

Franklin Regional Retirement System

Performance Review
December 2017



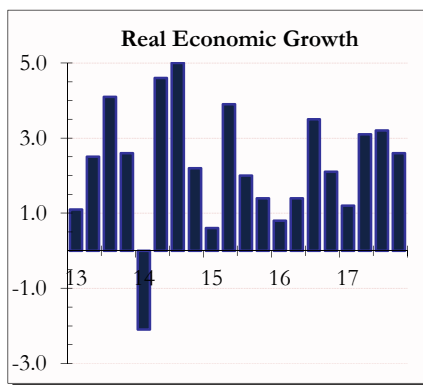
DAHAB ASSOCIATES
New York Massachusetts Pennsylvania Florida

ECONOMIC ENVIRONMENT

Pretty Darn Good

The fourth quarter brought a broad global economic expansion, most notably in China, Japan, Europe and the US. Domestic GDP rose 3.2% in the third quarter, followed by a 2.6% (advance estimate) expansion in the fourth quarter. The strengthening economic picture was also fueled by low inflation, slow and transparent Fed rate increases and investors' optimism regarding the new tax bill.

- Q3 GDP was the second consecutive quarter with gains above three percent, a high mark last reached in 2014. The BEA's advance estimate of 2.6% represents a deceleration of GDP



growth in the fourth quarter. Third quarter gains were attributable to several factors: higher consumer spending and corporate inventory investment, as well as exports capitalizing on the cheaper dollar and government spending at all levels.

- While jobs growth slowed to 148,000 in December, the average monthly gain for Q4 was more than 200,000. As of year-end, unemployment stood at a near record low of 4.1%. December saw meaningful job gains in healthcare, construction and manufacturing. For the year, there were comparable sector job gains, namely: 300,000 in healthcare, 210,000 in construction and an unanticipated 196,000 in manufacturing. New jobs totaled 2.1 million in 2017. Average hourly wages rose 2.5%, suggesting a tighter labor market.
- Home prices were up 7%, year-over-year, through November (latest available), with a 1% increase in the month of November alone. For the first time in many years, all 50 states experienced yearly price appreciations. Once again, Washington State led the

way with a 12.2% yearly increase, followed closely by Utah, Idaho, and Nevada. On the low end, Alaska, Connecticut, Kansas, New Mexico, and Oklahoma saw yearly price hikes in the 2% range.

- Manufacturing activity expanded for the 16th straight month in December. New orders registered 69.4%, climbing more than 5% from November. Productivity was also up, as 16 of the 18 manufacturing sectors grew and only wood products and textiles contracted. Non-manufacturing sectors expanded for the 96th straight month, as this index registered 55.9% — slightly lower than in November, but well into the growth range. Fourteen of the 17 non-manufacturing sectors advanced while information, education services, and support services were the only three to contract.
- The Conference Board reported that the consumer confidence level reached 122.1% for December; this was down from November, but still close to a 17-year high! The Present Situation Index was up slightly, while the Expectation Index dropped to 99.1 from 111.1 the prior month. This drop indicated uncertainty over the sustainability of further job gains and some confusion concerning the new tax law's impact on workers' take-home pay.
- Bloomberg's Commodity Index was 4.7% higher in the fourth quarter, but rose just 1.7% for the year. Energy prices made the greatest impact on the index: an 8.9% energy gain in Q4 was offset by a 4.3% yearly loss. Bumper crops led the agricultural component down 2% for the quarter and down 11% for the year. Metals performed well, rising 6.8% for the fourth quarter and almost 21% for 2017. Industrial metals were the high flyers, gaining more than 29% for the year.
- In December, the Fed initiated its third rate hike to prevent inflation from growing too fast and core CPI rose only 1.8% for the year. However, the month of December's 0.3% CPI increase was the largest since January.
- For the third time in 2017, the Federal Reserve Board hiked the Fed funds rate to 1¼% –1½%. The Federal Open Market Committee (FOMC) noted that job growth continued to expand as did household and business spending, despite a low inflation

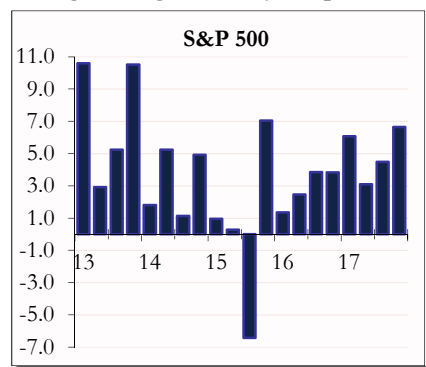
environment. It is noteworthy that the FOMC viewed the three hurricanes as only mildly impacting the national economy. Going forward, the Fed “expects that economic conditions will evolve in a manner that will warrant (further) gradual (rate) increases...”

- Fed Chair, Janet Yellen, is stepping down at the end of her term and Jerome Powell, a current Fed Board Governor, will replace her as Chair.

DOMESTIC EQUITIES

Up Big-Time

US stock indices posted strong advances during the quarter, thanks to a strengthening economy, corporate earnings and the new tax bill that lowered corporate taxes from 35% to 21%.



The DJIA led the way, gaining 11.0%, while the S&P 500 and NASDAQ each added 6.6%. Large caps beat smaller caps, and growth did better than value.

The three major indices scored double-digit returns for the year, as the NASDAQ, DJIA and S&P climbed 29.7%, 28.1% and 21.8%, respectively. The same size and style

pattern applied to the full year; larger-sized and growth style stock returns dwarfed the smaller/value style names. A tilt toward mega-cap growth stocks was one of the year’s smartest bets, as the Russell Top 200 Growth Index returned almost 32%!

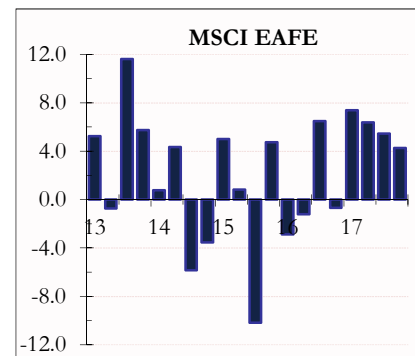
Every S&P sector was positive for the year. Computer tech names were in a league of their own, rocketing 42.1%. The star performers in this booming sector included: Apple (48%); Microsoft (40%); video game maker Activision (76%); and Cadence Design (66%). Consumer Services (34.9%) was another glowing sector, with Amazon (56%) and Wal-Mart (46%) just two of the brightest stars. At the opposite end of the ranking, basic industry stocks gained a relatively lower 15.1%; undoubtedly, GE’s whopping 42%

loss dragged down this sector’s results. Utilities (10.1%) proved to be the second worst sector, with many names in the red. Energy (1.3%) came in dead last. REITs, as a stand-alone category, earned only 4.3%. Almost one-third of the S&P companies have price/earnings ratios of 30 or above, as investors had very high 2018 earnings expectations for the market.

INTERNATIONAL EQUITIES

Developed Markets Advanced... But EM Stole the Show

The US was not the only economy to be humming lately. The GDPs of China, Japan and especially Europe were also faring well. Healthy economic



gains and strong earnings among global companies were typical, as were aggressive central bank measures and non-populist election outcomes in France, Germany and Japan.

In the fourth quarter, the EAFE Index gained 4.3%. The EAFE return was lower than that of the key US indices, but nonetheless a solid advance. Markets in the Pacific

region were the top performers, up 8% overall; in particular, Singapore advanced 10.1%, Japan grew 8.5% and Hong Kong climbed 6.6%. These healthy gains were mainly attributable to consumer spending in Singapore and a surge in Japanese electronics exports, as well as an upturn in Hong Kong tourism. The Australian market was also abuzz, moving up 6.9% due, in part, to rising metals’ commodity prices. In Europe, UK stocks added 5.7%, as investors warmed to the first phase of the Brexit Agreement and an expansionary federal budget.

For the full year, EAFE scored a stellar 25.6%. Returns for Singapore and Hong Kong were each in the 36% range. Denmark earned a comparable 35.6% due to Novo Nordisk’s 53% return, which made all the difference in that small market. Germany (28.5%) enjoyed record production and France (29.9%) had the best consumer confidence level in 10 years. The Italian

market soared 29.6%, reflecting a robust economy, with the exception of some problem banks. Spanish stocks (27.7%) soared, despite the political unrest in Catalonia. The UK jumped 22.4% and Australia climbed 20.2%. Canada, not part of EAFE, posted a 16.9% return.

If the US and EAFE markets were bullish, the emerging markets (EM) were the hottest ticket around. The MSCI Emerging Markets Index rose 7.5% for the quarter and 37.8% for the year! The growth stock component of the index rose even more for the year, up a spectacular 47.1%. Focusing on full-year results, Poland shot up 55.3%, on the strength of its low unemployment and solid GDP growth, as well as its production and consumer spending numbers.

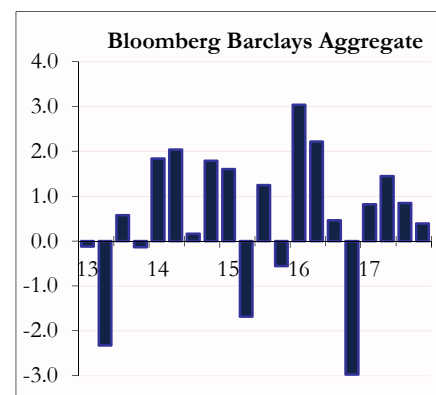
In the Pacific region, China was easily the year's market winner, galloping ahead 54.3%. China's exports, solidified political leadership and rapidly rising middle class consumption supported a 6+% GDP growth. In addition, Alibaba, Tencent and Baidu performances added measurably to market results. The South Korean market took the second-highest honors, returning 47.8%, amidst GDP growth of almost 4% and ballooning exports to China. India, now a prominent manufacturing and consumer spending powerhouse, saw its market climb 38.8%, as investors overcame doubts regarding the growing political difficulties of Prime Minister Modi. Russia, mired in UN sanctions and low oil prices for most of the year, trailed with a 6.1% return. South African shares jumped an unexpected 36.8%, in sync with higher commodity prices. In Latin America, country returns were mixed. Chilean (43.6%) and Peruvian (38.4%) corporations profited from higher commodity prices as did Brazil (24.5%), which also benefited from a better political environment.

BOND MARKET

Fed Funds Hike Set the Tone

In December, the Federal Reserve Board capped its 2017 activities by instituting a third hike in the Federal Funds rate. This action led to a further flattening of the yield curve, with higher rates at the short end and lower rates at the long end. For the quarter, short-to-intermediate maturity Treasury returns were fractionally negative. However, 20-year and longer issues earned 2.6% due to increased investor demand for whatever yield was

available. The investment grade Barclays Aggregate Bond Index, which includes a significant share of Treasuries, returned 0.4%. The Treasury and



mortgage components each earned just 0.1%, while corporate credit gained 1.0%. Commercial mortgage-backed securities (CMBS) provided 0.4% and asset-backed securities (ABS) returned essentially zero. Non-investment grade or high yield bonds earned 0.5%.

For the year, the Aggregate Index picked up 3.5%, with investors receiving modestly higher yield at the short end and significant price appreciation at the long end. Corporate credit generated the best sector return (6.2%) and utility corporates (7.6%) were the top performers within the category. High yield corporates rated BA and below also turned in good numbers. The best high-yield performers featured the weakest credit quality, specifically CAA and CA-D, which earned 10.4% and 13.8%, respectively. EM bonds, including both corporate and sovereign, earned 7.5% (USD) for the year.

CASH EQUIVALENTS

Higher Fed Rate Proved Favorable

December marked the third Fed funds increase, which slightly boosted the yield on money market instruments. As a result, the 3-month T-Bill earned 0.3% for the quarter and 1.0% for the year. Still, it would take many more such increases or an inverted yield curve (i.e. higher yields at the short end and lower yields at the long end) to make cash equivalents a viable longer-term investment vehicle.

MARKET SUMMARY

ECONOMIC STATISTICS

| | CURRENT QTR | LAST QTR |
|-------------------------|-------------|----------|
| GDP | 2.6 | 3.2 |
| Unemployment | 4.1 | 4.2 |
| CPI All Items Year/Year | 2.10 | 2.20 |
| Fed Funds Rate | 1.50 | 1.25 |
| Industrial Capacity | 77.9 | 76.1 |
| US Dollars per Euro | 1.20 | 1.18 |

MAJOR INDEX QUARTER RETURNS

| INDEX | PERFORMANCE |
|-----------------|-------------|
| Russell 3000 | 6.3 |
| S&P 500 | 6.6 |
| Russell Mid | 6.1 |
| Russell 2000 | 3.3 |
| MSCI EAFE | 4.3 |
| MSCI Emg Mkts | 7.5 |
| NCREIF ODCE | 2.1 |
| Aggregate Index | 0.4 |
| 90 Day Tbills | 0.3 |

EQUITY RETURN DISTRIBUTIONS

| | QUARTER | | | TRAILING YEAR | | |
|----|---------|-----|-----|---------------|------|------|
| | VAL | COR | GRO | VAL | COR | GRO |
| LC | 5.3 | 6.6 | 7.9 | 13.6 | 21.7 | 30.2 |
| MC | 5.5 | 6.1 | 6.8 | 13.3 | 18.5 | 25.3 |
| SC | 2.0 | 3.3 | 4.6 | 7.8 | 14.6 | 22.1 |

MARKET SUMMARY

- * The BEA's advance estimate places 4th quarter GDP growth at 2.6%, which marks a slowing down from the previous two quarters.
- * Unemployment was at a near record low of 4.1%.
- * Year over year CPI expanded at a 2.1% rate.
- * The dollar slightly weakened relative to the Euro.
- * Growth stocks continued to best value names. Large cap stocks out performed small caps.

INVESTMENT RETURN

On December 31st, 2017, the Franklin Regional Retirement System was valued at \$145,869,542, representing an increase of \$3,251,715 from the September quarter's ending value of \$142,617,827. Last quarter, the Fund posted withdrawals totaling \$1,976,384, which offset the portfolio's net investment return of \$5,228,099. Income receipts totaling \$761,439 plus net realized and unrealized capital gains of \$4,466,660 combined to produce the portfolio's net investment return.

RELATIVE PERFORMANCE

Total Fund

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

For the fourth quarter, the Composite portfolio returned 3.7%, which was 0.3% below the Franklin Regional Policy Index's return of 4.0% and ranked in the 53rd percentile of the Public Fund universe. Over the trailing year, the portfolio returned 15.4%, which was equal to the benchmark's 15.4% return, ranking in the 55th percentile. Since December 2012, the portfolio returned 10.5% annualized and ranked in the 7th percentile. The Franklin Regional Policy Index returned an annualized 10.6% over the same period.

PRIT Core

The PRIT core portion of the portfolio returned 4.0% last quarter; that return was 0.5% greater than the Custom Core Index's return of 3.5% and ranked in the 31st percentile of the Public Fund universe. Over the trailing twelve-month period, this component returned 17.8%, 2.6% above the benchmark's 15.2% performance, ranking in

the 10th percentile. Since December 2012, this component returned 10.0% on an annualized basis and ranked in the 20th percentile. The Custom Core Index returned an annualized 8.6% during the same period.

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.

During the fourth quarter, the domestic equity component returned 5.0%, which was 0.1% less than the Franklin Regional Equity Index's return of 5.1% and ranked in the 65th percentile of the Domestic Equity universe. Over the trailing year, the domestic equity portfolio returned 17.9%, which was 0.5% greater than the benchmark's 17.4% return, and ranked in the 58th percentile. Since December 2012, this component returned 15.5% per annum and ranked in the 47th percentile. The Franklin Regional Equity Index returned an annualized 15.0% over the same time frame.

International Equity

For the fourth quarter, the international equity segment returned 4.5%, which was 0.2% greater than the MSCI EAFE Index's return of 4.3% and ranked in the 66th percentile of the International Equity universe. Over the trailing twelve-month period, this segment's return was 26.7%, which was 1.1% above the benchmark's 25.6% return, ranking in the 71st percentile.

Real Estate

During the fourth quarter, the real estate component returned 2.6%, which was 0.5% greater than the NCREIF NFI-ODCE Index's return of 2.1%. Over the trailing year, this component returned 9.0%, which was 1.4% above the benchmark's 7.6% performance. Since December 2012, this component returned 10.8% per annum, while the NCREIF NFI-ODCE Index returned an annualized 11.5% over the same time frame.

Fixed Income

For the fourth quarter, the fixed income component gained 0.5%, which was 0.1% greater than the Bloomberg Barclays Aggregate Index's return of 0.4% and ranked in the 53rd percentile of the Core Fixed Income universe. Over the trailing twelve-month period, this segment returned 4.0%, which was 0.5% greater than the benchmark's 3.5% return, and ranked in the 48th percentile. Since December 2012, this component returned 2.8% annualized and ranked in the 26th percentile. The Bloomberg Barclays Aggregate Index returned an annualized 2.1% over the same time frame.

ASSET ALLOCATION

On December 31st, 2017, PRIT core comprised 44.8% of the total portfolio (\$65.4 million), while domestic equities totaled 27.2% (\$39.7 million). The account's international equity segment was valued at \$7.6 million, representing 5.2% of the portfolio, while the real estate component's \$14.3 million totaled 9.8%. The portfolio's fixed income represented 12.0% and the remaining 0.9% was comprised of cash & equivalents (\$1.3 million).

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

Total Fund Assets \$ 145,869,542

| Allocation by Manager | | | | | | |
|-----------------------------|-----------------------------------|--------------------|----------------------|----------------|----------------|----------------|
| | PRIT Fund Actual Allocation | FRRS Allocation | Target Allocation | Target Dollars | Actual Dollars | +/- Dollars |
| PRIT Core Fund | 100.00% | 43.8% | 45.0% | \$ 65,641,294 | \$ 65,378,002 | \$ (263,292) |
| Domestic Equity | 19.4% | 8.7% | | | \$ 12,689,870 | |
| Int'l Equity | 18.3% | 8.2% | | | \$ 11,990,326 | |
| E.M. Int'l Equity | 8.2% | 3.7% | | | \$ 5,341,383 | |
| Core Fixed | 12.4% | 5.5% | | | \$ 8,074,183 | |
| Value Added | 8.1% | 3.6% | | | \$ 5,295,618 | |
| Real Estate | 8.5% | 3.8% | | | \$ 5,570,206 | |
| Timber | 3.6% | 1.6% | | | \$ 2,366,684 | |
| Alternatives-Private Equity | 10.2% | 4.6% | | | \$ 6,662,018 | |
| Hedge Funds | 9.0% | 4.0% | | | \$ 5,884,020 | |
| Overlay | 1.2% | 0.5% | | | \$ 771,460 | |
| Liquidating Portfolio | 0.2% | 0.1% | | | \$ 137,294 | |
| Risk Premia | 0.9% | 0.4% | | | \$ 594,940 | |
| Separate Accounts | | 55.2% | 55.0% | | | |
| Polen Capital | | 6.1% | 6.0% | \$ 8,752,173 | \$ 8,898,141 | \$ 145,968 |
| O'Shaughnessy | | 6.4% | 6.0% | \$ 8,752,173 | \$ 9,365,889 | \$ 613,716 |
| Seizert | | 4.8% | 5.0% | \$ 7,293,477 | \$ 6,991,428 | \$ (302,049) |
| Aberdeen | | 5.2% | 5.0% | \$ 7,293,477 | \$ 7,647,245 | \$ 353,768 |
| Systematic | | 5.1% | 5.0% | \$ 7,293,477 | \$ 7,467,314 | \$ 173,837 |
| PRIT International | | 5.2% | 5.0% | \$ 7,293,477 | \$ 7,582,469 | \$ 288,992 |
| PRIT RE | | 9.8% | 10.0% | \$ 14,586,954 | \$ 14,338,949 | \$ (248,005) |
| IR&M | | 12.0% | 13.0% | \$ 18,963,040 | \$ 17,550,548 | \$ (1,412,492) |
| Cash | | 0.4% | 0.0% | \$ - | \$ 649,557 | \$ 649,557 |

*Includes Distressed Debt

| Allocation by Asset Class | | | | | | |
|-----------------------------|-----------------------------|-----------------------------|-------------|---------------------------|------------------------|----------------|
| | Actual Allocation (%) | Target Allocation (%) | +/- Percent | Actual Allocation (\$) | Target Allocation (\$) | +/- Dollars |
| Franklin Regional Total | | | | | | |
| Domestic Equity | 36.4% | 35.0% | 1.4% | \$ 53,059,887 | \$ 51,054,340 | \$ 2,005,547 |
| Int'l Equity | 17.1% | 15.0% | 2.1% | \$ 24,914,177 | \$ 21,880,431 | \$ 3,033,746 |
| Fixed Income | 21.2% | 25.0% | -3.8% | \$ 30,920,349 | \$ 36,467,386 | \$ (5,547,036) |
| Real Estate | 13.6% | 14.0% | -0.4% | \$ 19,909,155 | \$ 20,421,736 | \$ (512,581) |
| Timber | 1.6% | 2.0% | -0.4% | \$ 2,366,684 | \$ 2,917,391 | \$ (550,707) |
| Alternatives-Private Equity | 4.6% | 5.0% | -0.4% | \$ 6,662,018 | \$ 7,293,477 | \$ (631,459) |
| Hedge Funds | 4.0% | 4.0% | 0.0% | \$ 5,884,020 | \$ 5,834,781.68 | \$ 49,239 |
| Overlay | 0.5% | 0.0% | 0.5% | \$ 771,460 | \$ - | \$ 771,460 |
| Liquidating Portfolio | 0.1% | 0.0% | 0.1% | \$ 137,294 | \$ - | \$ 137,294 |
| Risk Premia | 0.4% | 0.0% | 0.4% | \$ 594,940 | \$ - | \$ 594,940 |
| Cash | 0.4% | 0.0% | 0.4% | \$ 649,557 | \$ - | \$ 649,557 |
| | 100.0% | 100.0% | | \$ 145,869,542 | \$ 145,869,542 | |

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

| | Quarter | YTD /1Y | 3 Year | 5 Year |
|-------------------------------------|---------|---------|--------|--------|
| Total Portfolio - Gross | 3.7 | 15.4 | 8.4 | 10.5 |
| <i>PUBLIC FUND RANK</i> | (53) | (55) | (14) | (7) |
| Total Portfolio - Net | 3.6 | 14.8 | 7.8 | 9.9 |
| Policy Index | 4.0 | 15.4 | 8.4 | 10.6 |
| PRIT Core - Gross | 4.0 | 17.8 | 8.8 | 10.0 |
| <i>PUBLIC FUND RANK</i> | (31) | (10) | (7) | (20) |
| Custom Core Idx | 3.5 | 15.2 | 7.6 | 8.6 |
| Domestic Equity - Gross | 5.0 | 17.9 | 9.8 | 15.5 |
| <i>DOMESTIC EQUITY RANK</i> | (65) | (58) | (64) | (47) |
| Custom Eq Index | 5.1 | 17.4 | 10.8 | 15.0 |
| PRIT Equity | 6.3 | 20.8 | 11.0 | 15.4 |
| S&P 500 | 6.6 | 21.8 | 11.4 | 15.8 |
| S&P 400 | 6.3 | 16.2 | 11.1 | 15.0 |
| Russell 3000 | 6.3 | 21.1 | 11.1 | 15.6 |
| Russell 1000 | 6.6 | 21.7 | 11.2 | 15.7 |
| Russell 1000G | 7.9 | 30.2 | 13.8 | 17.3 |
| Russell 1000V | 5.3 | 13.6 | 8.6 | 14.0 |
| Russell Mid | 6.1 | 18.5 | 9.6 | 15.0 |
| Russell 2000 | 3.3 | 14.6 | 9.9 | 14.1 |
| International Equity - Gross | 4.5 | 26.7 | 9.3 | ---- |
| <i>INTERNATIONAL EQUITY RANK</i> | (66) | (71) | (56) | ---- |
| MSCI EAFE | 4.3 | 25.6 | 8.3 | 8.4 |
| Real Estate - Gross | 2.6 | 9.0 | 9.5 | 10.8 |
| NCREIF ODCE | 2.1 | 7.6 | 10.4 | 11.5 |
| Fixed Income - Gross | 0.5 | 4.0 | 2.7 | 2.8 |
| <i>CORE FIXED INCOME RANK</i> | (53) | (48) | (39) | (26) |
| Aggregate Index | 0.4 | 3.5 | 2.3 | 2.1 |
| PRIT Fixed | 1.6 | 5.4 | 2.5 | 3.8 |
| Gov/Credit | 0.5 | 4.0 | 2.4 | 2.1 |
| Int Aggregate | -0.1 | 2.3 | 1.8 | 1.7 |
| Int Gov/Credit | -0.2 | 2.1 | 1.8 | 1.5 |

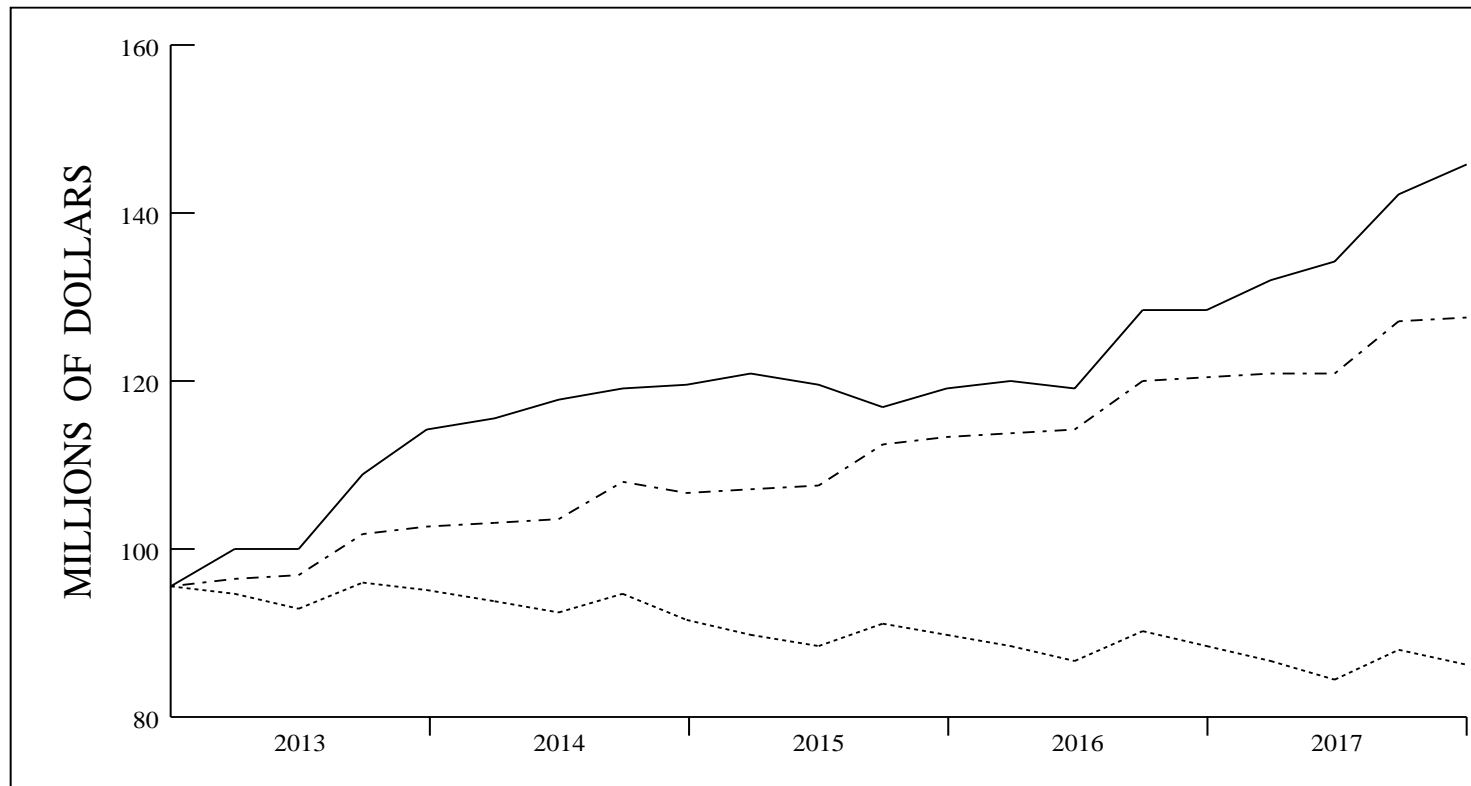
ASSET ALLOCATION

| | | |
|------------------------|---------------|-----------------------|
| PRIT Core | 44.8% | \$ 65,378,002 |
| Domestic Equity | 27.2% | 39,704,247 |
| Int'l Equity | 5.2% | 7,582,469 |
| Real Estate | 9.8% | 14,338,949 |
| Fixed Income | 12.0% | 17,550,548 |
| Cash | 0.9% | 1,315,327 |
| Total Portfolio | 100.0% | \$ 145,869,542 |

INVESTMENT RETURN

| | |
|------------------------|----------------|
| Market Value 9/2017 | \$ 142,617,827 |
| Contribs / Withdrawals | - 1,976,384 |
| Income | 761,439 |
| Capital Gains / Losses | 4,466,660 |
| Market Value 12/2017 | \$ 145,869,542 |

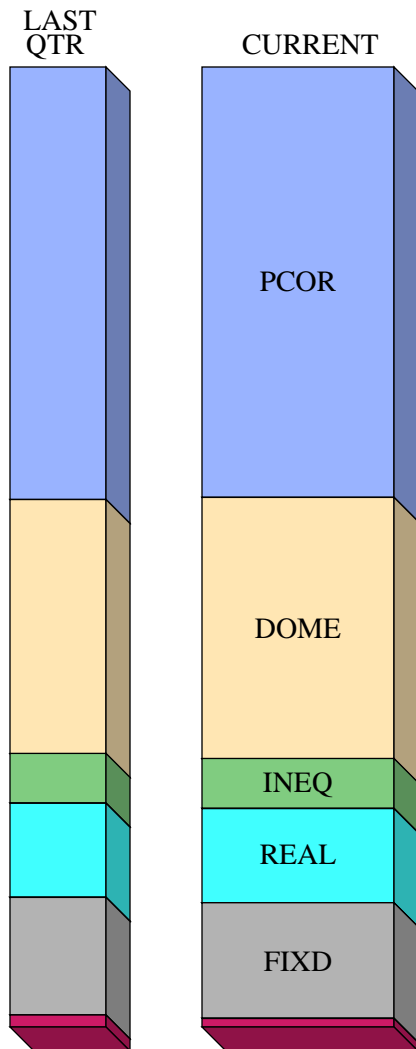
INVESTMENT GROWTH



— ACTUAL RETURN
 - - - 7.75%
 0.0%

VALUE ASSUMING
 7.75% RETURN \$ 127,697,978

| | LAST QUARTER | FIVE YEARS |
|-------------------------------|------------------|-------------------|
| BEGINNING VALUE | \$ 142,617,827 | \$ 95,889,703 |
| NET CONTRIBUTIONS | - 1,976,384 | - 9,577,895 |
| <u>INVESTMENT RETURN</u> | <u>5,228,099</u> | <u>59,557,734</u> |
| ENDING VALUE | \$ 145,869,542 | \$ 145,869,542 |
| INCOME | 761,439 | 13,776,208 |
| <u>CAPITAL GAINS (LOSSES)</u> | <u>4,466,660</u> | <u>45,781,526</u> |
| INVESTMENT RETURN | 5,228,099 | 59,557,734 |






































| | <u>VALUE</u> | <u>PERCENT</u> | <u>TARGET</u> | <u>DIFFERENCE</u> <u>+ / -</u> |
|------------------------|----------------------|----------------|---------------|-----------------------------------|
| ■ PRIT CORE | \$ 65,378,002 | 44.8% | 45.0% | -0.2% |
| ■ DOMESTIC EQUITY | 39,704,247 | 27.2% | 27.0% | 0.2% |
| ■ INTERNATIONAL EQUITY | 7,582,469 | 5.2% | 5.0% | 0.2% |
| ■ REAL ESTATE | 14,338,949 | 9.8% | 10.0% | -0.2% |
| ■ FIXED INCOME | 17,550,548 | 12.0% | 13.0% | -1.0% |
| ■ CASH & EQUIVALENT | 1,315,327 | 0.9% | 0.0% | 0.9% |
| <hr/> TOTAL FUND | <hr/> \$ 145,869,542 | <hr/> 100.0% | | |

MANAGER PERFORMANCE SUMMARY

| Name | (Universe) | Quarter | YTD | 1 Year | 3 Years | 5 Years |
|---|---------------|-----------------|------------------|------------------|------------------|------------------|
| Total Portfolio | (Public Fund) | 3.7 (53) | 15.4 (55) | 15.4 (55) | 8.4 (14) | 10.5 (7) |
| <i>Franklin Regional Policy Index</i> | | <i>4.0 ----</i> | <i>15.4 ----</i> | <i>15.4 ----</i> | <i>8.4 ----</i> | <i>10.6 ----</i> |
| PRIT Core Fund | (Public Fund) | 4.0 (31) | 17.8 (10) | 17.8 (10) | 8.8 (7) | 10.0 (20) |
| <i>Custom Core Index</i> | | <i>3.5 ----</i> | <i>15.2 ----</i> | <i>15.2 ----</i> | <i>7.6 ----</i> | <i>8.6 ----</i> |
| Polen Capital | (LC Growth) | 5.2 (85) | 27.7 (58) | 27.7 (58) | 14.5 (16) | 16.9 (40) |
| <i>Russell 1000 Growth</i> | | <i>7.9 ----</i> | <i>30.2 ----</i> | <i>30.2 ----</i> | <i>13.8 ----</i> | <i>17.3 ----</i> |
| O'Shaughnessy | (LC Value) | 8.8 (3) | 24.3 (6) | 24.3 (6) | 10.1 (41) | 17.0 (8) |
| <i>Russell 1000 Value</i> | | <i>5.3 ----</i> | <i>13.6 ----</i> | <i>13.6 ----</i> | <i>8.6 ----</i> | <i>14.0 ----</i> |
| Seizert Capital | (Mid Cap) | 3.0 (98) | 7.4 (99) | 7.4 (99) | 6.4 (96) | 13.9 (80) |
| <i>Russell Mid Cap</i> | | <i>6.1 ----</i> | <i>18.5 ----</i> | <i>18.5 ----</i> | <i>9.6 ----</i> | <i>15.0 ----</i> |
| Aberdeen SC Core | (Small Cap) | 3.8 (57) | ---- | ---- | ---- | ---- |
| Systematic | (Small Cap) | 3.0 (76) | 7.4 (91) | 7.4 (91) | 6.8 (93) | ---- |
| <i>Russell 2000</i> | | <i>3.3 ----</i> | <i>14.6 ----</i> | <i>14.6 ----</i> | <i>9.9 ----</i> | <i>14.1 ----</i> |
| PRIT Int'l Eq. | (Intl Eq) | 4.5 (66) | 26.7 (71) | 26.7 (71) | 9.3 (56) | ---- |
| <i>MSCI EAFE</i> | | <i>4.3 ----</i> | <i>25.6 ----</i> | <i>25.6 ----</i> | <i>8.3 ----</i> | <i>8.4 ----</i> |
| PRIT Core R.E. | | 2.6 ---- | 9.0 ---- | 9.0 ---- | 9.5 ---- | 10.8 ---- |
| <i>NCREIF NFI-ODCE Index</i> | | <i>2.1 ----</i> | <i>7.6 ----</i> | <i>7.6 ----</i> | <i>10.4 ----</i> | <i>11.5 ----</i> |
| IR&M | (Core Fixed) | 0.5 (53) | 4.0 (48) | 4.0 (48) | 2.7 (39) | 2.8 (26) |
| <i>Bloomberg Barclays Aggregate Index</i> | | <i>0.4 ----</i> | <i>3.5 ----</i> | <i>3.5 ----</i> | <i>2.3 ----</i> | <i>2.1 ----</i> |

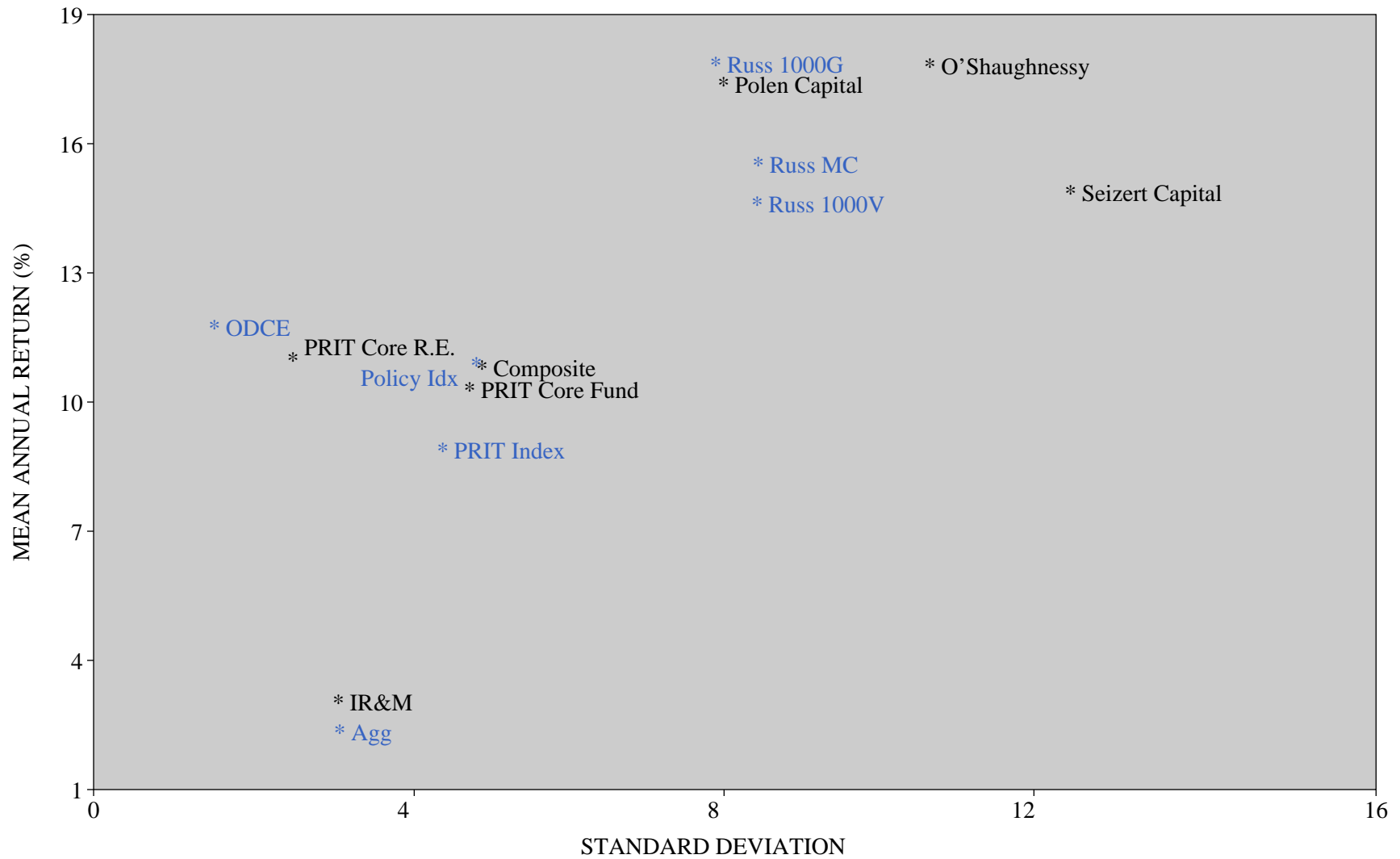
MANAGER VALUE ADDED

| Portfolio | Benchmark | 1 Quarter | 1 Years | 3 Years | 5 Years |
|------------------------|---------------------|--|--|--|--|
| PRIT Core Fund | Custom Core Idx | 0.5  | 2.6  | 1.2  | 1.4  |
| Polen Capital | Russell 1000G |  -2.7 |  -2.5 | 0.7  |  -0.4 |
| O'Shaughnessy | Russell 1000V | 3.5  | 10.7  | 1.5  | 3.0  |
| Seizert Capital | Russell Mid |  -3.1 |  -11.1 |  -3.2 |  -1.1 |
| Aberdeen SC Core | Russell 2000 | 0.5  | N/A | N/A | N/A |
| Systematic | Russell 2000 |  -0.3 |  -7.2 |  -3.1 | N/A |
| PRIT Int'l Eq. | MSCI EAFE | 0.2  | 1.1  | 1.0  | N/A |
| PRIT Core R.E. | NCREIF ODCE | 0.5  | 1.4  |  -0.9 |  -0.7 |
| IR&M | Aggregate Index | 0.1  | 0.5  | 0.4  | 0.7  |
| Total Portfolio | Policy Index |  -0.3 | 0.0  | 0.0  |  -0.1 |

