

SEWERAGE & WATER BOARD OF NEW ORLEANS

PENSION COMMITTEE MEETING

WEDNESDAY, AUGUST 14, 2019

11:00 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 • Councilmember Jay H. Banks
Ralph Johnson • Alejandra Guzman • Dr. Maurice Sholas
• Chante' Powell • Christopher Bergeron
• Latressia Matthews • Marvin Russell

FINAL AGENDA

1. **ROLL CALL**

2. **ACTION ITEMS**

- a. Resolution (R-127-2019) Amendment Regarding ARTICLE II, to the Rules and Regulations of the Employees' Retirement System of the Sewerage and Water Board
- b. Resolution (R-128-2019) Amendment to ARTICLE VII, Section 7.10 to the Rules and Regulations of the Employees' Retirement System of the Sewerage and Water Board
- c. Resolution (R-129-2019) Trustee Education Requirements

3. **PRESENTATION ITEMS**

- d. Quarterly Financial Update-Raymond James Financial
- e. 2018 Actuary Report-Rudd & Wisdom
- f. Investment Portfolio Review-Barrow, Hanley, Mewhinney & Strauss

4. **INFORMATION ITEMS**

- g. Pension Committee Election Results

5. **EXECUTIVE SESSION**

6. **PUBLIC COMMENT**

7. **ADJOURNMENT**

**AMENDMENT TO THE RULES AND REGULATIONS OF THE EMPLOYEES'
RETIREMENT SYSTEM OF THE SEWERAGE AND WATER BOARD**

WHEREAS, ARTICLE II (DEFINITIONS) of the Rules and Regulations of the Employees' Retirement System of the Sewerage and Water Board of New Orleans provides for definitions of "Retirement" and "Vested" that should be revised to clarify and more accurately reflect those terms consistent with and in conformity with the existing Plan administration and interpretation; and

WHEREAS, the Pension Committee recommends to the Board of Trustees of the Employees' Retirement System of the Sewerage and Water Board of New Orleans the revisions to the definitions of "Retirement" and "Vested".

NOW THEREFORE, BE IT RESOLVED:

That the Board of Trustees of the Employees' Retirement System of the Sewerage and Water Board of New Orleans approve the recommendations of the Pension Committee to amend the Rules and Regulations of the Employees' Retirement System in the following manner effective August 21, 2019:

1. That the definition of "Retirement," in Article II be removed in its entirety, and the following definition substituted therefor:

"Retirement" means that the Member terminates employment with the Board and commences receiving a Retirement Allowance or Disability Retirement Allowance.

2. That the definition of "Vested," in Article II, be removed, and the following definition substituted therefor:

"Vested" means the completion by a Member of 5 or more years of Credited Service.

I, GHASSAN KORBAN, Executive Director,
Sewerage and Water Board of New Orleans, do hereby
certify that the above and foregoing is a true and
correct copy of a Resolution adopted at the
Meeting of said Board, duly called and held,
according to law, on August 21, 2019.

**GHASSAN KORBAN, EXECUTIVE DIRECTOR
SEWERAGE AND WATER BOARD OF NEW ORLEANS**

**AMENDMENT TO THE RULES AND REGULATIONS OF THE EMPLOYEES'
RETIREMENT SYSTEM OF THE SEWERAGE AND WATER BOARD**

WHEREAS, ARTICLE VII (DEFERRED RETIREMENT OPTION PLAN -- DROP) of the Rules and Regulations of the Employees' Retirement System of the Sewerage and Water Board of New Orleans provides generally for the process and procedure for a Member to participate in the DROP program; and

WHEREAS, the Pension Committee recommends to the Board of Trustees of the Employees' Retirement System of the Sewerage and Water Board of New Orleans amendment to Article VII of the Rules and Regulations of the Employees' Retirement System of the Sewerage and Water Board of New Orleans.

NOW THEREFORE, BE IT RESOLVED:

That the Board of Trustees of the Employees' Retirement System of the Sewerage and Water Board of New Orleans approves the recommendations of the Pension Committee to amend the Rules and Regulations of the Employees' Retirement System in the following manner, effective August 21, 2019:

1. Section 7.10 shall be deleted in its entirety and the following 7.10 substituted in its place:

7.10 Employment After Drop Participation. A DROP Participant may request to continue employment with the Board beyond his elected period of participation in the DROP program by reapplying with the Board. If the DROP participant is rehired by the Board, the DROP participant will receive a lump sum distribution of his DROP account balance as if he had retired. For DROP participants rehired on a full-time basis after April 20, 2005, the Retirement Allowance that had been paid into the DROP participant's DROP account shall be suspended while re-employed, and the provisions of Section 6.6 shall be applicable. For DROP participants rehired on a part-time basis after April 20, 2005, the Retirement Allowance that had been

paid into the DROP participant's DROP account shall not be suspended while re-employed and will be paid to the participant as if he had not been rehired. For purposes of this Section 7.10, full-time employment shall be defined as working 17.5 hours or more per week. For purposes of this Section 7.10, part-time employment shall be defined as working less than 17.5 hours per week.

I, GHASSAN KORBAN, Executive Director,
Sewerage and Water Board of New Orleans, do hereby
certify that the above and foregoing is a true and
correct copy of a Resolution adopted at the
Meeting of said Board, duly called and held,
according to law, on August 21, 2019.

GHASSAN KORBAN, EXECUTIVE DIRECTOR
SEWERAGE AND WATER BOARD OF NEW ORLEANS

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

WHEREAS, on November 15, 2017, the Board of Trustees of the Employees' Retirement System of the Sewerage and Water Board of New Orleans (the "Board of Trustees") passed Resolution No. R-140-2017 mandating specific annual continuing education or professional development training for each member of the Board of Trustees and each designee of a trustee pursuant to La. R.S. 11:185; and

WHEREAS, La. R.S. 11:185, states that "each member of the board of trustees ["state retirement systems"] and each designee of a member shall complete continuing education or professional development training each twelve-month period from September first to August thirty-first..." consisting of "at least eight (8) hours of investment training, four (4) hours of actuarial science information education, two (2) hours of education regarding the laws, rules, and regulations applicable to his system, and two (2) hours of instruction on fiduciary duty and ethics."

WHEREAS, La. R.S. 11:185(D)(5) states that "no new board member to whom this Section applies shall be permitted to vote on any matter until (s)he has completed the fiduciary and ethics requirement and one (1) hour of education in each of the other required areas;" and

WHEREAS, the Board of Trustees in Resolution No. R-140-2017 acknowledged that the requirements of La. R.S. 11:185 are mandatory as to an exhaustive list of "state requirement systems," of which the "Board of Trustees of the Employees" Retirement System of the Sewerage and Water Board of New Orleans is not one; thus, the "Board of Trustees of the Employees" Retirement System of Sewerage and Water Board of New Orleans' adherence to the requirements of La. R.S. 11:185 is purely voluntary; and

WHEREAS, strict adherence to La. R.S. 11:185, and, more specifically the requirement the Board of Trustees members must annually complete sixteen (16) hours of continuing education or professional development training in order to fully participate as a member, has proven to be unduly burdensome to members of the Board of Trustees and an impediment to the ongoing successful operation of the Board of Trustees; and

WHEREAS, the Pension Committee recommends to the Board of Trustees of the Employees' Retirement System of the Sewerage and Water Board of New Orleans that the total number of hours of continuing education or professional development training that must be completed annually by each member of the Board of Trustees be reduced to five (5) hours, effective August 21, 2019.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Trustees of the Employees' Retirement System of Sewerage and Water Board of New Orleans that effective August 21, 2019, the total number of hours of continuing education or professional development training that must be completed annually is five (5) hours, consisting of two (2) hours of investment training, one (1) hour of actuarial science information education, one (1) hour of education regarding the laws, rules, and regulations applicable to his system, and one hour of instruction on fiduciary duty and ethics. Each Trustee will report their continuing education hours by category to the Chairperson of the Pension Committee who will report the aggregate hours of each category of education/training to the full Board of Trustees at the October 2019 meeting and annually thereafter.

This resolution shall be incorporated into the By-Laws of the Sewerage and Water Board of New Orleans.

I, Ghassan Korban, Executive Director,
Sewerage and Water Board of New Orleans, do hereby
certify that the above and foregoing is a true and
correct copy of a Resolution adopted at the
Meeting of said Board, duly called and held,
according to law, on August 21, 2019.

GHASSAN KORBAN, EXECUTIVE DIRECTOR
SEWERAGE AND WATER BOARD OF NEW ORLEANS



CAPITAL MARKETS REVIEW

REVIEWING THE QUARTER ENDED JUNE 30, 2019

RAYMOND JAMES®

Economic Review... 3-9

- Gross Domestic Product
- Employment
- Inflation
- Housing Market
- Consumer Confidence

Capital Markets... 10-21

- Index Returns
- Asset Class Returns
- S&P 500 Sector Returns
- Equity Styles
- U.S. Treasury Yield Curve
- Fixed Income Yields
- Global Sovereign Debt Yields
- S&P 500 Yield vs. Treasury Yield
- S&P 500 Valuations
- Foreign Exchange Rates
- Commodity Prices

Quarterly Topics... 22-29

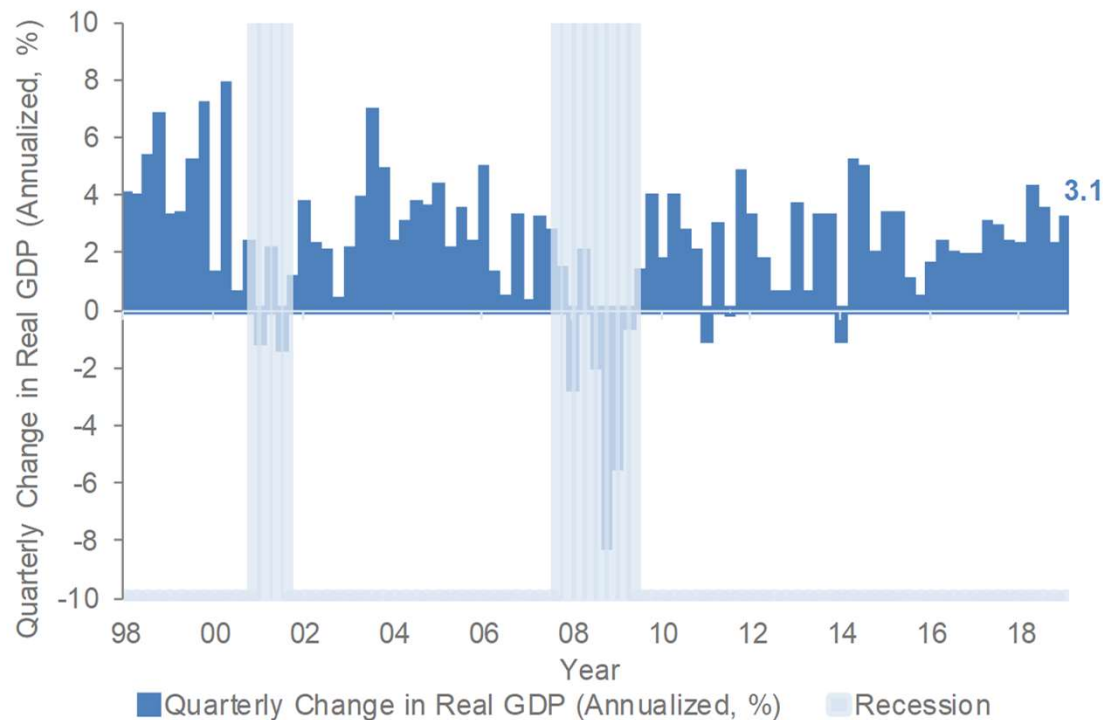
- Entrenched: Trade Warfare
- Collateral Consequences: The Economics of Tariffs
- Caught in the Crossfire: Market Momentum
- Beyond Borders and Bilateralism: The Import of Trade

GROSS DOMESTIC PRODUCT

Real gross domestic product (GDP) increased at an annual rate of 3.1% in the first quarter of 2019, according to the "third" estimate released by the Bureau of Economic Analysis. In the fourth quarter of 2018, real GDP increased 2.2%.

The "third" estimate released is based on more complete source data than were available for the "second" estimate issued in May. In the second estimate, the increase in real GDP was also 3.1%.

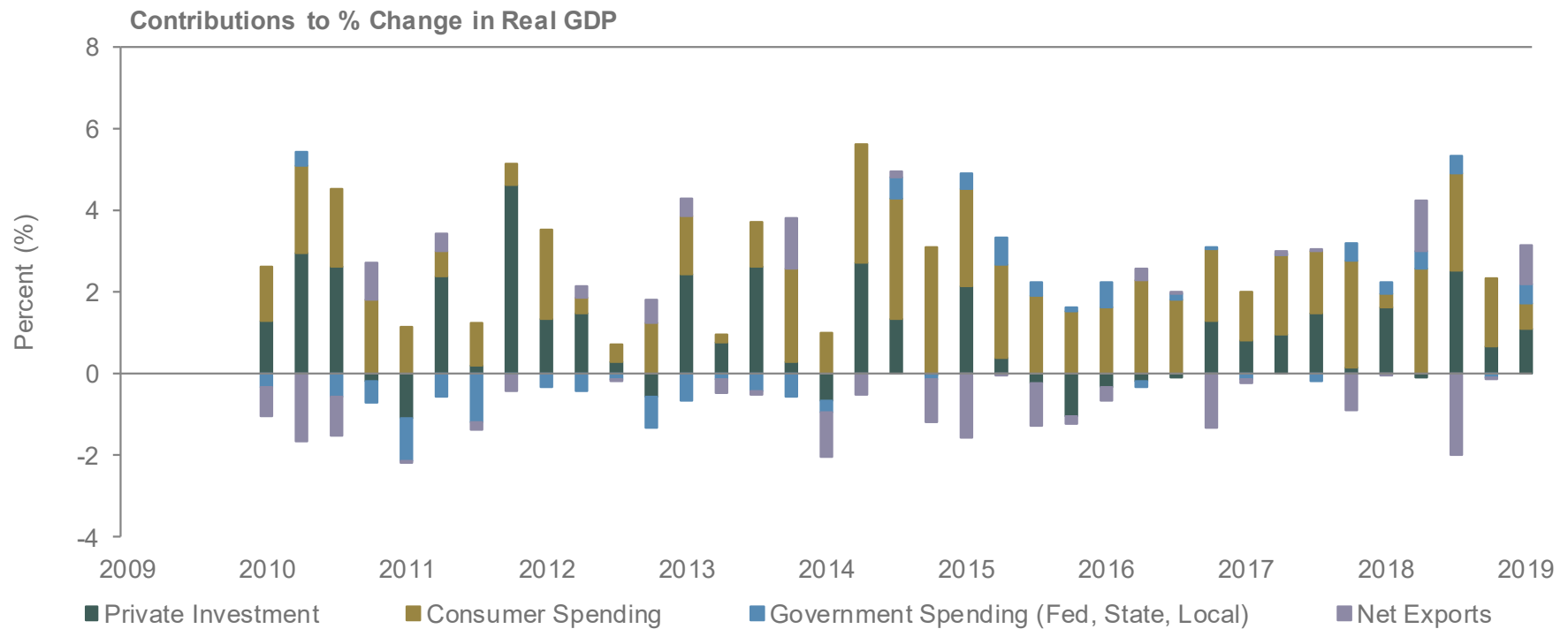
Quarterly Change in Real GDP



Source: Bloomberg as of 3/31/2019

CONTRIBUTIONS TO % CHANGE IN REAL GDP

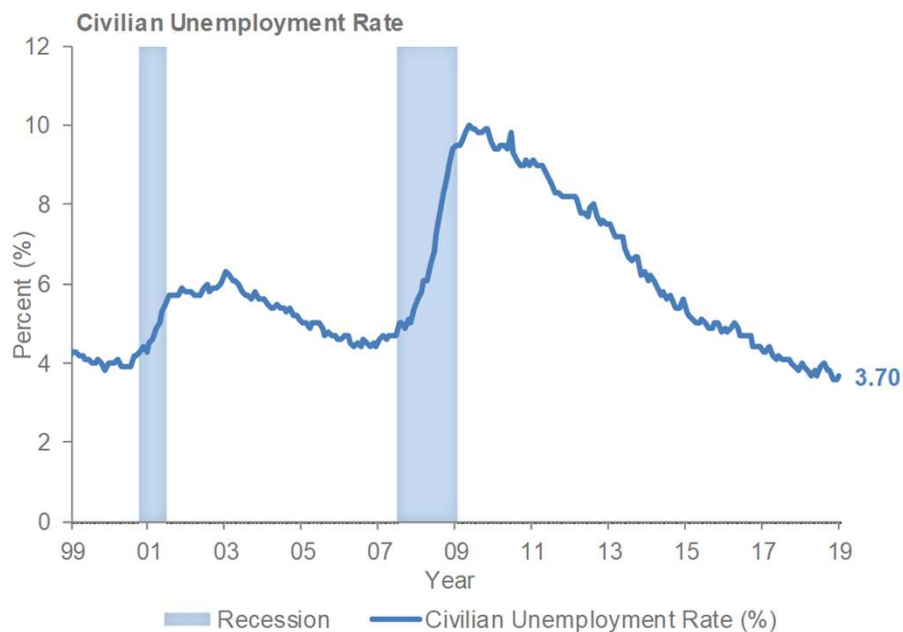
The increase in real GDP in the first quarter reflected positive contributions from exports, PCE, nonresidential fixed investment, private inventory investment, and state and local government spending that were slightly offset by a negative contribution from residential fixed investment. Imports, which are a subtraction in the calculation of GDP, decreased.



Source: Bloomberg as of 3/31/2019

EMPLOYMENT

Total nonfarm payroll employment increased by 224,000 in June, and the unemployment rate was little changed at 3.7%, the U.S. Bureau of Labor Statistics reported. Notable job gains occurred in professional and business services, health care, and transportation and warehousing.



Source: Bloomberg as of 6/30/2019

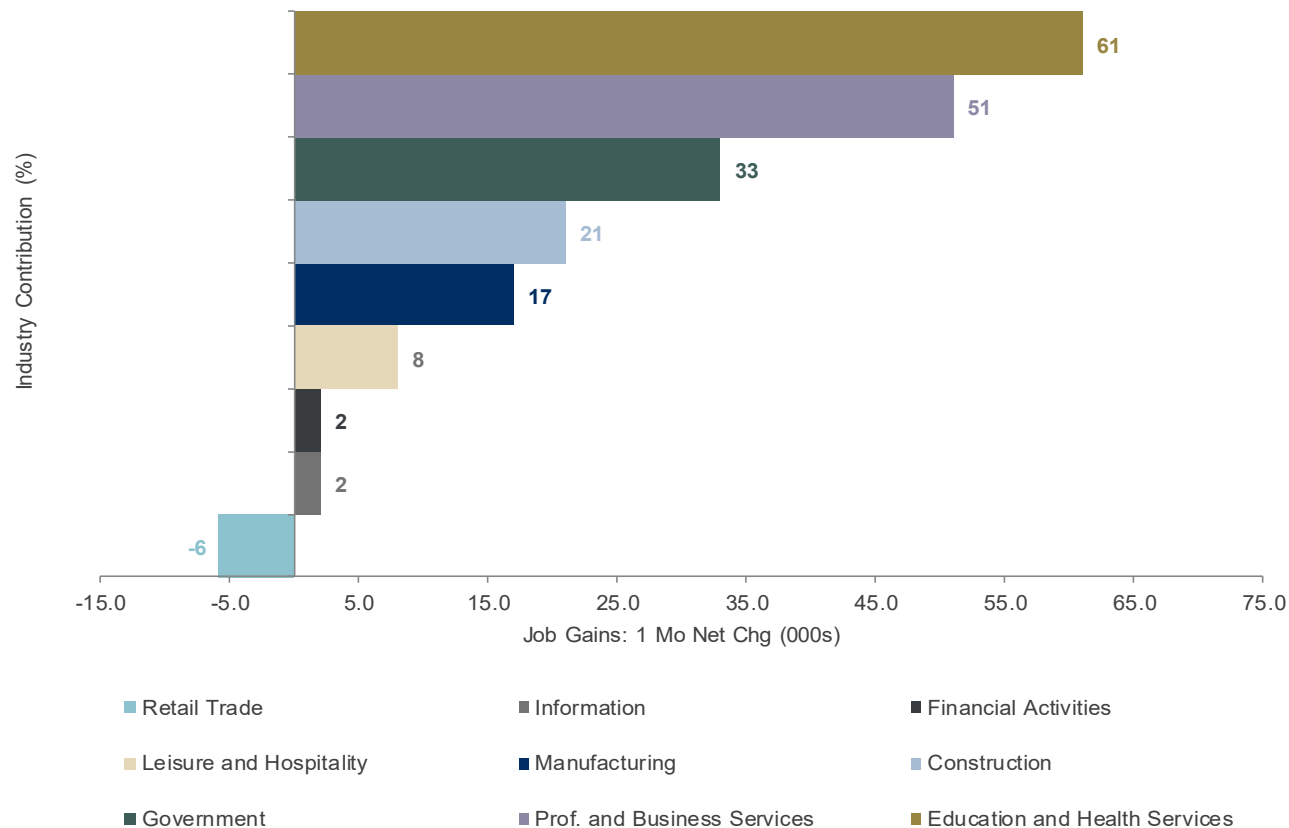


Source: Bloomberg as of 6/30/2019

MAJOR INDUSTRY CONTRIBUTIONS TO JOB GROWTH

In June, notable job gains occurred in professional and business services, in health care, and in transportation and warehousing.

Health care job growth occurred in ambulatory health care services and hospitals. Construction employment continued to trend up, as well as manufacturing employment (reflecting increases in computer and electronic products and in plastics and rubber products).

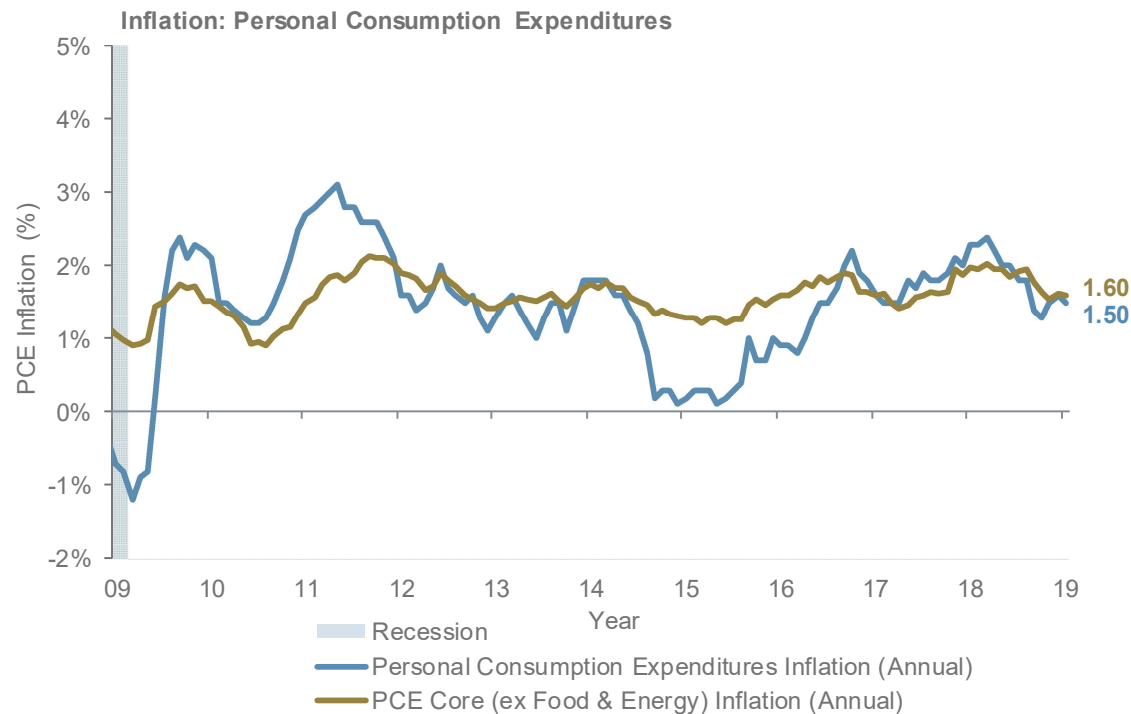


Source: Bureau of Labor Statistics as of 6/30/2019 a preliminary estimate of the net number of jobs in the various industries in the latest month.

INFLATION

The year-over-year PCE price index decreased to 1.5% in May from 1.6% in April while the core PCE price index (excluding food and energy) remained unchanged at 1.6%. Both inflation indicators continue to hover below the Federal Reserve's target rate of 2%.

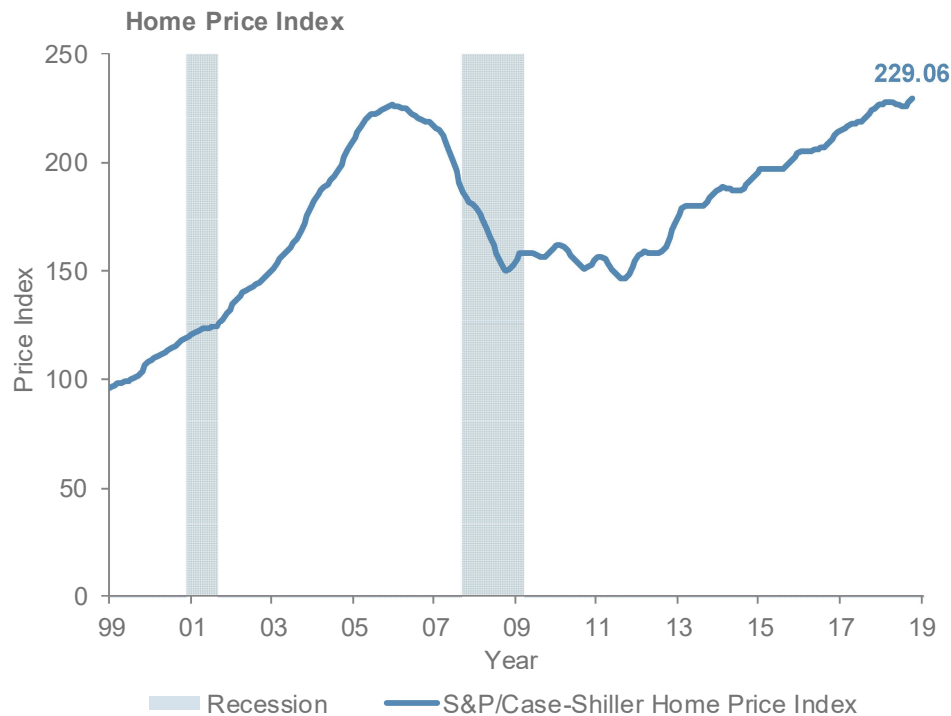
"Inflation can be too low as well as too high and the sub-2% trend in the PCE Price Index is a significant concern for the Fed. Despite tariffs, pipeline pressures have moderated. Firms have had mixed success in raising prices." – Dr. Scott Brown, Chief Economist



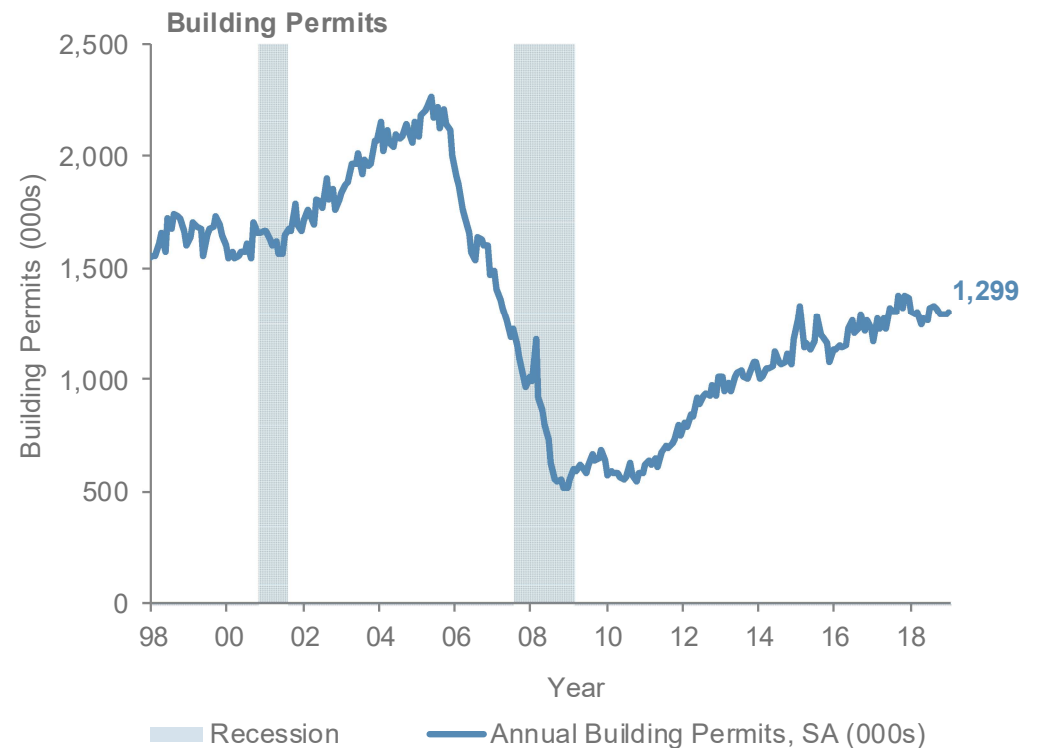
Source: Bloomberg as of 5/31/2019

HOUSING MARKET

“Continued strength in the labor market and this year’s sharp drop in mortgage rates should support housing activity in the near term. Higher building costs and affordability remain key issues.” – Dr. Scott Brown, Chief Economist



Source: Bloomberg as of 4/30/2019



Source: U.S. Census Bureau as of 5/31/2019

CONSUMER CONFIDENCE

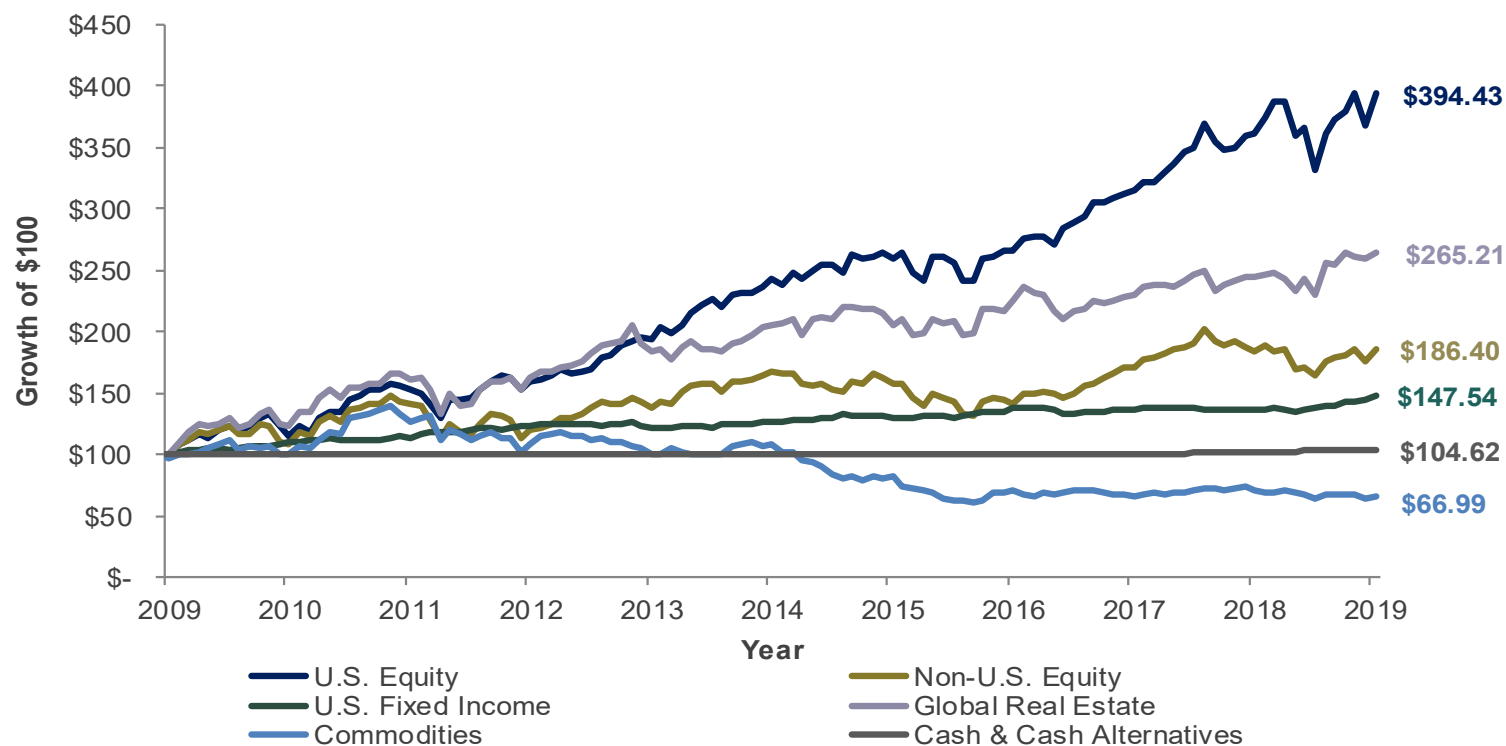
"After two consecutive months of improvement, Consumer Confidence declined in June to its lowest level since September 2017. The decrease in the Present Situation Index was driven by a less favorable assessment of business and labor market conditions. Consumers' expectations regarding the short-term outlook also retreated. The escalation in trade and tariff tensions earlier this month appears to have shaken consumers' confidence."

- Lynn Franco, Director of Economic Indicators at The Conference Board



Source: Bloomberg as of 6/30/2019

ASSET CLASS PERFORMANCE



Source: Morningstar Direct as of 6/30/2019

| Source: Morningstar Direct as of 6/30/2019 | QTD | YTD | 1-Year | 3-Year | 5-Year | 10-Year |
|--|--------|--------|--------|--------|--------|---------|
| U.S. Equity | 4.10% | 18.71% | 8.98% | 14.02% | 10.19% | 14.67% |
| Non-U.S. Equity | 2.98% | 13.60% | 1.29% | 9.39% | 2.16% | 6.54% |
| U.S. Fixed Income | 3.08% | 6.11% | 7.87% | 2.31% | 2.95% | 3.90% |
| Global Real Estate (REITs) | 0.11% | 14.86% | 8.10% | 5.49% | 5.23% | 10.25% |
| Commodities | -1.19% | 5.06% | -6.75% | -2.18% | -9.15% | -3.74% |
| Cash & Cash Alternatives | 0.61% | 1.21% | 2.30% | 1.36% | 0.84% | 0.46% |

ANNUAL ASSET CLASS TOTAL RETURNS

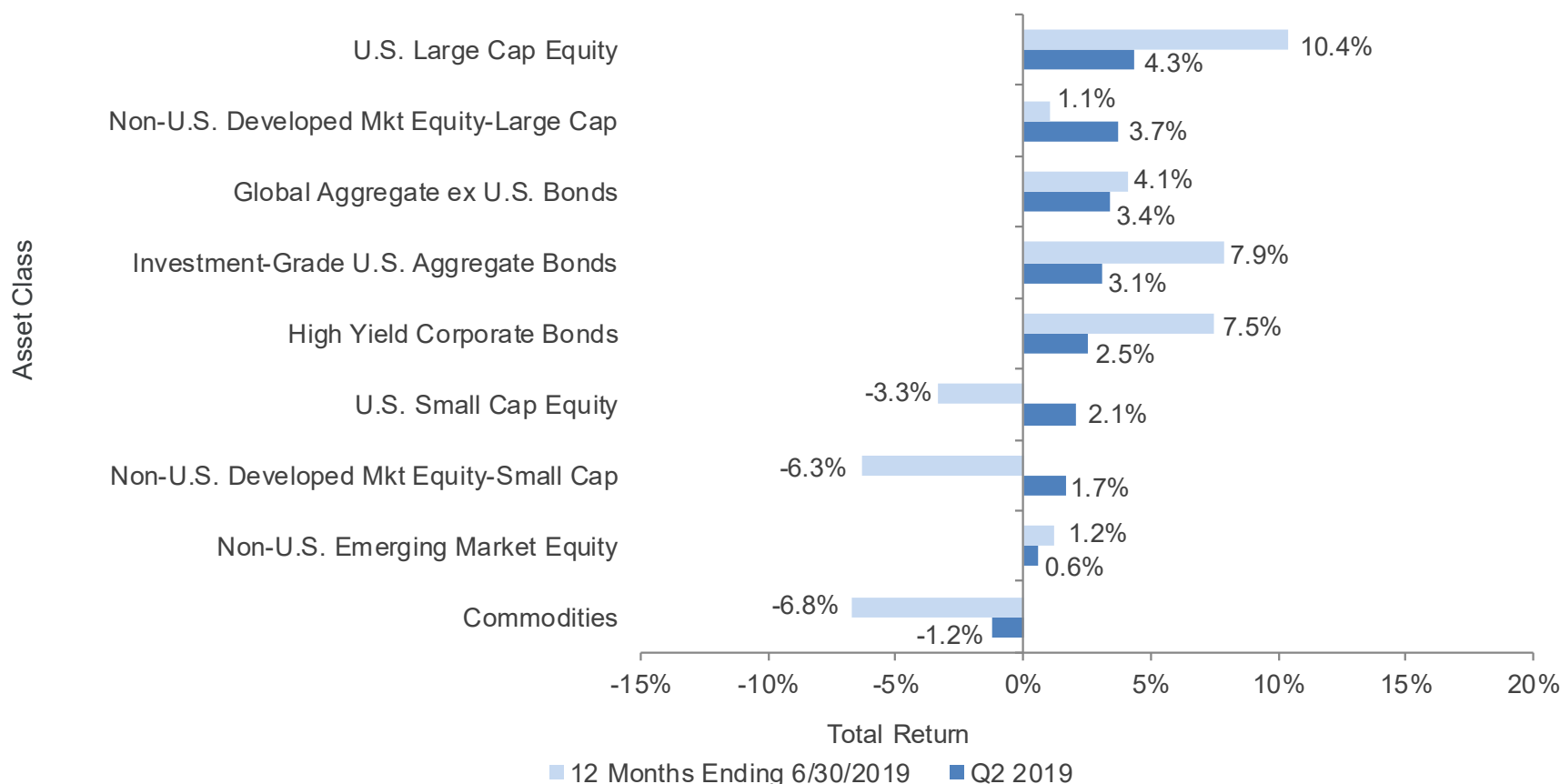
| 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 YTD | |
|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|---|
| Non-U.S. Equity 41.5% | Real Estate 19.3% | Fixed Income 7.8% | Real Estate 29.0% | U.S. Equity 33.6% | Real Estate 13.9% | Fixed Income 0.6% | U.S. Equity 12.7% | Non-U.S. Equity 27.2% | Cash & Cash Alternatives 1.9% | U.S. Equity 18.7% | Best ↑ ↓ Worse |
| Real Estate 40.2% | U.S. Equity 16.9% | Blended Portfolio 2.1% | Non-U.S. Equity 16.8% | Non-U.S. Equity 15.3% | U.S. Equity 12.6% | U.S. Equity 0.5% | Commodities 11.8% | U.S. Equity 21.1% | Fixed Income 0.0% | Real Estate 14.9% | |
| U.S. Equity 28.3% | Commodities 16.8% | U.S. Equity 1.0% | U.S. Equity 16.4% | Blended Portfolio 13.9% | Blended Portfolio 7.1% | Cash & Cash Alternatives 0.0% | Blended Portfolio 7.1% | Real Estate 14.0% | Blended Portfolio -4.0% | Non-U.S. Equity 13.6% | |
| Blended Portfolio 20.2% | Blended Portfolio 11.9% | Cash & Cash Alternatives 0.1% | Blended Portfolio 11.0% | Real Estate 1.6% | Fixed Income 6.0% | Blended Portfolio -0.2% | Non-U.S. Equity 4.5% | Blended Portfolio 13.8% | U.S. Equity -5.2% | Blended Portfolio 12.4% | |
| Commodities 18.9% | Non-U.S. Equity 11.2% | Real Estate -8.7% | Fixed Income 4.2% | Cash & Cash Alternatives 0.1% | Cash & Cash Alternatives 0.0% | Real Estate -1.2% | Real Estate 3.8% | Fixed Income 3.5% | Real Estate -6.4% | Fixed Income 6.1% | |
| Fixed Income 5.9% | Fixed Income 6.5% | Commodities -13.3% | Cash & Cash Alternatives 0.1% | Fixed Income -2.0% | Non-U.S. Equity -3.9% | Non-U.S. Equity -5.7% | Fixed Income 2.7% | Commodities 1.7% | Commodities -11.2% | Commodities 5.1% | |
| Cash & Cash Alternatives 0.2% | Cash & Cash Alternatives 0.1% | Non-U.S. Equity -13.7% | Commodities -1.1% | Commodities -9.5% | Commodities -17.0% | Commodities -24.7% | Cash & Cash Alternatives 0.3% | Cash & Cash Alternatives 0.8% | Non-U.S. Equity -14.2% | Cash & Cash Alternatives 1.2% | |

Blended Portfolio Allocation: 45% U.S. Equity / 15% Non-U.S. Equity / 40% Fixed Income

Source: Morningstar Direct as of 6/30/2019

ASSET CLASS RETURNS

With the exception of commodities, most asset classes experienced positive performance in the second quarter this year. U.S. large-cap equities led the markets, earning 4.3% over the three months ending 6/30/2019. We continue to favor U.S. equities based on better earnings growth, profit growth, better sector dynamics, and less political risk relative to their international counterparts.

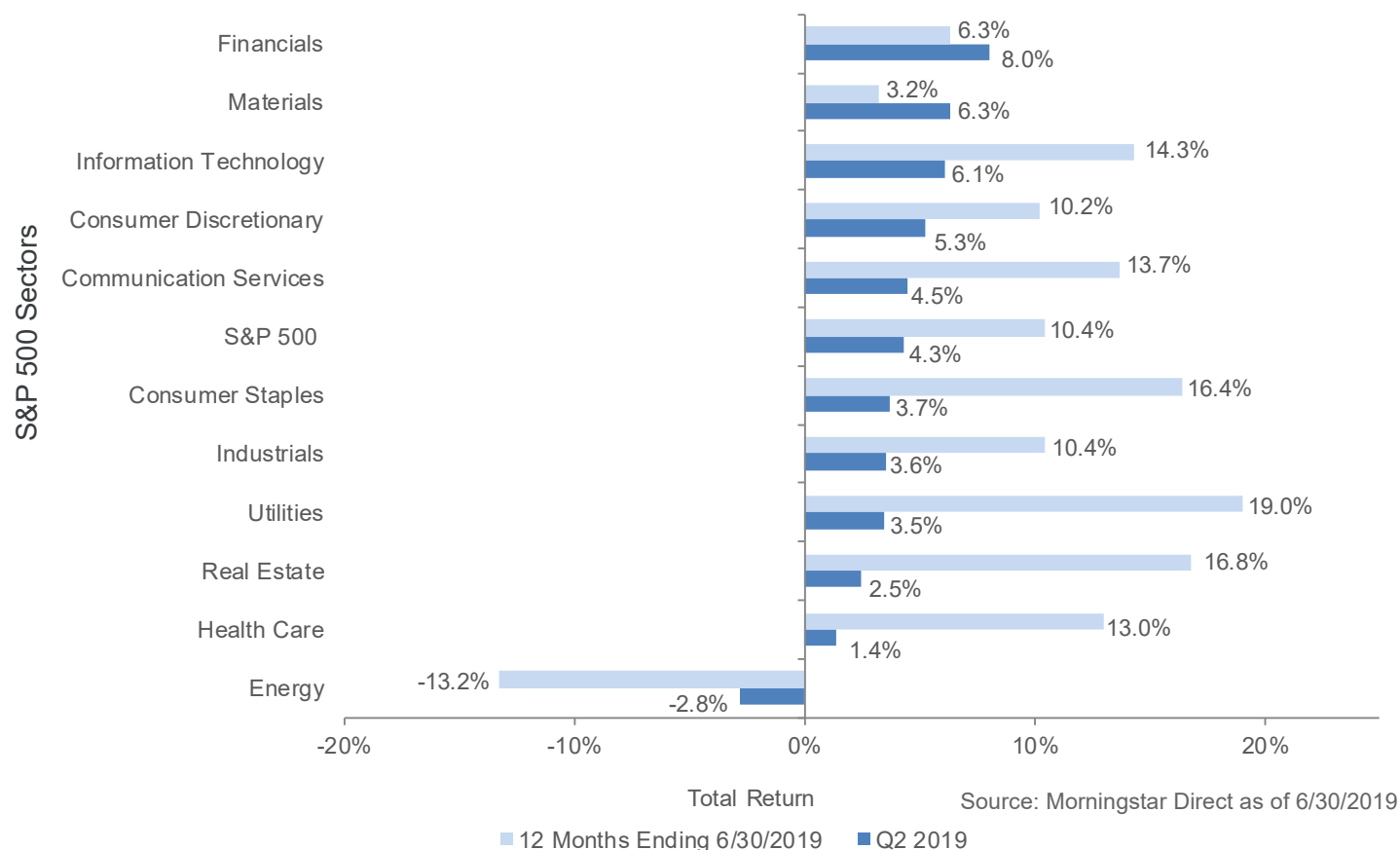


Source: Morningstar Direct as of 6/30/2019

S&P 500 SECTOR RETURNS

"We are Overweight Info Tech. The Fed's message of pending rate cuts should keep the general market trending higher with the high-beta tech sector leading the way. However, any disappointments in trade negotiations with China will weigh on the sector more than others. 1.7% earnings growth is not bad as individual subsectors (semis -11% EPS growth '19) weigh on the average. Valuation is rich for numerous subsectors; therefore, those carrying premium valuation must sustain earnings growth to justify the valuation."

– Mike Gibbs, Managing Director, Equity Portfolio & Technical Strategy



Past performance is not indicative of future results. Please see slides 30-33 for asset class and index definitions.

EQUITY STYLES

“The more defensive sectors have led the market higher for much of the recent rebound while the more cyclical sectors have floundered since trade tensions re-accelerated on May 5. We would like to see a relative performance improvement in the cyclical names to get more constructive on sustainable upside in the near term. We still favor U.S. large-cap growth equities in the near term. However, if the yield curve begins to steepen, thus benefiting Financials, and Energy continues to move higher, value, which has a large weighting to these sectors, may benefit, but it is still too early.”

