

Franklin Regional Retirement System

Performance Review
September 2017

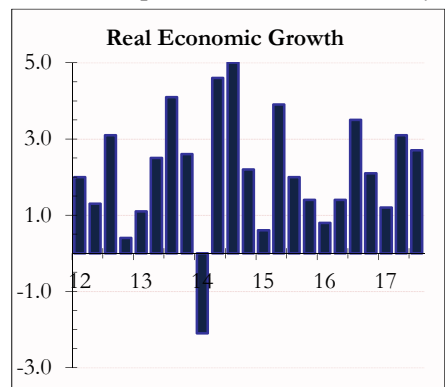


DAHAB ASSOCIATES
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ECONOMIC ENVIRONMENT

Three Devastating Hurricanes

This summer brought destruction and uncertainty to the South and Puerto Rico, with Hurricanes Harvey, Irma, and Maria all causing major damage. The full impact of those storms may be years in the unfolding. In spite of the damage and uncertainty, the US economy was surprisingly strong. Annualized Q3 GDP (advance estimate) rose 3.0% and the most recent manufacturing statistics were at or near record highs. Domestic employment gains surged until September, when the hurricanes dampened service jobs. Consumer confidence was high, especially for the months ahead. Finally, the Fed announced an end to quantitative easing, beginning in October. Investors liked what they heard, sending equity markets higher.



- Q3 GDP increased at an annualized 3.0%, following a 3.1% expansion in Q2. There were substantial gains in personal consumption; corporate investment; decelerating imports; and federal government spending. Losses stemmed from lower homeowner investment, declining state and local government spending, and decelerating exports.
- Jobs-wise, there were 172,000 hires per month over the 12-months ending in August. However, in September, the hurricanes essentially stopped third quarter job growth in its tracks, resulting in a loss of 33,000 jobs for the month. At the same time, the September unemployment rate dipped to 4.2% as The Bureau of Labor Statistics included the same service employees as if they were still employed. Average earnings are also on the rise and have grown almost 3% for the year ended August.
- Home prices advanced 6.9%, year-over-year through August. Utah (+11.2%) and Washington (+13%) were the two hottest markets in

the country. Only West Virginia experienced price drops. The best-performing metropolitan markets were Las Vegas (+8.4), Denver (+8.3%), San Francisco (+7.7%), and San Diego (+7.4%).

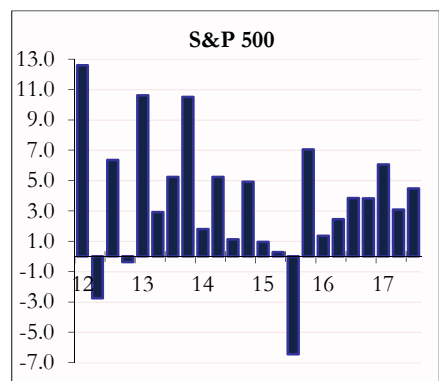
- Manufacturing was an economic leader in the third quarter, as the ISM Manufacturing Index expanded for the 100th consecutive month! The September index reading was 60.8% (greater than 50% indicates growth), up 2% from August. Seventeen of the eighteen manufacturing industries reported growth. Only furniture and related products contracted.
- The September ISM Services Index climbed for the 93rd consecutive month (59.8%), up 4.5% from August. Further, 15 of the service industries gained momentum. Arts/entertainment and mining services were the only two declining sectors.
- Consumer confidence was near the high in September, posting 119.8 (where 100 is the base).
- Buoyed by higher oil prices and metals demand, the Q3 Commodities Index was up 2.5%. Excluding energy, however, the index was essentially flat. Petroleum products, including unleaded gas, rose a whopping 15%. Metals, such as nickel and zinc, enjoyed double-digit gains, reflecting Chinese and EU demand. Yet prices of agricultural products, especially grains, fell 9.5% in sync with abundant supply. Overall, commodity prices continue their volatility.
- After remaining virtually flat in the 2nd quarter, all-item seasonally adjusted CPI ticked up 1% during the 3rd quarter, bringing the trailing 12-month rise to 2.2%. Much of this was due to Hurricane Harvey's impact on energy supplies, as the energy CPI saw a sharp rise of 9.0% during the quarter.
- In a momentous move, the Fed announced that it will begin withdrawing the \$4.5 trillion it purchased since the 2008 financial crisis. This decision was based on the Fed's expectation for continued GDP growth and low unemployment. In other words, the Fed believes that the economy has emerged from the crisis. The \$10 billion per month in expected bond sales should induce somewhat higher interest rates. In addition, there is an expectation of one more

increase in the Fed Funds rate this December. As a footnote, Chair Yellen noted that the ongoing low inflation rate (under 2% per year) remains a mystery. The Fed strongly prefers a 2% rate to ensure against disinflation.

DOMESTIC EQUITIES

Stocks Again Hit Record Levels

The Q3 stock market continued to defy logic. Amidst the US political uncertainty, environmental disasters, terrorism here and abroad, and a stock



market that has already climbed so high for so long, how did stocks continue their ascent? The answer includes strong corporate earnings, healthy consumer and government spending, and business confidence. As a result, all of the major US indices advanced. The broad market Russell 3000 was up 4.6%. The S&P 500 gained 4.5%. The DJIA added 5.6%, with dividends. The NASDAQ Tech Index rose

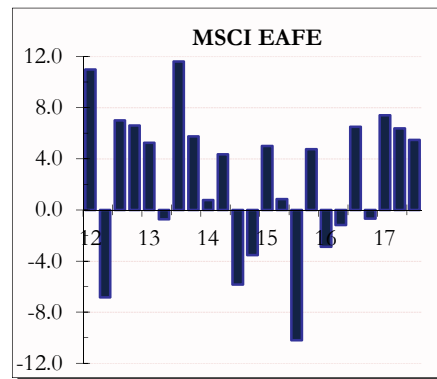
6.1%. As in Q2, growth stocks rose more than cyclicals. For example, among large-cap names, the Growth Index was up 5.9% vs. 3.1% for the Value Index. The style differences were less in the small-cap arena. Small-cap growth stocks were up 6.2% compared to 5.1% for the equivalent value stocks. REITs brought up the rear, with the NAREIT Index gaining only 1.1%.

Each of the S&P sectors added value. Tech gained 6.5% as the likes of Apple and Amazon shares reached record highs. Energy, reflecting the hurricane-related price surge, posted 7.5%. Financial stocks, with stable capital bases and hints of higher interest rates ahead, added 5.3%. The transportation sector trailed, but still rose 2.3%. If all of the positive news suggested the markets were pricey, they were! More than 60% of the stocks had P/E ratios of 20 or more. However, many investors expect upcoming earnings releases to keep pace with the heady prices.

INTERNATIONAL EQUITIES

Economic and Political News Spurred Developed Markets Commodity Prices and Tech Sales Drove EM

European economies continued to recover, as corporate earnings accelerated and political uncertainty diminished everywhere, with the sole



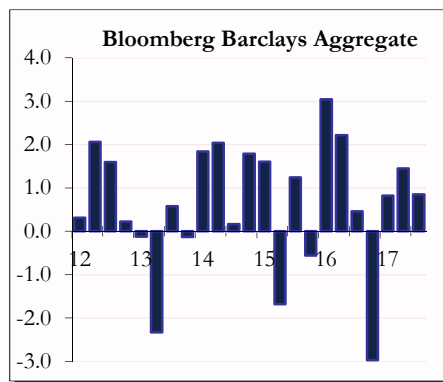
exception of Spain. Asian economies also gained ground. The MSCI EAFE Index of developed countries rose 5.5%. Euro countries generated an 8.1% return vs. 4.2% for the Far East. Within Europe, Italy was the star (+13.9%), as Italian production was at a 6-year high. Portugal was right behind, gaining 13.4%, as that country's sovereign debt was upgraded to investment grade and

tourism is on the uptick. Austria's 12.8% return reflected a more market-friendly government. The two key European players, France and Germany, contributed 8.4% and 7.7%, respectively. Nearby, the UK market rose 5.2%. While its economy was steady, the Brexit overhang remained a dampening factor. Australia (+3.2%) advanced less because of weak telecom services stocks and lower anticipated government infrastructure spending.

Tech stocks performed best in the newly expanding Japanese market, which climbed 4.1%. Hong Kong added 5.1% due in part to casino stock performance. Israel was the only EAFE country market in the red, losing 12.6%. Aside from ongoing political issues, Israeli exports were down and Teva Pharmaceuticals performed poorly. Canada, not part of EAFE, rose 8.1% in sync with rising energy and metals prices. Finally, the Euro, Pound and Yen all strengthened relative to the US dollar.

Emerging markets continued their blistering pace, supported by a weaker dollar. The EM Index scored an 8.0% return, higher than either US or EAFE markets. Collectively, the BRIC country markets delivered a huge 13.9%. Brazil, a typically volatile market, soared 23%. These results were attributable to reduced political uncertainty; higher exports; and stock performance both by banks and heavy hitter Petrobras (+30%). Russian shares climbed 18.1%

on the strength of much higher oil prices, ongoing infrastructure projects and bank stock results. India was the also-ran among the BRICs, rising a relatively low 3%. India is still adjusting to a massive goods and service tax placed on its vast cash economy. China's GDP was robust, close to 7%. In addition, prices of Chinese consumer tech companies Tencent and Alibaba rose to record highs. Overall, the Chinese stock market climbed 14.8%. Building on export growth, Thailand posted a double-digit stock return of 10.6%.



Latin American EM markets delivered very strong results (+15.1%), mainly because of the pickup in mining operations and the spike in copper prices. Accordingly, Chilean prices (+16.9%) and Peruvian prices (+14.1%) advanced smartly. By comparison, Mexico's 1.5% stock market gain was miniscule, as investors were wary of the protracted NAFTA negotiations with the US.

BOND MARKET

An Unmoved Yield Curve

The Federal Reserve announced in September that it would finally start to reduce its balance sheet, after nine years, in October. It amassed \$4.5 trillion in assets after the financial crisis, and will drop those assets by \$10 billion per month. Traders also are expecting an increase in the fed funds rate of 0.25% in December, a change from their previous expectations of no new rate rises. However, some uncertainty has entered the dialogue as some contenders to replace Chairwoman Janet Yellen may lack the skill and care to lead the Fed. Pundits are watching for an announcement in November, with fears that the wrong choice could wreak havoc in the bond markets and wider economy.

The yield curve stayed almost completely unchanged at the end of quarter, with short and long-term rates all virtually the same. The Barclays Aggregate

Index returned a modest 0.8% for the quarter, bringing the cumulative year-to-date return up to 3.1%. Agencies were up 0.4% on the whole. ABS rose 0.4%, CMBS up 0.8%, and MBS grew 1.0%. US Corporate bonds rose 2.3% during the quarter, providing a YTD performance of 7.5%. High yield bonds provided modestly stronger returns, as BB stocks rose 2.0%, resulting in a YTD rise of 7.0%.

G-6 countries' sovereign debt outperformed the United States (un-hedged) for the quarter, with a combined return of 1.8%, for a YTD of 6.6%. France, Germany, and Italy led the way for another quarter, with returns of 4.2%, 4.2%, and 4.5% respectively. Canada gained 2.0%, Japan was flat, and the UK returned 2.9%.

CASH EQUIVALENTS

No Increases to the Fed Funds Rate

For the first time this year there was no rise to the fed funds rate, as the rate stayed at 1-1.25%, and it looked until the end of the quarter that there would be no more for 2017. However, at the September 20th meeting it became apparent that there may be one more in December. The 3-month T-Bill returned 0.3% as cash continues to only provide the most modest of returns.

MARKET SUMMARY

ECONOMIC STATISTICS

	CURRENT QTR	LAST QTR
GDP	3.0	3.1
Unemployment	4.2	4.4
CPI All Items Year/Year	2.20	1.60
Fed Funds Rate	1.25	1.25
Industrial Capacity	76.0	76.6
US Dollars per Euro	1.18	1.14

MAJOR INDEX QUARTER RETURNS

INDEX	PERFORMANCE
Russell 3000	4.6
S&P 500	4.5
Russell Mid	3.5
Russell 2000	5.7
MSCI EAFE	5.5
MSCI Emg Mkts	8.0
NCREIF ODCE	1.9
Aggregate Index	0.8
90 Day Tbills	0.3

EQUITY RETURN DISTRIBUTIONS

	QUARTER			TRAILING YEAR		
	VAL	COR	GRO	VAL	COR	GRO
LC	3.1	4.5	5.9	15.1	18.5	21.9
MC	2.1	3.5	5.3	13.4	15.3	17.8
SC	5.1	5.7	6.2	20.5	20.7	20.9

MARKET SUMMARY

- * GDP expanded at a 3% rate in Q3.
- * Unemployment continued to decrease to 4.2%.
- * Year over year CPI expanded at a 2.2% rate.
- * The dollar weakened against the Euro.
- * Growth stocks were again ahead of value stocks. The spreads between growth and value were widest among large cap stocks. Small cap stocks had the strongest returns last quarter, with mid caps in the rear.

INVESTMENT RETURN

On September 30th, 2017, the Franklin Regional Retirement System was valued at \$142,617,827, representing an increase of \$8,213,116 from the June quarter's ending value of \$134,404,711. Last quarter, the Fund posted net contributions equaling \$3,659,287 plus a net investment gain equaling \$4,553,829. Total net investment return was the result of income receipts, which totaled \$725,990 and net realized and unrealized capital gains of \$3,827,839.

For the cumulative period since September 2012, the fund has recorded net withdrawals totaling \$8.9 million and posted net investment gains of \$57.1 million. For the period since September 2012, if the total fund had returned a compound annual rate of 7.75% it would have been valued at \$125.9 million or \$16.8 million less than the actual value as of September 30th, 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 third quarter, the Composite portfolio gained 3.3%, which was 0.1% below the Franklin Regional Policy Index's return of 3.4% and ranked in the 65th percentile of the Public Fund universe. Over the trailing year, the portfolio returned 12.8%, which was 0.3% greater than the benchmark's 12.5% performance, and ranked in the 35th percentile. Since September 2012, the portfolio returned 10.3% on an annualized basis and ranked in the 4th percentile. For comparison, the Franklin Regional Policy Index returned an annualized 10.0% over the same period.

PRIT Core

The PRIT core segment gained 4.0% in the third quarter, 0.6% above the Custom Core Index's return of 3.4% and ranked in the 13th percentile of the Public Fund universe. Over the trailing twelve months, this segment returned 13.1%; that return was 2.2% greater than the benchmark's 10.9% performance, ranking in the 29th percentile. Since September 2012, this component returned 9.8% per annum and ranked in the 9th percentile. The Custom Core Index returned an annualized 8.4% 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 third quarter, the domestic equity segment returned 3.6%, which was 1.1% less than the Franklin Regional Equity Index's return of 4.7% and ranked in the 76th percentile of the Domestic Equity universe. Over the trailing twelve-month period, this segment's return was 20.6%, which was 1.2% above the benchmark's 19.4% return, ranking in the 37th percentile. Since September 2012, this component returned 15.2% annualized and ranked in the 33rd percentile. The Franklin Regional Equity Index returned an annualized 14.2% during the same period.

International Equity

The international equity segment returned 5.6% during the third quarter; that return was 0.1% above the MSCI EAFE Index's return of 5.5% and ranked in the 64th percentile of the International Equity universe. Over the trailing twelve months, the international equity portfolio returned 18.9%, 0.8% less than the benchmark's 19.7% performance, ranking in the 66th percentile.

Real Estate

During the third quarter, the real estate segment returned 1.6%, which was 0.3% less than the NCREIF NFI-ODCE Index's return of 1.9%. Over the trailing twelve-month period, this component returned 5.7%, which was 1.9% less than the benchmark's 7.6% return. Since September 2012, this component returned 11.1% on an annualized basis, while the NCREIF NFI-ODCE Index returned an annualized 11.6% over the same period.

Fixed Income

During the third 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 64th percentile of the Core Fixed Income universe. Over the trailing twelve months, the fixed income portfolio returned 0.8%, which was 0.7% above the benchmark's 0.1% performance, ranking in the 36th percentile. Since September 2012, this component returned 2.9% annualized and ranked in the 22nd percentile. The Bloomberg Barclays Aggregate Index returned an annualized 2.1% over the same time frame.

ASSET ALLOCATION

On September 30th, 2017, PRIT core comprised 45.0% of the total portfolio (\$64.2 million), while domestic equities totaled 26.5% (\$37.7 million). The account's international equity segment was valued at \$7.4 million, representing 5.2% of the portfolio, while the real estate component's \$14.0 million totaled 9.8%. The portfolio's fixed income represented 12.2% and the remaining 1.3% was comprised of cash & equivalents (\$1.8 million).

Franklin Regional Retirement System
Total Fund Asset Allocation Analysis
As of September 30, 2017

Total Fund Assets \$ 142,617,827

Allocation by Manager						
	PRIT Fund Actual Allocation	FRRS Allocation	Target Allocation	Target Dollars	Actual Dollars	+/- Dollars
PRIT Core Fund	100.00%	43.7%	45.0%	\$ 64,178,022	\$ 64,247,691	\$ 69,669
Domestic Equity	18.9%	8.5%			\$ 12,110,690	
Int'l Equity	18.1%	8.2%			\$ 11,648,106	
E.M. Int'l Equity	7.9%	3.6%			\$ 5,081,992	
Core Fixed Income	12.6%	5.7%			\$ 8,082,360	
Value-Added Fixed Income*	8.0%	3.6%			\$ 5,133,391	
Real Estate	8.5%	3.8%			\$ 5,486,753	
Timber	3.7%	1.7%			\$ 2,370,740	
Private Equity	10.6%	4.8%			\$ 6,803,830	
Hedge Funds	8.7%	3.9%			\$ 5,608,823	
Liquidating Portfolio	0.4%	0.2%			\$ 237,716	
Risk Premia	0.9%	0.4%			\$ 571,804	
Cash Overlay	1.7%	0.8%			\$ 1,111,485	
Separate Accounts		55.0%	55.0%			
Polen Capital		5.9%	6.0%	\$ 8,557,070	\$ 8,456,846	\$ (100,224)
O'Shaughnessy		6.0%	6.0%	\$ 8,557,070	\$ 8,605,780	\$ 48,710
Seizert		4.8%	5.0%	\$ 7,130,891	\$ 6,790,293	\$ (340,598)
Aberdeen		5.2%	5.0%	\$ 7,130,891	\$ 7,365,663	\$ 234,772
Systematic		5.1%	5.0%	\$ 7,130,891	\$ 7,247,885	\$ 116,994
PRIT International		5.2%	5.0%	\$ 7,130,891	\$ 7,386,548	\$ 255,657
PRIT RE		9.8%	10.0%	\$ 14,261,783	\$ 13,990,569	\$ (271,214)
IR&M		12.2%	13.0%	\$ 18,540,318	\$ 17,463,178	\$ (1,077,140)
Cash		0.7%	0.0%	\$ -	\$ 1,063,374	\$ 1,063,374

*Includes Distressed Debt

Allocation by Asset Class						
	Actual Allocation (%)	Target Allocation (%)	+/- Percent	Actual Allocation (\$)	Target Allocation (\$)	+/- Dollars
Franklin Regional Total						
Domestic Equity	35.5%	35.0%	0.5%	\$ 50,577,157	\$ 49,916,239	\$ 660,917
Int'l Equity	16.9%	15.0%	1.9%	\$ 24,116,647	\$ 21,392,674	\$ 2,723,973
Fixed Income	21.5%	25.0%	-3.5%	\$ 30,678,928	\$ 35,654,457	\$ (4,975,529)
Real Estate	13.7%	14.0%	-0.3%	\$ 19,477,322	\$ 19,966,496	\$ (489,174)
Timber	1.7%	2.0%	-0.3%	\$ 2,370,740	\$ 2,852,357	\$ (481,617)
Private Equity	4.8%	5.0%	-0.2%	\$ 6,803,830	\$ 7,130,891	\$ (327,061)
Hedge Funds	3.9%	4.0%	-0.1%	\$ 5,608,823	\$ 5,704,713	\$ (95,890)
Liquidating Portfolio	0.2%	0.0%	0.2%	\$ 237,716	\$ -	\$ 237,716
Risk Premia	0.4%	0.0%	0.4%	\$ 571,804	\$ -	\$ 571,804
Cash Overlay	0.8%	0.0%	0.8%	\$ 1,111,485	\$ -	\$ 1,111,485
Cash	0.7%	0.0%	0.7%	\$ 1,063,374	\$ -	\$ 1,063,374
	100.0%	100.0%		\$ 142,617,827	\$ 142,617,827	

EXECUTIVE SUMMARY

PERFORMANCE SUMMARY

	Quarter	YTD	1 Year	3 Year	5 Year
Total Portfolio - Gross	3.3	11.3	12.8	8.2	10.3
<i>PUBLIC FUND RANK</i>	(65)	(52)	(35)	(6)	(4)
Total Portfolio - Net	3.2	10.8	12.2	7.6	9.7
Policy Index	3.4	11.0	12.5	8.0	10.0
PRIT Core - Gross	4.0	13.3	13.1	8.1	9.8
<i>PUBLIC FUND RANK</i>	(13)	(9)	(29)	(6)	(9)
Custom Core Idx	3.4	11.2	10.9	6.7	8.4
Domestic Equity - Gross	3.6	12.2	20.6	10.1	15.2
<i>DOMESTIC EQUITY RANK</i>	(76)	(54)	(37)	(60)	(33)
Custom Eq Index	4.7	11.7	19.4	11.6	14.2
PRIT Equity	4.7	13.7	18.6	10.6	14.1
S&P 500	4.5	14.2	18.6	10.8	14.2
S&P 400	3.2	9.4	17.5	11.2	14.4
Russell 3000	4.6	13.9	18.7	10.7	14.2
Russell 1000	4.5	14.2	18.5	10.6	14.3
Russell 1000G	5.9	20.7	21.9	12.7	15.3
Russell 1000V	3.1	7.9	15.1	8.5	13.2
Russell Mid	3.5	11.7	15.3	9.5	14.3
Russell 2000	5.7	10.9	20.7	12.2	13.8
International Equity - Gross	5.6	21.2	18.9	6.7	---
<i>INTERNATIONAL EQUITY RANK</i>	(64)	(69)	(66)	(54)	---
MSCI EAFE	5.5	20.5	19.7	5.5	8.9
Real Estate - Gross	1.6	6.2	5.7	10.6	11.1
NCREIF ODCE	1.9	5.4	7.6	10.8	11.6
Fixed Income - Gross	0.9	3.5	0.8	3.1	2.9
<i>CORE FIXED INCOME RANK</i>	(64)	(47)	(36)	(42)	(22)
Aggregate Index	0.8	3.1	0.1	2.7	2.1
PRIT Fixed	0.8	3.7	-4.5	4.4	3.6
Gov/Credit	0.8	3.5	0.0	2.8	2.1
Int Aggregate	0.7	2.3	0.2	2.3	1.7
Int Gov/Credit	0.6	2.3	0.2	2.1	1.6

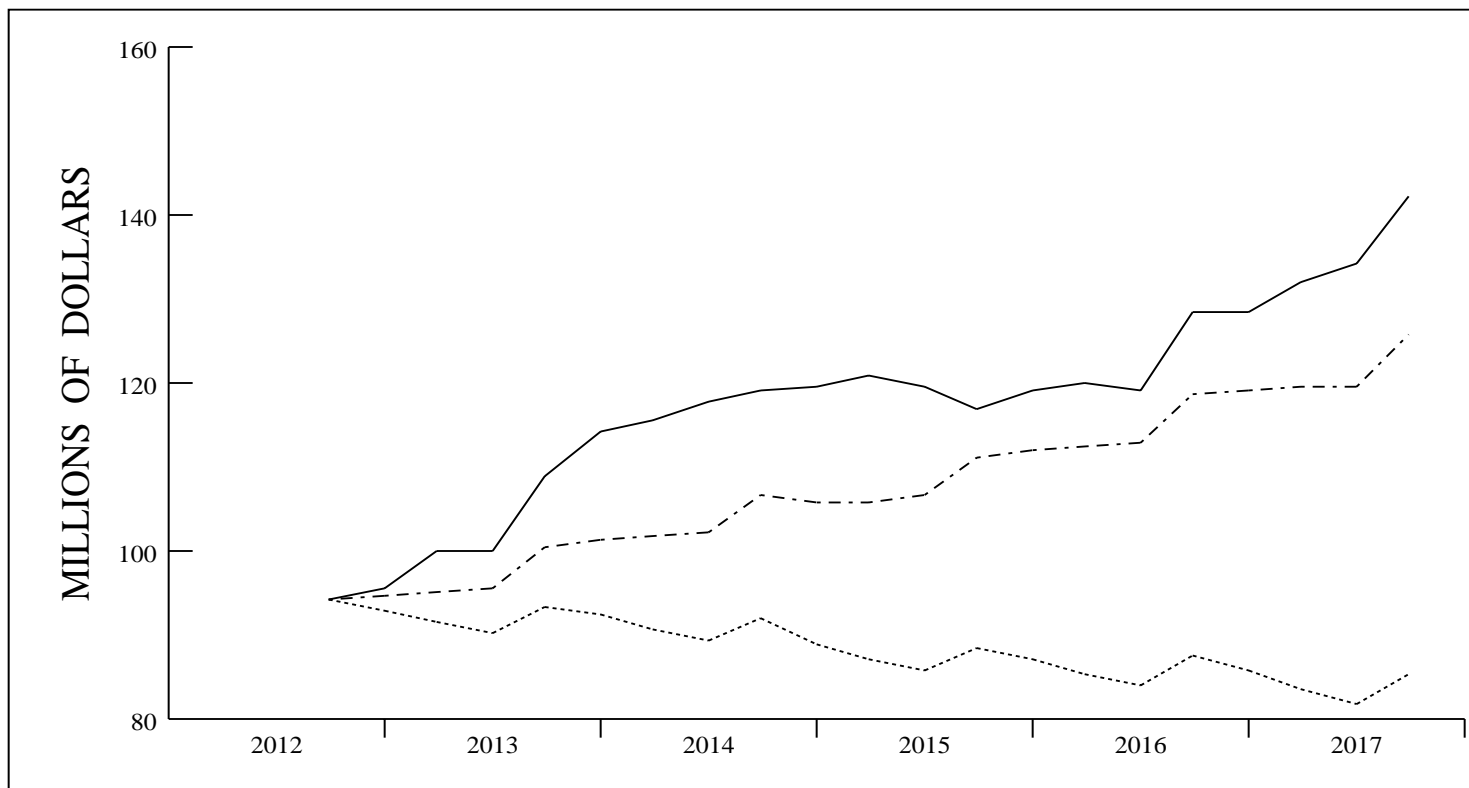
ASSET ALLOCATION

PRIT Core	45.0%	\$ 64,247,691
Domestic Equity	26.5%	37,737,477
Int'l Equity	5.2%	7,386,548
Real Estate	9.8%	13,990,569
Fixed Income	12.2%	17,463,178
Cash	1.3%	1,792,364
Total Portfolio	100.0%	\$ 142,617,827

INVESTMENT RETURN

Market Value 6/2017	\$ 134,404,711
Contribs / Withdrawals	3,659,287
Income	725,990
Capital Gains / Losses	3,827,839
Market Value 9/2017	\$ 142,617,827

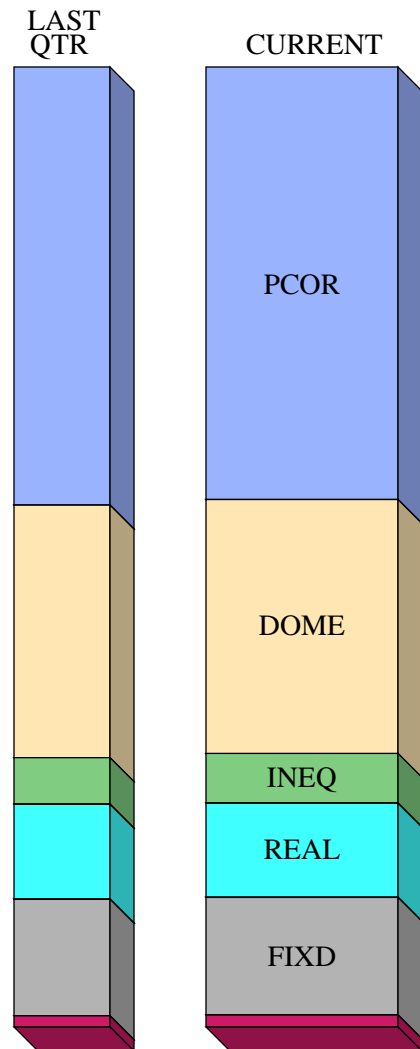
INVESTMENT GROWTH



— ACTUAL RETURN
 - - - 7.75%
 0.0%

VALUE ASSUMING
 7.75% RETURN \$ 125,866,120

	LAST QUARTER	FIVE YEARS
BEGINNING VALUE	\$ 134,404,711	\$ 94,459,812
NET CONTRIBUTIONS	3,659,287	- 8,941,061
<u>INVESTMENT RETURN</u>	<u>4,553,829</u>	<u>57,099,076</u>
ENDING VALUE	\$ 142,617,827	\$ 142,617,827
INCOME	725,990	13,601,790
<u>CAPITAL GAINS (LOSSES)</u>	<u>3,827,839</u>	<u>43,497,286</u>
INVESTMENT RETURN	4,553,829	57,099,076






































	<u>VALUE</u>	<u>PERCENT</u>	<u>TARGET</u>	<u>DIFFERENCE</u> <u>+ / -</u>
■ PRIT CORE	\$ 64,247,691	45.0%	45.0%	0.0%
■ DOMESTIC EQUITY	37,737,477	26.5%	27.0%	-0.5%
■ INTERNATIONAL EQUITY	7,386,548	5.2%	5.0%	0.2%
■ REAL ESTATE	13,990,569	9.8%	10.0%	-0.2%
■ FIXED INCOME	17,463,178	12.2%	13.0%	-0.8%
■ CASH & EQUIVALENT	1,792,364	1.3%	0.0%	1.3%
<u>TOTAL FUND</u>	<u>\$ 142,617,827</u>	<u>100.0%</u>		

MANAGER PERFORMANCE SUMMARY

Name	(Universe)	Quarter	YTD	1 Year	3 Years	5 Years
Total Portfolio	(Public Fund)	3.3 (65)	11.3 (52)	12.8 (35)	8.2 (6)	10.3 (4)
<i>Franklin Regional Policy Index</i>		<i>3.4 ----</i>	<i>11.0 ----</i>	<i>12.5 ----</i>	<i>8.0 ----</i>	<i>10.0 ----</i>
PRIT Core Fund	(Public Fund)	4.0 (13)	13.3 (9)	13.1 (29)	8.1 (6)	9.8 (9)
<i>Custom Core Index</i>		<i>3.4 ----</i>	<i>11.2 ----</i>	<i>10.9 ----</i>	<i>6.7 ----</i>	<i>8.4 ----</i>
Polen Capital	(LC Growth)	4.0 (80)	21.3 (37)	20.6 (54)	16.3 (3)	15.4 (37)
<i>Russell 1000 Growth</i>		<i>5.9 ----</i>	<i>20.7 ----</i>	<i>21.9 ----</i>	<i>12.7 ----</i>	<i>15.3 ----</i>
O'Shaughnessy	(LC Value)	5.6 (12)	14.2 (16)	23.6 (10)	7.7 (77)	15.2 (19)
<i>Russell 1000 Value</i>		<i>3.1 ----</i>	<i>7.9 ----</i>	<i>15.1 ----</i>	<i>8.5 ----</i>	<i>13.2 ----</i>
Seizert Capital	(Mid Cap)	-2.5 (99)	4.3 (99)	15.7 (76)	6.7 (92)	14.8 (43)
<i>Russell Mid Cap</i>		<i>3.5 ----</i>	<i>11.7 ----</i>	<i>15.3 ----</i>	<i>9.5 ----</i>	<i>14.3 ----</i>
Aberdeen SC Core	(Small Cap)	6.0 (39)	---- ----	---- ----	---- ----	---- ----
Systematic	(Small Cap)	4.0 (81)	4.2 (91)	16.4 (86)	7.9 (91)	---- ----
<i>Russell 2000</i>		<i>5.7 ----</i>	<i>10.9 ----</i>	<i>20.7 ----</i>	<i>12.2 ----</i>	<i>13.8 ----</i>
PRIT Int'l Eq.	(Intl Eq)	5.6 (64)	21.2 (69)	18.9 (66)	6.7 (54)	---- ----
<i>MSCI EAFE</i>		<i>5.5 ----</i>	<i>20.5 ----</i>	<i>19.7 ----</i>	<i>5.5 ----</i>	<i>8.9 ----</i>
PRIT Core R.E.		1.6 ----	6.2 ----	5.7 ----	10.6 ----	11.1 ----
<i>NCREIF NFI-ODCE Index</i>		<i>1.9 ----</i>	<i>5.4 ----</i>	<i>7.6 ----</i>	<i>10.8 ----</i>	<i>11.6 ----</i>
IR&M	(Core Fixed)	0.9 (64)	3.5 (47)	0.8 (36)	3.1 (42)	2.9 (22)
<i>Bloomberg Barclays Aggregate Index</i>		<i>0.8 ----</i>	<i>3.1 ----</i>	<i>0.1 ----</i>	<i>2.7 ----</i>	<i>2.1 ----</i>