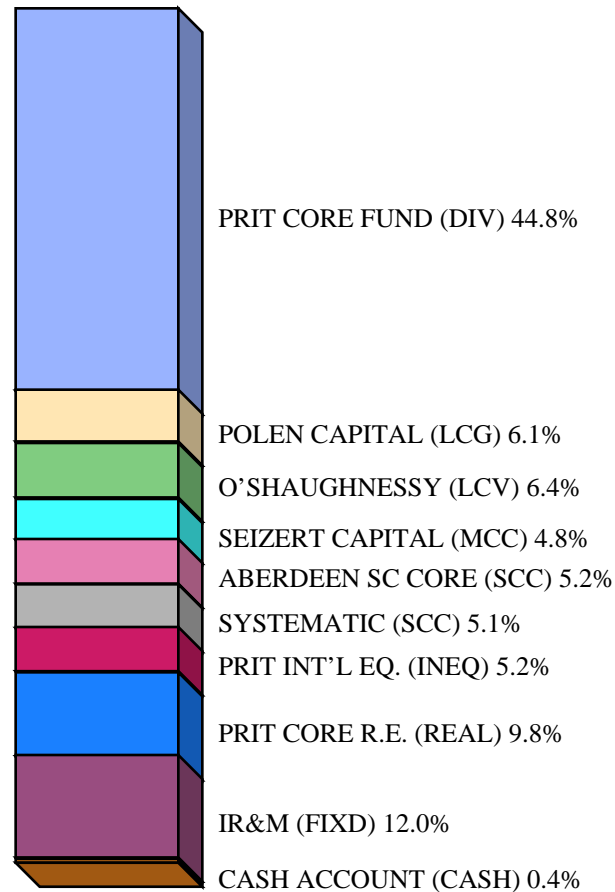
MANAGER RISK STATISTICS SUMMARY - FIVE-YEAR HISTORY

| Name | Alpha | Batting Average | Sharpe Ratio | Information Ratio | Up Capture | Down Capture |
|--|-------|-----------------|--------------|-------------------|------------|--------------|
| PRIT Core Fund <i>Custom Core Idx</i> | 0.88 | 0.850 | 2.12 | 1.65 | 114.5 | 98.8 |
| Polen Capital <i>Russell 1000G</i> | 3.36 | 0.450 | 2.17 | -0.09 | 89.3 | ---- |
| O'Shaughnessy <i>Russell 1000V</i> | 3.20 | 0.600 | 1.67 | 0.51 | 114.3 | 68.6 |
| Seizert Capital <i>Russell Mid</i> | -3.69 | 0.400 | 1.19 | -0.09 | 100.9 | 143.0 |
| PRIT Core R.E. <i>NCREIF ODCE</i> | 5.32 | 0.500 | 4.35 | -0.30 | 93.4 | ---- |
| IR&M <i>Aggregate Index</i> | 0.73 | 0.850 | 0.86 | 1.31 | 108.2 | 76.9 |

RISK-RETURN SUMMARY - 5 YEAR HISTORY



MANAGER ALLOCATION AND TARGET SUMMARY

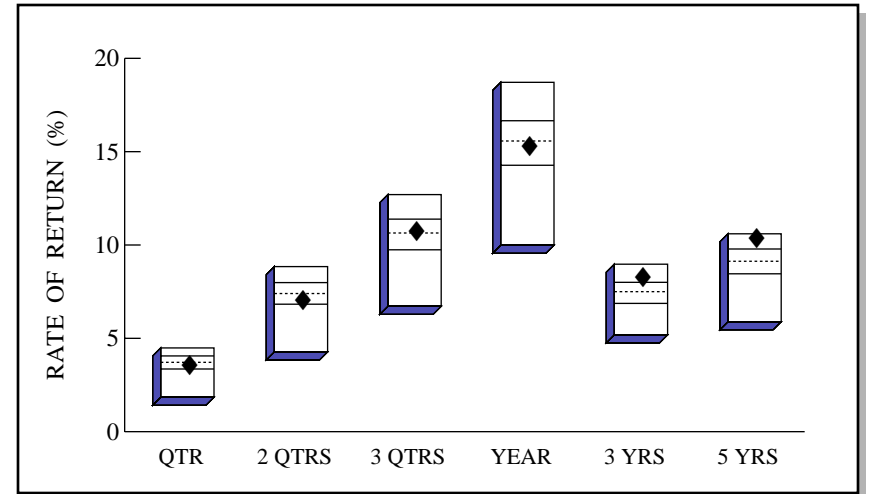
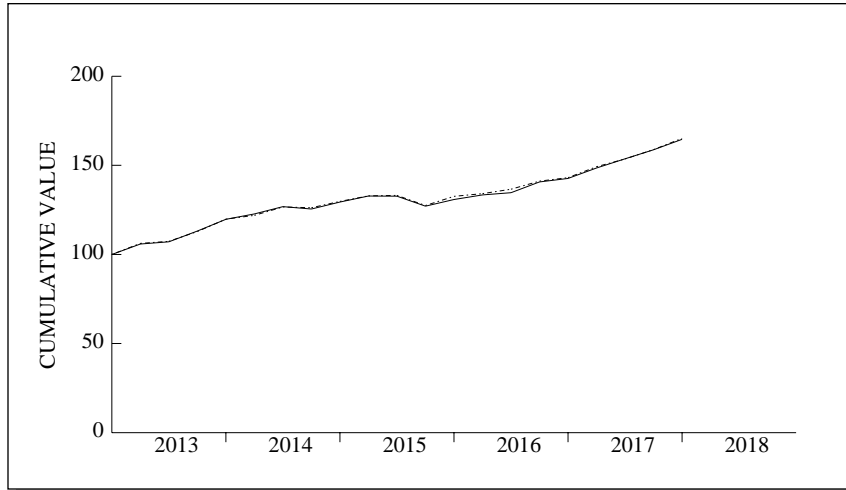


| Name | Market Value | Percent | Target |
|------------------------|----------------------|--------------|--------------|
| PRIT Core Fund (DIV) | \$65,378,002 | 44.8 | 45.0 |
| Polen Capital (LCG) | \$8,898,141 | 6.1 | 6.0 |
| O'Shaughnessy (LCV) | \$9,365,889 | 6.4 | 6.0 |
| Seizert Capital (MCC) | \$6,991,428 | 4.8 | 5.0 |
| Aberdeen SC Core (SCC) | \$7,647,245 | 5.2 | 5.0 |
| Systematic (SCC) | \$7,467,314 | 5.1 | 5.0 |
| PRIT Int'l Eq. (INEQ) | \$7,582,469 | 5.2 | 5.0 |
| PRIT Core R.E. (REAL) | \$14,338,949 | 9.8 | 10.0 |
| IR&M (FIXD) | \$17,550,548 | 12.0 | 13.0 |
| Cash Account (CASH) | \$649,557 | 0.4 | 0.0 |
| Total Portfolio | \$145,869,542 | 100.0 | 100.0 |

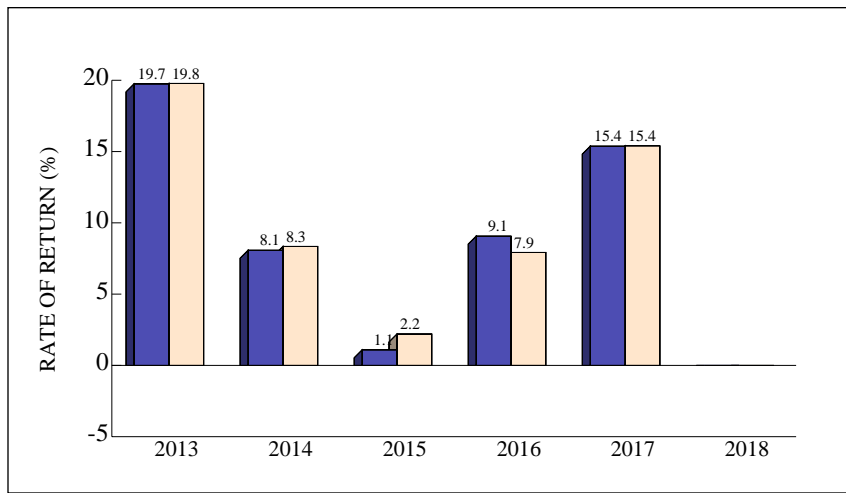
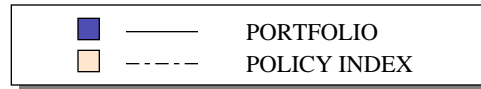
INVESTMENT RETURN SUMMARY - ONE QUARTER

| Name | Quarter Total Return | Market Value September 30th, 2017 | Net Cashflow | Net Investment Return | Market Value December 31st, 2017 |
|------------------------|-------------------------------------|--|-------------------------|--------------------------------------|---|
| PRIT Core Fund (DIV) | 4.0 | 64,247,691 | -1,414,331 | 2,544,642 | 65,378,002 |
| Polen Capital (LCG) | 5.2 | 8,456,846 | -32 | 441,327 | 8,898,141 |
| O'Shaughnessy (LCV) | 8.8 | 8,605,780 | -58 | 760,167 | 9,365,889 |
| Seizert Capital (MCC) | 3.0 | 6,790,293 | -57 | 201,192 | 6,991,428 |
| Aberdeen SC Core (SCC) | 3.8 | 7,365,663 | 0 | 281,582 | 7,647,245 |
| Systematic (SCC) | 3.0 | 7,247,885 | -2 | 219,431 | 7,467,314 |
| PRIT Int'l Eq. (INEQ) | 4.5 | 7,386,548 | -129,380 | 325,301 | 7,582,469 |
| PRIT Core R.E. (REAL) | 2.6 | 13,990,569 | -18,410 | 366,790 | 14,338,949 |
| IR&M (FIXD) | 0.5 | 17,463,178 | 0 | 87,370 | 17,550,548 |
| Cash Account (CASH) | --- | 1,063,374 | -414,114 | 297 | 649,557 |
| Total Portfolio | 3.7 | 142,617,827 | -1,976,384 | 5,228,099 | 145,869,542 |

TOTAL RETURN COMPARISONS



Public Fund Universe

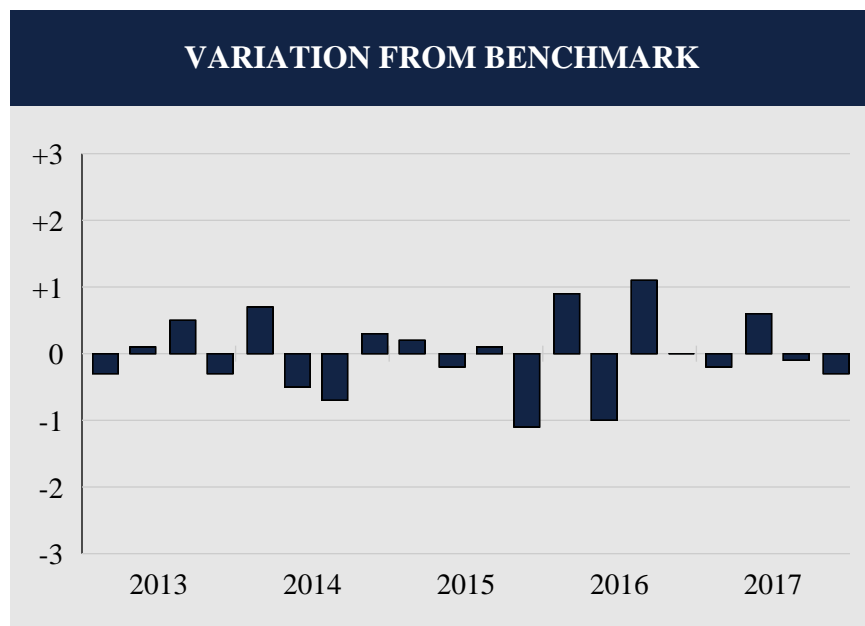


| | QTR | 2 QTRS | 3 QTRS | YEAR | -----ANNUALIZED----- | |
|-------------------|------------|------------|-------------|-------------|----------------------|-------------|
| | | | | | 3 YRS | 5 YRS |
| RETURN | 3.7 | 7.1 | 10.8 | 15.4 | 8.4 | 10.5 |
| (RANK) | (53) | (64) | (45) | (55) | (14) | (7) |
| 5TH %ILE | 4.5 | 8.8 | 12.7 | 18.7 | 9.0 | 10.6 |
| 25TH %ILE | 4.1 | 8.0 | 11.4 | 16.7 | 8.0 | 9.8 |
| MEDIAN | 3.7 | 7.4 | 10.6 | 15.6 | 7.5 | 9.1 |
| 75TH %ILE | 3.4 | 6.8 | 9.7 | 14.3 | 6.9 | 8.5 |
| 95TH %ILE | 1.8 | 4.3 | 6.7 | 10.0 | 5.2 | 5.9 |
| Policy Idx | 4.0 | 7.5 | 10.7 | 15.4 | 8.4 | 10.6 |

Public Fund Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

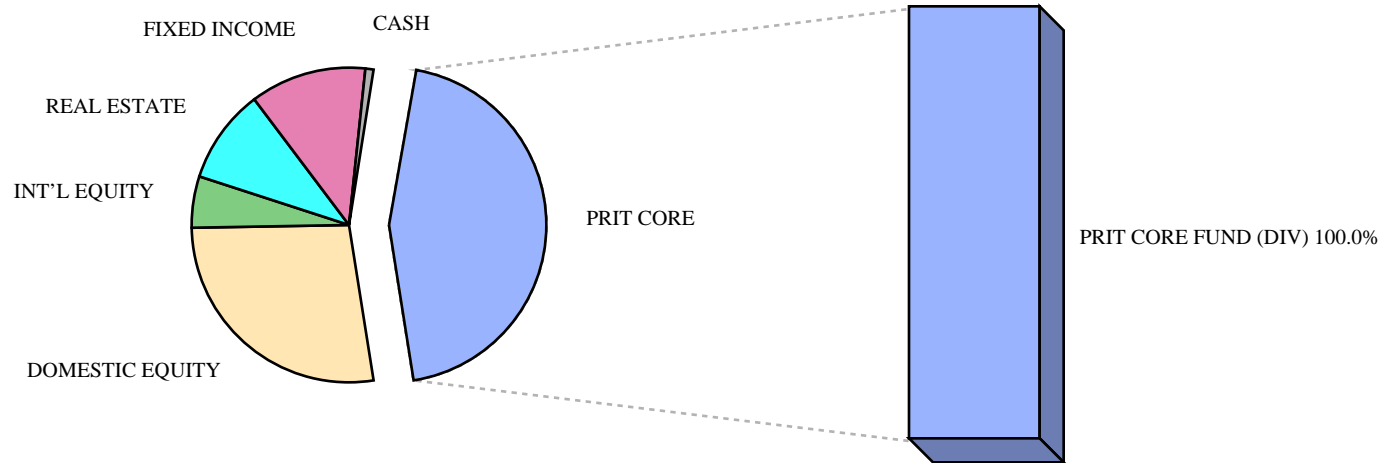
COMPARATIVE BENCHMARK: FRANKLIN REGIONAL POLICY INDEX



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

| RATES OF RETURN | | | |
|-----------------|-----------|-----------|------------|
| Date | Portfolio | Benchmark | Difference |
| 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 |
| 12/17 | 3.7 | 4.0 | -0.3 |

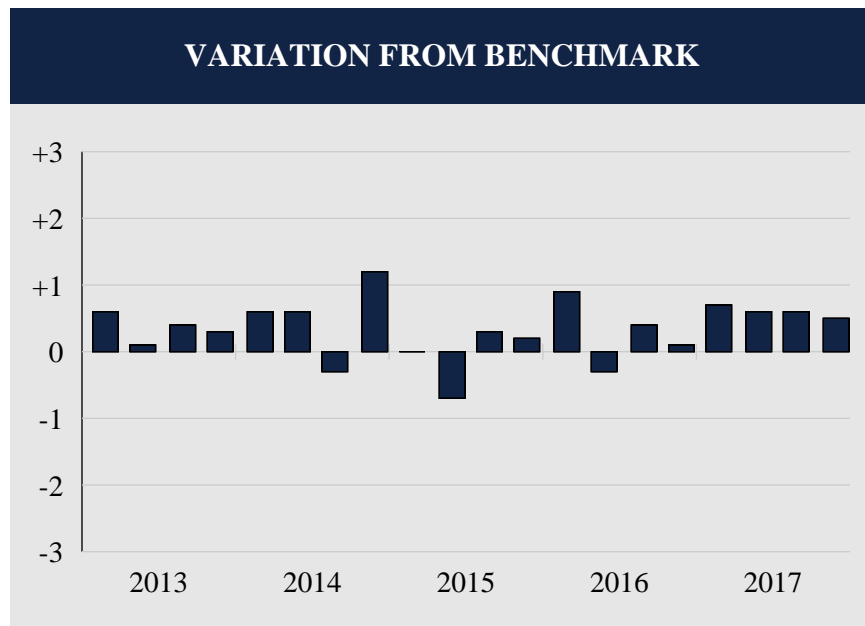
PRIT CORE MANAGER SUMMARY



| TOTAL RETURNS AND RANKINGS | | | | | | | |
|----------------------------|---------------|----------------|-----------------|-----------------|----------------|----------------|--------------|
| MANAGER | (UNIVERSE) | QTR | YTD | 1 YEAR | 3 YEARS | 5 YEARS | MARKET VALUE |
| PRIT CORE FUND | (Public Fund) | 4.0 (31) | 17.8 (10) | 17.8 (10) | 8.8 (7) | 10.0 (20) | \$65,378,002 |
| <i>Custom Core Index</i> | | <i>3.5 ---</i> | <i>15.2 ---</i> | <i>15.2 ---</i> | <i>7.6 ---</i> | <i>8.6 ---</i> | <i>---</i> |

PRIT CORE QUARTERLY PERFORMANCE SUMMARY

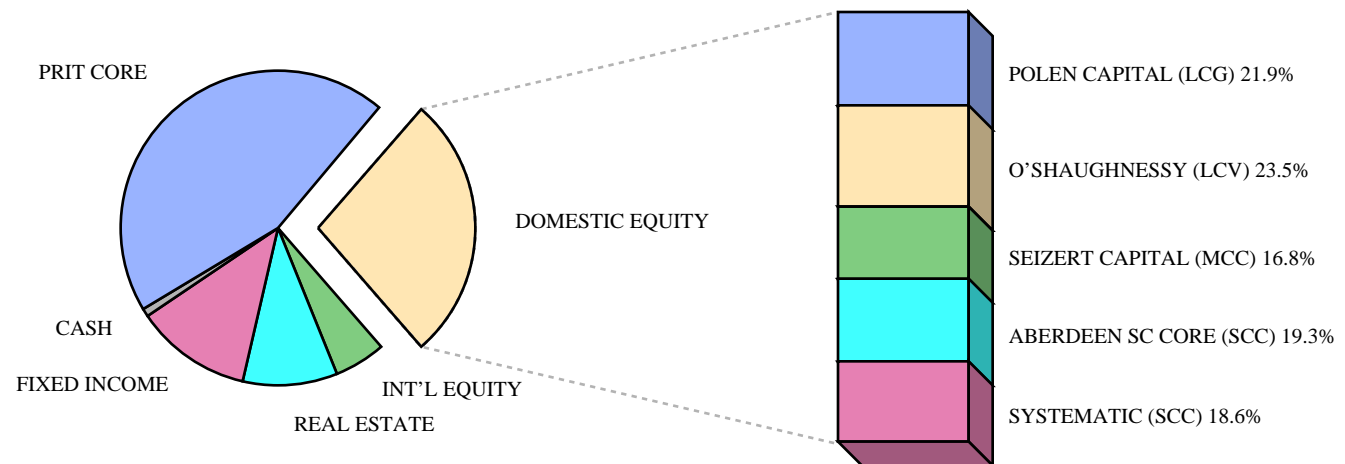
COMPARATIVE BENCHMARK: CUSTOM CORE INDEX



| RATES OF RETURN | | | |
|-----------------|-----------|-----------|------------|
| Date | Portfolio | Benchmark | Difference |
| 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 |
| 12/17 | 4.0 | 3.5 | 0.5 |

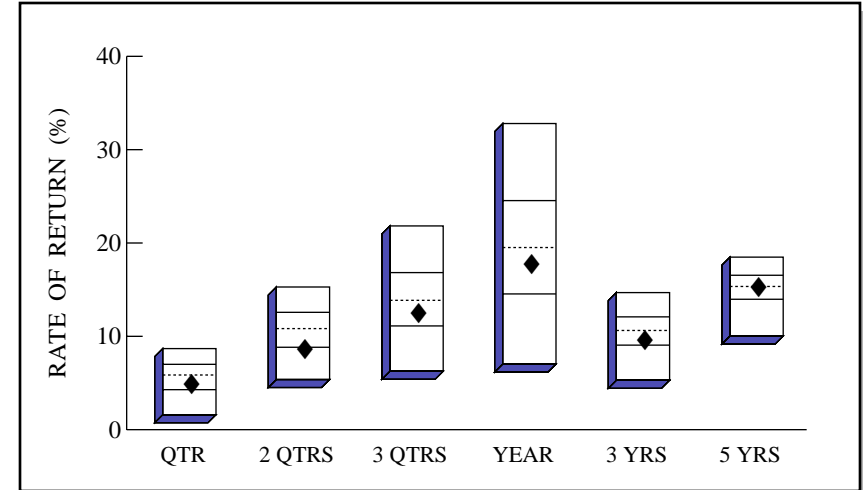
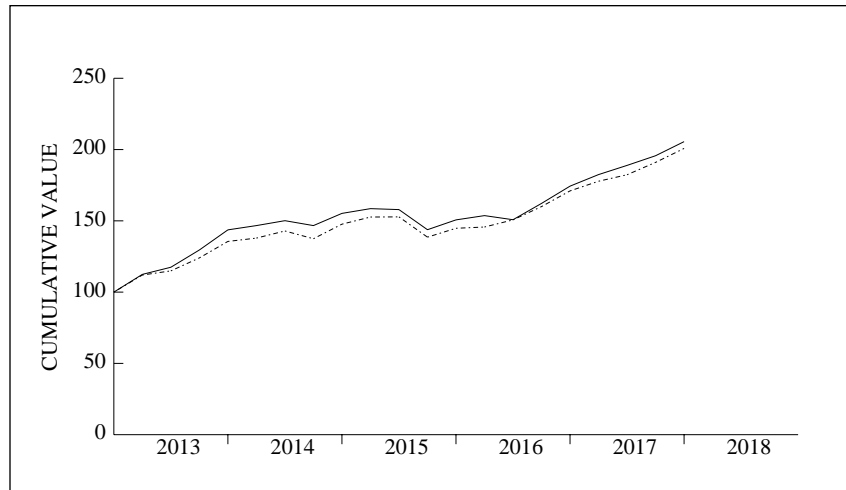
| | |
|---|-------------|
| Total Quarters Observed | 20 |
| Quarters At or Above the Benchmark | 17 |
| Quarters Below the Benchmark | 3 |
| Batting Average | .850 |

DOMESTIC EQUITY MANAGER SUMMARY

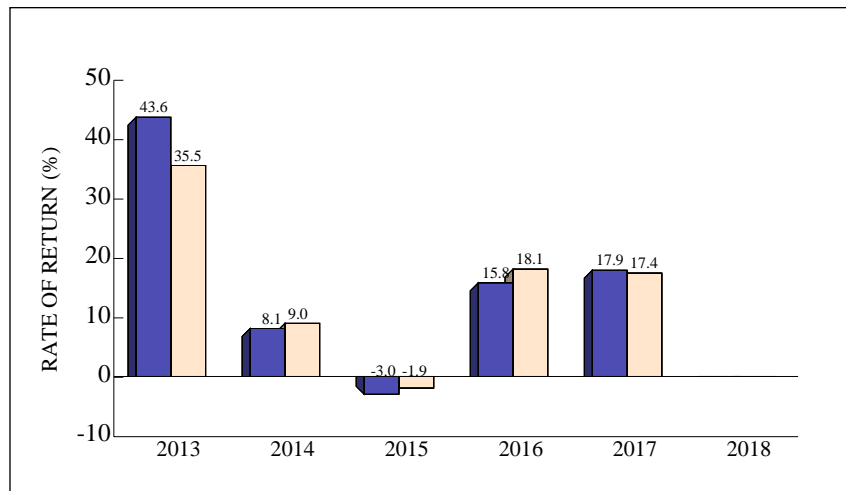


| TOTAL RETURNS AND RANKINGS | | | | | | | |
|----------------------------|--------------------|----------|-----------|-----------|-----------|-----------|--------------|
| MANAGER | (UNIVERSE) | QTR | YTD | 1 YEAR | 3 YEARS | 5 YEARS | MARKET VALUE |
| POLEN CAPITAL | (Large Cap Growth) | 5.2 (85) | 27.7 (58) | 27.7 (58) | 14.5 (16) | 16.9 (40) | \$8,898,141 |
| <i>Russell 1000 Growth</i> | | 7.9 ---- | 30.2 ---- | 30.2 ---- | 13.8 ---- | 17.3 ---- | ---- |
| O'SHAUGHNESSY | (Large Cap Value) | 8.8 (3) | 24.3 (6) | 24.3 (6) | 10.1 (41) | 17.0 (8) | \$9,365,889 |
| <i>Russell 1000 Value</i> | | 5.3 ---- | 13.6 ---- | 13.6 ---- | 8.6 ---- | 14.0 ---- | ---- |
| SEIZERT CAPITAL | (Mid Cap) | 3.0 (98) | 7.4 (99) | 7.4 (99) | 6.4 (96) | 13.9 (80) | \$6,991,428 |
| <i>Russell Mid Cap</i> | | 6.1 ---- | 18.5 ---- | 18.5 ---- | 9.6 ---- | 15.0 ---- | ---- |
| ABERDEEN SC CORE | (Small Cap) | 3.8 (57) | ---- | ---- | ---- | ---- | \$7,647,245 |
| SYSTEMATIC | (Small Cap) | 3.0 (76) | 7.4 (91) | 7.4 (91) | 6.8 (93) | ---- | \$7,467,314 |
| <i>Russell 2000</i> | | 3.3 ---- | 14.6 ---- | 14.6 ---- | 9.9 ---- | 14.1 ---- | ---- |

DOMESTIC EQUITY RETURN COMPARISONS



Domestic Equity Universe

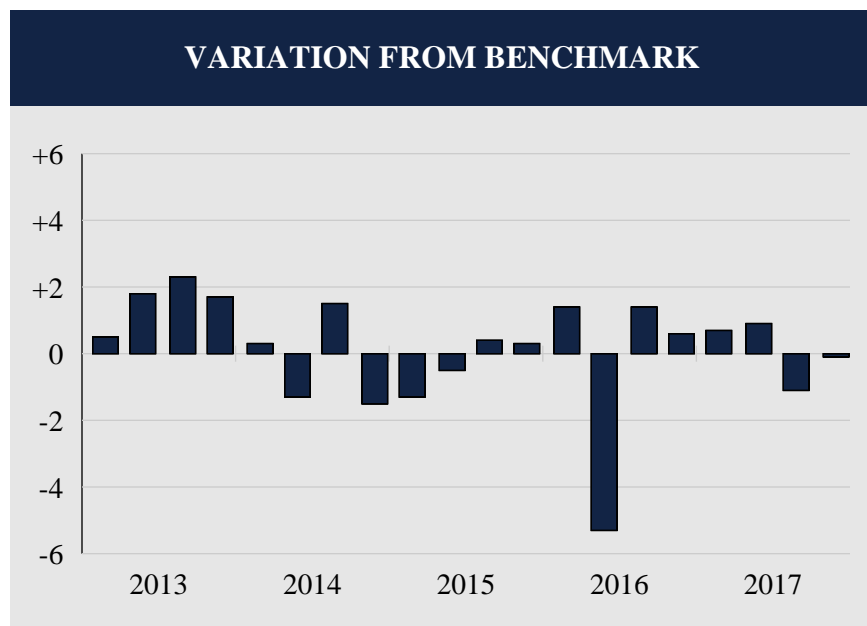


| | QTR | 2 QTRS | 3 QTRS | YEAR | 3 YRS | 5 YRS |
|---------------------|------------|-------------|-------------|-------------|-------------|-------------|
| RETURN | 5.0 | 8.8 | 12.6 | 17.9 | 9.8 | 15.5 |
| (RANK) | (65) | (76) | (61) | (58) | (64) | (47) |
| 5TH %ILE | 8.7 | 15.3 | 21.8 | 32.8 | 14.7 | 18.5 |
| 25TH %ILE | 7.0 | 12.6 | 16.8 | 24.5 | 12.1 | 16.5 |
| MEDIAN | 5.9 | 10.8 | 13.9 | 19.5 | 10.6 | 15.3 |
| 75TH %ILE | 4.3 | 8.8 | 11.1 | 14.6 | 9.1 | 14.0 |
| 95TH %ILE | 1.6 | 5.4 | 6.3 | 7.0 | 5.3 | 10.0 |
| <i>Equity Index</i> | <i>5.1</i> | <i>10.1</i> | <i>12.9</i> | <i>17.4</i> | <i>10.8</i> | <i>15.0</i> |

Domestic Equity Universe

DOMESTIC EQUITY QUARTERLY PERFORMANCE SUMMARY

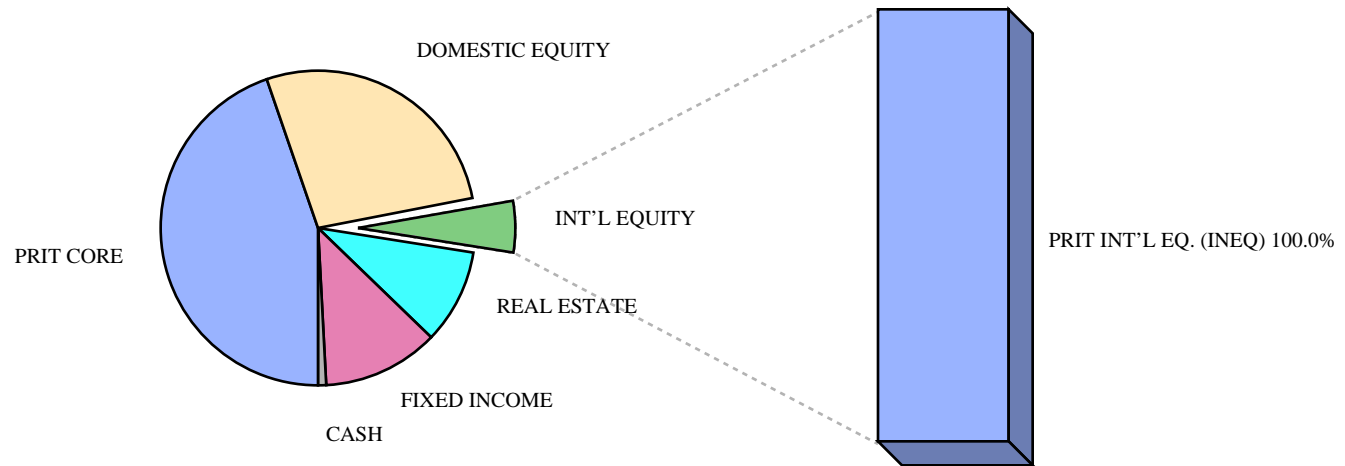
COMPARATIVE BENCHMARK: FRANKLIN REGIONAL EQUITY INDEX



| | |
|---|-------------|
| Total Quarters Observed | 20 |
| Quarters At or Above the Benchmark | 13 |
| Quarters Below the Benchmark | 7 |
| Batting Average | .650 |

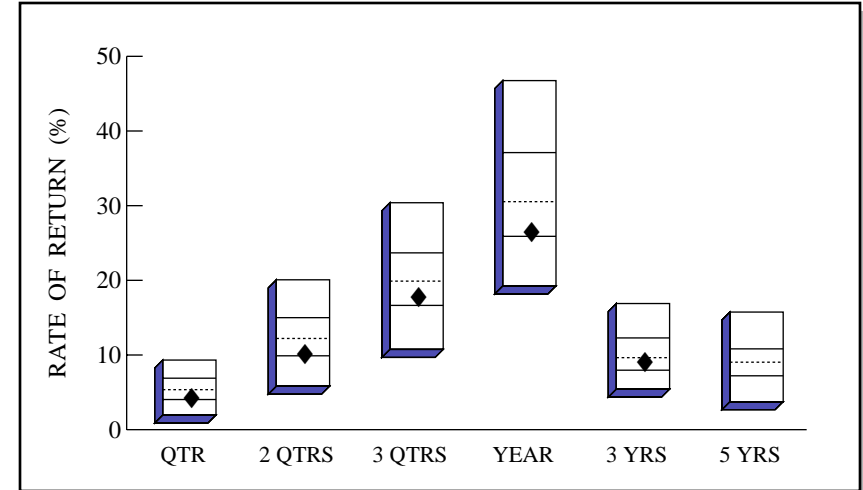
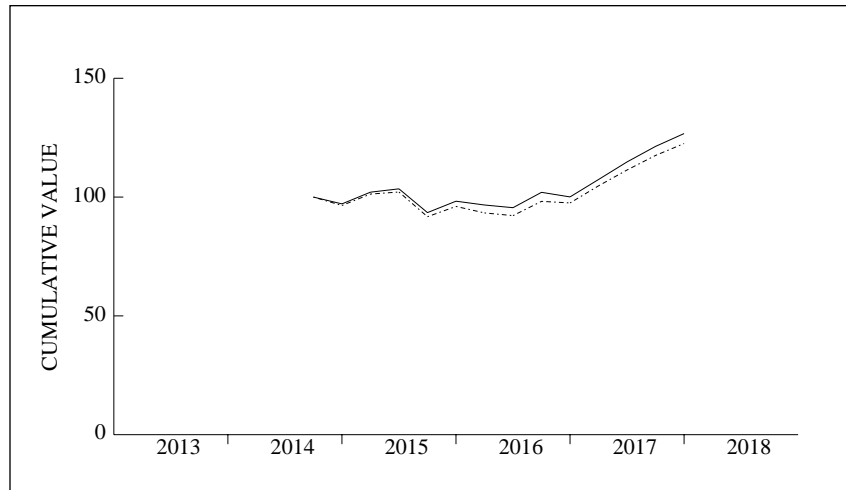
| RATES OF RETURN | | | |
|-----------------|-----------|-----------|------------|
| Date | Portfolio | Benchmark | Difference |
| 3/13 | 12.5 | 12.0 | 0.5 |
| 6/13 | 4.4 | 2.6 | 1.8 |
| 9/13 | 10.3 | 8.0 | 2.3 |
| 12/13 | 10.9 | 9.2 | 1.7 |
| 3/14 | 2.1 | 1.8 | 0.3 |
| 6/14 | 2.3 | 3.6 | -1.3 |
| 9/14 | -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 |
| 12/17 | 5.0 | 5.1 | -0.1 |

INTERNATIONAL EQUITY MANAGER SUMMARY

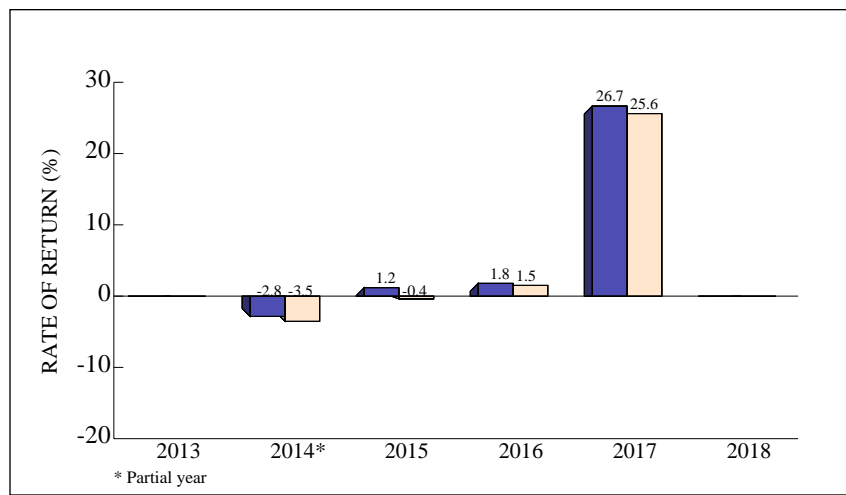


| TOTAL RETURNS AND RANKINGS | | | | | | | |
|----------------------------|------------------------|----------|-----------|-----------|----------|----------|--------------|
| MANAGER | (UNIVERSE) | QTR | YTD | 1 YEAR | 3 YEARS | 5 YEARS | MARKET VALUE |
| PRIT INT'L EQ. | (International Equity) | 4.5 (66) | 26.7 (71) | 26.7 (71) | 9.3 (56) | ---- | \$7,582,469 |
| <i>MSCI EAFE</i> | | 4.3 ---- | 25.6 ---- | 25.6 ---- | 8.3 ---- | 8.4 ---- | ---- |

INTERNATIONAL EQUITY RETURN COMPARISONS



International Equity Universe

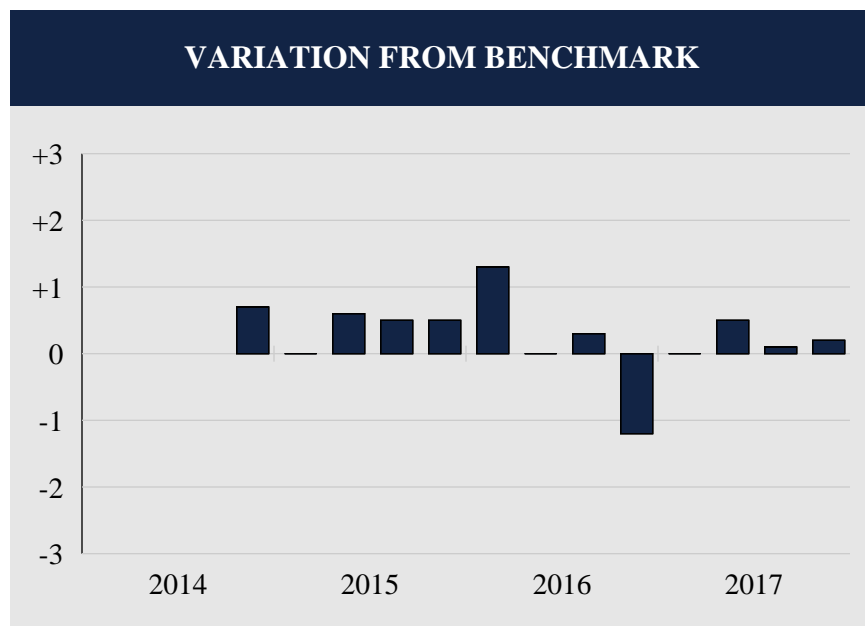


| | QTR | 2 QTRS | 3 QTRS | YEAR | -----ANNUALIZED----- | |
|------------------|------------|-------------|-------------|-------------|----------------------|------------|
| | | | | | 3 YRS | 5 YRS |
| RETURN | 4.5 | 10.4 | 18.0 | 26.7 | 9.3 | --- |
| (RANK) | (66) | (70) | (64) | (71) | (56) | --- |
| 5TH %ILE | 9.3 | 20.1 | 30.4 | 46.8 | 16.9 | 15.8 |
| 25TH %ILE | 6.9 | 15.0 | 23.7 | 37.1 | 12.3 | 10.8 |
| MEDIAN | 5.4 | 12.2 | 19.9 | 30.6 | 9.7 | 9.0 |
| 75TH %ILE | 4.0 | 9.9 | 16.7 | 25.9 | 8.0 | 7.2 |
| 95TH %ILE | 2.0 | 5.8 | 10.7 | 19.3 | 5.4 | 3.8 |
| MSCI EAFE | 4.3 | 10.0 | 17.0 | 25.6 | 8.3 | 8.4 |

