

Franklin Regional Retirement System

Performance Review
March 2017



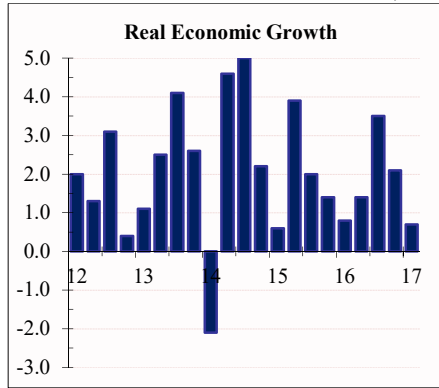
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ECONOMIC ENVIRONMENT

Optimism Rules

The first quarter of 2017 reflected optimism in the markets, as all major global regions made economic gains. US investors bet that the Trump administration would ultimately make gains toward deregulation, infrastructure spending, and lowering corporate and personal income taxes, though no significant legislative progress has been made. There is still much uncertainty concerning domestic policy, the future of the European Union, and rising tensions with North Korea. Still, the markets seem to feel that in the long run things will be all right.

The domestic economic numbers were mostly positive. First quarter GDP crawled ahead at a 0.7% rate, following the fourth quarter's 2.1% expansion.



The job market experienced a March setback with only 98,000 hires, but averaged 178,000 for the quarter, with many blaming the late winter snow storm. The month of February saw home prices rise 1% and for the year they climbed 7%. The Federal Reserve Board felt enough confidence in the economy, labor market and inflation to raise rates another ¼%.

Consumer confidence was the most optimistic of all, with almost a record high index reading. That optimism translated into solid stock returns both domestically and internationally. Bond yields stayed steady except on the very short end and provided low positive returns. More specifics follow:

- The GDP continued its decelerating trend in the first quarter, slowing to a rate of 0.7% growth, based on the advance estimate from the BEA.
- First quarter job growth was a reasonably solid 178,000 per month, even after the March decline. Pundits suggested that this rate of job growth remains positive as the economy is maturing and higher-end job seekers become harder to find. More good

news was the decline in the unemployment rate to 4.5%, the lowest since the 2007-2008 recession.

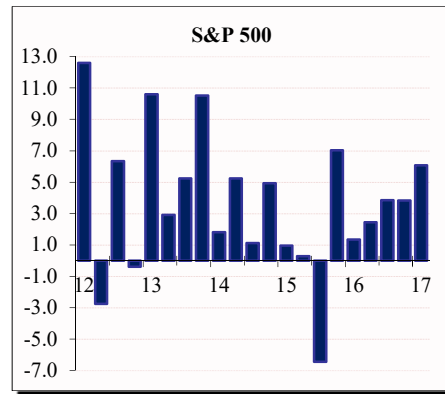
- For the latest year (through February), home prices advanced 7.0%. At this point, some residential markets appear overvalued. As evidence, the latest year's price gains were 11.1% in Washington State, 10% in Oregon and 9.1% in Colorado. Prices in eleven states have reached new highs, while only Connecticut and West Virginia homes experienced (modest) depreciation.
- Manufacturing activity continued to advance through March for the 94th consecutive month. The Purchasing Managers Index (PMI) registered 57.2%, a 0.5% decrease from February, but still strong. One contributing factor to the March decline was the late winter storm. Not surprisingly, all 17 reporting industries expanded. The Non-Manufacturing Business Activity Index registered 58.9% in March (greater than 50% represents expansion), down 4.7% from February. Service industries have reflected growth for the 92nd consecutive month.
- Consumer confidence made the strongest showing among all economic indicators. The Consumer Confidence Index shot up to 125.6 from 116.1 from the prior month. Both the present situation and expectations component indices rose in sync, as consumers' were highly optimistic regarding current business, labor conditions and short-term prospects.
- Commodity prices fell back 2.3% for the quarter, largely attributable to a drop in oil prices. Energy prices alone dropped 11.4%. By comparison, industrial metals gained 7.6%, with aluminum jumping 15.4% and precious metals adding almost 10%.

In its mid-March minutes, the Federal Reserve Board noted further progress toward the twin objectives of maximum employment and 2% inflation. After evaluating the job market, inflation and many other measures of economic activity, the Fed raised the federal funds rate to a range of ¾% - 1.0%. The minutes also reflect that two more rate increases may follow this year. Further, the Fed suggested that it could start to reduce its \$3 trillion government securities' balance, as well.

DOMESTIC EQUITIES

The Good News Keeps Rolling In

US stock indices surpassed many records during the quarter, although none actually closed at their highs. Remarkably, investors punched through several potential minefields. Not only were they unconcerned about the defeat of the Obamacare replacement legislation and the new Administration's difficulties approving and retaining key Cabinet posts, but they were also undaunted by the debilitating winter storm, falling oil prices and already high market valuations. The NASDAQ Composite



topped the list, earning 10.1%, with Amazon, Facebook and Apple fueling the advance. The S&P 500 couldn't quite compete, yet turned in a healthy 6.1%. The DJIA was a relative also-ran, gaining 5.2%. The Dow's oil stocks were a dampening factor. Larger-sized stocks carried the day, as the Russell 1000 rose 6.0% compared to the mid-cap (5.1%) and small-cap (2.5%) indices. In a

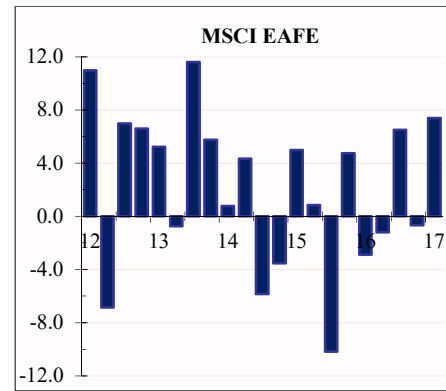
reversal from the prior quarter, economically sensitive growth stocks significantly outpaced value names. Among the major benchmarks, only the Russell 2000 Value Index was in the red (-0.1%).

Among S&P sectors, computer tech stocks fared best; Amazon and Apple helped the sector shoot up 14.9%. Other tech names, especially biotech, climbed 8.6%. The services sector, including media stocks, grew 8.2%. Consumer non-durables, largely comprised of healthcare companies came in close behind, gaining 8.1%; retention of Obamacare (at least for now) helped to boost prices. Energy was the only stock sector to decline (-7.2%), as the supply glut drove down oil prices. The NAREIT index disappointed with a small 2.6% advance. The S&P 500 dividend yield dropped slightly (2.0%), while higher reported company earnings held the average price/earnings ratio of 23.1 in check. Still, that P/E level is quite high vs. the past and vs. other global regions. 2017 earnings will have to be robust to sustain the market's advance.

INTERNATIONAL EQUITIES

Optimism Reigns Overseas, Too

Developed overseas markets performed quite well; MSCI EAFE Index gained 7.4% for the quarter. Within EAFE, the EU scored 7.5%, Australia rocked 11% and the Far East added 6%. On close examination of Europe



as a whole, Germany, which is Europe's largest economy, continued to shine. The German market rose 8.5%, powered by expanded manufacturing and Chancellor Angela Merkel's political party unexpected election victory. The French market also performed well (+7.4%), despite a predictably contentious electoral season. The Italian market strengthened

(+6.3%) on renewed business confidence. The real sleeper was Spain, whose market soared 14.9%, due to accelerated industrial output and the welcome news that the Basque rebel group ETA announced an intention to disband. The UK market held its own (+5.1%) despite the ongoing Brexit process.

Australian shares advanced 11%, even with lackluster results in the materials' exports sector. The Aussie market benefited from banking stock gains and currency appreciation. Japan's market, still dominant in the Far East, was a relative laggard, rising 4.6%. However, Japanese investors liked recent economic data and near-record low unemployment. Hong Kong shot up 13.4%, driven by a booming real estate sector. Singapore performed just as well (+13.5%) as exports grew for the fourth quarter in a row. The Canadian market, not part of EAFE, earned only 2.7% due to weak corporate investments and a large projected deficit in its 2017 federal budget.

In a dramatic turnaround from last year, emerging markets (EM) became revitalized. The first quarter's combined MSCI EM return was 11.5%, with most country bourses strongly in the black. Brazil, Russia, India and China, collectively branded BRIC, gained 11.6%. Brazil bounced back

from 2016 with a 10.4% advance; this was mainly due to consumer confidence in its new government as well as the planned privatization of the nation's nationalized airports. However, Russia failed to perform well, as its market rises and falls in sync with oil prices; Russian shares fell 4.6%. China shares added 12.9%, based on higher industrial production and winning performances by tech companies Tencent and Alibaba.

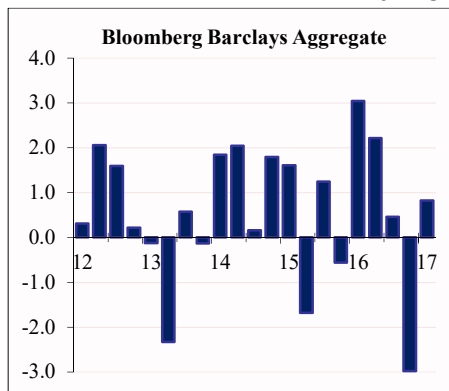
In the Far East, Korea was a stellar performer, posting almost a 17% gain. Investors were impressed by its strong tech exports and appreciating currency. Taiwan also did well, posting an 11.8% gain, bolstered by higher microchip demand for Taiwan Semiconductor and appreciation of the Taiwan Dollar. The Philippines' market suffered the effects of two typhoons, which reduced agricultural output; despite these reverses, the Philippines still managed to gain ground (+6.4%).

The Latin American region rose more than 12%. Softening of the trade impasse between the US and Mexico contributed to the Mexican market surging more than 16%.

BOND MARKET

Weak, but in the Black

Such influences as an uptick in inflation, recent US dollar currency weakness, the somewhat slower job growth and an admittedly volatile start



to the Trump administration could easily have shaken US bond investors. Instead, the Treasury yield curve hardly moved. Specifically, any Treasury issue beyond a two-year maturity showed essentially no yield change during the quarter. Investment grade corporate returns were also tepid. Overall, the Barclays Aggregate Index (investment grade only) added just 0.8%. The Treasury portion rose a similar 0.7%. Based on bellwether Treasury issues, returns varied only modestly from T-bills that yielded +0.1% to the 30-year issues that returned +1.3%. Investment grade

corporates generated 1.2%, with the financial sub-sector adding a touch more (1.3%). Residential mortgage-backed issues returned 0.5%, while commercial mortgages gained 0.9% and shorter-term asset-backed issues (ABS) rose 0.5%.

In total, high yield issues returned 2.7%. Importantly, performance moved inversely with credit quality, as the lower the credit rating, the higher the performance. Returns climbed from 2.1% for BA credits (the highest quality in the category) to a hefty 8.9% for the lowest-rated or CA-D paper.

G-6 developed countries' sovereign debt averaged 1.9% in US dollar terms. Results ranged from -0.9% for France to +4.3% for Japan, whose sovereigns benefited from yen appreciation. By comparison, emerging market sovereign debt earned 3.8%, suggesting more stability in these markets.

CASH EQUIVALENTS

A Blip on the Radar

Given the March ¼% fed funds' increase and additional bumps likely to follow later this year, cash equivalent returns should rise fractionally. Still, there is a long way to go before an investor will receive more than a 1% return, net-of-fees. Meantime, the T-Bill return for the quarter was a tiny 0.1%.

MARKET SUMMARY

ECONOMIC STATISTICS

	CURRENT QTR	LAST QTR
GDP	0.7	2.1
Unemployment	4.5	4.7
CPI All Items Year/Year	2.40	2.10
Fed Funds Rate	1.00	0.75
Industrial Capacity	76.1	76.0
US Dollars per Euro	1.07	1.06

MAJOR INDEX QUARTER RETURNS

INDEX	PERFORMANCE
Russell 3000	5.7
S&P 500	6.1
Russell Mid	5.1
Russell 2000	2.5
MSCI EAFE	7.4
MSCI Emg Mkts	11.5
NCREIF ODCE	1.8
Aggregate Index	0.8
90 Day Tbills	0.1

EQUITY RETURN DISTRIBUTIONS

	QUARTER			TRAILING YEAR		
	VAL	COR	GRO	VAL	COR	GRO
LC	3.3	6.0	8.9	19.2	17.4	15.8
MC	3.8	5.1	6.9	19.8	17.0	14.1
SC	-0.1	2.5	5.3	29.3	26.2	23.0

MARKET SUMMARY

* GDP expanded at a tame rate of 0.7% in Q1.
 * 4.5% unemployment was the lowest in almost a decade.
 * CPI increased 2.4% year over year.
 * The dollar weakened relative to the euro.
 * Growth stocks bested value names last quarter. Larger market caps fared better than smaller caps. Among the Russell family of domestic equity indices, all but the small cap value index advanced.

INVESTMENT RETURN

On March 31st, 2017, the Franklin Regional Retirement System's Composite portfolio was valued at \$132,002,297, representing an increase of \$3,450,183 from the December quarter's ending value of \$128,552,114. Last quarter, the Fund posted withdrawals totaling \$1,800,532, which offset the portfolio's net investment return of \$5,250,715. Income receipts totaling \$741,383 plus net realized and unrealized capital gains of \$4,509,332 combined to produce the portfolio's net investment return.

For the cumulative period since March 2012, the fund has recorded net withdrawals totaling \$8.0 million and posted net investment gains of \$50.3 million. For the period since March 2012, if the total fund had returned a compound annual rate of 7.75% it would have been valued at \$121.5 million or \$10.5 million less than the actual value as of March 31st, 2017.

RELATIVE PERFORMANCE

Total Fund

The Franklin Regional Policy Index is the weighted return of each asset classes' benchmark in proportion to its target allocation.

In the first quarter, the Composite portfolio gained 4.1%, which was 0.2% below the Franklin Regional Policy Index's return of 4.3% and ranked in the 70th percentile of the Public Fund universe. Over the trailing year, the portfolio returned 11.4%, which was 0.1% greater than the benchmark's 11.3% performance, and ranked in the 38th percentile. Since March 2012, the portfolio returned 9.4% on an annualized basis and ranked in the 4th percentile. For comparison, the Franklin Regional Policy Index returned an annualized 9.3% over the same period.

PRIT Core

The PRIT core portfolio returned 4.9% in the first quarter, 0.5% greater than the Custom Core Index's return of 4.4% and ranked in the 23rd percentile of the Public Fund universe. Over the trailing twelve-month period, the PRIT core portfolio returned 11.2%; that return was 0.4% greater than the benchmark's 10.8% return, and ranked in the 41st percentile. Since March 2012, this component returned 8.7% per annum and ranked in the 13th percentile. The Custom Core Index returned an annualized 7.7% over the same time frame.

Domestic Equity

The Custom Equity Index is the weighted return of the S&P 500, S&P 400, and Russell 2000 indices based on the System's equity manager target allocations.

For the first quarter, the domestic equity segment returned 4.7%, which was 0.7% greater than the Franklin Regional Equity Index's return of 4.0% and ranked in the 56th percentile of the Domestic Equity universe. Over the trailing twelve-month period, this segment's return was 18.8%, which was 3.2% below the benchmark's 22.0% return, ranking in the 49th percentile. Since March 2012, this component returned 13.8% annualized and ranked in the 32nd percentile. The Franklin Regional Equity Index returned an annualized 13.0% during the same period.

International Equity

The international equity segment returned 7.4% during the first quarter; that return was equal to the MSCI EAFE Index's return of 7.4% and ranked in the 77th percentile of the International Equity universe. Over the trailing twelve months, the international equity portfolio returned 11.1%, 1.1% less than the benchmark's 12.2% performance, ranking in the 68th percentile.

Real Estate

During the first quarter, the real estate segment returned 2.1%, which was 0.3% greater than the NCREIF NFI-ODCE Index's return of 1.8%. Over the trailing twelve-month period, this component returned 7.2%, which was 1.1% less than the benchmark's 8.3% return. Since March 2012, this component returned 11.3% on an annualized basis, while the NCREIF NFI-ODCE Index returned an annualized 12.0% over the same period.

Fixed Income

During the first quarter, the fixed income component gained 0.9%, which was 0.1% greater than the Bloomberg Barclays Aggregate Index's return of 0.8% and ranked in the 51st percentile of the Core Fixed Income universe. Over the trailing twelve months, the fixed income portfolio returned 1.4%, which was 1.0% above the benchmark's 0.4% performance, ranking in the 39th percentile. Since March 2012, this component returned 3.3% annualized and ranked in the 22nd percentile. The Bloomberg Barclays Aggregate Index returned an annualized 2.3% over the same time frame.

ASSET ALLOCATION

On March 31st, 2017, PRIT core comprised 44.8% of the total portfolio (\$59.1 million), while domestic equities totaled 27.5% (\$36.2 million). The account's international equity segment was valued at \$6.1 million, representing 4.6% of the portfolio, while the real estate component's \$13.0 million totaled 9.8%. The portfolio's fixed income represented 12.2% and the remaining 1.1% was comprised of cash & equivalents (\$1.5 million).

Franklin Regional Retirement System
 Total Fund Asset Allocation Analysis
 As of March 31, 2017

Total Fund Assets \$ 132,002,297

Allocation by Manager						
	PRIT Fund Actual Allocation	FRRS Allocation	Target Allocation	Target Dollars	Actual Dollars	+/- Dollars
<u>PRIT Core Fund</u>	<u>100.00%</u>	<u>44.8%</u>	<u>45.0%</u>	\$ 59,401,034	\$ 59,144,242	\$ (256,792)
Domestic Equity	20.0%	9.0%			\$ 11,840,677	
Int'l Equity	17.5%	7.9%			\$ 10,367,986	
E.M. Int'l Equity	7.5%	3.3%			\$ 4,418,075	
Core Fixed Income	11.8%	5.3%			\$ 6,955,363	
Value Added Fixed Income*	8.4%	3.8%			\$ 4,950,373	
Real Estate	9.4%	4.2%			\$ 5,553,644	
Timber/Natural Resources	3.9%	1.7%			\$ 2,277,053	
Alternatives-Private Equity	10.7%	4.8%			\$ 6,340,263	
Hedge Funds	8.1%	3.6%			\$ 4,772,940	
Liquidating Portfolio	0.4%	0.2%			\$ 254,320	
Portfolio Completion	1.1%	0.5%			\$ 674,244	
Overlay	1.3%	0.6%			\$ 739,303	
<u>Separate Accounts</u>		<u>55.2%</u>	<u>55.0%</u>			
Polen Capital		6.1%	6.0%	\$ 7,920,138	\$ 8,115,188	\$ 195,050
O'Shaughnessy		6.6%	6.0%	\$ 7,920,138	\$ 8,662,693	\$ 742,555
Seizert		5.6%	5.0%	\$ 6,600,115	\$ 7,369,110	\$ 768,995
Daruma		4.7%	5.0%	\$ 6,600,115	\$ 6,149,255	\$ (450,860)
Systematic		5.1%	5.0%	\$ 6,600,115	\$ 6,713,634	\$ 113,519
PRIT International		4.6%	5.0%	\$ 6,600,115	\$ 6,092,396	\$ (507,719)
PRIT RE		9.8%	10.0%	\$ 13,200,230	\$ 13,000,748	\$ (199,482)
IR&M		12.2%	13.0%	\$ 17,160,299	\$ 16,044,615	\$ (1,115,684)
Cash		0.5%	0.0%	\$ -	\$ 710,416	\$ 710,416

*Includes Distressed Debt

Allocation by Asset Class						
	Actual Allocation (%)	Target Allocation (%)	+/- Percent	Actual Allocation (\$)	Target Allocation (\$)	+/- Dollars
Franklin Regional Total						
Domestic Equity	37.0%	35.0%	2.0%	\$ 48,850,557	\$ 46,200,804	\$ 2,649,753
Int'l Equity	15.8%	15.0%	0.8%	\$ 20,878,457	\$ 19,800,345	\$ 1,078,112
Fixed Income	21.2%	25.0%	-3.8%	\$ 27,950,351	\$ 33,000,574	\$ (5,050,223)
Real Estate	14.1%	14.0%	0.1%	\$ 18,554,392	\$ 18,480,322	\$ 74,071
Timber	1.7%	2.0%	-0.3%	\$ 2,277,053	\$ 2,640,046	\$ (362,993)
Alternatives-Private Equity	4.8%	5.0%	-0.2%	\$ 6,340,263	\$ 6,600,115	\$ (259,852)
Hedge Funds	3.6%	4.0%	-0.4%	\$ 4,772,940	\$ 5,280,092	\$ (507,152)
Portfolio Completion	1.3%	0.0%	1.3%	\$ 1,667,868	\$ -	\$ -
Cash	<u>0.5%</u>	<u>0.0%</u>	<u>0.5%</u>	\$ 710,416	\$ -	\$ 710,416
	100.0%	100.0%		\$ 132,002,297	\$ 132,002,297	

EXECUTIVE SUMMARY

PERFORMANCE SUMMARY

	Quarter	YTD	1 Year	3 Year	5 Years
Total Portfolio - Gross	4.1	4.1	11.4	6.6	9.4
<i>PUBLIC FUND RANK</i>	(70)	(70)	(38)	(10)	(4)
Total Portfolio - Net	4.0	4.0	10.8	6.0	8.8
<i>POLICY INDEX</i>	4.3	4.3	11.3	6.9	9.3
PRIT Core - Gross	4.9	4.9	11.2	6.5	8.7
<i>PUBLIC FUND RANK</i>	(23)	(23)	(41)	(12)	(13)
<i>CUSTOM CORE IDX</i>	4.4	4.4	10.8	5.7	7.7
Domestic Equity - Gross	4.7	4.7	18.8	7.5	13.8
<i>DOMESTIC EQUITY RANK</i>	(56)	(56)	(49)	(68)	(32)
<i>CUSTOM EQ INDEX</i>	4.0	4.0	22.0	8.8	13.0
<i>PRIT EQUITY</i>	5.4	5.4	17.9	9.4	13.1
<i>S&P 500</i>	6.1	6.1	17.2	10.4	13.3
<i>S&P 400</i>	3.9	3.9	20.9	9.4	13.3
<i>RUSSELL 3000</i>	5.7	5.7	18.1	9.8	13.2
<i>RUSSELL 1000</i>	6.0	6.0	17.4	10.0	13.3
<i>RUSSELL 1000G</i>	8.9	8.9	15.8	11.3	13.3
<i>RUSSELL 1000V</i>	3.3	3.3	19.2	8.7	13.1
<i>RUSSELL MID</i>	5.1	5.1	17.0	8.5	13.1
<i>RUSSELL 2000</i>	2.5	2.5	26.2	7.2	12.3
International Equity - Gross	7.4	7.4	11.1	----	----
<i>INTERNATIONAL EQUITY RANK</i>	(77)	(77)	(68)	----	----
<i>MSCI EAFE</i>	7.4	7.4	12.2	1.0	6.3
Real Estate - Gross	2.1	2.1	7.2	10.9	11.3
<i>NCREIF ODCE</i>	1.8	1.8	8.3	11.8	12.0
Fixed Income - Gross	0.9	0.9	1.4	3.2	3.3
<i>CORE FIXED INCOME RANK</i>	(51)	(51)	(39)	(29)	(22)
<i>AGGREGATE INDEX</i>	0.8	0.8	0.4	2.7	2.3
<i>PRIT FIXED</i>	1.3	1.3	-0.9	5.3	4.0
<i>GOV/CREDIT</i>	1.0	1.0	0.5	2.7	2.5
<i>INT AGGREGATE</i>	0.7	0.7	0.3	2.3	2.0
<i>INT GOV/CREDIT</i>	0.8	0.8	0.4	2.0	1.9

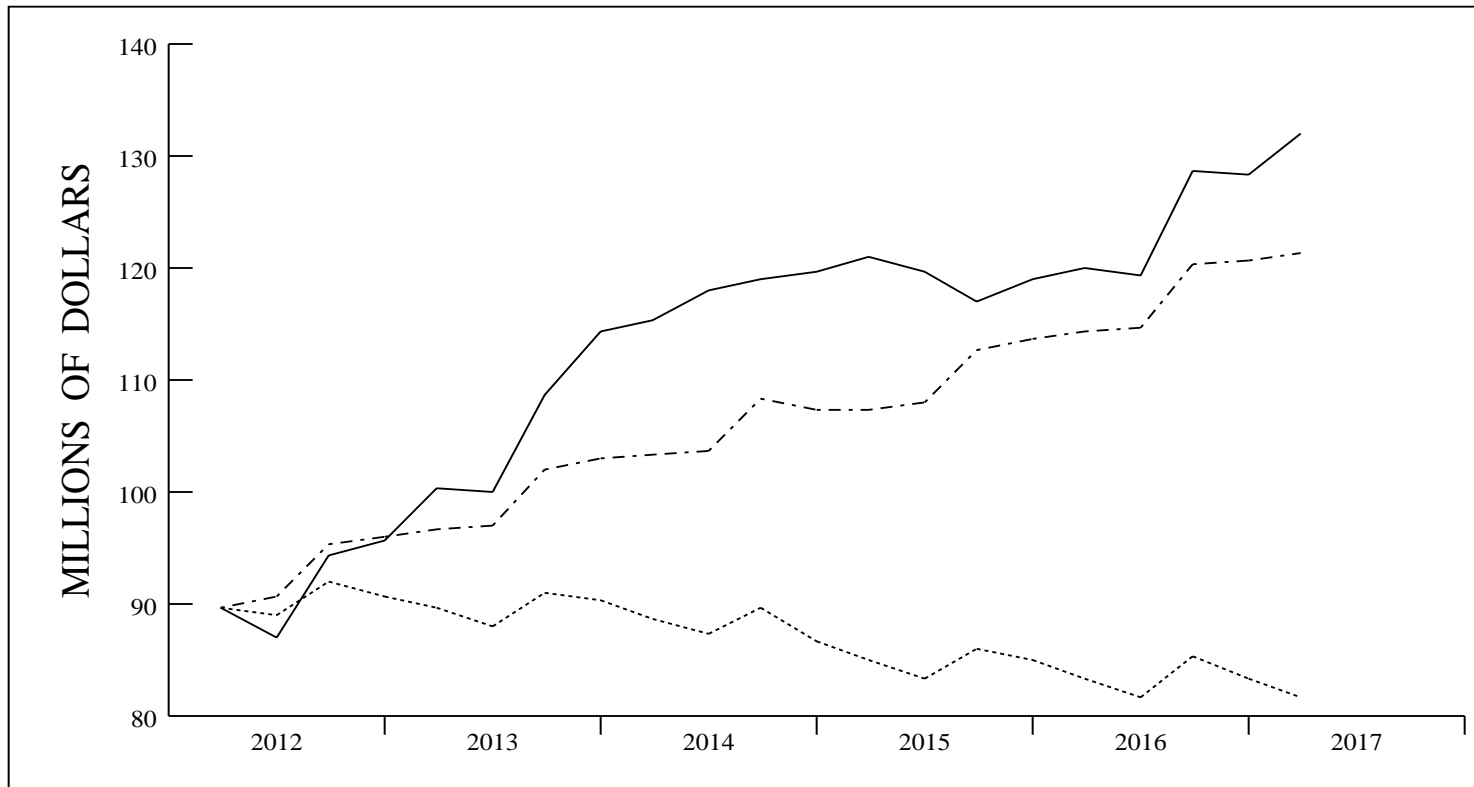
ASSET ALLOCATION

PRIT Core	44.8%	\$ 59,144,242
Domestic Equity	27.5%	36,236,987
Int'l Equity	4.6%	6,092,396
Real Estate	9.8%	13,000,748
Fixed Income	12.2%	16,044,615
Cash	1.1%	1,483,309
Total Portfolio	100.0%	\$ 132,002,297

INVESTMENT RETURN

Market Value 12/2016	\$ 128,552,114
Contribs / Withdrawals	- 1,800,532
Income	741,383
Capital Gains / Losses	4,509,332
Market Value 3/2017	\$ 132,002,297

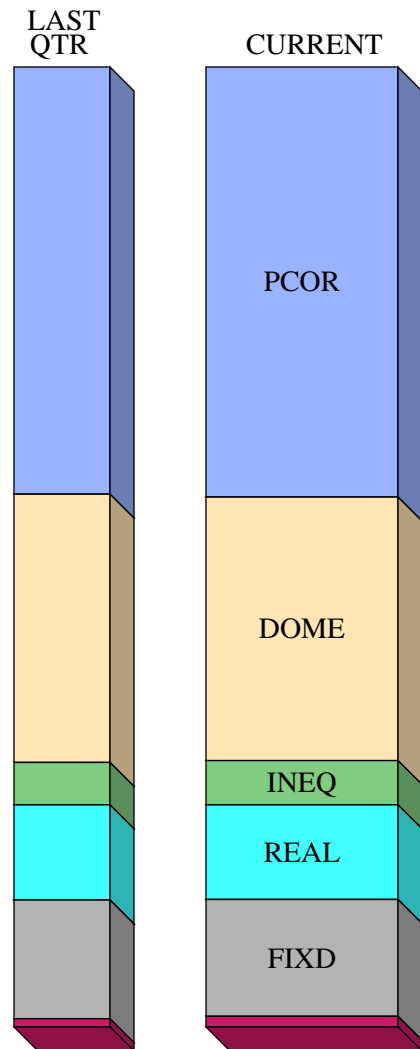
INVESTMENT GROWTH



— ACTUAL RETURN
 - - - 7.75%
 0.0%

VALUE ASSUMING
 7.75% RETURN \$ 121,453,580

	LAST QUARTER	PERIOD 3/12 - 3/17
BEGINNING VALUE	\$ 128,552,114	\$ 89,699,218
NET CONTRIBUTIONS	- 1,800,532	- 7,967,525
<u>INVESTMENT RETURN</u>	<u>5,250,715</u>	<u>50,270,604</u>
ENDING VALUE	\$ 132,002,297	\$ 132,002,297
INCOME	741,383	13,132,034
<u>CAPITAL GAINS (LOSSES)</u>	<u>4,509,332</u>	<u>37,138,568</u>
INVESTMENT RETURN	5,250,715	50,270,604





















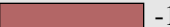

















	<u>VALUE</u>	<u>PERCENT</u>	<u>TARGET</u>	<u>DIFFERENCE</u> + / -
■ PRIT CORE	\$ 59,144,242	44.8%	45.0%	-0.2%
■ DOMESTIC EQUITY	36,236,987	27.5%	27.0%	0.5%
■ INTERNATIONAL EQUITY	6,092,396	4.6%	5.0%	-0.4%
■ REAL ESTATE	13,000,748	9.8%	10.0%	-0.2%
■ FIXED INCOME	16,044,615	12.2%	13.0%	-0.8%
■ CASH & EQUIVALENT	1,483,309	1.1%	0.0%	1.1%
<u>TOTAL FUND</u>	<u>\$ 132,002,297</u>	<u>100.0%</u>		

MANAGER PERFORMANCE SUMMARY

Name	(Universe)	Quarter	YTD	1 Year	3 Years	5 Years
Total Portfolio	(Public Fund)	4.1 (70)	4.1 (70)	11.4 (38)	6.6 (10)	9.4 (4)
<i>Franklin Regional Policy Index</i>		<i>4.3 ----</i>	<i>4.3 ----</i>	<i>11.3 ----</i>	<i>6.9 ----</i>	<i>9.3 ----</i>
PRIT Core Fund	(Public Fund)	4.9 (23)	4.9 (23)	11.2 (41)	6.5 (12)	8.7 (13)
<i>Custom Core Index</i>		<i>4.4 ----</i>	<i>4.4 ----</i>	<i>10.8 ----</i>	<i>5.7 ----</i>	<i>7.7 ----</i>
Polen Capital	(LC Growth)	9.2 (44)	9.2 (44)	10.8 (91)	14.5 (3)	12.5 (57)
<i>Russell 1000 Growth</i>		<i>8.9 ----</i>	<i>8.9 ----</i>	<i>15.8 ----</i>	<i>11.3 ----</i>	<i>13.3 ----</i>
O'Shaughnessy	(LC Value)	3.0 (76)	3.0 (76)	15.3 (77)	5.9 (90)	13.3 (40)
<i>Russell 1000 Value</i>		<i>3.3 ----</i>	<i>3.3 ----</i>	<i>19.2 ----</i>	<i>8.7 ----</i>	<i>13.1 ----</i>
Seizert Capital	(Mid Cap)	6.3 (40)	6.3 (40)	31.0 (1)	7.4 (62)	15.7 (8)
<i>Russell Mid Cap</i>		<i>5.1 ----</i>	<i>5.1 ----</i>	<i>17.0 ----</i>	<i>8.5 ----</i>	<i>13.1 ----</i>
Daruma Ginkgo	(Small Cap)	3.2 (48)	3.2 (48)	16.9 (94)	2.5 (96)	11.0 (86)
Systematic	(Small Cap)	1.0 (72)	1.0 (72)	20.8 (78)	----	----
<i>Russell 2000</i>		<i>2.5 ----</i>	<i>2.5 ----</i>	<i>26.2 ----</i>	<i>7.2 ----</i>	<i>12.3 ----</i>
PRIT Int'l Eq.	(Intl Eq)	7.4 (77)	7.4 (77)	11.1 (68)	----	----
<i>MSCI EAFE</i>		<i>7.4 ----</i>	<i>7.4 ----</i>	<i>12.2 ----</i>	<i>1.0 ----</i>	<i>6.3 ----</i>
PRIT Core R.E.		2.1 ----	2.1 ----	7.2 ----	10.9 ----	11.3 ----
<i>NCREIF NFI-ODCE Index</i>		<i>1.8 ----</i>	<i>1.8 ----</i>	<i>8.3 ----</i>	<i>11.8 ----</i>	<i>12.0 ----</i>
IR&M	(Core Fixed)	0.9 (51)	0.9 (51)	1.4 (39)	3.2 (29)	3.3 (22)
<i>Bloomberg Barclays Aggregate Index</i>		<i>0.8 ----</i>	<i>0.8 ----</i>	<i>0.4 ----</i>	<i>2.7 ----</i>	<i>2.3 ----</i>

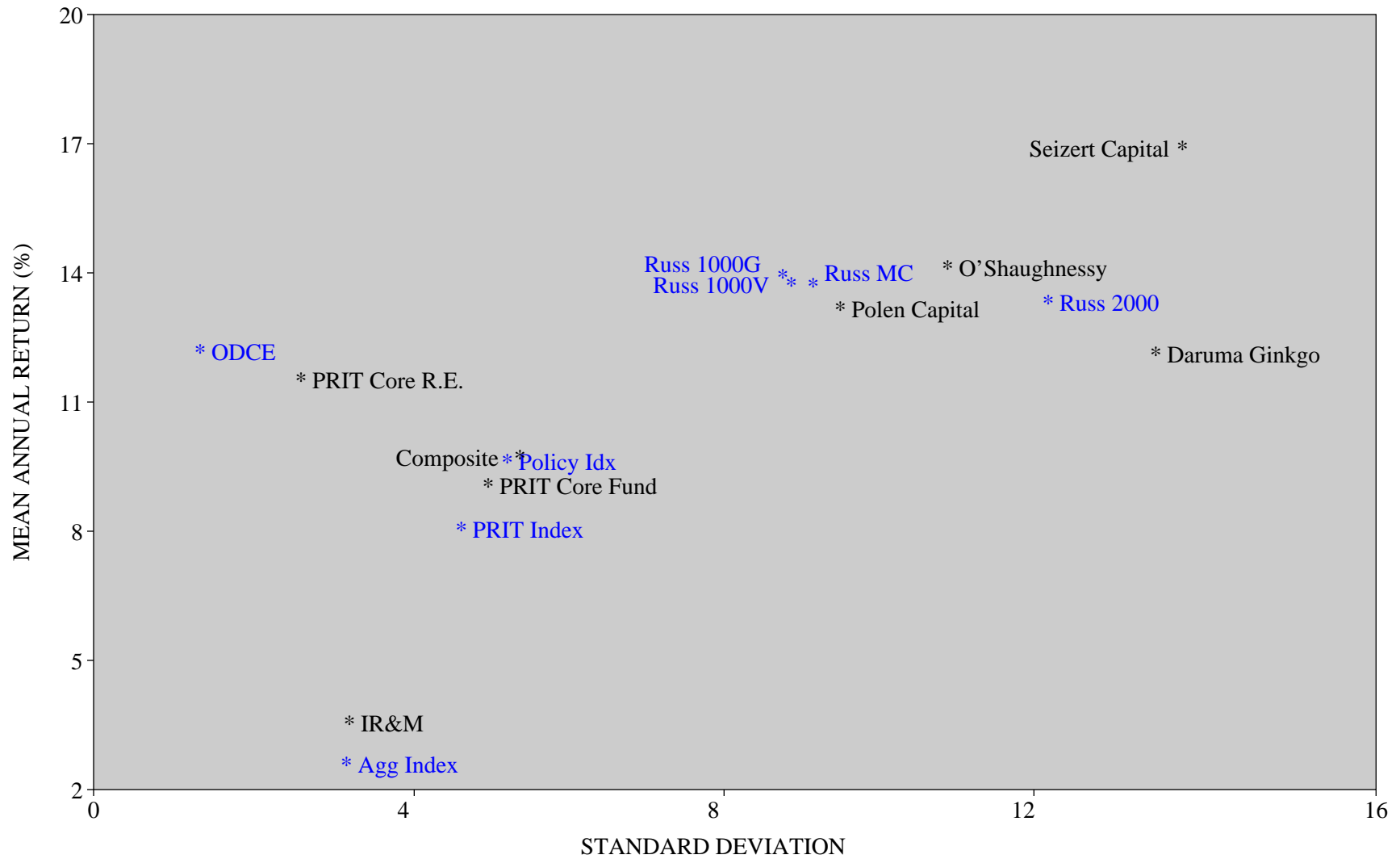
MANAGER VALUE ADDED

Portfolio	Benchmark	1 Quarter	1 Year	3 Years	5 Years
PRIT Core Fund	Custom Core Idx	0.5 	0.4 	0.8 	1.0 
Polen Capital	Russell 1000G	0.3 	-5.0 	3.2 	-0.8 
O'Shaughnessy	Russell 1000V	-0.3 	-3.9 	-2.8 	0.2 
Seizert Capital	Russell Mid	1.2 	14.0 	-1.1 	2.6 
Daruma Ginkgo	Russell 2000	0.7 	-9.3 	-4.7 	-1.3 
Systematic	Russell 2000	-1.5 	-5.4 	N/A	N/A
PRIT Int'l Eq.	MSCI EAFE	0.0 	-1.1 	N/A	N/A
PRIT Core R.E.	NCREIF ODCE	0.3 	-1.1 	-0.9 	-0.7 
IR&M	Aggregate Index	0.1 	1.0 	0.5 	1.0 
Total Portfolio	Policy Index	-0.2 	0.1 	-0.3 	0.1 

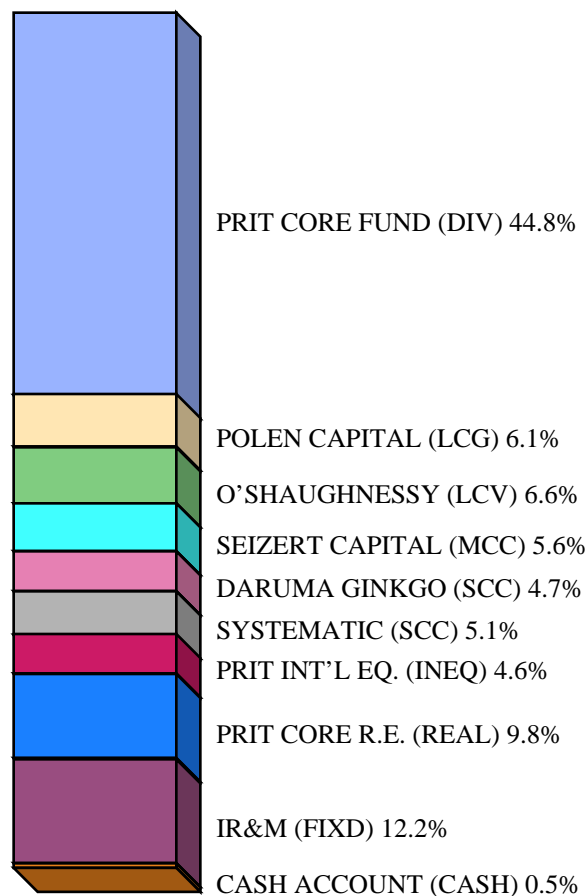
MANAGER RISK STATISTICS SUMMARY - FIVE-YEAR HISTORY

Name	Alpha	Batting Average	Sharpe Ratio	Information Ratio	Up Capture	Down Capture
PRIT Core Fund <i>Custom Core Idx</i>	0.54	0.800	1.80	1.22	111.8	103.8
Polen Capital <i>Russell 1000G</i>	0.50	0.450	1.39	-0.15	89.7	69.9
O'Shaughnessy <i>Russell 1000V</i>	0.29	0.450	1.30	0.07	97.7	80.7
Seizert Capital <i>Russell Mid</i>	-0.91	0.500	1.23	0.43	131.0	154.3
Daruma Ginkgo <i>Russell 2000</i>	-1.40	0.500	0.89	-0.22	94.0	105.2
PRIT Core R.E. <i>NCREIF ODCE</i>	6.70	0.500	4.44	-0.26	94.3	----
IR&M <i>Aggregate Index</i>	0.99	0.850	1.03	1.46	114.9	76.9

