

Investment Performance Review
Period Ending December 31, 2017

Town of Palm Beach OPEB Trust



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As we embark on a New Year together we first wanted to say, “Thank you” to our clients for giving us the opportunity to work with you. Our mission is to represent the sole interests of our clients by redefining independence. This mission means everything to us. We want to demonstrate this mission every day by maintaining your trust in an evolving financial world. We are extremely grateful to be your consultant and will continue to work tirelessly to uphold your trust and confidence.

As we enter 2018, AndCo has never been stronger and more committed to delivering high quality service. We are 87 people strong, all collectively striving to serve our clients each day. Since most clients do not have the opportunity to interact with our entire firm, we have attached a page which outlines our current organizational structure and illustrates our continued reinvestment in professionals to better serve you. Our steadfast focus on one line of business, general consulting, will remain our singular focus going forward.

Each January, we hold a Firmwide retreat to discuss the previous year’s successes and challenges, as well as outline our Strategic plan, including reinforcement of our Mission, Vision and Values. It’s a great time for our employees to spend time together and get a better understanding of where the company is going, why we’re headed in that direction, and more importantly, the critical role they each play in making it a success. Starting last year, along with this strategic review, we also started the process of announcing new partners at the firm. Since the firm was founded in 2000 by Joe Bogdahn, its foundational goal was to make the firm a multigenerational organization led by the employees. That succession plan was put into place in 2015 and last January we announced 6 new partners – Donna Sullivan, David Ray, Jason Purdy, Bryan Bakardjiev, Steve Gordon and Troy Brown.

This year, we added one new partner – Dan Johnson. Dan has been with the firm for almost 10 years and has worked tirelessly serving his clients and evolving the firm in multiple areas. Dan believes in what we are doing and the value of the independent service model. Dan has continuously demonstrated his willingness to drop everything to help others and help the firm better serve our clients, each other, and the community. As a testament to his contributions, when his name was announced Dan received a standing ovation from his peers. We are honored to have Dan at our firm and part of our ownership team.

At AndCo, we believe in order to continue growing over time, and align interests of all employees, we must continue to recycle equity opportunities back into the organization. This belief embodies our commitment to remain employee owned and managed, as well as reward those team members that have helped make the company what it is today and what it will be going forward. This shared belief also ensures legacy partners will eventually transfer their units to new members.

As such, since Joe initially transferred units back to the firm, I have granted units to new members. I am also happy to acknowledge Dave West as the most recent 1st generation partner to voluntarily recycle his ownership units back into the company. Dave was one of our initial partners and was an instrumental collaborator in the development of the early philosophies and deliverables of the organization. Dave will continue to support the firm by serving our clients with the same passion and enthusiasm into the future as one of our most tenured senior consultants.

So, this New Year we want to say “Thank you” twice: once to you, our valued clients, and once to Dave West for his support, belief and understanding of the AndCo way. We embark on 2018 stronger than ever thanks to your trust, people like Dave, and the rest of our tremendous, growing team.

On behalf of everyone at AndCo, thank you for your partnership.



Mike Welker, CFA®
President/CEO

MANAGEMENT

Mike Welker, CFA
President/CEO

Bryan Bakardjiev, CFA
Executive Director

Troy Brown, CFA
Executive Director

Steve Gordon
Executive Director

Kim Spurlin, CPA
Executive Director

CONSULTANTS

Jack Evatt
Director of Consulting

Dan Johnson
Director of Consulting

Doug Anderson

Annette Bidart

Mike Bostler

Jon Breth, CFP

Christiaan J. Brokaw, CFA

Peter Brown

Jennifer Brozstek

Mike Fleiner

Michael Holycross, CIMA

Jennifer Gainfort, CFA

Brian Green

Tyler Grumbles, CFA, CIPM

Ian Jones

Tony Kay

Brian King

Jeff Kuchta, CFA

Chris Kuhn, CFA, CAIA

Justin Lauver, Esq.

John McCann, CIMA

John Mellinger

Tim Nash

Mary Nye

T. Christopher Pipich, CFA

Howard Pohl

Kerry Richardville, CFA

James Ross

John Thinnos, CFA, CAIA

Brendon M. Vavrica, CFP

Tim Walters

Greg Weaver

Dave West, CFA

RESEARCH

Jeff Gabrione, CFA
Director of Research - Alternatives

Julie Baker, CFA
International

Brad Hess, CFA
Domestic

Steve Jones, CFA
Head of Asset Strategies

Tim Kominiarek, CAIA
Head of Real Asset

Kevin Laake, CFA
Domestic

Rob Mills, CAIA
Real Estate

Kadmiel Onodje, CAIA
Asset Strategies

Dan Osika, CFA
Asset Strategies

Philip Schmitt, CIMA
Head of Fixed Income

Evan Scussel, CFA, CAIA
Head of Equity

Matthew Ogren
Associate

RETIREMENT SOLUTIONS

Jacob Peacock
Director of Retirement Solutions

Joe Carter

Al DiCristofaro

Amy Heyel

Paul Murray

CLIENT SOLUTIONS GROUP

David Ray
Director of Client Solutions

Misha Bell

Zach Chichinski, CFA, CIPM

Jose Christiansen

Amy Foster

Nicole Hampton

Kim Hummel

Mary Ann Johnson

Rosemarie Kieskowski

Yoon Lee-Choi

Annie Lopez

Grace Niebrzydowski

Beth Porzelt

Jeff Pruniski

Albert Sauerland

Donna Sullivan

Brooke Wilson

OPERATIONS

Rachel Brignoni, CLSC
Director of Human Resources

Jason Purdy
Director of IT

Jamie Utt
IT Systems Administrator

Jerry Camel
Director of Software Development

Tim Linger
Software Developer

Brandie Rivera
Controller

Derek Tangeman, CFP, CIMA
Director of Marketing

Kim Goodearl
Head of RFP Team

Tala Chin
Marketing Analyst

John Rodak, CIPM
Head of Client On-Boarding

Meghan Haines
Client On-Boarding Associate

Bonnie Burgess
Office Administrator

COMPLIANCE

Matt DeConcini, Esq.
Chief Compliance Officer

Sara Searle
Compliance Officer

INVESTMENT COMMITTEE

Matt DeConcini, Esq.
Chief Compliance Officer (Moderator)

Jack Evatt
Director/Senior Consultant

Jeff Gabrione, CFA
Director of Research

Dan Johnson
Director/Senior Consultant

Ian Jones
Senior Consultant

Jacob Peacock
Director of Retirement Solutions

 **87**
EMPLOYEES

29 ADVANCED DEGREES

20 CFA



6 CAIA

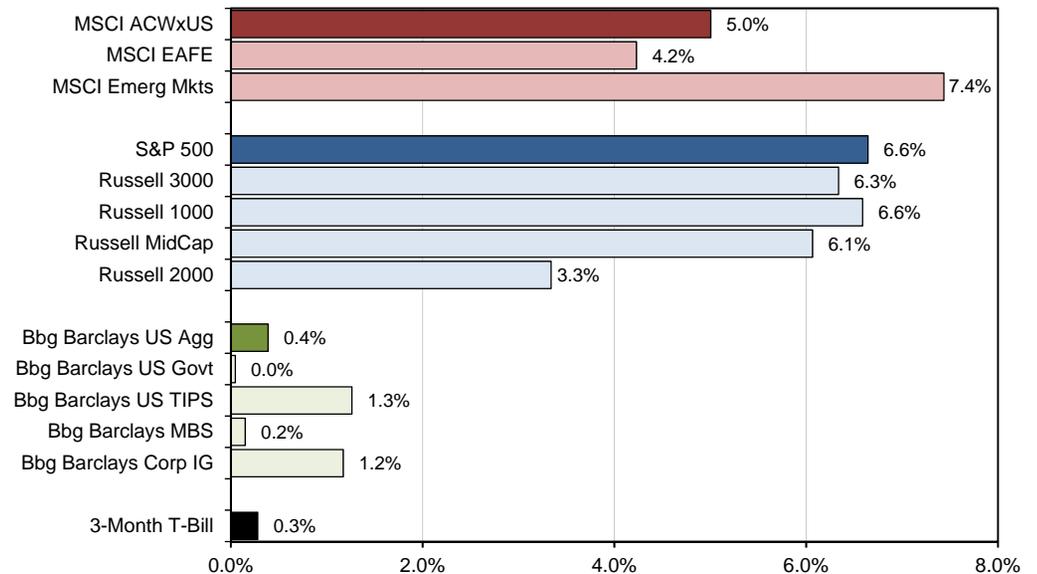


3 CIPM

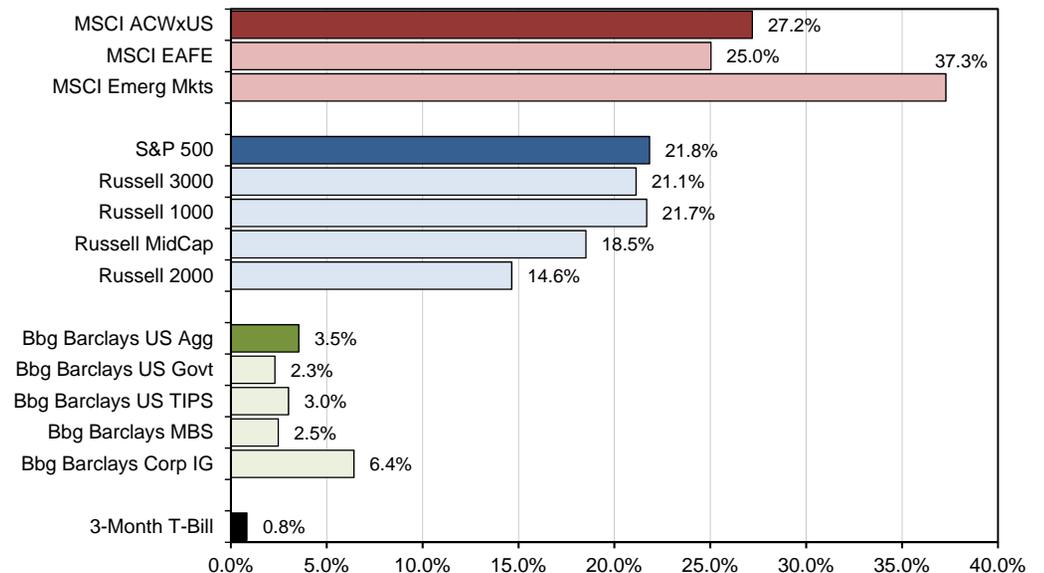


- Market returns were positive across major equity and fixed income indices for the 4th quarter and calendar year 2017. Broad domestic and international equity markets continued their year long trend of strong positive performance. Fixed income indices also posted positive results, but equities outpaced fixed income investments for both the quarter and 1-year period as improving macroeconomic data and robust corporate earnings worldwide fostered investor optimism in the continued global economic recovery. The US stock market represented by the Russell 3000 Index returned 6.3% and 21.1% for the quarter and calendar year respectively. While the Russell 3000 outperformed the international MSCI ACWI ex US Index during the 4th quarter, international stocks were the best performers of 2017. Domestic equity indices pushed higher as most measures continued to show continued signs of a healthy US economy. Future prospects for lower corporate and individual tax rates following the passage of a republican party led tax code overhaul in December also boosted returns through the period.
- International equity market benchmarks posted considerable gains for both the 4th quarter and year-to-date period with the MSCI ACWI ex US returning 5.0% and 27.2% respectively. Emerging market stocks outpaced both international developed and US equities over both periods with the MSCI Emerging Markets Index returning 7.4% through the quarter and an impressive 37.3% for the calendar year. While developed market international index returns were weaker by comparison, they still posted solid gains with the MSCI EAFE Index returning 25.0% for the 1-year period outpacing major domestic indices. International equities benefitted from continued strength in global fundamental data, a weakening U.S. Dollar (USD) and generally accommodative global central bank policies. This positive trend in economic fundamentals led some global central banks to begin normalizing monetary policy with both the European Central Bank (ECB) and the Bank of England (BoE) taking action during the 4th quarter. Many international markets also saw their returns influenced, both positively and negatively, by ongoing political developments throughout the quarter.
- During the 4th quarter, interest rates on the US Treasury Yield Curve rose for short-term maturities, but fell for long-term maturities causing further flattening of the yield curve. The jump in interest rates on the short end of the curve was partially due to increasing investor expectations for a US Federal Reserve (Fed) interest rate hike, which materialized in December. Despite the increase in short-term rates, broad fixed income indices posted modestly positive results with the bellwether Bloomberg Barclays U.S. Aggregate Index returning 0.4% for the quarter and 3.5% for the year. Corporate credit continued its trend of outperformance relative to other investment grade sectors through 2017 as it benefitted from the further tightening of credit spreads relative to Treasuries.

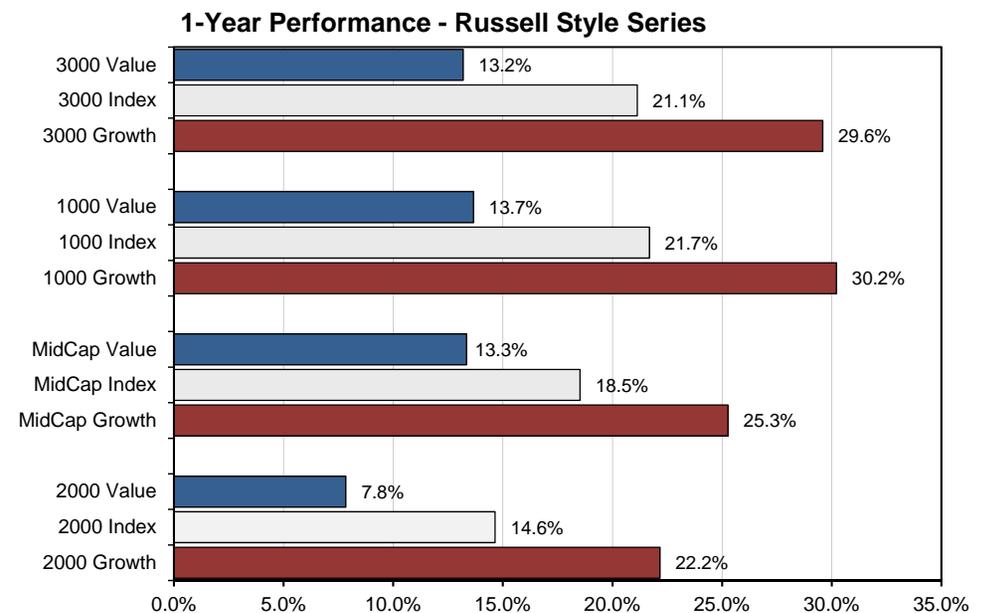
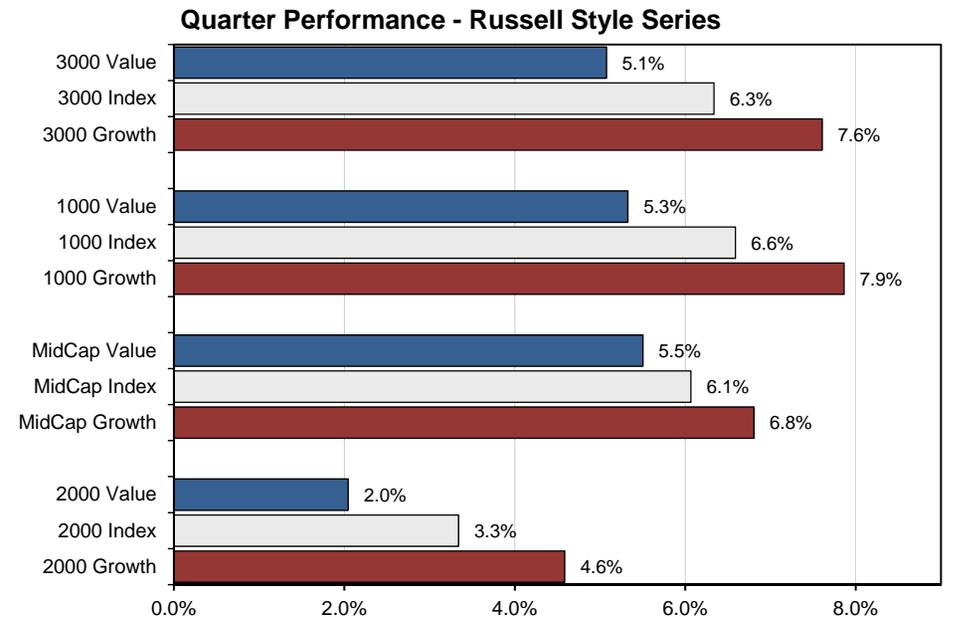
Quarter Performance



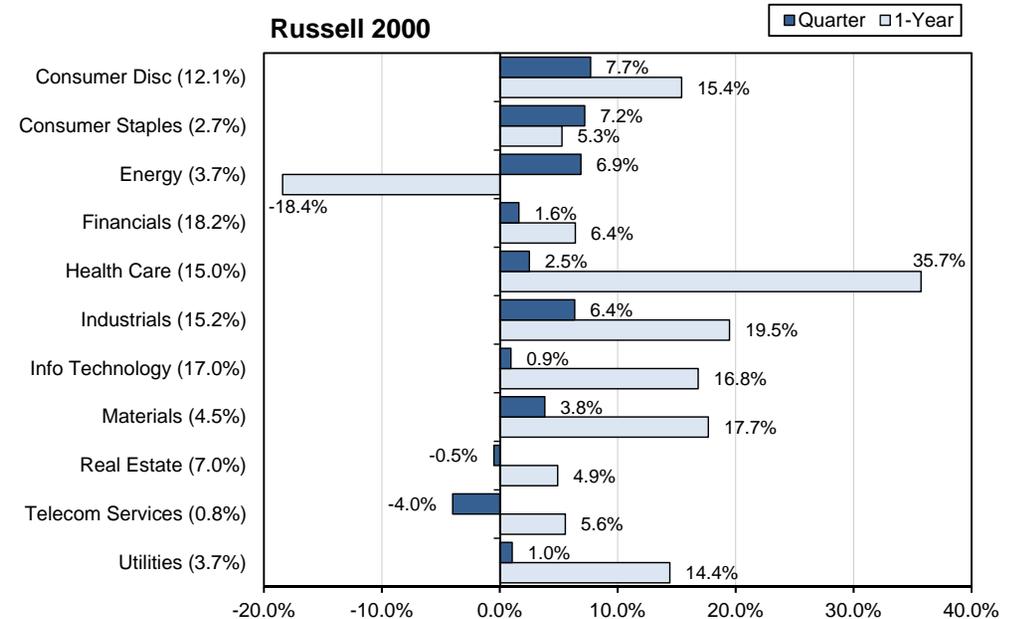
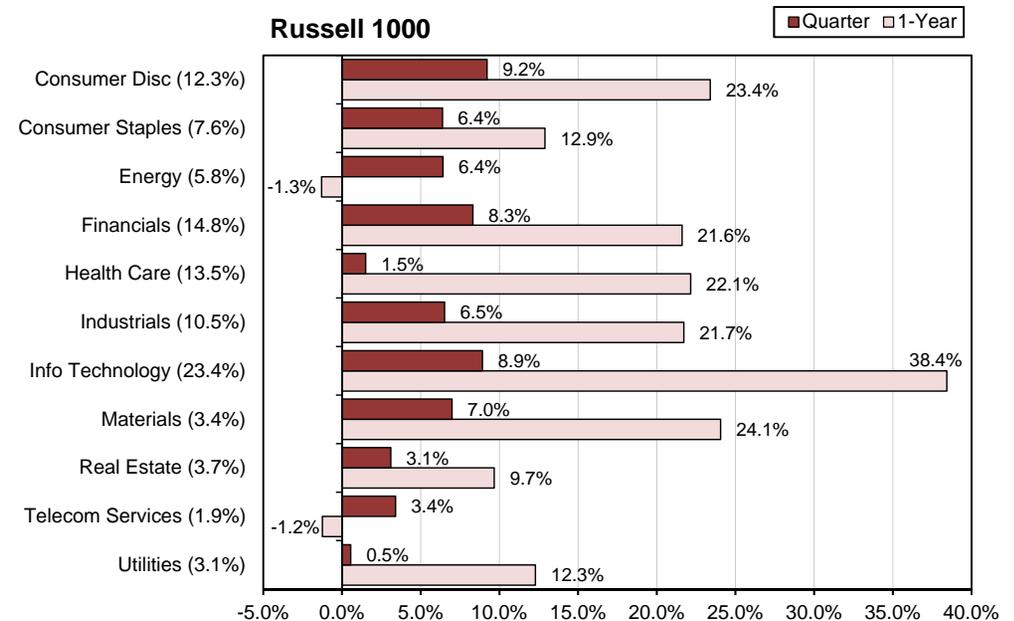
1-Year Performance



- US equity index returns were solidly positive across the style and capitalization spectrum for the 4th quarter and trailing 1-year period. Throughout 2017, there was only one instance of a negative quarterly return being posted by the Russell market cap and style indices, which was a -0.13% return by the Russell 2000 Value Index during 1Q 2017. Quarterly results benefitted from the passage of republican party tax reforms that represented the first major restructuring of the US Tax code since 1986. Investors cheered the reductions to both individual and corporate income tax rates. In particular, the reduction of the corporate tax rate from 35% to 21%, all else equal, should act as a tailwind to corporate earnings and therefore future investment returns. Furthermore, as seen through much of 2017, encouraging economic data continued to facilitate gains in U.S. equity markets as positive trends in GDP, consumer and business sentiment, corporate earnings and employment continued throughout the period.
- During the quarter, large cap stocks outperformed mid and small cap equities. The large cap Russell 1000 Index returned 6.6% during the period, double the 3.3% return posted by the small cap Russell 2000 Index. Calendar year results echo the 4th quarter's with the Russell 1000 gaining 21.7% versus a 14.6% increase for the Russell 2000. This trend of large cap outperformance can be partially explained by their greater to exposure to foreign markets relative to small cap companies. This can be especially beneficial during periods of USD weakness, such as that experienced over the last year, which is typically favorable to exporters and foreign sales. Large cap companies as a whole generate more revenue outside of the US which can expose them to faster growing markets, foreign tax benefits or strengthening foreign currencies.
- Growth indices outperformed value indices across the market cap spectrum for the fourth straight quarter. Performance for growth indices more than doubled value index performance for each respective cap segment with all market cap growth indices posting returns greater than 20% during 2017. Growth benchmarks benefitted from larger exposures to more cyclical names within the information technology, consumer discretionary, health care and industrials sectors. They also benefitted from underweights to more defensive "bond proxy" sectors such as REITs, utilities and telecom. Lower exposure to the energy sector also acted as tailwind to growth benchmarks.
- Domestic equity valuations appear stretched relative to historical levels based on Forward Price/Earnings ratios (P/E), with even the most reasonably valued indices trading above their historical P/E valuations. Index P/E valuations range from 110% to 132% of their respective 15-year P/E averages. The small cap value index appears the most inexpensive and the small cap growth segment looks the most overvalued.