International Equity Universe

INTERNATIONAL EQUITY QUARTERLY PERFORMANCE SUMMARY

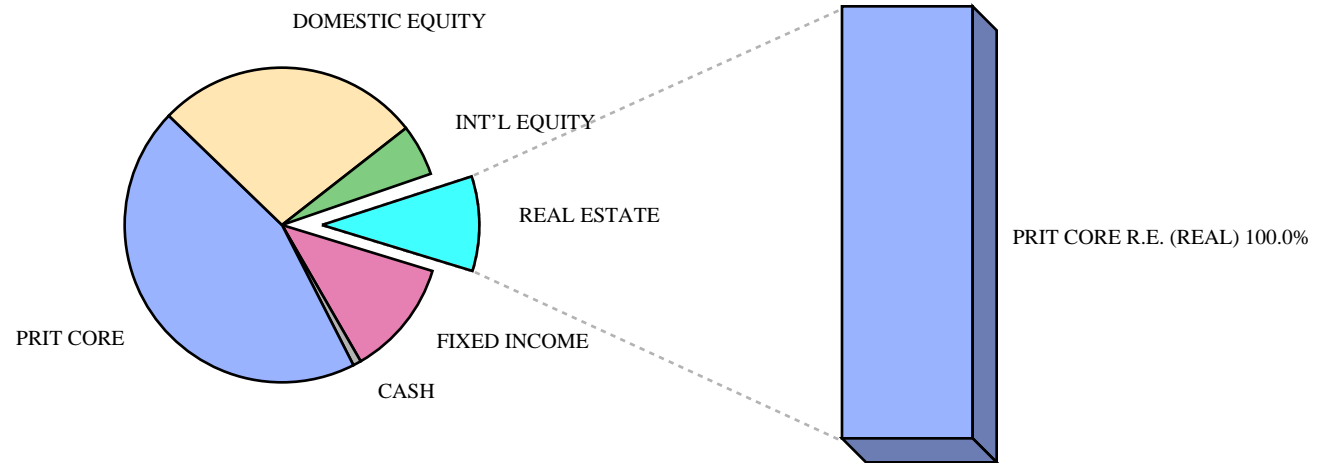
COMPARATIVE BENCHMARK: MSCI EAFE



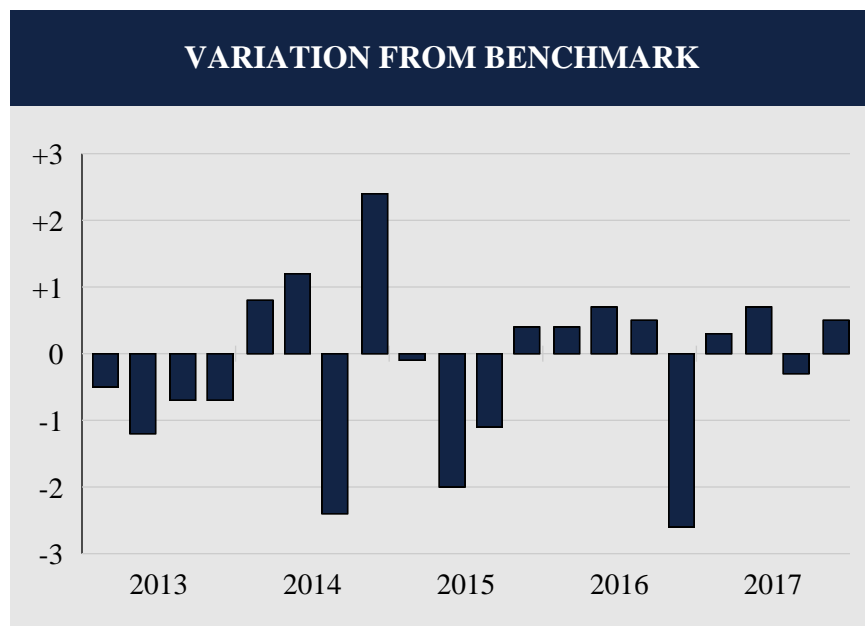
| RATES OF RETURN | | | |
|-----------------|-----------|-----------|------------|
| Date | Portfolio | Benchmark | Difference |
| 12/14 | -2.8 | -3.5 | 0.7 |
| 3/15 | 5.0 | 5.0 | 0.0 |
| 6/15 | 1.4 | 0.8 | 0.6 |
| 9/15 | -9.7 | -10.2 | 0.5 |
| 12/15 | 5.2 | 4.7 | 0.5 |
| 3/16 | -1.6 | -2.9 | 1.3 |
| 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 |
| 12/17 | 4.5 | 4.3 | 0.2 |

| | |
|---|-------------|
| Total Quarters Observed | 13 |
| Quarters At or Above the Benchmark | 12 |
| Quarters Below the Benchmark | 1 |
| Batting Average | .923 |

REAL ESTATE MANAGER SUMMARY



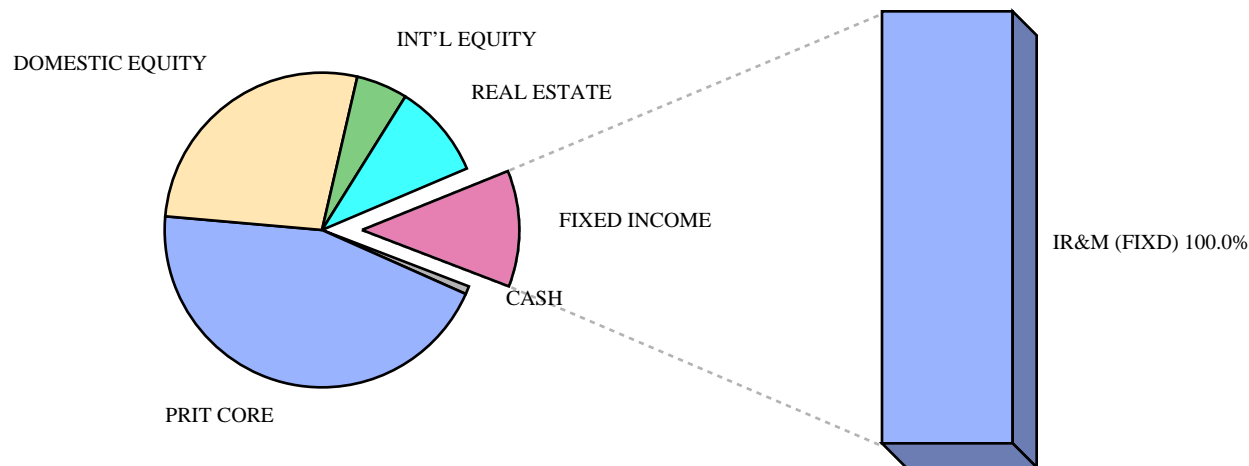
| | | TOTAL RETURNS AND RANKINGS | | | | | |
|------------------------------|------------|----------------------------|----------------|----------------|-----------------|-----------------|--------------|
| MANAGER | (UNIVERSE) | QTR | YTD | 1 YEAR | 3 YEARS | 5 YEARS | MARKET VALUE |
| PRIT CORE R.E. | | 2.6 --- | 9.0 --- | 9.0 --- | 9.5 --- | 10.8 --- | \$14,338,949 |
| <i>NCREIF NFI-ODCE Index</i> | | <i>2.1 ---</i> | <i>7.6 ---</i> | <i>7.6 ---</i> | <i>10.4 ---</i> | <i>11.5 ---</i> | --- |

REAL ESTATE QUARTERLY PERFORMANCE SUMMARY**COMPARATIVE BENCHMARK: NCREIF NFI-ODCE INDEX**

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

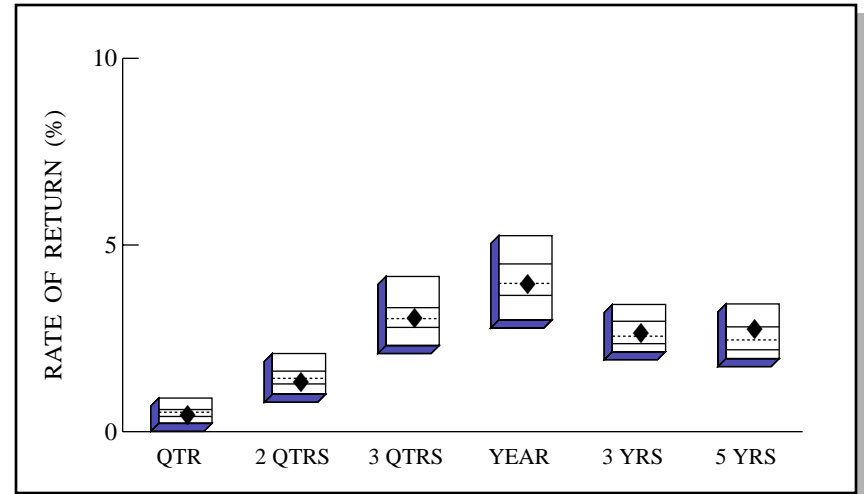
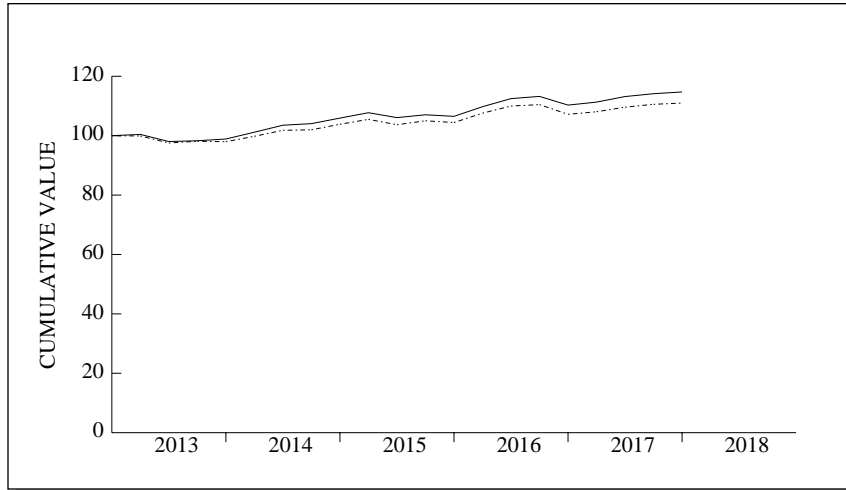
| RATES OF RETURN | | | |
|------------------------|-----------|-----------|------------|
| Date | Portfolio | Benchmark | Difference |
| 3/13 | 2.2 | 2.7 | -0.5 |
| 6/13 | 2.7 | 3.9 | -1.2 |
| 9/13 | 2.9 | 3.6 | -0.7 |
| 12/13 | 2.5 | 3.2 | -0.7 |
| 3/14 | 3.3 | 2.5 | 0.8 |
| 6/14 | 4.1 | 2.9 | 1.2 |
| 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 |
| 12/17 | 2.6 | 2.1 | 0.5 |

FIXED INCOME MANAGER SUMMARY

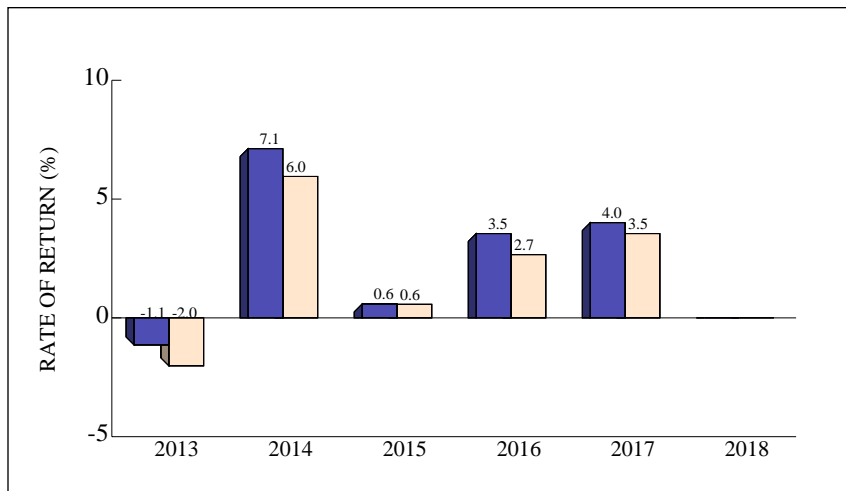


| TOTAL RETURNS AND RANKINGS | | | | | | | |
|----------------------------|---|----------|----------|----------|----------|----------|--------------|
| MANAGER | (UNIVERSE) | QTR | YTD | 1 YEAR | 3 YEARS | 5 YEARS | MARKET VALUE |
| IR&M | (Core Fixed Income) | 0.5 (53) | 4.0 (48) | 4.0 (48) | 2.7 (39) | 2.8 (26) | \$17,550,548 |
| | <i>Bloomberg Barclays Aggregate Index</i> | 0.4 ---- | 3.5 ---- | 3.5 ---- | 2.3 ---- | 2.1 ---- | ---- |

FIXED INCOME RETURN COMPARISONS



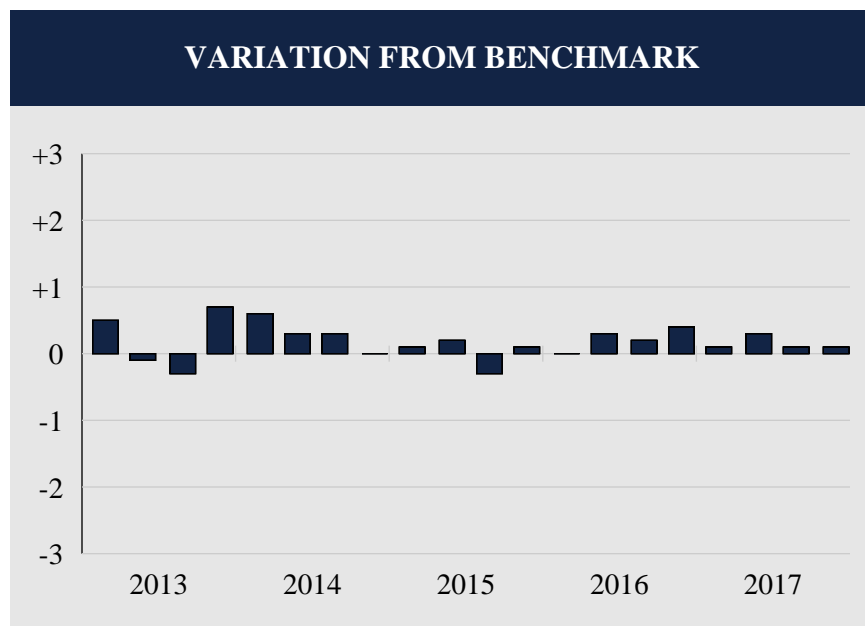
Core Fixed Income Universe



| | QTR | 2 QTRS | 3 QTRS | YEAR | -----ANNUALIZED----- | |
|------------|------------|------------|------------|------------|----------------------|------------|
| | | | | | 3 YRS | 5 YRS |
| RETURN | 0.5 | 1.4 | 3.1 | 4.0 | 2.7 | 2.8 |
| (RANK) | (53) | (60) | (44) | (48) | (39) | (26) |
| 5TH %ILE | 0.9 | 2.1 | 4.2 | 5.3 | 3.4 | 3.4 |
| 25TH %ILE | 0.6 | 1.6 | 3.3 | 4.5 | 3.0 | 2.8 |
| MEDIAN | 0.5 | 1.4 | 3.0 | 4.0 | 2.6 | 2.5 |
| 75TH %ILE | 0.4 | 1.3 | 2.8 | 3.7 | 2.4 | 2.2 |
| 95TH %ILE | 0.2 | 1.0 | 2.3 | 3.0 | 2.1 | 2.0 |
| Agg | 0.4 | 1.2 | 2.7 | 3.5 | 2.3 | 2.1 |

Core Fixed Income Universe

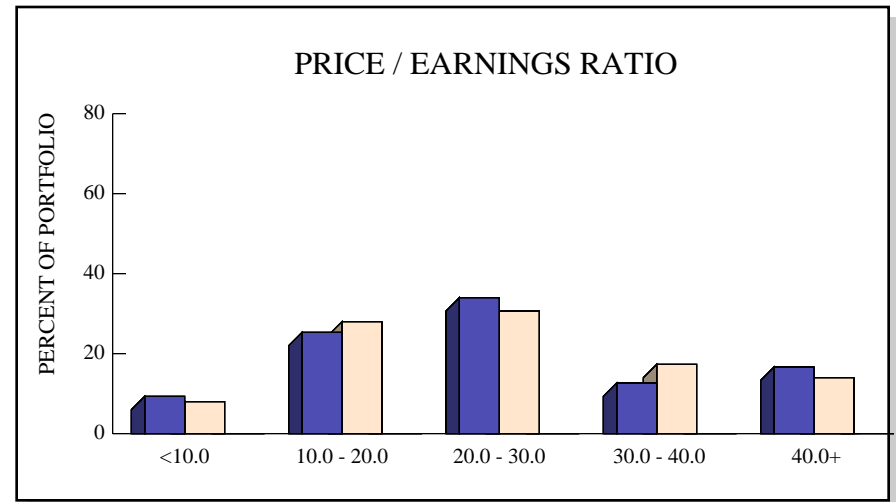
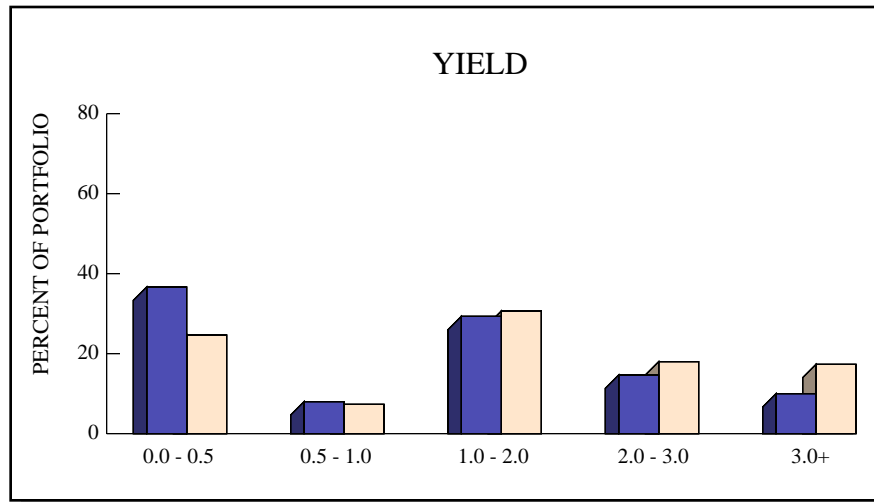
FIXED INCOME QUARTERLY PERFORMANCE SUMMARY
COMPARATIVE BENCHMARK: BLOOMBERG BARCLAYS AGGREGATE INDEX



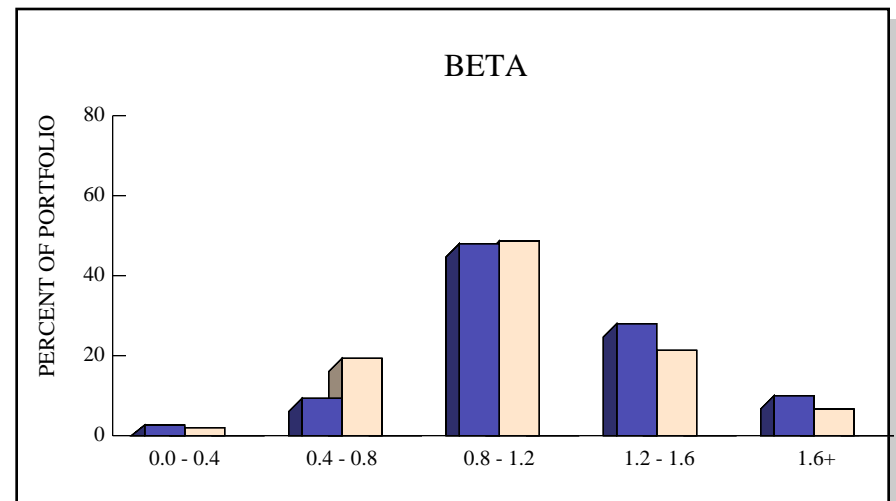
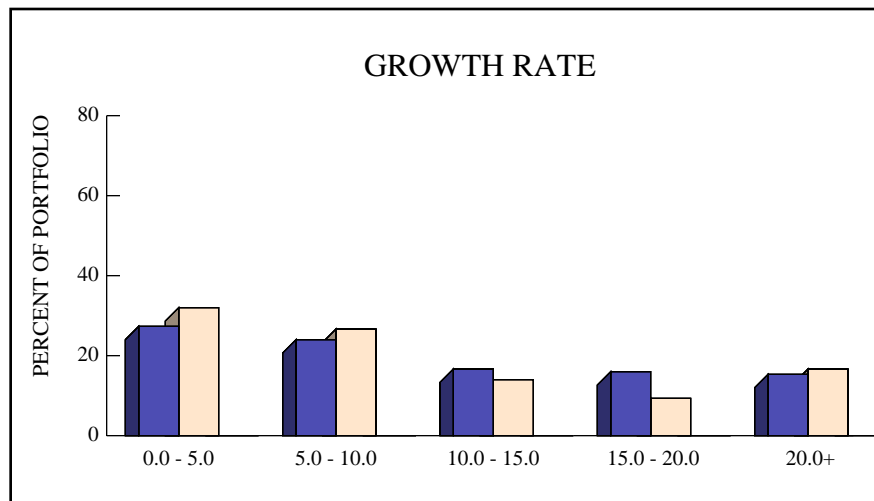
| | |
|---|-------------|
| Total Quarters Observed | 20 |
| Quarters At or Above the Benchmark | 17 |
| Quarters Below the Benchmark | 3 |
| Batting Average | .850 |

| RATES OF RETURN | | | |
|-----------------|-----------|-----------|------------|
| Date | Portfolio | Benchmark | Difference |
| 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 |
| 12/17 | 0.5 | 0.4 | 0.1 |

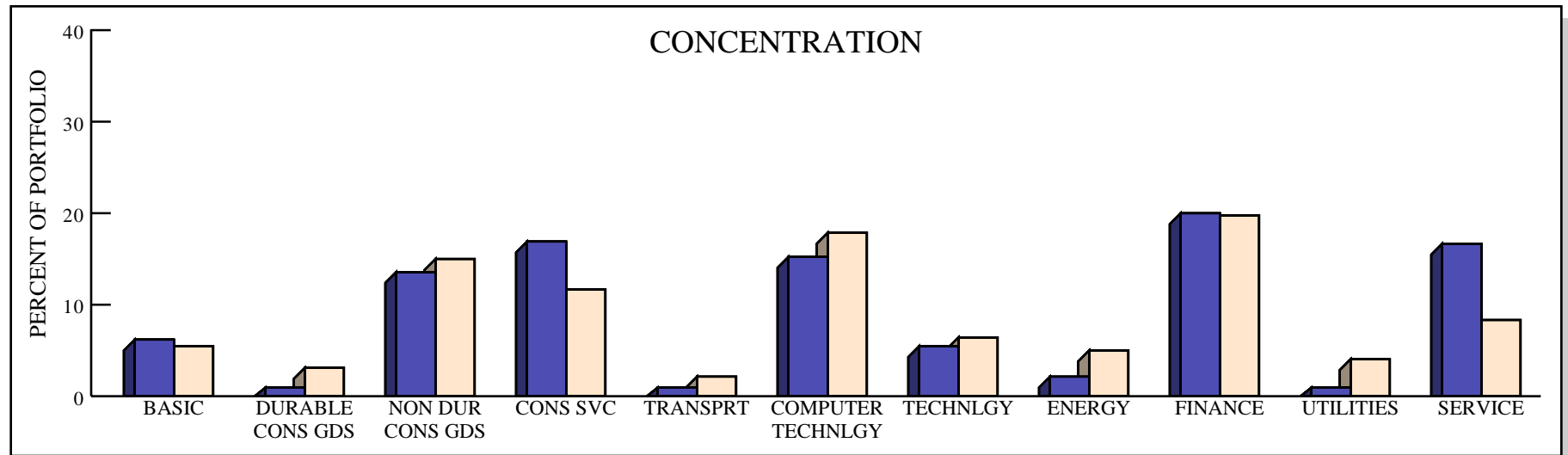
STOCK CHARACTERISTICS



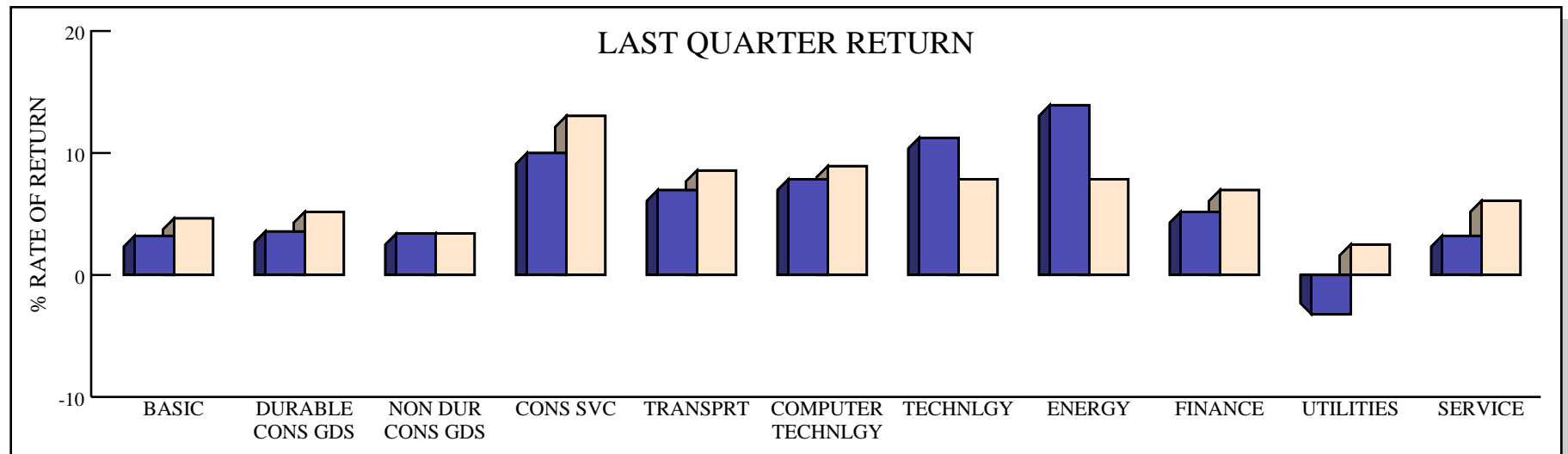
| | # HOLDINGS | YIELD | GROWTH | P/E | BETA |
|--------------|------------|-------|--------|------|------|
| PORTFOLIO | 424 | 1.4% | 10.1% | 25.8 | 1.14 |
| RUSSELL 3000 | 2,960 | 1.8% | 9.7% | 25.8 | 1.05 |



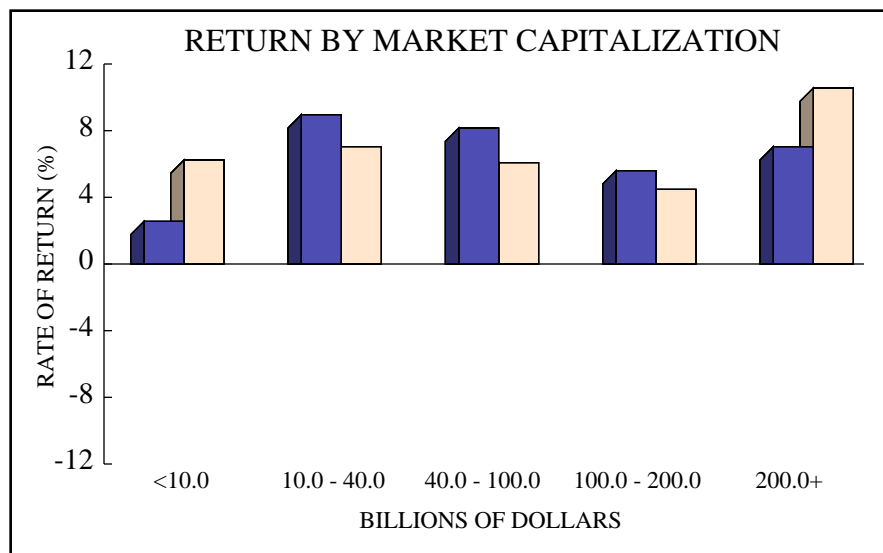
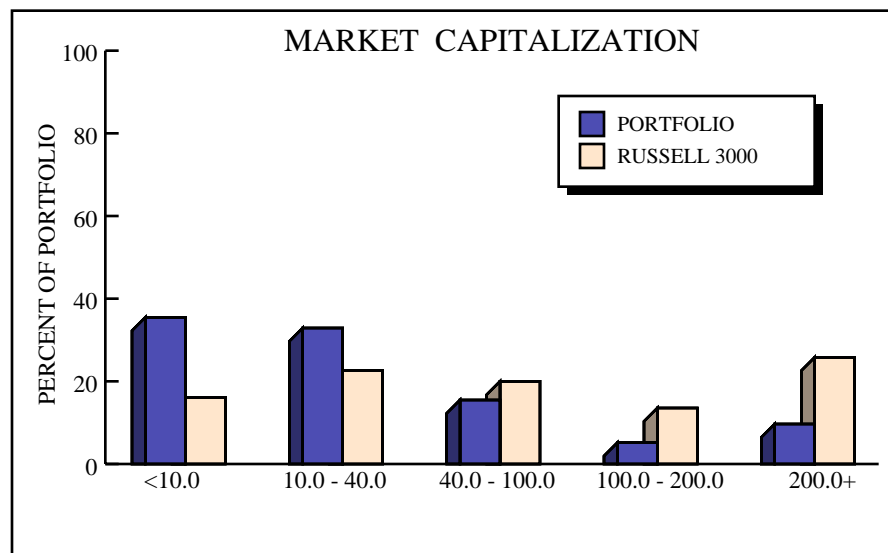
STOCK INDUSTRY ANALYSIS



■ PORTFOLIO ■ RUSSELL 3000



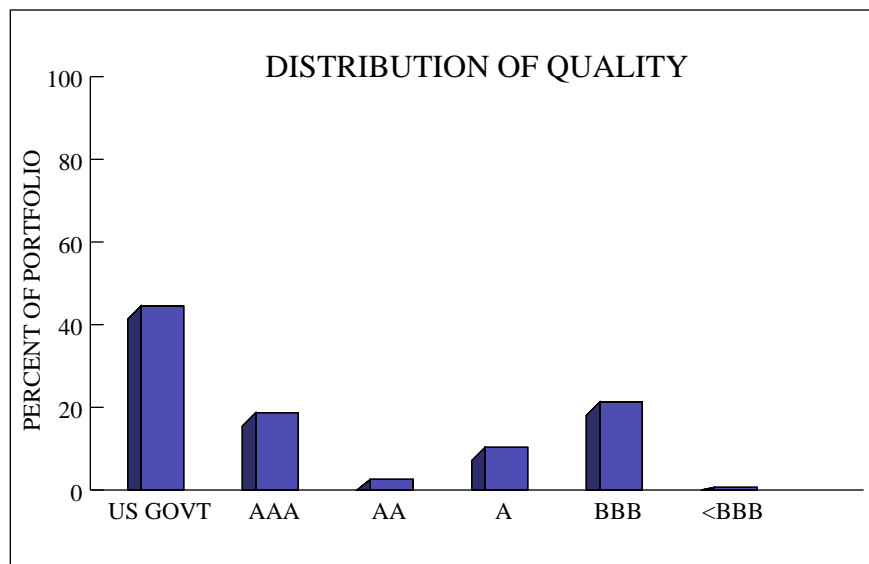
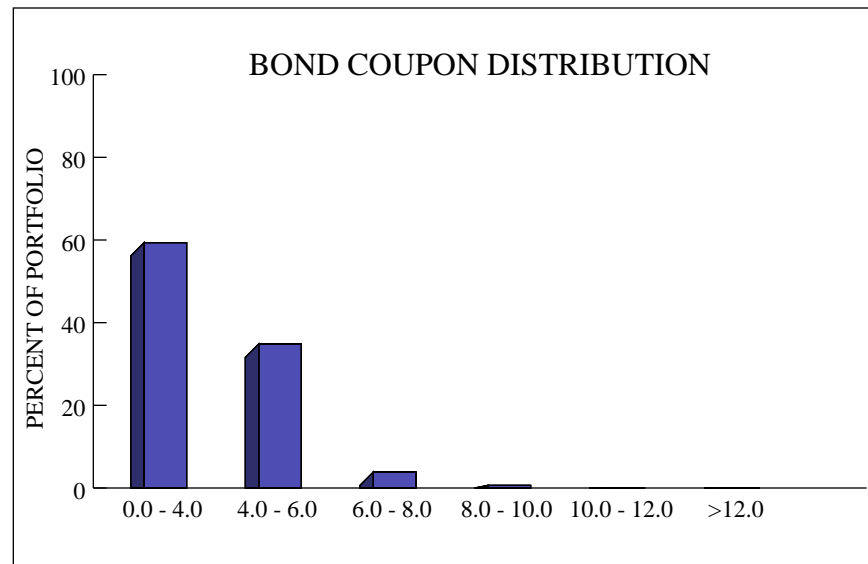
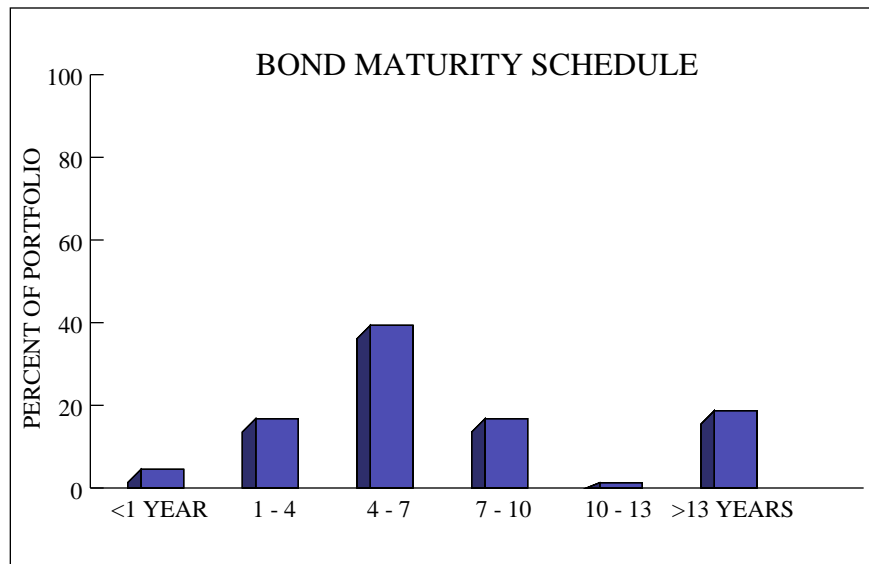
TOP TEN HOLDINGS



TOP TEN EQUITY HOLDINGS

| RANK | NAME | VALUE | % EQUITY | RETURN | INDUSTRY SECTOR | MKT CAP |
|------|---------------------------|------------|----------|--------|-------------------|-----------|
| 1 | ADOBE SYSTEMS INC | \$ 701,836 | 1.77% | 17.5% | Computer Tech | \$ 86.4 B |
| 2 | FACEBOOK INC-A | 660,313 | 1.66% | 3.3% | Computer Tech | 420.8 B |
| 3 | ALPHABET INC-CL C | 618,422 | 1.56% | 9.1% | Computer Tech | 365.7 B |
| 4 | VISA INC-CLASS A SHARES | 581,730 | 1.47% | 8.5% | Finance | 206.5 B |
| 5 | AUTOMATIC DATA PROCESSING | 508,956 | 1.28% | 7.7% | Service | 52.0 B |
| 6 | NIKE INC -CL B | 494,958 | 1.25% | 20.9% | NonDur Cons Goods | 81.5 B |
| 7 | REGIONS FINANCIAL CORP | 484,186 | 1.22% | 13.9% | Finance | 20.0 B |
| 8 | ACCENTURE PLC-CL A | 469,986 | 1.18% | 13.8% | Consumer Service | 94.4 B |
| 9 | ORACLE CORP | 467,741 | 1.18% | -1.8% | Computer Tech | 195.7 B |
| 10 | VALERO ENERGY CORP | 435,837 | 1.10% | 20.2% | Energy | 40.2 B |

BOND CHARACTERISTICS



| | PORTFOLIO | AGGREGATE INDEX |
|--------------------|------------------|------------------------|
| No. of Securities | 248 | 9,734 |
| Duration | 6.16 | 5.98 |
| YTM | 3.23 | 2.71 |
| Average Coupon | 3.52 | 3.06 |
| Avg Maturity / WAL | 9.02 | 8.27 |
| Average Quality | AAA-AA | USG-AAA |

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

| PORTFOLIO | QTR | ANNUALIZED | | | % Allocation |
|--------------------------------|------------|-------------|-------------|-------------|--------------|
| | | 1 YEAR | 3 YEARS | 5 YEARS | |
| Domestic Equity | 6.3 | 20.9 | 11.0 | 15.4 | 19.1 |
| SSgA S&P 500 | 6.7 | 21.9 | 11.4 | 15.8 | 14.8 |
| Summit Creek | 3.8 | 29.1 | 9.5 | --- | 0.4 |
| Frontier | 3.2 | 6.7 | 11.5 | --- | 0.5 |
| Huber | 4.7 | 13.1 | 5.1 | --- | 0.4 |
| RiverBridge | 6.9 | 26.3 | 11.3 | --- | 0.3 |
| SSgA Russell 2500 | 5.3 | 16.8 | 10.1 | 14.2 | 2.7 |
| <i>S&P 500</i> | <i>6.7</i> | <i>21.8</i> | <i>11.4</i> | <i>15.8</i> | --- |
| <i>Russell 3000</i> | <i>6.3</i> | <i>21.1</i> | <i>11.1</i> | <i>15.6</i> | --- |
| International Equity | 4.5 | 26.7 | 9.3 | 9.4 | 18.1 |
| SSgA World Ex-US Passive | 4.4 | 25.8 | 8.5 | 8.5 | 7.2 |
| Marathon Asset Management | 3.7 | 24.4 | 9.4 | 10.2 | 4.3 |
| Baillie Gifford | 5.2 | 32.0 | 11.0 | 10.2 | 3.5 |
| Mondrian | 4.0 | 21.6 | 7.7 | 9.2 | 1.5 |
| FIS | 4.6 | 27.3 | 9.7 | --- | 0.2 |
| Timesquare | 5.6 | --- | --- | --- | 0.4 |
| Strategic Global Advisors | 5.9 | --- | --- | --- | 0.2 |
| Acadian Intl Small Cap | 6.1 | --- | --- | --- | 0.5 |
| LMCG Small Cap | 6.2 | --- | --- | --- | 0.2 |
| AQR Intl Small Cap | 5.5 | --- | --- | --- | 0.3 |
| <i>MSCI EAFE</i> | <i>4.3</i> | <i>25.6</i> | <i>8.3</i> | <i>8.4</i> | --- |
| <i>ACWI EX US</i> | <i>5.1</i> | <i>27.8</i> | <i>8.3</i> | <i>7.3</i> | --- |
| Emerging Markets Equity | 6.6 | 40.4 | 11.1 | 5.9 | 8.3 |
| SSgA Emerging Markets | 7.6 | 37.2 | 9.5 | 4.9 | 1.8 |
| AQR Emerging | 5.8 | 40.0 | --- | --- | 1.0 |
| Baillie Gifford EMM | 8.6 | 54.7 | --- | --- | 1.4 |
| Driehaus Capital | 7.0 | 46.5 | --- | --- | 1.2 |
| Harding Loevner | 6.1 | 36.4 | --- | --- | 0.9 |
| Pzena | 4.6 | 31.3 | --- | --- | 1.1 |
| Acadian | 6.6 | 45.8 | 13.9 | 13.9 | 0.3 |
| Wasatch | 8.0 | 40.1 | 8.4 | 5.5 | 0.2 |
| Acadian Frontier | 2.0 | 26.5 | --- | --- | 0.2 |
| City of London | 4.0 | 27.6 | --- | --- | 0.2 |
| <i>MSCI Emerging Markets</i> | <i>7.5</i> | <i>37.8</i> | <i>9.5</i> | <i>4.7</i> | --- |

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

| PORTFOLIO | QTR | ANNUALIZED | | | % Allocation |
|---------------------------------|------------|-------------|------------|------------|--------------|
| | | 1 YEAR | 3 YEARS | 5 YEARS | |
| Core Fixed Income | 1.7 | 5.4 | 2.5 | 3.8 | 12.3 |
| Blackrock Passive | 0.3 | 3.4 | 2.1 | 2.0 | 1.8 |
| PIMCO Core | 0.5 | 4.7 | 2.7 | 2.3 | 1.4 |
| Loomis Sayles Core | 0.7 | 4.7 | 3.4 | 3.3 | 1.6 |
| Community Capital Management | 0.2 | 2.8 | 2.1 | 2.2 | 0.0 |
| AFL - CIO Housing Investment | 0.3 | 3.3 | 2.2 | 2.1 | 0.2 |
| Access Capital - ETI | 0.1 | 2.1 | 2.1 | 2.3 | 0.1 |
| Progress Mgr of Mgrs | 0.7 | 4.5 | --- | --- | 0.2 |
| BlackRock STRIPS | 4.5 | 13.8 | 3.7 | --- | 2.0 |
| Blackrock TIPS | 1.3 | 3.1 | 2.1 | 0.1 | 2.9 |
| Blackrock ILBs | 2.7 | 3.2 | 3.9 | 3.0 | 2.0 |
| <i>Barclays Aggregate</i> | <i>0.4</i> | <i>3.5</i> | <i>2.3</i> | <i>2.1</i> | <i>---</i> |
| <i>Barclays STRIPS 20+Yrs</i> | <i>4.5</i> | <i>13.7</i> | <i>3.5</i> | <i>---</i> | <i>---</i> |
| <i>Barclays US TIPS</i> | <i>1.3</i> | <i>3.0</i> | <i>2.1</i> | <i>0.1</i> | <i>---</i> |
| <i>Barclays ILB US Hedged</i> | <i>2.5</i> | <i>3.3</i> | <i>4.0</i> | <i>3.0</i> | <i>---</i> |
| Value-Added Fixed Income | 1.4 | 10.3 | 5.2 | 4.4 | 7.8 |
| Fidelity | 0.7 | 6.3 | 6.2 | 6.0 | 0.5 |
| Loomis Sayles High Yield | 0.7 | 8.7 | 5.9 | 6.0 | 0.5 |
| Shenkman | 0.6 | 6.9 | 5.6 | 5.1 | 0.5 |
| Eaton Vance | 1.1 | 4.6 | 4.9 | 4.2 | 1.2 |
| Voya | 1.2 | 3.7 | 4.5 | 4.5 | 1.1 |
| Ashmore | 0.4 | 11.9 | 10.5 | 5.1 | 0.7 |
| PIMCO EMD | 0.7 | 10.3 | 7.7 | 3.8 | 0.5 |
| Investec | 1.3 | 17.9 | 2.6 | -1.3 | 0.3 |
| Pictet | 0.6 | 13.5 | 2.2 | -2.0 | 0.4 |
| Stone Harbor | 0.6 | 16.6 | 3.1 | -2.2 | 0.2 |
| Distressed Debt | 3.5 | 15.8 | 6.1 | 9.7 | 1.6 |
| <i>ML Master High Yield</i> | <i>0.4</i> | <i>7.5</i> | <i>6.4</i> | <i>5.8</i> | <i>---</i> |
| <i>JPM EMBI</i> | <i>1.2</i> | <i>10.2</i> | <i>7.1</i> | <i>4.6</i> | <i>---</i> |