– Mike Gibbs, Managing Director, Equity Portfolio & Technical Strategy

Q2 2019 Total Return

| | Value | Blend | Growth |
|-------|-------|-------|--------|
| Large | 3.8% | 4.3% | 4.6% |
| Mid | 3.2% | 4.1% | 5.4% |
| Small | 1.4% | 2.1% | 2.8% |

Source: Morningstar Direct as of 6/30/2019

12-Month Total Return

| | Value | Blend | Growth |
|-------|-------|-------|--------|
| Large | 8.5% | 10.0% | 11.6% |
| Mid | 3.7% | 7.8% | 13.9% |
| Small | -6.2% | -3.3% | -0.5% |

Source: Morningstar Direct as of 6/30/2019

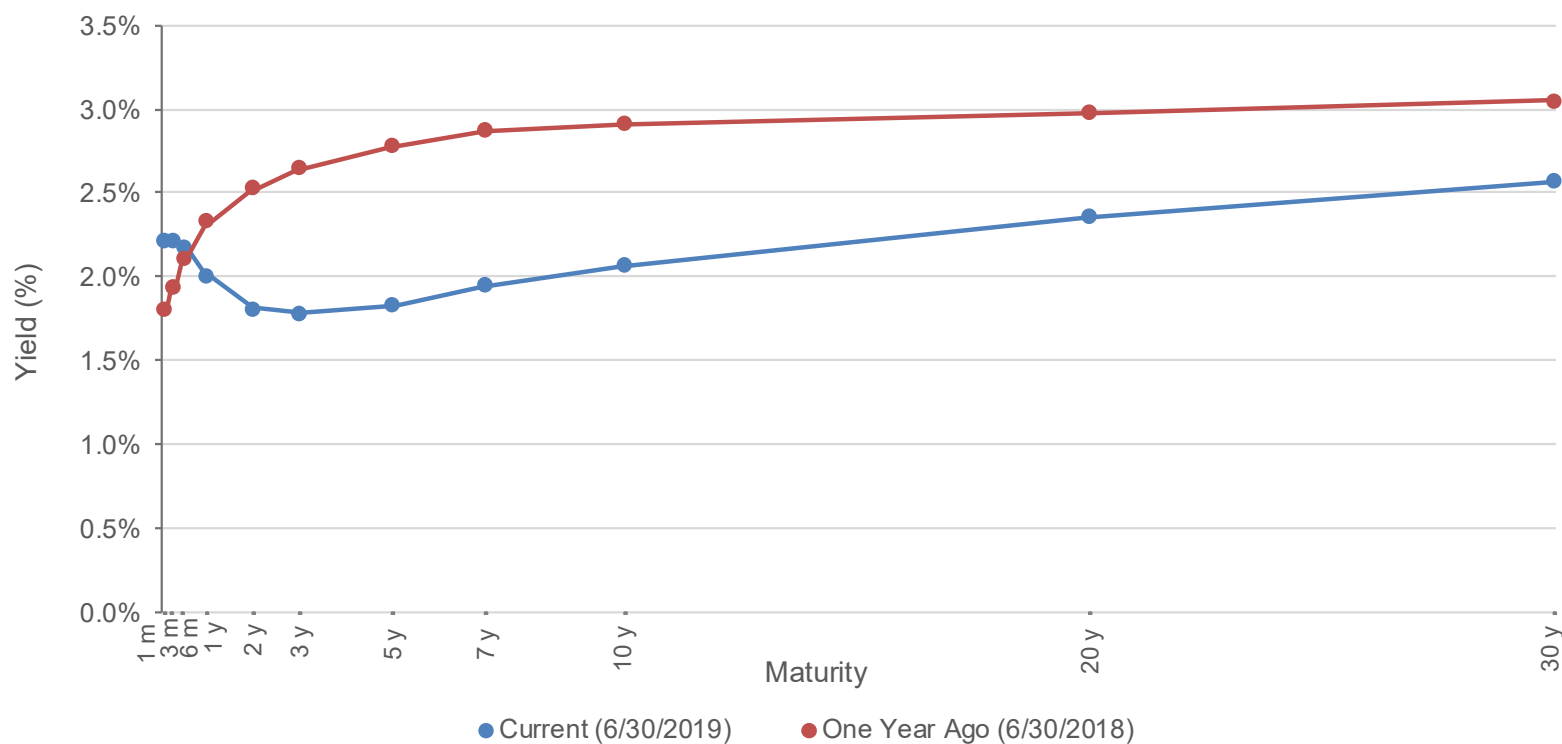
Style box returns based on the GICS Classification model. All values are cumulative total return for stated period including reinvestment of dividends. The indices used from left to right, top to bottom are: Russell 1000 Value Index, Russell 1000 Index, Russell 1000 Growth Index, Russell Mid-Cap Value Index, Russell Mid-Cap Blend Index, Russell Mid-Cap Growth Index, Russell 2000 Value Index, Russell 2000 Index and Russell 2000 Growth Index. Past performance is not indicative of future results.

THE U.S. TREASURY YIELD CURVE

“The Fed is poised to lower short-term interest rates, if needed, and the proximity to the zero-lower-bound means that officials should be more aggressive in lowering short-term interest rates than they would otherwise.”

– Dr. Scott Brown, Chief Economist

U.S. Treasury Yield Curve



Source: Federal Reserve as of 6/30/2019

FIXED INCOME YIELDS

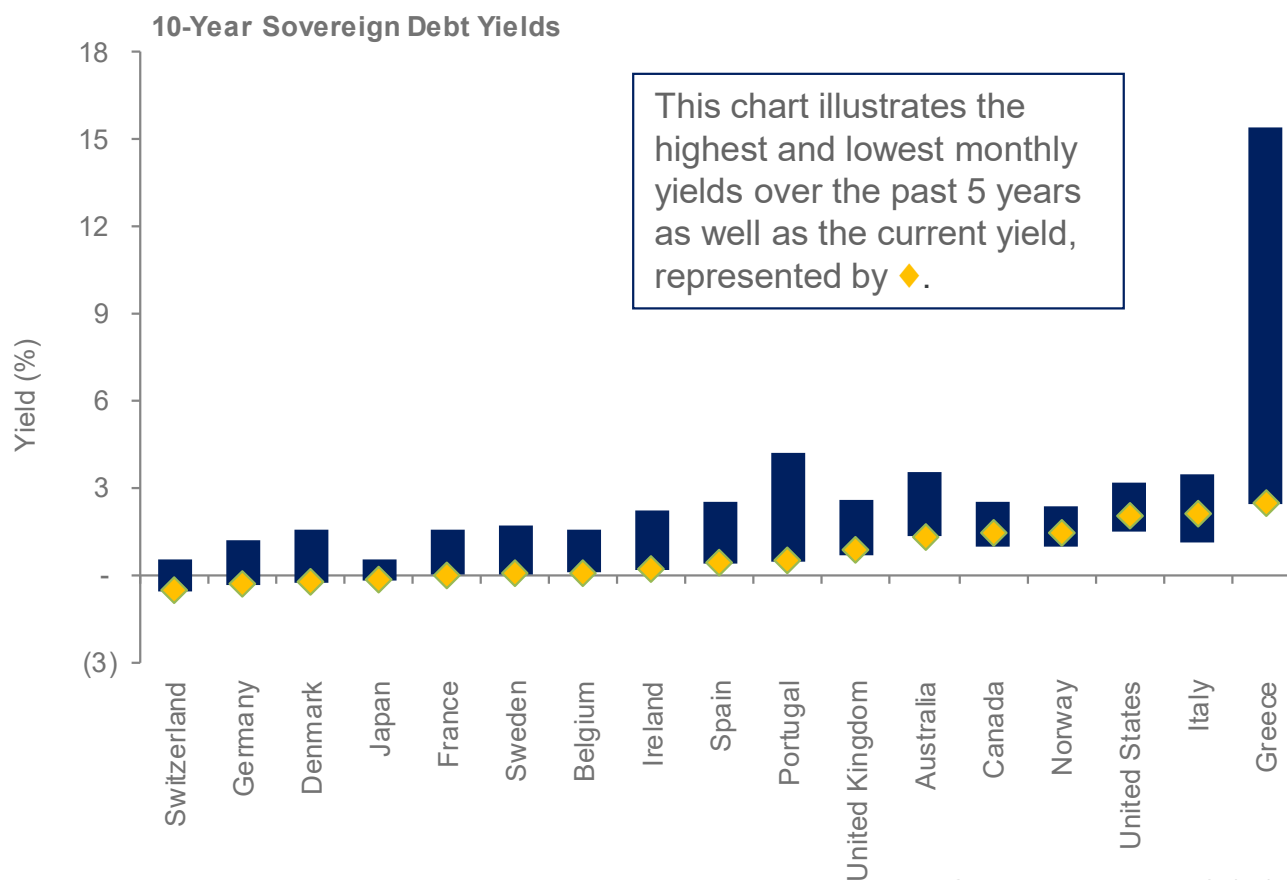


Source: Bloomberg as of 6/30/2019

GLOBAL SOVEREIGN DEBT YIELDS

“Long-term interest rates have fallen outside of the U.S., putting downward pressure on U.S. bond yields. Inflation is expected to remain low and the risks to growth are weighted to the downside.”

– Dr. Scott Brown, Chief Economist



Source: Bloomberg as of 6/30/2019

S&P 500 YIELD VS. TREASURY YIELD

The 10-year Treasury yield continued to fall after briefly surpassing the 3% mark last October. While the 10-year Treasury has yielded more than dividend-paying stocks historically, spreads remain compressed.

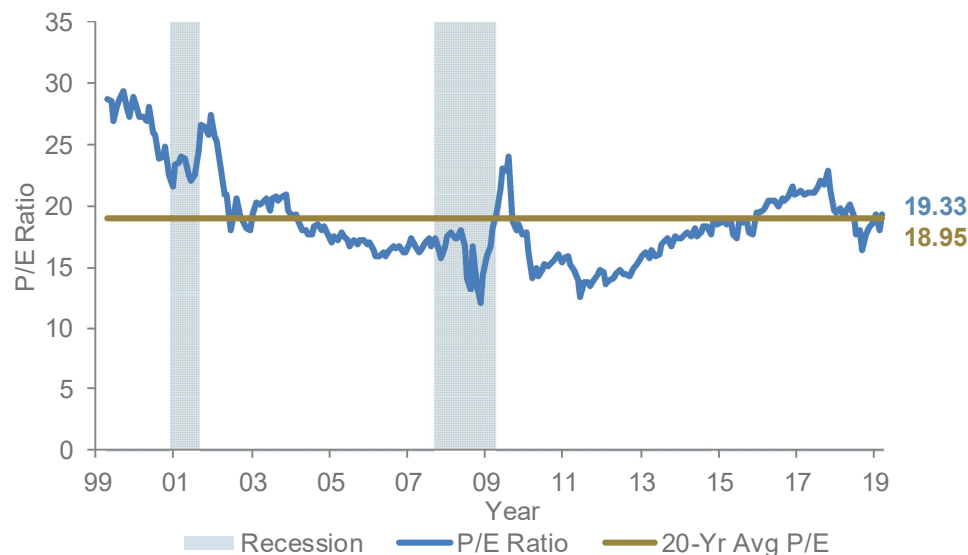


Source: Bloomberg as of 6/30/2019

PRICE-TO-EARNINGS AND PRICE-TO-BOOK RATIOS

“We see valuation as neutral, but equities are pricing in a lot of optimism in the near term. Since the start of the year, P/E and P/B have expanded and are currently trading above their long-term averages. While we are seeing some slowdown, overall, economic conditions generally remain supportive of equities, in our view, given U.S. GDP growth, low inflation, and low interest rates.” – Raymond James Equity Portfolio & Technical Strategy Group

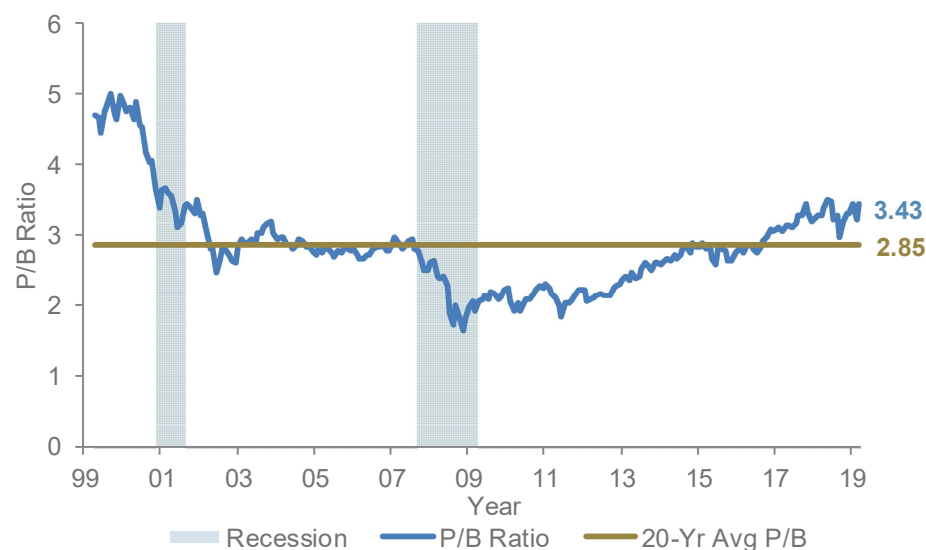
S&P 500 Price-to-Earnings



Source: Bloomberg as of 6/30/2019

The price-to-earnings ratio, or P/E, is a common measure of the value of stocks. It shows the relationship between a stock's price and the underlying company's earnings (or profits) per share of stock. In essence, it calculates how many dollars you pay for each dollar of a company's earnings. In very general terms, the higher the P/E ratio, the more likely the stock is to be overpriced.

S&P 500 Price-to-Book



Source: Bloomberg as of 6/30/2019

The price-to-book ratio, or P/B, is a relative measure based on most recent price/accounting (book) value (quarterly, semiannual or annual data). Both price-to-earnings and price-to-book are accounting-based relative value measures.

FOREIGN EXCHANGE RATES

“In the short term, exchange rates are driven by monetary policy. Market expectations of a Fed ease are negative for the greenback, but monetary policy is also seen as easing elsewhere.” – Dr. Scott Brown, Chief Economist

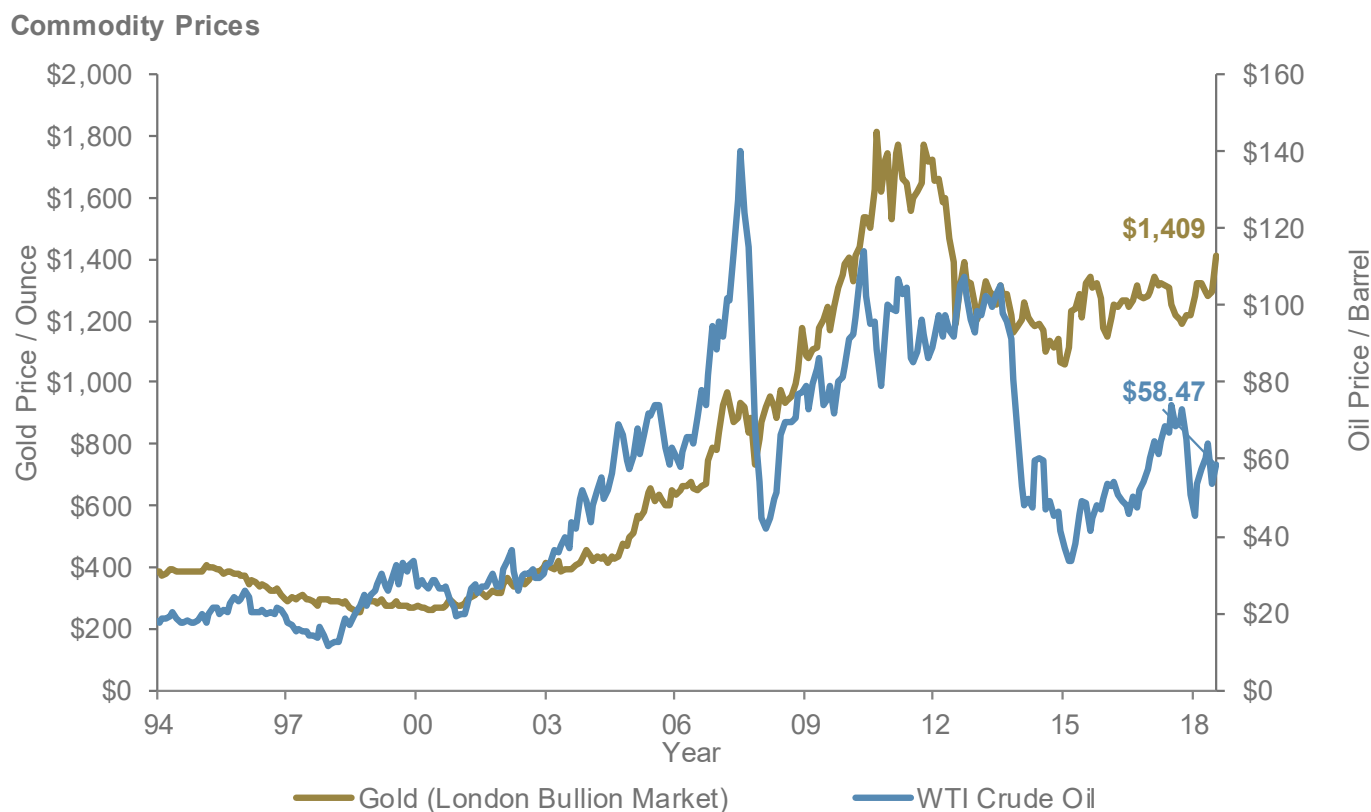


Source: Bloomberg as of 6/30/2019

| | 6/30/2019 | 6/30/2018 |
|--------------------------------------|-----------|-----------|
| Source: Bloomberg as of 6/30/2019 | | |
| U.S. Dollar (\$) / Japanese Yen (¥) | 107.8500 | 110.7600 |
| Euro (€) / U.S. Dollar (\$) | 1.1373 | 1.1684 |
| British Pound (£) / U.S. Dollar (\$) | 1.2696 | 1.3207 |

COMMODITY PRICES

After a sell-off in oil prices in early 2019, the Raymond James Energy team is optimistic about an energy upcycle in mid-2019 with Brent crude likely to reach \$100 in 2020.

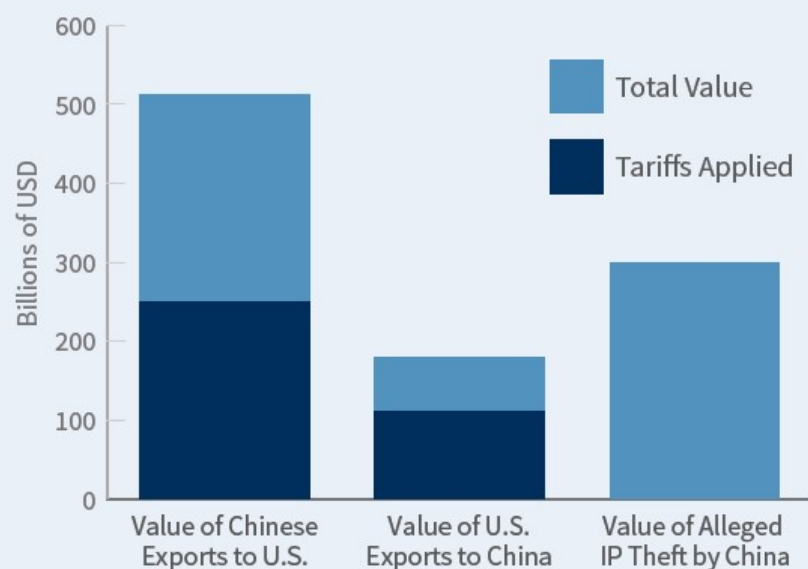


Source: Bloomberg as of 6/30/2019

ENTRENCHED: TRADE WARFARE

Tariff Man*

President Trump and his administration have continued to hold a hard line on China, who they accuse of unfair trade practices, non-compliance with the policies of the World Trade Organization, and pervasive theft of American intellectual property (IP). The U.S. Trade Representative has valued the theft of American IP at \$300 billion, which has served as its substantiation for tariffs on \$250 billion worth of Chinese imports.



Source: U.S. Trade Representative, White House

KEY TAKEAWAYS:

- U.S./China trade tensions have been a hallmark of President Trump's time in office and a major market overhang that threatens to initiate a decoupling of the world's largest economies, disrupting supply chains, and potentially hitting company earnings in the process.
- China hardliners in the Trump administration view competition in the tech space as the new ideological frontier to determine the values of the emerging tech landscape – a modern day “Cold War” scenario.
- The China trade fight is arguably the most popular policy position of the Trump presidency. We believe one of the biggest threats to President Trump's reelection would be a market sell-off or weakening economy. Either could cause the president to soften his stance toward China, but that is not a given and could embolden China to hold out.
- Politically, securing a deal in the short term presents advantages for both sides, but opportunity for miscalculation is heightened in the long term. Reaching a deal would provide a market boost in the U.S. and would play well for China's Xi for preserving (for the time being) the relationship with China's largest market.

* Trump's tweet from December 4, 2018: “... I am a Tariff Man. When people or countries come in to raid the great wealth of our Nation, I want them to pay for the privilege of doing so. It will always be the best way to max out our economic power. We are right now taking in \$billions in Tariffs. MAKE AMERICA RICH AGAIN.”

COLLATERAL CONSEQUENCES: THE ECONOMICS OF TARIFFS

What Lies Below

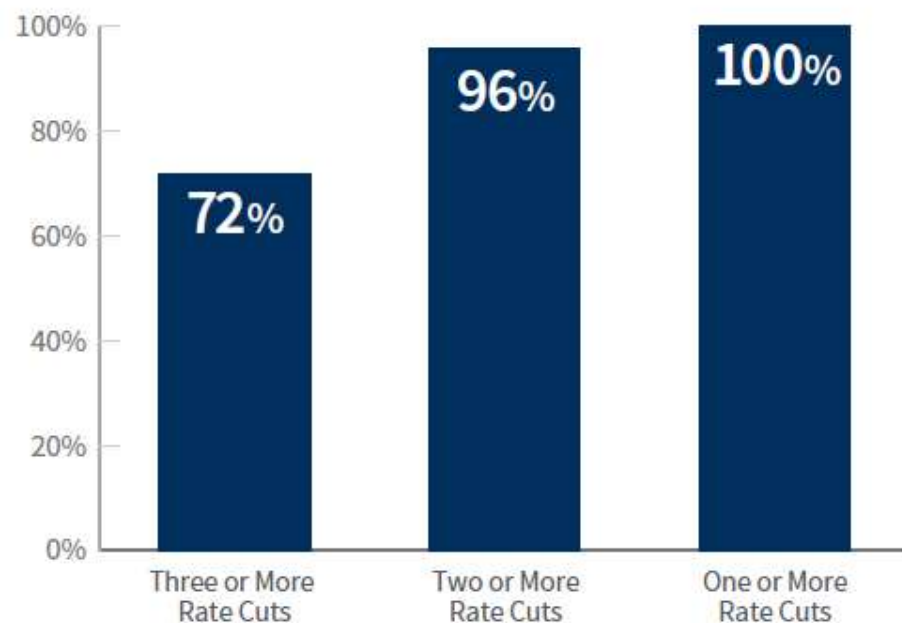
Much as the tip of an iceberg often conceals its deceptively large size, the impact of past, present, and future tariffs are likely to pose significant costs to American consumers. According to analysis by the New York Fed, the initial 2018 tariffs imposed by the Trump administration on Chinese exports to the U.S. ultimately cost the average American household \$419, which increased to \$831 per household when those tariffs were increased by 15% in 2019. Additional tariffs are likely to have a similar effect should they be put in place, the cost of which will be proportionate to their magnitude and the length of time they remain in place.



COLLATERAL CONSEQUENCES: THE ECONOMICS OF TARIFFS

Hike, Hike, Cut

The probability of one or more rate cuts in 2019 by the Federal Reserve has risen dramatically



Source: Bloomberg as of 6/20/19

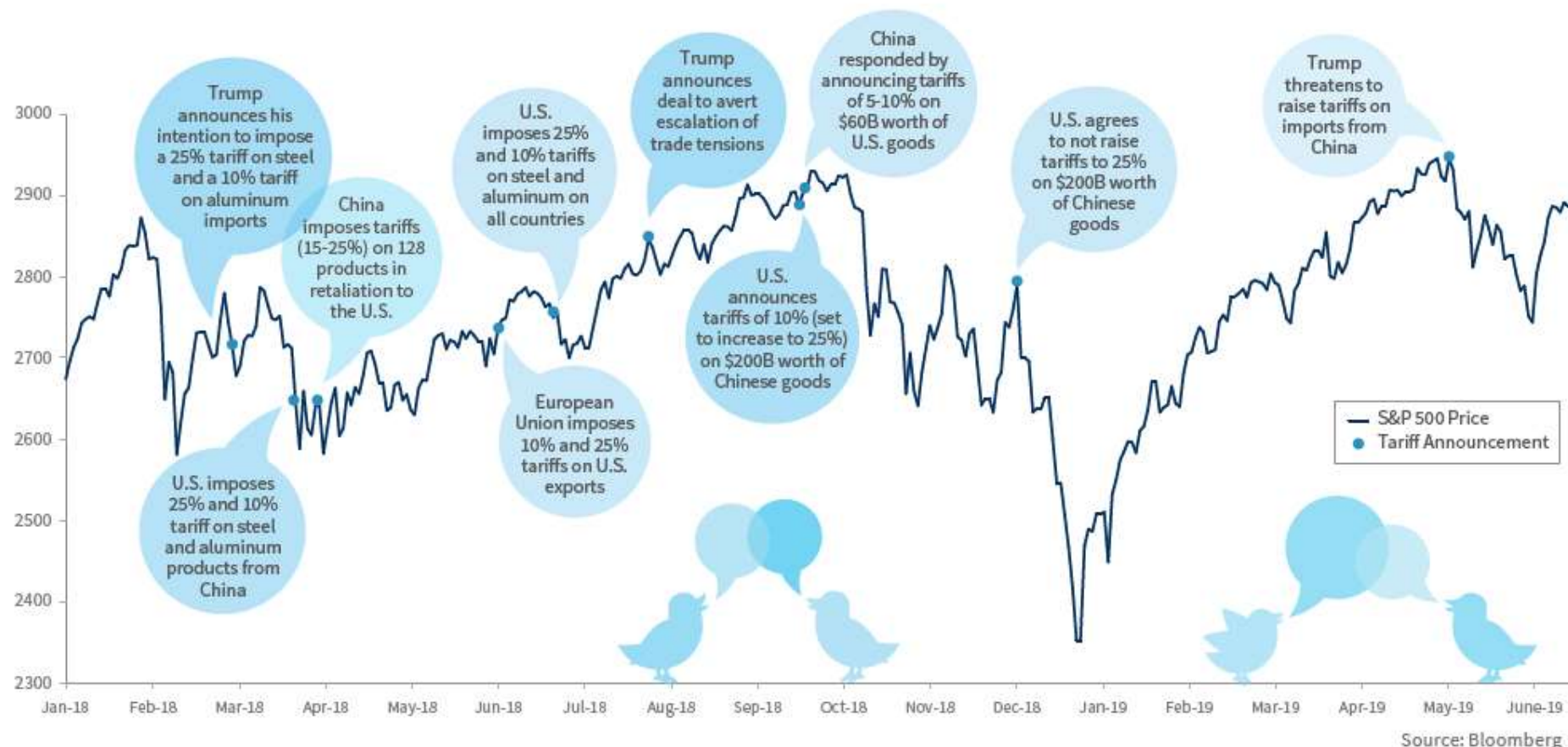
KEY TAKEAWAYS:

- Tariffs raise costs, disrupt supply chains, invite retaliation in the form of increased tariffs against U.S. exports, and dampen business fixed investment.
- There is growing evidence that tariffs are having a negative impact on U.S. economic growth, but to date, they appear unlikely, by themselves, to push the U.S. economy into a recession. The potential third round of tariffs would have a greater impact.
- The Fed could lower short-term interest rates by the end of the year. Such an outcome is already anticipated in the federal funds futures market, which is pricing in a 100% chance of one or more rate cuts by the end of this year.

CAUGHT IN THE CROSSFIRE: MARKET MOMENTUM

Trading Tweets

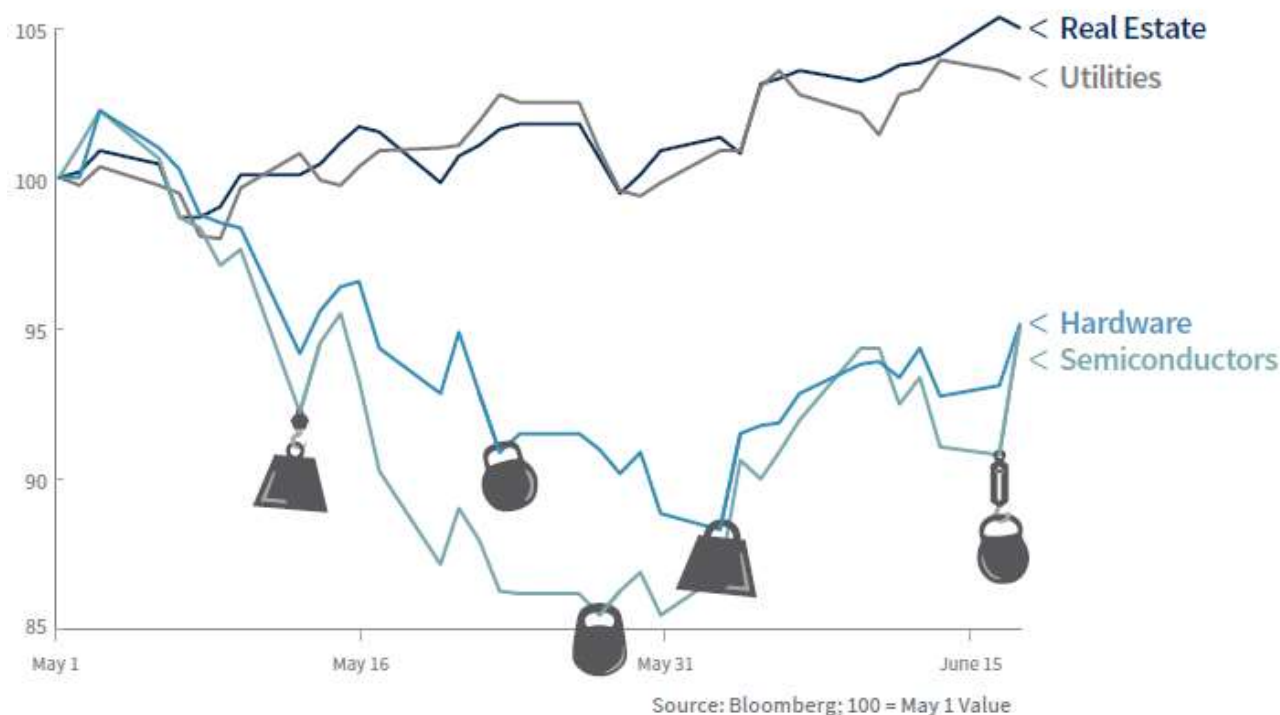
As shown by the chart below, the U.S. stock market (as measured by the S&P 500) has reacted significantly at times to President Trump's tariff announcements via Twitter.



CAUGHT IN THE CROSSFIRE: MARKET MOMENTUM

Tariff Sensitivity

Some market sectors have proven to be more sensitive to tariffs and trade tensions than others. Due to their significant exposure to trade, semiconductors and computer hardware have fared poorly since the beginning of May. On the other hand, Real Estate and Utilities have remained rather insulated due to their defensive, U.S.-centric business models.



CAUGHT IN THE CROSSFIRE: MARKET MOMENTUM



Source: Raymond James Equity Portfolio & Technical Strategy

KEY TAKEAWAYS:

- Regarding China/U.S., it is our belief that the two sides will do enough to soothe equity markets over the path of trade negotiations. However, with a belief that a “deal” may be challenging to reach in the near term, our base case year-end S&P 500 expectation remains 2946 (17.75x \$166 EPS) for now.
- From a global perspective, the U.S. equity market has held up better than most areas around the world (and is also exhibiting better fundamentals). Relative strength for the U.S. (vs. the world) broke out to new highs through the volatility. We continue to favor U.S. equities (over non-U.S.) with a bias toward large-cap growth. Emerging markets stand to benefit as the U.S. dollar is likely to weaken if the Fed follows through with rate cuts.
- Additionally, we favor companies with more U.S. revenues (since trade is unlikely to go away anytime soon with President Trump making it a campaign topic).

BEYOND BORDERS AND BILATERALISM: THE IMPORT OF TRADE

The Art of the Trade War

In the protracted trade war between the U.S. and China, each has its own sources of ammunition. On the one hand, the U.S. has exceptional leverage over China with the tariffs it can apply on China's significantly higher exports relative to the U.S. On the other hand, China can counter such measures with fiscal stimulus and the depreciation of its currency. Suffice to say, each side can dig in. Meanwhile, the EU, Japan, and other developed markets have been caught in the crossfire.



BEYOND BORDERS AND BILATERALISM: THE IMPORT OF TRADE

“Any progress in the world trade backdrop is likely to lead to a lower value of the dollar which should help reduce inflamed trade tensions.”

Impact of Tariffs on Economic Growth



Source: Bloomberg

KEY TAKEAWAYS:

- Trade angst that leads to less interaction between economies, in most circumstances, leads statically to lower economic growth as supply chains are interrupted and more expensive alternatives are less cost-efficient.
- China may no longer be the cheapest country to manufacture many goods, but a sharp slowdown in the country's exports due to trade-war angst threatens much more than just a reduction in the country's economic growth level.
- More trade frictions create further pressures and incentives for Europe to choose a side, or face new tariffs or sanctions from everyone else.
- Recent manufacturing sector data in Japan has shown an impact from the worsening global trade backdrop, at a time when Japanese domestic economic growth dynamism remains muted.

DISCLOSURE

Data provided by Morningstar Direct, and Bloomberg.

This material is for informational purposes only and should not be used or construed as a recommendation regarding any security outside of a managed account.

There is no assurance that any investment strategy will be successful or that any securities transaction, holdings, sectors or allocations discussed will be profitable. It should not be assumed that any investment recommendation or decisions made in the future will be profitable or will equal any investment performance discussed herein.

Please note that all indices are unmanaged and investors cannot invest directly in an index. An investor who purchases an investment product that attempts to mimic the performance of an index will incur expenses that would reduce returns. Past performance is not indicative of future results. The performance noted in this presentation does not include fees and costs, which would reduce an investor's returns.

- **Fixed Income:** subject to credit risk and interest rate risk. An issuer's ability to pay the promised income and return of principal upon maturity may impact the issuer's credit rating. Generally, when interest rates rise, bond prices fall, and vice versa. Specific-sector investing can be subject to different and greater risks than more diversified investments.
- **Personal Consumption Expenditure Index (PCE):** a measure of inflation, this index measures the price changes in consumer goods and services. Personal consumption expenditures consist of the actual and imputed expenditures of households; the measure includes data pertaining to durables, non-durables and services.
- **Gross Domestic Product (GDP):** a broad measurement of a nation's overall economic activity. It is the monetary value of all the finished goods and services produced within a country's borders in a specific time period, including all private and public consumption, government outlays, investments and net exports that occur within a defined territory.
- **Price-to-Earnings Ratio (P/E):** a ratio for valuing a company that measures its current share price relative to its per-share earnings.
- **Price-to-Book Ratio (P/B):** A ratio used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the latest quarter's book value per share.
- **Small-cap and Mid-Cap Equity:** generally involve greater risks, and may not be appropriate for every investor. International investing also involves special risks, including currency fluctuations, different financial accounting standards, and possible political and economic volatility.
- **High-Yield Fixed Income:** not suitable for all investors. Risk of default may increase due to changes in the issuer's credit quality. Price changes may occur due to changes in interest rates and the liquidity of the bond. When appropriate, these bonds should only comprise a modest portion of your portfolio.
- **Commodities:** trading is generally considered speculative because of the significant potential for investment loss.
- **U.S. Government Fixed Income:** guaranteed timely payment of principal and interest by the federal government. **U.S. Treasury Bills:** A short-term debt obligation backed by the U.S. government with a maturity of less than one year.
- **Fixed Income Sectors:** Returns based on the four sectors of Barclays Global Sector Classification Scheme: Securitized (consisting of U.S. MBS Index, the ERISA-Eligible CMBS Index and the fixed-rate ABS Index), Government Related (consisting of U.S. Agencies and non-corporate debts with four sub sectors: Agencies, Local Authorities, Sovereign and Supranational), Corporate (dollar-denominated debt from U.S. and non-U.S. industrial, utility, and financial institutions issuers), and Treasuries (includes public obligations of the U.S. Treasury that have remaining maturities of one year or more).

Asset allocation and diversification does not guarantee a profit nor protect against loss. Dividends are not guaranteed and will fluctuate.

Past performance is not indicative of future results. Investing in international securities involves additional risks such as currency fluctuations, differing financial accounting standards, and possible political and economic instability. These risks are greater in emerging markets.

The values of real estate investments may be adversely affected by several factors, including supply and demand, rising interest rates, property taxes, and changes in the national, state and local economic climate. Companies engaged in business related to a specific sector are subject to fierce competition and their products and services may be subject to rapid obsolescence. There are additional risks associated with investing in an individual sector including limited diversification.

INDEX DESCRIPTIONS

Asset class and reference benchmarks:

| ASSET CLASS | BENCHMARK |
|------------------------------------|--|
| U.S. Equity | Russell 3000 TR |
| Non-U.S. Equity | MSCI ACWI ex US NR |
| U.S. Fixed Income | Barclays U.S. Aggregate Bond TR |
| Global Real Estate (prior to 2008) | NASDAQ Global Real Estate NR |
| Global Real Estate (2008-present) | FTSE EPRA/NAREIT Global Real Estate NR |
| Commodities | Bloomberg Commodity TR USD |
| Cash & Cash Alternatives | Citi Treasury Bill 3 Mon USD |

Bloomberg Commodity Total Return Index: Formerly the Dow Jones-UBS Commodity Index TR (DJUBSTR), is composed of futures contracts and reflects the returns on a fully collateralized investment in the BCOM. This combines the returns of the BCOM with the returns on cash collateral invested in 3 Month U.S. Treasury Bills.

Barclays 10-Year Municipal Bond Index: A rules-based, market-value weighted index engineered for the long-term tax-exempt bond market. This index is the 10 year (8-12) component of the Municipal Bond Index.

Barclays 10-Year U.S. Treasury Index: Measures the performance of U.S. Treasury securities that have a remaining maturity of 10 years.

Barclays U.S. Aggregate Bond Index: Represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment-grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities.

Barclays Global Aggregate ex-U.S. Bond Index: Tracks an international basket of bonds that currently contains 65% government, 14% corporate, 13% agency and 8% mortgage-related bonds.

Barclays High Yield Bond Index: Covers the universe of fixed-rate, non-investment grade debt. Pay-in-kind (PIK) bonds, Eurobonds, and debt issues from countries designated as emerging markets (e.g., Argentina, Brazil, Venezuela, etc.) are excluded, but Canadian and global bonds (SEC-registered) of issuers in non-EMG countries are included. Original issue zeroes, step-up coupon structures and 144-As are also included.

Barclays U.S. Credit Index: an index composed of corporate and non-corporate debt issues that are investment grade (rated Baa3/BBB- or higher).

Citi 3-Month Treasury-Bill Index: This is an unmanaged index of three-month Treasury bills.

INDEX DESCRIPTIONS (continued)

FTSE EPRA/NAREIT Global Real Estate Index : designed to represent general trends in eligible listed real estate stocks worldwide. Relevant real estate activities are defined as the ownership, trading and development of income producing real estate.

MSCI All Country World Index Ex-U.S Index (ACWI ex U.S.): a market-capitalization-weighted index maintained by Morgan Stanley Capital International (MSCI) and designed to provide a broad measure of stock performance throughout the world, with the exception of U.S.-based companies. It includes both developed and emerging markets.

MSCI EAFE Index (Europe, Australasia, Far East): a free-float adjusted market capitalization index that is designed to measure developed market equity performance, excluding the United States and Canada. The EAFE consists of the country indices of 21 developed nations.

MSCI EAFE Growth Index: represents approximately 50% of the free-float adjusted market capitalization of the MSCI EAFE index, and consists of those securities classified by MSCI as most representing the growth style.

MSCI EAFE Small-Cap Index: an unmanaged, market-weighted index of small companies in developed markets, excluding the U.S. and Canada.

MSCI EAFE Value: represents approximately 50% of the free-float adjusted market capitalization of the MSCI EAFE index, and consists of those securities classified by MSCI as most representing the value style.

MSCI Emerging Markets Index: designed to measure equity market performance in 25 emerging market indexes. The three largest industries are materials, energy and banks.

MSCI Local Currency Index: a special currency perspective that approximates the return of an index as if there were no currency valuation changes from one day to the next.

NASDAQ Global Real Estate Index: the index measures the performance of real estate stocks which listed on an Index Eligible Global Stock Exchange. The index is market-capitalization weighted.

Russell 1000 Index: measures the performance of the 1,000 largest companies in the Russell 3000 Index, which represents approximately 90% of the investible U.S. equity market.

Russell 1000 Value Index: measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

Russell 1000 Growth Index: measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell Mid-Cap Index: measures the performance of the 800 smallest companies of the Russell 1000 Index, which represent approximately 30% of the total market capitalization of the Russell 1000 Index.

Russell Mid-cap Value Index: measures the performance of those Russell Mid-cap companies with lower price-to-book ratios and lower forecasted growth values.

Russell Mid-Cap Growth Index: measures the performance of those Russell Mid-cap companies with higher price-to-book ratios and higher forecasted growth values.

Russell 2000 Index: measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represent approximately 8% of the total market capitalization of the Russell 3000 Index.

Russell 2000 Value Index: measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.

Russell 2000 Growth Index: measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values.

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.

INDEX DESCRIPTIONS (continued)

Standard & Poor's 500 (S&P 500): measures changes in stock market conditions based on the average performance of 500 widely held common stocks. Represents approximately 68% of the investable U.S. equity market.

S&P 500 Communication Services: comprises those companies included in the S&P 500 that are classified as members of the GICS® communication services sector.

S&P 500 Consumer Discretionary: comprises those companies included in the S&P 500 that are classified as members of the GICS® consumer discretionary sector.

S&P 500 Consumer Staples: comprises those companies included in the S&P 500 that are classified as members of the GICS® consumer staples sector.

S&P 500 Energy: comprises those companies included in the S&P 500 that are classified as members of the GICS® energy sector.

S&P 500 Financials: comprises those companies included in the S&P 500 that are classified as members of the GICS® financials sector.

S&P 500 Health Care: comprises those companies included in the S&P 500 that are classified as members of the GICS® health care sector.

S&P 500 Industrials: comprises those companies included in the S&P 500 that are classified as members of the GICS® industrials sector.

S&P 500 Information Technology: comprises those companies included in the S&P 500 that are classified as members of the GICS® information technology sector.

S&P 500 Materials: comprises those companies included in the S&P 500 that are classified as members of the GICS® materials sector.

S&P 500 Telecom Services: comprises those companies included in the S&P 500 that are classified as members of the GICS® telecommunication services sector.

S&P 500 Utilities: comprises those companies included in the S&P 500 that are classified as members of the GICS® utilities sector.

