



**FIDUCIARY**  
INVESTMENT ADVISORS

*Strategic thinking. Customized solutions.*

# Wilton OPEB

Quarterly Investment Review - Fourth Quarter 2017

# Save the Date - FIA 2018 Client Conference

Thursday, September 20, 2018, Hartford, CT

Keynote Speaker:  
Liz Ann Sonders

*Senior VP & Chief Investment Strategist*

*Charles Schwab*



Formal invitation to follow



# FIA 2017 Year-End Firm Update



- ❑ Celebrated our **11<sup>th</sup>** anniversary as an independent firm
- ❑ Expanded to a **67**-person staff, including **20** experienced Investment Consultants
- ❑ Advise over 350 institutions, with client assets exceeding **\$64 billion**
- ❑ Maintained a client retention ratio in excess of **99%**
- ❑ Named as one of the Best Places to Work by the Hartford Business Journal for the seventh year in a row, as well as one of the Best Places to Work by Pensions & Investments for the third time
- ❑ Awarded a Best of Business Award for Private Wealth Management by the Hartford Business Journal
- ❑ Received recognition by Pensions and Investments as one of the top 50 investment consulting firms, ranked by worldwide institutional assets
- ❑ Hosted our ninth annual client conference, third year in Newport, Rhode Island
- ❑ Recognized four new partners as we continued our commitment to expand ownership
- ❑ Continued Community Service Committee work to support local non-profits
- ❑ Experienced growth in each of our service areas primarily through referrals
  - Defined Contribution Plans
  - Defined Benefit Plans
  - Endowments & Foundations
  - Municipal
  - Wealth Advisory Services
  - Discretionary Investment Services for Individuals and Institutions

**Important Disclosure Information:** Past performance may not be indicative of future results. Account information has been compiled solely by Fiduciary Investment Advisors, LLC, has not been independently verified, and does not reflect the impact of taxes on non-qualified accounts. In preparing this report, Fiduciary Investment Advisors, LLC has relied upon information provided by third party sources. A copy of our current written disclosure statement discussing our advisory services and fees continues to remain available for your review upon request. Historical performance results for investment indices and/or categories have been provided for general comparison purposes only, and generally do not reflect the deduction of transaction and/or custodial charges, the deduction of an investment management fee, nor the impact of taxes, the incurrence of which would have the effect of decreasing historical performance results. It should not be assumed that your account holdings correspond directly to any comparative indices.

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*Fiduciary Governance Calendar*

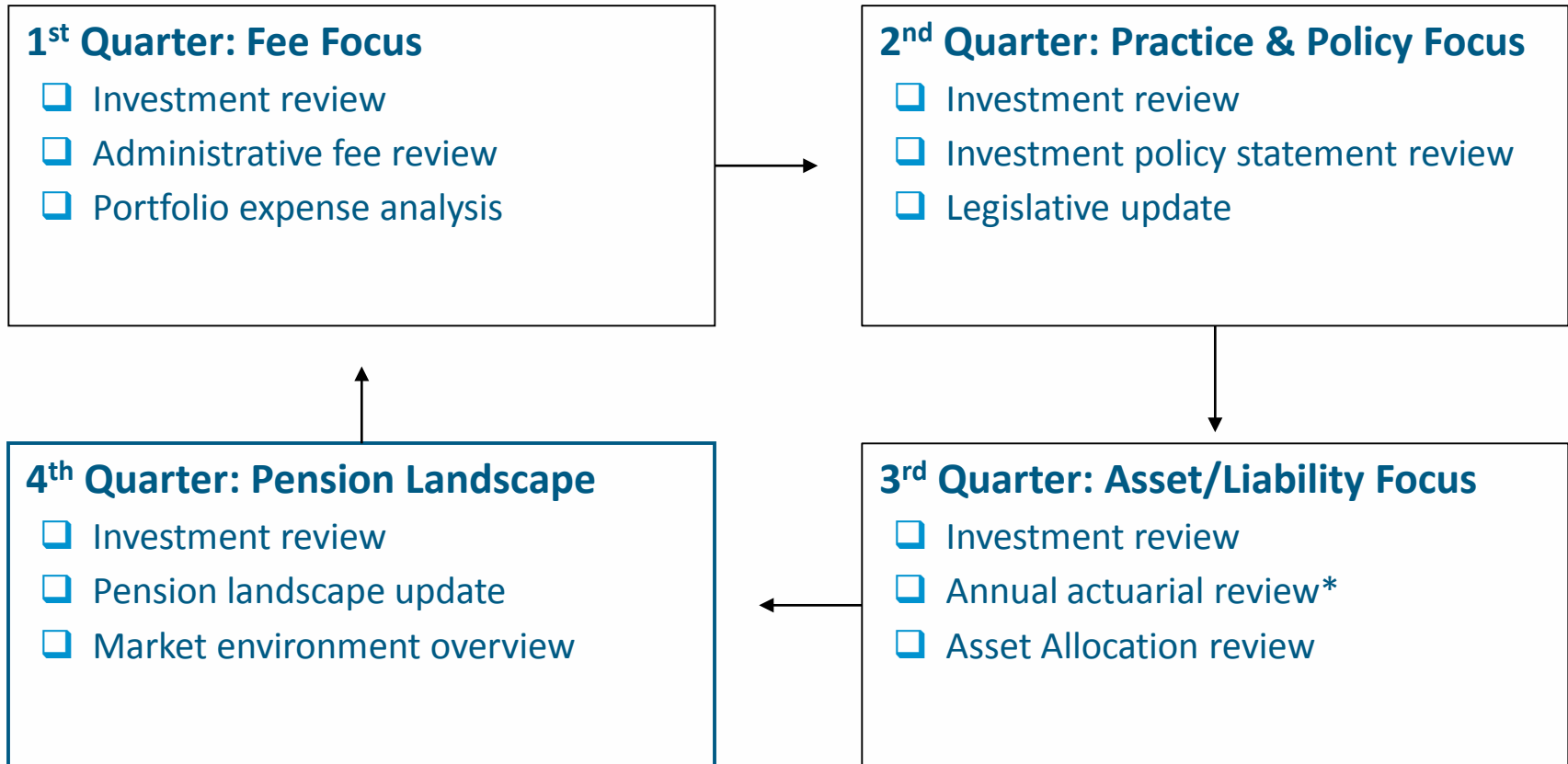
## Section 2

*Capital Markets Overview*

## Section 3

*Portfolio and Manager Review*

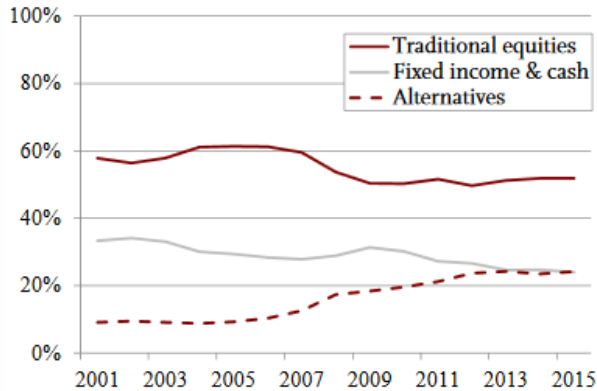
# Defined Benefit Fiduciary Governance Calendar



\* Timing of actuarial and liability review dependent on client's individual plan and /or fiscal year and actuarial input.

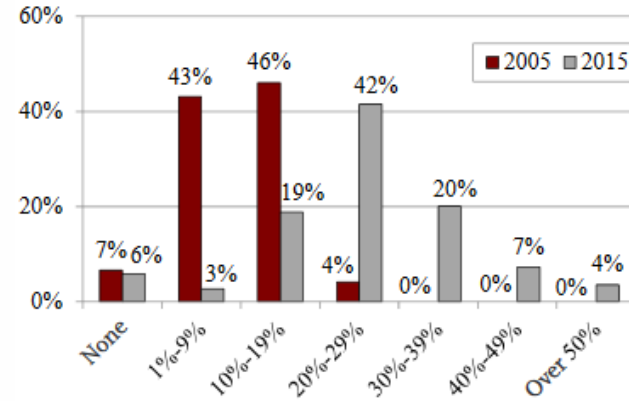
# The Use of Alternative Investments

Table 1: Investment Allocation for State and Local Pension Plans, FY 2001-2015



Source: Authors' calculations from *Public Plans Database* (2001-2015).

Table 2: Distribution of State and Local Plans by Percentage of Portfolio Invested in Alternatives, 2005 and 2015



Source: Authors' calculations from *Public Plans Database* (2005, 2015).

## Alternatives in Pension Plans

- The use of alternative investments (private equity, hedge funds, real estate, and commodities) in public pension plans has increased in recent years.
- Adding alternative investments to a portfolio can serve several purposes: provide diversification, reduce risk, and potentially increase returns.
- Given the long term investment horizon for municipal pensions, there may be a role for alternatives in the portfolio. However, liquidity restrictions, cost, and administrative issues must all be considered.

# Funding of State and Local Pensions

Table 3: Plan Revenues and Expenditures with Investment Performance, FY 2002-2016

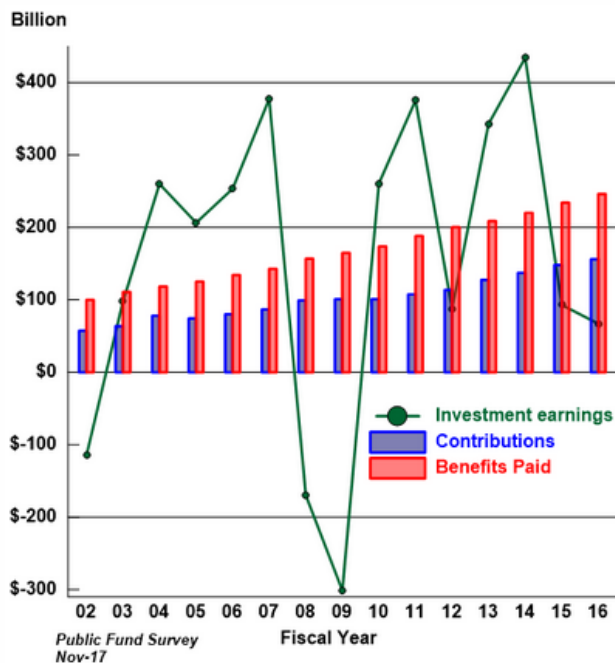
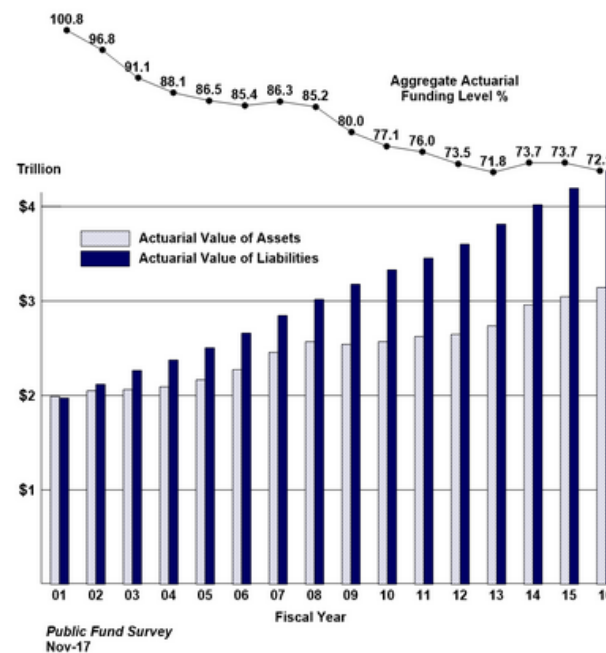


Table 4: Aggregate Actuarial Funding Levels, FY 2001-2016



## Factors contributing to funded status:

- Many plans are currently operating in a negative cash flow environment, where outgoing benefit payments surpass incoming contributions.
- For most plans, both the plan’s contributions and the plan’s obligations can be estimated with a reasonable degree of accuracy, while the same cannot be said for investment performance.
- In general, plan funded status has steadily decreased since the early 2000’s before leveling off in recent years.



# Market Review

Synchronized global growth remains the focal point of investors' attention, despite the current U.S. economy pointing to somewhat later stage economic growth (e.g., full employment, modest wage growth). While the standing recovery is the third longest in U.S. history, economic expansion overseas is generally less mature, enabling, perhaps, additional and more impactful contributions to future global economic growth.

President Trump signed the \$1.5 Trillion Tax Cuts and Jobs Act into law in December, capping state and local tax deductions, adding a one-time repatriation tax on overseas cash, and instituting a permanent drop in the corporate tax rate, among other policies. As expected, the Federal Reserve hiked rates another quarter point, setting the federal funds target at 1.25%-1.50%, marking the third such hike of the year.

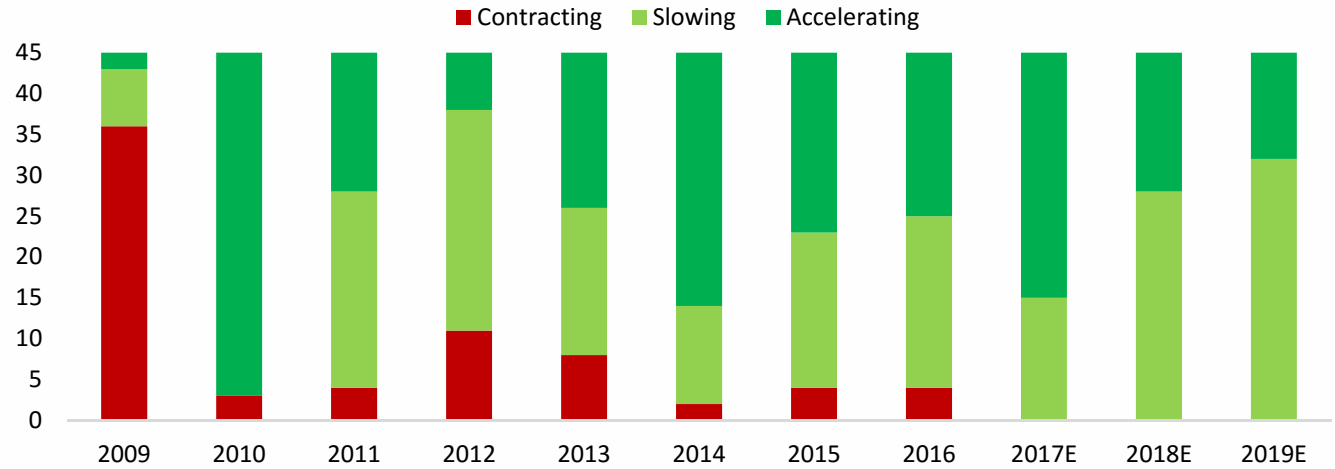
The fourth quarter witnessed another round of strong results from global equity markets, led by the developing regions, specifically Asia. Emerging markets continued their global leadership, as U.S. dollar weakness, substantial economic growth, and a solid rebound in corporate earnings helped boost results. Developed equity markets also made a generous contribution this period, albeit at a slightly slower pace than previous quarters.

Topping off a very strong year, domestic equity markets witnessed another quarter of solid performance, backed by robust corporate earnings, continued healthy economic growth, and a momentous U.S. tax cut plan. Momentum helped push growth stocks well above their value counterparts once again. Continuing this year's trend, large caps outpaced small caps, after a slight slowdown in the third quarter.

Returns were positive across most major global bond indexes. The Treasury curve flattened, as shorter-term yields rose more than longer-term yields, due in part to supply and economic expectations. Investment-grade corporate bond spreads tightened amid strong demand, and the segment outperformed high yield.

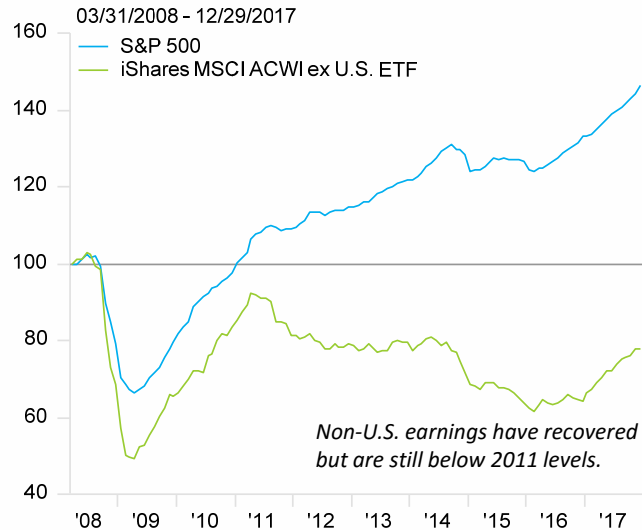
Commodities were positive in aggregate during the fourth quarter, with energy and industrial metals leading the gains. Crude oil price's ascent persisted during the period, touching three year highs, as OPEC extended their production cuts and geopolitical tensions amplified supply concerns.

GDP Growth of Select Countries Tracked by the OECD



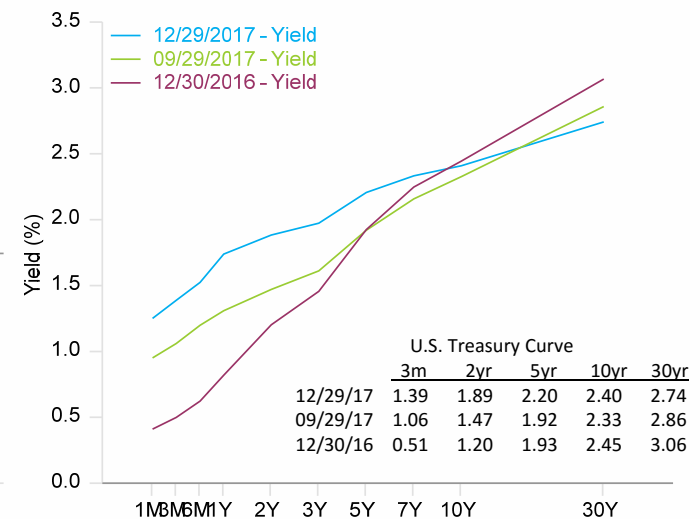
OECD Economic Outlook November 2017. Slowing/Accelerating is relative to the previous year and still indicates positive GDP growth.

12 Month Forward Earnings Per Share



FactSet, S&P, iShares. Rebased to 100 as of 3/31/2008

United States Treasury Yield Curve



FactSet, U.S. Treasury

# Index Results

U.S. EQUITY	QUARTER	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR
S&P 500	6.6	21.8	21.8	11.4	15.8	8.5
Russell 1000	6.6	21.7	21.7	11.2	15.7	8.6
Russell 1000 Value	5.3	13.7	13.7	8.7	14.0	7.1
Russell 1000 Growth	7.9	30.2	30.2	13.8	17.3	10.0
Russell Mid Cap	6.1	18.5	18.5	9.6	15.0	9.1
Russell Mid Cap Value	5.5	13.3	13.3	9.0	14.7	9.1
Russell Mid Cap Growth	6.8	25.3	25.3	10.3	15.3	9.1
Russell 2000	3.3	14.6	14.6	10.0	14.1	8.7
Russell 2000 Value	2.0	7.8	7.8	9.5	13.0	8.2
Russell 2000 Growth	4.6	22.2	22.2	10.3	15.2	9.2
Russell 3000	6.3	21.1	21.1	11.1	15.6	8.6
FTSE NAREIT Equity REITs Index	1.5	5.2	5.2	5.6	9.5	7.4
INTERNATIONAL EQUITY	QUARTER	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR
MSCI ACWI ex-US	5.0	27.2	27.2	7.8	6.8	1.8
MSCI EAFE	4.2	25.0	25.0	7.8	7.9	1.9
MSCI EAFE Value	3.2	21.4	21.4	6.4	6.9	1.1
MSCI EAFE Growth	5.2	28.9	28.9	9.2	8.8	2.7
MSCI EAFE Small Cap	6.1	33.0	33.0	14.2	12.9	5.8
MSCI EM (Emerging Markets)	7.4	37.3	37.3	9.1	4.3	1.7
FIXED INCOME	QUARTER	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR
Barclays U.S. Aggregate Bond	0.4	3.5	3.5	2.2	2.1	4.0
Barclays U.S. Gov/Credit Bond	0.5	4.0	4.0	2.4	2.1	4.1
Barclays Gov/Credit Long Bond	2.8	10.7	10.7	4.5	4.4	7.3
Barclays U.S. Corp High Yield	0.5	7.5	7.5	6.4	5.8	8.0
Barclays Municipal Bond	0.7	5.4	5.4	3.0	3.0	4.5
Barclays U.S. TIPS	1.3	3.0	3.0	2.1	0.1	3.5
BofA Merrill 3-Month T-Bill	0.3	0.9	0.9	0.4	0.3	0.4
NON-TRADITIONAL	QUARTER	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR
Bloomberg Commodity Index	4.7	1.7	1.7	(5.0)	(8.5)	(6.8)
HFRI Fund of Funds Index	2.0	7.7	7.7	2.6	4.0	1.1
NCREIF Property Index (9/30/2017)	1.7	5.1	6.9	9.8	10.3	6.2
CPI (9/30/2017)	1.1	1.5	2.2	1.2	1.3	1.7

Sources: Morningstar Direct, Standard & Poor's, Russell, FTSE, MSCI, Barclays Capital, BofA Merrill Lynch, Bloomberg, HFRI, NCREIF. Data as of 12/31/2017 unless otherwise noted.

# Equity & Fixed Income Review

## U.S. Equity Size and Style Returns

QTR				1-Year		
Value	Blend	Growth		Value	Blend	Growth
5.3	6.6	7.9	Large	13.7	21.7	30.2
5.5	6.1	6.8	Mid	13.3	18.5	25.3
2.0	3.3	4.6	Small	7.8	14.6	22.2

Domestic equities pushed higher and capped off the second best year of this decade. The gap between growth and value widened further, led by the information technology and consumer discretionary sectors. Large-cap stocks outpaced small caps both in the fourth quarter and for the 2017 calendar year.

## International Equity Size and Region Returns (USD)

QTR				1-Year		
Small	Mid	Large		Small	Mid	Large
6.1	5.2	4.0	Dev	33.0	29.0	24.0
9.2	7.5	7.4	EM	33.8	35.1	37.7

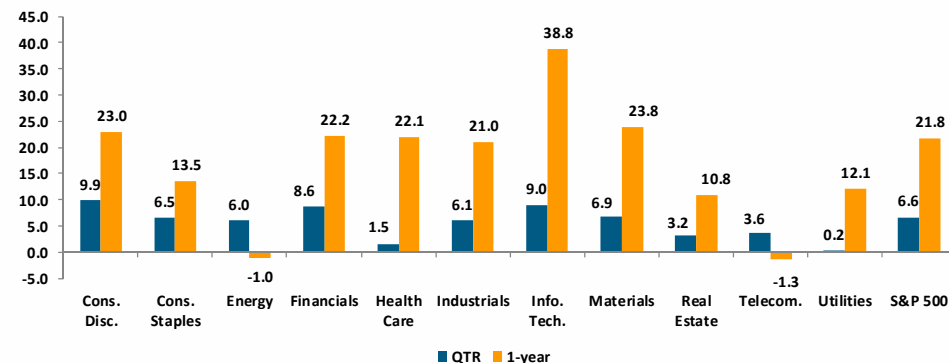
Emerging market equities produced their best return since 2009 and outpaced their developed market counterparts. The growth/value story continued within emerging markets as well, due to strong performance from Asian technology companies. A strengthening euro and British pound relative to the U.S. dollar added to performance for U.S. based investors. Emerging market currencies were mixed, as many Asian currencies gained ground while Latin American currencies fell.

## Fixed Income Term and Quality Returns (USD)

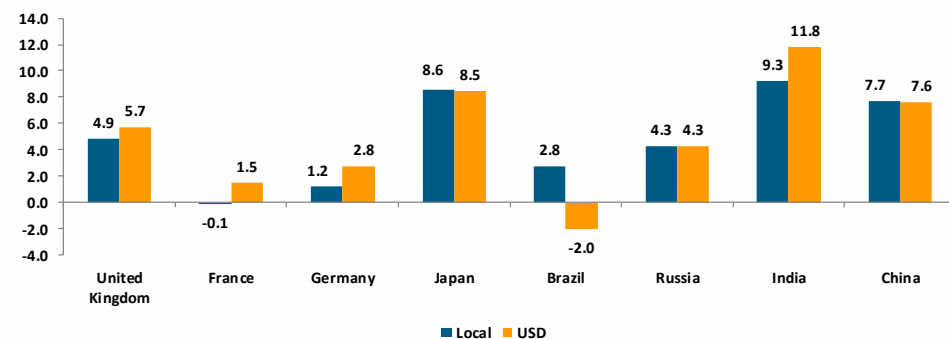
QTR				1-Year		
Short	Interm	Long		Short	Interm	Long
-0.3	-0.4	2.3	Gov't	0.4	1.1	8.5
0.0	0.2	3.3	Corp	1.9	3.9	12.1

The Federal Reserve raised the target on the federal funds rate for the fifth time in this hiking cycle; subsequently, short term interest rates rose. Demand for yield continued to persist and, coupled with subdued inflation, put downward pressure on long-term rates. As a result, the yield curve flattened, and long duration assets outperformed. Credit spreads moved tighter, and spread sectors generally outpaced Treasuries.