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

| PORTFOLIO | QTR | ANNUALIZED | | | % Allocation |
|--|------------|-------------|-------------|-------------|--------------|
| | | 1 YEAR | 3 YEARS | 5 YEARS | |
| Private Equity | 4.4 | 24.3 | 18.1 | 19.1 | 10.2 |
| Total Special Equity | 3.8 | 27.7 | 19.2 | 19.5 | 7.5 |
| Total Venture Capital | 6.6 | 17.2 | 17.0 | 20.2 | 2.4 |
| <i>Cambridge Private Equity (Lagged)</i> | 3.9 | 16.8 | 10.4 | 13.3 | --- |
| Private Real Estate | 2.1 | 8.1 | 10.3 | 11.9 | 6.3 |
| Invesco Core | 1.4 | 8.5 | 10.4 | 12.1 | 1.4 |
| Lasalle | 2.7 | 7.6 | 9.8 | 11.2 | 2.5 |
| AEW | 1.7 | 7.1 | 10.4 | 11.8 | 2.1 |
| JP Morgan | -0.4 | 4.4 | 5.4 | 6.7 | 0.8 |
| AEW Core Transition | 1.4 | 7.8 | --- | --- | 0.3 |
| PRIM - Core Real estate | 4.4 | 6.6 | --- | --- | 0.1 |
| Non-Core | 0.3 | 6.3 | 16.9 | 13.2 | 0.8 |
| New Boston Urban I | 16.0 | 15.3 | 4.8 | 4.9 | 0.0 |
| Portfolio Debt | --- | --- | --- | --- | -1.7 |
| <i>NCREIF ODCE</i> | 2.1 | 7.6 | 10.4 | 11.5 | --- |
| REITS | 4.3 | 11.8 | 5.9 | 7.3 | 2.2 |
| Centersquare Global REIT | 4.3 | 12.6 | 6.3 | 7.9 | 1.3 |
| Presima | 4.2 | 10.4 | --- | --- | 0.2 |
| Brookfield | 4.2 | 11.4 | --- | --- | 0.8 |
| <i>NAREIT</i> | 2.5 | 8.7 | 6.7 | 9.8 | --- |
| <i>FTSE EPRA NAREIT</i> | 3.8 | 15.0 | 6.2 | 7.1 | --- |

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

| PORTFOLIO | QTR | ANNUALIZED | | | % Allocation |
|---------------------------------------|------------|-------------|------------|-------------|--------------|
| | | 1 YEAR | 3 YEARS | 5 YEARS | |
| Timber | 2.4 | 8.3 | 4.9 | 6.8 | 3.5 |
| Forest Investments | 1.1 | 4.7 | 4.0 | 6.1 | 1.8 |
| The Campbell Group | 3.6 | 12.3 | 5.8 | 7.7 | 1.8 |
| <i>NCREIF Timber</i> | <i>1.5</i> | <i>3.6</i> | <i>3.7</i> | <i>6.2</i> | <i>---</i> |
| Hedge Funds (Net) | 2.7 | 8.3 | 3.5 | 5.7 | 8.2 |
| Direct Hedge Funds | 3.0 | 8.7 | 3.9 | 6.0 | 6.9 |
| PAAMCO | 1.1 | 5.9 | 1.2 | 4.7 | 1.3 |
| <i>HFRI FOF</i> | <i>2.0</i> | <i>7.7</i> | <i>2.6</i> | <i>4.0</i> | <i>---</i> |
| Risk Premia | 5.8 | 6.4 | 1.6 | --- | 0.9 |
| Real Assets | 1.2 | 11.7 | --- | --- | 0.4 |
| Equity Hedge | 4.4 | --- | --- | --- | 1.1 |
| Overlay | 2.3 | 10.4 | 4.6 | --- | 1.2 |
| Clifton | 3.6 | 16.7 | 6.4 | --- | 0.5 |
| Overlay Cash | --- | --- | --- | --- | 0.7 |
| Portable Alpha Wind Down (Net) | 0.3 | 15.6 | 1.0 | -0.1 | 0.0 |
| Austin Capital | -0.2 | 0.3 | 20.2 | 3.6 | 0.0 |
| Crestline | -0.7 | 90.4 | 15.0 | 8.5 | 0.0 |
| Strategic | 0.6 | -5.6 | -5.5 | -3.0 | 0.0 |
| <i>HFRI FOF</i> | <i>2.0</i> | <i>7.7</i> | <i>2.6</i> | <i>4.0</i> | <i>---</i> |
| Natural Resources - Private | 3.6 | 11.7 | --- | --- | 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 | -0.1 | 2.1 | 2.1 | 1.6 | 1.4 |
| Domestic Equity | Style | QTR | YTD | 1 Year | 3 years | 5 Years |
| Russell 3000 | Broad Equity | 6.3 | 21.1 | 21.1 | 11.1 | 15.6 |
| S&P 500 | Large Cap Core | 6.6 | 21.8 | 21.8 | 11.4 | 15.8 |
| Russell 1000 | Large Cap | 6.6 | 21.7 | 21.7 | 11.2 | 15.7 |
| Russell 1000 Growth | Large Cap Growth | 7.9 | 30.2 | 30.2 | 13.8 | 17.3 |
| Russell 1000 Value | Large Cap Value | 5.3 | 13.6 | 13.6 | 8.6 | 14.0 |
| Russell Mid Cap | Midcap | 6.1 | 18.5 | 18.5 | 9.6 | 15.0 |
| Russell Mid Cap Growth | Midcap Growth | 6.8 | 25.3 | 25.3 | 10.3 | 15.3 |
| Russell Mid Cap Value | Midcap Value | 5.5 | 13.3 | 13.3 | 9.0 | 14.7 |
| Russell 2000 | Small Cap | 3.3 | 14.6 | 14.6 | 9.9 | 14.1 |
| Russell 2000 Growth | Small Cap Growth | 4.6 | 22.1 | 22.1 | 10.3 | 15.2 |
| Russell 2000 Value | Small Cap Value | 2.0 | 7.8 | 7.8 | 9.5 | 13.0 |
| International Equity | Style | QTR | YTD | 1 Year | 3 years | 5 Years |
| MSCI All Country World Ex US | Foreign Equity | 5.1 | 27.8 | 27.8 | 8.3 | 7.3 |
| MSCI EAFE | Developed Markets Equity | 4.3 | 25.6 | 25.6 | 8.3 | 8.4 |
| MSCI EAFE Growth | Developed Markets Growth | 5.3 | 29.4 | 29.4 | 9.6 | 9.2 |
| MSCI EAFE Value | Developed Markets Value | 3.3 | 22.1 | 22.1 | 7.0 | 7.5 |
| MSCI Emerging Markets | Emerging Markets Equity | 7.5 | 37.8 | 37.8 | 9.5 | 4.7 |
| Domestic Fixed Income | Style | QTR | YTD | 1 Year | 3 years | 5 Years |
| Bloomberg Barclays Aggregate Index | Core Fixed Income | 0.4 | 3.5 | 3.5 | 2.3 | 2.1 |
| Bloomberg Barclays Capital Gov't Bond | Treasuries | 0.0 | 2.3 | 2.3 | 1.4 | 1.3 |
| Bloomberg Barclays Capital Credit Bond | Corporate Bonds | 1.0 | 6.2 | 6.2 | 3.6 | 3.2 |
| Intermediate Aggregate | Core Intermediate | -0.1 | 2.3 | 2.3 | 1.8 | 1.7 |
| ML/BoA 1-3 Year Treasury | Short Term Treasuries | -0.3 | 0.4 | 0.4 | 0.6 | 0.6 |
| Bloomberg Barclays Capital High Yield Index | High Yield Bonds | 0.5 | 7.5 | 7.5 | 6.4 | 5.8 |
| Alternative Assets | Style | QTR | YTD | 1 Year | 3 years | 5 Years |
| Bloomberg Barclays Global Treasury Ex US | International Treasuries | 1.5 | 9.3 | 9.3 | 2.0 | -0.4 |
| NCREIF NFI-ODCE Index | Real Estate | 2.1 | 7.6 | 7.6 | 10.4 | 11.5 |
| HFRI FOF Composite | Hedge Funds | 2.0 | 7.7 | 7.7 | 2.6 | 4.0 |

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
DECEMBER 2017

INVESTMENT RETURN

On December 31st, 2017, the Franklin Regional Retirement System's PRIT Core Fund was valued at \$65,378,002, representing an increase of \$1,130,311 from the September quarter's ending value of \$64,247,691. Last quarter, the Fund posted withdrawals totaling \$1,414,331, which offset the portfolio's net investment return of \$2,544,642. Income receipts totaling \$393,287 plus net realized and unrealized capital gains of \$2,151,355 combined to produce the portfolio's net investment return.

RELATIVE PERFORMANCE

Total Portfolio

For the fourth quarter, the PRIT Core Fund returned 4.0%, which was 0.5% above the Custom Core Index's return of 3.5% and ranked in the 31st percentile of the Public Fund universe. Over the trailing year, the portfolio returned 17.8%, which was 2.6% above the benchmark's 15.2% return, ranking in the 10th percentile. Since December 2012, the portfolio returned 10.0% annualized and ranked in the 20th percentile. The Custom Core Index returned an annualized 8.6% over the same period.

PRIT Core

The PRIT Core portfolio outperformed the benchmark across most of the invested sleeves in the fourth quarter. Real Estate managers outgained the benchmark by 50 basis points, and comprised 8.5% of the portfolio, while the Hedge Funds piece (8.2% allocation) outperformed as well, returning 2.7% relative to the index's 2.2% gain. Domestic Equity (19.1% weight) beat slightly (+6.3% vs. benchmark's +6.2%), as did International Equity (+4.5% vs. +4.4%). Core Fixed Income managers altogether (12.3% allocation) matched the benchmark return, gaining 1.7%. Their Value-added counterparts were slightly better (+1.4% vs. +1.3%). Private Equity managers (10.2% allocation) outperformed as well.

PRIT Domestic Equity

The SSgA S&P 500 index fund (14.8% allocation) comprised more than three-quarters of the Domestic Equity sleeve, and returned 6.7%, predictably mirroring the performance of the benchmark on which it is based.

Total Small/Smid Cap Equity managers outperformed the benchmark by 30 basis points. Small cap value managers Frontier and Huber were areas of strength, returning 3.2% and 4.7%, respectively, compared to the Russell 2000 Value index's return of 2.0%. Smid cap growth manager Riverbridge also beat, returning 6.9% compared to the Russell 2500 Growth index's 6.4% gain. Summit Creek underperformed by 80 basis points.

PRIT International Equity

The International Equity sleeve (18.1%) narrowly outpaced the benchmark in the fourth quarter, gaining 4.5% against the custom index's 4.4% return. The sleeve returned 26.7%, 9.3%, and 9.4% for the one, three, and five-year periods. For comparison, the index returned 25.6%, 8.0%, and 8.0% over the same ranges.

The SSgA World Ex-US index fund – which comprised 39.8% of the sleeve – returned 4.4%, which was 20 basis points above the benchmark's return of 4.2%. Performance across International Equity Core managers was more mixed. Marathon-London returned 3.7%, or 50 basis points below the custom index gain. Mondrian also underperformed (+4.0%), while Baillie Gifford and FIS beat.

PRIT Emerging Markets Equity

The Emerging Markets sleeve was an area of weakness for the portfolio, returning 6.6% compared to the benchmark's 7.6% gain. Core managers were the main drivers of underperformance, collectively falling short of the benchmark by 80 basis points, while their 66.2% sleeve weight magnified the effects of the deficit. Pzena Investments led on the downside, returning just 4.6% compared to the custom index's 7.4% gain.

Emerging Markets Small Cap managers underperformed as well, gaining 7.1% compared to the benchmark's 9.2% gain. The Frontier Markets piece was especially weak, returning 2.9%, or 300 basis points short of the index.

PRIT Private Equity

The Private Equity sleeve gained 4.4% in the fourth quarter, 70 basis points better than the blended benchmark's 3.7% return. Special Equity funds collectively gained 3.8% for the three month period, and represented nearly three-quarters of the sleeve's allocation. Venture Capital managers fared even better, gaining 6.6%. For the one-, three-, and five-year periods, the sleeve returned 24.3%, 18.1%, 19.1%, respectively.

PRIT Hedge Funds

The HFRI Fund of Funds benchmark continued to offer a low performance hurdle in the fourth quarter, returning just 2.2%; the sleeve returned 2.7%. Direct Hedge Funds (6.9% portfolio weight, or 84.1% of the sleeve) gained 3.0%, beating the benchmark by 80 basis points. PAAMCO decidedly underperformed, returning just 1.1%, but its light allocation only slightly offset the positive effect of the Direct Hedge Funds' return.

PRIT Real Estate

The PRIT Real Estate sleeve represented 8.5% of the PRIT portfolio (including 1.7% in debt), and returned 2.6% for the quarter, outperforming the benchmark by 50 basis points. The Private Real Estate component – representing 74.1% of the sleeve – beat the NCREIF Property index (One quarter lag) by 40 basis points, thanks to 2.7% gain from Core manager Lasalle, which represented nearly 30% of the sleeve allocation. Other Core managers were weaker, including JP Morgan, which return -0.4% for the three month period, and Invesco Core, which gained just 1.4%.

The sleeve's REIT component (2.2% combined allocation) outperformed the FTSE EPRA NAREIT Developed Net Total Return index (4.3% vs. 3.8%). Centersquare Global REIT gained 4.3%, or 50 basis points over the benchmark, while Presima and Brookfield beat as well.

PRIT Fixed Income

In the fourth quarter, the PRIT Core Fixed Income sleeve posted a 1.7% return, which mirrored the return of the custom benchmark. Inflation-linked Bonds tracked the custom index's 1.8% gain, and comprised 39.8% of the sleeve allocation.

Aggregate elements returned 0.5%, 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 4.5%, 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 relative to its benchmark, gaining 1.4% compared to the benchmark's 1.3% return. Distressed Debt was a major tailwind to outperformance: While the NYU Salomon Center Combined Defaulted Public Bond & Bank Loan index returned -0.3% in the fourth quarter, the portfolio's Distressed Debt position gained 3.5%, and its 20.5% sleeve weight enlarged the substantial performance surplus.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

| | Quarter | YTD /1Y | 3 Year | 5 Year |
|--------------------------------|---------|---------|--------|--------|
| Total Portfolio - Gross | 4.0 | 17.8 | 8.8 | 10.0 |
| <i>PUBLIC FUND RANK</i> | (31) | (10) | (7) | (20) |
| Total Portfolio - Net | 3.9 | 17.2 | 8.2 | 9.4 |
| Custom Core Idx | 3.5 | 15.2 | 7.6 | 8.6 |
| PRIT Core - Gross | 4.0 | 17.8 | 8.8 | 10.0 |
| <i>PUBLIC FUND RANK</i> | (31) | (10) | (7) | (20) |
| Custom Core Idx | 3.5 | 15.2 | 7.6 | 8.6 |

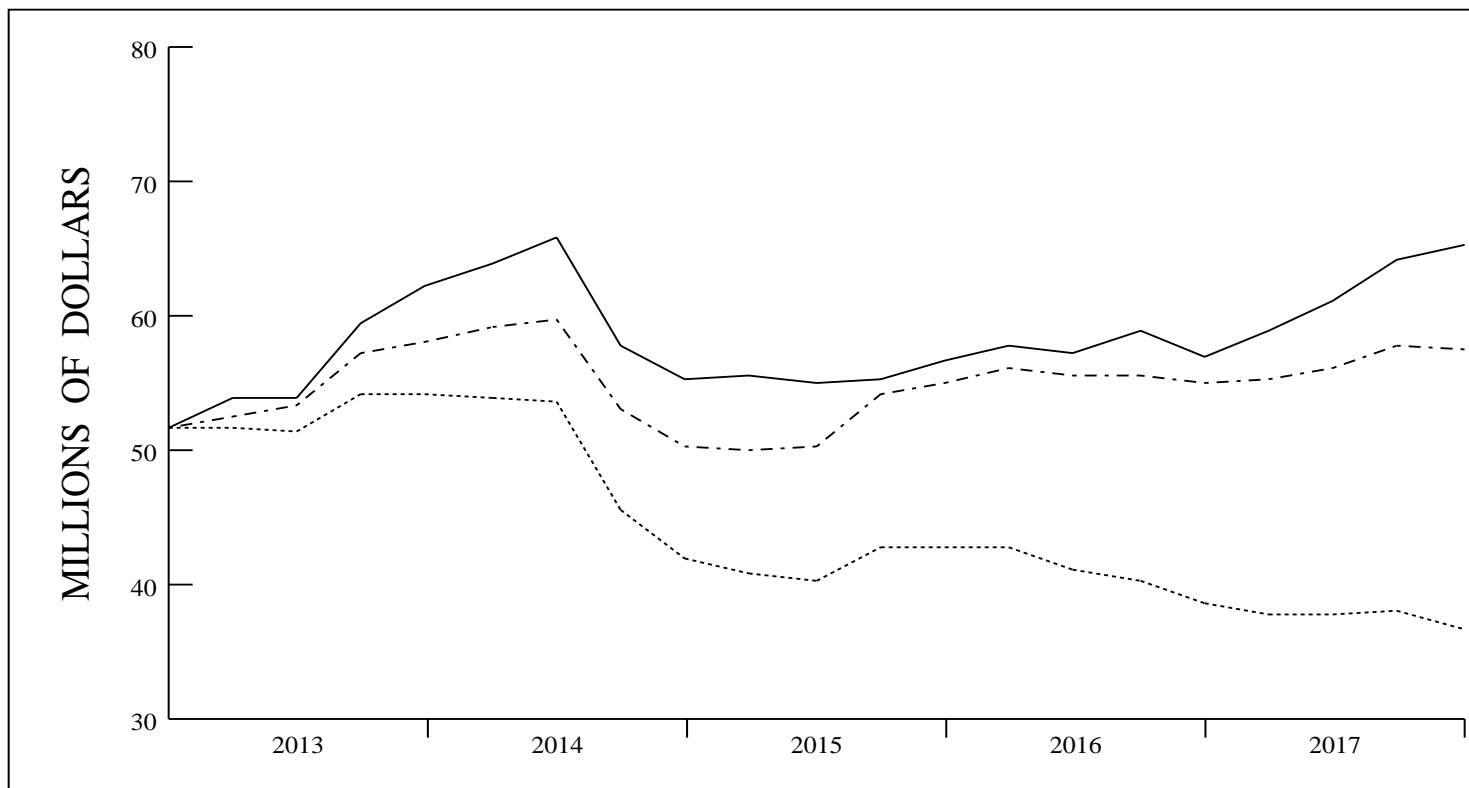
ASSET ALLOCATION

| | | |
|-----------------|--------|---------------|
| PRIT Core | 100.0% | \$ 65,378,002 |
| Total Portfolio | 100.0% | \$ 65,378,002 |

INVESTMENT RETURN

| | |
|------------------------|---------------|
| Market Value 9/2017 | \$ 64,247,691 |
| Contribs / Withdrawals | - 1,414,331 |
| Income | 393,287 |
| Capital Gains / Losses | 2,151,355 |
| Market Value 12/2017 | \$ 65,378,002 |

INVESTMENT GROWTH

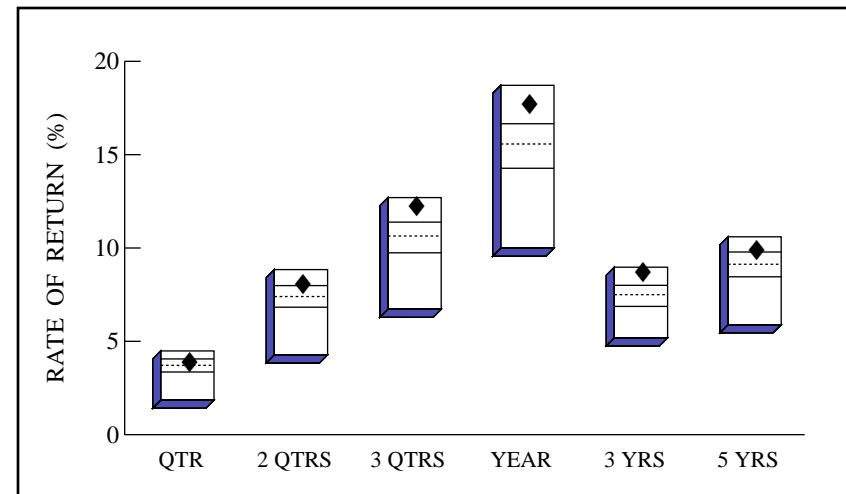
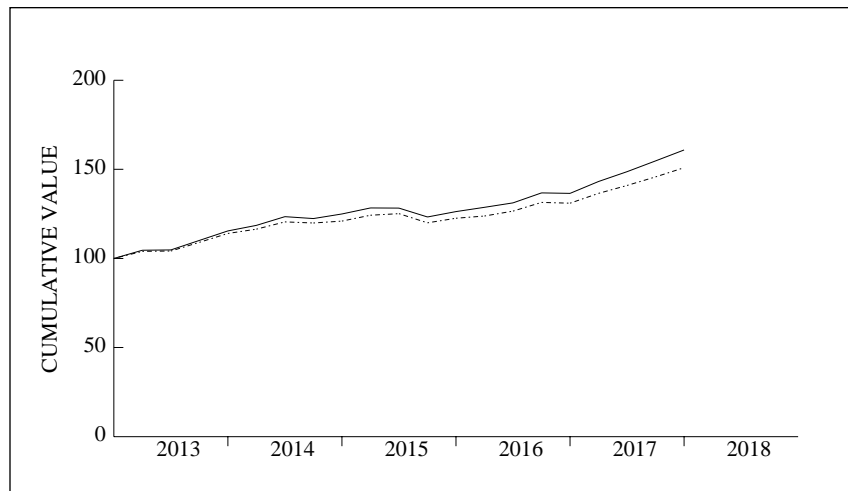


— ACTUAL RETURN
 - - - 7.75%
 . . . 0.0%

VALUE ASSUMING
 7.75% RETURN \$ 57,513,950

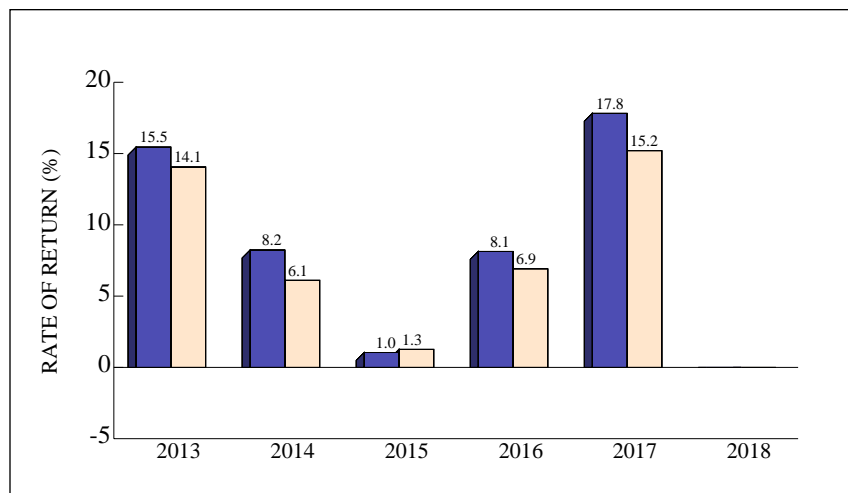
| | LAST QUARTER | FIVE YEARS |
|-------------------------------|------------------|-------------------|
| BEGINNING VALUE | \$ 64,247,691 | \$ 51,759,033 |
| NET CONTRIBUTIONS | - 1,414,331 | - 14,883,000 |
| <u>INVESTMENT RETURN</u> | <u>2,544,642</u> | <u>28,501,969</u> |
| ENDING VALUE | \$ 65,378,002 | \$ 65,378,002 |
| INCOME | 393,287 | 8,271,890 |
| <u>CAPITAL GAINS (LOSSES)</u> | <u>2,151,355</u> | <u>20,230,079</u> |
| INVESTMENT RETURN | 2,544,642 | 28,501,969 |

TOTAL RETURN COMPARISONS



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

Public Fund Universe

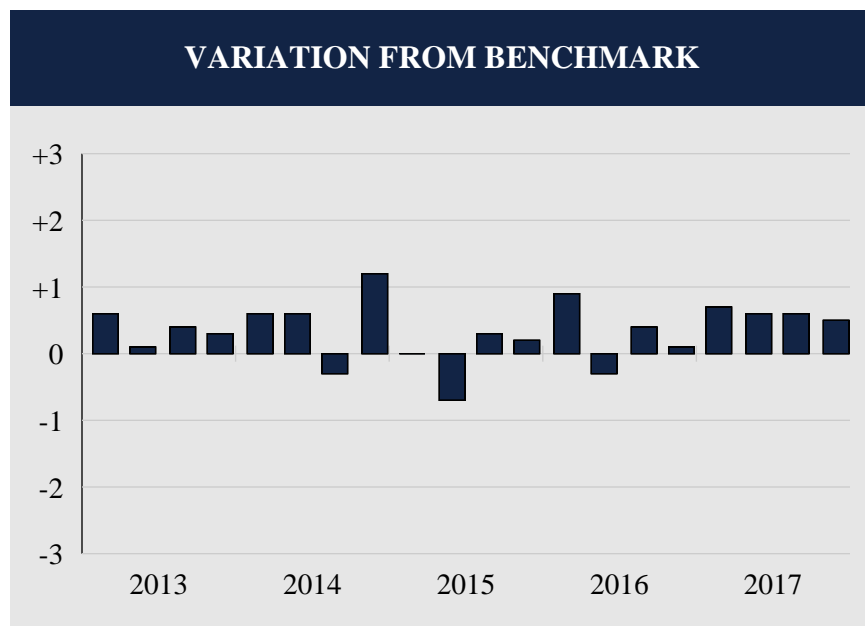


| | QTR | 2 QTRS | 3 QTRS | YEAR | -----ANNUALIZED----- | |
|-------------------|------------|------------|-------------|-------------|----------------------|------------|
| | | | | | 3 YRS | 5 YRS |
| RETURN | 4.0 | 8.2 | 12.3 | 17.8 | 8.8 | 10.0 |
| (RANK) | (31) | (18) | (9) | (10) | (7) | (20) |
| 5TH %ILE | 4.5 | 8.8 | 12.7 | 18.7 | 9.0 | 10.6 |
| 25TH %ILE | 4.1 | 8.0 | 11.4 | 16.7 | 8.0 | 9.8 |
| MEDIAN | 3.7 | 7.4 | 10.6 | 15.6 | 7.5 | 9.1 |
| 75TH %ILE | 3.4 | 6.8 | 9.7 | 14.3 | 6.9 | 8.5 |
| 95TH %ILE | 1.8 | 4.3 | 6.7 | 10.0 | 5.2 | 5.9 |
| PRIT Index | 3.5 | 7.1 | 10.6 | 15.2 | 7.6 | 8.6 |

Public Fund Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: CUSTOM CORE INDEX



| RATES OF RETURN | | | |
|-----------------|-----------|-----------|------------|
| Date | Portfolio | Benchmark | Difference |
| 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 |
| 12/17 | 4.0 | 3.5 | 0.5 |

| | |
|---|-------------|
| 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
DECEMBER 2017

INVESTMENT RETURN

On December 31st, 2017, the Franklin Regional Retirement System's Polen Capital Large Cap Growth Fund was valued at \$8,898,141, representing an increase of \$441,295 from the September quarter's ending value of \$8,456,846. Last quarter, the Fund posted withdrawals totaling \$32, which partially offset the portfolio's net investment return of \$441,327. Income receipts totaling \$17,172 plus net realized and unrealized capital gains of \$424,155 combined to produce the portfolio's net investment return.

RELATIVE PERFORMANCE

For the fourth quarter, the Polen Capital Large Cap Growth Fund returned 5.2%, which was 2.7% below the Russell 1000 Growth Index's return of 7.9% and ranked in the 85th percentile of the Large Cap Growth universe. Over the trailing year, the portfolio returned 27.7%, which was 2.5% below the benchmark's 30.2% return, ranking in the 58th percentile. Since December 2012, the portfolio returned 16.9% annualized and ranked in the 40th percentile. The Russell 1000 Growth returned an annualized 17.3% over the same period.

ASSET ALLOCATION

At the end of the fourth quarter, domestic equities comprised 97.5% of the total portfolio (\$8.7 million), while cash & equivalents totaled 2.5% (\$219,656).

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.

Weakness in some of the portfolio's most heavily weighted sectors led to overall underperformance in the fourth quarter. The overweight Nondurable Consumer Goods sector led on the downside, earning a negative return compared to the benchmark's gain. Consumer Service and Service also underperformed. Technology nearly doubled the benchmark's return, but light allocation checked positive effects.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

| | Quarter | YTD /1Y | 3 Year | 5 Year |
|--------------------------------|---------|---------|--------|--------|
| Total Portfolio - Gross | 5.2 | 27.7 | 14.5 | 16.9 |
| <i>LARGE CAP GROWTH RANK</i> | (85) | (58) | (16) | (40) |
| Total Portfolio - Net | 5.0 | 26.7 | 13.7 | 16.0 |
| Russell 1000G | 7.9 | 30.2 | 13.8 | 17.3 |
| Russell 1000 | 6.6 | 21.7 | 11.2 | 15.7 |
| S&P 500 | 6.6 | 21.8 | 11.4 | 15.8 |
| Domestic Equity - Gross | 5.4 | 28.8 | 15.1 | 17.6 |
| <i>LARGE CAP GROWTH RANK</i> | (83) | (47) | (10) | (21) |
| Russell 1000G | 7.9 | 30.2 | 13.8 | 17.3 |

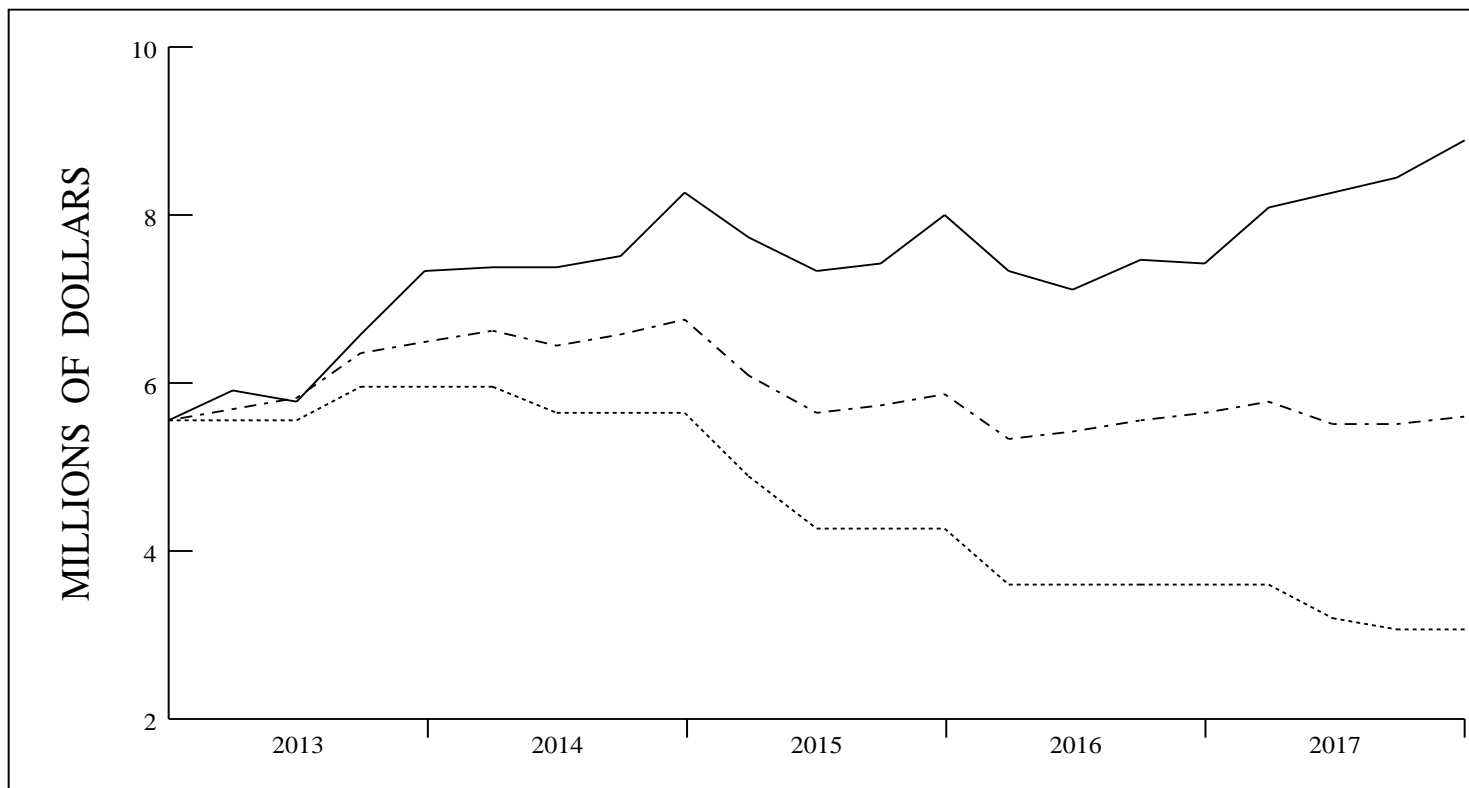
ASSET ALLOCATION

| | | |
|------------------------|---------------|---------------------|
| Domestic Equity | 97.5% | \$ 8,678,485 |
| Cash | 2.5% | 219,656 |
| Total Portfolio | 100.0% | \$ 8,898,141 |

INVESTMENT RETURN

| | |
|------------------------|--------------|
| Market Value 9/2017 | \$ 8,456,846 |
| Contribs / Withdrawals | - 32 |
| Income | 17,172 |
| Capital Gains / Losses | 424,155 |
| Market Value 12/2017 | \$ 8,898,141 |

INVESTMENT GROWTH

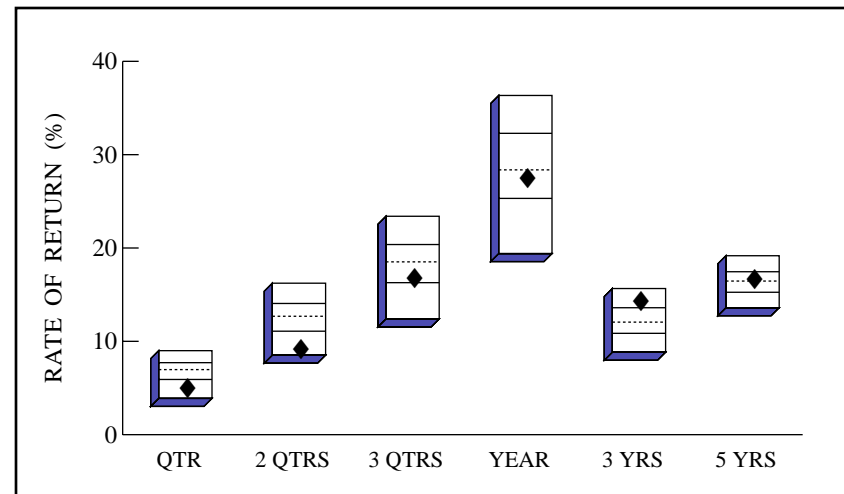
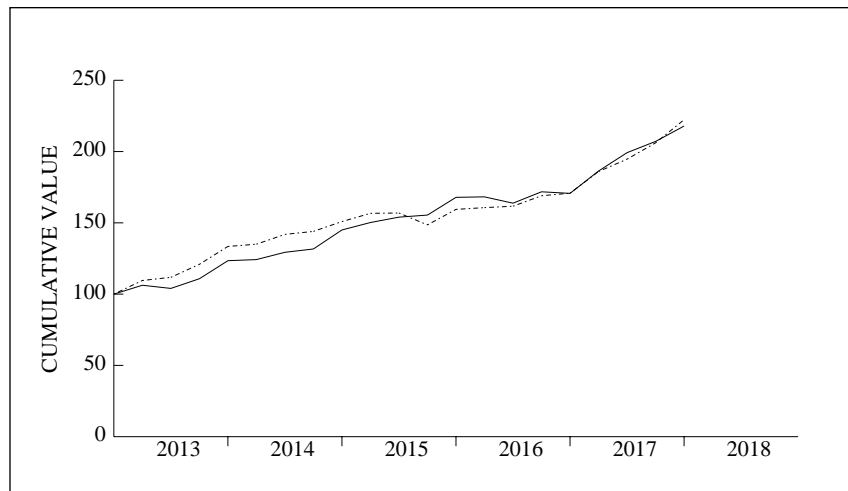


— ACTUAL RETURN
 - - - 9.0%
 0.0%

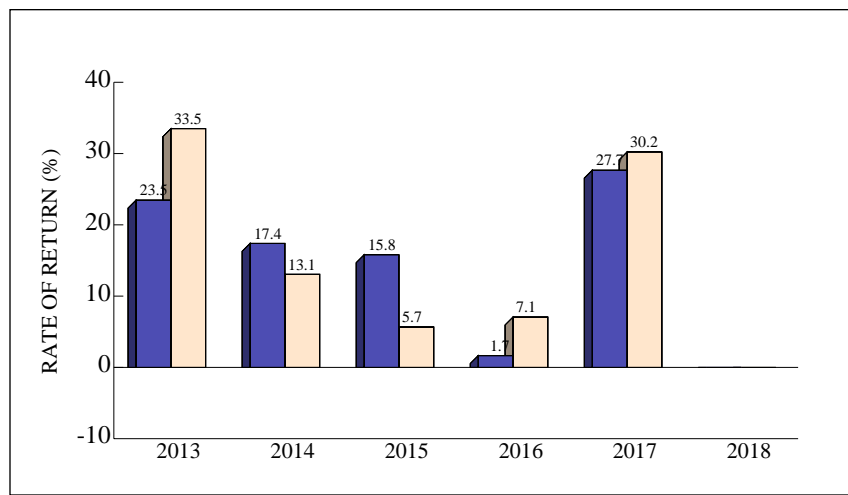
VALUE ASSUMING
 9.0% RETURN \$ 5,632,817

| | LAST QUARTER | FIVE YEARS |
|-------------------------------|----------------|------------------|
| BEGINNING VALUE | \$ 8,456,846 | \$ 5,580,804 |
| NET CONTRIBUTIONS | - 32 | - 2,504,916 |
| <u>INVESTMENT RETURN</u> | <u>441,327</u> | <u>5,822,253</u> |
| ENDING VALUE | \$ 8,898,141 | \$ 8,898,141 |
| INCOME | 17,172 | 357,120 |
| <u>CAPITAL GAINS (LOSSES)</u> | <u>424,155</u> | <u>5,465,133</u> |
| INVESTMENT RETURN | 441,327 | 5,822,253 |

TOTAL RETURN COMPARISONS

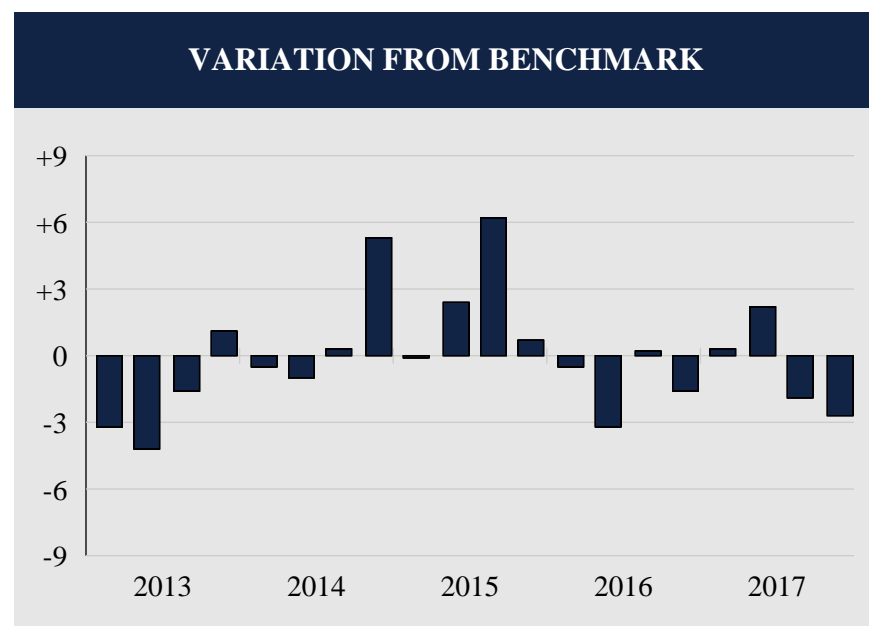


Large Cap Growth Universe



| | QTR | 2 QTRS | 3 QTRS | YEAR | 3 YRS | 5 YRS |
|-------------------|------------|-------------|-------------|-------------|-------------|-------------|
| RETURN | 5.2 | 9.4 | 16.9 | 27.7 | 14.5 | 16.9 |
| (RANK) | (85) | (91) | (68) | (58) | (16) | (40) |
| 5TH %ILE | 9.0 | 16.2 | 23.4 | 36.3 | 15.7 | 19.2 |
| 25TH %ILE | 7.7 | 14.1 | 20.4 | 32.3 | 13.6 | 17.5 |
| MEDIAN | 7.0 | 12.7 | 18.5 | 28.4 | 12.1 | 16.5 |
| 75TH %ILE | 5.9 | 11.1 | 16.3 | 25.3 | 10.9 | 15.3 |
| 95TH %ILE | 3.9 | 8.5 | 12.4 | 19.4 | 8.8 | 13.6 |
| Russ 1000G | 7.9 | 14.2 | 19.6 | 30.2 | 13.8 | 17.3 |

