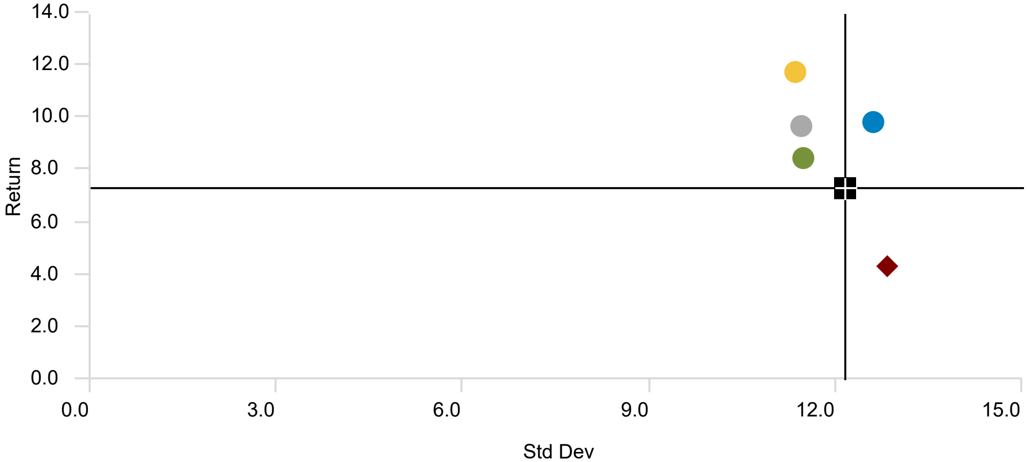
Rolling Window: 3 Years 3 Months shift



Risk-Reward: 3-Year

Time Period: 4/1/2015 to 3/31/2018

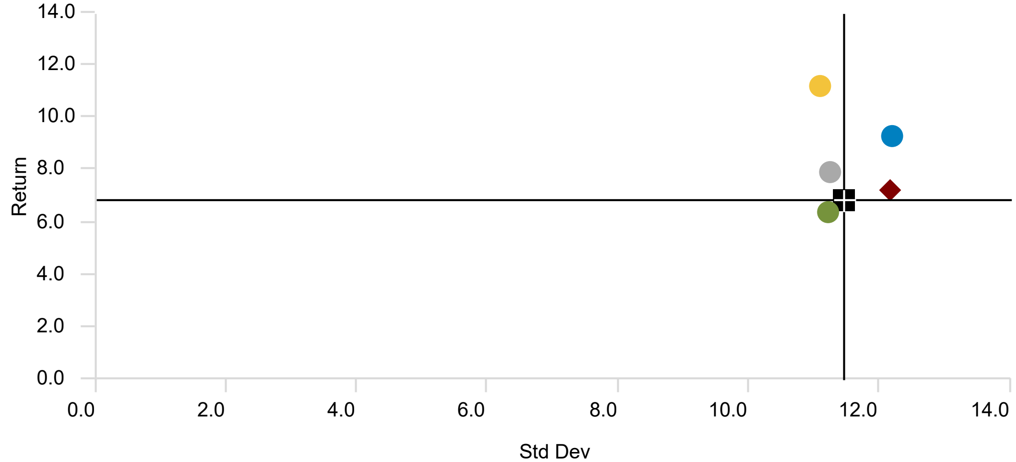
Calculation Benchmark: MSCI ACWI Ex USA Growth NR USD



Risk-Reward: 5-Year

Time Period: 4/1/2013 to 3/31/2018

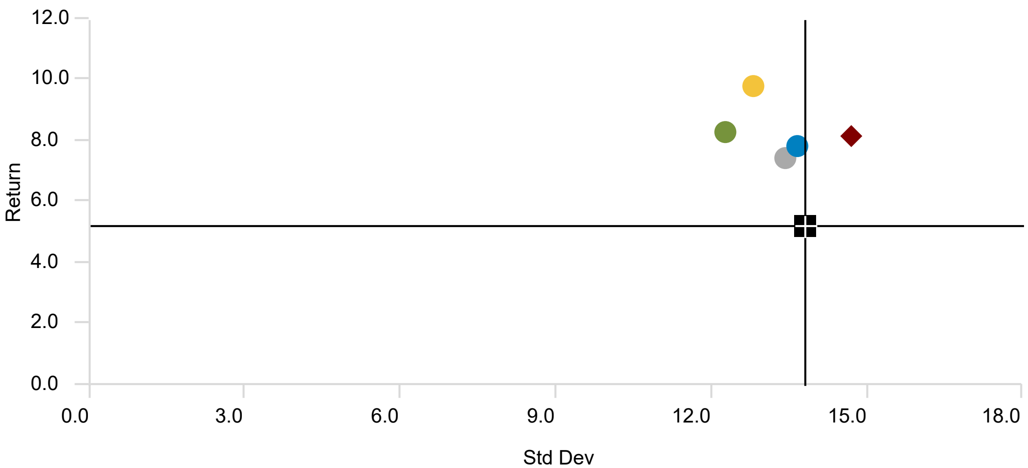
Calculation Benchmark: MSCI ACWI Ex USA Growth NR USD



Risk-Reward: 7-Year

Time Period: 4/1/2011 to 3/31/2018

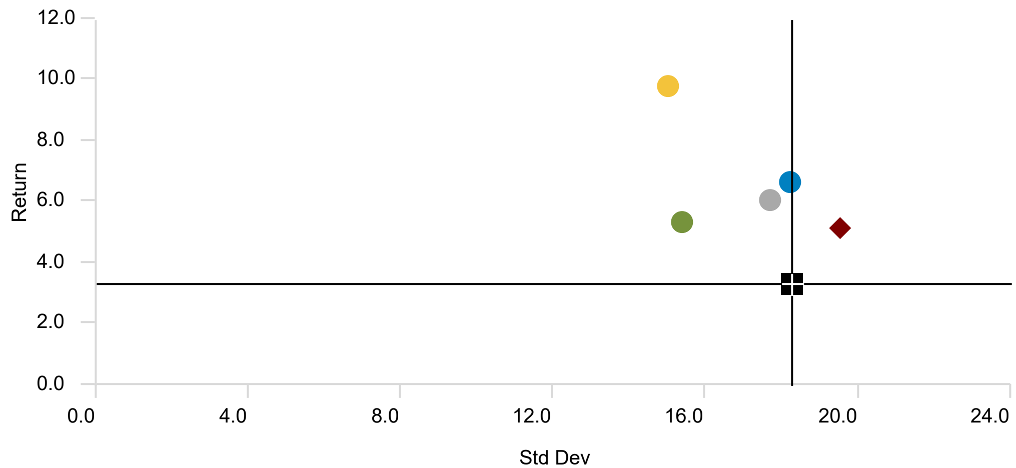
Calculation Benchmark: MSCI ACWI Ex USA Growth NR USD



Risk-Reward: 10-Year

Time Period: 4/1/2008 to 3/31/2018

Calculation Benchmark: MSCI ACWI Ex USA Growth NR USD

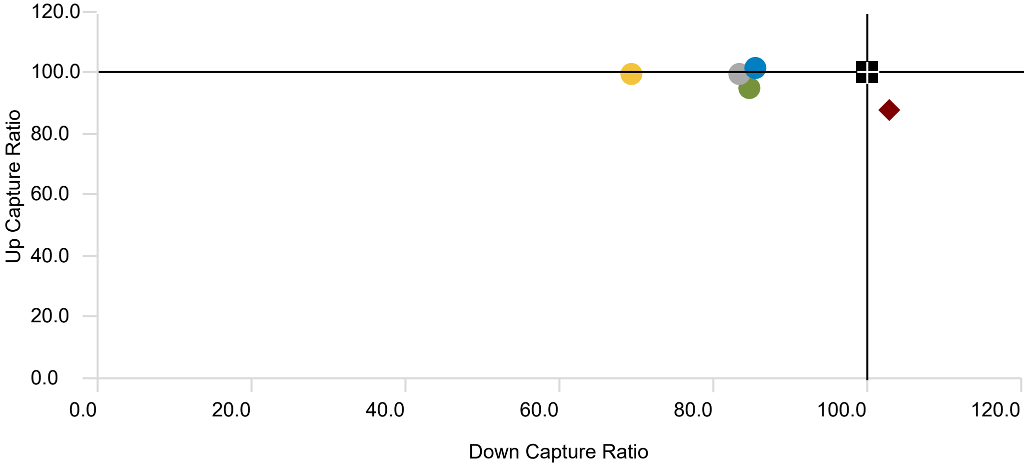


- Harding Loevner International Eq Instl
- MFS® International Growth R6
- Vontobel Asset Mgt Intl Eq
- WCM Inv Mgt Focused Growth Intl
- Artisan International Investor
- MSCI ACWI Ex USA Growth NR USD

Up and Down Market Capture: 3-Year

Time Period: 4/1/2015 to 3/31/2018

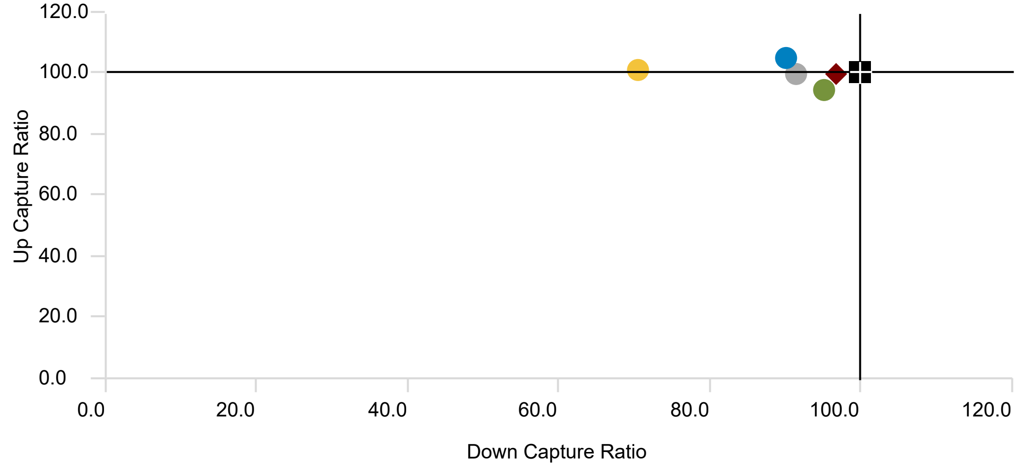
Calculation Benchmark: MSCI ACWI Ex USA Growth NR USD



Up and Down Market Capture: 5-Year

Time Period: 4/1/2013 to 3/31/2018

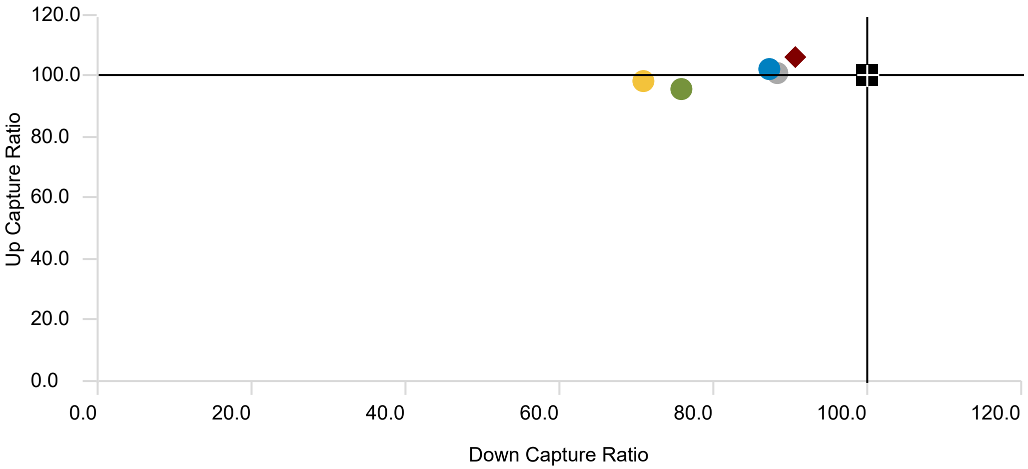
Calculation Benchmark: MSCI ACWI Ex USA Growth NR USD



Up and Down Market Capture: 7-Year

Time Period: 4/1/2011 to 3/31/2018

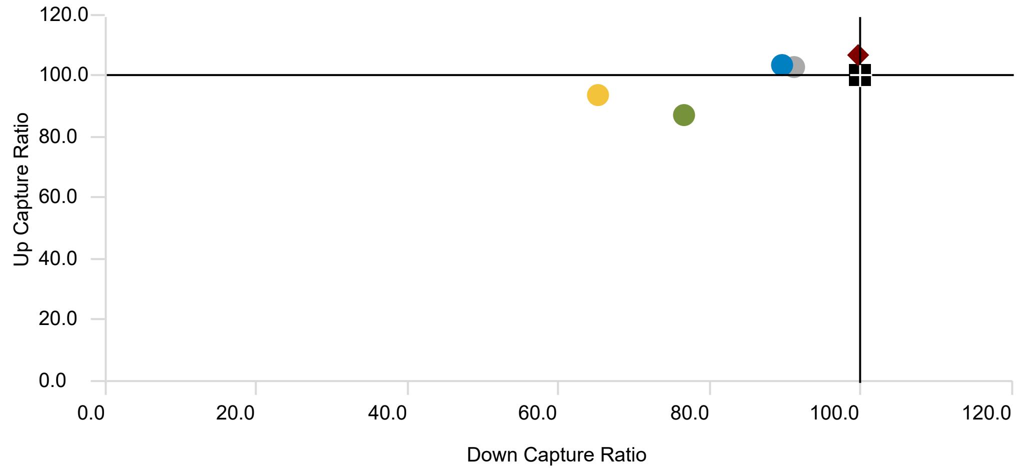
Calculation Benchmark: MSCI ACWI Ex USA Growth NR USD