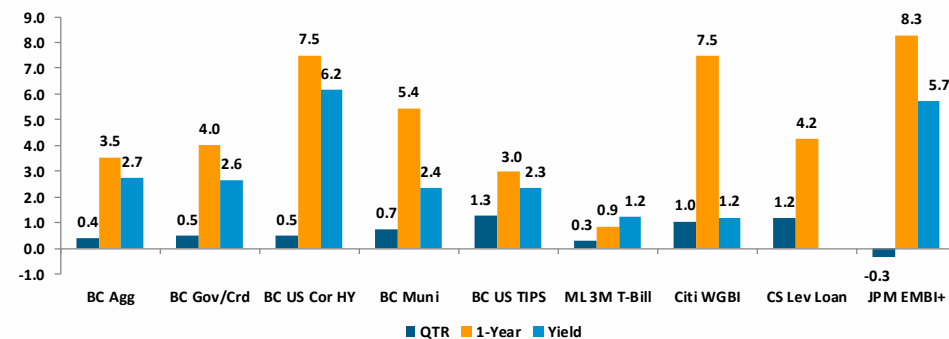
## S&P 500 Sector Returns



## MSCI Country Results 4Q 2017

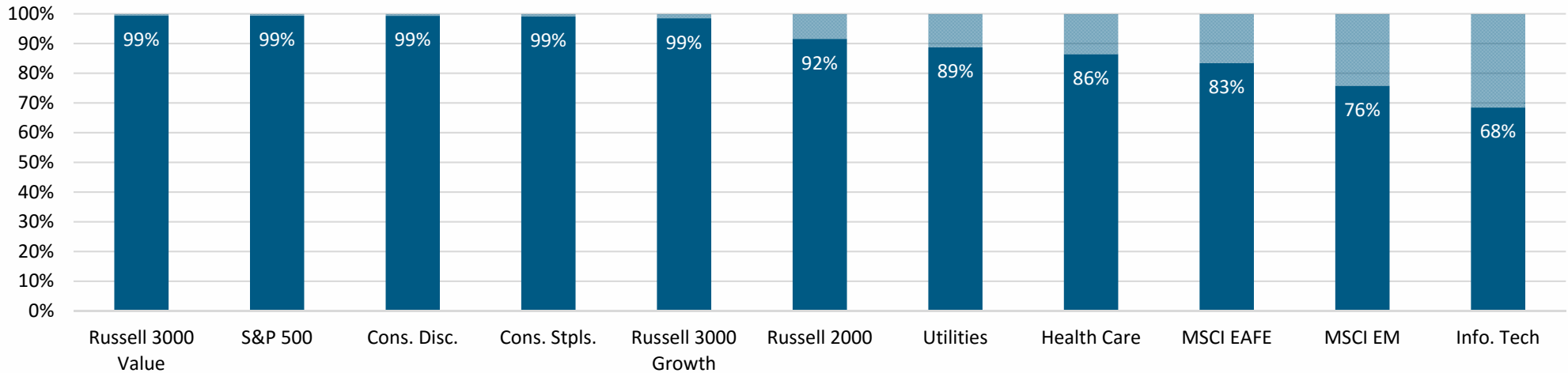


## Fixed Income Returns and Yields (%)

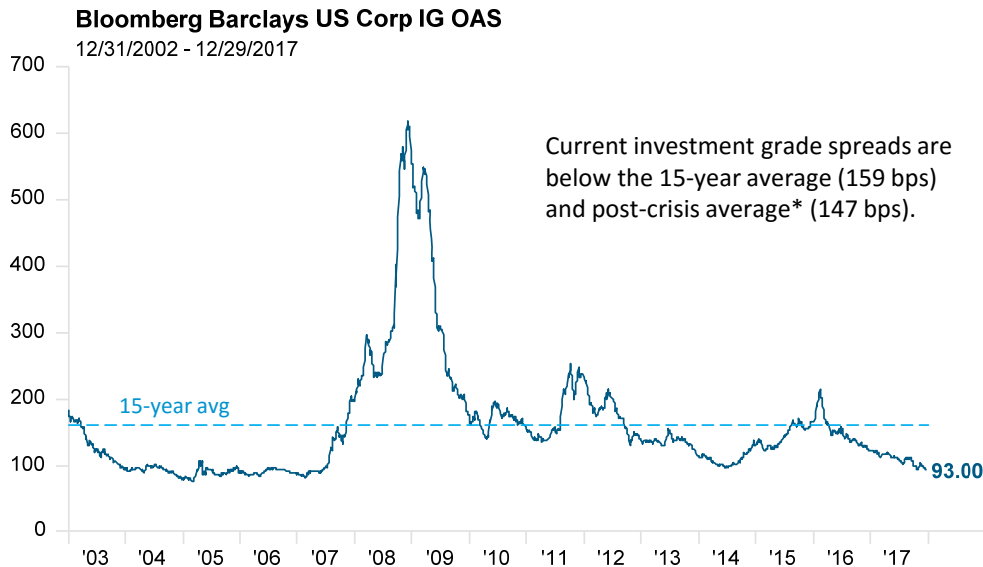


# Market Valuations

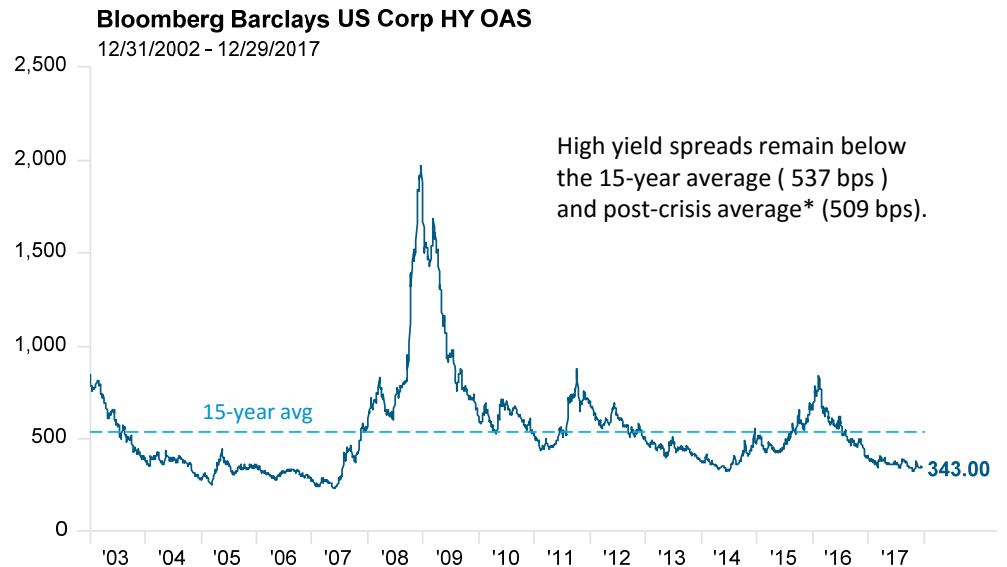
## Equity Valuations - Current P/E Relative to 15-Year High



FactSet, Russell, S&P, iShares. Equity valuations are based on trailing 12-month price-to-earnings "P/E" ratios as a percent of the range high. Data is for the period 12/31/2002 – 12/31/2017, except for MSCI Emerging Markets which is for the period 9/1/2003 – 12/31/2017. MSCI EAFE and MSCI EM are based on iShares ETFs. Sector valuations are based on S&P 500 sectors.

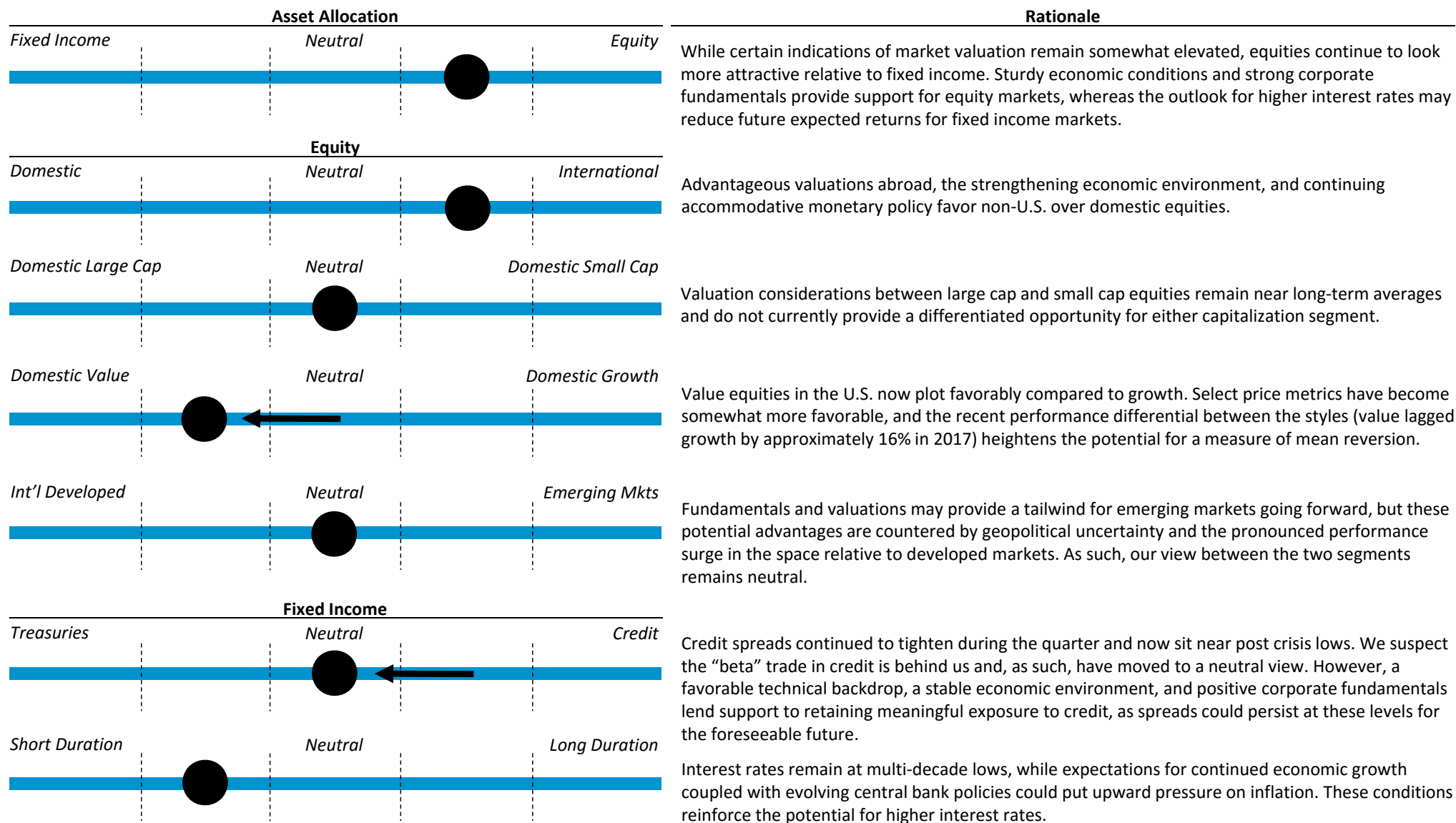


FactSet, Bloomberg Barclays  
 \*Post-crisis averages are for the period 1/1/2010 – 12/31/2017.



FactSet, Bloomberg Barclays

# Market Viewpoints



*These viewpoints represent FIA's general assessment of the highlighted capital markets comparisons over the next 18 months. These opinions are subject to modification as conditions in the markets or forecasting periods change. Clients should utilize these rankings in conjunction with other considerations that may be relevant to their particular circumstances.*

## Asset Allocation

### OPEB Plan

As of December 31, 2017

	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
<b>OPEB Plan</b>	<b>7,903,840</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>
<b>Total Short Term Liquidity</b>	<b>469,963</b>	<b>5.9</b>	<b>5.0</b>	<b>0.9</b>
Wells Fargo Government Money Market Fund I	157,967	2.0	0.0	2.0
Webster Cash	311,996	3.9	5.0	-1.1
<b>Fixed Income</b>	<b>2,976,619</b>	<b>37.7</b>	<b>40.0</b>	<b>-2.3</b>
Vanguard Short Term Inflation Protection Adm	370,185	4.7	5.0	-0.3
Blackrock Strategic Income Opportunities Fund I	750,140	9.5	10.0	-0.5
Prudential Total Return Bond Q	1,121,419	14.2	15.0	-0.8
Eaton Vance Floating Rate	370,280	4.7	5.0	-0.3
Templeton Global Bond Adv	364,594	4.6	5.0	-0.4
<b>Domestic Equity</b>	<b>2,440,403</b>	<b>30.9</b>	<b>30.0</b>	<b>0.9</b>
Vanguard Total Stock Mkt Idx Adm	2,440,403	30.9	30.0	0.9
<b>International Equity</b>	<b>1,649,747</b>	<b>20.9</b>	<b>20.0</b>	<b>0.9</b>
Vanguard Total International Stock	824,251	10.4	10.0	0.4
Europacific Growth R6	825,496	10.4	10.0	0.4
<b>Real Estate</b>	<b>367,108</b>	<b>4.6</b>	<b>5.0</b>	<b>-0.4</b>
Vanguard REIT Index Adm	367,108	4.6	5.0	-0.4

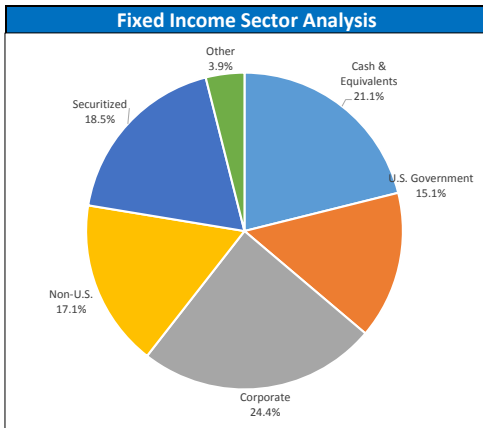
Investments with a zero balance were held in the plan during the reporting period and will be removed once they no longer impact plan performance.  
Asset Allocation weightings may not add up to 100% due to rounding.

**Wilton OPEB Fixed Income Manager Analysis**

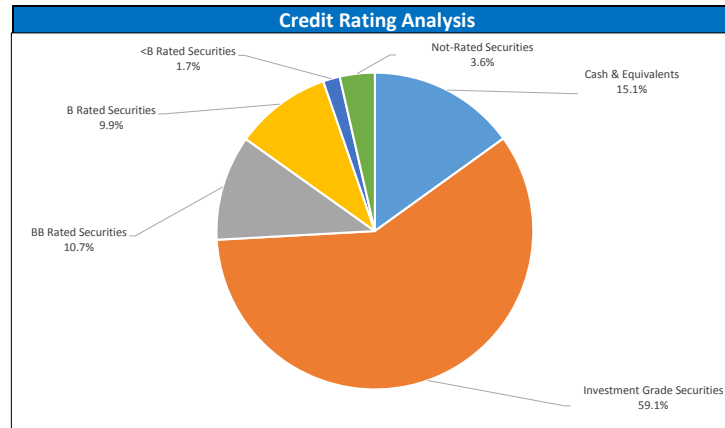
As of December 31, 2017

Manager Characteristics										
Fund	Total Portfolio Allocation	Fixed Income Portfolio Allocation	Yield	Duration (Years)	Cash & Equivalents	Investment Grade Securities	BB Rated Securities	B Rated Securities	<B Rated Securities	Not-Rated Securities
Webster Cash Account	4%	9%	0.0%	0.0	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
*Vanguard Short Term Inflation Protection	5%	11%	1.9%	2.5	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
Prudential Total Return Bond Q	14%	34%	2.7%	6.5	0.7%	85.1%	5.0%	4.9%	0.2%	4.8%
BlackRock Strategic Income Opportunities	10%	23%	3.4%	1.4	0.0%	62.3%	14.2%	10.4%	5.4%	7.6%
Eaton Vance Floating Rate	5%	11%	3.9%	0.2	7.9%	6.2%	37.7%	47.5%	4.7%	3.9%
Templeton Global Bond	5%	11%	5.0%	-0.4	35.7%	70.0%	20.2%	9.9%	0.0%	0.0%
<b>Fixed Income Portfolio</b>	<b>42%</b>	<b>100%</b>	<b>2.9%</b>	<b>2.8</b>	<b>16.1%</b>	<b>63.0%</b>	<b>11.5%</b>	<b>10.5%</b>	<b>1.8%</b>	<b>3.8%</b>

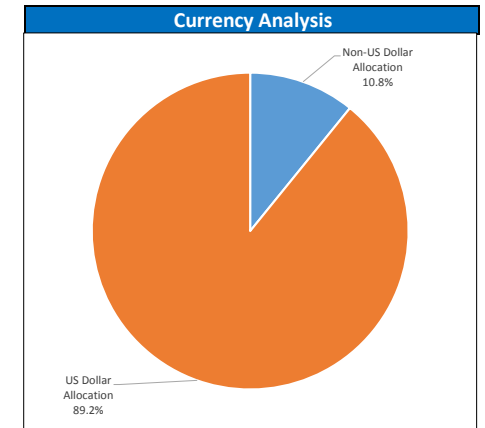
\* This figure is an estimated yield to maturity (YTM) for the fund. It is calculated by adding the trailing 12-month inflation adjustment to the "real" (i.e., before inflation) YTM of the fund. Adding the 12-month inflation adjustment allows the fund's yield to be more directly comparable with those of other bond funds.



\*The 'Other' sector includes all municipal, derivative, and preferred equity holdings.



\*Investment Grade securities include all holdings rated BBB and above, including U.S. Treasuries and cash & equivalents.



**Fixed Income Fund Descriptions**

- **Vanguard Short-Term Inflation Protection:** This fund employs an indexing investment approach designed to track the performance of the Bloomberg Barclays U.S. Treasury Inflation-Protected Securities (TIPS) 0–5 Year Index. The index is a market-capitalization-weighted index that includes all inflation-protected public obligations issued by the U.S. Treasury with remaining maturities of less than five years. The fund attempts to replicate the target index by investing all, or most, of its assets in the securities that make up the index, holding each security in approximately the same proportion as its weighting in the index.
- **Prudential Total Return Bond Q:** This fund seeks total return by investing in a diversified portfolio of bonds from multiple fixed income sectors. The Fund may be suited to investors seeking current income and capital appreciation in a diversified core fixed income fund.
- **BlackRock Strategic Income Opportunities Fund:** This fund is a flexible core bond alternative that seeks to offer investors attractive income, returns and meaningful portfolio diversification. Under normal market conditions, the portfolio will invest in a combination of fixed income securities, including, but not limited to: high yield securities, international securities, emerging markets debt and mortgages. The fund may engage in short sales (up to 15% of the fund's total assets) for hedging purposes or to enhance total return. The fund may also invest significantly in non-dollar denominated bonds and bonds of emerging market issuers. The duration of this fund can range from negative two to positive seven years.
- **Eaton Vance Floating Rate:** This fund invests broadly across the floating-rate loan market, providing diversified exposure to the asset class. Provides exposure to the loan market's many sectors, credit tiers and issuers. A focus on research and diversification help seek lower volatility than the overall market, while containing risk in difficult environments.
- **Templeton Global Bond Fund:** The fund uses a value-based approach to identify sources of high current income worldwide through investments in global interest rates, currency and sovereign credits. The fund's core belief is that fundamental country research is the principal driver in identifying imbalances in the sovereign bond environment. The fund's primary focus includes government and government-related issuance with a 25% maximum limit on below investment grade. The fund regularly enters into various currency-related and other transactions involving derivative instruments. The fund has a flexible duration profile. It has ranged from slightly negative to just over six years but has the potential to go longer.

Sources: Vanguard, Prudential, BlackRock, Eaton Vance, Templeton, and Morningstar

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# Total Plan Performance Summary - Wilton, Town of

As of December 31, 2017

## Account Reconciliation

	QTR	YTD	Since Inception	Inception Date
<b>OPEB Plan</b>				<b>05/01/2012</b>
Beginning Market Value	7,149,885	6,650,581	2,652,035	
Net Contributions	516,120	314,522	3,171,884	
Total Gain/Loss	237,835	938,737	2,079,921	
Ending Market Value	7,903,840	7,903,840	7,903,840	

## Wilton OPEB Plan Benchmark Composition

Allocation Mandate	Weight (%)
90 Day U.S. Treasury Bill	5.0
Bloomberg Barclays U.S. Aggregate Index	35.0
Bloomberg Barclays U.S. TIPS Index	5.0
CRSP U.S. Total Market TR Index	30.0
MSCI AC World ex USA (Net)	10.0
FTSE Global ex USA All Cap Index (Net)	10.0
MSCI U.S. REIT Index	5.0

## Trailing Performance Summary

	QTR	YTD	Jul-2017 To Dec-2017	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
<b>OPEB Plan</b>	<b>3.3</b>	<b>14.3</b>	<b>6.7</b>	<b>14.3</b>	<b>6.8</b>	<b>7.7</b>	<b>N/A</b>	<b>N/A</b>	<b>7.7</b>	<b>05/01/2012</b>
Wilton OPEB Plan Benchmark	3.2	13.1	6.3	13.1	6.3	7.3	6.9	N/A	7.1	
Difference	0.1	1.2	0.4	1.2	0.5	0.4	N/A	N/A	0.6	

## Calendar Year Performance Summary

	2016	2015	2014	2013	2012	2011	2010	2009
<b>OPEB Plan</b>	<b>7.2</b>	<b>-0.5</b>	<b>6.4</b>	<b>11.9</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Wilton OPEB Plan Benchmark	6.5	-0.3	6.3	11.5	10.9	1.4	N/A	N/A
Difference	0.7	-0.2	0.1	0.4	N/A	N/A	N/A	N/A

## Benchmark Composition

### OPEB Plan

As of December 31, 2017

Allocation Mandate	Weight (%)	Allocation Mandate	Weight (%)
Dec-2015		May-2012	
90 Day U.S. Treasury Bill	5.0	90 Day U.S. Treasury Bill	15.0
Bloomberg Barclays U.S. Aggregate Index	35.0	Bloomberg Barclays U.S. Aggregate Index	25.0
Bloomberg Barclays U.S. TIPS Index	5.0	Bloomberg Barclays U.S. TIPS Index	5.0
CRSP U.S. Total Market TR Index	30.0	MSCI US Broad Market Index	30.0
MSCI AC World ex USA (Net)	10.0	MSCI AC World ex USA (Net)	20.0
FTSE Global ex USA All Cap Index (Net)	10.0	MSCI U.S. REIT Index	5.0
MSCI U.S. REIT Index	5.0		
Aug-2014		Feb-2011	
90 Day U.S. Treasury Bill	5.0	Blmbg. Barc. U.S. Aggregate Float Adjusted	45.0
Bloomberg Barclays U.S. Aggregate Index	20.0	MSCI US Broad Market Index	30.0
Blmbg. Barc. U.S. Credit 5-10 Year Index	15.0	FTSE All World - Ex US	20.0
Bloomberg Barclays U.S. TIPS Index	5.0	MSCI U.S. REIT Index	5.0
CRSP U.S. Total Market TR Index	30.0		
MSCI AC World ex USA (Net)	10.0	Nov-2010	
FTSE Global ex USA All Cap Index (Net)	10.0	Blmbg. Barc. U.S. Aggregate Float Adjusted	40.0
MSCI U.S. REIT Index	5.0	MSCI US Broad Market Index	32.0
		FTSE All World - Ex US	20.0
Jun-2013		Blmbg. Barc. 20-30 Year Treasury Strips	5.0
90 Day U.S. Treasury Bill	15.0	MSCI U.S. REIT Index	3.0
Bloomberg Barclays U.S. Aggregate Index	25.0		
Bloomberg Barclays U.S. TIPS Index	5.0	Sep-2010	
CRSP U.S. Total Market TR Index	30.0	Blmbg. Barc. U.S. Aggregate Float Adjusted	40.0
FTSE Global ex USA All Cap Index (Net)	20.0	MSCI US Broad Market Index	33.0
MSCI U.S. REIT Index	5.0	FTSE All World - Ex US	20.0
		MSCI U.S. REIT Index	2.0
		Blmbg. Barc. 20-30 Year Treasury Strips	5.0
		Feb-2010	
		Blmbg. Barc. U.S. Aggregate Float Adjusted	45.0
		MSCI US Broad Market Index	35.0
		FTSE All World - Ex US	20.0

# Manager Performance Overview

## OPEB Plan

As of December 31, 2017

	QTD	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date
<b>Short Term Liquidity</b>							
<b>Wells Fargo Government Money Market Fund I</b>	<b>0.3</b>	<b>0.8</b>	<b>0.8</b>	<b>0.4</b>	<b>0.2</b>	<b>0.2</b>	<b>05/01/2012</b>
<i>90 Day U.S. Treasury Bill</i>	0.3	0.9	0.9	0.4	0.2	0.2	
<b>Fixed Income</b>							
<b>Fixed Income Composite Benchmark</b>	<b>0.6</b>	<b>4.7</b>	<b>4.7</b>	<b>3.2</b>	<b>2.3</b>	<b>3.8</b>	<b>07/01/2010</b>
<i>Fixed Income Composite Benchmark</i>	0.5	3.5	3.5	2.3	1.8	3.0	
<b>Vanguard Short Term Inflation Protection Adm</b>	<b>0.2 (83)</b>	<b>0.8 (89)</b>	<b>0.8 (89)</b>	<b>1.1 (73)</b>	<b>N/A</b>	<b>0.4 (80)</b>	<b>03/01/2014</b>
<i>Bloomberg Barclays US TIPS 0-5 Year Index</i>	0.2	0.9	0.9	1.2	0.2	0.5	
IM U.S. TIPS (MF) Median	1.1	2.6	2.6	1.6	-0.3	1.1	
<b>Blackrock Strategic Income Opportunities Fund I</b>	<b>0.8 (30)</b>	<b>4.9 (39)</b>	<b>4.9 (39)</b>	<b>2.7 (45)</b>	<b>N/A</b>	<b>2.8 (34)</b>	<b>03/01/2014</b>
<i>Bloomberg Barclays U.S. Aggregate Index</i>	0.4	3.5	3.5	2.2	2.1	2.8	
<i>Libor (3 month)</i>	0.3	1.1	1.1	0.7	0.5	0.6	
IM Alternative Credit Focus (MF) Median	0.5	4.1	4.1	2.5	1.9	2.1	
<b>Prudential Total Return Bond Q</b>	<b>1.1 (3)</b>	<b>6.7 (2)</b>	<b>6.7 (2)</b>	<b>N/A</b>	<b>N/A</b>	<b>5.2 (10)</b>	<b>12/01/2015</b>
<i>Bloomberg Barclays U.S. Aggregate Index</i>	0.4	3.5	3.5	2.2	2.1	2.8	
IM U.S. Broad Market Core+ Fixed Income (MF) Median	0.3	4.5	4.5	2.7	2.4	3.8	
<b>Eaton Vance Floating Rate</b>	<b>1.1 (36)</b>	<b>4.5 (13)</b>	<b>4.5 (13)</b>	<b>4.5 (20)</b>	<b>N/A</b>	<b>3.5 (16)</b>	<b>03/01/2014</b>
<i>S&amp;P/LSTA Leveraged Loan Index</i>	1.1	4.1	4.1	4.4	4.0	3.7	
IM U.S. Bank Loans (MF) Median	1.0	3.5	3.5	3.8	3.4	3.0	
<b>Templeton Global Bond Adv</b>	<b>-1.8 (100)</b>	<b>2.6 (92)</b>	<b>2.6 (92)</b>	<b>1.6 (68)</b>	<b>N/A</b>	<b>2.0 (42)</b>	<b>03/01/2014</b>
<i>Citigroup World Government Bond Index</i>	1.0	7.5	7.5	1.7	0.1	0.5	
IM Global Fixed Income (MF) Median	0.7	7.0	7.0	2.1	1.2	1.6	

Returns for periods less than one year are not annualized. Returns are net of fees unless otherwise noted.

^More information on custom indexes, which may be used in this report, can be found on the Custom Index Description page in the back of your report.

# Manager Performance Overview

## OPEB Plan

As of December 31, 2017

	QTD	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date
<b>Domestic Equity</b>	<b>6.3</b>	<b>21.2</b>	<b>21.2</b>	<b>11.1</b>	<b>15.5</b>	<b>15.9</b>	<b>07/01/2010</b>
<i>CRSP U.S. Total Market TR Index</i>	6.3	21.2	21.2	11.1	15.6	15.9	
<b>Vanguard Total Stock Mkt Idx Adm</b>	<b>6.3 (40)</b>	<b>21.2 (37)</b>	<b>21.2 (37)</b>	<b>11.1 (14)</b>	<b>15.5 (19)</b>	<b>15.7 (17)</b>	<b>01/01/2012</b>
<i>CRSP US Total Market Spliced Index^</i>	6.3	21.2	21.2	11.1	15.6	15.7	
IM U.S. Multi-Cap Core Equity (MF) Median	6.0	20.3	20.3	9.4	14.4	14.6	
<b>International Equity</b>	<b>4.6</b>	<b>29.3</b>	<b>29.3</b>	<b>9.1</b>	<b>8.4</b>	<b>9.5</b>	<b>07/01/2010</b>
<i>OPEB International Equity Composite Benchmark</i>	5.2	27.3	27.3	8.2	7.1	8.0	
<b>Vanguard Total International Stock</b>	<b>4.9 (22)</b>	<b>27.6 (22)</b>	<b>27.6 (22)</b>	<b>8.5 (8)</b>	<b>7.1 (35)</b>	<b>7.6 (51)</b>	<b>05/01/2012</b>
<i>FTSE Global All Cap ex US Spliced Index^</i>	5.4	27.4	27.4	8.5	7.4	7.7	
IM International Large Cap Core Equity (MF) Median	4.1	24.8	24.8	7.1	6.8	7.7	
<b>Europacific Growth R6</b>	<b>4.2 (45)</b>	<b>31.2 (7)</b>	<b>31.2 (7)</b>	<b>9.7 (2)</b>	<b>N/A</b>	<b>7.2 (1)</b>	<b>09/01/2014</b>
<i>MSCI AC World ex USA (Net)</i>	5.0	27.2	27.2	7.8	6.8	4.2	
IM International Large Cap Core Equity (MF) Median	4.1	24.8	24.8	7.1	6.8	4.2	
<b>Real Estate</b>	<b>1.4</b>	<b>4.9</b>	<b>4.9</b>	<b>5.2</b>	<b>9.2</b>	<b>11.9</b>	<b>07/01/2010</b>
<i>MSCI U.S. REIT Index</i>	1.4	5.1	5.1	5.4	9.3	12.6	
<b>Vanguard REIT Index Adm</b>	<b>1.4 (78)</b>	<b>4.9 (55)</b>	<b>4.9 (55)</b>	<b>5.2 (39)</b>	<b>9.2 (20)</b>	<b>10.6 (21)</b>	<b>01/01/2012</b>
<i>MSCI U.S. REIT Index</i>	1.4	5.1	5.1	5.4	9.3	10.7	
IM Real Estate Sector (MF) Median	2.1	5.1	5.1	4.9	8.4	9.8	

The inception date expressed on the Manager Performance Overview page(s) represents the first day of the first full month following the purchase of the investment. Performance figures shown at the fund level begin on this inception date. Inception dates for asset class composites reflect the start date at which these returns could be calculated using historical and existing system capabilities and may vary from the inception dates of underlying component strategies. Composite performance includes all funds held in the composite since inception.

