Investment Performance Review
Period Ending March 31, 2017

City of Key West General Employees' Pension Fund

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

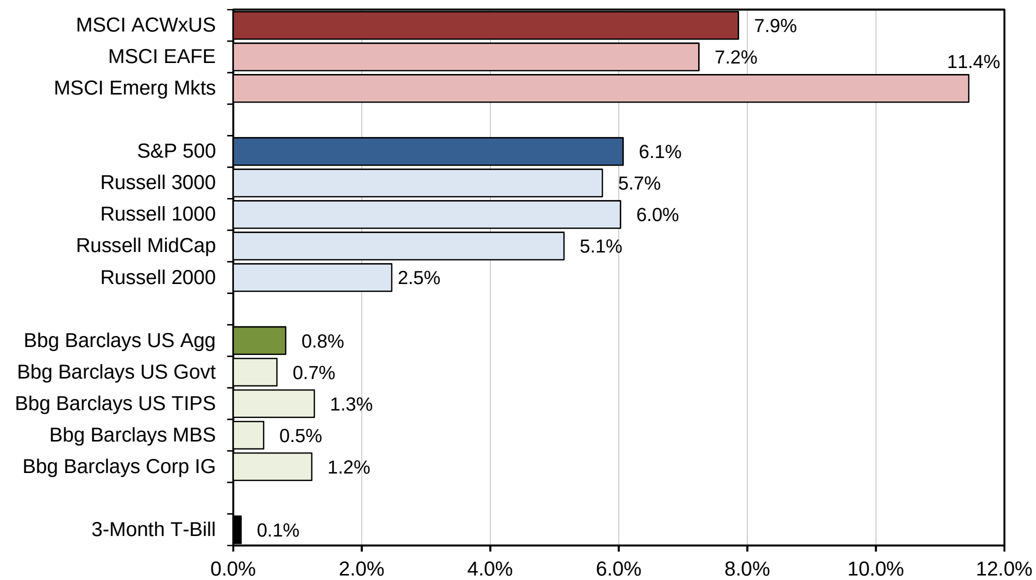
1st Quarter 2017 Market Environment

- Returns for the 1st quarter of 2017 were positive across equity and fixed income indices. Broad domestic and international equity market performance was fueled by largely improving global economic data. While domestic equity indices trailed international equity indices due to U.S. Dollar (USD) weakness, performance was solid on the back of Trump administration campaign promises for pro-business policy initiatives, government regulation rollbacks, tax reform, and domestic infrastructure investment. Despite concerns over the duration of the equity market's current run, this policy optimism caused many major domestic indices to reach all-time highs at various points during the quarter. Large cap stocks reversed a recent trend of small cap equity outperformance during the quarter with the S&P 500 Index returning 6.1% versus a weaker 2.5% return for the Russell 2000 Index. Despite their relatively muted quarterly performance, small cap stocks still handedly outperformed large cap issues over the 1-year period with the Russell 2000 returning 26.2% versus a 17.2% return for the S&P 500.

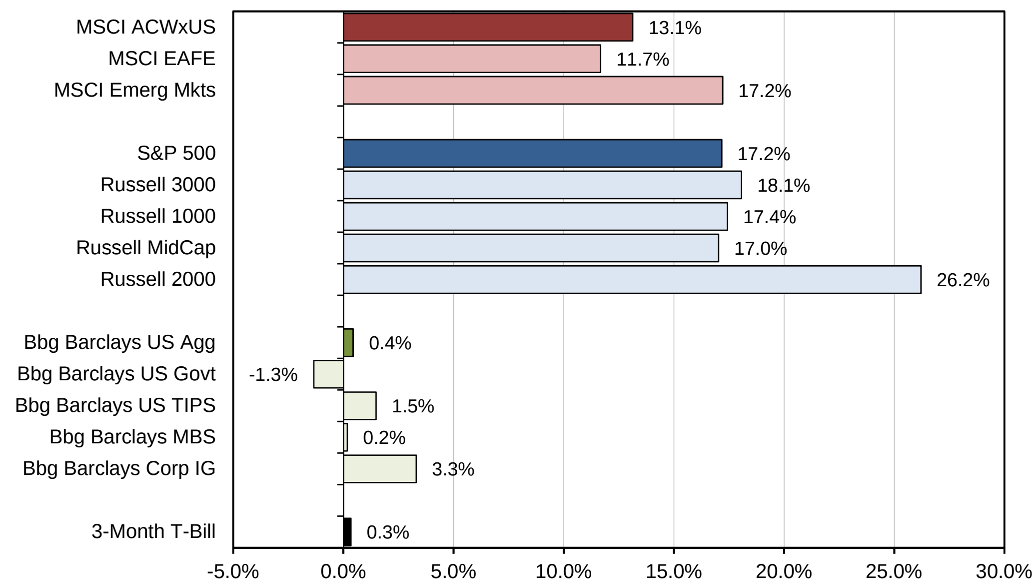
- International equity market benchmarks had an excellent start to calendar 2017, outpacing U.S. markets and posting substantial returns for the 1st quarter. Both developed and emerging market international equities experienced tailwinds from increasingly positive global macroeconomic data, a weakening USD and ongoing accommodative global central bank policies. Emerging market stocks were the greatest beneficiaries of these positive trends, outperforming their developed market counterparts by more than 5% for the quarter. The MSCI Emerging Market Index returned a solid 11.4% for the quarter and 17.2% for 1-year period. While weaker by comparison, the developed market MSCI EAFE Index also posted robust performance returning 7.2% for the quarter and 11.7% over the 1-year period.

- In March, the continued pickup in inflation measures coupled with other positive economic data pushed the Federal Open Market Committee (FOMC) to maintain its commitment to remove policy accommodation from the financial system. During the quarter, the FOMC increased the Fed Funds rate by 0.25% for the second time in six months. Since the increase was largely telegraphed by Fed Chair Janet Yellen, financial markets had already priced in a high likelihood of a rate hike, and thus, market's reaction to the news was subdued. Outside of an unforeseen pickup in economic growth or downside shock, markets are currently pricing in two additional rate increase for 2017. All investment grade bond benchmarks were modestly positive for the quarter. Corporate and Treasury Inflation Protected Securities (TIPS) benefitted the most from the current economic backdrop and outperformed other major bond sectors. The broad market Bloomberg Barclays U.S. Aggregate Index returned 0.8% for the quarter and 0.4% over the 1-year period.

Quarter Performance



1-Year Performance



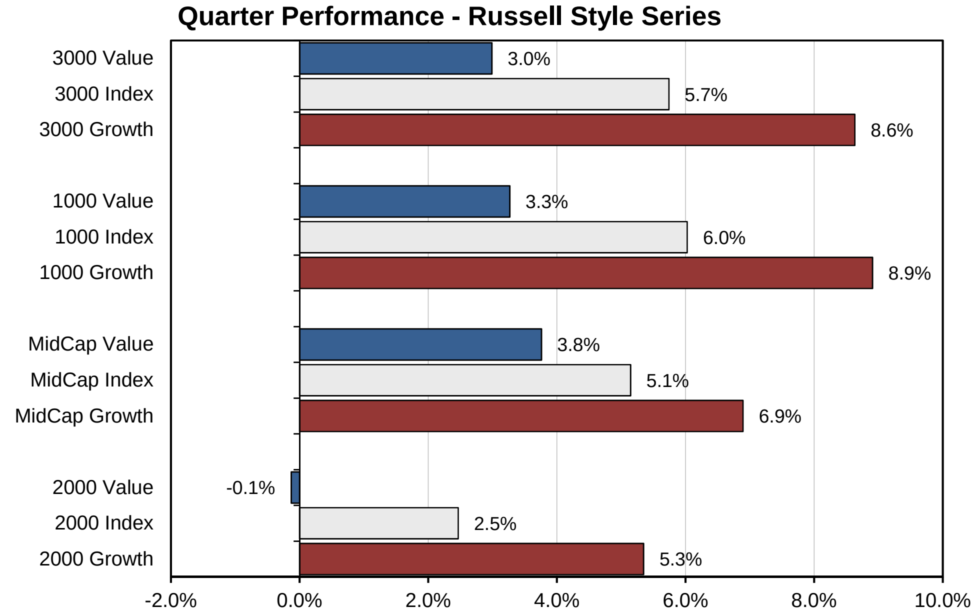
Source: Investment Metrics

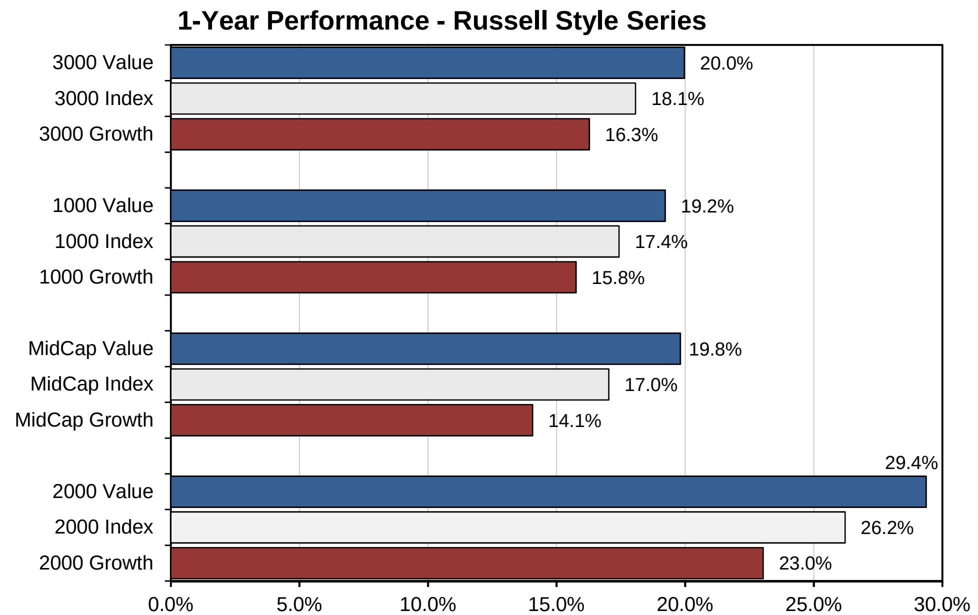
- U.S. equity index returns were largely positive across the style and capitalization spectrum for the 1st quarter and the trailing 1-year period. Domestic equity index returns were driven by optimism surrounding the Trump administration's previously referenced pro-growth agenda. Markets were also driven higher by positive trends in economic data reported throughout the period including improvements in consumer and business sentiment, corporate earnings, and employment. The only major setback to the 1st quarter's optimism was the GOP's failure to repeal the Affordable Care Act in late March. This event raised market concerns surrounding the expediency and impact of future promised policy changes.

- Large cap stocks were the best performing capitalization segment for the quarter for both core and growth issues while mid cap equities posted a slight premium relative to other capitalizations within the value spectrum. The large-cap Russell 1000 Index returned a solid 6.0% for the quarter while the small cap Russell 2000 Index returned a more modest 2.5%. This return spread was partially due to market speculation that potential foreign trade restrictions expected to disproportionately impact larger companies may not be fully realized. Conversely, over the 1-year period, small cap issues still maintain a considerable performance advantage, with the small cap Russell 2000 returning 26.2% versus a return of 17.4% for the large cap Russell 1000.

- Index sector allocations were a substantial contributor to growth index outperformance during the 1st quarter as growth indices benefitted from significant underweights to the energy and financials sectors, both of which lagged the broad index return. Growth benchmarks also benefitted from greater exposure to the information technology and health care sectors which posted strong sector returns. The Russell 2000 Value Index's return of -0.1% was the worst performing style index for the period as well as the only index to post a negative return. Like capitalization performance differentials, the 1st quarter's style performance trend reverses when viewed over the 1-year period with value indices outperforming growth benchmarks across all market capitalization levels.

- Domestic equity valuations appear stretched relative to historical levels based on Forward Price/Earnings ratios (P/E), with even the most reasonably valued indices trading above their historical P/E valuations. Index P/E valuations range from 112% and 127% of their respective 15-year P/E averages. The mid cap growth and small cap value indices appear the most inexpensive and the large cap value and small cap growth look the most overvalued.

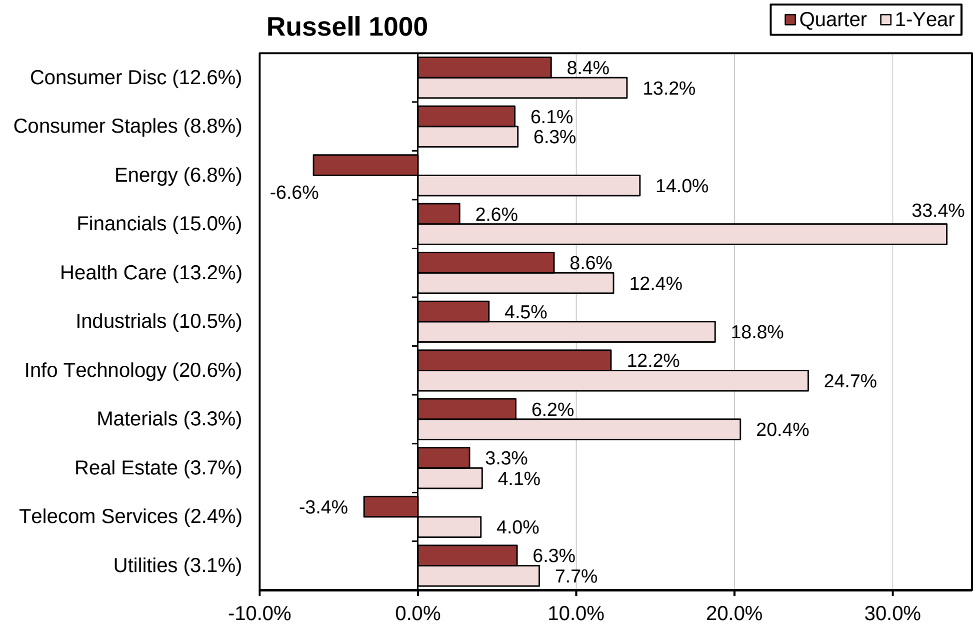


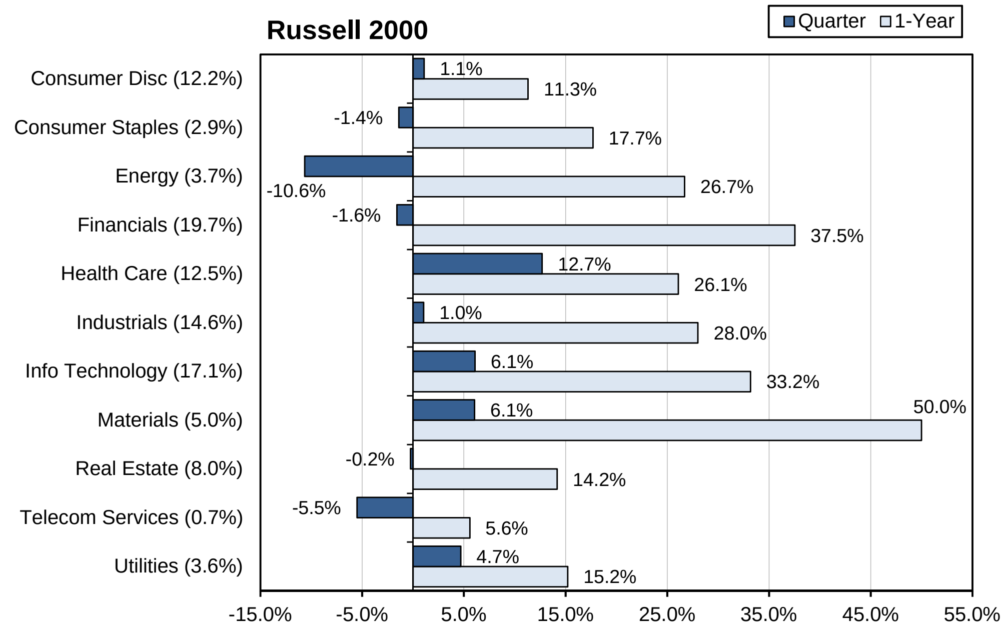


- Sector performance within the Russell 1000 Index was largely positive for the 1st quarter. Six of eleven economic sectors outpaced the Russell 1000 Index return, and nine of eleven sectors posted gains during the period. Energy (-6.6%) was the worst performing sector as crude prices fell throughout the quarter on fears of oversupply as accelerating production in the U.S. undermined the effects of an agreement between OPEC and Russia to limit global supply. Telecommunication services was the only other large cap sector to post negative performance for the quarter with a return of -3.4%. Technology was the best performing sector in the large cap index as increasing business and consumer confidence drove demand and pushed technology stock prices 12.2% higher through the quarter. Health care also outperformed, rising 8.6% for the quarter as uncertainty surrounding health care reform dissipated after the GOP's failure to repeal the Affordable Care Act, which indefinitely postponed changes to current legislation. Over the trailing 1-year period, financials, technology and materials were the best performing sectors, each returning greater than 20%. All eleven economic sectors of the Russell 1000 index posted positive returns for the 1-year period.

