

Investment Performance Review  
Period Ending December 31, 2016

## **Palm Beach Gardens Police Pension Plan**

---



**AndCo Consulting** | (844) 44-ANDCO | [AndCoConsulting.com](http://AndCoConsulting.com)

*Formerly* The Bogdahn Group

# Table Of Contents

---

1	Market Environment	Page 1
2	Compliance Report	Page 10
3	Asset Allocation Compliance	Page 11
4	Asset Allocation Pie Chart	Page 13
5	Asset Allocation & Performance Trailing Periods (gross)	Page 15
6	Asset Allocation & Performance Trailing Periods (net)	Page 17
7	Asset Allocation & Performance Fiscal Year Periods (gross)	Page 19
8	Asset Allocation & Performance Fiscal Year Periods (net)	Page 21
9	Historical Rolling Performance Total Fund	Page 23
10	Historical Rolling Performance Total Fund Policy	Page 24
11	Total Fund Composite Returns Based Analysis	Page 25
12	Rhumblin S&P 500 Equity Returns Based Analysis	Page 28
13	Rhumblin S&P 400 Equity Returns Based Analysis	Page 31
14	Rhumblin S&P 600 Equity Returns Based Analysis	Page 34
15	Highland Capital Equity Returns Based Analysis	Page 37
16	Highland Capital Fixed Income Returns Based Analysis	Page 40
17	Oppenheimer International Fixed Income Returns Based Analysis	Page 43
18	American Realty Returns Based Analysis	Page 45
19	Benchmark History	Page 47
20	Dreyfus International Bond A Performance Review	Page 49
21	Oppenheimer International Bond A Performance Review	Page 51
22	Definitions & Disclosure Pages	Page 53



On the cover of your standard quarterly report, and on all documents we will be sending to you going forward, you will notice **your name** comes before ours. That is not by accident. Everything from the services we provide to how we are structured as an organization is designed to ensure that you, our client, comes first.

We take our role as an independent institutional consulting firm and plan fiduciary very seriously, and we believe this approach and philosophy adds real value to our clients. To ensure that the client always comes first in the service equation and that our fiduciary responsibility is never compromised, the important principles of independence, objectivity and transparency are embodied in our mission and vision statements and define who we are as an organization. They are engrained in our culture and corporate values and used to guide our actions every day.

Over the years, the investment environment has grown more complex and we've seen our staff grow and our expertise and services advance to serve our expanding clientele. To strengthen business continuity and meet the needs of our clients, we recently began a program to broaden employee ownership of our firm. Inherently, as we thought about our mission (*To represent the sole interest of our clients by redefining independence*), vision (*To be a transformational organization viewed as the leader in our industry*), and the passion behind our service culture, we wanted to do something significant that would better reflect who we are as an organization and how we never compromise our client-first mentality and service philosophy.

### Why a Company Rebrand?

After more than a decade of growth and original brand equity, why would a company rebrand now? Though client-first consulting has been a cornerstone of our company since its inception, with the milestone of transitioning majority ownership from our founder to the firm's next generation of leadership, it became the perfect opportunity to reintroduce ourselves to the world as AndCo. We have always believed the assets of our firm were the collective body of individuals working together to serve our clients. It has always been bigger than one or even a handful of people. We feel this rebrand is a better reflection of this belief and conviction along with our mission and vision. Our team members could work at other places but they choose to work at AndCo because they believe this approach is better for clients. Business will continue as usual, as the leadership and team you have come to know and trust will not be impacted by this rebrand.

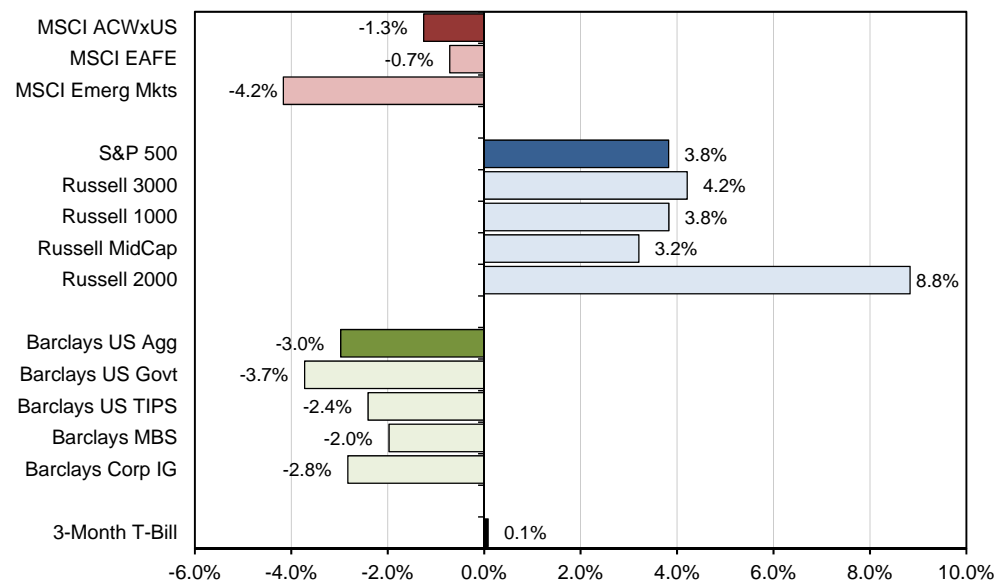
### Why AndCo?

As AndCo, we want your first impression to be our commitment to client-first consulting. Our promise to you spans from our very foundation up to the name on our building. Most importantly, this company rebrand sets the stage for the future of our firm, and your place in it. At AndCo, it is always:

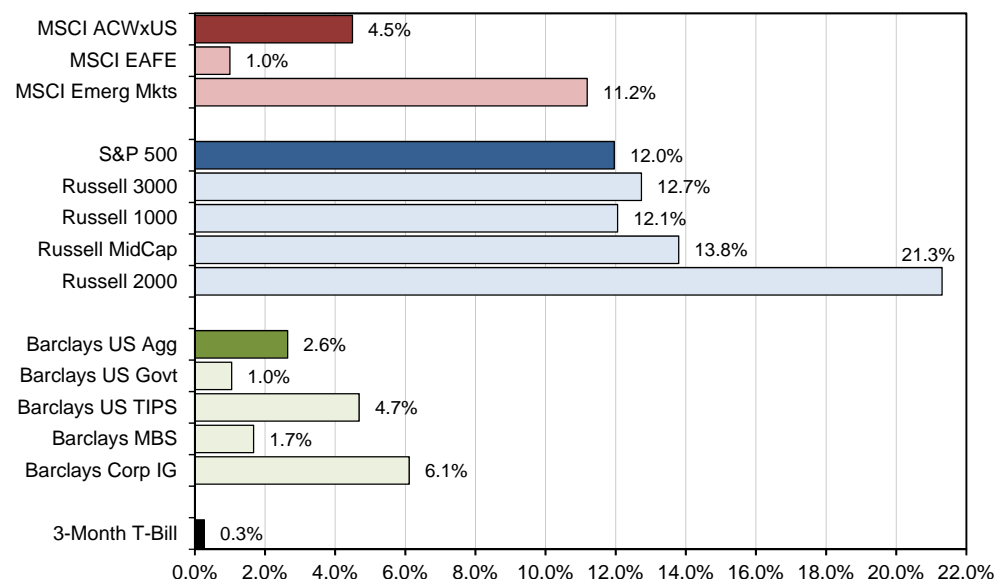
**Our Clients** 

- Broad asset class returns were mixed for the 4<sup>th</sup> quarter. Domestic equity indices posted positive performance for the quarter, while broad international equity and fixed income benchmarks were negative for the period. The quarter's investment cycle was dominated first by the U.S. presidential election, and then by the largely anticipated Federal Reserve (Fed) interest rate hike in December. The uncertainty that drove equity returns lower during the first half of the quarter gave way to a string of positive macroeconomic data and a Trump victory that drove equity benchmarks, particularly in the U.S., higher through the remainder of the quarter. Trump's platform of strengthening infrastructure, deregulation, and lower personal and corporate taxes drove expectations higher for both domestic growth and inflation. The broad market Russell 3000 Index returned 4.2% for the quarter. The small cap Russell 2000 Index more than doubled performance of other capitalization indices with a return of 8.8% for the quarter and a strong 21.3% for the trailing one-year period.
- International equity market benchmarks stumbled during the quarter with the broad market MSCI ACWI ex U.S. Index posting a return of -1.3% for the period in U.S. dollar (USD) terms. Despite the difficult quarter, the broad market index returned a moderate 4.5% for 2016. Developed markets (-0.7%) outperformed emerging markets (-4.2%) for the quarter as developed market economic data was generally positive. However, emerging markets substantially outperformed developed markets for the one-year period with the MSCI Emerging Markets Index returning 11.2% versus a return of 1.0% for the MSCI EAFE Index.
- The quarter's strong economic backdrop led the Federal Open Market Committee (FOMC) to follow through on investors' expectations and raise short-term interest rates for the first time in 2016. The same events that drove domestic equity markets higher were a headwind for fixed income markets. As a result, the U.S. Treasury yield curve rose dramatically during the quarter with modestly elevated rates at shorter maturities and larger increases in mid-to-long-term maturities. All investment grade benchmarks were negative for the quarter, but the mortgage-backed securities sector was down less than other investment grade sectors due to its shorter duration. Although the 4<sup>th</sup> quarter took back some of 2016's earlier gains, investment grade benchmarks finished in positive territory for the year. The Bloomberg Barclays Investment Grade Corporate Bond Index was the best performer over the one-year period, advancing a solid 6.1%. Corporate issues benefited from increased demand for yield which led to credit spread compression, especially in lower quality issues.

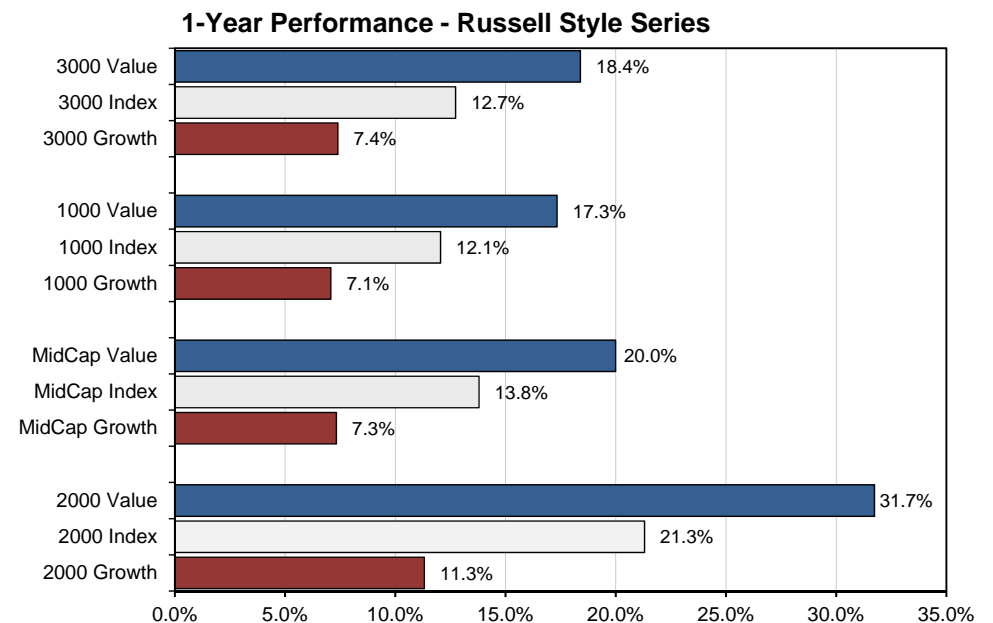
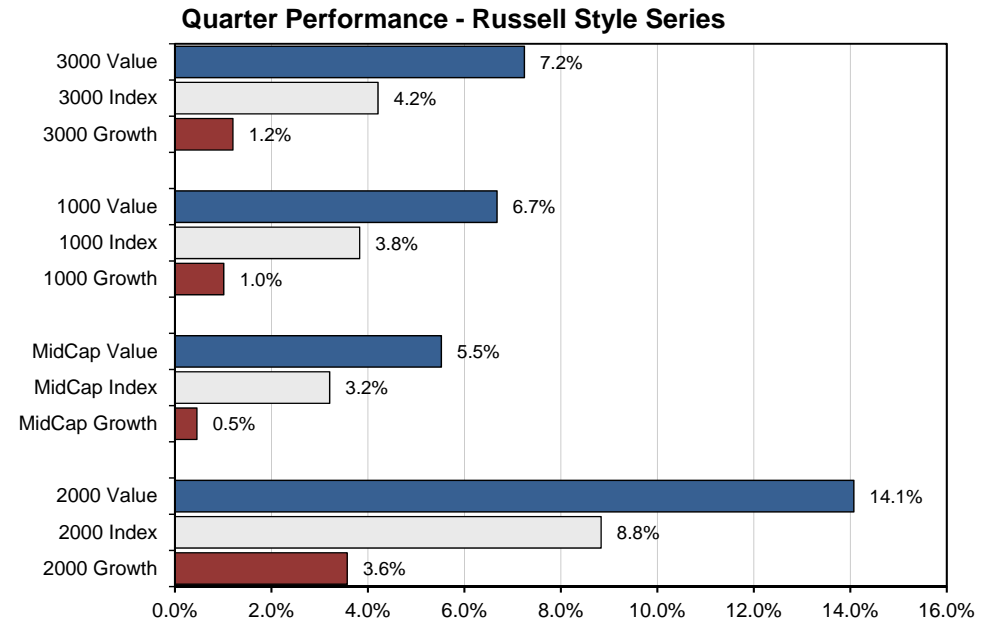
### Quarter Performance



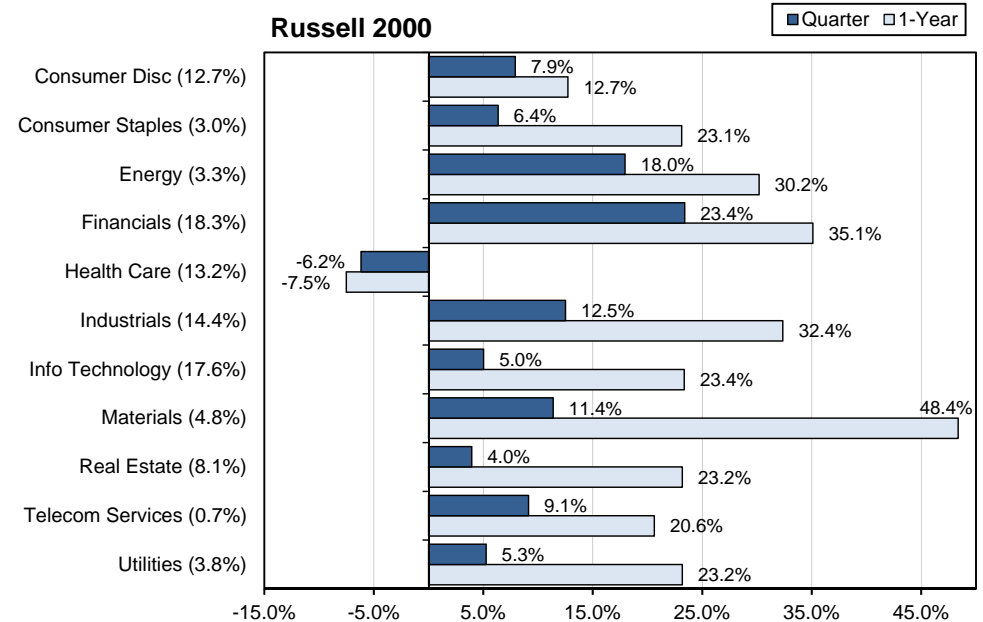
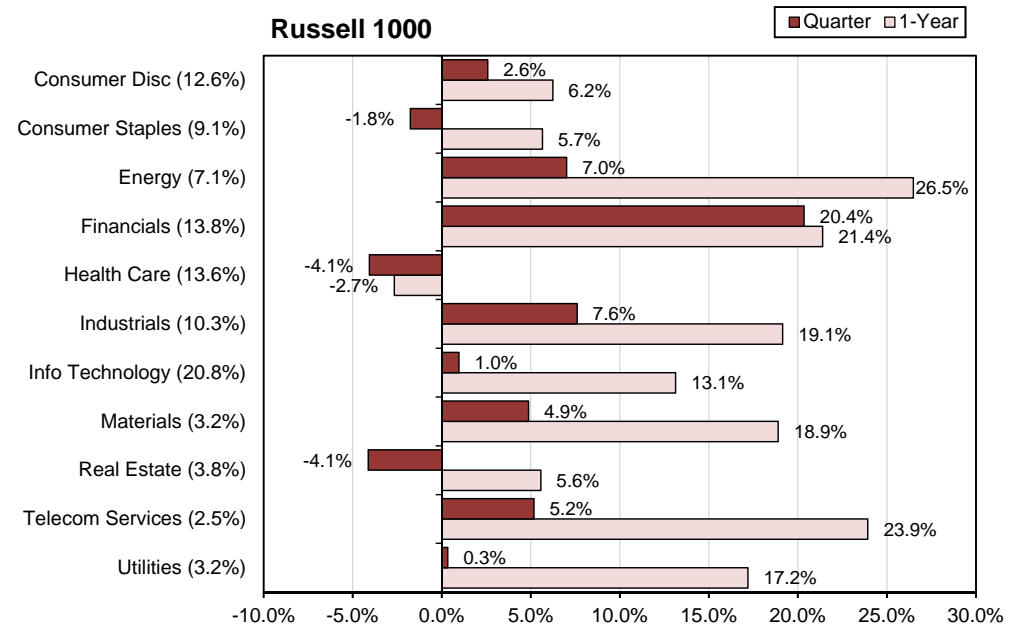
### 1-Year Performance



- U.S. equity index returns were positive across the style and capitalization spectrum for the 4<sup>th</sup> quarter as well as for calendar year 2016. During the quarter, index returns were driven by encouraging economic data including improvements in GDP growth, employment, housing, and consumer confidence being reported throughout the period. Domestic markets continued to rally after the November presidential election with several domestic indices hitting new highs on expectations resulting from Trump's "market-friendly" policy objectives. While the Fed did increase interest rates in December, the market reaction was relatively tame as the rate hike was widely expected.
- Small cap benchmarks posted the quarter's strongest performance for both value and growth issues. At the core, the small cap Russell 2000 Index returned a robust 8.8% for the quarter and a stellar 21.3% for the year. Although still positive, the core large cap Russell 1000 Index returned a lower 3.8% for the quarter and 12.1% for the year. This dispersion is not totally outside of the norm as small cap stocks generally outperform large cap stocks during "risk-on" market expansions. Interestingly, mid cap stocks finished behind both small and large cap issues for the quarter. This is partially due to the Russell Midcap Index's higher allocations to the real estate and utilities sectors, which were two of the worst performing sectors for the quarter.
- Value benchmarks more than doubled their comparable growth benchmarks across the capitalization spectrum for both the quarter and one-year periods. Unlike prior quarters where value index outperformance was driven by exposure to higher yielding "bond proxy" sectors, this quarter's returns were led by exposure to cyclical sectors, particularly financials. Value-style outperformance persists over the one-year period with double-digit returns ranging from an impressive 31.7% for the Russell 2000 Value Index to a still strong 17.3% for the Russell 1000 Value Index. In contrast, growth index performance lagged value results substantially, returning 11.3% and 7.1% for the Russell 2000 Growth and Russell 1000 Growth respectively.
- Domestic equity valuations appear stretched relative to historical levels based on Forward Price/Earnings ratios (P/E), with even the cheapest relative indices trading marginally above historical valuations. The large and midcap growth indices have valuation levels near their respective historical averages, while the remaining indices fall between 110% and 137% of their 15-year averages.



- Large cap sector performance spanned a range of nearly 25% during the 4<sup>th</sup> quarter, with results in five of eleven economic sectors outpacing the Russell 1000 Index return, and eight of eleven sectors posting gains for the period. Financials were the clear leader during the quarter, posting a strong return of 20.4%, which nearly tripled the result of any other sector. Financials benefited from expectations for potential deregulation as well as the impact of higher interest rates on future profitability. The industrials (7.6%) and materials (4.9%) sectors also outperformed for the period as Trump's promise for increased investment in U.S. infrastructure brightened the outlook for both sectors. The energy sector (7.0%) also posted a solid gain for the quarter as oil prices rose following an OPEC agreement to cut supply in November. Prices rose further after several non-OPEC countries indicated they would also reduce production. The real estate and health care sectors were the weakest performers for the quarter, both posting -4.1% for the period. Real estate and other "bond proxy" sectors such as consumer staples and utilities were impacted by higher interest rates, reducing the demand for more defensive equity issues. The health care sector's weak performance was more symptomatic of the uncertainty surrounding the future of health care regulation under a new Administration determined to repeal the Affordable Care Act. Despite some divergence in the 4<sup>th</sup> quarter, sector performance over the one-year period was robust with ten of eleven sectors posting positive results and seven putting up double-digit gains.
- Small cap sector results were roughly in-line with large caps for the 4<sup>th</sup> quarter, with five of eleven economic sectors outpacing the Russell 2000 Index return for the quarter and ten of eleven sectors posting positive results for the period. Most of the trends observable in large cap index sector performance also impacted the small cap sectors, but to a larger, positive degree. Similar to large cap issues, higher yielding, defensive sectors lagged the more cyclical, economically sensitive sectors. Over the trailing one-year period the materials, financials, industrials, and energy sectors each posted returns in excess of 30%. The sole negative small cap sector for the year was health care with a return of -7.5%.
- Using S&P 500 sector valuations as a proxy for the market, Forward P/E ratios for five GICS sectors were below their long-term averages at quarter-end. The technology and health care sectors were trading at the largest discount to their long-term average P/E ratios. In contrast, the energy and utilities sector valuations were the most extended relative to their historical P/E ratios.



**The Market Environment**  
**Top 10 Index Weights & Quarterly Performance for the Russell 1000 & 2000**  
As of December 31, 2016

Top 10 Weighted Stocks				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Apple Inc	2.95%	3.0%	12.5%	Information Technology
Microsoft Corp	2.19%	8.6%	15.1%	Information Technology
Exxon Mobil Corp	1.75%	4.3%	19.9%	Energy
Johnson & Johnson	1.47%	-1.8%	15.3%	Health Care
JPMorgan Chase & Co	1.46%	30.5%	34.6%	Financials
Berkshire Hathaway Inc B	1.43%	12.8%	23.4%	Financials
Amazon.com Inc	1.35%	-10.4%	10.9%	Consumer Discretionary
General Electric Co	1.35%	7.5%	4.6%	Industrials
AT&T Inc	1.22%	6.0%	29.9%	Telecommunication Services
Facebook Inc A	1.20%	-10.3%	9.9%	Information Technology

Top 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
CVR Energy Inc	0.00%	91.7%	-27.2%	Energy
CoreCivic Inc	0.01%	79.4%	0.8%	Real Estate
United States Steel Corp	0.02%	75.4%	319.6%	Materials
California Resources Corp	0.00%	70.3%	-8.6%	Energy
NVIDIA Corp	0.25%	56.0%	226.9%	Information Technology
SVB Financial Group	0.04%	55.3%	44.4%	Financials
KeyCorp	0.09%	50.9%	42.1%	Financials
EP Energy Corp A	0.00%	49.5%	49.5%	Energy
Goldman Sachs Group Inc	0.43%	48.9%	34.9%	Financials
SLM Corp	0.02%	47.5%	69.0%	Financials

Bottom 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Twilio Inc A	0.00%	-55.2%	N/A	Information Technology
Puma Biotechnology Inc	0.00%	-54.2%	-60.8%	Health Care
Community Health Systems Inc	0.00%	-51.6%	-74.5%	Health Care
Fitbit Inc A	0.00%	-50.7%	-75.3%	Information Technology
GoPro Inc A	0.00%	-47.8%	-51.6%	Consumer Discretionary
Hertz Global Holdings Inc	0.01%	-46.3%	-61.8%	Industrials
GNC Holdings Inc	0.00%	-45.1%	-63.0%	Consumer Discretionary
Alnylam Pharmaceuticals Inc	0.01%	-44.8%	-60.2%	Health Care
Juno Therapeutics Inc	0.01%	-37.2%	-57.1%	Health Care
Groupon Inc	0.01%	-35.5%	8.1%	Consumer Discretionary

Top 10 Weighted Stocks				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Advanced Micro Devices Inc	0.45%	64.1%	295.1%	Information Technology
Microsemi Corp	0.33%	28.6%	65.6%	Information Technology
Webster Financial Corp	0.26%	43.7%	50.0%	Financials
Prosperity Bancshares Inc	0.26%	31.4%	53.5%	Financials
Bank of the Ozarks Inc	0.25%	37.5%	8.0%	Financials
RSP Permian Inc	0.23%	15.1%	82.9%	Energy
Curtiss-Wright Corp	0.23%	8.2%	44.4%	Industrials
EMCOR Group Inc	0.23%	18.8%	48.2%	Industrials
Aspen Technology Inc	0.23%	16.9%	44.8%	Information Technology
PrivateBancorp Inc	0.23%	18.0%	32.2%	Financials

Top 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Wins Finance Holdings Inc	0.01%	508.7%	1400.0%	Financials
Key Energy Services Inc	0.00%	293.0%	-66.2%	Energy
Peabody Energy Corp	0.00%	222.6%	-34.9%	Energy
Altisource Asset Management Corp	0.00%	189.2%	211.8%	Real Estate
Seventy Seven Energy Inc	0.00%	138.7%	4185.7%	Energy
AK Steel Holding Corp	0.17%	111.4%	355.8%	Materials
Era Group Inc	0.02%	110.8%	52.2%	Energy
NL Industries Inc	0.00%	107.4%	168.1%	Industrials
Fred's Inc	0.03%	106.1%	15.6%	Consumer Discretionary
Pier 1 Imports Inc	0.04%	104.8%	77.9%	Consumer Discretionary

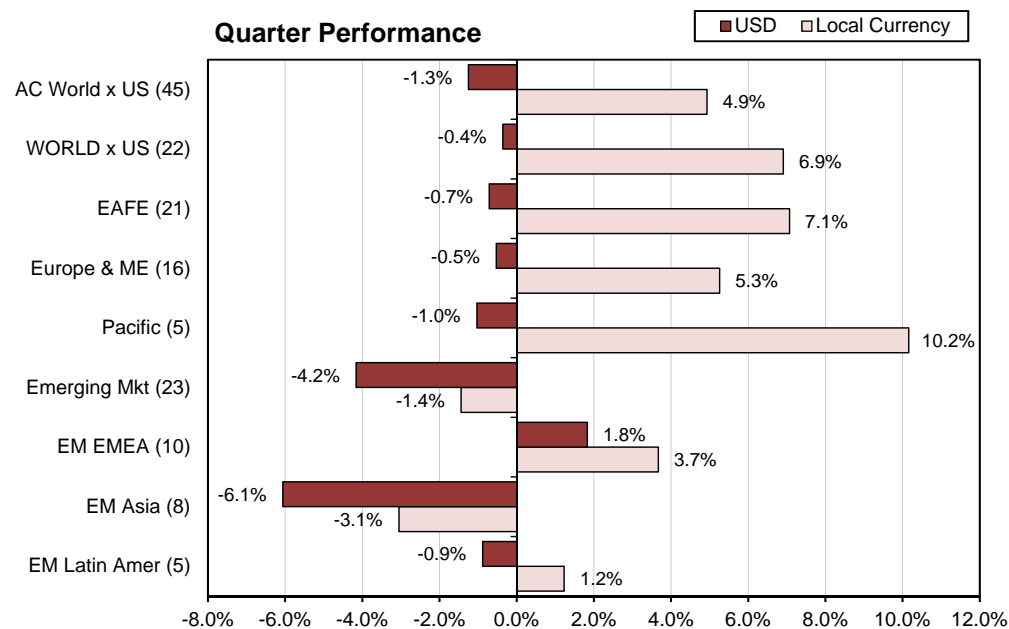
Bottom 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Code Rebel Corp	0.00%	-98.0%	-100.0%	Information Technology
Republic Airways Holdings Inc	0.00%	-93.4%	-98.5%	Industrials
Basic Energy Services Inc	0.00%	-92.5%	-97.7%	Energy
Ophthotech Corp	0.01%	-89.5%	-93.8%	Health Care
Cempra Inc	0.01%	-88.4%	-91.0%	Health Care
Violin Memory Inc	0.00%	-88.2%	-98.2%	Information Technology
Adeptus Health Inc Class A	0.01%	-82.3%	-86.0%	Health Care
6D Global Technologies Inc	0.00%	-80.0%	-99.7%	Information Technology
Proteon Therapeutics Inc	0.00%	-79.6%	-87.7%	Health Care
Anthera Pharmaceuticals Inc	0.00%	-79.4%	-86.0%	Health Care



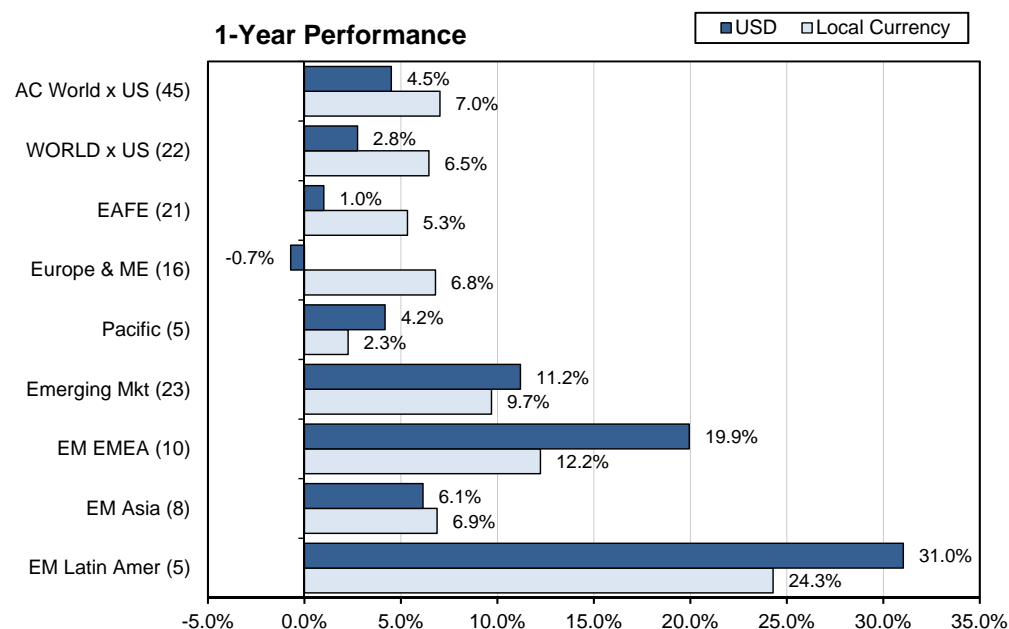


- As the USD versus local currency return charts illustrate, the USD's strength was a major headwind for international index performance during the 4<sup>th</sup> quarter as well as over the trailing one-year period. The primary factor contributing to the return differentials in 2016 was increasing divergence in U.S. monetary policy (tightening) relative to other developed countries (further accommodation). While the U.S. growth prospects support reduced monetary stimulus, economic data in the Eurozone supports a continuation of monetary accommodation to bolster what has been a slow recovery. As such, the European Central Bank (ECB) lengthened its quantitative easing program, originally scheduled to end in March 2017, to December 2017. Although the program was extended, the ECB reduced the size of monthly purchases from \$80 billion euros to \$60 billion euros. This economic divergence was further reinforced after the election as Trump's pro-growth policies and protectionist views on trade, if enacted, favor additional USD strength.
- The 4<sup>th</sup> quarter's USD performance was negative for both developed (-0.7%) and emerging (-4.2%) markets. While emerging market performance (-1.4%) was also negative in local currency terms for the period, the currency impact was more pronounced in developed market results with the MSCI-EAFE Index's local currency return of 7.1% representing a 7.9% spread relative to the benchmark's USD returns. While USD strength is also evident in the one-year performance of developed markets (1.0% USD vs. 5.3% local), USD emerging market performance of 11.2% marginally outpaced the emerging market local currency return of 9.7%. Japanese equities advanced considerably in local currency terms as a weaker yen was viewed as a major tailwind to its export driven economy. The U.K. also posted a solid quarter in local currency terms on the back of a weakening pound sterling and continued stimulus. Despite their local currency return strength, the USD returns of both countries were negative for the quarter with Japan returning -0.2% and the U.K. returning -0.9%.
- While the 4<sup>th</sup> quarter's emerging market results were negatively impacted by rising yields, a stronger USD, and fears surrounding future U.S. trade and foreign policy, one-year performance in emerging markets was more than double the returns posted by developed markets. Although one-year of outperformance does not represent a trend, emerging market investors are hoping for a continuance of 2016's emerging market performance surge after several years of lagging results relative to domestic and developed international equity markets.