Returns are net of fees unless otherwise stated. Mutual fund performance stated above may differ slightly from the current share class's historical performance due to share class exchanges.

Returns for periods less than one year are not annualized. Returns are net of fees unless otherwise noted.

^More information on custom indexes, which may be used in this report, can be found on the Custom Index Description page in the back of your report.

## Manager Commentary

OPEB Plan

As of December 31, 2017

Manager	Manager Status
<b>Fixed Income</b>	
Vanguard ST InPS Idx;Adm (VTAPX)	Maintain
BlackRock:Str Inc Opp;I (BSIIX)	Maintain
Pru Tot Rtn Bond;Q (PTRQX)	Maintain
Eaton Vance Flt Rt;Inst (EIBLX)	Maintain
Templeton Gl Bond;Adv (TGBAX)	Maintain
<b>Domestic Equity</b>	
Vanguard TSM Idx;Adm (VTSAX)	Maintain
<b>International Equity</b>	
American Funds EuPc;R6 (RERGX)	Maintain
Vanguard Tot I Stk;Adm (VTIAX)	Maintain
<b>Real Estate</b>	
Vanguard REIT Idx;Adm (VGSLX)	Maintain

## Manager Gain/Loss Summary

### OPEB Plan

	Market Value As of 10/01/2017	Net Flows	Return On Investment	Market Value As of 12/31/2017
<u>Short Term Liquidity</u>				
Wells Fargo Government Money Market Fund I	55,693	101,996	279	157,967
Webster Cash	222,746	89,125	125	311,996
<b>Total Short Term Liquidity</b>	<b>278,439</b>	<b>191,120</b>	<b>404</b>	<b>469,963</b>
<u>Fixed Income</u>				
Vanguard Short Term Inflation Protection Adm	319,460	50,000	725	370,185
Prudential Total Return Bond Q	984,836	125,000	11,582	1,121,419
Blackrock Strategic Income Opportunities Fund I	674,030	70,000	6,110	750,140
Eaton Vance Floating Rate	341,464	25,000	3,816	370,280
Templeton Global Bond Adv	346,195	25,000	-6,600	364,594
<b>Total Fixed Income</b>	<b>2,665,985</b>	<b>295,000</b>	<b>15,634</b>	<b>2,976,619</b>
<u>Domestic Equity</u>				
Vanguard Total Stock Mkt Idx Adm	2,294,910	-	145,493	2,440,403
<b>Total Domestic Equity</b>	<b>2,294,910</b>	<b>-</b>	<b>145,493</b>	<b>2,440,403</b>
<u>International Equity</u>				
Vanguard Total International Stock	785,892	-	38,359	824,251
Europacific Growth R6	792,018	-	33,478	825,496
<b>Total International Equity</b>	<b>1,577,910</b>	<b>-</b>	<b>71,837</b>	<b>1,649,747</b>
<u>Real Estate</u>				
Vanguard REIT Index Adm	332,641	30,000	4,467	367,108
<b>Total Real Estate</b>	<b>332,641</b>	<b>30,000</b>	<b>4,467</b>	<b>367,108</b>
<b>Total OPEB Plan</b>	<b>7,149,885</b>	<b>516,120</b>	<b>237,835</b>	<b>7,903,840</b>

## Market Values & Flow Summary

### OPEB Plan

Since Inception Ending December 31, 2017

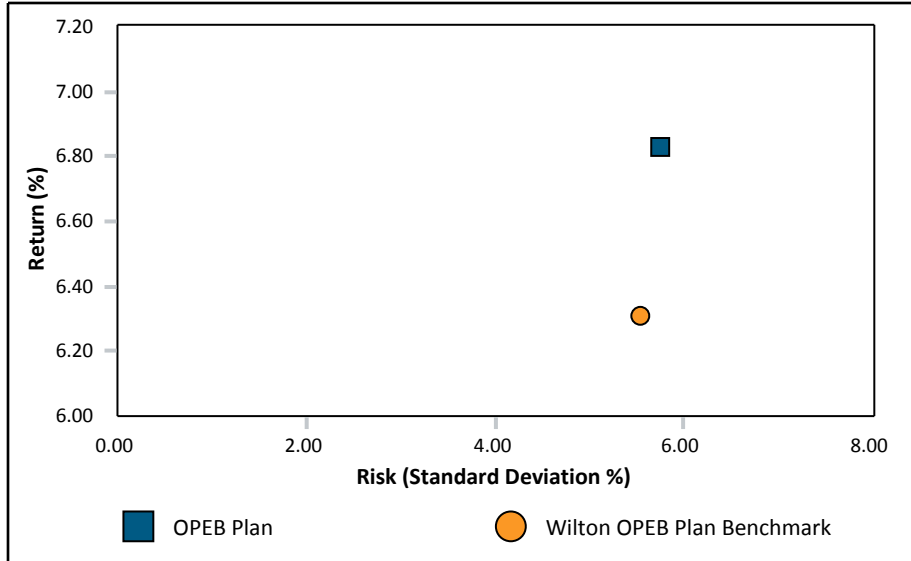
Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	% Return
Jun-2012	-	-	-	2,584,821	N/A
Sep-2012	2,584,821	52,505	108,286	2,745,613	4.4
Dec-2012	2,745,613	-28,346	48,881	2,766,147	1.8
Mar-2013	2,766,147	-42,296	122,759	2,846,610	4.5
Jun-2013	2,846,610	-112,997	-27,166	2,706,447	-0.8
Sep-2013	2,706,447	1,184,916	132,639	4,024,003	4.4
Dec-2013	4,024,003	48,525	138,167	4,210,695	3.4
Mar-2014	4,210,695	-38,329	92,501	4,264,867	2.1
Jun-2014	4,264,867	-7,625	143,450	4,400,692	3.4
Sep-2014	4,400,692	646,970	-41,679	5,005,983	-0.9
Dec-2014	5,005,983	-78,067	88,383	5,016,299	1.8
Mar-2015	5,016,299	-59,602	117,531	5,074,228	2.3
Jun-2015	5,074,228	-101,963	-26,965	4,945,300	-0.6
Sep-2015	4,945,300	541,244	-248,601	5,237,943	-4.6
Dec-2015	5,237,943	46,709	136,727	5,421,380	2.6
Mar-2016	5,421,380	-2,820	59,982	5,478,542	1.1
Jun-2016	5,478,542	15,860	109,680	5,604,083	2.0
Sep-2016	5,604,083	710,909	187,934	6,502,926	3.2
Dec-2016	6,502,926	106,571	41,084	6,650,581	0.6
Mar-2017	6,650,581	54,494	282,665	6,987,741	4.2
Jun-2017	6,987,741	-394,765	188,597	6,781,573	2.7
Sep-2017	6,781,573	138,672	229,640	7,149,885	3.4
Dec-2017	7,149,885	516,120	237,835	7,903,840	3.3

# Town of Wilton - Pension

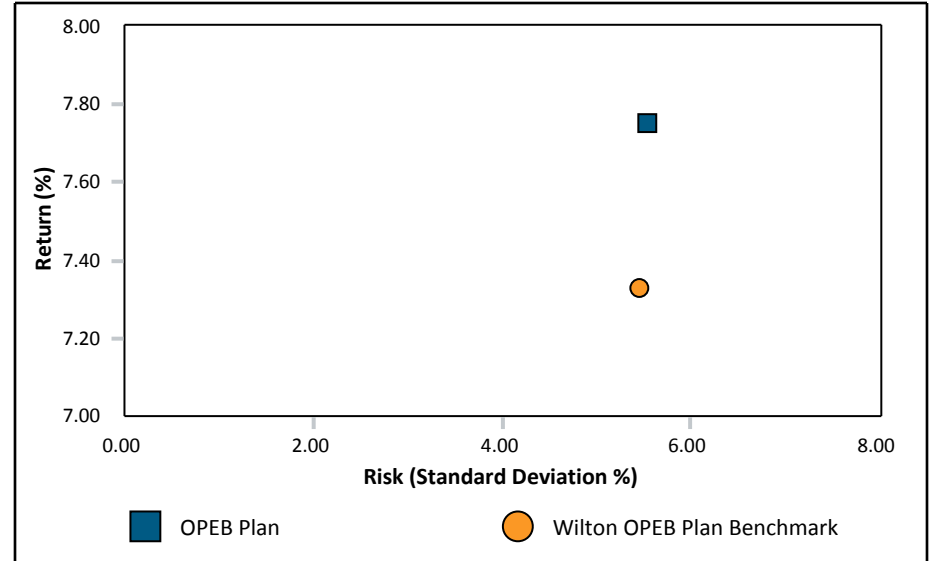
## Risk vs. Return

As of December 31, 2017

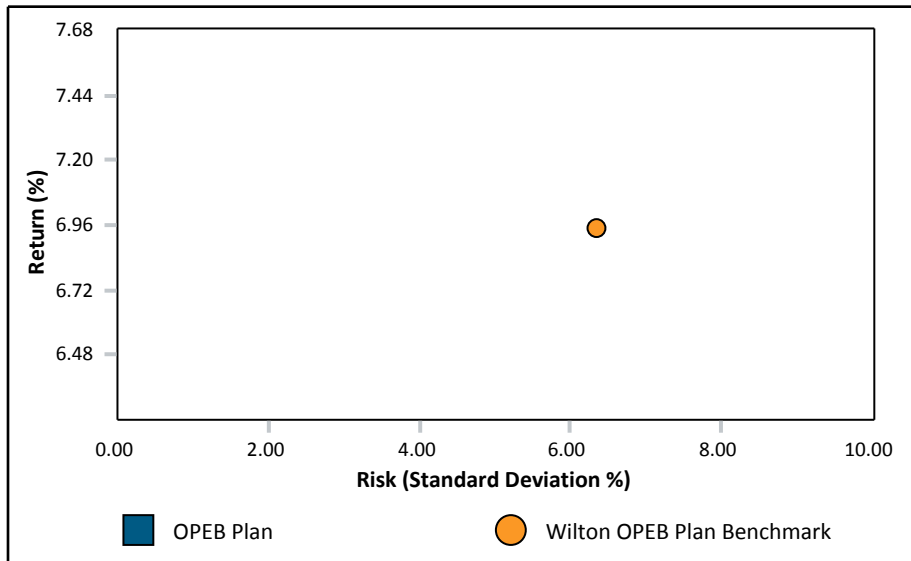
### 3 Year Risk and Return



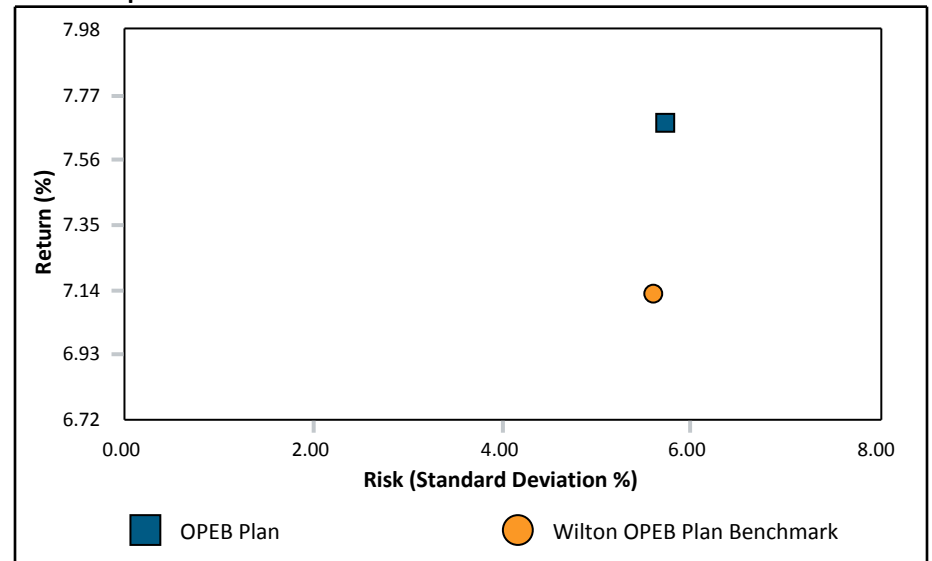
### 5 Year Risk and Return



### 7 Year Risk and Return



### Since Inception Risk and Return





# Town of Wilton - Pension

## MPT Statistical Data

As of December 31, 2017

### 3 Year Historical MPT Statistics

	Return	Standard Deviation	Downside Risk	Sharpe Ratio	Information Ratio	Tracking Error	R-Squared	Beta	Alpha
OPEB Plan	6.82	5.75	3.32	1.12	0.56	0.88	0.98	1.03	0.34
Wilton OPEB Plan Benchmark	6.31	5.55	3.17	1.07	N/A	0.00	1.00	1.00	0.00
90 Day U.S. Treasury Bill	0.38	0.12	0.02	N/A	-1.07	5.52	0.07	0.01	0.34

### 5 Year Historical MPT Statistics

	Return	Standard Deviation	Downside Risk	Sharpe Ratio	Information Ratio	Tracking Error	R-Squared	Beta	Alpha
OPEB Plan	7.75	5.56	3.03	1.33	0.50	0.80	0.98	1.00	0.37
Wilton OPEB Plan Benchmark	7.32	5.47	3.01	1.28	N/A	0.00	1.00	1.00	0.00
90 Day U.S. Treasury Bill	0.25	0.11	0.01	N/A	-1.28	5.46	0.02	0.00	0.23

### 7 Year Historical MPT Statistics

	Return	Standard Deviation	Downside Risk	Sharpe Ratio	Information Ratio	Tracking Error	R-Squared	Beta	Alpha
OPEB Plan	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Wilton OPEB Plan Benchmark	6.95	6.35	3.74	1.06	N/A	0.00	1.00	1.00	0.00
90 Day U.S. Treasury Bill	0.20	0.09	0.01	N/A	-1.06	6.34	0.01	0.00	0.19

### Since Inception Historical MPT Statistics

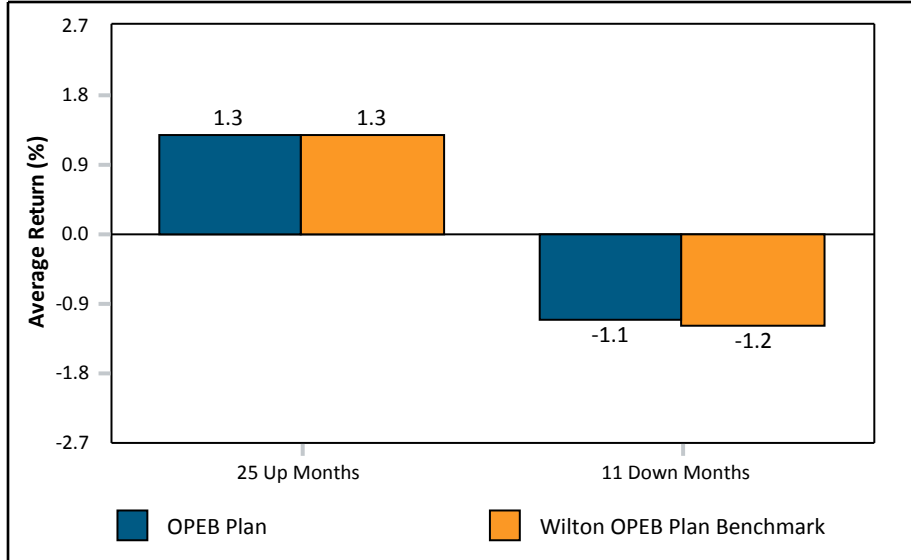
	Return	Standard Deviation	Downside Risk	Sharpe Ratio	Information Ratio	Tracking Error	R-Squared	Beta	Alpha	Inception Date
OPEB Plan	7.67	5.74	3.35	1.28	0.67	0.78	0.98	1.01	0.43	05/01/2012
Wilton OPEB Plan Benchmark	7.12	5.61	3.30	1.22	N/A	0.00	1.00	1.00	0.00	05/01/2012
90 Day U.S. Treasury Bill	0.23	0.10	0.01	N/A	-1.22	5.60	0.02	0.00	0.21	05/01/2012

# Town of Wilton - Pension

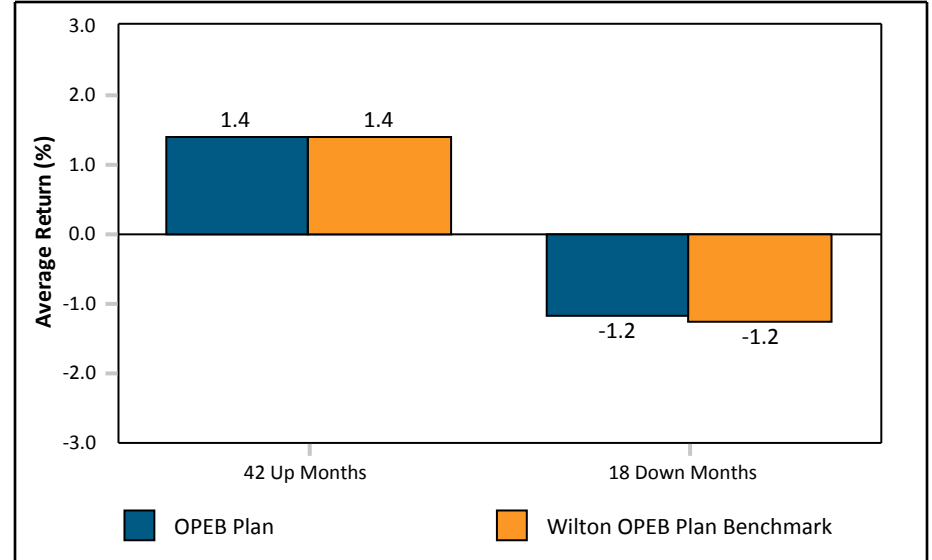
## Market Capture Report

As of December 31, 2017

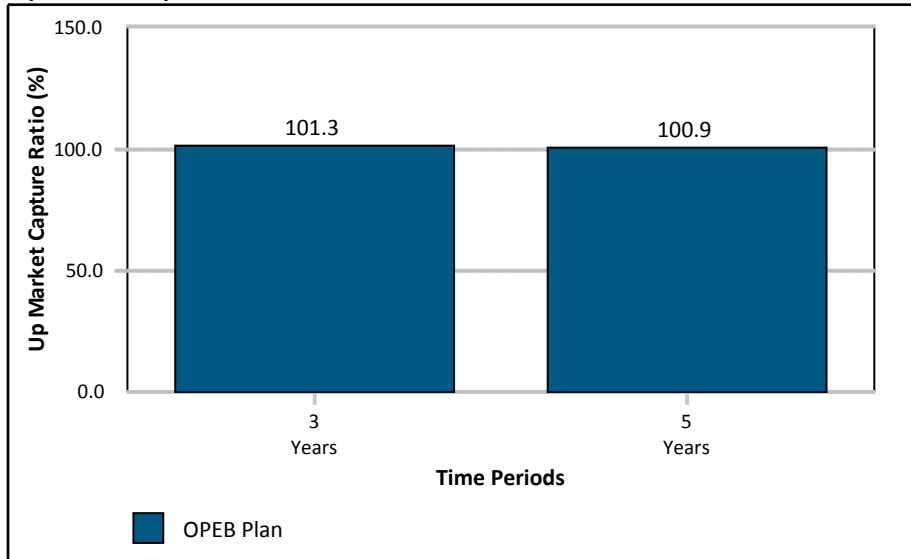
Up/Down Markets - 3 Years



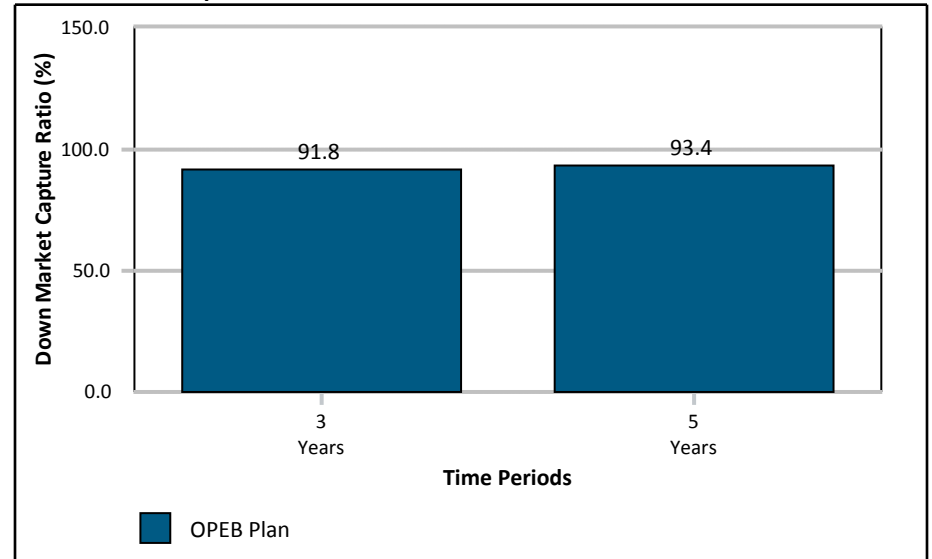
Up/Down Markets - 5 Years



Up Market Capture Ratio



Down Market Capture Ratio



# Estimated Fee Analysis - OPEB Plan

As of December 31, 2017

MANAGER	TARGET ALLOCATION	FEE SCHEDULE
Vanguard Short Term Inflation Protection	5.0%	0.07%
BlackRock Strategic Income Opportunities Fund I	10.0%	0.62%
Prudential Total Return Bond Q	15.0%	0.41%
Eaton Vance Floating Rate Fund	5.0%	0.79%
Templeton Global Bond Fund Adv	5.0%	0.68%
Vanguard Total Stock Mkt Idx Adm	30.0%	0.04%
Vanguard Total International Stock	10.0%	0.11%
American Funds EuroPacific Growth R6 Fund	10.0%	0.50%
Vanguard REIT Index	5.0%	0.12%
<b>AVERAGE WEIGHTED FEE</b>		<b>0.28%</b>

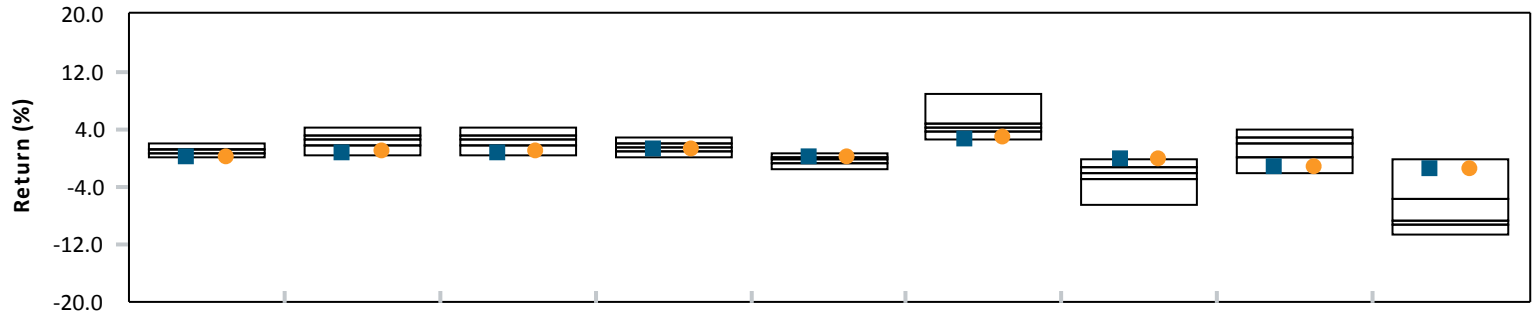
*DISCLOSURE: The figures on this page have been obtained from sources we deem to be reliable. FIA has not independently verified this information.*

# Manager Evaluation

## Vanguard Short-Term Inflation Protection Adm

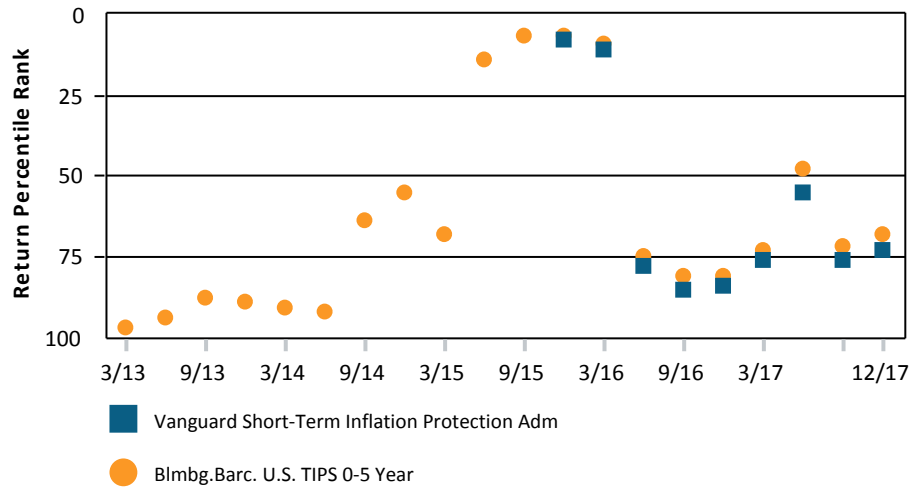
As of December 31, 2017

### Peer Group Analysis vs. IM U.S. TIPS (MF)

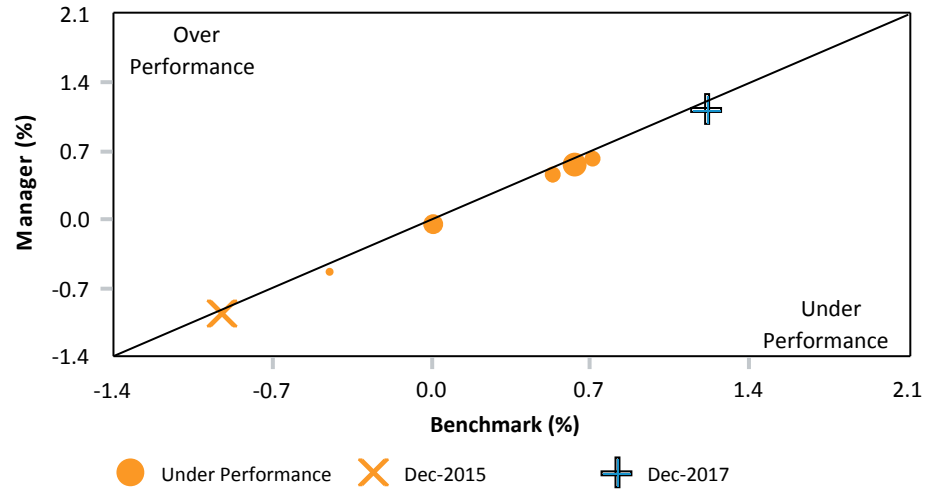


	QTR	YTD	1 Year	3 Years	5 Years	2016	2015	2014	2013
■ Vanguard Short-Term Inflation Protection Adm	0.2 (83)	0.8 (89)	0.8 (89)	1.1 (73)	0.1 (22)	2.7 (93)	-0.2 (9)	-1.2 (88)	-1.5 (10)
● Blmbg.Bar. U.S. TIPS 0-5 Year	0.2 (84)	0.9 (87)	0.9 (87)	1.2 (68)	0.2 (19)	2.8 (90)	0.0 (4)	-1.1 (87)	-1.6 (10)
5th Percentile	2.1	4.2	4.2	3.0	0.8	9.1	-0.1	4.1	-0.3
1st Quartile	1.3	3.1	3.1	2.0	0.1	5.0	-1.3	3.0	-5.7
Median	1.1	2.6	2.6	1.6	-0.3	4.4	-2.1	2.1	-8.7
3rd Quartile	0.6	1.7	1.7	1.1	-0.6	3.6	-2.9	0.1	-9.3
95th Percentile	0.0	0.4	0.4	0.3	-1.5	2.6	-6.6	-2.2	-10.7