- Small cap sector results lagged their large capitalization counterparts for the 4th quarter, with only four of eleven economic sectors outpacing the Russell 2000 Index return for the quarter, and only six of eleven sectors posting positive results for the period. Most of the sector trends observable in large cap index sector performance also impacted small cap sectors. Similar to large cap issues, energy was the biggest detractor, falling -10.6% for the quarter. Returns for health care (12.7%) and technology (6.1%) drove positive index performance. Over the last year the materials, financials, and technology sectors each posted returns in excess of 30% and all eleven sectors posted positive performance over the trailing 1-year period.

- Using S&P 500 sector valuations as a proxy for the market, Forward P/E ratios for eight of the GICS sectors were higher than their long-term averages at quarter-end. Using these historical P/E measures, the energy, materials and utilities sectors appear the most extended. In contrast the technology, health care and telecommunications sectors were trading at a discount to their long-term average P/E ratios.





Source: Morningstar Direct

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

As of March 31, 2017

Top 10 Weighted Stocks

Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Apple Inc	3.48%	24.6%	34.6%	Information Technology
Microsoft Corp	2.20%	6.6%	22.4%	Information Technology
Amazon.com Inc	1.52%	18.2%	49.3%	Consumer Discretionary
Johnson & Johnson	1.51%	8.8%	18.3%	Health Care
Exxon Mobil Corp	1.51%	-8.3%	1.6%	Energy
JPMorgan Chase & Co	1.41%	2.4%	52.5%	Financials
Facebook Inc A	1.41%	23.5%	24.5%	Information Technology
Berkshire Hathaway Inc B	1.39%	2.3%	17.5%	Financials
General Electric Co	1.21%	-4.9%	-3.3%	Industrials
AT&T Inc	1.13%	-1.1%	11.2%	Telecommunication Services

Top 10 Weighted Stocks

Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Advanced Micro Devices Inc	0.58%	28.3%	410.5%	Information Technology
The Chemours Co	0.37%	74.4%	454.3%	Materials
Microsemi Corp	0.31%	-4.5%	34.5%	Information Technology
Olin Corp	0.29%	29.2%	95.8%	Materials
LogMeIn Inc	0.27%	1.5%	96.4%	Information Technology
New Residential Investment Corp	0.27%	11.1%	65.4%	Financials
Coherent Inc	0.26%	49.7%	123.8%	Information Technology
Take-Two Interactive Software Inc	0.26%	20.2%	57.3%	Information Technology
Exelixis Inc	0.26%	45.3%	441.8%	Health Care
F N B Corp	0.25%	-6.5%	18.3%	Financials

Top 10 Performing Stocks (by Quarter)

Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Community Health Systems Inc	0.00%	58.7%	-41.9%	Health Care
NRG Energy Inc	0.03%	52.8%	45.0%	Utilities
Vertex Pharmaceuticals Inc	0.12%	48.4%	37.6%	Health Care
bluebird bio Inc	0.00%	47.3%	113.9%	Health Care
Arconic Inc	0.05%	42.4%	N/A	Industrials
DexCom Inc	0.03%	41.9%	24.8%	Health Care
Agios Pharmaceuticals Inc	0.01%	39.9%	43.8%	Health Care
Activision Blizzard Inc	0.12%	38.9%	48.2%	Information Technology
Lumentum Holdings Inc	0.00%	38.0%	97.8%	Information Technology
Alnylam Pharmaceuticals Inc	0.02%	36.9%	-18.4%	Health Care

Top 10 Performing Stocks (by Quarter)

Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Calithera Biosciences Inc	0.00%	255.4%	103.3%	Health Care
Rocket Fuel Inc	0.00%	213.5%	70.2%	Information Technology
Esperion Therapeutics Inc	0.03%	182.0%	108.8%	Health Care
ViewRay Inc	0.00%	171.9%	97.9%	Health Care
Global Blood Therapeutics Inc	0.03%	155.0%	132.3%	Health Care
TG Therapeutics Inc	0.02%	150.6%	36.7%	Health Care
Internap Corp	0.00%	141.6%	36.3%	Information Technology
Applied Optoelectronics Inc	0.05%	139.5%	276.6%	Information Technology
Infinity Pharmaceuticals Inc	0.01%	139.3%	-38.7%	Health Care
NewLink Genetics Corp	0.03%	134.4%	32.4%	Health Care

Bottom 10 Performing Stocks (by Quarter)

Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Cobalt International Energy Inc	0.00%	-56.3%	-82.0%	Energy
Seadrill Ltd	0.00%	-54.6%	-51.5%	Energy
Rite Aid Corp	0.02%	-48.4%	-47.9%	Consumer Staples
Vista Outdoor Inc	0.01%	-44.2%	-60.3%	Consumer Discretionary
Babcock & Wilcox Enterprises Inc	0.00%	-43.7%	-56.4%	Industrials
Colony NorthStar Inc A	0.03%	-36.1%	-17.5%	Real Estate
Frontier Communications Corp Class B	0.01%	-34.1%	-57.0%	Telecommunication Services
GNC Holdings Inc	0.00%	-33.3%	-76.1%	Consumer Discretionary
Fossil Group Inc	0.00%	-32.5%	-60.7%	Consumer Discretionary
Endo International PLC	0.01%	-32.2%	-60.4%	Health Care

Bottom 10 Performing Stocks (by Quarter)

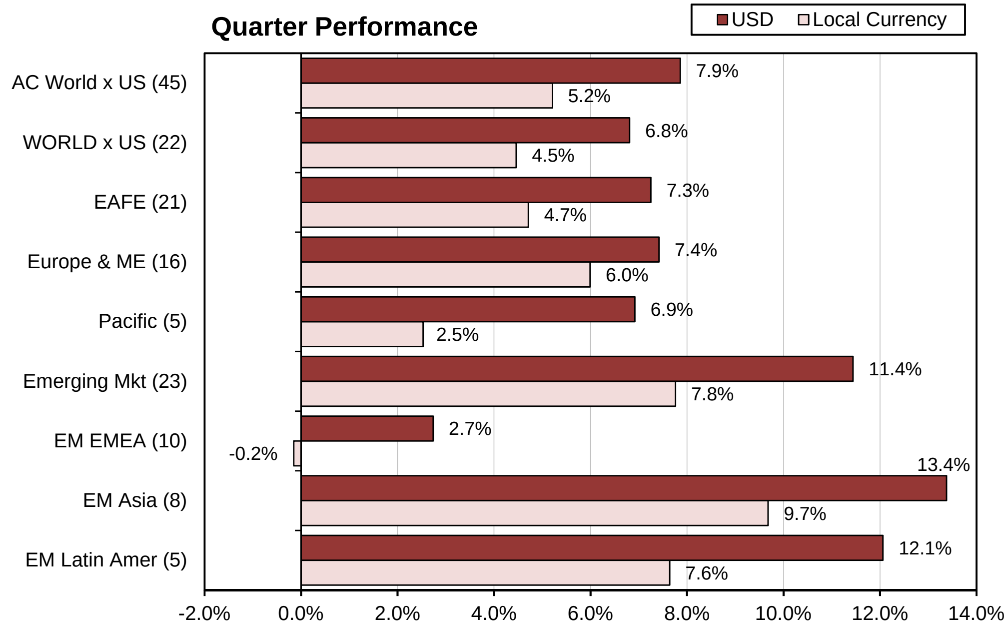
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Argos Therapeutics Inc	0.00%	-90.8%	-92.9%	Health Care
Peabody Energy Corp	0.00%	-86.4%	-70.7%	Energy
Ultrapetrol Bahamas Ltd	0.00%	-83.2%	-93.8%	Industrials
GulfMark Offshore Inc	0.00%	-80.0%	-94.3%	Energy
Rentech Inc	0.00%	-79.8%	-77.5%	Materials
Walter Investment Management Corp	0.00%	-77.3%	-85.9%	Financials
Adeptus Health Inc Class A	0.00%	-76.4%	-96.8%	Health Care
Novan Inc	0.00%	-76.4%	N/A	Health Care
Galena Biopharma Inc	0.00%	-68.6%	-97.8%	Health Care
Cumulus Media Inc Class A	0.00%	-68.5%	-91.4%	Consumer Discretionary

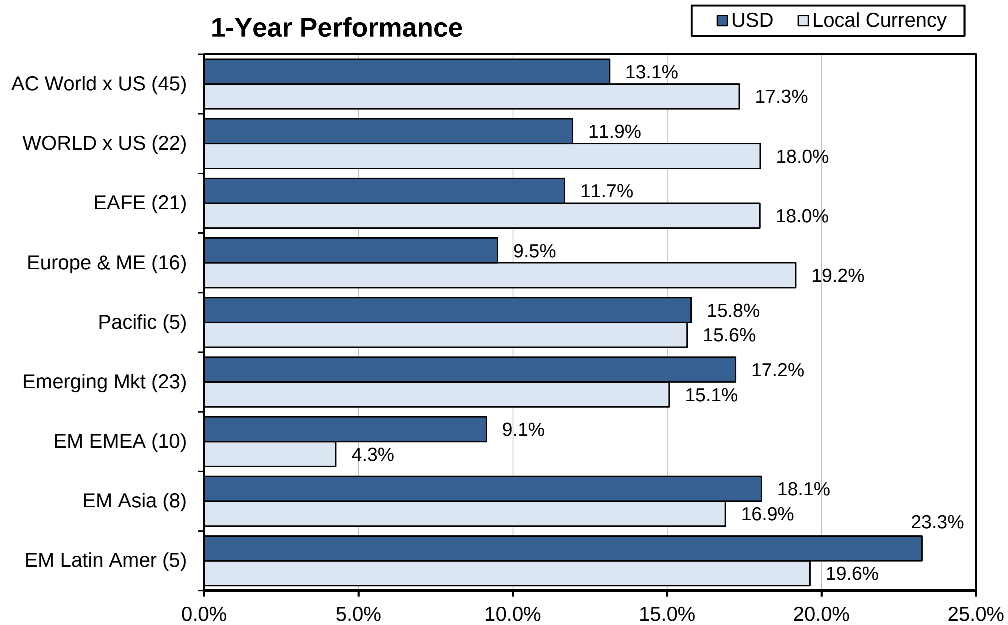
Source: Morningstar Direct

- While USD strength is on the high side of its 10-year range, the USD weakened through the quarter providing a tailwind to international index returns denominated in USD. However, the 1-year performance for the broad international indices still show a large negative currency impact from USD strength. The primary factors contributing to USD strength are an increasing divergence in U.S. monetary policy (tightening) relative to other developed countries (further accommodation) as well as the Trump administration's pro-growth policy agenda. However, improvement in growth prospects outside of the U.S. and the measured implementation of a more restrictive U.S. monetary policy has led to a pause in the USD's upward trajectory.

- International index performance for the 1st quarter was broadly positive for both developed and emerging markets in both USD and local currency terms. In USD terms, the developed market MSCI EAFE Index returned 7.3% as continued monetary stimulus and improving macroeconomic data in the U.K., Europe and Asia increased investor optimism, fueling demand for stocks. Returns in Europe and Japan were supplemented by perceived stabilization within their respective political systems. Also, noteworthy was the U.K. decision to invoke Article 50, signaling the start of their two-year separation process with the European Union. Returns for Eurozone stocks were up over 8% while stocks in Japan and the U.K. gained 4.5% and 5.0% in USD terms respectively. Developed market index performance is also robust when viewed over the 1-year period with the EAFE index returning 11.7% in USD terms.

- Emerging market equities had an impressive start to 2017 with the MSCI Emerging Market Index posting an 11.4% USD return for the 1st quarter. A weakening USD, continued improvement in global growth, and a lack of Trump administration attention toward protectionist trade policies provided an attractive backdrop for emerging market returns. India (17.1%), Poland (17.8%) and South Korea (16.9%) had the strongest returns in USD terms, while Russia (-4.6%) was the index's worst performing constituent. In USD terms, emerging markets have returned a substantial 17.2% over the past 12 months. Stocks in Latin America outperformed, led by Brazil's 42.8% return, pushing the MSCI Emerging Market Latin America Index 23.3% higher for the 1-year period.





Source: MSCI Global Index Monitor (Returns are Net)

MSCI - EAFE	Sector Weight	Quarter Return	1-Year Return
Consumer Discretionary	12.2%	5.3%	8.7%
Consumer Staples	11.4%	9.1%	2.6%
Energy	5.0%	-1.8%	18.8%
Financials	21.3%	7.3%	19.9%
Health Care	10.7%	8.3%	2.1%
Industrials	14.3%	9.1%	14.5%
Information Technology	5.7%	11.7%	20.7%
Materials	7.9%	7.6%	30.4%
Real Estate	3.7%	6.0%	3.9%
Telecommunication Services	4.4%	5.1%	-2.8%
Utilities	3.4%	7.7%	1.5%
Total	**100.0%**	**7.3%**	**11.7%**

MSCI - ACWIxUS	Sector Weight	Quarter Return	1-Year Return
Consumer Discretionary	11.3%	6.9%	9.1%
Consumer Staples	9.9%	8.6%	2.3%
Energy	6.8%	-0.9%	18.4%
Financials	23.3%	7.5%	18.9%
Health Care	8.0%	8.0%	1.5%
Industrials	11.9%	9.5%	13.9%
Information Technology	9.9%	14.6%	25.9%
Materials	8.0%	8.4%	29.0%
Real Estate	3.2%	6.7%	4.0%
Telecommunication Services	4.5%	6.0%	-0.9%
Utilities	3.2%	8.2%	2.2%
Total	**100.0%**	**7.9%**	**13.1%**

MSCI - Emerging Mkt	Sector Weight	Quarter Return	1-Year Return
Consumer Discretionary	10.4%	12.9%	10.4%
Consumer Staples	6.9%	7.6%	1.6%
Energy	7.3%	4.4%	24.1%
Financials	24.1%	10.0%	22.1%
Health Care	2.4%	5.5%	-2.0%
Industrials	5.9%	13.6%	8.1%
Information Technology	24.5%	17.0%	30.4%
Materials	7.5%	12.1%	27.7%
Real Estate	2.6%	10.5%	7.5%
Telecommunication Services	5.6%	7.6%	3.0%
Utilities	2.8%	10.0%	4.0%
Total	**100.0%**	**11.4%**	**17.2%**