Up and Down Market Capture: 10-Year

Time Period: 4/1/2008 to 3/31/2018

Calculation Benchmark: MSCI ACWI Ex USA Growth NR USD



Harding Loevner International Eq Instl

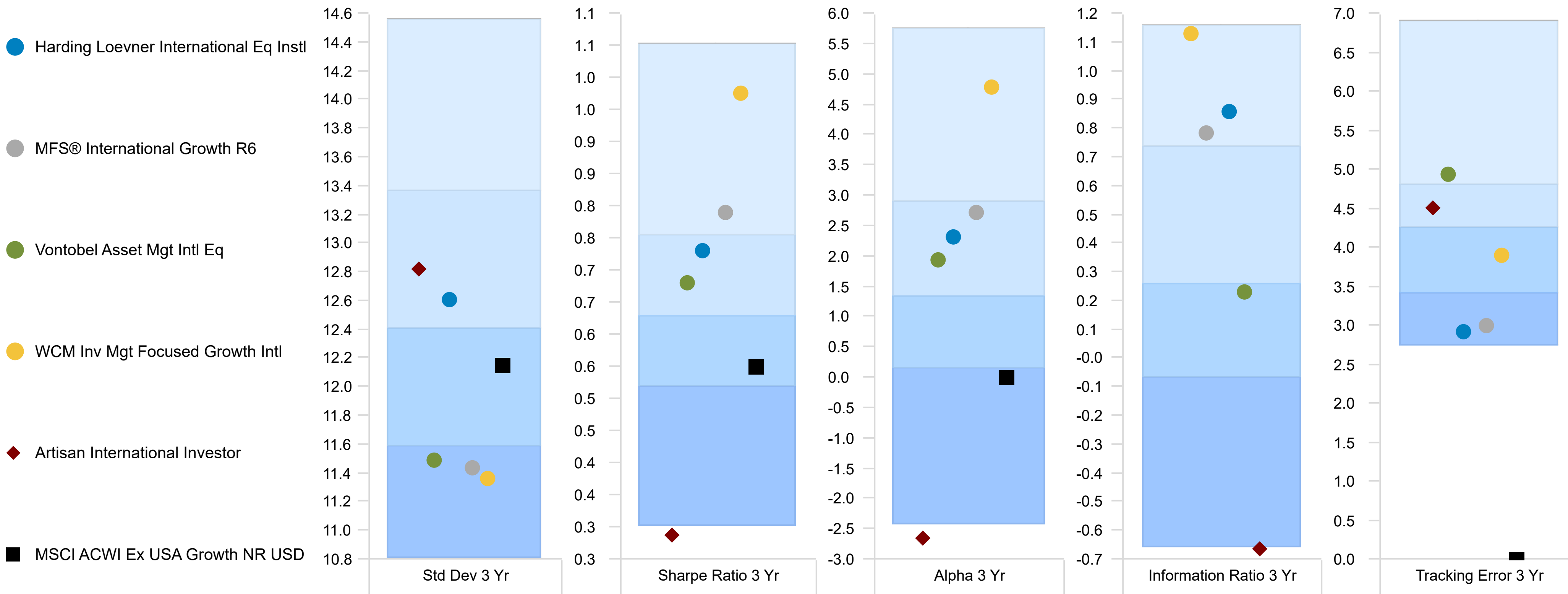
MFS® International Growth R6

Vontobel Asset Mgt Intl Eq

WCM Inv Mgt Focused Growth Intl

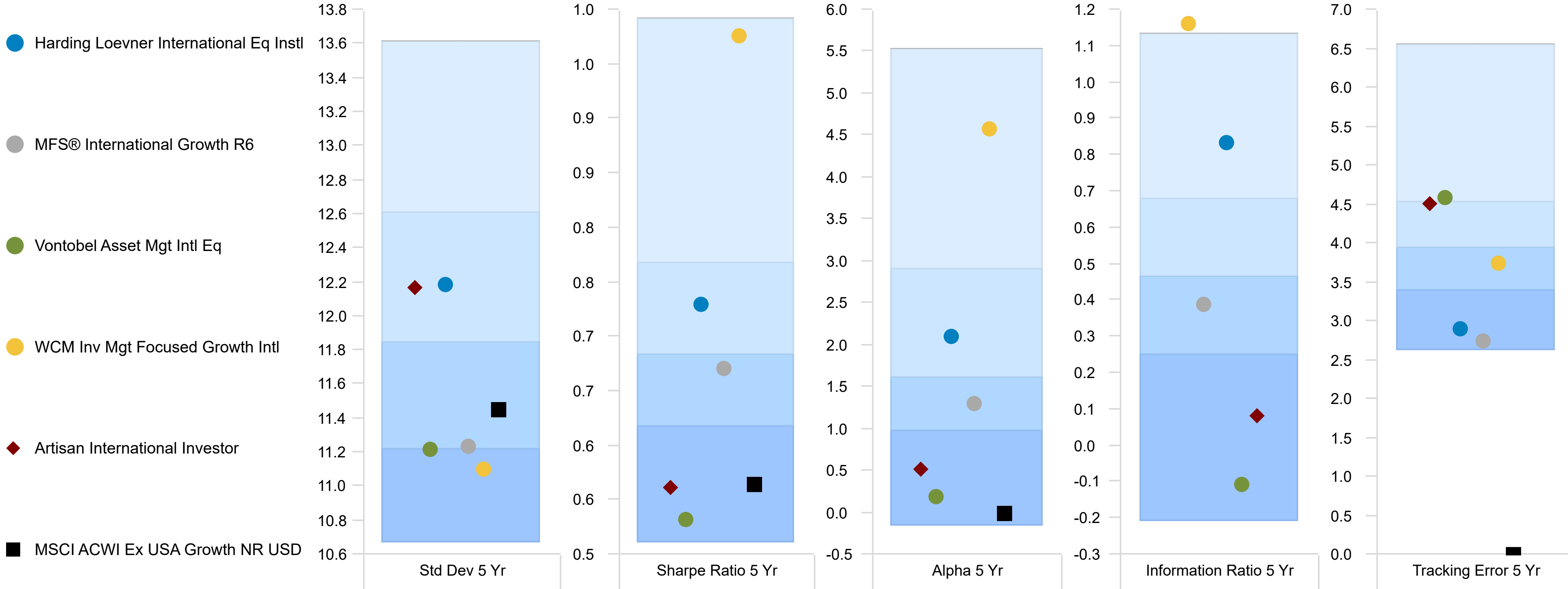
Artisan International Investor

MSCI ACWI Ex USA Growth NR USD



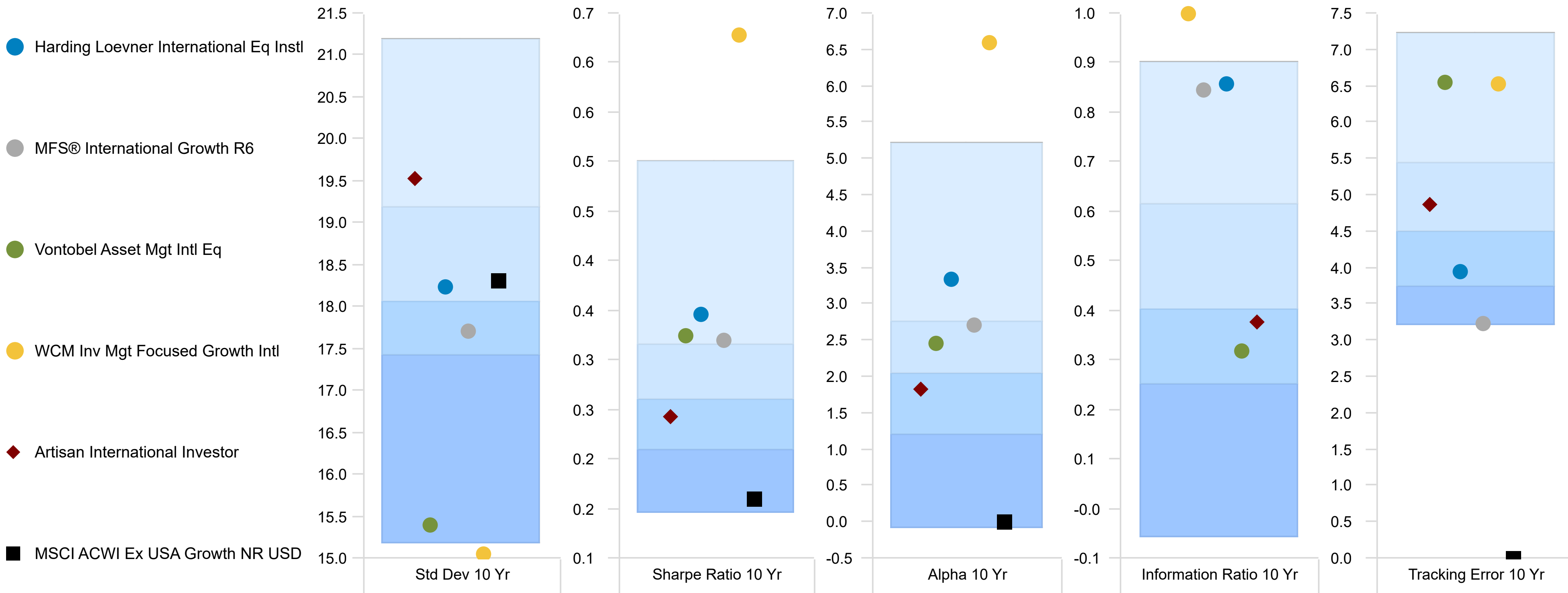
Time Period: 4/1/2015 to 3/31/2018

	Std Dev	Rank	Sharpe Ratio	Rank	Alpha	Rank	Information Ratio	Rank	Tracking Error	Rank
Harding Loevner International Eq Instl	12.61	43	0.73	30	2.33	33	0.86	17	2.93	88
MFS® International Growth R6	11.44	83	0.79	19	2.73	29	0.78	22	3.00	87
Vontobel Asset Mgt Intl Eq	11.49	82	0.68	39	1.95	40	0.23	54	4.94	21
WCM Inv Mgt Focused Growth Intl	11.36	86	0.98	8	4.79	8	1.13	6	3.89	62
Artisan International Investor	12.82	39	0.29	96	-2.66	94	-0.66	94	4.52	33
MSCI ACWI Ex USA Growth NR USD	12.15	58	0.55	69	0.00	76			0.00	100



Time Period: 4/1/2013 to 3/31/2018

	Std Dev	Rank	Sharpe Ratio	Rank	Alpha	Rank	Information Ratio	Rank	Tracking Error	Rank
Harding Loevner International Eq Instl	12.19	38	0.73	39	2.11	42	0.83	17	2.91	87
MFS® International Growth R6	11.24	73	0.67	53	1.30	63	0.39	59	2.74	92
Vontobel Asset Mgt Intl Eq	11.22	75	0.53	93	0.20	90	-0.11	91	4.58	23
WCM Inv Mgt Focused Growth Intl	11.11	83	0.98	6	4.57	8	1.16	5	3.75	59
Artisan International Investor	12.17	39	0.56	89	0.52	85	0.08	85	4.50	27
MSCI ACWI Ex USA Growth NR USD	11.45	63	0.56	88	0.00	91			0.00	100

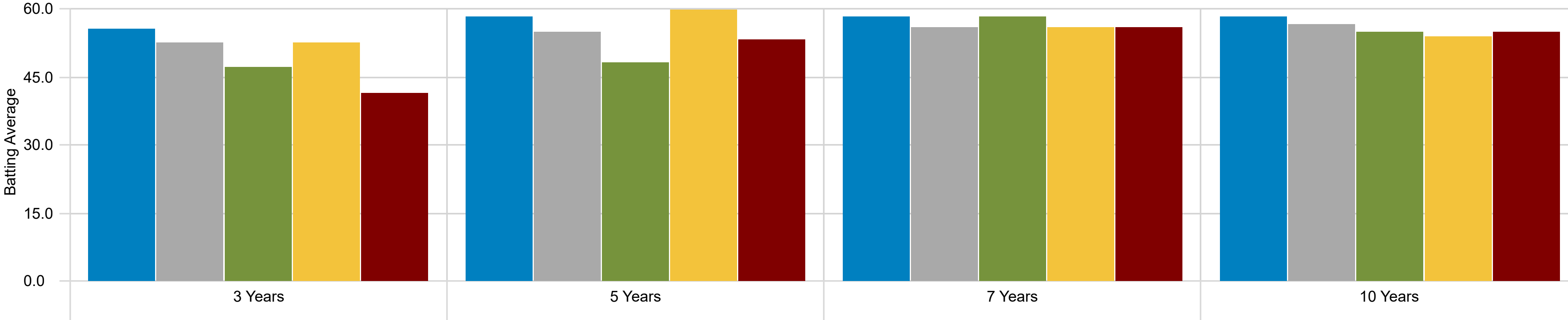


Time Period: 4/1/2008 to 3/31/2018

	Std Dev	Rank	Sharpe Ratio	Rank	Alpha	Rank	Information Ratio	Rank	Tracking Error	Rank
Harding Loevner International Eq Instl	18.24	44	0.35	17	3.35	16	0.86	8	3.95	68
MFS® International Growth R6	17.72	68	0.32	24	2.72	28	0.85	8	3.24	93
Vontobel Asset Mgt Intl Eq	15.40	90	0.33	22	2.46	34	0.32	61	6.56	13
WCM Inv Mgt Focused Growth Intl	15.05	96	0.63	1	6.61	2	1.00	2	6.53	14
Artisan International Investor	19.52	21	0.24	60	1.84	56	0.38	53	4.87	43
MSCI ACWI Ex USA Growth NR USD	18.31	43	0.16	92	0.00	94			0.00	100

Batting Average

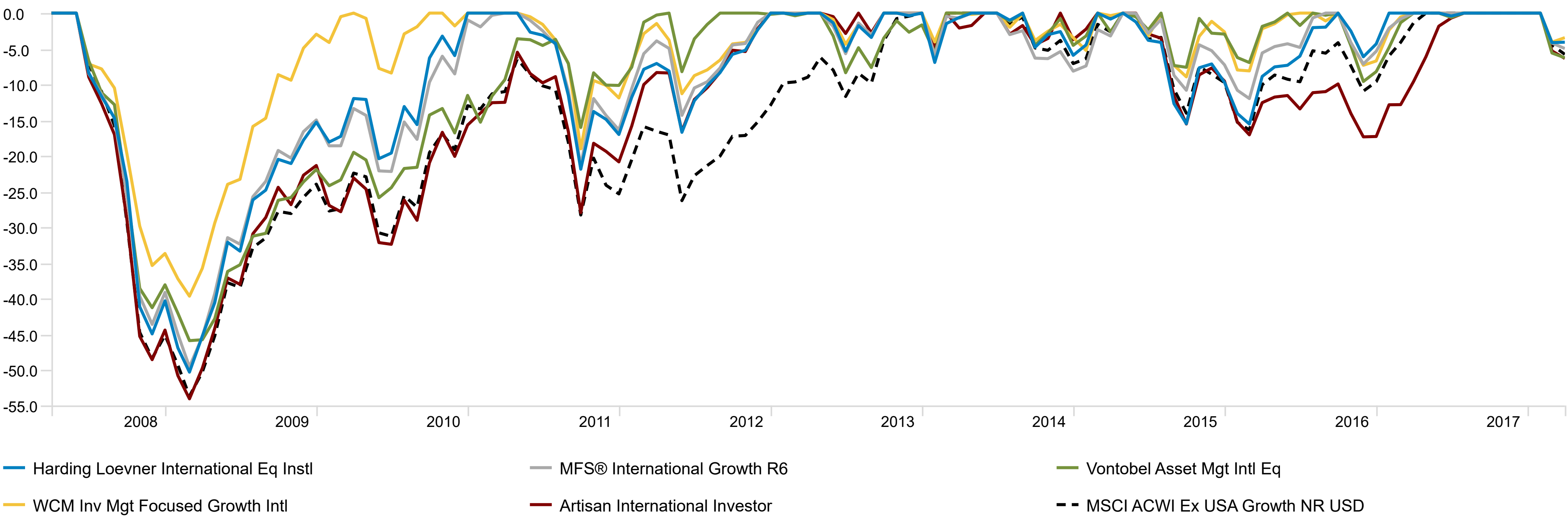
Source Data: Monthly Return Calculation Benchmark: MSCI ACWI Ex USA Growth NR USD



Drawdown

Time Period: 4/1/2008 to 3/31/2018

Source Data: Monthly Return



MPT Statistics: 3-Year

Time Period: 4/1/2015 to 3/31/2018 Calculation Benchmark: MSCI ACWI Ex USA Growth NR USD

	Harding Loevner International Eq Instl	MFS® International Growth R6	Vontobel Asset Mgt Intl Eq	WCM Inv Mgt Focused Growth Intl	Artisan International Investor	MSCI ACWI Ex USA Growth NR USD
Return	9.81	9.63	8.42	11.69	4.30	7.28
Excess Return	2.52	2.35	1.14	4.41	-2.98	0.00
Std Dev	12.61	11.44	11.49	11.36	12.82	12.15
Beta	1.01	0.91	0.87	0.89	0.99	1.00
Tracking Error	2.93	3.00	4.94	3.89	4.52	0.00
Sharpe Ratio	0.76	0.81	0.71	0.98	0.35	0.59
Alpha	2.33	2.73	1.95	4.79	-2.66	0.00
Information Ratio	0.86	0.78	0.23	1.13	-0.66	
Batting Average	55.56	52.78	47.22	52.78	41.67	100.00
Up Capture Ratio	101.82	99.49	94.89	99.36	87.95	100.00
Down Capture Ratio	85.51	83.22	84.62	69.23	102.90	100.00

MPT Statistics: 5-Year

Time Period: 4/1/2013 to 3/31/2018 Calculation Benchmark: MSCI ACWI Ex USA Growth NR USD

	Harding Loevner International Eq Instl	MFS® International Growth R6	Vontobel Asset Mgt Intl Eq	WCM Inv Mgt Focused Growth Intl	Artisan International Investor	MSCI ACWI Ex USA Growth NR USD
Return	9.26	7.90	6.34	11.20	7.20	6.84
Excess Return	2.43	1.07	-0.50	4.37	0.36	0.00
Std Dev	12.19	11.24	11.22	11.11	12.17	11.45
Beta	1.03	0.95	0.90	0.92	0.99	1.00
Tracking Error	2.91	2.74	4.58	3.75	4.50	0.00
Sharpe Ratio	0.76	0.70	0.57	0.98	0.60	0.60
Alpha	2.11	1.30	0.20	4.57	0.52	0.00
Information Ratio	0.83	0.39	-0.11	1.16	0.08	
Batting Average	58.33	55.00	48.33	60.00	53.33	100.00
Up Capture Ratio	105.15	99.53	94.24	101.24	99.59	100.00
Down Capture Ratio	90.13	91.56	95.10	70.52	96.73	100.00

Investment Option Narratives

Firm Overview

Founded in 1989, Harding Loevner (HL) is headquartered in Bridgewater, New Jersey. David Loevner and Daniel Harding, former global investment managers at Rockefeller & Co., founded the firm. Harding retired in 2008. Today, the firm manages approximately $50 billion in primarily institutional assets across several non-US equity strategies.

HL has been under the Affiliated Managers Group (AMG) umbrella since August 2009. AMG owns 60% of HL's equity stake, while 24 active employees own the remaining 40%. HL is governed by a Management Committee that consists of eight senior employees, led by a two-person Executive Committee made up of CEO David Loevner and CIO Simon Hallett.

Team Overview

The International Equity strategy has a two-person portfolio management team—Ferrill Roll and Alexander Walsh. The two have been dually running the International Equity strategy for over a decade. Roll and Walsh each construct their own individual portfolios, which are then combined in equal weightings to create the model portfolio. In order to grow the next generation of PMs, HL established a structure whereby three PMs/analysts run their own paper portfolios. Bryan Lloyd, Andrew West, and Patrick Todd serve in this role for the International Equity strategy. A portion of their annual bonuses is determined by the success of the stock picks in the paper portfolios. PMs utilize the industry insights and investment ideas generated by HL's 21-member global research team.

Strategy Overview

HL's philosophy is simple: shares of high quality, growing companies, purchased at reasonable prices, will provide superior risk-adjusted returns over the long term. Following this philosophy, HL defines four quality growth criteria that a company must exhibit before it will be considered for investment: competitive advantage, quality management, financial strength, and sustainable growth.

The firm's idea-generation process begins with qualitative and quantitative screens. The quantitative variables analysts screen upon include returns on assets and equity, the variability of those returns over time, profit margins, cash flow generation capabilities, degree of leverage relative to book equity, and historical and anticipated growth in earnings, revenues, cash flows, and assets. The qualitative issues they consider include the global competitive structure of a company's industry, the sustainability of its competitive advantages, and the quality of its management. Analysts conduct in-depth research on the companies that pass the initial qualification stage via the firm's proprietary "Quality Assessment Framework (QA)". The QA promotes consistency in the process and encourages collaboration among team members. Valuation analysis is conducted on the back-end. Finally, the analyst prepares a detailed report and presents to the investment team for discussion. The analyst then assigns a rating of "buy", "hold", or "sell".

Portfolio construction is the responsibility of the two PMs as we mentioned above. PMs may purchase the same buy-rated stocks in their sub-portfolios. Final portfolios hold 50-55 stocks. Constraints include a maximum weight of 15% in a single industry, 25% in a single sector, a minimum of seven sectors, a minimum of 15 countries, and a maximum weight of 30% in Emerging Markets. Annual portfolio turnover is extremely low, typically less than 20%.

Expectations

In general, the strategy should outperform in environments when investors are risk sensitive, which causes strong company fundamentals to become more important determinants of stock price behavior than stock price momentum.

By contrast, the strategy may underperform in periods of sharply declining risk aversion when investors are less concerned about fundamentals and, as a result, the stocks of higher quality companies may lag those of riskier, lower-quality companies.

Relative performance for the International Equity strategy has been consistently strong in every calendar year since 2008, with a seven-year annualized upside/downside market capture of 98/83. If deep value cyclicals lead performance, we would expect HL to lag the core index.

