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## Florida Municipal Pension Trust Fund – DB 60% Equity Allocation

### Executive Summary

As of March 31, 2018

#### **60% Equity Allocation**

- ◆ The 60% Equity Allocation was well positioned to take advantage of the first quarter headwind in the equity markets, falling 0.2% over the quarter compared with a decline of 0.6% for the target index and ranking above median within the public fund peer group.
- ◆ This allocation posted an impressive 10.1% return over the past year, outperforming the target index (up 9.3%) while also ranking in the top half of the public fund peer group.
- ◆ Over the past 10 years, this allocation is up 6.5% on average annually. While this performance is modestly behind the target index, it ranks in the top 28th percentile of the peer group, with the risk controlled nature of many of the underlying strategies providing downside protection should the markets moderate.
- ◆ An allocation to the new FMIVT Core Real Estate Portfolio was added in the latest quarter and will be fully implemented as the manager of the strategy calls down the remaining commitment over the next several quarters.

#### **FMIVT Broad Market High Quality Bond Fund**

- ◆ The Broad Market High Quality Bond Fund outpaced the BloomBar Capital Aggregate A+ Index in the first quarter with the limited allocation to investment grade credit and mortgage-backed securities providing a boost.
- ◆ The fund has displayed a consistent pattern of performance, posting absolute returns of 3.1% on average annually over the past 10 years. This slightly trails the benchmark (up 3.3%), with the high quality focus providing a headwind, particularly over the past several years.
- ◆ The portfolio's conservative risk profile and high quality bias are in line with the objectives for this fund. This bias has rewarded investors in the form of a more favorable relative risk-adjusted return comparison over the long-term.

#### **FMIVT Core Plus Fixed Income Fund**

- ◆ The Core Plus Fixed Income Fund struggled in the first quarter (up 0.5%) compared to the BloomBar Multiverse (up 1.3%). However, in the 4 years since inception, the fund has generated returns of 2.6% annually, well ahead of the index (up 1.6%), and ranks above median compared to the peer universe of global unconstrained fixed income managers.
- ◆ The Core Plus Fixed Income Fund was added to the FMIVT lineup in April 2014 to provide broad global fixed income exposure, through equal allocation to two strategies (Amundi Pioneer Multi-Sector Fixed Income Fund and the Franklin Templeton Global Multi-Sector Plus Fund).

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## Florida Municipal Pension Trust Fund – DB 60% Equity Allocation

### **Executive Summary**

*As of March 31, 2018*

#### **FMLvT Diversified Large Cap Equity Portfolio**

- ◆ The Diversified Large Cap Equity Portfolio was created in October 2017. The fund is allocated 60% to the FMLvT Russell 1000 Enhanced Index Portfolio, and 20% each to the FMLvT Diversified Value Portfolio and the FMLvT High Quality Growth Portfolio. This fund provides investors with exposure to core, value, and growth opportunities within the US large cap equity space.
- ◆ This strategy bounced back after a difficult fourth quarter by outperforming the Russell 1000 in the first quarter by 140 bps (0.7% vs -0.7%) while ranking in the top quartile of large cap core managers. Strong results for the growth and core strategies were key drivers to the outperformance in the quarter.

#### **FMLvT Diversified Small to Mid Cap Equity Fund**

- ◆ Positive stock selection drove this strategy to another strong quarter, posting a 1.3% return in the first quarter compared to the benchmark return of -0.2% while also ranking in the top quartile compared to their peer group of US small-mid cap core equity managers.
- ◆ This strategy has generated very strong results over the past 10 years, rising 14.8% on average annually compared with 10.3% for the benchmark. Furthermore, the fund ranked in the top 2nd percentile of its peer group, with a more modest risk profile and very strong risk-adjusted returns.

#### **FMLvT International Equity Portfolio**

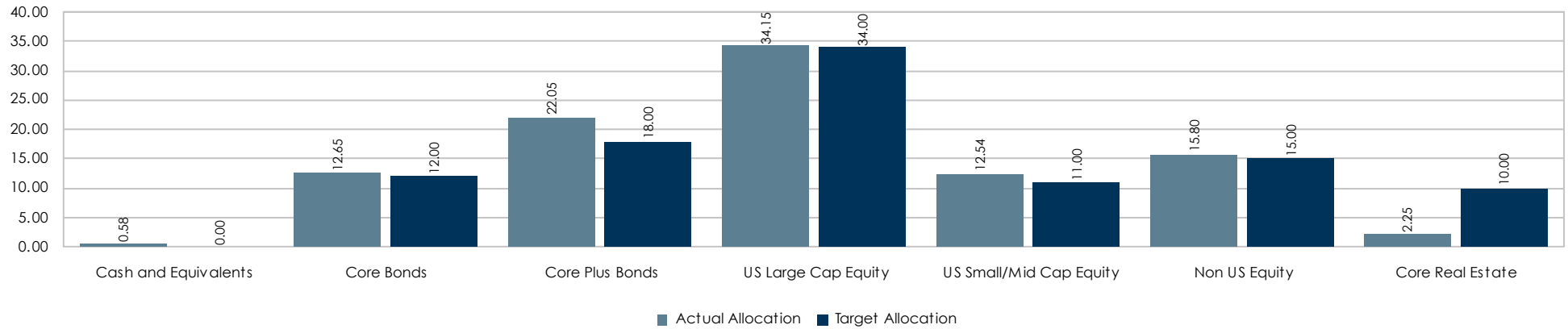
- ◆ In October 2017, a ten percent allocation to emerging markets (Wells Capital Berkeley Street Emerging Markets Fund) was added to this portfolio. The portfolio struggled to keep pace with the MSCI ACWI ex US in the first quarter (-2.6% vs -1.1%) with stock selection in the technology and materials sectors providing a headwind.
- ◆ This FMLvT International Equity portfolio modestly lagged the international markets over the past 3 years, but has posted strong absolute returns over that time period (up 5.7%).
- ◆ This strategy is intended to provide strong diversification across the broad spectrum of equity markets outside the US, with exposure to both developed and emerging markets.

#### **FMLvT Core Real Estate Portfolio**

- ◆ This fund was added to the FMLvT early this year with the objective to provide broad exposure to the core real estate markets.
- ◆ In March 2018, the manager (Morgan Stanley Prime Property Fund) called down an initial commitment of \$25 million which will grow as further capital calls are initiated over the next several quarters.

### Total Portfolio

For the Period Ending March 31, 2018



	Market Value (\$000s)	Actual Allocation (%)	Target Allocation (%)	Over/Under Target (%)
<b>Total Portfolio</b>	<b>412,326</b>	<b>100.00</b>	<b>100.00</b>	
<b>Cash and Equivalents</b>	<b>2,399</b>	<b>0.58</b>	<b>0.00</b>	<b>0.58</b>
<b>Fixed Income</b>	<b>143,041</b>	<b>34.69</b>	<b>30.00</b>	<b>4.69</b>
Core Bonds	52,143	12.65	12.00	0.65
Core Plus Bonds	90,898	22.05	18.00	4.05
<b>Equity</b>	<b>257,611</b>	<b>62.48</b>	<b>60.00</b>	<b>2.48</b>
US Equity	192,482	46.68	45.00	1.68
US Large Cap Equity	140,792	34.15	34.00	0.15
US Small/Mid Cap Equity	51,690	12.54	11.00	1.54
Non US Equity	65,129	15.80	15.00	0.80
<b>Core Real Estate</b>	<b>9,275</b>	<b>2.25</b>	<b>10.00</b>	<b>-7.75</b>

## Rates of Return Summary

For the Periods Ending March 31, 2018

	Market Value (\$000s)	Actual Allocation (%)	3 Months (%)	FYTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)
<b>Total Portfolio * <sup>1</sup></b>	<b>412,326</b>	<b>100.00</b>	<b>-0.19</b>	<b>3.47</b>	<b>10.13</b>	<b>6.43</b>	<b>7.59</b>	<b>6.46</b>
Target Index <sup>2</sup>			-0.62	3.24	9.33	6.47	8.06	7.01
<b>Cash and Equivalents</b>	<b>2,399</b>	<b>0.58</b>						
Capital City Cash *	2,399	0.58	0.21	0.40	0.55	0.22	0.16	0.17
US T-Bills 90 Day			0.35	0.63	1.10	0.53	0.33	0.34
<b>Fixed Income</b>	<b>143,041</b>	<b>34.69</b>						
<b>Core Bonds</b>								
FMIvT Broad Market High Quality Bond Fund *	52,143	12.65	-0.95	-0.77	0.68	0.50	1.17	2.81
BloomBar US Aggregate A+			-1.35	-1.10	0.86	0.98	1.61	3.33
<b>Core Plus Bonds</b>								
FMIvT Core Plus Fixed Income Fund *	90,898	22.05	0.44	0.17	1.69	2.69	--	--
BloomBar Multiverse			1.29	2.37	7.04	3.41	1.69	2.79
<b>Equity</b>	<b>257,611</b>	<b>62.48</b>						
<b>US Equity</b>	<b>192,482</b>	<b>46.68</b>						
<b>US Large Cap Equity * <sup>3</sup></b>	<b>140,792</b>	<b>34.15</b>	<b>0.49</b>	<b>5.94</b>	<b>15.41</b>	<b>9.45</b>	<b>12.60</b>	<b>9.05</b>
Russell 1000			-0.69	5.85	13.98	10.39	13.17	9.61
FMIvT Diversified Large Cap Equity Portfolio *	140,792	34.15	0.55	6.04	--	--	--	--
Russell 1000			-0.69	5.85	13.98	10.39	13.17	9.61
<b>US Small/Mid Cap Equity</b>								
FMIvT Diversified SMID Cap Equity Portfolio * <sup>4</sup>	51,690	12.54	1.16	10.53	20.68	13.79	14.69	14.17
SMID Benchmark <sup>5</sup>			-0.24	4.99	12.31	8.15	11.55	10.29

FYTD: Fiscal year ending September.

\* Net of fee return data.

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## Rates of Return Summary

For the Periods Ending March 31, 2018

	Market Value (\$000s)	Actual Allocation (%)	3 Months (%)	FYTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)
<b>Non-US Equity</b>								
<b>FMIvT International Equity Portfolio *<sup>6</sup></b>	<b>65,129</b>	<b>15.80</b>	<b>-2.78</b>	<b>2.01</b>	<b>16.10</b>	<b>5.09</b>	<b>5.10</b>	<b>-0.57</b>
<i>MSCI ACWI ex US</i>			-1.08	3.93	17.05	6.68	6.37	3.17
<b>Core Real Estate</b>								
<b>FMIvT Core Real Estate Portfolio *</b>	<b>9,275</b>	<b>2.25</b>	--	--	--	--	--	--
<i>NFI ODCE Net</i>			1.97	3.86	7.11	9.00	10.41	4.16

## Notes:

<sup>1</sup> Market values and Total Portfolio performance includes all fees and expenses. Beginning July 2008 and ending September 2010, the net of fee performance includes the impact of securities lending activity, which may increase or decrease the total expenses of the portfolio.

<sup>2</sup> Target Index: Effective October 2017, the index consists of 30.0% BloomBar US Aggregate, 34.0% S&P 500, 11.0% Russell 2500, 15.0% MSCI ACWI ex US, 10.0% NFI ODCE Net.

<sup>3</sup> Represents the FMPTF Large Cap Equity Composite net of fees returns.

<sup>4</sup> Custom Index consists of the Russell 2500 beginning June 1, 2010 and prior to that the Russell 2000.

<sup>5</sup> SMID Benchmark: Effective June 2010, the index consists of 100% Russell 2500.

<sup>6</sup> Wells Capital EM was added to the portfolio in October 2017. Portfolio renamed and manager changed in October 2014 and April 2011.

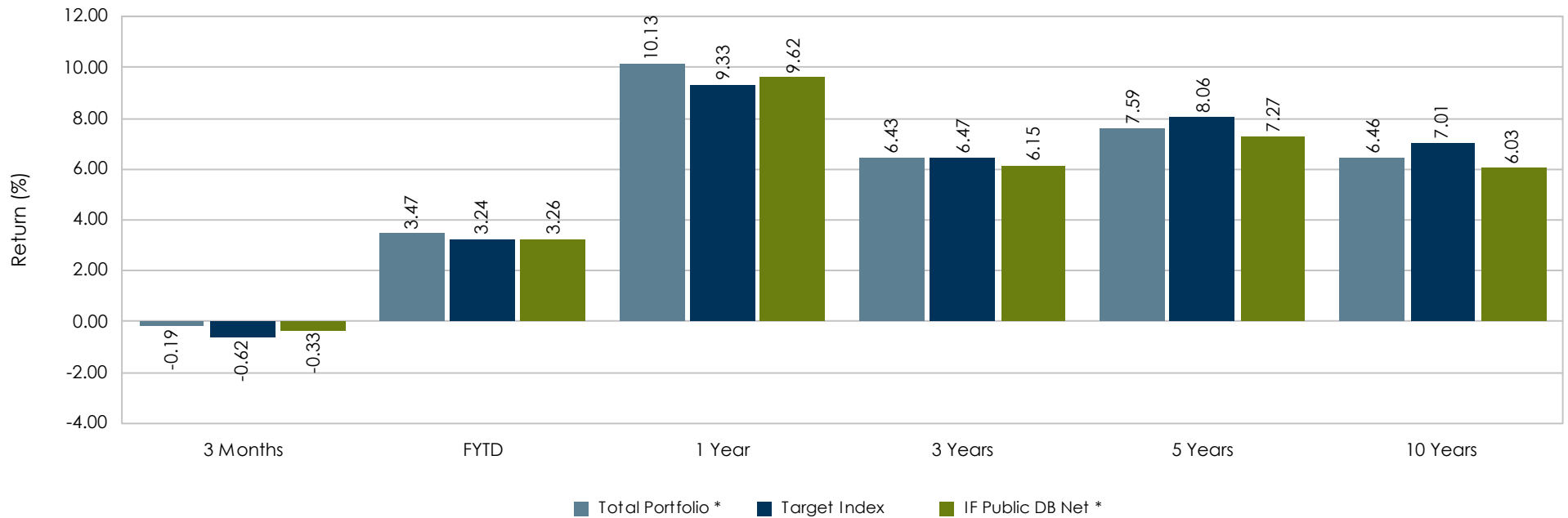
FYTD: Fiscal year ending September.

