Investment Performance Review
Period Ending March 31, 2019

City of Key West General Employees' Pension Fund

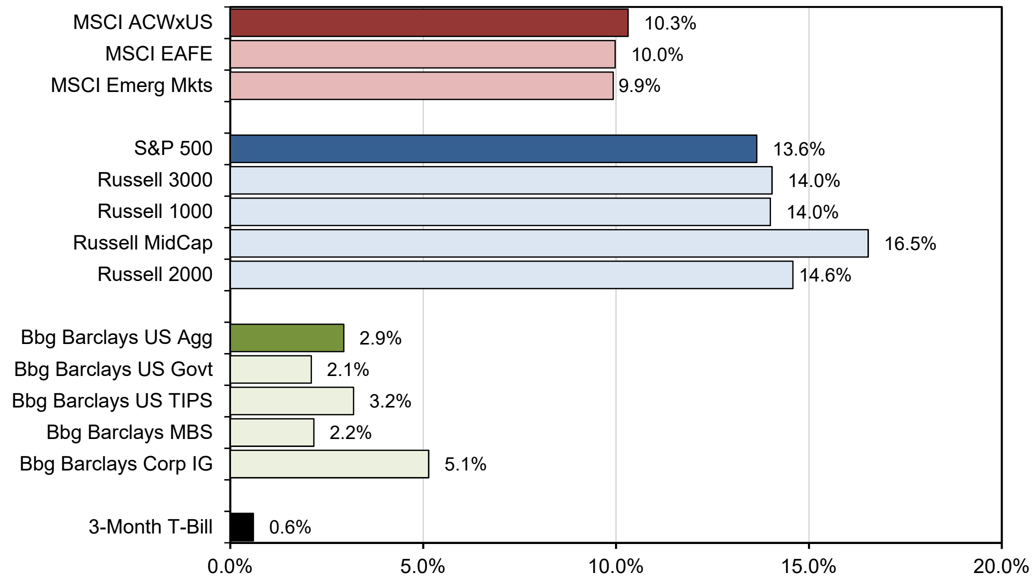
1st Quarter 2019 Market Environment

- After a difficult end to 2018, markets rebounded strongly during the 1st quarter of 2019 with higher risk assets posting the greatest returns. Broad international and domestic equity markets had double-digit gains during the period as investors overlooked signs of weakening global growth in favor of increased accommodation in global monetary policy and progress in global trade negotiations. While muted relative to equities, fixed income returns were also positive during the quarter. Within equities, domestic stocks outperformed international markets. US markets pushed higher as the US Federal Reserve (Fed) shifted their stance on monetary policy toward a more accommodative posture, the US and China moved closer to a resolution of their ongoing trade dispute and the partial government shutdown that began in December came to an end. The large cap S&P 500 Index returned 13.6% during the quarter while the small cap Russell 2000 Index gained 14.6% for the period. US equity returns over the 1-year period are positive with the S&P 500 appreciating 9.5% while the Russell 2000 posted a more modest gain of 2.0%.

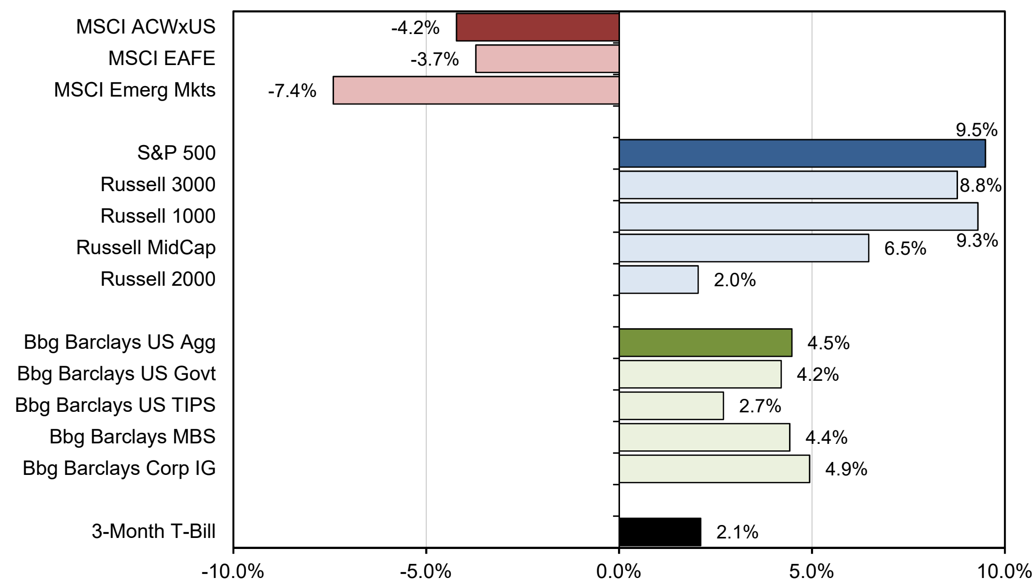
- Similar to US markets, international equity investors were encouraged by a general easing in central bank monetary policy, including new stimulus measures in Europe and China, as well as the de-escalation of trade tensions with the US. Despite the continued softening in global macroeconomic data and the lack of certainty around Brexit, international equity index returns finished the quarter in positive territory with the MSCI ACWI ex US Index returning 10.3%. The developed market MSCI EAFE Index and the MSCI Emerging Markets Index had similar performance during the 1st quarter returning 10.0% and 9.9% respectively. Despite the strong quarter, returns over the 1-year period remain negative with developed markets falling -3.7%, outperforming emerging markets which fell -7.4%.

- Fixed income securities underperformed equities to start 2019 with the broad market Bloomberg Barclays Aggregate Index returning 2.9%. Interest rates fell for all maturities across the US Treasury Yield Curve as Fed guidance signaled a pause in monetary policy tightening through 2019. Interest rates in the middle of the curve saw the greatest declines causing the curve to invert with shorter-term maturities paying higher interest rates than those in the middle of the curve. This has historically preceded a recession by 6-24 months. Investment grade corporate issues were the best performing securities this quarter, outperforming Treasury and securitized issues. The Bloomberg Barclays Corporate IG Index returned 5.1% for the period, as corporate credit had tailwinds due to its greater interest rate sensitivity, higher yields and tightening credit spreads. Corporate issues also outperformed the other major fixed income sectors over the 1-year period, returning 4.9% versus a 4.5% return for the Bloomberg Barclays Aggregate Index.

Quarter Performance



1-Year Performance

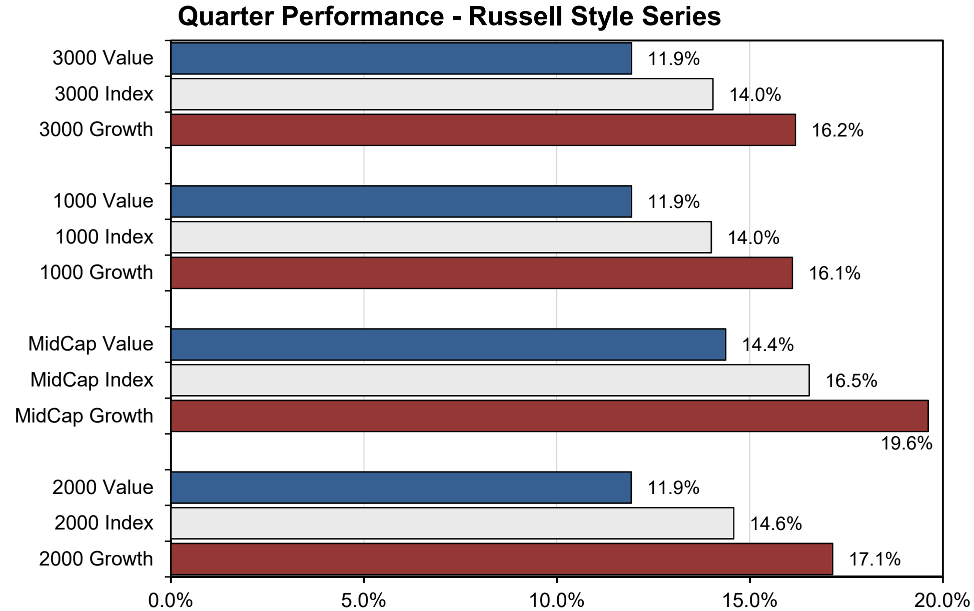


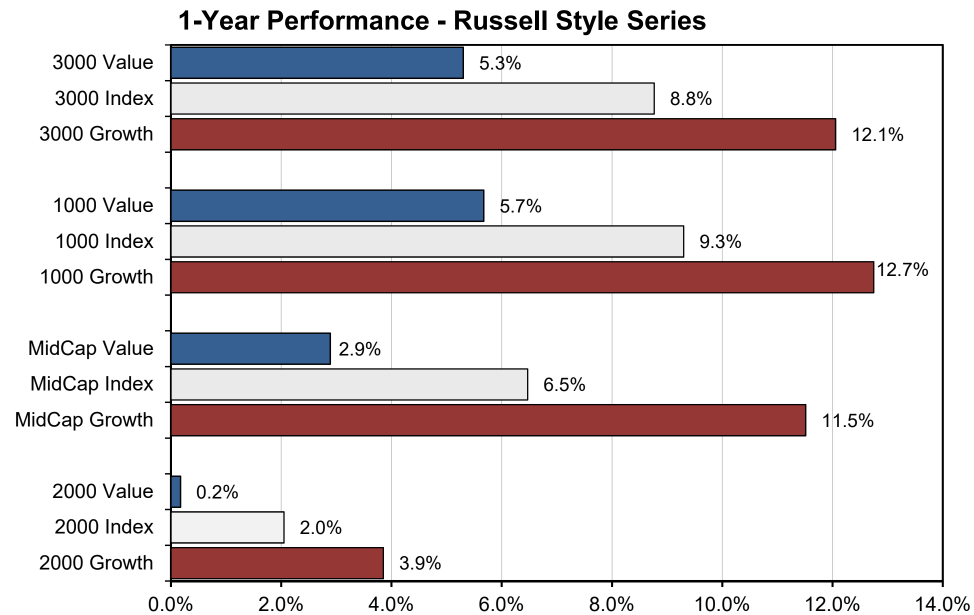
Source: Investment Metrics

- US equity index returns were strongly positive across the style and capitalization spectrum to start the year with all indices posting double digit returns. Macroeconomic data released during the quarter was mixed with disappointing data released late in the quarter for GDP and employment being particularly notable. Even though earnings reported during the period were viewed favorably, many companies provided negative forward earnings guidance due to slowing global growth, trade concerns and the fading effects of US tax reform. However, investor concerns over the economy were overshadowed by positive developments in trade negotiations with China and an accommodative shift in Fed monetary policy. With regards to trade, President Trump delayed the implementation of new Chinese tariffs scheduled for March 1st citing substantial progress in ongoing discussions. Stocks also rallied on Fed guidance to put further monetary policy tightening on hold as they lowered projections for growth and inflation. Lastly, we saw the end of the partial government shutdown that began in December due to a partisan disagreement over funds for the construction of a border wall with Mexico. While the spending bill that passed did not budget for the wall, President Trump declared a national state of emergency later in the quarter in order to secure the needed funding.

- During the quarter, mid cap stocks were the best performers while small cap stocks outperformed large cap equities across growth, value and core indices. The Russell MidCap Index gained 16.5% during the period versus a 14.6% return for the small cap Russell 2000 Index and a 14.0% gain on the large cap Russell 1000 Index. Part of the reason for strength in small cap names is the projected hold on interest rate increases that occurred over 2018 as small and mid-cap companies typically maintain higher percentages of debt than their large cap peers. Small and mid-cap companies are usually more domestically focused which will serve as a tailwind in periods where the US economy is on stronger footing than international markets. It is also not unusual for smaller market cap stocks to outperform in risk-on market environments. When viewed over the most recent 1-year period, large cap stocks outperformed relative to small cap stocks. The Russell 1000 returned 9.3% for the year while the Russell 2000 gained only 2.0%.

- Growth indices outperformed value indices across the market cap spectrum during the 1st quarter. Growth stocks have outperformed value in all but one quarter over the last two years. The Russell MidCap Growth Index was the best performing style index for the period, returning 19.6% for the quarter. The large cap and small cap value indices had the lowest relative returns, both gaining 11.9%. The trend of growth outperformance is also visible over the 1-year period as growth indices have benefitted from larger exposures to technology which has been a large driver of index performance over the last year, as well as a meaningful underweight to financials which has been a relative detractor.

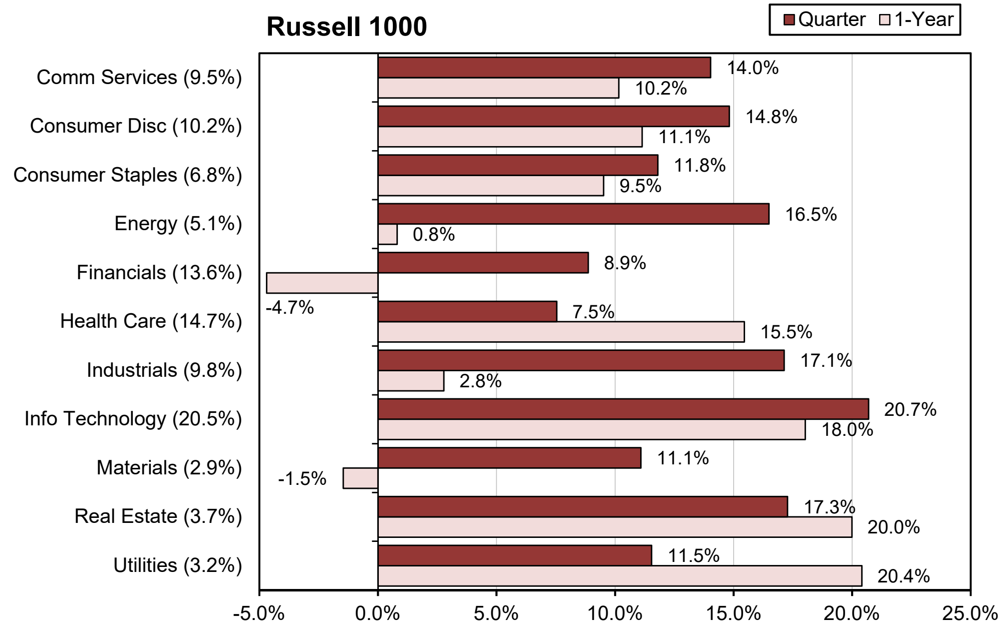


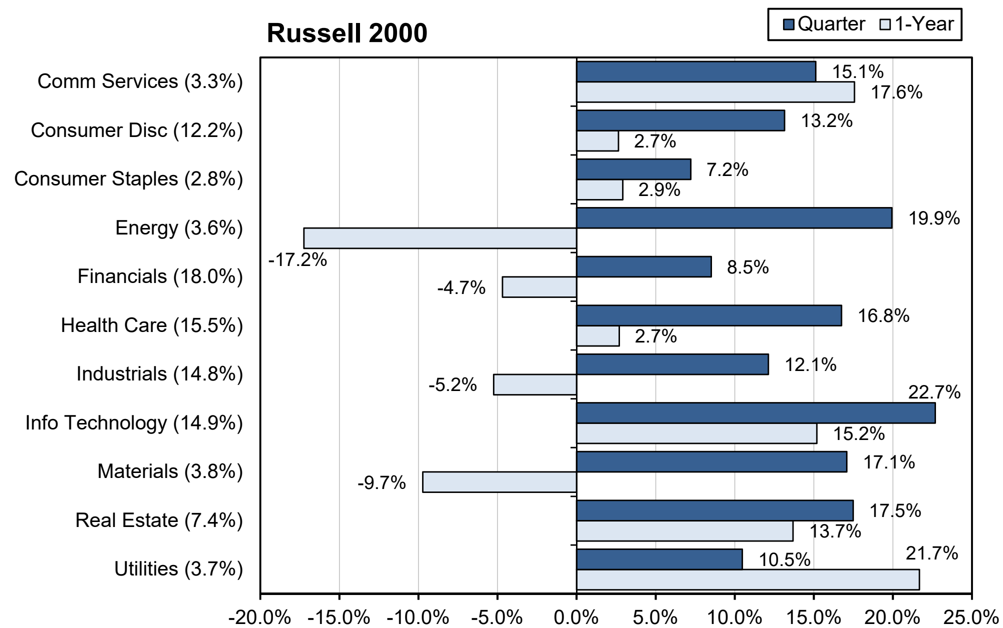


Source: Investment Metrics

- Sector performance was broadly positive across large cap sectors for the 1st quarter. There were strong gains for all sectors within the Russell 1000 Index during for the period with five sectors outpacing the return of the index. While the rally was broad with nine of eleven sectors posting double digit returns, cyclical sectors such as technology, industrials and energy were some of the best performers through the quarter returning 20.7%, 17.1% and 16.5% respectively. Technology stocks rose on strong earnings and attractive valuations following their 4th quarter 2018 sell off. Energy companies benefitted from a large rebound in oil prices which increased by over 30% during the quarter following an OPEC led supply cut and US sanctions against Iran and Venezuela. Industrial stocks, among others, gained on hopes that trade tensions between the US and China would continue to abate. REITs also had a particularly strong quarter, returning 17.3% as the prospect of lower interest rates acted as a tailwind. Financials and health care stocks were the worst performers during the period returning 8.9% and 7.5% respectively. Health care stocks faced uncertainty around the potential for future regulation following congressional hearings on drug pricing while the prospect of lower earnings due to a muted interest rate environment weighed on financial stocks. Returns over the 1-year period were positive with nine out of eleven sectors posting gains, six of which were over 10%. Utilities, REITs and information technology were the best performers returning 20.4%, 20.0% and 18.0% respectively. Financials and materials posted negative results at -4.7% and -1.5% while energy was only slightly positive at 0.8%.