Country	MSCI-EAFE Weight	MSCI-ACWIxUS Weight	Quarter Return	1- Year Return
Japan	23.4%	16.3%	4.5%	14.4%
United Kingdom	17.9%	12.4%	5.0%	7.4%
France	10.2%	7.1%	7.3%	12.4%
Germany	9.5%	6.6%	8.4%	14.2%
Switzerland	8.7%	6.1%	8.3%	9.1%
Australia	7.6%	5.3%	11.0%	21.1%
Hong Kong	3.5%	2.4%	13.4%	16.6%
Netherlands	3.5%	2.4%	11.3%	12.9%
Spain	3.4%	2.3%	14.8%	18.4%
Sweden	2.9%	2.0%	9.5%	10.4%
Italy	2.2%	1.5%	6.2%	7.6%
Denmark	1.6%	1.1%	6.1%	-9.8%
Singapore	1.3%	0.9%	13.5%	9.5%
Belgium	1.2%	0.8%	5.1%	-0.4%
Finland	1.0%	0.7%	7.3%	7.9%
Israel	0.7%	0.5%	5.5%	-11.8%
Norway	0.6%	0.4%	1.4%	13.0%
Ireland	0.5%	0.3%	3.8%	0.6%
Austria	0.2%	0.1%	9.0%	21.9%
New Zealand	0.2%	0.1%	2.0%	8.1%
Portugal	0.2%	0.1%	8.3%	8.6%
Total EAFE Countries	**100.0%**	**69.7%**	**7.3%**	**11.7%**
Canada		6.9%	2.5%	14.8%
Total Developed Countries		**76.5%**	**6.8%**	**11.9%**
China		6.3%	12.9%	19.7%
Korea		3.5%	16.9%	20.9%
Taiwan		2.9%	11.8%	23.0%
India		2.1%	17.1%	18.4%
Brazil		1.8%	10.4%	42.8%
South Africa		1.6%	4.4%	8.1%
Russia		0.9%	-4.6%	27.6%
Mexico		0.9%	16.0%	-2.8%
Indonesia		0.6%	7.0%	12.5%
Malaysia		0.6%	8.3%	-8.1%
Thailand		0.5%	8.6%	17.6%
Chile		0.3%	15.9%	18.6%
Poland		0.3%	17.8%	3.5%
Philippines		0.3%	6.1%	-7.3%
Turkey		0.2%	10.8%	-16.6%
Qatar		0.2%	1.9%	4.3%
United Arab Emirates		0.2%	2.3%	7.0%
Colombia		0.1%	5.7%	9.2%
Peru		0.1%	5.5%	29.3%
Greece		0.1%	-3.5%	-3.4%
Hungary		0.1%	-0.1%	15.3%
Czech Republic		0.0%	5.7%	-4.5%
Egypt		0.0%	1.8%	-4.2%
Total Emerging Countries		**23.5%**	**11.4%**	**17.2%**
Total ACWIxUS Countries		**100.0%**	**7.9%**	**13.1%**

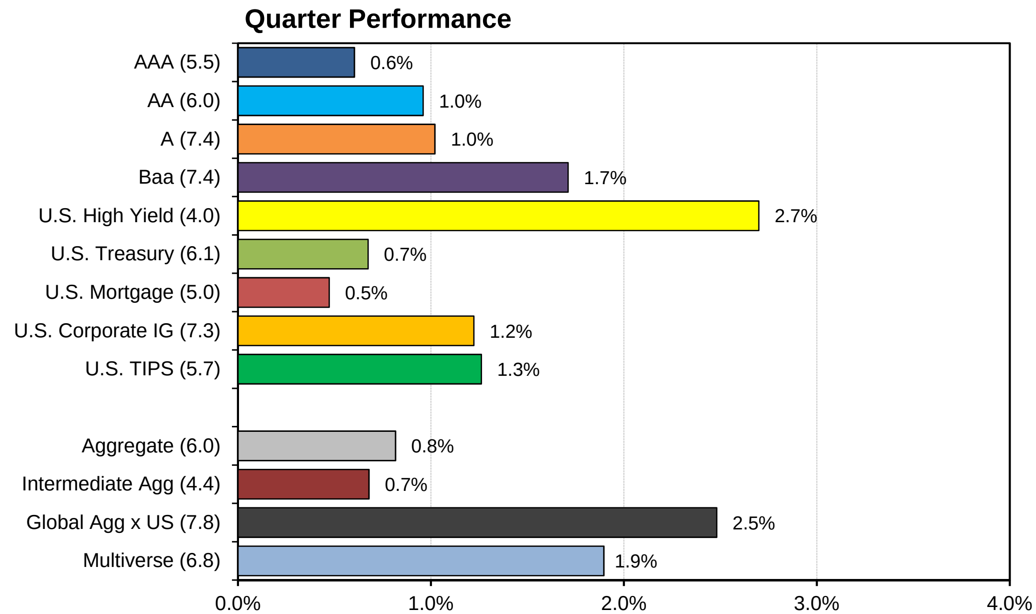
Source: MSCI Global Index Monitor (Returns are Net in USD)

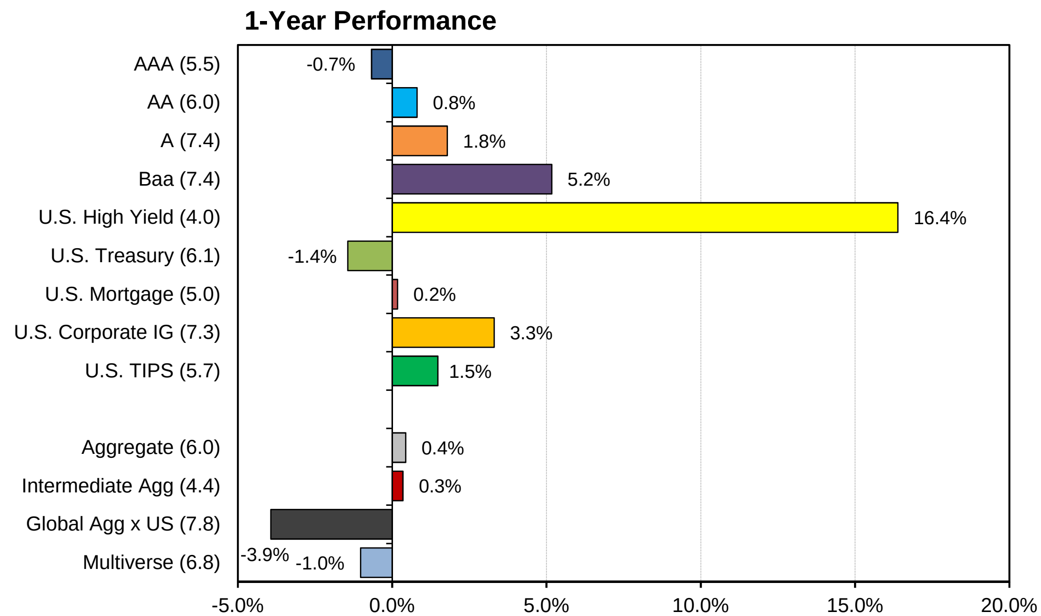
- Each of the fixed income benchmarks we track posted gains for the 1st quarter with the broad market Bloomberg Barclays Aggregate Index returning 0.8% for the period. Short-term market yields rose through the quarter as investors prepared for a widely anticipated 25 basis point (bps) interest rate increase by the Fed. The Fed's second rate hike in six-months was supported by growing inflation and continued improvement in U.S. macroeconomic data. The effect of the interest rate increase was largely "priced in" by the market as participants viewed the move as a sign of continued Fed confidence in the U.S. economic recovery. Fixed income index performance was mixed over the 1-year period with the Bloomberg Barclays Aggregate index returning a muted 0.4% for the period.

- Lower quality bonds outperformed higher quality issues for both the quarter and 1-year period as contracting credit spreads from improvements in economic fundamentals acted as a tailwind to these issues. During the 1st quarter credit spreads for high yield debt decreased by 26 bps versus only 5 bps for investment grade corporate issues. AAA issues returned a muted 0.6% over the quarter compared to a solid 1.7% return for Baa issues. High yield debt was the largest beneficiary of these economic trends, returning 2.7% for the quarter and a significant 16.4% for the 1-year period.

- A review of sector performance shows credit and U.S. TIPS outpaced U.S. Treasury and mortgage backed security (MBS) indices. Credit issues benefited from tightening spreads and TIPS strength coincided with higher future inflation expectations. MBS was the worst performing sector for the quarter as the Fed signaled an eventual end to their ongoing reinvestment in agency MBS (shrinking their balance sheet), which caused spreads on MBS to rise 12 bps. Led by a weakening USD, global bond indices posted solid results for the quarter. Fixed income returns over the 1-year period are mixed with the corporate and TIPS segments outpacing Treasury and MBS issues. Despite a strong quarter, global bond returns trail domestic indices over the 1-year period with the Bloomberg Barclays Aggregate ex U.S. returning -3.9% for the period.

- The Fed indicated future rate increases will be implemented at a measured pace based on an ongoing assessment of current economic data. However, future policy action by the Trump administration and global economic developments will also likely impact the pace of future interest rate increases. Current market expectations are for two additional interest rate increases in 2017.



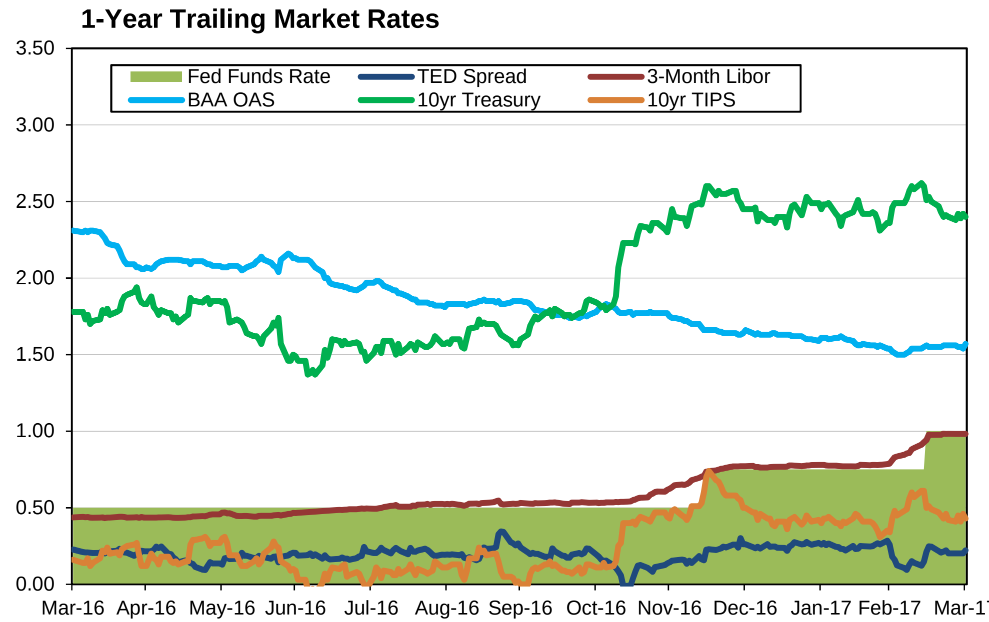


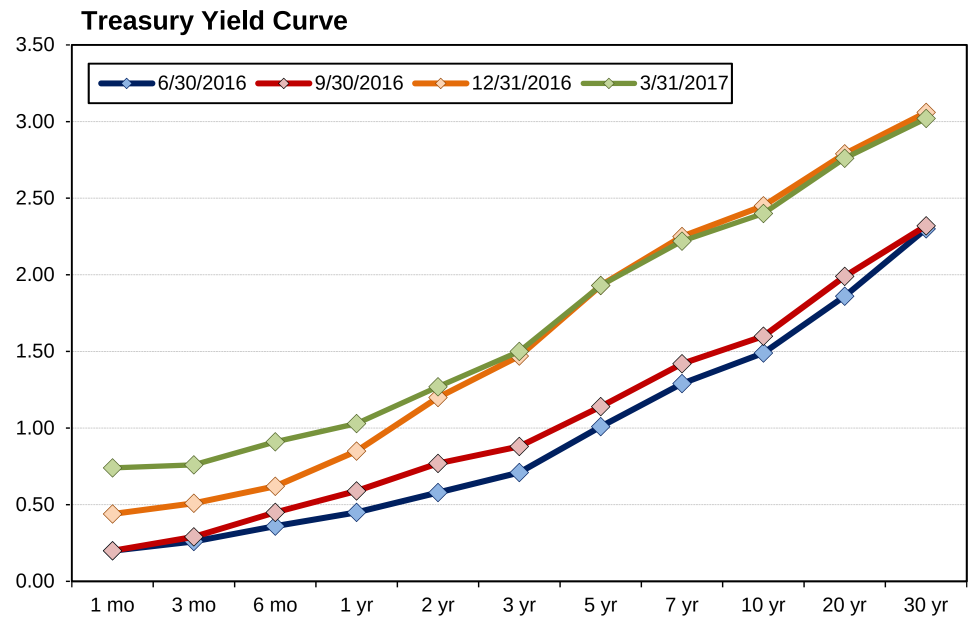
Source: Barclays Capital Live

- 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 2016, the 10-year Treasury yield (green line) rose dramatically in the 4th quarter of 2016 but held largely steady during the 1st quarter of 2017. After closing 2016 with a 2.45% yield, the 10-year Treasury finished the 1st quarter at a slightly lower 2.40%. The blue line illustrates changes in the BAA OAS (Option Adjusted Spread). This measure quantifies the additional yield premium that investors require to purchase and hold non-Treasury issues. This line illustrates a steady decline in credit spreads throughout 2016 and into 2017. This decline is equivalent to an interest rate decrease on corporate bonds, which produces a tailwind for corporate bond index returns. These credit spreads have tightened by about 75 bps over the last 12-months. The green shading at the bottom of the graph illustrates the continued increase in the Federal Funds Rate due to a less accommodative Fed monetary policy.

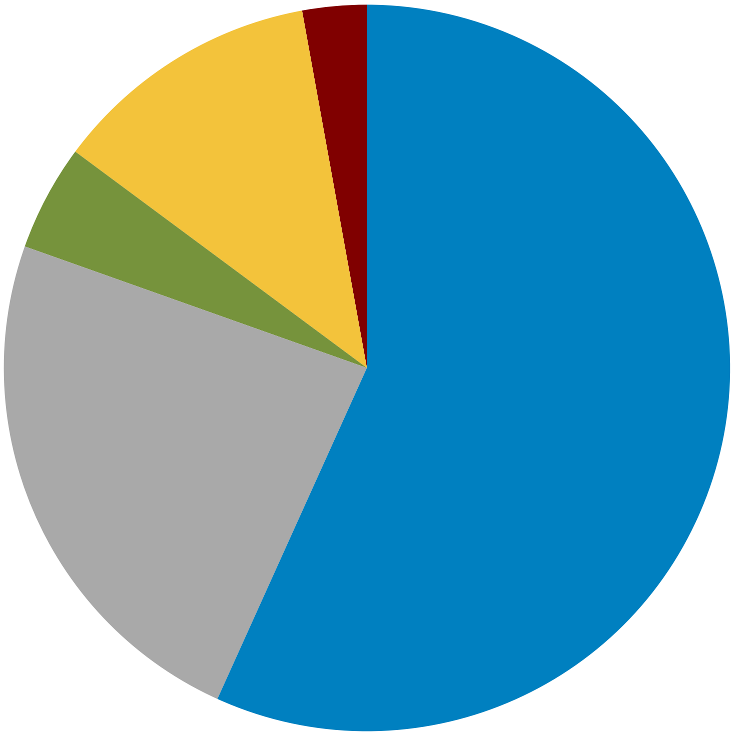
- The lower graph provides a snapshot of the U.S. Treasury yield curve at each of the last four calendar quarters. The yield curve flattened throughout the 1st quarter as yields on shorter-term maturities rose during the period, while interest rates on the long end of the curve (beyond 5-years) exhibited marginal declines. While interest rate movement during the during 1st quarter were relative small, the significant upward shift in interest rates since June of 2016 is clearly visible. Yields on the 3-month Treasury Bill have increased by 50 bps since June 30, 2016 and yields on the 30-year Treasury Bond have jumped by more than 70 bps over the same period.

