

SEWERAGE & WATER BOARD OF NEW ORLEANS

PENSION COMMITTEE MEETING WEDNESDAY, MARCH 14, 2018 9:00 AM

**6 2 5 S T . J O S E P H S T R E E T
2 ^{N D} F L O O R B O A R D R O O M**

Joseph Peychaud, Chair • Christopher Bergeron • Eileen Gleason
Ralph Johnson • Chante' Powell • Marvin Russell
Poco Sloss • Lewis Stirling • John Wilson

FINAL AGENDA

ACTION ITEMS

1. Letter to Retirees

EXECUTIVE SESSION*

2. Disability Retirement Application

PRESENTATION ITEMS

3. Chief Investment Officer's Presentation
4. Conefry & Company Actuarial Presentation
5. FFC Capital Management 2017Q4 Performance Presentation

INFORMATION ITEMS

6. Government Finance Officers Association, "Best Practice: Core Elements of a Pension Funding Policy," 2013.
7. Government Finance Officers Association, "Best Practice: Sustainable Funding Practices of Defined Benefit Pension Plans," 2009.
8. Callan LLC, "Last Year Was Unusual, Not Last Week," 2018.
9. Conefry & Company, Analysis, March 2018.
10. Conefry & Company, "[S&WB ERS] 2017 Actuarial Valuation," May 24, 2017.
11. Conefry & Company, "[S&WB ERS] Historical Funded Ratios."
12. Conefry & Company, "Deferred Retirement Option Plan."

13. Conefry & Company, "[S&WB ERS] DROP/Retirement Eligibility Durations."

14. LAMP, "[S&WB ERS] DROP Summary Statement," December 31, 2017.

15. FFC Capital Management, "Quarterly Performance Report," December 31, 2017.

*Note: The Committee reserves the right to enter into Executive Session pursuant to Louisiana statute

(LA. R.S. 42:6; 42:6.1)



"RE-BUILDING THE CITY'S WATER SYSTEMS FOR THE 21ST CENTURY"

EMPLOYEES' RETIREMENT SYSTEM OF THE Sewerage & Water Board OF NEW ORLEANS

625 ST. JOSEPH STREET
NEW ORLEANS, LA 70165 • 504-529-2837 OR 52-WATER
www.swbno.org

Dear Retiree:

The Board of Trustees of the Employees' Retirement System of the Sewerage & Water Board of New Orleans would like to share some positive updates with you.

First, a Cost of Living Adjustment (COLA) of 1.934% was approved by the Board of Trustees to become effective on January 1, 2018. Article VI, Section 6.1(d) of the Rules and Regulations of the Employees' Retirement System of the Sewerage & Water Board of New Orleans allows for an annual COLA equal to the change in the Consumer Price Index (CPI) but not greater than 2% to the retirement allowance of Board pensioners who attained age 65 before December 21st of the prior year. The COLA increase was based on the 12-month change in the CPI for the prior August index and is applied to the first \$10,000 of the retirement allowance of eligible pensioners and is not compounded.

Second, if you are interested in earning extra income, the Sewerage & Water Board of New Orleans (SWBNO) is recruiting its retirees. SWBNO would like to rehire some of its retirees to work no more than 17.5 hours per week. Rehired retirees who work no more than 17.5 hours per week would continue to receive their pension payments and would not contribute into nor accrue further benefits in the Employees' Retirement System. Retirees interested in re-employment are required to apply for posted vacant positions using the standard recruitment process. Open positions are posted on <https://www.swbno.org/jobs.asp> and <https://www.nola.gov/civil-service/jobs/>.

Third, the Board of Trustees has taken several steps to strengthen the oversight of your pension fund. We have been working closely with our first Chief Investment Officer, Timothy Viezer. Tim earned five college degrees including a PhD in applied economics with a concentration in finance, has 25 years of investment experience working in public service in Ohio and North Carolina, and is a Chartered Financial Analyst and Chartered Alternative Investment Analyst charter holder. You can find out more about Tim <https://www.linkedin.com/in/timviezerphdcfacaia/>. We have adopted a mission statement based upon RS 11:3821.

The mission of the Employees' Retirement System of the Sewerage & Water Board of New Orleans is to prudently manage an actuarially sound pension for the sole benefit of members and beneficiaries in a cost effective manner.

*Members of the Board: ANDREW AMACKER • ROBIN BARNES • CHRIS BERGERON • DR. TAMIKA DUPLESSIS • EILEEN GLEASON
RALPH W. JOHNSON • STACY HORN KOCH • MITCHELL J. LANDRIEU • JOSEPH PEYCHAUD • CHANTE POWELL
MARVIN RUSSELL • LEWIS STIRLING, III • LYNES R "POCO" SLOSS • JOHN WILSON*

We have adopted the gold standard in fiduciary duty – the CFA Institute’s Code of Conduct for Members of a Pension Scheme Governing Board.¹ We have also adopted education requirements for members of the Board of Trustees.

The funded status of the pension was 81.3% on December 31, 2016. That means that the actuarial value of the investment assets covers 81.3% of the pension obligations to current retirees and employees. This is better than the national median of 73.8%² and the average of the Louisiana Association of Public Employees’ Retirement Systems of 76.2%. Our Investment Policy Statement, however, has several investment objectives. The two most important are “have the ability to pay all benefits and expenses when due” and “achieve a fully funded status with regard to the accumulated Benefit Obligation and 100% of the Projected Benefit Obligation.”

To help us plan to attempt to honor our pension obligations, we conducted a national search for a consultant to conduct an asset-liability study. The Board of Trustees selected Callan LLC to conduct the study. An asset-liability study models both the investment assets and pension liabilities and links all three aspects of a pension fund’s financial drivers: investment policy, contribution policy, and benefit policy. The study will take several months to complete and the Pension Committee hopes to begin discussing the results this summer. As always, you can view the Pension Committee meetings on the internet³.

We take to heart our duty to being part of your financial security and will keep you informed on a regular and timely basis.

Warm regards,

***The Board of Trustees of the Employees’ Retirement System
of the Sewerage & Water Board of New Orleans***

¹ <https://www.cfapubs.org/doi/pdf/10.2469/ccb.v2008.n3.1>

² National Association of State Retirement Administrators, “FY 2016 Public Fund Survey,” November 2017)

³ https://www.swbno.org/news_boardmeetings.asp?ms=24#12

Sewerage & Water Board of New Orleans



Chief Investment Officer's Presentation to the Pension Committee

January 17, 2018

March Meeting Agenda

- Updates
 - Action Plan
 - Trustee Training Compliance
 - Investment Consultant Search
 - Communication with Members and Beneficiaries
- ❑ Action Item: Approve Letter to Retirees
- Actuarial Principles (Continued from February) – Mike Conefry
 - Putting Actuarial Principles into Practice – Amending Investments Objectives & Creating a Funding Policy
- Quarterly Performance Review – FFC Capital Management
 - Ensure Compliance with Target Asset Allocation & Ranges



ERS Mission Statement

- *Prudently manage an actuarially sound pension fund*
- *solely in the interest of participants and beneficiaries*
- *in a cost-effective manner.*



Governance

PROGRESS ON ACTION PLAN



Action Plan

Committee & Board Decisions

I. **FOUNDATIONAL DECISIONS** (October 2017 – December 2017)

A. Clarify governance focus

- ✓ Amend the current IPS to reflect 2015 decisions.
- ✓ Adopt an ERS Mission Statement
- ✓ Adopt the CFA Code of Conduct for Members of a Pension Governing Body
- ✓ Adopt a resolution to strongly encourage BOT to adhere to LA RS 11:185 Trustee Education requirements starting September 2018.

B. Decisions needed to complete Asset-Liability Study By June 2018

- 5. Amend and prioritize investment objectives
- ✓ Hire Asset-Liability Consultant

C. Decisions needed to issue RFP for General Investment Consultant

- 7. Adopt Investment Philosophy
- 8. Agree upon an investment manager search process (based upon philosophy & policies)
- 9. Agree upon investment consultant duties and governance matrix



Action Plan (Continued)

Committee & Board Decisions

II. **MAJOR DECISIONS** (May 2018 – September 2018)*

D. Preparation

10. Governance Matrix:

- a. Who decides (and how) benefits?
- b. Who decides (and how) employer contributions (Funding Policy)?
- c. Who decides (and how) employee contributions?
- d. Who decides (and how) investment policy?

11. Hire General Investment Consultant

12. Adopt Statement of Risk Capacity and Risk Appetite

E. The BIG THREE Decision-Making

13. Benefit Policy

14. Contribution Policy – “Funding Policy”

- a. Employee
- b. Employer

15. Investment Policy – Asset Allocation



Action Plan (Continued)

Committee & Board Decisions

III. **FORMALIZE CUMULATIVE DECISIONS** (September 2018 – December 2018)*

F. Update Documents

16. Amend Investment Policy Statement

17. Amend Bylaws

18. Amend Rules and Regulations

IV. **IMPLEMENT ASSET ALLOCATION** (September 2018 – March 2019)*

G. Portfolio Construction

H. Investment Managers

*Dates are tentative and subject to revision.



Progress on Governance

PRMIA Principles of Good Governance	Status	Explanation	Best Practice Investment Governance	Status	Explanation
Key Competencies	IP	Trustee Education	Mission Clarity	✓	Adopted Mission Statement
Resource and Processes	IP	Asset-Liability Study	Effective Focusing of Time	✓	Action Plan Decisions
Ongoing Education and Development	IP	Trustee Education	Competent Investment Executive	✓	Hired CIO
Compensation Architecture	-	-	Leadership	✓	Pension Committee Chairperson
Independence of Key Parties	✓	CIO, Finance	High-Level Board Competencies	IP	Trustee Education
Risk Appetite	IP	Risk Capacity/Appetite	Supportive Compensation	-	-
External Validation	✓	Auditors, Consultant, Custodian	Strong Investment Beliefs	IP	Investment Philosophy
Clear Accountability	IP	Governance Matrix	Competitive Positioning	NS	Discuss Manager Search Process
Disclosure and Transparency	IP	Investments Intranet	Risk Budget Framework	IP	Risk Capacity/Appetite
Trust, Honesty, Fairness of Key People	✓	CFA Code	Real-Time Decision Making	IP	
			Fit-For-Purpose Manager Line-Up	NS	After A-L and AA Studies
			Learning Organization	IP	Trustee Education

Sources: Professional Risk Managers' International Association, 2009 and Watson-Wyatt, "Best Practice Investment Governance: Going From Good to Great," 2008.



Governance

TRUSTEE EDUCATION



New Trustee Education

- *Resolution R-140-2017 states that no new board member shall be permitted to vote on any matter until he/she has completed two hours of fiduciary and ethics education and one hour of education in each of investments, actuarial science, and laws, rules, and regulations.*
- **Tim Viezer (Chief Investment Officer) and James Thompson (Office of Special Counsel) certify to the Chairman of the Pension Committee that Trustee Eileen Gleason has meet Resolution R-140-2017's new Trustee education requirement and thereby permitted to vote on any matter facing the Pension Committee or Board of Trustees.**



Discussion

INVESTMENT CONSULTANT SEARCH



Consultant Deliverables

Category	Deliverables	Characteristics
Strategic	Advice on governance (structure, decision-making, documentation).	Consulting firm that leverages experienced, knowledgeable, educated, tenured, collegial staff and that takes initiative (not just responsive). Client load provides capacity for this account.
Strategic	Board and Staff Education	Attendance at Pension Committee meetings. Workshops and conferences. Insightful, readable published research and reports.
Strategic	Asset-Liability Study	Flexible stochastic and scenario analyses that can assist articulation of risk capacity and appetite and translate into policy actions.
Strategic	Strategic and Tactical Asset Allocation, Asset Class Strategy (active/passive, hedging, benchmarks), Portfolio Structure, Risk Management	Broad and deep coverage and analysis across asset classes. Experience across implementation: DB/DC, MVO, LDI, Risk Parity, frozen plans, etc.
Implementation	Traditional and <u>Alternative</u> Manager Research and Selection	Consultant should have a cogent investment philosophy, consistently and rigorously applied by sizeable, experienced, stable, and knowledgeable team, aided by a proprietary database and state-of-the-art analytical tools. Consultant has differentiated research and opinions that result in excess return producing performance and any conflicts are sufficiently disclosed.
Implementation	Analytical Support	High-performing analysts who are curious, candid, reliably service-oriented, with advanced statistical, database, and spreadsheet abilities.
Implementation	<u>Differentiated and Useful Market Metrics</u>	Timely, differentiated (including not just market returns, but also fund flows, valuations, trading volume, etc.), and useful data and information.
Implementation	<u>Investment Operations</u>	Rebalancing and transitions. Cash flow management. Timeliness, frequency, accuracy, and relevance of reports. Compliance. Consultant is capable of quickly and seamlessly filling vacancies.
Evaluation	Performance, <u>Risk</u> , and Process Evaluation	Regular, standardized portfolio and benchmark performance analysis, attribution, and evaluation. Relevance and utility for a manager of managers.
Evaluation	<u>Peer Benchmarking</u>	Fund-level and manager comparisons of <u>structure</u> , <u>processes</u> , returns, risk, and <u>costs</u> .



Suggestion for Discussion for Investment Consultant Search

- The RFP could be divided into two contractual roles: (1) general investment consultant and (2) an investment operations consultant. There is precedent.
- Rather than a prime and subcontractor arrangement, both roles would be contracted directly with ERS. The investment operations consultant would be suitable for EDBP. Initial estimates suggest that the EDBP goal could be achieved with this arrangement.
- ERS should draft, discuss, and adopt a modified procurement policy for the investment consultant search.
 - Retain from current process:
 - RFP
 - Proposal Selection Committee
 - Add these new steps to the process:
 - CIO conduct on-site due diligence on the top 2-3 candidates as ranked by the Proposal Selection Committee. The CIO would provide a written report to the PSC.
 - Based upon the PSC Ranking, CIO due diligence, 2-3 candidates would formally present to the Pension Committee which would vote on which finalist to recommend to the Board of Trustees.



Discussion

COMMUNICATION WITH PARTICIPANTS & BENEFICIARIES



Communication with Participants and Beneficiaries

- CFA Code of Conduct for Members of a Pension Scheme Governing Body: “Communicate with participants, beneficiaries, and supervisory authorities in a timely, accurate, and transparent manner.”
- Methods of Communication
 - ✓ Managers’ Meeting
 - ✓ Pipeliner
 - ✓ Intranet
 - ✓ Mass Meetings
 - Carrollton (2/26), St. Joseph (3/1), Central Yard (3/2)
 - ❑ Letter to Retirees
 - Revision or Approval By the Board of Trustees



Communication with Participants and Beneficiaries

- Questions and suggestions for the future:
 - ☐ LAPERS Position Paper on the Value of Public Pensions
 - ☐ Statement of Pension Benefits
 - ☐ Retirement Planning Seminar for Employees
 - ☐ 457 Supplemental Retirement Program Seminar for Employees



Mike Conefry – Conefry & Company

TRUSTEE EDUCATION: ACTUARIAL PRINCIPLES II



Governance

PUTTING ACTUARIAL PRINCIPLES INTO POLICY



Investment Policy Statement contains the following objectives

1. Have the ability to pay all benefit and expense obligations when due.
2. Achieve a fully funded status with regard to the Accumulated Benefit Obligation and 100% of the Projected Benefit Obligation.
3. Maintain the purchasing power of current assets and all future contributions by producing positive real rates of return on Plan assets.
4. Maximize returns within reasonable and prudent levels of risk in order to minimize contributions.
5. Control costs of administering the plan and managing the investments.
6. Maintain flexibility in determining the future level of contributions.



Working Group

- Decide whether to amend the current investment objective #6
 - From “*maintain flexibility in determining the future level of contributions*”
 - To “*provide a stable funding environment which mitigates the effect of large changes in investment performance on funding contribution volatility.*”
- Develop a “funding policy” (GFOA Best Practice) which contain these three core elements:
 - Actuarial cost method
 - Asset smoothing method
 - Amortization policy



FFC Capital Management

QUARTERLY PERFORMANCE REVIEW



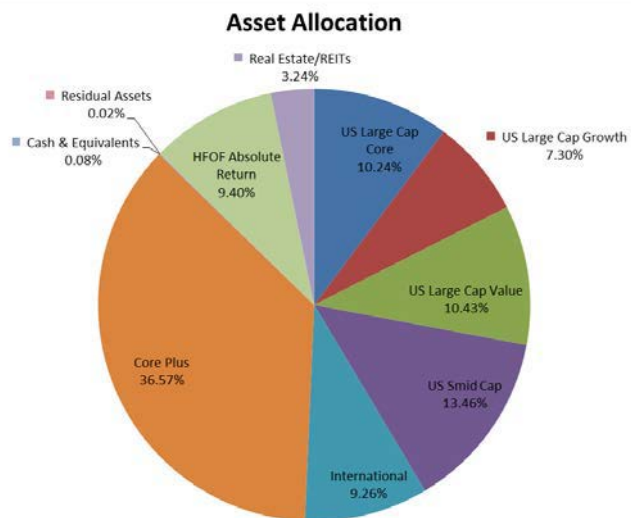
Governance

MONITORING ASSET ALLOCATION



Asset Allocation

December 31, 2017



Asset Class / Sub Asset Class	Value	Actual	Target	Difference
US Large Cap Core	22,848,180	10.24%	10.00%	0.24%
US Large Cap Growth	16,278,069	7.30%	7.25%	0.05%
US Large Cap Value	23,269,045	10.43%	10.00%	0.43%
US Smid Cap	30,040,526	13.46%	13.00%	0.46%
International	20,657,984	9.26%	9.00%	0.26%
Total EQUITY	113,093,804	50.69%	49.25%	1.44%
Core Plus	81,582,671	36.57%	37.00%	-0.43%
Cash & Equivalents	188,149	0.08%	1.75%	-1.67%
Residual Assets	47,858	0.02%	0.00%	0.02%
Total FIXED INCOME	81,818,678	36.67%	38.75%	-2.08%
HFOF Absolute Return	20,968,736	9.40%	8.75%	0.65%
Real Estate/REITs	7,219,742	3.24%	3.25%	-0.01%
Total ALTERNATIVES	28,188,478	12.63%	12.00%	0.63%
TOTAL	223,100,960	100.00%	100.00%	0.00%



December 31, 2017



""0
LLower ● variation from Target LUpper

Compliance with Policy

Asset Allocation

- The IPS states that the Plan's allocation status be reviewed "at least quarterly. It is anticipated that active rebalancing will occur at least annually."
- The fund was in compliance on December 31, 2017.



Chief Investment Officer's comments

QUARTERLY PERFORMANCE REVIEW

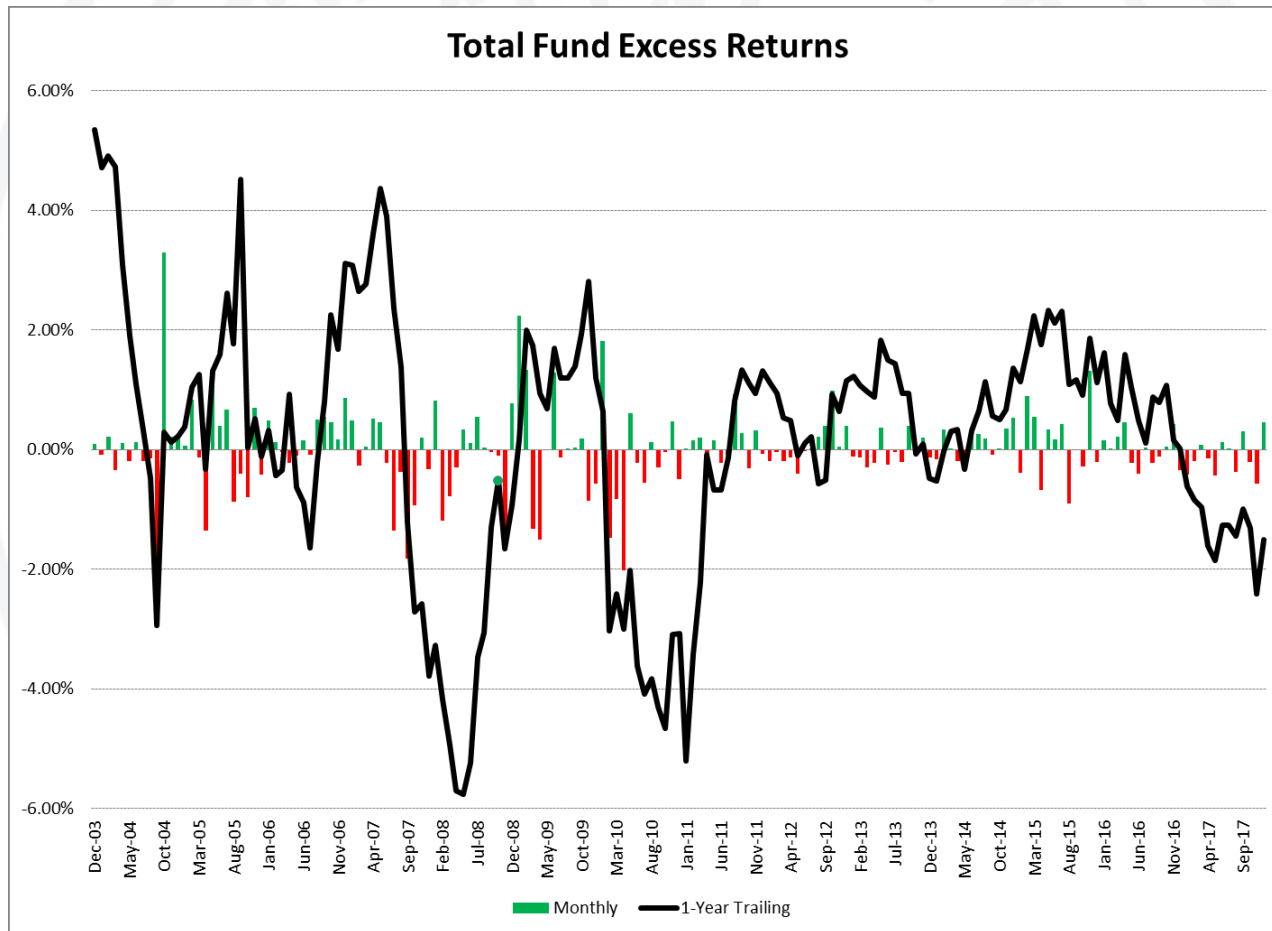


Evaluating Performance: The 3 Questions

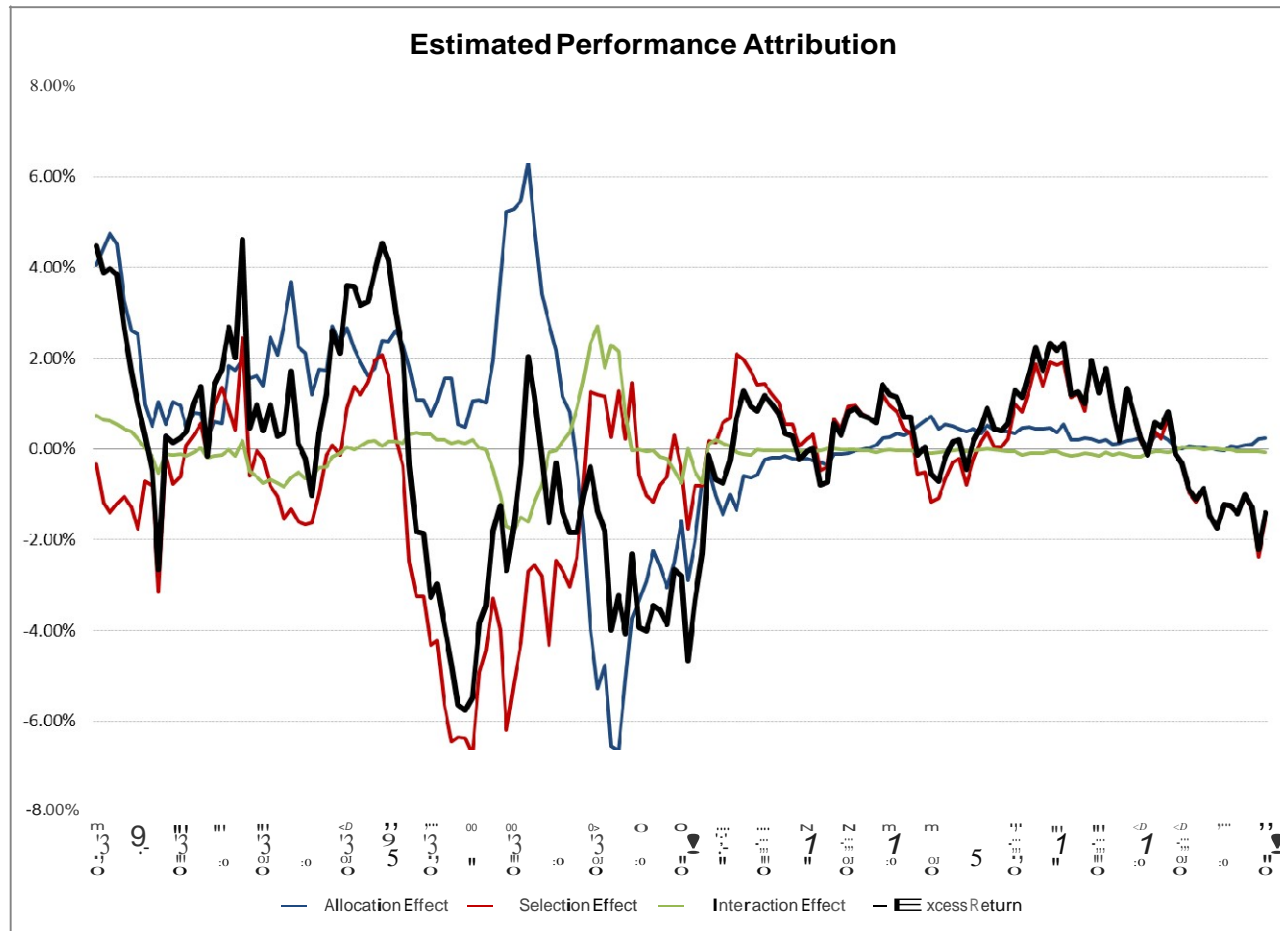
For the period ended December 31, 2017	1-Year	3-Years	5-Years	7-Years	10-Years
<u>Has the Fund exceeded the Actuarial Rate of Return?</u>					
Total Fund Net of Fees	11.65%	5.34%	6.50%	6.79%	4.18%
Actuarial Return Assumption	7.00%	7.00%	7.00%	7.00%	7.00%
<i>Value-Added vs. Actuarial Requirement</i>	+4.65%	-1.66%	-0.50%	-0.21%	-2.82%
<u>Has Taking Risk Been Rewarded?</u>					
Total Fund Policy Index Return	12.76%	5.27%	6.27%	6.27%	4.14%
Risk Free Rate of Return [30-Day Treasury Bill]	0.93%	0.43%	0.28%	0.22%	0.32%
<i>Policy Impact</i>	+11.83%	+4.84%	+5.99%	+6.05%	+3.82%
<u>Has Implementation Added Value?</u>					
Total Fund Net of Fees	11.65%	5.34%	6.50%	6.79%	4.18%
Total Fund Policy Index Return	12.76%	5.27%	6.27%	6.27%	4.14%
<i>Excess Return Net of Fees</i>	-1.11%	+0.07%	+0.23%	+0.52%	-0.04%



The fund's trailing 1-year return lags the policy benchmark caused by which equity is underperforming but improving.



Manager selection rather than tactical asset allocation continues to drive excess returns.



Discussion

INVESTMENT OPERATIONS CONSULTANT SEARCH



Investment Operations Governance: Preliminary Discussion of Roles

- Board of Trustees/Board of Directors*
 - Approves benefit, contribution, and asset allocation policies; appoints/removes custodian, consultant.
- Pension Committee
 - Makes recommendations to the Board of Trustees
- Chief Investment Officer
 - *Ideally, works with general investment consultant, recommends investments, negotiates and executes contracts with approved vendors, directs funds between approved managers in accordance with IPS, executes (signs) trade orders to external managers.*
- S&WB Finance
 - Tells CIO/consultant how much is needed to pay benefits, approves movement of funds in and out of bank, reconciles accounts, prepares financial reports.
- Investment (Operations) Consultant
 - Facilitates, monitors, ensures the flow of quality information through and between external managers, custodian, external performance and analytics reporter (general investment consultant), S&WB Finance, and Chief Investment Officer for: (a) changes in fund allocation, (b) reporting, and (c) compliance.
- Custodian
 - Safeguards assets, settles trades, effectuates transfers of funds in, out, and within the bank account(s).
- External Investment Managers
 - Buys and sells securities within separate or commingled accounts. *Ideally, takes direction from the Chief Investment Officer on timing and amounts of additions/withdrawals.* Works with Custodian, S&WB Finance, and Operations. Requests fee payments to S&WB Finance which validates and approves release of funds.



Upcoming Meeting Agendas

- April
 - Callan LLC – Asset-Liability Study Kick-off
 - General Investment and Investment Operations Consultants RFP and Consultant Procurement Policy
- May
 - Actuarial Valuation for 2017
 - Discuss Amending Investment Objective and Draft Funding Policy
- June
 - Discuss Proposed Governance Matrix



Appendix A

CFA Institute's Code of Conduct for Members of a Pension Scheme Governing Body

1. Act in good faith and in the best interest of the scheme participants and beneficiaries.
2. Act with prudence and reasonable care.
3. Act with skill, competence, and diligence.
4. Maintain independence and objectivity by, among other actions, avoiding conflicts of interest, refraining from self-dealing, and refusing any gift that could reasonably be expected to affect their loyalty.
5. Abide by all applicable laws, rules, and regulations, including the terms of the scheme documents.
6. Deal fairly, objectively, and impartially with all participants and beneficiaries.
7. Take actions that are consistent with the established mission of the scheme and the policies that support that mission.
8. Review on a regular basis the efficiency and effectiveness of the scheme's success in meeting its goals, including assessing the performance and actions of scheme service providers, such as investment managers, consultants, and actuaries.
9. Maintain confidentiality of scheme, participant, and beneficiary information.
10. Communicate with participants, beneficiaries, and supervisory authorities in a timely, accurate, and transparent manner.



Appendix B

PRMIA Principles of Good Governance*

- Key Competencies
- Resources and Processes
- Ongoing Education and Development
- Compensation Architecture
- Independence of Key Parties
- Risk Appetite
- External Validation
- Clear Accountability
- Disclosure and Transparency
- Trust, honesty and fairness of key people

*Professional Risk Managers' International Association, 2009



Appendix C

Investment Philosophy

- The goal of investing is to earn enough to meet your objectives.
- Understand what you can control (in descending order: costs, liquidity, risk, and returns).
 - While you cannot control returns, you can decide to buy low and sell high.
- We have met the enemy, and he is us.
- There are limits to prediction:
 - The future is unknowable, so diversify.
 - Market timing is generally unrewarding.
 - Markets don't just mean revert, they overshoot.
- There are trade-offs in investing:
 - More risk must be assumed to gain higher expected returns.
 - Excess returns and market efficiency are inversely related and often cyclical.
 - Too much capital is the enemy of good returns.
- Performance cannot be guaranteed, but there are some predictions:
 - Philosophy, processes, and organizational resources drive excess returns. Culture and alignment of interest can enhance or detract.
 - IR is a function of skills, breadth, and freedom.



Sewerage & Water Board of New Orleans



Re-Building the City's Water Systems for the 21st Century

INVESTMENT
MANAGEMENT
CONSULTANTS
ASSOCIATION



IMCA[®]

Chicago Consultants Conference
**Investors and Practitioners:
What The Future Holds**

November 3-4, 2005

The Pension Funding Crisis – An Actuarial Perspective

**Michael A. Conefry
Principal
Conefry & Company, LLC**

Defined Benefit Plans

- **Private Sector Plans Originated About 1930**
- **Early Corporate Plans Fully Insured Group Annuity Contracts**
- **“Career Average Plans”**

Defined Benefit Plans

- **Public Sector Plans Developed Mostly After WWII**
- **“Pay as You Go” Was Not Uncommon**
- **By 1960’s Actuarial Funding was the Norm**

Valuation Perspectives

- **Budgeting: Plan Contribution Determination**
- **Accounting/Disclosure**
- **Plan Termination**

Budgeting: Plan Contribution Determination

- **Primary goal of annual actuarial valuation**
- **Annually self-adjusting process**

Accounting/Disclosure

- **GASB/FASB Rules**
- **“Funding Progress”**
- **“Funded Status”**

Plan Termination

- **Limited applicability in Public Sector**
- **Actuarial value of accrued benefits vs. plan assets**

Actuarial Fundamentals

- **“Actuarial Present Value”**
 - **Basic building block of actuarial mathematics**

Residential Mortgage Analogy

- **\$100,000 30 year mortgage loan at 5%**
- **Monthly payment is \$536.82**
- **\$100,000 is present value of \$536.82 per month for 30 years at 5% annual interest**
- **Life annuity value is simply an extension of this concept**

Actuarial Basis

- **Actuarial assumptions**
 - Interest, mortality, turnover, salary scale, etc.
- **Actuarial cost method**
 - Entry age normal, unit credit, projected unit credit, aggregate, etc.
- **Actuarial Value of Assets**

Actuarial assumptions

- **Relative degree of impact:**
 - **Interest and mortality: entire spectrum of members' and beneficiaries' lives**
 - **Salary scale, turnover, disability incidence, retirement rates: only active work lifetime**

Actuarial Cost Methods

- **Unit Credit**
- **Projected Unit Credit**
- **Entry Age Normal (FIL)**
- **Aggregate Level Cost**

Actuarial Value of Assets

- **MV must be “taken into account”**
- **Smoothing highly desirable**
- **I prefer seven year averaging technique**

Application of Actuarial Basis

- **Varies with “perspective”**
- **Application for FASB/GASB disclosure quite different from Plan Contribution Determination**

Plan Contribution Determination

- **Relates PV of benefits to PV of Pay**
- **Apportion funding cost on behalf of past and current**
- **Each cost method uses this PV relationship and apportionment in a different way**

Plan Contribution Determination

- **Mature Plan “Leveraging” Effect**
- **Results in serious fluctuations and funding instability**
- **Asset value smoothing mitigates one cause of problem**

Accounting/Disclosure

- **Projected Benefit Obligation (PBO)**
- **Snapshot proration of actuarial value of all plan benefits**
 - Includes future salary increases and turnover
- **Uses service to valuation date divided by service to retirement**

Accounting/Disclosure

- **Relates PV of benefits to plan assets or active payroll**
- **Funding Progress: UAL to active payroll**
- **Funded status: plan assets to PBO**

Plan Termination

- **Relates PV of vested accrued benefits to plan assets**
- **Public sector vesting concept different from private sector**

“Pension Funding Crisis”

- **Historically low current interest rates**
- **2000 – 2002 Equity Performance**

“The Great Controversy”

- **Traditional Actuarial View**
- **Financial Economics View**

Traditional Actuarial View

- **Pension Plan is Ongoing Concern**
- **“Long Term” is 60+ Years**
- **“Interest Rate” Assumption is Long Term Expected Return on Assets (ROA)**

Financial Economics View

- Snapshot “Mark to Market”
Valuation of Liabilities
- “Long Term” Effectively Ignored
- Asset Value Smoothing Abhorred

Nature of “Great Controversy”

- **Financial Economist Viewpoint:**
Actuaries Have it all Wrong
- **Traditional Actuarial Viewpoint:**
Financial Economists are Short-sighted
Consider only “Now”

FASB/GASB

- **F.E.'s Highly Critical**
- **FAS 87 Especially Hit**
- **Use of ROA as Discount Rate
for Liabilities Ridiculed by F.E.'s**

“Pension Funding Crisis”

- **Marking to Market Inflates Liabilities**
- **Down Investment Cycle
Depresses Asset Value**
- **Conflict Between IRS Rules:
Funding vs. Termination**

“Pension Funding Crisis”

- **Actuary Takes “Cosmic” View
for Funding**
- **F.E. Takes Instantaneous View
for Disclosure Market Appraisal**

Who's Right, who's wrong?

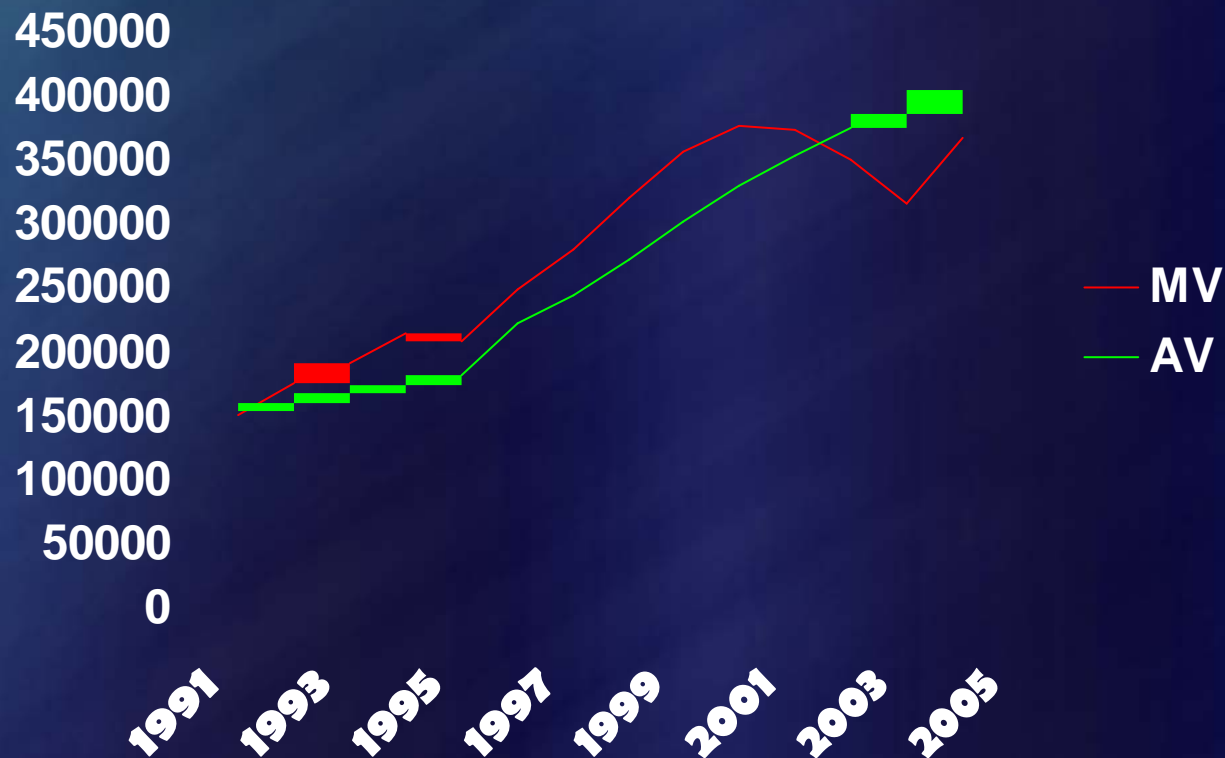
- **They're both right! (With Provisos)**
- **Consider the Valuation Perspective**

Equity Among Stakeholders

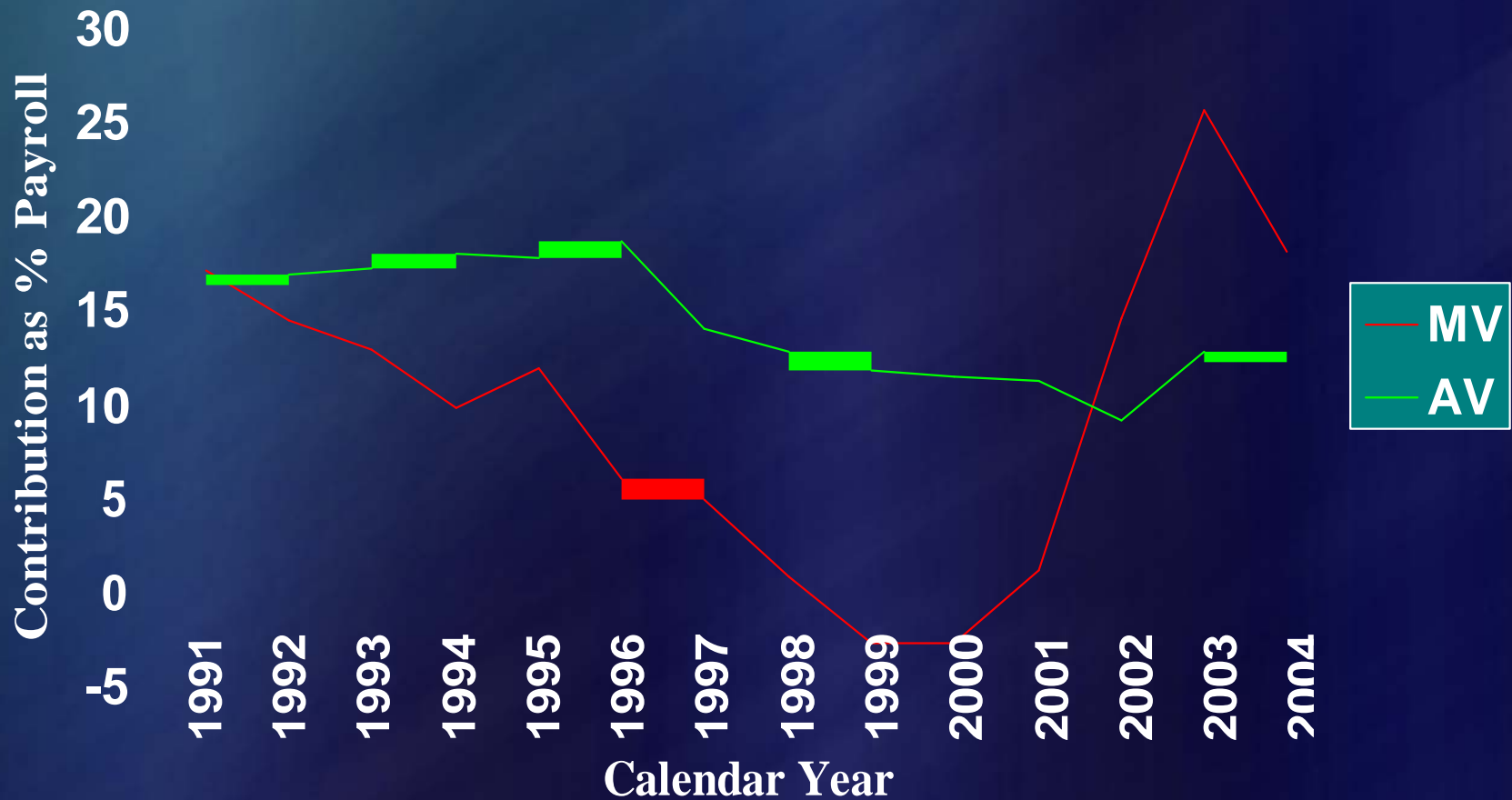
- **Private Sector: Management, Employees/beneficiaries, Shareholders, Government, Creditors**
- **Public Sector: Trustees, Employees/beneficiaries, Taxpayer, Current and Future Administrations, Government, Creditors**

Effect of Asset Smoothing on Funding

7 yr. Smoothing vs. Market Value of Assets



Effect of Asset Smoothing on Funding



“Pension Funding Crisis”

- **Consider early 1980’s**
 - **Prime rate**
 - **Zero-coupon Treasury bonds**
 - **GIC’s**
- **“Immortalization of the present”**

What is Reality?

- Pension funding must accommodate 60+ year cycles
- Equity performance in rolling 60 year cycles
- Fixed income investment performance in rolling 60 year cycles
- Alternative investments

Summary and Conclusions

- **Is a Profound Change in Contribution Levels Warranted?**
- **Are Changes in IRS Funding Rules Warranted?**
- **Are Changes in Disclosure Rules Warranted?**

Quarterly Performance Report

Period Ending December 31, 2017



FFC CAPITAL MANAGEMENT®



Prepared for:
Sewerage and Water Board of New Orleans
Employees' Retirement System
Pension Committee



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Annual Market Review 2017

The year 2017 was eventful, to say the least. President Trump and Congress tried, without success, to repeal the Affordable Care Act, known as Obamacare. However, the new year-end tax law included the elimination of the individual health insurance mandate. The U.S. economy started slowly but picked up steam as the year progressed. Ten years after its onset, the financial crisis officially came to an end in 2017. The gross domestic product expanded at an annual rate of 3.2% in the third quarter. The unemployment rate fell from 4.7% to 4.1%, while upwards of 2 million new jobs were added. The Federal Reserve, based on the strength of the economy and labor market, began to roll back its stimulus program and raised interest

rates three times during the year. The stock market reached several historic highs in 2017. Consumer income rose and purchases increased, but inflation remained stubbornly below 2.0%. Business investment expanded in 2017 and is expected to surge in 2018. The year ended with the passage of sweeping tax reform legislation.

Snapshot 2017

Monthly Economic News

The Markets

- Employment:** Overall, the U.S. labor market endured a few bumps during the year, but closed 2017 in relatively good shape. Despite destructive hurricanes that likely impacted new hires over the latter part of the summer into the fall, employment growth averaged 174,000 new jobs per month in 2017, compared with an average monthly increase of 187,000 new jobs in 2016. The unemployment rate ended the year (as of November 2017) at 4.1% — lower than the 4.6% rate at the close of 2016. According to the Bureau of Labor Statistics, there were 6.6 million unemployed persons in November 2017, down from 7.4 million unemployed in November 2016. The employment participation rate remained the same in 2017 as it was in 2016 — 62.7%. The employment to population ratio was 60% in 2017, up slightly from 59.7% in 2016. In 2017, the average workweek was 34.5 hours (34.3 hours in 2016). Average hourly earnings in 2017 increased 2.5%, or \$0.64, to \$26.55 (the same percentage gain as occurred between 2015 and 2016).
- GDP:** Economic growth, as measured by the gross domestic product, expanded throughout the year, increasing at an annual rate of 3.2% in the third quarter of 2017. The third-quarter annual rate of growth is the highest since the first quarter of 2015. The first-quarter GDP rose 1.2%, followed by a 3.1% gain in the second quarter. Gross domestic product essentially measures what the economy produces, such as goods and services. On the other hand, gross domestic income measures all income earned from the production of goods and services, such as wages, profits, and taxes. GDP rose 2.0% in the third quarter of 2017, compared to a 4.1% increase in the third quarter of 2016. The average of gross domestic product and gross domestic income, a supplemental measure of U.S. economic activity that equally



weights GOP and GOI, increased
2.6% in the third quarter, compared with an average annual increase of 1.2% in 2016.

- Inflation/consumer spending:** Inflationary trends did not keep up with economic growth in 2017. Inflation, as it relates to the consumer, remained below the Federal Reserve's stated target rate of 2.0%. Indications are that inflation is expanding, albeit at a deliberate pace. The personal consumption expenditures (PCE) price index is the measure of the increase in the prices of goods and services purchased by consumers. The PCE price index was 1.8% higher in November 2017 compared to November 2016. Core PCE, which excludes the volatile food and energy components, expanded at an annual rate of 1.5%. Personal (pre-tax) income increased 2.8% in the third quarter of 2017 compared to a rate of 3.0% for the third quarter of 2016. After-tax income (disposable personal income) increased 2.1% in the third quarter of 2017 after expanding at an annual rate of 2.5% in the third quarter of 2016. Another measure of inflation, the Consumer Price Index, measures the price level of a basket of consumer goods and services purchased by individuals. Over the 12 months ended November 2017, the CPI rose 2.2%.
- Housing:** The housing market had been relatively strong for much of the year, although a lack of inventory may have impacted sales and prices. Through November, existing home sales are up 3.8% over a year ago. The November annual sales rate of 5.81 million is the highest since December 2006. The median existing-home price for all housing types in November was \$248,900, up 5.8% from November 2016 (\$234,400). November's price increase marks the 69th consecutive month of year-over-year gains. Total housing inventory was 1.67 million existing homes for sale — 9.7% lower than last November (1.85 million). According to the National Association of Realtors®, the expected increase in mortgage rates in 2018 could cut into the affordability of new homes in many markets if inventory remains low. New home sales jumped 26.6% above the November 2016 annual rate of sales. The median sales price of new houses sold in November 2017 was \$318,700 (\$305,400 in 2016); the average sales price was \$377,100 (\$359,900 in 2016). The seasonally adjusted estimate of new houses for sale at the end of November was 283,000, representing a supply of 4.6 months at that sales rate. Over the same period in 2016, there were 250,000 homes for sale for a supply of 51 months.
- Manufacturing:** Manufacturing and industrial production performed better in 2017 than the prior year. The Federal Reserve's index of industrial production revealed that total industrial production rose 3.4% over the 12 months ended in November. Over the same period, the output of consumer goods increased 2.2% and production of business equipment expanded 5.2%. Capacity utilization for manufacturing increased 1.1% over the past year. New orders for manufactured durable goods (expected to last at least three years) increased by 5.4% from 2016. Shipments were up 4.1%. Capital goods — tangible assets used by manufacturers to produce consumer goods — also expanded in 2017. New orders for capital goods increased by 6.9% and shipments of capital goods expanded by 4.5%.
- Imports and exports:** Through October, the goods and services trade deficit had increased \$49.1 billion, or 11.9%, compared to the same period in 2016. Exports increased \$97.5 billion, or 5.3%. Imports increased \$146.6 billion, or 6.5%. The prices of both import and export goods and services expanded by 3.1% over the 12 months ended November 2017. However, excluding energy, import prices were up only



1.4%.

- **International markets:** The globaleconomy was relatively stable in 2017 amid low inflation and easing of accommodative monetary policies. In Europe, negotiations continued to progress, leading to Britain's exit from the European Union. Possibly impacted by the impending Brexit,

Britain's economy expanded at a subdued 1.5% rate, effectively pushing its economy behind that of France in the world rankings. Eurozone inflation increased by 1.5% over a year earlier, prompting a reduction in stimulus measures including an interest rate hike. Germany, Italy, and Finland saw their third-quarter GOPs expand at a rate exceeding expectations, while economic growth slowed in France, Spain, and the Netherlands. The Japanese economy also pushed toward its 2.0% target inflation goal. A jump in capital spending helped propel Japan's third-quarter GOP to an annualized 2.5% growth rate. The world's second-largest economy continued to expand as China's GOP enjoyed a 6.5% annualized growth rate. The Chinese government continued to maintain its grip on economic activity, particularly considering President Trump's tough anti-China trade rhetoric.

Eye on the Month Ahead

The year 2018 is off to a rousing start, with the passage of major tax overhaul legislation that could impact consumer and business income and equities. The U.S. economy, which got off to a slow start in 2017, picked up steam throughout the year and enters 2018 in pretty good shape. The U.S. economy as well as major world economies are expected to continue to grow this year. The Fed has indicated that it expects to raise interest rates three times this year despite stubborn inflationary expansion. The housing market should continue to grow, especially if builders pick up the pace of new residential construction to add to dwindling inventory. However, political unrest continues to plague Washington, with the cloud of the Russian investigation hanging overhead as we begin 2018.

Data sources: Econon: Based on data from U.S. BUREAU OF LABOR STATISTICS (unemployment, inflation); U.S. Department of Commerce (GDP, COMPOSITE OF GROSS PROFITS, RETAIL SALE, HOUSING); S&P/CASE SHILLER 20-CITY COMPOSITE INDEX (HOME PRICES); INSTITUTE FOR SUPPLY ATTACHEMENT (MANUFACTURING SERVICES). Performance: Based on data reported in WSJ MARKET DATA CENTER (INDEX N); U.S. TREASURY (TREASURY YIELDS); U.S. ENERGY INFORMATION ADMINISTRATION (OIL SPOT PRICE, WTI CUSHING, OK); WWW.GOLDPRICE.ORG (SPOT GOLD/SILVER); OANDA/FX STREET (CURRENCY EXCHANGE RATES). News items are based on reports from multiple commonly available international news (i.e. wire) and are independently verified when necessary with select industry sources. All information is based on information received from government agencies, corporate press releases, or trade organizations. AN INFORMATION IS BASED ON IT IS DEEMED RELIABLE, BUT NO WARRANTY OR GUARANTEE IS MADE AS TO ITS ACCURACY OR COMPLETENESS. NEITHER THE INFORMATION NOR ANY OPINION EXPRESSED HEREIN CONSTITUTES A SOLICITATION FOR THE PURCHASE OR SALE OF ANY AND SHOULD NOT BE RELIED ON AS FINANCIAL ADVICE. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS. ADVERTISING INVOLVES RISK, INCLUDING THE POTENTIAL LOSS OF PRINCIPAL, AND THERE CAN BE NO GUARANTEE THAT ANY INVESTING STRATEGY WILL BE SUCCESSFUL.

The Dow Jones Industrial Average (DJIA) is a price-weighted index composed of 30 widely traded blue-chip U.S. common stocks. The S&P 500 is a market-cap weighted index composed of the common stocks of 500 leading companies in leading industries of the U.S. economy. The NASDAQ Composite Index is a market-value-weighted index of all common stocks listed on the NASDAQ stock exchange. The Russell 2000 is a market-cap weighted index composed of 2,000 U.S. small-cap common stocks. The Global Dow is an equally weighted index of 150 leading traded blue-chip common stocks worldwide. The U.S. Dollar Index is a geometrically weighted index of the value of the U.S. dollar relative to 11 foreign currencies. All indices listed are unmanaged and are not available for direct investment.

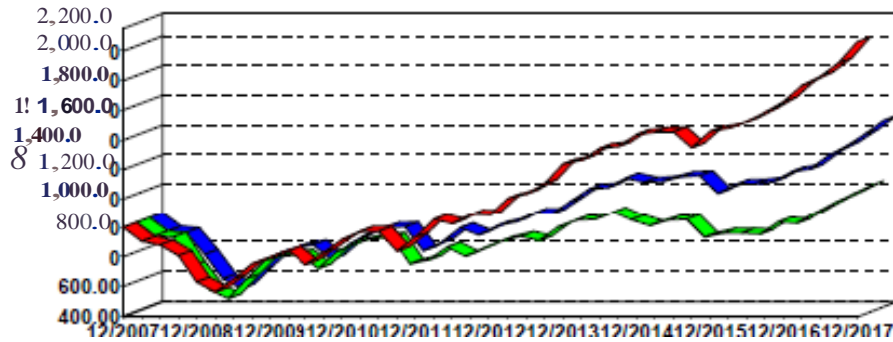
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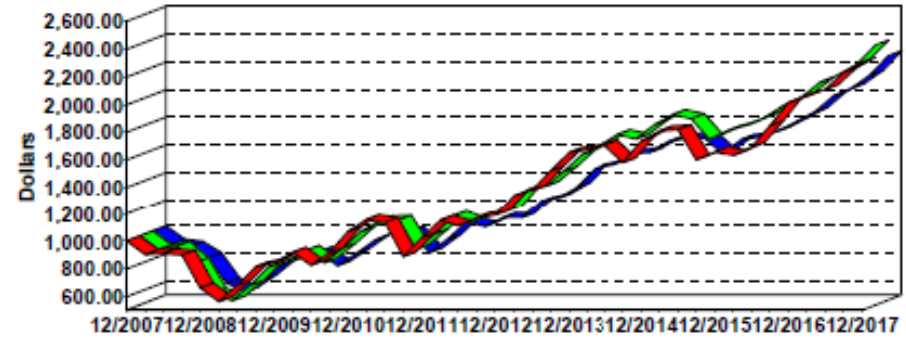
Relative Broad Market Performance & Style Comparison Period Ending December 31, 2017

Domestic vs. International



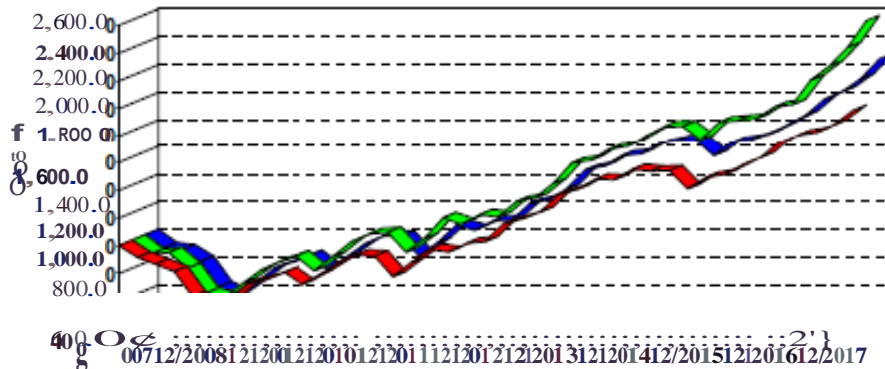
	MTD	ONE YEAR	THREE YEARS	FIVE YEARS	EN YEAR
MSCI ACWI	1.65	24.62	9.89	11.40	522
MSCI EAFE	2.27	26.63	8.67	7.49	230
S&P 500	1.11	21.83	11.41	15.79	8.50

Large vs. Small

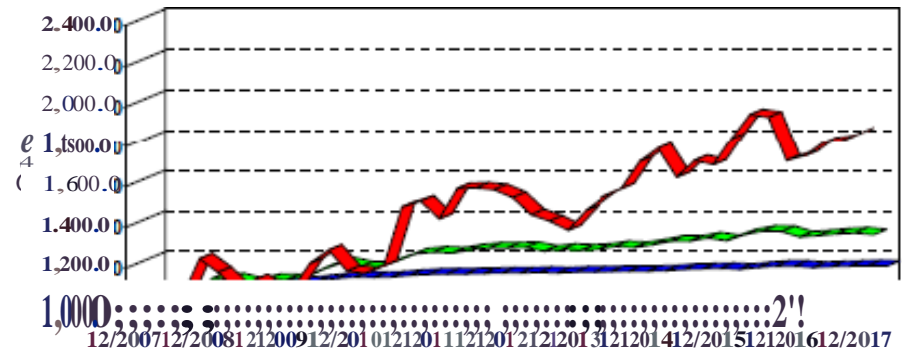


	MTD	ONE YEAR	THREE YEARS	FIVE YEARS	TEN YEARS
RUSSELL 1000	1.11	21.69	11.23	15.71	8.59
RUSSELL MID CAP	0.93	18.52	9.58	14.96	9.11
RUSSELL 2000	-0.40	14.65	9.96	14.12	8.71

Value vs. Growth






Treasuries



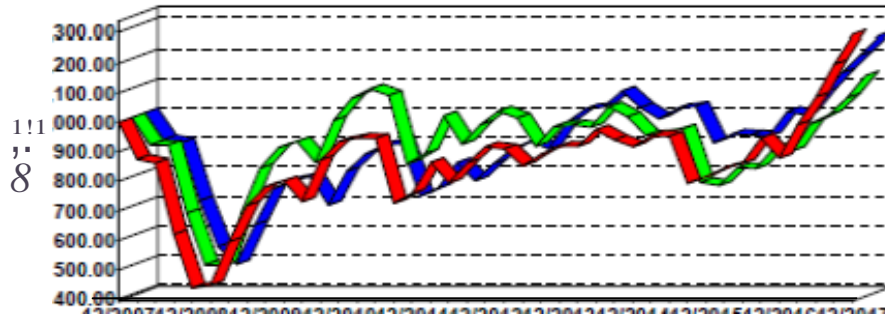
	MTD	ONE YEAR	THREE YEARS
ML US TREAS 1-3 YR	0.01	0.42	0.61
ML US TREAS 3-5 YR	0.03	0.95	129
ML US TREAS 10+ YR	1.63	8.20	275

Relative Broad Market Performance & Style Comparison Period Ending December 31, 2017

	MTD	ONE YEAR	THREE YEARS	FIVE YEARS	TEN YEARS
 RUSSELL 1000	1.11	21.89	11.23	15.71	8.59
 RUSSELL 1000 GROWTH	0.78	30.21	13.79	17.33	10.00
 RUSSELL 1000 VALUE	1.46	13.66	8.65	14.04	7.10

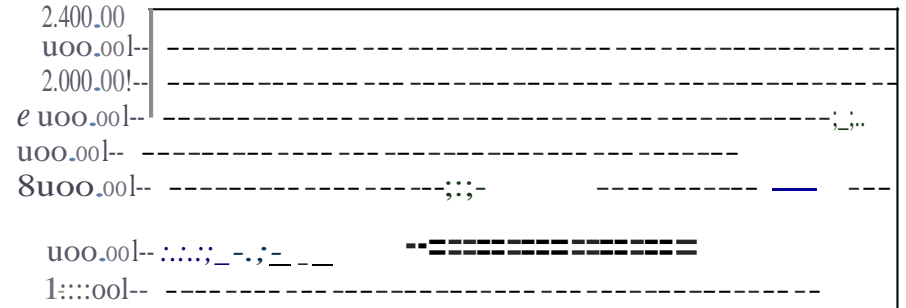
Relative Broad Market Performance & Style Comparison

Developed World Markets vs. Emerging Markets



	t.ITO	ONE YEAR	THREE YEARS	AVE YEARS	YEARS
MSCI: V'KH.DEX US	227	26.63	8.11	7.3g	23)
MSCI: V'KH.DEX US	4.29	28.67	6.74	224	1.34
USCI: B!GROWTH	3.01	47.12	12.15	7.11	2B1

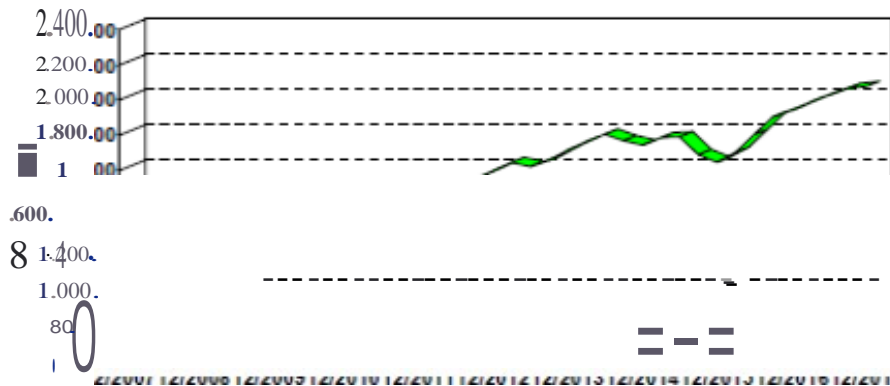
US Government vs. US Corporate



12/2007 12/2008 12/2009 12/2010 12/2011 12/2012 12/2013 12/2014 12/2015 12/2016 12/2017

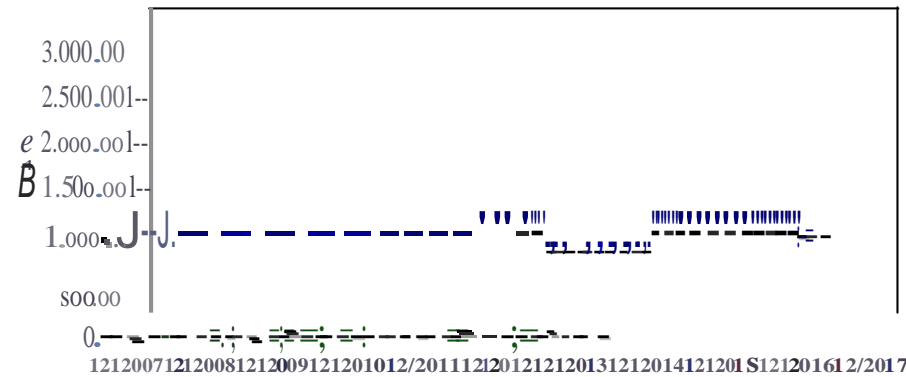
	MTD	ONE YEAR	THREE YEARS	FIVE YEARS	TEN YEARS
ML US TREAS MASTER	0.35	2.43	1.47	1.37	3.39
ML US CORP MASTER	0.85	6.48	3.89	3.50	5.59

Investment Grade vs. Speculative Grade



	t.ITO	ONE YEAR	THRE YEARS	FIVE YEARS	TEN YEARS
CITIGR?HYMARKET	0.8	3.54	2.24	2.10	4.01
CITIGR?HYMARKET	0.33	7.05	6.00	5.48	7

Inflation

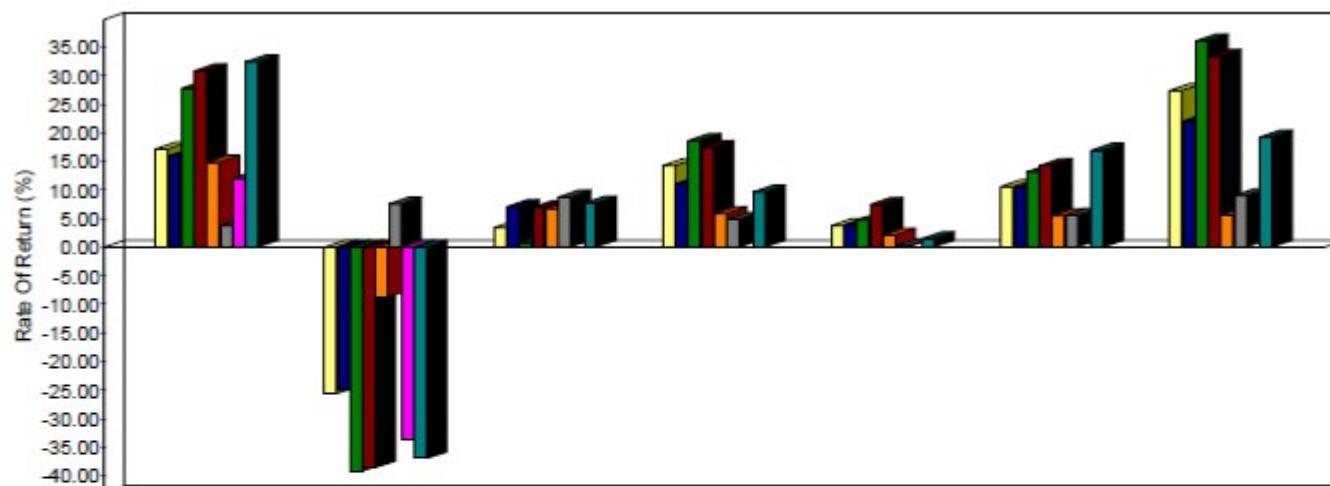


	ONE YEAR	THREE YEARS	FIVE YEARS	TEN YEARS	
CPI	-0.10	2.02	1.57	1.36	1.58
CWI	N/A	N/A	N/A	N/A	N/A



Sewerage and Water Board of New Orleans Composite Executive Summary Composite Profile

Calendar Year Performance
Analysis through December
31, 2009

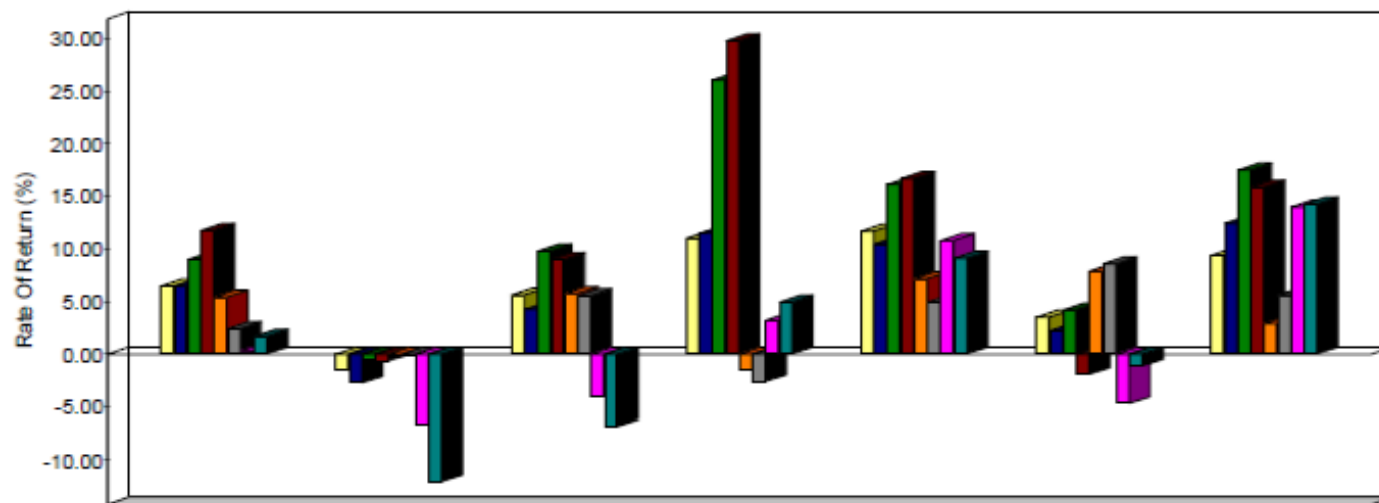


	2009	2008	2007	2006	2005	2004	2003
Total Fund Composite	17.14	-25.77	3.34	14.23	3.82	10.61	27.38
Policy Index	15.92	-24.82	7.10	11.14	3.93	10.37	22.03
Equity Composite	27.75	-39.20	0.87	18.62	4.80	13.14	36.07
Equity Policy Index	30.86	-38.64	6.99	17.46	7.43	14.28	33.37
Fixed Income Composite	14.88	-8.73	6.65	5.89	2.08	5.45	5.54
Fix Inc Policy Index	3.78	7.58	8.75	4.87	0.23	5.63	8.99
Alternatives Composite	12.08	-33.84	N/A	N/A	N/A	N/A	N/A
Alt Policy Index	32.43	-37.00	7.64	9.66	1.40	16.89	19.21



Sewerage and Water Board of New Orleans Composite Executive Summary Composite Profile

Calendar Year Performance Analysis
s through December 31, 2016

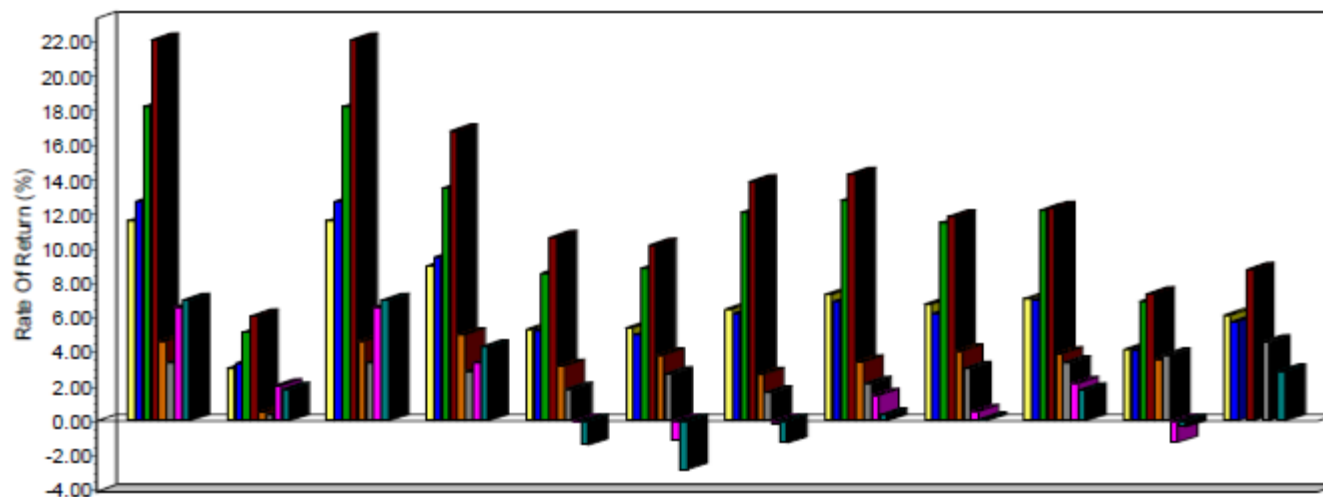


	2016	2015	2014	2013	2012	2011	2010
Total Fund Composite	6.46	-1.67	5.61	11.03	11.66	3.50	9.37
Policy Index	6.42	-2.80	4.22	11.50	10.49	2.18	12.45
Equity Composite	8.98	-0.65	9.81	26.09	16.17	4.15	17.51
Equity Policy Index	11.75	-0.73	8.97	29.83	16.68	-2.01	15.91
Fixed Income Composite	5.37	-0.27	5.71	-1.61	7.17	7.91	2.88
Fix Inc Policy Index	2.44	-0.19	5.51	-2.69	4.88	8.55	5.60
Alternatives Composite	0.31	-6.62	-4.12	3.22	10.77	-4.80	14.01
Alt Policy Index	1.68	-11.98	-6.82	4.92	9.14	-1.16	14.27



Sewerage and Water Board of New Orleans Composite Executive Summary Composite Profile

Performance Analysis
June 30, 2002 through December 31, 2017



	YTD	Last Three Months	One Year	Two Years	Three Years	Four Years	Five Years	Six Years	Seven Years	Eight Years	Ten Years	Since Inception
Total Fund Composite	11.65	3.07	11.65	9.02	5.34	5.40	6.50	7.35	6.79	7.11	4.18	6.15
Policy Index	12.76	3.36	12.76	9.55	5.27	5.00	6.27	6.96	6.27	7.02	4.14	5.79
Equity Composite	18.28	5.17	18.28	13.53	8.59	8.89	12.13	12.80	11.52	12.25	6.95	N/A
Equity Policy Index	22.14	6.11	22.14	16.83	10.66	10.23	13.90	14.36	11.86	12.36	7.39	8.82
Fixed Income Composite	4.65	0.53	4.65	5.01	3.22	3.84	2.72	3.45	4.08	3.93	3.62	N/A
Fix Inc Policy Index	3.42	0.38	3.42	2.93	1.88	2.77	1.66	2.19	3.07	3.38	3.84	4.62
Alternatives Composite	6.62	2.08	6.62	3.42	-0.05	-1.08	-0.23	1.52	0.59	2.18	-1.26	N/A
Alt Policy Index	7.04	1.87	7.04	4.33	-1.42	-2.80	-1.30	0.37	0.15	1.81	-0.37	2.91



Sewerage and Water Board of New Orleans Composite Period Ending December 31, 2017

Target Allocation	Current Allocation	Name	Market Value	MTD	3rd Qtr 2017	2nd Qtr 2017	1st Qtr 2017	4th Qtr 2016	YTD 2016	2015	2014	2013	2012	2011	Since Inception	Inception Date
49.25%	50.69%	Equity Composite	113,093,803	1.98	4.19	2.16	5.65	11.75	22.14	0.65	9.81	26.09	16.17	4.15	9.22	Nov-02
		<i>Equity Policy Index</i>		1.23	4.68	3.59	6.16	3.23	22.14	-0.73	8.97	29.83	16.68	-2.01	9.58	
10.00%	10.43%	LC Value-														
		Barrow Hanley	23,289,045	2.30	1.33	3.16	3.41	6.64	14.08	-1.85	12.08	30.55	14.67	1.96	7.10	Aug-06
		<i>Russell 1000 Value</i>		1.46	3.11	1.34	3.27	6.68	13.66	-3.83	13.45	32.53	17.51	0.35	7.14	
		S&P Barra Value		1.67	3.48	1.51	3.29	7.35	15.36	-3.13	12.36	31.99	17.68	-0.48	7.11	
10.00%	10.24%	LC Enhanced Core														
		Chicago Equity	22,848,180	1.67	5.39	1.94	5.98	4.08	22.01	2.47	13.06	32.28	15.62	5.35	8.97	May-06
		<i>Russell 1000</i>		1.11	4.48	3.06	6.03	3.83	21.69	0.92	13.24	33.11	16.42	1.50	9.00	
		S&P 500		1.11	4.48	3.09	6.07	3.82	21.83	1.38	13.69	32.39	16.00	2.11	8.93	
7.25%	7.30%	LC Growth														
		ISHM&PSOOGrowthETF	16,278,069	1.25	5.22	4.47	8.38	0.70	26.6	N/A	N/A	N/A	N/A	N/A	17.05	Feb-1
		S&P Barra Growth		0.58	5.29	4.42	8.53	0.48	27.44	0.02	0.03	0.03	0.05	0.05	18.04	
		<i>Russell 1000 Growth</i>		0.78	5.90	4.67	8.91	1.01	30.21	5.67	13.05	33.48	15.26	2.64	23.72	
13.00%	13.46%	SMID Cap														
		New South Capital	30,040,526	1.71	4.22	-1.72	5.80	0.97	11.68	0.51	11.97	26.04	16.71	N/A	13.44	Aug-11
		<i>Russell 2500</i>		0.34	4.74	2.13	3.76	6.12	16.81	-2.90	7.07	36.80	17.88	-2.51	14.91	
		<i>Russell 2500 Value</i>		0.40	3.83	0.32	1.62	9.34	10.36	-5.49	7.11	33.32	19.21	-3.36	14.43	
9.00%	9.26%	International														
		Earnest Partners	20,657,984	2.95	6.91	7.88	7.96	-0.64	30.65	-6.34	-2.48	12.43	18.50	N/A	9.71	Sep-11
		MSCI AC1M:Intl Ex US		2.27	5.14	6.15	7.98	-1.20	26.63	-5.24	-3.43	15.80	17.40	-13.32	9.35	
38.75%	36.67%	Fixed Income Composite	81,818,678	0.46	1.24	1.37	1.43	-2.34	4.65	5.37	0.27	5.71	-1.61	7.17	7.91	Nov-02
		<i>Fix Inc Policy Index</i>		0.44	0.82	1.35	0.78	-2.84	3.42	-0.19	5.51	-2.69	4.88	8.55	4.51	
37.00%	36.57%	Core Plus														
		First City Inc:1st Bond A	81,582,671	0.48	1.25	1.38	1.43	-2.34	4.65	5.49	0.14	6.20	-0.68	7.65	7.81	Apr-07
		Barclaya Aggregate		0.46	0.85	1.45	0.82	-2.98	3.54	0.55	5.97	-2.02	4.21	7.84	4.21	
		Barclaya Global Agg		0.35	1.76	2.60	1.76	-7.07	7.35	-3.15	0.58	-2.59	4.32	5.64	3.54	
		Barclaya US Universe		N/A	N/A	1.53	1.09	-2.60	N/A	3.91	0.43	5.56	-1.35	5.52	7.40	N/A
1.75%	0.08%	Cash														
		First City Inc:1st Bond CL	188,149	0.21	0.00	0.00	0.00	0.00	0.21	0.00	0.02	0.04	0.01	0.02	0.06	Jan-09
		30 Day T-Bill		0.10	0.24	0.19	0.11	0.06	0.81	0.21	0.02	0.03	0.05	0.05	0.16	
0.00%	0.02%	Total Residual Assets	471,858	11.11	-0.20	0.00	0.00	0.00	10.89	-4.37	0.48	-35.00	-26.75	-5.25	-20.75	Nov-06



Sewerage and Water Board of New Orleans Composite Period Ending December 31, 2017

Target	Current	Allocation	Allocation Name	Market Value	MTD	3rd Qtr 2017	2nd Qtr 2017	1st Qtr 2017	4th Qtr 2016	YTD 2016	2016	2015	2014	2013	2012	2011	Since Inception	Inception Date
12.00%	12.63%		Alternatives Composite	28,188,479	1.07	1.80	0.71	1.88	0.36	6.62	0.31	-6.62	-4.12	3.22	10.77	-4.80	-1.52	Mar-07
			<i>Alt Policy Index</i>		<i>0.60</i>	<i>1.94</i>	<i>1.04</i>	<i>2.02</i>	<i>-0.14</i>	<i>7.04</i>	<i>1.68</i>	<i>-11.98</i>	<i>-6.82</i>	<i>4.92</i>	<i>9.14</i>	<i>-1.16</i>	<i>0.13</i>	
8.75%	9.40%		Multi-Suategy HFOF															
			<i>Prclm.a Ceollal P&FOIA</i>	20,968,736	<i>1.35</i>	<i>2.01</i>	<i>0.48</i>	<i>2.11</i>	<i>1.11</i>	<i>7.03</i>	<i>-1.24</i>	<i>0.15</i>	<i>2.27</i>	<i>11.12</i>	<i>7.31</i>	<i>-3.21</i>	<i>3.26</i>	<i>NK-11</i>
			<i>HFR1 Furd of Fundo</i>		<i>0.90</i>	<i>2.32</i>	<i>0.81</i>	<i>2.38</i>	<i>0.86</i>	<i>7.73</i>	<i>0.51</i>	<i>-1.27</i>	<i>3.37</i>	<i>8.95</i>	<i>4.81</i>	<i>-5.71</i>	<i>1.48</i>	
			<i>Barday:: Aggregate-</i>		<i>0.46</i>	<i>0.85</i>	<i>1.45</i>	<i>0.82</i>	<i>-2.98</i>	<i>3.54</i>	<i>2.65</i>	<i>0.55</i>	<i>5.97</i>	<i>-2.02</i>	<i>4.21</i>	<i>7.84</i>	<i>4.21</i>	
3.25%	3.24%		Domestic REIT															
			<i>VanguardIndex FOS REIT</i>	7,219,742	<i>0.27</i>	<i>0.85</i>	<i>1.74</i>	<i>0.80</i>	<i>-2.90</i>	<i>4.71</i>	<i>8.43</i>	<i>2.61</i>	<i>29.72</i>	<i>-1.77</i>	<i>17.69</i>	<i>8.23</i>	<i>9.90</i>	<i>N><10</i>
			<i>MSC/REIT</i>		<i>-1.21</i>	<i>0.93</i>	<i>1.65</i>	<i>0.99</i>	<i>-2.96</i>	<i>5.07</i>	<i>8.60</i>	<i>2.52</i>	<i>30.38</i>	<i>2.47</i>	<i>11.11</i>	<i>8.69</i>	<i>10.70</i>	
			<i>S&PSOO</i>		<i>1.11</i>	<i>4.48</i>	<i>3.09</i>	<i>6.07</i>	<i>3.82</i>	<i>21.83</i>	<i>11.96</i>	<i>1.38</i>	<i>13.69</i>	<i>32.39</i>	<i>16.00</i>	<i>2.11</i>	<i>13.56</i>	
100.00%	100.00%		Total Fund Composite	223,100,560	1.31	2.81	1.70	3.60	0.58	11.65	6.46	-1.67	5.61	11.03	11.66	3.50	6.15	Jun-02
			<i>PolicyIndex</i>		<i>0.85</i>	<i>2.85</i>	<i>2.43</i>	<i>3.56</i>	<i>0.47</i>	<i>12.76</i>	<i>6.42</i>	<i>-2.80</i>	<i>4.22</i>	<i>11.50</i>	<i>10.49</i>	<i>2.18</i>	<i>5.79</i>	



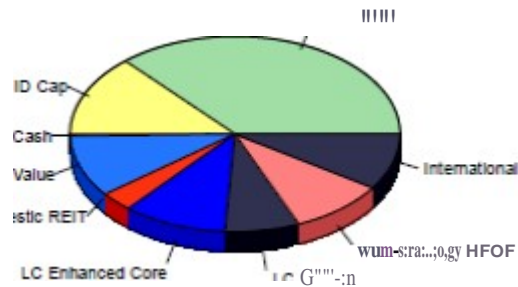
Sewerage and Water Board of New Orleans Composite

Executive Summary

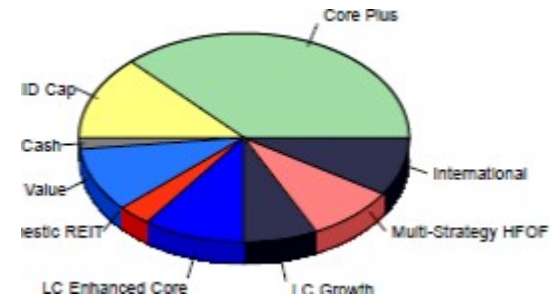
Actual vs Target Allocation Sub Class Level

September 30, 2017 Through December 31, 2017

Actual Allocation by Asset Sub Class



Target Allocation by Asset Sub Class



	Value	Percent
LC !		10.24
LC Growth		7.30
		10.43
	20,657,984	9.26
	81,382,67	36.57
Assets	47,858	21.42
Cash	188,149	0.08
		9.40
	7	3.24
	223,100,960	100.00

	Value	Percent
LC Enhanced Core	22,310,096	10.00
LC Growth	16,174,820	7.25
LC Value	22,310,096	10.00
International	20,079,086	9.00
SMID Cap	29,003,125	13.00
Core Plus	82,547,355	37.00
Cash	3,904,267	1.75
Multi-Strategy HFOF	19,521,334	8.75
Domestic REIT	7,250,781	3.25
Total	223,100,960	100.00

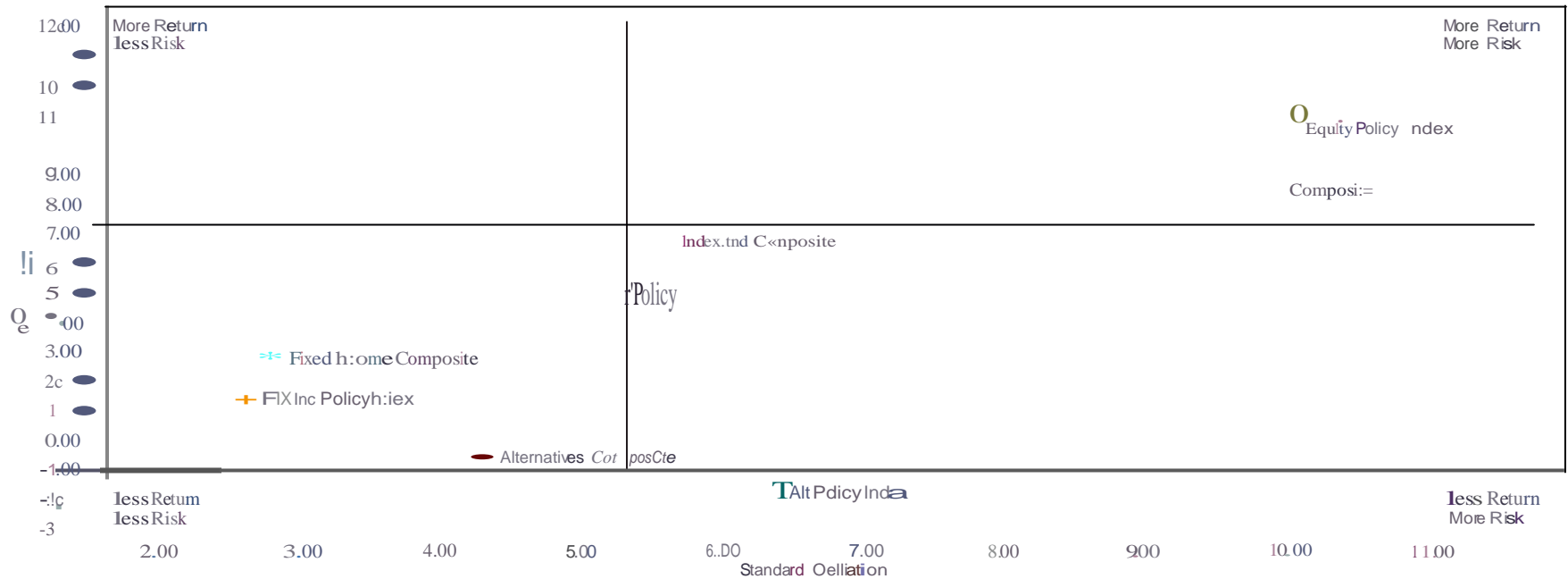


Sewerage and Water Board of New Orleans Composite

Executive Summary

Risk Reward Analysis

December 31, 2014 Through December 31, 2017



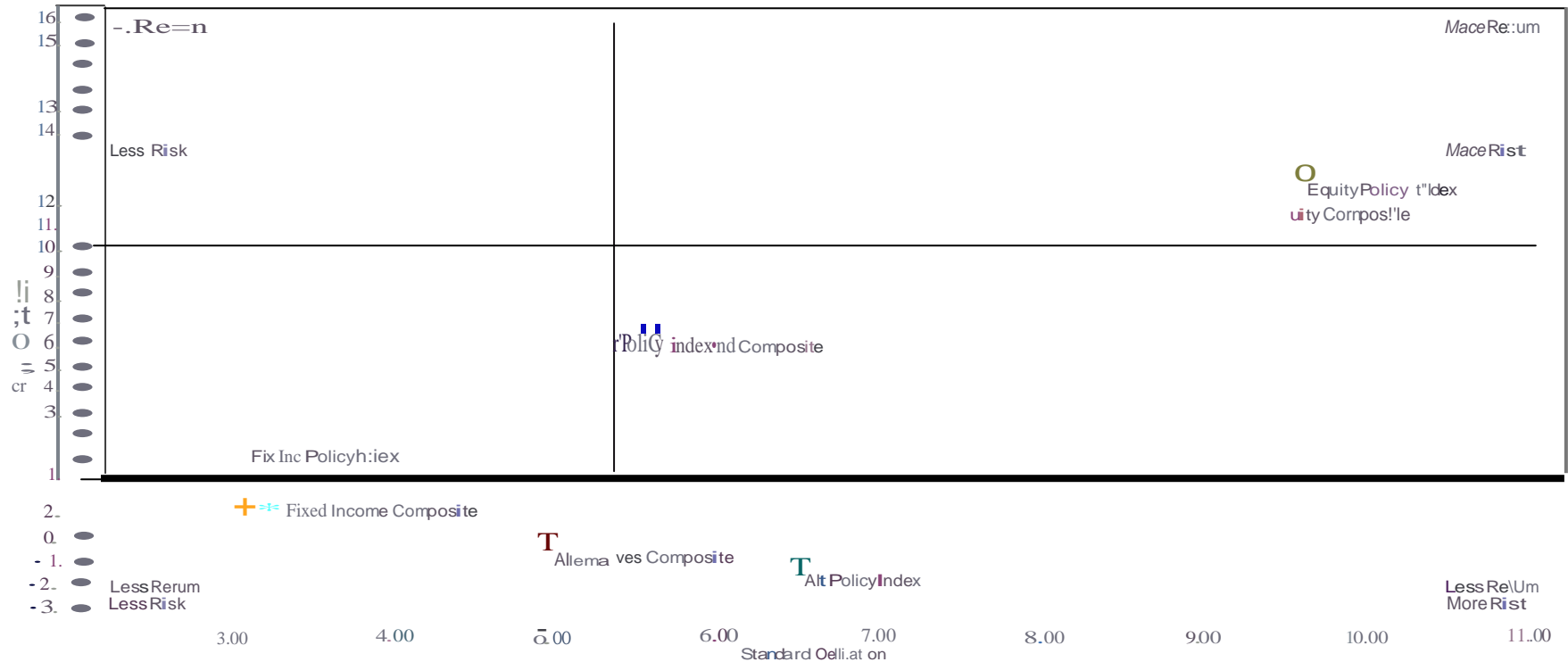
Total	5.34	5.51	0.88	0.05	1.01	92.54
Fixed Income	5.27	5.33	0.90	0.00	1.00	100.00
Fixed Income Policy Index	8.59		0.81	-1.60	0.97	94.26
Fixed Income Composite	3.22	2.65	0.96	1.38	0.96	n.a.
Fixed Income Policy Index		4.42	-0.11	0.64	0.62	
Alt	-1.42	6.43	-0.29	-6.65	1.03	72.73