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## Total Portfolio

For the Periods Ending March 31, 2018



Ranking	41	36	39	35	40	28
5th Percentile	0.96	4.80	12.65	7.41	8.72	7.41
25th Percentile	0.07	3.78	10.61	6.65	7.83	6.51
50th Percentile	-0.33	3.26	9.62	6.15	7.27	6.03
75th Percentile	-0.64	2.83	8.89	5.72	6.72	5.51
95th Percentile	-1.02	2.07	7.06	4.64	5.62	4.70
Observations	199	198	198	191	174	130

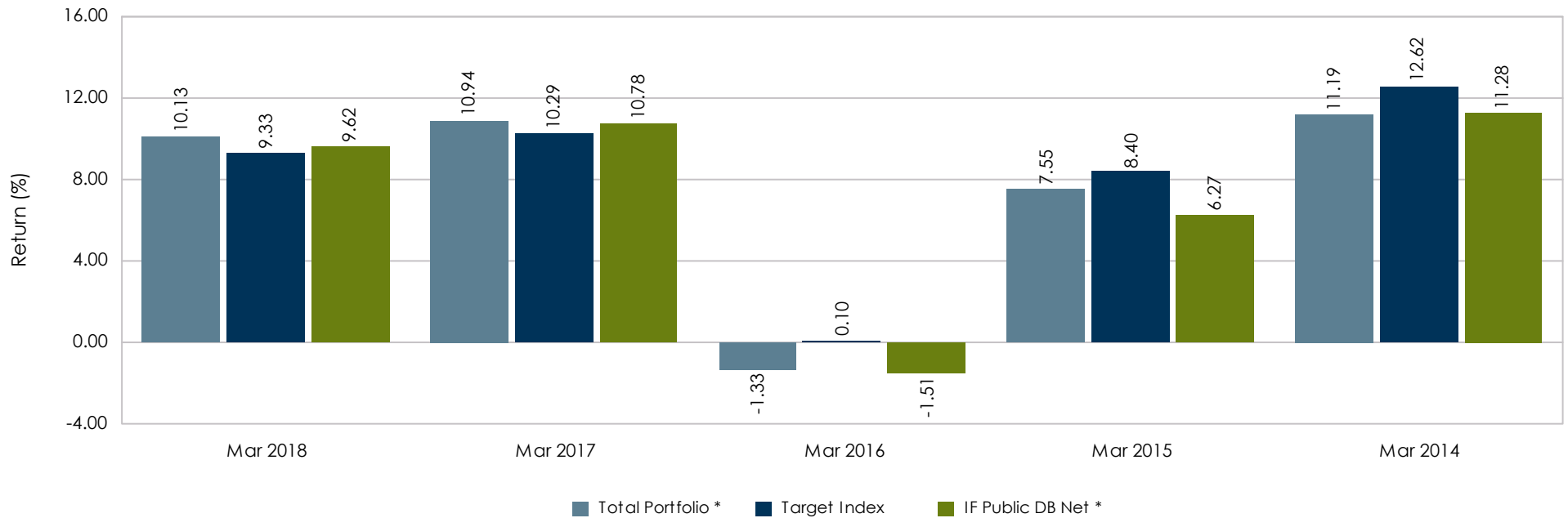
The rankings represent the portfolio's returns versus a peer universe. The rankings are on a scale of 1 to 100 with 1 being the best.

\* Performance is calculated using net of fee returns.

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### Total Portfolio

For the One Year Periods Ending March

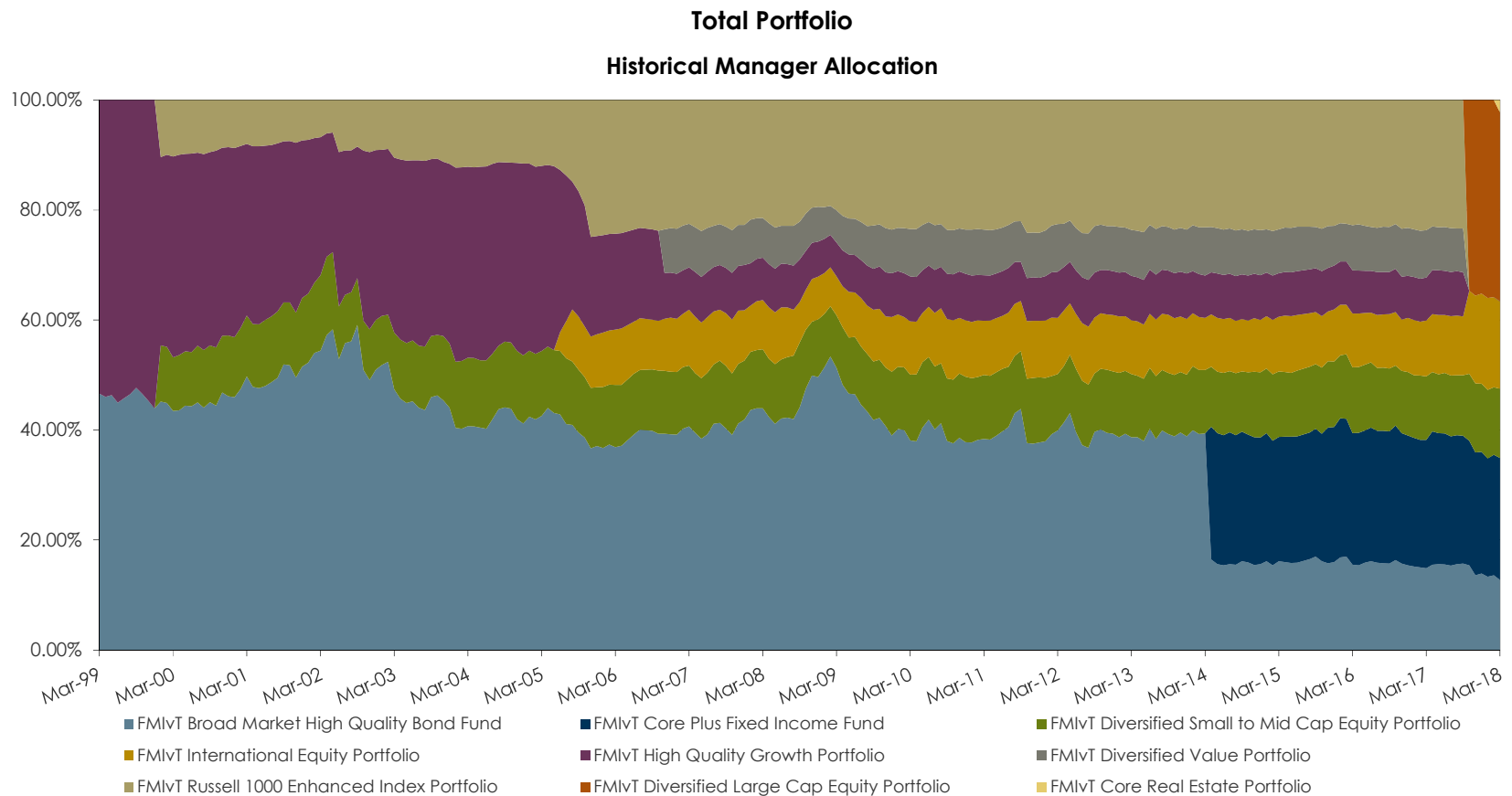


Ranking	39	46	46	17	53
5th Percentile	12.65	13.12	0.69	8.17	15.02
25th Percentile	10.61	11.84	-0.42	7.17	12.98
50th Percentile	9.62	10.78	-1.51	6.27	11.28
75th Percentile	8.89	9.90	-2.92	5.15	9.78
95th Percentile	7.06	7.98	-4.89	3.21	6.70
Observations	198	256	259	238	200

The rankings represent the portfolio's returns versus a peer universe. The rankings are on a scale of 1 to 100 with 1 being the best.

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January 1998: Initial allocation to Broad Market HQ Bond and HQ Growth Equity only.

January 2000: Added exposure to Small Cap markets and passive Large Cap.

February 2004: Increased equity portfolio exposure through reduction in the Broad Market HQ Bond Fund.

May 2005: Added International exposure; increased the Large Core allocation to reduce the Fund's growth bias.

November 2006: Added Large Cap Value allocation to balance the style exposure.

April 2014: Added Core Plus Fixed Income.

October 2017: FMIVT Diversified Large Cap Equity Portfolio was created, which combines the large cap core, value, and growth portfolios.



Performance vs. Objectives

For the Periods Ending March 31, 2018

	Benchmark (%)	Rank	Total Portfolio (%)	Rank	Objective Met?
	5 Years				
■ The Total Portfolio's annualized total return should exceed the total return of the Target Index.	8.06		7.59		No
■ The Total Portfolio's annualized total return should rank at median or above when compared to the IF Public DB Net universe.	7.27	50th	7.59	40th	Yes

Performance and Statistics are calculated using monthly return data.

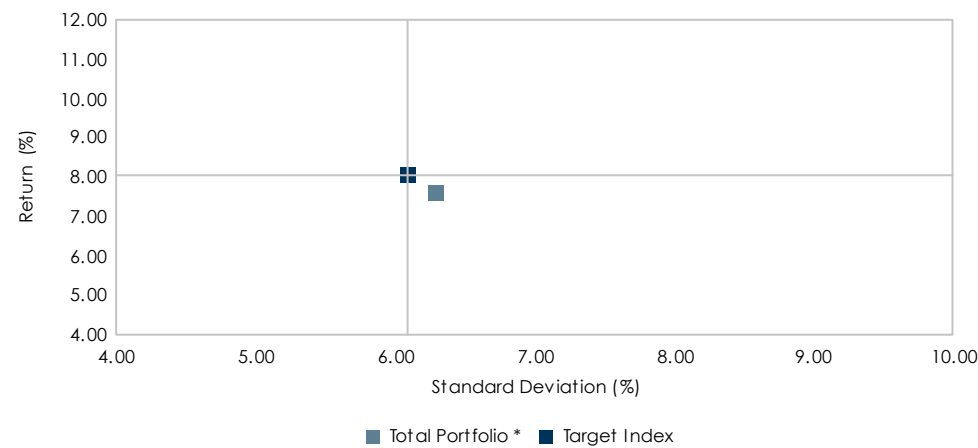
Target Index: Effective October 2017, the index consists of 30.0% BloomBar US Aggregate, 34.0% S&P 500, 11.0% Russell 2500, 15.0% MSCI ACWI ex US, 10.0% NFI ODCE Net.

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Total Portfolio

For the Periods Ending March 31, 2018

5 Year Risk / Return



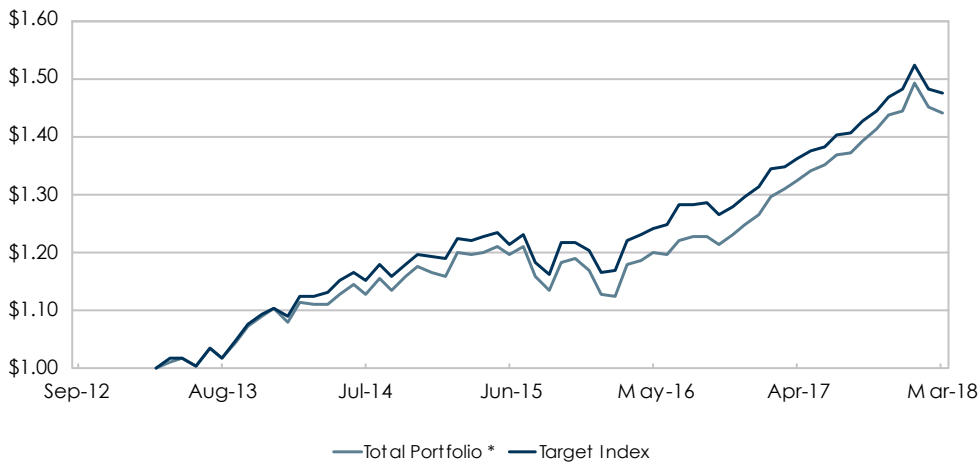
5 Year Portfolio Statistics

	Total Portfolio *	Target Index
Return (%)	7.59	8.06
Standard Deviation (%)	6.29	6.08
Sharpe Ratio	1.16	1.28

Benchmark Relative Statistics

Beta	1.02
Up Capture (%)	99.30
Down Capture (%)	106.19

5 Year Growth of a Dollar



5 Year Return Analysis

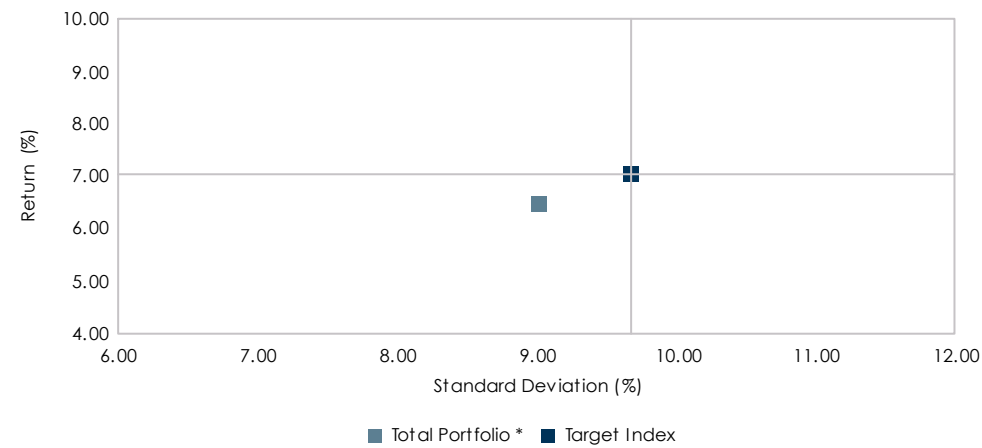
	Total Portfolio *	Target Index
Number of Months	60	60
Highest Monthly Return (%)	4.88	4.69
Lowest Monthly Return (%)	-4.13	-3.80
Number of Positive Months	39	44
Number of Negative Months	21	16
% of Positive Months	65.00	73.33

