

Investment Performance Review  
Period Ending December 31, 2016

**Boynton Beach Firefighters'  
Retirement System**



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?

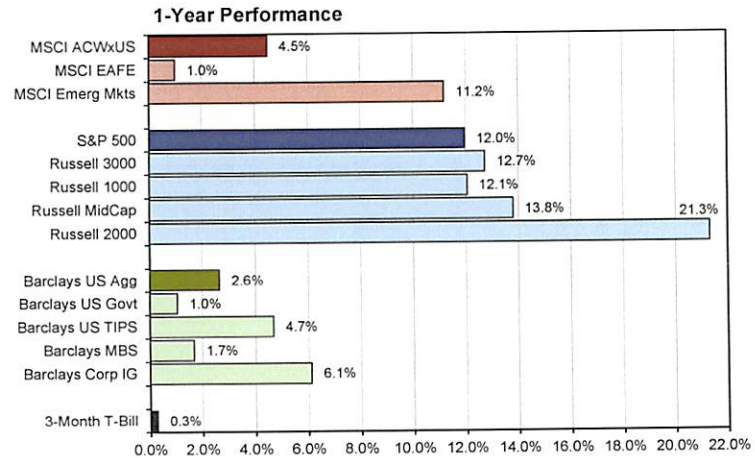
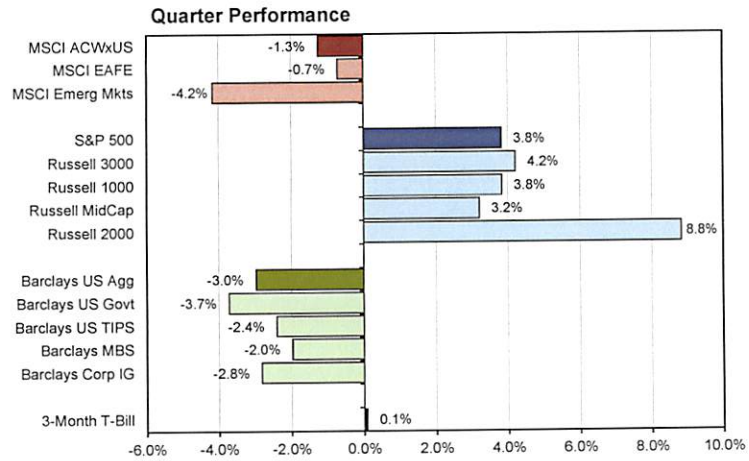
After more than a decade of growth and original brand equity, why would a company rebrand now? Though client-first consulting has been a cornerstone of our company since its inception, with the milestone of transitioning majority ownership from our founder to the firm's next generation of leadership, 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.



Source: Investment Metrics



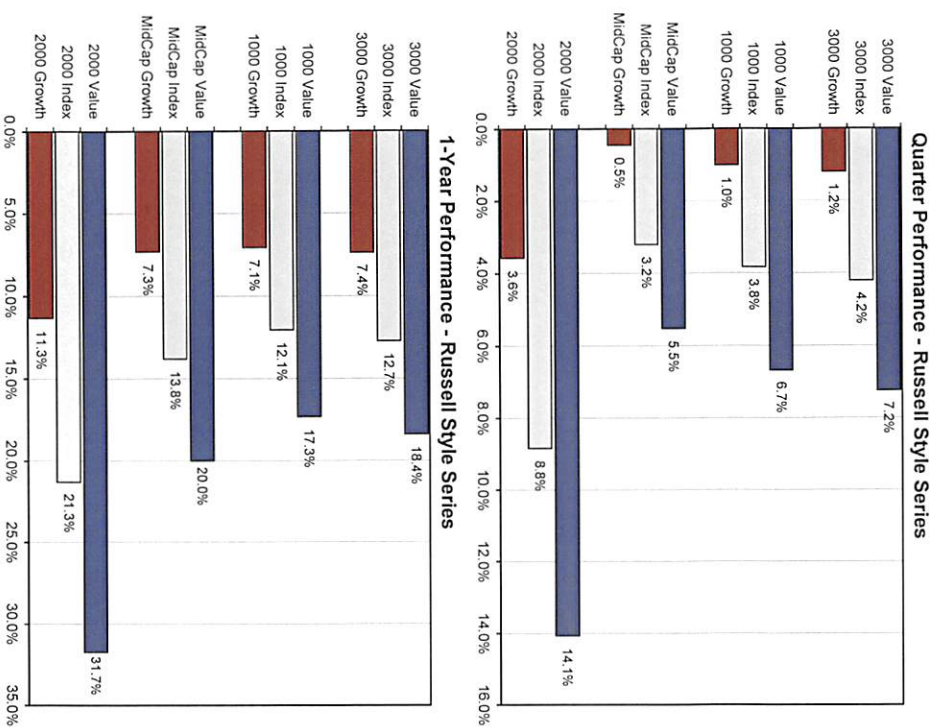
The Market Environment  
 Domestic Equity Style Index Performance  
 As of December 31, 2016

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.

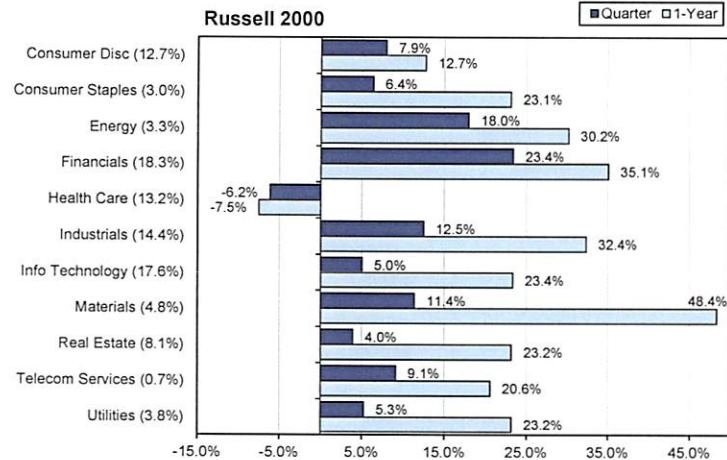
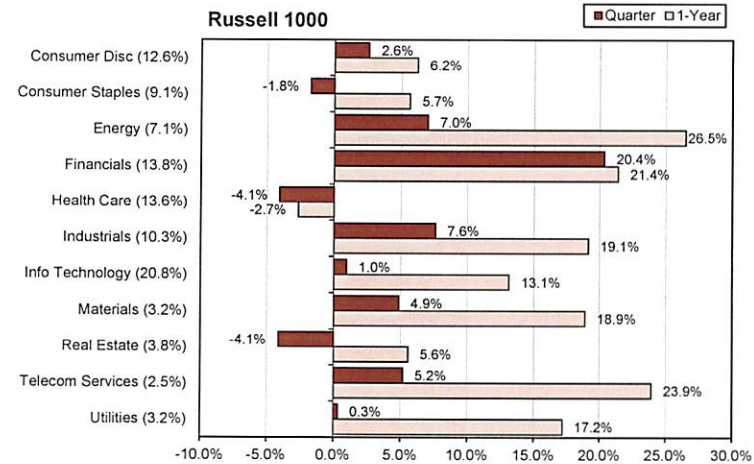
Small cap benchmarks posted the quarter's strongest performance for both value and growth issues. At the core, the small cap Russell 2000 Index returned a robust 8.8% for the quarter and a stellar 21.3% for the year. Although still positive, the core large cap Russell 1000 Index returned a lower 3.8% 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.



Source: Morningstar Direct



The Market Environment  
As of December 31, 2016

Top 10 Index Weights & Quarterly Performance for the Russell 1000 & 2000

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
Bankshire 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 Weighted Stocks				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Advanced Micro Devices Inc	0.45%	64.1%	255.1%	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	0.25%	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
Curtis-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
Private Bancorp Inc	0.23%	18.0%	32.2%	Financials

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
CoreChic 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
SILM Corp	0.02%	47.5%	69.0%	Financials

Top 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Wirs 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
Allsource Asset Management Corp	0.00%	189.2%	211.8%	Real Estate
Saverty 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

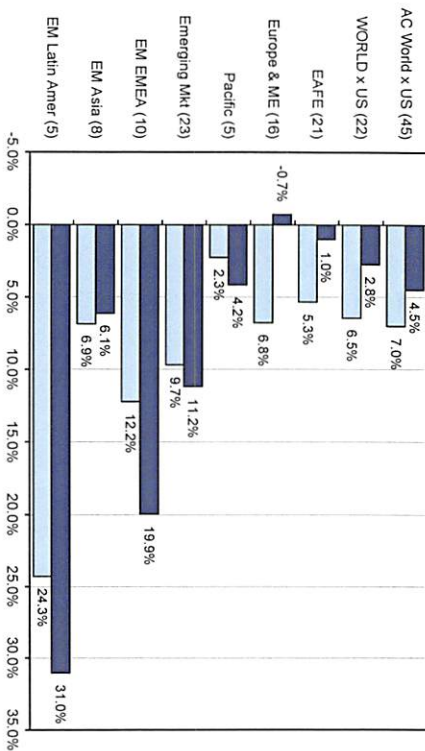
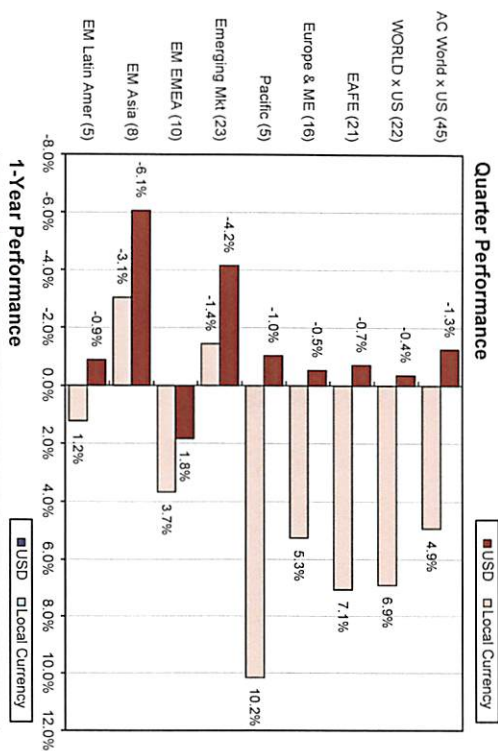
Bottom 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Twilio Inc A	0.00%	-55.2%	N/A	Information Technology
Puma Biotechnology Inc	0.00%	-54.2%	-60.8%	Health Care
Community Health Systems Inc	0.00%	-51.6%	-74.5%	Health Care
Fidelity A	0.00%	-50.7%	-75.3%	Information 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
Alyria Pharmaceuticals Inc	0.01%	-44.8%	-60.2%	Health Care
Juno Therapeutics Inc	0.01%	-37.2%	-57.1%	Health Care
Groupinc Inc	0.01%	-35.5%	8.1%	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 Always 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
Adeprus Health Inc Class A	0.01%	-82.3%	-98.0%	Health Care
6D Global Technologies Inc	0.00%	-80.0%	-99.7%	Information Technology
Proton Therapeutics Inc	0.00%	-79.6%	-87.7%	Health Care
Anthera Pharmaceuticals Inc	0.00%	-79.4%	-98.0%	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 UK 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.



Source: MSCI Global Index Monitor (Returns are Net)



**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%	27.9%
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>



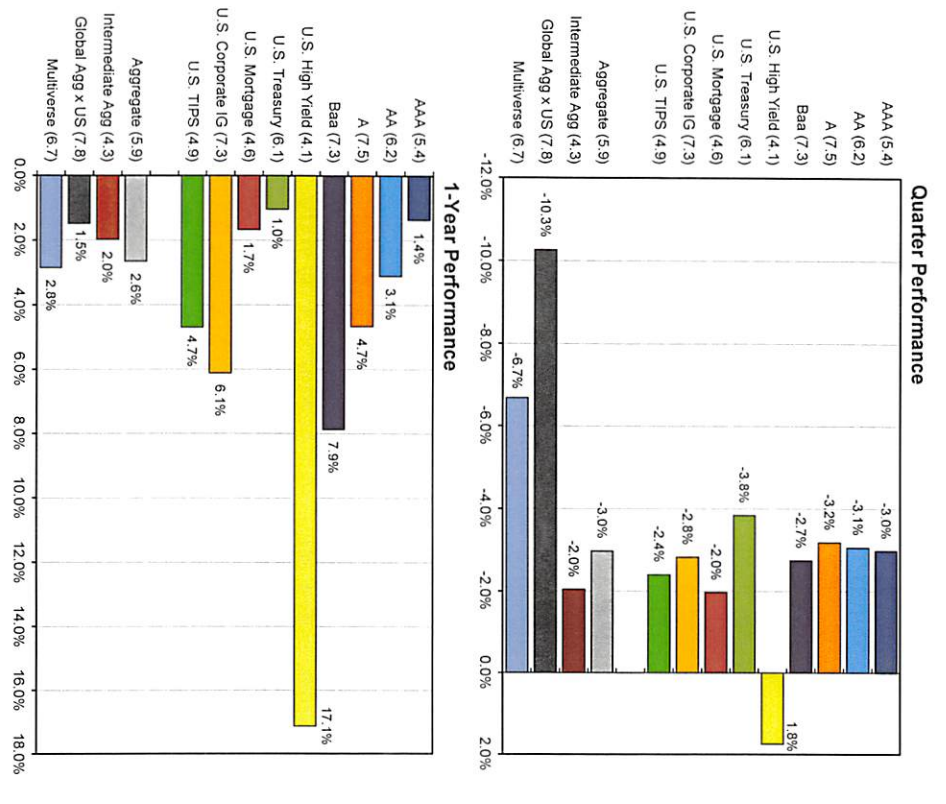


After defying logic and market expectations with solid positive results for most of 2016, fixed income benchmarks fell across various sectors and quality segments during the 4<sup>th</sup> quarter as the reality of higher interest rates and inflation expectations exerted their powerful impact on yields. 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.