Sewerage and Water Board of New Orleans Composite Executive Summary

Risk Reward Analysis

December 31, 2012 Through December 31, 2017



	Return	SUI DEY	Sha-pe Ratio	AL...	Seta	
Total	6.50	5.55	1.12	0.18	1.01	94.54
...	6.27	5.36	1.12	*		
...	12.13	9.60	1.23			
...	13.90	9.61	1.42			
Fixed Income	2.72	3.25	0.75	1.06	1.01	91.17
Fix Inc'	1.66	3.07	0.45	0.34	0.99	88.46
1'	-0.23	4.95	-1.01	0.56	0.18	0.68
					0.70	83.83



Sewerage and Water Board of New Orleans Composite

-1.30

6.51

-0.24

-7.41

1.01

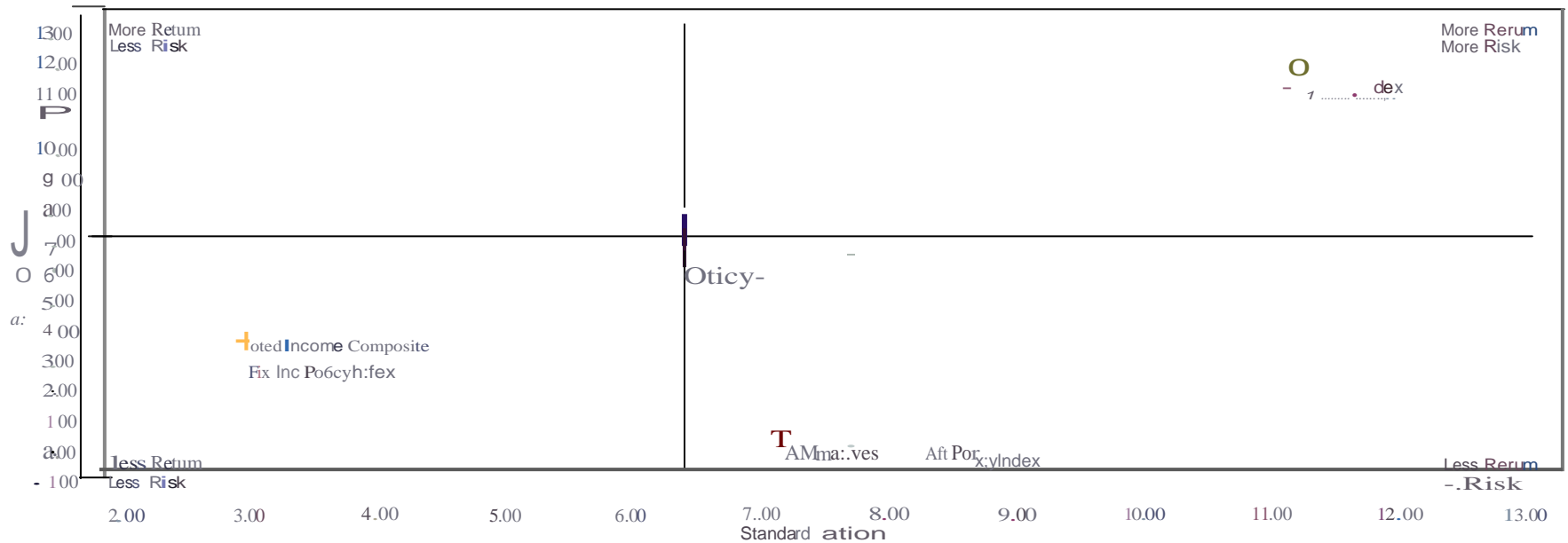
60.37



Sewerage and Water Board of New Orleans Composite

Executive Summary

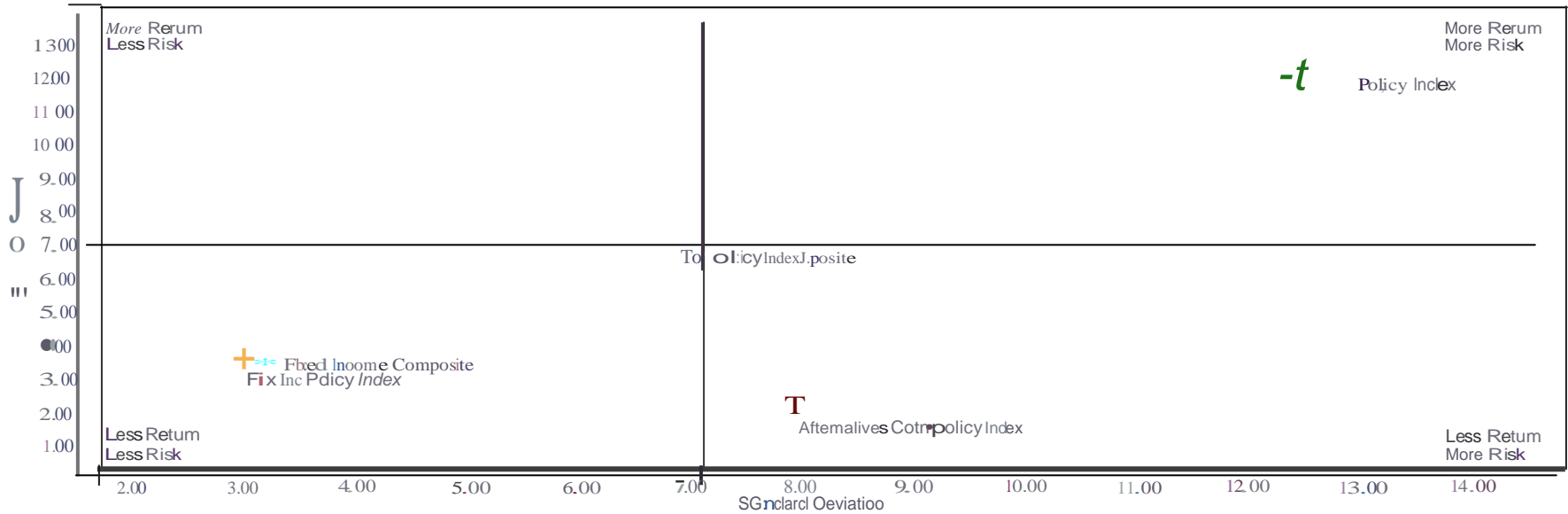
Risk Reward Analysis



IFund	6.79	6.40	1.03	0.60	0.93	
	6.21	0.39	0.95	0.00	0.00	
Fixed Income Composite	11.52		1.03	0.24	0.95	95.42
Fixed Income Policy Index	4.08	3.06	1.26	1.02	0.93	88.89
Alt Policy Index	3.07	2.93	0.97	2.11	0.12	7.00
Alt Policy Index	0.59	7.16	0.05	0.41	0.82	90.50
Alt Policy Index	0.15	8.26	-0.01	41.79	0.16	80.92



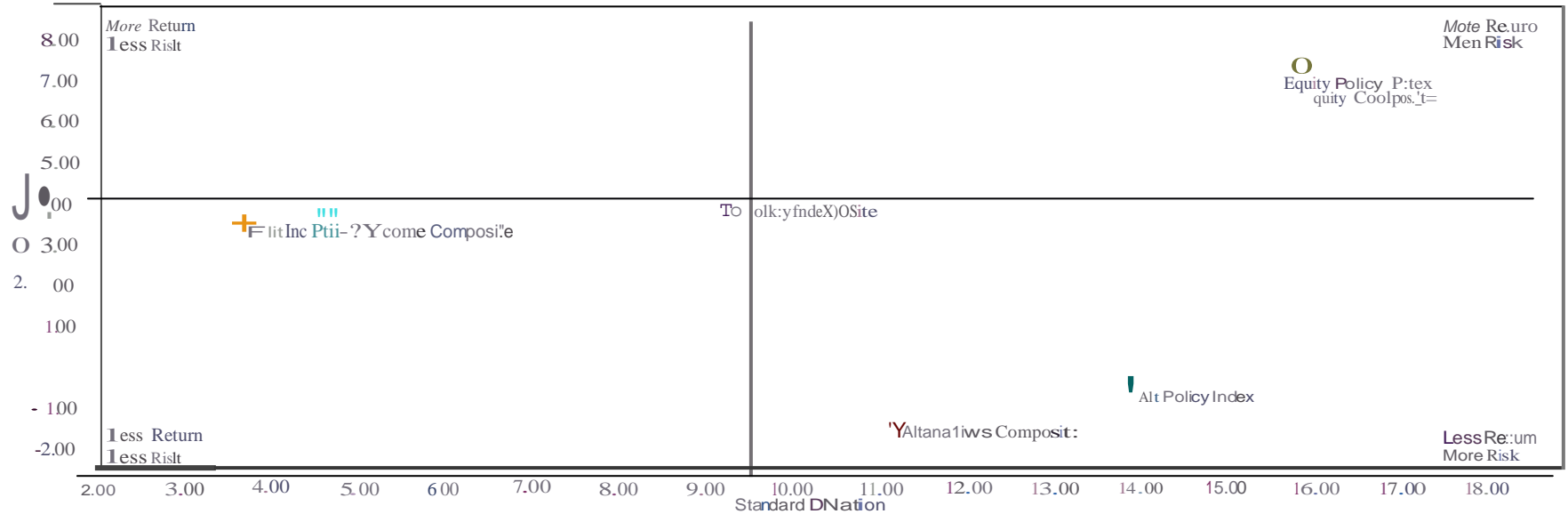
Sewerage and Water Board of New Orleans Composite Executive Summary Risk Reward Analysis



	Return	Std Dev	Sharpe Ratio	Alt	Beta	
Total	7.11	6.66	1.00	0.50	0.84	84.37
Fixed Income Composite	7.02	1.12	0.96	0.50	0.84	100.00
Fixed Income Policy Index	12.25	12.36	0.97	0.63	1.70	85.92
Alternatives Composite Policy Index	12.36	12.49	0.97	0.69	1.70	84.06
Fixed Income Policy Index	3.93	3.26	1.14	2.54	0.81	74.56
Fixed Income Policy Index	3.38	2.96	1.17	2.54	0.81	4.74
Alternatives Composite Policy Index	2.18	1.84	0.25	0.64	0.81	87.69
Alt	1.81	9.23	0.17	0.64	1.19	84.84



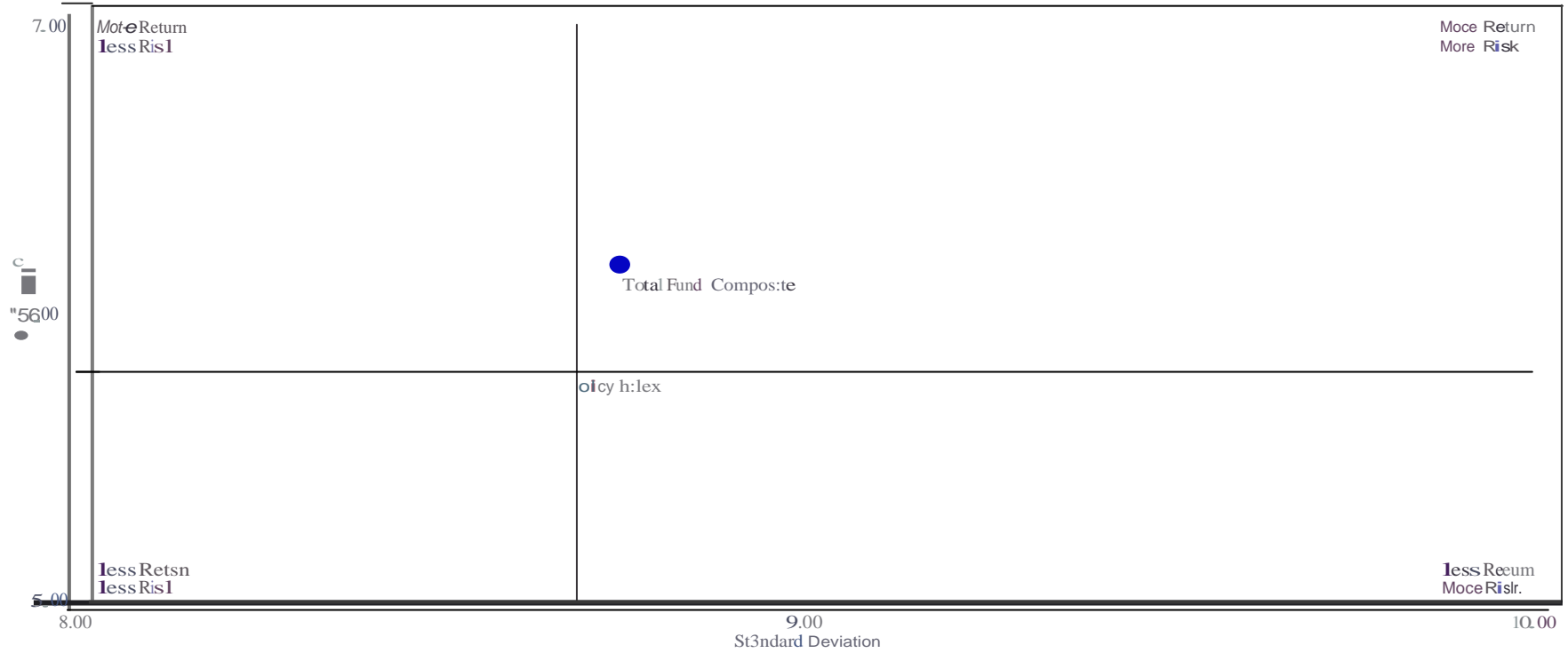
Sewerage and Water Board of New Orleans Composite
Executive Summary
Risk Reward Analysis
December 31, 2007 Through December 31, 2017



	Return	SUI Ow	Sharpe Ratio	III	BEIa	R-Value
Total Fixed Composite	4.18	9.12	0.42	0.28	0.93	95.44
Policy Index	4.14	9.54	0.40	0.00	1.00	100.00
Equity Composite	6.95	15.79	0.42	-0.25	0.98	96.66
Fixed Income Policy Index	7.39	15.85	0.45	1.30	1.62	95.30
Fixed Income Composite	3.62	4.65	0.71	0.21	0.89	49.13
Fixed Income Policy Index	3.84	3.66	0.96	3.07	0.11	7.98
Alternatives Composite	-1.26	11.24	.14	-1.15	0.75	85.82
Alt Policy Index	-0.37	13.94	-0.05	-5.41	1.36	86.73



Sewerage and Water Board of New Orleans Composite Executive Summary Risk Reward Analysis

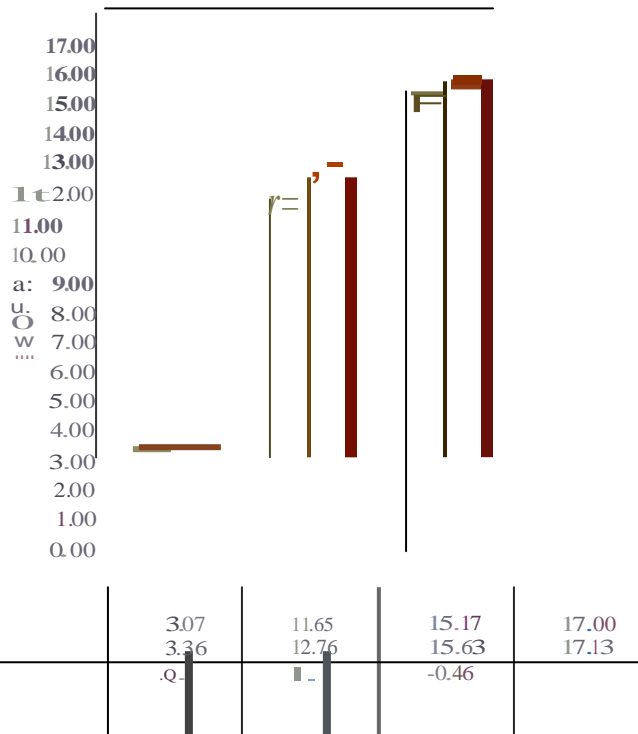


● Total Fund Composite	6.15		0.56	149	0.97	
● Policy Index	5.00		0.53	100	1.00	

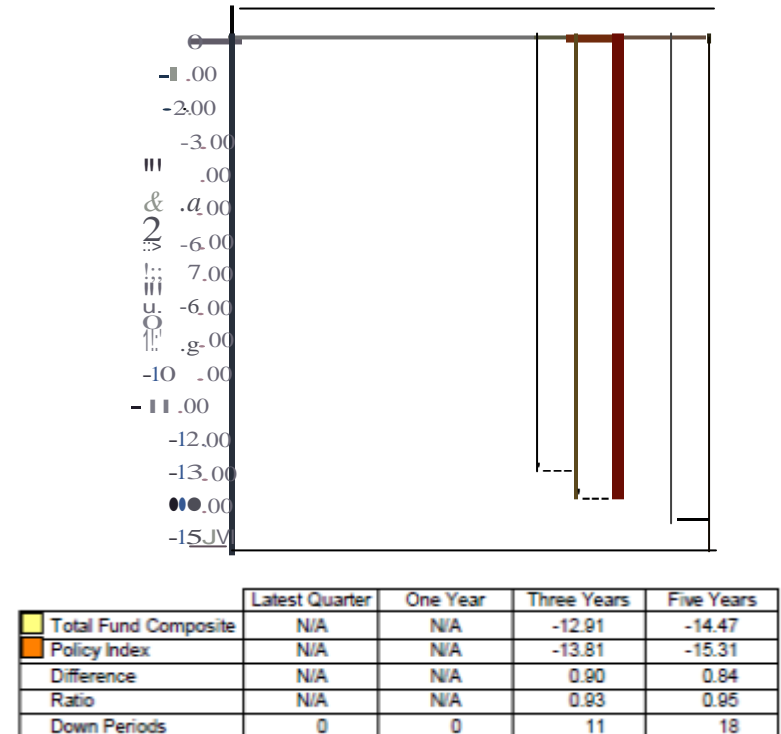


Sewerage and Water Board of New Orleans Composite Executive Summary Market Cycle Analysis Period Ending December 31, 2017

Up Market Performance



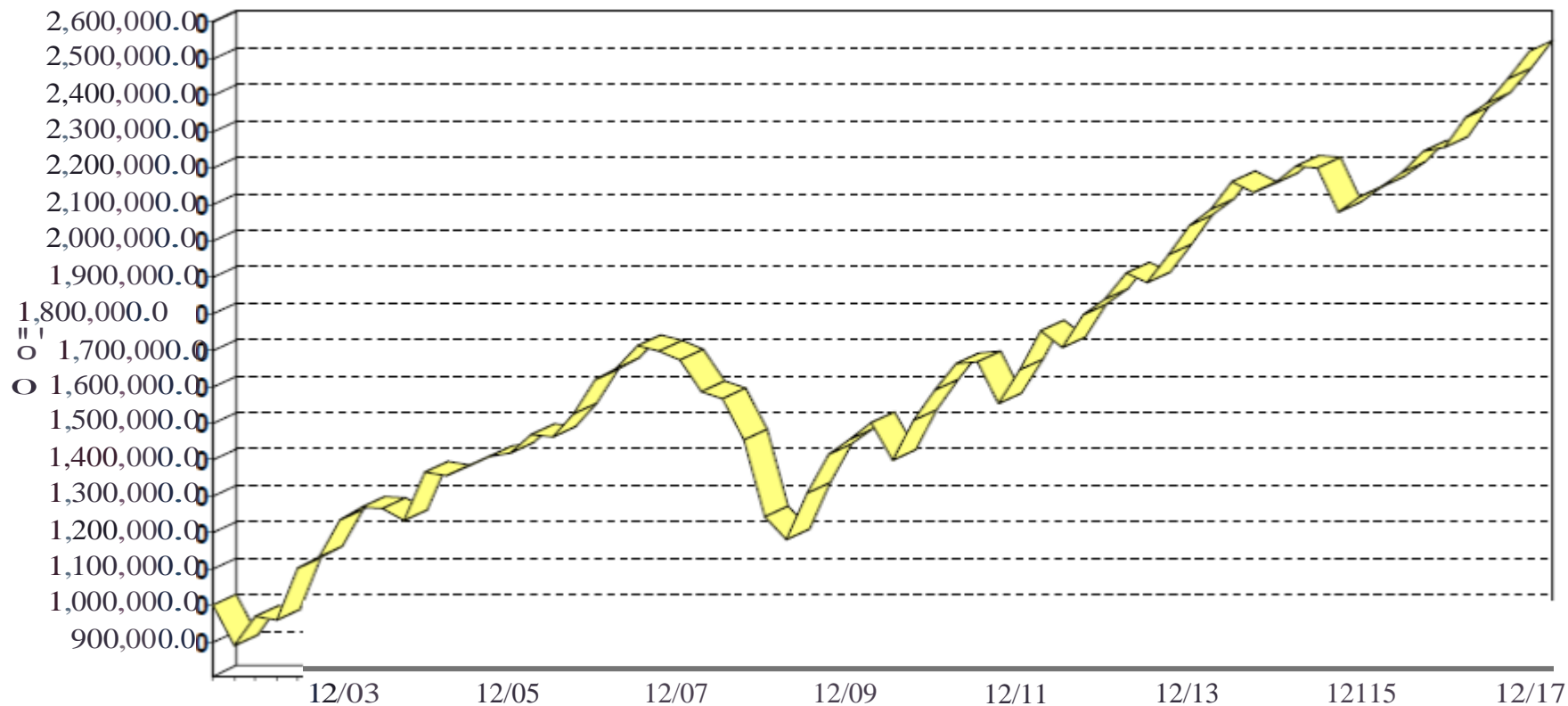
Down Market Performance



	Latest Quarter	One Year	Three Years	Five Years
Total Fund Composite	N/A	N/A	-12.91	-14.47
Policy Index	N/A	N/A	-13.81	-15.31
Difference	N/A	N/A	0.90	0.84
Ratio	N/A	N/A	0.93	0.95
Down Periods	0	0	11	18



Sewerage and Water Board of New Orleans Composite
 Executive Summary Growth Per
 Million Dollar Analysis Periods
 Ending December 31, 2017



	Latest Quarter	One Year	Three Years	Five Years	Six Years	Seven Years	Since Inception
Sewerage & Water Board of New Orleans	\$ 1,030,675	\$ 1,116,454	\$ 1,168,753	\$ 1,370,364	\$ 1,530,182	\$ 1,583,723	\$ 2,520,830



BEST PRACTICE

Core Elements of a Pension Funding Policy (CORBA) (2013)

Background. The Government Finance Officers Association (GFOA) has recommended that every state and local government that offers defined benefit pensions formally adopt a funding policy that provides reasonable assurance that the cost of those benefits will be funded in an equitable and sustainable manner.¹ To provide the desired degree of assurance, a pension funding policy would need to incorporate the following principles and objectives:

1. Every government employer that offers defined benefit pensions should obtain no less than biennially an actuarially determined contribution (ADC) to serve as the basis for its contributions;
2. The ADC should be calculated in a manner that fully funds the long-term costs of promised benefits, while balancing the goals of 1) keeping contributions relatively stable and 2) equitably allocating the costs over the employees' period of active service;
3. Every government employer that offers defined benefit pensions should make a commitment to fund the full amount of the ADC each period. (For some government employers, a reasonable transition period will be necessary before this objective can be accomplished);
4. Every government employer that offers defined benefit pensions should demonstrate accountability and transparency by communicating all of the information necessary for assessing the government's progress toward meeting its pension funding objectives.

These principles and objectives necessarily will affect decisions related to the treatment of three core elements of a comprehensive pension funding policy:

- *Actuarial cost method* - the technique used to allocate the total present value of future benefits over an employee's working career (*normal cost/service cost*).
- *Asset smoothing method* - the technique used to recognize gains or losses in pension assets over some period of time so as to reduce the effects of market volatility and stabilize contributions.
- *Amortization policy* - The length of time and the structure selected for increasing or decreasing contributions to systematically eliminate any unfunded actuarial accrued liability or surplus.

Recommendations. To ensure consistency with the principles and objectives described above, the GFOA recommends that a pension funding policy treat each of its core elements as follows:

¹ "Guidelines for Funding Defined Benefit Pensions" (2013) (CORBA).

Actuarial cost method. The actuarial cost method selected for funding purposes should conform to actuarial standards of practice and allocate normal costs over a period beginning no earlier than the date of employment and should not exceed the last assumed retirement age. Moreover, the selected actuarial cost method should be designed to fully fund the long-term costs of promised benefits, consistent with the objective of keeping contributions relatively stable and equitably allocating the costs over the employees' period of active service.² While not the only method that would satisfy this criterion, the entry age method—level percentage of pay normal cost—is especially well suited to achieving this purpose.

Asset smoothing. The method used for asset smoothing should:

- Be unbiased relative to market. Thus, for example:
 - The same smoothing period should be used for both gains and losses, and
 - Market corridors (a range beyond which deviations are *not* smoothed), if used, should be symmetrical³, and
- Provide for smoothing to occur over fixed periods (the use of rolling periods normally should be avoided), ideally of five years or less, but never longer than ten years.
 - Provide for a market corridor if smoothing is to occur over a period longer than five years.

Amortization. Amortization of the unfunded actuarial accrued liability⁴ should:

- Use fixed (closed) periods that
 - Are selected so as to balance the twin goals of demographic matching (equitable allocation of cost among generations) and volatility management (funding at a level percentage of payroll) and
 - Never exceed 25 years, but ideally fall in the 15-20 year range;
- Use a layered approach for the various components to be amortized (that is, an approach that separately tracks the different components to be amortized); and emerge as a level percentage of member compensation or as a level dollar amount.

Additional considerations for plans closed to new entrants. When a plan is closed to new participants, the aggregate actuarial cost method – level percentage of pay normal cost – is especially well suited for funding.

For closed plans with no remaining active members:

- Special attention needs to be given to the mix of investments (given the shorter time horizon); and
- In comparison to open plans:

² Employers using some other actuarial cost method should carefully monitor demographic changes and trends in the covered workforce inasmuch as such changes could result in increased employer contributions as a percentage of payroll.

³ Generally, the appropriate corridor will depend upon the length of the smoothing period, with longer smoothing periods requiring narrower corridors.

⁴ Special considerations may apply to the amortization of a surplus (e.g., use of a longer amortization period).

- Asset smoothing periods should be shorter (typically no longer than three years);
 - Corridors, if used, should be narrower; and
- Amortization periods should be shorter (typically no longer than 10 years for gains and losses).

For closed plans that still have active members:

- The continued use of level percent of member compensation amortization remains appropriate, but *not* for a long period (i.e., as the number of active members decreases); and
- In comparison to open plans:
 - Asset smoothing periods should be shorter;
 - For asset smoothing periods that exceed five years, a corridor (not to exceed 20 percent) should be used; and
 - Amortization periods should be shorter.

References.

- California Actuarial Advisory Panel, *Actuarial Funding Policies and Practices for Public Pension and OPEB Plans*, February 2013 at:
http://www.sco.ca.gov/Files-ARD/BudLeg/CAAP_Funding_Policies_w_letter.pdf



GFOA Best Practice

Sustainable Funding Practices of Defined Benefit Pension Plans

Background. The fundamental financial objective of a public employee defined benefit (DB) pension plan is to fund the long-term cost of benefits promised to the plan participants. It is widely acknowledged that the appropriate way to attain reasonable assurance that pension benefits will remain sustainable is for a government to accumulate resources for future benefit payments in a systematic and disciplined manner during the active service life of the benefitting employees.

Long-term funding is accomplished through contributions from the employer and employee, and from investment earnings, which typically provide the largest component of funding. Contributions are often expressed as a percentage of active member payroll, which should remain approximately level from one year to the next. Principles of accrual accounting require that the total cost of employee services be recognized in the period in which those services are rendered. A plan's funding policy codifies the pension system's commitment to fund benefit promises based on regular actuarial valuations. Creating a funding policy that embodies these accounting and funding principles is a prudent governance practice and helps achieve intergenerational equity among those who are called on to financially support the plan, thereby avoiding the transfer of costs to future generations.

Recommendation. GFOA recommends that state and local government officials ensure that the costs of the benefits promised in public employee DB plans are properly measured and reported, in accordance with generally accepted accounting principles (GAAP).¹ The GFOA believes sustainability requires that governments that sponsor or participate in a defined benefit pension plan contribute the full amount of their actuarially determined annual required contribution (ARC) each year. Failing to fund the ARC during recessionary periods impairs investment returns by depriving the fund of its opportunity to invest when stock prices are low. Long-term investment performance will suffer and ultimately require higher contributions.

In pursuing these standards and criteria, public officials and retirement system trustees should, at a minimum, adhere to the following best practices:

1. Adopt a funding policy targeting a 100 percent or more funded ratio (full funding). The funding policy should provide for a stable amortization period over time², with parameters provided for making changes that are based on specific circumstances. Establish a period for amortization of unfunded actuarial accrued liabilities that does not exceed the parameters established by GAAP³ and that is consistent with the funding policy of the plan.

2. Discuss the funding and amortization methods with your actuary, and select the one that most closely aligns with the funding policy. The actuarial funding method selected is a key component of the funding policy of the plan⁴. Some funding methods may result in more variations in the ARC (the portion of the present value of projected benefits that is attributable to the current period) than others. Governments should take measures to reduce the volatility in the ARC in order to create a more predictable operating budget and enhance their ability to meet funding obligations.
3. The funding policy should stipulate that employer and employee contributions are to be made at regular intervals, with the contribution amount determined by the results of a recent actuarial valuation of the system. To ensure that this objective can be achieved, the funding policy should be integrated with investment and asset allocation policies. Reductions or postponements in collecting the ARC would typically be inconsistent with the assumptions made in computing the ARC. When contributions fall below the ARC, the board of trustees should prepare a report that analyzes what effect the underfunding has on the system and distribute the report to all stakeholders.
4. Have an actuarial valuation prepared at least biennially by a qualified actuary in accordance with generally accepted actuarial principles applied in a manner consistent with GAAP. Each valuation should include a gain/loss analysis that identifies the magnitude of actuarial gains and losses, based on variations between actual and assumed experience for each major assumption. Have a comprehensive audit of the plan's actuarial valuations performed by an independent actuary at least once every five to eight years. The purpose of such a review is to provide an independent critique of the reasonableness of the actuarial methods and assumptions in use and the validity of the resulting actuarially computed contributions and liabilities.
5. Actuarial assumptions should be carefully reviewed by retirement system staff, discussed with outside experts (including investment advisors), and explicitly approved by trustees. Assumptions that should be carefully reviewed include the long-term return on assets, salary growth, inflation, mortality tables, age eligibility, and any anticipated changes in the covered population of plan participants. Have an actuarial experience study performed at least once every five years, and update actuarial assumptions as needed.
6. Prepare and widely distribute a comprehensive annual financial report (CAFR) covering retirement system activity, and distribute summary information to all plan participants. The CAFR should be prepared following the guidance provided by the GFOA for the preparation of a public employee retirement system CAFR.

GFOA recommends the following options to reduce ARC volatility:

1. *Smoothing returns on assets.* Smoothing investment returns over several years recognizes that the system's investment portfolio performance does fluctuate, and only by coincidence will it exactly equal the assumed actuarial rate of return for any given year. This approach reduces the volatility within the calculation of the ARC. A smoothing period is used to balance the need for a longer-term investment horizon with the short-term market fluctuations in the value of plan assets. While the smoothing period is typically about five years, it can be longer, if controls are in place to assure that any variation between the market value and actuarial value of assets does not become too large. A common approach is to establish corridors around market value of assets to

stipulate the maximum percentage by which the actuarially smoothed value will be allowed to deviate from the actual market value (pension funds commonly limit the actuarial value of assets to no less than 80 percent of market value and no more than 120 percent). Once a smoothing method is established, the retirement board should adhere to it and avoid making arbitrary changes to the methodology.

2. *Diversifying the investment portfolio to reduce volatility in investment returns.* Diversifying assets across and within asset classes is a fundamental risk management tool that also has the effect of reducing the fluctuations in ARC volatility. Although annual changes in the ARC are affected by numerous factors, the most significant is usually investment return. It is recommended that retirement systems periodically conduct asset-liability studies for use in reviewing their asset allocation policies. (See GFOA's Best Practice, Asset Allocation Guidance for Defined Benefit Plans, 2009).
3. *Managing investment returns long term.* Because the investment return assumption is an average longterm expected rate of return, excess earnings in any one year will likely be offset by lower-than-expected rates of return in a future year. Thus, any program that is derived from an excess-earnings concept is detrimental to the funded status of the plan.
4. *Managing growth in liabilities.* Managing growth in liabilities should also be done long term. All benefit increases for members and beneficiaries should be carefully considered and appropriately approved, and be consistent with all Internal Revenue Service requirements. Whether cost of living adjustments (COLAs), benefit formula enhancements, or post-retirement benefit increases, a clear strategy should be developed that integrates benefit enhancements with the funding policy of the plan. Further, all benefit enhancements and COLAs should be actuarially valued and presented to the Board of Trustees, plan sponsor and appropriate legislative body before they are adopted so the effect of the benefit enhancements on the fund's actuarial accrued liability, funded ratio, and contribution rates is fully understood. This step will help ensure that the goal of fully funding member benefits is achieved, and the financial condition of the retirement system remains sustainable. If a benefit enhancement is being considered, a source of funding should be identified that can support the enhancement over the long term.
5. *Maintaining vigilance against ethical violations and benefit calculation abuse.* While affecting only a small percentage of retirement systems, and often only in select instances in these systems, headlinegrabbing abuses of retirement benefit enhancements such as salary spiking can create negative public perceptions that are harmful to all retirement systems and can adversely affect the sustainability of the system. Policies to safeguard against these abuses or undesired outcomes should be considered.

References.

Financing Retirement System Benefits, Richard G. Roeder, GFOA, 1987.

Pension Accounting and Reporting, Second Edition, William R. Schwartz, GFOA, 1995.

Guidelines for the Preparation of a Public Employee Retirement System Comprehensive Annual Financial Report, Stephen Gauthier, GFOA, 1996.

An Elected Officials Guide to Public Retirement Plans, Cathie G. Eitelberg, GFOA, 1997.

A Guide for Selecting Pension Actuarial Consultants: Writing RFPs and Evaluating Proposals, Robert Pam, GFOA, 1999.

Public Pension Systems – Operational Risks of Defined Benefit and Related Plans and Controls Investment Policy Checklist for Pension Fund Assets, GFOA, May 2003.

GFOA Best Practice, Asset Allocation Guidance for Defined Benefit Plans, 2009.

NOTES:

¹ The Governmental Accounting Standards Board (GASB) currently sets GAAP for state and local governments.

² Public officials and retirement system trustees should exercise extreme caution when considering the use of “open amortization” since this method can delay full amortization indefinitely, and could even result in the amount to be amortized increasing rather than decreasing.

³ GASB standards set a maximum amortization period of no longer than 30 years.

⁴ The use of projected unit credit method (one of six actuarial cost allocation methods permitted by GAAP) typically would not be consistent with the goal of level funding.

Approved by the GFOA's Executive Board, October, 2009.

Last Year Was Unusual, not Last Week

Author: Jay Kloepfer

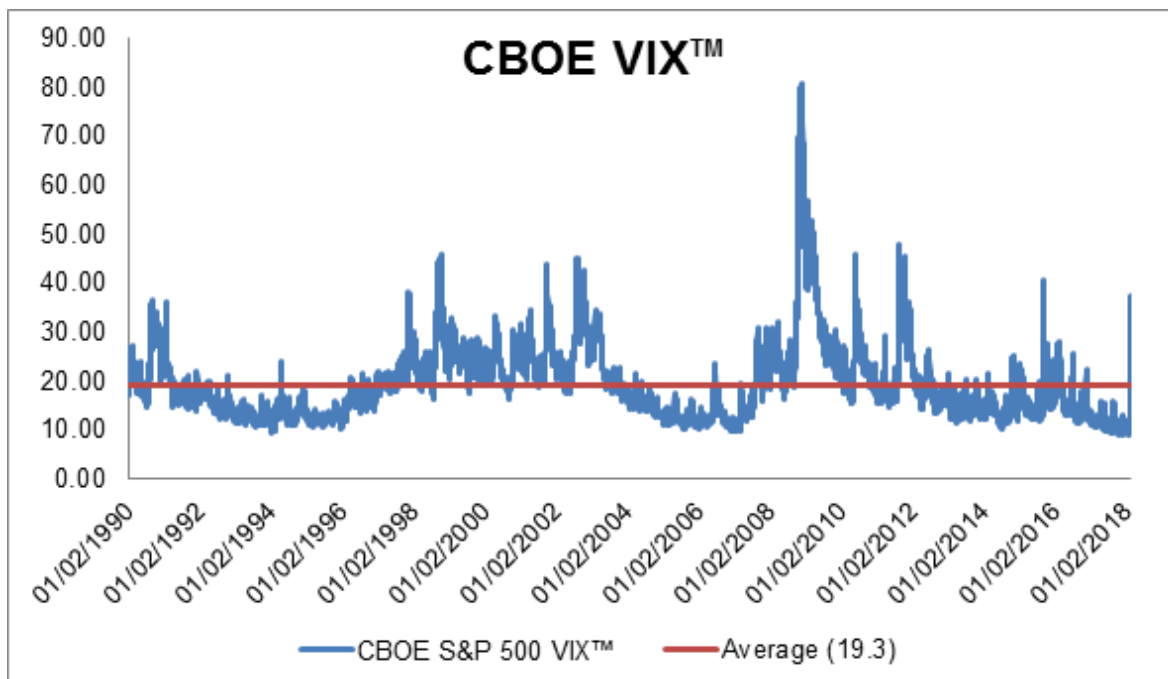
By Mark Andersen and Jay Kloepfer

The S&P 500 entered correction territory last week, plunging more than 10 percent in five trading days after volatility exploded on Feb. 2. Investors betting on continuing low volatility saw big losses, and markets around the globe shuddered in response. As last week lurched along, with sharp reversals on Tuesday and Friday, investors are asking, will the shaking stop soon? When will we get back to normal?

(Estimated reading time: 3 min 36 sec)

THIS is normal. We must remind ourselves that substantial volatility and drawdown risk in the equity market is normal, and that 2017 was likely as abnormal a year as we've seen in some time: the U.S. stock market rose steadily with little volatility all year. The S&P 500 typically sees a realized volatility as measured by standard deviation of around 15; last year's volatility, as measured by the 12-month standard deviation of the index, was just 5.5 in December.

The VIX, an index that measures investors' forward-looking volatility expectations, has averaged 20 over time. Last year saw 53 days when the VIX closed below 10, and it set an intra-day record low of 8.56 on Nov. 27. Prior to 2017, there were 9 days TOTAL in the 24 years since the launch of live data in early 1993 in which the VIX closed below 10. We saw only eight days where the S&P moved 1% or more during 2017, compared to 1995 with 13, 1972 with 10, and 1964 with just 3. The fourth quarter of 2017 saw NO 1% changes in the S&P 500. In fact, 2017 was also the first year on record where the S&P saw NO down months, recording 15 consecutive positive months through December. The S&P closed at record highs 66 times during the year, a feat unseen since the 1990s.



The market drop on Feb. 5 was indeed the largest point drop in history for several market indices (the S&P Price Only Index was down 113.19), and last Thursday recorded the third largest point drop.

However, putting the moves in context, the decline last Monday (-4.1%) was the 42nd largest percentage drop in history. A lion's share of the larger drops occurred during the Global Financial Crisis (20), along with 4 in each of the Taper Tantrum in 2015, the fourth quarter of 1987, and, the bursting of the Dot-Com Bubble and tech wreck aftermath in 2000-2002. Regardless of the direction of the move, the 113.19 drop was still the largest point change on record, although it ranked only 78th as the largest percentage move in either direction.

The point to the recitation of all this data: the return to volatility last week is actually a return to normal. The persistent low volatility in 2017 and in particular the no-volatility fourth quarter were the anomalies. The ostensible reason for the market sell-off last week was a report on rising compensation that appeared to confirm concerns about a nascent acceleration in inflation, or at least inflationary pressures. These concerns were related to a recent interest rate hike, reports on continuing strong economic growth, and rising stock market valuations that were increasingly touted as rich.

However, little of this is actually "news," in the sense of being new information (not fake news!). The Fed has been telegraphing potential rate hikes, loudly, for the past few years, and if anything has been under-delivering, dragging its feet on raising rates. The growth in the economy has been steady and without much surprise, and quite modest by historical standards. The recent wage report showing the annual growth rising from 2% to 3% is neither shocking nor unexpected and is simply the cumulative effect of steady growth tightening the labor markets, a slow-moving development that has been open for all to see. Higher multiples for stocks were arguably justified by low interest rates, and the well-telegraphed rise in rates was bound to have an impact and should come as no surprise, either.

Last year was a wonderful interlude for investors yet by no means should that Goldilocks scenario be extrapolated to the future. As last week reminded market participants, volatility can and will return. For long-term investors, changes made as the result of volatility should follow the discipline applied to changes made at all times: carefully considered, and best done in relative calm and not during the heights of the maelstrom.

For more perspective on the capital markets and the economy in 2017, please see Jay's blog post [here](#).

66

The number of record high closes for the S&P 500 in 2017, a feat unseen since the 1990s.



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EMPLOYEES' RETIREMENT SYSTEM OF THE
SEWERAGE AND WATER BOARD OF NEW ORLEANS

HYPOTHETICAL ACCUMULATION OF "CLOSED" 10 YEAR AMORTIZATION PAYMENTS
AT VALUATION INTEREST OF 7% ANNUALLY

Year	Beginning Value	Total Payments During Year	Investment Earnings	Ending Value
1	0	8,913,956	311,988	9,225,944
2	9,225,944	8,913,956	957,805	19,097,705
3	19,097,705	8,913,956	1,648,828	29,660,489
4	29,660,489	8,913,956	2,388,223	40,962,668
5	40,962,668	8,913,956	3,179,375	53,055,999
6	53,055,999	8,913,956	4,025,908	65,995,863
7	65,995,863	8,913,956	4,931,699	79,841,518
8	79,841,518	8,913,956	5,900,895	94,656,369
9	94,656,369	8,913,956	6,937,934	110,508,259
10	110,508,259	8,913,956	8,047,567	127,469,782

HYPOTHETICAL ACCUMULATION OF "OPEN" 30 YEAR AMORTIZATION PAYMENTS
AT VALUATION INTEREST OF 7% ANNUALLY

Year	Beginning Value	Total Payments During Year	Investment Earnings	Ending Value
1	0	5,045,345	161,872	4,786,772
2	4,786,772	5,045,345	496,946	9,908,618
3	9,908,618	5,045,345	855,475	15,388,993
4	15,388,993	5,045,345	1,239,101	21,252,994
5	21,252,994	5,045,345	1,649,581	27,527,475
6	27,527,475	5,045,345	2,088,795	34,241,170
7	34,241,170	5,045,345	2,558,753	41,424,823
8	41,424,823	5,045,345	3,061,609	49,111,332
9	49,111,332	5,045,345	3,599,665	57,335,897
10	57,335,897	5,045,345	4,175,384	66,136,181

Notes:

Additional payments for each of 10 years, assumed payable monthly:

$$\$8,913,956 - \$5,045,345 = \$3,868,611$$

Accumulated value of additional payments at end of 10 years at 7%

$$\text{valuation interest: } \$127,469,782 - \$66,136,181 = \$61,333,601$$

Unfunded accrued actuarial liability as of 1/1/2017: \$64,592,033

Remaining unfunded accrued actuarial liability:

After 10 years: After 30 years:

10 Year Closed Amortization:	zero	zero
30 Year Open Amortization:	\$51,163,349	\$46,939,030

Sewerage and Water Board of New Orleans
December 31, 2016 Actuarial Valuation
Amortization of Unfunded Actuarial Liability
Using Open vs. Closed Amortization Periods

Percentage Paid Off
Under Each Amortization Method

Elapsed Years	Interest Rate	10 Year Open	30 Year Open	10 Year Closed	30 Year Closed
1	.0700	7.24%	1.06%	7.24%	1.06%
2	.0700	13.95%	2.11%	14.98%	2.19%
3	.0700	20.18%	3.14%	23.27%	3.40%
4	.0700	25.96%	4.17%	32.14%	4.70%
5	.0700	31.32%	5.18%	41.62%	6.09%
6	.0700	36.29%	6.19%	51.77%	7.57%
7	.0700	40.90%	7.18%	62.64%	9.16%
8	.0700	45.18%	8.16%	74.26%	10.86%
9	.0700	49.14%	9.13%	86.69%	12.68%
10	.0700	52.82%	10.10%	100.00%	14.63%
11	.0700	56.24%	11.05%	100.00%	16.71%
12	.0700	59.41%	11.99%	100.00%	18.94%
13	.0700	62.34%	12.92%	100.00%	21.32%
14	.0700	65.07%	13.84%	100.00%	23.87%
15	.0700	67.60%	14.76%	100.00%	26.60%
16	.0700	69.94%	15.66%	100.00%	29.52%
17	.0700	72.12%	16.55%	100.00%	32.65%
18	.0700	74.14%	17.43%	100.00%	35.99%
19	.0700	76.01%	18.31%	100.00%	39.57%
20	.0700	77.75%	19.17%	100.00%	43.40%
21	.0700	79.36%	20.03%	100.00%	47.50%
22	.0700	80.85%	20.88%	100.00%	51.88%
23	.0700	82.24%	21.71%	100.00%	56.57%
24	.0700	83.52%	22.54%	100.00%	61.59%
25	.0700	84.71%	23.36%	100.00%	66.96%
26	.0700	85.82%	24.17%	100.00%	72.70%
27	.0700	86.85%	24.98%	100.00%	78.85%
28	.0700	87.80%	25.77%	100.00%	85.43%
29	.0700	88.68%	26.56%	100.00%	92.47%
30	.0700	89.50%	27.33%	100.00%	100.00%

Summary:

10 Year Closed amortization would entail an additional \$3.9 million for 10 years as compared to \$5 million indefinitely into the future under 30 year open amortization, with gradual reductions in the \$5 million annually over time. The result would be a an unfunded liability which would decrease *very gradually* from about \$65 million on 1/1/2017 to about \$51 million after ten years and to about \$47 million after 30 years.

CONEFRY & COMPANY, L.L.C.

160 Pleasant Ridge Drive
Belle Chasse, LA 70037-4502
Tel. 504.392.8853 • Facsimile 504.392.4430

May 24, 2017

Mr. Cedric S. Grant
Executive Director
Sewerage and Water Board of New Orleans
625 St. Joseph Street
New Orleans, LA 70165

Re: January 1, 2017 Actuarial Valuation

Dear Mr. Grant:

This letter and report supersede the letter and report dated April 30, 2017. The actuarial valuation was revised because of revised financial statements of the plan. Enclosed is the revised actuarial valuation report of the Employees' Retirement System of the Sewerage and Water Board of New Orleans as of December 31, 2016.

This actuarial valuation has been performed on a basis consistent with that which was performed as of December 31, 2015.

It should be noted that Exhibit III contains the Schedule of Funding Progress according to the requirements formerly mandated by Statement No. 25 (as modified by Statement No. 50) of the Governmental Accounting Standards Board (GASB #25 and #50). As described in that Exhibit III, these statements have been replaced by GASB Statements #67 and #68 and are addressed in a separate report.

Summarized below are the principal results of the actuarial valuation.

Summm of Valuation Results

	12/31/2015	12/31/2016
1. Number of Active Participants	971	998
2. Total Active Annual Payroll	\$ 33,672,902	\$ 35,363,156
3. Plan 10 Year "Amortization" Contribution as a Percentage of Active Payroll	37.073%	36.175%
4. Expected Employee Contribution as a Percentage of Active Payroll (See p. 12 of report)	5.000%	5.000%
5. Employer 10 Year "Amortization" Contribution as a Percentage of Active Payroll	32.073%	31.175%

Mr. Cedric S. Grant
 May 24, 2017
 Page 2

	12/31/2015	12/31/2016
6. Plan 30 Year Amortization (Minimum) Contribution as a Percentage of Active Payroll	25.690%	25.235%
7. Expected Employee Contribution as a Percentage of Active Payroll (See p. 12 of report)	5.000%	5.000%
8. Employer 30 Year Amortization (Minimum) Contribution as a Percentage of Active Payroll	20.690%	20.235%
9. Market Value of Plan Assets	\$ 222,427,527	\$ 224,356,261
10. Actuarial Value of Plan Assets (Adjusted Market Value Basis)	\$ 233,572,291	\$ 238,715,902
11. Valuation Unfunded Actuarial Liability	\$ 63,996,458	\$ 64,592,033
12. Ratio of UAL to Valuation Payroll	190.1%	182.7%
13. Funded Ratio	80.7%	81.3%

There have not been plan amendments or any changes to the actuarial assumptions or method since the immediately preceding valuation. The plan amendments adopted on November 19, 2014 involving definition of "average compensation" and employee contributions are the most recent substantive amendments to the plan's provisions which would have a material effect on the actuarial valuation results (see page 12, Exhibit I of the report).

Yours truly,

Actuary 


* Member of the American Academy of Actuaries and qualified to render the Statements of Actuarial Opinion contained herein.

MAC:wp
 Enclosures

ACTUARIAL VALUATION REPORT

**EMPLOYEES' RETIREMENT SYSTEM
OF THE SEWERAGE AND WATER BOARD
OF NEW ORLEANS**

Annual Actuarial Valuation
as of January 1, 2017

C ONEFRY & COMPANY, LLC

ACTUARIAL AND EMPLOYEE BENEFIT CONSULTING
NEW ORLEANS, LOUISIANA

INTRODUCTION

We present in this report the results of our actuarial valuation of the Employees' Retirement System of the Sewerage and Water Board of New Orleans as of January 1, 2017. The plan is an actuarially funded qualified governmental defined benefit pension under the Internal Revenue Code, and we have performed this actuarial valuation using conventional and generally accepted actuarial methods, assumptions, and principles applicable to qualified defined benefit pension plans. We have performed the actuarial valuation using the Entry Age Normal Cost Method. A full description of the funding method is contained in Section II of the report.

The Summary of Plan Provisions presented in the Appendix is intended to describe the principal benefits provided by the plan, particularly from the perspective of their significance in affecting the actuarial liability and cost of the plan. The summary is not, of course, intended to be a comprehensive or complete description of all benefits payable under all circumstances under the pension plan.

EMPLOYEES' RETIREMENT SYSTEM
OF THE SEWERAGE AND WATER BOARD OF NEW ORLEANS

SUMMARY

I. FINANCIAL AND ACTUARIAL STATUS
As of January 1, 2017

Market Value of Assets	\$ 224,356,261	Page 1
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Actuarial Value of Assets	\$ 238,715,902'	Page 2
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II. EMPLOYER AND EMPLOYEE CONTRIBUTIONS
For the Plan Year Beginning January 1, 2017

Total "Amortization" Contribution (As % of Payroll)	\$ 12,792,556 (36.175%)	Page 8
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Expected Total Employee Contributions (As % of Payroll)	\$ 1,768,158 (5.000%)	Page 8
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Employer "Amortization" Contribution (As % of Payroll)	\$ 11,024,398 (31.175%)	Page 8
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Total "Minimum" Contribution (As % of Payroll)	\$ 8,923,945 (25.235%)	Page 9
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Expected Total Employee Contributions (As % of Payroll)	\$ 1,768,158 (5.000%)	Page 9
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Employer "Minimum" Contribution (As % of Payroll)	\$ 7,155,787 (20.235%)	Page 9
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Net Actuarial Experience		Page 10
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APPENDIX

Summary of Plan Provisions	Exhibit I - P. 12
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Statement of Actuarial Basis for Funding Purposes	Exhibit II - P. 20
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Statement of Accounting Information for Financial Statements	Exhibit III - P. 24
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Active and Inactive Participant Profiles	Exhibit IV - P. 25
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Market Value and Actuarial Value Investment Performance	Exhibit V - P. 32
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<u>CERTIFICATION</u>	Page 36
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I. FINANCIAL AND ACTUARIAL STATUS as of January 1, 2017

We have conducted this actuarial valuation using employee data and asset information furnished by the administrative office of the System. This section of the report presents a summary of the assets of the plan at Market Value, as well as the development of the Actuarial Value of Assets used in the funding method. The funding method used to determine the actuarial liabilities is described in Section II and the actuarial assumptions upon which the liabilities are based are summarized in Exhibit II of the report.

ASSETS

The following table showing the composition of the assets as of December 31, 2016 is based on information supplied by the administrative office and the auditors of the System.

Table 1

Statement of Assets
as of December 31, 2016

<u>Assets</u>	Market Value
Cash	\$ 40,495
Investments	224,250,456
Total Invested Assets	224,290,951
Plus accounts receivable	+65,310
Less accounts payable	<u>0</u>
Total Assets	\$ 224,356,261 *

The actuarial value of assets used in this valuation is Adjusted Market Value as determined in Table 2. D.R.O.P. account balances are included in the foregoing Assets and shown as an actuarial liability in Table 4, item (2)f.

ACTUARIAL VALUE OF ASSETS

Beginning with the January 1, 1998 actuarial valuation, the method of determining the actuarial value of assets was changed to adjusted market value from the former adjusted book value basis. The change had been necessitated because the former method, in our opinion and that of the auditors, was not "market value related" within the meaning of Statement No. 25 of the Government Accounting Standards Board (GASB #25) and its successor GASB Statements.

This revised method reflects actual market value performance over a seven year period ending on the valuation date. The market value performance is averaged over the seven year period by reflecting the actual external cash flow and adjusting each prior year's market value to the current valuation date using the actuarial interest assumption.

The following table develops the Adjusted Market Value of Assets to be used as the Actuarial Value of Assets in the actuarial valuation.

Table 2
Actuarial Value of Assets
As of December 31, 2016

Plan Year Ending	Beginning Market Value	Net External Cash Flow For Year	Market Value Inv. Income For Year	Ending Market Value	Market Value Performance For Year	Adj. Market Value Component
2010	191,024,143	-8,223,289	22,439,431	205,240,285	12.0053%	239,776,118
2011	205,240,285	-8,114,890	8,968,361	206,093,756	4.4578%	232,596,117
2012	206,093,756	-8,472,301	23,082,600	220,704,055	11.4351%	244,324,533
2013	220,704,055	-9,525,020	23,179,014	234,358,049	10.7339%	254,195,277
2014	234,358,049	-9,143,898	11,342,520	236,556,671	4.9416%	248,773,859
2015	236,556,671	-9,985,003	-4,144,141	222,427,527	-1.7896%	226,989,147
2016	222,427,527	-10,642,132	12,570,866	224,356,261	5.7902%	224,356,261
Years Included: 7		-64,118,755	97,450,873			
					Average Adj. MY:	\$238,715,902

II. EMPLOYER AND EMPLOYEE CONTRIBUTIONS
for the Plan Year Beginning January 1, 2017

DESCRIPTION OF ACTUARIAL COST METHOD

Under the Entry Age Normal Cost Method, the normal cost of the plan is designed to be a level percentage of payroll, calculated on an aggregate basis, spread over the entire working lifetime of the participants. The future working lifetime is determined from each participant's hypothetical entry age into the plan assuming the plan had always been in existence, to his expected retirement date. The actuarial accrued liability is the amount of total liability not covered by future entry age normal costs. This amount is composed of the actuarial value of benefits already funded (assets) and those not yet funded (unfunded actuarial liability).

The plan's funding cost for the year is the sum of the Entry Age Normal Cost and the amount necessary to amortize the remaining unfunded actuarial liability as of the valuation date over the adopted amortization period.

Beginning with the January 1, 2007 actuarial valuation, a new amortization basis was established. The former amortization basis used a level dollar amortization for a ten (10) year "closed" (that is, with the remaining period reducing by one each year) amortization period from January 1, 2003 through December 31, 2012. This has been replaced by a level dollar amortization for an "open"¹¹ (that is, a constant number of years) ten (10) year amortization period effective on each valuation date. This open ten (10) year amortization amount is developed later in this section and presented in Table 5.

Table 3
Entry Age Normal Cost for Plan Year
Beginning January 1, 2017

(1)	Actuarial Present Value at Entry Age of Expected Benefits to Plan Participants	\$ 16,915,000
(2)	Actuarial Present Value at Entry Age of Future Payroll of Active Participants	159,107,959
(3)	Normal Cost as a Percentage of Payroll: (1) divided by (2)	10.631%
(4)	Current Payroll of Active Participants ^{1*}	35,363,156
(5)	Normal Cost: (3) x (4) (Assumed payable January 1, 2017)	\$ 3,759,457
(6)	Normal Cost, adjusted for monthly payments	\$ 3,878,600

There are 998 active participants: 513-fully vested; 0-partially vested; 485-not vested.

Table 4
Unfunded Actuarial Liability
as of January 1, 2017

(1)	Actuarial Present Value of Expected Benefits to Active Plan Participants		
(a)	Basic and Supplemental Retirement Benefit	\$ 96,397,447	
(b)	Death and Survivor Benefit	7,232,607	
(c)	Disability Benefit (Inc. suppl & surv.)	6,994,526	
(d)	Vesting Benefit	7,122,155	
(e)	Refund of Employee Contributions	1,848,314	
	Total Active		\$ 119,595,049
(2)	Actuarial Present Value of Expected Benefits to Inactive Plan Participants		
(a)	Regular Retirees	\$ 129,379,206	
(b)	Disability Retirement	7,324,044	
(c)	Survivors	7,382,961	
(d)	Terminated Vested	1,122,569	
(e)	D.R.O.P. Retirees (Future Benefits)	47,405,127	
(t)	D.R.O.P. Retirees (Account Balances)	11,328,708	
	Total Inactive		\$ 203,942,615
(3)	Total Actuarial Present Value of Expected Benefits to All Plan Participants		
	(1) + (2)		323,537,664
(4)	Actuarial Present Value of Future Payroll of Active Participants		190,289,991
(5)	Normal Cost as a Percentage of Payroll: (From Table 3)		10.631%
(6)	Actuarial Present Value of Future Normal Cost Contributions: (4) x (5)		20,229,729
(7)	Actuarial Value of Assets (from Table 2)		238,715,902
(8)	Unfunded Actuarial Liability: (3) - (6) - (7)		64,592,033

TOTAL CONTRIBUTION FOR PLAN YEAR BEGINNING January 1, 2017

CONTRIBUTION TO AMORTIZE UNFUNDED ACTUARIAL LIABILITY

The adopted "amortization" contribution for a plan year equals the normal cost plus the level dollar amount necessary to amortize the Unfunded Actuarial Liability over ten (10) years. The annual amount required to amortize the Unfunded Actuarial Liability of \$64,592,033 over 10 years at 7% annual interest (assuming monthly payments) is \$8,913,956.

Table 5

Total Required "Amortization" Contribution for the
Plan Year Beginning January 1, 2017

(1)	Normal Cost (From Table 3; assumed payable monthly)	\$ 3,878,600	
(2)	Net Annual charge Required for Amortization of Unfunded Actuarial Liability Over 10 year period beginning January 1, 2017 (See Above; Assumed payable monthly)	8,923,945	
(3)	Total Plan Contribution as of January 1, 2017: (1) + (2)	\$ 12,792,556 (36.175%)	*
(4)	Annual Employee Plan Contributions as of January 1, 2017 (See note below)	\$ 1,768,158 (5.000%)	*
(5)	Employer Contribution as of January 1, 2017: (3) - (4) (Assumed payable monthly)	\$ 11,024,398 (31.175%)	*

* Expressed as a percentage of annual participant payroll of \$35,363,156.

Note: Current actual employee contribution is 6% of payroll effective January 1, 2015. By Board Resolution R-248-2014, as long as the Retirement System *is* not 100% funded, the Employer Contribution percentage shall be calculated as if the Employee Contribution percentage has remained at 5% of payroll.

"MINIMUM" CONTRIBUTION

GASB Statements 25 and 27 required that the Unfunded Actuarial Liability be amortized over a period not longer than 30 years. Although those statements are not any longer applicable, we present the contribution on that basis for historical continuity. The contribution for a plan year equals the normal cost plus the amount necessary to amortize the Unfunded Actuarial Liability over the thirty (30) year period which begins on the valuation date. Using a level dollar, open period amortization method, the annual amount required to amortize the Unfunded Actuarial Liability of \$64,592,033 over the 30 year period beginning January 1, 2017 at 7% annual interest (assuming monthly payments) is \$5,045,345.

Table 6

Total Required "Minimum" Contribution for the
Plan Year Beginning January 1, 2017

(1)	Normal Cost (From Table 3; assumed payable monthly)	\$ 3,878,600	
(2)	Net Annual Charge Required for Amortization of Unfunded Actuarial Liability Over 30 year period beginning January 1, 2017 (see above) (Assumed payable monthly)	5,045,345	
(3)	Total Plan Contribution as of January 1, 2017: (1) + (2)	\$ 8,923,945	(25.235%) *
(4)	Annual Employee Plan Contributions as of January 1, 2017 (See note below)	\$ 1,768,158	(5.000%) *
(5)	Employer Contribution as of January 1, 2017: (3) - (4) (Assumed payable monthly)	\$ 7,155,787	(20.235%) *

* Expressed as a percentage of annual participant payroll of \$35,363,156.

Note: Current actual employee contribution is 6% of payroll effective January 1, 2015. By Board Resolution R-248-2014, as long as the Retirement System is not 100% funded, the Employer Contribution percentage shall be calculated as if the Employee Contribution percentage has remained at 5% of payroll.

NET ACTUARIAL EXPERIENCE
for the Plan Year Beginning January 1, 2016

Actuarial experience refers to the comparison of actuarial results of each valuation with those expected from the previous valuation according to the actuarial assumptions. A decrease or increase in the Total Plan Contribution as a percentage of payroll is indicative of favorable (gains) or unfavorable (losses) experience, respectively. If the overall experience follows the general pattern indicated by the assumptions presented in the Appendix, the Total Plan Contribution (on a given amortization basis) as a percentage of payroll will remain relatively stable, except for routine fluctuations.

The Total "Amortization" Contribution as a percentage of payroll decreased from 37.073% for the plan year beginning January 1, 2016 to 36.175% for the plan year beginning January 1, 2017. The Total "Minimum" Contribution as a percentage of payroll decreased from 25.690% for the plan year beginning January 1, 2016 to 25.235% for the plan year beginning January 1, 2017. These decreases of 0.898% and 0.455% of payroll, respectively, are indicative of an overall actuarial gain for the most recent plan year. This gain represents the net decrease in the total plan contribution as the combined result of actuarial experience and the change in total plan contribution attributable to plan amendments, as shown in the following table.

Table 7
 Effect on Total "Amortization" and "Minimum"
Contributions by Component
for the Plan Year Ending December 31, 2016

Component	"Amortization"	"Minimum"
	<u>Gain (-) or Loss (+)</u>	<u>Gain (-) or Loss (+)</u>
Interest	+0.376%	+0.211%
Salary Scale	-0.211%	-0.116%
New retirements	+0.385%	+0.213%
Net from All Other Sources	-1.445%	-0.763%
Net change from actuarial experience	-0.898%	-0.455%
Net change from Plan Amendments	0.000%	0.000%
Overall Total Gain(-)/Loss(+)	-0.898%	-0.455%

APPENDIX

EXHIBIT I

EMPLOYEES' RETIREMENT SYSTEM OF THE SEWERAGE AND WATER BOARD OF NEW ORLEANS

SUMMARY OF PLAN PROVISIONS

<u>EFFECTIVE DATE:</u>	Authorized by Act Number 551, effective January 1, 1957; Last Restatement for Plan Qualification, January 27, 2011; Latest Restatement, April 17, 2013; last amendment date as of the date of performance of this valuation, November 19, 2014.
MEMBERSHIP:	Employees who become members as a condition of employment.
CREDITABLE SERVICE:	Prior service plus membership service for which credit is allowable. Also, one year service credit given for every 250 days of unused sick and annual leave. Credit for prior military service may be purchased (maximum 4 years) by active contributing member who is vested; lump sum payment required based on 4% of excess over first \$100 monthly average for each month claimed plus 7% compound interest. Military service available only to those who will nor receive a benefit from another retirement system (except Social Security). There are also provisions for restoring service on behalf of certain leaves without pay such as for Katrina Disaster Leave and Workers' Compensation.
<u>EARNABLE COMPENSATION:</u>	Annual compensation paid to an employee; excluding on-call and stand-by pay or over-time.
<u>AVERAGE COMPENSATION:</u>	Average annual earned compensation of a member for highest thirty-six successive months of service as a member, minus \$1,200. For employees hired after December 31, 1995, the \$1,200 reduction was not applicable. Effective June 19, 2002, the \$1,200 reduction was eliminated for all employees. Periods without compensation are not used in determining the average compensation. For employees not yet eligible to retire as of December 31, 2014, the thirty-six month period was changed to forty-eight months effective January 1, 2017 and sixty months effective January 1, 2018.
<u>EMPLOYEE CONTRIBUTIONS:</u>	4% of earnable compensation through December 31, 2012; effective January 1, 2013, 5% of earnable compensation; effective January 1, 2015, 6% of earnable compensation. By Board Resolution R-248-2014, as long as the Retirement System is not 100% funded, the Employer Contribution percentage shall be calculated as if the Employee Contribution percentage has remained at 5% of payroll.

EXHIBIT I (Continued)

EMPLOYER CONTRIBUTIONS:

Certain percentage of earnable compensation of each member, determined on basis of regular interest and mortality tables adopted by the Board, and additional percentage of earnable compensation, determined by actuary.

RETIREMENT BENEFITS:

Eligibility:

Any age with 30 years of Service; age 60 and 10 years of Service; effective January 1, 1996, age 65 and 5 years of Service; age 70 with any Service. Effective June 19, 2002, age 60 and vested (with actuarial reduction) and any member whose age and service total 80 or more years may retire without reduction for age.

Benefits:

Retirement allowance, consisting of (1) and (2) below:

1) An annuity, which is the actuarial equivalent of employee's accumulated contribution; plus

2) An annual pension, which, together with above annuity, provides total retirement allowance equal to 2% of average compensation times first 10 years, plus 2 1/2% of average compensation times next 10 years, plus 3% of average compensation times next 10 years, plus 4% of average compensation times creditable service over 30 years. Effective June 19, 2002, the above percentages were changed to 2.5% for the first 25 years plus 4% for years over 25 years.

3) An additional annual pension equal to 2% of \$1,200 times first 10 years, plus 2 1/2% of \$1,200 times next 10 years, plus 3% of \$1,200 times next 10 years, plus 4% of \$1,200 times service over 30 years; if the employee was hired prior to 1996 and retires prior to age 65 on retirement allowance. Ceases at age 65 or receipt of first Social Security check, whichever comes first. Effective June 19, 2002, this additional benefit no longer applies except to those who retired prior to that date.

4) For service retirement prior to age 62 with less than 30 years of Service, (2) and (3) above are reduced by 3% for each year rounded to nearest day below the age of 62.

5) Effective January 1, 1997, a member may retire after 30 years of service, regardless of age, with no reduction in his benefit.

6) Maximum Benefit: Benefit no greater than 100% of average compensation, unless member has already accrued a larger benefit as of April 13, 1977.

EXHIBIT I (Continued)

7) Form of Benefit: Modified cash refund annuity. If a member dies after retirement and before receiving the amount of his accumulated contributions in annuity and pension payments, then lump sum balance of his contributions is paid to beneficiary.

8) Cost-of-Living: Effective July 1, 1992, for members that retired prior to January 1, 1984, if funds are available, each July 1st a 2% increase times the number of years retired will be given to members over age 65.

For members that retired on or after January 1, 1984, and are over age 65, each January 1st, increases in benefits based on the increase in the CPI, not to exceed 2%.

Spouses receiving a Joint and Survivor Annuity that have reached the age of 65 shall also receive an increase, based on the increase in the CPI, not to exceed 2%.

DISABILITY BENEFITS:

Eligibility:

10 years of credited service. (certified by physician nominated by Board).

Benefits:

1) A retirement allowance equal to the greater of: An annuity, which is the actuarial equivalent of the member's accumulated contributions at retirement; or

2) An annual pension equal to 75% of the accrued benefit based on service credits to the member had he continued in service until age 62.

3) Benefit offset by Workmen's Compensation benefits.

4) Effective 1/1/84, disability allowance is subject to the same COLA after age 65 as regular retirement.

DEATH BENEFITS:

Eligibility:

Death of member in active service.

Benefits:

Employee's accumulated contributions paid to beneficiary.

1) If member has 3 years Creditable Service, but less than 10 years, a lump sum benefit equal to the Member's accumulated contributions and 25% of the member's prior year earned compensation is payable to the designated beneficiary or estate.

2) If member dies in active service with less than three years Creditable Service, a Lump Sum Benefit equal to the Member's accumulated contributions is payable to the designated beneficiary or estate.

3) If, at date of death, member was eligible for retirement and leaves Surviving Spouse, Surviving Spouse shall be eligible for a Joint and 100% benefit or a lump sum refund of Employee's contributions.

4) If, at date of death, member was ineligible for retirement, but had at least 10 or more years of creditable service, then surviving spouse shall receive benefit equal to 80% of the former member's accrued benefit at death, payable at the later of the member's death or spouse's attainment of age 62.

5) If, at date of death, member was receiving a disability benefit and dies, his spouse shall receive 80% of the former member's disability retirement allowance payable at the later of the retiree's death or spouse's attainment of age 62. Eligible children shall receive 65% of the disability benefit payable until they reach age 18, age 25 if the child attends school full time or is mentally or physically disabled or until the spouse attains age 62.

6) The spouse's benefit shall be subject to the COLA after attaining age 65 as for a regular retiree.

SEPARATION BENEFITS:

1) A member that withdraws from service before age 60 with 10 years of Creditable Service may allow his accumulated contributions to remain on deposit until he is eligible to receive a separation retirement allowance. Effective June 19, 2002, only 5 years of Creditable Service is required.

2) Upon withdrawal without 10 years Creditable Service (or, after June 19, 2002, 5 years) Employee is entitled to a refund of his accumulated contributions or may allow contributions to remain on deposit for maximum of five years. In case of employee's death, accumulated contributions are paid to designated beneficiary.

Note:

If employee re-enters after receipt of refund and continues service thereafter for 18 months, he may repay amount of refund plus the amount of employee contributions, with interest at a rate of 4% for service prior to 1970 and 7% compounded annually to date of payment for service after January 1, 1970, to receive prior creditable service again.

EXHIBIT I (Continued)

OPTIONAL FORMS OF BENEFIT:

1) A member shall receive a retirement allowance payable for life. If he dies before receiving, in annuity payments, the value of his annuity at the time of his retirement, the balance is payable to his beneficiary.

2) A reduced benefit payable for the life of the member and continued to beneficiary after member's death. A specific percentage is chosen by the member at the time of retirement. Such percentage shall be an integral multiple of 5%, to a maximum of 100%.

3) A reduced benefit payable for the life of the member and 100% of that amount is paid to the spouse after member's death.

RECIPROCITY:

Effective July 16, 1974, provisions made for reciprocal transfers of service and funds between this System and Employees' Retirement System of the City of New Orleans, in the event an employee transfers from one employing agency to the other; service credits were transferred from sending system to receiving system provided all employee contributions plus earned interest and all employer contributions plus agreed-upon interest were transferred; effective September 23, 1993 (retroactive for transfers on and after October 17, 1988), agreement was amended to provide for a transfer from the sending system to the receiving system equal to the GASB #5 liability of the sending system at 7% interest, 5% salary scale, the remaining GASB #5 actuarial assumptions and the salary and benefit structure in effect for the sending system at time of transfer.

DROP ACCOUNT:

Effective January 1, 1996, any member who is eligible for a service retirement under Section 6(1) can participate in the DROP program:

1) A member can only participate once, and only up to three years. Effective June 19, 2002, the allowable period was increased to 5 years.

2) When a member joins the DROP, he stops contributing to and earning benefits in the system. Employer contributions also stop. His retirement benefit begins being paid into his DROP account.

EXHIBIT I (Continued)

3) Interest is credited to the separately invested DROP accounts at the actually earned rate at the end of each month (not including the month of withdrawal unless on the last day of the month), but not below zero. Members of the DROP receive no cost-of-living increases.

4) Upon termination of employment at the end of the specified period of DROP participation, the DROP account is paid out in a lump sum.

5) Continued employment after the end of the DROP period is possible only by reapplication to the Board by the employee. If rehired, that employee shall receive a lump sum of his DROP account balance as if he had retired. For DROP participants rehired after April 20, 2005, the retirement allowance that had been paid into the participant's DROP account shall be suspended while re-employed and the participant shall be treated in the same manner as a re-employed retiree.

SUMMARY OF SUBSTANTIVE PLAN CHANGES IN RECENT YEARS
HAVING AN TMPACT ON ACTUARIAL VALUATION RESULTS

<u>September 23, 1993:</u>	Reciprocity agreement with City of New Orleans amended, retroactive for transfers on and after October 17, 1988.
<u>January 8, 1994:</u>	Allows for purchase of credit for prior military service.
December 13, 1995:	Plan amended for qualification under Internal Revenue Code for Governmental Plans.
Januazy 1, 1996:	<p>The Deferred Retirement Option Plan was adopted to allow members terminating employment and accepting a service retirement allowance under plan section 6(1) to panicipate in this program.</p> <p>Average Compensation amended to remove the \$1,200 reduction for employees hired after December 31, 1995.</p> <p>Any member with 5 years of Creditable Service and attainment of age 65 may retire.</p>
<u>January 1, 1997:</u>	<p>For members retiring on or after January 1, 1997 and choose a Joint and Survivor option, if the beneficiary predeceases the retiree, the reduced benefit reverts back to the maximum amount upon the death of the spouse.</p> <p>A member with 30 years of creditable service may retire, regardless of age, with no reduction in benefits.</p> <p>Death benefit payable to the spouse of a deceased disabled retiree is now available immediately upon the retiree's death, on an actuarially equivalent basis.</p>
<u>June 21, 2000:</u>	<p>Disability benefit equal to 75% of the member's accrued benefit based on service credits to the member had he continued in service until age 62.</p> <p>Eligible Dependent amended to add age 25 if the child attends school full-time or if the child is mentally <i>or</i> physically disabled.</p>

EXHIBIT I (Continued)

SUMMARY OF SUBSTANTIVE PLAN CHANGES IN RECENT YEARS
HAVING AN IMPACT ON ACTUARIAL VALUATION RESULTS

June 21, 2000: Death benefit payable to designated beneficiary or estate when there is no spouse or eligible dependents equal to the member's accumulated contributions at death plus 25% of the member's prior year's earnable compensation payable from the Trust fund.

January 1, 2001: Any retiree with less than 30 years of Credited Service and under age 62, the benefit is reduced by 3% for each year of age rounded to the nearest day below age 62.

February 25, 2001: Plan amended for the Uruguay Round Agreements Act, the Small Business Job Protection Act of 1996, Uniformed Services Employment & Reemployment Rights Act of 1994, the Taxpayer Relief Act of 1997, the Internal Revenue Service Restructuring and Reform Act of 1998 and the Community Renewal Tax Relief Act of 2000, (GUS1).

June 19, 2002: Benefit formula amended to 2.5% of first 25 years of service, plus 4.0 % for each year of service in excess of 25 years, up to a maximum of 100% of pay. A Rule of 80 retirement eligibility (age plus years of service greater than or equal to 80) without age reduction was added. Eligibility to leave employee accumulated contributions on deposit for Separation Retirement was changed from 10 years to 5 years; the exclusion of the first \$1,200 of annual pay was eliminated; D.R.O.P. period was extended from 3 to 5 years.

January 31, 2011: Interest on DROP accounts changed from "Credited Interest" to that actually earned on the separately invested DROP accounts, but not below zero.

January 1, 2013: Employee contribution formula amended from 4% to 5% of earnable compensation.

November 19, 2014: Employee contribution formula amended from 5% to 6% of earnable compensation effective January 1, 2015 (but see explanation on page 12). Period used in determining average compensation changed for employees not yet eligible to retire as of December 31, 2014, was changed to forty-eight months effective January 1, 2017 and sixty months effective January 1, 2018.

EXHIBIT II

EMPLOYEES' RETIREMENT SYSTEM OF THE SEWERAGE AND WATER BOARD OF NEW ORLEANS

STATEMENT OF ACTUARIAL BASIS FOR FUNDING PURPOSES

Actuarial Funding Method:

Cost Method:	Entry Age Normal Cost Method.
Asset Valuation Method:	Adjusted Market Value. Refer to the explanation on page 2 of the report and development in Table 2.

Actuarial Assumptions

Interest:	7% compounded annually.
Mortality:	1971 Group Annuity Mortality Table for males and females. (See chart in the following pages for specific rates by age and sex).
Turnover:	Table developed from the 1977-1980 Actuarial Experience Study, as used by the prior actuary. (See chart in the following pages for specific rates by age).
Salary Increases:	5.0% compounded annually.
Cost of Living Increases:	Actuarial liabilities for future cost of living increases were included for both active and inactive participants as per the appropriate sections of the plan.

STATEMENT OF ACTUARIAL BASIS FOR FUNDING PURPOSES

Actuarial Assumptions (Continued)

Retirement:	It has been assumed that employees retire at a variation of the earliest age at which they would be eligible to retire (with reduced benefits, if applicable) as follows; if the earliest age of retirement eligibility is less than or equal to age 55, the assumed age at retirement is the earliest age plus one year, but not beyond age 55; if the earliest age of retirement eligibility is greater than age 55, the assumed age at retirement is the earliest age of retirement eligibility.
Disability Incidence:	The rates utilized in the 14th actuarial valuation of the U.S. Railroad Retirement System, (See chart in the following pages for specific rates by age).
Survivor Benefits:	85% of active participants are assumed to be married to spouses of equal age. Children's survivor benefits and spouse's disability benefits (in the event of the death of a member on disability) were estimated to be 10% of the related benefits giving rise to the secondary benefits being valued.
Other assumptions:	<p>20% of participants terminating with a vested right were assumed to withdraw their accumulated contributions upon termination, while 80% were assumed to retain their vested deferred benefits by leaving contributions on deposit.</p> <p>Accumulated employee contributions are credited with 2% interest compounded annually.</p>

SEWERAGE AND WATER BOARD OF NEW ORLEANS RETIREMENT SYSTEM
JANUARY 1, 2017 ActUARIAL VALUATION
ASSUMED RATE'S OF MORTALITY, WITHDRAWAL AND DISABILITY INCIDENCE BY AGE AND GENDER

AGE	MORTALITY		WITHDRAWAL	DISABILITY INCIDENCE
	MALE	FEMALE		
15	.000433	.000193	.368600	.001100
16	.000444	.000205	.368600	.001100
17	.000457	.000218	.368600	.001100
18	.000471	.000231	.358700	.001100
19	.000486	.000245	.346600	.001100
20	.000503	.000260	.332900	.001100
21	.000522	.000275	.317800	.001100
22	.000544	.000292	.301800	.001100
23	.000566	.000309	.285100	.001100
24	.000591	.000327	.268000	.001100
25	.000619	.000347	.250700	.001100
26	.000650	.000368	.233600	.001100
27	.000684	.000390	.216700	.001100
28	.000722	.000414	.200200	.001100
29	.000763	.000440	.184300	.001100
30	.000809	.000469	.1691.00	.001100
31	.000860	.000499	.154700	.001100
32	.000916	.000533	.141200	.001100
33	.000978	.000569	.128500	.001100
34	.001046	.000608	.116800	.001100
35	.001122	.000651.	.1.061.00	.001300
36	.001204	.000698	.096300	.001500
37	.001295	.000750	.087600	.001.800
38	.001397	.000807	.079800	.002100
39	.001509	.000869	.072800	.002400
40	.001633	.000938	.066800	.003000
41	.001.789	.001013	.061.600	.003600
42	.002000	.001.094	.057200	.004200
43	.002260	.001.186	.053500	.004800
44	.002569	.001286	.050400	.005500
45	.002922	.001397	.047800	.006400
46	.003318	.001.519	.045800	.007400
47	.003754	.001.654	.044200	.008200
48	.004228	.001802	.042900	.009000
49	.004740	.001967	.041900	.009700
50	.005285	.0021.51	.041200	.011100
51	.005867	.002324	.040500	.012600
52	.006480	.002520	.040000	.014000
53	.007127	.002738	.040000	.015800
54	.007806	.002982	.040000	.01.7600
55	.00851.9	.003256	.040000	.01.9000
56	.009262	.003574	.040000	.020000
57	.010039	.003948	.040000	.021.500
58	.010889	.004388	.040000	.025000
59	.011924	.004901.	.040000	.029500
60	.013119	.005489	.040000	.034500
61	.014440	.006156	.040000	.039000
62	.01.5863	.006898	.040000	.051.000
63	.017413	.007712	.040000	.051000
64	.01.9185	.008608	.040000	.051000
65	.021260	.009563	.040000	.051.000

SEWERAGE AND WATER BOARD OF NEW ORLEANS RETIREMENT SYSTEM
1, 2017 ACTUARIAL VALUATION
ASSUMED RATES OF MORTALITY, WITHDRAWAL AND DISABILITY INCIDENCE BY AGE AND GENDER

AGE	MORTALITY		WITHDRAWAL	DISABILITY INCIDENCE
	MALE	FEMALE		
66	.023643	.010565	.040000	.051000
67	.026316	.011621	.040000	.051000
68	.029188	.012877	.040000	.051000
69	.032435	.014461	.040000	.051000
70	.036106	.016477	.040000	.051000
71	.040008	.019000	0.000000	.051000
72	.043827	.021911	0.000000	.051000
73	.047489	.025112	0.000000	.051000
74	.051221	.028632	0.000000	.051000
75	.055293	.032385	0.000000	.051000
76	.060068	.036408	0.000000	.051000
77	.065924	.040769	0.000000	.051000
78	.072595	.045472	0.000000	.051000
79	.079692	.050616	0.000000	.051000
80	.087431	.056085	0.000000	.051000
81	.095445	.061853	0.000000	.051000
82	.103691	.067936	0.000000	.051000
83	.112303	.074351	0.000000	.051000
84	.121116	.081501	0.000000	.051000
85	.130102	.089179	0.000000	.051000
86	.139315	.097468	0.000000	.051000
87	.148714	.106452	0.000000	.051000
88	.158486	.116226	0.000000	.051000
89	.168709	.126893	0.000000	.051000
90	.179452	.138577	0.000000	.051000
91	.190489	.151192	0.000000	.051000
92	.201681	.165077	0.000000	.051000
93	.212986	.180401	0.000000	.051000
94	.226535	.197349	0.000000	.051000
95	.241164	.216129	0.000000	.051000
96	.256204	.236970	0.000000	.051000
97	.272480	.258059	0.000000	.051000
98	.290163	.280237	0.000000	.051000
99	.309125	.304679	0.000000	.051000
100	.329825	.331630	0.000000	.051000

EXHIBIT III

December 31, 2016 DISCLOSURE INFORMATION ON FUNDING PROGRESS

This section is included to provide information which had been historically required by the Governmental Accounting Standards Board Statements Number 25 and 27 and is provided for historical continuity and consistency. GASB Statements 25 and 27 have been replaced by GASB Statements 67 and 68. These two statements have made extensive and fundamental changes *in* the nature of the financial disclosure requirements and have effectively removed the actual funding aspects of the plan from any direct involvement. The effective date of GASB 67 (with respect to the plan itself) is the first Plan Year beginning after June 15, 2013 (namely, the Plan Year beginning January 1, 2014). The effective date of GASB 68 (with respect to the Sewerage & Water Board as sponsoring employer) is the first Fiscal Year beginning after June 15, 2014 (namely, the Fiscal Year beginning January 1, 2015). The actuarial information for financial disclosure as required by these GASB Statements is presented in a separate report.

The Projected Benefit Obligation (PBO) as of December 31, 2016 is based on all of the assumptions outlined in Exhibit IT including future salary growth. The Unfunded Accrued Liability (UAL) is that used *in* funding the plan and is developed in Table 4.

