

**CITY OF POMPANO BEACH  
GENERAL EMPLOYEES' RETIREMENT SYSTEM  
INVESTMENT PERFORMANCE ANALYSIS  
THIRD QUARTER 2018**

Note: For a copy of Part II of Southeastern Advisory Services, Inc.'s most recent Form ADV please write: Southeastern Advisory Services, Inc., 3495 Piedmont Road, NE, Bldg. 12-202, Atlanta, GA 30305, or e-mail your request to [kit@seadvisory.com](mailto:kit@seadvisory.com). Part II of Form ADV will be mailed within seven (7) days upon receipt of the request.

Only the executive summary portion of our reporting is provided herein. If you would like an electronic copy of the back-up pages to this executive summary, send your request to [jeff@seadvisory.com](mailto:jeff@seadvisory.com).

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GENERAL EMPLOYEES' RETIREMENT SYSTEM**

**INVESTMENT PERFORMANCE ANALYSIS**

**SEPTEMBER 30, 2018**

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## Executive Summary

# CITY OF POMPANO BEACH GENERAL EMPLOYEES' RETIREMENT SYSTEM

Quarter Ending September 30, 2018

### **I. MARKET ENVIRONMENT**

Index	Third Quarter	1 Year	3 Year
Standard & Poor's 500 Index	7.7%	17.9%	17.3%
MSCI EAFE Index (Net)	1.4%	2.7%	9.2%
NCREIF Index	1.7%	7.2%	7.8%
CS Hedge Index	0.6%	3.5%	3.1%
BBG Barc U.S. Aggregate	0.0%	-1.2%	1.3%
91 Day Treasury Bills	0.5%	1.6%	0.8%
Consumer Price Index	0.2%	2.3%	2.0%

Strong corporate earnings reports and a vast majority of U.S. public companies beat consensus earnings estimates to push the U.S. stock market to the strongest quarter in nearly five years. Economic data continues to be strong including the largest increase in real GDP in four years at 4.2%. Although global trade and tariffs continue to be a major issue, the U.S. made positive strides during the quarter with a preliminary, renegotiated trade deal with the European Commission and a finalized deal with South Korea, the first completed pact under the current administration. Most of the major components of economic growth contributed although private investment was down slightly on inventory drawdowns. A major drop in net exports contributed more than 1% to real growth as imports fell and exports moved higher. Government spending was up, as well, and personal consumption added 2.6% to real economic growth during the quarter.

**Equities:** The U.S. stock market, represented by the S&P 500, was up 7.7% for the third quarter of 2018, the best quarter since the fourth quarter of 2013. Large capitalization stocks far outperformed small caps as the Wilshire US Large-Cap Index was up 7.7% versus a gain of 3.7% for the Wilshire US Small-Cap Index. The large-cap segment of the market leads small-caps for the past twelve months, as well. Growth stocks have been generally outpacing value both the recent quarter and for the past twelve months. Nearly all of the eleven major sectors were in positive territory during the third quarter. The best performing sector was Healthcare (14.0%) with Information Technology (12.9%) and Industrials (9.2%) making significant gains.

**Fixed Income:** The U.S. Treasury yield curve rose across all maturities during the quarter with the biggest increases occurring in the short to intermediate segment of the curve. The bellwether 10-year Treasury yield ended the quarter at 3.1%, up .2% from June. The Federal Open Market Committee decided to increase its overnight rate by .25% in September to a range of 2.00% to 2.25%. The committee expects to raise rates one more time this year and Fed chair Jerome Powell said it was a "particularly bright moment" for the U.S. economy. Credit spreads tightened during the quarter within both the investment grade and high yield markets. Consumer prices continue to move higher during 2018. The Consumer Price Index was up 0.2% for the three months ending August and 2.7% for the one-year period.

**Alternatives:** Hedge fund performance drove total industry capital to a net increase of \$8.4 billion, ending the quarter at a record \$3.24 trillion. The HFRI Fund Weighted Composite Index® (FWC) gained 0.55% in Q3 2018, with strongest performance coming from technology and event-driven strategies. *Hedge Week 10/19/18*



## II. Live Universe Comparisons and Reporting

### Wilshire Public Plan Sponsor Universe



Number of Plans	252
Median Size	\$316.9 Million
Total Assets	\$2.6 Trillion
Total Plans over \$1 Billion	93
Total Plans between \$100 - \$1,000 Million	88
Total Plans between \$20 Million - \$100 Million	42
Total Plans under \$20 Million	29

### About Wilshire Associates

The Wilshire Cooperative is collaboration between Wilshire Associates and more than 60 independent investment consulting firms. Wilshire provides advanced performance measurement and attribution reporting systems to participating firms while Cooperative members provide asset and performance data for their sponsor clients. These are then pooled into peer groups for comparative purposes. Today, the Wilshire Cooperative is the standard utilized by over 1600 plan sponsors with assets over \$3.9 trillion dollars.

### Our Universe Comparisons

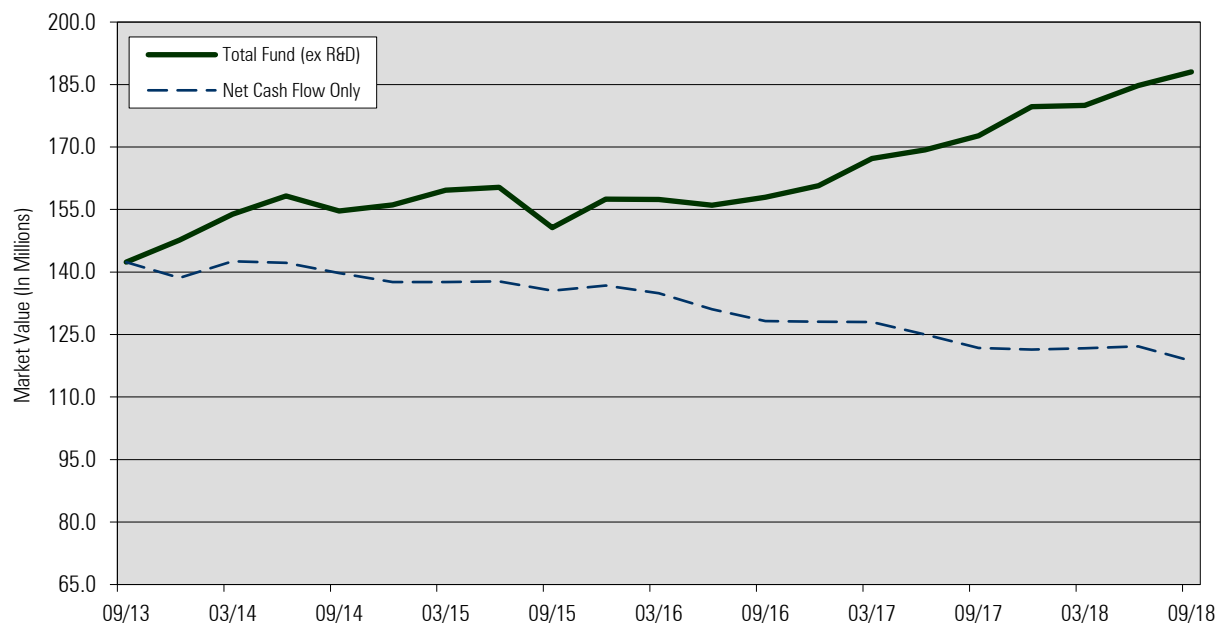
As a Wilshire affiliate, we are granted access to large and diverse peer comparisons, including total fund, portfolio-level, and style-based universes. The Wilshire Public Fund Universe (above) includes the actual, live results of over 250 public pension systems across the country. These are real public funds who face similar investment restrictions and guidelines to your own. These peer-to-peer performance comparisons are critical to the evaluation process.

### Our Reporting

Unique to Southeastern Advisory Services is our customized reporting platform. We have the ability to accurately calculate performance against virtually any benchmark, comparison or metric. These industry-leading tools include sophisticated attribution analyses and holdings-based style and characteristic analysis. Our goal is to deliver a clear, easily-understood picture of performance that fairly assesses the effectiveness of your investment policy, strategy and managers. Each performance report is fully-customized based on your input. We welcome your requests and suggestions.