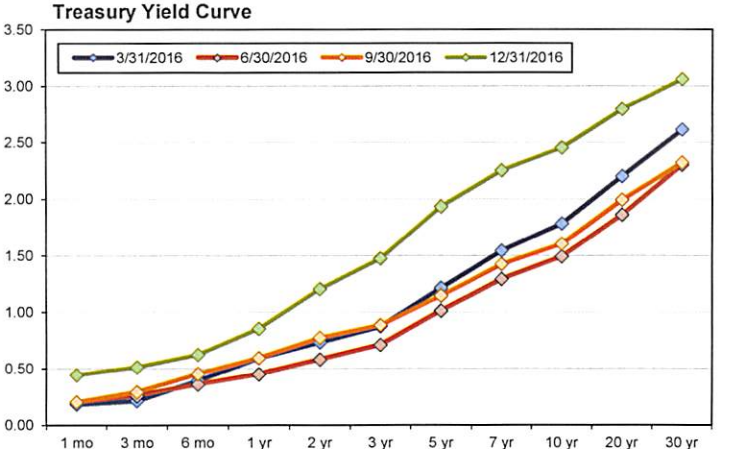
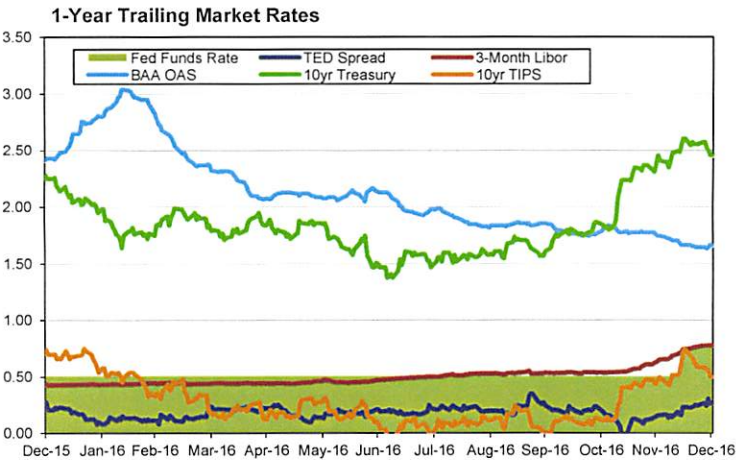
Examining results on a sector basis shows the nominal Treasury sector feeling the largest impact from the yield curve shift with a 4<sup>th</sup> quarter return of -3.8%. The lower-duration TIPS index returned -2.4% for the quarter. The mortgage sector posted the quarter's best relative result with a 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.



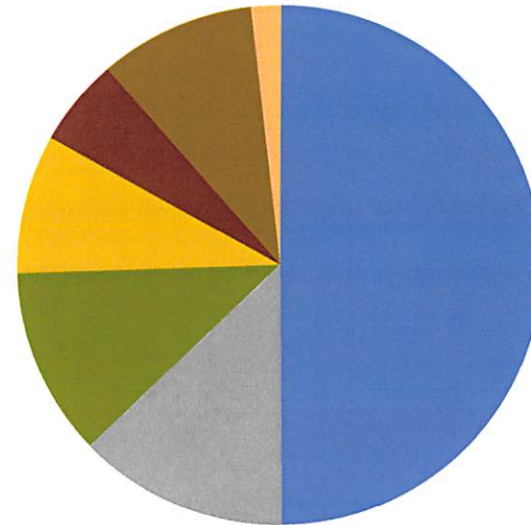
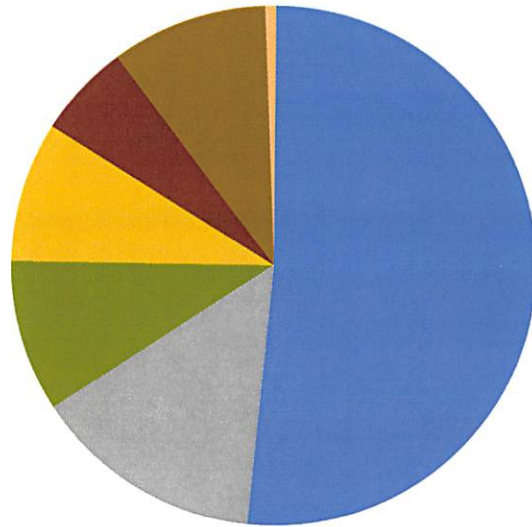
**The Market Environment**  
**Market Rate & Yield Curve Comparison**  
 As of December 31, 2016

- 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.



Asset Allocation By Segment as of  
September 30, 2016 : \$90,286,211

Asset Allocation By Segment as of  
December 31, 2016 : \$93,883,456



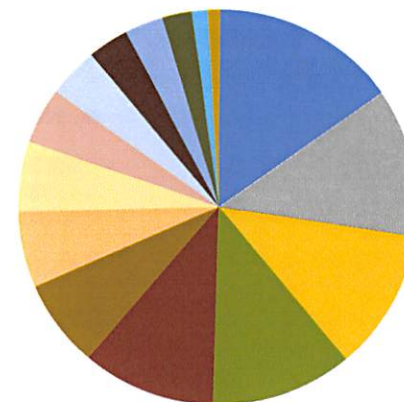
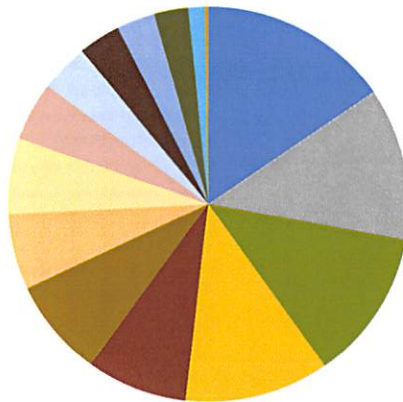
Allocation			Allocation		
Segments	Market Value	Allocation	Segments	Market Value	Allocation
Domestic Equity	46,452,887	51.5	Domestic Equity	46,790,272	49.8
International Equity	12,791,093	14.2	International Equity	12,057,691	12.8
Domestic Fixed Income	8,554,076	9.5	Domestic Fixed Income	11,038,883	11.8
Global Fixed Income	7,869,893	8.7	Global Fixed Income	8,123,931	8.7
Other Fixed Income	5,278,081	5.8	Other Fixed Income	5,126,254	5.5
Real Estate	8,716,972	9.7	Real Estate	8,991,619	9.6
Cash	623,210	0.7	Cash	1,754,806	1.9



Asset Allocation Summary  
Total Fund  
As of December 31, 2016

Asset Allocation By Manager as of  
September 30, 2016 : \$90,286,211

Asset Allocation By Manager as of  
December 31, 2016 : \$93,883,456



Allocation			Allocation		
	Market Value	Allocation		Market Value	Allocation
Vanguard Mid-Cap Index Fund (VMCIX)	13,881,450	15.4	Vanguard Mid-Cap Index Fund (VMCIX)	14,176,837	15.1
Anchor All Cap Value Equity	11,307,802	12.5	Anchor All Cap Value Equity	11,459,862	12.2
DSM Large Cap Growth	11,092,328	12.3	Vanguard 500 Index Signal (VFIAX)	10,866,547	11.6
Vanguard 500 Index Signal (VFIAX)	10,467,409	11.6	DSM Large Cap Growth	10,770,547	11.5
Schroders Core Fixed Income	7,382,848	8.2	Schroders Core Fixed Income	10,139,434	10.8
WCM International Growth Fund (WCMIX)	7,213,107	8.0	WCM International Growth Fund (WCMIX)	6,711,501	7.1
Intercontinental	5,611,868	6.2	Intercontinental	5,871,926	6.3
American Funds EuroPacific Gr R6 (RERGX)	5,577,986	6.2	American Funds EuroPacific Gr R6 (RERGX)	5,346,191	5.7
PIMCO Diversified Income Fund (PDIIX)	4,331,811	4.8	PIMCO Diversified Income Fund (PDIIX)	4,291,087	4.6
Templeton Global Bond Fund (FBNRX)	3,554,896	3.9	Templeton Global Bond Fund (FBNRX)	3,850,462	4.1
ASB RE	3,105,104	3.4	ASB RE	3,119,693	3.3
Crescent Direct Lending Levered Fund	2,790,124	3.1	Crescent Direct Lending Levered Fund	2,900,504	3.1
LBC Credit Partners III	2,487,957	2.8	LBC Credit Partners III	2,225,750	2.4
Schroders TIPS	1,204,663	1.3	Schroders TIPS	1,186,285	1.3
Receipt & Disbursement	276,858	0.3	Receipt & Disbursement	966,829	1.0
Mutual Fund Cash	1	0.0	Mutual Fund Cash	2	0.0



Financial Reconciliation Fiscal Year to Date								
	Market Value 10/01/2016	Net Transfers	Contributions	Distributions	Management Fees	Other Expenses	Return On Investment	Market Value 12/31/2016
<b>Total Equity</b>	<b>59,540,082</b>	<b>-102,429</b>	<b>78,525</b>	<b>-</b>	<b>-78,525</b>	<b>-1,488</b>	<b>-104,681</b>	<b>59,331,483</b>
<b>Total Domestic Equity</b>	<b>46,748,989</b>	<b>-101,601</b>	<b>78,525</b>	<b>-</b>	<b>-78,525</b>	<b>-1,488</b>	<b>627,892</b>	<b>47,273,792</b>
Anchor All Cap Value Equity	11,307,802	-100,000	31,943	-	-31,943	-772	252,831	11,459,862
Vanguard 500 Index Signal (VFIAX)	10,467,409	-801	-	-	-	-	399,939	10,866,547
DSM Large Cap Growth	11,092,328	-	46,582	-	-46,582	-716	-321,065	10,770,547
Vanguard Mid-Cap Index Fund (VMCIX)	13,881,450	-800	-	-	-	-	296,187	14,176,837
<b>Total International Equity</b>	<b>12,791,093</b>	<b>-828</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-732,574</b>	<b>12,057,691</b>
American Funds EuroPacific Gr R6 (RERGX)	5,577,986	-414	-	-	-	-	-231,381	5,346,191
WCM International Growth Fund (WCMIX)	7,213,107	-414	-	-	-	-	-501,193	6,711,501
<b>Total Fixed Income</b>	<b>21,752,299</b>	<b>2,747,639</b>	<b>6,921</b>	<b>-</b>	<b>-6,921</b>	<b>-593</b>	<b>94,178</b>	<b>24,593,522</b>
<b>Total Domestic Fixed Income</b>	<b>8,587,512</b>	<b>2,900,000</b>	<b>6,921</b>	<b>-</b>	<b>-6,921</b>	<b>-593</b>	<b>-161,199</b>	<b>11,325,719</b>
Schroders Core Fixed Income	7,382,848	2,900,000	6,921	-	-6,921	-511	-142,903	10,139,434
Schroders TIPS	1,204,663	-	-	-	-	-82	-18,296	1,186,285
<b>Total Global Fixed Income</b>	<b>7,886,706</b>	<b>-534</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>255,377</b>	<b>8,141,549</b>
PIMCO Diversified Income Fund (PDIIX)	4,331,811	-267	-	-	-	-	-40,457	4,291,087
Templeton Global Bond Fund (FBNRX)	3,554,896	-267	-	-	-	-	295,834	3,850,462
<b>Total Non-Core Fixed Income</b>	<b>5,278,081</b>	<b>-151,828</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,126,254</b>
LBC Credit Partners III	2,487,957	-262,208	-	-	-	-	-	2,225,750
Crescent Direct Lending Levered Fund	2,790,124	110,380	-	-	-	-	-	2,900,504
<b>Total Real Estate</b>	<b>8,716,972</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-69,929</b>	<b>-</b>	<b>344,576</b>	<b>8,991,619</b>
Intercontinental	5,611,868	-	-	-	-60,226	-	320,284	5,871,926
ASB RE	3,105,104	-	-	-	-9,703	-	24,292	3,119,693
<b>Cash</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Receipt & Disbursement	276,858	-2,648,173	4,793,845	-1,433,495	-	-23,265	1,059	966,829
Mutual Fund Cash	1	2,963	-	-	-	-2,962	-	2
<b>Boynton Beach Firefighters' Total Fund</b>	<b>90,286,211</b>	<b>-</b>	<b>4,879,291</b>	<b>-1,433,495</b>	<b>-155,374</b>	<b>-28,307</b>	<b>335,132</b>	<b>93,883,456</b>



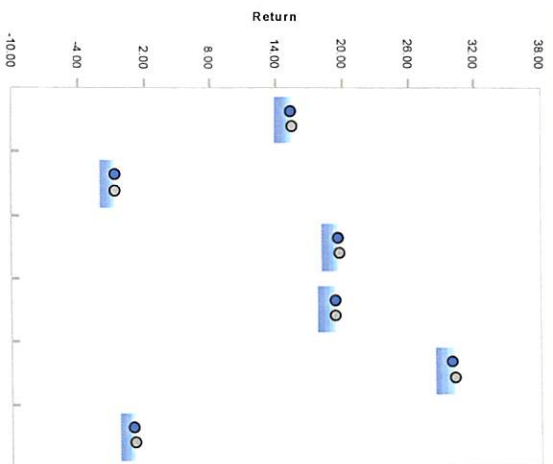
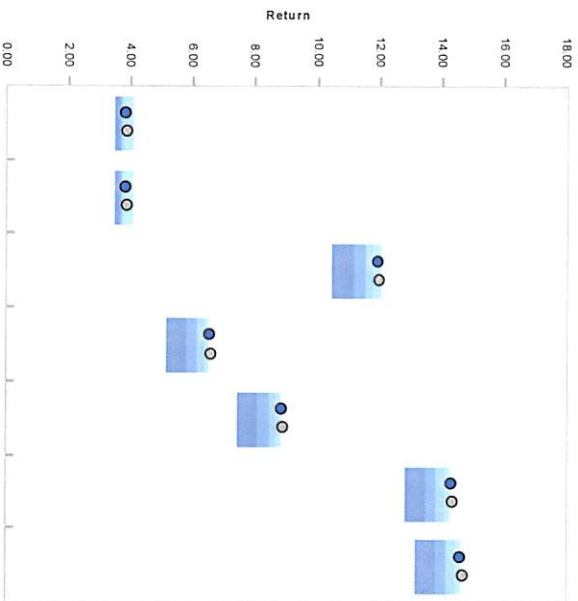
**Comparative Performance Trailing Returns**  
**Total Fund**  
As of December 31, 2016