\* Performance is calculated using net of fee returns.  
Statistics are calculated using monthly return data.  
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Total Portfolio

For the Periods Ending March 31, 2018

10 Year Risk / Return



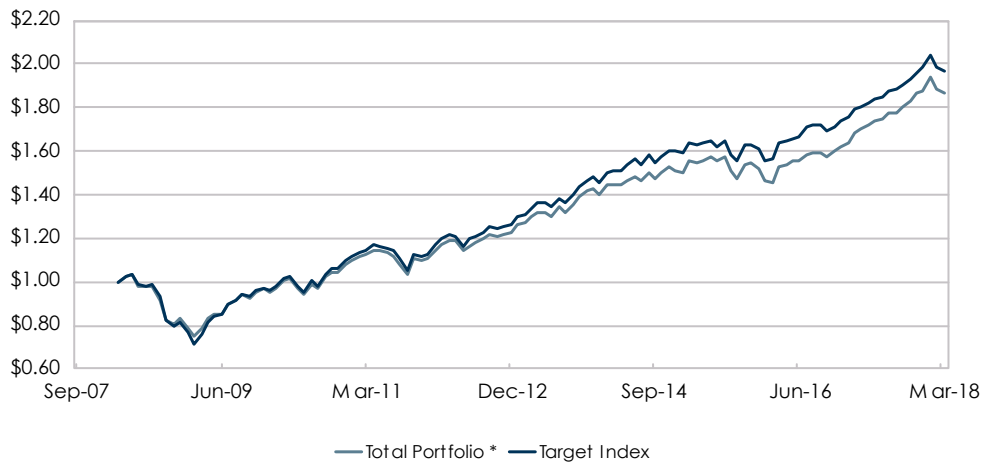
10 Year Portfolio Statistics

	Total Portfolio *	Target Index
Return (%)	6.46	7.01
Standard Deviation (%)	9.02	9.68
Sharpe Ratio	0.69	0.70

Benchmark Relative Statistics

Beta	0.92
Up Capture (%)	93.33
Down Capture (%)	95.89

10 Year Growth of a Dollar



10 Year Return Analysis

	Total Portfolio *	Target Index
Number of Months	120	120
Highest Monthly Return (%)	6.64	6.92
Lowest Monthly Return (%)	-10.07	-11.80
Number of Positive Months	79	82
Number of Negative Months	41	38
% of Positive Months	65.83	68.33

\* Performance is calculated using net of fee returns.  
Statistics are calculated using monthly return data.  
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**Florida Municipal Investment Trust**  
***Protecting Florida Investment Act - Quarterly Disclosure***  
*As of March 31, 2018*

This Disclosure is intended to provide information with respect to Chapter 175 and 185 Police and Fire Plan's required disclosure of direct or indirect holdings in any "scrutinized companies" as defined in the FSBA PFIA Quarterly Report for Quarter 1 2018.

It is important to note that individual Police and Fire Plan's have no direct interests in any scrutinized companies. Police and Fire Plan's hold an interest in the Florida Municipal Pension Trust Fund. It is also important to note that the Florida Municipal Pension Trust Fund has no direct interests in any scrutinized companies as all of its interests are invested in the Florida Municipal Investment Trust.

The Florida Municipal Investment Trust is the only entity that could possibly have direct interests in any scrutinized companies. ACG has reviewed the **Protecting Florida's Investments Act (PFIA) Quarterly Report-March 7, 2018** that is available on the Florida SBA website. In particular we have reviewed the list of companies appearing in **Tables 1 and 3- Scrutinized Companies with Activities in Sudan and Iran**, and compared these lists to securities of companies held directly by the Florida Municipal Investment Trust. As of 3/31/18, the Florida Municipal Investment Trust had no direct interest in securities on the above referenced lists.

ACG also requested that investment managers, who manage commingled funds that are owned by the Florida Municipal Investment Trust, review the **Protecting Florida's Investments Act (PFIA) Quarterly Report-March 7, 2018** and disclose whether the Florida Municipal Investment Trust may hold any scrutinized companies indirectly through investment in their respective commingled funds. They have confirmed that they do not hold any of these securities.

## Global Long-Only Equity

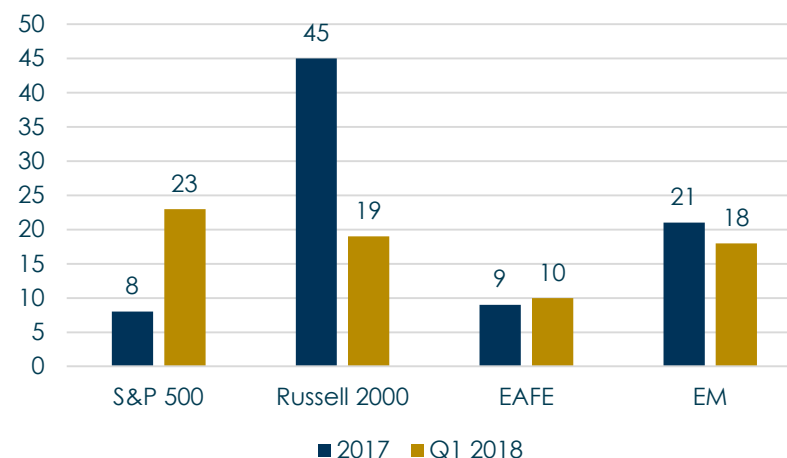
After an extended period of uncharacteristically low volatility in equity markets, the **current year kicked off with a return to more unpredictability**. The market lacked trading days where the equity indices returns exceeded a magnitude greater than +/-1% in 2017 outside of domestic small caps. Many indices surpassed the 2017 count in just the first quarter as **rhetoric shifted from tax reform benefits to a potential trade war and fears of increased inflation**, leading to consternation among investors.

US Large Caps started out the year with strong gains of 8% in the S&P 500 for the month of January (mainly from large gains in the IT sector). However, **investors' enthusiasm waned in February and March** causing the S&P 500 to end down 1% for the quarter with the bulk of the decline coming from the Consumer Staples, Energy, and Materials sectors.

After trailing in 2017, **US Small Caps outperformed** Large Cap peers and ended the quarter only slightly down at -0.1% as measured by the Russell 2000. This isn't to say small caps lacked volatility as the group had January gains erased in February and rebounded in March. Quarterly gains in excess of 6% in both the IT and Healthcare sectors along with a slight gain in Financials helped to offset declines in the remaining eight sectors.

**Non-US equities had a strong start to the year, only to falter in February and March.** Sector strength shifted from cyclical to more defensive names during the quarter in developed markets, with cyclicals ceding leadership to more defensive sectors such as Staples and Utilities. In emerging markets, the slowdown was more widespread, with almost all major sectors posting declines in March.

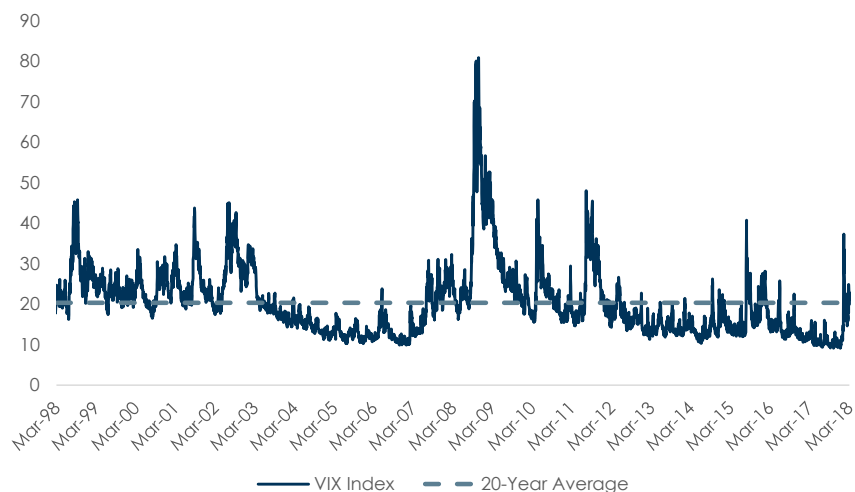
Count of Days with Daily Return Larger than +/- 1% Magnitude



Sources: Bloomberg, ACG Research

## Global Long/Short Equity

Market Volatility Returns



Sources: Bloomberg, ACG Research

Market **volatility** has returned, spiking **from historical lows in 2017** up to levels seen only once since 2011 and well above the twenty year average. Volatility increased due to rising interest rates, concern about a trade war and uncertainty about mid-term elections. This coincided with negative performance in global equities in 1Q-18, providing equity long/short managers the chance to showcase their ability to **protect on the downside**. The increase in volatility should provide opportunities for managers to generate returns on both the long and the short side of their portfolios.

Managers are excited about the equity outlook, given the expectation that **sectors and companies** should experience an **increase in dispersion** and lower correlations in the coming year. The removal of free money should cause stocks to behave more rationally. These are key elements to a **positive opportunity set for equity long/short stock pickers**.

The volatility has not deterred managers from remaining invested. US **gross exposure** is at **post-crisis highs** both due to managers adding shorts as well as buying longs during recent market weakness. Net exposure remains near the historical average.

**Long term growth** opportunities continue in **Europe** driven by low rates, bank lending, corporate expansion and consumer confidence. We anticipate this to remain an area of opportunity for the foreseeable future. The outlook for **event driven** strategies is **less positive** as the ongoing involvement of the Trump administration has led to the postponement or **termination** of some **potential deals**.

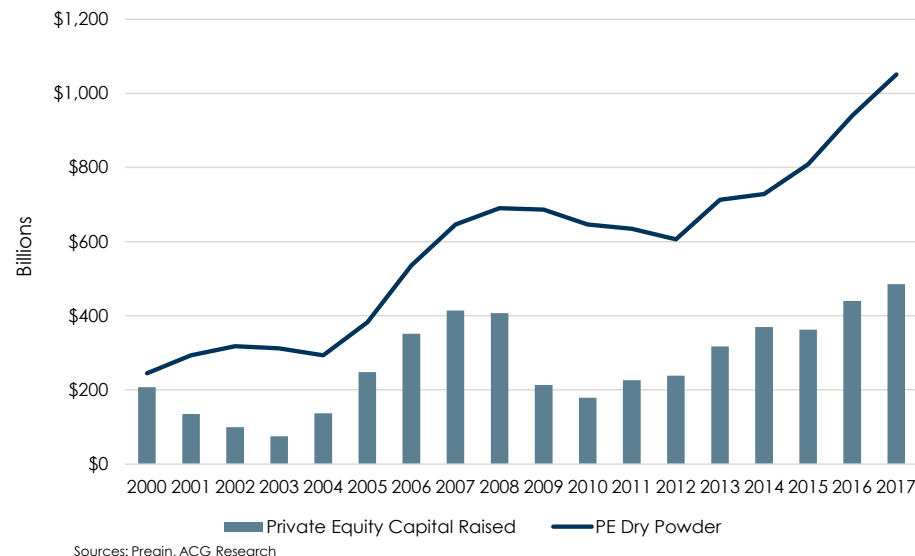
## Global Private Equity

Much like public markets, valuations remain high for new deals in private markets. The **median acquisition price for a private equity-backed company purchased in 2017 was 10.7x EBITDA**, setting an all-time high. Although purchase price multiples are a full turn higher than 2007, the composition of the price is much different today. The average buyout in 2007 was financed with 69% debt compared to the 59% debt used in buyouts completed in 2017. Factoring in the much lower debt servicing costs (average 3-month LIBOR was 1.3% in 2017 compared to 5.3% in 2007), the buyouts of 2017 should be in better position to weather a downturn than the buyouts of 2007.

Strong investor appetite for private equity funds led to continued fundraising success for the industry in 2017. **Private equity funds closed in 2017 raised \$485 billion, surpassing the previous high water mark of \$440 billion set in 2016.** Several years of robust fundraising have led to a record level of "dry powder" within the private equity system. After reaching a post-financial crisis trough of \$606 billion in 2012, **private equity funds are sitting on more than \$1.0 trillion of capital** that has been raised but not yet deployed. The record amount of capital on the sideline could keep purchase price multiples high for the foreseeable future.

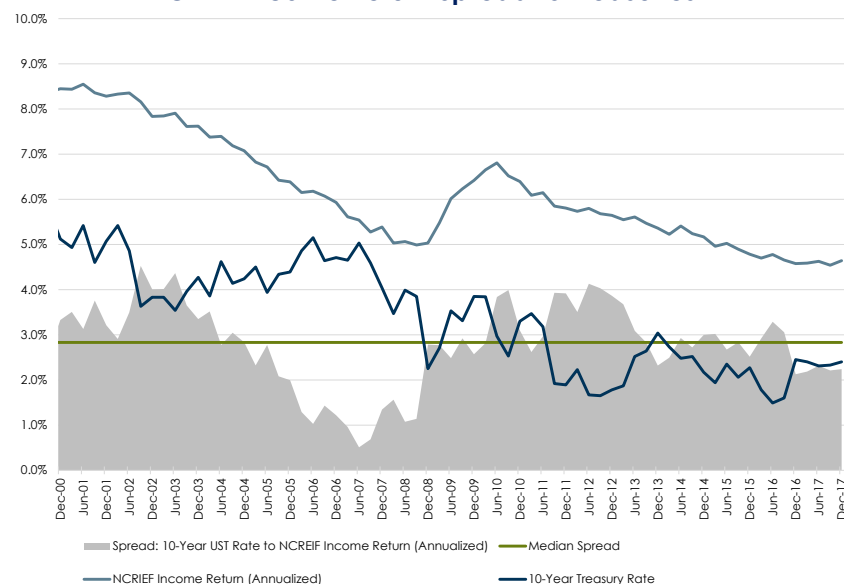
**High purchase prices today are likely to translate into lower returns going forward.** The best managers recognize that **high multiples are unlikely to continue indefinitely and that patience and asset selection is key to driving strong investment outcomes** in this environment.

