

## Investment Performance



**March 31, 2018**

by



[www.cia-llc.com](http://www.cia-llc.com)

### ***Chicago***

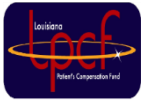
150 North Wacker Drive, Suite 2500  
Chicago, Illinois 60606  
(312) 212 4000

### ***Orlando***

13506 Summerport Village Parkway #406  
Windermere, Florida 34786  
(321) 939 1372

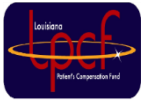
### ***Saint Louis***

231 South Bemiston Avenue, Suite 200  
Clayton, Missouri 63105  
(314) 726 9911



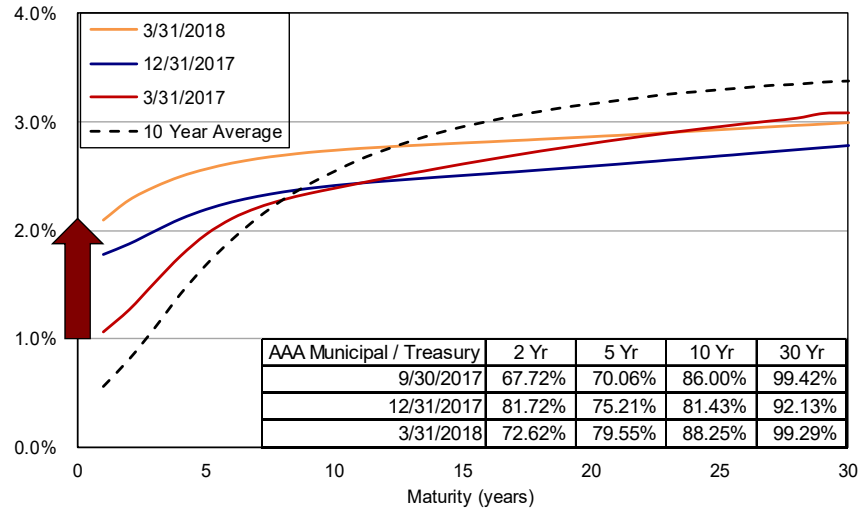
## Table of Contents

	<u>Page</u>
Capital Market Summary	2
Executive Summary	3
Company Composite	4
Performance	7
Fixed Income	12
Equity	20

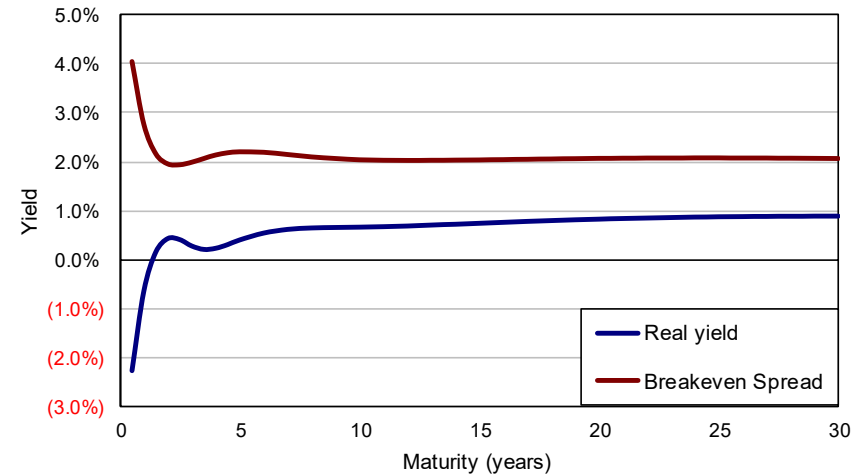


# CAPITAL MARKETS SUMMARY 1<sup>st</sup> QUARTER 2018

## U.S. Treasury Rates



## Real Yield / Breakeven Spread

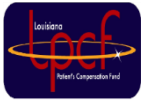


## Fixed Income Markets

		QTR	1 YR	3 YR	5 YR	10 YR	20 YR
<b>Cash</b>	ICE BofAML 91 Day T-bills	0.4%	1.1%	0.5%	0.3%	0.3%	2.0%
	Bloomberg Barclays Aggregate	-1.5%	1.2%	1.2%	1.8%	3.6%	4.8%
<b>Investment Grade</b>	U.S. Treasury	-1.2%	0.4%	0.5%	1.1%	2.7%	4.5%
	U.S. Agency	-0.5%	0.8%	0.9%	1.2%	2.5%	4.3%
	U.S. Credit	-2.1%	2.6%	2.2%	2.8%	5.1%	5.5%
	ABS	-0.4%	0.6%	1.2%	1.2%	3.1%	4.1%
	MBS	-1.2%	0.8%	1.1%	1.8%	3.5%	4.7%
	CMBS	-1.2%	1.3%	1.6%	2.2%	5.0%	5.5%
	Bloomberg Barclays U.S. TIPS	-0.8%	0.9%	1.3%	0.0%	2.9%	5.4%
	Bloomberg Barclays Long G/C	-3.6%	5.1%	2.1%	4.1%	6.8%	6.8%
<b>Muni</b>	Bloomberg Barclays Municipal	-1.1%	2.7%	2.3%	2.7%	4.4%	4.7%
	S&P/LSTA	1.4%	4.4%	4.2%	3.9%	5.6%	4.8%
<b>High Yield</b>	Bloomberg Barclays High Yield	-0.9%	3.8%	5.2%	5.0%	8.3%	6.5%

## Equity Markets

		QTR	1 YR	3 YR	5 YR	10 YR	20 YR
<b>Large Cap</b>	S&P 500	-0.8%	14.0%	10.8%	13.3%	9.5%	6.5%
	S&P 500 - Value	-3.6%	7.7%	8.4%	10.9%	7.4%	6.0%
	S&P 500 - Growth	1.9%	19.7%	12.7%	15.4%	11.4%	6.6%
<b>Small Cap</b>	Russell 2000	-0.1%	11.8%	8.4%	11.5%	9.8%	7.4%
	Russell 2000 - Value	-2.6%	5.1%	7.9%	10.0%	8.6%	8.0%
	Russell 2000 - Growth	2.3%	18.6%	8.8%	12.9%	11.0%	6.2%
<b>International (net)</b>	MSCI EAFE	-1.5%	14.8%	5.6%	6.5%	2.7%	4.4%
	MSCI EAFE - Value	-2.0%	12.2%	4.3%	5.8%	2.0%	4.9%
	MSCI EAFE - Growth	-1.0%	17.5%	6.7%	7.1%	3.4%	3.9%
	MSCI Emerging Markets	1.4%	24.9%	8.8%	5.0%	3.0%	7.6%



# EXECUTIVE SUMMARY

## March 31, 2018

### Summary

#### ➤ **For the quarter:**

##### • Portfolio update:

- ✓ The total balance for the portfolio was over \$1,118 MM.
- ✓ All asset classes for the quarter were within their target policy ranges except for high yield bonds. Both Vanguard and Federated high yield were funded on April 4, 2018.

##### • Capital Markets:

- ✓ As of March 31st, the U.S. Treasury yield curve increased on an absolute basis quarter over quarter. Yields on the short end of the maturity spectrum increased faster than those on the long end, producing a flattening of the curve. Since fourth quarter, fixed income indices have had mixed returns. In late April, the 10-year Treasury yield reached 3.0% for the first time since 2014.
- ✓ Inflationary concerns intensified a market sell-off during first quarter following positive wage inflation announcements. The return of higher volatility to the markets was the first time since the U.S. presidential elections and was particularly pronounced in equities. Equity returns, both domestic and international, were mixed during first quarter. Since quarter end, volatility has remained elevated compared to 2017 levels.

##### • Performance:

- ✓ The PCF's overall portfolio outperformed the benchmark by 15 bps (-0.80% vs. -0.95%).
- ✓ All asset classes outperformed their relative benchmarks for the quarter.

#### ➤ **For the past year:**

##### • Capital Markets:

- ✓ For investment grade fixed income markets, Bloomberg Barclays Long G/C came in at 5.1% followed by S&P/LSTA at 4.4%.
- ✓ For equities, international was the big winner, as Emerging Markets returned 24.9%. S&P 500 Growth came in at 19.7%.

##### • Performance:

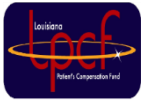
- ✓ The PCF's overall portfolio outperformed the benchmark by 26 bps, returning 2.8%.
- ✓ Core Fixed Income composite outperformed by 66 bps, returning 1.1% vs. 0.4% for the benchmark.

#### ➤ **For the past five years:**

##### • Capital Markets:

- ✓ High Yield, Barclay's Long G/C and Munis did well.
- ✓ The top equity asset performer was S&P 500 Growth at 15.4%.

- Performance: the PCF's overall portfolio underperformed the benchmark by 11 bps, returning 2.4%.



# COMPANY COMPOSITE

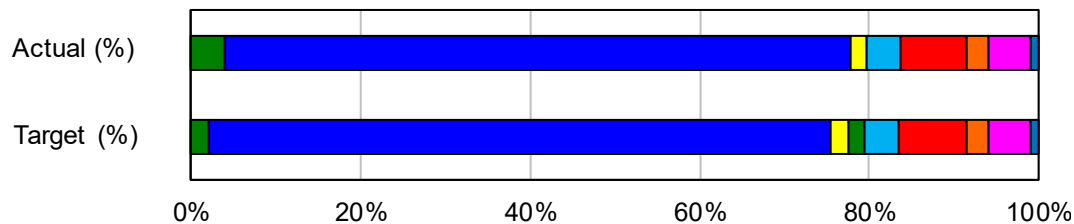
## March 31, 2018

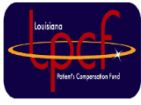
### Total Company Allocation by Asset Class (\$000s)

	Actual (\$000s)	Actual (%)	Target (%)
■ Cash	43,541	3.9%	2.0%
■ Core Investment-Grade Bonds	825,870	73.8%	73.5%
■ High Yield Bank Loans	22,233	2.0%	2.0%
■ High Yield Bonds	0	0.0%	2.0%
■ Emerging Market Debt	43,705	3.9%	4.0%
■ Domestic Equity	87,989	7.9%	8.0%
■ US Small Cap	28,591	2.6%	2.5%
■ International Equity	55,483	5.0%	5.0%
■ International Small Cap Equity	11,308	1.0%	1.0%
<b>Total</b>	<b>1,118,719</b>	<b>100.0%</b>	<b>100.0%</b>

➤ All asset classes are within their policy target ranges except High Yield. That was simply a transitional issue as the PCF funded Federated and Vanguard High yield in April.

➤ This is monitored monthly.