SCHEDULE OF FUNDING PROGRESS

	12/31/2015	12/31/2016
Interest Assumption	7.00%	7.00%

RATIO OF UAL TO VALUATION PAYROLL:

[1] Unfunded Accrued Liability (UAL)	\$ 63,996,458	\$ 64,592,033
[2] Valuation Annual Payroll	33,672,902	35,363,156
[3] Ratio: [1] divided by [2]	190.1%	182.7%

FUNDED RATIO:

[1] Projected Benefit Obligation (PBO)		
Inactive Plan Participants	\$ 197,041,228	\$ 203,942,615
Active Plan Participants	92,267,868	89,744,429
Total PBO	\$ 289,309,096	\$ 293,687,044
[2] Actuarial Value of Assets	233,572,291	238,715,902
[3] Funded Ratio: [2] divided by [1]	80.7%	81.3%

EXHIBIT IV

ACTIVE AND INACTIVE PARTICIPANT PROFILES

EMPLOYEES RETIREMENT SYSTEM OF THE SE ERAGE AND ATER BOARD OF NEW ORLEANS
01/1/2017 ACTIVE PARTICIPANT AGE VS SERVICE GRID
JANUARY 1, 2017 ACTUARIAL VALUATION

----- ALL ACTIVE PARTICIPANTS -----

AGE	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	TOTAL	TOTAL ANNUAL SALARIES	AVERAGE SALARY
20-24	52	0	0	0	0	0	0	0	52	1,242,651.30	23,897.14
25-29	109	25	0	0	0	0	0	0	134	3,906,967.89	29,156.48
30-34	96	49	8	0	0	0	0	0	153	5,008,833.75	32,737.48
35-39	52	20	10	4	1	0	0	0	87	2,883,209.12	33,140.33
40-44	46	22	8	4	15	0	0	0	95	3,074,323.23	32,361.30
45-49	33	21	11	11	25	10	0	0	111	4,016,984.37	36,189.05
50-54	52	22	15	8	25	19	19	0	160	6,255,237.02	39,095.23
55-59	29	28	11	6	15	24	12	3	128	5,307,429.14	41,464.29
60-64	21	14	6	3	7	7	2	0	60	2,697,481.76	44,958.03
65-69	5	1	1	4	1	1	1	0	15	778,039.16	51,869.28
70-74	0	1	1	1	0	0	0	0	3	192,004.79	64,001.60
	495	203	71	41	89	61	34	3	998	35,363,161.53	35,434.03

EMPLOYEES RETIREMENT SYSTEM OF THE SEWERAGE AND WATER BOARD OF NEW ORLEANS
01/1/2017 INACTIVE PARTICIPANT PROFILE
JANUARY 1, 2017 ACTUARIAL VALUATION

----- REGULAR RETIREES -----

AGE	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	TOTAL	TOTAL ANNUAL BENEFIT	AVERAGE ANNUAL BENEFIT
45-49	1	0	0	0	0	0	0	0	0	1	34,720.68	34,720.68
50-54	5	2	0	0	0	0	0	0	0	7	243,741.24	34,820.18
55-59	13	33	3	0	0	0	0	0	0	49	1,577,729.16	32,198.55
60-64	24	66	42	3	0	0	0	0	0	135	3,578,845.08	26,509.96
65-69	7	70	52	20	0	1	0	0	0	150	4,124,015.16	27,493.43
70-74	2	20	64	20	6	1	0	0	0	13	2,506,729.20	22,183.44
75-79	1	1	18	22	12	0	0	0	1	55	1,163,552.52	21,155.50
80-84	0	0	1	19	14	8	0	0	0	42	687,599.64	16,371.42
85-89	0	0	1	4	6	9	4	0	0	24	439,644.60	18,318.53
90+	0	1	0	0	0	2	6	1	0	10	126,372.96	12,637.30
	53	193	181	88	38	21	10	1	1	586	14,482,950.24	24,714.93

EMPLOYEES RETIREMENT SYSTEM OF THE SEWERAGE AND WATER BOARD OF NEW ORLEANS
01/1/2017 INACTIVE PARTICIPANT PROFILE
JANUARY 1, 2017 ACTUARIAL VALUATION

----- DISABLED RETIREES -----

AGE	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	TOTAL	TOTAL ANNUAL BENEFIT	AVERAGE ANNUAL BENEFIT
40-44	0	1	0	0	0	0	0	0	0	1	21,581.52	21,581.52
45-49	0	1	2	0	0	0	0	0	0	3	58,004.88	19,334.96
50-54	0	3	0	0	0	0	0	0	0	3	51,594.48	17,198.16
55-59	0	5	4	2	0	0	0	0	0	1	185,182.56	16,834.78
60-64	0	5	5	3	2	1	0	0	0	16	190,986.84	11,936.68
65-69	0	0	6	3	3	0	0	0	0	12	129,360.96	10,780.08
70-74	0	0	1	2	4	0	0	0	0	7	67,994.76	9,713.54
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	0	15	18	10	9	1	0	0	0	53	704,706.00	13,296.34

EMPLOYEES RETIREMENT SYSTEM OF THE SEWERAGE AND WATER BOARD OF NEW ORLEANS
01/1/2017 INACTIVE PARTICIPANT PROFILE
JANUARY 1, 2017 ACTUARIAL VALUATION

----- SURVIVORS -----

AGE	0-4	5-9	10-14	YEARS SINCE RETIREMENT 15-19	20-24	25-29	30-34	35-39	40+	TOTAL	TOTAL ANNUAL BENEFIT	AVERAGE ANNUAL BENEFIT
0-19	0	1	0	1	0	0	0	0	0	2	16,377.84	8,188.92
45-49	1	0	0	0	0	0	0	0	0	1	2,527.20	2,527.20
50-54	1	2	0	0	0	0	0	0	0	3	12,596.16	4,198.72
55-59	6	3	2	0	0	0	0	0	0	11	95,659.80	8,696.35
60-64	11	7	1	1	0	0	0	0	0	20	182,192.76	9,109.64
65-69	9	3	4	0	1	0	0	0	0	17	118,081.20	6,945.95
70-74	1	6	1	3	0	0	0	0	0	11	68,378.04	6,216.19
75-79	4	5	1	0	0	2	0	0	0	12	133,960.44	11,163.37
80-84	3	2	4	1	0	0	0	0	0	10	50,762.04	5,076.20
85-89	2	3	0	0	1	2	0	0	0	8	106,468.80	13,308.60
90+	0	2	4	0	0	0	0	1	1	8	64,339.20	8,042.40
	38	34	17	6	2	4	0	1	1	103	851,343.48	8,265.47

EMPLOYEES RETIREMENT SYSTEM OF THE SE ERAGE AND ATER BOARD OF NEORLEANS
01/1/2017 INACTIVE PARTICIPANT PROFILE
JANUARY 1, 2017 ACTUARIAL VALUATION

----- DROP RETIREES -----

AGE	YEARS SINCE RETIREMENT									TOTAL	TOTAL ANNUAL BENEFIT	AVERAGE ANNUAL BENEFIT
	0-4	5-9	10-14	15-19	20-24	25	30-34	35-39	40+			
50-54	15	0	0	0	0	0	0	0	0	15	589,379.40	39,291.96
55-59	46	0	0	0	0	0	0	0	0	46	1,997,568.12	43,425.39
60-64	45	0	0	0	0	0	0	0	0	45	1,346,889.12	29,930.87
65-69	13	0	0	0	0	0	0	0	0	13	548,668.56	42,205.27
.....											-----	-----
	119	0	0	0	0	0	0	0	0	119	4,482,505.20	37,668.11

SEWERAGE AND WATER BOARD OF NEW ORLEANS RETIREMENT SYSTEM
12/31/2016 TERMINATED VESTED EMPLOYEES WITH DEFERRED BENEFITS

W	NAME	EMPLOYEE ID NUMBER	S E (DATE OF BIRTH	DATE OF TERMINATION	(BASIC) INIT. MO. BENEFIT	(BASIC) CURR. MO. BENEFIT	SUPPL. MONTHLY BENEFIT	ACCUMULATED EMPLOYEE CONTRIBUTIONS
743			M	11/05/59	3/24/2001	1,812.12	1,812.14	36.96	31,447.13
744			M	8/19/71	5/04/2006	0.00	435.87	0.00	7,004.63
745			M	4/14/58	1/11/1994	250.44	250.44	26.25	7,540.24
746			M	2/24/67	11/08/2004	0.00	1,110.29	0.00	21,156.73
747			M	3/29/62	8/08/2007	0.00	2,133.13	0.00	23,833.94
748			M	8/29/62	1/13/1999	337.93	337.93	21.25	7,605.62
749			M	2/25/58	1/13/2007	0.00	1,306.16	0.00	25,960.64
750			M	2/06/61	3/16/2011	0.00	0.00	0.00	10,376.09
751			F	10/17/76	5/29/2009	0.00	301.10	0.00	4,196.67
752			M	11/30/55	4/11/2007	0.00	507.35	0.00	7,034.37
753			F	6/25/61	7/08/1995	555.81	555.81	22.50	14,099.34
754			F	11/22/58	10/24/1999	930.15	930.15	28.75	16,496.91
755			M	1/13/69	4/21/2006	0.00	1,550.40	0.00	24,767.31
756			M	7/27/61	6/21/1996	1,099.34	1,099.34	23.75	19,182.41
757			M	11/22/53	12/04/2000	1,086.60	1,086.61	31.81	32,383.78
758			M	11/14/69	7/10/2012	0.00	1,155.34	0.00	0.00
759			M	9/24/60	9/07/2000	688.67	688.68	40.37	14,593.58
760			M	12/17/62	3/31/2006	0.00	1,324.56	0.00	21,895.91
TOTAL COUNT: 18				TOTALS:		6,761.06	16,585.30	23,64	289,575.30

EXHIBIT V

MARKET VALUE AND ACTUARIAL VALUE ASSET INVESTMENT PERFORMANCE

EMPLOYEES' RETIREMENT SYSTEM OF THE SEWERAGE AND WATER BOARD OF NEW ORLEANS
ESTIMATED MARKET VALUE INVESTMENT PERFORMANCE
BY CALENDAR YEAR

PLAN YEAR ENDING	BEGINNING MARKET VALUE	EMPLOYER CONTRIBUTIONS FOR YEAR	EMPLOYEE CONTRIBUTIONS FOR YEAR	TRANSFERS IN FOR YEAR	TOTAL BENEFIT PAYMENTS FOR YEAR	TRANSFERS OUT FOR YEAR	NET EXTERNAL CASH FLOW FOR YEAR	MARKET VALUE INV. INCOME FOR YEAR	ENDING MARKET VALUE	MARKET VALUE INV. PERFORMANCE FOR YEAR
12/31/91	56,348,353	4,524,382	1,001,436		4,460,555	0	1,065,263	11,331,152	68,744,768	19.9208%
12/31/92	68,699,004	4,980,959	1,113,066		4,988,329	0	1,105,696	5,789,535	75,594,235	8.3601%
12/31/93	75,594,235	4,873,366	1,092,713		4,678,593	0	1,287,486	8,471,584	85,353,305	11.1120%
12/31/94	85,353,305	5,102,920	1,298,780		5,220,801	0	1,180,899	-2,682,882	83,851,322	-3.1217%
12/31/95	83,851,322	5,188,055	1,395,149		5,733,411	0	849,793	22,390,520	107,091,635	26.5680%
12/31/96	107,091,635	5,678,507	1,463,218		5,704,458	0	1,437,267	12,894,655	121,423,557	11.9605%
12/31/97	121,423,557	5,933,289	1,202,021		6,410,573	0	724,737	21,841,187	143,989,481	17.9341%
12/31/98	143,989,481	5,448,823	1,138,063		6,573,992	0	12,894	13,756,662	157,759,037	9.5535%
12/31/99	157,759,037	5,151,389	1,028,094		6,928,999	0	-749,516	16,013,013	173,022,534	10.1745%
12/31/00	173,022,534	5,444,048	1,053,495		7,317,215	0	-819,672	5,658,247	177,861,109	3.2780%
12/31/01	177,861,109	5,417,854	1,040,680		7,632,745	0	-1,174,211	-1,677,973	175,008,925	- .9465%
12/31/02	175,008,925	2,931,065	1,089,543		7,625,705	0	-3,605,097	-15,455,327	155,948,501	-8.9231%
12/31/03	155,948,501	3,391,535	1,097,183		9,184,249	0	-4,695,531	36,142,887	187,395,857	23.5304%
12/31/04	187,395,857	3,721,034	1,120,776		8,884,614	0	-4,042,804	19,502,120	202,855,173	10.5204%
12/31/05	202,855,173	3,716,381	1,176,637	714,343	10,177,467	0	-4,570,106	7,713,678	205,998,745	3.8459%
12/31/06	205,998,745	3,343,713	982,418	2,357,005	12,231,855	0	-5,548,719	28,734,146	229,184,172	14.1391%
12/31/07	229,184,172	3,885,124	1,014,461	1,854,239	12,812,727	0	-6,058,903	8,667,155	231,792,424	3.8324%
12/31/08	231,792,424	4,915,512	1,143,858	958,605	13,269,799	0	-6,251,824	-59,122,504	166,418,096	-25.8553%
12/31/09	166,418,096	5,247,031	1,161,744	516,393	14,231,876	0	-7,306,708	31,912,755	191,024,143	19.6067%
12/31/10	191,024,143	5,146,081	1,190,714	849,540	15,409,624	0	-8,223,289	22,439,431	205,240,285	12.0053%
12/31/11	205,240,285	5,436,700	1,161,996	1,233,504	15,947,090	0	-8,114,890	8,968,361	206,093,756	4.4578%
12/31/12	206,093,756	6,114,997	1,128,257	1,690,683	17,406,238	0	-8,472,301	23,082,600	220,704,055	11.4351%
12/31/13	220,704,055	5,946,614	1,465,774	1,065,165	18,002,573	0	-9,525,020	23,179,014	234,358,049	10.7339%
12/31/14	234,358,049	6,055,890	1,535,723	2,001,222	18,748,955	0	-9,156,120	11,354,742	236,556,671	4.9416%
12/31/15	236,556,671	6,506,652	1,905,689	1,847,259	20,244,603	0	-9,985,003	-4,144,141	222,427,527	-1.7896%
12/31/16	222,427,527	6,407,201	2,068,122	1,629,756	20,742,211	0	-10,642,132	12,570,866	224,356,261	57902%

Number of Years Included: 26

-101,277,811 269,331,483

EMPLOYEES' RETIREMENT SYSTEM OF THE SE ERAGE AND ATER BOARD OF NE ORLEANS
ESTIMATED INVESTMENT PERFORMANCE BY MARKET VALUE AND ACTUARIAL VALUE OF ASSETS
BY CALENDAR YEAR

W	YEAR ENDING	ENDING MARKET VALUE	MARKET VALUE !NV . PERF. FOR YEAR	MARKET VALUE MEAN FUND	ACTUARIAL VALUE MEAN FUND	ENDING ACTUARIAL VALUE OF ASSETS	ACTUARIAL ASSETS INV. PERF. FOR YR
	12/31/1991	68,744,768	19.9208%	56,880,985	58,063,594	64,921,832	10.8943%
	12/31/1992	75,594,235	8.3601%	69,251,852	65,474,680	72,541,969	9.9496%
	12/31/1993	85,353,305	11.1120%	76,237,978	73,185,712	81,932,422	11.0718%
	12/31/1994	83,851,322	-3.1217%	85,943,755	82,522,872	87,957,901	5.8706%
	12/31/1995	107,091,635	26.5680%	84,276,219	88,382,798	100,059,569	12.7308%
	12/31/1996	121,423,557	11.9605%	107,810,269	100,778,203	114,805,212	13.2056%
	12/31/1997	143,989,481	17.9341%	121,785,926	115,167,581	120,911,255	4.6726%
	12/31/1998	157,759,037	9.5535%	143,995,928	120,917,702	134,901,231	11.5592%
	12/31/1999	173,022,534	10.1745%	157,384,279	134,526,473	149,976,441	11.7633%
	12/31/2000	177,861,109	3.2780%	172,612,698	149,566,605	164,845,672	10.4896%
	12/31/2001	175,008,925	.9465%	177,274,004	164,258,567	180,737,128	10.3895%
	12/31/2002	155,948,501	-8.9231%	173,206,377	178,193,580	187,892,718	6.0138%
	12/31/2003	187,395,857	23.5304%	153,600,736	185,544,953	196,697,432	7.2760%
	12/31/2004	202,855,173	10.5204%	185,374,455	194,676,030	204,706,452	6.1907%
	12/31/2005	205,998,745	3.8459%	200,570,120	202,421,399	209,829,340	4.7885%
	12/31/2006	229,184,172	14.1391%	203,224,386	207,054,981	217,143,723	6.2124%
	12/31/2007	231,792,424	3.8324%	226,154,721	214,114,272	223,583,589	5.8374%
	12/31/2008	166,418,096	-25.8553%	228,666,512	220,457,677	222,598,640	2.3891%
	12/31/2009	191,024,143	19.6067%	162,764,742	218,945,286	228,999,660	6.2608%
	12/31/2010	205,240,285	12.0053%	186,912,499	224,888,016	230,298,898	4.2343X
	12/31/2011	206,093,756	4.4578%	201,182,840	226,241,453	229,137,699	3.0736%
	12/31/2012	220,704,055	11.4351%	201,857,606	224,901,549	229,633,410	3.9875%
	12/31/2013	234,358,049	10.7339%	215,941,545	224,870,900	226,423,894	2.8085%
	12/31/2014	236,556,671	4.9416%	229,779,989	221,845,834	223,689,647	2.8947%
	12/31/2015	222,427,527	-1.7896%	231,564,170	218,697,146	233,572,291	9.0845%
	12/31/2016	224,356,261	5.7902%	217,106,461	228,251,225	238,715,902	6.9160%

EMPLOYEES' RETIREMENT SYSTEM OF THE SEWERAGE AND WATER BOARD OF NEW ORLEANS
ESTIMATED INVESTMENT PERFORMANCE
BY CALENDAR YEAR

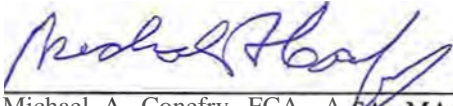
PLAN YEAR ENDING	BEGINNING MARKET VALUE	NET EXTERNAL CASH FLOW FOR YEAR	MARKET VALUE INV. INCOME FOR YEAR	ENDING MARKET VALUE	MARKET VALUE INVESTMENT PERFORMANCE			ACTUARIAL ASSET VALUE INVESTMENT PERFORMANCE			YEAR
					FOR YEAR	CUMULATIVE	AVERAGE	FOR YEAR	CUMULATIVE	AVERAGE	
12/31/91	56,348,353	1,065,263	11,331,152	68,744,768	19.9208%	19.92%	19.92%	10.89%	10.89%	10.89%	1
12/31/92	68,699,004	1,105,696	5,789,535	75,594,235	8.3601%	29.95%	13.99%	9.95%	21.93%	10.42%	2
12/31/93	75,594,235	1,287,486	8,471,584	85,353,305	11.1120%	44.39%	13.03%	11.07%	35.43%	10.64%	3
12/31/94	85,353,305	1,180,899	2,682,882	83,851,322	-3.1217%	39.88%	8.75%	5.87%	43.38%	9.43%	4
12/31/95	83,851,322	849,793	22,390,520	107,091,635	26.5680%	77.04%	12.10%	12.73%	61.63%	10.08%	5
12/31/96	107,091,635	1,437,267	12,894,655	121,423,557	11.9605%	98.22%	12.08%	13.21%	82.98%	10.59%	6
12/31/97	121,423,557	724,737	21,841,187	143,989,481	17.9341%	133.77%	12.90%	4.67%	91.52%	9.73%	7
12/31/98	143,989,481	12,894	13,756,662	157,759,037	9.5535%	156.10%	12.47%	11.56%	113.66%	9.96%	8
12/31/99	157,759,037	-749,516	16,013,013	173,022,534	10.1745%	182.15%	12.22%	11.76%	138.80%	10.15%	9
12/31/00	173,022,534	-819,672	5,658,247	177,861,109	3.2780%	191.40%	11.29%	10.49%	163.85%	10.19%	10
12/31/01	177,861,109	-1,174,211	-1,677,973	175,008,925	-.9465%	188.65%	10.12%	10.39%	191.26%	10.21%	11
12/31/02	175,008,925	-3,605,097	-15,455,327	155,948,501	-8.9231%	162.89%	8.39%	6.01%	208.71%	9.85%	12
12/31/03	155,948,501	-4,695,531	361,142,887	187,395,857	23.5304%	224.75%	9.48%	7.28%	231.24%	9.65%	13
12/31/04	187,395,857	-410,421,804	191,502,120	202,855,173	10.5204%	258.91%	9.56%	6.19%	251.75%	9.40%	14
12/31/05	202,855,173	-4,570,106	7,713,678	205,998,174	3.8459%	272.72%	9.17%	4.79%	268.59%	9.09%	15
12/31/06	205,998,174	-5,548,719	28,734,116	229,184,172	14.1391%	325.42%	9.47%	6.21%	291.49%	8.90%	16
12/31/07	229,184,172	-6,105,903	8,667,155	231,792,424	3.8321%	341.72%	9.13%	5.84%	314.34%	8.72%	17
12/31/08	231,792,424	-6,251,824	-591,122,504	166,418,096	-25.8553%	227.51%	6.81%	2.39%	324.24%	8.36%	18
12/31/09	166,418,096	-7306,708	311,912,755	191,024,143	19.6067%	291.72%	7.45%	6.26%	350.80%	8.25%	19
12/31/10	191,024,143	-8,223,289	221,439,431	205,240,285	12.0053%	338.75%	7.67%	4.23%	369.89%	8.04%	20
12/31/11	205,240,285	-8,114,890	8,968,361	206,109,375	4.4578%	358.31%	7.52%	3.07%	384.33%	7.80%	21
12/31/12	206,093,756	-8,472,301	23,082,600	220,170,455	11.4351%	410.72%	7.69%	3.99%	403.64%	7.63%	22
12/31/13	220,704,055	-9,525,020	23,179,014	234,358,049	10.7339%	465.54%	7.82%	2.81%	417.79%	7.41%	23
12/31/14	234,358,049	-9,156,120	11,354,744	236,156,671	4.9416%	493.49%	7.70%	2.89%	432.78%	7.22%	24
12/31/15	236,556,671	-9,985,003	-4,144,141	222,427,527	-1.7796%	482.87%	7.31%	9.08%	481.18%	7.29%	25
12/31/16	222,427,527	-10,642,132	12,570,866	224,356,261	5.7902%	516.61%	7.25%	7.25%	523.31%	7.29%	26

Number of Years Included: 26

CERTIFICATION

The foregoing report presents fairly the actuarial position of the Employees' Retirement System of the Sewerage and Water Board of New Orleans as of January 1, 2017 in accordance with generally accepted actuarial principles applied on a basis consistent with the preceding valuation, except where noted. In our opinion, the assumptions used in preparing the liabilities and estimated costs are reasonably related to the experience of the plan and to reasonable expectations and represent our best estimate of anticipated experience under the plan.

CONEFRY & COMPANY, L.L.C.

"

Michael A. Conefry, FCA, A SA, MAAA, MSPA
Enrollment Number 17-1235

New Orleans, Louisiana
May, 2017
V201612

Sewerage & Water Board of New Orleans
Employees' Retirement System
Historical Funded Ratios

Year Ending	Projected Benefit Obligation	Asset Value [Funded Ratio]			
		---Market-value		Act arial-value	
12/31/1999	140.305.927	173.022.534	[123.3%]	149.976.441	[106.90%]
12/31/2000	139.590.552	177.861,109	[127.4%]	164.845,672	[118.10%]
12/31/2001	150,152.672	175,008.925	[116.6%]	180.737.128	[120.40%]
12/31/2002	180.839.908	155.948,501	[86.2%]	187,892.718	[103.90%]
12/31/2003	190.010,559	187,395,857	[98.6%]	196,697,432	[103.50%]
12/31/2004	204,539,62.4	202.855,173	[99.2%]	204.706.452	[100.10%]
12/31/2005	211.586.246	205.998.745	[97.4%]	209.829,340	[99.20%]
12/31/2006	223.274,416	229.184.172	[102.6%]	217.143.723	[97.30%]
12/31/2007	230.930.670	231,792,424	[100.4%]	223.583.589	[96.80%]
12/31/2008	249.694.251	166.418.096	[66.6%]	222.598.640	[89.10%]
12/31/2009	259,623.463	191.024,143	[73.6%]	228.999.660	[88.20%]
12/31/2010	261.931,765	205,240.285	[78.4%]	230.298.898	[87.90%]
12/31/2011	277.475,462	206,093,756	[74.3%]	229,137,699	[82.60%]
12/31/2012	280.402.207	220,704,055	[78.7%]	229.633.410	[81.90%]
12/31/2013	284.742,986	234.358.049	[82.3%]	226.423,894	[79.50%]
12/31/2014	285.247.682	236.556.671	[82.9%]	223.689,647	[78.40%]
12/31/2015	289,309.096	222,427.527	[76.9%]	233.572,291	[80.70%]
12/31/2016	293,687,044	224.356.261	[76.4%]	238.715.902	[81.30%]

D.R.O.P.- "Deferred Retirement Option Plan"

- Originated in 1981 by Baton Rouge City Parish System
- Adopted by more plans throughout Gulf South Region and eventually in much of the remainder of country by the 1990's

First, Consider D.R.O.P.- In "Purest" Sense

- From the perspective of system and actuarial funding is identical to retirement
- Must be eligible to retire at date of D.R.O.P. entry; benefit is calculated and irrevocably established based on credited service, average compensation, optional form of benefit, etc., exactly same as for retirement

"Cost Neutral" So Far?- Yes! Same as retirement

- How about D.R.O.P. being incentive to retire earlier (and costlier) than otherwise?
- Not really "retiring earlier" but "working longer"
- Possible exceptions: LASERS and TRSL allow D.R.O.P. only when first eligible to retire

Next question: what happens to accumulation of monthly payments into D.R.O.P. account?

- Segregated account separately invested or by individual member direction- still "pure" and cost neutral
- Bookkeeping account within fund earning some variation of fund's return, stipulated investment return and/or guaranteed minimum return- first element of possible actuarial "cost"

Guaranteed principal (no negative return to D.R.O.P. account balance)

- Historical typical fund returns from late 1980's through 1999: only 1 negative year (1994) and 1 other year less than the level of most actuarial assumptions (1990)
- Attorney General 2002 Opinion
- Extreme example: 8% average compound return two different ways: [1] at 8% every year, [2] at -8%/+27% alternating year after year and [3] at 0%/27% alternating year after year
- Result: after ten years, \$1,000 invested at time 0 is \$1,159 under [1], \$1,177 under [2] and \$2,304 under [3]

Using Fund average return over several years

- Mitigates but does not eliminate problem; still possible to have negative average (2008)
- "Run on bank" syndrome (after 2000-2002 near-zero and negative returns) after re-bounce in following years
- Possible alternative: hypothetical D.R.O.P. sub-fund developed using actual D.R.O.P. cash flow (monthly payments in and distributions out) and actual fund performance- then temper D.R.O.P. return by the return on this hypothetical sub-portfolio in concert with contingency charge

"Reverse" or "Back" D.R.O.P.

- In "pure" sense, intended to retrospectively reproduce D.R.O.P. account balance as if D.R.O.P. had been elected at the beginning of hypothetical D.R.O.P. period
- Explicit anti-selection (e.g., investment return)
- Implicit anti-selection (e.g., won't elect unless favorable from average compensation perspective: "Winners" and "losers")
- Many other variations incorrectly called by this name

Other D.R.O.P. issues

- Continued member contributions during D.R.O.P. period
- Shortening D.R.O.P. period (say, from five to three years)
- Continued employment beyond D.R.O.P. period expiration

Summary

Sewerage & Water Board of New Orleans
 Employees' Retirement System
 Retirement/DROP Eligibility Durations
 January 1, 2017 Actuarial Valuation Active Employees

Number of Years Until Retirement/DROP Eligibility		Number of Employees	
At Least	But Less Than		
N/A	N/A	120	Eligible Now
0	1	32	
1	2	33	
2	3	25	
3	4	40	
4	5	33	
5	6	23	
6	7	32	
7	8	27	
8	9	35	
9	10	36	
10	11	17	
11	12	19	
12	13	20	
13	14	16	
14	15	25	
15	16	13	
16	17	22	
17	18	18	
18	19	30	
19	20	35	
20	21	35	
21	22	50	
22	23	44	
23	24	55	
24	25	47	
25	26	35	
26	27	38	
27	28	22	
28	29	14	
29	30	7	
Total:		998	

Nra1612.R1

Sewerage & Water Board of New Orleans
 Employees' Retirement System
 Retirement Durations
 January 1. 2017 Actuarial Valuation Current DROP Members

Number of Years Until End of DROP Period		Number of Employees
At Least	But Less Than	
0	1	21
1	2	23
2	3	26
3	4	22
4	5	27
Total :		119



**Louisiana
Asset
Management
Pool, Inc.**

Summary Statement

December 2017

S&W Bd of NO Empl. Retirement- Drop

**625 Saint Joseph Street, 3rd Floor
New Orleans, LA 70165
U.S.A.**

LAMP

Average Monthly Yield: 1.23%

	Beginning Balance	Contributions	Withdrawals	Income Earned	Income Earned YTD	Average Daily Balance	Month End Balance
Total	11,662,525.58	1,642,848.60	1,706,571.72	12,094.98	117,620.92	11,627,677.54	11,610,897.44

Quarterly Performance Report

Period Ending December 31, 2017



FFC CAPITAL MANAGEMENT®



Prepared for:
Sewerage and Water Board of New Orleans
Employees' Retirement System
Pension Committee



FFC Capital Management
400 Poydras Street, Suite 2400
New Orleans, LA 70130
Tel: 504-299-2990
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Prepared by:
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SWBNO Composite	Section 1
<input type="checkbox"/> Executive Summary	1
SWBNO Equity	Section 2
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Annual Market Review 2017

The year 2017 was eventful, to say the least. President Trump and Congress tried, without success, to repeal the Affordable Care Act, known as Obamacare. However, the new year-end tax law included the elimination of the individual health insurance mandate. The U.S. economy started slowly but picked up steam as the year progressed. Ten years after its onset, the financial crisis officially came to an end in 2017. The gross domestic product expanded at an annual rate of 3.2% in the third quarter. The unemployment rate fell from 4.7% to 4.1%, while upwards of 2 million new jobs were added. The Federal Reserve, based on the strength of the economy and labor market, began to roll back its stimulus program and raised interest rates three times during the year. The stock market reached several historic highs in 2017. Consumer income rose and purchases increased, but inflation remained stubbornly below 2.0%. Business investment expanded in 2017 and is expected to surge in 2018. The year ended with the passage of sweeping tax reform legislation.

Snapshot 2017

Monthly Economic News

The Markets

- **Employment:** Overall, the U.S. labor market endured a few bumps during the year, but closed 2017 in relatively good shape. Despite destructive hurricanes that likely impacted new hires over the latter part of the summer into the fall, employment growth averaged 174,000 new jobs per month in 2017, compared with an average monthly increase of 187,000 new jobs in 2016. The unemployment rate ended the year (as of November 2017) at 4.1% — lower than the 4.6% rate at the close of 2016. According to the Bureau of Labor Statistics, there were 6.6 million unemployed persons in November 2017, down from 7.4 million unemployed in November 2016. The employment participation rate remained the same in 2017 as it was in 2016 — 62.7%. The employment to population ratio was 60.1% in 2017, up slightly from 59.7% in 2016. In 2017, the average workweek was 34.5 hours (34.3 hours in 2016). Average hourly earnings in 2017 increased 2.5%, or \$0.64, to \$26.55 (the same percentage gain as occurred between 2015 and 2016).
- **GDP:** Economic growth, as measured by the gross domestic product, expanded throughout the year, increasing at an annual rate of 3.2% in the third quarter of 2017. The third-quarter annual rate of growth is the highest since the first quarter of 2015. The first-quarter GDP rose 1.2%, followed by a 3.1% gain in the second quarter. Gross domestic product essentially measures what the economy produces, such as goods and services. On the other hand, gross domestic income measures all income earned from the production of goods and services, such as wages, profits, and taxes. GDI rose 2.0% in the third quarter of 2017, compared to a 4.1% increase in the third quarter of 2016. The average of gross domestic product and gross domestic income, a supplemental measure of U.S. economic activity that equally weights GDP and GDI, increased 2.6% in the third quarter, compared with an average annual increase of 1.2% in 2016.

- **Inflation/consumer spending:** Inflationary trends did not keep up with economic growth in 2017. Inflation, as it relates to the consumer, remained below the Federal Reserve's stated target rate of 2.0%. Indications are that inflation is expanding, albeit at a deliberate pace. The personal consumption expenditures (PCE) price index is the measure of the increase in the prices of goods and services purchased by consumers. The PCE price index was 1.8% higher in November 2017 compared to November 2016. Core PCE, which excludes the volatile food and energy components, expanded at an annual rate of 1.5%. Personal (pre-tax) income increased 2.8% in the third quarter of 2017 compared to a rate of 3.0% for the third quarter of 2016. After-tax income (disposable personal income) increased 2.1% in the third quarter of 2017 after expanding at an annual rate of 2.5% in the third quarter of 2016. Another measure of inflation, the Consumer Price Index, measures the price level of a basket of consumer goods and services purchased by individuals. Over the 12 months ended November 2017, the CPI rose 2.2%.
- **Housing:** The housing market had been relatively strong for much of the year, although a lack of inventory may have impacted sales and prices. Through November, existing home sales are up 3.8% over a year ago. The November annual sales rate of 5.81 million is the highest since December 2006. The median existing-home price for all housing types in November was \$248,900, up 5.8% from November 2016 (\$234,400). November's price increase marks the 69th consecutive month of year-over-year gains. Total housing inventory was 1.67 million existing homes for sale — 9.7% lower than last November (1.85 million). According to the National Association of Realtors®, the expected increase in mortgage rates in 2018 could cut into the affordability of new homes in many markets if inventory remains low. New home sales jumped 26.6% above the November 2016 annual rate of sales. The median sales price of new houses sold in November 2017 was \$318,700 (\$305,400 in 2016); the average sales price was \$377,100 (\$359,900 in 2016). The seasonally adjusted estimate of new houses for sale at the end of November was 283,000, representing a supply of 4.6 months at that sales rate. Over the same period in 2016, there were 250,000 homes for sale for a supply of 5.1 months.
- **Manufacturing:** Manufacturing and industrial production performed better in 2017 than the prior year. The Federal Reserve's index of industrial production revealed that total industrial production rose 3.4% over the 12 months ended in November. Over the same period, the output of consumer goods increased 2.2% and production of business equipment expanded 5.2%. Capacity utilization for manufacturing increased 1.1% over the past year. New orders for manufactured durable goods (expected to last at least three years) increased by 5.4% from 2016. Shipments were up 4.1%. Capital goods — tangible assets used by manufacturers to produce consumer goods — also expanded in 2017. New orders for capital goods increased by 6.9% and shipments of capital goods expanded by 4.5%.
- **Imports and exports:** Through October, the goods and services trade deficit had increased \$49.1 billion, or 11.9%, compared to the same period in 2016. Exports increased \$97.5 billion, or 5.3%. Imports increased \$146.6 billion, or 6.5%. The prices of both import and export goods and services expanded by 3.1% over the 12 months ended November 2017. However, excluding energy, import prices were up only 1.4%.
- **International markets:** The global economy was relatively stable in 2017 amid low inflation and easing of accommodative monetary policies. In Europe, negotiations continued to progress, leading to Britain's exit from the European Union. Possibly impacted by the impending Brexit,

Britain's economy expanded at a subdued 1.5% rate, effectively pushing its economy behind that of France in the world rankings. Eurozone inflation increased by 1.5% over a year earlier, prompting a reduction in stimulus measures including an interest rate hike. Germany, Italy, and Finland saw their third-quarter GDPs expand at a rate exceeding expectations, while economic growth slowed in France, Spain, and the Netherlands. The Japanese economy also pushed toward its 2.0% target inflation goal. A jump in capital spending helped propel Japan's third-quarter GDP to an annualized 2.5% growth rate. The world's second-largest economy continued to expand as China's GDP enjoyed a 6.5% annualized growth rate. The Chinese government continued to maintain its grip on economic activity, particularly considering President Trump's tough anti-China trade rhetoric.

Eye on the Month Ahead

The year 2018 is off to a rousing start, with the passage of major tax overhaul legislation that could impact consumer and business income and equities. The U.S. economy, which got off to a slow start in 2017, picked up steam throughout the year and enters 2018 in pretty good shape. The U.S. economy as well as major world economies are expected to continue to grow this year. The Fed has indicated that it expects to raise interest rates three times this year despite stubborn inflationary expansion. The housing market should continue to grow, especially if builders pick up the pace of new residential construction to add to dwindling inventory. However, political unrest continues to plague Washington, with the cloud of the Russian investigation hanging overhead as we begin 2018.

Data sources: Economic: Based on data from U.S. Bureau of Labor Statistics (unemployment, inflation); U.S. Department of Commerce (GDP, corporate profits, retail sales, housing); S&P/Case-Shiller 20-City Composite Index (home prices); Institute for Supply Management (manufacturing/services). Performance: Based on data reported in WSJ Market Data Center (indexes); U.S. Treasury (Treasury yields); U.S. Energy Information Administration/Bloomberg.com Market Data (oil spot price, WTI Cushing, OK); www.goldprice.org (spot gold/silver); Oanda/FX Street (currency exchange rates). News items are based on reports from multiple commonly available international news sources (i.e. wire services) and are independently verified when necessary with secondary sources such as government agencies, corporate press releases, or trade organizations. All information is based on sources deemed reliable, but no warranty or guarantee is made as to its accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation for the purchase or sale of any securities, and should not be relied on as financial advice. Past performance is no guarantee of future results. All investing involves risk, including the potential loss of principal, and there can be no guarantee that any investing strategy will be successful.

The Dow Jones Industrial Average (DJIA) is a price-weighted index composed of 30 widely traded blue-chip U.S. common stocks. The S&P 500 is a market-cap weighted index composed of the common stocks of 500 leading companies in leading industries of the U.S. economy. The NASDAQ Composite Index is a market-value weighted index of all common stocks listed on the NASDAQ stock exchange. The Russell 2000 is a market-cap weighted index composed of 2,000 U.S. small-cap common stocks. The Global Dow is an equally weighted index of 150 widely traded blue-chip common stocks worldwide. The U.S. Dollar Index is a geometrically weighted index of the value of the U.S. dollar relative to six foreign currencies. Market indices listed are unmanaged and are not available for direct investment.

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Market Index Performance Period Ending December 31, 2017

US Equity	MTD	YTD	1 Year	2 Years	3 Years	4 Years	5 Years	7 Years	10 Years	20 Years
Dow 30	1.92	28.11	28.11	22.16	14.36	13.27	16.37	14.31	9.23	10.80
S&P 100 Index	1.40	21.96	21.96	16.55	11.71	11.97	15.43	13.67	8.12	9.68
NASDAQ	0.43	28.24	28.24	17.42	13.38	13.39	17.98	14.64	10.04	9.94
S&P 500	1.11	21.83	21.83	16.79	11.41	11.98	15.79	13.76	8.50	9.82
Russell 1000	1.11	21.69	21.69	16.77	11.23	11.73	15.71	13.66	8.59	9.96
Russell 1000 Growth	0.78	30.21	30.21	18.08	13.79	13.60	17.33	14.81	10.00	9.42
Russell 1000 Value	1.46	13.66	13.66	15.49	8.65	9.83	14.04	12.46	7.10	10.02
S&P 400 Mid Cap	0.22	16.24	16.24	18.47	11.14	10.80	15.01	12.85	9.97	12.43
S&P 400 Midcap Grwth	-0.14	19.92	19.92	17.32	11.98	10.86	14.93	12.84	10.35	12.35
S&P 400 Midcap Value	0.59	12.32	12.32	19.21	9.88	10.43	14.83	12.70	9.46	12.37
Russell Mid Cap	0.93	18.52	18.52	16.13	9.58	10.48	14.96	12.76	9.11	11.43
Russell Mid Growth	0.54	25.27	25.27	15.95	10.30	10.70	15.30	12.78	9.10	10.09
Russell Mid Value	1.24	13.34	13.34	16.62	9.00	10.41	14.68	12.76	9.10	11.78
Russell 2500	0.34	16.81	16.81	17.20	10.07	9.32	14.33	12.25	9.22	10.92
Russell 2500 Growth	0.27	24.46	24.46	16.86	10.88	9.91	15.47	12.95	9.62	9.56
Russell 2500 Value	0.40	10.36	10.36	17.55	9.30	8.75	13.27	11.54	8.82	11.39
S&P Small Cap 600	-0.52	13.23	13.23	19.71	12.00	10.40	15.99	13.77	10.43	11.64
S&P Sm Cap 600 Grwth	-0.67	14.79	14.79	18.41	12.96	10.61	16.39	14.22	10.82	10.82
S&P Sm Cap 600 Value	-0.35	11.51	11.51	21.01	10.97	10.11	15.52	13.31	9.99	12.00
Russell 2000	-0.40	14.65	14.65	17.93	9.96	8.67	14.12	11.62	8.71	9.62
Russell 2000 Growth	0.12	22.17	22.17	16.62	10.28	9.09	15.21	12.34	9.19	8.09
Russell 2000 Value	-0.95	7.84	7.84	19.19	9.55	8.19	13.01	10.84	8.17	10.70
Russell 3000	1.00	21.13	21.13	16.86	11.12	11.48	15.58	13.50	8.60	9.89
Russell 3000 Growth	0.73	29.59	29.59	17.97	13.51	13.24	17.16	14.62	9.93	9.28
Russell 3000 Value	1.28	13.19	13.19	15.77	8.71	9.70	13.95	12.33	7.19	10.03
Wilshire 5000	1.14	21.00	21.00	16.94	10.91	11.19	15.41	13.27	8.62	9.90

Global / International Equity	MTD	YTD	1 Year	2 Years	3 Years	4 Years	5 Years	7 Years	10 Years	20 Years
DJ Global Index	1.56	21.83	21.83	13.57	7.38	6.59	9.69	7.20	3.22	5.86
MSCI AC World	1.65	24.62	24.62	16.27	9.89	8.57	11.40	9.32	5.22	7.84
MSCI AC Wld Grwth	1.51	30.46	30.46	16.29	11.29	9.90	12.51	10.12	6.02	N/A
MSCI AC Wld Value	1.79	19.09	19.09	16.23	8.45	7.20	10.24	8.48	4.38	N/A
MSCI AC WxUS Growth	2.18	31.28	31.28	16.93	10.65	7.26	8.88	6.34	2.98	N/A
MSCI AC WxUS Value	2.36	24.02	24.02	16.58	7.11	4.06	6.33	4.66	1.73	N/A
MSCI AC World Ex US	2.27	26.63	26.63	16.38	8.67	5.51	7.49	5.56	2.30	N/A
MSCI EAFE	1.62	25.62	25.62	12.92	8.30	4.95	8.39	6.53	2.42	6.03
MSCI EAFE Growth	1.69	29.34	29.34	12.20	9.56	5.99	9.18	6.99	3.05	5.22
MSCI EAFE Value	1.56	22.12	22.12	13.60	6.94	3.85	7.52	6.00	1.73	6.73
MSCI Emerging Mkts	3.64	37.75	37.75	23.99	9.50	6.55	4.73	2.92	2.02	7.15
MSCI EM Growth	3.01	47.12	47.12	25.97	12.15	8.95	7.11	4.76	2.60	N/A
MSCI EM Value	4.29	28.67	28.67	21.89	6.74	4.05	2.24	1.00	1.34	N/A

The above summary / prices / statistics combined herein have been obtained from sources believed reliable but are not necessarily complete and cannot be guaranteed. Errors and omissions accepted.

Market Index Performance Period Ending December 31, 2017

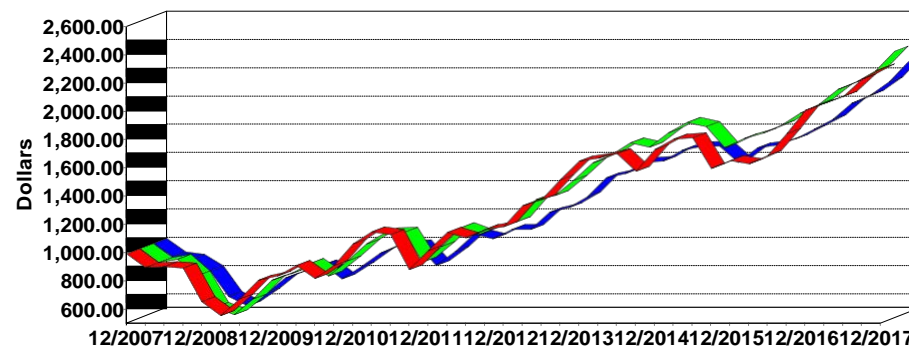
Fixed Income	MTD	YTD	1 Year	2 Years	3 Years	4 Years	5 Years	7 Years	10 Years	20 Years
Barclays Aggregate	0.46	3.54	3.54	3.09	2.24	3.16	2.10	3.20	4.01	5.52
Barclays Global Agg	0.35	7.39	7.39	4.71	2.02	1.66	0.79	1.97	3.09	5.00
Lehman Government	0.30	2.30	2.30	1.67	1.40	2.27	1.28	2.45	3.23	5.12
Lehman 1-3 Gov't	0.01	0.45	0.45	0.66	0.63	0.63	0.58	0.71	1.53	3.63
Lehman Int Governmen	0.03	1.14	1.14	1.09	1.12	1.47	0.92	1.76	2.70	4.57
LONG-TERM GOV'T BOND	1.68	8.53	8.53	4.92	2.85	7.92	3.49	6.86	6.49	7.61
Lehman Gov't/Credit	0.52	4.00	4.00	3.52	2.38	3.28	2.13	3.43	4.08	5.58
LB Int Gov't/Credit	0.11	2.14	2.14	2.11	1.76	2.10	1.50	2.44	3.32	4.97
Lehman HY Corp	0.30	7.50	7.50	12.21	6.35	5.36	5.78	7.04	8.03	7.57
ML US Treas 1-3 Yr	0.01	0.42	0.42	0.65	0.61	0.61	0.56	0.69	1.44	3.55
ML All US Convert	-0.20	13.70	13.70	12.20	6.80	7.45	10.74	8.89	7.35	8.69
CG World Gov Bond	0.16	7.49	7.49	4.50	1.74	1.18	0.12	1.21	2.67	4.67
Citigroup World Infl			N/A					N/A	N/A	N/A


Alternatives	MTD	YTD	1 Year	2 Years	3 Years	4 Years	5 Years	7 Years	10 Years	20 Years
HFRI Fund Weighted	1.06	8.68	8.68	7.05	4.25	3.93	4.95	3.63	3.23	8.19
HFRI Equity Hedge	1.32	13.46	13.46	9.39	5.82	4.80	6.63	4.46	3.19	9.64
HFRI Event-Driven	1.40	7.73	7.73	9.14	4.73	3.81	5.49	4.66	4.08	9.24
HFRI ED: Merger Arb	0.50	4.24	4.24	3.93	3.73	3.22	3.52	3.12	3.20	6.90
HFRI ED: Distressed	2.22	7.58	7.58	11.30	4.43	2.95	5.08	4.77	4.06	8.70
HFRI Macro (Total)	0.62	2.21	2.21	1.62	0.65	1.86	1.40	0.37	1.96	7.14
HFRI Relative Value	0.76	5.11	5.11	6.38	4.11	4.09	4.68	4.84	4.81	7.79
HFRI RV: Fixed Inc	0.22	5.81	5.81	6.94	5.24	4.31	5.04	4.01	4.71	7.70
HFRI RV: Multi-Strat	0.80	4.15	4.15	5.25	3.70	3.62	4.46	3.97	3.97	6.17
HFRI Fund of Funds	0.90	7.73	7.73	4.06	2.60	2.79	3.99	2.66	1.08	5.47
MSCI REIT	-0.21	5.07	5.07	6.82	5.37	11.13	9.34	10.41	7.44	10.70
80% ACWI 20% BarAgg	1.41	20.14	20.14	13.62	8.45	7.59	9.59	8.24	5.27	7.61
60% ACWI 40% BarAgg	1.17	15.79	15.79	10.98	6.96	6.55	7.75	7.09	5.18	7.26
20% ACWI 80% BarAgg	0.70	7.49	7.49	5.71	3.85	4.33	4.01	4.56	4.54	6.21
60% AWCI 40% BarGlob	1.13	17.50	17.50	11.67	6.88	5.94	7.20	6.54	4.76	7.03
60% S&P 500 40% BarA	0.85	14.25	14.25	11.29	7.89	8.60	10.33	9.74	7.29	8.58
PHLX Gold Index	7.37	8.13	8.13	37.20	7.43	0.33	-12.43	-13.03	-6.82	-0.52
S&P GSCI	4.41	5.77	5.77	8.53	-7.52	-14.70	-12.09	-8.94	-10.15	0.73

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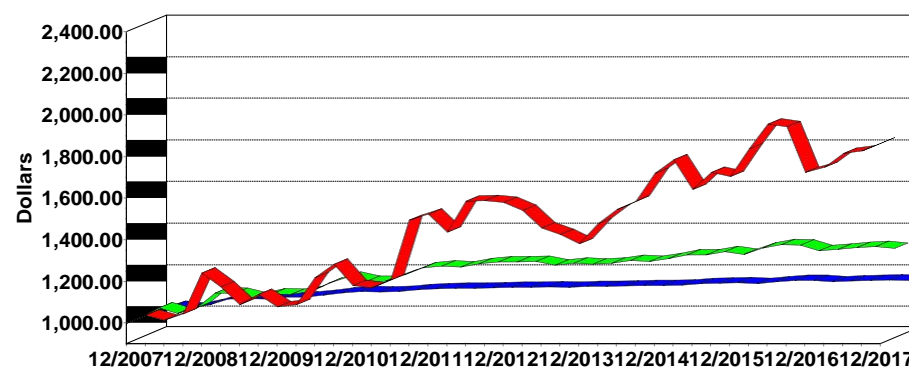


Large vs. Small



		MTD	ONE YEAR	THREE YEARS	FIVE YEARS	TEN YEARS
	RUSSELL 1000	1.11	21.69	11.23	15.71	8.59
	RUSSELL MID CAP	0.93	18.52	9.58	14.96	9.11
	RUSSELL 2000	-0.40	14.65	9.96	14.12	8.71

Treasuries

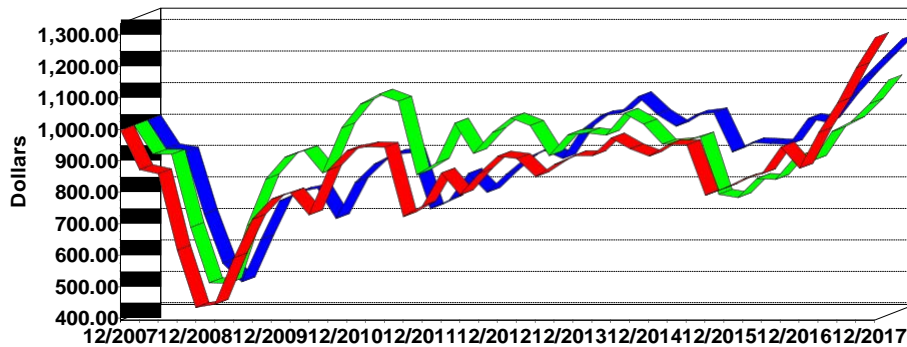


	MTD	ONE YEAR	THREE YEARS	FIVE YEARS	TEN YEARS
ML US TREAS 1-3 YR	0.01	0.42	0.61	0.56	1.44

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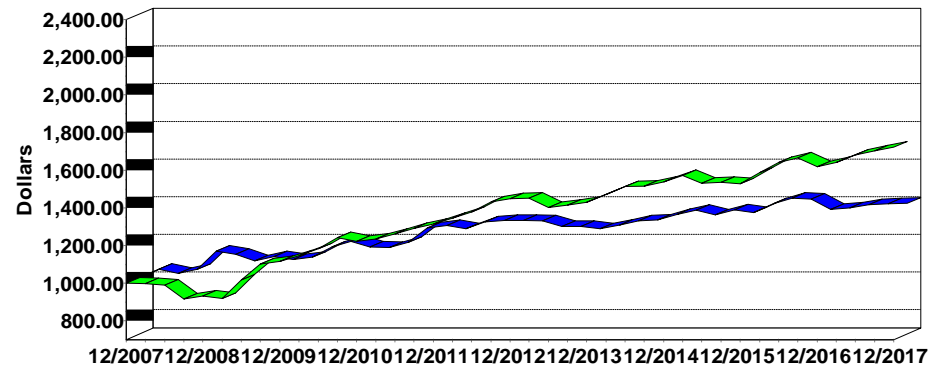
Relative Broad Market Performance & Style Comparison Period Ending December 31, 2017

Developed World Markets vs. Emerging Markets



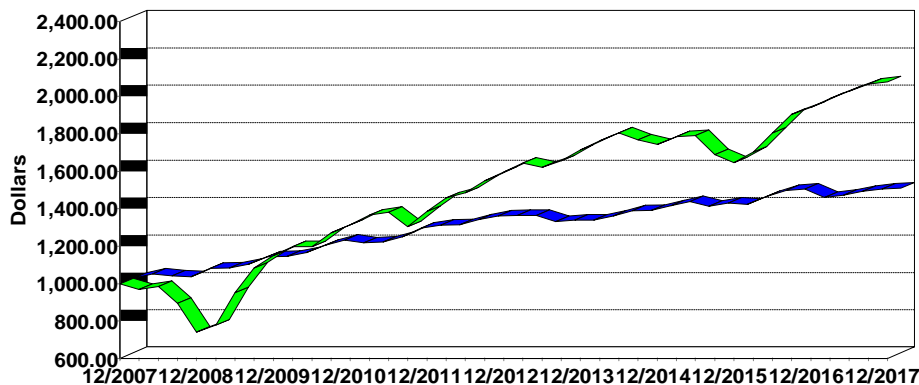
	MTD	ONE YEAR	THREE YEARS	FIVE YEARS	TEN YEARS
MSCI AC WORLD EX US	2.27	26.63	8.67	7.49	2.30
MSCI EM VALUE	4.29	28.67	6.74	2.24	1.34
MSCI EM GROWTH	3.01	47.12	12.15	7.11	2.60

US Government vs. US Corporate



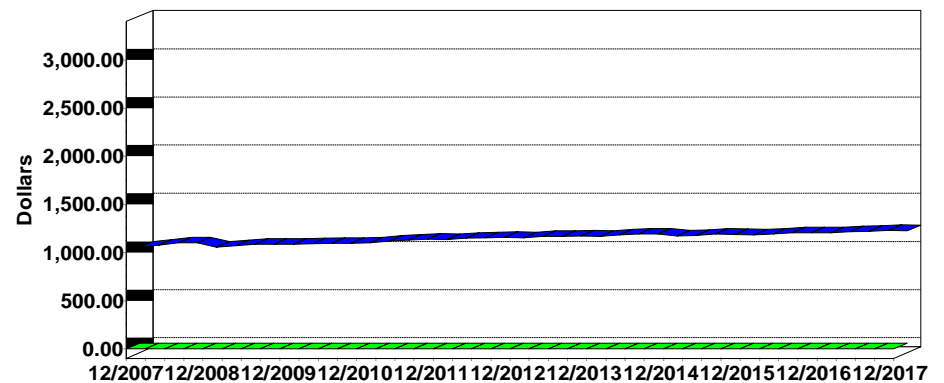
	MTD	ONE YEAR	THREE YEARS	FIVE YEARS	TEN YEARS
ML US TREAS MASTER	0.35	2.43	1.47	1.37	3.39
ML US CORP MASTER	0.85	6.48	3.89	3.50	5.59

Investment Grade vs. Speculative Grade



	MTD	ONE YEAR	THREE YEARS	FIVE YEARS	TEN YEARS
ML US CORP MASTER	0.85	6.48	3.89	3.50	5.59
ML US TREAS MASTER	0.35	2.43	1.47	1.37	3.39

Inflation



	MTD	ONE YEAR	THREE YEARS	FIVE YEARS	TEN YEARS
ML US CORP MASTER	0.85	6.48	3.89	3.50	5.59
ML US TREAS MASTER	0.35	2.43	1.47	1.37	3.39

Fund data is on a Total Fund Composite return basis. Fund data is net of available flows and fees. Returns for periods less than one year are annualized. All returns include reinvestment of income. Policy Index Allocation: 40.25% Russell 1000, 9.9% MSCI ACWI ex US, 3.7% Barclays Aggregate Bond, 8.75% HFRI Fund of Funds, 3.25% MSCI REIT, 1.75% 30 Day US T-Bill. FFC Capital Management has relied on the accuracy of the data provided by FIS Group, Inc. since inception through May 31, 2017. Data from inception to December 31, 2002 is on a Total Fund Composite return basis only. This report has been prepared for informational purposes only. It is based on information from sources believed to be reliable. No guarantee is made that the information is accurate or complete.

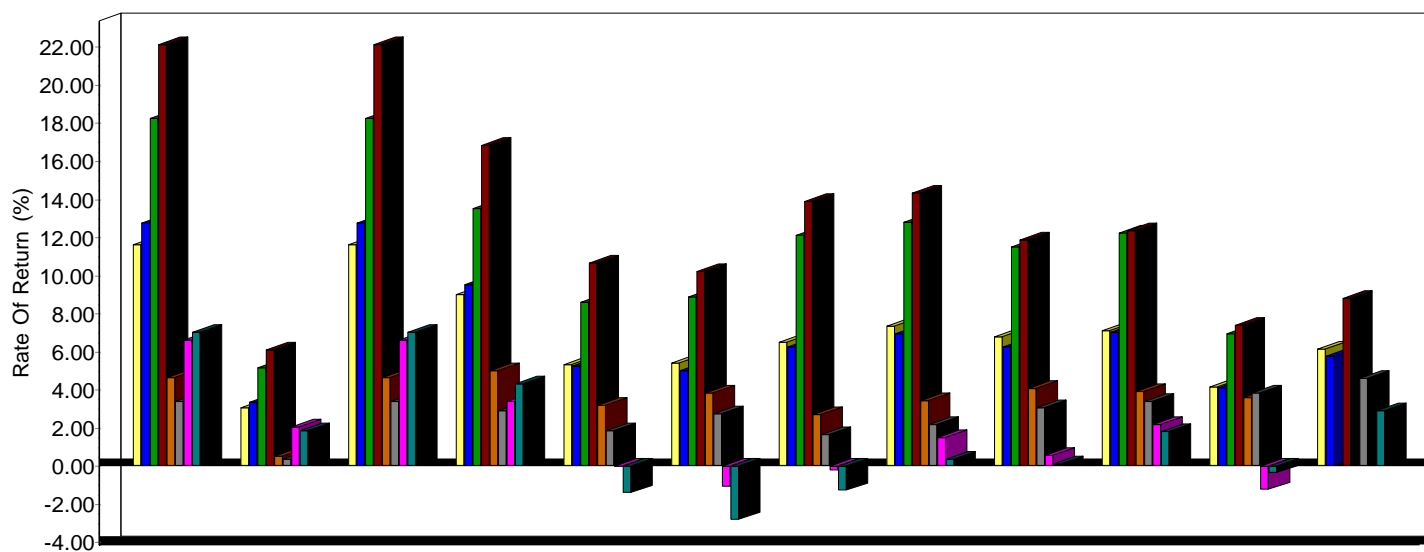


Sewerage and Water Board of New Orleans Composite

Executive Summary

Composite Profile

Performance Analysis
June 30, 2002 through December 31, 2017



	YTD	Last Three Months	One Year	Two Years	Three Years	Four Years	Five Years	Six Years	Seven Years	Eight Years	Ten Years	Since Inception
Total Fund Composite	11.65	3.07	11.65	9.02	5.34	5.40	6.50	7.35	6.79	7.11	4.18	6.15
Policy Index	12.76	3.36	12.76	9.55	5.27	5.00	6.27	6.96	6.27	7.02	4.14	5.79
Equity Composite	18.28	5.17	18.28	13.53	8.59	8.89	12.13	12.80	11.52	12.25	6.95	N/A
Equity Policy Index	22.14	6.11	22.14	16.83	10.66	10.23	13.90	14.36	11.86	12.36	7.39	8.82
Fixed Income Composite	4.65	0.53	4.65	5.01	3.22	3.84	2.72	3.45	4.08	3.93	3.62	N/A
Fix Inc Policy Index	3.42	0.38	3.42	2.93	1.88	2.77	1.66	2.19	3.07	3.38	3.84	4.62
Alternatives Composite	6.62	2.08	6.62	3.42	-0.05	-1.08	-0.23	1.52	0.59	2.18	-1.26	N/A
Alt Policy Index	7.04	1.87	7.04	4.33	-1.42	-2.80	-1.30	0.37	0.15	1.81	-0.37	2.91

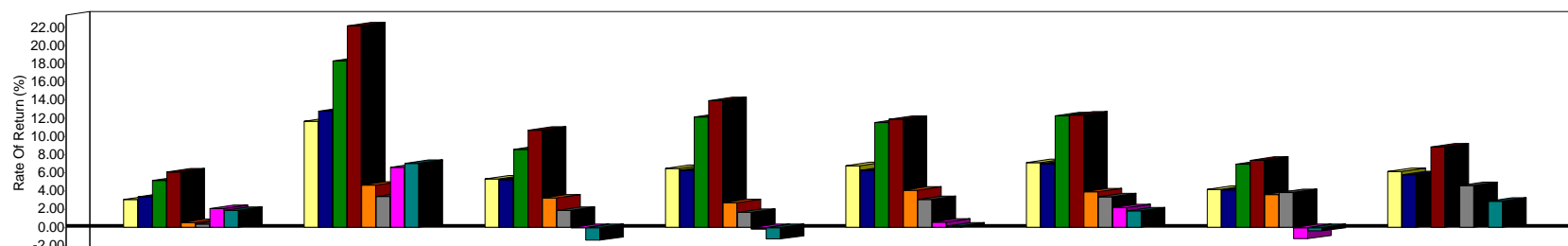
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Statement Of Changes

	DOLLARS	
	Latest Quarter	5/2007 - Period Ending Date
Beginning Value	218,510,354	219,895,865
Net Contribution	-2,089,807	-83,386,583
Investment Return	6,680,414	86,591,679
Ending Value	223,100,960	223,100,960

Portfolio Value 09/30/2017	218,510,354
Net Income (Loss)	
Dividend Income	413,924
Interest Income	569
Realized Gains/Losses	5,688,577
Unrealized Gains/Losses	561,221
Expenses	(40,096)
Net Transfers In (Out)	
Funds Added	30,466,347
Funds Withdrawn	(32,499,936)
Portfolio Value 12/31/2017	223,100,960



	Latest Quarter	One Year	Three Years	Five Years	Seven Years	Eight Years	Ten Years	Since Inception
Total Fund Composite	3.07	11.65	5.34	6.50	6.79	7.11	4.18	6.15
Policy Index	3.36	12.76	5.27	6.27	6.27	7.02	4.14	5.79
Equity Composite	5.17	18.28	8.59	12.13	11.52	12.25	6.95	N/A
Equity Policy Index	6.11	22.14	10.66	13.90	11.86	12.36	7.39	8.82
Fixed Income Composite	0.53	4.65	3.22	2.72	4.08	3.93	3.62	N/A
Fix Inc Policy Index	0.38	3.42	1.88	1.66	3.07	3.38	3.84	4.62
Alternatives Composite	2.08	6.62	-0.05	-0.23	0.59	2.18	-1.26	N/A
Alt Policy Index	1.87	7.04	-1.42	-1.30	0.15	1.81	-0.37	2.91

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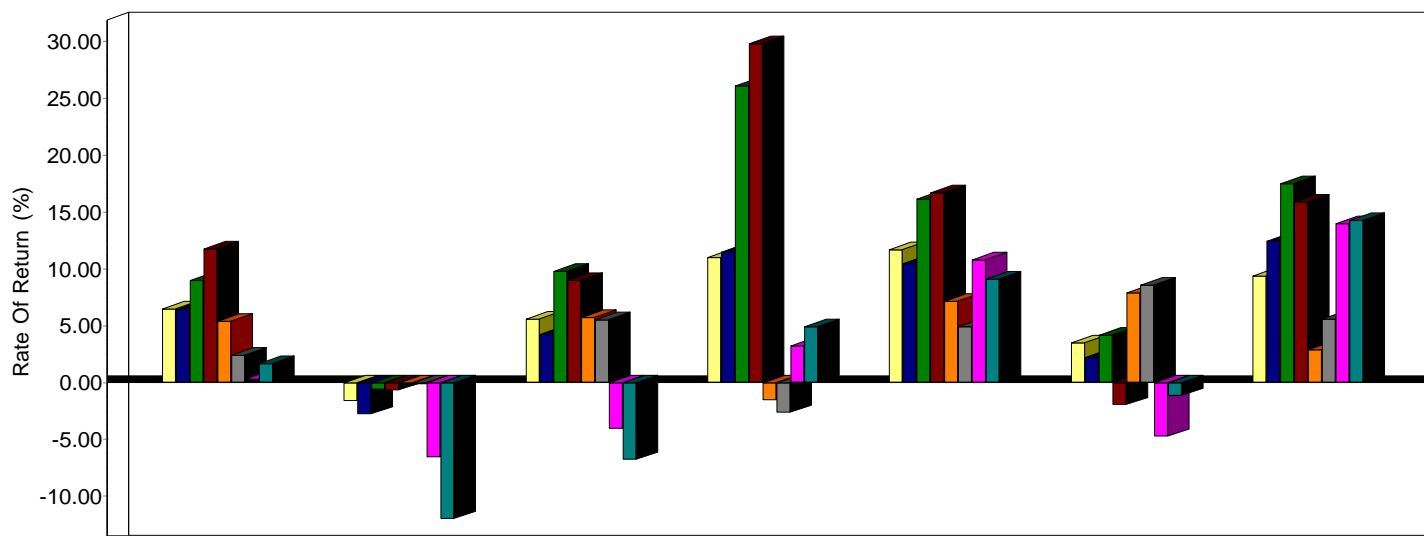


Sewerage and Water Board of New Orleans Composite

Executive Summary

Composite Profile

Calendar Year Performance Analysis
through December 31, 2016



	2016	2015	2014	2013	2012	2011	2010
Total Fund Composite	6.46	-1.67	5.61	11.03	11.66	3.50	9.37
Policy Index	6.42	-2.80	4.22	11.50	10.49	2.18	12.45
Equity Composite	8.98	-0.65	9.81	26.09	16.17	4.15	17.51
Equity Policy Index	11.75	-0.73	8.97	29.83	16.68	-2.01	15.91
Fixed Income Composite	5.37	-0.27	5.71	-1.61	7.17	7.91	2.88
Fix Inc Policy Index	2.44	-0.19	5.51	-2.69	4.88	8.55	5.60
Alternatives Composite	0.31	-6.62	-4.12	3.22	10.77	-4.80	14.01
Alt Policy Index	1.68	-11.98	-6.82	4.92	9.14	-1.16	14.27

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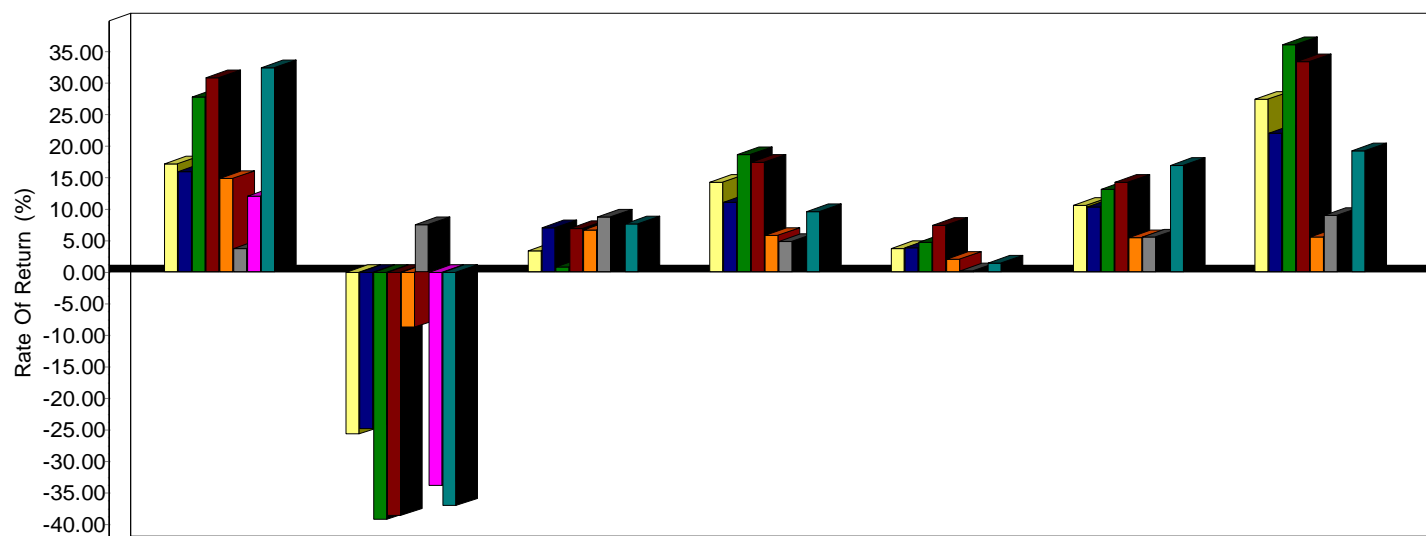


Sewerage and Water Board of New Orleans Composite

Executive Summary

Composite Profile

Calendar Year Performance Analysis through December 31, 2009



	2009	2008	2007	2006	2005	2004	2003
Total Fund Composite	17.14	-25.77	3.34	14.23	3.82	10.61	27.38
Policy Index	15.92	-24.82	7.10	11.14	3.93	10.37	22.03
Equity Composite	27.75	-39.20	0.87	18.62	4.80	13.14	36.07
Equity Policy Index	30.86	-38.64	6.99	17.46	7.43	14.28	33.37
Fixed Income Composite	14.88	-8.73	6.65	5.89	2.08	5.45	5.54
Fix Inc Policy Index	3.78	7.58	8.75	4.87	0.23	5.63	8.99
Alternatives Composite	12.08	-33.84	N/A	N/A	N/A	N/A	N/A
Alt Policy Index	32.43	-37.00	7.64	9.66	1.40	16.89	19.21

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Sewerage and Water Board of New Orleans Composite Period Ending December 31, 2017

Target Allocation	Current Allocation	Name	Market Value	MTD	3rd Qtr 2017	2nd Qtr 2017	1st Qtr 2017	4th Qtr 2016	YTD	2016	2015	2014	2013	2012	2011	Since Inception	Inception Date
49.25%	50.69%	Equity Composite	113,093,803	1.98	4.19	2.16	5.65	2.95	18.28	8.98	-0.65	9.81	26.09	16.17	4.15	9.22	Nov-02
		<i>Equity Policy Index</i>		1.23	4.68	3.59	6.16	3.23	22.14	11.75	-0.73	8.97	29.83	16.68	-2.01	9.58	
10.00%	10.43%	LC Value															
		Barrow Hanley	23,269,045	2.30	1.33	3.16	3.41	6.64	14.08	13.51	-1.85	12.08	30.55	14.67	1.96	7.10	Aug-06
		<i>Russell 1000 Value</i>		1.46	3.11	1.34	3.27	6.68	13.66	17.34	-3.83	13.45	32.53	17.51	0.39	7.14	
		<i>S&P Barra Value</i>		1.67	3.48	1.51	3.29	7.35	15.36	17.40	-3.13	12.36	31.99	17.68	-0.48	7.11	
10.00%	10.24%	LC Enhanced Core															
		Chicago Equity	22,848,180	1.67	5.39	1.94	5.98	4.08	22.01	8.12	2.47	13.06	32.28	15.62	5.35	8.97	May-06
		<i>Russell 1000</i>		1.11	4.48	3.06	6.03	3.83	21.69	12.05	0.92	13.24	33.11	16.42	1.50	9.00	
		<i>S&P 500</i>		1.11	4.48	3.09	6.07	3.82	21.83	11.96	1.38	13.69	32.39	16.00	2.11	8.93	
7.25%	7.30%	LC Growth															
		iShares S&P 500 Growth ETF	16,278,069	1.25	5.22	4.47	8.38	0.70	26.96	N/A	N/A	N/A	N/A	N/A	N/A	17.05	Feb-16
		<i>S&P Barra Growth</i>		0.58	5.29	4.42	8.53	0.48	27.44	6.38	0.02	0.03	0.03	0.05	0.05	18.04	
		<i>Russell 1000 Growth</i>		0.78	5.90	4.67	8.91	1.01	30.21	7.08	5.67	13.05	33.48	15.26	2.64	23.72	
13.00%	13.46%	SMID Cap															
		New South Capital	30,040,526	1.71	4.22	-1.72	5.80	0.97	11.68	9.08	0.51	11.97	26.04	16.71	N/A	13.44	Aug-11
		<i>Russell 2500</i>		0.34	4.74	2.13	3.76	6.12	16.81	17.59	-2.90	7.07	36.80	17.88	-2.51	14.91	
		<i>Russell 2500 Value</i>		0.40	3.83	0.32	1.62	9.34	10.36	25.20	-5.49	7.11	33.32	19.21	-3.36	14.43	
9.00%	9.26%	International															
		Earnest Partners	20,657,984	2.95	6.91	7.88	7.96	-0.64	30.65	4.59	-6.34	-2.48	12.43	18.50	N/A	9.71	Sep-11
		<i>MSCI AC World Ex US</i>		2.27	5.14	6.15	7.98	-1.20	26.63	6.96	-5.24	-3.43	15.80	17.40	-13.32	9.35	
38.75%	36.67%	Fixed Income Composite	81,818,678	0.48	1.24	1.37	1.43	-2.34	4.65	5.37	-0.27	5.71	-1.61	7.17	7.91	4.09	Nov-02
		<i>Fix Inc Policy Index</i>		0.44	0.82	1.39	0.78	-2.84	3.42	2.44	-0.19	5.51	-2.69	4.88	8.55	4.51	
37.00%	36.57%	Core Plus															
		Fidelity Institutional Asset Mana	81,582,671	0.48	1.25	1.38	1.43	-2.34	4.65	5.49	0.14	6.20	-0.68	7.65	7.81	5.14	Apr-07
		<i>Barclays Aggregate</i>		0.46	0.85	1.45	0.82	-2.98	3.54	2.65	0.55	5.97	-2.02	4.21	7.84	4.21	
		<i>Barclays Global Agg</i>		0.35	1.76	2.60	1.76	-7.07	7.39	2.09	-3.15	0.58	-2.59	4.32	5.64	3.54	
		<i>Barclays US Universe</i>		N/A	N/A	1.53	1.09	-2.60	N/A	3.91	0.43	5.56	-1.35	5.52	7.40	N/A	
1.75%	0.08%	Cash															
		Fidelity Inst Prime Mmkt CL III #	188,149	0.21	0.00	0.00	0.00	0.00	0.21	0.00	0.00	0.02	0.04	0.01	0.02	0.06	Jan-09
		<i>30 Day T-Bill</i>		0.10	0.24	0.19	0.11	0.06	0.81	0.21	0.02	0.03	0.03	0.05	0.05	0.16	
0.00%	0.02%	Total Residual Assets	47,858	11.11	-0.20	0.00	0.00	0.00	10.89	0.00	-4.37	0.48	-35.00	-26.75	-5.25	-20.75	Nov-06

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Sewerage and Water Board of New Orleans Composite Period Ending December 31, 2017

Target Allocation	Current Allocation	Name	Market Value	MTD	3rd Qtr 2017	2nd Qtr 2017	1st Qtr 2017	4th Qtr 2016	YTD 2016	2016	2015	2014	2013	2012	2011	Since Inception	Inception Date
12.00%	12.63%	Alternatives Composite	28,188,479	1.07	1.80	0.71	1.88	0.36	6.62	0.31	-6.62	-4.12	3.22	10.77	-4.80	-1.52	Mar-07
		Alt Policy Index		0.60	1.94	1.04	2.02	-0.14	7.04	1.68	-11.98	-6.82	4.92	9.14	-1.16	0.13	
8.75%	9.40%	Multi-Strategy HFOF															
		Prisma Capital Partners & KKR	20,968,736	1.35	2.01	0.48	2.11	1.11	7.03	-1.24	0.15	2.27	11.12	7.31	-3.21	3.26	Apr-07
		HFRI Fund of Funds		0.90	2.32	0.81	2.38	0.86	7.73	0.51	-0.27	3.37	8.95	4.81	-5.71	1.48	
		Barclays Aggregate		0.46	0.85	1.45	0.82	-2.98	3.54	2.65	0.55	5.97	-2.02	4.21	7.84	4.21	
3.25%	3.24%	Domestic REIT															
		Vanguard Index FDS REIT	7,219,742	0.27	0.85	1.74	0.80	-2.90	4.71	8.43	2.61	29.72	-1.77	17.69	8.23	9.90	Apr-10
		MSCI REIT		-0.21	0.93	1.65	0.99	-2.96	5.07	8.60	2.52	30.38	2.47	17.77	8.69	10.70	
		S&P 500		1.11	4.48	3.09	6.07	3.82	21.83	11.96	1.38	13.69	32.39	16.00	2.11	13.56	
100.00%	100.00%	Total Fund Composite	223,100,960	1.31	2.81	1.70	3.60	0.58	11.65	6.46	-1.67	5.61	11.03	11.66	3.50	6.15	Jun-02
		Policy Index		0.85	2.85	2.43	3.56	0.47	12.76	6.42	-2.80	4.22	11.50	10.49	2.18	5.79	

Fund data is on a trade date basis and income is included in the fund returns on an accrual basis. Fund data is net of available flows and fees. Returns for longer than one year are annualized. All returns include reinvestment of income. Residual Assets include a reinstated position (as of March 2009) of Enron Corp SR Sub Deb, one convertible bond position, a small cash position left after the termination of manager Zazove, and the side pocket left after the termination of the Equitas Evergreen fund. Current Policy Index Allocation: 40.25% Russell 3000, 9% MSCI ACWI xUS, 37% Barclays Aggregate Bond, 8.75% HFRI Fund of Funds, 3.25% MSCI REIT, 1.75% 30 Day US T-Bill. Current Equity Policy Index Allocation: 81.73% Russell 3000, 18.27% MSCI ACWI xUS | Current Fixed Income Policy Index Allocation: 95.48% Barclays Aggregate Bond, 4.52% 30 Day US T-Bill | Current Alternative Policy Index Allocation: 72.92% HFRI Fund of Funds, 27.08% MSCI REIT. Inception date for the Vanguard REIT, is 4/14/2010. Purchase date for iShares S&P 500 Growth is 4/19/2016. Inception date for the Powershares, and EPRA NAREIT ETFs is 4/9/2010. Inception date for the iSharesMid Cap, Vanguard REIT, and Elements Rogers ETFs is 4/14/2010. Inception date on the each account is based on prior month-end; all benchmarks are matched to the inception dates stated. FFC Capital Management has relied on the accuracy of the data provided by FIS Group, Inc. since inception through May 31, 2007. Data from inception to December 31, 2002 is on a Total Fund Composite return basis only. This report has been prepared for informational purposes only. It is based on information from sources believed to be reliable. No guarantee is made that the information is accurate or complete. For Historical Policy Indices please see the following page.

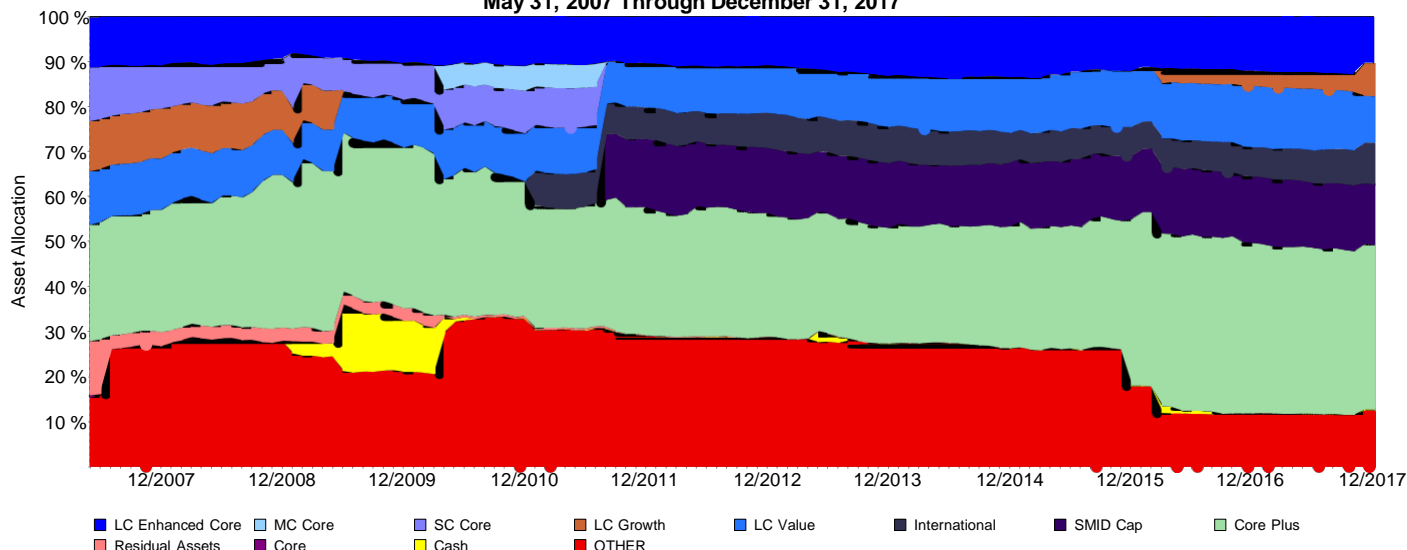


FFC CAPITAL MANAGEMENT®

Sewerage and Water Board of New Orleans Composite Executive Summary Historical Asset Allocation Period Ending December 31, 2017

SWBNO 14

Actual Asset Allocation
May 31, 2007 Through December 31, 2017



Strategic Asset Allocation Policy

12/31/1989 - 08/31/1994 75% CG Broad Bond 25% S&P 500	03/01/2005 - 06/30/2007 40% Russell 3000 7.75% MSCI ACWI xUS 25% CG Broad Bond 10% CG World Gvt Bond 7.25% CSFB Tremont/Hdge 10% 90-Day US T-Bill	05/01/2009 - 09/30/2009 30% Russell 3000 7.75% MSCI ACWI xUS 25% Barclays Agg Bond 10% Barclays Global TIPS 7.25% CSFB Tremont/Hdge 20% 90 Day US T-Bill	12/01/2015 - 02/28/2016 33% Russell 3000 9% MSCI ACWI xUS 37% Barclays Agg Bond 8.75% HFRI Fund of Funds 7.25% S&P GSCI 3.25% MSCI REIT 1.75% FTSE EPRA/NAREIT xUS
09/01/1994 - 08/31/1997 55% CG Broad Bond 25% Russell 1000 Value 11% Russell 1000 Growth 9% Russell 2000 Growth	07/01/2007 - 08/31/2008 40% Russell 3000 7.75% MSCI ACWI xUS 25% CG Broad Bond 10% CG World Gvt Bond 7.25% CSFB Tremont/Hdge 10% DJ Global Index	10/01/2009 - 03/31/2010 33.5% Russell 3000 8.5% MSCI ACWI xUS 28% Barclays Agg Bond 9% Barclays Global TIPS 8.75% CSFB Tremont/Hdge 7.25% S&P GSCI 1.75% DJ Wil ex US RESI 3.25% MSCI REIT	03/01/2016 - 04/30/2016 33% Russell 3000 9% MSCI ACWI xUS 37% Barclays Agg Bond 8.75% HFRI Fund of Funds 3.25% MSCI REIT 9% 30 Day US T-Bill
09/01/1997 - 02/28/1999 45% CG Broad Bond 30% Russell 1000 Value 14% Russell 1000 Growth 11% Russell 2000 Growth	09/01/2008 - 11/30/2008 40% Russell 3000 7.75% MSCI ACWI xUS 25% CG Broad Bond 10% CG World Gvt Bond 7.25% CSFB Tremont/Hdge 5% DJ Wilshire REIT 5% DJ Wilshire xUS RESI	04/01/2010 - 04/30/2014 33.5% Russell 3000 8.5% MSCI ACWI xUS 28% Barclays Agg Bond 9% Barclays Global TIPS 8.75% CSFB Tremont/Hdge 7.25% S&P GSCI 3.25% MSCI REIT 1.75% FTSE EPRA/NAREIT xUS	05/01/2016 - Present 40.25% Russell 3000 9% MSCI ACWI xUS 37% Barclays Agg Bond 8.75% HFRI Fund of Funds 3.25% MSCI REIT 1.75% 30 Day US T-Bill
03/01/1999 - 08/31/2000 45% CG Broad Bond 30% Russell 1000 Value 14% S&P 500 11% Russell 2000 Growth	12/01/2008 - 04/30/2009 40% Russell 3000 7.75% MSCI ACWI xUS 25% CG Broad Bond 10% CG World Gvt Bond 7.25% CSFB Tremont/Hdge 5% DJ Wilshire REIT 5% 90 Day US T-Bill	05/01/2014 - 11/30/2015 33% Russell 3000 9% MSCI ACWI xUS 28% Barclays Agg Bond 9% Barclays Global TIPS 8.75% HFRI Fund of Funds 7.25% S&P GSCI 3.25% MSCI REIT 1.75% FTSE EPRA/NAREIT xUS	
09/01/2000 - 08/31/2001 45% CG Broad Bond 30% Russell 1000 Value 14% Russell 1000 Growth 11% Russell 2000 Growth			
09/01/2001 - 01/31/2002 45% CG Broad Bond 30% Russell 1000 Value 14% Russell 1000 Growth 11% Russell 2000			
02/01/2002 - 02/28/2005 35% CG Broad Bond 30% Russell 1000 Value 14% Russell 1000 Growth 11% Russell 2000 10% ML IG Conv. Bonds			

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Data since inception through December 31, 2008 provided by FIS Group, Inc.



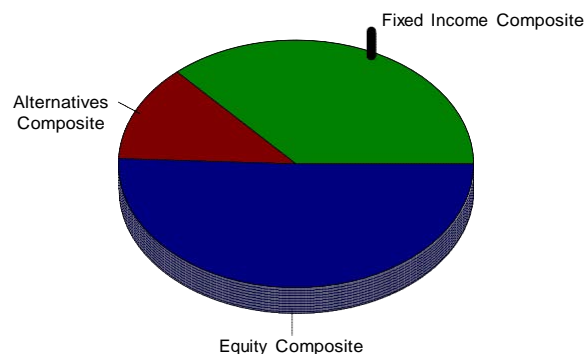
Sewerage and Water Board of New Orleans Composite

Executive Summary

Actual vs Target Allocation Class Level

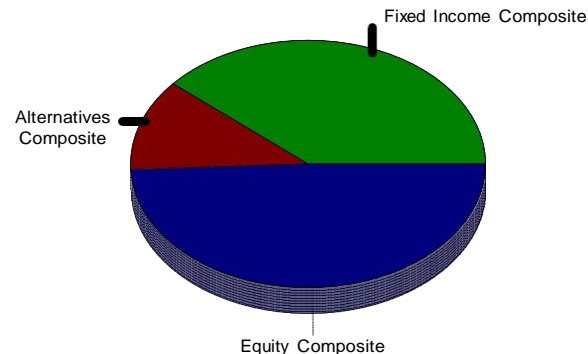
September 30, 2017 Through December 31, 2017

Actual Allocation by Asset Class



	Value	Percent
Equity Composite	113,093,803	50.69
Fixed Income Composite	81,818,678	36.67
Alternatives Composite	28,188,479	12.64
Total	223,100,960	100.00

Target Allocation by Asset Class



	Value	Percent
Equity Composite	109,877,223	49.25
Fixed Income Composite	86,451,622	38.75
Alternatives Composite	26,772,115	12.00
Total	223,100,960	100.00



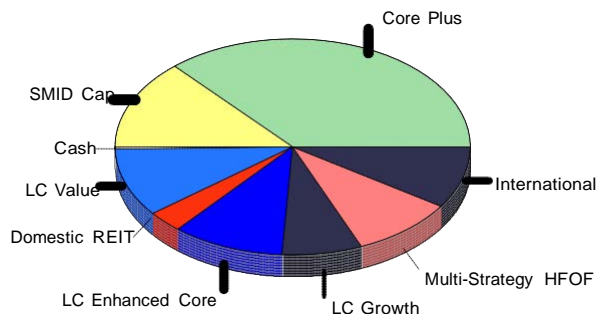
Sewerage and Water Board of New Orleans Composite

Executive Summary

Actual vs Target Allocation Sub Class Level

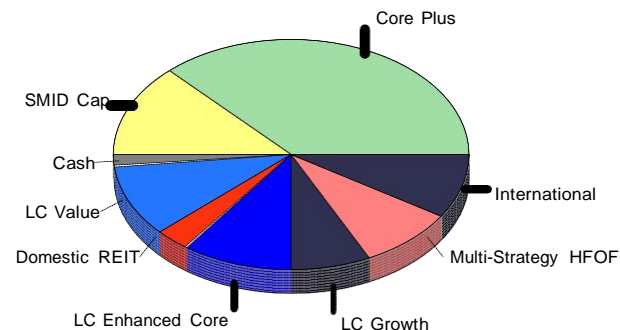
September 30, 2017 Through December 31, 2017

Actual Allocation by Asset Sub Class



	Value	Percent
LC Enhanced Core	22,848,180	10.24
LC Growth	16,278,069	7.30
LC Value	23,269,045	10.43
International	20,657,984	9.26
SMID Cap	30,040,526	13.46
Core Plus	81,582,671	36.57
Residual Assets	47,858	0.02
Cash	188,149	0.08
Multi-Strategy HFOF	20,968,736	9.40
Domestic REIT	7,219,742	3.24
Total	223,100,960	100.00

Target Allocation by Asset Sub Class



	Value	Percent
LC Enhanced Core	22,310,096	10.00
LC Growth	16,174,820	7.25
LC Value	22,310,096	10.00
International	20,079,086	9.00
SMID Cap	29,003,125	13.00
Core Plus	82,547,355	37.00
Cash	3,904,267	1.75
Multi-Strategy HFOF	19,521,334	8.75
Domestic REIT	7,250,781	3.25
Total	223,100,960	100.00

Fund data is on a trade date basis and income is included in the fund returns on an accrual basis. Fund data is net of available flows and fees. Returns for longer than one year are annualized. All returns include reinvestment of income. FFC Capital Management has relied on the accuracy of the data provided by FIS Group, Inc. since inception through May 31, 2007. Data from inception to December 31, 2002 is on a Total Fund Composite return basis only. This report has been prepared for informational purposes only. It is based on information from sources believed to be reliable. No guarantee is made that the information is accurate or complete.