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Comparative Performance Analysis Report

Sewerage and Water Board of New Orleans ERS

June 30, 2019

Pension Committee

Q2 2019

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Sewerage and Water Board of New Orleans ERS Total Composite

Market Performance

As of June 30, 2019

| Name | Q2-19 | YTD | 1 Yr | 3 Yrs | 5 Yrs | 10 Yrs |
|------------------------------------|-------|-------|-------|-------|-------|--------|
| US Equity | | | | | | |
| Russell 3000 | 4.10 | 18.71 | 8.98 | 14.02 | 10.19 | 14.67 |
| S&P 500 | 4.30 | 18.54 | 10.42 | 14.19 | 10.71 | 14.70 |
| Russell 1000 | 4.25 | 18.84 | 10.02 | 14.15 | 10.45 | 14.77 |
| Russell 1000 Growth | 4.64 | 21.49 | 11.56 | 18.07 | 13.39 | 16.28 |
| Russell 1000 Value | 3.84 | 16.24 | 8.46 | 10.19 | 7.46 | 13.19 |
| Russell MidCap | 4.13 | 21.35 | 7.82 | 12.16 | 8.63 | 15.16 |
| Russell 2000 | 2.10 | 16.98 | -3.31 | 12.30 | 7.06 | 13.45 |
| Russell 2000 Growth | 2.75 | 20.36 | -0.49 | 14.69 | 8.63 | 14.41 |
| Russell 2000 Value | 1.37 | 13.47 | -6.24 | 9.81 | 5.39 | 12.40 |
| International Equity | | | | | | |
| MSCI ACWI | 3.61 | 16.23 | 5.74 | 11.62 | 6.16 | 10.15 |
| MSCI World ex USA | 3.79 | 14.64 | 1.29 | 9.01 | 2.04 | 6.75 |
| MSCI EAFE | 3.68 | 14.03 | 1.08 | 9.11 | 2.25 | 6.90 |
| MSCI Emerging Markets | 0.61 | 10.59 | 1.21 | 10.66 | 2.49 | 5.81 |
| Fixed Income | | | | | | |
| 91 Day T-Bills | 0.57 | 1.17 | 2.27 | 1.40 | 0.87 | 0.47 |
| BBgBarc US Aggregate TR | 3.08 | 6.11 | 7.87 | 2.31 | 2.95 | 3.90 |
| BBgBarc US Govt/Credit TR | 3.53 | 6.90 | 8.52 | 2.41 | 3.11 | 4.09 |
| BBgBarc US Municipal TR | 2.14 | 5.09 | 6.71 | 2.55 | 3.64 | 4.72 |
| BBgBarc US High Yield TR | 2.50 | 9.94 | 7.48 | 7.52 | 4.70 | 9.24 |
| FTSE WGBI TR | 3.57 | 5.38 | 5.48 | 1.00 | 0.85 | 2.21 |
| FTSE WGBI ex US TR | 3.93 | 5.50 | 4.54 | 0.83 | 0.19 | 1.88 |
| Real Estate | | | | | | |
| FTSE NAREIT All REIT | 1.08 | 17.97 | 11.52 | 5.81 | 8.56 | 15.52 |
| NCREIF Property Index | 1.51 | 3.34 | 6.50 | 6.89 | 8.83 | 9.25 |
| Alternatives | | | | | | |
| HFRI Fund of Funds Composite Index | 1.50 | 6.17 | 1.16 | 4.25 | 2.19 | 3.21 |
| Inflation | | | | | | |
| Consumer Price Index | 0.76 | 1.95 | 1.65 | 2.05 | 1.45 | 1.73 |

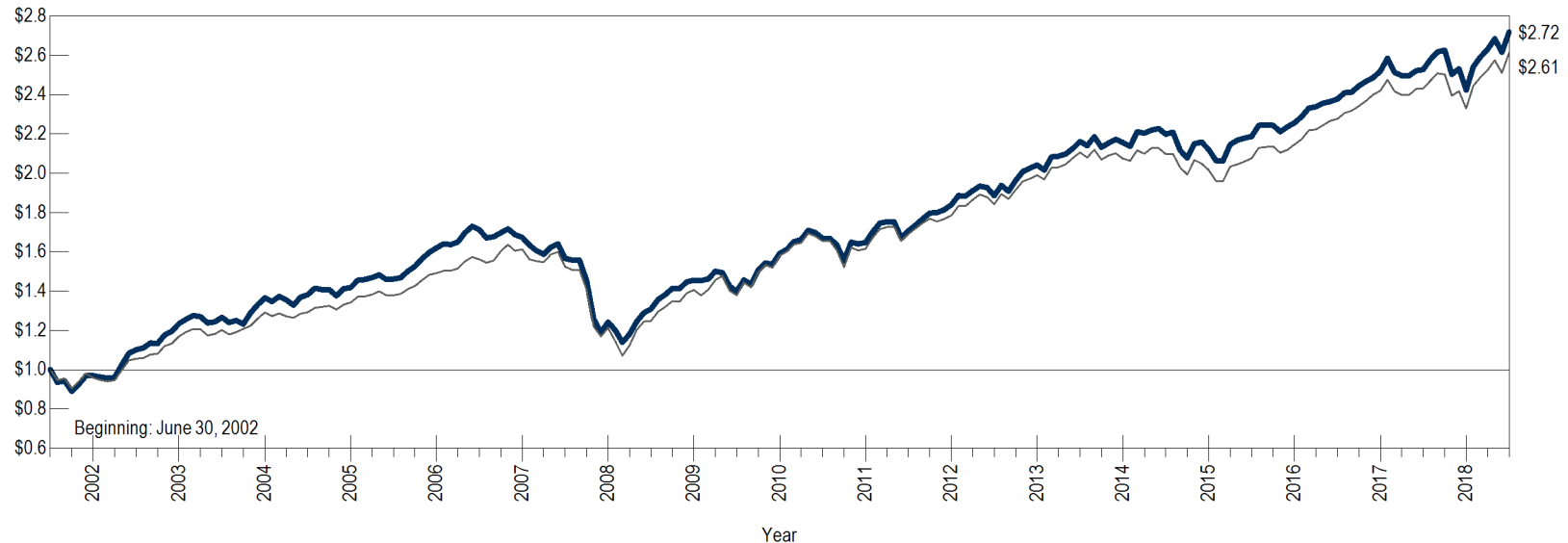
Sewerage and Water Board of New Orleans ERS Total Composite Investment Analysis

Sewerage and Water Board of New Orleans ERS Total Composite

Sewerage and Water Board of New Orleans ERS Total
Composite Information

As of June 30, 2019

Growth of a Dollar



Summary Of Cash Flows

| | Second Quarter | Year-To-Date | One Year | Three Years | Five Years | Ten Years | Inception 7/1/02 |
|------------------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------------|
| Beginning Market Value | \$216,979,605 | \$204,983,835 | \$218,940,638 | \$24,623,663 | \$24,915,606 | \$11,454,617 | -- |
| Contributions | \$593,640 | \$8,155,789 | \$14,875,763 | \$22,402,945 | \$22,402,945 | \$22,402,945 | \$22,402,945 |
| Withdrawals | -\$2,861,829 | -\$15,770,768 | -\$28,167,156 | -\$37,308,846 | -\$37,308,846 | -\$37,308,846 | -\$37,308,846 |
| Net Cash Flow | -\$2,268,189 | -\$7,614,979 | -\$13,291,393 | -\$13,508,853 | -\$13,508,853 | -\$13,508,853 | -\$13,508,853 |
| Net Investment Change | \$7,290,374 | \$24,632,933 | \$16,352,544 | \$210,886,979 | \$210,595,036 | \$224,056,025 | \$235,510,642 |
| Ending Market Value | \$222,001,789 | \$222,001,789 | \$222,001,789 | \$222,001,789 | \$222,001,789 | \$222,001,789 | \$222,001,789 |

Sewerage and Water Board of New Orleans ERS Total Composite

Sewerage and Water Board of New Orleans ERS Total
Composite Performance

As of June 30, 2019

| | Market Value (\$) | % of Portfolio | 1 Mo (%) | 3 Mo (%) | Fiscal YTD (%) | 1 Yr (%) | 2 Yrs (%) | 3 Yrs (%) | 5 Yrs (%) | 7 Yrs (%) | 10 Yrs (%) | Inception (%) | Inception Date |
|--|----------------------|-------------------|-------------|-------------|----------------------|--------------|--------------|--------------|--------------|--------------|---------------|------------------|-------------------|
| Sewerage and Water Board of New Orleans ERS Total Composite | 222,001,789 | 100.00 | 3.93 | 3.34 | 12.20 | 7.53 | 6.92 | 7.52 | 4.69 | 6.88 | 7.58 | 6.06 | Jul-02 |
| <i>Strategic Asset Allocation</i> | | | 4.01 | 3.39 | 12.12 | 7.39 | 7.09 | 7.95 | 4.40 | 6.41 | 7.66 | 5.81 | Jul-02 |
| Equity Composite | 111,133,619 | 50.06 | 6.82 | 4.15 | 17.49 | 8.51 | -- | -- | -- | -- | -- | 6.77 | Jan-18 |
| NewSouth Capital | 28,703,431 | 12.93 | 7.66 | 5.53 | 21.24 | 15.31 | 13.14 | 11.15 | 8.47 | 12.98 | -- | 12.17 | Sep-11 |
| <i>Russell 2500 Value</i> | | | 6.47 | 1.89 | 15.26 | -1.92 | 4.57 | 8.98 | 5.55 | 11.00 | -- | 11.31 | Sep-11 |
| Barrow, Hanley, Mewhinney, & Strauss | 22,934,882 | 10.33 | 7.28 | 4.13 | 14.78 | 8.35 | 7.51 | 10.68 | 7.46 | 11.43 | 12.39 | 6.89 | Aug-06 |
| <i>Russell 1000 Value</i> | | | 7.18 | 3.84 | 16.24 | 8.46 | 7.61 | 10.19 | 7.46 | 12.09 | 13.19 | 6.81 | Aug-06 |
| Chicago Equity Partners | 20,885,843 | 9.41 | 6.73 | 3.57 | 16.49 | 4.85 | 10.67 | 12.47 | 9.03 | 12.79 | 14.33 | 8.57 | Jun-06 |
| <i>Russell 1000</i> | | | 7.02 | 4.25 | 18.84 | 10.02 | 12.26 | 14.15 | 10.45 | 13.97 | 14.77 | 8.95 | Jun-06 |
| Earnest Partners | 19,497,334 | 8.78 | 5.93 | 2.53 | 14.27 | 0.29 | 3.51 | 10.60 | 2.80 | 6.99 | -- | 7.13 | Oct-11 |
| <i>MSCI ACWI ex USA</i> | | | 6.02 | 2.98 | 13.60 | 1.29 | 4.24 | 9.39 | 2.16 | 6.36 | -- | 6.60 | Oct-11 |
| iShares S&P 500 Growth ETF | 19,112,128 | 8.61 | 6.05 | 4.44 | 19.91 | 11.82 | 15.87 | 17.08 | -- | -- | -- | 15.10 | Mar-16 |
| <i>S&P 500 Growth</i> | | | 6.17 | 4.56 | 20.19 | 12.02 | 16.25 | 17.26 | -- | -- | -- | 18.03 | Mar-16 |
| Fixed Income Composite | 85,480,371 | 38.50 | 1.41 | 3.15 | 7.03 | 8.01 | -- | -- | -- | -- | -- | 4.26 | Jan-18 |
| Pyramis Global Advisors | 85,441,695 | 38.49 | 1.40 | 3.15 | 7.01 | 8.00 | 4.07 | 3.43 | 3.60 | 3.64 | 5.64 | 5.03 | Apr-07 |
| <i>BBgBarc US Universal TR</i> | | | 1.41 | 3.11 | 6.54 | 8.07 | 3.82 | 2.84 | 3.18 | 3.04 | 4.37 | 4.42 | Apr-07 |
| Zazove Associates, LLC (Residual Asset) | 38,676 | 0.02 | 11.46 | 18.70 | 47.15 | 51.00 | -- | -- | -- | -- | -- | 46.84 | Dec-17 |
| <i>ICE BofAML Convertibles Securities TR</i> | | | 4.72 | 3.79 | 14.54 | 7.48 | -- | -- | -- | -- | -- | 9.97 | Dec-17 |
| Real Estate Composite | 7,614,216 | 3.43 | 1.54 | 1.53 | 19.18 | 12.18 | -- | -- | -- | -- | -- | 8.00 | Jan-18 |
| Vanguard Real Estate ETF | 7,614,216 | 3.43 | 1.54 | 1.53 | 19.18 | 12.18 | 7.05 | 3.96 | 7.70 | 8.71 | -- | 10.16 | May-10 |
| <i>MSCI US REIT</i> | | | 1.10 | 0.99 | 17.07 | 9.66 | 5.87 | 2.81 | 6.44 | 7.41 | -- | 8.94 | May-10 |

Sewerage and Water Board of New Orleans ERS Total Composite

Sewerage and Water Board of New Orleans ERS Total
Composite Performance

As of June 30, 2019

| | Market Value (\$) | % of Portfolio | 1 Mo (%) | 3 Mo (%) | Fiscal YTD (%) | 1 Yr (%) | 2 Yrs (%) | 3 Yrs (%) | 5 Yrs (%) | 7 Yrs (%) | 10 Yrs (%) | Inception (%) | Inception Date |
|---|----------------------|-------------------|-------------|-------------|----------------------|-------------|--------------|--------------|--------------|--------------|---------------|------------------|-------------------|
| Alternatives Composite | 17,503,374 | 7.88 | 0.02 | 0.56 | 4.82 | 0.30 | -- | -- | -- | -- | -- | 0.24 | Jan-18 |
| Prisma Capital Partners LP | 17,484,754 | 7.88 | 0.02 | 0.56 | 4.82 | 0.30 | 2.32 | 3.57 | 1.32 | 3.56 | 4.01 | 2.88 | May-07 |
| HFRI Fund of Funds Composite Index | | | 1.58 | 1.50 | 6.17 | 1.16 | 3.15 | 4.25 | 2.19 | 3.67 | 3.21 | 1.46 | May-07 |
| Equitas Capital Advisors (Residual Asset) | 18,620 | 0.01 | 0.00 | -0.36 | -0.95 | -1.94 | -- | -- | -- | -- | -- | -1.88 | Jan-18 |
| HFRI Fund of Funds Composite Index | | | 1.58 | 1.50 | 6.17 | 1.16 | -- | -- | -- | -- | -- | 1.26 | Jan-18 |
| Cash & Equivalents | 270,209 | 0.12 | | | | | | | | | | | |
| Cash Account | 270,209 | 0.12 | | | | | | | | | | | |

- Strategic Asset Allocation = 40.25% Russell 3000 / 9% MSCI ACWI ex USA / 37% BBgBarc US Aggregate TR / 8.75% HFRI Fund of Funds Composite Index / 3.25% MSCI REIT Preferred Gross / 1.75% FTSE T-Bill 3 Months TR

-Performance for all accounts and composites reported net of fees unless otherwise indicated.

Sewerage and Water Board of New Orleans ERS Total Composite

As of June 30, 2019

| | Ending June 30, 2019 | | | | | | | | | | |
|---|----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2018 (%) | 2017 (%) | 2016 (%) | 2015 (%) | 2014 (%) | 2013 (%) | 2012 (%) | 2011 (%) | 2010 (%) | 2009 (%) | 2008 (%) |
| Sewerage and Water Board of New Orleans ERS Total Composite | -3.8 | 11.6 | 6.4 | -1.7 | 5.6 | 11.0 | 11.7 | 3.5 | 9.4 | 17.1 | -25.8 |
| Strategic Asset Allocation | -3.8 | 12.8 | 6.4 | -2.8 | 4.2 | 11.5 | 10.5 | 2.2 | 12.5 | 15.9 | -24.8 |
| Large Cap Core | | | | | | | | | | | |
| Chicago Equity Partners | -6.9 | 22.0 | 8.1 | 2.5 | 13.1 | 32.3 | 15.6 | 5.3 | 16.2 | 28.3 | -35.6 |
| Russell 1000 | -4.8 | 21.7 | 12.1 | 0.9 | 13.2 | 33.1 | 16.4 | 1.5 | 16.1 | 28.4 | -37.6 |
| Large Cap Growth | | | | | | | | | | | |
| iShares S&P 500 Growth ETF | -0.1 | 26.9 | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| S&P 500 Growth | 0.0 | 27.4 | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Large Cap Value | | | | | | | | | | | |
| Barrow, Hanley, Mewhinney, & Strauss | -5.8 | 14.1 | 13.5 | -1.9 | 12.1 | 30.5 | 14.7 | 2.0 | 11.0 | 23.0 | -36.9 |
| Russell 1000 Value | -8.3 | 13.7 | 17.3 | -3.8 | 13.5 | 32.5 | 17.5 | 0.4 | 15.5 | 19.7 | -36.8 |
| SMID Cap Equity | | | | | | | | | | | |
| NewSouth Capital | -1.7 | 11.9 | 9.8 | -0.8 | 12.0 | 26.0 | 16.7 | -- | -- | -- | -- |
| Russell 2500 Value | -12.4 | 10.4 | 25.2 | -5.5 | 7.1 | 33.3 | 19.2 | -- | -- | -- | -- |
| International Equity | | | | | | | | | | | |
| Earnest Partners | -16.4 | 30.7 | 4.6 | -6.3 | -2.5 | 12.4 | 18.5 | -- | -- | -- | -- |
| MSCI ACWI ex USA | -14.2 | 27.2 | 4.5 | -5.7 | -3.9 | 15.3 | 16.8 | -- | -- | -- | -- |
| Fixed Income | | | | | | | | | | | |
| Pyramis Global Advisors | -0.5 | 4.6 | 5.5 | 0.1 | 6.2 | -0.7 | 7.7 | 7.8 | 9.9 | 19.7 | -6.8 |
| BBGBarc US Universal TR | -0.3 | 4.1 | 3.9 | 0.4 | 5.6 | -1.3 | 5.5 | 7.4 | 7.2 | 8.6 | 2.4 |
| Zazove Associates, LLC (Residual Asset) | 20.9 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| ICE BofAML Convertibles Securities TR | 0.7 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Real Estate | | | | | | | | | | | |
| Vanguard Real Estate ETF | -5.8 | 4.7 | 8.4 | 2.6 | 30.5 | 2.4 | 17.7 | 8.3 | -- | -- | -- |
| MSCI US REIT | -5.8 | 3.7 | 7.1 | 1.3 | 28.8 | 1.3 | 16.5 | 7.5 | -- | -- | -- |
| Alternatives | | | | | | | | | | | |
| Prisma Capital Partners LP | -4.3 | 7.0 | -1.2 | 0.1 | 2.3 | 11.1 | 7.3 | -3.2 | 8.0 | 17.0 | -16.6 |
| HFRI Fund of Funds Composite Index | -4.0 | 7.8 | 0.5 | -0.3 | 3.4 | 9.0 | 4.8 | -5.7 | 5.7 | 11.5 | -21.4 |
| Equitas Capital Advisors (Residual Asset) | -1.9 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| HFRI Fund of Funds Composite Index | -4.0 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Cash | | | | | | | | | | | |
| Cash Account | | | | | | | | | | | |

Strategic Asset Allocation Policy

12/31/1989 - 08/31/1994

75% CG Broad Bond
25% S&P 500

09/01/1994 - 08/31/1997

55% CG Broad Bond
25% Russell 1000 Value
11% Russell 1000 Growth
9% Russell 2000 Growth

09/01/1997 - 02/28/1999

45% CG Broad Bond
30% Russell 1000 Value
14% Russell 1000 Growth
11% Russell 2000 Growth

03/01/1999 - 08/31/2000

45% CG Broad Bond
30% Russell 1000 Value
14% S&P 500
11% Russell 2000 Growth

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

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

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

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 xUS RESI

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

05/01/2009 - 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

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

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

05/01/2014 - 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

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

03/01/2016 - 04/30/2016

33% Russell 3
9% MSCI ACWI x
37% Barclays Agg Bond
8.75% HFRI Fund of Funds
3.25% MSCI REIT
9% 30 Day US T-Bill

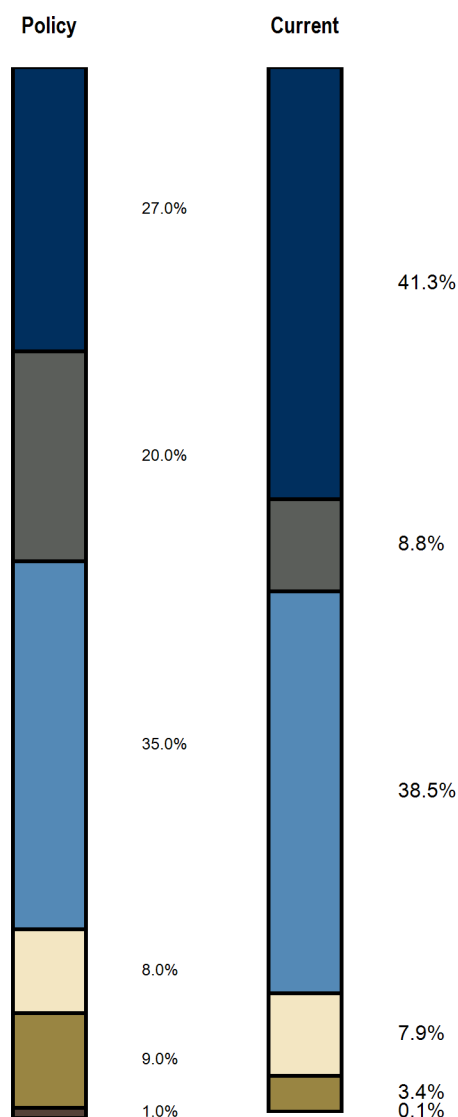
05/01/2016 - Present

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

Sewerage and Water Board of New Orleans ERS Total Composite

Sewerage and Water Board of New Orleans ERS Total
Composite Allocation

As of June 30, 2019



| Allocation vs. Targets and Policy | | | | | | | |
|-----------------------------------|---|-----------------|--------------------|--------|----------------|------------|-------------------|
| | | Current Balance | Current Allocation | Target | Target Range | Difference | Within IPS Range? |
| | US Equity | \$91,636,284 | 41.3% | 27.0% | 0.0% - 65.0% | 14.3% | Yes |
| | NewSouth Capital | \$28,703,431 | 12.9% | 8.7% | 7.8% - 9.6% | 4.2% | No |
| | Barrow, Hanley, Mewhinney, & Strauss | \$22,934,882 | 10.3% | 4.3% | 3.9% - 4.7% | 6.0% | No |
| | Chicago Equity Partners | \$20,885,843 | 9.4% | 6.8% | 6.1% - 7.4% | 2.7% | No |
| | iShares S&P 500 Growth ETF | \$19,112,128 | 8.6% | 7.3% | 6.5% - 8.0% | 1.4% | No |
| | Non-US Equity | \$19,497,334 | 8.8% | 20.0% | 18.0% - 22.0% | -11.2% | No |
| | Earnest Partners | \$19,497,334 | 8.8% | 20.0% | 18.0% - 22.0% | -11.2% | No |
| | US Fixed Income | \$85,480,371 | 38.5% | 35.0% | 25.0% - 100.0% | 3.5% | Yes |
| | Pyramis Global Advisors | \$85,441,695 | 38.5% | 35.0% | 31.5% - 38.5% | 3.5% | Yes |
| | Zazove Associates, LLC (Residual Asset) | \$38,676 | 0.0% | 0.0% | 0.0% - 0.0% | 0.0% | Yes |
| | Alternatives | \$17,503,374 | 7.9% | 8.0% | 7.2% - 8.8% | -0.1% | Yes |
| | Prisma Capital Partners LP | \$17,484,754 | 7.9% | 8.0% | 7.2% - 8.8% | -0.1% | Yes |
| | Equitas Capital Advisors (Residual Asset) | \$18,620 | 0.0% | 0.0% | 0.0% - 0.0% | 0.0% | Yes |
| | Real Estate | \$7,614,216 | 3.4% | 9.0% | 8.1% - 9.9% | -5.6% | No |
| | Vanguard Real Estate ETF | \$7,614,216 | 3.4% | 9.0% | 8.1% - 9.9% | -5.6% | No |
| | Cash | \$270,209 | 0.1% | 1.0% | 0.0% - 2.0% | -0.9% | Yes |
| | Cash Account | \$270,209 | 0.1% | 1.0% | 0.0% - 2.0% | -0.9% | Yes |
| | Total | \$222,001,789 | 100.0% | 100.0% | | | |

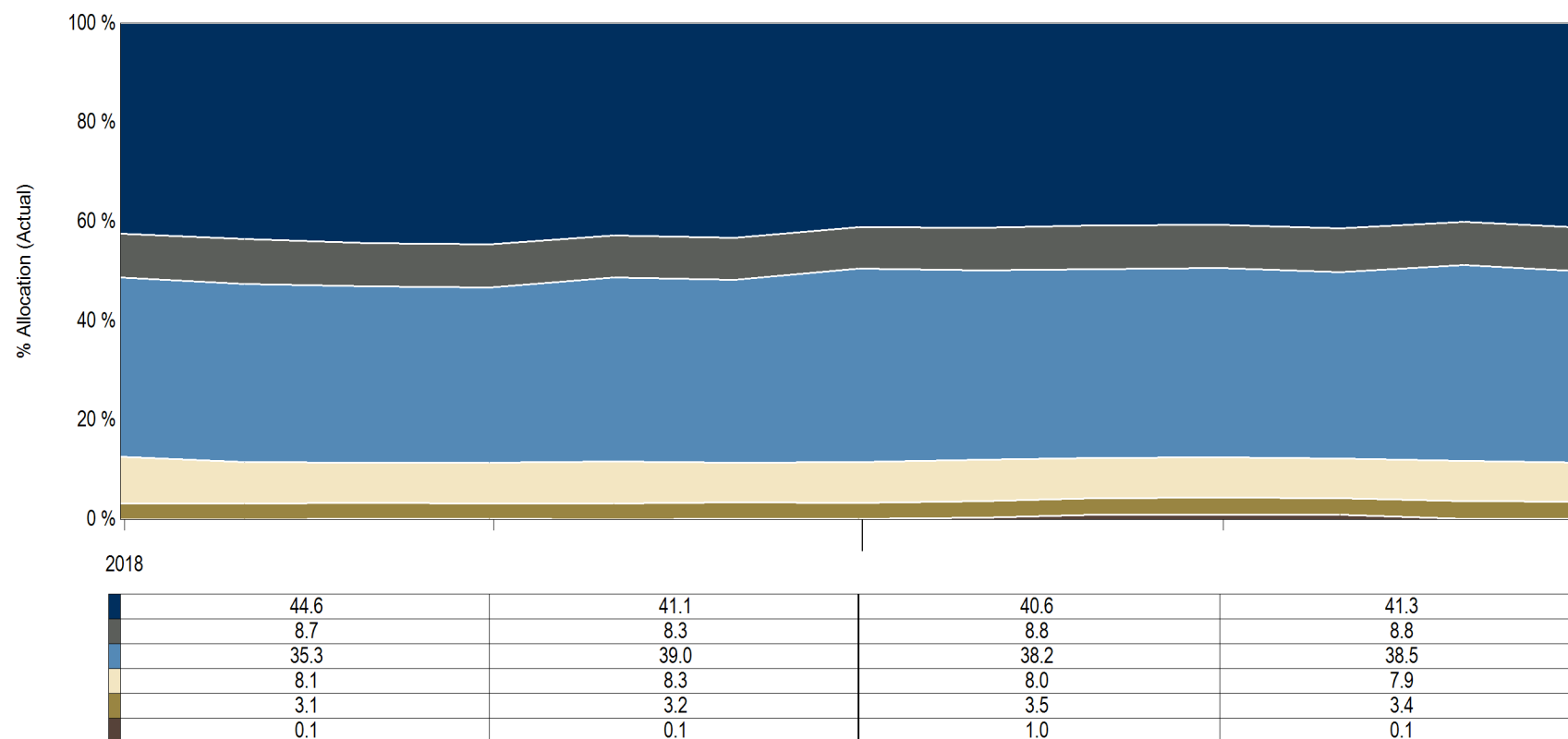
Sewerage and Water Board of New Orleans ERS Total Composite

Sewerage and Water Board of New Orleans ERS Total
Composite Allocation History

As of June 30, 2019

Asset Allocation History

1 Year Ending June 30, 2019



US Equity

Non-US Equity

US Fixed Income

Alternatives

Real Estate

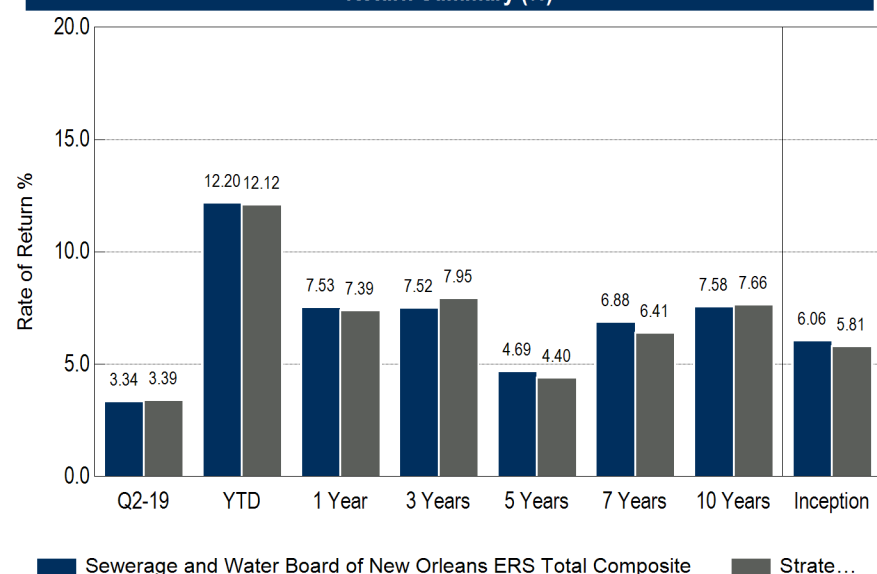
Cash

Sewerage and Water Board of New Orleans ERS Total Composite

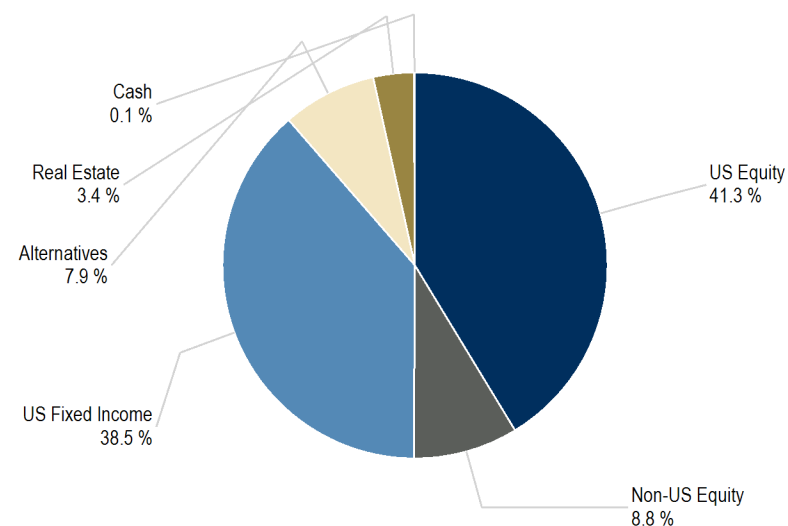
Sewerage and Water Board of New Orleans ERS Total
Composite Performance

As of June 30, 2019

Return Summary (%)



Current Allocation



Summary of Cash Flows

| | Quarter-To-Date | Year-To-Date |
|------------------------|-----------------|---------------|
| Beginning Market Value | \$216,979,605 | \$204,983,835 |
| Contributions | \$593,640 | \$8,155,789 |
| Withdrawals | -\$2,861,829 | -\$15,770,768 |
| Net Cash Flow | -\$2,268,189 | -\$7,614,979 |
| Net Investment Change | \$7,290,374 | \$24,632,933 |
| Ending Market Value | \$222,001,789 | \$222,001,789 |
| Net Change | \$5,022,185 | \$17,017,954 |

Sewerage and Water Board of New Orleans ERS Total Composite

As of June 30, 2019







Asset Allocation by Manager vs. Difference from Target

As Of June 30, 2019

| | Total Market Value | % of Portfolio | US Equity | Non-US Equity | US Fixed Income | Alternatives | Real Estate | Cash |
|---|----------------------|----------------|---------------------|---------------------|---------------------|---------------------|--------------------|------------------|
| US Equity | | | | | | | | |
| NewSouth Capital | \$28,703,431 | 12.9% | \$28,703,431 | | | | | |
| Barrow, Hanley, Mewhinney, & Strauss | \$22,934,882 | 10.3% | \$22,934,882 | | | | | |
| Chicago Equity Partners | \$20,885,843 | 9.4% | \$20,885,843 | | | | | |
| iShares S&P 500 Growth ETF | \$19,112,128 | 8.6% | \$19,112,128 | | | | | |
| Non-US Equity | | | | | | | | |
| Earnest Partners | \$19,497,334 | 8.8% | | \$19,497,334 | | | | |
| US Fixed Income | | | | | | | | |
| Pyramis Global Advisors | \$85,441,695 | 38.5% | | | \$85,441,695 | | | |
| Zazove Associates, LLC (Residual Asset) | \$38,676 | 0.0% | | | \$38,676 | | | |
| Alternatives | | | | | | | | |
| Prisma Capital Partners LP | \$17,484,754 | 7.9% | | | | \$17,484,754 | | |
| Equitas Capital Advisors (Residual Asset) | \$18,620 | 0.0% | | | | \$18,620 | | |
| Real Estate | | | | | | | | |
| Vanguard Real Estate ETF | \$7,614,216 | 3.4% | | | | | \$7,614,216 | |
| Cash | | | | | | | | |
| Cash Account | \$270,209 | 0.1% | | | | | | \$270,209 |
| Total | \$222,001,789 | 100.0% | \$91,636,284 | \$19,497,334 | \$85,480,371 | \$17,503,374 | \$7,614,216 | \$270,209 |
| Percent of Total | | | 41.3% | 8.8% | 38.5% | 7.9% | 3.4% | 0.1% |
| Difference from Target (%) | | | 14.3% | -11.2% | 3.5% | -0.1% | -5.6% | -0.9% |
| Difference from Target (\$) | | | \$31,695,801 | -\$24,903,024 | \$7,779,745 | -\$256,769 | -\$12,365,945 | -\$1,949,809 |

Sewerage and Water Board of New Orleans ERS

As of June 30, 2019

| Allocation vs. New Targets and Policy | | | | | | |
|---|----------------------|--------------------|---------------|---------------|----------------|-------------------|
| | Current Balance | Current Allocation | Target | Difference | Target Range | Within IPS Range? |
|  US Equity | \$91,636,284 | 41.3% | 27.0% | \$31,695,801 | 0.0% - 65.0% | Yes |
| NewSouth Capital | \$28,703,431 | 12.9% | 8.7% | \$9,389,276 | 7.8% - 9.6% | No |
| Barrow, Hanley, Mewhinney, & Strauss | \$22,934,882 | 10.3% | 4.3% | \$13,388,805 | 3.9% - 4.7% | No |
| Chicago Equity Partners | \$20,885,843 | 9.4% | 6.8% | \$5,900,722 | 6.1% - 7.4% | No |
| iShares S&P 500 Growth ETF | \$19,112,128 | 8.6% | 7.3% | \$3,016,999 | 6.5% - 8.0% | No |
|  Non-US Equity | \$19,497,334 | 8.8% | 20.0% | -\$24,903,024 | 18.0% - 22.0% | No |
| Earnest Partners | \$19,497,334 | 8.8% | 20.0% | -\$24,903,024 | 18.0% - 22.0% | No |
|  US Fixed Income | \$85,480,371 | 38.5% | 35.0% | \$7,779,745 | 25.0% - 100.0% | Yes |
| Pyramis Global Advisors | \$85,441,695 | 38.5% | 35.0% | \$7,741,069 | 31.5% - 38.5% | Yes |
| Zazove Associates, LLC (Residual Asset) | \$38,676 | 0.0% | 0.0% | \$16,476 | 0.0% - 0.0% | Yes |
|  Alternatives | \$17,503,374 | 7.9% | 8.0% | -\$256,769 | 7.2% - 8.8% | Yes |
| Prisma Capital Partners LP | \$17,484,754 | 7.9% | 8.0% | -\$275,389 | 7.2% - 8.8% | Yes |
| Equitas Capital Advisors (Residual Asset) | \$18,620 | 0.0% | 0.0% | -\$3,580 | 0.0% - 0.0% | Yes |
|  Real Estate | \$7,614,216 | 3.4% | 9.0% | -\$12,365,945 | 8.1% - 9.9% | No |
| Vanguard Real Estate ETF | \$7,614,216 | 3.4% | 9.0% | -\$12,365,945 | 8.1% - 9.9% | No |
|  Cash | \$270,209 | 0.1% | 1.0% | -\$1,949,809 | 0.0% - 2.0% | Yes |
| Cash Account | \$270,209 | 0.1% | 1.0% | -\$1,949,809 | 0.0% - 2.0% | Yes |
| Total | \$222,001,789 | 100.0% | 100.0% | | | |

Sewerage and Water Board of New Orleans ERS Total Composite

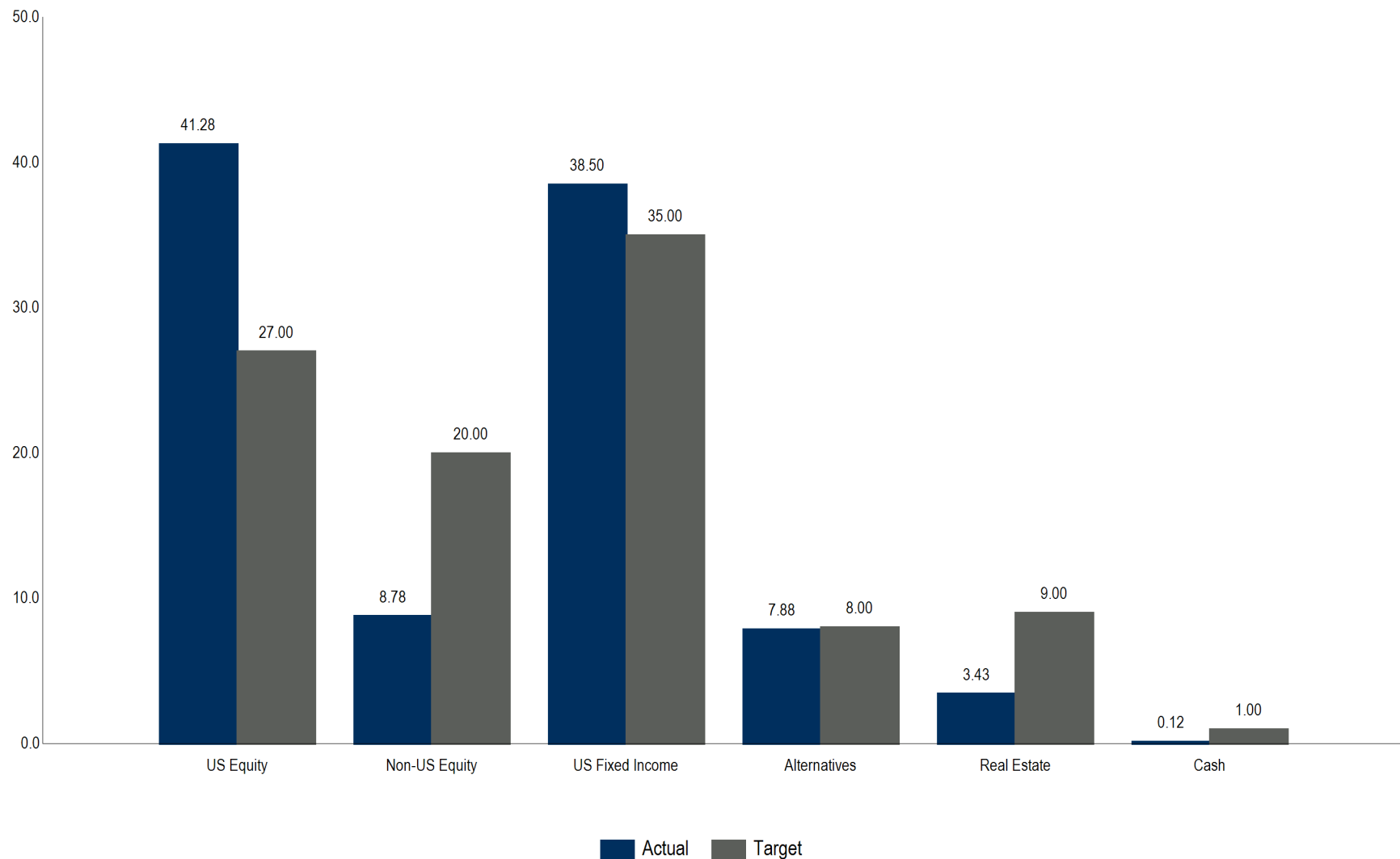
As of June 30, 2019

Investment Expense Analysis

As Of June 30, 2019

| Name | Market Value | % of Portfolio | Expense Ratio | Estimated Expense |
|---|----------------------|----------------|---------------|--------------------|
| Equity Composite | \$111,133,619 | 50.1% | | |
| NewSouth Capital | \$28,703,431 | 12.9% | 0.90% | \$258,331 |
| Barrow, Hanley, Mewhinney, & Strauss | \$22,934,882 | 10.3% | 0.63% | \$144,490 |
| Chicago Equity Partners | \$20,885,843 | 9.4% | 0.35% | \$73,100 |
| Earnest Partners | \$19,497,334 | 8.8% | 0.85% | \$165,727 |
| iShares S&P 500 Growth ETF | \$19,112,128 | 8.6% | 0.18% | \$34,402 |
| Fixed Income Composite | \$85,480,371 | 38.5% | | |
| Pyramis Global Advisors | \$85,441,695 | 38.5% | 0.20% | \$170,883 |
| Zazove Associates, LLC (Residual Asset) | \$38,676 | 0.0% | 0.00% | \$0 |
| Real Estate Composite | \$7,614,216 | 3.4% | | |
| Vanguard Real Estate ETF | \$7,614,216 | 3.4% | 0.12% | \$9,137 |
| Alternatives Composite | \$17,503,374 | 7.9% | | |
| Prisma Capital Partners LP | \$17,484,754 | 7.9% | 1.00% | \$174,848 |
| Equitas Capital Advisors (Residual Asset) | \$18,620 | 0.0% | 0.00% | \$0 |
| Cash & Equivalents | \$270,209 | 0.1% | | |
| Cash Account | \$270,209 | 0.1% | 0.00% | \$0 |
| Total | \$222,001,789 | 100.0% | 0.46% | \$1,030,919 |

Actual vs Target Allocation (%)
As of June 30, 2019

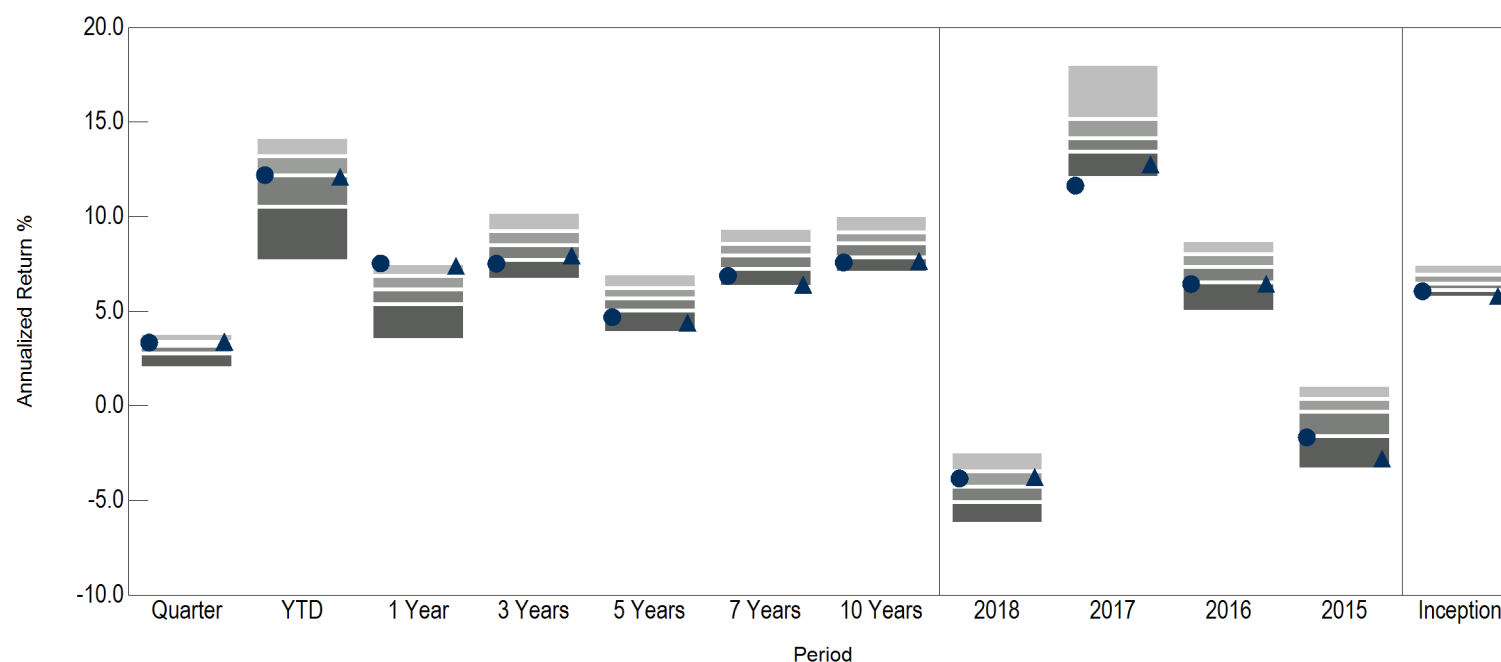


Sewerage and Water Board of New Orleans ERS Total Composite

Sewerage and Water Board of New Orleans ERS Total
Composite Universe Performance

As of June 30, 2019

Sewerage and Water Board of New Orleans ERS Total Composite vs. InvMetrics Public DB \$50mm-\$250mm Net



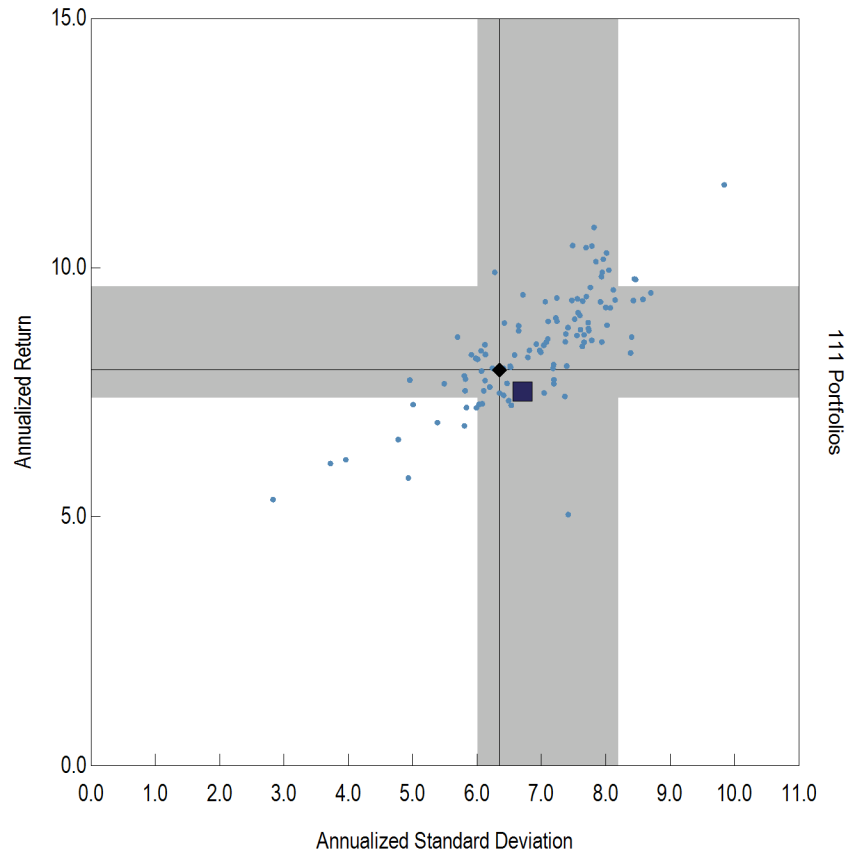
| | Return (Rank) | | | | | | | | | | | |
|---|---------------|-----------|-----------|-----------|-----------|-----------|-----------|------------|-----------|-----------|------------|-----------|
| 5th Percentile | 3.84 | 14.1 | 7.53 | 10.2 | 6.98 | 9.38 | 10.0 | -2.41 | 18.0 | 8.75 | 1.11 | 7.50 |
| 25th Percentile | 3.39 | 13.2 | 6.87 | 9.26 | 6.24 | 8.58 | 9.19 | -3.45 | 15.1 | 8.03 | 0.39 | 6.95 |
| Median | 3.19 | 12.2 | 6.19 | 8.50 | 5.72 | 7.97 | 8.61 | -4.25 | 14.1 | 7.36 | -0.29 | 6.48 |
| 75th Percentile | 2.79 | 10.5 | 5.40 | 7.75 | 5.05 | 7.26 | 7.89 | -5.07 | 13.4 | 6.54 | -1.57 | 6.16 |
| 95th Percentile | 2.00 | 7.68 | 3.49 | 6.69 | 3.88 | 6.30 | 7.06 | -6.20 | 12.0 | 5.00 | -3.32 | 5.75 |
| # of Portfolios | 117 | 117 | 116 | 111 | 109 | 98 | 84 | 146 | 74 | 74 | 75 | 54 |
| ● Sewerage and Water Board of New Orleans ERS | 3.34 (32) | 12.2 (51) | 7.53 (6) | 7.52 (83) | 4.69 (88) | 6.88 (87) | 7.58 (87) | -3.84 (35) | 11.6 (98) | 6.44 (78) | -1.66 (78) | 6.06 (84) |
| ▲ Strategic Asset Allocation | 3.39 (25) | 12.1 (51) | 7.39 (11) | 7.95 (72) | 4.40 (91) | 6.41 (95) | 7.66 (85) | -3.76 (34) | 12.7 (86) | 6.45 (78) | -2.78 (94) | 5.81 (90) |