### 3 Year Rolling Percentile Ranking vs. IM U.S. TIPS (MF)



### 3 Year Rolling Under/Over Performance vs. Blmbg.Bar. U.S. TIPS 0-5 Year



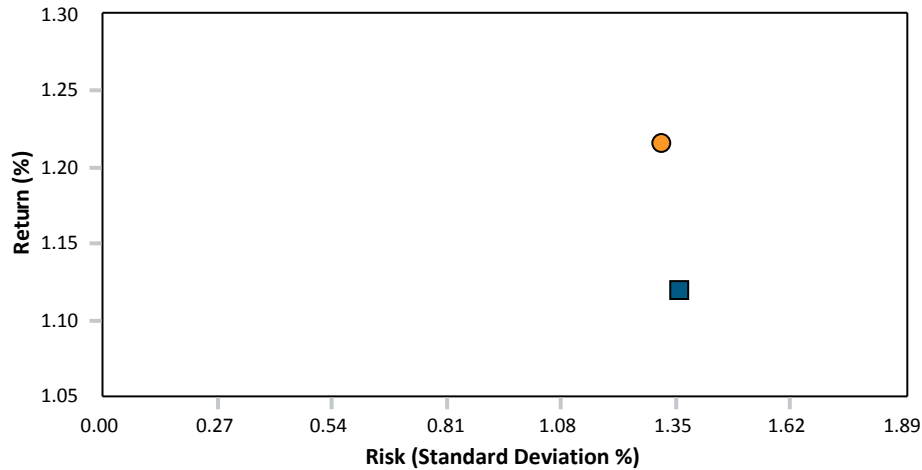
Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## Vanguard Short-Term Inflation Protection Adm

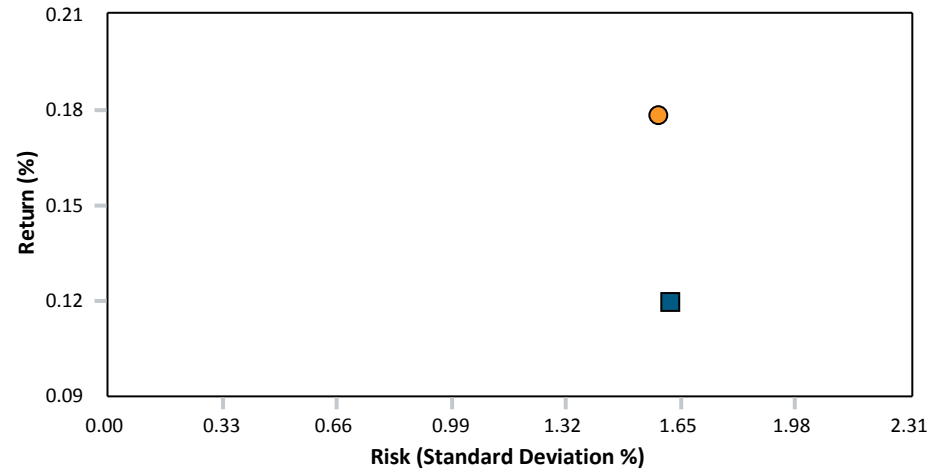
As of December 31, 2017

### 3 Year Risk and Return



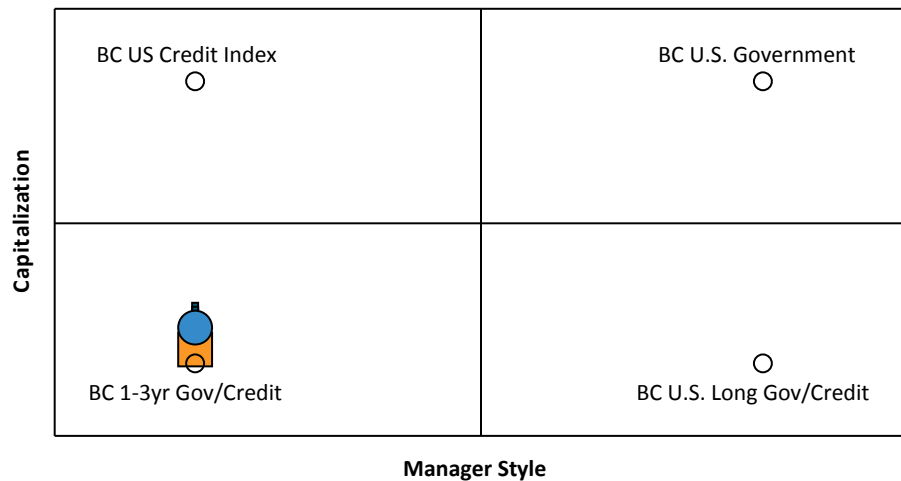
- Vanguard Short-Term Inflation Protection Adm
- Blmbg.Bar. U.S. TIPS 0-5 Year

### 5 Year Risk and Return



- Vanguard Short-Term Inflation Protection Adm
- Blmbg.Bar. U.S. TIPS 0-5 Year

### Style Map - 3 Years



- Style History
- Dec-2017
- Average Style Exposure

### MPT Statistics vs. Blmbg.Bar. U.S. TIPS 0-5 Year

	3 Years	5 Years
Return	1.1	0.1
Standard Deviation	1.4	1.6
vs. Blmbg.Bar. U.S. TIPS 0-5 Year		
Alpha	-0.1	-0.1
Beta	1.0	1.0
R-Squared	1.0	1.0
Consistency	41.7	43.3
Up Market Capture	98.2	99.3
Down Market Capture	104.6	102.2
vs. 90 Day U.S. Treasury Bill		
Sharpe Ratio	0.6	-0.1

Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## Vanguard Short-Term Inflation Protection Adm

As of December 31, 2017

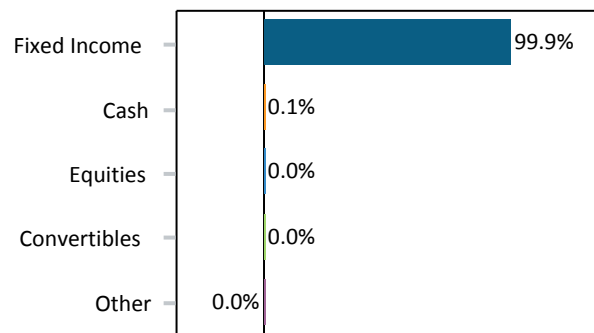
### Mutual Fund Information

Fund Name :	Vanguard Malvern Funds: Vanguard Short-Term Inflation-Protected Securities Index Fund; Admiral Class Shares	Portfolio Assets :	\$22,875 Million
Fund Family :	Vanguard Group Inc	Fund Assets :	\$5,243 Million
Ticker :	VTAPX	Portfolio Manager :	Joshua C. Barrickman
Inception Date :	10/16/2012	PM Tenure :	2012
Portfolio Turnover :	28%		

### Fund Investment Policy

The Fund seeks to track the performance of a benchmark index, Barclays U.S. Treasury Inflation-Protected Securities (TIPS) 0-5 Year Index, that measures the investment return of inflation-protected public obligations of the U.S. Treasury with remaining maturities of less than five years.

### Asset Allocation as of 09/30/17



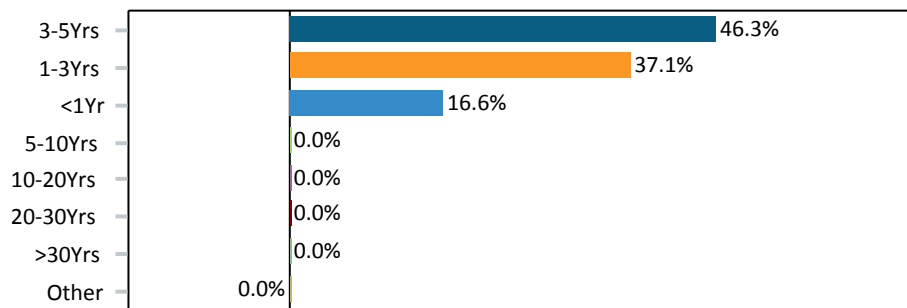
### Top 10 Securities as of 09/30/17

Treasury Notes/Bonds	99.9%
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### Fixed Income Characteristics as of 09/30/17

Avg. Coupon	0.55 %
Nominal Maturity	N/A
Effective Maturity	2.74 Years
Duration	2.70 Years
SEC 30 Day Yield	N/A
Avg. Credit Quality	AAA

### Maturity Distribution as of 09/30/17



### Quality Allocation as of 09/30/17



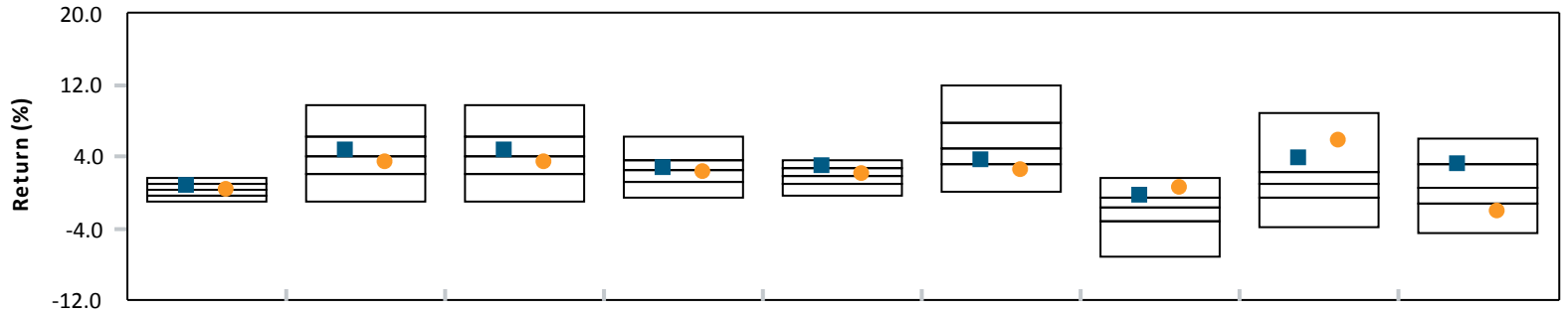
Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## BlackRock Strategic Income Opportunities

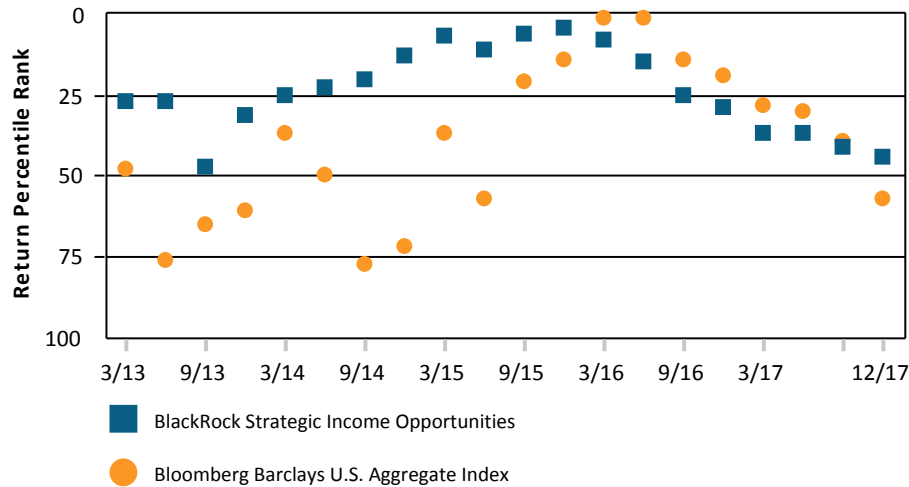
As of December 31, 2017

### Peer Group Analysis vs. IM Alternative Credit Focus (MF)

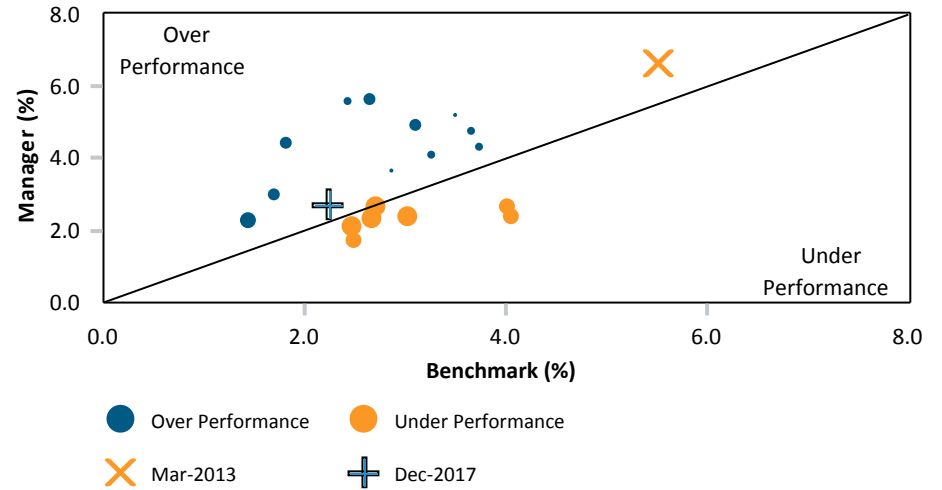


	QTR	YTD	1 Year	3 Years	5 Years	2016	2015	2014	2013
BlackRock Strategic Income Opportunities	0.9 (30)	4.9 (39)	4.9 (39)	2.7 (44)	3.1 (15)	3.6 (68)	-0.3 (23)	3.9 (13)	3.3 (25)
Bloomberg Barclays U.S. Aggregate Index	0.4 (54)	3.5 (58)	3.5 (58)	2.2 (57)	2.1 (44)	2.6 (81)	0.5 (13)	6.0 (9)	-2.0 (90)
5th Percentile	1.6	9.7	9.7	6.2	3.7	12.1	1.6	8.9	6.1
1st Quartile	1.0	6.3	6.3	3.7	2.7	7.8	-0.5	2.3	3.2
Median	0.5	4.1	4.1	2.5	1.9	4.9	-1.5	1.0	0.7
3rd Quartile	-0.3	2.2	2.2	1.3	1.0	3.3	-3.1	-0.5	-1.1
95th Percentile	-1.0	-0.9	-0.9	-0.5	-0.2	0.2	-7.1	-3.8	-4.5

### 3 Year Rolling Percentile Ranking vs. IM Alternative Credit Focus (MF)



### 3 Year Rolling Under/Over Performance vs. Bloomberg Barclays U.S. Aggregate



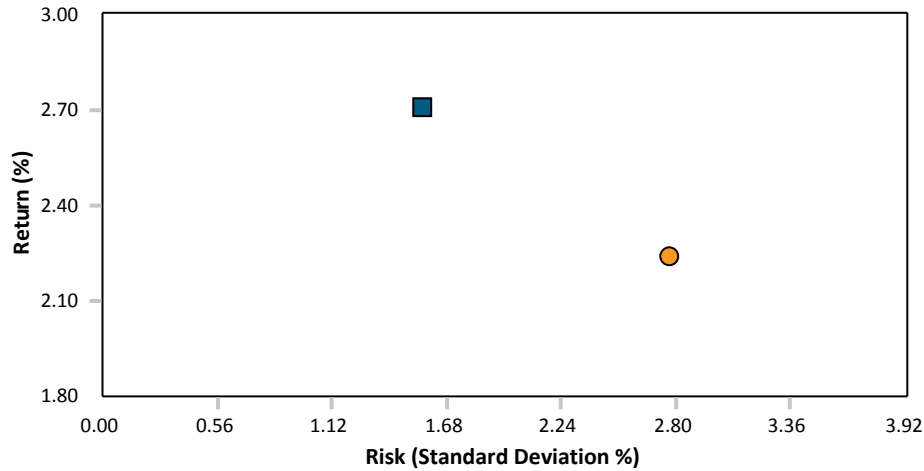
Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## BlackRock Strategic Income Opportunities Instl

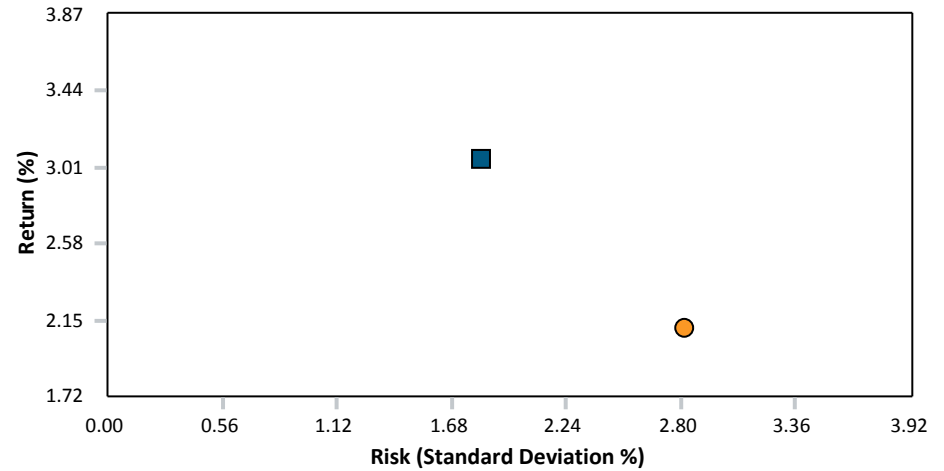
As of December 31, 2017

### 3 Year Risk and Return



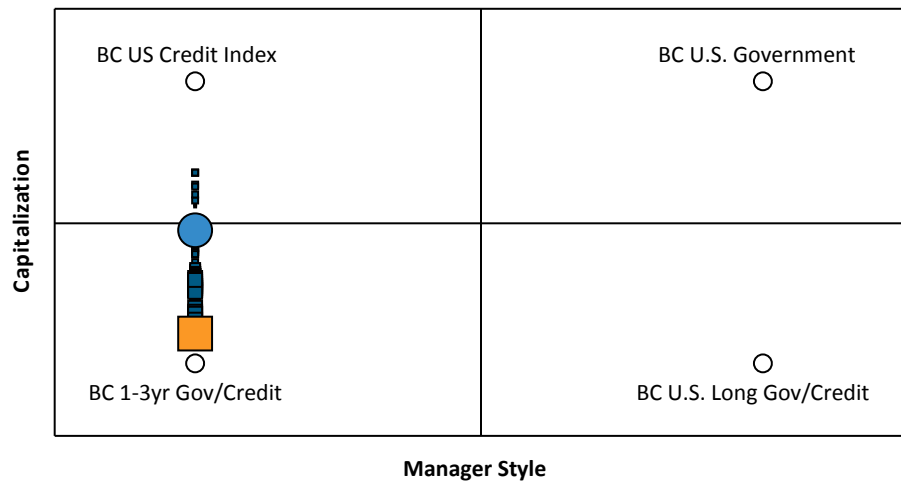
- BlackRock Strategic Income Opportunities Instl
- Bloomberg Barclays U.S. Aggregate Index

### 5 Year Risk and Return



- BlackRock Strategic Income Opportunities Instl
- Bloomberg Barclays U.S. Aggregate Index

### Style Map - 3 Years



- Style History
- Dec-2017
- Average Style Exposure

### MPT Statistics vs. Bloomberg Barclays U.S. Aggregate Index

	3 Years	5 Years
Return	2.7	3.1
Standard Deviation	1.6	1.8
vs. Bloomberg Barclays U.S. Aggregate Index		
Alpha	2.4	2.5
Beta	0.1	0.2
R-Squared	0.1	0.1
Consistency	61.1	58.3
Up Market Capture	54.1	60.6
Down Market Capture	-5.1	-1.7
vs. 90 Day U.S. Treasury Bill		
Sharpe Ratio	1.5	1.5

Mutual fund data sourced from Lipper Analytical Services.



# Manager Evaluation

## BlackRock Strategic Income Opportunities Instl

Report Date December 31, 2017

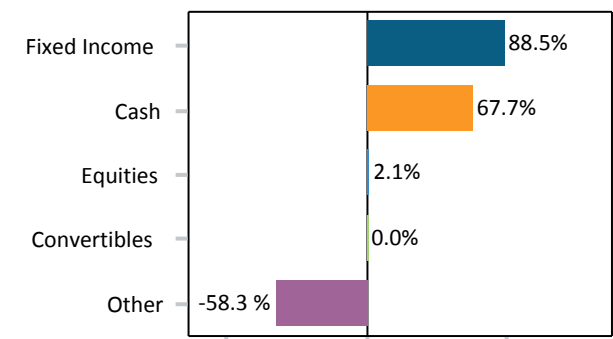
### Mutual Fund Information

Fund Name :	BlackRock Funds II: BlackRock Strategic Income Opportunities Portfolio; Institutional Shares	Portfolio Assets :	\$31,277 Million
Fund Family :	BlackRock Inc	Fund Assets :	\$22,900 Million
Ticker :	BSIIX	Portfolio Manager :	Rieder/Miller
Inception Date :	02/05/2008	PM Tenure :	2010--2011
Portfolio Turnover :	1,541%		

### Fund Investment Policy

The Fund seeks total return as is consistent with the preservation of capital. The Fund will invest opportunistically across the spectrum of fixed income sectors and securities. Allocations to all sectors are unconstrained and the fund may invest in non-investment-grade, non-dollar-denominated and emerging markets.

### Asset Allocation as of 09/30/17



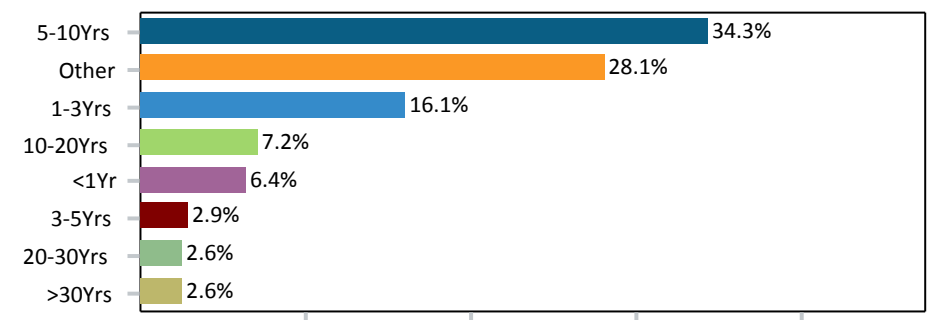
### Top 10 Securities as of 09/30/17

iShares iBoxx \$ High Yield Corporate	1.4 %
SPDR Bloomberg Barclays High Yield	1.1 %
Financial Select Sector SPDR Fund	0.6 %
iShares JPMorgan USD Emerging Markets	0.5 %
iShares MSCI Emerging Markets ETF	0.2 %
iShares Short Maturity Bond ETF	0.2 %
Bank of America Corp ORD	0.2 %
JPMorgan Chase & Co ORD	0.1 %
Energen Corp ORD	0.1 %
Nationwide Building Society ORD	0.1 %

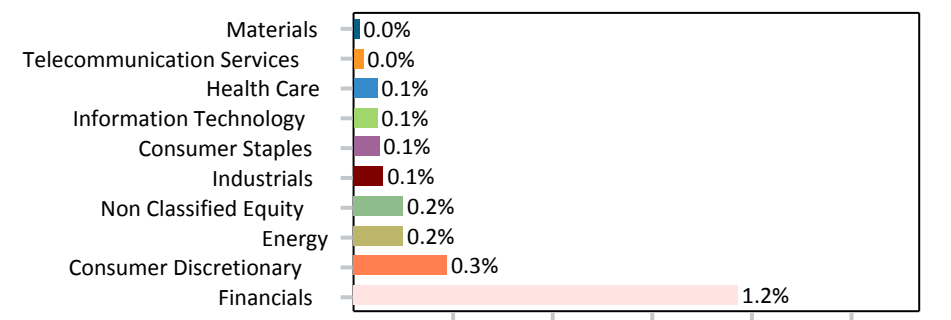
### Fixed Income Characteristics as of 09/30/17

Avg. Coupon	0.42 %
Nominal Maturity	N/A
Effective Maturity	8.44 Years
Duration	1.43 Years
SEC 30 Day Yield	4.4
Avg. Credit Quality	BB

### Maturity Distribution as of 09/30/17



### Quality Allocation as of 09/30/17



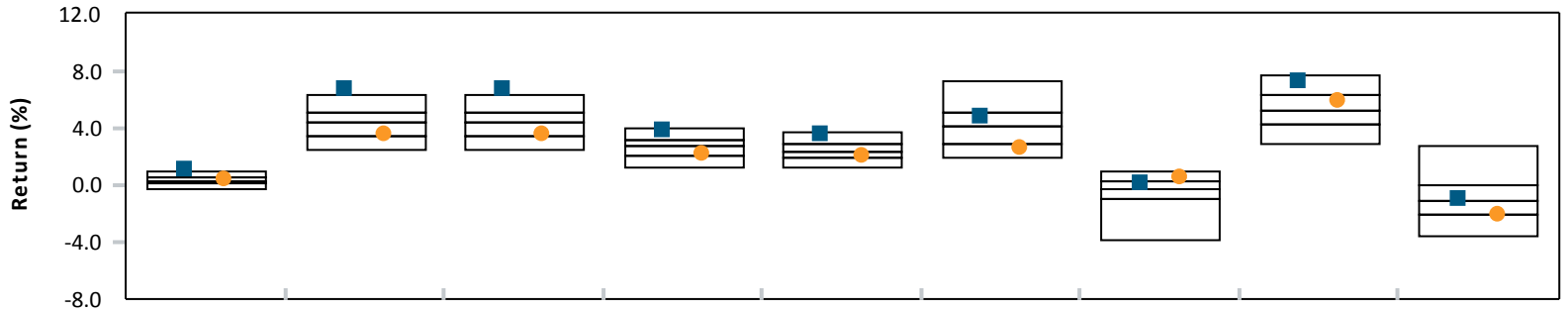
Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## Prudential Total Return Bond Q