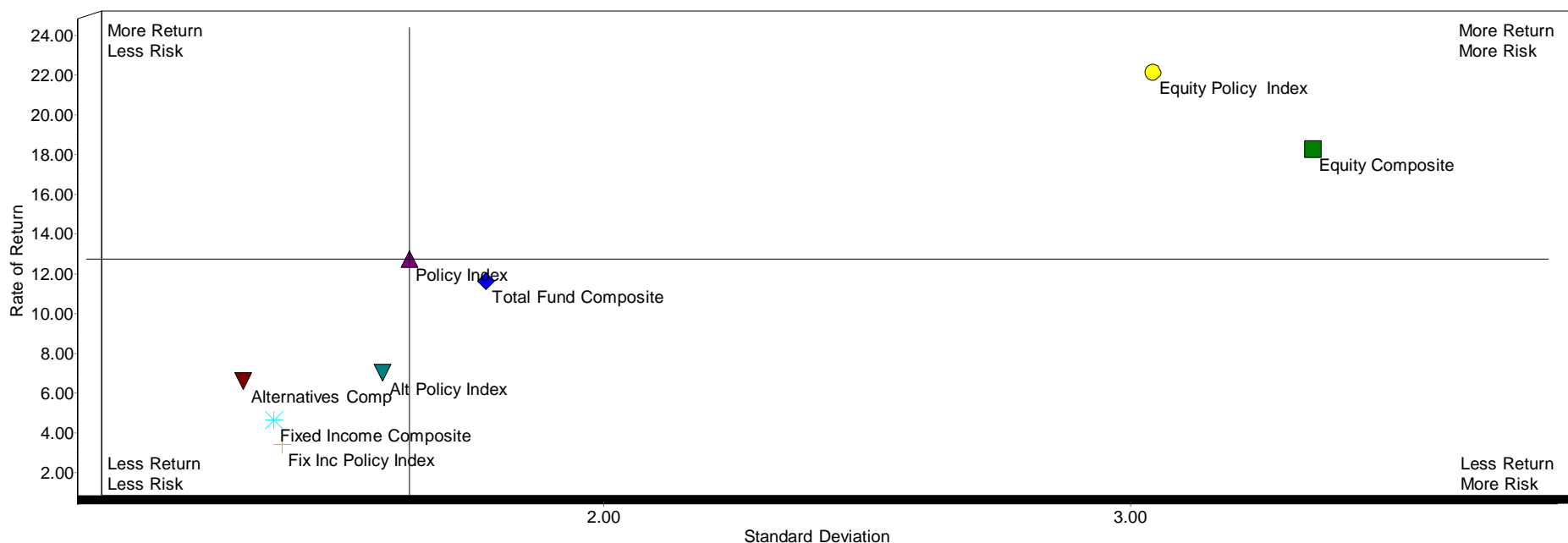


Sewerage and Water Board of New Orleans Composite

Executive Summary

Risk Reward Analysis

December 31, 2016 Through December 31, 2017



	Return	Std Dev	Sharpe Ratio	Alpha	Beta	R-Squared
◆ Total Fund Composite	11.65	1.78	6.01	0.51	0.86	63.39
▲ Policy Index	12.76	1.63	7.23	0.00	1.00	100.00
■ Equity Composite	18.28	3.35	5.17	-1.37	0.90	67.56
● Equity Policy Index	22.14	3.04	6.96	0.19	1.71	85.73
✧ Fixed Income Composite	4.65	1.37	2.68	1.30	0.95	91.33
+ Fix Inc Policy Index	3.42	1.39	1.76	0.61	0.16	3.60
▼ Alternatives Composite	6.62	1.32	4.30	1.48	0.68	67.12
▽ Alt Policy Index	7.04	1.58	3.85	-2.76	0.78	64.76

Risk Index: Policy Index

Fund data is on a trade date basis and income is included in the fund returns on an accrual basis. Fund data is net of available flows and fees. Returns for longer than one year are annualized. All returns include reinvestment of income. Residual Assets include a reinstated position (as of March 2009) of Enron Corp SR Sub Deb, one convertible bond position, a small cash position left after the termination of manager Zazove, and the side pocket left after the termination of the Equitas Evergreen fund. Current Policy Index Allocation: 40.25% Russell 3000, 9% MSCI ACWI xUS, 37% Barclays Aggregate Bond, 8.75% HFRI Fund of Funds, 3.25% MSCI REIT, 1.75% 30 Day US T-Bill. Current Equity Policy Index Allocation: 81.73% Russell 3000, 18.27% MSCI ACWI xUS | Current Fixed Income Policy Index Allocation: 95.48% Barclays Aggregate Bond, 4.52% 30 Day US T-Bill | Current Alternative Policy Index Allocation: 72.92% HFRI Fund of Funds, 27.08% MSCI REIT. Inception date for the Vanguard REIT, is 4/14/2010. Purchase date for iShares

SWBNO 17

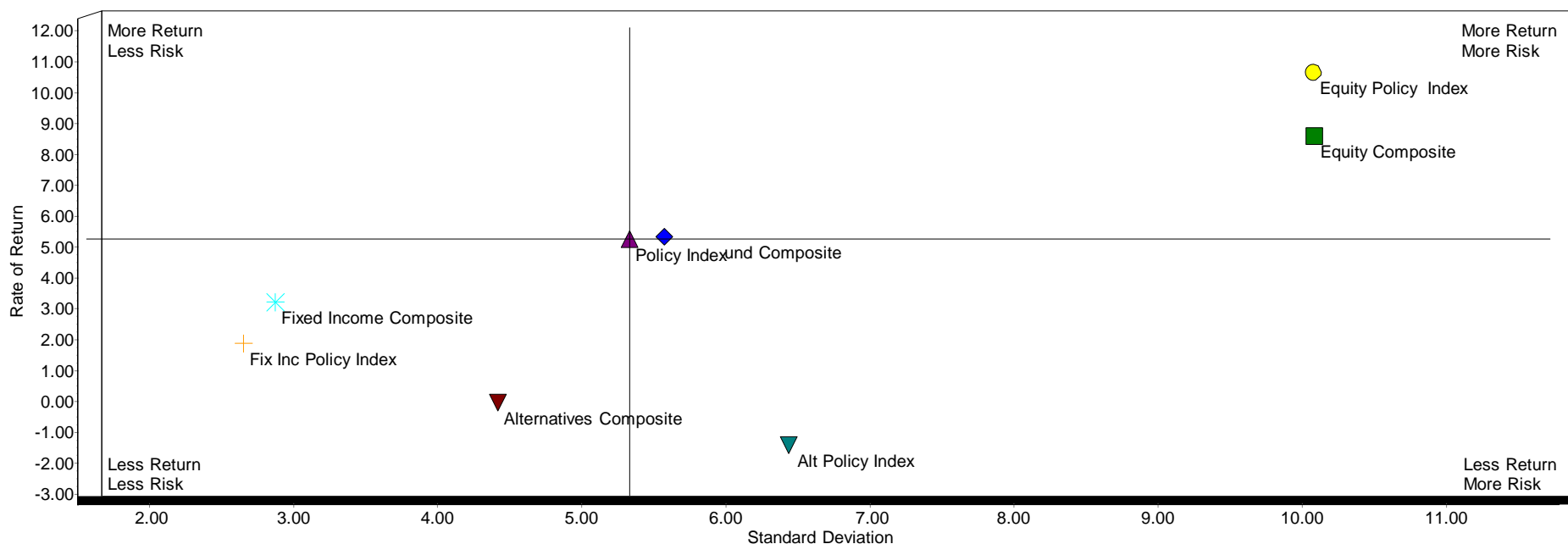


Sewerage and Water Board of New Orleans Composite

Executive Summary

Risk Reward Analysis

December 31, 2014 Through December 31, 2017



	Return	Std Dev	Sharpe Ratio	Alpha	Beta	R-Squared
◆ Total Fund Composite	5.34	5.57	0.88	0.05	1.01	92.54
▲ Policy Index	5.27	5.33	0.90	0.00	1.00	100.00
■ Equity Composite	8.59	10.08	0.81	-1.60	0.97	94.26
● Equity Policy Index	10.66	10.08	1.01	1.36	1.83	93.31
✧ Fixed Income Composite	3.22	2.87	0.96	1.38	0.96	77.69
+ Fix Inc Policy Index	1.88	2.65	0.54	1.27	0.04	0.54
▼ Alternatives Composite	-0.05	4.42	-0.11	0.64	0.62	82.42
▼ Alt Policy Index	-1.42	6.43	-0.29	-6.65	1.03	72.73

Risk Index: Policy Index

Fund data is on a trade date basis and income is included in the fund returns on an accrual basis. Fund data is net of available flows and fees. Returns for longer than one year are annualized. All returns include reinvestment of income. Residual Assets include a reinstated position (as of March 2009) of Enron Corp SR Sub Deb, one convertible bond position, a small cash position left after the termination of manager Zazove, and the side pocket left after the termination of the Equitas Evergreen fund. Current Policy Index Allocation: 40.25% Russell 3000, 9% MSCI ACWI xUS, 37% Barclays Aggregate Bond, 8.75% HFRI Fund of Funds, 3.25% MSCI REIT, 1.75% 30 Day US T-Bill. Current Equity Policy Index Allocation: 81.73% Russell 3000, 18.27% MSCI ACWI xUS | Current Fixed Income Policy Index Allocation: 95.48% Barclays Aggregate Bond, 4.52% 30 Day US T-Bill | Current Alternative Policy Index Allocation: 72.92% HFRI Fund of Funds, 27.08% MSCI REIT. Inception date for the Vanguard REIT, is 4/14/2010. Purchase date for iShares

SWBNO 18

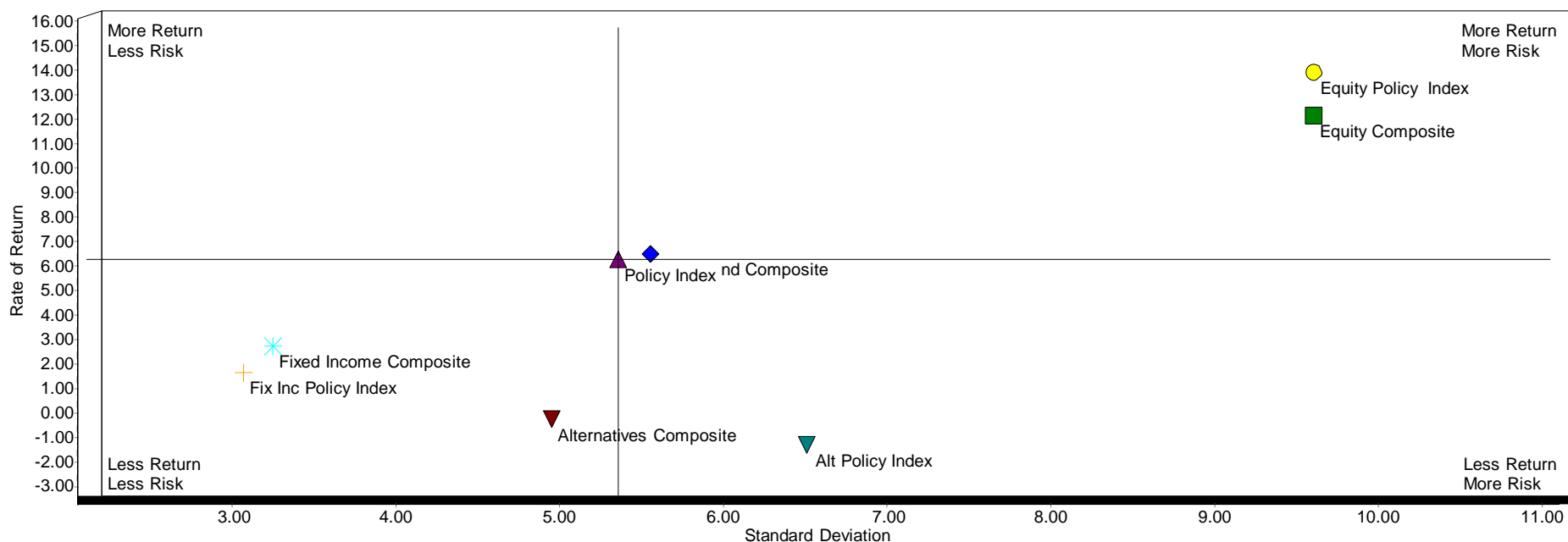


Sewerage and Water Board of New Orleans Composite

Executive Summary

Risk Reward Analysis

December 31, 2012 Through December 31, 2017



	Return	Std Dev	Sharpe Ratio	Alpha	Beta	R-Squared
◆ Total Fund Composite	6.50	5.55	1.12	0.18	1.01	94.54
▲ Policy Index	6.27	5.36	1.12	0.00	1.00	100.00
■ Equity Composite	12.13	9.60	1.23	-1.25	0.98	95.20
● Equity Policy Index	13.90	9.61	1.42	3.04	1.72	91.17
* Fixed Income Composite	2.72	3.25	0.75	1.06	0.99	88.46
+ Fix Inc Policy Index	1.66	3.07	0.45	0.34	0.18	9.68
▼ Alternatives Composite	-0.23	4.95	-0.11	0.56	0.70	83.83
▼ Alt Policy Index	-1.30	6.51	-0.24	-7.41	1.01	69.37

Risk Index: Policy Index

Fund data is on a trade date basis and income is included in the fund returns on an accrual basis. Fund data is net of available flows and fees. Returns for longer than one year are annualized. All returns include reinvestment of income. Residual Assets include a reinstated position (as of March 2009) of Enron Corp SR Sub Deb, one convertible bond position, a small cash position left after the termination of manager Zazove, and the side pocket left after the termination of the Equitas Evergreen fund. Current Policy Index Allocation: 40.25% Russell 3000, 9% MSCI ACWI xUS, 37% Barclays Aggregate Bond, 8.75% HFRI Fund of Funds, 3.25% MSCI REIT, 1.75% 30 Day US T-Bill. Current Equity Policy Index Allocation: 81.73% Russell 3000, 18.27% MSCI ACWI xUS | Current Fixed Income Policy Index Allocation: 95.48% Barclays Aggregate Bond, 4.52% 30 Day US T-Bill | Current Alternative Policy Index Allocation: 72.92% HFRI Fund of Funds, 27.08% MSCI REIT. Inception date for the Vanguard REIT, is 4/14/2010. Purchase date for iShares

SWBNO 19

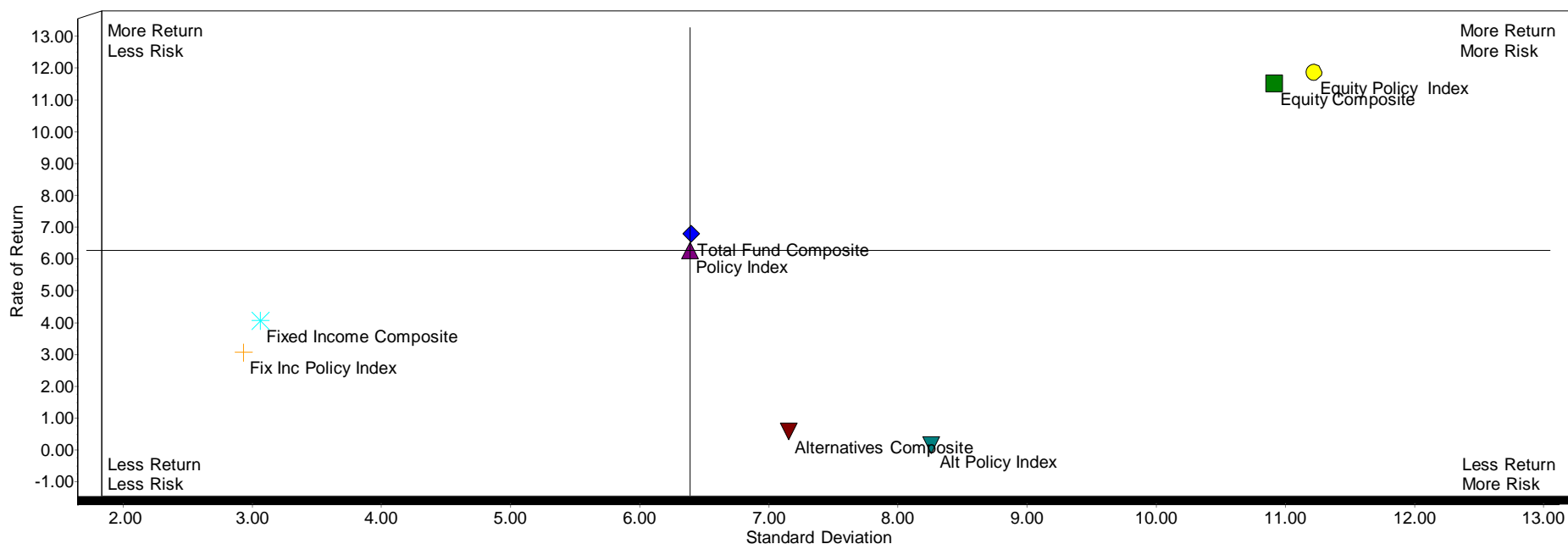


Sewerage and Water Board of New Orleans Composite

Executive Summary

Risk Reward Analysis

December 31, 2010 Through December 31, 2017



	Return	Std Dev	Sharpe Ratio	Alpha	Beta	R-Squared
◆ Total Fund Composite	6.79	6.40	1.03	0.60	0.98	96.12
▲ Policy Index	6.27	6.39	0.95	0.00	1.00	100.00
■ Equity Composite	11.52	10.91	1.03	0.24	0.95	95.42
● Equity Policy Index	11.86	11.23	1.04	1.38	1.69	92.88
✧ Fixed Income Composite	4.08	3.06	1.26	1.02	0.98	88.89
+ Fix Inc Policy Index	3.07	2.93	0.97	2.11	0.12	7.00
▼ Alternatives Composite	0.59	7.16	0.05	0.41	0.82	90.50
▼ Alt Policy Index	0.15	8.26	-0.01	-6.79	1.16	80.92

Risk Index: Policy Index

Fund data is on a trade date basis and income is included in the fund returns on an accrual basis. Fund data is net of available flows and fees. Returns for longer than one year are annualized. All returns include reinvestment of income. Residual Assets include a reinstated position (as of March 2009) of Enron Corp SR Sub Deb, one convertible bond position, a small cash position left after the termination of manager Zazove, and the side pocket left after the termination of the Equitas Evergreen fund. Current Policy Index Allocation: 40.25% Russell 3000, 9% MSCI ACWI xUS, 37% Barclays Aggregate Bond, 8.75% HFRI Fund of Funds, 3.25% MSCI REIT, 1.75% 30 Day US T-Bill. Current Equity Policy Index Allocation: 81.73% Russell 3000, 18.27% MSCI ACWI xUS | Current Fixed Income Policy Index Allocation: 95.48% Barclays Aggregate Bond, 4.52% 30 Day US T-Bill | Current Alternative Policy Index Allocation: 72.92% HFRI Fund of Funds, 27.08% MSCI REIT. Inception date for the Vanguard REIT, is 4/14/2010. Purchase date for iShares

SWBNO 20

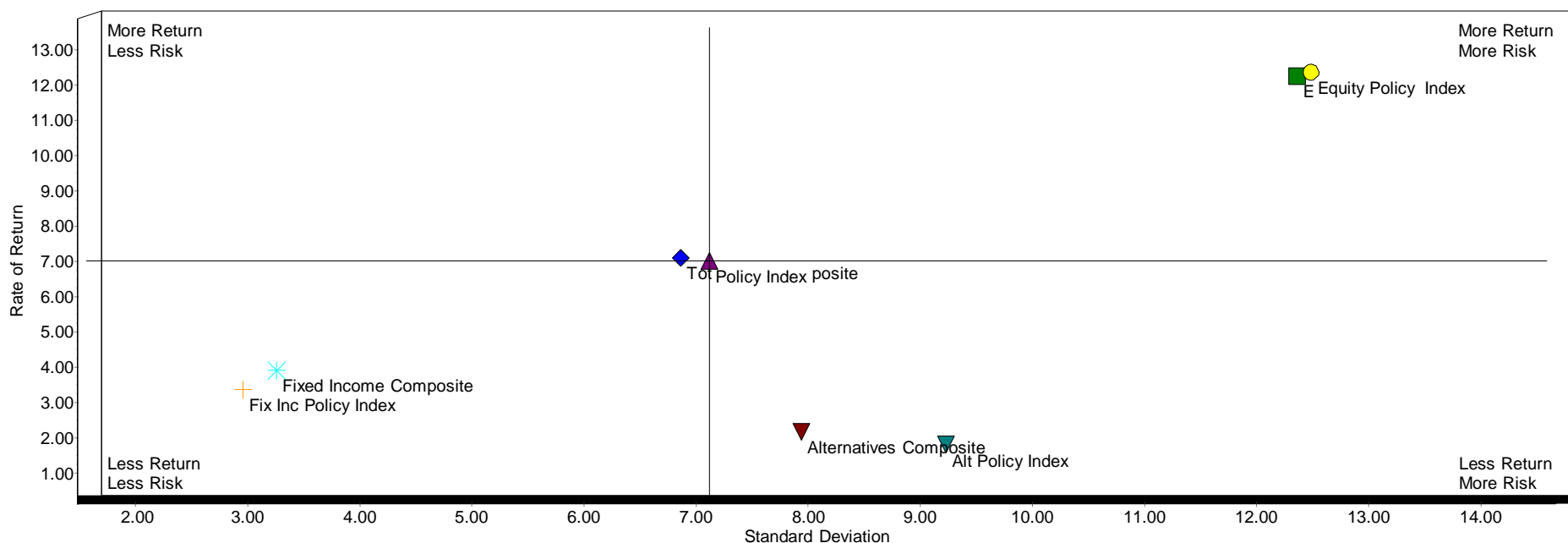


Sewerage and Water Board of New Orleans Composite

Executive Summary

Risk Reward Analysis

December 31, 2009 Through December 31, 2017



	Return	Std Dev	Sharpe Ratio	Alpha	Beta	R-Squared
◆ Total Fund Composite	7.11	6.86	1.00	0.50	0.94	94.37
▲ Policy Index	7.02	7.12	0.96	0.00	1.00	100.00
■ Equity Composite	12.25	12.36	0.97	0.26	0.97	95.92
● Equity Policy Index	12.36	12.49	0.97	0.63	1.70	94.06
✧ Fixed Income Composite	3.93	3.26	1.14	0.69	0.95	74.54
+ Fix Inc Policy Index	3.38	2.96	1.07	2.54	0.09	4.74
▼ Alternatives Composite	2.18	7.94	0.25	0.64	0.81	87.69
▼ Alt Policy Index	1.81	9.23	0.17	-6.16	1.19	84.94

Risk Index: Policy Index

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SWBNO 21

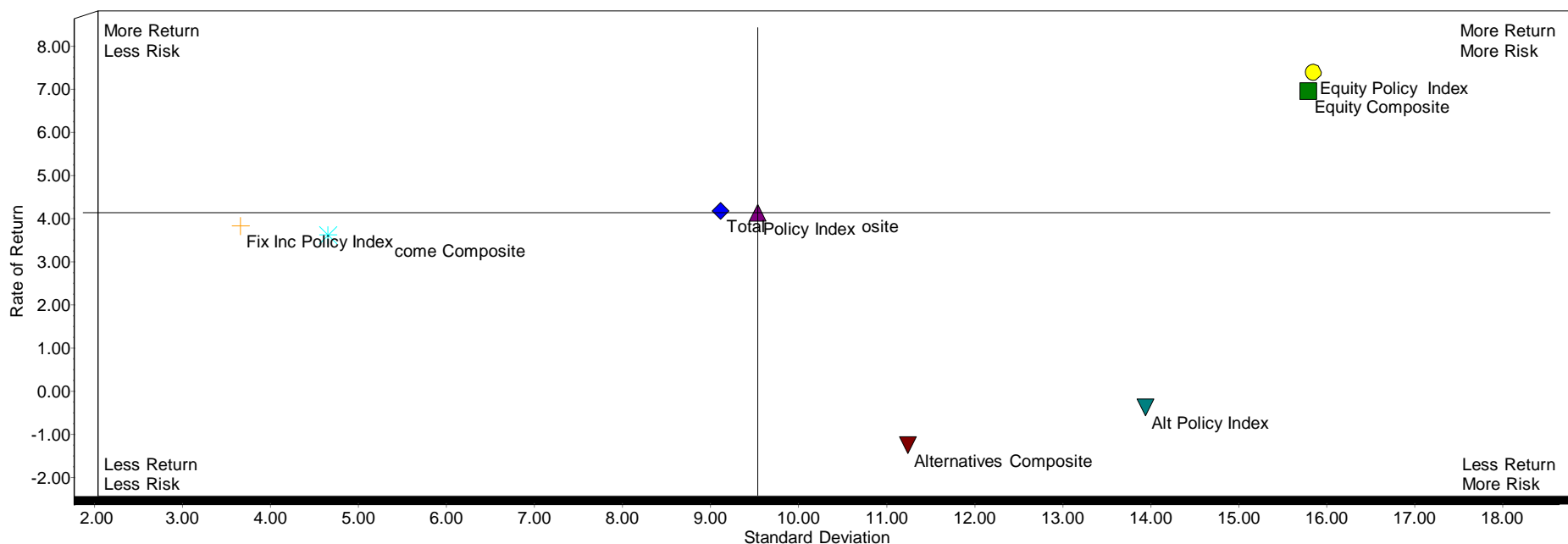


Sewerage and Water Board of New Orleans Composite

Executive Summary

Risk Reward Analysis

December 31, 2007 Through December 31, 2017



	Return	Std Dev	Sharpe Ratio	Alpha	Beta	R-Squared
◆ Total Fund Composite	4.18	9.12	0.42	0.28	0.93	95.44
▲ Policy Index	4.14	9.54	0.40	0.00	1.00	100.00
■ Equity Composite	6.95	15.79	0.42	-0.25	0.98	96.66
● Equity Policy Index	7.39	15.85	0.45	1.30	1.62	95.30
✧ Fixed Income Composite	3.62	4.65	0.71	0.21	0.89	49.13
+ Fix Inc Policy Index	3.84	3.66	0.96	3.07	0.11	7.98
▼ Alternatives Composite	-1.26	11.24	-0.14	-1.15	0.75	85.82
▼ Alt Policy Index	-0.37	13.94	-0.05	-5.41	1.36	86.73

Risk Index: Policy Index

Fund data is on a trade date basis and income is included in the fund returns on an accrual basis. Fund data is net of available flows and fees. Returns for longer than one year are annualized. All returns include reinvestment of income. Residual Assets include a reinstated position (as of March 2009) of Enron Corp SR Sub Deb, one convertible bond position, a small cash position left after the termination of manager Zazove, and the side pocket left after the termination of the Equitas Evergreen fund. Current Policy Index Allocation: 40.25% Russell 3000, 9% MSCI ACWI xUS, 37% Barclays Aggregate Bond, 8.75% HFRI Fund of Funds, 3.25% MSCI REIT, 1.75% 30 Day US T-Bill. Current Equity Policy Index Allocation: 81.73% Russell 3000, 18.27% MSCI ACWI xUS | Current Fixed Income Policy Index Allocation: 95.48% Barclays Aggregate Bond, 4.52% 30 Day US T-Bill | Current Alternative Policy Index Allocation: 72.92% HFRI Fund of Funds, 27.08% MSCI REIT. Inception date for the Vanguard REIT, is 4/14/2010. Purchase date for iShares

SWBNO 22

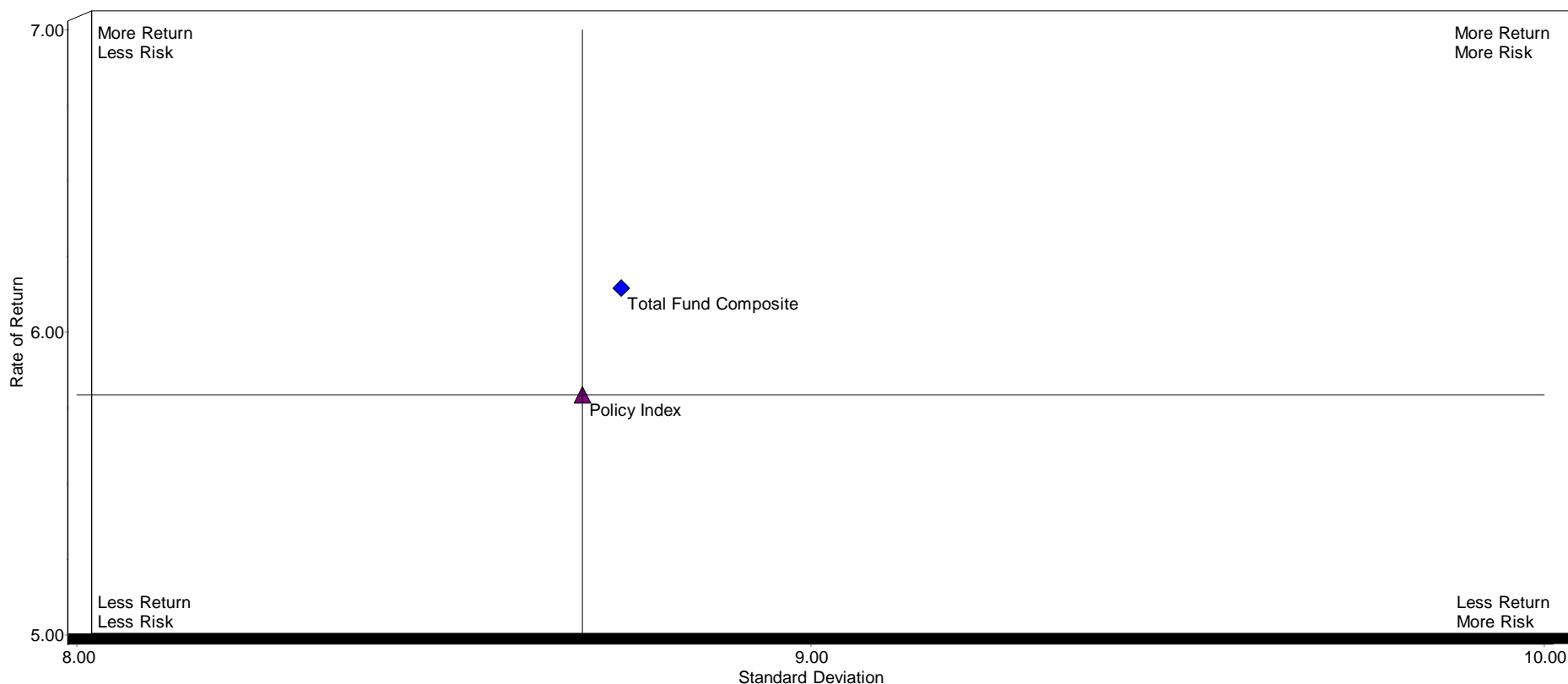


Sewerage and Water Board of New Orleans Composite

Executive Summary

Risk Reward Analysis

June 30, 2002 Through December 31, 2017



	Return	Std Dev	Sharpe Ratio	Alpha	Beta	R-Squared
◆ Total Fund Composite	6.15	8.74	0.56	0.49	0.97	92.67
▲ Policy Index	5.79	8.69	0.53	0.00	1.00	100.00

Risk Index: Policy Index

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SWBNO 23



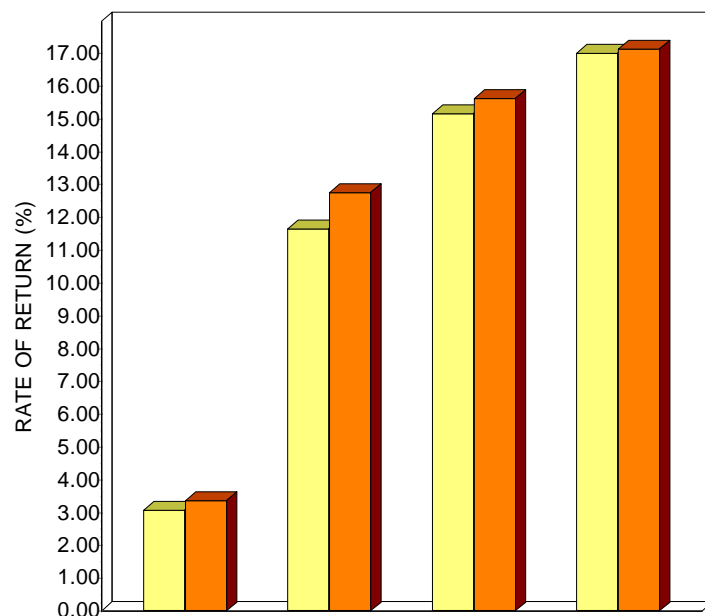
Sewerage and Water Board of New Orleans Composite

Executive Summary

Market Cycle Analysis

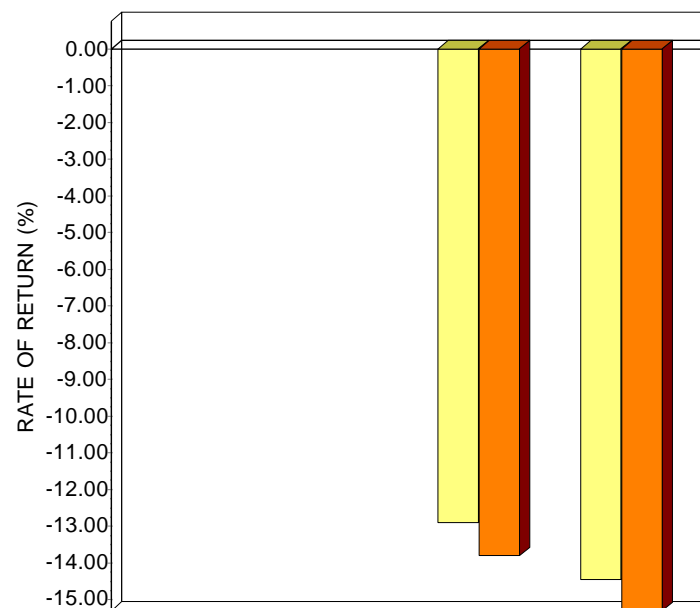
Period Ending December 31, 2017

Up Market Performance



	Latest Quarter	One Year	Three Years	Five Years
Total Fund Composite	3.07	11.65	15.17	17.00
Policy Index	3.36	12.76	15.63	17.13
Difference	-0.29	-1.12	-0.46	-0.13
Ratio	0.91	0.91	0.97	0.99
Up Periods	3	12	25	42

Down Market Performance



	Latest Quarter	One Year	Three Years	Five Years
Total Fund Composite	N/A	N/A	-12.91	-14.47
Policy Index	N/A	N/A	-13.81	-15.31
Difference	N/A	N/A	0.90	0.84
Ratio	N/A	N/A	0.93	0.95
Down Periods	0	0	11	18

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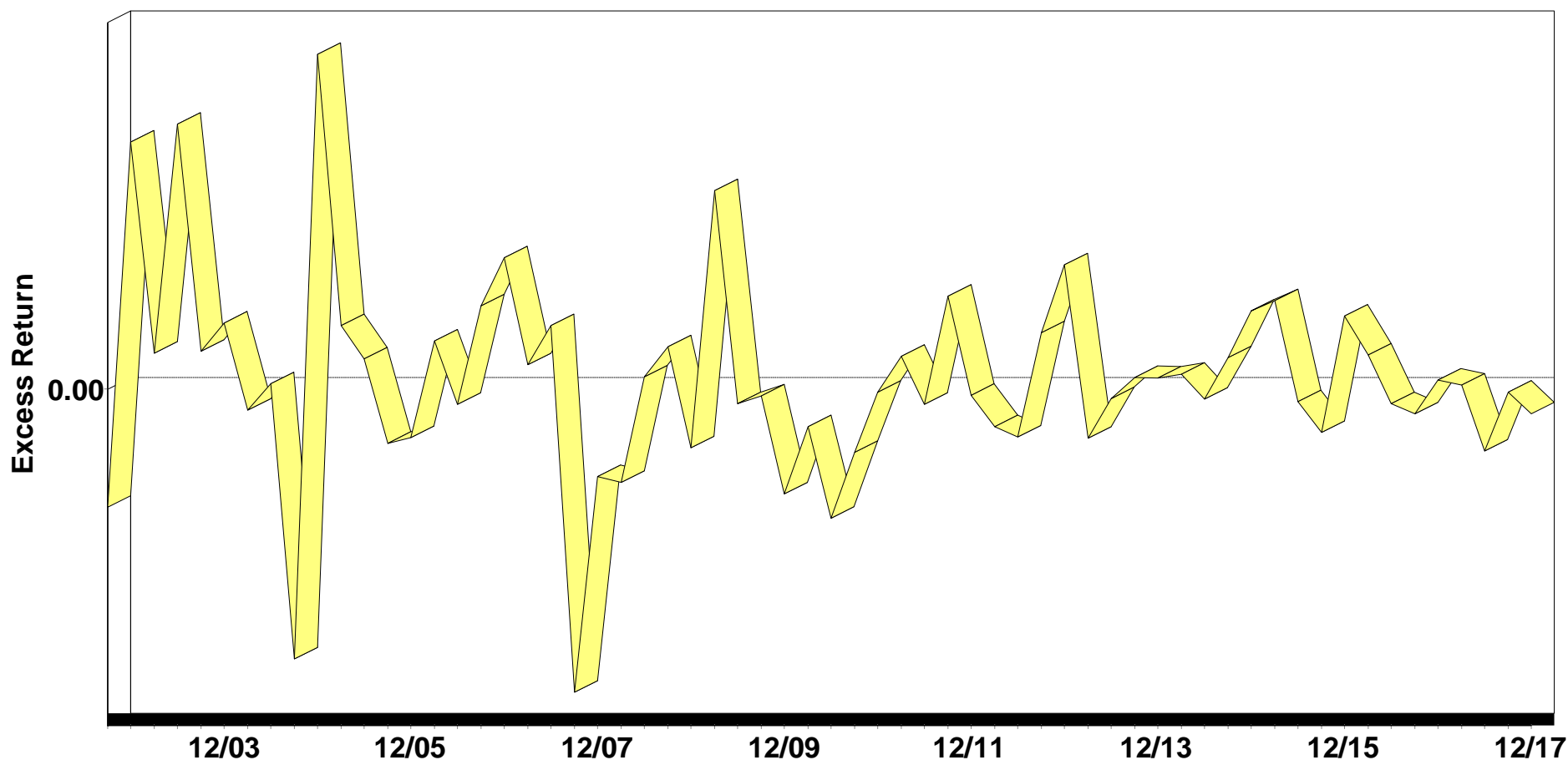


Sewerage and Water Board of New Orleans Composite

Executive Summary

Excess Return Analysis

Periods Ending December 31, 2017

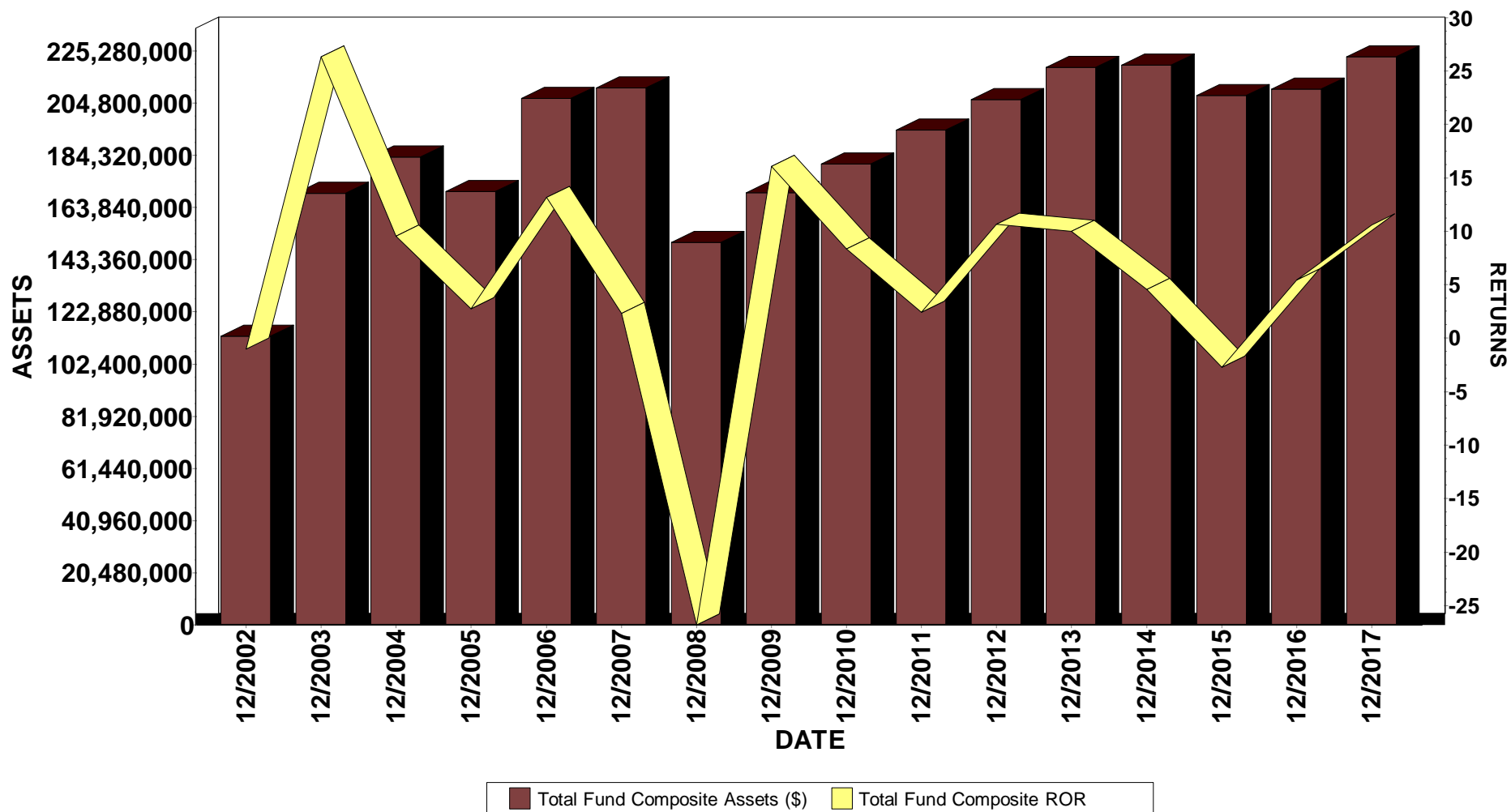


	Latest Quarter	One Year	Three Years	Five Years	Six Years	Seven Years	Since Inception
Total Fund Composite	-0.29	-1.12	0.07	0.23	0.38	0.52	0.35

Risk Benchmark: Policy Index

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Sewerage and Water Board of New Orleans Composite Executive Summary Total Assets vs Total Return Analysis December 31, 2002 Through December 31, 2017



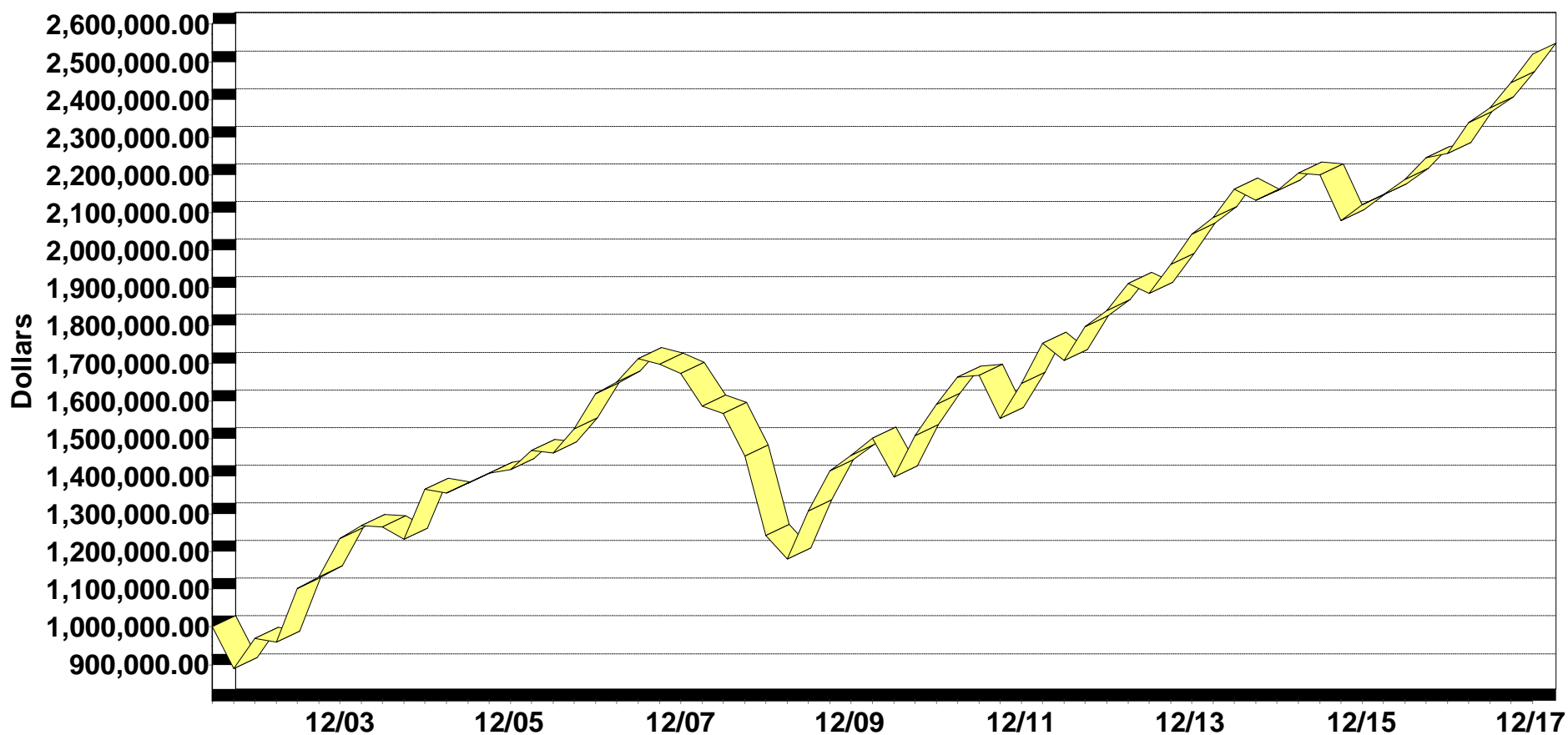


Sewerage and Water Board of New Orleans Composite

Executive Summary

Growth Per Million Dollar Analysis

Periods Ending December 31, 2017



	Latest Quarter	One Year	Three Years	Five Years	Six Years	Seven Years	Since Inception
Sewerage & Water Board of New Orleans	\$ 1,030,675	\$ 1,116,454	\$ 1,168,753	\$ 1,370,364	\$ 1,530,182	\$ 1,583,723	\$ 2,520,830

Fund data is on a trade date basis and income is included in the fund returns on an accrual basis. Fund data is net of available flows and fees. Returns for longer than one year are annualized. All returns include reinvestment of income. Residual Assets include a reinstated position (as of March 2009) of Enron Corp SR Sub Deb, one convertible bond position, a small cash position left after the termination of manager Zazove, and the side pocket left after the termination of the Equitas Evergreen fund. Current Policy Index Allocation: 40.25% Russell 3000, 9% MSCI ACWI xUS, 37% Barclays Aggregate Bond, 8.75% HFRI Fund of Funds, 3.25% MSCI REIT, 1.75% 30 Day US T-Bill. Current Equity Policy Index Allocation: 81.73% Russell 3000, 18.27% MSCI ACWI xUS | Current Fixed Income Policy Index Allocation: 95.48% Barclays Aggregate Bond, 4.52% 30 Day US T-Bill | Current Alternative Policy Index Allocation: 72.92% HFRI Fund of Funds, 27.08% MSCI REIT. Inception date for the Vanguard REIT, is 4/14/2010. Purchased 27 shares



Sewerage and Water Board of New Orleans Composite

Executive Summary

Time-Weighted Rates of Return

Period Ending December 31, 2017

Account						Policy Index					
07/2002	-6.49					-6.49	-5.40				-5.40
08/2002	0.87					-5.67	0.98				-4.48
09/2002	-5.65	-11.00				-11.00	-5.37	-9.61			-9.61
10/2002	4.02	*				-7.42	3.93				-6.06
11/2002	4.70	*				-3.07	4.35				-1.98
12/2002	0.00	*	8.91	*	-3.07	*	-2.23	6.02	-4.17		-4.17
01/2003	-0.66	*				-3.71	-1.18				-5.30
02/2003	-0.59	*				-4.28	-0.72				-5.98
03/2003	0.34		-0.91	*		-3.95	0.59	-1.32			-5.43
04/2003	6.78	*				2.57	5.53				-0.20
05/2003	5.68	*				8.39	4.93				4.72
06/2003	1.63	*	14.68	*	13.64	*	0.77	11.58	10.11		5.52
07/2003	0.80	*				10.15	0.33				5.40
08/2003	2.28	*				11.53	1.69				6.52
09/2003	-0.23		2.86	*		10.51	0.39	2.42			6.41
10/2003	3.85	*				12.98	3.58				8.83
11/2003	1.58	*				13.42	1.21				9.22
12/2003	3.30	*	8.97	*	12.09	*	3.21	8.20	10.82	22.03	11.00
01/2004	1.79					15.53	1.88				11.70
02/2004	1.50	*				15.73	1.29				11.94
03/2004	-0.47		2.83			14.62	-0.12	3.07			11.26
04/2004	-2.50	*				12.34	-2.61				9.14
05/2004	0.43					12.03	0.62				9.08
06/2004	1.85	*	-0.27	*	2.55	12.53	1.72	-0.32	2.74		9.61
07/2004	-2.08					10.87	-1.88				8.22
08/2004	0.86					10.87	1.01				8.40
09/2004	-1.47		-2.68			9.73	1.38	0.48			8.73
10/2004	4.58	*				11.48	1.29				9.00
11/2004	3.24	*				12.54	3.02				10.03
12/2004	2.65	*	10.83	*	7.86	*	2.46	6.91	7.43	10.37	10.75
01/2005	-1.39	*				12.21	-1.45				9.76
02/2005	1.93	*				12.61	1.10				9.89
03/2005	-1.28		-0.77	*		11.69	-1.14	-1.51			9.12
04/2005	-1.98					10.54	-0.62				8.60
05/2005	3.04	*				11.36	1.68				8.97
06/2005	0.96	*	1.98	*	1.19	*	0.57	1.63	0.09		8.91
07/2005	2.37	*				11.91	1.71				9.26

* Account return greater than Benchmark return.

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Sewerage and Water Board of New Orleans Composite

Executive Summary

Time-Weighted Rates of Return

Period Ending December 31, 2017

Account										Policy Index					
08/2005	-0.50							11.40	*	0.38			9.14		
09/2005	0.01		1.87					11.10	*	0.41	2.51		9.03		
10/2005	-2.23							10.06	*	-1.43			8.32		
11/2005	2.58	*						10.63	*	1.89			8.71		
12/2005	0.42		0.71		2.59		3.82	10.49	*	0.84	1.28	3.83	3.93	8.75	
01/2006	2.66	*						11.04	*	2.18				9.20	
02/2006	0.26	*						10.86	*	0.14				9.02	
03/2006	0.65		3.59	*				10.80	*	0.70	3.03			9.01	
04/2006	0.96							10.82	*	1.19				9.14	
05/2006	-1.61							10.12	*	-1.51				8.52	
06/2006	0.19	*	-0.48		3.09	*		9.96	*	0.04	-0.30	2.73		8.35	
07/2006	0.44							9.86	*	0.53				8.31	
08/2006	2.26	*						10.24	*	1.76				8.59	
09/2006	1.66	*	4.41	*				10.46	*	1.11	3.44			8.70	
10/2006	2.58	*						10.90	*	2.13				9.05	
11/2006	2.01	*						11.18	*	1.84				9.32	
12/2006	1.42	*	6.12	*	10.80	*	14.23	*	11.31	*	0.56	4.59	8.19	11.14	9.28
01/2007	1.27	*						11.40	*	0.78				9.29	
02/2007	-0.21							11.14	*	0.06				9.13	
03/2007	0.81	*	1.88	*				11.12	*	0.76	1.60			9.13	
04/2007	2.87	*						11.57	*	2.36				9.50	
05/2007	1.90	*						11.79	*	1.45				9.65	
06/2007	-0.99		3.78	*	5.74	*		11.36	*	-0.77	3.04	4.69		9.31	
07/2007	-2.45							10.62	*	-1.10				8.91	
08/2007	0.37							10.52	*	0.74				8.92	
09/2007	1.19		-0.92					10.60	*	3.02	2.64			9.39	
10/2007	1.19							10.67	*	2.12				9.67	
11/2007	-1.73	*						10.14	*	-1.93				9.12	
12/2007	-0.81		-1.36		-2.26		3.34	9.82	*	-0.48	-0.33	2.29	7.10	8.88	
01/2008	-2.36	*						9.20	*	-3.18				8.11	
02/2008	-1.78							8.71	*	-0.59				7.88	
03/2008	-1.12		-5.17					8.37	*	-0.34	-4.08			7.69	
04/2008	2.28							8.66	*	2.58				8.05	
05/2008	1.09	*						8.73	*	0.75				8.07	
06/2008	-4.57	*	-1.33	*	-6.44			7.76	*	-4.68	-1.48	-5.50		7.10	
07/2008	-0.51	*						7.56	*	-1.05				6.81	
08/2008	0.02	*						7.46	*	-0.02				6.71	

* Account return greater than Benchmark return.

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Sewerage and Water Board of New Orleans Composite

Executive Summary

Time-Weighted Rates of Return

Period Ending December 31, 2017

Account						Policy Index					
09/2008	-6.72	-7.17	*			6.17	*	-6.67	-7.66		5.45
10/2008	-13.51					3.68	*	-13.41			3.01
11/2008	-5.38					2.74	*	-4.02			2.31
12/2008	4.44	*	-14.53	-20.67	-25.77	3.39	*	3.67	-13.84	-20.45	-24.82
01/2009	-3.31	*				2.82	*	-5.54			1.93
02/2009	-5.15	*				1.98	*	-6.48			0.88
03/2009	3.57		-5.03	*		2.48	*	4.89	-7.35		1.59
04/2009	5.48					3.25	*	6.99			2.58
05/2009	3.54					3.73	*	3.56			3.06
06/2009	1.58	*	10.95	5.37	*	3.92	*	0.29	11.12	2.96	3.07
07/2009	3.65					4.40	*	3.78			3.58
08/2009	1.87	*				4.62	*	1.85			3.80
09/2009	2.29	*	8.01			4.89	*	2.26	8.10		4.08
10/2009	-0.08	*				4.83	*	-0.27			3.99
11/2009	2.42					5.11	*	3.28			4.40
12/2009	0.56		2.92	11.17	17.14	5.13	*	1.13	4.16	12.59	15.92
01/2010	-0.13	*				5.05	*	-1.94			4.18
02/2010	0.58					5.08	*	2.05			4.41
03/2010	2.68		3.14			5.38	*	3.51	3.58		4.83
04/2010	-0.49					5.26	*	1.53			4.98
05/2010	-4.59	*				4.58	*	-5.19			4.22
06/2010	-1.84		-6.80	-3.88		4.28	*	-1.61	-5.28	-1.89	3.97
07/2010	4.15					4.76	*	4.71			4.52
08/2010	-1.61	*				4.51	*	-1.73			4.25
09/2010	5.14		7.75			5.10	*	5.44	8.49		4.88
10/2010	2.40					5.34	*	2.44			5.13
11/2010	-0.39	*				5.24	*	-0.86			4.97
12/2010	3.54		5.61	13.79	9.37	5.62	*	4.03	5.65	14.62	12.45
01/2011	1.31	*				5.72	*	1.29			5.51
02/2011	2.42	*				5.96	*	2.27			5.73
03/2011	0.70	*	4.49	*		5.99	*	0.50	4.10		5.73
04/2011	2.82					6.26	*	2.93			6.02
05/2011	-0.73	*				6.11	*	-0.88			5.86
06/2011	-1.71		0.33	4.83	*	5.85	*	-1.48	0.51	4.64	5.63
07/2011	0.04					5.80	*	0.13			5.59
08/2011	-2.02	*				5.51	*	-2.95			5.20
09/2011	-4.99	*	-6.87	*		4.88	*	-5.27	-7.95		4.53

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Sewerage and Water Board of New Orleans Composite

Executive Summary

Time-Weighted Rates of Return

Period Ending December 31, 2017

Account								Policy Index							
10/2011	6.16						5.51	*	6.48				5.20		
11/2011	-0.56	*					5.40	*	-0.88				5.05		
12/2011	0.43		6.01		-1.27	*	3.50	*	5.40	*	6.08	-2.35	2.18	5.06	
01/2012	3.28						5.70	*	3.47				5.39		
02/2012	2.61						5.93	*	2.65				5.63		
03/2012	0.41		6.41				5.93	*	0.60	6.85			5.65		
04/2012	-0.01						5.87	*	0.12				5.61		
05/2012	-4.62						5.32	*	-4.21				5.10		
06/2012	2.10		-2.62		3.61		5.49	*	2.13	-2.06	4.65		5.28		
07/2012	1.70	*					5.62	*	1.68				5.41		
08/2012	1.86	*					5.77	*	1.64				5.53		
09/2012	1.64	*	5.30	*			5.89	*	1.25	4.64			5.62		
10/2012	0.15	*					5.85	*	-0.83				5.48		
11/2012	0.79	*					5.89	*	0.74				5.51		
12/2012	1.39	*	2.34	*	7.77	*	11.66	*	5.98	*	1.00	0.89	5.58	10.49	5.57
01/2013	2.55						6.18	*	2.67				5.79		
02/2013	-0.10						6.12	*	0.04				5.74		
03/2013	1.43		3.91				6.21	*	1.73	4.49			5.87		
04/2013	1.23						6.28	*	1.46				5.96		
05/2013	-0.39	*					6.20	*	-0.76				5.84		
06/2013	-2.16		-1.34		2.52		5.94	*	-1.90	-1.22	3.21		5.61		
07/2013	2.79						6.15	*	2.84				5.83		
08/2013	-1.53						5.96	*	-1.32				5.66		
09/2013	2.86	*	4.12	*			6.18	*	2.47	3.98			5.85		
10/2013	2.31	*					6.35	*	2.25				6.01		
11/2013	0.89	*					6.38	*	0.69				6.03		
12/2013	0.77		4.02	*	8.30	*	11.03	6.41	*	0.91	3.89	8.03	11.50	6.07	
01/2014	-1.26						6.24	*	-1.09				5.93		
02/2014	3.32	*					6.49	*	2.98				6.15		
03/2014	0.18	*	2.20	*			6.46	*	0.17	2.03			6.12		
04/2014	0.54						6.46	*	0.74				6.14		
05/2014	1.33						6.54	*	1.57				6.24		
06/2014	1.69	*	3.60		5.88	*	6.64	*	1.37	3.72	5.83		6.31		
07/2014	-0.99	*					6.50	*	-1.25				6.16		
08/2014	2.11	*					6.64	*	1.92				6.28		
09/2014	-2.46		-1.38	*			6.38	*	-2.37	-1.74			6.03		
10/2014	1.03	*					6.42	*	1.02				6.07		

* Account return greater than Benchmark return.

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Sewerage and Water Board of New Orleans Composite

Executive Summary

Time-Weighted Rates of Return

Period Ending December 31, 2017

Account								Policy Index							
11/2014	0.87	*						6.45	*	0.52				6.07	
12/2014	-0.76	*	1.14	*	-0.25	*	5.61	*	6.34	*	-1.29	0.23	-1.52	4.22	5.92
01/2015	-0.91							6.22	*	-0.52					5.84
02/2015	3.47	*						6.47	*	2.58					6.01
03/2015	-0.30	*	2.21	*				6.40	*	-0.84	1.18				5.90
04/2015	0.71							6.41	*	1.39					5.97
05/2015	0.33	*						6.40	*	-0.01					5.93
06/2015	-1.27	*	-0.24		1.97	*		6.25	*	-1.44	-0.08	1.10			5.78
07/2015	0.47	*						6.25	*	0.05					5.74
08/2015	-4.20							5.86	*	-3.29					5.44
09/2015	-1.80		-5.48					5.68	*	-1.78	-4.97				5.26
10/2015	3.45							5.91	*	3.73					5.51
11/2015	0.41	*						5.91	*	-0.91					5.41
12/2015	-1.78		2.03	*	-3.56	*	-1.67	*	5.73	*	-1.57	1.17	-3.86	-2.80	5.25
01/2016	-2.62	*						5.48	*	-2.77					5.00
02/2016	-0.07	*						5.45	*	-0.08					4.96
03/2016	4.03	*	1.24	*				5.71	*	3.81	0.85				5.22
04/2016	1.02	*						5.76	*	0.56					5.23
05/2016	0.48							5.76	*	0.71					5.25
06/2016	0.39		1.91		3.17	*		5.75	*	0.80	2.08	2.95			5.28
07/2016	2.59	*						5.91	*	2.55					5.43
08/2016	-0.01							5.87	*	0.21					5.41
09/2016	0.01		2.59					5.84	*	0.13	2.89				5.39
10/2016	-1.44	*						5.70	*	-1.49					5.25
11/2016	1.11	*						5.74	*	0.69					5.27
12/2016	0.93		0.58	*	3.19		6.46	*	5.78	*	1.30	0.47	3.38	6.42	5.33
01/2017	1.39	*						5.84	*	1.24					5.39
02/2017	1.89							5.94	*	2.08					5.50
03/2017	0.29	*	3.60	*				5.93	*	0.21	3.56				5.49
04/2017	0.78							5.95	*	0.96					5.52
05/2017	0.36							5.94	*	1.01					5.56
06/2017	0.55	*	1.70		5.36			5.95	*	0.44	2.43	6.07			5.56
07/2017	1.33	*						6.01	*	1.30					5.62
08/2017	0.14							5.98	*	0.51					5.62
09/2017	1.32	*	2.81					6.04	*	1.01	2.85				5.66
10/2017	0.93							6.07	*	1.14					5.71
11/2017	0.79							6.09	*	1.33					5.77

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Sewerage and Water Board of New Orleans Composite

Executive Summary

Time-Weighted Rates of Return

Period Ending December 31, 2017

Account						Policy Index						
12/2017	1.31	*	3.07	5.96	11.65	6.15	*	0.85	3.36	6.31	12.76	5.79

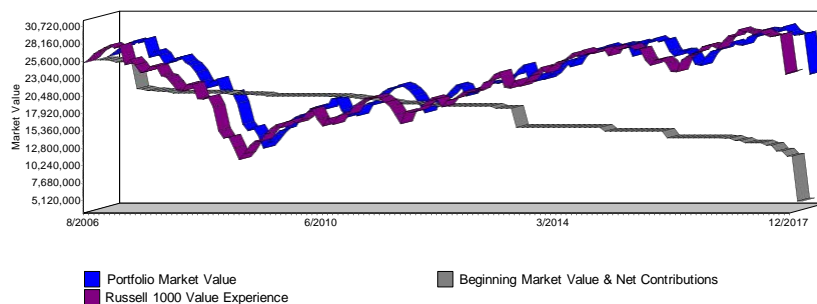
* Account return greater than Benchmark return.

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SWBNO - Barrow Hanley Executive Account Summary Period Ending December 31, 2017

Source of Portfolio Growth
Inception August 31, 2006 Through December 31, 2017

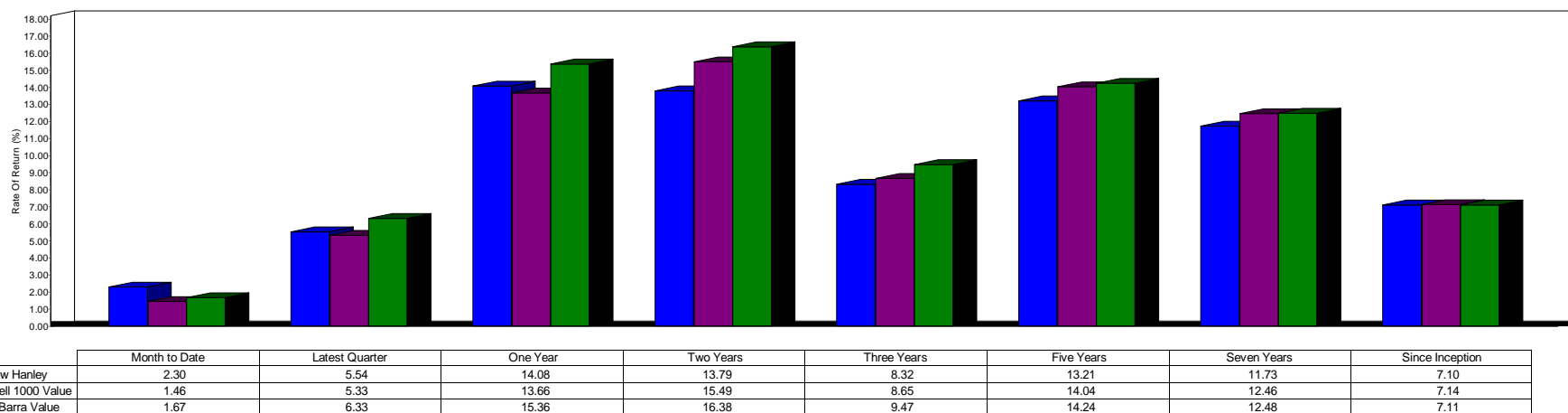


Statement Of Changes

Portfolio Value 09/30/2017	28,571,725
Net Income (Loss)	
Dividend Income	143
Realized Gains/Losses	3,670,401
Unrealized Gains/Losses	(2,297,128)
Expenses	(40,096)
Net Transfers In (Out)	
Funds Withdrawn	(6,636,000)
Portfolio Value 12/31/2017	23,269,045

	Dollars	
	Latest Quarter	Since Inception
Beginning Value	28,571,725	25,348,242
Net Contribution	-6,636,000	-20,788,512
Investment Return	1,333,320	18,709,314
Ending Value	23,269,045	23,269,045

Performance Analysis
August 31, 2006 through December 31, 2017



Fund data is on a trade date basis and income is included in the fund returns on an accrual basis. Fund data is net of available flows and fees. Returns for longer than one year are annualized. All returns include reinvestment of income. FFC Capital Management has relied on the accuracy of the data provided by FIS Group, Inc. since inception through May 31, 2007. Data from inception to December 31, 2002 is on a Total Fund Composite return basis only. This report has been prepared for informational purposes only. It is based on information from sources believed to be reliable. No guarantee is made that the information is accurate or complete.

SWBNO - Barrow Hanley

Risk Reward Analysis

December 31, 2016 Through December 31, 2017



	Return	Std Dev	Alpha	Beta	R-Squared	Sharpe Ratio
◆ Barrow Hanley	14.08	5.26	1.52	0.90	79.89	2.49
● Russell 1000 Value	13.66	5.20	0.00	1.00	100.00	2.44

Risk Index: Russell 1000 Value

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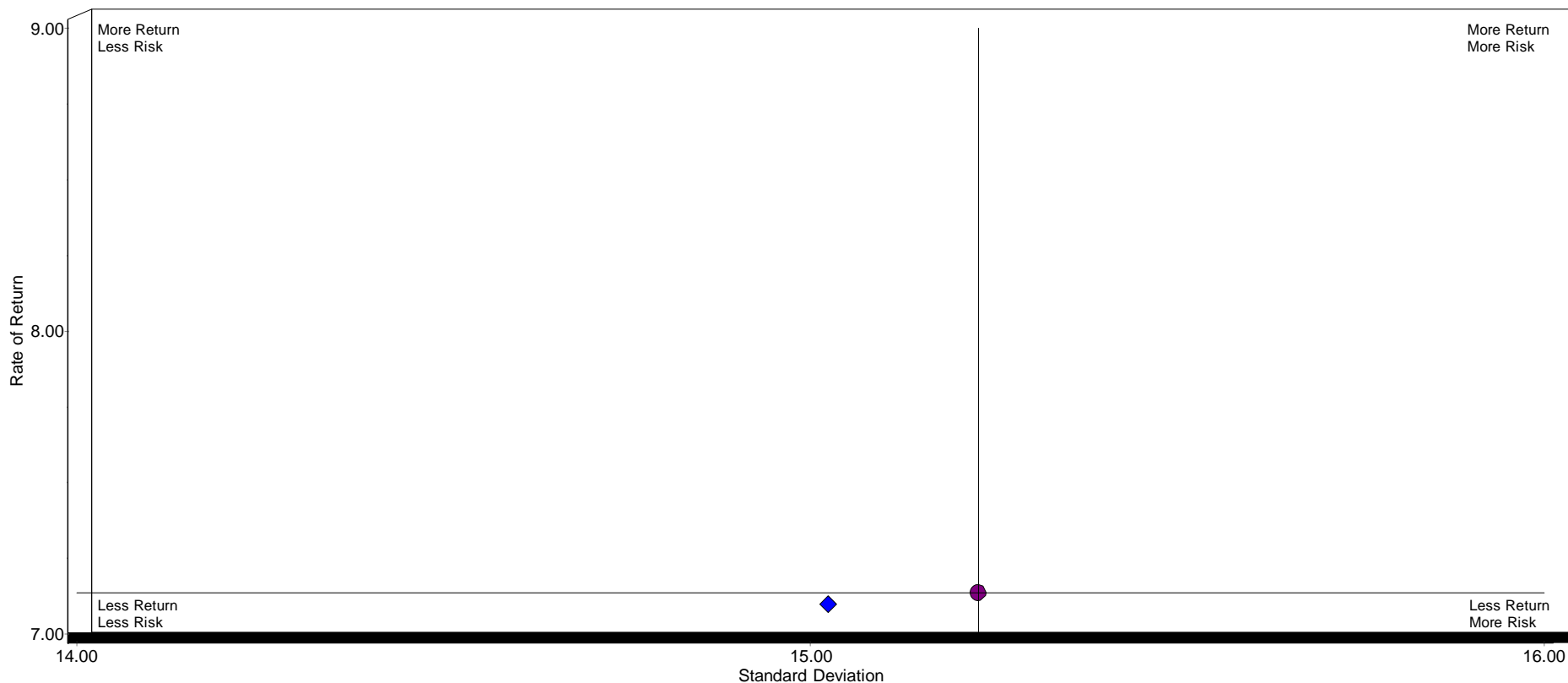
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SWBNO - Barrow Hanley

Risk Reward Analysis

August 31, 2006 Through December 31, 2017



	Return	Std Dev	Alpha	Beta	R-Squared	Sharpe Ratio
◆ Barrow Hanley	7.10	15.02	0.28	0.95	93.25	0.42
● Russell 1000 Value	7.14	15.23	0.00	1.00	100.00	0.42

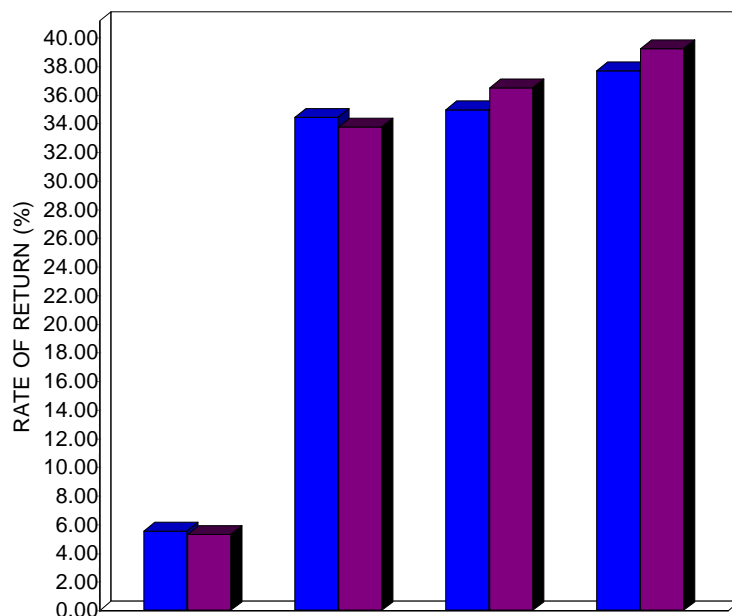
Risk Index: Russell 1000 Value

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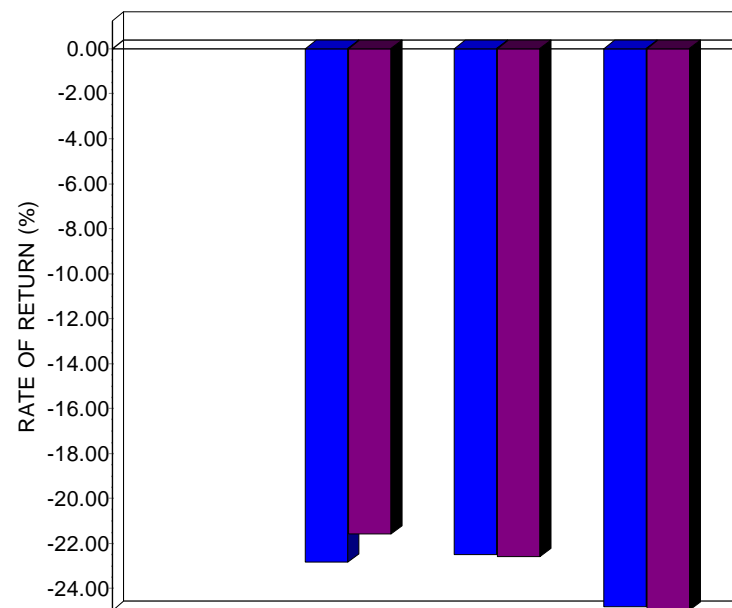
SWBNO - Barrow Hanley Market Cycle Analysis Period Ending December 31, 2017

Up Market Performance



	Latest Quarter	Three Years	Five Years	Seven Years
Barrow Hanley	5.54	34.43	34.96	37.72
Russell 1000 Value	5.33	33.76	36.49	39.24
Difference	0.22	0.68	-1.53	-1.53
Ratio	1.04	1.02	0.96	0.96
Up Periods	3	22	41	55

Down Market Performance



	Latest Quarter	Three Years	Five Years	Seven Years
Barrow Hanley	N/A	-22.86	-22.52	-24.84
Russell 1000 Value	N/A	-21.62	-22.62	-25.00
Difference	N/A	-1.23	0.10	0.16
Ratio	N/A	1.06	1.00	0.99
Down Periods	0	14	19	29

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SWBNO - Barrow Hanley

Time Weighted Rates of Return

Period Ending December 31, 2017

ACCOUNT						RUSSELL 1000 VALUE				
Date	Monthly	Quarterly	Semi Annually	Annually	Since 08/2006	Monthly	Quarterly	Semi Annually	Annually	Since 08/2006
09/2006	2.00	*			2.00	1.99				1.99
10/2006	2.31				4.36	3.27				5.33
11/2006	2.31	*			6.77	2.28				7.74
12/2006	4.69	*	9.59	*	11.78	2.24	8.00			10.15
01/2007	1.09				12.99	1.28				11.56
02/2007	-1.11	*			11.74	-1.56				9.82
03/2007	2.22	*	2.19	*	14.22	1.55	1.24			11.52
04/2007	4.40	*			19.24	3.70				15.64
05/2007	3.91	*			23.91	3.61				19.81
06/2007	-0.01	*	8.47	*	23.90	-2.34	4.93	6.23		17.01
07/2007	-6.65				15.65	-4.62				11.60
08/2007	0.01				15.66	1.12				12.85
09/2007	1.88		-4.89		16.36	3.43	-0.24			15.35
10/2007	2.62	*			17.69	0.01				14.19
11/2007	-1.94	*			14.61	-4.89				8.74
12/2007	-2.00		-1.38	*	11.93	-0.97	-5.80	-6.03	-0.17	7.38
01/2008	-4.14				7.92	-4.01				3.89
02/2008	-5.73				3.32	-4.19				0.76
03/2008	-4.69		-13.87		0.06	-0.75	-8.72			0.24
04/2008	5.07	*			3.07	4.87				3.13
05/2008	1.64	*			3.88	-0.16				2.88
06/2008	-9.33	*	-3.17	*	-1.69	-9.57	-5.31	-13.57		-2.74
07/2008	-0.30	*			-1.77	-0.36				-2.80
08/2008	0.39				-1.51	1.70				-1.86
09/2008	-7.82		-7.74		-5.22	-7.35	-6.11			-5.32
10/2008	-15.34	*			-12.05	-17.31				-13.09
11/2008	-6.50	*			-14.24	-7.17				-15.48
12/2008	3.53	*	-18.05	*	-12.47	1.39	-22.18	-26.93	-36.85	-14.47
01/2009	-8.21	*			-15.13	-11.50				-18.24
02/2009	-13.58				-19.51	-13.36				-22.28
03/2009	8.04		-14.31	*	-16.48	8.55	-16.77			-19.12
04/2009	8.33				-13.45	10.72				-15.41
05/2009	6.22	*			-11.14	6.18				-13.11
06/2009	1.21	*	16.46		-10.45	-0.74	16.70	-2.87		-12.98
07/2009	8.27	*		-0.20	-7.69	8.19				-10.24
08/2009	3.57				-6.40	5.23				-8.43
09/2009	2.18		14.58		-5.57	3.86	18.24			-7.07

* Account return greater than Benchmark return.

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SWBNO - Barrow Hanley Time Weighted Rates of Return Period Ending December 31, 2017

ACCOUNT						RUSSELL 1000 VALUE				
Date	Monthly	Quarterly	Semi Annually	Annually	Since 08/2006	Monthly	Quarterly	Semi Annually	Annually	Since 08/2006
10/2009	-1.44	*			-5.86	-3.06				-7.80
11/2009	7.21	*			-3.68	5.64				-6.04
12/2009	1.80	*	7.57	23.25	-3.07	1.77	4.22	23.23	19.69	-5.40
01/2010	-2.03	*			-3.57	-2.81				-6.06
02/2010	-0.16				-3.53	3.16				-5.08
03/2010	8.47	*	6.10		-1.24	6.51	6.78			-3.27
04/2010	0.44				-1.09	2.59				-2.52
05/2010	-8.79				-3.47	-8.22				-4.67
06/2010	-5.86	-13.76	-8.50		-4.90	-5.63	-11.15	-5.12		-6.01
07/2010	7.47	*			-3.03	6.77				-4.30
08/2010	-5.30				-4.28	-4.28				-5.25
09/2010	8.92	*	10.86		-2.17	7.76	10.13			-3.39
10/2010	2.58				-1.53	3.00				-2.64
11/2010	-0.63				-1.65	-0.53				-2.71
12/2010	7.37	9.44	21.32	11.00	0.01	7.89	10.54	21.74	15.51	-0.94
01/2011	3.53	*			0.80	2.26				-0.42
02/2011	3.21				1.50	3.69				0.40
03/2011	0.21	7.09	*		1.52	0.40	6.46			0.48
04/2011	3.41	*			2.22	2.66				1.04
05/2011	-0.97	*			1.97	-1.06				0.79
06/2011	-1.66	*	0.71	7.85	1.59	-2.05	-0.50	5.92		0.35
07/2011	-4.08				0.70	-3.32				-0.35
08/2011	-6.10	*			-0.57	-6.24				-1.62
09/2011	-6.78	*	-16.04		-1.92	-7.56	-16.20			-3.10
10/2011	10.82				0.08	11.45				-0.99
11/2011	0.04	*			0.08	-0.52				-1.08
12/2011	1.58	12.61	-5.46	1.96	0.38	2.02	13.11	-5.22	0.39	-0.69
01/2012	3.23				0.96	3.78				0.01
02/2012	4.45	*			1.75	3.99				0.72
03/2012	3.77	*	11.89		2.40	2.96	11.12			1.24
04/2012	-1.34				2.12	-1.02				1.03
05/2012	-6.45				0.91	-5.86				-0.04
06/2012	4.62	-3.44	8.05		1.68	4.96	-2.20	8.68		0.80
07/2012	1.04	*			1.84	1.03				0.96
08/2012	1.51				2.07	2.17				1.31
09/2012	2.43	5.05			2.44	3.17	6.51			1.81
10/2012	-0.04	*			2.40	-0.49				1.71

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SWBNO - Barrow Hanley

Time Weighted Rates of Return

Period Ending December 31, 2017

ACCOUNT						RUSSELL 1000 VALUE				
Date	Monthly	Quarterly	Semi Annually	Annually	Since 08/2006	Monthly	Quarterly	Semi Annually	Annually	Since 08/2006
11/2012	-0.48				2.29 *	-0.04				1.68
12/2012	1.55	1.02	6.13	14.67	2.51 *	2.07	1.52	8.13	17.51	1.98
01/2013	4.95				3.25 *	6.50				2.96
02/2013	0.29				3.25 *	1.44				3.15
03/2013	4.43 *	9.92			3.89 *	3.96	12.31			3.72
04/2013	2.49 *				4.23 *	1.51				3.91
05/2013	2.59 *				4.57 *	2.57				4.25
06/2013	-0.83 *	4.28 *	14.62		4.39 *	-0.88	3.20	15.90		4.06
07/2013	4.80				5.04 *	5.40				4.81
08/2013	-3.03 *				4.52 *	-3.79				4.17
09/2013	2.59 *	4.26 *			4.84 *	2.51	3.94			4.48
10/2013	3.61				5.31 *	4.38				5.06
11/2013	3.73 *				5.78 *	2.79				5.40
12/2013	1.65	9.24	13.89	30.55	5.94 *	2.53	10.01	14.34	32.53	5.69
01/2014	-3.39 *				5.38 *	-3.55				5.11
02/2014	4.75 *				5.98 *	4.32				5.65
03/2014	2.44 *	3.66 *			6.25 *	2.39	3.02			5.92
04/2014	-0.01				6.17 *	0.95				5.98
05/2014	1.79 *				6.35 *	1.46				6.11
06/2014	1.85	3.66	7.46		6.53 *	2.61	5.10	8.28		6.40
07/2014	-1.59 *				6.24 *	-1.70				6.10
08/2014	3.31				6.61 *	3.68				6.51
09/2014	-1.14 *	0.51 *			6.39 *	-2.06	-0.19			6.17
10/2014	1.34				6.49 *	2.25				6.39
11/2014	2.71 *				6.77 *	2.05				6.59
12/2014	-0.30	3.77	4.30	12.08	6.66 *	0.61	4.98	4.78	13.45	6.60
01/2015	-6.30				5.77	-4.00				6.01
02/2015	8.28 *				6.71 *	4.84				6.54
03/2015	-1.33 *	0.12 *			6.48 *	-1.36	-0.72			6.31
04/2015	1.76 *				6.63 *	0.93				6.36
05/2015	1.53 *				6.75 *	1.20				6.44
06/2015	-1.92 *	1.34 *	1.45 *		6.45 *	-2.00	0.11	-0.61		6.14
07/2015	1.13 *				6.52 *	0.44				6.13
08/2015	-5.73 *				5.76 *	-5.96				5.35
09/2015	-3.27	-7.79 *			5.32 *	-3.02	-8.39			4.95
10/2015	7.43				6.10 *	7.55				5.74
11/2015	0.04				6.04 *	0.38				5.73

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ACCOUNT							RUSSELL 1000 VALUE						
Date	Monthly	Quarterly	Semi Annually	Annually		Since 08/2006	Monthly	Quarterly	Semi Annually	Annually	Since 08/2006		
12/2015	-2.38	4.91	-3.26	-1.85	*	5.72	*	-2.15	5.64	-3.23	-3.83	5.43	
01/2016	-5.20					5.07	*	-5.17				4.79	
02/2016	-0.89					4.92	*	-0.03				4.74	
03/2016	5.54	-0.85				5.47	*	7.20	1.64			5.46	
04/2016	3.11	*				5.75	*	2.10				5.64	
05/2016	0.91					5.80	*	1.55				5.76	
06/2016	0.07	4.12	3.23			5.76		0.86	4.58	6.30		5.80	
07/2016	2.96	*				6.02		2.90				6.05	
08/2016	1.11	*				6.09	*	0.77				6.08	
09/2016	-0.96	3.11				5.93		-0.21	3.48			6.01	
10/2016	-0.54	*				5.83	*	-1.55				5.80	
11/2016	5.62					6.34	*	5.71				6.32	
12/2016	1.52	6.64	9.95	13.51		6.45		2.50	6.68	10.39	17.34	6.53	
01/2017	0.16					6.41		0.71				6.54	
02/2017	3.42					6.70		3.59				6.85	
03/2017	-0.16	*	3.41	*		6.63		-1.02	3.27			6.69	
04/2017	0.01	*				6.57		-0.19				6.62	
05/2017	0.43	*				6.56	*	-0.10				6.55	
06/2017	2.70	*	3.16	*	6.68	*	6.77	1.63	1.34	4.66		6.66	
07/2017	-0.19					6.70		1.33				6.74	
08/2017	-1.39					6.51		-1.16				6.57	
09/2017	2.95	1.33				6.74		2.96	3.11			6.80	
10/2017	0.47					6.74		0.73				6.82	
11/2017	2.69					6.94		3.06				7.05	
12/2017	2.30	*	5.54	*	6.94	14.08	*	7.10	1.46	5.33	8.61	13.66	7.14

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SWBNO - Barrow Hanley

Historical Data and Rate of Return

Period Ending December 31, 2017

Date	Market Value	Flow	Income	Weighted Flow	Fees	ROR	Unit Value
8/2006	25,348,242	0	0		0		100.00
9/2006	25,855,015	0	0	0	0	2.00	102.00
10/2006	26,452,759	0	0	0	0	2.31	104.36
11/2006	26,772,418	-120,000	0	0	0	2.31	106.77
12/2006	27,325,933	-240,000	0	0	0	4.69	111.78
1/2007	27,656,988	33,232	1,251	0	0	1.09	112.99
2/2007	27,350,625	41	428	0	0	-1.11	111.74
3/2007	27,918,831	-38,509	500	0	0	2.22	114.22
4/2007	25,223,686	-3,900,000	556	0	0	4.40	119.24
5/2007	26,155,451	-55,000	3,614	0	0	3.91	123.91
6/2007	25,585,084	-204,090	562	0	0	-0.01	123.90
7/2007	24,221,504	0	602	0	0	-6.65	115.65
8/2007	24,582,207	-93,421	565	0	0	0.01	115.66
9/2007	25,124,094	-55,000	520	0	0	1.88	117.84
10/2007	25,361,302	-55,000	519	0	0	2.62	120.93
11/2007	24,483,697	-147,153	352	0	0	-1.94	118.58
12/2007	24,014,825	0	3	0	0	-2.00	116.21
1/2008	23,021,169	0	1	0	0	-4.14	111.40
2/2008	21,702,209	0	1	0	0	-5.73	105.02
3/2008	20,684,300	0	1	0	36,915	-4.69	100.09
4/2008	21,732,964	0	0	0	0	5.07	105.17
5/2008	22,089,663	0	1	0	0	1.64	106.89
6/2008	20,029,078	0	1	0	0	-9.33	96.92
7/2008	19,969,016	0	1	0	33,719	-0.30	96.63
8/2008	20,046,522	0	1	0	33,145	0.39	97.01
9/2008	18,479,359	0	1	0	0	-7.82	89.42
10/2008	15,441,074	-220,000	0	-106,452	0	-15.34	75.71
11/2008	14,437,414	0	0	0	30,900	-6.50	70.78
12/2008	14,946,997	0	0	0	0	3.53	73.28
1/2009	13,719,295	0	0	0	0	-8.21	67.26
2/2009	11,855,982	0	0	0	24,575	-13.58	58.13
3/2009	12,716,890	-91,920	0	0	0	8.04	62.80
4/2009	13,776,389	0	0	0	0	8.33	68.03

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SWBNO - Barrow Hanley

Historical Data and Rate of Return

Period Ending December 31, 2017

Date	Market Value	Flow	Income	Weighted Flow	Fees	ROR	Unit Value
5/2009	14,473,735	-158,235	0	-18,169	0	6.22	72.26
6/2009	14,648,214	0	0	0	0	1.21	73.13
7/2009	15,858,945	0	0	0	0	8.27	79.18
8/2009	16,424,549	0	0	0	23,979	3.57	82.00
9/2009	16,783,217	0	0	0	0	2.18	83.79
10/2009	16,541,250	0	0	0	0	-1.44	82.59
11/2009	17,706,948	-26,184	0	-17,456	0	7.21	88.54
12/2009	18,026,509	0	0	0	0	1.80	90.14
1/2010	17,660,466	0	0	0	0	-2.03	88.31
2/2010	17,632,890	0	0	0	28,097	-0.16	88.17
3/2010	19,125,955	0	0	0	0	8.47	95.64
4/2010	19,209,992	-369	0	-25	0	0.44	96.06
5/2010	17,492,218	-28,737	0	-2,781	0	-8.79	87.61
6/2010	16,466,356	0	0	0	0	-5.86	82.47
7/2010	17,696,956	0	0	0	0	7.47	88.64
8/2010	16,641,828	-120,069	0	-42,238	0	-5.30	83.94
9/2010	18,125,505	0	0	0	0	8.92	91.43
10/2010	18,499,064	-91,000	0	-88,065	0	2.58	93.78
11/2010	18,254,260	-128,325	0	-65,550	0	-0.63	93.19
12/2010	19,520,881	-77,000	0	-22,355	0	7.37	100.06
1/2011	20,210,803	0	0	0	0	3.53	103.59
2/2011	20,671,276	-186,000	0	-85,143	29,962	3.21	106.92
3/2011	20,615,923	-99,000	0	-25,548	0	0.21	107.15
4/2011	21,214,756	-104,000	0	-13,867	0	3.41	110.80
5/2011	20,904,991	-104,000	0	-50,323	0	-0.97	109.73
6/2011	20,352,232	-208,000	0	-86,667	31,316	-1.66	107.91
7/2011	19,522,405	0	0	0	0	-4.08	103.51
8/2011	18,330,953	0	0	0	31,808	-6.10	97.19
9/2011	17,087,302	0	0	0	0	-6.78	90.60
10/2011	18,936,359	0	0	0	0	10.82	100.40
11/2011	18,860,124	-83,000	0	-60,867	29,682	0.04	100.44
12/2011	18,955,530	-200,000	0	-112,903	0	1.58	102.02

SWBNO - Barrow Hanley

Historical Data and Rate of Return

Period Ending December 31, 2017

Date	Market Value	Flow	Income	Weighted Flow	Fees	ROR	Unit Value
1/2012	19,568,714	0	0	0	0	3.23	105.32
2/2012	20,433,642	-6,001	6,001	0	29,590	4.45	110.01
3/2012	21,203,684	0	0	0	0	3.77	114.15
4/2012	20,920,586	0	0	0	0	-1.34	112.63
5/2012	19,571,304	0	0	0	31,343	-6.45	105.36
6/2012	20,474,761	0	0	0	0	4.62	110.23
7/2012	20,687,783	0	0	0	0	1.04	111.38
8/2012	20,999,594	0	0	0	31,363	1.51	113.05
9/2012	21,509,311	0	0	0	0	2.43	115.80
10/2012	21,501,370	0	0	0	0	-0.04	115.76
11/2012	21,364,464	-32,651	0	-4,353	0	-0.48	115.19
12/2012	21,697,364	0	0	67,742	0	1.55	116.98
1/2013	22,458,600	-300,000	1	-270,968	0	4.95	122.78
2/2013	22,523,341	0	0	0	33,259	0.29	123.13
3/2013	23,521,594	0	0	0	0	4.43	128.59
4/2013	24,107,577	0	0	0	34,138	2.49	131.79
5/2013	21,869,343	-2,810,686	0	-2,042,599	189,314	2.59	135.21
6/2013	21,681,159	-7,073	7,072	0	0	-0.83	134.09
7/2013	22,722,137	0	0	0	34,410	4.80	140.53
8/2013	22,033,460	0	0	0	0	-3.03	136.27
9/2013	22,604,498	0	0	0	0	2.59	139.80
10/2013	23,419,974	0	0	0	34,743	3.61	144.85
11/2013	24,292,597	0	0	0	0	3.73	150.24
12/2013	24,692,877	0	0	0	0	1.65	152.72
1/2014	23,854,965	0	0	0	36,223	-3.39	147.54
2/2014	24,988,162	0	0	0	0	4.75	154.54
3/2014	25,597,279	0	0	0	0	2.44	158.31
4/2014	25,594,290	0	0	0	0	-0.01	158.29
5/2014	26,052,053	0	0	0	36,501	1.79	161.12
6/2014	26,535,026	0	0	0	0	1.85	164.11
7/2014	26,112,607	0	0	0	37,918	-1.59	161.50
8/2014	26,977,066	0	0	0	0	3.31	166.85
9/2014	26,669,103	0	0	0	0	-1.14	164.94

SWBNO - Barrow Hanley Historical Data and Rate of Return Period Ending December 31, 2017

Date	Market Value	Flow	Income	Weighted Flow	Fees	ROR	Unit Value
10/2014	26,476,808	-550,000	0	0	38,885	1.34	167.15
11/2014	27,193,148	0	0	0	0	2.71	171.68
12/2014	27,112,268	0	0	0	0	-0.30	171.16
1/2015	25,404,958	0	0	0	38,861	-6.30	160.39
2/2015	27,509,569	0	0	0	0	8.28	173.67
3/2015	27,143,842	0	0	0	0	-1.33	171.36
4/2015	27,621,546	0	0	0	38,239	1.76	174.38
5/2015	28,044,189	0	0	0	0	1.53	177.05
6/2015	27,506,466	0	0	0	0	-1.92	173.65
7/2015	27,817,427	0	0	0	39,196	1.13	175.62
8/2015	26,222,622	0	0	0	0	-5.73	165.55
9/2015	25,364,364	0	0	0	0	-3.27	160.13
10/2015	26,188,189	-1,000,000	0	-806,452	38,975	7.43	172.02
11/2015	26,197,444	1	0	1	0	0.04	172.08
12/2015	25,574,729	0	0	0	0	-2.38	167.99
1/2016	24,243,862	0	0	0	38,369	-5.20	159.25
2/2016	24,027,590	0	0	0	0	-0.89	157.83
3/2016	25,357,838	0	0	0	0	5.54	166.57
4/2016	26,145,621	0	0	0	36,432	3.11	171.74
5/2016	26,382,962	0	0	0	0	0.91	173.30
6/2016	26,401,413	0	0	0	0	0.07	173.42
7/2016	27,184,056	-1	0	0	37,939	2.96	178.56
8/2016	27,484,825	0	0	0	0	1.11	180.54
9/2016	27,137,810	-85,000	0	-68,000	0	-0.96	178.81
10/2016	26,991,272	0	1	0	39,023	-0.54	177.85
11/2016	28,173,070	-320,000	0	-245,333	0	5.62	187.83
12/2016	28,600,371	-4	3	-3	0	1.52	190.68
1/2017	28,304,737	-341,000	0	-209,000	39,403	0.16	190.99
2/2017	29,271,824	0	10	0	0	3.42	197.51
3/2017	29,223,777	0	0	0	0	-0.16	197.19
4/2017	29,226,769	-10	0	-1	39,424	0.01	197.21
5/2017	29,020,623	-332,000	0	-278,452	0	0.43	198.07
6/2017	29,803,908	0	0	0	0	2.70	203.41