Points to Consider

The stated capacity of the strategy is "no less than $15 billion". HL regards asset capacity as a function of market liquidity, which changes over time and therefore does not like to state a specific limit. In the past couple of years, the portfolio's average market cap has increased consistently by 5% or so per quarter. HL says the increase is solely due to where they are finding bottom-up opportunities and that the strategy is in no way constrained by asset levels. Strategy assets are around $20 billion currently (includes ADR-only assets).

The analyst team has experienced some turnover in the past few years. One of those was HL's Manager of Research, Thomas Larsen, who passed away suddenly in 2011 after being with the firm for about five years. The other three departures moved to similar roles at competitors. We plan to keep a close eye on this issue, but do not believe it is a sign of any inherent problem.

The team looks at valuations in Japan differently than it does in other countries. They conduct relative value comparisons versus other stocks within Japan as opposed to other stocks within the total portfolio. Given interest rates in Japan, stocks there look more expensive than other stocks in the portfolio. This has led them to a significantly larger allocation to Japan, especially relative to their growth-oriented peers.

Recommendation Summary

The Research Group recommends Harding Loevner International Equity for both defined benefit and defined contribution clients in need of a moderately concentrated growth-biased international equity strategy. We recommend the best usage of the strategy paired with either a core international diversified strategy or a concentrated value-biased strategy given its stock-level concentration and growth-style bias. However, with that said, we are comfortable with clients utilizing it as a sole developed international equity option or within a defined contribution plan as long as they are aware of and comfortable with the tracking error that comes along with the style bias and stock-level concentration.

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

Firm Overview

MFS' investment management history dates back to 1924. MFS began managing tax-exempt capital in 1970. Headquartered in Boston, MFS has been a majority-owned subsidiary of Sun Life of Canada since 1982. The firm maintains considerable autonomy in managing its day-to-day business. Up to 22% of MFS' common stock is available for ownership by senior management, investment professionals and other key employees. MFS has nine offices around the world. Total firm assets under management (AUM) are over $400 billion across a plethora of equity, fixed income and balanced/blended strategies. The client mix is about 50/50 institutional/retail.

Team Overview

PMs David Antonelli and Kevin Dwan lead the strategy. Institutional PM Brett Fleishman manages the cash for the strategy, and oversees portfolios with any client-level restrictions. Antonelli is the architect behind the strategy and has been with MFS since 1991. Dwan works out of the firm's Singapore office and has been with MFS since 2005. Matthew Barrett, based in London, serves as a third PM and joined the team in early 2015. The PMs are able to draw on the entire investment resources of the firm (particularly the global sector analysts), but ultimately have final decision-making authority for all buys and sells.

MFS' global equity research platform consists of approximately 60 fundamental equity analysts organized into eight global sector teams and located around the world (Boston, London, Tokyo, Hong Kong, etc.). Each analyst is a specialist, covering approximately two different industries on average in a particular region.

Strategy Overview

The team's investment philosophy is based on the belief that stock prices often overreact to short-term events, thus providing opportunities for long-term investors. Their ideal holding is a high quality company with above-average rates of free cash flow growth that is trading below intrinsic value.

At any given time, there are approximately 300-400 buy-rated non-US securities at MFS. While idea generation is primarily the responsibility of the research analysts, PMs actively participate in the research process as well. They develop and maintain their own company models, visit with company management, and triangulate the information with competitors, suppliers and customers in order to come to their own educated opinions. Analysts utilize ratio analysis and dividend yield as a basis for comparing a company's current valuation to its historical valuation. The fundamental factors coupled with the valuation analysis leads the analyst to assign a "buy" (1), "hold" (2) or "sell" (3) rating for each company he/she has evaluated. When the team evaluates a security, the primary fundamental elements that receive the most focus are: 1) sustainable free cash flow yield, 2) pricing power, 3) financial strength, 4) favorable economic and regulatory environment, 4) strong competitive position, 5) high quality management team, and 6) variable versus fixed cost structures.

The final portfolio holds 80-100 stocks. MFS has absolute constraints on individual stocks (5%) and industries (25%). The max weighting to emerging market stocks is 25% on an absolute basis or the benchmark weight +500 basis points. While the overall market cap of the portfolio is well into the large cap realm, they can be and have been opportunistic in allocating 20-25% to stocks within the mid-cap range.

Expectations

The strategy should outperform in environments when company fundamentals drive market returns and/or when high quality stocks outperform their lower quality brethren.

Contrarily, the strategy has historically underperformed when market momentum, rather than company fundamentals, drives market returns and/or when low quality stocks outperform high quality stocks.

Points to Consider

MFS does not like to give specific amounts for product capacity because it changes based on the market and based on the asset levels of overlapping strategies. However, the firm has historically been conservative in shutting off capacity of other strategies. They utilize an internal capacity model to help them monitor levels. It takes into account the 20-25% allocation that the strategy has historically maintained in mid cap positions. We plan to monitor the number of stocks and the market cap distribution of the portfolio for possible "creep".

Recommendation Summary

The Research Group recommends MFS International Growth for those clients looking to find a high quality growth complement to an international value equity strategy. It would also be appropriate as a standalone international equity allocation given its stock-level diversification, and its lower volatility and tracking error versus the index.

Historically, the strategy has protected on the downside and kept up (and even sometimes outperformed) when markets are up strongly. Since inception, the strategy has tended to perform in-line with the index in up periods, but has preserved capital by over 10% in down periods. The strategy has experienced prolonged periods of underperformance (2003-2005) when low quality stocks led returns, however the level of underperformance was modest (around 1% for all three calendar years).

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

Firm Overview

Vontobel Asset Management, Inc. (VAM) was founded in 1984 to serve as the U.S. global asset management arm of Vontobel Holding AG, a majority privately-held bank domiciled in Switzerland. VAM is a wholly-owned subsidiary of Votobel Holding AG and is located in NY, NY. Several investment team members work out of the firm's Ft. Lauderdale, Florida office. VAM oversees over $30 billion in assets across six distinct strategies targeting International, Emerging and US equity markets.

Expectations

The strategy will tend to outperform when the general economic environment is favorable. In addition, due to the team's focus on preservation of capital, the strategy tends to have more defensive qualities and holds up well when economies or markets are in decline. Contrarily, the strategy tends to underperform during late stage bull markets and also when the market bounces following a collapse (e.g. 2003 and 2009). Market environments where more cyclical and higher levered companies are favored will be more challenging for VAM's strategies. In addition, the strategy tends to have significant weightings in Consumer sectors and therefore performance likely will lag in times where those sectors are struggling.

Team Overview

Matt Benkendorf assumed the lead portfolio manager role for International Equity in March 2016, replacing Rajiv Jain, who resigned from VAM to start his own investment firm. Beyond Benkendorf, PMs Brian Bandsma and Donny Kranson have been with the firm for 14 years and 10 years, respectively. In addition, there are nine other global sector analysts that average 19 years of investment experience. Subsequent to Jain's departure, Benkendorf signed a 10-year contract and a five-year non-compete. The other senior members of the team signed three-year contracts. While we don't know the specifics around the exact dollar amounts, suffice it to say that if anyone breaks their respective contract, they will leave at least three years of bonus compensation on the table.

Points to Consider

While the team has signed non-compete agreements (five years for Benkendorf and three years for the rest of the team), there remains a risk that any one of them could leave to join Jain. For reasons described earlier in this note and given Benkendorf's long tenure with Vontobel and now elevated status within the organization as a result of Jain's departure, we believe the risk of Benkendorf leaving is slight. Even if our review of the analyst team in New York suggests that the team has bought in completely to the current and future direction of the organization, we will continue to regularly monitor the firm for any signs to the contrary.

Strategy Overview

VAM utilizes a fundamental, bottom-up approach to find high quality companies that can grow earnings faster than the market on a consistent and sustainable basis trading at sensible prices. The team believes that long-term, stable and sustainable earnings growth drives long-term investment returns. Preservation of capital is key to their philosophy and the reason for their focus on high quality, consistent earners. VAM considers itself benchmark unconstrained and therefore will be positioned vastly different than the index at any given time.

Idea generation includes proprietary screening, industry research and business periodicals to name a few. The screening begins with a universe of approximately 15,000 companies and screens on high absolute return on equity (ROE) with low variability, high and stable earnings per share growth, low leverage, low intensity and high return on assets (ROA). VAM considers itself to be a multi-cap manager, but in reality the minimum market capitalization tends to be around $1 billion.

The qualitative portion of the process begins with an in-depth evaluation of the business and the quality of company management's past decisions. Analysts dig through a company's financial statements primarily as a window into past performance. They avoid companies that are subject to rapid change. At this stage, analysts are conducting company visits, calls with management, discussions with competitors, suppliers, & customers. Valuation is the final step in the process. The team develops five-year profit forecasts for all prospective investments and maintains those going forward. Maximum position size is 7%. Country weights are kept to within 20% (absolute) of the index and VAM must invest in at least five of the ten GICS sectors at all times. Emerging market stocks are limited to 25%. Portfolios typically contain 50-70 holdings.

Recommendation Summary

The strategy is recommended as an international growth equity strategy for either defined benefit or defined contribution plans. The strategy is fairly concentrated and should be paired with a value-oriented strategy for a smoother relative performance pattern. We would expect tracking error for the strategy to be high relative to the index.

Despite Jain's departure, we are comfortable with the current investment team. The departure of a key and longstanding member of an investment team is rarely viewed by investors as a positive occurrence. Benkendorf was "born and raised" in the team's investment philosophy and brings a renewed level of energy and focus to the team. Given the headlines involved with Jain's resignation and subsequent client attention, the team is highly likely to focus even more on sticking to its disciplined process. From a relative performance perspective, we would continue to expect the strategies to preserve capital in down markets and participate in big up markets. If oil prices continue to rebound in the short-term, we would expect that to be a headwind given the team's bias against deep cyclical companies. Our in-person visit with Benkendorf was constructive and positive. The process is analyst-driven and there have been no significant departures.

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

Firm Overview

Founded in 1976, WCM Investment Management manages several different equity strategies, both domestic and non-US, for its primarily institutional client base. The firm is headquartered in Laguna Beach, California and employs just over 30 people. The equity of WCM is 100% owned by 21 employees, with the principal owners being Paul Black, Kurt Winrich, Sloane Payne, Pete Hunkel, Mike Trigg, James Owens, and David Brewer. The principals average over 16 years with WCM.

Expectations

The strategy has proven to be somewhat of an all-weather performer despite its growth style bias. However, in general we would expect it to outperform in down markets given the quality, large cap bias and in markets where investors favor predictable, consistently-growing businesses. In addition, when emerging equities outperform we would expect the strategy to do well given its higher-than-average allocation.

We would expect the strategy to struggle in strong value-oriented periods, where economically-sensitive sectors are driving returns. In addition, momentum periods where investors favor highly-leveraged, low quality stocks would be tough for the strategy.

The portfolio has benefitted strongly in growth-led environments due to its growth sector focus. However, macroeconomic turmoil across the globe continues to provide the team with attractive investment opportunities that rejuvenate the portfolio. The team points to the continued benefits of owning positive-moat-trajectory businesses that excel in any market environments.

Team Overview

The international strategy is led by PM Hunkel, who also serves as a research analyst. He is supported by PM/ Analyst Trigg, and a small team of dedicated research analysts. All portfolio decisions are made by the Investment Strategy Group (ISG), which is comprised of a small group of senior investment professionals. Decisions are simple majority and split decisions result in no action.

The average industry experience of the team is 25 years for the PMs and 12 years for the research analysts. A majority of the investment professionals are CFA Charterholders and also have advanced degrees The team has only lost one analyst since inception (Robert Gwin in 2014), which was a “mutual parting” due to significant philosophical differences.

Points to Consider

WCM thinks of capacity both in terms of AUM and number of clients they can effectively service. WCM views the three non-US equity strategies in concert for capacity purposes and $25B-$30B is a current estimate. The team reevaluates and discusses capacity constantly. Given the large cap focus of the portfolio (over 60% in market caps above $15B), we do not view the current asset level as a hindrance to future performance nor do we believe the liquidity profile of the portfolio to be compromised.

The performance pattern is expected to be significantly different from the index given the concentration and bottom-up portfolio construction.

Strategy Overview

WCM’s investment philosophy is to own a small number of high quality, consistently growing global businesses at a fair price for three-to-five years on average. They want companies whose business(es) benefit from global trends and demographics. Each company must possess a durable and improving competitive advantage. The process marries both bottom-up, fundamental research and top-down thematic elements. WCM believes corporate culture is a determinant of business success. The team also believes a patient and disciplined temperament is key to investing profitably over the long-term.

The team’s initial criteria that narrows the investable universe to about 1,000 stocks is: 1) market cap greater than $3.5B, 2) financial strength consistent with domestic companies rated B+ or better, and 3) consistent, predictable growth. The secondary criteria that gets them to 150-200 stocks is: 1) high returns on invested capital (generally 10% or greater over a five-year period), 2) low or no debt, 3) high gross margins, and 4) history of consistent/sustainable growth. While these screens are useful tools for narrowing the universe, the team also finds ideas via its network of industry contacts, company management, etc. From the narrowed list, the team actively follows about 70 names.

Portfolio construction is the responsibility of the ISG and is focused on the 30 or so stocks that best fit WCM’s purchase criteria of: a simple-to-understand business with superior growth prospects, high returns on capital, low or no debt, a solid thematic tailwind, a durable economic moat, a great corporate culture and a reasonable valuation. Max industry exposure is 15%, max sector exposure is 45% and max emerging equity exposure is 35%. Initial position sizes range from 2-5%, with max individual positions of 10%. Annual portfolio turnover averages around 30%.

Recommendation Summary

The Research Group recommends WCM Focused Growth International for clients with multiple international developed equity managers given its stock-level concentration and growth-style bias. WCM works well when paired with either a core international diversified or concentrated international value strategy.

While WCM has not guaranteed all of our clients that invest in the Collective Investment Trust a discounted fee of 0.85%, we have had 100% success rate in obtaining that rate for new accounts. In addition to the collective trust and the mutual fund (WCMIX), WCM offers separate account ADR-only portfolios that have 90-100% overlap with the ordinary/ADR fund vehicles.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Return - Compounded rate of return for the period.

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

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

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

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

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

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

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

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

Value-Growth Score - Morningstar assigns an Overall Value score and an Overall Growth score to each stock within a fund. Morningstar then calculates a net value-core-growth score for each stock by subtracting the stock's Overall Value score from its Overall Growth score. Once this is done, these raw scores are rescaled to range between -100 to 400 in order to fit within the Morningstar Style Box. Scores below 67 are classified as value, scores above 233 are classified as growth, and scores between 67 and 233 fit within the core boundaries.

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

IMPORTANT DISCLOSURE INFORMATION

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

RISK FACTORS

THE RISK DISCLOSURES HEREIN DO NOT PURPORT TO COVER ALL RISKS, PLEASE REFER TO THE RESPECTIVE PROSPECTUSES FOR COMPLETE INFORMATION.

As presented in this report, although investing in international equities can be beneficial, it is also important to consider the associated risks. Investing in international equities may not be suitable for all investors. Prospective investors should be aware of the risks in investing in non-U.S. securities. Securities of issuers domiciled outside of the U.S. may lose value because of adverse political, social and economic factors in those countries. Non-U.S. securities carry special risks such as less developed or less efficient trading markets, political instability and differing auditing and legal standards. Additionally, international equities experience emerging market risk. Emerging market countries can generally have economic structures that are less diverse and mature, and political systems that are less stable, than those of developed countries. The primary other risk factors which affect international equities include, but are not limited to: market risk, issuer risk, foreign currency risk and liquidity risk. Depending on the specific strategy, there many additional considerations such as the risks associated with equity investing.

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Executive Summary
Period Ending March 31, 2018

Town of Palm Beach Retirement System DC

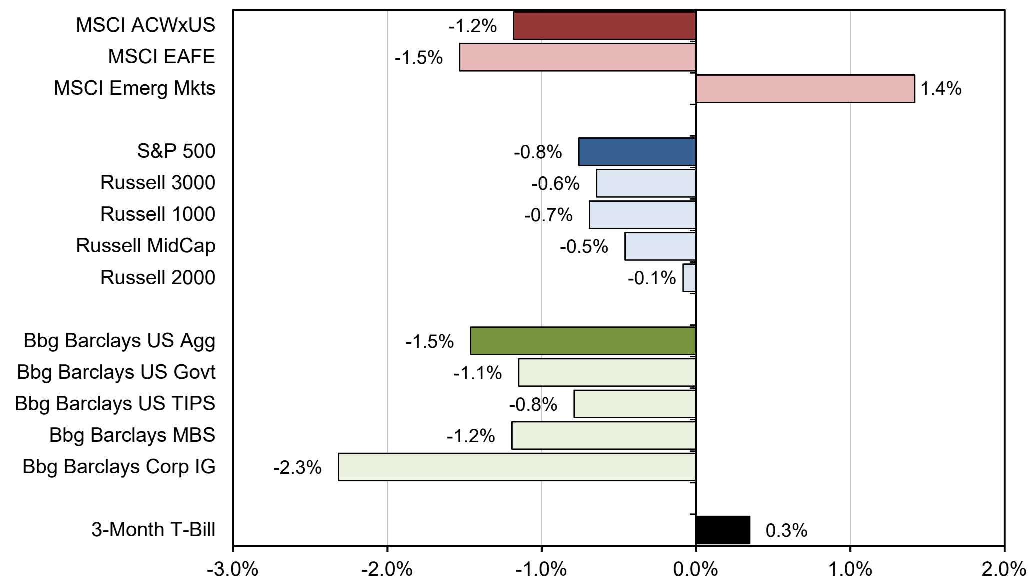
1st Quarter 2018 Market Environment

- Market returns were broadly negative across major equity and fixed income indices as we finished a highly volatile 1st quarter of 2018. Broad domestic and international equity markets pulled back modestly following a very strong 2017. Fixed income indices also posted negative results, producing returns in-line with those of equities during the quarter. However, when viewed over the past 1-year period, returns remain positive for major indices as improving macroeconomic data and robust corporate earnings worldwide outweighed the near-term market uncertainty. The US stock market represented by the Russell 3000 Index returned -0.6% and 13.8% for the quarter and 1-year period respectively. While the Russell 3000 outperformed the international MSCI ACWI ex US Index during the 1st quarter, international stocks have performed better over the last 12 months. While the US economy continues to show signs of expansion, investors focused on the future path of Federal Reserve (Fed) monetary policy and the emergence of new protectionist trade policies from the Trump administration during the quarter.