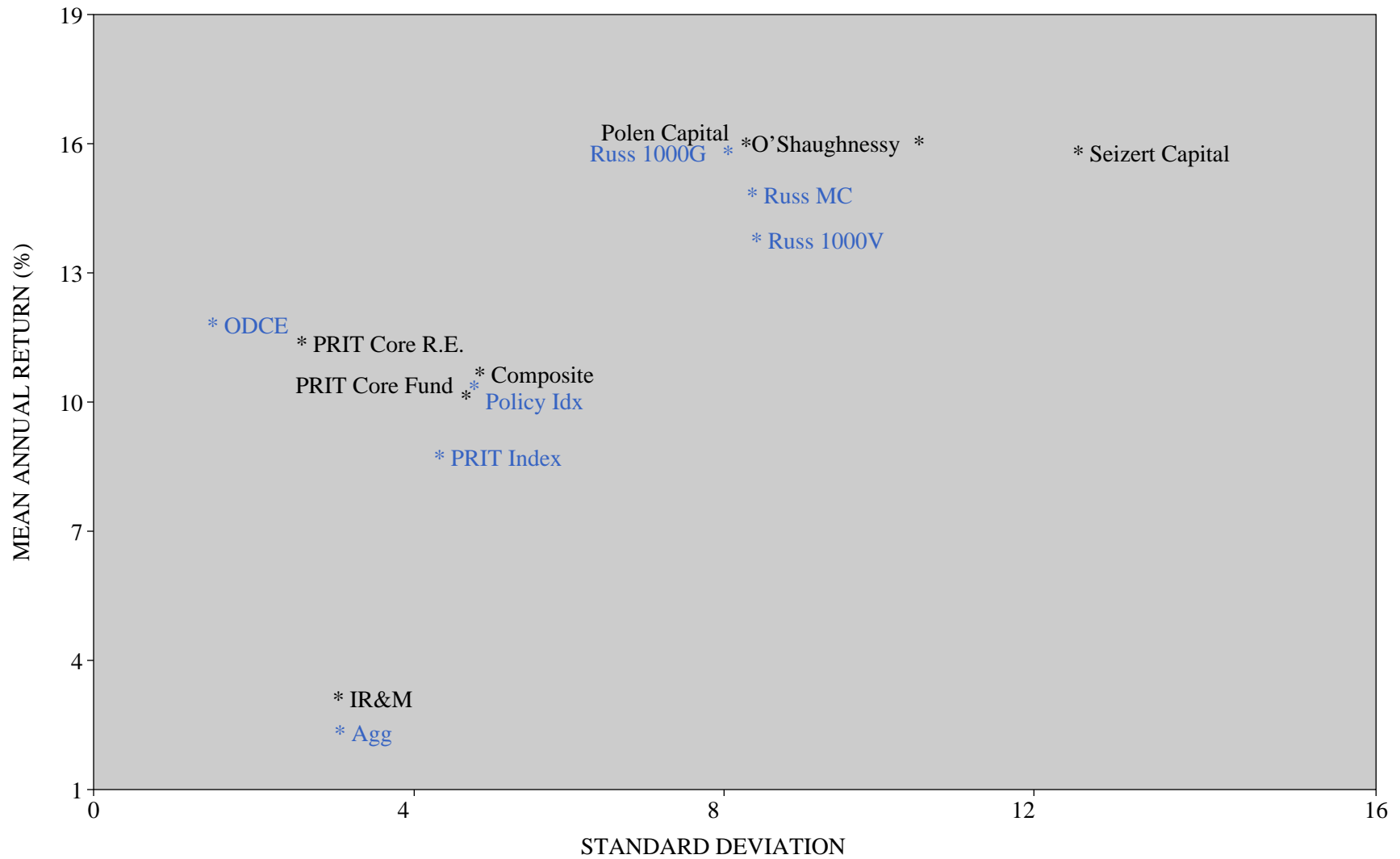
MANAGER VALUE ADDED

Portfolio	Benchmark	1 Quarter	1 Years	3 Years	5 Years
PRIT Core Fund	Custom Core Idx	0.6 	2.2 	1.4 	1.4 
Polen Capital	Russell 1000G	 -1.9	 -1.3	3.6 	0.1 
O'Shaughnessy	Russell 1000V	2.5 	8.5 	 -0.8	2.0 
Seizert Capital	Russell Mid	 -6.0	0.4 	 -2.8	0.5 
Aberdeen SC Core	Russell 2000	0.3 	N/A	N/A	N/A
Systematic	Russell 2000	 -1.7	 -4.3	 -4.3	N/A
PRIT Int'l Eq.	MSCI EAFE	0.1 	 -0.8	1.2 	N/A
PRIT Core R.E.	NCREIF ODCE	 -0.3	 -1.9	 -0.2	 -0.5
IR&M	Aggregate Index	0.1 	0.7 	0.4 	0.8 
Total Portfolio	Policy Index	 -0.1	 0.3	 0.2	 0.3

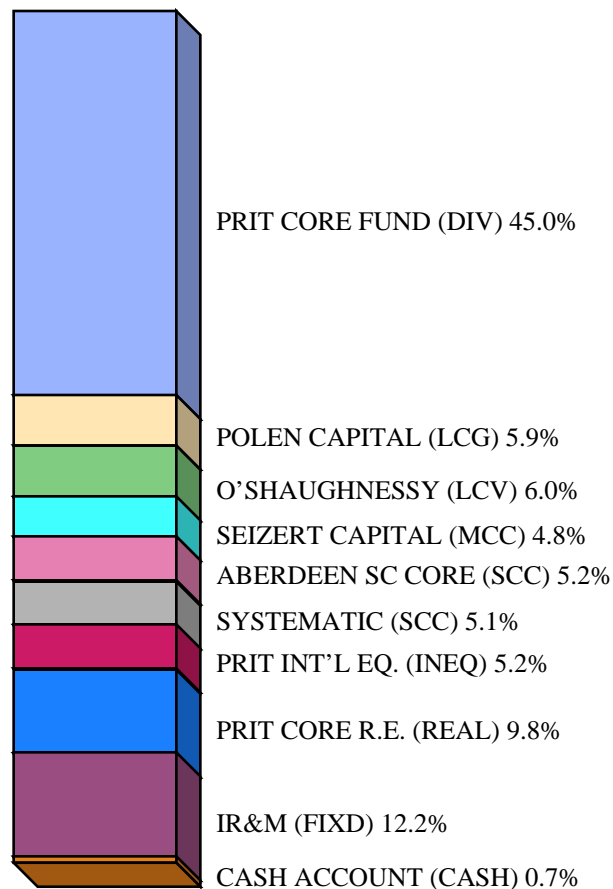
MANAGER RISK STATISTICS SUMMARY - FIVE-YEAR HISTORY

Name	Alpha	Batting Average	Sharpe Ratio	Information Ratio	Up Capture	Down Capture
PRIT Core Fund <i>Custom Core Idx</i>	0.87	0.850	2.12	1.63	114.5	98.8
Polen Capital <i>Russell 1000G</i>	3.01	0.500	1.93	0.04	91.8	1.4
O'Shaughnessy <i>Russell 1000V</i>	2.36	0.550	1.52	0.36	108.8	68.6
Seizert Capital <i>Russell Mid</i>	-2.21	0.450	1.26	0.13	110.8	143.0
PRIT Core R.E. <i>NCREIF ODCE</i>	6.30	0.500	4.33	-0.17	96.0	----
IR&M <i>Aggregate Index</i>	0.85	0.850	0.90	1.41	111.6	76.9

RISK-RETURN SUMMARY - 5 YEAR HISTORY



MANAGER ALLOCATION AND TARGET SUMMARY

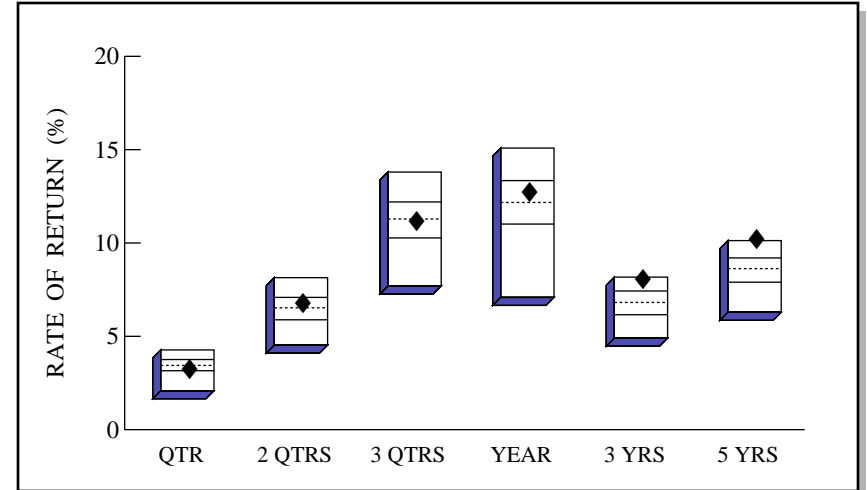
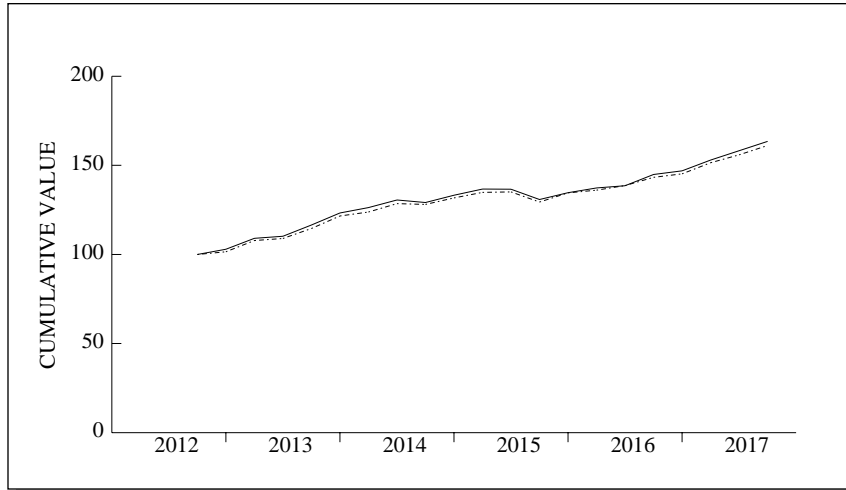


Name	Market Value	Percent	Target
PRIT Core Fund (DIV)	\$64,247,691	45.0	45.0
Polen Capital (LCG)	\$8,456,846	5.9	6.0
O'Shaughnessy (LCV)	\$8,605,780	6.0	6.0
Seizert Capital (MCC)	\$6,790,293	4.8	5.0
Aberdeen SC Core (SCC)	\$7,365,663	5.2	5.0
Systematic (SCC)	\$7,247,885	5.1	5.0
PRIT Int'l Eq. (INEQ)	\$7,386,548	5.2	5.0
PRIT Core R.E. (REAL)	\$13,990,569	9.8	10.0
IR&M (FIXD)	\$17,463,178	12.2	13.0
Cash Account (CASH)	\$1,063,374	0.7	0.0
Total Portfolio	\$142,617,827	100.0	100.0

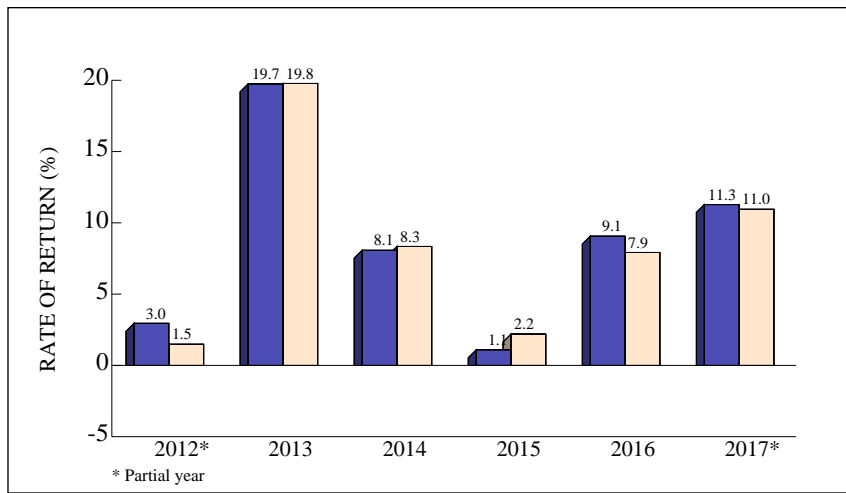
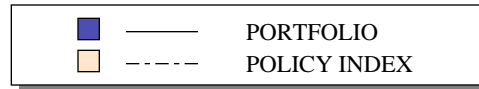
INVESTMENT RETURN SUMMARY - ONE QUARTER

Name	Quarter Total Return	Market Value June 30th, 2017	Net Cashflow	Net Investment Return	Market Value September 30th, 2017
PRIT Core Fund (DIV)	4.0	61,334,253	418,731	2,494,707	64,247,691
Polen Capital (LCG)	4.0	8,269,563	-145,000	332,283	8,456,846
O'Shaughnessy (LCV)	5.6	8,281,775	-139,229	463,234	8,605,780
Seizert Capital (MCC)	-2.5	6,718,921	250,000	-178,628	6,790,293
Aberdeen SC Core (SCC)	6.0	6,451,915	500,000	413,748	7,365,663
Systematic (SCC)	4.0	6,519,159	449,998	278,728	7,247,885
PRIT Int'l Eq. (INEQ)	5.6	6,509,019	495,970	381,559	7,386,548
PRIT Core R.E. (REAL)	1.6	13,291,648	481,578	217,343	13,990,569
IR&M (FIXD)	0.9	16,312,710	1,000,000	150,468	17,463,178
Cash Account (CASH)	---	715,748	347,239	387	1,063,374
Total Portfolio	3.3	134,404,711	3,659,287	4,553,829	142,617,827

TOTAL RETURN COMPARISONS



Public Fund Universe

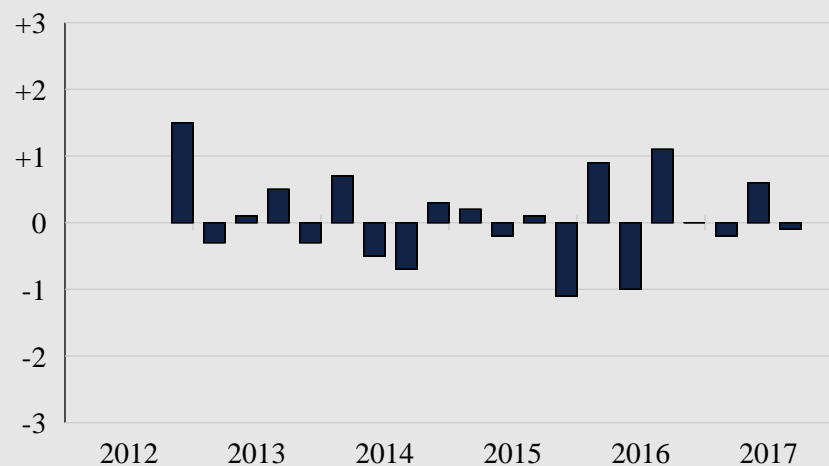


	QTR	2 QTRS	3 QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	3.3	6.9	11.3	12.8	8.2	10.3
(RANK)	(65)	(36)	(52)	(35)	(6)	(4)
5TH %ILE	4.3	8.1	13.8	15.1	8.2	10.1
25TH %ILE	3.8	7.1	12.2	13.3	7.4	9.2
MEDIAN	3.4	6.5	11.3	12.2	6.8	8.6
75TH %ILE	3.2	5.9	10.3	11.0	6.2	7.9
95TH %ILE	2.1	4.5	7.7	7.1	4.9	6.3
Policy Idx	3.4	6.4	11.0	12.5	8.0	10.0

Public Fund Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: FRANKLIN REGIONAL POLICY INDEX

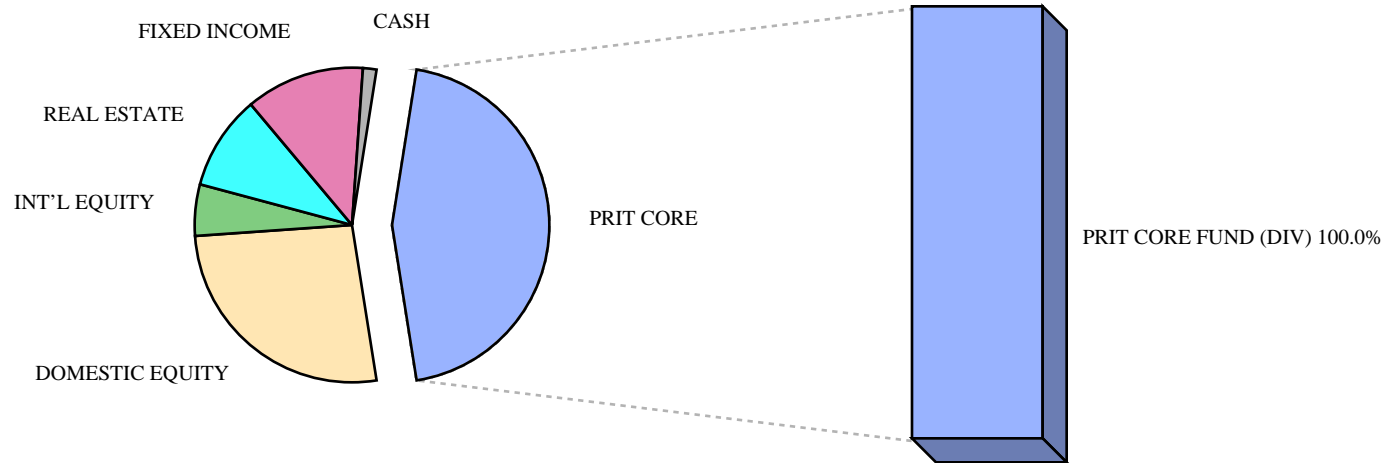
VARIATION FROM BENCHMARK

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

RATES OF RETURN

Date	Portfolio	Benchmark	Difference
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
6/17	3.5	2.9	0.6
9/17	3.3	3.4	-0.1

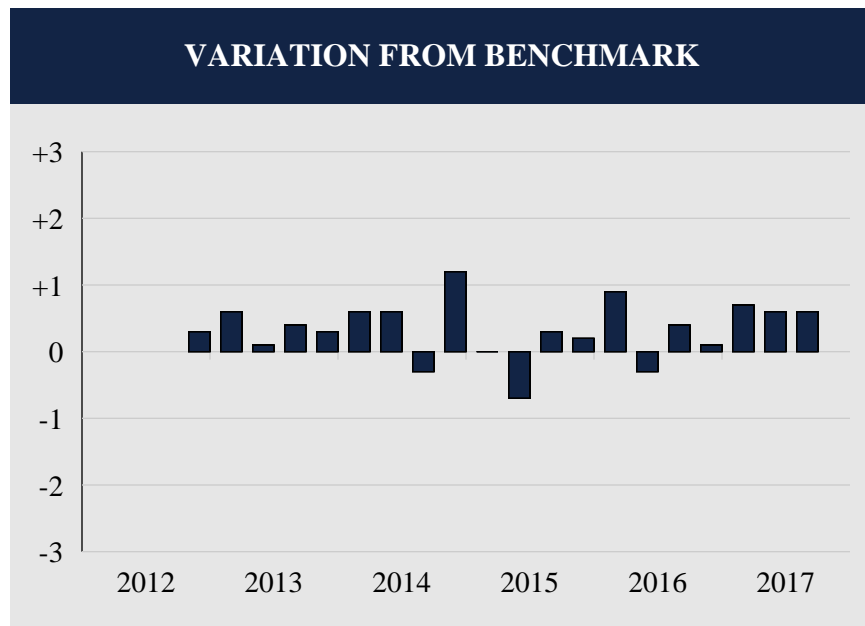
PRIT CORE MANAGER SUMMARY



TOTAL RETURNS AND RANKINGS							
MANAGER	(UNIVERSE)	QTR	YTD	1 YEAR	3 YEARS	5 YEARS	MARKET VALUE
PRIT CORE FUND	(Public Fund)	4.0 (13)	13.3 (9)	13.1 (29)	8.1 (6)	9.8 (9)	\$64,247,691
<i>Custom Core Index</i>		<i>3.4 ---</i>	<i>11.2 ---</i>	<i>10.9 ---</i>	<i>6.7 ---</i>	<i>8.4 ---</i>	<i>---</i>

PRIT CORE QUARTERLY PERFORMANCE SUMMARY

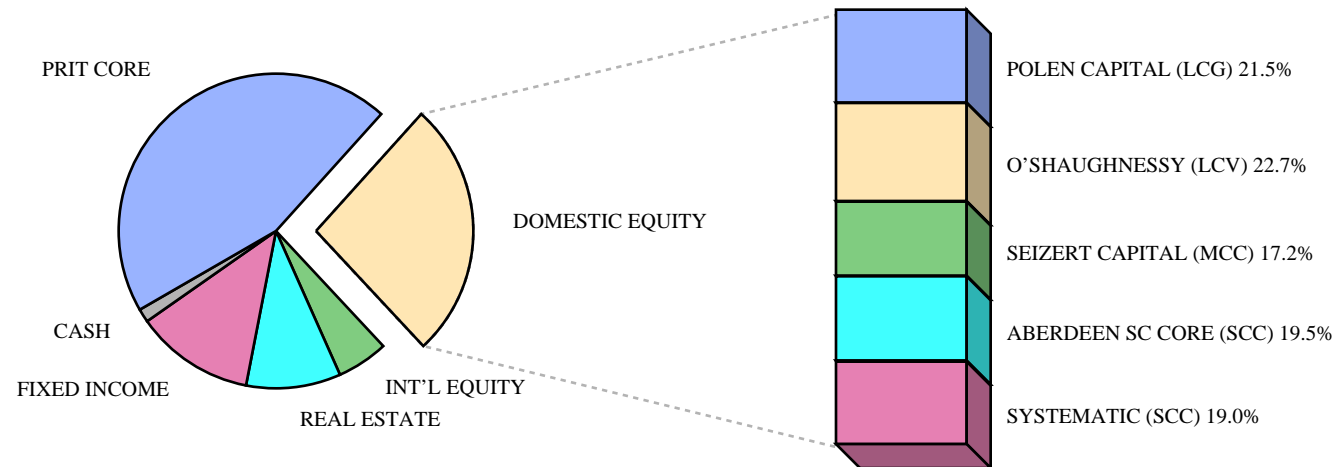
COMPARATIVE BENCHMARK: CUSTOM CORE INDEX



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

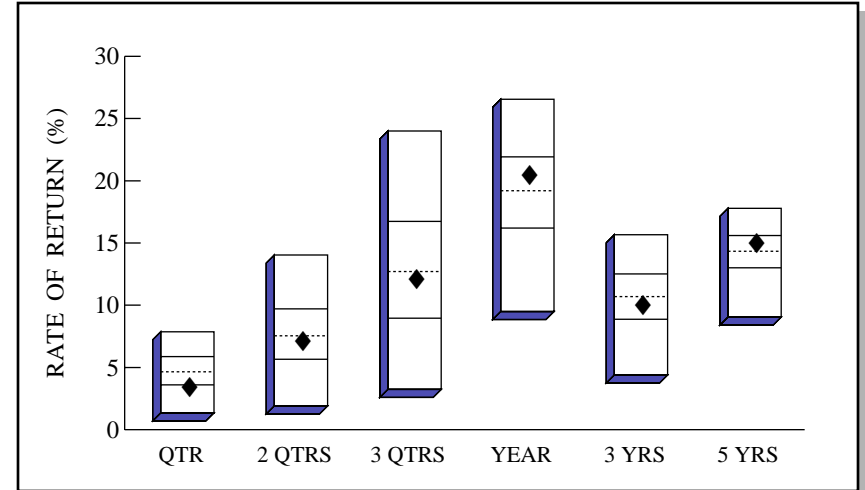
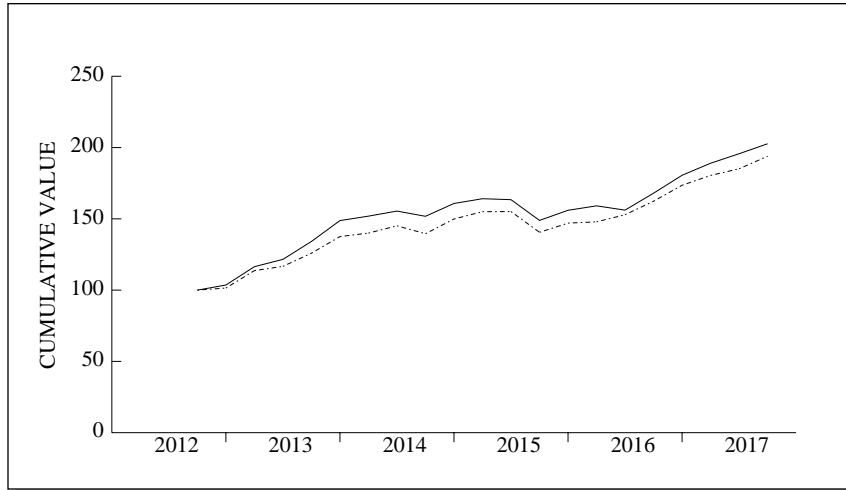
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
12/12	3.1	2.8	0.3
3/13	4.6	4.0	0.6
6/13	0.2	0.1	0.1
9/13	5.1	4.7	0.4
12/13	4.9	4.6	0.3
3/14	2.7	2.1	0.6
6/14	4.1	3.5	0.6
9/14	-0.8	-0.5	-0.3
12/14	2.1	0.9	1.2
3/15	2.7	2.7	0.0
6/15	0.0	0.7	-0.7
9/15	-3.9	-4.2	0.3
12/15	2.4	2.2	0.2
3/16	2.0	1.1	0.9
6/16	1.9	2.2	-0.3
9/16	4.3	3.9	0.4
12/16	-0.2	-0.3	0.1
3/17	4.9	4.2	0.7
6/17	3.9	3.3	0.6
9/17	4.0	3.4	0.6

DOMESTIC EQUITY MANAGER SUMMARY

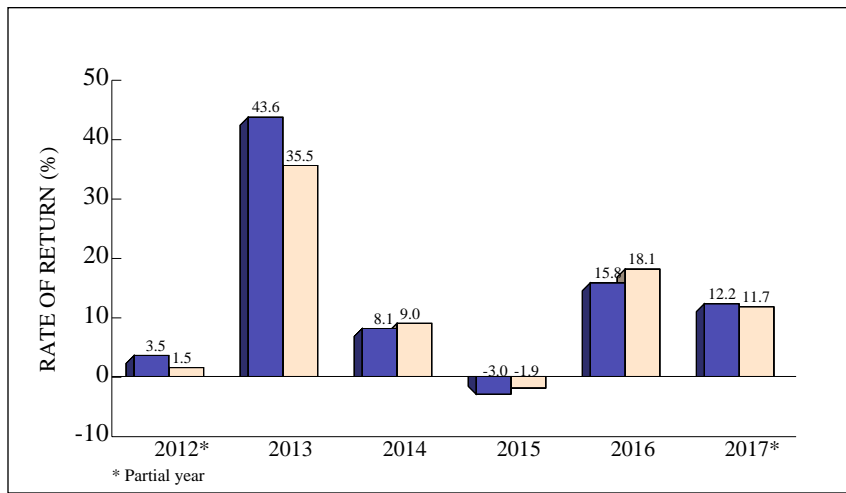


TOTAL RETURNS AND RANKINGS							
MANAGER	(UNIVERSE)	QTR	YTD	1 YEAR	3 YEARS	5 YEARS	MARKET VALUE
POLEN CAPITAL	(Large Cap Growth)	4.0 (80)	21.3 (37)	20.6 (54)	16.3 (3)	15.4 (37)	\$8,456,846
<i>Russell 1000 Growth</i>		<i>5.9 ----</i>	<i>20.7 ----</i>	<i>21.9 ----</i>	<i>12.7 ----</i>	<i>15.3 ----</i>	<i>----</i>
O'SHAUGHNESSY	(Large Cap Value)	5.6 (12)	14.2 (16)	23.6 (10)	7.7 (77)	15.2 (19)	\$8,605,780
<i>Russell 1000 Value</i>		<i>3.1 ----</i>	<i>7.9 ----</i>	<i>15.1 ----</i>	<i>8.5 ----</i>	<i>13.2 ----</i>	<i>----</i>
SEIZERT CAPITAL	(Mid Cap)	-2.5 (99)	4.3 (99)	15.7 (76)	6.7 (92)	14.8 (43)	\$6,790,293
<i>Russell Mid Cap</i>		<i>3.5 ----</i>	<i>11.7 ----</i>	<i>15.3 ----</i>	<i>9.5 ----</i>	<i>14.3 ----</i>	<i>----</i>
ABERDEEN SC CORE	(Small Cap)	6.0 (39)	----	----	----	----	\$7,365,663
SYSTEMATIC	(Small Cap)	4.0 (81)	4.2 (91)	16.4 (86)	7.9 (91)	----	\$7,247,885
<i>Russell 2000</i>		<i>5.7 ----</i>	<i>10.9 ----</i>	<i>20.7 ----</i>	<i>12.2 ----</i>	<i>13.8 ----</i>	<i>----</i>

DOMESTIC EQUITY RETURN COMPARISONS



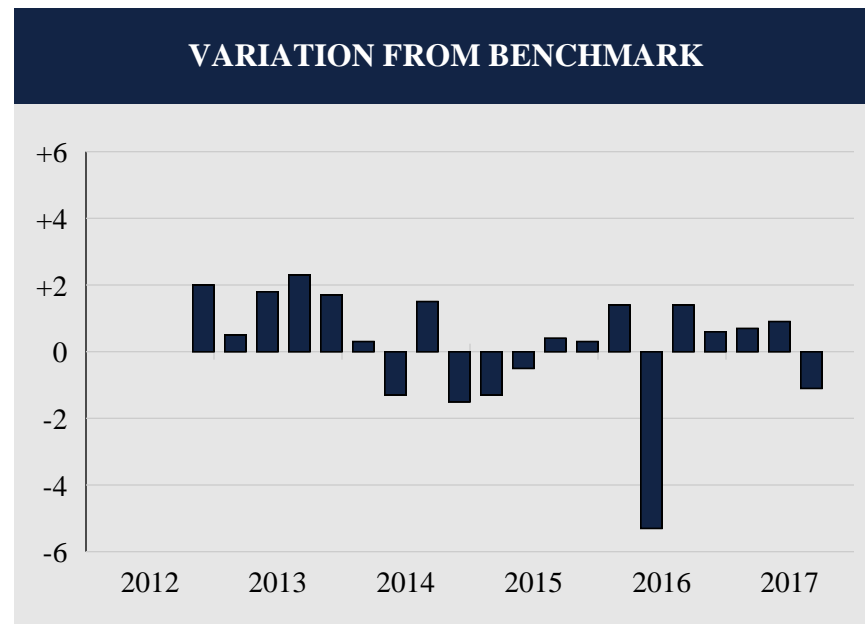
Domestic Equity Universe



* Partial year

	QTR	2 QTRS	3 QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	3.6	7.2	12.2	20.6	10.1	15.2
(RANK)	(76)	(55)	(54)	(37)	(60)	(33)
5TH %ILE	7.9	14.0	24.0	26.6	15.7	17.8
25TH %ILE	5.9	9.7	16.7	21.9	12.5	15.6
MEDIAN	4.7	7.6	12.7	19.2	10.7	14.3
75TH %ILE	3.6	5.7	9.0	16.2	8.9	13.0
95TH %ILE	1.4	1.9	3.2	9.5	4.4	9.0
Equity Index	4.7	7.4	11.7	19.4	11.6	14.2

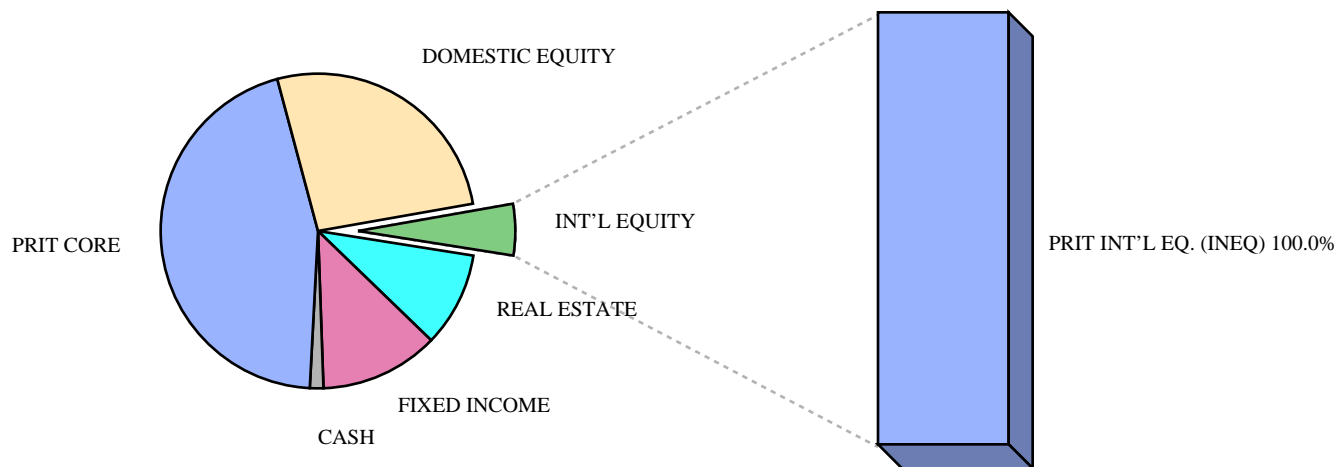
Domestic Equity Universe

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

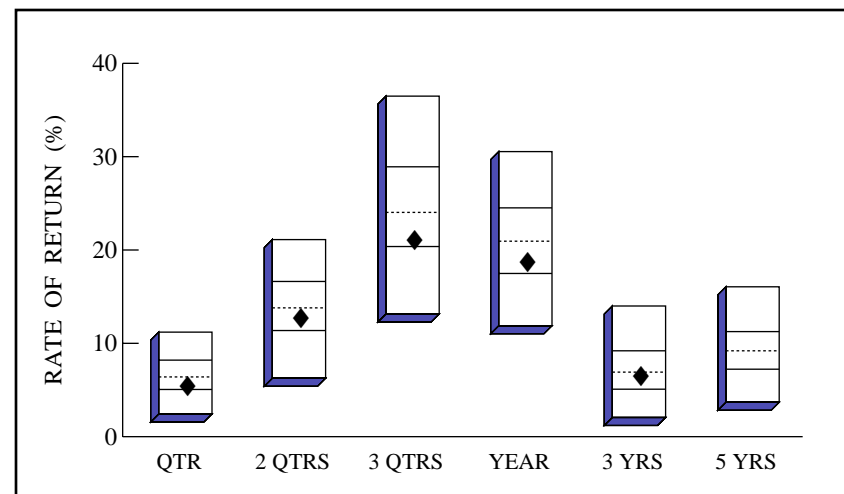
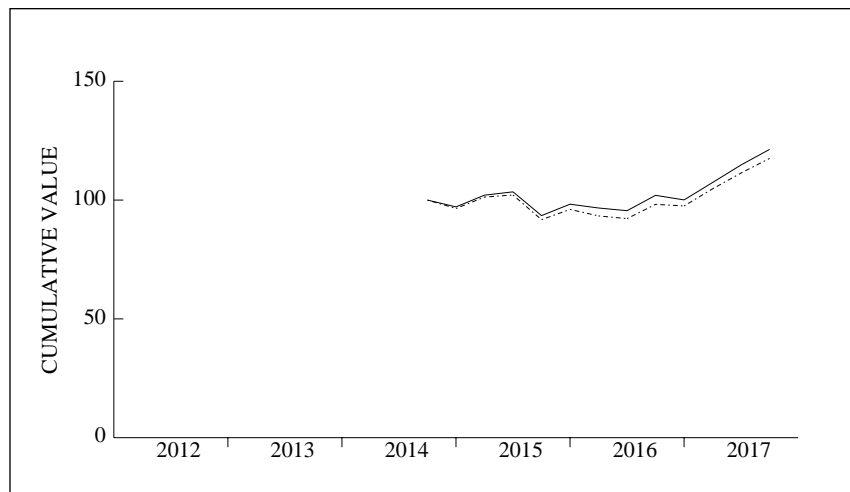
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
12/12	3.5	1.5	2.0
3/13	12.5	12.0	0.5
6/13	4.4	2.6	1.8
9/13	10.3	8.0	2.3
12/13	10.9	9.2	1.7
3/14	2.1	1.8	0.3
6/14	2.3	3.6	-1.3
9/14	-2.3	-3.8	1.5
12/14	5.9	7.4	-1.5
3/15	2.1	3.4	-1.3
6/15	-0.4	0.1	-0.5
9/15	-9.0	-9.4	0.4
12/15	4.8	4.5	0.3
3/16	2.0	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
6/17	3.5	2.6	0.9
9/17	3.6	4.7	-1.1