### Quarter Performance



### 1-Year Performance





**The Market Environment**  
**U.S. Dollar International Index Attribution & Country Detail**  
As of December 31, 2016

MSCI - EAFE	Sector Weight	Quarter Return	1-Year Return
Consumer Discretionary	12.5%	1.6%	-1.3%
Consumer Staples	11.2%	-10.3%	-2.8%
Energy	5.5%	10.4%	26.8%
Financials	21.2%	9.5%	-1.7%
Health Care	10.7%	-7.8%	-11.8%
Industrials	14.0%	-1.9%	6.7%
Information Technology	5.5%	-3.2%	3.6%
Materials	7.9%	3.4%	24.3%
Real Estate	3.7%	-7.4%	2.6%
Telecommunication Services	4.5%	-6.9%	-7.3%
Utilities	3.4%	-7.4%	-5.5%
<b>Total</b>	<b>100.0%</b>	<b>-0.7%</b>	<b>1.0%</b>

MSCI - ACWIXUS	Sector Weight	Quarter Return	1-Year Return
Consumer Discretionary	11.5%	-0.9%	-0.6%
Consumer Staples	9.8%	-10.1%	-1.9%
Energy	7.3%	8.3%	31.3%
Financials	23.4%	6.8%	4.0%
Health Care	8.1%	-8.1%	-13.1%
Industrials	11.7%	-2.2%	6.3%
Information Technology	9.3%	-5.0%	10.7%
Materials	8.0%	2.6%	27.6%
Real Estate	3.3%	-7.9%	1.4%
Telecommunication Services	4.7%	-6.7%	-4.1%
Utilities	3.2%	-7.2%	-3.3%
<b>Total</b>	<b>100.0%</b>	<b>-1.3%</b>	<b>4.5%</b>

MSCI - Emerging Mkt	Sector Weight	Quarter Return	1-Year Return
Consumer Discretionary	10.3%	-9.5%	0.9%
Consumer Staples	7.2%	-10.5%	0.4%
Energy	7.9%	8.0%	36.5%
Financials	24.4%	-0.7%	15.0%
Health Care	2.5%	-9.6%	-7.5%
Industrials	5.8%	-6.2%	-1.9%
Information Technology	23.3%	-6.3%	16.8%
Materials	7.4%	4.2%	31.4%
Real Estate	2.6%	-10.5%	-1.8%
Telecommunication Services	5.9%	-6.2%	2.0%
Utilities	2.9%	-6.8%	3.2%
<b>Total</b>	<b>100.0%</b>	<b>-4.2%</b>	<b>11.2%</b>

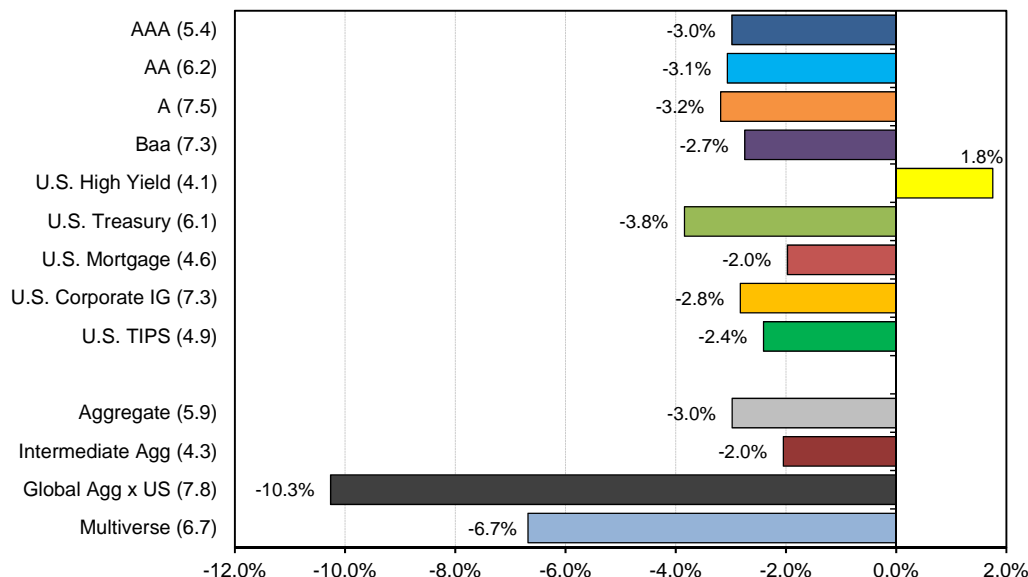
Country	MSCI-EAFE Weight	MSCI-ACWIXUS Weight	Quarter Return	1- Year Return
Japan	24.1%	17.0%	-0.2%	2.4%
United Kingdom	18.3%	12.9%	-0.9%	-0.1%
France	10.2%	7.2%	2.9%	4.9%
Germany	9.3%	6.5%	1.5%	2.8%
Switzerland	8.7%	6.1%	-3.9%	-4.9%
Australia	7.4%	5.2%	0.7%	11.5%
Netherlands	3.3%	2.3%	-2.1%	4.8%
Hong Kong	3.3%	2.3%	-9.0%	2.3%
Spain	3.1%	2.2%	2.2%	-1.0%
Sweden	2.8%	2.0%	-0.8%	0.6%
Italy	2.1%	1.5%	10.8%	-10.5%
Denmark	1.7%	1.2%	-8.7%	-15.8%
Singapore	1.2%	0.9%	-3.6%	1.4%
Belgium	1.2%	0.8%	-11.8%	-7.6%
Finland	1.0%	0.7%	-4.4%	-4.7%
Israel	0.7%	0.5%	-11.3%	-24.9%
Norway	0.7%	0.5%	2.4%	13.3%
Ireland	0.5%	0.3%	0.1%	-7.1%
Austria	0.2%	0.1%	6.5%	11.3%
New Zealand	0.2%	0.1%	-10.9%	18.4%
Portugal	0.2%	0.1%	-2.9%	3.6%
<b>Total EAFE Countries</b>	<b>100.0%</b>	<b>70.3%</b>	<b>-0.7%</b>	<b>1.0%</b>
Canada		7.1%	3.3%	24.6%
<b>Total Developed Countries</b>		<b>77.3%</b>	<b>-0.4%</b>	<b>2.8%</b>
China		6.0%	-7.1%	0.9%
Korea		3.3%	-5.6%	8.8%
Taiwan		2.8%	-2.2%	18.5%
India		1.9%	-8.0%	-1.4%
Brazil		1.7%	2.1%	66.2%
South Africa		1.6%	-4.1%	17.9%
Russia		1.0%	18.6%	54.8%
Mexico		0.8%	-7.9%	-9.2%
Indonesia		0.6%	-7.8%	17.0%
Malaysia		0.6%	-8.4%	-3.9%
Thailand		0.5%	-1.8%	26.6%
Philippines		0.3%	-12.8%	-6.6%
Chile		0.3%	2.2%	15.6%
Poland		0.3%	3.4%	0.1%
Turkey		0.2%	-13.7%	-8.5%
Qatar		0.2%	0.7%	6.3%
United Arab Emirates		0.2%	-1.5%	13.6%
Colombia		0.1%	-2.3%	26.5%
Peru		0.1%	2.5%	55.6%
Greece		0.1%	15.3%	-12.1%
Hungary		0.1%	9.3%	35.4%
Czech Republic		0.0%	-3.4%	-5.0%
Egypt		0.0%	-23.3%	-11.5%
<b>Total Emerging Countries</b>		<b>22.7%</b>	<b>-4.2%</b>	<b>11.2%</b>
<b>Total ACWIXUS Countries</b>		<b>100.0%</b>	<b>-1.3%</b>	<b>4.5%</b>

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

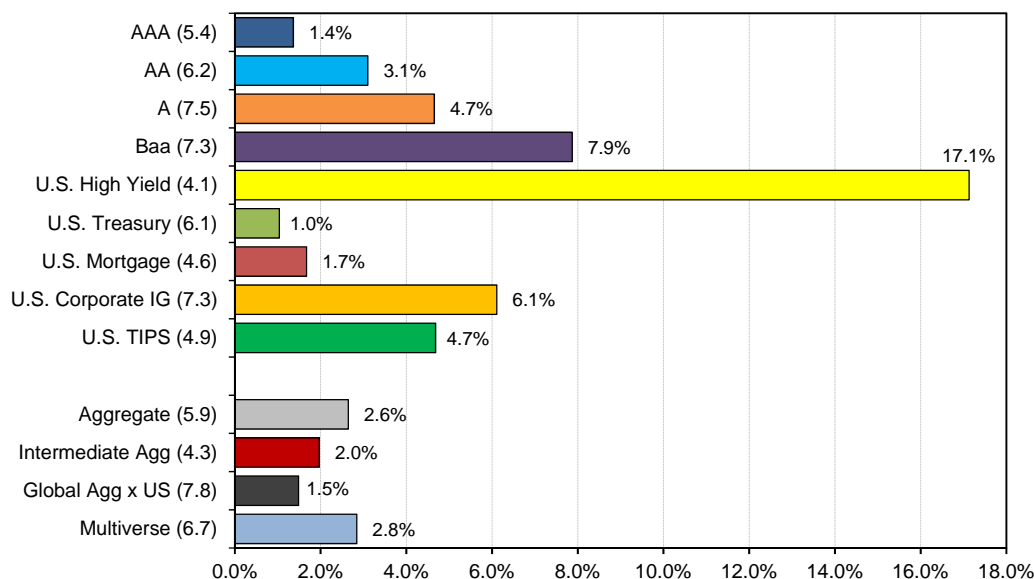


- After defying logic and market expectations with solid positive results for most of 2016, fixed income benchmarks fell across various sectors and quality segments during the 4<sup>th</sup> quarter as the reality of higher interest rates and inflation expectations exerted their powerful impact on yields. On the interest rate front, market rates rose through the quarter as investors prepared for a telegraphed, and ultimately realized, interest rate increase of 25 basis points (bps) by the Fed. The December increase was supported by continued improvement in the U.S. economy, and represented the sole Fed rate increase for 2016. On the inflation front, Donald Trump's victory in the U.S. presidential election also played a role in the quarter's negative fixed income results as market expectations after the victory shifted sentiment toward potentially higher inflation and economic growth.
- Looking through the quality lens, each of the fixed income quality segment benchmarks (with the exception of high yield) finished the 4<sup>th</sup> quarter down roughly -3%. The high yield (lower quality) benchmark was the only index to post a positive result for the quarter with a return of 1.8%. The high yield index benefited from its lower duration (less interest rate sensitivity) as well as a steady compression in credit spreads that offset the impact of generally higher market yields. Extending the comparison to the one-year period, the quality benchmarks all posted positive results with annual returns displaying an inverse relationship with their quality.
- Examining results on a sector basis shows the nominal Treasury sector feeling the largest impact from the yield curve shift with a 4<sup>th</sup> quarter return of -3.8%. The lower-duration TIPS index returned -2.4% for the quarter. The mortgage sector posted the quarter's best relative result with a return of -2.0% benefiting from its lower duration. Given the previously mentioned negative impact of USD strength on foreign investments, the 4<sup>th</sup> quarter was a particularly difficult quarter for global fixed income markets with the Global Aggregate ex-U.S. index returning -10.3%. Despite the 4<sup>th</sup> quarter's negative index results, each sector and global benchmark posted positive results for the trailing one-year period.
- The Fed stated that future rate increases will be implemented at a measured pace and will be based on an ongoing assessment of current economic data. However, future policy action by the new Trump Administration and global economic developments will likely impact the pace of future interest rate increases as well.

### Quarter Performance

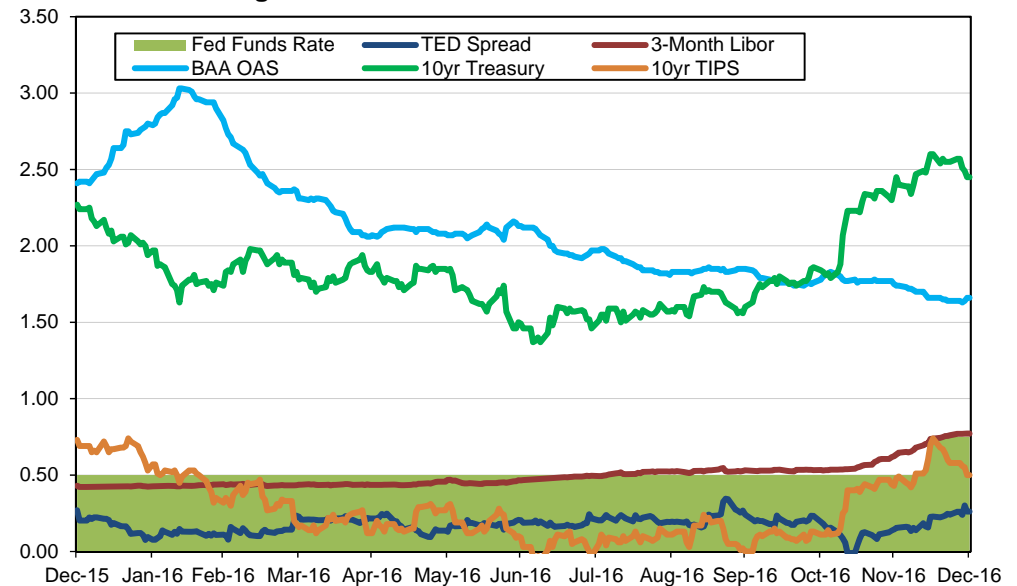


### 1-Year Performance

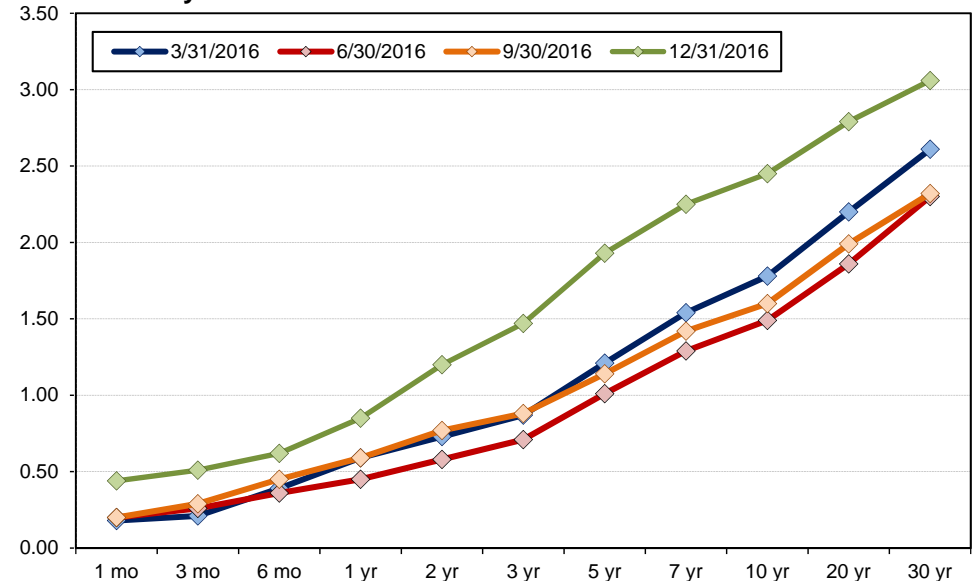


- Much of the index performance detailed in the bar graphs on the previous page is visible on a time series basis by reviewing the line graphs to the right. The '1-Year Trailing Market Rates' chart illustrates that after trading in a tight range for most of the year, the 10-year Treasury yield (green line) rose dramatically over the final months of 2016, closing at a yield (2.45%) near its one-year high. 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. The steady decline in credit spreads throughout 2016 is equivalent to an interest rate decrease on corporate bonds, which results in a tailwind for corporate bond index returns. While there was some upside momentum in credit spreads early in 2016, they have narrowed by over 1.25% since their high on February 11<sup>th</sup>.
- The lower graph provides a snapshot of the U.S. Treasury yield curve at each of the last four calendar quarters and clearly illustrates the unrest that materialized in Treasury yields during the 4<sup>th</sup> quarter. While each of the last three quarter-end yield curves show a fairly tight distribution, the December 31<sup>st</sup> reading is higher at all maturities with both short- and long-term rates finishing 2016 near the high end of their respective 12-month trading ranges. This upward shift caused yields to rise an average of 22 bps for maturities of less than one-year, 60 bps for the two- to five-year maturity range, and 81 bps for the seven- to thirty-year maturity range. Greater yield increases at the longer end of the curve represent a "steepening" of the yield curve which conveys market anticipation of higher interest rates in the future.
- Given the magnitude of the increase in yields that occurred during the period, it is no surprise that most fixed income indices finished the quarter in negative territory. In a rising rate environment, it is also expected that longer-duration market indices will fall more than equivalent lower-duration benchmarks. Finally, while global benchmarks are impacted by the same yield and duration factors as domestic benchmarks, they have the additional powerful lever of currency impact. This currency effect can either be an offsetting benefit to negative yield and duration factors in a rising rate environment or an exacerbation of negative performance as it was during the 4<sup>th</sup> quarter.

**1-Year Trailing Market Rates**



**Treasury Yield Curve**



**Total Fund Compliance:**

	Yes	No
The total plan return equaled or exceeded the total plan benchmark over the trailing three year period.		•
The three year total plan return ranks in the top 40% of its peers.	•	
The total plan return of the fund over the trailing three year period equaled or exceeded 7.3% (actuarial assumption rate of return).		•

**Equity Compliance:**

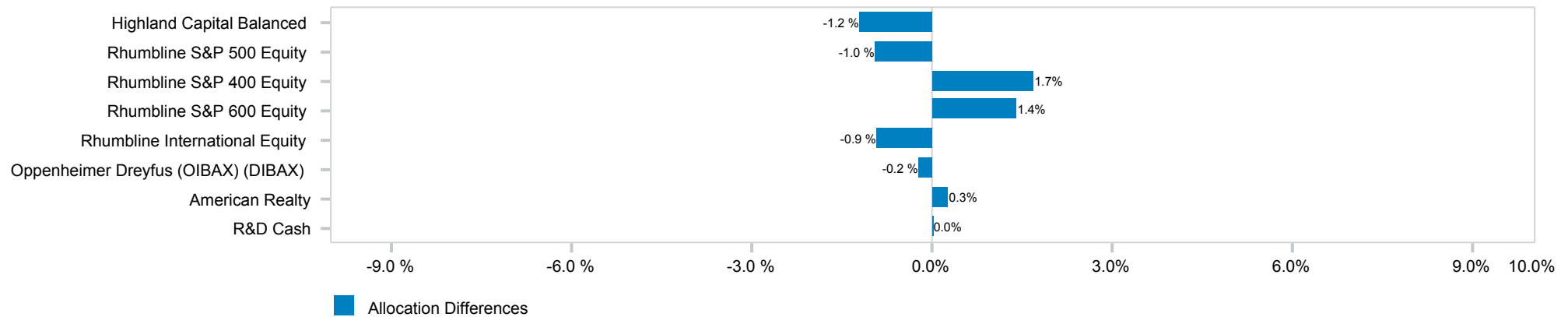
	Yes	No
The equity return equaled or exceeded the benchmark over the trailing three year period.		•
The equity return equaled or exceeded the benchmark over the trailing five year period.	•	
The amount invested in any single security is less than or equal to 5% of the market value of the total equity portfolio.	•	
The amount invested in any single industry is less than or equal to 20% of the market value of the total equity portfolio.	•	

**Fixed Income Compliance:**

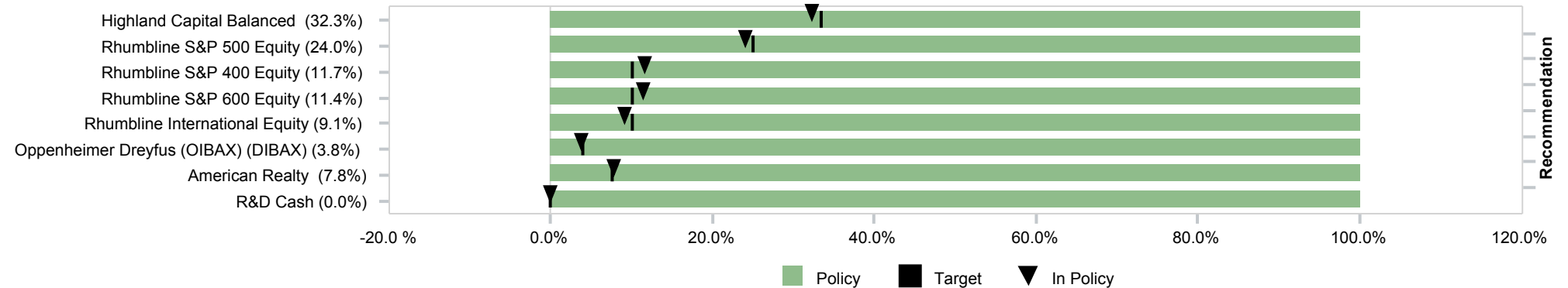
	Yes	No
The fixed income return equaled or exceeded the benchmark over the trailing three year period.	•	
The fixed income return equaled or exceeded the BCAB index over the trailing five year period.	•	
The amount invested in any single security (excluding U.S. Government and its agencies) is less than or equal to 5% of the market value of the total fixed income portfolio.	•	
The minimum quality rating of the domestic bond investments is BBB from Standard & Poor's or BAA from Moody's.	•	

**Asset Allocation Compliance**

	Asset Allocation \$	Current Allocation (%)	Target Allocation (%)	Differences (%)	Target Rebal. (\$000)
Total Fund Composite	84,422,396	100.0	100.0	0.0	-
Highland Capital Balanced	27,253,581	32.3	33.5	-1.2	1,027,922
Rhumblin S&P 500 Equity	20,295,491	24.0	25.0	-1.0	810,108
Rhumblin S&P 400 Equity	9,853,913	11.7	10.0	1.7	-1,411,673
Rhumblin S&P 600 Equity	9,629,615	11.4	10.0	1.4	-1,187,376
Rhumblin International Equity	7,664,848	9.1	10.0	-0.9	777,392
Oppenheimer Dreyfus (OIBAX) (DIBAX)	3,176,418	3.8	4.0	-0.2	200,478
American Realty	6,548,523	7.8	7.5	0.3	-216,844
R&D Cash	8	0.0	0.0	0.0	-8

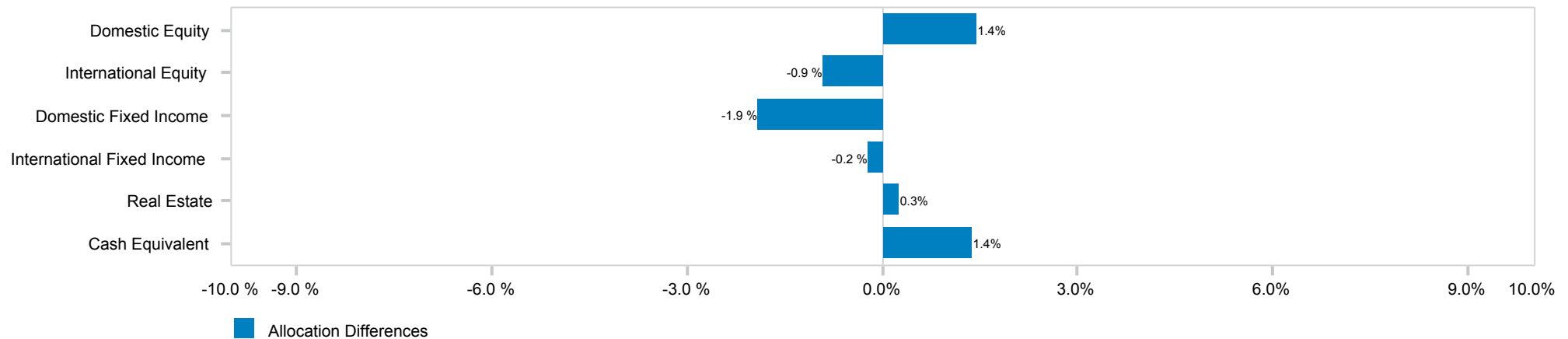


**Executive Summary**

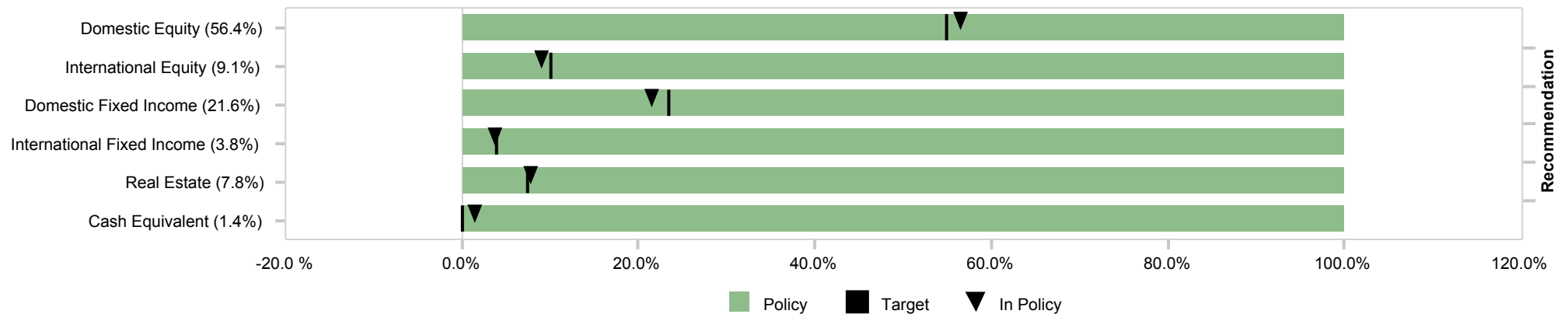


**Asset Allocation Compliance**

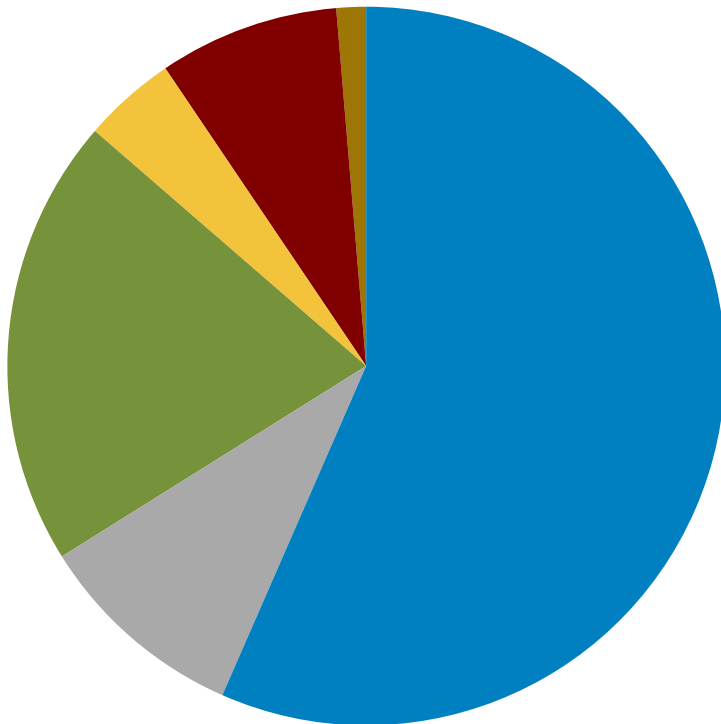
	Asset Allocation \$	Current Allocation (%)	Target Allocation (%)	Differences (%)	Target Rebal. (\$000)
Domestic Equity	47,649,638	56.4	55.0	1.4	-1,217,320
International Equity	7,664,848	9.1	10.0	-0.9	777,392
Domestic Fixed Income	18,219,749	21.6	23.5	-1.9	1,619,514
International Fixed Income	3,176,418	3.8	4.0	-0.2	200,478
Real Estate	6,548,523	7.8	7.5	0.3	-216,844
Cash Equivalent	1,163,219	1.4	0.0	1.4	-1,163,219
Total Fund	84,422,396	100.0	100.0	0.0	-



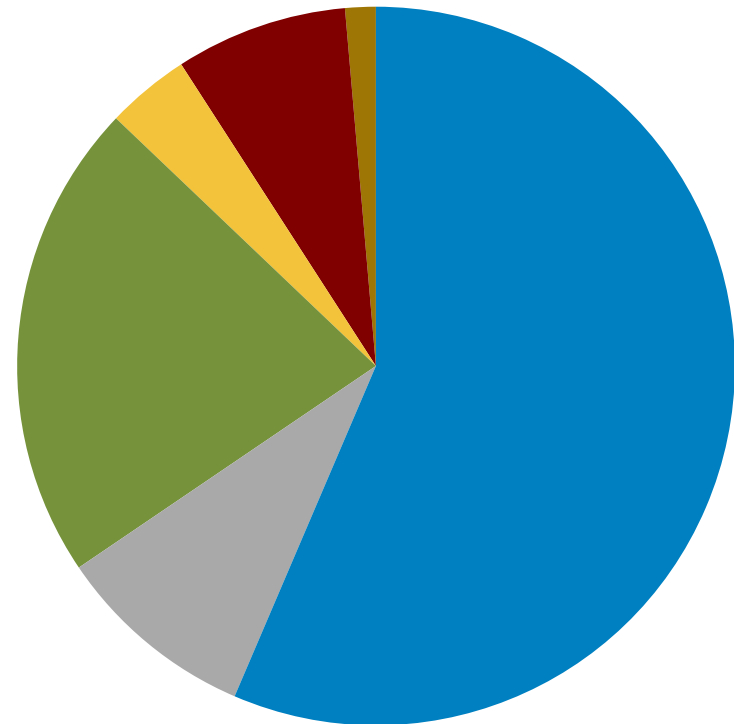
**Executive Summary**



**Asset Allocation By Segment as of  
September 30, 2016 : \$80,896,623**



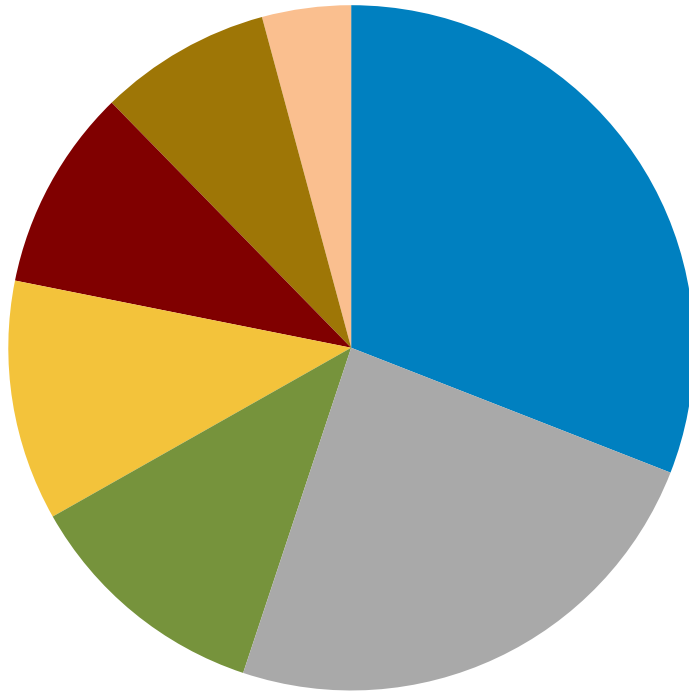
**Asset Allocation By Segment as of  
December 31, 2016 : \$84,422,396**



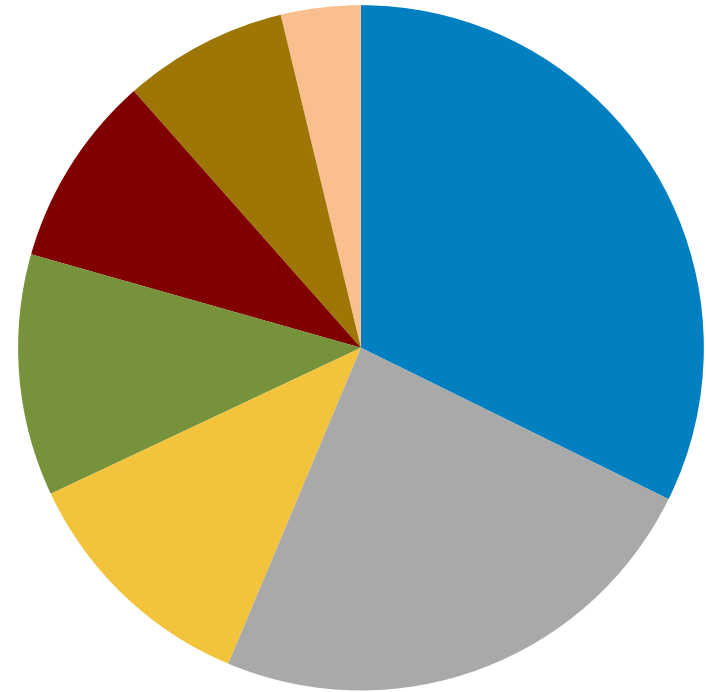
Allocation			Allocation		
Segments	Market Value	Allocation	Segments	Market Value	Allocation
Domestic Equity	45,758,085	56.6	Domestic Equity	47,649,638	56.4
International Equity	7,722,343	9.5	International Equity	7,664,848	9.1
Domestic Fixed Income	16,377,329	20.2	Domestic Fixed Income	18,219,749	21.6
International Fixed Income	3,389,879	4.2	International Fixed Income	3,176,418	3.8
Real Estate	6,568,344	8.1	Real Estate	6,548,523	7.8
Cash Equivalent	1,080,643	1.3	Cash Equivalent	1,163,219	1.4