Sewerage and Water Board of New Orleans ERS Total Composite

Sewerage and Water Board of New Orleans ERS Total
Composite Risk/Return

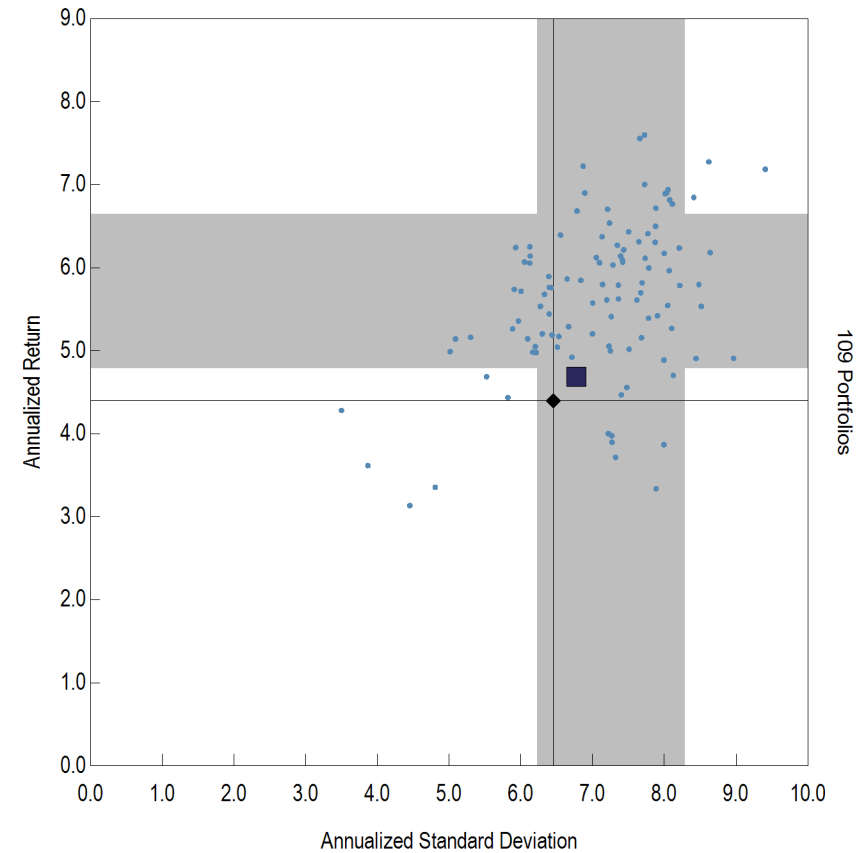
As of June 30, 2019

3 Year Risk/Return



- Sewerage and Water Board of New Orleans ERS Total Composite
- ◆ Strategic Asset Allocation
- 68% Confidence Interval
- InvMetrics Public DB \$50mm-\$250mm Net

5 Year Risk/Return



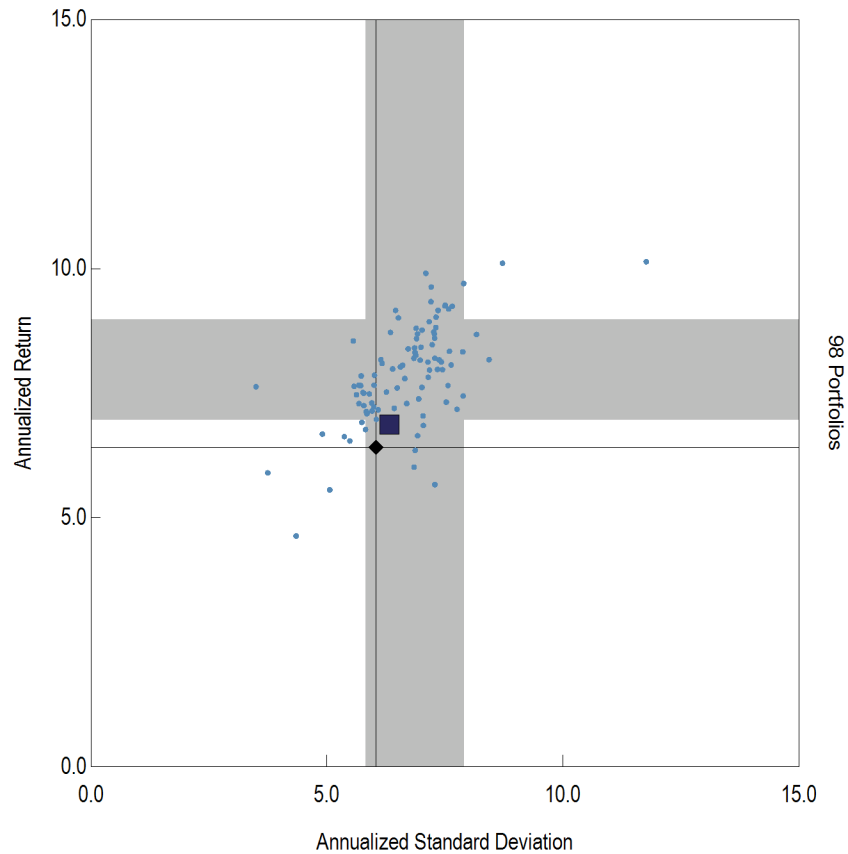
- Sewerage and Water Board of New Orleans ERS Total Composite
- ◆ Strategic Asset Allocation
- 68% Confidence Interval
- InvMetrics Public DB \$50mm-\$250mm Net

Sewerage and Water Board of New Orleans ERS Total Composite

Sewerage and Water Board of New Orleans ERS Total
Composite Risk/Return

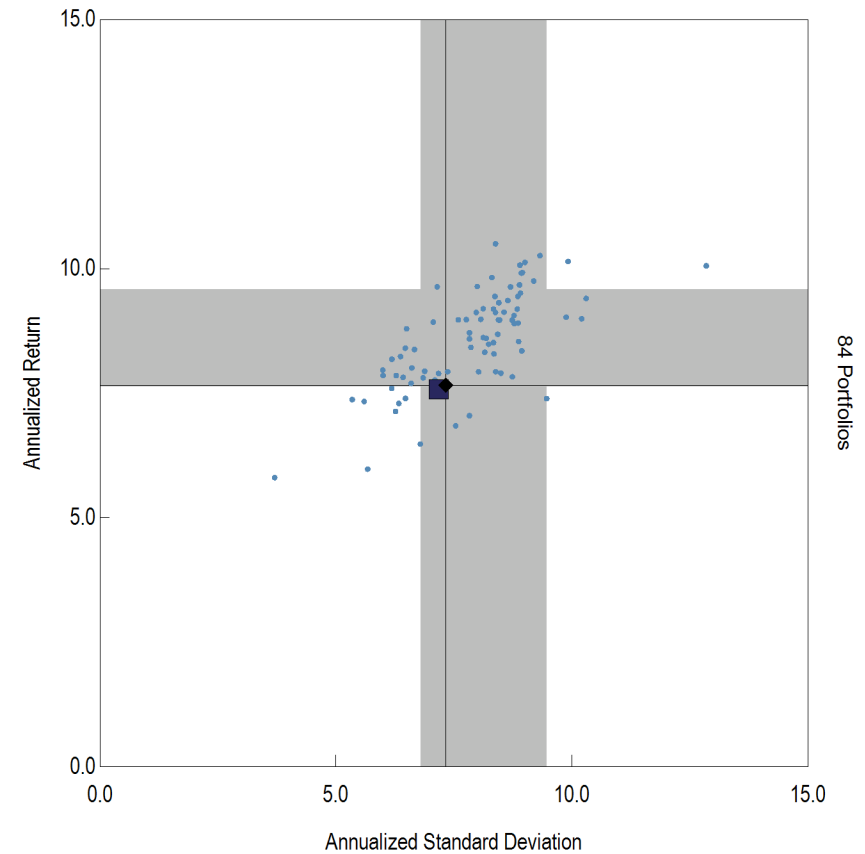
As of June 30, 2019

7 Year Risk/Return



- Sewerage and Water Board of New Orleans ERS Total Composite
- ◆ Strategic Asset Allocation
- 68% Confidence Interval
- InvMetrics Public DB \$50mm-\$250mm Net

10 Year Risk/Return



- Sewerage and Water Board of New Orleans ERS Total Composite
- ◆ Strategic Asset Allocation
- 68% Confidence Interval
- InvMetrics Public DB \$50mm-\$250mm Net

Sewerage and Water Board of New Orleans ERS Total Composite

Sewerage and Water Board of New Orleans ERS Total
Composite Risk Statistics

As of June 30, 2019

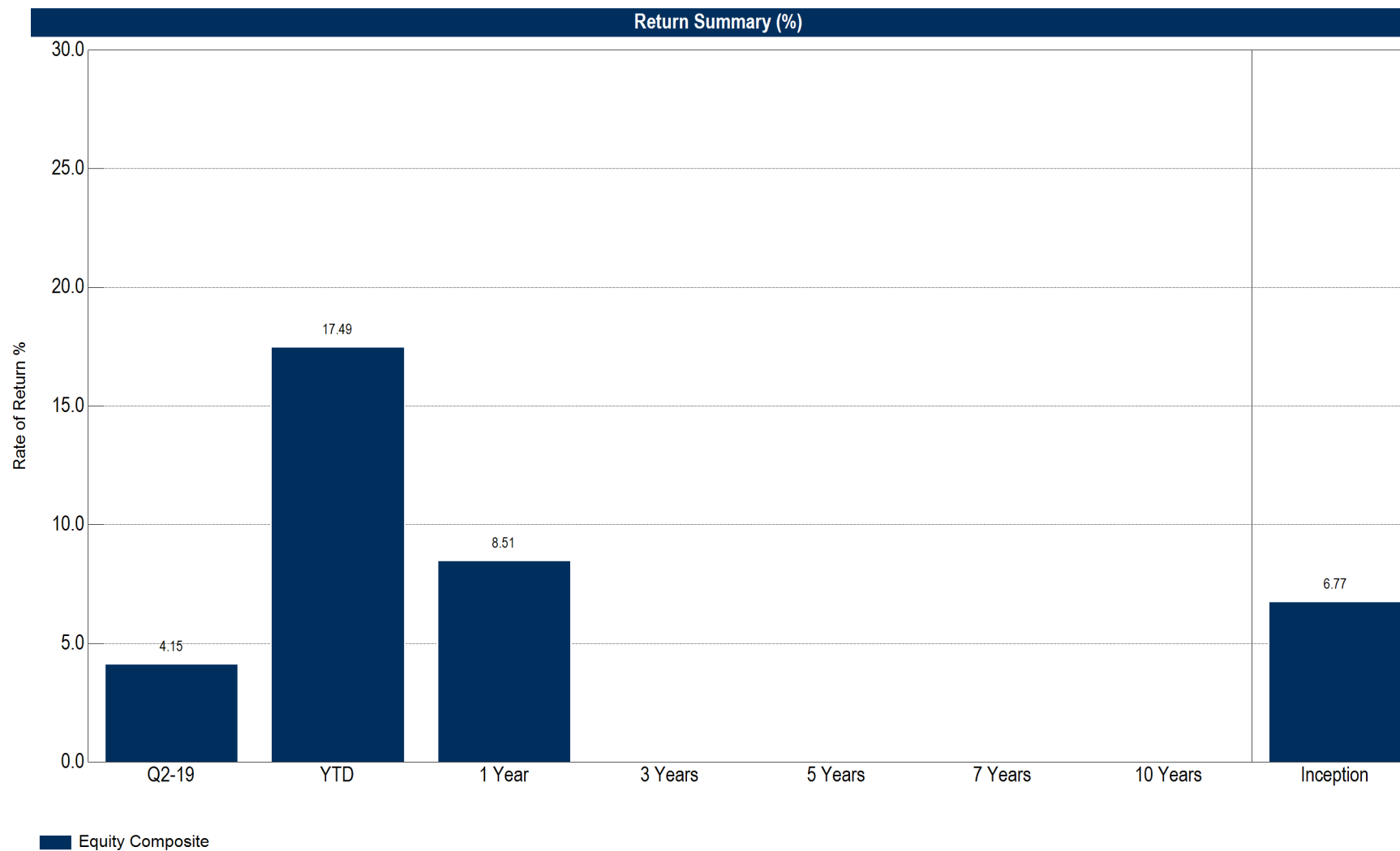
7 Year Risk Statistics

| | Annualized Return (%) | Annualized Standard Deviation | Annualized Alpha (%) | Beta | Tracking Error | Up Market Capture Ratio (%) | Down Market Capture Ratio (%) | Sharpe Ratio | Information Ratio |
|--|--------------------------|-------------------------------------|-------------------------|--------|----------------|-----------------------------------|-------------------------------------|--------------|----------------------|
| Sewerage and Water Board of New Orleans ERS Total Composite | 6.88 | 6.33 | 0.30 | 1.03 | 1.27 | 102.77 | 96.93 | 0.99 | 0.37 |
| Strategic Asset Allocation | 6.41 | 6.04 | 0.00 | 1.00 | 0.00 | 100.00 | 100.00 | 0.96 | -- |
| NewSouth Capital | 12.98 | 12.21 | 4.13 | 0.80 | 6.40 | 80.19 | 76.79 | 1.01 | 0.31 |
| Russell 2500 Value | 11.00 | 13.35 | 0.00 | 1.00 | 0.00 | 100.00 | 100.00 | 0.78 | -- |
| Barrow, Hanley, Mewhinney, & Strauss | 11.43 | 11.35 | -0.44 | 0.98 | 2.97 | 97.16 | 101.85 | 0.95 | -0.22 |
| Russell 1000 Value | 12.09 | 11.15 | 0.00 | 1.00 | 0.00 | 100.00 | 100.00 | 1.03 | -- |
| Chicago Equity Partners | 12.79 | 11.28 | -1.13 | 1.00 | 1.83 | 90.70 | 99.63 | 1.08 | -0.65 |
| Russell 1000 | 13.97 | 11.17 | 0.00 | 1.00 | 0.00 | 100.00 | 100.00 | 1.20 | -- |
| Earnest Partners | 6.99 | 12.45 | 0.53 | 1.02 | 2.96 | 104.86 | 99.64 | 0.51 | 0.21 |
| MSCI ACWI ex USA | 6.36 | 11.90 | 0.00 | 1.00 | 0.00 | 100.00 | 100.00 | 0.48 | -- |
| Pyramis Global Advisors | 3.64 | 2.97 | 0.49 | 1.03 | 0.67 | 112.32 | 99.03 | 1.02 | 0.89 |
| BBgBarc US Universal TR | 3.04 | 2.80 | 0.00 | 1.00 | 0.00 | 100.00 | 100.00 | 0.86 | -- |
| Vanguard Real Estate ETF | 8.71 | 14.03 | 1.21 | 1.01 | 1.01 | 108.79 | 99.08 | 0.58 | 1.28 |
| MSCI US REIT | 7.41 | 13.84 | 0.00 | 1.00 | 0.00 | 100.00 | 100.00 | 0.49 | -- |
| Prisma Capital Partners LP | 3.56 | 4.38 | -0.37 | 1.07 | 2.17 | 108.96 | 115.02 | 0.67 | -0.05 |
| HFRI Fund of Funds Composite Index | 3.67 | 3.56 | 0.00 | 1.00 | 0.00 | 100.00 | 100.00 | 0.86 | -- |
| Cash Account | -20.07 | 48.73 | -13.23 | -11.07 | 48.74 | -1,795.43 | -- | -0.42 | -0.42 |
| FTSE T-Bill 3 Months TR | 0.62 | 0.24 | 0.00 | 1.00 | 0.00 | 100.00 | -- | 0.00 | -- |

Equity Composite Investment Analysis

Equity Composite Performance

As of June 30, 2019



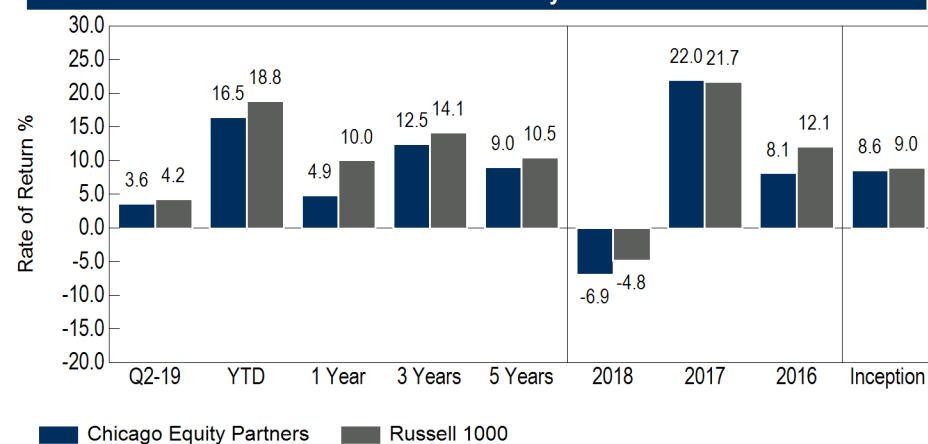
Chicago Equity Partners

As of June 30, 2019

Account Information

| | |
|-------------------|-------------------------|
| Account Name | Chicago Equity Partners |
| Account Structure | Separate Account |
| Investment Style | Active |
| Inception Date | 6/01/06 |
| Account Type | US Stock Large Cap Core |
| Benchmark | Russell 1000 |
| Universe | Large Cap MStar MF |

Return Summary



3 Year Risk/Return Statistics

| | Chicago Equity Partners | Russell 1000 |
|---|-------------------------|--------------|
| RETURN SUMMARY STATISTICS | | |
| Number of Periods | 36 | 36 |
| Maximum Return | 8.37 | 8.38 |
| Minimum Return | -9.30 | -9.11 |
| Annualized Return | 12.47 | 14.15 |
| Total Return | 42.29 | 48.73 |
| Annualized Excess Return Over Risk Free | 11.12 | 12.79 |
| Annualized Excess Return | -1.67 | 0.00 |

RISK SUMMARY STATISTICS

| | | |
|--------------------|-------|------|
| Beta | 1.02 | 1.00 |
| Upside Deviation | 7.09 | 7.05 |
| Downside Deviation | 12.52 | 9.99 |

RISK/RETURN SUMMARY STATISTICS

| | | |
|----------------------------------|-------|-------|
| Annualized Standard Deviation | 12.70 | 12.32 |
| Alpha | -0.15 | 0.00 |
| Sharpe Ratio | 0.88 | 1.04 |
| Excess Return Over Market / Risk | -0.13 | 0.00 |
| Tracking Error | 1.70 | 0.00 |
| Information Ratio | -0.98 | -- |

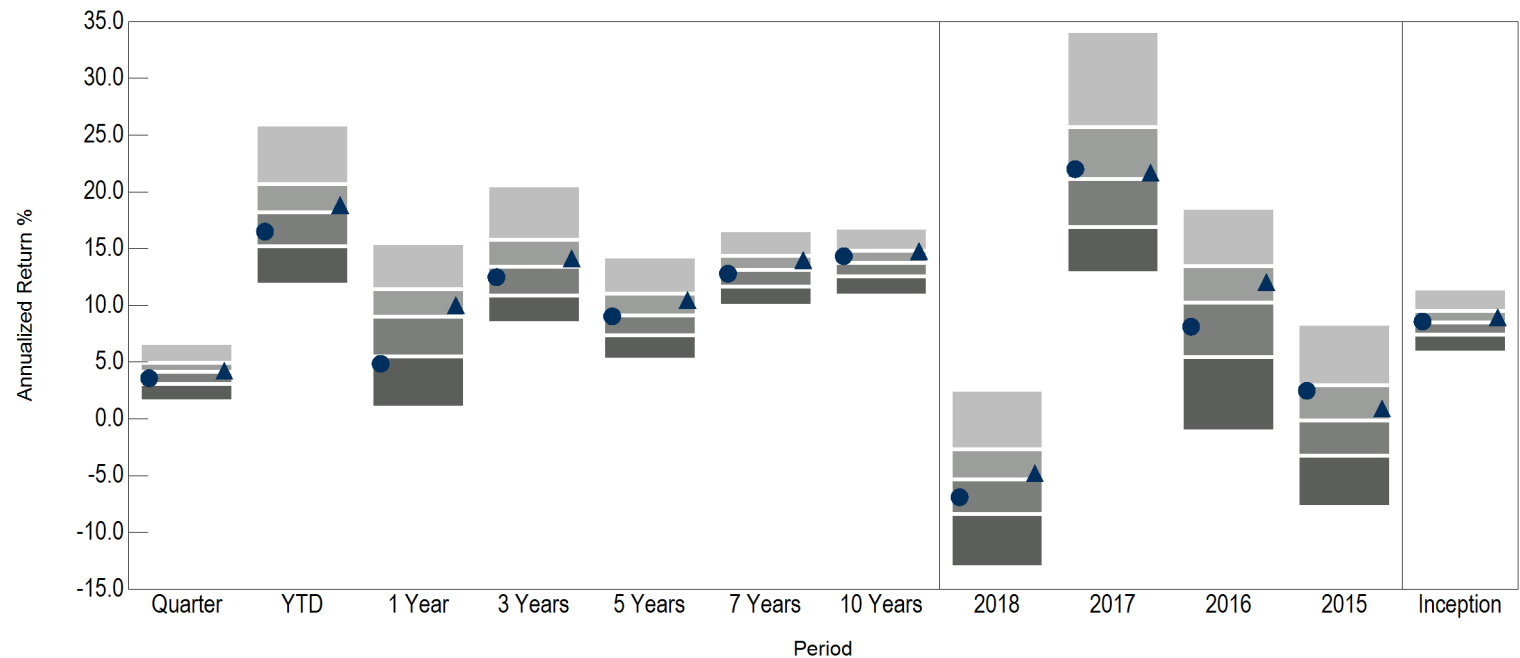
CORRELATION STATISTICS

| | | |
|-------------|------|------|
| R-Squared | 0.98 | 1.00 |
| Correlation | 0.99 | 1.00 |

Summary Of Cash Flows

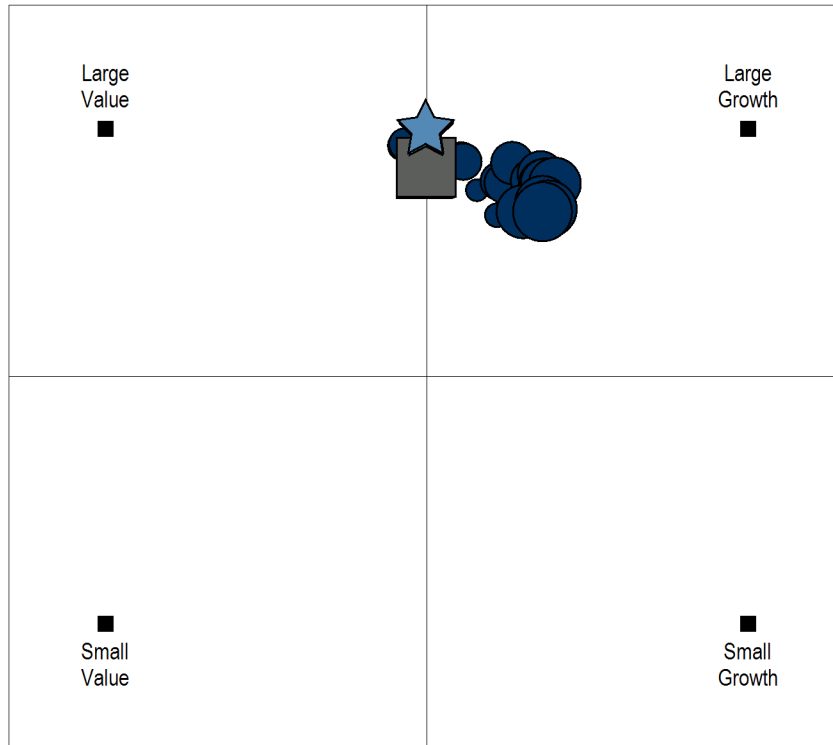
| | Second Quarter | Year-To-Date | One Year | Inception 6/1/06 |
|------------------------|----------------|--------------|--------------|---------------------|
| Beginning Market Value | \$20,134,771 | \$19,987,996 | \$23,037,243 | -- |
| Contributions | \$38,310 | \$41,718 | \$110,532 | \$110,532 |
| Withdrawals | -\$38,310 | -\$2,191,718 | -\$3,210,532 | -\$3,860,032 |
| Net Cash Flow | \$0 | -\$2,150,000 | -\$3,100,000 | -\$3,100,000 |
| Net Investment Change | \$751,071 | \$3,047,847 | \$948,599 | \$23,985,843 |
| Ending Market Value | \$20,885,843 | \$20,885,843 | \$20,885,843 | \$20,885,843 |

Chicago Equity Partners vs. Large Cap MStar MF



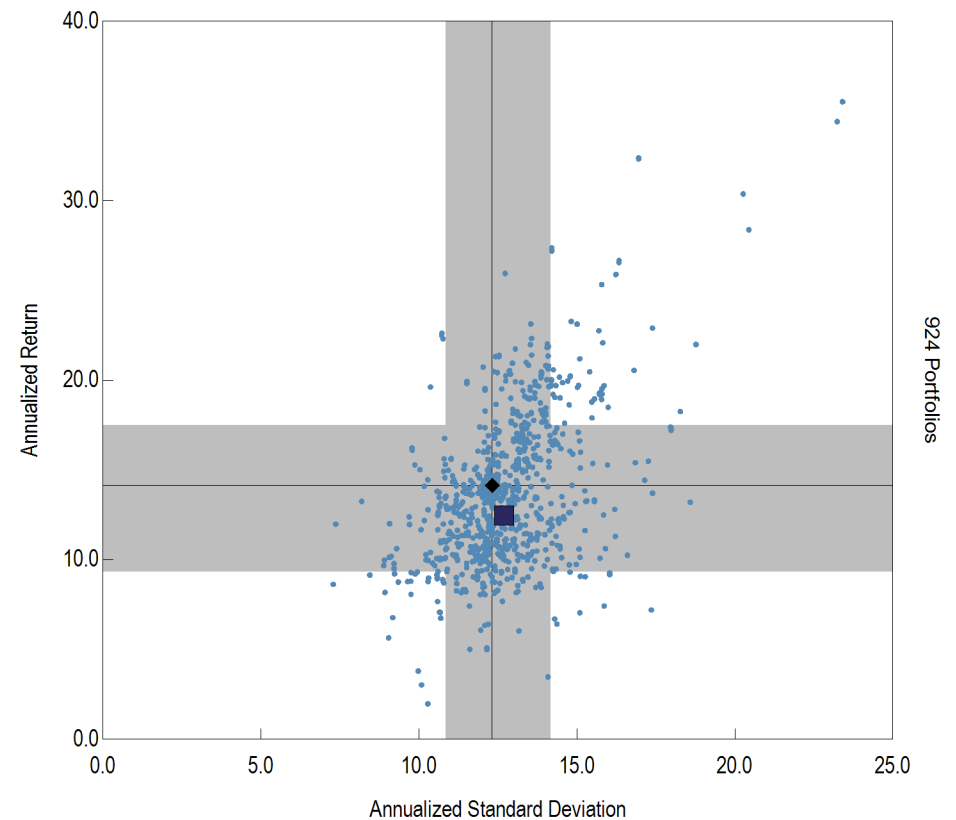
| | Return (Rank) | | | | | | | | | | | |
|---------------------------|---------------|-----------|-----------|-----------|-----------|-----------|-----------|------------|-----------|-----------|-----------|-----------|
| 5th Percentile | 6.68 | 25.8 | 15.4 | 20.5 | 14.2 | 16.6 | 16.8 | 2.52 | 34.1 | 18.5 | 8.36 | 11.4 |
| 25th Percentile | 4.96 | 20.7 | 11.4 | 15.7 | 11.0 | 14.4 | 14.8 | -2.63 | 25.7 | 13.5 | 3.00 | 9.54 |
| Median | 4.17 | 18.2 | 9.01 | 13.4 | 9.16 | 13.1 | 13.7 | -5.32 | 21.1 | 10.2 | -0.13 | 8.50 |
| 75th Percentile | 3.12 | 15.2 | 5.55 | 10.8 | 7.40 | 11.6 | 12.5 | -8.38 | 16.9 | 5.47 | -3.23 | 7.42 |
| 95th Percentile | 1.60 | 11.8 | 1.04 | 8.45 | 5.24 | 10.0 | 10.8 | -13.0 | 12.8 | -1.08 | -7.71 | 5.85 |
| # of Portfolios | 1,00 | 995 | 985 | 924 | 875 | 829 | 756 | 960 | 942 | 939 | 960 | 674 |
| ● Chicago Equity Partners | 3.57 (67) | 16.4 (65) | 4.85 (80) | 12.4 (59) | 9.03 (53) | 12.7 (57) | 14.3 (40) | -6.91 (64) | 22.0 (41) | 8.12 (64) | 2.48 (29) | 8.57 (49) |
| ▲ Russell 1000 | 4.25 (47) | 18.8 (38) | 10.0 (39) | 14.1 (37) | 10.4 (34) | 13.9 (31) | 14.7 (26) | -4.78 (44) | 21.6 (44) | 12.0 (34) | 0.92 (42) | 8.95 (37) |

3 Year Style Map



● Chicago Equity Partners ■ Dow Jones U.S. Total Stock Market ★ Russell 1000

3 Year Risk/Return



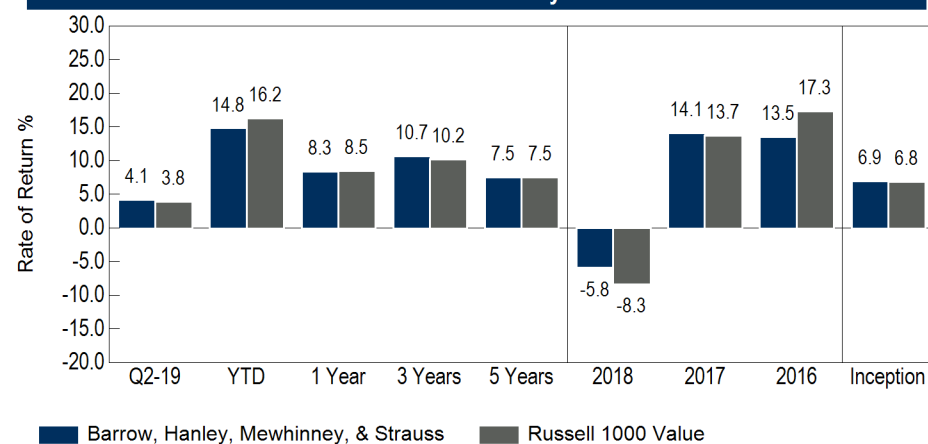
■ Chicago Equity Partners ■ 68% Confidence Interval ● Large Cap MStar MF
◆ Russell 1000

As of June 30, 2019

Account Information

| | |
|-------------------|--------------------------------------|
| Account Name | Barrow, Hanley, Mewhinney, & Strauss |
| Account Structure | Mutual Fund |
| Investment Style | Active |
| Inception Date | 8/31/06 |
| Account Type | US Stock Large Cap Value |
| Benchmark | Russell 1000 Value |
| Universe | Large Value MStar MF |

Return Summary



3 Year Risk/Return Statistics

| | Barrow, Hanley, Mewhinney, & Strauss | Russell 1000 Value |
|---|--------------------------------------|--------------------|
| RETURN SUMMARY STATISTICS | | |
| Number of Periods | 36 | 36 |
| Maximum Return | 7.28 | 7.78 |
| Minimum Return | -8.36 | -9.60 |
| Annualized Return | 10.68 | 10.19 |
| Total Return | 35.59 | 33.79 |
| Annualized Excess Return Over Risk Free | 9.33 | 8.83 |
| Annualized Excess Return | 0.49 | 0.00 |

RISK SUMMARY STATISTICS

| | | |
|--------------------|-------|-------|
| Beta | 0.98 | 1.00 |
| Upside Deviation | 6.83 | 7.20 |
| Downside Deviation | 11.09 | 10.86 |

RISK/RETURN SUMMARY STATISTICS

| | | |
|----------------------------------|-------|-------|
| Annualized Standard Deviation | 12.22 | 12.11 |
| Alpha | 0.05 | 0.00 |
| Sharpe Ratio | 0.76 | 0.73 |
| Excess Return Over Market / Risk | 0.04 | 0.00 |
| Tracking Error | 2.76 | 0.00 |
| Information Ratio | 0.18 | -- |

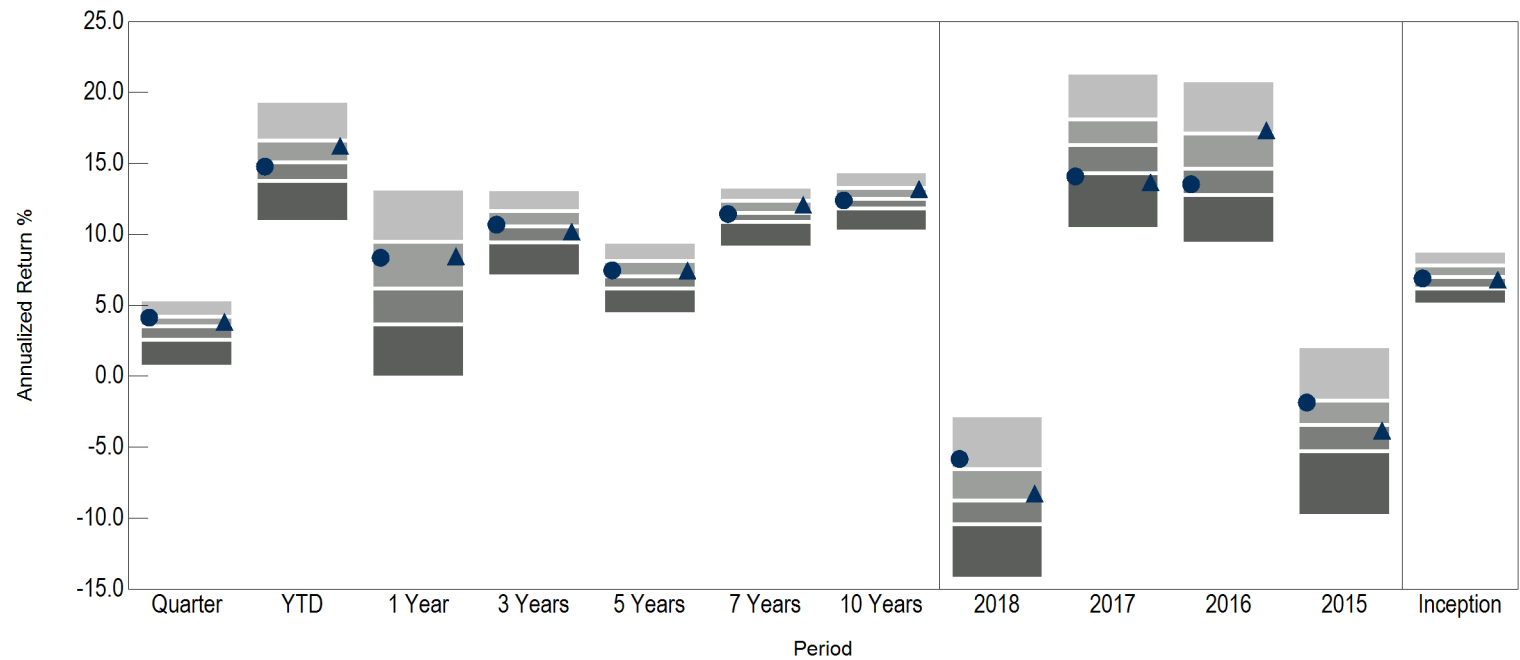
CORRELATION STATISTICS

| | | |
|-------------|------|------|
| R-Squared | 0.95 | 1.00 |
| Correlation | 0.97 | 1.00 |

Summary Of Cash Flows

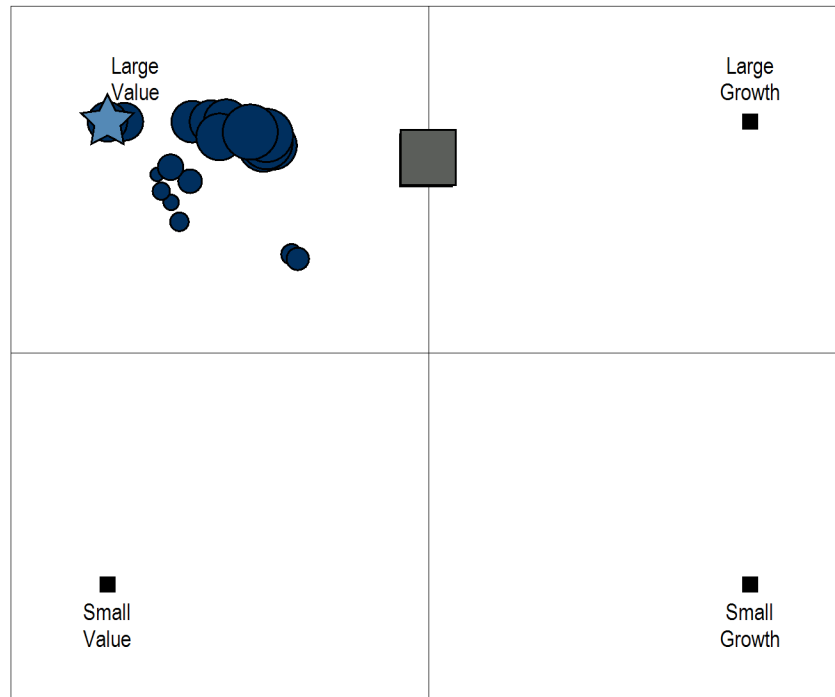
| | Second Quarter | Year-To-Date | One Year | Inception 8/31/06 |
|------------------------|----------------|--------------|--------------|----------------------|
| Beginning Market Value | \$21,990,552 | \$21,790,082 | \$23,005,833 | -- |
| Contributions | \$35,956 | \$75,399 | \$154,864 | \$154,864 |
| Withdrawals | -\$35,956 | -\$2,075,399 | -\$2,154,864 | -\$2,520,764 |
| Net Cash Flow | \$0 | -\$2,000,000 | -\$2,000,000 | -\$2,072,648 |
| Net Investment Change | \$944,330 | \$3,144,800 | \$1,929,049 | \$25,007,530 |
| Ending Market Value | \$22,934,882 | \$22,934,882 | \$22,934,882 | \$22,934,882 |

Barrow, Hanley, Mewhinney, & Strauss vs. Large Value MStar MF



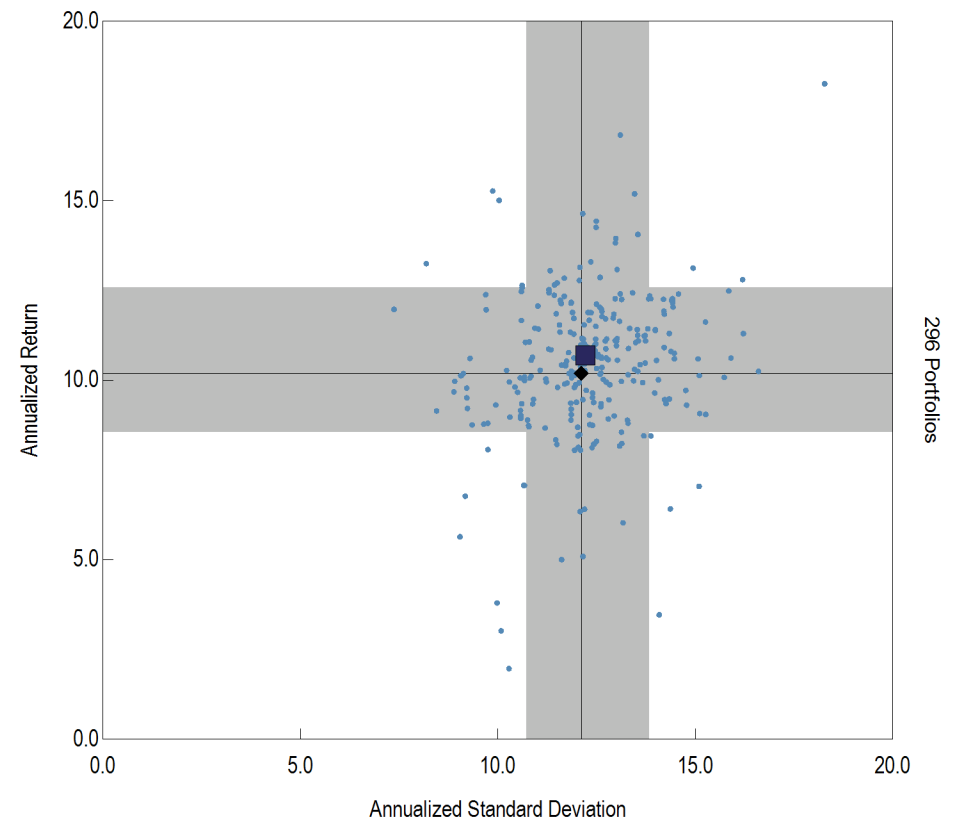
| | Return (Rank) | | | | | | | | | | | |
|--|---------------|-----------|-----------|-----------|-----------|-----------|-----------|------------|-----------|-----------|------------|-----------|
| 5th Percentile | 5.38 | 19.3 | 13.2 | 13.1 | 9.45 | 13.3 | 14.4 | -2.77 | 21.3 | 20.8 | 2.12 | 8.84 |
| 25th Percentile | 4.23 | 16.6 | 9.49 | 11.6 | 8.13 | 12.3 | 13.3 | -6.50 | 18.1 | 17.1 | -1.72 | 7.84 |
| Median | 3.53 | 15.1 | 6.18 | 10.5 | 7.05 | 11.5 | 12.5 | -8.74 | 16.3 | 14.6 | -3.39 | 7.01 |
| 75th Percentile | 2.58 | 13.8 | 3.67 | 9.46 | 6.22 | 10.9 | 11.8 | -10.4 | 14.3 | 12.8 | -5.26 | 6.22 |
| 95th Percentile | 0.72 | 10.8 | -0.09 | 7.06 | 4.40 | 9.11 | 10.2 | -14.2 | 10.4 | 9.35 | -9.84 | 5.10 |
| # of Portfolios | 312 | 312 | 311 | 296 | 279 | 258 | 239 | 301 | 295 | 283 | 291 | 209 |
| ● Barrow, Hanley, Mewhinney, & Strauss | 4.13 (30) | 14.7 (61) | 8.35 (36) | 10.6 (46) | 7.46 (41) | 11.4 (56) | 12.3 (57) | -5.83 (24) | 14.0 (78) | 13.5 (67) | -1.85 (26) | 6.89 (56) |
| ▲ Russell 1000 Value | 3.84 (40) | 16.2 (31) | 8.46 (35) | 10.1 (59) | 7.46 (42) | 12.0 (33) | 13.1 (31) | -8.27 (43) | 13.6 (82) | 17.3 (23) | -3.83 (59) | 6.81 (58) |

3 Year Style Map



- Barrow, Hanley, Mewhinney, & Strauss
- ★ Russell 1000 Value
- Dow Jones U.S. Total Stock Market

3 Year Risk/Return



- Barrow, Hanley, Mewhinney, & Strauss
- ◆ Russell 1000 Value
- 68% Confidence Interval
- Large Value MStar MF

As of June 30, 2019

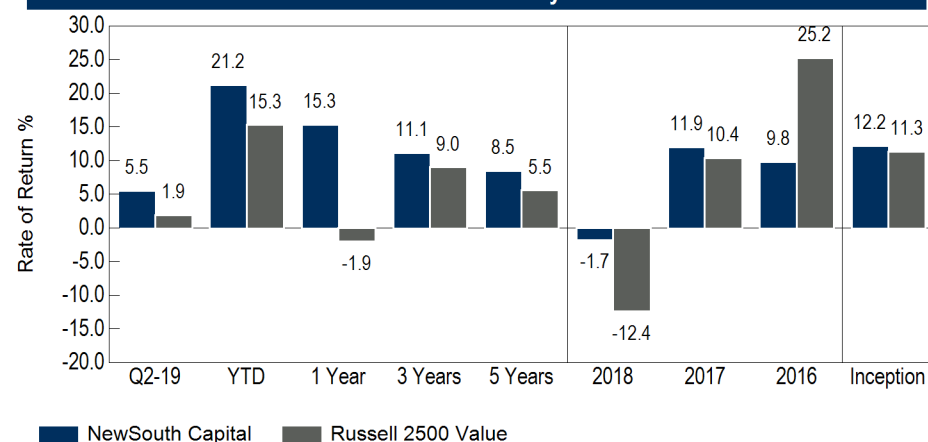
Account Information

| | |
|-------------------|---------------------|
| Account Name | NewSouth Capital |
| Account Structure | Separate Account |
| Investment Style | Active |
| Inception Date | 9/01/11 |
| Account Type | US Stock Small/Mid |
| Benchmark | Russell 2500 Value |
| Universe | SMID Blend MStar MF |