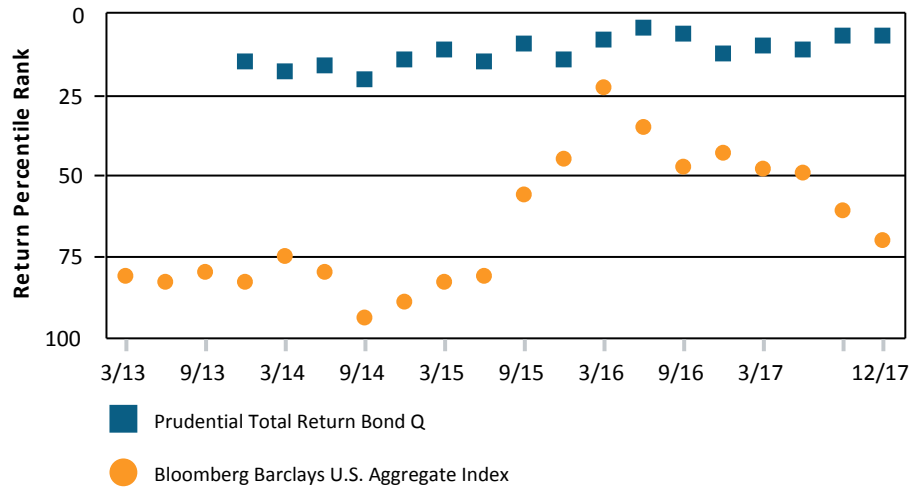
As of December 31, 2017

### Peer Group Analysis vs. IM U.S. Broad Market Core+ Fixed Income (MF)

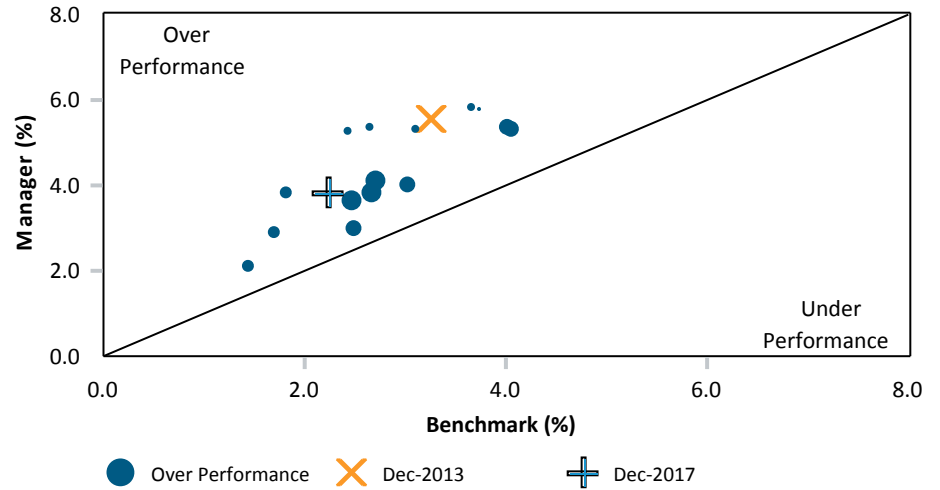


	QTR	YTD	1 Year	3 Years	5 Years	2016	2015	2014	2013
■ Prudential Total Return Bond Q	1.1 (3)	6.7 (2)	6.7 (2)	3.8 (7)	3.5 (8)	4.8 (32)	0.1 (34)	7.3 (10)	-0.9 (46)
● Bloomberg Barclays U.S. Aggregate Index	0.4 (45)	3.5 (75)	3.5 (75)	2.2 (70)	2.1 (65)	2.6 (81)	0.5 (13)	6.0 (33)	-2.0 (76)
5th Percentile	1.0	6.3	6.3	3.9	3.7	7.3	1.0	7.7	2.8
1st Quartile	0.5	5.1	5.1	3.2	2.9	5.1	0.2	6.3	0.0
Median	0.3	4.5	4.5	2.7	2.4	4.2	-0.3	5.3	-1.1
3rd Quartile	0.1	3.5	3.5	2.1	1.9	2.9	-0.9	4.2	-2.0
95th Percentile	-0.3	2.5	2.5	1.3	1.2	1.9	-3.8	2.9	-3.5

### 3 Year Rolling Percentile Ranking vs. IM U.S. Broad Market Core+ Fixed Income



### 3 Year Rolling Under/Over Performance vs. Bloomberg Barclays U.S. Aggregate



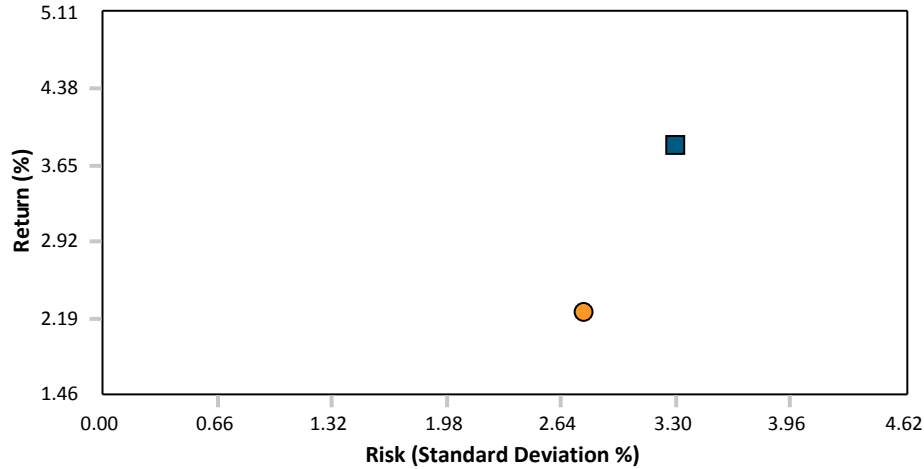
Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## Prudential Total Return Bond Q

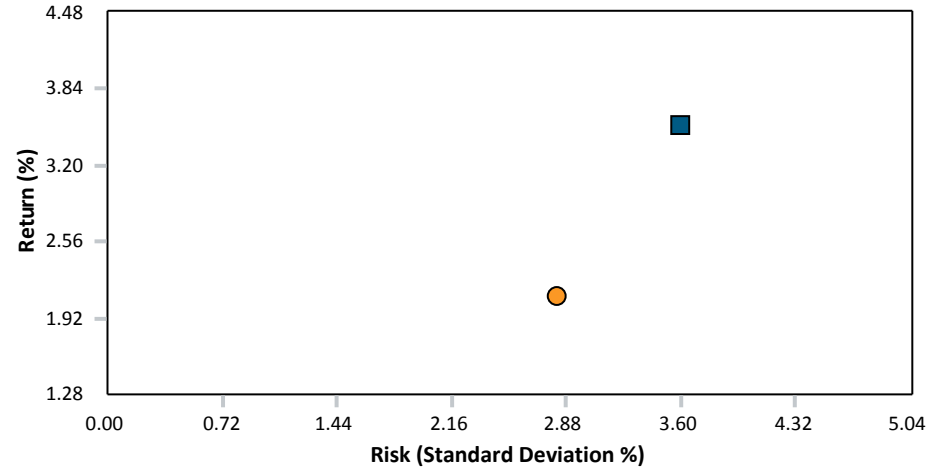
As of December 31, 2017

### 3 Year Risk and Return



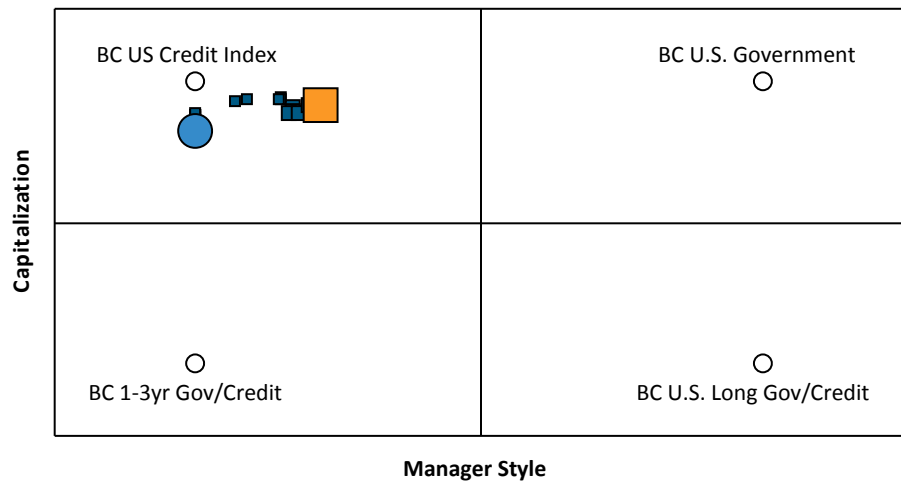
- Prudential Total Return Bond Q
- Bloomberg Barclays U.S. Aggregate Index

### 5 Year Risk and Return



- Prudential Total Return Bond Q
- Bloomberg Barclays U.S. Aggregate Index

### Style Map - 3 Years



- Style History
- Dec-2017
- Average Style Exposure

### MPT Statistics vs. Bloomberg Barclays U.S. Aggregate Index

	3 Years	5 Years
Return	3.8	3.5
Standard Deviation	3.3	3.6
vs. Bloomberg Barclays U.S. Aggregate Index		
Alpha	1.3	1.0
Beta	1.1	1.2
R-Squared	0.9	0.9
Consistency	69.4	68.3
Up Market Capture	134.2	136.2
Down Market Capture	101.9	112.7
vs. 90 Day U.S. Treasury Bill		
Sharpe Ratio	1.0	0.9

Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## Prudential Total Return Bond Q

Report Date December 31, 2017

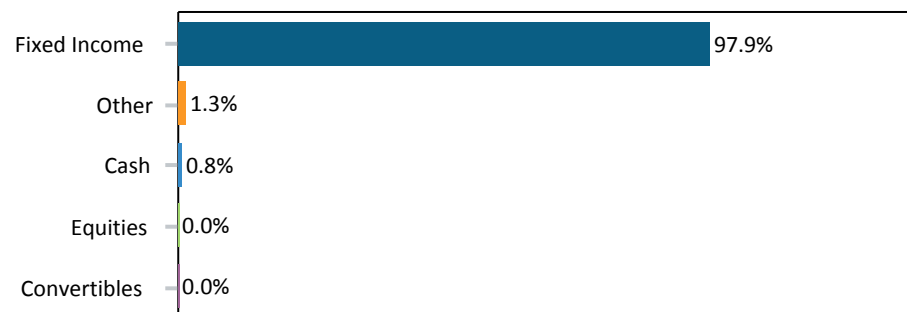
### Mutual Fund Information

Fund Name :	Prudential Investment Portfolios, Inc 17: Prudential Total Return Bond Fund; Class Q Shares	Portfolio Assets :	\$29,060 Million
Fund Family :	Prudential Investments LLC	Fund Assets :	\$10,803 Million
Ticker :	PTRQX	Portfolio Manager :	Team Managed
Inception Date :	12/27/2010	PM Tenure :	
Portfolio Turnover :	102%		

### Fund Investment Policy

The Fund seeks current income and capital appreciation by allocating its assets primarily among U.S. Government, mortgage backed, corporate debt, and foreign securities.

### Asset Allocation as of 09/30/17



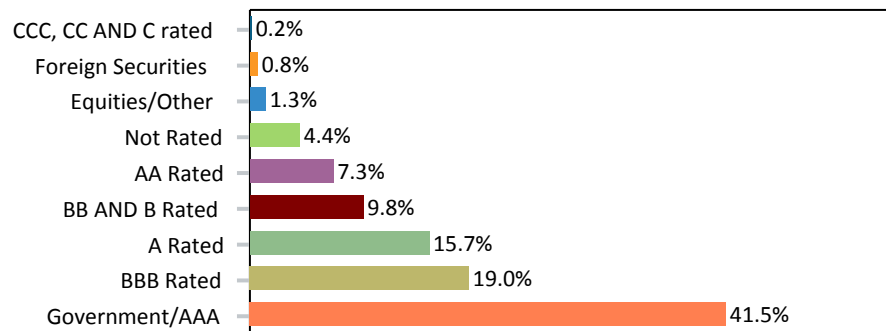
### Top 10 Securities as of 09/30/17

Corporate Notes/Bonds	37.1 %
Asset Backed Securities	25.9 %
GNMA and Other Mtg Backed	12.4 %
US\$ Denominated Fgn. Gvt.	11.1 %
Treasury Notes/Bonds	7.3 %
Government Agency Securities	3.4 %
Fgn. Currency Denominated Bonds	0.8 %

### Equity Characteristics as of 09/30/17

Avg. Coupon	3.35 %
Nominal Maturity	7.88 Years
Effective Maturity	N/A
Duration	6.22 Years
SEC 30 Day Yield	N/A
Avg. Credit Quality	AA

### Sector Allocation as of 09/30/17

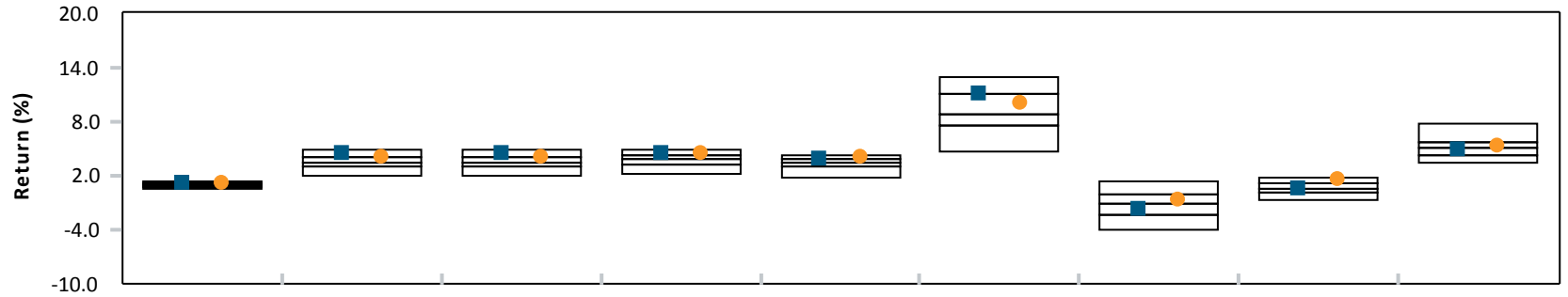


# Manager Evaluation

## Eaton Vance Floating Rate Instl

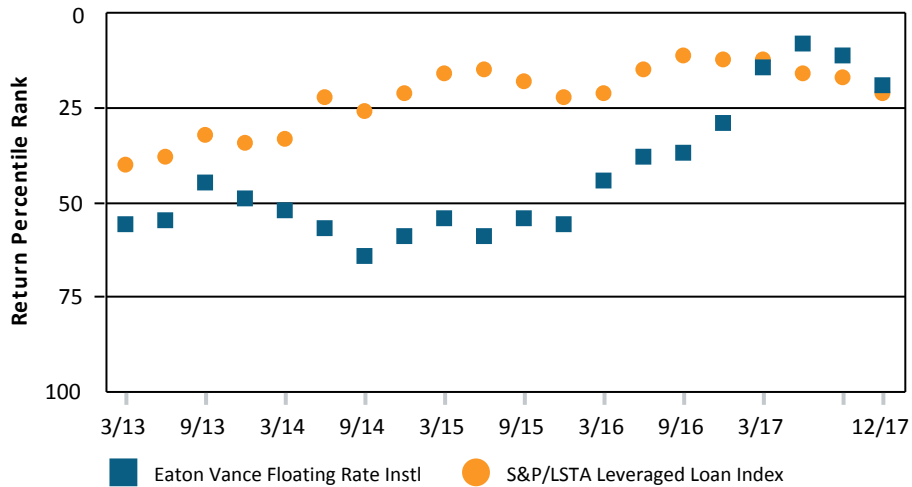
As of December 31, 2017

### Peer Group Analysis vs. IM U.S. Bank Loans (MF)

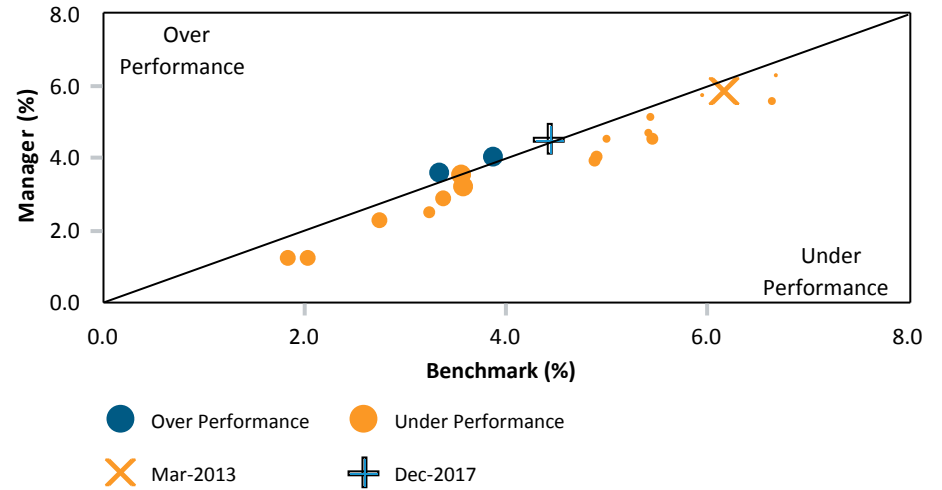


	QTR	YTD	1 Year	3 Years	5 Years	2016	2015	2014	2013
Eaton Vance Floating Rate Instl	1.1 (36)	4.5 (13)	4.5 (13)	4.5 (19)	3.8 (33)	11.1 (25)	-1.6 (59)	0.6 (46)	4.8 (60)
S&P/LSTA Leveraged Loan Index	1.1 (34)	4.1 (25)	4.1 (25)	4.4 (21)	4.0 (16)	10.2 (36)	-0.7 (40)	1.6 (7)	5.3 (43)
5th Percentile	1.5	5.0	5.0	5.0	4.3	13.0	1.4	1.8	7.8
1st Quartile	1.2	4.1	4.1	4.3	3.9	11.0	0.0	1.1	5.8
Median	1.0	3.5	3.5	3.8	3.4	8.9	-1.2	0.5	5.1
3rd Quartile	0.8	3.0	3.0	3.3	3.0	7.6	-2.4	0.0	4.3
95th Percentile	0.6	2.0	2.0	2.2	1.9	4.6	-4.1	-0.8	3.4

### 3 Year Rolling Percentile Ranking vs. IM U.S. Bank Loans (MF)



### 3 Year Rolling Under/Over Performance vs. S&P/LSTA Leveraged Loan Index

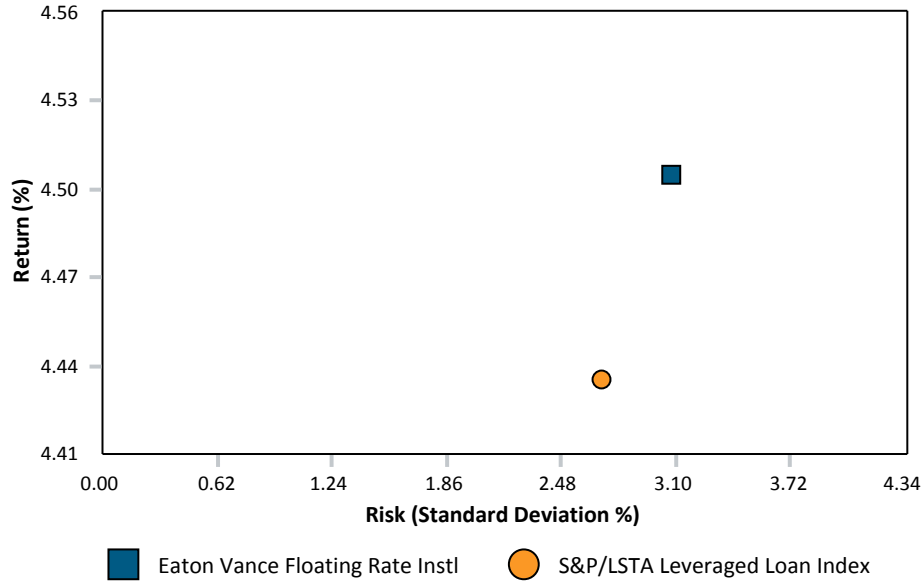


Mutual fund data sourced from Lipper Analytical Services.

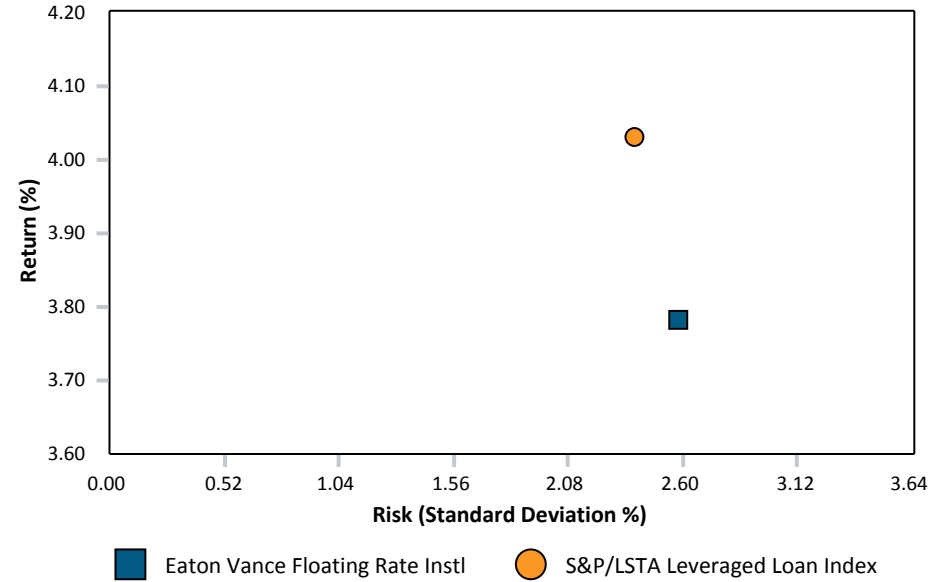
# Manager Evaluation

Eaton Vance Floating Rate Instl  
As of December 31, 2017

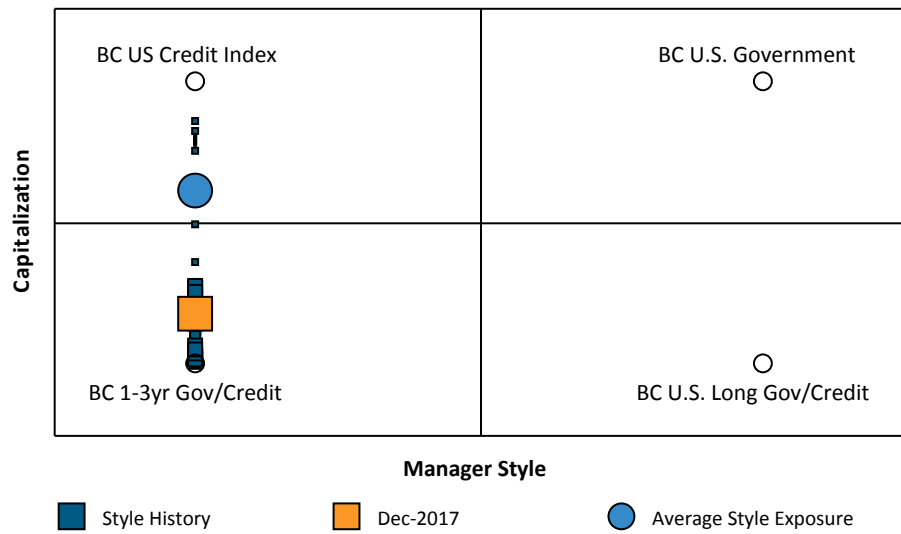
## 3 Year Risk and Return



## 5 Year Risk and Return



## Style Map - 3 Years



## MPT Statistics vs. S&P/LSTA Leveraged Loan Index

	3 Years	5 Years
Return	4.5	3.8
Standard Deviation	3.1	2.6
vs. S&P/LSTA Leveraged Loan Index		
Alpha	-0.5	-0.5
Beta	1.1	1.1
R-Squared	1.0	0.9
Consistency	41.7	38.3
Up Market Capture	103.8	95.3
Down Market Capture	109.1	98.3
vs. 90 Day U.S. Treasury Bill		
Sharpe Ratio	1.3	1.4

Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## Eaton Vance Floating Rate Instl

Report Date December 31, 2017

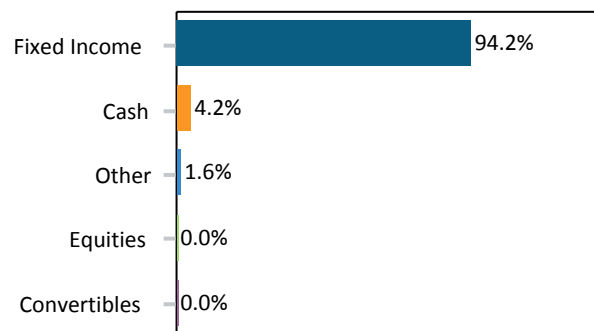
### Mutual Fund Information

Fund Name :	Eaton Vance Mutual Funds Trust: Eaton Vance Floating-Rate Fund; Institutional Class Shares	Portfolio Assets :	\$8,237 Million
Fund Family :	Eaton Vance Management	Fund Assets :	\$6,102 Million
Ticker :	EIBLX	Portfolio Manager :	Page/Russ
Inception Date :	01/30/2001	PM Tenure :	2001--2007
Portfolio Turnover :	27%		

### Fund Investment Policy

The Fund seeks to provide a high level of current income. To do so, the Fund invests primarily in senior secured floating rate loans and high yield, high risk corporate bonds. The Fund invests at least 65% of its assets in debt obligations issued in connection with corporations who are restructuring.