**Asset Allocation By Manager as of  
September 30, 2016 : \$80,896,623**



**Asset Allocation By Manager as of  
December 31, 2016 : \$84,422,396**



Allocation			Allocation		
	Market Value	Allocation		Market Value	Allocation
Highland Capital Balanced	25,024,780	30.9	Highland Capital Balanced	27,253,581	32.3
Rhumblin S&P 500 Equity	19,551,948	24.2	Rhumblin S&P 500 Equity	20,295,491	24.0
Rhumblin S&P 600 Equity	9,464,523	11.7	Rhumblin S&P 400 Equity	9,853,913	11.7
Rhumblin S&P 400 Equity	9,174,798	11.3	Rhumblin S&P 600 Equity	9,629,615	11.4
Rhumblin International Equity	7,722,343	9.5	Rhumblin International Equity	7,664,848	9.1
American Realty	6,568,344	8.1	American Realty	6,548,523	7.8
Oppenheimer Dreyfus (OIBAX) (DIBAX)	3,389,879	4.2	Oppenheimer Dreyfus (OIBAX) (DIBAX)	3,176,418	3.8
R&D Cash	8	0.0	R&D Cash	8	0.0

## Asset Allocation &amp; Performance

	Allocation		Performance(%)												
	Market Value \$	%	QTR		FYTD		1 YR		3 YR		5 YR		Inception		Inception Date
Total Fund Composite	84,422,396	100.0	2.43	(3)	2.43	(3)	9.89	(5)	6.16	(4)	10.20	(5)	7.74	(57)	04/01/1992
Total Fund Policy Index			1.72	(12)	1.72	(12)	9.66	(6)	6.01	(6)	9.88	(9)	8.51	(11)	
Difference			0.71		0.71		0.23		0.15		0.32		-0.77		
All Public Plans-Total Fund Median			0.70		0.70		7.26		4.61		8.51		7.77		
Total Equity Composite	55,314,486	65.5	4.93		4.93		13.22		7.44		14.24		5.21		07/01/2000
Total Equity Policy Index			4.41		4.41		13.07		7.45		13.93		5.00		
Difference			0.52		0.52		0.15		-0.01		0.31		0.21		
Total Domestic Equity															
Rhumbline S&P 500 Equity	20,295,491	24.0	3.80	(53)	3.80	(53)	11.90	(42)	8.83	(34)	14.61	(47)	4.81	(73)	07/01/2000
S&P 500 Index			3.82	(52)	3.82	(52)	11.96	(41)	8.87	(32)	14.66	(44)	4.68	(79)	
Difference			-0.02		-0.02		-0.06		-0.04		-0.05		0.13		
IM U.S. Large Cap Equity (SA+CF) Median			3.84		3.84		10.98		8.27		14.52		5.97		
Rhumbline S&P 400 Equity	9,853,913	11.7	7.40	(25)	7.40	(25)	20.59	(20)	9.03	(25)	15.30	(37)	10.14	(44)	01/01/2004
S&P MidCap 400 Index			7.42	(24)	7.42	(24)	20.74	(19)	9.04	(25)	15.33	(35)	10.05	(52)	
Difference			-0.02		-0.02		-0.15		-0.01		-0.03		0.09		
IM U.S. Mid Cap Equity (SA+CF) Median			3.90		3.90		12.12		7.13		14.61		10.08		
Rhumbline S&P 600 Equity	9,629,615	11.4	11.11	(34)	11.11	(34)	26.41	(25)	9.47	(26)	16.57	(31)	10.44	(33)	01/01/2004
S&P SmallCap 600			11.13	(33)	11.13	(33)	26.56	(24)	9.47	(26)	16.62	(30)	10.38	(35)	
Difference			-0.02		-0.02		-0.15		0.00		-0.05		0.06		
IM U.S. Small Cap Equity (SA+CF) Median			9.08		9.08		20.87		7.78		15.45		9.82		
Highland Capital LCG	7,870,620	9.3	2.65	(17)	2.65	(17)	4.62	(50)	6.07	(73)	14.21	(44)	7.01	(58)	10/01/2007
Russell 1000 Growth Index			1.01	(38)	1.01	(38)	7.08	(26)	8.55	(28)	14.50	(36)	7.64	(35)	
Difference			1.64		1.64		-2.46		-2.48		-0.29		-0.63		
IM U.S. Large Cap Growth Equity (SA+CF) Median			0.18		0.18		4.60		7.22		13.94		7.12		
International Equity															
Rhumbline International Equity	7,664,848	9.1	-0.76	(29)	-0.76	(29)	N/A		N/A		N/A		-0.76	(54)	08/01/2016
MSCI EAFE Index			-0.68	(28)	-0.68	(28)	1.51	(65)	-1.15	(60)	7.02	(54)	0.67	(37)	
Difference			-0.08		-0.08		N/A		N/A		N/A		-1.43		
IM International Equity (SA+CF) Median			-2.92		-2.92		3.69		-0.37		7.20		-0.56		

	Allocation		Performance(%)												
	Market Value \$	%	QTR		FYTD		1 YR		3 YR		5 YR		Inception		Inception Date
<b>Total Fixed Income Composite</b>	21,396,168	25.3	-3.32		-3.32		3.41		2.59		2.00		5.39		04/01/1994
Total Fixed Inc Policy Index			-3.86		-3.86		2.59		2.47		1.78		5.47		
Difference			0.54		0.54		0.82		0.12		0.22		-0.08		
<b>Domestic Fixed Income</b>															
Highland Capital Fixed Income	18,219,749	21.6	-2.83	(56)	-2.83	(56)	3.71	(30)	3.04	(83)	2.19	(95)	5.45	(97)	04/01/1994
Bloomberg Barclays U.S. Aggregate Index			-2.98	(75)	-2.98	(75)	2.65	(77)	3.03	(85)	2.23	(92)	5.58	(93)	
Difference			0.15		0.15		1.06		0.01		-0.04		-0.13		
IM U.S. Broad Market Core Fixed Income (SA+CF) Median			-2.81		-2.81		3.10		3.34		2.82		5.90		
<b>International Fixed Income</b>															
Oppenheimer Dreyfus (OIBAX) (DIBAX)	3,176,418	3.8	-6.30	(85)	-6.30	(85)	3.74	(84)	0.06	(67)	1.12	(73)	0.92	(68)	10/01/2010
Citigroup Non-U.S. World Government Bond			-10.84	(99)	-10.84	(99)	1.81	(90)	-2.18	(84)	-1.94	(87)	-0.99	(83)	
Difference			4.54		4.54		1.93		2.24		3.06		1.91		
IM International Fixed Income All (MF) Median			-3.10		-3.10		9.51		2.11		3.71		3.12		
<b>Real Estate</b>															
American Realty	6,548,523	7.8	1.20	(87)	1.20	(87)	7.09	(96)	10.84	(94)	N/A		11.47	(87)	07/01/2012
NCREIF Property Index			1.73	(74)	1.73	(74)	7.97	(88)	11.02	(93)	10.92	(93)	10.91	(93)	
Difference			-0.53		-0.53		-0.88		-0.18		N/A		0.56		
IM U.S. Private Real Estate (SA+CF) Median			2.30		2.30		9.52		12.77		13.18		13.11		
R&D Cash	8	0.0													

## Asset Allocation &amp; Performance

	Allocation		Performance(%)						
	Market Value \$	%	QTR	FYTD	1 YR	3 YR	5 YR	Inception	Inception Date
<b>Total Fund Composite</b>	<b>84,422,396</b>	<b>100.0</b>	<b>2.40</b>	<b>2.40</b>	<b>9.72</b>	<b>5.97</b>	<b>9.99</b>	<b>7.50</b>	<b>04/01/1992</b>
Total Fund Policy Index			1.72	1.72	9.66	6.01	9.88	8.51	
Difference			0.68	0.68	0.06	-0.04	0.11	-1.01	
<b>Total Equity Composite</b>	<b>55,314,486</b>	<b>65.5</b>	<b>4.93</b>	<b>4.93</b>	<b>13.22</b>	<b>7.44</b>	<b>14.24</b>	<b>5.21</b>	<b>07/01/2000</b>
Total Equity Policy Index			4.41	4.41	13.07	7.45	13.93	5.00	
Difference			0.52	0.52	0.15	-0.01	0.31	0.21	
<b>Total Domestic Equity</b>									
Rhumblin S&P 500 Equity	20,295,491	24.0	3.79	3.79	11.83	8.77	14.53	4.68	07/01/2000
S&P 500 Index			3.82	3.82	11.96	8.87	14.66	4.68	
Difference			-0.03	-0.03	-0.13	-0.10	-0.13	0.00	
Rhumblin S&P 400 Equity	9,853,913	11.7	7.39	7.39	20.51	8.98	15.26	10.12	01/01/2004
S&P MidCap 400 Index			7.42	7.42	20.74	9.04	15.33	10.05	
Difference			-0.03	-0.03	-0.23	-0.06	-0.07	0.07	
Rhumblin S&P 600 Equity	9,629,615	11.4	11.10	11.10	26.33	9.41	16.53	10.43	01/01/2004
S&P SmallCap 600			11.13	11.13	26.56	9.47	16.62	10.38	
Difference			-0.03	-0.03	-0.23	-0.06	-0.09	0.05	
Highland Capital LCG Equity	7,870,620	9.3	2.65	2.65	4.62	6.07	14.21	7.01	10/01/2007
Russell 1000 Growth Index			1.01	1.01	7.08	8.55	14.50	7.64	
Difference			1.64	1.64	-2.46	-2.48	-0.29	-0.63	
<b>International Equity</b>									
Rhumblin International Equity	7,664,848	9.1	-0.78	-0.78	N/A	N/A	N/A	-0.77	08/01/2016
MSCI EAFE Index			-0.68	-0.68	1.51	-1.15	7.02	0.67	
Difference			-0.10	-0.10	N/A	N/A	N/A	-1.44	
<b>Total Fixed Income Composite</b>	<b>21,396,168</b>	<b>25.3</b>	<b>-3.32</b>	<b>-3.32</b>	<b>3.41</b>	<b>2.59</b>	<b>2.00</b>	<b>5.39</b>	<b>04/01/1994</b>
Total Fixed Inc Policy Index			-3.86	-3.86	2.59	2.47	1.78	5.47	
Difference			0.54	0.54	0.82	0.12	0.22	-0.08	

# Asset Allocation & Performance

## Total Fund Composite (Net)

As of December 31, 2016

	Allocation		Performance(%)						
	Market Value \$	%	QTR	FYTD	1 YR	3 YR	5 YR	Inception	Inception Date
<b>Domestic Fixed Income</b>									
Highland Capital Fixed Income	18,219,749	21.6	-2.83	-2.83	3.71	3.04	2.19	5.45	04/01/1994
Bloomberg Barclays U.S. Aggregate Index			-2.98	-2.98	2.65	3.03	2.23	5.58	
Difference			0.15	0.15	1.06	0.01	-0.04	-0.13	
<b>International Fixed Income</b>									
Oppenheimer Dreyfus (OIBAX) (DIBAX)	3,176,418	3.8	-6.30	-6.30	3.74	0.06	1.12	0.92	10/01/2010
Citigroup Non-U.S. World Government Bond			-10.84	-10.84	1.81	-2.18	-1.94	-0.99	
Difference			4.54	4.54	1.93	2.24	3.06	1.91	
<b>Real Estate</b>									
American Realty	6,548,523	7.8	0.92	0.92	5.93	9.68	N/A	10.29	07/01/2012
NCREIF Property Index			1.73	1.73	7.97	11.02	10.92	10.91	
Difference			-0.81	-0.81	-2.04	-1.34	N/A	-0.62	



## Asset Allocation &amp; Performance

	Allocation		Performance(%)									
	Market Value \$	%	Oct-2015 To Sep-2016	Oct-2014 To Sep-2015	Oct-2013 To Sep-2014	Oct-2012 To Sep-2013	Oct-2011 To Sep-2012	Oct-2010 To Sep-2011	Oct-2009 To Sep-2010	Oct-2008 To Sep-2009	Oct-2007 To Sep-2008	Oct-2006 To Sep-2007
<b>Total Fund Composite</b>	<b>84,422,396</b>	<b>100.0</b>	<b>10.96 (14)</b>	<b>1.46 (11)</b>	<b>10.95 (33)</b>	<b>14.75 (16)</b>	<b>18.89 (28)</b>	<b>0.46 (45)</b>	<b>10.42 (37)</b>	<b>5.99 (9)</b>	<b>-13.46 (56)</b>	<b>12.22 (83)</b>
Total Fund Policy Index			11.62 (7)	0.81 (19)	10.35 (47)	14.21 (22)	19.60 (18)	1.75 (19)	10.81 (29)	1.64 (50)	-12.83 (48)	13.68 (62)
Difference			-0.66	0.65	0.60	0.54	-0.71	-1.29	-0.39	4.35	-0.63	-1.46
All Public Plans-Total Fund Median			9.68	-0.53	10.17	12.51	17.93	0.22	9.92	1.59	-12.96	14.09
<b>Total Equity Composite</b>	<b>55,314,486</b>	<b>65.5</b>	<b>13.39</b>	<b>0.44</b>	<b>14.07</b>	<b>24.58</b>	<b>28.78</b>	<b>-2.47</b>	<b>12.49</b>	<b>-0.91</b>	<b>-23.22</b>	<b>17.99</b>
Total Equity Policy Index			14.30	-0.18	13.86	23.27	27.80	-0.50	11.44	-4.36	-21.04	17.05
Difference			-0.91	0.62	0.21	1.31	0.98	-1.97	1.05	3.45	-2.18	0.94
<b>Total Domestic Equity</b>												
Rhumblin S&P 500 Equity	20,295,491	24.0	15.38 (25)	-0.63 (57)	19.64 (39)	19.30 (71)	30.16 (39)	1.18 (44)	10.20 (49)	-6.49 (60)	-21.73 (59)	16.63 (57)
S&P 500 Index			15.43 (24)	-0.61 (57)	19.73 (37)	19.34 (70)	30.20 (38)	1.14 (45)	10.16 (50)	-6.91 (65)	-21.98 (63)	16.44 (61)
Difference			-0.05	-0.02	-0.09	-0.04	-0.04	0.04	0.04	0.42	0.25	0.19
IM U.S. Large Cap Equity (SA+CF) Median			13.19	-0.37	18.80	21.13	29.17	0.75	10.11	-5.51	-20.84	17.08
Rhumblin S&P 400 Equity	9,853,913	11.7	15.21 (28)	1.45 (52)	11.81 (67)	27.55 (57)	28.90 (36)	-1.16 (55)	17.78 (41)	-2.78 (52)	-16.54 (17)	18.73 (60)
S&P MidCap 400 Index			15.33 (27)	1.40 (53)	11.82 (67)	27.68 (56)	28.54 (41)	-1.28 (58)	17.78 (41)	-3.11 (55)	-16.68 (21)	18.76 (59)
Difference			-0.12	0.05	-0.01	-0.13	0.36	0.12	0.00	0.33	0.14	-0.03
IM U.S. Mid Cap Equity (SA+CF) Median			11.35	1.47	13.49	28.01	27.30	-0.70	16.72	-2.72	-20.82	20.68
Rhumblin S&P 600 Equity	9,629,615	11.4	18.00 (26)	3.90 (36)	5.79 (54)	31.40 (56)	33.27 (36)	0.21 (38)	14.14 (58)	-10.54 (76)	-13.64 (22)	15.16 (59)
S&P SmallCap 600			18.12 (24)	3.81 (37)	5.74 (55)	31.51 (55)	33.35 (36)	0.21 (38)	14.22 (57)	-10.61 (77)	-13.83 (23)	14.93 (60)
Difference			-0.12	0.09	0.05	-0.11	-0.08	0.00	-0.08	0.07	0.19	0.23
IM U.S. Small Cap Equity (SA+CF) Median			14.58	2.40	6.13	32.17	31.60	-1.22	14.99	-5.30	-18.20	17.46
Highland Capital LCG	7,870,620	9.3	6.68 (93)	4.64 (34)	16.29 (70)	28.73 (7)	27.51 (51)	-6.48 (97)	14.63 (22)	15.31 (2)	-30.80 (98)	N/A
Russell 1000 Growth Index			13.76 (22)	3.17 (56)	19.15 (39)	19.27 (65)	29.19 (38)	3.78 (30)	12.65 (36)	-1.85 (37)	-20.88 (54)	19.35 (57)
Difference			-7.08	1.47	-2.86	9.46	-1.68	-10.26	1.98	17.16	-9.92	N/A
IM U.S. Large Cap Growth Equity (SA+CF) Median			11.64	3.61	18.13	20.27	27.63	1.38	11.30	-3.01	-20.28	20.19
<b>International Equity</b>												
Rhumblin International Equity	7,664,848	9.1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
MSCI EAFE Index			7.06 (76)	-8.27 (51)	4.70 (63)	24.29 (33)	14.33 (71)	-8.94 (44)	3.71 (80)	3.80 (65)	-30.13 (48)	25.38 (67)
Difference			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
IM International Equity (SA+CF) Median			11.47	-8.16	5.80	20.28	17.29	-9.60	9.69	7.04	-30.34	29.56

	Allocation		Performance(%)									
	Market Value \$	%	Oct-2015 To Sep-2016	Oct-2014 To Sep-2015	Oct-2013 To Sep-2014	Oct-2012 To Sep-2013	Oct-2011 To Sep-2012	Oct-2010 To Sep-2011	Oct-2009 To Sep-2010	Oct-2008 To Sep-2009	Oct-2007 To Sep-2008	Oct-2006 To Sep-2007
<b>Total Fixed Income Composite</b>	<b>21,396,168</b>	<b>25.3</b>	<b>6.60</b>	<b>1.40</b>	<b>3.45</b>	<b>-2.57</b>	<b>6.28</b>	<b>5.20</b>	<b>8.28</b>	<b>11.96</b>	<b>1.23</b>	<b>4.97</b>
Total Fixed Inc Policy Index			6.01	1.82	3.41	-2.11	4.98	5.18	7.78	11.18	3.84	5.62
Difference			0.59	-0.42	0.04	-0.46	1.30	0.02	0.50	0.78	-2.61	-0.65
<b>Domestic Fixed Income</b>												
Highland Capital Fixed Income	18,219,749	21.6	6.51 (19)	2.22 (88)	3.51 (94)	-2.54 (99)	6.07 (72)	5.66 (27)	8.09 (89)	11.96 (58)	1.23 (63)	4.97 (70)
Bloomberg Barclays U.S. Aggregate Index			5.19 (80)	2.94 (59)	3.96 (80)	-1.68 (80)	5.16 (91)	5.26 (49)	8.16 (87)	10.56 (82)	3.65 (32)	5.14 (53)
Difference			1.32	-0.72	-0.45	-0.86	0.91	0.40	-0.07	1.40	-2.42	-0.17
IM U.S. Broad Market Core Fixed Income (SA+CF) Median			5.66	3.02	4.50	-1.26	6.61	5.26	9.26	12.28	2.55	5.16
<b>International Fixed Income</b>												
Oppenheimer Dreyfus (OIBAX) (DIBAX)	3,176,418	3.8	9.59 (81)	-4.81 (31)	2.98 (69)	-2.82 (42)	7.90 (70)	0.32 (40)	N/A	N/A	N/A	N/A
Citigroup Non-U.S. World Government Bond			12.61 (56)	-7.01 (45)	-0.99 (89)	-5.63 (81)	3.45 (91)	4.13 (4)	4.46 (88)	16.04 (53)	5.16 (1)	9.53 (32)
Difference			-3.02	2.20	3.97	2.81	4.45	-3.81	N/A	N/A	N/A	N/A
IM International Fixed Income All (MF) Median			13.07	-7.89	5.35	-3.50	14.50	-0.29	13.84	16.28	-4.33	8.49
<b>Real Estate</b>												
American Realty	6,548,523	7.8	9.03 (94)	14.05 (71)	12.45 (72)	12.30 (73)	N/A	N/A	N/A	N/A	N/A	N/A
NCREIF Property Index			9.22 (93)	13.48 (77)	11.26 (91)	11.00 (83)	11.00 (75)	16.10 (71)	5.84 (49)	-22.09 (10)	5.27 (46)	17.31 (66)
Difference			-0.19	0.57	1.19	1.30	N/A	N/A	N/A	N/A	N/A	N/A
IM U.S. Private Real Estate (SA+CF) Median			11.49	16.17	13.17	13.35	13.03	16.96	5.80	-33.88	4.97	18.53
R&D Cash	8	0.0										



## Asset Allocation &amp; Performance

	Allocation		Performance(%)									
	Market Value \$	%	Oct-2015 To Sep-2016	Oct-2014 To Sep-2015	Oct-2013 To Sep-2014	Oct-2012 To Sep-2013	Oct-2011 To Sep-2012	Oct-2010 To Sep-2011	Oct-2009 To Sep-2010	Oct-2008 To Sep-2009	Oct-2007 To Sep-2008	Oct-2006 To Sep-2007
<b>Total Fund Composite</b>	<b>84,422,396</b>	<b>100.0</b>	<b>10.74</b>	<b>1.29</b>	<b>10.73</b>	<b>14.53</b>	<b>18.64</b>	<b>0.22</b>	<b>10.08</b>	<b>5.61</b>	<b>-13.73</b>	<b>11.90</b>
Total Fund Policy Index			11.62	0.81	10.35	14.21	19.60	1.75	10.81	1.64	-12.83	13.68
Difference			-0.88	0.48	0.38	0.32	-0.96	-1.53	-0.73	3.97	-0.90	-1.78
<b>Total Equity Composite</b>	<b>55,314,486</b>	<b>65.5</b>	<b>13.39</b>	<b>0.44</b>	<b>14.07</b>	<b>24.58</b>	<b>28.78</b>	<b>-2.47</b>	<b>12.49</b>	<b>-0.91</b>	<b>-23.22</b>	<b>17.99</b>
Total Equity Policy Index			14.30	-0.18	13.86	23.27	27.80	-0.50	11.44	-4.36	-21.04	17.05
Difference			-0.91	0.62	0.21	1.31	0.98	-1.97	1.05	3.45	-2.18	0.94
<b>Total Domestic Equity</b>												
Rhumblin S&P 500 Equity	20,295,491	24.0	15.31	-0.66	19.55	19.18	29.99	1.04	10.02	-6.71	-21.87	16.47
S&P 500 Index			15.43	-0.61	19.73	19.34	30.20	1.14	10.16	-6.91	-21.98	16.44
Difference			-0.12	-0.05	-0.18	-0.16	-0.21	-0.10	-0.14	0.20	0.11	0.03
Rhumblin S&P 400 Equity	9,853,913	11.7	15.13	1.40	11.78	27.55	28.90	-1.16	17.78	-2.78	-16.54	18.73
S&P MidCap 400 Index			15.33	1.40	11.82	27.68	28.54	-1.28	17.78	-3.11	-16.68	18.76
Difference			-0.20	0.00	-0.04	-0.13	0.36	0.12	0.00	0.33	0.14	-0.03
Rhumblin S&P 600 Equity	9,629,615	11.4	17.92	3.85	5.76	31.40	33.27	0.21	14.14	-10.54	-13.64	15.16
S&P SmallCap 600			18.12	3.81	5.74	31.51	33.35	0.21	14.22	-10.61	-13.83	14.93
Difference			-0.20	0.04	0.02	-0.11	-0.08	0.00	-0.08	0.07	0.19	0.23
Highland Capital LCG	7,870,620	9.3	6.68	4.64	16.29	28.73	27.51	-6.48	14.63	15.31	-30.80	N/A
Russell 1000 Growth Index			13.76	3.17	19.15	19.27	29.19	3.78	12.65	-1.85	-20.88	19.35
Difference			-7.08	1.47	-2.86	9.46	-1.68	-10.26	1.98	17.16	-9.92	N/A
<b>International Equity</b>												
Rhumblin International Equity	7,664,848	9.1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
MSCI EAFE Index			7.06	-8.27	4.70	24.29	14.33	-8.94	3.71	3.80	-30.13	25.38
Difference			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total Fixed Income Composite</b>	<b>21,396,168</b>	<b>25.3</b>	<b>6.60</b>	<b>1.40</b>	<b>3.45</b>	<b>-2.57</b>	<b>6.28</b>	<b>5.20</b>	<b>8.28</b>	<b>11.96</b>	<b>1.23</b>	<b>4.97</b>
Total Fixed Inc Policy Index			6.01	1.82	3.41	-2.11	4.98	5.18	7.78	11.18	3.84	5.62
Difference			0.59	-0.42	0.04	-0.46	1.30	0.02	0.50	0.78	-2.61	-0.65

# Asset Allocation & Performance

## Total Fund Composite (Net)

As of December 31, 2016

	Allocation		Performance(%)									
	Market Value \$	%	Oct-2015 To Sep-2016	Oct-2014 To Sep-2015	Oct-2013 To Sep-2014	Oct-2012 To Sep-2013	Oct-2011 To Sep-2012	Oct-2010 To Sep-2011	Oct-2009 To Sep-2010	Oct-2008 To Sep-2009	Oct-2007 To Sep-2008	Oct-2006 To Sep-2007
<b>Domestic Fixed Income</b>												
Highland Capital Fixed Income	18,219,749	21.6	6.51	2.22	3.51	-2.54	6.07	5.66	8.09	11.96	1.23	4.97
Bloomberg Barclays U.S. Aggregate Index			5.19	2.94	3.96	-1.68	5.16	5.26	8.16	10.56	3.65	5.14
Difference			1.32	-0.72	-0.45	-0.86	0.91	0.40	-0.07	1.40	-2.42	-0.17
<b>International Fixed Income</b>												
Oppenheimer Dreyfus (OIBAX) (DIBAX)	3,176,418	3.8	9.59	-4.81	2.98	-2.82	7.90	0.32	N/A	N/A	N/A	N/A
Citigroup Non-U.S. World Government Bond			12.61	-7.01	-0.99	-5.63	3.45	4.13	4.46	16.04	5.16	9.53
Difference			-3.02	2.20	3.97	2.81	4.45	-3.81	N/A	N/A	N/A	N/A
<b>Real Estate</b>												
American Realty	6,548,523	7.8	7.85	12.82	11.34	11.10	N/A	N/A	N/A	N/A	N/A	N/A
NCREIF Property Index			9.22	13.48	11.26	11.00	11.00	16.10	5.84	-22.09	5.27	17.31
Difference			-1.37	-0.66	0.08	0.10	N/A	N/A	N/A	N/A	N/A	N/A



**Historical Rolling Performance**  
**Total Fund Composite**  
As of December 31, 2016

Historical Rolling Performance					
	QTR	1 YR	3 YR	5 YR	Inception
12/31/2016	2.43	9.89	6.16	10.20	7.74
09/30/2016	3.11	10.96	7.69	11.25	7.72
06/30/2016	2.12	2.09	8.45	8.36	7.67
03/31/2016	1.89	0.03	7.88	8.03	7.65
12/31/2015	3.42	1.00	9.66	8.53	7.65
09/30/2015	-5.13	1.46	8.91	9.06	7.58
06/30/2015	0.06	5.55	12.48	11.97	7.91
03/31/2015	2.88	9.19	11.63	10.75	8.00
12/31/2014	3.89	7.80	13.55	11.04	7.96
09/30/2014	-1.31	10.95	14.82	10.92	7.86
06/30/2014	3.52	18.38	11.51	13.73	8.02
03/31/2014	1.57	14.94	10.45	15.10	7.94
12/31/2013	6.92	21.12	11.41	13.81	7.96
09/30/2013	5.30	14.75	11.08	9.91	7.72
06/30/2013	0.51	13.90	12.11	7.06	7.56
03/31/2013	7.03	10.83	9.90	6.97	7.62
12/31/2012	1.30	12.13	8.93	4.48	7.37
09/30/2012	4.52	18.89	9.66	3.88	7.39
06/30/2012	-2.20	2.85	12.16	3.42	7.25
03/31/2012	8.29	5.76	16.62	4.58	7.46
12/31/2011	7.40	1.83	12.03	3.29	7.13
09/30/2011	-9.58	0.46	5.54	2.69	6.83
06/30/2011	0.57	20.27	6.29	5.50	7.49
03/31/2011	4.26	13.24	6.11	5.13	7.55
12/31/2010	5.96	13.22	2.92	4.93	7.42
09/30/2010	8.25	10.42	0.43	4.00	7.19
06/30/2010	-5.31	14.08	-1.48	2.78	6.83
03/31/2010	4.24	32.44	1.46	4.45	7.25
12/31/2009	3.34	21.96	0.66	3.43	7.10
09/30/2009	11.84	5.99	0.97	3.94	7.01
06/30/2009	9.93	-12.48	-1.61	1.52	6.42
03/31/2009	-4.01	-20.33	-5.03	-0.23	5.92
12/31/2008	-10.19	-21.04	-2.69	1.02	6.28
09/30/2008	-7.65	-13.46	1.30	4.58	7.07
06/30/2008	0.07	-4.22	4.74	6.61	7.71
03/31/2008	-4.87	-1.01	5.61	8.37	7.83
12/31/2007	-1.56	5.93	7.13	9.19	8.30
09/30/2007	2.21	12.22	9.77	10.36	8.55
06/30/2007	3.42	13.61	8.76	8.57	8.54
03/31/2007	1.80	8.60	7.82	6.77	8.44

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



**Historical Rolling Performance**  
**Total Fund Policy Index**  
As of December 31, 2016

Historical Rolling Performance					
	QTR	1 YR	3 YR	5 YR	Inception
12/31/2016	1.72	9.66	6.01	9.88	8.50
09/30/2016	3.44	11.62	7.48	11.15	8.51
06/30/2016	2.14	3.11	8.19	8.16	8.45
03/31/2016	2.03	0.53	7.64	7.93	8.45
12/31/2015	3.54	0.91	9.20	8.40	8.45
09/30/2015	-4.45	0.81	8.31	9.11	8.38
06/30/2015	-0.41	4.09	11.64	12.02	8.69
03/31/2015	2.41	8.34	11.06	10.71	8.81
12/31/2014	3.44	7.66	13.13	11.13	8.80
09/30/2014	-1.34	10.35	14.66	11.19	8.74
06/30/2014	3.65	17.99	11.30	14.11	8.91
03/31/2014	1.78	14.51	10.37	16.04	8.83
12/31/2013	6.02	19.85	11.27	13.96	8.85
09/30/2013	5.49	14.21	11.60	9.38	8.66
06/30/2013	0.60	13.30	12.83	6.70	8.49
03/31/2013	6.52	10.41	10.27	6.48	8.57
12/31/2012	1.03	12.20	9.52	4.03	8.34
09/30/2012	4.65	19.60	10.48	3.62	8.39
06/30/2012	-1.97	3.15	13.12	3.07	8.25
03/31/2012	8.25	6.34	18.50	4.27	8.47
12/31/2011	7.70	2.45	12.65	3.06	8.14
09/30/2011	-9.75	1.75	4.65	2.58	7.83
06/30/2011	1.06	22.90	5.77	5.39	8.53
03/31/2011	4.29	14.20	5.25	4.87	8.59
12/31/2010	6.97	14.28	1.96	4.83	8.46
09/30/2010	9.02	10.81	-0.61	3.80	8.18
06/30/2010	-6.10	14.16	-2.82	2.66	7.78
03/31/2010	4.36	37.03	0.49	4.46	8.28
12/31/2009	3.72	22.10	-0.23	3.29	8.14
09/30/2009	12.31	1.64	0.24	4.04	8.03
06/30/2009	12.71	-15.67	-2.50	1.60	7.41
03/31/2009	-7.00	-25.49	-6.77	-0.75	6.75
12/31/2008	-13.66	-24.03	-3.20	1.30	7.33
09/30/2008	-6.81	-12.83	2.28	6.06	8.44
06/30/2008	-0.42	-4.68	5.79	8.26	9.06
03/31/2008	-5.18	-0.61	6.79	10.78	9.24
12/31/2007	-0.94	7.05	8.22	11.45	9.78
09/30/2007	1.90	13.68	11.22	12.81	10.02
06/30/2007	3.84	15.29	10.44	10.04	10.06
03/31/2007	2.13	9.43	9.16	7.90	9.95