- Sector performance was positive across all sectors for the 4th quarter of 2017. However, only four of eleven economic sectors outpaced the Russell 1000 Index return. Cyclical sectors tended to do well through the period with the higher yielding bond proxy sectors lagging on a relative basis. Apparel and retail companies drove performance within the consumer discretionary sector, which returned 9.2%, leading all other sectors. Technology stocks continued their 2017 gains over the quarter benefitting from robust 3rd quarter earnings and product demand returning 8.9%. Over the trailing 1-year period, technology was the best performing sector by a relatively wide margin returning an impressive 38.4%. Materials, consumer discretionary, healthcare, industrials and financials all posted returns greater than 20%. Nine of eleven large cap economic sectors posted positive returns for the year with eight posting double digit returns. Energy and telecom services were the only large cap sectors to post negative returns over the last year, returning -1.3% and -1.2% respectively.
- Small cap sector results were mixed relative to their large capitalization counterparts. Five of eleven economic sectors outpaced the Russell 2000 Index return for the quarter, with nine sectors posting positive results for the period. Most of the sector trends observable in large cap index sector performance also impacted small cap sectors. However, there were several notable differences, particularly in technology, telecom services and financials where there was significant underperformance relative to their large cap counterparts. Small cap sectors trailed large cap sectors in those three categorizations by 8.0%, 7.4% and 6.7% during the quarter respectively. Over the 1-year period, ten of eleven sectors have posted gains with six of eleven sectors having returns greater than 10%. Over the one year period, health care stocks were the best performers within the Russell 2000 returning a solid 35.7%. Energy was the only Russell 2000 sector to post a negative return over last year, falling a meaningful -18.4%.
- Using S&P 500 sector valuations as a proxy for the market, forward P/E ratios for eight of the GICS sectors were higher than their long-term averages at quarter-end. Using these historical P/E measures, the energy, materials and utilities sectors appear the most extended. In contrast the technology, health care and telecommunications sectors were trading at a discount to their long-term average P/E ratios.



The Market Environment
Top 10 Index Weights & Quarterly Performance for the Russell 1000 & 2000
As of December 31, 2017

Top 10 Weighted Stocks				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Apple Inc	3.43%	10.2%	48.5%	Information Technology
Microsoft Corp	2.53%	15.4%	40.7%	Information Technology
Amazon.com Inc	1.83%	21.6%	56.0%	Consumer Discretionary
Facebook Inc A	1.63%	3.3%	53.4%	Information Technology
Berkshire Hathaway Inc B	1.50%	8.1%	21.6%	Financials
Johnson & Johnson	1.49%	8.1%	24.4%	Health Care
JPMorgan Chase & Co	1.46%	12.6%	26.7%	Financials
Exxon Mobil Corp	1.40%	3.0%	-3.8%	Energy
Alphabet Inc C	1.25%	9.1%	35.6%	Information Technology
Alphabet Inc A	1.24%	8.2%	32.9%	Information Technology

Top 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
CalAtlantic Group Inc	0.02%	54.1%	66.5%	Consumer Discretionary
Skechers USA Inc	0.02%	50.8%	53.9%	Consumer Discretionary
First Solar Inc	0.02%	47.2%	110.4%	Information Technology
Urban Outfitters Inc	0.01%	46.7%	23.1%	Consumer Discretionary
L Brands Inc	0.06%	46.5%	-3.9%	Consumer Discretionary
Regal Entertainment Group A	0.01%	45.4%	17.0%	Consumer Discretionary
HollyFrontier Corp	0.04%	43.5%	63.2%	Energy
Twitter Inc	0.06%	42.3%	47.3%	Information Technology
The Kroger Co	0.10%	37.6%	-19.0%	Consumer Staples
United States Steel Corp	0.02%	37.4%	7.4%	Materials

Bottom 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Mallinckrodt PLC	0.01%	-39.6%	-54.7%	Health Care
Intrexon Corp	0.00%	-39.4%	-49.4%	Health Care
Pandora Media Inc	0.00%	-37.4%	-63.0%	Information Technology
Tesaro Inc	0.01%	-35.8%	-38.4%	Health Care
PG&E Corp	0.09%	-34.2%	-24.5%	Utilities
Acadia Healthcare Co Inc	0.01%	-31.7%	-1.4%	Health Care
OPKO Health Inc	0.01%	-28.6%	-47.3%	Health Care
Celgene Corp	0.32%	-28.4%	-9.8%	Health Care
General Electric Co	0.60%	-27.3%	-42.9%	Industrials
Newell Brands Inc	0.06%	-27.0%	-29.4%	Consumer Discretionary

Top 10 Weighted Stocks				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Nektar Therapeutics Inc	0.42%	148.8%	386.7%	Health Care
bluebird bio Inc	0.41%	29.7%	188.7%	Health Care
Sage Therapeutics Inc	0.30%	164.4%	222.6%	Health Care
Exact Sciences Corp	0.29%	11.5%	293.3%	Health Care
GrubHub Inc	0.29%	36.3%	90.9%	Information Technology
Catalent Inc	0.26%	2.9%	52.4%	Health Care
Knight-Swift Transportation Inc A	0.26%	5.4%	33.2%	Industrials
Curtiss-Wright Corp	0.26%	16.9%	24.6%	Industrials
EPAM Systems Inc	0.25%	22.2%	67.1%	Information Technology
Sterling Bancorp	0.25%	0.1%	6.4%	Financials

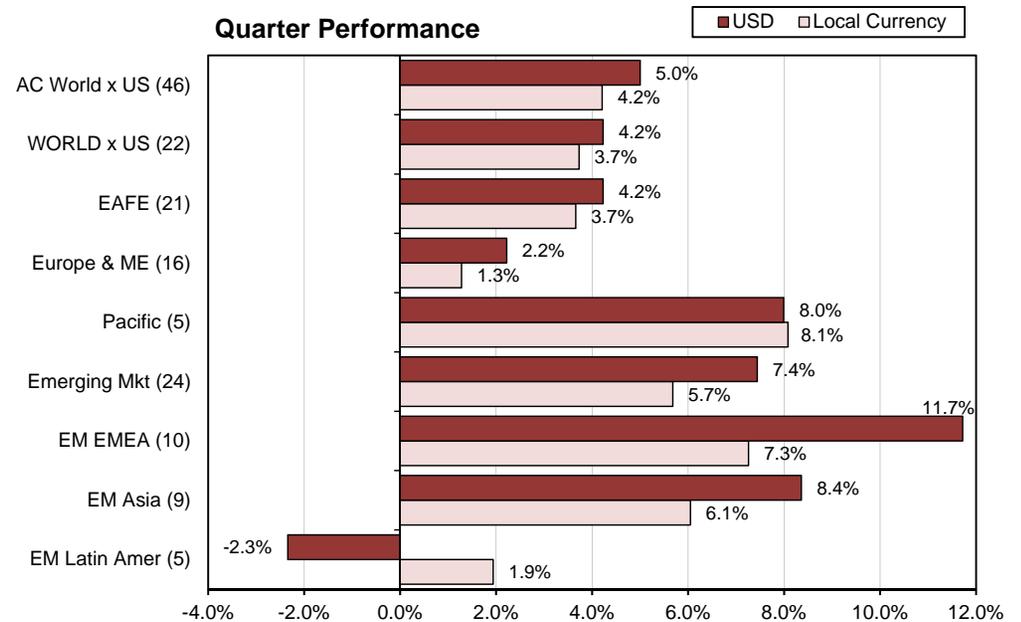
Top 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Verso Corp A	0.03%	245.2%	147.5%	Materials
AnaptysBio Inc	0.09%	188.2%	N/A	Health Care
Sage Therapeutics Inc	0.30%	164.4%	222.6%	Health Care
Valhi Inc	0.01%	154.6%	82.7%	Materials
Nektar Therapeutics Inc	0.42%	148.8%	386.7%	Health Care
Forterra Inc	0.01%	146.7%	-48.8%	Materials
Ignyta Inc	0.07%	116.2%	403.8%	Health Care
Overstock.com Inc	0.05%	115.2%	265.1%	Consumer Discretionary
Madrigal Pharmaceuticals Inc	0.02%	104.1%	516.0%	Health Care
Boot Barn Holdings Inc	0.01%	86.6%	32.7%	Consumer Discretionary

Bottom 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Iconix Brand Group Inc	0.00%	-77.3%	-86.2%	Consumer Discretionary
Aqua Metals Inc	0.00%	-68.9%	-83.8%	Industrials
Immune Design Corp	0.01%	-62.3%	-29.1%	Health Care
GNC Holdings Inc	0.01%	-58.3%	-66.6%	Consumer Discretionary
Eastman Kodak Co	0.00%	-57.8%	-80.0%	Information Technology
GenMark Diagnostics Inc	0.01%	-56.7%	-65.9%	Health Care
Willbros Group Inc	0.00%	-55.9%	-56.2%	Energy
NanoString Technologies Inc	0.01%	-53.8%	-66.5%	Health Care
Nordic American Tankers Ltd	0.01%	-53.6%	-67.8%	Energy
Curis Inc	0.00%	-53.0%	-77.3%	Health Care

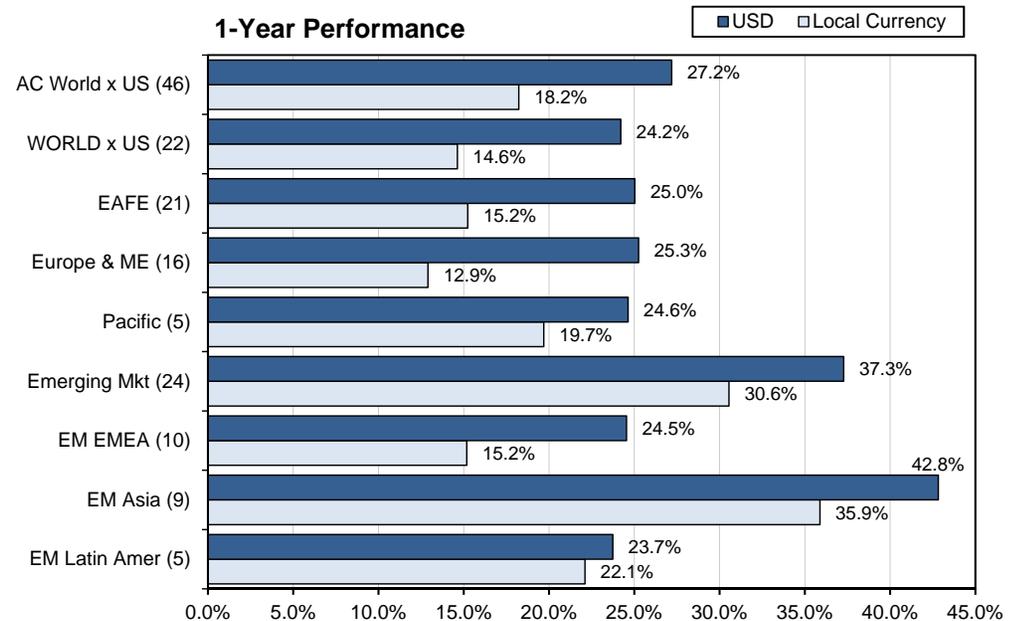


- International equity returns advanced during the 4th quarter, largely driven by ongoing improvement in the global economy and continued weakness in the USD. These trends, in tandem with a rally in technology stocks and rising commodity prices, helped emerging markets continue their 2017 outperformance relative to developed market equities. The USD continued its year-to-date decline against most major currencies through the period. This provided additional tailwinds to international index returns denominated in USD. The USD weakness is also visible in the 1-year performance for broad international indices, with all indices showing higher returns in terms of USD.
- Results for broad developed market international indices were positive for the 4th quarter in both USD and local currency terms with the MSCI EAFE Index returning 4.2% and 3.7% respectively. While developed markets advanced on the back of positive economic data, ongoing political developments also impacted several markets thorough the quarter. Enthusiasm over the ECB's decision to extend its quantitative easing program was waned by German Chancellor Merkel's failure to form a coalition government and Catalonia's independence referendum. In the UK, initial concerns over a "hard Brexit" were tempered toward the end of the quarter as the EU and UK were able to come to a preliminary agreement, increasing the odds of a more amicable separation. Prime Minister Abe's coalition government was successful in Japan's October elections, winning a clear majority and providing reassurance that Japan's current monetary and fiscal policies will likely continue without major change. Performance for the past year has been strong on an absolute basis with the MSCI EAFE Index returning 25.0% and 15.2% in USD and local currency terms respectively.
- The MSCI Emerging Market Index outperformed developed markets during the 4th quarter, returning 7.4% and 5.7% in USD and local currency terms respectively. While the same tailwinds that pushed developed international markets higher also benefitted emerging market equities, rising commodity and technology stock prices also helped gains. Similar to developed markets, political news influenced emerging markets during the quarter. In China, there was a change in posture with a greater focus on quality growth, financial stability and economic reforms. India announced relief for the country's state run banks designed to inject additional liquidity to the financial system to improve lending and stimulate the economy. Mexican stocks suffered as the peso weakened against the dollar and investor concerns surrounding the future of NAFTA's pushed prices lower. Brazil also faced currency headwinds and despite the fact that corruption charges against President Temer were dropped, recent votes indicated that support for future political reforms may have weakened. One year returns for the MSCI Emerging Market Index were an impressive 37.3% in USD terms and 30.6% in terms of local currency.

Quarter Performance



1-Year Performance



The Market Environment
U.S. Dollar International Index Attribution & Country Detail
As of December 31, 2017

MSCI - EAFE	Sector Weight	Quarter Return	1-Year Return
Consumer Discretionary	12.3%	5.3%	24.7%
Consumer Staples	11.2%	4.9%	24.1%
Energy	5.3%	10.0%	21.6%
Financials	21.2%	3.0%	24.7%
Health Care	10.1%	0.0%	16.9%
Industrials	14.6%	4.8%	30.0%
Information Technology	6.4%	5.0%	39.3%
Materials	8.2%	8.5%	33.9%
Real Estate	3.6%	6.4%	21.7%
Telecommunication Services	3.9%	0.7%	12.9%
Utilities	3.2%	-1.0%	19.2%
Total	100.0%	4.2%	25.0%

MSCI - ACWIXUS	Sector Weight	Quarter Return	1-Year Return
Consumer Discretionary	11.3%	6.1%	28.1%
Consumer Staples	9.6%	5.5%	24.0%
Energy	6.7%	7.4%	16.5%
Financials	23.1%	4.5%	26.0%
Health Care	7.6%	1.3%	18.1%
Industrials	11.9%	4.8%	29.4%
Information Technology	11.5%	6.2%	51.1%
Materials	8.2%	8.4%	32.2%
Real Estate	3.2%	5.6%	26.5%
Telecommunication Services	4.0%	1.5%	14.5%
Utilities	2.9%	-0.4%	18.6%
Total	100.0%	5.0%	27.2%

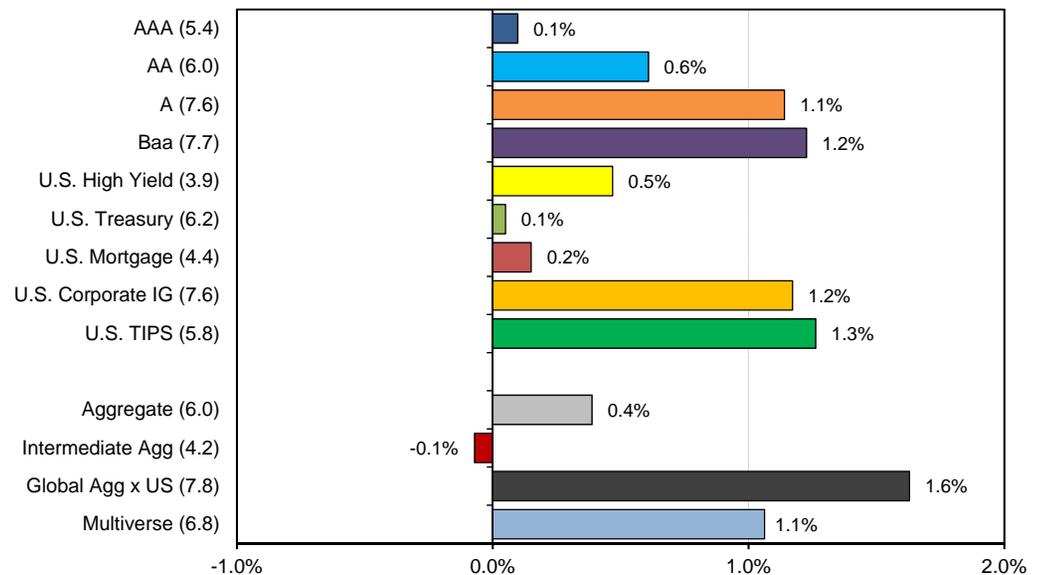
MSCI - Emerging Mkt	Sector Weight	Quarter Return	1-Year Return
Consumer Discretionary	10.2%	9.0%	40.1%
Consumer Staples	6.6%	8.2%	25.5%
Energy	6.8%	7.9%	21.1%
Financials	23.5%	8.2%	32.6%
Health Care	2.7%	16.6%	32.7%
Industrials	5.2%	5.1%	26.1%
Information Technology	27.7%	7.1%	60.6%
Materials	7.4%	8.7%	33.6%
Real Estate	2.8%	3.1%	49.5%
Telecommunication Services	4.8%	3.0%	16.8%
Utilities	2.4%	1.5%	16.6%
Total	100.0%	7.4%	37.3%

Country	MSCI-EAFE Weight	MSCI-ACWIXUS Weight	Quarter Return	1-Year Return
Japan	24.0%	16.5%	8.5%	24.0%
United Kingdom	17.8%	12.2%	5.7%	22.3%
France	10.7%	7.3%	1.5%	28.8%
Germany	9.8%	6.7%	2.8%	27.7%
Switzerland	8.0%	5.5%	1.8%	22.5%
Australia	6.9%	4.8%	6.8%	19.9%
Hong Kong	3.6%	2.5%	6.6%	36.2%
Netherlands	3.6%	2.5%	0.8%	32.2%
Spain	3.2%	2.2%	-1.6%	27.1%
Sweden	2.7%	1.8%	-3.8%	20.6%
Italy	2.3%	1.6%	-2.3%	28.4%
Denmark	1.8%	1.3%	2.2%	34.7%
Singapore	1.3%	0.9%	10.1%	35.6%
Belgium	1.1%	0.8%	-1.5%	18.6%
Finland	0.9%	0.6%	-2.6%	22.5%
Norway	0.7%	0.5%	1.9%	28.3%
Ireland	0.5%	0.3%	3.5%	18.1%
Israel	0.5%	0.3%	4.1%	2.1%
Austria	0.3%	0.2%	5.8%	58.3%
New Zealand	0.2%	0.1%	1.5%	11.7%
Portugal	0.2%	0.1%	-2.0%	23.8%
Total EAFE Countries	100.0%	68.7%	4.2%	25.0%
Canada		6.6%	4.3%	16.1%
Total Developed Countries		75.2%	4.2%	24.2%
China		7.4%	7.6%	54.1%
Korea		3.8%	11.4%	47.3%
Taiwan		2.8%	4.0%	27.5%
India		2.2%	11.8%	38.8%
South Africa		1.8%	21.4%	36.1%
Brazil		1.7%	-2.0%	24.1%
Russia		0.8%	4.3%	5.2%
Mexico		0.7%	-8.1%	16.0%
Malaysia		0.6%	7.9%	25.1%
Indonesia		0.6%	8.2%	24.2%
Thailand		0.6%	9.5%	34.5%
Poland		0.3%	5.8%	54.7%
Chile		0.3%	7.2%	42.2%
Philippines		0.3%	6.5%	24.6%
Turkey		0.3%	4.3%	38.4%
United Arab Emirates		0.2%	-4.6%	2.9%
Qatar		0.1%	4.7%	-11.5%
Colombia		0.1%	0.8%	16.3%
Peru		0.1%	7.3%	38.4%
Greece		0.1%	13.3%	28.6%
Hungary		0.1%	7.1%	40.0%
Czech Republic		0.0%	7.8%	35.5%
Egypt		0.0%	-2.1%	5.1%
Pakistan		0.0%	-5.5%	-24.4%
Total Emerging Countries		24.8%	7.4%	37.3%
Total ACWIXUS Countries		100.0%	5.0%	27.2%

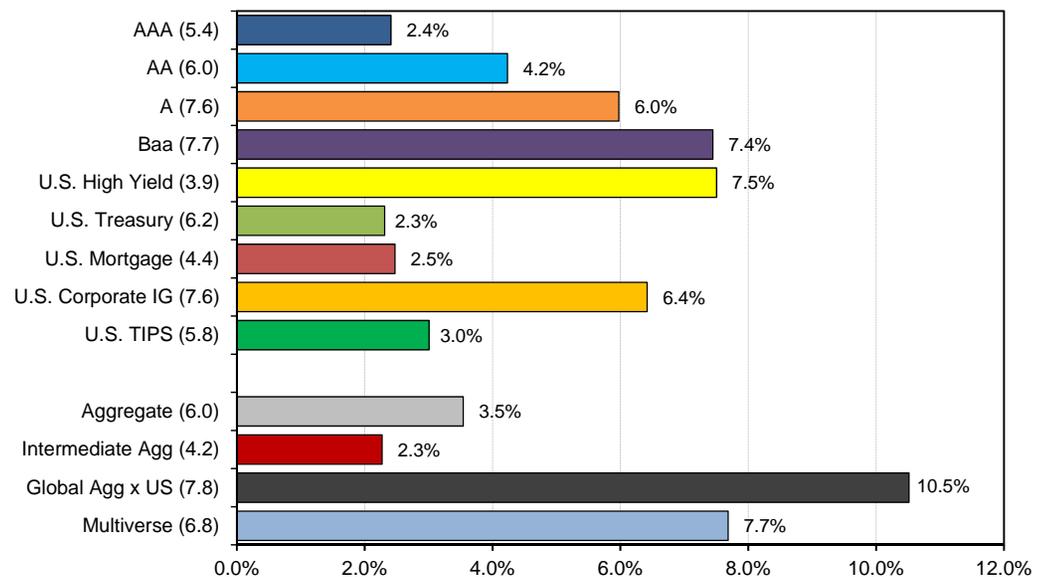


- Broad fixed income benchmarks were slightly positive during the 4th quarter. In October, the Fed began implementation of its plan to gradually reduce its balance sheet by systematically slowing the rate of reinvestment of the Treasury and mortgage backed securities (MBS) it holds on its books as the securities mature. This process will reduce the size of the Fed's balance sheet over time and can be viewed as tightening of monetary policy. Positive macroeconomic data throughout the quarter increased expectations that the Federal Open Market Committee (FOMC) would increase short-term interest rates during the quarter, pushing interest rates higher, especially at the short end of the yield curve. The FOMC announced a 25 bps interest rate hike after its December meeting, however, investors were not surprised by the rate increase and market reactions were relatively muted. Despite subdued inflation, the Fed feels the economy is tracking to be healthy enough to warrant continued tightening in 2018. This caused a flattening of the yield curve as short-term market yields rose and rates on maturities greater than 10 years fell. Long-term rates fell due to the artificially low supply caused by significant Fed ownership of long maturity Treasuries as well as strong investor demand. All else equal, this was a benefit to longer duration indices. While this was a relatively difficult period for fixed income investments, the Bloomberg Barclays U.S. Aggregate Index stayed slightly positive for the quarter and calendar year, returning 0.4% and 3.5% respectively.
- Within investment grade credit, lower quality corporate issues outperformed higher quality issues for both the quarter and 1-year period as contracting credit spreads from improvements in economic fundamentals acted as a tailwind to these issues. Baa rated credit was the best performing investment grade credit quality segment returning 1.2% for the quarter and 7.4% for the year. High yield debt trailed investment grade credit for the quarter due to its lower duration and lack of spread compression relative to investment grade credit. While investment grade spreads tightened 8 bps during the 4th quarter, spreads on high yield bonds tightened only 4 bps. However, high yield debt continues to be the largest beneficiary of the strengthening economy over last year with the Bloomberg Barclays High Yield Index appreciating 7.5%.
- A review of sector performance shows that investment grade credit has continued its 2017 trend of outperformance versus Treasuries and MBS securities during the 4th quarter. As previously mentioned, corporate issues benefited from tightening credit spreads throughout the period. Treasuries struggled through the quarter due to lower yields and tightening monetary policy. Despite widening spreads and increased supply, MBS managed to outperform Treasuries for the quarter and the year. For calendar year 2017, Treasury securities were the worst performing investment grade sector returning 2.3%, while U.S. investment grade corporate bonds were the best performing investment grade sector gaining 6.4%.