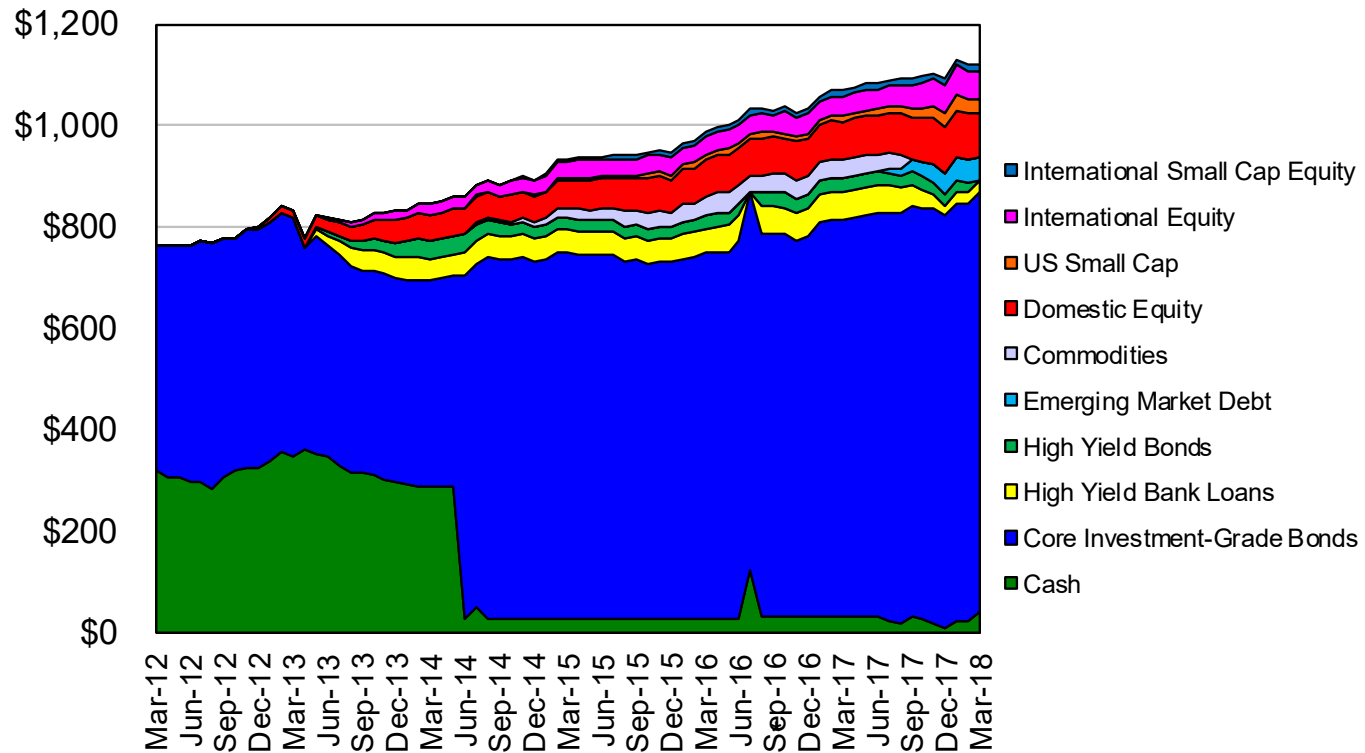




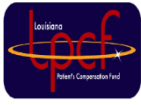
# COMPANY COMPOSITE

## March 31, 2018

### Company Growth by Asset Class (\$MM)



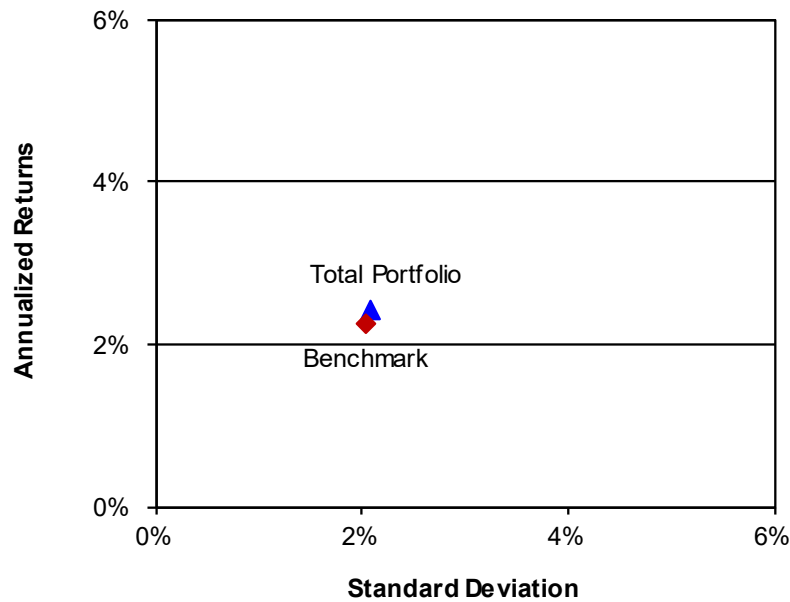
\* June 2016 had a bump up in cash due to the transition of the new High Yield Bank and Bond Managers



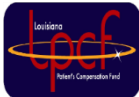
# COMPANY COMPOSITE

## March 31, 2018

### Five Year Risk/Return Performance (Total Portfolio)



- This chart shows the risk and return for the actual portfolio and the overall benchmark for the past three years.
- Over the past five years, LAPCF underperformed its benchmark by 0.11% on an annualized basis.



# INVESTMENT PERFORMANCE

## Pretax, Net of Fees Performance as of March 31, 2018

Portfolio	Market Value (\$000s)	% of Overall Portfolio	For Periods Ending 3/31/2018				Five Years	Since Inception	Inception Date
			Quarter	YTD	One Year	Three Years			
<b>PCF Composite</b>									
Pretax Performance	1,118,719	100.0%	(0.80%)	(0.80%)	2.84%	2.39%	2.42%	2.19%	1/1/2012
<sup>1</sup> <u>Blended Benchmark</u>			(0.95%)	(0.95%)	2.58%	2.08%	2.53%	3.04%	
Relative Performance			0.15%	0.15%	0.26%	0.31%	(0.11%)	(0.85%)	
<b>Cash</b>									
WF Advantage Fund	43,541	3.9%	0.35%	0.35%	0.54%	0.32%	NA	0.30%	1/1/2015
<u>Merrill 91 Day T-Bill</u>			0.35%	0.35%	1.11%	0.53%	NA	0.49%	
Relative Performance			(0.01%)	(0.01%)	(0.58%)	(0.21%)	NA	(0.19%)	
<b>Core Fixed Income Composite</b>	825,870	73.8%	(0.82%)	(0.82%)	1.12%	1.35%	1.73%	1.74%	1/1/2012
<sup>1</sup> <u>Blended Benchmark</u>			(1.06%)	(1.06%)	0.46%	0.91%	1.53%	1.87%	
Relative Performance			0.24%	0.24%	0.66%	0.43%	0.20%	(0.13%)	
<b>Risky Debt Composite</b>	65,938	5.9%	(0.32%)	(0.32%)	2.91%	3.42%	3.46%	3.46%	4/1/2013
<sup>1</sup> <u>Blended Benchmark</u>			(0.45%)	(0.45%)	2.99%	3.75%	3.79%	3.79%	
Relative Performance			0.13%	0.13%	(0.08%)	(0.33%)	(0.34%)	(0.34%)	
<b>Total Equity Composite</b>	183,371	16.4%	(1.22%)	(1.22%)	13.18%	8.17%	10.35%	12.02%	11/1/2012
<sup>1</sup> <u>Blended Benchmark</u>			(1.52%)	(1.52%)	13.24%	8.46%	10.50%	12.16%	
Relative Performance			0.31%	0.31%	(0.06%)	(0.29%)	(0.15%)	(0.14%)	

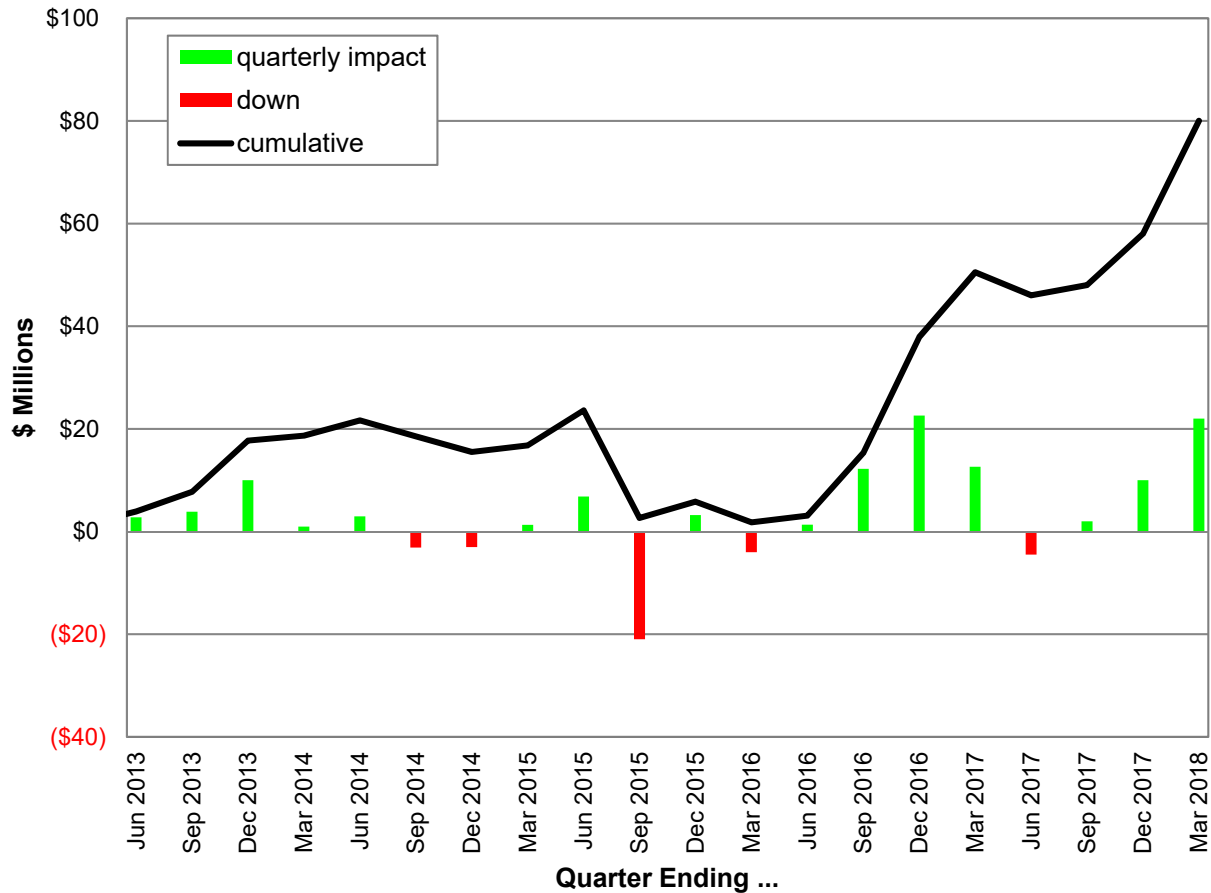
<sup>1</sup>The blended benchmark consists of a target-weighted blend of the underlying portfolio benchmarks.





# DIVERSIFIED PORTFOLIO

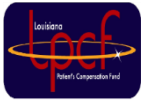
## Value Added or (Detracted) by the Diversified Portfolio



➤ Since inception, the diversified portfolio has added about \$80 MM above what the prior portfolio structure likely would have earned.