- Quarterly results for small cap sectors were mixed relative to their large capitalization counterparts with six of eleven sectors outperforming their corresponding large cap equivalents. Like large caps, all eleven sectors produced gains during the period with six of eleven economic sectors outpacing the Russell 2000 Index return for the quarter and nine returning over 10.0%. Similar to large caps, cyclical sectors performed well with technology, energy and materials returning 22.7%, 19.9% and 17.1% respectively. Real estate also did well returning 17.5%. The largest detractors over the period were consumer staples, financials and utilities which still produced gains of 7.2%, 8.5% and 10.5%. Over the trailing 1-year period, returns varied significantly with four sectors posting double digit gains and four losing value. Despite a very strong quarter, energy stocks were the worst performers over the 1-year period, falling a considerable -17.2%, while the defensive utilities sector produced the greatest gains, appreciating 21.7%.





Source: Morningstar Direct
As a result of the GICS classification changes on 9/28/2018 and certain associated reporting limitations, sector performance represents backward looking performance for the prior year of each sector's current constituency, post creation of the Communication Services sector.

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

As of March 31, 2019

Top 10 Weighted Stocks

Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Apple Inc	3.42%	20.9%	14.9%	Information Technology
Microsoft Corp	3.39%	16.6%	30.8%	Information Technology
Amazon.com Inc	2.78%	18.6%	23.0%	Consumer Discretionary
Facebook Inc A	1.50%	27.2%	4.3%	Communication Services
Berkshire Hathaway Inc B	1.48%	-1.6%	0.7%	Financials
Johnson & Johnson	1.42%	9.0%	12.1%	Health Care
Alphabet Inc C	1.36%	13.3%	13.7%	Communication Services
Alphabet Inc A	1.33%	12.6%	13.5%	Communication Services
Exxon Mobil Corp	1.30%	19.8%	12.9%	Energy
JPMorgan Chase & Co	1.27%	4.6%	-5.6%	Financials

Top 10 Weighted Stocks

Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Etsy Inc	0.40%	41.3%	139.6%	Consumer Discretionary
Five Below Inc	0.33%	21.4%	69.4%	Consumer Discretionary
The Trade Desk Inc A	0.32%	70.6%	298.9%	Information Technology
Integrated Device Technology Inc	0.31%	1.2%	60.3%	Information Technology
HubSpot Inc	0.30%	32.2%	53.5%	Information Technology
Planet Fitness Inc A	0.30%	28.2%	81.9%	Consumer Discretionary
Cree Inc	0.29%	33.8%	41.9%	Information Technology
Ciena Corp	0.26%	10.1%	44.2%	Information Technology
Primerica Inc	0.26%	25.4%	27.7%	Financials
Array BioPharma Inc	0.25%	71.1%	49.4%	Health Care

Top 10 Performing Stocks (by Quarter)

Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Versum Materials Inc	0.02%	81.9%	34.7%	Information Technology
Coty Inc Class A	0.02%	77.3%	-34.3%	Consumer Staples
Nabors Industries Ltd	0.00%	72.5%	-48.7%	Energy
Sage Therapeutics Inc	0.03%	66.0%	-1.3%	Health Care
Wayfair Inc Class A	0.03%	64.8%	119.8%	Consumer Discretionary
Chipotle Mexican Grill Inc Class A	0.07%	64.5%	119.8%	Consumer Discretionary
Universal Display Corp	0.02%	63.5%	51.7%	Information Technology
Xerox Corp	0.02%	63.1%	15.7%	Information Technology
Floor & Decor Holdings Inc	0.01%	59.2%	-20.9%	Consumer Discretionary
bluebird bio Inc	0.03%	58.6%	-7.9%	Health Care

Top 10 Performing Stocks (by Quarter)

Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Immune Design Corp	0.01%	350.0%	77.3%	Health Care
Diebold Nixdorf Inc	0.04%	344.6%	-28.1%	Information Technology
Constellation Pharmaceuticals Inc	0.01%	237.9%	N/A	Health Care
Flotek Industries Inc	0.01%	197.2%	-46.9%	Materials
Spark Therapeutics Inc	0.18%	191.0%	71.0%	Health Care
Magenta Therapeutics Inc	0.01%	188.9%	N/A	Health Care
ION Geophysical Corp	0.01%	178.8%	-46.7%	Energy
Catalyst Pharmaceuticals Inc	0.02%	165.6%	113.4%	Health Care
VirnetX Holding Corp	0.02%	163.8%	60.3%	Information Technology
Rockwell Medical Inc	0.01%	151.8%	9.2%	Health Care

Bottom 10 Performing Stocks (by Quarter)

Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Uniti Group Inc	0.01%	-27.8%	-23.8%	Real Estate
PG&E Corp	0.03%	-25.1%	-59.5%	Utilities
The Kraft Heinz Co	0.07%	-23.2%	-45.1%	Consumer Staples
Realogy Holdings Corp	0.01%	-21.8%	-57.3%	Real Estate
Nu Skin Enterprises Inc Class A	0.01%	-21.5%	-33.7%	Consumer Staples
Biogen Inc	0.18%	-21.4%	-13.7%	Health Care
Centennial Resource Development A	0.01%	-20.2%	-52.1%	Energy
CenturyLink Inc	0.04%	-19.3%	-19.0%	Communication Services
Qurate Retail Inc Class A	0.03%	-18.1%	-36.5%	Consumer Discretionary
Macy's Inc	0.03%	-18.0%	-15.2%	Consumer Discretionary

Bottom 10 Performing Stocks (by Quarter)

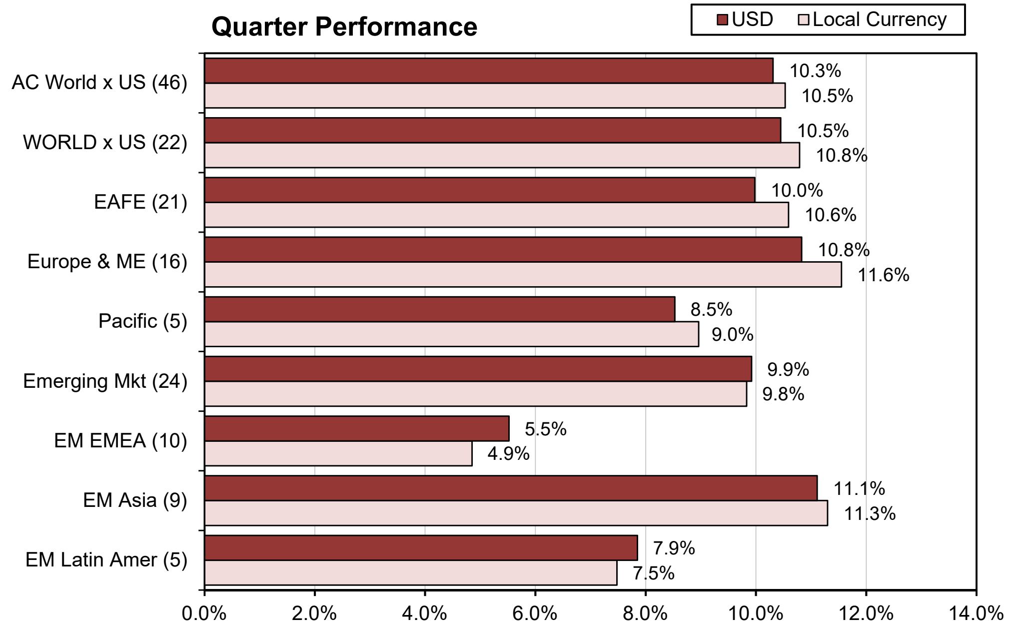
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Zomedica Pharmaceuticals Corp	0.00%	-77.0%	-84.2%	Health Care
Aptinyx Inc	0.00%	-75.5%	N/A	Health Care
Alta Mesa Resources Inc Class A	0.00%	-73.5%	-96.7%	Energy
Novavax Inc	0.01%	-70.1%	-73.8%	Health Care
Maxar Technologies Inc	0.01%	-66.3%	-91.0%	Industrials
Solid Biosciences Inc	0.01%	-65.7%	22.7%	Health Care
Achaogen Inc	0.00%	-62.9%	-96.5%	Health Care
EP Energy Corp A	0.00%	-62.9%	-80.6%	Energy
Proteostasis Therapeutics Inc	0.00%	-61.1%	-73.5%	Health Care
Approach Resources Inc	0.00%	-59.4%	-86.4%	Energy

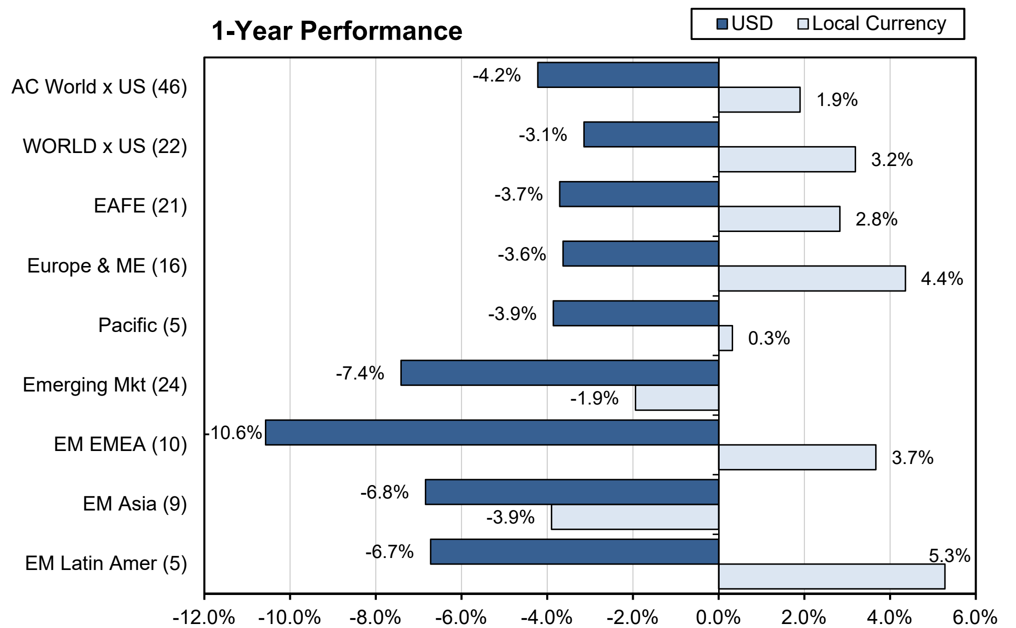
Source: Morningstar Direct

- Broad international equity returns were positive for the quarter in both local currency and USD terms. The MSCI ACWI ex US Index gained 10.5% in local currency terms and 10.3% in USD terms during the 1st quarter. Similar to US markets, international equity investors were encouraged by central bank responses to slowing global growth as they shifted towards more accommodative policies and the improvement in dialogue around global trade. Returns in local currency typically outperformed USD returns in the developed markets, as the USD continued to strengthen against most major developed currencies. While the currency effect was detrimental in developed markets, it acted as a slight tailwind in emerging markets. The USD strength is particularly noticeable over the 1-year period where local currency returns on the MSCI ACWI ex US Index were 1.9%, but after accounting for foreign exchange, translated to a loss of -4.2% for a USD investor.

- Fourth quarter results for developed market international indices were positive in both local currency and USD terms with the MSCI EAFE Index returning 10.6% and 10.0% respectively. Ongoing weakness in global economic reporting pushed major central banks to move toward less restrictive postures around monetary policy. In Europe, the European Central Bank (ECB) announced plans for additional stimulus while putting any future interest rate increases on hold until 2020. The Bank of England (BoE) left policy unchanged as uncertainties around Brexit coincided with a slowing economy. Prime Minister Theresa May held two votes on her withdrawal plan, both of which failed, forcing her to request an extension to the March 29th withdrawal deadline. Data from Japan drew concerns that the country's economy is contracting as corporate earnings, exports, manufacturing, retail sales and inflation all hinted at an economic slowdown. The MSCI EAFE Index returned 2.8% and -3.7% for the last twelve months in local currency and USD terms respectively.

- Emerging markets slightly underperformed relative to developed markets for the 1st quarter, but still appreciated in both local currency and USD terms with the MSCI Emerging Markets Index returning 9.8% and 9.9% respectively. A major tailwind for equity markets was the improvement in trade relations between the US and China. As Chinese economic data appeared to be slowing, the Chinese government also announced continued stimulus in the form of tax cuts, infrastructure investment and lowered the reserve requirement for banks in order to encourage lending. We also saw commodity prices rise over the quarter which is generally beneficial to emerging market countries with rising oil prices helping Russian and Colombian equity returns. In Brazil, President Jair Bolsonaro officially took office. Bolsonaro announced his plan to reform the country's debt laden pension system and promised market friendly economic reforms. One year returns for the MSCI Emerging Market Index were -1.9% in local currency terms and -7.4% in USD terms.