## Private Equity Fundraising and Dry Powder



## Global Real Assets

### NCREIF Income Return Spread to Treasuries



**US real estate assets continue to benefit from a solid economic outlook and low levels of new supply.** The NCREIF Property Index is expected to post its 32<sup>nd</sup> consecutive quarter of positive appreciation in 1Q-18. This is 10 quarters longer than the second longest winning streak since the benchmark's inception in 1978. In 4Q-17, NCREIF annualized income returns (a proxy for cap rates) increased 10 bps to end at 4.64%. **The spread between NCREIF income returns and the 10-year UST yield ended the year at 224 bps, 59 bps tighter than the median spread since 2000.**

As we enter the ninth calendar year of the real estate recovery and expansion, **the potential for higher interest rates could put upward pressure on cap rates and lower future core real estate returns.** Furthermore, tariffs and protectionist policies could cause ex-US investors to leave the market, dampening demand for core real estate assets. Given the current market dynamics, **real estate funds which emphasize income, as opposed to appreciation, should outperform the broader market.**

Although losing 0.4% during the quarter, the Bloomberg Commodity Index (BCOM) outperformed the Bloomberg Barclays US Aggregate Bond Index by 106 bps, the S&P 500 by 36 bps, and the MSCI ACWI by 51 bps. **Commodities could be entering an attractive return environment for the remainder of 2018.** Energy ended 1Q-18 at its highest level of backwardation in more than 10 years, indicating markets that are under-supplied. Synchronized global growth is generally bullish for commodities and precious metals should perform well during periods of high volatility. On the other hand, commodities could feel pressure during a "risk-off" period and the sector's reaction to potential tariffs will not be known for some time.

## Global Traditional Bond Markets

Amid escalating market volatility and concerns of an upside surprise to inflation, Jerome Powell assumed the role of Chairman at the **Federal Reserve**. The 25 bps hike in March supported the expectation of a seamless transition. Despite a more optimistic tone around growth, the "dot plot" that aggregates individual projections continues to suggest only two more quarter-point hikes in 2018. The **US Treasury market adjusted** throughout 1Q-18, with longer-term rates moving materially higher before softening late in the period as risk-off sentiment took hold. The domestic yield curve ultimately flattened further, as two-year rates continued their steady advance in conjunction with central bank action.

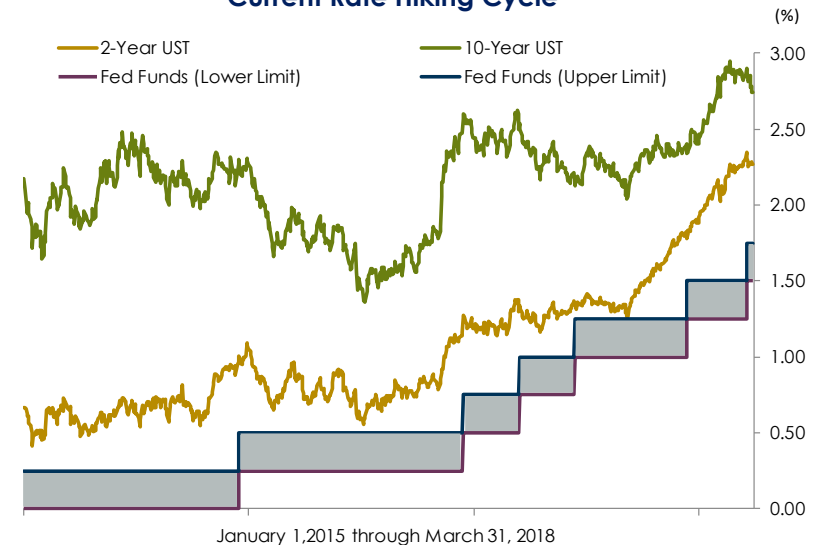
The **BloomBar Aggregate** suffered a notable loss, with government-related issues falling victim to rate sensitivity and IG corporates experiencing wider credit spreads. For the first time since April 2011, however, the yield-to-maturity for the index has moved beyond 3.0%.

**High Yield** traded down in sympathy with equities. Index spreads widened by 35 bps from January's tight, and CCC-rated issues underperformed as the credit curve steepened. Floating-rate bank loans have been a bright spot year-to-date.

**Municipal Bonds** posted mixed results relative to taxable counterparts, as the tax-exempt yield curve exhibited a contradictory steepening bias. As higher overall yields enhance the value of tax-exempt income, municipals historically outperform in rising rate periods.

**Unhedged Global** government bonds outperformed domestic counterparts as the US dollar's decline aided returns. Local currency **Emerging Markets** remain particularly solid.

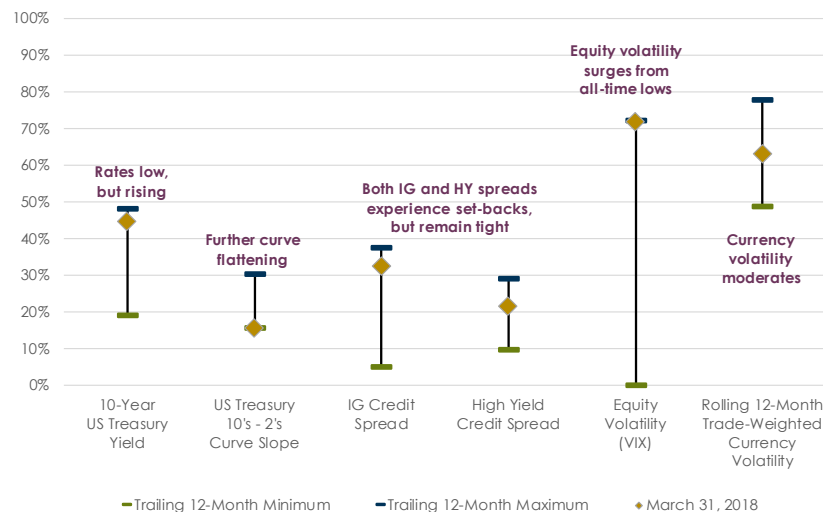
### Current Rate Hiking Cycle



Sources: Bloomberg, ACG Research

## Global Nontraditional Fixed Income

### Percentile Rankings of Observations for Past 15-Years



Sources: Bloomberg, ACG Research

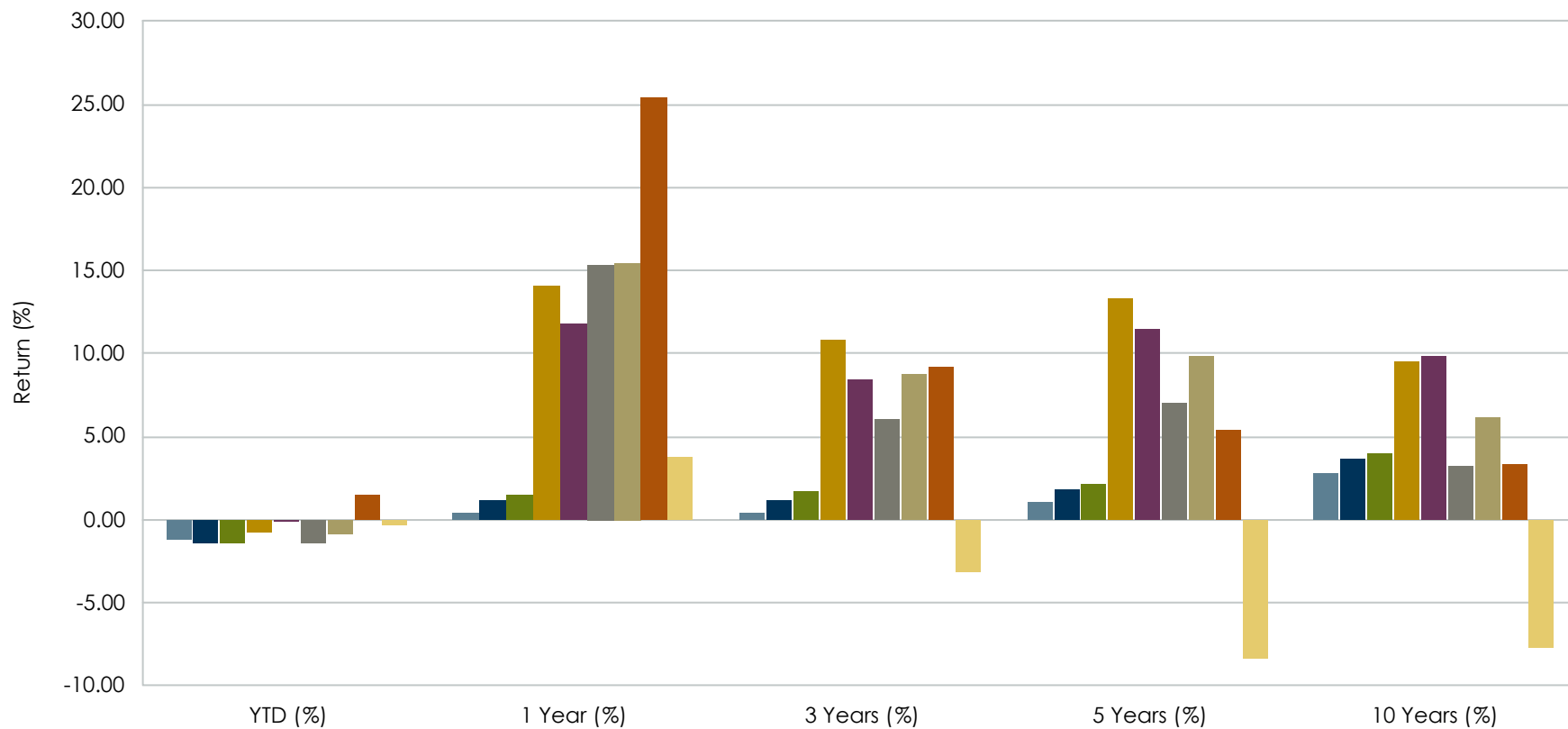
**Liquid Absolute Return** strategies produced favorable results in 1Q-18, outperforming traditional bond benchmarks by ~200 bps. The diversification of risk factors within portfolios remains valuable, as this aids in downside protection and reduces key correlations. The commonly referenced 90-Day T-Bills +3% to +6% objective becomes more challenging as cash rates increase, but **enhanced volatility in rates, spreads, and currency should provide opportunities**.

Alternative investment managers earn their keep when beta-driven investment opportunities become scarce. While rate-sensitive assets booked losses, fixed-income hedge funds tended toward flat to positive performance through the end of February. Cognizant of the risks of extended valuations, absolute return managers have communicated a willingness to remain invested, on the long side, but with attention to asset quality. If valuations continue to stretch higher, **we expect absolute return managers will increasingly exploit idiosyncratic opportunities in challenged sectors** of the market.

**Private Credit** strategies (typically 5-10-year terms) offer the opportunity to earn both a credit spread and an illiquidity premium versus publicly traded fixed income strategies. **Fundraising in the sector remains strong. Preqin reported 156 private debt funds held a final close on \$115 billion of commitments in 2017.** Distressed strategies have not seen much opportunity as the overall default environment remains well below crisis levels. However, economic expansions historically last five years and we are more than eight years into the current expansion. **The proliferation of covenant-lite leveraged loans, an aging economic expansion, and rising interest rates (3-month LIBOR increased 60 bps in 1Q-18) could lead to a robust opportunity set for distressed strategies in the coming quarters.**

## Market Environment

For the Periods Ending March 31, 2018



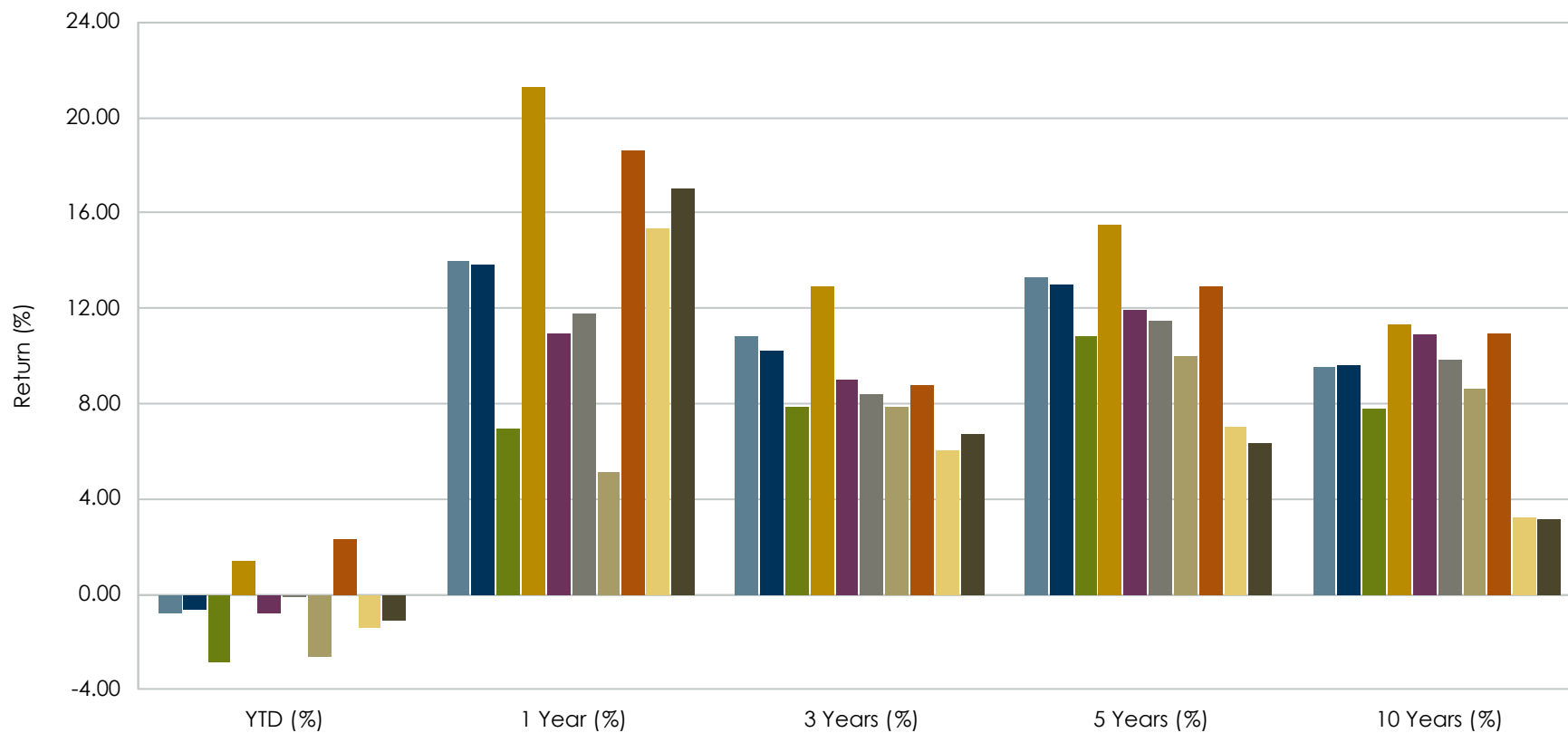
BloomBar US Treasury	-1.18
BloomBar US Aggregate	-1.46
BloomBar Universal	-1.41
S&P 500	-0.76
Russell 2000	-0.08
MSCI EAFE	-1.41
MSCI ACWI	-0.84
MSCI Emerging Markets	1.47
Bloomberg Commodity	-0.40