RISK-RETURN SUMMARY - 5 YEAR HISTORY



MANAGER ALLOCATION AND TARGET SUMMARY

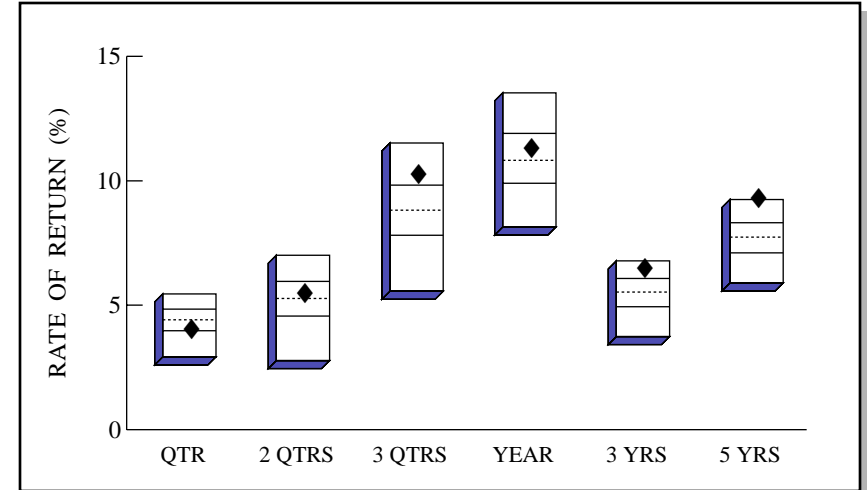
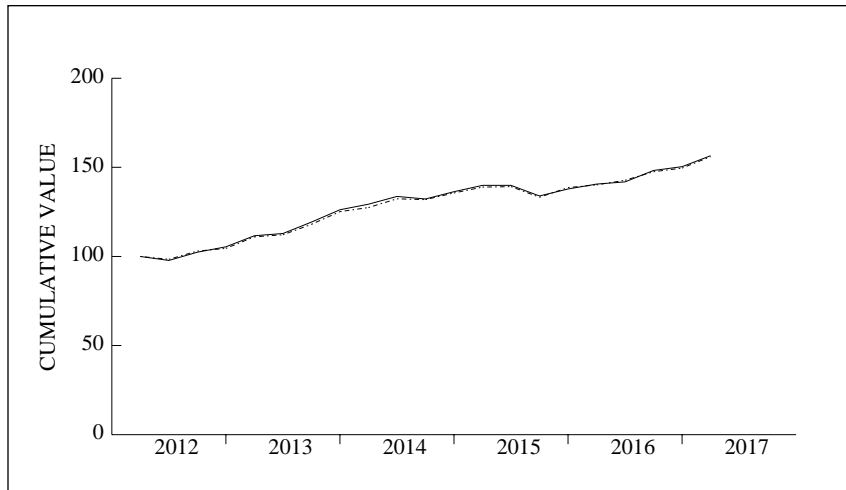


Name	Market Value	Percent	Target
PRIT Core Fund (DIV)	\$59,144,242	44.8	45.0
Polen Capital (LCG)	\$8,115,188	6.1	6.0
O'Shaughnessy (LCV)	\$8,662,693	6.6	6.0
Seizert Capital (MCC)	\$7,369,110	5.6	5.0
Daruma Ginkgo (SCC)	\$6,149,255	4.7	5.0
Systematic (SCC)	\$6,713,634	5.1	5.0
PRIT Int'l Eq. (INEQ)	\$6,092,396	4.6	5.0
PRIT Core R.E. (REAL)	\$13,000,748	9.8	10.0
IR&M (FIXD)	\$16,044,615	12.2	13.0
Cash Account (CASH)	\$710,416	0.5	0.0
Total Portfolio	\$132,002,297	100.0	100.0

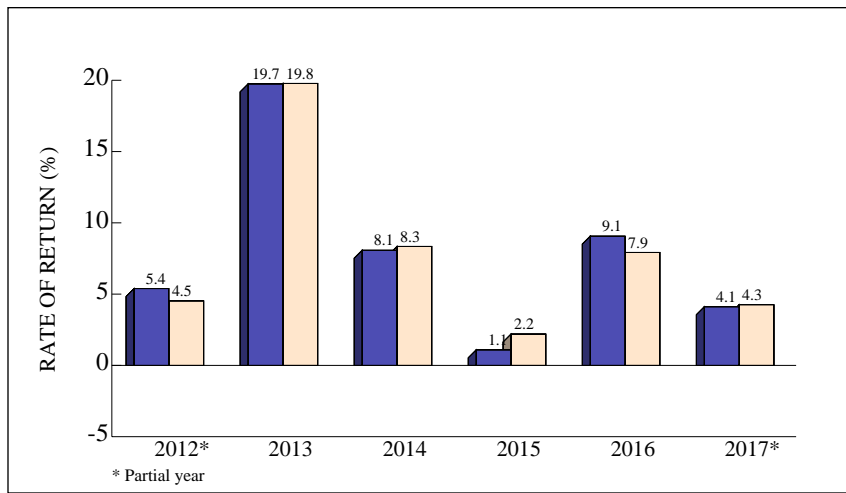
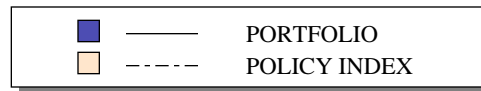
INVESTMENT RETURN SUMMARY - ONE QUARTER

Name	Quarter Total Return	Market Value December 31st, 2016	Net Cashflow	Net Investment Return	Market Value March 31st, 2017
PRIT Core Fund (DIV)	4.9	57,216,393	-836,170	2,764,019	59,144,242
Polen Capital (LCG)	9.2	7,431,375	0	683,813	8,115,188
O'Shaughnessy (LCV)	3.0	8,408,215	-116	254,594	8,662,693
Seizert Capital (MCC)	6.3	7,533,966	-623,000	458,144	7,369,110
Daruma Ginkgo (SCC)	3.2	5,972,550	-15,166	191,871	6,149,255
Systematic (SCC)	1.0	7,402,944	-759,316	70,006	6,713,634
PRIT Int'l Eq. (INEQ)	7.4	5,677,427	-2,703	417,672	6,092,396
PRIT Core R.E. (REAL)	2.1	12,747,887	-13,688	266,549	13,000,748
IR&M (FIXD)	0.9	15,900,782	0	143,833	16,044,615
Cash Account (CASH)	---	260,575	449,627	214	710,416
Total Portfolio	4.1	128,552,114	-1,800,532	5,250,715	132,002,297

TOTAL RETURN COMPARISONS



Public Fund Universe



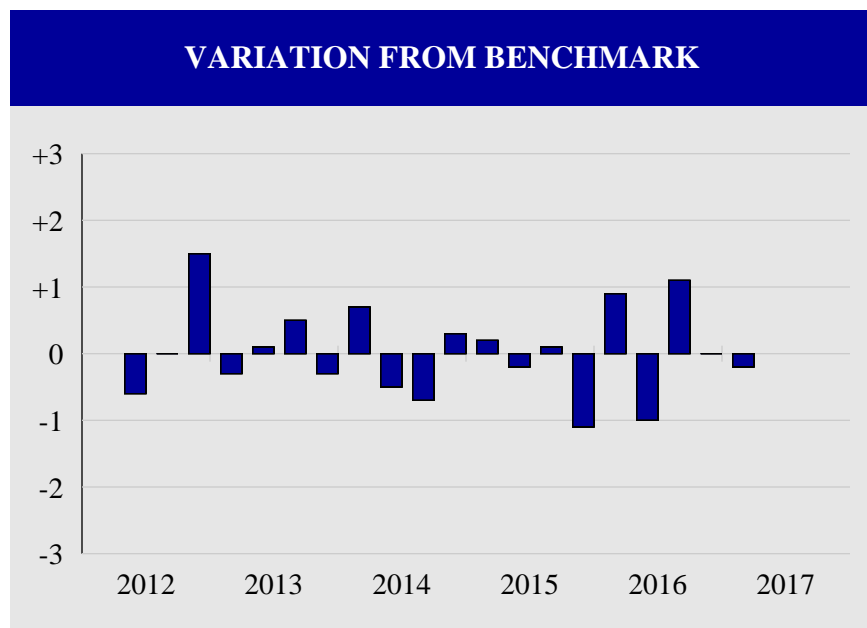
* Partial year

	QTR	2 QTRS	3 QTRS	YEAR	3 YRS	5 YRS
RETURN	4.1	5.6	10.3	11.4	6.6	9.4
(RANK)	(70)	(38)	(18)	(38)	(10)	(4)
5TH %ILE	5.5	7.0	11.5	13.5	6.8	9.3
25TH %ILE	4.8	6.0	9.8	11.9	6.1	8.3
MEDIAN	4.4	5.3	8.8	10.8	5.5	7.7
75TH %ILE	4.0	4.6	7.8	9.9	4.9	7.1
95TH %ILE	2.9	2.8	5.6	8.1	3.7	5.9
Policy Idx	4.3	5.7	9.2	11.3	6.9	9.3

Public Fund Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

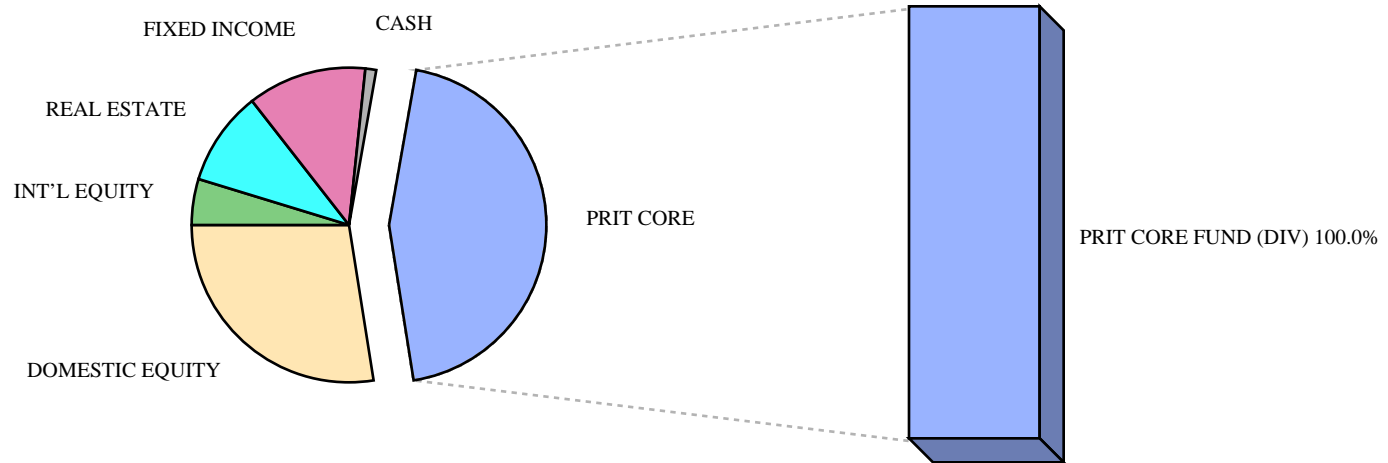
COMPARATIVE BENCHMARK: FRANKLIN REGIONAL POLICY INDEX



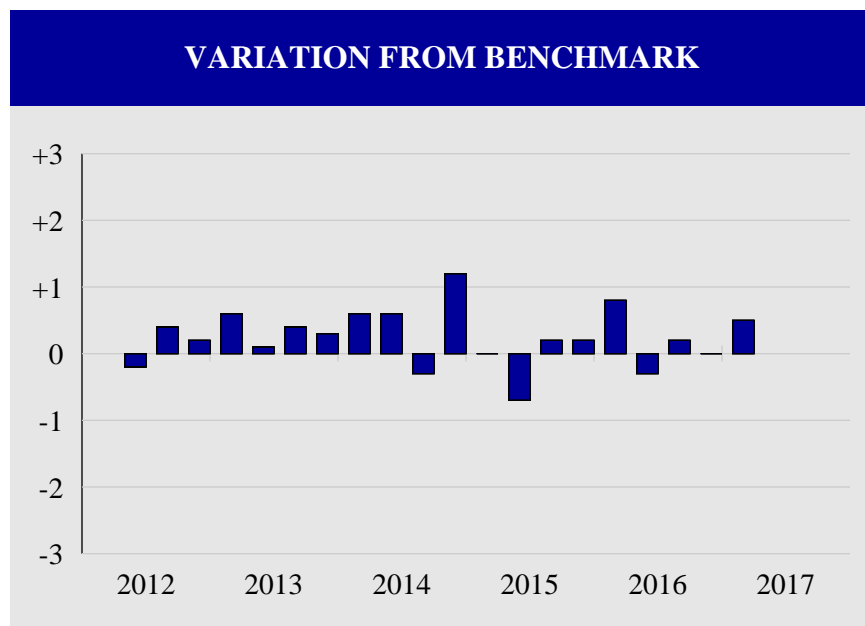
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
6/12	-2.2	-1.6	-0.6
9/12	4.7	4.7	0.0
12/12	3.0	1.5	1.5
3/13	5.9	6.2	-0.3
6/13	1.1	1.0	0.1
9/13	5.7	5.2	0.5
12/13	5.8	6.1	-0.3
3/14	2.5	1.8	0.7
6/14	3.3	3.8	-0.5
9/14	-1.1	-0.4	-0.7
12/14	3.1	2.8	0.3
3/15	2.6	2.4	0.2
6/15	0.0	0.2	-0.2
9/15	-4.2	-4.3	0.1
12/15	2.9	4.0	-1.1
3/16	2.0	1.1	0.9
6/16	0.9	1.9	-1.0
9/16	4.5	3.4	1.1
12/16	1.4	1.4	0.0
3/17	4.1	4.3	-0.2

Total Quarters Observed	20
Quarters At or Above the Benchmark	11
Quarters Below the Benchmark	9
Batting Average	.550

PRIT CORE MANAGER SUMMARY



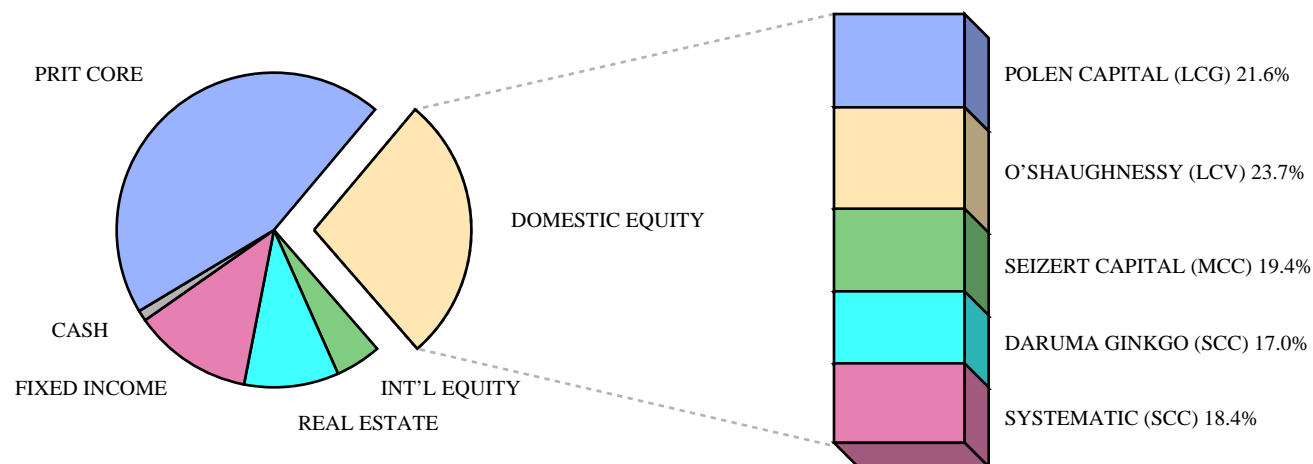
TOTAL RETURNS AND RANKINGS							
MANAGER	(UNIVERSE)	QTR	YTD	1 YEAR	3 YEARS	5 YEARS	MARKET VALUE
PRIT CORE FUND	(Public Fund)	4.9 (23)	4.9 (23)	11.2 (41)	6.5 (12)	8.7 (13)	\$59,144,242
<i>Custom Core Index</i>		<i>4.4 ---</i>	<i>4.4 ---</i>	<i>10.8 ---</i>	<i>5.7 ---</i>	<i>7.7 ---</i>	<i>---</i>

PRIT CORE QUARTERLY PERFORMANCE SUMMARY**COMPARATIVE BENCHMARK: CUSTOM CORE INDEX**

Total Quarters Observed	20
Quarters At or Above the Benchmark	16
Quarters Below the Benchmark	4
Batting Average	.800

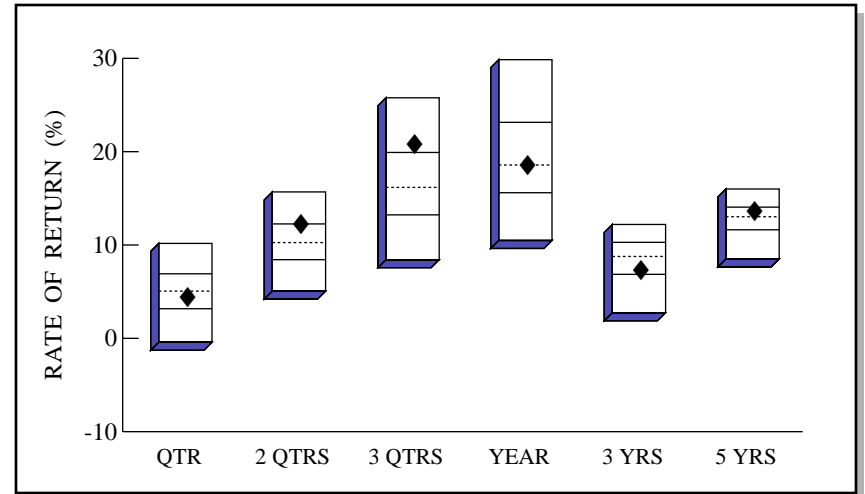
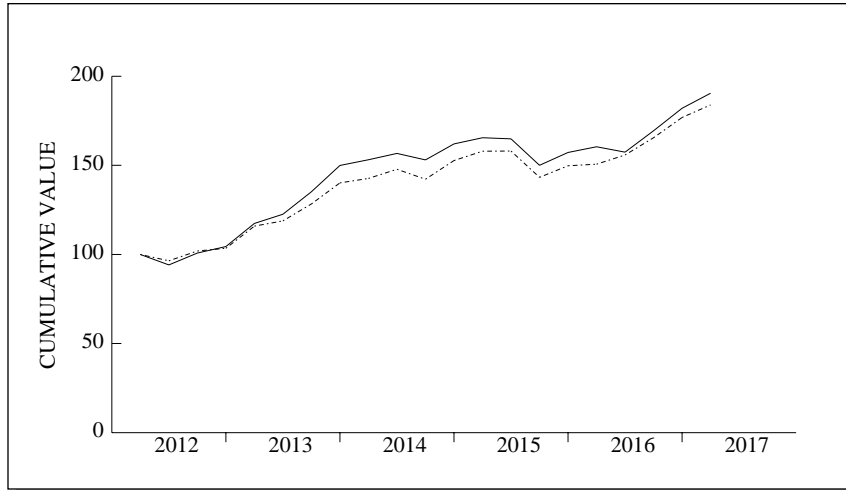
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
6/12	-1.5	-1.3	-0.2
9/12	4.4	4.0	0.4
12/12	3.1	2.9	0.2
3/13	4.6	4.0	0.6
6/13	0.2	0.1	0.1
9/13	5.1	4.7	0.4
12/13	4.9	4.6	0.3
3/14	2.7	2.1	0.6
6/14	4.1	3.5	0.6
9/14	-0.8	-0.5	-0.3
12/14	2.1	0.9	1.2
3/15	2.7	2.7	0.0
6/15	0.0	0.7	-0.7
9/15	-3.9	-4.1	0.2
12/15	2.4	2.2	0.2
3/16	2.0	1.2	0.8
6/16	1.9	2.2	-0.3
9/16	4.3	4.1	0.2
12/16	-0.2	-0.2	0.0
3/17	4.9	4.4	0.5

DOMESTIC EQUITY MANAGER SUMMARY

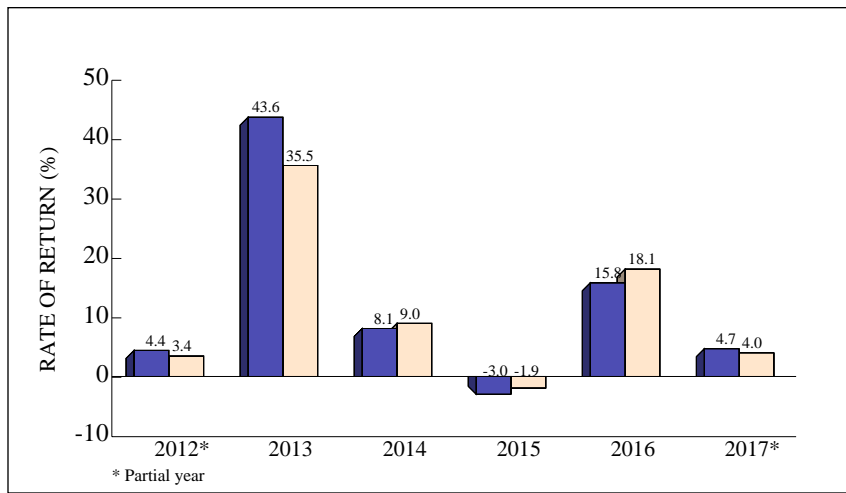


TOTAL RETURNS AND RANKINGS							
MANAGER	(UNIVERSE)	QTR	YTD	1 YEAR	3 YEARS	5 YEARS	MARKET VALUE
POLEN CAPITAL	(Large Cap Growth)	9.2 (44)	9.2 (44)	10.8 (91)	14.5 (3)	12.5 (57)	\$8,115,188
<i>Russell 1000 Growth</i>		8.9 ----	8.9 ----	15.8 ----	11.3 ----	13.3 ----	----
O'SHAUGHNESSY	(Large Cap Value)	3.0 (76)	3.0 (76)	15.3 (77)	5.9 (90)	13.3 (40)	\$8,662,693
<i>Russell 1000 Value</i>		3.3 ----	3.3 ----	19.2 ----	8.7 ----	13.1 ----	----
SEIZERT CAPITAL	(Mid Cap)	6.3 (40)	6.3 (40)	31.0 (1)	7.4 (62)	15.7 (8)	\$7,369,110
<i>Russell Mid Cap</i>		5.1 ----	5.1 ----	17.0 ----	8.5 ----	13.1 ----	----
DARUMA GINKGO	(Small Cap)	3.2 (48)	3.2 (48)	16.9 (94)	2.5 (96)	11.0 (86)	\$6,149,255
SYSTEMATIC	(Small Cap)	1.0 (72)	1.0 (72)	20.8 (78)	----	----	\$6,713,634
<i>Russell 2000</i>		2.5 ----	2.5 ----	26.2 ----	7.2 ----	12.3 ----	----

DOMESTIC EQUITY RETURN COMPARISONS

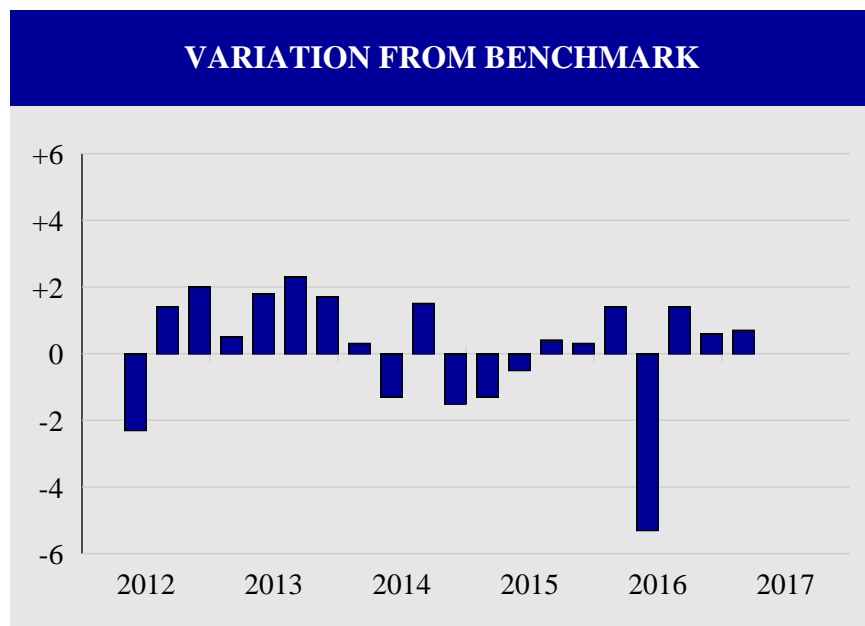


Domestic Equity Universe



	QTR	2 QTRS	3 QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	4.7	12.5	21.0	18.8	7.5	13.8
(RANK)	(56)	(23)	(21)	(49)	(68)	(32)
5TH %ILE	10.2	15.7	25.8	29.9	12.2	16.0
25TH %ILE	6.9	12.3	19.9	23.2	10.3	14.1
MEDIAN	5.1	10.3	16.2	18.6	8.8	13.0
75TH %ILE	3.2	8.4	13.2	15.6	6.9	11.6
95TH %ILE	-0.4	5.1	8.4	10.5	2.7	8.5
Equity Index	4.0	11.1	18.0	22.0	8.8	13.0

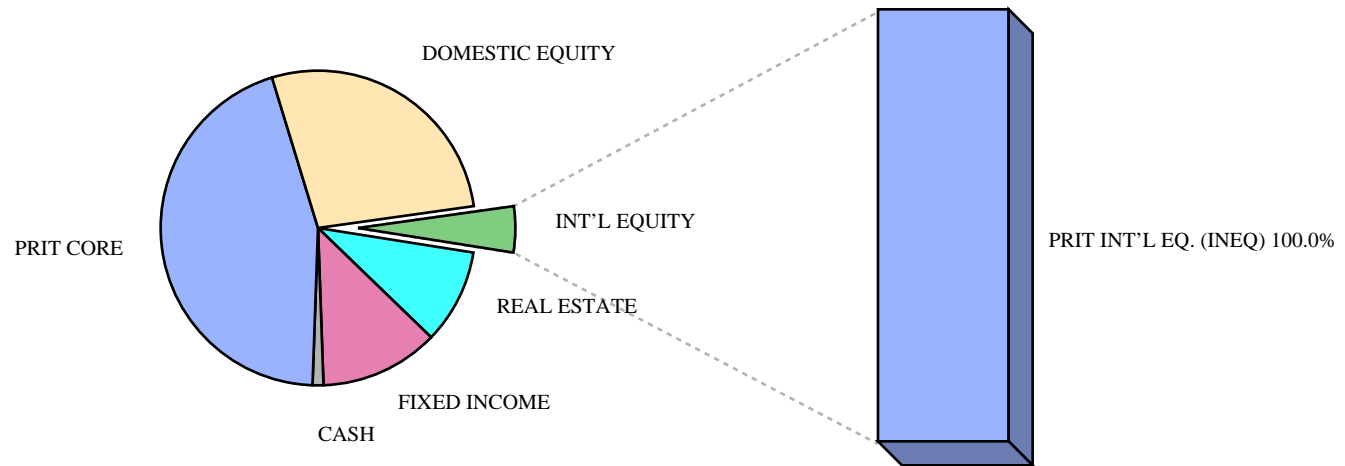
Domestic Equity Universe

DOMESTIC EQUITY QUARTERLY PERFORMANCE SUMMARY**COMPARATIVE BENCHMARK: FRANKLIN REGIONAL EQUITY INDEX**

Total Quarters Observed	20
Quarters At or Above the Benchmark	14
Quarters Below the Benchmark	6
Batting Average	.700

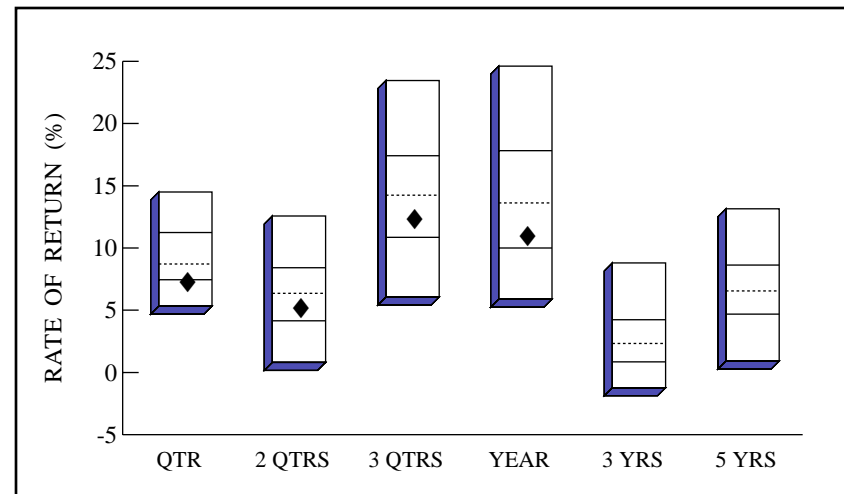
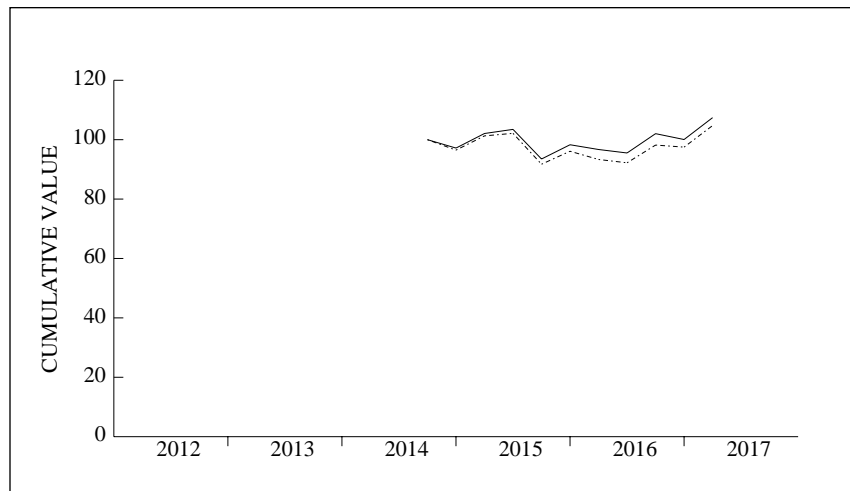
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
6/12	-5.9	-3.6	-2.3
9/12	7.1	5.7	1.4
12/12	3.5	1.5	2.0
3/13	12.5	12.0	0.5
6/13	4.4	2.6	1.8
9/13	10.3	8.0	2.3
12/13	10.9	9.2	1.7
3/14	2.1	1.8	0.3
6/14	2.3	3.6	-1.3
9/14	-2.3	-3.8	1.5
12/14	5.9	7.4	-1.5
3/15	2.1	3.4	-1.3
6/15	-0.4	0.1	-0.5
9/15	-9.0	-9.4	0.4
12/15	4.8	4.5	0.3
3/16	2.0	0.6	1.4
6/16	-1.9	3.4	-5.3
9/16	7.6	6.2	1.4
12/16	7.5	6.9	0.6
3/17	4.7	4.0	0.7

INTERNATIONAL EQUITY MANAGER SUMMARY

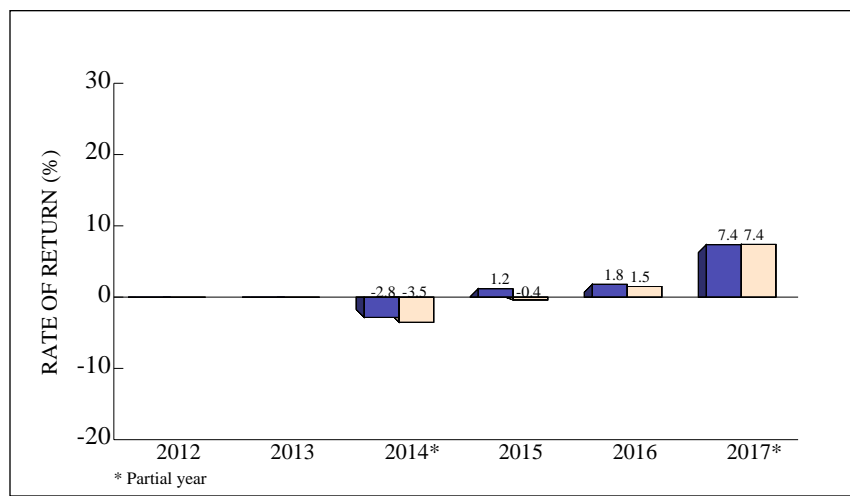


TOTAL RETURNS AND RANKINGS							
MANAGER	(UNIVERSE)	QTR	YTD	1 YEAR	3 YEARS	5 YEARS	MARKET VALUE
PRIT INT'L EQ.	(International Equity)	7.4 (77)	7.4 (77)	11.1 (68)	----	----	\$6,092,396
<i>MSCI EAFE</i>		<i>7.4</i> ----	<i>7.4</i> ----	<i>12.2</i> ----	<i>1.0</i> ----	<i>6.3</i> ----	----

INTERNATIONAL EQUITY RETURN COMPARISONS



International Equity Universe



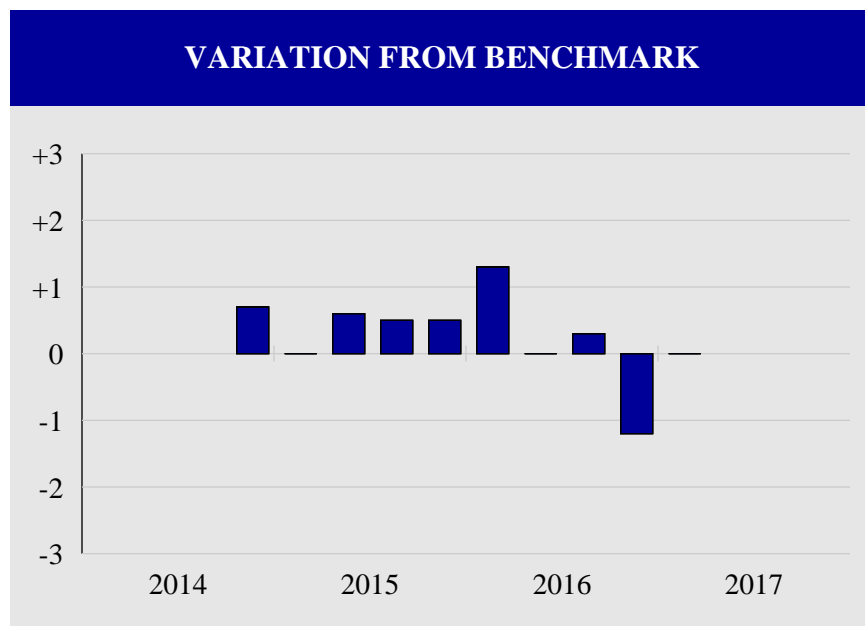
* Partial year

	QTR	2 QTRS	3 QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	7.4	5.3	12.5	11.1	----	----
(RANK)	(77)	(64)	(66)	(68)	----	----
5TH %ILE	14.5	12.6	23.5	24.6	8.8	13.2
25TH %ILE	11.3	8.4	17.4	17.8	4.2	8.6
MEDIAN	8.7	6.4	14.3	13.6	2.3	6.5
75TH %ILE	7.5	4.2	10.9	10.0	0.9	4.7
95TH %ILE	5.3	0.8	6.1	5.9	-1.2	0.9
MSCI EAFE	7.4	6.7	13.6	12.2	1.0	6.3

International Equity Universe

INTERNATIONAL EQUITY QUARTERLY PERFORMANCE SUMMARY

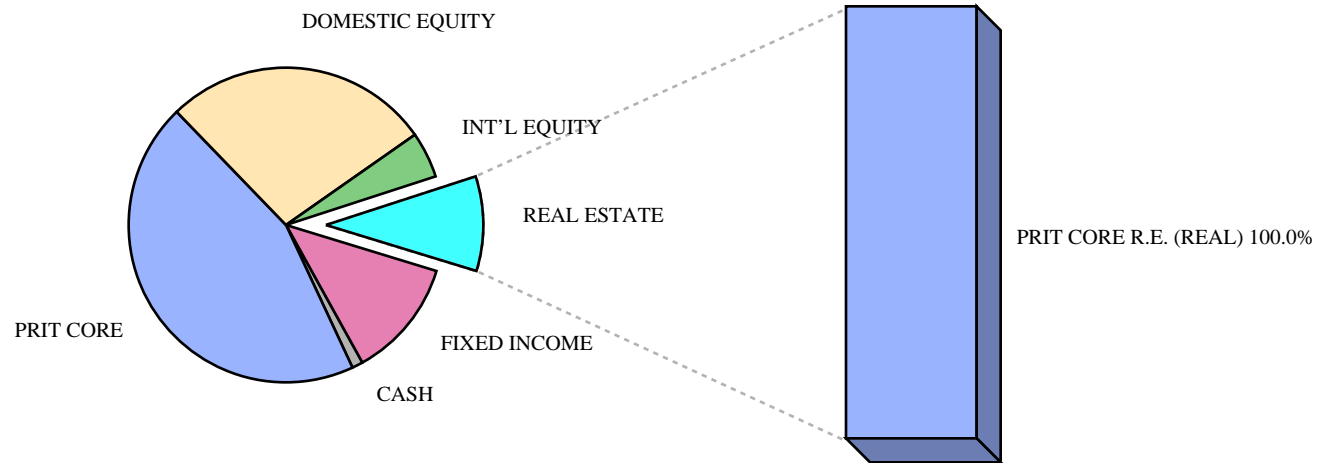
COMPARATIVE BENCHMARK: MSCI EAFE



RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
12/14	-2.8	-3.5	0.7
3/15	5.0	5.0	0.0
6/15	1.4	0.8	0.6
9/15	-9.7	-10.2	0.5
12/15	5.2	4.7	0.5
3/16	-1.6	-2.9	1.3
6/16	-1.2	-1.2	0.0
9/16	6.8	6.5	0.3
12/16	-1.9	-0.7	-1.2
3/17	7.4	7.4	0.0

Total Quarters Observed	10
Quarters At or Above the Benchmark	9
Quarters Below the Benchmark	1
Batting Average	.900