INTERNATIONAL EQUITY MANAGER SUMMARY

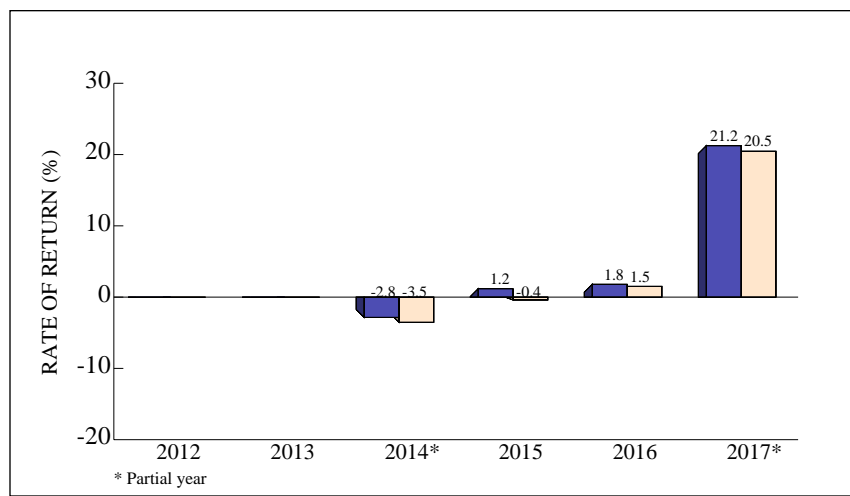
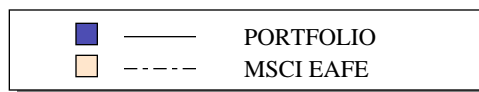


TOTAL RETURNS AND RANKINGS							
MANAGER	(UNIVERSE)	QTR	YTD	1 YEAR	3 YEARS	5 YEARS	MARKET VALUE
PRIT INT'L EQ.	(International Equity)	5.6 (64)	21.2 (69)	18.9 (66)	6.7 (54)	----	\$7,386,548
<i>MSCI EAFE</i>		<i>5.5</i> ----	<i>20.5</i> ----	<i>19.7</i> ----	<i>5.5</i> ----	<i>8.9</i> ----	----

INTERNATIONAL EQUITY RETURN COMPARISONS



International Equity Universe

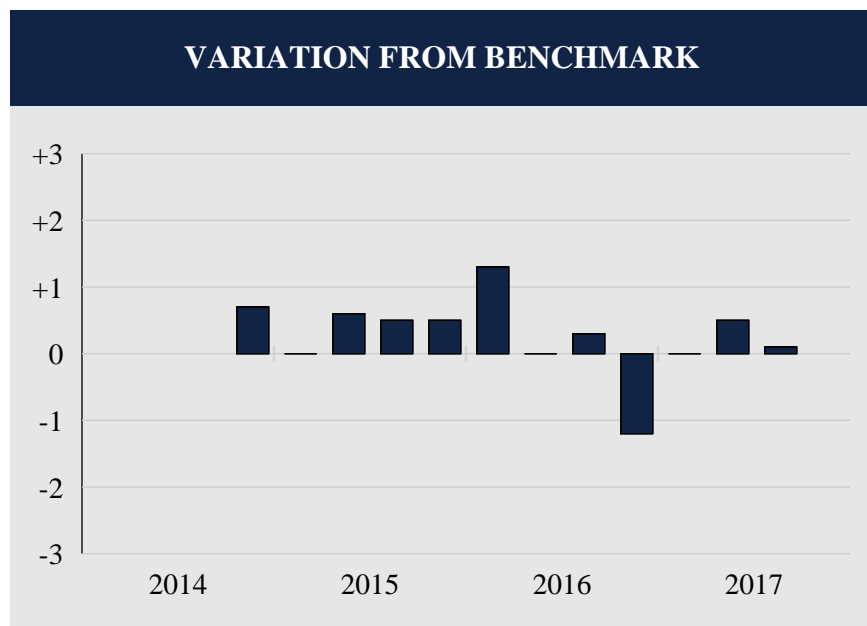


	QTR	2 QTRS	3 QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	5.6	12.9	21.2	18.9	6.7	---
(RANK)	(64)	(60)	(69)	(66)	(54)	---
5TH %ILE	11.2	21.1	36.5	30.6	14.0	16.1
25TH %ILE	8.2	16.6	28.9	24.5	9.2	11.3
MEDIAN	6.4	13.8	24.0	20.9	6.9	9.2
75TH %ILE	5.1	11.4	20.4	17.5	5.1	7.2
95TH %ILE	2.4	6.3	13.2	11.9	2.1	3.7
MSCI EAFE	5.5	12.2	20.5	19.7	5.5	8.9

International Equity Universe

INTERNATIONAL EQUITY QUARTERLY PERFORMANCE SUMMARY

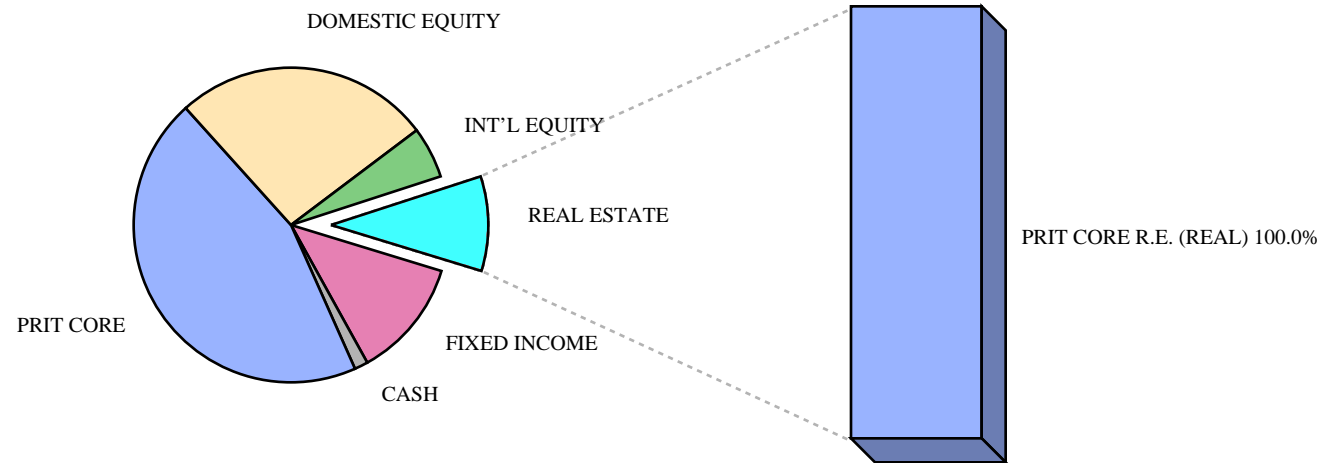
COMPARATIVE BENCHMARK: MSCI EAFE



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
6/17	6.9	6.4	0.5
9/17	5.6	5.5	0.1

Total Quarters Observed	12
Quarters At or Above the Benchmark	11
Quarters Below the Benchmark	1
Batting Average	.917

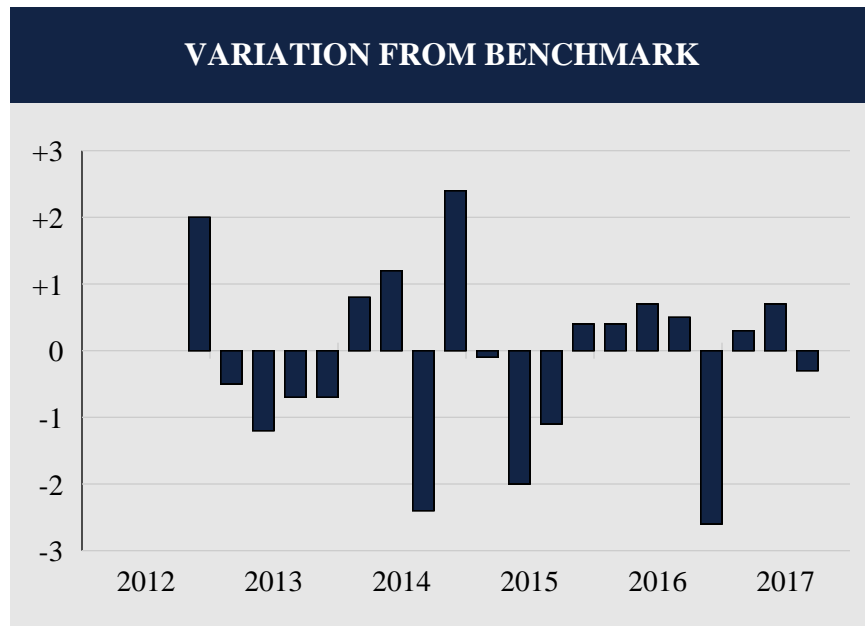
REAL ESTATE MANAGER SUMMARY



		TOTAL RETURNS AND RANKINGS					
MANAGER	(UNIVERSE)	QTR	YTD	1 YEAR	3 YEARS	5 YEARS	MARKET VALUE
PRIT CORE R.E.		1.6 ---	6.2 ---	5.7 ---	10.6 ---	11.1 ---	\$13,990,569
<i>NCREIF NFI-ODCE Index</i>		<i>1.9 ---</i>	<i>5.4 ---</i>	<i>7.6 ---</i>	<i>10.8 ---</i>	<i>11.6 ---</i>	---

REAL ESTATE QUARTERLY PERFORMANCE SUMMARY

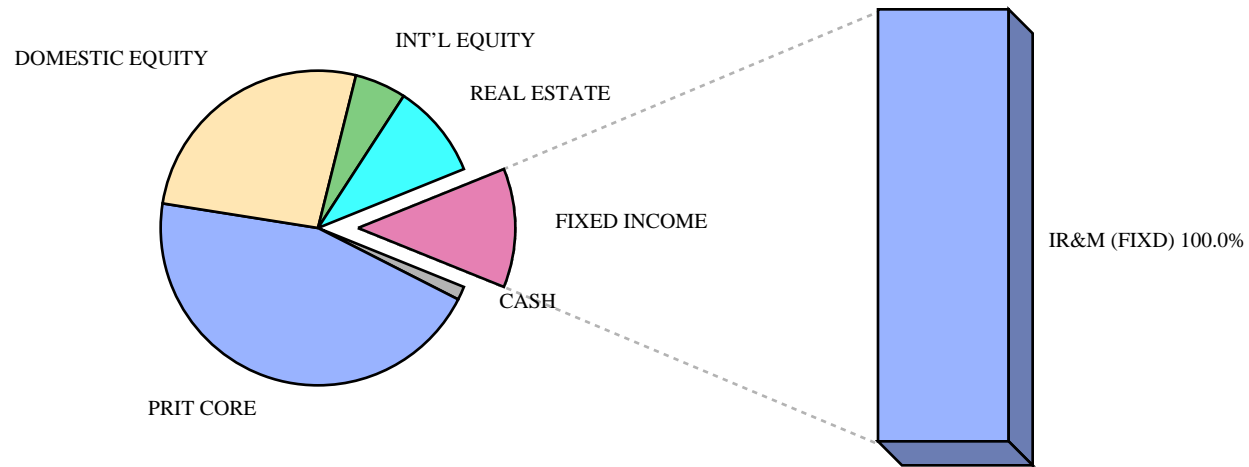
COMPARATIVE BENCHMARK: NCREIF NFI-ODCE INDEX



RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
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
6/17	2.4	1.7	0.7
9/17	1.6	1.9	-0.3

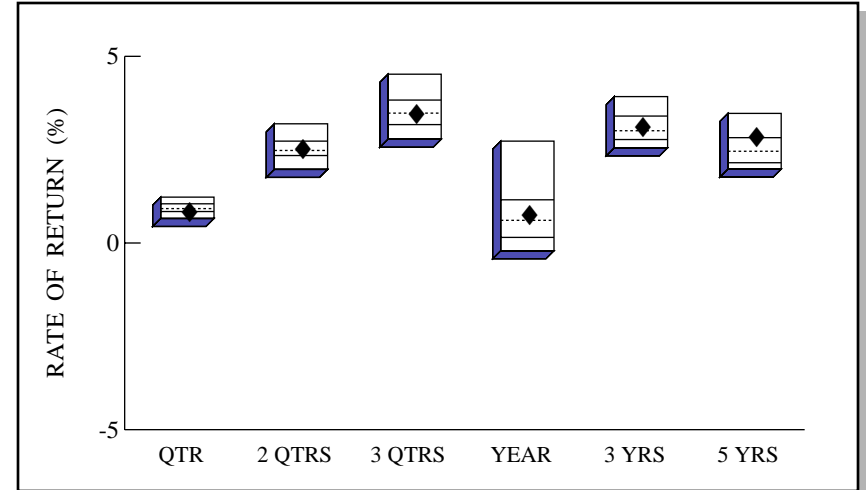
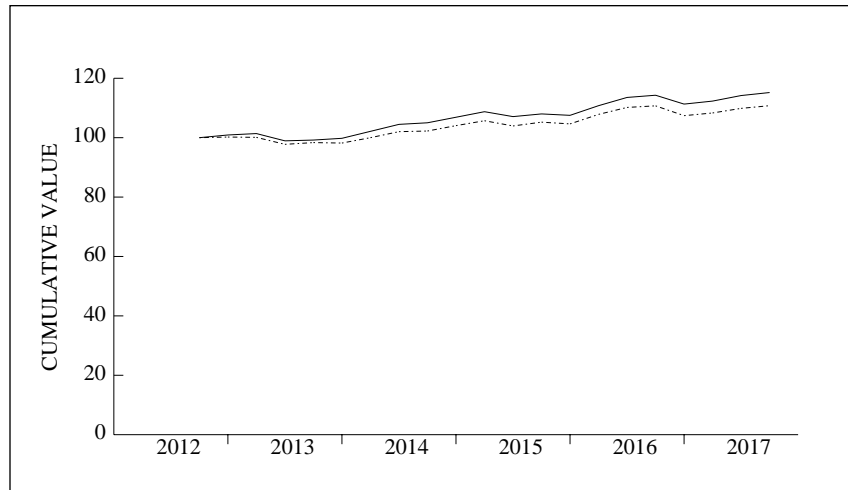
Total Quarters Observed	20
Quarters At or Above the Benchmark	10
Quarters Below the Benchmark	10
Batting Average	.500

FIXED INCOME MANAGER SUMMARY

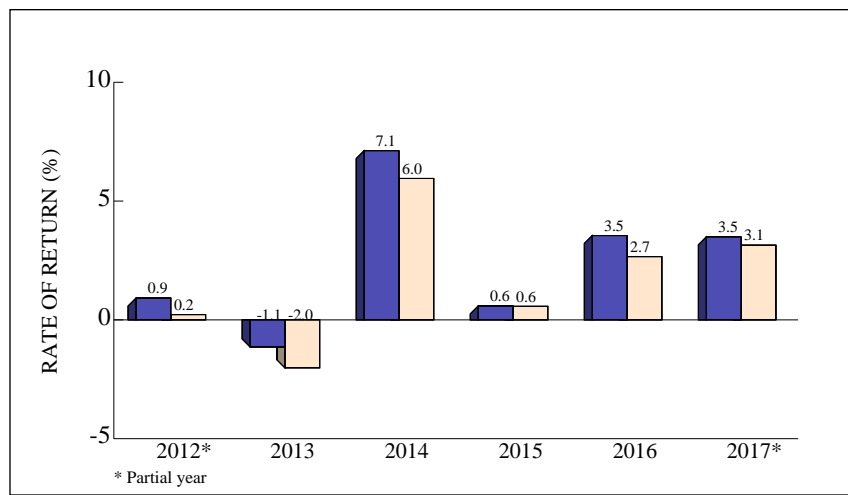
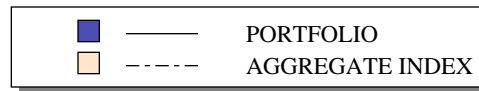


TOTAL RETURNS AND RANKINGS							
MANAGER	(UNIVERSE)	QTR	YTD	1 YEAR	3 YEARS	5 YEARS	MARKET VALUE
IR&M	(Core Fixed Income)	0.9 (64)	3.5 (47)	0.8 (36)	3.1 (42)	2.9 (22)	\$17,463,178
	<i>Bloomberg Barclays Aggregate Index</i>	0.8 ----	3.1 ----	0.1 ----	2.7 ----	2.1 ----	----

FIXED INCOME RETURN COMPARISONS



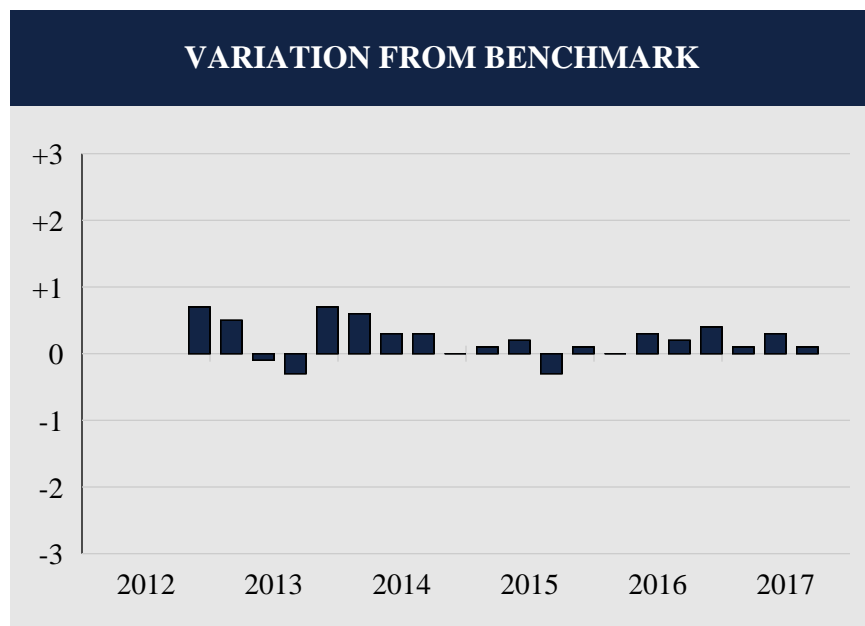
Core Fixed Income Universe



	QTR	2 QTRS	3 QTRS	YEAR	3 YRS	5 YRS
RETURN	0.9	2.6	3.5	0.8	3.1	2.9
(RANK)	(64)	(40)	(47)	(36)	(42)	(22)
5TH %ILE	1.2	3.2	4.5	2.7	3.9	3.5
25TH %ILE	1.1	2.7	3.8	1.2	3.4	2.8
MEDIAN	0.9	2.5	3.5	0.6	3.0	2.5
75TH %ILE	0.8	2.3	3.2	0.2	2.8	2.2
95TH %ILE	0.7	2.0	2.8	-0.2	2.6	2.0
Agg	0.8	2.3	3.1	0.1	2.7	2.1

Core Fixed Income Universe

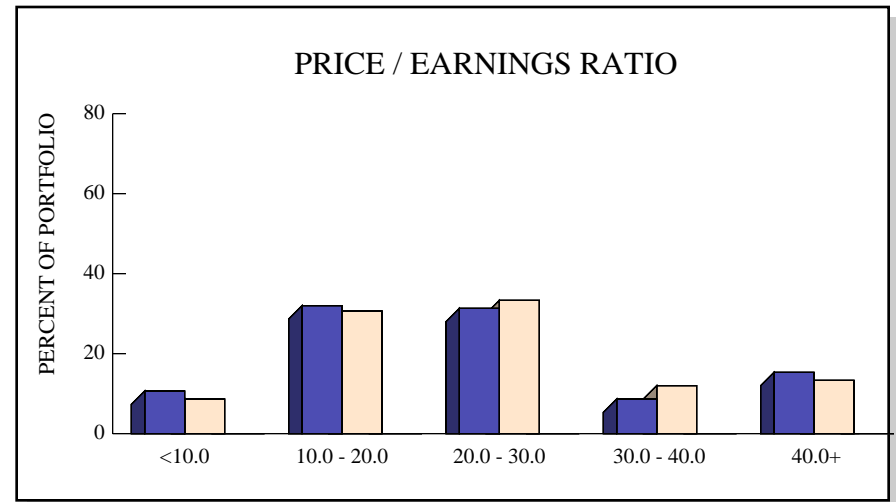
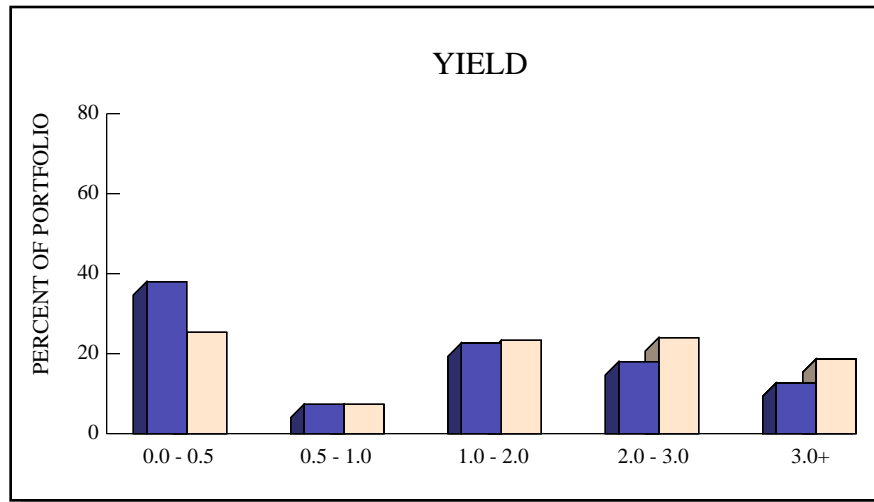
FIXED INCOME QUARTERLY PERFORMANCE SUMMARY
COMPARATIVE BENCHMARK: BLOOMBERG BARCLAYS AGGREGATE INDEX



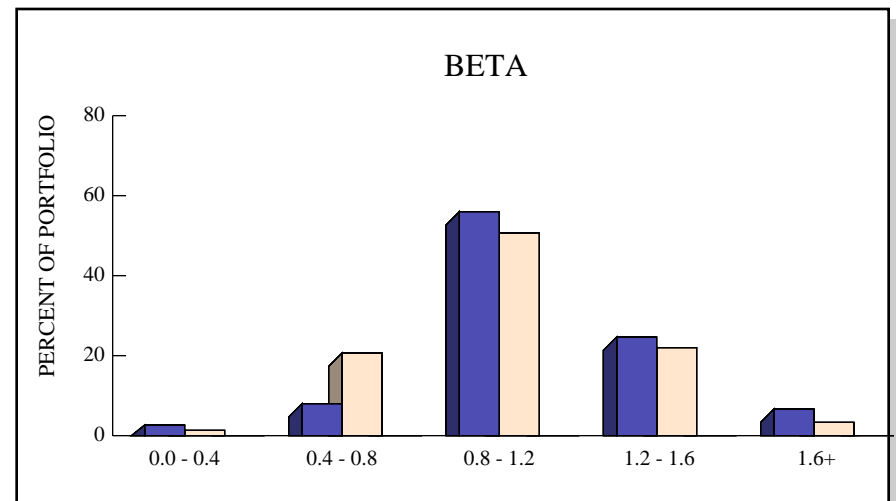
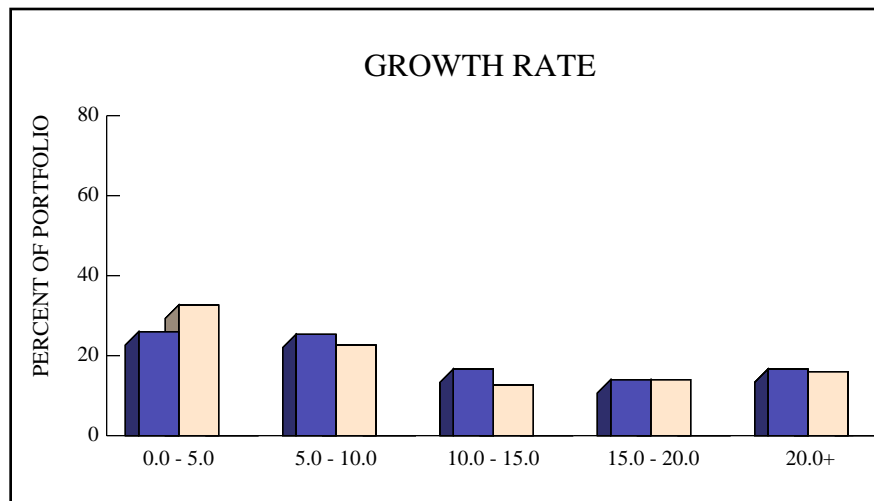
Total Quarters Observed	20
Quarters At or Above the Benchmark	17
Quarters Below the Benchmark	3
Batting Average	.850

RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
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
6/17	1.7	1.4	0.3
9/17	0.9	0.8	0.1

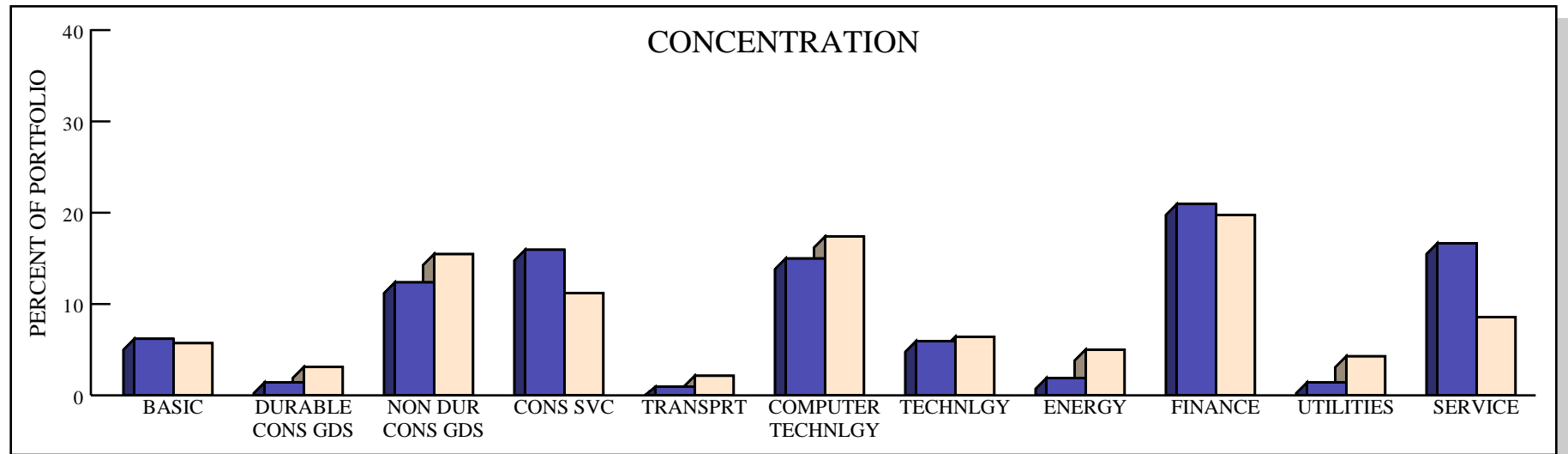
STOCK CHARACTERISTICS



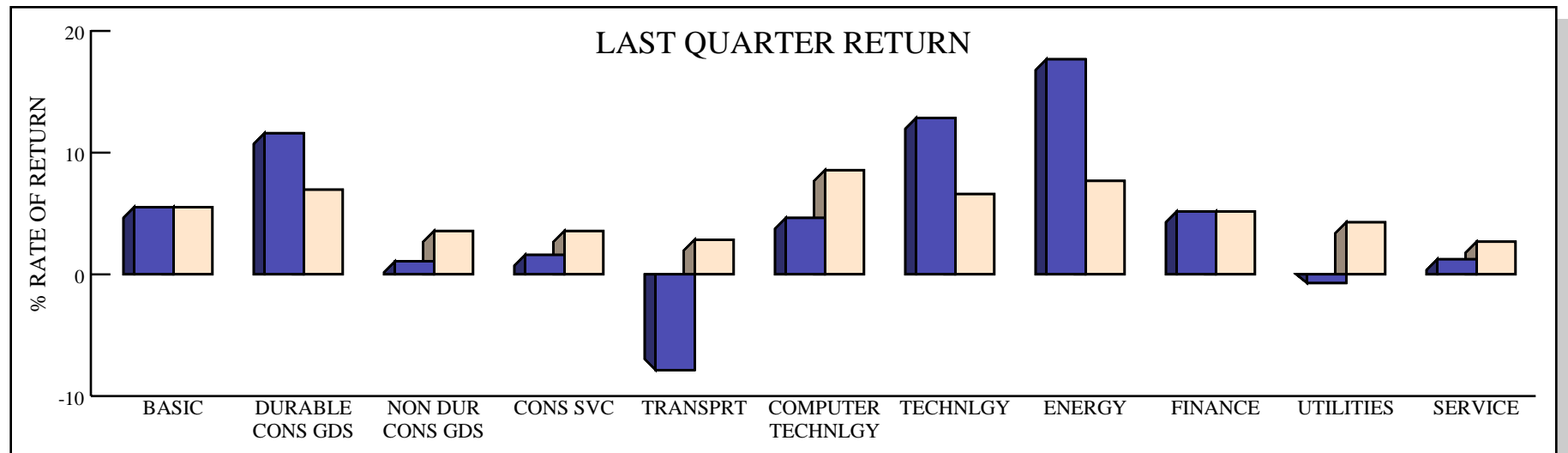
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	419	1.5%	10.6%	24.8	1.12
RUSSELL 3000	2,981	1.8%	9.8%	24.1	1.04



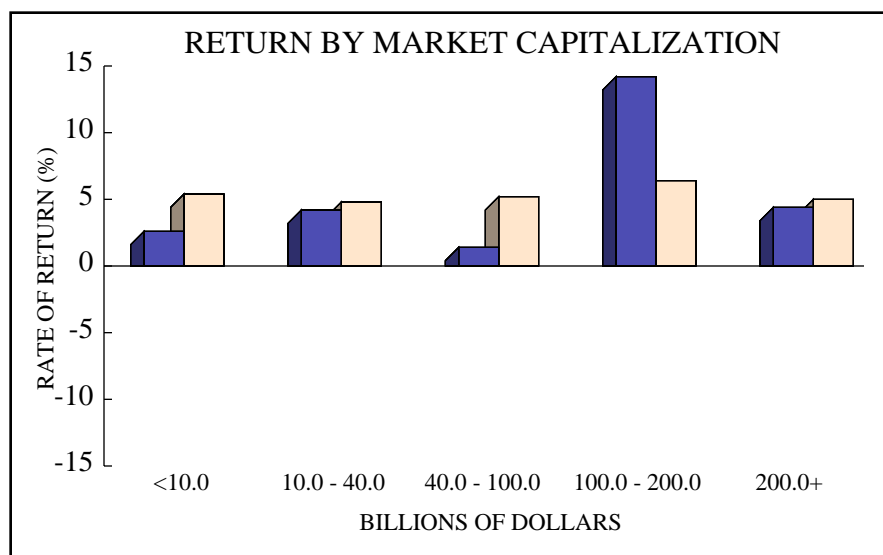
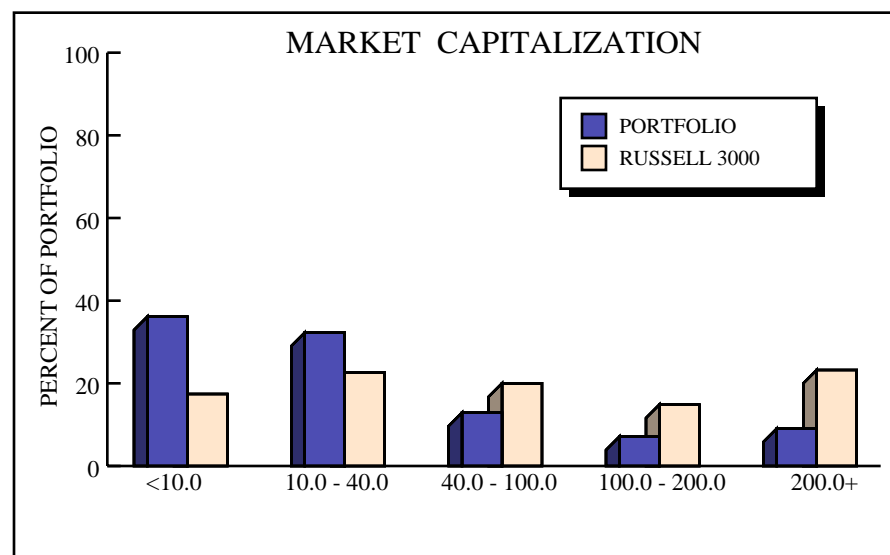
STOCK INDUSTRY ANALYSIS