### III. PORTFOLIO GROWTH- PERIOD ENDED SEPTEMBER 30, 2018

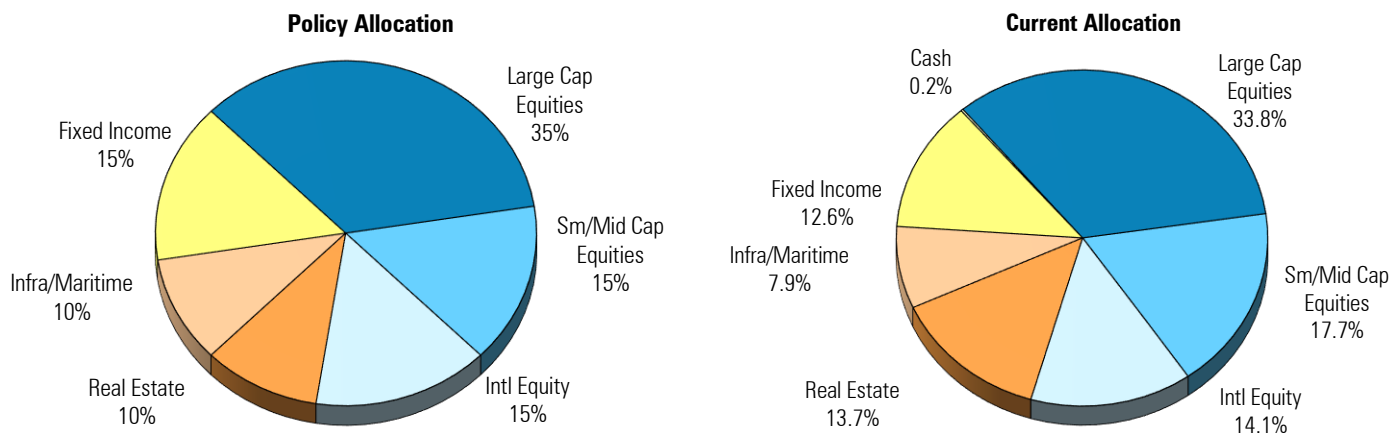


Period Ending	Beginning Value \$(000)	Net Cash Flow	Net Gain/Loss	Ending Value \$(000)	Quarterly Return	Fiscal Yr Return
Dec-13	142,381	-3,794	9,073	147,661	6.7%	
Mar-14	147,661	3,995	2,191	153,847	1.4%	
Jun-14	153,847	-357	4,775	158,265	3.2%	
Sep-14	158,265	-2,469	-1,137	154,659	-0.8%	10.7%
Dec-14	154,659	-2,154	3,618	156,123	2.4%	
Mar-15	156,123	8	3,540	159,671	2.3%	
Jun-15	159,671	156	522	160,349	0.4%	
Sep-15	160,349	-2,236	-7,433	150,680	-4.6%	0.3%
Dec-15	150,680	1,205	5,606	157,491	3.8%	
Mar-16	157,491	-1,789	1,696	157,399	1.3%	
Jun-16	157,399	-3,864	2,509	156,044	1.6%	
Sep-16	156,044	-2,840	4,726	157,931	3.0%	10.1%
Dec-16	157,931	-154	2,978	160,755	2.0%	
Mar-17	160,755	-101	6,594	167,247	4.1%	
Jun-17	167,247	-2,982	5,020	169,286	3.0%	
Sep-17	169,286	-3,216	6,664	172,734	4.0%	13.7%
Dec-17	172,734	-397	7,354	179,692	4.2%	
Mar-18	179,692	332	-14	180,010	0.1%	
Jun-18	180,010	461	4,276	184,747	2.4%	
Sep-18	184,747	-3,526	6,819	188,040	3.6%	10.7%
<b>Total-5 Yr</b>	<b>142,381</b>	<b>-23,721</b>	<b>69,379</b>	<b>188,040</b>	<b>54.0%</b>	
<b>Absolute Return Objective*:</b>					<b>8.0% → 7.5%</b>	

\* Effective 10/1/17 the Board implemented a policy to reduce the absolute return objective each year until 7.5% is reached.



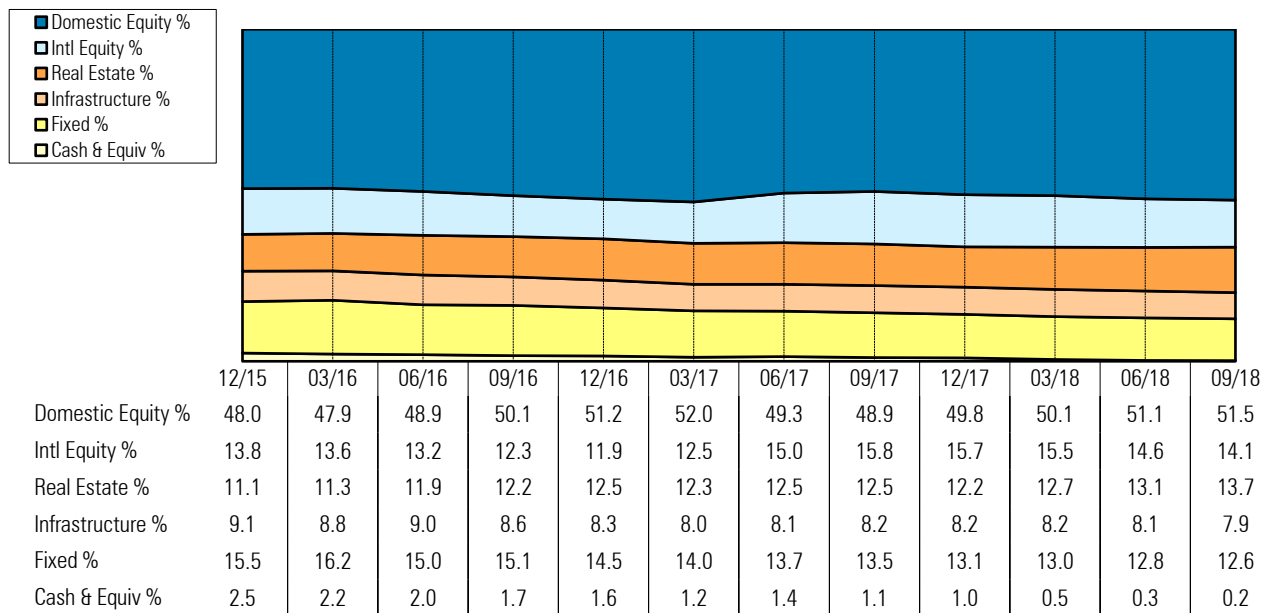
#### IV. ALLOCATION OF ASSETS



Asset Class	Target Range	Quarter End Allocation	Median Public Plan
Large Cap Equity Securities	25%-45%	33.8%	50.1%
Small/Mid Cap Equities	5%-25%	17.7%	n/a
Intl Equity Securities	5%-25%	14.1%	11.1%
Real Estate	5%-20%	13.7%	0.8%
Fixed Income Securities	10%-35%	12.6%	21.0%
Infrastructure	5%-20%	7.9%	0.0%
Cash Equivalents	0%-10%	0.2%	17.0%

\*Median Equity Public Plan in Large Cap Equity Securities Line also includes Small/Mid Cap Equities

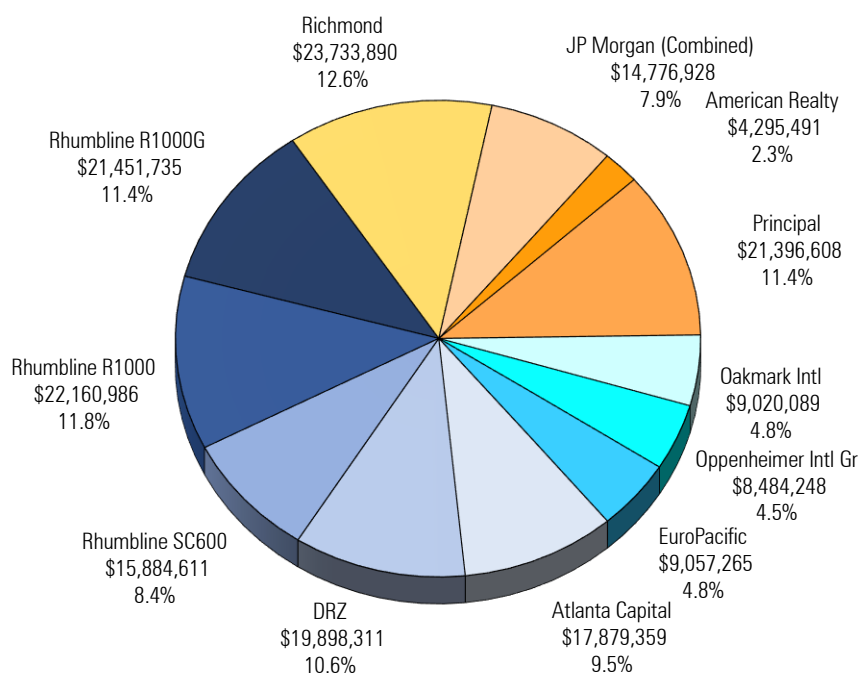
#### Historical Asset Allocation



Manager	Dom. Equity	Intl Equity	Real Estate	Infrastructure	Fixed Inc	Cash
DePrince, Race, and Zollo	99.9%	0.0%	0.0%	0.0%	0.0%	0.1%
Rhumblin R1000	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rhumblin R1000 Growth	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rhumblin S&P SC 600	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Atlanta Capital	97.2%	0.0%	0.0%	0.0%	0.0%	2.8%
EuroPacific Growth	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
Oakmark International	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
Openheimer Intl Growth	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
Principal U.S. Property	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
American Realty	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
JP Morgan Infrastructure	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
JP Morgan Maritime	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
Richmond Capital	0.0%	0.0%	0.0%	0.0%	99.8%	0.2%
<b>Total Fund</b>	<b>51.5%</b>	<b>14.1%</b>	<b>13.7%</b>	<b>7.9%</b>	<b>12.6%</b>	<b>0.2%</b>