SWBNO - Barrow Hanley Historical Data and Rate of Return Period Ending December 31, 2017

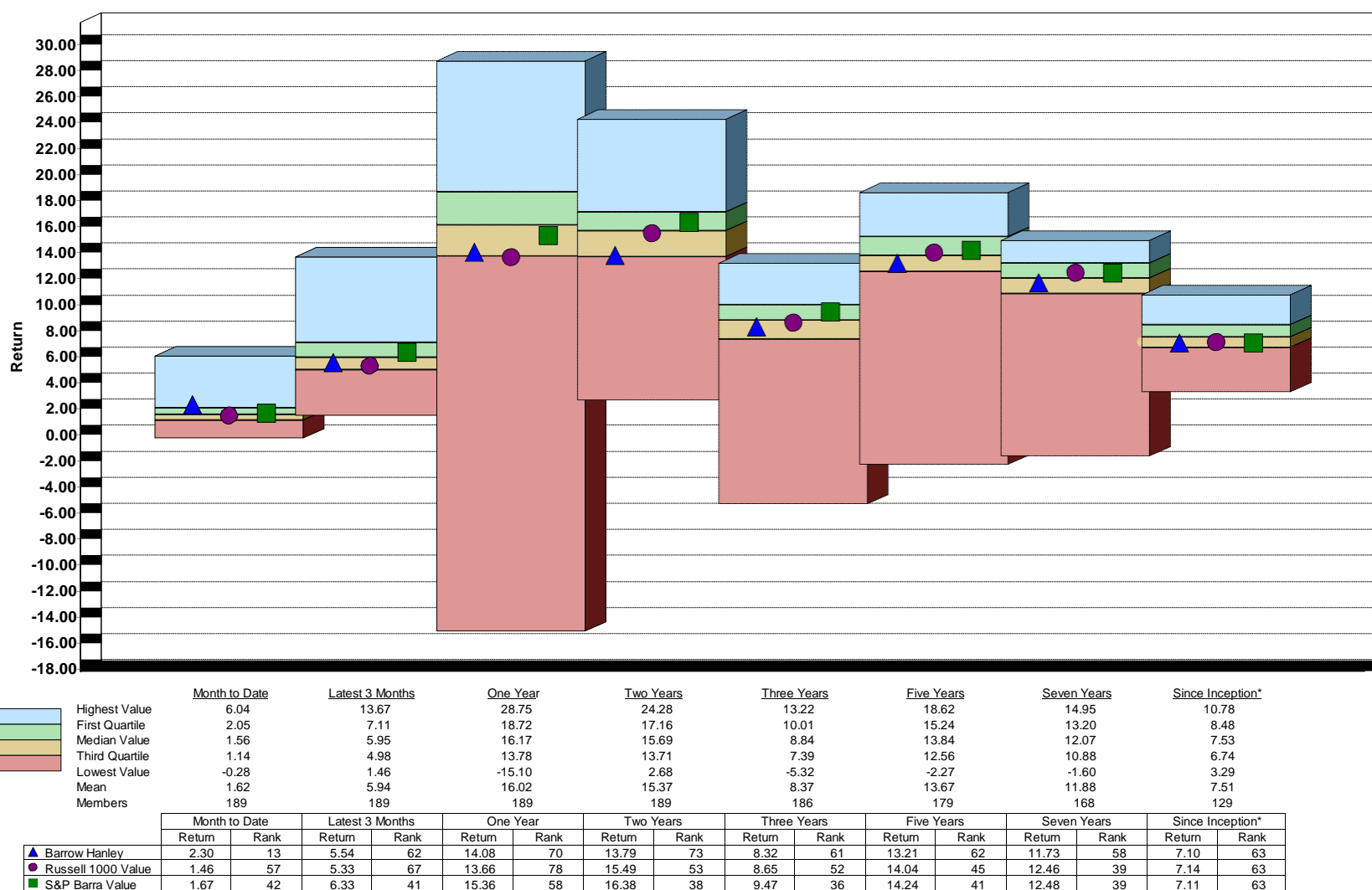
Date	Market Value	Flow	Income	Weighted Flow	Fees	ROR	Unit Value
7/2017	28,877,250	-870,000	0	-589,355	40,020	-0.19	203.02
8/2017	28,476,759	0	0	0	0	-1.39	200.20
9/2017	28,571,725	-730,000	0	-535,333	0	2.95	206.11
10/2017	28,705,053	0	0	0	40,096	0.47	207.08
11/2017	22,745,946	-6,636,000	0	-3,539,200	0	2.69	212.65
12/2017	23,269,045	0	143	0	0	2.30	217.54

SWBNO - Barrow Hanley

Quartile Ranking Analysis - Return

Universe: PSN Large Cap Value

Period Ending December 31, 2017



*Inception: August 2006

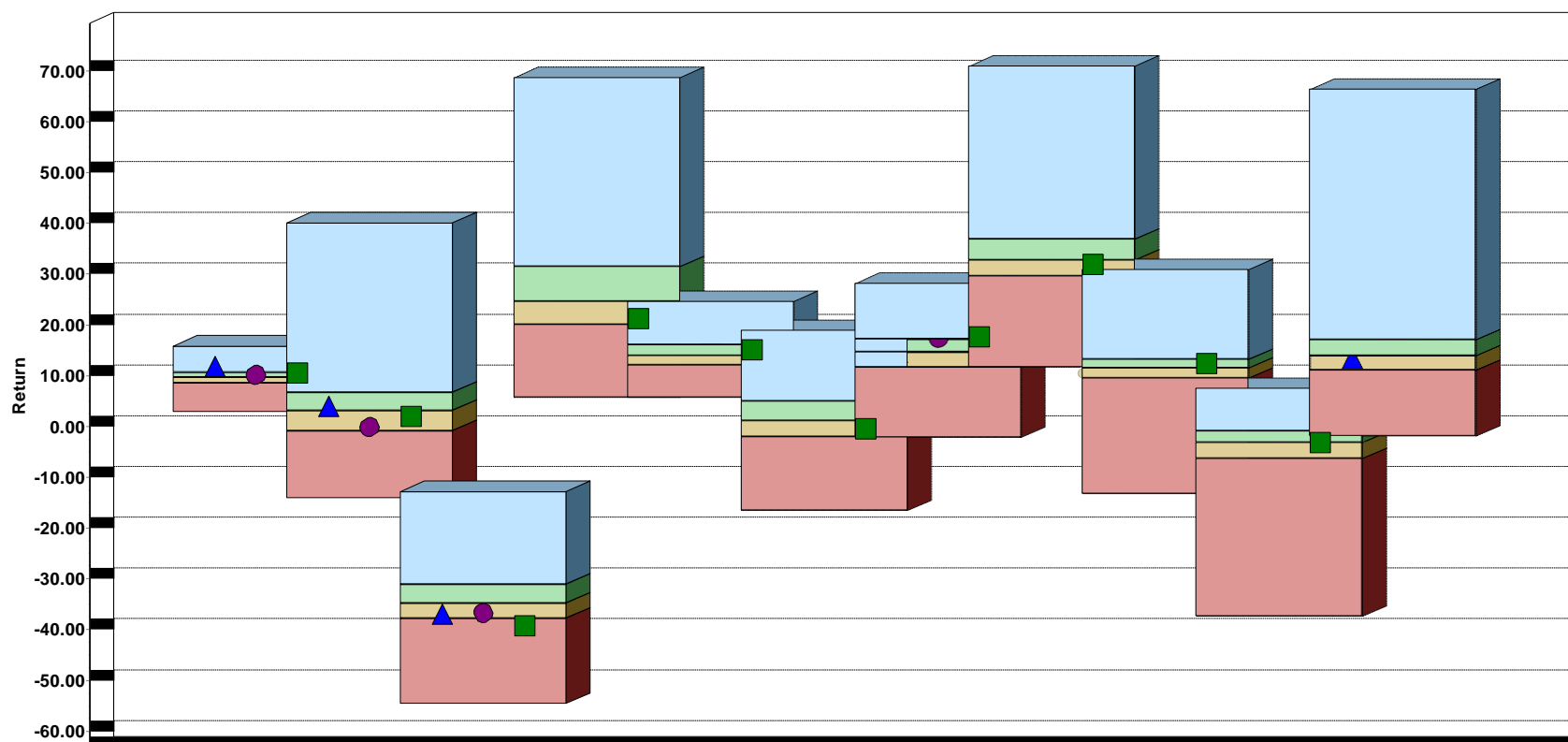
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SWBNO - Barrow Hanley

Quartile Ranking Analysis - Return

Universe: PSN Large Cap Value

Period Ending December 31, 2016



		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016											
<div><div></div><div></div><div></div><div></div><div></div></div>	Highest Value	15.74	40.07	-12.79	68.73	24.65	18.91	28.20	70.98	30.94	7.50	66.45											
	First Quartile	10.64	6.69	-31.06	31.56	16.15	5.03	17.29	36.94	13.20	-0.92	17.03											
	Median Value	9.71	3.06	-34.75	24.58	14.02	1.12	14.67	32.71	11.55	-3.17	13.90											
	Third Quartile	8.56	-0.94	-37.75	20.13	12.15	-2.06	11.61	29.66	9.55	-6.25	11.04											
	Lowest Value	2.81	-14.14	-54.59	5.61	5.71	-16.60	-2.18	11.60	-13.30	-37.43	-1.83											
	Mean	9.61	3.20	-34.56	27.26	14.24	1.29	14.49	33.23	11.20	-4.09	14.69											
	Members	186	201	216	233	241	248	258	263	268	268	263											
		2006		2007		2008		2009		2010		2011		2012		2013		2014		2015		2016	
		Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
▲	Barrow Hanley	11.78	9	3.97	41	-36.94	70	23.00	57	11.00	87	1.96	41	14.67	50	30.55	68	12.08	43	-1.85	34	13.51	56
●	Russell 1000 Value	10.15	34	-0.17	69	-36.85	69	19.69	77	15.51	30	0.39	55	17.51	22	32.53	52	13.45	22	-3.83	58	17.34	23
■	S&P Barra Value	10.59	27	1.99	57	-39.22	79	21.18	69	15.10	36	-0.48	61	17.68	21	31.99	57	12.36	37	-3.13	49	17.40	23

*Inception: August 2006

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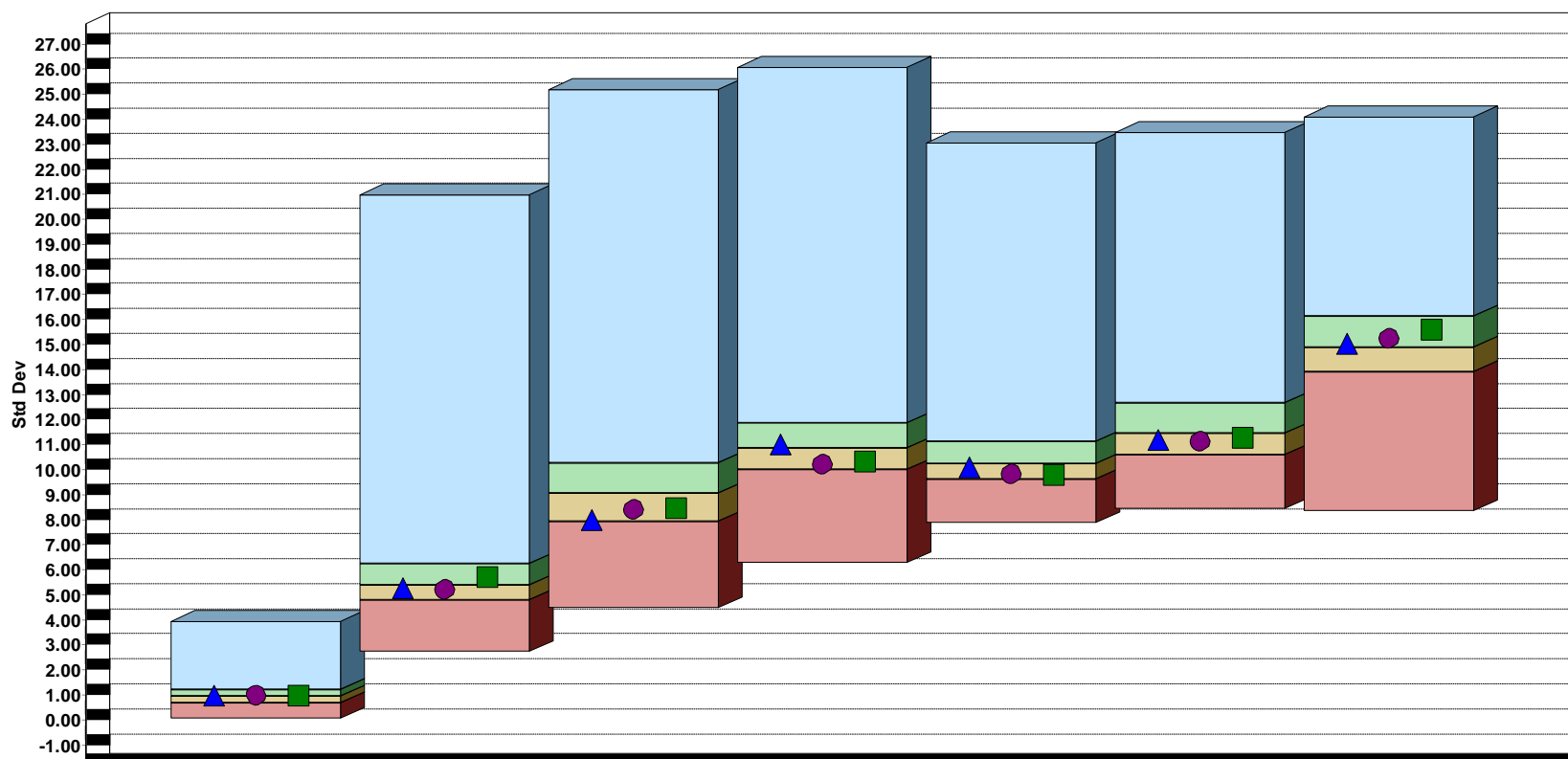
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SWBNO - Barrow Hanley

Quartile Ranking Analysis - Risk

Universe: PSN Large Cap Value

Period Ending December 31, 2017



	Latest 3 Months		One Year		Two Years		Three Years		Five Years		Seven Years		Since Inception*	
Highest Value	3.92		20.98		25.18		26.07		23.06		23.46		24.10	
First Quartile	1.22		6.24		10.27		11.85		11.12		12.66		16.11	
Median Value	0.95		5.37		9.05		10.85		10.25		11.44		14.89	
Third Quartile	0.68		4.80		7.92		10.00		9.61		10.59		13.90	
Lowest Value	0.04		2.70		4.47		6.26		7.86		8.42		8.35	
Mean	1.03		5.64		9.26		11.11		10.52		11.63		15.11	
Members	189		189		189		186		179		168		129	
	Latest 3 Months		One Year		Two Years		Three Years		Five Years		Seven Years		Since Inception*	
	Std Dev	Rank	Std Dev	Rank	Std Dev	Rank	Std Dev	Rank	Std Dev	Rank	Std Dev	Rank	Std Dev	Rank
▲ Barrow Hanley	0.97	49	5.26	53	7.97	71	11.00	46	10.08	54	11.19	55	15.02	45
● Russell 1000 Value	0.98	49	5.20	57	8.39	60	10.20	68	9.83	66	11.12	59	15.23	42
■ S&P Barra Value	0.96	49	5.69	37	8.45	59	10.32	64	9.80	68	11.27	54	15.60	33

*Inception: August 2006

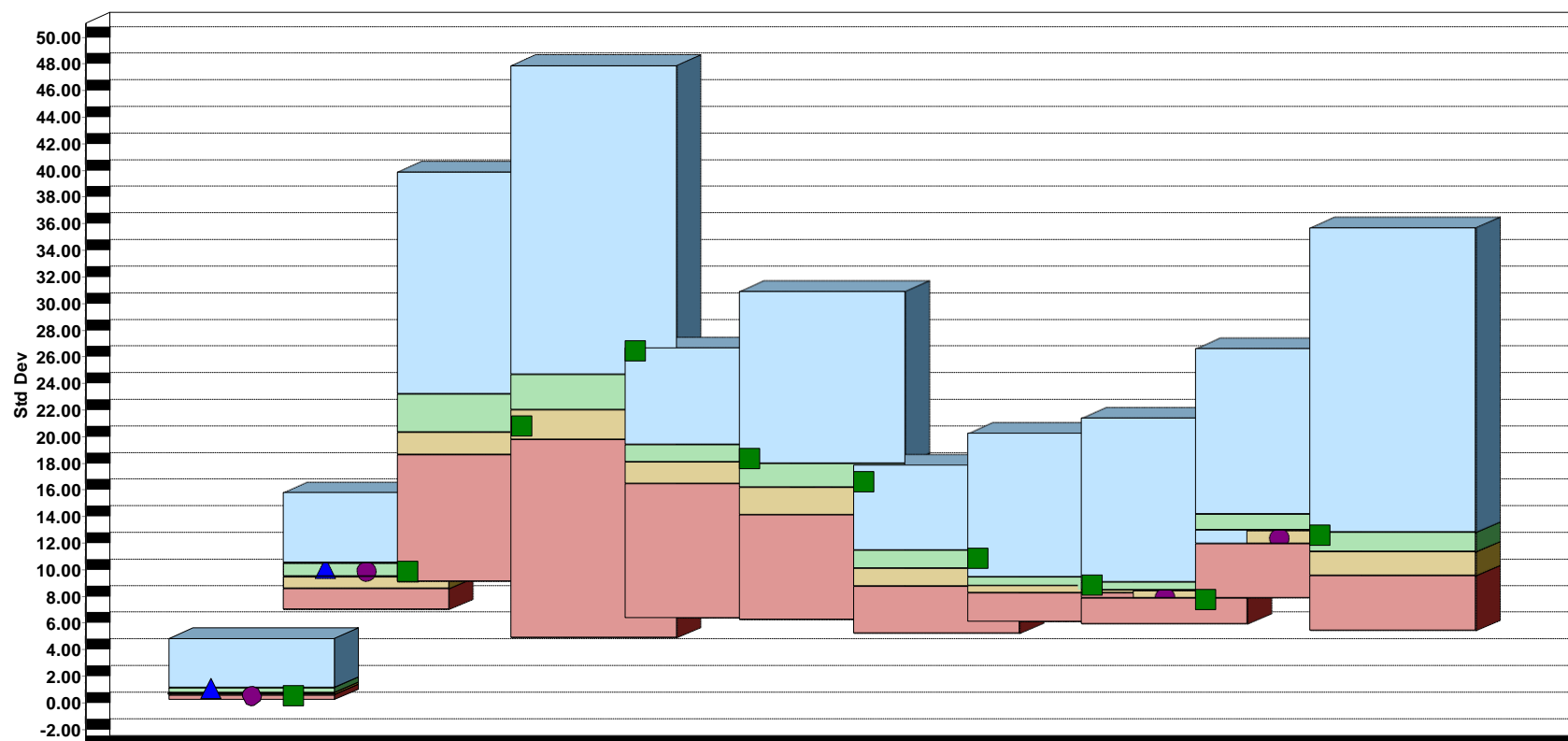
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SWBNO - Barrow Hanley

Quartile Ranking Analysis - Risk

Universe: PSN Large Cap Value

Period Ending December 31, 2016



	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Highest Value	4.80	15.83	39.90	47.86	26.69	30.90	17.86	20.26	21.39	26.60	35.69
First Quartile	1.12	10.50	23.21	24.68	19.41	17.98	11.44	9.45	9.09	14.17	12.81
Median Value	0.75	9.47	20.32	22.01	18.06	16.19	10.10	8.81	8.45	12.97	11.32
Third Quartile	0.58	8.58	18.65	19.78	16.45	14.11	8.72	8.24	7.86	11.94	9.53
Lowest Value	0.20	7.00	9.10	4.88	6.33	6.23	5.22	6.05	5.89	7.86	5.42
Mean	0.94	9.70	21.10	22.77	17.93	16.11	10.27	9.03	8.60	13.13	11.60
Members	186	191	208	225	233	240	249	254	259	260	259

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
▲ Barrow Hanley	1.08	10.14	19.57	22.87	19.99	16.03	10.20	8.03	7.69	14.99	9.97
● Russell 1000 Value	0.49	9.89	20.15	25.55	18.44	16.54	9.80	9.12	7.94	12.38	10.65
■ S&P Barra Value	0.55	9.88	20.81	26.47	18.36	16.63	10.85	8.85	7.76	12.59	10.50

*Inception: August 2006

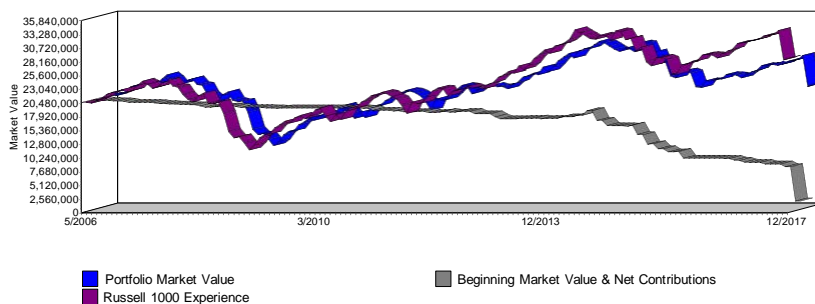
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SWBNO - Chicago Equity Executive Account Summary Period Ending December 31, 2017

Source of Portfolio Growth
Inception May 31, 2006 Through December 31, 2017

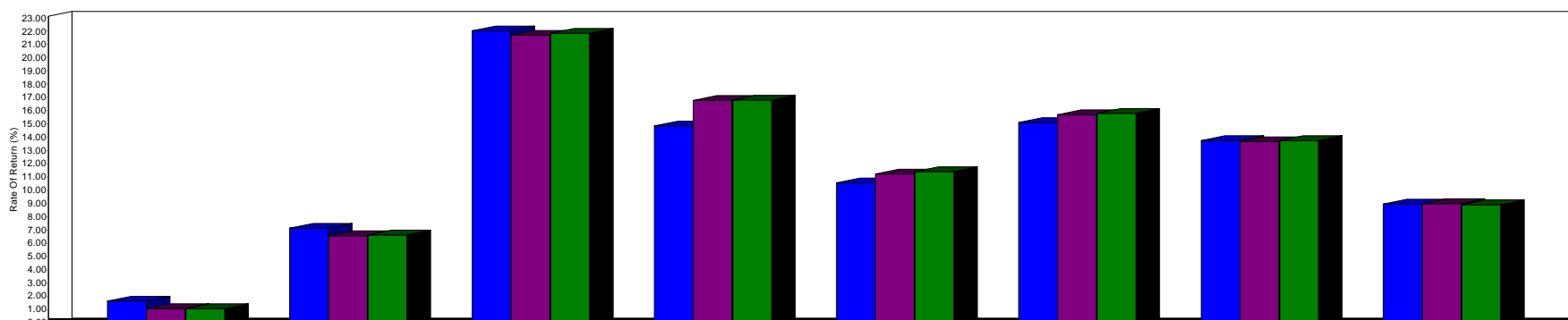


Statement Of Changes

Portfolio Value 09/30/2017	27,505,057
Net Income (Loss)	
Dividend Income	134,204
Interest Income	(1)
Realized Gains/Losses	1,511,782
Unrealized Gains/Losses	128,447
Net Transfers In (Out)	
Funds Added	8,687
Funds Withdrawn	(6,439,995)
Portfolio Value 12/31/2017	22,848,180

	Dollars	
	Latest Quarter	Since Inception
Beginning Value	27,505,057	20,707,651
Net Contribution	-6,431,308	-19,036,803
Investment Return	1,774,432	21,177,333
Ending Value	22,848,180	22,848,180

Performance Analysis
May 31, 2006 through December 31, 2017



	Month to Date	Latest Quarter	One Year	Two Years	Three Years	Five Years	Seven Years	Since Inception
Chicago Equity	1.67	7.17	22.01	14.86	10.57	15.12	13.74	8.97
Russell 1000	1.11	6.59	21.69	16.77	11.23	15.71	13.66	9.00
S&P 500	1.11	6.64	21.83	16.79	11.41	15.79	13.76	8.93

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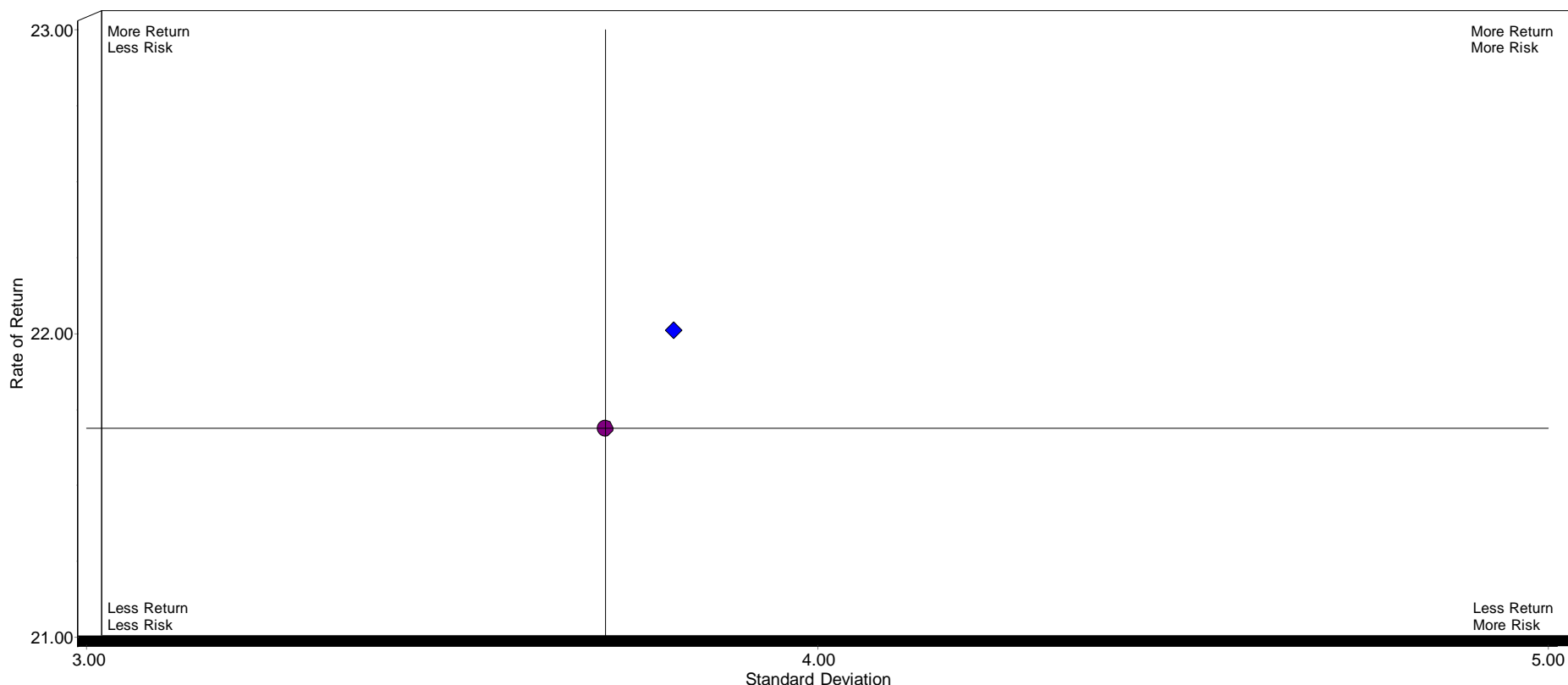
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SWBNO - Chicago Equity

Risk Reward Analysis

December 31, 2016 Through December 31, 2017



	Return	Std Dev	Alpha	Beta	R-Squared	Sharpe Ratio
◆ Chicago Equity	22.01	3.80	1.29	0.95	85.57	5.53
● Russell 1000	21.69	3.71	0.00	1.00	100.00	5.59

Risk Index: Russell 1000

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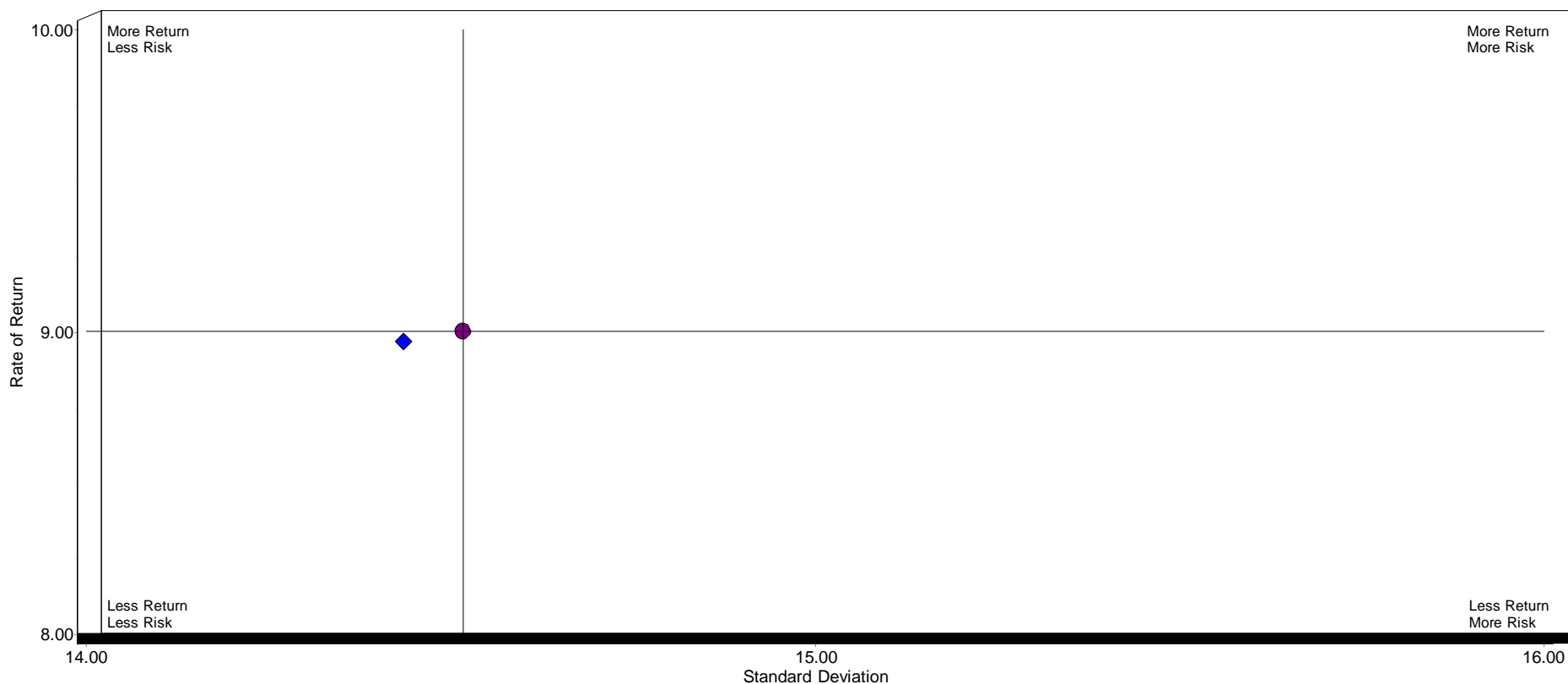
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SWBNO - Chicago Equity

Risk Reward Analysis

May 31, 2006 Through December 31, 2017



	Return	Std Dev	Alpha	Beta	R-Squared	Sharpe Ratio
◆ Chicago Equity	8.97	14.44	0.08	0.99	98.23	0.56
● Russell 1000	9.00	14.52	0.00	1.00	100.00	0.56

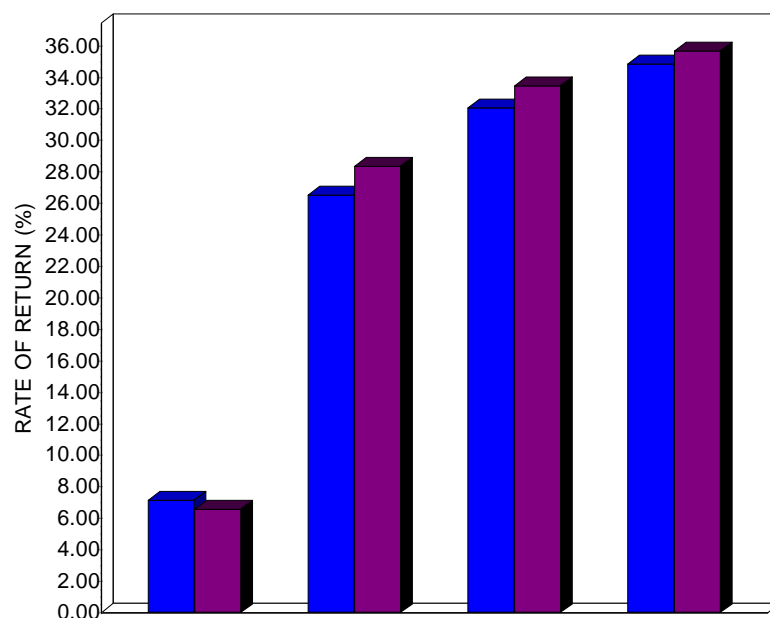
Risk Index: Russell 1000

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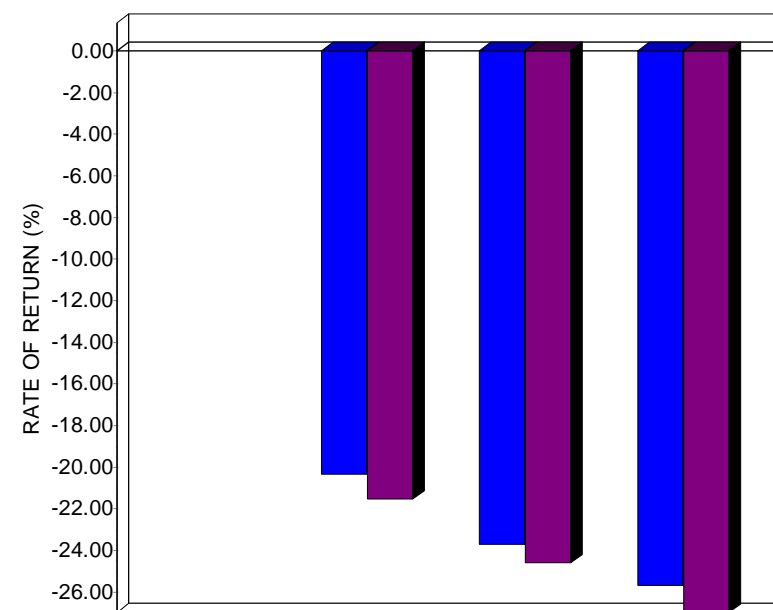
SWBNO - Chicago Equity Market Cycle Analysis Period Ending December 31, 2017

Up Market Performance



	Latest Quarter	Three Years	Five Years	Seven Years
Chicago Equity	7.17	26.52	32.06	34.86
Russell 1000	6.59	28.37	33.47	35.68
Difference	0.58	-1.84	-1.42	-0.83
Ratio	1.09	0.93	0.96	0.98
Up Periods	3	27	45	60

Down Market Performance



	Latest Quarter	Three Years	Five Years	Seven Years
Chicago Equity	N/A	-20.38	-23.74	-25.70
Russell 1000	N/A	-21.55	-24.61	-26.99
Difference	N/A	1.16	0.87	1.30
Ratio	N/A	0.95	0.96	0.95
Down Periods	0	9	15	24

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SWBNO - Chicago Equity Time Weighted Rates of Return Period Ending December 31, 2017

ACCOUNT						RUSSELL 1000				
Date	Monthly	Quarterly	Semi Annually	Annually	Since 05/2006	Monthly	Quarterly	Semi Annually	Annually	Since 05/2006
06/2006	1.52	*			1.52	0.13				0.13
07/2006	-0.08				1.44	0.22				0.35
08/2006	1.74				3.20	2.40				2.76
09/2006	3.01	4.72			6.31	2.37	5.06			5.19
10/2006	3.79	*			10.34	3.40				8.77
11/2006	1.59				12.09	2.13				11.09
12/2006	0.95	6.44	11.46		13.16	1.28	6.95	12.36		12.51
01/2007	1.75				15.14	1.93				14.68
02/2007	-2.31				12.48	-1.72				12.70
03/2007	1.46	0.85			14.12	1.04	1.21			13.87
04/2007	4.00				18.69	4.20				18.66
05/2007	3.39				22.71	3.60				22.93
06/2007	-2.48	4.86	5.75		18.03	-1.91	5.90	7.18		18.86
07/2007	-4.41				12.21	-3.09				14.29
08/2007	0.65				11.93	1.36				14.51
09/2007	3.05	-0.85			13.68	3.82	1.98			16.78
10/2007	1.44				13.97	1.74				17.14
11/2007	-4.55				9.69	-4.26				12.79
12/2007	-0.28	* -3.45	-4.27	1.23	8.96	-0.65	-3.23	-1.31	5.77	11.62
01/2008	-6.61				4.13	-6.00				6.96
02/2008	-2.70	*			2.32	-3.06				4.75
03/2008	-0.99	-10.03			1.66	-0.68	-9.48			4.14
04/2008	6.55	*			5.01	5.07				6.67
05/2008	2.37	*			6.03	1.83				7.36
06/2008	-6.85	* 1.60	* -8.59	*	2.24	-8.31	-1.89	-11.20		2.69
07/2008	-1.57				1.41	-1.16				2.03
08/2008	0.27				1.48	1.38				2.58
09/2008	-9.63	-10.81			-2.88	-9.53	-9.35			-1.82
10/2008	-17.16	*			-10.07	-17.46				-9.26
11/2008	-6.79	*			-12.26	-7.56				-11.78
12/2008	2.22	* -21.07	* -29.60	* -35.65	* -11.13	1.60	-22.48	-29.73	-37.60	-10.88
01/2009	-7.82	*			-13.49	-8.16				-13.37
02/2009	-9.94	*			-16.35	-10.34				-16.38
03/2009	7.12	-11.08			-13.85	8.75	-10.45			-13.41
04/2009	10.65	*			-10.43	10.12				-10.13
05/2009	5.86	*			-8.43	5.53				-8.23
06/2009	0.11	17.26	* 4.27		-8.18	0.24	16.50	4.32		-7.95

* Account return greater than Benchmark return.

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SWBNO - Chicago Equity Time Weighted Rates of Return Period Ending December 31, 2017

ACCOUNT						RUSSELL 1000				
Date	Monthly	Quarterly	Semi Annually	Annually	Since 05/2006	Monthly	Quarterly	Semi Annually	Annually	Since 05/2006
07/2009	7.97	*			-5.72	7.63				-5.58
08/2009	3.47				-4.58	3.63				-4.39
09/2009	4.28	*	16.49	*	-3.26	4.06	16.07			-3.14
10/2009	-2.36				-3.85	-2.21				-3.69
11/2009	5.29				-2.34	5.89				-2.02
12/2009	2.69	*	5.57		-1.56	2.43	6.07	23.11	28.43	-1.31
01/2010	-3.44	*			-2.46	-3.60				-2.26
02/2010	3.87	*			-1.41	3.30				-1.36
03/2010	5.79		6.10	*	0.08	6.14	5.70			0.21
04/2010	2.24	*			0.64	1.85				0.68
05/2010	-7.73	*			-1.37	-7.93				-1.39
06/2010	-5.69		-11.03	*	-2.75	-5.57	-11.44	-6.40		-2.74
07/2010	6.78				-1.15	6.95				-1.10
08/2010	-5.01				-2.32	-4.47				-2.14
09/2010	9.38	*	10.94		-0.23	9.19	11.55			-0.09
10/2010	3.86				0.63	3.89				0.77
11/2010	0.74	*			0.78	0.33				0.83
12/2010	6.04		10.95		2.07	6.68	11.19	24.03	16.10	2.25
01/2011	2.53	*			2.58	2.40				2.73
02/2011	3.96	*			3.37	3.48				3.42
03/2011	1.51	*	8.20	*	3.64	0.26	6.24			3.42
04/2011	3.04	*			4.21	3.01				3.98
05/2011	-0.02	*			4.13	-1.07				3.69
06/2011	-1.09	*	1.90	*	3.84	-1.75	0.12	6.37		3.27
07/2011	-2.50				3.27	-2.17				2.78
08/2011	-5.44	*			2.12	-5.76				1.58
09/2011	-7.62		-14.83		0.58	-7.46	-14.68			0.09
10/2011	11.54	*			2.62	11.21				2.07
11/2011	0.11	*			2.60	-0.26				1.99
12/2011	0.47		12.19	*	2.65	0.84	11.84	-4.58	1.50	2.11
01/2012	4.52				3.41	4.87				2.94
02/2012	5.16	*			4.27	4.39				3.67
03/2012	3.35	*	13.60	*	4.80	3.13	12.90			4.17
04/2012	-0.61				4.62	-0.58				4.01
05/2012	-6.46				3.40	-6.15				2.86
06/2012	3.37		-3.90		3.92	3.83	-3.12	9.38		3.45
07/2012	1.64	*			4.14	1.19				3.60

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SWBNO - Chicago Equity Time Weighted Rates of Return Period Ending December 31, 2017

ACCOUNT						RUSSELL 1000					
Date	Monthly	Quarterly	Semi Annually	Annually	Since 05/2006		Monthly	Quarterly	Semi Annually	Annually	Since 05/2006
08/2012	2.38				4.47	*	2.43				3.95
09/2012	2.05	6.19			4.75	*	2.57	6.31			4.32
10/2012	-1.16	*			4.49	*	-1.69				3.98
11/2012	0.33				4.49	*	0.79				4.06
12/2012	0.57	-0.26	5.91	15.62	4.52	*	1.04	0.12	6.44	16.42	4.17
01/2013	5.45	*			5.30	*	5.42				4.94
02/2013	1.71	*			5.50	*	1.34				5.09
03/2013	3.88	*	11.42	*	6.02	*	3.86	10.96			5.61
04/2013	1.06				6.10	*	1.81				5.81
05/2013	2.00				6.33	*	2.22				6.07
06/2013	-1.39	1.66	13.27		6.04	*	-1.36	2.65	13.91		5.80
07/2013	5.92	*			6.83	*	5.35				6.50
08/2013	-3.28				6.25	*	-2.76				6.01
09/2013	4.06	*	6.61	*	6.76	*	3.49	6.02			6.44
10/2013	4.29				7.29	*	4.40				6.98
11/2013	2.87	*			7.61	*	2.81				7.30
12/2013	2.11	9.55	16.79	32.28	7.82	*	2.70	10.23	16.86	33.11	7.59
01/2014	-3.09	*			7.29	*	-3.19				7.05
02/2014	4.72				7.85	*	4.75				7.62
03/2014	1.38	*	2.88	*	7.95	*	0.64	2.05			7.62
04/2014	0.02				7.87	*	0.47				7.60
05/2014	2.36	*			8.10	*	2.30				7.82
06/2014	2.13	4.56	7.57	*	8.29	*	2.27	5.12	7.27		8.04
07/2014	-1.14	*			8.05	*	-1.62				7.74
08/2014	4.53	*			8.55	*	4.13				8.19
09/2014	-1.89	1.38	*		8.21	*	-1.75	0.65			7.87
10/2014	1.75				8.35	*	2.44				8.10
11/2014	2.05				8.52	*	2.62				8.35
12/2014	-0.16	*	3.67	5.11	8.42	*	-0.23	4.88	5.57	13.24	8.23
01/2015	-1.94	*			8.09	*	-2.75				7.81
02/2015	6.03	*			8.73	*	5.78				8.42
03/2015	-0.56	*	3.39	*	8.58	*	-1.25	1.59			8.19
04/2015	-0.52				8.43	*	0.71				8.19
05/2015	2.52	*			8.65	*	1.31				8.27
06/2015	-1.62	*	0.34	*	8.37	*	-1.88	0.11	1.71		7.97
07/2015	0.74				8.38	*	1.93				8.12
08/2015	-6.24				7.55	*	-6.02				7.32

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SWBNO - Chicago Equity Time Weighted Rates of Return Period Ending December 31, 2017

ACCOUNT								RUSSELL 1000					
Date	Monthly		Quarterly		Semi Annually	Annually	Since 05/2006	Monthly	Quarterly	Semi Annually	Annually	Since 05/2006	
09/2015	-1.50	*	-6.97				7.30	*	-2.74	-6.83		6.93	
10/2015	7.58						8.07	*	8.09			7.75	
11/2015	0.63	*					8.07	*	0.33			7.72	
12/2015	-1.92		6.18		-1.23	2.47	7.78	*	-1.80	6.50	-0.78	0.92	7.45
01/2016	-5.63						7.07	*	-5.38			6.77	
02/2016	-0.76						6.92	*	-0.03			6.70	
03/2016	6.14		-0.60				7.51	*	6.97	1.17		7.38	
04/2016	-0.29						7.41	*	0.54			7.37	
05/2016	1.49						7.51	*	1.75			7.50	
06/2016	-0.06		1.12		0.52		7.44		0.23	2.54	3.74	7.46	
07/2016	3.48						7.73		3.81			7.79	
08/2016	-0.04						7.66		0.13			7.74	
09/2016	-0.10		3.34				7.59		0.08	4.03		7.68	
10/2016	-2.16						7.30		-1.95			7.41	
11/2016	4.37	*					7.68		3.94			7.75	
12/2016	1.92	*	4.08	*	7.56	8.12	7.81		1.88	3.83	8.01	12.05	7.87
01/2017	2.32	*					7.98		2.01			8.01	
02/2017	3.54						8.27		3.87			8.33	
03/2017	0.03		5.98				8.20		0.06	6.03		8.27	
04/2017	0.76						8.21		1.06			8.31	
05/2017	0.41						8.19		1.28			8.37	
06/2017	0.75	*	1.94		8.03		8.20		0.70	3.06	9.27	8.37	
07/2017	2.27	*					8.35		1.98			8.49	
08/2017	0.48	*					8.33		0.31			8.46	
09/2017	2.56	*	5.39	*			8.51		2.13	4.48		8.60	
10/2017	2.78	*					8.71		2.29			8.75	
11/2017	2.55						8.88		3.05			8.97	
12/2017	1.67	*	7.17	*	12.94	*	8.97		1.11	6.59	11.36	21.69	9.00

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SWBNO - Chicago Equity

Historical Data and Rate of Return

Period Ending December 31, 2017

Date	Market Value	Flow	Income	Weighted Flow	Fees	ROR	Unit Value
5/2006	20,707,651	21,628,351	1,465		0		99.81
6/2006	20,920,301	-55,000	107,988	-1,827	0	1.52	101.33
7/2006	20,745,656	-160,000	58,600	-54,484	0	-0.08	101.25
8/2006	21,112,321	0	37,873	198	0	1.74	103.01
9/2006	21,643,549	-108,883	93,765	-109,926	0	3.01	106.11
10/2006	22,472,882	0	72,915	38	0	3.79	110.13
11/2006	22,737,407	-100,000	34,957	-69,962	0	1.59	111.88
12/2006	22,761,310	-200,000	114,959	-122,191	0	0.95	112.94
1/2007	23,169,413	0	87,955	-19	0	1.75	114.92
2/2007	22,641,280	0	38,517	37	0	-2.31	112.27
3/2007	22,979,188	0	92,115	0	0	1.46	113.90
4/2007	23,907,128	0	64,840	-2,538	0	4.00	118.46
5/2007	24,676,263	-50,000	44,642	-22,509	0	3.39	122.48
6/2007	23,924,846	-150,000	90,452	-65,665	0	-2.48	119.44
7/2007	22,876,465	0	62,661	55	0	-4.41	114.17
8/2007	22,983,561	-50,000	73,710	-12,860	0	0.65	114.91
9/2007	23,643,726	-50,000	145,252	-10,000	0	3.05	118.42
10/2007	23,941,912	-50,000	78,780	-20,849	0	1.44	120.12
11/2007	22,857,618	0	85,859	29,471	0	-4.55	114.66
12/2007	22,700,923	-100,000	151,210	-80,645	0	-0.28	114.34
1/2008	21,043,920	31,825	74,306	37,495	0	-6.61	106.78
2/2008	20,231,284	-250,000	47,365	-137,931	0	-2.70	103.90
3/2008	19,637,432	-230,428	87,290	-309,677	0	-0.99	102.87
4/2008	20,932,648	2,139	62,170	71	0	6.55	109.61
5/2008	21,438,581	123,201	41,793	12,007	0	2.37	112.20
6/2008	19,978,159	3,792	105,823	50	0	-6.85	104.52
7/2008	19,672,593	120,455	49,398	52,847	0	-1.57	102.88
8/2008	19,735,586	3,514	40,120	227	0	0.27	103.15
9/2008	17,695,376	-90,071	102,325	6,863	0	-9.63	93.22
10/2008	14,464,436	-198,002	53,090	-96,710	0	-17.16	77.22
11/2008	13,487,656	4,593	49,243	816	0	-6.79	71.98
12/2008	13,793,936	2,503	98,048	646	0	2.22	73.58

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SWBNO - Chicago Equity Historical Data and Rate of Return Period Ending December 31, 2017

Date	Market Value	Flow	Income	Weighted Flow	Fees	ROR	Unit Value
1/2009	12,700,530	3,269	28,082	1,990	0	-7.82	67.82
2/2009	11,413,982	3,278	19,079	585	0	-9.94	61.08
3/2009	12,187,255	-68,690	48,990	-33,476	0	7.12	65.43
4/2009	13,497,772	4,176	26,486	20,708	0	10.65	72.40
5/2009	14,165,116	-97,463	13,711	-9,067	0	5.86	76.64
6/2009	14,212,217	78,555	47,910	36,655	0	0.11	76.72
7/2009	15,356,892	4,729	21,157	2,941	0	7.97	82.83
8/2009	15,870,716	3,467	14,085	1,646	0	3.47	85.70
9/2009	16,582,809	2,928	45,262	1,438	0	4.28	89.37
10/2009	16,196,404	1,970	19,066	953	0	-2.36	87.27
11/2009	17,037,585	1,847	21,564	794	0	5.29	91.88
12/2009	17,443,770	-14,803	51,167	201	0	2.69	94.35
1/2010	16,852,866	1,514	26,789	586	0	-3.44	91.10
2/2010	17,487,863	1,658	12,511	651	0	3.87	94.63
3/2010	18,537,066	1,686	47,776	817	0	5.79	100.10
4/2010	18,976,226	1,555	23,966	726	0	2.24	102.35
5/2010	17,474,375	1,646	10,904	690	0	-7.73	94.44
6/2010	16,501,523	15,078	52,617	12,339	0	-5.69	89.06
7/2010	17,718,935	90,981	18,338	86,021	0	6.78	95.10
8/2010	16,705,063	-97,914	18,966	-41,002	0	-5.01	90.33
9/2010	18,317,445	2,343	58,006	1,093	0	9.38	98.80
10/2010	18,915,175	-94,280	17,749	-92,517	0	3.86	102.62
11/2010	18,945,507	-97,760	19,690	-48,955	0	0.74	103.38
12/2010	19,880,591	-252,285	70,528	-71,047	0	6.04	109.62
1/2011	20,390,433	2,249	17,018	871	0	2.53	112.40
2/2011	20,982,020	-38,802	18,947	-34,906	0	3.96	116.85
3/2011	21,233,129	-4,215	58,777	32,423	0	1.51	118.61
4/2011	21,783,685	-101,776	20,465	-30,400	0	3.04	122.22
5/2011	21,642,186	37,080	22,103	-5,918	0	-0.02	122.19
6/2011	21,232,312	-184,546	66,409	-94,618	0	-1.09	120.86
7/2011	20,705,132	18,707	20,620	16,630	0	-2.50	117.84
8/2011	19,550,787	1,852	20,463	299	0	-5.44	111.43
9/2011	18,091,163	26,070	63,059	12,777	0	-7.62	102.94

SWBNO - Chicago Equity Historical Data and Rate of Return Period Ending December 31, 2017

Date	Market Value	Flow	Income	Weighted Flow	Fees	ROR	Unit Value
10/2011	20,190,628	12,859	25,612	9,696	0	11.54	114.82
11/2011	19,962,743	-202,794	23,665	-94,120	0	0.11	114.95
12/2011	20,002,337	-53,981	77,537	-13,082	0	0.47	115.49
1/2012	20,922,671	92,846	25,569	20,317	0	4.52	120.71
2/2012	21,942,010	137,355	21,029	98,889	0	5.16	126.94
3/2012	22,683,572	-96,889	124,078	-12,502	0	3.35	131.20
4/2012	22,533,637	3,331	52,378	444	0	-0.61	130.40
5/2012	21,103,215	81,918	52,999	57,641	0	-6.46	121.97
6/2012	21,822,615	22,887	130,940	17,587	0	3.37	126.08
7/2012	22,188,163	-1,013	59,914	5,505	0	1.64	128.15
8/2012	22,246,578	-454,444	50,366	-112,257	0	2.38	131.20
9/2012	22,710,194	3,424	160,381	380	0	2.05	133.89
10/2012	22,455,815	3,056	61,656	591	0	-1.16	132.33
11/2012	22,471,940	8,922	27,660	1,190	0	0.33	132.77
12/2012	22,065,689	-593,474	141,250	-468,045	0	0.57	133.53
1/2013	22,904,749	-344,668	50,636	-67,586	0	5.45	140.81
2/2013	23,278,388	3,412	23,373	366	0	1.71	143.22
3/2013	24,222,523	2,490	61,285	451	0	3.88	148.79
4/2013	24,498,819	3,899	36,521	650	0	1.06	150.36
5/2013	24,966,417	78,631	28,656	23,489	0	2.00	153.37
6/2013	24,652,732	3,079	72,937	941	0	-1.39	151.25
7/2013	26,126,729	2,728	37,077	528	0	5.92	160.21
8/2013	25,238,458	64,279	25,262	31,788	0	-3.28	154.95
9/2013	26,166,765	-115,833	68,505	8,038	0	4.06	161.24
10/2013	27,305,027	3,299	31,089	319	0	4.29	168.16
11/2013	28,051,019	3,446	27,753	459	0	2.87	172.99
12/2013	28,699,395	2,992	83,491	483	0	2.11	176.64
1/2014	27,823,047	304,077	29,559	87,452	0	-3.09	171.18
2/2014	29,101,373	2,835	25,117	304	0	4.72	179.26
3/2014	29,549,107	27	78,321	-2,230	0	1.38	181.73
4/2014	29,572,646	285,860	40,655	263,391	0	0.02	181.76
5/2014	30,237,382	1,588	30,593	491	0	2.36	186.05

SWBNO - Chicago Equity Historical Data and Rate of Return Period Ending December 31, 2017

Date	Market Value	Flow	Income	Weighted Flow	Fees	ROR	Unit Value
6/2014	30,959,947	882,649	171,933	544,699	0	2.13	190.01
7/2014	30,616,632	9,340	64,206	5,965	0	-1.14	187.84
8/2014	30,040,149	-1,851,105	58,105	-975,449	0	4.53	196.35
9/2014	29,475,550	4,631	149,613	717	0	-1.89	192.63
10/2014	29,027,344	-946,148	74,158	497	0	1.75	196.01
11/2014	29,584,068	-37,482	52,583	-8,461	0	2.05	200.03
12/2014	29,541,572	4,264	145,323	275	0	-0.16	199.71
1/2015	28,971,542	4,244	74,530	692	0	-1.94	195.83
2/2015	30,637,581	-77,072	138,818	-77,397	0	6.03	207.64
3/2015	30,464,828	237,977	153,835	91,448	0	-0.56	206.48
4/2015	28,454,668	-1,745,425	87,025	-1,722,469	0	-0.52	205.41
5/2015	28,987,776	-99,602	405,671	-63,950	0	2.52	210.59
6/2015	26,758,106	-1,765,746	69,929	-295,698	0	-1.62	207.18
7/2015	27,063,146	107,584	36,427	90,053	0	0.74	208.70
8/2015	24,461,484	-946,267	31,319	-550,890	0	-6.24	195.67
9/2015	24,097,859	4,183	67,735	700	0	-1.50	192.73
10/2015	25,271,771	-616,600	25,267	-484,506	0	7.58	207.35
11/2015	25,434,795	4,720	63,001	786	0	0.63	208.64
12/2015	25,038,705	92,894	67,667	21,605	0	-1.92	204.64
1/2016	22,450,328	-1,231,120	34,131	-915,539	0	-5.63	193.12
2/2016	22,239,181	-40,393	28,519	480	21,937	-0.76	191.65
3/2016	23,606,828	3,189	70,609	723	0	6.14	203.41
4/2016	23,541,864	4,096	26,980	693	0	-0.29	202.82
5/2016	23,895,712	4,152	32,557	803	0	1.49	205.83
6/2016	23,876,834	-3,884	72,243	-6,529	0	-0.06	205.70
7/2016	24,713,400	4,338	36,795	8,108	0	3.48	212.87
8/2016	24,707,065	4,629	52,139	896	0	-0.04	212.77
9/2016	24,592,374	-91,029	66,310	-38,007	20,960	-0.10	212.57
10/2016	24,066,223	4,939	40,570	977	0	-2.16	207.98
11/2016	24,803,280	-305,130	26,483	-237,342	0	4.37	217.08
12/2016	25,238,655	-41,353	63,261	-27,495	21,623	1.92	221.25
1/2017	25,529,886	-290,912	55,036	-180,023	0	2.32	226.39

SWBNO - Chicago Equity Historical Data and Rate of Return Period Ending December 31, 2017

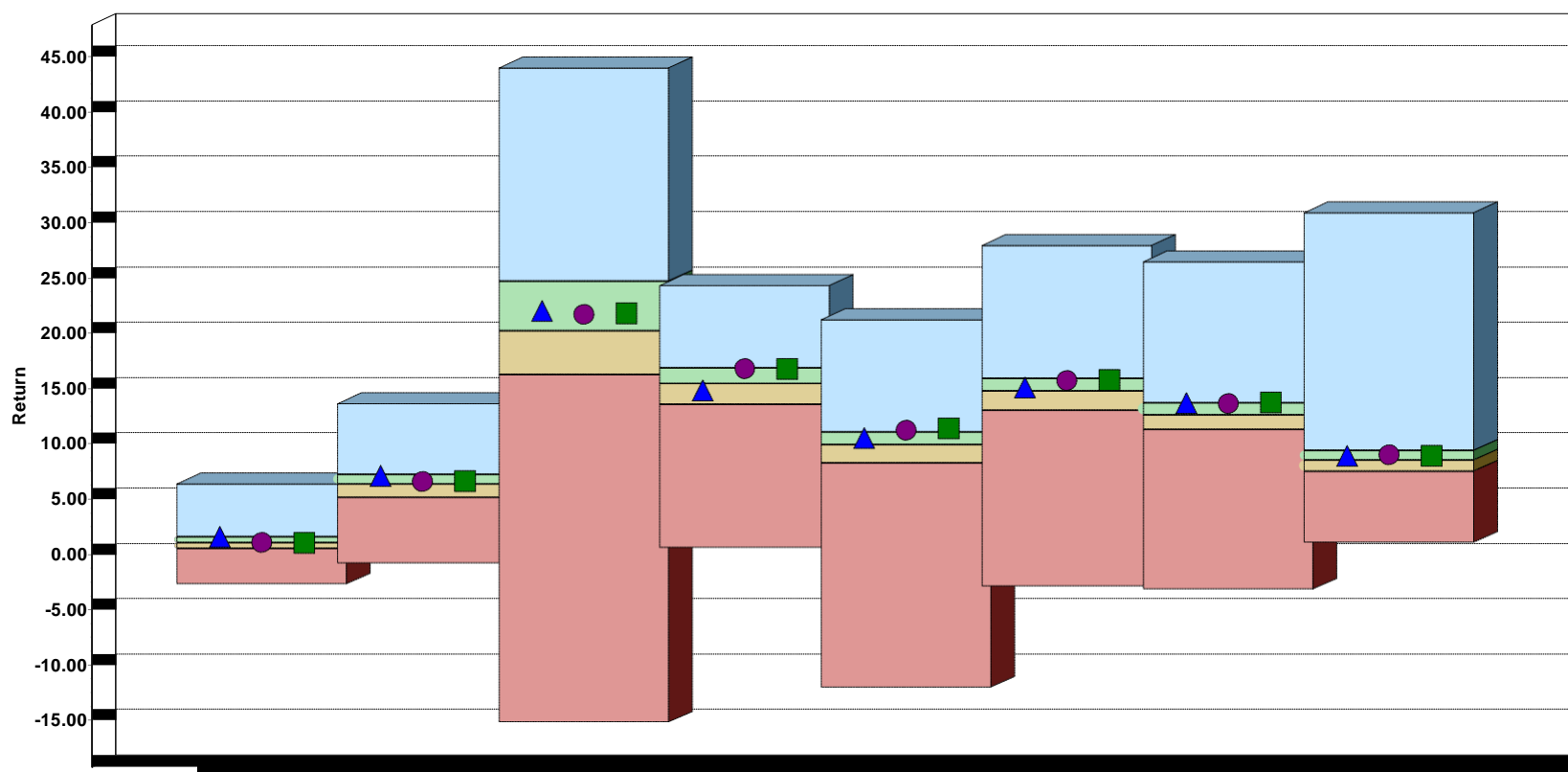
Date	Market Value	Flow	Income	Weighted Flow	Fees	ROR	Unit Value
2/2017	26,386,714	-47,169	23,949	-22,910	0	3.54	234.42
3/2017	26,398,275	3,282	66,860	748	0	0.03	234.49
4/2017	26,603,122	3,402	41,330	578	0	0.76	236.28
5/2017	26,407,512	-303,099	25,806	-255,921	23,244	0.41	237.24
6/2017	26,608,979	2,860	67,268	762	0	0.75	239.03
7/2017	27,212,040	1,406	40,396	-87,225	0	2.27	244.45
8/2017	27,312,649	-29,076	35,667	-11,075	0	0.48	245.61
9/2017	27,505,057	-497,187	62,837	-365,917	0	2.56	251.90
10/2017	28,272,341	3,068	46,709	701	0	2.78	258.90
11/2017	22,470,902	-6,435,641	37,146	-3,433,309	0	2.55	265.51
12/2017	22,848,180	1,263	50,349	728	0	1.67	269.95

SWBNO - Chicago Equity

Quartile Ranking Analysis - Return

Universe: PSN Large Cap

Period Ending December 31, 2017



<div><div></div><div></div><div></div><div></div><div></div></div>	Highest Value	6.43	13.67	43.94	24.29	21.24	27.94	26.47	30.85								
	First Quartile	1.63	7.30	24.73	16.87	11.09	15.94	13.71	9.42								
	Median Value	1.13	6.42	20.19	15.45	9.98	14.78	12.65	8.57								
	Third Quartile	0.60	5.21	16.24	13.59	8.25	13.04	11.31	7.57								
	Lowest Value	-2.66	-0.77	-15.10	0.61	-11.97	-2.86	-3.12	1.11								
	Mean	1.12	6.16	20.56	14.98	9.49	14.20	12.28	8.46								
	Members	606	607	605	605	587	552	506	392								
		Month to Date		Latest 3 Months		One Year		Two Years		Three Years		Five Years		Seven Years		Since Inception*	
		Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
▲ Chicago Equity		1.67	22	7.17	28	22.01	37	14.86	58	10.57	38	15.12	41	13.74	24	8.97	36
● Russell 1000		1.11	50	6.59	44	21.69	39	16.77	26	11.23	23	15.71	29	13.66	25	9.00	35
■ S&P 500		1.11	50	6.64	42	21.83	38	16.79	26	11.41	20	15.79	27	13.76	24	8.93	38

*Inception: May 2006

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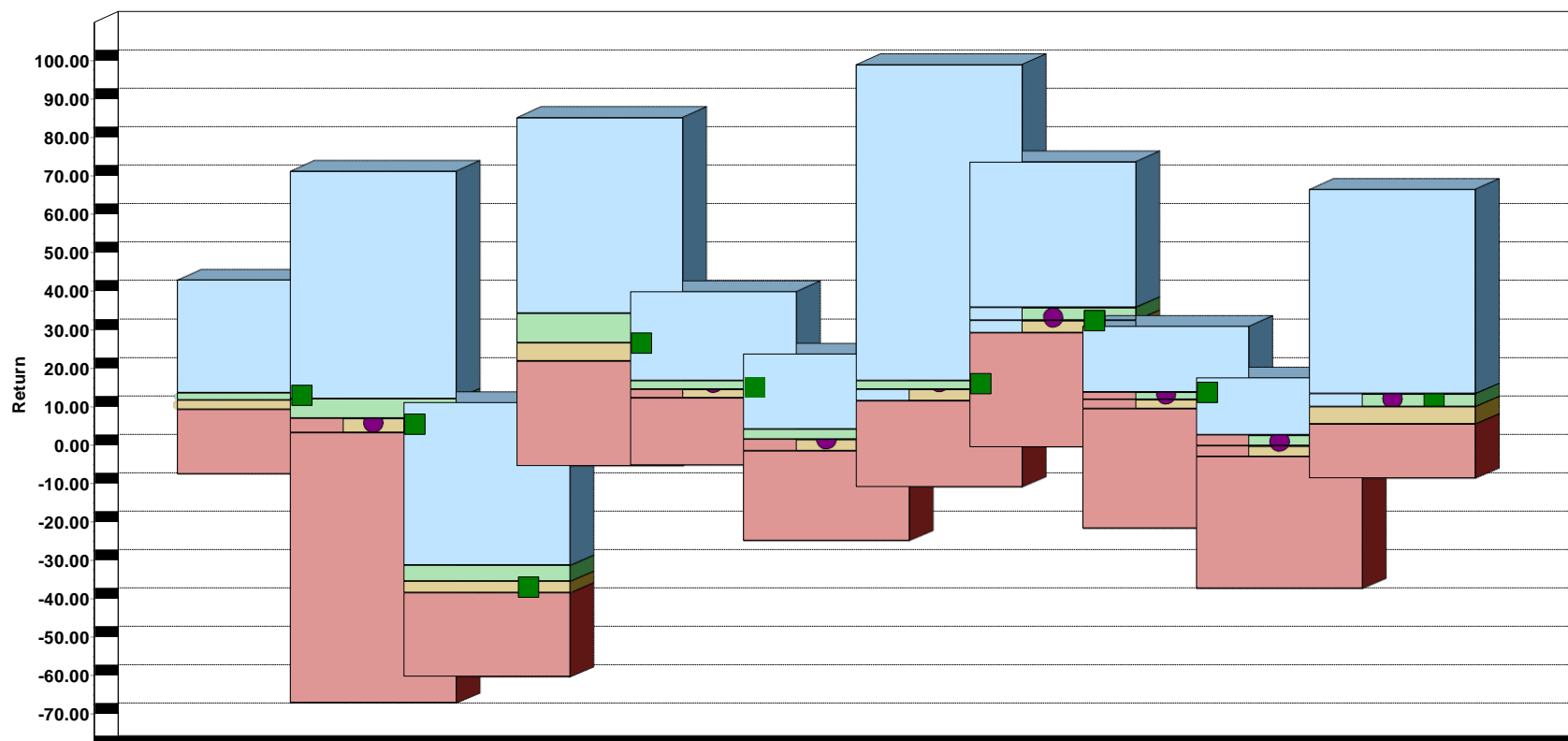
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SWBNO - Chicago Equity

Quartile Ranking Analysis - Return

Universe: PSN Large Cap

Period Ending December 31, 2016



	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Highest Value	42.87	71.08	11.11	85.15	39.97	23.67	98.85	73.67	30.94	17.46	66.45
First Quartile	13.56	12.02	-31.31	34.29	16.72	4.03	16.71	35.70	13.67	2.68	13.39
Median Value	11.62	6.89	-35.50	26.60	14.41	1.38	14.51	32.41	11.78	-0.14	9.89
Third Quartile	9.15	3.11	-38.52	21.87	12.24	-1.51	11.48	29.08	9.39	-3.14	5.46
Lowest Value	-7.65	-67.06	-60.35	-5.46	-5.28	-24.82	-10.92	-0.61	-21.62	-37.43	-8.64
Mean	11.22	7.84	-34.65	28.71	14.68	1.38	14.31	31.83	11.40	-0.49	9.69
Members	598	661	703	737	776	809	844	869	888	890	890

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Return	13.16	1.23	-35.65	28.23	16.19	5.35	15.62	32.28	13.06	2.47	8.12
Rank	29	82	50	43	29	17	37	51	33	26	61

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Return	12.51	5.77	-37.60	28.43	16.10	1.50	16.42	33.11	13.24	0.92	12.05
Rank	37	58	69	42	30	48	27	43	31	40	33

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Return	12.90	5.49	-37.00	26.46	15.06	2.11	16.00	32.39	13.69	1.38	11.96
Rank	32	60	64	50	40	39	32	50	24	35	34

*Inception: May 2006

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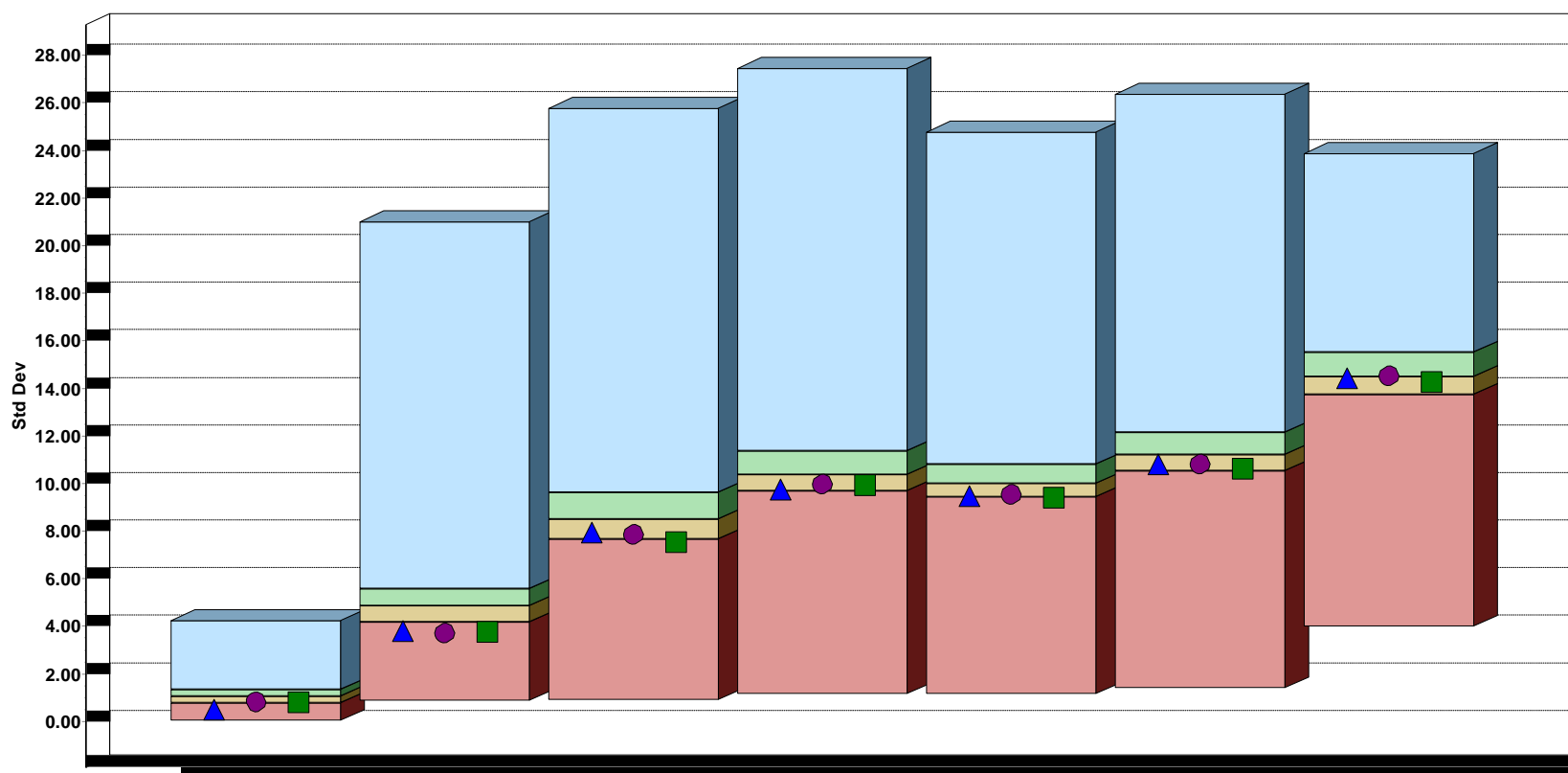
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SWBNO - Chicago Equity

Quartile Ranking Analysis - Risk

Universe: PSN Large Cap

Period Ending December 31, 2017



	Latest 3 Months	One Year	Two Years	Three Years	Five Years	Seven Years	Since Inception*
Highest Value	4.23	20.98	25.78	27.45	24.76	26.35	23.86
First Quartile	1.33	5.57	9.61	11.38	10.79	12.13	15.51
Median Value	1.04	4.85	8.52	10.37	9.99	11.21	14.47
Third Quartile	0.77	4.16	7.65	9.68	9.44	10.52	13.74
Lowest Value	0.02	0.88	0.91	1.15	1.15	1.39	3.97
Mean	1.13	5.04	8.73	10.53	10.13	11.28	14.55
Members	606	604	601	583	548	504	392

	Latest 3 Months		One Year		Two Years		Three Years		Five Years		Seven Years		Since Inception*	
	Std Dev	Rank	Std Dev	Rank	Std Dev	Rank	Std Dev	Rank	Std Dev	Rank	Std Dev	Rank	Std Dev	Rank
▲ Chicago Equity	0.48	92	3.80	84	7.94	65	9.75	73	9.48	73	10.82	64	14.44	51
● Russell 1000	0.80	72	3.71	88	7.83	69	9.97	66	9.51	70	10.81	65	14.52	46
■ S&P 500	0.81	70	3.77	86	7.55	77	9.92	67	9.41	76	10.61	71	14.26	57

*Inception: May 2006

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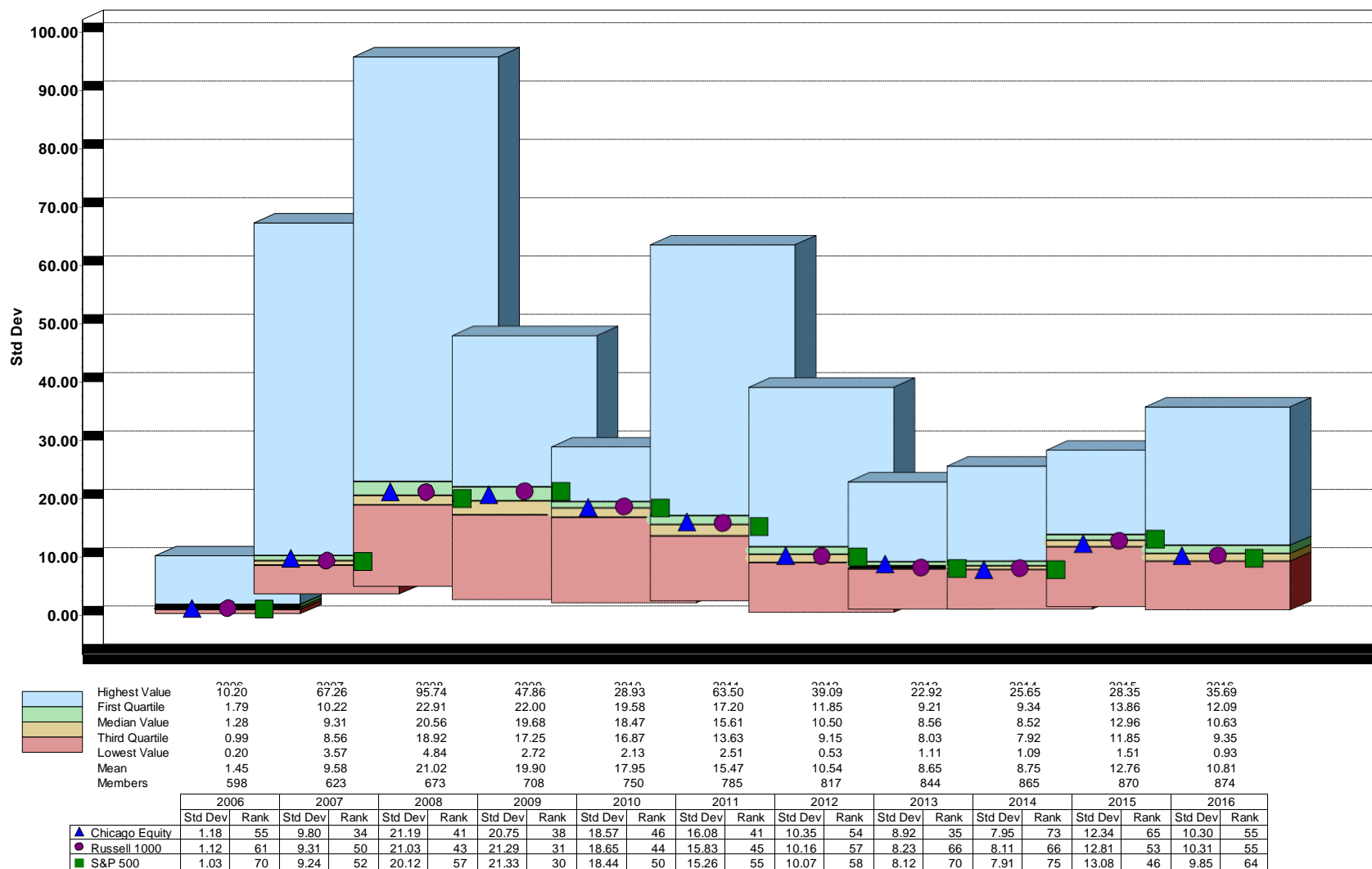
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SWBNO - Chicago Equity

Quartile Ranking Analysis - Risk

Universe: PSN Large Cap

Period Ending December 31, 2016



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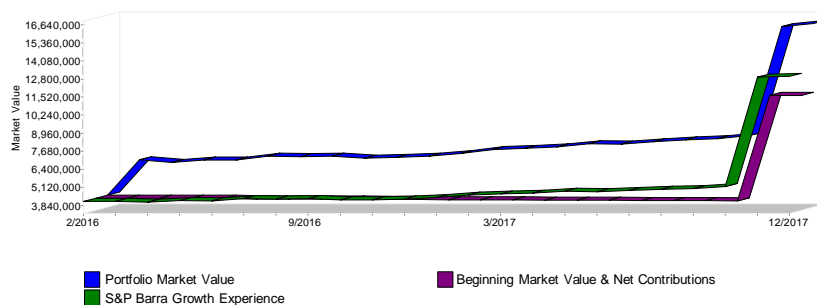


SWBNO - iShares S&P 500 Growth ETF

Executive Account Summary

Period Ending December 31, 2017

Source of Portfolio Growth
Inception February 29, 2016 Through December 31, 2017

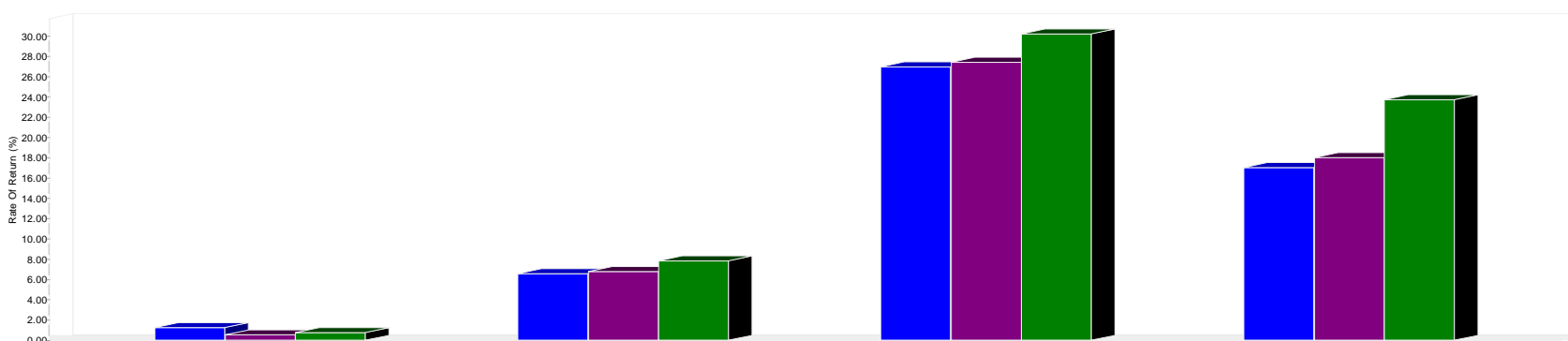


	Dollars	
	Latest Quarter	Since Inception
Beginning Value	8,120,121	4,126,614
Net Contribution	7,458,884	7,291,160
Investment Return	699,064	4,860,294
Ending Value	16,278,069	16,278,069

Statement Of Changes

Portfolio Value 09/30/2017	8,120,121
Net Income (Loss)	
Dividend Income	57,039
Interest Income	3,565
Unrealized Gains/Losses	638,460
Net Transfers In (Out)	
Funds Added	7,490,000
Funds Withdrawn	(31,116)
Portfolio Value 12/31/2017	16,278,069

Performance Analysis
February 29, 2016 through December 31, 2017



	Month to Date	Latest Quarter	One Year	Since Inception
iShares S&P 500 Growth ETF	1.25	6.58	26.96	17.05
S&P Barra Growth	0.58	6.80	27.44	18.04
Russell 1000 Growth	0.78	7.86	30.21	23.72

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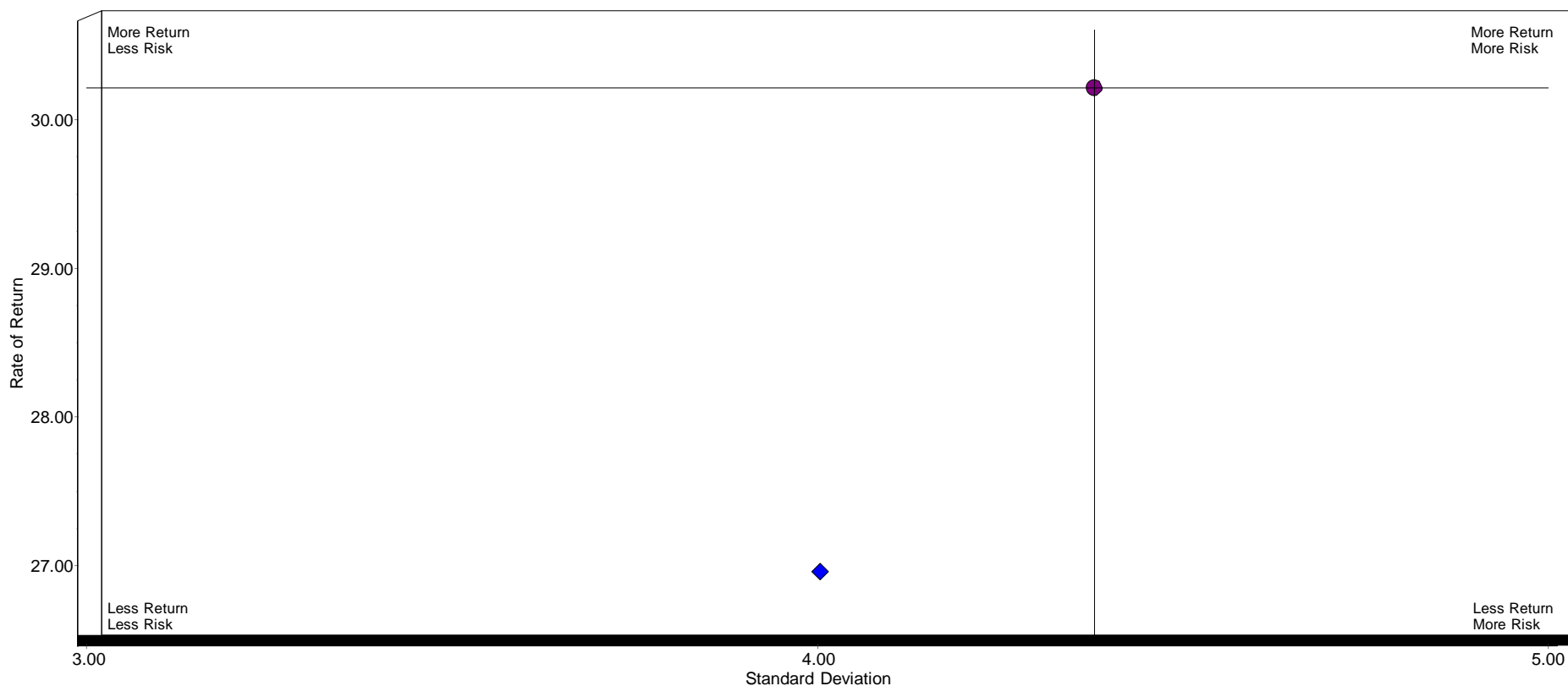
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SWBNO - iShares S&P 500 Growth ETF

Risk Reward Analysis

December 31, 2016 Through December 31, 2017



	Return	Std Dev	Alpha	Beta	R-Squared	Sharpe Ratio
◆ iShares S&P 500 Growth ETF	26.96	4.00	0.73	0.87	90.57	6.49
● Russell 1000 Growth	30.21	4.38	0.00	1.00	100.00	6.68

Risk Index: Russell 1000 Growth

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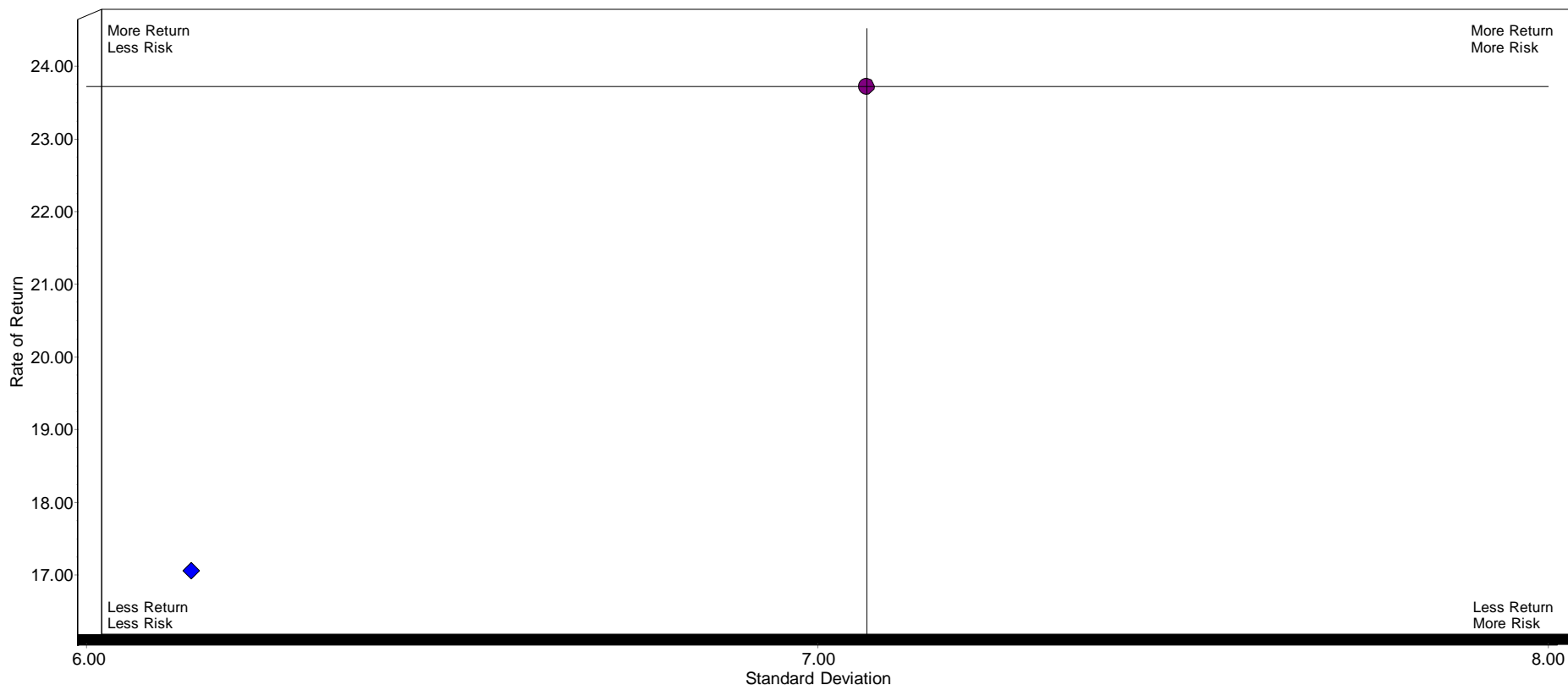
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SWBNO - iShares S&P 500 Growth ETF

Risk Reward Analysis

February 29, 2016 Through December 31, 2017



	Return	Std Dev	Alpha	Beta	R-Squared	Sharpe Ratio
◆ iShares S&P 500 Growth ETF	17.05	6.14	2.43	0.61	50.37	2.67
● Russell 1000 Growth	23.72	7.07	0.00	1.00	100.00	3.26

Risk Index: Russell 1000 Growth

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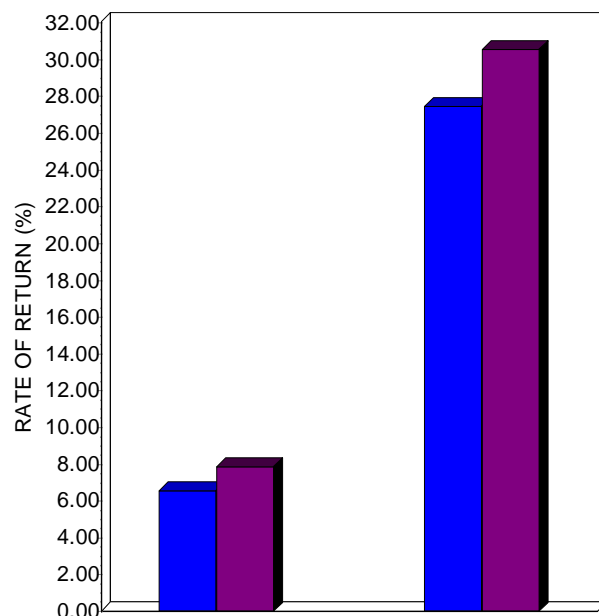


SWBNO - iShares S&P 500 Growth ETF

Market Cycle Analysis

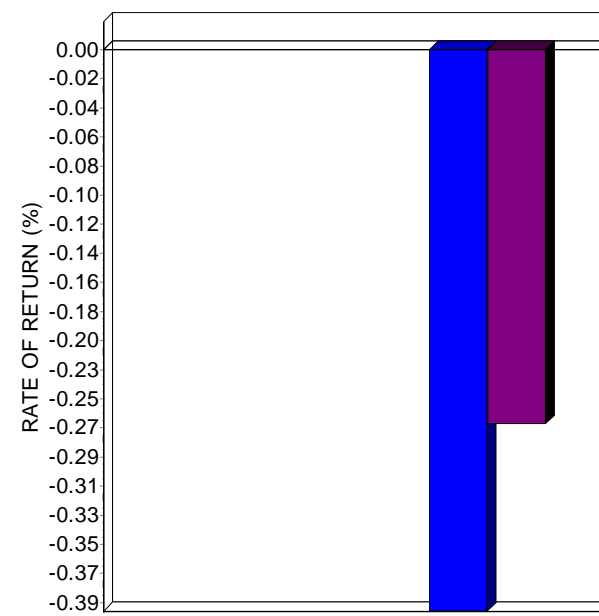
Period Ending December 31, 2017

Up Market Performance



	Latest Quarter	One Year
iShares S&P 500 Growth ETF	6.58	27.46
Russell 1000 Growth	7.86	30.56
Difference	-1.29	-3.09
Ratio	0.84	0.90
Up Periods	3	11

Down Market Performance



	Latest Quarter	One Year
iShares S&P 500 Growth ETF	N/A	-0.40
Russell 1000 Growth	N/A	-0.26
Difference	N/A	-0.13
Ratio	N/A	1.50
Down Periods	0	1

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SWBNO - iShares S&P 500 Growth ETF

Time Weighted Rates of Return

Period Ending December 31, 2017

ACCOUNT						RUSSELL 1000 GROWTH				
Date	Monthly	Quarterly	Semi Annually	Annually	Since 02/2016	Monthly	Quarterly	Semi Annually	Annually	Since 02/2016
03/2016	0.00				0.00	6.74				6.74
04/2016	-2.68				-2.68	-0.91				5.77
05/2016	2.56	*			-0.19	1.94				7.82
06/2016	-0.25	*	-0.44		-0.44	-0.39	0.61			7.40
07/2016	4.64				4.18	4.72				12.47
08/2016	-0.29	*			3.89	-0.50				11.91
09/2016	0.49	*	4.86	*	4.40	0.37	4.58			12.32
10/2016	-2.03	*			2.28	-2.35				9.68
11/2016	1.26				3.57	2.18				12.07
12/2016	1.51	*	0.70	5.59	5.13	1.24	1.01	5.64		13.46
01/2017	2.92				8.19	3.37				17.28
02/2017	4.08				12.61	4.15				22.15
03/2017	1.18	*	8.38		12.80	1.16	8.91			21.57
04/2017	1.99				13.74	2.29				22.23
05/2017	2.83	*			15.31	2.60				23.11
06/2017	-0.40		4.47	13.22	13.95	-0.26	4.67	13.99		21.28
07/2017	2.61				15.16	2.66				22.15
08/2017	1.45				15.36	1.83				22.27
09/2017	1.07		5.22		15.27	1.30	5.90			21.98
10/2017	3.29				16.70	3.87				23.56
11/2017	1.91				17.10	3.04				24.43
12/2017	1.25	*	6.58	12.14	26.96	0.78	7.86	14.23	30.21	23.72

* Account return greater than Benchmark return.