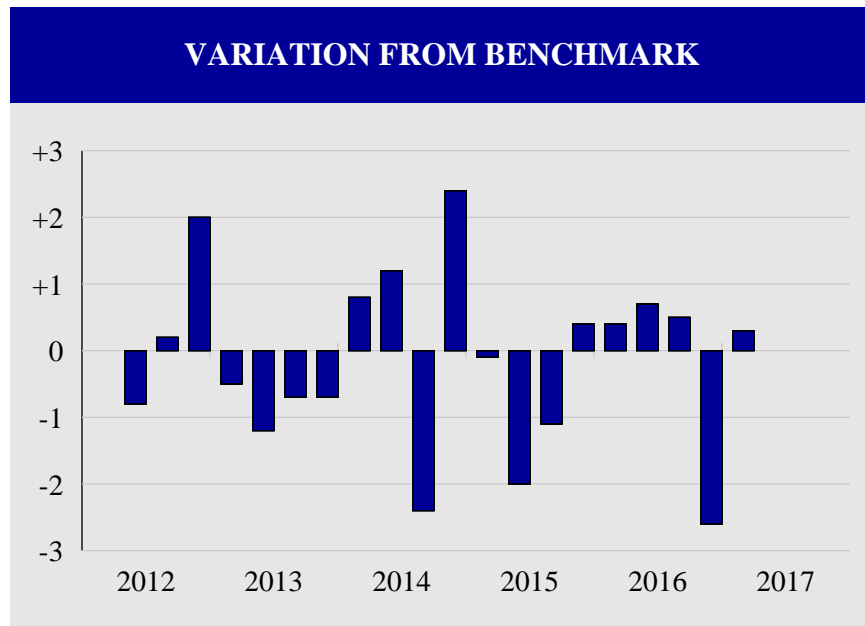
REAL ESTATE MANAGER SUMMARY



		TOTAL RETURNS AND RANKINGS					
MANAGER	(UNIVERSE)	QTR	YTD	1 YEAR	3 YEARS	5 YEARS	MARKET VALUE
PRIT CORE R.E.		2.1 ---	2.1 ---	7.2 ---	10.9 ---	11.3 ---	\$13,000,748
<i>NCREIF NFI-ODCE Index</i>		<i>1.8 ---</i>	<i>1.8 ---</i>	<i>8.3 ---</i>	<i>11.8 ---</i>	<i>12.0 ---</i>	---

REAL ESTATE QUARTERLY PERFORMANCE SUMMARY

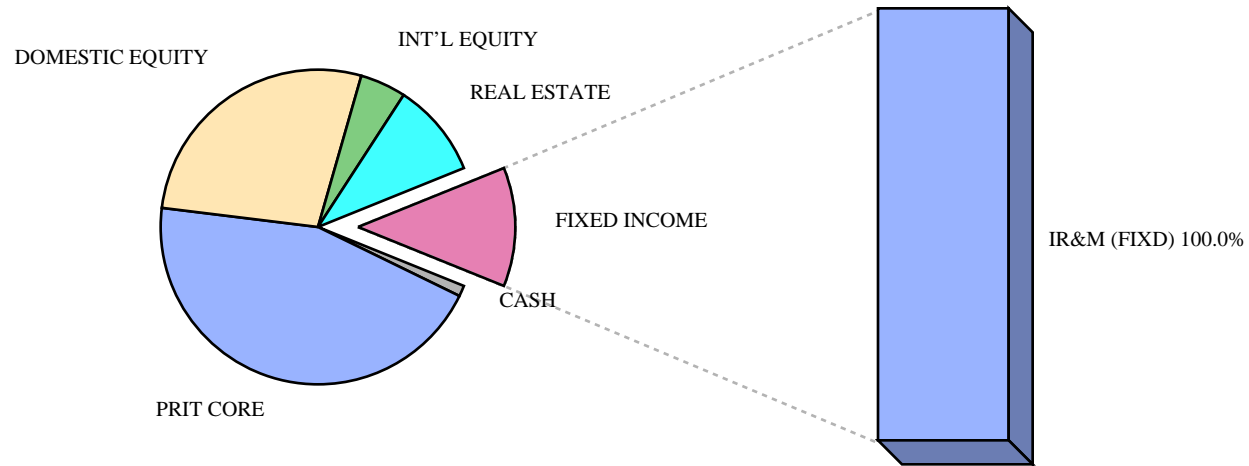
COMPARATIVE BENCHMARK: NCREIF NFI-ODCE INDEX



Total Quarters Observed	20
Quarters At or Above the Benchmark	10
Quarters Below the Benchmark	10
Batting Average	.500

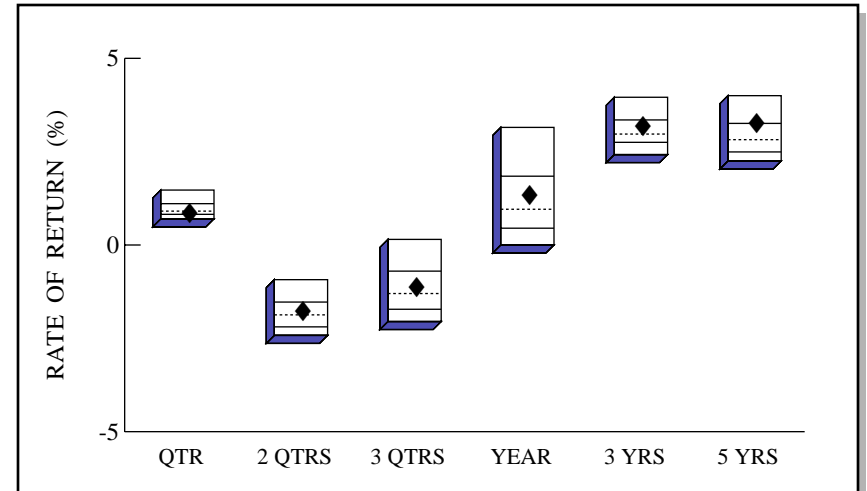
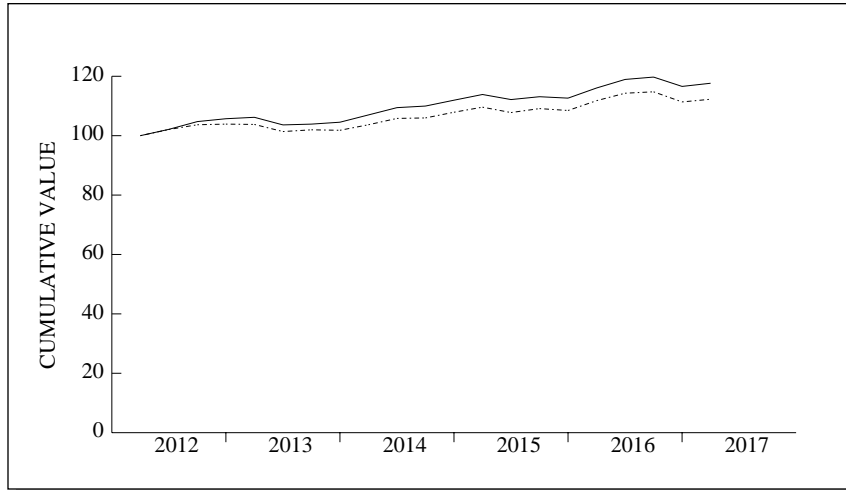
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
6/12	1.7	2.5	-0.8
9/12	3.0	2.8	0.2
12/12	4.3	2.3	2.0
3/13	2.2	2.7	-0.5
6/13	2.7	3.9	-1.2
9/13	2.9	3.6	-0.7
12/13	2.5	3.2	-0.7
3/14	3.3	2.5	0.8
6/14	4.1	2.9	1.2
9/14	0.8	3.2	-2.4
12/14	5.7	3.3	2.4
3/15	3.3	3.4	-0.1
6/15	1.8	3.8	-2.0
9/15	2.6	3.7	-1.1
12/15	3.7	3.3	0.4
3/16	2.6	2.2	0.4
6/16	2.8	2.1	0.7
9/16	2.6	2.1	0.5
12/16	-0.5	2.1	-2.6
3/17	2.1	1.8	0.3

FIXED INCOME MANAGER SUMMARY

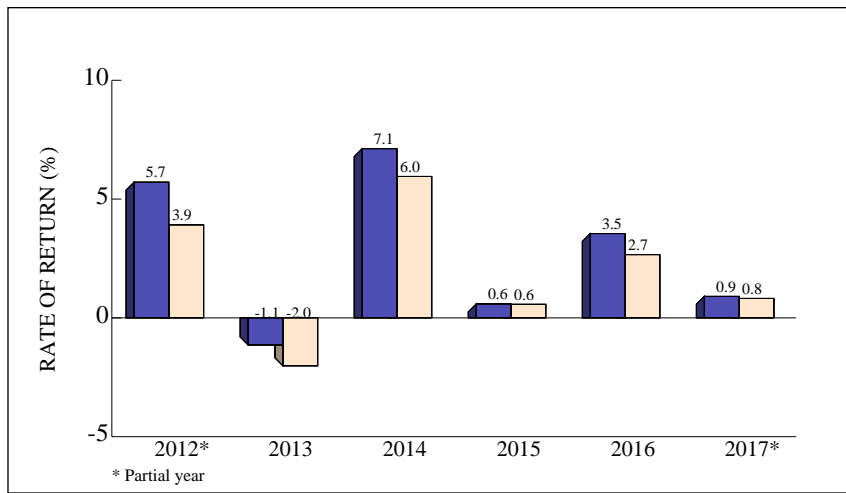


TOTAL RETURNS AND RANKINGS							
MANAGER	(UNIVERSE)	QTR	YTD	1 YEAR	3 YEARS	5 YEARS	MARKET VALUE
IR&M	(Core Fixed Income)	0.9 (51)	0.9 (51)	1.4 (39)	3.2 (29)	3.3 (22)	\$16,044,615
<i>Bloomberg Barclays Aggregate Index</i>		0.8 ----	0.8 ----	0.4 ----	2.7 ----	2.3 ----	----

FIXED INCOME RETURN COMPARISONS



Core Fixed Income Universe

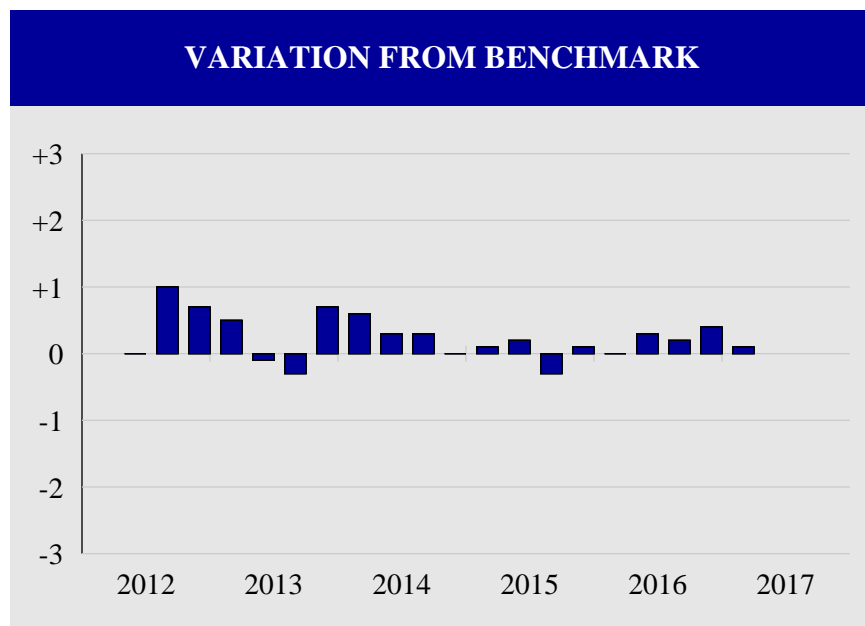


	QTR	2 QTRS	3 QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	0.9	-1.7	-1.1	1.4	3.2	3.3
(RANK)	(51)	(36)	(38)	(39)	(29)	(22)
5TH %ILE	1.5	-0.9	0.2	3.2	4.0	4.0
25TH %ILE	1.1	-1.5	-0.7	1.8	3.4	3.3
MEDIAN	0.9	-1.9	-1.3	1.0	3.0	2.8
75TH %ILE	0.8	-2.2	-1.7	0.5	2.8	2.5
95TH %ILE	0.7	-2.4	-2.1	0.0	2.4	2.3
Agg Index	0.8	-2.2	-1.7	0.4	2.7	2.3

Core Fixed Income Universe

FIXED INCOME QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: BLOOMBERG BARCLAYS AGGREGATE INDEX



Total Quarters Observed	20
Quarters At or Above the Benchmark	17
Quarters Below the Benchmark	3
Batting Average	.850

RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
6/12	2.1	2.1	0.0
9/12	2.6	1.6	1.0
12/12	0.9	0.2	0.7
3/13	0.4	-0.1	0.5
6/13	-2.4	-2.3	-0.1
9/13	0.3	0.6	-0.3
12/13	0.6	-0.1	0.7
3/14	2.4	1.8	0.6
6/14	2.3	2.0	0.3
9/14	0.5	0.2	0.3
12/14	1.8	1.8	0.0
3/15	1.7	1.6	0.1
6/15	-1.5	-1.7	0.2
9/15	0.9	1.2	-0.3
12/15	-0.5	-0.6	0.1
3/16	3.0	3.0	0.0
6/16	2.5	2.2	0.3
9/16	0.7	0.5	0.2
12/16	-2.6	-3.0	0.4
3/17	0.9	0.8	0.1

**PRIT MANAGER RETURNS AND ALLOCATIONS
AS OF MARCH 31, 2017**

PORTFOLIO	QTR	ANNUALIZED			% Allocation
		1 YEAR	3 YEARS	5 YEARS	
Domestic Equity	5.4	17.9	9.4	13.1	19.7
SSgA S&P 500	5.9	17.1	10.2	13.3	15.4
Summit Creek	8.4	9.3	4.0	---	0.4
Frontier	-1.5	24.0	9.3	---	0.5
Huber	0.5	25.5	-1.2	---	0.4
RiverBridge	8.4	18.9	7.2	---	0.3
SSgA Russell 2500	3.8	21.6	7.5	12.5	2.7
<i>S&P 500</i>	<i>6.1</i>	<i>17.2</i>	<i>10.4</i>	<i>13.3</i>	---
<i>Russell 2500</i>	<i>3.8</i>	<i>21.5</i>	<i>7.4</i>	<i>12.6</i>	---
International Equity	7.4	11.1	1.7	7.0	17.3
SSgA World Ex-US	6.9	12.4	1.1	6.3	8.5
Marathon Asset Management	6.7	9.0	2.2	8.1	4.1
Baillie Gifford	9.5	10.7	2.3	7.6	3.2
Mondrian	7.0	10.8	2.1	7.1	1.4
FIS	6.9	8.4	1.0	---	0.2
<i>MSCI EAFE</i>	<i>7.4</i>	<i>12.2</i>	<i>1.0</i>	<i>6.3</i>	---
<i>ACWI EX US</i>	<i>8.0</i>	<i>13.7</i>	<i>1.0</i>	<i>4.8</i>	---
Emerging Markets Equity	12.9	21.4	3.0	2.2	7.5
SSgA Emerging Markets	11.8	17.2	1.9	1.6	1.9
AQR Emerging	13.2	24.8	---	---	0.9
Baillie Gifford EMM	15.9	22.9	---	---	1.2
Driehaus Capital	11.5	15.6	---	---	1.0
Harding Loevner	11.6	20.1	---	---	0.8
Pzena	13.6	28.9	---	---	1.0
Emerging Markets Transition	---	---	---	---	0.0
Acadian	16.8	26.0	6.6	---	0.2
Wasatch	10.7	7.2	1.6	---	0.2
Acadian Frontier	13.8	38.6	---	---	0.2
City of London	10.3	27.7	---	---	0.2
<i>MSCI Emerging Markets</i>	<i>11.5</i>	<i>17.7</i>	<i>1.6</i>	<i>1.2</i>	---

**PRIT MANAGER RETURNS AND ALLOCATIONS
AS OF MARCH 31, 2017**

PORTFOLIO	QTR	ANNUALIZED			% Allocation
		1 YEAR	3 YEARS	5 YEARS	
Core Fixed Income	1.3	-0.9	5.3	4.0	11.7
Blackrock Passive	0.8	0.2	2.6	2.3	1.7
PIMCO Core	1.3	1.9	2.9	3.0	1.3
Loomis Sayles Core	1.2	2.4	3.8	3.7	1.7
Community Capital Management	0.8	-0.1	2.6	2.4	0.0
AFL - CIO Housing Investment	0.9	0.2	2.9	2.5	0.2
Access Capital - ETI	0.5	0.8	3.1	2.5	0.2
Progress Mgr of Mgrs	1.1	1.9	---	---	0.2
BlackRock STRIPS	1.9	-7.2	9.0	---	3.0
Blackrock TIPS	1.3	1.5	2.0	1.0	1.4
Blackrock ILBs	0.6	6.9	5.1	3.5	2.0
<i>Barclays Aggregate</i>	<i>0.8</i>	<i>0.4</i>	<i>2.7</i>	<i>2.3</i>	<i>---</i>
<i>Barclays STRIPS 20+Yrs</i>	<i>1.8</i>	<i>-7.3</i>	<i>8.9</i>	<i>---</i>	<i>---</i>
<i>Barclays US TIPS</i>	<i>1.3</i>	<i>1.5</i>	<i>2.0</i>	<i>1.0</i>	<i>---</i>
<i>Barclays ILB US Hedged</i>	<i>0.7</i>	<i>6.6</i>	<i>5.3</i>	<i>3.4</i>	<i>---</i>
<i>Barclays Aggregate A or Better</i>	<i>0.7</i>	<i>-0.3</i>	<i>2.5</i>	<i>2.1</i>	<i>---</i>
Value-Added Fixed Income	4.2	11.1	3.2	5.1	8.2
Fidelity	2.5	14.1	4.4	7.0	0.5
Loomis Sayles High Yield	3.3	16.0	4.9	7.1	0.6
Shenkman	2.0	11.5	3.9	5.6	0.5
Eaton Vance	1.3	9.7	3.9	4.5	0.9
Voya	0.8	7.8	4.0	5.2	0.9
Ashmore	4.3	17.9	6.9	6.0	0.7
PIMCO EMD	4.3	12.7	5.7	5.1	0.5
Investec	7.8	6.5	-2.5	---	0.6
Pictet	5.6	4.4	-2.5	---	0.7
Stone Harbor	7.8	6.5	-2.9	---	0.4
Distressed Debt	6.0	14.6	5.3	10.3	1.9
<i>ML Master High Yield</i>	<i>2.7</i>	<i>16.9</i>	<i>4.6</i>	<i>6.9</i>	<i>---</i>
<i>JPM EMBI</i>	<i>3.9</i>	<i>8.9</i>	<i>6.2</i>	<i>5.8</i>	<i>---</i>

**PRIT MANAGER RETURNS AND ALLOCATIONS
AS OF MARCH 31, 2017**

PORTFOLIO	QTR	ANNUALIZED			% Allocation
		1 YEAR	3 YEARS	5 YEARS	
Private Equity	5.4	15.0	15.4	17.5	10.7
Total Special Equity	7.0	17.5	15.9	18.0	7.8
Total Venture Capital	1.2	9.5	15.3	18.0	2.5
<i>Cambridge Private Equity (Lagged)</i>	<i>4.7</i>	<i>13.3</i>	<i>10.0</i>	<i>13.0</i>	<i>---</i>
Private Real Estate	2.0	8.8	12.0	12.4	7.1
Invesco Core	2.7	10.3	12.5	12.6	1.5
Lasalle	2.3	8.9	11.3	12.1	2.6
AEW	1.3	8.5	12.8	12.3	2.2
JP Morgan	1.4	1.3	7.6	7.2	1.0
AEW Core Transition	1.0	-0.7	---	---	0.5
PRIM - Core Real estate	0.7	---	---	---	0.1
Non-Core	2.3	18.5	18.7	17.6	0.7
New Boston Urban I	-0.4	-3.1	1.4	2.7	0.0
Portfolio Debt	---	---	---	---	-1.5
<i>NCREIF ODCE</i>	<i>1.8</i>	<i>8.3</i>	<i>11.8</i>	<i>12.0</i>	<i>---</i>
REITS	2.4	2.3	6.6	8.1	2.3
Invesco Global REIT	2.3	1.2	5.9	---	0.4
Centersquare Global REIT	2.5	2.2	7.2	---	1.3
Presima	1.1	-1.4	---	---	0.2
Brookfield	2.8	5.9	---	---	0.4
Transition	---	---	---	---	0.0
<i>NAREIT</i>	<i>2.6</i>	<i>5.3</i>	<i>10.6</i>	<i>10.3</i>	<i>---</i>
<i>FTSE EPRA NAREIT</i>	<i>3.4</i>	<i>2.9</i>	<i>5.9</i>	<i>7.7</i>	<i>---</i>

**PRIT MANAGER RETURNS AND ALLOCATIONS
AS OF MARCH 31, 2017**

PORTFOLIO	QTR	ANNUALIZED			% Allocation
		1 YEAR	3 YEARS	5 YEARS	
Timber	1.8	7.1	5.6	7.0	3.8
Forest	1.7	5.4	5.6	7.2	2.0
The Campbell Group	1.9	8.8	6.0	6.3	1.8
<i>NCREIF Timber</i>	<i>0.8</i>	<i>3.6</i>	<i>5.7</i>	<i>7.1</i>	---
Hedge Funds (Net)	2.2	9.5	2.7	5.4	8.5
PAAMCO	2.7	6.5	0.2	4.9	1.4
Direct Hedge Funds	2.1	10.2	3.4	5.5	7.1
<i>HFRI FOF</i>	<i>2.3</i>	<i>6.2</i>	<i>1.8</i>	<i>3.2</i>	---
Portfolio Completion Strategies	0.8	-0.6	---	---	1.1
Overlay	3.3	6.5	4.1	---	1.2
Clifton	5.2	9.1	5.1	---	0.3
Overlay Cash	---	---	---	---	0.9
Portable Alpha Wind Down (Net)	-1.7	-2.6	-3.9	-2.9	0.0
Austin Capital	-0.8	71.7	15.4	3.4	0.0
Crestline	0.1	-5.4	-5.6	-3.7	0.0
Strategic	-2.7	-6.5	-4.2	-2.2	0.0
<i>HFRI FOF</i>	<i>2.3</i>	<i>6.2</i>	<i>1.8</i>	<i>3.2</i>	---
Liquidating Portfolios	5.6	17.6	---	---	0.4
Natural Resources - Private	7.0	22.9	---	---	0.3

All sleeve-level returns include cash allocations; the sum of the manager allocations may not add up to the total.

Source: PRIM Board

APPENDIX - MAJOR MARKET INDEX RETURNS

Economic Data	Style	QTR	YTD	1 Year	3 years	5 Years
Consumer Price Index	Economic Data	1.0	1.0	2.4	1.0	1.2
Domestic Equity	Style	QTR	YTD	1 Year	3 years	5 Years
Russell 3000	Broad Equity	5.7	5.7	18.1	9.8	13.2
S&P 500	Large Cap Core	6.1	6.1	17.2	10.4	13.3
Russell 1000	Large Cap	6.0	6.0	17.4	10.0	13.3
Russell 1000 Growth	Large Cap Growth	8.9	8.9	15.8	11.3	13.3
Russell 1000 Value	Large Cap Value	3.3	3.3	19.2	8.7	13.1
Russell Mid Cap	Midcap	5.1	5.1	17.0	8.5	13.1
Russell Mid Cap Growth	Midcap Growth	6.9	6.9	14.1	7.9	12.0
Russell Mid Cap Value	Midcap Value	3.8	3.8	19.8	8.9	14.1
Russell 2000	Small Cap	2.5	2.5	26.2	7.2	12.3
Russell 2000 Growth	Small Cap Growth	5.3	5.3	23.0	6.7	12.1
Russell 2000 Value	Small Cap Value	-0.1	-0.1	29.3	7.6	12.5
International Equity	Style	QTR	YTD	1 Year	3 years	5 Years
MSCI All Country World Ex US	Foreign Equity	8.0	8.0	13.7	1.0	4.8
MSCI EAFE	Developed Markets Equity	7.4	7.4	12.2	1.0	6.3
MSCI EAFE Growth	Developed Markets Growth	8.6	8.6	7.9	1.9	6.4
MSCI EAFE Value	Developed Markets Value	6.2	6.2	16.7	-0.1	6.2
MSCI Emerging Markets	Emerging Markets Equity	11.5	11.5	17.7	1.6	1.2
Domestic Fixed Income	Style	QTR	YTD	1 Year	3 years	5 Years
Bloomberg Barclays Aggregate Index	Core Fixed Income	0.8	0.8	0.4	2.7	2.3
Bloomberg Barclays Capital Gov't Bond	Treasuries	0.7	0.7	-1.4	2.0	1.6
Bloomberg Barclays Capital Credit Bond	Corporate Bonds	1.3	1.3	3.0	3.5	3.7
Intermediate Aggregate	Core Intermediate	0.7	0.7	0.3	2.3	2.0
ML/BoA 1-3 Year Treasury	Short Term Treasuries	0.3	0.3	0.2	0.7	0.5
Citi High Yield BB & B Index	High Yield Bonds	2.3	2.3	14.6	4.1	6.2
Alternative Assets	Style	QTR	YTD	1 Year	3 years	5 Years
Bloomberg Barclays Global Treasury Ex US	International Treasuries	2.6	2.6	-4.0	-2.1	-1.4
NCREIF NFI-ODCE Index	Real Estate	1.8	1.8	8.3	11.8	12.0
HFRI FOF Composite	Hedge Funds	2.4	2.4	6.2	1.8	3.2

APPENDIX - DISCLOSURES

- * The Policy index is a policy-weighted passive index and was constructed as follows:
40% Russell 3000 Index / 25% Barclays Aggregate Index / 15% EAFE Index / 10% NCREIF NFI-ODCE/ 2.5% NCREIF Timber / 7.5% S&P 500
- * The Custom Equity index was constructed as follows:
44.5% Russell 2000 index / 33.3% S&P 500 index / 22.2% S&P 400 index
- * The Custom PRIT Core Policy Index is a policy-weighted passive index and was constructed as follows:
For all periods from January 2011 through July 2011:

24.0% Russell 3000	20.0% MSCI EAFE	5.0% MSCI Emerging Markets
13.0% Barclays Aggregate	6.0% CSFB Hi Yield	10.0% Cambridge Private Equity
10.0% NCREIF NFI-ODCE	4.0% NCREIF Timber	8.0% HFRI Fund of Funds Composite

 For all periods from August 2011 through January 2014:

19.0% Russell 3000	17.0% MSCI EAFE	7.0% MSCI Emerging Markets
14.0% Barclays Aggregate	6.0% CSFB Hi Yield	10.0% Cambridge Private Equity
10.0% NCREIF NFI-ODCE	4.0% NCREIF Timber	10.0% HFRI Fund of Funds Composite
3.0% Barclays US TIPS		

 For all periods from February 2014 through September 2015:

18.0% Russell 3000	16.0% MSCI EAFE	6.0% MSCI Emerging Markets
4.0% Barclays Aggregate	6.0% CSFB Hi Yield	10.0% Cambridge Private Equity
10.0% NCREIF NFI-ODCE	4.0% NCREIF Timber	9.0% HFRI Fund of Funds Composite
3.0% Barclays US TIPS	10.0% Barclays 5-10 Year Bond	4.0% MSCI All Country Ex-US

 For all periods since October 2015:

18.0% Russell 3000	16.0% MSCI EAFE	6.0% MSCI Emerging Markets
6.0% Barclays Aggregate	12.0% Cambridge Private Equity	10.0% NCREIF NFI-ODCE
4.0% NCREIF Timber	9.0% HFRI Fund of Funds Composite	5.0% Barclays US TIPS
10.0% Barclays 5-10 Year Bond	4.0% MSCI All Country Ex-US	

APPENDIX - DISCLOSURES

- * In July, 2014, the separately managed Daruma portfolio was divested and the proceeds were invested in the commingled Daruma Ginkgo Fund.
- * Performance for the Cambridge Private Equity Index is unavailable for the current quarter, a flat return of 0% is assumed.
- * Dahab Associates utilizes data provided by a custodian and other vendors it believes are reliable. However, it cannot assume responsibility for errors and omissions therefrom.
- * All returns were calculated on a time-weighted basis, and are gross of fees unless otherwise noted.
- * All returns for periods greater than one year are annualized.
- * Dahab Associates uses the modified duration measure to present average duration.
- * All values are in US dollars.

FRANKLIN REGIONAL RETIREMENT SYSTEM
PRIT - CORE FUND
PERFORMANCE REVIEW
MARCH 2017

INVESTMENT RETURN

On March 31st, 2017, the Franklin Regional Retirement System's PRIT Core Fund was valued at \$59,144,242, representing an increase of \$1,927,849 from the December quarter's ending value of \$57,216,393. Last quarter, the Fund posted withdrawals totaling \$836,170, which offset the portfolio's net investment return of \$2,764,019. Income receipts totaling \$393,807 plus net realized and unrealized capital gains of \$2,370,212 combined to produce the portfolio's net investment return.

For the cumulative period since March 2012, the fund has recorded net withdrawals totaling \$15.0 million and posted net investment gains of \$24.0 million. For the period since March 2012, if the total fund had returned a compound annual rate of 7.75% it would have been valued at \$55.5 million or \$3.7 million less than the actual value as of March 31st, 2017.

RELATIVE PERFORMANCE

Total Portfolio

In the first quarter, the PRIT Core Fund gained 4.9%, which was 0.5% above the Custom Core Index's return of 4.4% and ranked in the 23rd percentile of the Public Fund universe. Over the trailing year, the portfolio returned 11.2%, which was 0.4% greater than the benchmark's 10.8% performance, and ranked in the 41st percentile. Since March 2012, the portfolio returned 8.7% on an annualized basis and ranked in the 13th percentile. For comparison, the Custom Core Index returned an annualized 7.7% over the same period.

PRIT Core

A mixture of even performance in highly allocated sleeves and positive selection effects in other areas led the Core portfolio to outperform the Custom Index in the first quarter, as it returned 4.9% compared to the benchmark's 4.4% gain. Domestic Equity (19.7% allocation) – which represented the portfolio's most heavily

weighted sleeve – returned 5.4%, resembling the benchmark's 5.3% gain. Real Estate (9.8% allocation) and Hedge Funds (8.5% allocation) shared in this dynamic, returning 20 basis points over and 10 basis points below their benchmarks, respectively. Value-added Fixed Income, however, outperformed the index by 190 basis points, featuring positive selection effects that were enlarged by an 8.2% weight. International Equity outperformed as well, returning 7.4%, 40 basis points ahead of the index.

PRIT Domestic Equity

The SSgA S&P 500 index fund (15.4% allocation) comprised nearly 78.2% of the Domestic Equity sleeve, and returned 5.9%, predictably mirroring the performance of the benchmark on which it is based. Total Small/Smid Cap Equity segment (4.3% allocation) outpaced the benchmark's 3.2% return.

Frontier underperformed, losing 1.5% compared to the Russell 2000 Value benchmark's -0.1% return. Conversely, Huber outperformed the same index, returning 0.5%. The Domestic Equity sleeve returned 5.4% for the quarter, beating benchmark performance by 10 basis points.

PRIT International Equity

The International Equity sleeve (17.3%) outpaced the benchmark in the first quarter, gaining 7.4% against the Custom MSCI EAFE index's 7.0% return. The sleeve returned 11.1%, 1.7%, and 7.0% for the one-, three-, and five-year periods.

The SSgA World Ex-US index fund – which comprised nearly half of the sleeve – narrowly underperformed the benchmark, gaining 6.9%. Baillie Gifford (3.2% allocation) returned 9.5%, or 250 basis points ahead of the index, and was the primary driver of the sleeve's overall outperformance for the quarter.

PRIT Emerging Markets Equity

Emerging Markets posted one of the better turnouts among all the invested sleeves in the first quarter, surpassing the benchmark by 120 basis points (+12.9% vs +11.7%). Baillie Gifford EMM surged 15.9%, and represented nearly one-fifth of the sleeve's allocation. Acadian also outperformed by a considerable measure, gaining 16.8%, but its relatively light weight hindered the impact of its positive effect. Conversely, the SSgA Emerging Markets fund (25.3% sleeve weight) returned 11.8%, 10 basis points greater than the benchmark.

For the one-year period, the sleeve gained 21.4% compared to the benchmark's 17.0% return, while the three- and five-year periods also outperformed.

PRIT Hedge Funds

The HFRI Fund of Funds benchmark continued to offer a low performance hurdle in the first quarter, returning 2.3%. For comparison, the Hedge Fund sleeve returned 2.2% over the same three-month period. Direct Hedge Funds (7.1% portfolio weight, or 83.5% of the sleeve) gained 2.1% for the quarter, and its significant allocation made it the determining factor of sleeve slight underperformance.

PRIT Real Estate

The PRIT Real Estate sleeve represented 9.8% of the PRIT portfolio (including 1.5% in debt), and returned 2.1% for the quarter, beating benchmark performance by 20 basis points. The Private Real Estate component – representing 72.4% of the sleeve – outpaced the NCREIF Property index (One quarter lag) by 0.3%, benefitting from a combination of outsized gains by Core and Non-Core positions. Lasalle (2.6% allocation) returned 2.3%, which was 60 basis points higher than the index counterpart, while Invesco Core (1.5% allocation) gained 2.7%. The Non-Core position was up 2.3% as well.

The sleeve's REIT component (2.3% combined allocation) slightly edged out the performance of the FTSE EPRA NAREIT Developed Net Total Return index as well (2.4% vs. 2.3%). Top holding Centersquare (1.3% weight) beat the index by 20 basis points, while the sleeve delivered mixed performance effects in lesser-owned investments, namely Invesco Global REIT, Presima, and Brookfield, which returned 2.3%, 1.1%, and 2.8%, respectively.

PRIT Fixed Income

In the first quarter, the PRIT Core Fixed Income sleeve posted a 1.3% gain, matching the blended index's return. The fundamental core elements made up 45.3% of the sleeve, including the PIMCO Core fund, which handily outperformed the Barclays Aggregate Index by 50 basis points (1.3% vs. 0.8%).

The BlackRock STRIPS account represented 25.6% of the Core Fixed Income allocation. This component unexpectedly outperformed the Barclays US Treasury STRIPS 20+ Year Index on which it is based, returning 1.9% compared to the index's 1.8% gain. Total Inflation-linked Bonds returned 0.8%, falling behind the index's return.

The Value-Added Fixed Income sleeve (8.2% portfolio allocation) delivered a strong performance in the first quarter, delivering a 4.2% gain compared to the benchmark's 2.3% return. Distressed Debt was the primary driver of outperformance: While the NYU Salomon Center Combined Defaulted Public Bond & Bank Loan index returned -1.8% in the first quarter, the portfolio's Distressed Debt position returned 6.0%, and its 23.2% sleeve weight enlarged the substantial performance surplus.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	3 Year	5 Years
Total Portfolio - Gross	4.9	4.9	11.2	6.5	8.7
<i>PUBLIC FUND RANK</i>	(23)	(23)	(41)	(12)	(13)
Total Portfolio - Net	4.8	4.8	10.7	5.9	8.2
CUSTOM CORE IDX	4.4	4.4	10.8	5.7	7.7
PRIT Core - Gross	4.9	4.9	11.2	6.5	8.7
<i>PUBLIC FUND RANK</i>	(23)	(23)	(41)	(12)	(13)
CUSTOM CORE IDX	4.4	4.4	10.8	5.7	7.7

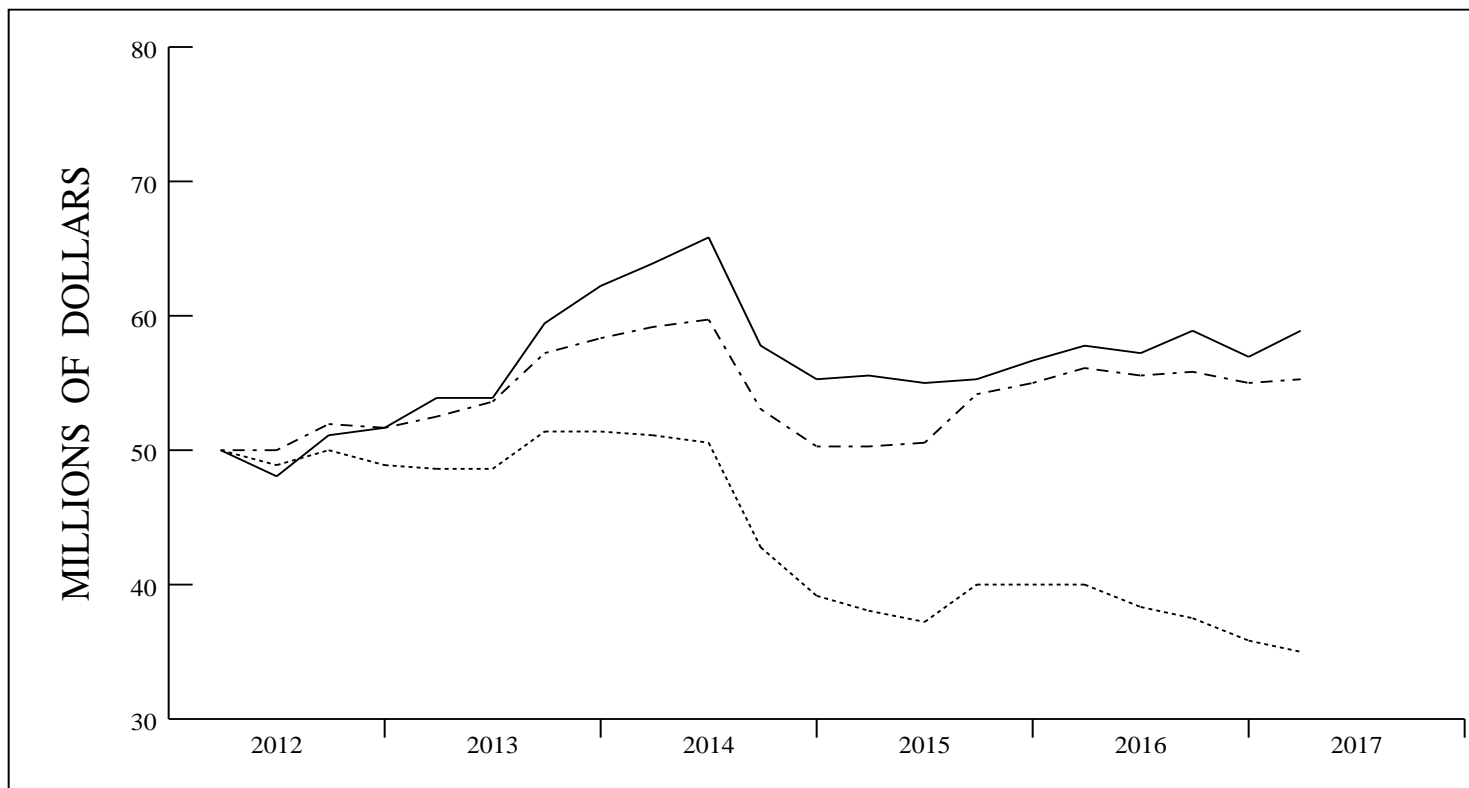
ASSET ALLOCATION

PRIT Core	100.0%	\$ 59,144,242
Total Portfolio	100.0%	\$ 59,144,242

INVESTMENT RETURN

Market Value 12/2016	\$ 57,216,393
Contribs / Withdrawals	-836,170
Income	393,807
Capital Gains / Losses	2,370,212
Market Value 3/2017	\$ 59,144,242