Quarter Performance

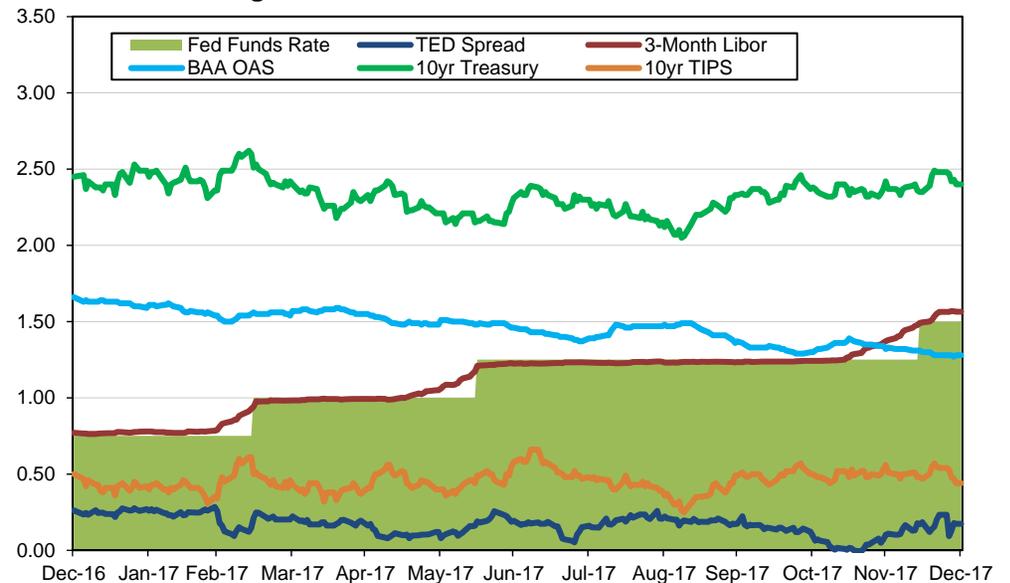


1-Year Performance

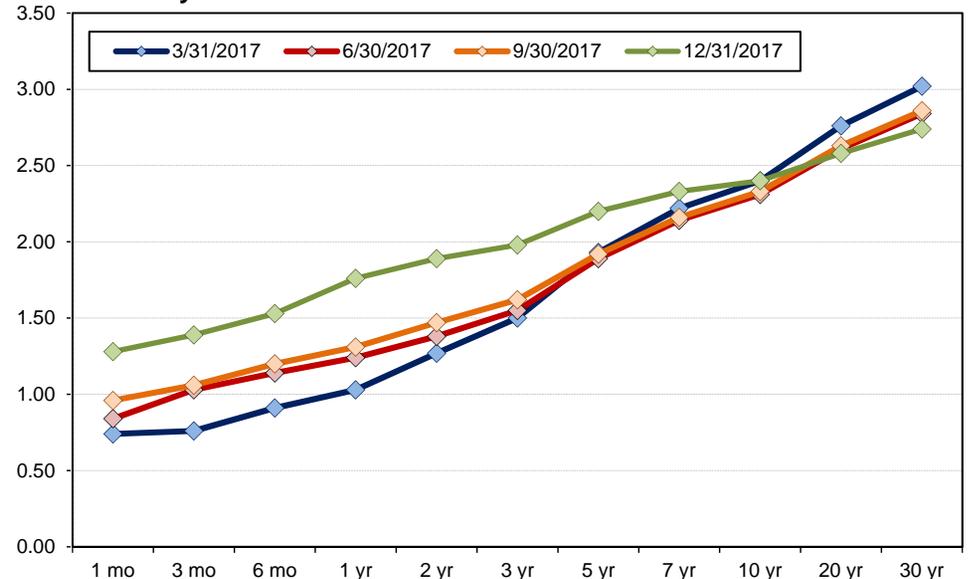


- Global fixed income indices also posted gains for the quarter. Global benchmarks are impacted by the same local yield and duration factors as domestic benchmarks. While these indices have relatively high durations, which benefitted them in the current quarter, the returns of these indices are also significantly influenced by fluctuations in their currency denomination relative to the USD. This currency effect can add additional return to foreign issues as it did during calendar year 2017, or it can further exacerbate negative performance as it did in 2016. Global bonds outperformed domestic issues during the quarter and 1-year period due to their relatively long durations and a currency effect tailwind caused by a weakening USD. Returns on global bonds represented by the Bloomberg Barclays Global Aggregate ex US Index were 1.6% and 10.5% for the 4th quarter and year-to-date period respectively. As the global economy continues to recover, several international central banks have started to move toward a less accommodative posture during the quarter. Notably, the ECB, while extending its current quantitative easing program well into 2018, announced that it be reducing the amount of monthly asset purchases from 60 billion euro per month to 30 billion euro per month. Similarly, despite a dovish stance on future rate increases, the BoE voted to raise interest rates for the first time in a decade.
- Much of the index performance detailed in the bar graphs on the previous page is visible on a time series basis by reviewing the line graphs to the right. The '1-Year Trailing Market Rates' chart illustrates that the 10-year Treasury yield (green line) ended 2017 close to where it began the year, modestly rising during the 4th quarter. During the year, rates peaked during the 1st quarter of 2017 before hitting a low during the 3rd quarter. They then gradually rose to end the year slightly lower than where they started, falling to 2.40% from 2.45%. The blue line illustrates changes in the BAA OAS (Option Adjusted Spread). This measure quantifies the additional yield premium that investors require to purchase and hold non-Treasury issues. This line illustrates a steady decline in credit spreads throughout 2017. This decline is equivalent to an interest rate decrease on corporate bonds, which produces a tailwind for corporate bond index returns. These credit spreads have tightened by about 38 bps over the last 12-months. The green shading at the bottom of the graph illustrates the gradual increase in the Federal Funds Rate due to a less accommodative US monetary policy.
- The lower graph provides a snapshot of the U.S. Treasury yield curve at the end of each of the last four calendar quarters. As mentioned, the yield curve continues to flatten as yields on shorter-term maturities have risen, while interest rates on the long end of the curve have generally declined. The significant upward shift in short-term interest rates and decline of long-term interest rates throughout the year is clearly visible.

1-Year Trailing Market Rates

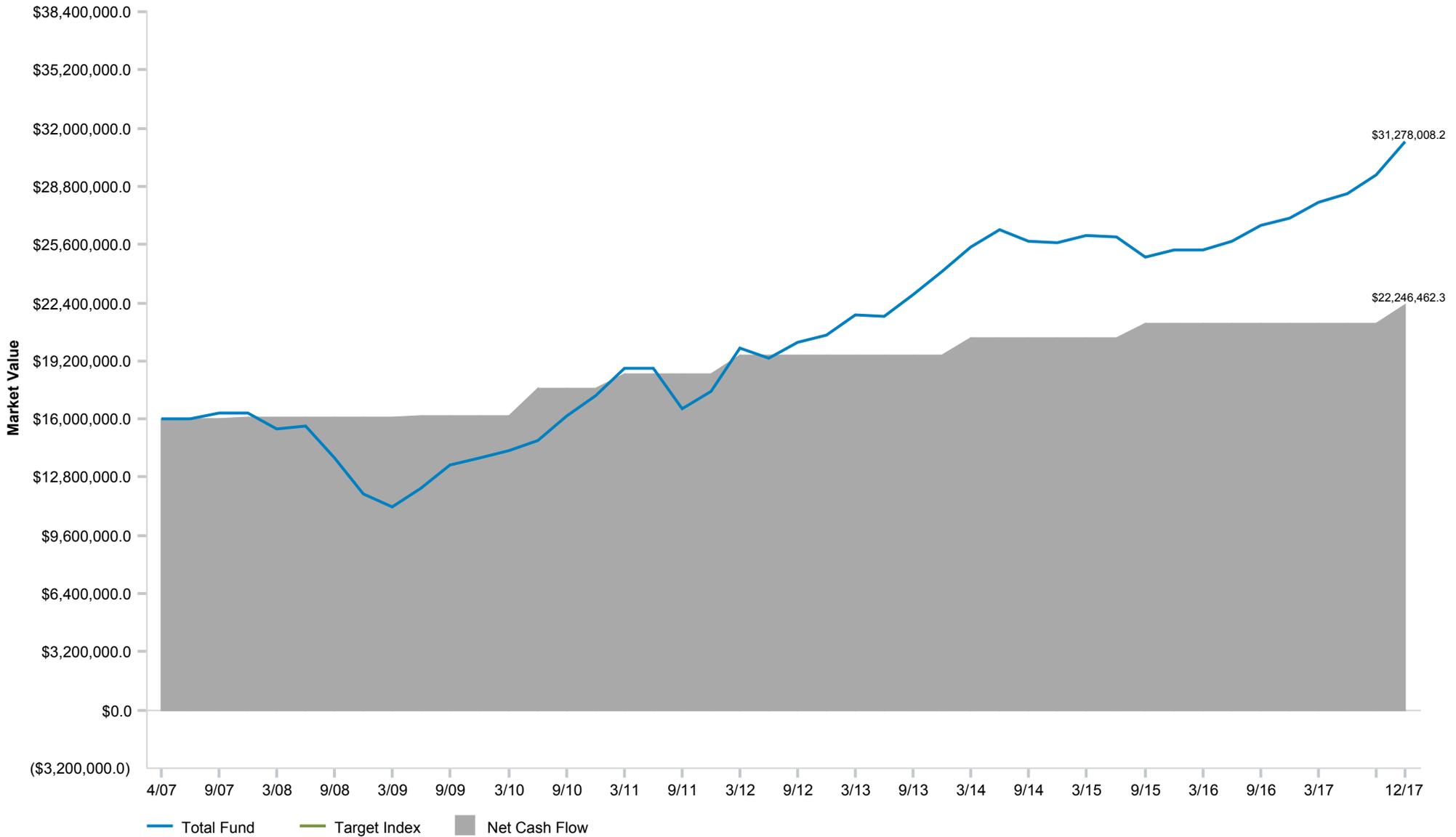


Treasury Yield Curve



Schedule of Investable Assets
Total Fund
 Since Inception Ending December 31, 2017

Schedule of Investable Assets

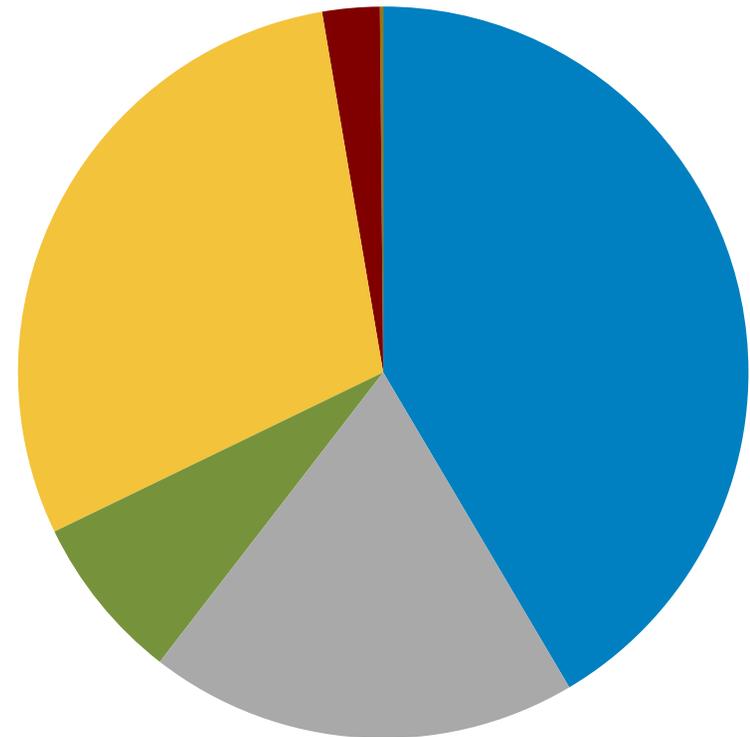
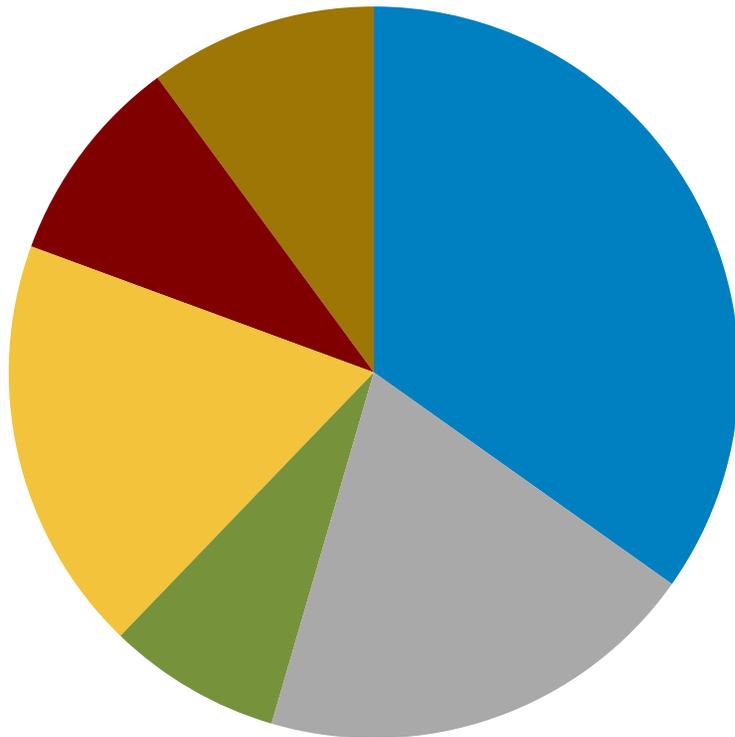


Periods Ending	Beginning Market Value \$	Net Cash Flow \$	Gain/Loss \$	Ending Market Value \$
Inception	16,000,000	6,246,462	9,031,546	31,278,008



September 30, 2017 : \$29,415,155

December 31, 2017 : \$31,278,008



Allocation			Allocation		
	Market Value (\$)	Allocation (%)		Market Value (\$)	Allocation (%)
■ Domestic Equity	10,241,657	34.82	■ Domestic Equity	12,978,133	41.49
■ International Equity	5,796,241	19.70	■ International Equity	5,938,937	18.99
■ Total Alternative Strategies	2,261,054	7.69	■ Total Alternative Strategies	2,300,870	7.36
■ Total Fixed Income	5,409,103	18.39	■ Total Fixed Income	9,219,834	29.48
■ Total Real Assets	2,737,509	9.31	■ Total Real Assets	793,347	2.54
■ Total Liquid Capital	2,969,591	10.10	■ Total Liquid Capital	46,887	0.15



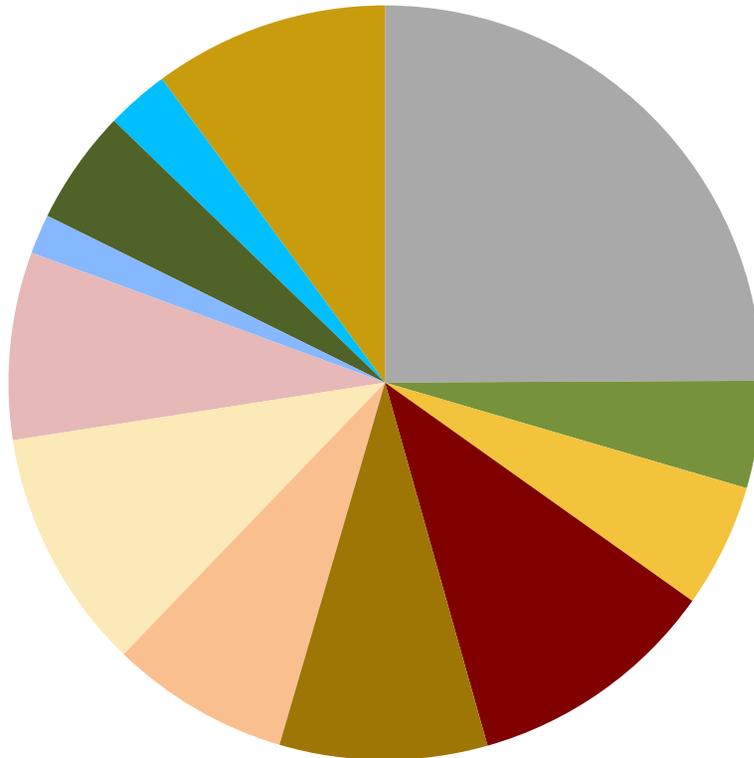
**Asset Allocation by Manager
Total Fund**

As of December 31, 2017

September 30, 2017 : \$29,415,155

Allocation

	Market Value	Allocation
Vanguard S&P MC 400 [VSPMX]	-	0.0
Fidelity Total Market Index Fund Premium Class	7,329,326	24.9
FPA Crescent Fund	1,351,439	4.6
FMI Common Stock Fund	1,560,892	5.3
Dodge & Cox Intl Stock Fund	3,175,876	10.8
Artisan International Instl Fd	2,620,365	8.9
Forester Offshore A2, Ltd.	2,261,054	7.7
Vanguard Total Bond Market Index Fund Adm	3,043,630	10.3
Vanguard Short Term US Treas Adm Fd	2,365,473	8.0
Met West Total Return Bond Fund (MWTIX)	-	0.0
PIMCO Div Inc Bond Fund (PDIIX)	-	0.0
Nuveen Gresham Diversified Commodities Fund	498,438	1.7
Van Eck Global Hard Assets I Fund	1,447,408	4.9
Vanguard Short-Term Inflation Protected Securities Adm. Fund	791,663	2.7
Government Stif 15	2,969,591	10.1



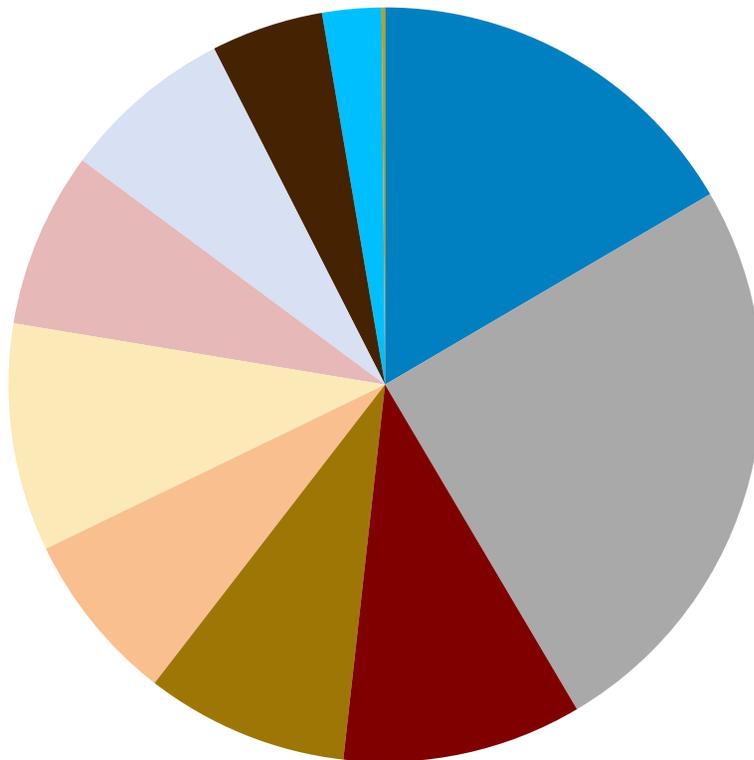
**Asset Allocation by Manager
Total Fund**

As of December 31, 2017

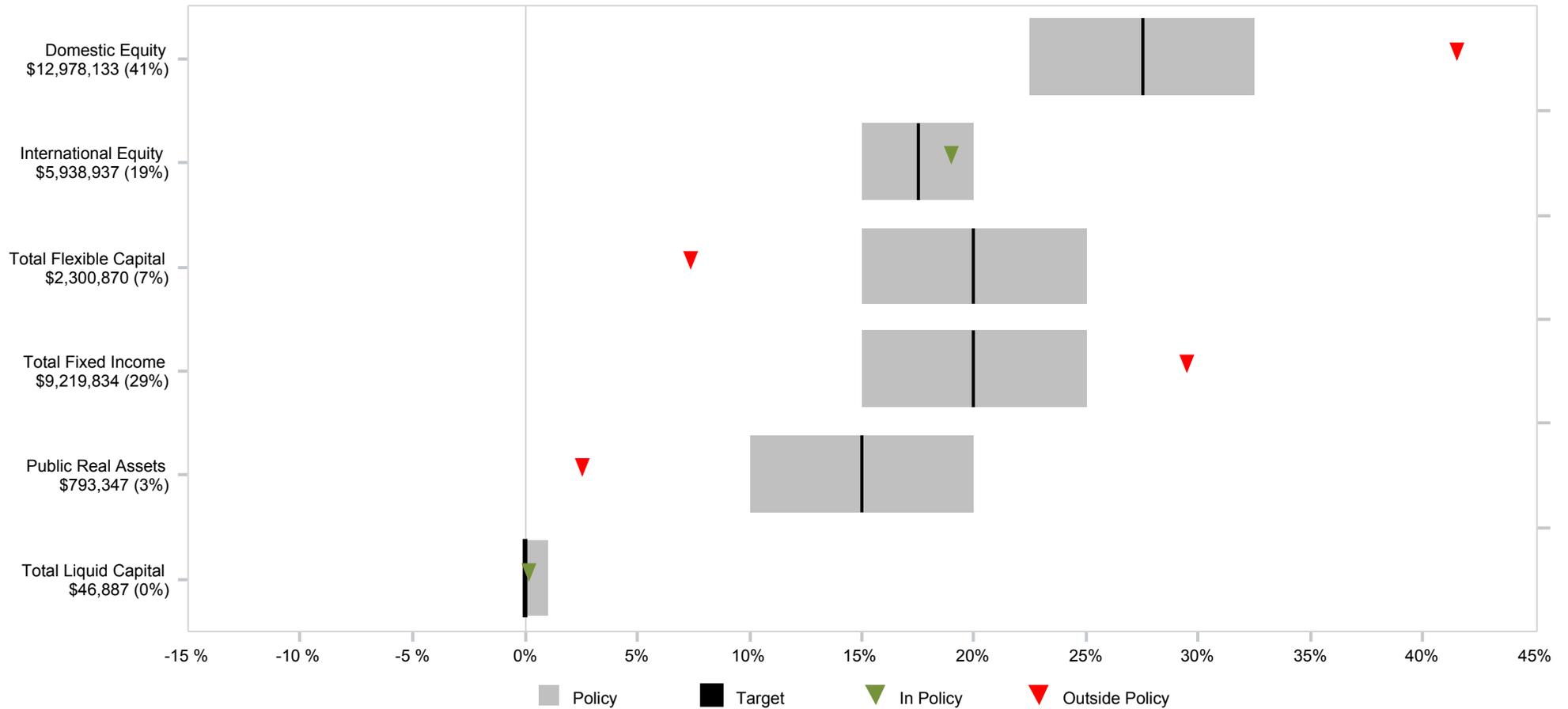
December 31, 2017 : \$31,278,008

Allocation

	Market Value	Allocation
Vanguard S&P MC 400 [VSPMX]	5,184,465	16.6
Fidelity Total Market Index Fund Premium Class	7,793,668	24.9
FPA Crescent Fund	-	0.0
FMI Common Stock Fund	-	0.0
Dodge & Cox Intl Stock Fund	3,214,177	10.3
Artisan International Instl Fd	2,724,760	8.7
Forester Offshore A2, Ltd.	2,300,870	7.4
Vanguard Total Bond Market Index Fund Adm	3,055,935	9.8
Vanguard Short Term US Treas Adm Fd	2,356,229	7.5
Met West Total Return Bond Fund (MWTIX)	2,301,004	7.4
PIMCO Div Inc Bond Fund (PDIIX)	1,506,666	4.8
Nuveen Gresham Diversified Commodities Fund	-	0.0
Van Eck Global Hard Assets I Fund	-	0.0
Vanguard Short-Term Inflation Protected Securities Adm. Fund	793,347	2.5
Government Stif 15	46,887	0.1