## V. MANAGER ALLOCATION AND CASH FLOWS- Quarter ending September 30, 2018



Manager	Beginning Value	% Alloc	Cash In	Cash Out	Gain/Loss	Ending Value	% Alloc
DePrince, Race, and Zollo	\$20,064,069	10.9%	\$0	(\$1,000,000)	\$834,242	\$19,898,311	10.6%
Rhumblin R1000	\$22,562,823	12.2%	\$0	(\$2,001,098)	\$1,599,261	\$22,160,986	11.8%
Rhumblin R1000 Growth	\$19,651,783	10.6%	\$0	(\$880)	\$1,800,832	\$21,451,735	11.4%
<b>Total Large Cap Equity</b>	<b>\$62,278,675</b>	<b>33.7%</b>	<b>\$0</b>	<b>(\$3,001,978)</b>	<b>\$4,234,335</b>	<b>\$63,511,032</b>	<b>33.8%</b>
Rhumblin S&P SC600	\$15,653,725	8.5%	\$0	(\$501,549)	\$732,435	\$15,884,611	8.4%
Atlanta Capital	\$16,985,326	9.2%	\$0	(\$500,000)	\$1,394,033	\$17,879,359	9.5%
<b>Total SMID Cap Equity</b>	<b>\$32,639,051</b>	<b>17.7%</b>	<b>\$0</b>	<b>(\$1,001,549)</b>	<b>\$2,126,468</b>	<b>\$33,763,970</b>	<b>18.0%</b>
EuroPacific Growth Fund	\$9,134,080	4.9%	\$0	\$0	(\$76,815)	\$9,057,265	4.8%
Oakmark International	\$9,102,905	4.9%	\$0	\$0	(\$82,816)	\$9,020,089	4.8%
Oppenheimer Intl Growth	\$8,714,720	4.7%	\$0	\$0	(\$230,472)	\$8,484,248	4.5%
<b>Total Intl Equity</b>	<b>\$26,951,705</b>	<b>14.6%</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$390,103)</b>	<b>\$26,561,602</b>	<b>14.1%</b>
Principal U.S. Property	\$20,878,115	11.3%	\$0	\$0	\$518,493	\$21,396,608	11.4%
American Realty	\$3,284,974	1.8%	\$939,270	(\$14,551)	\$85,798	\$4,295,491	2.3%
<b>Total Real Estate</b>	<b>\$24,163,089</b>	<b>13.1%</b>	<b>\$939,270</b>	<b>(\$14,551)</b>	<b>\$604,291</b>	<b>\$25,692,099</b>	<b>13.7%</b>
JP Morgan Infrastructure	\$11,732,920	6.4%	\$0	(\$400,526)	\$47,716	\$11,380,110	6.1%
JP Morgan Maritime	\$3,304,606	1.8%	\$0	(\$46,231)	\$138,444	\$3,396,819	1.8%
<b>Total IIF/Maritime</b>	<b>\$15,037,526</b>	<b>8.1%</b>	<b>\$0</b>	<b>(\$446,757)</b>	<b>\$186,160</b>	<b>\$14,776,929</b>	<b>7.9%</b>
Richmond Capital Fixed	\$23,676,525	12.8%	\$0	\$0	\$57,365	\$23,733,890	12.6%
<b>Total Fixed Income</b>	<b>\$23,676,525</b>	<b>12.8%</b>	<b>\$0</b>	<b>\$0</b>	<b>\$57,365</b>	<b>\$23,733,890</b>	<b>12.6%</b>
<b>Total Fund</b>	<b>\$184,746,571</b>	<b>100%</b>	<b>\$939,270</b>	<b>(\$4,464,835)</b>	<b>\$6,818,516</b>	<b>\$188,039,522</b>	<b>100%</b>
<i>Receipts &amp; Disbursements</i>	<i>\$2,791,857</i>		<i>\$5,112,605</i>	<i>(\$4,381,852)</i>	<i>\$15,923</i>	<i>\$3,538,533</i>	
<b>Total Fund + R&amp;D Acct.</b>	<b>\$187,538,428</b>		<b>\$6,051,875</b>	<b>(\$8,846,687)</b>	<b>\$6,834,439</b>	<b>\$191,578,055</b>	

For this report, all performance and asset allocation information for the Total Fund does not include the Receipts & Disbursements Account.



## VI. TOTAL FUND PERFORMANCE COMPARISONS

Manager/Index/Universe	Quarter	1 Year	3 Year	5 Year
<b>Total Fund - Gross of Fees</b>	<b>3.6%</b>	<b>10.7%</b>	<b>11.5%</b>	<b>9.0%</b>
<b>Total Fund - Net of Fees</b>	<b>3.6%</b>	<b>10.3%</b>	<b>11.1%</b>	<b>8.6%</b>
Target Index	3.8%	10.0%	10.9%	8.8%
Wilshire Public Fund Ranking	26	12	10	18
<b>Total Domestic Equities</b>	<b>7.0%</b>	<b>18.6%</b>	<b>17.7%</b>	<b>13.2%</b>
80% Russell 1000/ 20% Russell 2000	6.7%	17.3%	17.1%	13.2%
vs. Equity Returns of Public Funds	19	14	11	30
<b>Total International Equities</b>	<b>-1.4%</b>	<b>-2.4%</b>	<b>9.3%</b>	<b>4.7%</b>
MSCI EAFE Index (Net)	1.4%	2.7%	9.2%	4.4%
vs. Intl Equity Returns of Public Funds	84	90	69	70
<b>Total Real Estate</b>	<b>2.5%</b>	<b>9.0%</b>	<b>9.2%</b>	<b>10.8%</b>
NCREIF ODCE Fund Index	2.1%	8.7%	8.8%	10.7%
NCREIF Property Index	1.7%	7.2%	7.8%	9.6%
vs. Real Estate Returns of Total Funds	32	21	33	35
<b>Total Infrastructure/Maritime</b>	<b>0.0%</b>	<b>11.2%</b>	<b>3.3%</b>	<b>3.6%</b>
CPI + 3.0%	0.9%	5.3%	5.0%	4.5%
<b>Total Fixed Income</b>	<b>0.2%</b>	<b>-0.6%</b>	<b>1.3%</b>	<b>1.9%</b>
BBgBarc Intermediate Aggregate	0.1%	-0.9%	0.9%	1.7%
vs. Fixed Inc Returns of Public Funds	70	71	85	82

Current Target Index: 35% Russell 1000 /15% Russell 2500/15% BBgBarc US Intermediate Aggregate/15% MSCI EAFE (Net)/10% NCREIF/10% CPI+3%.

1/1/2014-3/31/2017: 35% Russell 1000 /15% Russell 2500/20% BBgBarc US Intermediate Aggregate/10% MSCI EAFE (Net)/10% NCREIF/10% CPI+3%.

7/1/13 – 12/31/13: 30% Russell 1000 /10% Russell 2500/25% BBgBarc US Aggregate/15% MSCI EAFE (Net)/10% NCREIF/10% CPI+3%.

1/1/12 – 6/30/13: 30% Russell 1000 /10% Russell 2000/20% BBgBarc US Aggregate/15% MSCI EAFE (Net)/10% NCREIF/15% CPI+4%.

10/1/07 – 12/31/11: 40% Russell 1000 /10% Russell 2000/30% BBgBarc US Aggregate/10% MSCI EAFE (Net)/10% NCREIF.

Prior to October 2007:40% Russell 1000/10% Russell 2000/30% ML Govt/Corp Master/10% MSCI EAFE (Net)/10% NCREIF.



## VII. EQUITY MANAGER COMPARISON

Manager/Index/Universe	Quarter	1 Year	3 Year	5 Year
<b>DePrince, Race, and Zollo</b>	<b>4.2%</b>	<b>9.8%</b>	<b>17.3%</b>	<b>11.0%</b>
Russell 1000 Value	5.7%	9.5%	13.6%	10.7%
vs. Large Value Equity Portfolios	79	65	7	48
<b>Rhumblin Russell 1000</b>	<b>7.6%</b>	<b>17.9%</b>	<b>17.1%</b>	<b>13.6%</b>
Russell 1000	7.4%	17.8%	17.1%	13.7%
vs. Large Neutral Equity Portfolios	38	39	35	36
<b>Rhumblin Russell 1000 Growth*</b>	<b>9.2%</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
Russell 1000 Growth	9.2%	n/a	n/a	n/a
vs. Large Growth Equity Portfolios	11	n/a	n/a	n/a
<b>Rhumblin S&amp;P Small Cap 600</b>	<b>4.8%</b>	<b>19.2%</b>	<b>n/a</b>	<b>n/a</b>
S&P Small Cap 600	4.7%	19.1%	n/a	n/a
vs. Small Cap Equity Portfolios	19	1	n/a	n/a
<b>Atlanta Capital</b>	<b>8.4%</b>	<b>25.3%</b>	<b>20.6%</b>	<b>16.0%</b>
Russell 2500	4.7%	16.2%	16.1%	11.4%
vs. SMID Equity Portfolios	21	32	16	9

\*Rhumblin Russell 1000 Growth inception: December 15, 2017.