-1.18	0.43	0.45	1.07	2.74
-1.46	1.20	1.20	1.82	3.63
-1.41	1.52	1.73	2.19	4.01
-0.76	13.99	10.78	13.31	9.49
-0.08	11.79	8.39	11.47	9.84
-1.41	15.32	6.05	6.98	3.23
-0.84	15.44	8.71	9.79	6.15
1.47	25.37	9.21	5.37	3.36
-0.40	3.71	-3.21	-8.32	-7.72



## Equity Index Returns

For the Periods Ending March 31, 2018

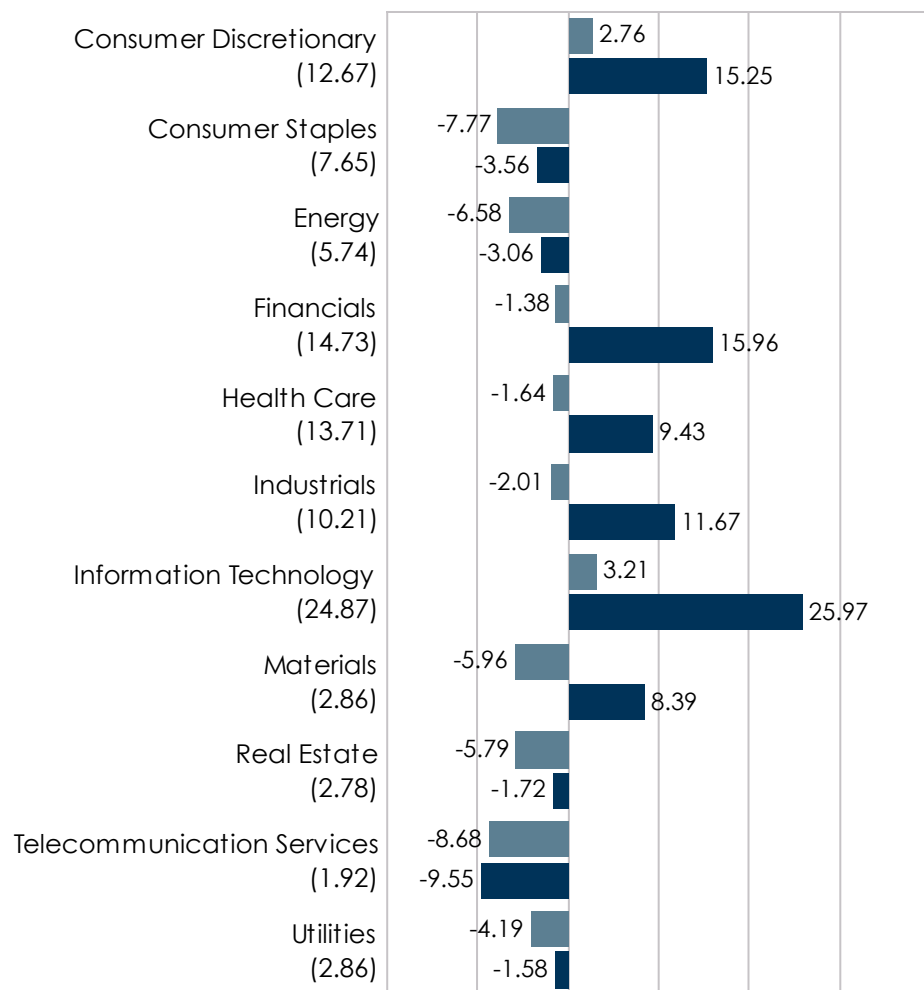


S&P 500	-0.76	13.99	10.78	13.31	9.49
Russell 3000	-0.64	13.81	10.22	13.03	9.62
Russell 1000 Value	-2.83	6.95	7.88	10.78	7.78
Russell 1000 Growth	1.42	21.25	12.90	15.53	11.34
S&P Mid Cap 400	-0.77	10.97	8.96	11.97	10.90
Russell 2000	-0.08	11.79	8.39	11.47	9.84
Russell 2000 Value	-2.64	5.13	7.87	9.96	8.61
Russell 2000 Growth	2.30	18.63	8.77	12.90	10.95
MSCI EAFE	-1.41	15.32	6.05	6.98	3.23
MSCI ACWI ex US	-1.08	17.05	6.68	6.37	3.17

## US Markets - Performance Breakdown

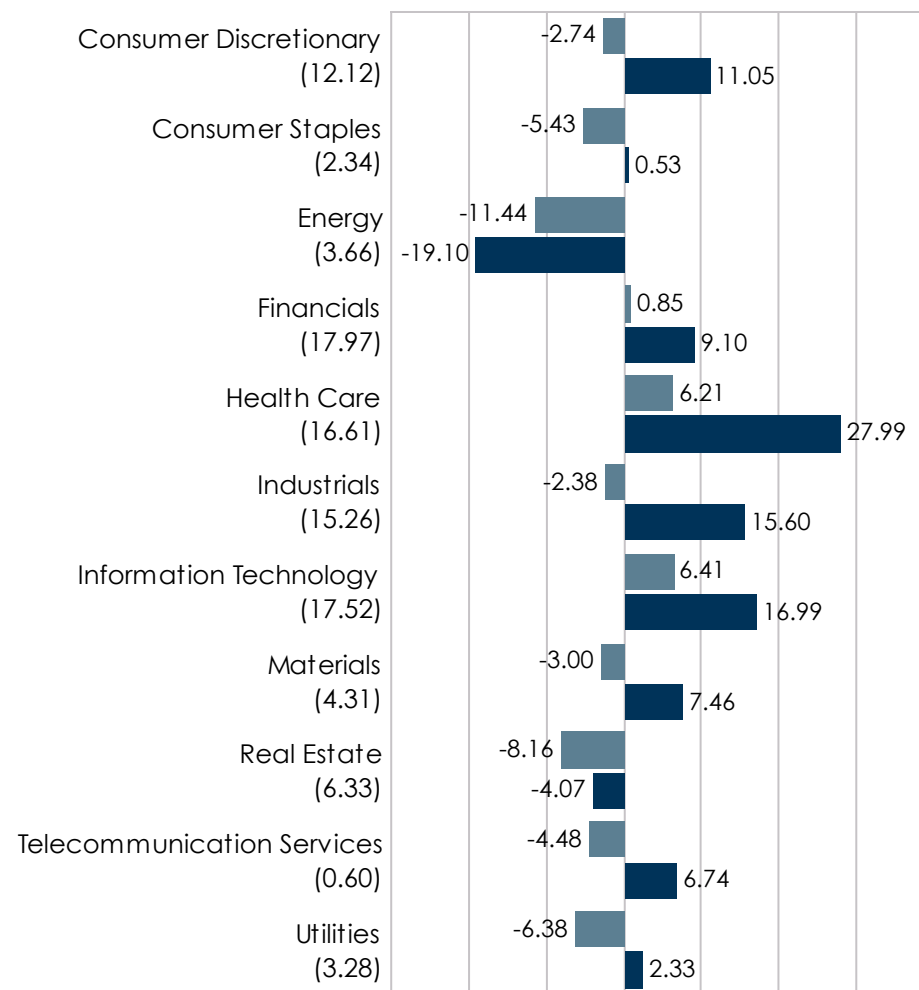
For the Periods Ending March 31, 2018

### S&P 500 - Sector Returns (%)



3 Months 1 Year

### Russell 2000 - Sector Returns (%)



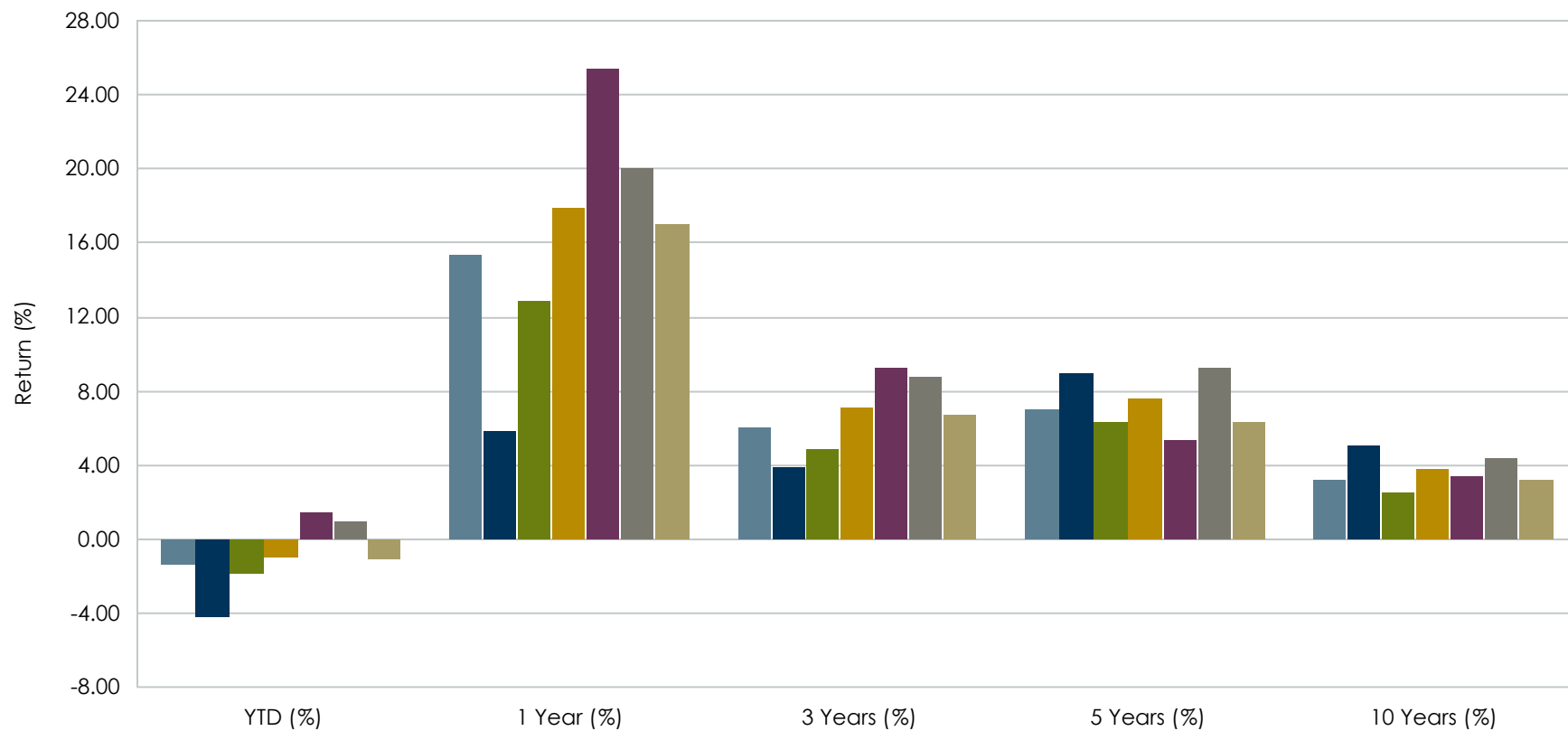
Numbers in parenthesis represent sector weightings of the index. Sector weights may not add to 100% due to rounding or securities that are not assigned to a Global Industry Classification Standard (GICS) sector.