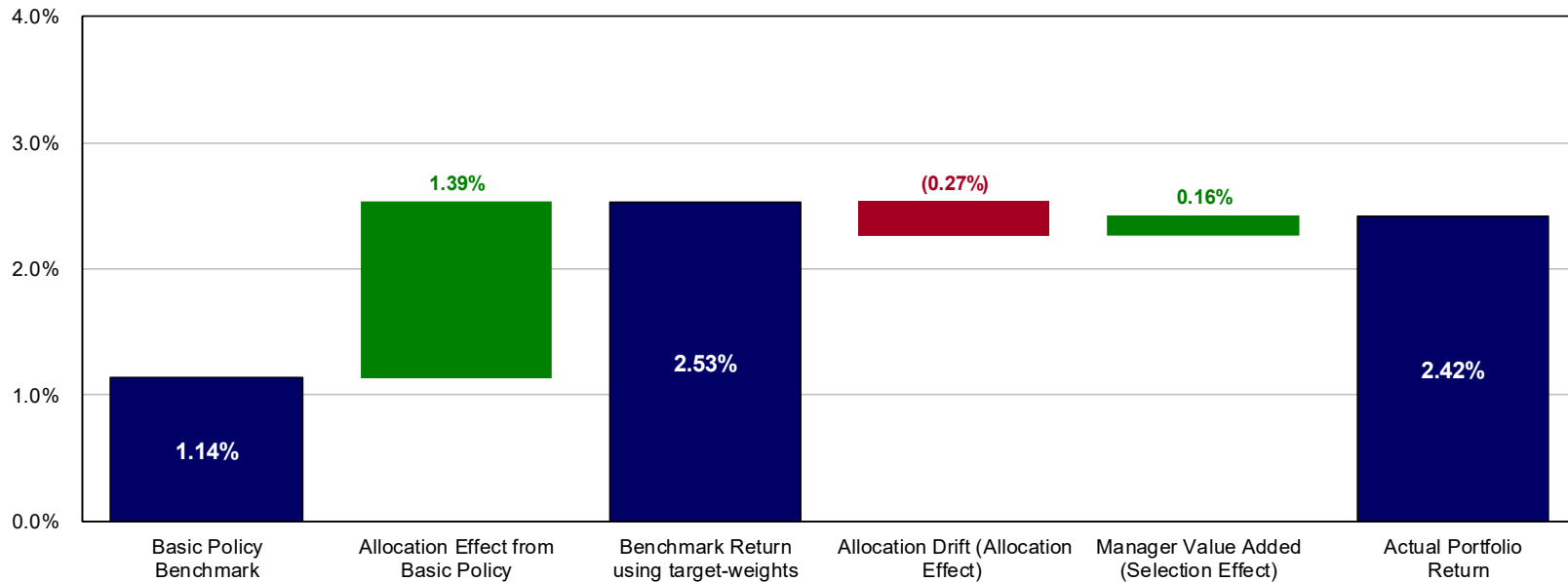
➤ The legacy allocation is defined as: 50% Treasury and 50% Agency.

Source: Wells Fargo, State of Louisiana, CIA analysis



# ATTRIBUTION

## Five-Year Performance Attribution: Overall



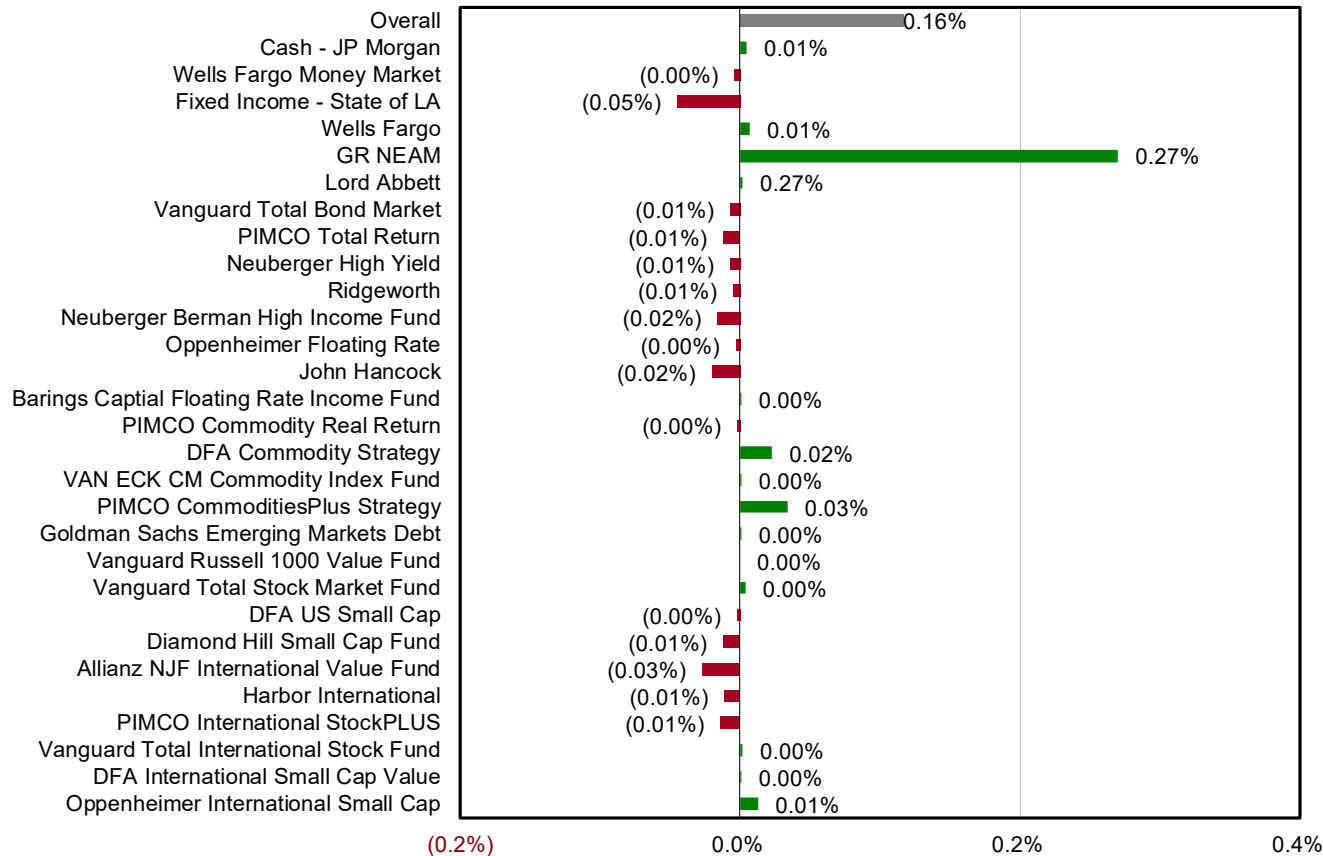
- If the PCF had not changed the law and its investment portfolio, it would have earned approximately 1.14% annualized over the past five years.
- By adding risk to the portfolio, the PCF earned an extra 1.39% per year.
- The significant allocation effect was driven by the time period needed after the asset allocation was chosen to when it was implemented. As the PCF stays close to its target allocations and checks this monthly, this effect is close to 0% over the time periods after the portfolio was fully implemented.
- The PCF's investment managers have added 0.16% in value overall on an annualized basis.



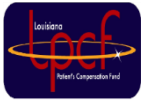
# ATTRIBUTION

## Five Year Performance Attribution

### Manager Value Added

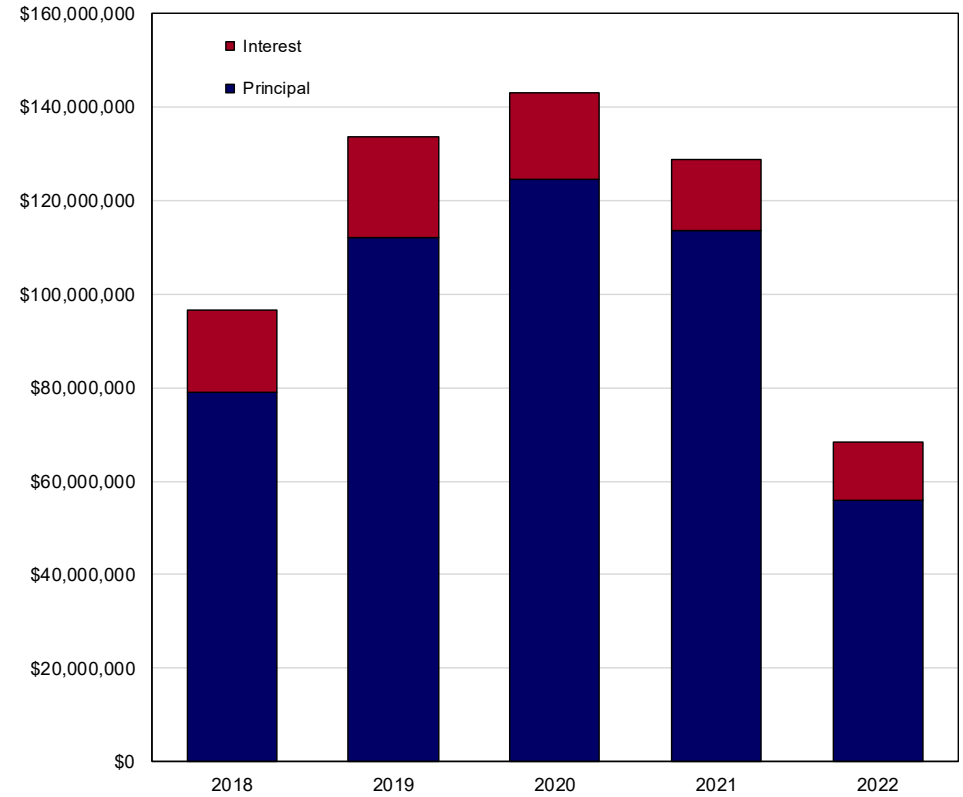
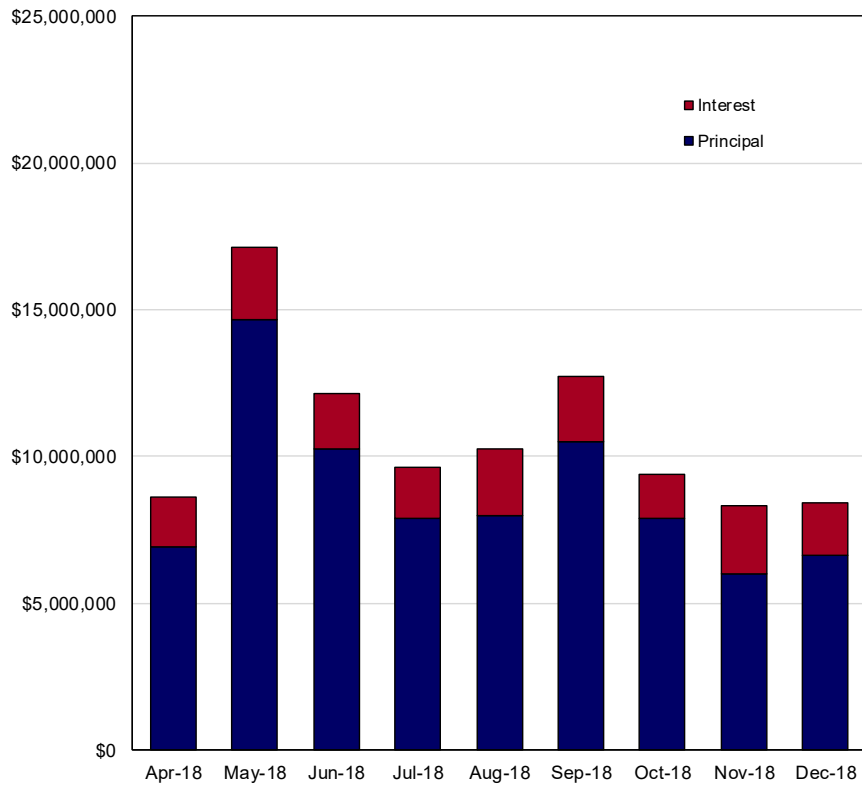


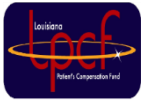
- NEAM has had a significantly positive impact on the overall portfolio (+0.27% annualized over the past five years) driven by good performance and a large allocation.
- As the rest of the managers have relatively small mandates, they have a limited ability to impact the relative returns of the overall portfolio.
- The managers that had the largest negative impact have been replaced:
  - State of Louisiana fixed income,
  - Allianz NFJ International,
  - Neuberger Berman, and
  - John Hancock.