3 Year Risk/Return Statistics

| | NewSouth Capital | Russell 2500 Value |
|---|------------------|--------------------|
| RETURN SUMMARY STATISTICS | | |
| Number of Periods | 36 | 36 |
| Maximum Return | 8.84 | 11.18 |
| Minimum Return | -9.68 | -11.05 |
| Annualized Return | 11.15 | 8.98 |
| Total Return | 37.31 | 29.42 |
| Annualized Excess Return Over Risk Free | 9.79 | 7.62 |
| Annualized Excess Return | 2.17 | 0.00 |

Return Summary



RISK SUMMARY STATISTICS

| | | |
|--------------------|-------|-------|
| Beta | 0.76 | 1.00 |
| Upside Deviation | 8.06 | 9.58 |
| Downside Deviation | 10.52 | 12.57 |

RISK/RETURN SUMMARY STATISTICS

| | | |
|----------------------------------|-------|-------|
| Annualized Standard Deviation | 12.96 | 15.10 |
| Alpha | 0.33 | 0.00 |
| Sharpe Ratio | 0.76 | 0.50 |
| Excess Return Over Market / Risk | 0.17 | 0.00 |
| Tracking Error | 6.93 | 0.00 |
| Information Ratio | 0.31 | -- |

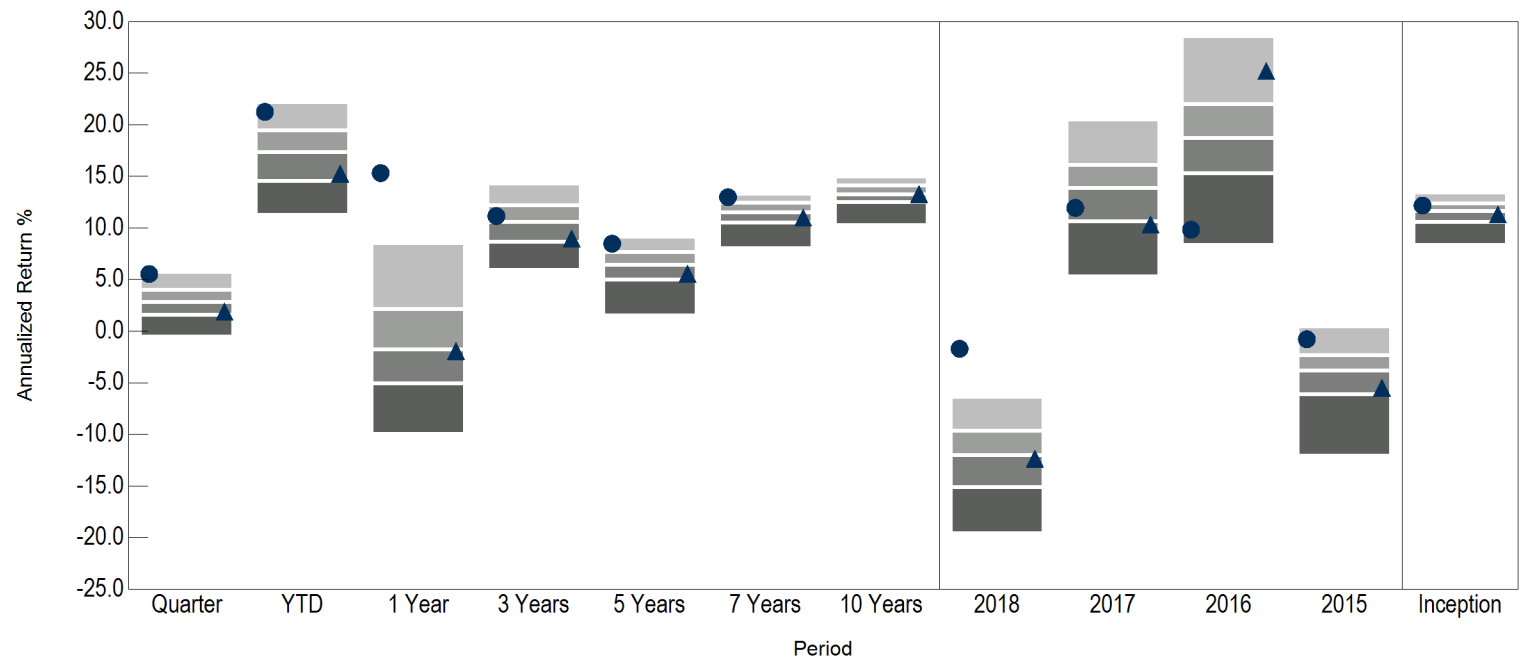
CORRELATION STATISTICS

| | | |
|-------------|------|------|
| R-Squared | 0.79 | 1.00 |
| Correlation | 0.89 | 1.00 |

Summary Of Cash Flows

| | Second Quarter | Year-To-Date | One Year | Inception 9/1/11 |
|------------------------|----------------|--------------|--------------|---------------------|
| Beginning Market Value | \$27,692,552 | \$26,502,349 | \$29,460,798 | -- |
| Contributions | \$3,116 | \$7,764 | \$220,722 | \$220,722 |
| Withdrawals | -\$503,116 | -\$3,007,764 | -\$5,146,833 | -\$6,789,033 |
| Net Cash Flow | -\$500,000 | -\$3,000,000 | -\$4,926,111 | -\$4,926,111 |
| Net Investment Change | \$1,510,879 | \$5,201,083 | \$4,168,745 | \$33,629,542 |
| Ending Market Value | \$28,703,431 | \$28,703,431 | \$28,703,431 | \$28,703,431 |

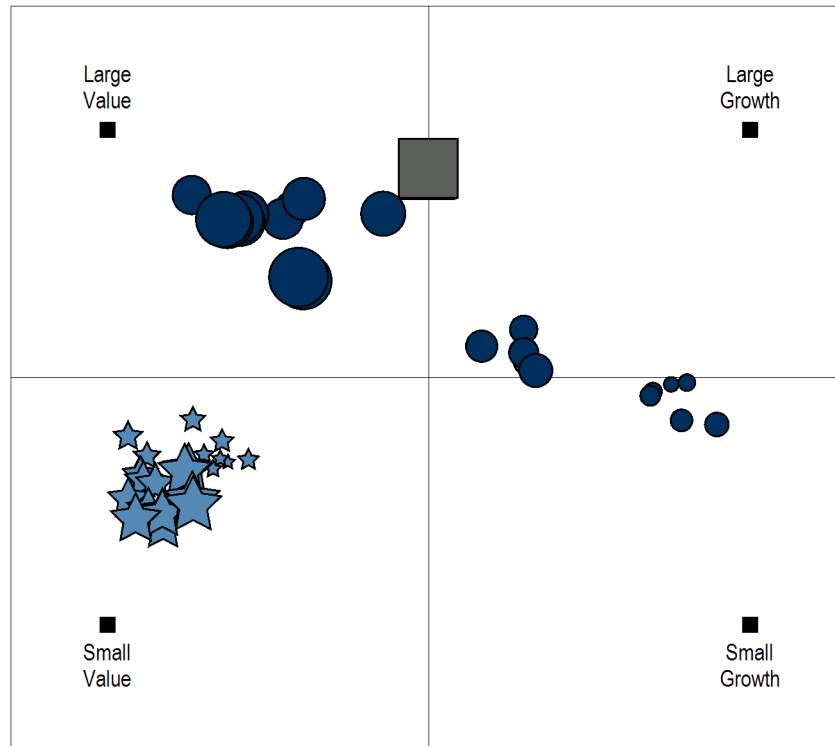
NewSouth Capital vs. SMID Blend MStar MF



Return (Rank)

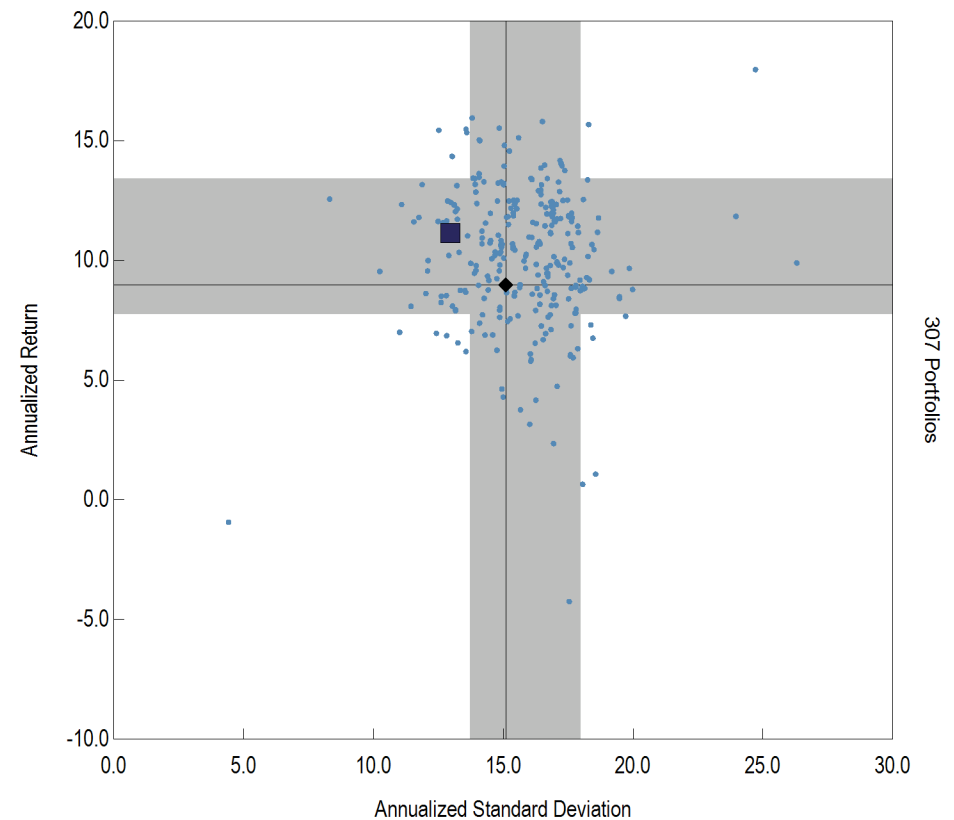
| | | | | | | | | | | | | |
|----------------------|-----------|-----------|------------|-----------|-----------|-----------|-----------|------------|-----------|-----------|------------|-----------|
| 5th Percentile | 5.69 | 22.1 | 8.52 | 14.2 | 9.10 | 13.2 | 14.9 | -6.39 | 20.5 | 28.5 | 0.45 | 13.4 |
| 25th Percentile | 4.02 | 19.4 | 2.20 | 12.2 | 7.72 | 12.4 | 14.1 | -9.62 | 16.1 | 22.0 | -2.31 | 12.4 |
| Median | 2.83 | 17.3 | -1.77 | 10.5 | 6.44 | 11.5 | 13.2 | -11.9 | 13.8 | 18.7 | -3.78 | 11.6 |
| 75th Percentile | 1.61 | 14.5 | -5.03 | 8.69 | 5.01 | 10.5 | 12.5 | -15.1 | 10.6 | 15.3 | -6.07 | 10.6 |
| 95th Percentile | -0.47 | 11.2 | -9.93 | 5.96 | 1.57 | 8.08 | 10.2 | -19.5 | 5.36 | 8.40 | -12.0 | 8.37 |
| # of Portfolios | 325 | 325 | 323 | 307 | 277 | 252 | 227 | 340 | 330 | 324 | 302 | 238 |
| ● NewSouth Capital | 5.53 (6) | 21.2 (11) | 15.3 (1) | 11.1 (41) | 8.47 (10) | 12.9 (10) | -- (--) | -1.71 (1) | 11.9 (68) | 9.82 (92) | -0.78 (12) | 12.1 (35) |
| ▲ Russell 2500 Value | 1.89 (69) | 15.2 (71) | -1.92 (51) | 8.98 (69) | 5.55 (66) | 11.0 (64) | 13.2 (50) | -12.3 (56) | 10.3 (78) | 25.2 (14) | -5.49 (70) | 11.3 (60) |

3 Year Style Map



● NewSouth Capital ■ Dow Jones U.S. Total Stock Market ★ Russell 2500 Value

3 Year Risk/Return



■ NewSouth Capital ◆ Russell 2500 Value ■ 68% Confidence Interval ● SMID Blend MStar MF

As of June 30, 2019

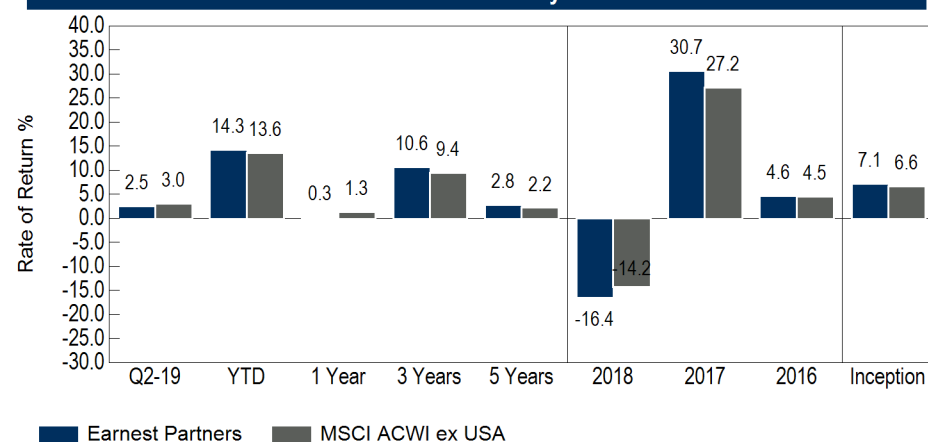
Account Information

| | |
|-------------------|------------------|
| Account Name | Earnest Partners |
| Account Structure | Mutual Fund |
| Investment Style | Active |
| Inception Date | 10/01/11 |
| Account Type | International |
| Benchmark | MSCI ACWI ex USA |
| Universe | Foreign MStar MF |

3 Year Risk/Return Statistics

| | Earnest Partners | MSCI ACWI ex USA |
|---|------------------|------------------|
| RETURN SUMMARY STATISTICS | | |
| Number of Periods | 36 | 36 |
| Maximum Return | 7.70 | 7.56 |
| Minimum Return | -8.11 | -8.13 |
| Annualized Return | 10.60 | 9.39 |
| Total Return | 35.30 | 30.88 |
| Annualized Excess Return Over Risk Free | 9.25 | 8.03 |
| Annualized Excess Return | 1.22 | 0.00 |

Return Summary



RISK SUMMARY STATISTICS

| | | |
|--------------------|------|------|
| Beta | 1.04 | 1.00 |
| Upside Deviation | 7.03 | 6.43 |
| Downside Deviation | 9.09 | 7.50 |

RISK/RETURN SUMMARY STATISTICS

| | | |
|----------------------------------|-------|-------|
| Annualized Standard Deviation | 12.14 | 11.40 |
| Alpha | 0.07 | 0.00 |
| Sharpe Ratio | 0.76 | 0.70 |
| Excess Return Over Market / Risk | 0.10 | 0.00 |
| Tracking Error | 2.53 | 0.00 |
| Information Ratio | 0.48 | -- |

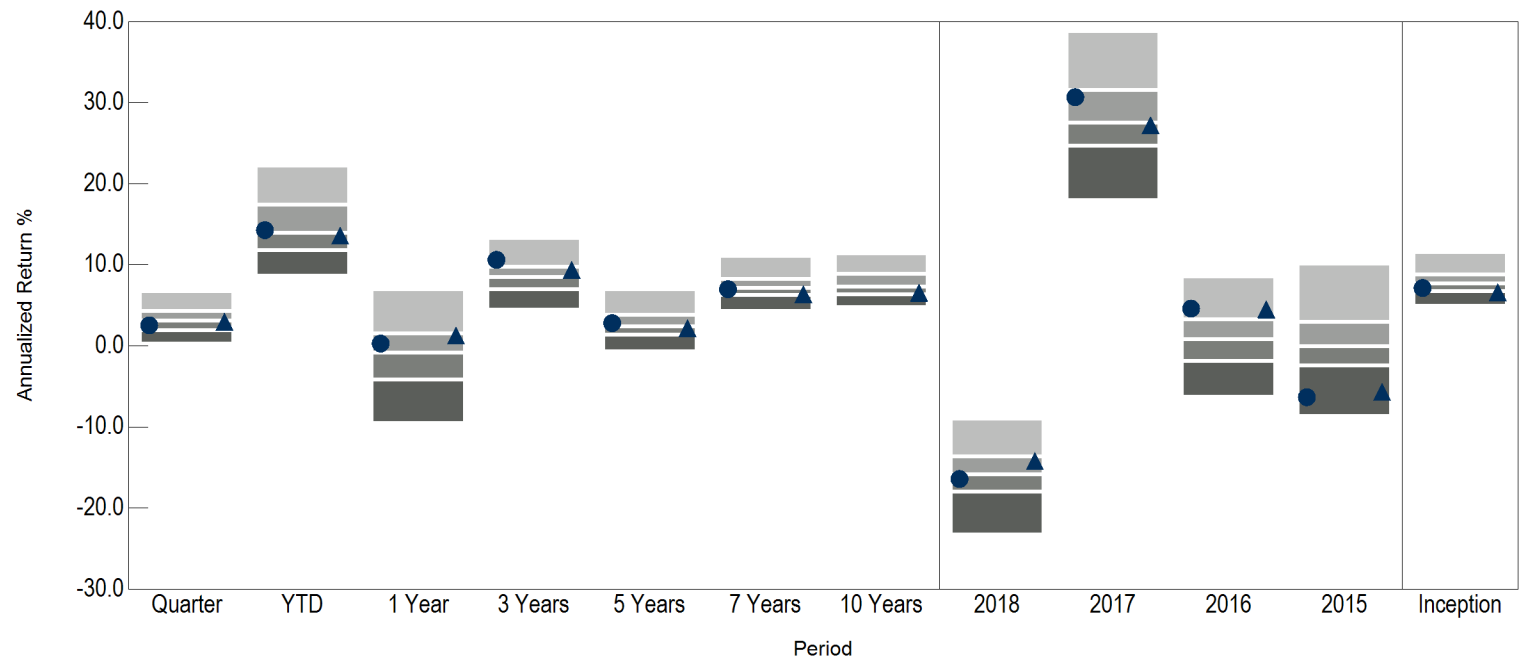
CORRELATION STATISTICS

| | | |
|-------------|------|------|
| R-Squared | 0.96 | 1.00 |
| Correlation | 0.98 | 1.00 |

Summary Of Cash Flows

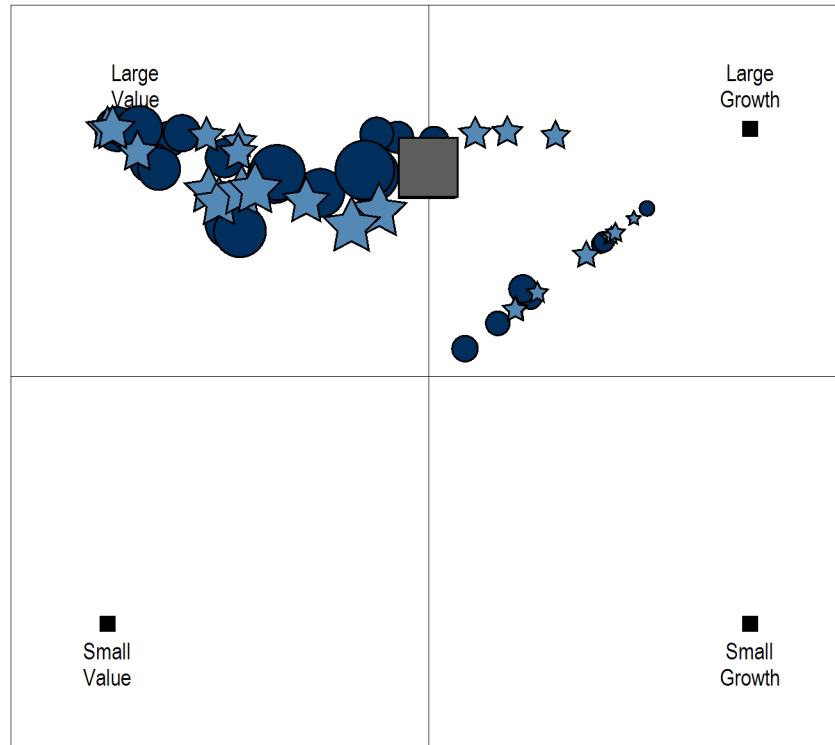
| | Second Quarter | Year-To-Date | One Year | Inception 10/1/11 |
|------------------------|----------------|--------------|--------------|----------------------|
| Beginning Market Value | \$19,013,836 | \$17,057,356 | \$19,429,869 | -- |
| Contributions | \$2,144 | \$5,296 | \$11,356 | \$11,356 |
| Withdrawals | -\$2,144 | -\$5,296 | -\$11,356 | -\$271,518 |
| Net Cash Flow | \$0 | \$0 | \$0 | \$0 |
| Net Investment Change | \$483,498 | \$2,439,978 | \$67,465 | \$19,497,334 |
| Ending Market Value | \$19,497,334 | \$19,497,334 | \$19,497,334 | \$19,497,334 |

Earnest Partners vs. Foreign MStar MF



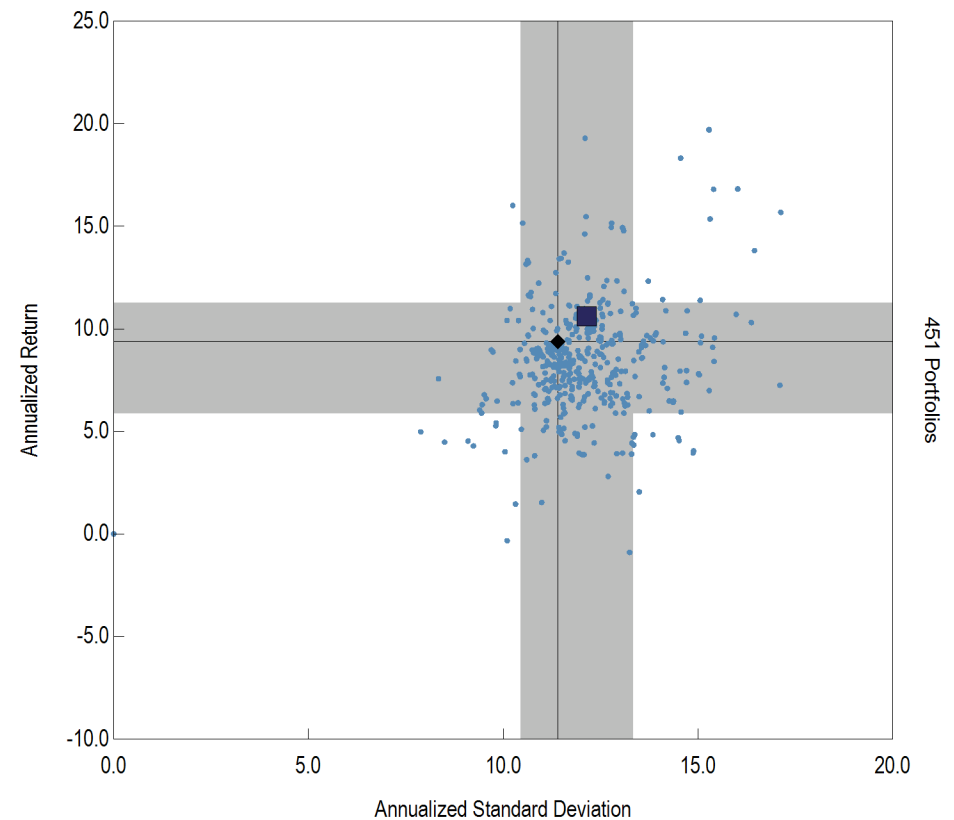
| | Return (Rank) | | | | | | | | | | | |
|--------------------|---------------|-----------|-----------|-----------|-----------|-----------|-----------|------------|-----------|-----------|------------|-----------|
| 5th Percentile | 6.68 | 22.2 | 6.97 | 13.2 | 6.99 | 11.0 | 11.3 | -8.96 | 38.7 | 8.52 | 10.1 | 11.5 |
| 25th Percentile | 4.36 | 17.4 | 1.62 | 9.78 | 3.85 | 8.31 | 8.91 | -13.5 | 31.6 | 3.33 | 3.02 | 8.85 |
| Median | 3.15 | 14.0 | -0.79 | 8.57 | 2.47 | 7.22 | 7.38 | -15.8 | 27.5 | 0.84 | 0.03 | 7.75 |
| 75th Percentile | 1.97 | 11.8 | -4.13 | 7.02 | 1.42 | 6.35 | 6.37 | -17.9 | 24.7 | -1.80 | -2.35 | 6.80 |
| 95th Percentile | 0.28 | 8.66 | -9.48 | 4.51 | -0.67 | 4.34 | 4.85 | -23.2 | 18.0 | -6.23 | -8.63 | 4.96 |
| # of Portfolios | 504 | 502 | 489 | 451 | 397 | 366 | 318 | 475 | 464 | 455 | 442 | 354 |
| ● Earnest Partners | 2.53 (64) | 14.2 (47) | 0.29 (40) | 10.6 (17) | 2.80 (40) | 6.99 (57) | -- (--) | -16.4 (57) | 30.6 (30) | 4.59 (20) | -6.33 (92) | 7.13 (67) |
| ▲ MSCI ACWI ex USA | 2.98 (54) | 13.6 (56) | 1.29 (30) | 9.39 (31) | 2.16 (61) | 6.36 (75) | 6.54 (72) | -14.2 (34) | 27.1 (54) | 4.50 (20) | -5.66 (90) | 6.60 (79) |

3 Year Style Map



● Earnest Partners ■ Dow Jones U.S. Total Stock Market ★ MSCI ACWI ex USA

3 Year Risk/Return



■ Earnest Partners ■ 68% Confidence Interval ● Foreign MStar MF
◆ MSCI ACWI ex USA

iShares S&P 500 Growth ETF

As of June 30, 2019

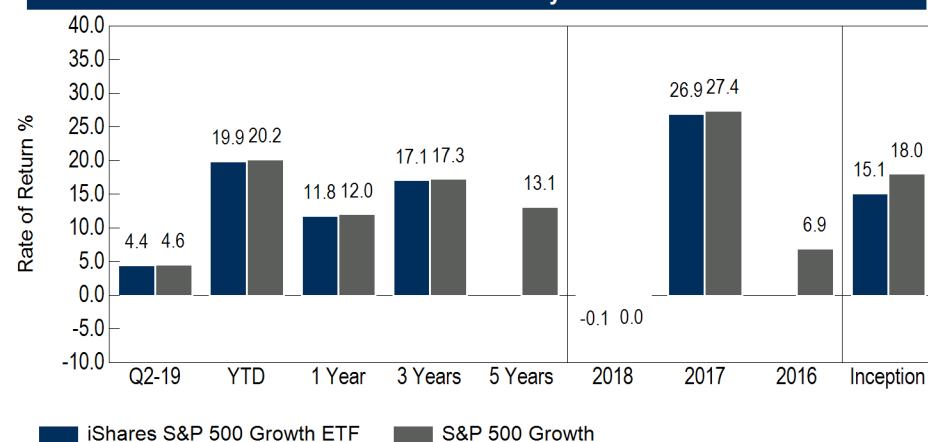
Account Information

| | |
|-------------------|----------------------------|
| Account Name | iShares S&P 500 Growth ETF |
| Account Structure | Separate Account |
| Investment Style | Passive |
| Inception Date | 3/01/16 |
| Account Type | US Stock Large Cap Growth |
| Benchmark | S&P 500 Growth |
| Universe | Large Growth MStar MF |

Year Ending 2019 Risk/Return Statistics

| | iShares S&P 500 Growth ETF | S&P 500 Growth |
|---|----------------------------|----------------|
| RETURN SUMMARY STATISTICS | | |
| Number of Periods | 12 | 12 |
| Maximum Return | 7.40 | 7.51 |
| Minimum Return | -8.44 | -8.62 |
| Annualized Return | 11.82 | 12.02 |
| Total Return | 11.82 | 12.02 |
| Annualized Excess Return Over Risk Free | 9.53 | 9.73 |
| Annualized Excess Return | -0.20 | 0.00 |

Return Summary



RISK SUMMARY STATISTICS

| | | |
|--------------------|------|------|
| Beta | 0.99 | 1.00 |
| Upside Deviation | 7.28 | 7.39 |
| Downside Deviation | 6.04 | 6.19 |

RISK/RETURN SUMMARY STATISTICS

| | | |
|----------------------------------|-------|-------|
| Annualized Standard Deviation | 18.65 | 18.87 |
| Alpha | -0.01 | 0.00 |
| Sharpe Ratio | 0.51 | 0.52 |
| Excess Return Over Market / Risk | -0.01 | 0.00 |
| Tracking Error | 0.31 | 0.00 |
| Information Ratio | -0.65 | -- |

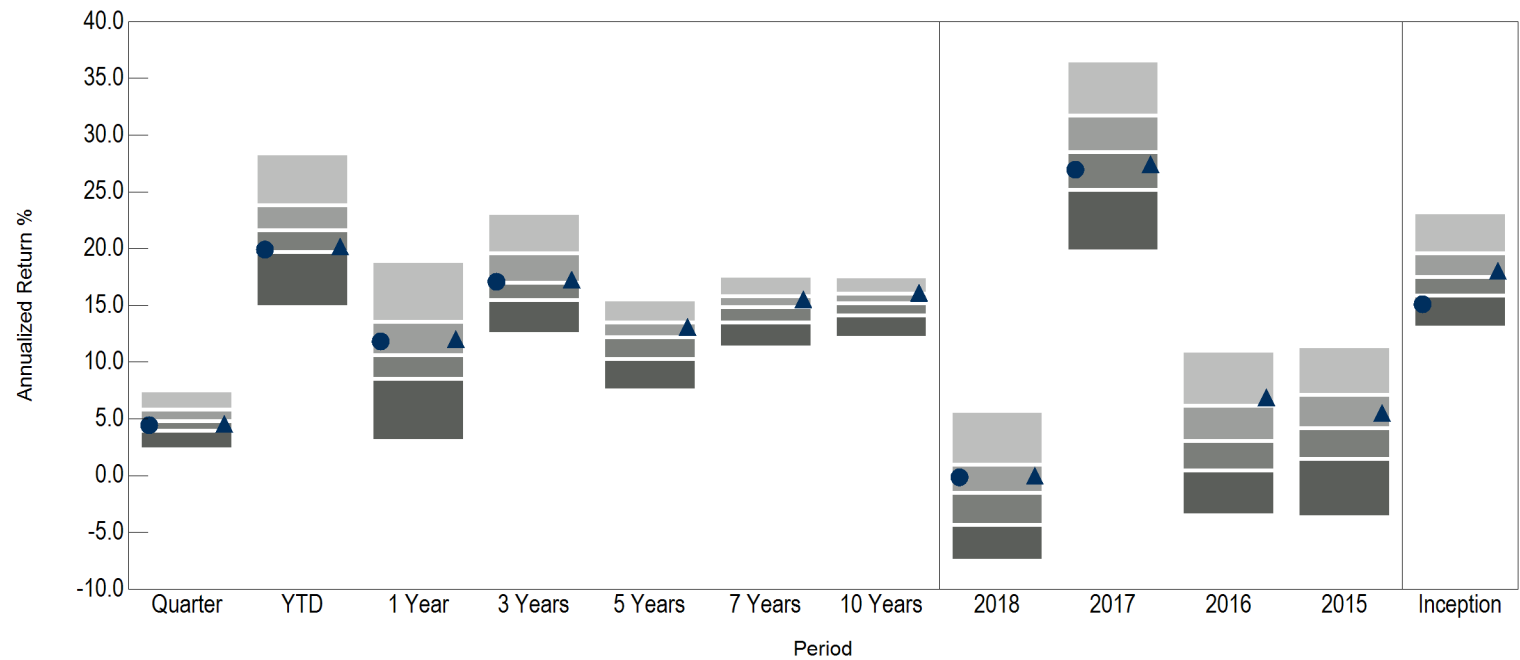
CORRELATION STATISTICS

| | | |
|-------------|------|------|
| R-Squared | 1.00 | 1.00 |
| Correlation | 1.00 | 1.00 |

Summary Of Cash Flows

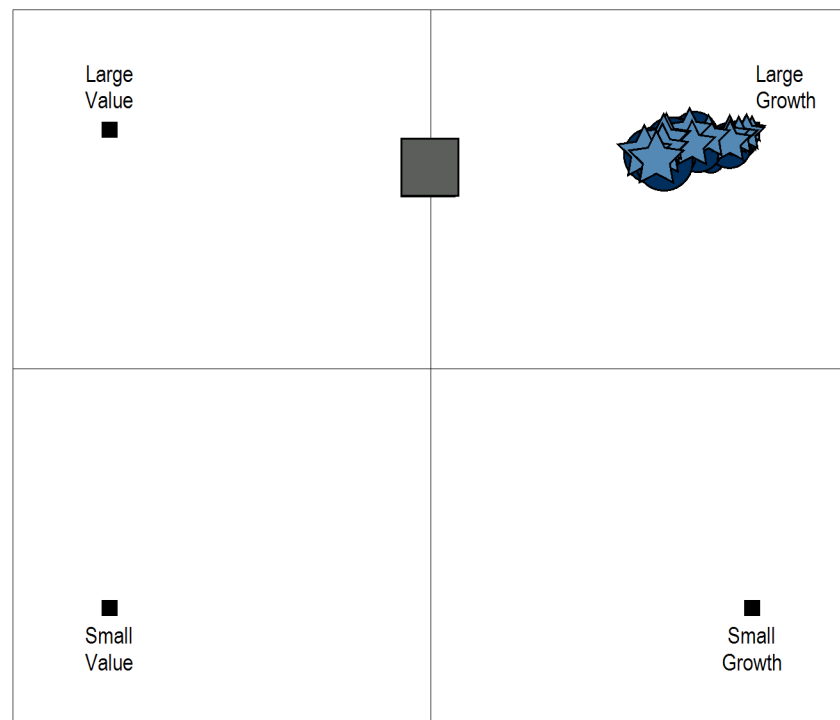
| | Second Quarter | Year-To-Date | One Year | Inception 3/1/16 |
|------------------------|----------------|--------------|--------------|---------------------|
| Beginning Market Value | \$18,297,755 | \$16,055,018 | \$17,315,974 | -- |
| Contributions | \$2,076 | \$5,041 | \$10,862 | \$10,862 |
| Withdrawals | -\$2,076 | -\$134,800 | -\$250,286 | -\$365,173 |
| Net Cash Flow | \$0 | -\$129,759 | -\$239,424 | -\$239,424 |
| Net Investment Change | \$814,374 | \$3,186,870 | \$2,035,579 | \$19,351,553 |
| Ending Market Value | \$19,112,128 | \$19,112,128 | \$19,112,128 | \$19,112,128 |

iShares S&P 500 Growth ETF vs. Large Growth MStar MF



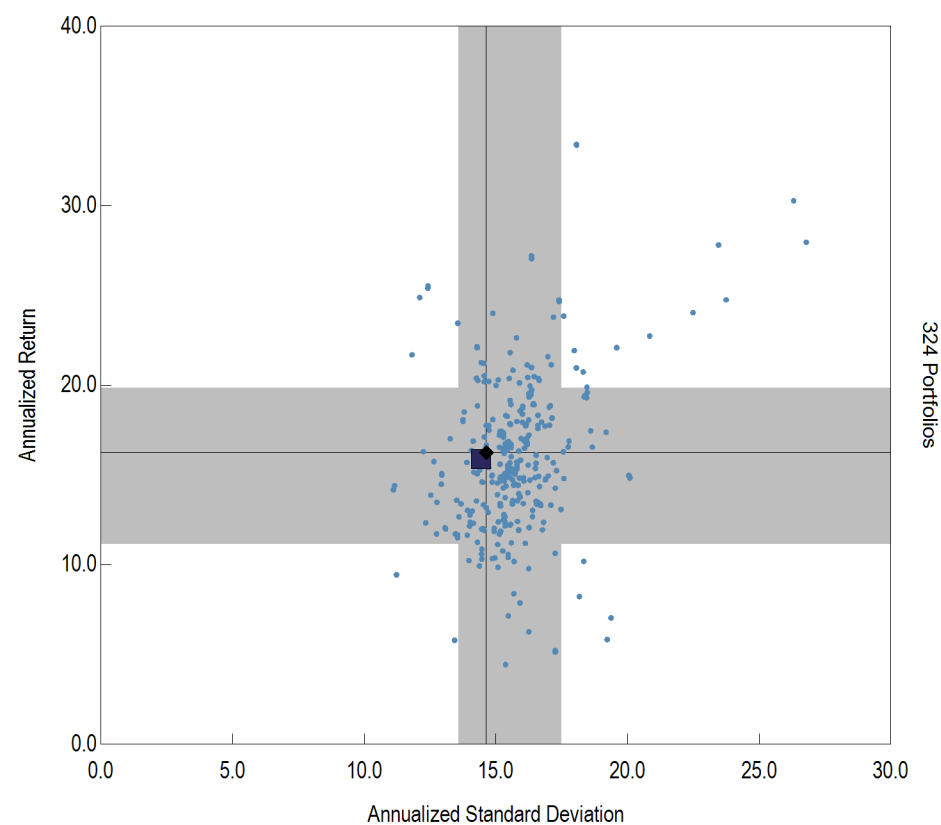
| | Return (Rank) | | | | | | | | | | | |
|------------------------------|---------------|-----------|-----------|-----------|-----------|-----------|-----------|------------|-----------|-----------|-----------|-----------|
| 5th Percentile | 7.46 | 28.3 | 18.8 | 23.1 | 15.5 | 17.5 | 17.5 | 5.66 | 36.5 | 10.9 | 11.3 | 23.1 |
| 25th Percentile | 5.82 | 23.8 | 13.5 | 19.6 | 13.5 | 15.8 | 16.0 | 0.99 | 31.7 | 6.20 | 7.14 | 19.6 |
| Median | 4.82 | 21.6 | 10.6 | 17.0 | 12.2 | 14.8 | 15.1 | -1.51 | 28.5 | 3.08 | 4.20 | 17.5 |
| 75th Percentile | 4.00 | 19.7 | 8.58 | 15.4 | 10.2 | 13.5 | 14.1 | -4.29 | 25.2 | 0.47 | 1.50 | 15.9 |
| 95th Percentile | 2.33 | 14.8 | 3.06 | 12.4 | 7.55 | 11.3 | 12.1 | -7.47 | 19.8 | -3.48 | -3.65 | 13.0 |
| # of Portfolios | 331 | 329 | 327 | 314 | 298 | 292 | 261 | 321 | 309 | 318 | 317 | 312 |
| ● iShares S&P 500 Growth ETF | 4.44 (64) | 19.9 (73) | 11.8 (38) | 17.0 (50) | -- (--) | -- (--) | -- (--) | -0.15 (37) | 26.9 (64) | -- (--) | -- (--) | 15.1 (86) |
| ▲ S&P 500 Growth | 4.56 (60) | 20.1 (71) | 12.0 (35) | 17.2 (48) | 13.0 (31) | 15.5 (36) | 16.1 (25) | -0.01 (35) | 27.4 (60) | 6.89 (21) | 5.52 (43) | 18.0 (46) |

3 Year Style Map



● iShares S&P 500 Growth ETF ★ S&P 500 Growth
 ■ Dow Jones U.S. Total Stock Market

2 Year Risk/Return

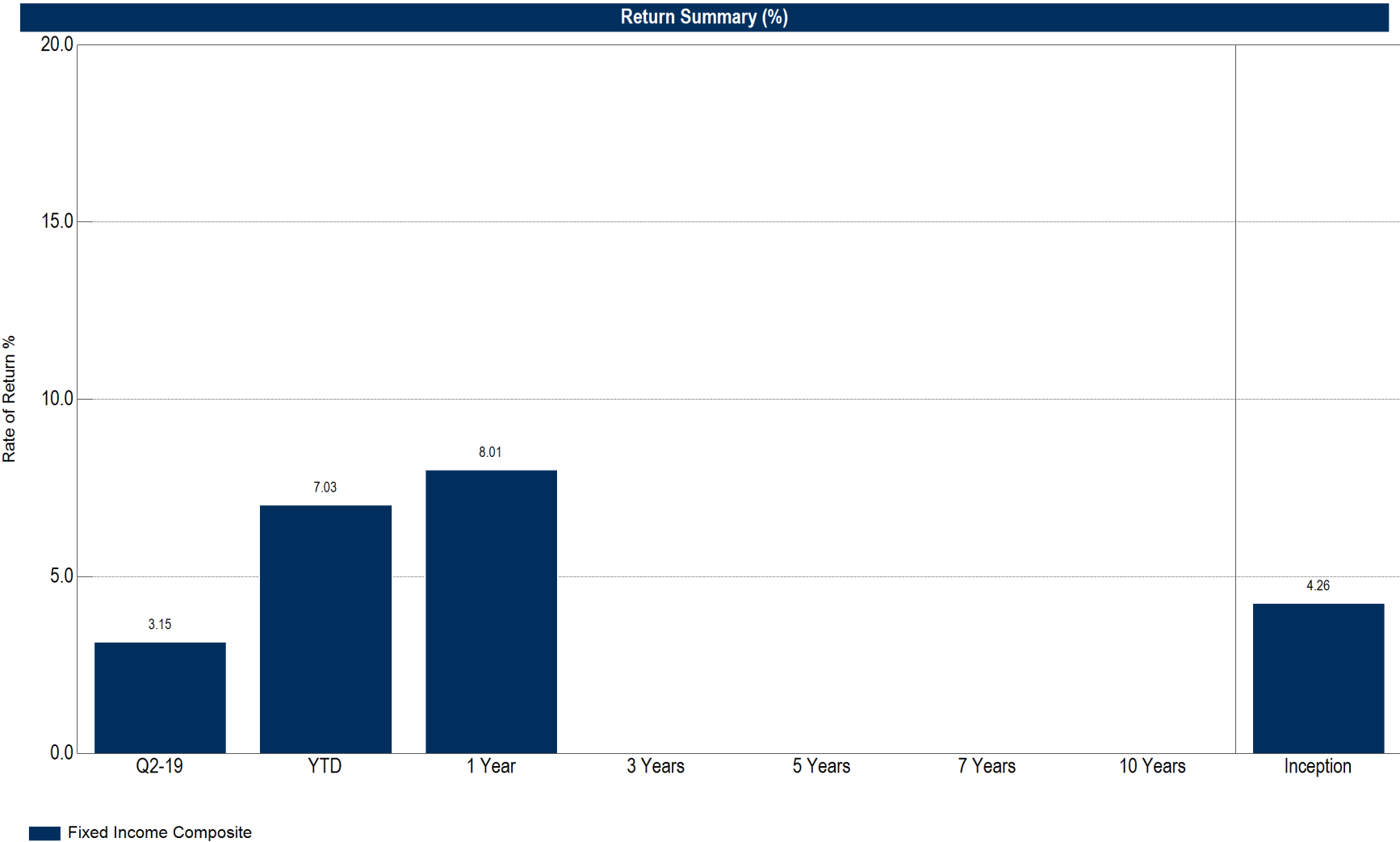


■ iShares S&P 500 Growth ETF ■ 68% Confidence Interval
 ◆ S&P 500 Growth ● Large Growth MStar MF

Fixed Income Composite Investment Analysis

Fixed Income Composite Performance

As of June 30, 2019



As of June 30, 2019

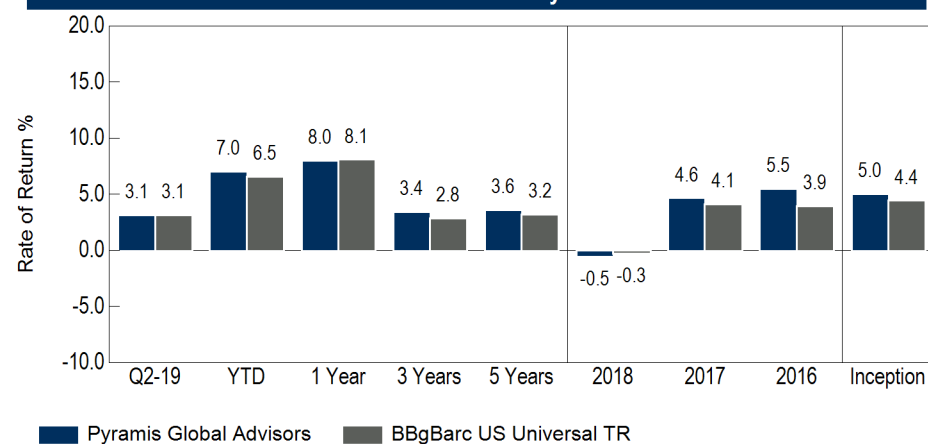
Account Information

| | |
|-------------------|--------------------------------------|
| Account Name | Pyramis Global Advisors |
| Account Structure | Separate Account |
| Investment Style | Active |
| Inception Date | 4/30/07 |
| Account Type | Global Fixed Income |
| Benchmark | BBgBarc US Universal TR |
| Universe | Intermediate Core Plus Bond MStar MF |

3 Year Risk/Return Statistics

| | Pyramis Global Advisors | BBgBarc US Universal TR |
|---|-------------------------|-------------------------|
| RETURN SUMMARY STATISTICS | | |
| Number of Periods | 36 | 36 |
| Maximum Return | 1.88 | 1.81 |
| Minimum Return | -2.30 | -2.25 |
| Annualized Return | 3.43 | 2.84 |
| Total Return | 10.65 | 8.76 |
| Annualized Excess Return Over Risk Free | 2.08 | 1.48 |
| Annualized Excess Return | 0.59 | 0.00 |

Return Summary



RISK SUMMARY STATISTICS

| | | |
|--------------------|------|------|
| Beta | 0.99 | 1.00 |
| Upside Deviation | 1.77 | 1.81 |
| Downside Deviation | 2.28 | 2.12 |

RISK/RETURN SUMMARY STATISTICS

| | | |
|----------------------------------|------|------|
| Annualized Standard Deviation | 2.87 | 2.86 |
| Alpha | 0.05 | 0.00 |
| Sharpe Ratio | 0.72 | 0.52 |
| Excess Return Over Market / Risk | 0.21 | 0.00 |
| Tracking Error | 0.49 | 0.00 |
| Information Ratio | 1.21 | -- |