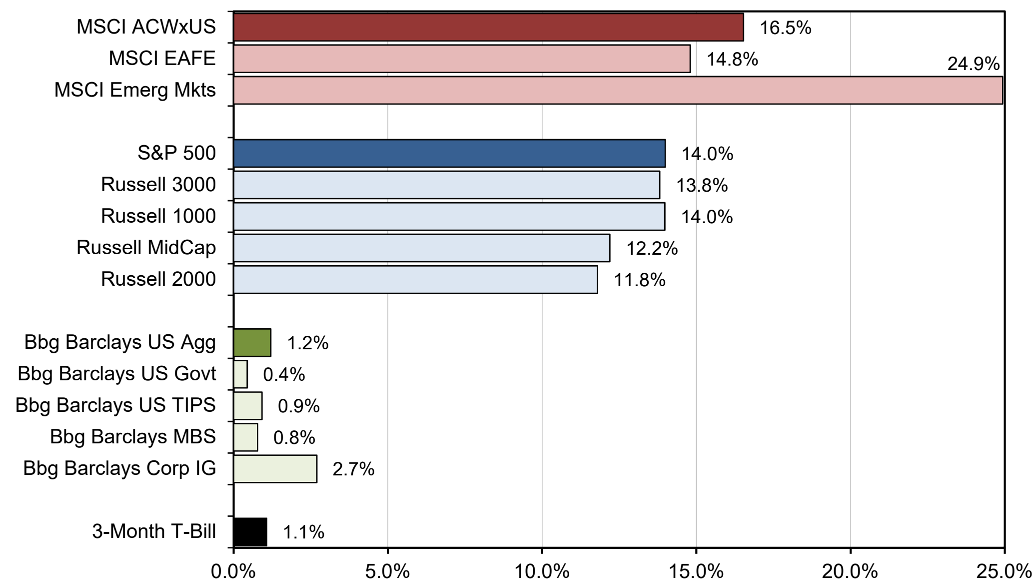
- International equity market benchmarks were mixed with developed markets posting modestly negative returns and emerging markets earning a slightly positive result. This is a continuation of the 2017 trend of emerging market outperformance relative to developed market equities. Emerging market stocks returned 1.4% and 24.9% over the quarter and 1-year period respectively. While the developed market MSCI EAFE Index lost ground through the 1st quarter, returning -1.5%, it still posted solid gains over the 1-year period returning 14.8%, narrowly outpacing major US indices. The strength in fundamentals abroad, ongoing US Dollar (USD) weakness and relatively accommodative global central bank policies continue to act as a tailwind to international markets relative to their US counterparts. Consequently, as the global recovery continues to take hold, international central banks have started to telegraph a greater likelihood of reduced stimulus in the future. Many international markets also saw their returns influenced, both positively and negatively, by ongoing political developments throughout the quarter.

- Interest rates on the US Treasury Yield Curve ended the 1st quarter of 2018 higher across all maturities. The movement in rates was considerable during the quarter as markets reacted to the greater likelihood of increasing inflation and a more restrictive than expected US monetary policy going forward. The Fed followed suit by increasing short-term interest rates by 25 basis points at their March meeting, the third increase in the last 12 months. The rising interest rate environment negatively impacted fixed income market returns for the quarter. The Bloomberg Barclays US Aggregate Index fell -1.5% for the quarter, but managed a positive 1.2% return for the 1-year period. Corporate credit reversed its 2017 trend of outperformance relative to other investment grade sectors returning -2.3% during the 1st quarter as credit spreads began to widen.

Quarter Performance



1-Year Performance



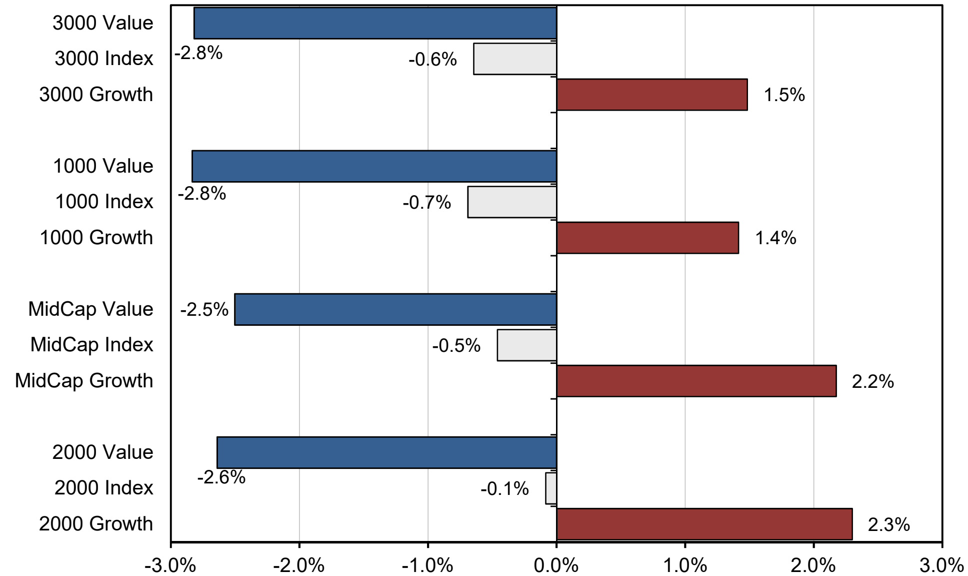
Source: Investment Metrics

- US equity index returns were mixed across the style and capitalization spectrum to start 2018 with growth indices being the best performers. Markets were highly volatile throughout the quarter. Investors initially cheered the passage of the republican party tax reforms containing reductions to both individual and corporate income tax rates, increasing expectations for consumer spending and corporate earnings going forward. However, high US wage growth in January raised investor concerns that inflation could be picking up more quickly than the market expected, and would therefore require increased Fed action to prevent overheating of the economy. Market volatility rose and the S&P 500 Index had its first correction since 2015, falling over 10%. The market began a recovery from its February low as later economic releases made it appear that fears over inflation had likely been overstated. However, volatility returned in March when the Trump administration announced a series of protectionist tariff policies, with emphasis placed on China, increasing the potential for a global trade war. Despite the considerable market volatility, most US economic data was positive during the quarter and congress passed a new federal budget deal that will increase government spending by about $300 billion over the next two years which can be used to stimulate the economy over the short-term.

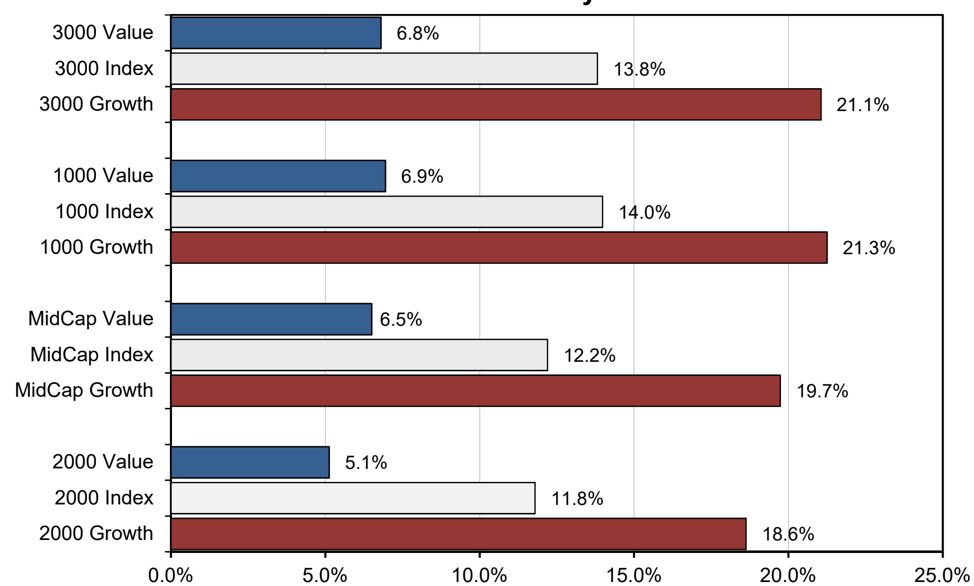
- During the quarter, small cap stocks outperformed mid and large cap equities. The small cap Russell 2000 Index returned -0.1% during the period, while the large cap Russell 1000 Index returned -0.7%. The opposite was true over the 1-year period as large cap names were the best performers. The Russell 1000 returned 14.0% over the trailing year while the Russell 2000 posted a return of 11.8%. This large cap outperformance can be partially explained by their greater exposure to foreign markets relative to small cap companies. This can be especially beneficial during periods of USD weakness, such as that experienced over the last year. Large cap companies generate more revenue outside of the US which can expose them to faster growing markets, foreign tax benefits or strengthening foreign currencies.

- Growth indices outperformed value indices across the market cap spectrum for the fifth straight quarter and were all able to post a positive return for the 1st quarter of 2018. Performance for growth indices more than doubled value index performance for each respective cap segment for the year. Growth benchmarks benefitted from larger exposures to more cyclical names within the information technology, consumer discretionary, health care and industrials sectors. They also benefitted from underweights to more defensive "bond proxy" sectors such as REITs, utilities and telecom. Lower exposure to the energy sector also acted as tailwind to growth benchmarks.

Quarter Performance - Russell Style Series



1-Year Performance - Russell Style Series

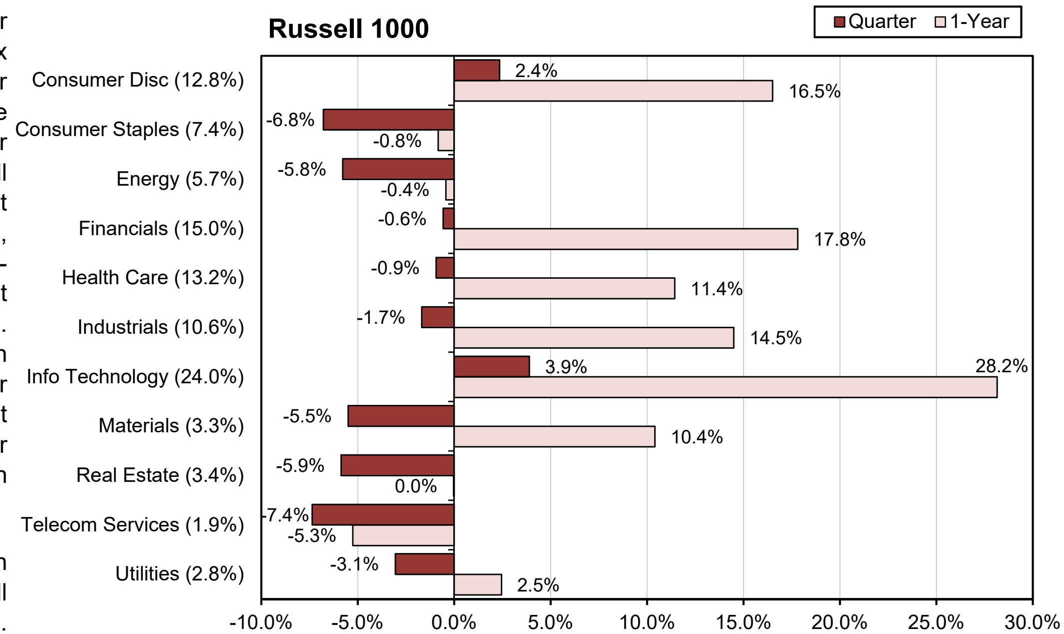


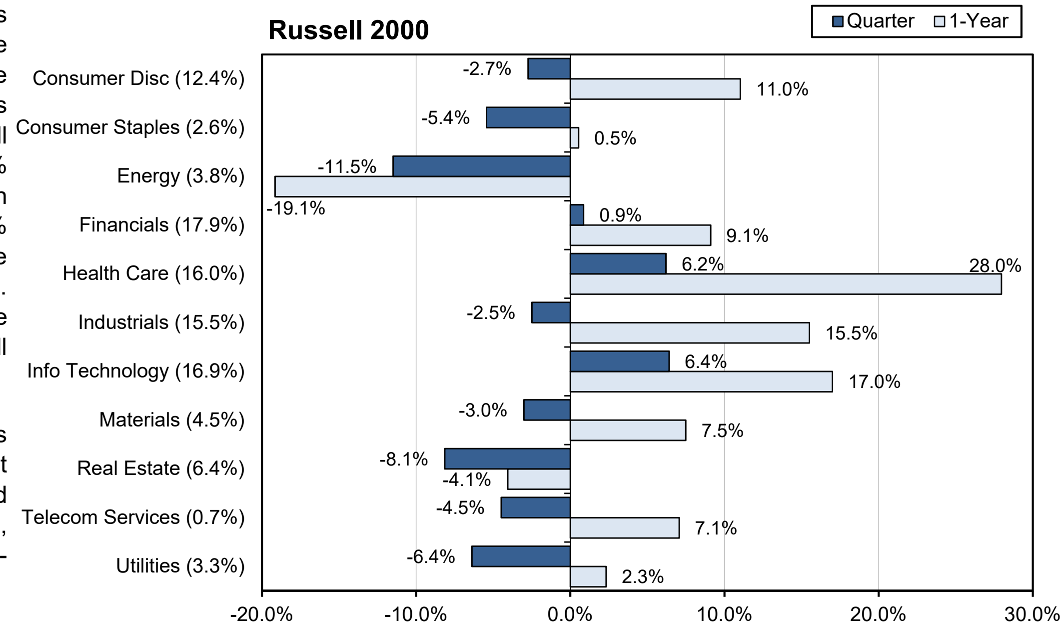
Source: Investment Metrics

- Sector performance was largely negative across large cap sectors for the 1st quarter of 2018. Only two of eleven sectors had positive returns for the quarter and only three of eleven economic sectors outpaced the Russell 1000 Index return. Cyclical sectors tended to do well through the quarter with the higher yielding bond proxy sectors lagging on a relative basis as interest rates rose sharply during the period. Technology stocks continued their 2017 gains over the quarter, gaining 3.9% and consumer discretionary stocks performed well on the back of a strong holiday season earning a 2.4% return. The largest detractors for the quarter were the more defensive telecom services, consumer staples and real estate sectors which returned -7.4%, -6.8% and -5.9% respectively. Over the trailing 1-year period, technology was the best performing sector by a relatively wide margin returning an impressive 28.2%. Consumer discretionary and financials also returned greater than 15%. Seven of eleven large cap economic sectors posted positive returns for the 1-year period with six posting double digit returns. Telecom services was the largest underperformer losing -5.3%. The three other sectors with negative returns for the trailing year (real estate, energy and consumer staples) fell by less than 1.0%.

- Small cap sector results were mixed relative to their large capitalization counterparts. Only three of eleven economic sectors outpaced the Russell 2000 Index return for the quarter and posted positive results for the period. Like the large cap index sector performance, higher dividend yielding sectors also tended to trail more economically sensitive sectors. Technology was the best performing sector returning 6.4%. However, there were several notable differences, particularly in consumer discretionary and energy where there was significant underperformance relative to their large cap counterparts. Small cap sectors trailed large cap sectors in those two categorizations by over 5.0% during the quarter. Similarly, the small cap health care sector had much stronger performance than the large cap health care sector posting a 6.2% gain for the quarter. Over the 1-year period, nine of eleven sectors have posted gains with four of eleven sectors having returns greater than 10%. Health care stocks were the best performers within the Russell 2000 for the year returning a solid 28.0%. Energy and real estate were the only Russell 2000 sectors to post a negative return, falling -19.1% and -4.1% respectively.