INVESTMENT GROWTH

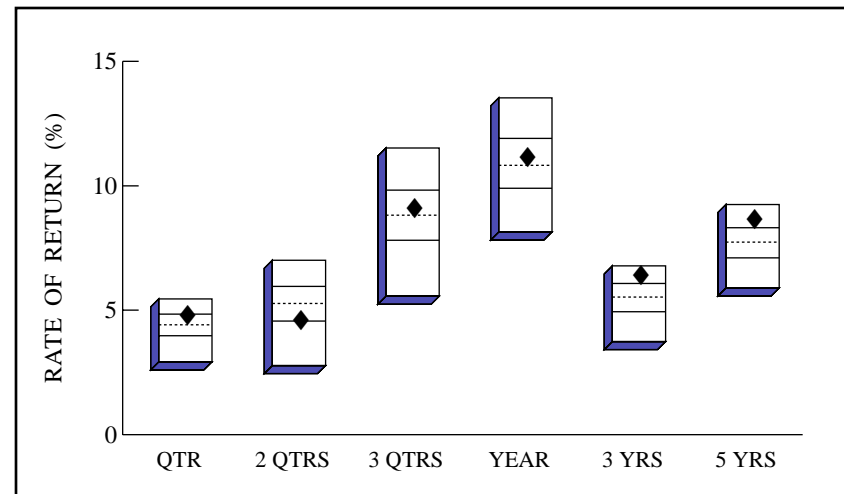
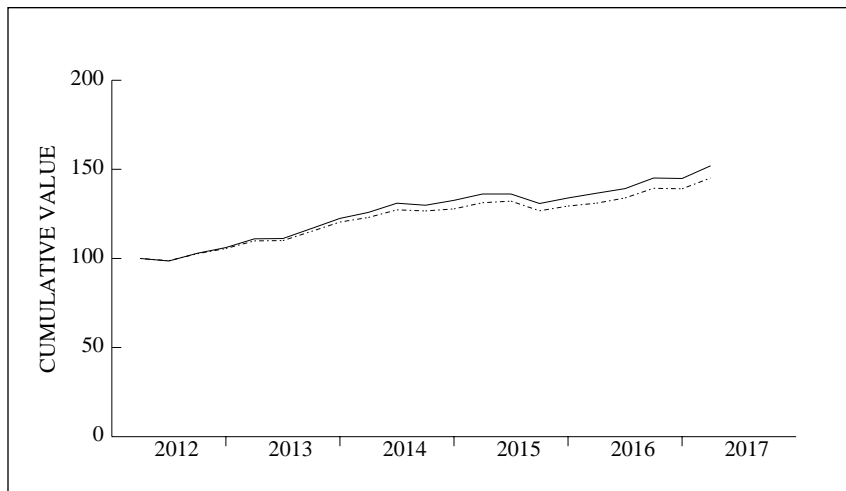


— ACTUAL RETURN
 - - - 7.75%
 . . . 0.0%

VALUE ASSUMING
 7.75% RETURN \$ 55,455,290

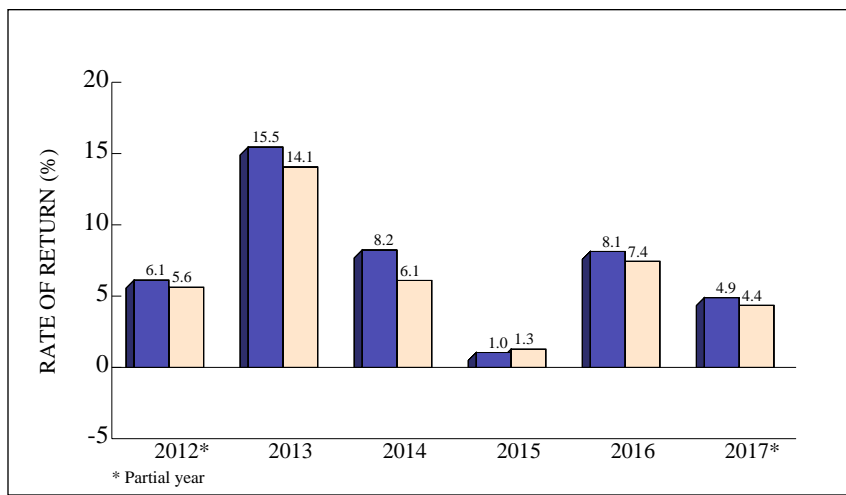
	LAST QUARTER	PERIOD 3/12 - 3/17
BEGINNING VALUE	\$ 57,216,393	\$ 50,111,180
NET CONTRIBUTIONS	-836,170	- 14,970,254
<u>INVESTMENT RETURN</u>	<u>2,764,019</u>	<u>24,003,316</u>
ENDING VALUE	\$ 59,144,242	\$ 59,144,242
INCOME	393,807	8,189,359
<u>CAPITAL GAINS (LOSSES)</u>	<u>2,370,212</u>	<u>15,813,957</u>
INVESTMENT RETURN	2,764,019	24,003,316

TOTAL RETURN COMPARISONS



■ ——— PORTFOLIO
■ - - - - - CUSTOM CORE IDX

Public Fund Universe

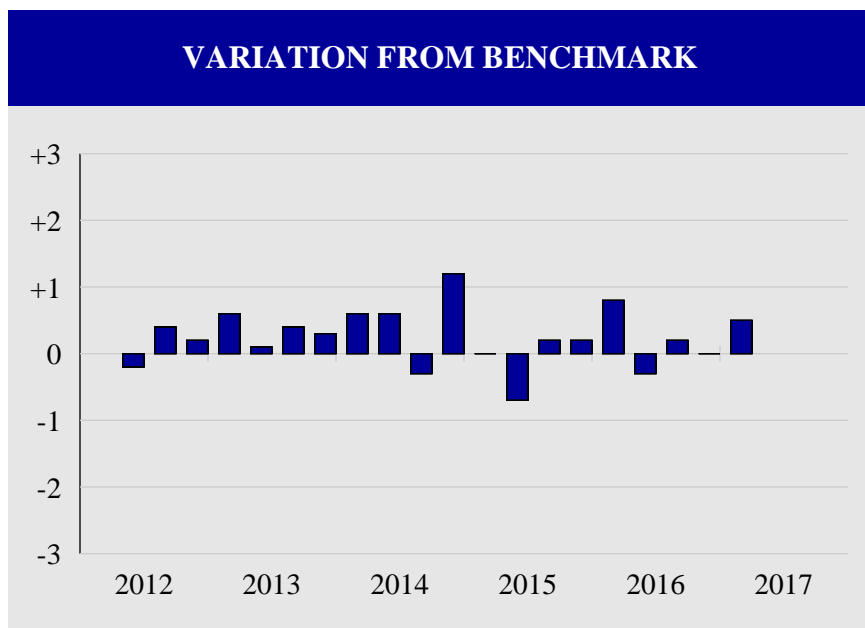


	QTR	2 QTRS	3 QTRS	YEAR	3 YRS	5 YRS
RETURN	4.9	4.7	9.2	11.2	6.5	8.7
(RANK)	(23)	(73)	(41)	(41)	(12)	(13)
5TH %ILE	5.5	7.0	11.5	13.5	6.8	9.3
25TH %ILE	4.8	6.0	9.8	11.9	6.1	8.3
MEDIAN	4.4	5.3	8.8	10.8	5.5	7.7
75TH %ILE	4.0	4.6	7.8	9.9	4.9	7.1
95TH %ILE	2.9	2.8	5.6	8.1	3.7	5.9
PRIT Index	4.4	4.1	8.4	10.8	5.7	7.7

Public Fund Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: CUSTOM CORE INDEX



RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
6/12	-1.5	-1.3	-0.2
9/12	4.4	4.0	0.4
12/12	3.1	2.9	0.2
3/13	4.6	4.0	0.6
6/13	0.2	0.1	0.1
9/13	5.1	4.7	0.4
12/13	4.9	4.6	0.3
3/14	2.7	2.1	0.6
6/14	4.1	3.5	0.6
9/14	-0.8	-0.5	-0.3
12/14	2.1	0.9	1.2
3/15	2.7	2.7	0.0
6/15	0.0	0.7	-0.7
9/15	-3.9	-4.1	0.2
12/15	2.4	2.2	0.2
3/16	2.0	1.2	0.8
6/16	1.9	2.2	-0.3
9/16	4.3	4.1	0.2
12/16	-0.2	-0.2	0.0
3/17	4.9	4.4	0.5

Total Quarters Observed	20
Quarters At or Above the Benchmark	16
Quarters Below the Benchmark	4
Batting Average	.800

FRANKLIN REGIONAL RETIREMENT SYSTEM
POLEN CAPITAL - LARGE CAP GROWTH FUND
PERFORMANCE REVIEW
MARCH 2017

INVESTMENT RETURN

On March 31st, 2017, the Franklin Regional Retirement System's Polen Capital Large Cap Growth Fund was valued at \$8,115,188, representing an increase of \$683,813 from the December quarter's ending value of \$7,431,375. Last quarter, the Fund posted no net contributions or withdrawals, while posting \$683,813 in net investment returns. Income receipts totaling \$12,099 plus net realized and unrealized capital gains of \$671,714 combined to produce the portfolio's net investment return figure.

For the cumulative period since March 2012, the account has recorded net withdrawals totaling \$1.5 million and net investment gains of \$4.4 million. Since March 2012, if the total account had earned a compound annual rate of 9.0% it would have been worth \$6.5 million or \$1.6 million less than the actual value as of March 31st, 2017.

RELATIVE PERFORMANCE

During the first quarter, the Polen Capital Large Cap Growth Fund gained 9.2%, which was 0.3% above the Russell 1000 Growth Index's return of 8.9% and ranked in the 44th percentile of the Large Cap Growth universe. Over the trailing year, the portfolio returned 10.8%, which was 5.0% below the benchmark's 15.8% performance, ranking in the 91st percentile. Since March 2012, the account returned 12.5% on an annualized basis and ranked in the 57th percentile. For comparison, the Russell 1000 Growth returned an annualized 13.3% over the same period.

ASSET ALLOCATION

On March 31st, 2017, domestic equities comprised 96.4% of the total portfolio (\$7.8 million), while cash & equivalents totaled 3.6% (\$293,441).

ANALYSIS

At the end of the quarter, the Polen Capital portfolio was concentrated in six of the eleven industry sectors in our industry analysis. With respect to the Russell 1000 Growth index, the portfolio was overweight in the Nondurable Consumer Goods, Consumer Service, Computer Technology, and Finance sectors, while underweight in Technology and Service. Basic, Durable Consumer Goods, Transportation, Energy, and Utilities were unfunded.

The portfolio's success in the first quarter was guided by outperformance from the majority of the overweight sectors, which included Nondurable Consumer Goods, Computer Technology, and Finance. The overweight Consumer Service sector underperformed the benchmark considerably, and likely held the portfolio back from a larger performance surplus.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	3 Year	5 Years
Total Portfolio - Gross	9.2	9.2	10.8	14.5	12.5
<i>LARGE CAP GROWTH RANK</i>	(44)	(44)	(91)	(3)	(57)
Total Portfolio - Net	9.0	9.0	10.0	13.6	11.7
RUSSELL 1000G	8.9	8.9	15.8	11.3	13.3
RUSSELL 1000	6.0	6.0	17.4	10.0	13.3
S&P 500	6.1	6.1	17.2	10.4	13.3
Domestic Equity - Gross	9.5	9.5	11.1	15.0	13.1
<i>LARGE CAP GROWTH RANK</i>	(35)	(35)	(90)	(3)	(41)
RUSSELL 1000G	8.9	8.9	15.8	11.3	13.3

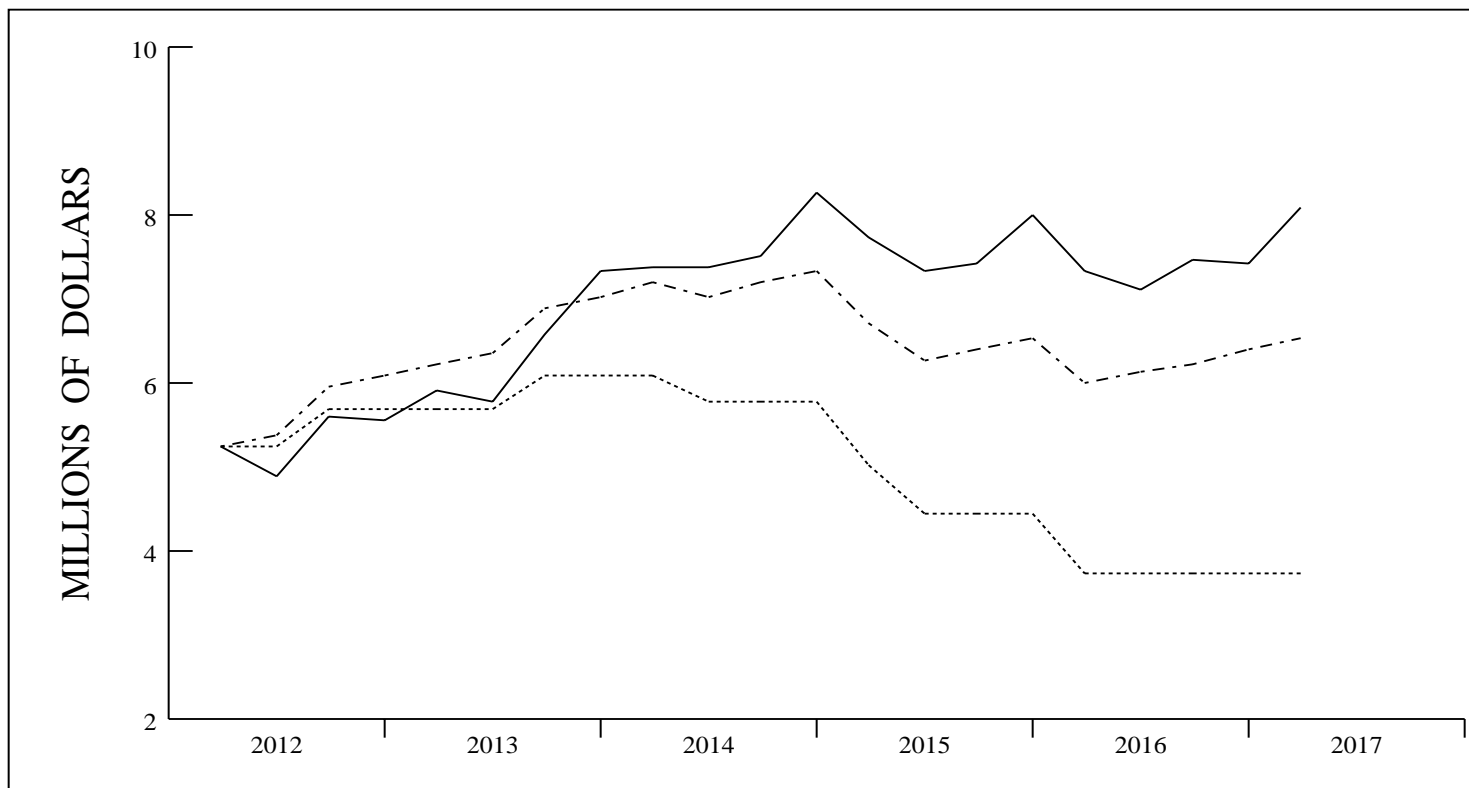
ASSET ALLOCATION

Domestic Equity	96.4%	\$ 7,821,747
Cash	3.6%	293,441
Total Portfolio	100.0%	\$ 8,115,188

INVESTMENT RETURN

Market Value 12/2016	\$ 7,431,375
Contribs / Withdrawals	0
Income	12,099
Capital Gains / Losses	671,714
Market Value 3/2017	\$ 8,115,188

INVESTMENT GROWTH

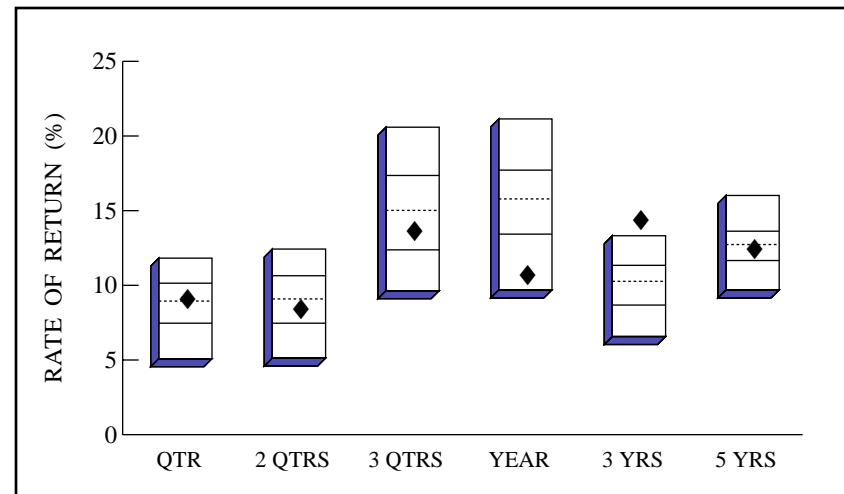
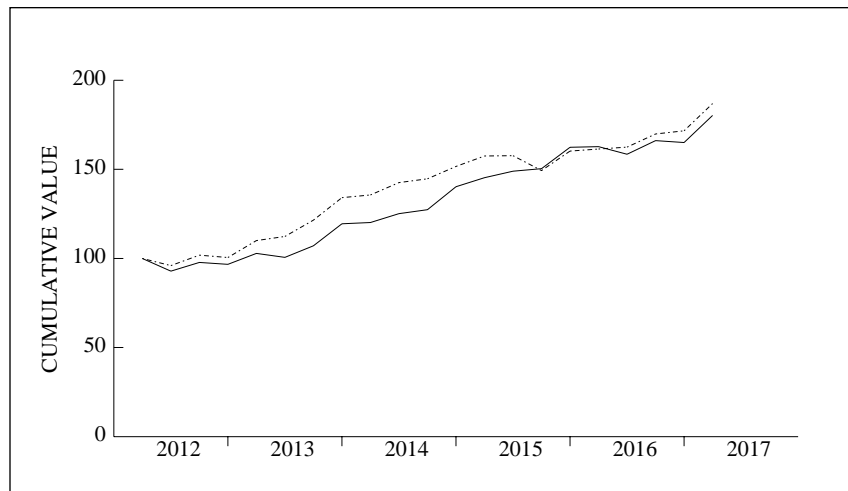


— ACTUAL RETURN
 - - - 9.0%
 . . . 0.0%

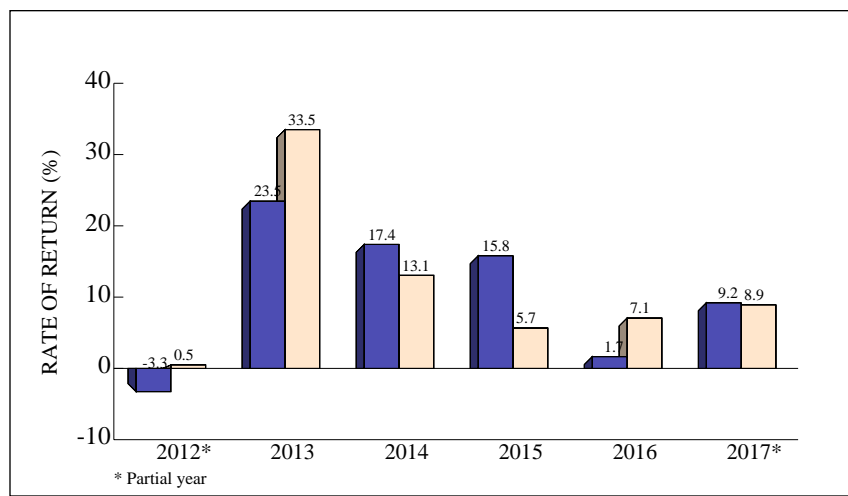
VALUE ASSUMING
 9.0% RETURN \$ 6,541,378

	LAST QUARTER	PERIOD 3/12 - 3/17
BEGINNING VALUE	\$ 7,431,375	\$ 5,273,154
NET CONTRIBUTIONS	0	- 1,509,599
INVESTMENT RETURN	683,813	4,351,633
ENDING VALUE	\$ 8,115,188	\$ 8,115,188
INCOME	12,099	359,777
CAPITAL GAINS (LOSSES)	671,714	3,991,856
INVESTMENT RETURN	683,813	4,351,633

TOTAL RETURN COMPARISONS

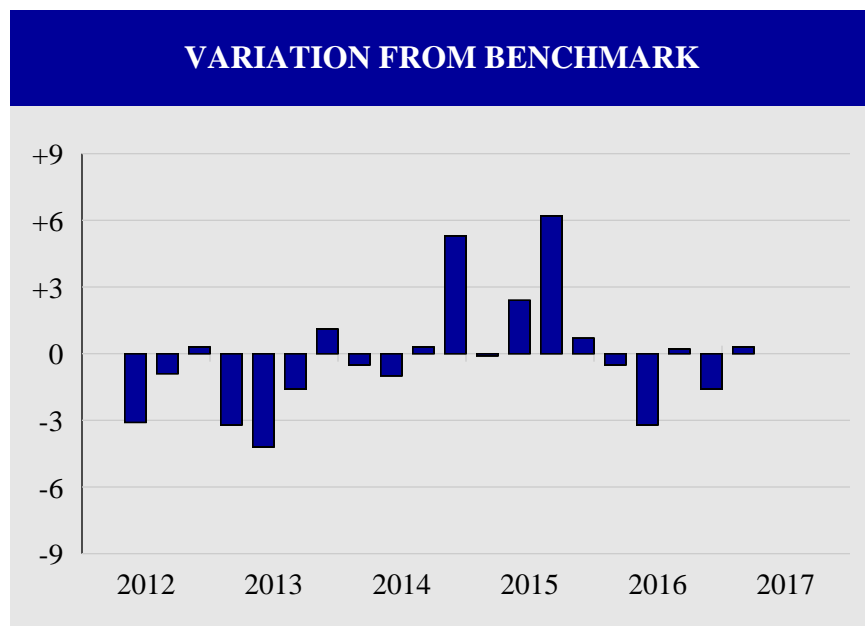


Large Cap Growth Universe



	QTR	2 QTRS	3 QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	9.2	8.5	13.8	10.8	14.5	12.5
(RANK)	(44)	(58)	(60)	(91)	(3)	(57)
5TH %ILE	11.8	12.4	20.6	21.2	13.3	16.0
25TH %ILE	10.1	10.6	17.4	17.7	11.3	13.6
MEDIAN	9.0	9.1	15.0	15.8	10.3	12.7
75TH %ILE	7.5	7.5	12.4	13.4	8.7	11.7
95TH %ILE	5.1	5.1	9.6	9.7	6.6	9.7
Russ 1000G	8.9	10.0	15.0	15.8	11.3	13.3

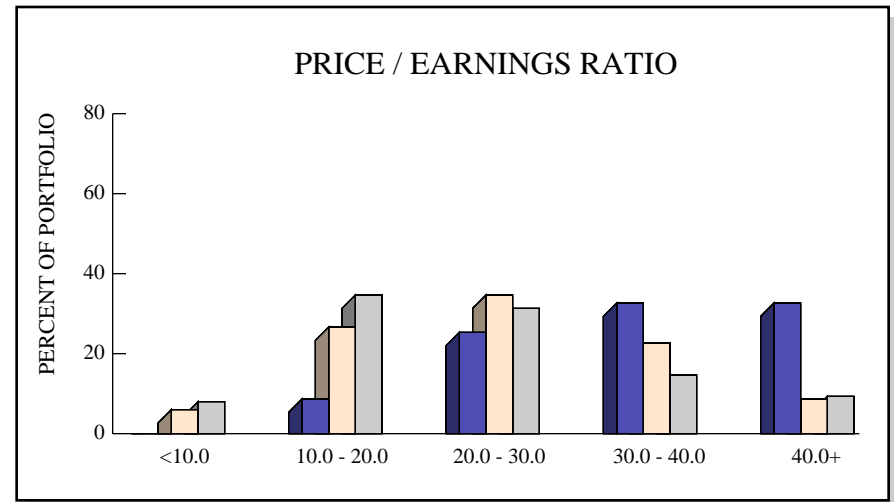
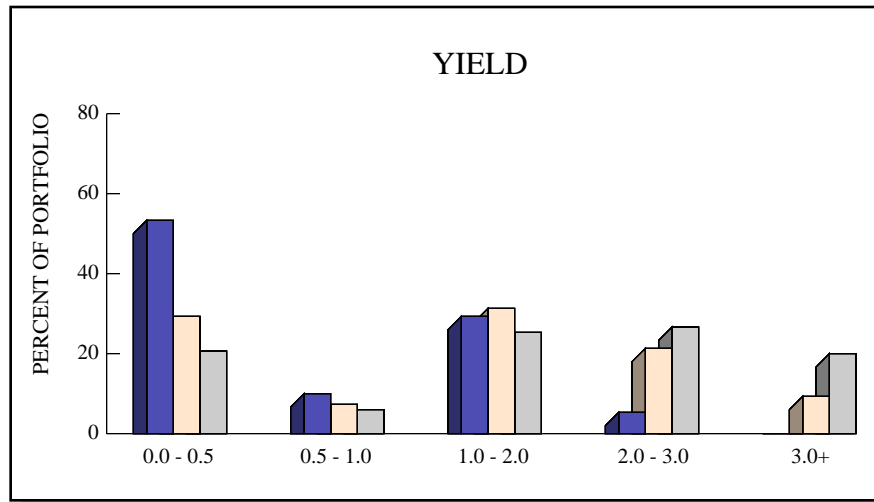
Large Cap Growth Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**COMPARATIVE BENCHMARK: RUSSELL 1000 GROWTH**

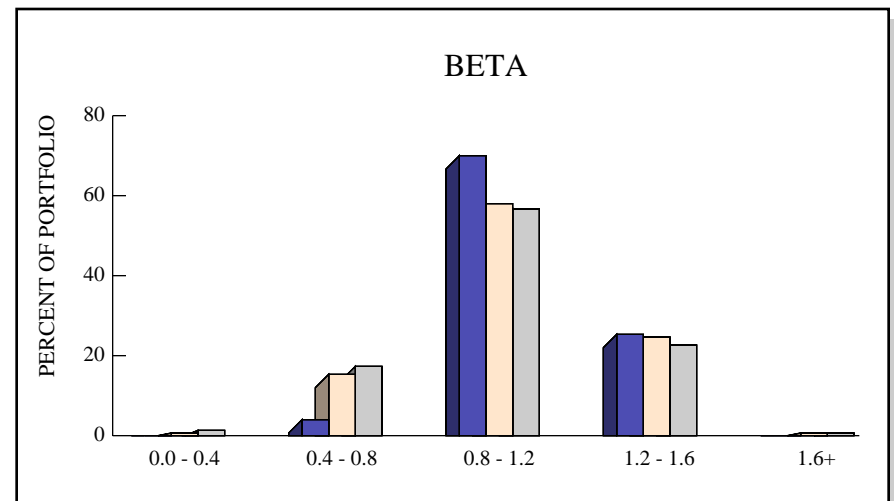
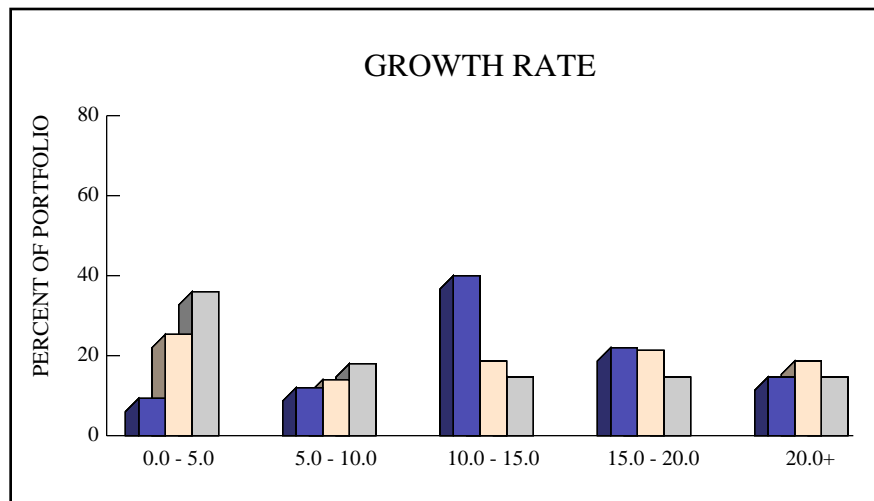
Total Quarters Observed	20
Quarters At or Above the Benchmark	9
Quarters Below the Benchmark	11
Batting Average	.450

RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
6/12	-7.1	-4.0	-3.1
9/12	5.2	6.1	-0.9
12/12	-1.0	-1.3	0.3
3/13	6.3	9.5	-3.2
6/13	-2.1	2.1	-4.2
9/13	6.5	8.1	-1.6
12/13	11.5	10.4	1.1
3/14	0.6	1.1	-0.5
6/14	4.1	5.1	-1.0
9/14	1.8	1.5	0.3
12/14	10.1	4.8	5.3
3/15	3.7	3.8	-0.1
6/15	2.5	0.1	2.4
9/15	0.9	-5.3	6.2
12/15	8.0	7.3	0.7
3/16	0.2	0.7	-0.5
6/16	-2.6	0.6	-3.2
9/16	4.8	4.6	0.2
12/16	-0.6	1.0	-1.6
3/17	9.2	8.9	0.3

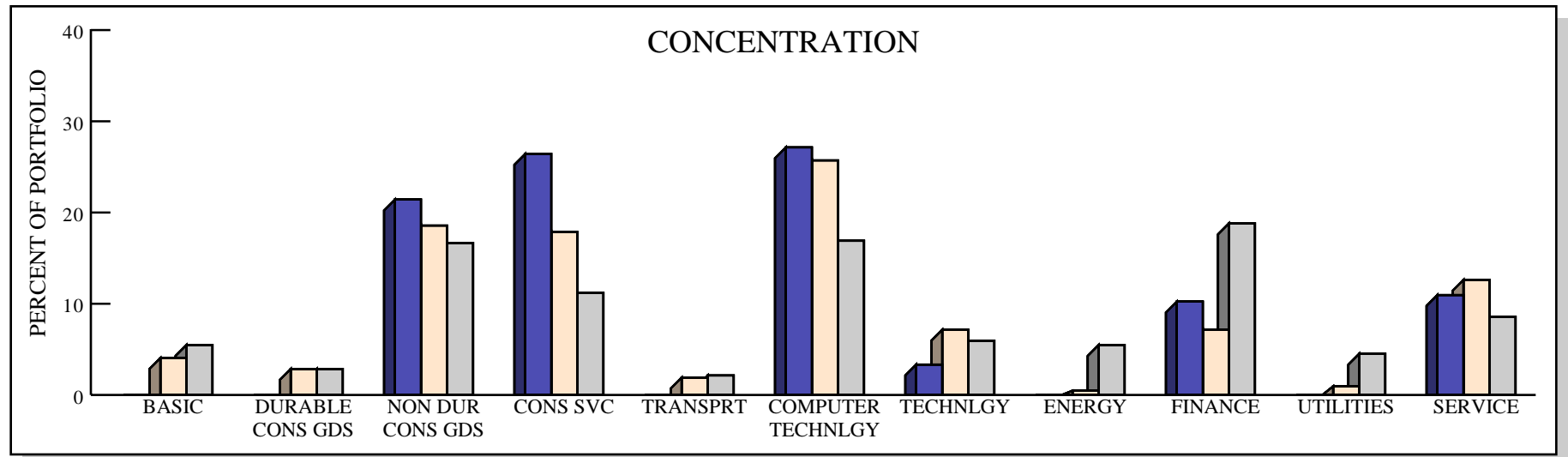
STOCK CHARACTERISTICS



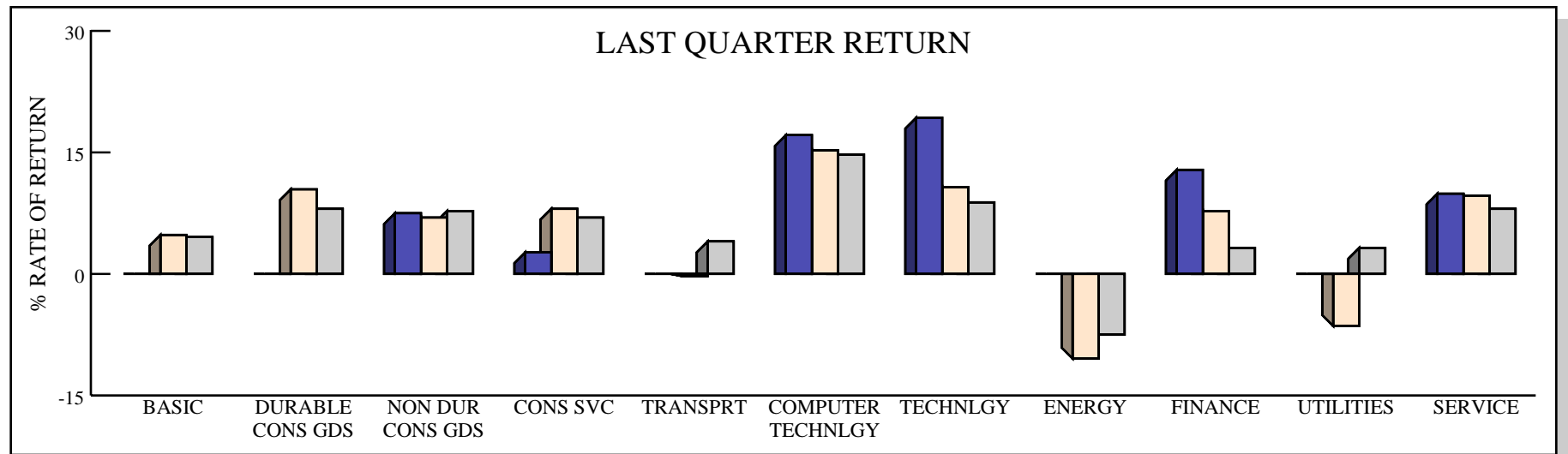
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	20	0.6%	15.3%	34.3	1.06
RUSSELL 1000G	609	1.5%	12.8%	25.2	1.02
RUSSELL 1000	997	1.9%	9.0%	22.8	1.01



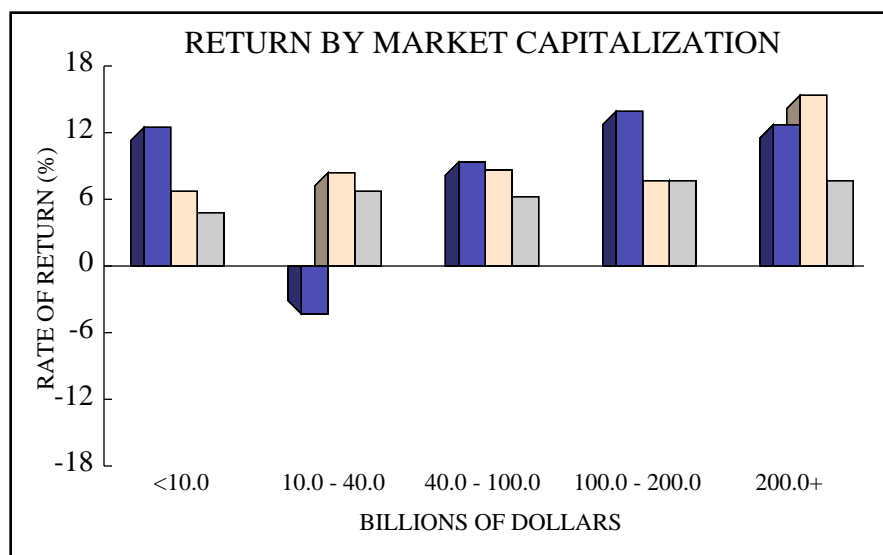
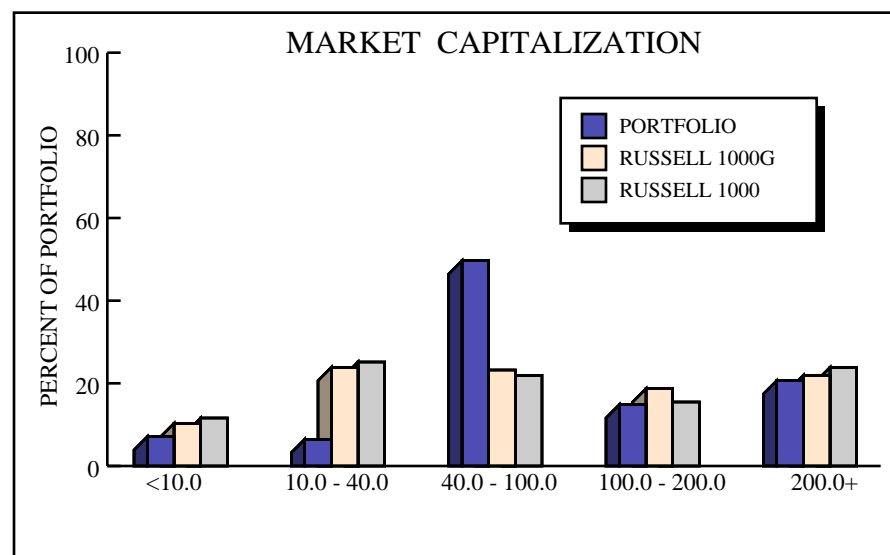
STOCK INDUSTRY ANALYSIS



■ PORTFOLIO
 ■ RUSSELL 1000 GROWTH
 ■ RUSSELL 1000



TOP TEN HOLDINGS



TOP TEN EQUITY HOLDINGS

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	VISA INC-CLASS A SHARES	\$ 645,996	8.26%	14.1%	Finance	\$ 165.1 B
2	FACEBOOK INC-A	564,507	7.22%	23.5%	Computer Tech	334.6 B
3	ALPHABET INC-CL C	515,986	6.60%	7.5%	Computer Tech	287.8 B
4	NIKE INC -CL B	478,275	6.11%	10.0%	NonDur Cons Goods	73.9 B
5	STARBUCKS CORP	455,208	5.82%	5.6%	Consumer Service	85.1 B
6	AUTOMATIC DATA PROCESSING	452,973	5.79%	0.2%	Service	46.0 B
7	ADOBE SYSTEMS INC	450,380	5.76%	26.4%	Computer Tech	64.4 B
8	CELGENE CORP	445,335	5.69%	7.5%	NonDur Cons Goods	96.8 B
9	REGENERON PHARMACEUTICALS	426,261	5.45%	5.6%	NonDur Cons Goods	40.4 B
10	PRICELINE GROUP INC/THE	404,053	5.17%	21.4%	Service	87.5 B

FRANKLIN REGIONAL RETIREMENT SYSTEM
O'SHAUGHNESSY - MARKET LEADERS VALUE
PERFORMANCE REVIEW
MARCH 2017

INVESTMENT RETURN

On March 31st, 2017, the Franklin Regional Retirement System's O'Shaughnessy Market Leaders Value portfolio was valued at \$8,662,693, representing an increase of \$254,478 from the December quarter's ending value of \$8,408,215. Last quarter, the Fund posted withdrawals totaling \$116, which partially offset the portfolio's net investment return of \$254,594. Income receipts totaling \$52,888 plus net realized and unrealized capital gains of \$201,706 combined to produce the portfolio's net investment return.

For the cumulative period since March 2012, the fund has recorded net withdrawals totaling \$844,535 and posted net investment gains of \$4.4 million. For the period since March 2012, if the total fund had returned a compound annual rate of 9.0% it would have been valued at \$6.7 million or \$2.0 million less than the actual value as of March 31st, 2017.

RELATIVE PERFORMANCE

Total Fund

In the first quarter, the O'Shaughnessy Market Leaders Value portfolio gained 3.0%, which was 0.3% below the Russell 1000 Value Index's return of 3.3% and ranked in the 76th percentile of the Large Cap Value universe. Over the trailing year, the portfolio returned 15.3%, which was 3.9% less than the benchmark's 19.2% performance, and ranked in the 77th percentile. Since March 2012, the portfolio returned 13.3% on an annualized basis and ranked in the 40th percentile. For comparison, the Russell 1000 Value returned an annualized 13.1% over the same period.

ASSET ALLOCATION

On March 31st, 2017, domestic equities comprised 99.0% of the total portfolio (\$8.6 million), while cash & equivalents totaled 1.0% (\$83,110).

STOCK ANALYSIS

By quarter's end, the O'Shaughnessy portfolio was diversified across all eleven industry sectors in our data analysis. Compared to the Russell 1000 Value index, the portfolio was overweight in the Consumer Service, Transportation, Technology, and Service sectors, while underweight in Basic, Nondurable Consumer Goods, Computer Technology, Energy, Finance, and Utilities.