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



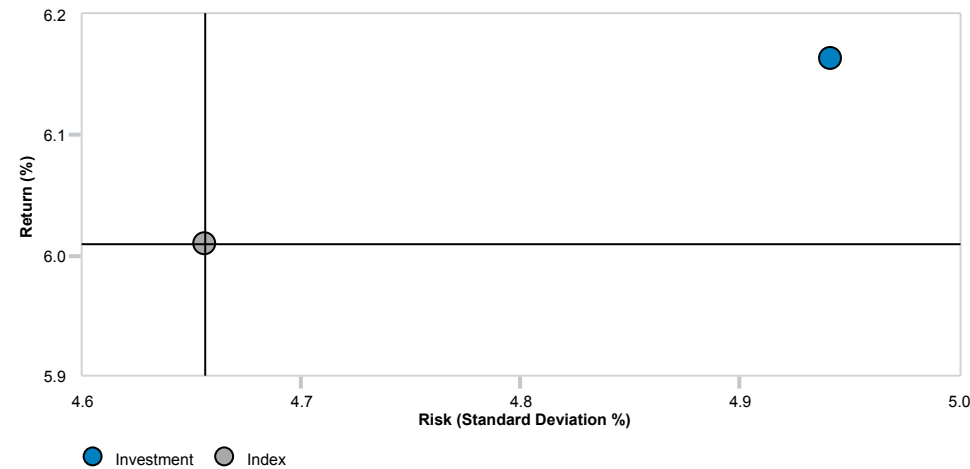
### Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	6.16	4.94	1.22	102.78	10.00	103.02	2.00
Index	6.01	4.66	1.26	100.00	9.00	100.00	3.00

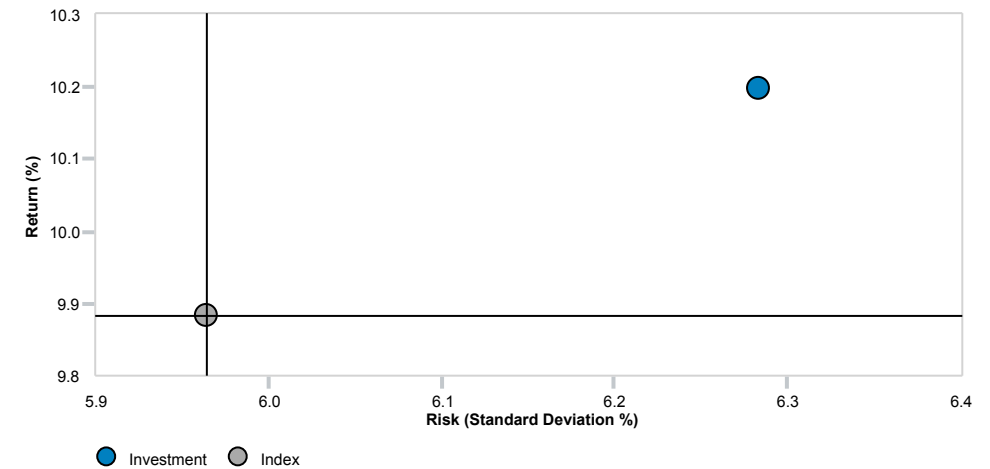
### Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	10.20	6.28	1.58	103.49	17.00	105.15	3.00
Index	9.88	5.96	1.61	100.00	16.00	100.00	4.00

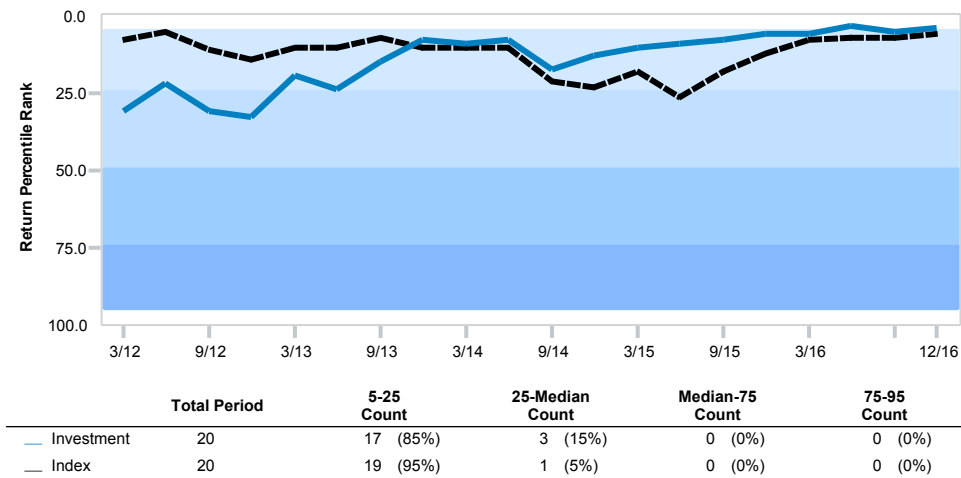
### Risk and Return 3 Years



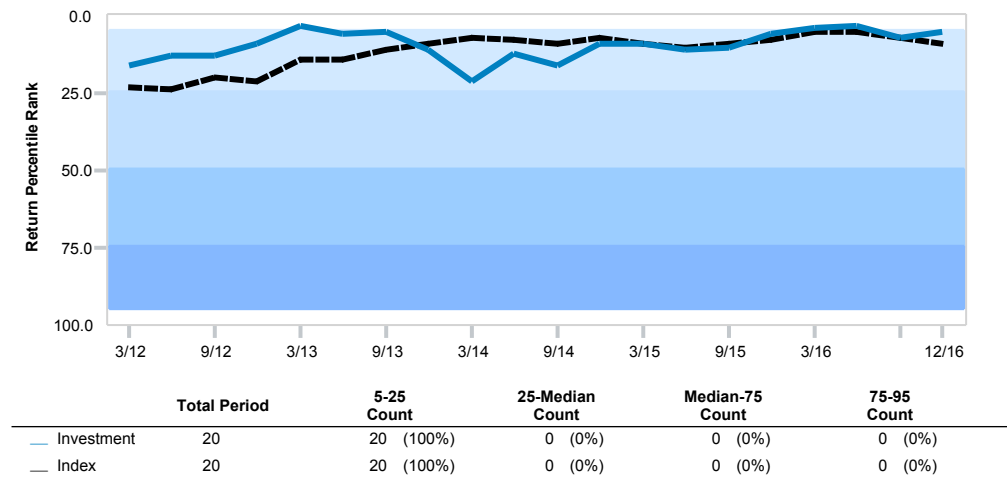
### Risk and Return 5 Years



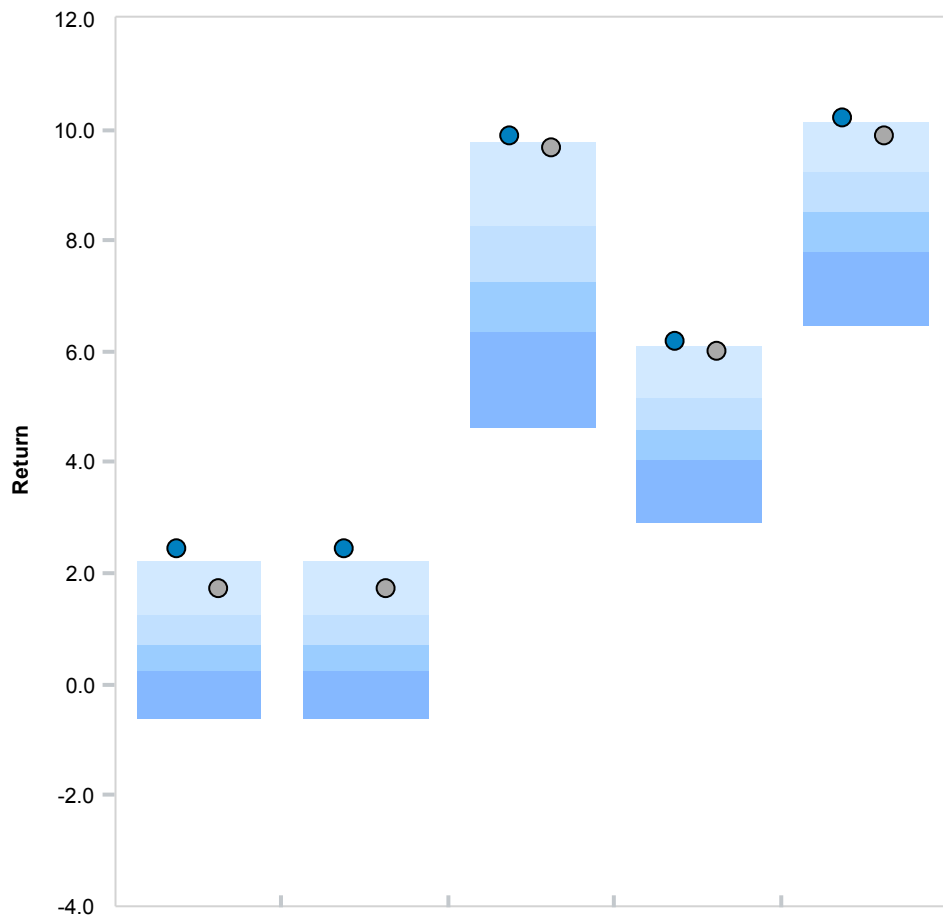
### 3 Year Rolling Percentile Rank All Public Plans-Total Fund



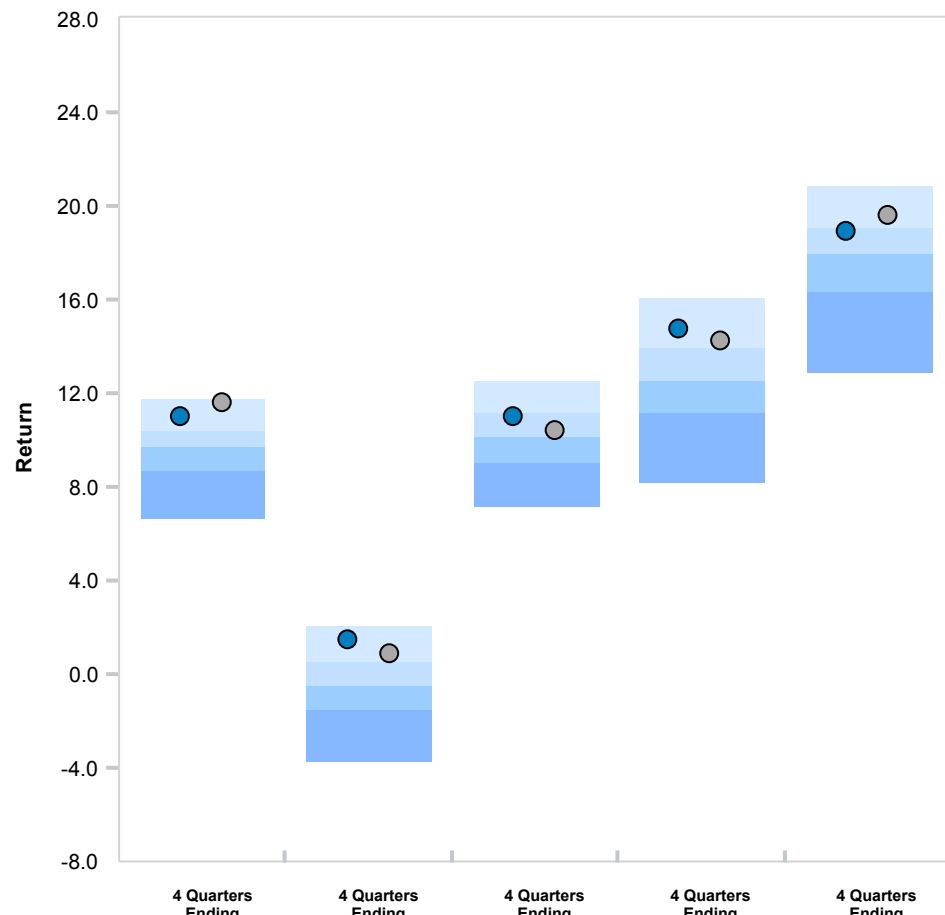
### 5 Year Rolling Percentile Rank All Public Plans-Total Fund



**Peer Group Analysis - All Public Plans-Total Fund**



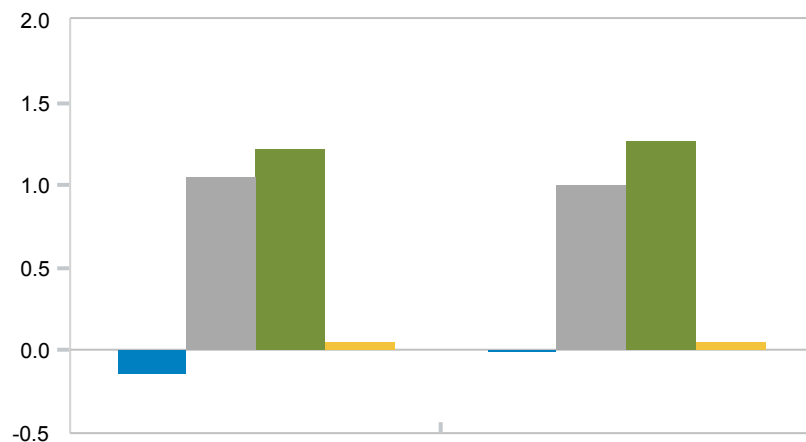
**Peer Group Analysis - All Public Plans-Total Fund**



**Comparative Performance**

	1 Qtr Ending Sep-2016	1 Qtr Ending Jun-2016	1 Qtr Ending Mar-2016	1 Qtr Ending Dec-2015	1 Qtr Ending Sep-2015	1 Qtr Ending Jun-2015
Investment	3.11 (66)	2.12 (35)	1.89 (11)	3.42 (23)	-5.13 (54)	0.06 (38)
Index	3.44 (50)	2.14 (34)	2.03 (9)	3.54 (17)	-4.45 (27)	-0.41 (69)
Median	3.43	1.91	1.04	2.88	-5.04	-0.11

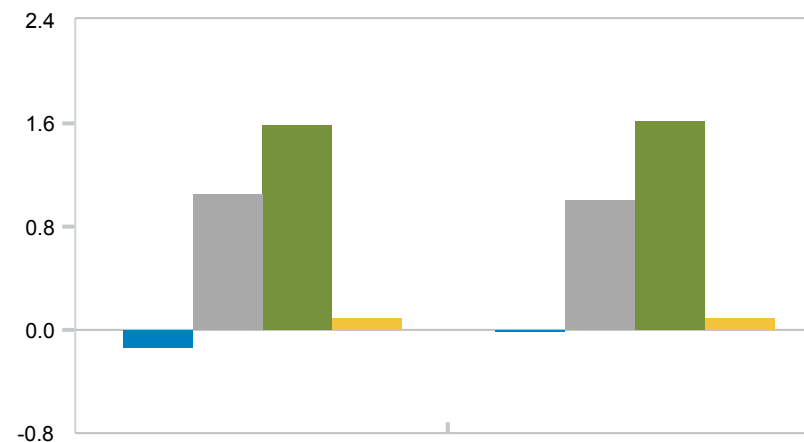
## Risk / Reward Historical Statistics 3 Years Ending December 31, 2016



	Total Fund Composite	Total Fund Policy Index
Alpha	-0.14	0.00
Beta	1.05	1.00
Sharpe Ratio	1.22	1.26
Treynor Ratio	0.06	0.06

■ Alpha  
■ Beta  
■ Sharpe Ratio  
■ Treynor Ratio

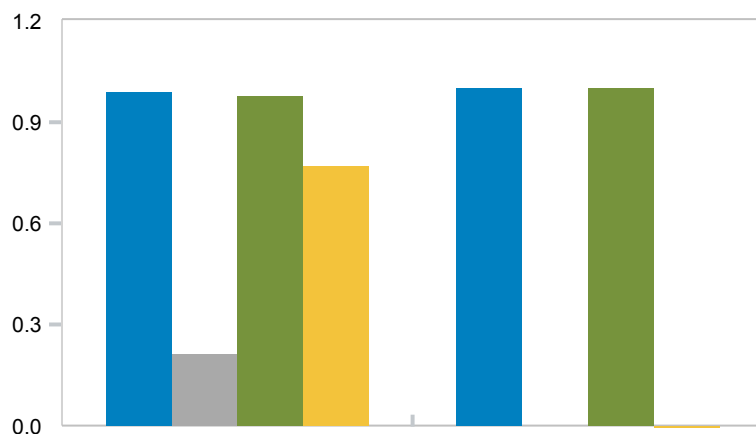
## Risk / Reward Historical Statistics 5 Years Ending December 31, 2016



	Total Fund Composite	Total Fund Policy Index
Alpha	-0.14	0.00
Beta	1.05	1.00
Sharpe Ratio	1.58	1.61
Treynor Ratio	0.09	0.10

■ Alpha  
■ Beta  
■ Sharpe Ratio  
■ Treynor Ratio

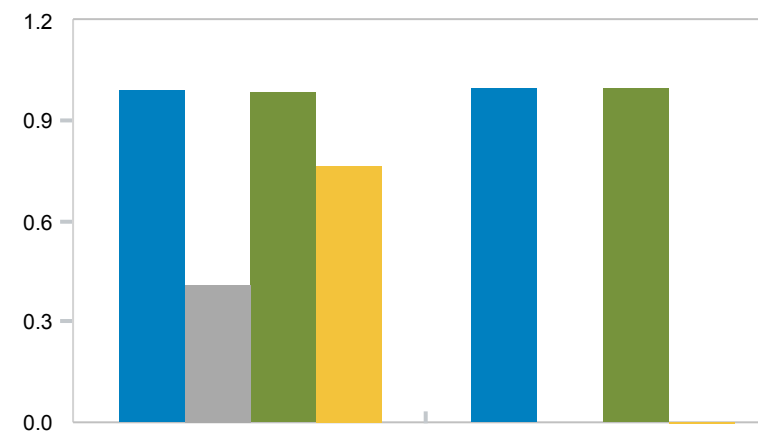
## Benchmark Relative Historical Statistics 3 Years Ending December 31, 2016



	Total Fund Composite	Total Fund Policy Index
Actual Correlation	0.99	1.00
Information Ratio	0.21	N/A
R-Squared	0.98	1.00
Tracking Error	0.77	0.00

■ Actual Correlation  
■ Information Ratio  
■ R-Squared  
■ Tracking Error

## Benchmark Relative Historical Statistics 5 Years Ending December 31, 2016



	Total Fund Composite	Total Fund Policy Index
Actual Correlation	0.99	1.00
Information Ratio	0.41	N/A
R-Squared	0.99	1.00
Tracking Error	0.77	0.00

■ Actual Correlation  
■ Information Ratio  
■ R-Squared  
■ Tracking Error

Benchmark: Total Fund Policy Index





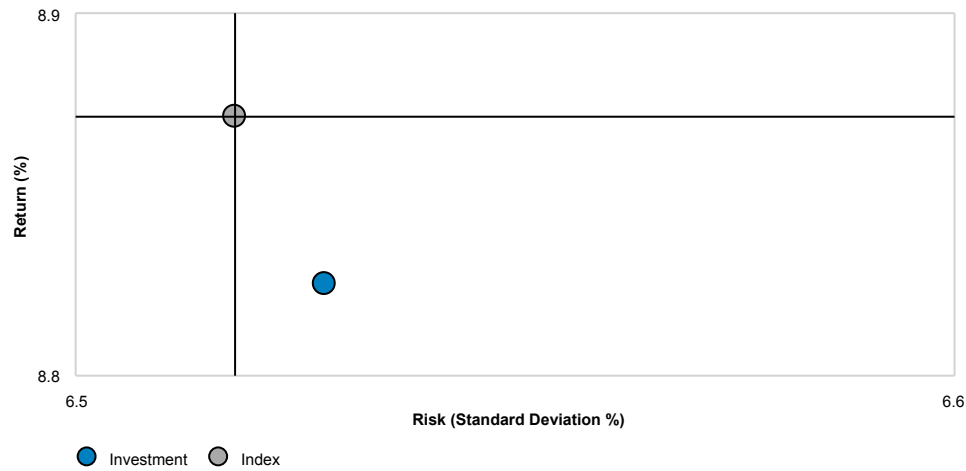
### Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	8.83	6.53	1.33	99.70	11.00	100.49	1.00
Index	8.87	6.52	1.33	100.00	11.00	100.00	1.00

### Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	14.61	8.89	1.59	99.73	17.00	100.03	3.00
Index	14.66	8.89	1.60	100.00	17.00	100.00	3.00

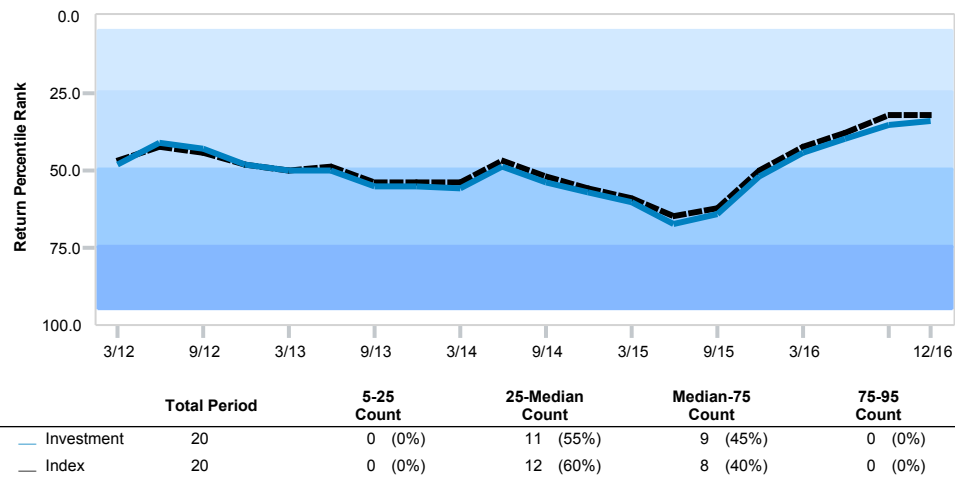
### Risk and Return 3 Years



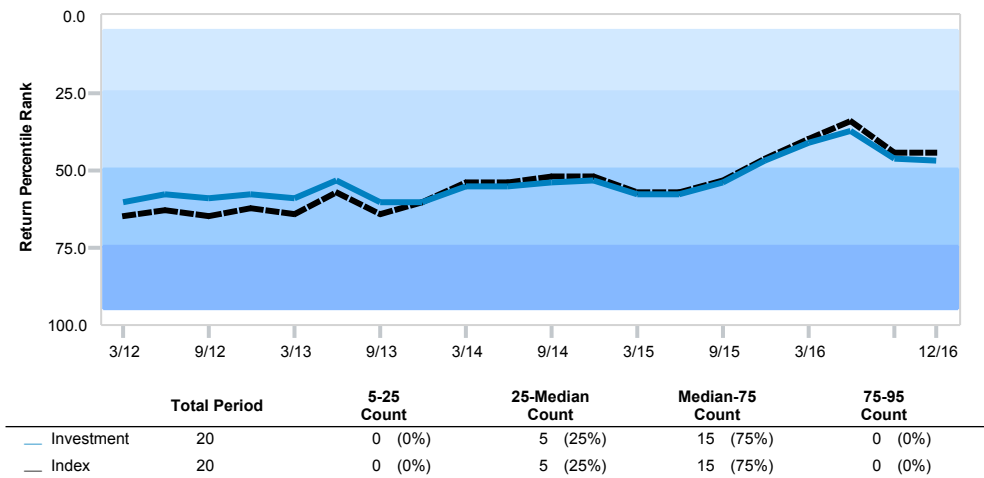
### Risk and Return 5 Years



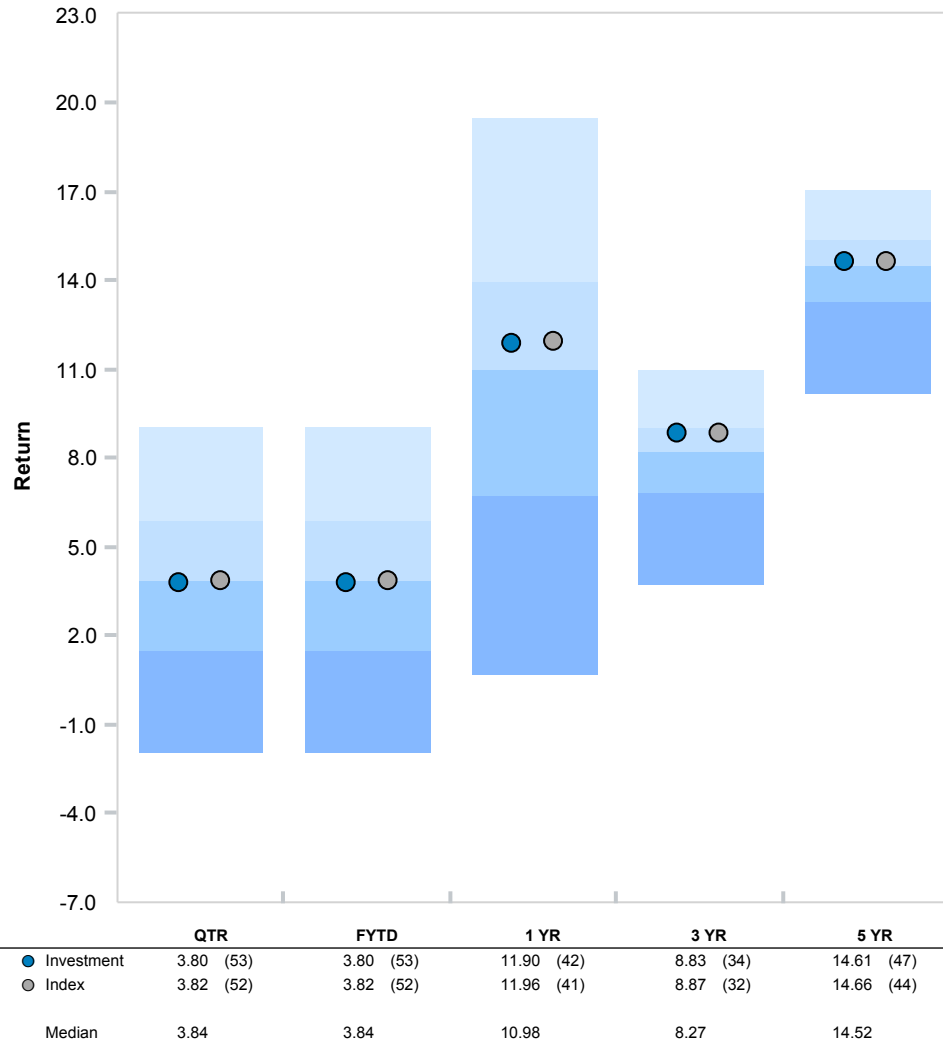
### 3 Year Rolling Percentile Rank IM U.S. Large Cap Equity (SA+CF)



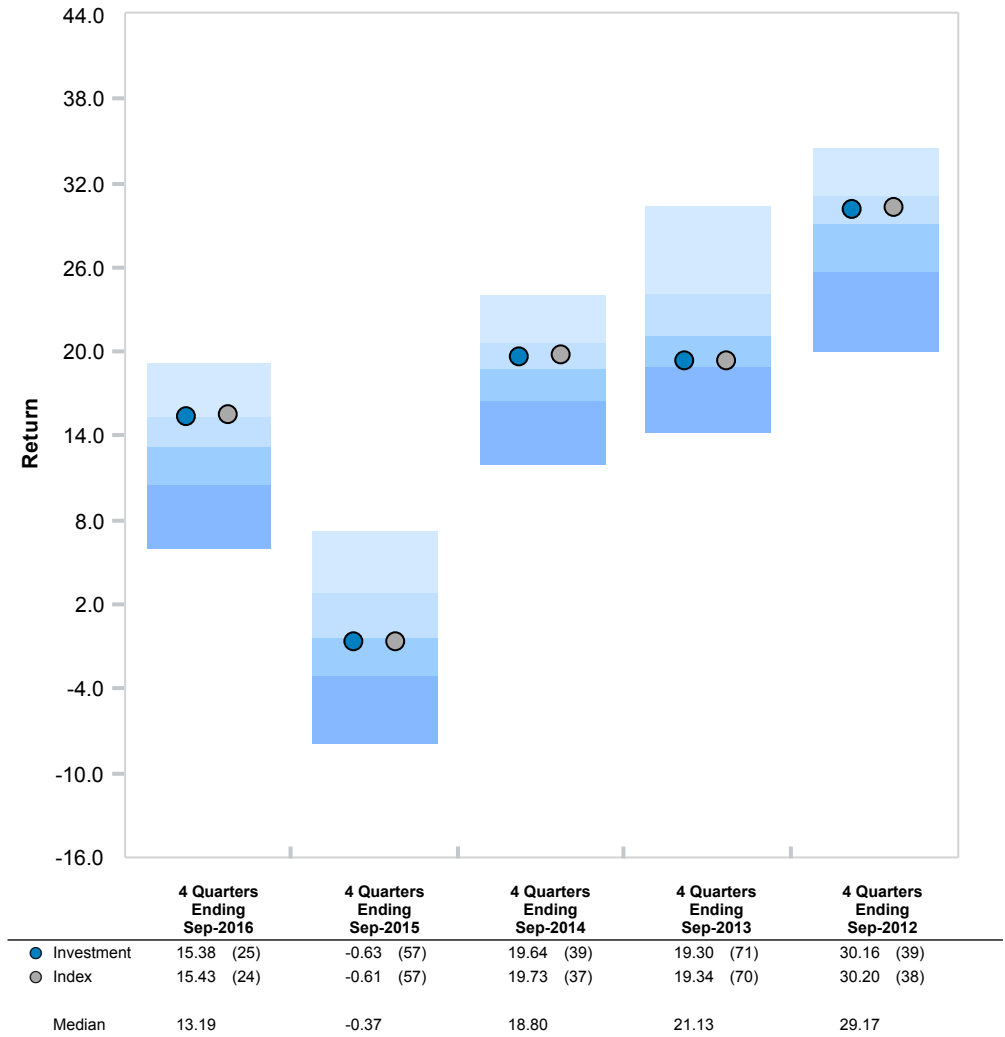
### 5 Year Rolling Percentile Rank IM U.S. Large Cap Equity (SA+CF)



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



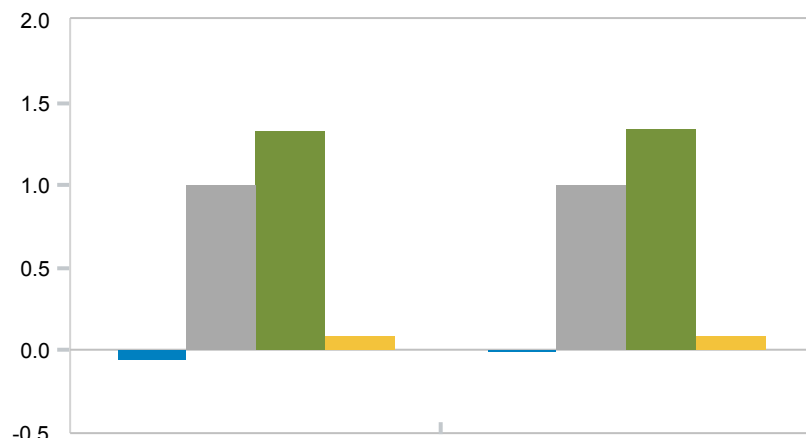
**Peer Group Analysis - IM U.S. Large Cap Equity (SA+CF)**



**Comparative Performance**

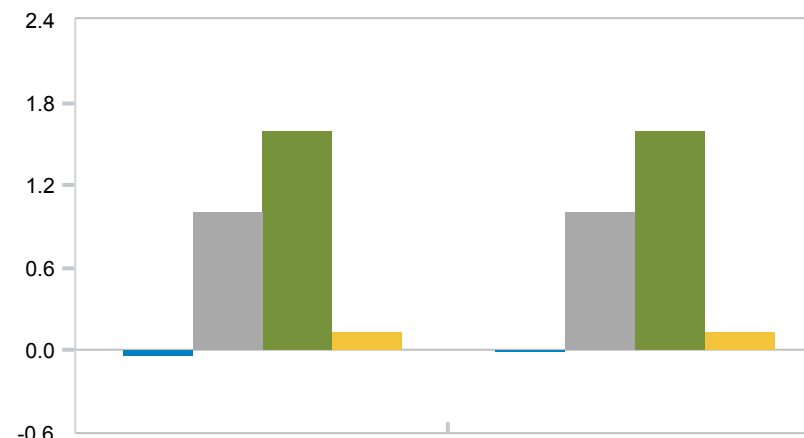
	1 Qtr Ending Sep-2016	1 Qtr Ending Jun-2016	1 Qtr Ending Mar-2016	1 Qtr Ending Dec-2015	1 Qtr Ending Sep-2015	1 Qtr Ending Jun-2015
Investment	3.86 (62)	2.41 (40)	1.35 (30)	7.03 (30)	-6.47 (43)	0.27 (50)
Index	3.85 (63)	2.46 (38)	1.35 (31)	7.04 (29)	-6.44 (43)	0.28 (49)
Median	4.33	1.89	0.46	6.16	-6.79	0.27