Source: ACG Research, Bloomberg

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## Non-US Equity Index Returns

For the Periods Ending March 31, 2018

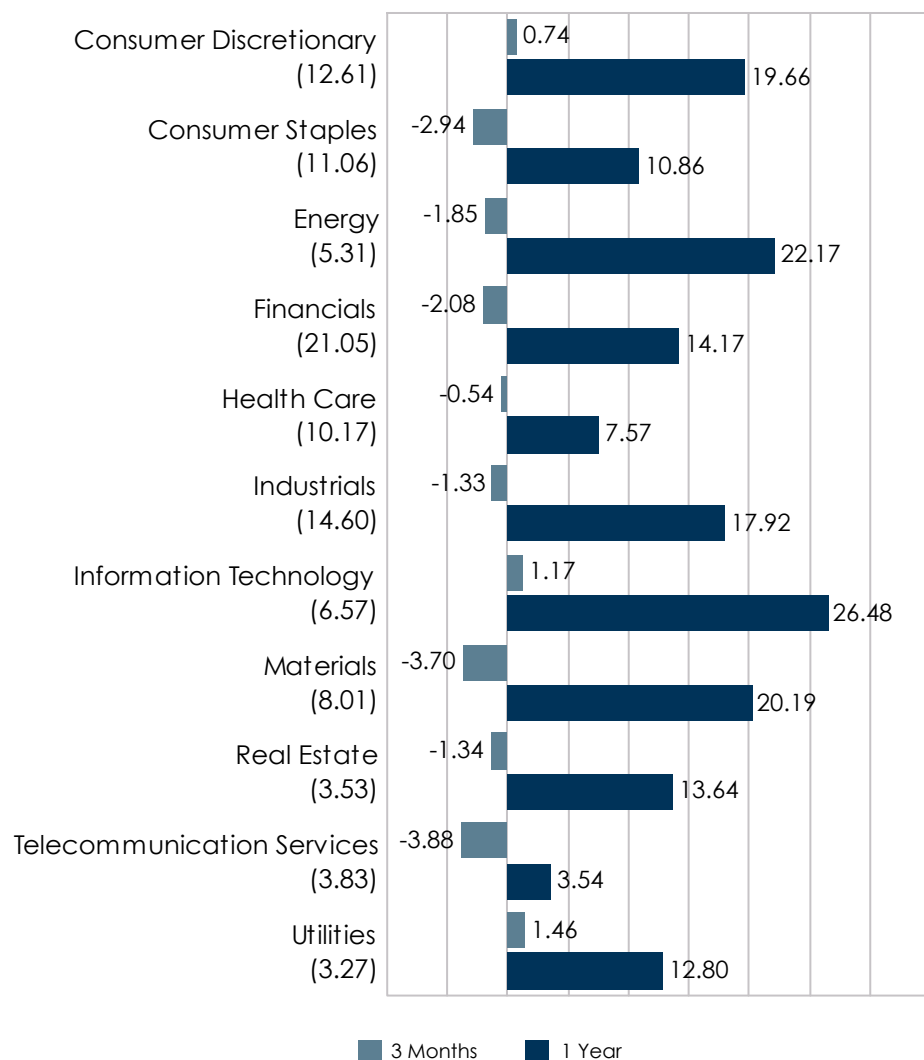


MSCI EAFE	-1.41	15.32	6.05	6.98	3.23
MSCI EAFE Local Currency	-4.16	5.82	3.84	8.95	5.02
MSCI EAFE Value	-1.87	12.82	4.89	6.36	2.57
MSCI EAFE Growth	-0.96	17.92	7.12	7.54	3.82
MSCI Emerging Markets	1.47	25.37	9.21	5.37	3.36
MSCI Japan	0.98	20.04	8.72	9.25	4.33
MSCI ACWI ex US	-1.08	17.05	6.68	6.37	3.17

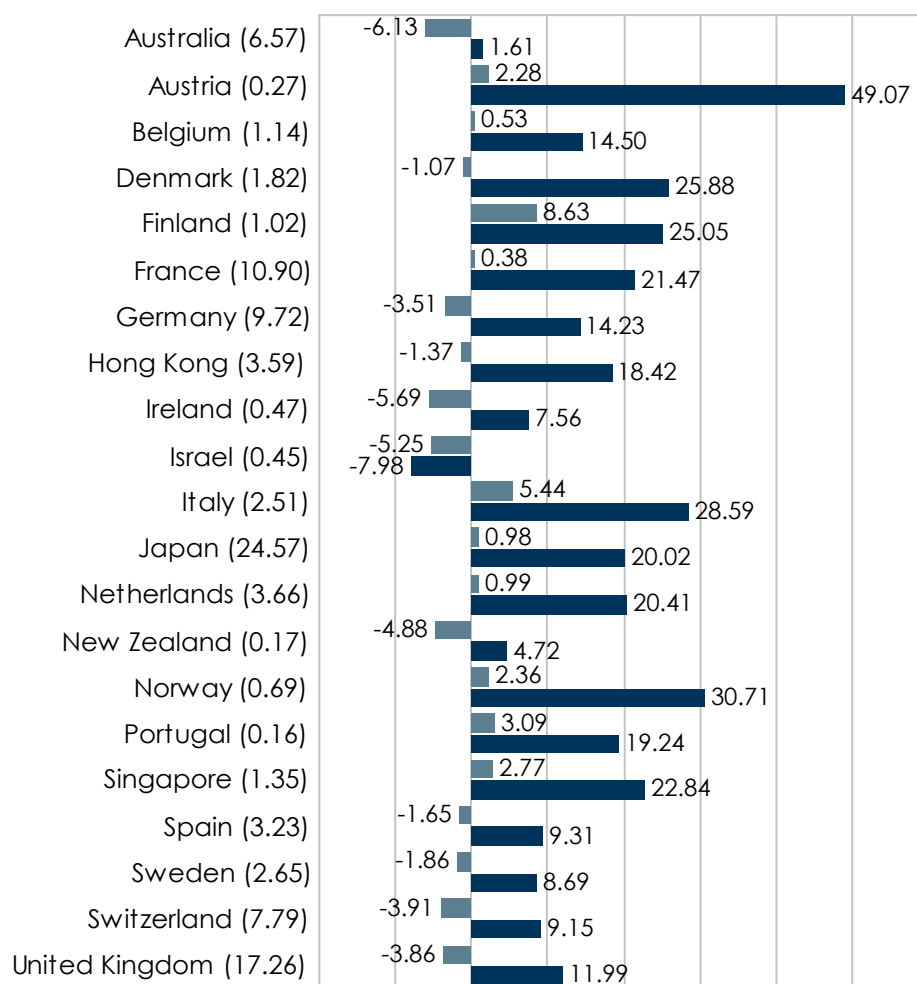
## Non-US Equity - Performance Breakdown

For the Periods Ending March 31, 2018

### MSCI EAFE - Sector Returns (%)



### MSCI EAFE - Country Returns (%)



Numbers in parenthesis represent sector or country weights of the index. Sector or country weights may not add to 100% due to rounding.

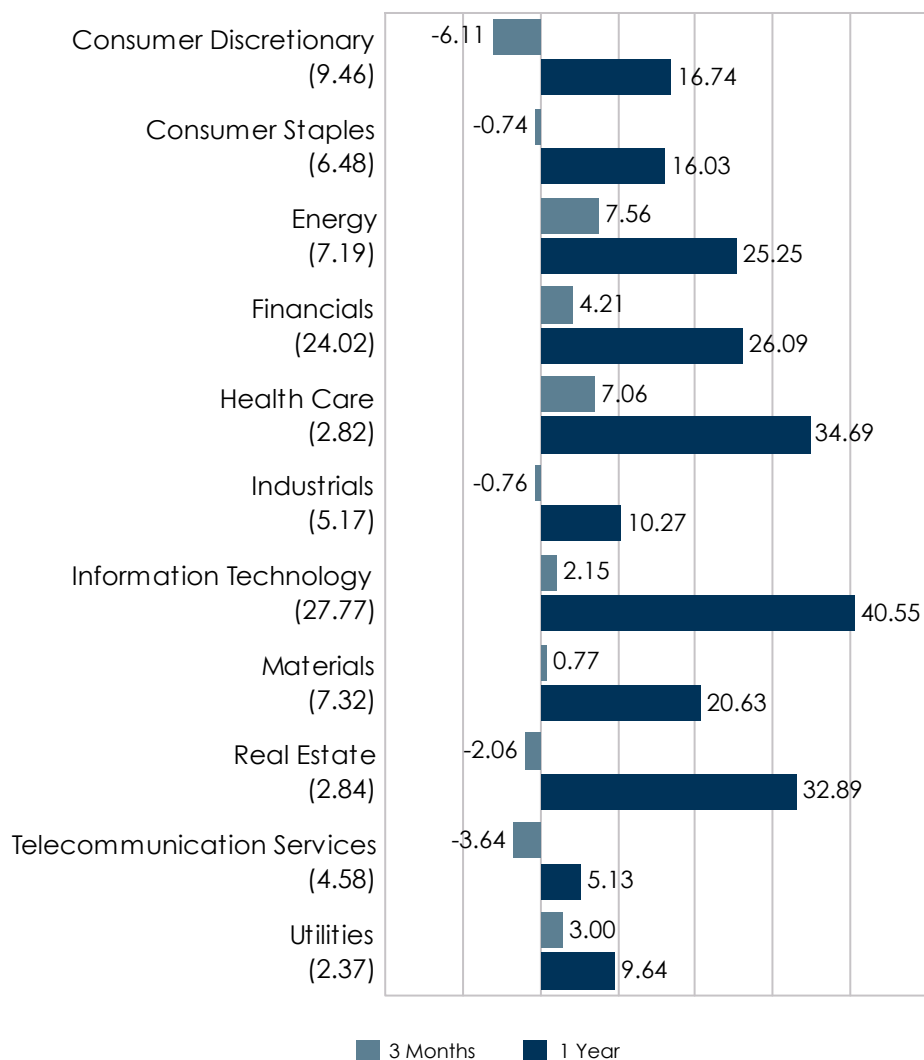
Source: ACG Research, Bloomberg

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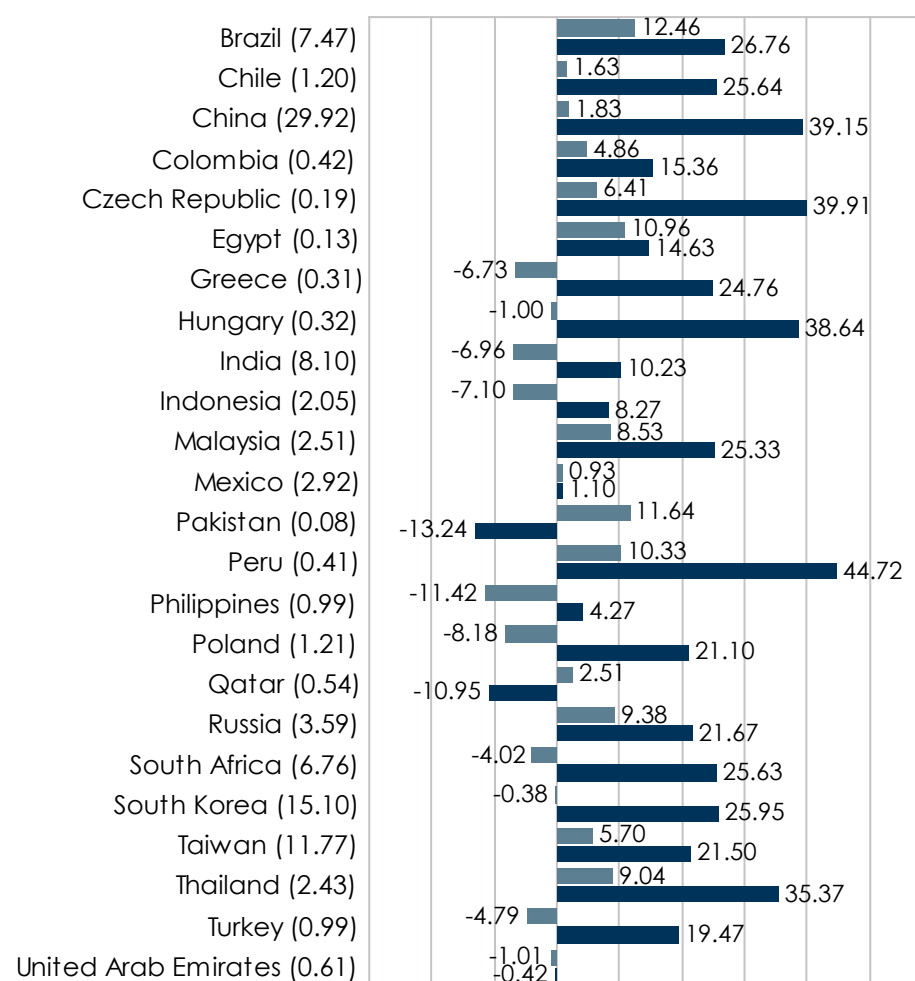
## Emerging Markets - Performance Breakdown