Source: MSCI Global Index Monitor (Returns are Net)

MSCI - EAFE	Sector Weight	Quarter Return	1-Year Return
Communication Services	5.4%	4.3%	-4.5%
Consumer Discretionary	11.0%	7.5%	-10.4%
Consumer Staples	11.8%	12.4%	3.3%
Energy	5.9%	10.4%	4.6%
Financials	18.9%	6.9%	-12.7%
Health Care	11.3%	11.2%	7.4%
Industrials	14.4%	10.6%	-5.4%
Information Technology	6.3%	15.3%	-3.8%
Materials	7.5%	13.2%	-3.0%
Real Estate	3.9%	14.0%	4.2%
Utilities	3.7%	9.0%	8.7%
Total	**100.0%**	**10.0%**	**-3.7%**

MSCI - ACWIxUS	Sector Weight	Quarter Return	1-Year Return
Communication Services	7.1%	6.9%	-1.8%
Consumer Discretionary	11.1%	11.2%	-10.3%
Consumer Staples	9.9%	11.2%	1.6%
Energy	7.4%	12.4%	5.2%
Financials	21.6%	7.7%	-9.4%
Health Care	8.4%	11.0%	4.4%
Industrials	11.7%	10.2%	-4.9%
Information Technology	8.4%	14.7%	-7.3%
Materials	7.6%	11.3%	-3.6%
Real Estate	3.5%	14.4%	2.8%
Utilities	3.3%	8.2%	6.1%
Total	**100.0%**	**10.3%**	**-4.2%**

MSCI - Emerging Mkt	Sector Weight	Quarter Return	1-Year Return
Communication Services	12.3%	9.5%	-3.3%
Consumer Discretionary	13.4%	20.8%	-13.2%
Consumer Staples	6.4%	5.3%	-8.4%
Energy	8.1%	12.2%	9.4%
Financials	24.2%	7.2%	-6.0%
Health Care	2.6%	3.6%	-23.4%
Industrials	5.4%	4.8%	-7.6%
Information Technology	14.6%	12.8%	-10.8%
Materials	7.4%	6.9%	-6.2%
Real Estate	3.2%	15.6%	-2.1%
Utilities	2.5%	4.2%	-2.7%
Total	**100.0%**	**9.9%**	**-7.4%**

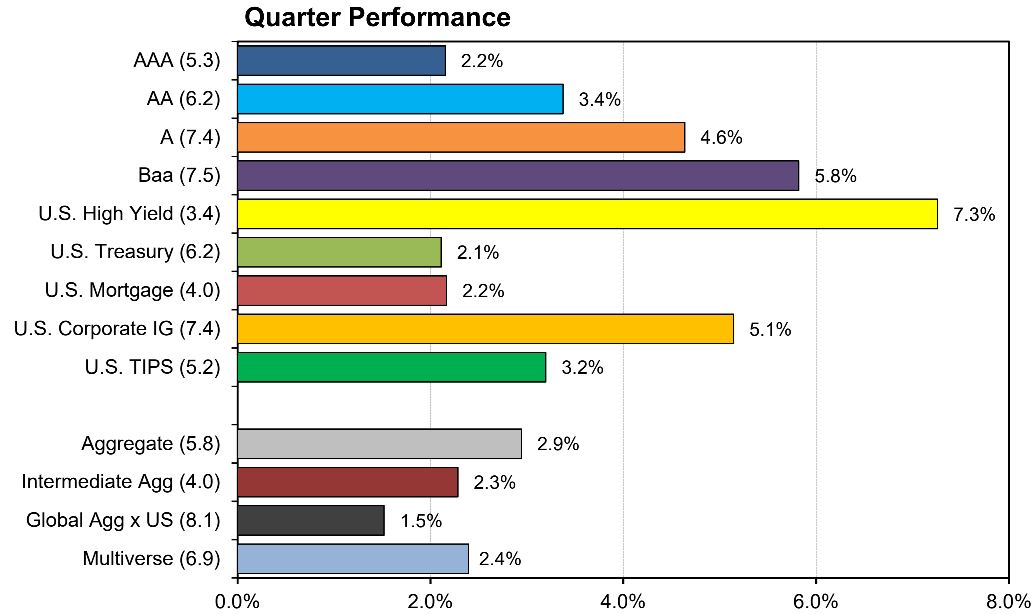
Country	MSCI-EAFE Weight	MSCI-ACWIxUS Weight	Quarter Return	1- Year Return
Japan	24.0%	16.1%	6.7%	-7.8%
United Kingdom	17.1%	11.5%	11.9%	-0.1%
France	11.3%	7.6%	10.7%	-3.7%
Switzerland	8.9%	6.0%	13.1%	7.5%
Germany	8.6%	5.8%	6.9%	-13.7%
Australia	6.9%	4.7%	11.4%	4.5%
Hong Kong	4.1%	2.8%	15.6%	8.0%
Netherlands	3.6%	2.4%	13.6%	-2.3%
Spain	3.0%	2.0%	7.0%	-8.8%
Sweden	2.6%	1.8%	7.4%	-5.1%
Italy	2.4%	1.6%	14.6%	-10.6%
Denmark	1.8%	1.2%	12.8%	-3.2%
Singapore	1.3%	0.9%	6.2%	-6.4%
Finland	1.0%	0.7%	8.0%	-3.6%
Belgium	1.0%	0.7%	16.2%	-15.5%
Norway	0.7%	0.5%	7.0%	-4.4%
Ireland	0.5%	0.4%	11.4%	-11.6%
Israel	0.5%	0.4%	10.1%	9.9%
Austria	0.2%	0.2%	8.4%	-23.0%
New Zealand	0.2%	0.2%	16.7%	18.1%
Portugal	0.2%	0.1%	10.2%	-4.9%
Total EAFE Countries	**100.0%**	**67.1%**	**10.0%**	**-3.7%**
Canada		6.8%	15.4%	3.1%
Total Developed Countries		**73.9%**	**10.5%**	**-3.1%**
China		8.6%	17.7%	-6.2%
Korea		3.4%	4.9%	-16.7%
Taiwan		3.0%	9.0%	-6.1%
India		2.4%	7.2%	6.8%
Brazil		1.9%	8.1%	-4.2%
South Africa		1.5%	4.4%	-18.0%
Russia		1.0%	12.2%	2.2%
Mexico		0.7%	5.5%	-11.7%
Thailand		0.6%	7.4%	-6.9%
Indonesia		0.6%	4.3%	2.0%
Malaysia		0.6%	0.3%	-13.1%
Poland		0.3%	-0.6%	-5.7%
Philippines		0.3%	7.9%	1.8%
Chile		0.3%	4.1%	-17.5%
Qatar		0.2%	-3.5%	22.2%
United Arab Emirates		0.2%	8.7%	1.3%
Turkey		0.1%	-3.2%	-40.3%
Colombia		0.1%	24.8%	5.3%
Peru		0.1%	11.0%	2.2%
Hungary		0.1%	6.0%	0.5%
Greece		0.1%	12.8%	-23.6%
Czech Republic		0.0%	3.8%	-6.8%
Egypt		0.0%	15.8%	-10.2%
Pakistan		0.0%	8.3%	-36.6%
Total Emerging Countries		**26.1%**	**9.9%**	**-7.4%**
Total ACWIxUS Countries		**100.0%**	**10.3%**	**-4.2%**

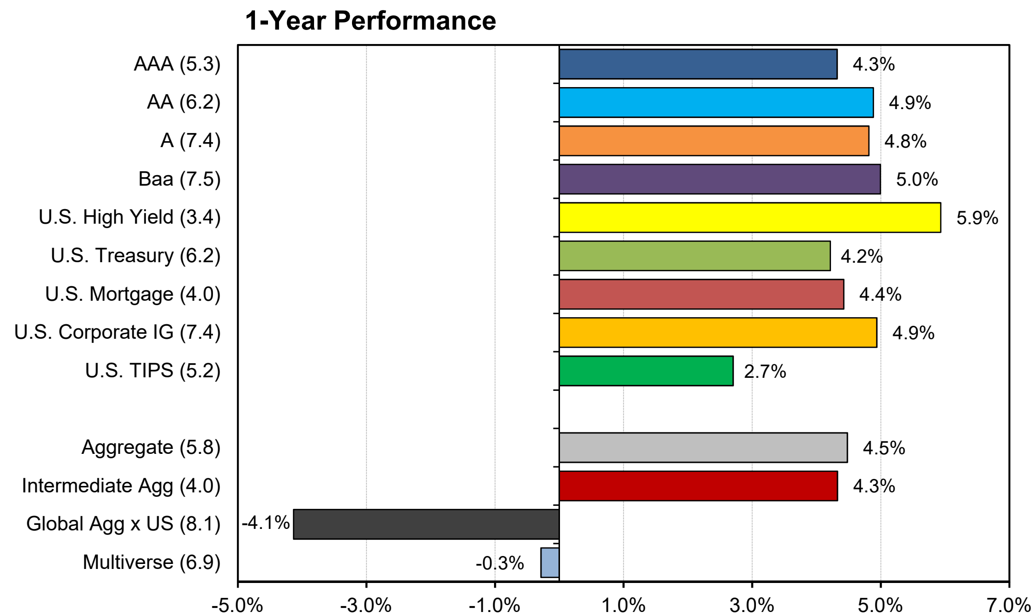
Source: Morningstar Direct, MSCI Global Index Monitor (Returns are Net in USD)
As a result of the GICS classification changes on 9/28/2018 and certain associated reporting limitations, sector performance represents backward looking performance for the prior year of each sector's current constituency, post creation of the Communication Services sector.

- Broad fixed income benchmarks were positive to start 2019. Following the late 2018 market volatility, the Federal Open Market Committee (FOMC) issued dovish guidance after their January meeting stating that they would be patient in determining future interest rate adjustments. The FOMC also commented on the ongoing balance sheet reduction program, stating that they would be open to changes to the program if market conditions warranted them. Later in March, Fed Chair Jerome Powell communicated that the FOMC is no longer projecting any further interest rate increases through 2019. He also stated that they would begin tapering the roll off from the balance sheet reduction program in May with a plan to halt the program entirely in September. The stoppage of the balance sheet reduction program represents an easing of monetary policy. Interest rates fell across all maturities on the US Treasury Yield Curve with the greatest declines occurring in the mid- and long-term issues. This caused continued inversion in the yield curve with short-term maturities paying higher interest rates than issues in the mid- to long-end of the curve. The difference in yields between the 2-year and 10-year Treasury now sits at just 0.14% with the 30-day T-Bill yielding more than the 10-year bond by 0.02%. Historically, an inverted yield curve has been a leading indicator of a recession in the next 6-24 months. The bellwether Bloomberg Barclays US Aggregate Index posted positive returns for both the 1st quarter and the 1-year period, returning 2.9% and 4.5% respectively.

- Within investment grade credit, lower quality issues outperformed higher quality issues as investors gravitated toward higher risk securities during the quarter. Lower quality issues also benefitted from their higher durations. On an absolute basis, without negating the duration differences in the sub-indices, Baa rated credit was the best performing investment grade credit quality segment returning 5.8% for the quarter, while AAA was the worst performing, returning 2.2%. Despite their relatively low durations, high yield securities posted very strong returns for the quarter, gaining 7.3%, as spreads tightened by 135 basis points on these issues. When viewed over the 1-year period, returns for the various quality segments generally show lower quality securities outperforming higher quality issues by a small margin.

- During the 1st quarter, investment grade corporates outperformed the more defensive Treasury and mortgage backed sectors of the Bloomberg Barclays US Aggregate Index's three broad sectors. Investment grade corporate credit returned 5.1%, as the drop in interest rates benefitted these securities to a greater degree and credit spreads tightened considerably since the end of 2018. This quarter's performance carried through to the 1-year period as corporate credit outperformed both Treasuries and mortgage backed securities. Corporate issues returned 4.9% versus a 4.4% return for mortgages and 4.2% gain on Treasury securities.





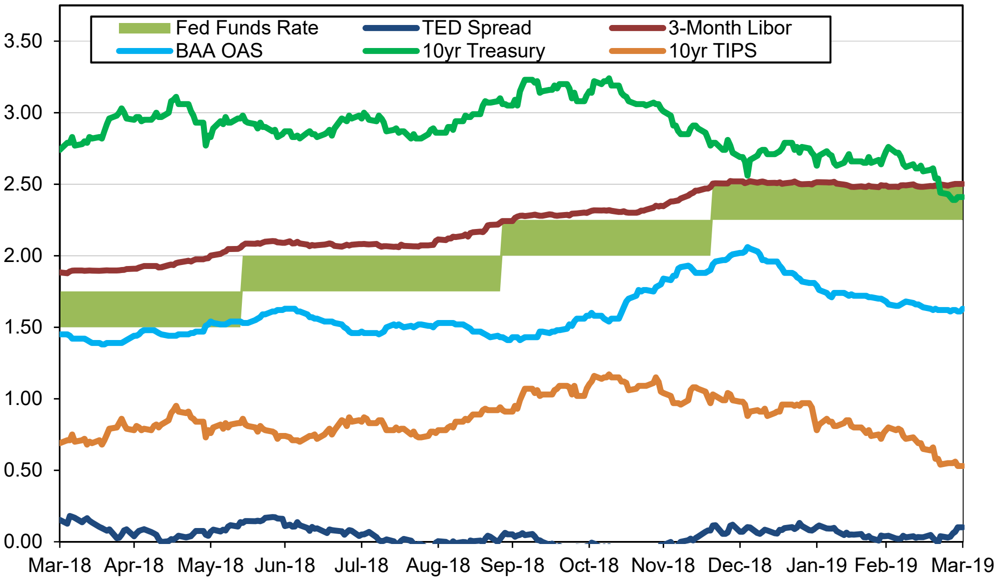
Source: Bloomberg

- Global fixed income indices continue to struggle relative to their domestic counterparts, underperforming during the 1st quarter. These indices have lower, or in some cases (Germany, Japan), negative yields and the returns of these indices are also significantly influenced by fluctuations in their currency denomination relative to the USD. The USD has appreciated against most other developed currencies, negatively impacting the returns on global bond indices. The return on global bonds, as represented by the Bloomberg Barclays Global Aggregate ex US Index, was 1.5% and -4.1% for the quarter and 1-year period respectively. As global growth has shown signs of stalling, several international central banks have started to step back from more restrictive postures. Notably, the ECB announced a program to extend loans to European banks in an effort to increase lending and pledged to keep interest rates steady through the end of 2019. China also announced new stimulus to help spur its economy. The Bank of England and the Bank of Japan made no major policy changes during the quarter as they continue to review macroeconomic data within their respective countries.

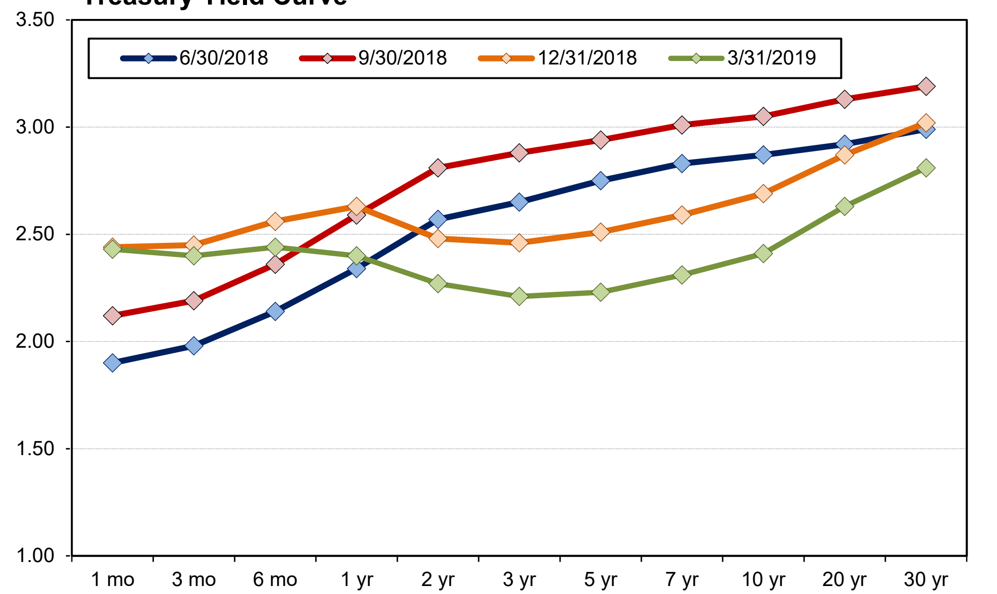
- Much of the index performance detailed in the bar graphs on the previous page is visible on a time series basis by reviewing the line graphs to the right. The '1-Year Trailing Market Rates' chart illustrates that the 10-year Treasury yield (green line) fell from recent high's greater than 3.0%, to yields below 2.5% to end the first quarter. 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 relatively tight range in credit spreads throughout most of 2018, but highlights an abrupt increase during the 4th quarter of 2018 as investors moved to higher quality assets during the quarter's risk-off environment. Subsequently, spreads dropped steadily over the 1st quarter of 2019. This spread tightening is equivalent to an interest rate decrease on corporate bonds, which produces an additional tailwind for corporate bond index returns. These credit spreads have tightened by about 34 basis points over the last three months. The green band across the graph illustrates the gradual increase in the Federal Funds Rate due to the tightening of US monetary policy during 2018. As mentioned, the Fed's current guidance is for zero rate increases in 2019.

- The lower graph provides a snapshot of the US Treasury yield curve at the end of each of the last four calendar quarters. The downward shift of interest rates as well as a general flattening of the yield curve are clearly visible over the last quarter. As mentioned, the yield curve continues to invert as yields on shorter-term maturities fell less than interest rates in the middle- to long-end of the curve.