Executive Summary

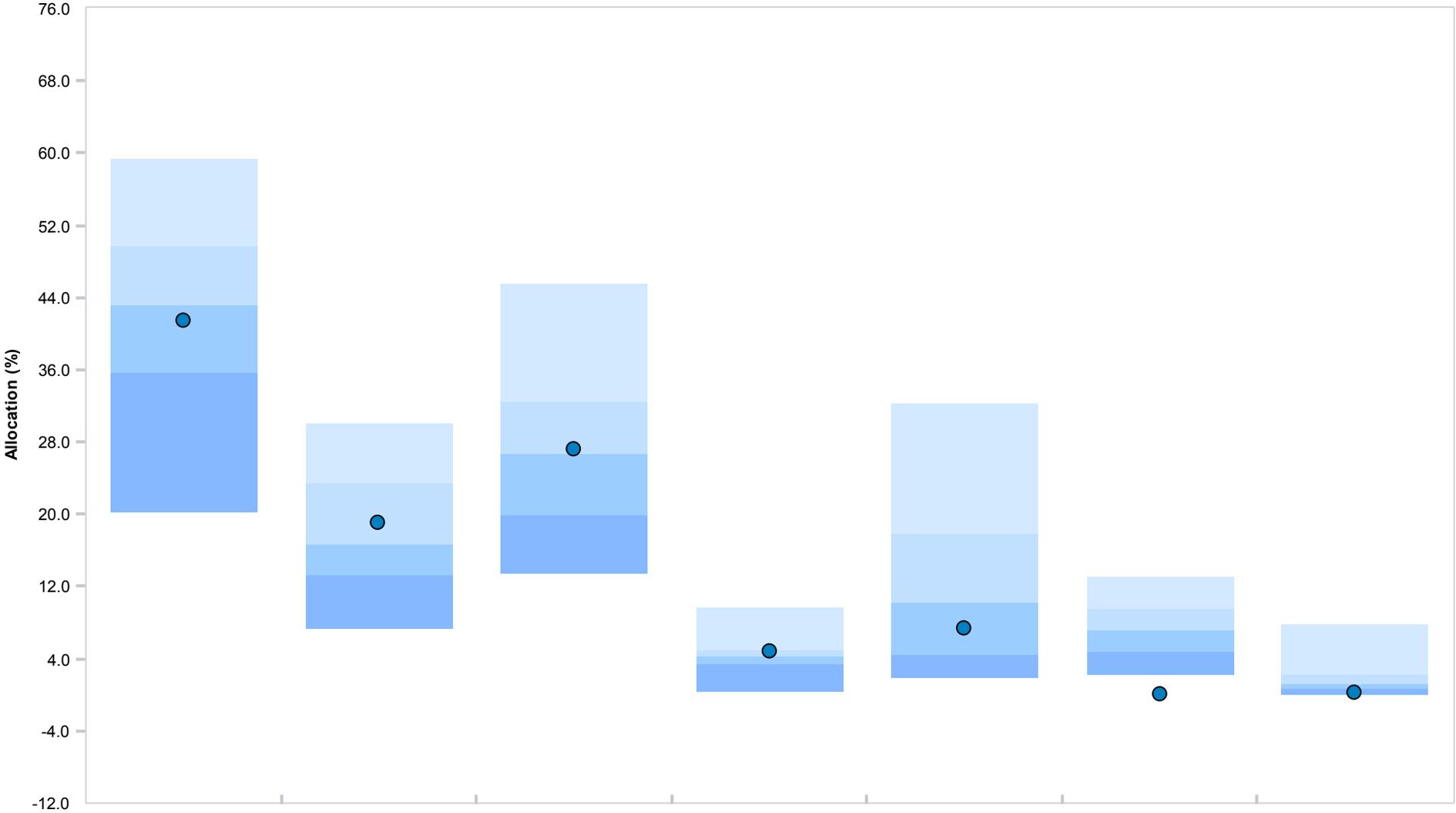


Asset Allocation Compliance

	Asset Allocation \$	Current Allocation (%)	Minimum Allocation (%)	Target Allocation (%)	Maximum Allocation (%)	Target Rebal.
Total Fund	31,278,008	100.0	N/A	100.0	N/A	-
Domestic Equity	12,978,133	41.5	22.5	27.5	32.5	-4,376,681
International Equity	5,938,937	19.0	15.0	17.5	20.0	-465,285
Total Flexible Capital	2,300,870	7.4	15.0	20.0	25.0	3,954,732
Total Fixed Income	9,219,834	29.5	15.0	20.0	25.0	-2,964,232
Public Real Assets	793,347	2.5	10.0	15.0	20.0	3,898,354
Total Liquid Capital	46,887	0.1	0.0	0.0	1.0	-46,887



Plan Sponsor TF Asset Allocation
Total Fund Vs. All Public Plans-Total Fund
 As of December 31, 2017



	US Equity	Intl. Equity	US Fixed Income	Intl. Fixed Income	Alternative Inv.	Real Estate	Cash
● Total Fund	41.49 (59)	18.99 (45)	27.20 (49)	4.82 (32)	7.36 (62)	0.00	0.15 (92)
5th Percentile	59.31	30.05	45.50	9.69	32.27	13.03	7.82
1st Quartile	49.72	23.37	32.47	4.95	17.87	9.60	2.27
Median	43.03	16.70	26.66	4.36	10.22	7.12	1.31
3rd Quartile	35.70	13.25	19.92	3.40	4.37	4.71	0.65
95th Percentile	20.23	7.35	13.43	0.30	1.97	2.24	0.06

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



Financial Reconciliation Quarter to Date									
	Market Value 10/01/2017	Net Transfers	Contributions	Distributions	Management Fees	Other Expenses	Income	Apprec./ Deprec.	Market Value 12/31/2017
Domestic Equity	10,241,657	2,037,723	-	-	-	-	171,515	527,238	12,978,133
Fidelity Total Market Index Fund Premium Class	7,329,326	-	-	-	-	-	146,746	317,596	7,793,668
Vanguard S&P MC 400 [VSPMX]	-	5,000,000	-	-	-	-	24,769	159,696	5,184,465
FMI Common Stock Fund	1,560,892	-1,583,090	-	-	-	-	-	22,198	-
FPA Crescent Fund	1,351,439	-1,379,187	-	-	-	-	-	27,748	-
International Equity	5,796,241	-	-	-	-	-	85,224	57,472	5,938,937
Dodge & Cox Intl Stock Fund	3,175,876	-	-	-	-	-	60,737	-22,436	3,214,177
Artisan International Instl Fd	2,620,365	-	-	-	-	-	24,486	79,908	2,724,760
Total Alternative Strategies	2,261,054	-	-	-	-	-	-	39,816	2,300,870
Forester Offshore A2, Ltd.	2,261,054	-	-	-	-	-	-	39,816	2,300,870
Total Fixed Income	5,409,103	3,800,000	-	-	-	-	53,002	-42,271	9,219,834
Vanguard Total Bond Market Index Fund Adm	3,043,630	-	-	-	-	-	20,771	-8,465	3,055,935
Vanguard Short Term US Treas Adm Fd	2,365,473	-	-	-	-	-	8,579	-17,823	2,356,229
Met West Total Return Bond Fund (MWTIX)	-	2,300,000	-	-	-	-	7,453	-6,449	2,301,004
PIMCO Div Inc Bond Fund (PDIIX)	-	1,500,000	-	-	-	-	16,200	-9,534	1,506,666
Total Real Assets	2,737,509	-1,912,490	-	-	-	-	11,873	-43,546	793,347
Van Eck Global Hard Assets I Fund	1,447,408	-1,403,171	-	-	-	-	-	-44,237	-
Nuveen Gresham Diversified Commodities Fund	498,438	-509,319	-	-	-	-	-	10,881	-
Vanguard Short-Term Inflation Protected Securities Adm. Fund	791,663	-	-	-	-	-	11,873	-10,190	793,347
Total Liquid Capital	2,969,591	-3,925,234	1,000,000	-	-	-	2,529	-	46,887
Government Stif 15	2,969,591	-3,925,234	1,000,000	-	-	-	2,529	-	46,887
Total Fund	29,415,155	-	1,000,000	-	-	-	324,144	538,710	31,278,008

Financial Reconciliation Fiscal Year to Date									
	Market Value 10/01/2017	Net Transfers	Contributions	Distributions	Management Fees	Other Expenses	Income	Apprec./ Deprec.	Market Value 12/31/2017
Domestic Equity	10,241,657	2,037,723	-	-	-	-	171,515	527,238	12,978,133
Fidelity Total Market Index Fund Premium Class	7,329,326	-	-	-	-	-	146,746	317,596	7,793,668
Vanguard S&P MC 400 [VSPMX]	-	5,000,000	-	-	-	-	24,769	159,696	5,184,465
FMI Common Stock Fund	1,560,892	-1,583,090	-	-	-	-	-	22,198	-
FPA Crescent Fund	1,351,439	-1,379,187	-	-	-	-	-	27,748	-
International Equity	5,796,241	-	-	-	-	-	85,224	57,472	5,938,937
Dodge & Cox Intl Stock Fund	3,175,876	-	-	-	-	-	60,737	-22,436	3,214,177
Artisan International Instl Fd	2,620,365	-	-	-	-	-	24,486	79,908	2,724,760
Total Alternative Strategies	2,261,054	-	-	-	-	-	-	39,816	2,300,870
Forester Offshore A2, Ltd.	2,261,054	-	-	-	-	-	-	39,816	2,300,870
Total Fixed Income	5,409,103	3,800,000	-	-	-	-	53,002	-42,271	9,219,834
Vanguard Total Bond Market Index Fund Adm	3,043,630	-	-	-	-	-	20,771	-8,465	3,055,935
Vanguard Short Term US Treas Adm Fd	2,365,473	-	-	-	-	-	8,579	-17,823	2,356,229
Met West Total Return Bond Fund (MWTIX)	-	2,300,000	-	-	-	-	7,453	-6,449	2,301,004
PIMCO Div Inc Bond Fund (PDIIX)	-	1,500,000	-	-	-	-	16,200	-9,534	1,506,666
Total Real Assets	2,737,509	-1,912,490	-	-	-	-	11,873	-43,546	793,347
Van Eck Global Hard Assets I Fund	1,447,408	-1,403,171	-	-	-	-	-	-44,237	-
Nuveen Gresham Diversified Commodities Fund	498,438	-509,319	-	-	-	-	-	10,881	-
Vanguard Short-Term Inflation Protected Securities Adm. Fund	791,663	-	-	-	-	-	11,873	-10,190	793,347
Total Liquid Capital	2,969,591	-3,925,234	1,000,000	-	-	-	2,529	-	46,887
Government Stif 15	2,969,591	-3,925,234	1,000,000	-	-	-	2,529	-	46,887
Total Fund	29,415,155	-	1,000,000	-	-	-	324,144	538,710	31,278,008

Asset Allocation & Performance [Gross of Fees] - Trailing Returns											
	Allocation		Performance(%)								
	Market Value \$	%	MTH	QTD	FYTD	YTD	1 YR	3 YR	5 YR	Inception	Inception Date
Total Fund (Net of PBA Fees)	31,278,008	100.0	0.68 (83)	3.01 (90)	3.01 (90)	12.15 (92)	12.15 (92)	4.64 (96)	6.50 (95)	3.65 (99)	05/01/2007
Target Index			0.92 (50)	3.01 (90)	3.01 (90)	12.17 (92)	12.17 (92)	5.39 (94)	6.51 (95)	N/A	
All Public Plans-Total Fund Median			0.91	3.73	3.73	15.57	15.57	7.45	9.17	6.05	
Total Fund	31,278,008	100.0	0.68 (83)	3.01 (90)	3.01 (90)	12.15 (92)	12.15 (92)	4.64 (96)	6.50 (95)	3.82 (98)	05/01/2007
Target Index			0.92 (50)	3.01 (90)	3.01 (90)	12.17 (92)	12.17 (92)	5.39 (94)	6.51 (95)	N/A	
All Public Plans-Total Fund Median			0.91	3.73	3.73	15.57	15.57	7.45	9.17	6.05	
Domestic Equity	12,978,133	41.5	0.69 (52)	6.03 (39)	6.03 (39)	19.22 (44)	19.22 (44)	10.20 (35)	14.43 (39)	6.03 (65)	06/01/2007
Russell 3000 Index			1.00 (40)	6.34 (32)	6.34 (32)	21.13 (36)	21.13 (36)	11.12 (22)	15.58 (20)	7.73 (31)	
IM U.S. Equity (MF) Median			0.73	5.38	5.38	17.77	17.77	9.17	13.71	6.79	
Vanguard S&P MC 400 [VSPMX]	5,184,465	16.6	0.22 (70)	N/A	N/A	N/A	N/A	N/A	N/A	3.90 (45)	11/01/2017
S&P MidCap 400 Index			0.22 (70)	6.25 (29)	6.25 (29)	16.24 (60)	16.24 (60)	11.14 (16)	15.01 (20)	3.90 (45)	
IM U.S. Mid Cap Equity (MF) Median			0.57	5.55	5.55	18.71	18.71	8.83	13.48	3.67	
Fidelity Total Market Index Fund Premium Class	7,793,668	24.9	1.01 (51)	6.34 (41)	6.34 (41)	21.15 (38)	21.15 (38)	11.09 (14)	15.57 (19)	7.83 (16)	06/01/2007
Wilshire 5000 Total Market Index (full-cap) Index			1.14 (42)	6.37 (39)	6.37 (39)	21.00 (41)	21.00 (41)	10.91 (18)	15.43 (24)	7.82 (16)	
IM U.S. Multi-Cap Core Equity (MF) Median			1.01	6.03	6.03	20.33	20.33	9.41	14.39	6.48	
International Equity	5,938,937	19.0	1.25 (82)	2.46 (90)	2.46 (90)	27.19 (60)	27.19 (60)	5.37 (88)	7.98 (35)	2.88 (44)	06/01/2007
MSCI EAFE (Net) Index			1.61 (65)	4.23 (58)	4.23 (58)	25.03 (73)	25.03 (73)	7.80 (61)	7.90 (36)	1.88 (64)	
IM International Equity (MF) Median			2.00	4.67	4.67	28.78	28.78	8.35	7.13	2.49	
Dodge & Cox Intl Stock Fund	3,214,177	10.3	2.04 (18)	1.21 (100)	1.21 (100)	23.94 (63)	23.94 (63)	5.96 (73)	8.51 (9)	3.00 (21)	06/01/2007
MSCI EAFE (Net) Index			1.61 (44)	4.23 (44)	4.23 (44)	25.03 (44)	25.03 (44)	7.80 (30)	7.90 (17)	1.88 (44)	
IM International Large Cap Core Equity (MF) Median			1.52	4.06	4.06	24.75	24.75	7.07	6.75	1.62	
Artisan International Instl Fd	2,724,760	8.7	0.33 (97)	3.98 (52)	3.98 (52)	31.24 (11)	31.24 (11)	4.64 (94)	7.38 (35)	7.38 (35)	01/01/2013
MSCI EAFE (Net) Index			1.61 (36)	4.23 (38)	4.23 (38)	25.03 (55)	25.03 (55)	7.80 (40)	7.90 (21)	7.90 (21)	
IM International Large Cap Equity (MF) Median			1.36	4.03	4.03	25.32	25.32	7.20	6.91	6.91	
Total Alternative Strategies	2,300,870	7.4	0.79	1.76	1.76	9.35	9.35	2.38	4.34	3.36	07/01/2007
Forester Offshore A2, Ltd.	2,300,870	7.4	0.79	1.76	1.76	9.68	9.68	2.70	5.72	4.56	07/01/2007

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



Asset Allocation & Performance

Total Fund

As of December 31, 2017

	Allocation		Performance(%)								
	Market Value \$	%	MTH	QTD	FYTD	YTD	1 YR	3 YR	5 YR	Inception	Inception Date
Total Fixed Income	9,219,834	29.5	0.31 (42)	-0.02 (92)	-0.02 (92)	2.08 (96)	2.08 (96)	1.46 (72)	1.22 (48)	2.81 (78)	06/01/2007
Fixed Income Composite Index			0.22 (65)	-0.01 (91)	-0.01 (91)	2.10 (96)	2.10 (96)	1.56 (70)	1.42 (42)	N/A	
IM Global Fixed Income (MF) Median			0.27	0.69	0.69	6.98	6.98	2.14	1.18	3.88	
Vanguard Total Bond Market Index Fund Adm	3,055,935	9.8	0.45 (38)	0.40 (36)	0.40 (36)	3.56 (52)	3.56 (52)	N/A	N/A	0.01 (77)	09/01/2016
Bloomberg Barclays U.S. Aggregate Index			0.46 (35)	0.39 (39)	0.39 (39)	3.54 (52)	3.54 (52)	2.24 (43)	2.10 (39)	0.30 (62)	
IM U.S. Broad Market Core Fixed Income (MF) Median			0.42	0.35	0.35	3.58	3.58	2.16	1.96	0.53	
Vanguard Short Term US Treas Adm Fd	2,356,229	7.5	-0.06 (85)	-0.39 (78)	-0.39 (78)	0.39 (64)	0.39 (64)	0.71 (28)	0.59 (26)	0.59 (26)	01/01/2013
Blmbg. Barc. U.S. Treasury: 1-5 Year			-0.01 (68)	-0.41 (81)	-0.41 (81)	0.68 (44)	0.68 (44)	0.87 (16)	0.73 (16)	0.73 (16)	
IM U.S. Short Term Treasury/Govt Bonds (MF) Median			0.01	-0.24	-0.24	0.55	0.55	0.52	0.40	0.40	
Met West Total Return Bond Fund (MWTIX)	2,301,004	7.4	0.38 (67)	N/A	N/A	N/A	N/A	N/A	N/A	0.38 (67)	12/01/2017
Bloomberg Barclays U.S. Aggregate Index			0.46 (35)	0.39 (39)	0.39 (39)	3.54 (52)	3.54 (52)	2.24 (43)	2.10 (39)	0.46 (35)	
IM U.S. Broad Market Core Fixed Income (MF) Median			0.42	0.35	0.35	3.58	3.58	2.16	1.96	0.42	
PIMCO Div Inc Bond Fund (PDIIX)	1,506,666	4.8	0.53 (15)	N/A	N/A	N/A	N/A	N/A	N/A	0.53 (15)	12/01/2017
Blmbg. Barc. Global Credit (Hedged)			0.49 (20)	1.02 (20)	1.02 (20)	5.89 (71)	5.89 (71)	4.29 (5)	4.02 (2)	0.49 (20)	
IM Global Fixed Income (MF) Median			0.27	0.69	0.69	6.98	6.98	2.14	1.18	0.27	
Total Real Assets	793,347	2.5	0.17 (62)	-1.15 (96)	-1.15 (96)	-6.20 (99)	-6.20 (99)	-3.13 (100)	-5.23 (100)	-4.95 (100)	07/01/2007
Real Assets Composite Index			0.17 (62)	0.21 (85)	0.21 (85)	0.82 (88)	0.82 (88)	1.12 (71)	-0.99 (98)	N/A	
IM Absolute Return (MF) Median			0.32	0.95	0.95	5.05	5.05	2.38	2.46	0.21	
Vanguard Short-Term Inflation Protected Securities Adm. Fund	793,347	2.5	0.17 (90)	0.21 (83)	0.21 (83)	0.82 (89)	0.82 (89)	1.12 (73)	N/A	0.41 (83)	02/01/2014
Bloomberg Barclays US TIPS 0-5 Year Index			0.19 (89)	0.21 (84)	0.21 (84)	0.88 (87)	0.88 (87)	1.22 (68)	0.18 (19)	0.56 (77)	
IM U.S. TIPS (MF) Median			0.83	1.11	1.11	2.63	2.63	1.60	-0.27	1.20	
Total Liquid Capital	46,887	0.1									
Government Stif 15	46,887	0.1									

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



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

	Allocation		Performance(%)									
	Market Value \$	%	FYTD	FY2016	FY2015	FY2014	FY2013	FY2012	FY2011	FY2010	FY2009	
Total Fund (Net of PBA Fees)	31,278,008	100.0	3.01 (90)	7.16 (92)	-6.34 (100)	8.51 (85)	12.77 (46)	15.85 (83)	-1.70 (87)	7.69 (93)	-3.71 (94)	
Target Index			3.01 (90)	6.67 (95)	-1.94 (80)	7.36 (95)	9.79 (86)	N/A	N/A	N/A	N/A	
All Public Plans-Total Fund Median			3.73	9.67	-0.50	10.17	12.49	17.98	0.29	9.91	1.57	
Total Fund	31,278,008	100.0	3.01 (90)	7.16 (92)	-6.34 (100)	8.51 (85)	12.77 (46)	15.89 (82)	-1.61 (86)	8.13 (89)	-3.23 (93)	
Target Index			3.01 (90)	6.67 (95)	-1.94 (80)	7.36 (95)	9.79 (86)	N/A	N/A	N/A	N/A	
All Public Plans-Total Fund Median			3.73	9.67	-0.50	10.17	12.49	17.98	0.29	9.91	1.57	
Domestic Equity	12,978,133	41.5	6.03 (39)	13.63 (37)	-1.23 (52)	15.92 (36)	21.80 (54)	28.88 (38)	-1.86 (50)	9.14 (65)	-11.21 (82)	
Russell 3000 Index			6.34 (32)	14.96 (26)	-0.49 (45)	17.76 (23)	21.60 (55)	30.20 (26)	0.55 (31)	10.96 (50)	-6.42 (57)	
IM U.S. Equity (MF) Median			5.38	11.89	-1.10	13.73	22.52	27.32	-1.88	10.88	-5.37	
Fidelity Total Market Index Fund Premium Class	7,793,668	24.9	6.34 (41)	14.93 (16)	-0.51 (33)	17.91 (28)	21.40 (62)	30.39 (15)	0.62 (27)	11.27 (26)	-6.40 (60)	
Wilshire 5000 Total Market Index (full-cap) Index			6.37 (39)	14.77 (17)	-1.18 (43)	17.67 (32)	22.03 (55)	29.64 (24)	0.48 (29)	11.86 (20)	-5.86 (54)	
IM U.S. Multi-Cap Core Equity (MF) Median			6.03	11.57	-1.73	16.25	22.74	26.56	-1.60	9.38	-5.52	
Vanguard S&P MC 400 [VSPMX]	5,184,465	16.6	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
S&P MidCap 400 Index			6.25 (29)	15.33 (14)	1.40 (35)	11.82 (49)	27.68 (41)	28.54 (26)	-1.28 (39)	17.78 (23)	-3.11 (42)	
IM U.S. Mid Cap Equity (MF) Median			5.55	10.55	-0.44	11.58	27.06	25.56	-2.51	15.33	-3.90	
International Equity	5,938,937	19.0	2.46 (90)	5.63 (74)	-12.84 (66)	9.63 (8)	25.48 (15)	23.04 (8)	-13.12 (59)	5.62 (64)	4.13 (50)	
MSCI EAFE (Net) Index			4.23 (58)	6.52 (67)	-8.66 (48)	4.25 (50)	23.77 (22)	13.75 (71)	-9.36 (27)	3.27 (77)	3.23 (53)	
IM International Equity (MF) Median			4.67	9.22	-9.18	4.25	17.79	16.18	-12.11	8.63	4.04	
Dodge & Cox Intl Stock Fund	3,214,177	10.3	1.21 (100)	5.62 (54)	-16.19 (98)	13.24 (1)	27.76 (2)	15.88 (43)	-12.97 (78)	7.55 (8)	6.78 (9)	
MSCI EAFE (Net) Index			4.23 (44)	6.52 (37)	-8.66 (58)	4.25 (43)	23.77 (20)	13.75 (66)	-9.36 (21)	3.27 (51)	3.23 (23)	
IM International Large Cap Core Equity (MF) Median			4.06	5.79	-8.05	3.77	21.51	15.09	-11.31	3.31	1.61	
Artisan International Instl Fd	2,724,760	8.7	3.98 (52)	5.64 (52)	-9.34 (65)	6.14 (19)	N/A	N/A	N/A	N/A	N/A	
MSCI EAFE (Net) Index			4.23 (38)	6.52 (45)	-8.66 (58)	4.25 (53)	23.77 (14)	13.75 (72)	-9.36 (27)	3.27 (61)	3.23 (27)	
IM International Large Cap Equity (MF) Median			4.03	5.85	-7.88	4.36	19.83	16.24	-11.24	3.95	1.27	