For the Periods Ending March 31, 2018

### MSCI Emerging Markets - Sector Returns (%)



### MSCI Emerging Markets - Country Returns (%)



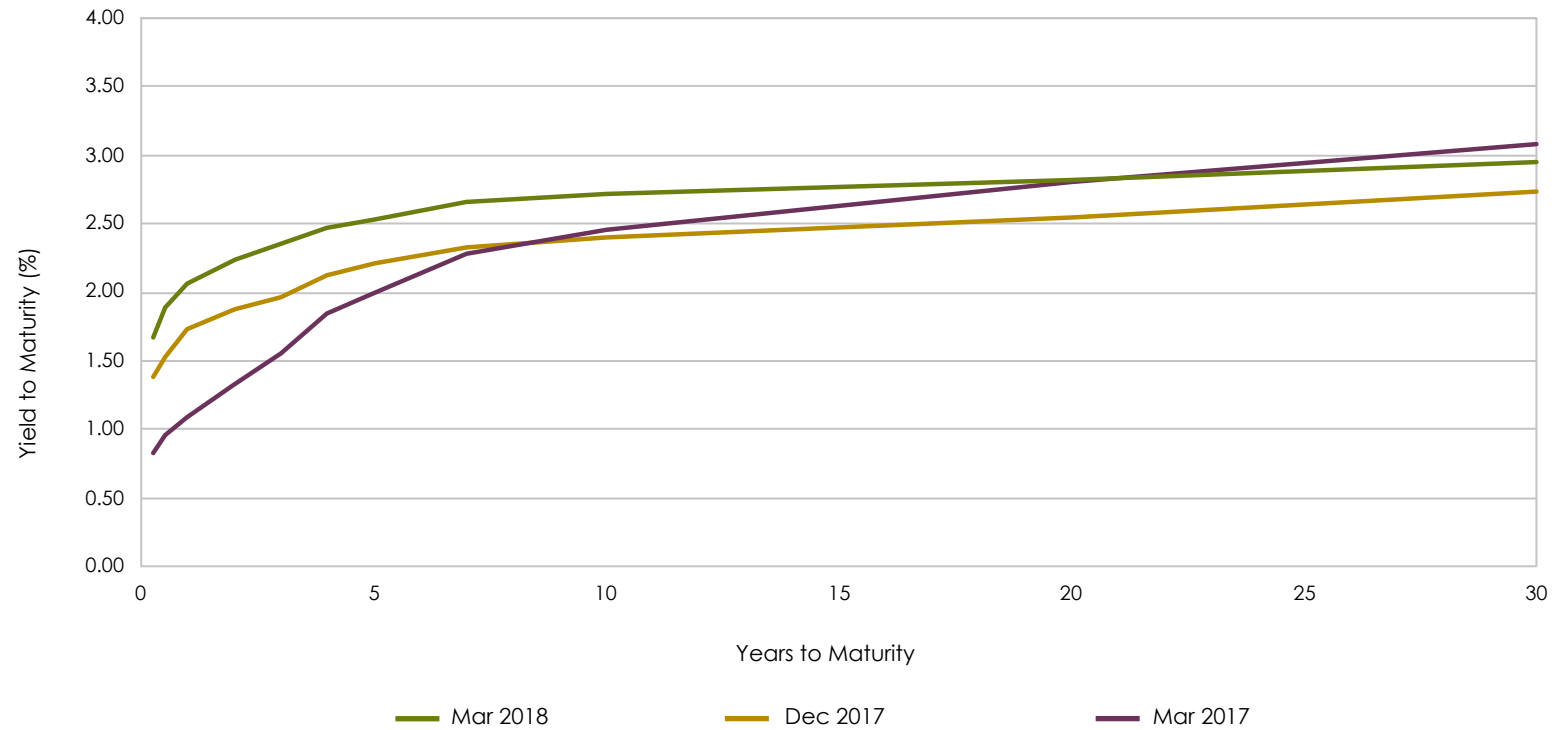
Numbers in parenthesis represent sector or country weights of the index. Sector or country weights may not add to 100% due to rounding.

Source: ACG Research, Bloomberg

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## Interest Rate Term Structure

### Government Issues - 3 Months to 30 Years Maturity

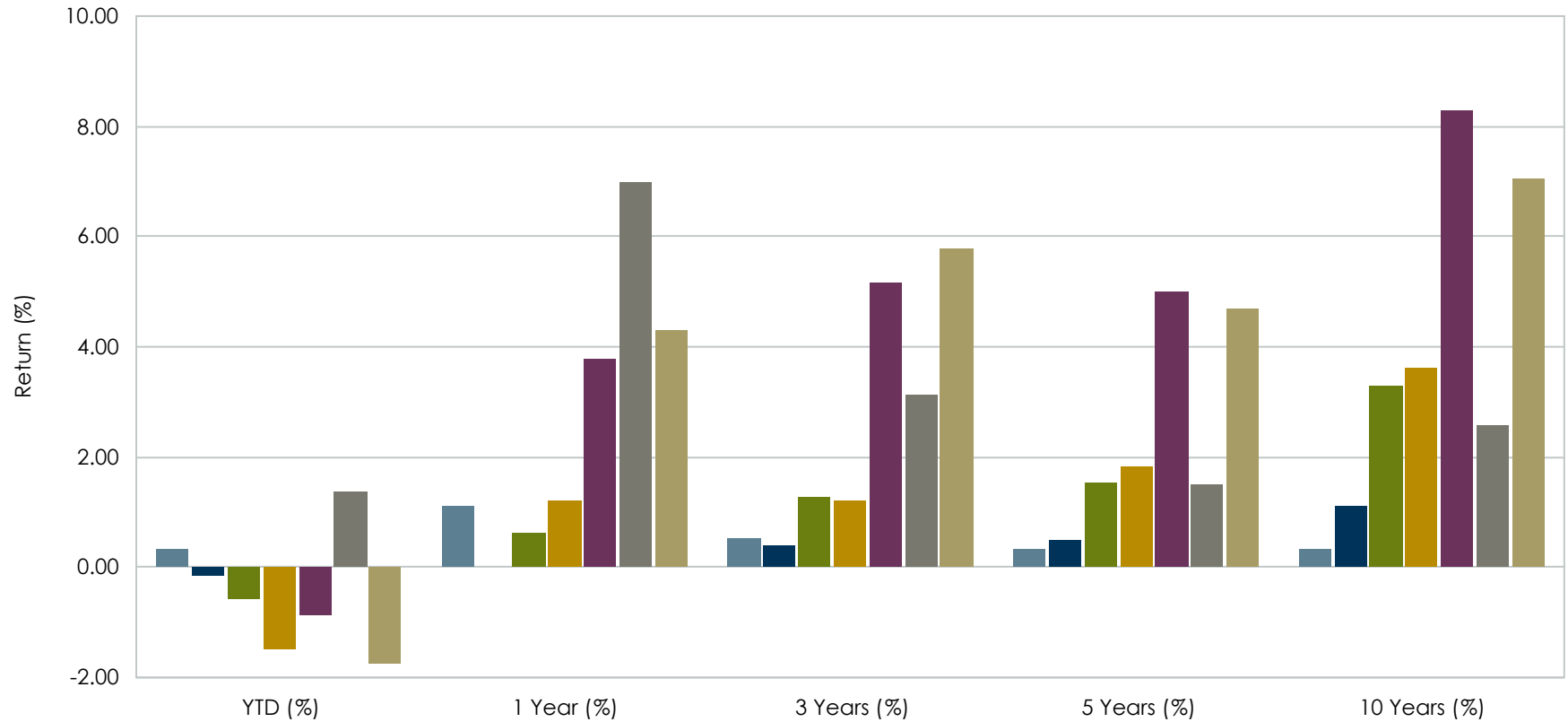


90 Days	1.71	1.38	0.75
180 Days	1.92	1.53	0.90
1 Year	2.09	1.74	1.02
2 Years	2.27	1.89	1.26
3 Years	2.38	1.97	1.49
4 Years	2.50	2.13	1.78
5 Years	2.56	2.21	1.92
7 Years	2.69	2.33	2.21
10 Years	2.74	2.41	2.39
20 Years	2.85	2.55	2.74
30 Years	2.97	2.74	3.01

Source: Bloomberg

## Fixed Income Index Returns

For the Periods Ending March 31, 2018



US T-Bills 90 Day	0.35
ICE BofA ML 1-3 Yr Treasury	-0.13
BloomBar 5 Yr Municipal	-0.57
BloomBar US Aggregate	-1.46
BloomBar US Corp High Yield	-0.86
BloomBar Global Aggregate	1.36
JPM EMBI Global Diversified	-1.74

1 Year (%)	1.10	0.02	0.65	1.20	3.78	6.97	4.30
3 Years (%)	0.53	0.40	1.27	1.20	5.17	3.14	5.78
5 Years (%)	0.34	0.51	1.54	1.82	4.99	1.49	4.69
10 Years (%)	0.34	1.13	3.28	3.63	8.27	2.57	7.04

## US Fixed Income Market Environment

For the Periods Ending March 31, 2018

### Nominal Returns By Sector (%)

	<u>1 Month</u>	<u>3 Months</u>	<u>1 Year</u>	<u>3 Years</u>
US Aggregate	0.64	-1.46	1.20	1.21
US Treasury	0.94	-1.18	0.42	0.44
US Agg: Gov't-Related	0.57	-1.02	1.70	1.32
US Corporate IG	0.25	-2.32	2.69	2.31
MBS	0.64	-1.19	0.78	1.13
CMBS	0.39	-1.32	1.12	1.50
ABS	0.18	-0.38	0.63	1.17
US Corp High Yield	-0.60	-0.85	3.78	5.18

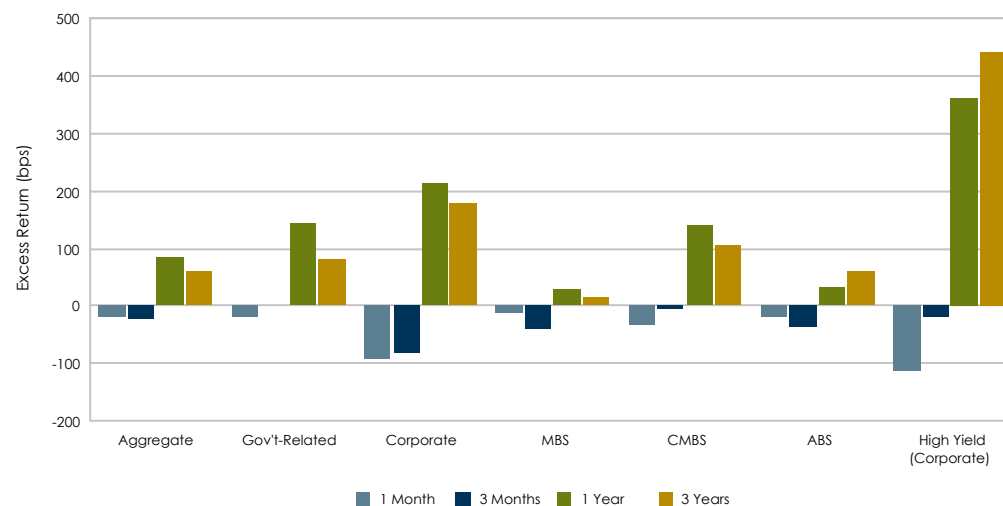
### Nominal Returns by Quality (%)

	<u>1 Month</u>	<u>3 Months</u>	<u>1 Year</u>	<u>3 Years</u>
AAA	0.78	-1.18	0.60	0.77
AA	0.51	-1.35	1.86	1.69
A	0.32	-2.49	2.29	2.09
BAA	0.20	-2.15	3.36	2.55
BA	-0.54	-1.60	3.46	4.70
B	-0.54	-0.55	3.31	4.43
CAA	-0.84	0.29	5.78	7.85

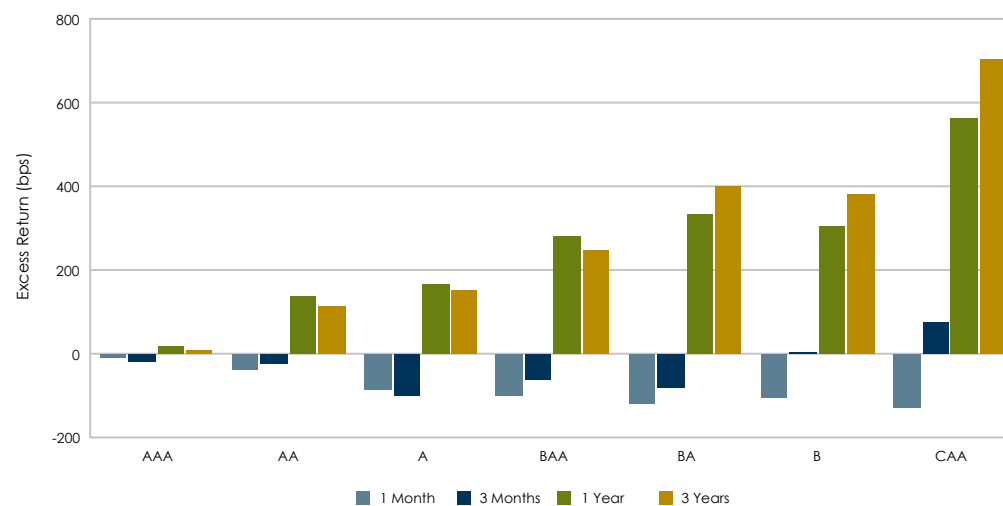
### Nominal Returns by Maturity (%)

	<u>1 Month</u>	<u>3 Months</u>	<u>1 Year</u>	<u>3 Years</u>
1-3 Yr.	0.16	-0.20	0.25	0.69
3-5 Yr.	0.37	-0.86	0.16	0.97
5-7 Yr.	0.49	-1.21	0.57	1.04
7-10 Yr.	0.69	-1.80	0.84	1.14
10+ Yr.	1.65	-3.56	5.02	2.08

### Excess Returns by Sector



### Excess Returns by Quality



Source: Bloomberg

Excess returns are relative to the duration-neutral Treasury.