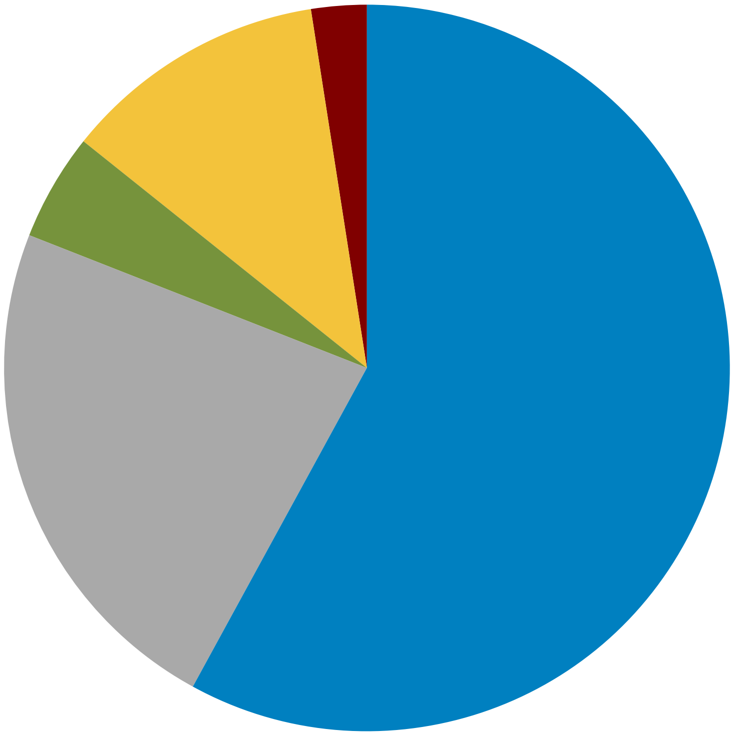
- Despite the rise in short-term interest rates, most fixed income indices finished the 1st quarter in positive territory. In a rising rate environment, it is generally expected that longer-duration market indices will fall more than equivalent lower-duration benchmarks. However, the magnitude of interest rate shifts across the term structure and spread movements can lead to atypical short-term results. Finally, while global benchmarks are impacted by the same local yield and duration factors as domestic benchmarks, the returns of these indices are also significantly influenced by fluctuations in their currency denomination relative to the USD. This currency effect can either be an offsetting benefit to negative yield and duration factors in a rising rate environment as it was during the 1st quarter, or it can further exacerbate negative performance as it did in 2016.





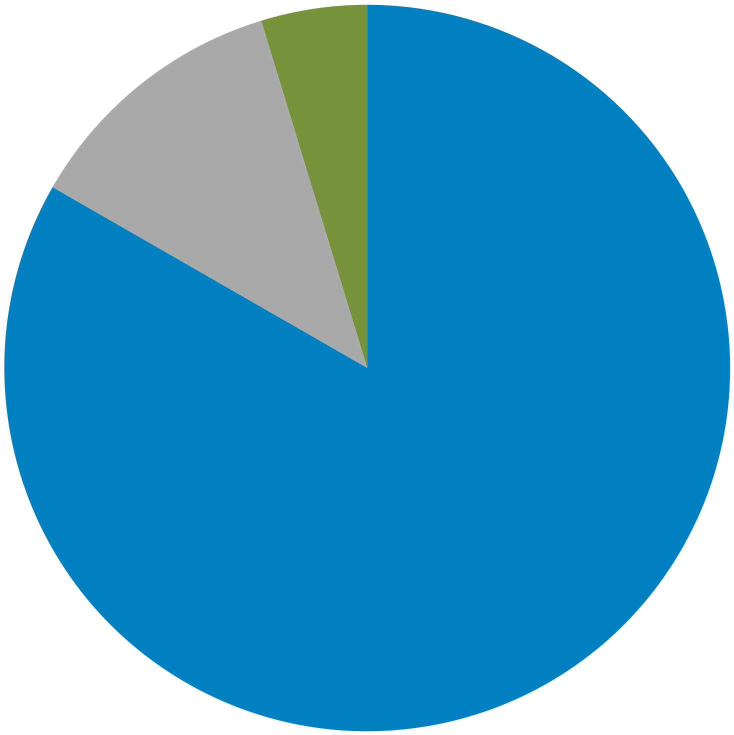
Asset Allocation By Segment as of December 31, 2016 : $50,124,861	**Asset Allocation By Segment as of March 31, 2017 : $51,914,773**



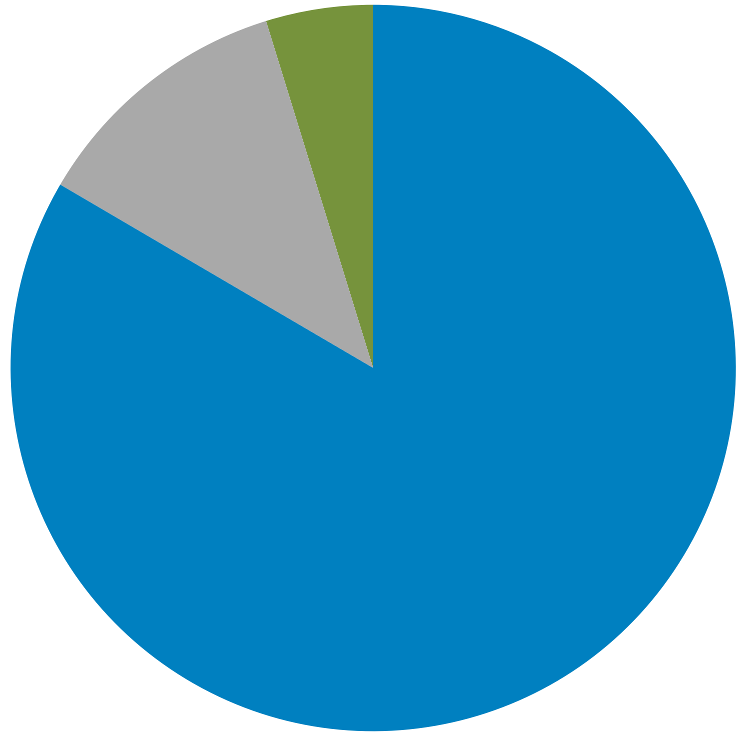


Allocation			Allocation		
Segments	**Market Value**	**Allocation**	**Segments**	**Market Value**	**Allocation**
Equity	28,449,899	56.8	Equity	30,092,829	58.0
Domestic Fixed Income	11,866,131	23.7	Domestic Fixed Income	11,936,352	23.0
Global Fixed Income	2,366,973	4.7	Global Fixed Income	2,477,041	4.8
Real Estate	6,007,344	12.0	Real Estate	6,126,676	11.8
Cash Equivalent	1,434,515	2.9	Cash Equivalent	1,281,874	2.5

Asset Allocation By Manager as of December 31, 2016 : $50,124,861



Asset Allocation By Manager as of March 31, 2017 : $51,914,773

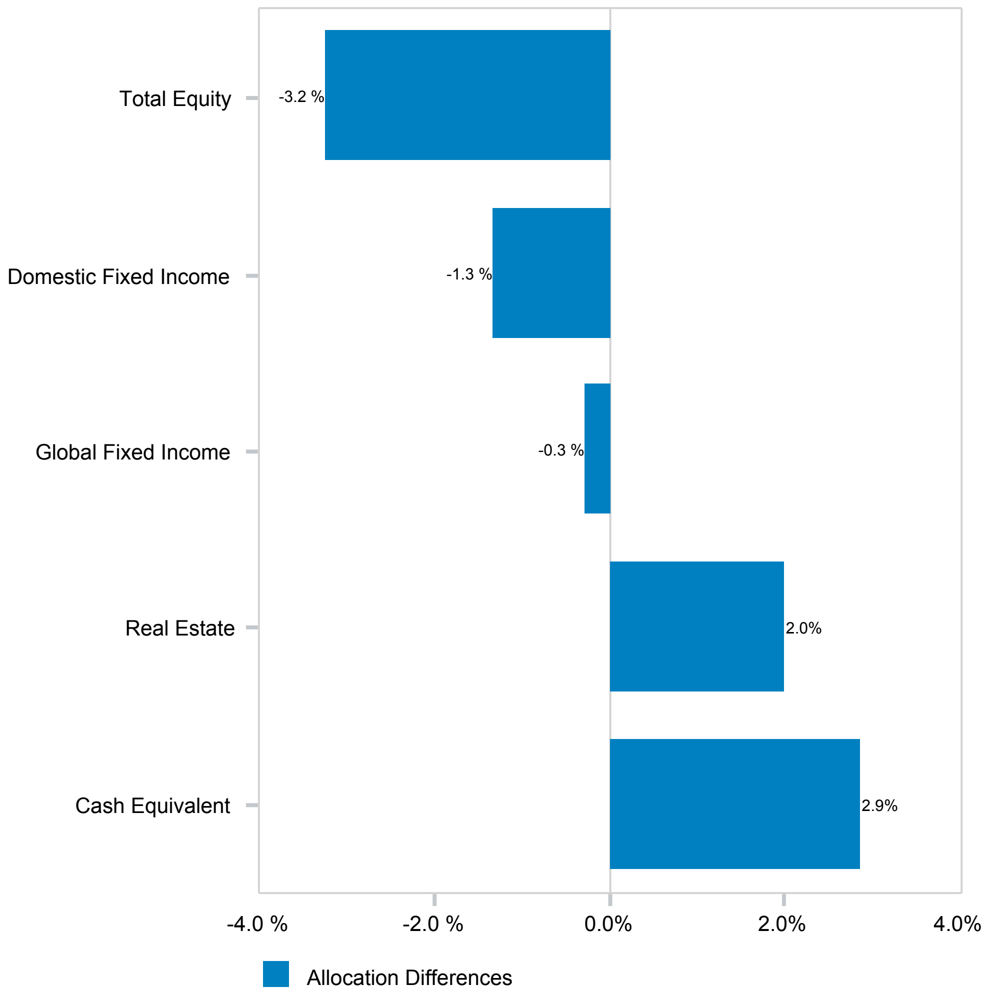


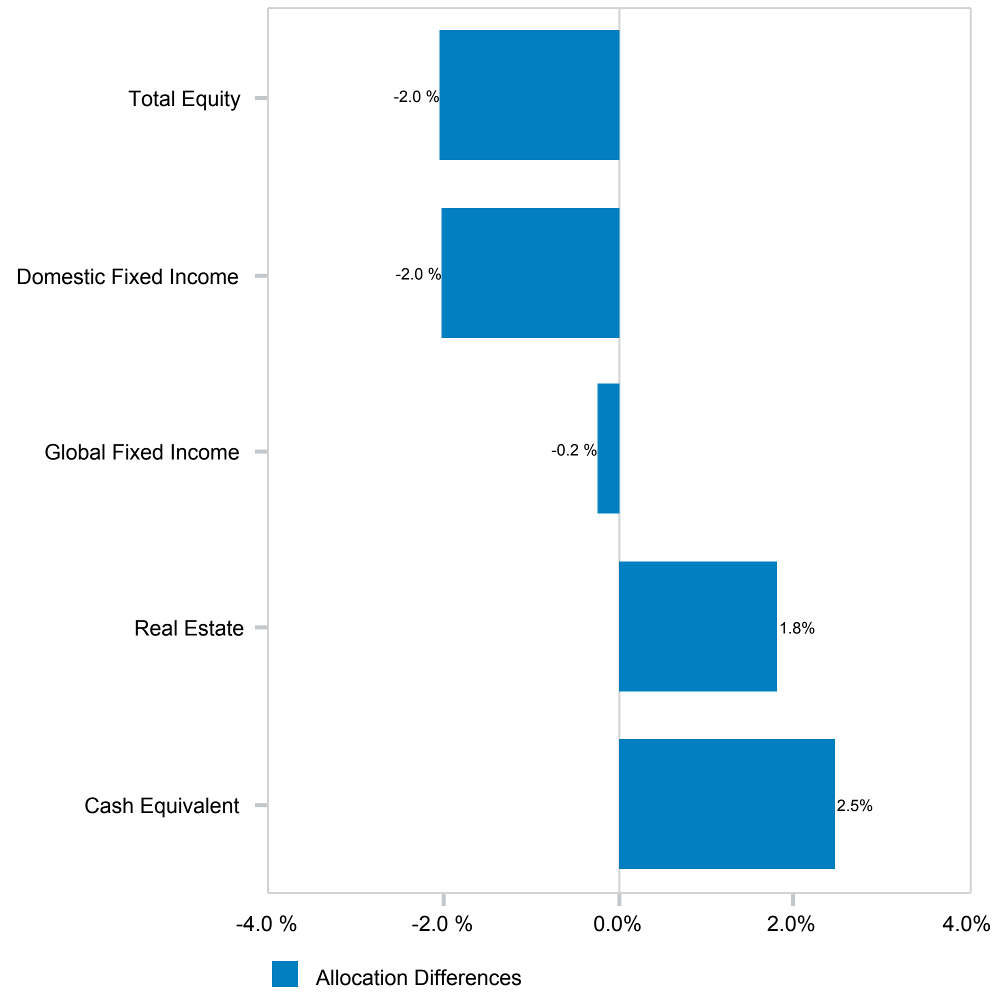
Allocation (December 31, 2016)

	Market Value	Allocation
Highland Capital	41,750,545	83.3
American Core Realty Fund	6,007,344	12.0
Templeton Global	2,366,973	4.7

Allocation (March 31, 2017)

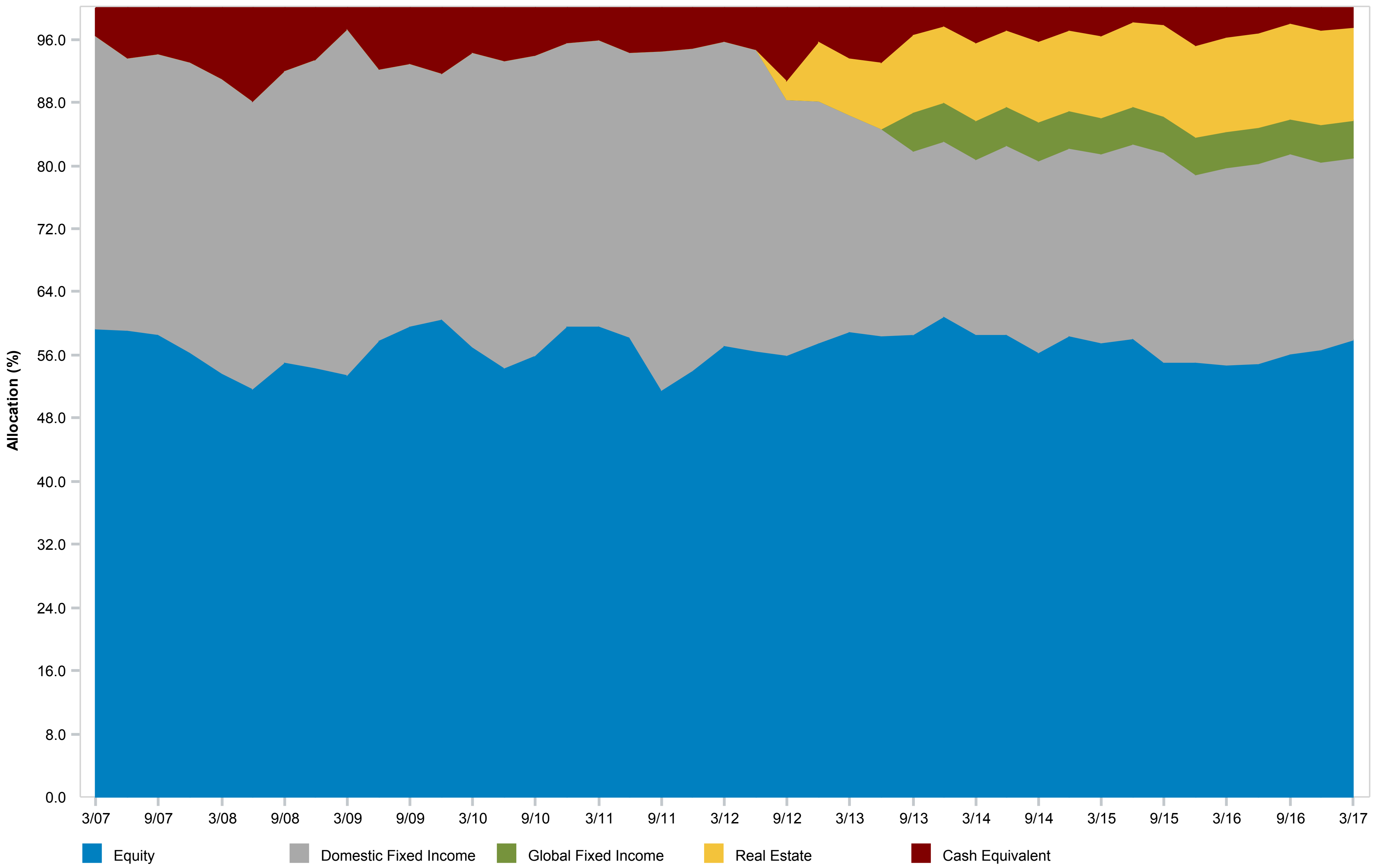
	Market Value	Allocation
Highland Capital	43,311,056	83.4
American Core Realty Fund	6,126,676	11.8
Templeton Global	2,477,041	4.8