Risk / Reward Historical Statistics 3 Years Ending December 31, 2016



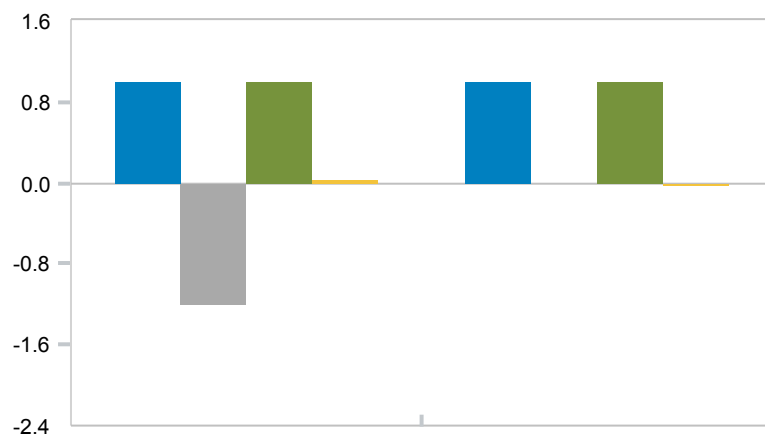
	Rhumblin S&P 500 Equity	S&P 500 Index
Alpha	-0.06	0.00
Beta	1.00	1.00
Sharpe Ratio	1.33	1.33
Treynor Ratio	0.09	0.09

Risk / Reward Historical Statistics 5 Years Ending December 31, 2016



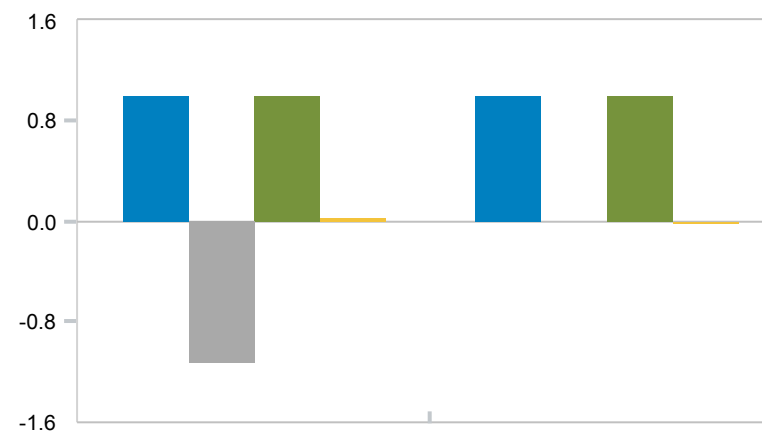
	Rhumblin S&P 500 Equity	S&P 500 Index
Alpha	-0.04	0.00
Beta	1.00	1.00
Sharpe Ratio	1.59	1.60
Treynor Ratio	0.14	0.14

Benchmark Relative Historical Statistics 3 Years Ending December 31, 2016



	Rhumblin S&P 500 Equity	S&P 500 Index
Actual Correlation	1.00	1.00
Information Ratio	-1.20	N/A
R-Squared	1.00	1.00
Tracking Error	0.04	0.00

Benchmark Relative Historical Statistics 5 Years Ending December 31, 2016



	Rhumblin S&P 500 Equity	S&P 500 Index
Actual Correlation	1.00	1.00
Information Ratio	-1.12	N/A
R-Squared	1.00	1.00
Tracking Error	0.04	0.00

Benchmark: S&P 500 Index



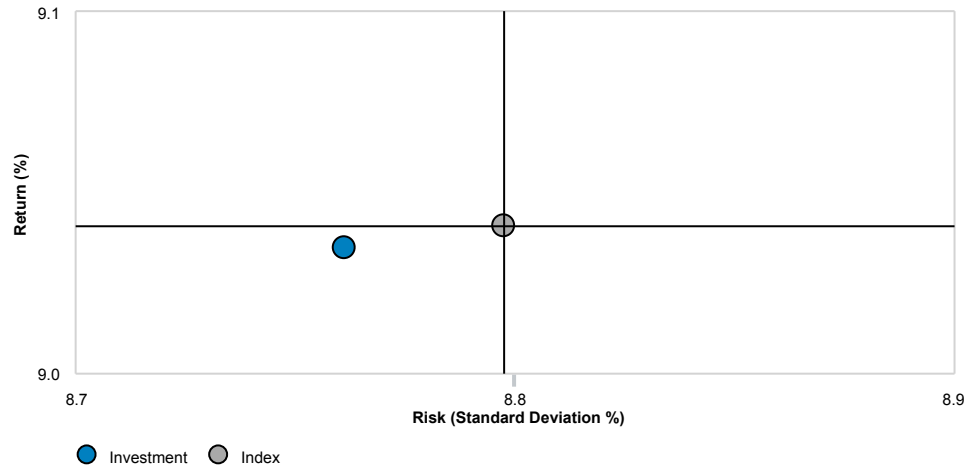
### Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	9.03	8.76	1.03	99.76	9.00	99.48	3.00
Index	9.04	8.80	1.03	100.00	9.00	100.00	3.00

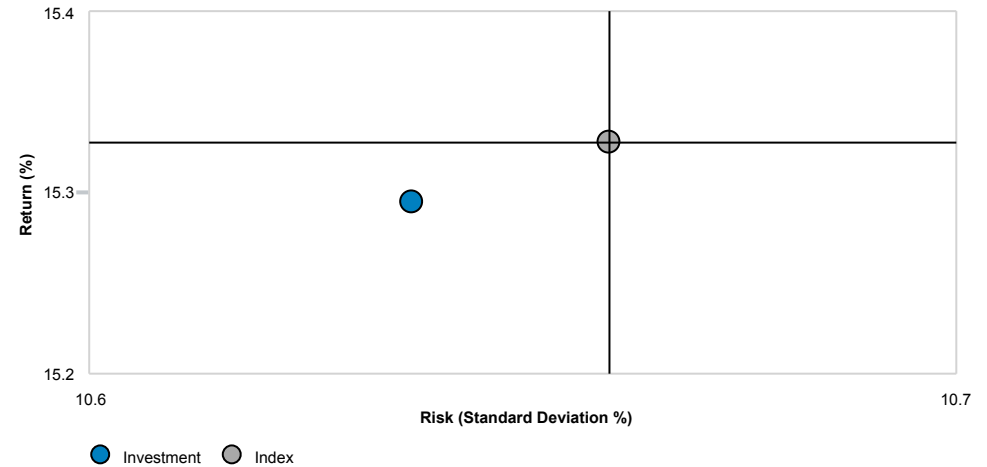
### Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	15.30	10.64	1.41	99.72	16.00	99.46	4.00
Index	15.33	10.66	1.41	100.00	16.00	100.00	4.00

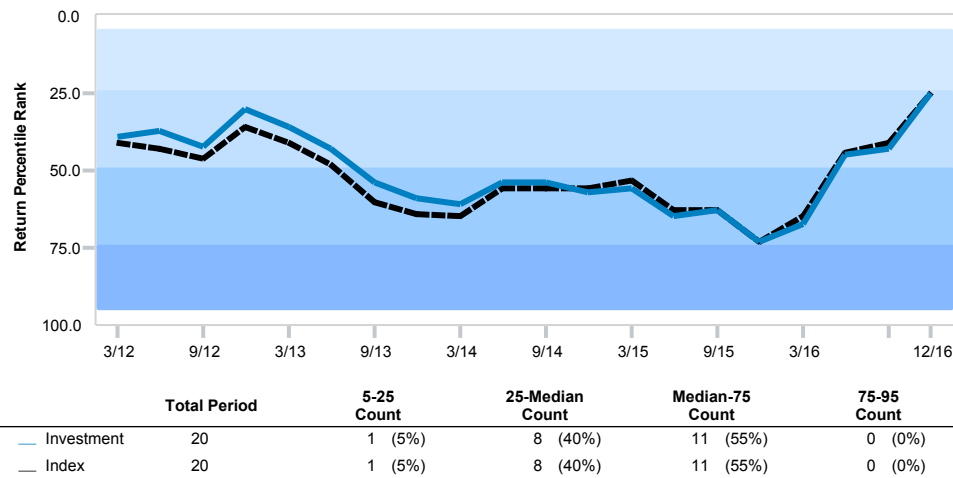
### Risk and Return 3 Years



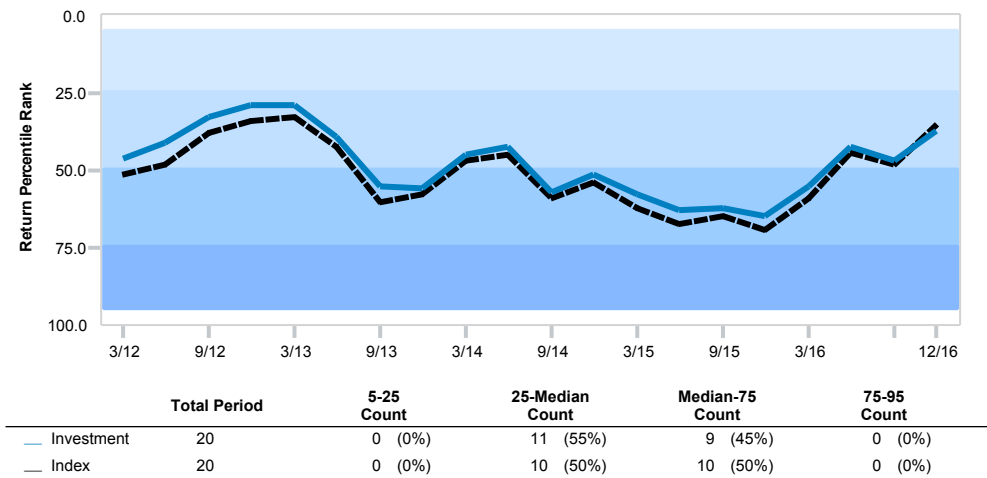
### Risk and Return 5 Years



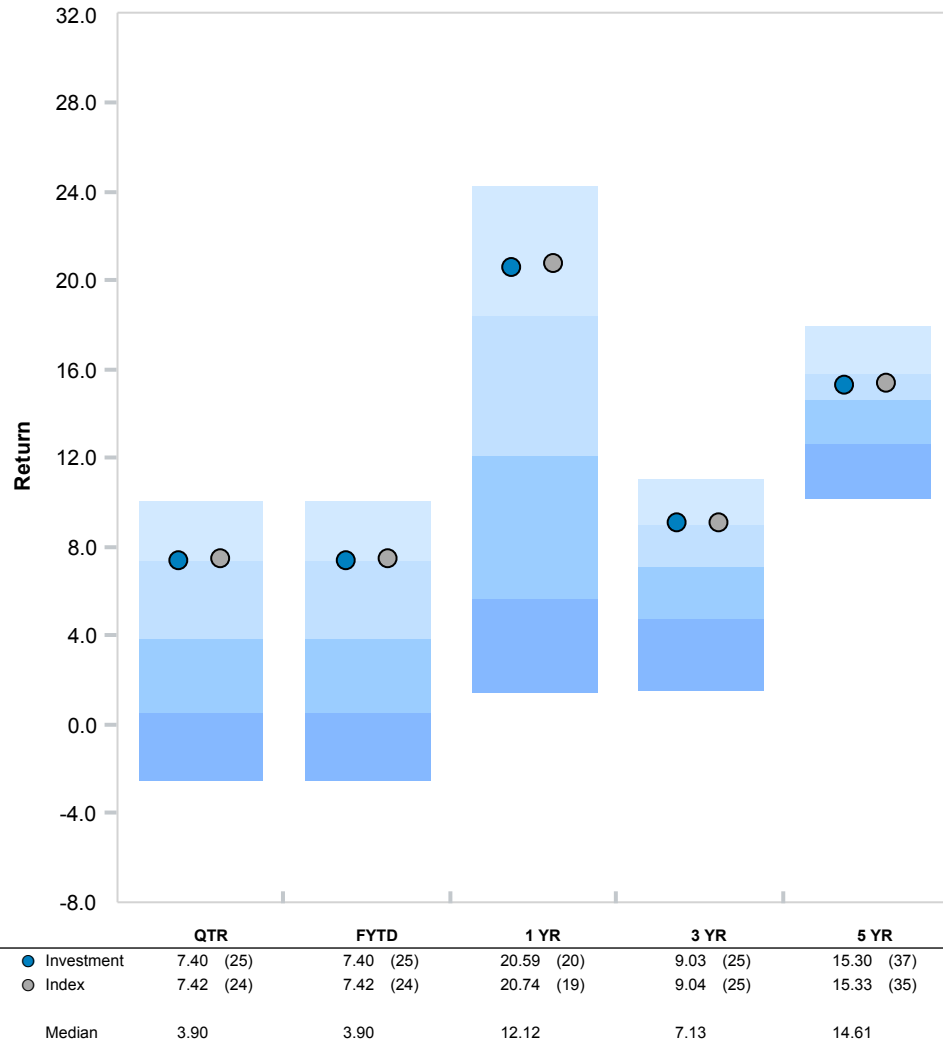
### 3 Year Rolling Percentile Rank IM U.S. Mid Cap Equity (SA+CF)



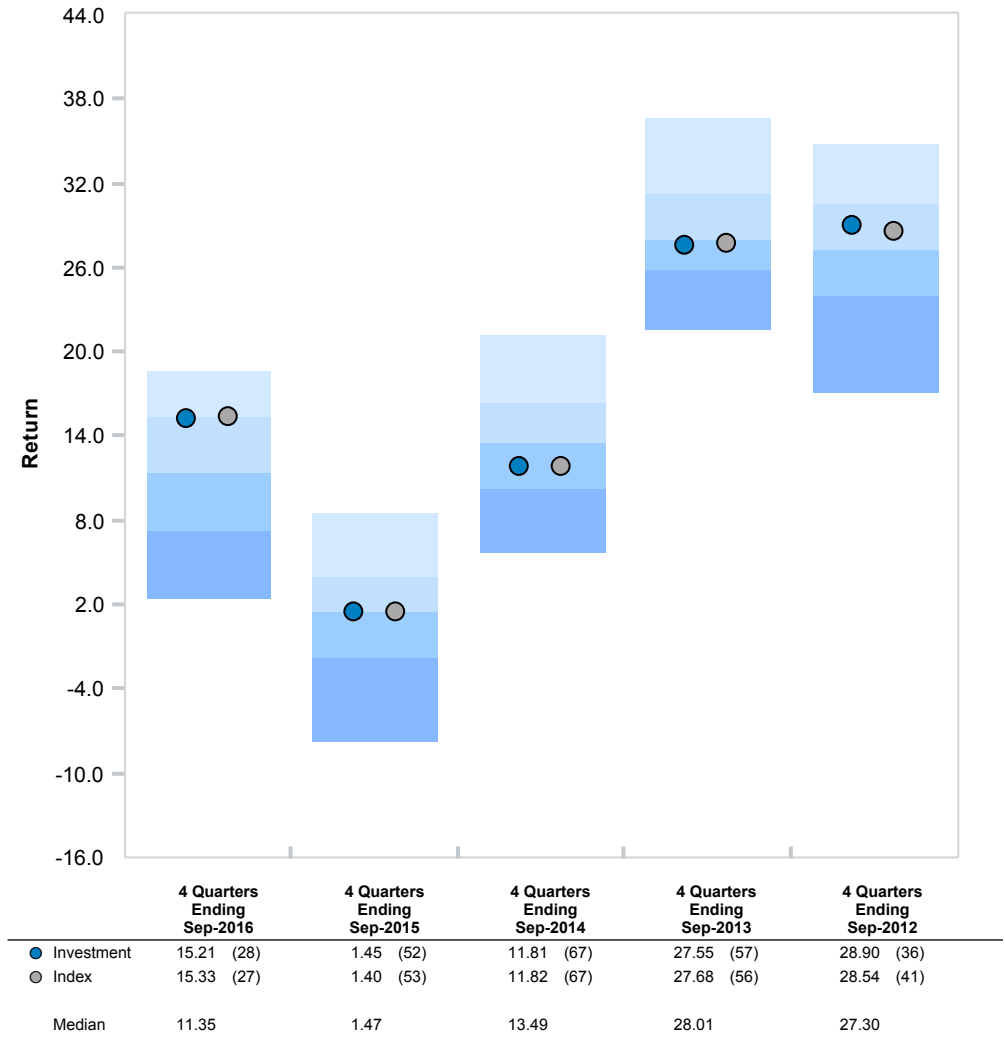
### 5 Year Rolling Percentile Rank IM U.S. Mid Cap Equity (SA+CF)



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



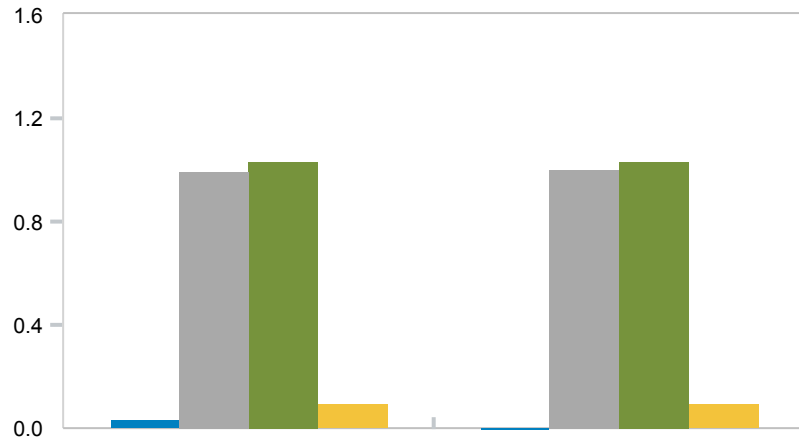
**Peer Group Analysis - IM U.S. Mid Cap Equity (SA+CF)**



**Comparative Performance**

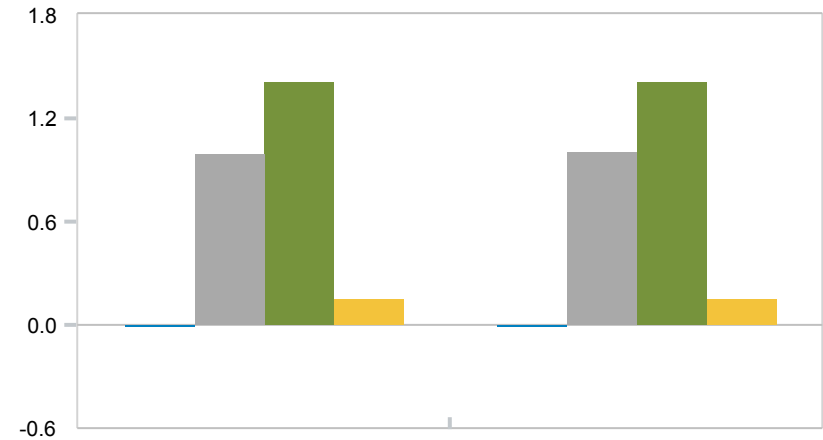
	1 Qtr Ending Sep-2016	1 Qtr Ending Jun-2016	1 Qtr Ending Mar-2016	1 Qtr Ending Dec-2015	1 Qtr Ending Sep-2015	1 Qtr Ending Jun-2015
Investment	4.13 (69)	3.96 (20)	3.72 (18)	2.61 (66)	-8.44 (49)	-1.05 (67)
Index	4.14 (67)	3.99 (19)	3.78 (16)	2.60 (66)	-8.50 (53)	-1.06 (69)
Median	4.77	2.42	0.66	3.25	-8.48	-0.38

Risk / Reward Historical Statistics 3 Years Ending December 31, 2016



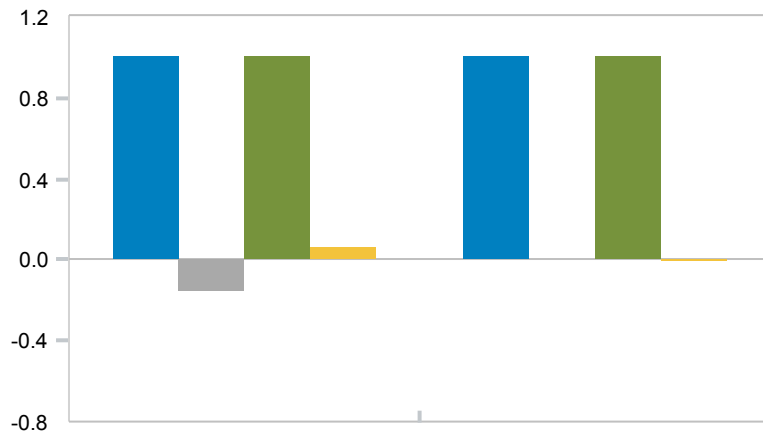
	Rhumblin S&P 400 Equity	S&P MidCap 400 Index
Alpha	0.03	0.00
Beta	1.00	1.00
Sharpe Ratio	1.03	1.03
Treynor Ratio	0.09	0.09

Risk / Reward Historical Statistics 5 Years Ending December 31, 2016



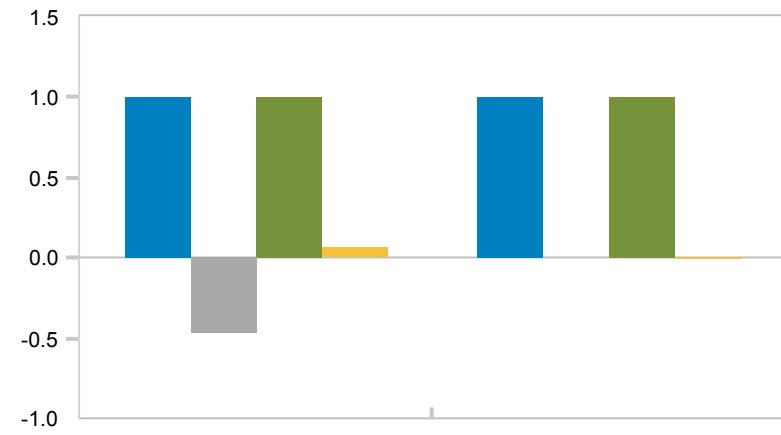
	Rhumblin S&P 400 Equity	S&P MidCap 400 Index
Alpha	0.00	0.00
Beta	1.00	1.00
Sharpe Ratio	1.41	1.41
Treynor Ratio	0.15	0.15

Benchmark Relative Historical Statistics 3 Years Ending December 31, 2016



	Rhumblin S&P 400 Equity	S&P MidCap 400 Index
Actual Correlation	1.00	1.00
Information Ratio	-0.15	N/A
R-Squared	1.00	1.00
Tracking Error	0.06	0.00

Benchmark Relative Historical Statistics 5 Years Ending December 31, 2016



	Rhumblin S&P 400 Equity	S&P MidCap 400 Index
Actual Correlation	1.00	1.00
Information Ratio	-0.47	N/A
R-Squared	1.00	1.00
Tracking Error	0.07	0.00

Benchmark: S&P MidCap 400 Index



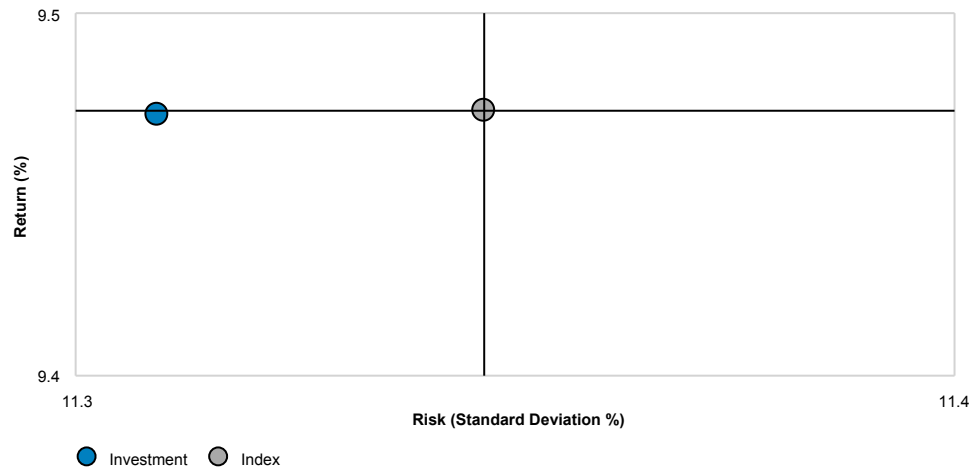
### Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	9.47	11.31	0.86	99.80	10.00	99.52	2.00
Index	9.47	11.35	0.86	100.00	10.00	100.00	2.00

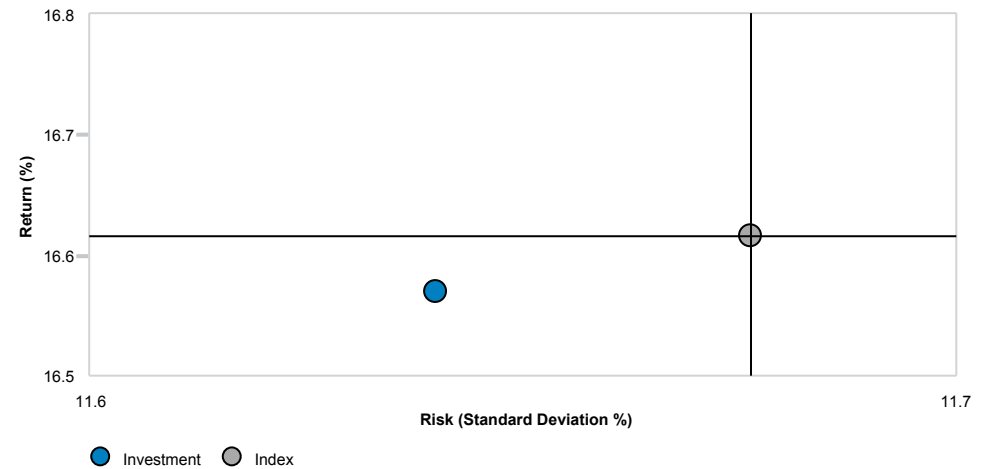
### Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	16.57	11.64	1.39	99.72	17.00	99.71	3.00
Index	16.62	11.68	1.39	100.00	17.00	100.00	3.00

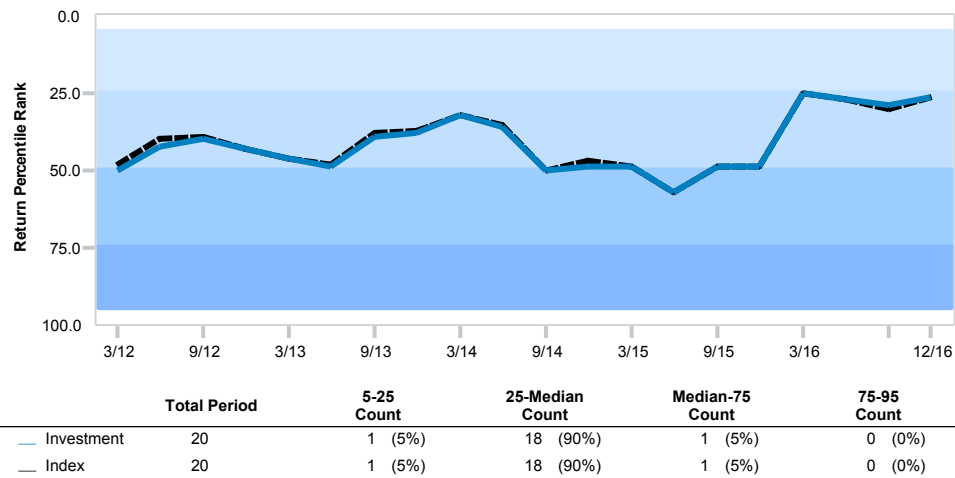
### Risk and Return 3 Years



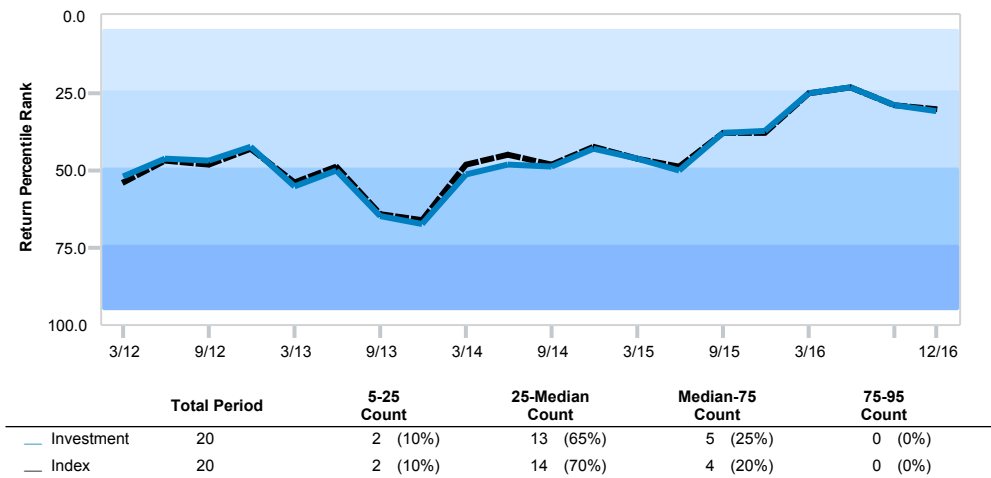
### Risk and Return 5 Years



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

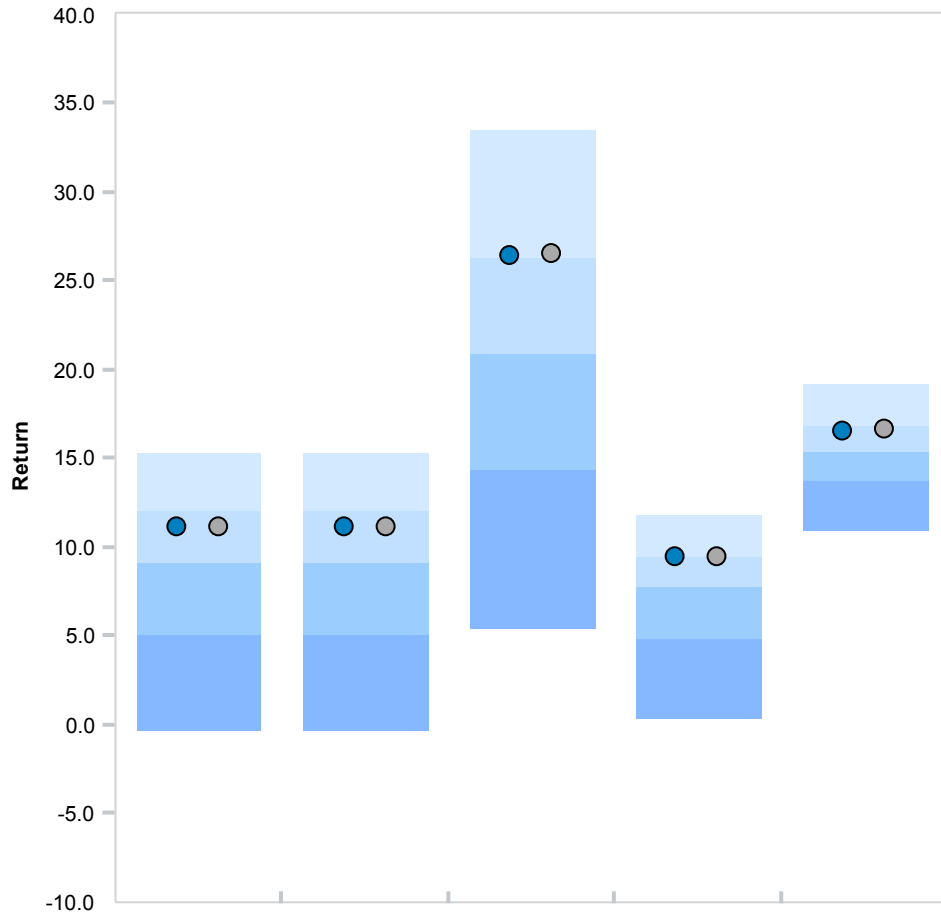


### 5 Year Rolling Percentile Rank IM U.S. Small Cap Equity (SA+CF)



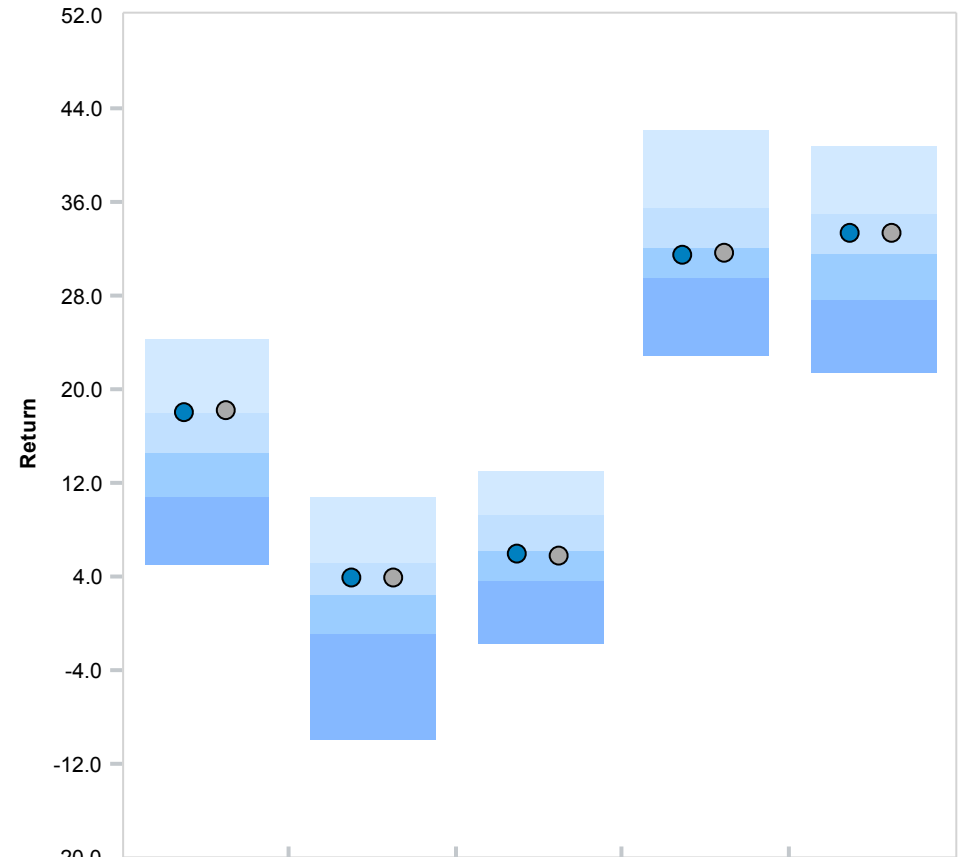


**Peer Group Analysis - IM U.S. Small Cap Equity (SA+CF)**



	QTR	FYTD	1 YR	3 YR	5 YR
Investment	11.11 (34)	11.11 (34)	26.41 (25)	9.47 (26)	16.57 (31)
Index	11.13 (33)	11.13 (33)	26.56 (24)	9.47 (26)	16.62 (30)
Median	9.08	9.08	20.87	7.78	15.45