- 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 utilities, materials and energy sectors appear the most extended. In contrast the telecommunications, technology and health care 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	3.41%	-0.5%	18.6%	Information Technology
Microsoft Corp	2.74%	7.2%	41.5%	Information Technology
Amazon.com Inc	2.33%	23.8%	63.3%	Consumer Discretionary
Berkshire Hathaway Inc B	1.54%	0.6%	19.7%	Financials
JPMorgan Chase & Co	1.52%	3.4%	28.0%	Financials
Facebook Inc A	1.51%	-9.4%	12.5%	Information Technology
Johnson & Johnson	1.38%	-7.7%	5.5%	Health Care
Exxon Mobil Corp	1.27%	-9.9%	-5.5%	Energy
Alphabet Inc C	1.25%	-1.4%	24.4%	Information Technology
Alphabet Inc A	1.24%	-1.5%	22.3%	Information Technology

Top 10 Weighted Stocks

Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
bluebird bio Inc	0.52%	-4.1%	87.8%	Health Care
MGIC Investment Corp	0.49%	-7.9%	28.3%	Financials
Sterling Bancorp	0.49%	-8.1%	-3.7%	Financials
Wintrust Financial Corp	0.49%	4.7%	25.5%	Financials
Umpqua Holdings Corp	0.48%	3.9%	25.1%	Financials
Idacorp Inc	0.45%	-2.7%	9.2%	Utilities
Hancock Holding Co	0.44%	4.9%	15.8%	Financials
LivaNova PLC	0.44%	10.7%	80.6%	Health Care
WGL Holdings Inc	0.44%	-2.0%	3.8%	Utilities
Radian Group Inc	0.42%	-7.6%	6.1%	Financials

Top 10 Performing Stocks (by Quarter)

Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
XL Group Ltd	0.06%	57.8%	41.6%	Financials
Abiomed Inc	0.05%	55.3%	132.4%	Health Care
Netflix Inc	0.48%	53.9%	99.8%	Consumer Discretionary
Validus Holdings Ltd	0.02%	44.6%	23.1%	Financials
Herbalife Ltd	0.02%	43.9%	67.6%	Consumer Staples
Agios Pharmaceuticals Inc	0.02%	43.0%	40.0%	Health Care
Match Group Inc	0.01%	41.9%	172.1%	Information Technology
Square Inc A	0.05%	41.9%	184.7%	Information Technology
CSRA Inc	0.03%	38.6%	43.0%	Information Technology
DST Systems Inc	0.02%	34.8%	37.9%	Information Technology

Top 10 Performing Stocks (by Quarter)

Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Atara Biotherapeutics Inc	0.13%	115.5%	89.8%	Health Care
Iovance Biotherapeutics Inc	0.12%	111.3%	126.8%	Health Care
Cambium Learning Group Inc	0.01%	97.2%	128.6%	Consumer Discretionary
G1 Therapeutics Inc	0.01%	86.7%	N/A	Health Care
Arsanis Inc	0.00%	79.4%	N/A	Health Care
Eastman Kodak Co	0.00%	72.6%	-53.5%	Information Technology
American Public Education Inc	0.07%	71.7%	87.8%	Consumer Discretionary
Infinera Corp	0.16%	71.6%	6.2%	Information Technology
Novavax Inc	0.04%	69.4%	64.1%	Health Care
WMIH Corp	0.03%	67.2%	-2.1%	Financials

Bottom 10 Performing Stocks (by Quarter)

Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Colony NorthStar Inc A	0.01%	-49.8%	-52.7%	Real Estate
Weatherford International PLC	0.01%	-45.1%	-65.6%	Energy
Akorn Inc	0.01%	-41.9%	-22.3%	Health Care
Universal Display Corp	0.02%	-41.5%	17.4%	Information Technology
Macquarie Infrastructure Corp	0.01%	-40.3%	-49.7%	Industrials
Patterson Companies Inc	0.01%	-38.0%	-49.6%	Health Care
Mallinckrodt PLC	0.01%	-35.8%	-67.5%	Health Care
L Brands Inc	0.04%	-35.8%	-14.5%	Consumer Discretionary
OPKO Health Inc	0.00%	-35.3%	-60.4%	Health Care
Coherent Inc	0.02%	-33.6%	-8.9%	Information Technology

Bottom 10 Performing Stocks (by Quarter)

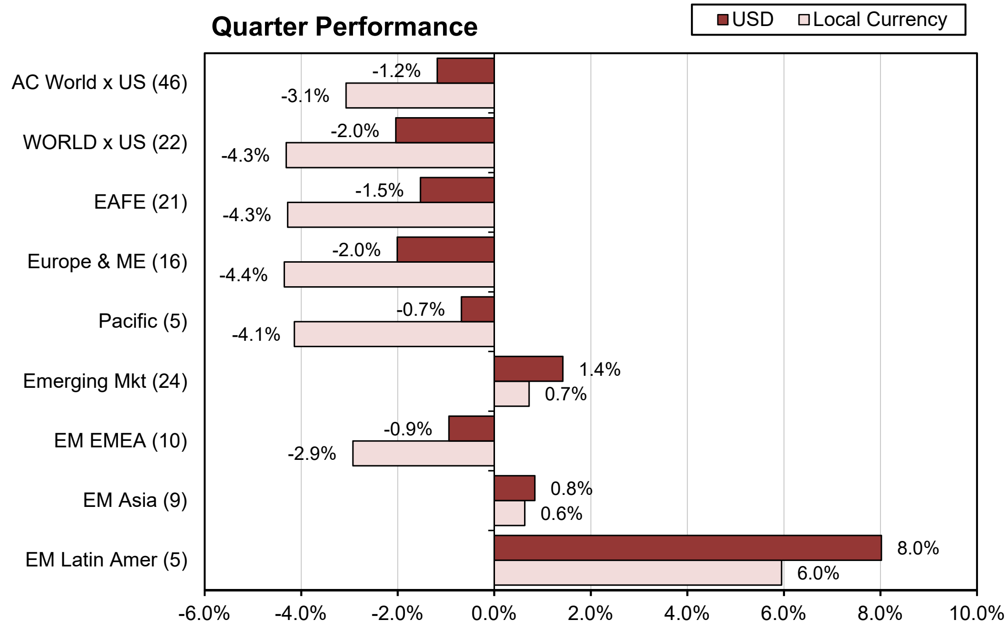
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Dermira Inc	0.01%	-71.3%	-76.6%	Health Care
Ascent Capital Group Inc A	0.00%	-68.0%	-74.0%	Consumer Discretionary
Roadrunner Transportation Systems Inc	0.01%	-67.1%	-63.0%	Industrials
Tintri Inc	0.00%	-66.5%	N/A	Information Technology
Westmoreland Coal Co	0.00%	-66.1%	-97.2%	Energy
Protagonist Therapeutics Inc	0.01%	-58.7%	-32.9%	Health Care
RAIT Financial Trust	0.00%	-56.9%	-94.5%	Real Estate
Ultra Petroleum Corp	0.08%	-54.0%	-67.4%	Energy
Melinta Therapeutics Inc	0.01%	-53.2%	-60.5%	Health Care
Tetraphase Pharmaceuticals Inc	0.02%	-51.3%	-66.6%	Health Care

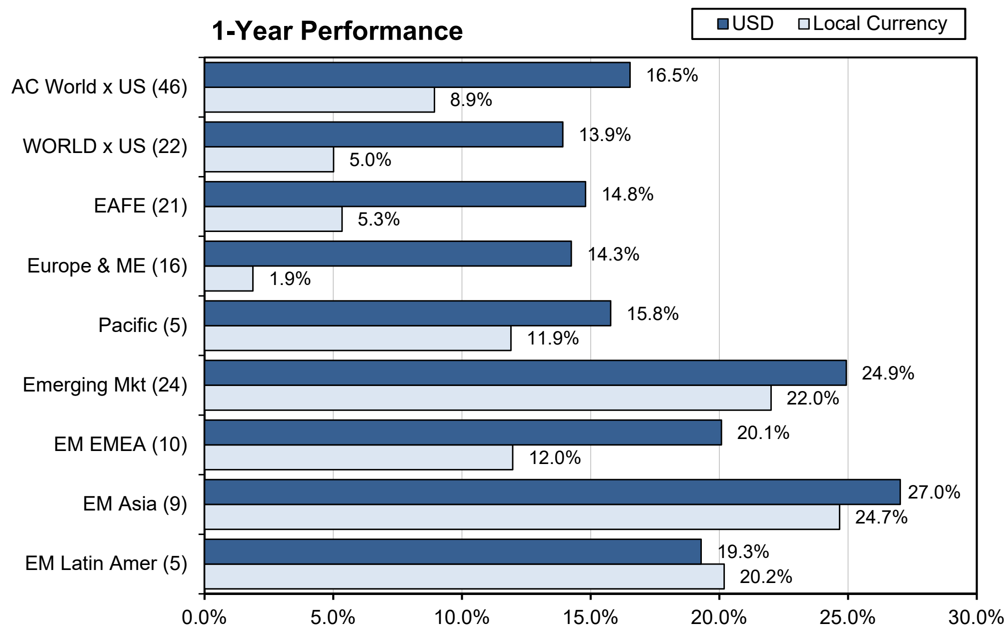
Source: Morningstar Direct

- Similar to domestic equities, broad international equity returns pulled back during the 1st quarter. Performance was largely driven by the same catalysts as the US equity markets, as global macroeconomic data remained generally positive. US investors in international markets had a currency effect tailwind as the USD continued its 2017 fall, weakening against most other currencies during the 1st quarter. The MSCI ACWI ex US Index lost -1.2% in USD terms and -3.1% in local currency terms. Emerging markets were a bright spot for the quarter with the MSCI Emerging Markets Index finishing with a slight gain. The returns over the 1-year period are substantially better with MSCI ACWI ex US returning 16.5% in USD terms and 8.9% in local currency terms.

- Results for developed market international indices were negative to start 2018 in both USD and local currency terms with the MSCI EAFE Index returning -1.5% and -4.3% respectively. Investors ignored broadly positive global economic data, focusing their attention on US monetary policy uncertainty and the outlook for global trade relations. There were several newsworthy political events during the quarter. In Europe, Italian elections resulted in a hung parliament with the populist Five Star Movement winning the largest number of seats. There is currently no clear path for a coalition government to be formed and it is possible elections may need to be re-held. In contrast, German Chancellor Merkel succeeded in forming a “grand coalition” government during March. In the UK, continued progress was made on “Brexit” as the UK and European Union were able to agree to initial terms on a transition period following the UK’s separation that should allow for an orderly withdrawal. In Japan, Prime Minister Abe was engulfed in a scandal regarding a discounted land sale to a school operator with ties to his wife and its subsequent coverup. The MSCI EAFE Index returned 14.8% and 5.3% for the last twelve months in USD and local currency terms respectively.

- The MSCI Emerging Market Index outperformed developed markets for the 1st quarter, posting a narrow gain of 1.4% and 0.7% in USD and local currency terms respectively. While emerging markets were also affected by the rise in global market volatility, strong GDP and corporate earnings growth combined with USD weakness helped them to finish the quarter ahead. China modestly outperformed despite late quarter trade tensions with the US. Brazil was the index’s strongest performer, returning 12.4% in USD terms, after former President Lula da Silva had a corruption and money laundering conviction upheld, likely preventing him from running for office again and opening the door for future economic reforms. Russian equities also performed well after Standard & Poor’s raised the countries credit rating to investment grade for the first time in over a decade citing prudent policy responses to sanctions and falling commodity prices. Indian stocks underperformed after fraud allegations emerged at a state-run bank. One year returns for the MSCI Emerging Market Index were 24.9% in USD terms and 22.0% in terms of local currency.





Source: MSCI Global Index Monitor (Returns are Net)

MSCI - EAFE	Sector Weight	Quarter Return	1-Year Return
Consumer Discretionary	12.6%	0.7%	19.2%
Consumer Staples	11.1%	-3.0%	10.4%
Energy	5.3%	-2.0%	21.4%
Financials	21.1%	-2.2%	13.6%
Health Care	10.2%	-0.9%	7.0%
Industrials	14.6%	-1.5%	17.4%
Information Technology	6.6%	1.1%	26.2%
Materials	8.0%	-3.8%	19.8%
Real Estate	3.5%	-1.5%	13.1%
Telecommunication Services	3.8%	-3.9%	3.1%
Utilities	3.3%	1.3%	12.1%
Total	**100.0%**	**-1.5%**	**14.8%**

MSCI - ACWIxUS	Sector Weight	Quarter Return	1-Year Return
Consumer Discretionary	11.4%	-1.0%	18.6%
Consumer Staples	9.5%	-2.8%	11.0%
Energy	6.7%	-1.8%	15.4%
Financials	23.1%	-1.1%	15.9%
Health Care	7.7%	-0.3%	9.1%
Industrials	11.8%	-1.6%	16.3%
Information Technology	11.8%	1.8%	34.3%
Materials	8.0%	-2.9%	18.4%
Real Estate	3.2%	-1.7%	16.5%
Telecommunication Services	3.9%	-4.1%	3.6%
Utilities	3.0%	1.2%	10.9%
Total	**100.0%**	**-1.2%**	**16.5%**

MSCI - Emerging Mkt	Sector Weight	Quarter Return	1-Year Return
Consumer Discretionary	9.5%	-6.1%	16.5%
Consumer Staples	6.4%	-0.8%	15.8%
Energy	7.2%	7.5%	24.7%
Financials	24.0%	4.2%	25.6%
Health Care	2.8%	7.0%	34.6%
Industrials	5.2%	-0.8%	10.1%
Information Technology	27.8%	2.1%	40.1%
Materials	7.3%	0.7%	20.0%
Real Estate	2.8%	-2.1%	32.5%
Telecommunication Services	4.6%	-3.7%	4.5%
Utilities	2.4%	3.0%	9.2%
Total	**100.0%**	**1.4%**	**24.9%**

Country	MSCI-EAFE Weight	MSCI-ACWIxUS Weight	Quarter Return	1- Year Return
Japan	24.6%	16.8%	0.8%	19.6%
United Kingdom	17.3%	11.8%	-3.9%	11.9%
France	10.9%	7.5%	0.3%	20.4%
Germany	9.7%	6.6%	-3.6%	13.6%
Switzerland	7.8%	5.3%	-4.3%	8.2%
Australia	6.6%	4.5%	-6.2%	1.4%
Netherlands	3.7%	2.5%	1.0%	19.9%
Hong Kong	3.6%	2.5%	-1.4%	18.4%
Spain	3.2%	2.2%	-1.7%	8.8%
Sweden	2.7%	1.8%	-2.4%	7.6%
Italy	2.5%	1.7%	5.4%	27.5%
Denmark	1.8%	1.2%	-1.5%	25.1%
Singapore	1.4%	0.9%	2.8%	22.8%
Belgium	1.1%	0.8%	0.5%	13.3%
Finland	1.0%	0.7%	8.2%	23.5%
Norway	0.7%	0.5%	2.3%	29.3%
Ireland	0.5%	0.3%	-5.9%	7.2%
Israel	0.5%	0.3%	-5.3%	-8.4%
Austria	0.3%	0.2%	2.2%	48.5%
New Zealand	0.2%	0.1%	-5.1%	4.0%
Portugal	0.2%	0.1%	3.1%	17.9%
Total EAFE Countries	**100.0%**	**68.3%**	**-1.5%**	**14.8%**
Canada		6.2%	-7.4%	4.9%
Total Developed Countries		**74.5%**	**-2.0%**	**13.9%**
China		7.6%	1.8%	38.9%
Korea		3.9%	-0.5%	25.4%
Taiwan		3.0%	5.7%	20.6%
India		2.1%	-7.0%	10.2%
Brazil		1.9%	12.4%	26.4%
South Africa		1.7%	-4.2%	25.0%
Russia		0.9%	9.4%	20.6%
Mexico		0.7%	0.9%	0.9%
Malaysia		0.6%	8.5%	25.3%
Thailand		0.6%	9.0%	35.0%
Indonesia		0.5%	-7.2%	7.8%
Chile		0.3%	1.5%	24.5%
Poland		0.3%	-8.2%	20.7%
Philippines		0.3%	-11.6%	3.8%
Turkey		0.3%	-5.0%	18.6%
United Arab Emirates		0.2%	-1.0%	-0.4%
Qatar		0.1%	2.5%	-11.0%
Colombia		0.1%	4.9%	15.4%
Peru		0.1%	10.3%	44.7%
Greece		0.1%	-6.8%	24.3%
Hungary		0.1%	-1.0%	38.6%
Czech Republic		0.1%	6.4%	36.4%
Egypt		0.0%	10.9%	14.5%
Pakistan		0.0%	11.4%	-14.0%
Total Emerging Countries		**25.5%**	**1.4%**	**24.9%**
Total ACWIxUS Countries		**100.0%**	**-1.2%**	**16.5%**

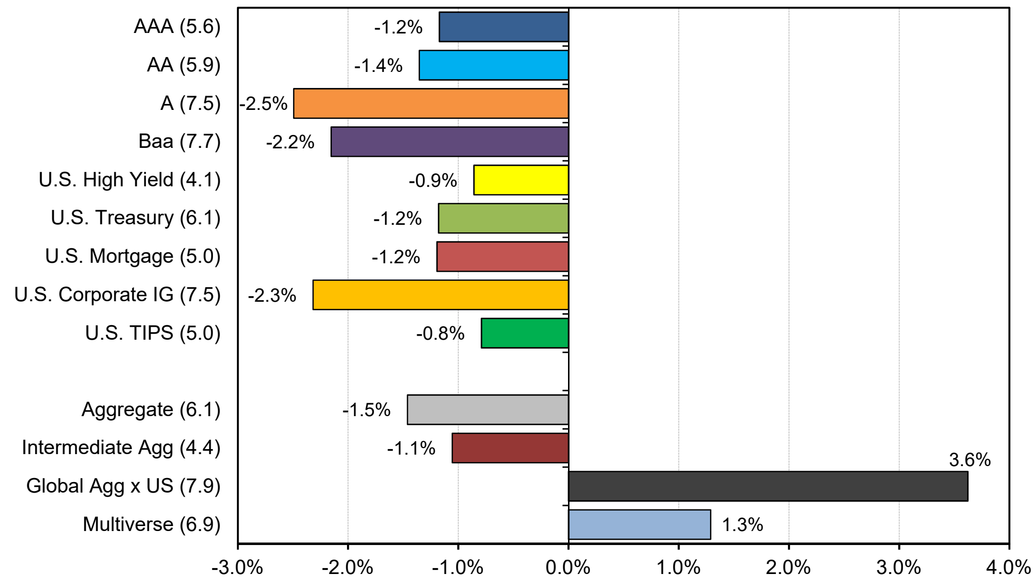
Source: MSCI Global Index Monitor (Returns are Net in USD)

- Broad fixed income benchmarks were mostly negative during the 1st quarter, with international bonds being the exception. Early in the quarter, particularly strong January wage growth report caused investors to speculate that inflation was quickly increasing and that the Fed would need to tighten monetary policy to a greater degree than originally planned. This sent a shock through financial markets and caused interest rates to rise considerably. Economic releases later in the quarter showed that the fear of inflation was most likely overstated. Later in the quarter, the Federal Open Market Committee (FOMC), led by new Fed Chair Jerome Powell, decided to increase short-term interest rates by 25 basis points. The current Fed Funds Rate target sits at 1.50% - 1.75%. This rate increase was expected by the market and, importantly, the Fed did not change its plan for further rate increases for 2018. Concerns over new Treasury issuance needed to finance plans for increased fiscal spending also could have contributed to the rise in interest rates. The yield curve flattened through the quarter as short-term yields rose at a greater rate than longer-term yields. The Bloomberg Barclays US Aggregate Index fell -1.5% the quarter, but managed a positive 1.2% return for the trailing year.