1-Year Trailing Market Rates

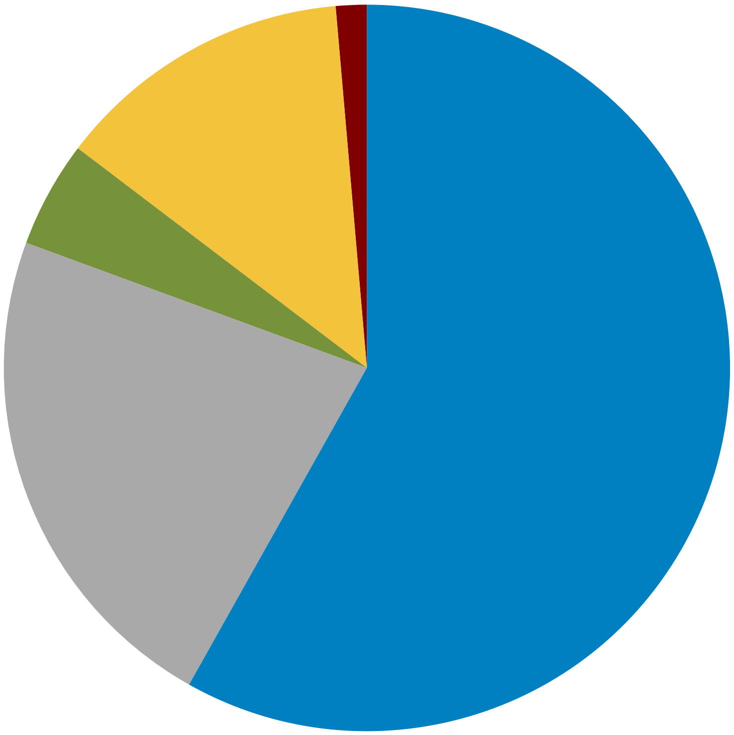


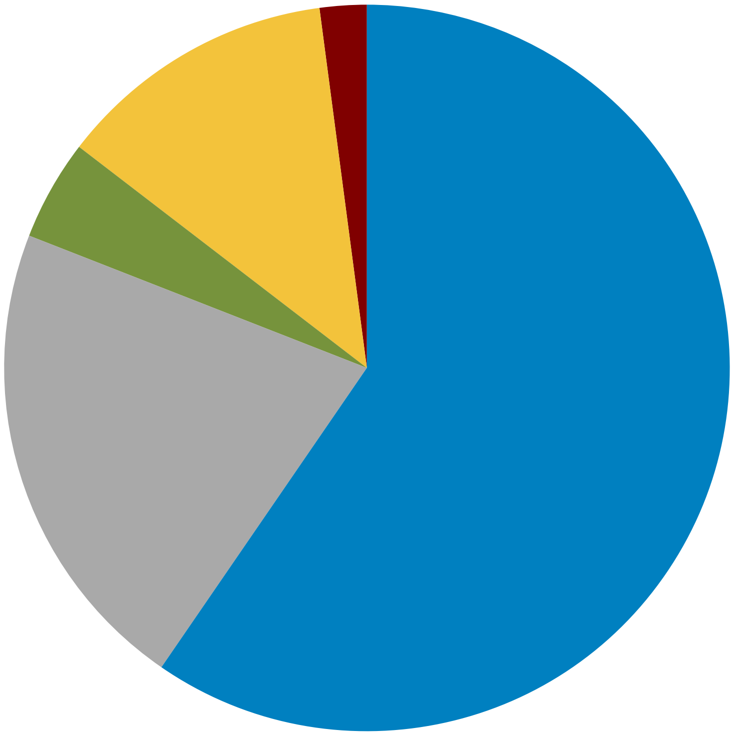
Treasury Yield Curve



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

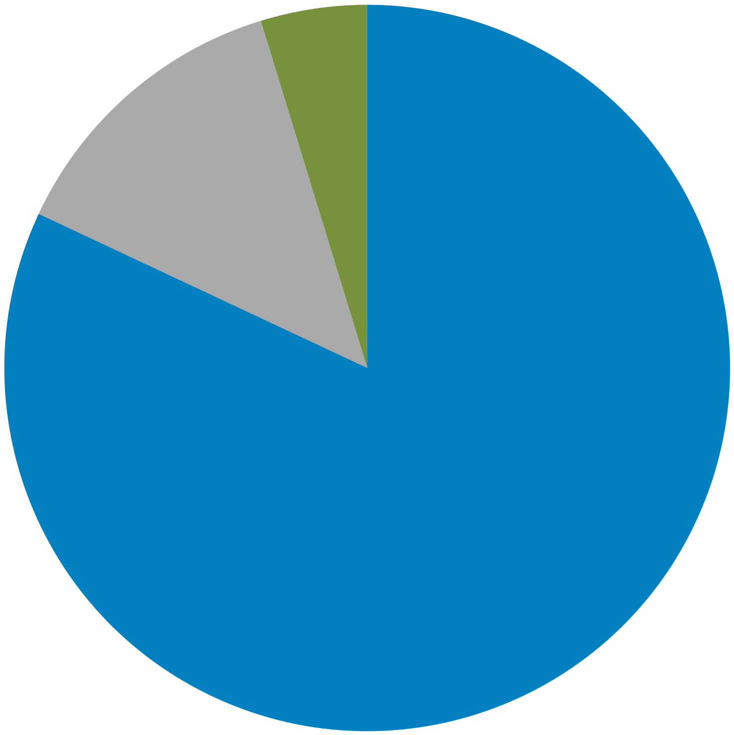
Asset Allocation By Segment as of December 31, 2018 : $51,977,388	Asset Allocation By Segment as of March 31, 2019 : $56,073,477



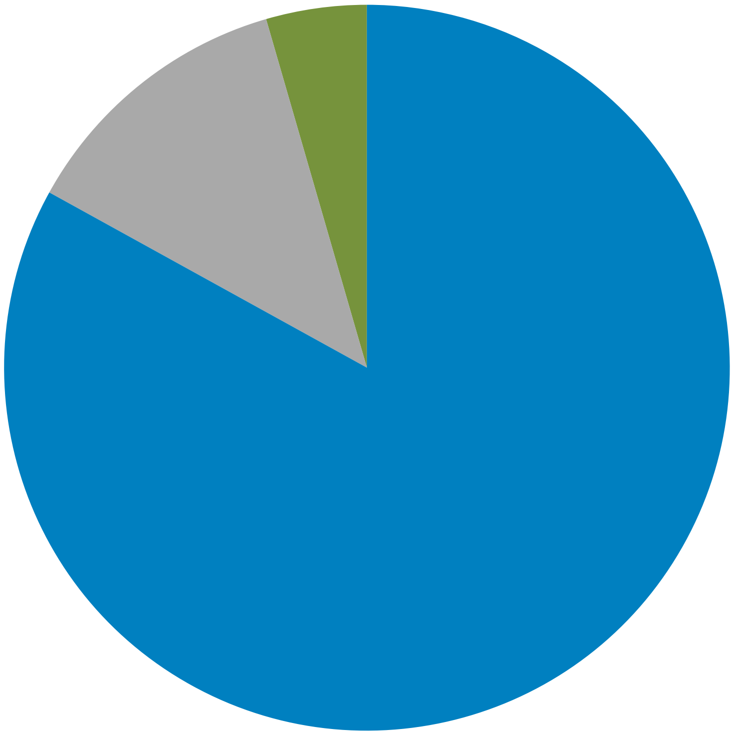


Allocation			Allocation		
Segments	**Market Value**	**Allocation**	**Segments**	**Market Value**	**Allocation**
Equity	30,222,620	58.1	Equity	33,412,648	59.6
Domestic Fixed Income	11,671,443	22.5	Domestic Fixed Income	11,969,924	21.3
Global Fixed Income	2,464,113	4.7	Global Fixed Income	2,512,892	4.5
Real Estate	6,905,310	13.3	Real Estate	7,005,963	12.5
Cash Equivalent	713,902	1.4	Cash Equivalent	1,172,051	2.1

Asset Allocation By Manager as of December 31, 2018 : $51,977,388



Asset Allocation By Manager as of March 31, 2019 : $56,073,477

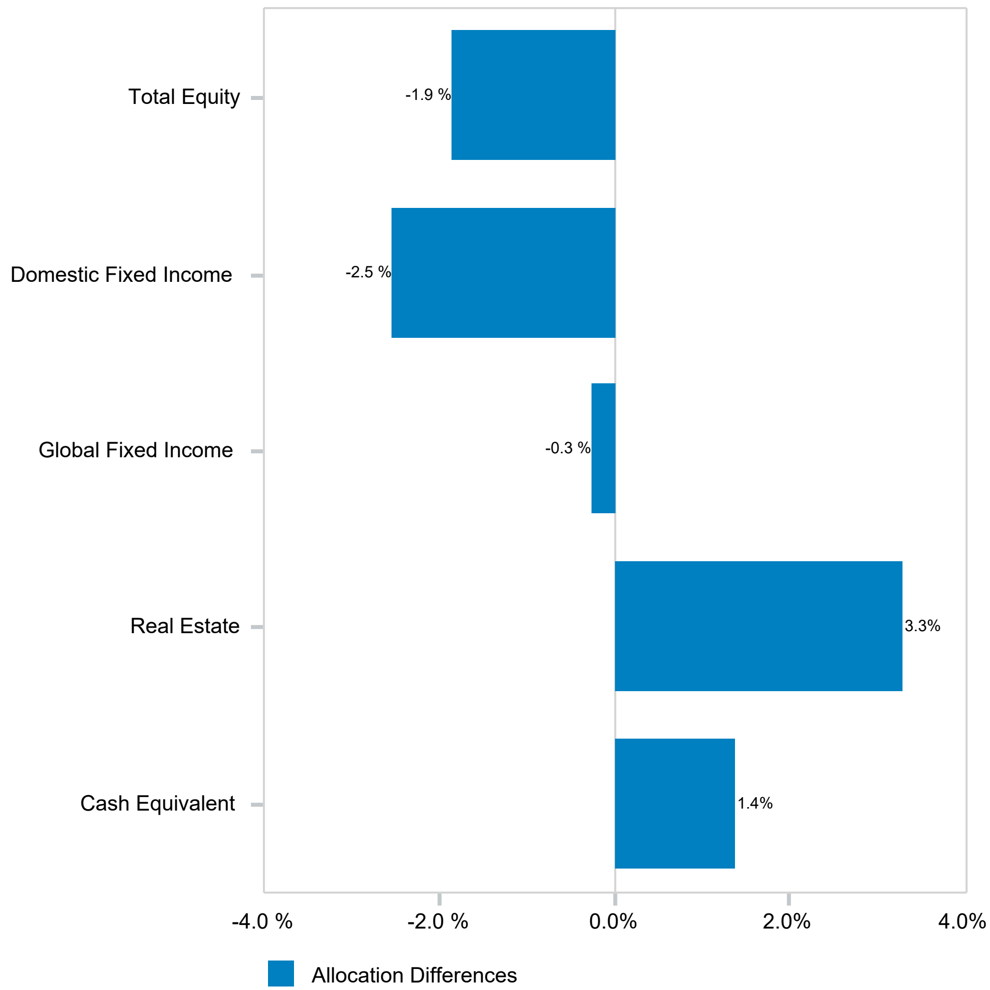


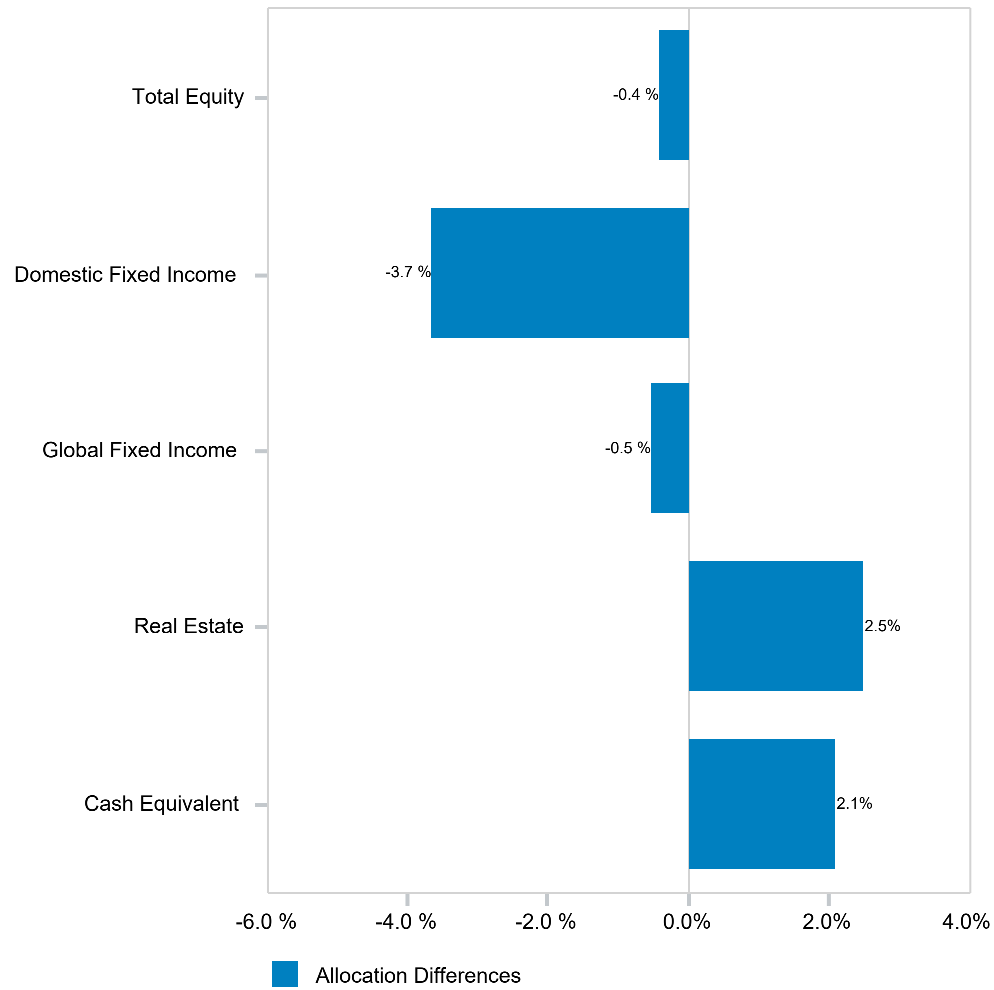
Allocation

	Market Value	Allocation
Highland Capital	42,607,965	82.0
American Core Realty Fund	6,905,310	13.3
Templeton Global	2,464,113	4.7

Allocation

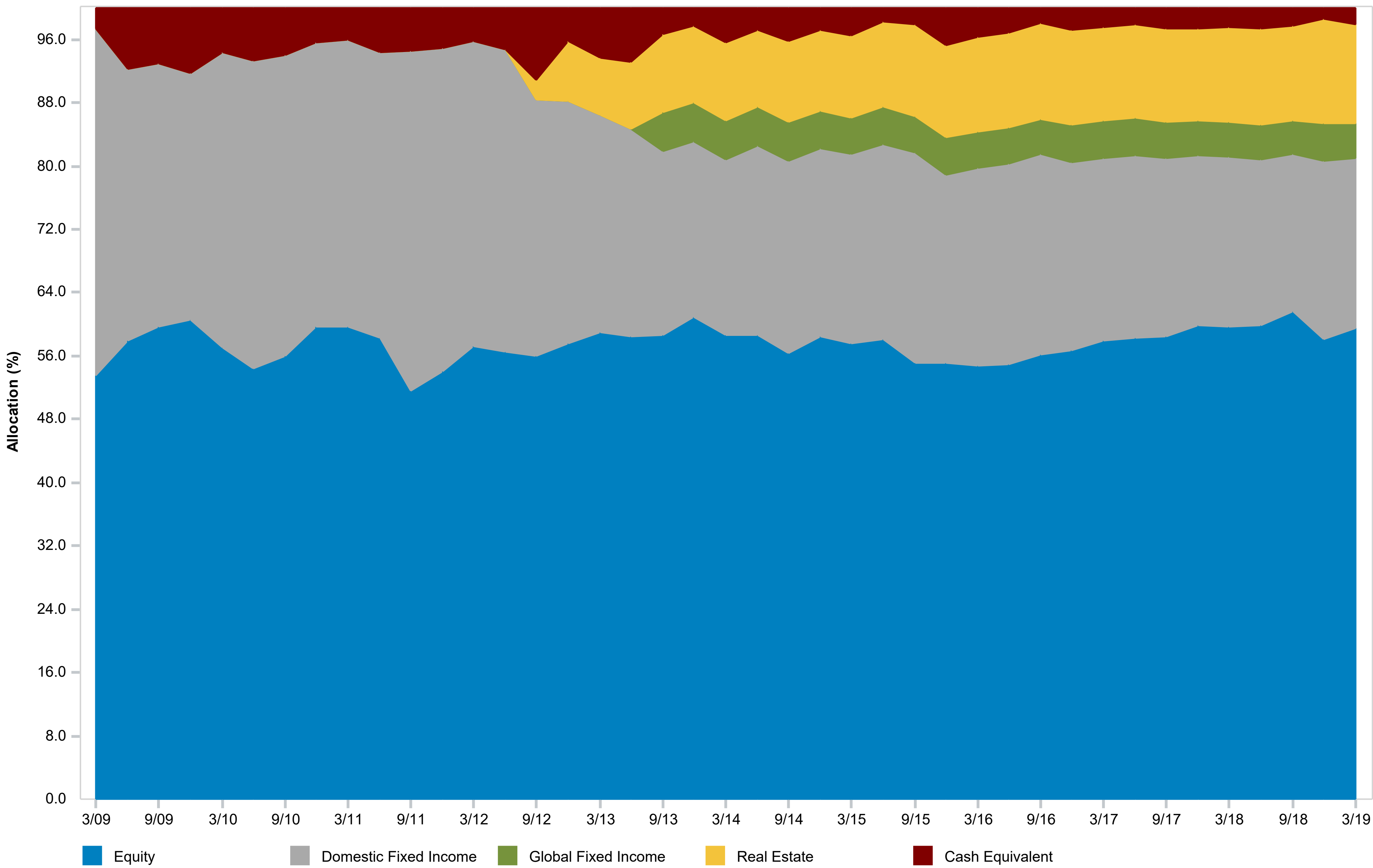
	Market Value	Allocation
Highland Capital	46,554,622	83.0
American Core Realty Fund	7,005,963	12.5
Templeton Global	2,512,892	4.5