**Equity Portfolio Summary: Total Fund\***

	<b>Portfolio</b>	<b>80% R1000/20% R2000</b>
Total Number Of Securities	126	3,021
Equity Market Value	96,751,196	
Average Capitalization \$(000)	51,365,753	174,341,517
Median Capitalization \$(000)	13,005,376	
Equity Segment Yield	2.1	1.7
Equity Segment P/E - Average	22.4	29.5
Equity Segment P/E - Median	20.9	
Equity Segment Beta	1.0	1.0
Price/Book Ratio	2.6	2.9
Debt/Equity Ratio	65.9	63.7
Five Year Earnings Growth	4.7	6.3

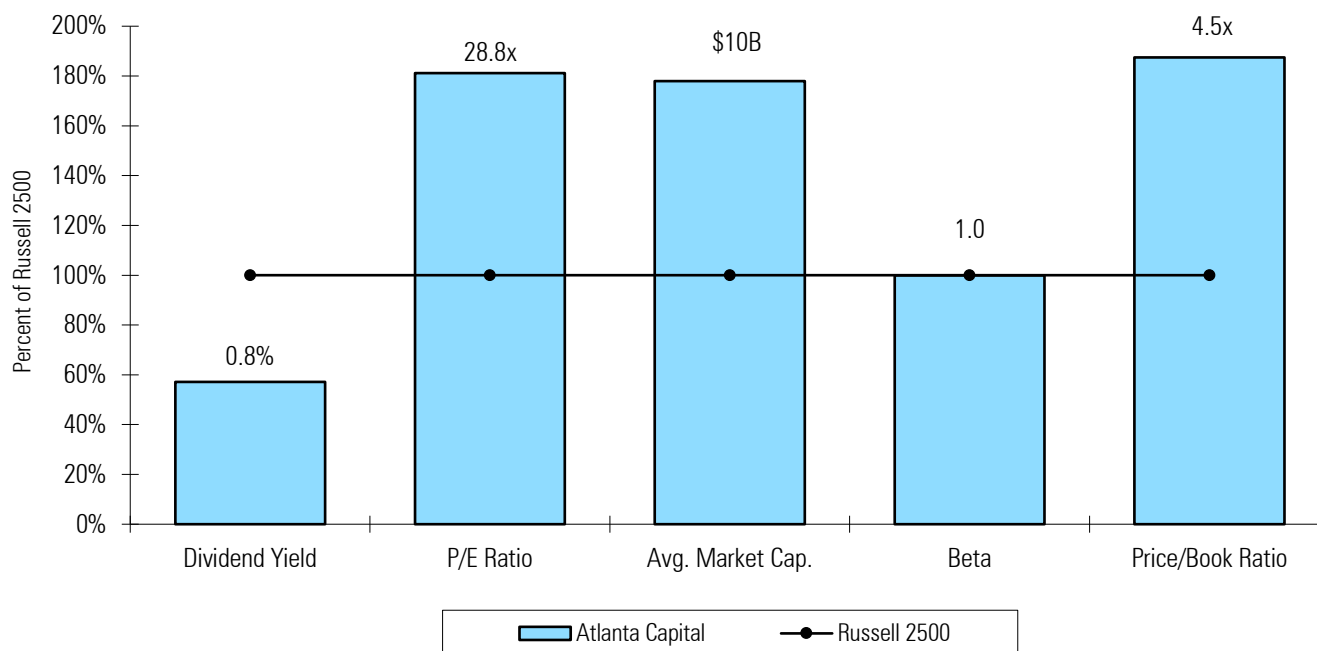
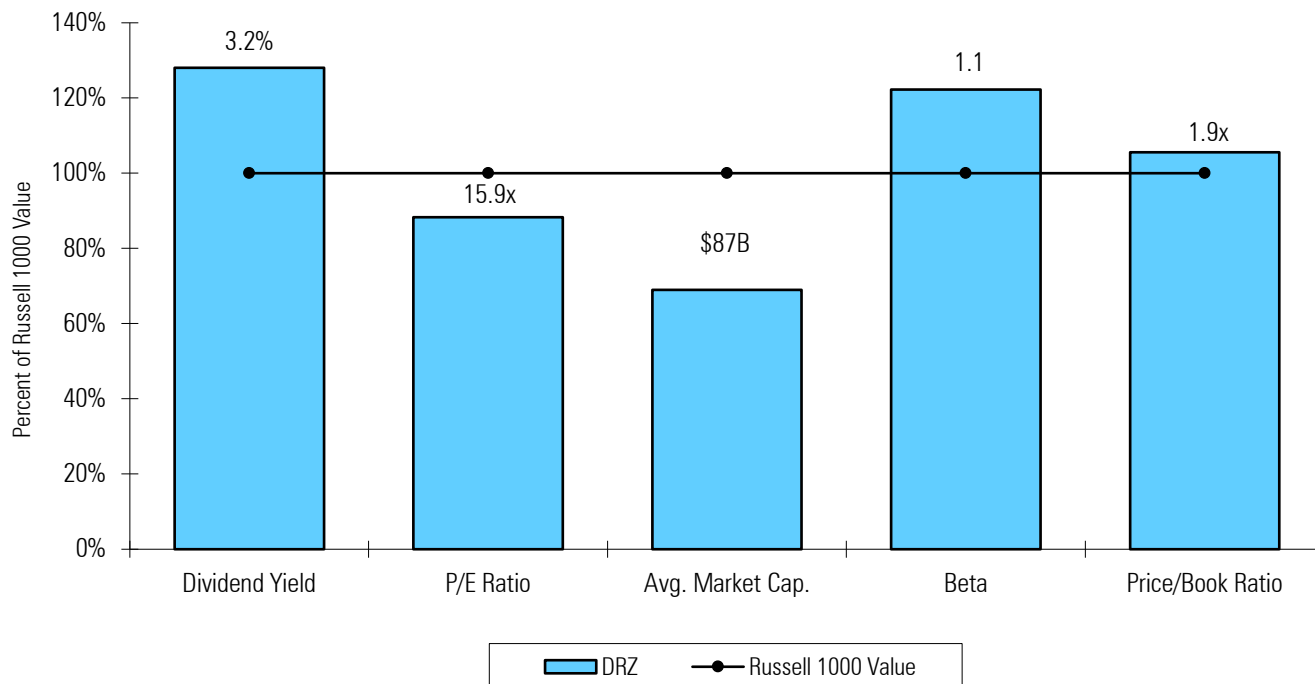
<b>Ten Largest Holdings</b>	<b>Market Value</b>	<b>% of Portfolio</b>	<b>Quarterly Return</b>
Teleflex Inc	755,696	2.1%	-0.6%
Berkley W R Corp	754,060	2.1%	11.3%
Transunion	671,197	1.8%	2.8%
Aramark Hldgs Corp	648,656	1.8%	16.3%
Exxon Mobil Corp	633,399	1.7%	3.8%
Ansys Inc	581,695	1.6%	7.2%
Cdw Corp	520,093	1.4%	10.3%
Blackbaud Inc	487,611	1.3%	-0.8%
Wex Inc	485,638	1.3%	5.4%
Aptargroup Inc	485,153	1.3%	15.8%

<b>Ten Best Performers</b>	<b>Quarterly Return</b>	<b>Ten Worst Performers</b>	<b>Quarterly Return</b>
Bio Techne Corp	38.2%	Newell Rubbermaid In	-20.5%
Acuity Brands Inc	35.8%	General Elec Co	-16.3%
Trimble Navigation L	32.3%	Ford Mtr Co Del	-15.3%
Donaldson Inc	29.7%	General Motors Corp.	-13.6%
Qualcomm Inc	29.5%	Dentsply Sirona Inc	-13.6%
Hubbell Inc	27.1%	Jones Lang Lasalle I	-13.1%
Service Corp Intl	24.0%	Molson Coors Brewing	-9.1%
Cvs Corp	23.3%	Copart Inc	-8.9%
Henry Jack & Assoc I	23.1%	Schlumberger Ltd	-8.4%
Pfizer Inc	22.5%	Affiliated Managers	-7.9%

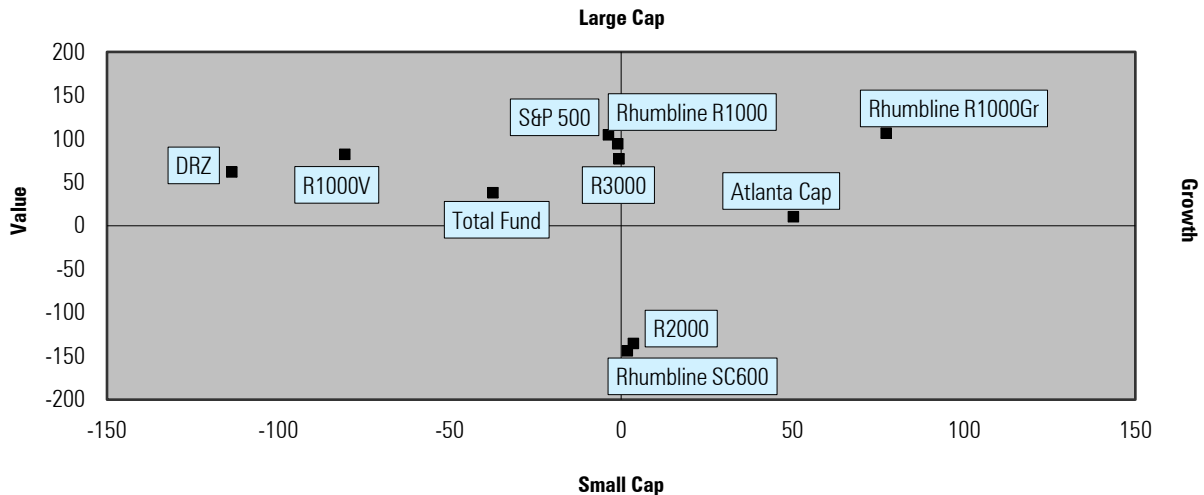
\*Does not include Rhumblin R1000/Rhumblin S&P SC600/Rhumblin R1000 Growth as they are commingled accounts.