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SWBNO - iShares S&P 500 Growth ETF

Historical Data and Rate of Return

Period Ending December 31, 2017

Date	Market Value	Flow	Income	Weighted Flow	Fees	ROR	Unit Value
2/2016	4,126,614	0	0		0		181.61
3/2016	6,637,500	0	0	0	0	0.00	181.61
4/2016	6,459,507	0	698	0	0	-2.68	176.74
5/2016	6,624,203	-603	596	0	0	2.56	181.27
6/2016	6,603,436	-4,230	31,971	0	0	-0.25	180.81
7/2016	6,879,154	-30,906	3,165	-2,096	0	4.64	189.21
8/2016	6,855,464	-4,001	4,001	-774	0	-0.29	188.67
9/2016	6,885,285	-3,987	27,039	-266	0	0.49	189.60
10/2016	6,745,317	0	3,865	-748	0	-2.03	185.75
11/2016	6,803,629	-26,917	4,006	0	0	1.26	188.09
12/2016	6,902,006	-4,007	32,442	-2,456	0	1.51	190.93
1/2017	7,070,367	-32,972	531	0	0	2.92	196.50
2/2017	7,358,740	0	707	0	0	4.08	204.51
3/2017	7,445,426	0	26,333	0	0	1.18	206.92
4/2017	7,564,474	-29,180	2,140	-1,945	0	1.99	211.04
5/2017	7,777,685	-1,080	1,081	0	0	2.83	217.02
6/2017	7,746,930	0	27,905	0	0	-0.40	216.16
7/2017	7,920,954	-27,905	564	-18,904	0	2.61	221.81
8/2017	8,035,130	-568	1,371	-293	0	1.45	225.02
9/2017	8,120,121	-1,367	30,516	-46	0	1.07	227.44
10/2017	8,355,837	-31,101	585	-6,020	0	3.29	234.92
11/2017	16,076,568	7,489,985	1,179	3,744,992	0	1.91	239.40
12/2017	16,278,069	0	58,840	0	0	1.25	242.40

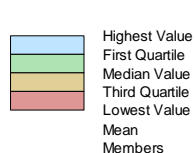
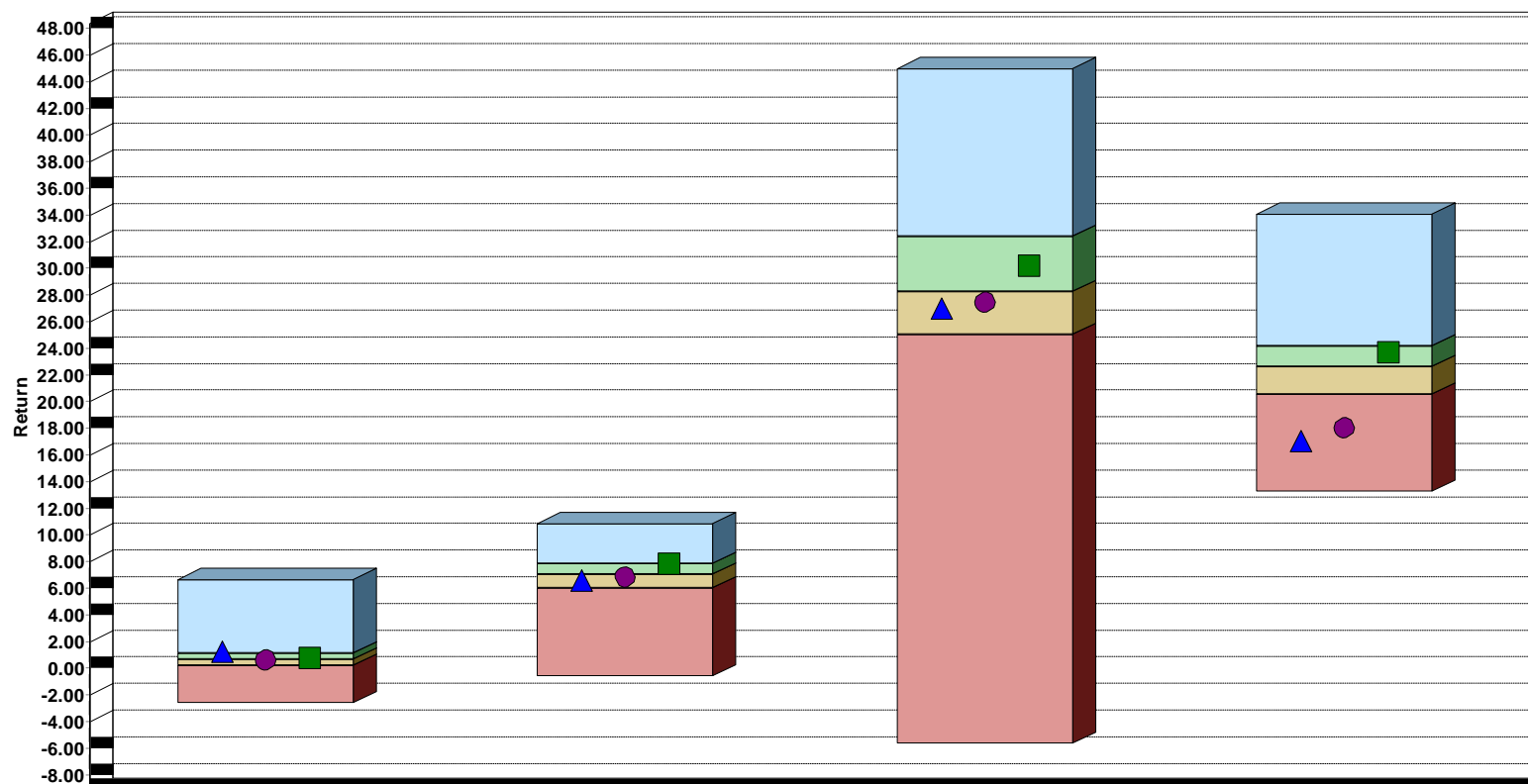
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SWBNO - iShares S&P 500 Growth ETF

Quartile Ranking Analysis - Return

Universe: PSN Large Cap Growth

Period Ending December 31, 2017



	Month to Date		Latest 3 Months		One Year		Since Inception	
	6.64		10.83		44.96		34.04	
	1.13		7.84		32.35		24.13	
	0.67		7.03		28.25		22.58	
	0.17		6.02		25.01		20.56	
	-2.63		-0.60		-5.65		13.22	
	0.70		6.78		28.19		22.42	
	242		242		242		240	
	Month to Date		Latest 3 Months		One Year		Since Inception	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank
▲ iShares S&P 500 Growth ETF	1.25	19	6.58	63	26.96	63	17.05	94
● S&P Barra Growth	0.58	57	6.80	56	27.44	58	18.04	90
■ Russell 1000 Growth	0.78	42	7.86	23	30.21	37	23.72	29

*Inception: February 2016

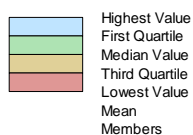
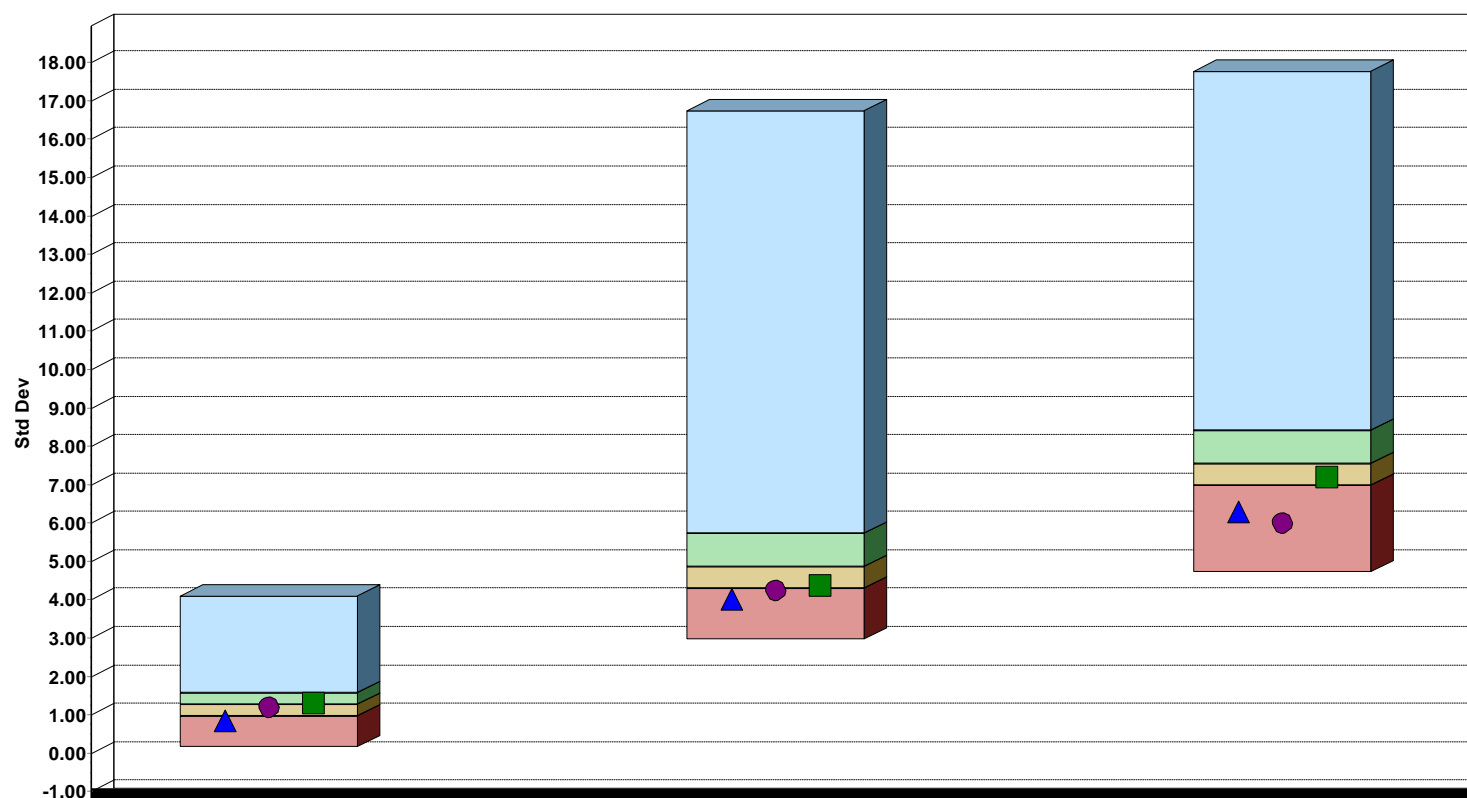
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SWBNO - iShares S&P 500 Growth ETF

Quartile Ranking Analysis - Risk

Universe: PSN Large Cap Growth

Period Ending December 31, 2017



Quarter to Date

One Year

Since Inception

	Quarter to Date		One Year		Since Inception	
	Std Dev	Rank	Std Dev	Rank	Std Dev	Rank
▲ iShares S&P 500 Growth ETF	0.85	83	4.00	85	6.29	92
● S&P Barra Growth	1.18	58	4.24	76	5.99	96
■ Russell 1000 Growth	1.31	44	4.38	69	7.19	66

*Inception: February 2016

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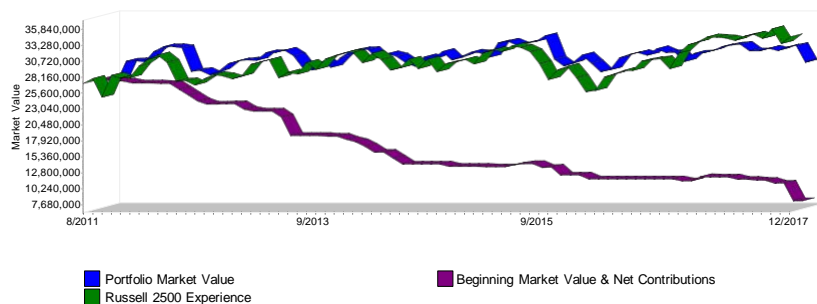
REPORT FAILURE LOG

Page 8) Part 2) Quartile	1Shares S&P 500 Growth ETF No data for chart
Page 10) Part 2) Quartile	1Shares S&P 500 Growth ETF No data for chart



SWBNO - New South Capital Executive Account Summary Period Ending December 31, 2017

Source of Portfolio Growth
Inception August 17, 2011 Through December 31, 2017

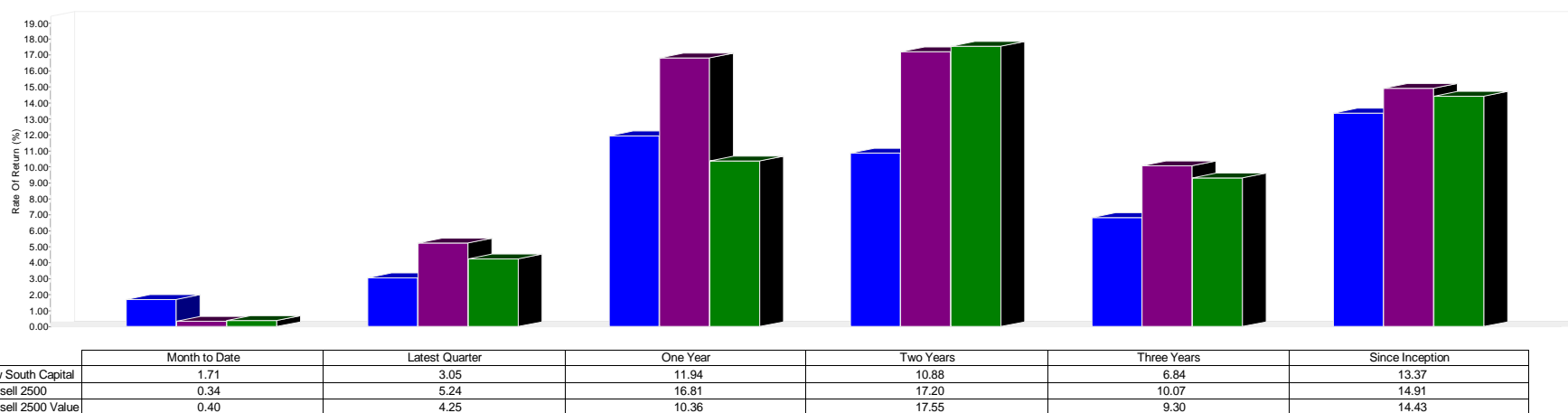


	Dollars	
	Latest Quarter	Since Inception
Beginning Value	31,989,720	27,094,788
Net Contribution	-2,864,735	-19,334,946
Investment Return	915,541	22,280,684
Ending Value	30,040,526	30,040,526

Statement Of Changes

Portfolio Value 09/30/2017	31,989,720
Net Income (Loss)	
Dividend Income	78,130
Interest Income	(3,478)
Realized Gains/Losses	424,078
Unrealized Gains/Losses	416,811
Net Transfers In (Out)	
Funds Added	10,947
Funds Withdrawn	(2,875,683)
Portfolio Value 12/31/2017	30,040,526

Performance Analysis
August 17, 2011 through December 31, 2017



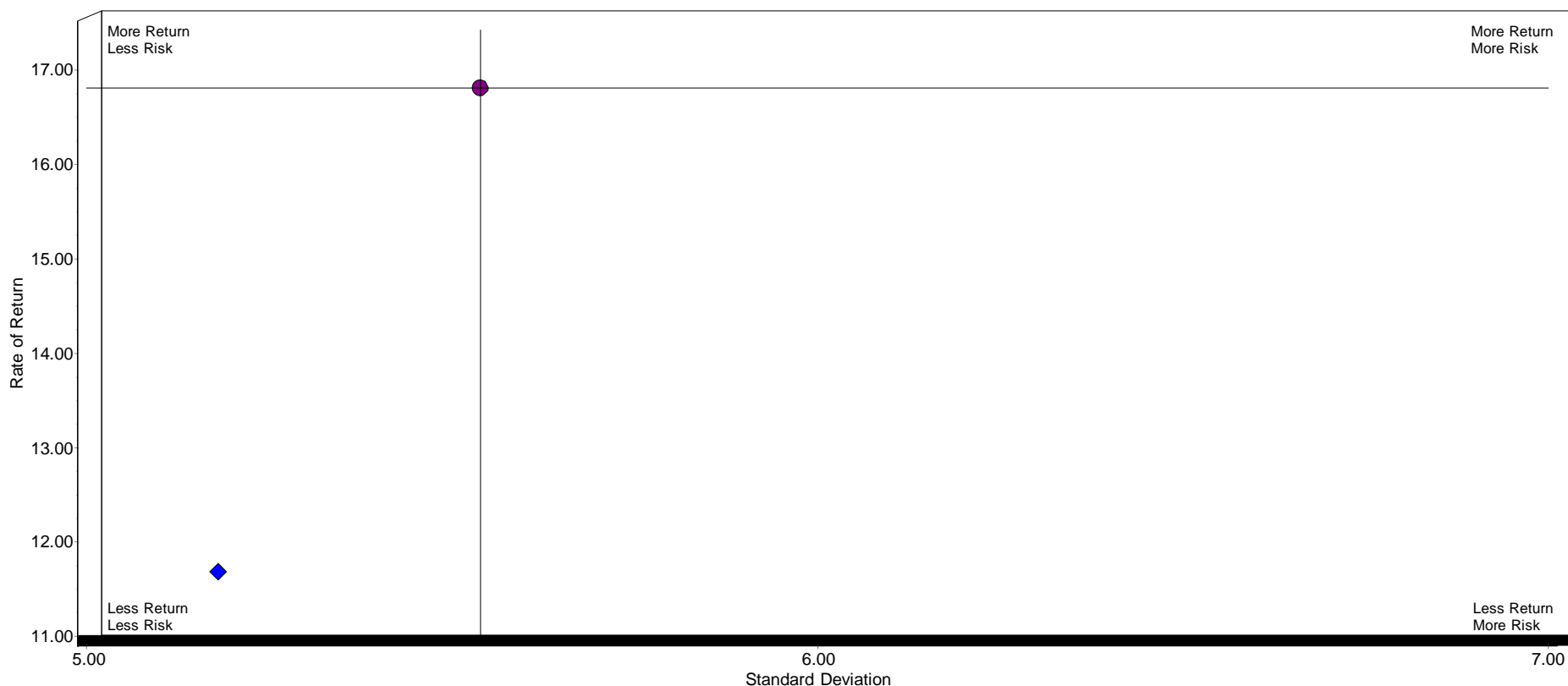
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SWBNO - New South Capital

Risk Reward Analysis

December 31, 2016 Through December 31, 2017



	Return	Std Dev	Alpha	Beta	R-Squared	Sharpe Ratio
◆ New South Capital	11.68	5.18	1.40	0.60	40.64	2.07
● Russell 2500	16.81	5.54	0.00	1.00	100.00	2.86

Risk Index: Russell 2500

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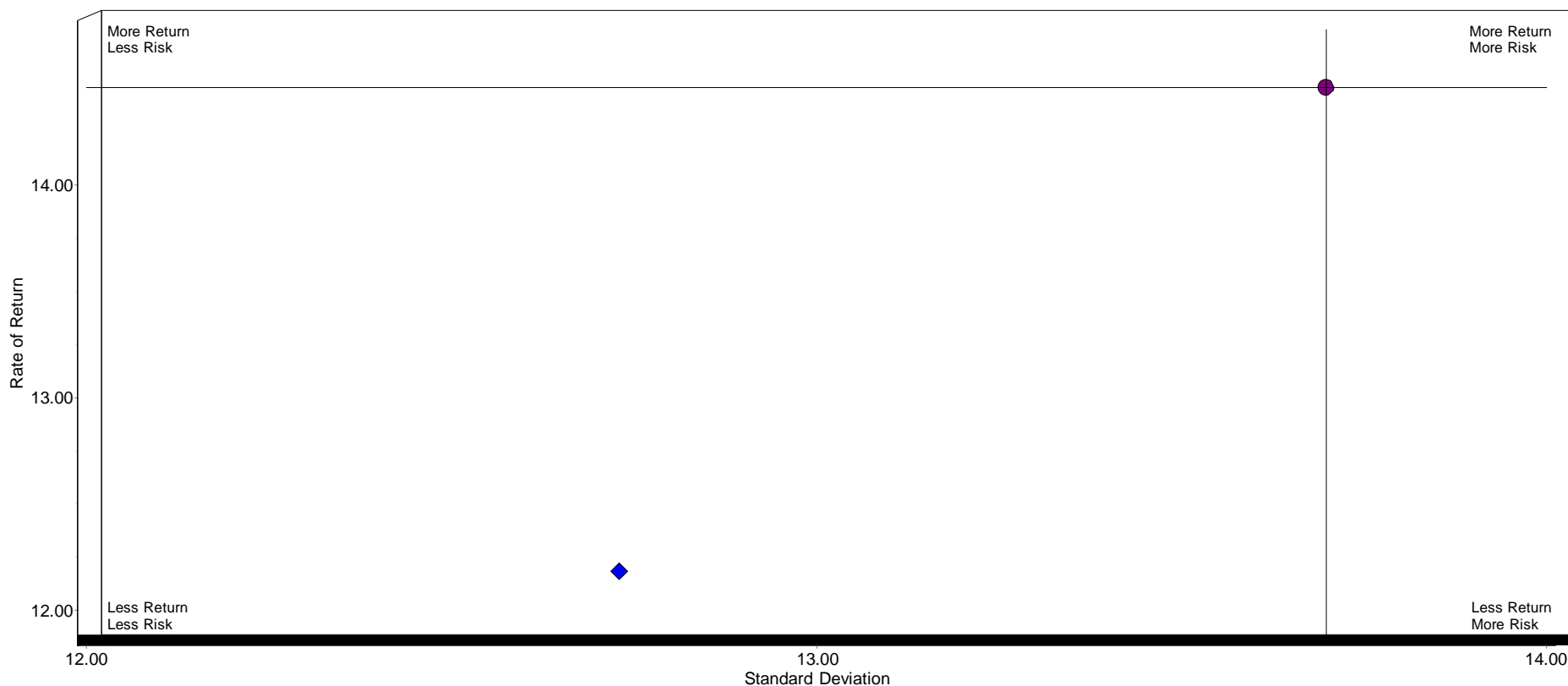
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SWBNO - New South Capital

Risk Reward Analysis

August 31, 2011 Through December 31, 2017



	Return	Std Dev	Alpha	Beta	R-Squared	Sharpe Ratio
◆ New South Capital	12.18	12.73	-0.07	0.85	84.44	0.94
● Russell 2500	14.46	13.70	0.00	1.00	100.00	1.04

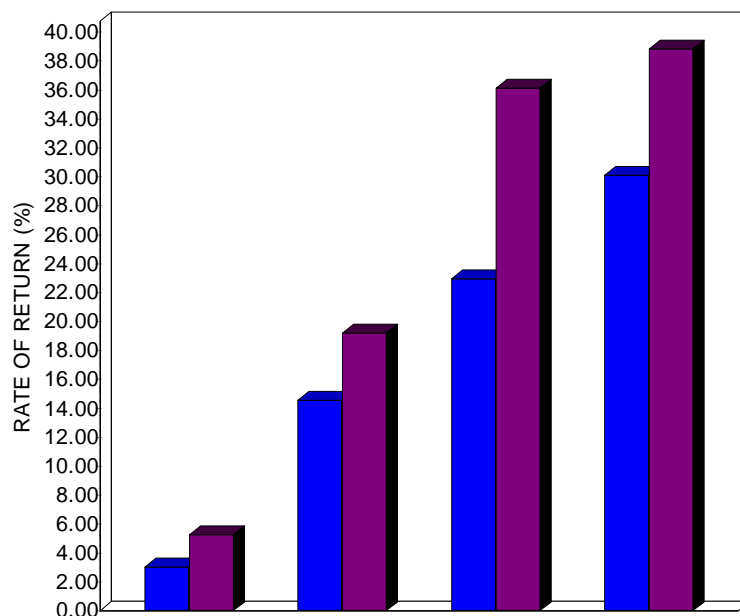
Risk Index: Russell 2500

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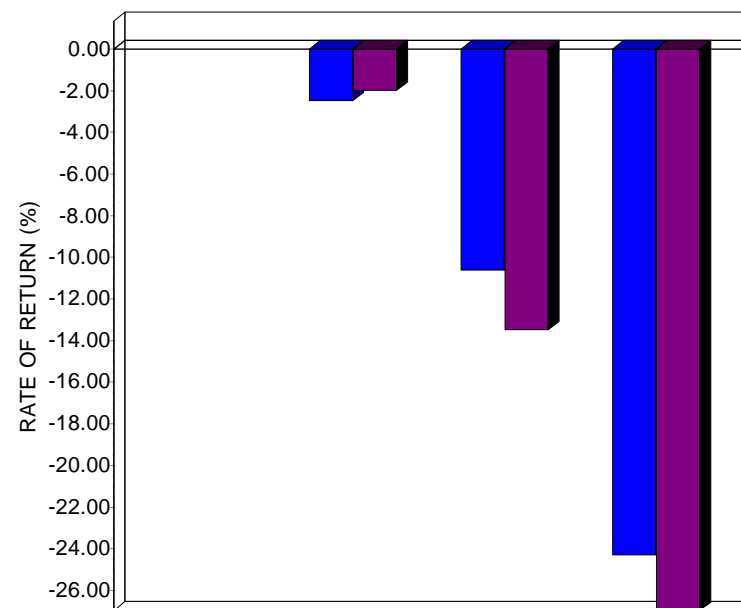
SWBNO - New South Capital Market Cycle Analysis Period Ending December 31, 2017

Up Market Performance



	Latest Quarter	One Year	Two Years	Three Years
New South Capital	3.05	14.55	22.97	30.10
Russell 2500	5.24	19.20	36.13	38.83
Difference	-2.19	-4.65	-13.16	-8.73
Ratio	0.58	0.76	0.64	0.78
Up Periods	3	9	18	23

Down Market Performance



	Latest Quarter	One Year	Two Years	Three Years
New South Capital	N/A	-2.50	-10.65	-24.31
Russell 2500	N/A	-2.01	-13.52	-26.99
Difference	N/A	-0.49	2.86	2.68
Ratio	N/A	1.25	0.79	0.90
Down Periods	0	3	6	13

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SWBNO - New South Capital Time Weighted Rates of Return Period Ending December 31, 2017

ACCOUNT							RUSSELL 2500						
Date	Monthly	Quarterly	Semi Annually		Annually	Since 08/2011	Monthly	Quarterly	Semi Annually	Annually	Since 08/2011		
09/2011	-9.69	*				-2.64	*	-10.80			-8.09		
10/2011	12.66					9.68	*	14.66			5.38		
11/2011	0.46	*				10.19	*	-0.35			5.02		
12/2011	0.47	*	13.71			10.71	*	0.23	14.52		5.26		
01/2012	5.78					17.11	*	6.65			12.25		
02/2012	2.42					19.94	*	3.71			16.42		
03/2012	0.01		8.35			19.95	*	2.15	12.99		18.92		
04/2012	-0.58	*				19.26	*	-0.73			18.06		
05/2012	-8.93					8.61		-6.83			9.99		
06/2012	3.87	*	-5.95		1.90	12.81		3.64	-4.14	8.31	14.00		
07/2012	0.84	*				13.75	*	-0.68			13.22		
08/2012	4.11	*				17.71	*	3.59			16.61		
09/2012	4.18	*	9.38	*		20.62	*	2.60	5.57		17.96		
10/2012	1.53	*				20.57	*	-1.05			15.61		
11/2012	0.29					19.39	*	1.54			15.89		
12/2012	2.84	*	4.71	*	14.53	*	20.55	*	2.61	3.10	8.84	17.88	17.04
01/2013	5.17					23.47	*	6.84			21.38		
02/2013	-0.02					22.05	*	1.15			21.01		
03/2013	1.31		6.52			21.78		4.43	12.85		23.08		
04/2013	0.15					20.72		0.31			22.05		
05/2013	3.62	*				22.06		3.09			23.00		
06/2013	-1.35		2.36	*	9.04	20.11		-1.09	2.27	15.42	21.16		
07/2013	5.04					22.21		6.53			24.12		
08/2013	-3.17					19.31		-3.16			21.11		
09/2013	5.81	*	7.62			21.68		5.73	9.08		23.40		
10/2013	3.39	*				22.63		3.23			24.20		
11/2013	2.31					22.94		2.66			24.65		
12/2013	1.53		7.40		15.59	26.04	22.83	2.54	8.66	18.53	36.80	25.00	
01/2014	-2.01	*				20.97		-2.28			22.89		
02/2014	5.36	*				22.72		5.07			24.47		
03/2014	-1.13		2.07			21.39		-0.36	2.30		23.43		
04/2014	-0.21	*				20.58		-2.31			21.58		
05/2014	1.01					20.34		1.17			21.38		
06/2014	5.34	*	6.19	*	8.39	*	21.88		4.78	3.57	5.95	22.68	
07/2014	-1.14	*				20.74	*	-4.92			19.91		
08/2014	4.03					21.69	*	4.94			21.22		
09/2014	-4.58	*	-1.86	*		19.25	*	-5.14	-5.35		18.58		

* Account return greater than Benchmark return.

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SWBNO - New South Capital Time Weighted Rates of Return Period Ending December 31, 2017

ACCOUNT								RUSSELL 2500							
Date	Monthly	Quarterly	Semi Annually		Annually		Since 08/2011	Monthly	Quarterly	Semi Annually	Annually	Since 08/2011			
10/2014	3.38						19.94	4.43				19.66			
11/2014	2.06	*					20.13	0.87				19.43			
12/2014	-0.23		5.27		3.31	*	11.97	*		6.77	1.06	7.07	19.39		
01/2015	-2.37						18.17	*					18.17		
02/2015	7.91	*					20.27	*					19.65		
03/2015	0.78		6.17	*			20.01	*	5.17				19.59		
04/2015	-1.76						18.95	*					18.54		
05/2015	-0.21						18.43						18.76		
06/2015	0.29	*	-1.68		4.38		18.09		-0.34	4.81			18.11		
07/2015	2.83	*					18.51	*					17.64		
08/2015	-9.34						15.26		-5.92				15.49		
09/2015	-3.57	*	-10.10	*			13.92	*	-4.47	-10.30			13.88		
10/2015	5.91	*					15.19	*	5.59				15.07		
11/2015	4.29	*					16.00	*	1.96				15.27		
12/2015	-4.28		5.73	*	-4.95	*	-0.79	*	14.52		-4.07	3.28	-7.36	-2.90	13.87
01/2016	-2.50	*					13.59	*	-7.97					11.50	
02/2016	1.24	*					13.63	*	0.70					11.45	
03/2016	6.92		5.55	*			15.02	*	8.33	0.39				13.17	
04/2016	1.59	*					15.12	*	1.47					13.28	
05/2016	0.91						15.06	*	2.11					13.52	
06/2016	-1.39		1.08		6.69	*	14.45	*	-0.04	3.57	3.98			13.27	
07/2016	3.63						15.02	*	5.22					14.20	
08/2016	-1.97						14.30	*	0.80					14.13	
09/2016	0.13		1.72				14.08	*	0.48	6.56				13.99	
10/2016	-4.68						12.80		-4.06					12.85	
11/2016	5.73						13.77		8.51					14.39	
12/2016	0.41		1.20		2.94		9.82		13.63		1.94	6.12	13.09	17.59	14.56
01/2017	2.75	*					13.98		1.39					14.61	
02/2017	2.22						14.21		2.41					14.87	
03/2017	0.73	*	5.80	*			14.13		-0.07	3.76				14.62	
04/2017	0.51						14.01		0.77					14.54	
05/2017	-2.03						13.39		-1.12					14.10	
06/2017	0.04		-1.49		4.22		13.20		2.50	2.13	5.97			14.36	
07/2017	1.99	*					13.38		1.04					14.35	
08/2017	-0.98						13.00		-0.83					13.98	
09/2017	3.20		4.22				13.39		4.54	4.74				14.60	
10/2017	0.78						13.34		1.55					14.68	

* Account return greater than Benchmark return.

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SWBNO - New South Capital **Time Weighted Rates of Return** **Period Ending December 31, 2017**

ACCOUNT						RUSSELL 2500					
Date	Monthly	Quarterly	Semi Annually	Annually	Since 08/2011	Monthly	Quarterly	Semi Annually	Annually	Since 08/2011	
11/2017	0.54				13.25	3.29				15.06	
12/2017	1.71	*	3.05	7.40	11.94	13.37	0.34	5.24	10.23	16.81	14.91

* Account return greater than Benchmark return.

Fund data is on a trade date basis and income is included in the fund returns on an accrual basis. Fund data is net of available flows and fees. Returns for longer than one year are annualized. All returns include reinvestment of income. FFC Capital Management has relied on the accuracy of the data provided by FIS Group, Inc. since inception through May 31, 2007. Data from inception to December 31, 2002 is on a Total Fund Composite return basis only. This report has been prepared for informational purposes only. It is based on information from sources believed to be reliable. No guarantee is made that the information is accurate or complete.

SWBNO - New South Capital Historical Data and Rate of Return Period Ending December 31, 2017

Date	Market Value	Flow	Income	Weighted Flow	Fees	ROR	Unit Value
8/2011	29,210,373	27,094,788	0		0		107.81
9/2011	26,379,031	576	16,368	58	0	-9.69	97.36
10/2011	29,721,873	2,444	37,115	394	0	12.66	109.68
11/2011	29,745,365	-111,595	49,351	-182,448	0	0.46	110.19
12/2011	29,573,639	-311,599	105,348	-160,284	0	0.47	110.71
1/2012	31,286,300	2,592	38,985	67	0	5.78	117.11
2/2012	32,046,705	3,527	5,581	122	0	2.42	119.94
3/2012	32,002,737	-45,915	75,745	-5,925	0	0.01	119.95
4/2012	31,821,865	3,800	127,872	-414	0	-0.58	119.26
5/2012	28,090,422	-953,395	5,581	-706,072	0	-8.93	108.61
6/2012	28,206,970	-946,943	86,405	-601,157	0	3.87	112.81
7/2012	27,492,637	-947,457	56,984	-337,194	0	0.84	113.75
8/2012	28,147,430	-470,575	9,817	-122,010	0	4.11	118.43
9/2012	29,329,984	4,673	81,898	623	0	4.18	123.39
10/2012	29,783,470	5,539	102,421	326	0	1.53	125.27
11/2012	29,884,788	14,000	4,601	1,867	0	0.29	125.64
12/2012	29,850,596	-866,115	177,958	-550,810	0	2.84	129.20
1/2013	31,074,272	-304,802	56,891	-270,965	0	5.17	135.88
2/2013	31,075,472	6,661	3	714	0	-0.02	135.86
3/2013	31,487,040	4,864	35,021	941	0	1.31	137.63
4/2013	30,589,253	-943,350	150,586	-474,613	0	0.15	137.84
5/2013	28,617,021	-2,994,197	245,516	-2,322,019	0	3.62	142.82
6/2013	28,227,128	0	62,442	161,916	0	-1.35	140.88
7/2013	29,654,904	4,484	62,627	450	0	5.04	147.99
8/2013	28,720,989	7,068	9	1,140	0	-3.17	143.29
9/2013	30,245,602	-144,323	35,983	-19,269	0	5.81	151.62
10/2013	31,277,719	5,332	54,004	-28	0	3.39	156.77
11/2013	31,501,804	-493,074	4,279	-282,410	0	2.31	160.40
12/2013	31,607,582	-369,555	55,839	-352,300	0	1.53	162.85
1/2014	30,228,797	-744,713	53,249	-130,422	0	-2.01	159.57
2/2014	30,874,549	-950,000	22	-461,039	0	5.36	168.12
3/2014	30,529,433	3,571	32,829	281	0	-1.13	166.22

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SWBNO - New South Capital Historical Data and Rate of Return Period Ending December 31, 2017

Date	Market Value	Flow	Income	Weighted Flow	Fees	ROR	Unit Value
4/2014	29,520,221	-946,888	57,167	-823,217	0	-0.21	165.87
5/2014	28,869,534	-944,760	11	-489,646	0	1.01	167.55
6/2014	30,415,374	3,158	31,037	28	0	5.34	176.51
7/2014	30,071,648	3,059	56,699	228	0	-1.14	174.49
8/2014	31,288,362	6,188	22	-29,448	0	4.03	181.52
9/2014	29,861,824	5,097	36,453	600	0	-4.58	173.22
10/2014	30,478,068	-394,288	92,762	155	0	3.38	179.08
11/2014	31,112,548	6,426	73,461	1,071	0	2.06	182.77
12/2014	31,045,548	5,599	96,227	-403	0	-0.23	182.34
1/2015	30,314,406	6,131	101,397	407	0	-2.37	178.01
2/2015	32,643,023	-63,445	322,017	-64,298	0	7.91	192.09
3/2015	32,874,469	-23,043	55,752	-16,537	0	0.78	193.59
4/2015	32,302,858	8,543	316,353	271	0	-1.76	190.17
5/2015	32,556,894	321,525	14	-12,853	0	1.09	192.25
6/2015	32,843,419	191,304	32,490	14,200	0	0.29	192.82
7/2015	33,784,665	10,689	54,529	1,182	0	2.83	198.28
8/2015	30,030,515	-632,320	3,854	-349,654	0	-9.34	179.77
9/2015	28,966,400	8,675	29,779	1,054	0	-3.57	173.34
10/2015	29,431,345	-1,230,335	48,625	-273,365	0	5.91	183.59
11/2015	30,703,416	9,573	6,583	1,595	0	4.29	191.46
12/2015	29,396,555	6,898	38,883	1,509	0	-4.28	183.27
1/2016	28,033,106	-641,015	49,602	-480,519	0	-2.50	178.69
2/2016	28,325,596	9,563	15	1,319	65,684	1.01	180.49
3/2016	30,291,216	4,845	35,454	1,473	0	6.92	192.99
4/2016	30,779,307	6,508	50,325	1,085	0	1.59	196.06
5/2016	31,065,471	7,013	139	1,357	0	0.91	197.83
6/2016	30,609,869	-22,374	74,485	-2,151	0	-1.39	195.07
7/2016	31,727,851	6,888	43,077	1,333	0	3.63	202.15
8/2016	31,109,428	6,819	359	1,320	0	-1.97	198.17
9/2016	31,067,701	-14,350	51,910	-15,891	68,245	-0.09	198.00
10/2016	29,619,554	7,140	34,786	1,382	0	-4.68	188.72
11/2016	30,937,877	-362,827	6,786	-290,849	0	5.73	199.54
12/2016	30,999,152	2,738	52,714	-1,182	69,217	0.19	199.92

SWBNO - New South Capital Historical Data and Rate of Return Period Ending December 31, 2017

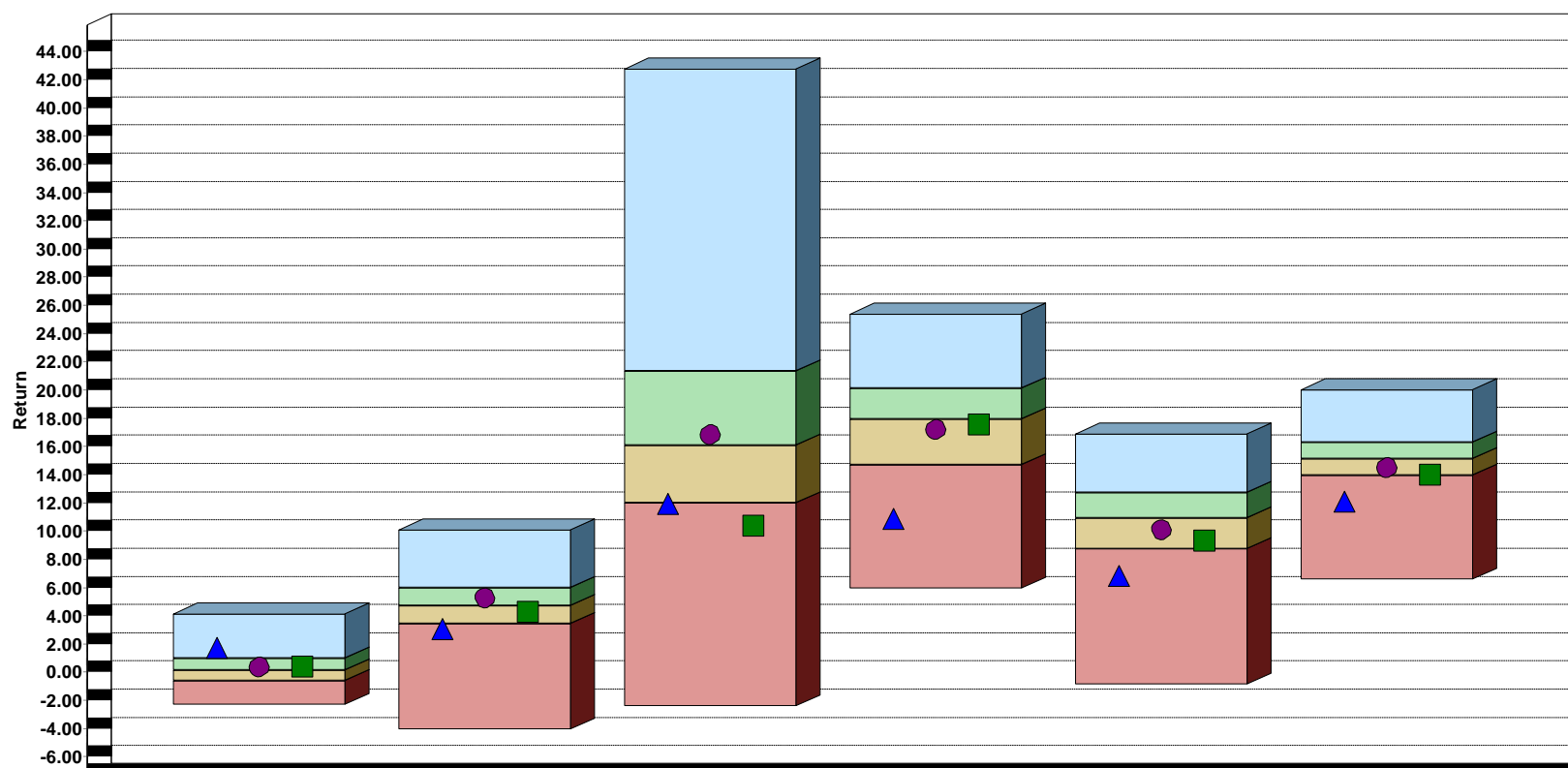
Date	Market Value	Flow	Income	Weighted Flow	Fees	ROR	Unit Value
1/2017	31,387,044	739,540	37,339	-15,379	0	2.75	205.42
2/2017	32,008,600	-73,256	114,516	-54,045	0	2.22	209.98
3/2017	32,247,152	4,220	43,896	893	0	0.73	211.51
4/2017	32,417,559	5,963	31,371	994	0	0.51	212.59
5/2017	31,311,180	-384,881	8,813	-326,106	71,716	-2.25	207.81
6/2017	31,324,852	2,704	44,485	299	0	0.04	207.89
7/2017	31,801,496	-145,941	31,933	-100,172	0	1.99	212.03
8/2017	31,422,590	-66,276	7,232	-34,431	0	-0.98	209.94
9/2017	31,989,720	-428,565	43,979	-314,951	0	3.20	216.66
10/2017	32,241,418	3,564	26,866	870	0	0.78	218.34
11/2017	29,540,196	-2,867,449	8,745	-1,530,253	0	0.54	219.53
12/2017	30,040,526	-4,329	42,519	-91	0	1.71	223.28

SWBNO - New South Capital

Quartile Ranking Analysis - Return

Universe: PSN Small - Mid Cap

Period Ending December 31, 2017



	Month to Date		Latest 3 Months		One Year		Two Years		Three Years		Since Inception	
Highest Value		4.10		10.07		42.74		25.39		16.89		20.00
First Quartile		0.96		6.00		21.35		20.13		12.70		16.26
Median Value		0.11		4.68		16.08		17.91		10.90		15.14
Third Quartile		-0.63		3.41		11.99		14.69		8.72		13.96
Lowest Value		-2.29		-4.06		-2.41		5.92		-0.90		6.57
Mean		0.27		4.58		16.85		17.40		10.51		14.95
Members		139		139		139		135		131		113

	Month to Date		Latest 3 Months		One Year		Two Years		Three Years		Since Inception	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
▲ New South Capital	1.71	10	3.05	81	11.94	75	10.88	93	6.84	87	12.11	92
● Russell 2500	0.34	45	5.24	39	16.81	46	17.20	55	10.07	61	14.46	67
■ Russell 2500 Value	0.40	45	4.25	57	10.36	82	17.55	51	9.30	68	13.99	74

*Inception: August 2011

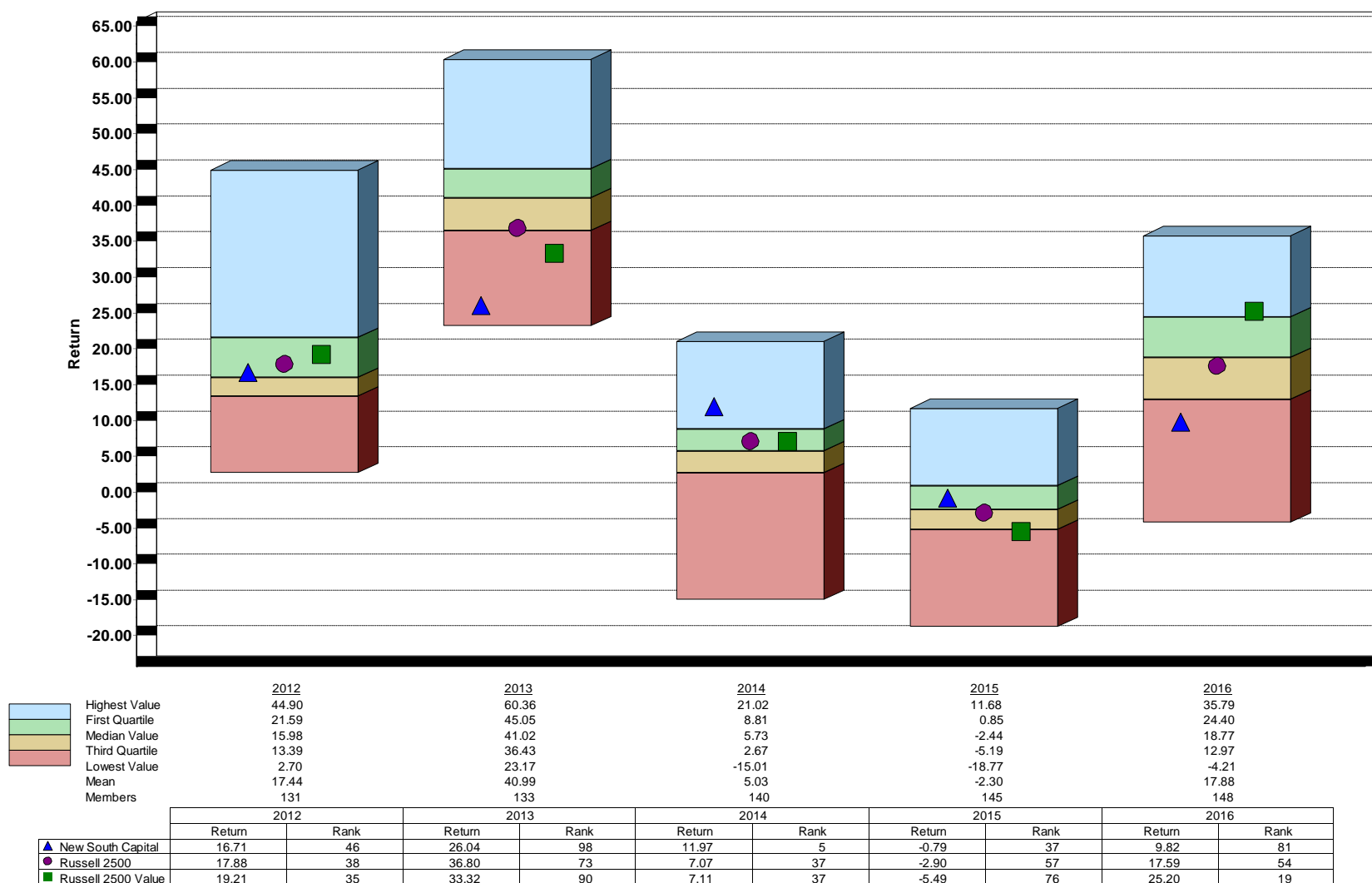
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SWBNO - New South Capital

Quartile Ranking Analysis - Return

Universe: PSN Small - Mid Cap
Period Ending December 31, 2016



*Inception: August 2011

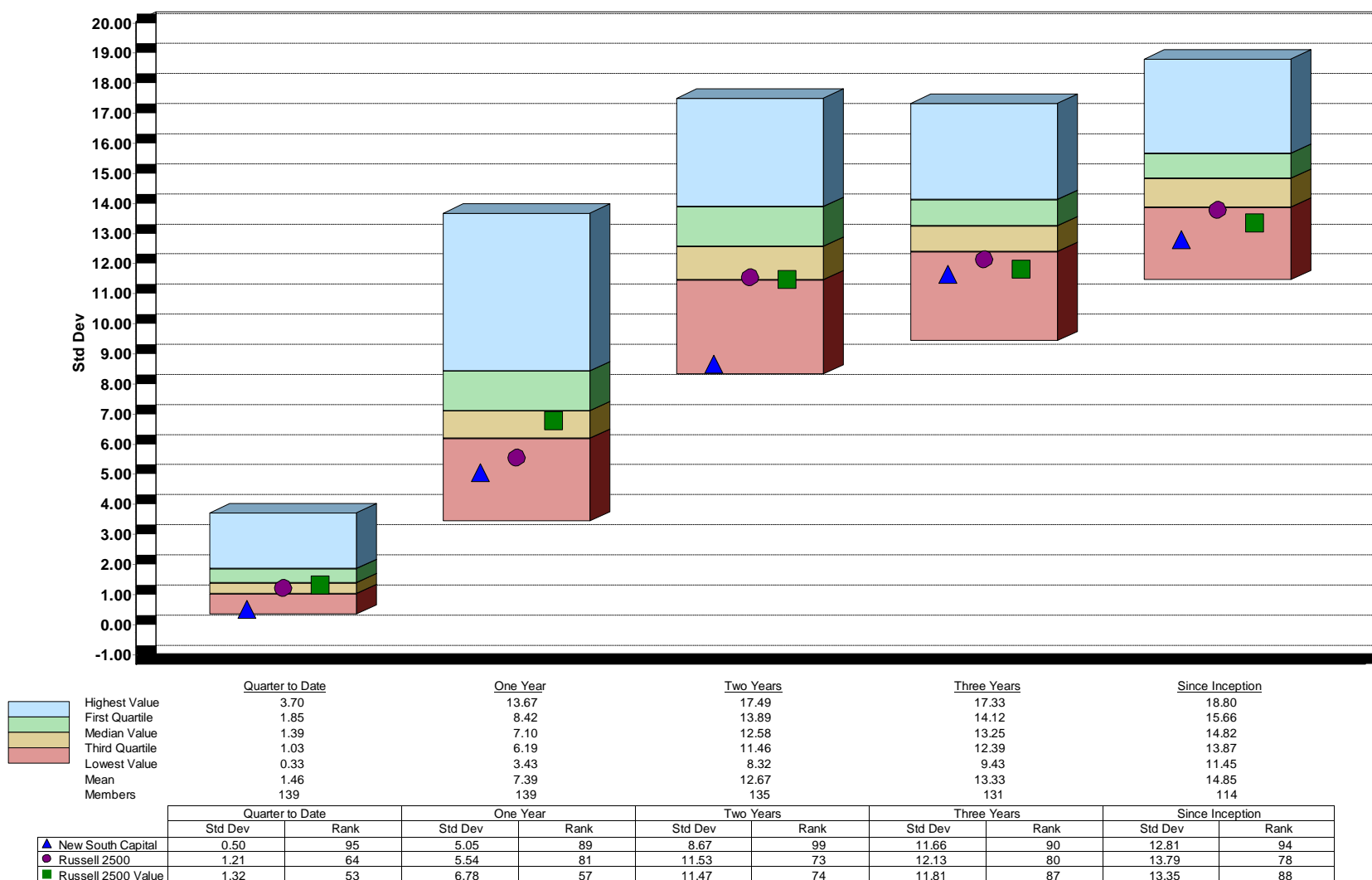
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SWBNO - New South Capital

Quartile Ranking Analysis - Risk

Universe: PSN Small - Mid Cap

Period Ending December 31, 2017



*Inception: August 2011

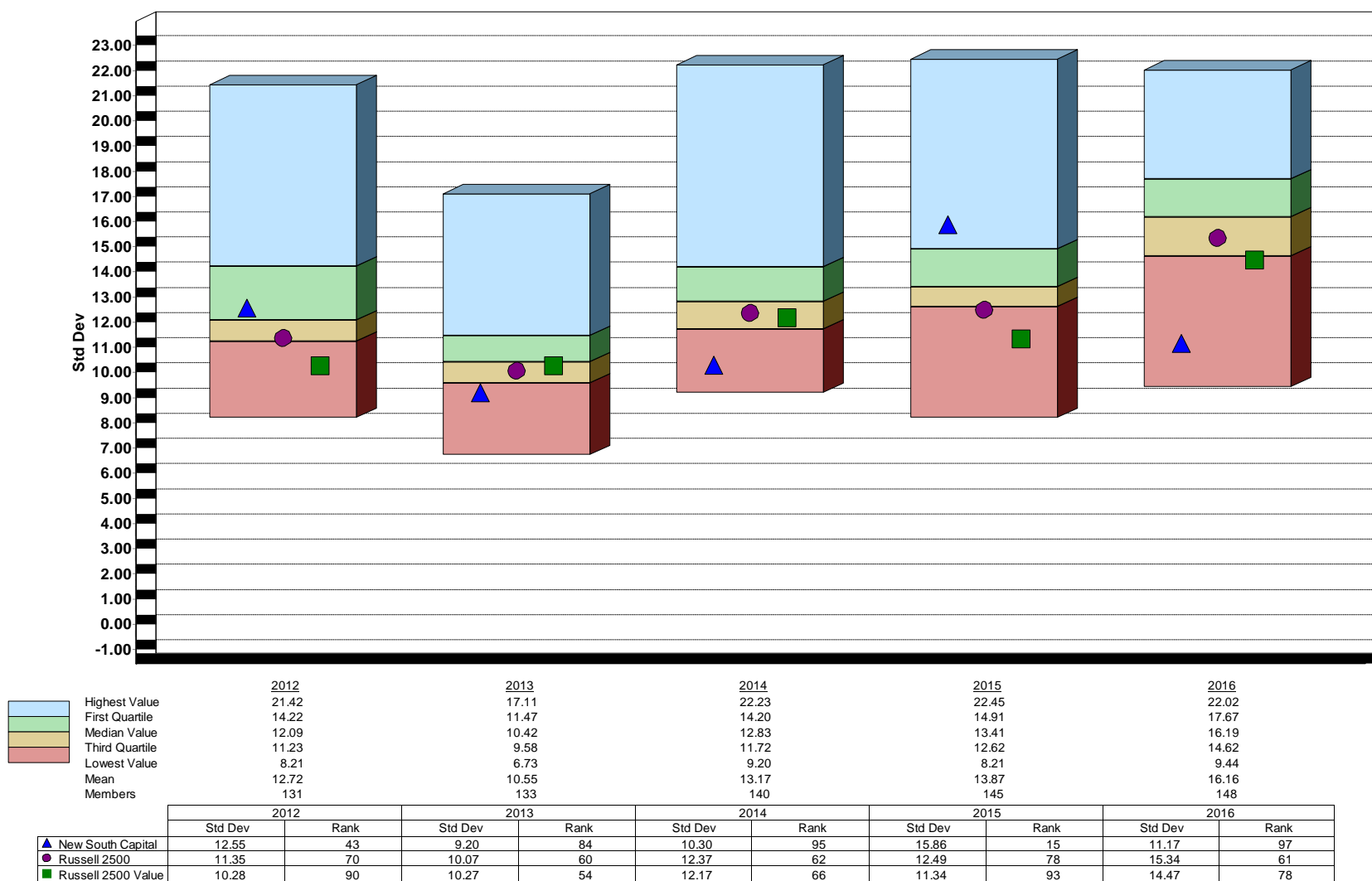
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SWBNO - New South Capital

Quartile Ranking Analysis - Risk

Universe: PSN Small - Mid Cap

Period Ending December 31, 2016



*Inception: August 2011

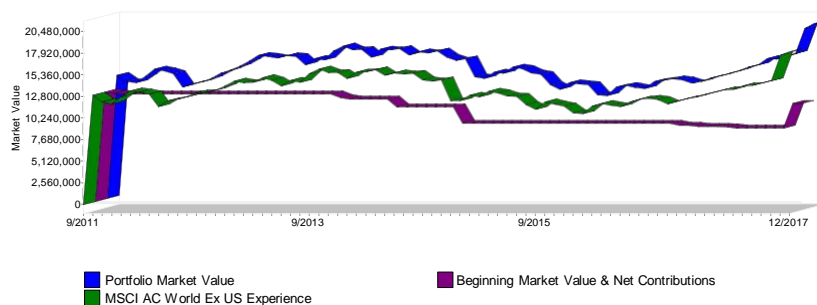
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SWBNO - Earnest Partners Executive Account Summary Period Ending December 31, 2017

Source of Portfolio Growth
Inception September 30, 2011 Through December 31, 2017

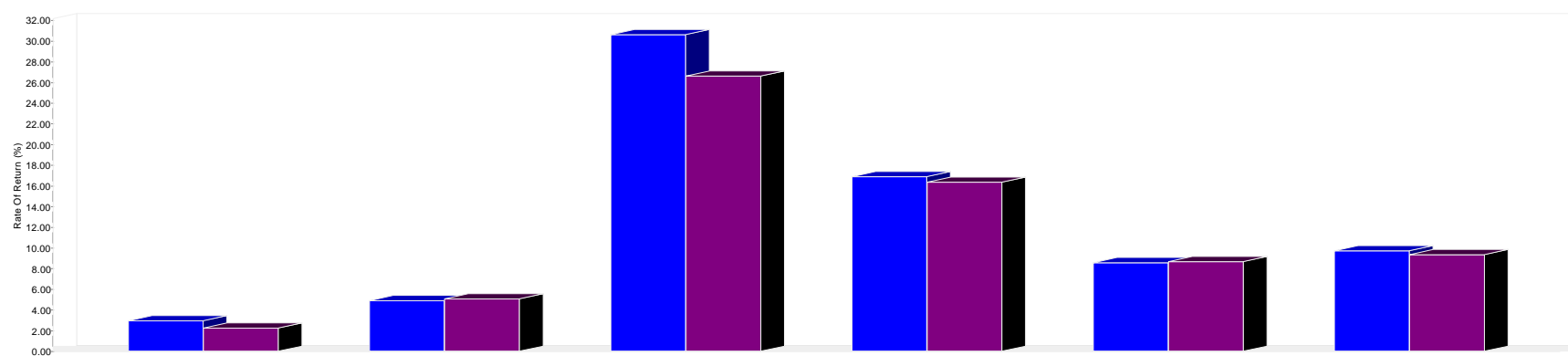


Statement Of Changes

Portfolio Value 09/30/2017	16,810,491
Net Income (Loss)	
Unrealized Gains/Losses	916,493
Net Transfers In (Out)	
Funds Added	<u>2,931,000</u>
Portfolio Value 12/31/2017	20,657,984

	Dollars	
	Latest Quarter	Since Inception
Beginning Value	16,810,491	0
Net Contribution	2,931,000	11,602,499
Investment Return	916,493	9,055,485
Ending Value	20,657,984	20,657,984

Performance Analysis
September 30, 2011 through December 31, 2017



	Month to Date	Latest Quarter	One Year	Two Years	Three Years	Since Inception
Earnest Partners	2.95	4.93	30.65	16.89	8.57	9.71
MSCI AC World Ex US	2.27	5.07	26.63	16.38	8.67	9.35

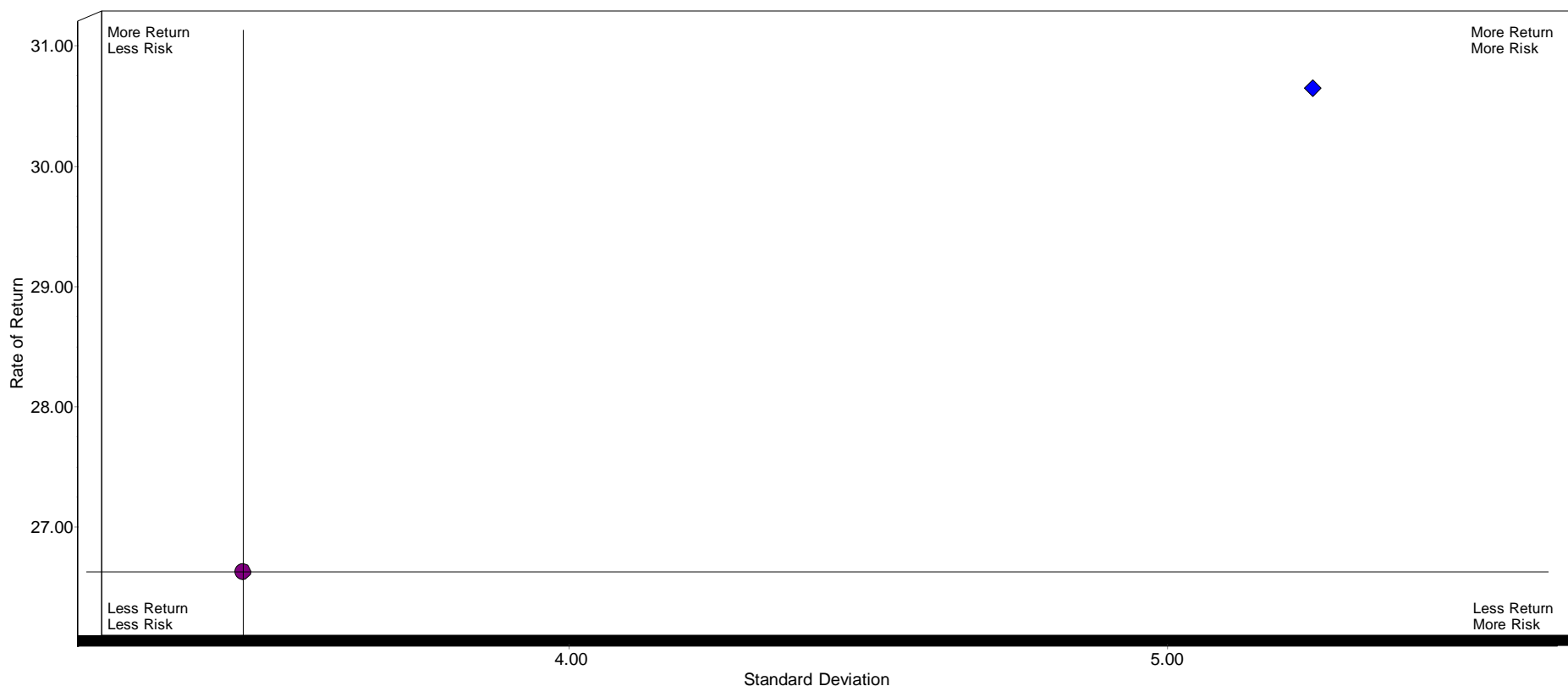
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SWBNO - Earnest Partners

Risk Reward Analysis

December 31, 2016 Through December 31, 2017



	Return	Std Dev	Alpha	Beta	R-Squared	Sharpe Ratio
◆ Earnest Partners	30.65	5.24	-4.08	1.32	76.45	5.66
● MSCI AC World Ex US	26.63	3.46	0.00	1.00	100.00	7.43

Risk Index: MSCI AC World Ex US

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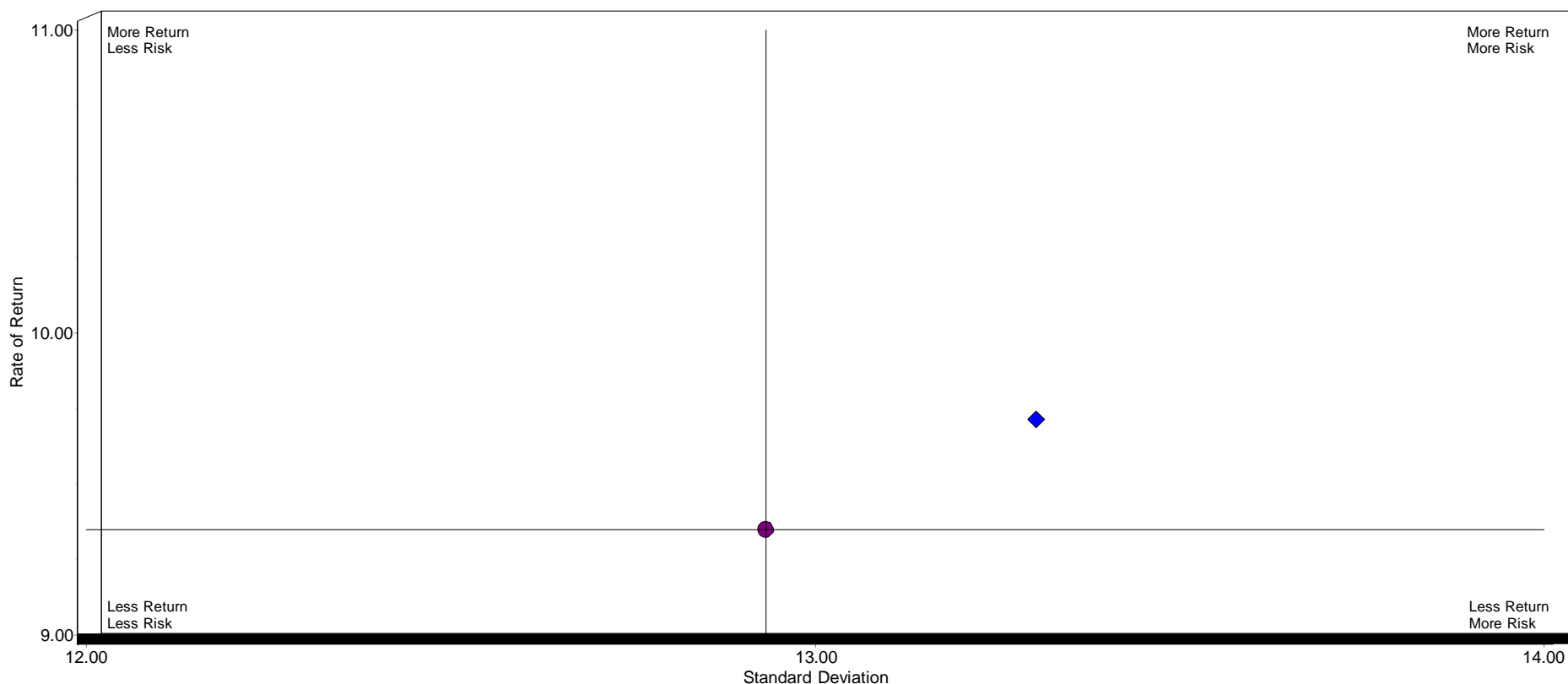
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SWBNO - Earnest Partners

Risk Reward Analysis

September 30, 2011 Through December 31, 2017



	Return	Std Dev	Alpha	Beta	R-Squared	Sharpe Ratio
◆ Earnest Partners	9.71	13.30	0.45	0.99	93.21	0.71
● MSCI AC World Ex US	9.35	12.93	0.00	1.00	100.00	0.70

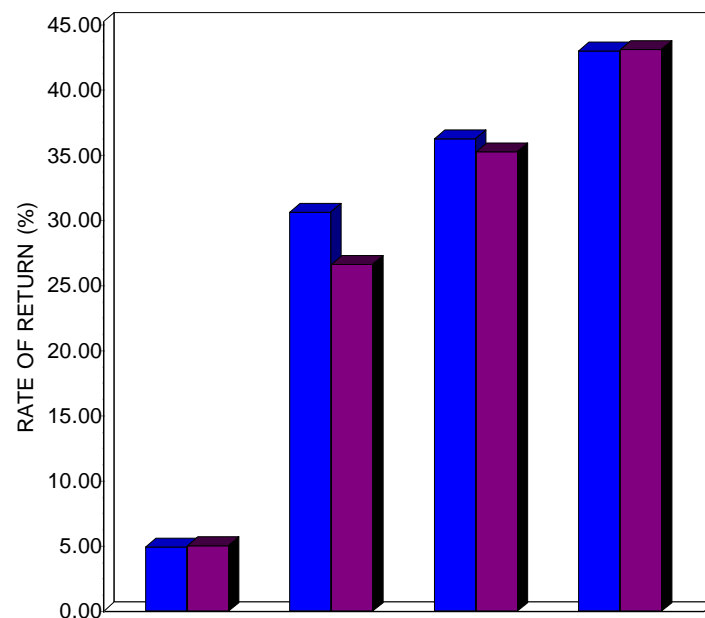
Risk Index: MSCI AC World Ex US

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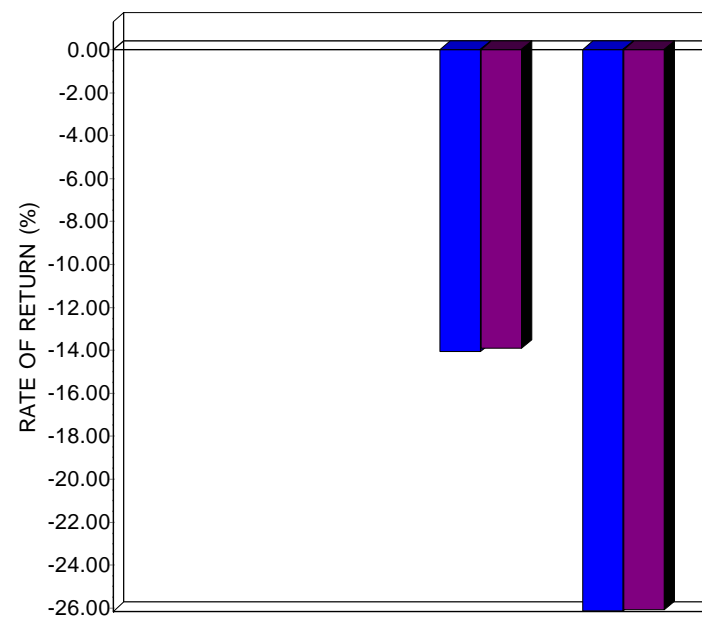
SWBNO - Earnest Partners Market Cycle Analysis Period Ending December 31, 2017

Up Market Performance



	Latest Quarter	One Year	Two Years	Three Years
Earnest Partners	4.93	30.65	36.26	42.99
MSCI AC World Ex US	5.07	26.63	35.28	43.12
Difference	-0.14	4.02	0.98	-0.13
Ratio	0.97	1.15	1.03	1.00
Up Periods	3	12	18	21

Down Market Performance



	Latest Quarter	One Year	Two Years	Three Years
Earnest Partners	N/A	N/A	-14.09	-26.16
MSCI AC World Ex US	N/A	N/A	-13.93	-26.09
Difference	N/A	N/A	-0.17	-0.07
Ratio	N/A	N/A	1.01	1.00
Down Periods	0	0	6	15

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SWBNO - Earnest Partners

Time Weighted Rates of Return

Period Ending December 31, 2017

ACCOUNT						MSCI AC WORLD EX US				
Date	Monthly	Quarterly	Semi Annually	Annually	Since 09/2011	Monthly	Quarterly	Semi Annually	Annually	Since 09/2011
10/2011	12.59	*			12.59	*	10.54			10.54
11/2011	-4.28	*			7.76	*	-5.08			4.92
12/2011	-0.38	*	7.35	*	7.35	*	-1.10	3.77		3.77
01/2012	5.40				13.15	*	6.81			10.84
02/2012	6.17	*			20.13	*	5.65			17.10
03/2012	-1.64		10.07		18.16	*	-1.32	11.36		15.55
04/2012	-2.08				15.71	*	-1.49			13.83
05/2012	-10.79	*			3.22	*	-11.25			1.03
06/2012	2.95		-10.07	-1.01	6.27		5.94	-7.38	3.14	7.03
07/2012	1.57	*			7.94		1.44			8.57
08/2012	3.19	*			11.38	*	2.11			10.86
09/2012	4.24	*	9.25	*	16.10	*	3.77	7.49		15.04
10/2012	2.29	*			17.19	*	0.40			14.23
11/2012	3.06	*			18.91	*	1.92			15.00
12/2012	3.94	*	9.57	*	21.23	*	3.49	5.90	13.83	17.40
01/2013	4.25	*			23.58	*	4.09			19.50
02/2013	-0.89	*			21.28	*	-1.03			17.39
03/2013	-0.97		2.32		19.21	*	0.25	3.28		16.54
04/2013	1.59				19.29	*	3.77			18.34
05/2013	-0.59	*			17.82	*	-2.22			15.78
06/2013	-5.61		-4.68	-2.47	13.11	*	-4.30	-2.90	0.28	12.12
07/2013	4.52	*			15.22	*	4.40			14.19
08/2013	-1.14	*			13.83	*	-1.36			12.73
09/2013	6.75		10.30	*	16.98	*	6.98	10.17		16.01
10/2013	3.45				18.16	*	3.68			17.34
11/2013	-0.19				17.30	*	0.19			16.73
12/2013	1.22	*	4.52		17.24	*	0.90	4.81	15.47	15.80
01/2014	-5.29				13.89	*	-4.53			13.61
02/2014	5.66	*			15.99	*	5.05			15.44
03/2014	-0.48		-0.41		15.20	*	0.32	0.61		15.04
04/2014	0.97				15.10		1.39			15.13
05/2014	1.10				15.07		2.05			15.50
06/2014	2.16	*	4.28	3.85	15.47		1.72	5.25	5.89	15.71
07/2014	-0.86	*			14.64		-0.97			14.82
08/2014	1.53	*			14.79	*	0.57			14.59
09/2014	-4.34	*	-3.70	*	12.67	*	-4.81	-5.20		12.30
10/2014	-2.34				11.45		-0.98			11.59

* Account return greater than Benchmark return.

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SWBNO - Earnest Partners Time Weighted Rates of Return Period Ending December 31, 2017

ACCOUNT							MSCI AC WORLD EX US						
Date	Monthly	Quarterly	Semi Annually	Annually	Since 09/2011		Monthly	Quarterly	Semi Annually	Annually	Since 09/2011		
11/2014	1.27	*			11.58	*	0.74				11.53		
12/2014	-1.40	*	-2.49	*	10.78	*	-3.57	-3.81	-8.81	-3.43	9.98		
01/2015	-1.27				10.07	*	-0.13				9.68		
02/2015	5.21				11.46	*	5.36				11.11		
03/2015	-1.02	*	2.82		10.85	*	-1.54	3.60			10.34		
04/2015	5.21	*			12.16	*	5.12				11.64		
05/2015	-1.30	*			11.47	*	-1.47				10.91		
06/2015	-3.30		0.41		10.21	*	-2.75	0.73	4.36		9.83		
07/2015	-1.23				9.62	*	-0.26				9.54		
08/2015	-8.29				7.02	*	-7.63				7.13		
09/2015	-4.14	*	-13.17		5.74	*	-4.60	-12.11			5.73		
10/2015	6.21				7.19	*	7.46				7.48		
11/2015	-0.96	*			6.80	*	-2.05				6.80		
12/2015	-0.67	*	4.48	*	6.49	*	-1.85	3.31	-9.20	-5.24	6.19		
01/2016	-8.87				4.11		-6.79				4.36		
02/2016	-0.74	*			3.85		-1.11				4.01		
03/2016	8.31	*	-2.03		5.64		8.21	-0.26			5.78		
04/2016	1.46				5.86		2.72				6.29		
05/2016	-1.74				5.36		-1.59				5.81		
06/2016	-1.23	*	-1.53		4.99		-1.47	-0.40	-0.66		5.38		
07/2016	6.47	*			6.27		4.97				6.34		
08/2016	0.95				6.37		2.50				6.77		
09/2016	1.52	*	9.12	*	6.58		1.28	8.97			6.92		
10/2016	-0.86	*			6.29		-1.43				6.50		
11/2016	-1.29	*			5.91		-2.30				5.92		
12/2016	1.53		-0.64	*	6.12		2.59	-1.20	7.66	6.96	6.34		
01/2017	4.08	*			6.82		3.55				6.93		
02/2017	1.52				7.01		1.61				7.14		
03/2017	2.18		7.96		7.32		2.63	7.98			7.53		
04/2017	2.53	*			7.69		2.20				7.83		
05/2017	3.66	*			8.26		3.35				8.34		
06/2017	1.50	*	7.88	*	8.41	*	0.50	6.15	14.63		8.31		
07/2017	5.06	*			9.21	*	2.83				8.71		
08/2017	-0.53				8.98	*	0.35				8.64		
09/2017	2.30	*	6.91	*	9.26	*	1.89	5.14			8.86		
10/2017	1.85				9.46	*	1.89				9.07		
11/2017	0.08				9.34	*	0.83				9.08		

* Account return greater than Benchmark return.

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SWBNO - Earnest Partners **Time Weighted Rates of Return** **Period Ending December 31, 2017**

ACCOUNT								MSCI AC WORLD EX US						
Date	Monthly	Quarterly	Semi Annually	Annually	Since 09/2011			Monthly	Quarterly	Semi Annually	Annually	Since 09/2011		
12/2017	2.95	*	4.93	12.18	*	30.65	*	9.71	*	2.27	5.07	10.47	26.63	9.35

* Account return greater than Benchmark return.

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SWBNO - Earnest Partners

Historical Data and Rate of Return

Period Ending December 31, 2017

Date	Market Value	Flow	Income	Weighted Flow	Fees	ROR	Unit Value
9/2011	0	0	0		0		100.00
10/2011	14,559,067	12,931,503	0	12,931,503	0	12.59	112.59
11/2011	13,795,911	-142,000	0	-58,800	0	-4.28	107.76
12/2011	13,669,242	-74,000	0	-26,258	0	-0.38	107.35
1/2012	14,407,795	0	0	0	0	5.40	113.15
2/2012	15,296,422	0	0	0	0	6.17	120.13
3/2012	15,046,193	0	0	0	0	-1.64	118.16
4/2012	14,733,128	0	0	0	0	-2.08	115.71
5/2012	13,143,502	0	0	0	0	-10.79	103.22
6/2012	13,531,561	0	0	0	0	2.95	106.27
7/2012	13,744,360	0	0	0	0	1.57	107.94
8/2012	14,182,478	0	0	0	0	3.19	111.38
9/2012	14,783,311	0	0	0	0	4.24	116.10
10/2012	15,121,300	0	0	0	0	2.29	118.75
11/2012	15,584,452	0	0	0	0	3.06	122.39
12/2012	16,197,816	0	0	0	0	3.94	127.21
1/2013	16,886,286	0	0	0	0	4.25	132.62
2/2013	16,736,075	0	0	0	0	-0.89	131.44
3/2013	16,573,345	0	0	0	0	-0.97	130.16
4/2013	16,836,216	0	0	0	0	1.59	132.22
5/2013	16,736,075	0	0	0	0	-0.59	131.44
6/2013	15,797,252	0	0	0	0	-5.61	124.06
7/2013	16,510,757	0	0	0	0	4.52	129.67
8/2013	16,322,993	0	0	0	0	-1.14	128.19
9/2013	17,424,544	0	0	0	0	6.75	136.84
10/2013	18,025,391	0	0	0	0	3.45	141.56
11/2013	17,542,394	-450,000	0	-255,000	0	-0.19	141.30
12/2013	17,605,307	-150,000	0	-87,097	0	1.22	143.02
1/2014	16,674,257	0	0	0	0	-5.29	135.46
2/2014	17,617,399	0	0	0	0	5.66	143.12
3/2014	17,532,758	0	0	0	0	-0.48	142.43
4/2014	17,702,040	0	0	0	0	0.97	143.81

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SWBNO - Earnest Partners

Historical Data and Rate of Return

Period Ending December 31, 2017

Date	Market Value	Flow	Income	Weighted Flow	Fees	ROR	Unit Value
5/2014	16,940,990	-950,000	0	-520,968	0	1.10	145.39
6/2014	17,307,282	0	0	0	0	2.16	148.53
7/2014	17,158,476	0	0	0	0	-0.86	147.26
8/2014	17,421,748	0	0	0	0	1.53	149.52
9/2014	16,666,271	0	0	0	0	-4.34	143.03
10/2014	16,277,086	0	0	0	0	-2.34	139.69
11/2014	16,483,125	0	0	0	0	1.27	141.46
12/2014	14,359,530	-1,900,000	0	-551,613	0	-1.40	139.48
1/2015	14,177,508	0	0	0	0	-1.27	137.71
2/2015	14,915,709	0	0	0	0	5.21	144.88
3/2015	14,764,024	0	0	0	0	-1.02	143.40
4/2015	15,532,562	0	0	0	0	5.21	150.87
5/2015	15,330,315	0	0	0	0	-1.30	148.90
6/2015	14,824,698	0	0	0	0	-3.30	143.99
7/2015	14,642,676	0	0	0	0	-1.23	142.23
8/2015	13,429,194	0	0	0	0	-8.29	130.44
9/2015	12,873,015	0	0	0	0	-4.14	125.04
10/2015	13,671,891	0	0	0	0	6.21	132.80
11/2015	13,540,430	0	0	0	0	-0.96	131.52
12/2015	13,449,419	0	0	0	0	-0.67	130.64
1/2016	12,256,162	0	0	0	0	-8.87	119.04
2/2016	12,165,151	0	0	0	0	-0.74	118.16
3/2016	13,176,386	0	0	0	0	8.31	127.98
4/2016	13,368,520	0	0	0	0	1.46	129.85
5/2016	13,135,936	0	0	0	0	-1.74	127.59
6/2016	12,974,139	0	0	0	0	-1.23	126.02
7/2016	13,813,463	0	0	0	0	6.47	134.17
8/2016	13,945,002	0	0	0	0	0.95	135.45
9/2016	14,120,814	-36,000	0	0	0	1.52	137.51
10/2016	13,999,779	0	0	0	0	-0.86	136.33
11/2016	13,610,949	-210,000	0	-161,000	0	-1.29	134.57
12/2016	13,819,584	0	0	0	0	1.53	136.63

SWBNO - Earnest Partners

Historical Data and Rate of Return

Period Ending December 31, 2017

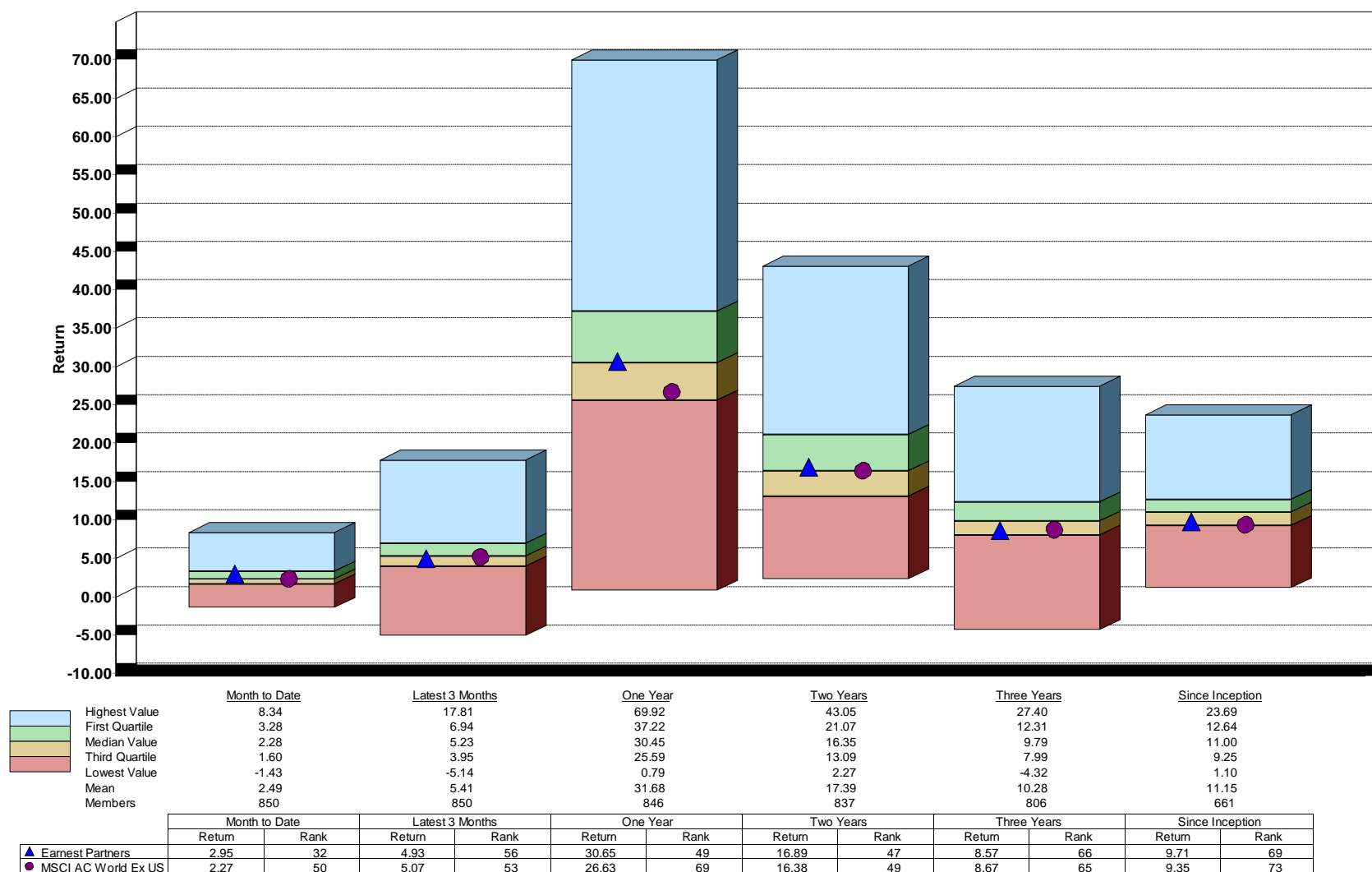
Date	Market Value	Flow	Income	Weighted Flow	Fees	ROR	Unit Value
1/2017	14,223,182	-160,000	0	0	0	4.08	142.20
2/2017	14,439,280	0	0	0	0	1.52	144.36
3/2017	14,753,605	0	0	0	0	2.18	147.50
4/2017	15,108,348	-18,000	0	0	0	2.53	151.23
5/2017	15,491,261	-170,004	4	0	0	3.66	156.76
6/2017	15,724,066	0	0	0	0	1.50	159.12
7/2017	16,519,485	0	0	0	0	5.06	167.17
8/2017	16,432,183	0	0	0	0	-0.53	166.29
9/2017	16,810,491	0	0	0	0	2.30	170.11
10/2017	17,120,899	0	0	0	0	1.85	173.26
11/2017	20,066,130	2,931,000	0	1,465,500	0	0.08	173.39
12/2017	20,657,984	0	0	0	0	2.95	178.50

SWBNO - Earnest Partners

Quartile Ranking Analysis - Return

Universe: PSN International Equity

Period Ending December 31, 2017



*Inception: September 2011

Fund data is on a trade date basis and income is included in the fund returns on an accrual basis. Fund data is net of available flows and fees. Returns for longer than one year are annualized. All returns include reinvestment of income.