Comparative Performance Trailing Returns													
	QTR		FYTD		1 YR		3 YR		5 YR		Inception	Inception Date	
<b>Total Fund (Net)</b>	<b>0.11</b>		<b>0.11</b>		<b>7.10</b>		<b>5.45</b>		<b>9.30</b>		<b>5.05</b>	<b>01/01/2002</b>	
Total Fund Policy	1.07		1.07		8.27		5.57		9.19		5.56		
Difference	-0.96		-0.96		-1.17		-0.12		0.11		-0.51		
<b>Total Fund (Gross)</b>	<b>0.28</b>	<b>(72)</b>	<b>0.28</b>	<b>(72)</b>	<b>7.54</b>	<b>(43)</b>	<b>5.94</b>	<b>(7)</b>	<b>9.80</b>	<b>(9)</b>	<b>5.32</b>	<b>(90)</b>	<b>01/01/2002</b>
Total Fund Policy	1.07	(33)	1.07	(33)	8.27	(25)	5.57	(12)	9.19	(25)	5.56	(83)	
Difference	-0.79		-0.79		-0.73		0.37		0.61		-0.24		
All Public Plans-Total Fund Median	0.68		0.68		7.26		4.61		8.51		6.10		
<b>Total Equity</b>	<b>-0.17</b>		<b>-0.17</b>		<b>7.35</b>		<b>5.41</b>		<b>12.16</b>		<b>3.57</b>	<b>10/01/2007</b>	
Total Equity Policy	2.87		2.87		10.83		5.97		12.37		4.93		
Difference	-3.04		-3.04		-3.48		-0.56		-0.21		-1.36		
<b>Total Domestic Equity</b>	<b>1.35</b>	<b>(70)</b>	<b>1.35</b>	<b>(70)</b>	<b>9.15</b>	<b>(49)</b>	<b>7.57</b>	<b>(24)</b>	<b>13.98</b>	<b>(34)</b>	<b>5.49</b>	<b>(55)</b>	<b>10/01/2007</b>
Total Domestic Equity Policy	4.21	(39)	4.21	(39)	12.74	(29)	8.43	(12)	14.67	(19)	6.69	(27)	
Difference	-2.86		-2.86		-3.59		-0.86		-0.69		-1.20		
IM U.S. All Cap Equity (SA+CF+MF) Median	3.03		3.03		8.86		6.15		13.35		5.67		
<b>Total International Equity</b>	<b>-5.73</b>	<b>(99)</b>	<b>-5.73</b>	<b>(99)</b>	<b>0.82</b>	<b>(54)</b>	<b>-2.26</b>	<b>(64)</b>	<b>5.86</b>	<b>(63)</b>	<b>-3.73</b>	<b>(100)</b>	<b>10/01/2007</b>
Total International Equity Policy	-1.20	(37)	-1.20	(37)	5.01	(13)	-1.32	(36)	5.48	(74)	-0.65	(42)	
Difference	-4.53		-4.53		-4.19		-0.94		0.38		-3.08		
IM International Multi-Cap Core Equity (MF) Median	-1.56		-1.56		0.99		-1.78		6.24		-0.95		
<b>Total Fixed Income</b>	<b>0.42</b>	<b>(3)</b>	<b>0.42</b>	<b>(3)</b>	<b>7.29</b>	<b>(3)</b>	<b>5.29</b>	<b>(2)</b>	<b>4.77</b>	<b>(5)</b>	<b>5.27</b>	<b>(5)</b>	<b>10/01/2007</b>
Total Fixed Income Policy	-3.34	(100)	-3.34	(100)	2.71	(35)	1.84	(93)	1.32	(99)	3.61	(93)	
Difference	3.76		3.76		4.58		3.45		3.45		1.66		
IM U.S. Intermediate Duration (SA+CF) Median	-1.84		-1.84		2.39		2.46		2.30		4.20		
<b>Total Domestic Fixed Income</b>	<b>-1.90</b>	<b>(6)</b>	<b>-1.90</b>	<b>(6)</b>	<b>2.65</b>	<b>(76)</b>	<b>2.87</b>	<b>(94)</b>	<b>2.49</b>	<b>(74)</b>	<b>4.22</b>	<b>(92)</b>	<b>10/01/2007</b>
Total Domestic Fixed Income Policy	-2.11	(7)	-2.11	(7)	2.42	(90)	2.40	(100)	1.78	(100)	3.83	(98)	
Difference	0.21		0.21		0.23		0.47		0.71		0.39		
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	-2.80		-2.80		3.10		3.33		2.82		4.79		
<b>Total Global Fixed Income</b>	<b>3.24</b>	<b>(1)</b>	<b>3.24</b>	<b>(1)</b>	<b>8.75</b>	<b>(5)</b>	<b>3.21</b>	<b>(17)</b>	<b>5.00</b>	<b>(1)</b>	<b>4.40</b>	<b>(6)</b>	<b>03/01/2011</b>
BofA Merrill Lynch Global Broad Market Index	-6.79	(82)	-6.79	(82)	2.17	(69)	0.21	(59)	0.42	(80)	1.23	(60)	
Difference	10.03		10.03		6.58		3.00		4.58		3.17		
IM Global Fixed Income (MF) Median	-3.95		-3.95		3.35		0.43		1.44		1.60		
<b>Total Real Estate</b>	<b>3.95</b>	<b>(8)</b>	<b>3.95</b>	<b>(8)</b>	<b>10.41</b>	<b>(41)</b>	<b>13.23</b>	<b>(44)</b>	<b>13.67</b>	<b>(45)</b>	<b>13.27</b>	<b>(N/A)</b>	<b>05/01/2010</b>
Total Real Estate Policy	2.16	(67)	2.16	(67)	9.27	(53)	12.21	(69)	12.20	(75)	13.87	(N/A)	
Difference	1.79		1.79		1.14		1.02		1.47		-0.60		
IM U.S. Open End Private Real Estate (SA+CF) Median	2.30		2.30		9.47		12.77		13.01		N/A		

Returns for periods greater than one year are annualized. Returns are expressed as percentages.  
Parenthesized number represents pertinent peer group ranking: 1-100, best to worst



Peer Group Analysis - IM S&P 500 Index (IMF)



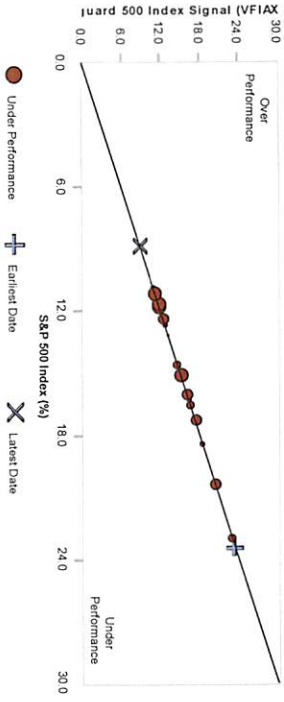
Comparative Performance

	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
Vanguard 500 Index Signal (VFAX)	3.84 (14)	2.45 (7)	1.34 (10)	7.04 (8)	-6.46 (22)	0.28 (9)
S&P 500 Index	3.85 (9)	2.46 (5)	1.35 (5)	7.04 (6)	-6.44 (6)	0.28 (10)
IM S&P 500 Index (IMF) Median	3.75	2.34	1.25	6.94	-6.55	0.18

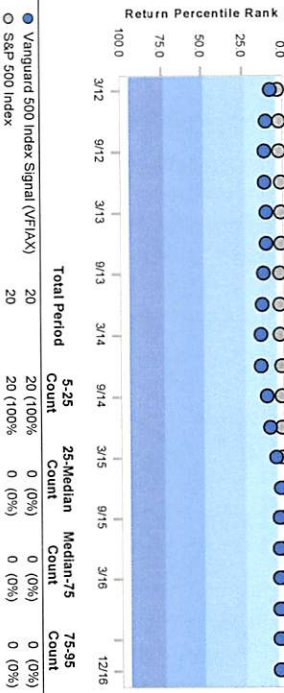


Performance Review  
Vanguard 500 Index Signal (VFIAX)  
As of December 31, 2016

3 Yr Rolling Under/Over Performance - 5 Years



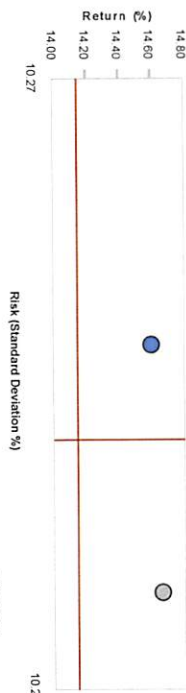
3 Yr Rolling Percentile Ranking - 5 Years



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
Vanguard 500 Index Signal (VFIAX)	0.03	99.94	100.11	-0.02	-0.78	0.95	1.00	5.90
S&P 500 Index	0.00	100.00	100.00	0.00	N/A	0.85	1.00	5.89

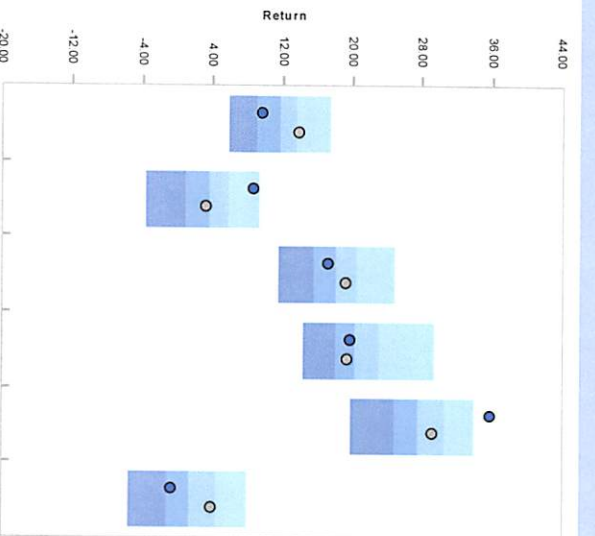
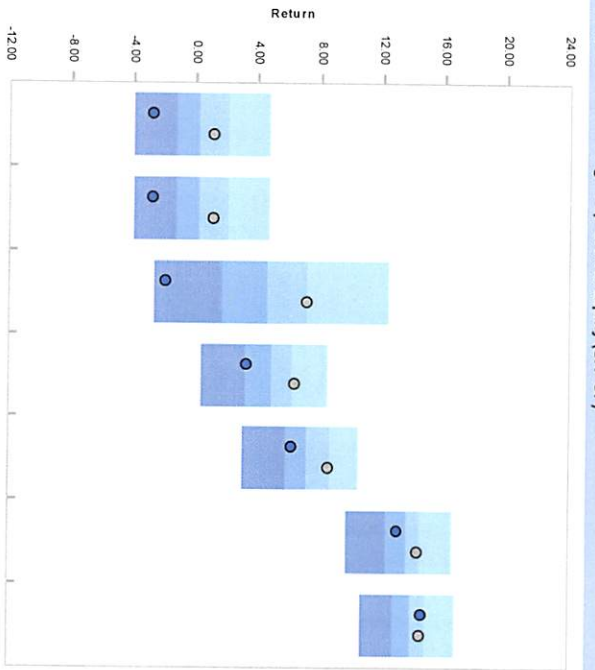
Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Vanguard 500 Index Signal (VFIAX)	0.06	99.78	100.10	-0.05	-0.98	1.38	1.00	5.56
S&P 500 Index	0.00	100.00	100.00	0.00	N/A	1.38	1.00	5.55





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



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR	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
DSM Large Cap Growth	-2.89 (91)	-2.89 (91)	-2.01 (94)	3.23 (75)	6.14 (70)	12.94 (63)	14.61 (33)	9.51 (74)	8.57 (7)	17.22 (61)	19.76 (58)	35.68 (4)	-0.82 (73)
Russell 1000 Growth	1.01 (38)	1.01 (38)	7.08 (26)	6.37 (24)	8.55 (28)	14.31 (31)	14.50 (36)	13.76 (22)	3.17 (56)	19.15 (39)	19.27 (65)	29.19 (38)	3.78 (30)
Median	0.18	0.18	4.50	4.87	7.21	13.63	13.93	11.78	3.62	18.13	20.27	27.63	1.38

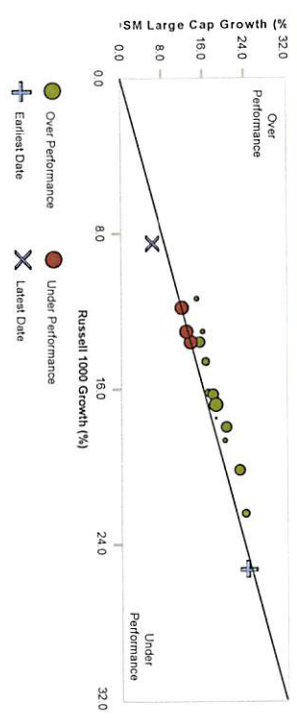
Comparative Performance

	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
DSM Large Cap Growth	6.47 (24)	-1.59 (90)	-3.59 (76)	8.53 (22)	-5.92 (50)	2.43 (7)
Russell 1000 Growth	4.58 (61)	0.61 (50)	0.74 (22)	7.32 (47)	-5.29 (34)	0.12 (67)
IM U.S. Large Cap Growth Equity (SA+CF) Median	5.16	0.61	-1.57	7.05	-5.93	0.61