■ PORTFOLIO ■ RUSSELL 3000



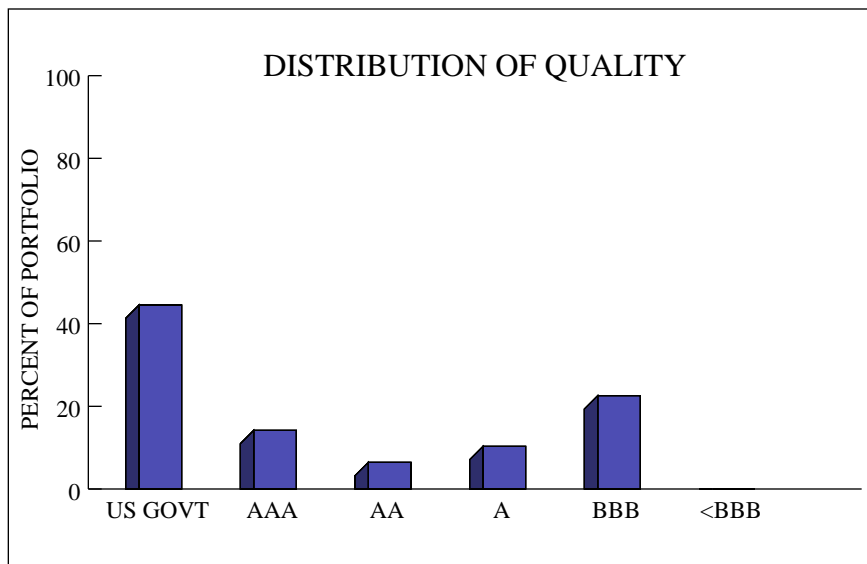
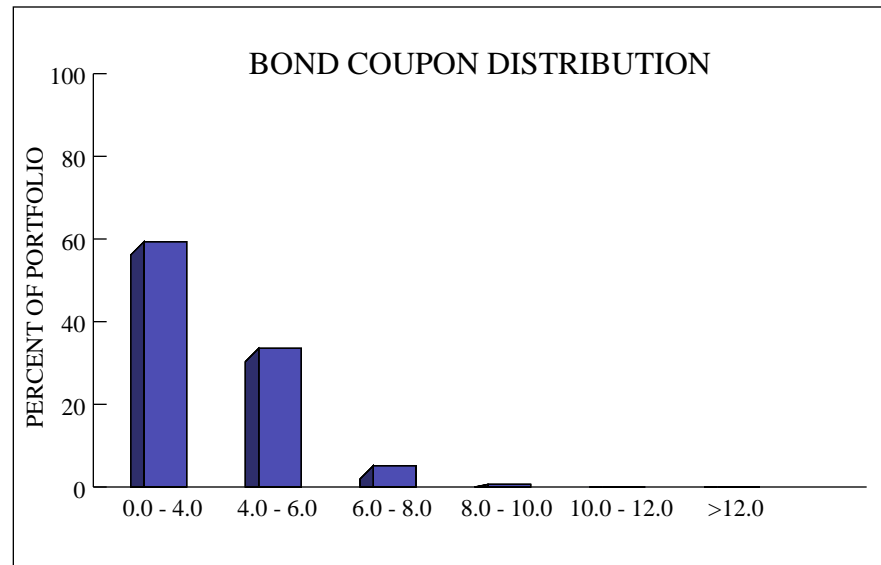
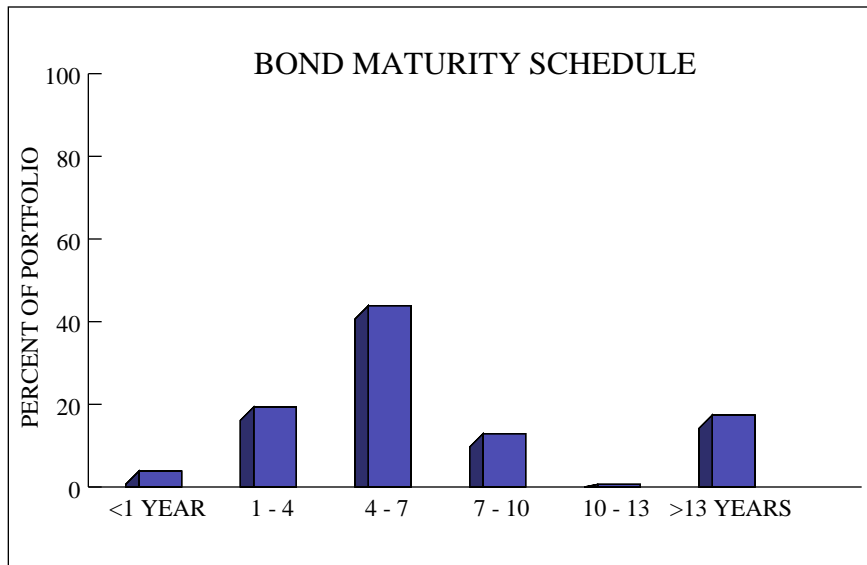
TOP TEN HOLDINGS



TOP TEN EQUITY HOLDINGS

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	FACEBOOK INC-A	\$ 639,396	1.69%	13.2%	Computer Tech	\$ 405.0 B
2	ADOBE SYSTEMS INC	597,466	1.58%	5.5%	Computer Tech	73.5 B
3	ALPHABET INC-CL C	566,834	1.50%	5.5%	Computer Tech	333.5 B
4	VISA INC-CLASS A SHARES	536,934	1.42%	12.4%	Finance	192.5 B
5	CELGENE CORP	484,122	1.28%	12.3%	NonDur Cons Goods	114.1 B
6	ORACLE CORP	478,327	1.27%	-3.2%	Computer Tech	201.8 B
7	AUTOMATIC DATA PROCESSING	474,777	1.26%	7.2%	Service	48.6 B
8	ACCENTURE PLC-CL A	414,665	1.10%	9.7%	Consumer Service	83.5 B
9	NIKE INC -CL B	410,289	1.09%	-11.8%	NonDur Cons Goods	68.0 B
10	VALERO ENERGY CORP	400,959	1.06%	14.9%	Energy	34.0 B

BOND CHARACTERISTICS



	PORTFOLIO	AGGREGATE INDEX
No. of Securities	246	9,547
Duration	6.27	5.96
YTM	2.81	2.55
Average Coupon	3.51	3.06
Avg Maturity / WAL	8.04	8.25
Average Quality	AAA-AA	USG-AAA

**PRIT MANAGER RETURNS AND ALLOCATIONS
AS OF SEPTEMBER 30, 2017**

PORTFOLIO	QTR	ANNUALIZED			% Allocation
		1 YEAR	3 YEARS	5 YEARS	
Domestic Equity	4.7	18.6	10.6	14.1	18.6
SSgA S&P 500	4.7	18.7	10.8	14.3	14.4
Summit Creek	6.2	21.8	10.7	---	0.4
Frontier	5.3	17.3	12.9	---	0.5
Huber	4.4	18.2	3.2	---	0.4
RiverBridge	1.8	17.4	12.2	---	0.3
SSgA Russell 2500	4.7	17.9	10.7	13.8	2.6
<i>S&P 500</i>	<i>4.5</i>	<i>18.6</i>	<i>10.8</i>	<i>14.2</i>	---
<i>Russell 2500</i>	<i>4.7</i>	<i>17.8</i>	<i>10.6</i>	<i>13.9</i>	---
International Equity	5.7	18.9	6.7	9.6	17.9
SSgA World Ex-US	6.1	19.8	5.7	8.9	7.1
Marathon Asset Management	4.5	18.3	7.2	10.5	4.3
Baillie Gifford	5.2	17.2	8.6	10.0	3.4
Mondrian	5.2	16.0	5.2	9.2	1.4
FIS	6.1	18.8	7.5	---	0.2
Timesquare	8.0	---	---	---	0.4
Strategic Global Advisors	8.5	---	---	---	0.2
Acadian Intl Small Cap	9.2	---	---	---	0.5
LMCG	8.4	---	---	---	0.2
AQR Intl Small Cap	8.8	---	---	---	0.2
<i>MSCI EAFE</i>	<i>5.5</i>	<i>19.7</i>	<i>5.5</i>	<i>8.9</i>	---
<i>ACWI EX US</i>	<i>6.3</i>	<i>20.2</i>	<i>5.2</i>	<i>7.5</i>	---
Emerging Markets Equity	9.0	26.9	7.3	5.7	8.0
SSgA Emerging Markets	7.8	21.9	5.3	4.5	1.8
AQR Emerging	8.6	30.4	---	---	1.0
Baillie Gifford EMM	12.3	33.3	---	---	1.3
Driehaus Capital	13.6	27.1	---	---	1.2
Harding Loevner	7.4	23.4	---	---	0.8
Pzena	5.0	28.1	---	---	1.1
Acadian	11.4	34.0	9.6	14.4	0.3
Wasatch	7.1	13.7	5.1	5.2	0.2
Acadian Frontier	3.7	27.7	---	---	0.2
City of London	7.1	25.0	---	---	0.2
<i>MSCI Emerging Markets</i>	<i>8.0</i>	<i>22.9</i>	<i>5.3</i>	<i>4.4</i>	---

**PRIT MANAGER RETURNS AND ALLOCATIONS
AS OF SEPTEMBER 30, 2017**

PORTFOLIO	QTR	ANNUALIZED			% Allocation
		1 YEAR	3 YEARS	5 YEARS	
Core Fixed Income	0.8	-4.5	4.4	3.6	12.5
Blackrock Passive	0.8	-0.1	2.6	2.0	1.9
PIMCO Core	1.2	1.3	3.2	2.4	1.4
Loomis Sayles Core	1.0	1.4	3.8	3.3	1.7
Community Capital Management	0.6	0.3	2.3	2.2	0.0
AFL - CIO Housing Investment	0.8	0.0	2.7	2.1	0.2
Access Capital - ETI	0.6	0.5	2.6	2.2	0.2
Progress Mgr of Mgrs	1.1	1.2	---	---	0.2
BlackRock STRIPS	0.7	-9.3	6.9	---	1.9
Blackrock TIPS	0.9	-0.8	1.6	0.0	3.0
Blackrock ILBs	0.5	-1.3	3.8	3.0	2.0
<i>Barclays Aggregate</i>	<i>0.9</i>	<i>0.1</i>	<i>2.7</i>	<i>2.1</i>	---
<i>Barclays STRIPS 20+Yrs</i>	<i>0.7</i>	<i>-9.4</i>	<i>6.8</i>	---	---
<i>Barclays US TIPS</i>	<i>0.9</i>	<i>-0.7</i>	<i>1.6</i>	<i>0.0</i>	---
<i>Barclays ILB US Hedged</i>	<i>0.5</i>	<i>-1.3</i>	<i>4.1</i>	<i>2.9</i>	---
<i>Barclays Aggregate A or Better</i>	<i>0.7</i>	<i>-0.4</i>	<i>2.5</i>	<i>1.8</i>	---
Value-Added Fixed Income	2.2	8.8	4.0	4.9	7.8
Fidelity	0.9	7.4	5.5	6.6	0.5
Loomis Sayles High Yield	2.3	9.1	5.6	6.8	0.5
Shenkman	2.0	7.9	5.3	5.5	0.5
Eaton Vance	1.1	5.9	4.4	4.3	1.2
Voya	0.9	4.5	4.2	4.7	1.2
Ashmore	3.9	9.2	8.8	5.8	0.7
PIMCO EMD	3.0	6.3	6.2	4.5	0.5
Investec	4.0	9.8	0.4	-0.7	0.3
Pictet	3.2	6.1	0.2	-1.4	0.4
Stone Harbor	3.9	8.9	0.2	-1.7	0.2
Distressed Debt	2.7	16.8	4.9	9.9	1.7
<i>ML Master High Yield</i>	<i>2.0</i>	<i>9.1</i>	<i>5.9</i>	<i>6.4</i>	---
<i>JPM EMBI</i>	<i>2.6</i>	<i>4.6</i>	<i>6.5</i>	<i>4.9</i>	---

**PRIT MANAGER RETURNS AND ALLOCATIONS
AS OF SEPTEMBER 30, 2017**

PORTFOLIO	QTR	ANNUALIZED			% Allocation
		1 YEAR	3 YEARS	5 YEARS	
Private Equity	6.3	23.5	17.2	19.0	10.6
Total Special Equity	7.2	27.6	18.4	19.7	7.8
Total Venture Capital	4.0	14.3	15.7	19.1	2.4
<i>Cambridge Private Equity (Lagged)</i>	3.5	16.8	9.5	13.2	---
Private Real Estate	1.5	7.0	11.3	12.3	6.5
Invesco Core	1.9	9.3	12.0	13.0	1.5
Lasalle	0.6	6.0	9.6	11.4	2.5
AEW	2.0	7.7	12.1	12.4	2.1
JP Morgan	1.0	0.5	7.7	7.5	0.9
AEW Core Transition	2.2	5.3	---	---	0.4
PRIM - Core Real estate	2.1	---	---	---	0.1
Non-Core	0.7	8.2	18.5	14.0	0.8
New Boston Urban I	-0.3	-6.1	0.1	2.2	0.0
Portfolio Debt	---	---	---	---	-1.7
<i>NCREIF ODCE</i>	1.9	7.7	10.8	11.6	---
REITS	2.0	1.7	7.2	7.7	2.2
Centersquare Global REIT	2.5	2.2	7.7	8.1	1.3
Presima	2.1	1.2	---	---	0.2
Brookfield	1.3	1.9	---	---	0.8
<i>NAREIT</i>	1.1	2.6	10.2	10.0	---
<i>FTSE EPRA NAREIT</i>	3.4	4.4	7.3	7.6	---

**PRIT MANAGER RETURNS AND ALLOCATIONS
AS OF SEPTEMBER 30, 2017**

PORTFOLIO	QTR	ANNUALIZED			% Allocation
		1 YEAR	3 YEARS	5 YEARS	
Timber	1.6	8.9	5.9	7.5	3.6
Forest	1.4	6.6	5.6	7.3	1.8
The Campbell Group	1.9	11.2	5.9	7.3	1.7
<i>NCREIF Timber</i>	<i>0.6</i>	<i>3.3</i>	<i>5.2</i>	<i>7.1</i>	<i>---</i>
Hedge Funds (Net)	1.7	8.1	3.0	5.7	8.0
PAAMCO	1.0	6.1	0.8	4.9	1.4
Direct Hedge Funds	1.9	8.4	3.5	5.9	6.6
<i>HFRI FOF</i>	<i>2.4</i>	<i>6.5</i>	<i>2.2</i>	<i>3.9</i>	<i>---</i>
Risk Premia	3.0	-1.4	---	---	0.9
Real Assets	4.0	9.7	---	---	0.3
Equity Hedge	3.5	---	---	---	1.1
Overlay	2.3	5.8	4.7	---	1.7
Clifton	3.7	9.7	6.3	---	0.4
Overlay Cash	---	---	---	---	1.3
Portable Alpha Wind Down (Net)	-2.0	11.5	0.9	0.0	0.0
Austin Capital	0.1	0.3	21.4	3.5	0.0
Crestline	-2.8	86.3	15.3	9.2	0.0
Strategic	-1.7	-9.8	-5.8	-3.0	0.0
<i>HFRI FOF</i>	<i>2.4</i>	<i>6.5</i>	<i>2.2</i>	<i>3.9</i>	<i>---</i>
Natural Resources - Private	3.9	13.2	---	---	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	0.8	2.2	2.2	1.2	1.3
Domestic Equity	Style	QTR	YTD	1 Year	3 years	5 Years
Russell 3000	Broad Equity	4.6	13.9	18.7	10.7	14.2
S&P 500	Large Cap Core	4.5	14.2	18.6	10.8	14.2
Russell 1000	Large Cap	4.5	14.2	18.5	10.6	14.3
Russell 1000 Growth	Large Cap Growth	5.9	20.7	21.9	12.7	15.3
Russell 1000 Value	Large Cap Value	3.1	7.9	15.1	8.5	13.2
Russell Mid Cap	Midcap	3.5	11.7	15.3	9.5	14.3
Russell Mid Cap Growth	Midcap Growth	5.3	17.3	17.8	10.0	14.2
Russell Mid Cap Value	Midcap Value	2.1	7.4	13.4	9.2	14.3
Russell 2000	Small Cap	5.7	10.9	20.7	12.2	13.8
Russell 2000 Growth	Small Cap Growth	6.2	16.8	20.9	12.2	14.3
Russell 2000 Value	Small Cap Value	5.1	5.7	20.5	12.1	13.3
International Equity	Style	QTR	YTD	1 Year	3 years	5 Years
MSCI All Country World Ex US	Foreign Equity	6.3	21.6	20.1	5.2	7.5
MSCI EAFE	Developed Markets Equity	5.5	20.5	19.7	5.5	8.9
MSCI EAFE Growth	Developed Markets Growth	5.0	22.9	16.1	6.9	9.3
MSCI EAFE Value	Developed Markets Value	5.9	18.2	23.2	4.1	8.4
MSCI Emerging Markets	Emerging Markets Equity	8.0	28.1	22.9	5.3	4.4
Domestic Fixed Income	Style	QTR	YTD	1 Year	3 years	5 Years
Bloomberg Barclays Aggregate Index	Core Fixed Income	0.8	3.1	0.1	2.7	2.1
Bloomberg Barclays Capital Gov't Bond	Treasuries	0.4	2.2	-1.6	2.0	1.2
Bloomberg Barclays Capital Credit Bond	Corporate Bonds	1.4	5.1	2.0	3.9	3.2
Intermediate Aggregate	Core Intermediate	0.7	2.3	0.2	2.3	1.7
ML/BoA 1-3 Year Treasury	Short Term Treasuries	0.2	0.7	0.2	0.8	0.5
Citi High Yield BB & B Index	High Yield Bonds	2.0	6.5	8.1	5.3	5.8
Alternative Assets	Style	QTR	YTD	1 Year	3 years	5 Years
Bloomberg Barclays Global Treasury Ex US	International Treasuries	2.1	7.7	-4.4	0.4	-1.2
NCREIF NFI-ODCE Index	Real Estate	1.9	5.4	7.6	10.8	11.6
HFRI FOF Composite	Hedge Funds	2.3	5.6	6.5	2.2	3.8

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
SEPTEMBER 2017

INVESTMENT RETURN

On September 30th, 2017, the Franklin Regional Retirement System's PRIT Core Fund was valued at \$64,247,691, representing an increase of \$2,913,438 from the June quarter's ending value of \$61,334,253. Last quarter, the Fund posted net contributions equaling \$418,731 plus a net investment gain equaling \$2,494,707. Total net investment return was the result of income receipts, which totaled \$397,325 and net realized and unrealized capital gains of \$2,097,382.

For the cumulative period since September 2012, the fund has recorded net withdrawals totaling \$14.6 million and posted net investment gains of \$27.5 million. For the period since September 2012, if the total fund had returned a compound annual rate of 7.75% it would have been valued at \$57.0 million or \$7.3 million less than the actual value as of September 30th, 2017.

RELATIVE PERFORMANCE

Total Portfolio

In the third quarter, the PRIT Core Fund gained 4.0%, which was 0.6% above the Custom Core Index's return of 3.4% and ranked in the 13th percentile of the Public Fund universe. Over the trailing year, the portfolio returned 13.1%, which was 2.2% greater than the benchmark's 10.9% performance, and ranked in the 29th percentile. Since September 2012, the portfolio returned 9.8% on an annualized basis and ranked in the 9th percentile. For comparison, the Custom Core Index returned an annualized 8.4% over the same period.

PRIT Core

The Core portfolio outperformed the index through significant gains in key spaces which offset the underperforming returns yielded by other heavily allocated sleeves. Private Equity managers outgained the benchmark by 240 basis points, and comprised 10.6% of the portfolio, while the Emerging Markets piece (8.0% allocation)

decidedly outperformed as well, returning 9.0% relative to the index's 7.8% gain. Domestic Equity (18.6% weight) missed slightly (+4.7% vs. benchmark's +4.8%), as did International Equity (+5.7% vs. +5.9%). Core Fixed Income managers altogether (12.5% allocation) matched the benchmark return, gaining 0.8%. Their Value-added counterparts were slightly better (+2.2% vs. +2.1%).

PRIT Domestic Equity

The SSgA S&P 500 index fund (14.4% allocation) comprised more than three-quarters of the Domestic Equity sleeve, and returned 4.7%, predictably mirroring the performance of the benchmark on which it is based.

Total Small/Smid Cap Equity managers underperformed the index by 40 basis points, with growth manager Riverbridge leading on the downside (+1.8% vs. benchmark's +5.8%). Summit Creek and Frontier fared better, returning 6.2% and 5.3%, respectively, besting their benchmarks.

PRIT International Equity

The International Equity sleeve (17.9%) trailed the benchmark in the third quarter, gaining 5.7% against the custom index's 5.9% return. The sleeve returned 18.9%, 6.7%, and 9.6% for the one, three, and five-year periods. For comparison, the index returned 19.7%, 5.2%, and 8.3% over the same ranges.

The SSgA World Ex-US index fund – which comprised 39.7% of the sleeve – returned 6.1%, which was 50 basis points above the benchmark. International Equity Core holdings fared less favorably. Marathon-London returned 4.5%, or 110 basis points below the benchmark. Baillie Gifford and Mondrian each returned 5.2%.

PRIT Emerging Markets Equity

The Core segment of Emerging Markets managers was an area of strength for the sleeve, as it gained 9.0% against the benchmark's 8.1% return. Baillie Gifford EMM and Driehaus were lead performers, gaining 12.3% and 13.6% for the quarter. Combined, they represented 31.2% of the sleeve, enlarging positive effects. The SSgA Emerging Markets fund (22.5% sleeve weight) returned 7.8%, 30 basis points less than the benchmark.

Emerging Markets Small Cap managers outperformed as well, returning 9.7% compared to the index's 5.8% gain. The Frontier Markets piece was an area of weakness, returning 5.3%, or 140 basis points short of the index.

PRIT Private Equity

The Private Equity sleeve was one of the Core portfolio's strongest performers in the third quarter, gaining 6.3%, or 240 basis points above the benchmark. Special Equity managers collectively gained 7.2% for the three month period, and represented nearly three-quarters of the sleeve's allocation, magnifying positive effects. Venture Capital managers fared less well, gaining just 4.0%, but their comparatively small positions lessened the impact.

PRIT Hedge Funds

The HFRI Fund of Funds benchmark continued to offer a low performance hurdle in the third quarter, returning just 1.7%; the sleeve matched this gain. Direct Hedge Funds (6.6% portfolio weight, or 82.5% of the sleeve) gained 1.9% for the quarter. However, PAAMCO decidedly underperforming, returning just 1.0%.

PRIT Real Estate

The PRIT Real Estate sleeve represented 8.7% of the PRIT portfolio (including 1.7% in debt), and returned 1.6% for the quarter,

underperforming the benchmark by 20 basis points. The Private Real Estate component – representing 74.7% of the sleeve – trailed the NCREIF Property index (One quarter lag) by 30 basis points, suffering from a combination of weak gains by Core and Non-Core positions. Lasalle (2.5% allocation) returned just 0.6%, which was 120 basis points lower than the index, while JP Morgan (0.9% allocation) gained 1.0%. The Non-Core position returned just 0.7%.

The sleeve's REIT component (2.2% combined allocation) fared better, outperforming the FTSE EPRA NAREIT Developed Net Total Return index (2.0% vs. 1.8%). Centersquare Global REIT gained 2.5%, or 70 basis points over the benchmark, while Presima outperformed as well. Brookfield was the lone underperforming REIT manager, gaining just 1.3%.

PRIT Fixed Income

In the third quarter, the PRIT Core Fixed Income sleeve posted a 0.8% return, which mirrored the return of the custom benchmark. Inflation-linked Bonds tracked the custom index's small 0.7% gain, and their 32.3% combined allocation made the segment a headwind to sleeve performance.

Aggregate elements fared better, returning 1.0%, or 10 basis points higher than the Barclays Aggregate Index. The BlackRock STRIPS account, which represented 15.2% of the Core Fixed Income allocation, returned 0.7%, expectedly matching the Barclays US Treasury STRIPS 20+ Year Index for the quarter.

The Value-Added Fixed Income sleeve (7.8% portfolio allocation) performed slightly better than its core counterpart, gaining 2.2% compared to the benchmark's 2.1% return. Distressed Debt was a major tailwind to outperformance: While the NYU Salomon Center Combined Defaulted Public Bond & Bank Loan index returned -1.2% in the third quarter, the portfolio's Distressed Debt position gained 1.2%, and its 21.8% sleeve weight enlarged the substantial performance surplus.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	3 Year	5 Year
Total Portfolio - Gross	4.0	13.3	13.1	8.1	9.8
<i>PUBLIC FUND RANK</i>	(13)	(9)	(29)	(6)	(9)
Total Portfolio - Net	3.9	12.9	12.5	7.6	9.2
Custom Core Idx	3.4	11.3	10.9	6.7	8.4
PRIT Core - Gross	4.0	13.3	13.1	8.1	9.8
<i>PUBLIC FUND RANK</i>	(13)	(9)	(29)	(6)	(9)
Custom Core Idx	3.4	11.3	10.9	6.7	8.4

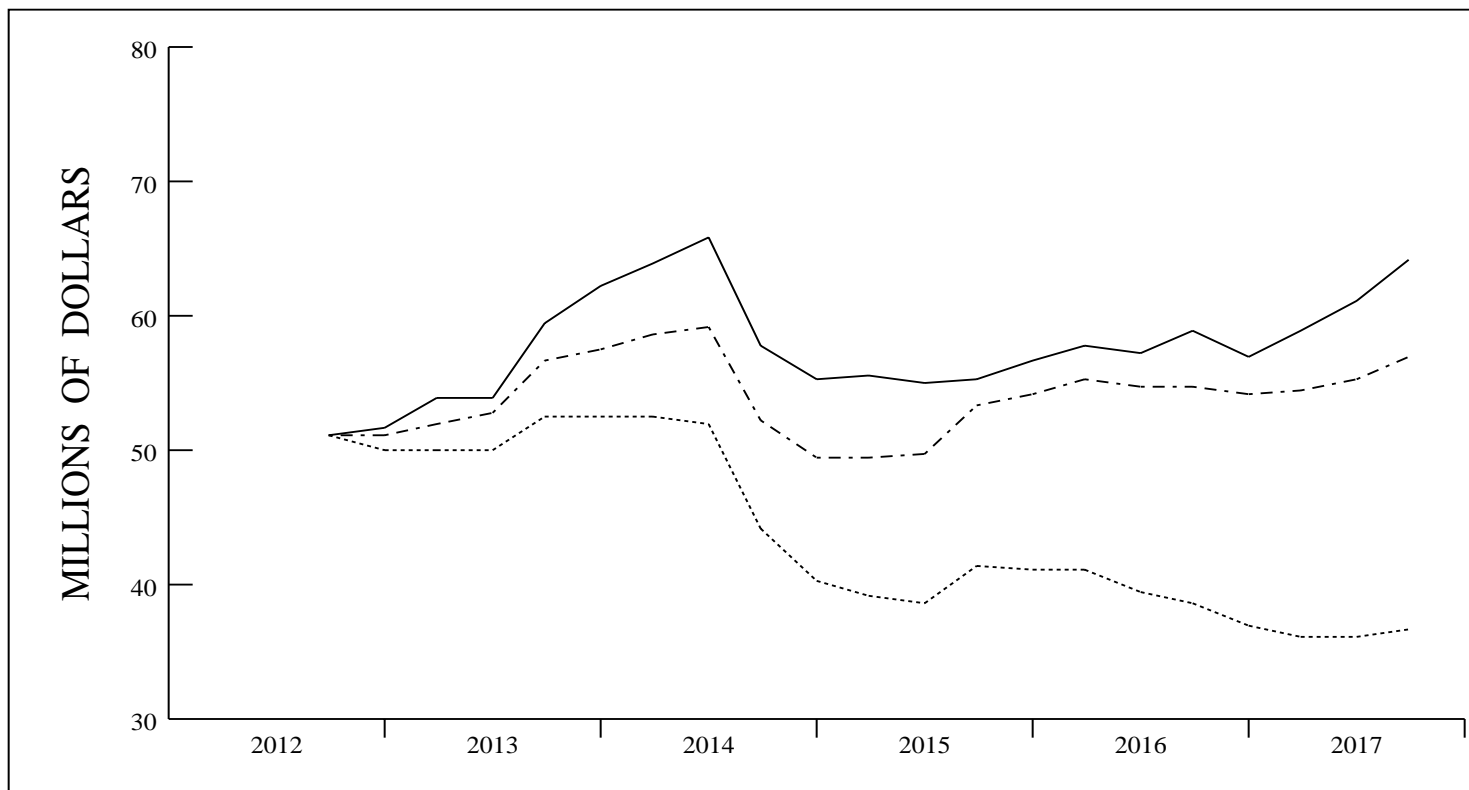
ASSET ALLOCATION

PRIT Core	100.0%	\$ 64,247,691
Total Portfolio	100.0%	\$ 64,247,691

INVESTMENT RETURN

Market Value 6/2017	\$ 61,334,253
Contribs / Withdrawals	418,731
Income	397,325
Capital Gains / Losses	2,097,382
Market Value 9/2017	\$ 64,247,691

INVESTMENT GROWTH

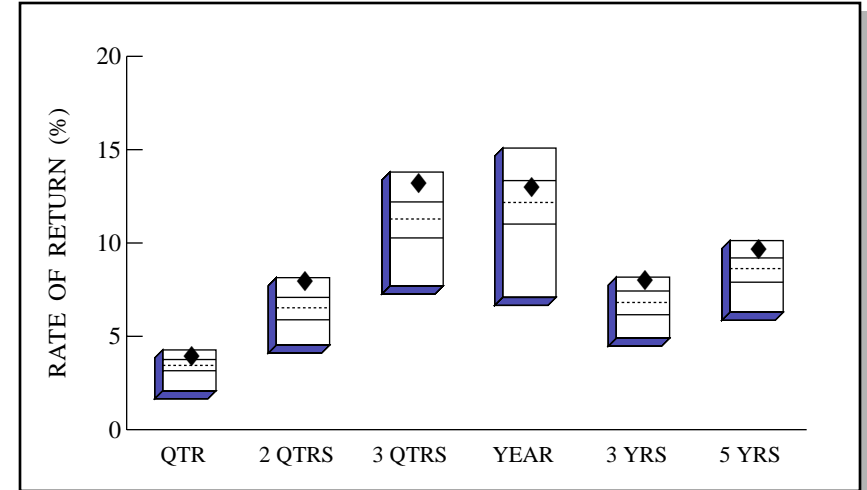
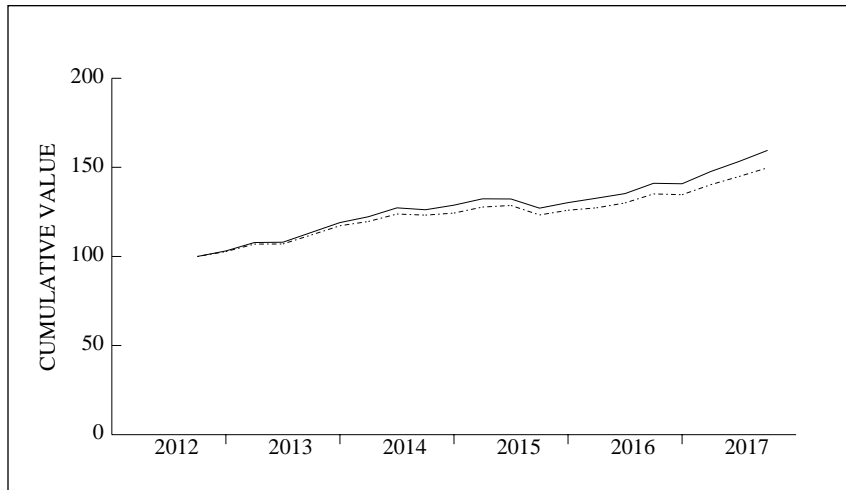


— ACTUAL RETURN
 - - - 7.75%
 . . . 0.0%

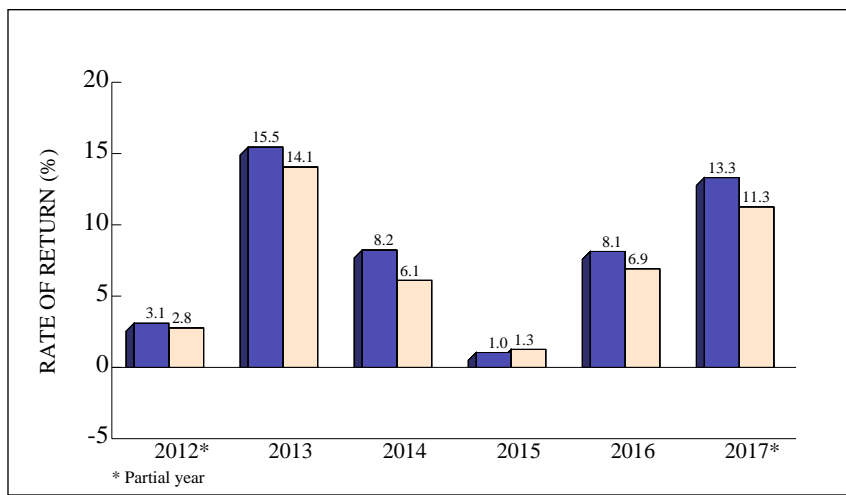
VALUE ASSUMING
 7.75% RETURN \$ 56,965,303

	LAST QUARTER	FIVE YEARS
BEGINNING VALUE	\$ 61,334,253	\$ 51,303,665
NET CONTRIBUTIONS	418,731	- 14,587,296
<u>INVESTMENT RETURN</u>	<u>2,494,707</u>	<u>27,531,322</u>
ENDING VALUE	\$ 64,247,691	\$ 64,247,691
INCOME	397,325	8,268,975
<u>CAPITAL GAINS (LOSSES)</u>	<u>2,097,382</u>	<u>19,262,347</u>
INVESTMENT RETURN	2,494,707	27,531,322

TOTAL RETURN COMPARISONS



Public Fund Universe

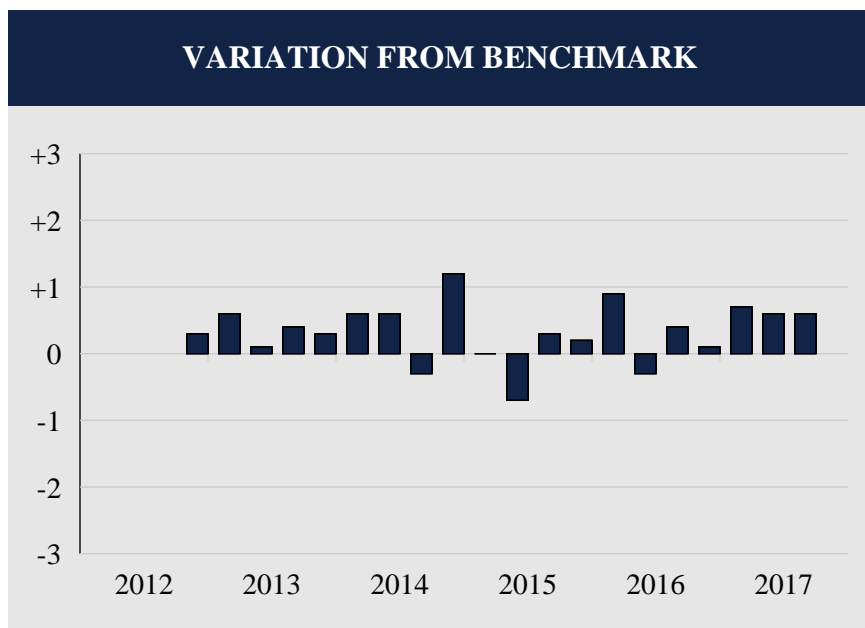


	QTR	2 QTRS	3 QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	4.0	8.0	13.3	13.1	8.1	9.8
(RANK)	(13)	(7)	(9)	(29)	(6)	(9)
5TH %ILE	4.3	8.1	13.8	15.1	8.2	10.1
25TH %ILE	3.8	7.1	12.2	13.3	7.4	9.2
MEDIAN	3.4	6.5	11.3	12.2	6.8	8.6
75TH %ILE	3.2	5.9	10.3	11.0	6.2	7.9
95TH %ILE	2.1	4.5	7.7	7.1	4.9	6.3
PRIT Index	3.4	6.8	11.3	10.9	6.7	8.4

Public Fund Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: CUSTOM CORE INDEX



RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
12/12	3.1	2.8	0.3
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	-4.2	0.3
12/15	2.4	2.2	0.2
3/16	2.0	1.1	0.9
6/16	1.9	2.2	-0.3
9/16	4.3	3.9	0.4
12/16	-0.2	-0.3	0.1
3/17	4.9	4.2	0.7
6/17	3.9	3.3	0.6
9/17	4.0	3.4	0.6

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

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

INVESTMENT RETURN

On September 30th, 2017, the Franklin Regional Retirement System's Polen Capital Large Cap Growth Fund was valued at \$8,456,846, representing an increase of \$187,283 from the June quarter's ending value of \$8,269,563. Last quarter, the Fund posted withdrawals totaling \$145,000, which offset the portfolio's net investment return of \$332,283. Income receipts totaling \$11,906 plus net realized and unrealized capital gains of \$320,377 combined to produce the portfolio's net investment return.