Returns for periods greater than one year are annualized.
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Asset Allocation & Performance

Total Fund

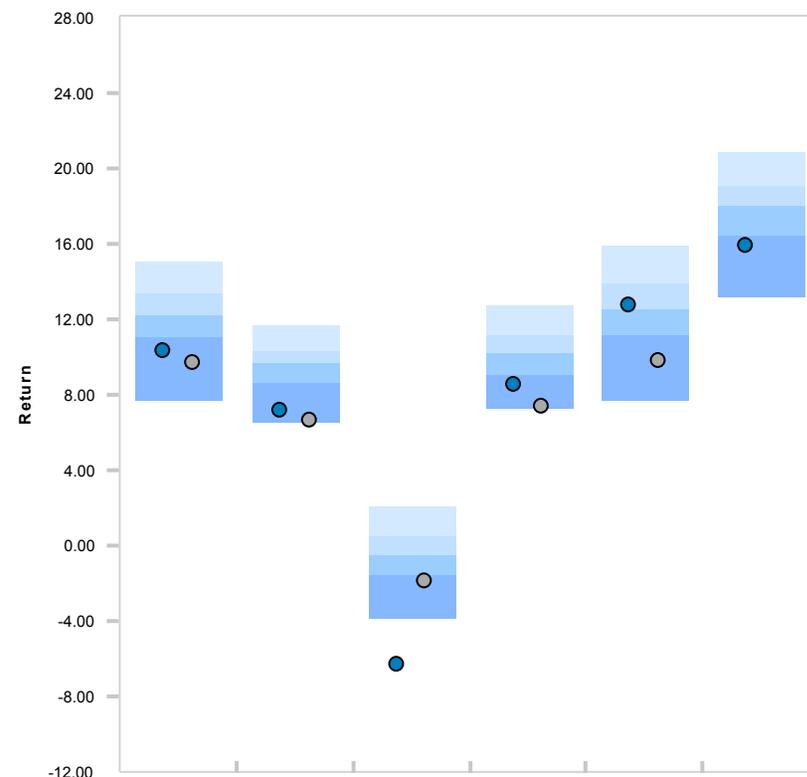
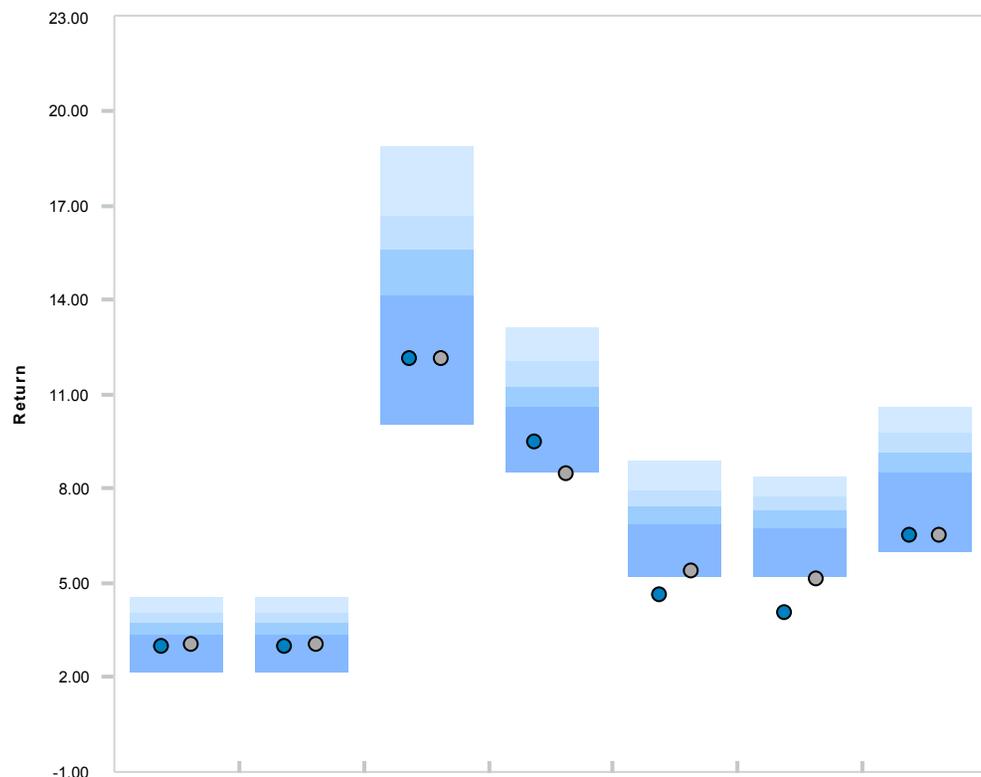
As of December 31, 2017

	Allocation		Performance(%)								
	Market Value \$	%	FYTD	FY2016	FY2015	FY2014	FY2013	FY2012	FY2011	FY2010	FY2009
Total Alternative Strategies	2,300,870	7.4	1.76	-0.33	-3.25	5.84	11.24	8.67	-0.63	5.91	4.94
Forester Offshore A2, Ltd.	2,300,870	7.4	1.76	-0.03	1.35	7.23	11.72	11.22	-1.96	3.59	5.56
Total Fixed Income	9,219,834	29.5	-0.02 (92)	3.03 (94)	2.51 (2)	1.75 (76)	-0.73 (36)	6.93 (59)	1.55 (57)	8.79 (37)	13.80 (51)
Fixed Income Composite Index			-0.01 (91)	3.35 (93)	2.50 (2)	2.29 (69)	-0.85 (38)	4.54 (90)	2.18 (44)	7.34 (58)	13.36 (58)
IM Global Fixed Income (MF) Median			0.69	7.27	-3.84	3.41	-1.80	7.18	1.77	7.68	13.86
Vanguard Total Bond Market Index Fund Adm	3,055,935	9.8	0.40 (36)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bloomberg Barclays U.S. Aggregate Index			0.39 (39)	5.19 (52)	2.94 (8)	3.96 (59)	-1.68 (53)	5.16 (81)	5.26 (14)	8.16 (76)	10.56 (59)
IM U.S. Broad Market Core Fixed Income (MF) Median			0.35	5.21	1.89	4.19	-1.63	6.79	4.31	9.34	11.34
Vanguard Short Term US Treas Adm Fd	2,356,229	7.5	-0.39 (78)	1.19 (23)	1.49 (21)	0.43 (49)	N/A	N/A	N/A	N/A	N/A
Blmbg. Barc. U.S. Treasury: 1-5 Year			-0.41 (81)	1.54 (5)	2.06 (3)	0.63 (38)	-0.01 (15)	1.28 (43)	2.21 (14)	4.36 (21)	4.67 (49)
IM U.S. Short Term Treasury/Govt Bonds (MF) Median			-0.24	0.78	0.79	0.42	-0.67	1.14	1.04	2.92	4.48
Met West Total Return Bond Fund (MWTIX)	2,301,004	7.4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bloomberg Barclays U.S. Aggregate Index			0.39 (39)	5.19 (52)	2.94 (8)	3.96 (59)	-1.68 (53)	5.16 (81)	5.26 (14)	8.16 (76)	10.56 (59)
IM U.S. Broad Market Core Fixed Income (MF) Median			0.35	5.21	1.89	4.19	-1.63	6.79	4.31	9.34	11.34
PIMCO Div Inc Bond Fund (PDIIX)	1,506,666	4.8	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Blmbg. Barc. Global Credit (Hedged)			1.02 (20)	9.19 (24)	0.86 (17)	6.83 (9)	1.46 (9)	11.61 (7)	1.69 (53)	11.05 (29)	15.99 (29)
IM Global Fixed Income (MF) Median			0.69	7.27	-3.84	3.41	-1.80	7.18	1.77	7.68	13.86
Total Real Assets	793,347	2.5	-1.15 (96)	13.86 (4)	-29.45 (100)	1.79 (67)	-4.60 (94)	11.79 (6)	3.67 (1)	11.65 (7)	-38.31 (100)
Real Assets Composite Index			0.21 (85)	2.51 (47)	-1.22 (45)	0.14 (85)	-6.10 (95)	N/A	N/A	12.93 (6)	-21.10 (100)
IM Absolute Return (MF) Median			0.95	2.03	-1.81	3.67	1.54	4.53	-1.82	2.02	-1.77
Vanguard Short-Term Inflation Protected Securities Adm. Fund	793,347	2.5	0.21 (83)	2.51 (93)	-1.22 (22)	N/A	N/A	N/A	N/A	N/A	N/A
Bloomberg Barclays US TIPS 0-5 Year Index			0.21 (84)	2.62 (91)	-1.19 (21)	0.21 (73)	-1.00 (12)	2.78 (97)	4.46 (89)	4.47 (97)	2.91 (85)
IM U.S. TIPS (MF) Median			1.11	5.77	-1.83	0.95	-6.17	8.21	8.10	8.70	5.16
Total Liquid Capital	46,887	0.1									
Government Stif 15	46,887	0.1									

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



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



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
Total Fund	3.01 (90)	3.01 (90)	12.15 (92)	9.51 (92)	4.64 (96)	4.08 (97)	6.50 (95)
Target Index	3.01 (90)	3.01 (90)	12.17 (92)	8.51 (96)	5.39 (95)	5.10 (96)	6.51 (95)
Median	3.73	3.73	15.58	11.28	7.46	7.31	9.18

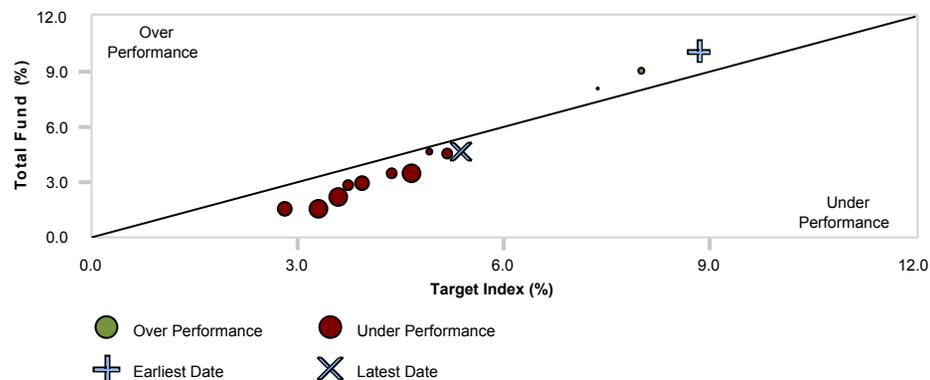
	Oct-2016 To Sep-2017	Oct-2015 To Sep-2016	Oct-2014 To Sep-2015	Oct-2013 To Sep-2014	Oct-2012 To Sep-2013	Oct-2011 To Sep-2012
Total Fund	10.31 (85)	7.16 (92)	-6.34 (100)	8.51 (85)	12.77 (46)	15.89 (82)
Target Index	9.65 (91)	6.67 (95)	-1.94 (80)	7.36 (95)	9.79 (86)	N/A
Median	12.21	9.67	-0.50	10.17	12.49	17.98

Comparative Performance

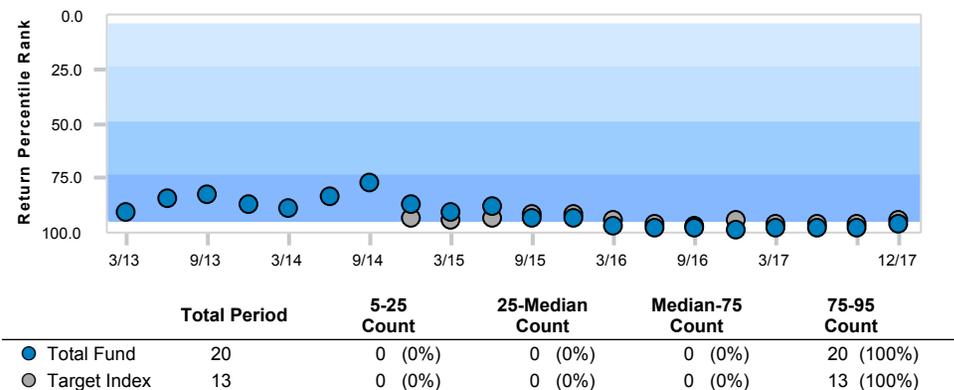
	1 Qtr Ending Sep-2017	1 Qtr Ending Jun-2017	1 Qtr Ending Mar-2017	1 Qtr Ending Dec-2016	1 Qtr Ending Sep-2016	1 Qtr Ending Jun-2016
Total Fund	3.46 (50)	1.72 (97)	3.45 (91)	1.32 (26)	3.58 (41)	1.89 (52)
Target Index	2.92 (87)	2.15 (92)	3.56 (89)	0.70 (54)	2.90 (75)	1.07 (94)
All Public Plans-Total Fund Median	3.46	2.99	4.43	0.79	3.39	1.90



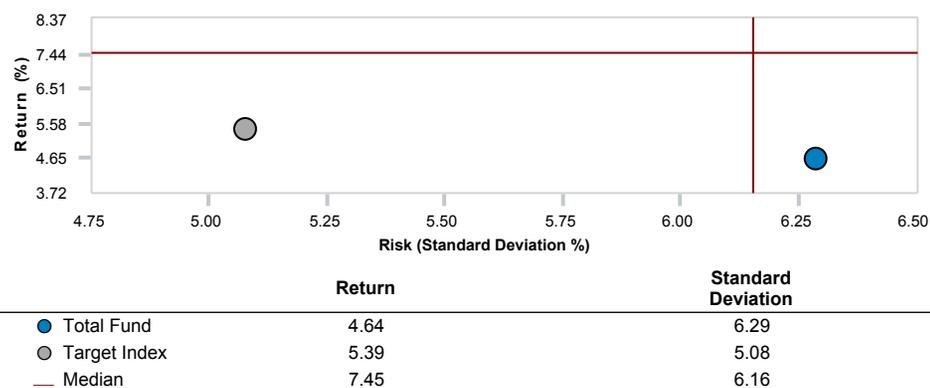
3 Yr Rolling Under/Over Performance - 5 Years



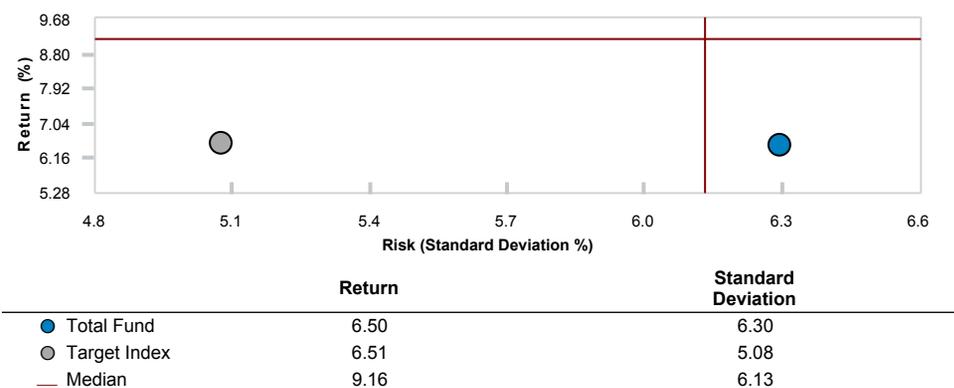
3 Yr Rolling Percentile Ranking - 5 Years



Peer Group Scattergram - 3 Years



Peer Group Scattergram - 5 Years



Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund	1.91	109.93	137.28	-1.69	-0.34	0.70	1.20	4.01
Target Index	0.00	100.00	100.00	0.00	N/A	0.99	1.00	3.07

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund	1.93	112.07	128.81	-1.20	0.03	1.00	1.20	3.68
Target Index	0.00	100.00	100.00	0.00	N/A	1.23	1.00	2.84



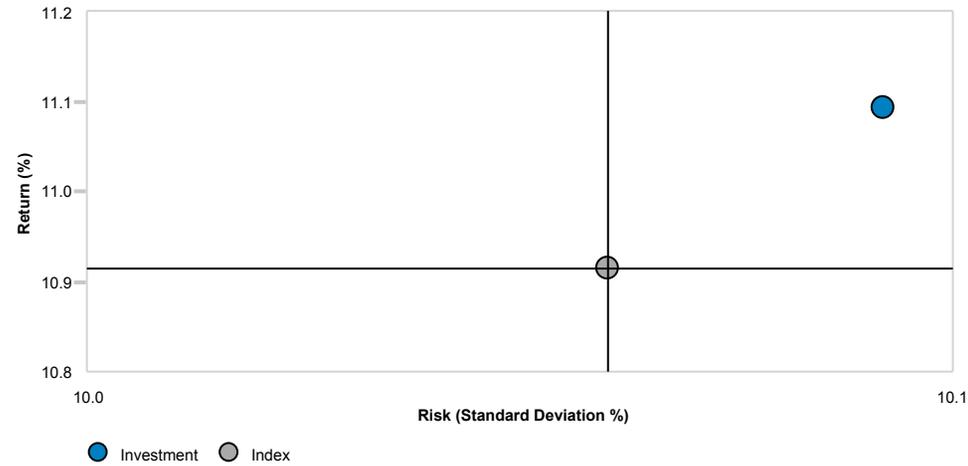
Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	11.09	10.09	1.06	100.48	11	99.08	1
Index	10.91	10.06	1.05	100.00	10	100.00	2

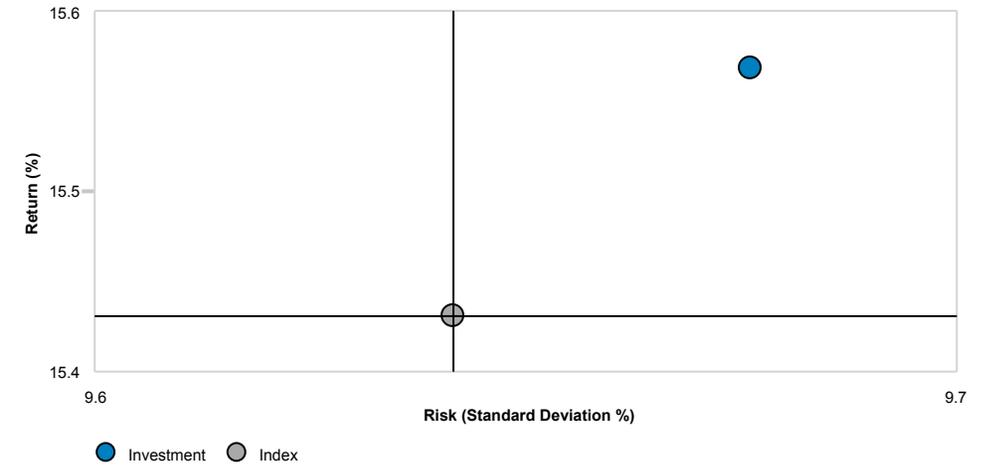
Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	15.57	9.68	1.53	100.35	18	99.34	2
Index	15.43	9.64	1.52	100.00	17	100.00	3

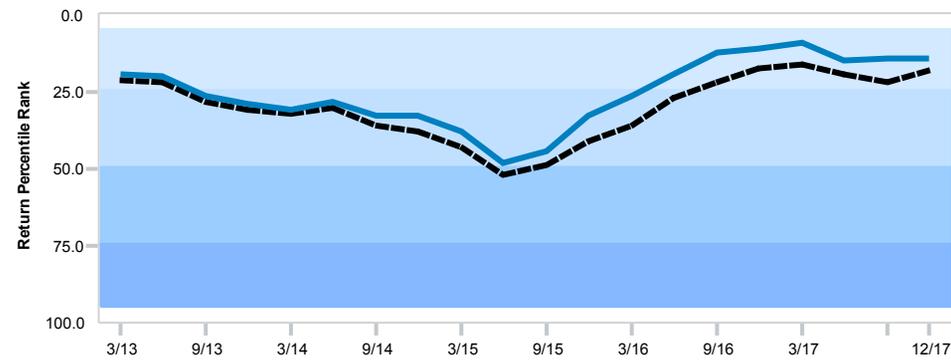
Risk and Return 3 Years



Risk and Return 5 Years

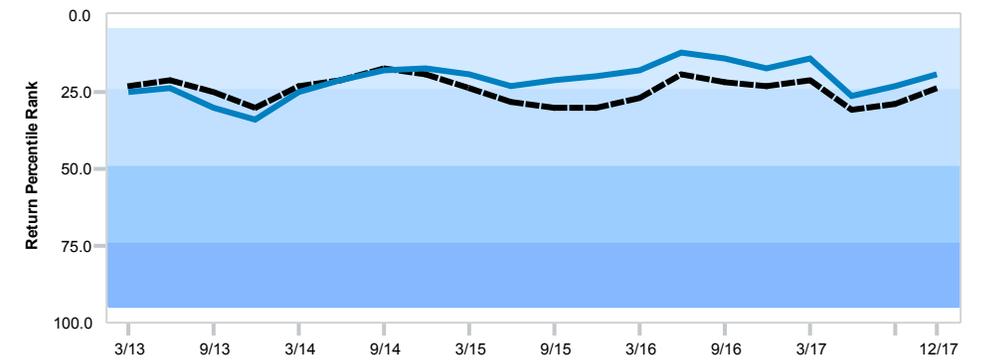


3 Year Rolling Percentile Rank IM U.S. Multi-Cap Core Equity (MF)



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

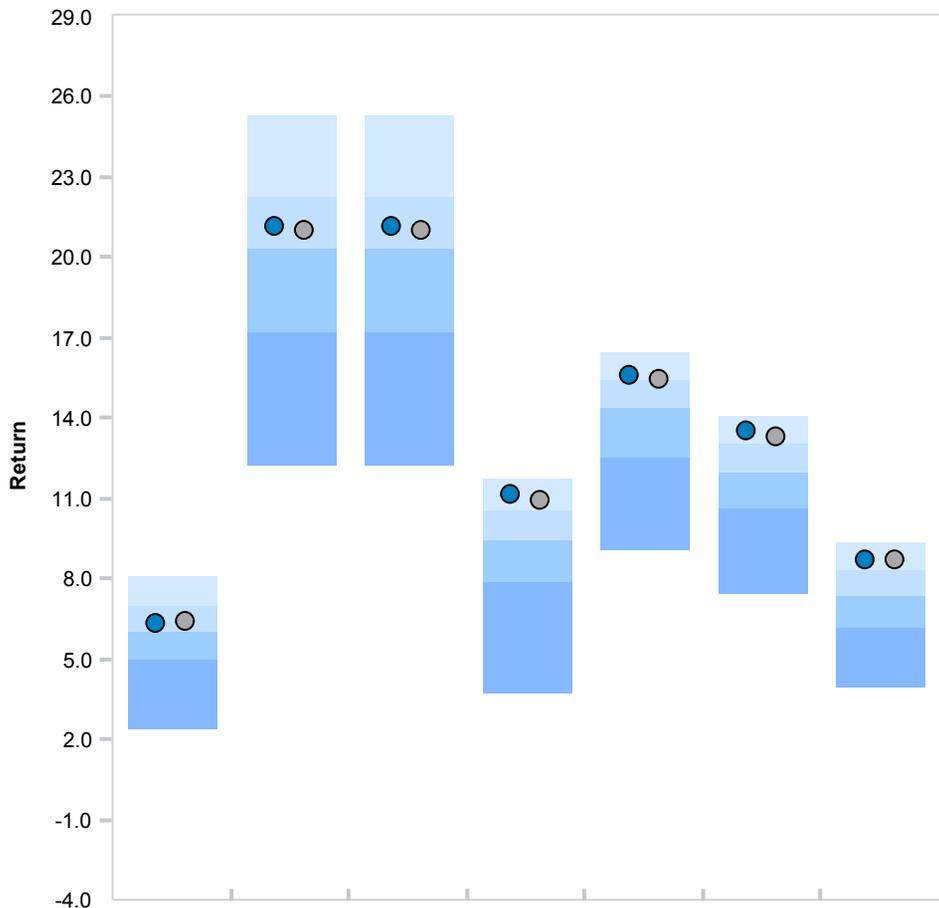
5 Year Rolling Percentile Rank IM U.S. Multi-Cap Core Equity (MF)