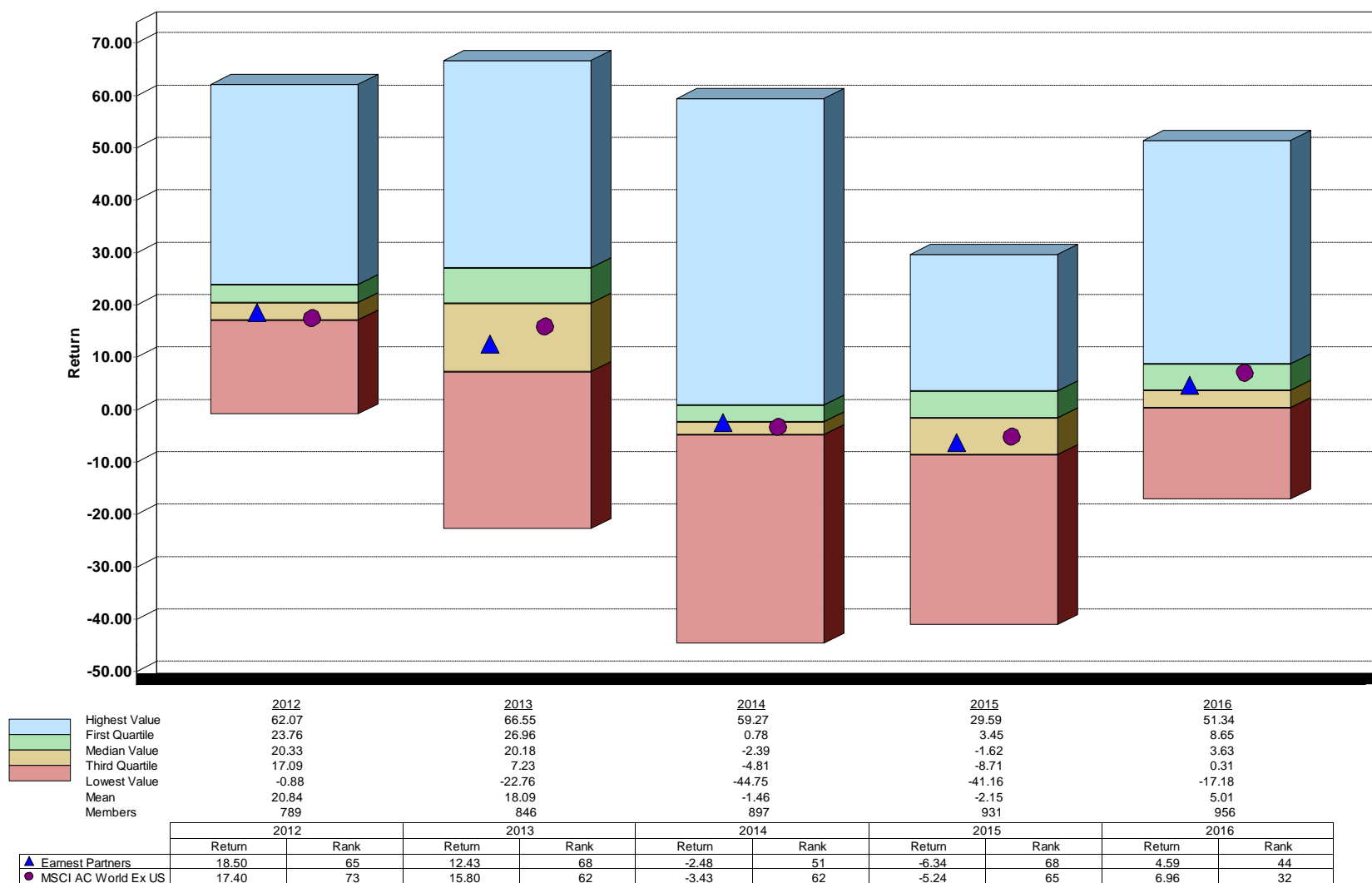
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SWBNO - Earnest Partners

Quartile Ranking Analysis - Return

Universe: PSN International Equity

Period Ending December 31, 2016



*Inception: September 2011

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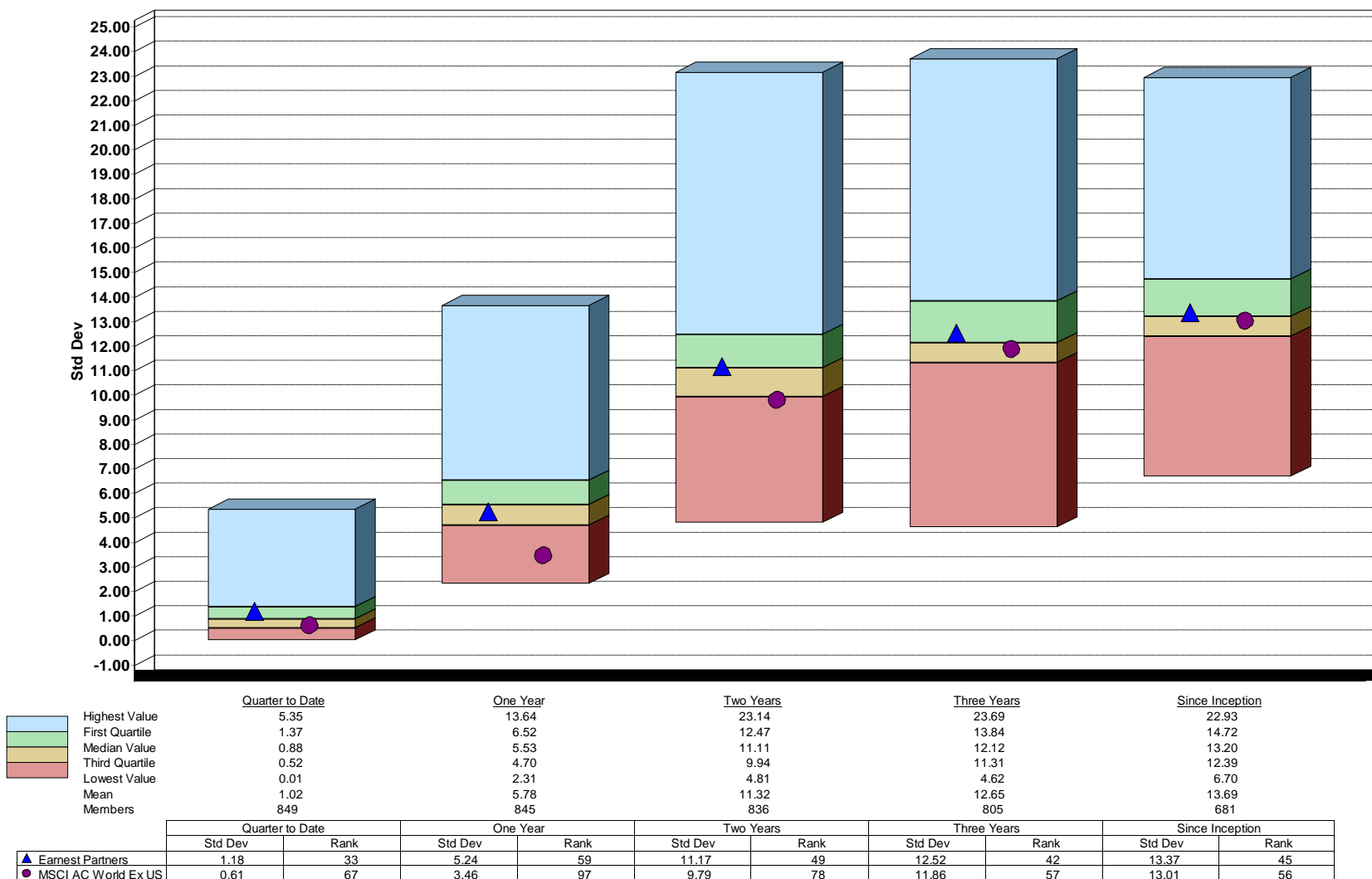
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SWBNO - Earnest Partners

Quartile Ranking Analysis - Risk

Universe: PSN International Equity

Period Ending December 31, 2017



*Inception: September 2011

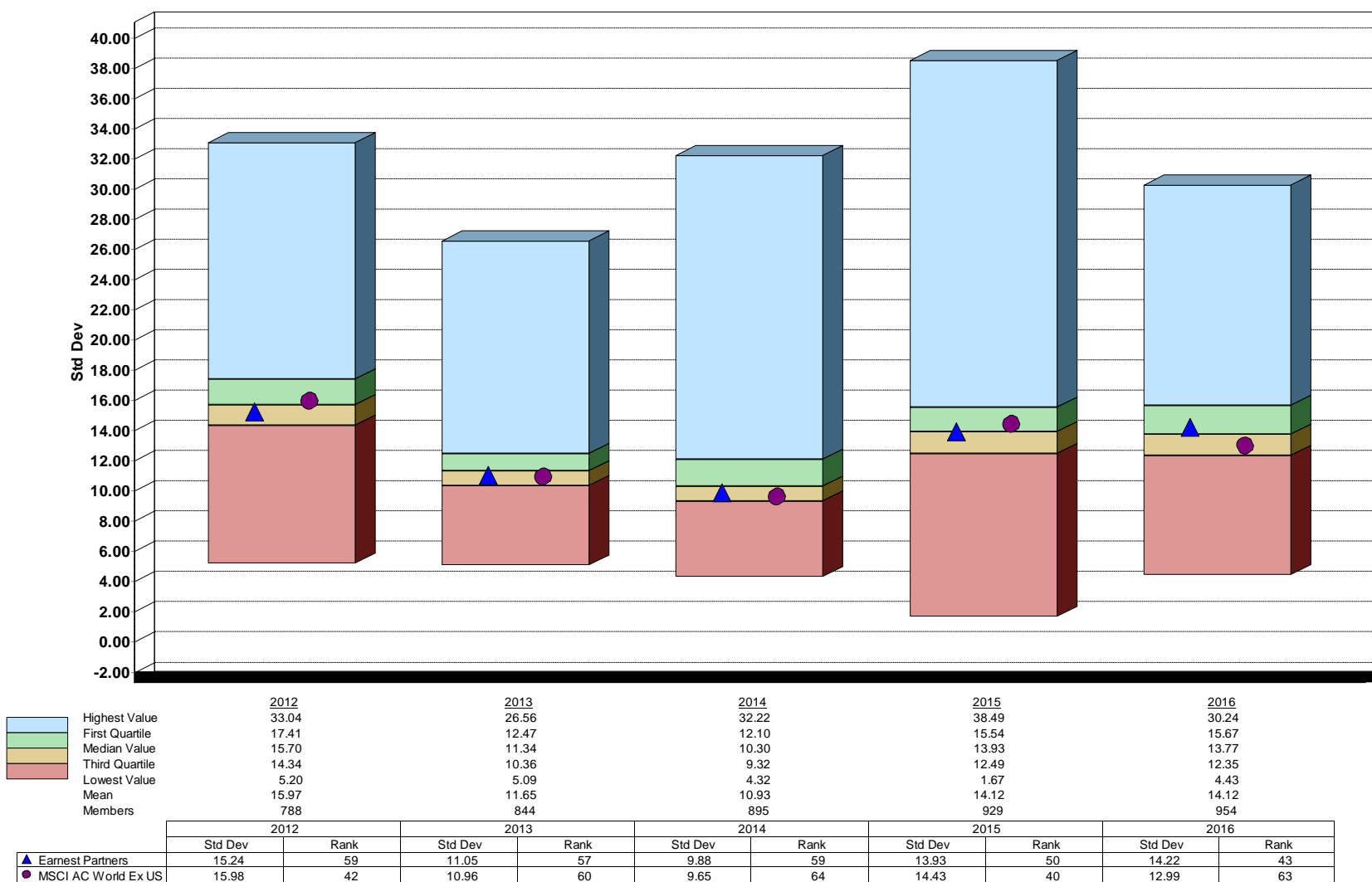
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SWBNO - Earnest Partners

Quartile Ranking Analysis - Risk

Universe: PSN International Equity

Period Ending December 31, 2016



*Inception: September 2011

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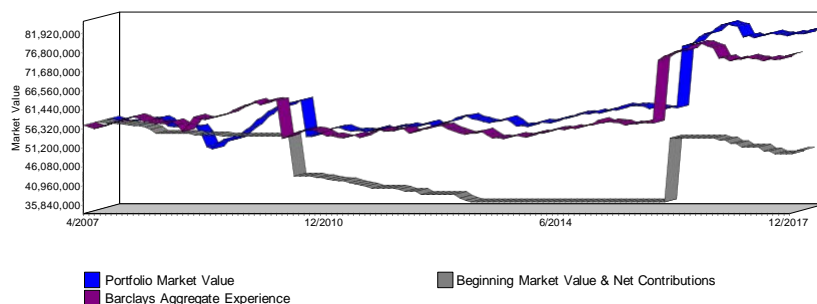


SWBNO - Fidelity Institutional Asset Management

Executive Account Summary

Period Ending December 31, 2017

Source of Portfolio Growth
Inception April 30, 2007 Through December 31, 2017

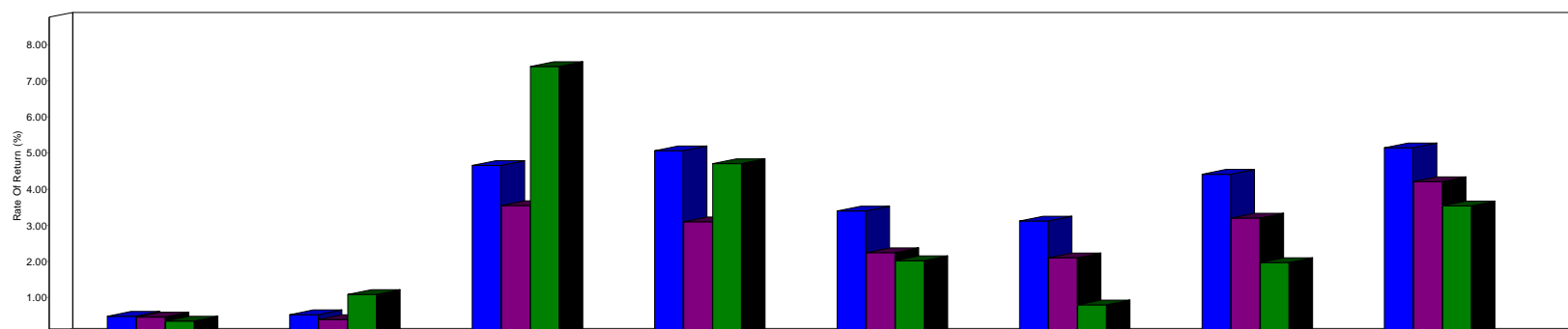


Statement Of Changes

Portfolio Value 09/30/2017	80,129,177
Net Income (Loss)	
Dividend Income	35,094
Unrealized Gains/Losses	388,400
Net Transfers In (Out)	
Funds Added	1,030,000
Portfolio Value 12/31/2017	81,582,671

	Dollars	
	Latest Quarter	Since Inception
Beginning Value	80,129,177	57,389,891
Net Contribution	1,030,000	-7,557,628
Investment Return	423,494	31,750,408
Ending Value	81,582,671	81,582,671

Performance Analysis
April 30, 2007 through December 31, 2017



	Month to Date	Latest Quarter	One Year	Two Years	Three Years	Five Years	Seven Years	Since Inception
Fidelity Institutional Asset Management	0.48	0.52	4.65	5.07	3.40	3.12	4.42	5.14
Barclays Aggregate	0.46	0.39	3.54	3.09	2.24	2.10	3.20	4.21
Barclays Global Agg	0.35	1.08	7.39	4.71	2.02	0.79	1.97	3.54
Barclays US Universe	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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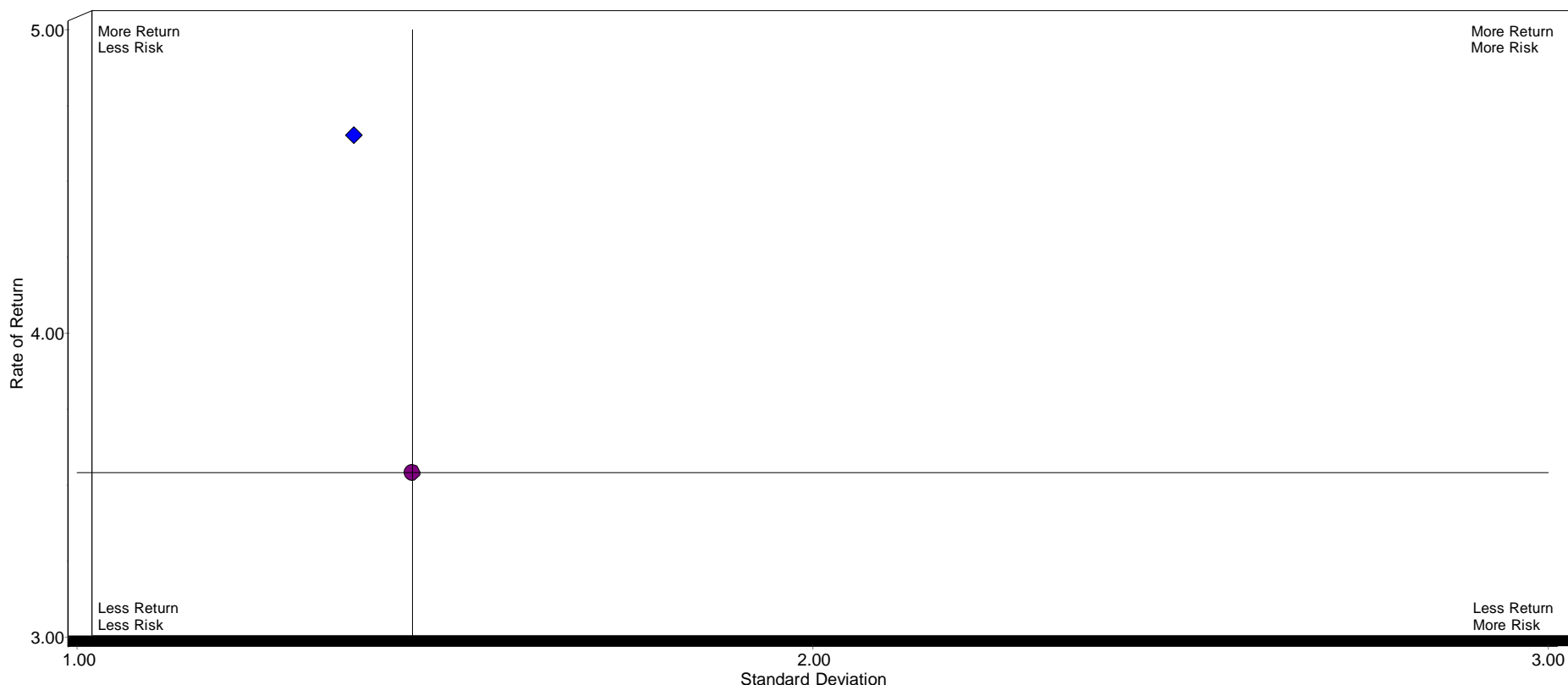
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SWBNO - Fidelity Institutional Asset Management

Risk Reward Analysis

December 31, 2016 Through December 31, 2017



	Return	Std Dev	Alpha	Beta	R-Squared	Sharpe Ratio
◆ Fidelity Institutional Asset Management	4.65	1.38	1.29	0.91	91.31	2.68
● Barclays Aggregate	3.54	1.46	0.00	1.00	100.00	1.77

Risk Index: Barclays Aggregate

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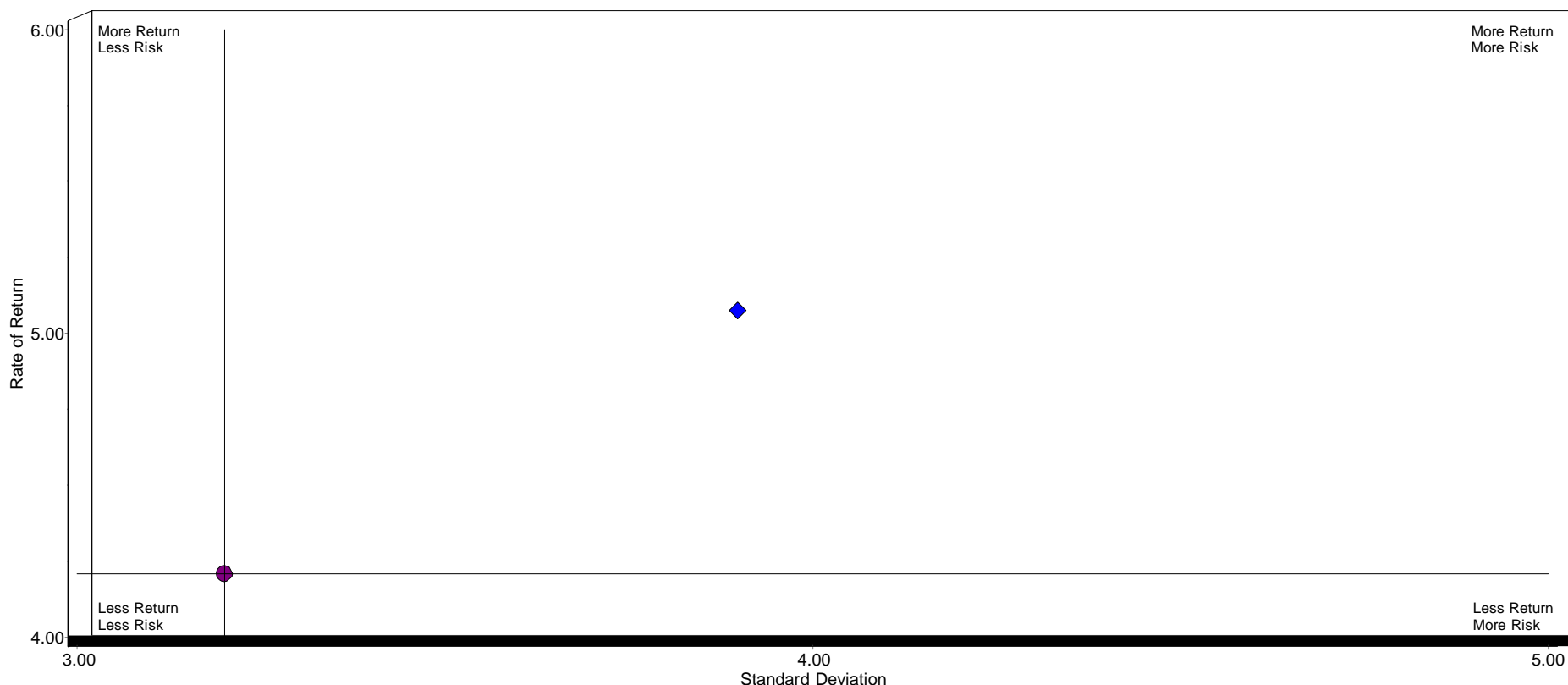
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SWBNO - Fidelity Institutional Asset Management

Risk Reward Analysis

April 30, 2007 Through December 31, 2017



	Return	Std Dev	Alpha	Beta	R-Squared	Sharpe Ratio
◆ Fidelity Institutional Asset Management	5.08	3.90	1.15	0.92	56.23	1.16
● Barclays Aggregate	4.21	3.20	0.00	1.00	100.00	1.14

Risk Index: Barclays Aggregate

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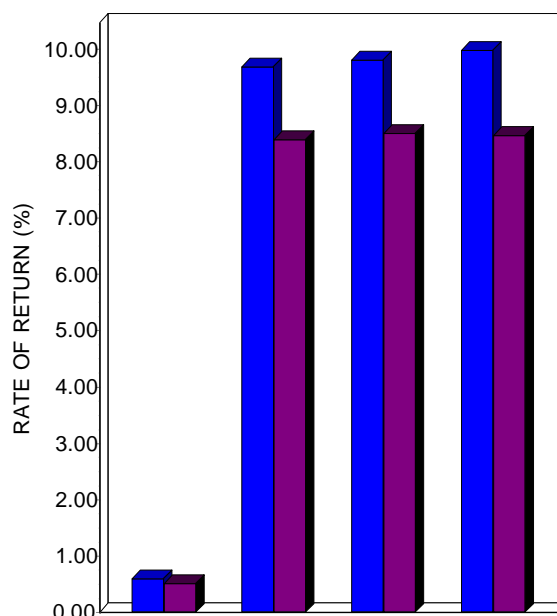


SWBNO - Fidelity Institutional Asset Management

Market Cycle Analysis

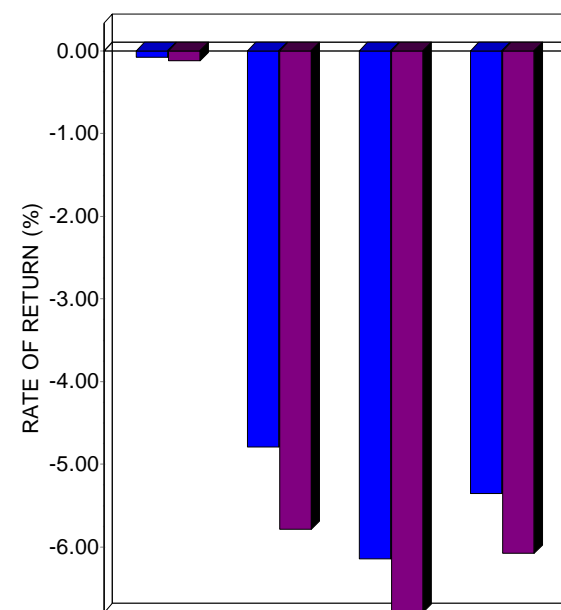
Period Ending December 31, 2017

Up Market Performance



	Latest Quarter	Three Years	Five Years	Seven Years
Fidelity Institutional Asset Management	0.60	9.69	9.80	9.98
Barclays Aggregate	0.52	8.40	8.50	8.47
Difference	0.09	1.29	1.30	1.51
Ratio	1.17	1.15	1.15	1.18
Up Periods	2	21	36	55

Down Market Performance



	Latest Quarter	Three Years	Five Years	Seven Years
Fidelity Institutional Asset Management	-0.08	-4.80	-6.15	-5.36
Barclays Aggregate	-0.13	-5.80	-6.80	-6.09
Difference	0.05	1.00	0.65	0.72
Ratio	0.62	0.83	0.90	0.88
Down Periods	1	15	24	29

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SWBNO - Fidelity Institutional Asset Management

Time Weighted Rates of Return

Period Ending December 31, 2017

ACCOUNT						BARCLAYS AGGREGATE				
Date	Monthly	Quarterly	Semi Annually	Annually	Since 04/2007	Monthly	Quarterly	Semi Annually	Annually	Since 04/2007
05/2007	0.68	*			0.68	-0.76				-0.76
06/2007	-0.51				0.18	-0.30				-1.06
07/2007	0.39				0.57	0.83				-0.24
08/2007	0.02				0.59	1.23				0.99
09/2007	0.10	0.51			0.69	0.76	2.85			1.76
10/2007	0.95	*			1.65	0.90				2.67
11/2007	1.14				2.80	1.80				4.52
12/2007	0.00	2.10	2.62		2.80	0.28	3.00	5.94		4.81
01/2008	1.34				4.18	1.68				6.58
02/2008	-0.18				3.99	0.14				6.72
03/2008	-0.78	0.36			3.17	0.34	2.17			7.09
04/2008	-0.16	*			3.01	-0.21				6.86
05/2008	-0.22	*			2.57	-0.73				5.60
06/2008	-0.16	-0.54	*	-0.18	2.24	-0.08	-1.02	1.13		5.12
07/2008	-0.26				1.88	-0.08				4.70
08/2008	0.47				2.12	0.95				5.15
09/2008	-3.43	-3.22			-0.48	-1.34	-0.48			3.84
10/2008	-5.48				-4.13	-2.36				1.99
11/2008	-1.19				-4.64	3.25				3.96
12/2008	3.35	-3.48	-6.59	-6.75	-2.50	3.73	4.57	4.07	5.24	6.06
01/2009	1.79	*			-1.39	-0.88				5.24
02/2009	-0.67				-1.69	-0.38				4.77
03/2009	1.36	2.48	*		-0.92	1.39	0.12			5.32
04/2009	2.82	*			0.50	0.48				5.34
05/2009	2.14	*			1.51	0.73				5.49
06/2009	1.71	*	6.81	*	2.25	0.57	1.79	1.91		5.55
07/2009	3.20	*			3.60	1.61				6.09
08/2009	1.58	*			4.17	1.04				6.34
09/2009	2.18	*	7.12	*	4.96	1.05	3.74			6.57
10/2009	1.30	*			5.33	0.49				6.55
11/2009	1.51	*			5.76	1.29				6.86
12/2009	-0.70	*	2.11	*	5.30	-1.56	0.20	3.95	5.93	6.02
01/2010	1.87	*			5.85	1.53				6.41
02/2010	0.49	*			5.85	0.37				6.36
03/2010	0.72	*	3.11	*	5.94	-0.12	1.78			6.13
04/2010	1.45	*			6.28	1.04				6.32
05/2010	0.02				6.11	0.84				6.43

* Account return greater than Benchmark return.

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SWBNO - Fidelity Institutional Asset Management

Time Weighted Rates of Return

Period Ending December 31, 2017

ACCOUNT						BARCLAYS AGGREGATE				
Date	Monthly	Quarterly	Semi Annually	Annually	Since 04/2007	Monthly	Quarterly	Semi Annually	Annually	Since 04/2007
06/2010	1.54		3.03		6.24 *	6.46		1.57	3.49	5.33
07/2010	1.48	*				6.77		1.07		
08/2010	1.39	*				7.04		1.29		
09/2010	0.66	*	3.57	*		7.07	*	0.11	2.48	
10/2010	0.88	*				7.16	*	0.36		
11/2010	-0.58					6.82	*	-0.57		
12/2010	-0.39	*	-0.09	*	3.47 *	6.54 *	-1.08	-1.30	1.15	6.54
01/2011	0.51	*				6.54 *		0.12		
02/2011	0.66	*				6.57 *		0.25		
03/2011	0.18	*	1.35	*		6.48 *		0.06	0.42	
04/2011	1.53	*				6.75 *		1.27		
05/2011	1.24					6.92 *		1.31		
06/2011	-0.41		2.37	*	3.76 *	6.68 *	-0.29	2.29	2.72	
07/2011	1.57					6.93 *		1.59		
08/2011	0.56					6.93 *		1.46		
09/2011	0.07		2.22			6.82 *		0.73	3.82	
10/2011	0.76	*				6.87 *		0.11		
11/2011	-0.42					6.64 *		-0.09		
12/2011	1.31	*	1.65	*	3.91	6.81 *	1.10	1.12	4.98	7.84
01/2012	1.43	*				7.01 *		0.88		
02/2012	0.40	*				6.97 *		-0.02		
03/2012	-0.22	*	1.61	*		6.80 *		-0.55	0.30	
04/2012	1.20	*				6.94 *		1.11		
05/2012	0.82					6.99 *		0.90		
06/2012	0.37	*	2.40	*	4.06 *	6.95 *	0.04	2.06	2.37	
07/2012	1.76	*				7.20 *		1.38		
08/2012	0.29	*				7.14 *		0.07		
09/2012	0.50	*	2.56	*		7.12 *		0.14	1.58	
10/2012	0.42	*				7.09 *		0.20		
11/2012	0.44	*				7.07 *		0.16		
12/2012	0.02	*	0.88	*	3.46 *	6.96 *	-0.14	0.21	1.80	4.21
01/2013	-0.38	*				6.79 *		-0.70		
02/2013	0.55	*				6.79 *		0.50		
03/2013	0.19	*	0.35	*		6.72 *		0.08	-0.12	
04/2013	1.21	*				6.84 *		1.01		
05/2013	-1.70	*				6.44 *		-1.78		
06/2013	-1.95		-2.46		-2.11 *	6.01 *	-1.55	-2.32	-2.44	

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SWBNO - Fidelity Institutional Asset Management

Time Weighted Rates of Return

Period Ending December 31, 2017

ACCOUNT							BARCLAYS AGGREGATE				
Date	Monthly	Quarterly	Semi Annually	Annually	Since 04/2007		Monthly	Quarterly	Semi Annually	Annually	Since 04/2007
07/2013	0.39	*			6.00	*	0.14				5.13
08/2013	-0.69				5.80	*	-0.51				4.97
09/2013	1.33	*	1.03	*	5.94	*	0.95	0.57			5.06
10/2013	1.09	*			6.04	*	0.81				5.13
11/2013	-0.25	*			5.92	*	-0.37				5.00
12/2013	-0.40	*	0.44	*	5.78	*	-0.57	-0.14	0.43	-2.02	4.85
01/2014	1.48	*			5.94	*	1.48				5.01
02/2014	0.85	*			5.99	*	0.53				5.03
03/2014	-0.09	*	2.26	*	5.91	*	-0.17	1.84			4.94
04/2014	0.93	*			5.97	*	0.84				5.01
05/2014	1.23	*			6.09	*	1.14				5.12
06/2014	0.20	*	2.38	*	6.04	*	0.05	2.04	3.93		5.06
07/2014	-0.29				5.93	*	-0.25				4.97
08/2014	1.10				6.02	*	1.10				5.07
09/2014	-0.74		0.05		5.84	*	-0.68	0.17			4.91
10/2014	1.14	*			5.93	*	0.98				4.99
11/2014	0.53				5.94	*	0.71				5.03
12/2014	-0.29		1.38		5.83	*	0.09	1.79	1.96	5.97	4.99
01/2015	1.94				6.03	*	2.10				5.22
02/2015	-0.41	*			5.91	*	-0.94				5.03
03/2015	0.40		1.92	*	5.90	*	0.46	1.61			5.04
04/2015	-0.02	*			5.83	*	-0.36				4.94
05/2015	-0.18	*			5.75	*	-0.24				4.86
06/2015	-1.07	*	-1.26	*	5.55	*	-1.09	-1.68	-0.10		4.67
07/2015	0.58				5.57	*	0.70				4.71
08/2015	-0.56				5.44	*	-0.14				4.64
09/2015	-0.04		-0.02		5.38	*	0.68	1.23			4.68
10/2015	0.74	*			5.41	*	0.02				4.63
11/2015	-0.21	*			5.33	*	-0.26				4.55
12/2015	-0.99		-0.47	*	5.16	*	-0.32	-0.57	0.65	0.55	4.47
01/2016	0.57				5.18	*	1.38				4.59
02/2016	0.46				5.18	*	0.71				4.63
03/2016	2.05	*	3.11	*	5.37	*	0.92	3.03			4.69
04/2016	1.18	*			5.46	*	0.38				4.69
05/2016	0.02				5.41	*	0.03				4.65
06/2016	1.76		2.98	*	5.56	*	1.80	2.21	5.31		4.81
07/2016	1.19	*			5.64	*	0.63				4.84

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SWBNO - Fidelity Institutional Asset Management

Time Weighted Rates of Return

Period Ending December 31, 2017

ACCOUNT							BARCLAYS AGGREGATE				
Date	Monthly	Quarterly	Semi Annually	Annually	Since 04/2007		Monthly	Quarterly	Semi Annually	Annually	Since 04/2007
08/2016	0.41	*			5.64	*	-0.11				4.78
09/2016	0.11	*	1.72	*	5.60	*	-0.06	0.46			4.73
10/2016	-0.47	*			5.50	*	-0.76				4.60
11/2016	-2.30	*			5.19	*	-2.37				4.30
12/2016	0.44	*	-2.34	*	5.19	*	0.14	-2.98	-2.53	2.65	4.28
01/2017	0.57	*			5.21	*	0.20				4.26
02/2017	0.79	*			5.25	*	0.67				4.30
03/2017	0.07	*	1.43	*	5.21	*	-0.05	0.82			4.25
04/2017	0.85	*			5.25	*	0.77				4.30
05/2017	0.63				5.28	*	0.77				4.34
06/2017	-0.11		1.38		5.22	*	-0.10	1.45	2.27		4.29
07/2017	0.65	*			5.24	*	0.43				4.30
08/2017	0.89				5.29	*	0.90				4.36
09/2017	-0.30	*	1.25	*	5.22	*	-0.48	0.85			4.27
10/2017	0.12	*			5.19	*	0.06				4.25
11/2017	-0.08	*			5.14	*	-0.13				4.20
12/2017	0.48	*	0.52	*	5.14	*	0.46	0.39	1.24	3.54	4.21

* Account return greater than Benchmark return.

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SWBNO - Fidelity Institutional Asset Management

Historical Data and Rate of Return

Period Ending December 31, 2017

Date	Market Value	Flow	Income	Weighted Flow	Fees	ROR	Unit Value
4/2007	57,389,891	0	0		0		100.68
5/2007	56,859,817	0	0	0	0	0.68	100.68
6/2007	56,212,901	-360,000	25,982	-60,000	0	-0.51	100.18
7/2007	56,433,608	0	28,403	0	0	0.39	100.57
8/2007	56,374,865	-125,000	28,250	-19,858	0	0.02	100.59
9/2007	56,784,852	-125,000	1	-12,500	0	0.10	100.69
10/2007	56,974,470	-125,000	28,088	-36,290	0	0.95	101.65
11/2007	57,064,006	-259,101	28,039	-200,303	0	1.14	102.80
12/2007	57,139,586	0	1	0	0	0.00	102.80
1/2008	57,481,971	-418,000	0	-249,387	0	1.34	104.18
2/2008	56,752,907	-625,000	0	-344,828	0	-0.18	103.99
3/2008	55,312,420	-1,000,000	0	-612,903	0	-0.78	103.17
4/2008	55,224,546	0	0	0	0	-0.16	103.01
5/2008	55,105,634	0	0	0	0	-0.22	102.79
6/2008	55,016,424	0	0	0	0	-0.16	102.62
7/2008	54,875,939	0	0	0	0	-0.26	102.36
8/2008	55,135,457	0	0	0	0	0.47	102.84
9/2008	53,245,351	0	0	0	0	-3.43	99.32
10/2008	49,840,114	-500,000	0	-241,935	0	-5.48	93.87
11/2008	49,254,827	8,387	0	559	0	-1.19	92.76
12/2008	50,919,350	15,008	0	0	0	3.35	95.86
1/2009	51,835,262	6,290	0	0	0	1.79	97.57
2/2009	51,494,784	6,343	0	0	0	-0.67	96.92
3/2009	51,833,447	-361,713	0	0	0	1.36	98.24
4/2009	53,294,639	0	0	0	0	2.82	101.01
5/2009	54,433,790	0	-1,080,000	0	0	2.14	103.17
6/2009	55,363,739	0	0	0	0	1.71	104.93
7/2009	57,136,721	0	0	0	0	3.20	108.29
8/2009	58,038,301	0	7,852	0	0	1.58	110.00
9/2009	59,318,503	14,902	0	0	0	2.18	112.40
10/2009	60,086,777	0	-7,852	0	0	1.30	113.85
11/2009	60,996,718	0	1,704	0	0	1.51	115.58
12/2009	60,571,378	0	75,204	0	0	-0.70	114.77

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SWBNO - Fidelity Institutional Asset Management

Historical Data and Rate of Return

Period Ending December 31, 2017

Date	Market Value	Flow	Income	Weighted Flow	Fees	ROR	Unit Value
1/2010	61,704,767	0	8,965	0	0	1.87	116.92
2/2010	62,007,733	0	3,331	0	0	0.49	117.49
3/2010	62,455,091	0	9,226	0	0	0.72	118.34
4/2010	52,594,148	-10,700,078	23,157	-4,688,605	0	1.45	120.06
5/2010	52,603,102	0	9,868	0	0	0.02	120.08
6/2010	53,418,205	4,783	4,795	0	0	1.54	121.93
7/2010	54,209,909	0	4,765	0	0	1.48	123.74
8/2010	54,563,839	-395,396	4,604	-154,839	0	1.39	125.45
9/2010	54,922,518	0	5,904	0	0	0.66	126.28
10/2010	54,991,487	-409,399	4,932	-400,965	0	0.88	127.39
11/2010	54,394,996	-281,000	5,046	-168,600	0	-0.58	126.65
12/2010	53,955,755	-230,000	25,780	-81,613	0	-0.39	126.16
1/2011	54,233,398	0	5,185	0	0	0.51	126.81
2/2011	54,065,279	-523,000	5,799	-229,286	0	0.66	127.65
3/2011	53,903,191	-258,000	6,011	-66,581	0	0.18	127.87
4/2011	54,431,957	-298,589	13,179	0	0	1.53	129.84
5/2011	54,804,990	-298,589	12,855	-144,479	0	1.24	131.44
6/2011	53,997,550	-584,000	9,569	0	0	-0.41	130.91
7/2011	54,843,598	0	8,127	0	0	1.57	132.96
8/2011	55,153,327	0	6,490	0	0	0.56	133.71
9/2011	55,194,617	0	4,102	0	0	0.07	133.81
10/2011	55,610,841	-4,390	8,779	0	0	0.76	134.83
11/2011	55,109,978	-270,000	4,678	-234,000	0	-0.42	134.27
12/2011	55,246,221	-578,295	0	-384,732	0	1.31	136.02
1/2012	56,038,678	0	6,658	0	0	1.43	137.97
2/2012	56,261,999	0	6,001	0	0	0.40	138.52
3/2012	55,338,517	-800,000	6,057	-77,419	0	-0.22	138.22
4/2012	56,000,145	60	5,502	0	0	1.20	139.87
5/2012	56,456,276	-754	6,875	0	0	0.82	141.01
6/2012	56,666,794	0	5,630	0	0	0.37	141.54
7/2012	57,656,132	-6,268	12,537	0	0	1.76	144.02
8/2012	57,821,199	0	7,096	0	0	0.29	144.43
9/2012	58,110,476	0	6,663	0	0	0.50	145.16



SWBNO - Fidelity Institutional Asset Management **Historical Data and Rate of Return** **Period Ending December 31, 2017**

Date	Market Value	Flow	Income	Weighted Flow	Fees	ROR	Unit Value
10/2012	57,399,041	-950,000	7,929	-796,774	0	0.42	145.76
11/2012	56,998,662	-650,000	7,173	-455,000	0	0.44	146.40
12/2012	56,566,070	-444,882	6,389	-145,161	0	0.02	146.43
1/2013	56,342,861	-5,694	5,753	0	0	-0.38	145.87
2/2013	56,660,409	5,912	6,003	7,499	0	0.55	146.68
3/2013	56,766,316	0	6,567	0	0	0.19	146.95
4/2013	57,450,933	-162	7,441	0	0	1.21	148.72
5/2013	56,472,908	0	7,031	0	0	-1.70	146.19
6/2013	55,370,996	0	7,072	0	0	-1.95	143.34
7/2013	55,586,970	0	7,690	0	0	0.39	143.90
8/2013	55,201,985	0	6,848	0	0	-0.69	142.90
9/2013	55,938,632	0	5,826	0	0	1.33	144.81
10/2013	56,550,649	0	7,625	0	0	1.09	146.39
11/2013	56,410,634	0	6,691	0	0	-0.25	146.03
12/2013	56,189,974	7,130	8,266	3,680	0	-0.40	145.44
1/2014	57,023,966	0	7,806	0	0	1.48	147.60
2/2014	57,508,157	0	6,281	0	0	0.85	148.85
3/2014	57,457,705	0	6,787	0	0	-0.09	148.72
4/2014	57,993,250	0	6,806	0	0	0.93	150.11
5/2014	58,709,201	0	6,410	0	0	1.23	151.96
6/2014	58,827,098	0	7,139	0	0	0.20	152.27
7/2014	58,654,604	0	6,980	0	0	-0.29	151.82
8/2014	59,297,968	0	7,193	0	0	1.10	153.48
9/2014	58,858,579	0	7,093	0	0	-0.74	152.35
10/2014	59,530,944	0	7,703	0	0	1.14	154.09
11/2014	59,845,697	0	6,989	0	0	0.53	154.90
12/2014	59,680,364	8,788	7,260	0	0	-0.29	154.45
1/2015	60,837,133	0	7,898	0	0	1.94	157.44
2/2015	60,586,195	0	6,967	0	0	-0.41	156.80
3/2015	60,826,580	0	7,461	0	0	0.40	157.42
4/2015	60,814,090	0	7,515	0	0	-0.02	157.39
5/2015	60,705,650	0	7,837	0	0	-0.18	157.10



SWBNO - Fidelity Institutional Asset Management **Historical Data and Rate of Return** **Period Ending December 31, 2017**

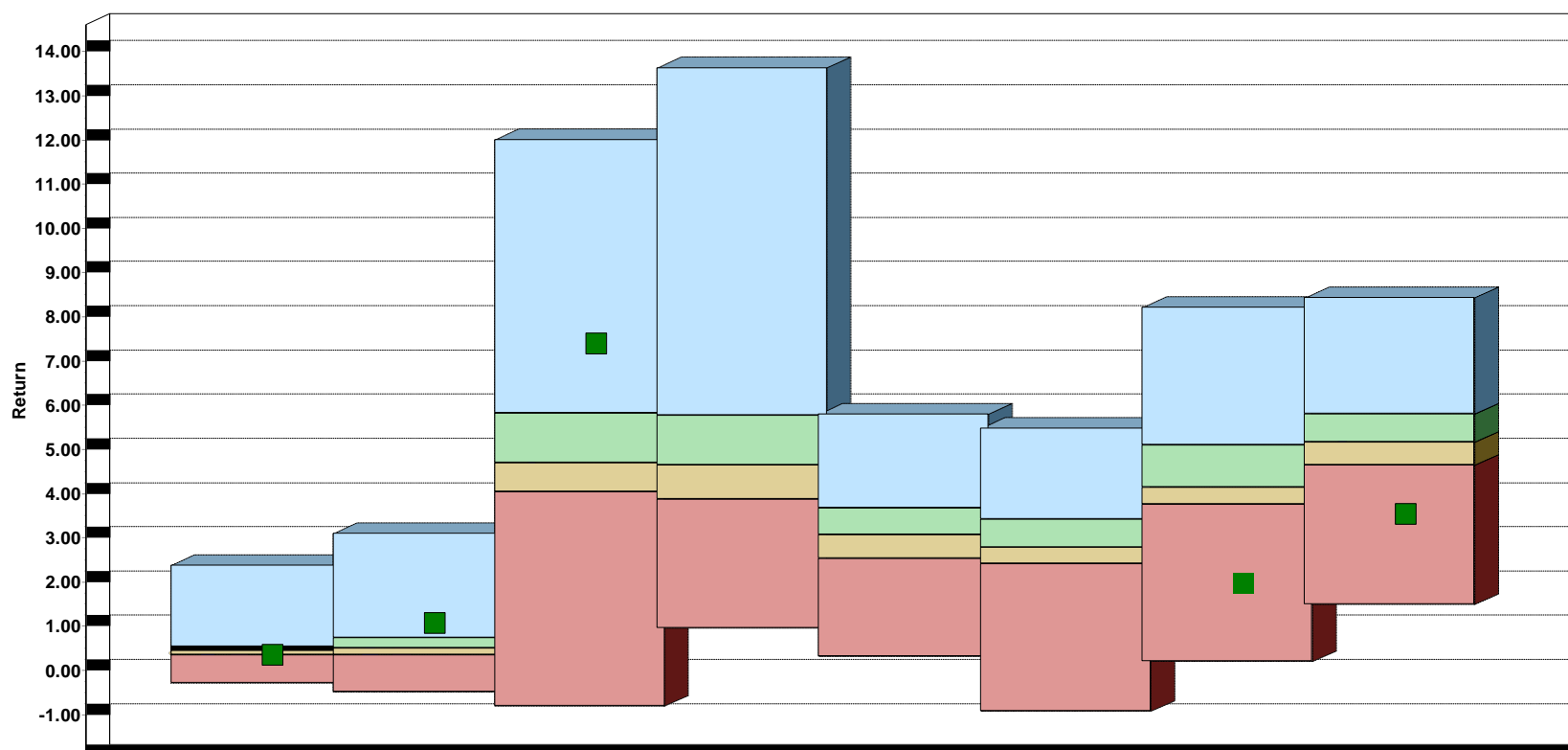
Date	Market Value	Flow	Income	Weighted Flow	Fees	ROR	Unit Value
6/2015	60,057,289	0	7,521	0	0	-1.07	155.43
7/2015	60,406,078	0	0	0	0	0.58	156.33
8/2015	60,068,362	0	7,124	0	0	-0.56	155.46
9/2015	60,044,068	0	7,866	0	0	-0.04	155.39
10/2015	60,486,590	0	7,118	0	0	0.74	156.54
11/2015	60,325,666	-33,700	6,751	-30,330	0	-0.21	156.21
12/2015	76,911,777	17,193,431	7,195	1,109,254	0	-0.99	154.66
1/2016	77,351,624	-19	15,834	-2	0	0.57	155.55
2/2016	77,709,906	9	7,911	9	46,869	0.46	156.27
3/2016	79,304,566	0	7,878	0	0	2.05	159.48
4/2016	80,243,779	0	7,758	0	0	1.18	161.36
5/2016	80,258,117	0	7,966	0	0	0.02	161.39
6/2016	81,671,483	0	7,997	0	0	1.76	164.24
7/2016	82,641,402	0	9,109	0	0	1.19	166.19
8/2016	82,977,769	0	7,437	0	0	0.41	166.86
9/2016	82,527,381	-545,000	8,214	-436,000	44,116	0.11	167.05
10/2016	82,135,388	0	8,286	0	0	-0.47	166.26
11/2016	79,359,422	-900,000	8,533	-690,000	0	-2.30	162.43
12/2016	79,707,719	-2,554	8,236	-1,401	45,069	0.44	163.15
1/2017	79,180,757	-980,000	7,999	-600,645	0	0.57	164.08
2/2017	79,804,842	0	8,801	0	0	0.79	165.38
3/2017	79,856,853	0	8,887	0	0	0.07	165.48
4/2017	80,534,024	-16	9,797	-2	0	0.85	166.89
5/2017	80,025,808	-1,009,996	8,970	-841,440	43,813	0.63	167.94
6/2017	79,941,456	0	9,693	0	0	-0.11	167.76
7/2017	79,659,803	-800,000	9,055	-541,935	0	0.65	168.86
8/2017	80,366,857	-72	8,654	-37	0	0.89	170.36
9/2017	80,129,177	0	8,610	0	0	-0.30	169.85
10/2017	80,229,144	0	7,776	0	0	0.12	170.06
11/2017	81,195,127	1,030,000	8,597	515,000	0	-0.08	169.93
12/2017	81,582,671	0	18,721	0	0	0.48	170.74

SWBNO - Fidelity Institutional Asset Management

Quartile Ranking Analysis - Return

Universe: PSN Core Plus Fixed

Period Ending December 31, 2017



	Month to Date	Latest 3 Months	One Year	Two Years	Three Years	Five Years	Seven Years	Since Inception*
Highest Value	2.38	3.10	12.01	13.63	5.80	5.49	8.23	8.43
First Quartile	0.53	0.74	5.81	5.76	3.67	3.42	5.10	5.80
Median Value	0.46	0.50	4.70	4.65	3.08	2.79	4.14	5.17
Third Quartile	0.36	0.36	4.05	3.88	2.53	2.41	3.75	4.65
Lowest Value	-0.29	-0.48	-0.81	0.95	0.31	-0.93	0.21	1.50
Mean	0.54	0.64	5.14	5.16	3.11	2.89	4.34	5.20
Members	73	73	72	72	71	68	64	51

	Month to Date		Latest 3 Months		One Year		Two Years		Three Years		Five Years		Seven Years		Since Inception*	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
▲ Fidelity Institutional Asset Management	0.48	43	0.52	49	4.65	51	5.07	37	3.40	33	3.12	36	4.42	39	5.14	50
● Barclays Aggregate	0.46	50	0.39	68	3.54	83	3.09	87	2.24	78	2.10	85	3.20	90	4.21	92
■ Barclays Global Agg	0.35	76	1.08	13	7.39	12	4.71	43	2.02	87	0.79	97	1.97	95	3.54	92
▼ Barclays US Universe	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

*Inception: April 2007

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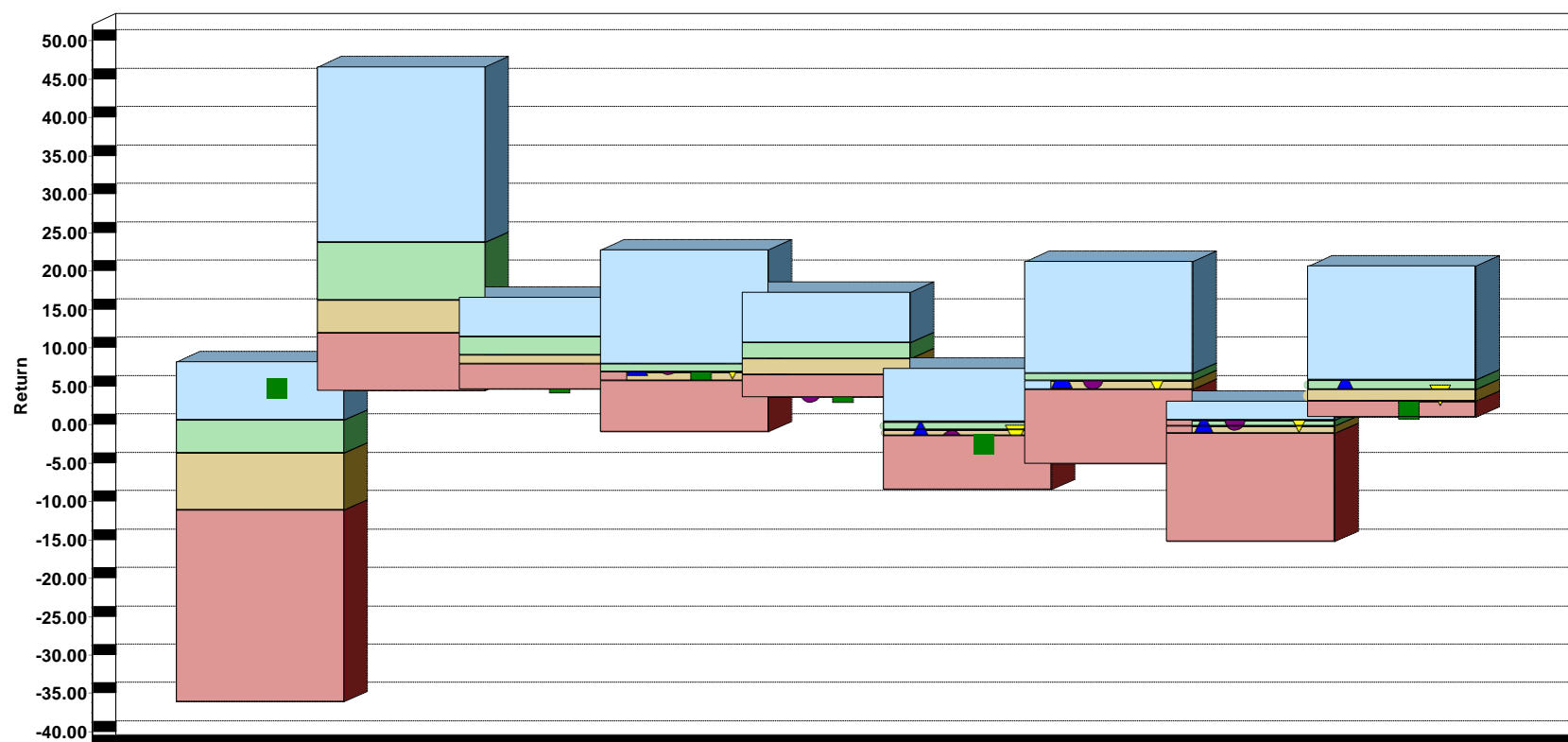
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SWBNO - Fidelity Institutional Asset Management

Quartile Ranking Analysis - Return

Universe: PSN Core Plus Fixed

Period Ending December 31, 2016



	2008	2009	2010	2011	2012	2013	2014	2015	2016
Highest Value	8.16	46.58	16.62	22.75	17.23	7.37	21.28	3.06	20.68
First Quartile	0.63	23.71	11.49	7.88	10.69	0.36	6.65	0.56	5.84
Median Value	-3.71	16.17	9.11	6.89	8.58	-0.69	5.70	-0.21	4.55
Third Quartile	-11.13	11.95	7.93	5.70	6.52	-1.45	4.59	-1.15	3.09
Lowest Value	-36.14	4.42	4.56	-0.90	3.52	-8.42	-5.10	-15.22	1.00
Mean	-5.30	18.56	9.57	6.99	8.76	-0.61	6.05	-0.71	5.10
Members	79	88	91	92	98	98	100	105	105

	2008		2009		2010		2011		2012		2013		2014		2015		2016	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
▲ Fidelity Institutional Asset Management	-6.75	60	19.73	35	9.93	37	7.81	27	7.65	64	-0.68	49	6.20	35	0.14	38	5.49	30
● Barclays Aggregate	5.24	3	5.93	96	6.54	91	7.84	26	4.21	96	-2.02	84	5.97	42	0.55	25	2.65	87
■ Barclays Global Agg	4.78	5	6.94	96	5.54	94	5.64	76	4.32	95	-2.59	88	0.58	97	-3.15	90	2.09	94
▼ Barclays US Universe	2.39	15	8.59	94	7.15	85	7.40	36	5.52	89	-1.35	73	5.56	52	0.43	28	3.91	62

*Inception: April 2007

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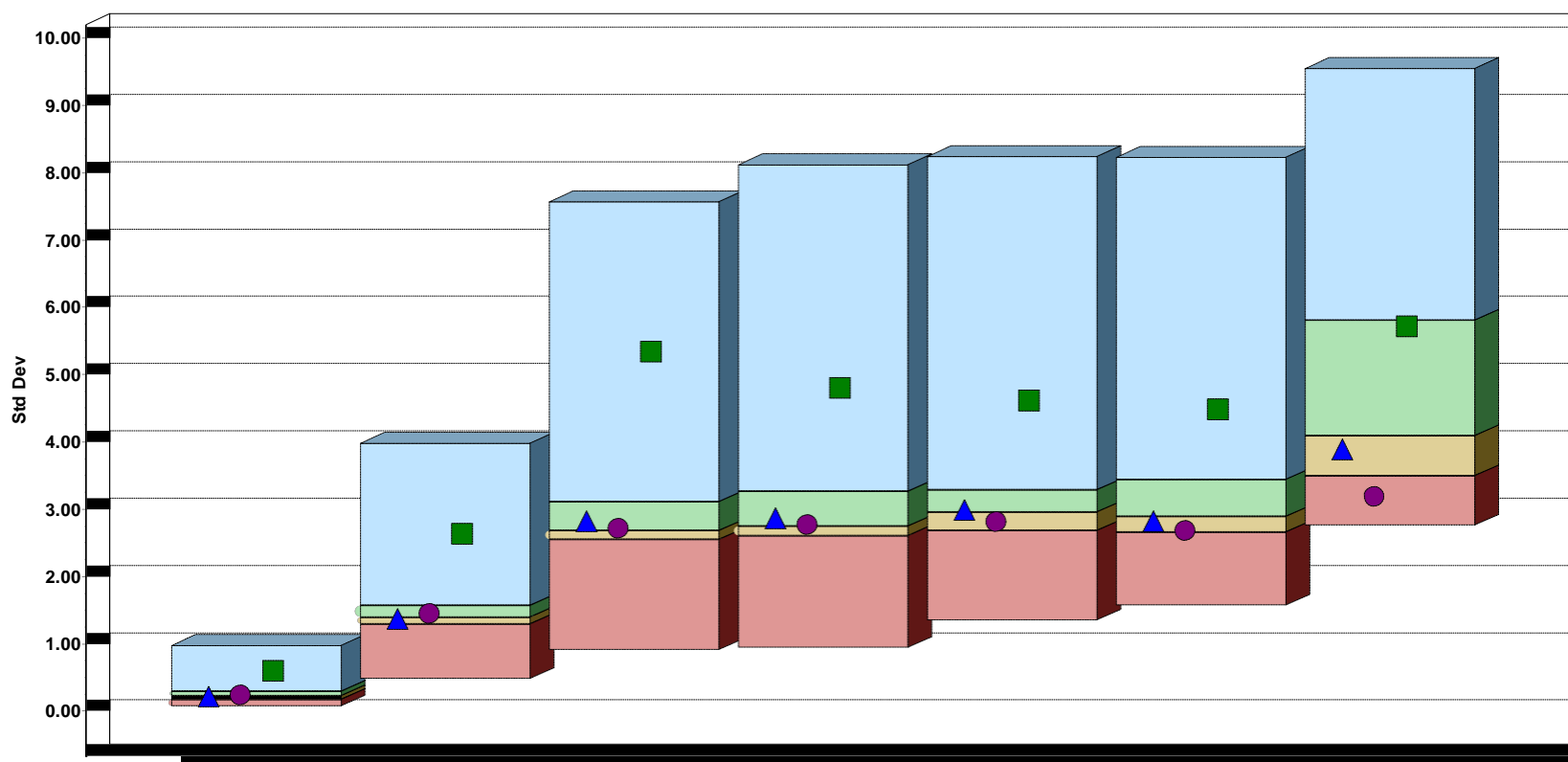
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SWBNO - Fidelity Institutional Asset Management

Quartile Ranking Analysis - Risk

Universe: PSN Core Plus Fixed

Period Ending December 31, 2017



		Latest 3 Months	One Year	Two Years	Three Years	Five Years	Seven Years	Since Inception*
Highest Value		0.98	3.99	7.58	8.13	8.25	8.24	9.56
First Quartile		0.31	1.57	3.12	3.27	3.29	3.45	5.81
Median Value		0.24	1.40	2.69	2.76	2.97	2.90	4.10
Third Quartile		0.19	1.31	2.56	2.61	2.69	2.67	3.51
Lowest Value		0.08	0.49	0.92	0.95	1.36	1.58	2.77
Mean		0.27	1.58	3.16	3.33	3.34	3.33	4.79
Members		73	72	72	71	68	64	51

	Latest 3 Months		One Year		Two Years		Three Years		Five Years		Seven Years		Since Inception*	
	Std Dev	Rank	Std Dev	Rank	Std Dev	Rank	Std Dev	Rank	Std Dev	Rank	Std Dev	Rank	Std Dev	Rank
▲ Fidelity Institutional Asset Management	0.23	54	1.38	55	2.83	37	2.88	40	3.00	44	2.83	56	3.90	60
● Barclays Aggregate	0.25	42	1.46	38	2.72	45	2.78	45	2.82	61	2.69	68	3.20	94
■ Barclays Global Agg	0.61	6	2.65	9	5.36	11	4.82	11	4.63	10	4.50	9	5.73	25
▼ Barclays US Universe	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

*Inception: April 2007

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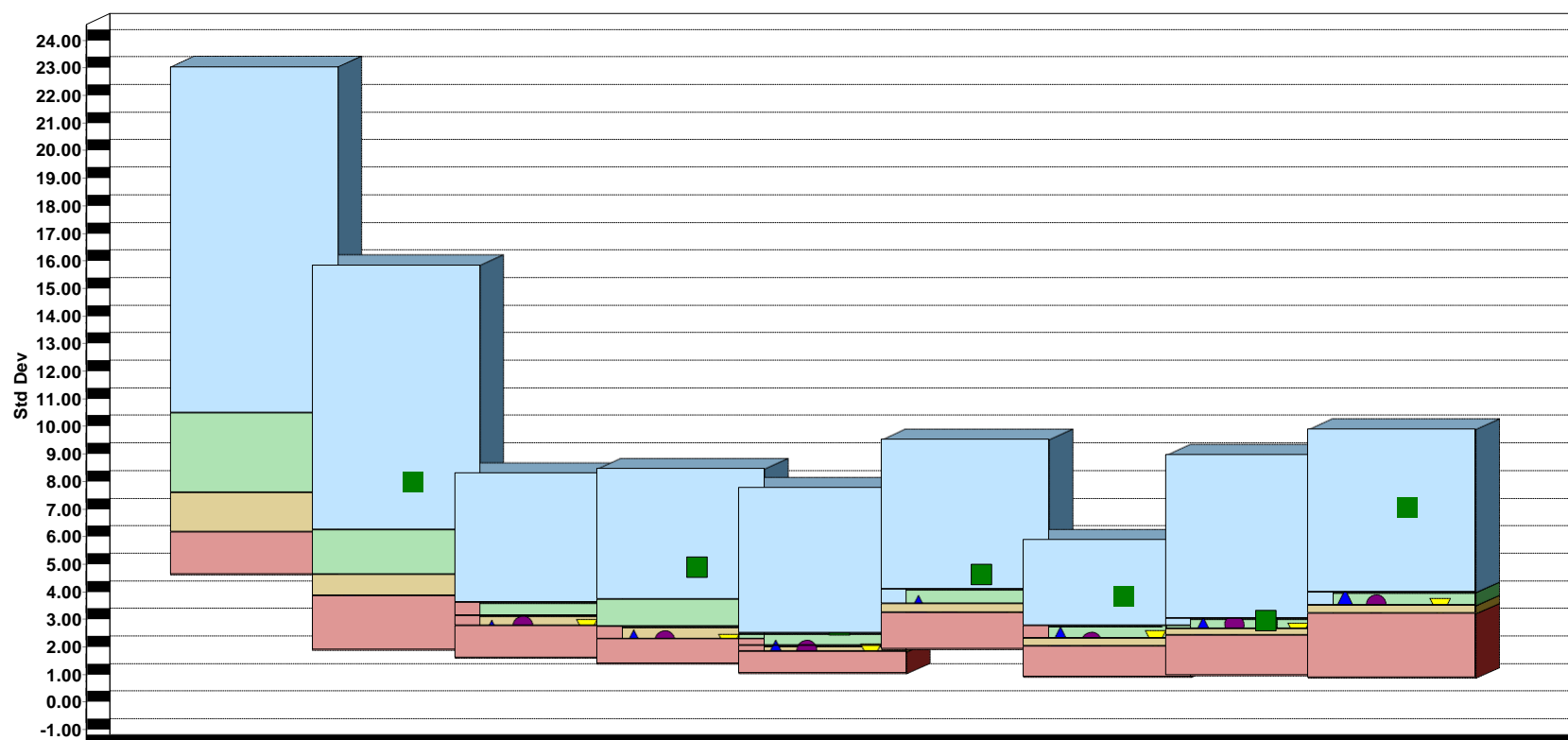
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SWBNO - Fidelity Institutional Asset Management

Quartile Ranking Analysis - Risk

Universe: PSN Core Plus Fixed

Period Ending December 31, 2016



	2008		2009		2010		2011		2012		2013		2014		2015		2016	
Highest Value	23.03		15.86		8.32		8.48		7.79		9.53		5.91		8.98		9.90	
First Quartile	10.48		6.24		3.63		3.73		2.50		4.10		2.77		3.04		3.98	
Median Value	7.59		4.64		3.14		2.74		2.05		3.58		2.32		2.66		3.51	
Third Quartile	6.16		3.87		2.77		2.28		1.84		3.24		2.02		2.44		3.22	
Lowest Value	4.62		1.91		1.59		1.39		1.05		1.92		0.91		0.98		0.89	
Mean	8.88		5.66		3.37		3.36		2.45		3.93		2.62		3.20		4.01	
Members	78		87		90		91		94		94		96		101		102	
	2008		2009		2010		2011		2012		2013		2014		2015		2016	
▲ Fidelity Institutional Asset Management	Std Dev	Rank	Std Dev	Rank	Std Dev	Rank	Std Dev	Rank	Std Dev	Rank	Std Dev	Rank	Std Dev	Rank	Std Dev	Rank	Std Dev	Rank
● Barclays Aggregate	7.32	55	3.90	74	2.64	82	2.29	74	1.92	65	3.53	53	2.41	41	2.73	45	3.76	32
■ Barclays Global Agg	5.83	85	3.20	88	2.79	71	2.25	79	1.92	65	3.05	81	2.21	57	2.82	37	3.55	46
▼ Barclays US Universe	9.28	32	8.00	17	6.30	4	4.91	14	2.86	15	4.64	12	3.84	10	2.95	27	7.03	9
	6.38	74	3.20	87	2.66	78	2.13	87	1.78	80	3.21	76	2.26	54	2.54	63	3.43	59

*Inception: April 2007

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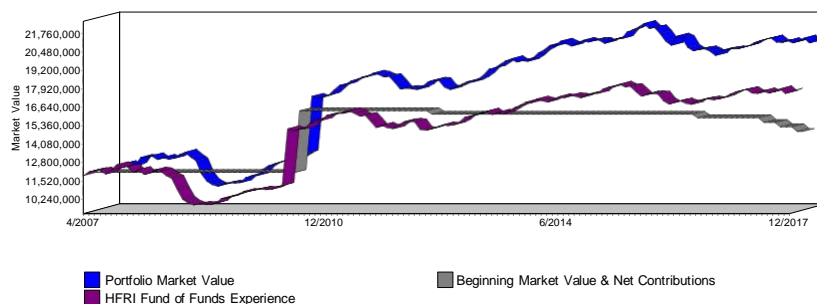


SWBNO - Prisma Capital Partners & KKR

Executive Account Summary

Period Ending December 31, 2017

Source of Portfolio Growth
Inception April 30, 2007 Through December 31, 2017

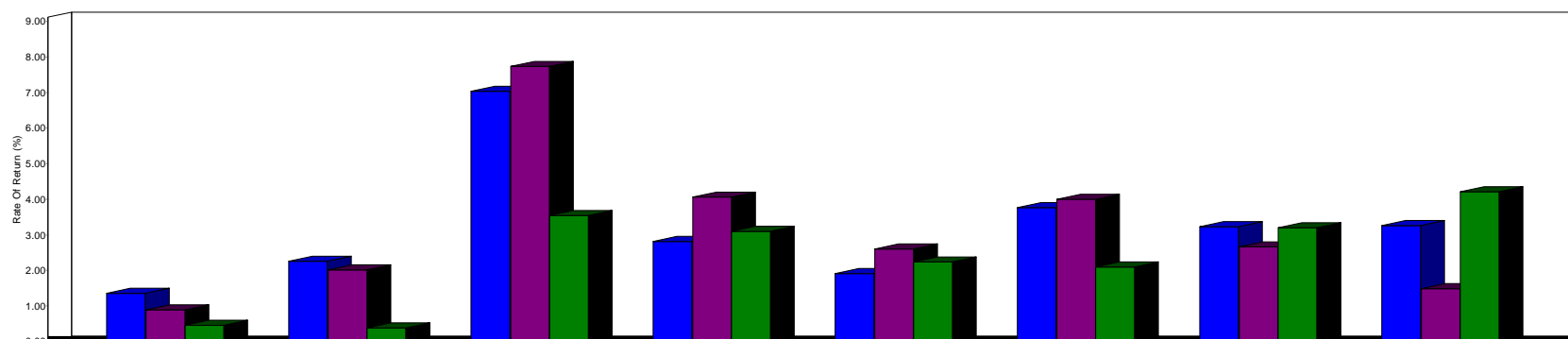


Statement Of Changes

Portfolio Value 09/30/2017	20,813,289
Net Income (Loss)	
Dividend Income	80
Realized Gains/Losses	82,317
Unrealized Gains/Losses	383,551
Net Transfers In (Out)	
Funds Withdrawn	(310,500)
Portfolio Value 12/31/2017	20,968,736

	Dollars	
	Latest Quarter	Since Inception
Beginning Value	20,813,289	11,899,960
Net Contribution	-310,500	2,856,088
Investment Return	465,948	6,212,689
Ending Value	20,968,736	20,968,736

Performance Analysis
April 30, 2007 through December 31, 2017



	Month to Date	Latest Quarter	One Year	Two Years	Three Years	Five Years	Seven Years	Since Inception
Prisma Capital Partners & KKR	1.35	2.26	7.03	2.81	1.92	3.77	3.23	3.26
HFRI Fund of Funds	0.90	2.02	7.73	4.06	2.60	3.99	2.66	1.48
Barclays Aggregate	0.46	0.39	3.54	3.09	2.24	2.10	3.20	4.21

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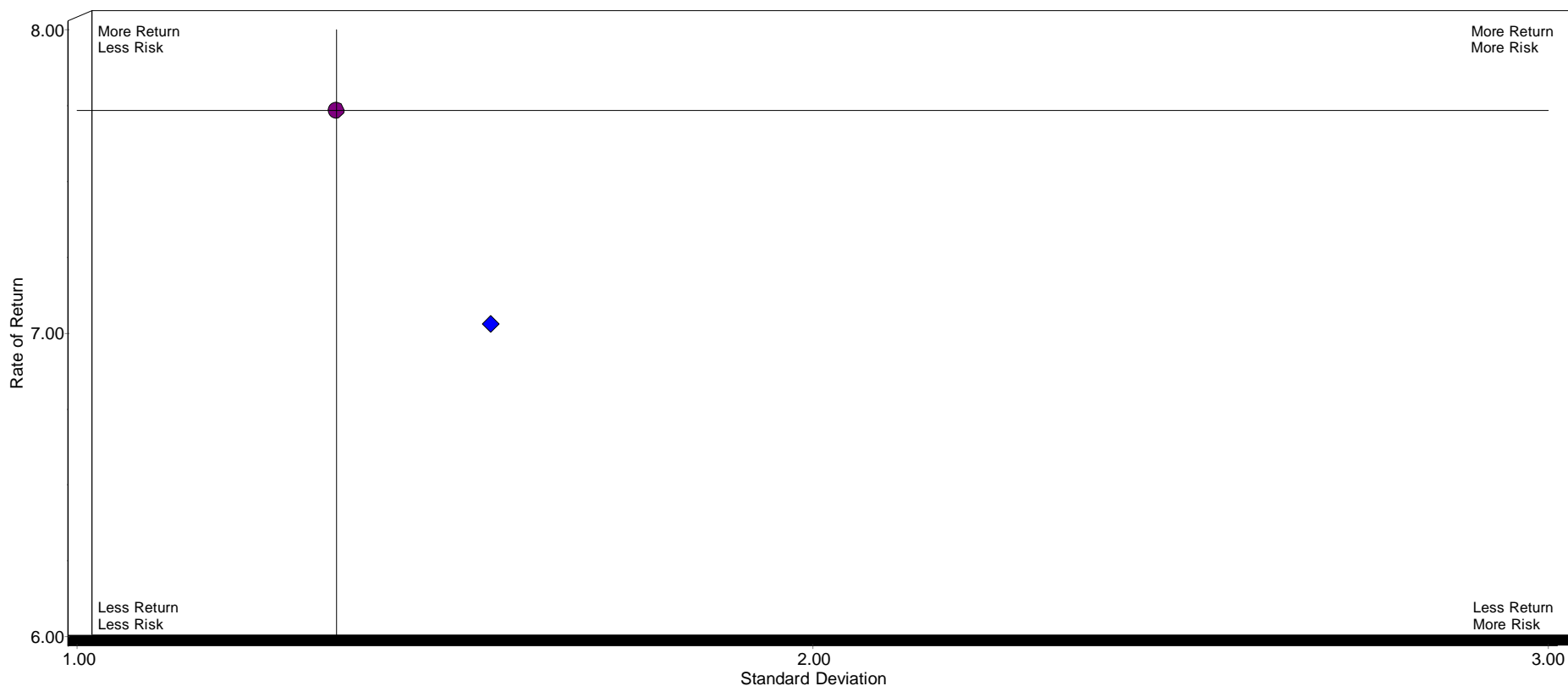
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SWBNO - Prisma Capital Partners & KKR

Risk Reward Analysis

December 31, 2016 Through December 31, 2017



	Return	Std Dev	Alpha	Beta	R-Squared	Sharpe Ratio
◆ Prisma Capital Partners & KKR	7.03	1.56	-0.79	1.02	79.69	3.88
● HFRI Fund of Funds	7.73	1.35	0.00	1.00	100.00	5.01

Risk Index: HFRI Fund of Funds

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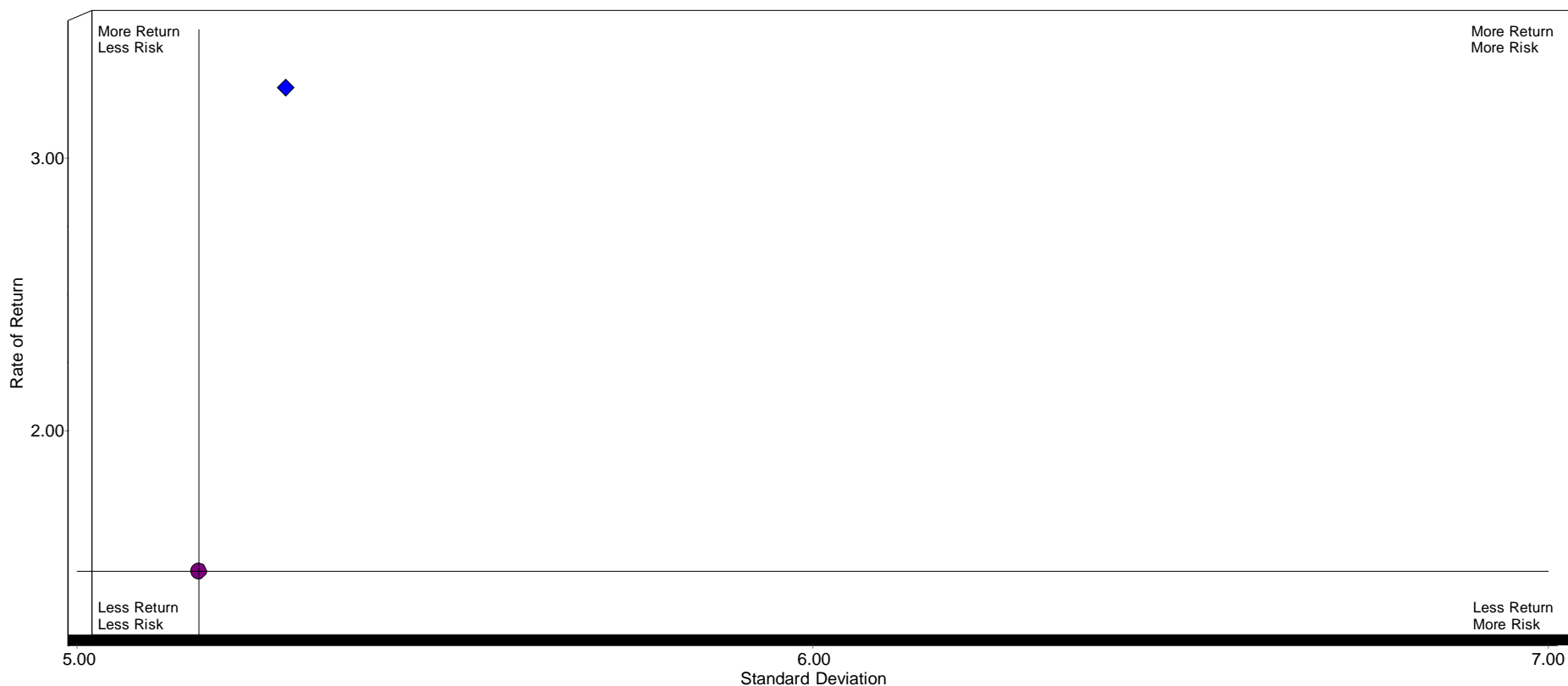
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SWBNO - Prisma Capital Partners & KKR

Risk Reward Analysis

April 30, 2007 Through December 31, 2017



	Return	Std Dev	Alpha	Beta	R-Squared	Sharpe Ratio
◆ Prisma Capital Partners & KKR	3.26	5.28	1.95	0.80	61.56	0.51
● HFRI Fund of Funds	1.48	5.17	0.00	1.00	100.00	0.18

Risk Index: HFRI Fund of Funds

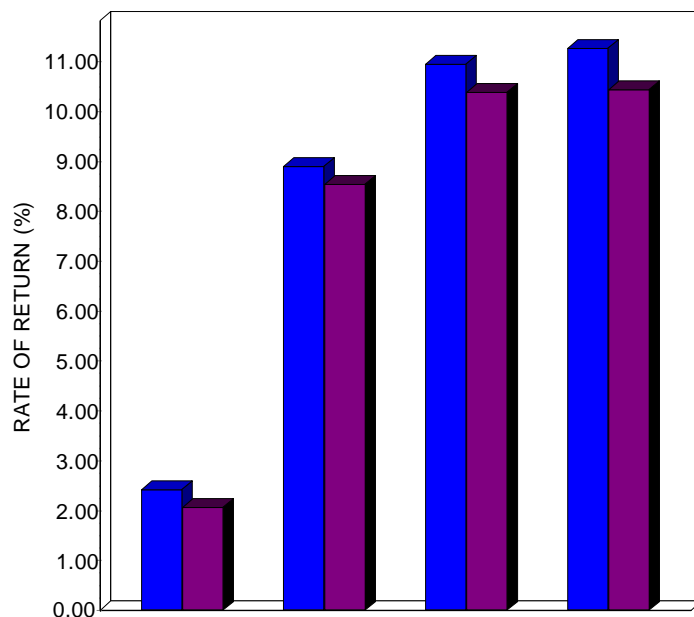
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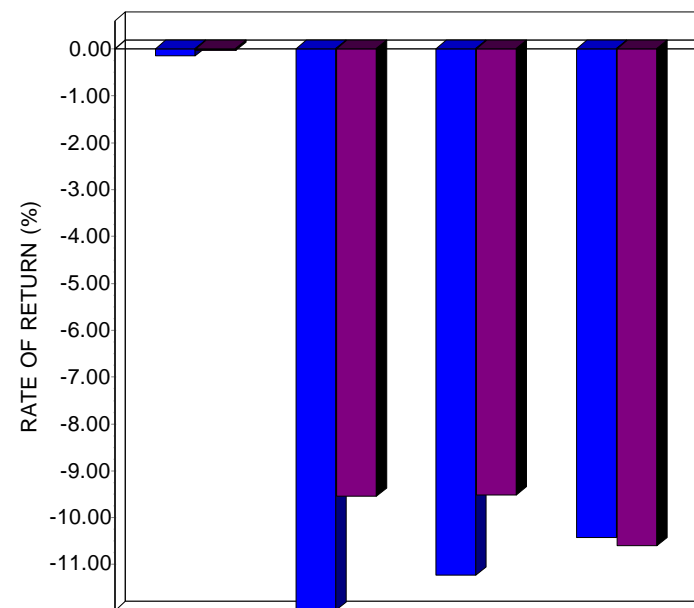
SWBNO - Prisma Capital Partners Market Cycle Analysis Period Ending December 31, 2017

Up Market Performance



	Latest Quarter	Three Years	Five Years	Seven Years
Prisma Capital Partners	2.42	8.89	10.95	11.26
HFRI Fund of Funds	2.07	8.53	10.39	10.44
Difference	0.35	0.36	0.56	0.82
Ratio	1.17	1.04	1.05	1.08
Up Periods	2	26	42	55

Down Market Performance



	Latest Quarter	Three Years	Five Years	Seven Years
Prisma Capital Partners	-0.15	-11.99	-11.25	-10.44
HFRI Fund of Funds	-0.05	-9.56	-9.52	-10.62
Difference	-0.11	-2.43	-1.73	0.18
Ratio	3.18	1.25	1.18	0.98
Down Periods	1	10	18	29

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SWBNO - Prisma Capital Partners

Time Weighted Rates of Return

Period Ending December 31, 2017

ACCOUNT						HFRI FUND OF FUNDS				
Date	Monthly	Quarterly	Semi Annually	Annually	Since 04/2007	Monthly	Quarterly	Semi Annually	Annually	Since 04/2007
05/2007	0.01				0.01	2.10				2.10
06/2007	1.89	*			1.89	0.68				2.79
07/2007	0.50	*			2.40	0.33				3.13
08/2007	0.98	*			3.41	-2.18				0.89
09/2007	-2.51	-1.06			0.82	2.16	0.26			3.06
10/2007	1.67				2.50	3.07				6.23
11/2007	4.34	*			6.95	-1.50				4.63
12/2007	-0.12	5.96	*	4.84	6.83	0.45	1.98	2.25		5.11
01/2008	-1.92	*			4.77	-2.90				2.06
02/2008	1.22				6.05	1.36				3.45
03/2008	-1.07	*	-1.79	*	4.91	-2.71	-4.25			0.64
04/2008	0.50				5.44	1.01				1.66
05/2008	2.06	*			7.01	1.74				3.16
06/2008	1.31	*	3.92	*	7.69	-0.85	1.89	-2.43		2.18
07/2008	-2.64	*			4.89	-2.66				-0.14
08/2008	-2.11				2.91	-1.53				-1.28
09/2008	-7.18	-11.54			-2.52	-6.54	-10.42			-5.81
10/2008	-4.39	*			-5.27	-6.22				-9.46
11/2008	-2.30	*			-6.38	-2.64				-10.51
12/2008	-1.05	*	-7.57	*	-6.66	-1.49	-10.06	-19.43	-21.39	-10.82
01/2009	1.56	*			-5.53	0.71				-9.97
02/2009	0.71	*			-4.92	-0.37				-9.72
03/2009	-0.09	2.18	*		-4.75	0.03	0.37			-9.30
04/2009	0.33				-4.40	1.05				-8.46
05/2009	3.03				-2.85	3.32				-6.68
06/2009	1.31	*	4.72	7.01	-2.15	0.38	4.80	5.19		-6.27
07/2009	-0.06				-2.10	1.54				-5.40
08/2009	3.81	*			-0.45	1.09				-4.77
09/2009	2.14	*	5.97	*	0.45	1.74	4.43			-3.93
10/2009	1.06	*			0.86	-0.09				-3.84
11/2009	0.90	*			1.18	0.80				-3.42
12/2009	1.18	*	3.18	*	1.59	0.76	1.47	5.97	11.47	-3.04
01/2010	0.65	*			1.78	-0.37				-3.08
02/2010	0.00				1.73	0.13				-2.94
03/2010	1.91	*	2.58	*	2.34	1.66	1.42			-2.31
04/2010	1.48	*			2.78	0.90				-1.96
05/2010	-2.28	*			1.94	-2.60				-2.74

* Account return greater than Benchmark return.

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SWBNO - Prisma Capital Partners

Time Weighted Rates of Return

Period Ending December 31, 2017

ACCOUNT								HFRI FUND OF FUNDS							
Date	Monthly	Quarterly		Semi Annually	Annually		Since 04/2007	Monthly	Quarterly	Semi Annually	Annually	Since 04/2007			
06/2010	-0.93		-1.75	*	0.78	*		1.59	*	-0.89	-2.60	-1.22	-2.94		
07/2010	0.75							1.78	*	0.77			-2.64		
08/2010	0.64	*						1.93	*	0.13			-2.53		
09/2010	2.11		3.52	*				2.50	*	2.35	3.27		-1.81		
10/2010	1.83	*						2.97	*	1.48			-1.35		
11/2010	0.21	*						2.96	*	-0.10			-1.35		
12/2010	1.45		3.53		7.18	*	8.01	*	3.30	*	2.20	3.61	7.00	5.69	-0.73
01/2011	0.65	*						3.41	*	0.15					-0.67
02/2011	0.93	*						3.58	*	0.83					-0.45
03/2011	0.14	*	1.72	*				3.54	*	-0.10	0.88				-0.46
04/2011	1.31	*						3.80	*	1.22					-0.15
05/2011	-0.46	*						3.60	*	-1.08					-0.41
06/2011	-1.00	*	-0.16	*	1.56	*		3.28	*	-1.30	-1.17		-0.30		-0.72
07/2011	0.12							3.25	*	0.39					-0.61
08/2011	-2.21	*						2.65	*	-2.64					-1.21
09/2011	-2.51	*	-4.55	*				2.01	*	-2.78	-4.98				-1.82
10/2011	0.24							2.03	*	1.07					-1.55
11/2011	-0.13	*						1.96	*	-0.98					-1.73
12/2011	-0.26	*	-0.14	*	-4.69	*	-3.21	*	1.87	*	-0.55	-0.47	-5.42	-5.71	-1.82
01/2012	1.27							2.11	*	1.79					-1.42
02/2012	1.74	*						2.44	*	1.51					-1.09
03/2012	0.59	*	3.64	*				2.52	*	0.05	3.38				-1.06
04/2012	-0.05	*						2.47	*	-0.26					-1.10
05/2012	-1.20	*						2.18	*	-1.69					-1.41
06/2012	-0.85		-2.10	*	1.47	*		1.98	*	-0.36	-2.30		1.00		-1.45
07/2012	1.03	*						2.15	*	0.78					-1.29
08/2012	0.90	*						2.28	*	0.75					-1.13
09/2012	1.06	*	3.02	*				2.45	*	0.87	2.42				-0.95
10/2012	-0.13	*						2.38	*	-0.26					-0.98
11/2012	1.15	*						2.56	*	0.40					-0.90
12/2012	1.62	*	2.66	*	5.76	*	7.31	*	2.81	*	1.19	1.32	3.77	4.81	-0.68
01/2013	2.20	*						3.16	*	2.13					-0.31
02/2013	0.44	*						3.19	*	0.28					-0.25
03/2013	1.21	*	3.89	*				3.36	*	0.89	3.32				-0.10
04/2013	1.37	*						3.54	*	0.82					0.04
05/2013	0.78	*						3.63	*	0.63					0.14
06/2013	-1.20	*	0.94	*	4.86	*		3.37	*	-1.39	0.05	3.37			-0.09

* Account return greater than Benchmark return.