**Peer Group Analysis - IM U.S. Small Cap Equity (SA+CF)**

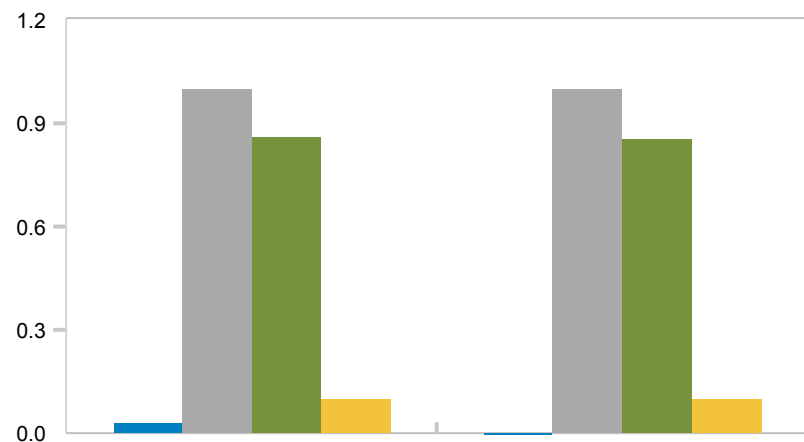


	4 Quarters Ending Sep-2016	4 Quarters Ending Sep-2015	4 Quarters Ending Sep-2014	4 Quarters Ending Sep-2013	4 Quarters Ending Sep-2012
Investment	18.00 (26)	3.90 (36)	5.79 (54)	31.40 (56)	33.27 (36)
Index	18.12 (24)	3.81 (37)	5.74 (55)	31.51 (55)	33.35 (36)
Median	14.58	2.40	6.13	32.17	31.60

**Comparative Performance**

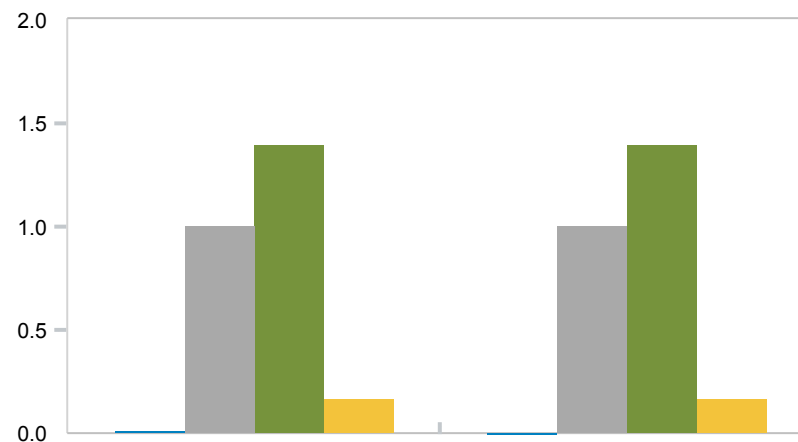
	1 Qtr Ending Sep-2016	1 Qtr Ending Jun-2016	1 Qtr Ending Mar-2016	1 Qtr Ending Dec-2015	1 Qtr Ending Sep-2015	1 Qtr Ending Jun-2015
Investment	7.19 (61)	3.46 (46)	2.59 (23)	3.72 (36)	-9.22 (33)	0.22 (59)
Index	7.20 (61)	3.48 (45)	2.66 (22)	3.72 (36)	-9.27 (34)	0.19 (60)
Median	7.73	3.24	-0.05	3.10	-10.27	0.54

Risk / Reward Historical Statistics 3 Years Ending December 31, 2016



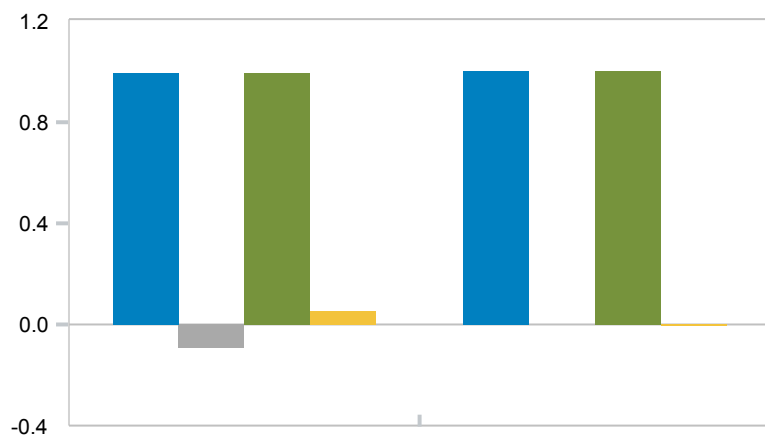
Alpha	0.03	0.00
Beta	1.00	1.00
Sharpe Ratio	0.86	0.86
Treynor Ratio	0.10	0.10

Risk / Reward Historical Statistics 5 Years Ending December 31, 2016



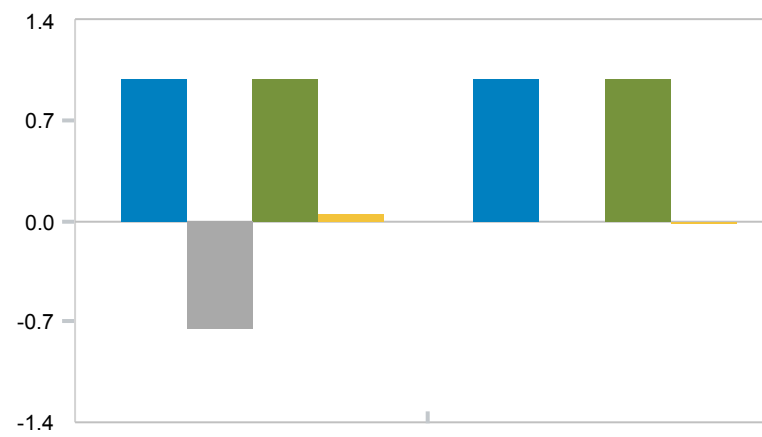
Alpha	0.01	0.00
Beta	1.00	1.00
Sharpe Ratio	1.39	1.39
Treynor Ratio	0.16	0.16

Benchmark Relative Historical Statistics 3 Years Ending December 31, 2016



Actual Correlation	1.00	1.00
Information Ratio	-0.10	N/A
R-Squared	1.00	1.00
Tracking Error	0.06	0.00

Benchmark Relative Historical Statistics 5 Years Ending December 31, 2016



Actual Correlation	1.00	1.00
Information Ratio	-0.74	N/A
R-Squared	1.00	1.00
Tracking Error	0.06	0.00

Benchmark: S&P SmallCap 600



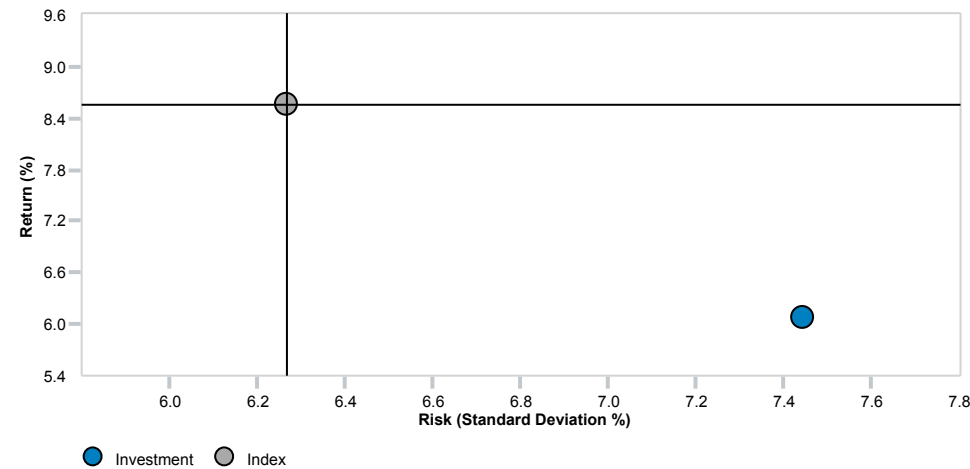
### Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	6.07	7.45	0.82	85.44	8.00	143.85	4.00
Index	8.55	6.27	1.33	100.00	11.00	100.00	1.00

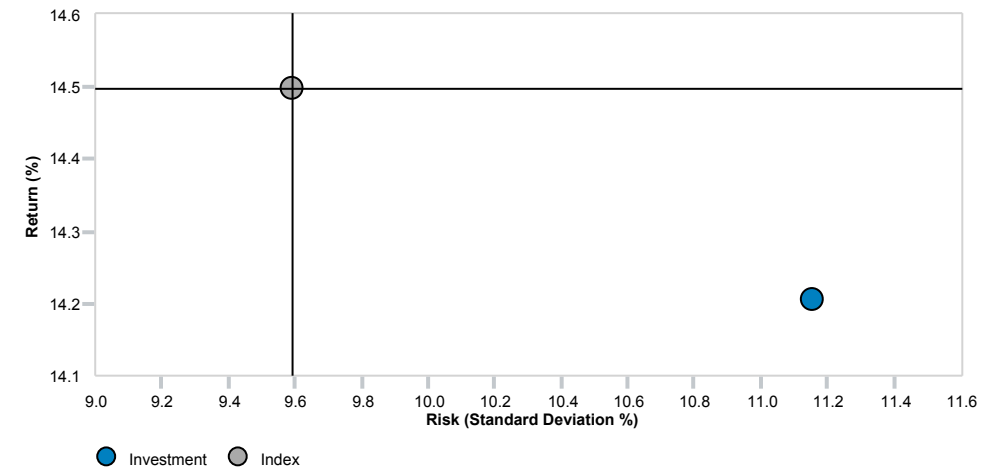
### Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	14.21	11.16	1.26	99.43	15.00	100.64	5.00
Index	14.50	9.60	1.47	100.00	17.00	100.00	3.00

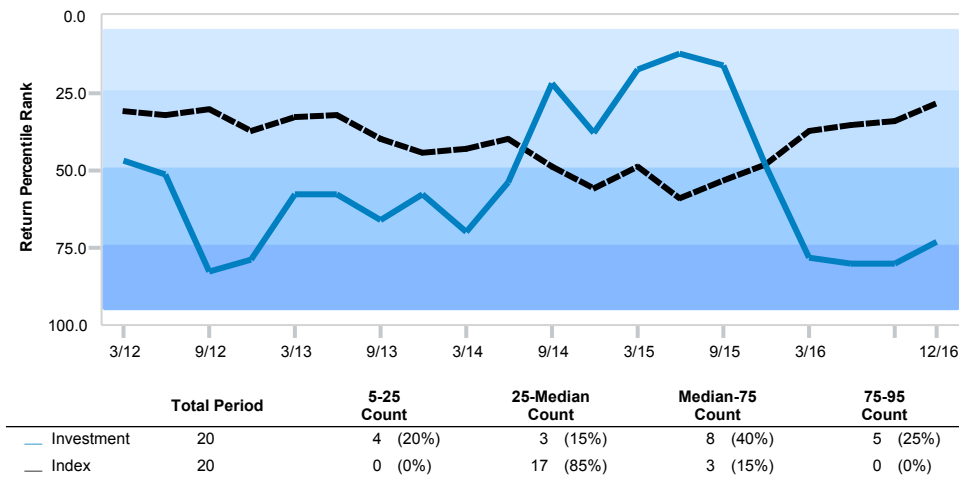
### Risk and Return 3 Years



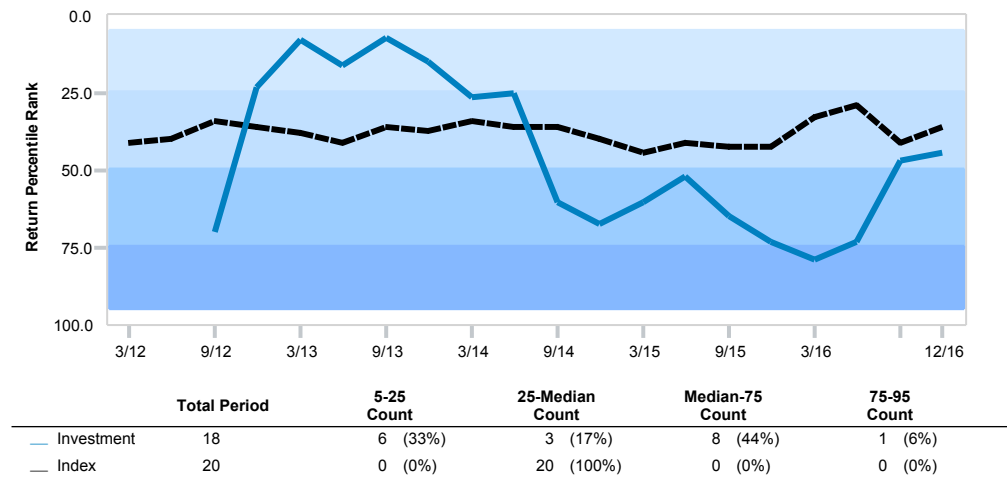
### Risk and Return 5 Years



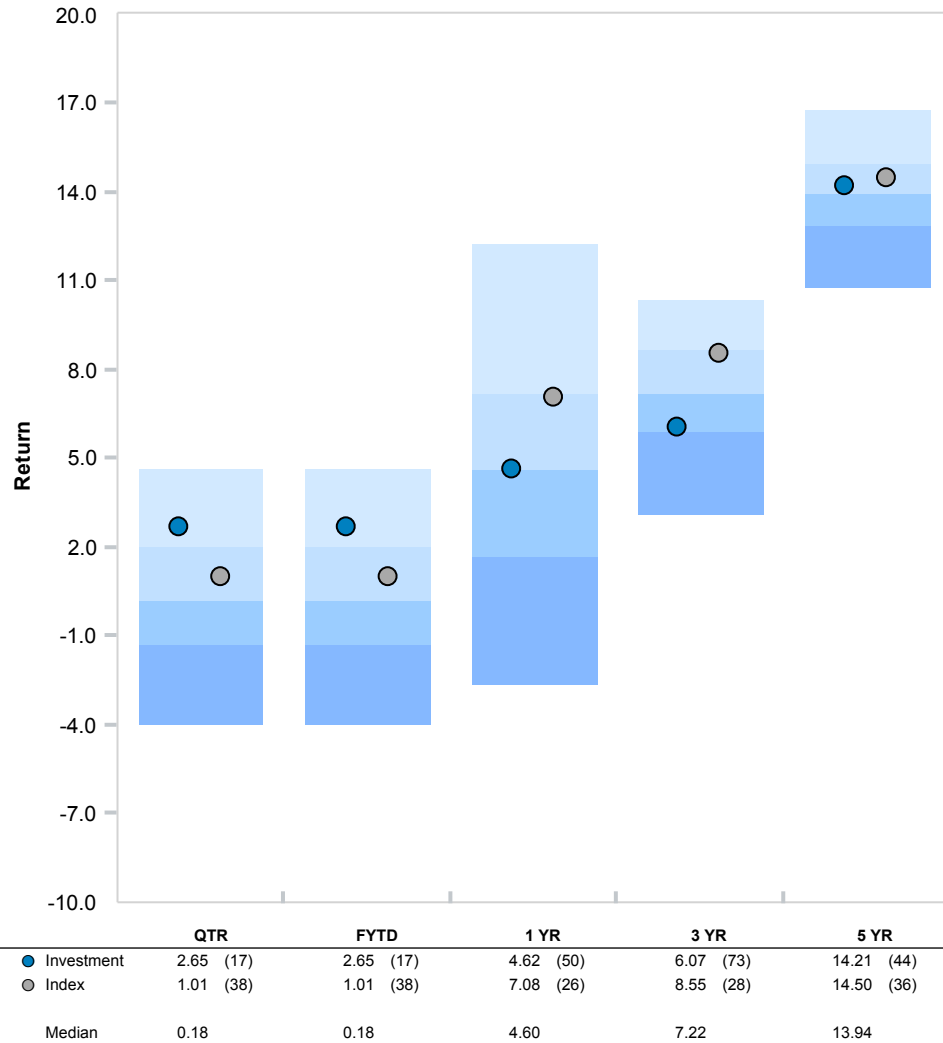
### 3 Year Rolling Percentile Rank IM U.S. Large Cap Growth Equity (SA+CF)



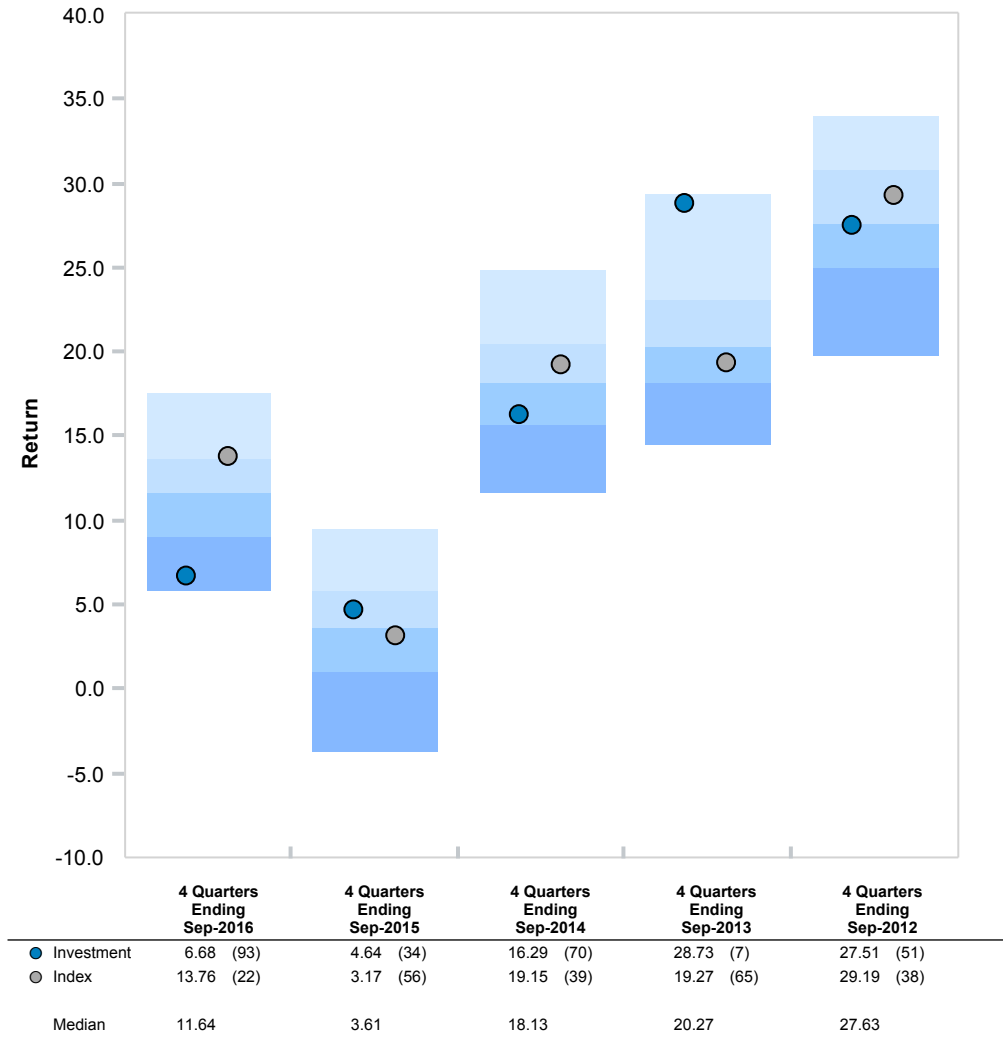
### 5 Year Rolling Percentile Rank IM U.S. Large Cap Growth Equity (SA+CF)



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



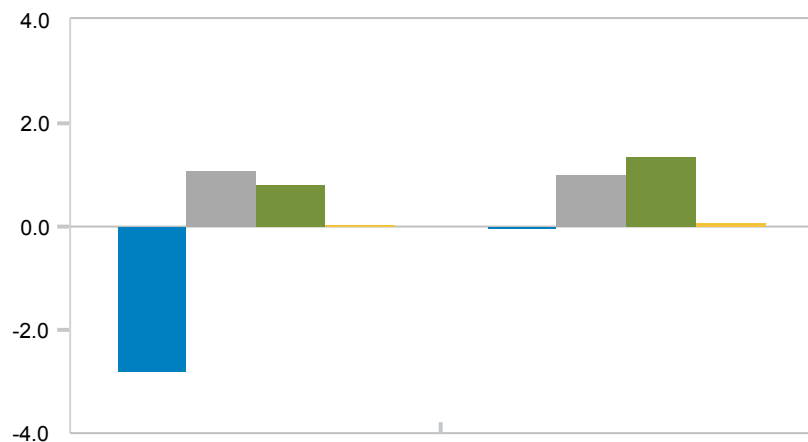
**Peer Group Analysis - IM U.S. Large Cap Growth Equity (SA+CF)**



**Comparative Performance**

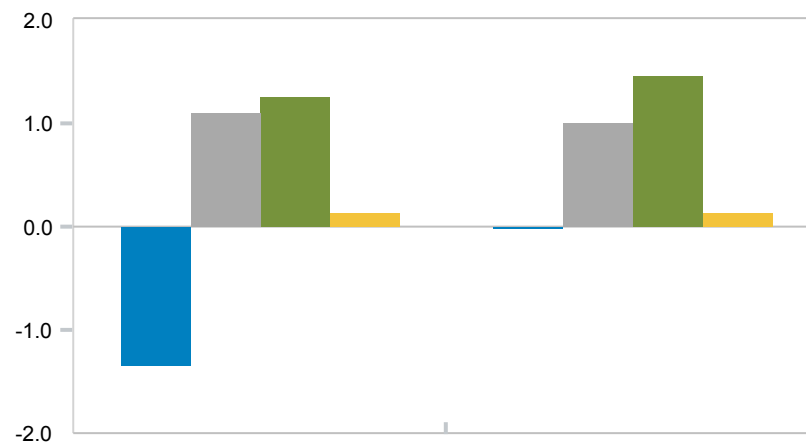
	1 Qtr Ending Sep-2016	1 Qtr Ending Jun-2016	1 Qtr Ending Mar-2016	1 Qtr Ending Dec-2015	1 Qtr Ending Sep-2015	1 Qtr Ending Jun-2015
Investment	4.20 (71)	-0.43 (75)	-1.76 (55)	4.68 (87)	-7.61 (81)	1.66 (20)
Index	4.58 (61)	0.61 (50)	0.74 (22)	7.32 (47)	-5.29 (34)	0.12 (67)
Median	5.16	0.60	-1.55	7.05	-5.94	0.60

Risk / Reward Historical Statistics 3 Years Ending December 31, 2016



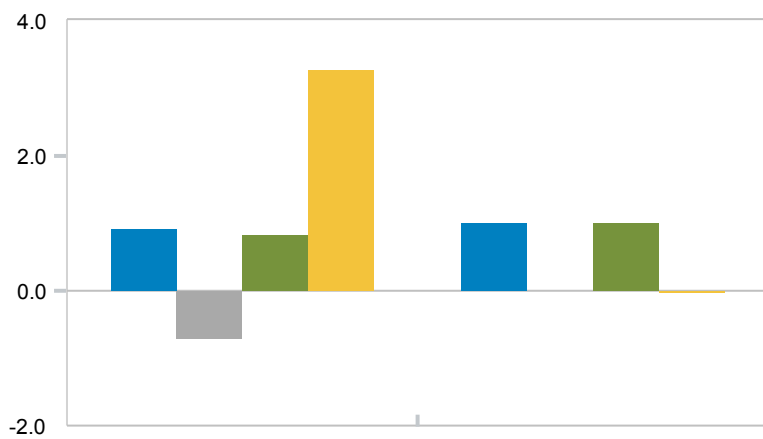
	Highland Capital Equity	Russell 1000 Growth Index
Alpha	-2.83	0.00
Beta	1.07	1.00
Sharpe Ratio	0.82	1.33
Treynor Ratio	0.06	0.08

Risk / Reward Historical Statistics 5 Years Ending December 31, 2016



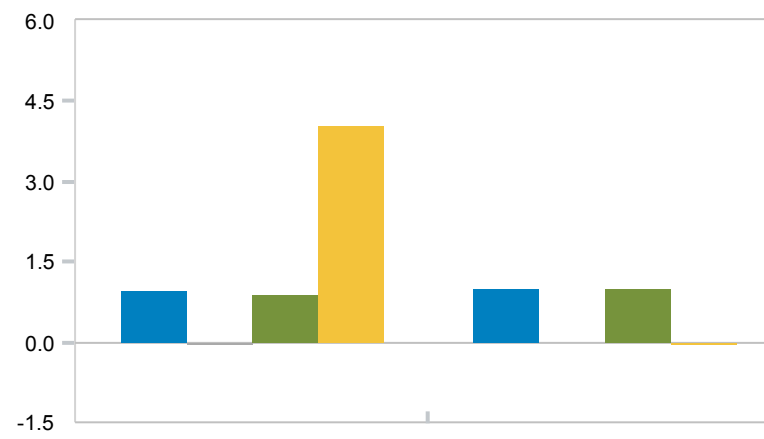
	Highland Capital Equity	Russell 1000 Growth Index
Alpha	-1.35	0.00
Beta	1.09	1.00
Sharpe Ratio	1.26	1.47
Treynor Ratio	0.13	0.14

Benchmark Relative Historical Statistics 3 Years Ending December 31, 2016



	Highland Capital Equity	Russell 1000 Growth Index
Actual Correlation	0.90	1.00
Information Ratio	-0.69	N/A
R-Squared	0.81	1.00
Tracking Error	3.27	0.00

Benchmark Relative Historical Statistics 5 Years Ending December 31, 2016



	Highland Capital Equity	Russell 1000 Growth Index
Actual Correlation	0.94	1.00
Information Ratio	-0.03	N/A
R-Squared	0.88	1.00
Tracking Error	4.02	0.00

Benchmark: Russell 1000 Growth Index



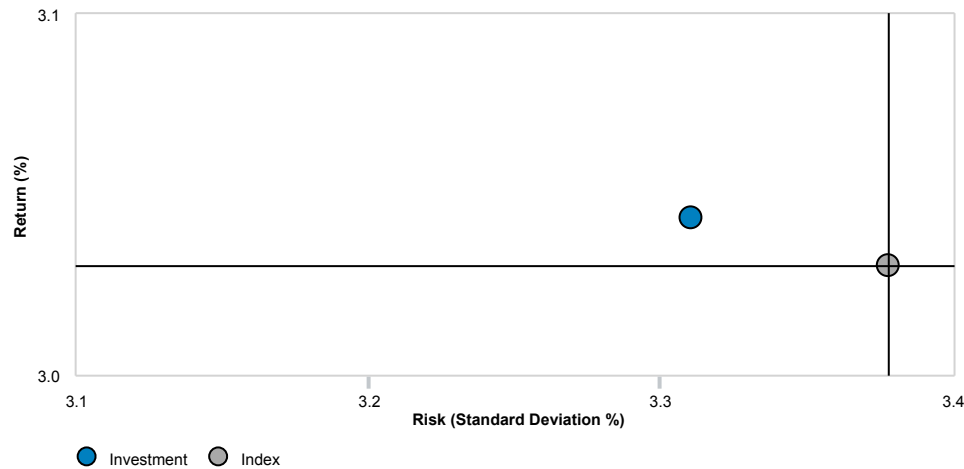
### Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	3.04	3.31	0.89	96.02	9.00	88.44	3.00
Index	3.03	3.38	0.87	100.00	9.00	100.00	3.00

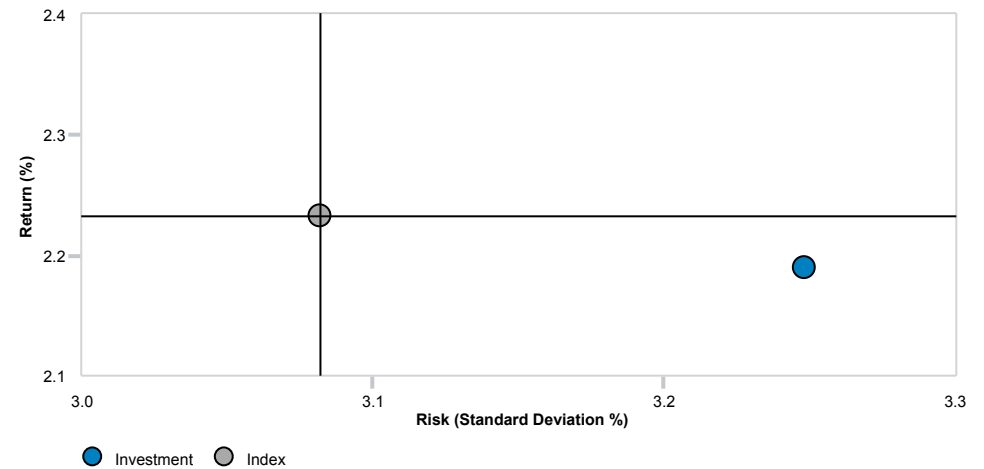
### Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	2.19	3.25	0.66	98.00	13.00	97.47	7.00
Index	2.23	3.08	0.70	100.00	14.00	100.00	6.00