	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	17 (85%)	3 (15%)	0 (0%)	0 (0%)
Index	20	13 (65%)	7 (35%)	0 (0%)	0 (0%)

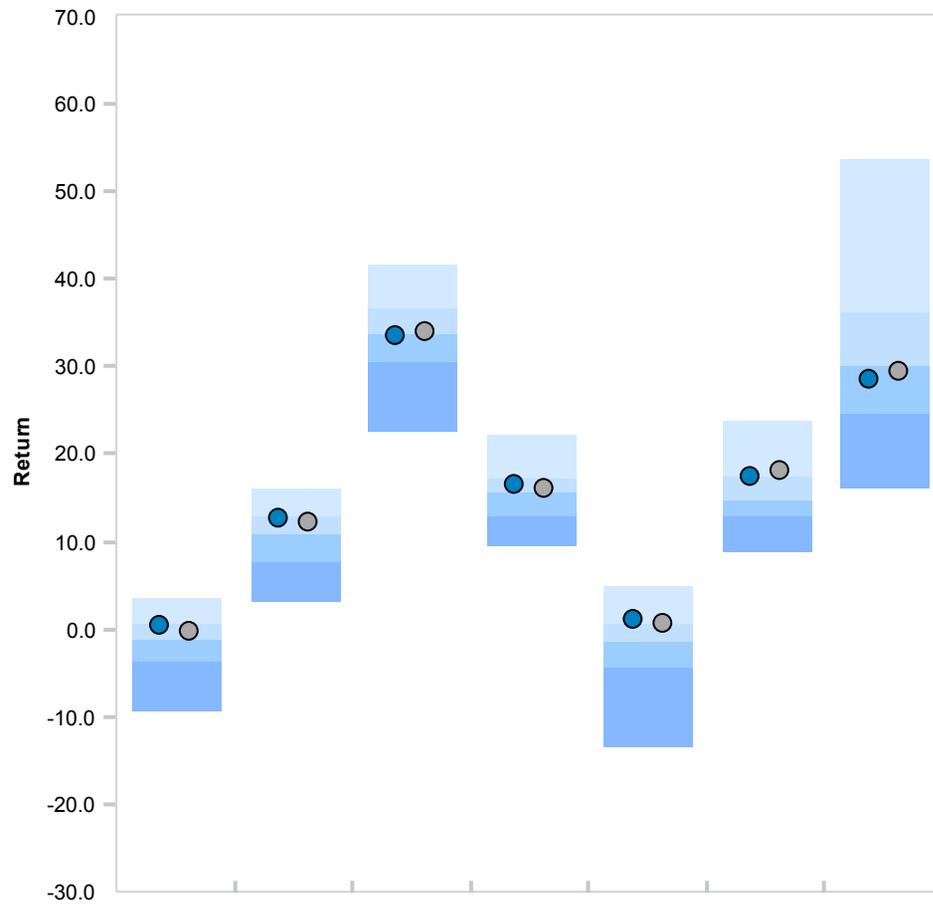


Peer Group Analysis - IM U.S. Multi-Cap Core Equity (MF)



	QTD	YTD	1 YR	3 YR	5 YR	7 YR	10 YR
● Investment	6.34 (41)	21.15 (38)	21.15 (38)	11.09 (14)	15.57 (19)	13.50 (14)	8.68 (15)
● Index	6.37 (39)	21.00 (41)	21.00 (41)	10.91 (18)	15.43 (24)	13.28 (20)	8.65 (15)
Median	6.03	20.33	20.33	9.41	14.39	11.98	7.35

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



	2015	2014	2013	2012	2011	2010	2009
● Investment	0.46 (28)	12.72 (26)	33.39 (54)	16.53 (32)	1.01 (22)	17.43 (26)	28.43 (60)
● Index	-0.24 (40)	12.10 (34)	33.98 (48)	16.12 (40)	0.59 (26)	18.06 (23)	29.42 (54)
Median	-1.10	10.89	33.63	15.61	-1.38	14.61	30.00

Comparative Performance

	1 Qtr Ending Sep-2017	1 Qtr Ending Jun-2017	1 Qtr Ending Mar-2017	1 Qtr Ending Dec-2016	1 Qtr Ending Sep-2016	1 Qtr Ending Jun-2016
Investment	4.57 (38)	3.00 (45)	5.78 (42)	4.16 (38)	4.45 (51)	2.61 (18)
Index	4.50 (43)	2.96 (47)	5.72 (46)	4.29 (34)	4.53 (49)	2.84 (14)
Median	4.29	2.87	5.52	3.60	4.48	0.34



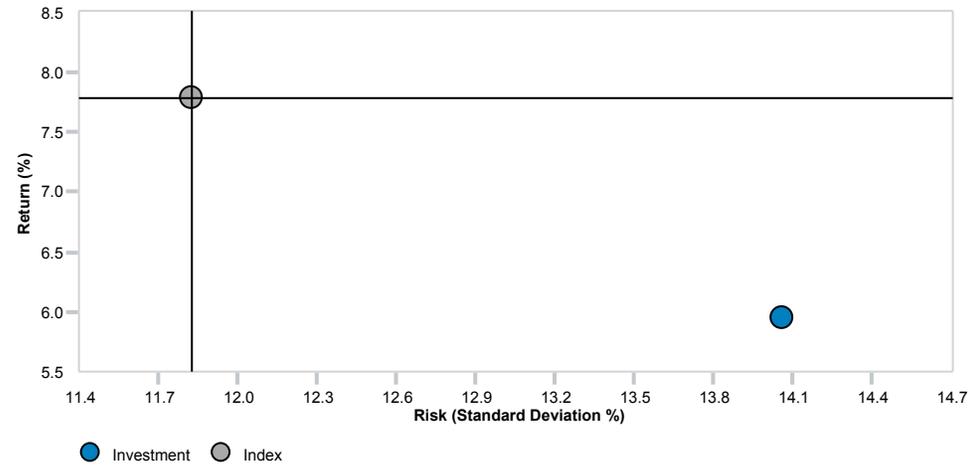
Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	5.96	14.06	0.46	100.24	8	111.83	4
Index	7.80	11.83	0.67	100.00	8	100.00	4

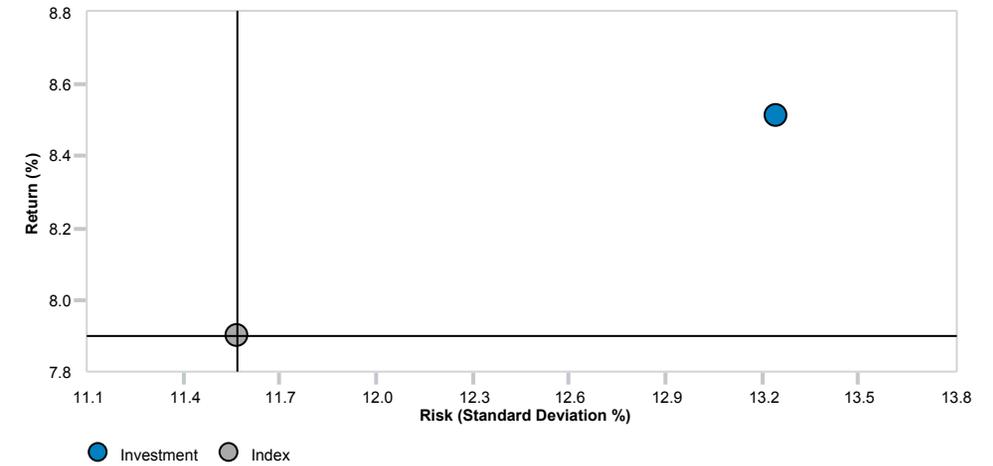
Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	8.51	13.25	0.67	103.64	14	99.77	6
Index	7.90	11.57	0.70	100.00	13	100.00	7

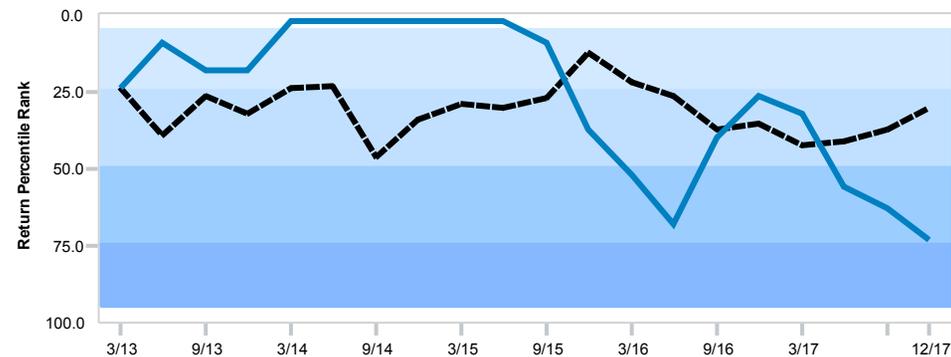
Risk and Return 3 Years



Risk and Return 5 Years

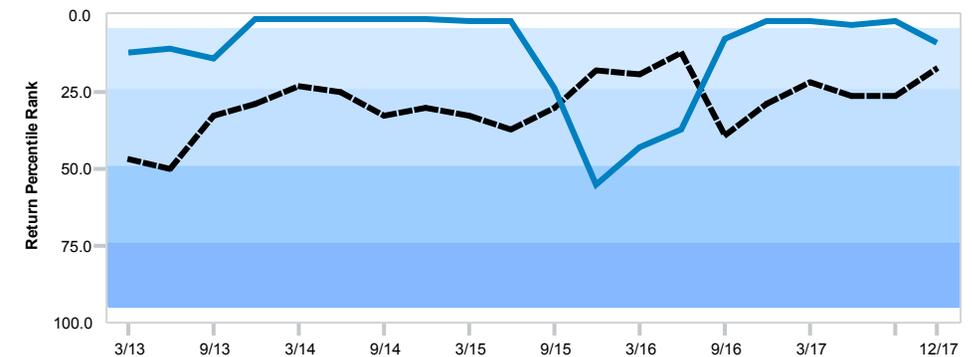


3 Year Rolling Percentile Rank IM International Large Cap Core Equity (MF)



	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	11 (55%)	4 (20%)	5 (25%)	0 (0%)
Index	20	5 (25%)	15 (75%)	0 (0%)	0 (0%)

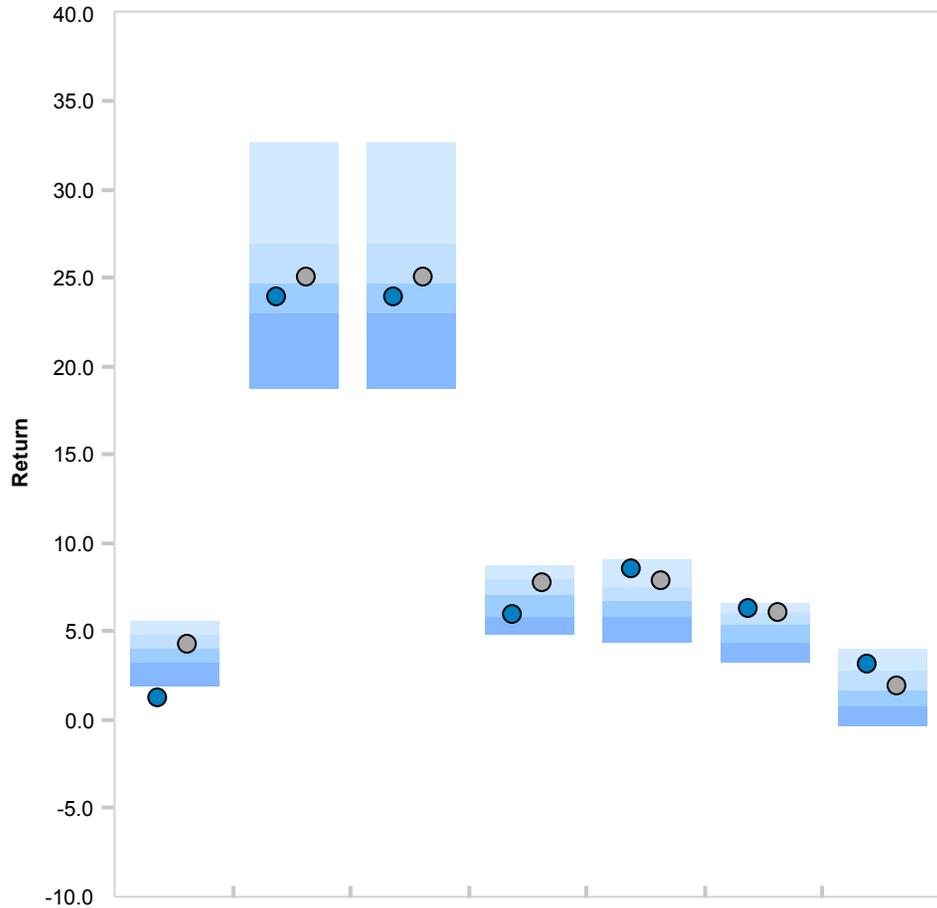
5 Year Rolling Percentile Rank IM International Large Cap Core Equity (MF)



	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	20	17 (85%)	2 (10%)	1 (5%)	0 (0%)
Index	20	7 (35%)	13 (65%)	0 (0%)	0 (0%)

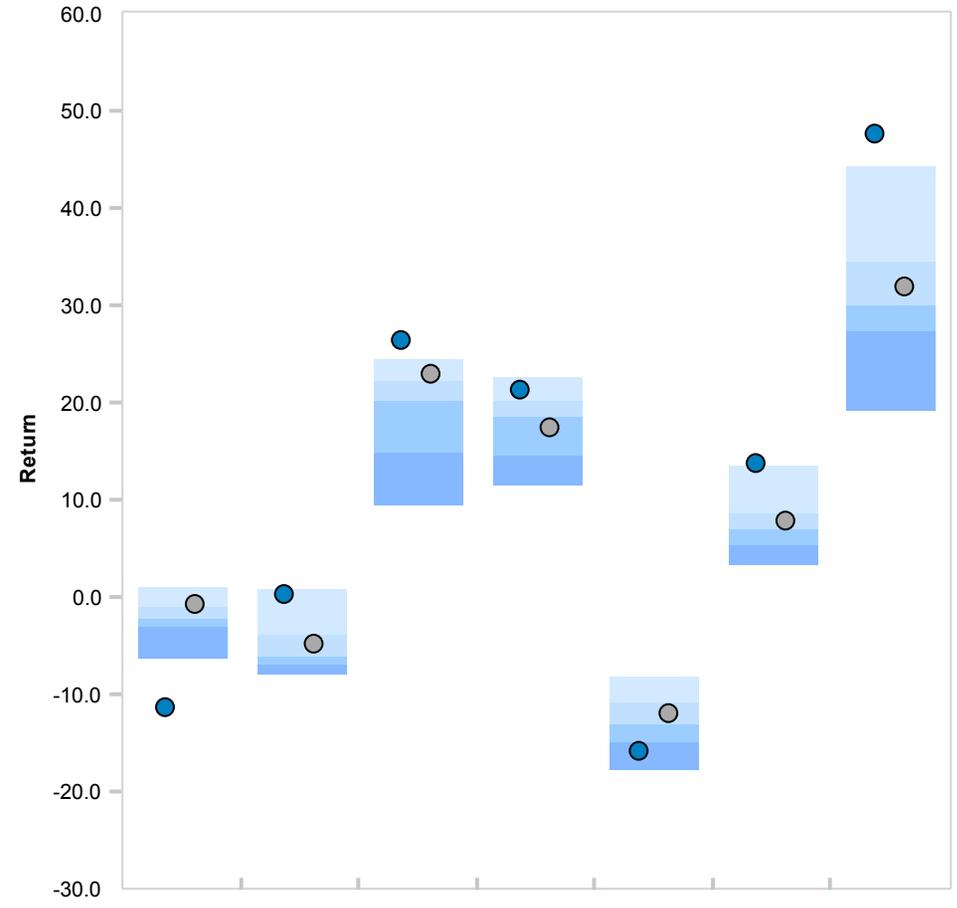


Peer Group Analysis - IM International Large Cap Core Equity (MF)



	QTD	YTD	1 YR	3 YR	5 YR	7 YR	10 YR
● Investment	1.21 (100)	23.94 (63)	23.94 (63)	5.96 (73)	8.51 (9)	6.29 (14)	3.20 (21)
● Index	4.23 (44)	25.03 (44)	25.03 (44)	7.80 (30)	7.90 (17)	6.04 (28)	1.94 (43)
Median	4.06	24.75	24.75	7.07	6.75	5.36	1.65

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



	2015	2014	2013	2012	2011	2010	2009
● Investment	-11.35 (98)	0.12 (9)	26.31 (2)	21.25 (16)	-15.97 (87)	13.68 (5)	47.47 (1)
● Index	-0.81 (24)	-4.90 (29)	22.78 (18)	17.32 (60)	-12.14 (38)	7.75 (37)	31.78 (33)
Median	-2.31	-6.09	20.27	18.63	-13.13	6.98	29.91

Comparative Performance

	1 Qtr Ending Sep-2017	1 Qtr Ending Jun-2017	1 Qtr Ending Mar-2017	1 Qtr Ending Dec-2016	1 Qtr Ending Sep-2016	1 Qtr Ending Jun-2016
Investment	6.94 (12)	4.75 (95)	9.32 (4)	3.36 (1)	10.15 (2)	-1.20 (44)
Index	5.40 (54)	6.12 (37)	7.25 (57)	-0.71 (37)	6.43 (63)	-1.46 (50)
Median	5.48	5.80	7.70	-0.95	6.76	-1.46



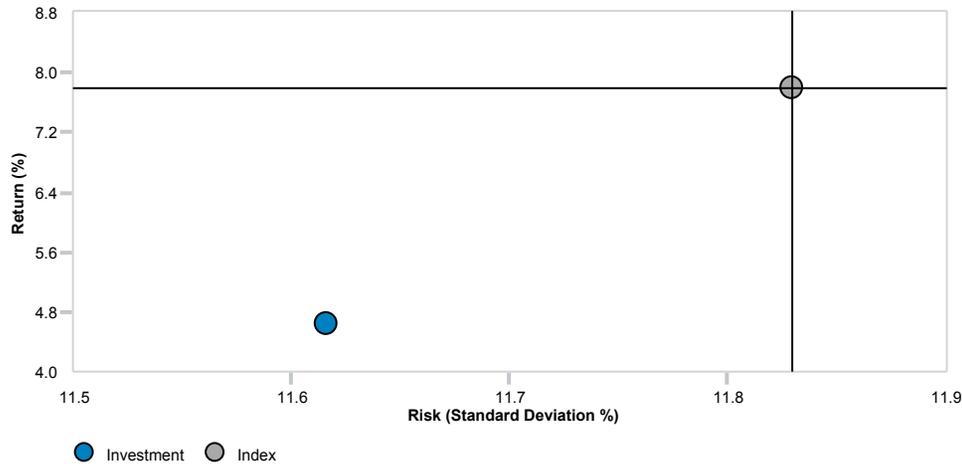
Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	4.64	11.62	0.42	79.72	7	90.35	5
Index	7.80	11.83	0.67	100.00	8	100.00	4

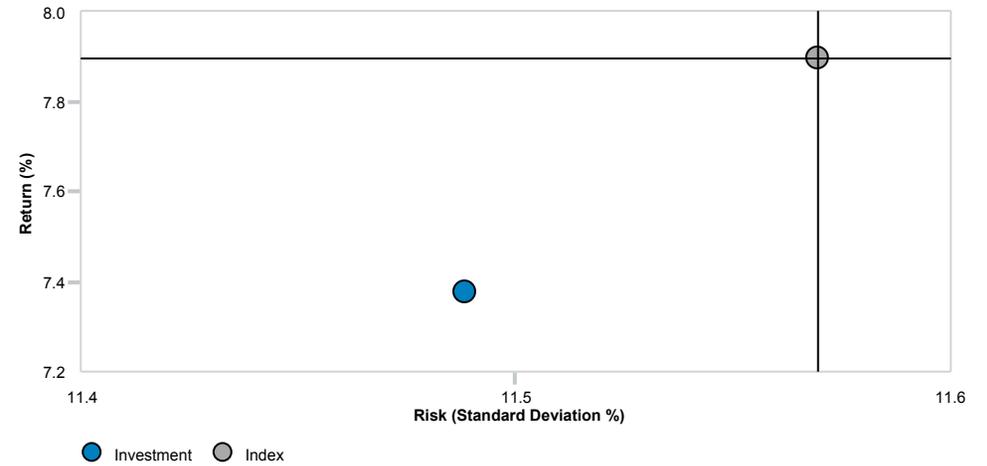
Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	7.38	11.49	0.66	91.34	13	89.53	7
Index	7.90	11.57	0.70	100.00	13	100.00	7