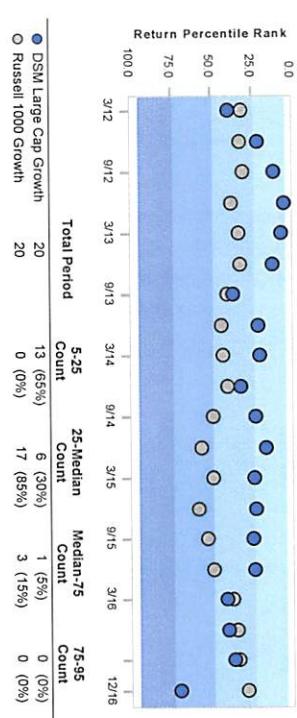


Performance Review  
 DSM Large Cap Growth  
 As of December 31, 2016

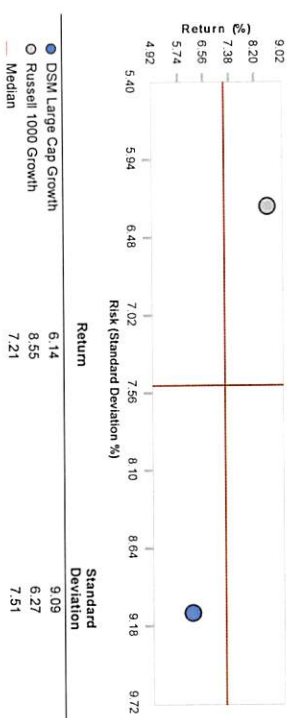
3 Yr. Rolling Under/Over Performance - 5 Years



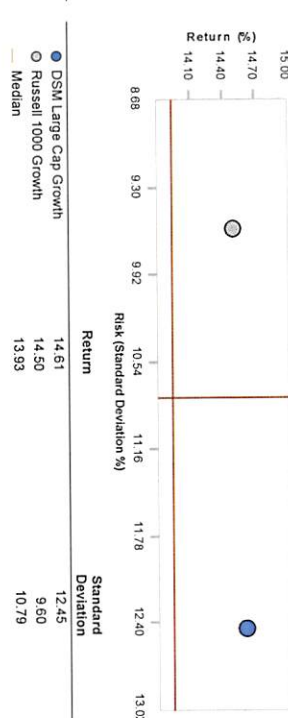
3 Yr. Rolling Percentile Ranking - 5 Years



Peer Group Scattergram - 3 Years



Peer Group Scattergram - 5 Years



Historical Statistics - 3 Years

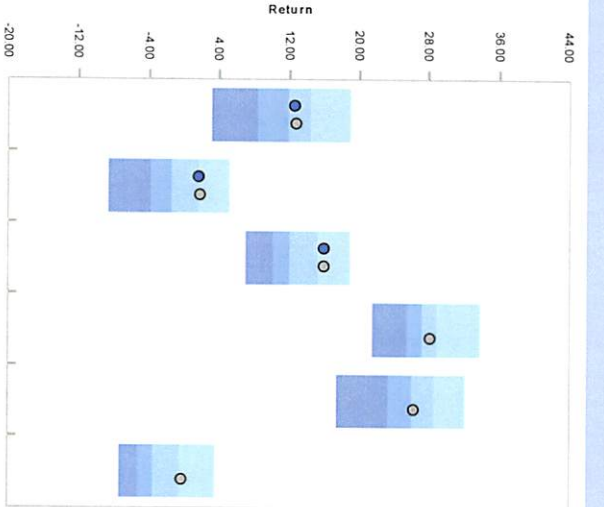
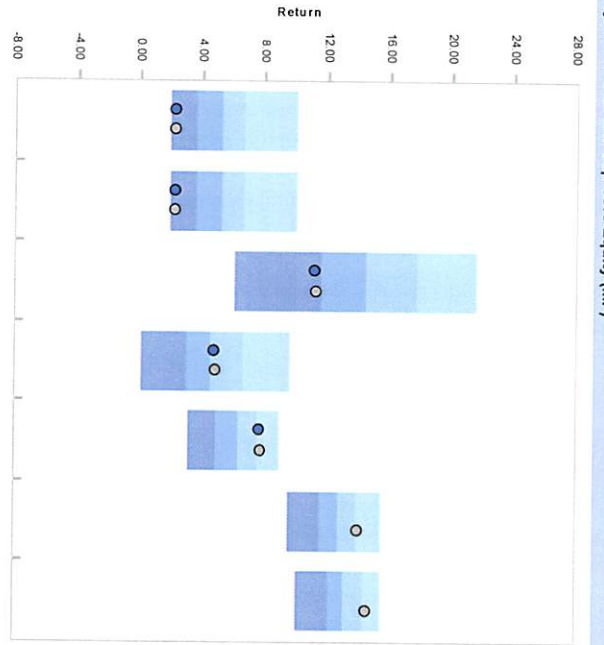
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
DSM Large Cap Growth	5.06	104.69	126.89	-3.12	-0.39	0.50	1.14	8.03
Russell 1000 Growth	0.00	100.00	100.00	0.00	N/A	0.78	1.00	5.90

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
DSM Large Cap Growth	4.67	110.53	122.91	-1.70	0.08	1.10	1.15	7.24
Russell 1000 Growth	0.00	100.00	100.00	0.00	N/A	1.31	1.00	5.67



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



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR	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
● VG Mid-Cap Index (VMCIX)	2.13 (93)	2.13 (93)	11.23 (79)	4.76 (47)	7.55 (25)	N/A	N/A	5.19 (38)	2.32 (57)	1.19 (56)	3.44 (37)	-7.45 (29)	-1.16 (58)
○ CRSP U.S. Mid Cap TR	2.14 (92)	2.14 (92)	11.25 (78)	4.80 (47)	7.72 (21)	14.03 (22)	14.56 (21)	5.21 (37)	2.34 (56)	1.16 (59)	3.46 (35)	-7.44 (28)	-1.18 (59)
Median	5.19	5.19	14.50	4.55	6.30	12.76	13.14	4.61	2.55	1.65	2.85	-8.53	-0.63

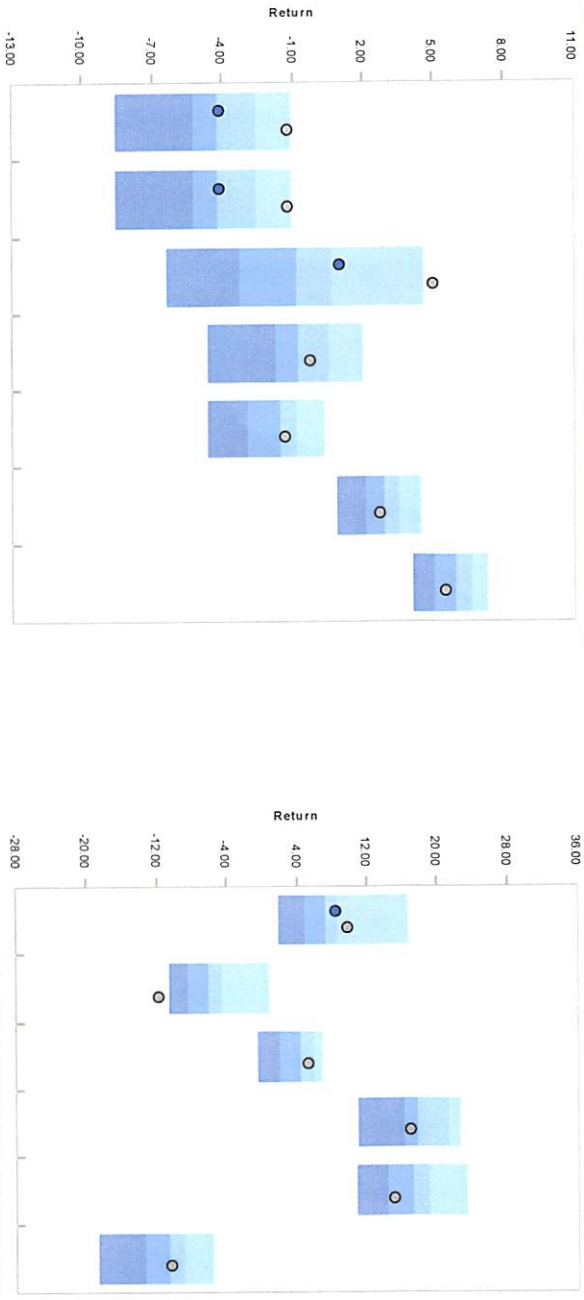
Comparative Performance

	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
VG Mid-Cap Index (VMCIX)	5.19 (38)	2.32 (57)	1.19 (56)	3.44 (37)	-7.45 (29)	-1.16 (58)
CRSP U.S. Mid Cap TR	5.21 (37)	2.34 (56)	1.16 (59)	3.46 (35)	-7.44 (28)	-1.18 (59)
IM U.S. Mid Cap Core Equity (MF) Median	4.61	2.55	1.65	2.85	-8.53	-0.63



Performance Review  
 AF EuroPacific Gr R6 (RERGX)  
 As of December 31, 2016

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



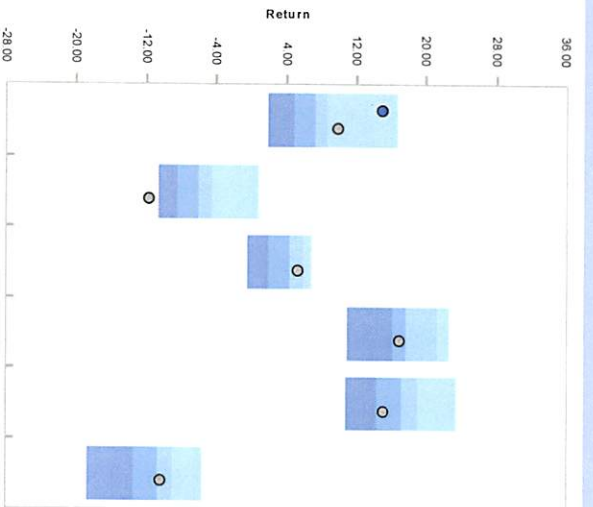
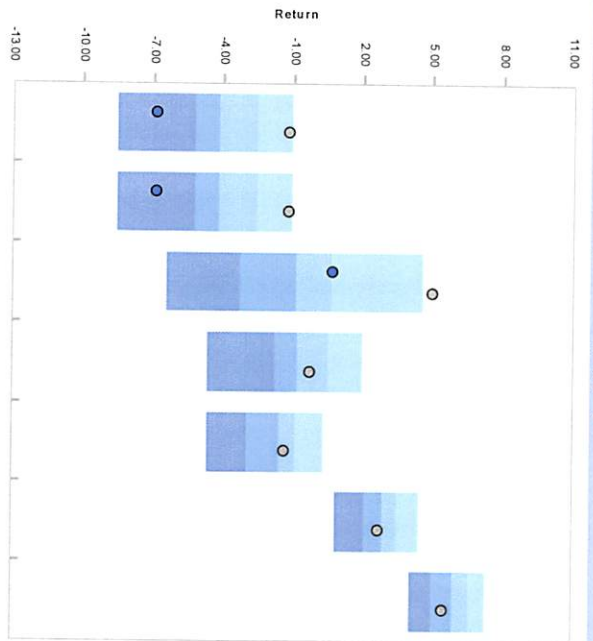
	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR											
● AF EuroPacific Gr R6 (RERGX)	-4.15 (48)	-4.15 (48)	1.01 (16)	N/A	N/A	N/A	N/A	● AF EuroPacific Gr R6 (RERGX)	8.52 (28)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
○ MSCI AC World ex USA	-1.20 (6)	-1.20 (6)	5.01 (4)	-0.25 (37)	-1.32 (47)	2.70 (57)	5.48 (66)	○ MSCI AC World ex USA	9.80 (17)	1.78 (98)	5.22 (36)	6.98 (60)	5.04 (73)	0.42 (49)				
Median	-4.18	-4.18	-0.86	-0.78	-1.51	2.88	5.95	Median	7.30	-5.97	4.36	7.84	7.21	0.63				

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
AF EuroPacific Gr R6 (RERGX)	8.23 (7)	-0.32 (32)	-2.32 (35)	2.97 (70)	-9.81 (45)	1.12 (42)
MSCI AC World ex USA	7.00 (34)	-0.40 (36)	-0.26 (26)	3.30 (61)	-12.10 (89)	0.72 (64)
IM International Large Cap Growth Equity (MF) Median	6.16	-0.90	-2.51	3.57	-9.90	1.02



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

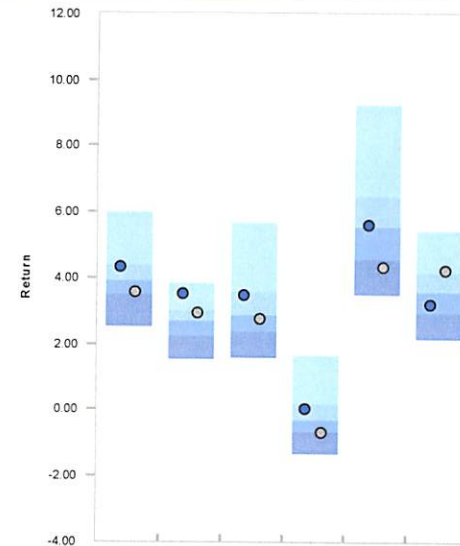
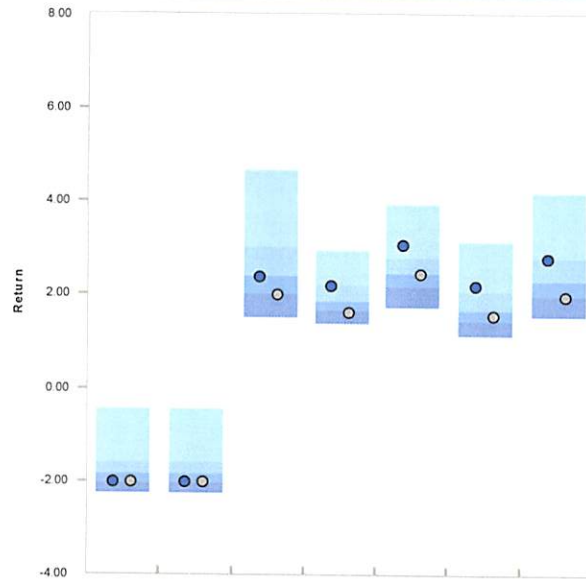