Selection effects were mixed in the first quarter, as the portfolio fell short of the benchmark by 30 basis points. Success was split across overweight sectors as well: Consumer Service and Transportation underperformed, while Technology and Service outperformed. The combined allocation of the losing sectors outweighed that of the winning sectors, providing a negative tilt. The heavily weighted Finance more than doubled the gains of the index, but only partially offset the large negative selection effects experienced elsewhere.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	3 Year	5 Years
Total Portfolio - Gross	3.0	3.0	15.3	5.9	13.3
<i>LARGE CAP VALUE RANK</i>	(76)	(76)	(77)	(90)	(40)
Total Portfolio - Net	2.9	2.9	14.6	5.3	12.7
RUSSELL 1000V	3.3	3.3	19.2	8.7	13.1
RUSSELL 1000	6.0	6.0	17.4	10.0	13.3
S&P 500	6.1	6.1	17.2	10.4	13.3
Domestic Equity - Gross	3.1	3.1	15.4	6.0	13.5
<i>LARGE CAP VALUE RANK</i>	(75)	(75)	(75)	(90)	(35)
RUSSELL 1000V	3.3	3.3	19.2	8.7	13.1

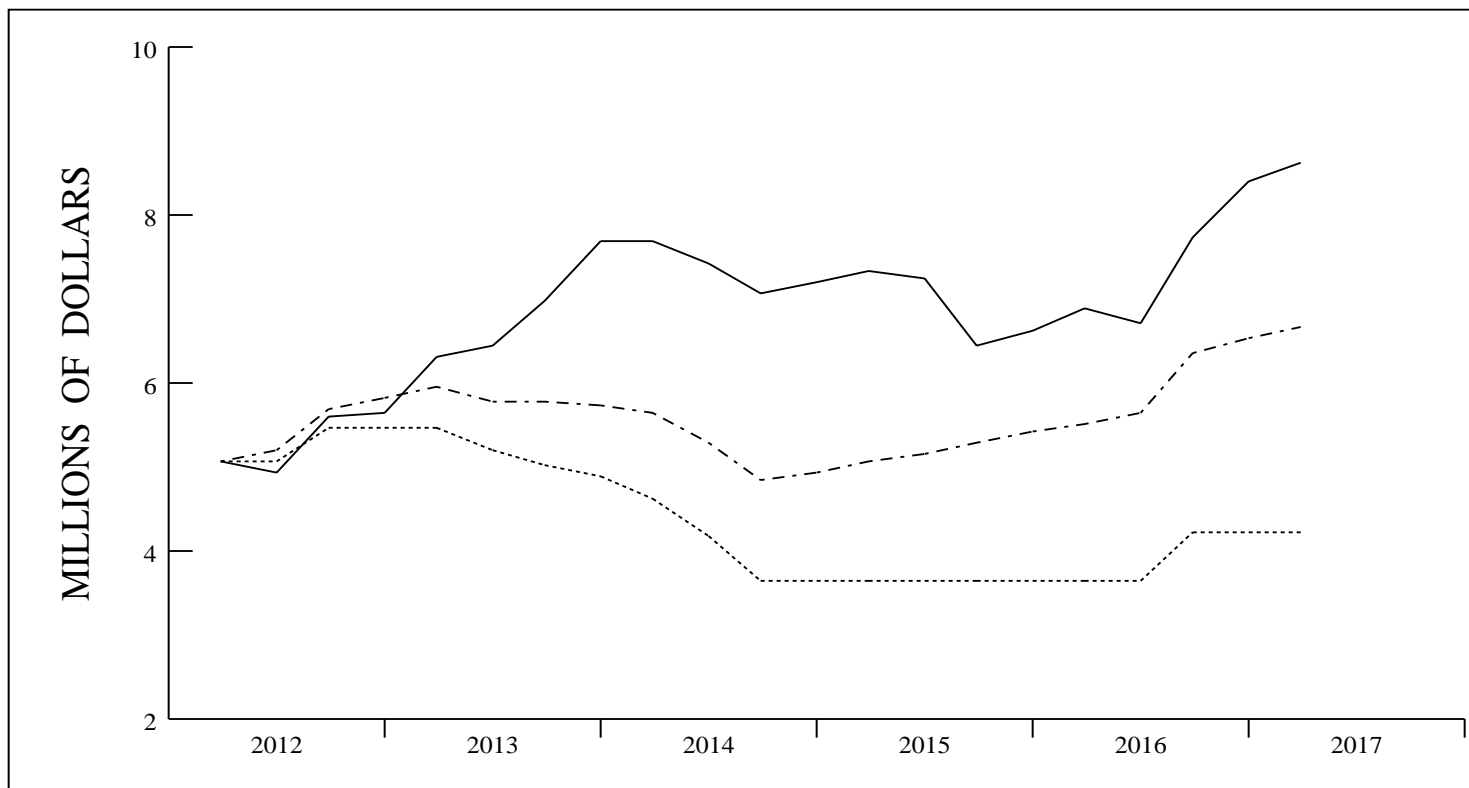
ASSET ALLOCATION

Domestic Equity	99.0%	\$ 8,579,583
Cash	1.0%	83,110
Total Portfolio	100.0%	\$ 8,662,693

INVESTMENT RETURN

Market Value 12/2016	\$ 8,408,215
Contribs / Withdrawals	-116
Income	52,888
Capital Gains / Losses	201,706
Market Value 3/2017	\$ 8,662,693

INVESTMENT GROWTH

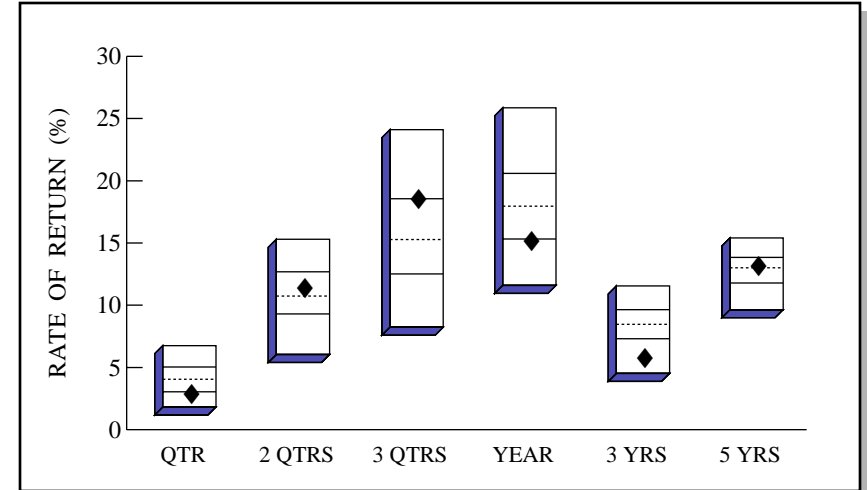
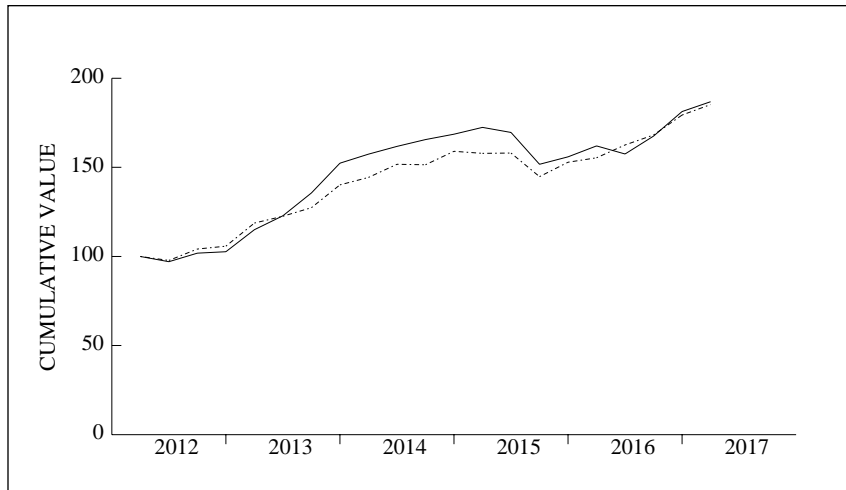


— ACTUAL RETURN
 - - - 9.0%
 0.0%

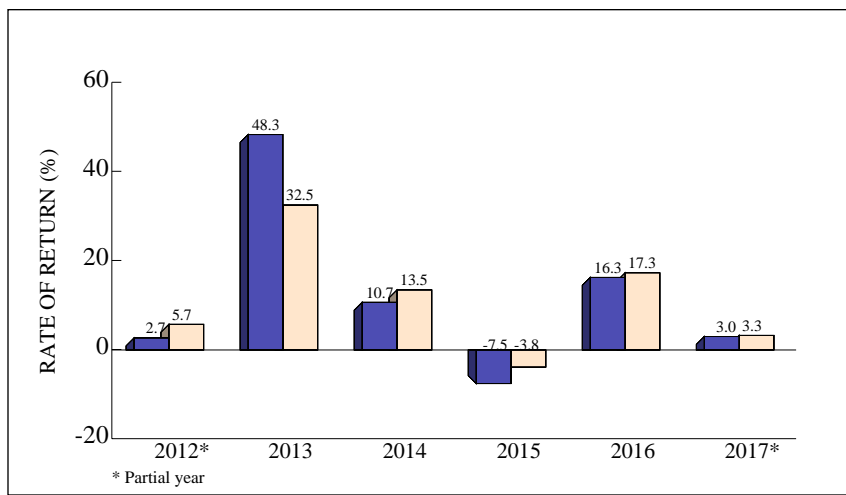
VALUE ASSUMING
 9.0% RETURN \$ 6,678,062

	LAST QUARTER	PERIOD 3/12 - 3/17
BEGINNING VALUE	\$ 8,408,215	\$ 5,103,112
NET CONTRIBUTIONS	-116	-844,535
INVESTMENT RETURN	254,594	4,404,116
ENDING VALUE	\$ 8,662,693	\$ 8,662,693
INCOME	52,888	899,790
CAPITAL GAINS (LOSSES)	201,706	3,504,326
INVESTMENT RETURN	254,594	4,404,116

TOTAL RETURN COMPARISONS

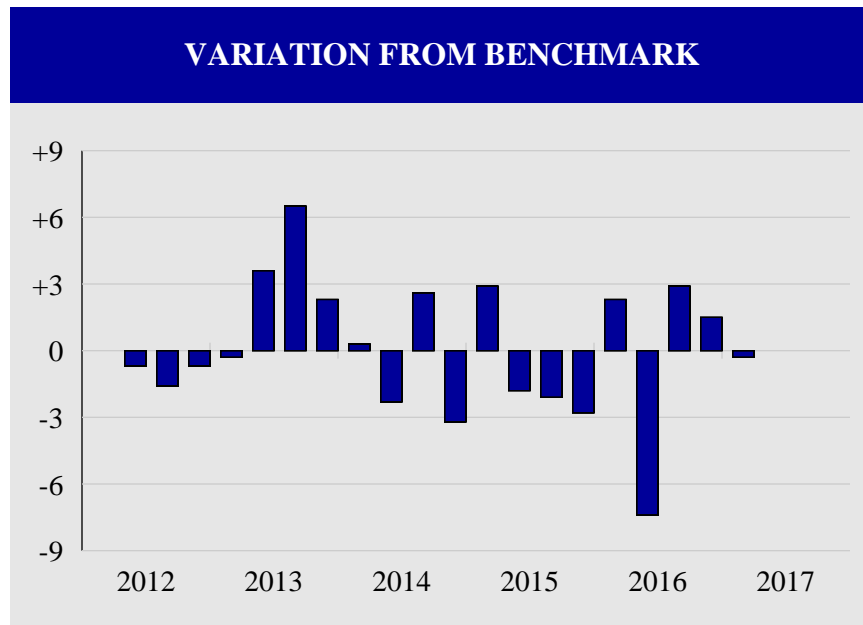


Large Cap Value Universe



	QTR	2 QTRS	3 QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	3.0	11.5	18.6	15.3	5.9	13.3
(RANK)	(76)	(39)	(24)	(77)	(90)	(40)
5TH %ILE	6.8	15.3	24.1	25.9	11.6	15.4
25TH %ILE	5.0	12.7	18.6	20.6	9.6	13.9
MEDIAN	4.0	10.7	15.3	18.0	8.5	13.0
75TH %ILE	3.1	9.3	12.5	15.3	7.3	11.8
95TH %ILE	1.8	6.0	8.2	11.6	4.5	9.7
Russ 1000V	3.3	10.2	14.0	19.2	8.7	13.1

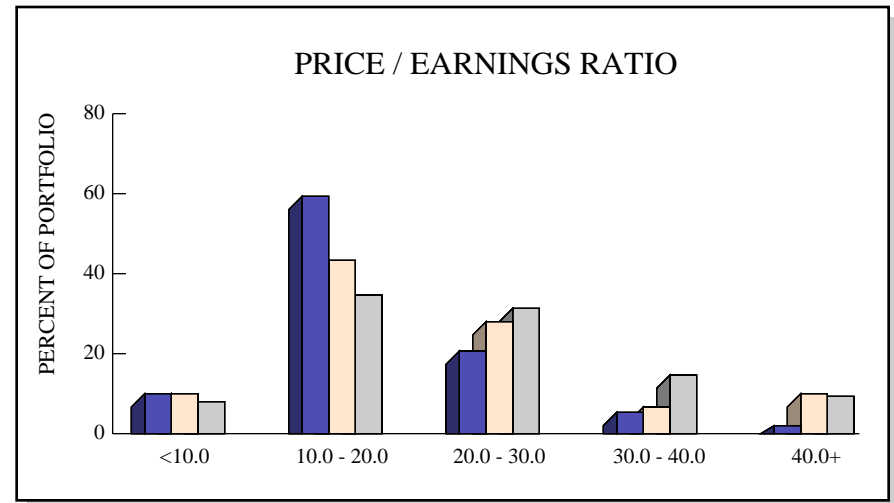
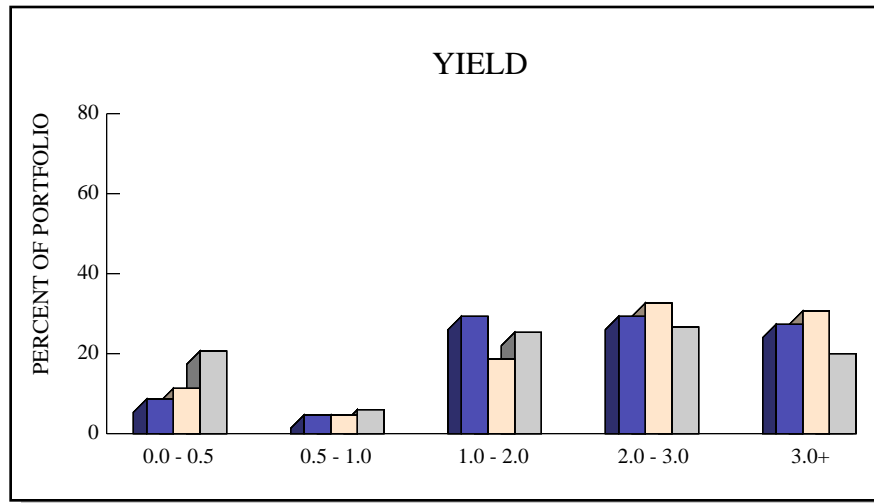
Large Cap Value Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**COMPARATIVE BENCHMARK: RUSSELL 1000 VALUE**

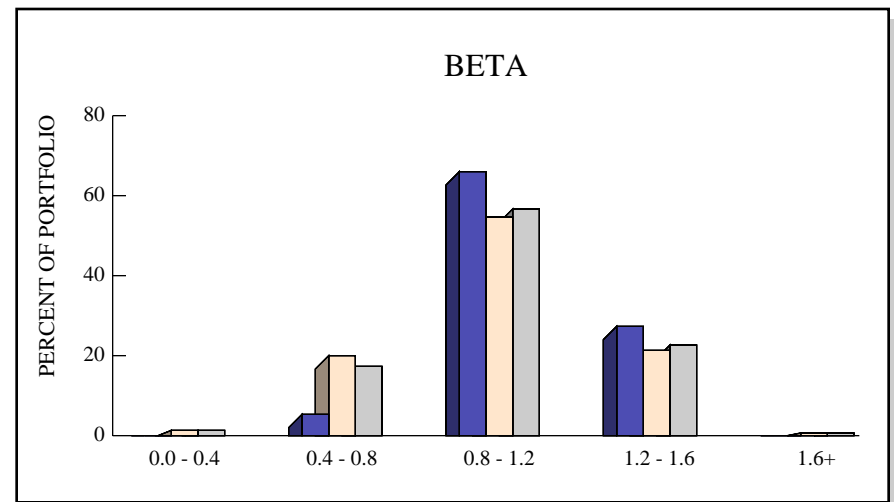
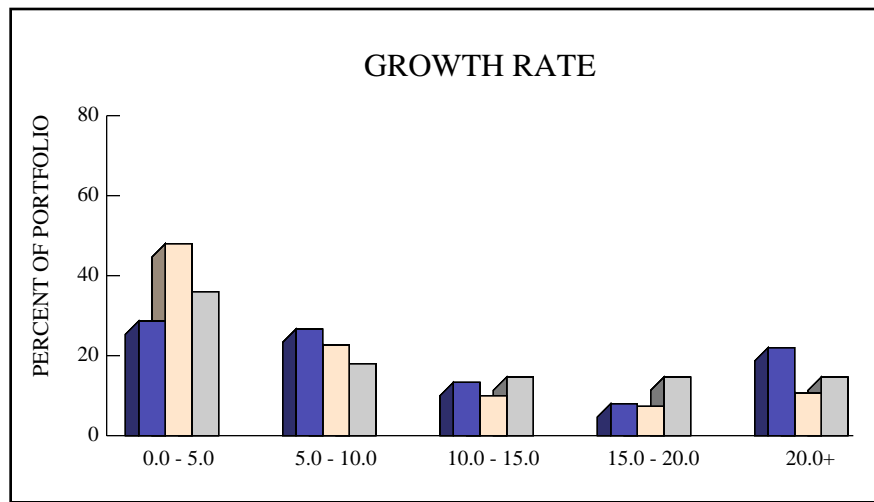
Total Quarters Observed	20
Quarters At or Above the Benchmark	9
Quarters Below the Benchmark	11
Batting Average	.450

RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
6/12	-2.9	-2.2	-0.7
9/12	4.9	6.5	-1.6
12/12	0.8	1.5	-0.7
3/13	12.0	12.3	-0.3
6/13	6.8	3.2	3.6
9/13	10.4	3.9	6.5
12/13	12.3	10.0	2.3
3/14	3.3	3.0	0.3
6/14	2.8	5.1	-2.3
9/14	2.4	-0.2	2.6
12/14	1.8	5.0	-3.2
3/15	2.2	-0.7	2.9
6/15	-1.7	0.1	-1.8
9/15	-10.5	-8.4	-2.1
12/15	2.8	5.6	-2.8
3/16	3.9	1.6	2.3
6/16	-2.8	4.6	-7.4
9/16	6.4	3.5	2.9
12/16	8.2	6.7	1.5
3/17	3.0	3.3	-0.3

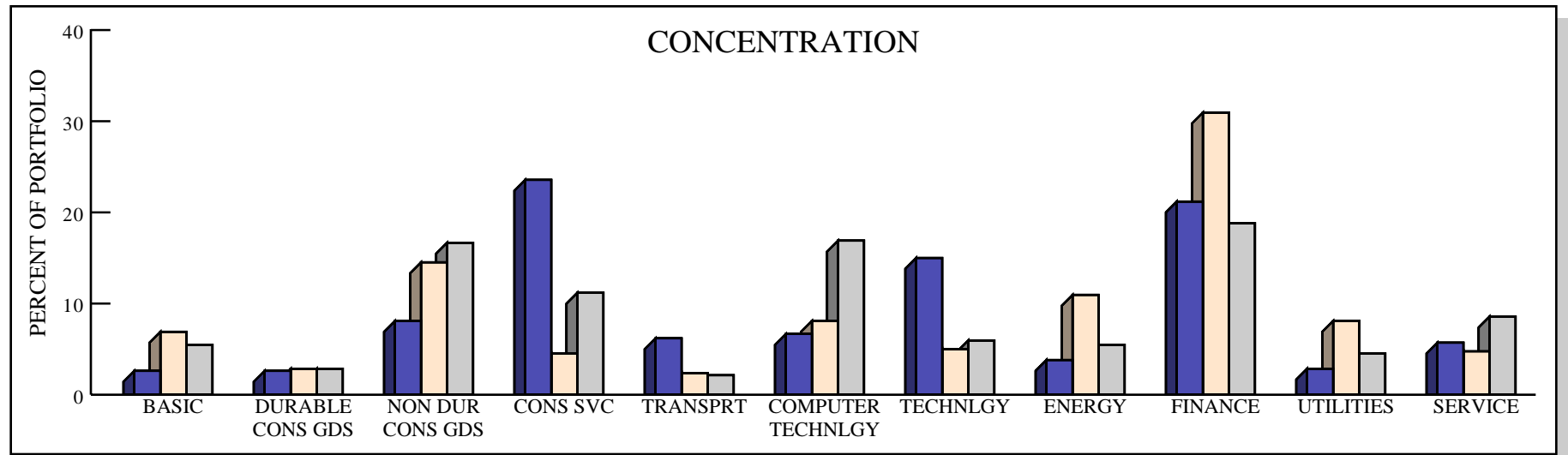
STOCK CHARACTERISTICS



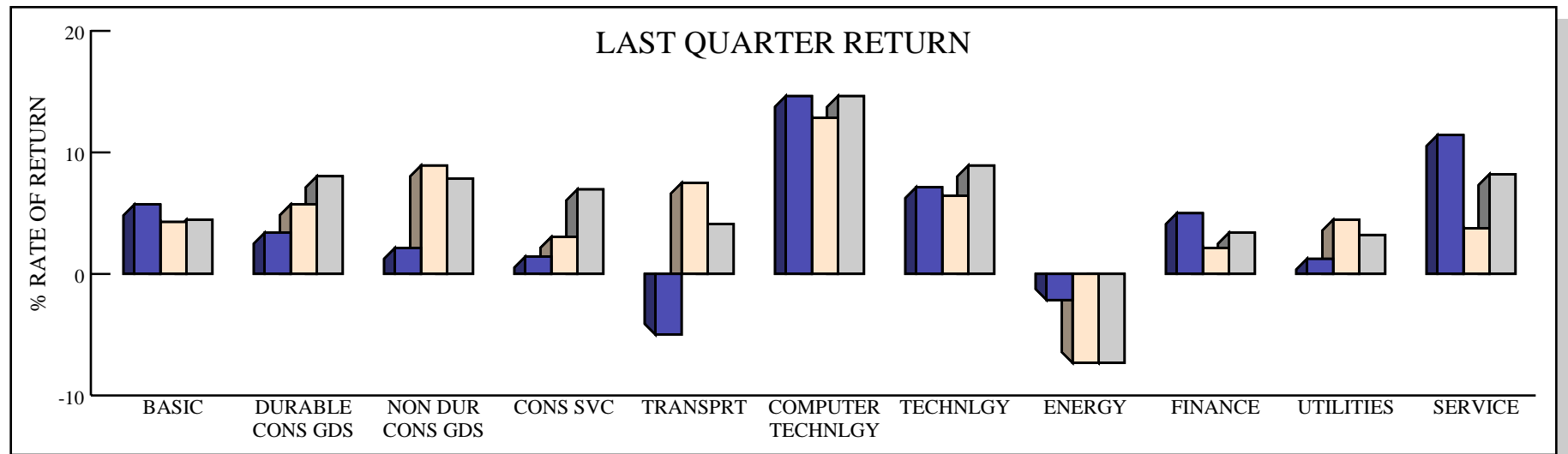
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	55	2.5%	11.6%	17.2	1.09
RUSSELL 1000V	692	2.4%	4.9%	20.3	0.99
RUSSELL 1000	997	1.9%	9.0%	22.8	1.01



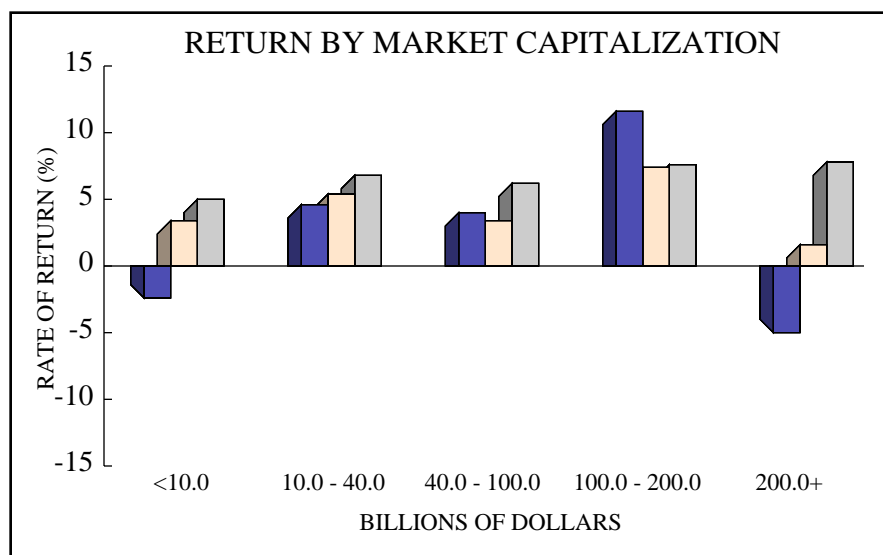
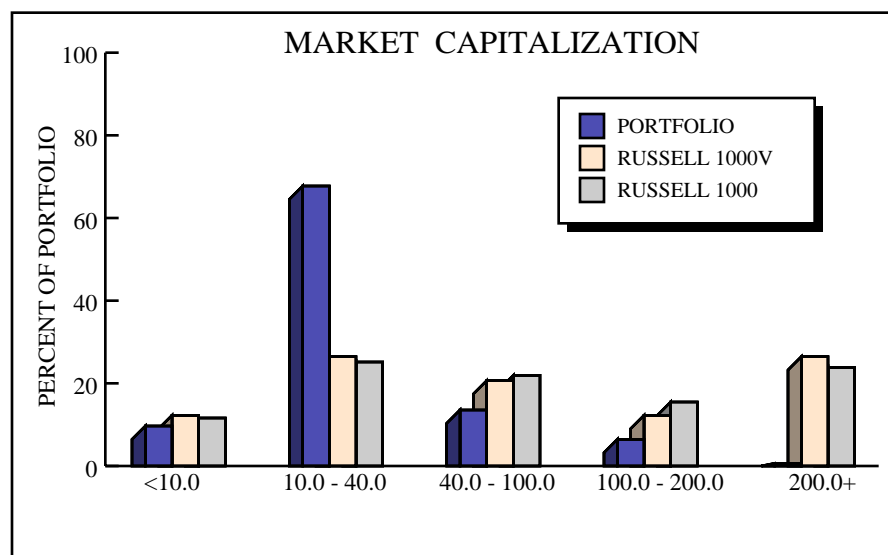
STOCK INDUSTRY ANALYSIS



■ PORTFOLIO ■ RUSSELL 1000 VALUE ■ RUSSELL 1000



TOP TEN HOLDINGS



TOP TEN EQUITY HOLDINGS

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	AMERIPRISE FINANCIAL INC	\$ 381,000	4.44%	17.5%	Finance	\$ 20.0 B
2	BOEING CO/THE	380,249	4.43%	14.2%	Technology	107.5 B
3	UNITED CONTINENTAL HOLDINGS	375,734	4.38%	-3.1%	Transportation	22.4 B
4	BEST BUY CO INC	368,969	4.30%	16.2%	Consumer Service	15.2 B
5	LYONDELLBASELL INDU-CL A	348,072	4.06%	7.2%	NonDur Cons Goods	36.7 B
6	TRAVELERS COS INC/THE	339,682	3.96%	-1.0%	Finance	33.7 B
7	VALERO ENERGY CORP	336,157	3.92%	-2.1%	Energy	29.7 B
8	TE CONNECTIVITY LTD	326,753	3.81%	8.1%	Technology	26.5 B
9	CENTURYLINK INC	259,081	3.02%	1.4%	Utilities	12.9 B
10	GILEAD SCIENCES INC	251,712	2.93%	-4.5%	NonDur Cons Goods	88.8 B

FRANKLIN REGIONAL RETIREMENT SYSTEM
SEIZERT CAPITAL PARTNERS
PERFORMANCE REVIEW
MARCH 2017

INVESTMENT RETURN

On March 31st, 2017, the Franklin Regional Retirement System's Seizert Capital Partners portfolio was valued at \$7,369,110, a decrease of \$164,856 from the December ending value of \$7,533,966. Last quarter, the account recorded a net withdrawal of \$623,000, which overshadowed the fund's net investment return of \$458,144. Income receipts totaling \$30,725 and realized and unrealized capital gains of \$427,419 combined to produce the portfolio's net investment return.

Since March 2012, the account has recorded net withdrawals totaling \$1.4 million while posting net investment gains totaling \$4.4 million. Since March 2012, if the account earned a compound annual rate of 10.0% it would have been valued at \$5.1 million or \$2.2 million less than the actual value as of March 31st, 2017.

RELATIVE PERFORMANCE

For the first quarter, the Seizert Capital Partners portfolio gained 6.3%, which was 1.2% above the Russell Mid Cap's return of 5.1% and ranked in the 40th percentile of the Mid Cap universe. Over the trailing twelve-month period, this portfolio returned 31.0%, which was 14.0% greater than the benchmark's 17.0% performance, and ranked in the 1st percentile. Since March 2012, the portfolio returned 15.7% annualized and ranked in the 8th percentile. The Russell Mid Cap returned an annualized 13.1% over the same time frame.

ASSET ALLOCATION

On March 31st, 2017, domestic equities comprised 95.4% of the total portfolio (\$7.0 million), while cash & equivalents comprised the remaining 4.6% (\$339,504).

STOCK ANALYSIS

By quarter's end, the Seizert portfolio was invested in seven of eleven industry sectors. Compared to the Russell Mid Cap index, the portfolio was overweight in the Basic, Computer Technology, Finance, and Service sectors, while underweight in Nondurable Consumer Goods, Consumer Service, and Technology. The Durable Consumer Goods, Transportation, Energy, and Utilities sectors were unfunded.

Due to significant turnover in the first quarter, the quarter-end snapshot is not an accurate reflection of portfolio performance.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	3 Year	5 Years
Total Portfolio - Gross	6.3	6.3	31.0	7.4	15.7
<i>MID CAP RANK</i>	(40)	(40)	(1)	(62)	(8)
Total Portfolio - Net	6.1	6.1	30.0	6.6	14.9
RUSSELL MID	5.1	5.1	17.0	8.5	13.1
S&P 400	3.9	3.9	20.9	9.4	13.3
RUSSELL MID	5.1	5.1	17.0	8.5	13.1
Domestic Equity - Gross	6.5	6.5	32.4	7.7	16.4
<i>MID CAP RANK</i>	(38)	(38)	(1)	(60)	(3)
RUSSELL MID	5.1	5.1	17.0	8.5	13.1

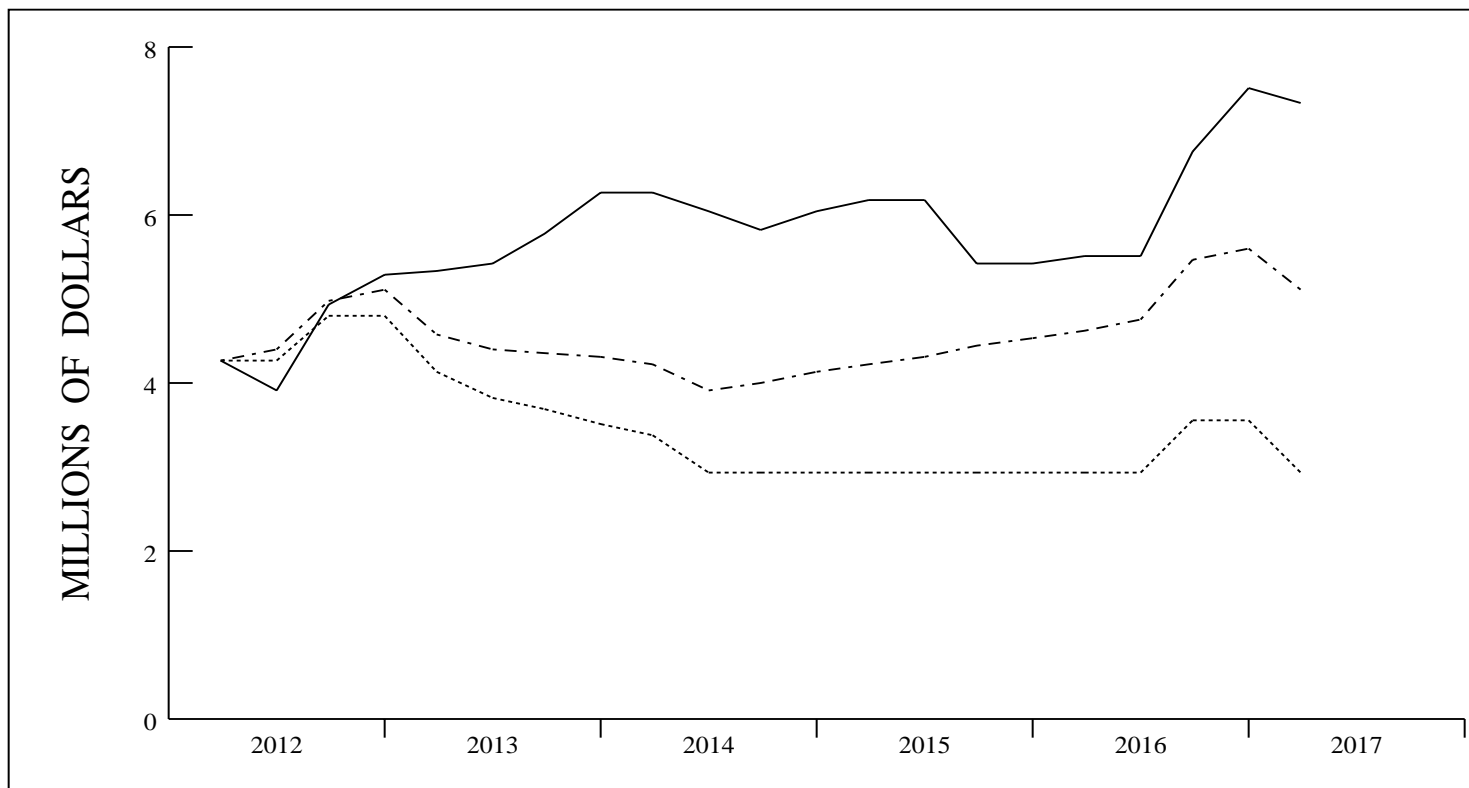
ASSET ALLOCATION

Domestic Equity	95.4%	\$ 7,029,606
Cash	4.6%	339,504
Total Portfolio	100.0%	\$ 7,369,110

INVESTMENT RETURN

Market Value 12/2016	\$ 7,533,966
Contribs / Withdrawals	-623,000
Income	30,725
Capital Gains / Losses	427,419
Market Value 3/2017	\$ 7,369,110

INVESTMENT GROWTH

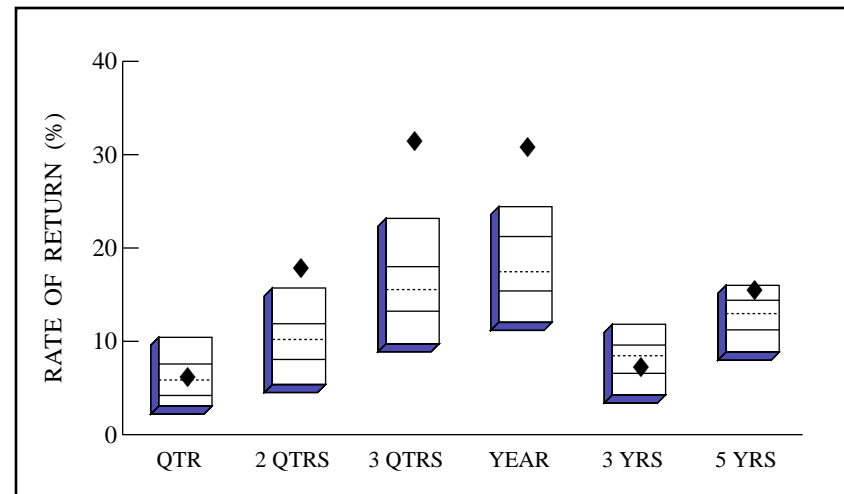
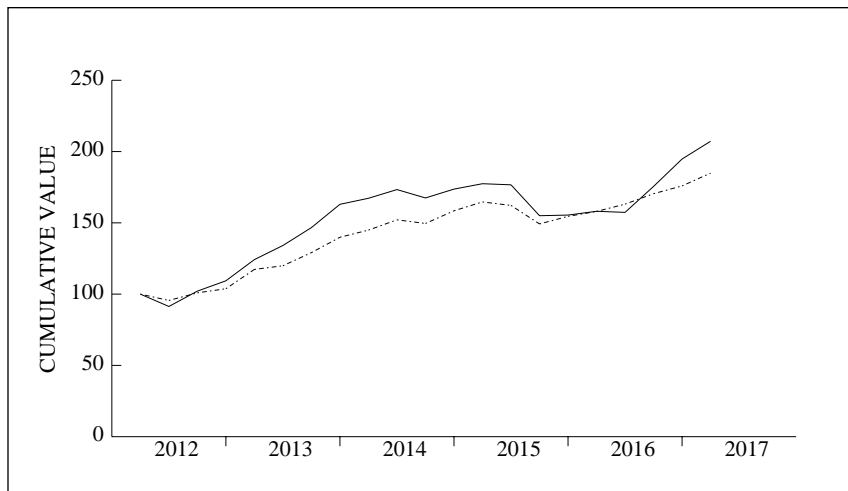


— ACTUAL RETURN
 - - - 10.0%
 0.0%

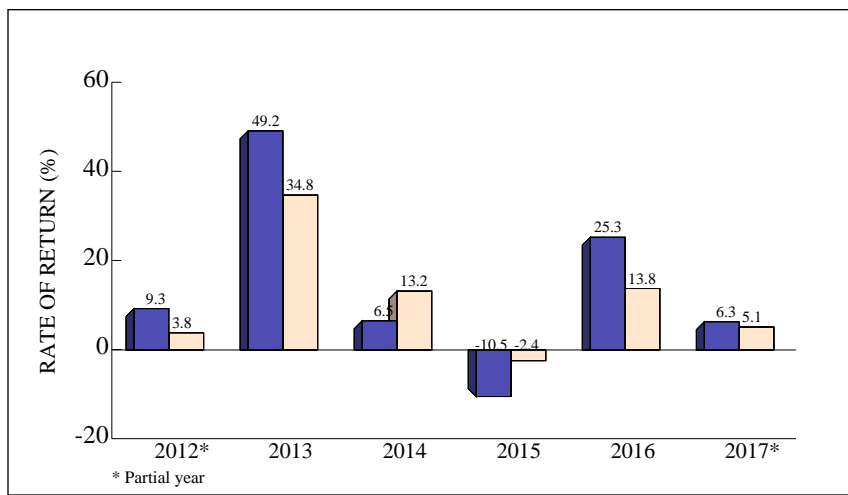
VALUE ASSUMING
 10.0% RETURN \$ 5,139,222

	LAST QUARTER	PERIOD 3/12 - 3/17
BEGINNING VALUE	\$ 7,533,966	\$ 4,304,613
NET CONTRIBUTIONS	-623,000	-1,351,141
INVESTMENT RETURN	458,144	4,415,638
ENDING VALUE	\$ 7,369,110	\$ 7,369,110
INCOME	30,725	632,589
CAPITAL GAINS (LOSSES)	427,419	3,783,049
INVESTMENT RETURN	458,144	4,415,638