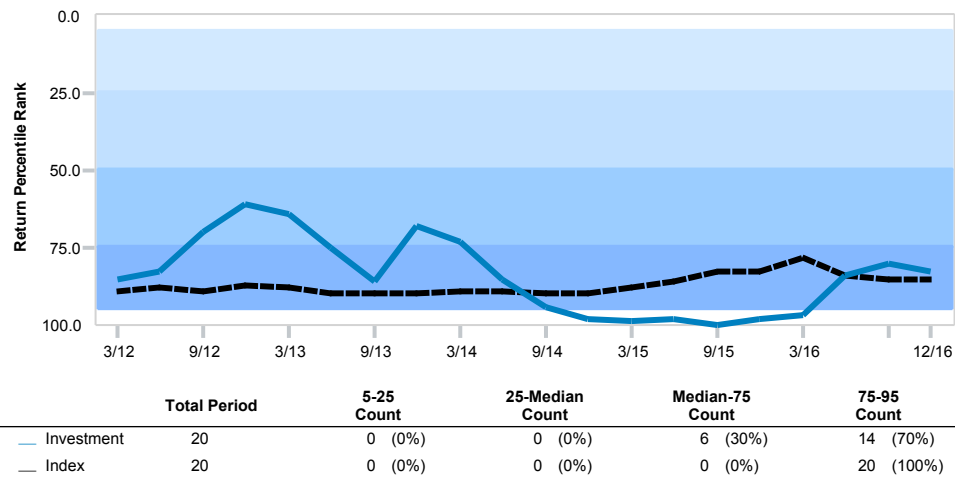
### Risk and Return 3 Years



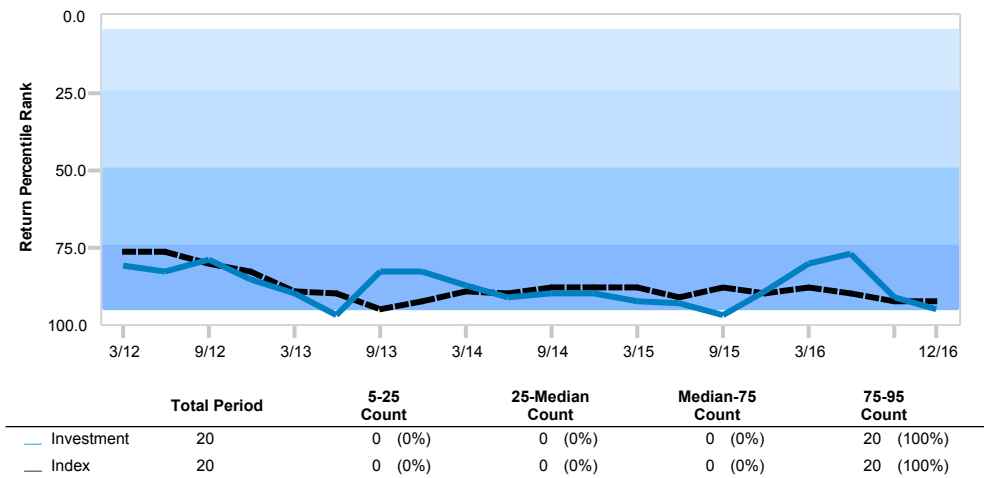
### Risk and Return 5 Years



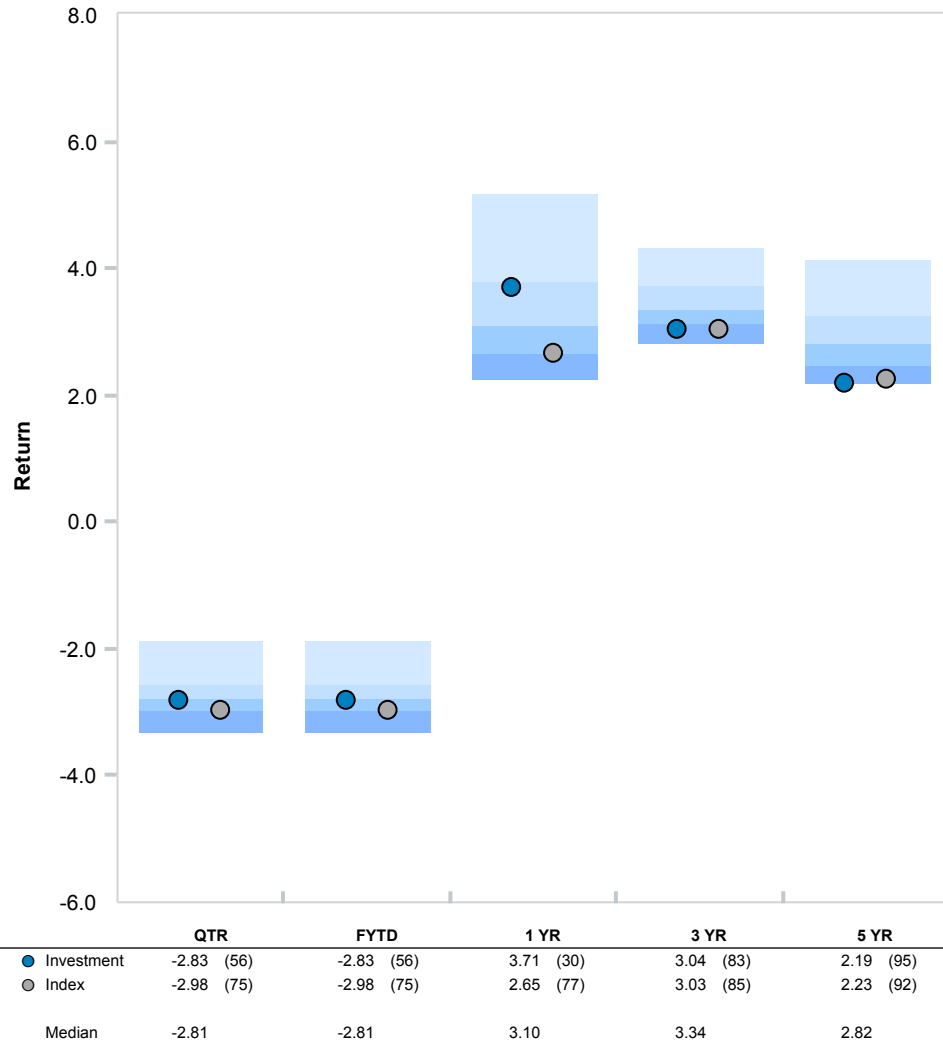
### 3 Year Rolling Percentile Rank IM U.S. Broad Market Core Fixed Income (SA+CF)



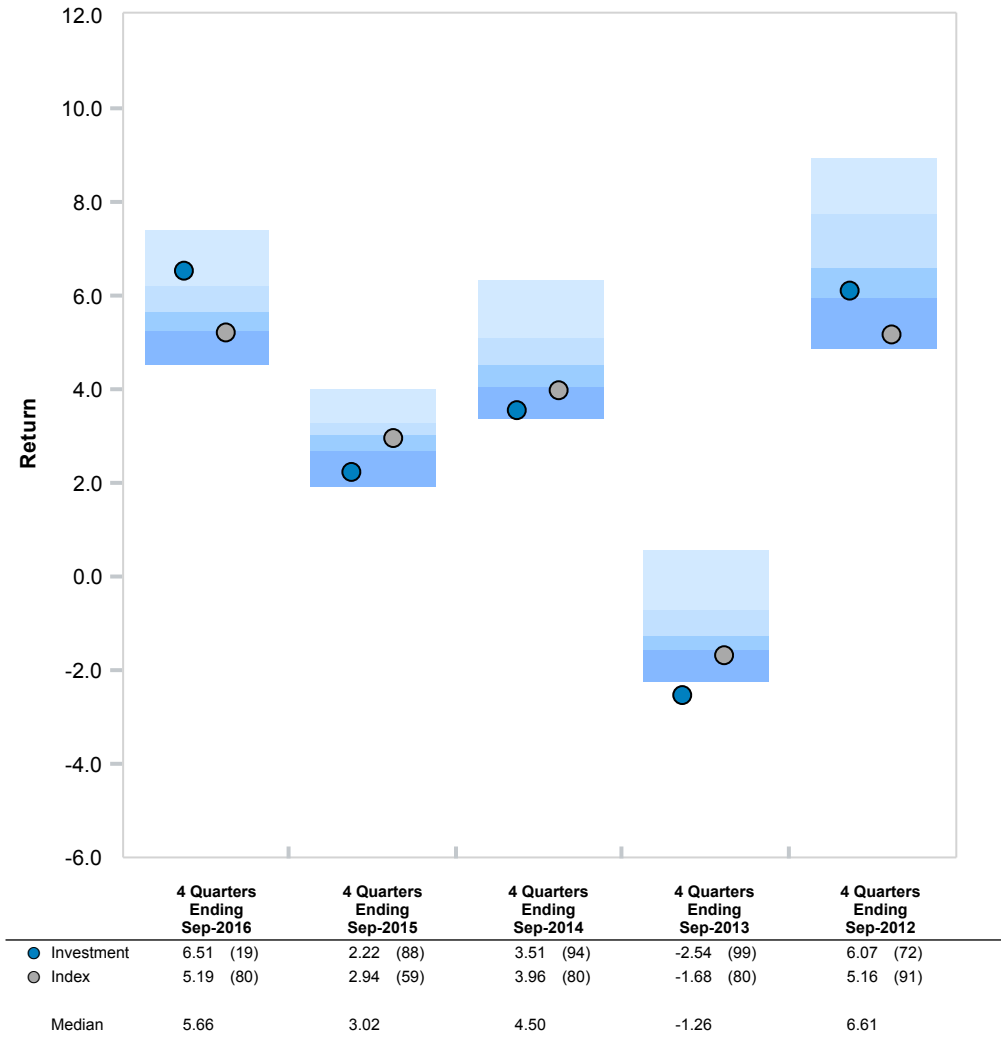
### 5 Year Rolling Percentile Rank IM U.S. Broad Market Core Fixed Income (SA+CF)



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



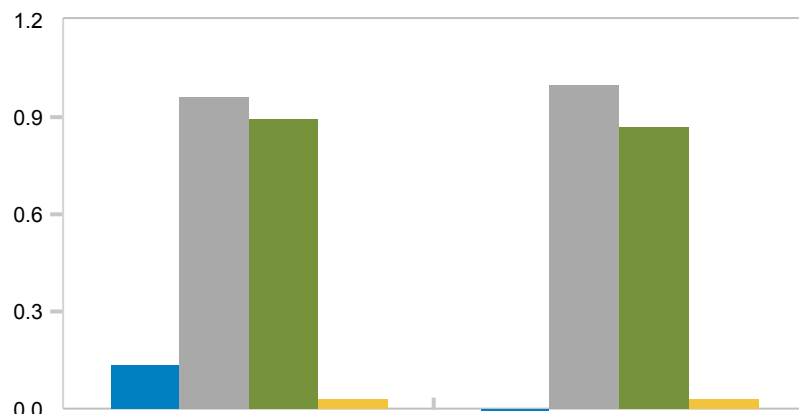
**Peer Group Analysis - IM U.S. Broad Market Core Fixed Income (SA+CF)**



**Comparative Performance**

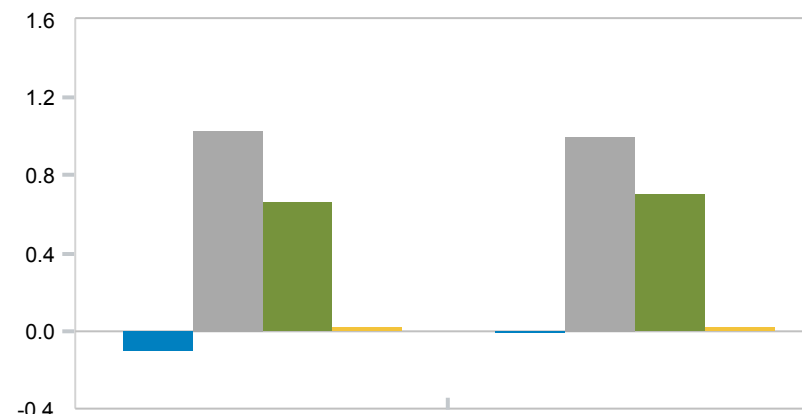
	1 Qtr Ending Sep-2016	1 Qtr Ending Jun-2016	1 Qtr Ending Mar-2016	1 Qtr Ending Dec-2015	1 Qtr Ending Sep-2015	1 Qtr Ending Jun-2015
Investment	0.58 (61)	2.41 (43)	3.61 (3)	-0.21 (12)	1.21 (43)	-1.58 (48)
Index	0.46 (78)	2.21 (71)	3.03 (50)	-0.57 (72)	1.23 (40)	-1.68 (73)
Median	0.69	2.34	3.03	-0.45	1.15	-1.60

**Risk / Reward Historical Statistics 3 Years Ending December 31, 2016**



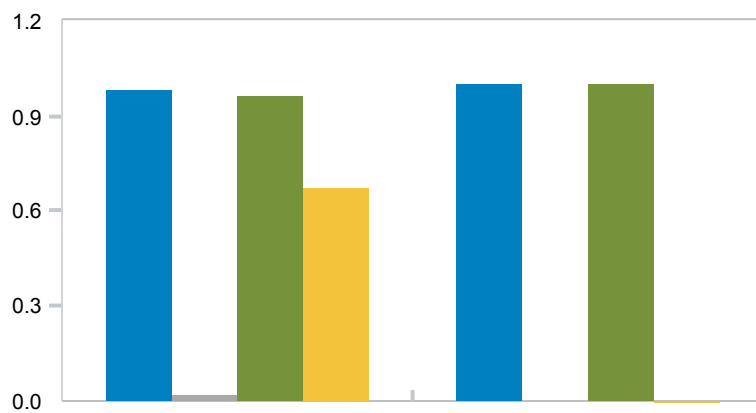
Alpha	0.13	0.00
Beta	0.96	1.00
Sharpe Ratio	0.89	0.87
Treynor Ratio	0.03	0.03

**Risk / Reward Historical Statistics 5 Years Ending December 31, 2016**



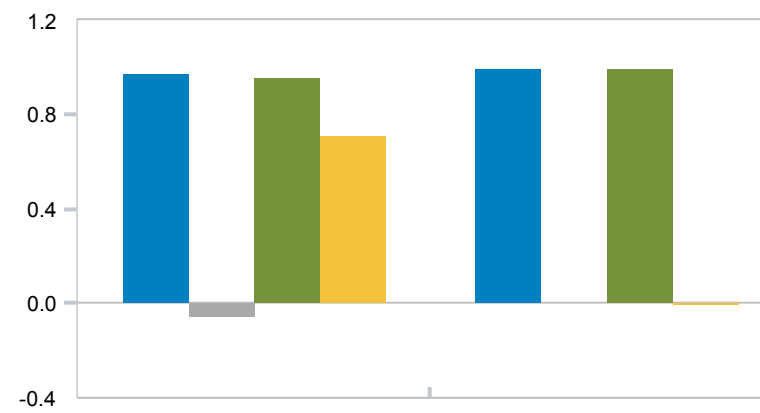
Alpha	-0.10	0.00
Beta	1.03	1.00
Sharpe Ratio	0.66	0.70
Treynor Ratio	0.02	0.02

**Benchmark Relative Historical Statistics 3 Years Ending December 31, 2016**



Actual Correlation	0.98	1.00
Information Ratio	0.02	N/A
R-Squared	0.96	1.00
Tracking Error	0.67	0.00

**Benchmark Relative Historical Statistics 5 Years Ending December 31, 2016**



Actual Correlation	0.98	1.00
Information Ratio	-0.05	N/A
R-Squared	0.95	1.00
Tracking Error	0.71	0.00

Benchmark: Bloomberg Barclays U.S. Aggregate Index





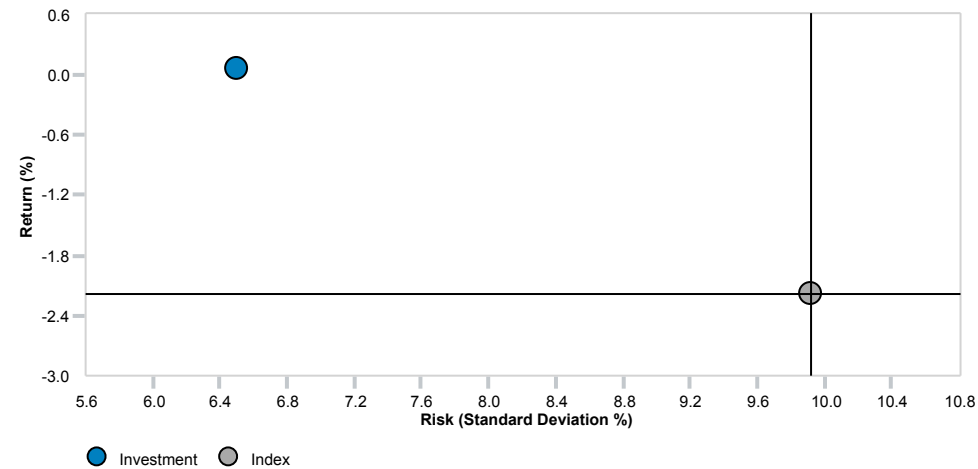
### Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	0.06	6.50	0.03	41.37	7.00	30.24	5.00
Index	-2.18	9.93	-0.18	100.00	6.00	100.00	6.00

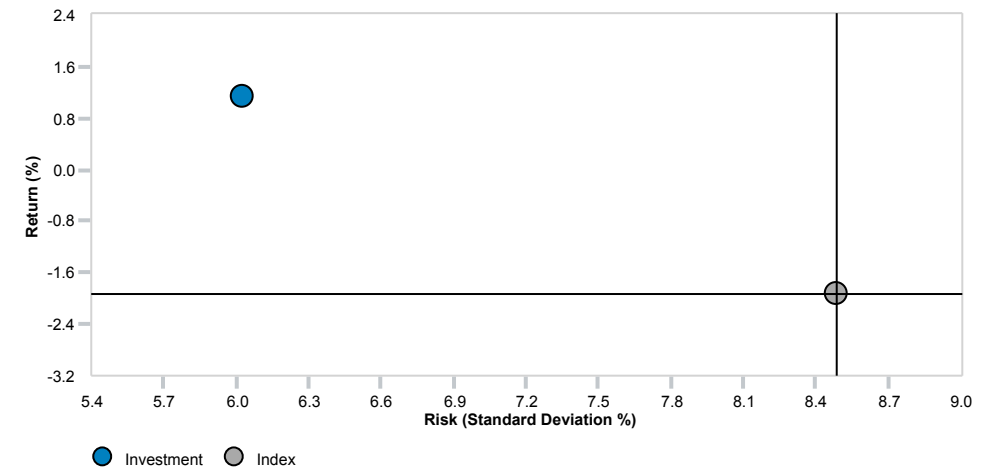
### Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	1.12	6.03	0.20	51.93	13.00	23.53	7.00
Index	-1.94	8.49	-0.20	100.00	9.00	100.00	11.00

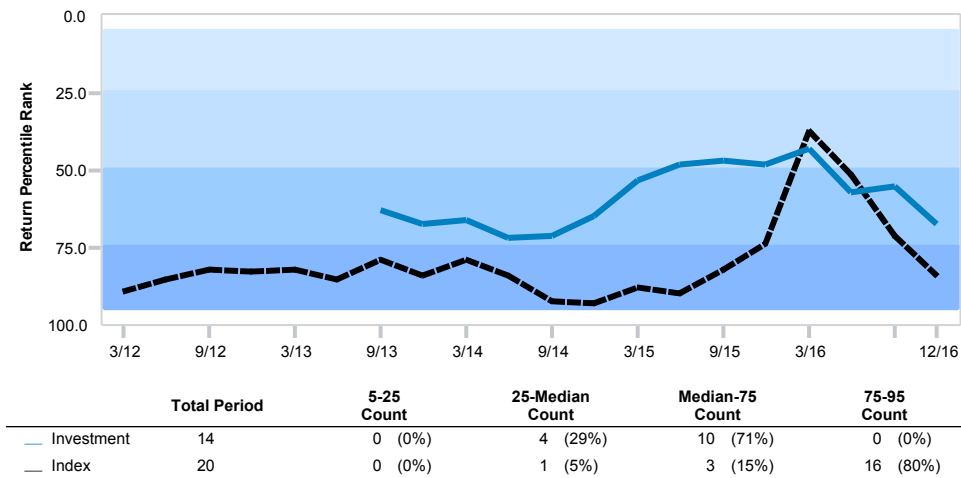
### Risk and Return 3 Years



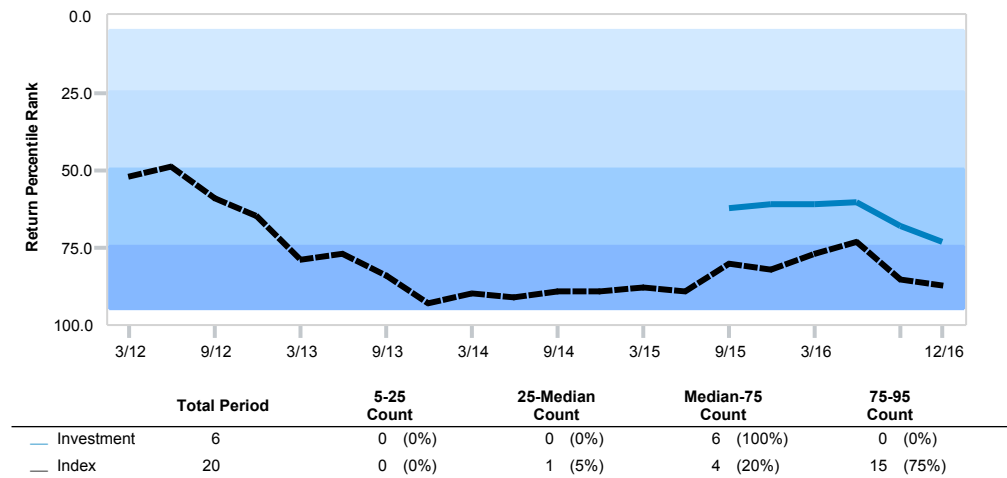
### Risk and Return 5 Years



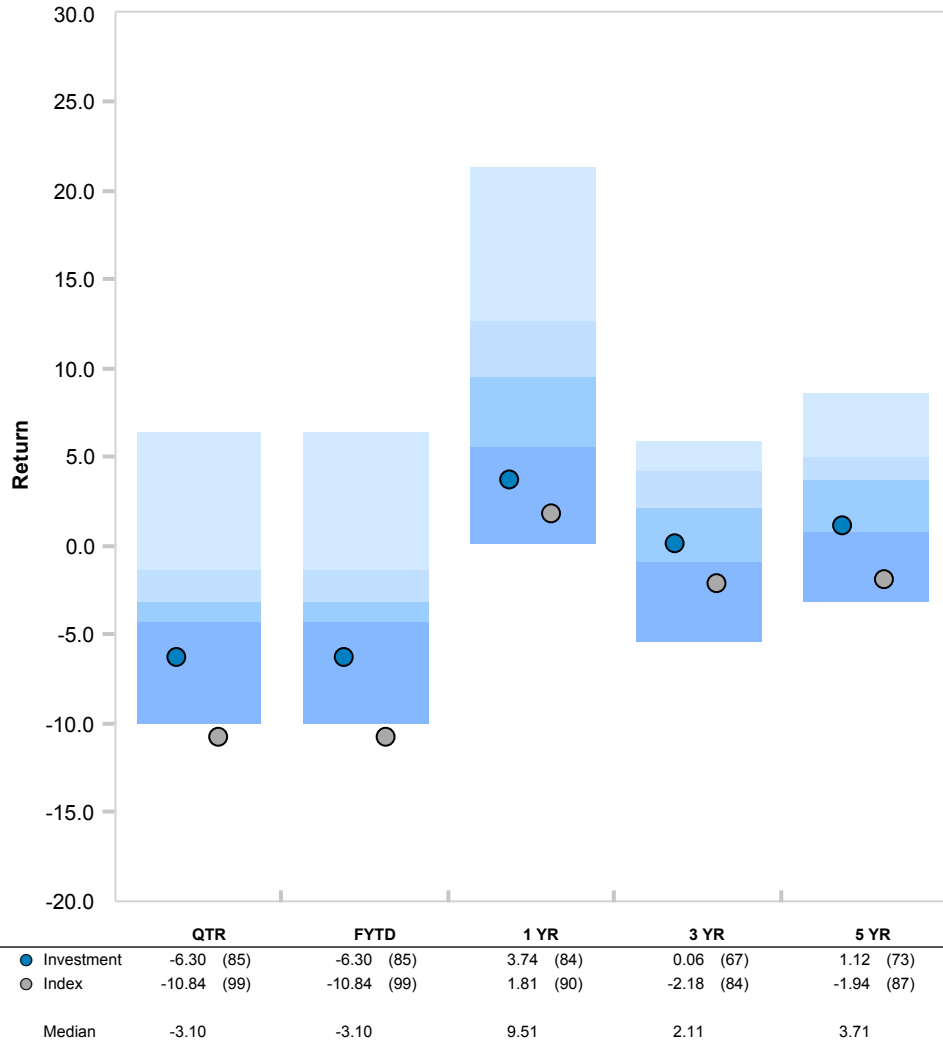
### 3 Year Rolling Percentile Rank IM International Fixed Income All (MF)



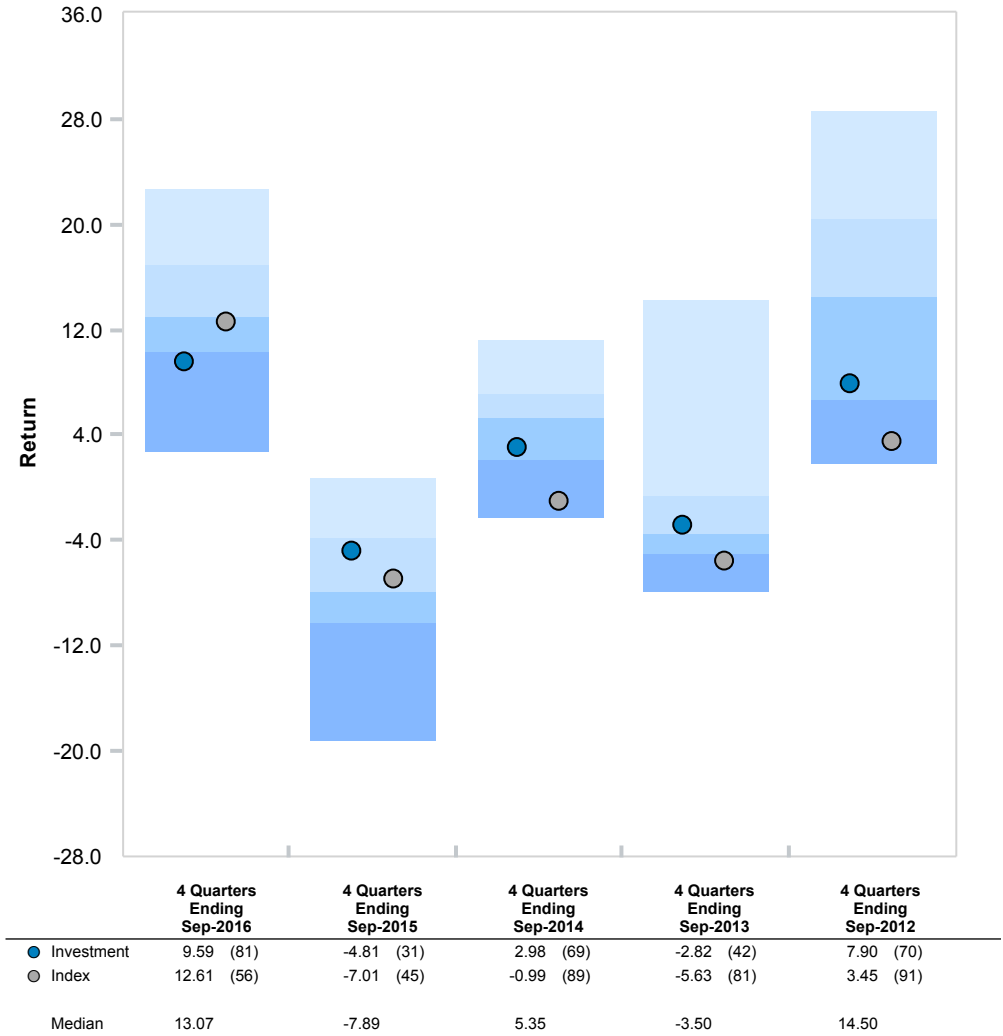
### 5 Year Rolling Percentile Rank IM International Fixed Income All (MF)



**Peer Group Analysis - IM International Fixed Income All (MF)**



**Peer Group Analysis - IM International Fixed Income All (MF)**



**Comparative Performance**

	1 Qtr Ending Sep-2016	1 Qtr Ending Jun-2016	1 Qtr Ending Mar-2016	1 Qtr Ending Dec-2015	1 Qtr Ending Sep-2015	1 Qtr Ending Jun-2015
Investment	2.64 (67)	2.71 (75)	5.03 (39)	-1.02 (83)	-5.70 (69)	1.42 (13)
Index	0.60 (94)	4.04 (47)	9.10 (3)	-1.38 (90)	1.71 (2)	-1.54 (77)
Median	3.46	3.88	4.64	0.51	-4.28	-0.33

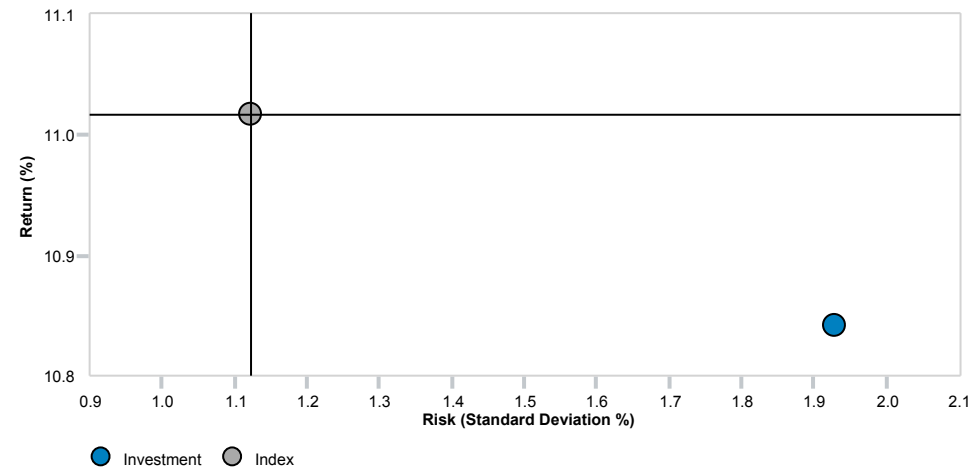
### Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	10.84	1.93	5.27	98.58	12.00	N/A	N/A
Index	11.02	1.12	8.96	100.00	12.00	N/A	N/A

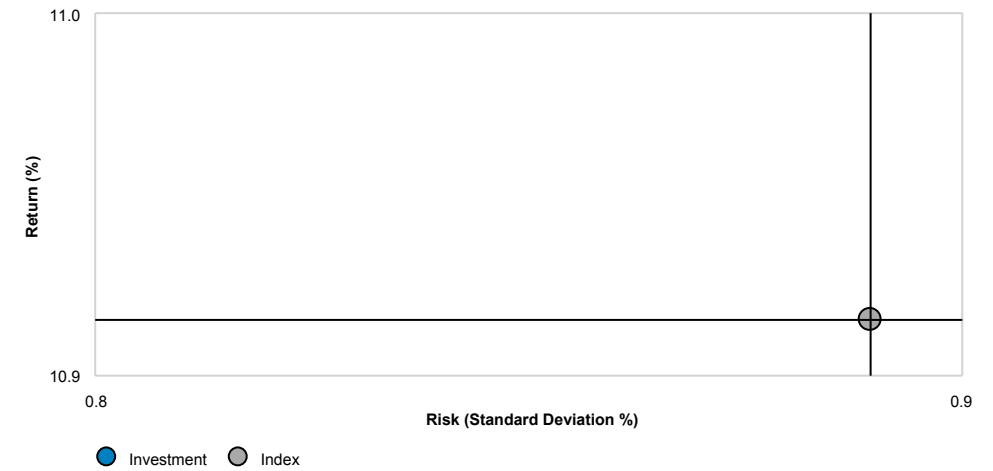
### Historical Statistics 5 Years

	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	10.92	0.89	11.24	100.00	20.00	N/A	N/A