As of December 31, 2016				As of March 31, 2017			
	Market Value $	Allocation (%)	Target (%)		Market Value $	Allocation (%)	Target (%)
Total Equity	28,449,899	56.8	60.0	Total Equity	30,092,829	58.0	60.0
Domestic Fixed Income	11,866,131	23.7	25.0	Domestic Fixed Income	11,936,352	23.0	25.0
Global Fixed Income	2,366,973	4.7	5.0	Global Fixed Income	2,477,041	4.8	5.0
Real Estate	6,007,344	12.0	10.0	Real Estate	6,126,676	11.8	10.0
Cash Equivalent	1,434,515	2.9	0.0	Cash Equivalent	1,281,874	2.5	0.0
Total Fund	50,124,861	100.0	100.0	Total Fund	51,914,773	100.0	100.0

Historical Asset Allocation by Segment



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Financial Reconciliation Quarter to Date

	Market Value 01/01/2017	Net Transfers	Contributions	Distributions	Management Fees	Other Expenses	Income	Apprec./ Deprec.	Market Value 03/31/2017
Highland Capital	41,750,545	-	445,081	-649,911	-	-60,696	244,070	1,581,967	43,311,056
Templeton Global	2,366,973	-	-	-	-	-	16,564	93,505	2,477,041
American Core Realty Fund	6,007,344	-	-	-	-16,895	-	90,110	46,117	6,126,676
Mutual Fund Cash	-	-	-	-	-	-	-	-	-
Total Fund	**50,124,861**	**-**	**445,081**	**-649,911**	**-16,895**	**-60,696**	**350,744**	**1,721,589**	**51,914,773**

Financial Reconciliation Fiscal Year to Date

	Market Value 10/01/2016	Net Transfers	Contributions	Distributions	Management Fees	Other Expenses	Income	Apprec./ Deprec.	Market Value 03/31/2017
Highland Capital	41,192,738	-197	826,562	-1,330,164	-81,891	-76,991	492,670	2,288,327	43,311,056
Templeton Global	2,186,008	-	-	-	-	-	29,852	261,182	2,477,041
American Core Realty Fund	5,952,584	-	-	-	-33,461	-	179,399	28,154	6,126,676
Mutual Fund Cash	-	197	-	-	-	-197	-	-	-
Total Fund	**49,331,330**	**-**	**826,562**	**-1,330,164**	**-115,352**	**-77,188**	**701,921**	**2,577,663**	**51,914,773**

Comparative Performance Trailing Returns

	QTR		FYTD		1 YR		3 YR		5 YR		Inception		Inception Date
Total Fund (Net)	4.12		6.48		10.54		5.87		7.70		6.68		01/01/1998
Total Fund Policy	4.23		5.02		10.82		6.48		8.31		6.38		
Total Fund (Gross)	4.15	(69)	6.73	(10)	10.97	(49)	6.33	(17)	8.17	(32)	7.07	(14)	01/01/1998
Total Fund Policy	4.23	(63)	5.02	(60)	10.82	(51)	6.48	(13)	8.31	(26)	6.38	(55)	
All Public Plans-Total Fund Median	4.43		5.28		10.90		5.54		7.74		6.42		
Highland Capital Equity (Gross)	6.03	(28)	11.12	(30)	16.49	(55)	7.51	(72)	10.87	(84)	8.14	(74)	01/01/1998
Total Equity Policy	6.31	(24)	9.37	(52)	17.05	(49)	7.57	(71)	11.41	(74)	6.28	(100)	
IM U.S. All Cap Core Equity (SA+CF) Median	5.39		9.44		16.94		8.59		13.44		8.25		
Highland Capital Fixed (Gross)	1.00	(40)	-1.87	(49)	1.99	(21)	3.05	(42)	2.63	(63)	4.81	(98)	01/01/1998
Total Fixed Policy	0.82	(77)	-2.18	(77)	0.44	(78)	2.68	(83)	2.31	(93)	5.10	(84)	
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	0.92		-1.89		1.01		2.97		2.81		5.42		
Templeton Global	4.65	(4)	13.31	(1)	11.46	(2)	2.66	(20)	N/A		3.41	(15)	08/01/2013
Citigroup World Government Bond Index	1.55	(64)	-7.11	(97)	-3.65	(91)	-1.20	(87)	-0.58	(88)	-0.16	(88)	
IM Global Fixed Income (MF) Median	1.96		-1.73		1.36		0.42		1.30		1.37		
American Core Realty Fund	2.27	(25)	3.49	(83)	6.71	(96)	10.97	(88)	N/A		11.35	(78)	07/01/2012
NCREIF Fund Index-Open End Diversified Core (EW)	1.81	(43)	4.01	(59)	8.60	(61)	11.95	(62)	11.98	(69)	12.02	(76)	
IM U.S. Open End Private Real Estate (SA+CF) Median	1.51		4.11		8.66		12.31		12.75		12.56		

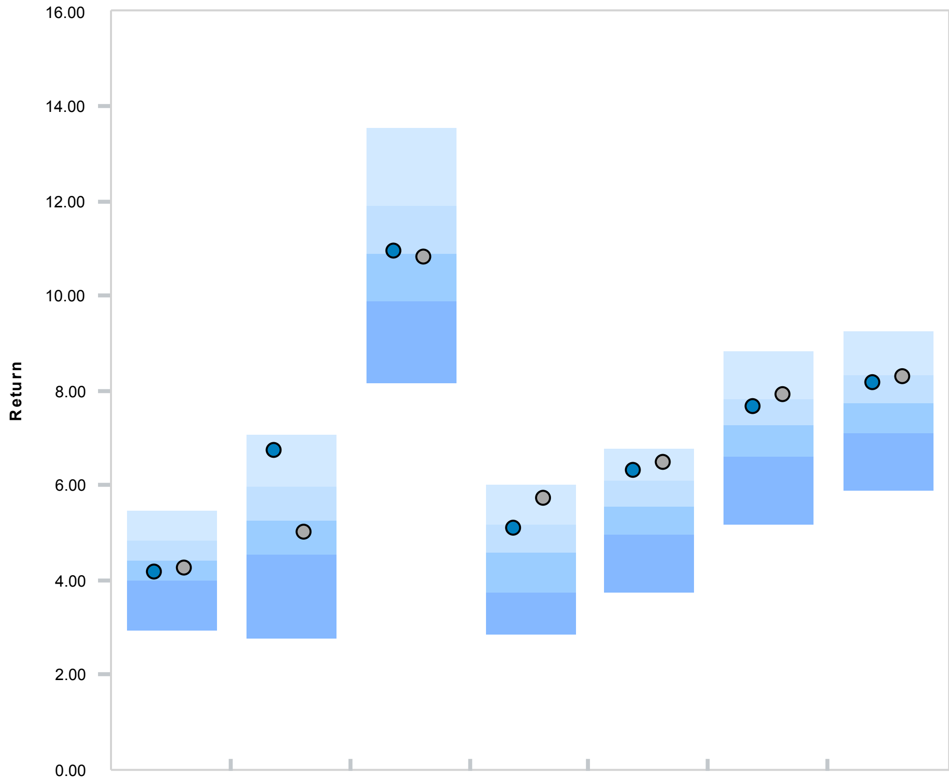
Returns for periods greater than one year are annualized.
Returns are expressed as percentages. Fiscal year ends September 30th.

Comparative Performance Fiscal Year Returns

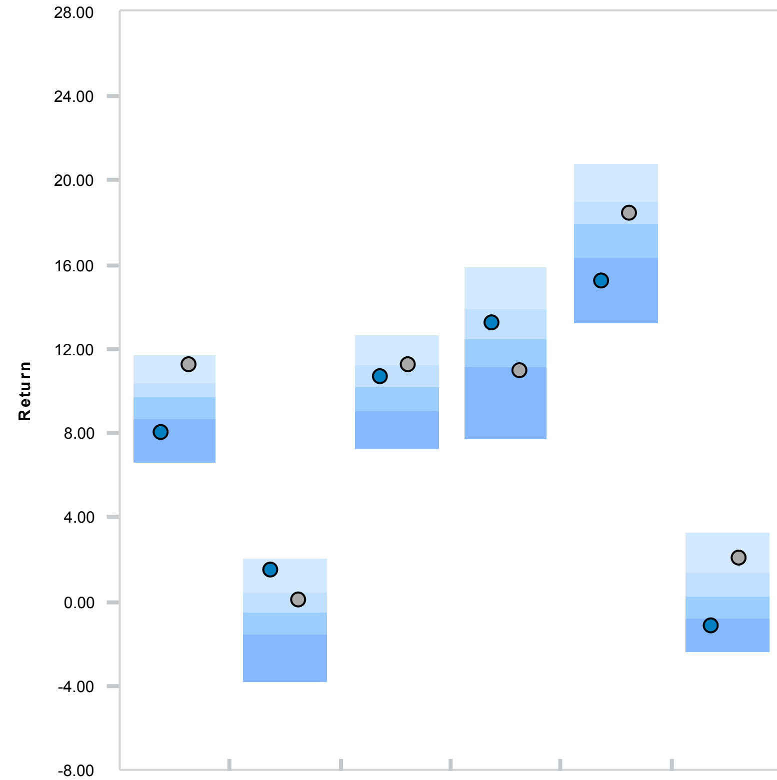
	Oct-2015 To Sep-2016	Oct-2014 To Sep-2015	Oct-2013 To Sep-2014	Oct-2012 To Sep-2013	Oct-2011 To Sep-2012	Oct-2010 To Sep-2011	Oct-2009 To Sep-2010	Oct-2008 To Sep-2009
Total Fund (Net)	**7.49**	**1.11**	**10.06**	**12.76**	**14.76**	**-1.76**	**8.90**	**7.81**
Total Fund Policy	11.23	0.03	11.18	10.98	18.44	2.01	9.17	1.86
Total Fund (Gross)	**7.99 (85)**	**1.48 (11)**	**10.65 (39)**	**13.18 (38)**	**15.22 (86)**	**-1.21 (81)**	**9.23 (71)**	**8.14 (4)**
Total Fund Policy	11.23 (9)	0.03 (36)	11.18 (26)	10.98 (77)	18.44 (37)	2.01 (16)	9.17 (73)	1.86 (48)
All Public Plans-Total Fund Median	9.67	-0.53	10.16	12.49	17.93	0.29	9.93	1.59
Highland Capital Equity (Gross)	**9.30 (74)**	**-0.41 (50)**	**14.17 (70)**	**23.16 (63)**	**23.08 (79)**	**-6.76 (98)**	**10.14 (61)**	**4.38 (12)**
Total Equity Policy	13.68 (38)	-3.37 (82)	15.61 (62)	20.14 (84)	27.76 (49)	-0.40 (63)	9.23 (76)	-5.31 (45)
IM U.S. All Cap Core Equity (SA+CF) Median	11.64	-0.51	16.48	24.50	27.63	1.01	11.05	-5.83
Highland Capital Fixed (Gross)	**7.00 (9)**	**2.18 (88)**	**3.95 (80)**	**-2.75 (100)**	**7.18 (39)**	**5.29 (47)**	**8.31 (81)**	**12.15 (54)**
Total Fixed Policy	5.19 (80)	2.94 (59)	3.85 (87)	-1.86 (89)	5.28 (87)	5.23 (53)	8.00 (90)	10.60 (81)
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	5.67	3.02	4.50	-1.26	6.61	5.26	9.26	12.28
Templeton Global	**0.68 (100)**	**-7.69 (92)**	**6.34 (12)**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
Citigroup World Government Bond Index	9.71 (18)	-3.83 (51)	-0.07 (96)	-4.60 (82)	3.29 (96)	4.61 (8)	4.99 (89)	13.78 (51)
IM Global Fixed Income (MF) Median	7.24	-3.76	3.41	-1.80	7.18	1.77	7.68	13.86
American Core Realty Fund	**9.04 (97)**	**13.98 (68)**	**12.49 (66)**	**12.27 (72)**	**N/A**	**N/A**	**N/A**	**N/A**
NCREIF Fund Index-Open End Diversified Core (EW)	10.62 (66)	14.71 (64)	12.39 (70)	12.47 (69)	11.77 (66)	18.03 (41)	6.14 (52)	-36.09 (54)
IM U.S. Open End Private Real Estate (SA+CF) Median	11.02	15.54	12.90	13.22	12.90	16.62	6.39	-34.80

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	4.15	(69)	6.73	(10)	10.97	(49)	5.09	(29)	6.33	(17)	7.68	(34)	8.17	(32)
Total Fund Policy	4.23	(63)	5.02	(60)	10.82	(51)	5.74	(10)	6.48	(13)	7.92	(24)	8.31	(26)
Median	4.43		5.28		10.90		4.58		5.54		7.29		7.74	

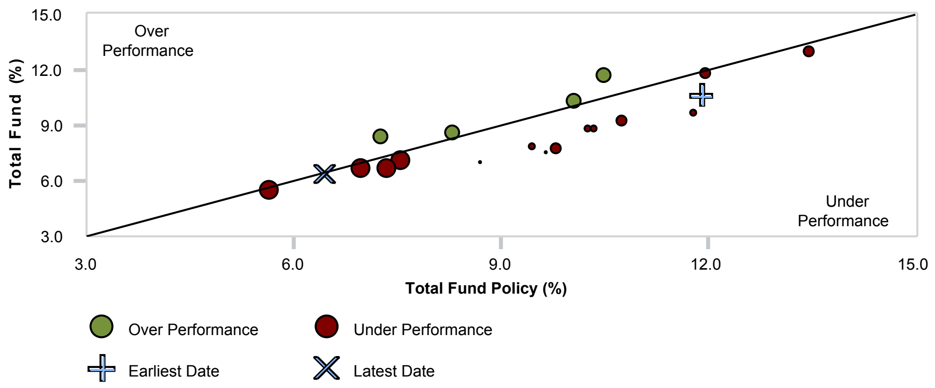


	Oct-2015 To Sep-2016		Oct-2014 To Sep-2015		Oct-2013 To Sep-2014		Oct-2012 To Sep-2013		Oct-2011 To Sep-2012		Oct-2010 To Sep-2011	
Total Fund	7.99	(85)	1.48	(11)	10.65	(39)	13.18	(38)	15.22	(86)	-1.21	(81)
Total Fund Policy	11.23	(9)	0.03	(36)	11.18	(26)	10.98	(77)	18.44	(37)	2.01	(16)
Median	9.67		-0.53		10.16		12.49		17.93		0.29	