# INVESTMENT PERFORMANCE

## Fixed Income Cash Flow Projections





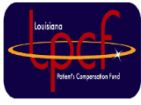
# INVESTMENT PERFORMANCE

## Pretax, Net of Fees Performance as of March 31, 2018

Portfolio	Market Value (\$000s)	% of Overall Portfolio	For Periods Ending 3/31/2018					Since Inception	Inception Date
			Quarter	YTD	One Year	Three Years	Five Years		
<b>Core Fixed Income Composite</b>	825,870	73.8%	(0.82%)	(0.82%)	1.12%	1.35%	1.73%	1.74%	1/1/2012
<sup>1</sup> Blended Benchmark			(1.06%)	(1.06%)	0.46%	0.91%	1.53%	1.87%	
Relative Performance			0.24%	0.24%	0.66%	0.43%	0.20%	(0.13%)	
NEAM	825,870	73.8%	(0.82%)	(0.82%)	1.12%	1.45%	NA	1.91%	6/27/2014
<u>Bloomberg Barclays Intermediate Aggregate</u>			(1.06%)	(1.06%)	0.46%	0.95%	NA	1.41%	
Relative Performance			0.24%	0.24%	0.66%	0.50%	NA	0.50%	

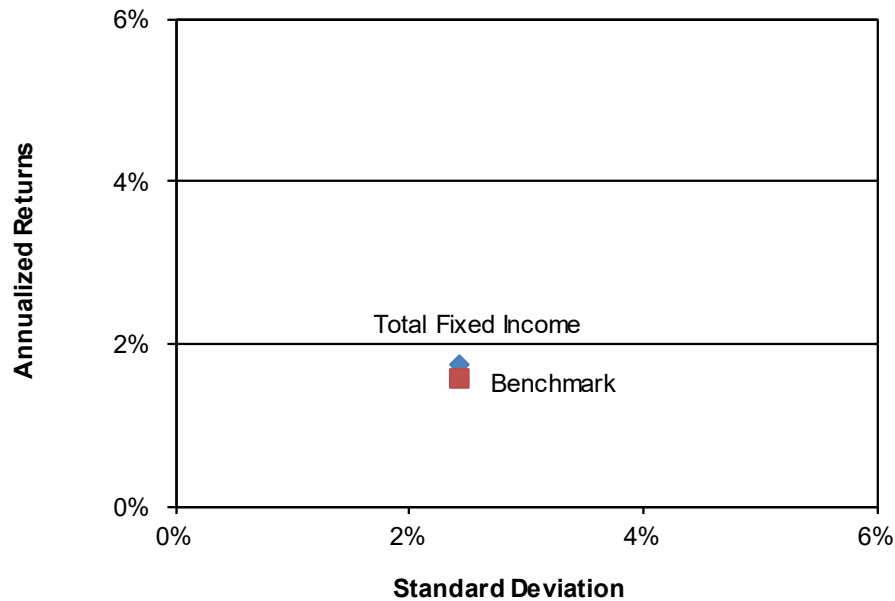
- NEAM outperformed for all time periods. Since Inception NEAM has outperformed their relative benchmark by 50 bps.
- The Core Fixed Income Composite includes, in chronological order:
  - State of Louisiana fixed income,
  - Various mutual funds used transitionally,
  - JP Morgan, and
  - NEAM.

<sup>1</sup>The blended benchmark consists of a market-weighted blend of the underlying portfolio benchmarks.

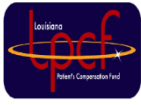


# INVESTMENT PERFORMANCE

## Five Year Risk/Return Performance (Fixed Income)



- Over the past five years, Fixed Income has outperformed against its benchmark by 0.20% with the same risk.



# NEAM CORE BONDS

## Portfolio Characteristics

	NEAM as of		Bloomberg BC Int. Aggregate as of
	12/31/17	03/31/2018	03/31/2018
Effective Duration	3.8 years	3.9 years	4.4 years
Average Maturity	5.2 years	5.4 years	5.4 years
Yield to Maturity	2.5%	3.0%	2.9%
Average Quality	AA	AA	AA

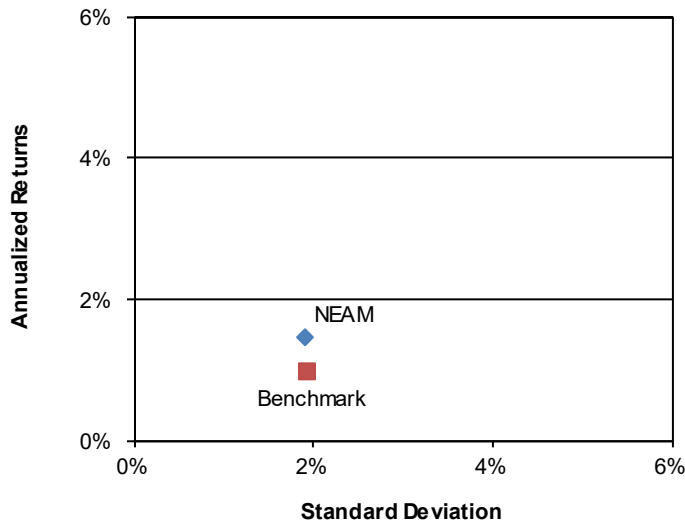
## Advisor's Mandate

- Actively managed fixed income separate account.
- Inception: June 2014
- Objective: Exceed total return of the Bloomberg Barclays Int. Aggregate
- Annual Fee = 0.08% or \$150,000 min. fee.

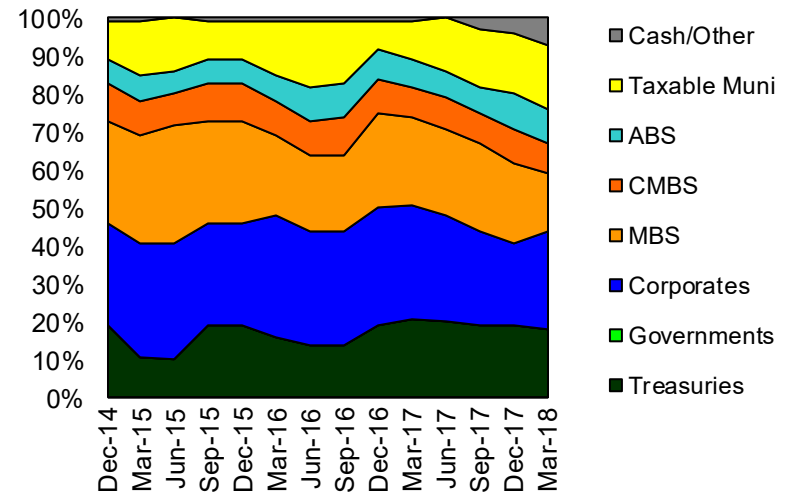
## Commentary

- NEAM outperformed for the quarter and all time periods.
- Since inception NEAM outperformed their relative benchmark by 0.50% net of fees.

## Three-Year Risk/Return



## Historical Sector Distribution



Source: NEAM, Bloomberg, CIA Analysis, Wells Fargo



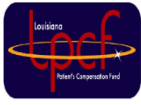
# INVESTMENT PERFORMANCE

## Pretax, Net of Fees Performance as of March 31, 2018

Portfolio	Market Value (\$000s)	% of Overall Portfolio	For Periods Ending 3/31/2018						
			Quarter	YTD	One Year	Three Years	Five Years	Since Inception	Inception Date
<b>High Yield Bank Loan Composite</b>	22,233	2.0%	1.38%	1.38%	4.76%	3.70%	3.38%	3.38%	4/1/2013
<u>S&amp;P LSTA Index</u>			1.40%	1.40%	4.22%	3.99%	3.68%	3.68%	
Relative Performance			(0.01%)	(0.01%)	0.54%	(0.30%)	(0.31%)	(0.31%)	
<b>Barings Capital Floating Rate Income</b>	22,233	2.0%	1.38%	1.38%	4.76%	NA	NA	5.62%	8/1/2016
<u>S&amp;P LSTA Index</u>			1.40%	1.40%	4.22%	NA	NA	5.54%	
Relative Performance			(0.01%)	(0.01%)	0.54%	NA	NA	0.08%	

- The HYBL composite underperformed the benchmark over longer time periods driven by legacy managers, specifically John Hancock.
- Barings outperformed the S&P LSTA Index for the one year period and since inception.





# BARINGS – FLOATING RATE INCOME FUND

## Portfolio Characteristics

	Barings HYBL as of		S&P LSTA as of
	12/31/17	3/31/18	3/31/18
Number of Issues	182	176	1,231
Average Maturity	4.8 years	4.9 years	NA
Effective Duration	4.2	4.1	3.3
Avg Credit Quality	B	B	B+

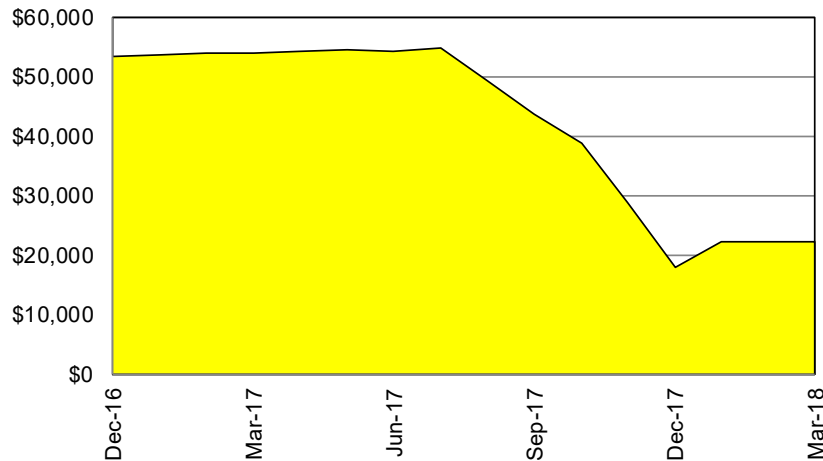
## Advisor’s Mandate

- Actively-Managed High Yield Bank Loan Fund
- Inception: August 2016
- Objective: Exceed total return of the S&P LSTA index
- Annual fee 0.475%

## Commentary

- The fund outperformed the benchmark by 54 basis points for the one year period.