TOTAL RETURN COMPARISONS

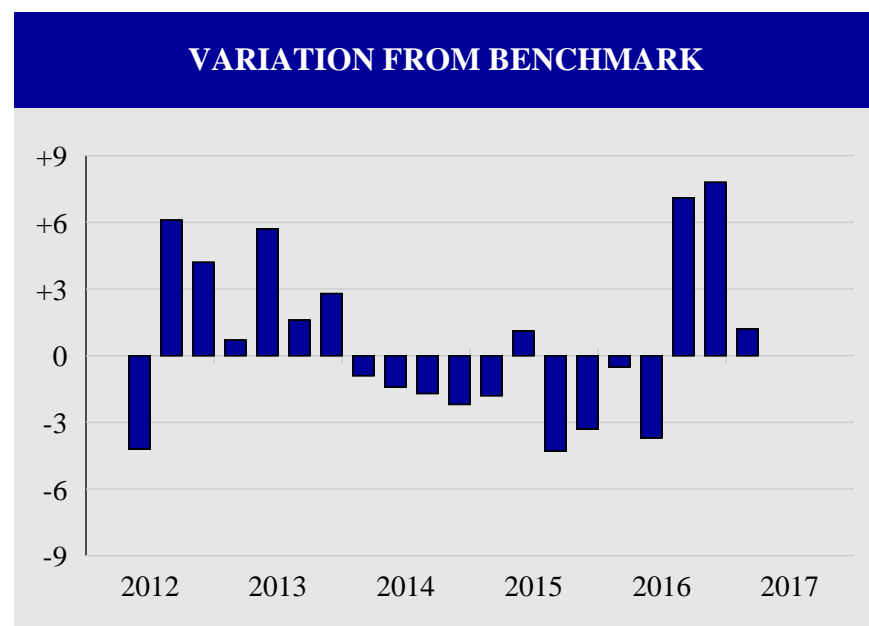


Mid Cap Universe



	QTR	2 QTRS	3 QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	6.3	18.0	31.7	31.0	7.4	15.7
(RANK)	(40)	(2)	(1)	(1)	(62)	(8)
5TH %ILE	10.4	15.7	23.2	24.4	11.8	16.0
25TH %ILE	7.6	11.9	18.0	21.2	9.6	14.4
MEDIAN	5.9	10.2	15.5	17.5	8.5	13.0
75TH %ILE	4.2	8.1	13.2	15.4	6.6	11.2
95TH %ILE	3.1	5.4	9.7	12.0	4.3	8.8
Russ MC	5.1	8.5	13.4	17.0	8.5	13.1

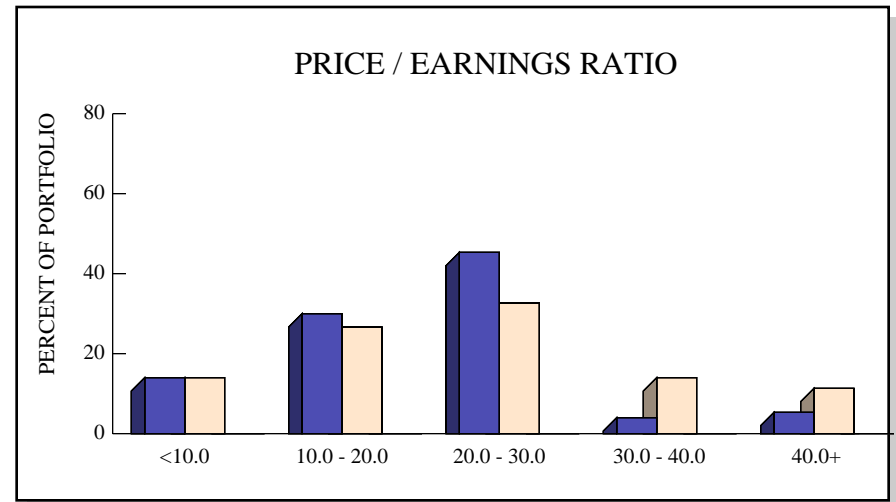
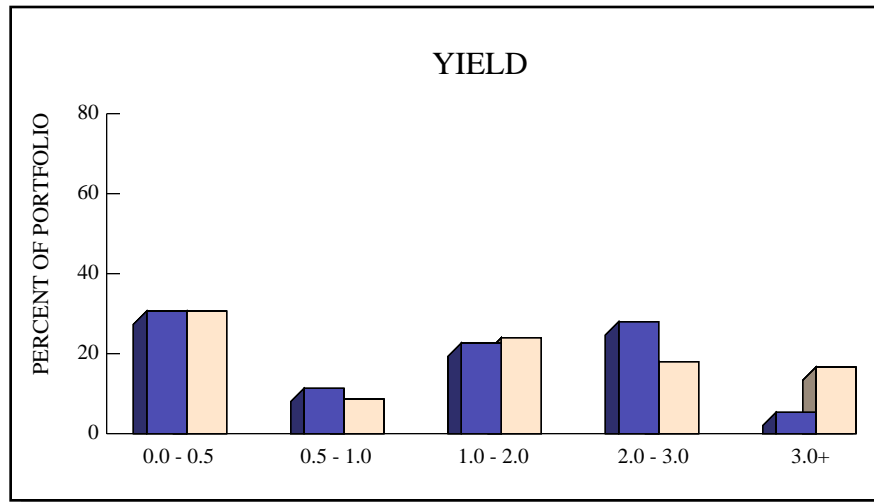
Mid Cap Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**COMPARATIVE BENCHMARK: RUSSELL MID CAP**

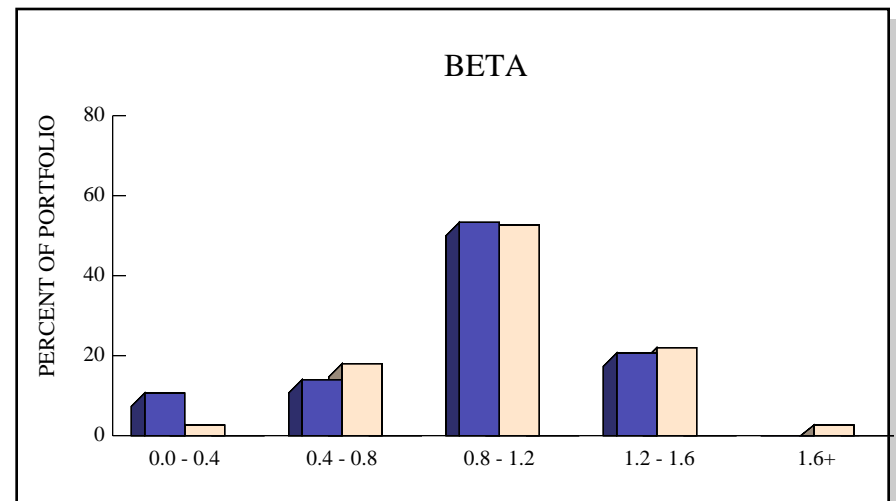
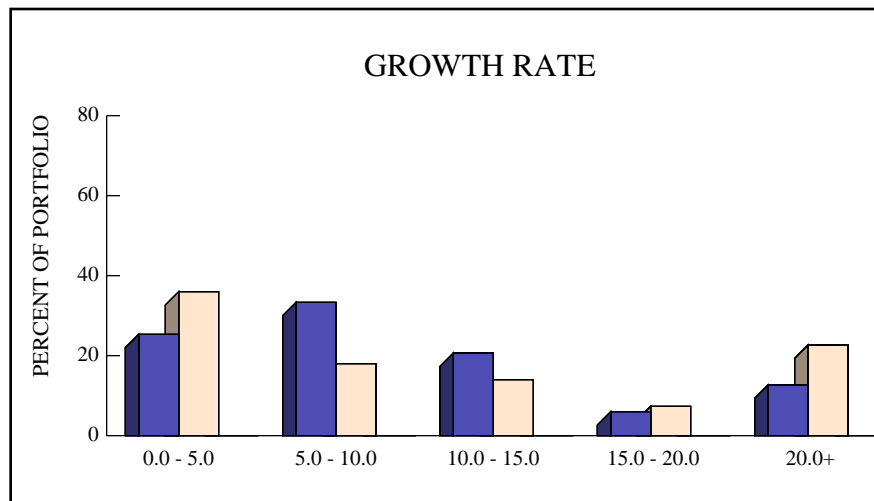
Total Quarters Observed	20
Quarters At or Above the Benchmark	10
Quarters Below the Benchmark	10
Batting Average	.500

RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
6/12	-8.6	-4.4	-4.2
9/12	11.7	5.6	6.1
12/12	7.1	2.9	4.2
3/13	13.7	13.0	0.7
6/13	7.9	2.2	5.7
9/13	9.3	7.7	1.6
12/13	11.2	8.4	2.8
3/14	2.6	3.5	-0.9
6/14	3.6	5.0	-1.4
9/14	-3.4	-1.7	-1.7
12/14	3.7	5.9	-2.2
3/15	2.2	4.0	-1.8
6/15	-0.4	-1.5	1.1
9/15	-12.3	-8.0	-4.3
12/15	0.3	3.6	-3.3
3/16	1.7	2.2	-0.5
6/16	-0.5	3.2	-3.7
9/16	11.6	4.5	7.1
12/16	11.0	3.2	7.8
3/17	6.3	5.1	1.2

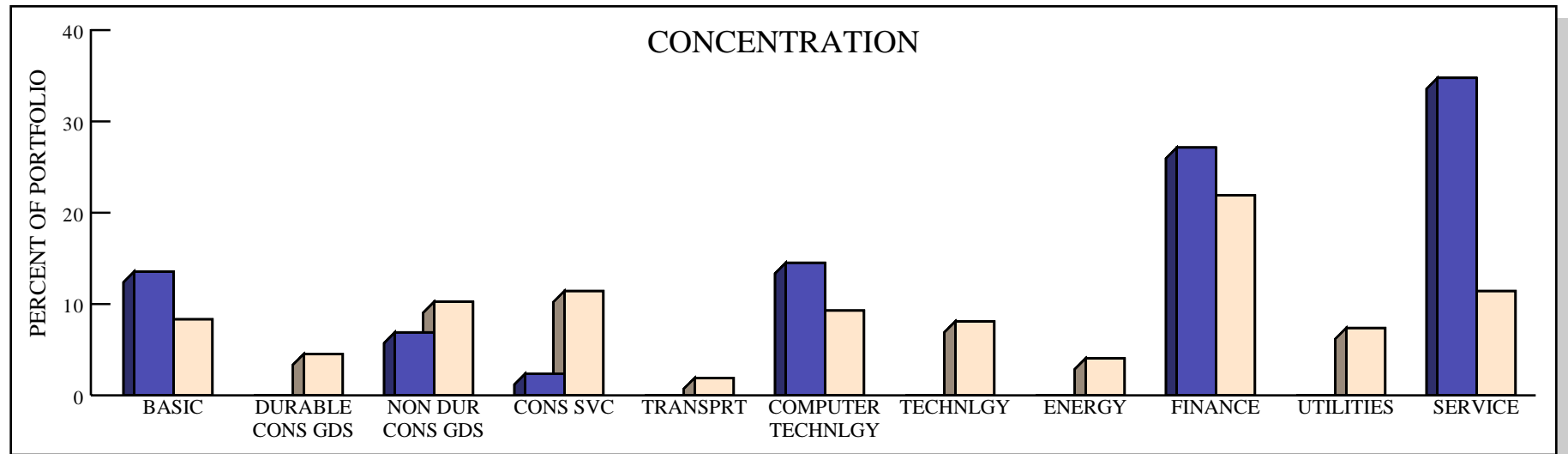
STOCK CHARACTERISTICS



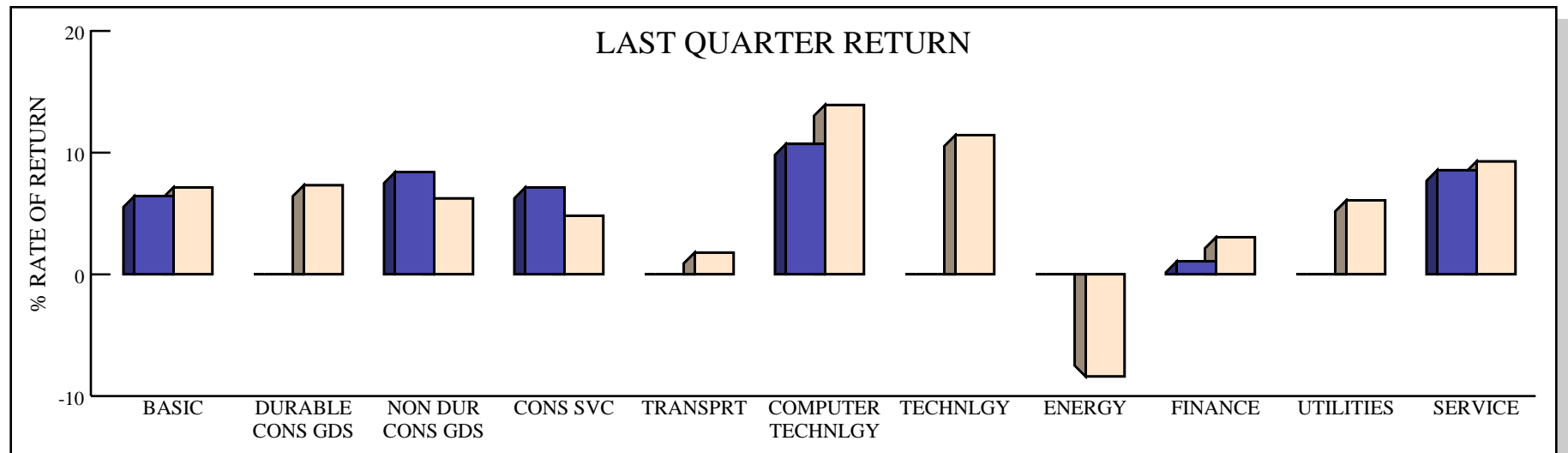
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	26	1.3%	7.1%	21.4	0.92
RUSSELL MID	794	1.7%	10.4%	21.7	1.02



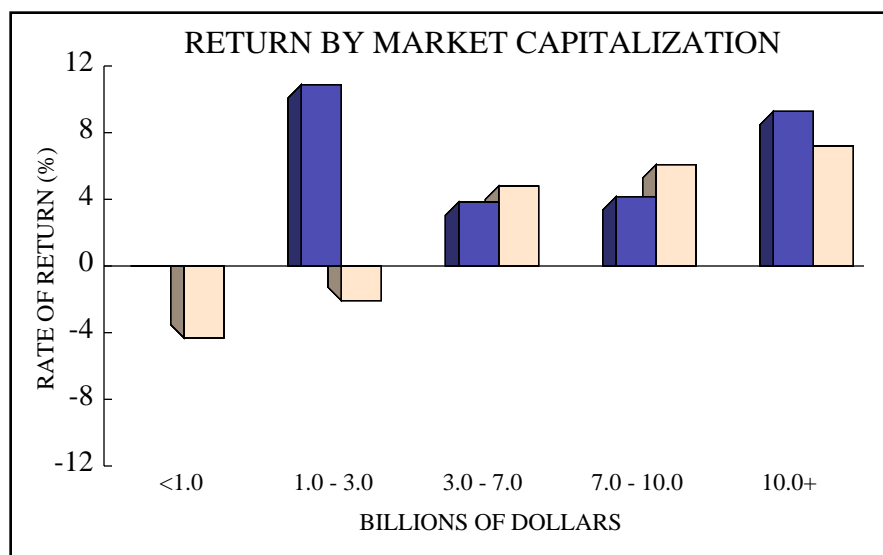
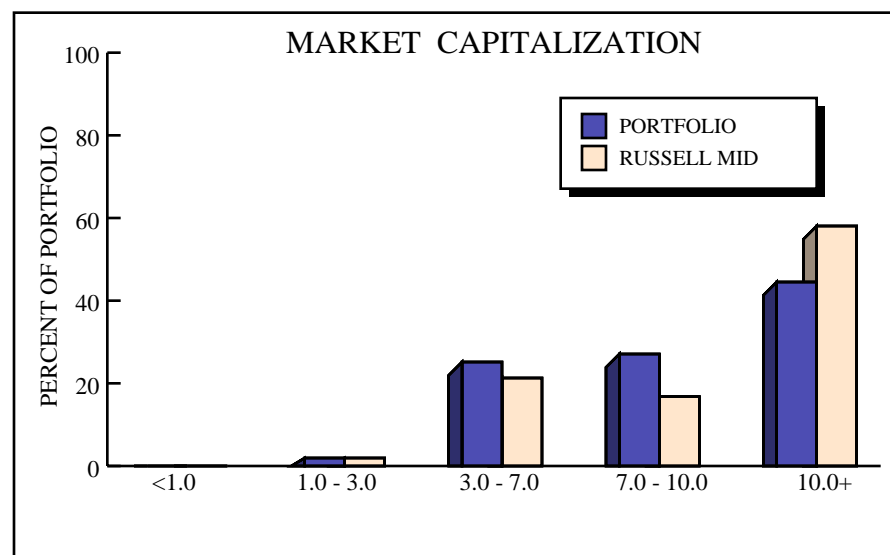
STOCK INDUSTRY ANALYSIS



■ PORTFOLIO ■ RUSSELL MID CAP



TOP TEN HOLDINGS



TOP TEN EQUITY HOLDINGS

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	LIBERTY MEDIA COR-SIRIUSXM C	\$ 364,299	5.18%	14.3%	Service	\$ 8.7 B
2	LIBERTY MEDIA CORP-LIBERTY-C	342,764	4.88%	9.0%	Service	5.9 B
3	LIBERTY BROADBAND-C	340,157	4.84%	16.7%	Service	13.2 B
4	ASSURED GUARANTY LTD	311,798	4.44%	-1.4%	Finance	4.6 B
5	WESTERN DIGITAL CORP	293,229	4.17%	22.1%	Computer Tech	23.8 B
6	ZIONS BANCORPORATION	291,648	4.15%	-2.3%	Finance	8.5 B
7	DISCOVERY COMMUNICATIONS-C	288,649	4.11%	5.7%	Service	6.5 B
8	REGIONS FINANCIAL CORP	282,434	4.02%	1.6%	Finance	17.5 B
9	C.H. ROBINSON WORLDWIDE INC	275,616	3.92%	6.1%	Service	11.0 B
10	HOWARD HUGHES CORP/THE	272,255	3.87%	2.8%	Finance	4.7 B

FRANKLIN REGIONAL RETIREMENT SYSTEM
DARUMA ASSET MANAGEMENT - GINKGO FUND
PERFORMANCE REVIEW
MARCH 2017

INVESTMENT RETURN

On March 31st, 2017, the Franklin Regional Retirement System's Daruma Asset Management Ginkgo Fund was valued at \$6,149,255, representing an increase of \$176,705 from the December quarter's ending value of \$5,972,550. Last quarter, the Fund posted withdrawals totaling \$15,166, which partially offset the portfolio's net investment return of \$191,871. Since there were no income receipts for the first quarter, the portfolio's net investment return figure was the product of net realized and unrealized capital gains totaling \$191,871.

For the cumulative period since March 2012, the account has posted net withdrawals totaling \$8.1 million and recorded net investment gains totaling \$5.3 million. Since March 2012, if the portfolio had returned a compound annual rate of 10.0% it would have been valued at \$3.5 million or \$2.6 million less than its actual value as of March 31st, 2017.

RELATIVE PERFORMANCE

Total Fund

For the first quarter, the Daruma Asset Management Ginkgo Fund returned 3.2%, which was 0.7% greater than the Russell 2000 Index's return of 2.5% and ranked in the 48th percentile of the Small Cap universe. Over the trailing year, the portfolio returned 16.9%, which was 9.3% below the benchmark's 26.2% performance, ranking in the 94th percentile. Since March 2012, the account returned 11.0% on an annualized basis and ranked in the 86th percentile. For comparison, the Russell 2000 returned an annualized 12.3% over the same period.

ASSET ALLOCATION

The portfolio was fully invested in the Daruma Asset Management Ginkgo Fund.

STOCK ANALYSIS

At the end of the quarter, the Daruma portfolio was invested in eight of the eleven sectors represented in our data analysis. Compared to the Russell 2000 index, the portfolio was overweight in the Basic, Nondurable Consumer Goods, Computer Technology, and Service sectors, which comprised roughly two-thirds of the portfolio. Conversely, the portfolio was underweight in the Technology and Finance sectors, while Durable Consumer Goods, Transportation, and Utilities were unfunded.

The portfolio experienced generally positive selection effects in its most heavily weighted sectors, while its performance in less allocated areas was weak compared to the benchmark. The overweight Basic and Nondurable Consumer Goods sectors outperformed by moderate margins. Service – the most heavily allocated sector in the portfolio – matched index performance. The overweight Computer Technology sector considerably underperformed, while Consumer Service produced a loss compared to the benchmark's gains.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	3 Year	5 Years
Total Portfolio - Gross	3.2	3.2	16.9	2.5	11.0
<i>SMALL CAP RANK</i>	(48)	(48)	(94)	(96)	(86)
Total Portfolio - Net	3.0	3.0	15.7	1.5	9.9
RUSSELL 2000	2.5	2.5	26.2	7.2	12.3
Domestic Equity - Gross	3.2	3.2	16.9	2.5	11.4
<i>SMALL CAP RANK</i>	(48)	(48)	(94)	(96)	(83)
RUSSELL 2000	2.5	2.5	26.2	7.2	12.3
RUSSELL 2000G	5.3	5.3	23.0	6.7	12.1
RUSSELL 2000V	-0.1	-0.1	29.3	7.6	12.5

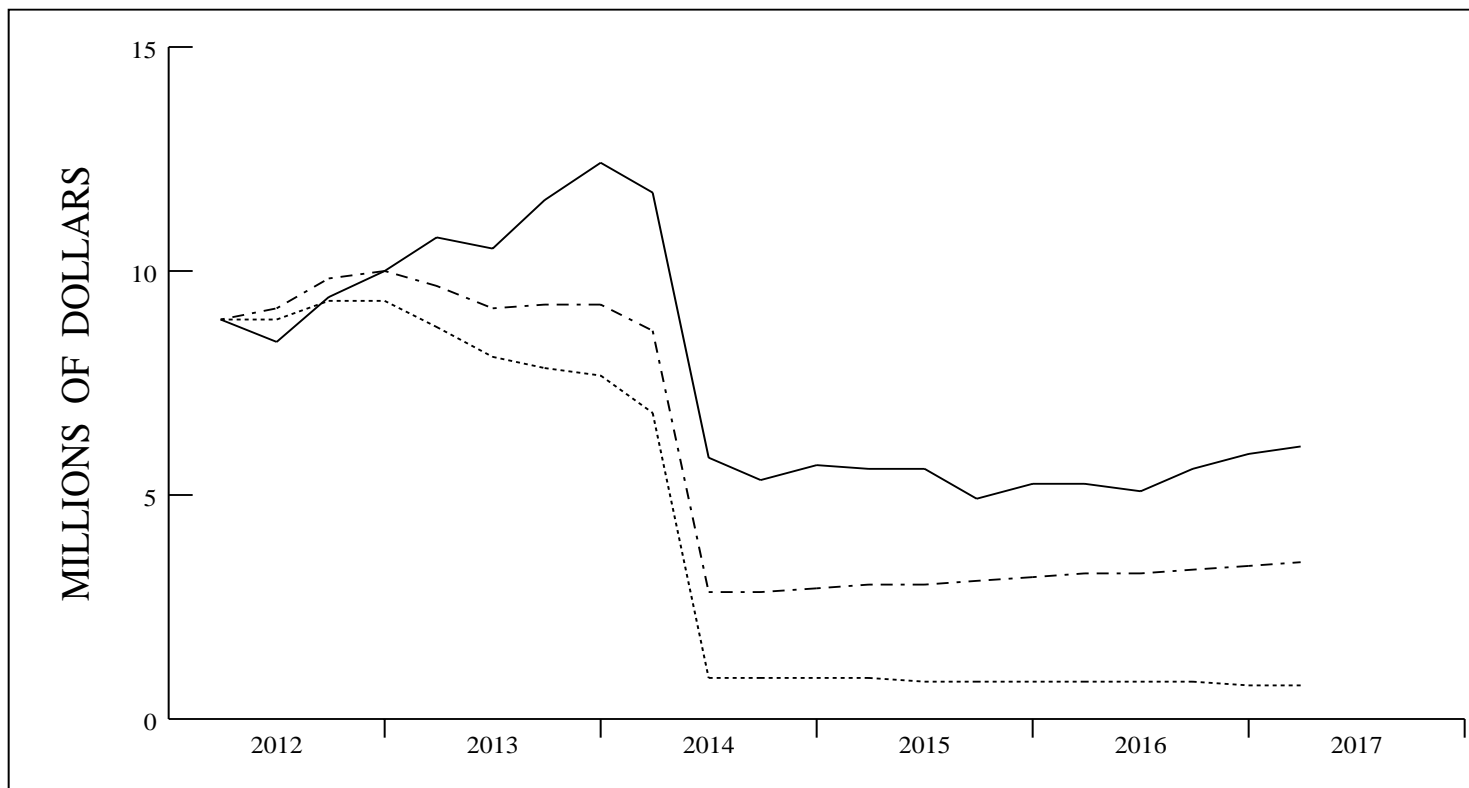
ASSET ALLOCATION

Domestic Equity	100.0%	\$ 6,149,255
Total Portfolio	100.0%	\$ 6,149,255

INVESTMENT RETURN

Market Value 12/2016	\$ 5,972,550
Contribs / Withdrawals	- 15,166
Income	0
Capital Gains / Losses	191,871
Market Value 3/2017	\$ 6,149,255

INVESTMENT GROWTH

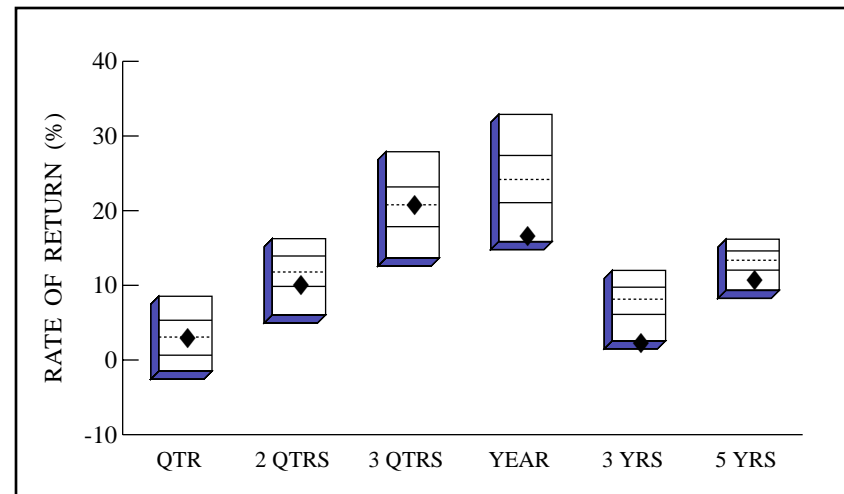
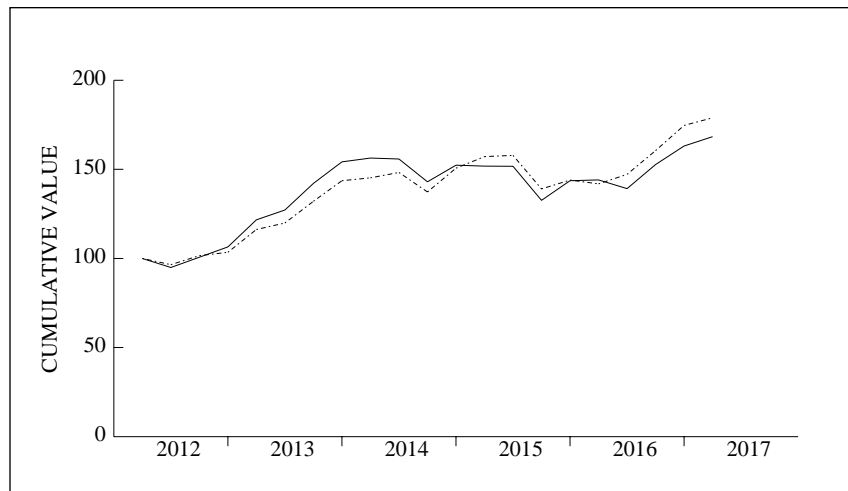


— ACTUAL RETURN
 - - - 10.0%
 0.0%

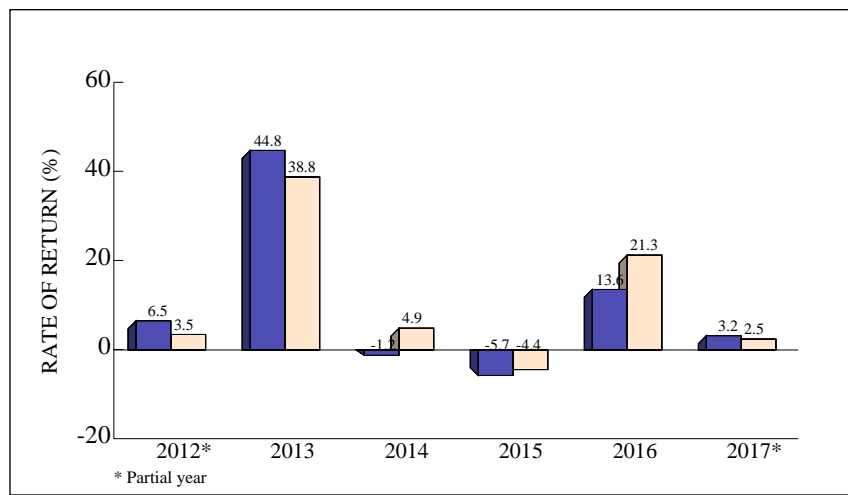
VALUE ASSUMING
 10.0% RETURN \$ 3,532,579

	LAST QUARTER	PERIOD 3/12 - 3/17
BEGINNING VALUE	\$ 5,972,550	\$ 8,951,231
NET CONTRIBUTIONS	- 15,166	- 8,137,483
<u>INVESTMENT RETURN</u>	<u>191,871</u>	<u>5,335,507</u>
ENDING VALUE	\$ 6,149,255	\$ 6,149,255
INCOME	0	106,527
<u>CAPITAL GAINS (LOSSES)</u>	<u>191,871</u>	<u>5,228,980</u>
INVESTMENT RETURN	191,871	5,335,507

TOTAL RETURN COMPARISONS

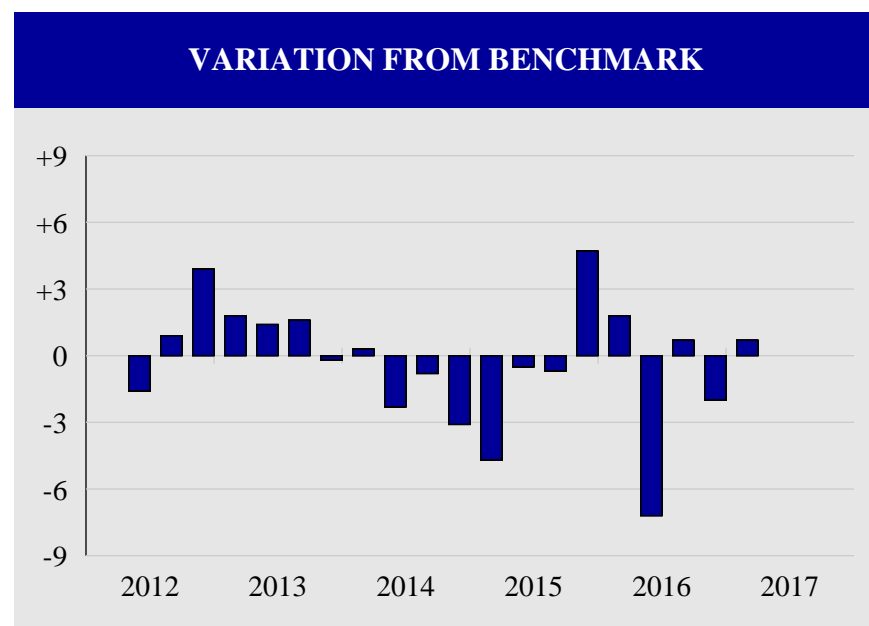


Small Cap Universe



	QTR	2 QTRS	3 QTRS	YEAR	3 YRS	5 YRS
RETURN	3.2	10.3	20.9	16.9	2.5	11.0
(RANK)	(48)	(72)	(49)	(94)	(96)	(86)
5TH %ILE	8.5	16.3	27.9	32.9	12.0	16.2
25TH %ILE	5.3	13.9	23.2	27.4	9.8	14.6
MEDIAN	3.1	11.8	20.8	24.2	8.2	13.3
75TH %ILE	0.6	9.8	17.9	21.1	6.1	12.0
95TH %ILE	-1.5	6.0	13.6	15.9	2.6	9.3
Russ 2000	2.5	11.5	21.6	26.2	7.2	12.3

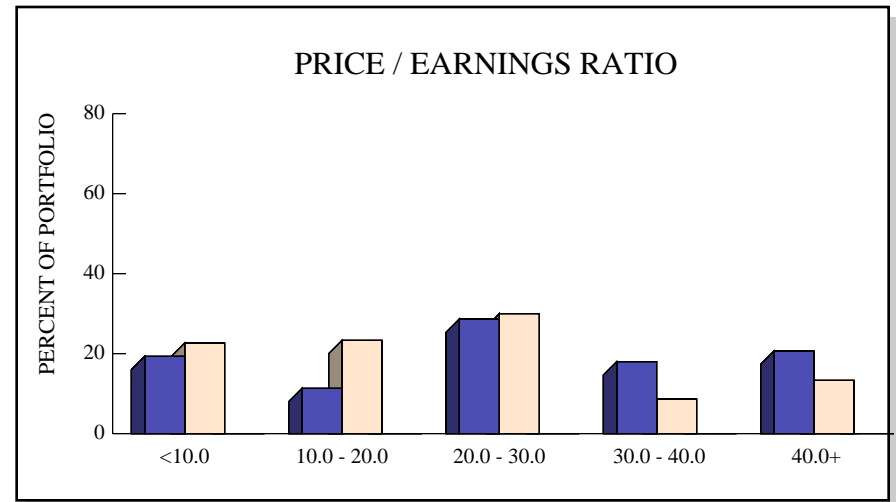
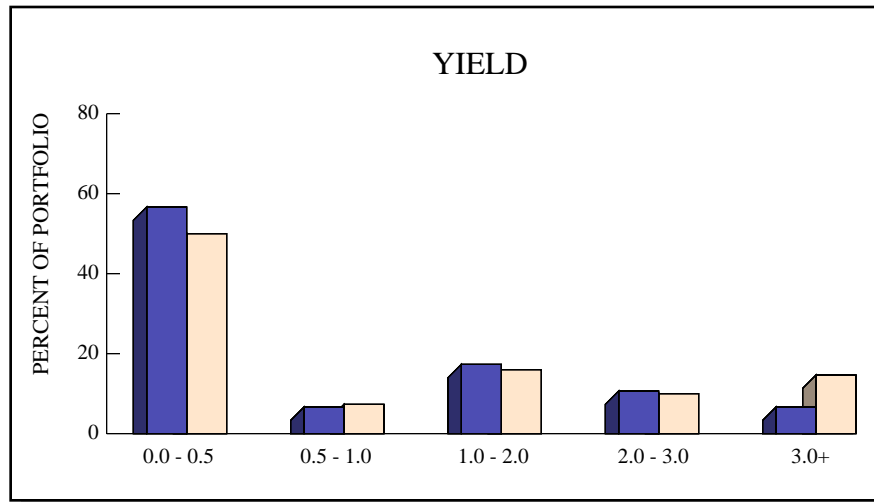
Small Cap Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**COMPARATIVE BENCHMARK: RUSSELL 2000**

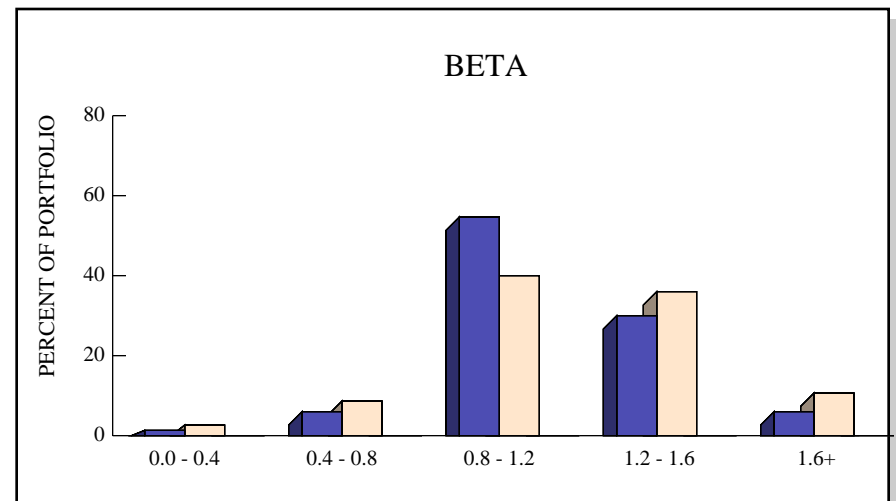
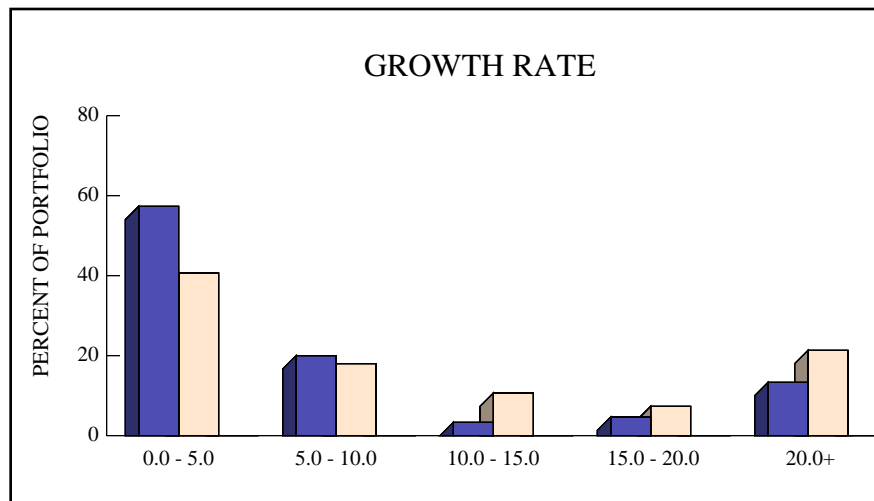
Total Quarters Observed	20
Quarters At or Above the Benchmark	10
Quarters Below the Benchmark	10
Batting Average	.500

RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
6/12	-5.1	-3.5	-1.6
9/12	6.1	5.2	0.9
12/12	5.7	1.8	3.9
3/13	14.2	12.4	1.8
6/13	4.5	3.1	1.4
9/13	11.8	10.2	1.6
12/13	8.5	8.7	-0.2
3/14	1.4	1.1	0.3
6/14	-0.3	2.0	-2.3
9/14	-8.2	-7.4	-0.8
12/14	6.6	9.7	-3.1
3/15	-0.4	4.3	-4.7
6/15	-0.1	0.4	-0.5
9/15	-12.6	-11.9	-0.7
12/15	8.3	3.6	4.7
3/16	0.3	-1.5	1.8
6/16	-3.4	3.8	-7.2
9/16	9.7	9.0	0.7
12/16	6.8	8.8	-2.0
3/17	3.2	2.5	0.7