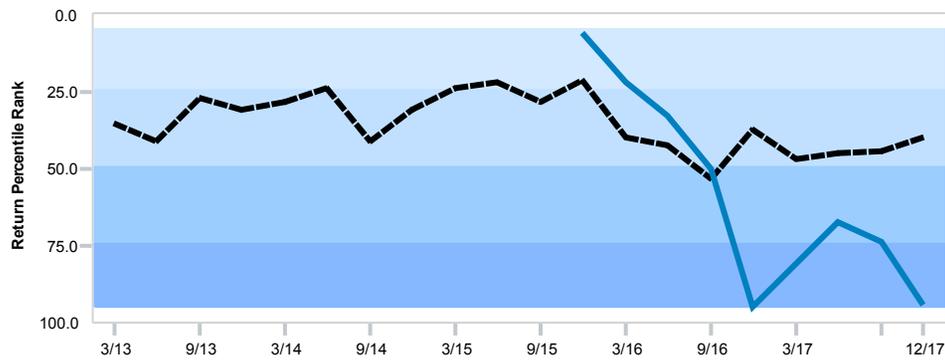
Risk and Return 3 Years



Risk and Return 5 Years

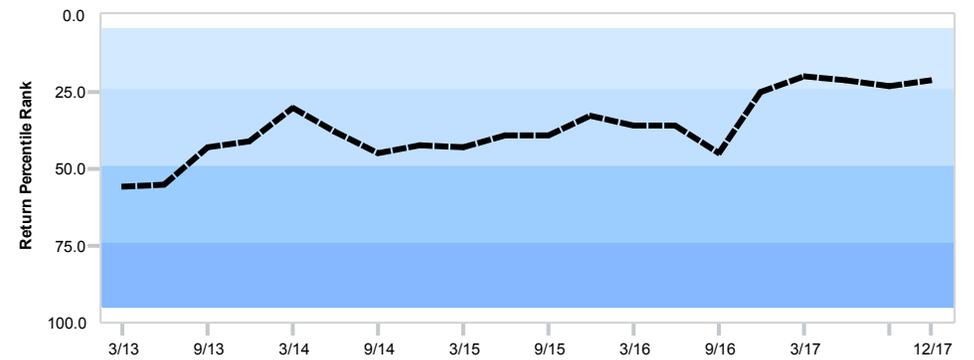


3 Year Rolling Percentile Rank IM International Large Cap Equity (MF)



	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	9	2 (22%)	2 (22%)	2 (22%)	3 (33%)
Index	20	4 (20%)	15 (75%)	1 (5%)	0 (0%)

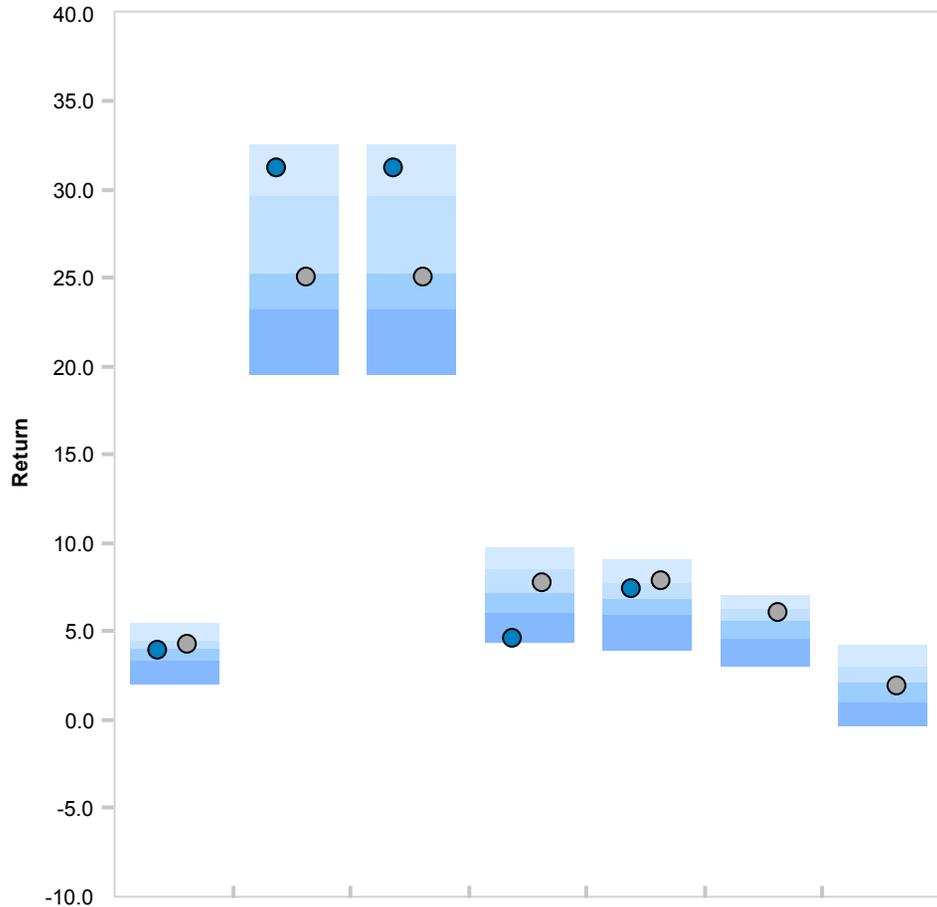
5 Year Rolling Percentile Rank IM International Large Cap Equity (MF)



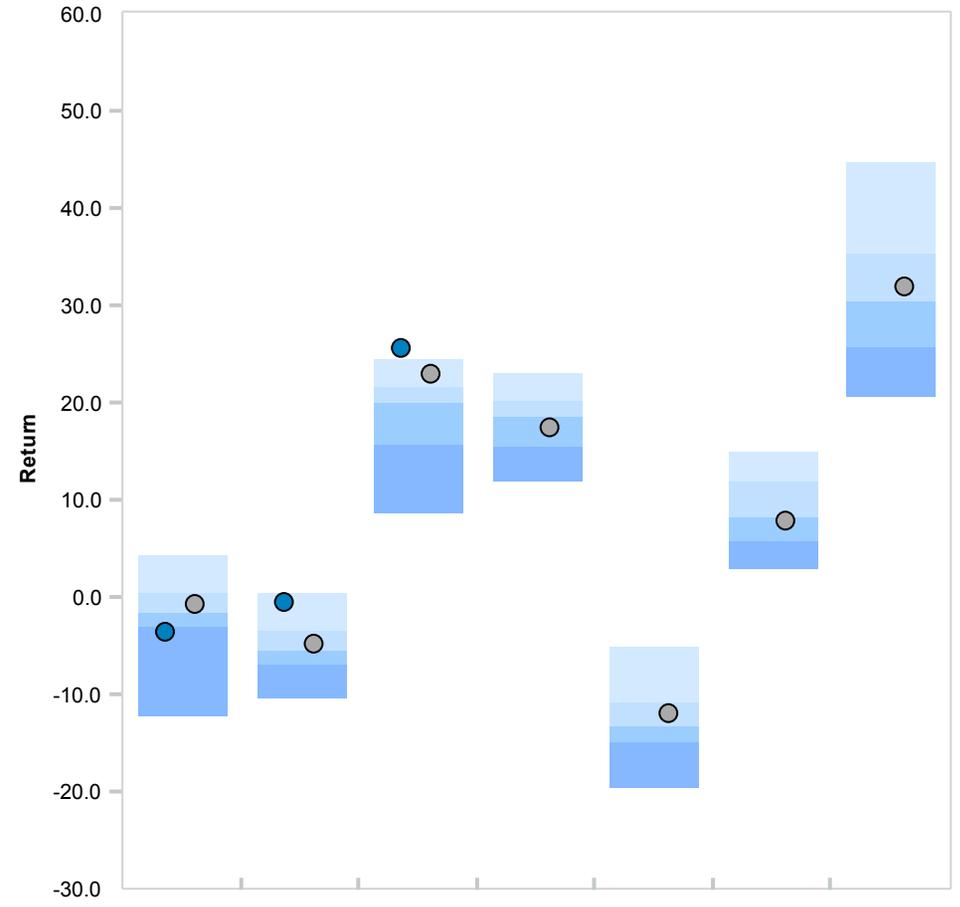
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	1	0 (0%)	1 (100%)	0 (0%)	0 (0%)
Index	20	5 (25%)	13 (65%)	2 (10%)	0 (0%)



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



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



Comparative Performance

	1 Qtr Ending Sep-2017	1 Qtr Ending Jun-2017	1 Qtr Ending Mar-2017	1 Qtr Ending Dec-2016	1 Qtr Ending Sep-2016	1 Qtr Ending Jun-2016
Investment	5.62 (49)	9.62 (2)	9.01 (22)	-8.36 (97)	3.78 (85)	-1.22 (51)
Index	5.40 (52)	6.12 (60)	7.25 (68)	-0.71 (28)	6.43 (43)	-1.46 (57)
Median	5.53	6.45	7.85	-2.26	6.16	-1.20



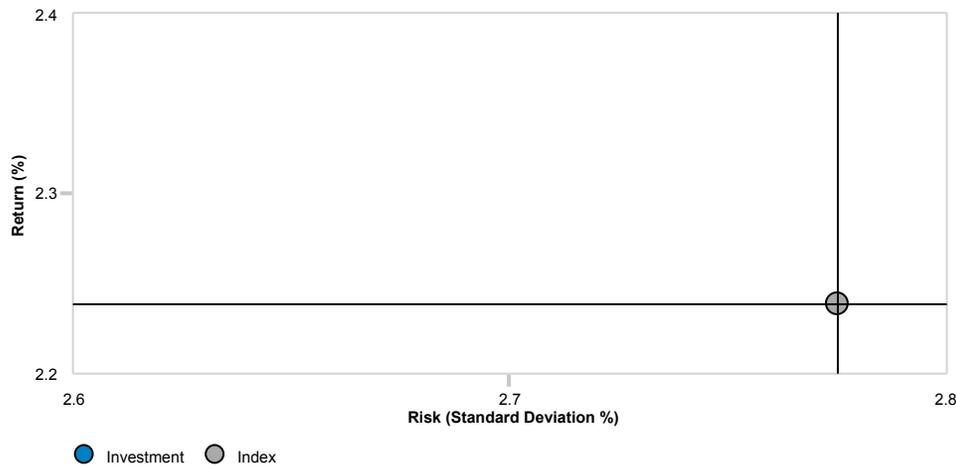
Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Index	2.24	2.78	0.68	100.00	9	100.00	3

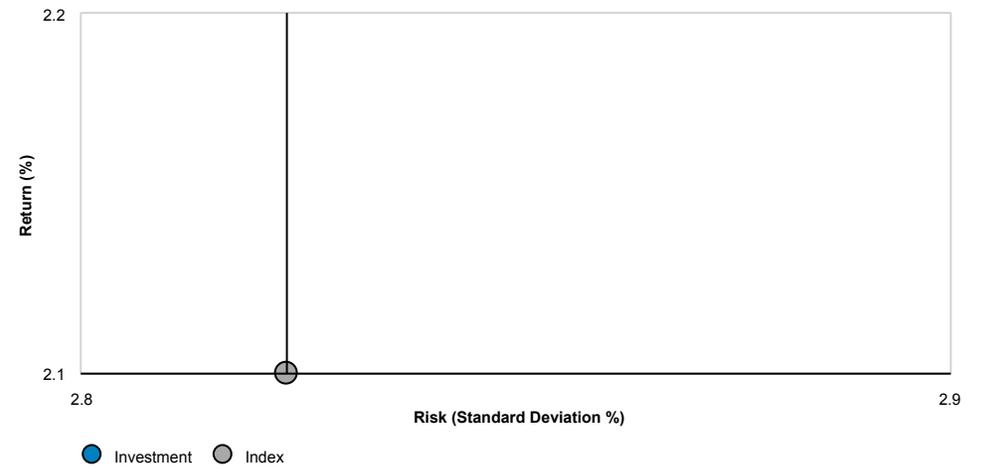
Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Index	2.10	2.82	0.67	100.00	14	100.00	6

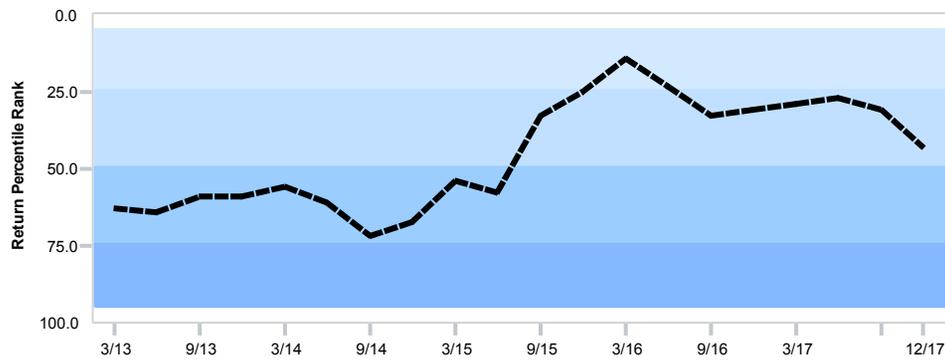
Risk and Return 3 Years



Risk and Return 5 Years

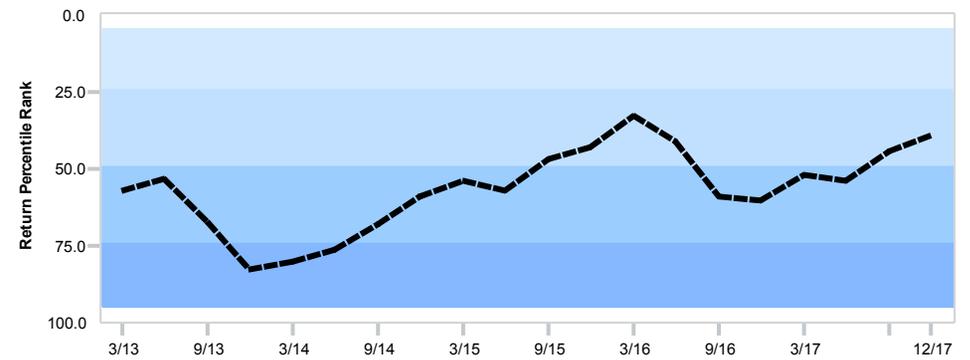


3 Year Rolling Percentile Rank IM U.S. Broad Market Core Fixed Income (MF)



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

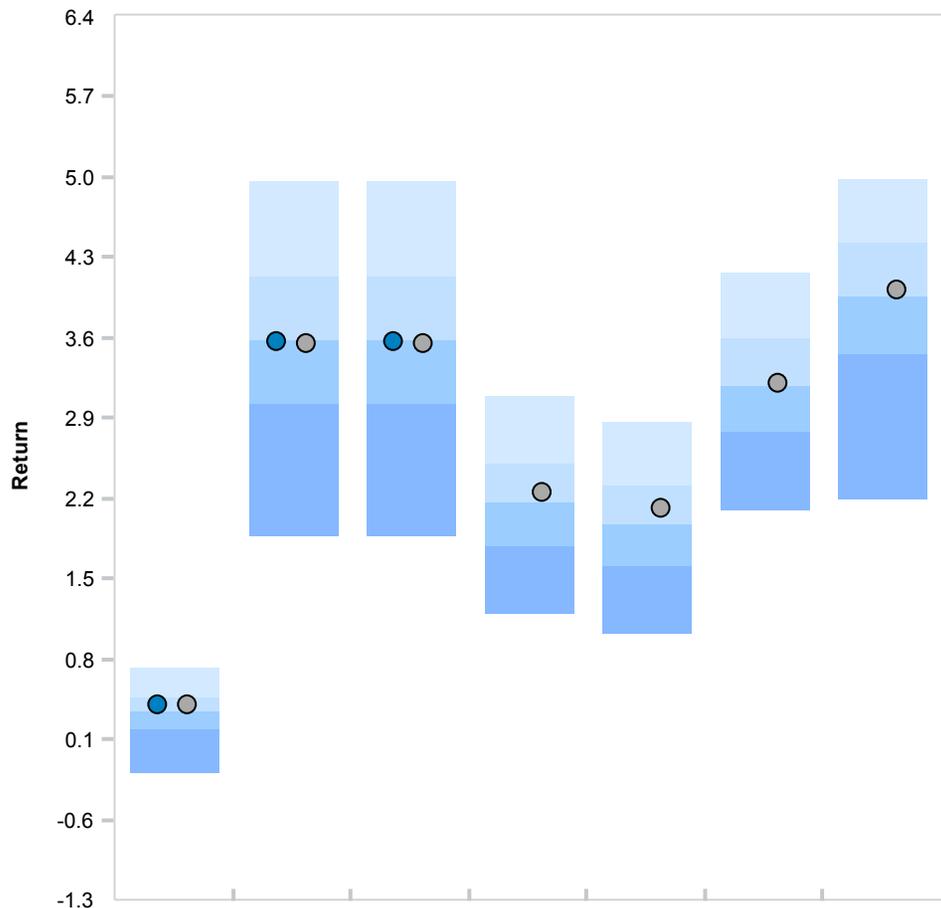
5 Year Rolling Percentile Rank IM U.S. Broad Market Core Fixed Income (MF)



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

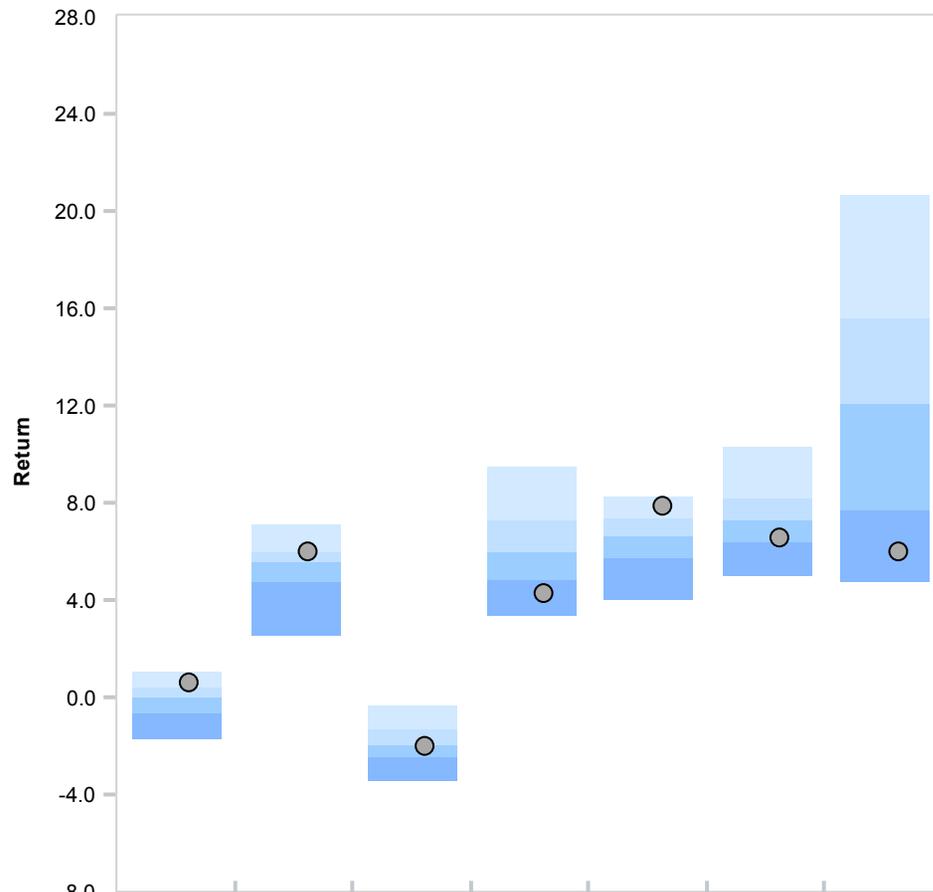


Peer Group Analysis - IM U.S. Broad Market Core Fixed Income (MF)



	QTD	YTD	1 YR	3 YR	5 YR	7 YR	10 YR
● Investment	0.40 (36)	3.56 (52)	3.56 (52)	N/A	N/A	N/A	N/A
● Index	0.39 (39)	3.54 (52)	3.54 (52)	2.24 (43)	2.10 (39)	3.20 (49)	4.01 (48)
Median	0.35	3.58	3.58	2.16	1.96	3.19	3.97

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



	2015	2014	2013	2012	2011	2010	2009
● Investment	N/A	N/A	N/A	N/A	N/A	N/A	N/A
● Index	0.55 (19)	5.97 (27)	-2.02 (53)	4.21 (80)	7.84 (11)	6.54 (69)	5.93 (90)
Median	0.00	5.55	-1.98	5.98	6.65	7.24	12.10

Comparative Performance

	1 Qtr Ending Sep-2017	1 Qtr Ending Jun-2017	1 Qtr Ending Mar-2017	1 Qtr Ending Dec-2016	1 Qtr Ending Sep-2016	1 Qtr Ending Jun-2016
Investment	0.73 (71)	1.48 (45)	0.90 (57)	-3.17 (87)	N/A	N/A
Index	0.85 (42)	1.45 (53)	0.82 (69)	-2.98 (71)	0.46 (74)	2.21 (64)
Median	0.81	1.45	0.94	-2.72	0.73	2.36



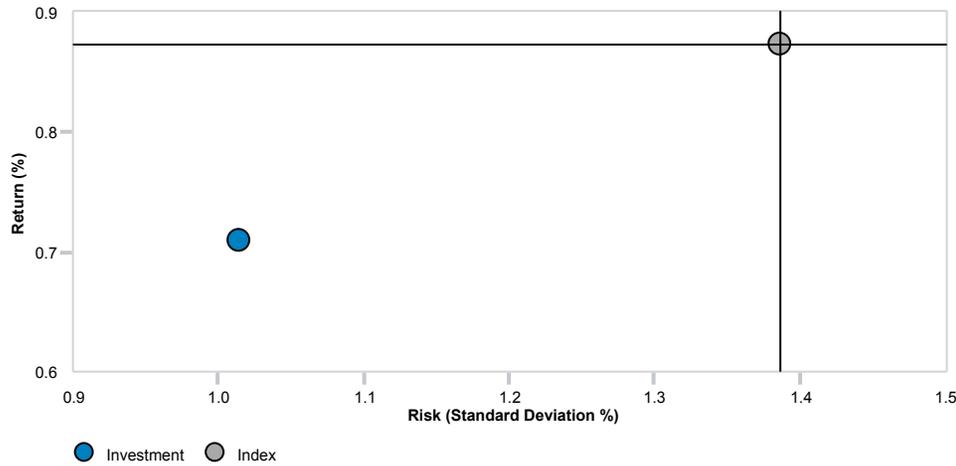
Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	0.71	1.01	0.33	77.89	8	75.77	4
Index	0.87	1.39	0.36	100.00	8	100.00	4

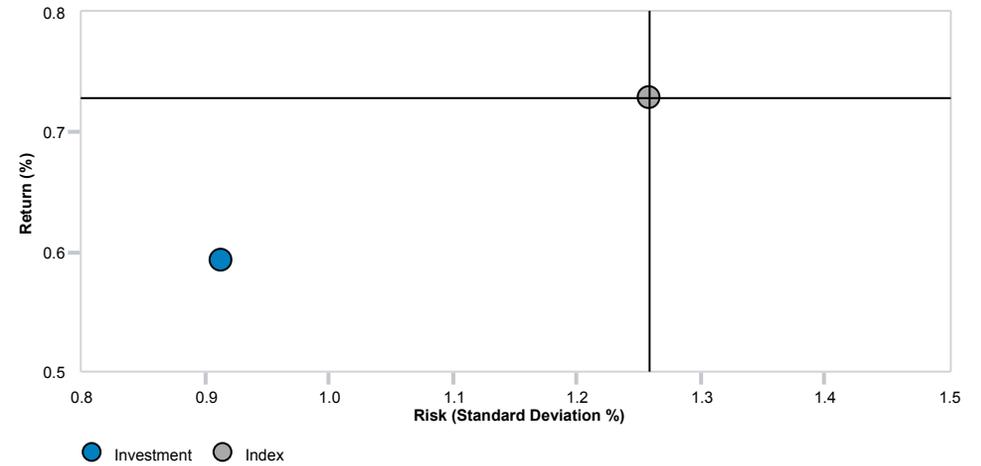
Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	0.59	0.91	0.38	74.27	13	70.51	7
Index	0.73	1.26	0.39	100.00	13	100.00	7