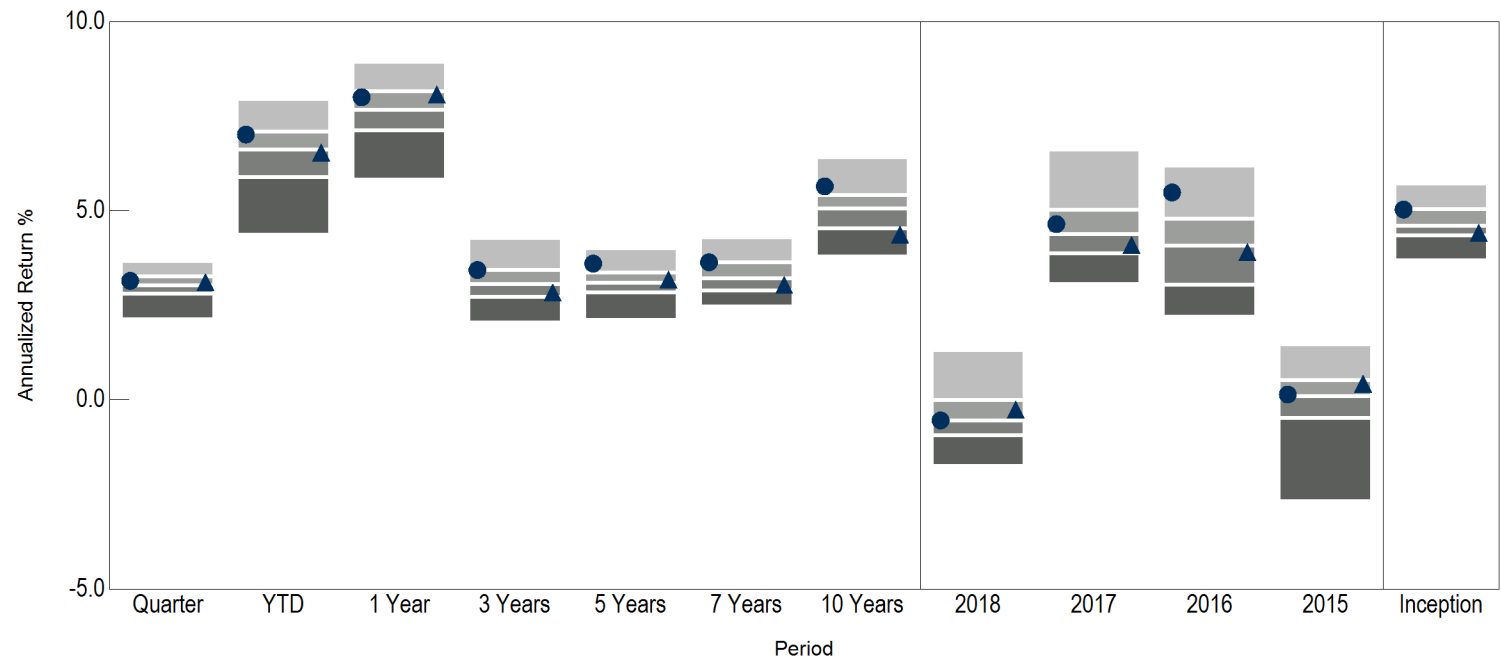
CORRELATION STATISTICS

| | | |
|-------------|------|------|
| R-Squared | 0.97 | 1.00 |
| Correlation | 0.99 | 1.00 |

Summary Of Cash Flows

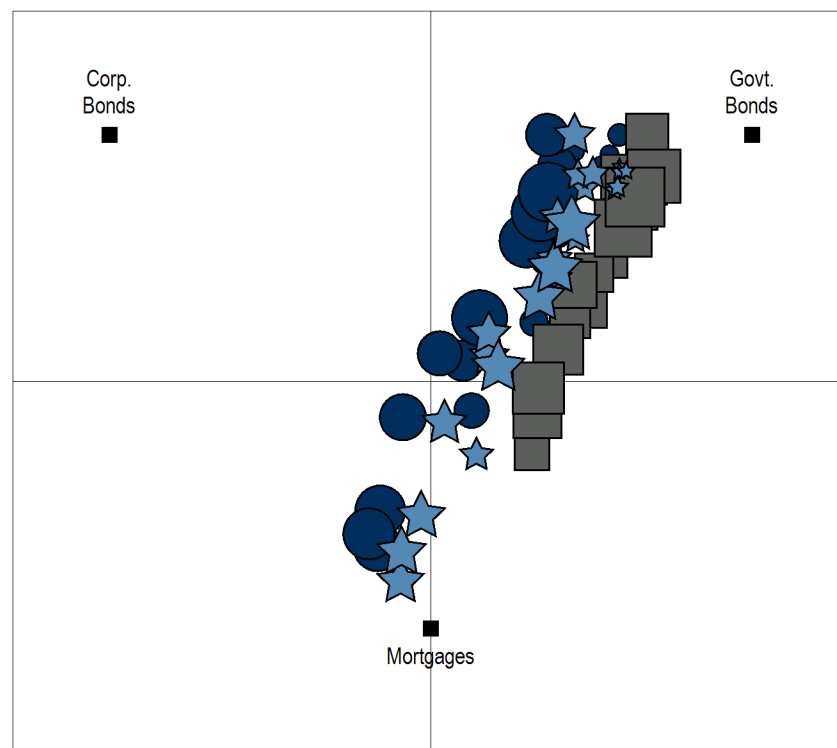
| | Second Quarter | Year-To-Date | One Year | Inception 4/30/07 |
|------------------------|----------------|--------------|--------------|----------------------|
| Beginning Market Value | \$82,826,220 | \$79,819,717 | \$78,979,048 | -- |
| Contributions | \$9,070 | \$22,891 | \$135,280 | \$135,280 |
| Withdrawals | -\$9,070 | -\$22,891 | -\$135,280 | -\$635,310 |
| Net Cash Flow | \$0 | \$0 | \$0 | \$0 |
| Net Investment Change | \$2,615,475 | \$5,621,979 | \$6,462,648 | \$85,441,695 |
| Ending Market Value | \$85,441,695 | \$85,441,695 | \$85,441,695 | \$85,441,695 |

Pyramis Global Advisors vs. Intermediate Core Plus Bond MStar MF



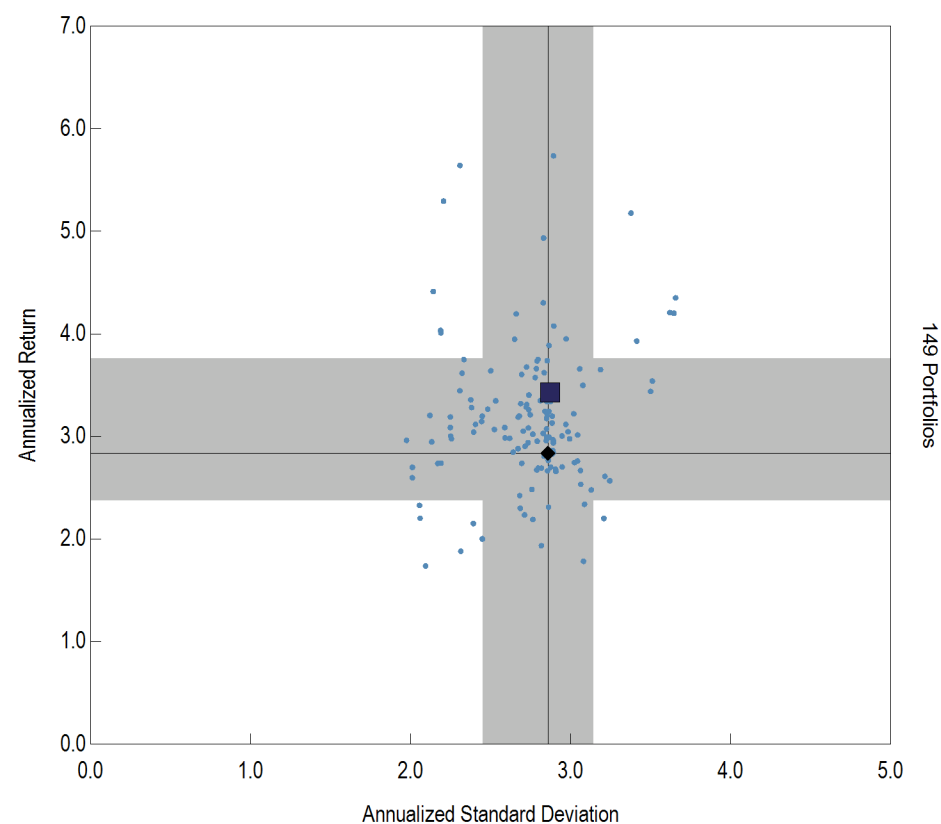
| | Return (Rank) | | | | | | | | | | | |
|---------------------------|---------------|-----------|-----------|-----------|-----------|-----------|-----------|------------|-----------|-----------|-----------|-----------|
| 5th Percentile | 3.66 | 7.94 | 8.93 | 4.26 | 4.00 | 4.29 | 6.41 | 1.32 | 6.60 | 6.18 | 1.46 | 5.72 |
| 25th Percentile | 3.27 | 7.10 | 8.17 | 3.45 | 3.37 | 3.65 | 5.42 | 0.02 | 5.03 | 4.80 | 0.53 | 5.05 |
| Median | 3.04 | 6.62 | 7.67 | 3.07 | 3.10 | 3.22 | 5.06 | -0.53 | 4.40 | 4.09 | 0.10 | 4.62 |
| 75th Percentile | 2.81 | 5.89 | 7.14 | 2.74 | 2.85 | 2.90 | 4.55 | -0.92 | 3.88 | 3.05 | -0.46 | 4.37 |
| 95th Percentile | 2.13 | 4.38 | 5.83 | 2.06 | 2.13 | 2.47 | 3.79 | -1.74 | 3.07 | 2.20 | -2.67 | 3.70 |
| # of Portfolios | 166 | 166 | 162 | 149 | 140 | 137 | 121 | 160 | 156 | 152 | 148 | 115 |
| ● Pyramis Global Advisors | 3.15 (43) | 7.01 (33) | 8.00 (33) | 3.43 (26) | 3.60 (8) | 3.64 (26) | 5.64 (17) | -0.54 (53) | 4.65 (41) | 5.48 (13) | 0.14 (48) | 5.03 (28) |
| ▲ BBgBarc US Universal TR | 3.11 (45) | 6.54 (54) | 8.07 (28) | 2.84 (70) | 3.18 (45) | 3.04 (63) | 4.37 (82) | -0.26 (35) | 4.09 (67) | 3.91 (56) | 0.43 (28) | 4.42 (72) |

3 Year Style Map



● Pyramis Global Advisors
 ■ BBgBarc US Aggregate TR
 ★ BBgBarc US Universal TR

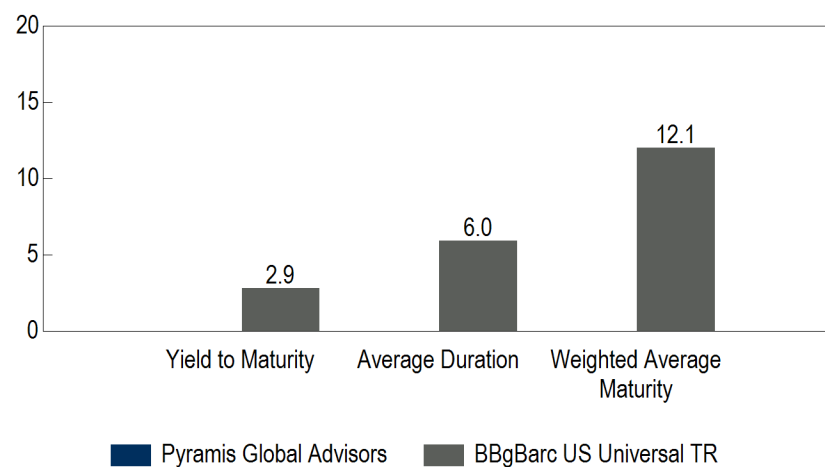
3 Year Risk/Return



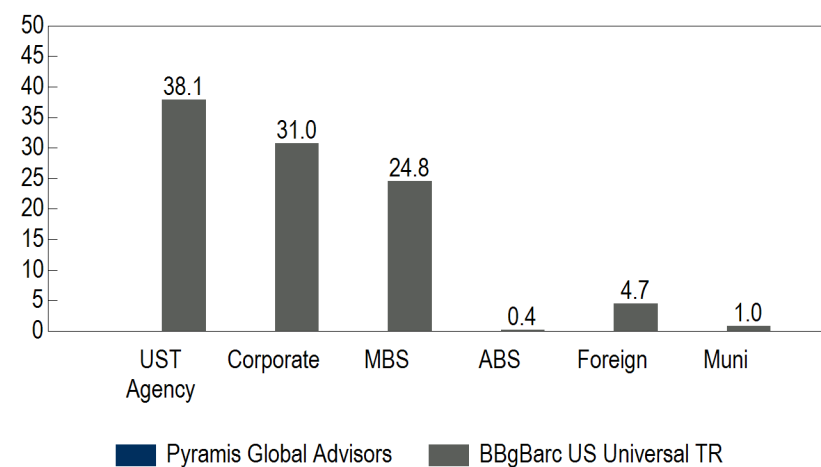
■ Pyramis Global Advisors
 ◆ BBgBarc US Universal TR
 ■ 68% Confidence Interval
 ● Intermediate Core Plus Bond MStar MF

As of June 30, 2019

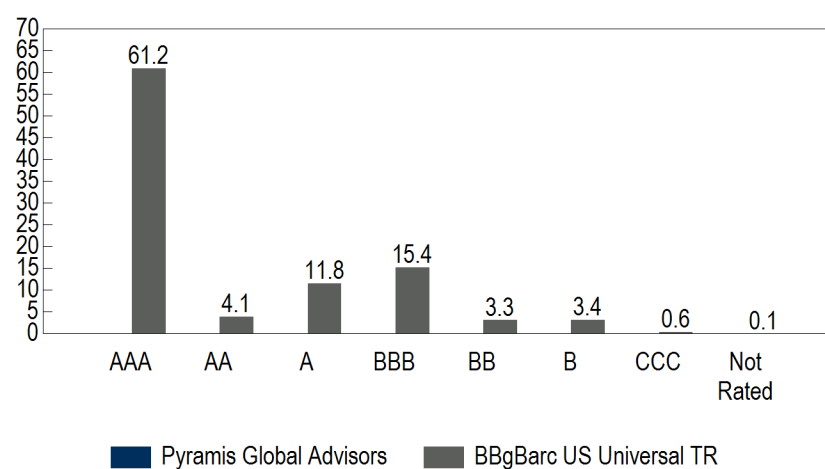
Fixed Income Characteristics



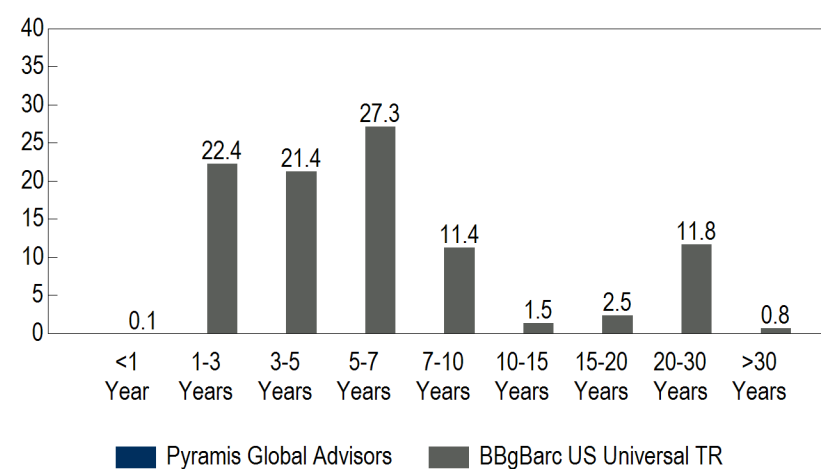
US Sector Allocation



Credit Quality Allocation



Maturity Allocation



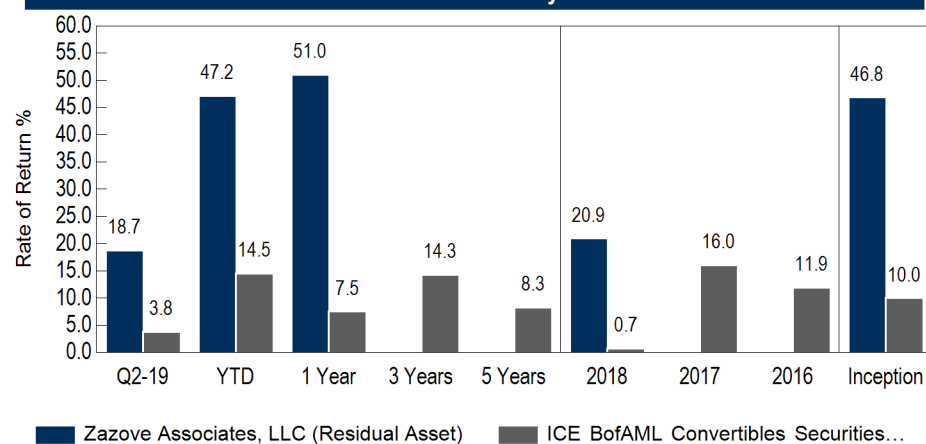
Zazove Associates, LLC (Residual Asset)

As of June 30, 2019

Account Information

| | |
|-------------------|---|
| Account Name | Zazove Associates, LLC (Residual Asset) |
| Account Structure | Separate Account |
| Investment Style | Active |
| Inception Date | 12/31/17 |
| Account Type | Fixed |
| Benchmark | ICE BofAML Convertibles Securities TR |
| Universe | Intermediate Core Plus Bond MStar MF |

Return Summary



Year Ending 2019 Risk/Return Statistics

| | Zazove Associates, LLC (Residual Asset) | ICE BofAML Convertibles Securities TR |
|---|--|--|
| RETURN SUMMARY STATISTICS | | |
| Number of Periods | 12 | 12 |
| Maximum Return | 22.24 | 7.33 |
| Minimum Return | -11.07 | -6.41 |
| Annualized Return | 51.00 | 7.48 |
| Total Return | 51.00 | 7.48 |
| Annualized Excess Return Over Risk Free | 48.70 | 5.19 |
| Annualized Excess Return | 43.52 | 0.00 |

RISK SUMMARY STATISTICS

| | | |
|--------------------|-------|------|
| Beta | 1.15 | 1.00 |
| Upside Deviation | 22.56 | 7.97 |
| Downside Deviation | 17.62 | 9.25 |

RISK/RETURN SUMMARY STATISTICS

| | | |
|----------------------------------|-------|-------|
| Annualized Standard Deviation | 28.26 | 14.17 |
| Alpha | 3.00 | 0.00 |
| Sharpe Ratio | 1.72 | 0.37 |
| Excess Return Over Market / Risk | 1.54 | 0.00 |
| Tracking Error | 23.17 | 0.00 |
| Information Ratio | 1.88 | -- |

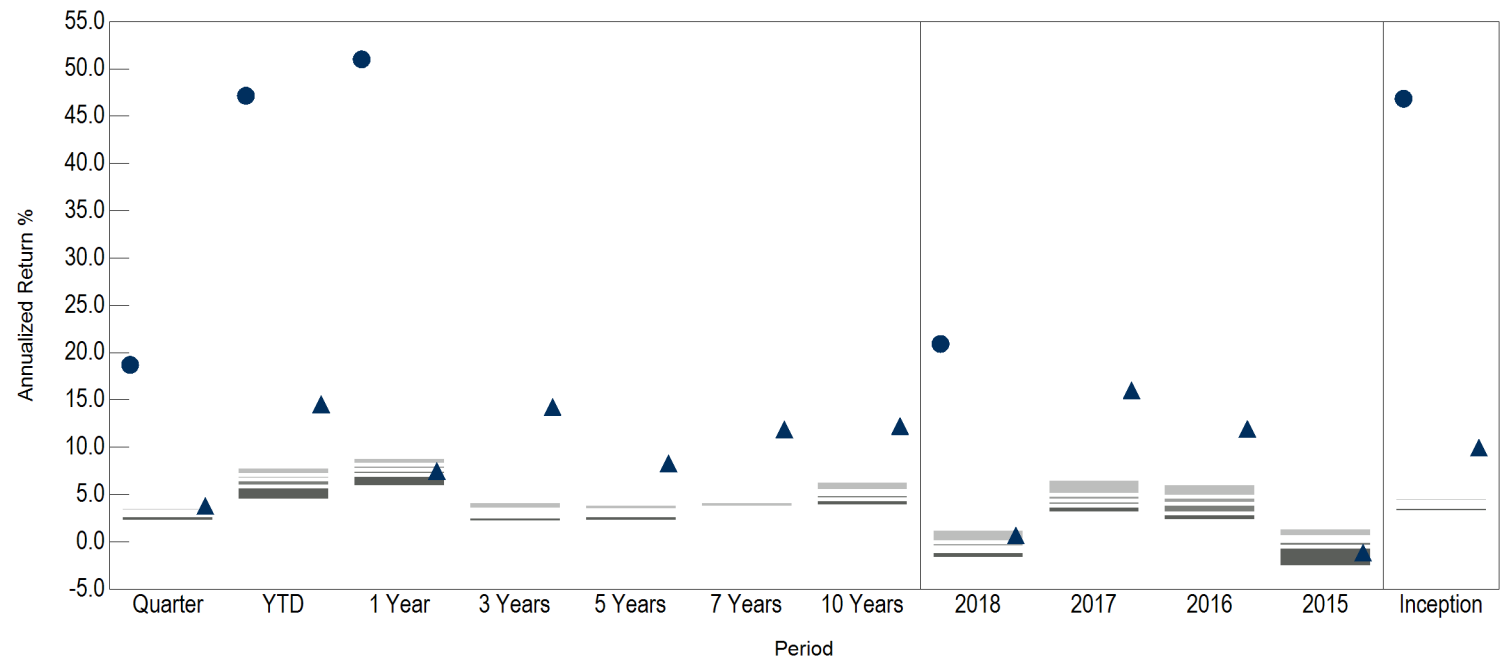
CORRELATION STATISTICS

| | | |
|-------------|------|------|
| R-Squared | 0.33 | 1.00 |
| Correlation | 0.58 | 1.00 |

Summary Of Cash Flows

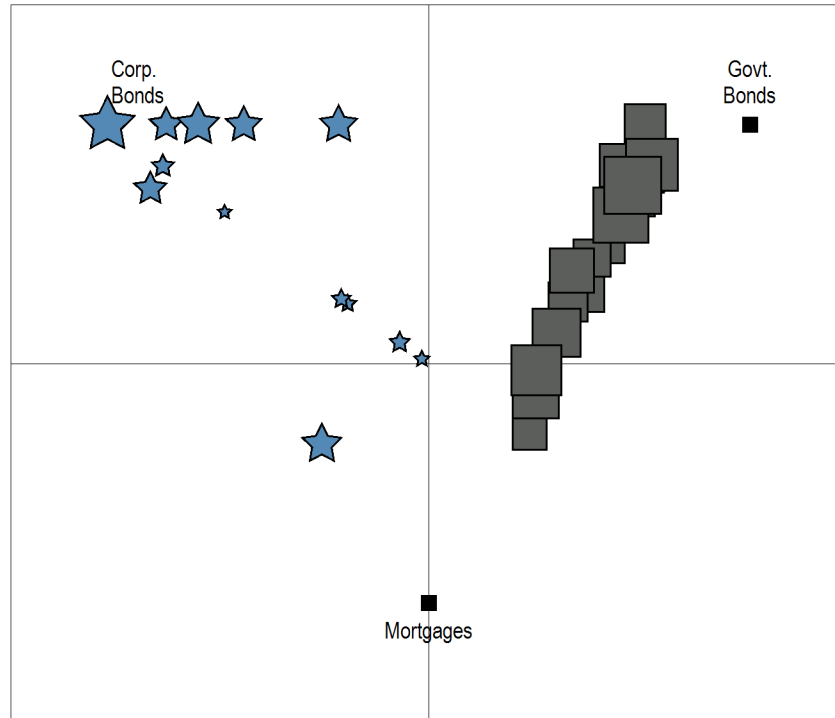
| | Second Quarter | Year-To-Date | One Year | Inception 12/31/17 |
|------------------------|----------------|--------------|----------|-----------------------|
| Beginning Market Value | \$32,579 | \$27,844 | \$28,641 | -- |
| Contributions | \$4 | \$10 | \$19 | \$19 |
| Withdrawals | -\$4 | -\$1,675 | -\$3,329 | -\$4,950 |
| Net Cash Flow | \$0 | -\$1,665 | -\$3,310 | -\$3,310 |
| Net Investment Change | \$6,097 | \$12,497 | \$13,345 | \$41,986 |
| Ending Market Value | \$38,676 | \$38,676 | \$38,676 | \$38,676 |

Zazove Associates, LLC (Residual Asset) vs. Intermediate Core Plus Bond MStar MF



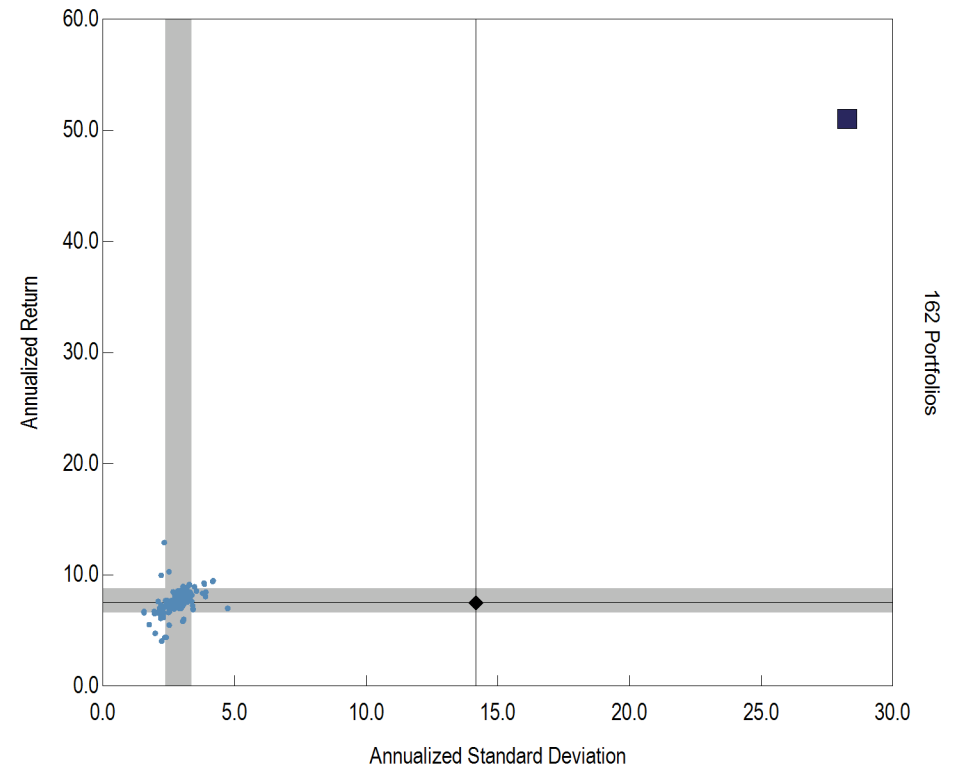
| | Return (Rank) | | | | | | | | | | | |
|---|---------------|----------|-----------|----------|----------|----------|----------|-----------|----------|----------|------------|----------|
| 5th Percentile | 3.66 | 7.94 | 8.93 | 4.26 | 4.00 | 4.29 | 6.41 | 1.32 | 6.60 | 6.18 | 1.46 | 4.69 |
| 25th Percentile | 3.27 | 7.10 | 8.17 | 3.45 | 3.37 | 3.65 | 5.42 | 0.02 | 5.03 | 4.80 | 0.53 | 4.25 |
| Median | 3.04 | 6.62 | 7.67 | 3.07 | 3.10 | 3.22 | 5.06 | -0.53 | 4.40 | 4.09 | 0.10 | 4.04 |
| 75th Percentile | 2.81 | 5.89 | 7.14 | 2.74 | 2.85 | 2.90 | 4.55 | -0.92 | 3.88 | 3.05 | -0.46 | 3.71 |
| 95th Percentile | 2.13 | 4.38 | 5.83 | 2.06 | 2.13 | 2.47 | 3.79 | -1.74 | 3.07 | 2.20 | -2.67 | 3.17 |
| # of Portfolios | 166 | 166 | 162 | 149 | 140 | 137 | 121 | 160 | 156 | 152 | 148 | 156 |
| ● Zazove Associates, LLC (Residual Asset) | 18.7 (1) | 47.1 (1) | 51.0 (1) | -- (--) | -- (--) | -- (--) | -- (--) | 20.9 (1) | -- (--) | -- (--) | -- (--) | 46.8 (1) |
| ▲ ICE BofAML Convertibles Securities TR | 3.79 (3) | 14.5 (1) | 7.48 (62) | 14.2 (1) | 8.29 (1) | 11.8 (1) | 12.2 (1) | 0.68 (11) | 16.0 (1) | 11.9 (1) | -1.15 (88) | 9.97 (1) |

3 Year Style Map



- Zazove Associates, LLC (Residual Asset)
- BBgBarc US Aggregate TR
- ★ ICE BofAML Convertibles Securities TR

Year Ending 2019 Risk/Return



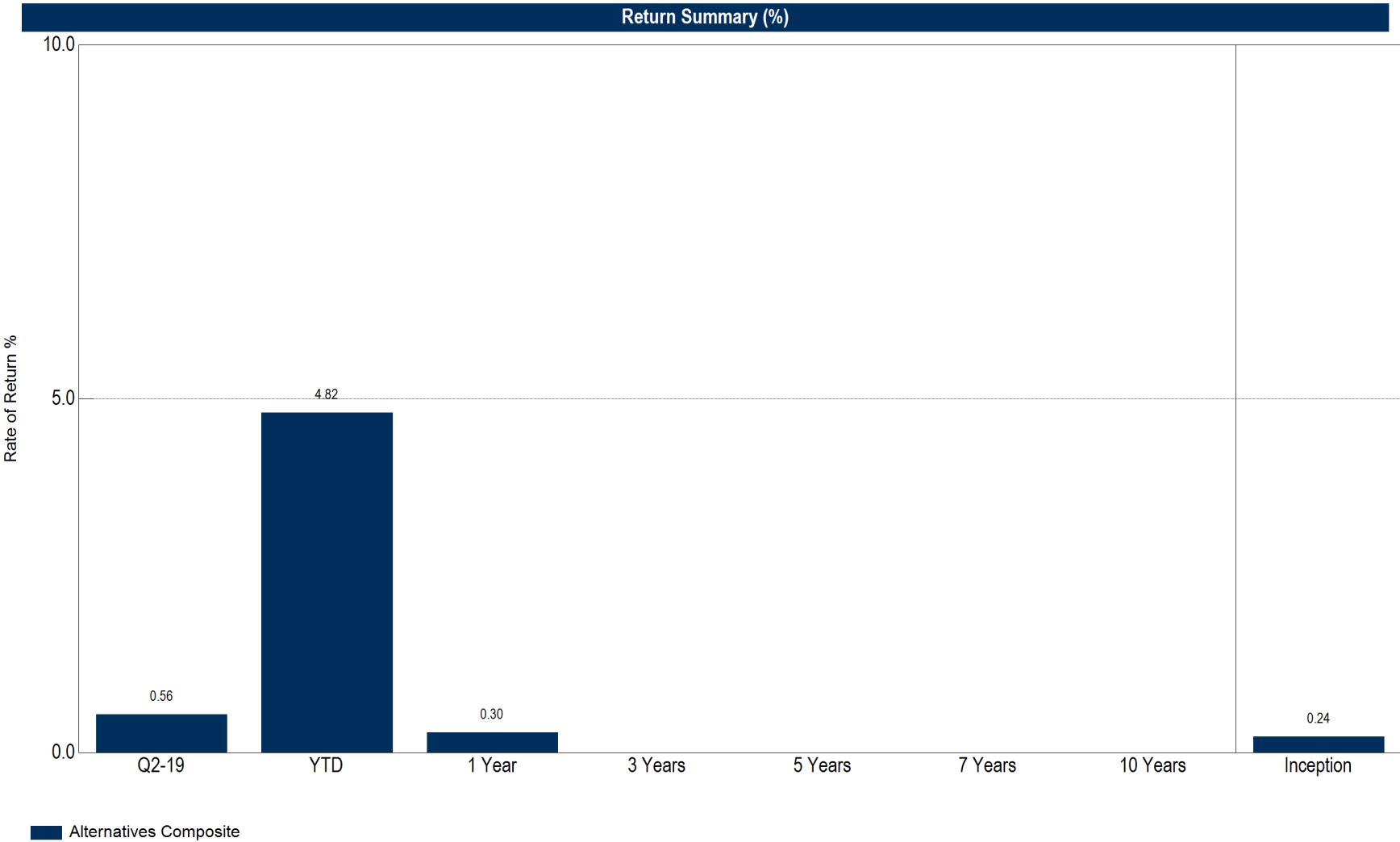
- Zazove Associates, LLC (Residual Asset)
- ◆ ICE BofAML Convertibles Securities TR
- 68% Confidence Interval
- Intermediate Core Plus Bond MStar MF

Alternatives Composite Investment Analysis

Alternatives Composite

Alternatives Composite Performance

As of June 30, 2019



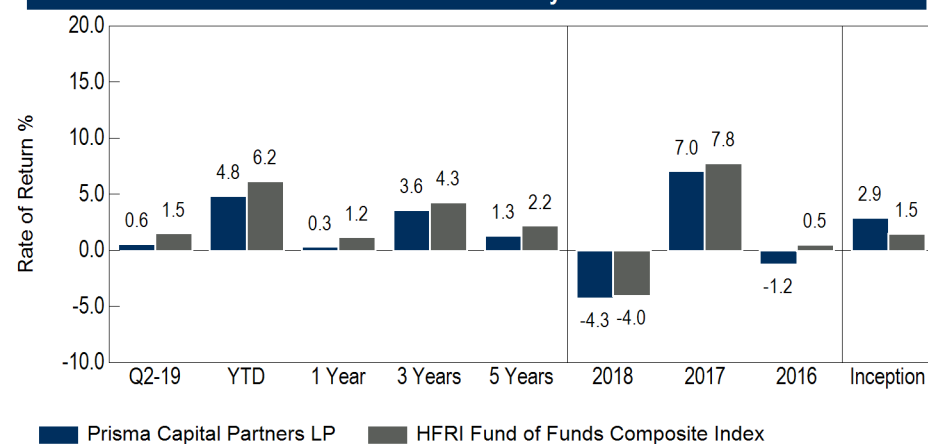
Prisma Capital Partners LP

As of June 30, 2019

Account Information

| | |
|-------------------|------------------------------------|
| Account Name | Prisma Capital Partners LP |
| Account Structure | Hedge Fund |
| Investment Style | Active |
| Inception Date | 5/01/07 |
| Account Type | Alternatives |
| Benchmark | HFRI Fund of Funds Composite Index |
| Universe | Tactical Allocation Mstar MF |

Return Summary



3 Year Risk/Return Statistics

| | Prisma Capital Partners LP | HFRI Fund of Funds Composite Index |
|---|----------------------------|------------------------------------|
| RETURN SUMMARY STATISTICS | | |
| Number of Periods | 36 | 36 |
| Maximum Return | 3.98 | 2.56 |
| Minimum Return | -3.08 | -2.92 |
| Annualized Return | 3.57 | 4.25 |
| Total Return | 11.10 | 13.31 |
| Annualized Excess Return Over Risk Free | 2.21 | 2.90 |
| Annualized Excess Return | -0.68 | 0.00 |

RISK SUMMARY STATISTICS

| | | |
|--------------------|------|------|
| Beta | 1.04 | 1.00 |
| Upside Deviation | 2.87 | 2.13 |
| Downside Deviation | 3.44 | 3.09 |

RISK/RETURN SUMMARY STATISTICS

| | | |
|----------------------------------|-------|------|
| Annualized Standard Deviation | 4.37 | 3.64 |
| Alpha | -0.07 | 0.00 |
| Sharpe Ratio | 0.51 | 0.80 |
| Excess Return Over Market / Risk | -0.16 | 0.00 |
| Tracking Error | 2.16 | 0.00 |
| Information Ratio | -0.32 | -- |

CORRELATION STATISTICS

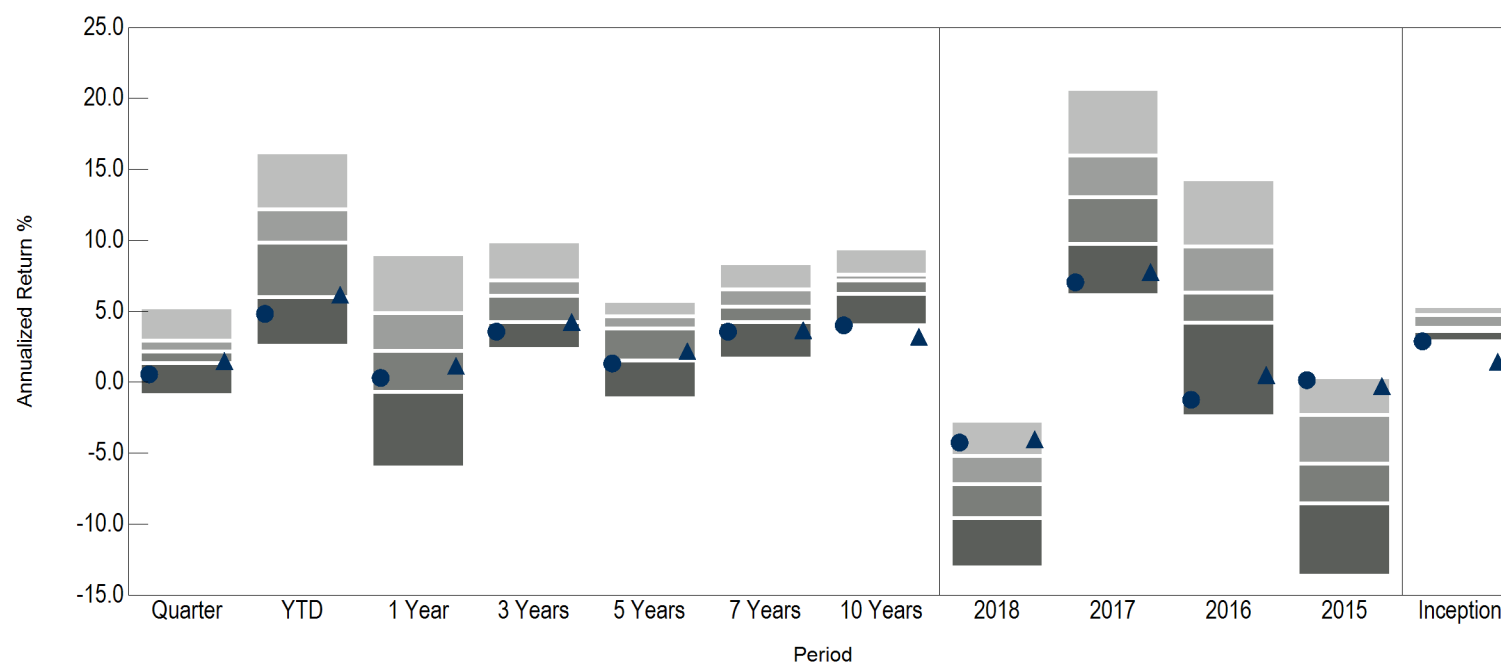
| | | |
|-------------|------|------|
| R-Squared | 0.76 | 1.00 |
| Correlation | 0.87 | 1.00 |

Summary Of Cash Flows

| | Second Quarter | Year-To-Date | One Year | Three Years | Five Years | Ten Years | Inception 5/1/07 |
|------------------------|----------------|--------------|--------------|--------------|--------------|--------------|---------------------|
| Beginning Market Value | \$17,385,604 | \$16,979,120 | \$20,610,136 | \$19,812,561 | \$20,872,040 | \$11,454,617 | \$11,899,960 |
| Contributions | \$1,928 | \$315,406 | \$321,372 | \$2,872,372 | \$2,872,372 | \$2,872,372 | \$2,872,372 |
| Withdrawals | -\$1,928 | -\$626,112 | -\$3,500,712 | -\$3,811,541 | -\$3,811,541 | -\$3,811,541 | -\$3,811,541 |
| Net Cash Flow | \$0 | -\$310,706 | -\$3,179,340 | -\$3,179,340 | -\$3,179,340 | -\$3,179,340 | -\$3,179,340 |
| Net Investment Change | \$99,150 | \$816,340 | \$53,958 | \$851,532 | -\$207,947 | \$9,209,476 | \$8,764,133 |
| Ending Market Value | \$17,484,754 | \$17,484,754 | \$17,484,754 | \$17,484,754 | \$17,484,754 | \$17,484,754 | \$17,484,754 |

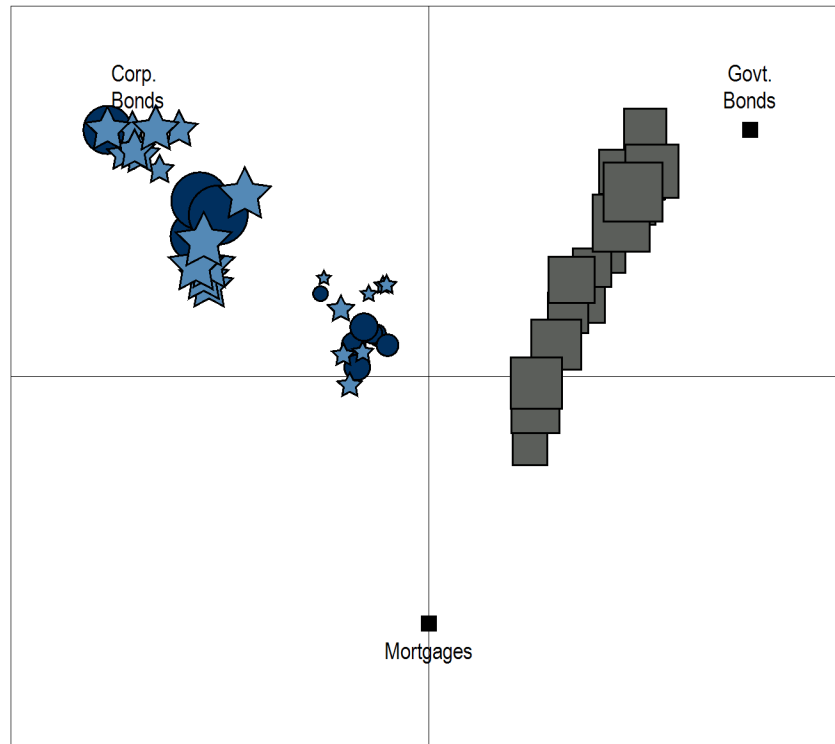
As of June 30, 2019

Prisma Capital Partners LP vs. Tactical Allocation Mstar MF



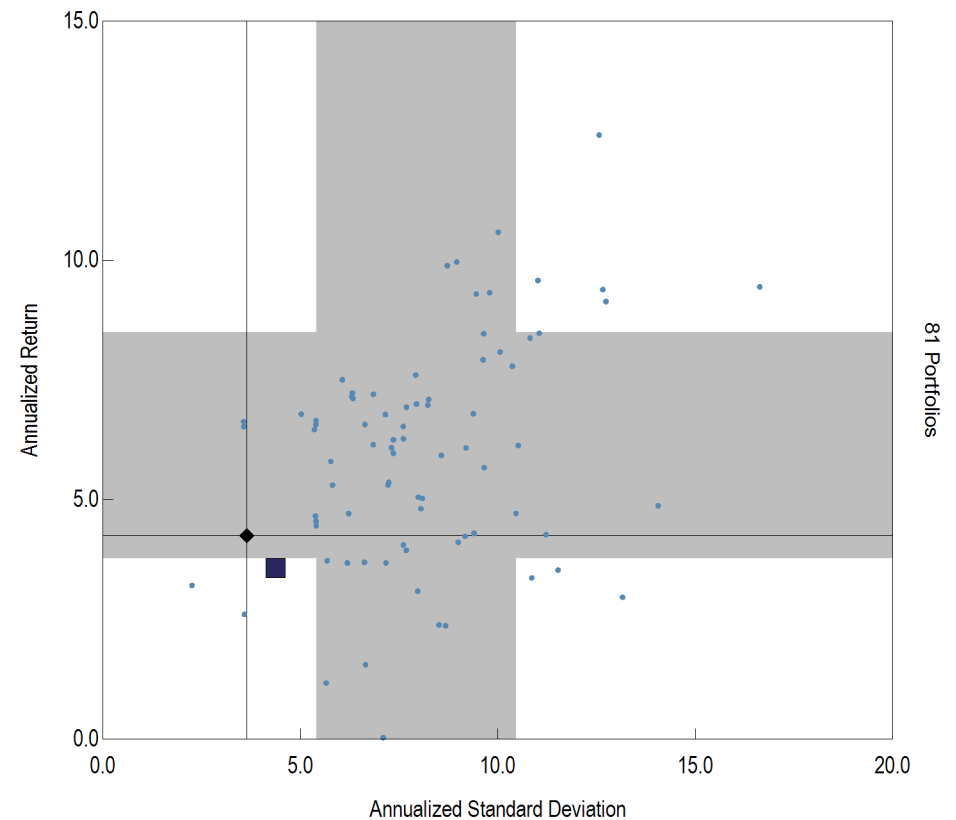
| | Return (Rank) | | | | | | | | | | | |
|--------------------------------------|---------------|-----------|-----------|-----------|-----------|-----------|-----------|------------|-----------|------------|-----------|-----------|
| 5th Percentile | 5.24 | 16.2 | 9.00 | 9.89 | 5.72 | 8.40 | 9.43 | -2.74 | 20.6 | 14.3 | 0.34 | 5.35 |
| 25th Percentile | 2.95 | 12.2 | 4.91 | 7.21 | 4.69 | 6.57 | 7.59 | -5.16 | 15.9 | 9.57 | -2.28 | 4.78 |
| Median | 2.17 | 9.88 | 2.22 | 6.14 | 3.81 | 5.36 | 7.20 | -7.15 | 13.0 | 6.36 | -5.71 | 3.86 |
| 75th Percentile | 1.37 | 6.03 | -0.65 | 4.27 | 1.58 | 4.26 | 6.25 | -9.55 | 9.76 | 4.23 | -8.49 | 3.63 |
| 95th Percentile | -0.90 | 2.60 | -6.00 | 2.39 | -1.12 | 1.68 | 4.04 | -13.0 | 6.16 | -2.39 | -13.6 | 2.91 |
| # of Portfolios | 87 | 87 | 85 | 81 | 67 | 45 | 20 | 83 | 87 | 88 | 89 | 16 |
| ● Prisma Capital Partners LP | 0.56 (85) | 4.82 (90) | 0.30 (70) | 3.57 (86) | 1.32 (80) | 3.56 (82) | 4.01 (97) | -4.25 (16) | 7.05 (90) | -1.24 (94) | 0.15 (6) | 2.88 (96) |
| ▲ HFRI Fund of Funds Composite Index | 1.50 (73) | 6.17 (73) | 1.16 (59) | 4.25 (76) | 2.19 (73) | 3.67 (81) | 3.21 (99) | -4.02 (15) | 7.77 (88) | 0.51 (92) | -0.27 (9) | 1.46 (99) |