	As of December 31, 2018				As of March 31, 2019		
	Market Value $	Allocation (%)	Target (%)		Market Value $	Allocation (%)	Target (%)
Total Equity	30,222,620	58.1	60.0	Total Equity	33,412,648	59.6	60.0
Domestic Fixed Income	11,671,443	22.5	25.0	Domestic Fixed Income	11,969,924	21.3	25.0
Global Fixed Income	2,464,113	4.7	5.0	Global Fixed Income	2,512,892	4.5	5.0
Real Estate	6,905,310	13.3	10.0	Real Estate	7,005,963	12.5	10.0
Cash Equivalent	713,902	1.4	0.0	Cash Equivalent	1,172,051	2.1	0.0
Total Fund	51,977,388	100.0	100.0	Total Fund	56,073,477	100.0	100.0

Historical Asset Allocation by Segment



Financial Reconciliation Quarter to Date

	Market Value 01/01/2019	Net Transfers	Contributions	Distributions	Management Fees	Other Expenses	Income	Apprec./ Deprec.	Market Value 03/31/2019
Highland Capital	42,607,965	-	492,207	-700,598	-42,588	-22,964	272,313	3,948,288	46,554,622
Templeton Global	2,464,113	-	-	-	-	-	38,305	10,474	2,512,892
American Core Realty Fund	6,905,310	-	-	-	-19,321	-	84,249	35,725	7,005,963
Mutual Fund Cash	-	-	-	-	-	-	-	-	-
Total Fund	**51,977,388**	**-**	**492,207**	**-700,598**	**-61,909**	**-22,964**	**394,866**	**3,994,488**	**56,073,477**

Financial Reconciliation Fiscal Year to Date

	Market Value 10/01/2018	Net Transfers	Contributions	Distributions	Management Fees	Other Expenses	Income	Apprec./ Deprec.	Market Value 03/31/2019
Highland Capital	48,066,676	-	969,700	-1,426,281	-42,588	-54,793	598,851	-1,556,942	46,554,622
Templeton Global	2,434,194	-	-	-	-	-	107,210	-28,512	2,512,892
American Core Realty Fund	6,792,782	-	-	-	-38,363	-	167,098	84,445	7,005,963
Mutual Fund Cash	-	-	-	-	-	-	-	-	-
Total Fund	**57,293,652**	**-**	**969,700**	**-1,426,281**	**-80,951**	**-54,793**	**873,159**	**-1,501,009**	**56,073,477**

Comparative Performance Trailing Returns	QTR		FYTD		1 YR		3 YR		5 YR		Inception		Inception Date
Total Fund (Net)	**8.35**		**-1.21**		**4.77**		**8.18**		**6.33**		**6.71**		**01/01/1998**
Total Fund Policy	8.83		0.56		5.47		8.83		7.02		6.52		
Total Fund (Gross)	**8.47**	**(49)**	**-1.06**	**(91)**	**5.17**	**(21)**	**8.65**	**(37)**	**6.80**	**(13)**	**7.11**	**(12)**	**01/01/1998**
Total Fund Policy	8.83	(39)	0.56	(36)	5.47	(14)	8.83	(26)	7.02	(10)	6.52	(46)	
All Public Plans-Total Fund Median	8.37		0.21		4.09		8.40		5.97		6.46		
Highland Capital Equity (Gross)	**13.03**	**(67)**	**-4.07**	**(66)**	**5.34**	**(67)**	**12.15**	**(59)**	**8.51**	**(61)**	**8.32**	**(77)**	**01/01/1998**
Total Equity Policy	13.14	(66)	-2.21	(39)	5.59	(67)	12.31	(58)	8.54	(61)	6.62	(97)	
IM U.S. All Cap Core Equity (SA+CF) Median	13.66		-2.65		7.55		12.60		9.28		8.47		
Highland Capital Fixed (Gross)	**2.72**	**(92)**	**4.20**	**(92)**	**4.01**	**(96)**	**2.61**	**(44)**	**3.00**	**(60)**	**4.63**	**(99)**	**01/01/1998**
Total Fixed Policy	2.94	(83)	4.63	(55)	4.48	(80)	2.03	(89)	2.74	(90)	4.88	(86)	
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	3.23		4.65		4.70		2.54		3.10		5.23		
Templeton Global	**1.98**	**(87)**	**3.23**	**(50)**	**2.06**	**(40)**	**4.18**	**(13)**	**1.88**	**(35)**	**2.45**	**(29)**	**08/01/2013**
FTSE World Government Bond Index	1.74	(89)	3.53	(40)	-1.57	(76)	0.95	(88)	0.59	(85)	1.06	(85)	
IM Global Fixed Income (MF) Median	3.10		3.22		0.24		2.25		1.31		1.83		
American Core Realty Fund	**1.74**	**(65)**	**3.71**	**(48)**	**8.20**	**(53)**	**7.65**	**(82)**	**9.82**	**(81)**	**10.38**	**(82)**	**07/01/2012**
NCREIF Fund Index-Open End Diversified Core (EW)	1.69	(66)	3.33	(75)	7.74	(69)	8.17	(63)	10.34	(62)	10.80	(69)	
IM U.S. Open End Private Real Estate (SA+CF) Median	1.93		3.68		8.23		8.56		10.54		11.36		

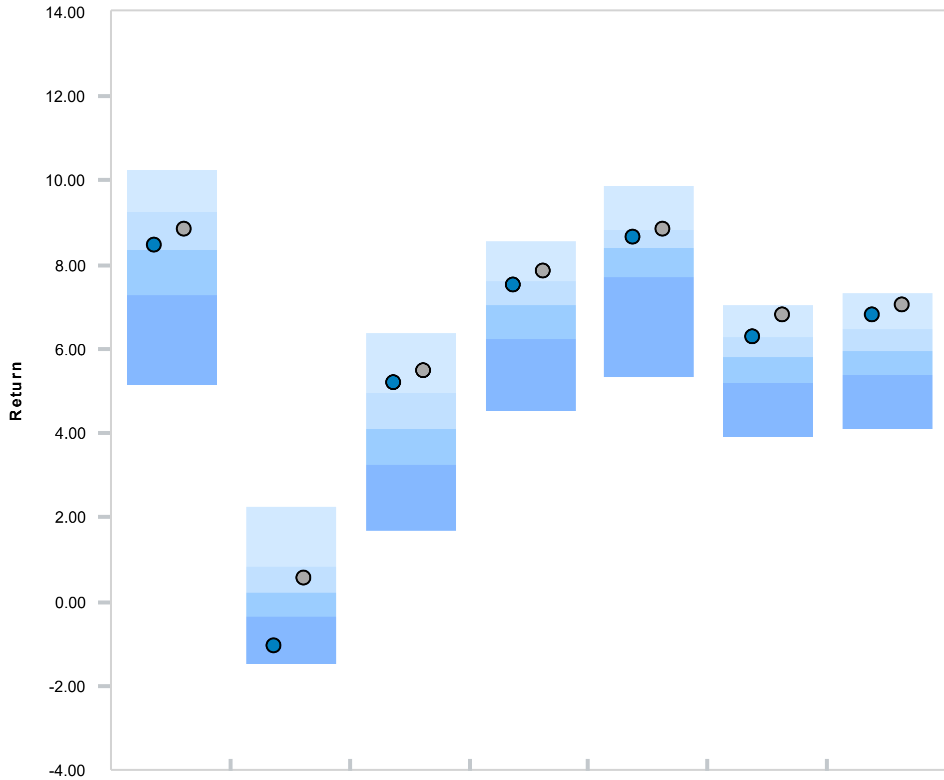
Returns for periods greater than one year are annualized.
Returns are expressed as percentages. Fiscal year ends September 30th.

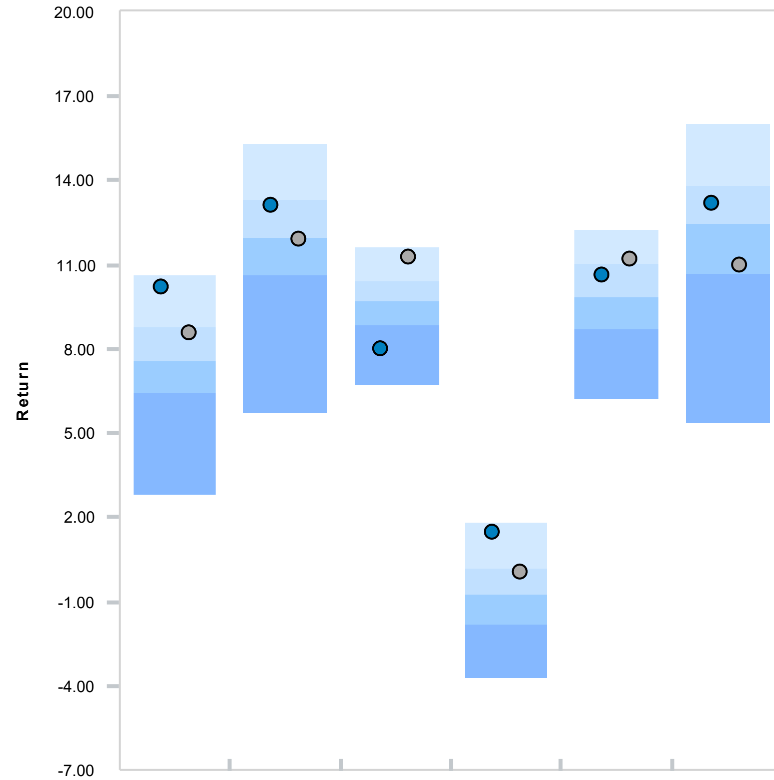
Comparative Performance Fiscal Year Returns

	Oct-2017 To Sep-2018		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		Oct-2010 To Sep-2011	
Total Fund (Net)	**9.71**		**12.52**		**7.49**		**1.11**		**10.06**		**12.76**		**14.76**		**-1.76**	
Total Fund Policy	8.58		11.87		11.23		0.03		11.18		10.98		18.44		2.01	
Total Fund (Gross)	**10.22**	**(8)**	**13.13**	**(28)**	**7.99**	**(87)**	**1.48**	**(9)**	**10.65**	**(34)**	**13.18**	**(38)**	**15.22**	**(81)**	**-1.21**	**(84)**
Total Fund Policy	8.58	(29)	11.87	(52)	11.23	(10)	0.03	(31)	11.18	(21)	10.98	(74)	18.44	(32)	2.01	(24)
All Public Plans-Total Fund Median	7.59		12.01		9.71		-0.78		9.83		12.45		17.45		0.50	
Highland Capital Equity (Gross)	**16.31**	**(58)**	**20.57**	**(29)**	**9.30**	**(74)**	**-0.41**	**(50)**	**14.17**	**(72)**	**23.16**	**(62)**	**23.08**	**(80)**	**-6.76**	**(98)**
Total Equity Policy	13.62	(77)	19.14	(48)	13.68	(37)	-3.37	(81)	15.61	(62)	20.14	(83)	27.76	(48)	-0.40	(64)
IM U.S. All Cap Core Equity (SA+CF) Median	16.68		18.88		11.94		-0.47		16.38		24.50		27.38		1.04	
Highland Capital Fixed (Gross)	**-1.07**	**(75)**	**0.85**	**(39)**	**7.00**	**(10)**	**2.18**	**(88)**	**3.95**	**(81)**	**-2.75**	**(100)**	**7.18**	**(39)**	**5.29**	**(47)**
Total Fixed Policy	-1.22	(89)	0.07	(87)	5.19	(81)	2.94	(60)	3.85	(88)	-1.86	(89)	5.28	(88)	5.23	(53)
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	-0.74		0.62		5.67		3.02		4.51		-1.22		6.62		5.26	
Templeton Global	**-1.61**	**(55)**	**13.17**	**(1)**	**0.68**	**(100)**	**-7.69**	**(93)**	**6.34**	**(11)**	**N/A**		**N/A**		**N/A**	
FTSE World Government Bond Index	-1.54	(55)	-2.69	(94)	9.71	(20)	-3.83	(50)	-0.07	(96)	-4.60	(82)	3.29	(96)	4.61	(8)
IM Global Fixed Income (MF) Median	-1.29		1.02		7.42		-3.85		3.37		-1.81		7.17		1.74	
American Core Realty Fund	**8.50**	**(66)**	**7.52**	**(67)**	**9.04**	**(97)**	**13.98**	**(69)**	**12.49**	**(64)**	**12.27**	**(70)**	**N/A**		**N/A**	
NCREIF Fund Index-Open End Diversified Core (EW)	8.82	(59)	7.81	(60)	10.62	(69)	14.71	(62)	12.39	(68)	12.47	(67)	11.77	(63)	18.03	(44)
IM U.S. Open End Private Real Estate (SA+CF) Median	9.04		8.29		11.32		15.45		12.78		13.18		12.87		16.96	

Returns for periods greater than one year are annualized.
Returns are expressed as percentages. Fiscal year ends September 30th.