For the cumulative period since September 2012, the fund has recorded net withdrawals totaling \$2.5 million and posted net investment gains of \$5.3 million. For the period since September 2012, if the total fund had returned a compound annual rate of 9.0% it would have been valued at \$5.8 million or \$2.7 million less than the actual value as of September 30th, 2017.

RELATIVE PERFORMANCE

In the third quarter, the Polen Capital Large Cap Growth Fund gained 4.0%, which was 1.9% below the Russell 1000 Growth Index's return of 5.9% and ranked in the 80th percentile of the Large Cap Growth universe. Over the trailing year, the portfolio returned 20.6%, which was 1.3% less than the benchmark's 21.9% performance, and ranked in the 54th percentile. Since September 2012, the portfolio returned 15.4% on an annualized basis and ranked in the 37th percentile. For comparison, the Russell 1000 Growth returned an annualized 15.3% over the same period.

ASSET ALLOCATION

On September 30th, 2017, domestic equities comprised 96.1% of the total portfolio (\$8.1 million), while cash & equivalents totaled 3.9% (\$332,017).

ANALYSIS

At the end of the quarter, the Polen Capital portfolio was concentrated in six of the eleven 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, Finance, and Service sectors. Only Technology was underweight, while Basic, Durable Consumer Goods, Transportation, Energy, and Utilities were left unfunded.

Negative selection effects in the portfolio's most heavily weighted sectors led to a 190 basis point performance shortfall in the third quarter. Nondurable Consumer Goods, Consumer Service, and Computer Technology decidedly underperformed the benchmark, and their combined 75.8% allocation magnified the negative effects of the shortfalls. Technology stocks fared better, more than doubling the index return, but the portfolio's underweight allocation curbed positive effects.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	3 Year	5 Year
Total Portfolio - Gross	4.0	21.3	20.6	16.3	15.4
<i>LARGE CAP GROWTH RANK</i>	(80)	(37)	(54)	(3)	(37)
Total Portfolio - Net	3.8	20.7	19.7	15.4	14.6
Russell 1000G	5.9	20.7	21.9	12.7	15.3
Russell 1000	4.5	14.2	18.5	10.6	14.3
S&P 500	4.5	14.2	18.6	10.8	14.2
Domestic Equity - Gross	4.1	22.2	21.3	16.9	16.1
<i>LARGE CAP GROWTH RANK</i>	(76)	(32)	(43)	(1)	(20)
Russell 1000G	5.9	20.7	21.9	12.7	15.3

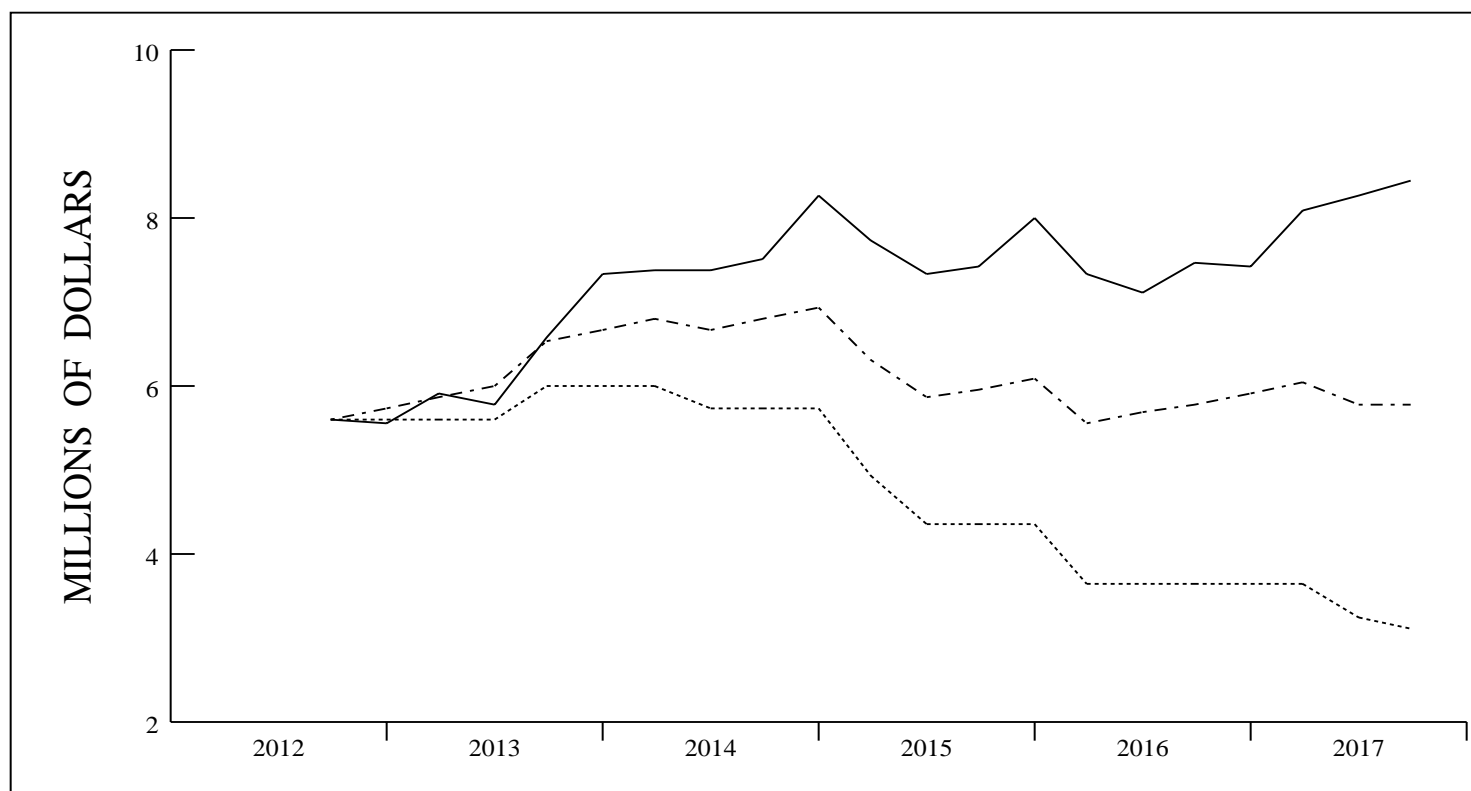
ASSET ALLOCATION

Domestic Equity	96.1%	\$ 8,124,829
Cash	3.9%	332,017
Total Portfolio	100.0%	\$ 8,456,846

INVESTMENT RETURN

Market Value 6/2017	\$ 8,269,563
Contribs / Withdrawals	-145,000
Income	11,906
Capital Gains / Losses	320,377
Market Value 9/2017	\$ 8,456,846

INVESTMENT GROWTH

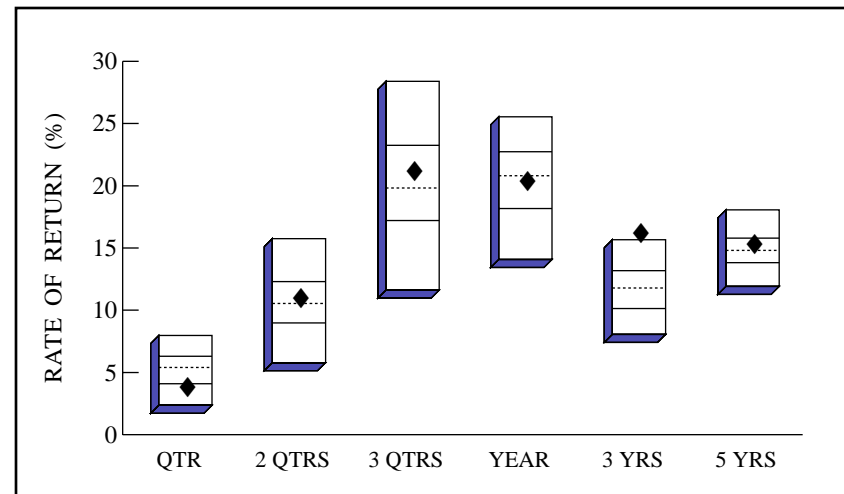
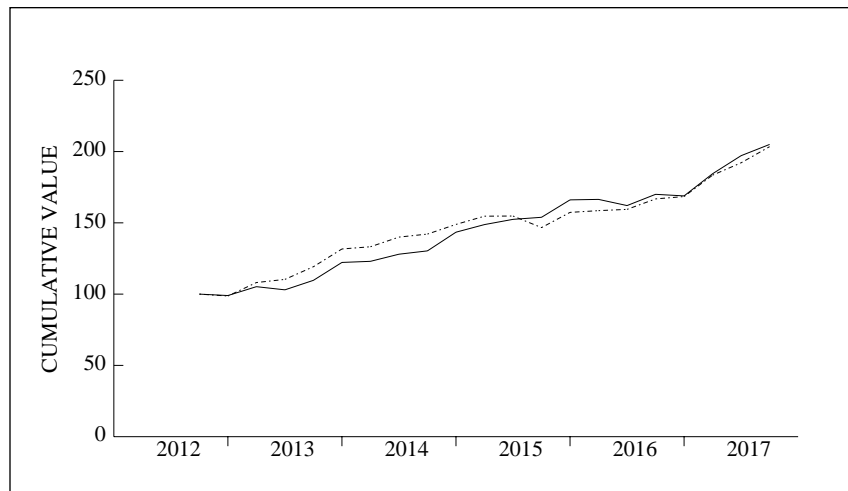


—	ACTUAL RETURN
- - -	9.0%
.....	0.0%

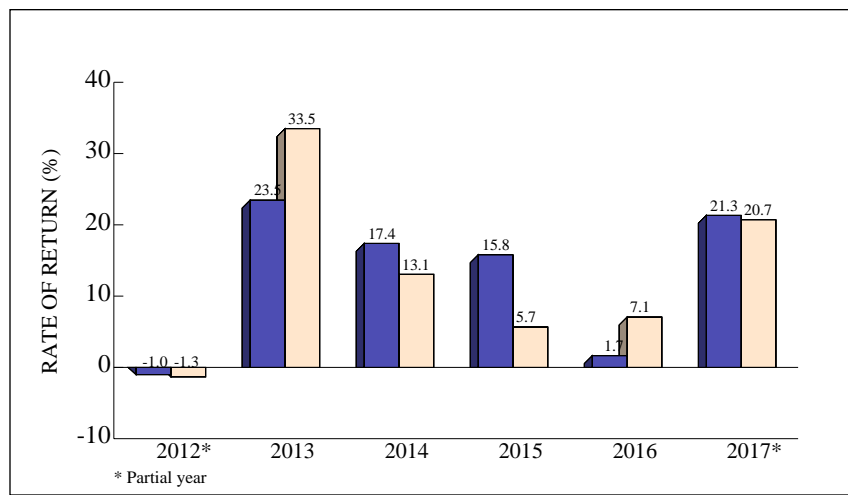
VALUE ASSUMING	
9.0% RETURN	\$ 5,784,956

	LAST QUARTER	FIVE YEARS
BEGINNING VALUE	\$ 8,269,563	\$ 5,638,744
NET CONTRIBUTIONS	-145,000	-2,504,884
<u>INVESTMENT RETURN</u>	<u>332,283</u>	<u>5,322,986</u>
ENDING VALUE	\$ 8,456,846	\$ 8,456,846
INCOME	11,906	369,366
<u>CAPITAL GAINS (LOSSES)</u>	<u>320,377</u>	<u>4,953,620</u>
INVESTMENT RETURN	332,283	5,322,986

TOTAL RETURN COMPARISONS



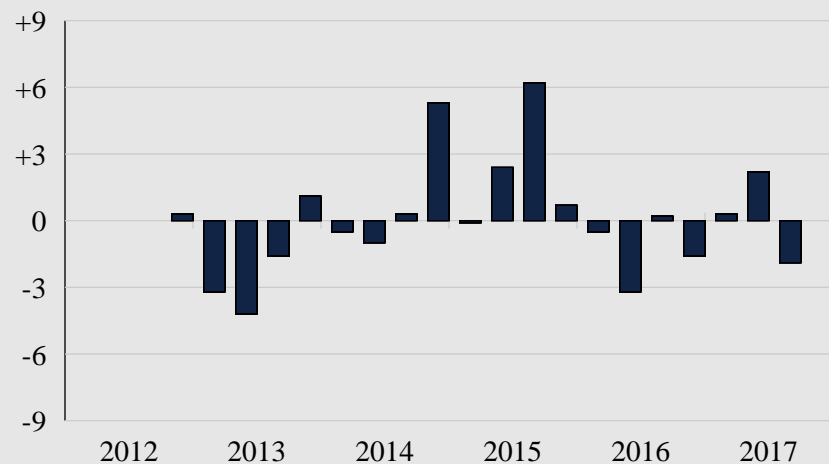
Large Cap Growth Universe



* Partial year

	QTR	2 QTRS	3 QTRS	YEAR	-----ANNUALIZED----- 3 YRS	5 YRS
RETURN	4.0	11.1	21.3	20.6	16.3	15.4
(RANK)	(80)	(37)	(37)	(54)	(3)	(37)
5TH %ILE	8.0	15.8	28.4	25.5	15.7	18.1
25TH %ILE	6.3	12.3	23.2	22.7	13.2	15.8
MEDIAN	5.4	10.5	19.8	20.8	11.8	14.8
75TH %ILE	4.1	9.0	17.2	18.2	10.1	13.8
95TH %ILE	2.4	5.8	11.6	14.1	8.1	11.9
Russ 1000G	5.9	10.8	20.7	21.9	12.7	15.3

Large Cap Growth Universe

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

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
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
6/17	6.9	4.7	2.2
9/17	4.0	5.9	-1.9

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

INVESTMENT RETURN

On September 30th, 2017, the Franklin Regional Retirement System's O'Shaughnessy Market Leaders Value portfolio was valued at \$8,605,780, representing an increase of \$324,005 from the June quarter's ending value of \$8,281,775. Last quarter, the Fund posted withdrawals totaling \$139,229, which offset the portfolio's net investment return of \$463,234. Income receipts totaling \$55,746 plus net realized and unrealized capital gains of \$407,488 combined to produce the portfolio's net investment return.

For the cumulative period since September 2012, the fund has recorded net withdrawals totaling \$2.2 million and posted net investment gains of \$5.2 million. For the period since September 2012, if the total fund had returned a compound annual rate of 9.0% it would have been valued at \$5.9 million or \$2.7 million less than the actual value as of September 30th, 2017.

RELATIVE PERFORMANCE

Total Fund

In the third quarter, the O'Shaughnessy Market Leaders Value portfolio gained 5.6%, which was 2.5% above the Russell 1000 Value Index's return of 3.1% and ranked in the 12th percentile of the Large Cap Value universe. Over the trailing year, the portfolio returned 23.6%, which was 8.5% greater than the benchmark's 15.1% performance, and ranked in the 10th percentile. Since September 2012, the portfolio returned 15.2% on an annualized basis and ranked in the 19th percentile. For comparison, the Russell 1000 Value returned an annualized 13.2% over the same period.

ASSET ALLOCATION

On September 30th, 2017, domestic equities comprised 99.6% of the total portfolio (\$8.6 million), while cash & equivalents totaled 0.4% (\$30,951).

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, Technology, and Service sectors, while underweight in Basic, Nondurable Consumer Goods, Energy, Finance, and Utilities.

Selection effects favored the portfolio in the portfolio's most heavily weighted sectors, leading to a substantial performance surplus of 2.6% for the quarter. Namely, Consumer Service and Technology—which comprised roughly one-third of the total portfolio—delivered strong gains, outperforming their index counterparts by 3.6% and 6.1%, respectively. Finance stocks (24.2% allocation) also outpaced the benchmark, as number two equity holding Ameriprise Financial Inc. (AMP) surged 17.2% for the quarter. Service, on the other hand, was an area of significant weakness, as the portfolio returned a 31.9% loss for the quarter compared to the benchmark's 2.0% gain

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	3 Year	5 Year
Total Portfolio - Gross	5.6	14.2	23.6	7.7	15.2
<i>LARGE CAP VALUE RANK</i>	(12)	(16)	(10)	(77)	(19)
Total Portfolio - Net	5.4	13.7	22.9	7.1	14.6
Russell 1000V	3.1	7.9	15.1	8.5	13.2
Russell 1000	4.5	14.2	18.5	10.6	14.3
S&P 500	4.5	14.2	18.6	10.8	14.2
Domestic Equity - Gross	5.6	14.3	23.8	7.8	15.5
<i>LARGE CAP VALUE RANK</i>	(12)	(15)	(9)	(76)	(15)
Russell 1000V	3.1	7.9	15.1	8.5	13.2

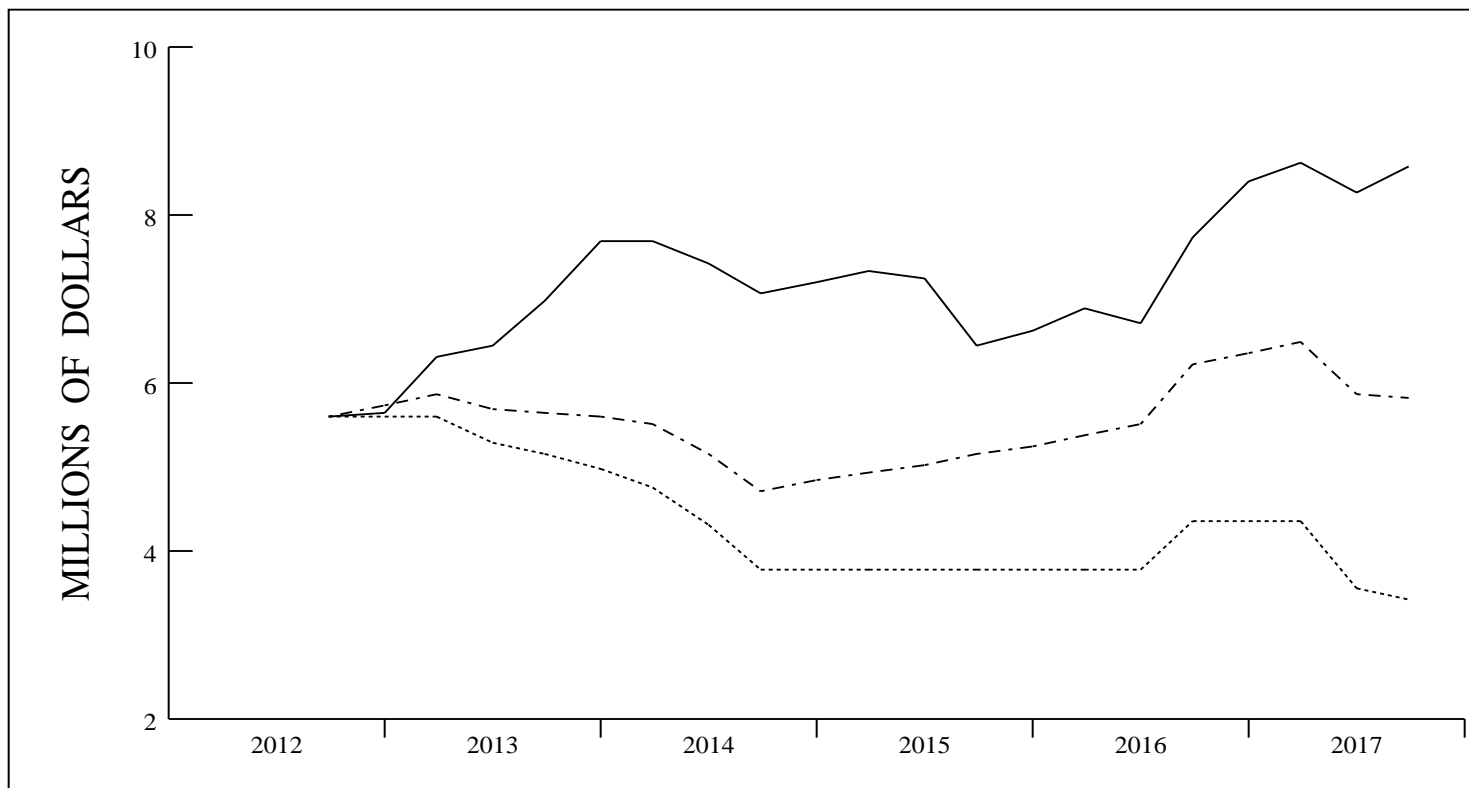
ASSET ALLOCATION

Domestic Equity	99.6%	\$ 8,574,829
Cash	0.4%	30,951
Total Portfolio	100.0%	\$ 8,605,780

INVESTMENT RETURN

Market Value 6/2017	\$ 8,281,775
Contribs / Withdrawals	-139,229
Income	55,746
Capital Gains / Losses	407,488
Market Value 9/2017	\$ 8,605,780

INVESTMENT GROWTH

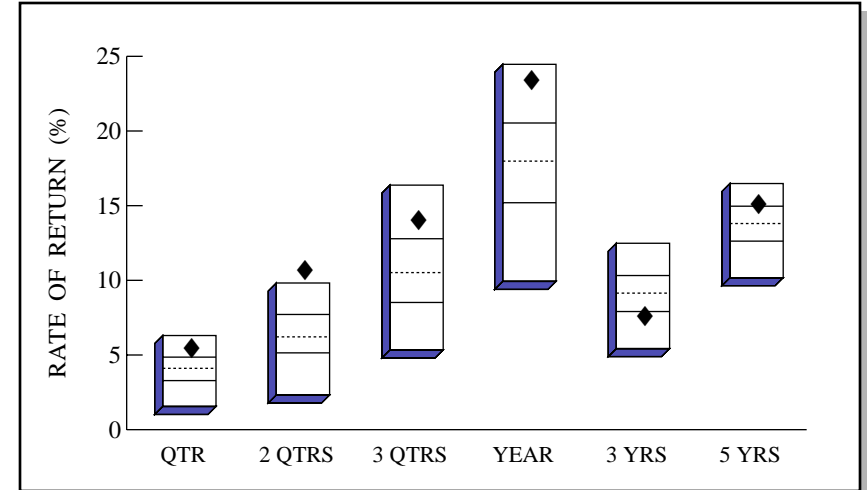
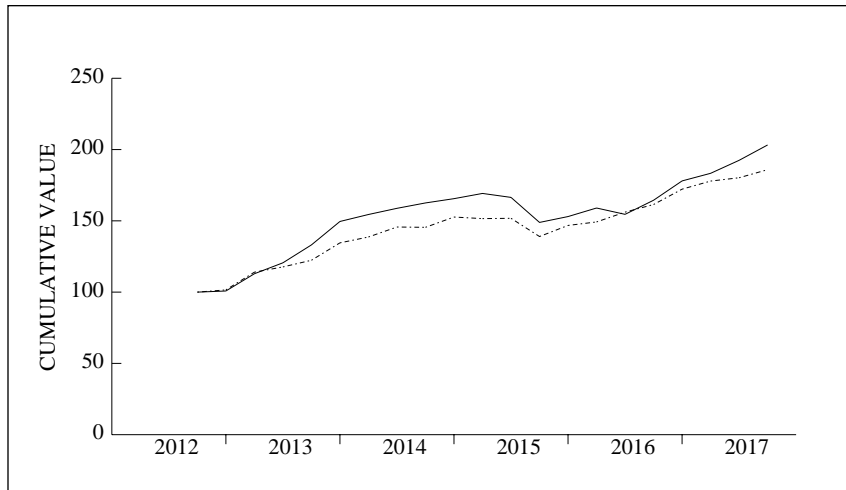


—	ACTUAL RETURN
- - -	9.0%
· · ·	0.0%

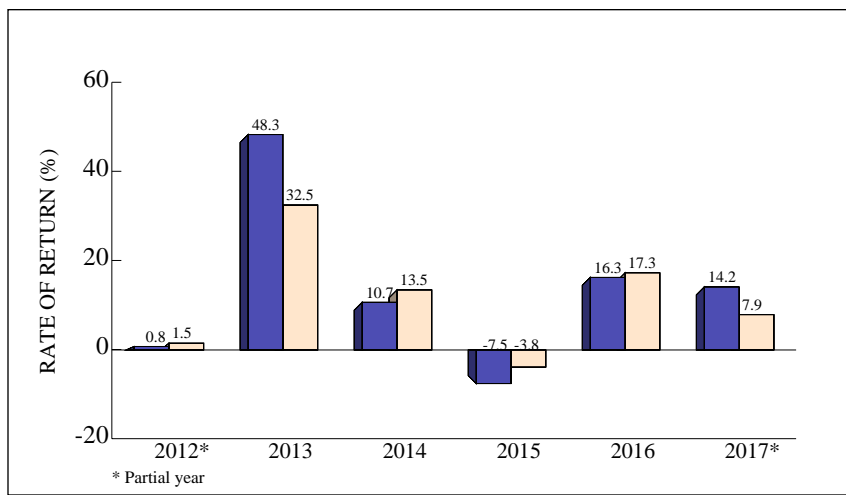
VALUE ASSUMING	
9.0% RETURN	\$ 5,859,330

	LAST QUARTER	FIVE YEARS
BEGINNING VALUE	\$ 8,281,775	\$ 5,628,226
NET CONTRIBUTIONS	-139,229	-2,173,367
<u>INVESTMENT RETURN</u>	<u>463,234</u>	<u>5,150,921</u>
ENDING VALUE	\$ 8,605,780	\$ 8,605,780
INCOME	55,746	913,982
<u>CAPITAL GAINS (LOSSES)</u>	<u>407,488</u>	<u>4,236,939</u>
INVESTMENT RETURN	463,234	5,150,921

TOTAL RETURN COMPARISONS



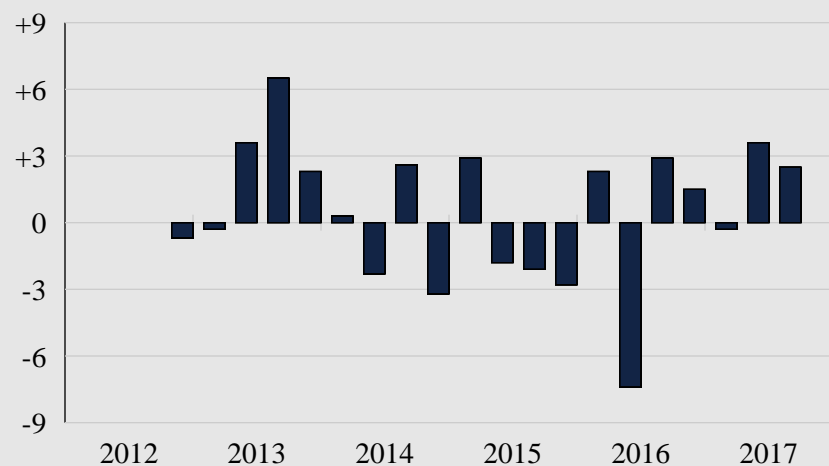
Large Cap Value Universe



* Partial year

	QTR	2 QTRS	3 QTRS	YEAR	3 YRS	5 YRS
RETURN	5.6	10.8	14.2	23.6	7.7	15.2
(RANK)	(12)	(2)	(16)	(10)	(77)	(19)
5TH %ILE	6.3	9.8	16.4	24.5	12.5	16.5
25TH %ILE	4.9	7.7	12.8	20.5	10.3	15.0
MEDIAN	4.1	6.2	10.5	18.0	9.1	13.8
75TH %ILE	3.3	5.2	8.5	15.2	7.9	12.6
95TH %ILE	1.6	2.3	5.3	9.9	5.4	10.2
Russ 1000V	3.1	4.5	7.9	15.1	8.5	13.2

Large Cap Value Universe

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

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

RATES OF RETURN

Date	Portfolio	Benchmark	Difference
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
6/17	4.9	1.3	3.6
9/17	5.6	3.1	2.5

FRANKLIN REGIONAL RETIREMENT SYSTEM
SEIZERT CAPITAL PARTNERS
PERFORMANCE REVIEW
SEPTEMBER 2017

INVESTMENT RETURN

On September 30th, 2017, the Franklin Regional Retirement System's Seizert Capital Partners portfolio was valued at \$6,790,293, representing an increase of \$71,372 from the June quarter's ending value of \$6,718,921. Last quarter, the Fund posted net contributions totaling \$250,000, which overshadowed the account's \$178,628 net investment loss that was sustained during the quarter. The fund's net investment loss was a result of income receipts totaling \$23,171 and realized and unrealized capital losses totaling \$201,799.

Since September 2012, the account has recorded net withdrawals totaling \$2.3 million while posting net investment gains totaling \$4.1 million. Since September 2012, if the account earned a compound annual rate of 10.0% it would have been valued at \$4.8 million or \$2.0 million less than the actual value as of September 30th, 2017.

RELATIVE PERFORMANCE

For the third quarter, the Seizert Capital Partners portfolio lost 2.5%, which was 6.0% below the Russell Mid Cap's return of 3.5% and ranked in the 99th percentile of the Mid Cap universe. Over the trailing twelve-month period, this portfolio returned 15.7%, which was 0.4% greater than the benchmark's 15.3% performance, and ranked in the 76th percentile. Since September 2012, the portfolio returned 14.8% annualized and ranked in the 43rd percentile. The Russell Mid Cap returned an annualized 14.3% over the same time frame.

ASSET ALLOCATION

On September 30th, 2017, domestic equities comprised 95.5% of the total portfolio (\$6.5 million), while cash & equivalents totaled 4.5% (\$306,417).

STOCK ANALYSIS

By quarter's end, the Seizert portfolio was invested in six 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 and Consumer Service. The Durable Consumer Goods, Transportation, Technology, Energy, and Utilities sectors were unfunded.