### Asset Allocation as of 09/30/17



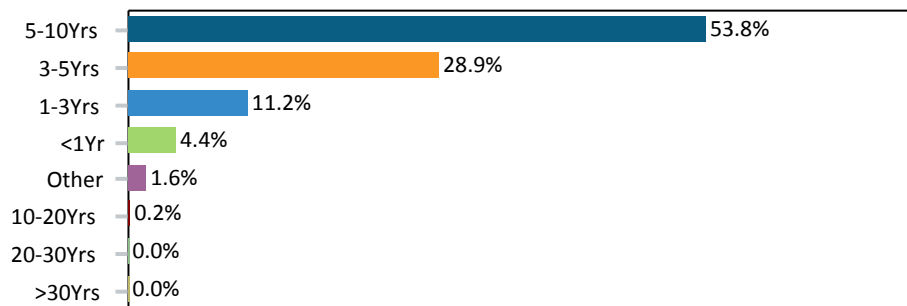
### Top 10 Securities as of 09/30/17

Corporate Notes/Bonds	94.2 %
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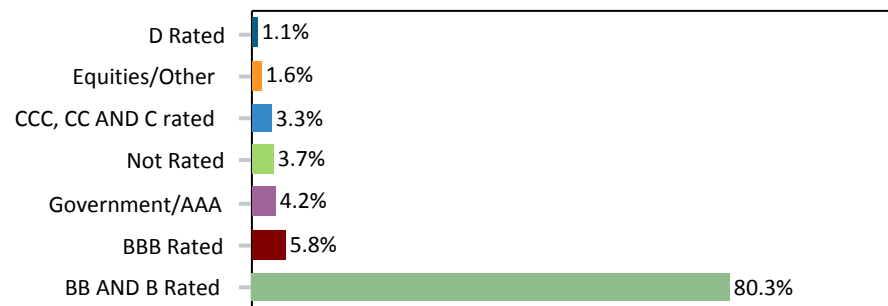
### Fixed Income Characteristics as of 09/30/17

Avg. Coupon	4.64 %
Nominal Maturity	5.13 Years
Effective Maturity	N/A
Duration	0.20 Years
SEC 30 Day Yield	3.8
Avg. Credit Quality	BB

### Maturity Distribution as of 09/30/17



### Quality Allocation as of 09/30/17



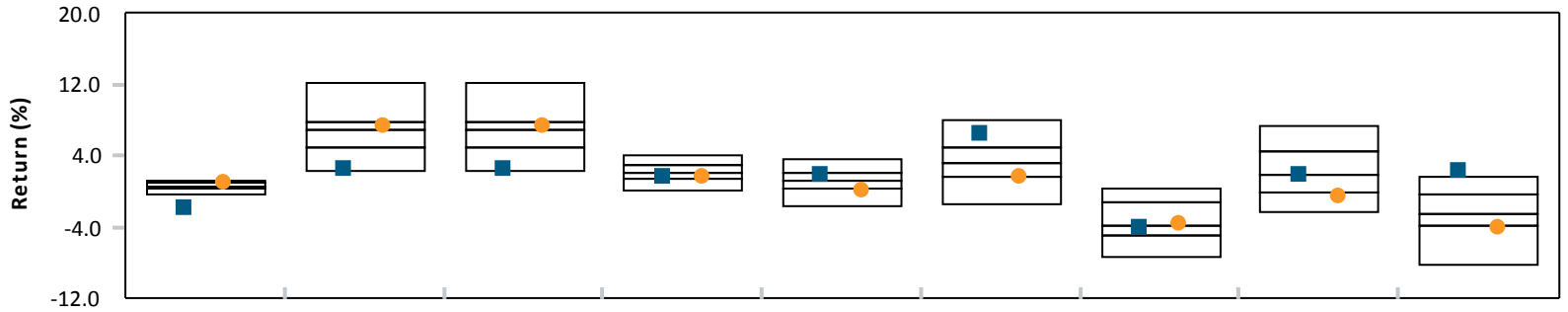
Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## Templeton Global Bond Adv

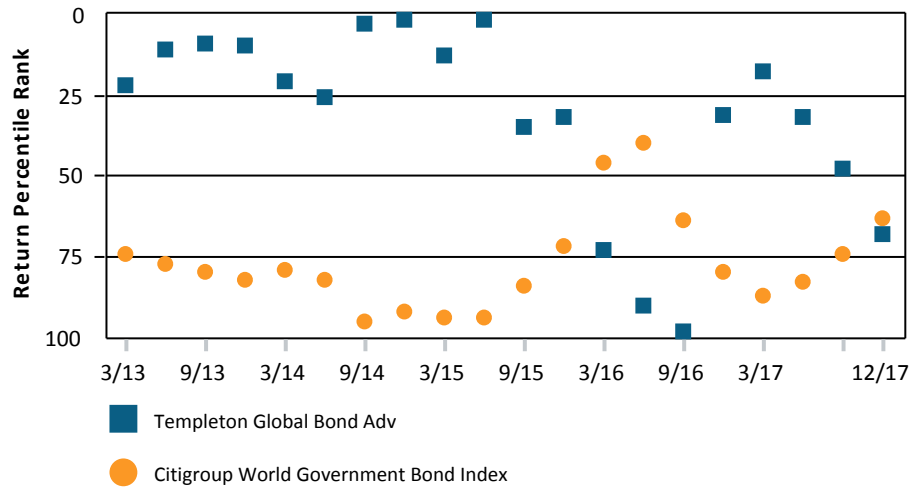
As of December 31, 2017

### Peer Group Analysis vs. IM Global Fixed Income (MF)

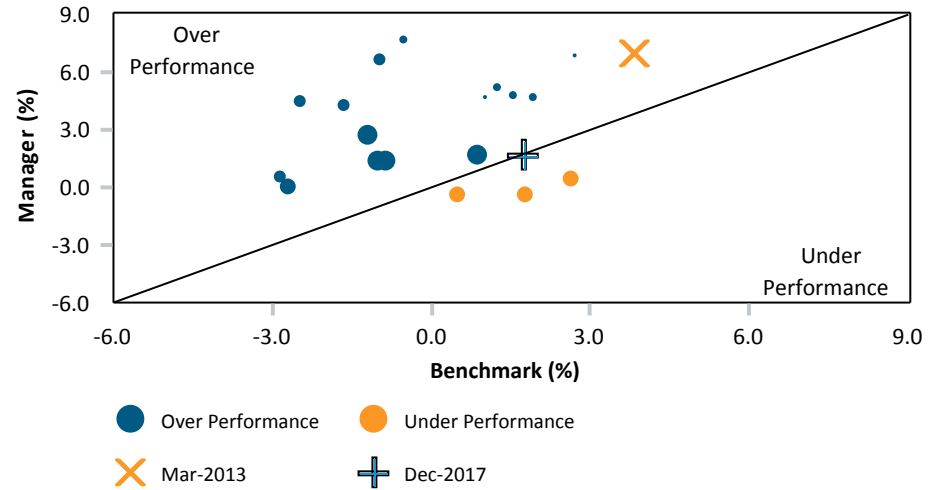


	QTR	YTD	1 Year	3 Years	5 Years	2016	2015	2014	2013
■ Templeton Global Bond Adv	-1.8 (100)	2.6 (92)	2.6 (92)	1.6 (68)	1.8 (33)	6.6 (12)	-4.0 (54)	1.8 (53)	2.4 (2)
● Citigroup World Government Bond Index	1.0 (19)	7.5 (37)	7.5 (37)	1.7 (63)	0.1 (81)	1.6 (78)	-3.6 (44)	-0.5 (79)	-4.0 (78)
5th Percentile	1.3	12.2	12.2	4.2	3.6	8.2	0.3	7.4	1.7
1st Quartile	1.0	7.9	7.9	2.9	2.2	5.1	-1.1	4.5	-0.2
Median	0.7	7.0	7.0	2.1	1.2	3.3	-3.8	1.9	-2.5
3rd Quartile	0.4	5.0	5.0	1.4	0.4	1.7	-5.0	0.0	-3.8
95th Percentile	-0.2	2.3	2.3	0.1	-1.7	-1.4	-7.4	-2.3	-8.1

### 3 Year Rolling Percentile Ranking vs. IM Global Fixed Income (MF)



### 3 Year Rolling Under/Over Performance vs. Citigroup World Government Bond



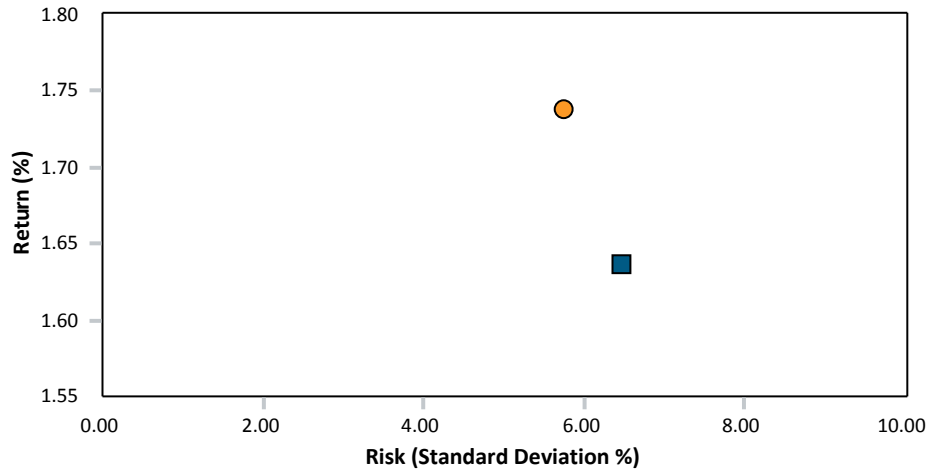
Mutual fund data sourced from Lipper Analytical Services.



# Manager Evaluation

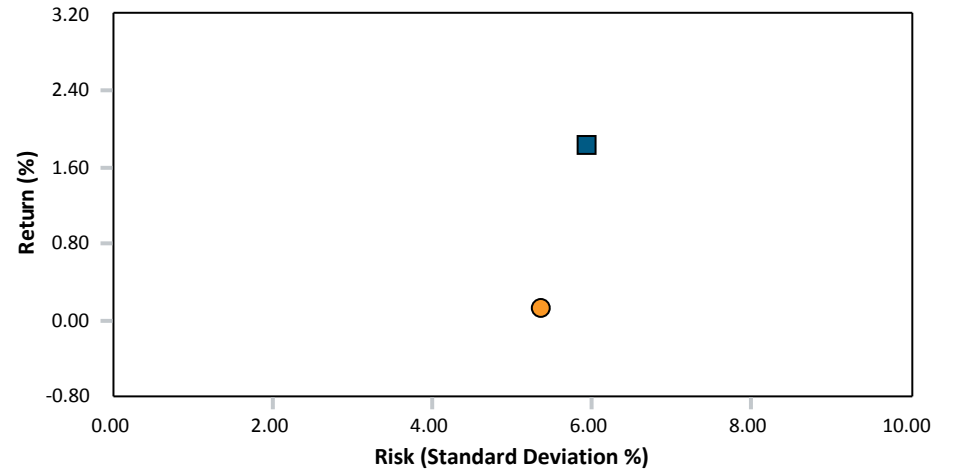
Templeton Global Bond Adv  
As of December 31, 2017

## 3 Year Risk and Return



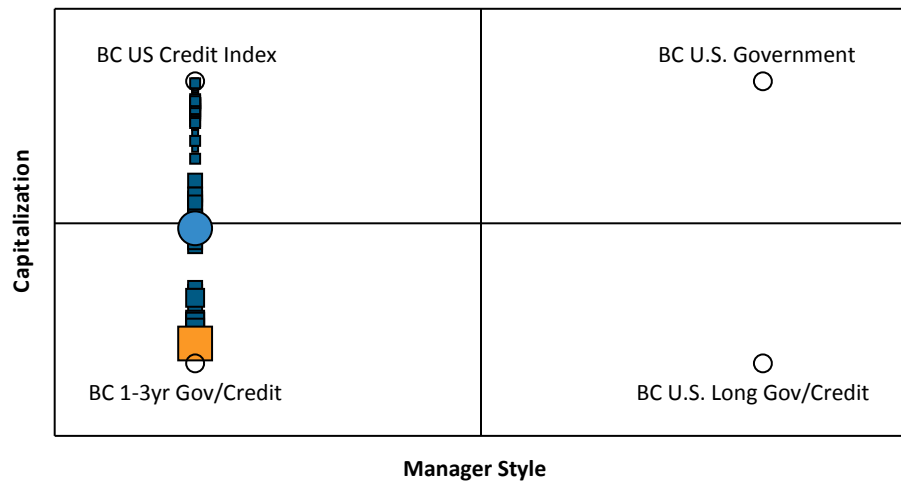
- Templeton Global Bond Adv
- Citigroup World Government Bond Index

## 5 Year Risk and Return



- Templeton Global Bond Adv
- Citigroup World Government Bond Index

## Style Map - 3 Years



- Style History
- Dec-2017
- Average Style Exposure

## MPT Statistics vs. Citigroup World Government Bond Index

	3 Years	5 Years
Return	1.6	1.8
Standard Deviation	6.5	5.9
vs. Citigroup World Government Bond Index		
Alpha	2.5	2.0
Beta	-0.3	-0.1
R-Squared	0.1	0.0
Consistency	41.7	53.3
Up Market Capture	-32.9	1.7
Down Market Capture	-69.2	-26.3
vs. 90 Day U.S. Treasury Bill		
Sharpe Ratio	0.2	0.3

Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## Templeton Global Bond Adv

Report Date December 31, 2017

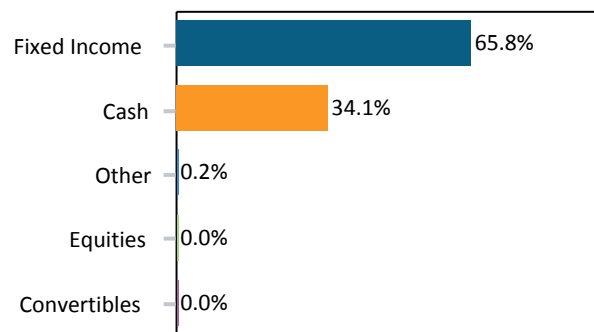
### Mutual Fund Information

Fund Name :	Templeton Income Trust: Templeton Global Bond Fund; Advisor Class Shares	Portfolio Assets :	\$38,811 Million
Fund Family :	Franklin Templeton Investments	Fund Assets :	\$21,570 Million
Ticker :	TGBAX	Portfolio Manager :	Hasenstab/Desai
Inception Date :	01/02/1997	PM Tenure :	2001--2011
Portfolio Turnover :	50%		

### Fund Investment Policy

The Fund seeks current income with capital appreciation and growth of income by investing at least 80% of its net assets in "bonds." In addition, the Fund's assets will be invested in issuers located in at least three countries including the U.S.

### Asset Allocation as of 09/30/17



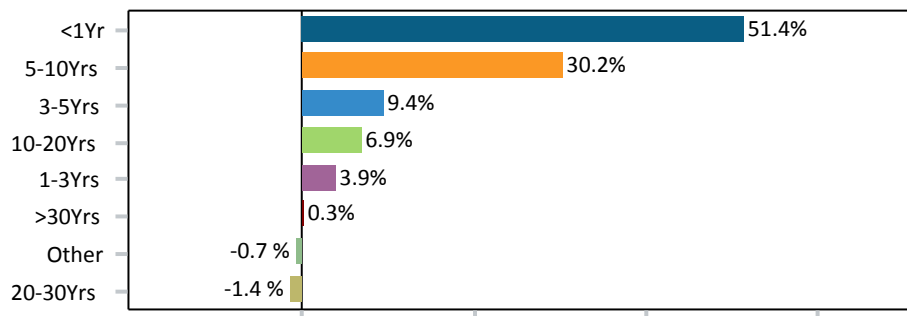
### Top 10 Securities as of 09/30/17

Fgn. Currency Denominated Bonds	63.6 %
Government Agency Securities	1.3 %
US\$ Denominated Fgn. Gvt.	0.9 %

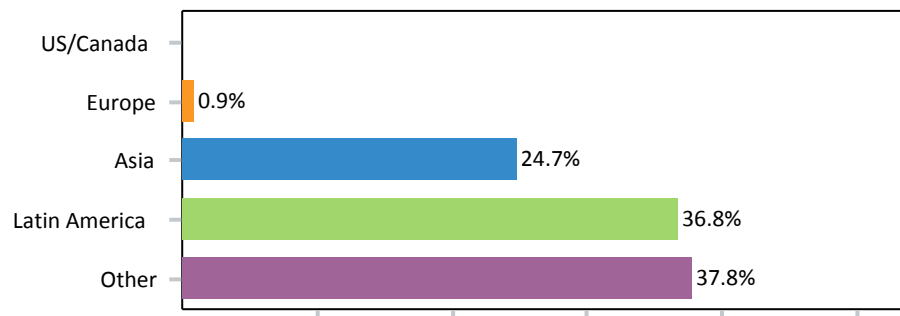
### Fixed Income Characteristics as of 09/30/17

Avg. Coupon	7.54 %
Nominal Maturity	3.36 Years
Effective Maturity	N/A
Duration	-0.34 Years
SEC 30 Day Yield	3.9
Avg. Credit Quality	N/A

### Maturity Distribution as of 03/31/15



### Quality Allocation as of 09/30/17



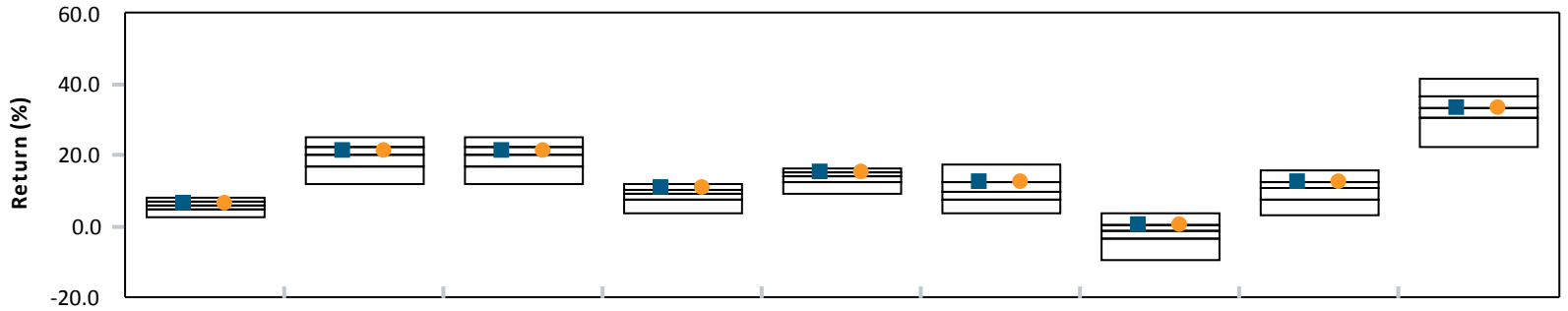
Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## Vanguard Total Stock Market Index Adm

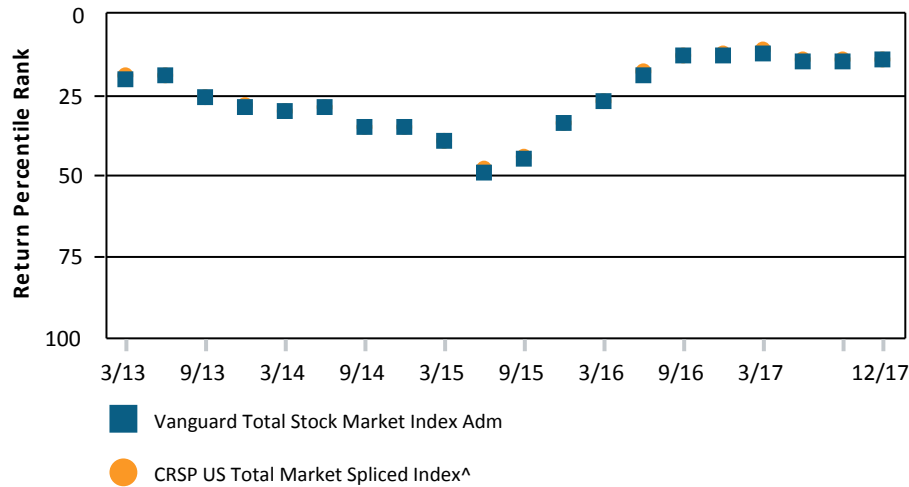
As of December 31, 2017

### Peer Group Analysis vs. IM U.S. Multi-Cap Core Equity (MF)

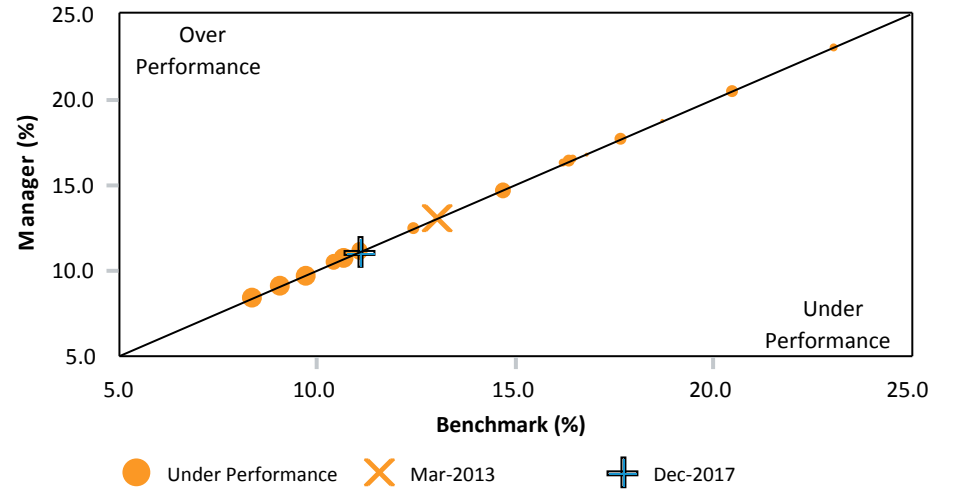


	QTR	YTD	1 Year	3 Years	5 Years	2016	2015	2014	2013
■ Vanguard Total Stock Market Index Adm	6.3 (40)	21.2 (37)	21.2 (37)	11.1 (14)	15.5 (20)	12.7 (28)	0.4 (30)	12.6 (28)	33.5 (51)
● CRSP US Total Market Spliced Index^	6.3 (40)	21.2 (37)	21.2 (37)	11.1 (14)	15.6 (19)	12.7 (27)	0.4 (30)	12.6 (27)	33.5 (52)
5th Percentile	8.1	25.3	25.3	11.7	16.5	17.7	3.6	15.9	41.7
1st Quartile	6.9	22.3	22.3	10.5	15.4	12.8	0.6	12.8	36.6
Median	6.0	20.3	20.3	9.4	14.4	9.9	-1.1	10.9	33.6
3rd Quartile	5.0	17.2	17.2	7.8	12.5	7.5	-3.7	7.7	30.6
95th Percentile	2.4	12.2	12.2	3.7	9.1	3.6	-9.4	3.2	22.7

### 3 Year Rolling Percentile Ranking vs. IM U.S. Multi-Cap Core Equity (MF)



### 3 Year Rolling Under/Over Performance vs. CRSP US Total Market Spliced Index^



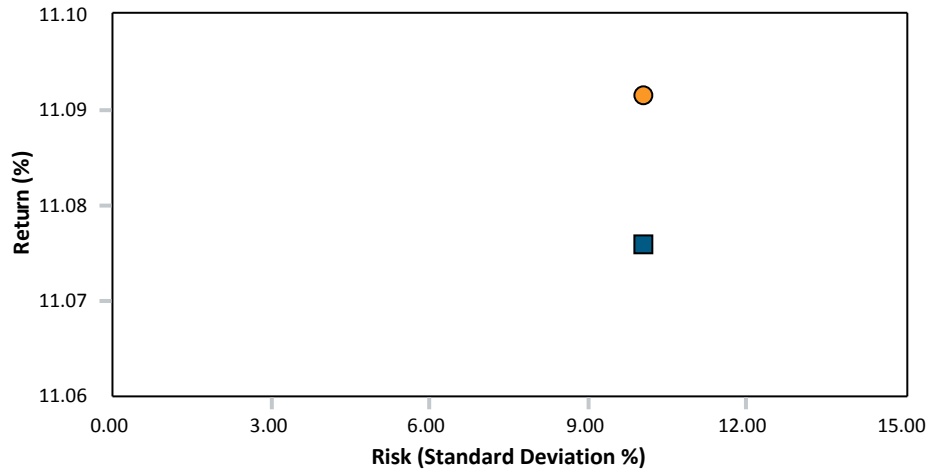
Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## Vanguard Total Stock Market Index Adm

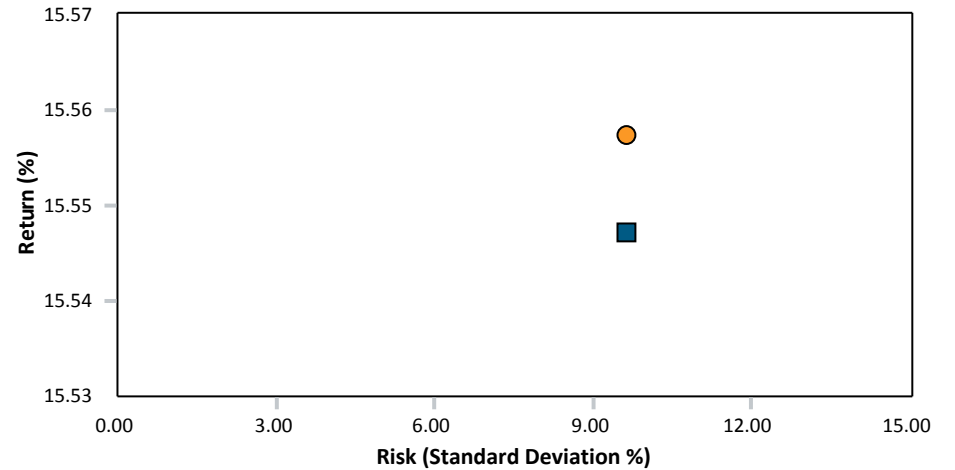
As of December 31, 2017

### 3 Year Risk and Return



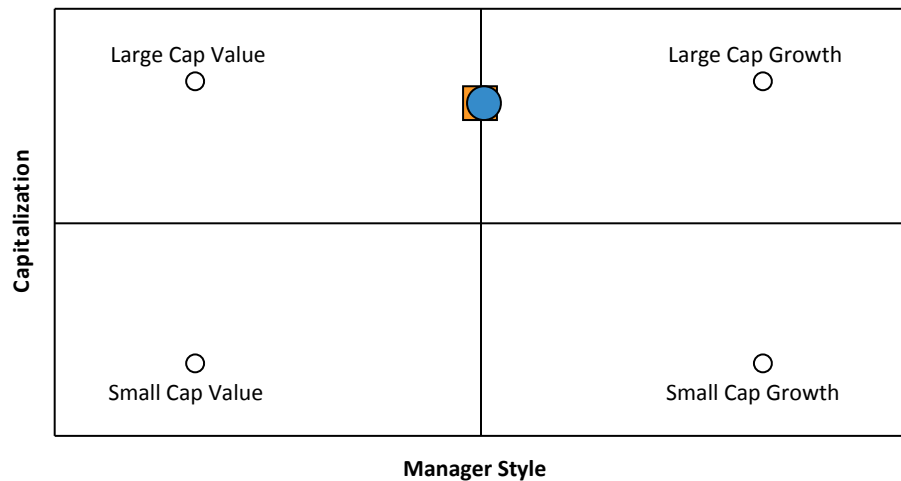
- Vanguard Total Stock Market Index Adm
- CRSP US Total Market Spliced Index^

### 5 Year Risk and Return



- Vanguard Total Stock Market Index Adm
- CRSP US Total Market Spliced Index^

### Style Map - 3 Years



- Style History
- Dec-2017
- Average Style Exposure

### MPT Statistics vs. CRSP US Total Market Spliced Index^

	3 Years	5 Years
Return	11.1	15.5
Standard Deviation	10.1	9.7
vs. CRSP US Total Market Spliced Index^		
Alpha	0.0	0.0
Beta	1.0	1.0
R-Squared	1.0	1.0
Consistency	44.4	51.7
Up Market Capture	100.0	100.0
Down Market Capture	100.1	100.1
vs. 90 Day U.S. Treasury Bill		
Sharpe Ratio	1.1	1.5

Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## Vanguard Total Stock Market Index Adm

Report Date December 31, 2017

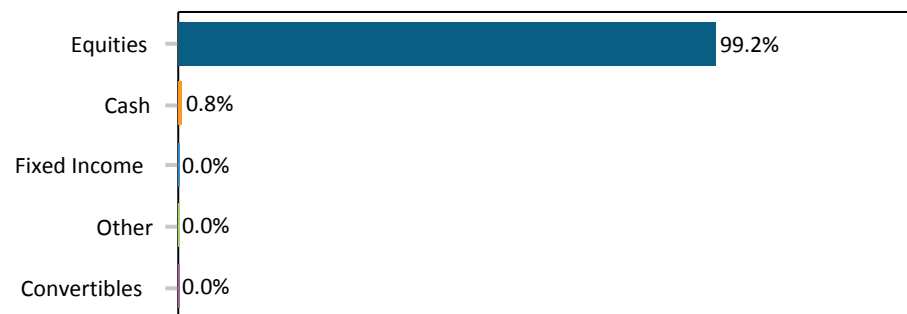
### Mutual Fund Information

Fund Name :	Vanguard Index Funds: Vanguard Total Stock Market Index Fund; Admiral Class Shares	Portfolio Assets :	\$664,311 Million
Fund Family :	Vanguard Group Inc	Fund Assets :	\$187,807 Million
Ticker :	VTSAX	Portfolio Manager :	O'Reilly/Nejman
Inception Date :	11/13/2000	PM Tenure :	2016--2016
Portfolio Turnover :	4%		

### Fund Investment Policy

The Fund seeks to track the performance of a benchmark index that measures the investment return of the overall stock market. The Fund employs a "passive management" approach designed to track the performance of the CRSP US Total Market Index.