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





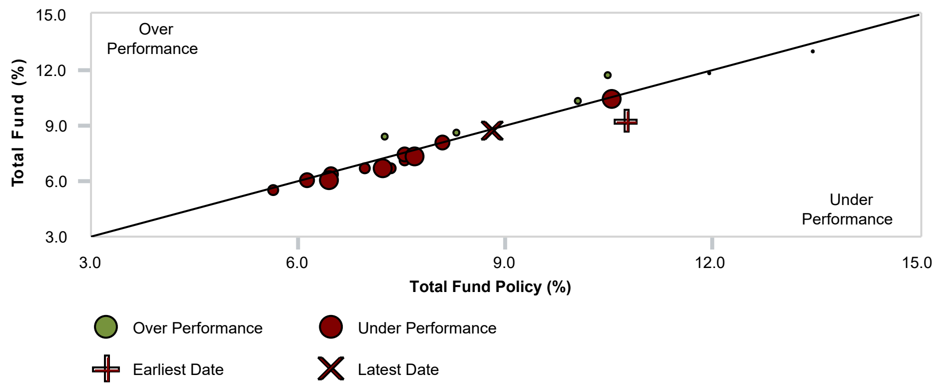
	QTR		FYTD		1 YR		2 YR		3 YR		4 YR		5 YR	
Total Fund	8.47	(49)	-1.06	(91)	5.17	(21)	7.51	(29)	8.65	(37)	6.30	(25)	6.80	(13)
Total Fund Policy	8.83	(39)	0.56	(36)	5.47	(14)	7.84	(18)	8.83	(26)	6.79	(10)	7.02	(10)
Median	8.37		0.21		4.09		7.03		8.40		5.80		5.97	

	Oct-2017 To Sep-2018		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	
Total Fund	10.22	(8)	13.13	(28)	7.99	(87)	1.48	(9)	10.65	(34)	13.18	(38)
Total Fund Policy	8.58	(29)	11.87	(52)	11.23	(10)	0.03	(31)	11.18	(21)	10.98	(74)
Median	7.59		12.01		9.71		-0.78		9.83		12.45	

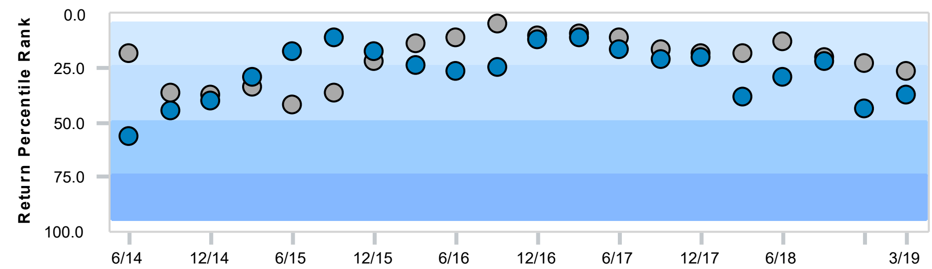
Comparative Performance

	1 Qtr Ending Dec-2018		1 Qtr Ending Sep-2018		1 Qtr Ending Jun-2018		1 Qtr Ending Mar-2018		1 Qtr Ending Dec-2017		1 Qtr Ending Sep-2017	
Total Fund	-8.79	(75)	4.24	(4)	1.98	(17)	-0.62	(76)	4.34	(9)	3.70	(33)
Total Fund Policy	-7.60	(46)	3.44	(16)	1.39	(42)	-0.41	(62)	3.96	(29)	3.48	(48)
All Public Plans-Total Fund Median	-7.74		2.70		1.19		-0.27		3.64		3.46	

3 Yr Rolling Under/Over Performance - 5 Years

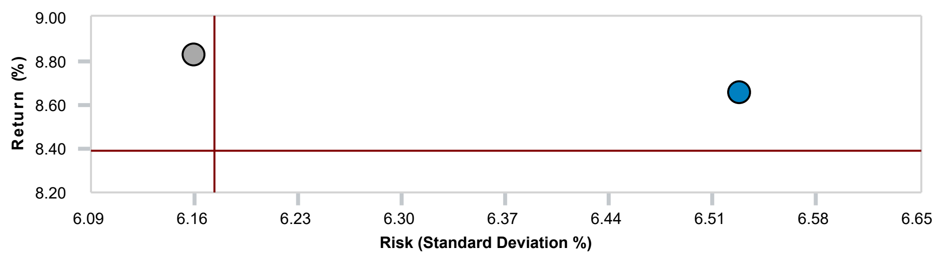


3 Yr Rolling Percentile Ranking - 5 Years



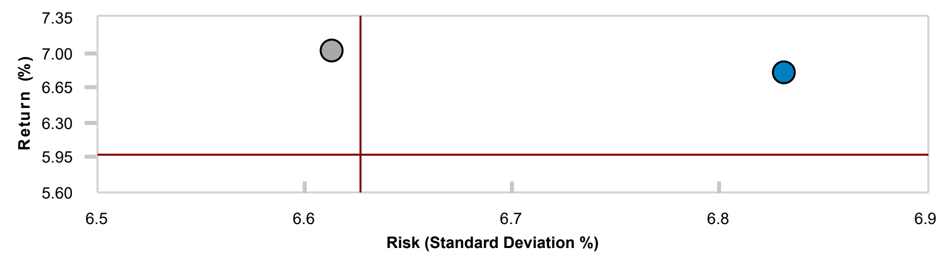
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Total Fund	20	11 (55%)	8 (40%)	1 (5%)	0 (0%)
Total Fund Policy	20	14 (70%)	6 (30%)	0 (0%)	0 (0%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
Total Fund	8.65	6.53
Total Fund Policy	8.83	6.16
Median	8.40	6.17

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
Total Fund	6.80	6.83
Total Fund Policy	7.02	6.61
Median	5.97	6.63

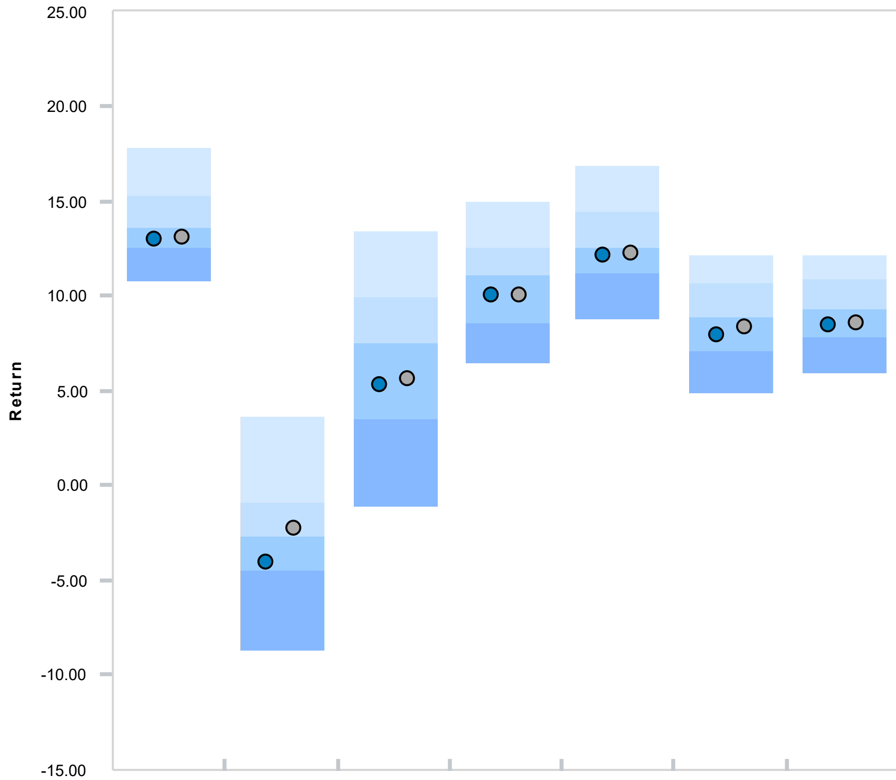
Historical Statistics - 3 Years

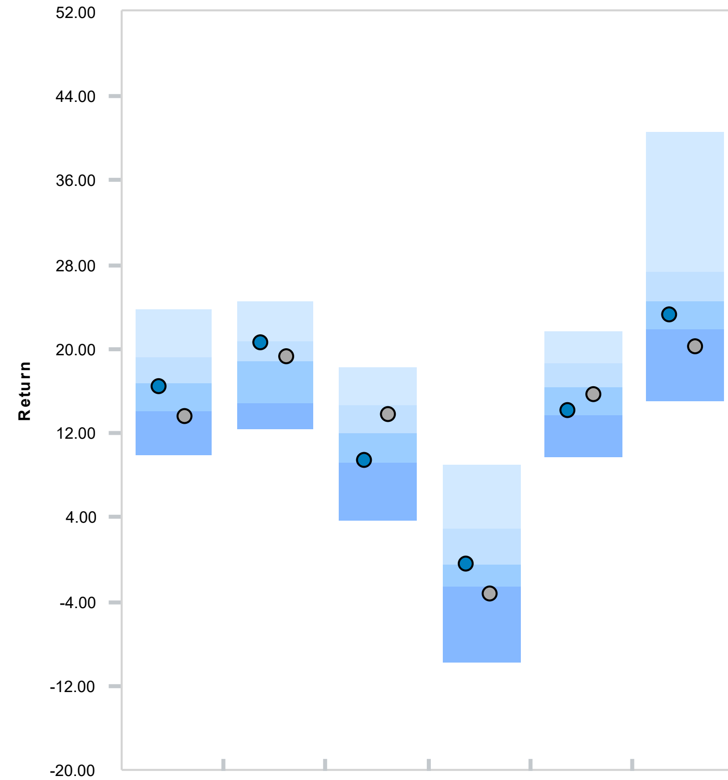
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund	1.31	101.08	106.16	-0.48	-0.11	1.13	1.04	4.44
Total Fund Policy	0.00	100.00	100.00	0.00	N/A	1.22	1.00	4.07

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund	1.41	98.62	100.29	-0.27	-0.14	0.89	1.01	4.40
Total Fund Policy	0.00	100.00	100.00	0.00	N/A	0.95	1.00	4.08

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





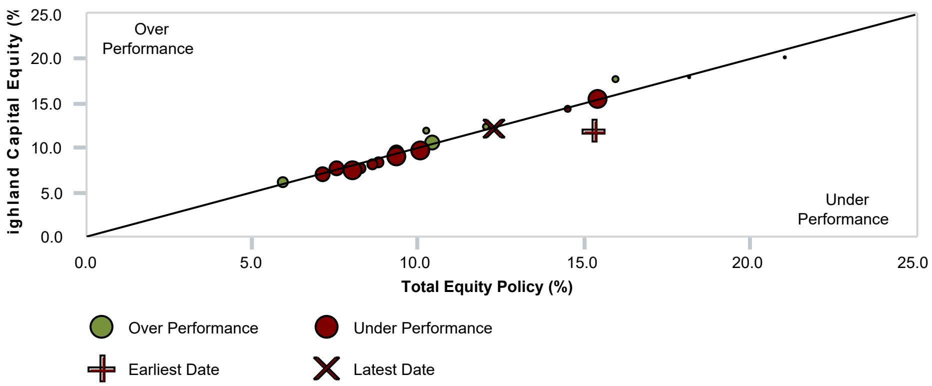
	QTR		FYTD		1 YR		2 YR		3 YR		4 YR		5 YR	
Highland Capital Equity	13.03	(67)	-4.07	(66)	5.34	(67)	10.03	(55)	12.15	(59)	7.95	(68)	8.51	(61)
Total Equity Policy	13.14	(66)	-2.21	(39)	5.59	(67)	10.02	(55)	12.31	(58)	8.42	(63)	8.54	(61)
Median	13.66		-2.65		7.55		11.15		12.60		8.92		9.28	

	Oct-2017 To Sep-2018		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	
Highland Capital Equity	16.31	(58)	20.57	(29)	9.30	(74)	-0.41	(50)	14.17	(72)	23.16	(62)
Total Equity Policy	13.62	(77)	19.14	(48)	13.68	(37)	-3.37	(81)	15.61	(62)	20.14	(83)
Median	16.68		18.88		11.94		-0.47		16.38		24.50	

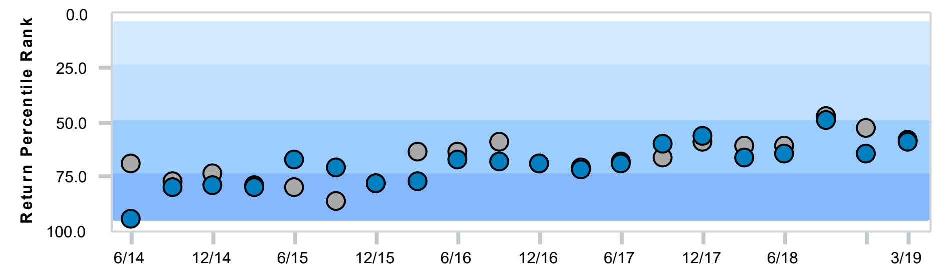
Comparative Performance

	1 Qtr Ending Dec-2018		1 Qtr Ending Sep-2018		1 Qtr Ending Jun-2018		1 Qtr Ending Mar-2018		1 Qtr Ending Dec-2017		1 Qtr Ending Sep-2017	
Highland Capital Equity	-15.12	(58)	6.39	(54)	3.22	(64)	-1.02	(72)	7.01	(30)	5.50	(19)
Total Equity Policy	-13.56	(29)	5.54	(64)	2.31	(71)	-0.75	(67)	6.02	(62)	4.99	(34)
IM U.S. All Cap Core Equity (SA+CF) Median	-14.82		6.62		3.70		-0.17		6.56		4.48	

3 Yr Rolling Under/Over Performance - 5 Years

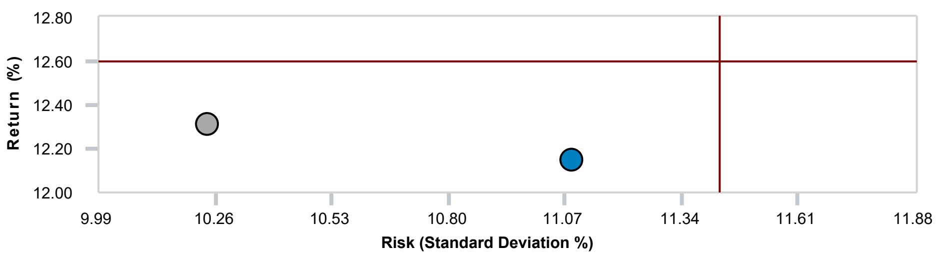


3 Yr Rolling Percentile Ranking - 5 Years



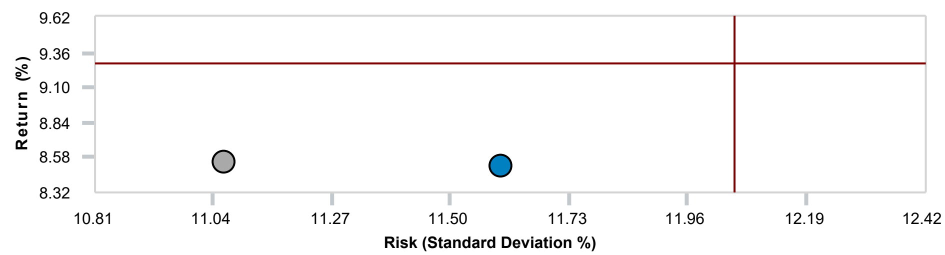
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Highland Capital Equity	20	0 (0%)	1 (5%)	13 (65%)	6 (30%)
Total Equity Policy	20	0 (0%)	1 (5%)	14 (70%)	5 (25%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
Highland Capital Equity	12.15	11.09
Total Equity Policy	12.31	10.25
Median	12.60	11.43

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
Highland Capital Equity	8.51	11.60
Total Equity Policy	8.54	11.06
Median	9.28	12.05

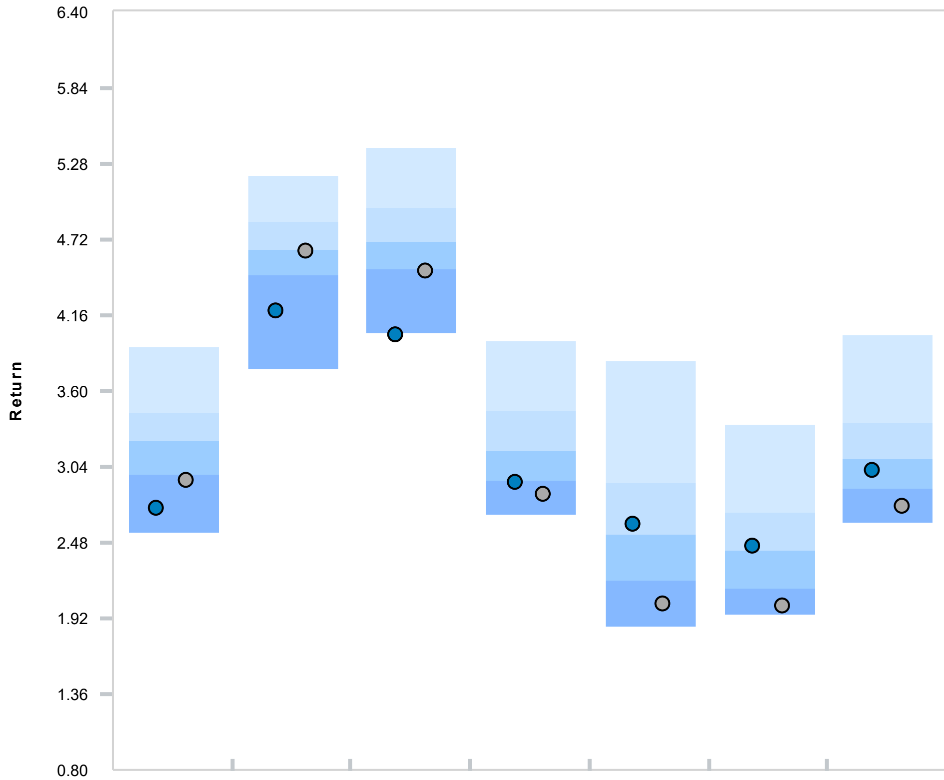
Historical Statistics - 3 Years

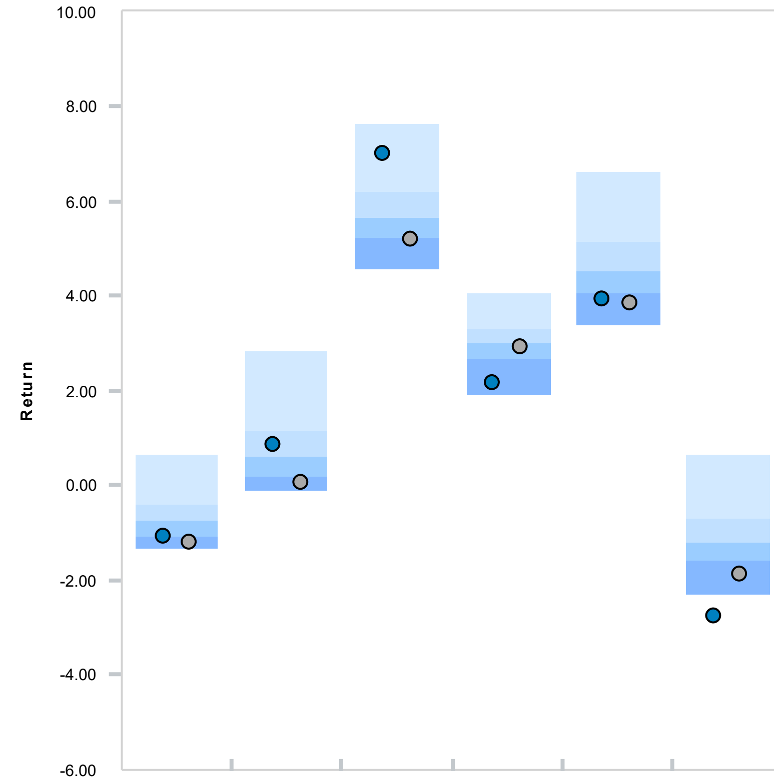
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Highland Capital Equity	1.83	103.84	110.50	-0.91	-0.03	0.99	1.07	7.62
Total Equity Policy	0.00	100.00	100.00	0.00	N/A	1.07	1.00	6.97