Negative selection effects pervaded the Seizert portfolio in the third quarter, as all of the invested sectors underperformed the benchmark. The Finance and Service sectors, which comprised over 60.0% of all holdings, returned just 0.1% and 0.4%, respectively, falling well short of a low performance hurdle set by the benchmark. The overweight Computer Technology sector was down 2.5% as the market rose 8.9%. Nondurable Consumer Goods and Consumer Service also produced losses where the benchmark saw plus returns.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	3 Year	5 Year
Total Portfolio - Gross	-2.5	4.3	15.7	6.7	14.8
<i>MID CAP RANK</i>	(99)	(99)	(76)	(92)	(43)
Total Portfolio - Net	-2.7	3.7	14.8	5.9	14.0
Russell Mid	3.5	11.7	15.3	9.5	14.3
S&P 400	3.2	9.4	17.5	11.2	14.4
Russell Mid	3.5	11.7	15.3	9.5	14.3
Domestic Equity - Gross	-2.7	4.3	16.2	6.9	15.4
<i>MID CAP RANK</i>	(99)	(99)	(70)	(91)	(28)
Russell Mid	3.5	11.7	15.3	9.5	14.3

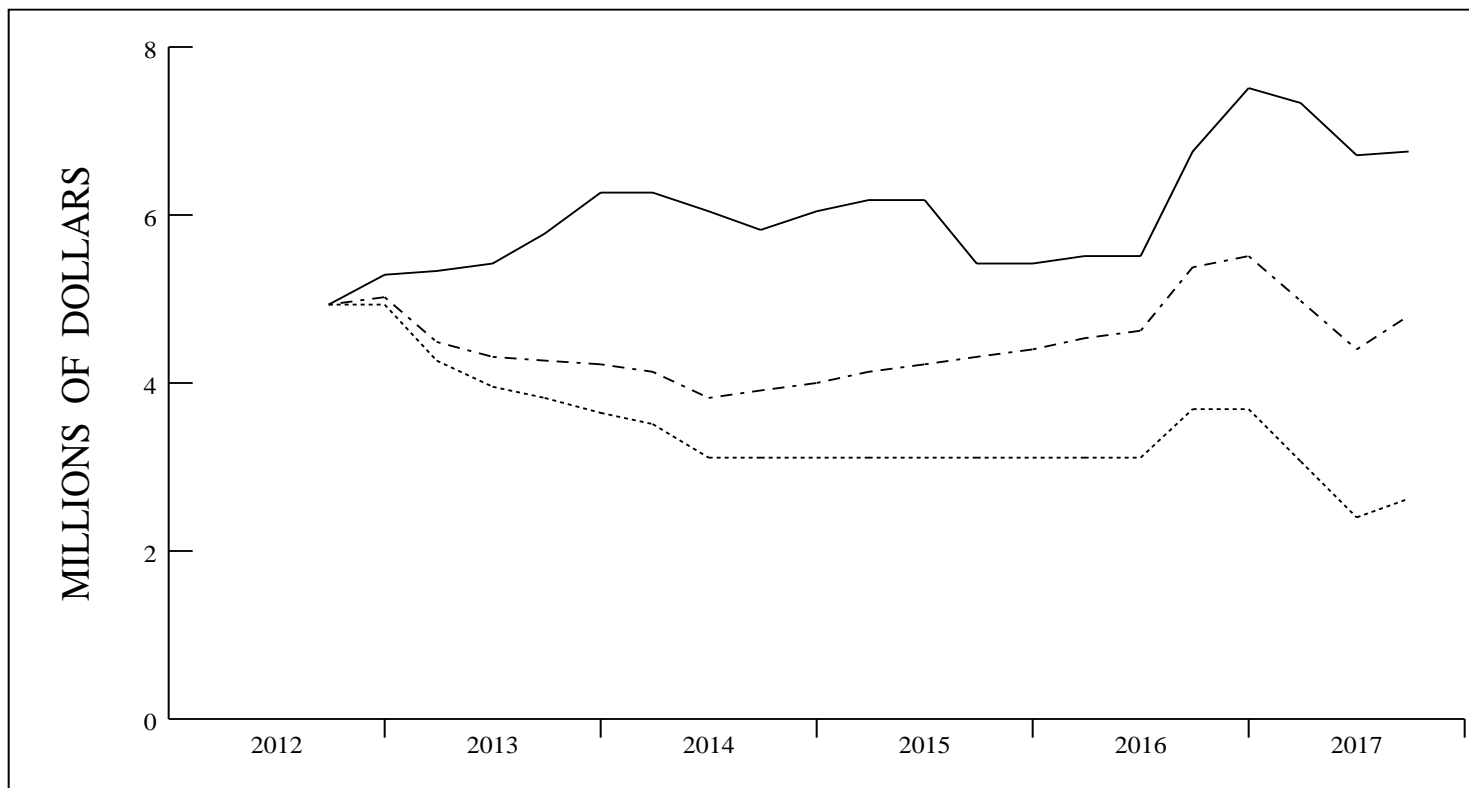
ASSET ALLOCATION

Domestic Equity	95.5%	\$ 6,483,876
Cash	4.5%	306,417
Total Portfolio	100.0%	\$ 6,790,293

INVESTMENT RETURN

Market Value 6/2017	\$ 6,718,921
Contribs / Withdrawals	250,000
Income	23,171
Capital Gains / Losses	-201,799
Market Value 9/2017	\$ 6,790,293

INVESTMENT GROWTH

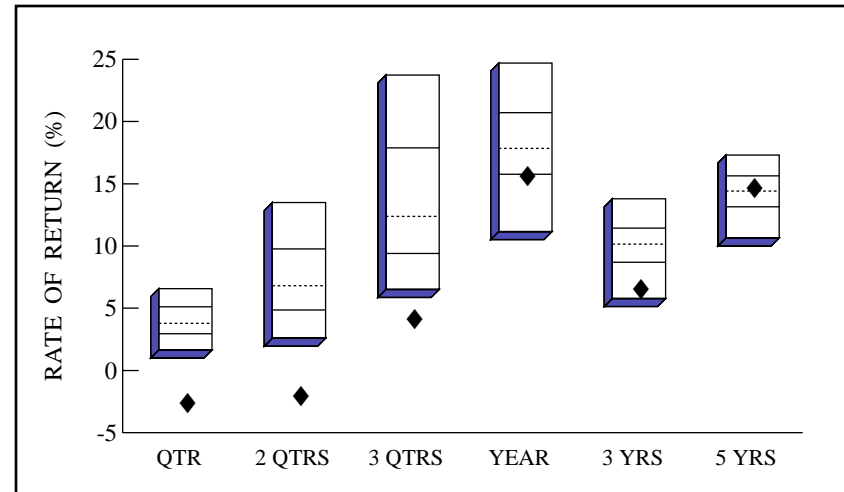
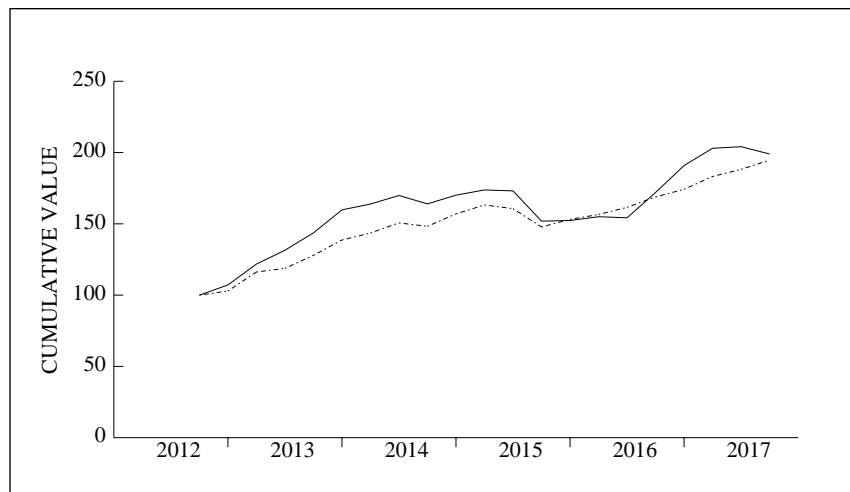


— ACTUAL RETURN
 - - - 10.0%
 . . . 0.0%

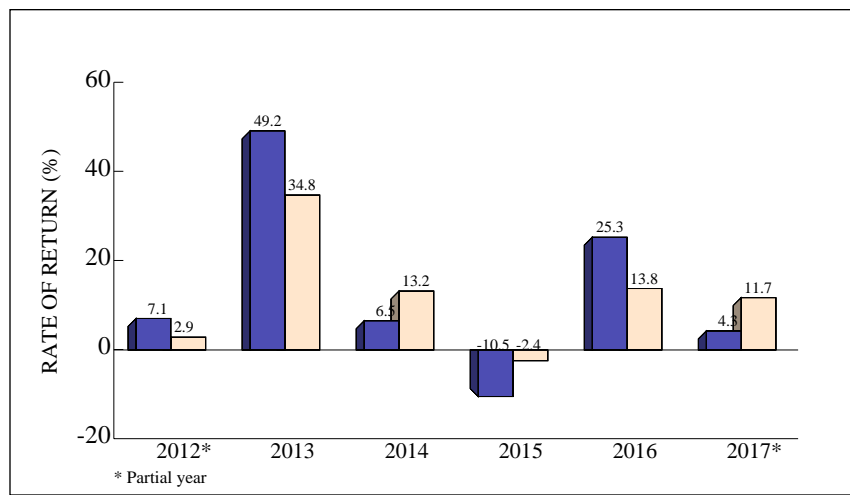
VALUE ASSUMING
 10.0% RETURN \$ 4,808,349

	LAST QUARTER	FIVE YEARS
BEGINNING VALUE	\$ 6,718,921	\$ 4,941,551
NET CONTRIBUTIONS	250,000	-2,285,141
INVESTMENT RETURN	<u>-178,628</u>	<u>4,133,883</u>
ENDING VALUE	\$ 6,790,293	\$ 6,790,293
INCOME	23,171	653,709
CAPITAL GAINS (LOSSES)	<u>-201,799</u>	<u>3,480,174</u>
INVESTMENT RETURN	-178,628	4,133,883

TOTAL RETURN COMPARISONS

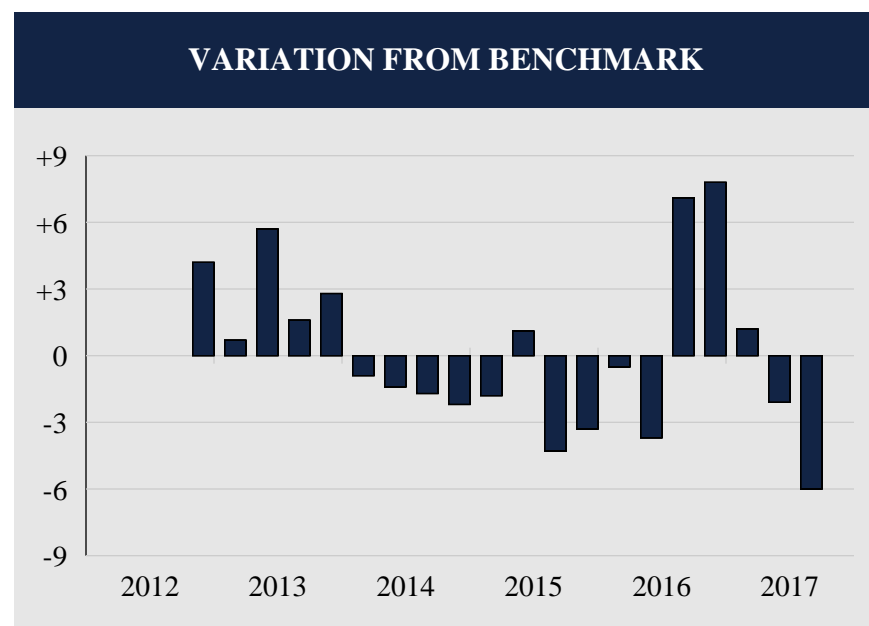


Mid Cap Universe



	QTR	2 QTRS	3 QTRS	YEAR	3 YRS	5 YRS
RETURN	-2.5	-2.0	4.3	15.7	6.7	14.8
(RANK)	(99)	(99)	(99)	(76)	(92)	(43)
5TH %ILE	6.6	13.5	23.7	24.7	13.8	17.3
25TH %ILE	5.1	9.8	17.9	20.7	11.4	15.6
MEDIAN	3.8	6.8	12.4	17.8	10.2	14.4
75TH %ILE	2.9	4.9	9.4	15.8	8.7	13.2
95TH %ILE	1.6	2.6	6.5	11.2	5.8	10.7
<i>Russ MC</i>	<i>3.5</i>	<i>6.3</i>	<i>11.7</i>	<i>15.3</i>	<i>9.5</i>	<i>14.3</i>

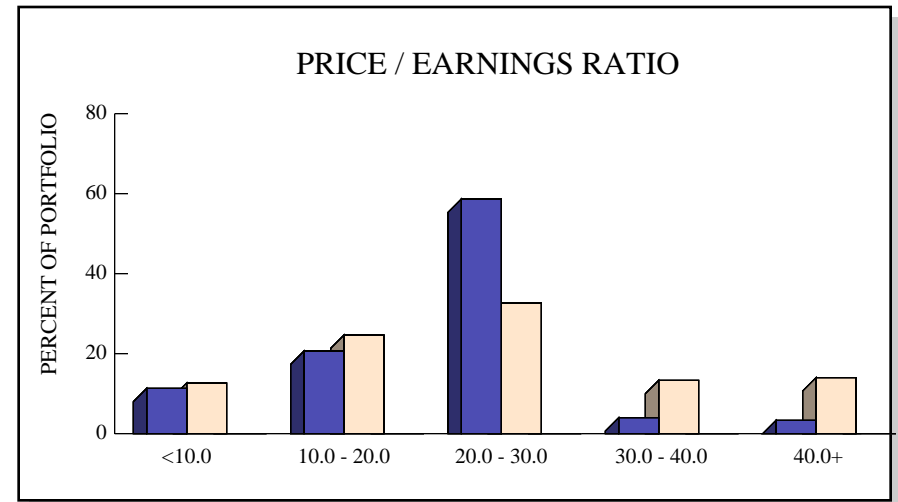
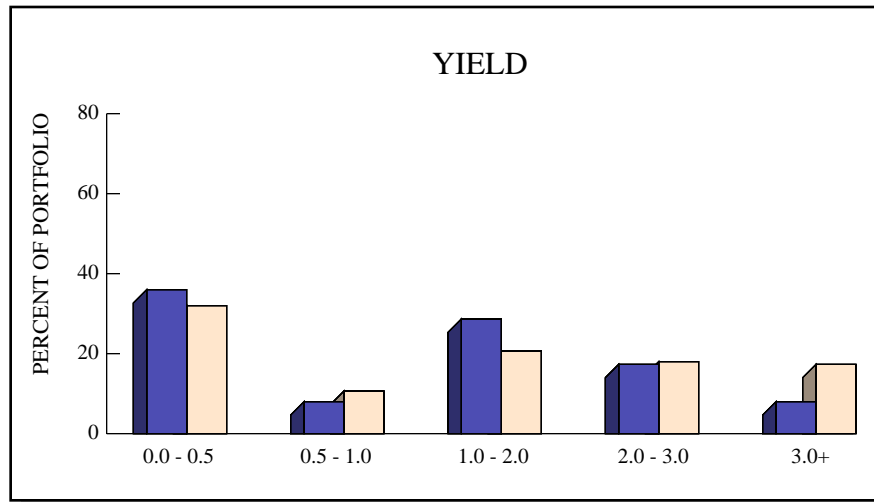
Mid Cap Universe

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

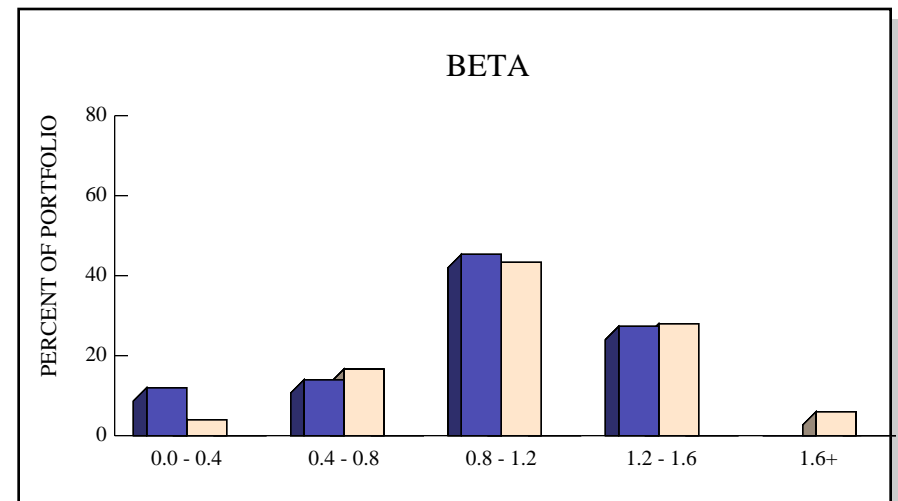
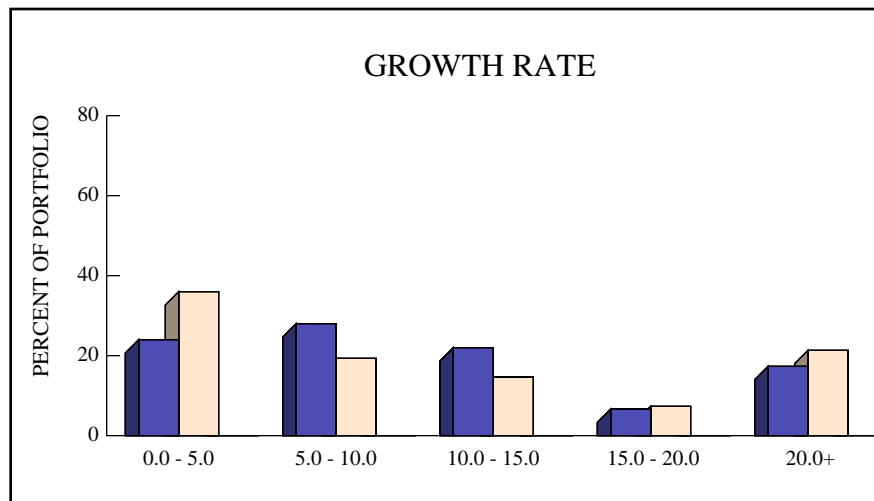
Total Quarters Observed	20
Quarters At or Above the Benchmark	9
Quarters Below the Benchmark	11
Batting Average	.450

RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
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
6/17	0.6	2.7	-2.1
9/17	-2.5	3.5	-6.0

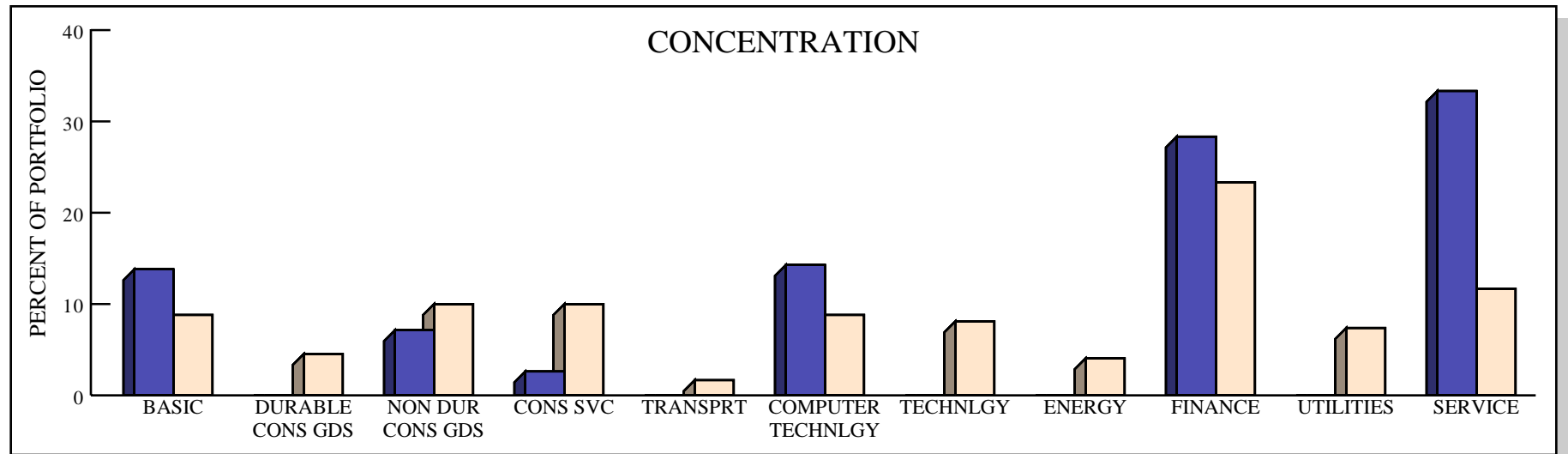
STOCK CHARACTERISTICS



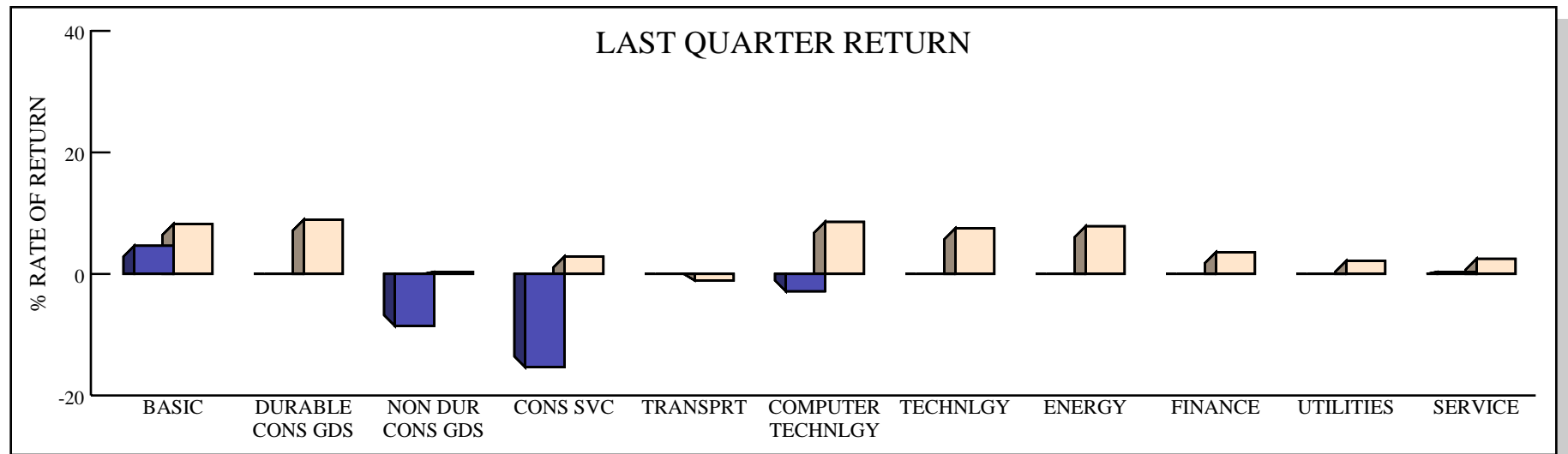
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	25	1.4%	8.4%	21.1	0.96
RUSSELL MID	783	1.7%	10.5%	23.3	1.05



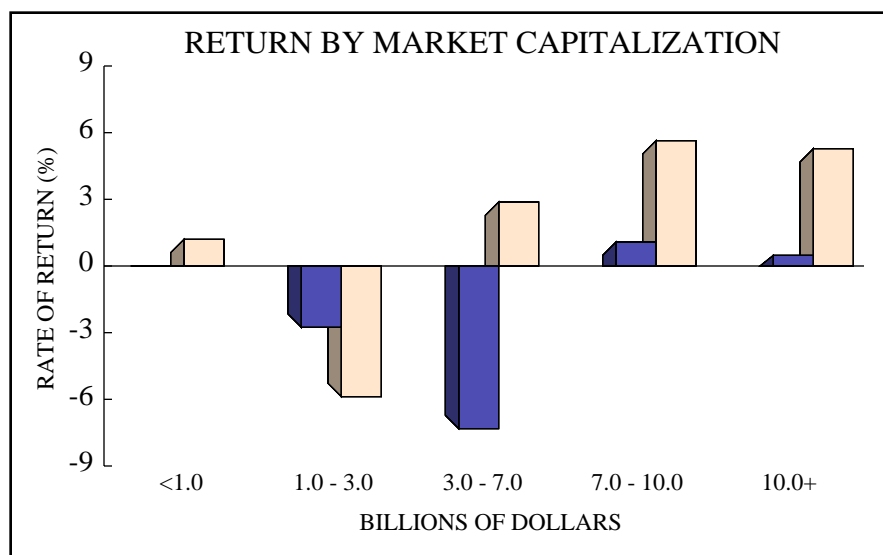
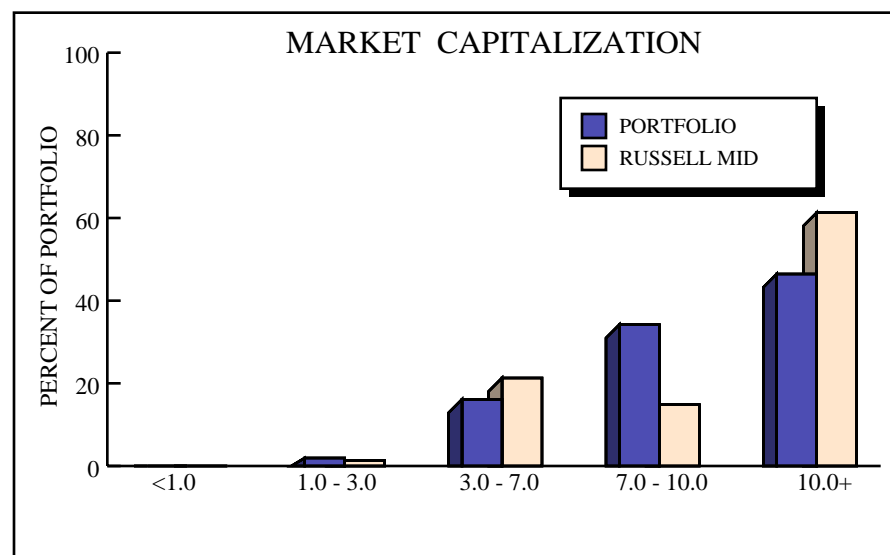
STOCK INDUSTRY ANALYSIS



■ 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	\$ 396,593	6.12%	0.4%	Service	\$ 9.4 B
2	LIBERTY MEDIA CORP-LIBERTY-C	385,471	5.95%	4.0%	Service	7.1 B
3	LIBERTY BROADBAND-C	378,341	5.84%	9.9%	Service	14.6 B
4	ZIONS BANCORPORATION	330,307	5.09%	7.6%	Finance	9.5 B
5	ASSURED GUARANTY LTD	319,818	4.93%	-9.2%	Finance	4.5 B
6	REGIONS FINANCIAL CORP	298,493	4.60%	4.5%	Finance	18.2 B
7	FIFTH THIRD BANCORP	297,371	4.59%	8.3%	Finance	20.6 B
8	HOWARD HUGHES CORP/THE	276,074	4.26%	-4.0%	Finance	5.1 B
9	C.H. ROBINSON WORLDWIDE INC	273,579	4.22%	11.5%	Service	10.7 B
10	CUMMINS INC	267,672	4.13%	4.2%	Basic	28.2 B

FRANKLIN REGIONAL RETIREMENT SYSTEM
ABERDEEN - SMALL CAP CORE
PERFORMANCE REVIEW
SEPTEMBER 2017

INVESTMENT RETURN

On September 30th, 2017, the Franklin Regional Retirement System's Aberdeen Small Cap Core portfolio was valued at \$7,365,663, representing an increase of \$913,748 from the June quarter's ending value of \$6,451,915. Last quarter, the Fund posted net contributions equaling \$500,000 plus a net investment gain equaling \$413,748. Total net investment return was the result of income receipts, which totaled \$18,178 and net realized and unrealized capital gains of \$395,570.

RELATIVE PERFORMANCE

In the third quarter, the Aberdeen Small Cap Core portfolio gained 6.0%, which was 0.3% above the Russell 2000 Index's return of 5.7% and ranked in the 39th percentile of the Small Cap universe.

ASSET ALLOCATION

This portfolio was fully invested in the Aberdeen Small Cap Core portfolio.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	3 Year	5 Year
Total Portfolio - Gross	6.0	----	----	----	----
<i>SMALL CAP RANK</i>	(39)	----	----	----	----
Total Portfolio - Net	5.9	----	----	----	----
Russell 2000	5.7	10.9	20.7	12.2	13.8
Domestic Equity - Gross	6.0	----	----	----	----
<i>SMALL CAP RANK</i>	(39)	----	----	----	----
Russell 2000	5.7	10.9	20.7	12.2	13.8
Russell 2000	5.7	10.9	20.7	12.2	13.8

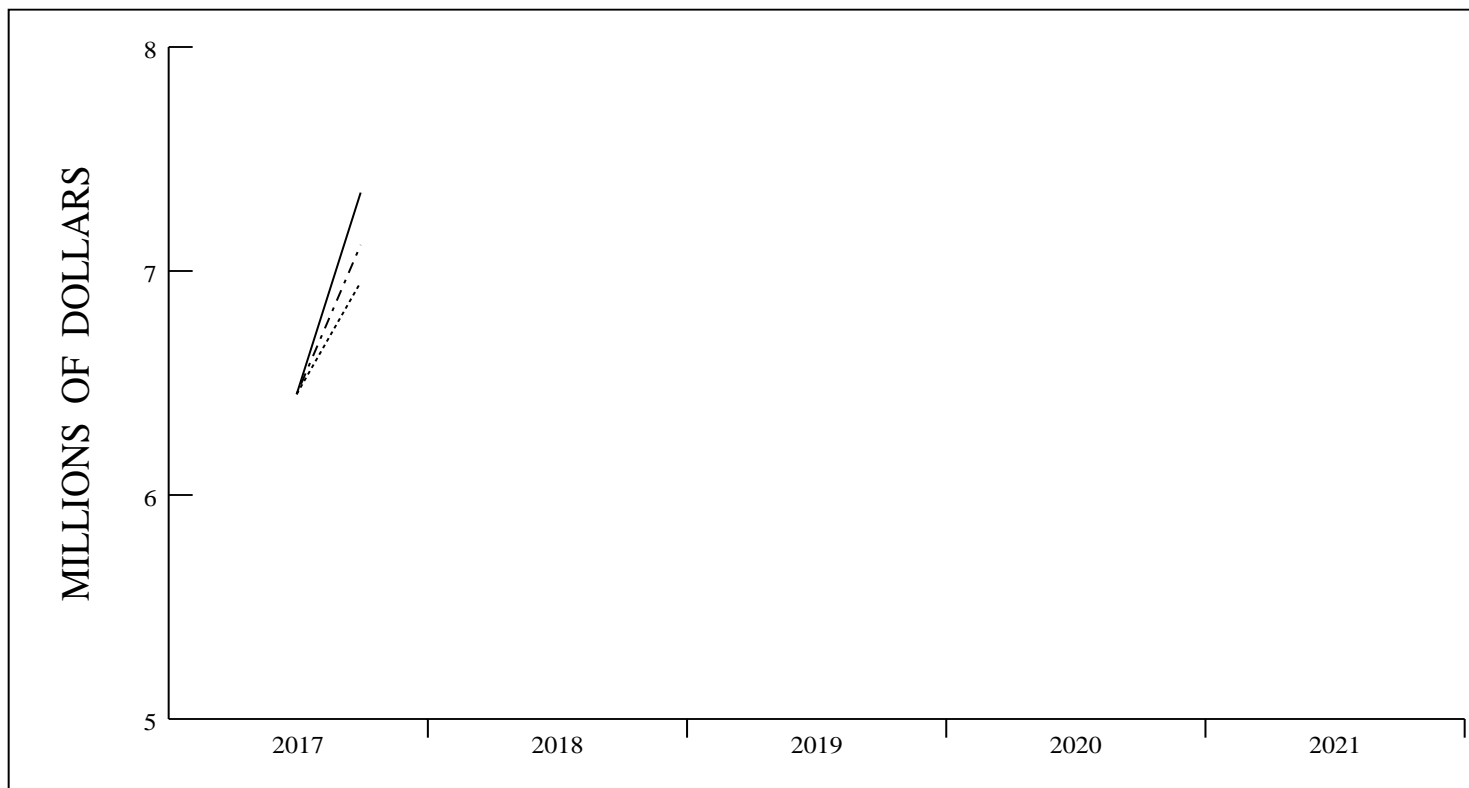
ASSET ALLOCATION

Domestic Equity	100.0%	\$ 7,365,663
Total Portfolio	100.0%	\$ 7,365,663

INVESTMENT RETURN

Market Value 6/2017	\$ 6,451,915
Contribs / Withdrawals	500,000
Income	18,178
Capital Gains / Losses	395,570
Market Value 9/2017	\$ 7,365,663

INVESTMENT GROWTH

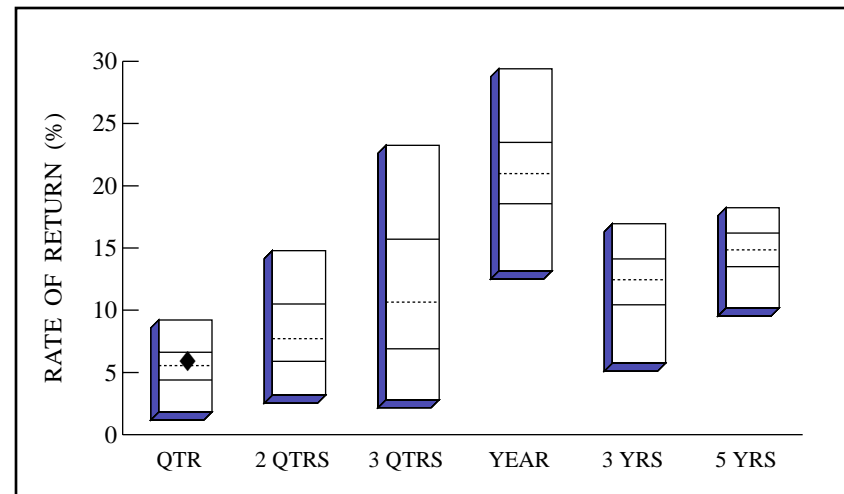
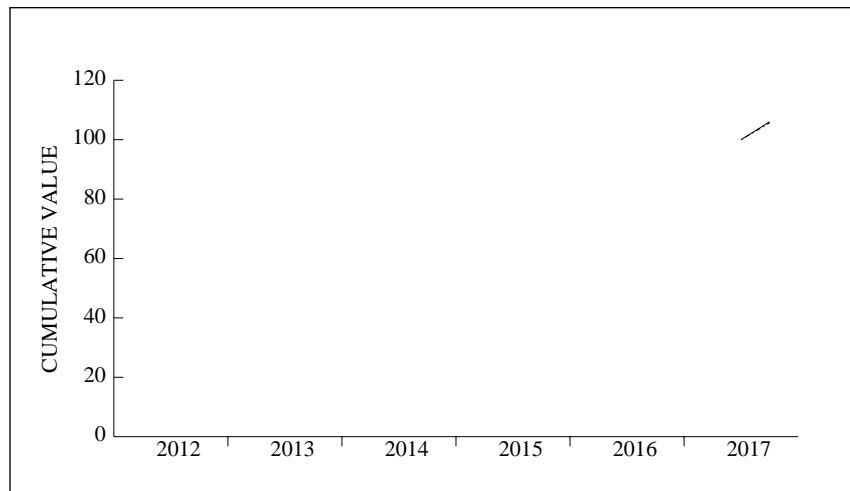


————	ACTUAL RETURN
- - - - -	10.0%
.....	0.0%

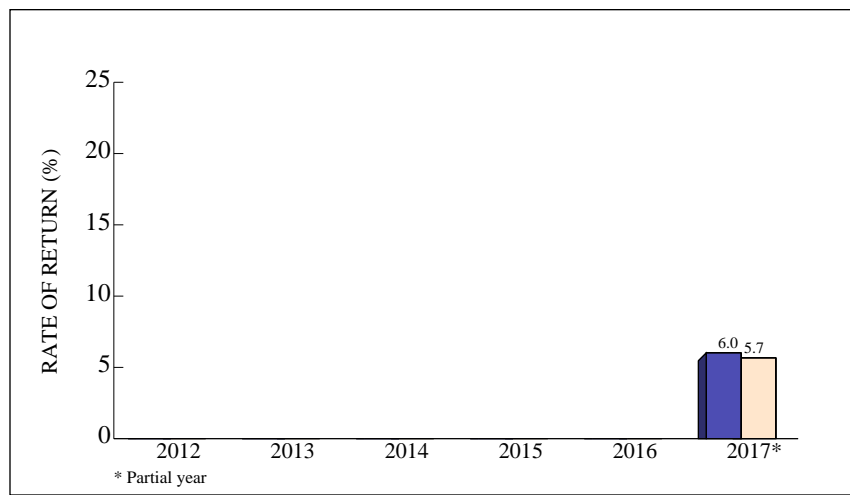
VALUE ASSUMING	
10.0% RETURN	\$ 7,117,526

	LAST QUARTER	LAST QUARTER
BEGINNING VALUE	\$ 6,451,915	\$ 6,451,915
NET CONTRIBUTIONS	500,000	500,000
INVESTMENT RETURN	413,748	413,748
ENDING VALUE	\$ 7,365,663	\$ 7,365,663
INCOME	18,178	18,178
CAPITAL GAINS (LOSSES)	395,570	395,570
INVESTMENT RETURN	413,748	413,748

TOTAL RETURN COMPARISONS



Small Cap Universe

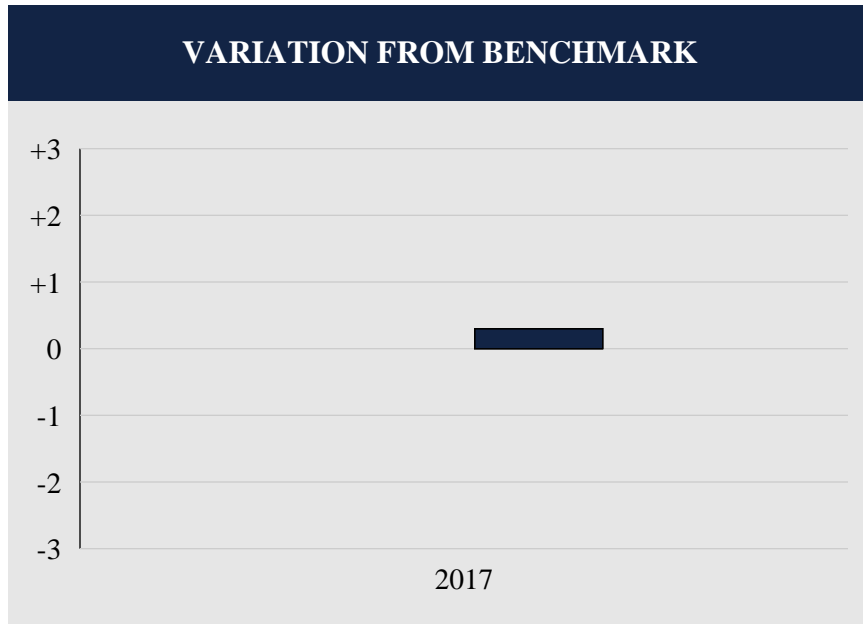


	QTR	2 QTRS	3 QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	6.0	---	---	---	---	---
(RANK)	(39)	---	---	---	---	---
5TH %ILE	9.2	14.8	23.3	29.4	17.0	18.2
25TH %ILE	6.6	10.5	15.7	23.5	14.1	16.2
MEDIAN	5.6	7.7	10.7	21.0	12.5	14.8
75TH %ILE	4.4	5.9	6.9	18.6	10.4	13.5
95TH %ILE	1.8	3.2	2.8	13.2	5.8	10.2
Russ 2000	5.7	8.3	10.9	20.7	12.2	13.8

Small Cap Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: RUSSELL 2000



RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
9/17	6.0	5.7	0.3

Total Quarters Observed	1
Quarters At or Above the Benchmark	1
Quarters Below the Benchmark	0
Batting Average	1.000

FRANKLIN REGIONAL RETIREMENT SYSTEM
SYSTEMATIC FINANCIAL
PERFORMANCE REVIEW
SEPTEMBER 2017

INVESTMENT RETURN

On September 30th, 2017, the Franklin Regional Retirement System's Systematic Financial portfolio was valued at \$7,247,885, representing an increase of \$728,726 from the June quarter's ending value of \$6,519,159. Last quarter, the Fund posted net contributions equaling \$449,998 plus a net investment gain equaling \$278,728. Total net investment return was the result of income receipts, which totaled \$29,021 and net realized and unrealized capital gains of \$249,707.