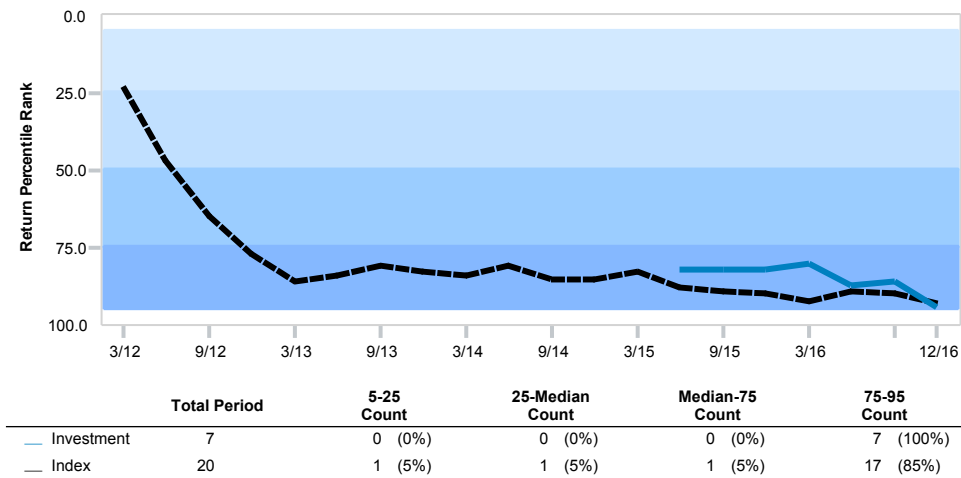
### Risk and Return 3 Years



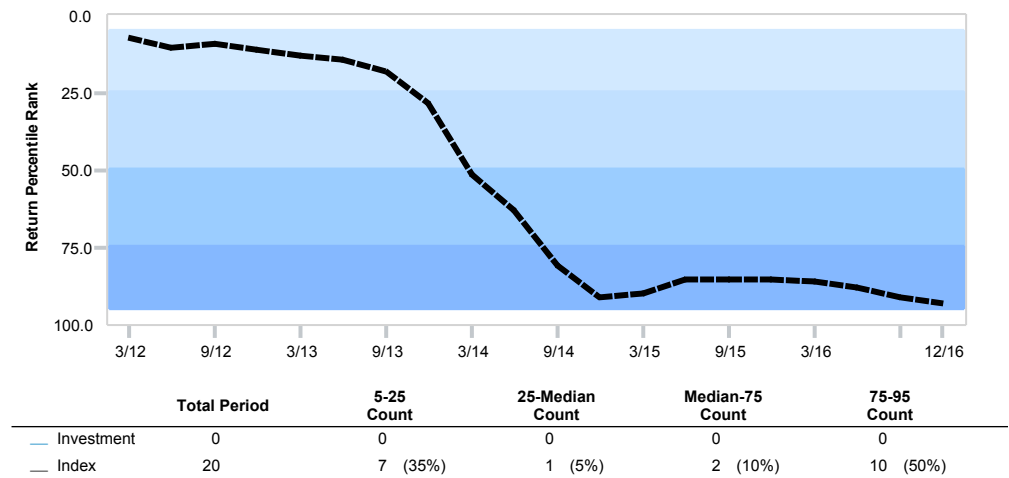
### Risk and Return 5 Years



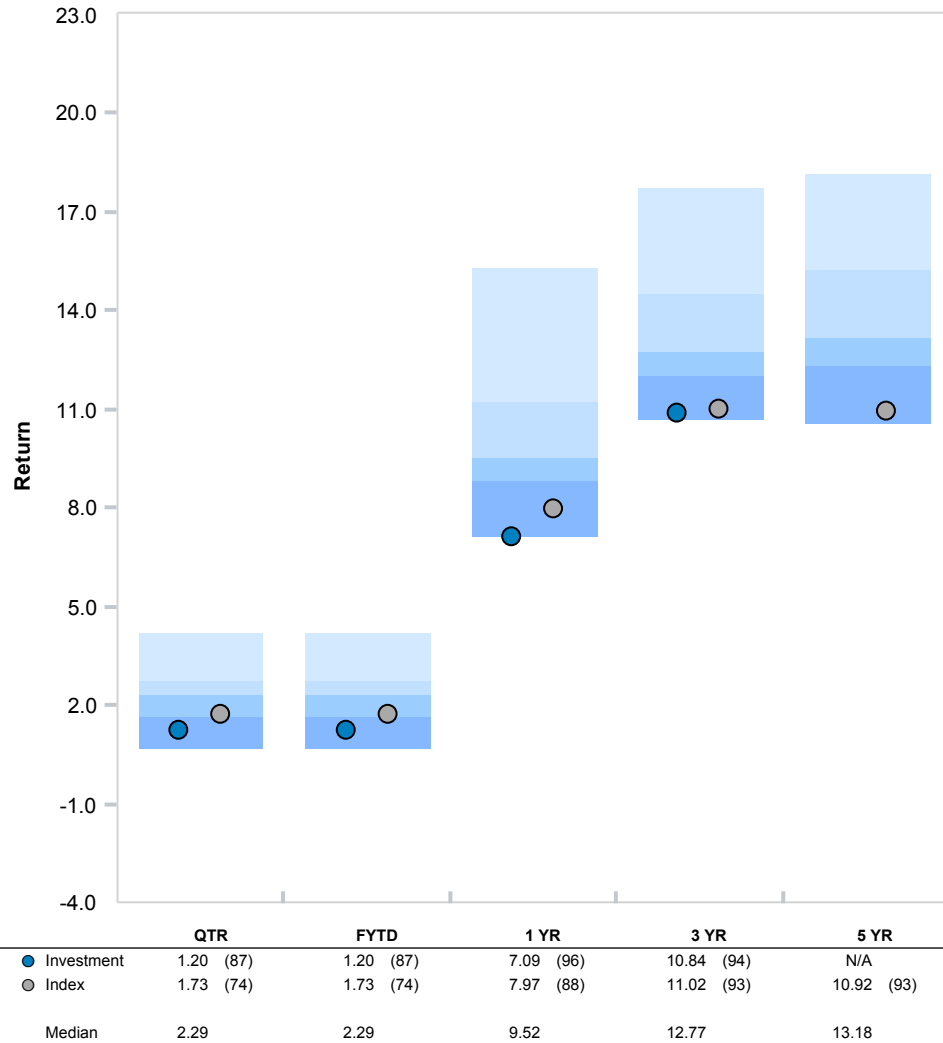
### 3 Year Rolling Percentile Rank IM U.S. Private Real Estate (SA+CF)



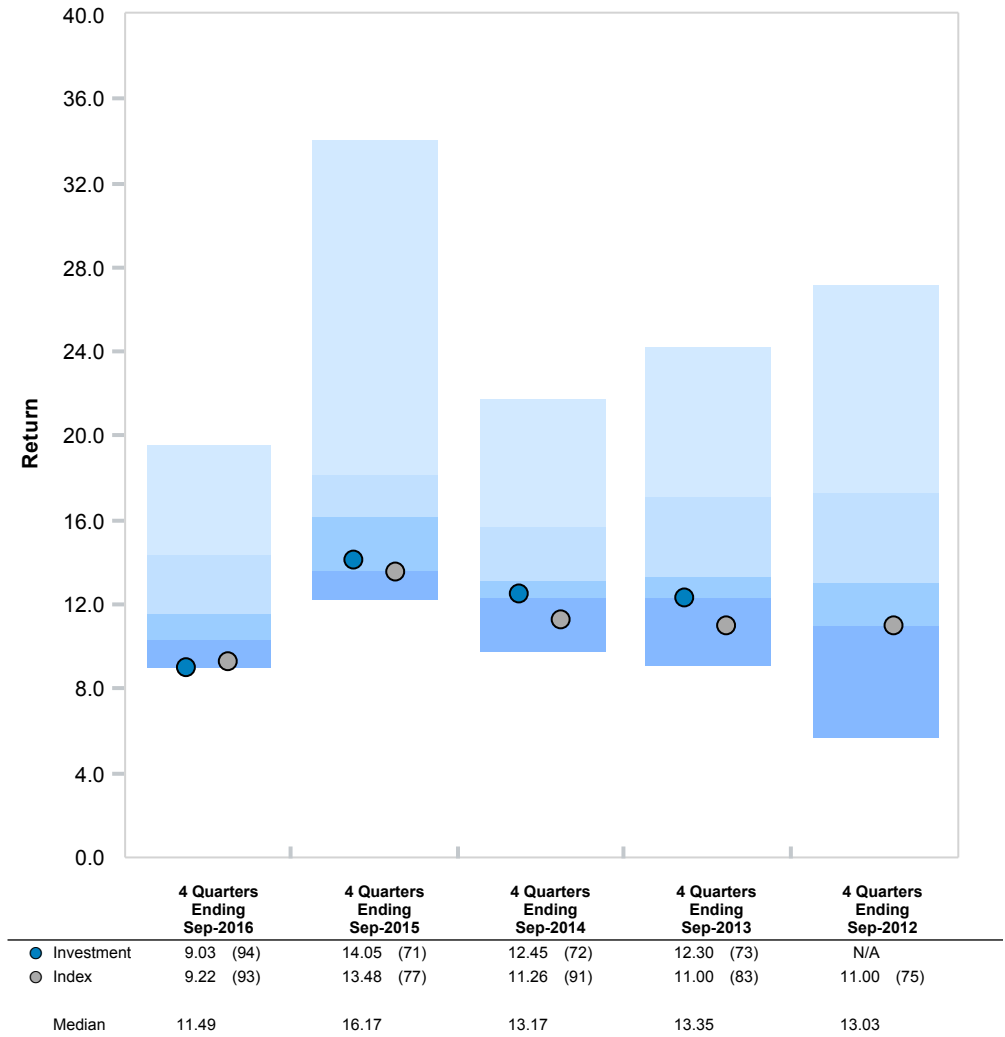
### 5 Year Rolling Percentile Rank IM U.S. Private Real Estate (SA+CF)



Peer Group Analysis - IM U.S. Private Real Estate (SA+CF)



Peer Group Analysis - IM U.S. Private Real Estate (SA+CF)



Comparative Performance

	1 Qtr Ending Sep-2016	1 Qtr Ending Jun-2016	1 Qtr Ending Mar-2016	1 Qtr Ending Dec-2015	1 Qtr Ending Sep-2015	1 Qtr Ending Jun-2015
Investment	1.83 (66)	1.25 (95)	2.63 (52)	3.03 (78)	3.39 (63)	3.74 (50)
Index	1.77 (70)	2.03 (67)	2.21 (65)	2.91 (90)	3.09 (75)	3.14 (72)
Median	2.09	2.50	2.64	3.63	3.63	3.74

**Benchmark History**  
**Investment Policy Benchmarks**  
As of December 31, 2016

Total Policy Historical Hybrid Composition		Total Equity Historical Hybrid Composition	
Allocation Mandate	Weight (%)	Allocation Mandate	Weight (%)
<b>Mar-1992</b>		<b>Jun-2000</b>	
Bloomberg Barclays U.S. Aggregate Index	35.00	S&P 500 Index	100.00
S&P 500 Index	25.00		
S&P MidCap 400 Index	10.00	<b>Jan-2003</b>	
Russell 1000 Growth Index	10.00	S&P 500 Index	80.00
S&P SmallCap 600	10.00	S&P MidCap 400 Index	20.00
MSCI EAFE Index	10.00		
<b>Oct-2010</b>		<b>Jan-2004</b>	
Bloomberg Barclays U.S. Aggregate Index	31.00	S&P 500 Index	60.00
S&P 500 Index	25.00	S&P MidCap 400 Index	20.00
S&P MidCap 400 Index	10.00	S&P SmallCap 600	20.00
Russell 1000 Growth Index	10.00		
MSCI EAFE Index	10.00	<b>Jan-2007</b>	
S&P SmallCap 600	10.00	S&P 500 Index	62.00
Citigroup Non-U.S. World Government Bond	4.00	S&P MidCap 400 Index	15.00
		S&P SmallCap 600	15.00
		MSCI EAFE Index	8.00
<b>Apr-2012</b>		<b>Oct-2007</b>	
Bloomberg Barclays U.S. Aggregate Index	29.00	S&P 500 Index	38.40
S&P 500 Index	25.00	S&P MidCap 400 Index	15.40
S&P MidCap 400 Index	10.00	S&P SmallCap 600	15.40
Russell 1000 Growth Index	10.00	MSCI EAFE Index	15.40
MSCI EAFE Index	10.00	Russell 1000 Growth Index	15.40
S&P SmallCap 600	10.00		
Citigroup Non-U.S. World Government Bond	4.00		
NCREIF Property Index	2.00		
<b>Oct-2015</b>		<b>Total Fixed Income Historical Hybrid Composition</b>	
Bloomberg Barclays U.S. Aggregate Index	26.00	<b>Allocation Mandate</b>	<b>Weight (%)</b>
S&P 500 Index	25.00		
S&P MidCap 400 Index	10.00	<b>Apr-1994</b>	
Russell 1000 Growth Index	10.00	Bloomberg Barclays U.S. Aggregate Index	89.00
MSCI EAFE Index	10.00	Citigroup Non-U.S. World Government Bond	11.00
S&P SmallCap 600	10.00		
Citigroup Non-U.S. World Government Bond	4.00		
NCREIF Property Index	5.00		



**Palm Beach Gardens Police  
Review of International Bond Funds**



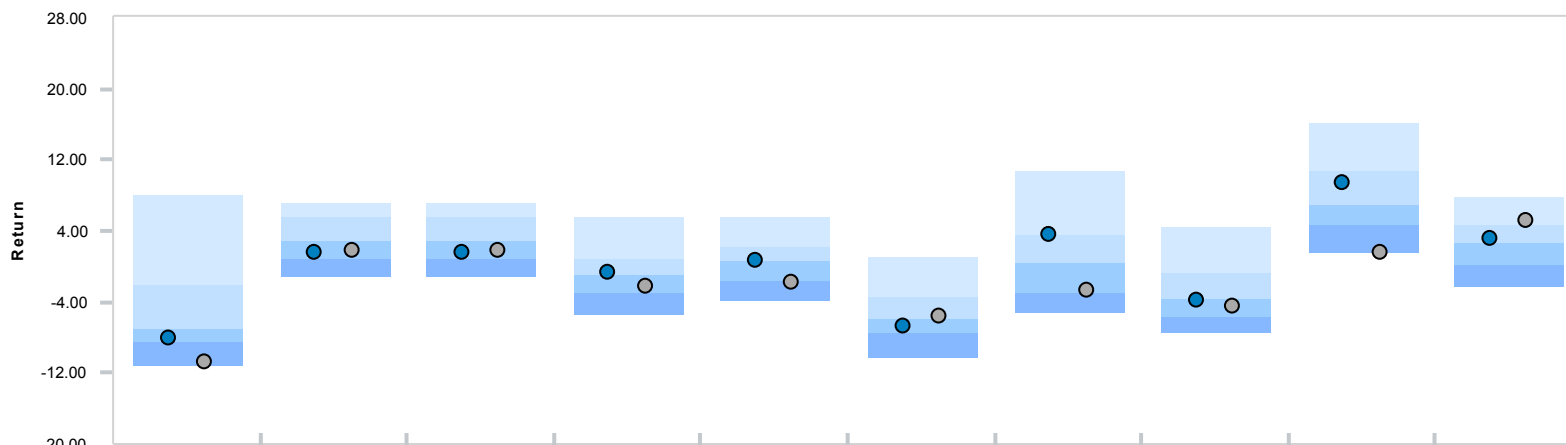
#### Mutual Fund Info from Lipper

Product Name : Dreyfus Intl Bond;A (DIBAX)  
Fund Family : Dreyfus Corporation  
Ticker : DIBAX  
Peer Group : IM International Fixed Income (MF)  
Benchmark : Citigroup Non-U.S. World Government Bond  
Fund Inception : 12/30/2005  
Portfolio Manager : Leduc/Murphy/Srivastava  
Total Assets : \$118 Million  
Total Assets Date : 12/31/2016  
Gross Expense : 1.12%  
Net Expense : 1.12%  
Turnover : 217%

#### Summary Description

The investment seeks to maximize total return through capital appreciation and income. To pursue its goal, the fund normally invests at least 80% of its net assets, plus any borrowings for investment purposes, in fixed-income securities. It also normally invests at least 65% of its assets in non-U.S. dollar denominated fixed-income securities of foreign governments and companies located in various countries, including emerging markets. The fund may invest up to 25% of its assets in emerging markets generally and up to 5% of its assets in any single emerging market country. It is non-diversified.

#### Peer Group Analysis - IM International Fixed Income (MF)

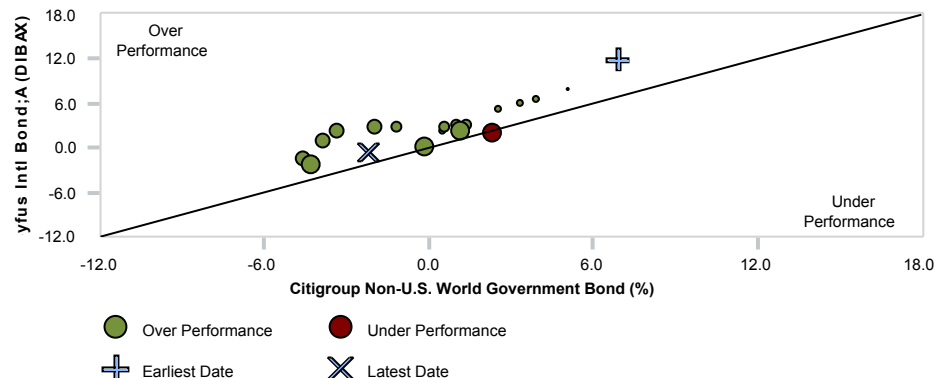


	QTR	YTD	1 YR	3 YR	5 YR	2015	2014	2013	2012	2011
● Dreyfus Intl Bond;A (DIBAX)	-8.15 (70)	1.43 (66)	1.43 (66)	-0.69 (43)	0.56 (51)	-6.76 (62)	3.58 (24)	-3.92 (59)	9.28 (37)	3.21 (44)
● Citigroup Non-U.S. World Government Bond	-10.84 (94)	1.81 (62)	1.81 (62)	-2.18 (65)	-1.94 (79)	-5.54 (46)	-2.68 (72)	-4.56 (66)	1.50 (97)	5.17 (21)
Median	-7.04	2.97	2.97	-0.98	0.56	-5.87	0.32	-3.68	6.96	2.75

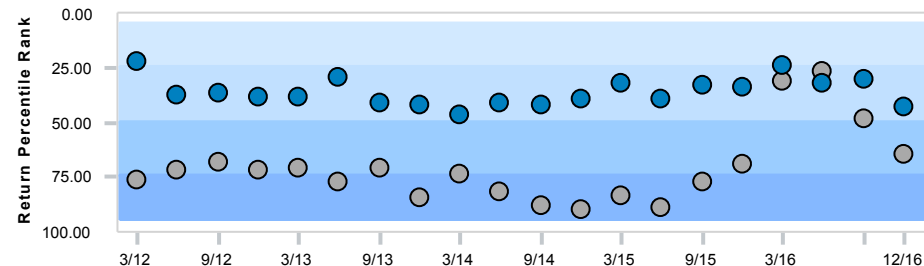
#### Comparative Performance

	1 Qtr Ending Sep-2016	1 Qtr Ending Jun-2016	1 Qtr Ending Mar-2016	1 Qtr Ending Dec-2015	1 Qtr Ending Sep-2015	1 Qtr Ending Jun-2015
Dreyfus Intl Bond;A (DIBAX)	1.85 (43)	2.35 (56)	5.94 (49)	-1.59 (86)	-1.88 (66)	-3.38 (84)
Citigroup Non-U.S. World Government Bond	0.60 (80)	4.04 (2)	9.10 (1)	-1.38 (78)	1.71 (4)	-1.54 (43)
IM International Fixed Income (MF) Median	1.57	2.52	5.75	-0.70	-1.42	-1.67

### 3 Yr Rolling Under/Over Performance - 5 Years

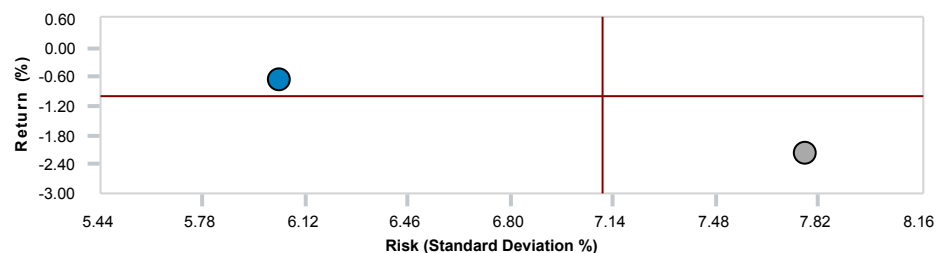


### 3 Yr Rolling Percentile Ranking - 5 Years



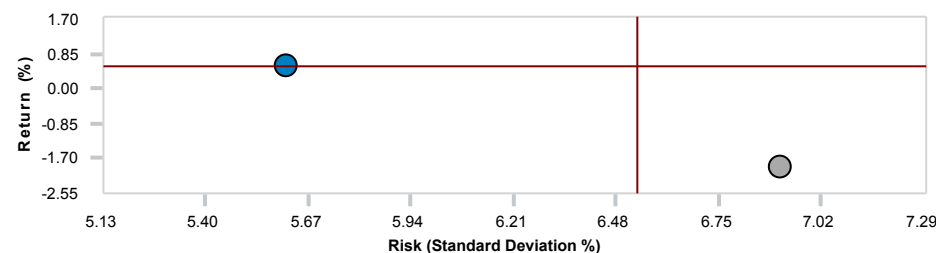
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Dreyfus Intl Bond;A (DIBAX)	20	2 (10%)	18 (90%)	0 (0%)	0 (0%)
Citigroup Non-U.S. World Government Bond	20	0 (0%)	3 (15%)	8 (40%)	9 (45%)

### Peer Group Scattergram - 3 Years



	Return	Standard Deviation
Dreyfus Intl Bond;A (DIBAX)	-0.69	6.03
Citigroup Non-U.S. World Government Bond	-2.18	7.78
Median	-0.98	7.11

### Peer Group Scattergram - 5 Years



	Return	Standard Deviation
Dreyfus Intl Bond;A (DIBAX)	0.56	5.61
Citigroup Non-U.S. World Government Bond	-1.94	6.91
Median	0.56	6.53

### Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Dreyfus Intl Bond;A (DIBAX)	4.13	55.64	50.72	0.75	0.34	-0.10	0.66	4.53
Citigroup Non-U.S. World Government Bond	0.00	100.00	100.00	0.00	N/A	-0.26	1.00	6.07

### Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Dreyfus Intl Bond;A (DIBAX)	3.81	71.40	52.31	1.90	0.64	0.11	0.68	4.09
Citigroup Non-U.S. World Government Bond	0.00	100.00	100.00	0.00	N/A	-0.26	1.00	5.36





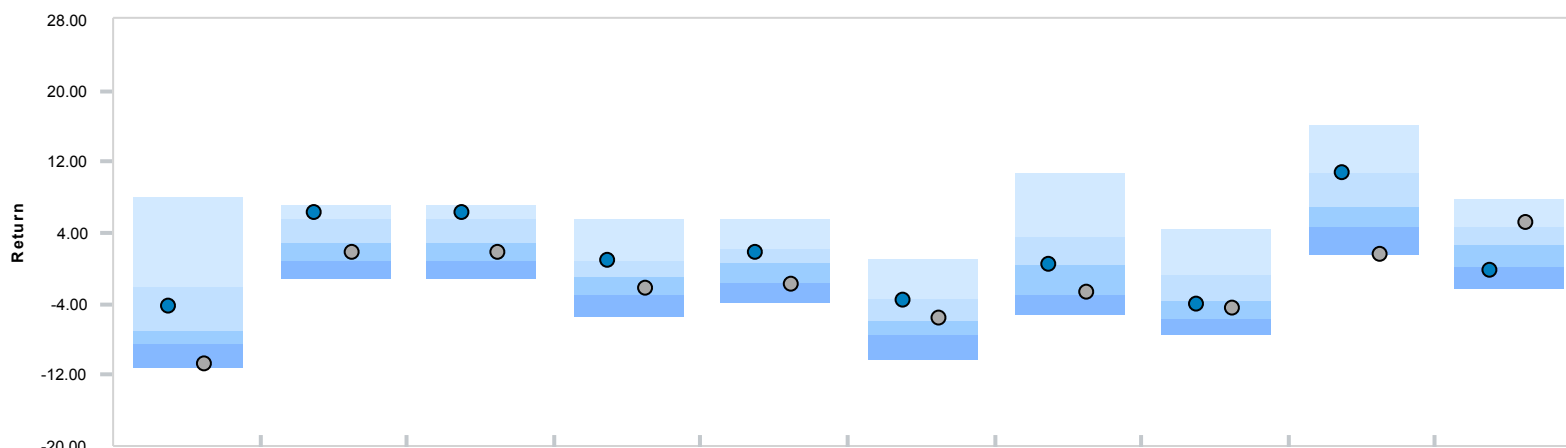
### Mutual Fund Info from Lipper

Product Name : Oppenheimer Intl Bd;A (OIBAX)  
Fund Family : OppenheimerFunds Inc  
Ticker : OIBAX  
Peer Group : IM International Fixed Income (MF)  
Benchmark : Citigroup Non-U.S. World Government Bond  
Fund Inception : 06/15/1995  
Portfolio Manager : Baijal/Kelly  
Total Assets : \$1,429 Million  
Total Assets Date : 12/31/2016  
Gross Expense : 1.02%  
Net Expense : 1.02%  
Turnover : 128%

### Summary Description

The investment seeks total return. The fund normally invests at least 80% of its assets in debt securities. It typically invests in at least three countries other than the United States. The fund invests in debt securities of issuers in both developed and emerging markets throughout the world. It invests mainly in debt securities of foreign government and corporate issuers. The fund may buy securities issued by companies of any size or market capitalization range and at times might emphasize securities of issuers in a particular capitalization range. It is non-diversified.

### Peer Group Analysis - IM International Fixed Income (MF)

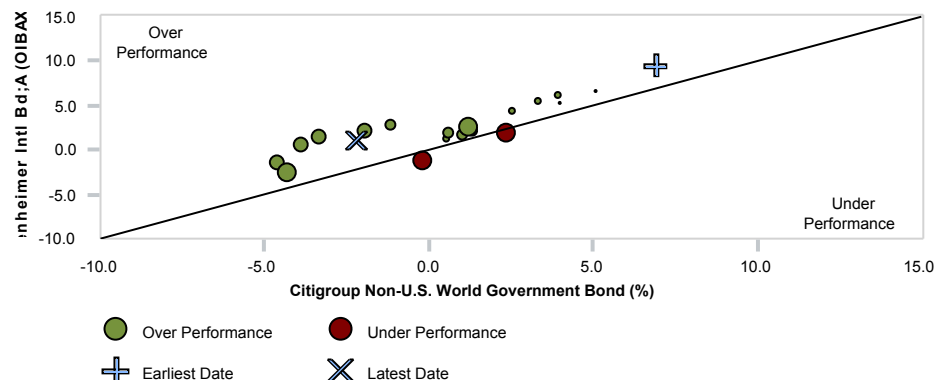


	QTR	YTD	1 YR	3 YR	5 YR	2015	2014	2013	2012	2011
● Oppenheimer Intl Bd;A (OIBAX)	-4.40 (37)	6.13 (19)	6.13 (19)	0.83 (27)	1.71 (35)	-3.72 (28)	0.32 (51)	-4.16 (62)	10.77 (25)	-0.28 (80)
● Citigroup Non-U.S. World Government Bond	-10.84 (94)	1.81 (62)	1.81 (62)	-2.18 (65)	-1.94 (79)	-5.54 (46)	-2.68 (72)	-4.56 (66)	1.50 (97)	5.17 (21)
Median	-7.04	2.97	2.97	-0.98	0.56	-5.87	0.32	-3.68	6.96	2.75

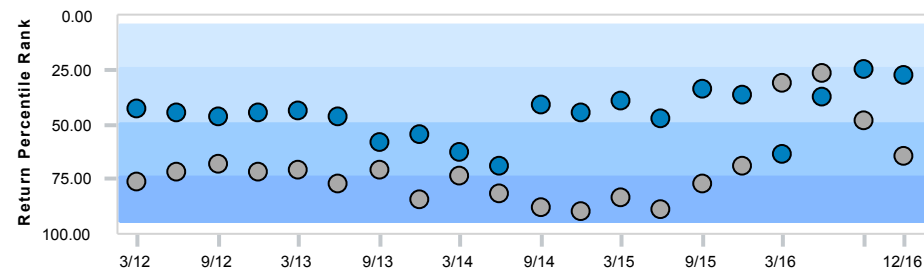
### Comparative Performance

	1 Qtr Ending Sep-2016	1 Qtr Ending Jun-2016	1 Qtr Ending Mar-2016	1 Qtr Ending Dec-2015	1 Qtr Ending Sep-2015	1 Qtr Ending Jun-2015
Oppenheimer Intl Bd;A (OIBAX)	3.47 (6)	3.08 (26)	4.08 (64)	-0.96 (54)	-1.59 (57)	-1.88 (53)
Citigroup Non-U.S. World Government Bond	0.60 (80)	4.04 (2)	9.10 (1)	-1.38 (78)	1.71 (4)	-1.54 (43)
IM International Fixed Income (MF) Median	1.57	2.52	5.75	-0.70	-1.42	-1.67

### 3 Yr Rolling Under/Over Performance - 5 Years

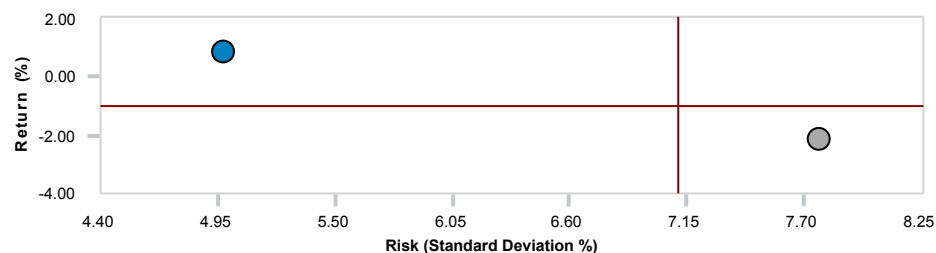


### 3 Yr Rolling Percentile Ranking - 5 Years



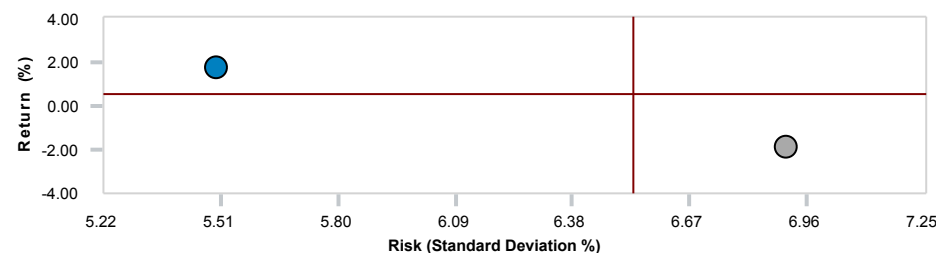
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Oppenheimer Intl Bd;A (OIBAX)	20	1 (5%)	14 (70%)	5 (25%)	0 (0%)
Citigroup Non-U.S. World Government Bond	20	0 (0%)	3 (15%)	8 (40%)	9 (45%)

### Peer Group Scattergram - 3 Years



	Return	Standard Deviation
Oppenheimer Intl Bd;A (OIBAX)	0.83	4.98
Citigroup Non-U.S. World Government Bond	-2.18	7.78
Median	-0.98	7.11

### Peer Group Scattergram - 5 Years



	Return	Standard Deviation
Oppenheimer Intl Bd;A (OIBAX)	1.71	5.50
Citigroup Non-U.S. World Government Bond	-1.94	6.91
Median	0.56	6.53

### Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Oppenheimer Intl Bd;A (OIBAX)	5.85	39.85	24.67	1.77	0.49	0.17	0.42	3.28
Citigroup Non-U.S. World Government Bond	0.00	100.00	100.00	0.00	N/A	-0.26	1.00	6.07

### Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Oppenheimer Intl Bd;A (OIBAX)	5.39	66.99	37.61	2.76	0.66	0.32	0.51	3.82
Citigroup Non-U.S. World Government Bond	0.00	100.00	100.00	0.00	N/A	-0.26	1.00	5.36

<b>Active Return</b>	- Arithmetic difference between the manager's performance and the designated benchmark return over a specified time period.
<b>Alpha</b>	- 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.
<b>Beta</b>	- A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of the portfolio's systematic risk.
<b>Consistency</b>	- 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.
<b>Distributed to Paid In (DPI)</b>	- 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.
<b>Down Market Capture</b>	- The ratio of average portfolio performance over the designated benchmark during periods of negative returns. A lower value indicates better product performance
<b>Downside Risk</b>	- 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.
<b>Excess Return</b>	- Arithmetic difference between the manager's performance and the risk-free return over a specified time period.
<b>Excess Risk</b>	- A measure of the standard deviation of a portfolio's performance relative to the risk free return.
<b>Information Ratio</b>	- 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.
<b>Public Market Equivalent (PME)</b>	- 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.
<b>R-Squared</b>	- 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.
<b>Return</b>	- Compounded rate of return for the period.
<b>Sharpe Ratio</b>	- 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.
<b>Standard Deviation</b>	- 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.
<b>Total Value to Paid In (TVPI)</b>	- 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
<b>Tracking Error</b>	- This is a measure of the standard deviation of a portfolio's returns in relation to the performance of its designated market benchmark.
<b>Treynor Ratio</b>	- 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.
<b>Up Market Capture</b>	- The ratio of average portfolio performance over the designated benchmark during periods of positive returns. A higher value indicates better product performance.

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

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

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

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

Additional information included in this document may contain data provided by from index databases, public economic sources and the managers themselves.

This document may contain data provided by Bloomberg Barclays. Bloomberg Barclays Index data provided by way of Barclays Live.

This document may contain data provided by Standard and Poor's. Nothing contained within any document, advertisement or presentation from S&P Indices constitutes an offer of services in jurisdictions where S&P Indices does not have the necessary licenses. All information provided by S&P Indices is impersonal and is not tailored to the needs of any person, entity or group of persons. Any returns or performance provided within any document is provided for illustrative purposes only and does not demonstrate actual performance. Past performance is not a guarantee of future investment results.

This document may contain data provided by MSCI, Inc. Copyright MSCI, 2017. Unpublished. All Rights Reserved. This information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used to create any financial instruments or products or any indices. This information is provided on an "as is" basis and the user of this information assumes the entire risk of any use it may make or permit to be made of this information. Neither MSCI, any of its affiliates or any other person involved in or related to compiling, computing or creating this information makes any express or implied warranties or representations with respect to such information or the results to be obtained by the use thereof, and MSCI, its affiliates and each such other person hereby expressly disclaim all warranties (including, without limitation, all warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any other person involved in or related to compiling, computing or creating this information have any liability for any direct, indirect, special, incidental, punitive, consequential or any other damages (including, without limitation, lost profits) even if notified of, or if it might otherwise have anticipated, the possibility of such damages.

This document may contain data provided by Russell Investment Group. Russell Investment Group is the source owner of the data contained or reflected in this material and all trademarks and copyrights related thereto. The material may contain confidential information and unauthorized use, disclosure, copying, dissemination or redistribution is strictly prohibited. This is a user presentation of the data. Russell Investment Group is not responsible for the formatting or configuration of this material or for any inaccuracy in presentation thereof.

This document may contain data provided by Morningstar. All rights reserved. Use of this content requires expert knowledge. It is to be used by specialist institutions only. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied, adapted or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information, except where such damages or losses cannot be limited or excluded by law in your jurisdiction. Past financial performance is not guarantee of future results.



**Putting clients first.**



CHICAGO | CLEVELAND | DETROIT | ORLANDO | PITTSBURGH | RENO | TULSA

**AndCo Consulting** | (844) 44-ANDCO | *AndCoConsulting.com*

*Formerly The Bogdahn Group*