	1 Qtr Ending Sep-2016	1 Qtr Ending Jun-2016	1 Qtr Ending Mar-2016	1 Qtr Ending Dec-2015	1 Qtr Ending Sep-2015	1 Qtr Ending Jun-2015
WCM International (WCMIX)	4.87 (74)	3.02 (2)	0.33 (24)	6.15 (8)	-6.12 (7)	0.98 (53)
MSCI AC World ex USA	7.00 (34)	-0.40 (35)	-0.26 (26)	3.30 (61)	-12.10 (86)	0.72 (64)
IM International Large Cap Growth Equity (MF) Median	6.16	-0.90	-2.51	3.57	-9.90	1.02

Comparative Performance



Peer Group Analysis - IM U.S. Intermediate Duration (SA+CF)



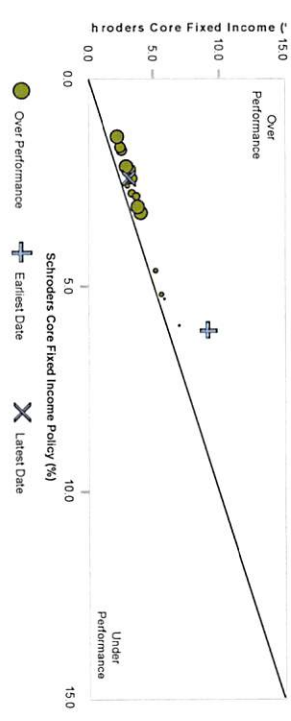
	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR	Oct-2015 To Sep-2016	Oct-2014 To Sep-2015	Oct-2013 To Sep-2014	Oct-2012 To Sep-2013	Oct-2011 To Sep-2012	Oct-2010 To Sep-2011
Schroders Core Fixed Income	-2.03 (77)	-2.03 (77)	2.38 (51)	2.18 (26)	3.05 (20)	2.16 (20)	2.77 (26)	4.31 (28)	3.50 (8)	3.46 (28)	0.04 (31)	5.63 (47)	3.20 (71)
Schroders Core Fixed Income Policy	-2.05 (79)	-2.05 (79)	1.97 (77)	1.59 (81)	2.43 (54)	1.55 (67)	1.95 (79)	3.57 (72)	2.95 (30)	2.74 (57)	0.71 (77)	4.31 (83)	4.22 (23)
Median	-1.84	-1.84	2.39	1.86	2.46	1.67	2.30	3.90	2.70	2.87	0.27	5.56	3.60

Comparative Performance

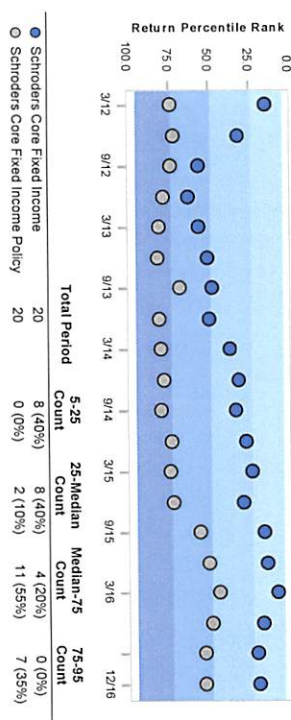
	1 Qtr Ending Sep-2016	1 Qtr Ending Jun-2016	1 Qtr Ending Mar-2016	1 Qtr Ending Dec-2015	1 Qtr Ending Sep-2015	1 Qtr Ending Jun-2015
Schroders Core Fixed Income	0.27 (63)	1.40 (75)	2.78 (5)	-0.18 (14)	1.36 (4)	-0.84 (86)
Schroders Core Fixed Income Policy	0.31 (58)	1.44 (72)	2.31 (54)	-0.51 (64)	1.08 (30)	-0.67 (62)
IM U.S. Intermediate Duration (SA+CF) Median	0.38	1.58	2.33	-0.42	0.92	-0.61



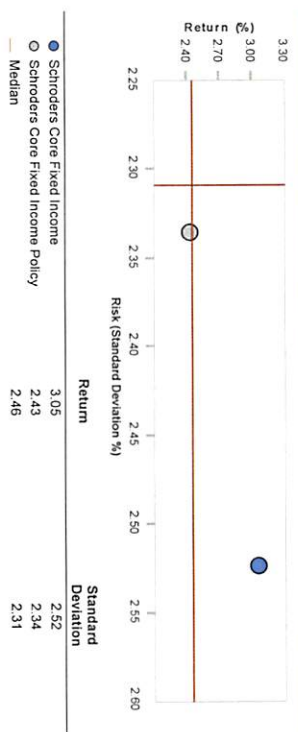
3 Yr Rolling Under/Over Performance - 5 Years



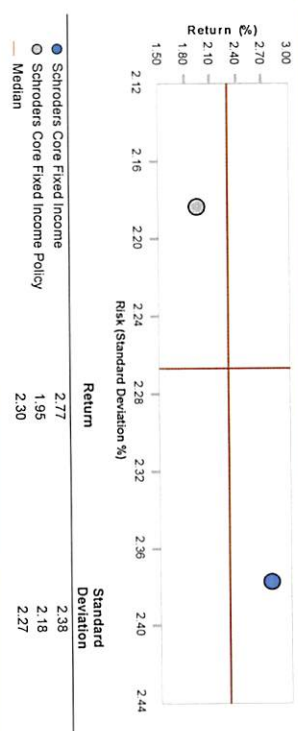
3 Yr Rolling Percentile Ranking - 5 Years



Peer Group Scattergram - 3 Years



Peer Group Scattergram - 5 Years



Historical Statistics - 3 Years

● Schroders Core Fixed Income	3.05	2.52
○ Schroders Core Fixed Income Policy	2.43	2.34
— Median	2.46	2.31

Historical Statistics - 5 Years

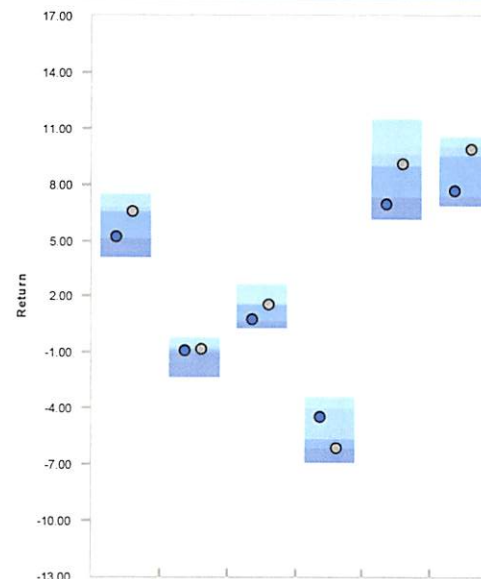
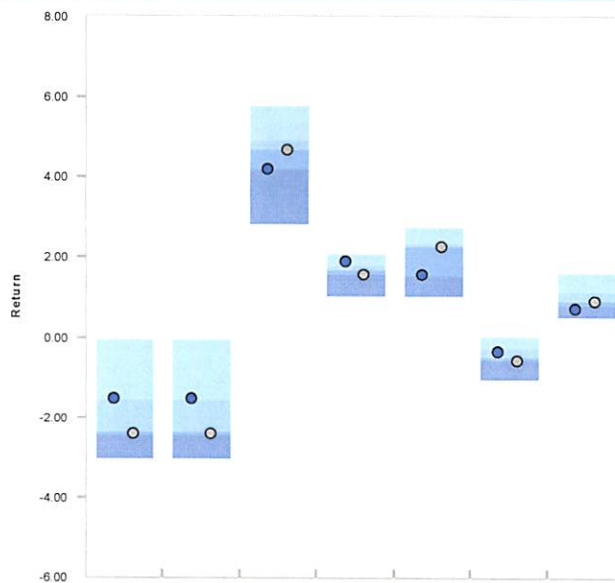
● Schroders Core Fixed Income	0.37	1.30	1.23	1.10	1.21
○ Schroders Core Fixed Income Policy	0.00	N/A	1.09	1.00	1.20

Historical Statistics - 5 Years

Schroders Core Fixed Income	0.51	120.05	97.75	0.64	1.58	1.16	1.09	1.29
Schroders Core Fixed Income Policy	0.00	100.00	100.00	0.00	N/A	0.90	1.00	1.26



Peer Group Analysis - IM U.S. TIPS (SA+CF)



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Schroders TIPS	-1.52 (22)	-1.52 (22)	4.20 (76)	1.92 (15)	1.56 (73)	-0.36 (38)	0.73 (83)
○ Barclays US Treasury US TIPS	-2.41 (52)	-2.41 (52)	4.68 (44)	1.58 (72)	2.26 (49)	-0.57 (78)	0.89 (59)
Median	-2.38	-2.38	4.67	1.67	2.26	-0.49	0.93

	Oct-2015 To Sep-2016	Oct-2014 To Sep-2015	Oct-2013 To Sep-2014	Oct-2012 To Sep-2013	Oct-2011 To Sep-2012	Oct-2010 To Sep-2011
● Schroders TIPS	5.19 (73)	-0.85 (64)	0.77 (74)	-4.47 (32)	6.96 (77)	7.69 (73)
○ Barclays US Treasury US TIPS	6.58 (45)	-0.83 (57)	1.59 (45)	-6.10 (71)	9.10 (45)	9.87 (32)
Median	6.53	-0.79	1.56	-5.62	9.02	9.54

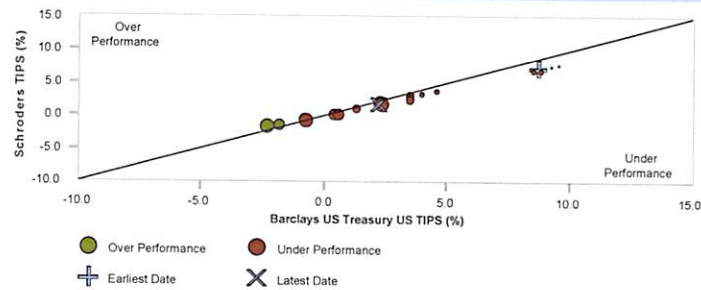
Comparative Performance

	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
Schroders TIPS	0.73 (82)	1.48 (65)	3.50 (84)	-0.58 (31)	-0.89 (28)	-0.23 (23)
Barclays US Treasury US TIPS	0.96 (65)	1.71 (47)	4.46 (34)	-0.64 (44)	-1.15 (58)	-1.06 (52)
IM U.S. TIPS (SA+CF) Median	0.99	1.70	4.32	-0.65	-1.12	-1.06

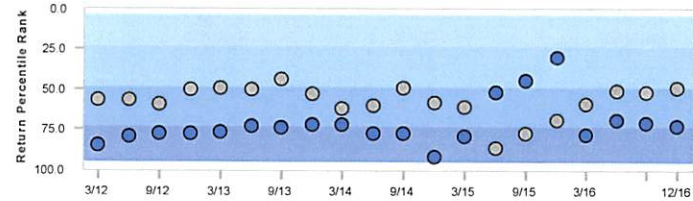




3 Yr Rolling Under/Over Performance - 5 Years

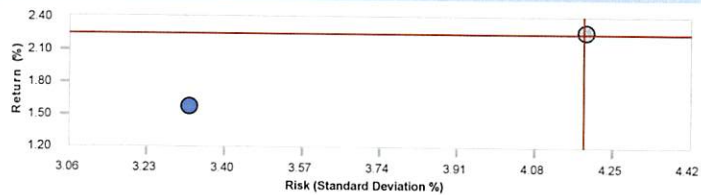


3 Yr Rolling Percentile Ranking - 5 Years



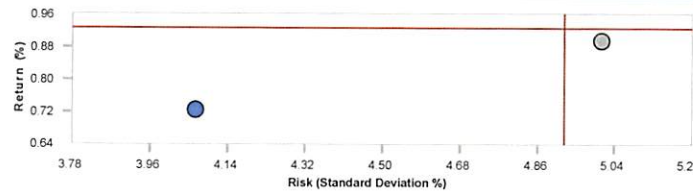
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
● Schroders TIPS	20	0 (0%)	2 (10%)	8 (40%)	10 (50%)
○ Barclays US Treasury US TIPS	20	0 (0%)	6 (30%)	12 (60%)	2 (10%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
● Schroders TIPS	1.56	3.33
○ Barclays US Treasury US TIPS	2.26	4.19
— Median	2.26	4.19

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
● Schroders TIPS	0.73	4.07
○ Barclays US Treasury US TIPS	0.89	5.01
— Median	0.93	4.92

Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Schroders TIPS	1.36	75.54	78.85	-0.18	-0.52	0.46	0.77	1.97
Barclays US Treasury US TIPS	0.00	100.00	100.00	0.00	N/A	0.54	1.00	2.39