For the cumulative period since June 2014, the fund has recorded net contributions totaling \$146,673, and recorded net investment gains of \$1.2 million. For the period since June 2014, if the total fund returned a compound annual rate of 8.0% it would have been valued at \$7.8 million or \$564,842 more than the actual value as of September 30th, 2017.

RELATIVE PERFORMANCE

In the third quarter, the Systematic Financial portfolio gained 4.0%, which was 1.7% below the Russell 2000 Index's return of 5.7% and ranked in the 81st percentile of the Small Cap universe. Over the trailing year, the portfolio returned 16.4%, which was 4.3% less than the benchmark's 20.7% performance, and ranked in the 86th percentile. Since June 2014, the portfolio returned 5.2% on an annualized basis and ranked in the 91st percentile. For comparison, the Russell 2000 returned an annualized 8.6% over the same period.

ASSET ALLOCATION

On September 30th, 2017, domestic equities comprised 99.2% of the total portfolio (\$7.2 million), while cash & equivalents comprised the remaining 0.8% (\$59,605).

STOCK ANALYSIS

All eleven industry sectors were funded at the end of the quarter. The Systematic portfolio was allocated similarly to the Russell 2000 index across most sectors, with differences in just a few spaces. The Consumer Service and Service sectors were overweight, while Computer Technology was underweight.

Extreme weakness in key spaces led to a 170 basis point underperformance for the Systematic portfolio. The Nondurable Consumer Goods sector (11.4% allocation) produced the largest shortfall of the quarter, returning just 0.8% compared to the benchmark's 18.1% surge. Consumer Service stocks also struggled, sustaining a loss compared to the benchmark's gain; the portfolio's overweight position in this space magnified negative effects. Energy and Utilities outperformed, but light allocations checked the positive impact.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	3 Year	5 Year	Since 06/14
Total Portfolio - Gross	4.0	4.2	16.4	7.9	----	5.2
<i>SMALL CAP RANK</i>	(81)	(91)	(86)	(91)	----	(91)
Total Portfolio - Net	3.8	3.6	15.6	7.1	----	4.4
Russell 2000	5.7	10.9	20.7	12.2	13.8	8.6
Russell 2000G	6.2	16.8	20.9	12.2	14.3	9.0
Russell 2000V	5.1	5.7	20.5	12.1	13.3	8.1
Domestic Equity - Gross	4.2	4.4	16.8	8.0	----	5.3
<i>SMALL CAP RANK</i>	(79)	(91)	(85)	(91)	----	(90)
Russell 2000	5.7	10.9	20.7	12.2	13.8	8.6

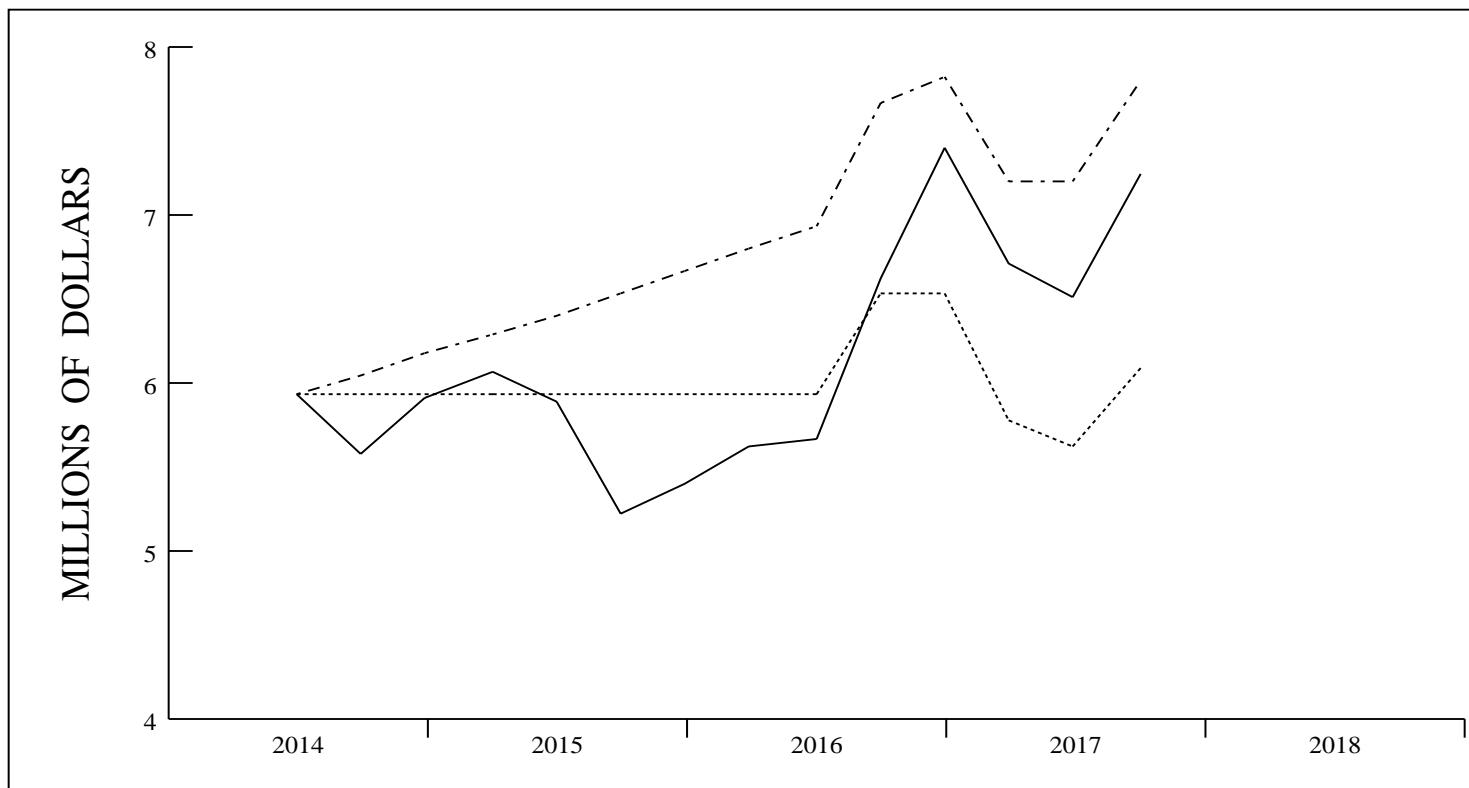
ASSET ALLOCATION

Domestic Equity	99.2%	\$ 7,188,280
Cash	0.8%	59,605
Total Portfolio	100.0%	\$ 7,247,885

INVESTMENT RETURN

Market Value 6/2017	\$ 6,519,159
Contribs / Withdrawals	449,998
Income	29,021
Capital Gains / Losses	249,707
Market Value 9/2017	\$ 7,247,885

INVESTMENT GROWTH

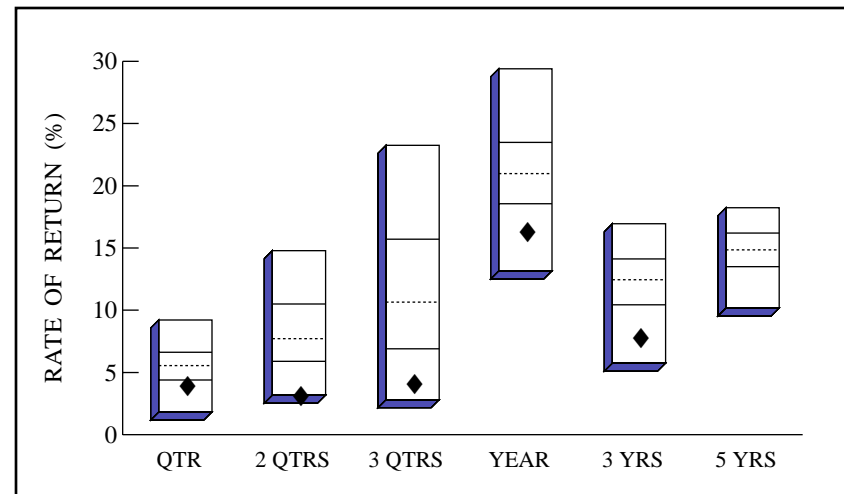


— ACTUAL RETURN
 - - - 8.0%
 . . . 0.0%

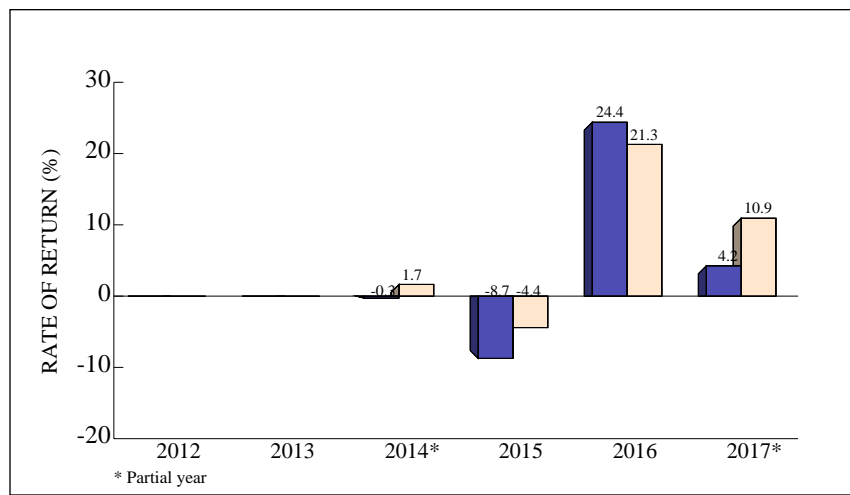
VALUE ASSUMING
 8.0% RETURN \$ 7,812,727

	LAST QUARTER	PERIOD 6/14 - 9/17
BEGINNING VALUE	\$ 6,519,159	\$ 5,945,950
NET CONTRIBUTIONS	449,998	146,673
INVESTMENT RETURN	278,728	1,155,262
ENDING VALUE	\$ 7,247,885	\$ 7,247,885
INCOME	29,021	374,783
CAPITAL GAINS (LOSSES)	249,707	780,479
INVESTMENT RETURN	278,728	1,155,262

TOTAL RETURN COMPARISONS



Small Cap Universe



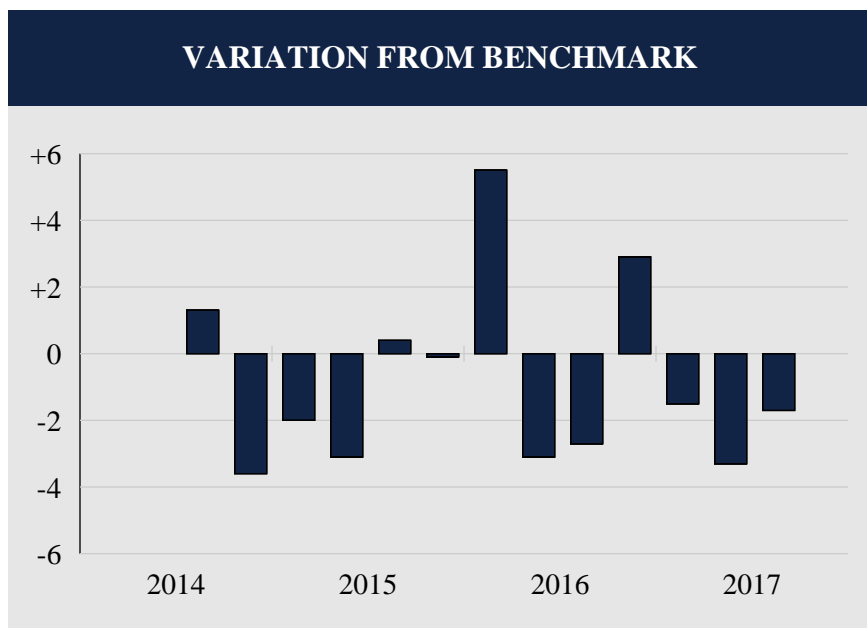
* Partial year

	QTR	2 QTRS	3 QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	4.0	3.2	4.2	16.4	7.9	---
(RANK)	(81)	(95)	(91)	(86)	(91)	---
5TH %ILE	9.2	14.8	23.3	29.4	17.0	18.2
25TH %ILE	6.6	10.5	15.7	23.5	14.1	16.2
MEDIAN	5.6	7.7	10.7	21.0	12.5	14.8
75TH %ILE	4.4	5.9	6.9	18.6	10.4	13.5
95TH %ILE	1.8	3.2	2.8	13.2	5.8	10.2
Russ 2000	5.7	8.3	10.9	20.7	12.2	13.8

Small Cap Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

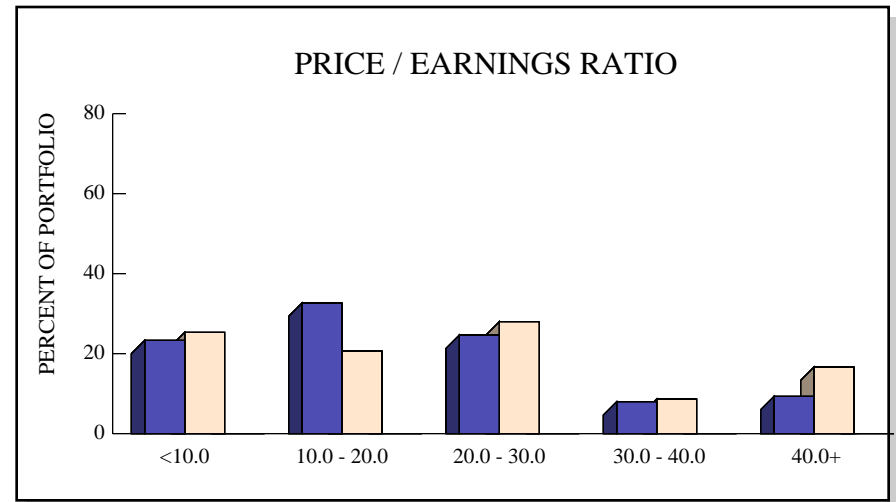
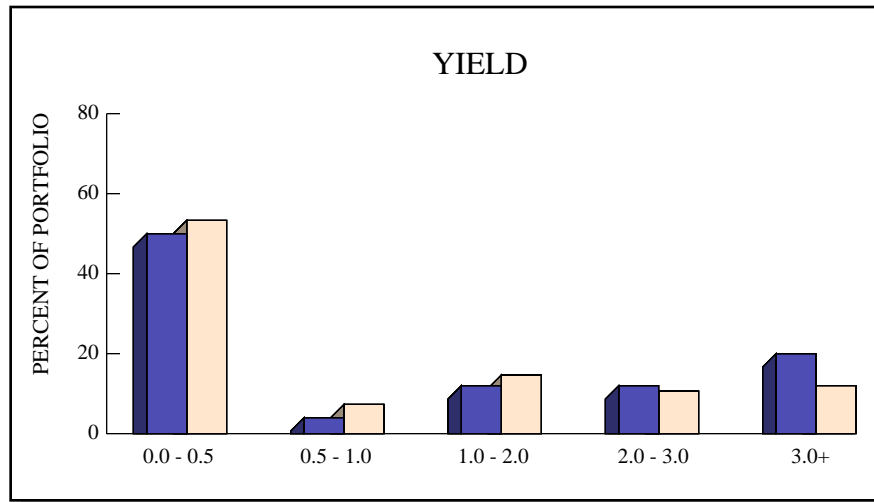
COMPARATIVE BENCHMARK: RUSSELL 2000



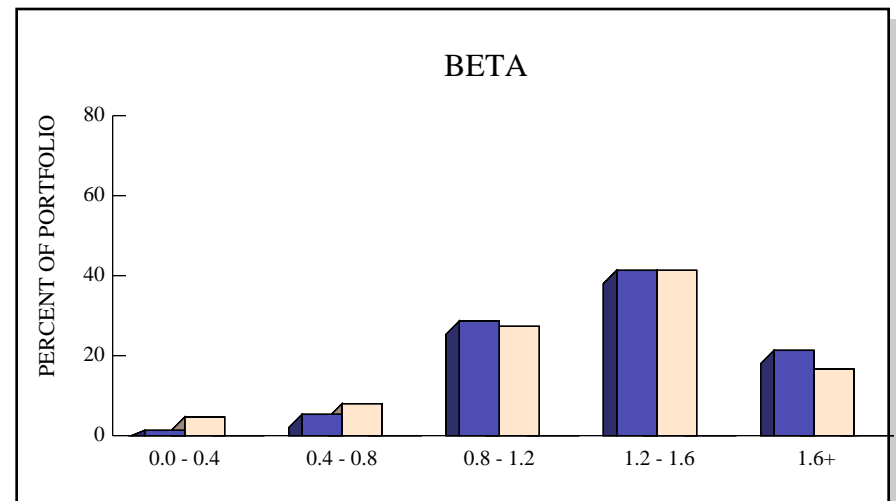
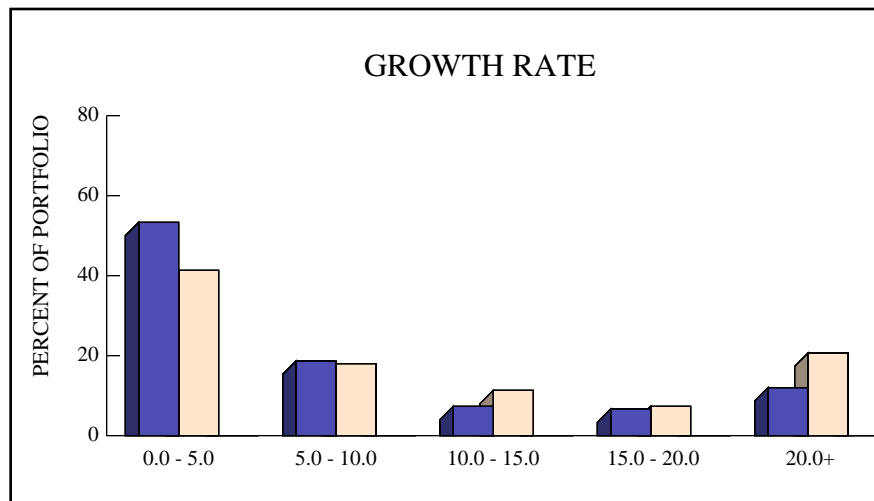
RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
9/14	-6.1	-7.4	1.3
12/14	6.1	9.7	-3.6
3/15	2.3	4.3	-2.0
6/15	-2.7	0.4	-3.1
9/15	-11.5	-11.9	0.4
12/15	3.5	3.6	-0.1
3/16	4.0	-1.5	5.5
6/16	0.7	3.8	-3.1
9/16	6.3	9.0	-2.7
12/16	11.7	8.8	2.9
3/17	1.0	2.5	-1.5
6/17	-0.8	2.5	-3.3
9/17	4.0	5.7	-1.7

Total Quarters Observed	13
Quarters At or Above the Benchmark	4
Quarters Below the Benchmark	9
Batting Average	.308

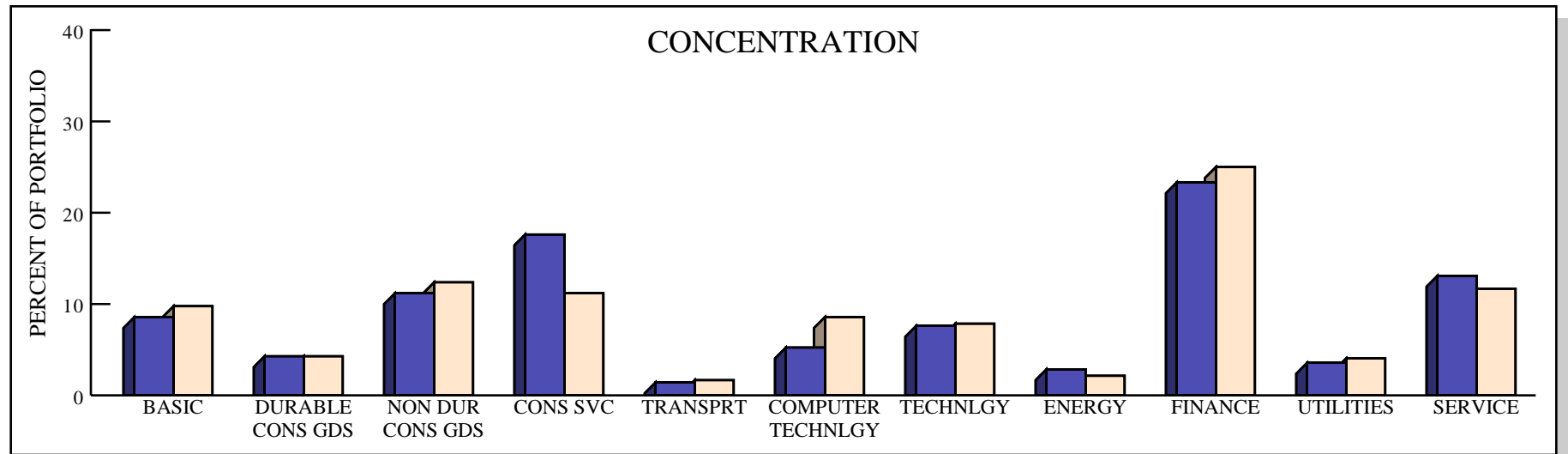
STOCK CHARACTERISTICS



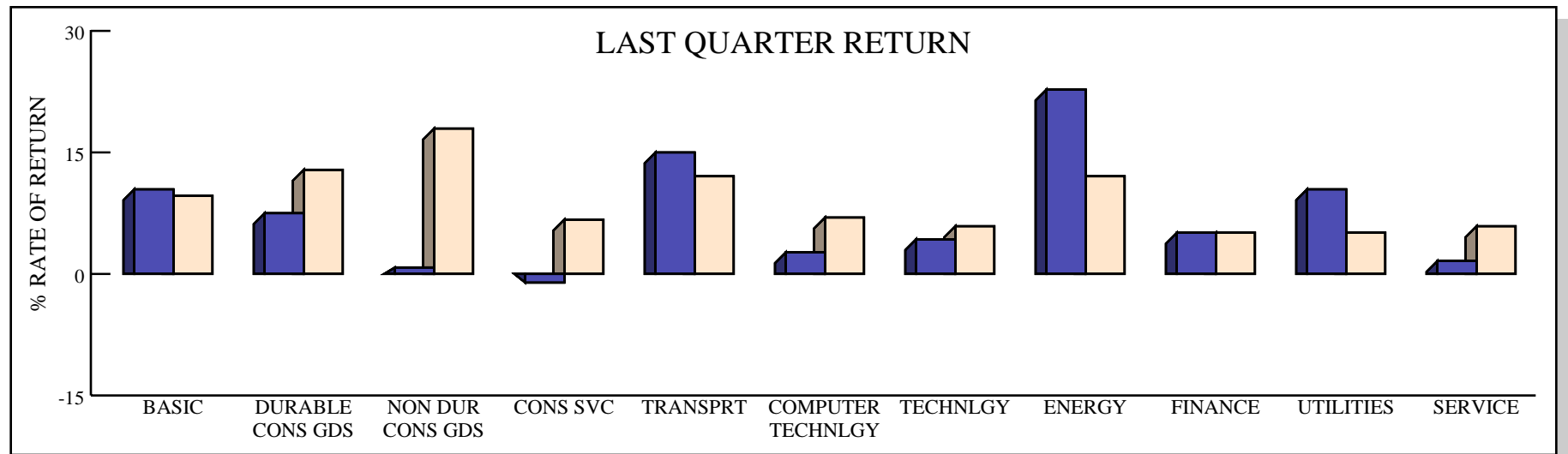
	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	315	1.7%	4.0%	18.9	1.32
RUSSELL 2000	2,000	1.3%	9.4%	19.8	1.25



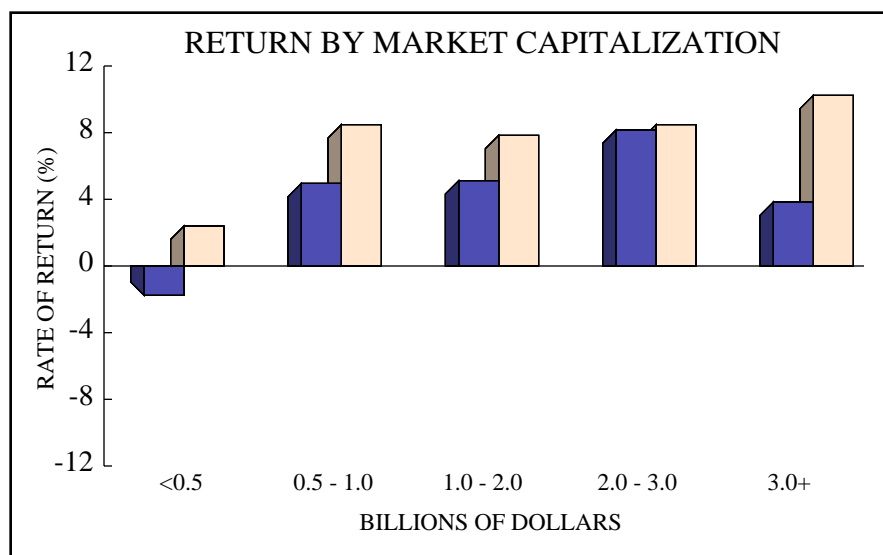
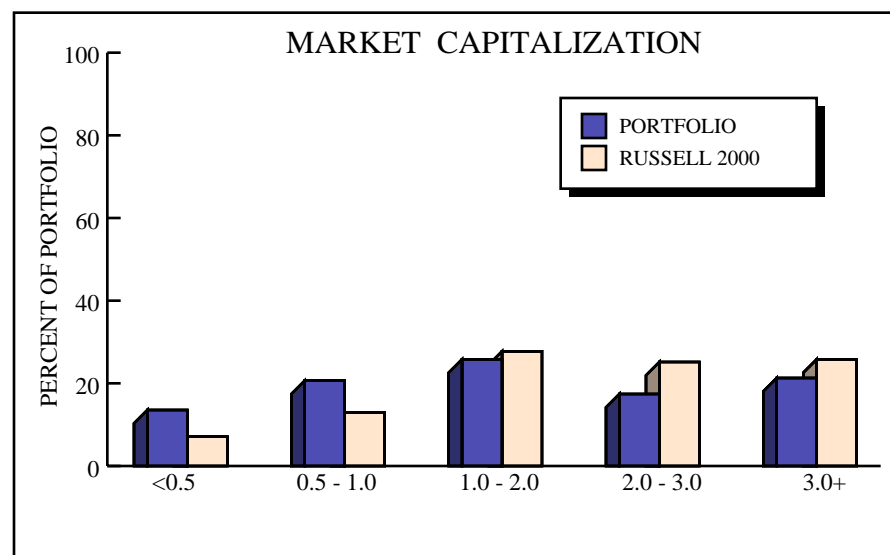
STOCK INDUSTRY ANALYSIS



■ PORTFOLIO ■ RUSSELL 2000



TOP TEN HOLDINGS



TOP TEN EQUITY HOLDINGS

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	W&T OFFSHORE INC	\$ 32,925	.46%	55.6%	Energy	\$ 0.4 B
2	ENSCO PLC-CL A	28,835	.40%	15.9%	Energy	1.8 B
3	HARSCO CORP	27,901	.39%	29.8%	Basic	1.7 B
4	ROWAN COMPANIES PLC-A	27,756	.39%	25.5%	Energy	1.6 B
5	UNIVERSAL INSURANCE HOLDINGS	27,600	.38%	-8.0%	Finance	0.8 B
6	CREE INC	27,485	.38%	14.4%	Computer Tech	2.8 B
7	AMKOR TECHNOLOGY INC	27,483	.38%	8.0%	Computer Tech	2.5 B
8	TRANSOCEAN LTD	27,438	.38%	30.7%	Energy	4.2 B
9	STEELCASE INC-CL A	27,335	.38%	10.8%	Durable Cons Goods	1.3 B
10	SPX CORP	27,286	.38%	16.6%	Basic	1.2 B

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

INVESTMENT RETURN

On September 30th, 2017, the Franklin Regional Retirement System's PRIT International Equity portfolio was valued at \$7,386,548, representing an increase of \$877,529 from the June quarter's ending value of \$6,509,019. Last quarter, the Fund posted net contributions equaling \$495,970 plus a net investment gain equaling \$381,559. Total net investment return was the result of income receipts, which totaled \$42,029 and net realized and unrealized capital gains of \$339,530.

For the cumulative period since September 2014, the fund has recorded net contributions totaling \$626,318, and recorded net investment gains of \$1.2 million. For the period since September 2014, if the total fund returned a compound annual rate of 9.0% it would have been valued at \$7.8 million or \$453,805 more than the actual value as of September 30th, 2017.