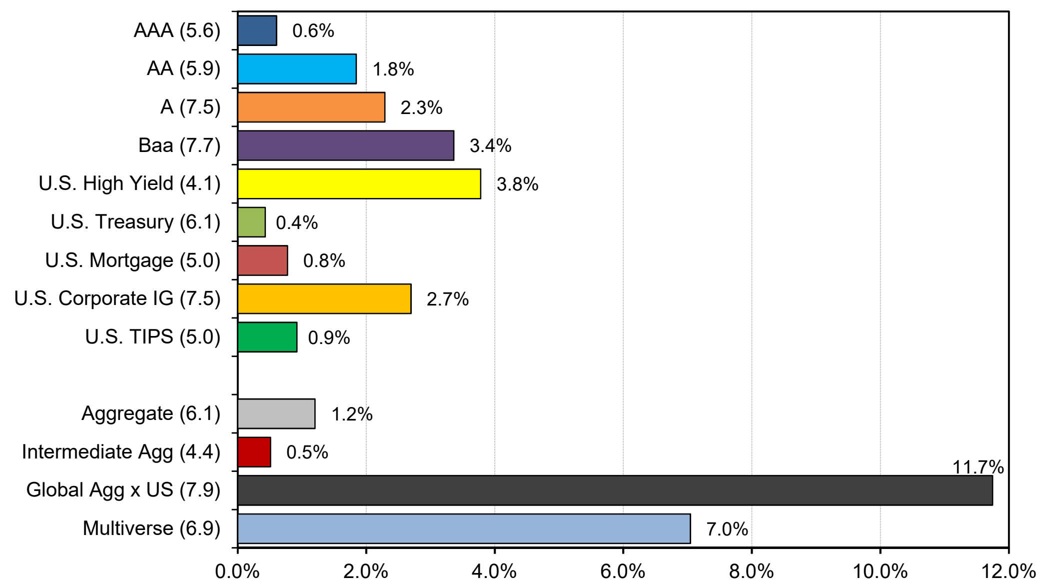
- Within investment grade credit, higher quality corporate issues generally outperformed lower quality issues for the quarter as credit spreads widened and investors looked for safety amid increased financial market volatility. AAA rated credit was the best performing investment grade credit quality segment returning -1.2% for the quarter. Interestingly, high yield debt outperformed relative to investment grade credit, returning -0.9%, as spreads widened to a lesser degree for these issues and the index benefitted from a lower duration. Part of the reason for the increased spread widening for investment grade issues relative to high yield issues was selling pressure from companies repatriating foreign cash reserves in response to the new tax code. When viewed over the 1-year period, lower quality issues have advanced to a greater degree, partly due to the continued strength in the global economy. High yield debt returned 3.8% over the period whereas AAA rated issues returned 0.6%.

- US Treasury securities were the best performing investment grade sector through the quarter, narrowly outperforming US mortgage backed securities (MBS). This reversed the trend of corporate credit outperformance that was witnessed through 2017 as investors reacted to market volatility and moved into higher quality government issues. The Bloomberg Barclays US Corporate IG Index returned -2.3% for the quarter as widening credit spreads and a higher duration acted as headwinds to these issues. US Treasury and US MBS both posted a -1.2%. However, over the trailing year, Treasury securities were the worst performing investment grade sector returning 0.4%, while US investment grade corporate bonds were the best performing investment grade sector gaining 2.7%.

Quarter Performance



1-Year Performance



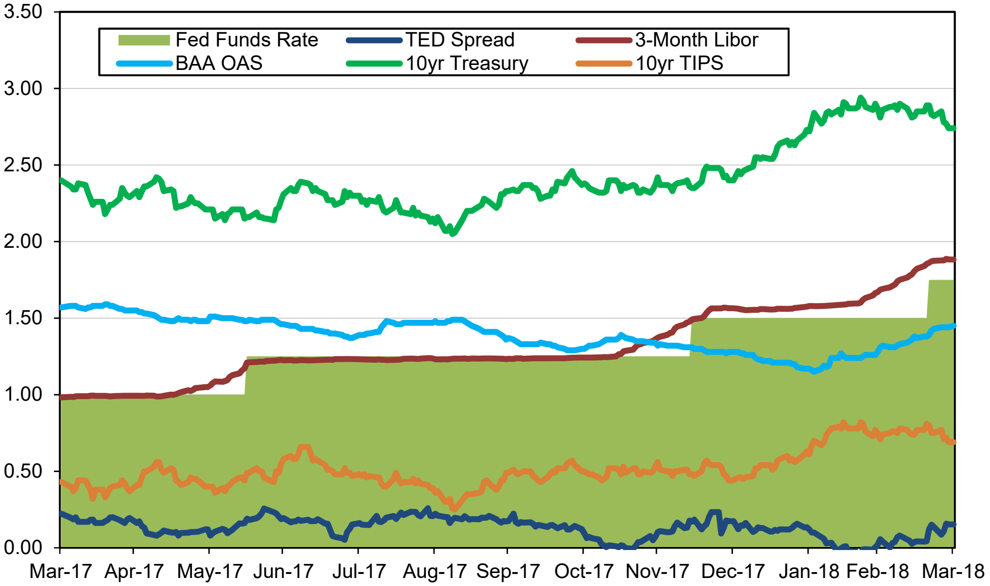
Source: Bloomberg

- In contrast to their domestic counterparts, global fixed income indices posted gains for the quarter. Global benchmarks are impacted by the same local yield and duration factors as domestic benchmarks. While these indices have relatively high durations, which would have acted as a headwind in the current quarter as interest rates increased, the returns of these indices are also significantly influenced by fluctuations in their currency denomination relative to the USD. This currency effect can add additional return to foreign issues as it did during calendar year 2017, or it can further exacerbate negative performance as it did in 2016. Global bonds outperformed domestic issues during the quarter and 1-year period partially due to a currency effect tailwind caused by a weakening USD. Returns on global bonds represented by the Bloomberg Barclays Global Aggregate ex US Index were 3.6% and 11.7% for the 1st quarter and trailing twelve months respectively. As the global economy continues to recover, several international central banks have started to move toward a less accommodative posture. Notably, the ECB, has extended its current quantitative easing program well into 2018, but has reduced the amount of monthly asset purchases from 60 billion euro per month to 30 billion euro per month. They also signaled that they would end the program entirely if the eurozone recovery continues to flourish. Similarly, the Bank of Japan (BoJ) inferred that they could end their quantitative easing program sometime in 2019 if target metrics were met. Lastly, the BoE voted to raise interest rates for the first time in a decade during the 4th quarter of 2017 and indicated rates may rise again more quickly than expected.

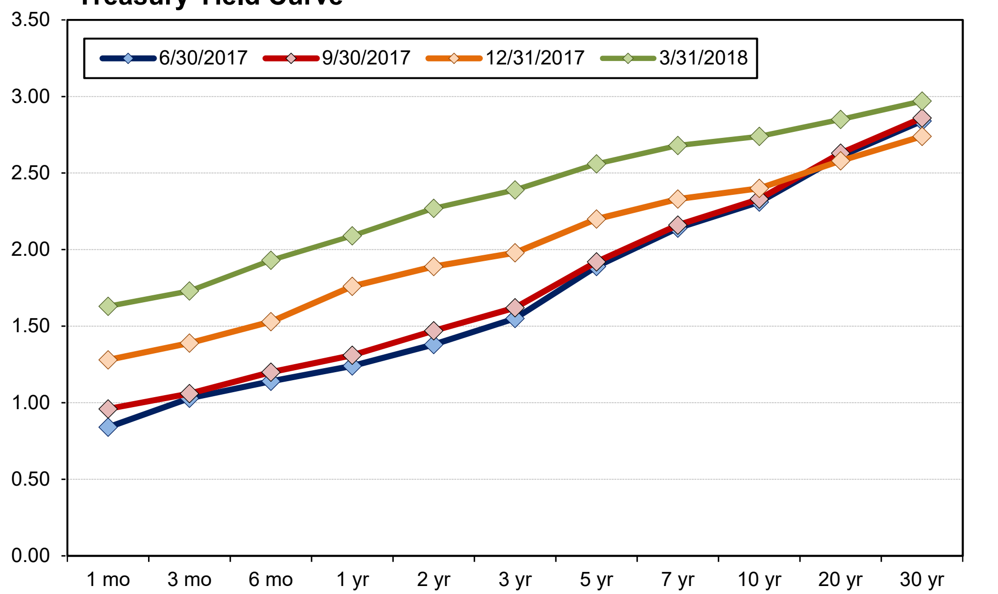
- Much of the index performance detailed in the bar graphs on the previous page is visible on a time series basis by reviewing the line graphs to the right. The '1-Year Trailing Market Rates' chart illustrates that the 10-year Treasury yield (green line) rose significantly during the 1st quarter, rising from 2.40%, to a peak of 2.94%, before falling to 2.74% to end the period. 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 2017. However, the trend begins to reverse in early February. This increase is equivalent to an interest rate increase on corporate bonds, which produces a headwind for corporate bond index returns. These credit spreads have widened by about 17 basis points over the last 3-months. The green shading at the bottom of the graph illustrates the gradual increase in the Federal Funds Rate due to a less accommodative US monetary policy.

- The lower graph provides a snapshot of the US Treasury yield curve at the end of each of the last four calendar quarters. As mentioned, the yield curve continues to flatten as yields on shorter-term maturities have risen more than interest rates on the long end of the curve. The significant upward shift in interest rates that occurred in the 1st quarter is clearly visible.

1-Year Trailing Market Rates



Treasury Yield Curve



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

Asset Allocation Attributes

	Mar-2018		Dec-2017		Sep-2017		Jun-2017	
	($)	%	($)	%	($)	%	($)	%
Total 457 & 401a Plans	**48,822,702**	**100.00**	**49,008,192**	**100.00**	**46,859,112**	**100.00**	**44,842,608**	**100.00**
457 Plan- 300786	36,144,099	74.03	36,278,294	74.02	34,551,596	73.74	33,207,452	74.05
401a Plan- 106397	10,178,705	20.85	10,182,716	20.78	9,658,949	20.61	9,059,215	20.20
401a General DROP- 108334	26,254	0.05	32,005	0.07	36,826	0.08	41,589	0.09
401a Police DROP- 108335	71,743	0.15	71,398	0.15	100,919	0.22	100,339	0.22
401a Fire Share-106796	2,357,721	4.83	2,399,786	4.90	2,467,004	5.26	2,390,367	5.33
401a Fire Old DROP- 108552	44,181	0.09	43,994	0.09	43,817	0.09	43,646	0.10

Asset Allocation Attributes

	Mar-2018		Dec-2017		Sep-2017		Jun-2017	
	($)	%	($)	%	($)	%	($)	%
Total RHS Plans	**3,470,744**	**100.00**	**3,435,900**	**100.00**	**3,256,280**	**100.00**	**3,073,931**	**100.00**
RHS Old Plan	517,060	14.90	536,009	15.60	529,612	16.26	528,748	17.20
RHS Current Plan- 803116	2,953,684	85.10	2,899,891	84.40	2,726,667	83.74	2,545,184	82.80

Comparative Performance	QTR		YTD		1 YR		2 YR		3 YR		4 YR		5 YR	
Stable Value/Cash Management Funds														
Vantage Trust Plus Fund	0.48		0.48		1.90		1.83		1.80		1.80		1.83	
90 Day U.S. Treasury Bill	0.35		0.35		1.11		0.70		0.49		0.38		0.31	
Difference	0.13		0.13		0.79		1.13		1.31		1.42		1.52	
VT Cash Management	0.25	(57)	0.25	(57)	0.69	(56)	0.37	(56)	0.25	(58)	0.19	(59)	0.15	(59)
90 Day U.S. Treasury Bill	0.35	(9)	0.35	(9)	1.11	(10)	0.70	(12)	0.49	(13)	0.38	(13)	0.31	(12)
Difference	-0.10		-0.10		-0.42		-0.33		-0.24		-0.19		-0.16	
IM U.S. Taxable Money Market (MF) Median	0.27		0.27		0.74		0.42		0.29		0.22		0.17	
Bond Funds														
TCW Total Return Bond Fund (TGLMX)	-1.25	(21)	-1.25	(21)	1.30	(39)	0.81	(64)	1.15	(44)	2.24	(38)	2.20	(15)
Blmbg. Barc. U.S. Aggregate Index	-1.46	(46)	-1.46	(46)	1.20	(45)	0.82	(63)	1.20	(40)	2.31	(32)	1.82	(35)
Difference	0.21		0.21		0.10		-0.01		-0.05		-0.07		0.38	
IM U.S. Broad Market Core Fixed Income (MF) Median	-1.48		-1.48		1.11		1.13		1.10		2.09		1.64	
VT Vantagepoint Infltn Focused	-0.86	(59)	-0.86	(59)	0.78	(40)	1.12	(47)	1.04	(49)	1.28	(34)	-0.43	(54)
Bloomberg Barclays U.S. TIPS Index	-0.79	(54)	-0.79	(54)	0.92	(33)	1.20	(42)	1.30	(25)	1.75	(8)	0.05	(20)
Difference	-0.07		-0.07		-0.14		-0.08		-0.26		-0.47		-0.48	
IM U.S. TIPS (MF) Median	-0.75		-0.75		0.62		1.08		1.02		1.02		-0.40	
Neuberger Berman High Yeild Fixed Income (NHILX)	-1.09	(61)	-1.09	(61)	1.95	(90)	7.58	(63)	3.51	(68)	2.90	(64)	3.84	(57)
ICE BofAML High Yield Master II	-0.91	(50)	-0.91	(50)	3.69	(31)	10.09	(17)	5.18	(14)	4.39	(12)	5.01	(12)
Difference	-0.18		-0.18		-1.74		-2.51		-1.67		-1.49		-1.17	
IM U.S. High Yield Bonds (MF) Median	-0.92		-0.92		3.22		8.28		3.91		3.25		3.93	
Lifetime Income Fund														
VT Retirement Income Advantage	-0.80	(44)	-0.80	(44)	7.91	(4)	7.99	(8)	4.74	(7)	4.99	(6)	5.97	(3)
Retirement Income Advantage	-1.01	(61)	-1.01	(61)	8.89	(3)	9.59	(2)	N/A		N/A		N/A	
Difference	0.21		0.21		-0.98		-1.60		N/A		N/A		N/A	
IM Mixed-Asset Target Alloc Consv (MF) Median	-0.89		-0.89		4.60		5.70		3.09		3.49		4.04	

Returns for periods greater than one year are annualized.
Returns are expressed as percentages.
Alger replaced Nuveen 11/1/2014.

	QTR		YTD		1 YR		2 YR		3 YR		4 YR		5 YR	
US Stock Funds														
Vanguard 500 Index Fund (VFIAX)	-0.77	(44)	-0.77	(44)	13.95	(41)	15.53	(35)	10.75	(15)	11.23	(14)	13.27	(15)
S&P 500 Index	-0.76	(43)	-0.76	(43)	13.99	(40)	15.57	(35)	10.78	(14)	11.26	(14)	13.31	(14)
Difference	-0.01		-0.01		-0.04		-0.04		-0.03		-0.03		-0.04	
IM U.S. Large Cap Core Equity (MF) Median	-1.11		-1.11		13.31		14.54		9.25		9.66		12.05	
VT Parnassus Core Equity (PRBLX)	-0.26	(23)	-0.26	(23)	11.39	(71)	11.86	(84)	8.76	(63)	9.73	(49)	11.69	(60)
S&P 500 Index	-0.76	(43)	-0.76	(43)	13.99	(40)	15.57	(35)	10.78	(14)	11.26	(14)	13.31	(14)
Difference	0.50		0.50		-2.60		-3.71		-2.02		-1.53		-1.62	
IM U.S. Large Cap Core Equity (MF) Median	-1.11		-1.11		13.31		14.54		9.25		9.66		12.05	
VT Vantagepoint Equity Income	-2.55	(54)	-2.55	(54)	9.14	(51)	13.26	(52)	6.99	(67)	6.92	(75)	9.36	(80)
Russell 1000 Value Index	-2.83	(62)	-2.83	(62)	6.95	(78)	12.92	(59)	7.88	(45)	8.24	(39)	10.78	(39)
Difference	0.28		0.28		2.19		0.34		-0.89		-1.32		-1.42	
IM U.S. Large Cap Value Equity (MF) Median	-2.47		-2.47		9.23		13.32		7.67		7.90		10.43	
VT Invesco Diversified Dividend Fund (LCEYX)	-3.59	(90)	-3.59	(90)	2.07	(99)	6.67	(100)	6.18	(82)	7.23	(67)	9.48	(78)
Russell 1000 Value Index	-2.83	(62)	-2.83	(62)	6.95	(78)	12.92	(59)	7.88	(45)	8.24	(39)	10.78	(39)
Difference	-0.76		-0.76		-4.88		-6.25		-1.70		-1.01		-1.30	
IM U.S. Large Cap Value Equity (MF) Median	-2.47		-2.47		9.23		13.32		7.67		7.90		10.43	
VT Fidelity Contrafund (FCNTX)	3.06	(43)	3.06	(43)	23.77	(32)	19.62	(32)	12.95	(22)	13.08	(34)	15.08	(35)
Russell 1000 Growth Index	1.42	(76)	1.42	(76)	21.25	(54)	18.47	(46)	12.90	(23)	13.69	(22)	15.53	(26)
Difference	1.64		1.64		2.52		1.15		0.05		-0.61		-0.45	
IM U.S. Large Cap Growth Equity (MF) Median	2.82		2.82		21.55		18.21		11.44		12.36		14.51	
Vanguard Mid Cap Index (VIMAX)	0.01	(21)	0.01	(21)	12.31	(25)	14.51	(38)	7.86	(34)	9.57	(15)	12.26	(13)
Vanguard Mid Cap Hybrid	0.03	(21)	0.03	(21)	12.36	(24)	14.55	(36)	7.90	(32)	9.62	(13)	12.31	(11)
Difference	-0.02		-0.02		-0.05		-0.04		-0.04		-0.05		-0.05	
IM U.S. Mid Cap Core Equity (MF) Median	-1.20		-1.20		9.21		13.58		6.65		7.65		10.42	
VT Victory Sycamore Est Value (VEVYX)	-1.11	(14)	-1.11	(14)	9.15	(17)	15.34	(9)	10.13	(2)	11.09	(1)	13.28	(1)
Russell Midcap Index	-0.46	(6)	-0.46	(6)	12.20	(5)	14.59	(16)	8.01	(20)	9.40	(5)	12.09	(5)
Difference	-0.65		-0.65		-3.05		0.75		2.12		1.69		1.19	
IM U.S. Mid Cap Value Equity (MF) Median	-1.98		-1.98		6.58		12.70		6.16		7.05		9.98	
VT TimesSquare Mid Cap Growth (TMDPX)	2.61	(56)	2.61	(56)	17.94	(65)	16.13	(68)	8.32	(57)	8.85	(60)	11.30	(69)
Russell Midcap Growth Index	2.17	(64)	2.17	(64)	19.74	(49)	16.87	(59)	9.17	(44)	10.73	(27)	13.31	(29)
Difference	0.44		0.44		-1.80		-0.74		-0.85		-1.88		-2.01	
IM U.S. Mid Cap Growth Equity (MF) Median	2.95		2.95		19.59		17.30		8.64		9.49		12.23	

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Returns are expressed as percentages.
Alger replaced Nuveen 11/1/2014.