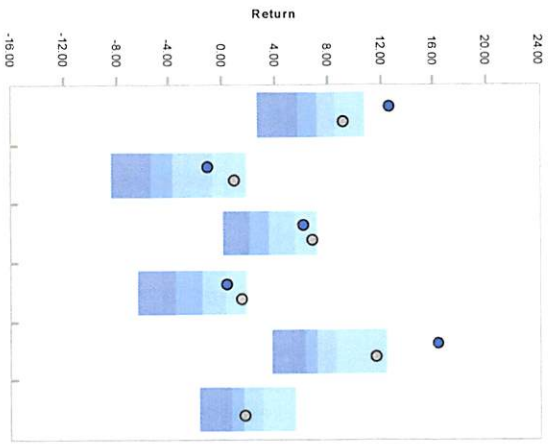
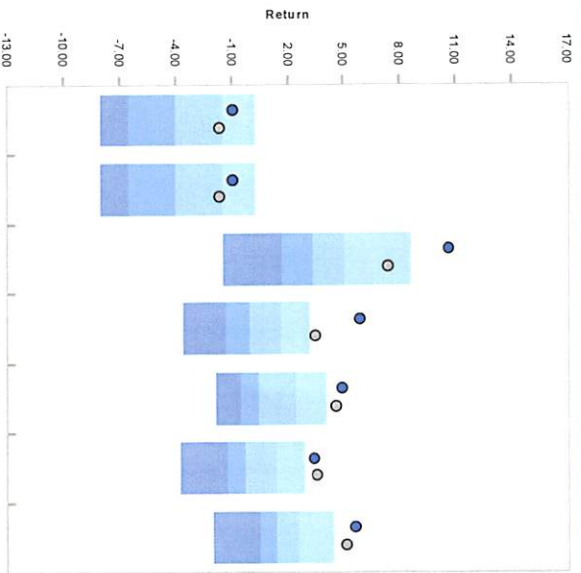
Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Schroders TIPS	1.68	71.77	70.58	0.06	-0.13	0.19	0.73	2.60
Barclays US Treasury US TIPS	0.00	100.00	100.00	0.00	N/A	0.19	1.00	3.38



**Performance Review**  
**PIMCO Div Income Fund (PDIIIX)**  
 As of December 31, 2016

**Peer Group Analysis - IM Global Fixed Income (MF)**



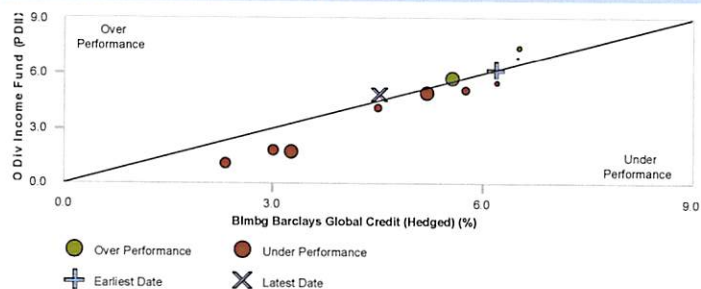
	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR	Median
● PIMCO Div Income Fund (PDIIIX)	-0.93 (18)	0.93 (18)	10.58 (3)	5.81 (1)	4.85 (2)	3.38 (3)	5.60 (1)	2.59 (1)
○ Bimbg Barclays Global Credit (Hedged)	-1.70 (32)	-1.70 (32)	7.33 (11)	3.50 (4)	4.53 (4)	3.56 (3)	5.13 (1)	9.19 (20)

**Comparative Performance**

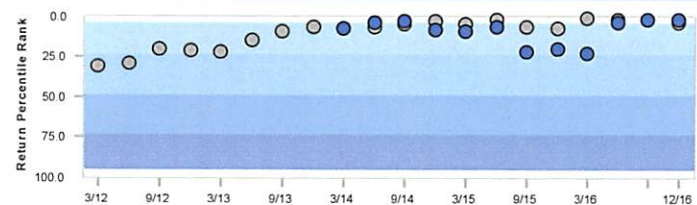
	1 Qtr Ending Sep-2016	1 Qtr Ending Jun-2016	1 Qtr Ending Mar-2016	1 Qtr Ending Dec-2015	1 Qtr Ending Sep-2015	1 Qtr Ending Jun-2015
PIMCO Div Income Fund (PDIIIX)	3.81 (3)	5.03 (1)	2.37 (72)	0.87 (2)	-2.59 (79)	-0.30 (11)
Bimbg Barclays Global Credit (Hedged)	2.32 (18)	3.28 (12)	3.33 (49)	0.00 (19)	-0.36 (52)	-2.02 (53)
IM Global Fixed Income (MF) Median	1.47	2.39	3.15	-0.75	-0.29	-1.97



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

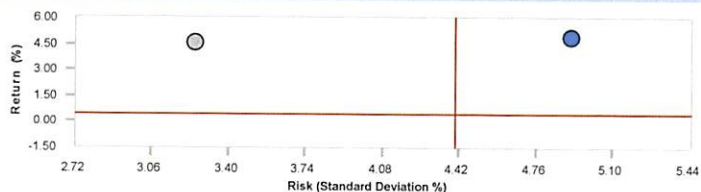


### 3 Yr Rolling Percentile Ranking - 5 Years



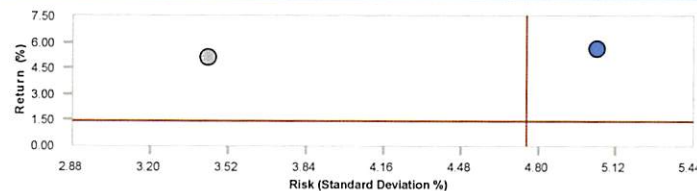
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
● PIMCO Div Income Fund (PDIIIX)	12	12 (100%)	0 (0%)	0 (0%)	0 (0%)
○ Blimbg Barclays Global Credit (Hedged)	20	18 (90%)	2 (10%)	0 (0%)	0 (0%)

### Peer Group Scattergram - 3 Years



	Return	Standard Deviation
● PIMCO Div Income Fund (PDIIIX)	4.85	4.92
○ Blimbg Barclays Global Credit (Hedged)	4.53	3.26
— Median	0.43	4.40

### Peer Group Scattergram - 5 Years



	Return	Standard Deviation
● PIMCO Div Income Fund (PDIIIX)	5.60	5.05
○ Blimbg Barclays Global Credit (Hedged)	5.13	3.44
— Median	1.44	4.75

### Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
PIMCO Div Income Fund (PDIIIX)	2.88	128.18	162.29	-0.74	0.13	0.97	1.25	2.91
Blimbg Barclays Global Credit (Hedged)	0.00	100.00	100.00	0.00	N/A	1.35	1.00	1.75

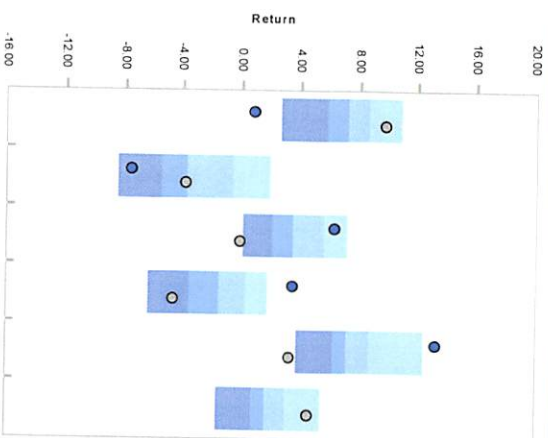
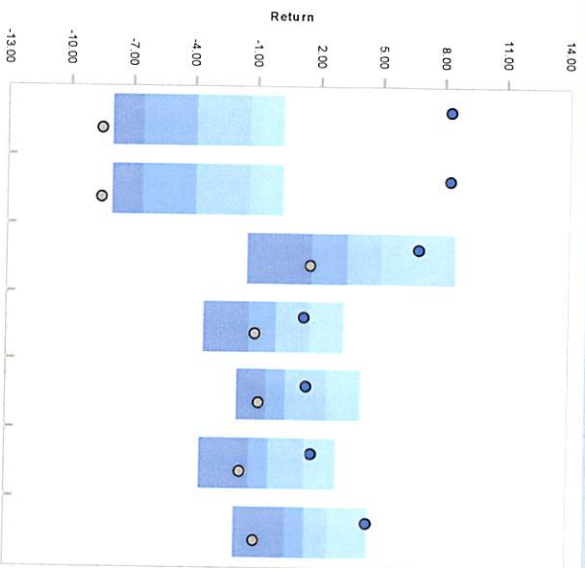
### Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
PIMCO Div Income Fund (PDIIIX)	2.59	125.51	154.59	-0.96	0.20	1.09	1.29	3.16
Blimbg Barclays Global Credit (Hedged)	0.00	100.00	100.00	0.00	N/A	1.45	1.00	1.91



Performance Review  
 Templeton Global Fund (FBNRX)  
 As of December 31, 2016

Peer Group Analysis - IM Global Fixed Income (MF)

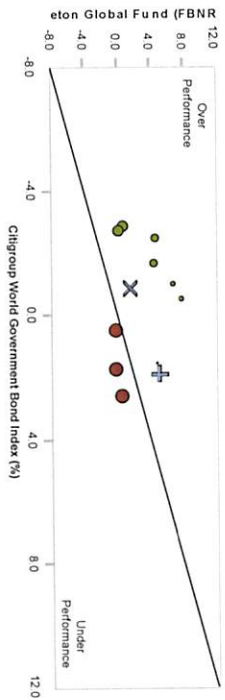


	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR	Median
● Templeton Global Fund (FBNRX)	8.32 (1)	8.32 (1)	6.78 (13)	1.30 (30)	1.49 (33)	1.72 (23)	4.45 (6)	
○ CitiGroup World Government Bond Index	-8.53 (99)	-8.53 (99)	1.60 (79)	-1.02 (68)	-0.84 (63)	-1.64 (83)	-0.99 (90)	
Median	-3.95	-3.95	3.35	-0.05	0.43	-0.29	1.44	

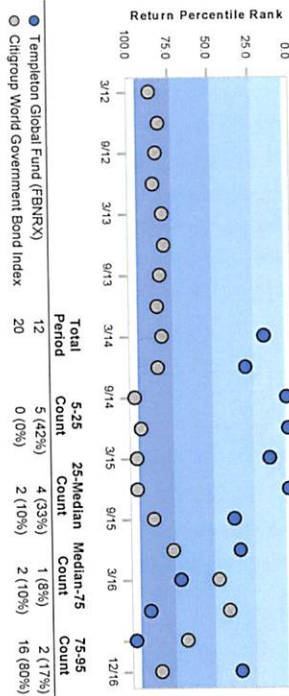
Comparative Performance

	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
Templeton Global Fund (FBNRX)	-1.23 (100)	-0.33 (100)	0.13 (100)	2.29 (1)	-6.08 (100)	-0.24 (10)
CitiGroup World Government Bond Index	0.30 (95)	3.41 (9)	7.09 (6)	-1.23 (77)	1.71 (1)	-1.55 (41)
IM Global Fixed Income (MF) Median	1.47	2.39	3.15	-0.75	-0.29	-1.97

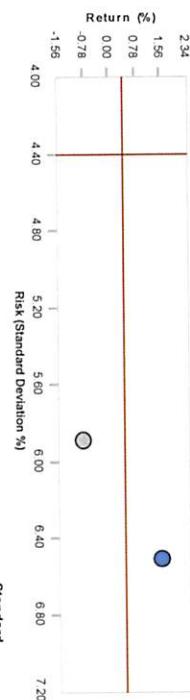
3 Yr Rolling Under/Over Performance - 5 Years



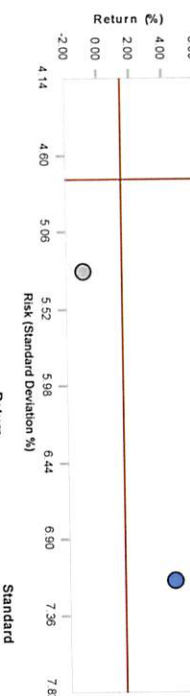
3 Yr Rolling Percentile Ranking - 5 Years



Peer Group Scattergram - 3 Years



Peer Group Scattergram - 5 Years



Historical Statistics - 3 Years

	Return	Standard Deviation
Templeton Global Fund (FBNRX)	1.49	6.52
CitiGroup World Government Bond Index	-0.94	5.89
Median	0.43	4.40

	Tracking Error	Up Market Capture	Down Market Capture
Templeton Global Fund (FBNRX)	8.68	43.95	-20.68
CitiGroup World Government Bond Index	0.00	100.00	100.00

Historical Statistics - 5 Years

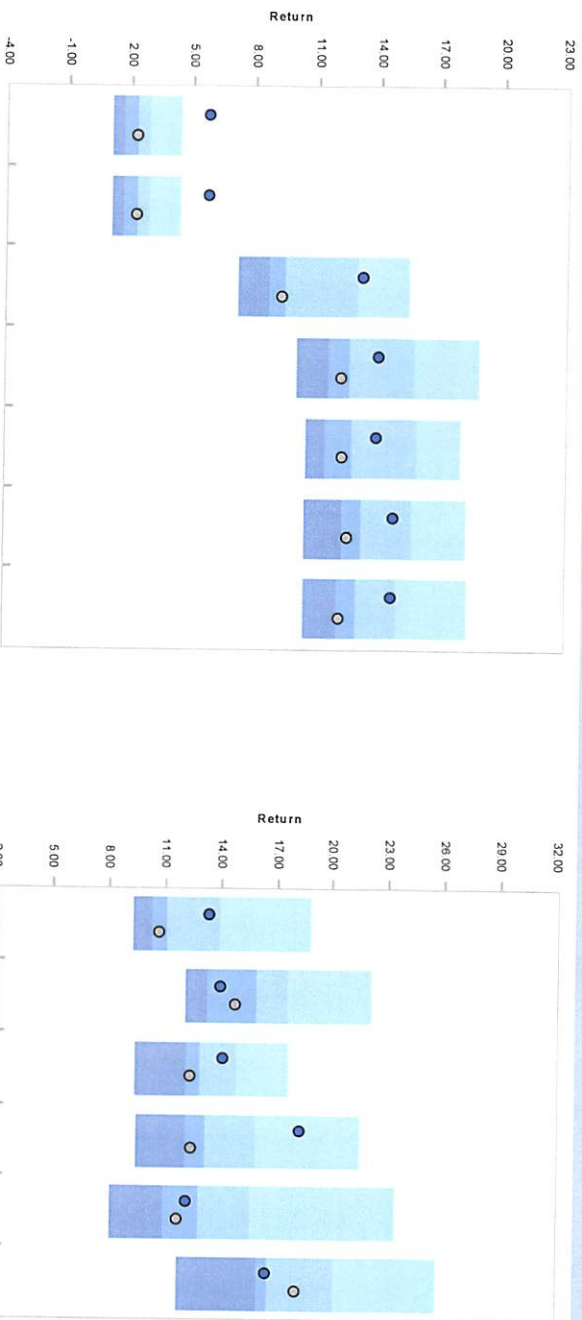
	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Templeton Global Fund (FBNRX)	1.57	0.25	0.24	-0.20	4.15
CitiGroup World Government Bond Index	0.00	N/A	-0.13	1.00	4.54