## Equity Portfolio Characteristics



## Equity Style Map (Current Quarter)



Small Cap					
	Growth-Value	Size		Growth-Value	Size
Atlanta Capital	50.2	10.4	Total Fund	-37.4	38.0
DePrince Race Zollo	-113.6	61.9	Russell 2000	3.5	-135.4
Rhumblin S&P SC600	1.8	-143.9	Russell 3000	-0.7	77.1
Rhumblin R1000	-1.0	94.5	S&P 500	-3.7	104.7
Rhumblin R1000Gr	77.3	106.5	Russell 1000 Value	-80.6	82.3

## VIII. INTERNATIONAL EQUITY PERFORMANCE COMPARISONS

Manager/Index/Universe	Quarter	1 Year	3 Year	5 Year
<b>EuroPacific Growth</b>	<b>-0.8%</b>	<b>1.5%</b>	<b>9.9%</b>	<b>6.2%</b>
MSCI EAFE (Net)	1.4%	2.7%	9.2%	4.4%
vs. International Equity Mutual Funds	53	32	43	17
<b>Oakmark International</b>	<b>-0.9%</b>	<b>-6.3%</b>	<b>10.4%</b>	<b>4.0%</b>
MSCI EAFE (Net)	1.4%	2.7%	9.2%	4.4%
vs. International Equity Mutual Funds	54	87	37	47
<b>Oppenheimer International Growth</b>	<b>-2.6%</b>	<b>-2.0%</b>	<b>7.4%</b>	<b>3.7%</b>
MSCI EAFE (Net)	1.4%	2.7%	9.2%	4.4%
vs. International Equity Mutual Funds	74	64	74	54



# American Funds Europacific Growth R6 (USD)

**Morningstar Analyst Rating™** **Gold**  
09-21-2018

**Overall Morningstar Rating™** **★★★★**  
347 US Fund Foreign Large Growth

**Standard Index**  
MSCI ACWI Ex USA NR USD

**Category Index**  
MSCI ACWI Ex USA Growth NR USD

**Morningstar Cat**  
US Fund Foreign Large Growth

## Performance 09-30-2018

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2016	-2.32	-0.32	8.23	-4.15	1.01
2017	9.37	7.69	6.86	4.23	31.17
2018	1.03	-2.82	-0.84	—	-2.65

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	1.47	9.93	6.20	—	9.49
Std 09-30-2018	1.47	—	6.20	—	9.49
Total Return	1.47	9.93	6.20	6.83	9.49
+/- Std Index	-0.29	-0.04	2.08	1.65	—
+/- Cat Index	-1.61	-0.67	0.88	1.01	—
% Rank Cat	79	50	28	33	—
No. in Cat	426	347	313	222	—

	Subsidized	Unsubsidized
7-day Yield	—	—
30-day SEC Yield 09-30-18	1.45	1.45

## Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-421-4225 or visit [www.americanfunds.com](http://www.americanfunds.com).

## Fees and Expenses

### Sales Charges

Front-End Load %	NA
Deferred Load %	NA

### Fund Expenses

Management Fees %	0.41
12b1 Expense %	NA
Gross Expense Ratio %	0.49

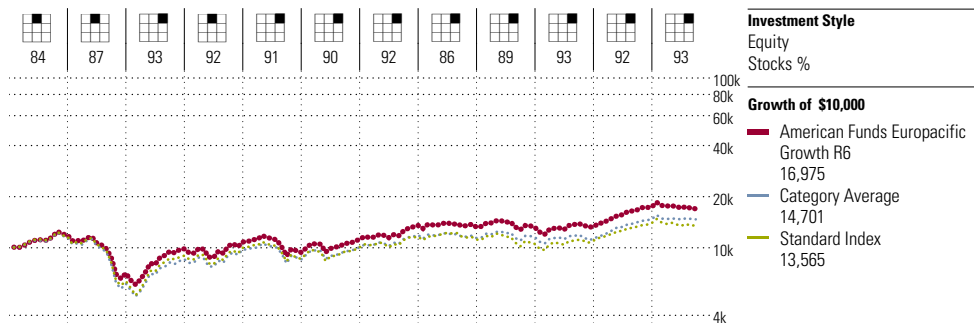
## Risk and Return Profile

	3 Yr	5 Yr	10 Yr
Morningstar Rating™	3★	4★	4★
Morningstar Risk	Avg	-Avg	-Avg
Morningstar Return	Avg	+Avg	Avg

	3 Yr	5 Yr	10 Yr
Standard Deviation	10.48	10.36	16.67
Mean	9.93	6.20	6.83
Sharpe Ratio	0.87	0.58	0.46

MPT Statistics	Standard Index	Best Fit Index
	MSCI ACWI Ex USA	Growth NR USD
Alpha	0.75	-0.07
Beta	0.91	0.94
R-Squared	89.32	91.03

12-Month Yield	0.99%
Potential Cap Gains Exp	26.59%



Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	09-18	History
NAV/Price	—	—	38.34	41.37	35.13	41.18	49.03	47.09	45.32	45.04	56.14	53.06	NAV/Price
Total Return %	18.96	-40.53	39.35	9.76	-13.31	19.64	20.58	-2.29	-0.48	1.01	31.17	-2.65	Total Return %
+/- Standard Index	2.30	5.00	-2.10	-1.39	0.40	2.81	5.29	1.57	5.18	-3.48	3.98	0.44	+/- Standard Index
+/- Category Index	-2.07	5.09	0.68	-4.69	0.90	2.97	5.09	0.36	0.77	0.89	-0.84	-0.11	+/- Category Index
% Rank Cat	—	—	—	—	—	—	—	27	66	20	44	—	% Rank Cat
No. of Funds in Cat	—	—	—	—	—	—	—	341	361	363	399	429	No. of Funds in Cat

## Portfolio Analysis 09-30-2018

Asset Allocation %	Net %	Long %	Short %	Share Chg since 06-2018	Share Amount	Holdings : 270 Total Stocks, 11 Total Fixed-Income, 29% Turnover Ratio	Net Assets %
Cash	5.47	5.47	0.00				
US Stocks	1.97	1.97	0.00				
Non-US Stocks	90.73	90.73	0.00		458 mil	AIA Group Ltd	2.70
Bonds	1.17	1.17	0.00	⊖	30 mil	Airbus SE	2.49
Other/Not Clsfd	0.66	0.66	0.00	⊕	10 mil	Nintendo Co Ltd	2.35
Total	100.00	100.00	0.00	⊕	85 mil	Samsung Electronics Co Ltd	2.34
				⊖	203 mil	Reliance Industries Ltd	2.32

Equity Style	Portfolio Statistics	Port Avg	Rel Index	Rel Cat	Share Chg since 06-2018	Share Amount	Holdings : 270 Total Stocks, 11 Total Fixed-Income, 29% Turnover Ratio	Net Assets %
Value Blend Growth	P/E Ratio TTM	14.7	1.05	0.75	⊕	107 mil	HDFC Bank Ltd	1.95
	P/C Ratio TTM	9.4	1.00	0.70	⊖	17 mil	Alibaba Group Holding Ltd ADR	1.81
	P/B Ratio TTM	2.1	1.27	0.74	⊖	41 mil	Sony Corp	1.66
	Geo Avg Mkt Cap \$mil	44867	1.31	1.31	⊕	13 mil	ASML Holding NV	1.59
					⊖	278 mil	Taiwan Semiconductor Manufacturing	1.58
					⊕	56 mil	Tencent Holdings Ltd	1.52
					⊖	44 mil	British American Tobacco PLC	1.35
					⊕	81 mil	Prudential PLC	1.22
					⊕	18 mil	SoftBank Group Corp	1.22
					⊕	5 mil	LVMH Moet Hennessy Louis Vuitton SE	1.08

Sector Weightings	Stocks %	Rel Std Index
<b>Cyclical</b>	<b>41.0</b>	<b>0.92</b>
Basic Materials	8.7	1.04
Consumer Cyclical	13.0	1.19
Financial Services	18.3	0.83
Real Estate	1.0	0.32
<b>Sensitive</b>	<b>40.7</b>	<b>1.17</b>
Communication Services	2.9	0.71
Energy	6.7	0.87
Industrials	11.1	1.01
Technology	20.1	1.68
<b>Defensive</b>	<b>18.3</b>	<b>0.87</b>
Consumer Defensive	7.5	0.77
Healthcare	8.1	0.97
Utilities	2.7	0.92

## Operations

Family:	American Funds
Manager:	Multiple
Tenure:	26.9 Years
Objective:	Foreign Stock
Base Currency:	USD

Ticker:	REGRX
ISIN:	US2987068218
Minimum Initial Purchase:	\$250
Min Auto Investment Plan:	\$50
Purchase Constraints:	A

Incept:	05-01-2009
Type:	MF
Total Assets:	\$151,045.77 mil

# Oakmark International Investor (USD)

## Performance 09-30-2018

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2016	-2.95	-7.77	13.28	6.42	7.91
2017	9.43	6.16	9.10	2.38	29.75
2018	-2.77	-5.04	-0.91	—	-8.51

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	-6.33	10.45	4.03	9.10	9.71
Std 09-30-2018	-6.33	—	4.03	9.10	9.71
Total Return	-6.33	10.45	4.03	9.10	9.71

+/- Std Index	-8.09	0.49	-0.09	3.92	—
+/- Cat Index	-8.09	0.49	-0.09	3.92	—

% Rank Cat	100	11	52	3	—
No. in Cat	783	655	535	379	—

7-day Yield	Subsidized	Unsubsidized
30-day SEC Yield	—	—

## Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-625-6275 or visit [www.oakmark.com](http://www.oakmark.com).