	QTR		YTD		1 YR		2 YR		3 YR		4 YR		5 YR	
VT Vantagepoint Discovery	0.51	(13)	0.51	(13)	13.00	(20)	18.75	(30)	7.14	(62)	7.07	(50)	10.96	(45)
Russell 2000 Index	-0.08	(26)	-0.08	(26)	11.79	(34)	18.79	(30)	8.39	(46)	8.34	(33)	11.47	(41)
Difference	0.59		0.59		1.21		-0.04		-1.25		-1.27		-0.51	
IM U.S. Small Cap Core Equity (MF) Median	-0.66		-0.66		10.58		17.04		8.05		7.05		10.62	
Vanguard Small Cap Index (VSMAX)	-0.21	(31)	-0.21	(31)	11.82	(34)	16.56	(58)	8.06	(50)	8.50	(29)	11.66	(38)
Vanguard Small Cap Hybrid	-0.22	(32)	-0.22	(32)	11.80	(34)	16.53	(58)	8.03	(52)	8.47	(30)	11.65	(39)
Difference	0.01		0.01		0.02		0.03		0.03		0.03		0.01	
IM U.S. Small Cap Core Equity (MF) Median	-0.66		-0.66		10.58		17.04		8.05		7.05		10.62	
VT Oppenheimer Discovery Fund (ODIYX)	4.11	(6)	4.11	(6)	23.85	(8)	22.21	(31)	10.21	(28)	9.63	(27)	13.15	(22)
Russell 2000 Growth Index	2.30	(33)	2.30	(33)	18.63	(31)	20.81	(45)	8.77	(31)	9.58	(27)	12.90	(24)
Difference	1.81		1.81		5.22		1.40		1.44		0.05		0.25	
IM U.S. Small Cap Growth Equity (MF) Median	0.86		0.86		11.97		20.16		6.77		6.12		10.87	
International/Global Funds														
Templeton Inst. Global Equity (TGESX)	-2.27	(71)	-2.27	(71)	10.71	(64)	13.36	(52)	5.15	(68)	3.25	(81)	7.34	(68)
MSCI World (net)	-1.28	(58)	-1.28	(58)	13.59	(51)	14.18	(46)	7.97	(37)	7.48	(37)	9.70	(39)
Difference	-0.99		-0.99		-2.88		-0.82		-2.82		-4.23		-2.36	
IM Global Equity (MF) Median	-0.90		-0.90		13.59		13.57		6.66		6.29		8.85	
Vanguard Total Int'l Stock Index (VTIAX)	-0.46	(59)	-0.46	(59)	17.05	(60)	15.38	(47)	6.92	(50)	4.87	(54)	6.41	(50)
FTSE Global ex USA All Cap Index (Net)	-1.14	(76)	-1.14	(76)	16.73	(63)	15.01	(51)	6.78	(51)	4.85	(55)	6.43	(50)
Difference	0.68		0.68		0.32		0.37		0.14		0.02		-0.02	
IM International Equity (MF) Median	-0.07		-0.07		18.28		15.03		6.85		5.10		6.39	
VT Fidelity Diversified Intl (FDIVX)	-1.72	(85)	-1.72	(85)	15.30	(72)	11.11	(87)	5.13	(75)	4.79	(55)	7.48	(31)
MSCI EAFE (Net) Index	-1.53	(83)	-1.53	(83)	14.80	(76)	13.23	(69)	5.55	(69)	3.90	(68)	6.50	(48)
Difference	-0.19		-0.19		0.50		-2.12		-0.42		0.89		0.98	
IM International Equity (MF) Median	-0.07		-0.07		18.28		15.03		6.85		5.10		6.39	
Real Estate														
VT Nuveen Real Estate Secs (FARCX)	-6.97	(100)	-6.97	(100)	-2.19	(99)	0.08	(96)	1.39	(66)	6.57	(12)	6.22	(8)
Wilshire U.S. REIT Index	-7.48	(100)	-7.48	(100)	-3.64	(100)	-0.87	(99)	0.97	(78)	6.56	(12)	6.13	(9)
Difference	0.51		0.51		1.45		0.95		0.42		0.01		0.09	
IM Global Real Estate (MF) Median	-3.75		-3.75		4.87		2.91		1.94		4.92		4.38	

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	QTR		YTD		1 YR		2 YR		3 YR		4 YR		5 YR	
Target Date Funds														
Vanguard Target Retirement Income (VTINX)	-0.50	(19)	-0.50	(19)	5.35	(36)	5.36	(59)	3.68	(27)	4.18	(23)	4.33	(41)
Vanguard Target Income Composite Index	-0.52	(23)	-0.52	(23)	5.56	(31)	5.54	(54)	3.86	(22)	4.37	(19)	4.53	(34)
Difference	0.02		0.02		-0.21		-0.18		-0.18		-0.19		-0.20	
IM Mixed-Asset Target Alloc Consv (MF) Median	-0.89		-0.89		4.60		5.70		3.09		3.49		4.04	
Vanguard Target Retirement 2015 (VTXVX)	-0.52	(26)	-0.52	(26)	7.30	(38)	7.50	(59)	4.73	(37)	5.26	(24)	6.17	(28)
Vanguard Target 2015 Composite Index	-0.56	(27)	-0.56	(27)	7.43	(29)	7.65	(50)	4.91	(28)	5.44	(13)	6.37	(19)
Difference	0.04		0.04		-0.13		-0.15		-0.18		-0.18		-0.20	
IM Mixed-Asset Target 2015 (MF) Median	-0.86		-0.86		6.90		7.65		4.56		4.73		5.70	
Vanguard Target Retirement 2020 (VTWNX)	-0.57	(25)	-0.57	(25)	8.95	(11)	9.20	(21)	5.65	(10)	6.11	(4)	7.26	(5)
Vanguard Target 2020 Composite Index	-0.63	(30)	-0.63	(30)	9.14	(8)	9.35	(15)	5.84	(6)	6.31	(2)	7.47	(3)
Difference	0.06		0.06		-0.19		-0.15		-0.19		-0.20		-0.21	
IM Mixed-Asset Target 2020 (MF) Median	-0.87		-0.87		7.64		8.30		4.70		4.75		5.73	
Vanguard Target Retirement 2025 (VTTVX)	-0.59	(41)	-0.59	(41)	10.20	(17)	10.45	(24)	6.30	(15)	6.64	(5)	7.96	(12)
Vanguard Target 2025 Composite Index	-0.67	(44)	-0.67	(44)	10.33	(12)	10.58	(22)	6.48	(11)	6.82	(3)	8.17	(7)
Difference	0.08		0.08		-0.13		-0.13		-0.18		-0.18		-0.21	
IM Mixed-Asset Target 2025 (MF) Median	-0.83		-0.83		9.26		9.77		5.54		5.46		6.65	
Vanguard Target Retirement 2030 (VTHRX)	-0.56	(38)	-0.56	(38)	11.19	(33)	11.54	(32)	6.83	(21)	7.06	(12)	8.60	(13)
Vanguard Target 2030 Composite Index	-0.68	(41)	-0.68	(41)	11.34	(28)	11.67	(27)	7.01	(17)	7.26	(7)	8.81	(9)
Difference	0.12		0.12		-0.15		-0.13		-0.18		-0.20		-0.21	
IM Mixed-Asset Target 2030 (MF) Median	-0.81		-0.81		10.60		11.10		6.07		5.95		7.34	
Vanguard Target Retirement 2035 (VTTHX)	-0.58	(48)	-0.58	(48)	12.23	(45)	12.63	(40)	7.35	(29)	7.49	(18)	9.22	(16)
Vanguard Target 2035 Composite Index	-0.68	(56)	-0.68	(56)	12.34	(38)	12.77	(36)	7.54	(25)	7.69	(11)	9.44	(11)
Difference	0.10		0.10		-0.11		-0.14		-0.19		-0.20		-0.22	
IM Mixed-Asset Target 2035 (MF) Median	-0.62		-0.62		11.99		12.38		6.74		6.68		8.08	
Vanguard Target Retirement 2040 (VFORX)	-0.53	(41)	-0.53	(41)	13.25	(30)	13.78	(25)	7.86	(23)	7.88	(13)	9.73	(12)
Vanguard Target 2040 Composite Index	-0.69	(51)	-0.69	(51)	13.35	(28)	13.87	(21)	8.06	(18)	8.10	(9)	9.97	(7)
Difference	0.16		0.16		-0.10		-0.09		-0.20		-0.22		-0.24	
IM Mixed-Asset Target 2040 (MF) Median	-0.68		-0.68		12.54		12.97		6.98		6.84		8.45	
Vanguard Target Retirement 2045 (VTIVX)	-0.58	(51)	-0.58	(51)	13.68	(37)	14.19	(28)	8.10	(24)	8.05	(14)	9.88	(14)
Vanguard Target 2045 Composite Index	-0.70	(59)	-0.70	(59)	13.82	(32)	14.29	(22)	8.31	(15)	8.29	(9)	10.12	(9)
Difference	0.12		0.12		-0.14		-0.10		-0.21		-0.24		-0.24	
IM Mixed-Asset Target 2045 (MF) Median	-0.58		-0.58		13.24		13.70		7.51		7.30		8.87	

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	QTR		YTD		1 YR		2 YR		3 YR		4 YR		5 YR	
Vanguard Target Retirement 2050 (VFIFX)	-0.55	(44)	-0.55	(44)	13.69	(37)	14.19	(29)	8.11	(22)	8.06	(14)	9.88	(13)
Vanguard Target 2050 Composite Index	-0.70	(53)	-0.70	(53)	13.82	(34)	14.29	(25)	8.31	(17)	8.29	(9)	10.12	(9)
Difference	0.15		0.15		-0.13		-0.10		-0.20		-0.23		-0.24	
IM Mixed-Asset Target 2050 (MF) Median	-0.66		-0.66		13.33		13.66		7.34		7.23		8.99	

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Alger replaced Nuveen 11/1/2014.

Comparative Performance

	QTR		YTD		1 YR		2 YR		3 YR		4 YR		5 YR	
Stable Value/Cash Management Funds														
VT II Cash Management	0.18	(83)	0.18	(83)	0.48	(77)	0.24	(78)	0.16	(80)	0.12	(80)	0.10	(82)
90 Day U.S. Treasury Bill	0.35	(9)	0.35	(9)	1.11	(10)	0.70	(12)	0.49	(13)	0.38	(13)	0.31	(12)
Difference	-0.17		-0.17		-0.63		-0.46		-0.33		-0.26		-0.21	
IM U.S. Taxable Money Market (MF) Median	0.27		0.27		0.74		0.42		0.29		0.22		0.17	
Bond Funds														
VT II VP Low Duration Bond Fund	-0.36	(78)	-0.36	(78)	0.47	(76)	0.90	(69)	0.73	(67)	0.81	(61)	0.81	(54)
ICE BofAML 1-3 Yr. Gov/Corp	-0.19	(58)	-0.19	(58)	0.28	(84)	0.49	(86)	0.68	(71)	0.79	(63)	0.78	(57)
Difference	-0.17		-0.17		0.19		0.41		0.05		0.02		0.03	
IM U.S. Short Term Investment Grade (MF) Median	-0.10		-0.10		0.94		1.19		0.95		0.92		0.85	
VT II VP Core Bond Index	-1.56	(64)	-1.56	(64)	1.01	(58)	0.58	(76)	0.87	(69)	1.96	(61)	1.46	(66)
Blmbg. Barc. U.S. Aggregate Index	-1.46	(46)	-1.46	(46)	1.20	(45)	0.82	(63)	1.20	(40)	2.31	(32)	1.82	(35)
Difference	-0.10		-0.10		-0.19		-0.24		-0.33		-0.35		-0.36	
IM U.S. Broad Market Core Fixed Income (MF) Median	-1.48		-1.48		1.11		1.13		1.10		2.09		1.64	
VT II VP Inflation Focused Fund	-0.86	(59)	-0.86	(59)	0.78	(40)	1.12	(47)	1.04	(49)	1.28	(34)	-0.43	(54)
Bloomberg Barclays U.S. TIPS Index	-0.79	(54)	-0.79	(54)	0.92	(33)	1.20	(42)	1.30	(25)	1.75	(8)	0.05	(20)
Difference	-0.07		-0.07		-0.14		-0.08		-0.26		-0.47		-0.48	
IM U.S. TIPS (MF) Median	-0.75		-0.75		0.62		1.08		1.02		1.02		-0.40	
VT II VP High Yield	-1.10	(63)	-1.10	(63)	N/A		N/A		N/A		N/A		N/A	
Blmbg. Barc. U.S. Aggregate Index	-1.46	(85)	-1.46	(85)	1.20	(97)	0.82	(100)	1.20	(100)	2.31	(83)	1.82	(99)
Difference	0.36		0.36		N/A		N/A		N/A		N/A		N/A	
IM U.S. High Yield Bonds (MF) Median	-0.92		-0.92		3.22		8.28		3.91		3.25		3.93	
US Stock Funds														
VT II VP 500 Stock Index	-0.86	(46)	-0.86	(46)	13.85	(44)	15.29	(39)	10.47	(20)	10.92	(20)	12.91	(25)
S&P 500 Index	-0.76	(43)	-0.76	(43)	13.99	(40)	15.57	(35)	10.78	(14)	11.26	(14)	13.31	(14)
Difference	-0.10		-0.10		-0.14		-0.28		-0.31		-0.34		-0.40	
IM U.S. Large Cap Core Equity (MF) Median	-1.11		-1.11		13.31		14.54		9.25		9.66		12.05	
VT II VP Broad Market Index	-0.83	(45)	-0.83	(45)	13.49	(49)	15.63	(33)	9.94	(33)	10.47	(30)	12.72	(31)
S&P 500 Index	-0.76	(43)	-0.76	(43)	13.99	(40)	15.57	(35)	10.78	(14)	11.26	(14)	13.31	(14)
Difference	-0.07		-0.07		-0.50		0.06		-0.84		-0.79		-0.59	
IM U.S. Large Cap Core Equity (MF) Median	-1.11		-1.11		13.31		14.54		9.25		9.66		12.05	

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	QTR		YTD		1 YR		2 YR		3 YR		4 YR		5 YR	
VT II VP Growth & Income Fund	0.14	(16)	0.14	(16)	15.85	(17)	16.79	(15)	10.19	(28)	10.58	(28)	12.90	(25)
S&P 500 Index	-0.76	(43)	-0.76	(43)	13.99	(40)	15.57	(35)	10.78	(14)	11.26	(14)	13.31	(14)
Difference	0.90		0.90		1.86		1.22		-0.59		-0.68		-0.41	
IM U.S. Large Cap Core Equity (MF) Median	-1.11		-1.11		13.31		14.54		9.25		9.66		12.05	
VT II VP Equity Income Fund	-2.55	(54)	-2.55	(54)	9.14	(51)	13.26	(52)	6.99	(67)	6.92	(75)	9.36	(80)
Russell 1000 Value Index	-2.83	(62)	-2.83	(62)	6.95	(78)	12.92	(59)	7.88	(45)	8.24	(39)	10.78	(39)
Difference	0.28		0.28		2.19		0.34		-0.89		-1.32		-1.42	
IM U.S. Large Cap Value Equity (MF) Median	-2.47		-2.47		9.23		13.32		7.67		7.90		10.43	
VT II VP Growth Fund	2.83	(50)	2.83	(50)	22.17	(44)	17.93	(54)	10.81	(64)	11.41	(71)	13.60	(72)
Russell 1000 Growth Index	1.42	(76)	1.42	(76)	21.25	(54)	18.47	(46)	12.90	(23)	13.69	(22)	15.53	(26)
Difference	1.41		1.41		0.92		-0.54		-2.09		-2.28		-1.93	
IM U.S. Large Cap Growth Equity (MF) Median	2.82		2.82		21.55		18.21		11.44		12.36		14.51	
VT II VP Mid/Small Company Index	-0.24	(24)	-0.24	(24)	12.16	(27)	16.66	(12)	7.96	(31)	8.42	(35)	11.41	(26)
Russell Midcap Index	-0.46	(26)	-0.46	(26)	12.20	(26)	14.59	(35)	8.01	(29)	9.40	(17)	12.09	(15)
Difference	0.22		0.22		-0.04		2.07		-0.05		-0.98		-0.68	
IM U.S. Mid Cap Core Equity (MF) Median	-1.20		-1.20		9.21		13.58		6.65		7.65		10.42	
VT II VP Aggressive Opp Fund	1.74	(70)	1.74	(70)	16.54	(76)	17.01	(57)	8.28	(58)	8.61	(65)	11.51	(63)
Russell Midcap Growth Index	2.17	(64)	2.17	(64)	19.74	(49)	16.87	(59)	9.17	(44)	10.73	(27)	13.31	(29)
Difference	-0.43		-0.43		-3.20		0.14		-0.89		-2.12		-1.80	
IM U.S. Mid Cap Growth Equity (MF) Median	2.95		2.95		19.59		17.30		8.64		9.49		12.23	
VT II VP Discovery Fund	0.51	(13)	0.51	(13)	13.00	(20)	18.75	(30)	7.14	(62)	7.07	(50)	10.96	(45)
Russell 2000 Index	-0.08	(26)	-0.08	(26)	11.79	(34)	18.79	(30)	8.39	(46)	8.34	(33)	11.47	(41)
Difference	0.59		0.59		1.21		-0.04		-1.25		-1.27		-0.51	
IM U.S. Small Cap Core Equity (MF) Median	-0.66		-0.66		10.58		17.04		8.05		7.05		10.62	
International/Global Funds														
VT II VP International Fund	-0.44	(29)	-0.44	(29)	16.31	(29)	12.53	(30)	6.17	(27)	4.66	(18)	6.36	(15)
MSCI EAFE (Net) Index	-1.53	(58)	-1.53	(58)	14.80	(34)	13.23	(27)	5.55	(30)	3.90	(25)	6.50	(13)
Difference	1.09		1.09		1.51		-0.70		0.62		0.76		-0.14	
IM International Equity Income (MF) Median	-1.08		-1.08		13.19		11.03		4.46		2.21		4.03	
VT II VP Overseas Equity Index	-0.84	(44)	-0.84	(44)	15.27	(33)	13.52	(26)	5.42	(32)	3.65	(28)	6.20	(16)
MSCI EAFE (Net) Index	-1.53	(58)	-1.53	(58)	14.80	(34)	13.23	(27)	5.55	(30)	3.90	(25)	6.50	(13)
Difference	0.69		0.69		0.47		0.29		-0.13		-0.25		-0.30	
IM International Equity Income (MF) Median	-1.08		-1.08		13.19		11.03		4.46		2.21		4.03	