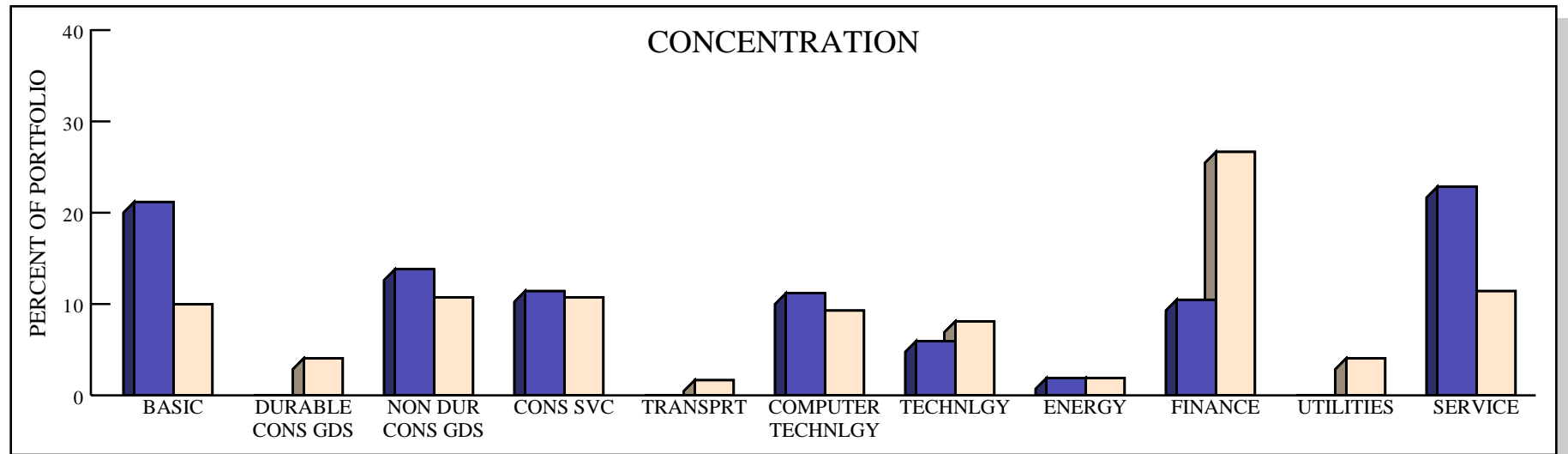
STOCK CHARACTERISTICS



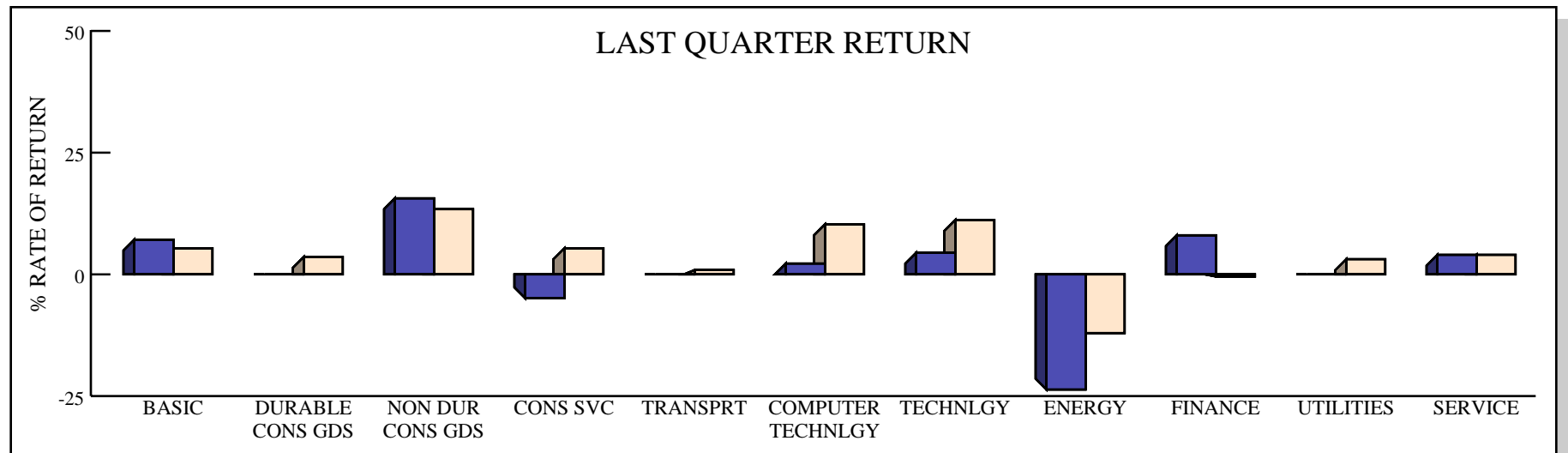
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	37	0.8%	2.7%	23.3	1.15
RUSSELL 2000	1,946	1.4%	9.9%	20.0	1.17



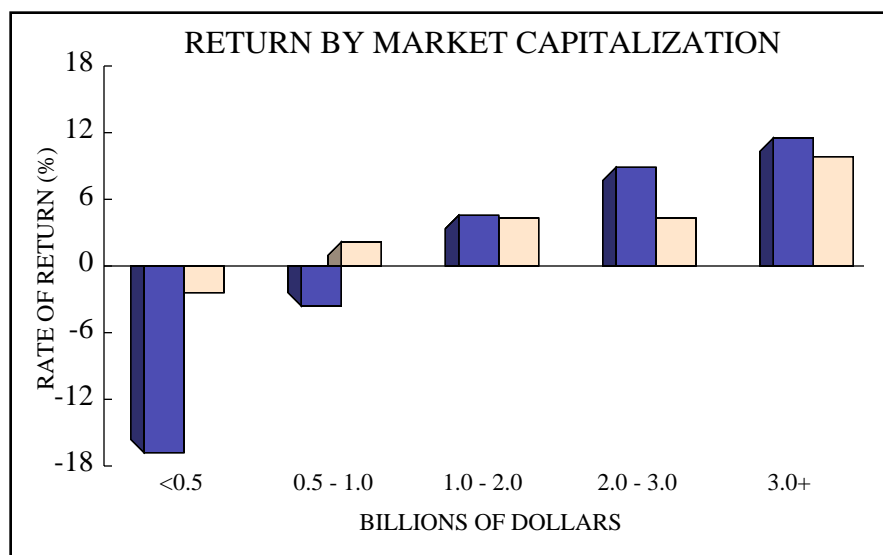
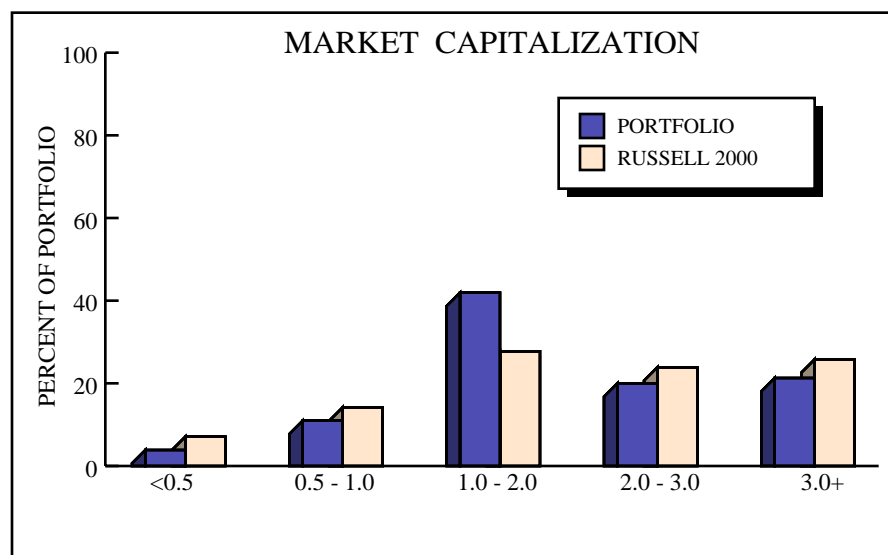
STOCK INDUSTRY ANALYSIS



■ PORTFOLIO ■ RUSSELL 2000



TOP TEN HOLDINGS



TOP TEN EQUITY HOLDINGS

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	ENTEGRIS INC	\$ 244,577	3.98%	30.7%	NonDur Cons Goods	\$ 3.3 B
2	OMNICELL INC	236,177	3.84%	19.9%	Computer Tech	1.5 B
3	ACXIOM CORP	232,543	3.78%	6.2%	Service	2.2 B
4	COMFORT SYSTEMS USA INC	228,403	3.71%	10.3%	Basic	1.4 B
5	FCB FINANCIAL HOLDINGS-CL A	223,025	3.63%	3.9%	Finance	2.0 B
6	EVERCORE PARTNERS INC-CL A	220,613	3.59%	13.8%	Finance	3.2 B
7	ENPRO INDUSTRIES INC	219,030	3.56%	5.9%	Basic	1.5 B
8	VEECO INSTRUMENTS INC	213,965	3.48%	2.4%	Basic	1.2 B
9	HEALTHSOUTH CORP	213,493	3.47%	4.4%	Consumer Service	3.8 B
10	DIEBOLD NIXDORF INC	210,756	3.43%	22.9%	Basic	2.3 B

FRANKLIN REGIONAL RETIREMENT SYSTEM
SYSTEMATIC FINANCIAL
PERFORMANCE REVIEW
MARCH 2017

INVESTMENT RETURN

On March 31st, 2017, the Franklin Regional Retirement System's Systematic Financial portfolio was valued at \$6,713,634, a decrease of \$689,310 from the December ending value of \$7,402,944. Last quarter, the account recorded a net withdrawal of \$759,316, which overshadowed the fund's net investment return of \$70,006. Income receipts totaling \$35,268 and realized and unrealized capital gains of \$34,738 combined to produce the portfolio's net investment return.

Since June 2014, the account has recorded net withdrawals totaling \$159,325 while posting net investment gains totaling \$927,009. Since June 2014, if the account had earned a compound annual rate of 8.0% it would have been valued at \$7.2 million or \$505,553 more than the actual value as of March 31st, 2017.

RELATIVE PERFORMANCE

For the first quarter, the Systematic Financial portfolio gained 1.0%, which was 1.5% below the Russell 2000 Index's return of 2.5% and ranked in the 72nd percentile of the Small Cap universe. Over the trailing twelve-month period, this portfolio returned 20.8%, which was 5.4% less than the benchmark's 26.2% performance, and ranked in the 78th percentile. Since June 2014, the portfolio returned 5.0% annualized and ranked in the 84th percentile. The Russell 2000 returned an annualized 7.1% over the same time frame.

ASSET ALLOCATION

On March 31st, 2017, domestic equities comprised 99.2% of the total portfolio (\$6.7 million), while cash & equivalents comprised the remaining 0.8% (\$56,838).

STOCK ANALYSIS

All eleven industry sectors were funded at the end of the quarter. Compared to the Russell 2000 index, the Systematic portfolio was overweight in the Durable Consumer Goods, Consumer Service, Technology, and Service sectors, while underweight in Nondurable Consumer Goods, Computer Technology, and Finance.

Selection effects were decidedly unfavorable in the first quarter, as seven of the eleven invested sectors underperformed, including all four overweight sectors. Consumer Service produced a flat return compared to the index's gain. The Service sector similarly underperformed, sustaining a loss compared to the benchmark's positive return. Computer Technology outperformed, but a light and underweight allocation checked the impact of positive effects there.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	3 Year	Since 06/14
Total Portfolio - Gross	1.0	1.0	20.8	----	5.0
<i>SMALL CAP RANK</i>	(72)	(72)	(78)	----	(84)
Total Portfolio - Net	0.8	0.8	19.8	----	4.2
RUSSELL 2000	2.5	2.5	26.2	7.2	7.1
RUSSELL 2000G	5.3	5.3	23.0	6.7	6.7
RUSSELL 2000V	-0.1	-0.1	29.3	7.6	7.4
Domestic Equity - Gross	1.0	1.0	21.0	----	5.0
<i>SMALL CAP RANK</i>	(72)	(72)	(76)	----	(84)
RUSSELL 2000	2.5	2.5	26.2	7.2	7.1

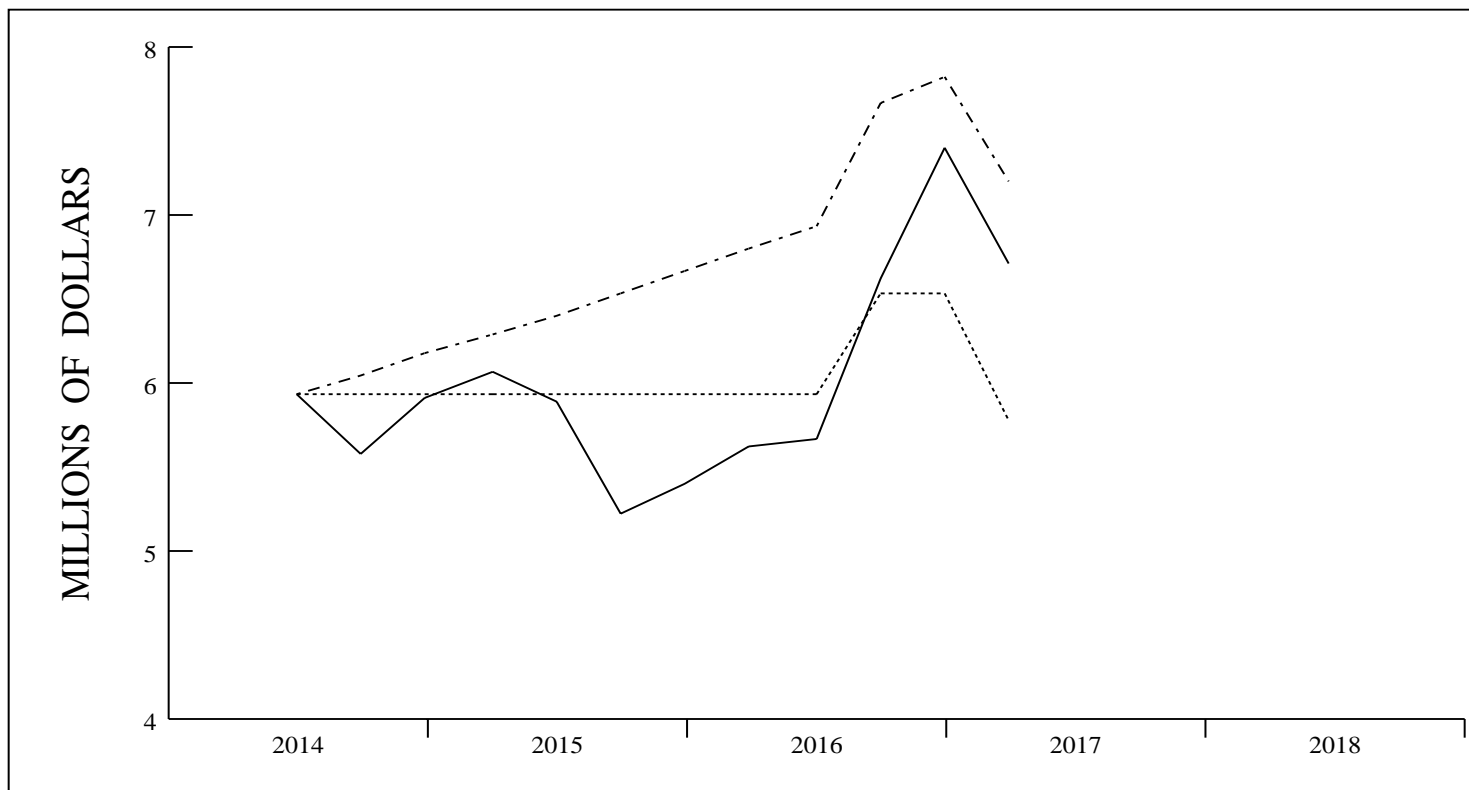
ASSET ALLOCATION

Domestic Equity	99.2%	\$ 6,656,796
Cash	0.8%	56,838
Total Portfolio	100.0%	\$ 6,713,634

INVESTMENT RETURN

Market Value 12/2016	\$ 7,402,944
Contribs / Withdrawals	-759,316
Income	35,268
Capital Gains / Losses	34,738
Market Value 3/2017	\$ 6,713,634

INVESTMENT GROWTH

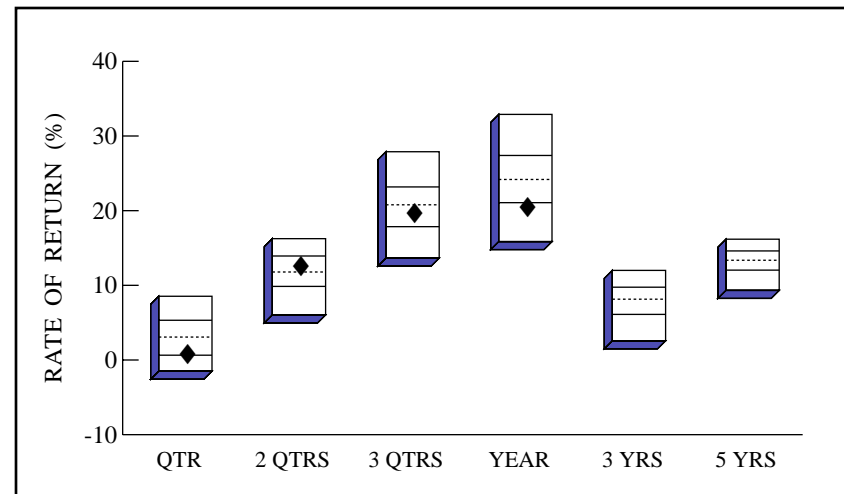
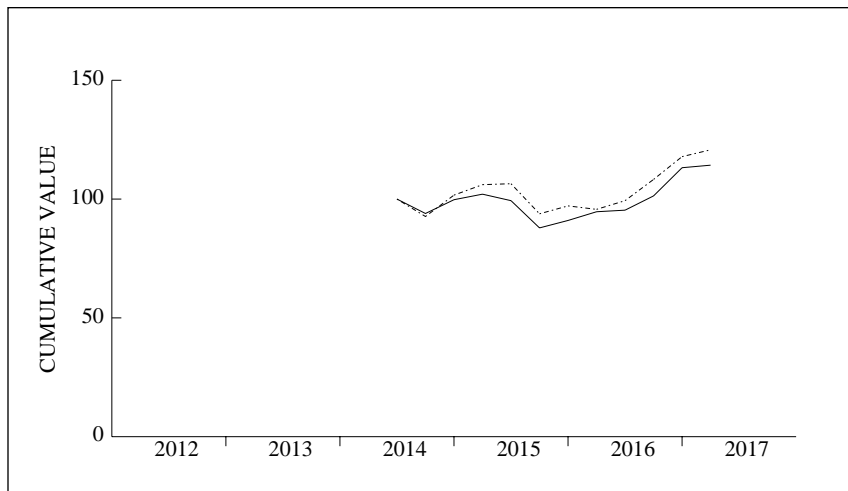


—	ACTUAL RETURN
- - - - -	8.0%
· · · · ·	0.0%

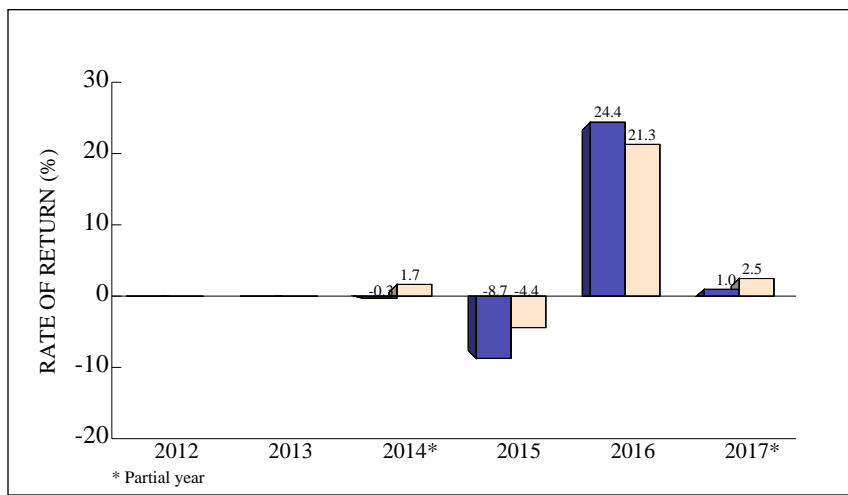
VALUE ASSUMING	
8.0% RETURN	\$ 7,219,187

	LAST QUARTER	PERIOD 6/14 - 3/17
BEGINNING VALUE	\$ 7,402,944	\$ 5,945,950
NET CONTRIBUTIONS	-759,316	-159,325
INVESTMENT RETURN	<u>70,006</u>	<u>927,009</u>
ENDING VALUE	\$ 6,713,634	\$ 6,713,634
INCOME	35,268	316,693
CAPITAL GAINS (LOSSES)	<u>34,738</u>	<u>610,316</u>
INVESTMENT RETURN	70,006	927,009

TOTAL RETURN COMPARISONS



Small Cap Universe

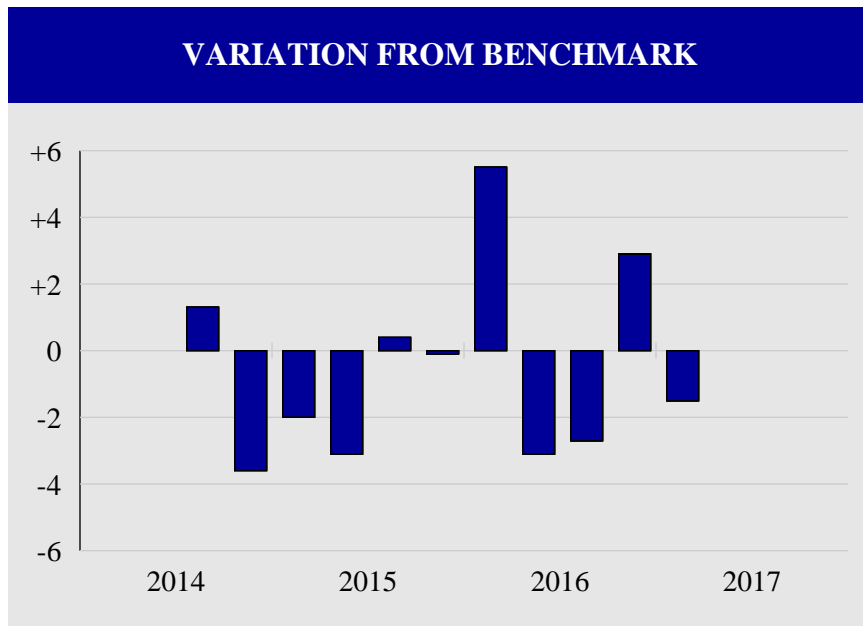


	QTR	2 QTRS	3 QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	1.0	12.8	19.9	20.8	---	---
(RANK)	(72)	(39)	(58)	(78)	---	---
5TH %ILE	8.5	16.3	27.9	32.9	12.0	16.2
25TH %ILE	5.3	13.9	23.2	27.4	9.8	14.6
MEDIAN	3.1	11.8	20.8	24.2	8.2	13.3
75TH %ILE	0.6	9.8	17.9	21.1	6.1	12.0
95TH %ILE	-1.5	6.0	13.6	15.9	2.6	9.3
Russ 2000	2.5	11.5	21.6	26.2	7.2	12.3

Small Cap Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

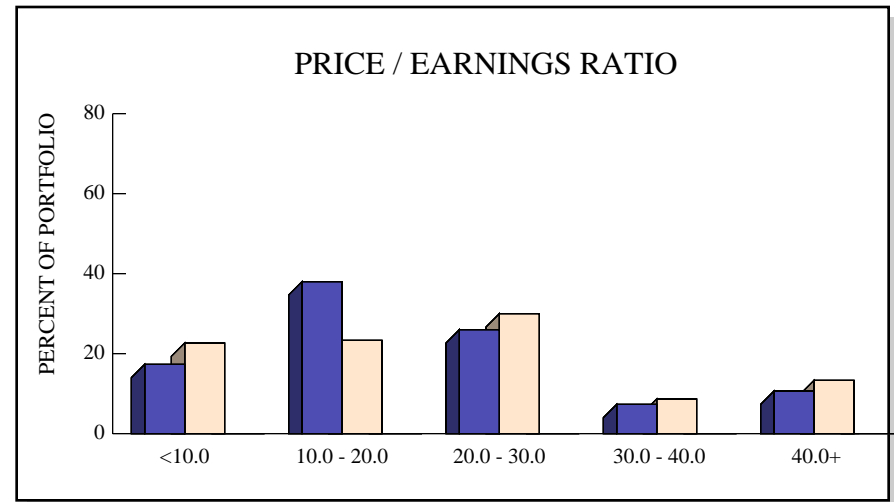
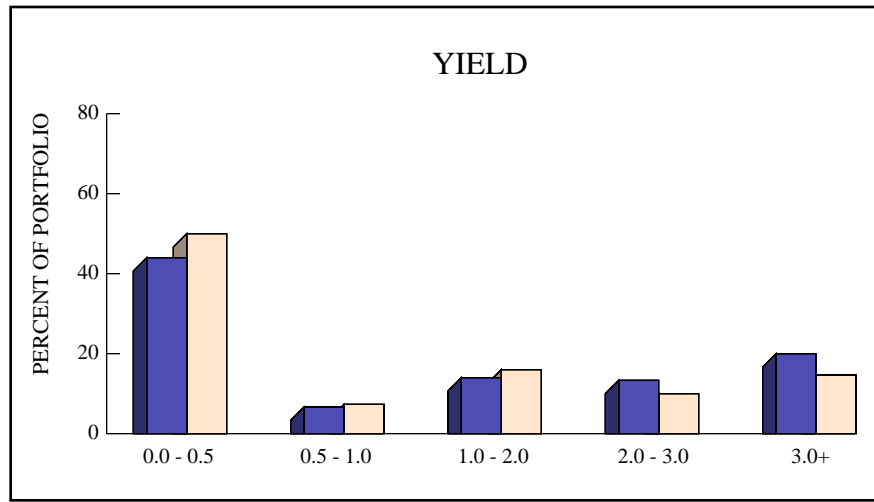
COMPARATIVE BENCHMARK: RUSSELL 2000



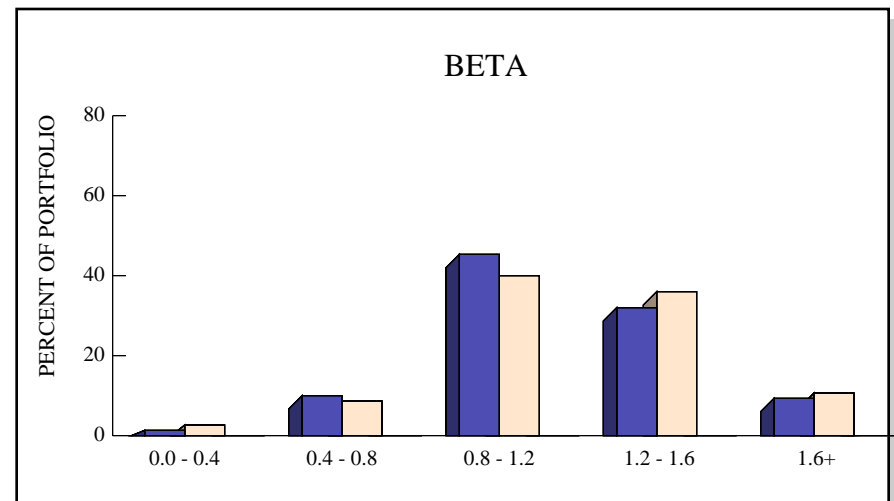
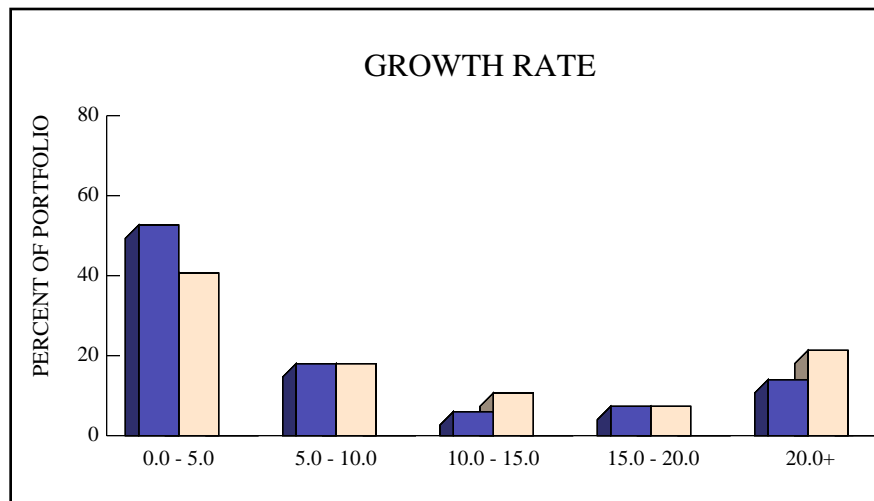
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
9/14	-6.1	-7.4	1.3
12/14	6.1	9.7	-3.6
3/15	2.3	4.3	-2.0
6/15	-2.7	0.4	-3.1
9/15	-11.5	-11.9	0.4
12/15	3.5	3.6	-0.1
3/16	4.0	-1.5	5.5
6/16	0.7	3.8	-3.1
9/16	6.3	9.0	-2.7
12/16	11.7	8.8	2.9
3/17	1.0	2.5	-1.5

Total Quarters Observed	11
Quarters At or Above the Benchmark	4
Quarters Below the Benchmark	7
Batting Average	.364

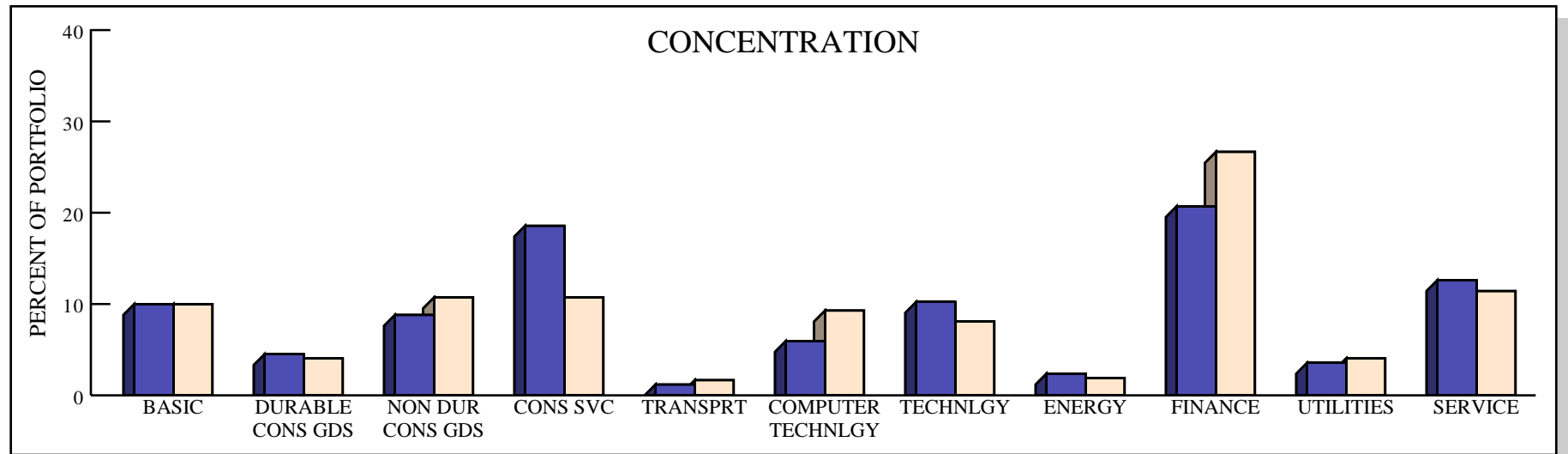
STOCK CHARACTERISTICS



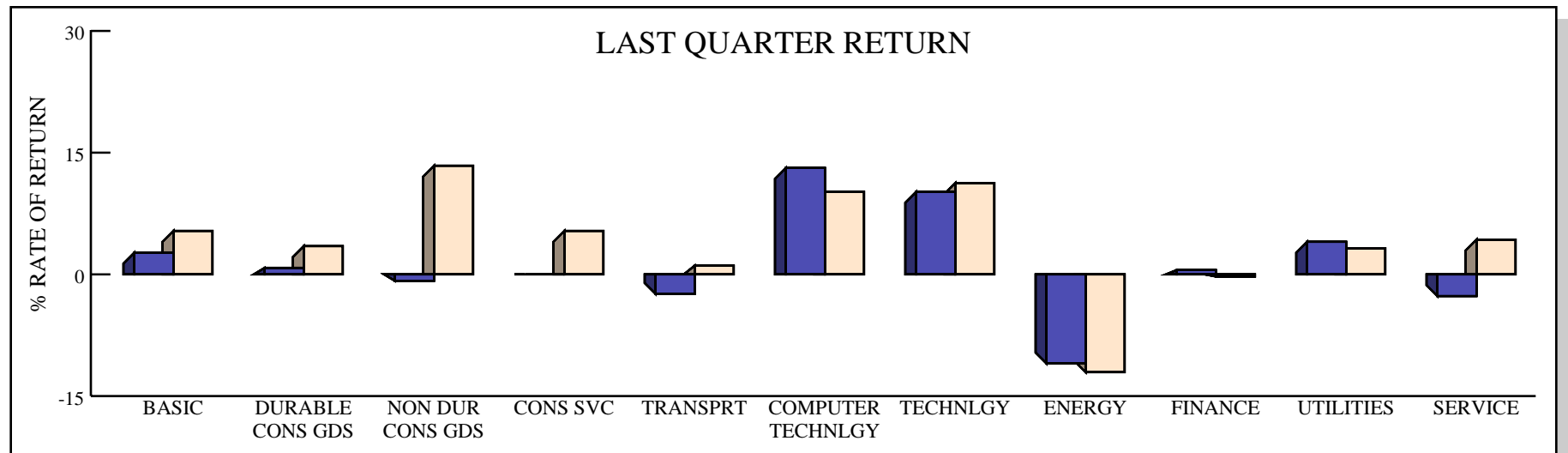
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	310	1.9%	4.9%	19.7	1.17
RUSSELL 2000	1,946	1.4%	9.9%	20.0	1.17



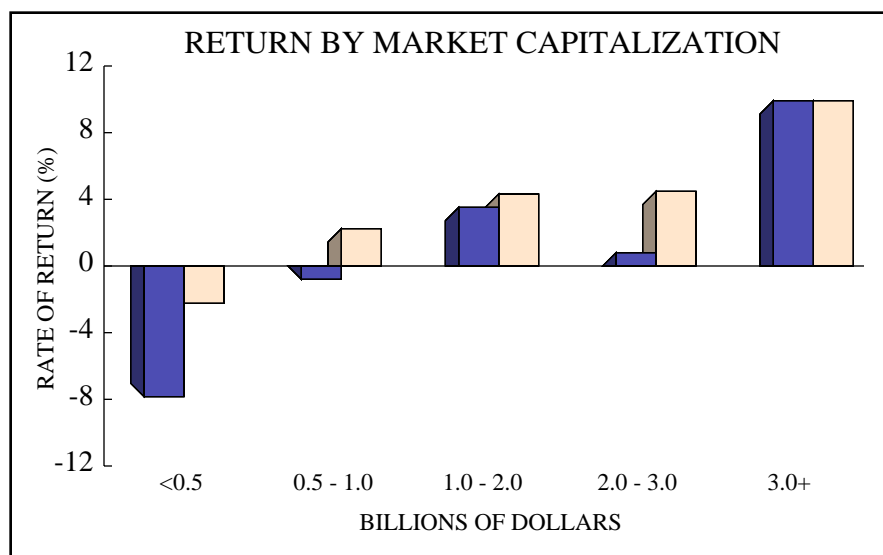
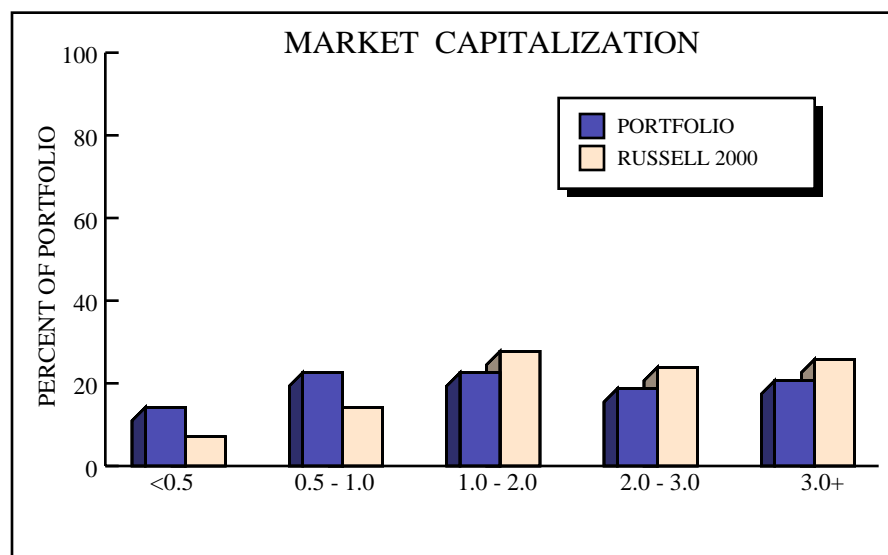
STOCK INDUSTRY ANALYSIS



■ PORTFOLIO ■ RUSSELL 2000



TOP TEN HOLDINGS



TOP TEN EQUITY HOLDINGS

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	ARCOS DORADOS HOLDINGS INC-A	\$ 30,590	.46%	49.1%	Consumer Service	\$ 1.1 B
2	HUNTSMAN CORP	28,098	.42%	29.1%	Basic	5.9 B
3	JABIL CIRCUIT INC	27,763	.42%	22.5%	Technology	5.3 B
4	TERADYNE INC	27,057	.41%	22.6%	Technology	6.2 B
5	LHC GROUP INC	26,950	.40%	17.9%	Consumer Service	1.0 B
6	COOPER TIRE & RUBBER	26,610	.40%	14.4%	NonDur Cons Goods	2.3 B
7	CHIMERA INVESTMENT CORP	26,335	.40%	22.8%	Finance	3.8 B
8	ORASURE TECHNOLOGIES INC	26,313	.40%	47.3%	Technology	0.7 B
9	MEREDITH CORP	26,163	.39%	10.0%	Service	2.5 B
10	CABOT CORP	26,061	.39%	19.0%	NonDur Cons Goods	3.7 B

FRANKLIN REGIONAL RETIREMENT SYSTEM
PRIT - INT'L EQUITY
PERFORMANCE REVIEW
MARCH 2017

INVESTMENT RETURN

On March 31st, 2017, the Franklin Regional Retirement System's PRIT International Equity portfolio was valued at \$6,092,396, representing an increase of \$414,969 from the December quarter's ending value of \$5,677,427. Last quarter, the Fund posted withdrawals totaling \$2,703, which partially offset the portfolio's net investment return of \$417,672. Income receipts totaling \$44,568 plus net realized and unrealized capital gains of \$373,104 combined to produce the portfolio's net investment return.

For the cumulative period since September 2014, the fund has recorded net contributions totaling \$133,830, and recorded net investment gains of \$415,736. For the period since September 2014, if the total fund returned a compound annual rate of 9.0% it would have been valued at \$7.0 million or \$940,542 more than the actual value as of March 31st, 2017.

RELATIVE PERFORMANCE

In the first quarter, the PRIT International Equity portfolio gained 7.4%, which was equal to the MSCI EAFE Index's return of 7.4% and ranked in the 77th percentile of the International Equity universe. Over the trailing year, the portfolio returned 11.1%, which was 1.1% less than the benchmark's 12.2% performance, and ranked in the 68th percentile. Since September 2014, the portfolio returned 2.9% on an annualized basis and ranked in the 50th percentile. For comparison, the MSCI EAFE Index returned an annualized 1.9% over the same period.