3 Year Style Map



● Prisma Capital Partners LP
 ■ BBgBarc US Aggregate TR
 ★ HFRI Fund of Funds Composite Index

3 Year Risk/Return



■ Prisma Capital Partners LP
 ◆ HFRI Fund of Funds Composite Index
 ■ 68% Confidence Interval
 ● Tactical Allocation Mstar MF

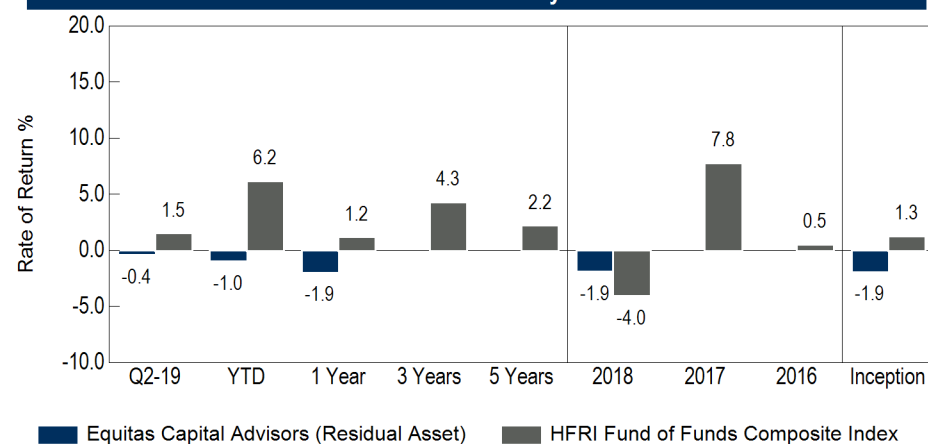
Equitas Capital Advisors (Residual Asset)

As of June 30, 2019

Account Information

| | |
|-------------------|---|
| Account Name | Equitas Capital Advisors (Residual Asset) |
| Account Structure | Hedge Fund |
| Investment Style | Active |
| Inception Date | 1/01/18 |
| Account Type | Alternatives |
| Benchmark | HFRI Fund of Funds Composite Index |
| Universe | Tactical Allocation Mstar MF |

Return Summary



Year Ending 2019 Risk/Return Statistics

| | Equitas Capital Advisors (Residual Asset) | HFRI Fund of Funds Composite Index |
|---|--|---------------------------------------|
| RETURN SUMMARY STATISTICS | | |
| Number of Periods | 12 | 12 |
| Maximum Return | 0.00 | 2.56 |
| Minimum Return | -0.44 | -2.92 |
| Annualized Return | -1.94 | 1.16 |
| Total Return | -1.94 | 1.16 |
| Annualized Excess Return Over Risk Free | -4.24 | -1.13 |
| Annualized Excess Return | -3.11 | 0.00 |

RISK SUMMARY STATISTICS

| | | |
|--------------------|-------|------|
| Beta | -0.01 | 1.00 |
| Upside Deviation | -- | 2.83 |
| Downside Deviation | 0.37 | 3.79 |

RISK/RETURN SUMMARY STATISTICS

| | | |
|----------------------------------|-------|-------|
| Annualized Standard Deviation | 0.42 | 5.14 |
| Alpha | -0.16 | 0.00 |
| Sharpe Ratio | -9.99 | -0.22 |
| Excess Return Over Market / Risk | -7.32 | 0.00 |
| Tracking Error | 5.20 | 0.00 |
| Information Ratio | -0.60 | -- |

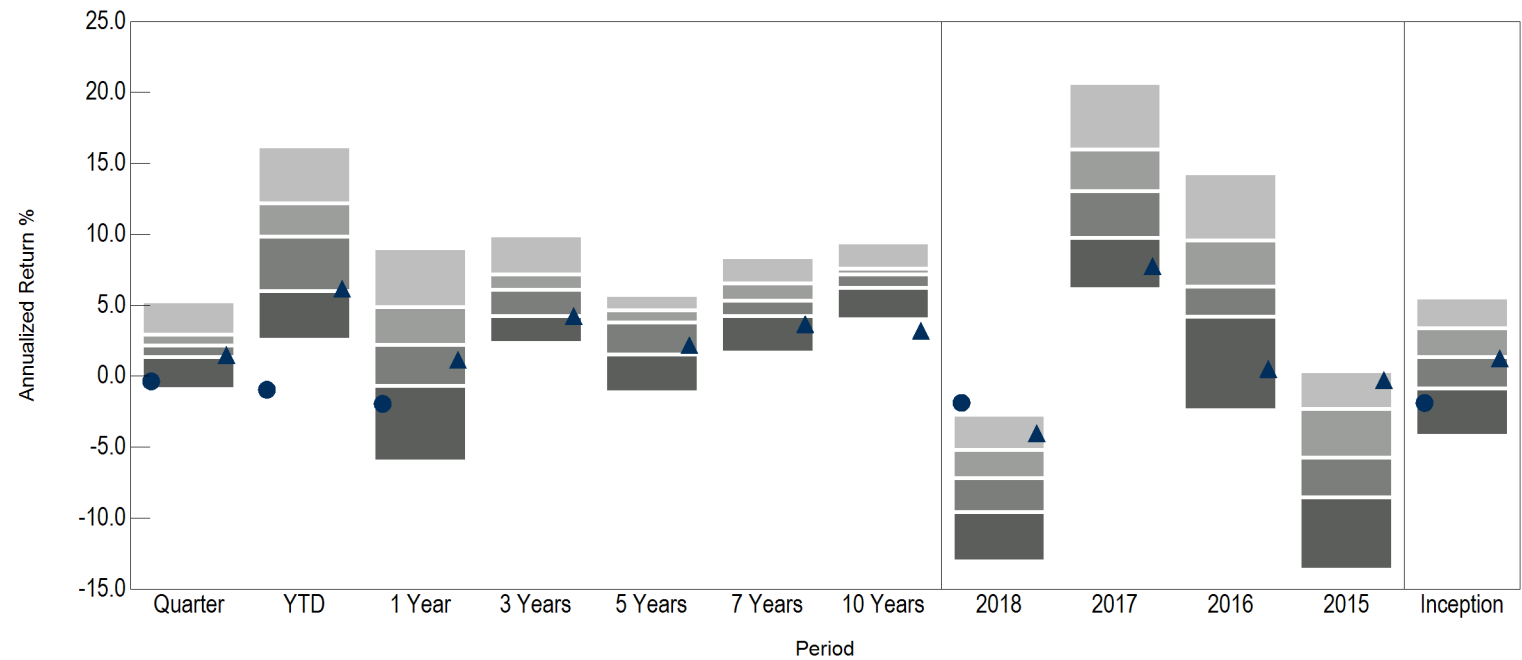
CORRELATION STATISTICS

| | | |
|-------------|-------|------|
| R-Squared | 0.01 | 1.00 |
| Correlation | -0.10 | 1.00 |

Summary Of Cash Flows

| | Second Quarter | Year-To-Date | One Year | Inception 1/1/18 |
|------------------------|----------------|--------------|----------|---------------------|
| Beginning Market Value | \$18,685 | \$18,796 | \$22,491 | \$22,687 |
| Contributions | \$2 | \$5 | \$12 | \$12 |
| Withdrawals | -\$2 | -\$6 | -\$3,501 | -\$3,501 |
| Net Cash Flow | \$0 | -\$1 | -\$3,489 | -\$3,489 |
| Net Investment Change | -\$65 | -\$174 | -\$381 | -\$577 |
| Ending Market Value | \$18,620 | \$18,620 | \$18,620 | \$18,620 |

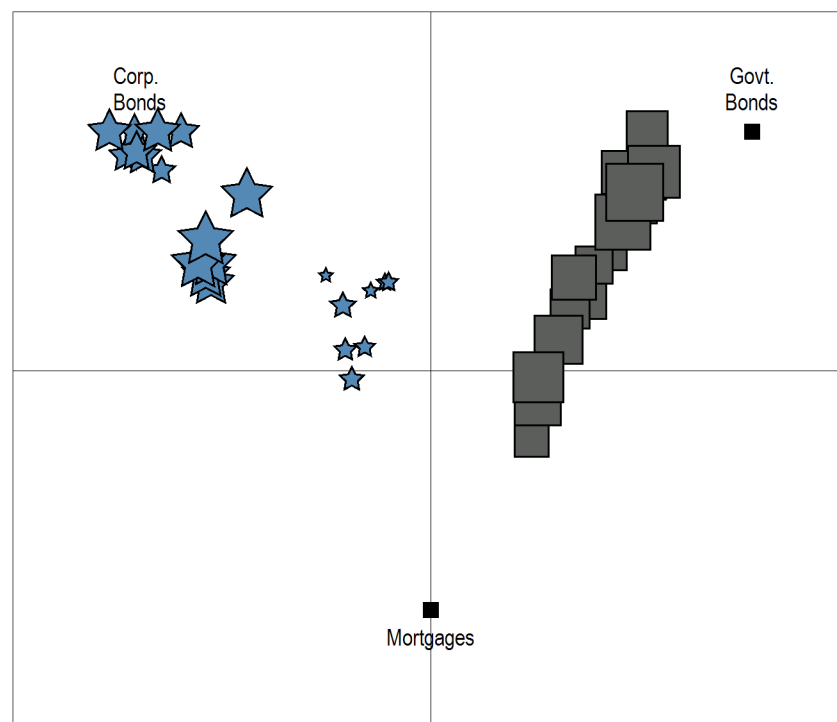
Equitas Capital Advisors (Residual Asset) vs. Tactical Allocation Mstar MF



| | Return (Rank) | | | | | | | | | | | |
|---|---------------|------------|------------|-----------|-----------|-----------|-----------|------------|-----------|-----------|-----------|------------|
| 5th Percentile | 5.24 | 16.2 | 9.00 | 9.89 | 5.72 | 8.40 | 9.43 | -2.74 | 20.6 | 14.3 | 0.34 | 5.51 |
| 25th Percentile | 2.95 | 12.2 | 4.91 | 7.21 | 4.69 | 6.57 | 7.59 | -5.16 | 15.9 | 9.57 | -2.28 | 3.39 |
| Median | 2.17 | 9.88 | 2.22 | 6.14 | 3.81 | 5.36 | 7.20 | -7.15 | 13.0 | 6.36 | -5.71 | 1.36 |
| 75th Percentile | 1.37 | 6.03 | -0.65 | 4.27 | 1.58 | 4.26 | 6.25 | -9.55 | 9.76 | 4.23 | -8.49 | -0.85 |
| 95th Percentile | -0.90 | 2.60 | -6.00 | 2.39 | -1.12 | 1.68 | 4.04 | -13.0 | 6.16 | -2.39 | -13.6 | -4.18 |
| # of Portfolios | 87 | 87 | 85 | 81 | 67 | 45 | 20 | 83 | 87 | 88 | 89 | 84 |
| ● Equitas Capital Advisors (Residual Asset) | -0.36 (93) | -0.95 (99) | -1.94 (82) | -- (--) | -- (--) | -- (--) | -- (--) | -1.87 (1) | -- (--) | -- (--) | -- (--) | -1.88 (82) |
| ▲ HFRI Fund of Funds Composite Index | 1.50 (73) | 6.17 (73) | 1.16 (59) | 4.25 (76) | 2.19 (73) | 3.67 (81) | 3.21 (99) | -4.02 (15) | 7.77 (88) | 0.51 (92) | -0.27 (9) | 1.26 (52) |

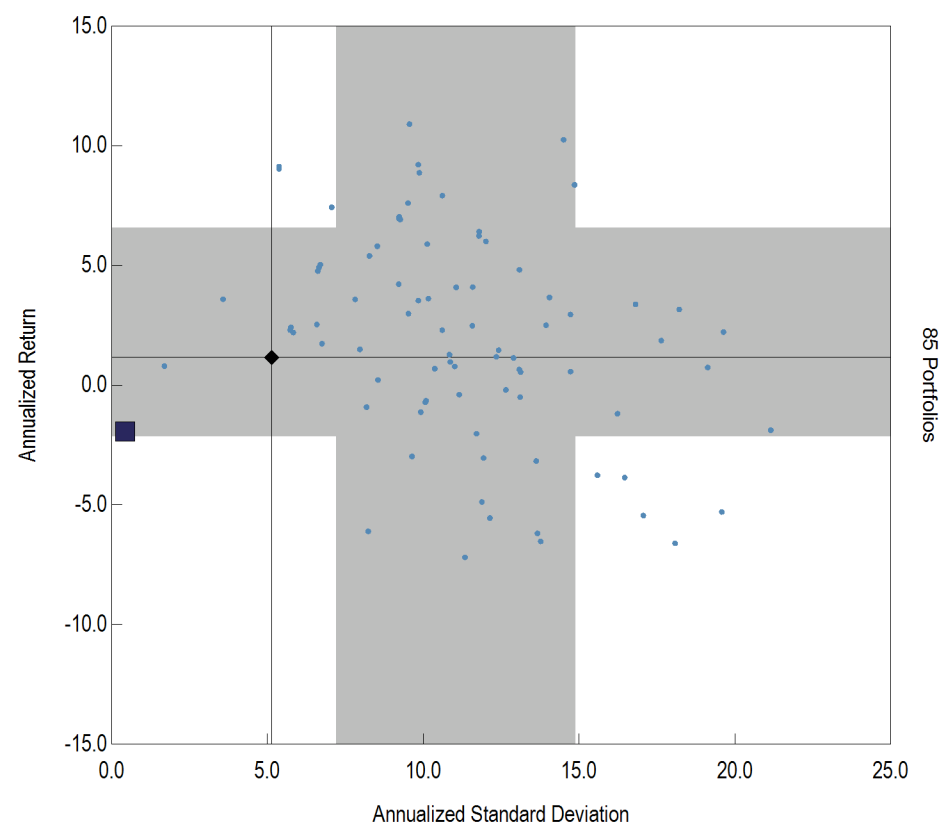
As of June 30, 2019

3 Year Style Map



- Equitas Capital Advisors (Residual Asset)
- BBgBarc US Aggregate TR
- ★ HFRI Fund of Funds Composite Index

Year Ending 2019 Risk/Return

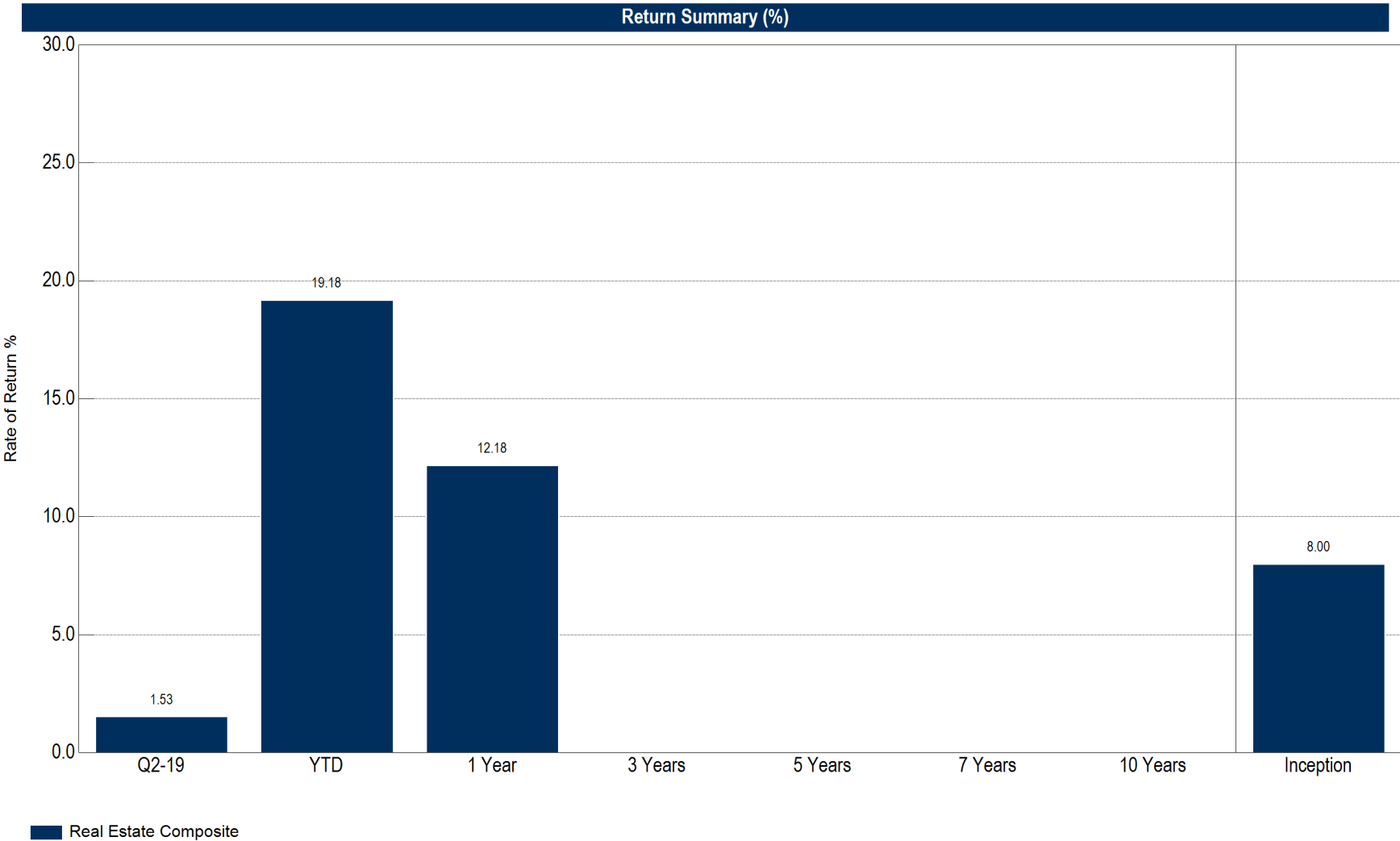


- Equitas Capital Advisors (Residual Asset)
- ◆ HFRI Fund of Funds Composite Index
- 68% Confidence Interval
- Tactical Allocation Mstar MF

Real Estate Composite Investment Analysis

Real Estate Composite Performance

As of June 30, 2019



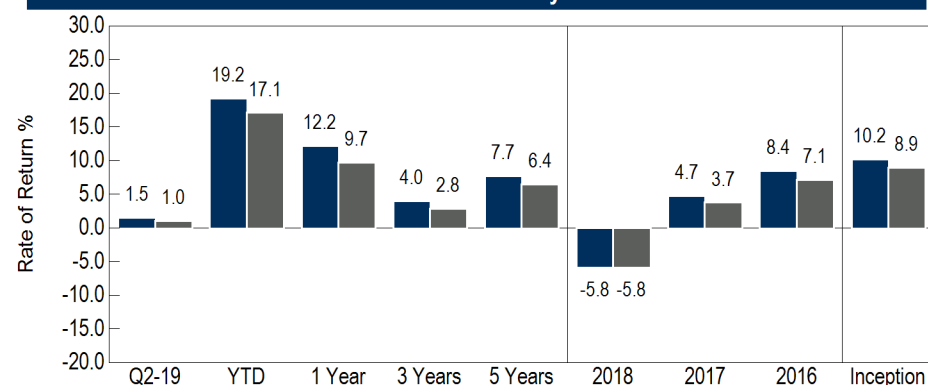
Vanguard Real Estate ETF

As of June 30, 2019

Account Information

| | |
|-------------------|--------------------------|
| Account Name | Vanguard Real Estate ETF |
| Account Structure | Separate Account |
| Investment Style | Passive |
| Inception Date | 5/01/10 |
| Account Type | Real Estate |
| Benchmark | MSCI US REIT |
| Universe | Real Estate MStar MF |

Return Summary



■ Vanguard Real Estate ETF ■ MSCI US REIT

3 Year Risk/Return Statistics

| | Vanguard Real Estate ETF | MSCI US REIT |
|---|--------------------------|--------------|
| RETURN SUMMARY STATISTICS | | |
| Number of Periods | 36 | 36 |
| Maximum Return | 11.85 | 11.72 |
| Minimum Return | -7.84 | -8.38 |
| Annualized Return | 3.96 | 2.81 |
| Total Return | 12.37 | 8.67 |
| Annualized Excess Return Over Risk Free | 2.61 | 1.46 |
| Annualized Excess Return | 1.15 | 0.00 |

RISK SUMMARY STATISTICS

| | | |
|--------------------|------|------|
| Beta | 0.99 | 1.00 |
| Upside Deviation | 9.25 | 9.06 |
| Downside Deviation | 8.84 | 9.00 |

RISK/RETURN SUMMARY STATISTICS

| | | |
|----------------------------------|-------|-------|
| Annualized Standard Deviation | 13.22 | 13.26 |
| Alpha | 0.09 | 0.00 |
| Sharpe Ratio | 0.20 | 0.11 |
| Excess Return Over Market / Risk | 0.09 | 0.00 |
| Tracking Error | 1.00 | 0.00 |
| Information Ratio | 1.15 | -- |

CORRELATION STATISTICS

| | | |
|-------------|------|------|
| R-Squared | 0.99 | 1.00 |
| Correlation | 1.00 | 1.00 |

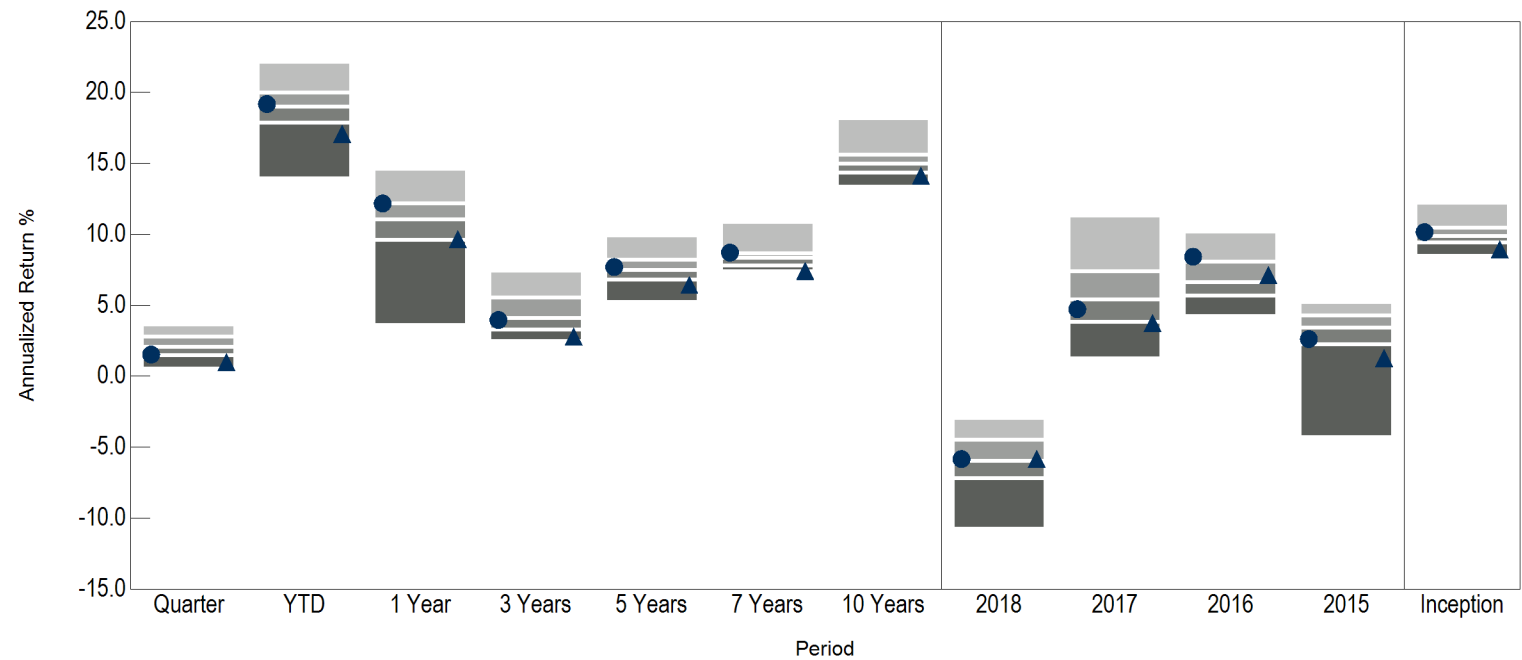
Summary Of Cash Flows

| | Second Quarter | Year-To-Date | One Year | Three Years | Five Years | Inception 5/1/10 |
|------------------------|----------------|--------------|-------------|-------------|-------------|---------------------|
| Beginning Market Value | \$7,498,696 | \$6,473,597 | \$7,043,155 | \$4,811,102 | \$4,043,566 | \$3,208,661 |
| Contributions | \$816 | \$2,035 | \$4,304 | \$4,304 | \$4,304 | \$4,304 |
| Withdrawals | -\$816 | -\$89,685 | -\$259,950 | -\$435,517 | -\$435,517 | -\$435,517 |
| Net Cash Flow | \$0 | -\$87,650 | -\$255,646 | -\$255,646 | -\$255,646 | -\$255,646 |
| Net Investment Change | \$115,520 | \$1,228,270 | \$826,707 | \$3,058,760 | \$3,826,296 | \$4,661,201 |
| Ending Market Value | \$7,614,216 | \$7,614,216 | \$7,614,216 | \$7,614,216 | \$7,614,216 | \$7,614,216 |

Vanguard Real Estate ETF

As of June 30, 2019

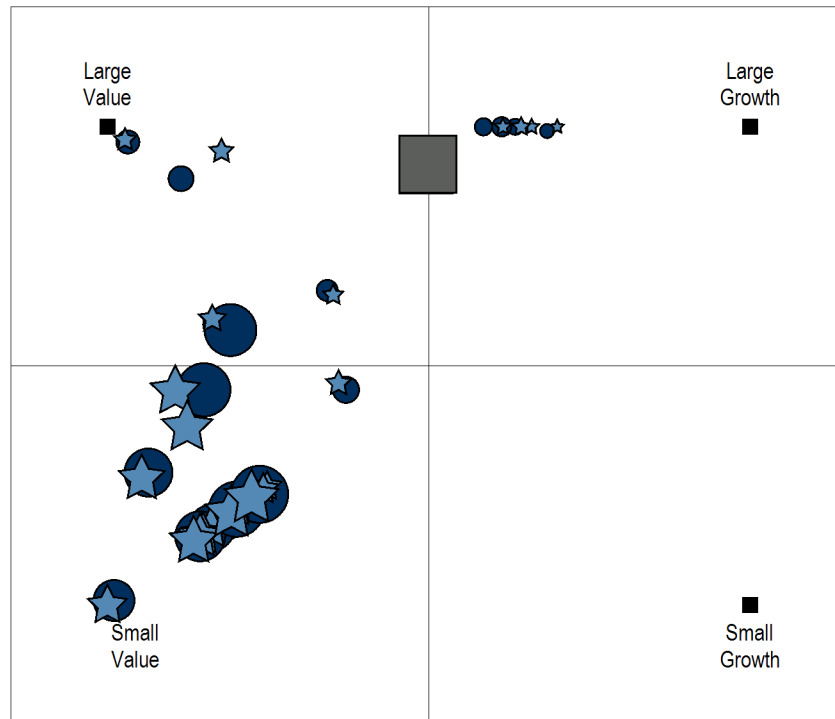
Vanguard Real Estate ETF vs. Real Estate MStar MF



| | Return (Rank) | | | | | | | | | | | |
|----------------------------|---------------|-----------|-----------|-----------|-----------|-----------|-----------|------------|-----------|-----------|-----------|-----------|
| 5th Percentile | 3.61 | 22.1 | 14.5 | 7.42 | 9.92 | 10.8 | 18.1 | -2.96 | 11.3 | 10.1 | 5.20 | 12.2 |
| 25th Percentile | 2.82 | 20.0 | 12.2 | 5.57 | 8.26 | 8.69 | 15.6 | -4.46 | 7.45 | 8.09 | 4.31 | 10.5 |
| Median | 2.08 | 19.0 | 11.0 | 4.12 | 7.53 | 8.36 | 15.0 | -5.93 | 5.44 | 6.66 | 3.47 | 9.91 |
| 75th Percentile | 1.51 | 17.8 | 9.62 | 3.32 | 6.85 | 7.82 | 14.3 | -7.13 | 3.86 | 5.69 | 2.29 | 9.46 |
| 95th Percentile | 0.55 | 13.9 | 3.63 | 2.53 | 5.25 | 7.41 | 13.3 | -10.7 | 1.27 | 4.28 | -4.28 | 8.52 |
| # of Portfolios | 70 | 70 | 69 | 66 | 65 | 57 | 50 | 67 | 68 | 64 | 63 | 53 |
| ● Vanguard Real Estate ETF | 1.53 (75) | 19.1 (41) | 12.1 (27) | 3.96 (55) | 7.70 (41) | 8.71 (25) | -- (--) | -5.84 (48) | 4.73 (61) | 8.42 (19) | 2.62 (67) | 10.1 (45) |
| ▲ MSCI US REIT | 0.99 (89) | 17.0 (83) | 9.66 (73) | 2.81 (90) | 6.44 (82) | 7.41 (95) | 14.1 (81) | -5.83 (48) | 3.74 (78) | 7.14 (38) | 1.28 (88) | 8.94 (92) |

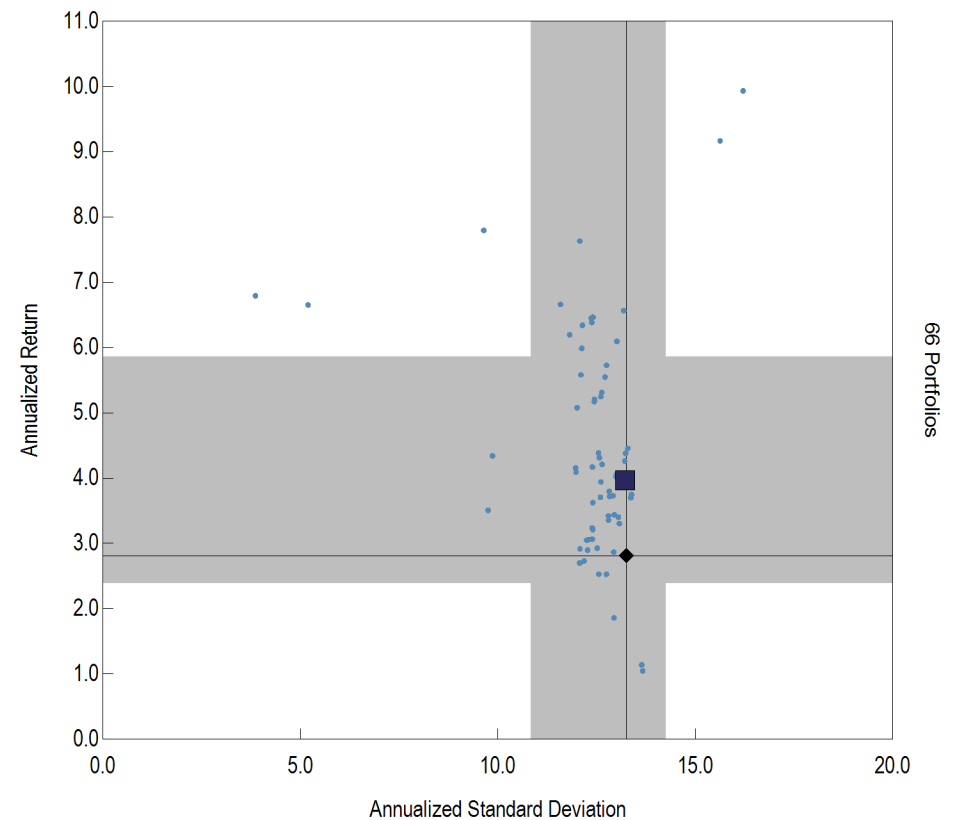
As of June 30, 2019

3 Year Style Map



● Vanguard Real Estate ETF ★ MSCI US REIT
 ■ Dow Jones U.S. Total Stock Market

3 Year Risk/Return



■ Vanguard Real Estate ETF ■ 68% Confidence Interval
 ◆ MSCI US REIT ● Real Estate MStar MF

IMPORTANT DISCLOSURES

This information is provided for your convenience, but should not be used as a substitute for your account's monthly statements and trade confirmations. Material is provided for informational purposes only and does not constitute a recommendation. It has been gathered in a manner which we believe to be reliable, but accuracy is not guaranteed. It is not intended as tax advice. Past performance does not guarantee future results.

Diversification and strategic asset allocation does not ensure a profit or protect against a loss. No investment strategy can guarantee success. Investments are subject to market risk, including possible loss of principal.

Investing in small and mid-cap stocks are riskier investments which include price volatility, less liquidity and the threat of competition. International investing involves additional risks such as currency fluctuations, differing financial accounting standards and possible political and economic instability. These risks are greater in emerging markets. Alternative investment strategies involve greater risks and are only appropriate for the most sophisticated, knowledgeable and wealthiest of investors. Managed futures involve specific risks that maybe greater than those associated with traditional investments and may be offered only to clients who meet specific suitability requirements, including minimum net worth tests. You should consider the special risks with alternative investments including limited liquidity, tax considerations, incentive fee structures, potentially speculative investment strategies, and different regulatory and reporting requirements. Commodities are generally considered speculative because of the significant potential for investment loss. REITs are financial vehicles that pool investors' capital to purchase or finance real estate. REITs involve risks such as refinancing, economic conditions in the real estate industry, changes in property values and dependency on real estate management.

Alternative investments such as Hedge Funds involve substantial risks that may be greater than those associated with traditional investments and are not suitable for all investors. They may be offered only to clients who meet specific suitability requirements, including minimum-net-worth tests. These risks include, but are not limited to, limited liquidity, tax considerations, incentive fee structures, potentially speculative investment strategies, and different regulatory and reporting requirements. Investors should only invest in hedge funds if they do not require a liquid investment and can bear the risk of substantial losses. There is no assurance that any investment will meet its investment objectives or that substantial losses will be avoided. Investors should carefully review any offering materials or prospectuses prior to investing. A Non marketable security is typically a debt security, that is difficult to buy or sell due to the fact that they are not traded on any normal, major secondary market exchanges. Such securities, if traded in any secondary market, are usually only bought and sold through private transactions or in an over-the-counter (OTC) market. For the holder of a non-marketable security, finding a buyer can be difficult, and some non-marketable securities cannot be resold at all because government regulations prohibit any resale.

Performance: Performance results are annualized for time periods greater than one year and include all cash and cash equivalents, realized and unrealized capital gains and losses, and dividends, interest and income. The investment results depicted herein represent historical performance. As a result of recent market activity, current performance may vary from the figures shown. Please contact your Financial Advisor for up to date performance information.

Indices: Raymond James reserve the right to change the indices at any time. Benchmark indices and blends included in this material are for informational purposes only, are provided solely as a comparison tool and may not reflect the underlying composition and/or investment objective(s) associated with the account(s). In some circumstances, the benchmark index may not be an appropriate benchmark for use with the specific composite portfolio. For instance, an index may not take into consideration certain changes that may have occurred in the portfolio since the inception of the account(s), (e.g., changes from a brokerage to an advisory account or from one advisory program to another, asset class changes, or index changes for individual managers). The volatility of the index used for comparison may be materially different from that of the performance shown. Indices are unmanaged and not available for direct investment. Index returns do not take into account fees or other charges. Such fees and charges would reduce performance. Please see the Benchmark Definitions section of this material for additional information on the indices used for comparison.

Performance Inception Month End: Performance Inception Month End refers to performance calculated from the end of the month in which the accounts became eligible for performance. Calculating performance from the Performance Inception Month End allows for a comparison to be made to appropriate benchmarks. Performance Inception Month End does not necessarily correspond to the account opening date.

Realized/Unrealized Gain/Loss: The gain and loss information is provided for informational purposes only, may not be complete, is not a substitute 1099 form (or any other appropriate tax form), and should not be used for tax planning or preparation. Gain and loss values are estimates and should be independently verified. We are not responsible for any gain and loss information provided by you or another financial institution. You are responsible for ensuring the accuracy of such information.

Projected 12 Month Income: Projected Next 12 Months income includes cash income such as interest and cash dividends, based on current yields and may include income from Raymond James & Associates, Inc. and externally held accounts where data is available. These are projections based on historical data and the actual income may be lower or higher than the projections. Raymond James & Associates, Inc. member New York Stock Exchange/SIPC. Investment advisory services offered through Raymond James & Associates.

Investors should consider the investment objectives, risks, charges and expenses of an investment company carefully before investing. The prospectus contains this and other information and should be read carefully before investing. The prospectus is available from your investment professional.

Index Descriptions

It is not possible to invest directly in an index.

31 Day T-Bills – The average discount rate at which the US government is issuing short term-debt.

BBgBarc Municipal Bond: 1-10 Year Blend - A component of the BBgBarc Capital Municipal Bond Index with municipal bonds in the 1-10 year blend (1-12) maturity range.

BBgBarc 1-5 Government/Credit - BBgBarc 1-5 Year Government/Credit Index: Includes all medium and larger issues of U.S. government, investment-grade corporate, and investment-grade international dollar-denominated bonds that have maturities of between 1 and 5 years and are publicly issued.

BBgBarc 1-5 Year Government - An inclusion of securities within the BBgBarc Government Index that have a maturity range from 1 up to (but not including) 5 years.

BBgBarc 1-5 Year Treasury - The 1-5 year component of the BBgBarc Capital U.S. Treasury Index with securities in the maturity range from 1 year up to (but not including) 5 years.

BBgBarc Credit 1-3 Year - BBgBarc 1-5 Year Credit Index: Includes all medium and larger issues of U.S. government, investment-grade corporate, and investment-grade international dollar denominated bonds that have maturities of between 1 and 3 years and are publicly issued.

BBgBarc U.S. Government/Credit (BCGC) - The Government/Credit component of the U.S. Aggregate. The government portion includes treasuries (public obligations of the U.S. Treasury that have remaining maturities of more than one year) and agencies (publicly issued debt of the U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government). The credit portion includes publicly issued U.S. corporate and foreign debentures and secured notes that meet specified maturity, liquidity, and quality requirements. Must be a publicly issued, dollar-denominated and non-convertible, U.S. Government or Investment Grade Credit security. Must be rated investment-grade (Baa3/BBB- or higher) by at least two of the following rating agencies: Moody's, S&P, Fitch; regardless of call features, have at least one year to final maturity, and have an outstanding par value amount of at least \$250 million.

BBgBarc Intermediate U.S. Government/Credit (BCIGC) - The intermediate component of the BBgBarc Capital Government/Credit Index with securities in the maturity range from 1 up to (but not including) 10 years.

BBgBarc Global Aggregate - The index is designed to be a broad based measure of the global investment-grade, fixed rate, fixed income corporate markets. The major components of this index are the US Aggregate, Pan-European Aggregate, and the Asian-Pacific Aggregate Indices. The index also includes Eurodollar and Euro-Yen corporate bonds, Canadian government, agency and corporate securities.

BBgBarc Global Aggregate Intermediate - The intermediate component of the BBgBarc Global Aggregate index with securities in the maturity range from 1 up to (but not including) 10 years.

BBgBarc U.S. Government: Intermediate - The intermediate component of the BBgBarc Capital U.S. Government Index with securities in the maturity range from 1 up to (but not including) 10 years.

BBgBarc U.S. Government: Long - The long component of the BBgBarc Capital U.S. Government Index with securities in the maturity range from 10 years or more.

BBgBarc LT Muni - A component of the BBgBarc Capital Municipal Bond Index with municipal bonds with a maturity range greater than 20 years.

BBgBarc Municipal Bond Index - A rules-based, market-value weighted index that is engineered for the long-term tax-exempt bond market. Bonds must be rated investment-grade (Baa3/BBB- or higher) by at least two of the following rating agencies: Moody's, S&P, Fitch. The bonds must be fixed rate, have a dated-date after December 31, 1990, have an outstanding par value of at least \$7million, and be issued as part of a transaction of at least \$75 million. The four main sectors of the index are: general obligation bonds, revenue bonds, insured bonds (including all insured bonds with a Aaa/AAA rating), and prefunded bonds. Remarketed issues, taxable municipal bonds, floating rate bonds, and derivatives, are excluded from the benchmark.

BBgBarc U.S. Treasury - A component of the U.S. Government Index. Must be publicly issued, dollar-denominated and non-convertible, fixed rate (although it may carry a coupon that steps up or changes according to a predetermined schedule) U.S. Treasury security. Must be rated investment-grade (Baa3/BBB- or higher) by at least two of the following rating agencies: Moody's, S&P, Fitch; regardless of call features, have at least one year to final maturity, and have an outstanding par value amount of at least \$250 million.

BBgBarc U.S. Treasury: Intermediate (BCIT) - The intermediate component of the BBgBarc Capital U.S. Treasury Index with securities in the maturity range from 1 year (but not including) 10 years.

BBgBarc U.S. Treasury: Long - The long component of the BBgBarc Capital U.S. Treasury Index with securities in the maturity range from 10 years or more.

BBgBarc U.S. Treasury: U.S. TIPS - Comprised of Inflation-Protection securities issued by the U.S. Treasury. Must be a fixed rate, publicly issued U.S. Treasury Inflation Note that is dollar-denominated and non-convertible. Must be rated investment-grade (Baa3/BBB- or higher) by at least two of the following rating agencies: Moody's, S&P, Fitch; have at least one year to final maturity, and have an outstanding par value amount of at least \$250 million.

BBgBarc High Yield Composite BB - A component of the BBgBarc U.S. Corporate High Yield Bond Index with bonds in the BB or better.

FTSE 1-3 Year U.S. Treasury - Component of the FTSE U.S. Treasury that measures total returns for U.S. Treasuries with a maturity between 1-3 years.

FTSE 3 Month U.S. Treasury Bill - This index measures monthly return equivalents of yield averages that are not marked to market. The Three-Month Treasury Bill Indices consist of the last three three-month Treasury bill issues.

FTSE World Government Bond - FTSE World Government Bond Index (WGBI), includes the most significant and liquid government bond markets globally that carry at least an investment grade rating.

FTSE World Government Bond ex US – Similar to the FTSE World Government Bond Index (WGBI), includes the most significant and liquid government bond markets globally that carry at least an investment grade rating but excludes bonds from the United States.

Consumer Price Index - All Urban Consumers (CPI-U) - As an economic indicator, and as the most widely used measure of inflation, the Consumer Price Index (CPI) is an indicator of the effectiveness of government policy, and as a guide in making economic decisions for business executives, labor leaders, and other private citizens. Published on a monthly basis by the U.S. Bureau of Labor Statistics (BLS), the CPI is a measure of the average change in prices over time of goods and services purchased by households. CPI for All Urban Consumers (CPI-U) encompasses approximately 87 percent of the total U.S. population which includes, in addition to wage earner and clerical worker households, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force.

Dow Jones UBS Commodity - Provides a diversified representation of commodity markets as an asset class. The index is comprised of exchange-traded futures on physical commodities; representing 19 commodities which are weighted for economic significance and market liquidity. To promote diversification, weighting restrictions are placed on individual commodities and commodity groups.

FTSE NAREIT U.S. Real Estate - All REITs - The index is designed to represent a comprehensive performance of publicly traded REITs which covers the commercial real estate space across the US economy, offering exposure to all investment and property sectors. It is not free float adjusted, and constituents are not required to meet minimum size and liquidity criteria.

HFRI Equity Hedge Fund Index - The index is designed to represent strategies which maintain positions both long and short in primarily equity and equity derivative securities. A wide variety of investment processes can be employed to arrive at an investment decision, including both quantitative and fundamental techniques; strategies can be broadly diversified or narrowly focused on specific sectors and can range broadly in terms of levels of net exposure, leverage employed, holding period, concentrations of market capitalizations and valuation ranges of typical portfolios. Equity Hedge managers would typically maintain at least 50% exposure to, and may in some cases be entirely invested in, equities - both long and short.

HFRI (Hedge Fund Research, Inc.) Fund of Funds Composite Index (1) - The index only contains fund of funds, which invest with multiple managers through funds or managed accounts. It is an equalweighted index, which includes over 650 domestic and offshore funds that have at least \$50 Million under management or have been actively trading for at least 12 months. All funds report assets in US Dollar, and Net of All Fees returns which are on a monthly basis.

MSCI ACWI - A free float-adjusted market capitalization index that is designed to measure the equity market performance of both developed and emerging markets. This "All Country World Index" reflects performance across the Americas, Europe & the Middle East, Africa, Asia, and the Pacific.

MSCI EAFE - A free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. and Canada. As of December 31, 2010 the MSCI EAFE Index consists of 22 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom.

MSCI EAFE Value -Net Dividend - A free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. and Canada. Value attribute for index construction is defined using: book value to price ratio, 12-months forward earnings to price ratio, and dividend yield. Net total return indices reinvest dividends after the deduction of withholding taxes, using (for international indices) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

MSCI EAFE Growth -Net Dividend - A free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. and Canada. Growth attribute for index construction is defined using: long-term forward earnings per share (EPS) growth rate, short-term forward EPS growth rate, current internal growth rate, long-term historical EPS growth trend, long-term historical sales per share growth trend. Net total return indices reinvest dividends after the deduction of withholding taxes, using (for international indices) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

MSCI Emerging Markets - A free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. As of December 31, 2010, the MSCI Emerging Markets Index consists of the following 21 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey.