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Highland Capital Equity	2.06	102.34	103.99	-0.25	0.02	0.70	1.03	7.65
Total Equity Policy	0.00	100.00	100.00	0.00	N/A	0.73	1.00	7.19

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





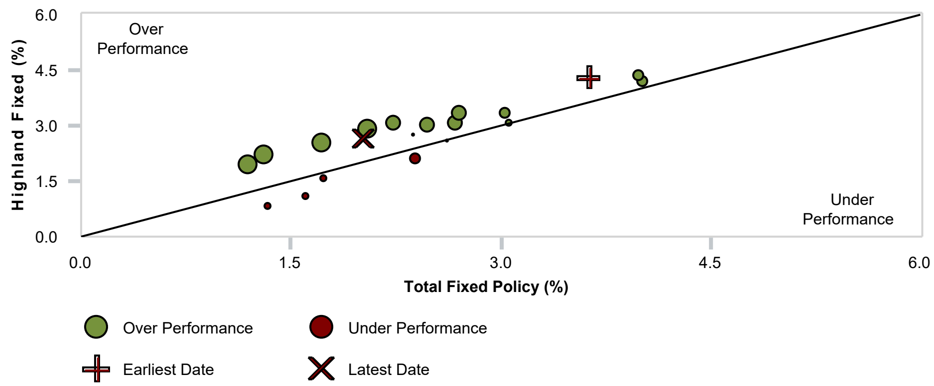
	QTR		FYTD		1 YR		2 YR		3 YR		4 YR		5 YR	
Highland Fixed	2.72	(92)	4.20	(92)	4.01	(96)	2.93	(76)	2.61	(44)	2.44	(48)	3.00	(60)
Total Fixed Policy	2.94	(83)	4.63	(55)	4.48	(80)	2.83	(89)	2.03	(89)	2.01	(90)	2.74	(90)
Median	3.23		4.65		4.70		3.16		2.54		2.42		3.10	

	Oct-2017 To Sep-2018		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	
Highland Fixed	-1.07	(75)	0.85	(39)	7.00	(10)	2.18	(88)	3.95	(81)	-2.75	(100)
Total Fixed Policy	-1.22	(89)	0.07	(87)	5.19	(81)	2.94	(60)	3.85	(88)	-1.86	(89)
Median	-0.74		0.62		5.67		3.02		4.51		-1.22	

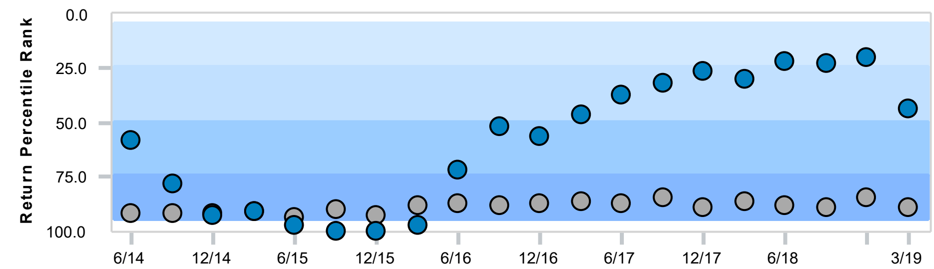
Comparative Performance

	1 Qtr Ending Dec-2018		1 Qtr Ending Sep-2018		1 Qtr Ending Jun-2018		1 Qtr Ending Mar-2018		1 Qtr Ending Dec-2017		1 Qtr Ending Sep-2017	
Highland Fixed	1.43	(47)	0.20	(45)	-0.38	(96)	-1.45	(66)	0.57	(34)	0.98	(37)
Total Fixed Policy	1.64	(23)	0.02	(83)	-0.16	(73)	-1.46	(68)	0.39	(80)	0.85	(77)
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	1.40		0.18		-0.09		-1.37		0.51		0.93	

3 Yr Rolling Under/Over Performance - 5 Years

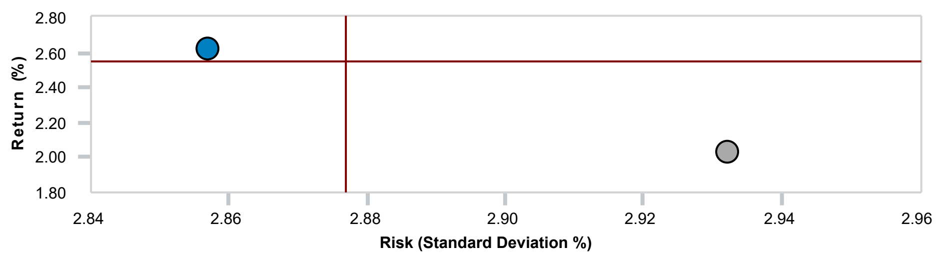


3 Yr Rolling Percentile Ranking - 5 Years



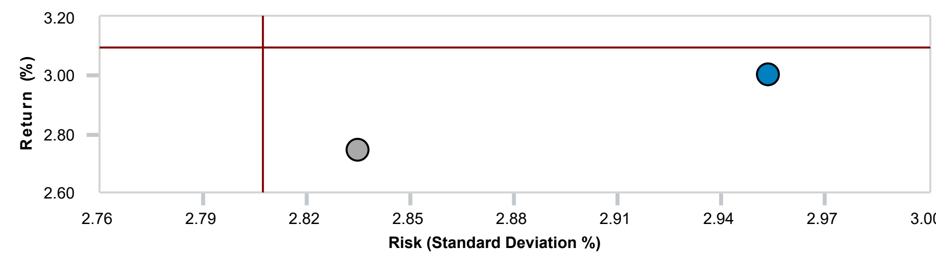
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Highland Fixed	20	3 (15%)	6 (30%)	4 (20%)	7 (35%)
Total Fixed Policy	20	0 (0%)	0 (0%)	0 (0%)	20 (100%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
Highland Fixed	2.61	2.86
Total Fixed Policy	2.03	2.93
Median	2.54	2.88

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
Highland Fixed	3.00	2.95
Total Fixed Policy	2.74	2.83
Median	3.10	2.81

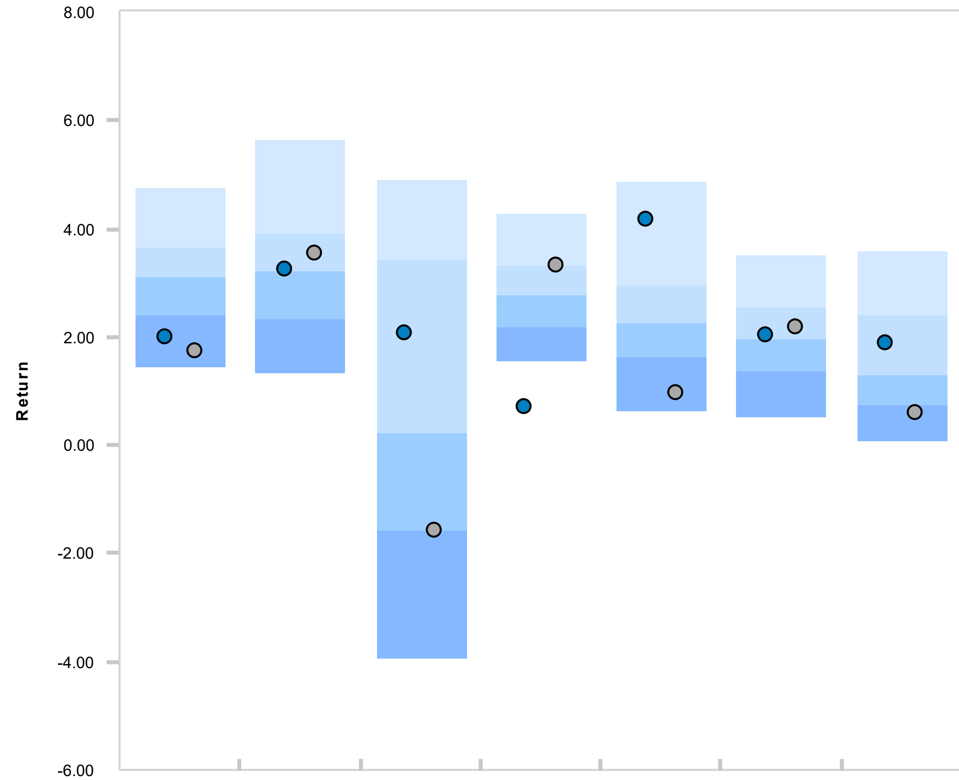
Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Highland Fixed	0.58	107.70	93.05	0.67	0.98	0.52	0.95	1.80
Total Fixed Policy	0.00	100.00	100.00	0.00	N/A	0.31	1.00	1.85

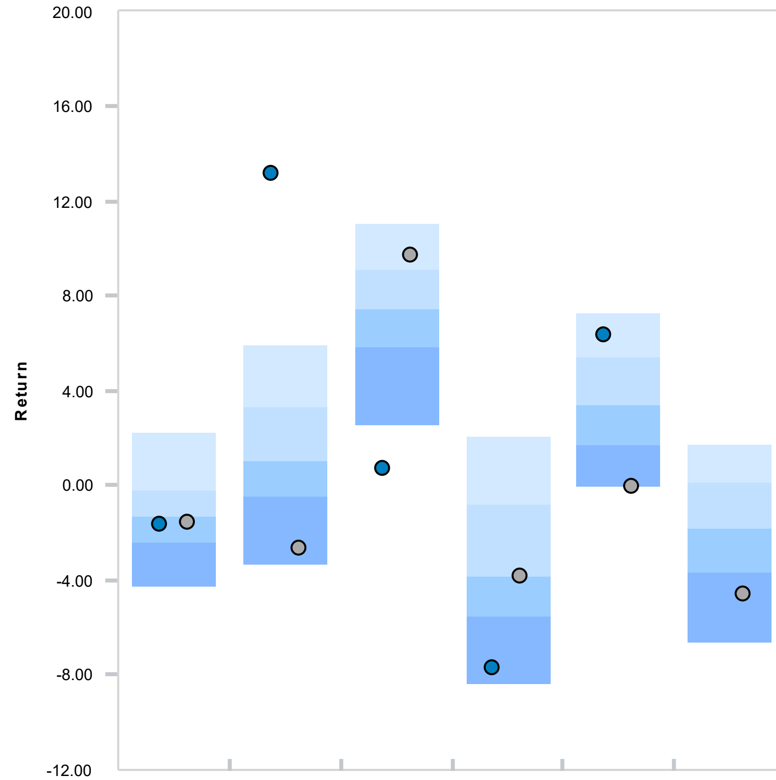
Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Highland Fixed	0.90	107.42	105.26	0.28	0.29	0.78	0.99	1.70
Total Fixed Policy	0.00	100.00	100.00	0.00	N/A	0.72	1.00	1.63

Plan Sponsor Peer Group Analysis - IM Global Fixed Income (MF)



	QTR		FYTD		1 YR		2 YR		3 YR		4 YR		5 YR	
Templeton GB	1.98	(87)	3.23	(50)	2.06	(40)	0.72	(100)	4.18	(13)	2.03	(49)	1.88	(35)
FTSE W/G Bond	1.74	(89)	3.53	(40)	-1.57	(76)	3.34	(25)	0.95	(88)	2.17	(41)	0.59	(85)
Median	3.10		3.22		0.24		2.78		2.25		1.96		1.31	

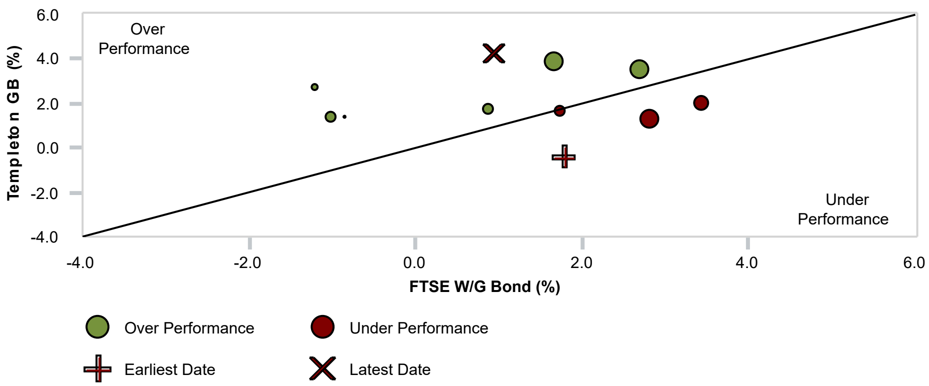


	Oct-2017 To Sep-2018		Oct-2016 To Sep-2017		Oct-2015 To Sep-2016		Oct-2014 To Sep-2015		Oct-2013 To Sep-2014		Oct-2012 To Sep-2013	
Templeton GB	-1.61	(55)	13.17	(1)	0.68	(100)	-7.69	(93)	6.34	(11)	N/A	
FTSE W/G Bond	-1.54	(55)	-2.69	(94)	9.71	(20)	-3.83	(50)	-0.07	(96)	-4.60	(82)
Median	-1.29		1.02		7.42		-3.85		3.37		-1.81	

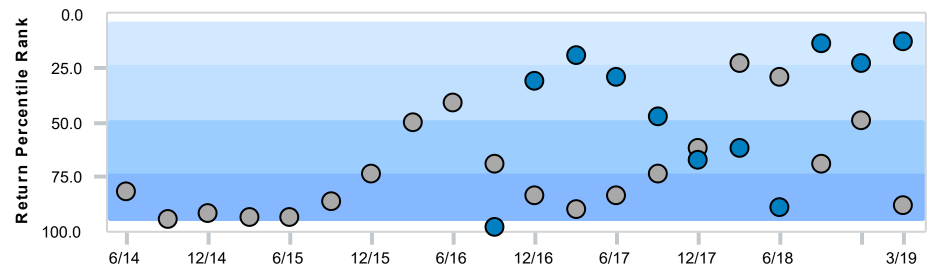
Comparative Performance

	1 Qtr Ending Dec-2018		1 Qtr Ending Sep-2018		1 Qtr Ending Jun-2018		1 Qtr Ending Mar-2018		1 Qtr Ending Dec-2017		1 Qtr Ending Sep-2017	
Templeton GB	1.23	(11)	1.47	(4)	-2.57	(52)	1.36	(31)	-1.81	(100)	1.19	(72)
FTSE W/G Bond	1.75	(10)	-1.62	(97)	-3.35	(64)	2.50	(5)	1.04	(18)	1.81	(29)
IM Global Fixed Income (MF) Median	0.35		-0.39		-2.29		0.80		0.66		1.59	