	Tracking Error	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Templeton Global Fund (FBNRX)	8.68	4.78	0.63	0.63	0.07	4.40
CitiGroup World Government Bond Index	0.00	0.00	N/A	-0.18	1.00	4.08



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

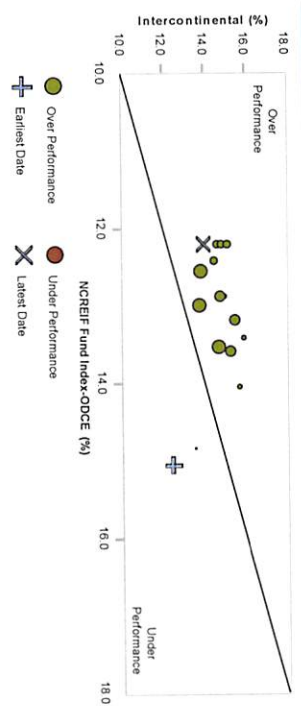


Comparative Performance

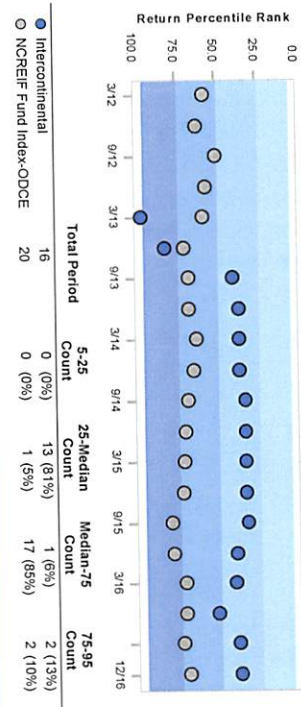
Index	1 Qtr Ending	1 Qtr Ending	1 Qtr Ending	1 Qtr Ending	1 Qtr Ending	1 Qtr Ending	1 Qtr Ending	1 Qtr Ending	1 Qtr Ending
	Sep-2016	Jun-2016	Mar-2016	Dec-2015	Sep-2015	Sep-2015	Sep-2015	Sep-2015	Jun-2015
Intercontinental	3.88 (4)	1.87 (78)	1.15 (97)	5.84 (4)	3.67 (49)	3.92 (42)	3.57	3.56	3.37 (64)
NCREIF Fund Index-ODCE	2.18 (47)	2.18 (61)	2.44 (61)	3.43 (57)	3.63 (49)	3.92 (42)	3.57	3.56	3.92 (42)
IM U.S. Open End Private Real Estate (SA+CF) Median	2.09	2.50	2.64	3.57	3.56	3.72			



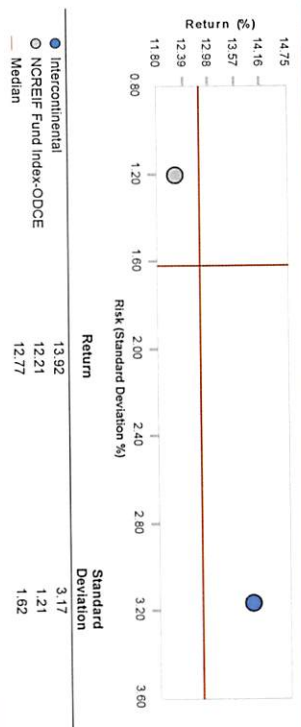
3 Yr Rolling Under/Over Performance - 5 Years



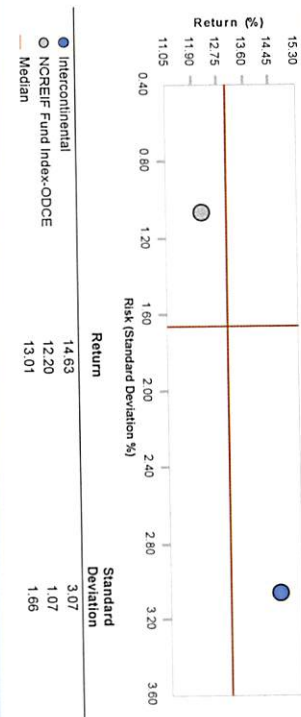
3 Yr Rolling Percentile Ranking - 5 Years



Peer Group Scattergram - 3 Years



Peer Group Scattergram - 5 Years



Historical Statistics - 3 Years

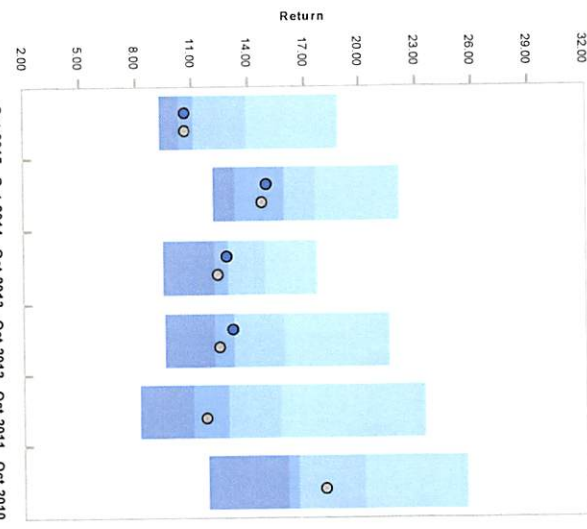
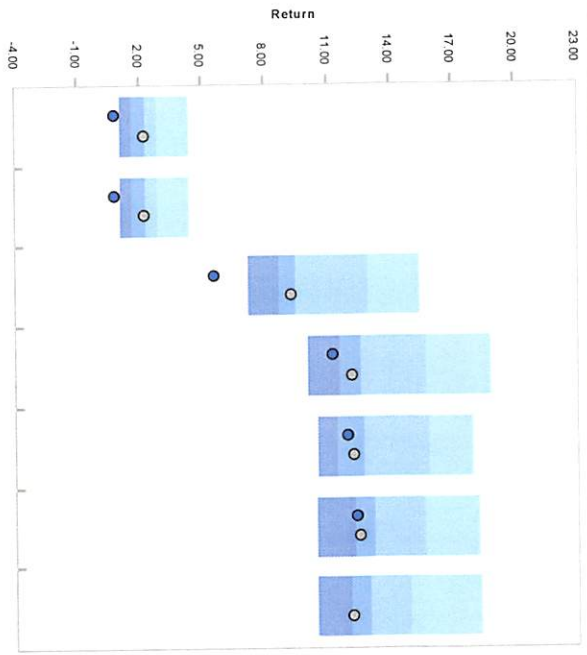
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Intercontinental	3.30	113.63	N/A	0.54	0.48	2.11	1.09	0.00
NCREIF Fund Index-ODCE	0.00	100.00	N/A	0.00	N/A	2.36	1.00	0.00

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Intercontinental	3.28	119.31	N/A	0.50	0.59	2.15	1.15	0.00
NCREIF Fund Index-ODCE	0.00	100.00	N/A	0.00	N/A	2.38	1.00	0.00



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



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR	1 Qtr Ending Sep-2016	1 Qtr Ending Mar-2016	1 Qtr Ending Dec-2015	1 Qtr Ending Sep-2015	1 Qtr Ending Sep-2014	1 Qtr Ending Sep-2013	1 Qtr Ending Sep-2012	1 Qtr Ending Jun-2015
ASB RE	0.78 (99)	0.78 (99)	5.55 (100)	11.23 (80)	11.97 (71)	12.39 (75)	N/A	1.76 (75)	1.36 (91)	5.62 (7)	2.68 (88)	3.63 (49)	3.56	3.92 (42)	5.19 (17)
NCREIF Fund Index-ODCE	2.16 (67)	2.16 (67)	9.27 (53)	12.18 (57)	12.21 (69)	12.49 (74)	12.20 (75)	2.18 (47)	2.44 (61)	3.43 (57)	3.63 (49)	3.56	3.92 (42)	5.19 (17)	3.72
Median	2.29	2.29	9.47	12.61	12.77	13.24	13.01	2.09	2.64	3.57	3.56	3.56	3.56	3.72	3.72

**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 Sep-2014	1 Qtr Ending Sep-2013	1 Qtr Ending Sep-2012	1 Qtr Ending Jun-2015
ASB RE	1.76 (75)	1.33 (90)	1.36 (91)	5.62 (7)	2.68 (88)	3.63 (49)	3.56	3.92 (42)	5.19 (17)
NCREIF Fund Index-ODCE	2.18 (47)	2.18 (61)	2.44 (61)	3.43 (57)	3.63 (49)	3.56	3.56	3.92 (42)	5.19 (17)
IM U.S. Open End Private Real Estate (SA+CF) Median	2.09	2.50	2.64	3.57	3.56	3.56	3.56	3.72	3.72





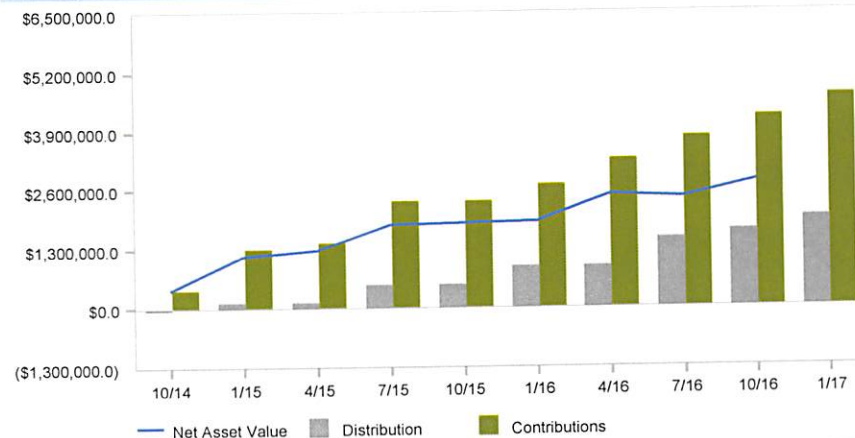
**Fund Information**

<b>Type of Fund:</b>	Direct	<b>Vintage Year:</b>	2014
<b>Strategy Type:</b>	Other	<b>Management Fee:</b>	1.35% of invested equity capital
<b>Size of Fund:</b>	-	<b>Preferred Return:</b>	7.00%
<b>Inception:</b>	09/05/2014	<b>General Partner:</b>	CDL Levered General Partner, Ltd.
<b>Final Close:</b>	9/5/2015 expected	<b>Number of Funds:</b>	
<b>Investment Strategy:</b>	High Current income while focusing on preservation of capital through investment primarily in senior secured loans of private U.S. lower-middle-market companies. The Fund will seek to enhance returns on its investments through the use of leverage. Fund size is \$250 million/ \$500 million with leverage.		

**Cash Flow Summary**

<b>Capital Committed:</b>	\$4,000,000
<b>Capital Invested:</b>	\$4,656,366
<b>Management Fees:</b>	\$1,384
<b>Expenses:</b>	\$76,135
<b>Interest:</b>	-
<b>Total Contributions:</b>	\$4,656,366
<b>Remaining Capital Commitment:</b>	\$1,105,872
<b>Total Distributions:</b>	\$2,012,068
<b>Market Value:</b>	\$2,900,504
<b>Inception Date:</b>	10/01/2014
<b>Inception IRR:</b>	6.4
<b>TVPI:</b>	1.1

**Cash Flow Analysis**



Private Equity Fund Overview  
LBC Credit Partners III  
As of December 31, 2016

**Fund Information**

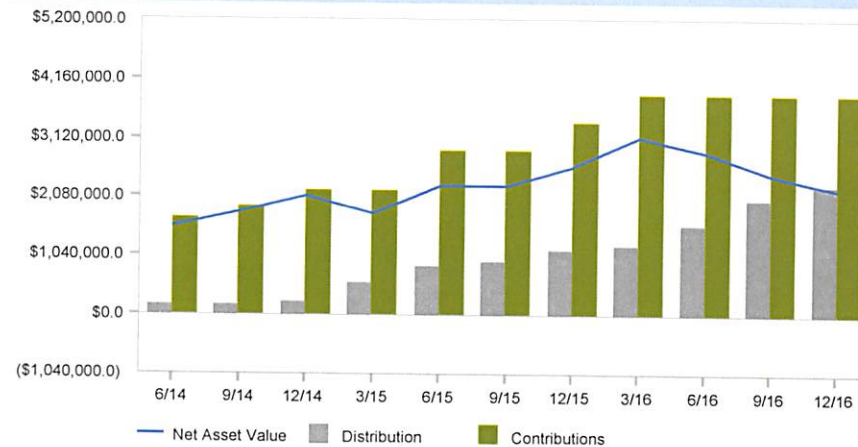
<b>Type of Fund:</b> Other	<b>Vintage Year:</b> 2017
<b>Strategy Type:</b> Other	<b>Management Fee:</b> 1.50%
<b>Size of Fund:</b> 839,030,000	<b>Preferred Return:</b> 8.00%
<b>Inception:</b> 02/01/2017	<b>General Partner:</b> LBC Credit Funding III L.P.
<b>Final Close:</b> 5/23/2014	<b>Number of Funds:</b>

**Investment Strategy:** Provider of middle market financing including senior term, unitranche, second lien, junior secured, and mezzanine debt; and equity co-investments to companies with EBITDA generally.