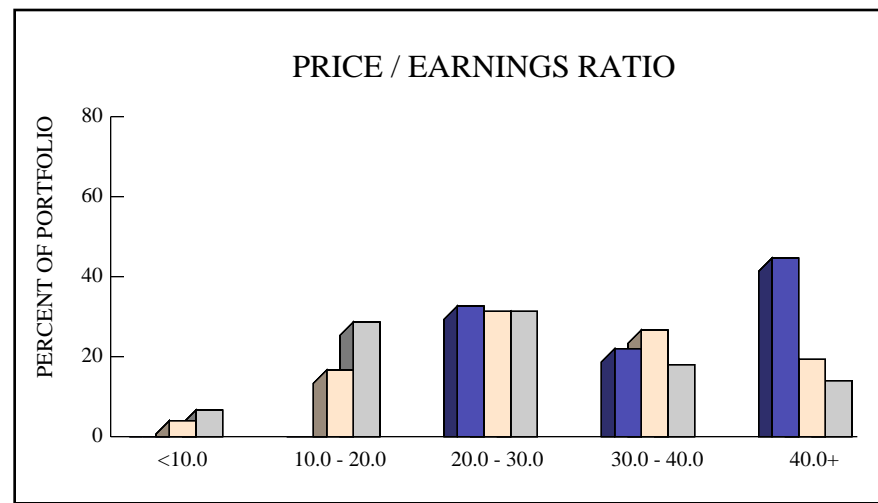
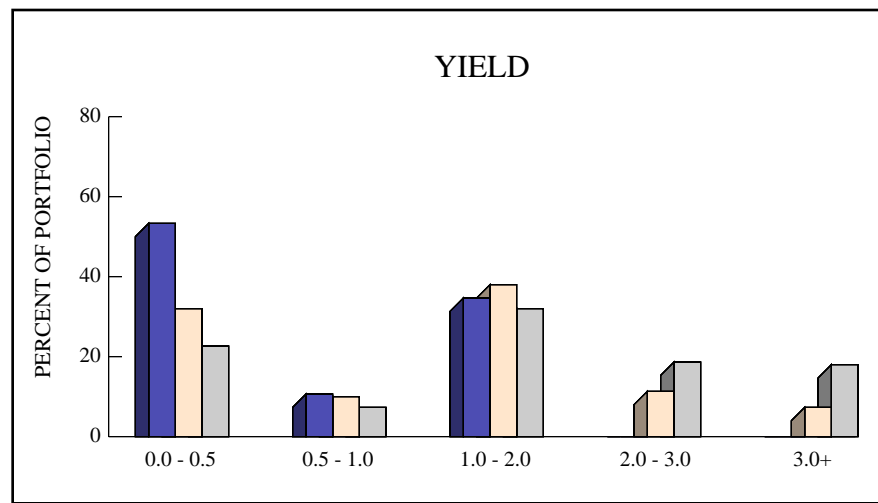
Large Cap Growth Universe

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

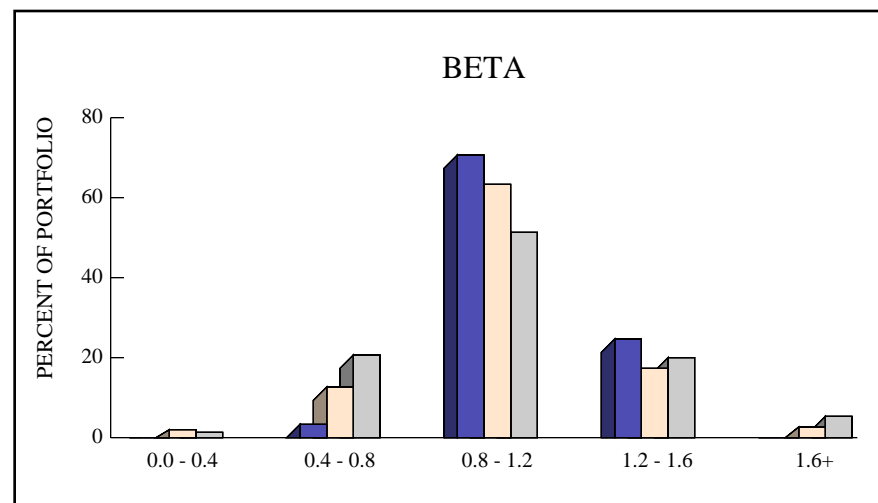
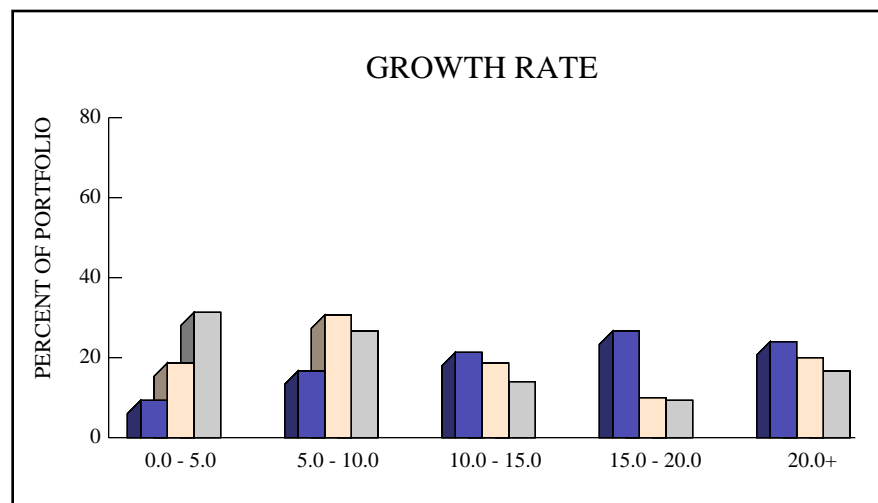
| | |
|---|-------------|
| Total Quarters Observed | 20 |
| Quarters At or Above the Benchmark | 9 |
| Quarters Below the Benchmark | 11 |
| Batting Average | .450 |

| RATES OF RETURN | | | |
|------------------------|-----------|-----------|------------|
| Date | Portfolio | Benchmark | Difference |
| 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 |
| 12/17 | 5.2 | 7.9 | -2.7 |

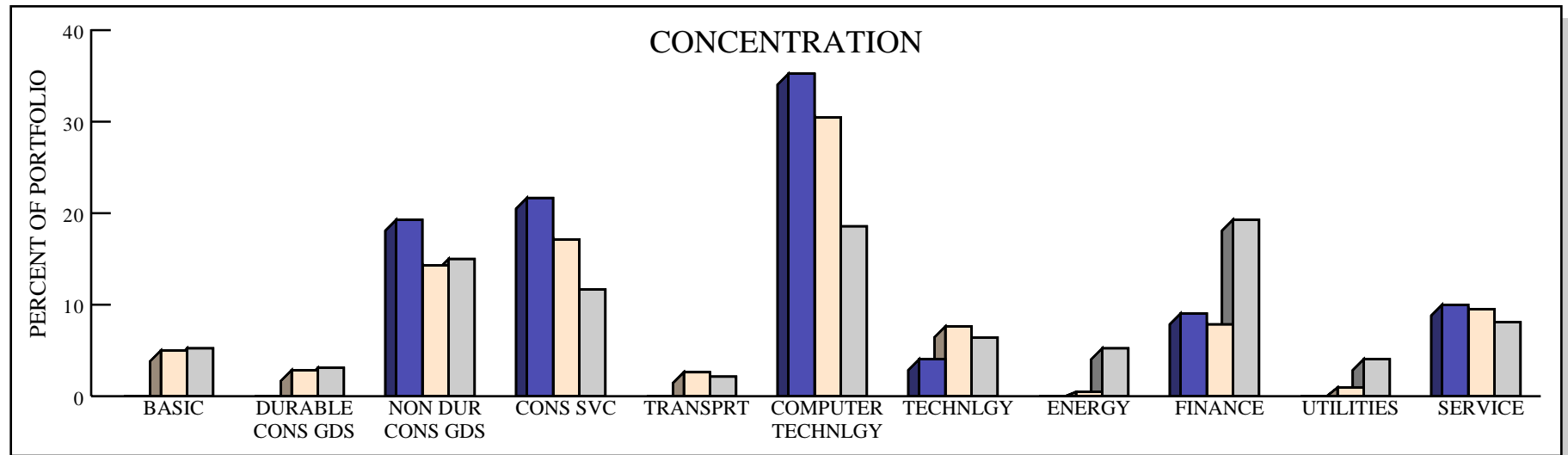
STOCK CHARACTERISTICS



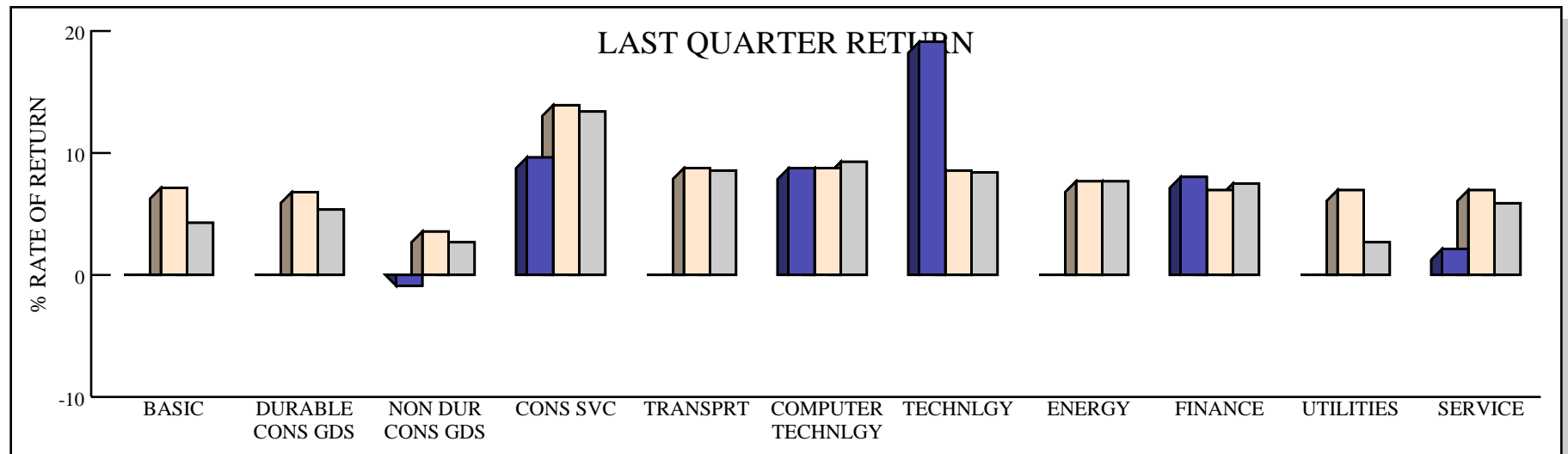
| | # HOLDINGS | YIELD | GROWTH | P/E | BETA |
|---------------|------------|-------|--------|------|------|
| PORTFOLIO | 21 | 0.6% | 16.6% | 38.5 | 1.07 |
| RUSSELL 1000G | 551 | 1.3% | 13.2% | 30.7 | 1.04 |
| RUSSELL 1000 | 978 | 1.8% | 9.7% | 26.3 | 1.03 |



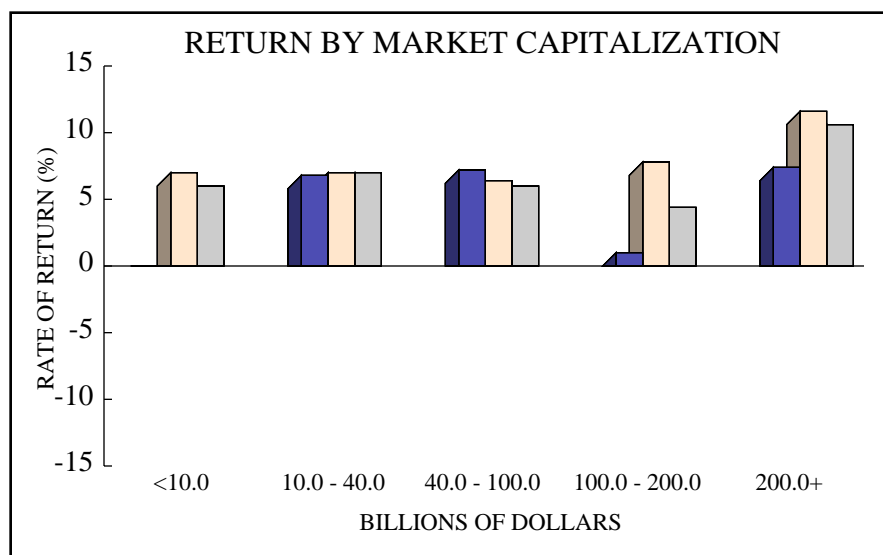
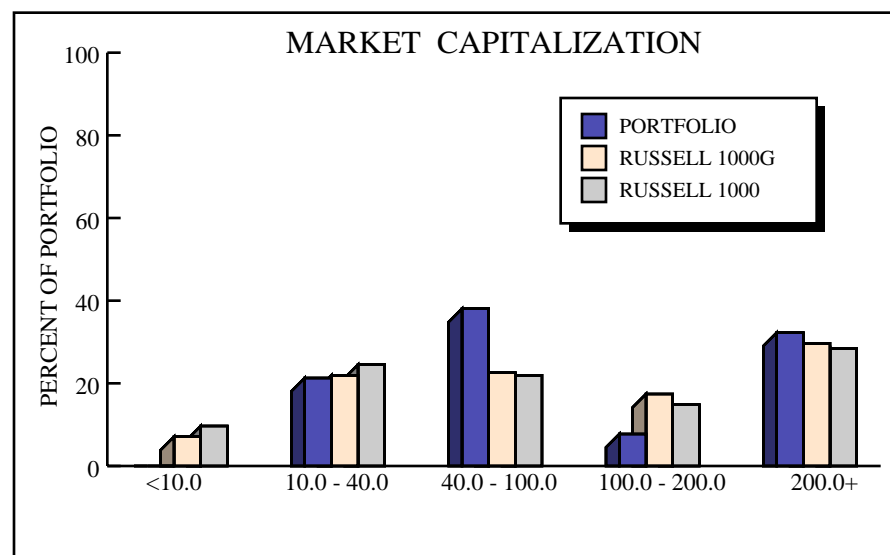
STOCK INDUSTRY ANALYSIS



■ PORTFOLIO
 ■ RUSSELL 1000 GROWTH
 ■ RUSSELL 1000



TOP TEN HOLDINGS



TOP TEN EQUITY HOLDINGS

| RANK | NAME | VALUE | % EQUITY | RETURN | INDUSTRY SECTOR | MKT CAP |
|------|---------------------------|------------|----------|--------|-------------------|-----------|
| 1 | ADOBE SYSTEMS INC | \$ 701,836 | 8.09% | 17.5% | Computer Tech | \$ 86.4 B |
| 2 | FACEBOOK INC-A | 660,313 | 7.61% | 3.3% | Computer Tech | 420.8 B |
| 3 | ALPHABET INC-CL C | 618,422 | 7.13% | 9.1% | Computer Tech | 365.7 B |
| 4 | VISA INC-CLASS A SHARES | 581,730 | 6.70% | 8.5% | Finance | 206.5 B |
| 5 | AUTOMATIC DATA PROCESSING | 508,956 | 5.86% | 7.7% | Service | 52.0 B |
| 6 | NIKE INC -CL B | 494,958 | 5.70% | 20.9% | NonDur Cons Goods | 81.5 B |
| 7 | ACCENTURE PLC-CL A | 469,986 | 5.42% | 13.8% | Consumer Service | 94.4 B |
| 8 | ORACLE CORP | 467,741 | 5.39% | -1.8% | Computer Tech | 195.7 B |
| 9 | STARBUCKS CORP | 416,023 | 4.79% | 7.4% | Consumer Service | 81.7 B |
| 10 | O'REILLY AUTOMOTIVE INC | 405,550 | 4.67% | 11.7% | Consumer Service | 20.5 B |

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

INVESTMENT RETURN

On December 31st, 2017, the Franklin Regional Retirement System's O'Shaughnessy Market Leaders Value portfolio was valued at \$9,365,889, representing an increase of \$760,109 from the September quarter's ending value of \$8,605,780. Last quarter, the Fund posted withdrawals totaling \$58, which partially offset the portfolio's net investment return of \$760,167. Income receipts totaling \$52,561 plus net realized and unrealized capital gains of \$707,606 combined to produce the portfolio's net investment return.

RELATIVE PERFORMANCE

Total Fund

For the fourth quarter, the O'Shaughnessy Market Leaders Value portfolio returned 8.8%, which was 3.5% above the Russell 1000 Value Index's return of 5.3% and ranked in the 3rd percentile of the Large Cap Value universe. Over the trailing year, the portfolio returned 24.3%, which was 10.7% above the benchmark's 13.6% return, ranking in the 6th percentile. Since December 2012, the portfolio returned 17.0% annualized and ranked in the 8th percentile. The Russell 1000 Value returned an annualized 14.0% over the same period.

ASSET ALLOCATION

At the end of the fourth quarter, domestic equities comprised 99.5% of the total portfolio (\$9.3 million), while cash & equivalents totaled 0.5% (\$46,516).

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 Durable Consumer Goods, Nondurable Consumer Goods, Computer Technology, Energy, Finance, and Utilities.

Selection effects favored the portfolio in the fourth quarter, with eight of eleven invested sectors outperforming their index counterparts. The Consumer Service, Technology, and Service sectors most notably outperformed, as their outsized gains were compounded by overweight positions. The Nondurable Consumer Goods and Energy sectors were areas of strength as well, outperforming the benchmark by considerable margins.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

| | Quarter | YTD /1Y | 3 Year | 5 Year |
|--------------------------------|---------|---------|--------|--------|
| Total Portfolio - Gross | 8.8 | 24.3 | 10.1 | 17.0 |
| <i>LARGE CAP VALUE RANK</i> | (3) | (6) | (41) | (8) |
| Total Portfolio - Net | 8.7 | 23.5 | 9.5 | 16.4 |
| Russell 1000V | 5.3 | 13.6 | 8.6 | 14.0 |
| Russell 1000 | 6.6 | 21.7 | 11.2 | 15.7 |
| S&P 500 | 6.6 | 21.8 | 11.4 | 15.8 |
| Domestic Equity - Gross | 8.9 | 24.5 | 10.2 | 17.3 |
| <i>LARGE CAP VALUE RANK</i> | (3) | (6) | (39) | (7) |
| Russell 1000V | 5.3 | 13.6 | 8.6 | 14.0 |

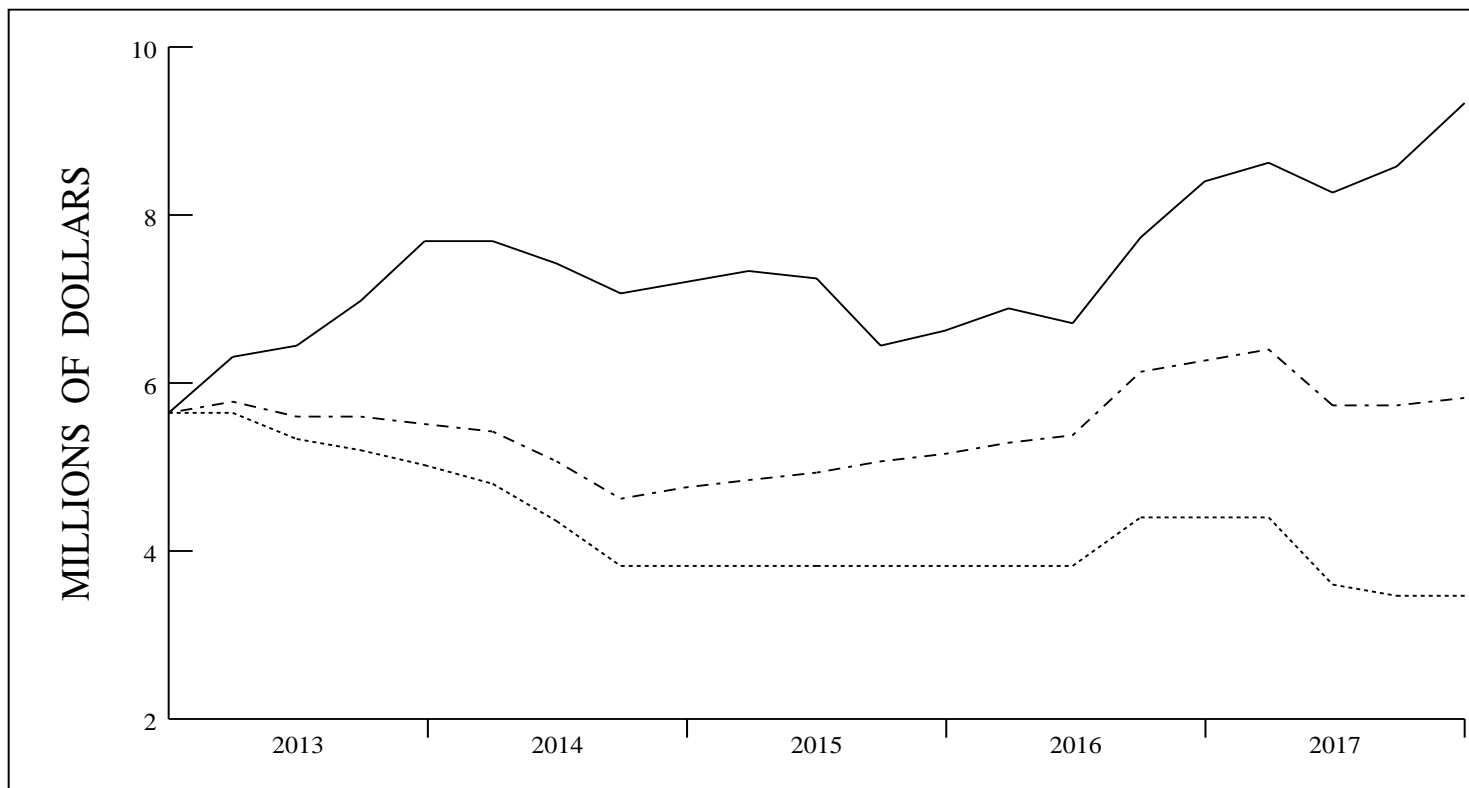
ASSET ALLOCATION

| | | |
|------------------------|---------------|---------------------|
| Domestic Equity | 99.5% | \$ 9,319,373 |
| Cash | 0.5% | 46,516 |
| Total Portfolio | 100.0% | \$ 9,365,889 |

INVESTMENT RETURN

| | |
|------------------------|--------------|
| Market Value 9/2017 | \$ 8,605,780 |
| Contribs / Withdrawals | - 58 |
| Income | 52,561 |
| Capital Gains / Losses | 707,606 |
| Market Value 12/2017 | \$ 9,365,889 |

INVESTMENT GROWTH

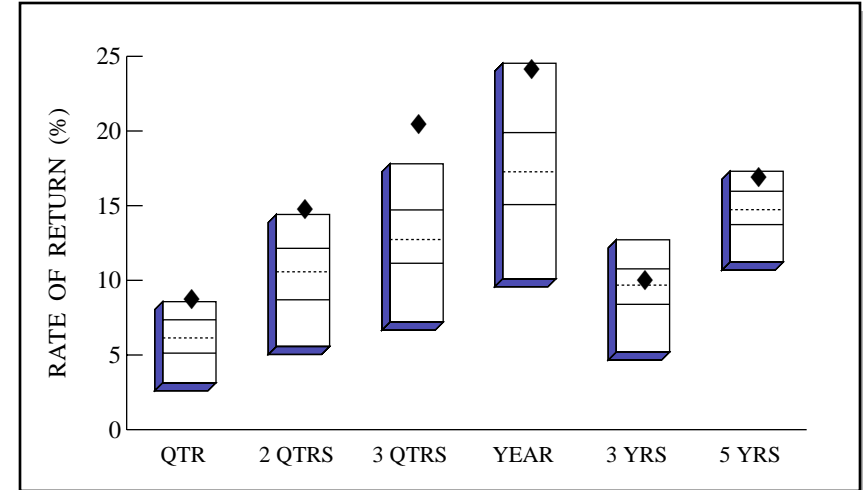
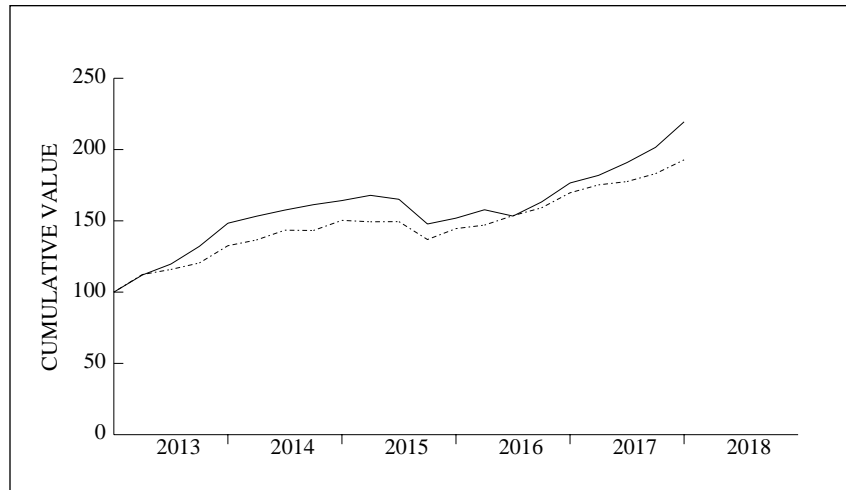


| | |
|-------|---------------|
| — | ACTUAL RETURN |
| - - - | 9.0% |
| | 0.0% |

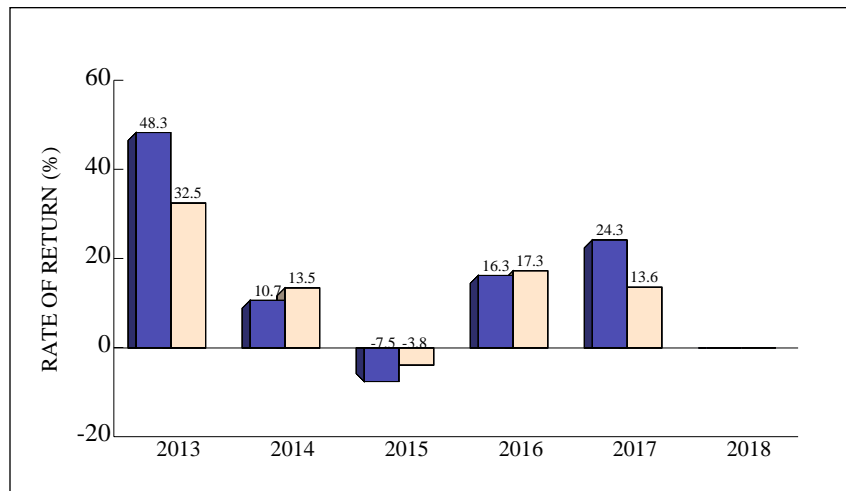
| | |
|----------------|--------------|
| VALUE ASSUMING | |
| 9.0% RETURN | \$ 5,865,918 |

| | LAST QUARTER | FIVE YEARS |
|-------------------------------|----------------|------------------|
| BEGINNING VALUE | \$ 8,605,780 | \$ 5,672,078 |
| NET CONTRIBUTIONS | - 58 | - 2,173,320 |
| <u>INVESTMENT RETURN</u> | <u>760,167</u> | <u>5,867,131</u> |
| ENDING VALUE | \$ 9,365,889 | \$ 9,365,889 |
| | | |
| INCOME | 52,561 | 905,906 |
| <u>CAPITAL GAINS (LOSSES)</u> | <u>707,606</u> | <u>4,961,225</u> |
| INVESTMENT RETURN | 760,167 | 5,867,131 |

TOTAL RETURN COMPARISONS



Large Cap Value Universe

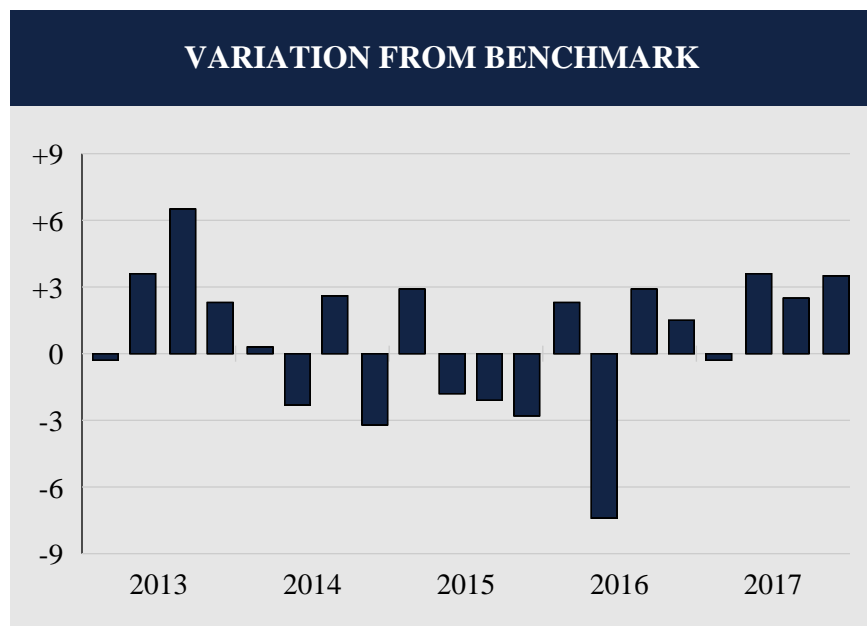


| | QTR | 2 QTRS | 3 QTRS | YEAR | 3 YRS | 5 YRS |
|-------------------|------------|------------|-------------|-------------|------------|-------------|
| RETURN | 8.8 | 14.9 | 20.6 | 24.3 | 10.1 | 17.0 |
| (RANK) | (3) | (4) | (2) | (6) | (41) | (8) |
| 5TH %ILE | 8.6 | 14.4 | 17.8 | 24.5 | 12.7 | 17.3 |
| 25TH %ILE | 7.4 | 12.1 | 14.7 | 19.9 | 10.8 | 16.0 |
| MEDIAN | 6.2 | 10.6 | 12.7 | 17.3 | 9.7 | 14.7 |
| 75TH %ILE | 5.1 | 8.7 | 11.1 | 15.1 | 8.4 | 13.7 |
| 95TH %ILE | 3.1 | 5.6 | 7.2 | 10.1 | 5.2 | 11.2 |
| <i>Russ 1000V</i> | <i>5.3</i> | <i>8.6</i> | <i>10.0</i> | <i>13.6</i> | <i>8.6</i> | <i>14.0</i> |

Large Cap Value Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

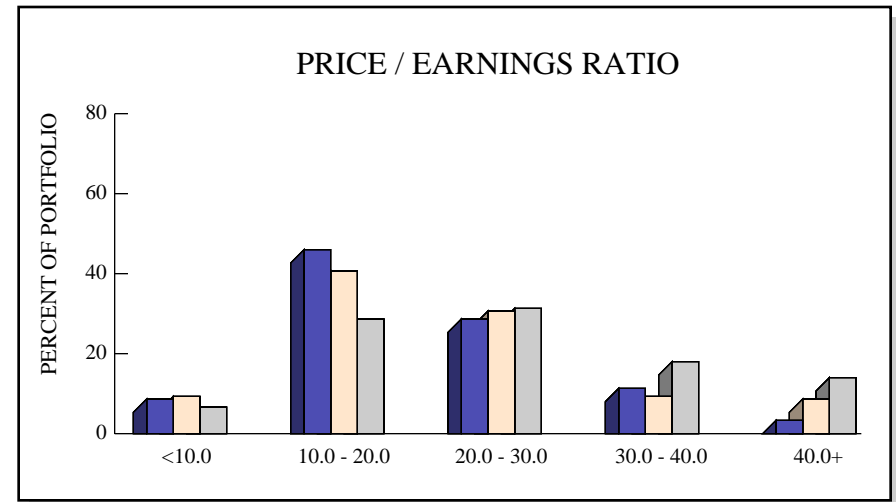
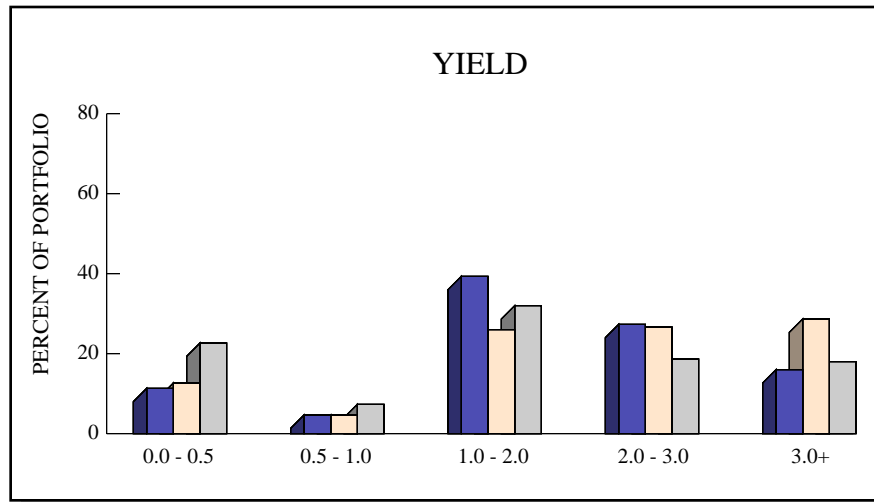
COMPARATIVE BENCHMARK: RUSSELL 1000 VALUE



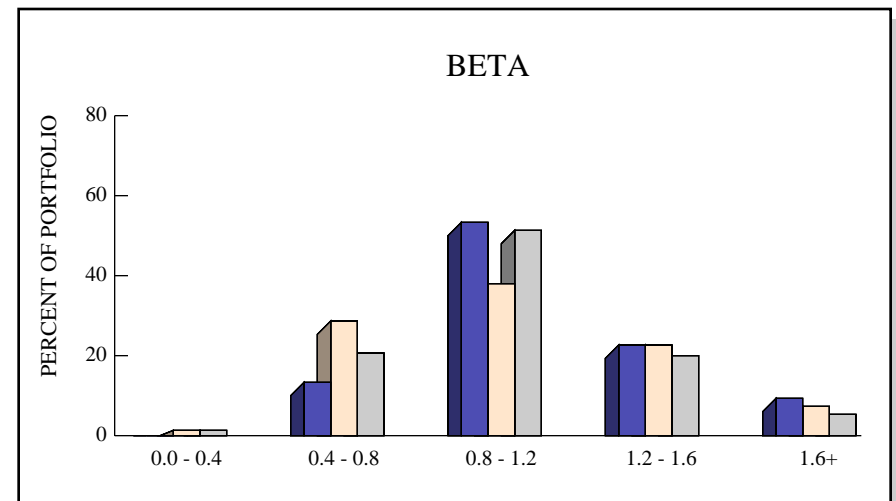
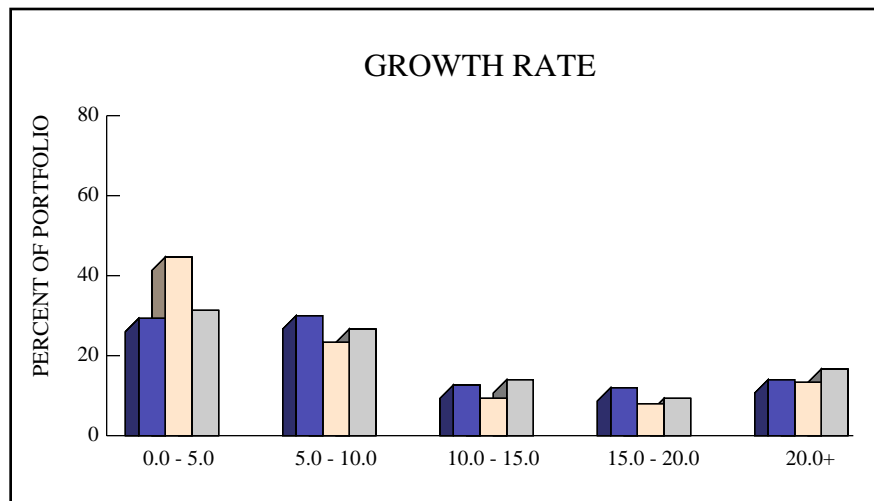
| RATES OF RETURN | | | |
|-----------------|-----------|-----------|------------|
| Date | Portfolio | Benchmark | Difference |
| 3/13 | 12.0 | 12.3 | -0.3 |
| 6/13 | 6.8 | 3.2 | 3.6 |
| 9/13 | 10.4 | 3.9 | 6.5 |
| 12/13 | 12.3 | 10.0 | 2.3 |
| 3/14 | 3.3 | 3.0 | 0.3 |
| 6/14 | 2.8 | 5.1 | -2.3 |
| 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 |
| 12/17 | 8.8 | 5.3 | 3.5 |

| | |
|---|-------------|
| Total Quarters Observed | 20 |
| Quarters At or Above the Benchmark | 12 |
| Quarters Below the Benchmark | 8 |
| Batting Average | .600 |

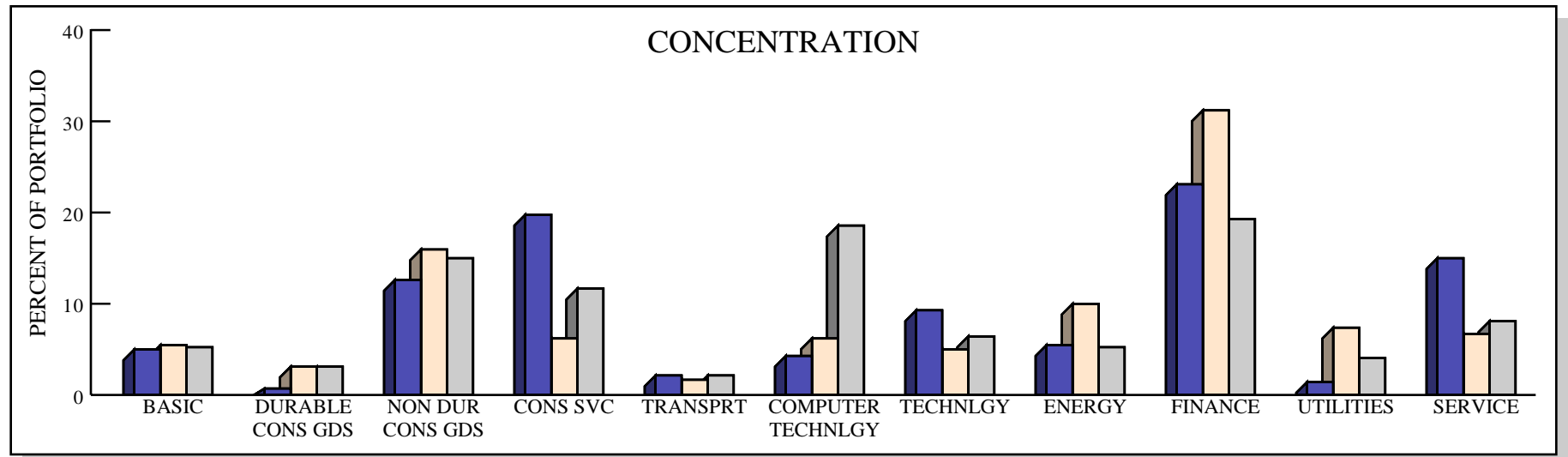
STOCK CHARACTERISTICS



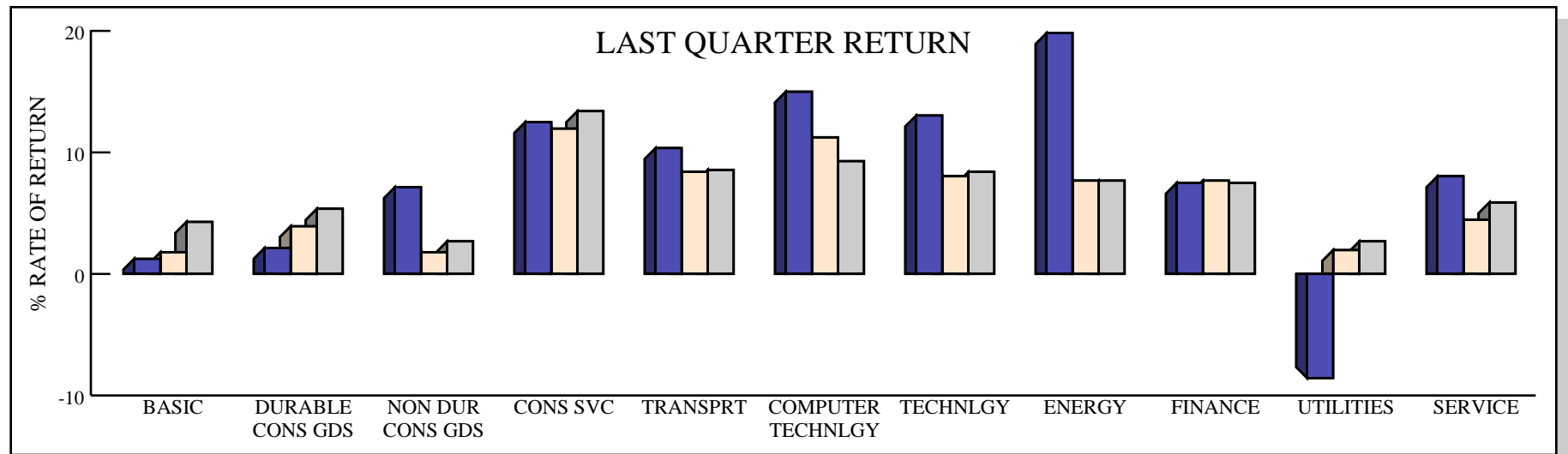
| | # HOLDINGS | YIELD | GROWTH | P/E | BETA |
|---------------|------------|-------|--------|------|------|
| PORTFOLIO | 68 | 2.1% | 9.7% | 21.4 | 1.12 |
| RUSSELL 1000V | 713 | 2.3% | 6.0% | 22.0 | 1.01 |
| RUSSELL 1000 | 978 | 1.8% | 9.7% | 26.3 | 1.03 |