RELATIVE PERFORMANCE

In the third quarter, the PRIT International Equity portfolio gained 5.6%, which was 0.1% above the MSCI EAFE Index's return of 5.5% and ranked in the 64th percentile of the International Equity universe. Over the trailing year, the portfolio returned 18.9%, which was 0.8% less than the benchmark's 19.7% performance, and ranked in the 66th percentile. Since September 2014, the portfolio returned 6.7% on an annualized basis and ranked in the 54th percentile. For comparison, the MSCI EAFE Index returned an annualized 5.5% 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	5 Year
Total Portfolio - Gross	5.6	21.2	18.9	6.7	----
<i>INTERNATIONAL EQUITY RANK</i>	(64)	(69)	(66)	(54)	----
Total Portfolio - Net	5.6	21.1	18.7	6.4	----
MSCI EAFE	5.5	20.5	19.7	5.5	8.9
ACWI Ex US	6.3	21.6	20.1	5.2	7.5
MSCI Emg Mkts	8.0	28.1	22.9	5.3	4.4
International Equity - Gross	5.6	21.2	18.9	6.7	----
<i>INTERNATIONAL EQUITY RANK</i>	(64)	(69)	(66)	(54)	----
MSCI EAFE	5.5	20.5	19.7	5.5	8.9

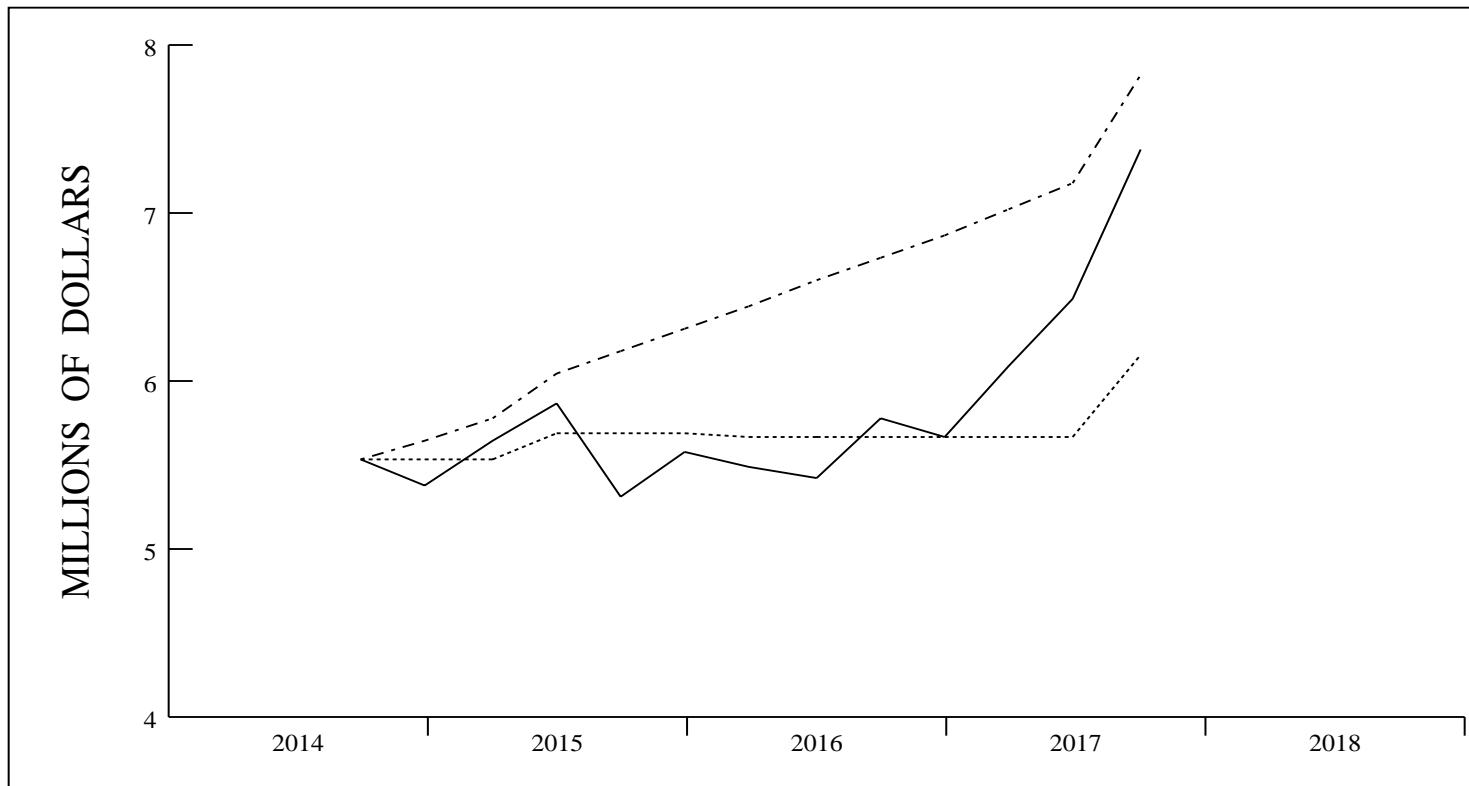
ASSET ALLOCATION

Int'l Equity	100.0%	\$ 7,386,548
Total Portfolio	100.0%	\$ 7,386,548

INVESTMENT RETURN

Market Value 6/2017	\$ 6,509,019
Contribs / Withdrawals	495,970
Income	42,029
Capital Gains / Losses	339,530
Market Value 9/2017	\$ 7,386,548

INVESTMENT GROWTH

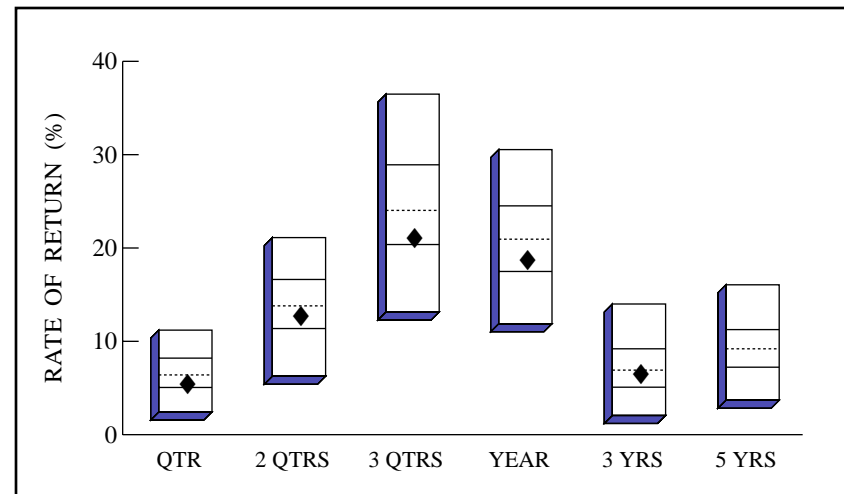
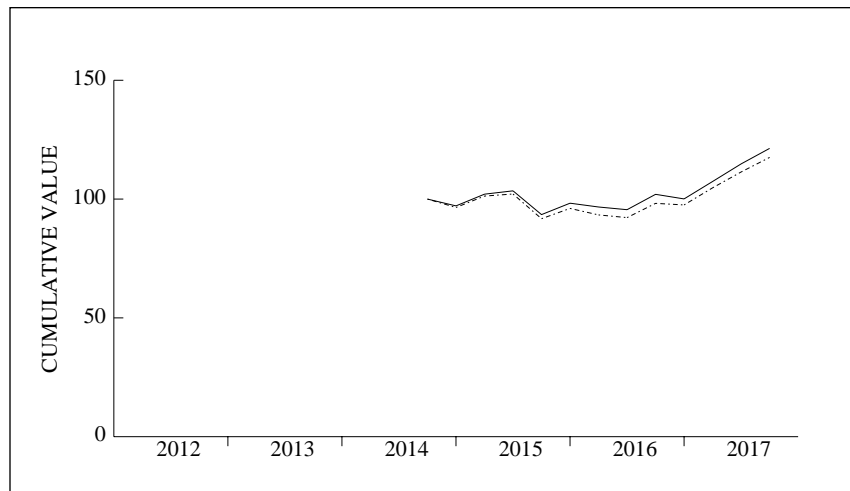


—	ACTUAL RETURN
- - -	9.0%
.....	0.0%

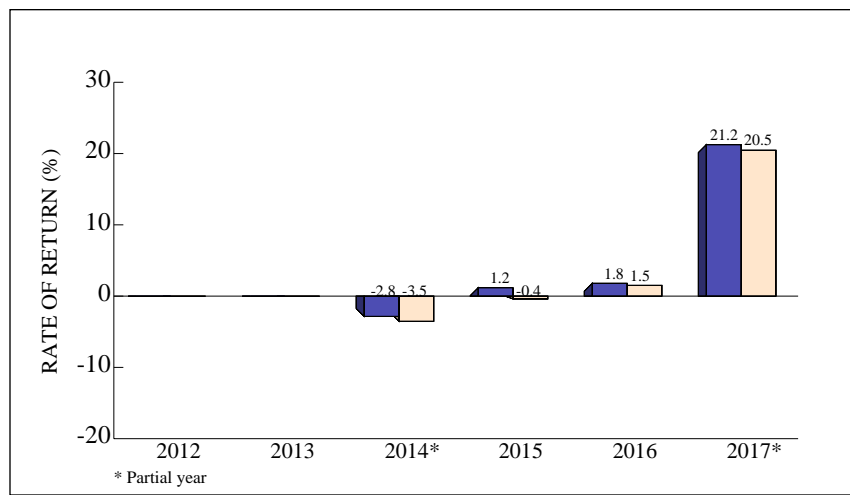
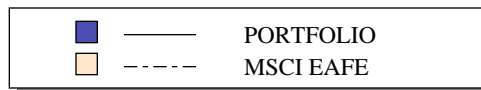
VALUE ASSUMING	
9.0% RETURN	\$ 7,840,353

	LAST QUARTER	THREE YEARS
BEGINNING VALUE	\$ 6,509,019	\$ 5,542,830
NET CONTRIBUTIONS	495,970	626,318
INVESTMENT RETURN	381,559	1,217,400
ENDING VALUE	\$ 7,386,548	\$ 7,386,548
INCOME	42,029	498,790
CAPITAL GAINS (LOSSES)	339,530	718,610
INVESTMENT RETURN	381,559	1,217,400

TOTAL RETURN COMPARISONS



International Equity Universe



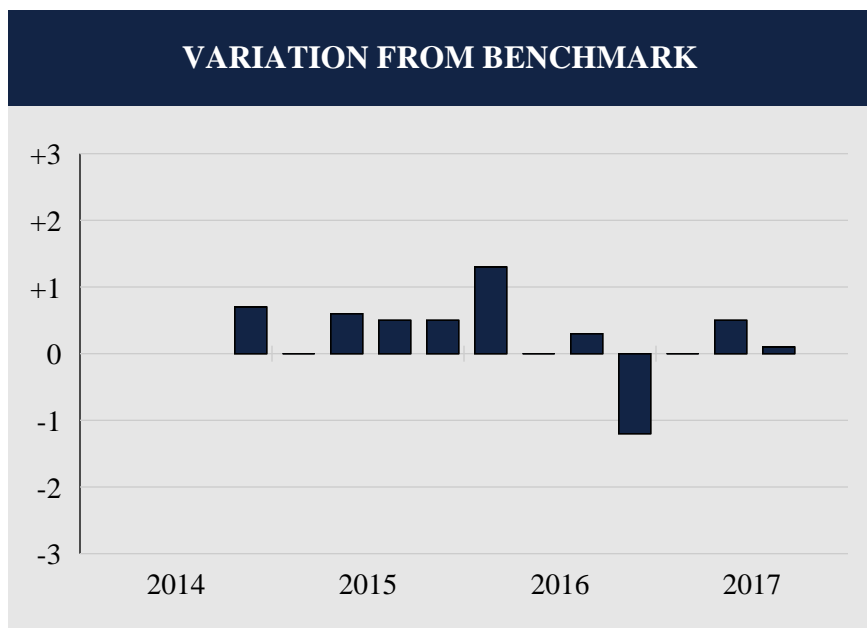
* Partial year

	QTR	2 QTRS	3 QTRS	YEAR	-----ANNUALIZED-----	
					3 YRS	5 YRS
RETURN	5.6	12.9	21.2	18.9	6.7	---
(RANK)	(64)	(60)	(69)	(66)	(54)	---
5TH %ILE	11.2	21.1	36.5	30.6	14.0	16.1
25TH %ILE	8.2	16.6	28.9	24.5	9.2	11.3
MEDIAN	6.4	13.8	24.0	20.9	6.9	9.2
75TH %ILE	5.1	11.4	20.4	17.5	5.1	7.2
95TH %ILE	2.4	6.3	13.2	11.9	2.1	3.7
MSCI EAFE	5.5	12.2	20.5	19.7	5.5	8.9

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
6/17	6.9	6.4	0.5
9/17	5.6	5.5	0.1

Total Quarters Observed	12
Quarters At or Above the Benchmark	11
Quarters Below the Benchmark	1
Batting Average	.917

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

INVESTMENT RETURN

On September 30th, 2017, the Franklin Regional Retirement System's PRIT Core Real Estate Account portfolio was valued at \$13,990,569, representing an increase of \$698,921 from the June quarter's ending value of \$13,291,648. Last quarter, the Fund posted net contributions equaling \$481,578 plus a net investment gain equaling \$217,343. Total net investment return was the result of income receipts, which totaled \$148,228 and net realized and unrealized capital gains of \$69,115.

For the cumulative period since September 2012, the fund has recorded net contributions totaling \$4.2 million, and recorded net investment gains of \$5.0 million. For the period since September 2012, if the total fund had returned a compound annual rate of 8.25% it would have been valued at \$12.6 million or \$1.4 million less than the actual value as of September 30th, 2017.

RELATIVE PERFORMANCE

In the third quarter, the PRIT Core Real Estate Account portfolio gained 1.6%, which was 0.3% less than the NCREIF NFI-ODCE Index's return of 1.9%. Over the trailing twelve-month period, the portfolio returned 5.7%, which was 1.9% below the benchmark's 7.6% return. Since September 2012, the account returned 11.1% on an annualized basis, while the NCREIF NFI-ODCE Index returned an annualized 11.6% 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 Year
Total Portfolio - Gross	1.6	6.2	5.7	10.6	11.1
Total Portfolio - Net	1.5	5.8	5.2	10.0	10.5
NCREIF ODCE	1.9	5.4	7.6	10.8	11.6
Real Estate - Gross	1.6	6.2	5.7	10.6	11.1
NCREIF ODCE	1.9	5.4	7.6	10.8	11.6

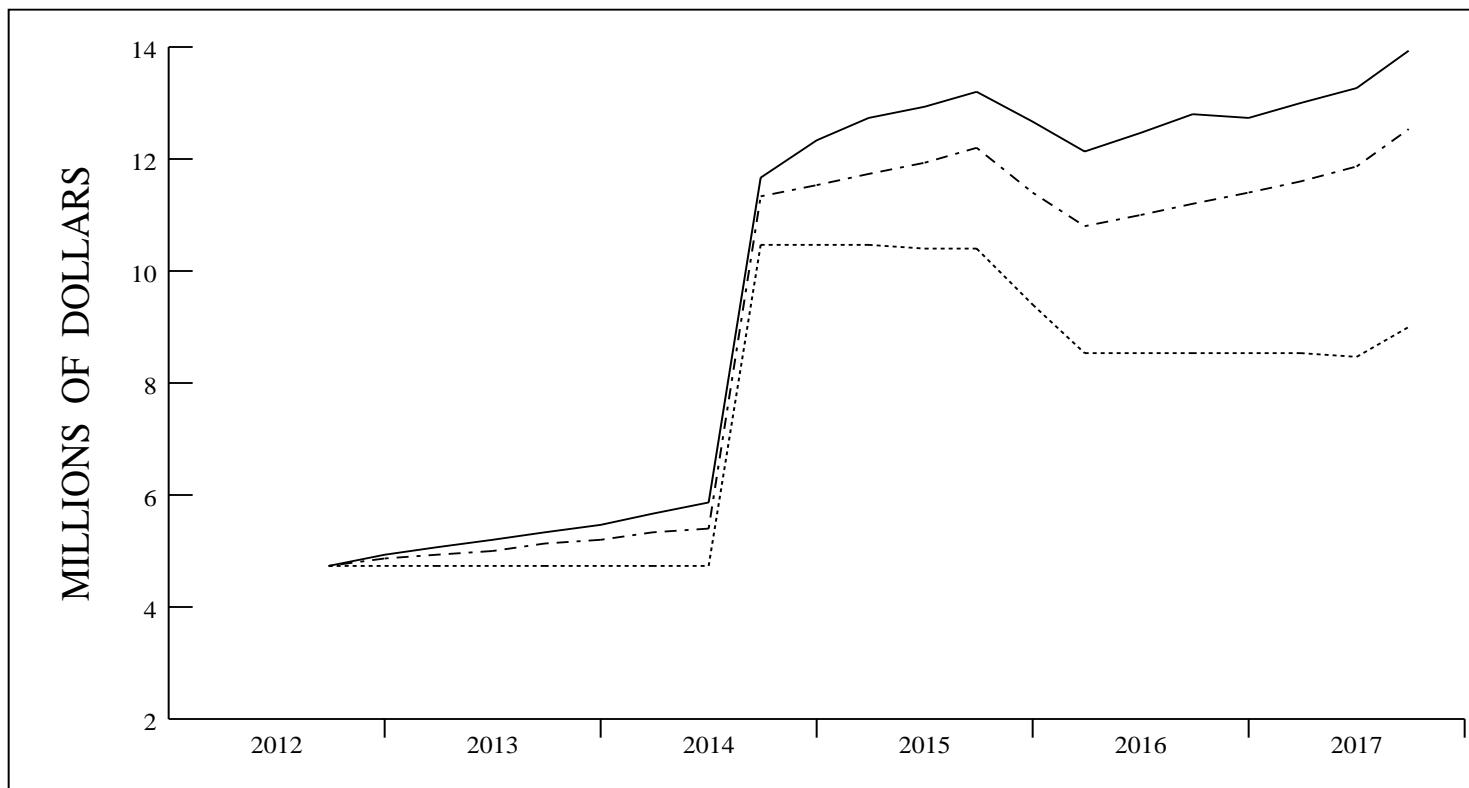
ASSET ALLOCATION

Real Estate	100.0%	\$ 13,990,569
Total Portfolio	100.0%	\$ 13,990,569

INVESTMENT RETURN

Market Value 6/2017	\$ 13,291,648
Contribs / Withdrawals	481,578
Income	148,228
Capital Gains / Losses	69,115
Market Value 9/2017	\$ 13,990,569

INVESTMENT GROWTH



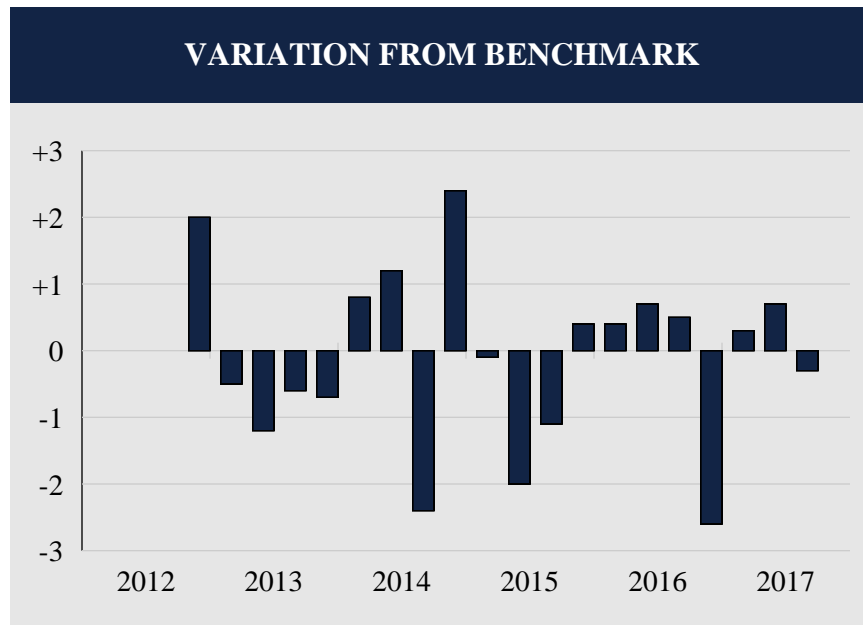
—	ACTUAL RETURN
- - -	8.25%
.....	0.0%

VALUE ASSUMING	
8.25% RETURN	\$ 12,594,553

	LAST QUARTER	FIVE YEARS
BEGINNING VALUE	\$ 13,291,648	\$ 4,788,940
NET CONTRIBUTIONS	481,578	4,211,605
INVESTMENT RETURN	217,343	4,990,024
ENDING VALUE	\$ 13,990,569	\$ 13,990,569
INCOME	148,228	2,391,632
CAPITAL GAINS (LOSSES)	69,115	2,598,392
INVESTMENT RETURN	217,343	4,990,024

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: NCREIF NFI-ODCE INDEX



RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
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
6/17	2.4	1.7	0.7
9/17	1.6	1.9	-0.3

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

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

INVESTMENT RETURN

On September 30th, 2017, the Franklin Regional Retirement System's Income Research & Management Core Bond Fund was valued at \$17,463,178, representing an increase of \$1,150,468 from the June quarter's ending value of \$16,312,710. Last quarter, the Fund posted net contributions equaling \$1,000,000 plus a net investment gain equaling \$150,468. Since there were no income receipts during the quarter, the portfolio's net investment return was the result of net realized and unrealized capital gains totaling \$150,468.

Since September 2012, the account has posted net contributions totaling \$3.7 million, while recording net investment gains totaling \$1.8 million. Since September 2012, if the total portfolio returned a compound annual rate of 6.0% it would have been valued at \$19.9 million or \$2.4 million more than the actual value as of September 30th, 2017.

RELATIVE PERFORMANCE

For the third quarter, the Income Research & Management Core Bond Fund gained 0.9%, which was 0.1% greater than the Bloomberg Barclays Aggregate Index's return of 0.8% and ranked in the 64th percentile of the Core Fixed Income universe. Over the trailing twelve-month period, this portfolio returned 0.8%, which was 0.7% greater than the benchmark's 0.1% return, ranking in the 36th percentile. Since September 2012, the portfolio returned 2.9% per annum and ranked in the 22nd percentile. The Bloomberg Barclays Aggregate Index returned an annualized 2.1% 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 45% of the bond portfolio, while corporate securities, rated AAA through less than BBB, comprised the remainder, giving the bond portfolio an overall average quality rating of AAA-AA. The average maturity of the portfolio was 8.04 years, less than the Bloomberg Barclays Aggregate Index's 8.25-year maturity. The average coupon was 3.61%.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

	Quarter	YTD	1 Year	3 Year	5 Year
Total Portfolio - Gross	0.9	3.5	0.8	3.1	2.9
<i>CORE FIXED INCOME RANK</i>	(64)	(47)	(36)	(42)	(22)
Total Portfolio - Net	0.8	3.2	0.4	2.7	2.5
Aggregate Index	0.8	3.1	0.1	2.7	2.1
Fixed Income - Gross	0.9	3.5	0.8	3.1	2.9
<i>CORE FIXED INCOME RANK</i>	(64)	(47)	(36)	(42)	(22)
Aggregate Index	0.8	3.1	0.1	2.7	2.1
Gov/Credit	0.8	3.5	0.0	2.8	2.1

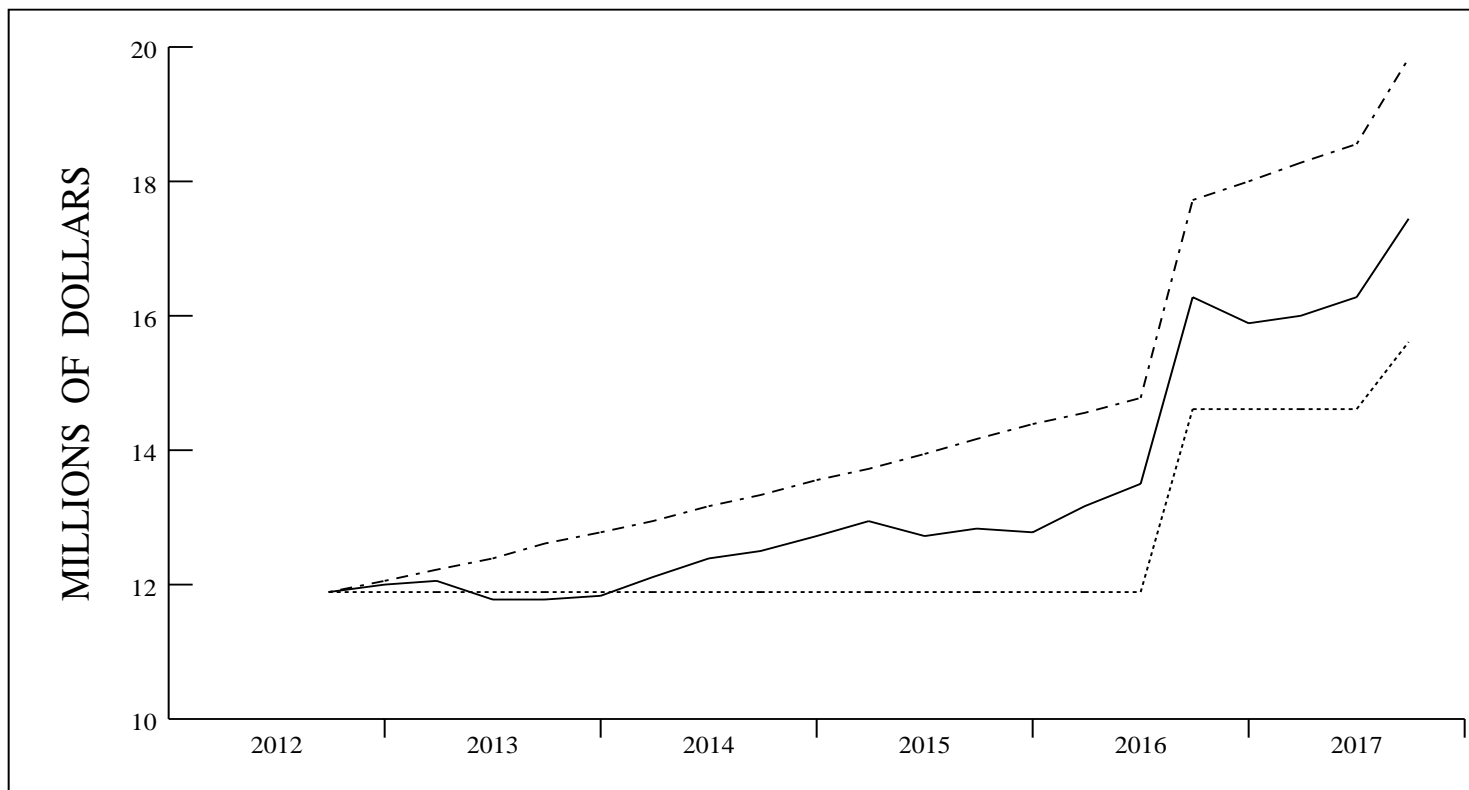
ASSET ALLOCATION

Fixed Income	100.0%	\$ 17,463,178
Total Portfolio	100.0%	\$ 17,463,178

INVESTMENT RETURN

Market Value 6/2017	\$ 16,312,710
Contribs / Withdrawals	1,000,000
Income	0
Capital Gains / Losses	150,468
Market Value 9/2017	\$ 17,463,178

INVESTMENT GROWTH

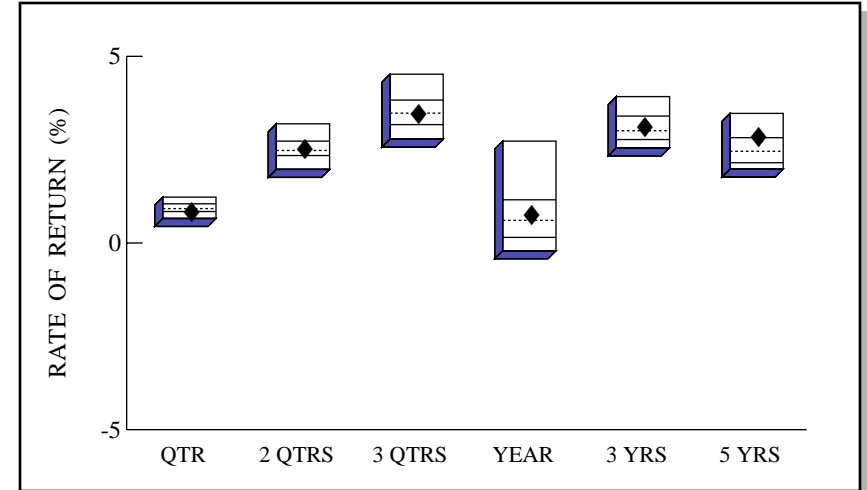
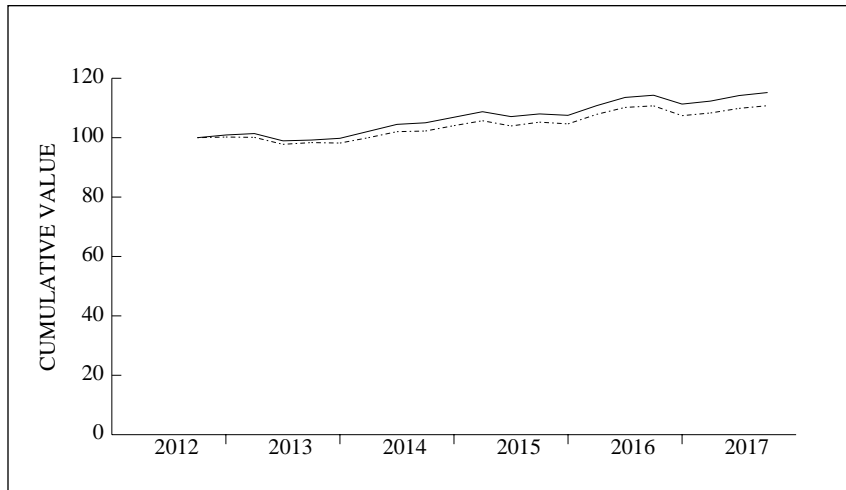


— ACTUAL RETURN
 - - - 6.0%
 0.0%

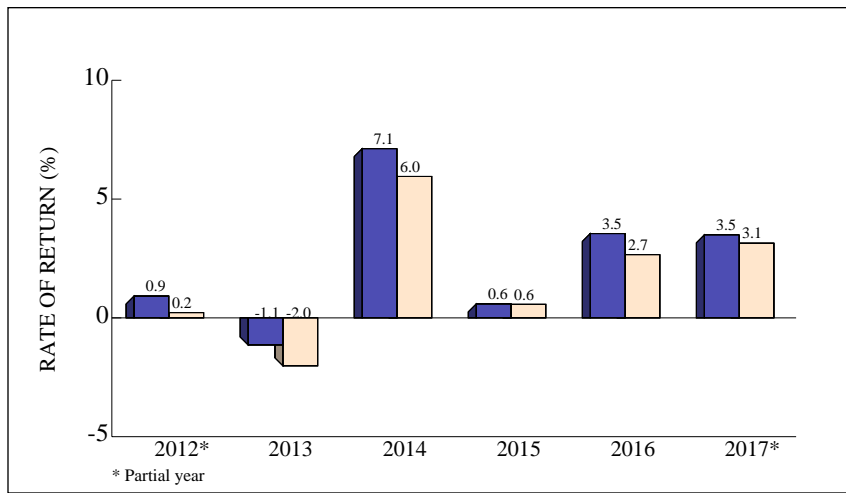
VALUE ASSUMING
 6.0% RETURN \$ 19,851,581

	LAST QUARTER	FIVE YEARS
BEGINNING VALUE	\$ 16,312,710	\$ 11,907,872
NET CONTRIBUTIONS	1,000,000	3,706,508
INVESTMENT RETURN	<u>150,468</u>	<u>1,848,798</u>
ENDING VALUE	\$ 17,463,178	\$ 17,463,178
INCOME	0	0
CAPITAL GAINS (LOSSES)	<u>150,468</u>	<u>1,848,798</u>
INVESTMENT RETURN	150,468	1,848,798

TOTAL RETURN COMPARISONS



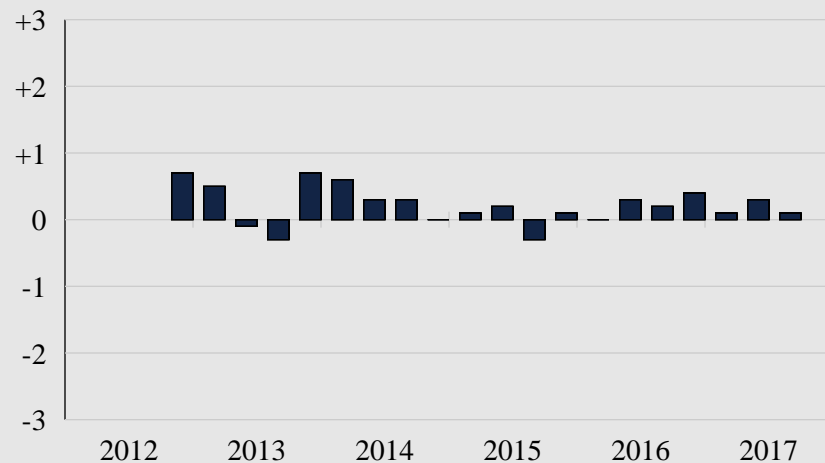
Core Fixed Income Universe



* Partial year

	QTR	2 QTRS	3 QTRS	YEAR	3 YRS	5 YRS
RETURN	0.9	2.6	3.5	0.8	3.1	2.9
(RANK)	(64)	(40)	(47)	(36)	(42)	(22)
5TH %ILE	1.2	3.2	4.5	2.7	3.9	3.5
25TH %ILE	1.1	2.7	3.8	1.2	3.4	2.8
MEDIAN	0.9	2.5	3.5	0.6	3.0	2.5
75TH %ILE	0.8	2.3	3.2	0.2	2.8	2.2
95TH %ILE	0.7	2.0	2.8	-0.2	2.6	2.0
Agg	0.8	2.3	3.1	0.1	2.7	2.1

Core Fixed Income Universe

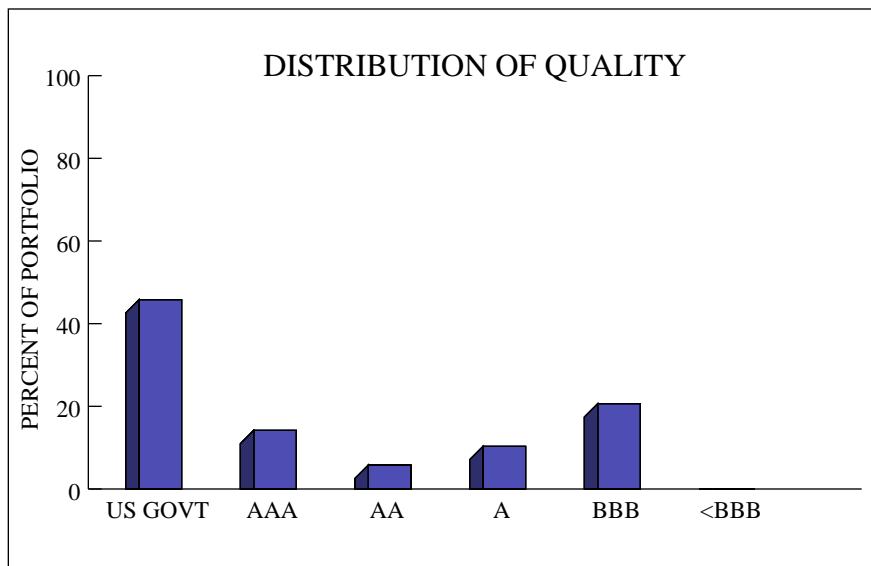
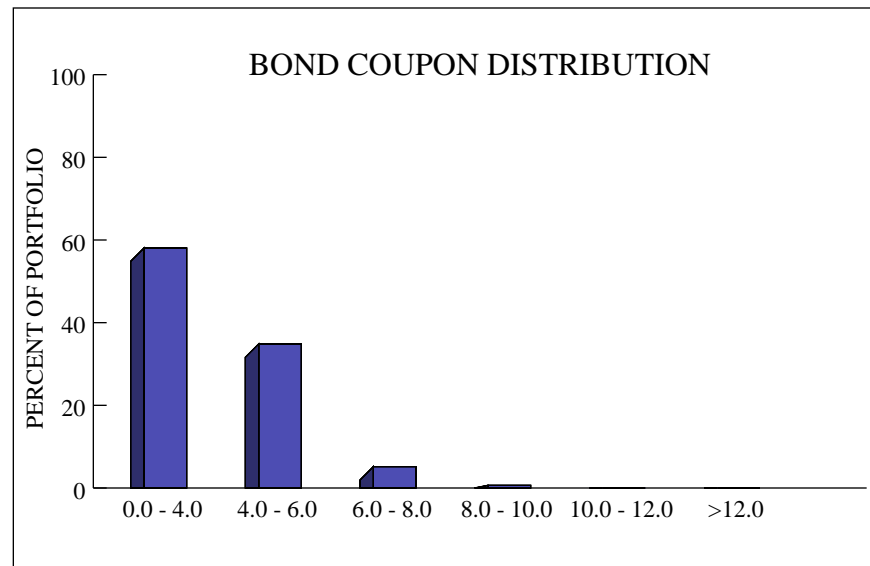
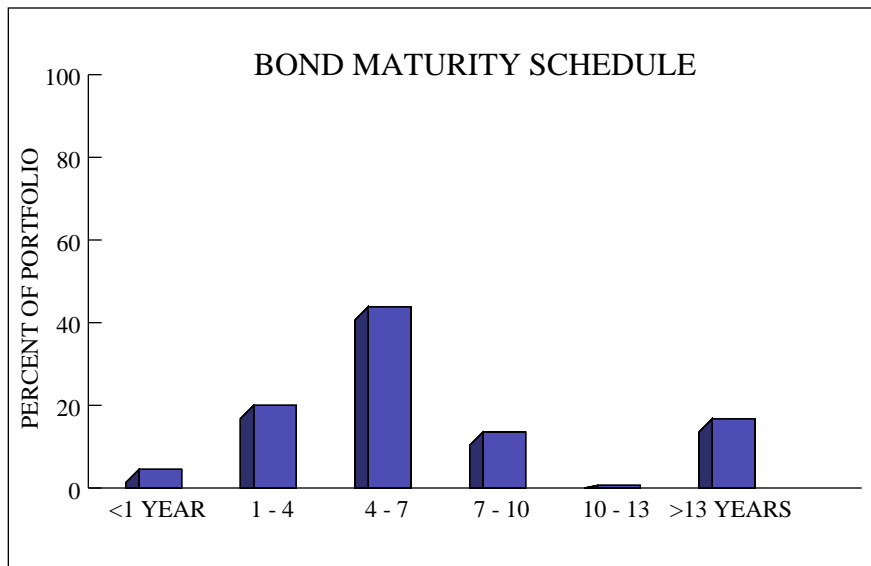
TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**COMPARATIVE BENCHMARK: BLOOMBERG BARCLAYS AGGREGATE INDEX****VARIATION FROM BENCHMARK**

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
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
6/17	1.7	1.4	0.3
9/17	0.9	0.8	0.1

BOND CHARACTERISTICS



	PORTFOLIO	AGGREGATE INDEX
No. of Securities	246	9,547
Duration	6.23	5.96
YTM	2.79	2.55
Average Coupon	3.61	3.06
Avg Maturity / WAL	8.04	8.25
Average Quality	AAA-AA	USG-AAA