## Asset Growth (\$000s)



## Top Ten Issuers

Holding	Portfolio Weight
Veritas	1.7%
Apex Tool Group LLC.	1.5%
Omnitracs, LLC.	1.4%
Ortho-Clinical Diagnostics	1.4%
TransDigm Group Inc.	1.4%
Finastra	1.4%
National Financial Partners	1.3%
Dell Software	1.3%
USI Holdings	1.2%
York Risk Services Holding	1.2%
	13.9%

Source: Barings, Bloomberg, CIA analysis



# INVESTMENT PERFORMANCE

## Pretax, Net of Fees Performance as of March 31, 2018

Portfolio	Market Value (\$000s)	% of Overall Portfolio	For Periods Ending 3/31/2018							Inception Date
			Quarter	YTD	One Year	Two Years	Three Years	Five Years	Since Inception	
<b>Emerging Market Debt Composite</b>	43,705	3.9%	(1.19%)	(1.19%)	NA	NA	NA	NA	0.93%	8/1/2017
<u>50% EMBI Global / 50% CEMBI Broad</u>			(1.49%)	(1.49%)	NA	NA	NA	NA	0.87%	
Relative Performance			0.30%	0.30%	NA	NA	NA	NA	0.06%	
SSGA Emerging Market	21,848	2.0%	(1.43%)	(1.43%)	NA	NA	NA	NA	(0.31%)	9/1/2017
<u>50% EMBI Global / 50% CEMBI Broad</u>			(1.49%)	(1.49%)	NA	NA	NA	NA	(0.47%)	
Relative Performance			0.06%	0.06%	NA	NA	NA	NA	0.16%	
Goldman Sachs Emerging Market	21,857	2.0%	(0.95%)	(0.95%)	NA	NA	NA	NA	0.87%	8/1/2017
<u>50% EMBI Global / 50% CEMBI Broad</u>			(1.49%)	(1.49%)	NA	NA	NA	NA	0.87%	
Relative Performance			0.54%	0.54%	NA	NA	NA	NA	0.00%	

- These are new mandates and they are doing fine, although over a short time period.



# SSGA EMERGING MARKETS FUND

## Portfolio Characteristics

	SSGA Emerging Market as of		50% EMBI Global Div./ 50% CEMBI Broad Div.
	12/31/17	3/31/18	3/31/18
No. of Holdings	1,462	1,483	2,055
Effective Duration	5.8	5.8	5.8
Effective Maturity	9.3 years	9.3 years	9.6 years
Avg. Credit Quality	BB+	BB+	BB+
Yield	4.6%	5.3%	5.3%

## Advisor's Mandate

- Emerging Markets Fund
- Inception: September 2017
- Objective: Exceed total return of JPM 50% EMBI Global Diversified / 50% CEMBI Broad Diversified
- Annual fee 0.21%

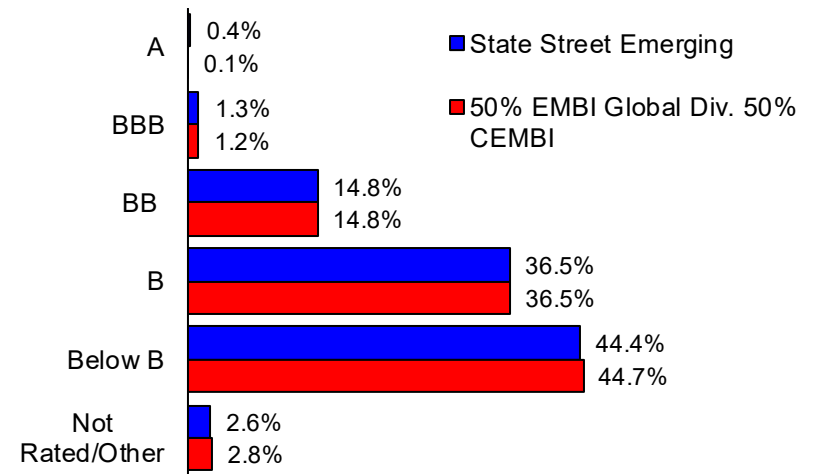
## Commentary

- The portfolio outperformed by 6 bps for the quarter.
- SSgA's differentiating factor is its low fees.

## One-Year Risk/Return

N/A

## Quarter End Quality Distribution





# GOLDMAN SACHS EMERGING MARKETS FUND

## Portfolio Characteristics

	Goldman Sachs Emerging Market as of		50% EMBI Global Div./ 50% CEMBI Broad Div.
	12/31/17	3/31/18	3/31/18
No. of Holdings	433	465	2,055
Effective Duration	6.7	5.7	5.8
Effective Maturity	5.9 years	5.9 years	9.6 years
Avg. Credit Quality	BB	BB	BB+
Yield	5.1%	5.1%	5.3%

## One-Year Risk/Return

N/A

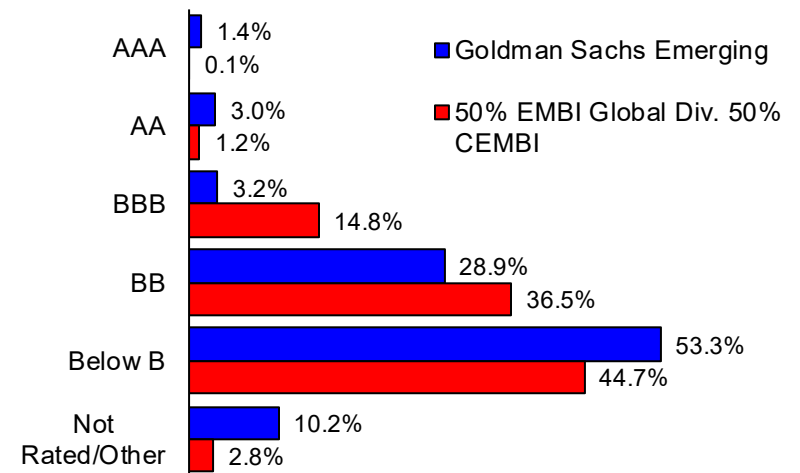
## Advisor's Mandate

- Fund (GSDIX)
- Inception: August 2017
- Objective: Exceed total return of JPM 50% EMBI Global Diversified / 50% CEMBI Broad Diversified
- Annual fee 0.89%

## Commentary

- The portfolio outperformed by 54 bps for the quarter.
- Goldman Sachs takes more credit risk than the index. It has nearly the same yield as the index, despite having a much shorter effective maturity.

## Quarter End Quality Distribution





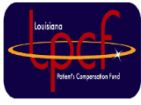
# INVESTMENT PERFORMANCE

## Pretax, Net of Fees Performance as of March 31, 2018

Portfolio	Market Value (\$000s)	% of Overall Portfolio	For Periods Ending		3/31/2018	Three Years	Five Years	Since Inception	Inception Date
			Quarter	YTD	One Year				
<b>Total Equity Composite</b>	183,371	16.7%	(1.22%)	(1.22%)	13.18%	8.17%	10.35%	12.02%	11/1/2012
<sup>1</sup> <u>Blended Benchmark</u>			(1.52%)	(1.52%)	13.24%	8.46%	10.50%	12.16%	
Relative Performance			0.31%	0.31%	(0.06%)	(0.29%)	(0.15%)	(0.14%)	
<b>Domestic Equity Composite</b>	116,580	10.6%	(1.61%)	(1.61%)	11.03%	9.10%	12.30%	13.84%	11/1/2012
<sup>1</sup> <u>Blended Benchmark</u>			(1.81%)	(1.81%)	10.91%	9.16%	12.34%	13.88%	
Relative Performance			0.19%	0.19%	0.12%	(0.06%)	(0.04%)	(0.04%)	
<b>International Equity Composite</b>	66,791	6.1%	(0.60%)	(0.60%)	16.79%	6.32%	NA	5.25%	5/1/2013
<sup>1</sup> <u>Blended Benchmark</u>			(1.06%)	(1.06%)	17.23%	7.03%	NA	5.78%	
Relative Performance			0.46%	0.46%	(0.43%)	(0.70%)	NA	(0.53%)	

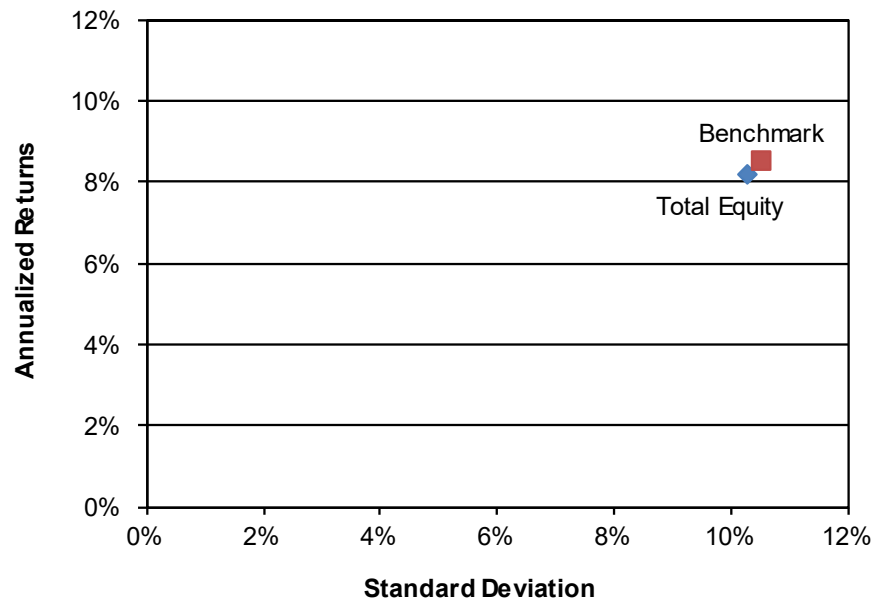
- Domestic equities paused this quarter, but PCF's managers outperformed by 19 bps domestically and by 46 bps internationally.
- The Equity portfolio earned over 13% this past year.
- Over the past three years:
  - The equity portfolio earned 8.17%, but trailed the benchmark by 29 basis points.
  - US equities did well, earning 9.10%.
  - International equities earned 6.32%.

<sup>1</sup>The blended benchmark consists of a market-weighted blend of the underlying portfolio benchmarks.

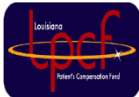


# INVESTMENT PERFORMANCE

## Three Year Risk/Return Performance (Total Equity)



- Over the past three years, the equity portfolio earned 8.17% on an annualized basis, but underperformed its benchmark by 0.29% on an annualized basis.