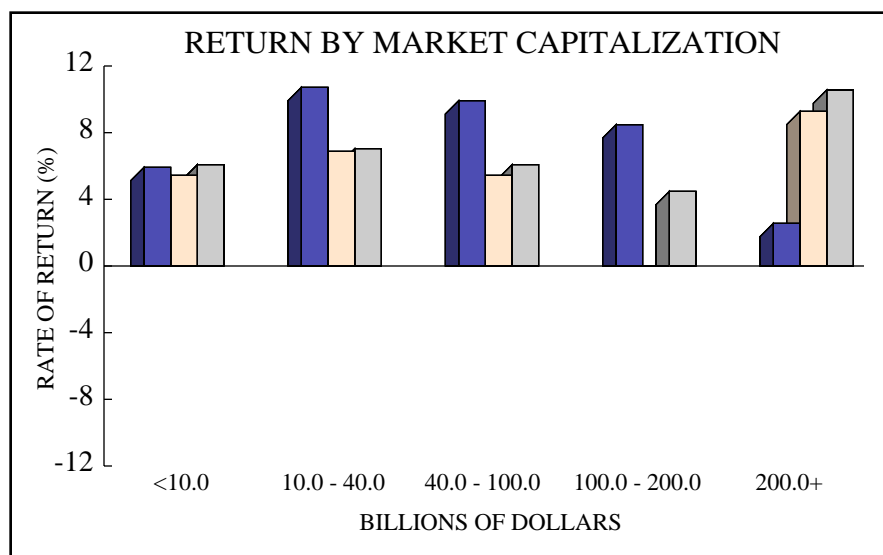
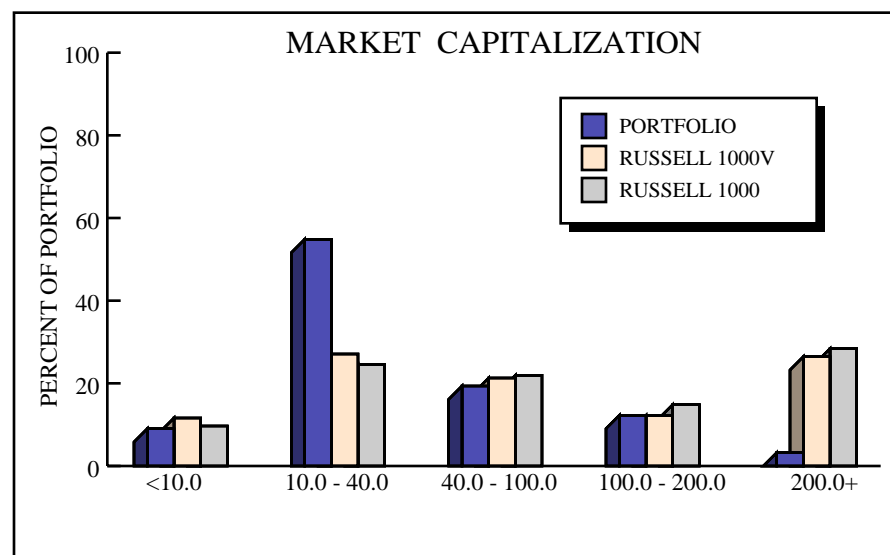
STOCK INDUSTRY ANALYSIS



■ PORTFOLIO
 ■ RUSSELL 1000 VALUE
 ■ RUSSELL 1000



TOP TEN HOLDINGS



TOP TEN EQUITY HOLDINGS

| RANK | NAME | VALUE | % EQUITY | RETURN | INDUSTRY SECTOR | MKT CAP |
|------|-----------------------------|------------|----------|--------|-------------------|-----------|
| 1 | VALERO ENERGY CORP | \$ 435,837 | 4.68% | 20.2% | Energy | \$ 40.2 B |
| 2 | AMERIPRISE FINANCIAL INC | 420,286 | 4.51% | 14.6% | Finance | 25.1 B |
| 3 | BOEING CO/THE | 419,952 | 4.51% | 16.5% | Technology | 175.6 B |
| 4 | LYONDELLBASELL INDU-CL A | 416,568 | 4.47% | 12.2% | NonDur Cons Goods | 43.5 B |
| 5 | TARGET CORP | 285,338 | 3.06% | 11.5% | Consumer Service | 35.5 B |
| 6 | HARTFORD FINANCIAL SVCS GRP | 269,581 | 2.89% | 1.9% | Finance | 20.1 B |
| 7 | MCDONALD'S CORP | 267,647 | 2.87% | 10.6% | Consumer Service | 137.2 B |
| 8 | PROCTER & GAMBLE CO/THE | 266,636 | 2.86% | 1.7% | NonDur Cons Goods | 233.1 B |
| 9 | WYNDHAM WORLDWIDE CORP | 259,433 | 2.78% | 10.4% | Consumer Service | 11.7 B |
| 10 | BEST BUY CO INC | 252,312 | 2.71% | 20.7% | Consumer Service | 20.0 B |

FRANKLIN REGIONAL RETIREMENT SYSTEM
SEIZERT CAPITAL PARTNERS
PERFORMANCE REVIEW
DECEMBER 2017

INVESTMENT RETURN

On December 31st, 2017, the Franklin Regional Retirement System's Seizert Capital Partners portfolio was valued at \$6,991,428, representing an increase of \$201,135 from the September quarter's ending value of \$6,790,293. Last quarter, the Fund posted withdrawals totaling \$57, which partially offset the portfolio's net investment return of \$201,192. Income receipts totaling \$19,763 plus net realized and unrealized capital gains of \$181,429 combined to produce the portfolio's net investment return.

RELATIVE PERFORMANCE

For the fourth quarter, the Seizert Capital Partners portfolio returned 3.0%, which was 3.1% below the Russell Mid Cap's return of 6.1% and ranked in the 98th percentile of the Mid Cap universe. Over the trailing year, the portfolio returned 7.4%, which was 11.1% below the benchmark's 18.5% return, ranking in the 99th percentile. Since December 2012, the portfolio returned 13.9% annualized and ranked in the 80th percentile. The Russell Mid Cap returned an annualized 15.0% over the same period.

ASSET ALLOCATION

At the end of the fourth quarter, domestic equities comprised 95.5% of the total portfolio (\$6.7 million), while cash & equivalents totaled 4.5% (\$317,275).

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 Consumer Service. The Durable Consumer Goods, Transportation, Technology, Energy, and Utilities sectors were unfunded.

The Seizert portfolio suffered deep negative selection effects across five of the six invested sectors in the fourth quarter. The overweight Basic and Computer Technology sectors underperformed, while the Service sector – the most highly represented space in the portfolio – delivered a significant shortfall, returning just 0.5% against the index's 8.4% gain. Nondurable Consumer Goods and Consumer Service stocks also underperformed by large margins. The Finance sector matched the benchmark's 5.9% return.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

| | Quarter | YTD /1Y | 3 Year | 5 Year |
|--------------------------------|---------|---------|--------|--------|
| Total Portfolio - Gross | 3.0 | 7.4 | 6.4 | 13.9 |
| <i>MID CAP RANK</i> | (98) | (99) | (96) | (80) |
| Total Portfolio - Net | 2.8 | 6.5 | 5.6 | 13.1 |
| Russell Mid | 6.1 | 18.5 | 9.6 | 15.0 |
| S&P 400 | 6.3 | 16.2 | 11.1 | 15.0 |
| Russell Mid | 6.1 | 18.5 | 9.6 | 15.0 |
| Domestic Equity - Gross | 3.1 | 7.5 | 6.6 | 14.5 |
| <i>MID CAP RANK</i> | (97) | (99) | (95) | (67) |
| Russell Mid | 6.1 | 18.5 | 9.6 | 15.0 |

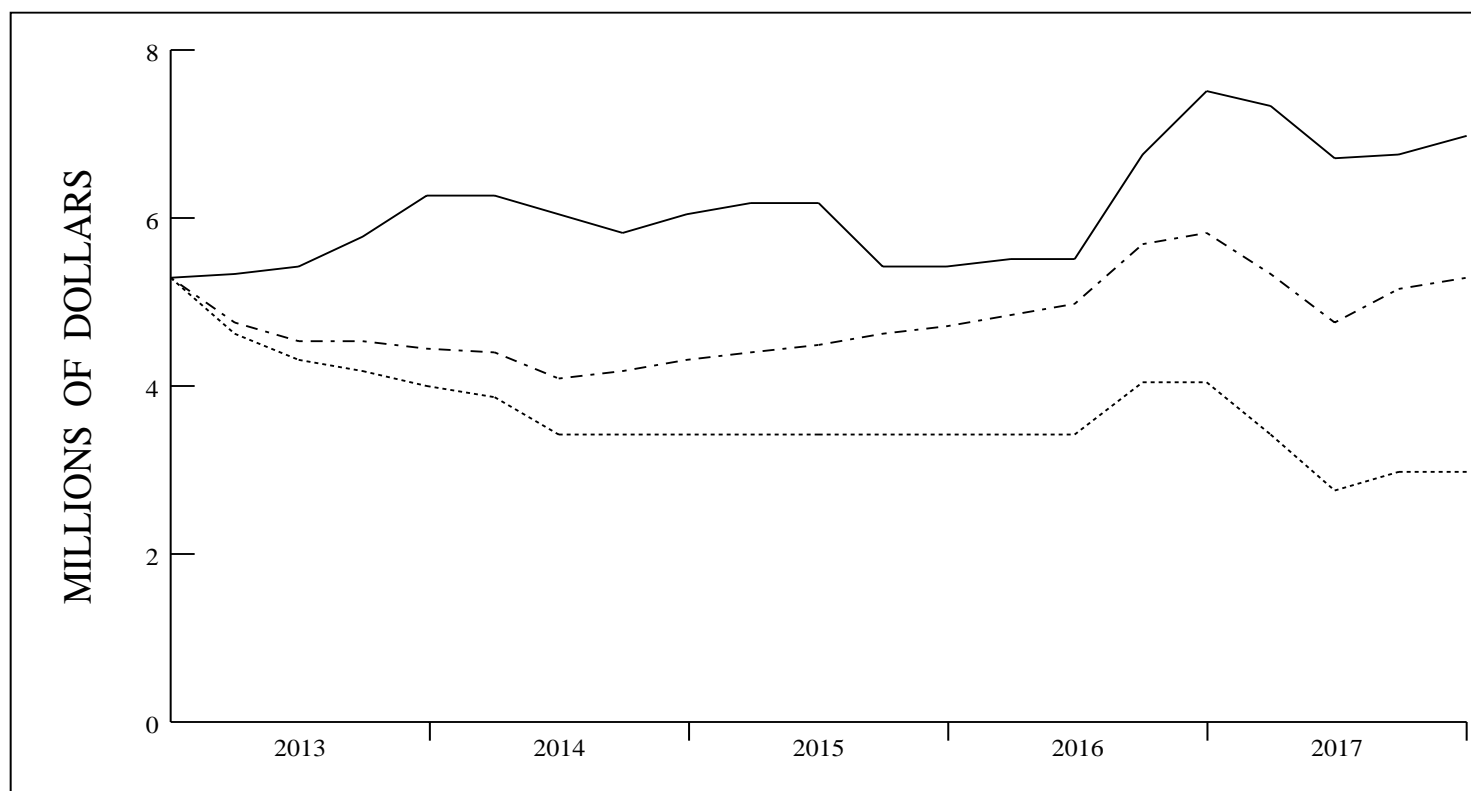
ASSET ALLOCATION

| | | |
|------------------------|---------------|---------------------|
| Domestic Equity | 95.5% | \$ 6,674,153 |
| Cash | 4.5% | 317,275 |
| Total Portfolio | 100.0% | \$ 6,991,428 |

INVESTMENT RETURN

| | |
|------------------------|--------------|
| Market Value 9/2017 | \$ 6,790,293 |
| Contribs / Withdrawals | - 57 |
| Income | 19,763 |
| Capital Gains / Losses | 181,429 |
| Market Value 12/2017 | \$ 6,991,428 |

INVESTMENT GROWTH

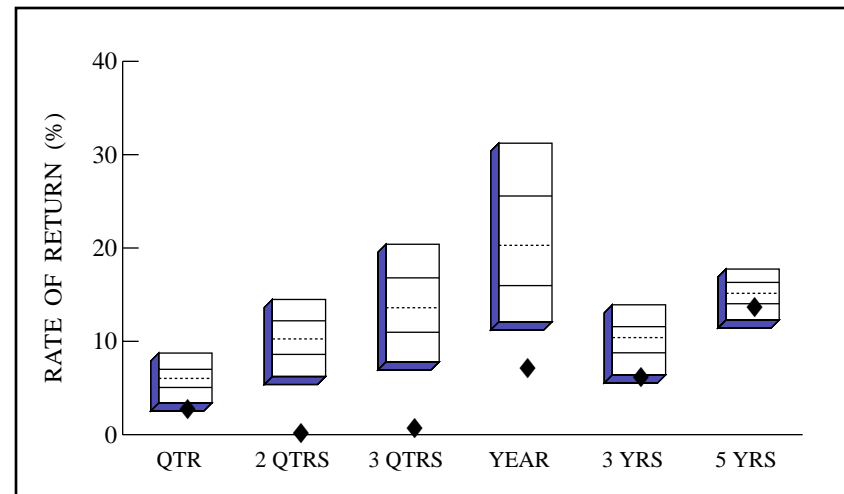
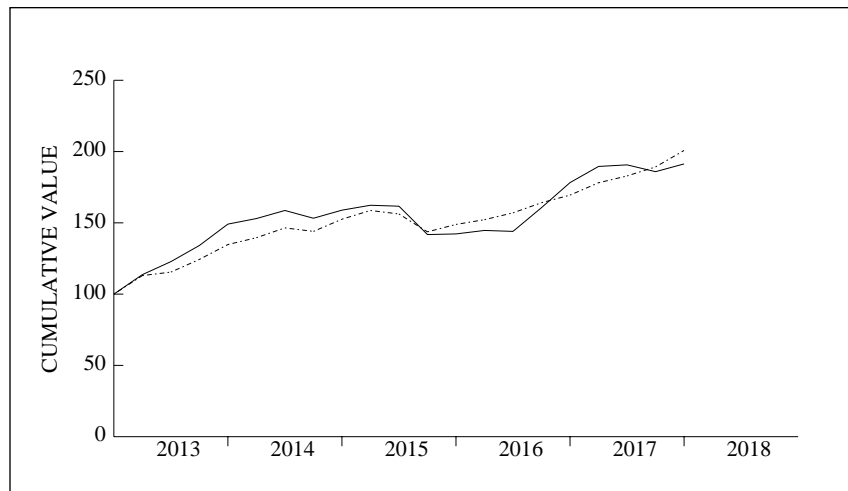


| | |
|-------|---------------|
| — | ACTUAL RETURN |
| - - - | 10.0% |
| | 0.0% |

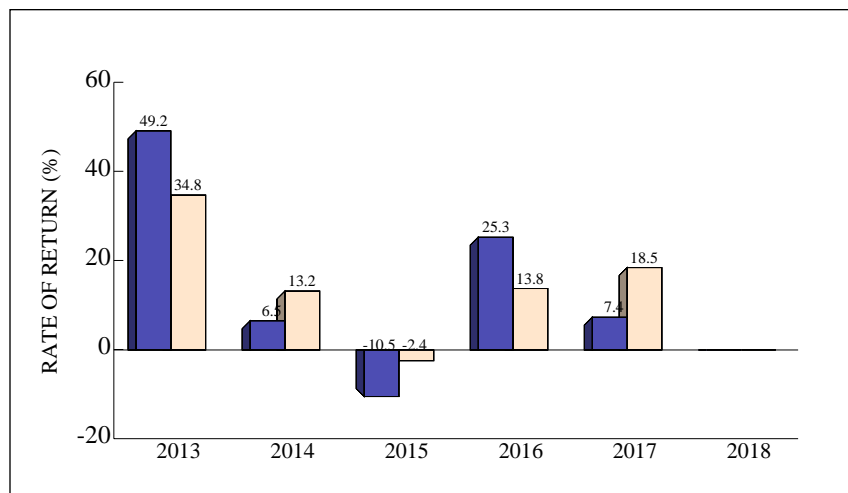
| | |
|----------------|--------------|
| VALUE ASSUMING | |
| 10.0% RETURN | \$ 5,295,895 |

| | LAST QUARTER | FIVE YEARS |
|------------------------|-----------------|---------------|
| BEGINNING VALUE | \$ 6,790,293 | \$ 5,291,479 |
| NET CONTRIBUTIONS | - 57 | - 2,285,198 |
| INVESTMENT RETURN | 201,192 | 3,985,147 |
| ENDING VALUE | \$ 6,991,428 | \$ 6,991,428 |
| INCOME | 19,763 | 645,282 |
| CAPITAL GAINS (LOSSES) | 181,429 | 3,339,865 |
| INVESTMENT RETURN | 201,192 | 3,985,147 |

TOTAL RETURN COMPARISONS

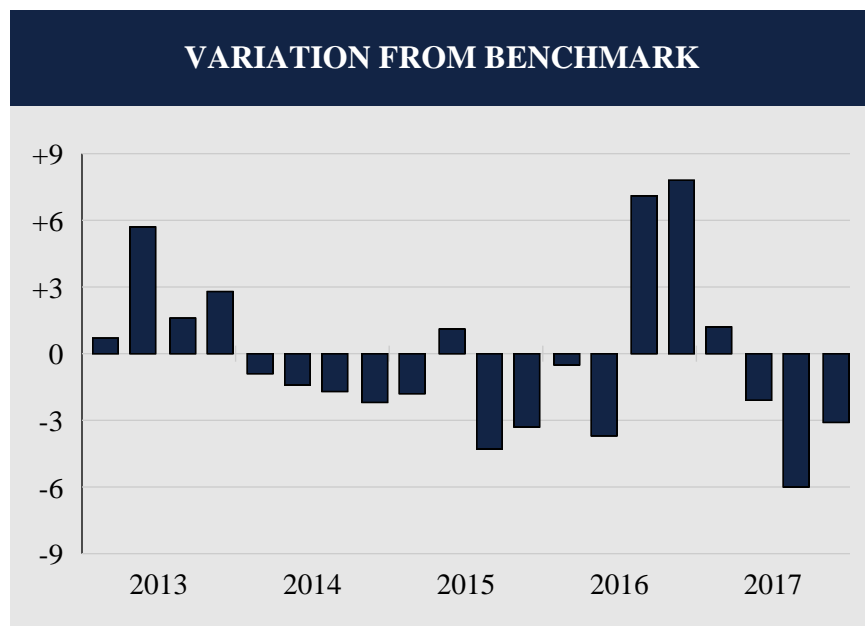


Mid Cap Universe



| | QTR | 2 QTRS | 3 QTRS | YEAR | 3 YRS | 5 YRS |
|----------------|------------|------------|-------------|-------------|------------|-------------|
| RETURN | 3.0 | 0.4 | 1.0 | 7.4 | 6.4 | 13.9 |
| (RANK) | (98) | (99) | (99) | (99) | (96) | (80) |
| 5TH %ILE | 8.7 | 14.5 | 20.4 | 31.2 | 13.9 | 17.7 |
| 25TH %ILE | 7.0 | 12.2 | 16.8 | 25.6 | 11.6 | 16.3 |
| MEDIAN | 6.0 | 10.3 | 13.6 | 20.3 | 10.4 | 15.1 |
| 75TH %ILE | 5.1 | 8.6 | 11.0 | 16.0 | 8.8 | 14.0 |
| 95TH %ILE | 3.4 | 6.2 | 7.8 | 12.1 | 6.4 | 12.3 |
| Russ MC | 6.1 | 9.7 | 12.7 | 18.5 | 9.6 | 15.0 |

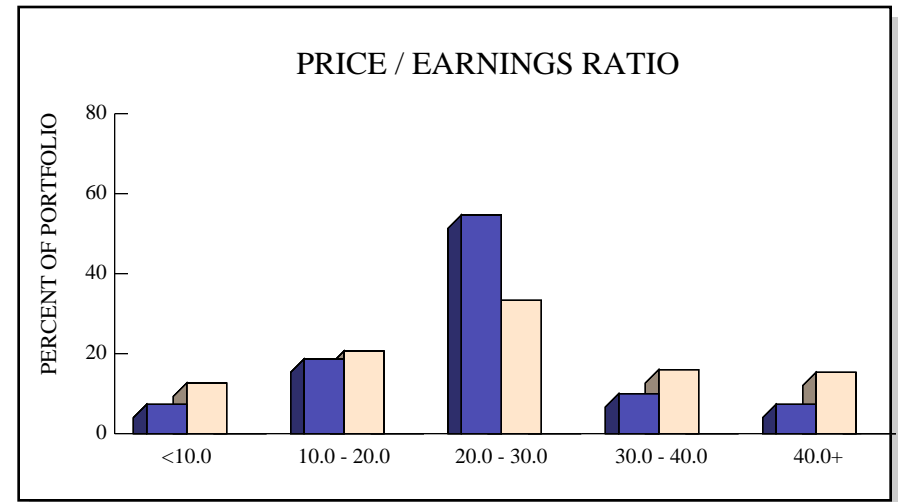
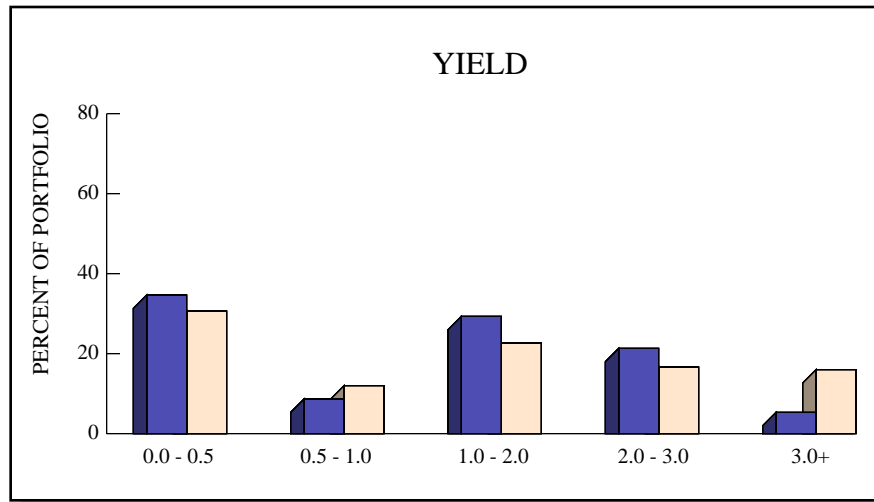
Mid Cap Universe

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

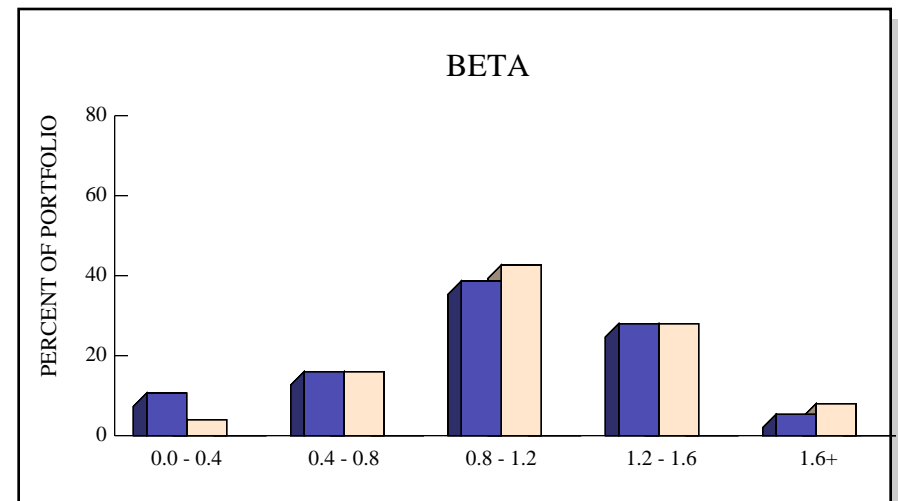
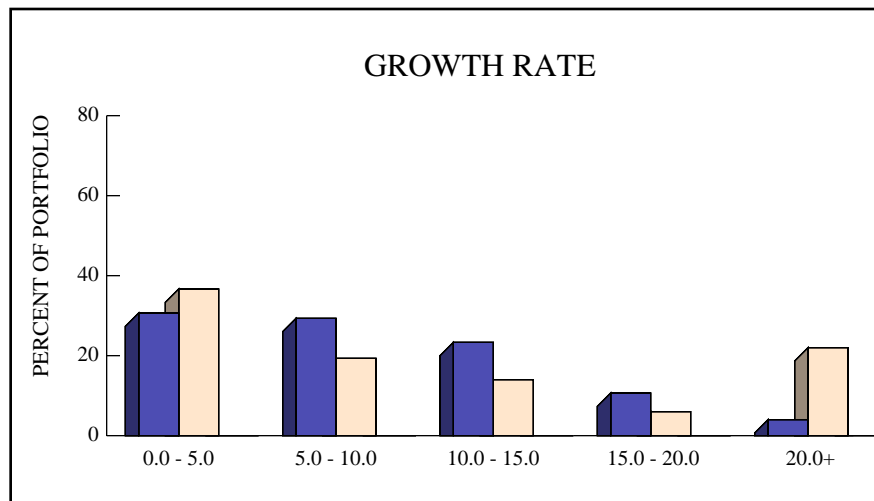
| | |
|---|-------------|
| Total Quarters Observed | 20 |
| Quarters At or Above the Benchmark | 8 |
| Quarters Below the Benchmark | 12 |
| Batting Average | .400 |

| RATES OF RETURN | | | |
|------------------------|-----------|-----------|------------|
| Date | Portfolio | Benchmark | Difference |
| 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 |
| 12/17 | 3.0 | 6.1 | -3.1 |

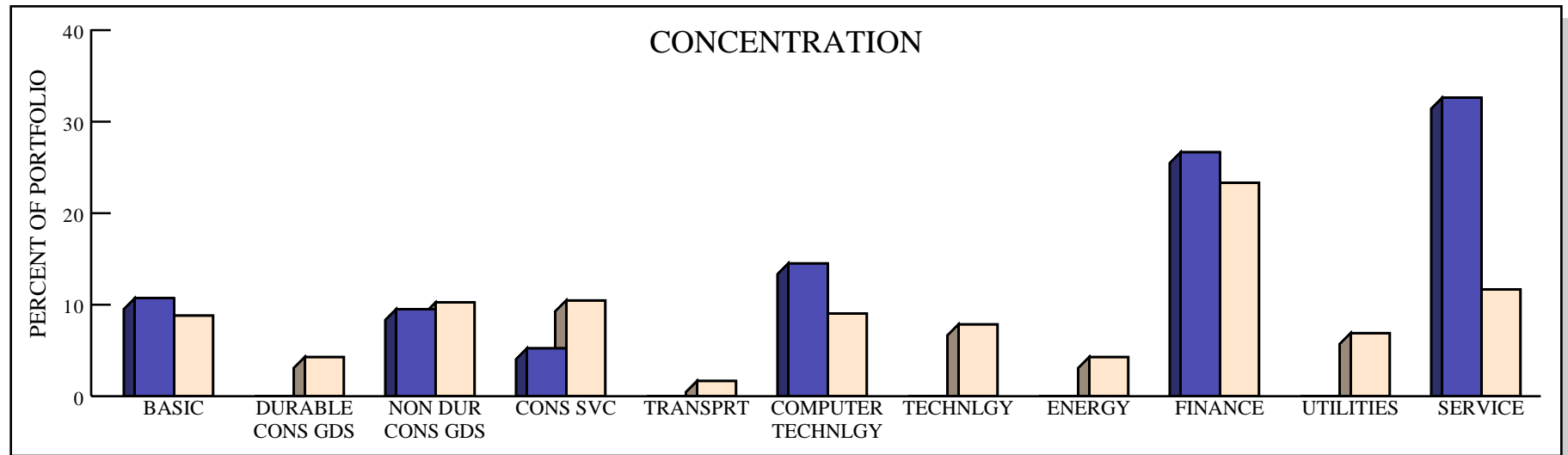
STOCK CHARACTERISTICS



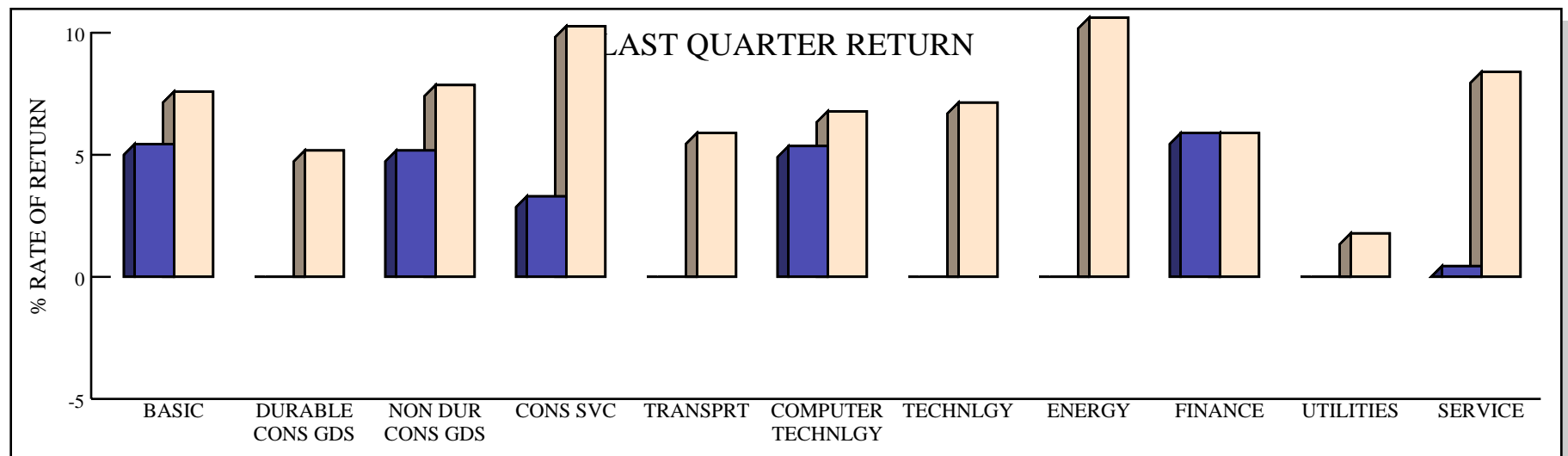
| | # HOLDINGS | YIELD | GROWTH | P/E | BETA |
|-------------|------------|-------|--------|------|------|
| PORTFOLIO | 25 | 1.3% | 5.3% | 24.5 | 1.00 |
| RUSSELL MID | 780 | 1.6% | 10.4% | 24.6 | 1.07 |



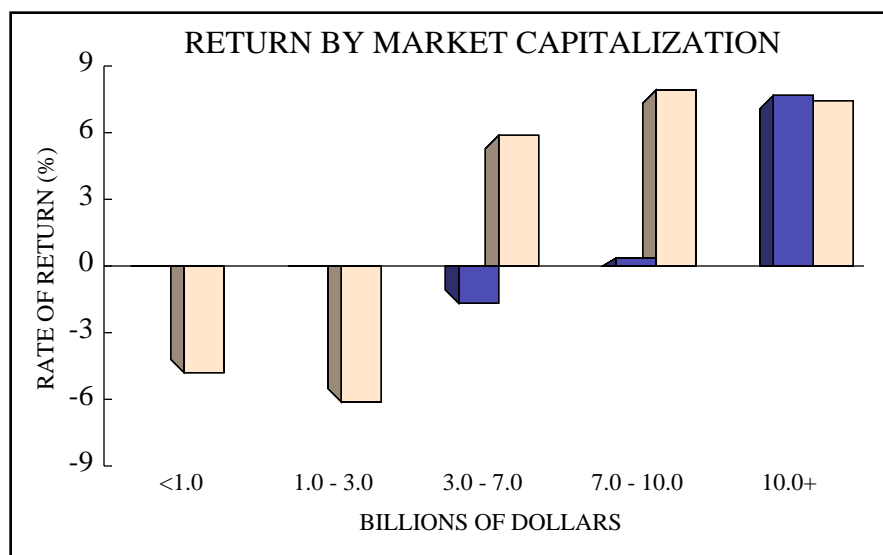
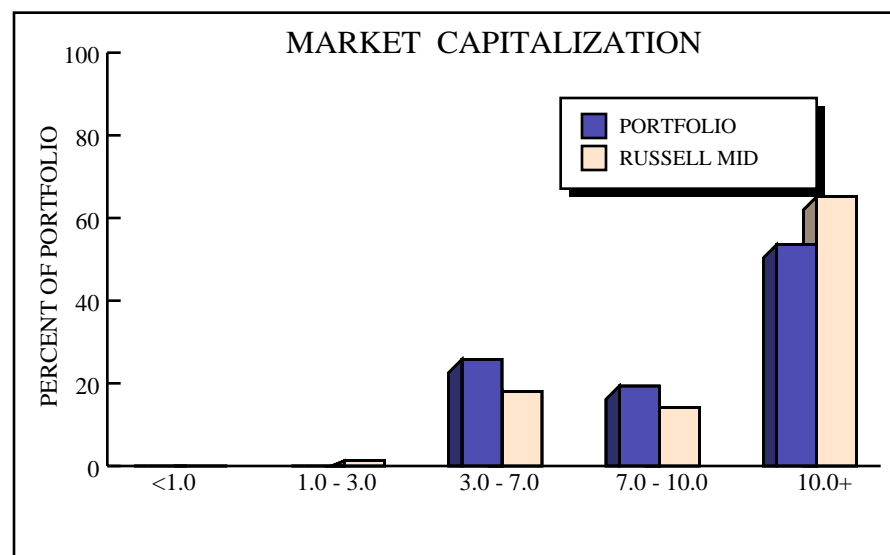
STOCK INDUSTRY ANALYSIS



■ 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 | \$ 375,660 | 5.63% | -5.3% | Service | \$ 8.9 B |
| 2 | ZIONS BANCORPORATION | 355,861 | 5.33% | 7.9% | Finance | 10.2 B |
| 3 | LIBERTY MEDIA CORP-LIBERTY-C | 345,699 | 5.18% | -10.3% | Service | 6.9 B |
| 4 | REGIONS FINANCIAL CORP | 338,671 | 5.07% | 13.9% | Finance | 20.0 B |
| 5 | LIBERTY BROADBAND-C | 338,085 | 5.07% | -10.6% | Service | 13.0 B |
| 6 | FIFTH THIRD BANCORP | 322,454 | 4.83% | 8.9% | Finance | 21.4 B |
| 7 | C.H. ROBINSON WORLDWIDE INC | 320,279 | 4.80% | 17.7% | Service | 12.4 B |
| 8 | HOWARD HUGHES CORP/THE | 307,303 | 4.60% | 11.3% | Finance | 5.7 B |
| 9 | DISCOVERY COMMUNICATIONS-C | 302,054 | 4.53% | 4.5% | Service | 4.6 B |
| 10 | ASSURED GUARANTY LTD | 286,947 | 4.30% | -9.9% | Finance | 4.0 B |

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

INVESTMENT RETURN

On December 31st, 2017, the Franklin Regional Retirement System's Aberdeen Small Cap Core portfolio was valued at \$7,647,245, representing an increase of \$281,582 from the September quarter's ending value of \$7,365,663. Last quarter, the Fund posted no net contributions or withdrawals, while posting \$281,582 in net investment returns. Income receipts totaling \$23,615 plus net realized and unrealized capital gains of \$257,967 combined to produce the portfolio's net investment return figure.