## Fees and Expenses

### Sales Charges

Front-End Load %	NA
Deferred Load %	NA

### Fund Expenses

Management Fees %	0.80
12b1 Expense %	NA

Gross Expense Ratio %	1.00
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## Risk and Return Profile

	3 Yr	5 Yr	10 Yr
Morningstar Rating™	3★	2★	5★
Morningstar Risk	High	High	High
Morningstar Return	+Avg	Avg	High

	3 Yr	5 Yr	10 Yr
Standard Deviation	15.14	13.93	19.58
Mean	10.45	4.03	9.10
Sharpe Ratio	0.67	0.31	0.53

MPT Statistics	Standard Index	Best Fit Index
		MSCI EAFE Value
		NR USD
Alpha	-1.59	0.88
Beta	1.28	1.22
R-Squared	84.61	92.86

12-Month Yield	—
Potential Cap Gains Exp	10.77%

## Operations

Family:	Oakmark
Manager:	Multiple
Tenure:	26.2 Years
Objective:	Foreign Stock
Base Currency:	USD

Morningstar Analyst Rating™		Overall Morningstar Rating™		Standard Index		Category Index		Morningstar Cat			
★★★★ Gold		★★★★		MSCI ACWI Ex USA NR USD		MSCI ACWI Ex USA NR USD		US Fund Foreign Large Blend			
09-17-2018		655 US Fund Foreign Large Blend									
<div><div><div><div><div></div><div>98</div></div><div><div></div><div>98</div></div><div><div></div><div>96</div></div><div><div></div><div>95</div></div><div><div></div><div>96</div></div><div><div></div><div>95</div></div><div><div></div><div>95</div></div><div><div></div><div>97</div></div><div><div></div><div>97</div></div><div><div></div><div>96</div></div><div><div></div><div>92</div></div><div><div></div><div>96</div></div></div><div><div>Investment Style</div><div>Equity Stocks %</div></div></div><div><div><div></div><div>100k</div></div><div><div></div><div>80k</div></div><div><div></div><div>60k</div></div><div><div></div><div>40k</div></div><div><div></div><div>20k</div></div><div><div></div><div>10k</div></div><div><div></div><div>4k</div></div></div><div><div>Growth of \$10,000</div><div><div>Oakmark International Investor</div><div>17,829</div></div><div><div>Category Average</div><div>12,747</div></div><div><div>Standard Index</div><div>13,565</div></div></div></div> <div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div>Performance Quartile (within category)</div></div></div> <div><div><div>2007</div><div>2008</div><div>2009</div><div>2010</div><div>2011</div><div>2012</div><div>2013</div><div>2014</div><div>2015</div><div>2016</div><div>2017</div><div>09-18</div><div>History</div></div><div><div>20.95</div><div>10.85</div><div>16.84</div><div>19.41</div><div>16.55</div><div>20.93</div><div>26.32</div><div>23.34</div><div>21.36</div><div>22.70</div><div>28.57</div><div>26.14</div><div>NAV/Price</div></div><div><div>-0.51</div><div>-41.06</div><div>56.30</div><div>16.22</div><div>-14.07</div><div>29.22</div><div>29.34</div><div>-5.41</div><div>-3.83</div><div>7.91</div><div>29.75</div><div>-8.51</div><div>Total Return %</div></div><div><div>-17.16</div><div>4.46</div><div>14.86</div><div>5.07</div><div>-0.36</div><div>12.39</div><div>14.06</div><div>-1.54</div><div>1.84</div><div>3.42</div><div>2.56</div><div>-5.42</div><div>+/- Standard Index</div></div><div><div>-17.16</div><div>4.46</div><div>14.86</div><div>5.07</div><div>-0.36</div><div>12.39</div><div>14.06</div><div>-1.54</div><div>1.84</div><div>3.42</div><div>2.56</div><div>-5.42</div><div>+/- Category Index</div></div><div><div>—</div><div>—</div><div>—</div><div>—</div><div>—</div><div>2</div><div>3</div><div>52</div><div>77</div><div>3</div><div>9</div><div>—</div><div>% Rank Cat</div></div><div><div>—</div><div>—</div><div>—</div><div>—</div><div>—</div><div>786</div><div>791</div><div>750</div><div>788</div><div>762</div><div>756</div><div>800</div><div>No. of Funds in Cat</div></div></div> <div><div>Portfolio Analysis 09-30-2018</div></div> <div><div><div>Asset Allocation %</div><div>Net %</div><div>Long %</div><div>Short %</div><div>Share Chg since 06-2018</div><div>Share Amount</div><div>Holdings : 60 Total Stocks , 0 Total Fixed-Income, 41% Turnover Ratio</div><div>Net Assets %</div></div><div><div>Cash</div><div>4.09</div><div>4.09</div><div>0.00</div><div></div><div></div><div></div><div></div></div><div><div>US Stocks</div><div>8.02</div><div>8.02</div><div>0.00</div><div></div><div></div><div></div><div></div></div><div><div>Non-US Stocks</div><div>87.77</div><div>87.77</div><div>0.00</div><div>⊖</div><div>30 mil</div><div>Daimler AG</div><div>4.42</div></div><div><div>Bonds</div><div>0.00</div><div>0.00</div><div>0.00</div><div>⊖</div><div>30 mil</div><div>BNP Paribas</div><div>4.28</div></div><div><div>Other/Not Clsfd</div><div>0.12</div><div>0.12</div><div>0.00</div><div>⊖</div><div>100 mil</div><div>Hennes &amp; Mauritz AB B</div><div>4.27</div></div><div><div>Total</div><div>100.00</div><div>100.00</div><div>0.00</div><div>⊖</div><div>2,246 mil</div><div>Lloyds Banking Group PLC</div><div>4.02</div></div><div><div></div><div></div><div></div><div></div><div>⊕</div><div>622 mil</div><div>Intesa Sanpaolo</div><div>3.68</div></div><div><div></div><div></div><div></div><div></div><div>⊕</div><div>359 mil</div><div>Glencore PLC</div><div>3.60</div></div><div><div></div><div></div><div></div><div></div><div>⊖</div><div>16 mil</div><div>Bayerische Motoren Werke AG</div><div>3.34</div></div><div><div></div><div></div><div></div><div></div><div>⊖</div><div>6 mil</div><div>Allianz SE</div><div>3.29</div></div><div><div></div><div></div><div></div><div></div><div>⊖</div><div>93 mil</div><div>Credit Suisse Group AG</div><div>3.24</div></div><div><div></div><div></div><div></div><div></div><div>⊖</div><div>113 mil</div><div>CNH Industrial NV</div><div>3.13</div></div><div><div></div><div></div><div></div><div></div><div>⊕</div><div>6 mil</div><div>Naspers Ltd Class N</div><div>2.80</div></div><div><div></div><div></div><div></div><div></div><div>⊕</div><div>7 mil</div><div>Continental AG</div><div>2.67</div></div><div><div></div><div></div><div></div><div></div><div>⊕</div><div>12 mil</div><div>Bayer AG</div><div>2.49</div></div><div><div></div><div></div><div></div><div></div><div>⊖</div><div>21 mil</div><div>LafargeHolcim Ltd</div><div>2.44</div></div><div><div></div><div></div><div></div><div></div><div>⊖</div><div>15 mil</div><div>Toyota Motor Corp</div><div>2.19</div></div></div> <div><div><div>Equity Style</div><div>Value Blend Growth</div><div><div></div><div></div><div></div></div><div>Large Mid Small</div><div>Portfolio Statistics</div><div>Port Avg</div><div>Rel Index</div><div>Rel Cat</div><div>P/E Ratio TTM</div><div>12.1</div><div>0.86</div><div>0.94</div><div>P/C Ratio TTM</div><div>8.9</div><div>0.96</div><div>0.91</div><div>P/B Ratio TTM</div><div>1.5</div><div>0.89</div><div>0.84</div><div>Geo Avg Mkt Cap \$mil</div><div>35878</div><div>1.05</div><div>0.91</div></div></div> <div><div><div>Fixed-Income Style</div><div>Ltd Mod Ext</div><div><div></div><div></div><div></div></div><div>High Mid Low</div><div>Avg Eff Maturity</div><div>—</div><div>Avg Eff Duration</div><div>—</div><div>Avg Wtd Coupon</div><div>—</div><div>Avg Wtd Price</div><div>—</div></div></div> <div><div><div>Credit Quality Breakdown —</div><div>Bond %</div><div>AAA</div><div>—</div><div>AA</div><div>—</div><div>A</div><div>—</div><div>BBB</div><div>—</div><div>BB</div><div>—</div><div>B</div><div>—</div><div>Below B</div><div>—</div><div>NR</div><div>—</div></div></div> <div><div><div>Regional Exposure</div><div>Stocks %</div><div>Rel Std Index</div><div>Americas</div><div>8.9</div><div>0.84</div><div>Greater Europe</div><div>79.3</div><div>1.74</div><div>Greater Asia</div><div>11.8</div><div>0.27</div></div></div> <div><div><div>Sector Weightings</div><div>Stocks %</div><div>Rel Std Index</div><div>🔄 Cyclical</div><div>65.2</div><div>1.47</div><div>🏭 Basic Materials</div><div>8.0</div><div>0.96</div><div>🛒 Consumer Cyclical</div><div>27.8</div><div>2.55</div><div>🏦 Financial Services</div><div>29.3</div><div>1.34</div><div>🏠 Real Estate</div><div>0.0</div><div>0.00</div><div>📡 Sensitive</div><div>26.7</div><div>0.77</div><div>📞 Communication Services</div><div>3.0</div><div>0.73</div><div>⚡ Energy</div><div>1.4</div><div>0.18</div><div>⚙️ Industrials</div><div>15.8</div><div>1.44</div><div>💻 Technology</div><div>6.5</div><div>0.54</div><div>➔ Defensive</div><div>8.2</div><div>0.39</div><div>🛒 Consumer Defensive</div><div>4.2</div><div>0.44</div><div>🏥 Healthcare</div><div>3.9</div><div>0.47</div><div>💡 Utilities</div><div>0.0</div><div>0.00</div></div></div> <div><div><div>Ticker:</div><div>OAKIX</div><div>Purchase Constraints:</div><div>C</div><div>ISIN:</div><div>US4138382027</div><div>Incept:</div><div>09-30-1992</div><div>Minimum Initial Purchase:</div><div>\$1,000</div><div>Type:</div><div>MF</div><div>Min Auto Investment Plan:</div><div>\$500</div><div>Total Assets:</div><div>\$39,311.68 mil</div><div>Minimum IRA Purchase:</div><div>\$1,000</div></div></div>											