MSCI World - A free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. As of December 31, 2010, the MSCI World Index consists of the following 24 developed market country indices: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom, and the United States.

NCREIF - The index is a quarterly time series composite total rate of return measure of investment performance of a very large pool of individual commercial real estate properties acquired in the private market for investment purposes only. Information on this index is available at ncreif.com.

Russell 1000 - Based on a combination of their market cap and current index membership, this index is comprised of approximately 1,000 of the largest securities from the Russell 3000. Representing approximately 92% of the Russell 3000, the index is created to provide a full and unbiased indicator of the large cap segment.

Russell 1000 Growth - Measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 1000 Value - Measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower expected growth values.

Russell 2000 - Based on a combination of their market cap and current index membership, this index is comprised of approximately 2,000 of the smaller securities from the Russell 3000. Representing approximately 8% of the Russell 3000, the index is created to provide a full and unbiased indicator of the small cap segment.

Russell 2000 Growth - Measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 2000 Value - Measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower expected growth values.

Russell 2500 - Based on a combination of their market cap and current index membership, this index is comprised of approximately 2,500 of the smallest securities from the Russell 3000. Measures the performance of the small to mid-cap (smid) segment of the U.S. equity universe.

Russell 2500 Growth - Measures the performance of those Russell 2500 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 2500 Value - Measures the performance of those Russell 2500 companies with lower price-to-book ratios and lower expected growth values.

Russell 3000 - Representing approximately 98% of the investable U.S. equity market, the Russell 3000 index measures the performance of the largest 3,000 U.S. companies.

Russell 3000 Growth - Measures the performance of the broad growth segment of the U.S. equity universe which includes Russell 3000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 3000 Value - Measures the performance of the broad growth segment of the U.S. equity universe which includes Russell 3000 companies with lower price-to-book ratios and lower forecasted growth values.

Russell Midcap - A subset of the Russell 1000 index, the Russell Midcap index measures the performance of the mid-cap segment of the U.S. equity universe. Based on a combination of their market cap and current index membership, includes approximately 800 of the smallest securities which represents approximately 27% of the total market capitalization of the Russell 1000 companies. The index is created to provide a full and unbiased indicator of the mid-cap segment.

Russell Midcap Growth - Measures the performance of those Russell Mid-cap companies with higher price-to-book ratios and higher forecasted growth values.

Russell Midcap Value - Measures the performance of those Russell Mid-cap companies with lower price-to-book ratios and lower expected growth values.

Standard & Poor's 400 MidCap - Comprised of 400 domestic stocks that are chosen based upon market capitalization, liquidity and industry representation. The medium size US firms range with a market capitalization between \$2 billion to \$10 billion, and are between the S&P 500 Index and the S&P Smallcap 600 Index. It is a market-weighted index, which represents approximately 7% of the aggregate market value of US companies.

Standard & Poor's 500 - Representing approximately 75% of the investable US equity market, the S&P 500 measures changes in stock market conditions based on the average performance of 500 widely held common stocks. It is a market-weighted index calculated on a total return basis with dividend reinvested.

Stark 300 Trader - The Stark 300 index tracks the performance of the top-300 futures and forex traders. The index is calculated monthly using an equity-weighted formula to determine performance.

Index Abbreviations

Bloomberg Barclays – Abbreviated as BBgBarc and then a descriptor. For example BBgBarc US Aggregate TR is the Bloomberg Barclays United States Aggregate Total Return.

Statistics and General Definitions

Alpha – Measures how well a portfolio performed versus its benchmark after factoring in the amount of risk (as measured by beta) taken. Technically, alpha is the difference between the excess return of a portfolio and the excess return of the benchmark multiplied by beta. Excess return is simply the actual return minus the return of the risk-free asset, U.S. Treasury Bill. A positive alpha indicates the portfolio has performed better than the benchmark on a risk-adjusted basis.

Allocation Effect – Attributable to the asset allocation of the portfolio.

Annual Standard Deviation – A measure of variability in returns. The annual standard deviation measures the dispersion of annual returns around the average annualized return.

Annualized Return – A statistical technique whereby returns covering periods greater than one year are converted to cover a one year period.

Attribution – Analytical technique used to evaluate the performance of the portfolio relative to a benchmark. Attribution shows where value was added or subtracted as a result of the investment manager's decisions. The four main attribution effects are: Selection or Manager Effect, Allocation Effect, Currency Effect, and Interaction Effect.

Beta – A coefficient measuring a portfolio's relative volatility with respect to its market. Technically, beta is the covariance of a portfolio's return with the benchmark portfolio's return divided by the variance of the benchmark portfolio's return. Thus, a portfolio with a beta greater than 1.00, indicates the portfolio experienced greater volatility than the benchmark, whereas a portfolio with a beta less than 1.00, indicates the portfolio experienced less volatility than the benchmark.

Commitments – Also called Committed Capital. The amount an investor has agreed to contribute towards the funding of a venture capital fund. May be paid at one time or over a longer period.

Consumer Price Index – Measures the change in consumer prices, as determined by a monthly survey of the U.S. Bureau of Labor Statistics. CPI components include housing costs, food, transportation and electricity.

Correlation – Measures the strength of association between two variables. The value ranges between -1 and +1. The strongest linear relationship is indicated by a correlation of -1 or +1. The weakest linear relationship is indicated by a correlation of 0. Positive correlation means if one variable gets bigger, the other variable tends to get bigger. Negative correlation means that if one variable gets bigger, the other variable tends to get smaller.

Currency Effect – The effect that changes in currency exchange rates over time affect excess performance

Downside Capture Ratio – Measures investment manager's performance in down markets relative to a particular benchmark. A down-market is defined as those periods (months or quarters) in which market return is less than 0%.

Duration – A measure of the price sensitivity of a bond or bond portfolio to a change in interest rates.

Information Ratio – Describes the risk / reward trade-off of alpha and tracking error. Because the formula for calculating information ratio is Alpha divided by Tracking Error, the larger the information ratio, the more attractive the portfolio is from an overall risk return profile.

Interaction Effect – The portion that is not accounted for by the Selection/Manager Effect or Allocation effects.

R2 – Also called the coefficient of determination. On the detail page, R2 measures how much of the variation in the investment manager's returns can be explained by movements in the market (benchmark).

Sharpe Ratio – A risk-adjusted measure calculated using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe ratio, the better the manager's historical risk-adjusted performance.

Selection or Manager Effect – attributable to the investment manager's stock selection decisions

Tracking Error – A measure that describes the volatility of the expected excess return (alpha) achieved through active management. Since excess return can only be achieved through a portfolio that actively differs from the benchmark, the level of tracking error is indicative of how different the portfolio will perform relative to any given benchmark.

Upside Capture Ratio – Measures investment manager's performance in up markets relative to a particular benchmark. An up-market is defined as those periods (months or quarters) in which market return is greater than 0%.

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SEWERAGE & WATER BOARD of NEW ORLEANS
EMPLOYEES' RETIREMENT SYSTEM

Pension Committee Meeting

August 14, 2019



FFC INVESTMENT ADVISORS

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Consultant's Presentation 08/14/2019



- Raymond James Q2-2019 Capital Markets Review (*information item*)
- Q2-2019 Plan Comparative Performance Analysis Report (*information item*)
 - Economic & Capital Market Commentary (presentation)
 - SWBNO DB Plan Q2-2019 Performance Review (presentation)
- BHMS U.S. Large Cap Equity Portfolio Review (presentation)
 - Kirby Smith, CFA: Director/Client Portfolio Manager



CAPITAL MARKETS REVIEW

REVIEWING THE QUARTER ENDED JUNE 30, 2019

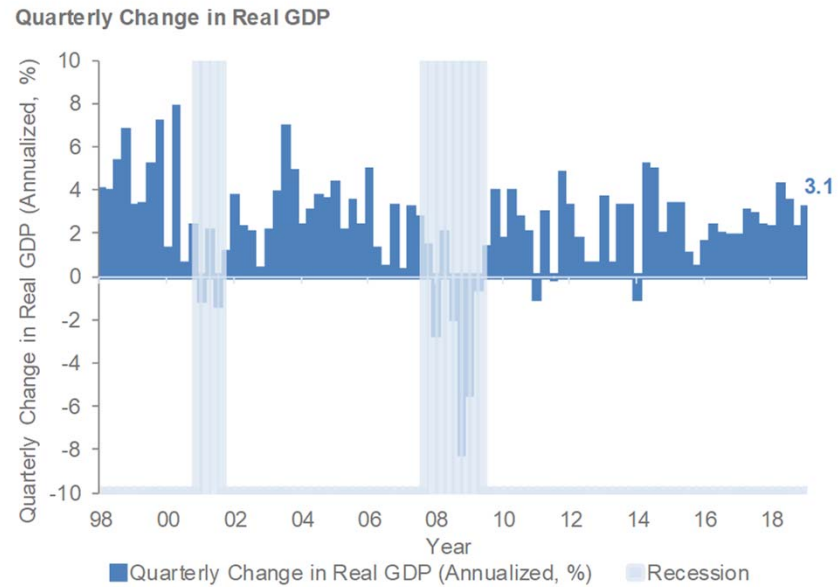
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GROSS DOMESTIC PRODUCT

Real gross domestic product (GDP) increased at an annual rate of 3.1% in the first quarter of 2019, according to the "third" estimate released by the Bureau of Economic Analysis. In the fourth quarter of 2018, real GDP increased 2.2%.

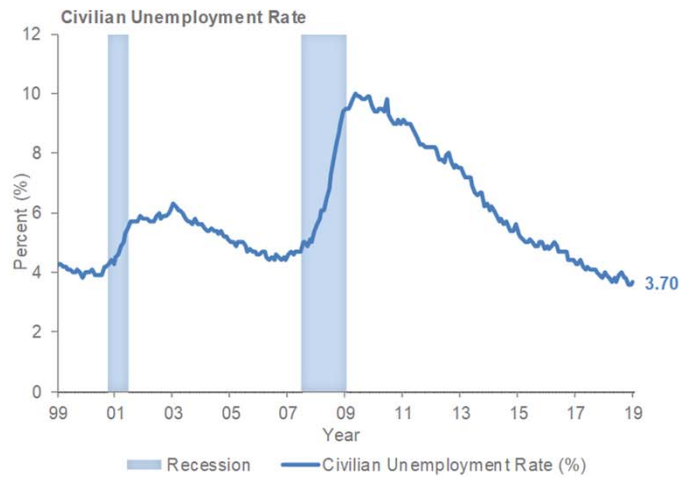
The "third" estimate released is based on more complete source data than were available for the "second" estimate issued in May. In the second estimate, the increase in real GDP was also 3.1%.



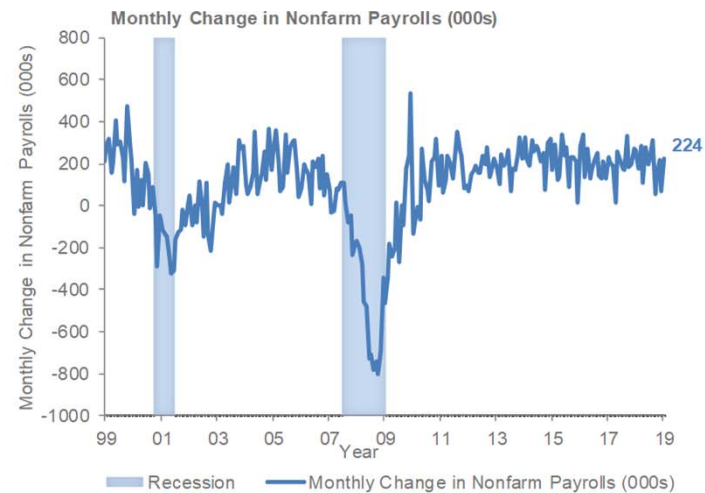
Source: Bloomberg as of 3/31/2019

EMPLOYMENT

- Total nonfarm payroll employment increased by 224,000 in June, and the unemployment rate was little changed at 3.7%, the U.S. Bureau of Labor Statistics reported. Notable job gains occurred in
- professional and business services, health care, and transportation and warehousing.



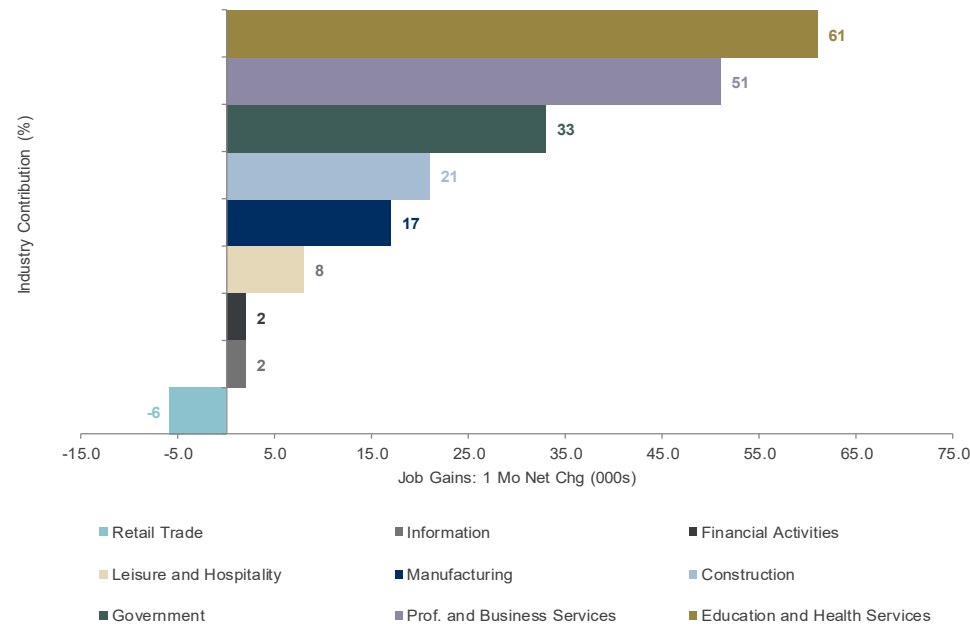
Source: Bloomberg as of 6/30/2019



Source: Bloomberg as of 6/30/2019

MAJOR INDUSTRY CONTRIBUTIONS TO JOB GROWTH

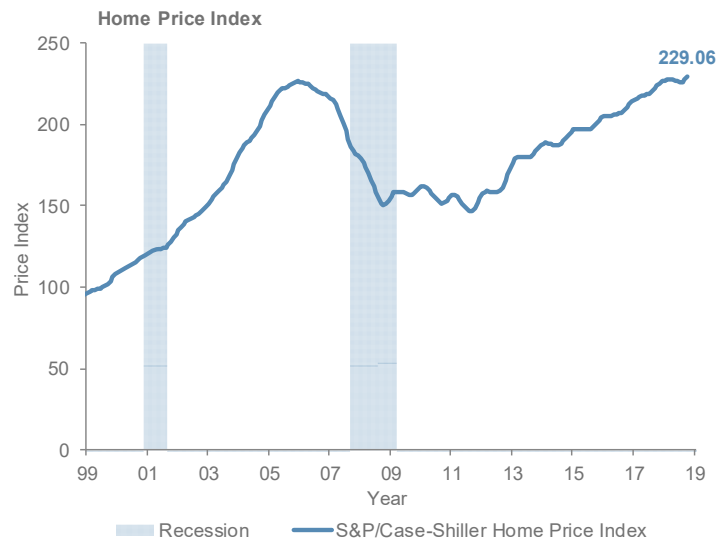
- In June, notable job gains occurred in professional and business services, in health care, and in transportation and warehousing.
- Health care job growth occurred in ambulatory health care services and hospitals. Construction employment continued to trend up, as well as manufacturing employment (reflecting increases in computer and electronic products and in plastics and rubber products).



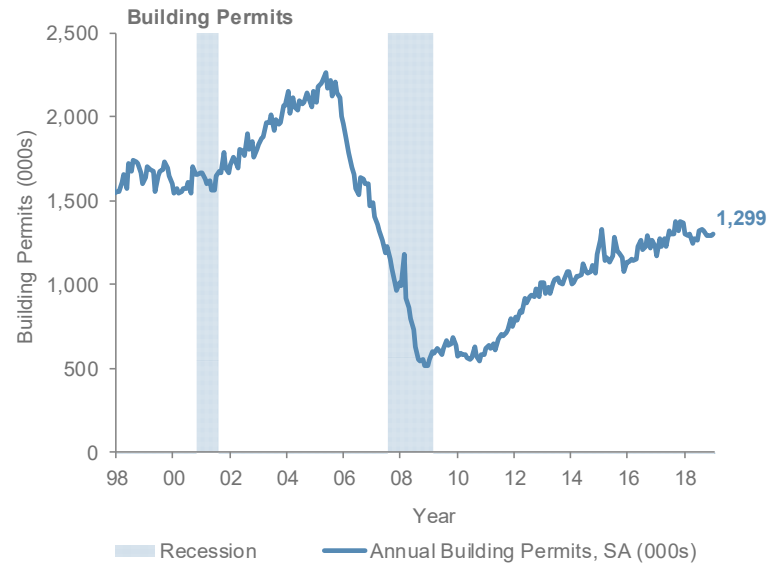
Source: Bureau of Labor Statistics as of 6/30/2019 a preliminary estimate of the net number of jobs in the various industries in the latest month.

HOUSING MARKET

“Continued strength in the labor market and this year’s sharp drop in mortgage rates should support housing activity in the near term. Higher building costs and affordability remain key issues.” – Dr. Scott Brown, Chief Economist



Source: Bloomberg as of 4/30/2019

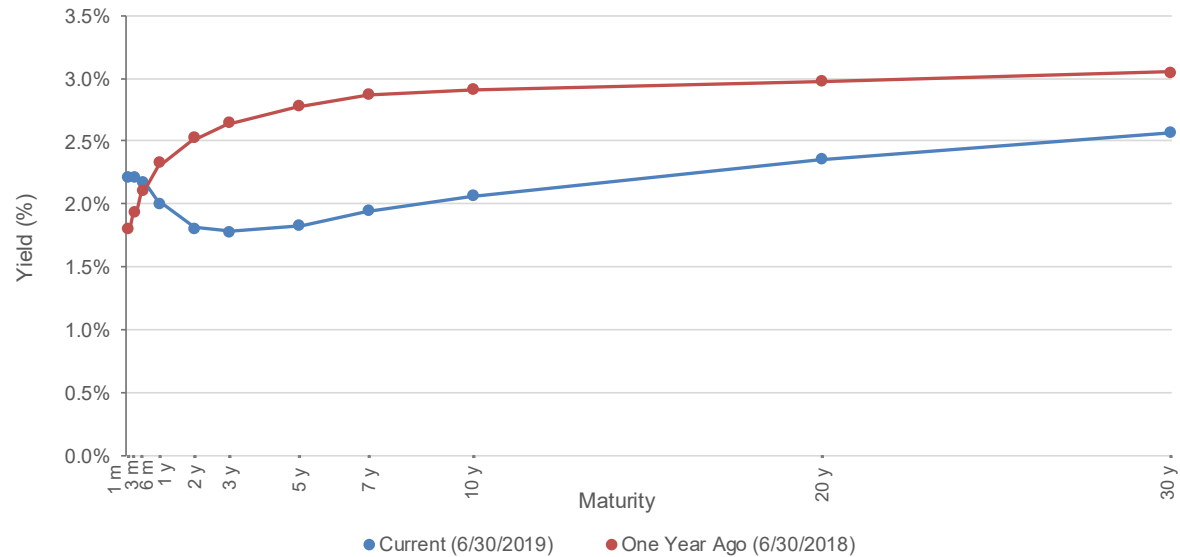


Source: U.S. Census Bureau as of 5/31/2019

THE U.S. TREASURY YIELD CURVE

“The Fed is poised to lower short-term interest rates, if needed, and the proximity to the zero-lower-bound means that officials should be more aggressive in lowering short-term interest rates than they would otherwise.”
 – Dr. Scott Brown, Chief Economist

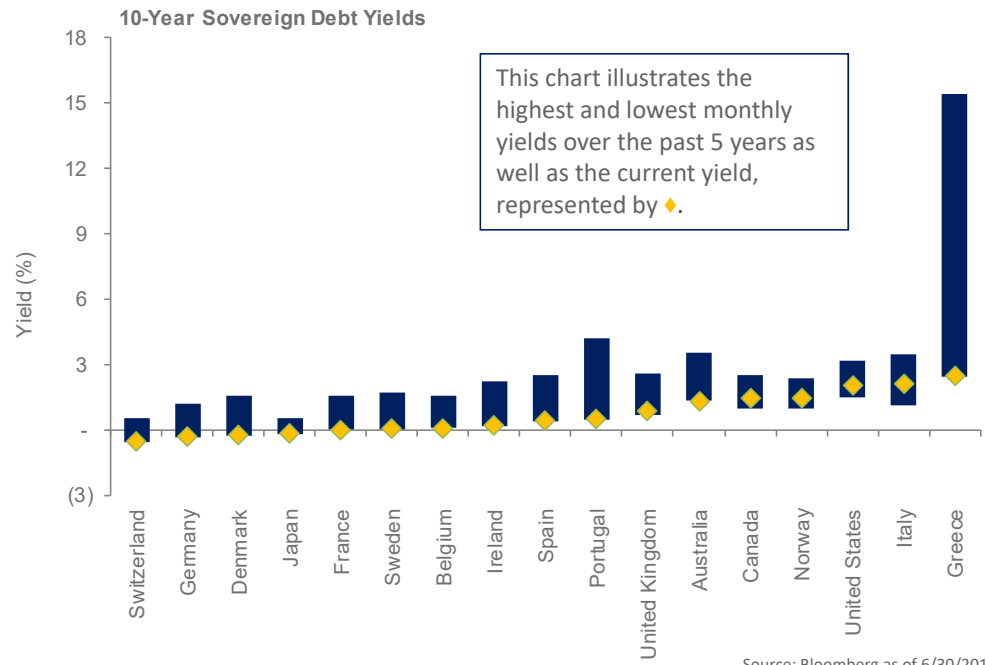
U.S. Treasury Yield Curve



Source: Federal Reserve as of 6/30/2019

GLOBAL SOVEREIGN DEBT YIELDS

- “Long-term interest rates have fallen outside of the U.S., putting downward pressure on U.S. bond yields.
- Inflation is expected to remain low and the risks to growth are weighted to the downside.”
- – Dr. Scott Brown, Chief Economist





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Comparative Performance Analysis Report

Sewerage and Water Board of New Orleans ERS

June 30, 2019

Pension Committee

Q2 2019

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Senior Vice President, Investments

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Sewerage and Water Board of New Orleans ERS

Sewerage and Water Board of New Orleans ERS Total Composite

Sewerage and Water Board of New Orleans ERS Total
Composite Performance

As of June 30, 2019

| | Market Value (\$) | % of Portfolio | 1 Mo (%) | 3 Mo (%) | Fiscal YTD (%) | 1 Yr (%) | 2 Yrs (%) | 3 Yrs (%) | 5 Yrs (%) | 7 Yrs (%) | 10 Yrs (%) | Inception (%) | Inception Date |
|--|----------------------|-------------------|-------------|-------------|----------------------|--------------|--------------|--------------|--------------|--------------|---------------|------------------|-------------------|
| Sewerage and Water Board of New Orleans ERS Total Composite | 222,001,789 | 100.00 | 3.93 | 3.34 | 12.20 | 7.53 | 6.92 | 7.52 | 4.69 | 6.88 | 7.58 | 6.06 | Jul-02 |
| <i>Strategic Asset Allocation</i> | | | 4.01 | 3.39 | 12.12 | 7.39 | 7.09 | 7.95 | 4.40 | 6.41 | 7.66 | 5.81 | Jul-02 |
| Equity Composite | 111,133,619 | 50.06 | 6.82 | 4.15 | 17.49 | 8.51 | -- | -- | -- | -- | -- | 6.77 | Jan-18 |
| NewSouth Capital | 28,703,431 | 12.93 | 7.66 | 5.53 | 21.24 | 15.31 | 13.14 | 11.15 | 8.47 | 12.98 | -- | 12.17 | Sep-11 |
| Russell 2500 Value | | | 6.47 | 1.89 | 15.26 | -1.92 | 4.57 | 8.98 | 5.55 | 11.00 | -- | 11.31 | Sep-11 |
| Barrow, Hanley, Mewhinney, & Strauss | 22,934,882 | 10.33 | 7.28 | 4.13 | 14.78 | 8.35 | 7.51 | 10.68 | 7.46 | 11.43 | 12.39 | 6.89 | Aug-06 |
| Russell 1000 Value | | | 7.18 | 3.84 | 16.24 | 8.46 | 7.61 | 10.19 | 7.46 | 12.09 | 13.19 | 6.81 | Aug-06 |
| Chicago Equity Partners | 20,885,843 | 9.41 | 6.73 | 3.57 | 16.49 | 4.85 | 10.67 | 12.47 | 9.03 | 12.79 | 14.33 | 8.57 | Jun-06 |
| Russell 1000 | | | 7.02 | 4.25 | 18.84 | 10.02 | 12.26 | 14.15 | 10.45 | 13.97 | 14.77 | 8.95 | Jun-06 |
| Earnest Partners | 19,497,334 | 8.78 | 5.93 | 2.53 | 14.27 | 0.29 | 3.51 | 10.60 | 2.80 | 6.99 | -- | 7.13 | Oct-11 |
| MSCI ACWI ex USA | | | 6.02 | 2.98 | 13.60 | 1.29 | 4.24 | 9.39 | 2.16 | 6.36 | -- | 6.60 | Oct-11 |
| iShares S&P 500 Growth ETF | 19,112,128 | 8.61 | 6.05 | 4.44 | 19.91 | 11.82 | 15.87 | 17.08 | -- | -- | -- | 15.10 | Mar-16 |
| S&P 500 Growth | | | 6.17 | 4.56 | 20.19 | 12.02 | 16.25 | 17.26 | -- | -- | -- | 18.03 | Mar-16 |
| Fixed Income Composite | 85,480,371 | 38.50 | 1.41 | 3.15 | 7.03 | 8.01 | -- | -- | -- | -- | -- | 4.26 | Jan-18 |
| Pyramis Global Advisors | 85,441,695 | 38.49 | 1.40 | 3.15 | 7.01 | 8.00 | 4.07 | 3.43 | 3.60 | 3.64 | 5.64 | 5.03 | Apr-07 |
| BBGBarc US Universal TR | | | 1.41 | 3.11 | 6.54 | 8.07 | 3.82 | 2.84 | 3.18 | 3.04 | 4.37 | 4.42 | Apr-07 |
| Zazove Associates, LLC (Residual Asset) | 38,676 | 0.02 | 11.46 | 18.70 | 47.15 | 51.00 | -- | -- | -- | -- | -- | 46.84 | Dec-17 |
| ICE BofAML Convertibles Securities TR | | | 4.72 | 3.79 | 14.54 | 7.48 | -- | -- | -- | -- | -- | 9.97 | Dec-17 |
| Real Estate Composite | 7,614,216 | 3.43 | 1.54 | 1.53 | 19.18 | 12.18 | -- | -- | -- | -- | -- | 8.00 | Jan-18 |
| Vanguard Real Estate ETF | 7,614,216 | 3.43 | 1.54 | 1.53 | 19.18 | 12.18 | 7.05 | 3.96 | 7.70 | 8.71 | -- | 10.16 | May-10 |
| MSCI US REIT | | | 1.10 | 0.99 | 17.07 | 9.66 | 5.87 | 2.81 | 6.44 | 7.41 | -- | 8.94 | May-10 |

Sewerage and Water Board of New Orleans ERS

Sewerage and Water Board of New Orleans ERS Total Composite

Sewerage and Water Board of New Orleans ERS Total
Composite Performance

As of June 30, 2019

| | Market Value (\$) | % of Portfolio | 1 Mo (%) | 3 Mo (%) | Fiscal YTD (%) | 1 Yr (%) | 2 Yrs (%) | 3 Yrs (%) | 5 Yrs (%) | 7 Yrs (%) | 10 Yrs (%) | Inception (%) | Inception Date |
|---|----------------------|-------------------|-------------|-------------|----------------------|-------------|--------------|--------------|--------------|--------------|---------------|------------------|-------------------|
| Alternatives Composite | 17,503,374 | 7.88 | 0.02 | 0.56 | 4.82 | 0.30 | -- | -- | -- | -- | -- | 0.24 | Jan-18 |
| Prisma Capital Partners LP | 17,484,754 | 7.88 | 0.02 | 0.56 | 4.82 | 0.30 | 2.32 | 3.57 | 1.32 | 3.56 | 4.01 | 2.88 | May-07 |
| HFRI Fund of Funds Composite Index | | | 1.58 | 1.50 | 6.17 | 1.16 | 3.15 | 4.25 | 2.19 | 3.67 | 3.21 | 1.46 | May-07 |
| Equitas Capital Advisors (Residual Asset) | 18,620 | 0.01 | 0.00 | -0.36 | -0.95 | -1.94 | -- | -- | -- | -- | -- | -1.88 | Jan-18 |
| HFRI Fund of Funds Composite Index | | | 1.58 | 1.50 | 6.17 | 1.16 | -- | -- | -- | -- | -- | 1.26 | Jan-18 |
| Cash & Equivalents | 270,209 | 0.12 | | | | | | | | | | | |
| Cash Account | 270,209 | 0.12 | | | | | | | | | | | |

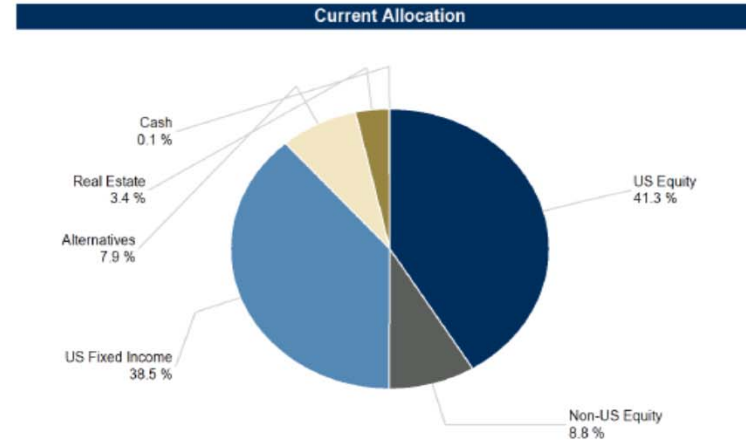
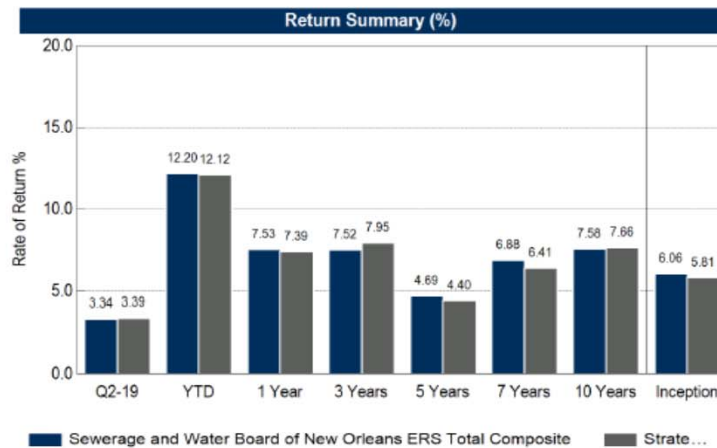
- Strategic Asset Allocation = 40.25% Russell 3000 / 9% MSCI ACWI ex USA / 37% BBgBarc US Aggregate TR / 8.75% HFRI Fund of Funds Composite Index / 3.25% MSCI REIT Preferred Gross / 1.75% FTSE T-Bill 3 Months TR

-Performance for all accounts and composites reported net of fees unless otherwise indicated.

Sewerage and Water Board of New Orleans ERS Total Composite

Sewerage and Water Board of New Orleans ERS Total
Composite Performance

As of June 30, 2019



Summary of Cash Flows

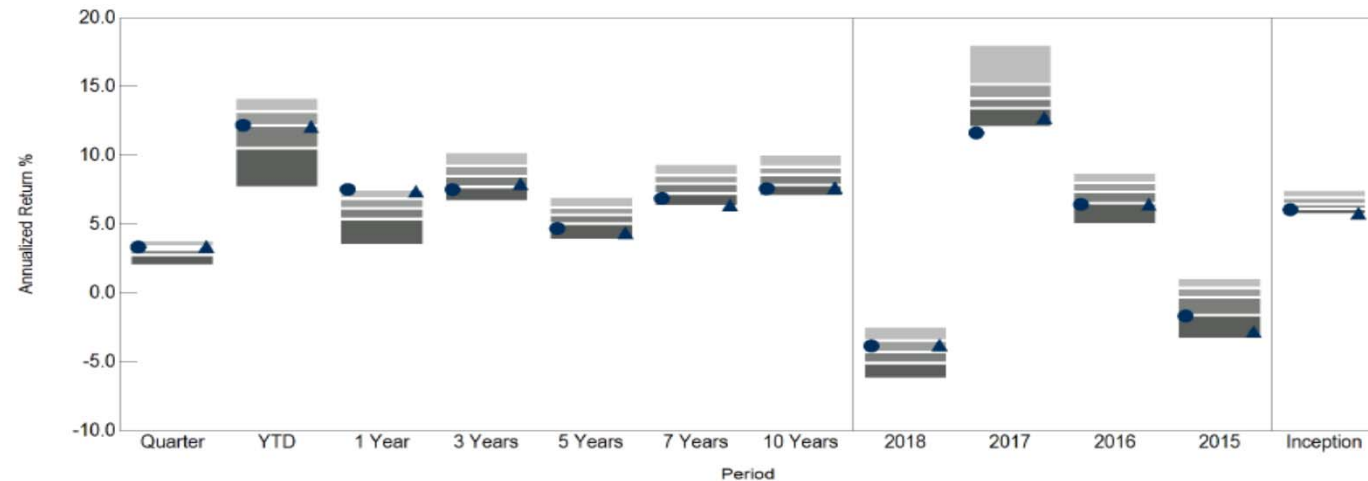
| | Quarter-To-Date | Year-To-Date |
|------------------------|-----------------|---------------|
| Beginning Market Value | \$216,979,605 | \$204,983,835 |
| Contributions | \$593,640 | \$8,155,789 |
| Withdrawals | -\$2,861,829 | -\$15,770,768 |
| Net Cash Flow | -\$2,268,189 | -\$7,614,979 |
| Net Investment Change | \$7,290,374 | \$24,632,933 |
| Ending Market Value | \$222,001,789 | \$222,001,789 |
| Net Change | \$5,022,185 | \$17,017,954 |

Sewerage and Water Board of New Orleans ERS Total Composite

Sewerage and Water Board of New Orleans ERS Total
Composite Universe Performance

As of June 30, 2019

Sewerage and Water Board of New Orleans ERS Total Composite vs. InvMetrics Public DB \$50mm-\$250mm Net

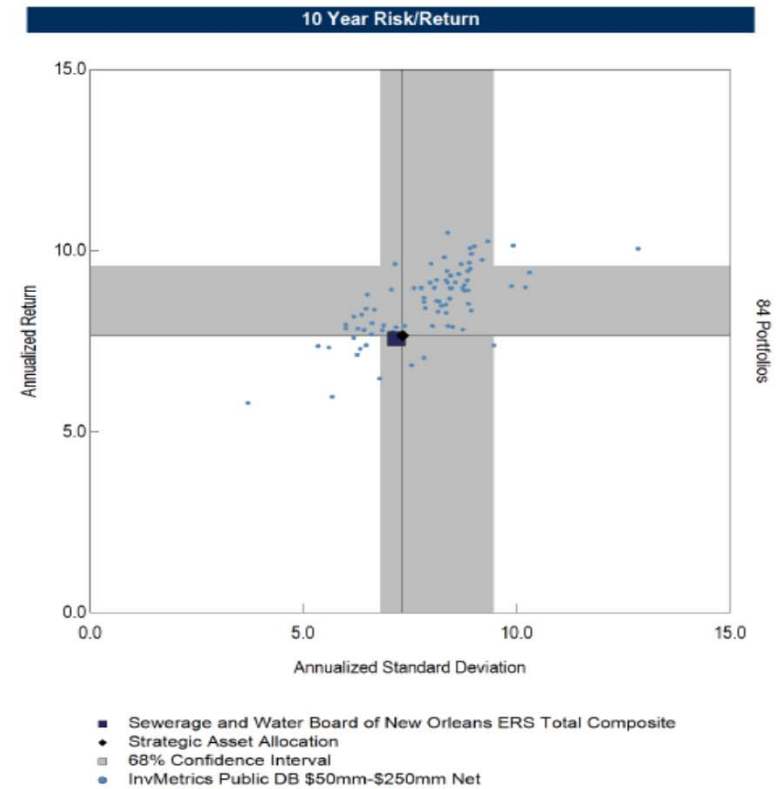
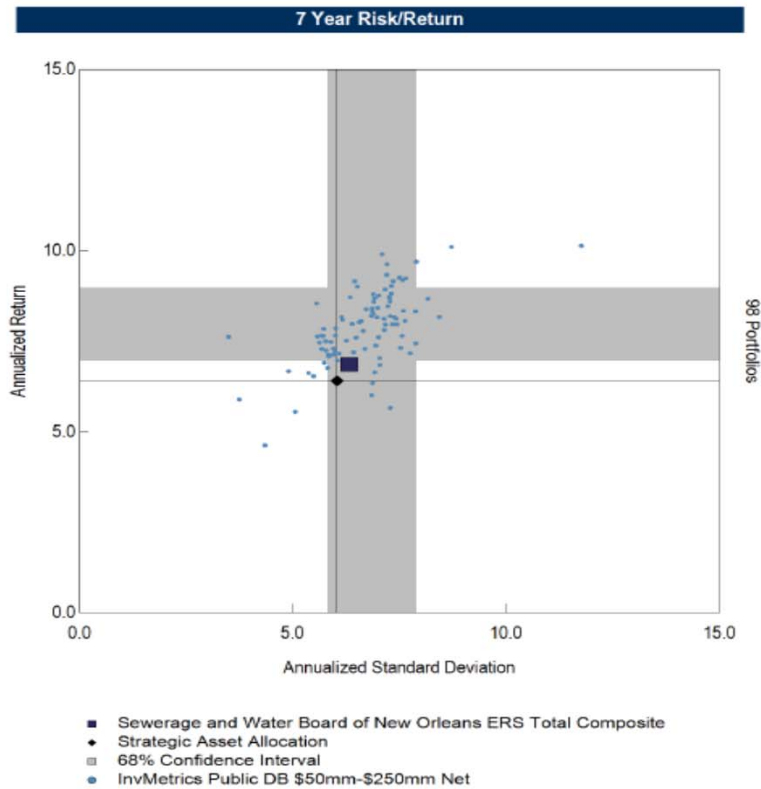


| | Return (Rank) | | | | | | | | | | | |
|---|---------------|-----------|-----------|-----------|-----------|-----------|-----------|------------|-----------|-----------|------------|-----------|
| 5th Percentile | 3.84 | 14.1 | 7.53 | 10.2 | 6.98 | 9.38 | 10.0 | -2.41 | 18.0 | 8.75 | 1.11 | 7.50 |
| 25th Percentile | 3.39 | 13.2 | 6.87 | 9.26 | 6.24 | 8.58 | 9.19 | -3.45 | 15.1 | 8.03 | 0.39 | 6.95 |
| Median | 3.19 | 12.2 | 6.19 | 8.50 | 5.72 | 7.97 | 8.61 | -4.25 | 14.1 | 7.36 | -0.29 | 6.48 |
| 75th Percentile | 2.79 | 10.5 | 5.40 | 7.75 | 5.05 | 7.26 | 7.89 | -5.07 | 13.4 | 6.54 | -1.57 | 6.16 |
| 95th Percentile | 2.00 | 7.68 | 3.49 | 6.69 | 3.88 | 6.30 | 7.06 | -6.20 | 12.0 | 5.00 | -3.32 | 5.75 |
| # of Portfolios | 117 | 117 | 116 | 111 | 109 | 98 | 84 | 146 | 74 | 74 | 75 | 54 |
| ● Sewerage and Water Board of New Orleans | 5.34 (32) | 12.2 (51) | 7.53 (6) | 7.52 (83) | 4.69 (88) | 6.88 (87) | 7.58 (87) | -3.84 (35) | 11.6 (98) | 6.44 (78) | -1.66 (78) | 6.06 (84) |
| ▲ Strategic Asset Allocation | 3.39 (25) | 12.1 (51) | 7.39 (11) | 7.95 (72) | 4.40 (91) | 6.41 (95) | 7.66 (85) | -3.76 (34) | 12.7 (86) | 6.45 (78) | -2.78 (94) | 5.81 (90) |

Sewerage and Water Board of New Orleans ERS Total Composite

Sewerage and Water Board of New Orleans ERS Total
Composite Risk/Return

As of June 30, 2019



Sewerage and Water Board of New Orleans ERS Total Composite

Sewerage and Water Board of New Orleans ERS Total
Composite Risk Statistics

As of June 30, 2019

7 Year Risk Statistics

| | Annualized Return (%) | Annualized Standard Deviation | Annualized Alpha (%) | Beta | Tracking Error | Up Market Capture Ratio (%) | Down Market Capture Ratio (%) | Sharpe Ratio | Information Ratio |
|--|--------------------------|-------------------------------------|-------------------------|--------|----------------|-----------------------------------|-------------------------------------|--------------|----------------------|
| Sewerage and Water Board of New Orleans ERS Total Composite | 6.88 | 6.33 | 0.30 | 1.03 | 1.27 | 102.77 | 96.93 | 0.99 | 0.37 |
| Strategic Asset Allocation | 6.41 | 6.04 | 0.00 | 1.00 | 0.00 | 100.00 | 100.00 | 0.96 | -- |
| NewSouth Capital | 12.98 | 12.21 | 4.13 | 0.80 | 6.40 | 80.19 | 76.79 | 1.01 | 0.31 |
| Russell 2500 Value | 11.00 | 13.35 | 0.00 | 1.00 | 0.00 | 100.00 | 100.00 | 0.78 | -- |
| Barrow, Hanley, Mewhinney, & Strauss | 11.43 | 11.35 | -0.44 | 0.98 | 2.97 | 97.16 | 101.85 | 0.95 | -0.22 |
| Russell 1000 Value | 12.09 | 11.15 | 0.00 | 1.00 | 0.00 | 100.00 | 100.00 | 1.03 | -- |
| Chicago Equity Partners | 12.79 | 11.28 | -1.13 | 1.00 | 1.83 | 90.70 | 99.63 | 1.08 | -0.65 |
| Russell 1000 | 13.97 | 11.17 | 0.00 | 1.00 | 0.00 | 100.00 | 100.00 | 1.20 | -- |
| Earnest Partners | 6.99 | 12.45 | 0.53 | 1.02 | 2.96 | 104.86 | 99.64 | 0.51 | 0.21 |
| MSCI ACWI ex USA | 6.36 | 11.90 | 0.00 | 1.00 | 0.00 | 100.00 | 100.00 | 0.48 | -- |
| Pyramis Global Advisors | 3.64 | 2.97 | 0.49 | 1.03 | 0.67 | 112.32 | 99.03 | 1.02 | 0.89 |
| BBGBarc US Universal TR | 3.04 | 2.80 | 0.00 | 1.00 | 0.00 | 100.00 | 100.00 | 0.86 | -- |
| Vanguard Real Estate ETF | 8.71 | 14.03 | 1.21 | 1.01 | 1.01 | 108.79 | 99.08 | 0.58 | 1.28 |
| MSCI US REIT | 7.41 | 13.84 | 0.00 | 1.00 | 0.00 | 100.00 | 100.00 | 0.49 | -- |
| Prisma Capital Partners LP | 3.56 | 4.38 | -0.37 | 1.07 | 2.17 | 108.96 | 115.02 | 0.67 | -0.05 |
| HFRF Fund of Funds Composite Index | 3.67 | 3.56 | 0.00 | 1.00 | 0.00 | 100.00 | 100.00 | 0.86 | -- |
| Cash Account | -20.07 | 48.73 | -13.23 | -11.07 | 48.74 | -1,795.43 | -- | -0.42 | -0.42 |
| FTSE T-Bill 3 Months TR | 0.62 | 0.24 | 0.00 | 1.00 | 0.00 | 100.00 | -- | 0.00 | -- |

Visiting Manager's Presentation

Barrow, Hanley, Mewhinney & Strauss U.S. Large Cap Value Equity Portfolio Review

- BHMS hired to manage U.S. Large Cap Value Equity mandate in August 2006
- Russell 100 Value Index Benchmark
- Rolling 3 Year performance of 10.68% versus 10.19% for its benchmark; ranking BHMS in 46th percentile among its Peers for period ending June 30, 2019

Presenter: Kirby Smith, CFA
Director/Client Portfolio Manager
26 Years of Industry Experience

Mr. Smith joined BHMS in 2005. During his investment career, Mr. Smith served as a managing director of institutional equity sales for Bear Stearns. Prior to joining Bear Stearns, he worked at Donaldson, Lufkin & Jenrette and Lehman Brothers. Prior to his investment banking tenure, Mr. Smith held positions in public accounting and corporate finance. He graduated from Rhodes College with a BA and received an MBA in Finance and Accounting from Emory University. Mr. Smith is a member of the American Institute of Certified Public Accountants, as well as the CFA Society of Dallas-Fort Worth.



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Sewerage & Water Board OF NEW ORLEANS

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August 5, 2019

Pension Committee
Sewerage & Water Board of New Orleans

RE: PENSION COMMITTEE ELECTION RESULTS

The Pension Committee membership of Retiree Member Marvin Russell will expire on August 31, 2019. In July 2019 the Benefits Department began the process of filling the new term of September 1, 2019 through August 31, 2023. Mr. Russell is classified as a Retiree and met the initial eligibility requirements to stand for election, however, Mr. Russell's name was not submitted during the nomination period.

The nomination period ended on July 26, 2019. Three names were submitted for nomination, but only one nomination had the required number of endorsements to stand for election. The results of the nomination period determine that Harold Heller, Jr. has been nominated for the Retiree Member term on the Pension Committee. This nomination was unopposed, so there is no need for a ballot election. Mr. Heller is a DROP employee and was previously elected to two Employee Member terms from 2009 through 2017.