3 Yr Rolling Under/Over Performance - 5 Years

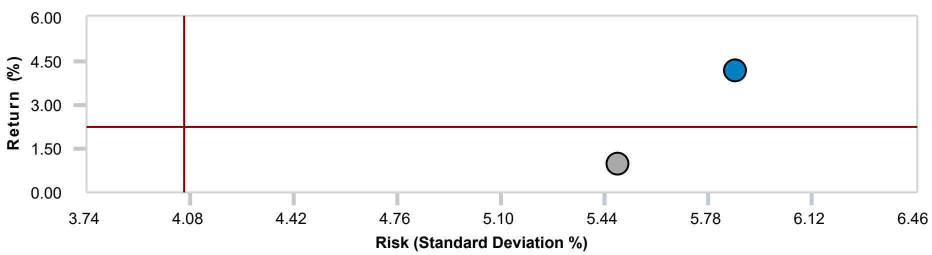


3 Yr Rolling Percentile Ranking - 5 Years



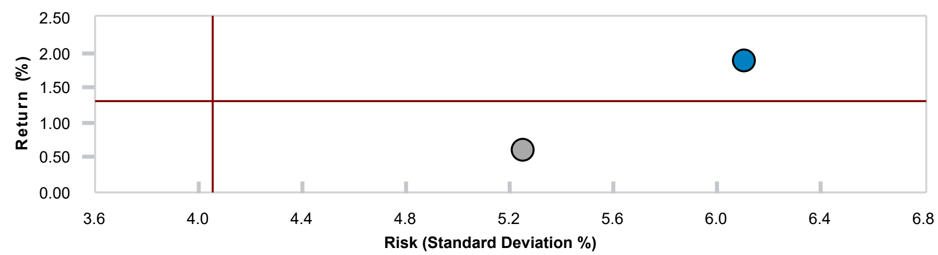
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Templeton GB	11	4 (36%)	3 (27%)	2 (18%)	2 (18%)
FTSE W/G Bond	20	1 (5%)	4 (20%)	5 (25%)	10 (50%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
Templeton GB	4.18	5.87
FTSE W/G Bond	0.95	5.49
Median	2.25	4.06

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
Templeton GB	1.88	6.11
FTSE W/G Bond	0.59	5.26
Median	1.31	4.06

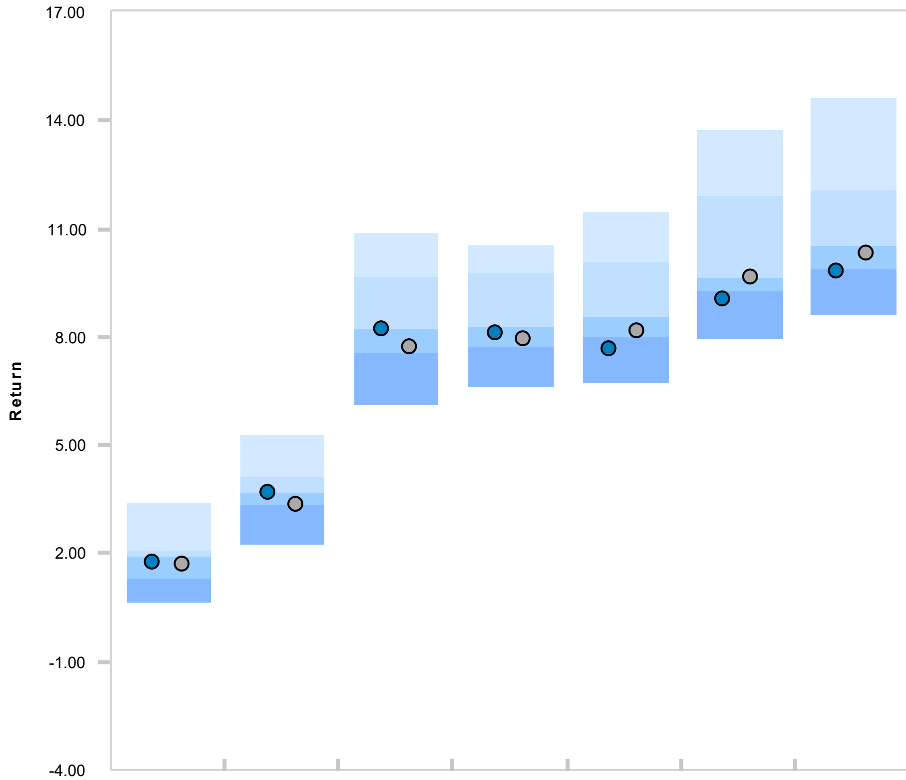
Historical Statistics - 3 Years

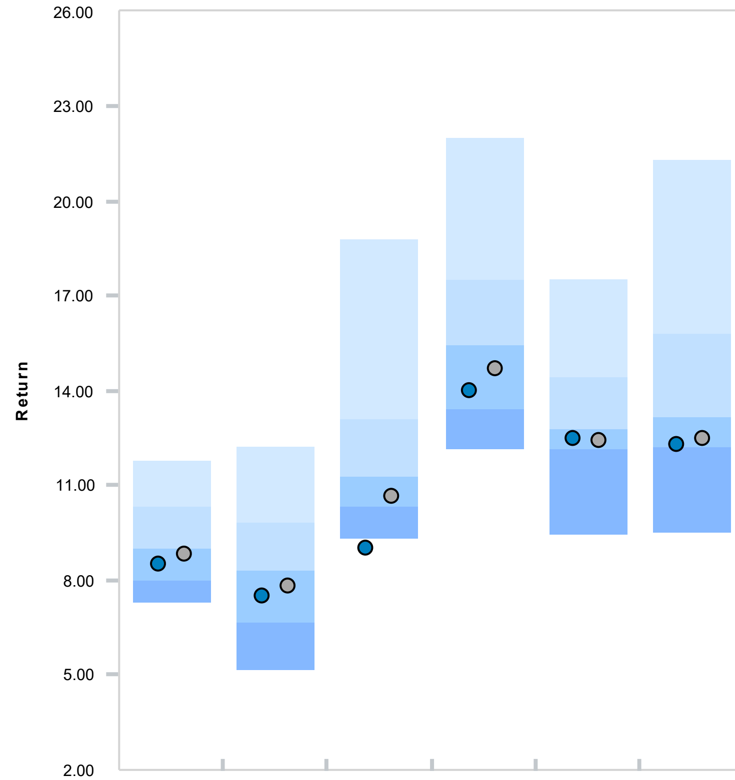
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Templeton GB	8.93	9.59	-50.77	4.65	0.36	0.53	-0.25	3.29
FTSE W/G Bond	0.00	100.00	100.00	0.00	N/A	-0.01	1.00	3.98

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Templeton GB	8.68	-5.88	-36.92	2.21	0.15	0.22	-0.19	3.85
FTSE W/G Bond	0.00	100.00	100.00	0.00	N/A	0.00	1.00	3.81

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





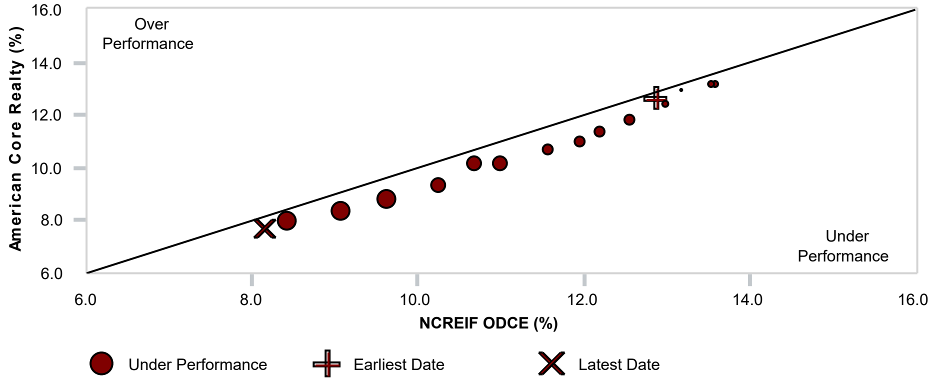
	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
American Core Realty	1.74 (65)	3.71 (48)	8.20 (53)	8.12 (59)	7.65 (82)	9.05 (82)	9.82 (81)
NCREIF ODCE	1.69 (66)	3.33 (75)	7.74 (69)	7.95 (69)	8.17 (63)	9.62 (58)	10.34 (62)
Median	1.93	3.68	8.23	8.25	8.56	9.65	10.54

	Oct-2017 To Sep-2018	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
American Core Realty	8.50 (66)	7.52 (67)	9.04 (97)	13.98 (69)	12.49 (64)	12.27 (70)
NCREIF ODCE	8.82 (59)	7.81 (60)	10.62 (69)	14.71 (62)	12.39 (68)	12.47 (67)
Median	9.04	8.29	11.32	15.45	12.78	13.18

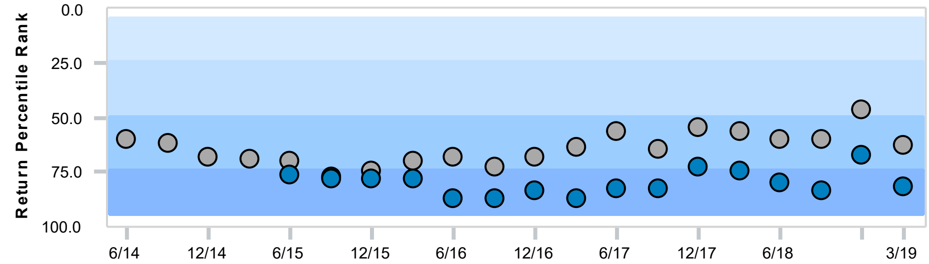
Comparative Performance

	1 Qtr Ending Dec-2018	1 Qtr Ending Sep-2018	1 Qtr Ending Jun-2018	1 Qtr Ending Mar-2018	1 Qtr Ending Dec-2017	1 Qtr Ending Sep-2017
American Core Realty	1.94 (28)	2.19 (47)	2.09 (66)	2.23 (45)	1.73 (87)	1.88 (42)
NCREIF ODCE	1.62 (65)	2.09 (54)	2.13 (61)	2.17 (55)	2.15 (57)	1.89 (42)
IM U.S. Open End Private Real Estate (SA+CF) Median	1.76	2.10	2.22	2.21	2.25	1.75

3 Yr Rolling Under/Over Performance - 5 Years

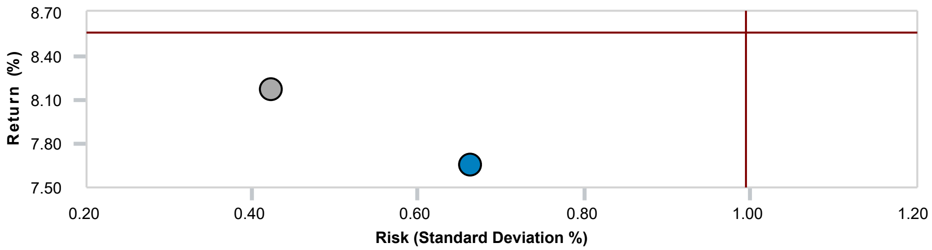


3 Yr Rolling Percentile Ranking - 5 Years



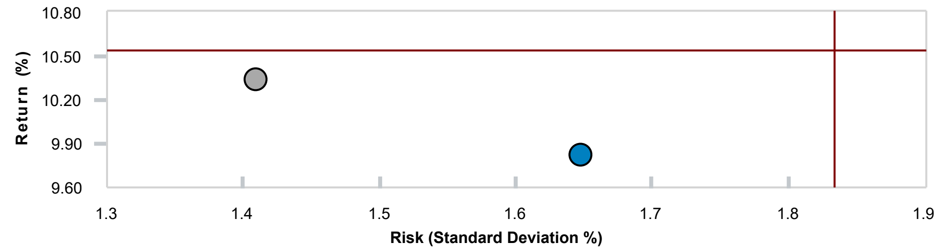
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
American Core Realty	16	0 (0%)	0 (0%)	3 (19%)	13 (81%)
NCREIF ODCE	20	0 (0%)	1 (5%)	18 (90%)	1 (5%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
American Core Realty	7.65	0.66
NCREIF ODCE	8.17	0.42
Median	8.56	1.00

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
American Core Realty	9.82	1.65
NCREIF ODCE	10.34	1.41
Median	10.54	1.83

Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
American Core Realty	0.90	93.78	N/A	0.18	-0.55	2.03	0.92	0.00
NCREIF ODCE	0.00	100.00	N/A	0.00	N/A	2.08	1.00	0.00

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
American Core Realty	1.03	95.22	N/A	0.03	-0.46	2.08	0.95	0.00
NCREIF ODCE	0.00	100.00	N/A	0.00	N/A	2.14	1.00	0.00

Total Fund Compliance	YES	NO
The total plan gross return equaled or exceeded the total plan benchmark over the trailing three year period.		X
The total plan gross return equaled or exceeded the total plan benchmark over the trailing five year period.		X
The total plan gross return ranked within the top 40th percentile of its peer group over the trailing three year period.	X	
The total plan gross return ranked within the top 40th percentile of its peer group over the trailing five year period.	X	
The total plan gross return equaled or exceeded the 7.5% actuarial earnings assumption over the trailing three year period.	X	
The total plan gross return equaled or exceeded the 7.5% actuarial earnings assumption over the trailing five year period.		X

Equity Compliance	YES	NO
The total equity returns meet or exceed the benchmark over the trailing three year period.		X
The total equity returns meet or exceed the benchmark over the trailing five year period.		X
The total equity returns ranked within the top 40th percentile of its peer group over the trailing three year period.		X
The total equity returns ranked within the top 40th percentile of its peer group over the trailing five year period.		X
The total equity allocation was less than 70% of the total plan assets at market.	X	
The total foreign equity was less than 25% of the total plan assets at market.	X	

Fixed Income Compliance	YES	NO
The total domestic fixed income returns meet or exceed the benchmark over the trailing three year period.	X	
The total domestic fixed income returns meet or exceed the benchmark over the trailing five year period.	X	
The total domestic fixed income returns ranked within the top 40th percentile of its peer group over the trailing three year period.		X
The total domestic fixed income returns ranked within the top 40th percentile of its peer group over the trailing five year period.		X
The average weight of the fixed income portfolio was "AA" or better.	X	

Manager Compliance	Highland - Equity			Highland - Fixed			Templeton Global			American Realty		
	YES	NO	N/A	YES	NO	N/A	YES	NO	N/A	YES	NO	N/A
Manager outperformed the index over the trailing three and five year periods.		X		X			X				X	
Manager ranked within the top 40th percentile over trailing three and five year periods.		X			X		X				X	
Less than four consecutive quarters of under performance relative to the benchmark.	X			X			X			X		
Three and five year down-market capture ratio less than the index.		X			X		X					X

Total Fund Policy	
Allocation Mandate	**Weight (%)**
Dec-1975	
S&P 500 Index	50.00
ICE BofAML Govt/ Corp Master	50.00
Oct-2004	
S&P 500 Index	50.00
ICE BofAML US Domestic Master	40.00
MSCI EAFE Index	10.00
Jan-2014	
Russell 3000 Index	45.00
MSCI AC World ex USA	15.00
Blmbg. Barc. U.S. Aggregate Index	25.00
FTSE World Government Bond Index	5.00
NCREIF Fund Index-Open End Diversified Core (EW)	10.00

Total Equity Policy	
Allocation Mandate	**Weight (%)**
Jan-1998	
S&P 500 Index	100.00
Oct-2004	
S&P 500 Index	85.00
MSCI EAFE Index	15.00
Jan-2014	
Russell 3000 Index	75.00
MSCI AC World ex USA	25.00

Total Fixed Income Policy	
Allocation Mandate	**Weight (%)**
Jan-1998	
ICE BofAML Govt/ Corp Master	100.00
Oct-2004	
ICE BofAML US Domestic Master	100.00
Jan-2014	
Blmbg. Barc. U.S. Aggregate 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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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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