### Asset Allocation as of 10/31/17



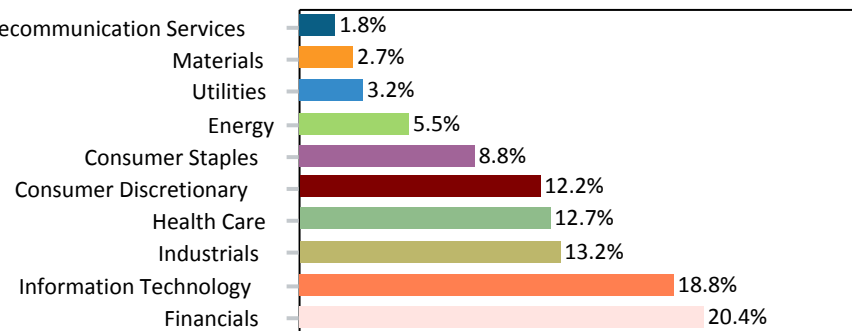
### Top 10 Securities as of 10/31/17

Apple Inc ORD	2.9 %
Microsoft Corp ORD	2.4 %
Amazon.com Inc ORD	1.7 %
Facebook Inc ORD	1.6 %
Johnson & Johnson ORD	1.4 %
JPMorgan Chase & Co ORD	1.3 %
Exxon Mobil Corp ORD	1.3 %
Berkshire Hathaway Inc ORD	1.3 %
Alphabet Inc ORD 1	1.2 %
Alphabet Inc ORD 2	1.1 %

### Equity Characteristics as of 10/31/17

Total Securities	3,600
Avg. Market Cap	\$148,250 Million
P/E	28.0
P/B	6.0
Div. Yield	2.4%
Annual EPS	15.0
5Yr EPS	11.6
3Yr EPS Growth	12.5

### Sector Allocation as of 10/31/17

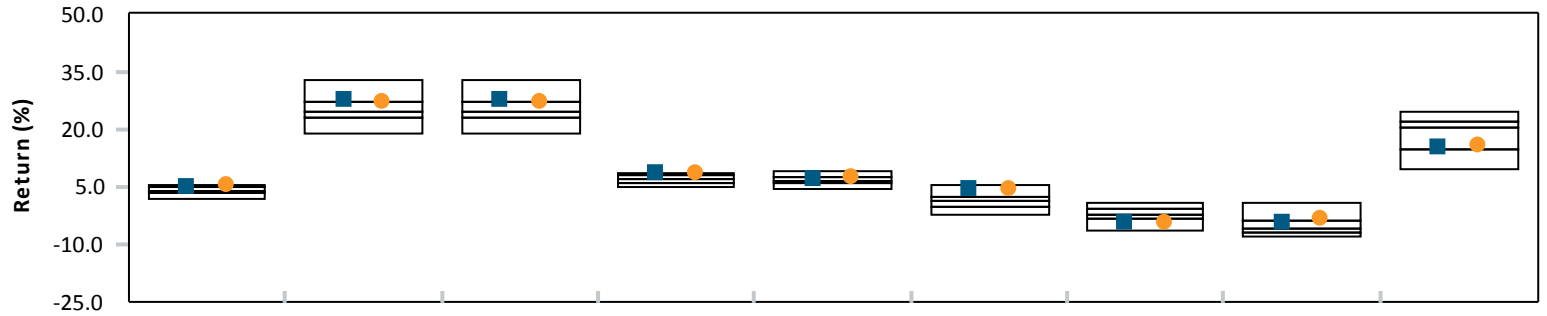


# Manager Evaluation

## Vanguard Total International Stock Index Adm

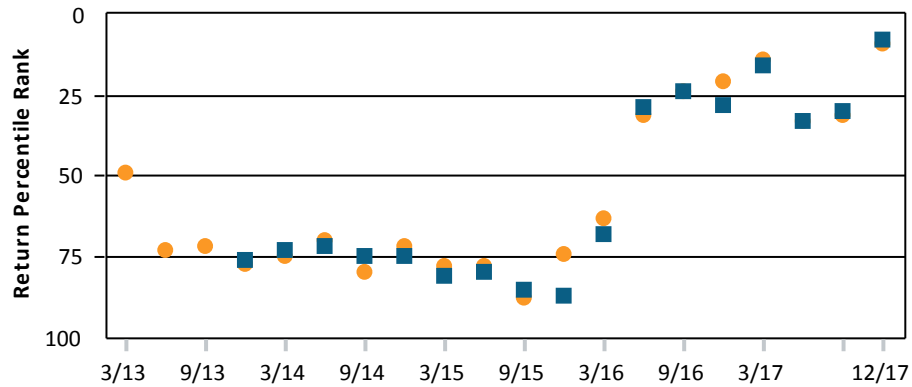
As of December 31, 2017

### Peer Group Analysis vs. IM International Large Cap Core Equity (MF)



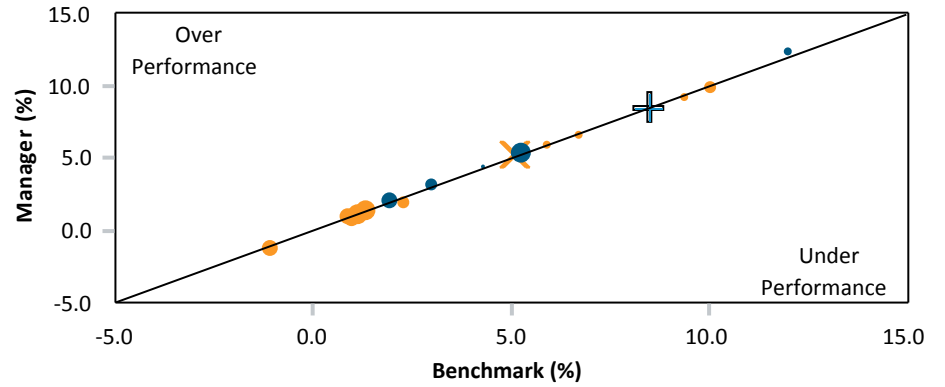
	QTR	YTD	1 Year	3 Years	5 Years	2016	2015	2014	2013
■ Vanguard Total International Stock Index Adm	4.9 (22)	27.6 (22)	27.6 (22)	8.5 (8)	7.1 (35)	4.7 (7)	-4.3 (83)	-4.2 (26)	15.1 (74)
● FTSE Global All Cap ex US Spliced Index^	5.4 (15)	27.4 (22)	27.4 (22)	8.5 (9)	7.4 (28)	4.7 (7)	-4.3 (83)	-3.4 (23)	15.8 (71)
5th Percentile	5.6	32.7	32.7	8.8	9.1	5.4	0.9	0.8	24.6
1st Quartile	4.8	27.0	27.0	7.9	7.5	2.7	-0.9	-4.0	22.1
Median	4.1	24.8	24.8	7.1	6.8	1.6	-2.3	-6.1	20.3
3rd Quartile	3.3	23.0	23.0	5.9	5.8	-0.1	-3.2	-6.9	14.8
95th Percentile	1.9	18.7	18.7	4.8	4.4	-2.5	-6.4	-7.9	9.4

### 3 Year Rolling Percentile Ranking vs. IM International Large Cap Core Equity (MF)



■ Vanguard Total International Stock Index Adm  
● FTSE Global All Cap ex US Spliced Index^

### 3 Year Rolling Under/Over Performance vs. FTSE Global All Cap ex US Spliced



● Over Performance    ● Under Performance  
X Dec-2013    + Dec-2017

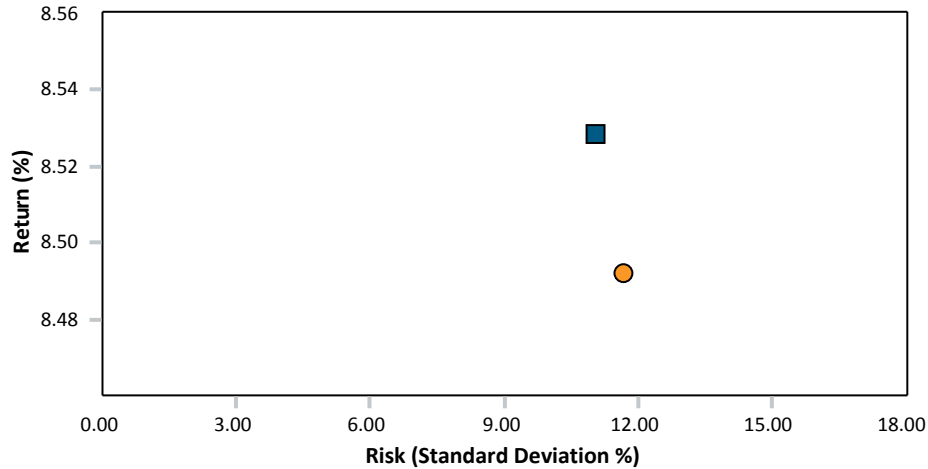
Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## Vanguard Total International Stock Index Adm

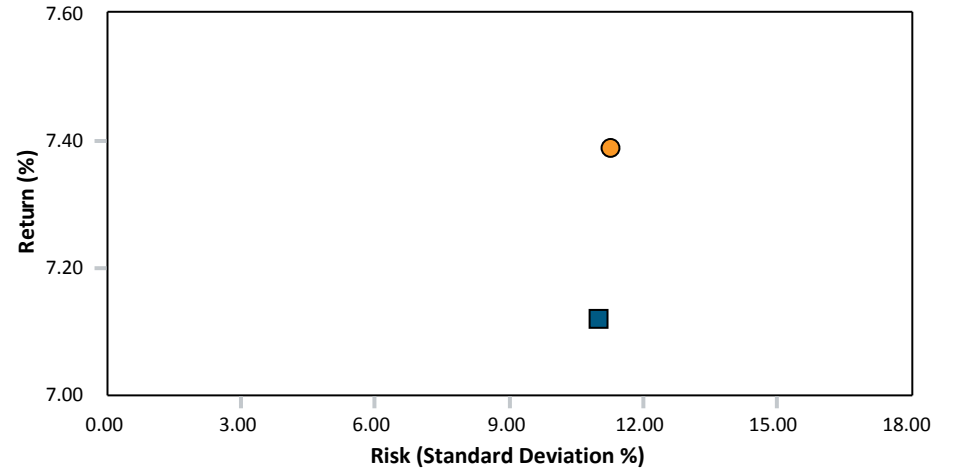
As of December 31, 2017

### 3 Year Risk and Return



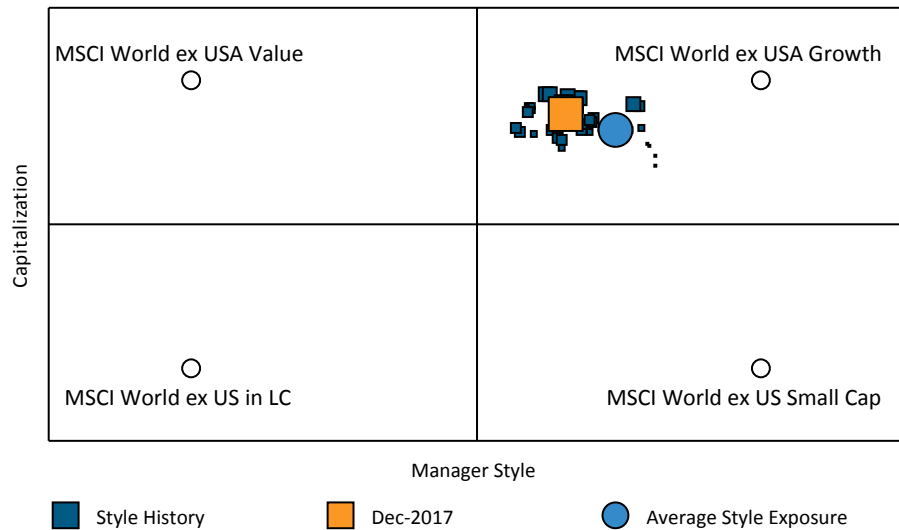
- Vanguard Total International Stock Index Adm
- FTSE Global All Cap ex US Spliced Index^

### 5 Year Risk and Return



- Vanguard Total International Stock Index Adm
- FTSE Global All Cap ex US Spliced Index^

### Style Map - 3 Years



### MPT Statistics vs. FTSE Global All Cap ex US Spliced Index^

	3 Years	5 Years
Return	8.5	7.1
Standard Deviation	11.1	11.0
vs. FTSE Global All Cap ex US Spliced Index^		
Alpha	0.5	0.0
Beta	0.9	1.0
R-Squared	1.0	1.0
Consistency	47.2	46.7
Up Market Capture	96.5	97.9
Down Market Capture	94.3	98.8
vs. 90 Day U.S. Treasury Bill		
Sharpe Ratio	0.8	0.7

Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## Vanguard Total International Stock Index Adm

Report Date December 31, 2017

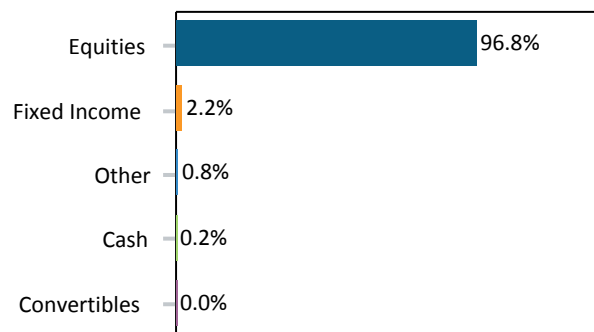
### Mutual Fund Information

Fund Name :	Vanguard STAR Funds: Vanguard Total International Stock Index Fund; Admiral Shares	Portfolio Assets :	\$323,618 Million
Fund Family :	Vanguard Group Inc	Fund Assets :	\$66,445 Million
Ticker :	VTIAX	Portfolio Manager :	Perre/Franquin
Inception Date :	11/29/2010	PM Tenure :	2010--2017
Portfolio Turnover :	3%		

### Fund Investment Policy

The Fund seeks to track the performance of the FTSE Global All Cap ex US Index, a free-float-adjusted market capitalization weighted index designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States.

### Asset Allocation as of 10/31/17



### Top 10 Securities as of 10/31/17

Vanguard Market Liquidity Fund	2.3 %
Nestle SA ORD	1.1 %
Tencent Holdings Ltd ORD	1.0 %
Samsung Electronics Co Ltd ORD	0.9 %
HSBC Holdings PLC ORD	0.8 %
Novartis AG ORD	0.8 %
Taiwan Semiconductor Manufacturing	0.8 %
Toyota Motor Corp ORD	0.7 %
Roche Holding AG Par	0.6 %
Royal Dutch Shell PLC ORD	0.6 %

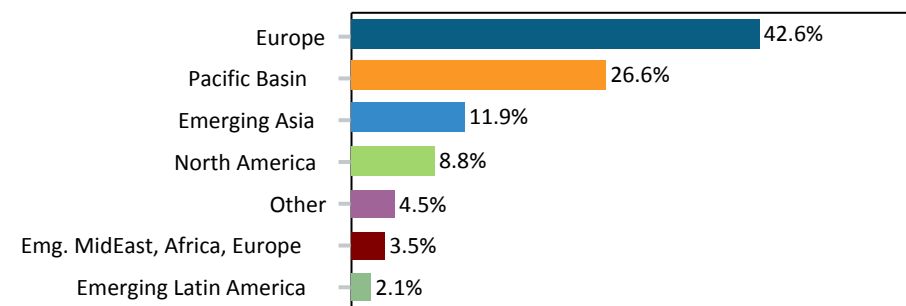
### Top 5 Countries as of 10/31/17

Japan	17.0 %
United Kingdom	10.2 %
Canada	6.5 %
Germany	6.3 %
France	6.1 %

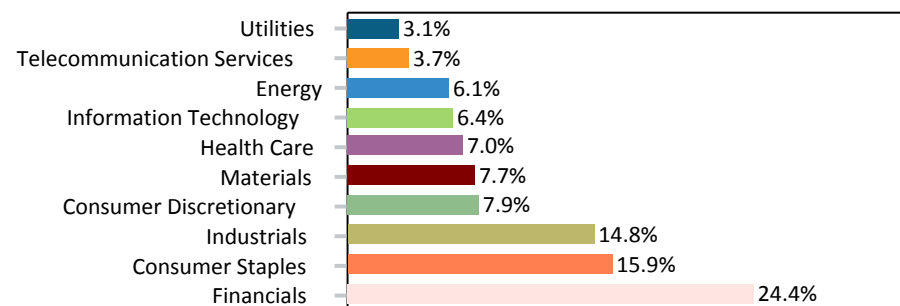
### Equity Characteristics as of 10/31/17

Total Securities	6,208
Avg. Market Cap	\$57,981 Million
P/E	22.9
P/B	3.3
Div. Yield	2.7%
Annual EPS	17.5

### Region Allocation as of 10/31/17



### Sector Allocation as of 10/31/17



Mutual fund data sourced from Lipper Analytical Services.

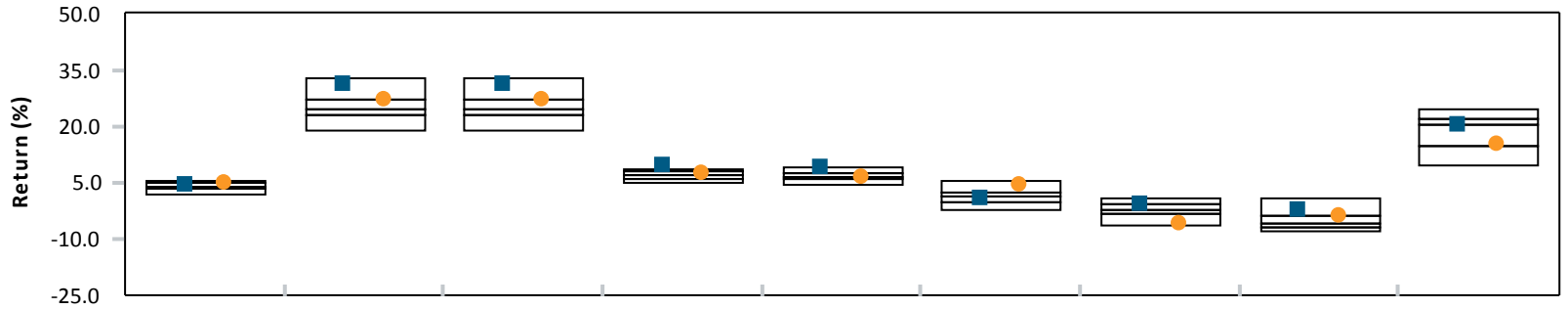


# Manager Evaluation

## American Funds Europacific Growth R6

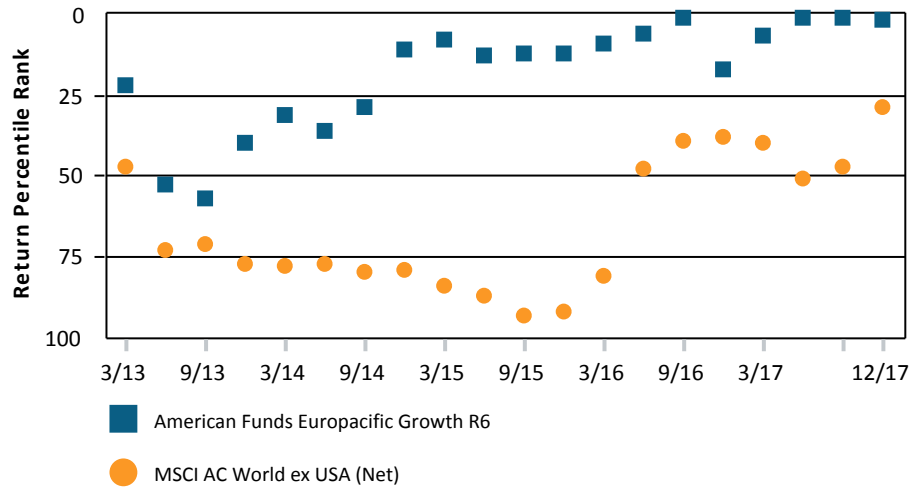
As of December 31, 2017

### Peer Group Analysis vs. IM International Large Cap Core Equity (MF)

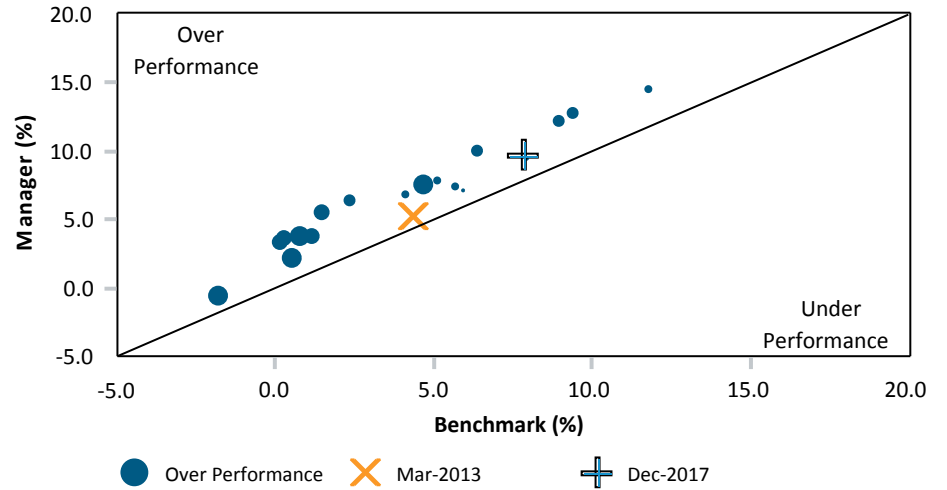


	QTR	YTD	1 Year	3 Years	5 Years	2016	2015	2014	2013
American Funds Europacific Growth R6	4.2 (45)	31.2 (7)	31.2 (7)	9.7 (2)	9.2 (3)	1.0 (63)	-0.5 (20)	-2.3 (22)	20.6 (46)
MSCI AC World ex USA (Net)	5.0 (19)	27.2 (23)	27.2 (23)	7.8 (29)	6.8 (49)	4.5 (8)	-5.7 (90)	-3.9 (25)	15.3 (73)
5th Percentile	5.6	32.7	32.7	8.8	9.1	5.4	0.9	0.8	24.6
1st Quartile	4.8	27.0	27.0	7.9	7.5	2.7	-0.9	-4.0	22.1
Median	4.1	24.8	24.8	7.1	6.8	1.6	-2.3	-6.1	20.3
3rd Quartile	3.3	23.0	23.0	5.9	5.8	-0.1	-3.2	-6.9	14.8
95th Percentile	1.9	18.7	18.7	4.8	4.4	-2.5	-6.4	-7.9	9.4

### 3 Year Rolling Percentile Ranking vs. IM International Large Cap Core Equity (MF)



### 3 Year Rolling Under/Over Performance vs. MSCI AC World ex USA (Net)



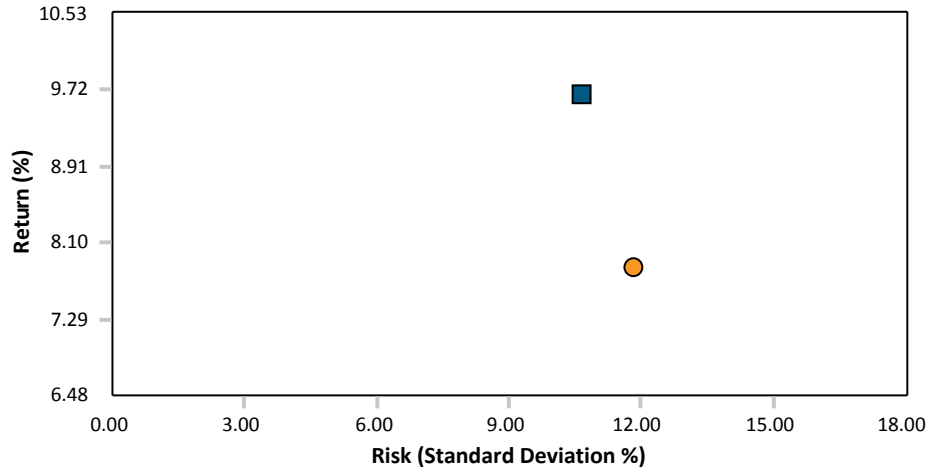
Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## American Funds Europacific Growth R6

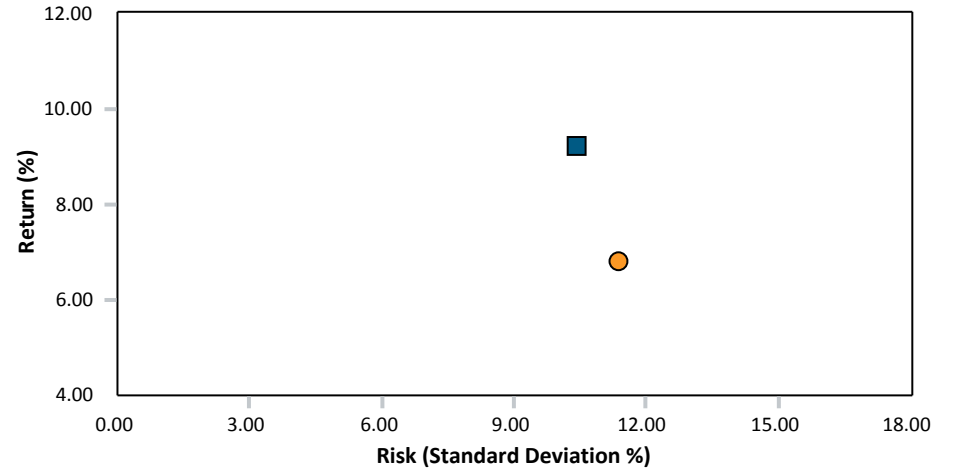
As of December 31, 2017

### 3 Year Risk and Return



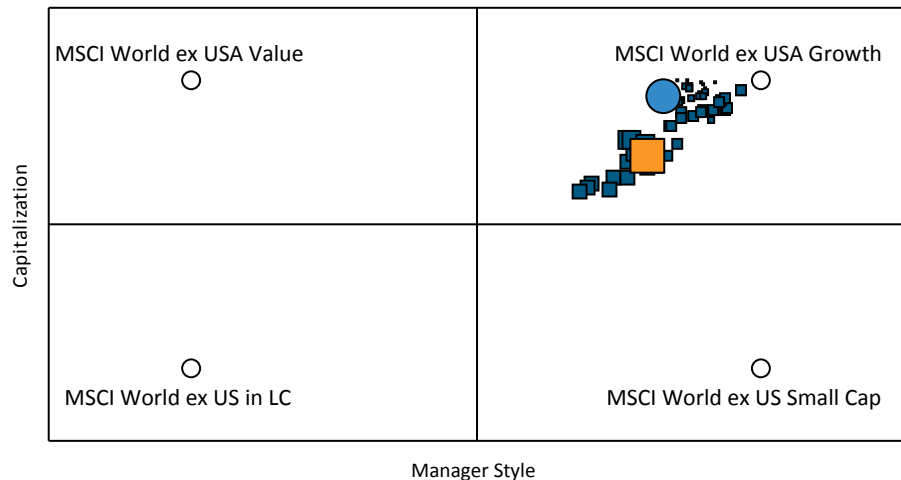
- American Funds Europacific Growth R6
- MSCI AC World ex USA (Net)

### 5 Year Risk and Return



- American Funds Europacific Growth R6
- MSCI AC World ex USA (Net)

### Style Map - 3 Years



- Style History
- Dec-2017
- Average Style Exposure

### MPT Statistics vs. MSCI AC World ex USA (Net)

	3 Years	5 Years
Return	9.7	9.2
Standard Deviation	10.7	10.4
vs. MSCI AC World ex USA (Net)		
Alpha	2.8	3.1
Beta	0.8	0.9
R-Squared	0.9	0.9
Consistency	55.6	55.0
Up Market Capture	92.7	97.1
Down Market Capture	75.4	78.0
vs. 90 Day U.S. Treasury Bill		
Sharpe Ratio	0.9	0.9

Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## American Funds Europacific Growth R6

Report Date December 31, 2017

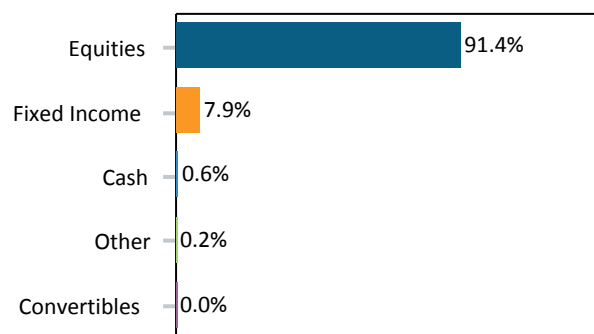
### Mutual Fund Information

Fund Name :	EuroPacific Growth Fund; Class R6 Shares	Portfolio Assets :	\$160,376 Million
Fund Family :	American Funds	Fund Assets :	\$64,731 Million
Ticker :	RERGX	Portfolio Manager :	Team Managed
Inception Date :	05/01/2009	PM Tenure :	
Portfolio Turnover :	36%		

### Fund Investment Policy

The Fund seeks to provide long-term growth of capital by investing in companies based outside the United States. The Fund invests in companies based chiefly in Europe and the Pacific Basin, ranging from small firms to large corporations.