**Cash Flow Summary**

<b>Capital Committed:</b>	\$4,000,000
<b>Capital Invested:</b>	\$3,800,000
<b>Management Fees:</b>	\$277,238
<b>Expenses:</b>	\$292,855
<b>Interest:</b>	\$100,219
<b>Total Contributions:</b>	\$3,900,219
<b>Remaining Capital Commitment:</b>	\$615,463
<b>Total Distributions:</b>	\$2,297,337
<b>Market Value:</b>	\$2,225,750
<b>Inception Date:</b>	06/23/2014
<b>Inception IRR:</b>	11.9
<b>TVPI:</b>	1.2

**Cash Flow Analysis**



Total Fund Policy		Total Fund Policy	
Allocation Mandate	Weight (%)	Allocation Mandate	Weight (%)
<b>Jan-1979</b>		<b>Oct-2014</b>	
S&P 500 Index	65.00	Russell 3000 Index	45.00
3 Year U.S. Treasury Note	30.00	Bloomberg Barclays Intermed Aggregate Index	20.00
Citigroup 3 Month T-Bill Index	5.00	Bloomberg Barclays U.S. TIPS Index	5.00
<b>Jul-2007</b>		MSCI AC World ex USA	15.00
Citigroup 3 Month T-Bill Index	5.00	NCREIF Fund Index-Open End Diversified Core (EW)	10.00
Bloomberg Barclays Intermed Aggregate Index	35.00	BofA Merrill Lynch Global Broad Market Index	5.00
MSCI EAFE Index	10.00		
Russell 3000 Index	50.00		
<b>Oct-2007</b>			
Russell 3000 Value Index	20.00		
Russell 1000 Growth Index	20.00		
S&P 500 Index	10.00		
Bloomberg Barclays Intermed Aggregate Index	35.00		
Bloomberg Barclays U.S. TIPS Index	5.00		
MSCI EAFE Index	10.00		
<b>Jun-2009</b>			
Russell 3000 Index	50.00		
Bloomberg Barclays Intermed Aggregate Index	25.00		
Blmbg. Barc. U.S. TIPS 1-10 Year	5.00		
MSCI EAFE Index	10.00		
Citigroup 3 Month T-Bill Index	5.00		
NCREIF Fund Index-Open End Diversified Core (EW)	5.00		
<b>Feb-2010</b>			
Russell 3000 Index	45.00		
Bloomberg Barclays Intermed Aggregate Index	25.00		
Blmbg. Barc. U.S. TIPS 1-10 Year	5.00		
MSCI AC World ex USA	15.00		
NCREIF Fund Index-Open End Diversified Core (EW)	10.00		
<b>Mar-2010</b>			
Russell 3000 Index	45.00		
Bloomberg Barclays Intermed Aggregate Index	25.00		
Bloomberg Barclays U.S. TIPS Index	5.00		
MSCI AC World ex USA	15.00		
NCREIF Fund Index-Open End Diversified Core (EW)	10.00		



Historical Benchmark Policies  
Total Fund  
As of December 31, 2016

Total Equity Policy		Total Fixed Income Policy	
Allocation Mandate	Weight (%)	Allocation Mandate	Weight (%)
<b>Jan-1926</b>		<b>Jan-1973</b>	
S&P 500 Index	100.00	Bloomberg Barclays Intermediate US Govt/Credit Idx	100.00
<b>Jul-2007</b>		<b>Jul-2007</b>	
Russell 3000 Index	85.00	Bloomberg Barclays Intermed Aggregate Index	100.00
MSCI EAFE Index	15.00	<b>Oct-2007</b>	
<b>Oct-2007</b>		Bloomberg Barclays Intermediate US Govt/Credit Idx	87.50
MSCI EAFE Index	15.00	Bloomberg Barclays U.S. TIPS Index	12.50
S&P 500 Index	15.00	<b>Jun-2009</b>	
Russell 3000 Value Index	35.00	Bloomberg Barclays Intermed Aggregate Index	83.33
Russell 1000 Growth Index	35.00	Blmbg. Barc. U.S. TIPS 1-10 Year	16.67
<b>Jun-2009</b>		<b>Feb-2010</b>	
Russell 3000 Index	83.33	Bloomberg Barclays Intermed Aggregate Index	83.33
MSCI EAFE Index	16.67	Bloomberg Barclays U.S. TIPS Index	16.67
<b>Feb-2010</b>		<b>Apr-2011</b>	
Russell 3000 Index	75.00	Bloomberg Barclays Intermed Aggregate Index	50.00
MSCI AC World ex USA	25.00	Bloomberg Barclays U.S. TIPS Index	25.00
<b>Domestic Equity Policy</b>		BofA Merrill Lynch Global Broad Market Index	25.00
<b>Allocation Mandate</b>		<b>International Equity Policy</b>	
<b>Weight (%)</b>		<b>Allocation Mandate</b>	
<b>Jan-1926</b>		<b>Weight (%)</b>	
S&P 500 Index	100.00	<b>Jan-1970</b>	
<b>Jul-2007</b>		MSCI EAFE Index	100.00
Russell 3000 Index	100.00	<b>Feb-2010</b>	
<b>Oct-2007</b>		MSCI AC World ex USA	100.00
Russell 3000 Value Index	40.00		
Russell 1000 Growth Index	40.00		
S&P 500 Index	20.00		
<b>Jun-2009</b>			
Russell 3000 Index	100.00		



Total Fund Compliance:	Yes	No	N/A
1. The Total Plan return equaled or exceeded the 7.5%* actuarial earnings assumption over the trailing three and five year periods.		✓	
2. The Total Plan return equaled or exceeded the total plan benchmark over the trailing three and five year periods.	✓		
3. The Total Plan return ranked within the top 40th percentile of its peer group over the trailing three and five year periods.	✓		
4. Total foreign securities were less than 25% of the total plan assets at market.	✓		

\* updated from 7.7% to 7.5% effective 1/1/2016

Equity Compliance:	Yes	No	N/A
1. Total equity returns equaled or exceeded the benchmark over the trailing three and five year periods.		✓	
2. Total equity returns ranked within the top 40th percentile of its peer group over the trailing three and five year periods.			✓
3. The total equity allocation was less than 70% of the total plan assets at market.	✓		

Fixed Income Compliance:	Yes	No	N/A
1. Total fixed income returns equaled or exceeded the benchmark over the trailing three and five year periods.	✓		
2. Total fixed income returns ranked within the top 40th percentile of its peer group over the trailing three and five year periods.	✓		
3. All separately managed fixed income investments have a minimum rating of investment grade or higher.	✓		

Manager Compliance:	Anchor ACV			VG Mid-Cap			VG 500 Index			DSM LCG			WCM Int'l		
	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A
1. Manager outperformed the index over the trailing three and five year periods.		✓				✓			✓		✓				✓
2. Manager ranked within the top 40th percentile once over the last four quarters.		✓				✓			✓		✓				✓
3. Less than four consecutive quarters of under-performance relative to the benchmark.	✓					✓			✓	✓					✓
4. Three and five year down market capture ratio less than 100%.	✓					✓			✓	✓					✓
5. Manager reports compliance with PFIA.	✓					✓			✓	✓					✓

Manager Compliance:	STW Core FI			STW TIPS			PIMCO			Templeton			REGX		
	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A
1. Manager outperformed the index over the trailing three and five year periods.	✓				✓		✓			✓					✓
2. Manager ranked within the top 40th percentile once over the last four quarters.	✓					✓	✓			✓					✓
3. Less than four consecutive quarters of under-performance relative to the benchmark.	✓			✓			✓			✓					✓
4. Three and five year down market capture ratio less than 100%.	✓			✓					✓			✓			✓
5. Manager reports compliance with PFIA.	✓			✓					✓			✓			✓



Compliance Checklist  
**Total Fund**  
As of December 31, 2016

Manager Compliance:	ASB RE			Intercontinental			LBC			Crescent		
	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A	Yes	No	N/A
1. Manager outperformed the index over the trailing three and five year periods.		✓		✓					✓			✓
2. Manager ranked within the top 40th percentile once over the last four quarters.		✓		✓					✓			✓
3. Less than four consecutive quarters of under-performance relative to the benchmark.		✓		✓					✓			✓
4. Three and five year down market capture ratio less than 100%.			✓			✓			✓			✓
5. Manager reports compliance with PFIA.			✓			✓			✓			✓



	Estimated Annual Fee (%)	Market Value (\$)	Estimated Annual Fee (\$)	Fee Schedule
Vanguard 500 Index Signal (VFIAX)	0.05	10,866,547	5,433	0.05 % of Assets
DSM Large Cap Growth	0.87	10,770,547	93,279	1.00 % of First \$5 M 0.75 % of Next \$15 M 0.63 % of Next \$80 M 0.50 % Thereafter
Anchor All Cap Value Equity	0.57	11,459,862	64,799	0.75 % of First \$3 M 0.50 % Thereafter
Vanguard Mid-Cap Index Fund (VMCIX)	0.08	14,176,837	11,341	0.08 % of Assets
<b>Total Domestic Equity</b>	<b>0.37</b>	<b>47,273,792</b>	<b>174,853</b>	
WCM International Growth Fund (WCMIX)	1.04	6,711,501	69,800	1.04 % of Assets
American Funds EuroPacific Gr R6 (RERGX)	0.49	5,346,191	26,196	0.49 % of Assets
<b>Total International Equity</b>	<b>0.80</b>	<b>12,057,691</b>	<b>95,996</b>	
Schroders Core Fixed Income	0.38	10,139,434	38,023	0.38 % of Assets
Schroders TIPS	0.00	1,186,285	-	0.00 % of Assets
<b>Total Domestic Fixed Income</b>	<b>0.34</b>	<b>11,325,719</b>	<b>38,023</b>	
PIMCO Diversified Income Fund (PDIIX)	0.75	4,291,087	32,183	0.75 % of Assets
Templeton Global Bond Fund (FBNRX)	0.51	3,850,462	19,637	0.51 % of Assets
<b>Total Global Fixed Income</b>	<b>0.64</b>	<b>8,141,549</b>	<b>51,821</b>	
LBC Credit Partners III	1.75	2,225,750	38,951	1.75 % of Assets
Crescent Direct Lending Levered Fund	1.35	2,900,504	39,157	1.35 % of Assets
<b>Total Non-Core Fixed Income</b>	<b>1.52</b>	<b>5,126,254</b>	<b>78,107</b>	
ASB RE	1.25	3,119,693	38,996	1.25 % of Assets
Intercontinental	1.10	5,871,926	64,591	1.10 % of Assets
<b>Total Real Estate</b>	<b>1.15</b>	<b>8,991,619</b>	<b>103,587</b>	
Mutual Fund Cash		2	-	
Receipt & Disbursement		966,829	-	
<b>Total Cash Composite</b>		<b>966,831</b>	<b>-</b>	
<b>Total Fund</b>	<b>0.58</b>	<b>93,883,456</b>	<b>542,387</b>	



**Disclosures**  
**Total Fund**  
As of December 31, 2016

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- Returns prior to 9/30/2009 are gross of fees.



<b>Active Return</b>	<ul style="list-style-type: none"> <li>- Arithmetic difference between the manager's performance and the designated benchmark, return over a specified time period.</li> </ul>
<b>Alpha</b>	<ul style="list-style-type: none"> <li>- 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.</li> </ul>
<b>Beta</b>	<ul style="list-style-type: none"> <li>- A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of the portfolio's systematic risk.</li> </ul>
<b>Consistency</b>	<ul style="list-style-type: none"> <li>- 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.</li> </ul>
<b>Distributed to Paid In (DPI)</b>	<ul style="list-style-type: none"> <li>- 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.</li> </ul>
<b>Down Market Capture</b>	<ul style="list-style-type: none"> <li>- The ratio of average portfolio performance over the designated benchmark during periods of negative returns. A lower value indicates better product performance</li> </ul>
<b>Downside Risk</b>	<ul style="list-style-type: none"> <li>- 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.</li> </ul>
<b>Excess Return</b>	<ul style="list-style-type: none"> <li>- Arithmetic difference between the manager's performance and the risk-free return over a specified time period.</li> </ul>
<b>Excess Risk</b>	<ul style="list-style-type: none"> <li>- A measure of the standard deviation of a portfolio's performance relative to the risk free return.</li> </ul>
<b>Information Ratio</b>	<ul style="list-style-type: none"> <li>- 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.</li> </ul>
<b>Public Market Equivalent (PME)</b>	<ul style="list-style-type: none"> <li>- 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.</li> </ul>
<b>R-Squared</b>	<ul style="list-style-type: none"> <li>- 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.</li> </ul>
<b>Return</b>	<ul style="list-style-type: none"> <li>- Compounded rate of return for the period.</li> </ul>
<b>Sharpe Ratio</b>	<ul style="list-style-type: none"> <li>- 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.</li> </ul>
<b>Standard Deviation</b>	<ul style="list-style-type: none"> <li>- 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.</li> </ul>
<b>Total Value to Paid In (TVPI)</b>	<ul style="list-style-type: none"> <li>- 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</li> </ul>
<b>Tracking Error</b>	<ul style="list-style-type: none"> <li>- This is a measure of the standard deviation of a portfolio's returns in relation to the performance of its designated market benchmark.</li> </ul>
<b>Traynor Ratio</b>	<ul style="list-style-type: none"> <li>- 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.</li> </ul>
<b>Up Market Capture</b>	<ul style="list-style-type: none"> <li>- The ratio of average portfolio performance over the designated benchmark during periods of positive returns. A higher value indicates better product performance.</li> </ul>

## Disclosures

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.

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