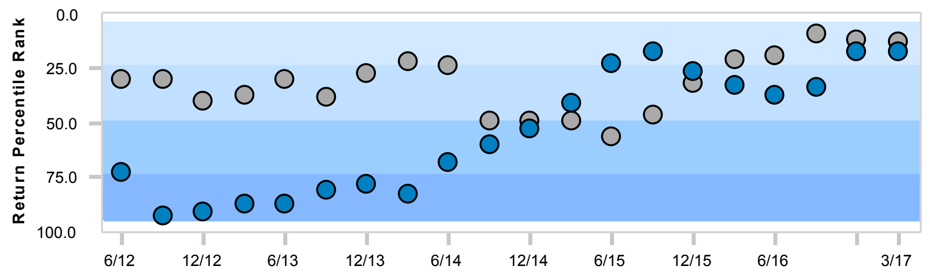
Comparative Performance

	1 Qtr Ending Dec-2016		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	
Total Fund	2.47	(5)	2.51	(86)	1.42	(83)	0.74	(67)	3.11	(41)	-4.49	(29)
Total Fund Policy	0.76	(51)	3.37	(52)	2.08	(39)	1.85	(12)	3.50	(18)	-4.38	(25)
All Public Plans-Total Fund Median	0.76		3.41		1.91		1.04		2.88		-5.03	

3 Yr Rolling Under/Over Performance - 5 Years

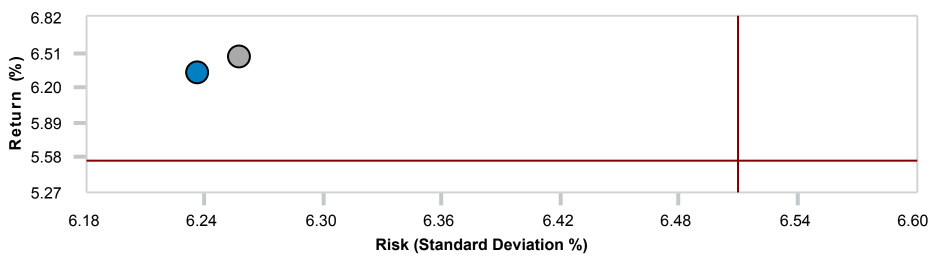


3 Yr Rolling Percentile Ranking - 5 Years



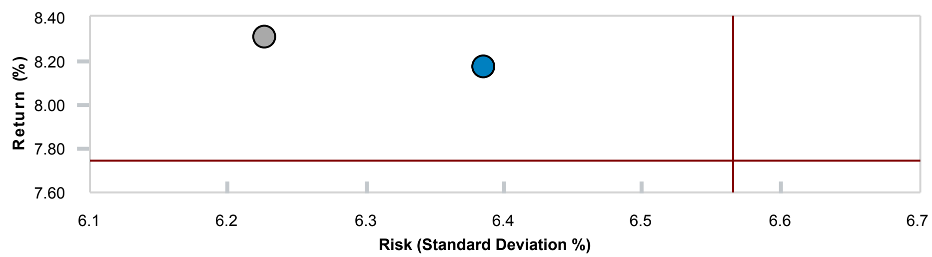
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Total Fund	20	4 (20%)	5 (25%)	4 (20%)	7 (35%)
Total Fund Policy	20	7 (35%)	12 (60%)	1 (5%)	0 (0%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
Total Fund	6.33	6.24
Total Fund Policy	6.48	6.26
Median	5.55	6.51

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
Total Fund	8.17	6.39
Total Fund Policy	8.31	6.23
Median	7.74	6.57

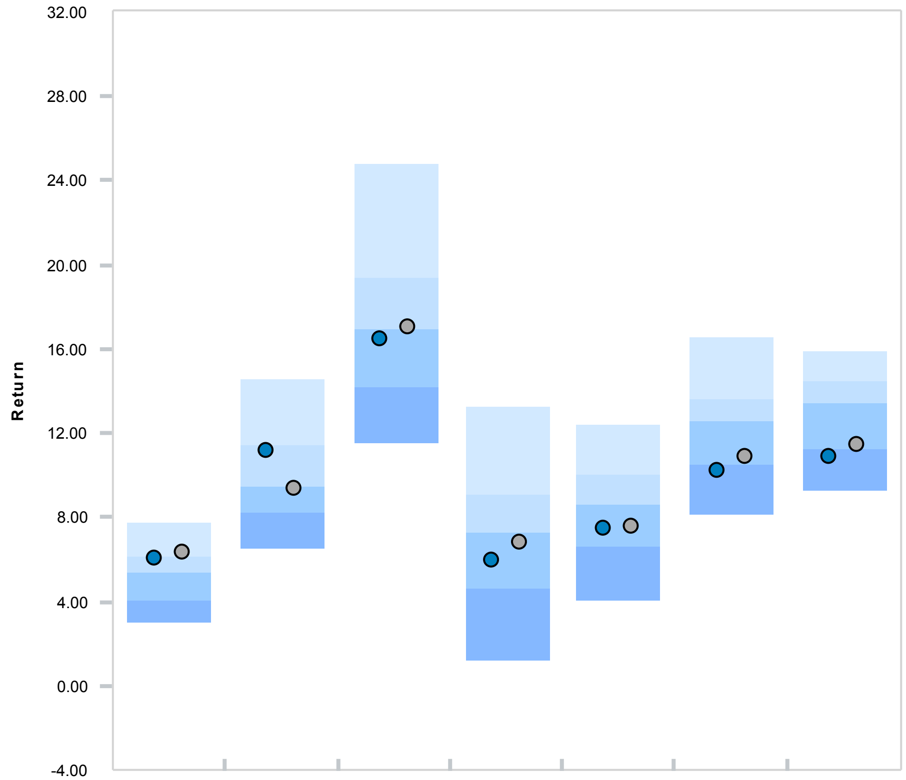
Historical Statistics - 3 Years

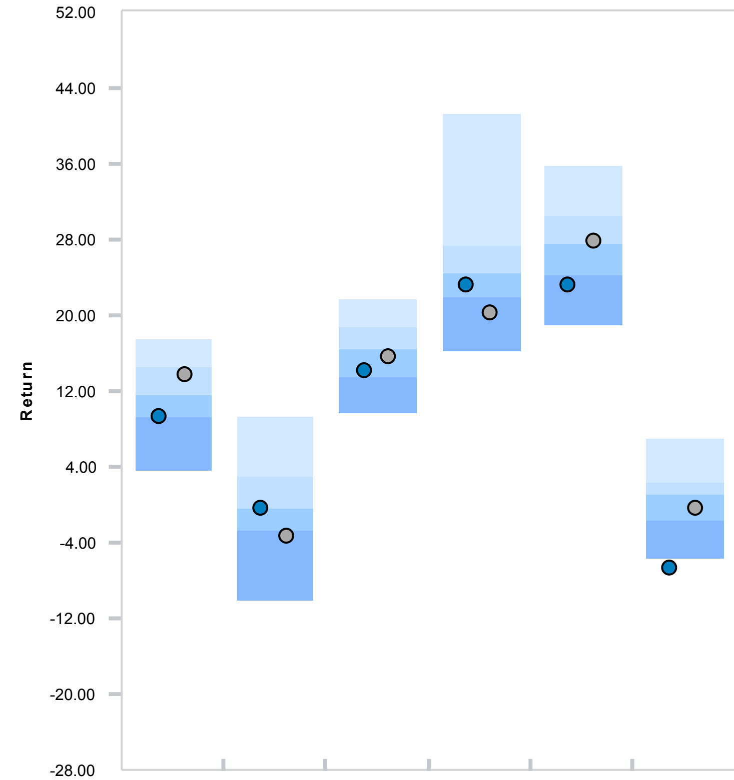
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund	1.53	95.10	91.83	0.08	-0.09	1.00	0.97	3.58
Total Fund Policy	0.00	100.00	100.00	0.00	N/A	1.02	1.00	3.47

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund	1.97	98.62	98.66	0.08	-0.06	1.25	0.98	3.68
Total Fund Policy	0.00	100.00	100.00	0.00	N/A	1.30	1.00	3.45

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





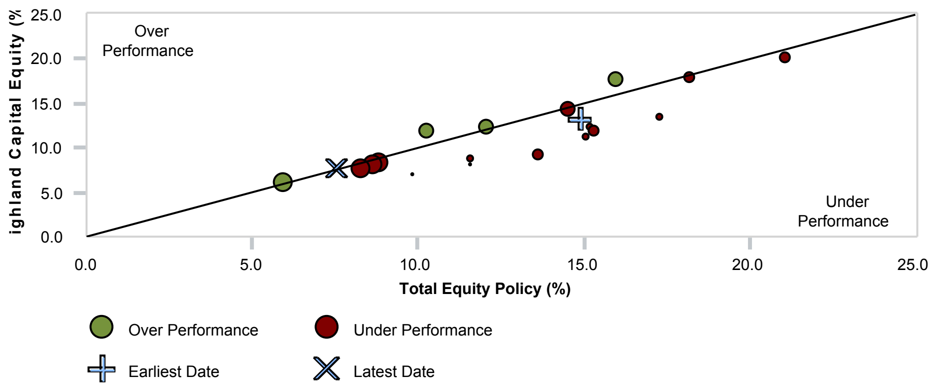
	QTR		FYTD		1 YR		2 YR		3 YR		4 YR		5 YR	
● Highland Capital Equity	6.03	(28)	11.12	(30)	16.49	(55)	5.91	(67)	7.51	(72)	10.20	(80)	10.87	(84)
● Total Equity Policy	6.31	(24)	9.37	(52)	17.05	(49)	6.84	(56)	7.57	(71)	10.85	(71)	11.41	(74)
Median	5.39		9.44		16.94		7.28		8.59		12.60		13.44	

	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	
● Highland Capital Equity	9.30	(74)	-0.41	(50)	14.17	(70)	23.16	(63)	23.08	(79)	-6.76	(98)
● Total Equity Policy	13.68	(38)	-3.37	(82)	15.61	(62)	20.14	(84)	27.76	(49)	-0.40	(63)
Median	11.64		-0.51		16.48		24.50		27.63		1.01	

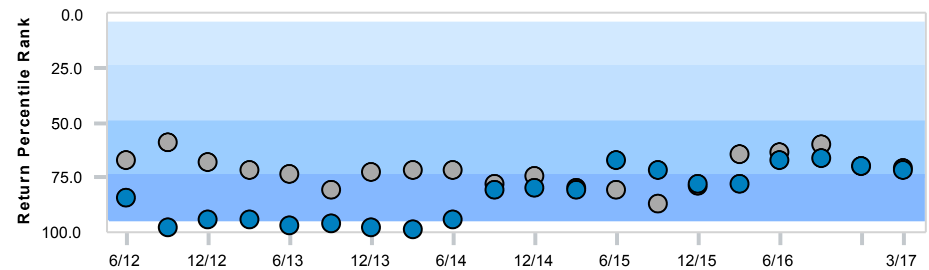
Comparative Performance

	1 Qtr Ending Dec-2016		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	
Highland Capital Equity	4.81	(50)	3.82	(74)	0.97	(67)	-0.78	(75)	5.08	(55)	-8.42	(64)
Total Equity Policy	2.87	(67)	5.05	(49)	1.88	(52)	0.66	(43)	5.53	(40)	-8.48	(65)
IM U.S. All Cap Core Equity (SA+CF) Median	4.79		4.95		2.02		0.16		5.25		-7.39	

3 Yr Rolling Under/Over Performance - 5 Years

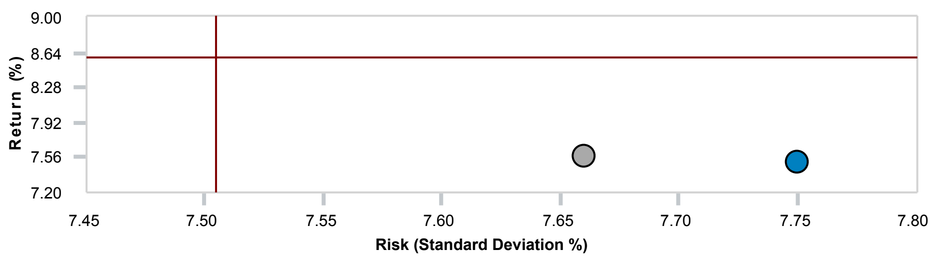


3 Yr Rolling Percentile Ranking - 5 Years



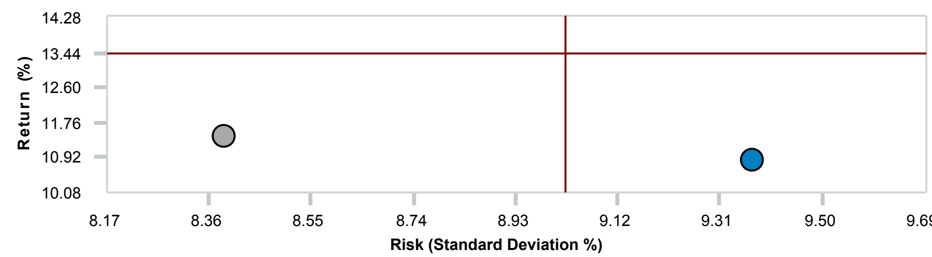
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Highland Capital Equity	20	0 (0%)	0 (0%)	6 (30%)	14 (70%)
Total Equity Policy	20	0 (0%)	0 (0%)	14 (70%)	6 (30%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
Highland Capital Equity	7.51	7.75
Total Equity Policy	7.57	7.66
Median	8.59	7.50

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
Highland Capital Equity	10.87	9.37
Total Equity Policy	11.41	8.39
Median	13.44	9.02