RELATIVE PERFORMANCE

For the fourth quarter, the Aberdeen Small Cap Core portfolio returned 3.8%, which was 0.5% above the Russell 2000 Index's return of 3.3% and ranked in the 57th 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 /1Y | 3 Year | 5 Year | Since 06/17 |
|--------------------------------|---------|---------|--------|--------|-------------|
| Total Portfolio - Gross | 3.8 | ---- | ---- | ---- | 10.1 |
| <i>SMALL CAP RANK</i> | (57) | ---- | ---- | ---- | (50) |
| Total Portfolio - Net | 3.7 | ---- | ---- | ---- | 9.8 |
| Russell 2000 | 3.3 | 14.6 | 9.9 | 14.1 | 9.2 |
| Domestic Equity - Gross | 3.8 | ---- | ---- | ---- | 10.1 |
| <i>SMALL CAP RANK</i> | (57) | ---- | ---- | ---- | (50) |
| Russell 2000 | 3.3 | 14.6 | 9.9 | 14.1 | 9.2 |
| Russell 2000 | 3.3 | 14.6 | 9.9 | 14.1 | 9.2 |

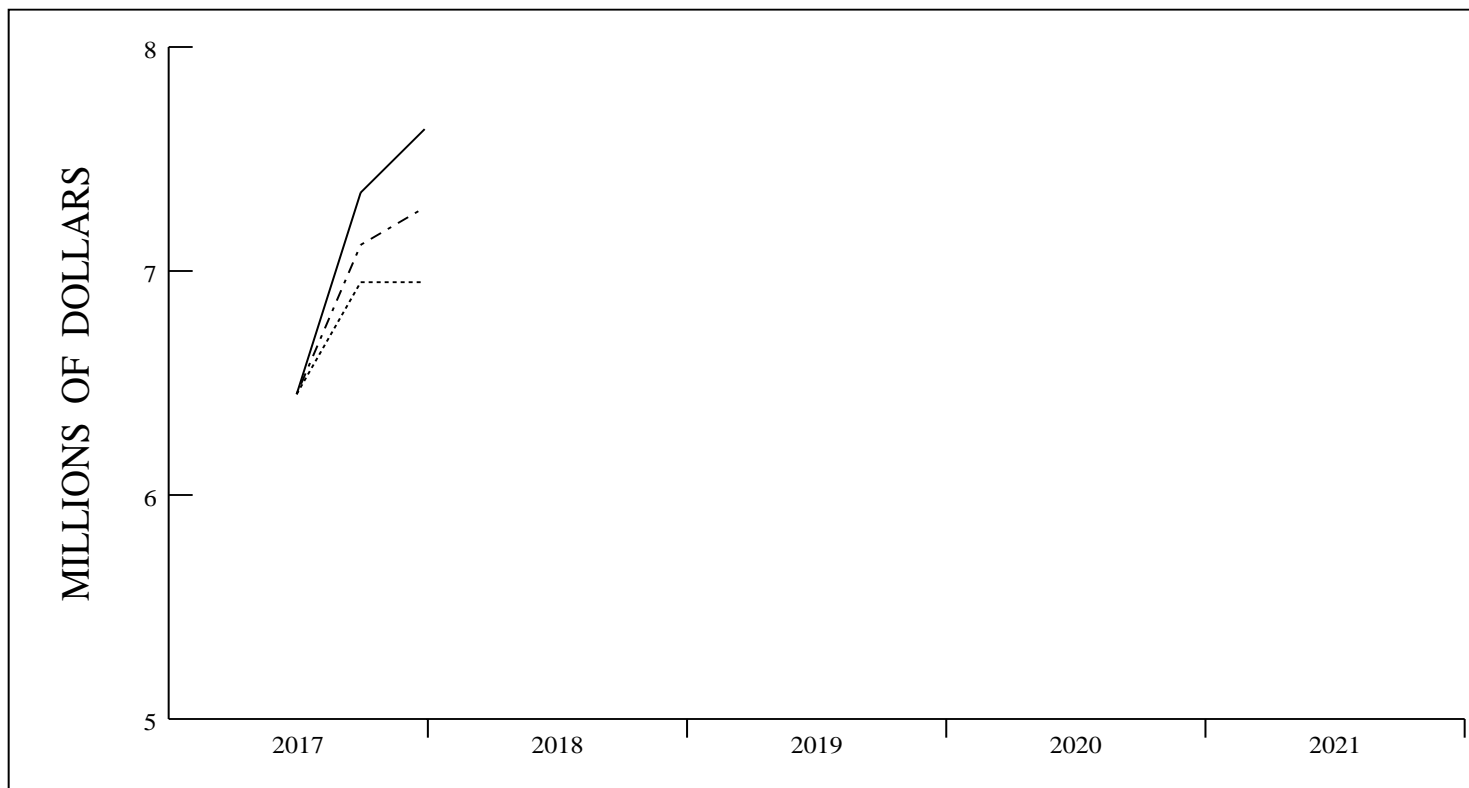
ASSET ALLOCATION

| | | |
|-----------------|--------|--------------|
| Domestic Equity | 100.0% | \$ 7,647,245 |
| Total Portfolio | 100.0% | \$ 7,647,245 |

INVESTMENT RETURN

| | |
|------------------------|--------------|
| Market Value 9/2017 | \$ 7,365,663 |
| Contribs / Withdrawals | 0 |
| Income | 23,615 |
| Capital Gains / Losses | 257,967 |
| Market Value 12/2017 | \$ 7,647,245 |

INVESTMENT GROWTH

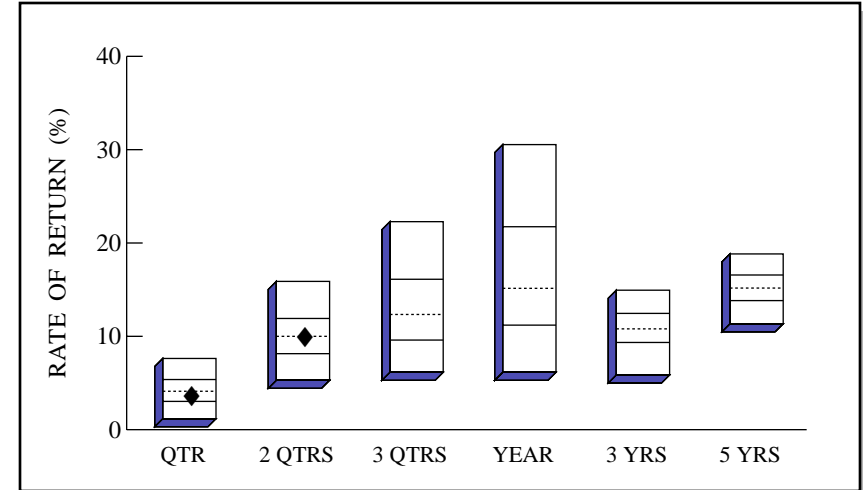
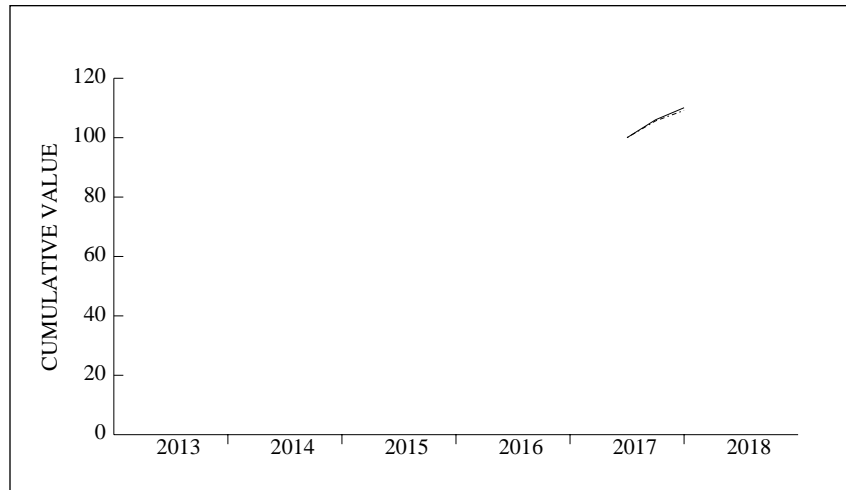


| | |
|-----------|---------------|
| ———— | ACTUAL RETURN |
| - - - - - | 10.0% |
| | 0.0% |

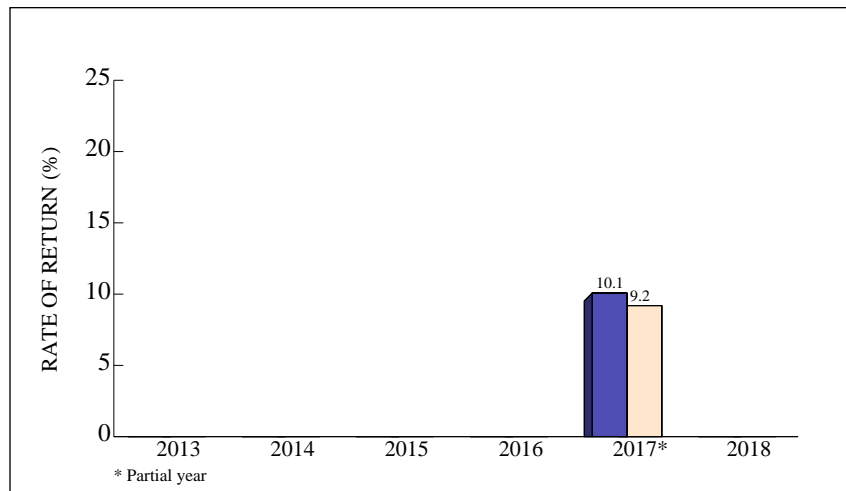
| | |
|----------------|--------------|
| VALUE ASSUMING | |
| 10.0% RETURN | \$ 7,289,156 |

| | LAST QUARTER | PERIOD 6/17 - 12/17 |
|------------------------|-----------------|------------------------|
| BEGINNING VALUE | \$ 7,365,663 | \$ 6,451,915 |
| NET CONTRIBUTIONS | 0 | 500,000 |
| INVESTMENT RETURN | 281,582 | 695,330 |
| ENDING VALUE | \$ 7,647,245 | \$ 7,647,245 |
| INCOME | 23,615 | 41,793 |
| CAPITAL GAINS (LOSSES) | 257,967 | 653,537 |
| INVESTMENT RETURN | 281,582 | 695,330 |

TOTAL RETURN COMPARISONS



Small Cap Universe

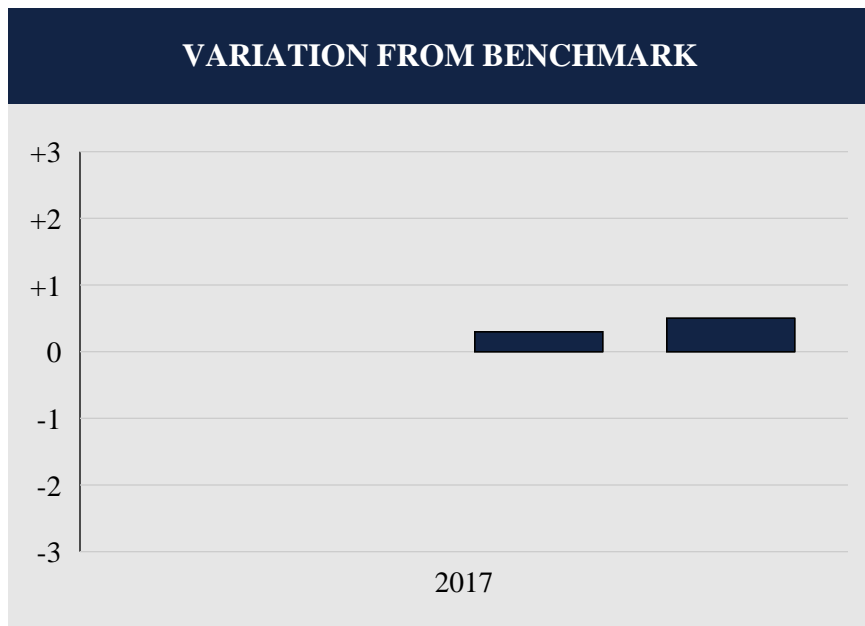


| | <u>QTR</u> | <u>2 QTRS</u> | <u>3 QTRS</u> | <u>YEAR</u> | -----ANNUALIZED----- | |
|------------------|------------|---------------|---------------|-------------|----------------------|--------------|
| | | | | | <u>3 YRS</u> | <u>5 YRS</u> |
| RETURN | 3.8 | 10.1 | --- | --- | --- | --- |
| (RANK) | (57) | (50) | --- | --- | --- | --- |
| 5TH %ILE | 7.6 | 15.9 | 22.3 | 30.6 | 14.9 | 18.8 |
| 25TH %ILE | 5.4 | 11.9 | 16.1 | 21.7 | 12.5 | 16.6 |
| MEDIAN | 4.1 | 10.0 | 12.3 | 15.1 | 10.8 | 15.2 |
| 75TH %ILE | 3.0 | 8.1 | 9.6 | 11.2 | 9.3 | 13.8 |
| 95TH %ILE | 1.2 | 5.3 | 6.1 | 6.2 | 5.9 | 11.4 |
| Russ 2000 | 3.3 | 9.2 | 11.9 | 14.6 | 9.9 | 14.1 |

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 |
| 12/17 | 3.8 | 3.3 | 0.5 |

| | |
|---|--------------|
| Total Quarters Observed | 2 |
| Quarters At or Above the Benchmark | 2 |
| Quarters Below the Benchmark | 0 |
| Batting Average | 1.000 |

FRANKLIN REGIONAL RETIREMENT SYSTEM
SYSTEMATIC FINANCIAL
PERFORMANCE REVIEW
DECEMBER 2017

INVESTMENT RETURN

On December 31st, 2017, the Franklin Regional Retirement System's Systematic Financial portfolio was valued at \$7,467,314, representing an increase of \$219,429 from the September quarter's ending value of \$7,247,885. Last quarter, the Fund posted withdrawals totaling \$2, which partially offset the portfolio's net investment return of \$219,431. Income receipts totaling \$30,761 plus net realized and unrealized capital gains of \$188,670 combined to produce the portfolio's net investment return.

RELATIVE PERFORMANCE

For the fourth quarter, the Systematic Financial portfolio returned 3.0%, which was 0.3% below the Russell 2000 Index's return of 3.3% and ranked in the 76th percentile of the Small Cap universe. Over the trailing year, the portfolio returned 7.4%, which was 7.2% below the benchmark's 14.6% return, ranking in the 91st percentile. Since June 2014, the portfolio returned 5.7% annualized and ranked in the 93rd percentile. The Russell 2000 returned an annualized 9.0% over the same period.

ASSET ALLOCATION

At the end of the fourth quarter, domestic equities comprised 98.9% of the total portfolio (\$7.4 million), while cash & equivalents totaled 1.1% (\$82,323).

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 sector was overweight, while Computer Technology and Finance were underweight.

The Systematic portfolio experienced broad weakness in the fourth quarter, as all eleven invested sectors failed to outperform the benchmark. Selection was particularly negative in the Basic, Nondurable Consumer Goods, Transportation, Energy, and Service sectors, where the portfolio returns fell substantially short of the index. A high allocation in the strong-performing Consumer Service sector was a relative tailwind, and helped to partially offset pervasive negative selection effects during the quarter.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

| | Quarter | YTD /1Y | 3 Year | 5 Year | Since 06/14 |
|--------------------------------|---------|---------|--------|--------|-------------|
| Total Portfolio - Gross | 3.0 | 7.4 | 6.8 | ---- | 5.7 |
| <i>SMALL CAP RANK</i> | (76) | (91) | (93) | ---- | (93) |
| Total Portfolio - Net | 2.8 | 6.6 | 6.0 | ---- | 4.9 |
| Russell 2000 | 3.3 | 14.6 | 9.9 | 14.1 | 9.0 |
| Russell 2000G | 4.6 | 22.1 | 10.3 | 15.2 | 9.8 |
| Russell 2000V | 2.0 | 7.8 | 9.5 | 13.0 | 8.1 |
| Domestic Equity - Gross | 3.1 | 7.6 | 6.9 | ---- | 5.8 |
| <i>SMALL CAP RANK</i> | (75) | (89) | (93) | ---- | (93) |
| Russell 2000 | 3.3 | 14.6 | 9.9 | 14.1 | 9.0 |

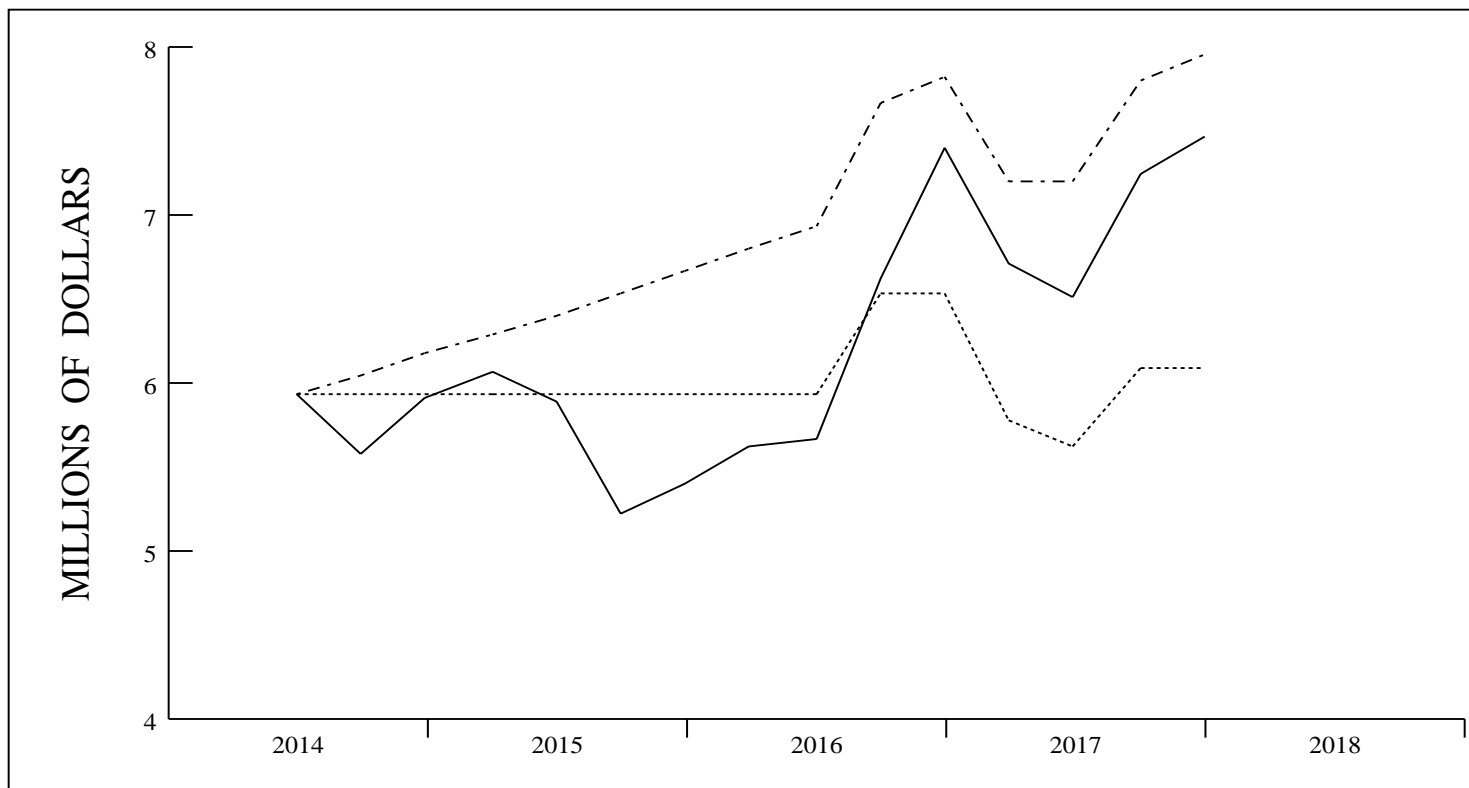
ASSET ALLOCATION

| | | |
|------------------------|---------------|---------------------|
| Domestic Equity | 98.9% | \$ 7,384,991 |
| Cash | 1.1% | 82,323 |
| Total Portfolio | 100.0% | \$ 7,467,314 |

INVESTMENT RETURN

| | |
|------------------------|--------------|
| Market Value 9/2017 | \$ 7,247,885 |
| Contribs / Withdrawals | -2 |
| Income | 30,761 |
| Capital Gains / Losses | 188,670 |
| Market Value 12/2017 | \$ 7,467,314 |

INVESTMENT GROWTH

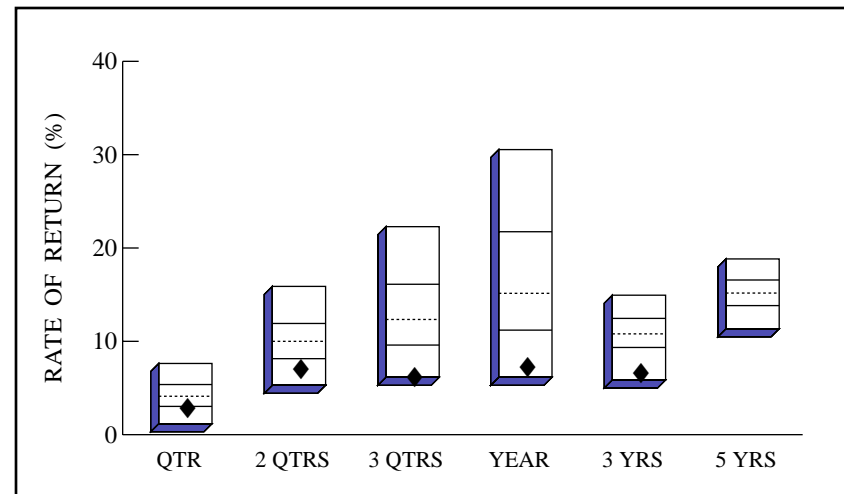
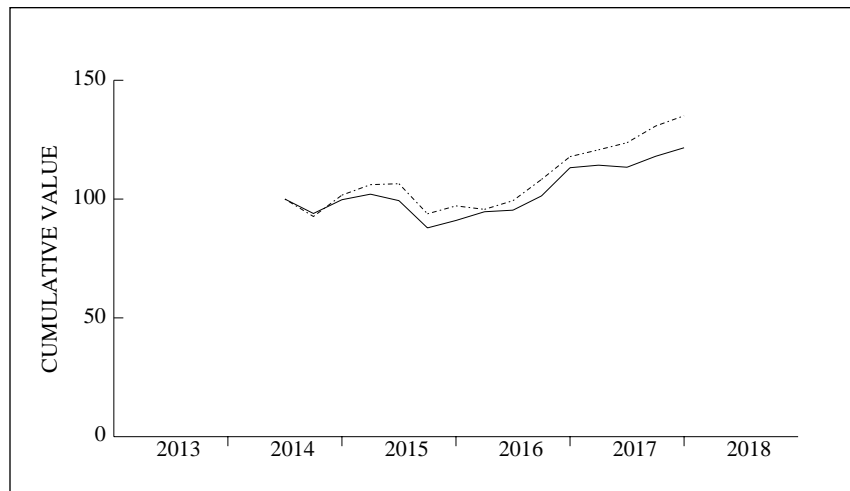


— ACTUAL RETURN
 - - - 8.0%
 . . . 0.0%

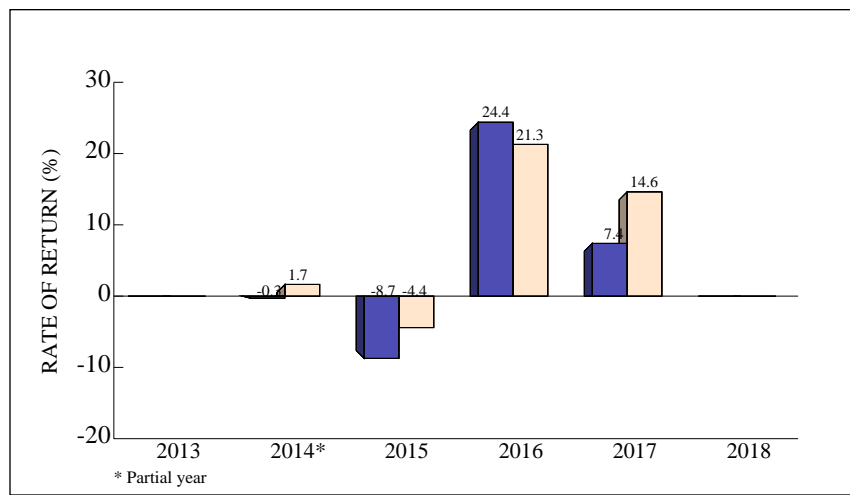
VALUE ASSUMING
 8.0% RETURN \$ 7,964,500

| | LAST QUARTER | PERIOD 6/14 - 12/17 |
|------------------------|--------------|---------------------|
| BEGINNING VALUE | \$ 7,247,885 | \$ 5,945,950 |
| NET CONTRIBUTIONS | -2 | 146,671 |
| INVESTMENT RETURN | 219,431 | 1,374,693 |
| ENDING VALUE | \$ 7,467,314 | \$ 7,467,314 |
| INCOME | 30,761 | 405,544 |
| CAPITAL GAINS (LOSSES) | 188,670 | 969,149 |
| INVESTMENT RETURN | 219,431 | 1,374,693 |

TOTAL RETURN COMPARISONS



Small Cap Universe

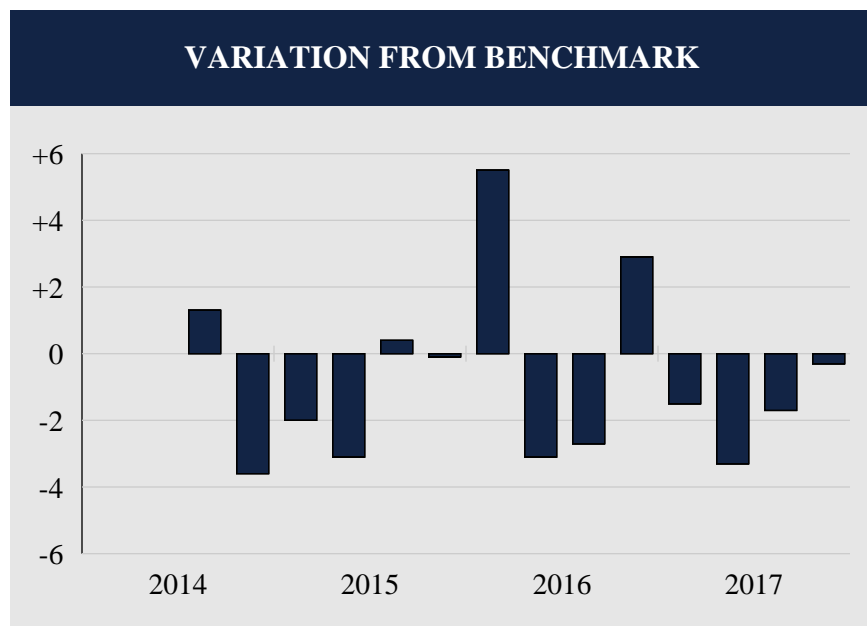


| | QTR | 2 QTRS | 3 QTRS | YEAR | -----ANNUALIZED----- | |
|------------------|------------|------------|-------------|-------------|----------------------|-------------|
| | | | | | 3 YRS | 5 YRS |
| RETURN | 3.0 | 7.2 | 6.4 | 7.4 | 6.8 | --- |
| (RANK) | (76) | (88) | (95) | (91) | (93) | --- |
| 5TH %ILE | 7.6 | 15.9 | 22.3 | 30.6 | 14.9 | 18.8 |
| 25TH %ILE | 5.4 | 11.9 | 16.1 | 21.7 | 12.5 | 16.6 |
| MEDIAN | 4.1 | 10.0 | 12.3 | 15.1 | 10.8 | 15.2 |
| 75TH %ILE | 3.0 | 8.1 | 9.6 | 11.2 | 9.3 | 13.8 |
| 95TH %ILE | 1.2 | 5.3 | 6.1 | 6.2 | 5.9 | 11.4 |
| Russ 2000 | 3.3 | 9.2 | 11.9 | 14.6 | 9.9 | 14.1 |

Small Cap Universe

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

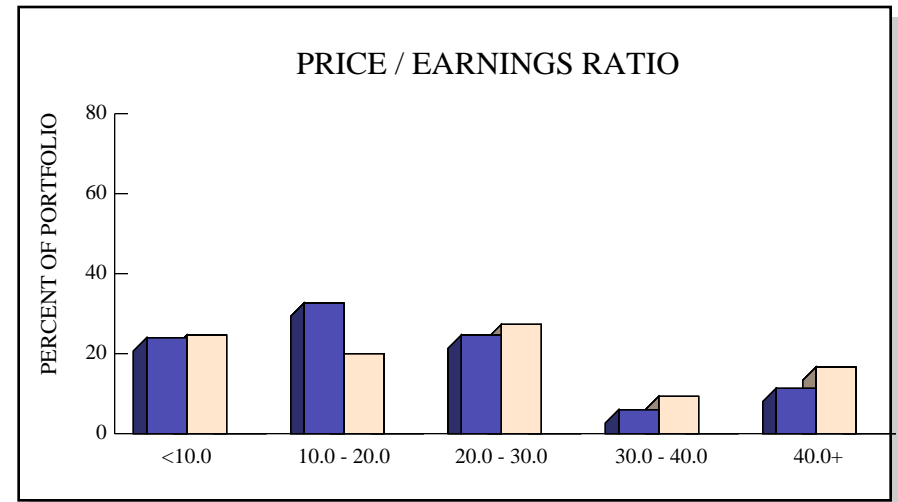
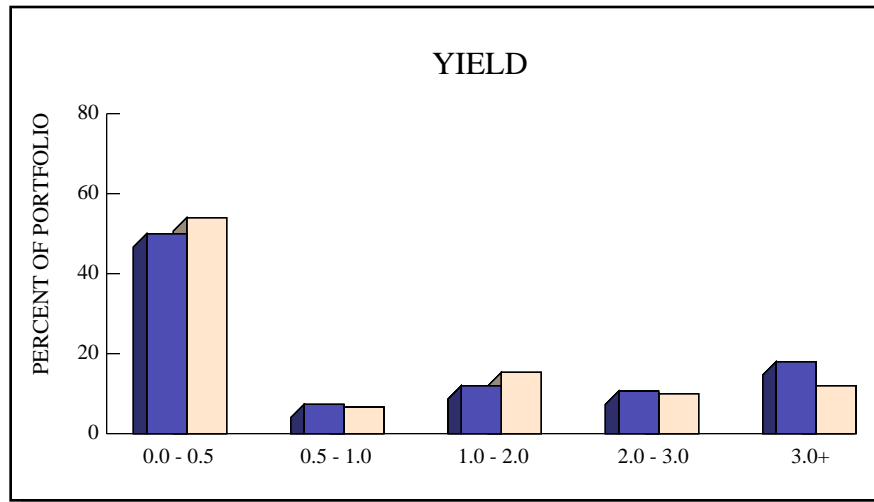
COMPARATIVE BENCHMARK: RUSSELL 2000



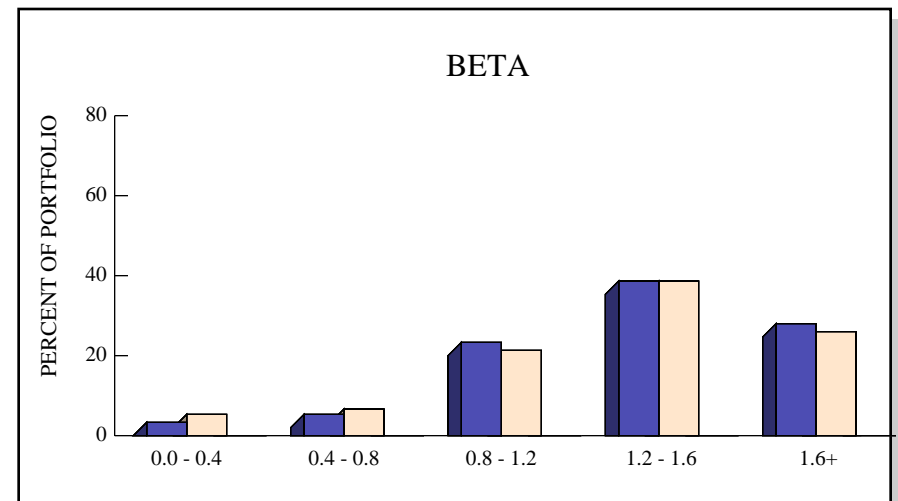
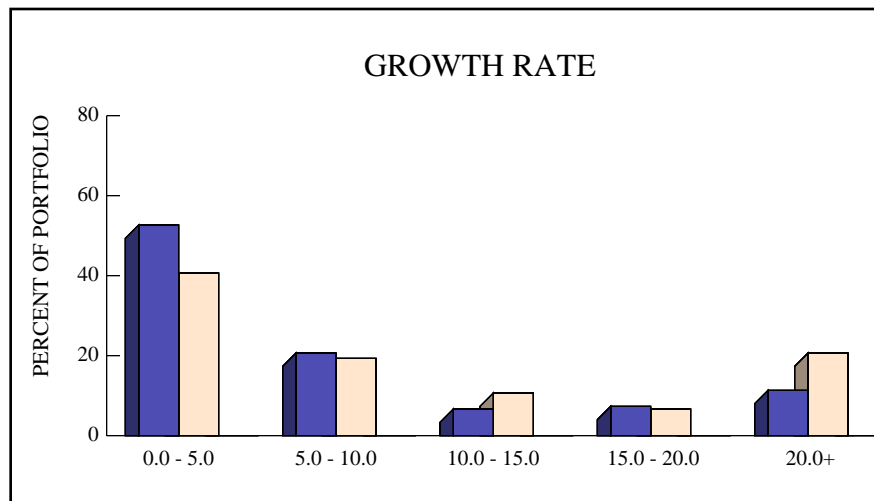
| RATES OF RETURN | | | |
|-----------------|-----------|-----------|------------|
| Date | Portfolio | Benchmark | Difference |
| 9/14 | -6.1 | -7.4 | 1.3 |
| 12/14 | 6.1 | 9.7 | -3.6 |
| 3/15 | 2.3 | 4.3 | -2.0 |
| 6/15 | -2.7 | 0.4 | -3.1 |
| 9/15 | -11.5 | -11.9 | 0.4 |
| 12/15 | 3.5 | 3.6 | -0.1 |
| 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 |
| 12/17 | 3.0 | 3.3 | -0.3 |

| | |
|---|-------------|
| Total Quarters Observed | 14 |
| Quarters At or Above the Benchmark | 4 |
| Quarters Below the Benchmark | 10 |
| Batting Average | .286 |

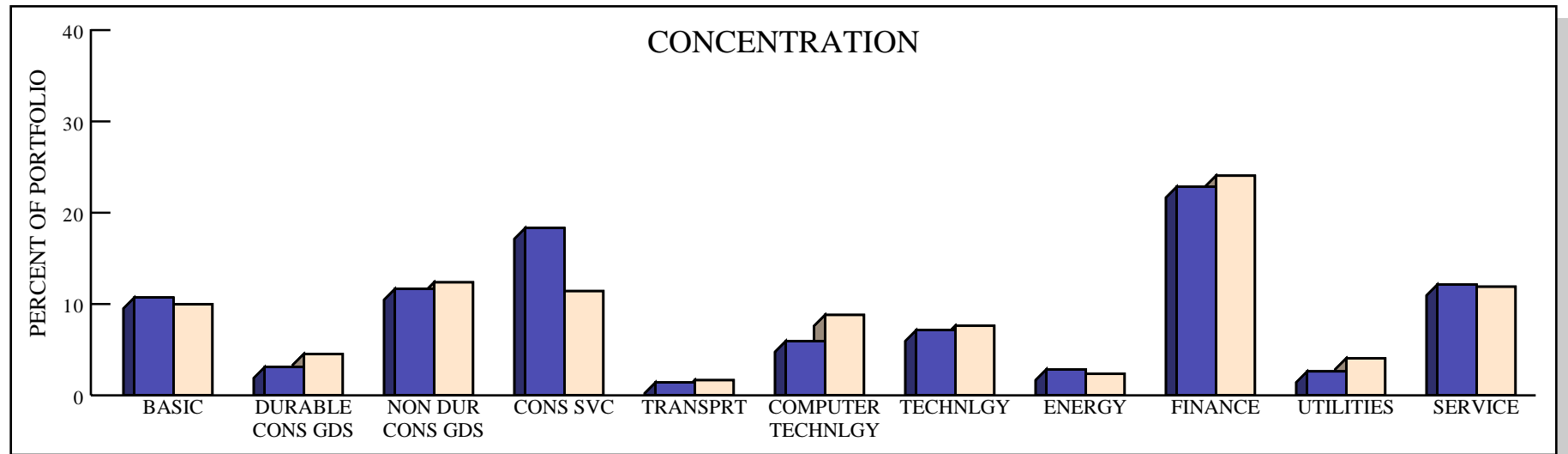
STOCK CHARACTERISTICS



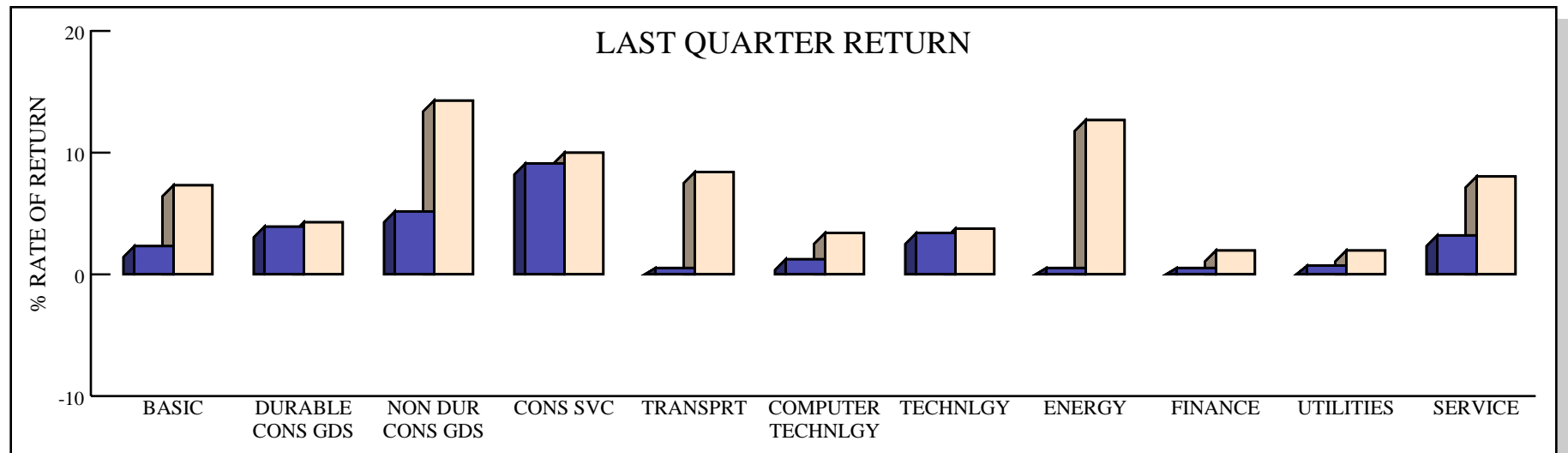
| | # HOLDINGS | YIELD | GROWTH | P/E | BETA |
|--------------|------------|-------|--------|------|------|
| PORTFOLIO | 316 | 1.7% | 3.7% | 18.7 | 1.39 |
| RUSSELL 2000 | 1,982 | 1.2% | 9.1% | 20.0 | 1.33 |



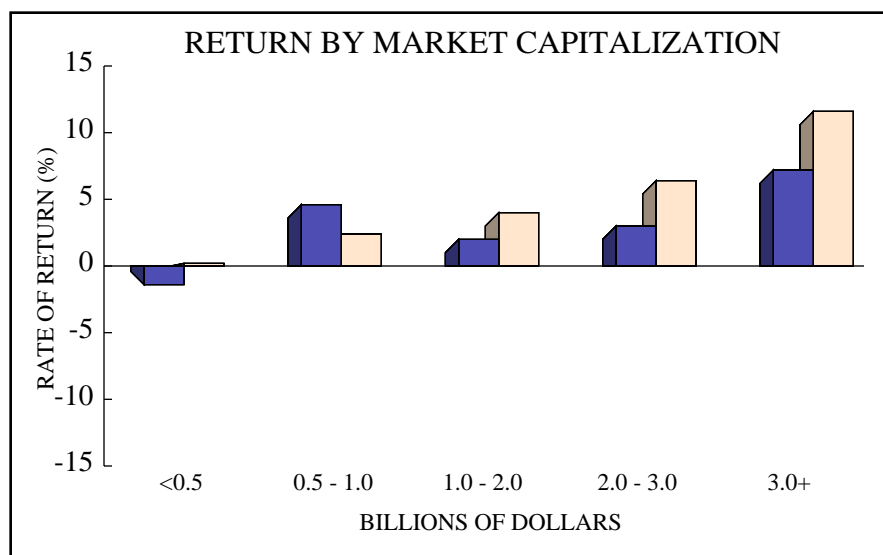
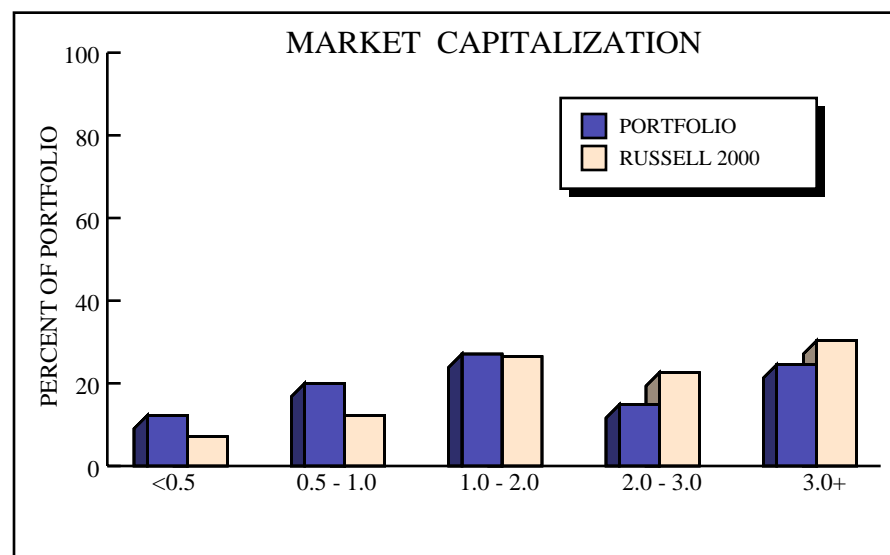
STOCK INDUSTRY ANALYSIS



■ PORTFOLIO ■ RUSSELL 2000



TOP TEN HOLDINGS



TOP TEN EQUITY HOLDINGS

| RANK | NAME | VALUE | % EQUITY | RETURN | INDUSTRY SECTOR | MKT CAP |
|------|------------------------------|------------|----------|--------|-------------------|----------|
| 1 | BARNES GROUP INC | \$ 107,875 | 1.46% | -10.0% | Basic | \$ 3.4 B |
| 2 | VALEANT PHARMACEUTICALS INTE | 34,391 | .47% | 45.0% | NonDur Cons Goods | 7.2 B |
| 3 | ARCH COAL INC - A | 30,743 | .42% | 30.1% | Basic | 2.0 B |
| 4 | KINDRED HEALTHCARE INC | 29,730 | .40% | 43.3% | Consumer Service | 0.8 B |
| 5 | HUDBAY MINERALS INC | 29,392 | .40% | 18.1% | Basic | 2.5 B |
| 6 | DEPOMED INC | 29,222 | .40% | 39.0% | NonDur Cons Goods | 0.5 B |
| 7 | SUPERVALU INC | 29,160 | .39% | -0.7% | Consumer Service | 0.8 B |
| 8 | BRINKER INTERNATIONAL INC | 28,936 | .39% | 22.8% | Consumer Service | 1.8 B |
| 9 | UNITED THERAPEUTICS CORP | 28,850 | .39% | 26.3% | NonDur Cons Goods | 6.4 B |
| 10 | SUNCOKE ENERGY INC | 28,776 | .39% | 31.2% | Basic | 0.8 B |

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

INVESTMENT RETURN

On December 31st, 2017, the Franklin Regional Retirement System's PRIT International Equity portfolio was valued at \$7,582,469, representing an increase of \$195,921 from the September quarter's ending value of \$7,386,548. Last quarter, the Fund posted withdrawals totaling \$129,380, which offset the portfolio's net investment return of \$325,301. Income receipts totaling \$25,460 plus net realized and unrealized capital gains of \$299,841 combined to produce the portfolio's net investment return.