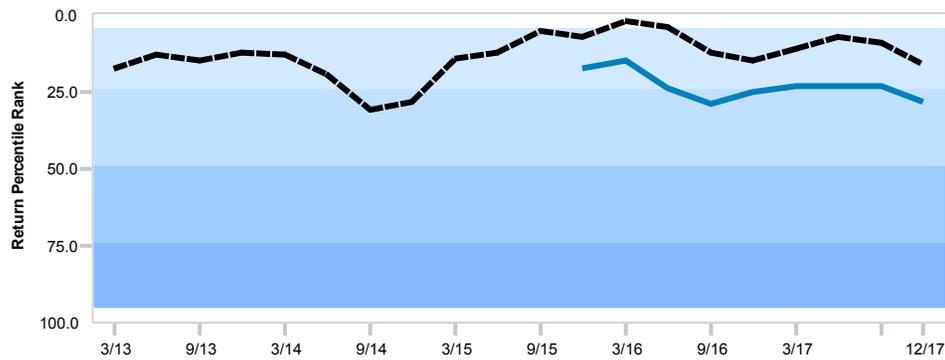
Risk and Return 3 Years



Risk and Return 5 Years

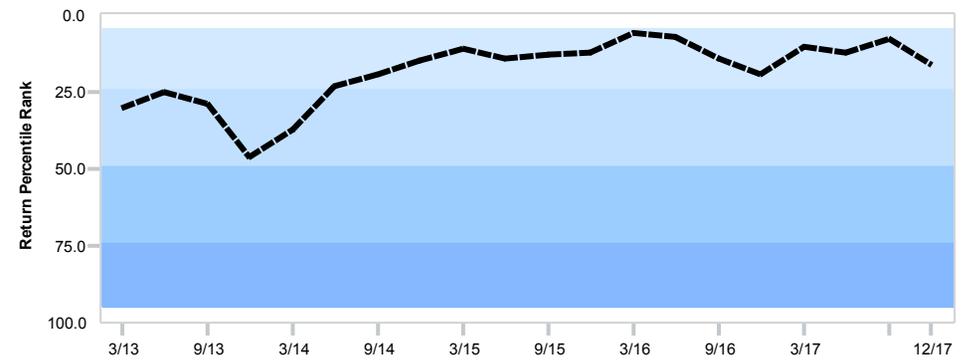


3 Year Rolling Percentile Rank IM U.S. Short Term Treasury/Govt Bonds (MF)



	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	9	7 (78%)	2 (22%)	0 (0%)	0 (0%)
Index	20	18 (90%)	2 (10%)	0 (0%)	0 (0%)

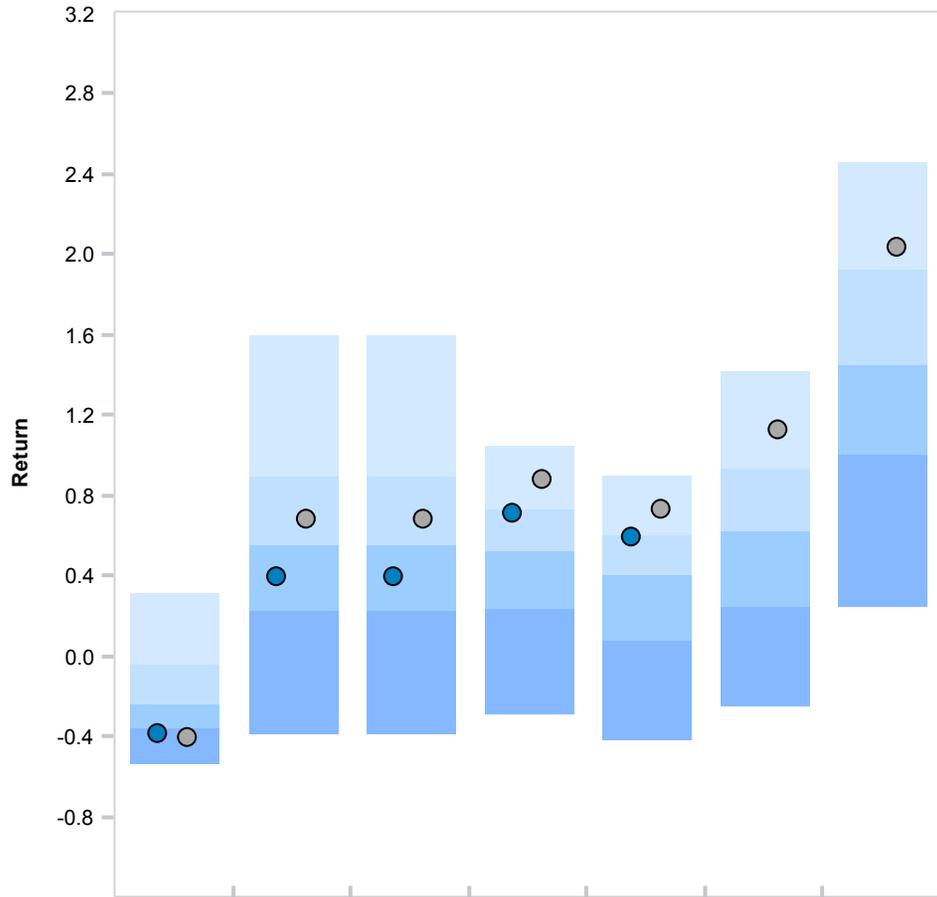
5 Year Rolling Percentile Rank IM U.S. Short Term Treasury/Govt Bonds (MF)



	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	1	0 (0%)	1 (100%)	0 (0%)	0 (0%)
Index	20	16 (80%)	4 (20%)	0 (0%)	0 (0%)

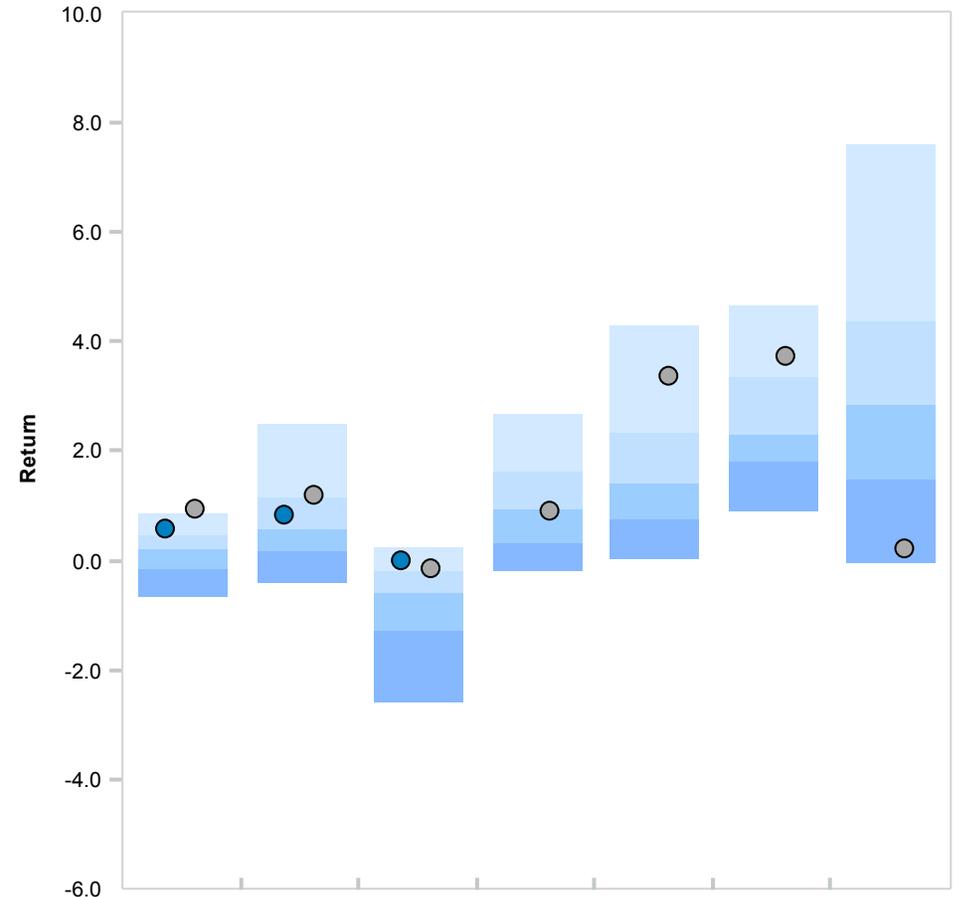


Peer Group Analysis - IM U.S. Short Term Treasury/Govt Bonds (MF)



	QTD	YTD	1 YR	3 YR	5 YR	7 YR	10 YR
● Investment	-0.39 (78)	0.39 (64)	0.39 (64)	0.71 (28)	0.59 (26)	N/A	N/A
● Index	-0.41 (81)	0.68 (44)	0.68 (44)	0.87 (16)	0.73 (16)	1.13 (15)	2.04 (20)
Median	-0.24	0.55	0.55	0.52	0.40	0.62	1.45

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



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

Comparative Performance

	1 Qtr Ending Sep-2017	1 Qtr Ending Jun-2017	1 Qtr Ending Mar-2017	1 Qtr Ending Dec-2016	1 Qtr Ending Sep-2016	1 Qtr Ending Jun-2016
Investment	0.29 (33)	0.21 (56)	0.28 (55)	-0.58 (50)	-0.13 (64)	0.64 (20)
Index	0.29 (33)	0.41 (13)	0.39 (29)	-1.18 (85)	-0.19 (78)	0.82 (5)
Median	0.24	0.22	0.32	-0.59	-0.08	0.48



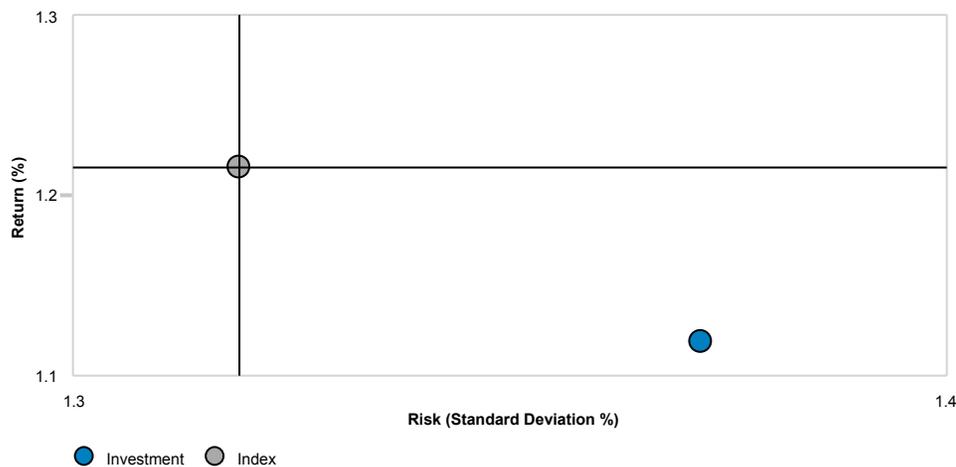
Historical Statistics 3 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	1.12	1.37	0.55	98.73	8	105.77	4
Index	1.22	1.32	0.64	100.00	8	100.00	4

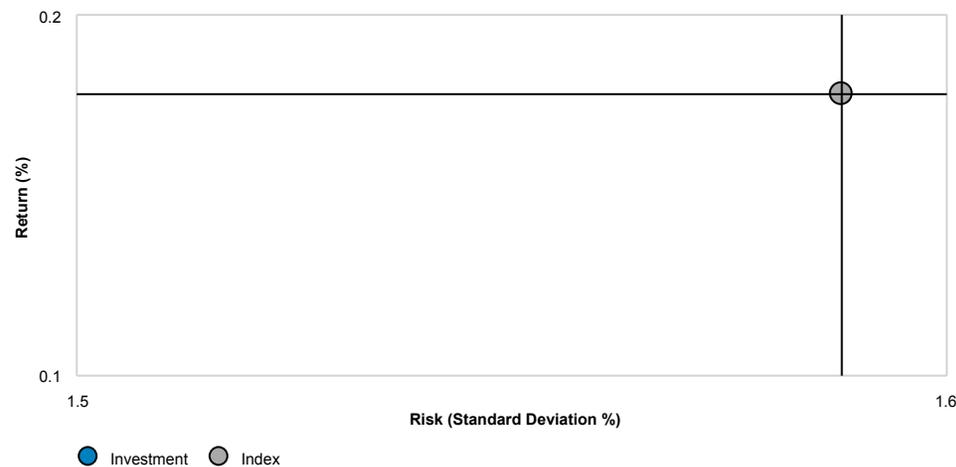
Historical Statistics 5 Years

	Return	Standard Deviation	Sharpe Ratio	Up Market Capture	Up Quarters	Down Market Capture	Down Quarters
Investment	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Index	0.18	1.59	-0.03	100.00	12	100.00	8

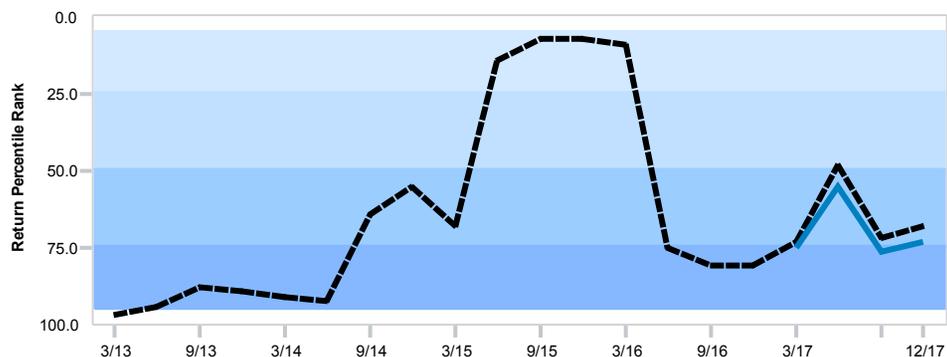
Risk and Return 3 Years



Risk and Return 5 Years

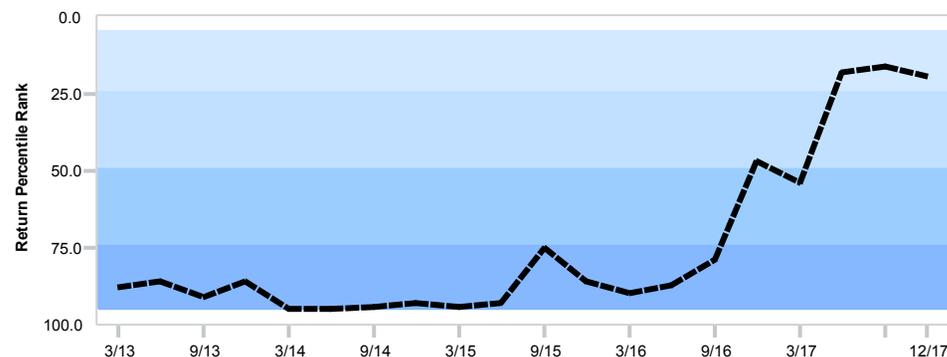


3 Year Rolling Percentile Rank IM U.S. TIPS (MF)



	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	4	0 (0%)	0 (0%)	3 (75%)	1 (25%)
Index	20	4 (20%)	1 (5%)	7 (35%)	8 (40%)

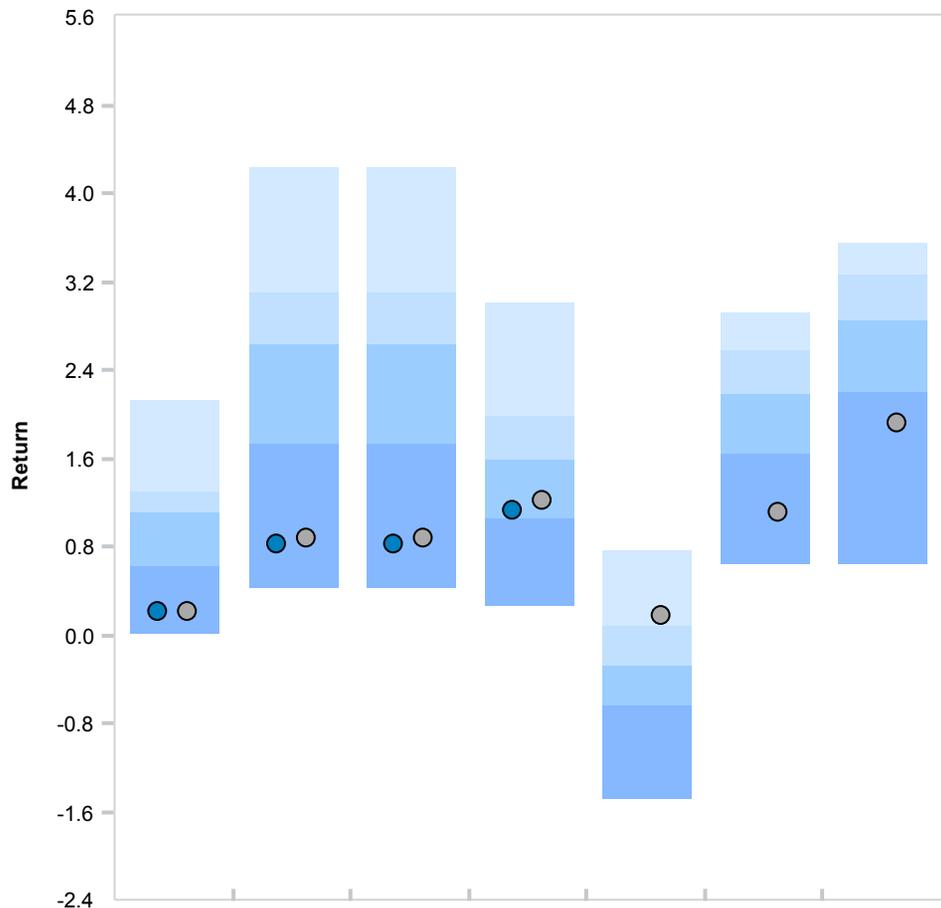
5 Year Rolling Percentile Rank IM U.S. TIPS (MF)



	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Investment	0	0	0	0	0
Index	20	3 (15%)	1 (5%)	2 (10%)	14 (70%)

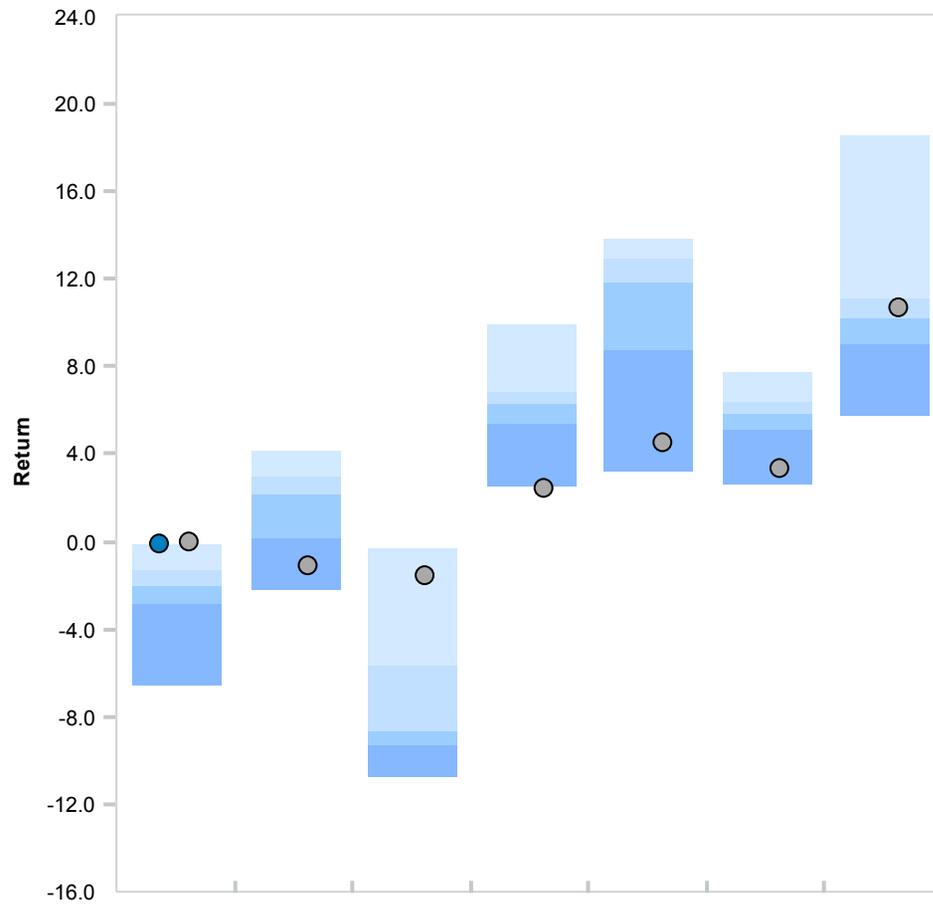


Peer Group Analysis - IM U.S. TIPS (MF)



	QTD	YTD	1 YR	3 YR	5 YR	7 YR	10 YR
● Investment	0.21 (83)	0.82 (89)	0.82 (89)	1.12 (73)	N/A	N/A	N/A
● Index	0.21 (84)	0.88 (87)	0.88 (87)	1.22 (68)	0.18 (19)	1.10 (88)	1.92 (81)
Median	1.11	2.63	2.63	1.60	-0.27	2.18	2.85

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



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

Comparative Performance

	1 Qtr Ending Sep-2017	1 Qtr Ending Jun-2017	1 Qtr Ending Mar-2017	1 Qtr Ending Dec-2016	1 Qtr Ending Sep-2016	1 Qtr Ending Jun-2016
Investment	0.45 (94)	-0.52 (58)	0.69 (91)	-0.21 (15)	0.24 (97)	0.85 (87)
Index	0.48 (90)	-0.50 (54)	0.70 (90)	-0.16 (13)	0.29 (93)	0.85 (88)
Median	0.79	-0.49	1.19	-2.12	1.01	1.60



**Town of Palm Beach OPEB Trust
Fee Analysis**

As of December 31, 2017

	Market Value (\$)	Estimated Annual Fee (%)	Estimated Annual Fee (\$)
Fidelity Total Market Index Fund Premium Class	7,793,668	0.05	3,897
Vanguard S&P MC 400 [VSPMX]	5,184,465	0.08	4,148
Dodge & Cox Intl Stock Fund	3,214,177	0.64	20,571
Artisan International Instl Fd	2,724,760	0.95	25,885
Forester Offshore A2, Ltd.	2,300,870	0.95	21,858
Vanguard Total Bond Market Index Fund Adm	3,055,935	0.05	1,528
Vanguard Short Term US Treas Adm Fd	2,356,229	0.10	2,356
Vanguard Short-Term Inflation Protected Securities Adm. Fund	793,347	0.07	555
Met West Total Return Bond Fund (MWTIX)	2,301,004	0.40	9,204
PIMCO Div Inc Bond Fund (PDIIIX)	1,506,666	0.75	11,300
Government Stif 15	46,887		-
Total Fund	31,278,008	0.32	101,302



Total Fund Historical Hybrid Composition

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



Fixed Income Composite Historical Hybrid Composition

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



Real Asset Composite Historical Hybrid Composition

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



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



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

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