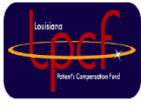
# INVESTMENT PERFORMANCE

## Pretax, Net of Fees Performance as of March 31, 2018

Portfolio	Market Value (\$000s)	% of Overall Portfolio	For Periods Ending		3/31/2018	One Year	Three Years	Five Years	Since Inception	Inception Date
			Quarter	YTD						
<b>Domestic Equity Composite</b>	116,580	10.4%	(1.61%)	(1.61%)	11.03%	9.10%	12.30%	13.84%	11/1/2012	
<sup>1</sup> <u>Blended Benchmark</u>			(1.81%)	(1.81%)	10.91%	9.16%	12.34%	13.88%		
Relative Performance			0.19%	0.19%	0.12%	(0.06%)	(0.04%)	(0.04%)		
Vanguard Russell 1000 Value Fund	21,688	1.9%	(2.86%)	(2.86%)	6.89%	7.76%	NA	8.05%	5/1/2014	
<u>Russell 1000 Value Index</u>			(2.85%)	(2.85%)	6.86%	7.79%	NA	8.07%		
Relative Performance			(0.00%)	(0.00%)	0.03%	(0.03%)	NA	(0.02%)		
Vanguard Total Stock Market Fund	66,300	5.9%	(0.60%)	(0.60%)	13.94%	10.24%	13.08%	14.57%	11/1/2012	
<u>CRSP US Total Market Index</u>			(0.61%)	(0.61%)	13.83%	10.17%	12.99%	14.49%		
Relative Performance			0.01%	0.01%	0.12%	0.07%	0.09%	0.08%		
Vanguard Small Cap S&P 600	14,180	1.3%	NA	NA	NA	NA	NA	(1.74%)	3/1/2018	
<u>Russell 2000 Index</u>			NA	NA	NA	NA	NA	(2.72%)		
Relative Performance			NA	NA	NA	NA	NA	0.98%		
Virtus Kar Small Cap	14,411	1.3%	NA	NA	NA	NA	NA	0.32%	3/1/2018	
<u>Russell 2000 Index</u>			NA	NA	NA	NA	NA	(2.72%)		
Relative Performance			NA	NA	NA	NA	NA	3.05%		

- The Domestic Equity composite did well over shorter time periods but lagged for three year and the five year and since inception.
- The index funds have done a nice job matching their respective indices.
- This quarter we also funded the Vanguard and Virtus Small Cap Funds.

<sup>1</sup>The blended benchmark consists of a market-weighted blend of the underlying portfolio benchmarks.



# VANGUARD RUSSELL 1000 VALUE FUND

## Portfolio Characteristics

	Vanguard Russell 1000 Value Fund as of		Russell 1000 Value Index as of
	12/31/17	3/31/18	3/31/18
No. of Securities	713	712	711
P/E Ratio	19.8x	17.0x	17.0x
Price/Book Ratio	2.0x	2.0x	2.0x
Avg Mkt Cap (billions)	\$65.6	\$63.4	\$63.4
Return on Equity	11.5%	11.6%	11.6%
% in Top 10 Holdings	23.0%	23.1%	23.1%

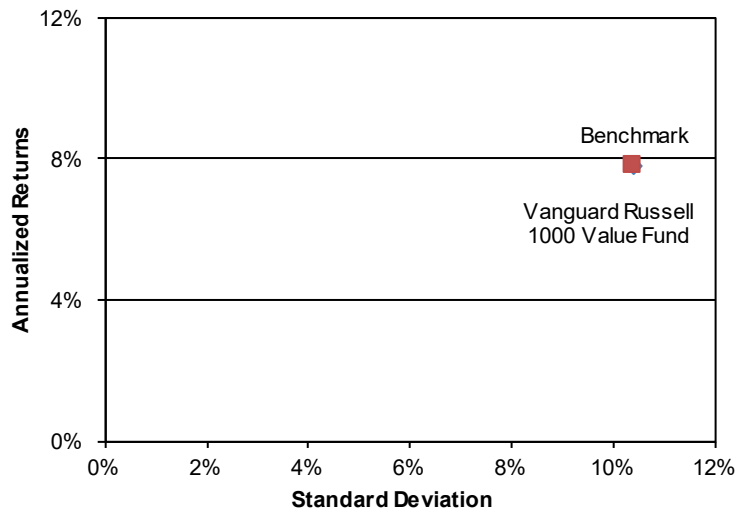
## Advisor's Mandate

- Passively managed equity index fund (VRVIX)
- Inception: May 2014
- Objective: Match performance of the Russell 1000 Value Index
- Annual Fee = 0.08%

## Commentary

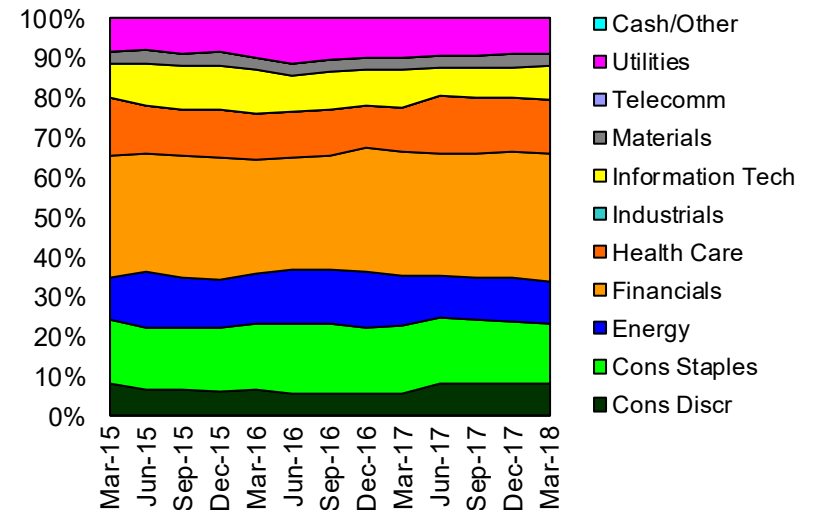
- Vanguard is doing a nice job matching the index.

## Three-Year Risk/Return

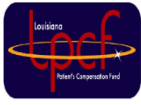


Source: Vanguard, Bloomberg, CIA analysis

## Historical Sector Distribution







# VANGUARD TOTAL STOCK MARKET INDEX FUND

## Portfolio Characteristics

	Vanguard Total Stock Market Fund		CRSP US Total Market
	as of 12/31/17	as of 3/31/18	as of 3/31/18
No. of Securities	3,638	3,637	3,590
P/E Ratio	22.9x	21.2x	21.2x
Price/Book Ratio	3.1x	2.9x	2.9x
Avg Mkt Cap (billions)	\$66.9	\$64.2	\$64.2
Return on Equity	15.1%	15.0%	15.0%

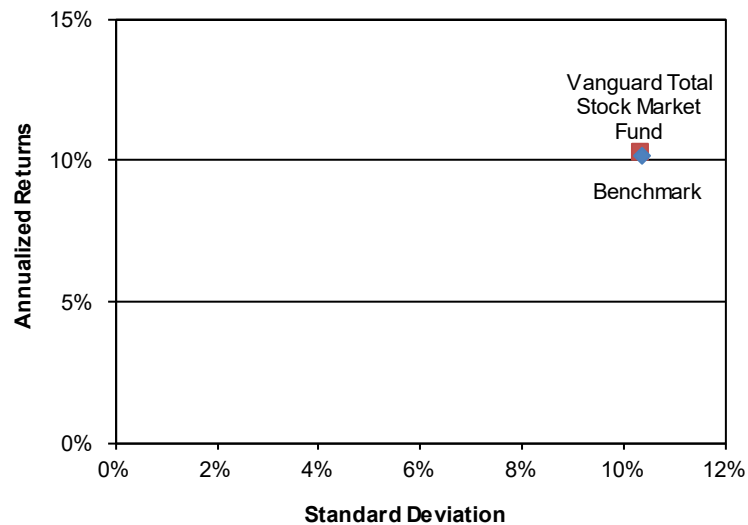
## Advisor's Mandate

- Passively managed equity index fund (VIT SX)
- Inception: November 2012
- Objective: Match performance of the CRSP US Total Market Index
- Annual Fee = 0.035% (through 12/31/2017)

## Commentary

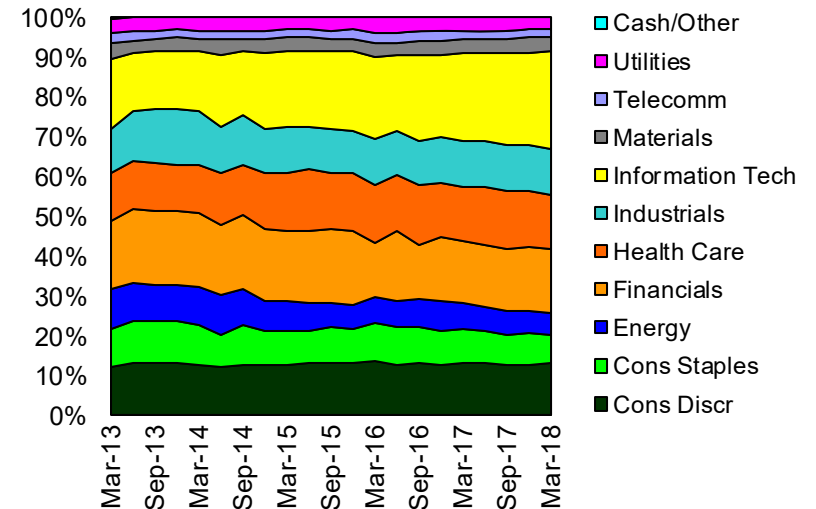
- Vanguard is doing a nice job matching the index.
- Vanguard recently lowered the cost of this fund from 0.04% to 0.035%. This will save the PCF over \$3,000 per year.

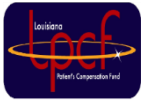
## Three-Year Risk/Return



Source: Vanguard, Bloomberg, CIA analysis

## Historical Sector Distribution





# VANGUARD SMALL CAP S&P 600 FUND

## Portfolio Characteristics

	Vanguard Small Cap as of		Russell 2000 as of
	12/31/17	3/31/18	3/31/18
No. of Securities	603	603	1,983
<b>P/E Ratio</b>	<b>21.5x</b>	<b>21.5x</b>	<b>22.3x</b>
Price/Book Ratio	2.1x	2.1x	2.4x
Avg Mkt Cap (billions)	\$1.7	\$1.7	\$2.5
% in Top 10 Holdings	5.1%	5.1%	3.7%

## Advisor's Mandate

- Passively managed equity index fund (VSMSX)
- Inception: March 2018
- Objective: Match performance of the Russell 2000 Index
- Annual Fee = 0.08%

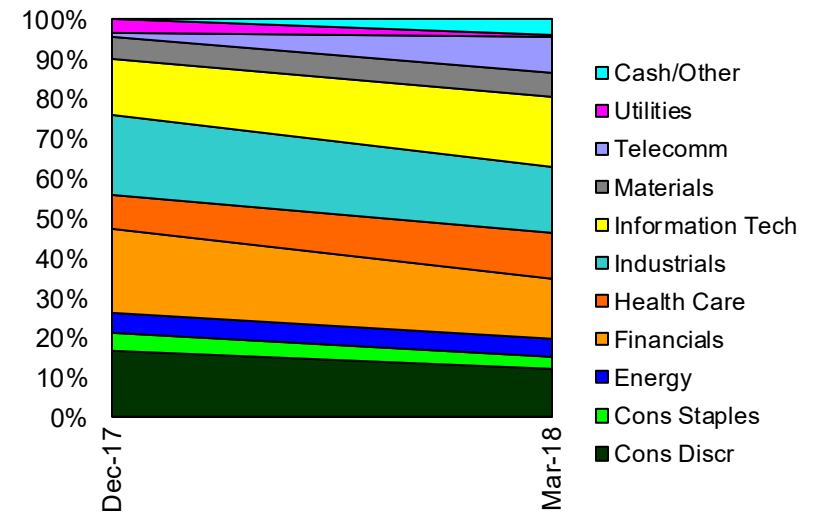
## Commentary

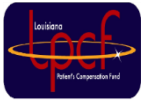
- The fund outperformed the benchmark by 98 basis points (0.98%) for the first month funded.