RELATIVE PERFORMANCE

For the fourth quarter, the PRIT International Equity portfolio returned 4.5%, which was 0.2% above the MSCI EAFE Index's return of 4.3% and ranked in the 66th percentile of the International Equity universe. Over the trailing year, the portfolio returned 26.7%, which was 1.1% above the benchmark's 25.6% return, ranking in the 71st percentile. Since September 2014, the portfolio returned 7.6% annualized and ranked in the 56th percentile. The MSCI EAFE Index returned an annualized 6.4% 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 /1Y | 3 Year | 5 Year | Since 09/14 |
|-------------------------------------|---------|---------|--------|--------|-------------|
| Total Portfolio - Gross | 4.5 | 26.7 | 9.3 | ---- | 7.6 |
| <i>INTERNATIONAL EQUITY RANK</i> | (66) | (71) | (56) | ---- | (56) |
| Total Portfolio - Net | 4.4 | 26.4 | 9.1 | ---- | 7.4 |
| MSCI EAFE | 4.3 | 25.6 | 8.3 | 8.4 | 6.4 |
| ACWI Ex US | 5.1 | 27.8 | 8.3 | 7.3 | 6.4 |
| MSCI Emg Mkts | 7.5 | 37.8 | 9.5 | 4.7 | 7.2 |
| International Equity - Gross | 4.5 | 26.7 | 9.3 | ---- | 7.6 |
| <i>INTERNATIONAL EQUITY RANK</i> | (66) | (71) | (56) | ---- | (56) |
| MSCI EAFE | 4.3 | 25.6 | 8.3 | 8.4 | 6.4 |

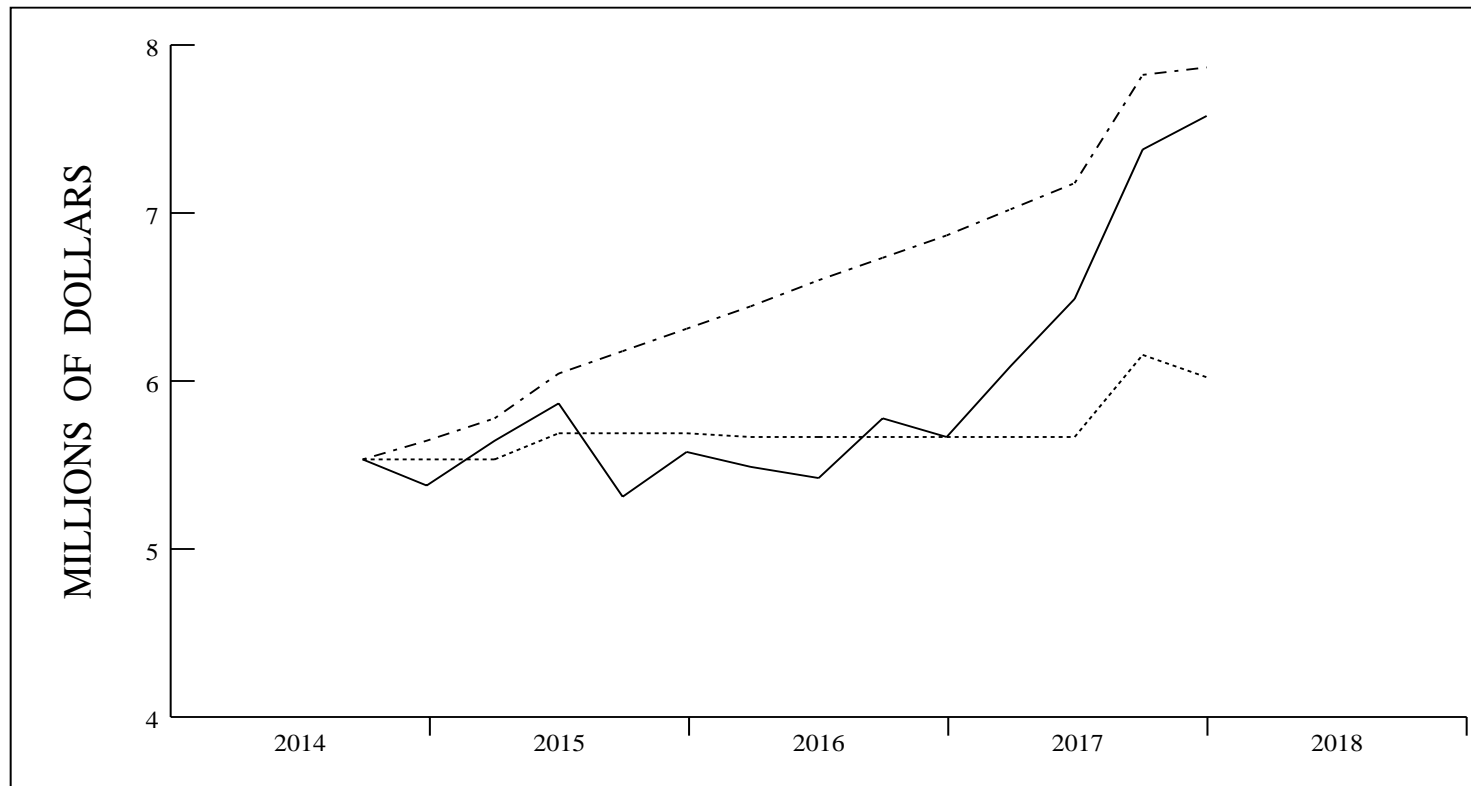
ASSET ALLOCATION

| | | |
|-----------------|--------|--------------|
| Int'l Equity | 100.0% | \$ 7,582,469 |
| Total Portfolio | 100.0% | \$ 7,582,469 |

INVESTMENT RETURN

| | |
|------------------------|--------------|
| Market Value 9/2017 | \$ 7,386,548 |
| Contribs / Withdrawals | -129,380 |
| Income | 25,460 |
| Capital Gains / Losses | 299,841 |
| Market Value 12/2017 | \$ 7,582,469 |

INVESTMENT GROWTH

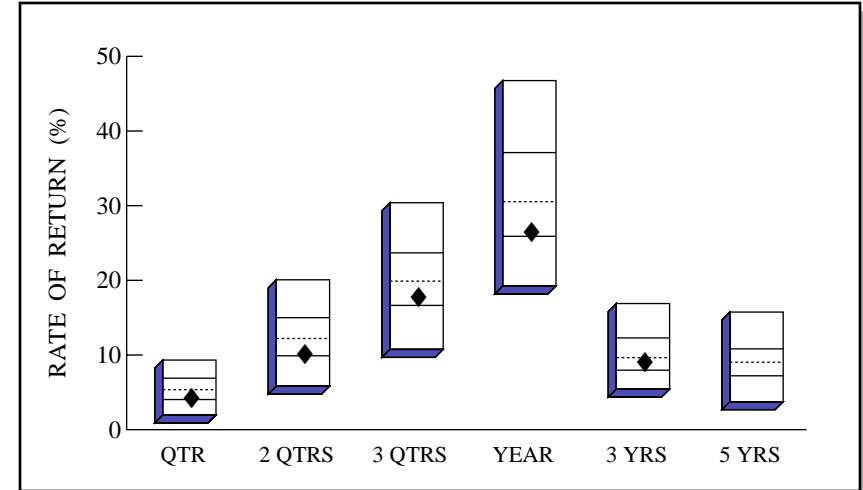
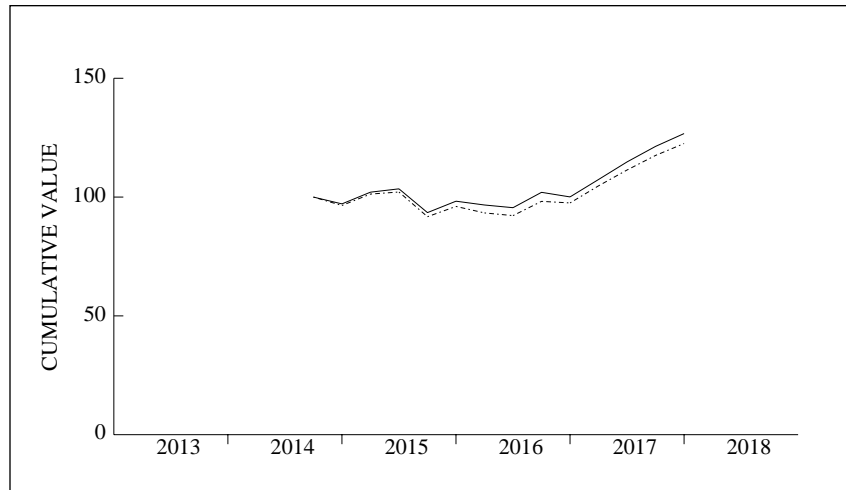


— ACTUAL RETURN
 - - - 9.0%
 0.0%

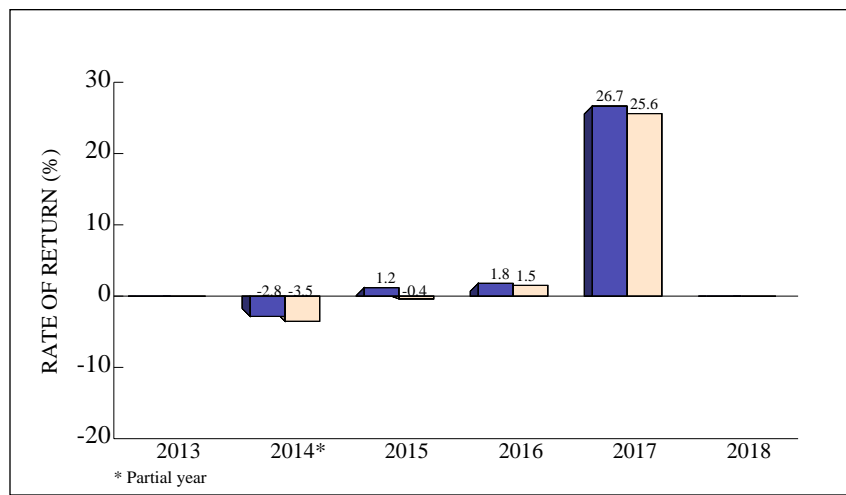
VALUE ASSUMING
 9.0% RETURN \$ 7,879,409

| | LAST QUARTER | PERIOD 9/14 - 12/17 |
|------------------------|--------------|---------------------|
| BEGINNING VALUE | \$ 7,386,548 | \$ 5,542,830 |
| NET CONTRIBUTIONS | -129,380 | 496,938 |
| INVESTMENT RETURN | 325,301 | 1,542,701 |
| ENDING VALUE | \$ 7,582,469 | \$ 7,582,469 |
| INCOME | 25,460 | 524,250 |
| CAPITAL GAINS (LOSSES) | 299,841 | 1,018,451 |
| INVESTMENT RETURN | 325,301 | 1,542,701 |

TOTAL RETURN COMPARISONS



International Equity Universe

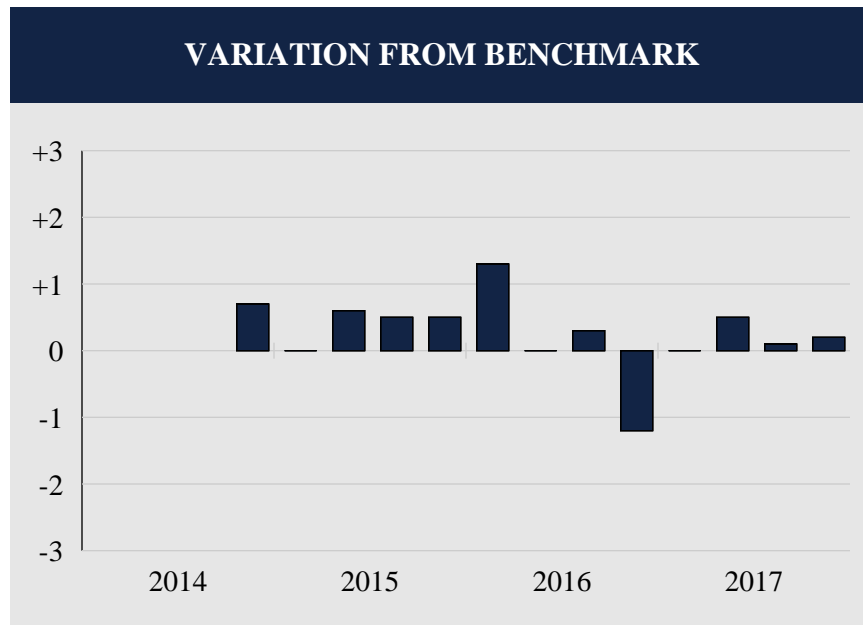


| | QTR | 2 QTRS | 3 QTRS | YEAR | -----ANNUALIZED----- | |
|------------------|------------|-------------|-------------|-------------|----------------------|------------|
| | | | | | 3 YRS | 5 YRS |
| RETURN | 4.5 | 10.4 | 18.0 | 26.7 | 9.3 | --- |
| (RANK) | (66) | (70) | (64) | (71) | (56) | --- |
| 5TH %ILE | 9.3 | 20.1 | 30.4 | 46.8 | 16.9 | 15.8 |
| 25TH %ILE | 6.9 | 15.0 | 23.7 | 37.1 | 12.3 | 10.8 |
| MEDIAN | 5.4 | 12.2 | 19.9 | 30.6 | 9.7 | 9.0 |
| 75TH %ILE | 4.0 | 9.9 | 16.7 | 25.9 | 8.0 | 7.2 |
| 95TH %ILE | 2.0 | 5.8 | 10.7 | 19.3 | 5.4 | 3.8 |
| MSCI EAFE | 4.3 | 10.0 | 17.0 | 25.6 | 8.3 | 8.4 |

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 |
| 12/17 | 4.5 | 4.3 | 0.2 |

| | |
|---|-------------|
| Total Quarters Observed | 13 |
| Quarters At or Above the Benchmark | 12 |
| Quarters Below the Benchmark | 1 |
| Batting Average | .923 |

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

INVESTMENT RETURN

On December 31st, 2017, the Franklin Regional Retirement System's PRIT Core Real Estate Account portfolio was valued at \$14,338,949, representing an increase of \$348,380 from the September quarter's ending value of \$13,990,569. Last quarter, the Fund posted withdrawals totaling \$18,410, which partially offset the portfolio's net investment return of \$366,790. Income receipts totaling \$198,524 plus net realized and unrealized capital gains of \$168,266 combined to produce the portfolio's net investment return.

RELATIVE PERFORMANCE

For the fourth quarter, the PRIT Core Real Estate Account account gained 2.6%, which was 0.5% greater than the NCREIF NFI-ODCE Index's return of 2.1%. Over the trailing twelve-month period, the account returned 9.0%, which was 1.4% above the benchmark's 7.6% performance. Since December 2012, the portfolio returned 10.8% per annum, while the NCREIF NFI-ODCE Index returned an annualized 11.5% over the same period.

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 /1Y | 3 Year | 5 Year |
|--------------------------------|---------|---------|--------|--------|
| Total Portfolio - Gross | 2.6 | 9.0 | 9.5 | 10.8 |
| Total Portfolio - Net | 2.5 | 8.4 | 9.0 | 10.2 |
| NCREIF ODCE | 2.1 | 7.6 | 10.4 | 11.5 |
| Real Estate - Gross | 2.6 | 9.0 | 9.5 | 10.8 |
| NCREIF ODCE | 2.1 | 7.6 | 10.4 | 11.5 |

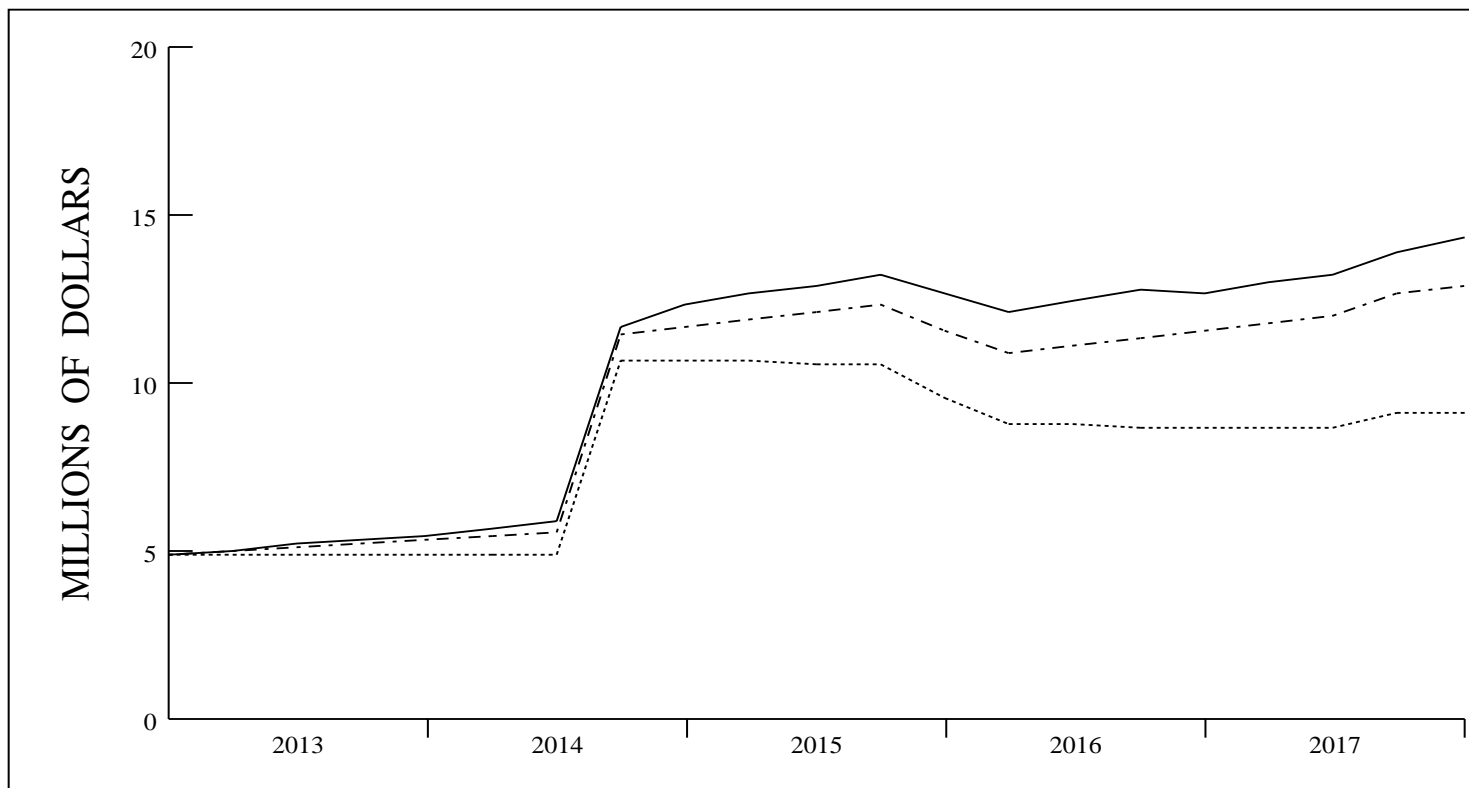
ASSET ALLOCATION

| | | |
|-----------------|--------|---------------|
| Real Estate | 100.0% | \$ 14,338,949 |
| Total Portfolio | 100.0% | \$ 14,338,949 |

INVESTMENT RETURN

| | |
|------------------------|---------------|
| Market Value 9/2017 | \$ 13,990,569 |
| Contribs / Withdrawals | - 18,410 |
| Income | 198,524 |
| Capital Gains / Losses | 168,266 |
| Market Value 12/2017 | \$ 14,338,949 |

INVESTMENT GROWTH



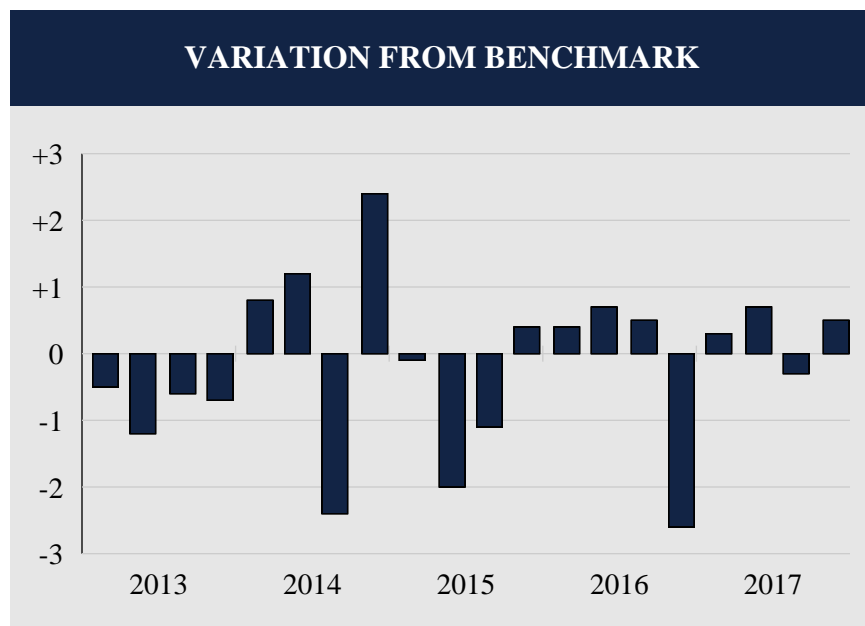
— ACTUAL RETURN
 - - - 8.25%
 0.0%

VALUE ASSUMING
 8.25% RETURN \$ 12,990,224

| | LAST QUARTER | FIVE YEARS |
|------------------------|----------------------|----------------------|
| BEGINNING VALUE | \$ 13,990,569 | \$ 4,987,174 |
| NET CONTRIBUTIONS | - 18,410 | 4,199,831 |
| INVESTMENT RETURN | 366,790 | 5,151,944 |
| ENDING VALUE | \$ 14,338,949 | \$ 14,338,949 |
| INCOME | 198,524 | 2,521,495 |
| CAPITAL GAINS (LOSSES) | 168,266 | 2,630,449 |
| INVESTMENT RETURN | 366,790 | 5,151,944 |

TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: NCREIF NFI-ODCE INDEX



| RATES OF RETURN | | | |
|-----------------|-----------|-----------|------------|
| Date | Portfolio | Benchmark | Difference |
| 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 |
| 12/17 | 2.6 | 2.1 | 0.5 |

| | |
|---|-------------|
| 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
DECEMBER 2017

INVESTMENT RETURN

On December 31st, 2017, the Franklin Regional Retirement System's Income Research & Management Core Bond Fund was valued at \$17,550,548, representing an increase of \$87,370 from the September quarter's ending value of \$17,463,178. Last quarter, the Fund posted no net contributions or withdrawals, while posting \$87,370 in net investment returns. Since there were no income receipts for the fourth quarter, the portfolio's net investment return was the result of net realized and unrealized capital gains totaling \$87,370.

RELATIVE PERFORMANCE

During the fourth quarter, the Income Research & Management Core Bond Fund gained 0.5%, which was 0.1% greater than the Bloomberg Barclays Aggregate Index's return of 0.4% and ranked in the 53rd percentile of the Core Fixed Income universe. Over the trailing twelve-month period, this portfolio returned 4.0%, which was 0.5% above the benchmark's 3.5% return, and ranked in the 48th percentile. Since December 2012, the portfolio returned 2.8% per annum and ranked in the 26th percentile. For comparison, the Bloomberg Barclays Aggregate Index returned an annualized 2.1% over the same period.

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, approximately 45% of the total bond portfolio was comprised of USG quality securities. The remainder of the portfolio consisted of corporate securities, rated AAA through less than BBB, giving the portfolio an overall average quality rating of AAA-AA. The average maturity of the portfolio was 9.05 years, longer than the Bloomberg Barclays Aggregate Index's 8.27-year maturity. The average coupon was 3.62%.

EXECUTIVE SUMMARY**PERFORMANCE SUMMARY**

| | Quarter | YTD /1Y | 3 Year | 5 Year |
|--------------------------------|---------|---------|--------|--------|
| Total Portfolio - Gross | 0.5 | 4.0 | 2.7 | 2.8 |
| <i>CORE FIXED INCOME RANK</i> | (53) | (48) | (39) | (26) |
| Total Portfolio - Net | 0.4 | 3.6 | 2.3 | 2.4 |
| Aggregate Index | 0.4 | 3.5 | 2.3 | 2.1 |
| Fixed Income - Gross | 0.5 | 4.0 | 2.7 | 2.8 |
| <i>CORE FIXED INCOME RANK</i> | (53) | (48) | (39) | (26) |
| Aggregate Index | 0.4 | 3.5 | 2.3 | 2.1 |
| Gov/Credit | 0.5 | 4.0 | 2.4 | 2.1 |

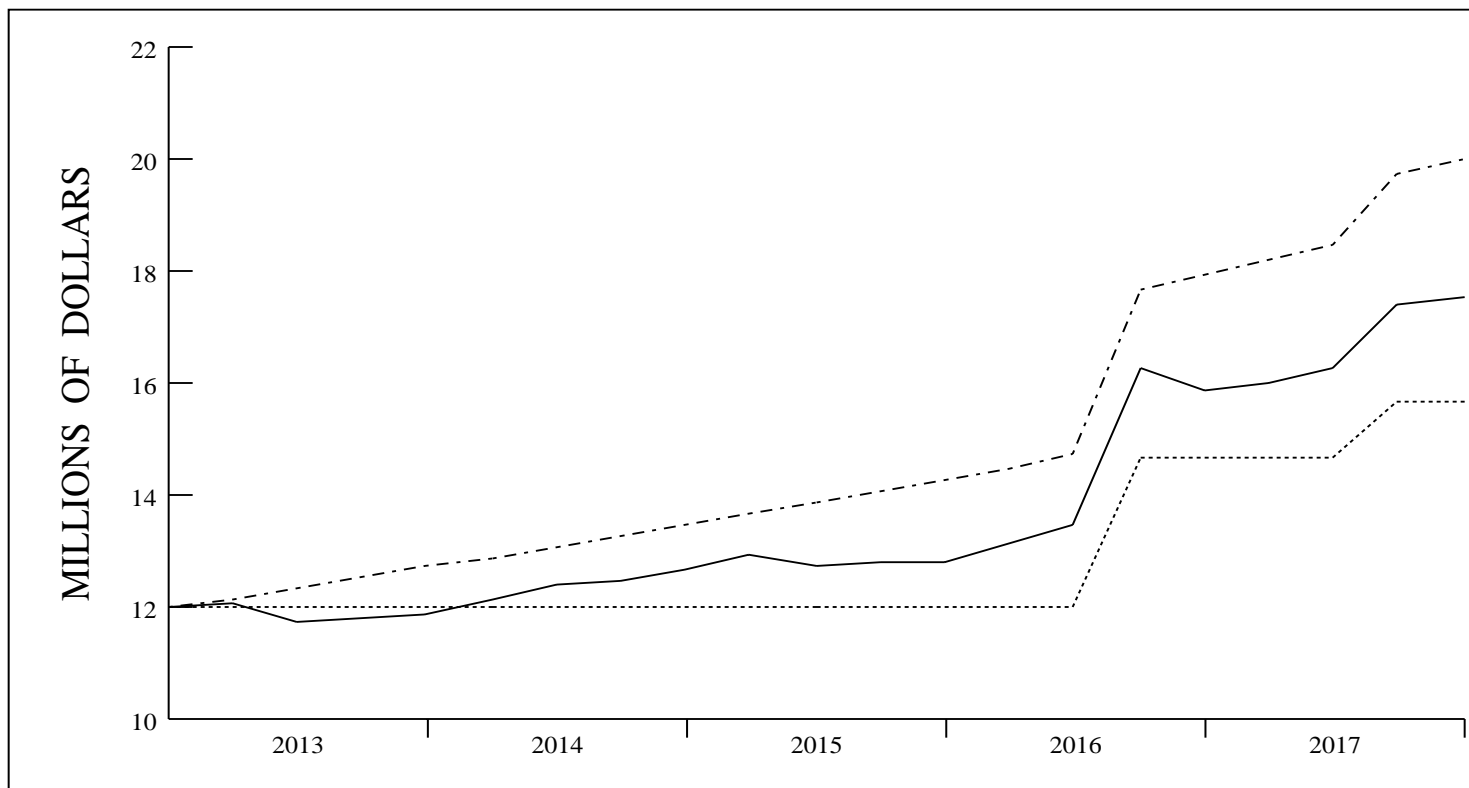
ASSET ALLOCATION

| | | |
|-----------------|--------|---------------|
| Fixed Income | 100.0% | \$ 17,550,548 |
| Total Portfolio | 100.0% | \$ 17,550,548 |

INVESTMENT RETURN

| | |
|------------------------|---------------|
| Market Value 9/2017 | \$ 17,463,178 |
| Contribs / Withdrawals | 0 |
| Income | 0 |
| Capital Gains / Losses | 87,370 |
| Market Value 12/2017 | \$ 17,550,548 |

INVESTMENT GROWTH

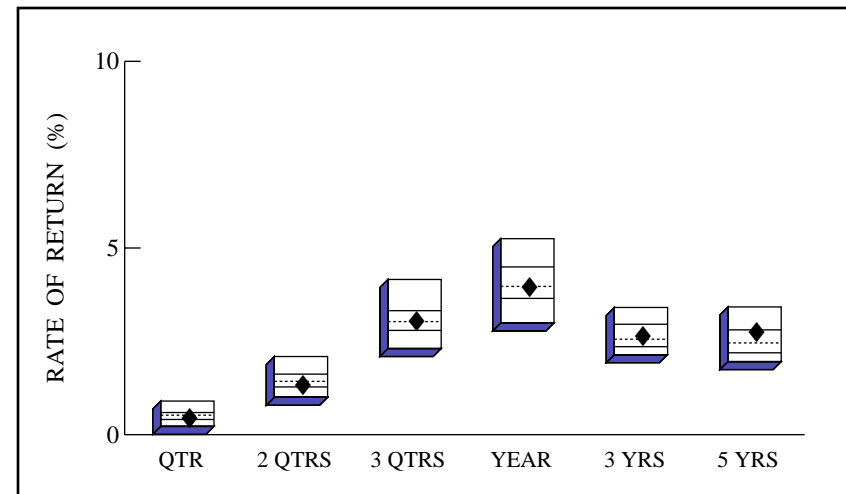
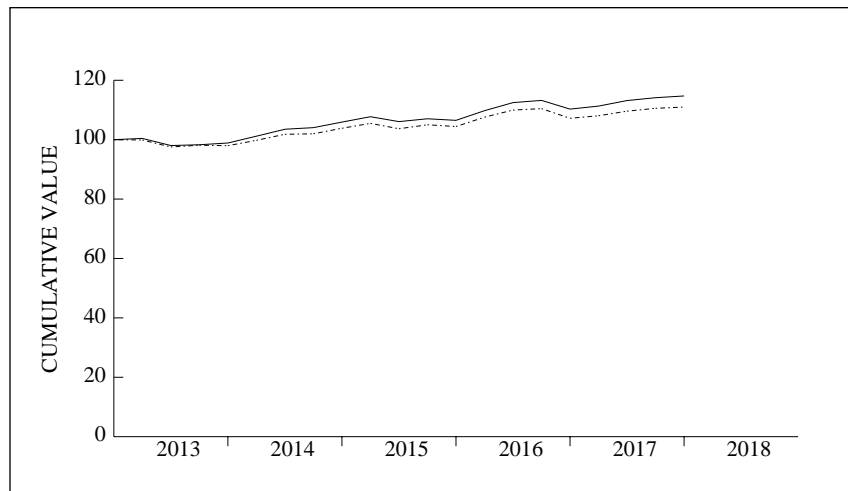


— ACTUAL RETURN
 - - - 6.0%
 0.0%

VALUE ASSUMING
 6.0% RETURN \$ 20,055,962

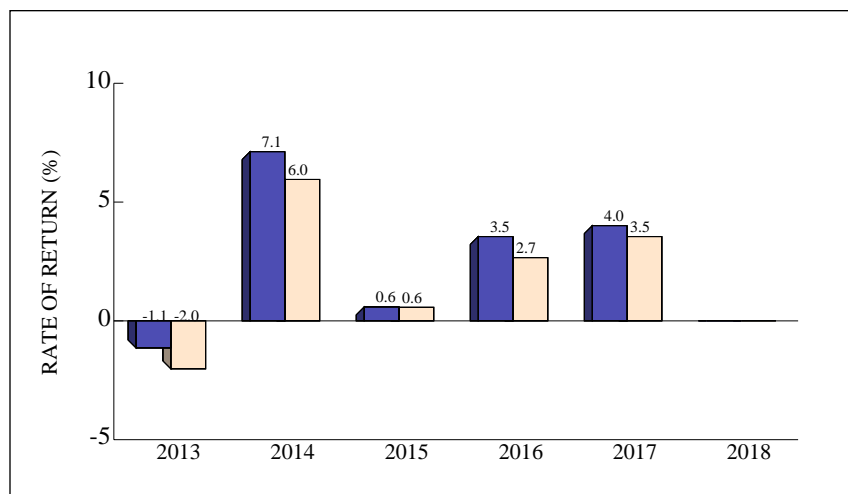
| | LAST QUARTER | FIVE YEARS |
|------------------------|---------------|---------------|
| BEGINNING VALUE | \$ 17,463,178 | \$ 12,017,656 |
| NET CONTRIBUTIONS | 0 | 3,706,508 |
| INVESTMENT RETURN | 87,370 | 1,826,384 |
| ENDING VALUE | \$ 17,550,548 | \$ 17,550,548 |
| INCOME | 0 | 0 |
| CAPITAL GAINS (LOSSES) | 87,370 | 1,826,384 |
| INVESTMENT RETURN | 87,370 | 1,826,384 |

TOTAL RETURN COMPARISONS



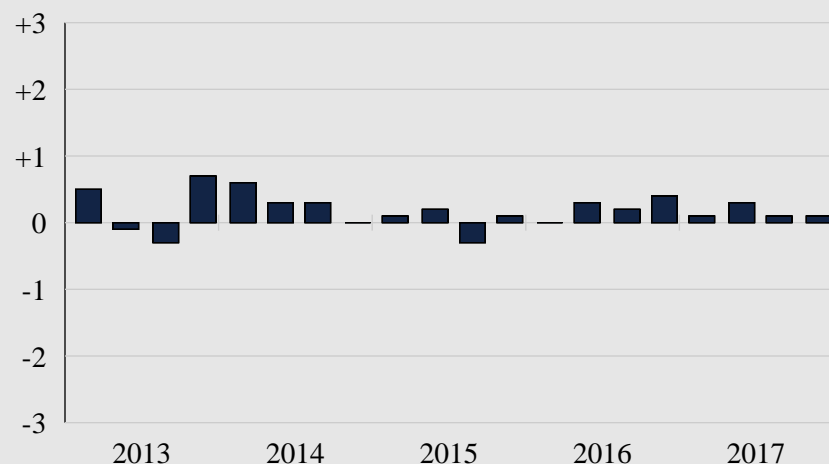
Core Fixed Income Universe

■ ——— PORTFOLIO
■ - - - - AGGREGATE INDEX



| | QTR | 2 QTRS | 3 QTRS | YEAR | -----ANNUALIZED----- | |
|------------|------------|------------|------------|------------|----------------------|------------|
| | | | | | 3 YRS | 5 YRS |
| RETURN | 0.5 | 1.4 | 3.1 | 4.0 | 2.7 | 2.8 |
| (RANK) | (53) | (60) | (44) | (48) | (39) | (26) |
| 5TH %ILE | 0.9 | 2.1 | 4.2 | 5.3 | 3.4 | 3.4 |
| 25TH %ILE | 0.6 | 1.6 | 3.3 | 4.5 | 3.0 | 2.8 |
| MEDIAN | 0.5 | 1.4 | 3.0 | 4.0 | 2.6 | 2.5 |
| 75TH %ILE | 0.4 | 1.3 | 2.8 | 3.7 | 2.4 | 2.2 |
| 95TH %ILE | 0.2 | 1.0 | 2.3 | 3.0 | 2.1 | 2.0 |
| Agg | 0.4 | 1.2 | 2.7 | 3.5 | 2.3 | 2.1 |

Core Fixed Income Universe

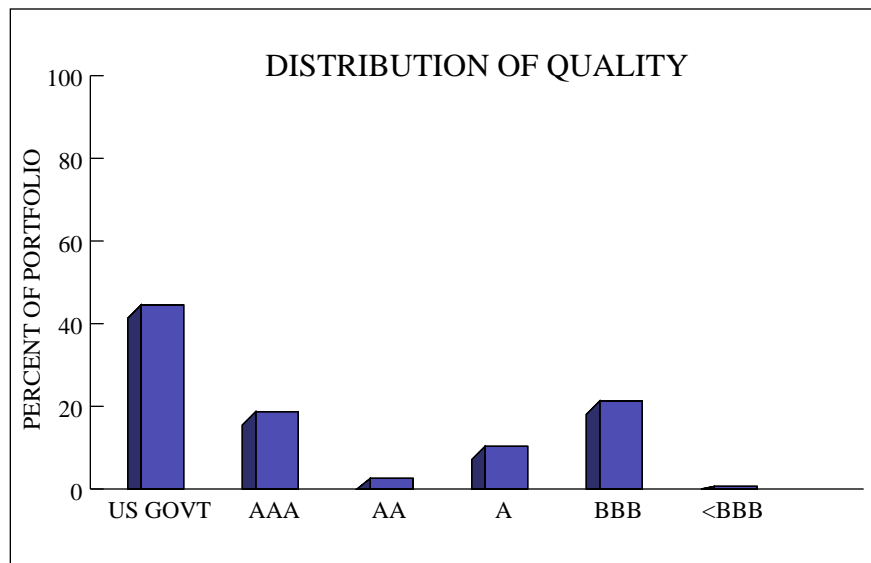
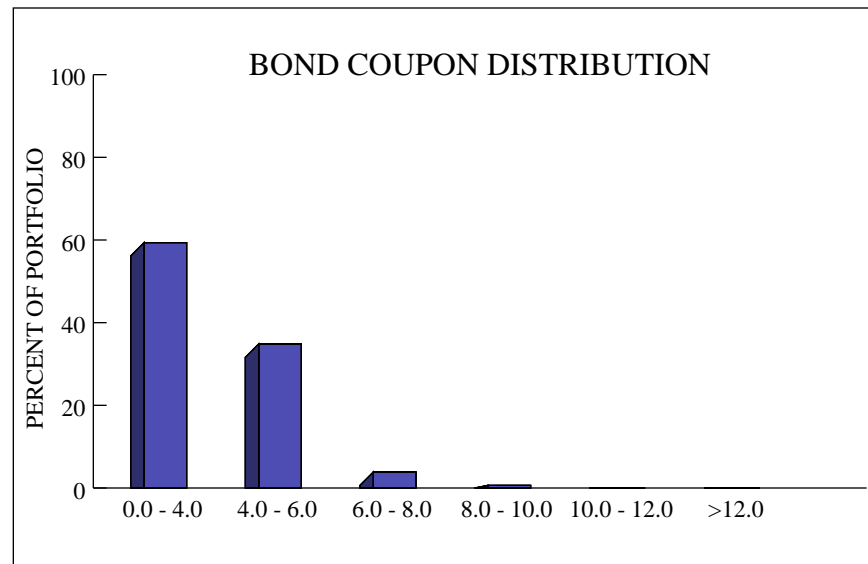
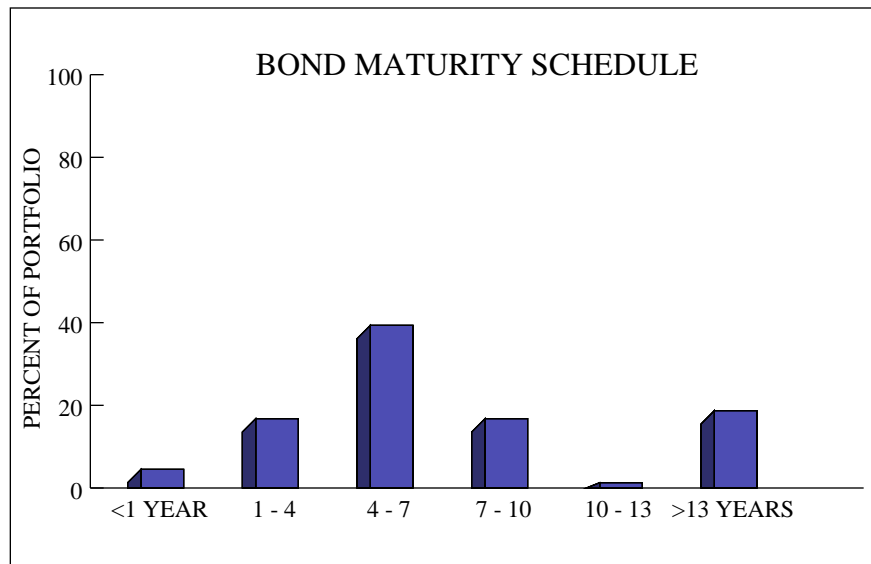
TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**COMPARATIVE BENCHMARK: BLOOMBERG BARCLAYS AGGREGATE INDEX****VARIATION FROM BENCHMARK**

| | |
|---|-------------|
| 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 |
|-------|-----------|-----------|------------|
| 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 |
| 12/17 | 0.5 | 0.4 | 0.1 |

BOND CHARACTERISTICS



| | PORTFOLIO | AGGREGATE INDEX |
|--------------------|------------------|------------------------|
| No. of Securities | 248 | 9,734 |
| Duration | 6.16 | 5.98 |
| YTM | 3.23 | 2.71 |
| Average Coupon | 3.52 | 3.06 |
| Avg Maturity / WAL | 9.02 | 8.27 |
| Average Quality | AAA-AA | USG-AAA |