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SWBNO - Prisma Capital Partners Time Weighted Rates of Return Period Ending December 31, 2017

ACCOUNT							HFRI FUND OF FUNDS				
Date	Monthly	Quarterly	Semi Annually	Annually	Since 04/2007		Monthly	Quarterly	Semi Annually	Annually	Since 04/2007
07/2013	0.53				3.41	*	1.01				0.07
08/2013	-0.28	*			3.32	*	-0.71				-0.04
09/2013	1.31		1.56		3.49	*	1.37	1.67			0.17
10/2013	1.69	*			3.71	*	1.26				0.36
11/2013	1.13	*			3.84	*	1.06				0.52
12/2013	1.47	*	4.34	*	4.02	*	1.31	3.67	5.40	8.95	0.71
01/2014	-0.29	*			3.92	*	-0.39				0.64
02/2014	1.74	*			4.14	*	1.62				0.87
03/2014	-0.81		0.62	*	3.96	*	-0.65	0.56			0.76
04/2014	-0.87				3.78	*	-0.63				0.67
05/2014	1.18				3.91	*	1.18				0.82
06/2014	0.82		1.13		3.98	*	0.99	1.54	2.11		0.95
07/2014	-0.66				3.84	*	-0.36				0.89
08/2014	0.63				3.89	*	0.83				1.00
09/2014	0.06	*	0.03		3.85	*	-0.19	0.28			0.96
10/2014	-1.06				3.66	*	-0.63				0.86
11/2014	1.09				3.77	*	1.22				1.02
12/2014	0.46	*	0.48		3.79	*	0.36	0.95	1.23	3.37	1.05
01/2015	-0.05				3.74	*	0.13				1.06
02/2015	2.29	*			4.00	*	1.69				1.26
03/2015	0.77	*	3.03	*	4.06	*	0.66	2.50			1.33
04/2015	0.76	*			4.11	*	0.25				1.35
05/2015	1.17	*			4.22	*	1.00				1.46
06/2015	-1.58		0.33	*	3.97	*	-1.04	0.21	2.71		1.32
07/2015	0.30	*			3.97	*	0.19				1.33
08/2015	-1.93	*			3.69	*	-2.00				1.07
09/2015	-2.40		-4.00		3.35	*	-1.83	-3.60			0.84
10/2015	-1.44				3.14	*	0.85				0.93
11/2015	3.19	*			3.49	*	0.30				0.96
12/2015	-0.77		0.92	*	3.36	*	-0.42	0.73	-2.90	-0.27	0.90
01/2016	-2.94				2.98	*	-2.66				0.58
02/2016	-1.31				2.79	*	-1.20				0.44
03/2016	0.48		-3.75		2.82	*	0.73	-3.12			0.52
04/2016	0.25				2.82	*	0.52				0.57
05/2016	0.47				2.85	*	0.50				0.62
06/2016	-1.48		-0.77		2.66	*	-0.47	0.56	-2.58		0.56
07/2016	1.75	*			2.83	*	1.50				0.72

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SWBNO - Prisma Capital Partners

Time Weighted Rates of Return

Period Ending December 31, 2017

ACCOUNT							HFRI FUND OF FUNDS				
Date	Monthly	Quarterly	Semi Annually	Annually	Since 04/2007		Monthly	Quarterly	Semi Annually	Annually	Since 04/2007
08/2016	0.27				2.83	*	0.44				0.76
09/2016	0.24	2.27			2.83	*	0.33	2.29			0.79
10/2016	0.06	*			2.81	*	-0.28				0.75
11/2016	0.51	*			2.84	*	0.26				0.77
12/2016	0.54	1.11	*	3.41	*	-1.24	0.89	0.86	3.18	0.51	0.86
01/2017	1.09	*			2.96	*	1.01				0.96
02/2017	0.64				3.01	*	0.90				1.04
03/2017	0.37	2.11			3.02	*	0.45	2.38			1.08
04/2017	0.51	*			3.05	*	0.51				1.12
05/2017	0.12				3.03	*	0.32				1.14
06/2017	-0.14	0.48		2.60	2.99	*	-0.02	0.81	3.21		1.13
07/2017	0.65				3.03	*	1.02				1.22
08/2017	0.75				3.08	*	0.83				1.29
09/2017	0.60	*	2.01		3.12	*	0.45	2.32			1.33
10/2017	1.05				3.19	*	1.16				1.43
11/2017	-0.15				3.15	*	-0.05				1.41
12/2017	1.35	*	2.26	*	4.31	7.03	0.90	2.02	4.39	7.73	1.48

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SWBNO - Prisma Capital Partners & KKR

Historical Data and Rate of Return

Period Ending December 31, 2017

Date	Market Value	Flow	Income	Weighted Flow	Fees	ROR	Unit Value
4/2007	11,899,960	11,899,960	0		0		100.00
5/2007	11,900,848	40	0	40	0	0.01	100.01
6/2007	12,186,006	0	2,543	0	0	1.89	101.89
7/2007	12,305,653	0	10	0	0	0.50	102.40
8/2007	11,997,051	0	10	0	0	0.98	103.41
9/2007	12,197,998	0	9	0	0	-2.51	100.82
10/2007	12,727,482	0	9	0	0	1.67	102.50
11/2007	12,712,213	0	9	0	0	4.34	106.95
12/2007	12,827,860	0	8	0	0	-0.12	106.83
1/2008	12,581,584	0	3	0	0	-1.92	104.77
2/2008	12,735,094	0	4	0	0	1.22	106.05
3/2008	12,598,307	0	3	0	0	-1.07	104.91
4/2008	12,661,451	0	2	0	0	0.50	105.44
5/2008	12,922,385	0	3	0	0	2.06	107.61
6/2008	13,091,658	0	3	0	0	1.31	109.02
7/2008	12,746,504	0	2	0	0	-2.64	106.15
8/2008	12,477,197	0	2	0	0	-2.11	103.91
9/2008	11,581,056	0	2	0	0	-7.18	96.44
10/2008	11,072,441	0	2	0	0	-4.39	92.21
11/2008	10,818,217	0	0	0	0	-2.30	90.09
12/2008	10,704,574	0	0	0	0	-1.05	89.14
1/2009	10,871,140	0	0	0	0	1.56	90.53
2/2009	10,948,099	0	1	0	0	0.71	91.17
3/2009	10,938,102	0	1	0	0	-0.09	91.09
4/2009	10,974,367	0	1	0	0	0.33	91.39
5/2009	11,306,863	0	1	0	0	3.03	94.16
6/2009	11,454,617	0	1	0	0	1.31	95.39
7/2009	11,447,939	0	0	0	0	-0.06	95.33
8/2009	11,883,765	0	0	0	0	3.81	98.96
9/2009	12,138,276	0	0	0	0	2.14	101.08
10/2009	12,266,968	0	0	0	0	1.06	102.15
11/2009	12,377,598	0	0	0	0	0.90	103.08
12/2009	12,523,873	0	0	0	0	1.18	104.29

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SWBNO - Prisma Capital Partners & KKR

Historical Data and Rate of Return

Period Ending December 31, 2017

Date	Market Value	Flow	Income	Weighted Flow	Fees	ROR	Unit Value
1/2010	12,605,245	0	0	0	0	0.65	104.97
2/2010	12,605,245	0	0	0	0	0.00	104.97
3/2010	12,846,511	0	0	0	0	1.91	106.98
4/2010	13,036,330	-884	0	-59	0	1.48	108.57
5/2010	16,979,180	4,300,000	0	2,635,484	0	-2.28	106.09
6/2010	16,821,093	0	18	17	0	-0.93	105.11
7/2010	16,947,185	0	0	0	0	0.75	105.89
8/2010	17,054,841	0	0	0	0	0.64	106.57
9/2010	17,413,993	0	0	0	0	2.11	108.81
10/2010	17,732,595	-18	0	-17	0	1.83	110.80
11/2010	17,770,086	0	0	0	0	0.21	111.04
12/2010	18,028,529	0	0	0	0	1.45	112.65
1/2011	18,145,137	0	0	0	0	0.65	113.38
2/2011	18,313,760	0	0	0	0	0.93	114.43
3/2011	18,339,015	0	0	0	0	0.14	114.59
4/2011	18,579,390	0	0	0	0	1.31	116.09
5/2011	18,493,403	0	0	0	0	-0.46	115.56
6/2011	18,309,285	0	0	0	0	-1.00	114.41
7/2011	18,330,644	0	0	0	0	0.12	114.54
8/2011	17,925,761	0	0	0	0	-2.21	112.01
9/2011	17,475,749	0	0	0	0	-2.51	109.20
10/2011	17,517,716	0	0	0	0	0.24	109.46
11/2011	17,495,360	0	0	0	0	-0.13	109.32
12/2011	17,450,681	0	0	0	0	-0.26	109.04
1/2012	17,672,353	0	0	0	0	1.27	110.43
2/2012	17,980,463	0	0	0	0	1.74	112.35
3/2012	18,086,556	0	0	0	0	0.59	113.01
4/2012	18,076,627	0	0	0	0	-0.05	112.95
5/2012	17,604,130	-255,000	0	0	0	-1.20	111.59
6/2012	17,454,264	0	0	0	0	-0.85	110.64
7/2012	17,634,887	0	0	0	0	1.03	111.79
8/2012	17,793,835	0	0	0	0	0.90	112.80
9/2012	17,981,735	0	0	0	0	1.06	113.99

SWBNO - Prisma Capital Partners & KKR

Historical Data and Rate of Return

Period Ending December 31, 2017

Date	Market Value	Flow	Income	Weighted Flow	Fees	ROR	Unit Value
10/2012	17,957,666	0	0	0	0	-0.13	113.83
11/2012	18,164,939	0	0	0	0	1.15	115.15
12/2012	18,459,666	0	0	0	0	1.62	117.02
1/2013	18,865,501	0	0	0	0	2.20	119.59
2/2013	18,948,320	0	0	0	0	0.44	120.11
3/2013	19,176,895	0	0	0	0	1.21	121.56
4/2013	19,439,907	0	0	0	0	1.37	123.23
5/2013	19,591,735	0	0	0	0	0.78	124.19
6/2013	19,356,252	0	0	0	0	-1.20	122.70
7/2013	19,458,217	0	0	0	0	0.53	123.35
8/2013	19,403,979	0	0	0	0	-0.28	123.00
9/2013	19,658,559	0	0	0	0	1.31	124.62
10/2013	19,989,814	0	0	0	0	1.69	126.72
11/2013	20,214,835	0	0	0	0	1.13	128.14
12/2013	20,511,668	0	0	0	0	1.47	130.02
1/2014	20,452,450	0	0	0	0	-0.29	129.65
2/2014	20,808,272	0	0	0	0	1.74	131.90
3/2014	20,639,602	0	0	0	0	-0.81	130.83
4/2014	20,460,401	0	0	0	0	-0.87	129.70
5/2014	20,701,509	0	0	0	0	1.18	131.23
6/2014	20,872,040	0	0	0	0	0.82	132.31
7/2014	20,734,632	0	0	0	0	-0.66	131.44
8/2014	20,865,802	0	0	0	0	0.63	132.27
9/2014	20,877,847	0	0	0	0	0.06	132.35
10/2014	20,656,982	0	0	0	0	-1.06	130.95
11/2014	20,883,103	0	0	0	0	1.09	132.38
12/2014	20,978,121	0	0	0	0	0.46	132.98
1/2015	20,967,884	0	0	0	0	-0.05	132.92
2/2015	21,447,830	0	0	0	0	2.29	135.96
3/2015	21,613,377	0	0	0	0	0.77	137.01
4/2015	21,777,348	0	0	0	0	0.76	138.05
5/2015	22,032,189	0	0	0	0	1.17	139.66

SWBNO - Prisma Capital Partners & KKR

Historical Data and Rate of Return

Period Ending December 31, 2017

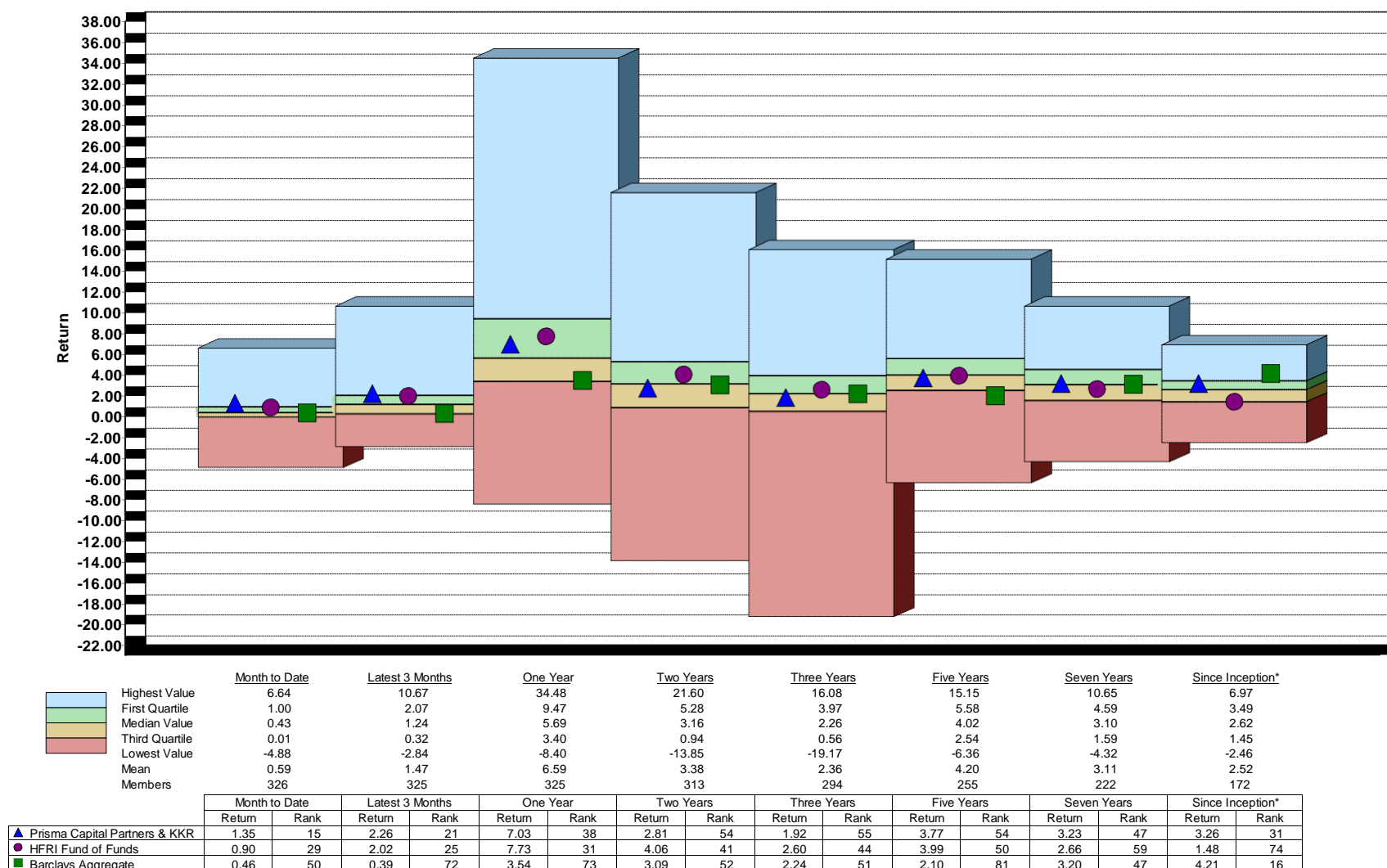
Date	Market Value	Flow	Income	Weighted Flow	Fees	ROR	Unit Value
6/2015	21,684,825	0	0	0	0	-1.58	137.46
7/2015	21,749,132	0	0	0	0	0.30	137.87
8/2015	21,329,512	0	0	0	0	-1.93	135.21
9/2015	20,817,678	0	0	0	0	-2.40	131.96
10/2015	20,517,846	0	0	0	0	-1.44	130.06
11/2015	21,172,065	0	0	0	0	3.19	134.21
12/2015	21,009,019	0	0	0	0	-0.77	133.18
1/2016	20,391,620	0	0	0	0	-2.94	129.26
2/2016	20,124,129	0	0	0	0	-1.31	127.57
3/2016	20,220,522	0	0	0	0	0.48	128.18
4/2016	20,270,341	0	0	0	0	0.25	128.49
5/2016	20,109,895	-256,500	0	173,758	0	0.47	129.10
6/2016	19,812,561	-22	22	-1	0	-1.48	127.19
7/2016	20,158,927	-22	0	-1	0	1.75	129.41
8/2016	20,213,254	22	0	20	0	0.27	129.76
9/2016	20,261,760	0	0	0	0	0.24	130.07
10/2016	20,273,911	0	0	0	0	0.06	130.15
11/2016	20,377,278	0	0	0	0	0.51	130.81
12/2016	20,487,315	0	0	0	0	0.54	131.52
1/2017	20,710,641	0	0	0	0	1.09	132.95
2/2017	20,843,137	0	0	0	0	0.64	133.81
3/2017	20,920,216	0	0	0	0	0.37	134.30
4/2017	21,026,920	0	0	0	0	0.51	134.99
5/2017	20,740,476	-310,500	0	-140,226	0	0.12	135.14
6/2017	20,710,774	0	4	0	0	-0.14	134.95
7/2017	20,845,451	0	0	0	0	0.65	135.82
8/2017	20,689,162	-310,504	0	-200,325	0	0.75	136.84
9/2017	20,813,289	-25	25	-18	0	0.60	137.66
10/2017	21,031,859	0	0	0	0	1.05	139.11
11/2017	20,689,081	-310,500	0	-165,600	0	-0.15	138.89
12/2017	20,968,736	0	80	0	0	1.35	140.77

SWBNO - Prisma Capital Partners & KKR

Quartile Ranking Analysis - Return

Universe: PSN-Fund of Funds

Period Ending December 31, 2017



*Inception: April 2007

Fund data is on a trade date basis and income is included in the fund returns on an accrual basis. Fund data is net of available flows and fees. Returns for longer than one year are annualized. All returns include reinvestment of income.

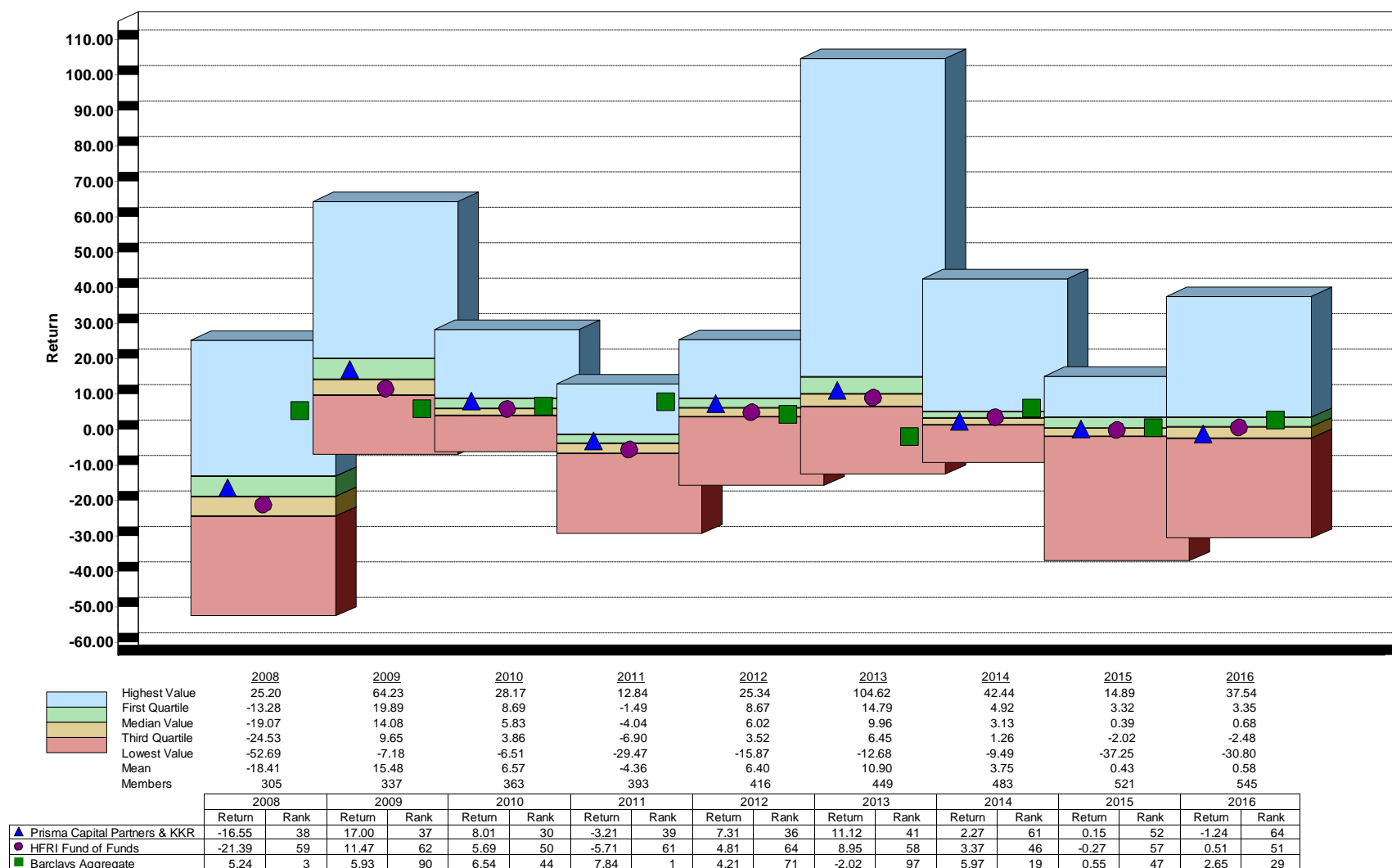
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SWBNO - Prisma Capital Partners & KKR

Quartile Ranking Analysis - Return

Universe: PSN-Fund of Funds

Period Ending December 31, 2016



*Inception: April 2007

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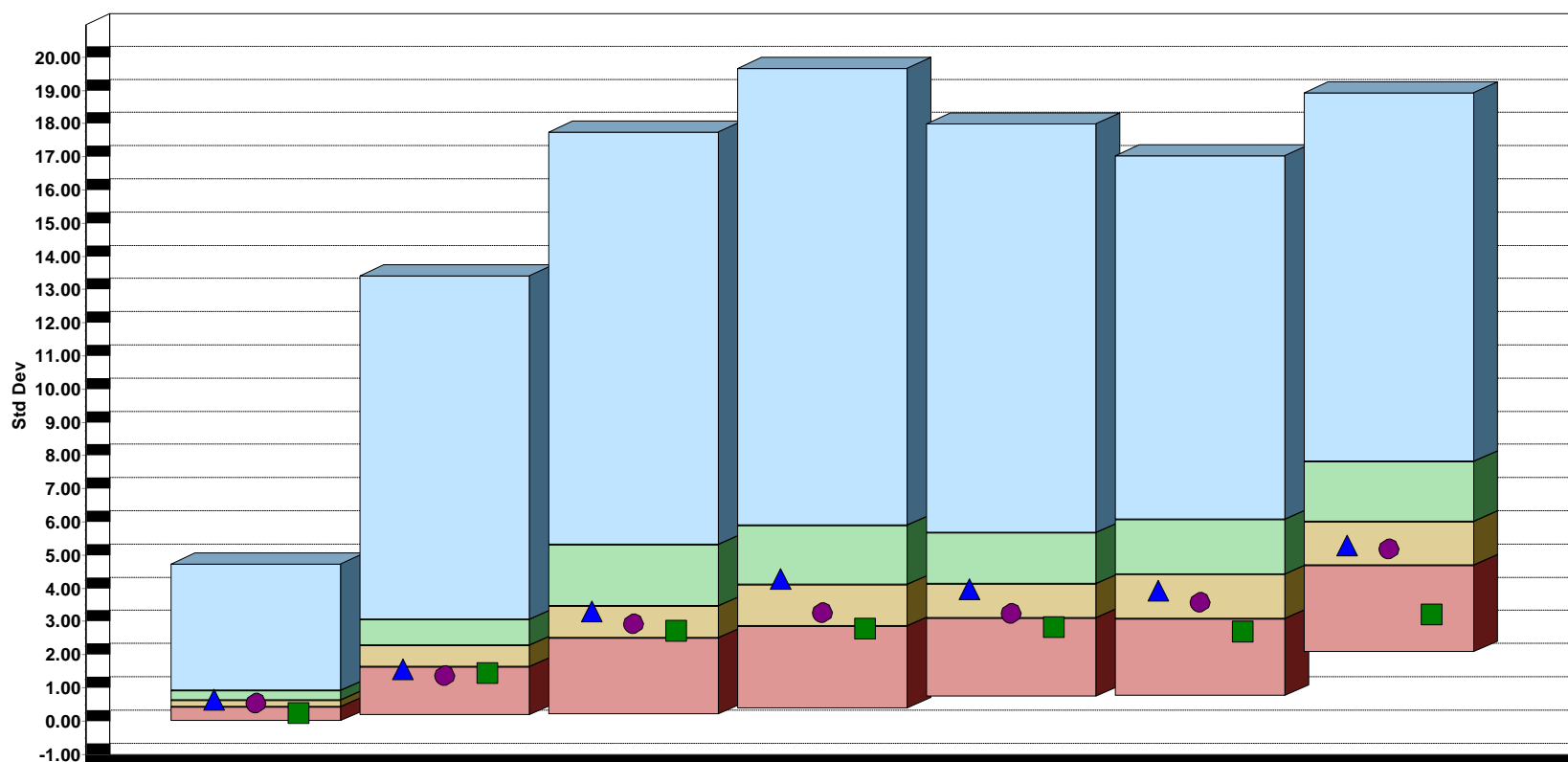
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SWBNO - Prisma Capital Partners & KKR

Quartile Ranking Analysis - Risk

Universe: PSN-Fund of Funds

Period Ending December 31, 2017



	Latest 3 Months	One Year	Two Years	Three Years	Five Years	Seven Years	Since Inception*
Highest Value	4.73	13.40	17.74	19.66	17.99	17.03	18.93
First Quartile	0.92	3.05	5.32	5.89	5.67	6.06	7.81
Median Value	0.63	2.27	3.46	4.11	4.14	4.41	6.00
Third Quartile	0.41	1.62	2.49	2.85	3.11	3.08	4.69
Lowest Value	0.00	0.18	0.20	0.37	0.73	0.75	2.06
Mean	0.74	2.73	4.30	4.83	4.75	4.79	6.36
Members	325	325	313	294	255	222	172

	Latest 3 Months		One Year		Two Years		Three Years		Five Years		Seven Years		Since Inception*	
	Std Dev	Rank	Std Dev	Rank	Std Dev	Rank	Std Dev	Rank	Std Dev	Rank	Std Dev	Rank	Std Dev	Rank
▲ Prisma Capital Partners & KKR	0.65	47	1.56	78	3.30	53	4.27	45	3.96	55	3.93	57	5.28	65
● HFRI Fund of Funds	0.52	63	1.35	90	2.92	61	3.26	63	3.23	69	3.56	64	5.17	67
■ Barclays Aggregate	0.25	91	1.46	84	2.72	68	2.78	77	2.82	80	2.69	84	3.20	95

*Inception: April 2007

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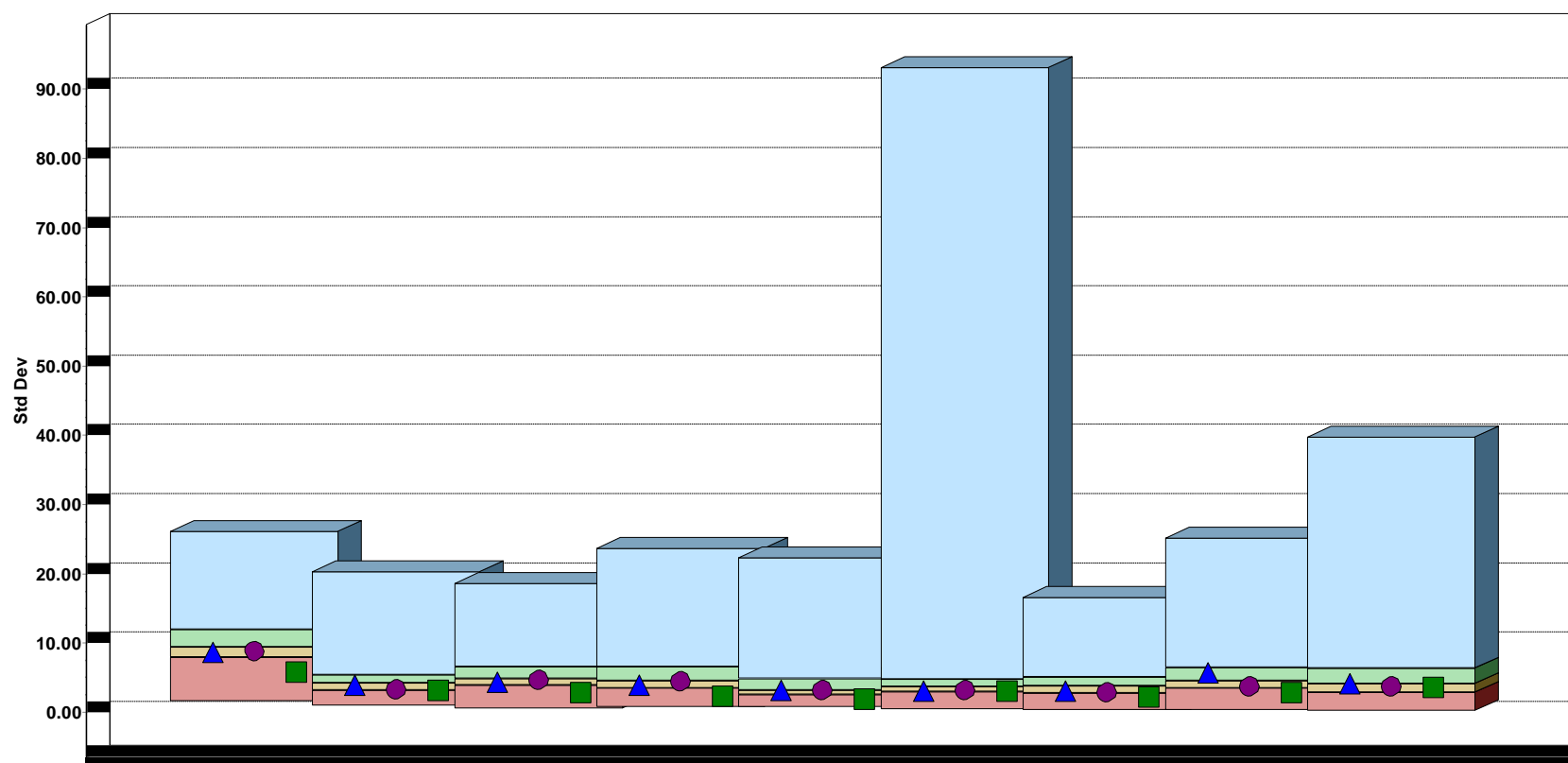
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SWBNO - Prisma Capital Partners & KKR

Quartile Ranking Analysis - Risk

Universe: PSN-Fund of Funds

Period Ending December 31, 2016



<div><div></div><div></div><div></div><div></div><div></div></div>	Highest Value	26.08	20.30	18.60	23.64	22.31	93.10	16.60	25.12	39.70									
	First Quartile	11.94	5.35	6.55	6.58	4.87	4.78	5.08	6.38	6.33									
	Median Value	9.43	4.16	4.87	4.53	3.19	3.71	3.78	4.53	4.06									
	Third Quartile	7.90	3.16	3.85	3.51	2.46	2.92	2.70	3.42	2.83									
	Lowest Value	1.56	0.97	0.55	0.69	0.68	0.40	0.28	0.24	0.22									
	Mean	10.19	4.86	5.47	5.37	3.94	4.53	4.13	5.36	5.06									
	Members	305	337	363	393	416	449	483	521	545									
		2008		2009		2010		2011		2012		2013		2014		2015		2016	
		Std Dev	Rank	Std Dev	Rank	Std Dev	Rank	Std Dev	Rank	Std Dev	Rank	Std Dev	Rank	Std Dev	Rank	Std Dev	Rank	Std Dev	Rank
▲	Prisma Capital Partners & KKR	8.69	61	3.92	56	4.26	66	3.84	64	3.15	50	3.06	72	3.08	65	5.72	34	4.08	49
●	HFRI Fund of Funds	8.76	60	3.27	71	4.67	54	4.42	51	3.20	49	3.16	67	2.81	72	3.72	69	3.64	58
■	Barclays Aggregate	5.83	90	3.20	73	2.79	92	2.25	94	1.92	87	3.05	72	2.21	89	2.82	84	3.55	59

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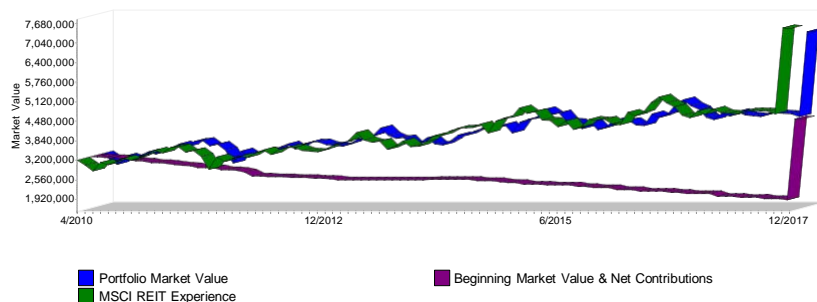


SWBNO - Vanguard Index FDS REIT

Executive Account Summary

Period Ending December 31, 2017

Source of Portfolio Growth
Inception April 30, 2010 Through December 31, 2017

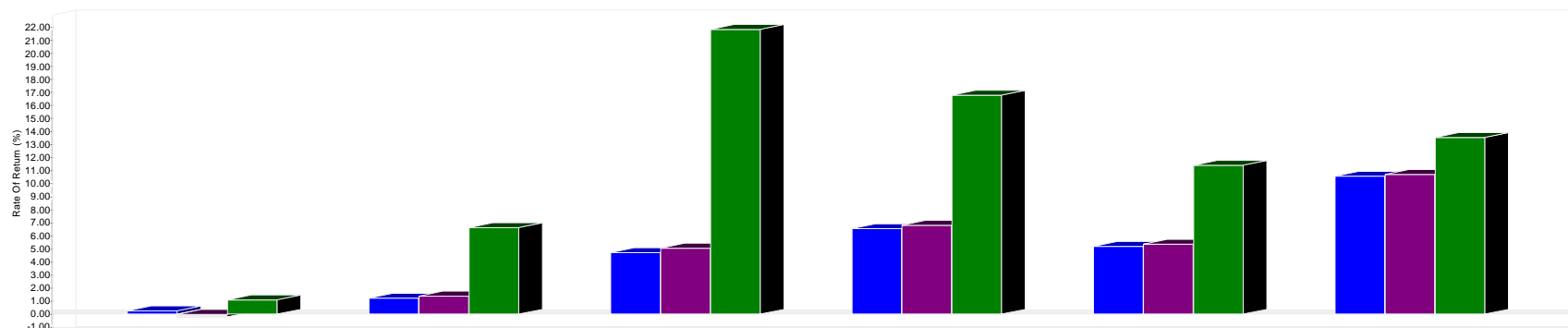


	Dollars	
	Latest Quarter	Since Inception
Beginning Value	4,516,397	3,208,661
Net Contribution	2,613,656	1,243,397
Investment Return	89,689	2,767,684
Ending Value	7,219,742	7,219,742

Statement Of Changes

Portfolio Value 09/30/2017	4,516,397
Net Income (Loss)	
Dividend Income	109,234
Unrealized Gains/Losses	(19,545)
Net Transfers In (Out)	
Funds Added	2,660,876
Funds Withdrawn	(47,220)
Portfolio Value 12/31/2017	7,219,742

Performance Analysis
April 30, 2010 through December 31, 2017



	Month to Date	Latest Quarter	One Year	Two Years	Three Years	Since Inception
Vanguard Index FDS REIT	0.27	1.24	4.71	6.55	5.22	10.58
MSCI REIT	-0.21	1.41	5.07	6.82	5.37	10.70
S&P 500	1.11	6.64	21.83	16.79	11.41	13.56

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SWBNO - Vanguard Index FDS REIT

Risk Reward Analysis

December 31, 2016 Through December 31, 2017



	Return	Std Dev	Alpha	Beta	R-Squared	Sharpe Ratio
◆ Vanguard Index FDS REIT	4.71	5.38	-0.22	0.97	97.84	0.70
● MSCI REIT	5.07	5.49	0.00	1.00	100.00	0.75

Risk Index: MSCI REIT

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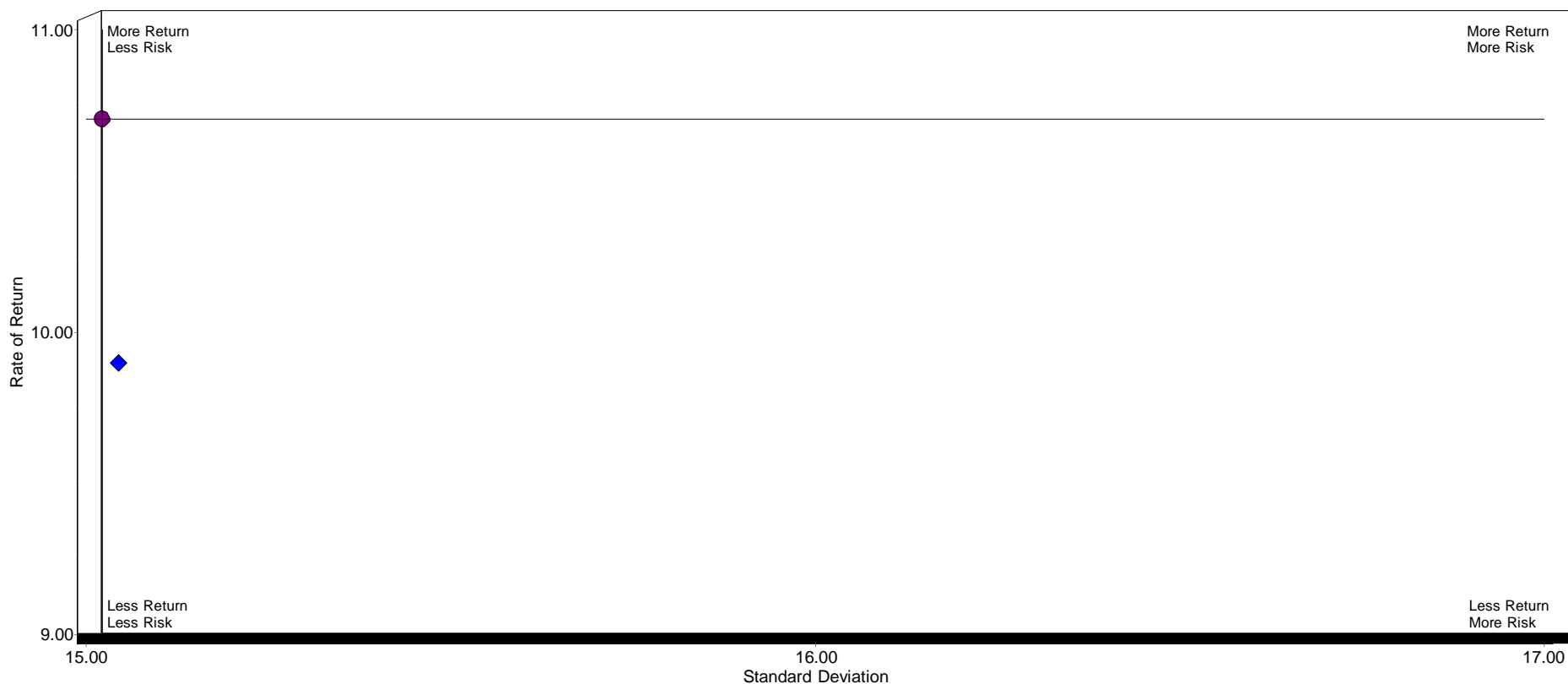
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SWBNO - Vanguard Index FDS REIT

Risk Reward Analysis

April 30, 2010 Through December 31, 2017



	Return	Std Dev	Alpha	Beta	R-Squared	Sharpe Ratio
◆ Vanguard Index FDS REIT	9.90	15.04	-0.72	1.00	99.48	0.64
● MSCI REIT	10.70	15.02	0.00	1.00	100.00	0.70

Risk Index: MSCI REIT

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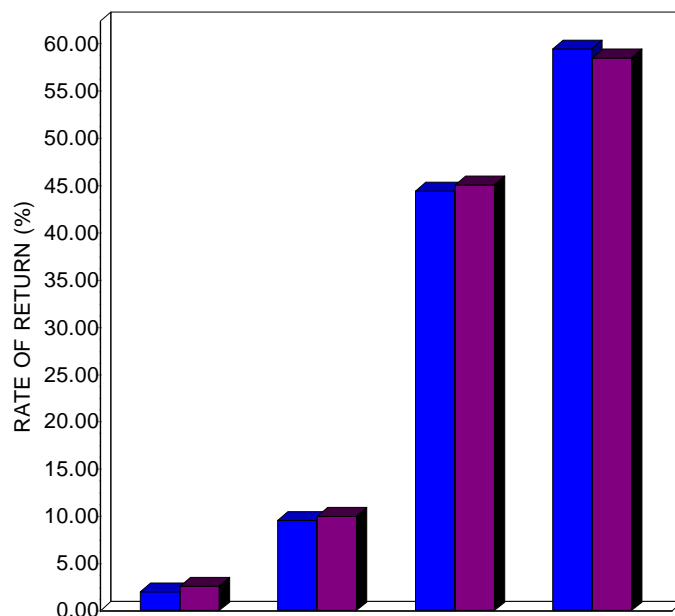
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SWBNO - Vanguard Index FDS REIT

Market Cycle Analysis

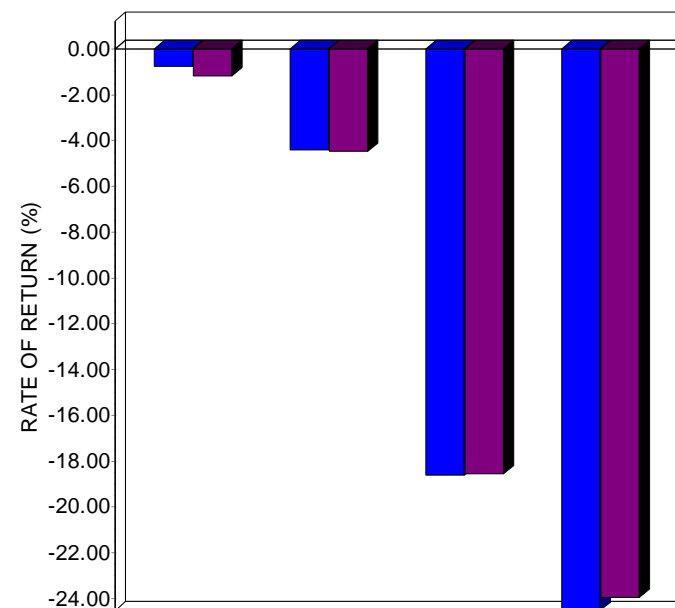
Period Ending December 31, 2017

Up Market Performance



	Latest Quarter	One Year	Two Years	Three Years
Vanguard Index FDS REIT	2.05	9.59	44.45	59.44
MSCI REIT	2.65	10.02	45.05	58.46
Difference	-0.60	-0.43	-0.60	0.98
Ratio	0.77	0.96	0.99	1.02
Up Periods	1	5	10	16

Down Market Performance



	Latest Quarter	One Year	Two Years	Three Years
Vanguard Index FDS REIT	-0.79	-4.45	-18.65	-24.54
MSCI REIT	-1.21	-4.50	-18.59	-23.98
Difference	0.41	0.05	-0.06	-0.56
Ratio	0.66	0.99	1.00	1.02
Down Periods	2	7	14	20

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SWBNO - Vanguard Index FDS REIT

Time Weighted Rates of Return

Period Ending December 31, 2017

ACCOUNT						MSCI REIT				
Date	Monthly	Quarterly	Semi Annually	Annually	Since 04/2010	Monthly	Quarterly	Semi Annually	Annually	Since 04/2010
05/2010	-5.29	*			-5.29	-5.39				-5.39
06/2010	-5.10	*			-10.12	-5.21				-10.32
07/2010	9.49				-1.58	9.71				-1.61
08/2010	-1.27				-2.83	-1.21				-2.80
09/2010	4.46	*	12.92		1.50	4.42	13.17			1.49
10/2010	4.74				6.30	4.77				6.33
11/2010	-1.84	*			4.35	-2.02				4.19
12/2010	4.51		7.45	*	9.05	4.62	7.40	21.55		9.00
01/2011	3.25				12.60	3.32				12.62
02/2011	4.73	*			17.92	4.61				17.81
03/2011	-1.63		6.36		15.99	-1.47	6.49			16.08
04/2011	5.75	*			22.67	5.70				22.70
05/2011	1.39	*			22.30	1.36				22.30
06/2011	-3.31		3.67	*	17.12	-3.31	3.59	10.32		17.12
07/2011	1.58	*			17.36	1.58				17.36
08/2011	-5.60				11.27	-5.54				11.33
09/2011	-10.71	*	-14.38	*	2.08	-10.93	-14.53			1.95
10/2011	13.73				11.09	14.41				11.41
11/2011	-3.69	*			7.88	-3.74				8.14
12/2011	4.67		14.64	-1.85	10.46	4.67	15.28	-1.47	8.69	10.71
01/2012	6.31				13.85	6.47				14.19
02/2012	-1.15				12.47	-1.10				12.82
03/2012	5.18	*	10.53		14.88	5.16	10.73			15.22
04/2012	2.88				15.85	2.90				16.19
05/2012	-4.50	*			12.66	-4.56				12.94
06/2012	5.51		3.66		14.95	5.64	3.75	14.88		15.29
07/2012	2.02	*			15.38	1.97				15.68
08/2012	0.01	*			14.80	-0.09				15.04
09/2012	-1.83	*	0.18	*	13.39	-1.83	0.01			13.61
10/2012	-0.88				12.51	-0.82				12.76
11/2012	-0.26	*			11.97	-0.37				12.16
12/2012	3.71		2.53	*	13.11	3.74	2.50	2.51	17.77	13.30
01/2013	3.74	*			14.20	3.72				14.38
02/2013	1.21				14.25	1.25				14.43
03/2013	2.90		8.04		14.93	2.91	8.07			15.12
04/2013	6.78	*			17.02	6.72				17.19
05/2013	-5.97				14.22	-5.94				14.39

* Account return greater than Benchmark return.

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SWBNO - Vanguard Index FDS REIT

Time Weighted Rates of Return

Period Ending December 31, 2017

ACCOUNT							MSCI REIT				
Date	Monthly	Quarterly	Semi Annually	Annually	Since 04/2010		Monthly	Quarterly	Semi Annually	Annually	Since 04/2010
06/2013	-2.85	-2.46	5.38		12.78		-1.96	-1.58	6.36		13.28
07/2013	0.90	*			12.75		0.82				13.20
08/2013	-6.96				10.00		-6.85				10.47
09/2013	3.28	-3.05			10.79		3.29	-3.00			11.25
10/2013	4.51	*			11.92		4.50				12.37
11/2013	-5.24				9.96		-5.22				10.40
12/2013	1.17	*	0.19	*	-2.86	2.37	0.28	-0.68	-3.66	2.47	10.24
01/2014	4.26	*			11.07		4.25				11.23
02/2014	5.05	*			12.25		4.94				12.38
03/2014	0.52	10.09	*		12.12		0.54	9.98			12.25
04/2014	3.27				12.76		3.34				12.90
05/2014	2.43	*			13.14		2.34				13.27
06/2014	1.16	7.00	*	17.80	*	13.18	1.17	7.00	17.68		13.30
07/2014	0.10	*			12.93		0.08				13.05
08/2014	3.05	*			13.45		2.96				13.54
09/2014	-5.99	-3.03	*		11.61		-5.97	-3.11			11.70
10/2014	9.89				13.74		9.97				13.85
11/2014	2.02	*			13.97		2.00				14.08
12/2014	1.92	14.26	10.79	*	30.51	*	1.93	14.34	10.79	30.38	14.28
01/2015	6.88	*			15.51		6.76				15.59
02/2015	-3.64				14.34		-3.57				14.44
03/2015	1.76	4.79	*		14.49		1.75	4.75			14.58
04/2015	-5.82	*			12.87		-5.90				12.94
05/2015	-0.28				12.58		-0.25				12.66
06/2015	-5.60	-11.34	-7.09		11.12		-4.59	-10.44	-6.19		11.42
07/2015	6.80	*			12.33		5.64				12.40
08/2015	-6.26				10.78		-6.23				10.85
09/2015	3.08	3.19	*		11.22		3.03	2.06			11.29
10/2015	5.79				12.19		5.80				12.25
11/2015	-0.63				11.87		-0.61				11.94
12/2015	1.81	7.03	10.45	*	2.61	*	1.83	7.08	9.28	2.52	12.11
01/2016	-3.44				11.17		-3.34				11.26
02/2016	-0.36	*			10.94		-0.39				11.02
03/2016	10.44	6.26			12.65		10.42	6.31			12.73
04/2016	-2.35	*			12.02		-2.40				12.09
05/2016	2.25				12.25		2.38				12.34
06/2016	6.89	6.72	13.40		13.30		6.90	6.81	13.56		13.39

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SWBNO - Vanguard Index FDS REIT

Time Weighted Rates of Return

Period Ending December 31, 2017

ACCOUNT							MSCI REIT				
Date	Monthly	Quarterly	Semi Annually	Annually	Since 04/2010		Monthly	Quarterly	Semi Annually	Annually	Since 04/2010
07/2016	4.23	*			13.86		4.20				13.95
08/2016	-3.76				12.98		-3.66				13.08
09/2016	-1.84	-1.53			12.48		-1.83	-1.45			12.58
10/2016	-5.74				11.29		-5.69				11.40
11/2016	-1.68	*			10.85		-1.71				10.95
12/2016	4.77	*	-2.90	*	-4.39	8.43	4.69	-2.96	-4.37	8.60	11.57
01/2017	-0.19				11.31		-0.01				11.42
02/2017	3.51	*			11.72		3.46				11.83
03/2017	-2.43	0.80			11.18		-2.37	0.99			11.29
04/2017	0.24	*			11.08		0.17				11.18
05/2017	-0.72				10.82		-0.64				10.94
06/2017	2.24	*	1.74	*	2.55		2.13	1.65	2.66		11.13
07/2017	1.23				11.09		1.27				11.19
08/2017	-0.26				10.92		-0.24				11.02
09/2017	-0.11	0.85			10.77		-0.10	0.93			10.87
10/2017	-1.06				10.49		-0.99				10.60
11/2017	2.05				10.66		2.65				10.86
12/2017	0.27	*	1.24		2.11	4.71	-0.21	1.41	2.35	5.07	10.70

* Account return greater than Benchmark return.

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SWBNO - Vanguard Index FDS REIT

Historical Data and Rate of Return

Period Ending December 31, 2017

Date	Market Value	Flow	Income	Weighted Flow	Fees	ROR	Unit Value
4/2010	3,208,661	0	0		0		100.00
5/2010	3,039,043	0	14	0	0	-5.29	94.71
6/2010	2,855,898	-28,165	28,636	0	0	-5.10	89.88
7/2010	3,127,570	504	0	179	0	9.49	98.42
8/2010	3,046,973	-40,957	0	-12,261	0	-1.27	97.17
9/2010	3,155,582	-27,202	27,986	366	0	4.46	101.50
10/2010	3,274,544	-29,190	0	-28,693	0	4.74	106.30
11/2010	3,200,606	-13,819	0	-8,395	0	-1.84	104.35
12/2010	3,294,976	-49,765	35,407	-4,044	0	4.51	109.05
1/2011	3,403,075	985	0	381	0	3.25	112.60
2/2011	3,531,205	-32,000	1,023	-14,571	0	4.73	117.92
3/2011	3,432,452	-41,180	25,098	-4,387	0	-1.63	115.99
4/2011	3,611,861	-18,000	1,829	-1,800	0	5.75	122.67
5/2011	3,643,833	-18,000	661	-10,452	0	1.39	124.37
6/2011	3,458,945	-64,718	58,891	-15,600	0	-3.31	120.25
7/2011	3,513,554	0	511	0	0	1.58	122.15
8/2011	3,316,762	0	611	0	0	-5.60	115.31
9/2011	2,902,944	-58,603	29,241	-1,000	0	-10.71	102.96
10/2011	3,301,379	0	751	0	0	13.73	117.09
11/2011	3,147,769	-32,212	0	-12,298	0	-3.69	112.76
12/2011	3,242,823	-51,537	70,829	-7,146	0	4.67	118.03
1/2012	3,320,025	-122,715	876	-75,212	0	6.31	125.48
2/2012	3,282,729	899	0	31	0	-1.15	124.03
3/2012	3,424,887	-27,942	27,005	-871	0	5.18	130.46
4/2012	3,523,633	0	839	0	0	2.88	134.22
5/2012	3,365,777	839	0	0	0	-4.50	128.18
6/2012	3,523,179	-27,920	28,778	-931	0	5.51	135.24
7/2012	3,594,508	0	858	0	0	2.02	137.98
8/2012	3,594,977	0	1,007	0	0	0.01	137.99
9/2012	3,501,138	-28,242	29,131	-1,883	0	-1.83	135.47
10/2012	3,470,262	0	815	0	0	-0.88	134.28
11/2012	3,456,617	-4,500	0	0	0	-0.26	133.93
12/2012	3,542,821	-42,205	42,875	0	0	3.71	138.90

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SWBNO - Vanguard Index FDS REIT

Historical Data and Rate of Return

Period Ending December 31, 2017

Date	Market Value	Flow	Income	Weighted Flow	Fees	ROR	Unit Value
1/2013	3,675,157	0	0	0	0	3.74	144.09
2/2013	3,721,487	1,680	0	1,080	0	1.21	145.84
3/2013	3,798,951	0	0	0	0	2.08	148.88
4/2013	4,056,362	0	1,884	0	0	6.78	158.96
5/2013	3,814,284	0	0	0	0	-5.97	149.48
6/2013	3,705,394	0	1,927	0	0	-2.85	145.21
7/2013	3,738,747	0	0	0	0	0.90	146.52
8/2013	3,478,379	0	0	0	0	-6.96	136.31
9/2013	3,566,603	0	0	0	0	2.54	139.77
10/2013	3,727,450	0	0	0	0	4.51	146.07
11/2013	3,532,174	0	0	0	0	-5.24	138.42
12/2013	3,485,762	4,155	0	2,144	0	-1.43	136.44
1/2014	3,634,236	0	0	0	0	4.26	142.25
2/2014	3,817,677	0	0	0	0	5.05	149.43
3/2014	3,814,276	0	2,517	0	0	-0.09	149.30
4/2014	3,939,081	0	0	0	0	3.27	154.18
5/2014	4,034,659	0	1,437	0	0	2.43	157.93
6/2014	4,043,566	-37,388	38,226	-34,895	0	1.16	159.75
7/2014	4,047,463	0	670	0	0	0.10	159.91
8/2014	4,170,813	0	697	0	0	3.05	164.78
9/2014	3,884,925	-35,935	36,775	0	0	-5.99	154.91
10/2014	4,249,267	-19,755	0	0	0	9.89	170.22
11/2014	4,335,080	0	817	0	0	2.02	173.66
12/2014	4,359,028	-59,336	60,152	0	0	1.92	176.99
1/2015	4,658,823	0	1,233	0	0	6.88	189.17
2/2015	4,489,134	0	1,379	0	0	-3.64	182.28
3/2015	4,540,436	-27,543	28,278	0	0	1.76	185.48
4/2015	4,276,060	0	833	0	0	-5.82	174.68
5/2015	4,263,928	0	779	0	0	-0.28	174.18
6/2015	4,025,347	0	806	0	0	-5.60	164.44
7/2015	4,257,958	-40,992	41,747	0	0	6.80	175.61
8/2015	3,983,451	-8,154	1,008	-5,643	0	-6.26	164.61
9/2015	4,065,815	-40,454	41,588	0	0	3.08	169.69

SWBNO - Vanguard Index FDS REIT

Historical Data and Rate of Return

Period Ending December 31, 2017

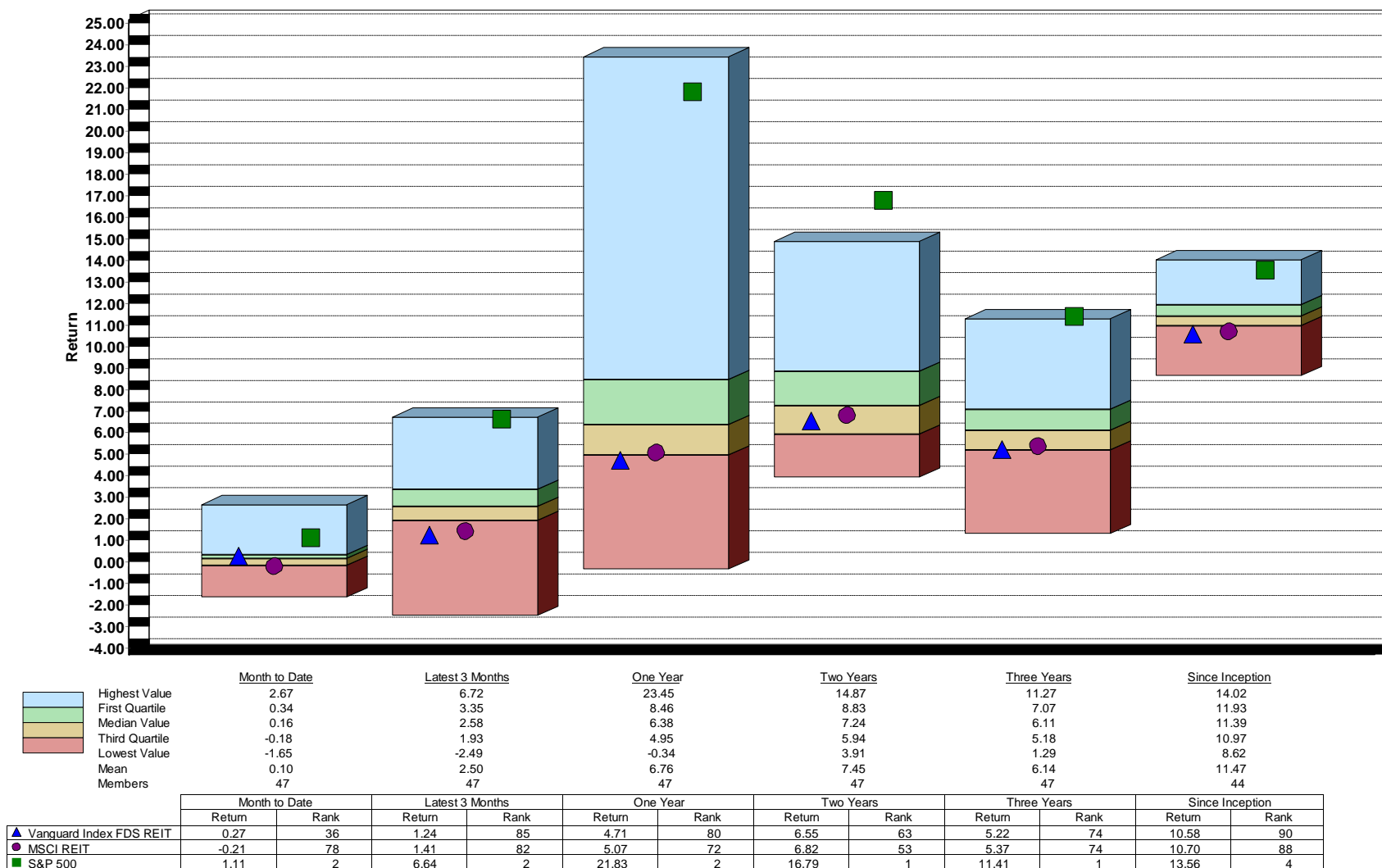
Date	Market Value	Flow	Income	Weighted Flow	Fees	ROR	Unit Value
10/2015	4,301,110	0	1,286	0	0	5.79	179.51
11/2015	4,275,659	1,447	0	241	0	-0.63	178.39
12/2015	4,295,037	-57,980	59,067	280	0	1.81	181.61
1/2016	4,141,677	-5,962	0	-4,341	0	-3.44	175.38
2/2016	4,126,614	0	0	42	0	-0.36	174.74
3/2016	4,508,827	-48,631	49,438	182	0	10.44	192.98
4/2016	4,402,045	-807	1	-135	0	-2.35	188.44
5/2016	4,501,028	0	0	55	0	2.25	192.68
6/2016	4,811,102	0	41,099	192	0	6.89	205.96
7/2016	4,973,348	-41,100	1	-3,860	0	4.23	214.67
8/2016	4,786,141	-5	5	167	0	-3.76	206.59
9/2016	4,666,178	-32,169	32,169	-2,042	0	-1.84	202.80
10/2016	4,399,732	1,452	1	281	0	-5.74	191.15
11/2016	4,325,981	-52	0	-1,020	0	-1.68	187.95
12/2016	4,532,218	-66	91,183	-686	0	4.77	196.92
1/2017	4,431,094	-92,519	2	-56,660	0	-0.19	196.54
2/2017	4,587,966	1,397	7	50	0	3.51	203.43
3/2017	4,477,611	1,270	32,008	287	0	-2.43	198.48
4/2017	4,453,688	-34,684	2	-3,398	0	0.24	198.96
5/2017	4,421,411	-11	11	25	0	-0.72	197.52
6/2017	4,521,252	805	43,090	215	0	2.24	201.94
7/2017	4,533,435	-43,229	2	-29,499	0	1.23	204.43
8/2017	4,521,542	-65	8	-73	0	-0.26	203.90
9/2017	4,516,397	19	45,941	-280	0	-0.11	203.67
10/2017	4,421,949	-46,575	4	-8,994	0	-1.06	201.51
11/2017	7,199,412	2,659,628	24	1,329,661	0	2.05	205.63
12/2017	7,219,742	603	109,206	194	0	0.27	206.20

SWBNO - Vanguard Index FDS REIT

Quartile Ranking Analysis - Return

Universe: PSN REIT/Real Estate

Period Ending December 31, 2017



*Inception: April 2010

Fund data is on a trade date basis and income is included in the fund returns on an accrual basis. Fund data is net of available flows and fees. Returns for longer than one year are annualized. All returns include reinvestment of income.

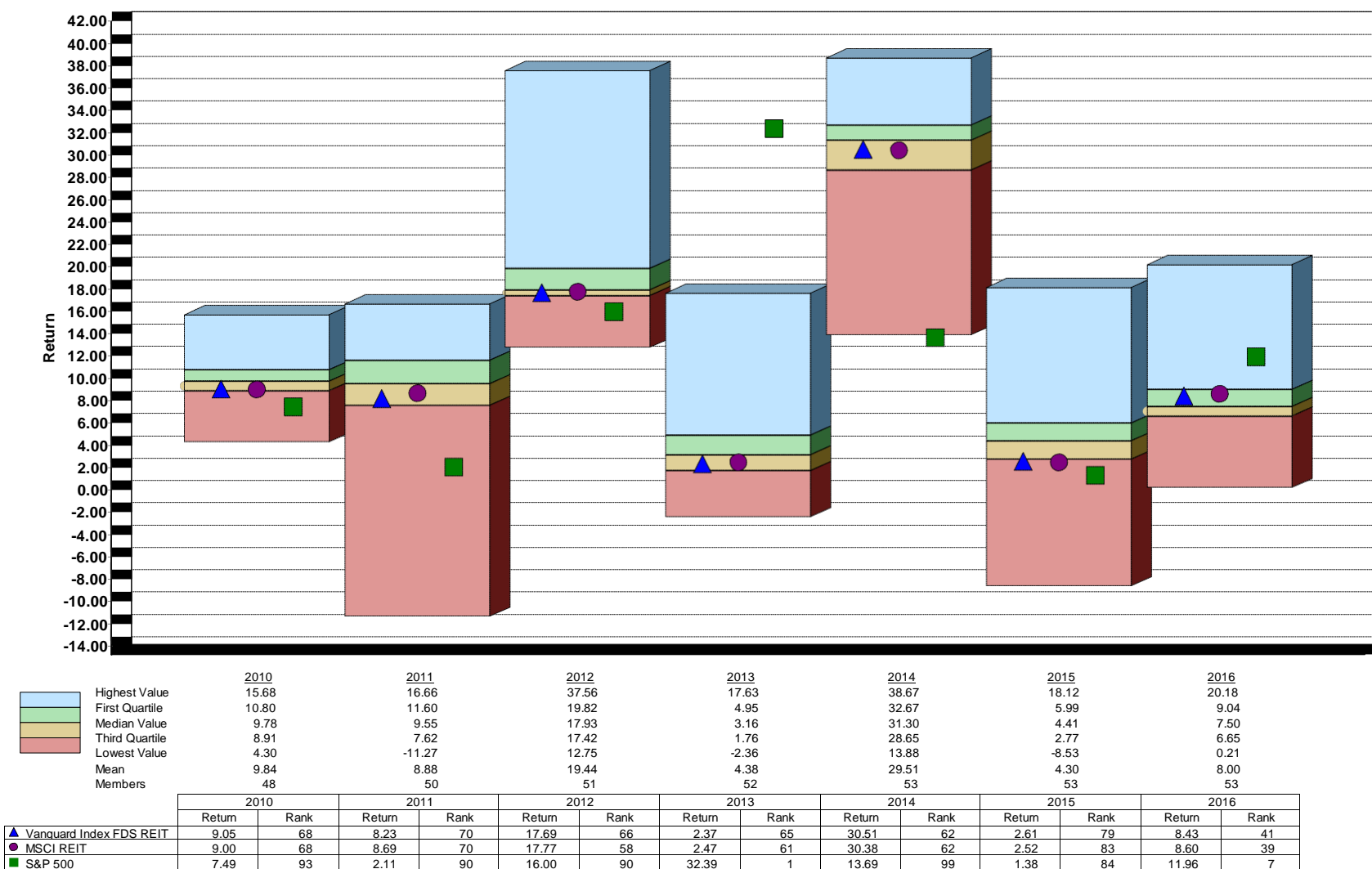
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SWBNO - Vanguard Index FDS REIT

Quartile Ranking Analysis - Return

Universe: PSN REIT/Real Estate

Period Ending December 31, 2016



*Inception: April 2010

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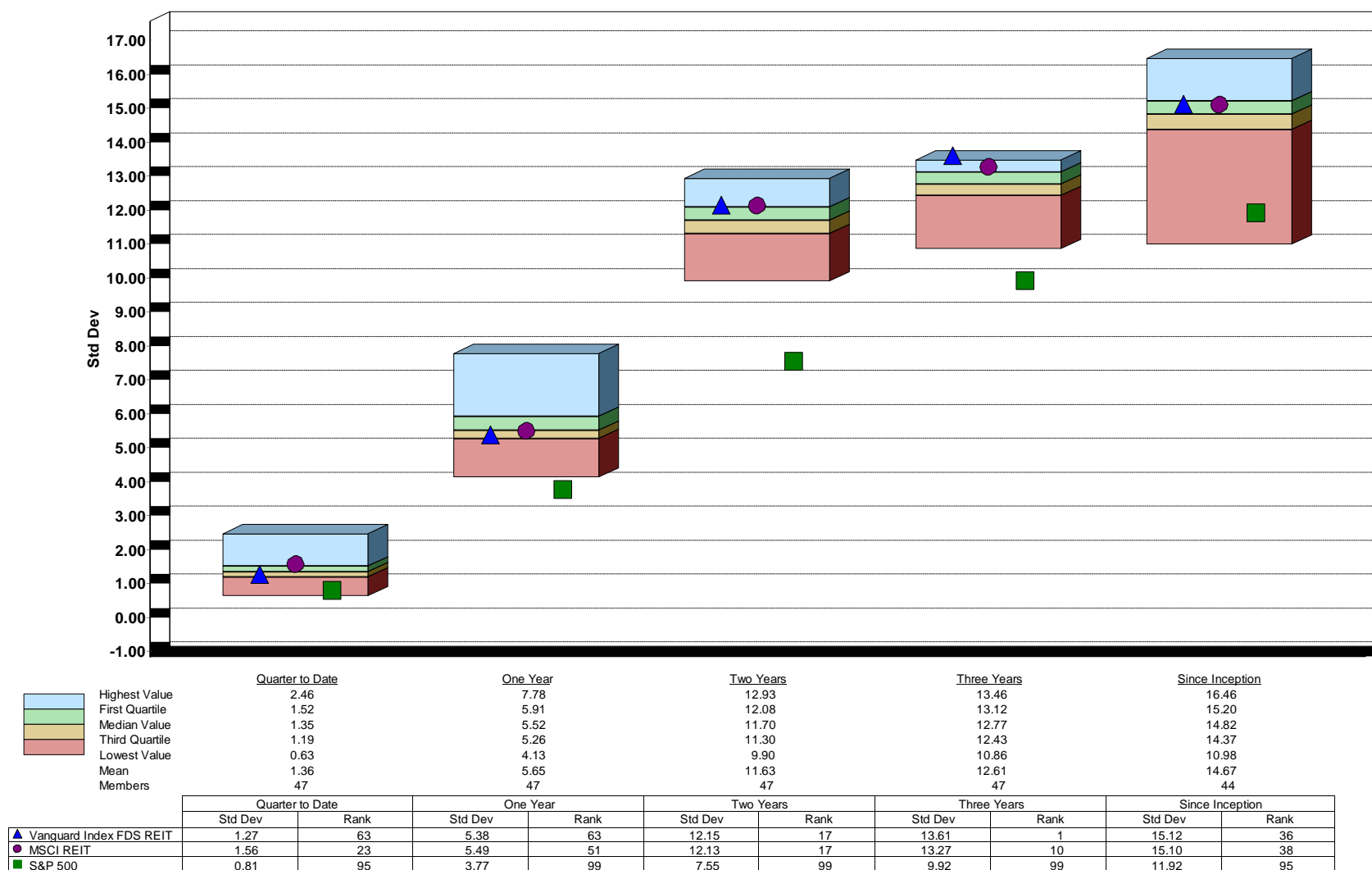
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SWBNO - Vanguard Index FDS REIT

Quartile Ranking Analysis - Risk

Universe: PSN REIT/Real Estate

Period Ending December 31, 2017



*Inception: April 2010

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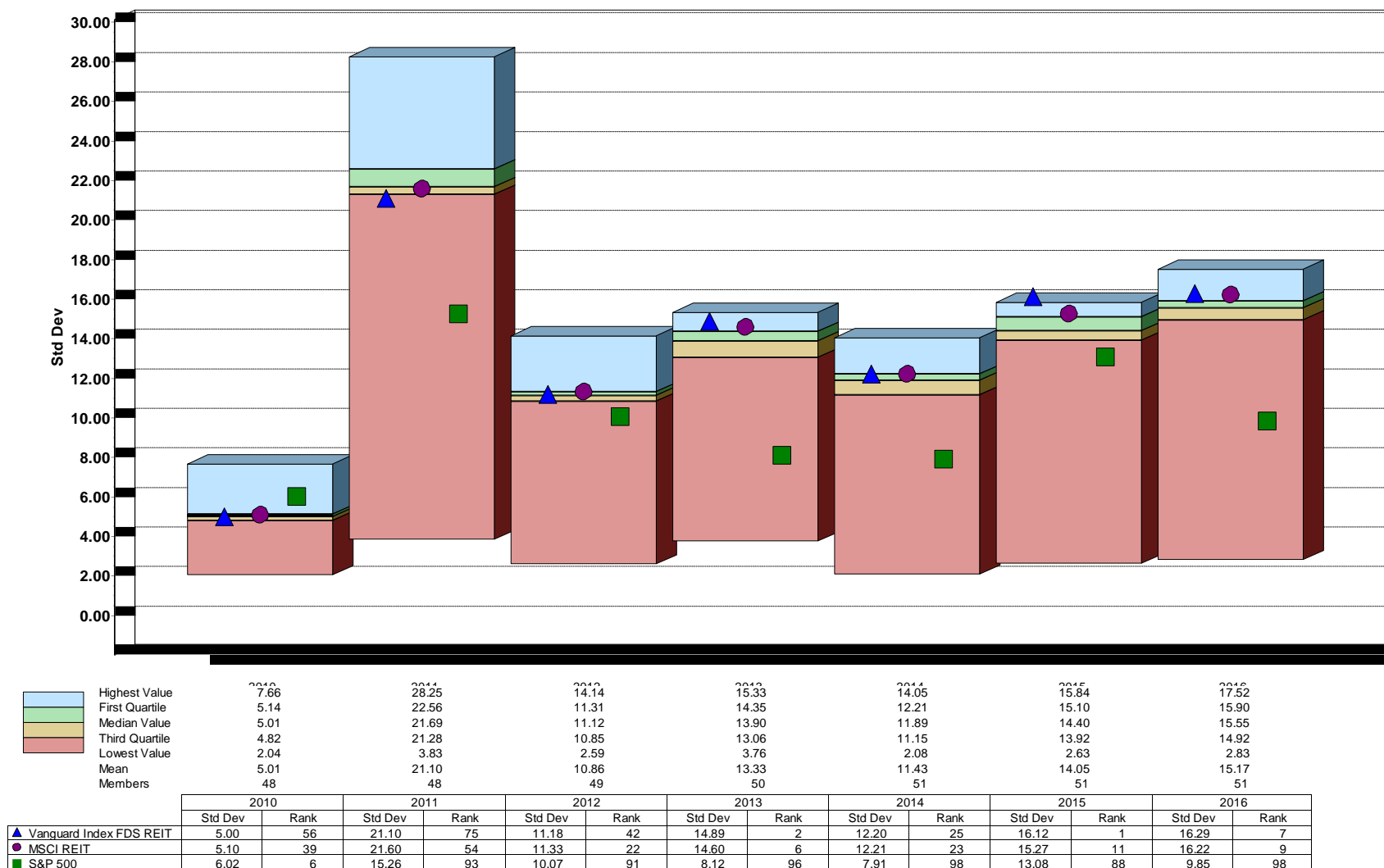
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SWBNO - Vanguard Index FDS REIT

Quartile Ranking Analysis - Risk

Universe: PSN REIT/Real Estate

Period Ending December 31, 2016



*Inception: April 2010

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Glossary of Terms

ACCRUED INCOME - The interest the issuer of a security (bond, money market, stocks, etc.) owes before the issuer actually makes the scheduled payment. Since the holder of the security is entitled to this payment, the total portfolio value should reflect this amount.

AIMR - The Association for Investment Management and Research (AIMR-PPSTM) amended and restated its Performance Presentation Standards on Sept. 13, 1996. The compliance date for the new standards was Jan. 1, 1997. AIMR-PPSTM has stated consultants and software vendors cannot make a claim of compliance and that a calculation methodology cannot be in compliance. Only a firm that manages assets can be in compliance.

ALLOCATION - Allocation is also part of attribution. When used on the attribution page, this definition would be wrong. In attribution, allocation is the percent of a sector held versus the percent held by the benchmark.

ALPHA - A measure of selection risk (also known as residual risk) of a portfolio in relation to the market. A positive alpha is the extra monthly return awarded to the investor for taking a risk, instead of accepting the market returns. The higher your Alpha, the better your portfolio has done in achieving "excess" returns.

ANALYTICS - Analytics quantify the return a portfolio, class, subclass or asset achieves compared to the risk that is taken.

ANNUALIZED RETURN - An annualized return is calculated using monthly returns that are geometrically linked to account for compounding. Annualization does not occur until at least one year of performance data has been obtained.

ASSET CLASS - A broad category of assets with similar investment characteristics.

ASSET CLASSIFICATION - Each asset is broken down into a category based on the asset's investment characteristics. These characteristics include the type of security, issuing agency (corporate vs. government bonds), price and descriptive data (current price, shares outstanding, etc.), as well as others.

ASSET SUBCLASS - A specific category of assets within an asset class with similar investment objectives.

AVERAGE COUPON - Coupon is the annual interest payment that the bond issuer has promised to the holder of the bond. A bond is essentially a loan to a company or organization with a promise of payment on the future plus interest payments (coupons) periodically. A Coupon is expressed in a percentage of the par value of the bond.

AVERAGE CURRENT YIELD - Average of the current annual rate of return.

AVERAGE DIVIDEND YIELD - An average of the most recent four quarters of a stock's dividends as a percentage of the current stock price.

AVERAGE MARKET CAP - The average of the equity value of a publicly traded company as measured by the outstanding shares multiplied by the unit price.

AVERAGE MATURITY - The date the issuer of the bond will pay the holder of the bond the par value. After this date, the bond no longer exists.

AVERAGE P/E - A position-weighted average which describes the relationship between the price of a portfolio's various stocks and their earnings per share.

AVERAGE UNIT COST - Average cost per item.

AVERAGE YIELD TO MATURITY - Yield to maturity is the interest rate that will make the present value of a bond's remaining cash flows (if held to maturity) equal to the price (plus accrued interest, if any). The yield to maturity calculation takes into account not only the current coupon income but also any capital gain or loss the investor will realize by holding the bond to maturity.

BEGINNING MARKET VALUE - The value associated with the start of a price.

BENCHMARK - A composite of assets grouped according to a specific market strategy. By comparing your portfolio's results to that of the benchmark, you can see how your portfolio has performed relative to the market.

BETA - Measures the portfolio's sensitivity to movements in the market portfolio, or benchmark index. A beta > 1.0 means that the asset or portfolio is more volatile (risky) than the benchmark index, and a beta < 1.0 means the asset or portfolio is less volatile.

CFA INSTITUTE - CFA Institute (formerly the Association for Investment Management and Research or AIMR®) recognized the need for a global set of performance presentation standards. As of January 1, 2006, the AIMRPPS®, a country version of the Global Investment Performance Standards (GIPS®), transitioned to the GIPS® standards. GIPS® states consultants and software vendors may not make a claim of compliance and that a calculation methodology may not be in compliance. Only a firm that manages assets may claim compliance.

CHARACTERISTICS - Quantifiable attributes that summarize the features of individual securities, collections of similar holdings, or an entire portfolio. Characteristics are used to measure and compare quality, value, investment category, and diversification, to name just a few metric types.

CLASS - A class is a broad category of assets such as Taxable Bonds, Money Markets or US Equities.

CLASSIFICATION STRUCTURE - This refers to the classes and subclasses an institution has available for assets. Every asset must be classified in one of the available classes and subclasses.

CLOSE DATE - The date the account was closed.

CONSOLIDATED - A level of reporting that displays performance of a portfolio containing more than one account.

CONTRIBUTIONS - A contribution is a deposit into an account, including cash or assets.

CONTRIBUTIONS/WITHDRAWALS - The net amount you have put in or taken out of the account, including withdrawals for investment management fees.

CORE - A core investment style includes a blend of both Growth and Value securities.

COST BASIS - The purchase price or value at time of receipt of an asset.

Glossary of Terms

COUPON - Coupon is the annual interest payment that the bond issuer has promised to the holder of the bond. A bond is essentially a loan to a company or organization with a promise of payment on the future plus interest payments (coupons) periodically. A Coupon is expressed in a percentage of the par value of the bond.

CREDIT RATING - The determination of the ability and past performance in paying debts, which is usually established by the credit bureau.

CUMULATIVE RETURN - Cumulative return uses periodic returns and geometrically links them over time to form a total return achieved during a given time period. Cumulative returns for periods of time longer than 12 months are displayed in annualized form.

CURRENT YIELD - The current annual rate of return. This calculation is a weighted average that does not include cash and cash equivalents.

CUSIP - A CUSIP is a combination of nine numbers that uniquely identifies a specific security. CUSIP stands for the Committee on Uniform Securities Identification Procedures.

DIVIDEND - A dividend is when a company pays its owners (the shareholders) some of its profits, either in the form of cash or more shares of the underlying security.

DIVIDEND YIELD - The most recent four quarters of a stock's dividends as a percentage of the current stock price.

DOWNSIDE CAPTURE RATIO - The measurement of a manager's performance against the benchmark. A down market is one in which the market's return is less than zero.

ENDING MARKET VALUE - The value of your investment portfolio at the end of the report period. Only marketable securities are presented, so other types of assets, such as real estate, are not included. This may result in a dollar amount different from your accounting statement.

EXPENSE - Amount paid for a good or service.

FEE - Any cost of doing business with a particular firm.

GAIN/LOSS - What your portfolio has made or lost during the specified time period. This includes both realized (such as

proceeds from a sale) and unrealized (such as accrued interest, dividends, and market price changes) gains or losses.

GROSS OF FEES - Gross of fees are returns before management fees are paid.

GROWTH - A Growth investment style focuses on stocks that are expected to experience price appreciation.

HOLDING - An investment that you plan to keep in your portfolio.

INCLUSION PERIOD - Period for which the underlying assets are included.

INCOME - Proceeds received from asset sales, dividends and/or interest payments.

INFLATION - The appreciation in the level of prices for a given basket of goods over time.

INFORMATION RATIO - the measurement of the active return of the manager divided by the manager's active risk. Active return is the annualized differences of the manager and the benchmark index, while active risk is measured by tracking error.

INTERACTION (ATTRIBUTION) - The product of sector and stock decisions.

INTERNATIONAL EQUITY - Non-US. Equity securities.

INVESTMENT GAIN/LOSS - What your portfolio has made or lost during the specified time period. This includes both realized (such as proceeds from a sale) and unrealized (such as accrued interest, dividends, and market price changes) gains or losses.

LARGE CAP - Generally a market capitalization of over \$5 billion

LEHMAN GLOBAL AGGREGATE - The Lehman Global Aggregate Index provides a broad-based measure of the global investment-grade fixed income markets. The three major components of this index are the U.S. Aggregate, the Pan-European Aggregate, and the Asian-Pacific Aggregate Indices. The index also includes Eurodollar and Euro-Yen corporate bonds, Canadian Issues, and USD investment

LONG POSITIONS - Signifies ownership.

LONG TERM GAIN/LOSS - Usually refers to gain/loss after asset has been owned for a specific amount of time.

MANAGEMENT FEES - Fees charged by an Investment Advisor for services rendered.

MARKET CAP (\$MM) - The equity value of a publicly traded company as measured by the outstanding shares multiplied by the unit price.

MARKET CAPITALIZATION - The equity value of a publicly traded company as measured by the outstanding shares multiplied by the unit price.

MARKET VALUE - The last reported price.

MATURITY - The date the issuer of the bond will pay the holder of the bond the par value. After this date, the bond no longer exists.

MATURITY DATE - The date the issuer of the bond will pay the holder of the bond the par value. After this date, the bond no longer exists.

MID CAP - While the range is discretionary, typically defined as a market capitalization of \$1 - \$5 billion.

MSCI EAFE GROWTH GROSS - The Morgan Stanley Capital International (MSCI) EAFE Growth Index is an unmanaged index consisting of equities from Europe, Australasia, and the Far East. The index is generally considered to be representative of the international growth stock market activity and often used as a benchmark for international growth equity portfolios. This index includes dividends and distributions net of corresponding withholding taxes, but does not reflect fees, brokerage commissions, or other expenses of investing.

NET ADDITIONS - Net additions are the net contributions/withdrawals in/out of an account.

NET OF FEES - Net of fees are returns after management fees have been paid.

OPEN DATE - The date the account was opened.

Glossary of Terms

P/E RANGE - Range of P/E values.

P/E RATIO - A position-weighted average which describes the relationship between the price of a portfolio's various stocks and their earnings per share.

PAR VALUE - The price the issuer of the bond will repay to the holder when the bond reaches maturity.

PERFORMANCE - The measure of the change in value of an asset or group of assets over time.

PORTFOLIO - All of the holdings in an account or group of accounts which have been consolidated.

PORTFOLIO ALLOCATION - The percentage of your portfolio, class or subclass allocated to each type of class, subclass or asset. This percentage will not include nonmarketable securities.

PROCEEDS - Income received from asset sales, dividends and/or interest payments.

R-SQUARED - Indicates the percentage of a portfolio's movement that is explained by the movement in the market portfolio or benchmark index. R² ranges from 0 to 100%, with a score of 100 indicating that all movements of the portfolio are completely explained by the market portfolio or benchmark index. In general, the higher the R², the more reliable a portfolio's alpha and beta measurements will be.

RATE OF RETURN - The percentage gain or loss (whether realized or unrealized) on the amount invested.

REALIZED GAIN/LOSS - A Realized Gain/Loss is any monetary gain received from an asset. Received is the key in the case of a Realized Gain/Loss. If an asset appreciates in value, but you do not sell it, the gain is unrealized. The moment the asset is sold and your account is credited with the funds, the gain becomes realized. Other forms of realized gains are dividends from stocks or interest payments from fixed income securities.

RELATIVE RISK - It is the uncertainty of future returns. It is the standard deviation of the portfolio divided by the standard deviation of the market.

REPORT PERIOD - The Report Period represents the date range for the data.

RISK ADJUSTED RETURN - The amount of risk a fund or portfolio took on to earn its returns, usually expressed as a number or a rating.

RUSSELL 3000® INDEX - measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market.

SECTOR - Sectors as defined by the Global Industry Classification Standards (GICs). A sector is a classification of stocks sharing common characteristics. The 11 GICs sectors are utilities, consumer staples, consumer cyclicals, transportation, technology, health care, financial, energy, basic materials, capital goods, and communication services.

SECURITY - Securities are investment instruments. Securities are most commonly classified as an equity, a debt (fixed income), an investment company (mutual fund) or a derivative.

SHARPE RATIO - The Sharpe Ratio indicates the excess return per unit of risk associated with the excess return. The higher the Sharpe Ratio, the better the performance relative to the investment risk the portfolio has taken.

SHORT POSITIONS - Selling a security that you do not own.

SHORT TERM GAIN/LOSS - Usually refers to gain/loss after asset has been owned less than a specific amount of time.

SMALL CAP - While the range is discretionary, typically defined as a market capitalization under \$1 billion.

STANDARD DEVIATION - A measure of a portfolio's return dispersion, standard deviation is a statistical measure of the range of a portfolio's monthly performance. The higher the number the greater the dispersion of the returns.

STANDARD & POOR'S 500 - The S&P 500, computed by the Standard & Poor's Corporation is a well known gauge of stock market movements computed by Standard & Poor's Corporation and determined by the weighted capitalization of a carefully selected list 10 industry sectors. Median capitalization is \$6.56 billion while capitalization range is \$0.18 billion to \$259 billion.

STATIC BLENDED BENCHMARK - A blended portfolio

SUBCLASS - A subclass is a categorical subset of assets within a class. Sector, industry, capitalization, investment valuation, and style are examples of attributes that may be used to define a set of subclasses.

SYMBOL - A unique combination of letter assigned to a security. NYSE and AMEX listed stocks have symbols of three characters or less. Nasdaq-listed securities have four or five characters.

TARGET ALLOCATION - Used to keep the investment plan set by the advisor, target allocation is the dispersion of assets within a portfolio.

TARGET BLENDED BENCHMARK - The target allocation is compared against a blend of industry benchmarks that are assigned to an asset.

TAX LOT - A technique used in record keeping that traces the dates of purchase or sale, cost basis, and transaction size for each security in a portfolio.

TIME WEIGHTED RETURN - A measure of the compound rate of growth in a portfolio. Because this method eliminates the distorting effects created by inflows of new money, it is used to compare the returns of investment managers.

TRACKING ERROR - A measurement that indicates the standard deviation of the difference between a selected market index and a manager's quarterly returns.

TREYNOR MEASURE - A measure of the excess return per unit of risk, where excess return is defined as the difference between the portfolio's average return and the risk-free rate of return over the same evaluation period and where the unit of risk is the portfolio's Beta. It measures the returns earned in excess of those that could have been earned on a risk less investment per unit of market risk assumed.

TREYNOR RATIO - A measure of the excess return per unit of risk, where excess return is defined as the difference between the portfolio's average return and the risk-free rate of return over the same evaluation period and where the unit of risk is the portfolio's Beta. It measures the returns earned in excess of those that could have been earned on a risk less investment per unit of market risk assumed.

UNIT - Any division of quantity accepted as a standard of measurement or exchange.



Glossary of Terms

UNREALIZED GAIN/LOSS - An Unrealized Gain Loss is any market value gain on an asset. The key in the case of an unrealized gain/loss is that the value of the market value has not been received since the asset has not been sold. If an asset appreciates in value, but you do not sell it, the gain is unrealized. The moment the asset is sold and your account is credited with the funds, the gain becomes realized.

UPSIDE CAPTURE RATIO - The measurement of a manager's performance against the benchmark.

VALUE - Target of investments that are low in price relative to the earnings received.

WITHDRAWALS - A withdrawal occurs when a client removes assets or cash from an account.

YIELD - Yield to maturity is the interest rate that will make the present value of a bond's remaining cash flows (if held to maturity) equal to the price (plus accrued interest, if any).

YIELD TO CALL - The percentage rate of a bond or note if you were to buy and hold the security until the next call date. The yield is valid only if the security is called prior to maturity. Generally, bonds are callable over several years and normally are called at a slight premium. The calculation of a yield to call is based on the coupon rate, length of time to the call, and market price.

YIELD TO MATURITY - Yield to maturity is the interest rate that will make the present value of a bond's remaining cash flows (if held to maturity) equal to the price (plus accrued interest, if any). The yield to maturity calculation takes into account not only the current coupon income but also any capital gain or loss the investor will realize by holding the bond to maturity.

YIELD TO WORST - The worst yield possible using Yield to Maturity and each Yield to Call as variables

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