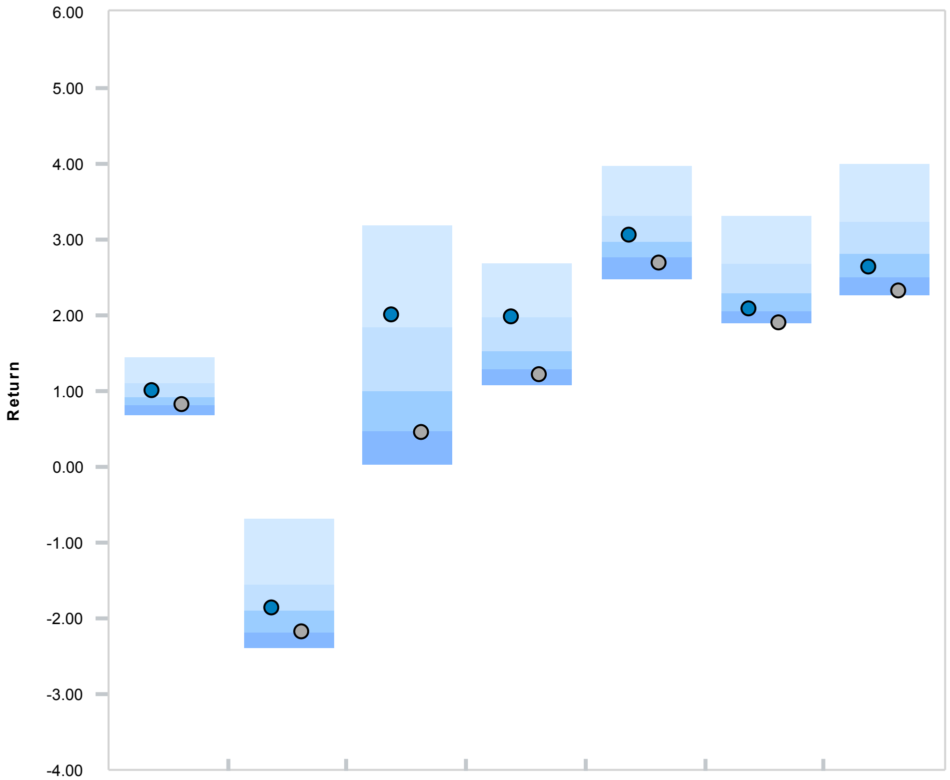
Historical Statistics - 3 Years

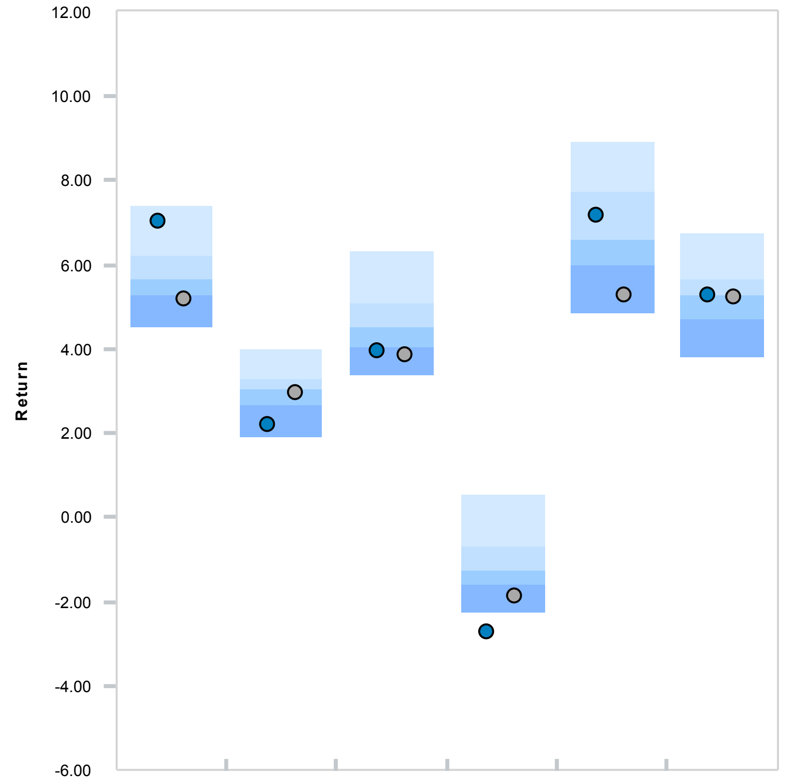
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Highland Capital Equity	2.28	100.17	100.61	-0.02	-0.01	0.72	1.00	6.40
Total Equity Policy	0.00	100.00	100.00	0.00	N/A	0.74	1.00	6.24

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Highland Capital Equity	3.10	100.79	106.17	-0.66	-0.14	0.98	1.02	6.69
Total Equity Policy	0.00	100.00	100.00	0.00	N/A	1.08	1.00	6.13

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





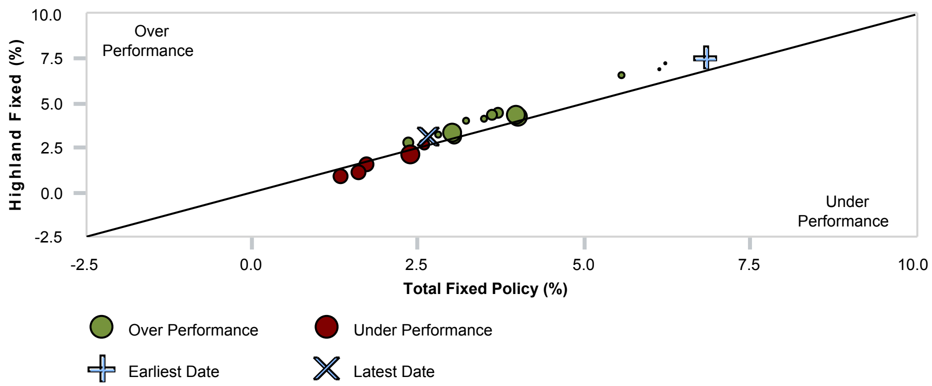
	QTR		FYTD		1 YR		2 YR		3 YR		4 YR		5 YR	
● Highland Fixed	1.00	(40)	-1.87	(49)	1.99	(21)	1.96	(26)	3.05	(42)	2.07	(74)	2.63	(63)
● Total Fixed Policy	0.82	(77)	-2.18	(77)	0.44	(78)	1.20	(85)	2.68	(83)	1.90	(92)	2.31	(93)
Median	0.92		-1.89		1.01		1.53		2.97		2.30		2.81	

	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	
● Highland Fixed	7.00	(9)	2.18	(88)	3.95	(80)	-2.75	(100)	7.18	(39)	5.29	(47)
● Total Fixed Policy	5.19	(80)	2.94	(59)	3.85	(87)	-1.86	(89)	5.28	(87)	5.23	(53)
Median	5.67		3.02		4.50		-1.26		6.61		5.26	

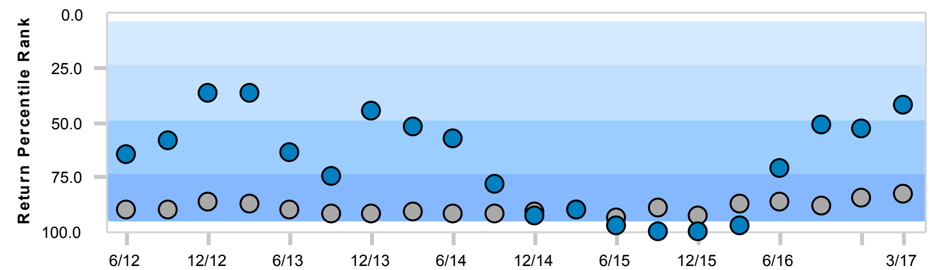
Comparative Performance

	1 Qtr Ending Dec-2016		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	
Highland Fixed	-2.84	(58)	0.89	(29)	3.01	(5)	3.57	(3)	-0.60	(76)	1.13	(52)
Total Fixed Policy	-2.98	(75)	0.46	(78)	2.21	(71)	3.03	(49)	-0.57	(72)	1.23	(40)
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	-2.81		0.69		2.34		3.03		-0.45		1.14	

3 Yr Rolling Under/Over Performance - 5 Years

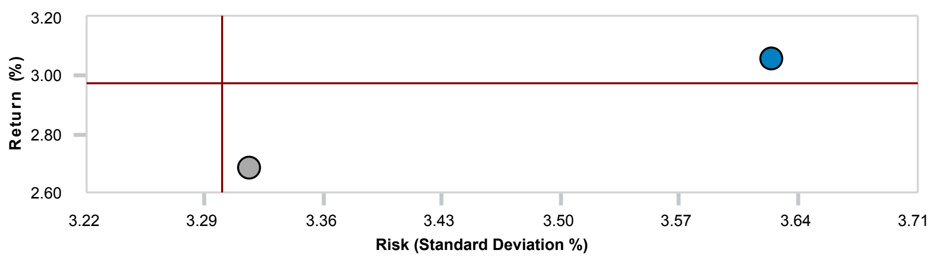


3 Yr Rolling Percentile Ranking - 5 Years



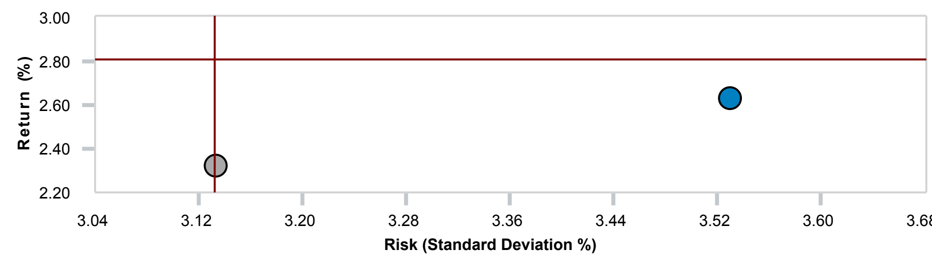
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Highland Fixed	20	0 (0%)	4 (20%)	9 (45%)	7 (35%)
Total Fixed Policy	20	0 (0%)	0 (0%)	0 (0%)	20 (100%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
Highland Fixed	3.05	3.63
Total Fixed Policy	2.68	3.32
Median	2.97	3.30

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
Highland Fixed	2.63	3.53
Total Fixed Policy	2.31	3.13
Median	2.81	3.13

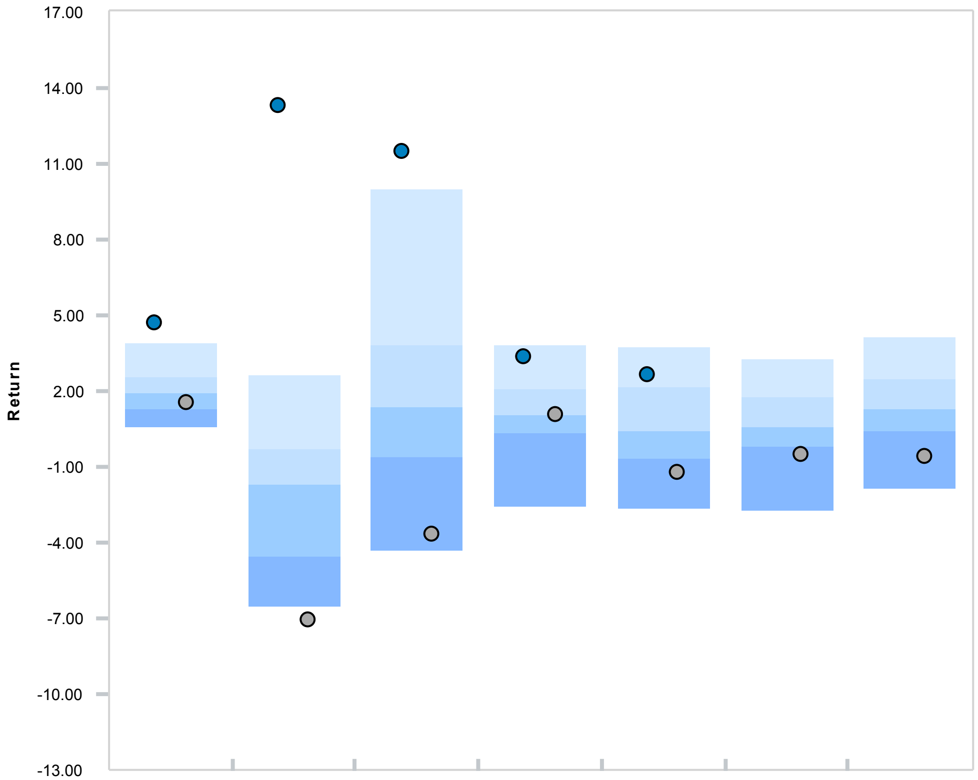
Historical Statistics - 3 Years

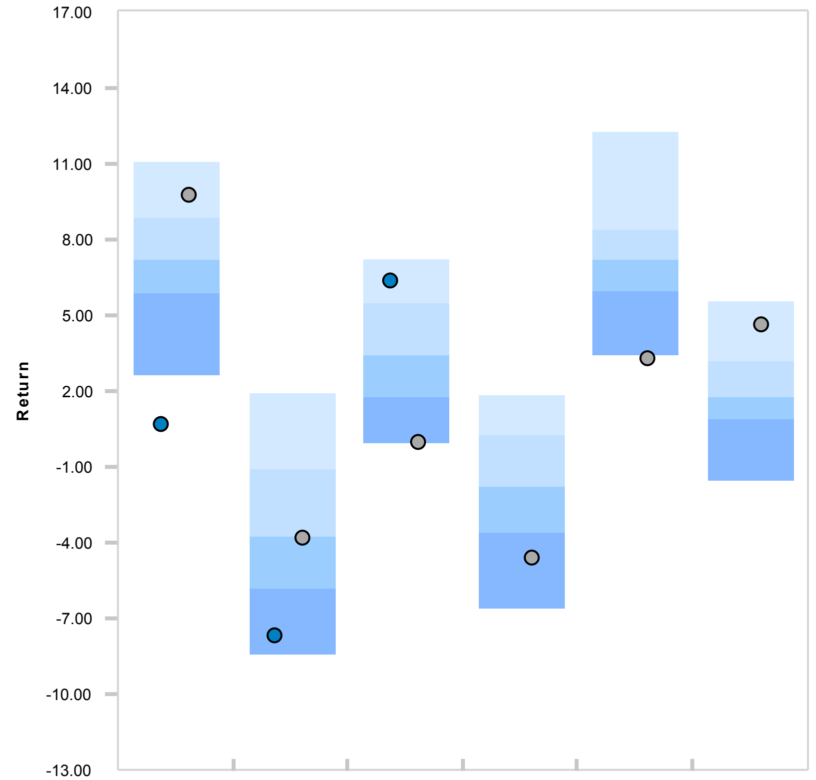
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Highland Fixed	1.08	114.68	115.58	0.24	0.34	0.91	1.05	1.91
Total Fixed Policy	0.00	100.00	100.00	0.00	N/A	0.88	1.00	1.75

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Highland Fixed	1.08	113.89	114.09	0.15	0.30	0.77	1.07	2.07
Total Fixed Policy	0.00	100.00	100.00	0.00	N/A	0.76	1.00	1.85

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





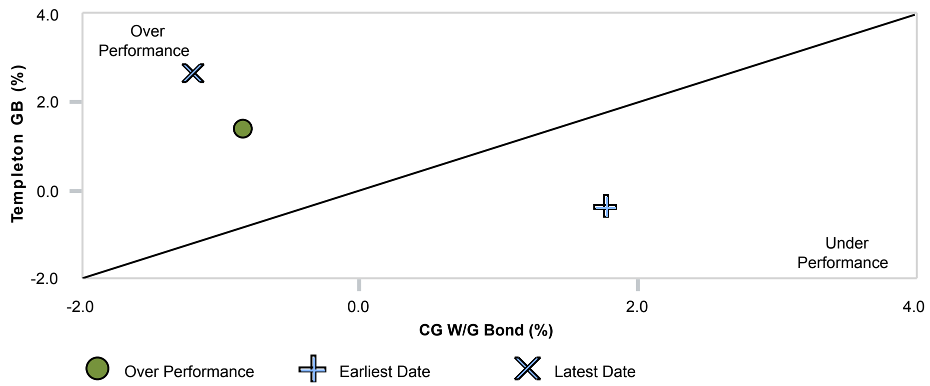
	QTR		FYTD		1 YR		2 YR		3 YR		4 YR		5 YR	
Templeton GB	4.65	(4)	13.31	(1)	11.46	(2)	3.35	(7)	2.66	(20)	N/A		N/A	
CG W/G Bond	1.55	(64)	-7.11	(97)	-3.65	(91)	1.02	(52)	-1.20	(87)	-0.56	(84)	-0.58	(88)
Median	1.96		-1.73		1.36		1.07		0.42		0.58		1.30	

	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	
Templeton GB	0.68	(100)	-7.69	(92)	6.34	(12)	N/A		N/A		N/A	
CG W/G Bond	9.71	(18)	-3.83	(51)	-0.07	(96)	-4.60	(82)	3.29	(96)	4.61	(8)
Median	7.24		-3.76		3.41		-1.80		7.18		1.77	

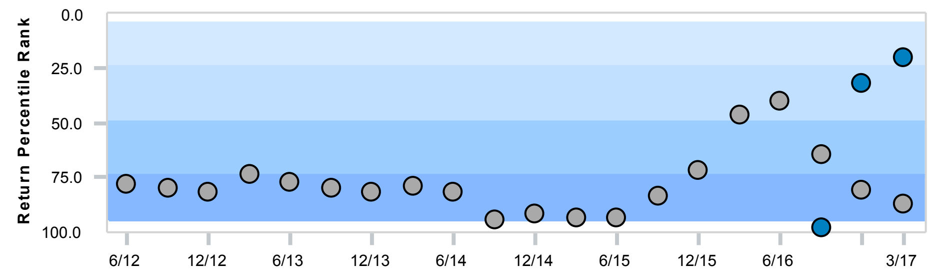
Comparative Performance

	1 Qtr Ending Dec-2016		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	
Templeton GB	8.28	(1)	-1.27	(100)	-0.37	(100)	0.09	(100)	2.26	(1)	-6.11	(100)
CG W/G Bond	-8.53	(97)	0.30	(95)	3.41	(12)	7.09	(10)	-1.23	(75)	1.71	(3)
IM Global Fixed Income (MF) Median	-4.13		1.48		2.43		3.41		-0.80		-0.24	