ASSET ALLOCATION

This portfolio was fully invested in the PRIT International Equity portfolio at the end of the quarter.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	3 Year	Since 09/14
Total Portfolio - Gross	7.4	7.4	11.1	----	2.9
<i>INTERNATIONAL EQUITY RANK</i>	(77)	(77)	(68)	----	(50)
Total Portfolio - Net	7.3	7.3	10.9	----	2.7
MSCI EAFE	7.4	7.4	12.2	1.0	1.9
ACWI EX US	8.0	8.0	13.7	1.0	1.3
MSCI EMG MKTS	11.5	11.5	17.7	1.6	0.6
International Equity - Gross	7.4	7.4	11.1	----	2.9
<i>INTERNATIONAL EQUITY RANK</i>	(77)	(77)	(68)	----	(50)
MSCI EAFE	7.4	7.4	12.2	1.0	1.9

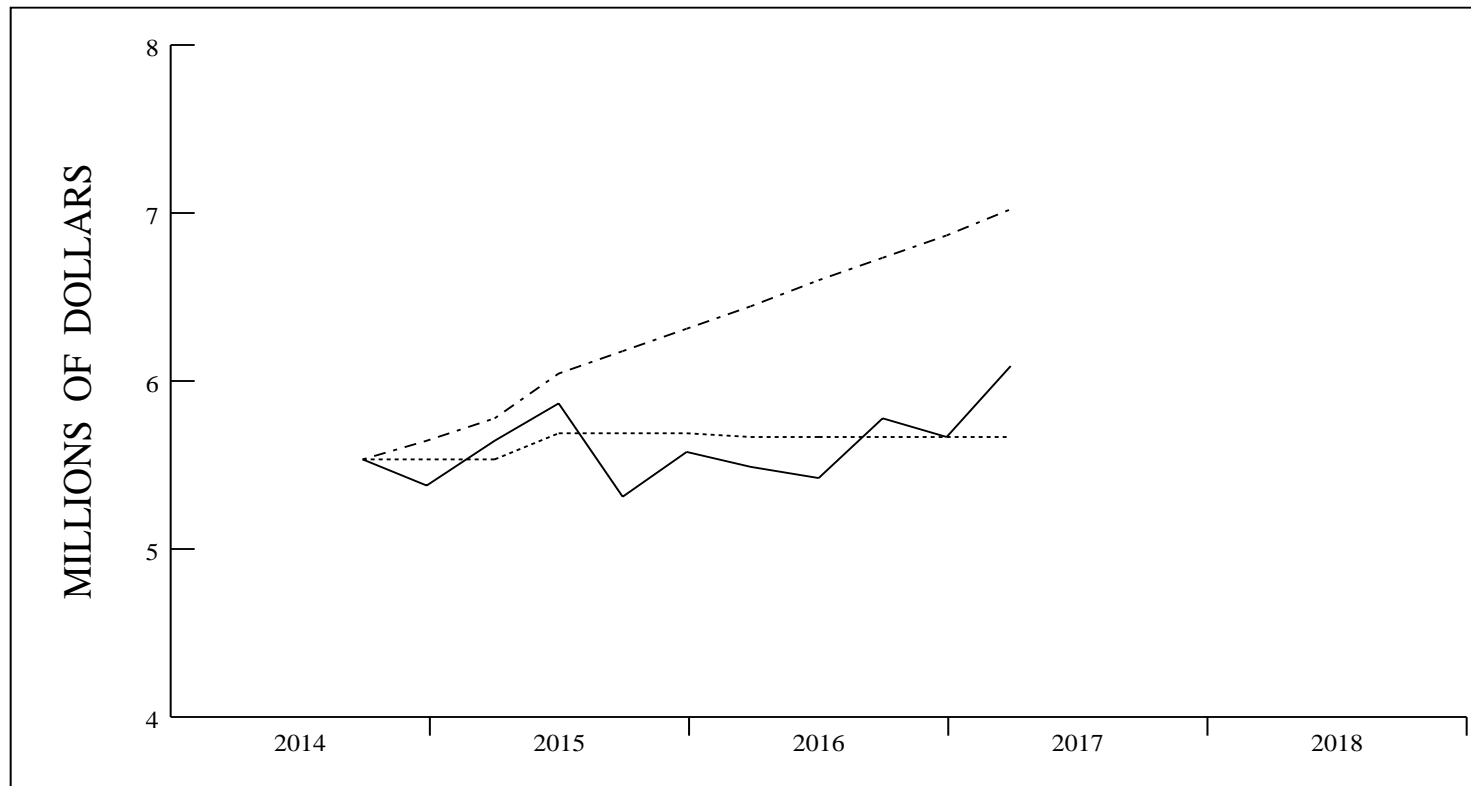
ASSET ALLOCATION

Int'l Equity	100.0%	\$ 6,092,396
Total Portfolio	100.0%	\$ 6,092,396

INVESTMENT RETURN

Market Value 12/2016	\$ 5,677,427
Contribs / Withdrawals	- 2,703
Income	44,568
Capital Gains / Losses	373,104
Market Value 3/2017	\$ 6,092,396

INVESTMENT GROWTH

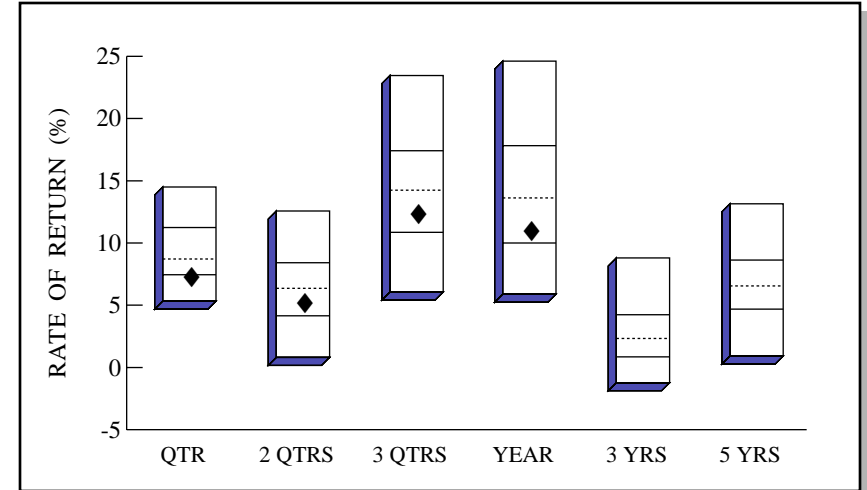
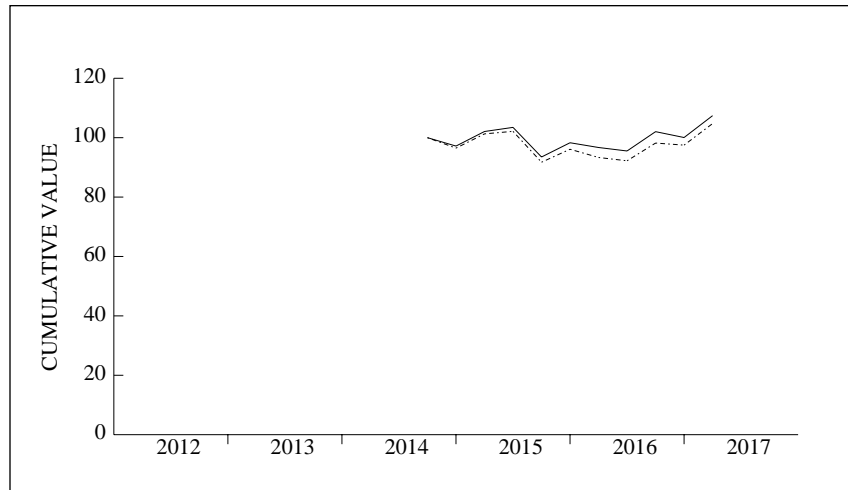


— ACTUAL RETURN
 - - - 9.0%
 . . . 0.0%

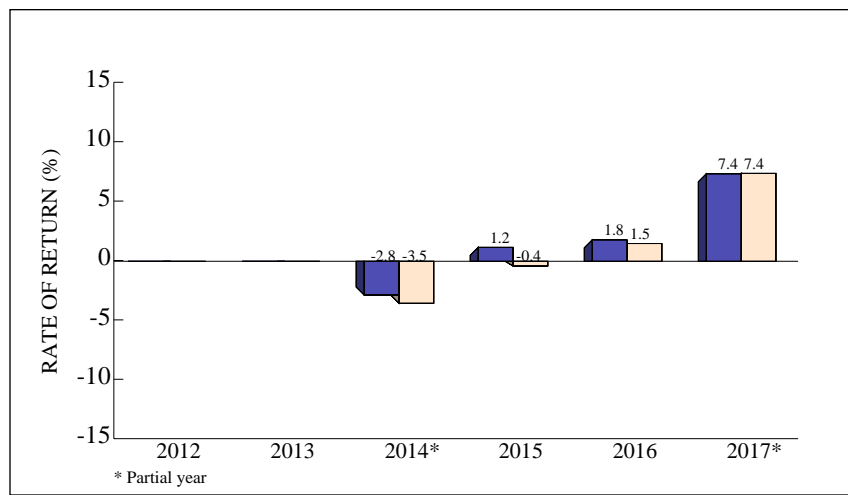
VALUE ASSUMING
 9.0% RETURN \$ 7,032,938

	LAST QUARTER	PERIOD 9/14 - 3/17
BEGINNING VALUE	\$ 5,677,427	\$ 5,542,830
NET CONTRIBUTIONS	- 2,703	133,830
<u>INVESTMENT RETURN</u>	<u>417,672</u>	<u>415,736</u>
ENDING VALUE	\$ 6,092,396	\$ 6,092,396
INCOME	44,568	388,625
<u>CAPITAL GAINS (LOSSES)</u>	<u>373,104</u>	<u>27,111</u>
INVESTMENT RETURN	417,672	415,736

TOTAL RETURN COMPARISONS



International Equity Universe



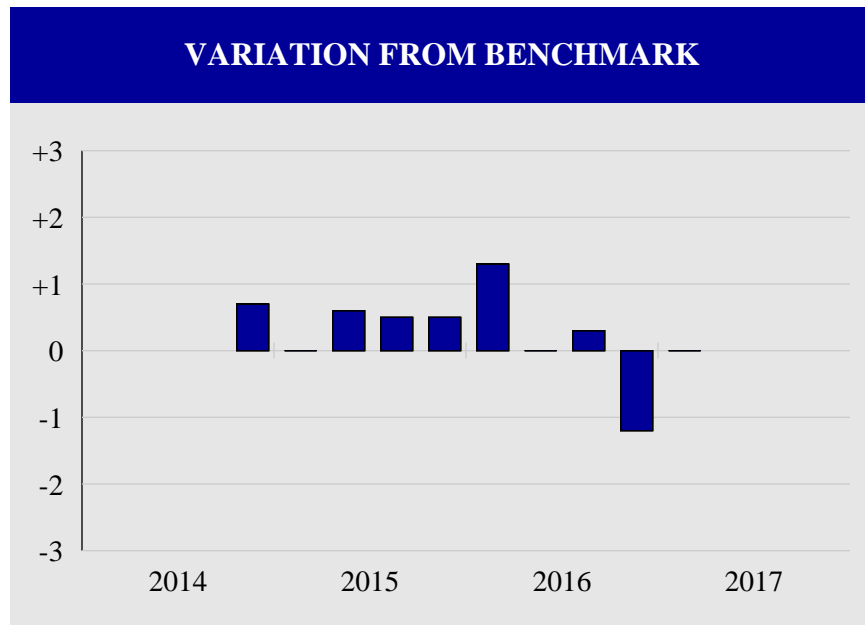
* Partial year

	QTR	2 QTRS	3 QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	7.4	5.3	12.5	11.1	----	----
(RANK)	(77)	(64)	(66)	(68)	----	----
5TH %ILE	14.5	12.6	23.5	24.6	8.8	13.2
25TH %ILE	11.3	8.4	17.4	17.8	4.2	8.6
MEDIAN	8.7	6.4	14.3	13.6	2.3	6.5
75TH %ILE	7.5	4.2	10.9	10.0	0.9	4.7
95TH %ILE	5.3	0.8	6.1	5.9	-1.2	0.9
MSCI EAFE	7.4	6.7	13.6	12.2	1.0	6.3

International Equity Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: MSCI EAFE



RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
12/14	-2.8	-3.5	0.7
3/15	5.0	5.0	0.0
6/15	1.4	0.8	0.6
9/15	-9.7	-10.2	0.5
12/15	5.2	4.7	0.5
3/16	-1.6	-2.9	1.3
6/16	-1.2	-1.2	0.0
9/16	6.8	6.5	0.3
12/16	-1.9	-0.7	-1.2
3/17	7.4	7.4	0.0

Total Quarters Observed	10
Quarters At or Above the Benchmark	9
Quarters Below the Benchmark	1
Batting Average	.900

FRANKLIN REGIONAL RETIREMENT SYSTEM
PRIT - CORE REAL ESTATE ACCOUNT
PERFORMANCE REVIEW
MARCH 2017

INVESTMENT RETURN

As of March 31st, 2017, the Franklin Regional Retirement System's PRIT Core Real Estate Account account was valued at \$13,000,748, representing an increase of \$252,861 over the December ending value of \$12,747,887. Over the last three months, the fund posted a net withdrawal of \$13,688, which partially offset the portfolio's net investment gain of \$266,549. Income receipts totaling \$171,814 and realized and unrealized capital gains of \$94,735 combined to produce last quarter's net investment return.

Since March 2012, the account has recorded net contributions totaling \$3.7 million, while recording \$4.7 million in net investment gains. Since March 2012, if the account had earned a compound annual rate of 8.25% it would have been worth \$11.6 million or \$1.4 million less than the actual value as of March 31st, 2017.

RELATIVE PERFORMANCE

For the first quarter, the PRIT Core Real Estate Account portfolio returned 2.1%, which was 0.3% above the NCREIF NFI-ODCE Index's return of 1.8%. Over the trailing year, the portfolio returned 7.2%, which was 1.1% less than the benchmark's 8.3% return. Since March 2012, the account returned 11.3% annualized, while the NCREIF NFI-ODCE Index returned an annualized 12.0% over the same time frame.

ASSET ALLOCATION

This portfolio was fully invested in the PRIT Core Real Estate Fund at the end of the quarter.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	3 Year	5 Years
Total Portfolio - Gross	2.1	2.1	7.2	10.9	11.3
Total Portfolio - Net	2.0	2.0	6.7	10.3	10.7
NCREIF ODCE	1.8	1.8	8.3	11.8	12.0
Real Estate - Gross	2.1	2.1	7.2	10.9	11.3
NCREIF ODCE	1.8	1.8	8.3	11.8	12.0

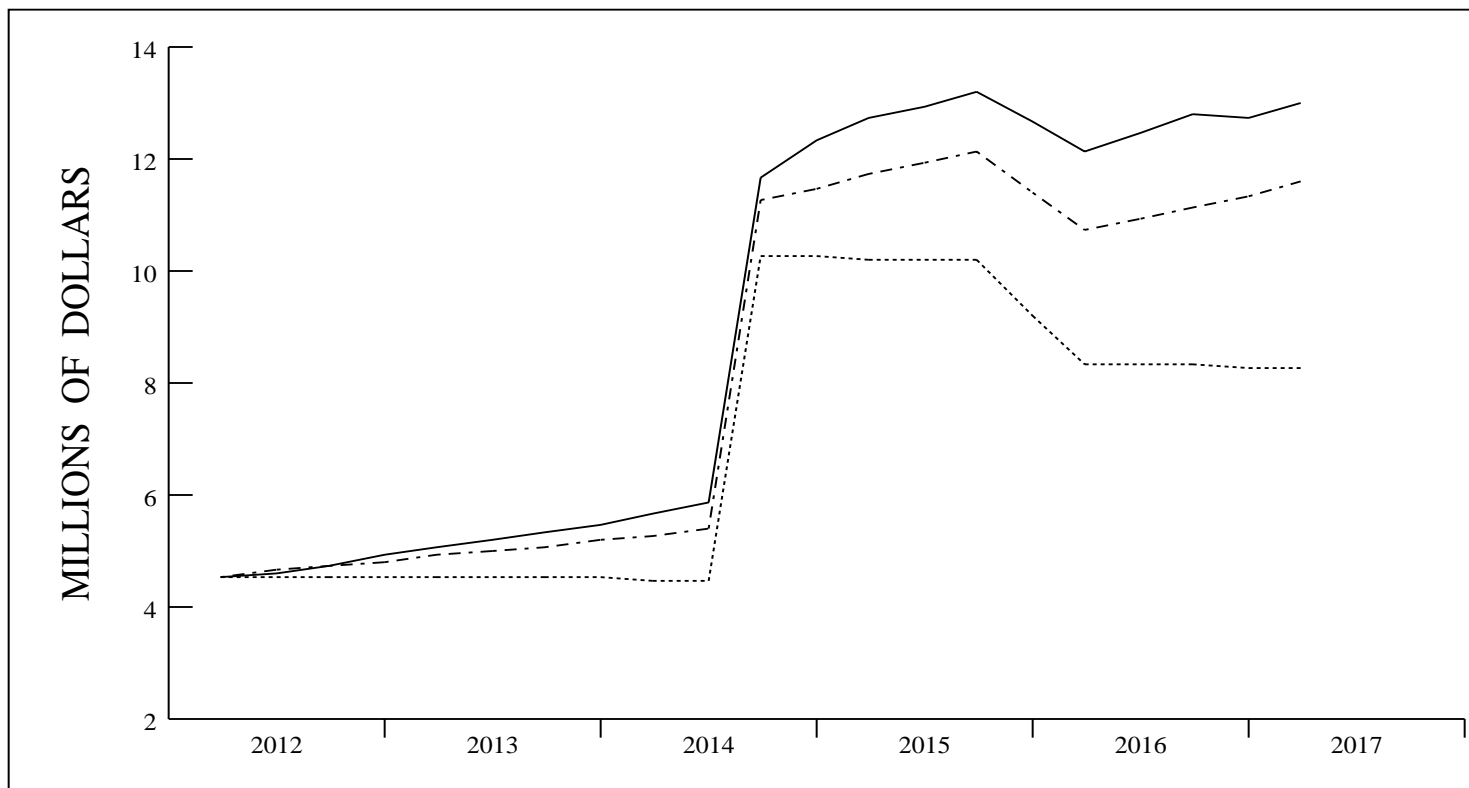
ASSET ALLOCATION

Real Estate	100.0%	\$ 13,000,748
Total Portfolio	100.0%	\$ 13,000,748

INVESTMENT RETURN

Market Value 12/2016	\$ 12,747,887
Contribs / Withdrawals	- 13,688
Income	171,814
Capital Gains / Losses	94,735
Market Value 3/2017	\$ 13,000,748

INVESTMENT GROWTH



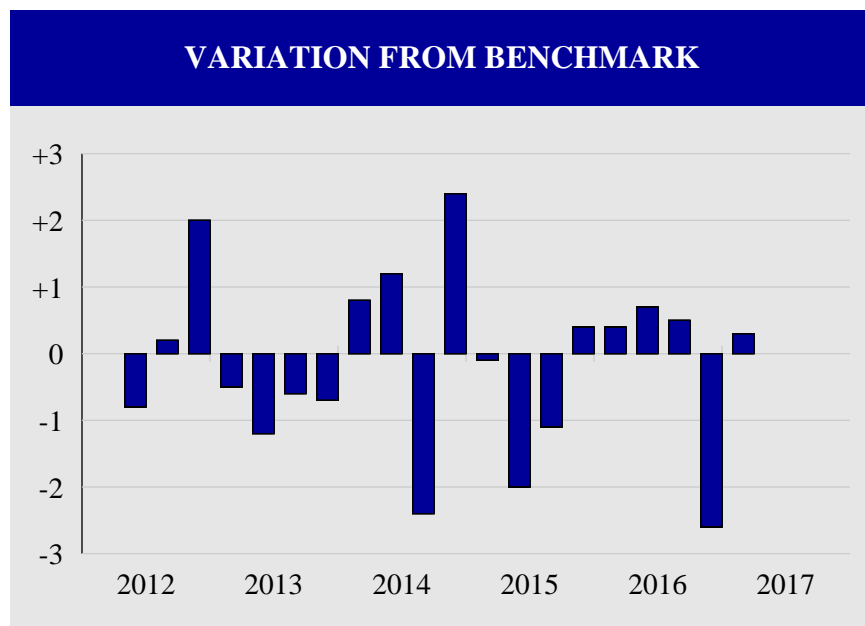
— ACTUAL RETURN
 - - - 8.25%
 . . . 0.0%

VALUE ASSUMING
 8.25% RETURN \$ 11,606,999

	LAST QUARTER	PERIOD 3/12 - 3/17
BEGINNING VALUE	\$ 12,747,887	\$ 4,580,649
NET CONTRIBUTIONS	- 13,688	3,737,310
INVESTMENT RETURN	266,549	4,682,789
ENDING VALUE	\$ 13,000,748	\$ 13,000,748
INCOME	171,814	2,191,925
CAPITAL GAINS (LOSSES)	94,735	2,490,864
INVESTMENT RETURN	266,549	4,682,789

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: NCREIF NFI-ODCE INDEX



Total Quarters Observed	20
Quarters At or Above the Benchmark	10
Quarters Below the Benchmark	10
Batting Average	.500

RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
6/12	1.7	2.5	-0.8
9/12	3.0	2.8	0.2
12/12	4.3	2.3	2.0
3/13	2.2	2.7	-0.5
6/13	2.7	3.9	-1.2
9/13	3.0	3.6	-0.6
12/13	2.5	3.2	-0.7
3/14	3.3	2.5	0.8
6/14	4.1	2.9	1.2
9/14	0.8	3.2	-2.4
12/14	5.7	3.3	2.4
3/15	3.3	3.4	-0.1
6/15	1.8	3.8	-2.0
9/15	2.6	3.7	-1.1
12/15	3.7	3.3	0.4
3/16	2.6	2.2	0.4
6/16	2.8	2.1	0.7
9/16	2.6	2.1	0.5
12/16	-0.5	2.1	-2.6
3/17	2.1	1.8	0.3

FRANKLIN REGIONAL RETIREMENT SYSTEM
INCOME RESEARCH & MANAGEMENT - CORE BOND FUND
PERFORMANCE REVIEW
MARCH 2017

INVESTMENT RETURN

On March 31st, 2017, the Franklin Regional Retirement System's Income Research & Management Core Bond Fund was valued at \$16,044,615, representing an increase of \$143,833 from the December quarter's ending value of \$15,900,782. Last quarter, the Fund posted no net contributions or withdrawals, while posting \$143,833 in net investment returns. Since there were no income receipts for the first quarter, the portfolio's net investment return was the result of net realized and unrealized capital gains totaling \$143,833.

For the cumulative period since March 2012, the portfolio has posted net contributions totaling \$3.2 million, and recorded net investment gains totaling \$2.0 million. For the period since March 2012, if the fund had returned a compound annual rate of 6.0% it would have been valued at \$18.0 million or \$2.0 million more than the actual value as of March 31st, 2017.

RELATIVE PERFORMANCE

For the first quarter, the Income Research & Management Core Bond Fund returned 0.9%, which was 0.1% greater than the Bloomberg Barclays Aggregate Index's return of 0.8% and ranked in the 51st percentile of the Core Fixed Income universe. Over the trailing year, this portfolio returned 1.4%, which was 1.0% above the benchmark's 0.4% return, ranking in the 39th percentile. Since March 2012, the account returned 3.3% on an annualized basis and ranked in the 22nd percentile. For comparison, the Bloomberg Barclays Aggregate Index returned an annualized 2.3% over the same time frame.

ASSET ALLOCATION

The portfolio was fully invested in the IR&M Core Bond Fund at the end of the quarter.

ANALYSIS

At the end of the quarter, USG rated securities comprised approximately 40% of the bond portfolio, while corporate securities, rated AAA through BBB, made up the remainder, giving the bond portfolio an overall average quality rating of AAA-AA. The average maturity of the portfolio was 8.51 years, longer than the Bloomberg Barclays Aggregate Index's 8.22-year maturity. The average coupon was 3.57%.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	3 Year	5 Years
Total Portfolio - Gross	0.9	0.9	1.4	3.2	3.3
<i>CORE FIXED INCOME RANK</i>	(51)	(51)	(39)	(29)	(22)
Total Portfolio - Net	0.8	0.8	1.0	2.8	2.9
AGGREGATE INDEX	0.8	0.8	0.4	2.7	2.3
Fixed Income - Gross	0.9	0.9	1.4	3.2	3.3
<i>CORE FIXED INCOME RANK</i>	(51)	(51)	(39)	(29)	(22)
AGGREGATE INDEX	0.8	0.8	0.4	2.7	2.3
GOV/CREDIT	1.0	1.0	0.5	2.7	2.5

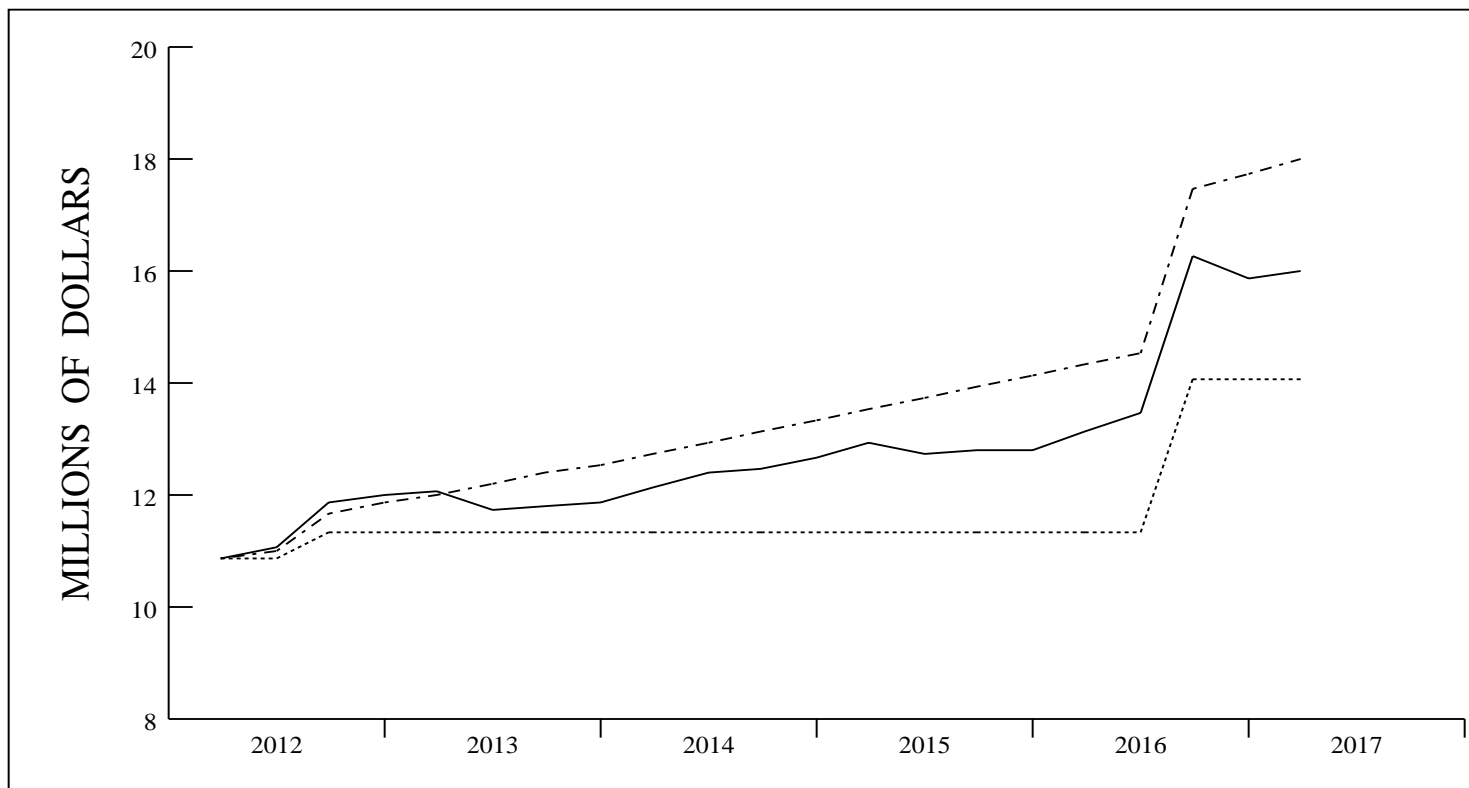
ASSET ALLOCATION

Fixed Income	100.0%	\$ 16,044,615
Total Portfolio	100.0%	\$ 16,044,615

INVESTMENT RETURN

Market Value 12/2016	\$ 15,900,782
Contribs / Withdrawals	0
Income	0
Capital Gains / Losses	143,833
Market Value 3/2017	\$ 16,044,615

INVESTMENT GROWTH

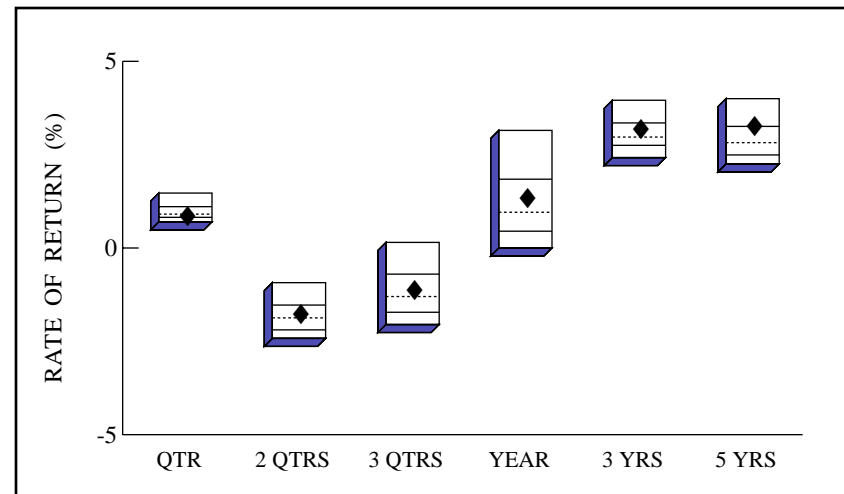
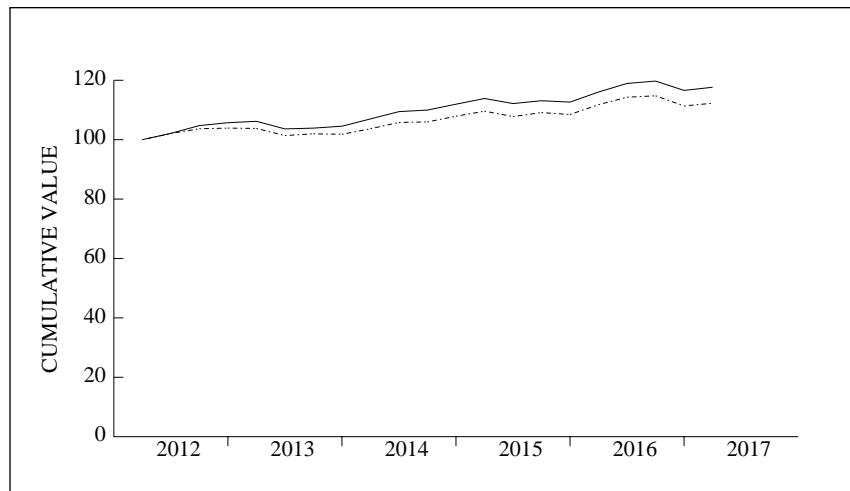


— ACTUAL RETURN
 - - - 6.0%
 0.0%

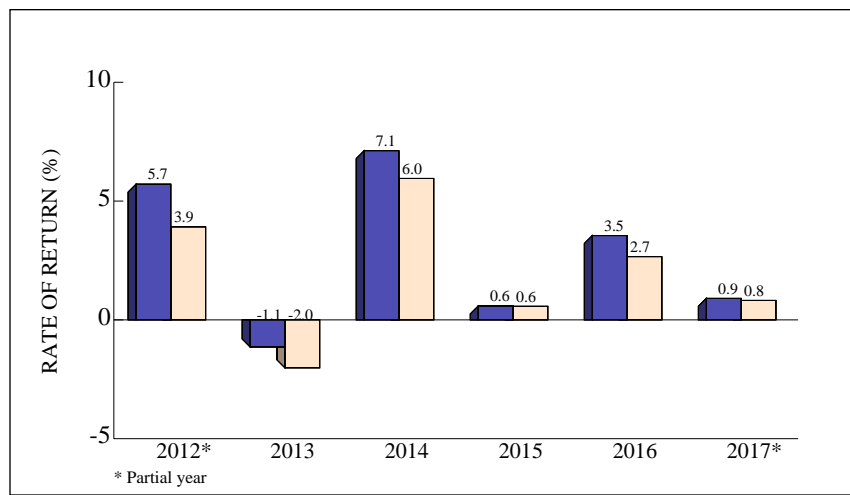
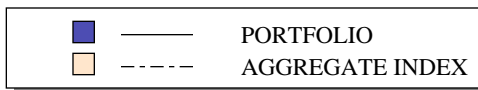
VALUE ASSUMING
 6.0% RETURN \$ 18,043,744

	LAST QUARTER	PERIOD 3/12 - 3/17
BEGINNING VALUE	\$ 15,900,782	\$ 10,886,453
NET CONTRIBUTIONS	0	3,206,508
INVESTMENT RETURN	143,833	1,951,654
ENDING VALUE	\$ 16,044,615	\$ 16,044,615
INCOME	0	0
CAPITAL GAINS (LOSSES)	143,833	1,951,654
INVESTMENT RETURN	143,833	1,951,654

TOTAL RETURN COMPARISONS

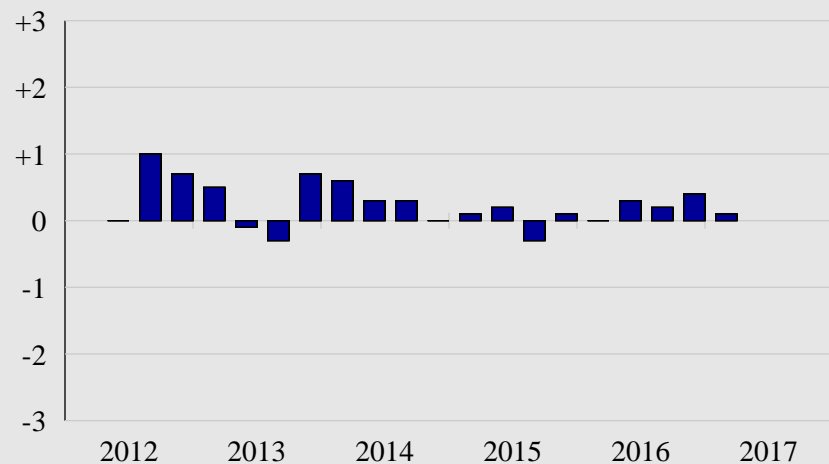


Core Fixed Income Universe



	QTR	2 QTRS	3 QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	0.9	-1.7	-1.1	1.4	3.2	3.3
(RANK)	(51)	(36)	(38)	(39)	(29)	(22)
5TH %ILE	1.5	-0.9	0.2	3.2	4.0	4.0
25TH %ILE	1.1	-1.5	-0.7	1.8	3.4	3.3
MEDIAN	0.9	-1.9	-1.3	1.0	3.0	2.8
75TH %ILE	0.8	-2.2	-1.7	0.5	2.8	2.5
95TH %ILE	0.7	-2.4	-2.1	0.0	2.4	2.3
Agg Index	0.8	-2.2	-1.7	0.4	2.7	2.3

Core Fixed Income Universe

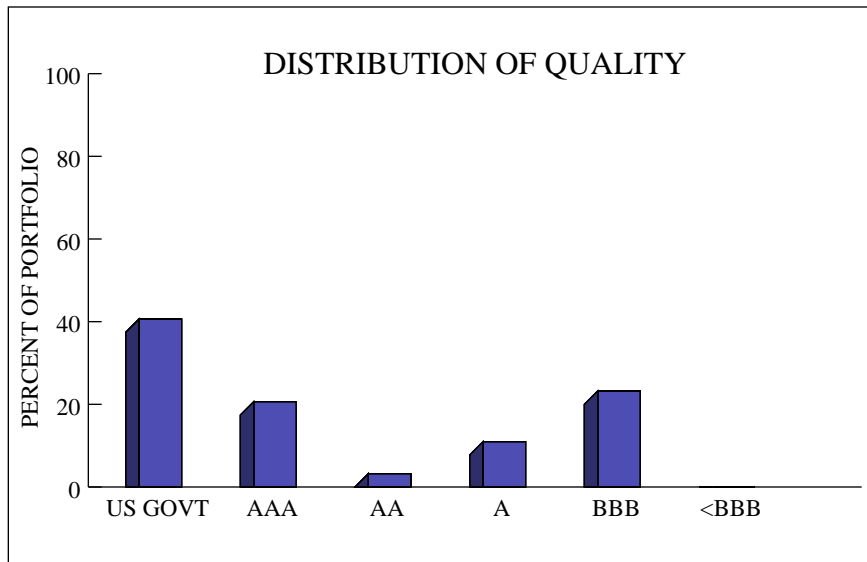
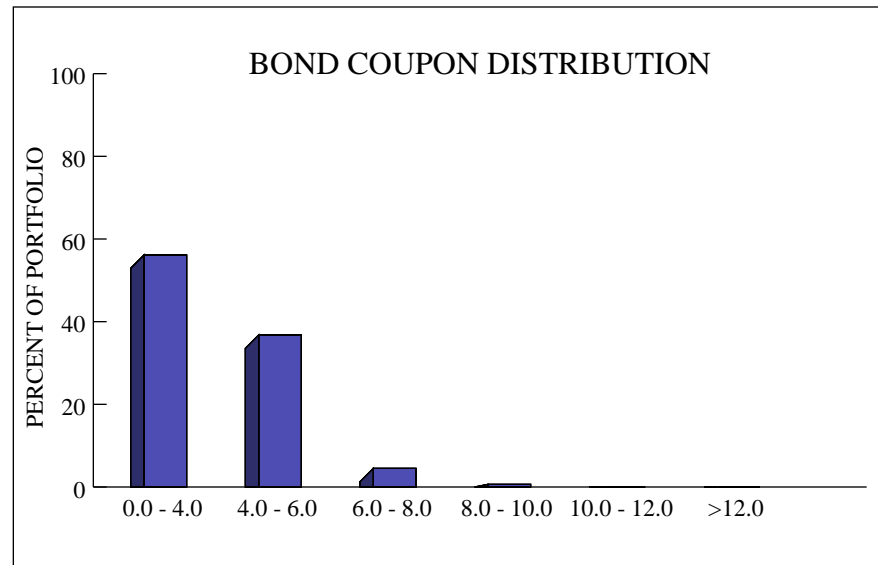
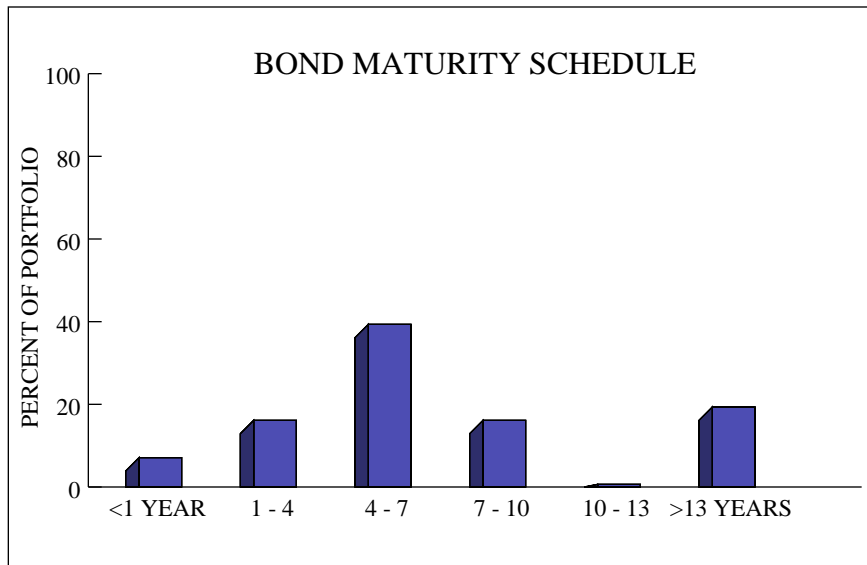
TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**COMPARATIVE BENCHMARK: BLOOMBERG BARCLAYS AGGREGATE INDEX****VARIATION FROM BENCHMARK**

Total Quarters Observed	20
Quarters At or Above the Benchmark	17
Quarters Below the Benchmark	3
Batting Average	.850

RATES OF RETURN

Date	Portfolio	Benchmark	Difference
6/12	2.1	2.1	0.0
9/12	2.6	1.6	1.0
12/12	0.9	0.2	0.7
3/13	0.4	-0.1	0.5
6/13	-2.4	-2.3	-0.1
9/13	0.3	0.6	-0.3
12/13	0.6	-0.1	0.7
3/14	2.4	1.8	0.6
6/14	2.3	2.0	0.3
9/14	0.5	0.2	0.3
12/14	1.8	1.8	0.0
3/15	1.7	1.6	0.1
6/15	-1.5	-1.7	0.2
9/15	0.9	1.2	-0.3
12/15	-0.5	-0.6	0.1
3/16	3.0	3.0	0.0
6/16	2.5	2.2	0.3
9/16	0.7	0.5	0.2
12/16	-2.6	-3.0	0.4
3/17	0.9	0.8	0.1

BOND CHARACTERISTICS



	PORTFOLIO	AGGREGATE INDEX
No. of Securities	259	9,304
Duration	6.42	6.00
YTM	2.75	2.61
Average Coupon	3.57	3.06
Avg Maturity / WAL	8.51	8.22
Average Quality	AAA-AA	USG-AAA