# Oppenheimer International Growth Y (USD)

**Morningstar Analyst Rating™**  
**Bronze**  
 06-27-2018

**Overall Morningstar Rating™**  
 ★★ ★  
 347 US Fund Foreign Large Growth

**Standard Index**  
 MSCI ACWI Ex  
 USA NR USD

**Category Index**  
 MSCI ACWI Ex  
 USA Growth NR  
 USD

**Morningstar Cat**  
 US Fund Foreign Large  
 Growth

## Performance 09-30-2018

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2016	1.06	-3.50	6.11	-5.35	-2.06
2017	7.70	7.47	5.75	3.67	26.90
2018	0.16	-3.07	-2.64	—	-5.48

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	-2.01	7.38	3.70	7.54	6.72
Std 09-30-2018	-2.01	—	3.70	7.54	6.72
Total Return	-2.01	7.38	3.70	7.54	6.72

+/- Std Index	-3.77	-2.59	-0.42	2.35	—
+/- Cat Index	-5.09	-3.21	-1.62	1.71	—

% Rank Cat	97	90	88	18	—
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No. in Cat	426	347	313	222	—
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7-day Yield	Subsidized	Unsubsidized
30-day SEC Yield	—	—

## Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-225-5677 or visit [www.oppenheimerfunds.com](http://www.oppenheimerfunds.com).

## Fees and Expenses

### Sales Charges

**Front-End Load %** NA

**Deferred Load %** NA

### Fund Expenses

Management Fees % 0.64

12b1 Expense % NA

**Gross Expense Ratio %** 0.85

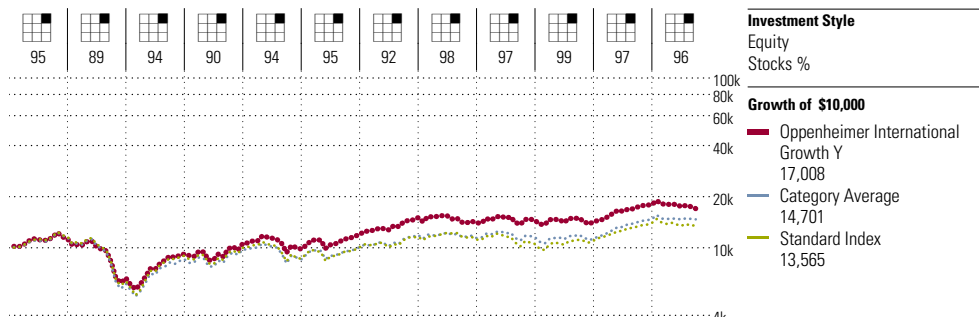
### Risk and Return Profile

	3 Yr	5 Yr	10 Yr
Morningstar Rating™	2★	2★	4★
Morningstar Risk	Avg	+Avg	-Avg
Morningstar Return	-Avg	-Avg	+Avg

	3 Yr	5 Yr	10 Yr
Standard Deviation	10.77	11.30	16.77
Mean	7.38	3.70	7.54
Sharpe Ratio	0.63	0.33	0.50

MPT Statistics	Standard Index	Best Fit Index
		MSCI EAFE Growth NR USD
Alpha	-1.39	-2.33
Beta	0.89	0.97
R-Squared	80.58	89.36

12-Month Yield	—
Potential Cap Gains Exp	24.50%



Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	09-18	History
NAV/Price	30.94	17.83	24.43	27.90	25.52	30.71	38.16	35.08	35.89	34.68	43.62	41.23	NAV/Price
Total Return %	12.93	-41.22	38.44	15.35	-7.31	22.10	25.46	-6.99	3.44	-2.06	26.90	-5.48	Total Return %
+/- Standard Index	-3.73	4.30	-3.01	4.20	6.39	5.27	10.17	-3.12	9.10	-6.55	-0.30	-2.39	+/- Standard Index
+/- Category Index	-8.10	4.39	-0.24	0.89	6.89	5.43	9.97	-4.34	4.69	-2.18	-5.12	-2.94	+/- Category Index
% Rank Cat	74	10	36	33	13	11	7	85	23	49	77	—	% Rank Cat
No. of Funds in Cat	220	251	266	261	251	250	278	341	361	363	399	429	No. of Funds in Cat

## Portfolio Analysis 09-30-2018

Asset Allocation %	Net %	Long %	Short %
Cash	3.67	3.67	0.00
US Stocks	5.54	5.54	0.00
Non-US Stocks	90.79	90.79	0.00
Bonds	0.00	0.00	0.00
Other/Not Clsfd	0.01	0.01	0.00
Total	100.00	100.00	0.00

Equity Style	Value	Blend	Growth
P/E Ratio TTM	21.7	1.55	1.10
P/C Ratio TTM	11.3	1.21	0.84
P/B Ratio TTM	2.8	1.67	0.97
Geo Avg Mkt Cap \$mil	21528	0.63	0.63

Fixed-Income Style	Ltd	Mod	Ext
Avg Eff Maturity	—	—	—
Avg Eff Duration	—	—	—
Avg Wtd Coupon	—	—	—
Avg Wtd Price	—	—	—

Credit Quality Breakdown	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR	—

Regional Exposure	Stocks %	Rel Std Index
Americas	8.8	0.83
Greater Europe	66.7	1.46
Greater Asia	24.5	0.56

## Top Holdings 08-31-2018

Share Chg since 08-2018	Share Amount	Holdings : 87 Total Stocks , 0 Total Fixed-Income, 22% Turnover Ratio	Net Assets %
	4 mil	Temenos AG	2.67
	25 mil	Infineon Technologies AG	2.53
	5 mil	SAP SE	2.34
	3 mil	CSL Ltd	1.88
	46 mil	ICICI Bank Ltd ADR	1.75
	1 mil	LVMH Moet Hennessy Louis Vuitton SE	1.70
	2 mil	ASML Holding NV	1.69
	10 mil	Nippon Telegraph & Telephone Corp	1.68
	19 mil	STMicroelectronics NV	1.57
	1 mil	Lonza Group Ltd	1.56
	12 mil	Bunzl PLC	1.53
	588,352	Hermes International SA	1.52
	5 mil	ams AG	1.51
	663,342	Keyence Corp	1.49
	3 mil	Atos SE	1.48

Sector Weightings	Stocks %	Rel Std Index
<b>Cyclical</b>	<b>28.4</b>	<b>0.64</b>
Basic Materials	2.9	0.34
Consumer Cyclical	20.5	1.88
Financial Services	5.1	0.23
Real Estate	0.0	0.00
<b>Sensitive</b>	<b>45.2</b>	<b>1.30</b>
Communication Services	2.8	0.68
Energy	1.2	0.16
Industrials	15.0	1.37
Technology	26.2	2.19
<b>Defensive</b>	<b>26.4</b>	<b>1.26</b>
Consumer Defensive	13.0	1.34
Healthcare	13.4	1.61
Utilities	0.0	0.00

## Operations

Family: OppenheimerFunds  
 Manager: Multiple  
 Tenure: 22.7 Years  
 Objective: Foreign Stock

Base Currency: USD  
 Ticker: OIGYX  
 ISIN: US68380L4077  
 Minimum Initial Purchase: \$0

Purchase Constraints: A  
 Incept: 09-07-2005  
 Type: MF  
 Total Assets: \$21,999.42 mil