3 Yr Rolling Under/Over Performance - 5 Years

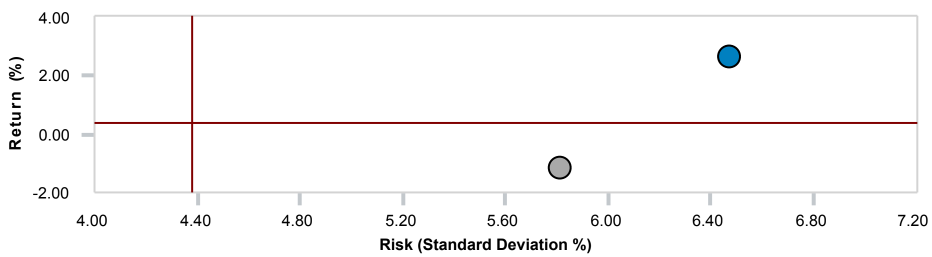


3 Yr Rolling Percentile Ranking - 5 Years



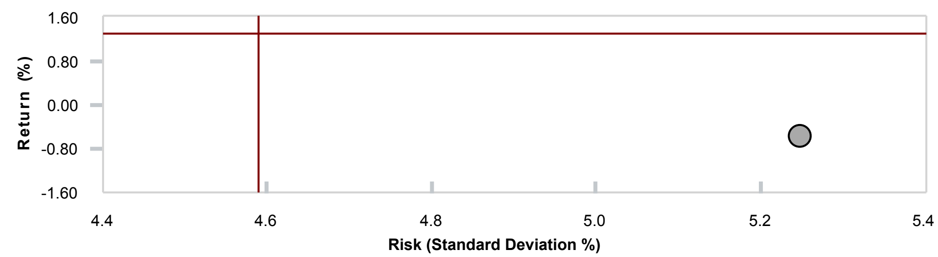
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Templeton GB	3	1 (33%)	1 (33%)	0 (0%)	1 (33%)
CG W/G Bond	20	0 (0%)	2 (10%)	3 (15%)	15 (75%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
Templeton GB	2.66	6.48
CG W/G Bond	-1.20	5.81
Median	0.42	4.38

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
Templeton GB	N/A	N/A
CG W/G Bond	-0.58	5.25
Median	1.30	4.59

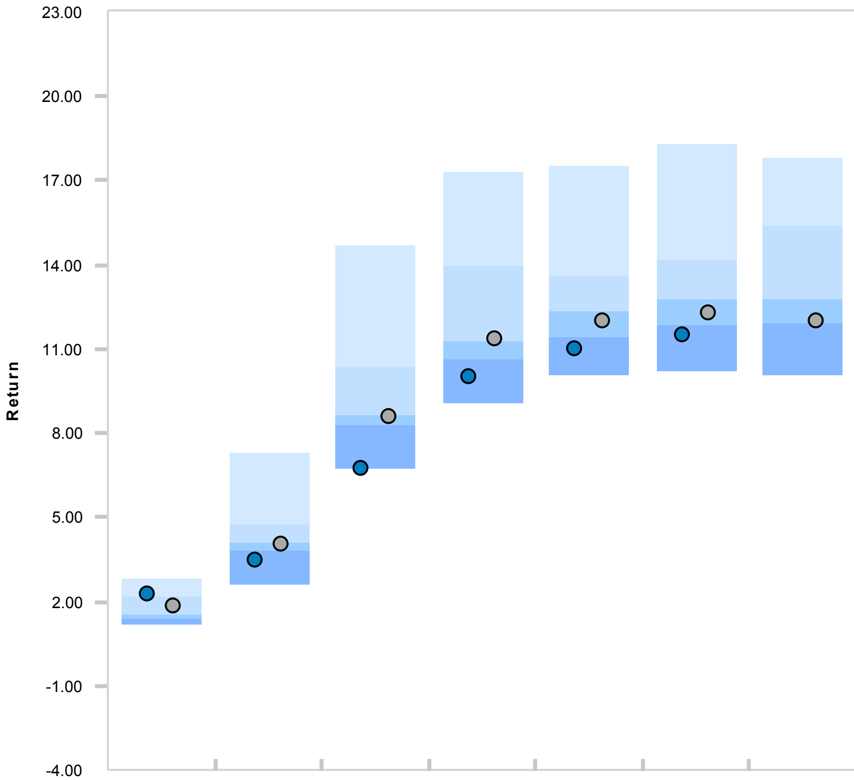
Historical Statistics - 3 Years

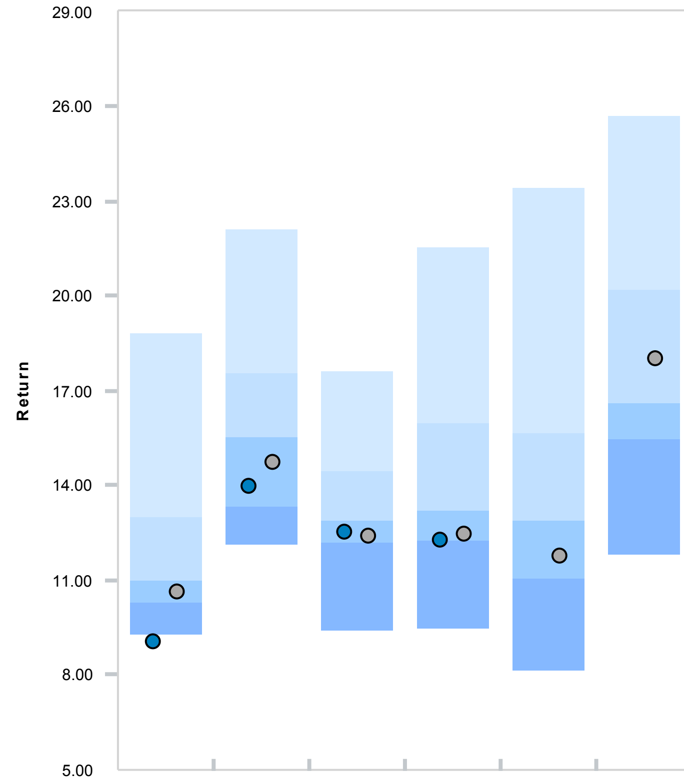
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Templeton GB	9.39	-6.22	-40.70	2.68	0.41	0.42	-0.18	3.88
CG W/G Bond	0.00	100.00	100.00	0.00	N/A	-0.20	1.00	4.54

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Templeton GB	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
CG W/G Bond	0.00	100.00	100.00	0.00	N/A	-0.11	1.00	4.03

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





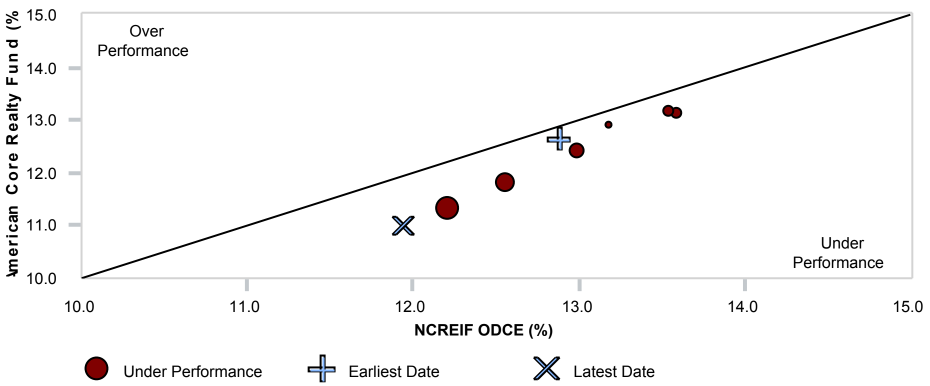
	QTR		FYTD		1 YR		2 YR		3 YR		4 YR		5 YR	
● American Core Realty Fund	2.27	(25)	3.49	(83)	6.71	(96)	9.98	(86)	10.97	(88)	11.51	(82)	N/A	
● NCREIF ODCE	1.81	(43)	4.01	(59)	8.60	(61)	11.31	(48)	11.95	(62)	12.28	(68)	11.98	(69)
Median	1.51		4.11		8.66		11.26		12.31		12.75		12.75	

	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	
● American Core Realty Fund	9.04	(97)	13.98	(68)	12.49	(66)	12.27	(72)	N/A		N/A	
● NCREIF ODCE	10.62	(66)	14.71	(64)	12.39	(70)	12.47	(69)	11.77	(66)	18.03	(41)
Median	11.02		15.54		12.90		13.22		12.90		16.62	

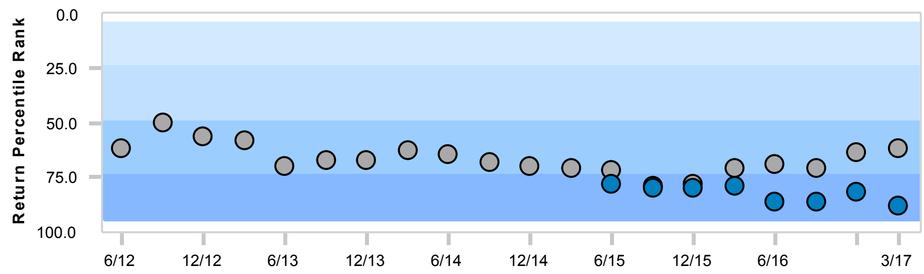
Comparative Performance

	1 Qtr Ending Dec-2016		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	
American Core Realty Fund	1.20	(82)	1.83	(69)	1.26	(94)	2.63	(53)	3.03	(78)	3.33	(73)
NCREIF ODCE	2.16	(55)	2.18	(46)	2.18	(59)	2.44	(61)	3.43	(57)	3.63	(49)
IM U.S. Open End Private Real Estate (SA+CF) Median	2.21		2.11		2.47		2.64		3.57		3.56	

3 Yr Rolling Under/Over Performance - 5 Years

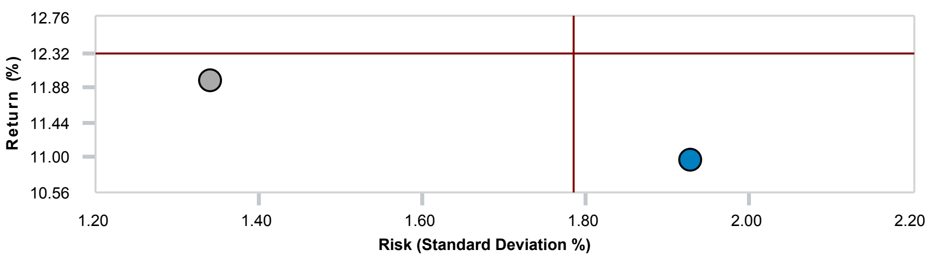


3 Yr Rolling Percentile Ranking - 5 Years



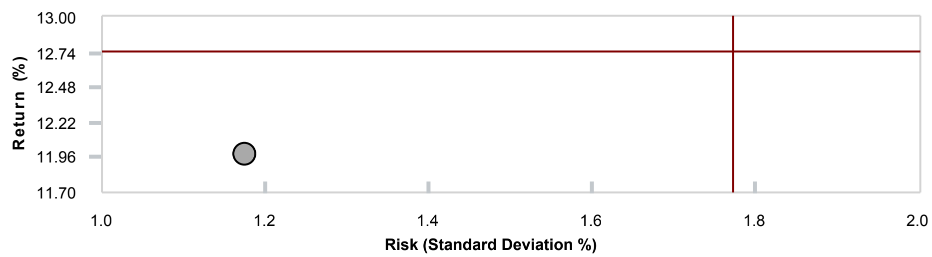
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
American Core Realty Fund	8	0 (0%)	0 (0%)	0 (0%)	8 (100%)
NCREIF ODCE	20	0 (0%)	1 (5%)	17 (85%)	2 (10%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
American Core Realty Fund	10.97	1.93
NCREIF ODCE	11.95	1.34
Median	12.31	1.79

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
American Core Realty Fund	N/A	N/A
NCREIF ODCE	11.98	1.18
Median	12.75	1.77

Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
American Core Realty Fund	1.27	92.20	N/A	-0.17	-0.70	2.21	0.94	0.00
NCREIF ODCE	0.00	100.00	N/A	0.00	N/A	2.33	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 Fund	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
NCREIF ODCE	0.00	100.00	N/A	0.00	N/A	2.36	1.00	0.00

City of Key West General Employees' Pension Fund

Compliance Checklist as of March 31, 2017

Total Fund Compliance:	Yes	No	N/A
1. The total plan return equaled or exceeded the total plan benchmark over the trailing three year period.		✔	
2. The total plan return equaled or exceeded the total plan benchmark over the trailing five year period.		✔	
3. The total plan return ranked within the top 40th percentile of its peer group over the trailing three year period.	✔		
4. The total plan return ranked within the top 40th percentile of its peer group over the trailing five year period.	✔		
5. The total plan return equaled or exceeded the 7.5% actuarial earnings assumption over the trailing three year period.		✔	
6. The total plan return equaled or exceeded the 7.5% actuarial earnings assumption over the trailing five year period.	✔		

Equity Compliance:	Yes	No	N/A
1. The total equity returns meet or exceed the benchmark over the trailing three year period.		✔	
2. The total equity returns meet or exceed the benchmark over the trailing five year period.		✔	
3. The total equity returns ranked within the top 40th percentile of its peer group over the trailing three year period.		✔	
4. The total equity returns ranked within the top 40th percentile of its peer group over the trailing five year period.		✔	
5. The total equity allocation was less than 70% of the total plan assets at market.	✔		
6. The total foreign equity was less than 25% of the total plan assets at market.	✔		

Fixed Income Compliance:	Yes	No	N/A
1. The total domestic fixed income returns meet or exceed the benchmark over the trailing three year period.	✔		
2. The total domestic fixed income returns meet or exceed the benchmark over the trailing five year period.	✔		
3. The total domestic fixed income returns ranked within the top 40th percentile of its peer group over the trailing three year period.		✔	
4. The total domestic fixed income returns ranked within the top 40th percentile of its peer group over the trailing five year period.		✔	
5. The average weight of the fixed income portfolio was "AA" of better.	✔		

Manager Compliance:	Highland-EQ			HighlandFX			Templeton*			American*					
	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 over trailing three and five year periods.		✔			✔		✔				✔				
3. Less than four consecutive quarters of under performance relative to the benchmark.	✔			✔			✔			✔					
4. Three and five year down-market capture ratio less than the index.		✔			✔		✔					✔			
*Data only available up to 3 years															

Total Fund Policy

Allocation Mandate	Weight (%)
Dec-1975	
S&P 500 Index	50.00
BofA Merrill Lynch Gov't/ Corp Master	50.00
Oct-2004	
S&P 500 Index	50.00
BofA Merrill Lynch US Domestic Master	40.00
MSCI EAFE Index	10.00
Jan-2014	
Russell 3000 Index	45.00
MSCI AC World ex USA	15.00
Bloomberg Barclays U.S. Aggregate Index	25.00
Citigroup World Government Bond Index	5.00
NCREIF Fund Index-Open End Diversified Core (EW)	10.00

Total Fixed Income Policy

Allocation Mandate	Weight (%)
Jan-1998	
BofA Merrill Lynch Gov't/ Corp Master	100.00
Oct-2004	
BofA Merrill Lynch US Domestic Master	100.00
Jan-2014	
Bloomberg Barclays U.S. Aggregate Index	100.00

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

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

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

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