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	QTR		YTD		1 YR		2 YR		3 YR		4 YR		5 YR	
VT II VP Emerging Markets	1.25	(64)	1.25	(64)	N/A		N/A		N/A		N/A		N/A	
MSCI AC World ex USA	-1.08	(97)	-1.08	(97)	17.05	(84)	15.36	(83)	6.68	(74)	4.82	(73)	6.37	(23)
Difference	2.33		2.33		N/A		N/A		N/A		N/A		N/A	
IM Emerging Markets Equity (MF) Median	1.96		1.96		23.87		20.36		8.55		6.30		4.74	
Target Date Funds														
VT II VP Milestone Retirement Income Fund	-0.68	(36)	-0.68	(36)	5.20	(37)	5.98	(41)	3.42	(37)	3.61	(44)	3.80	(61)
Dow Jones U.S. Conservative Index	-0.79	(44)	-0.79	(44)	3.14	(85)	3.02	(100)	2.28	(88)	3.27	(62)	3.42	(75)
Difference	0.11		0.11		2.06		2.96		1.14		0.34		0.38	
IM Mixed-Asset Target Alloc Consv (MF) Median	-0.89		-0.89		4.60		5.70		3.09		3.49		4.04	
VT II VP Milestone 2010	-0.78	(48)	-0.78	(48)	5.78	(59)	6.47	(71)	3.60	(76)	3.94	(70)	4.69	(69)
Dow Jones U.S. Target 2010 Index	-0.83	(51)	-0.83	(51)	3.28	(97)	3.26	(95)	2.44	(95)	3.50	(88)	3.89	(90)
Difference	0.05		0.05		2.50		3.21		1.16		0.44		0.80	
IM Mixed-Asset Target 2010 (MF) Median	-0.81		-0.81		5.99		6.75		4.03		4.21		4.95	
VT II VP Milestone 2015	-0.74	(42)	-0.74	(42)	6.55	(60)	7.20	(69)	4.08	(71)	4.30	(71)	4.98	(79)
Dow Jones U.S. Target 2015 Index	-0.96	(63)	-0.96	(63)	3.89	(97)	4.19	(95)	3.02	(91)	4.10	(79)	4.78	(82)
Difference	0.22		0.22		2.66		3.01		1.06		0.20		0.20	
IM Mixed-Asset Target 2015 (MF) Median	-0.86		-0.86		6.90		7.65		4.56		4.73		5.70	
VT II VP Milestone 2020	-0.64	(31)	-0.64	(31)	7.58	(53)	8.46	(46)	4.58	(56)	4.86	(47)	6.16	(39)
Dow Jones U.S. Target 2020 Index	-0.79	(43)	-0.79	(43)	5.10	(86)	5.64	(88)	3.85	(71)	4.91	(45)	5.93	(42)
Difference	0.15		0.15		2.48		2.82		0.73		-0.05		0.23	
IM Mixed-Asset Target 2020 (MF) Median	-0.87		-0.87		7.64		8.30		4.70		4.75		5.73	
VT II VP Milestone 2025	-0.61	(42)	-0.61	(42)	8.78	(63)	9.72	(54)	5.20	(62)	5.41	(53)	6.98	(38)
Dow Jones U.S. Target 2025 Index	-0.62	(42)	-0.62	(42)	6.59	(88)	7.57	(85)	4.94	(70)	5.95	(31)	7.29	(28)
Difference	0.01		0.01		2.19		2.15		0.26		-0.54		-0.31	
IM Mixed-Asset Target 2025 (MF) Median	-0.83		-0.83		9.26		9.77		5.54		5.46		6.65	
VT II VP Milestone 2030	-0.64	(40)	-0.64	(40)	9.88	(64)	10.83	(60)	5.73	(63)	5.91	(52)	7.70	(37)
Dow Jones U.S. Target 2030 Index	-0.46	(34)	-0.46	(34)	8.10	(87)	9.52	(77)	5.91	(56)	6.89	(17)	8.57	(14)
Difference	-0.18		-0.18		1.78		1.31		-0.18		-0.98		-0.87	
IM Mixed-Asset Target 2030 (MF) Median	-0.81		-0.81		10.60		11.10		6.07		5.95		7.34	
VT II VP Milestone 2035	-0.73	(58)	-0.73	(58)	10.99	(73)	11.91	(64)	6.25	(71)	6.37	(63)	8.37	(43)
Dow Jones U.S. Target 2035 Index	-0.33	(33)	-0.33	(33)	9.52	(89)	11.35	(79)	6.82	(49)	7.75	(10)	9.72	(6)
Difference	-0.40		-0.40		1.47		0.56		-0.57		-1.38		-1.35	
IM Mixed-Asset Target 2035 (MF) Median	-0.62		-0.62		11.99		12.38		6.74		6.68		8.08	

Returns for periods greater than one year are annualized.
Returns are expressed as percentages.
Alger replaced Nuveen 11/1/2014.

	QTR		YTD		1 YR		2 YR		3 YR		4 YR		5 YR	
VT II VP Milestone 2040	-0.53	(42)	-0.53	(42)	12.25	(59)	13.14	(44)	6.83	(54)	6.83	(51)	8.99	(33)
Dow Jones U.S. Target 2040 Index	-0.23	(23)	-0.23	(23)	10.73	(84)	12.88	(53)	7.58	(30)	8.46	(3)	10.63	(2)
Difference	-0.30		-0.30		1.52		0.26		-0.75		-1.63		-1.64	
IM Mixed-Asset Target 2040 (MF) Median	-0.68		-0.68		12.54		12.97		6.98		6.84		8.45	
VT II VP Milestone 2045	-0.49	(42)	-0.49	(42)	13.08	(55)	13.97	(40)	7.22	(56)	7.13	(56)	9.30	(32)
Dow Jones U.S. Target 2045 Index	-0.16	(26)	-0.16	(26)	11.58	(85)	13.94	(41)	8.11	(23)	8.94	(2)	11.21	(1)
Difference	-0.33		-0.33		1.50		0.03		-0.89		-1.81		-1.91	
IM Mixed-Asset Target 2045 (MF) Median	-0.58		-0.58		13.24		13.70		7.51		7.30		8.87	
VT II VP Milestone 2050	-0.46	(39)	-0.46	(39)	13.27	(53)	14.14	(31)	7.32	(51)	7.21	(52)	9.25	(36)
Dow Jones U.S. Target 2050 Index	-0.13	(21)	-0.13	(21)	12.00	(77)	14.42	(20)	8.37	(12)	9.15	(1)	11.41	(1)
Difference	-0.33		-0.33		1.27		-0.28		-1.05		-1.94		-2.16	
IM Mixed-Asset Target 2050 (MF) Median	-0.66		-0.66		13.33		13.66		7.34		7.23		8.99	
VT II VP Milestone 2055	-0.45	(43)	-0.45	(43)	12.88	(76)	N/A		N/A		N/A		N/A	
Dow Jones U.S. Target 2055 Index	-0.13	(25)	-0.13	(25)	12.03	(87)	14.44	(26)	8.38	(20)	9.16	(1)	11.42	(1)
Difference	-0.32		-0.32		0.85		N/A		N/A		N/A		N/A	
IM Mixed-Asset Target 2055+ (MF) Median	-0.59		-0.59		13.65		13.97		7.74		7.44		9.19	
VT II VP MP Conservative Growth Fund	-0.83	(46)	-0.83	(46)	5.43	(34)	6.49	(32)	3.57	(30)	3.66	(42)	4.47	(37)
Dow Jones U.S. Conservative Index	-0.79	(44)	-0.79	(44)	3.14	(85)	3.02	(100)	2.28	(88)	3.27	(62)	3.42	(75)
Difference	-0.04		-0.04		2.29		3.47		1.29		0.39		1.05	
IM Mixed-Asset Target Alloc Consv (MF) Median	-0.89		-0.89		4.60		5.70		3.09		3.49		4.04	
VT II VP MP Traditional Growth Fund	-0.55	(27)	-0.55	(27)	9.14	(24)	9.91	(21)	5.35	(31)	5.44	(34)	6.77	(29)
Dow Jones U.S. Moderate Index	-0.41	(20)	-0.41	(20)	8.49	(36)	9.82	(22)	6.14	(11)	6.99	(5)	8.37	(5)
Difference	-0.14		-0.14		0.65		0.09		-0.79		-1.55		-1.60	
IM Mixed-Asset Target Alloc Moderate (MF) Median	-0.86		-0.86		7.55		8.64		4.77		4.89		6.02	
VT II VP MP Long-Term Growth Fund	-0.53	(59)	-0.53	(59)	11.60	(74)	12.35	(76)	6.51	(66)	6.58	(68)	8.26	(81)
Dow Jones U.S. Aggressive Index	-0.10	(30)	-0.10	(30)	13.22	(54)	16.00	(9)	9.15	(5)	9.95	(1)	12.48	(1)
Difference	-0.43		-0.43		-1.62		-3.65		-2.64		-3.37		-4.22	
IM Mixed-Asset Target Alloc Aggressive Growth (MF) Median	-0.45		-0.45		13.39		13.54		6.93		6.99		9.11	
VT II VP MP Global Equity Growth Fund	-0.05	(19)	-0.05	(19)	15.50	(20)	14.72	(47)	7.15	(87)	7.20	(90)	9.66	(90)
S&P 500 Index	-0.76	(43)	-0.76	(43)	13.99	(40)	15.57	(35)	10.78	(14)	11.26	(14)	13.31	(14)
Difference	0.71		0.71		1.51		-0.85		-3.63		-4.06		-3.65	
IM U.S. Large Cap Core Equity (MF) Median	-1.11		-1.11		13.31		14.54		9.25		9.66		12.05	

Returns for periods greater than one year are annualized.
Returns are expressed as percentages.
Alger replaced Nuveen 11/1/2014.

2018 Fiduciary Documentation

Quarterly	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
Review of plan investments and compliance with investment policy statement	✓			
Follow required procedures, including documentation of all meetings and decisions	✓			
Review performance of providers	✓			
Regularly				
Review QDIA selection				
Allocation fund (Target Date or Risk-based) analysis				
Investment policy statement review				
Employee education review				
Plan recordkeeping & administration services review				
Fee analysis				
Other Projects				

Active Return - Arithmetic difference between the manager's performance and the designated benchmark return over a specified time period.

Alpha - A measure of the difference between a portfolio's actual performance and its expected return based on its level of risk as determined by beta. It determines the portfolio's non-systemic return, or its historical performance not explained by movements of the market.

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

Consistency - The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. Higher consistency indicates the manager has contributed more to the product's performance.

Distributed to Paid In (DPI) - The ratio of money distributed to Limited Partners by the fund, relative to contributions. It is calculated by dividing cumulative distributions by paid in capital. This multiple shows the investor how much money they got back. It is a good measure for evaluating a fund later in its life because there are more distributions to measure against.

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

Downside Risk - A measure similar to standard deviation that utilizes only the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. A higher factor is indicative of a riskier product.

Excess Return - Arithmetic difference between the manager's performance and the risk-free return over a specified time period.

Excess Risk - A measure of the standard deviation of a portfolio's performance relative to the risk free return.

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

Public Market Equivalent (PME) - Designs a set of analyses used in the Private Equity Industry to evaluate the performance of a Private Equity Fund against a public benchmark or index.

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

Return - Compounded rate of return for the period.

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

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

Total Value to Paid In (TVPI) - The ratio of the current value of remaining investments within a fund, plus the total value of all distributions to date, relative to the total amount of capital paid into the fund to date. It is a good measure of performance before the end of a fund's life

Tracking Error - This is a measure of the standard deviation of a portfolio's returns in relation to the performance of its designated market benchmark.

Treynor Ratio - Similar to Sharpe ratio but utilizes beta rather than excess risk as determined by standard deviation. It is calculated by taking the excess rate of return above the risk free rate divided by beta to derive the absolute rate of return per unit of risk. A higher value indicates a product has achieved better historical risk-adjusted performance.

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

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

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

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

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Town of Palm Beach Retirement Board
Administrator's Report of Retirement / DROP Election
as of May 08, 2018

Retirees and/or DROP Participants Since February 21, 2018

Excludes those who move from DROP to retiree status by resignation of employment.

Employee/Retiree Name			Hire Date	Years of Service	Date of Retirement/Drop
CAROL GOWIE	RETIRED	drop	7/6/99		4/7/18
EQUIPMENT OPERATOR I			*Public Works - Trash*		
CRAIG JOHNS	RETIRED	drop	7/17/00		4/17/18
CHIEF BUILDING INSPECTOR			*Planning Zoning & Building - Inspections*		
CARL JONES	RETIRED	drop	4/25/88		4/26/18
LABORER I			*Public Works - Sanitation*		
JANE LE CLAINCHE	RETIRED	drop	6/9/99		3/26/18
FINANCE DIRECTOR			*Finance - Administration*		
PAULA SALANITRI	RETIRED	retiree	9/20/05		3/28/18
KIM WALKOWICH	RETIRED	retiree	1/16/90		2/24/18
ANTHONY WALLACE	RET.FR	retiree	7/18/05	8	3/28/18
BRYAN WILKINS	RET.PD	retiree	11/8/06		4/7/18

Retirees and/or DROP Participants Since February 21, 2018

Excludes those who move from DROP to retiree status by resignation of employment.

Employee/Retiree Name	**Hire Date**	**Years of Service**	**Date of Retirement/Drop**

Employee Retiree and DROP Participants

DROP POLICE	9
DROP FIRE	10
DROP OCEAN RESCUE	2
DROP GENERAL	20
	41
RETIRED POLICE	91
RETIRED FIRE RESCUE	97
RETIRED OCEAN RESCUE	9
RETIRED GENERAL	194
	391
	432

Active Employees Contributing to Pension

A		
	General	*1*
	Police	*1*
		2
B		
	Fire	*42*
	General	*166*
	Lifeguard	*3*
	Police	*52*
		263
		265

DROP Participants Leaving Employment Prior to Next Quarterly Board Meeting

Employee Name	Drop Start Date	Drop End Date
LAURA OREGERO	7/6/13	7/5/18

Trustee

Date

GRS Retirement Consulting

P: 954.527.1616 | F: 954.525.0083 | www.grsconsulting.com

April 30, 2018

William P. Hanes, Esq.
Administrator
Town of Palm Beach Retirement System
P.O. Box 2112
Palm Beach, FL 33480

Re: Benefit Multiplier Purchase Sample Costs

Dear Bill:

As requested, we have calculated the current actuarial cost of purchasing an increase in the Plan B benefit multiplier (for the period of time when it was 1.25%) for six sample members (two from each of the General Employee, Police and Firefighter groups). The following table shows the actuarial cost to increase the benefit multiplier for post-5/1/2012 service (through the effective date of the current benefit multiplier) from 1.25% to 2.75% (for Police Officers and Firefighters) or from 1.25% to 1.70% (for General Employees).

Group	Member	Age	Salary	Total Plan B Service at 1.25% Multiplier	Cost to Purchase All Available Service	Cost per Month of Service	Cost per Month of Service per $10,000 of Salary
Police	Sample A	27.2	$53,843	1.83	$4,343	$197	$36.66
Police	Sample B	38.9	$87,553	4.42	$33,253	$627	$71.66
Fire Barg.	Sample A	28.9	$61,459	2.50	$7,142	$238	$38.74
Fire Non-Barg.	Sample B	54.8	$98,672	4.42	$68,632	$1,295	$131.24
General	Sample A	45.2	$136,259	5.00	$16,488	$275	$20.17
General	Sample B	25.0	$41,013	4.42	$1,449	$27	$6.67

The calculations are based on the sample member salaries, ages, and service amounts outlined in the above table. They are also based on the same assumptions and plan provisions summarized in our September 30, 2017 Actuarial Valuation Report, with the exception of the following:

- The investment return assumption in these calculations is the ultimate rate of 7.00%
- The mortality table is a 50% male/50% female blend of the FRS mortality tables

We welcome your questions and comments.

Pete Strong

Peter N. Strong, FSA, EA
Senior Consultant and Actuary