## One-Year Risk/Return

N/A

## Historical Sector Distribution





# VIRTUS KAR SMALL CAP FUND

## Portfolio Characteristics

	Virtus KAR Small Cap as of		Russell 2000 as of
	12/31/17	3/31/18	3/31/18
No. of Securities	28	28	1,983
P/E Ratio	28.7x	28.7x	22.3x
Price/Book Ratio	6.5x	6.5x	2.4x
Avg Mkt Cap (billions)	\$6.4	\$6.4	\$2.5
Dividend Yield	0.9%	0.9%	1.3%
% in Top 10 Holdings	50.4%	50.4%	3.7%

## One-Year Risk/Return

N/A

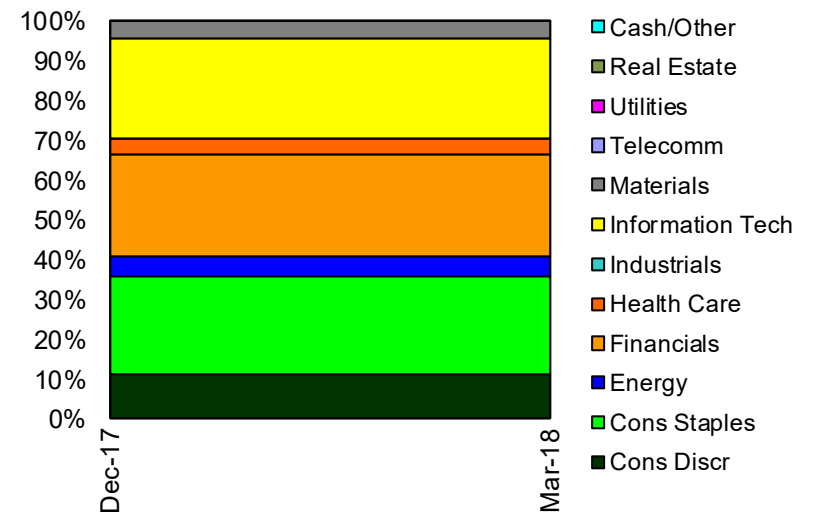
## Advisor's Mandate

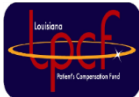
- Passively managed equity index fund (PKSFX)
- Inception: March 2018
- Objective: Match performance of the Russell 2000 Index.
- Annual Fee = 1.08%

## Commentary

- The fund outperformed the benchmark by 305 basis points (3.05%) for the first month funded.

## Historical Sector Distribution





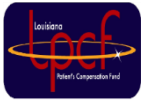
# INVESTMENT PERFORMANCE

## Pretax, Net of Fees Performance as of March 31, 2018

Portfolio	Market Value (\$000s)	% of Overall Portfolio	For Periods Ending		3/31/2018			Since Inception	Inception Date
			Quarter	YTD	One Year	Three Years	Five Years		
<b>International Equity Composite</b>	66,791	6.0%	(0.60%)	(0.60%)	16.79%	6.32%	NA	5.25%	5/1/2013
<sup>1</sup> <u>Blended Benchmark</u>			(1.06%)	(1.06%)	17.23%	7.03%	NA	5.78%	
Relative Performance			0.46%	0.46%	(0.43%)	(0.70%)	NA	(0.53%)	
Vanguard Total International Stock Fund	30,748	2.7%	(0.45%)	(0.45%)	17.14%	6.95%	NA	5.79%	5/1/2013
<u>FTSE Global All Cap ex US Index</u>			(1.17%)	(1.17%)	16.61%	6.66%	NA	5.64%	
Relative Performance			0.72%	0.72%	0.53%	0.29%	NA	0.16%	
Harbor International Fund	12,387	1.1%	(0.58%)	(0.58%)	12.43%	3.67%	NA	4.19%	6/1/2013
<u>MSCI ACWI ex US</u>			(1.21%)	(1.21%)	16.38%	6.05%	NA	5.69%	
Relative Performance			0.64%	0.64%	(3.95%)	(2.39%)	NA	(1.50%)	
PIMCO International StockPLUS	12,348	1.1%	(1.63%)	(1.63%)	15.54%	5.80%	NA	6.45%	6/1/2013
<u>MSCI ACWI ex US</u>			(1.21%)	(1.21%)	16.38%	6.05%	NA	5.69%	
Relative Performance			(0.42%)	(0.42%)	(0.84%)	(0.26%)	NA	0.77%	
DFA International Small Cap Fund	5,513	0.5%	(2.26%)	(2.26%)	16.02%	10.29%	NA	7.88%	8/8/2014
<u>MSCI ACWI ex US Small Cap</u>			(0.41%)	(0.41%)	20.31%	10.14%	NA	7.28%	
Relative Performance			(1.85%)	(1.85%)	(4.29%)	0.15%	NA	0.60%	
Oppenheimer International Small Cap	5,796	0.5%	2.54%	2.54%	29.53%	15.18%	NA	13.92%	8/8/2014
<u>MSCI ACWI ex US Small Cap</u>			(0.41%)	(0.41%)	20.31%	10.14%	NA	7.28%	
Relative Performance			2.96%	2.96%	9.22%	5.04%	NA	6.64%	

- The International Equity Composite outperformed for the quarter by 46 basis points.
  - Oppenheimer was the big winner for the quarter by outperforming their benchmark by 2.96%.
  - DFA struggled for the quarter but since inception outperformed by 0.60%.
- As expected, based on the research presented last quarter, PIMCO underperformed in a flat yield curve environment.
- Harbor outperformed.

<sup>1</sup>The blended benchmark consists of a market-weighted blend of the underlying portfolio benchmarks.



# VANGUARD TOTAL INTERNATIONAL STOCK FUND

## Portfolio Characteristics

	Vanguard Total Intl Stock Fund as of		FTSE Global All Cap ex US Index as of
	12/31/17	3/31/18	3/31/18
No. of Holdings	6,283	6,350	5,986
P/E Ratio	15.8x	14.2x	14.2x
Price/Book Ratio	1.7x	1.6x	1.6x
Avg Mkt Cap (billion)	\$26.5	\$25.9	\$25.9
Dividend Yield	2.6%	2.8%	2.8%
Return on Equity	12.0%	12.0%	12.0%
% in Top 10 Holdings	8.5%	8.4%	8.4%

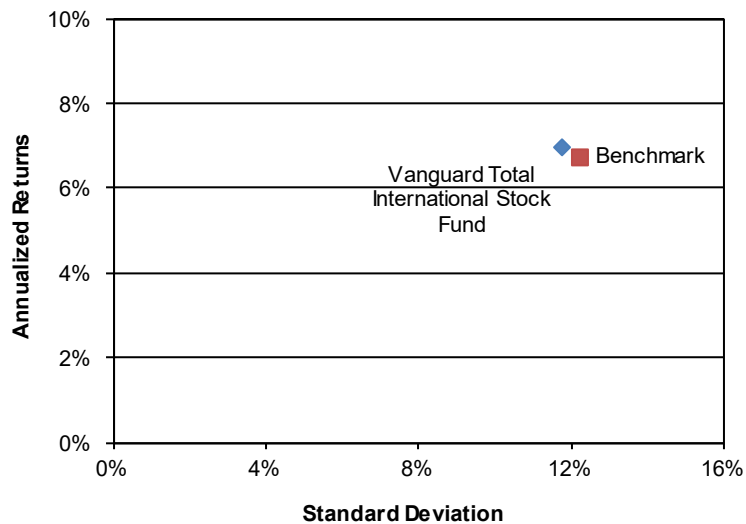
## Advisor's Mandate

- Passively-managed equity index fund (VTSNX)
- Inception: May 2013
- Objective: Match performance of the FTSE Global All Cap ex US Index
- Annual Fee = 0.12%

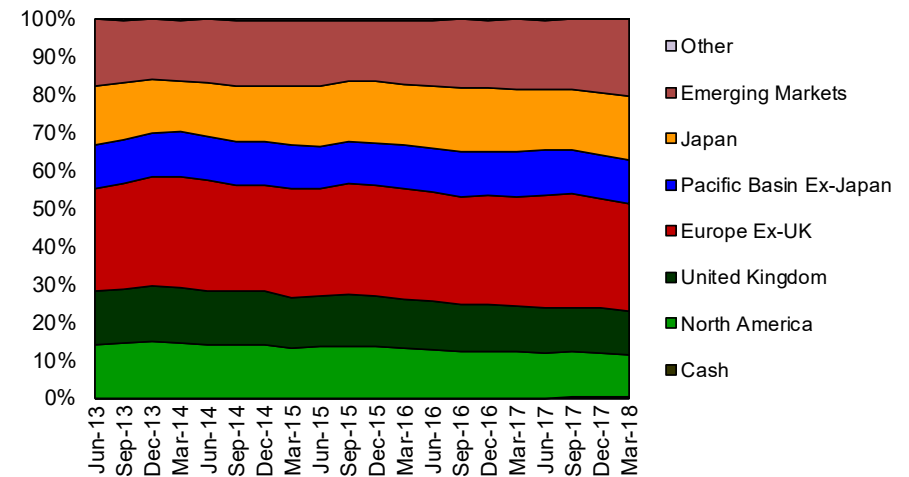
## Commentary

- This is a hugely diversified, low-cost fund.

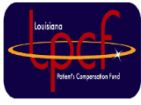
## Three-Year Risk/Return



## Historical Country Distribution



Source: Vanguard, Bloomberg, CIA Analysis



# HARBOR INTERNATIONAL FUND

## Portfolio Characteristics

	Harbor as of		MSCI ACWI ex US as of
	12/31/17	3/31/18	3/31/18
No. of Holdings	74	70	1,862
P/E Ratio	25.2x	22.2x	15.8x
Price/Book Ratio	2.7x	2.4x	1.7x
Avg Mkt Cap (billion)	\$70.8	\$71.2	\$70.0
Dividend Yield	3.0%	2.7%	2.9%
Return on Equity	10.6%	11.1%	10.4%
% in Top 10 Holdings	33.5%	31.5%	9.2%

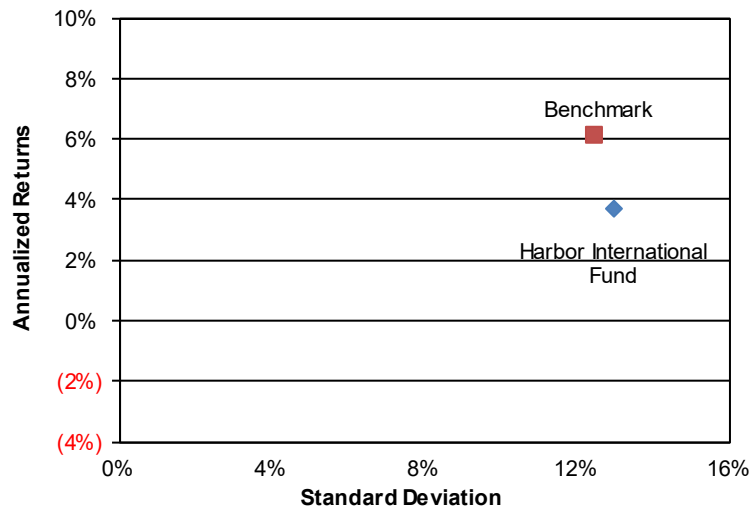
## Advisor's Mandate

- Actively-managed equity fund (HAINX)
- Inception: June 2013
- Objective: Exceed total return of the MSCI ACWI ex US Index
- Annual Fee = 0.74%

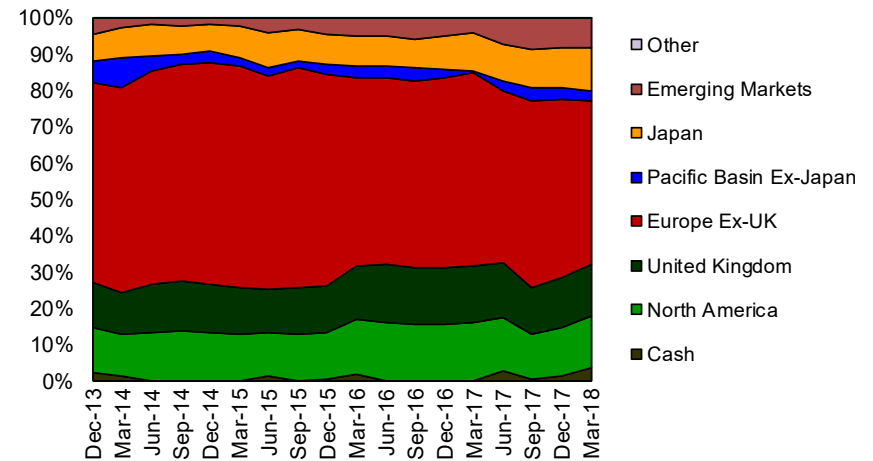
## Commentary

- Harbor outperformed their benchmark by 64 basis points for the first quarter.