## IX. REAL ASSETS PERFORMANCE COMPARISONS

Manager/Index/Universe	Quarter	1 Year	3 Year	5 Year
<b>Principal U.S. Property (Core)</b>	<b>2.5%</b>	<b>8.7%</b>	<b>8.9%</b>	<b>10.6%</b>
NCREIF ODCE Fund Index	2.1%	8.7%	8.8%	10.7%
NCREIF Property Index	1.7%	7.2%	7.8%	9.6%
vs. Real Estate Portfolios	17	26	27	35
<b>American Realty (Value Add)</b>	<b>2.1%</b>	<b>11.0%</b>	<b>12.9%</b>	<b>n/a</b>
NCREIF ODCE Fund Index	2.1%	8.7%	8.8%	n/a
NCREIF Property Index	1.7%	7.2%	7.8%	n/a
vs. Real Estate Portfolios	30	14	9	n/a

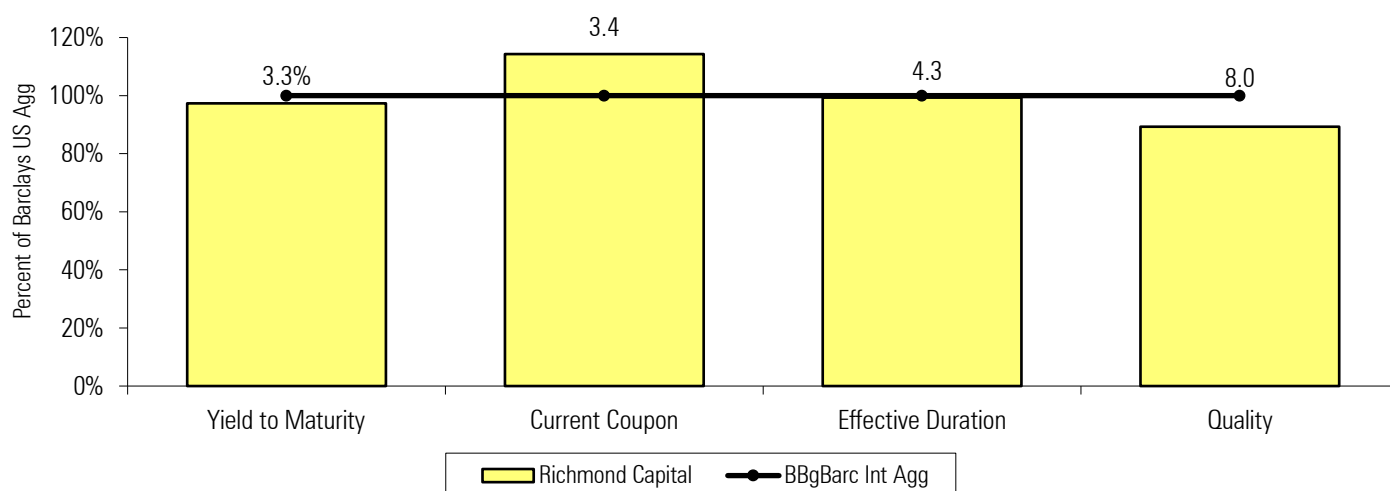
Manager/Index/Universe	Quarter	1 Year	3 Year	5 Year
<b>JP Morgan Infrastructure</b>	<b>-1.2%</b>	<b>10.4%</b>	<b>6.7%</b>	<b>6.4%</b>
CPI + 3.0%	0.9%	5.3%	5.0%	4.5%
<b>JP Morgan Maritime</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
CPI + 3.0%	0.9%	5.3%	5.0%	4.5%

JPM Maritime has \$5MM commitment. SEAS will begin reporting performance once the commitment is fully drawn and/or JPM begins to provide performance data on the fund.

## X. FIXED INCOME/ABSOLUTE RETURN PERFORMANCE COMPARISONS

Manager/Index/Universe	Quarter	1 Year	3 Year	5 Year
<b>Richmond Capital</b>	<b>0.2%</b>	<b>-0.6%</b>	<b>1.4%</b>	<b>2.1%</b>
BBG Barc Intermediate Aggregate	0.1%	-0.9%	0.9%	1.7%
vs. Intermediate Fixed Income Portfolios	54	64	31	37

### Fixed Income Portfolio Characteristics



## **XI. POLICY COMPLIANCE - For Discussion Only**

### **A. Investment Guidelines: Total Fund**

<b>Goal</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>
Exceed Target Index	✓	✓	✓
Rank Above 50 <sup>th</sup> Percentile in Public Fund Universe	✓	✓	✓
Standard Deviation Relative to Target Index	N/A	=	>

<b>Guideline</b>	<b>Total Fund</b>
Equity securities limited to less than 70% of Total Fund market value	65.6%
Investment in foreign company stock limited to 25% of value of Total Fund	14.1%
Investment in real estate limited to 15% of value of Total Fund	13.7%
Equity securities with Market Cap of less than \$5 billion limited to 25% of market value of Total Fund	✓
Fixed Income portfolio average credit quality of "A" or better	✓
Fixed Income portfolio duration should be < 135% of the market index duration	✓
< 5% of fixed income portfolio (at cost) shall be invested in single corp. issuer	✓



## B. Fund Performance Objective

Manager	Exceed Benchmark 3-Year	Exceed Benchmark 4-Year	Exceed Benchmark 5-Year	Risk vs. Benchmark 5-Year
DePrince, Race, and Zollo	✓	✓	✓	>
Rhumblin R1000	n/a	n/a	n/a	n/a
Rhumblin R1000 Growth	n/a	n/a	n/a	n/a
Rhumblin S&P SC600	n/a	n/a	n/a	n/a
Atlanta Capital	✓	✓	✓	<
EuroPacific Growth	✓	✓	✓	>
Oakmark International	✓	✓	✗	>
Oppenheimer International Growth	✗	✓	✗	>
Principal U.S. Property	✓	✓	✓	>
American Realty	✓	n/a	n/a	n/a
JP Morgan Infrastructure	✓	✓	✓	>
Richmond Capital	✓	✓	✓	<

Manager	Rank Above 50 <sup>th</sup> Percentile 3-Year	Rank Above 50 <sup>th</sup> Percentile 4-Year	Rank Above 50 <sup>th</sup> Percentile 5-Year
DePrince, Race, and Zollo	✓	✓	✓
Rhumblin R1000	n/a	n/a	n/a
Rhumblin R1000 Growth	n/a	n/a	n/a
Rhumblin S&P SC600	n/a	n/a	n/a
Atlanta Capital	✓	✓	✓
EuroPacific Growth	✓	✓	✓
Oakmark International	✓	✓	✓
Oppenheimer International Growth	✗	✓	✗
Principal U.S. Property	✓	✓	✓
American Realty	✓	n/a	n/a
JP Morgan Infrastructure	n/a	n/a	n/a
Richmond Capital	✓	✓	✓



## C. Manager Status

Manager	Status	Effective Date
DePrince, Race, and Zollo	Good Standing	
Rhumblin R1000	Good Standing	
Rhumblin R1000 Growth	Good Standing	
Rhumblin S&P SC600	Good Standing	
Atlanta Capital	Good Standing	
EuroPacific Growth	Good Standing	
Oakmark International	Good Standing	
Oppenheimer International Growth	Good Standing	
Principal U.S. Property	Good Standing	
American Realty	Good Standing	
JP Morgan Infrastructure	Good Standing	
JP Morgan Maritime	Good Standing	
Richmond Capital	Good Standing	

## XII. HISTORICAL EARNINGS ANALYSIS (Net of Fees)

Fiscal Year	Fiscal Year Earnings	Fiscal Year Return (Net)
2003	\$10,395,140	13.7%
2004	\$8,485,935	9.3%
2005	\$9,033,405	9.8%
2006	\$9,300,446	9.3%
2007	\$17,706,111	16.1%
2008	(\$19,925,235)	-16.0%
2009	(\$6,068,122)	-5.1%
2010	\$7,144,888	6.9%
2011	\$1,993,958	2.0%
2012	\$17,665,210	16.9%
2013	\$20,794,211	16.5%
2014	\$14,902,092	10.4%
2015	\$247,512	-0.1%
2016	\$14,538,548	9.7%
2017	\$21,232,926	13.3%
2018	\$18,434,705	10.3%
Since Inception	\$145,881,733	7.5%*

\*Annualized, net of management fees for all time periods following 2006. For years 2003 - 2006 the former consultant did not track manager fees; numbers in table above will not match returns on page 3 that are reported "Gross" of management fees.



### **XIII. NOTES**

- 1) The prior investment consultant, Merrill Lynch Consulting Services, provided all performance and market value data for periods prior to December 31, 2006.
- 2) Performance data for The Plan is based on market value and transaction information provided in the Salem Trust accounting statements. The statements currently provided by Salem Trust are trade date statements.
- 3) Salem Trust reports the JP Morgan Infrastructure fund values via a "shadow entry" which causes this valuation to generally trail by one quarter. Because Salem Trust is the official record-keeper, SEAS uses only these statements for all performance reporting.
- 4) The inception date of the American Strategic Value Realty Fund is January, 2015.
- 5) The inception date of the Rhumblin S&P Small Cap 600 is January 12, 2017.
- 6) The inception date of the Rhumblin Russell 1000 Growth is December 15, 2017.