#### Asset Allocation as of 09/30/17



#### Top 10 Securities as of 09/30/17

Samsung Electronics Co Ltd ORD	3.0 %
Alibaba Group Holding Ltd DR	2.8 %
British American Tobacco PLC ORD	2.3 %
AIA Group Ltd ORD	2.3 %
Taiwan Semiconductor Manufacturing	2.1 %
HDFC Bank Ltd ORD	1.9 %
Tencent Holdings Ltd ORD	1.9 %
SoftBank Group Corp ORD	1.9 %
Airbus SE ORD	1.9 %
Nintendo Co Ltd ORD	1.8 %

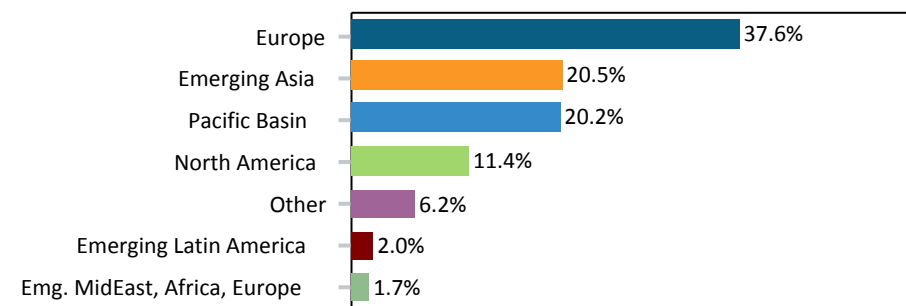
#### Top 5 Countries as of 09/30/17

Japan	13.6 %
United Kingdom	9.3 %
India	8.0 %
China	7.8 %
United States	6.7 %

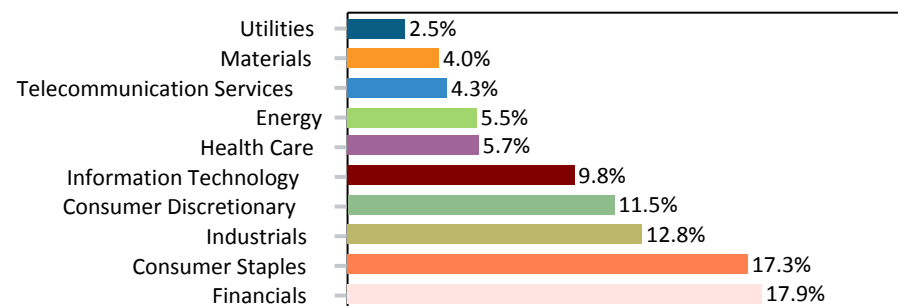
#### Equity Characteristics as of 09/30/17

Total Securities	408
Avg. Market Cap	\$86,653 Million
P/E	28.5
P/B	4.8
Div. Yield	1.7%
Annual EPS	17.9

#### Region Allocation as of 09/30/17



#### Sector Allocation as of 09/30/17

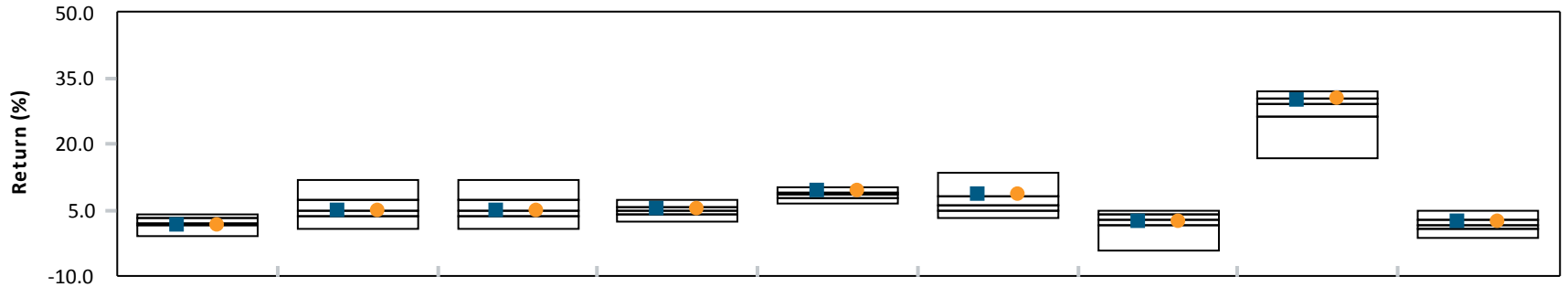


Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

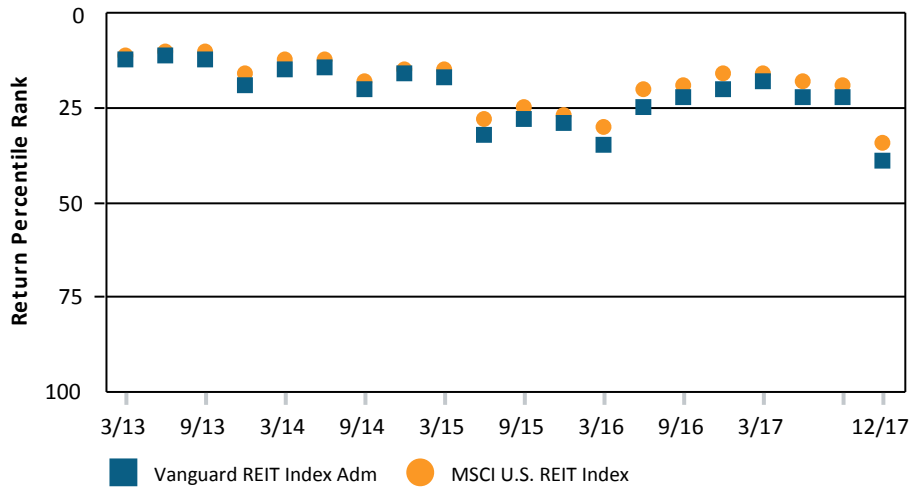
Vanguard REIT Index Adm  
As of December 31, 2017

## Peer Group Analysis vs. IM Real Estate Sector (MF)

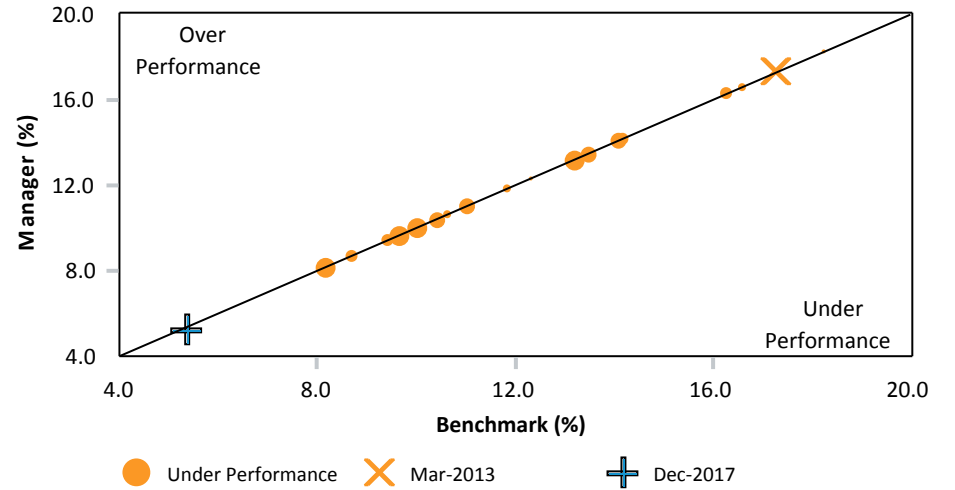


	QTR	YTD	1 Year	3 Years	5 Years	2016	2015	2014	2013
■ Vanguard REIT Index Adm	1.4 (78)	4.9 (55)	4.9 (55)	5.2 (39)	9.2 (20)	8.5 (21)	2.4 (61)	30.3 (32)	2.4 (30)
● MSCI U.S. REIT Index	1.4 (76)	5.1 (51)	5.1 (51)	5.4 (34)	9.3 (18)	8.6 (20)	2.5 (57)	30.4 (30)	2.5 (28)
5th Percentile	4.0	12.1	12.1	7.4	10.3	13.7	5.1	32.1	4.9
1st Quartile	3.1	7.5	7.5	5.8	9.1	8.0	4.0	30.7	2.6
Median	2.1	5.1	5.1	4.9	8.4	6.2	2.9	29.4	1.6
3rd Quartile	1.4	3.6	3.6	4.0	7.7	5.1	1.6	26.6	0.7
95th Percentile	-0.9	0.9	0.9	2.5	6.7	3.4	-4.4	16.7	-1.4

## 3 Year Rolling Percentile Ranking vs. IM Real Estate Sector (MF)



## 3 Year Rolling Under/Over Performance vs. MSCI U.S. REIT Index

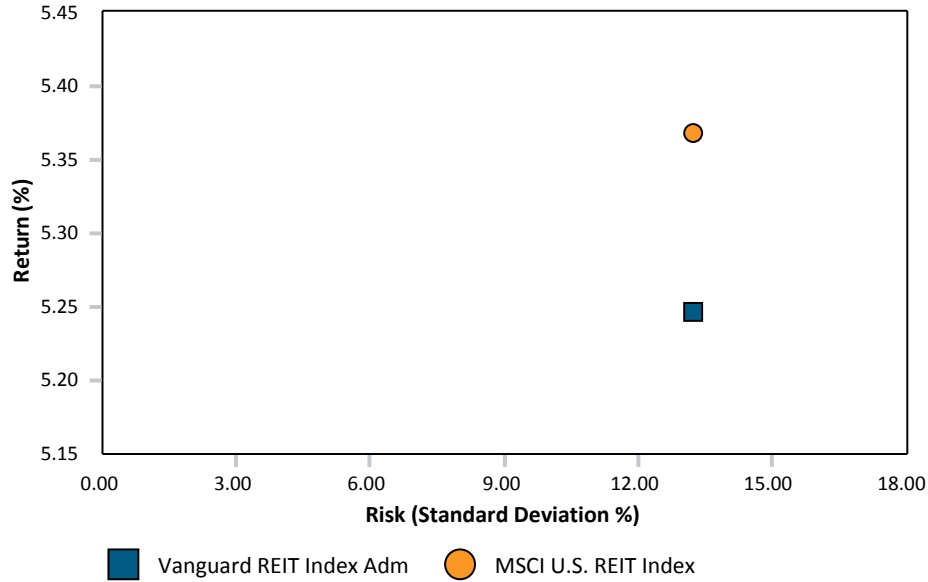


Mutual fund data sourced from Lipper Analytical Services.

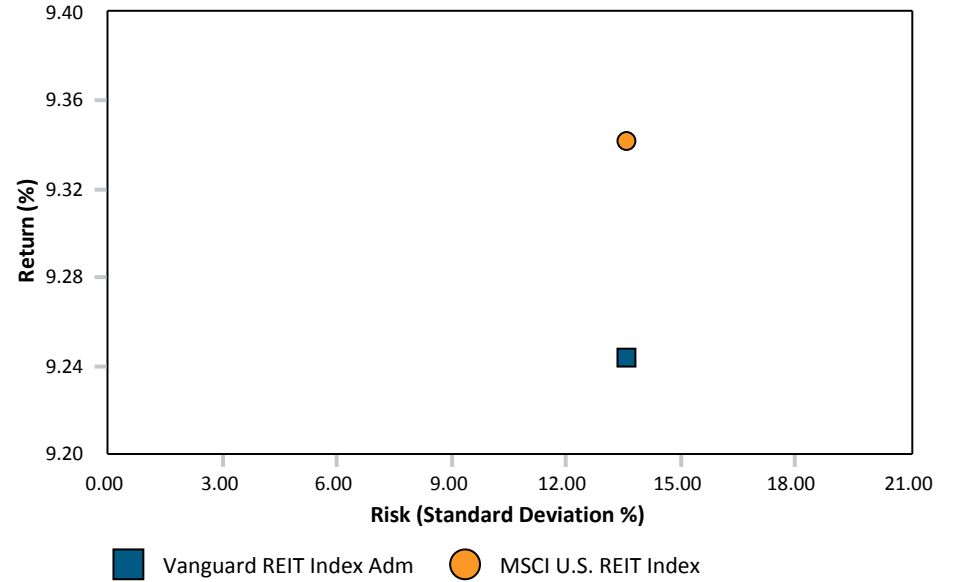
# Manager Evaluation

Vanguard REIT Index Adm  
As of December 31, 2017

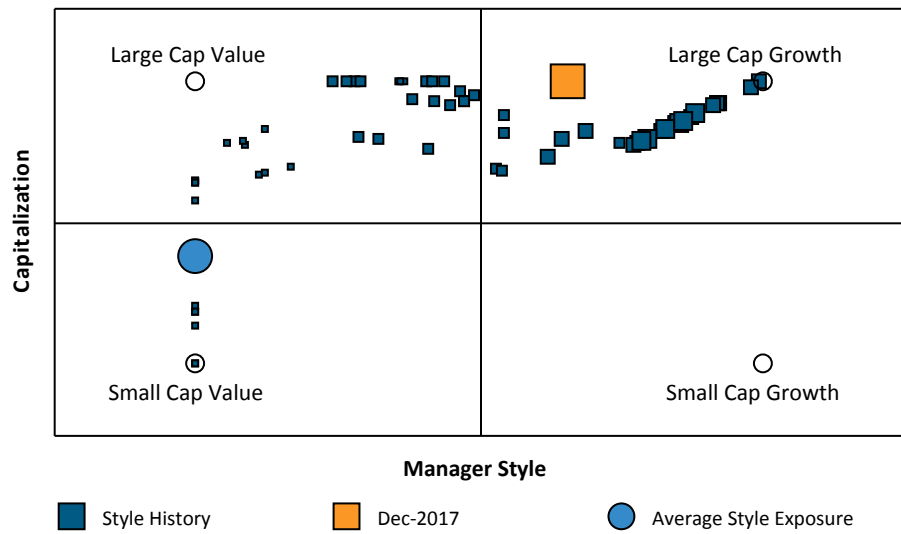
## 3 Year Risk and Return



## 5 Year Risk and Return



## Style Map - 3 Years



## MPT Statistics vs. MSCI U.S. REIT Index

	3 Years	5 Years
Return	5.2	9.2
Standard Deviation	13.3	13.6
vs. MSCI U.S. REIT Index		
Alpha	-0.1	-0.1
Beta	1.0	1.0
R-Squared	1.0	1.0
Consistency	5.6	15.0
Up Market Capture	99.7	99.8
Down Market Capture	100.4	100.3
vs. 90 Day U.S. Treasury Bill		
Sharpe Ratio	0.4	0.7

Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## Vanguard REIT Index Adm

Report Date December 31, 2017

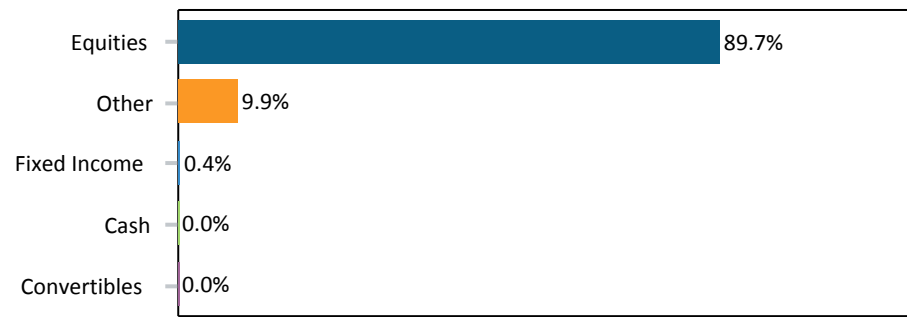
### Mutual Fund Information

Fund Name :	Vanguard Specialized Funds: Vanguard REIT Index Fund; Admiral Shares	Portfolio Assets :	\$66,194 Million
Fund Family :	Vanguard Group Inc	Fund Assets :	\$18,811 Million
Ticker :	VGSLX	Portfolio Manager :	O'Reilly/Nejman
Inception Date :	11/12/2001	PM Tenure :	2001--2016
Portfolio Turnover :	7%		

### Fund Investment Policy

The Fund seeks to provide a high level of income and moderate long-term capital appreciation. The Fund employs an indexing investment approach designed to track the performance of the MSCI US REIT Index. The Index is composed of stocks of publicly traded equity real estate investment trusts (known as REITs).

### Asset Allocation as of 10/31/17



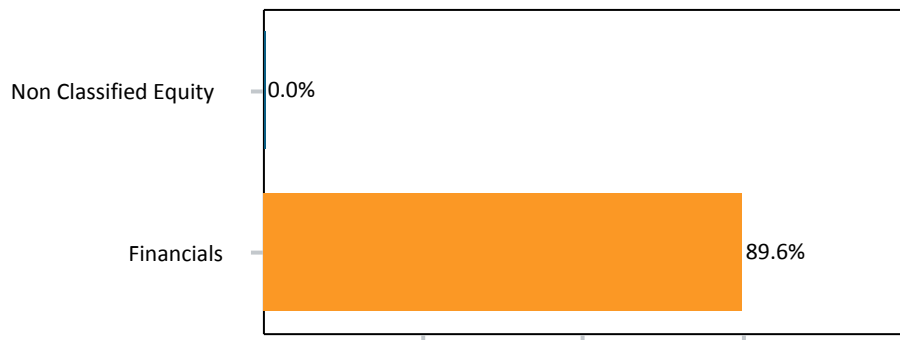
### Top 10 Securities as of 10/31/17

Vanguard REIT II Index Fund;Institutiona	9.9 %
Simon Property Group Inc ORD	5.2 %
Equinix Inc ORD	3.9 %
Prologis Inc ORD	3.7 %
Public Storage ORD	3.5 %
AvalonBay Communities Inc ORD	2.7 %
Equity Residential ORD	2.6 %
Welltower Inc ORD	2.6 %
Digital Realty Trust Inc ORD	2.6 %
Ventas Inc ORD	2.4 %

### Equity Characteristics as of 10/31/17

Total Securities	157
Avg. Market Cap	\$15,853 Million
P/E	37.7
P/B	3.5
Div. Yield	4.1%
Annual EPS	19.9
5Yr EPS	19.7
3Yr EPS Growth	29.2

### Sector Allocation as of 10/31/17



## Benchmark Composition

OPEB Plan

As of December 31, 2017

Allocation Mandate	Weight (%)
Dec-2015	
Bloomberg Barclays U.S. Aggregate Index	87.5
Bloomberg Barclays U.S. TIPS Index	12.5
Aug-2014	
Bloomberg Barclays U.S. Aggregate Index	50.0
Blmbg. Barc. U.S. Credit 5-10 Year Index	37.5
Bloomberg Barclays U.S. TIPS Index	12.5
May-2012	
Bloomberg Barclays U.S. Aggregate Index	83.3
Bloomberg Barclays U.S. TIPS Index	16.7
Mar-1997	
Blmbg. Barc. U.S. Aggregate Float Adjusted	100.0

## Benchmark Composition

OPEB Plan

As of December 31, 2017

Allocation Mandate	Weight (%)
Aug-2014	
MSCI AC World ex USA (Net)	50.0
FTSE Global ex USA All Cap Index (Net)	50.0
Jun-2013	
FTSE Global ex USA All Cap Index (Net)	100.0
May-2012	
MSCI AC World ex USA (Net)	100.0
Mar-1997	
FTSE All World - Ex US	100.0



## Prospectus Links

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As of December 31, 2017

<b><u>FUND FAMILY</u></b>	<b><u>WEB SITE</u></b>
Blackrock	<a href="http://www.blackrock.com">www.blackrock.com</a>
American Funds	<a href="http://www.americanfunds.com">www.americanfunds.com</a>
Eaton Vance	<a href="http://www.eatonvance.com">www.eatonvance.com</a>
Templeton	<a href="http://www.franklintempleton.com">www.franklintempleton.com</a>
Prudential	<a href="http://www.prudential.com">www.prudential.com</a>
Vanguard	<a href="http://www.vanguard.com">www.vanguard.com</a>

## Custom Index Descriptions

**CRSP U.S. Large Cap Growth Spliced Index** – Following May 1, 2013: CRSP U.S. Large Cap Growth TR. Periods prior to May 1, 2013: MSCI U.S. Prime Market Growth.

**CRSP U.S. Large Cap Spliced Index** – Following February 1, 2013: CRSP U.S. Large Cap TR. Periods prior to February 1, 2013: MSCI U.S. Prime Market 750.

**CRSP U.S. Large Cap Value Spliced Index** – Following May 1, 2013: CRSP U.S. Large Cap Value TR. Periods prior to May 1, 2013: MSCI U.S. Prime Market Value.

**CRSP U.S. Mid Cap Growth Spliced Index** – Following May 1, 2013: CRSP U.S. Mid Cap Growth TR. Periods prior to May 1, 2013: MSCI U.S. Mid Cap Growth.

**CRSP U.S. Mid Cap Spliced Index** – Following February 1, 2013: CRSP U.S. Mid Cap TR. Periods prior to February 1, 2013: MSCI U.S. Mid Cap 450.

**CRSP U.S. Small Cap Growth Spliced Index** – Following May 1, 2013: CRSP U.S. Small Cap Growth TR. Periods prior to May 1, 2013: MSCI U.S. Small Cap Growth.

**CRSP U.S. Small Cap Spliced Index** – Following February 1, 2013: CRSP U.S. Small Cap TR. Periods prior to February 1, 2013: MSCI U.S. Small Cap 1750.

**CRSP U.S. Small Cap Value Spliced Index** – Following May 1, 2013: CRSP U.S. Small Cap Value TR. Periods prior to May 1, 2013: MSCI U.S. Small Cap Value.

**CRSP U.S. Total Market Spliced Index** – Following June 1, 2013: CRSP U.S. Total Market TR. Periods prior to June 1, 2013: MSCI U.S. Broad Market.

**FTSE Developed Asia Pacific Spliced Index** – Following April 1, 2013: FTSE Developed Asia Pacific. Periods prior to April 1, 2013: MSCI Pacific.

**FTSE Developed Europe Spliced Index** – Following April 1, 2013: FTSE Developed Europe. Periods prior to April 1, 2013: MSCI Europe.

**FTSE Developed ex US Spliced Index** – Following December 1, 2015: FTSE Developed All Cap Ex US Transition Index. Periods between May 1, 2013 and December 1, 2015: FTSE Developed ex NA Index. Periods before May 1, 2013: MSCI EAFE (net).

**FTSE Emerging Markets All Cap China A Inclusion Spliced Index** – Following November 1, 2015: FTSE Emerging Markets All Cap China A Inclusion Transition Index. Periods between July 1, 2013 and November 1, 2015: FTSE Emerging Markets (net). Periods between February 1, 2013 and July 1, 2013: FTSE Emerging Markets Transition. Periods Prior to February 1, 2013: MSCI Emerging Markets.

**FTSE Global All Cap ex U.S. Spliced Index** – Following June 1, 2013: FTSE Global ex USA All Cap. Periods between January 1, 2011 and June 1, 2013: MSCI ACWI ex USA IMI ND. Periods prior to January 1, 2011: MSCI EAFE + EM ND USD.

**JP Morgan Global Diversified Hybrid Benchmark** – 50% JPM EMBI Global Diversified, 25% JPM ELMI+, 25% JPM BGI-EM Global Diversified

**MSCI AC World ex USA (net) Spliced Index** – Following January 1, 2001: MSCI AC World ex USA (net). Prior to January 1, 2001: MSCI AC World ex USA.

**MSCI AC World ex USA Growth (net) Spliced Index** – Following January 1, 2001: MSCI AC World ex USA Growth (net). Periods between January 1, 1997 and January 1, 2001: MSCI AC World ex USA Growth. Periods prior to January 1, 1997: MSCI AC World ex USA.

**MSCI AC World ex USA Value (net) Spliced Index** – Following January 1, 2001: MSCI AC World ex USA Value (net). Periods between January 1, 1997 and January 1, 2001: MSCI AC World ex USA Value. Periods prior to January 1, 1997: MSCI AC World ex USA.

## Statistics Definitions

Statistics	Description
Sharpe Ratio	-- Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is the absolute rate of return per unit of risk. The higher the value, the better the product's historical risk-adjusted performance.
Alpha	-- A measure of the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by beta. It is a measure of the portfolio's historical performance not explained by movements of the market, or a portfolio's non-systematic return.
Beta	-- A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of a portfolio's non-diversifiable or systematic risk.
R-Squared	-- The percentage of a portfolio's performance explained by the behavior of the appropriate benchmark. High R-Square means a higher correlation of the portfolio's performance to the appropriate benchmark.
Treynor Ratio	-- Similar to Sharpe ratio, but focuses on beta rather than excess risk (standard deviation). Represents the excess rate of return over the risk free rate divided by the beta. The result is the absolute rate of return per unit of risk. The higher the value, the better the product's historical risk-adjusted performance.
Tracking Error	-- A measure of the standard deviation of a portfolio's performance relative to the performance of an appropriate market benchmark.
Information Ratio	-- Measured by dividing the active rate of return by the tracking error. The higher the Information Ratio, the more value-added contribution by the manager.
Consistency	-- The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. The higher the consistency figure, the more value a manager has contributed to the product's performance.
Excess Return	-- Arithmetic difference between the manager's return and the risk-free return over a specified time period.
Active Return	-- Arithmetic difference between the manager's return and the benchmark return over a specified time period.
Excess Risk	-- A measure of the standard deviation of a portfolio's performance relative to the risk free return.
Up Market Capture	-- The ratio of average portfolio return over the benchmark during periods of positive benchmark return. Higher values indicate better product performance.
Down Market Capture	-- The ratio of average portfolio return over the benchmark during periods of negative benchmark return. Lower values indicate better product performance.
Internal Rate of Return (IRR)	-- The IRR is the discount rate (effective compound rate) that makes the present value of the since inception paid-in capital associated with an investment equal to zero.
Investment Multiple (TVPI)	-- Also known as the total value paid-in. Calculated by dividing the fund's cumulative distributions and residual value by the paid-in capital. Gives an investor the ability to see the fund's total value as a multiple of its cost basis.
Realization Multiple (DPI)	-- Also known as the distributions to paid-in multiple. This is calculated by dividing the total accumulation of distributions by paid-in capital. This gives investors insight into how much of the fund's return has been paid out to investors.
RVPI Multiple	-- Calculated by dividing residual value by paid-in capital, it allows the investor to see how much of the fund's return is unrealized and dependent on the market value of its investments.
PIC Multiple	-- Calculated by dividing paid-in capital by committed capital. This ratio allows a potential investor to see the percentage of a fund's committed capital that has actually been drawn down.