## Three-Year Risk/Return



## Historical Country Distribution



Source: Harbor Capital, Bloomberg, CIA Analysis



# PIMCO INTERNATIONAL STOCKSPLUS FUND

## Portfolio Characteristics

	PIMCO Intl StocksPLUS as of	
	12/31/17	3/31/18
Fund Assets (\$mm)	\$1,872.9	\$1,819.1
Effective Duration	0.8 years	0.7 years
Effective Maturity	2.5 years	1.5 years
Average Coupon	1.8%	2.2%

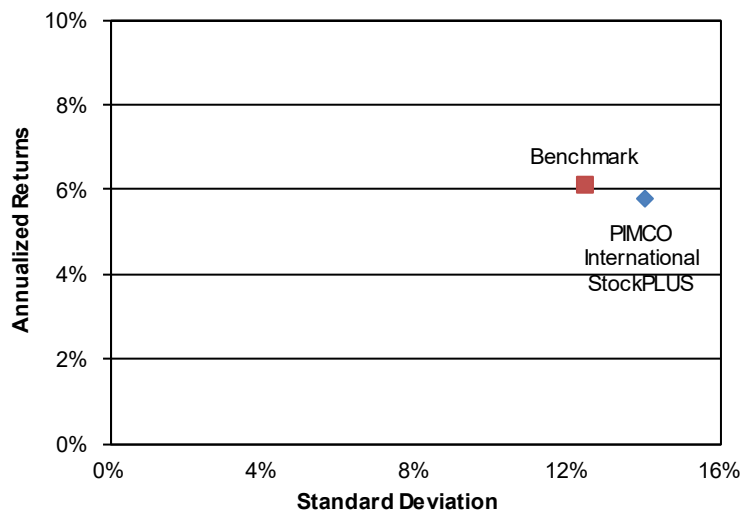
## Advisor's Mandate

- Actively managed equity index fund (PSKIX)
- Inception: June 2013
- Objective: Exceed total return of the MSCI ACWI ex US Index
- Annual Fee = 0.64%

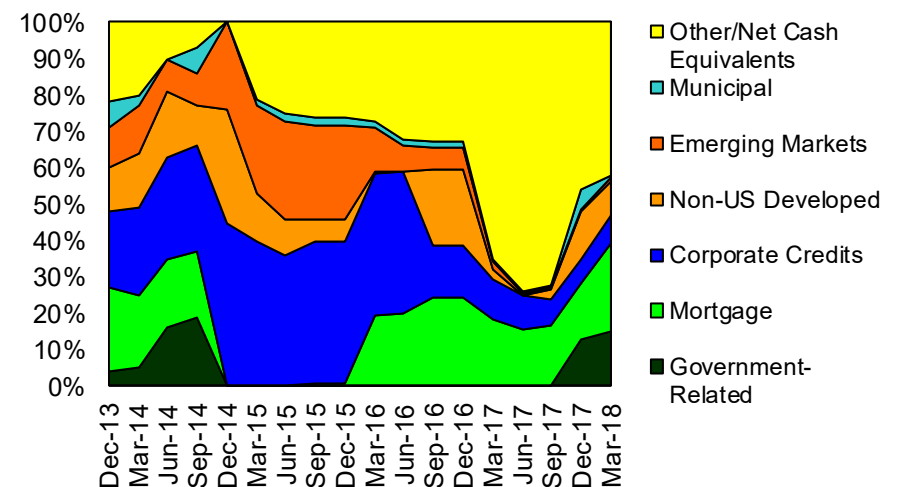
## Commentary

- Recall, this fund has a very different strategy. It gets equity exposure through derivatives, then invests the collateral in bonds. This is why we show bond attributes in the "Portfolio Characteristics" section for this fund.

## Three-Year Risk/Return



## Historical Bond Sector Distribution



Source: PIMCO, Bloomberg, CIA Analysis



# DFA INTERNATIONAL SMALL CAP FUND

## Portfolio Characteristics

	DFA Intl Small Cap as of		MSCI ACWI ex US Small Cap as of
	12/31/17	3/31/18	3/31/18
No. of Securities	2,141	2,117	4,321
P/E Ratio	14.1x	13.2x	20.1x
Price/Book Ratio	1.1x	0.9x	0.6x
Avg Mkt Cap (billions)	\$2.3	\$2.2	\$0.8
% in Top 10 Holdings	6.8%	7.0%	2.1%

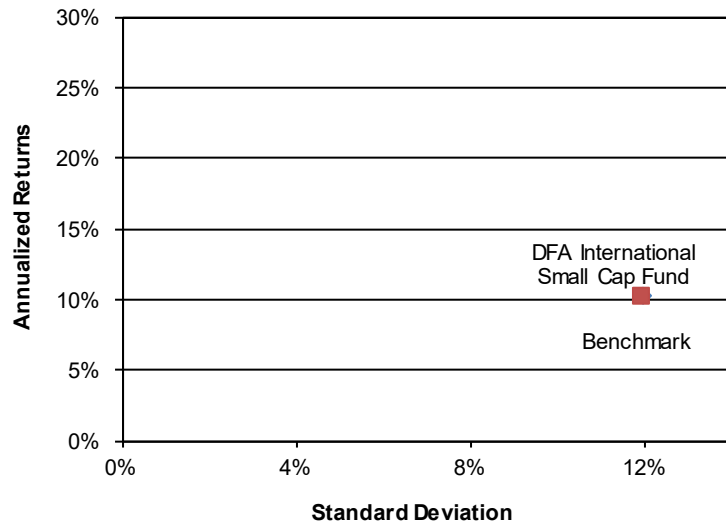
## Advisor's Mandate

- Actively managed equity index fund (DISVX)
- Inception: August 2014
- Objective: Exceed total return of the MSCI ACWI ex US Small Cap Fund
- Annual Fee = 0.69%

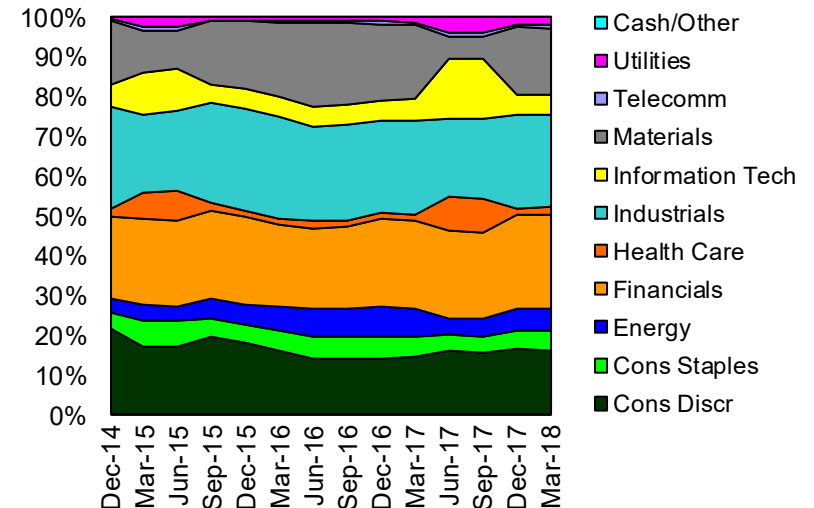
## Commentary

- DFA underperformed their benchmark by 185 bps for the quarter and since inception outperformed by 60 bps annually.

## Three-Year Risk/Return

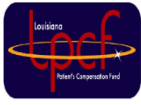


## Historical Bond Sector Distribution



Source: DFA, Bloomberg, CIA Analysis





# OPPENHEIMER INTERNATIONAL SMALL CAP FUND

## Portfolio Characteristics

	Oppenheimer Intl Small Cap as of		MSCI ACWI ex US Small Cap as of
	12/31/17	3/31/18	3/31/18
No. of Securities	112	108	4,321
P/E Ratio	23.9x	23.1x	20.1x
Price/Book Ratio	3.2x	3.1x	0.6x
Avg Mkt Cap (billions)	\$6.2	\$6.3	\$0.8

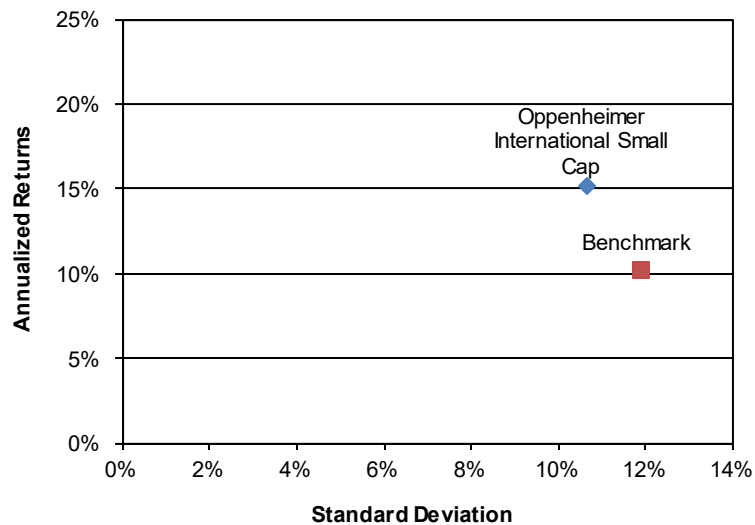
## Advisor's Mandate

- Actively managed equity index fund (OSMYX)
- Inception: August 2014
- Objective: Exceed total return of the MSCI ACWI ex US Small Cap Fund
- Annual Fee = 0.95%

## Commentary

- Oppenheimer outperformed their relative benchmark by 296 basis points for the quarter and since inception outperformed by 664 basis points annually.

## Three-Year Risk/Return



## Historical Bond Sector Distribution