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## FMIvT Broad Market High Quality Bond Fund

For the Periods Ending March 31, 2018

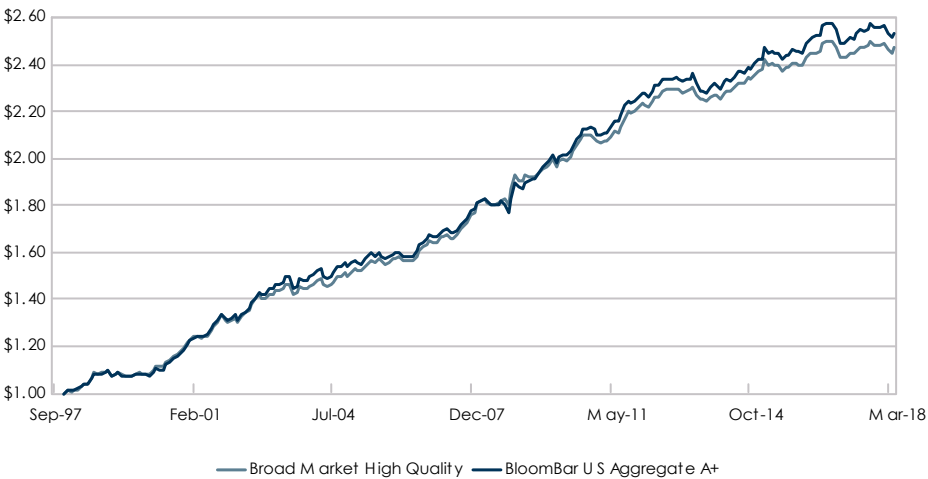
Portfolio Description	Portfolio Information
<ul style="list-style-type: none"> <li>▪ <b>Strategy</b> Expanded High Quality Fixed Income</li> <li>▪ <b>Manager</b> Atlanta Capital Management Company</li> <li>▪ <b>Vehicle</b> Separately Managed Account</li> <li>▪ <b>Benchmark</b> Barclays Aggregate A+</li> <li>▪ <b>Performance Inception Date</b> January 1998</li> <li>▪ <b>Fees</b> Manager Fees - 15 bps; Admin Fees - 14.5 bps</li> <li>▪ <b>Total Expenses</b> Approximately 33 bps</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Minimum initial investment</b> \$50,000</li> <li>▪ <b>Minimum subsequent investments</b> \$5,000</li> <li>▪ <b>Minimum redemption</b> \$5,000</li> <li>▪ The Portfolio is open once a month, on the first business day following the Portfolio Valuation date, to accept Member contributions or redemptions.</li> <li>▪ The Portfolio is valued on the last business day of the month.</li> <li>▪ The Administrator must have advance written notification of Member contributions or redemptions.</li> </ul>

Portfolio Objectives and Constraints	Dollar Growth Summary (\$000s)		
<ul style="list-style-type: none"> <li>▪ Invests in Government and high quality securities while maintaining an average maturity of approximately eight and one-half years.</li> <li>▪ Outperform the BloomBar US Aggregate A+ over a complete market cycle (usually 3 to 5 years).</li> <li>▪ Rank above median in a relevant peer group universe.</li> <li>▪ The Portfolio is subject to interest rate, credit and liquidity risk, which may cause a loss of principal. Neither the Fund nor its yield is guaranteed by the US Government.</li> </ul>			
		<b>FYTD</b>	<b>1 Year</b>
	<b>Beginning Market Value</b>	<b>134,310</b>	<b>125,775</b>
	Net Additions	-12,855	-6,400
	Return on Investment	-773	1,308
	Income	1,575	3,017
	Gain/Loss	-2,348	-1,709
	<b>Ending Market Value</b>	<b>120,682</b>	<b>120,682</b>

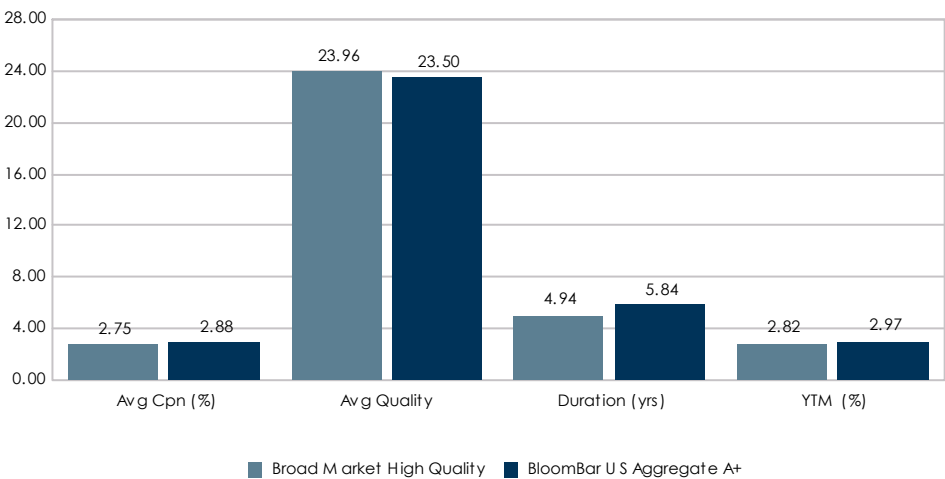
FMIvT Broad Market High Quality Bond Fund

For the Periods Ending March 31, 2018

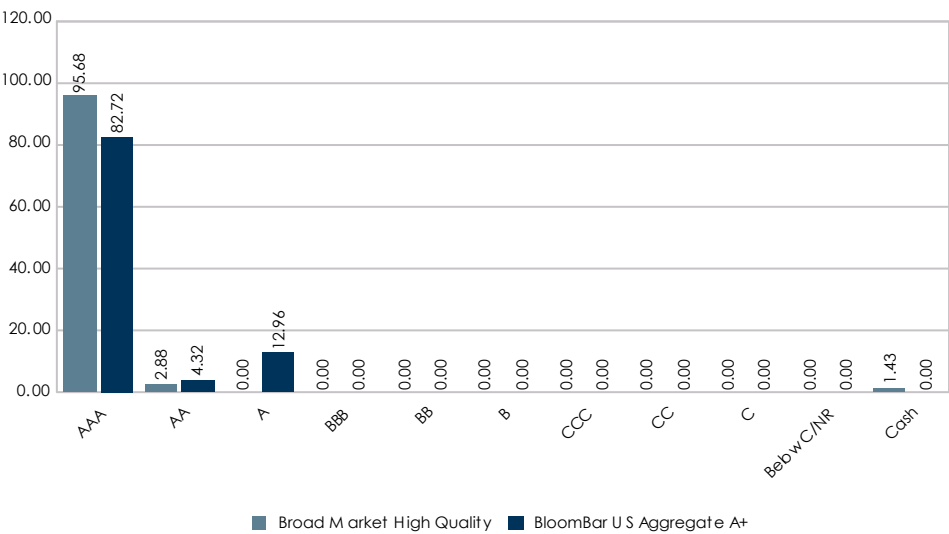
Growth of a Dollar



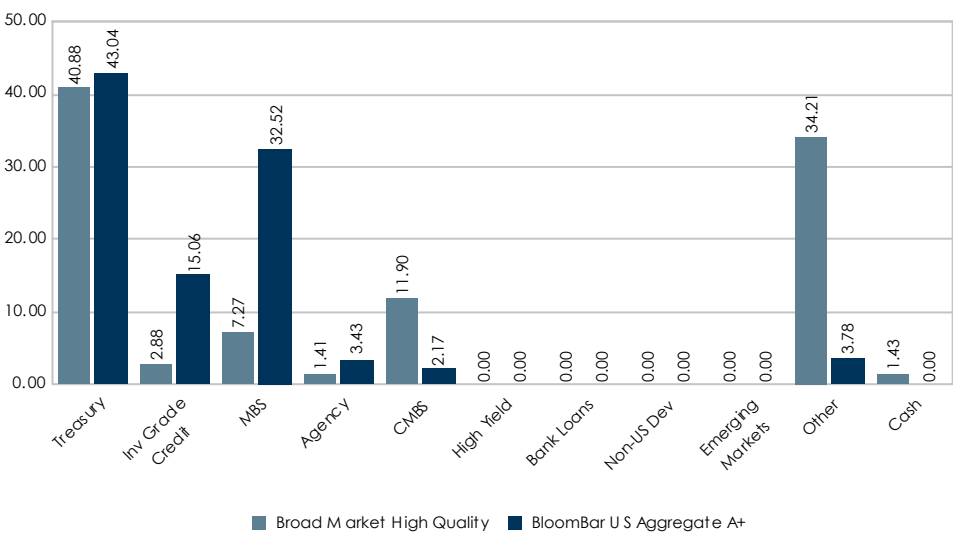
Characteristics



Quality Allocation



Sector Allocation

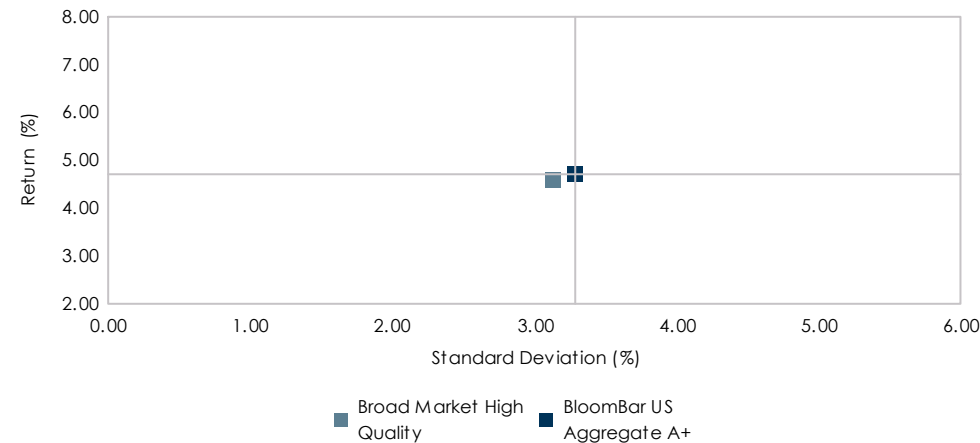


The Other sector consists of ABS, CMO, Convertibles, Municipals, Private Placements/144As and TIPS.

FMIvT Broad Market High Quality Bond Fund

For the Periods Ending March 31, 2018

Risk / Return Since Jan 1998



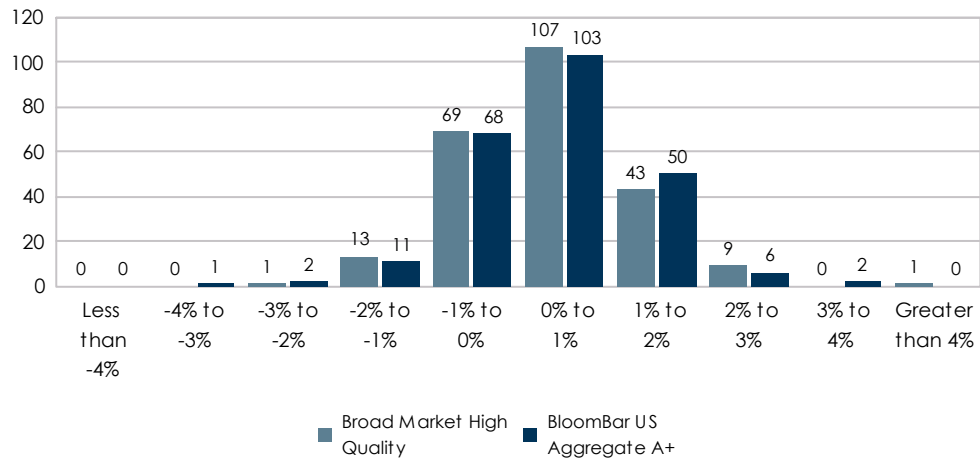
Portfolio Statistics Since Jan 1998

	Broad Market High Quality	BloomBar US Aggregate A+
Return (%)	4.56	4.70
Standard Deviation (%)	3.13	3.28
Sharpe Ratio	0.87	0.87

Benchmark Relative Statistics

Beta	0.92
R Squared (%)	92.94
Alpha (%)	0.24
Tracking Error (%)	0.87
Batting Average (%)	46.50
Up Capture (%)	93.84
Down Capture (%)	88.65

Return Histogram Since Jan 1998

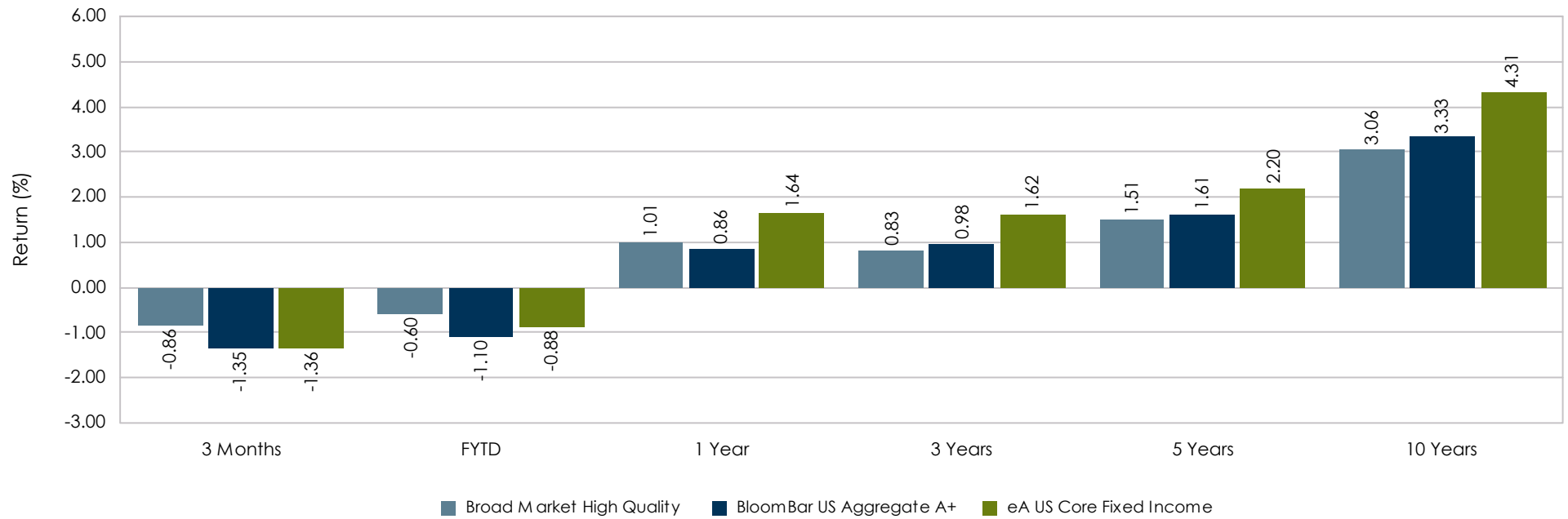


Return Analysis Since Jan 1998

	Broad Market High Quality	BloomBar US Aggregate A+
Number of Months	243	243
Highest Monthly Return (%)	4.01	3.60
Lowest Monthly Return (%)	-2.47	-3.24
Number of Positive Months	160	161
Number of Negative Months	83	82
% of Positive Months	65.84	66.26

## FMIvT Broad Market High Quality Bond Fund

For the Periods Ending March 31, 2018

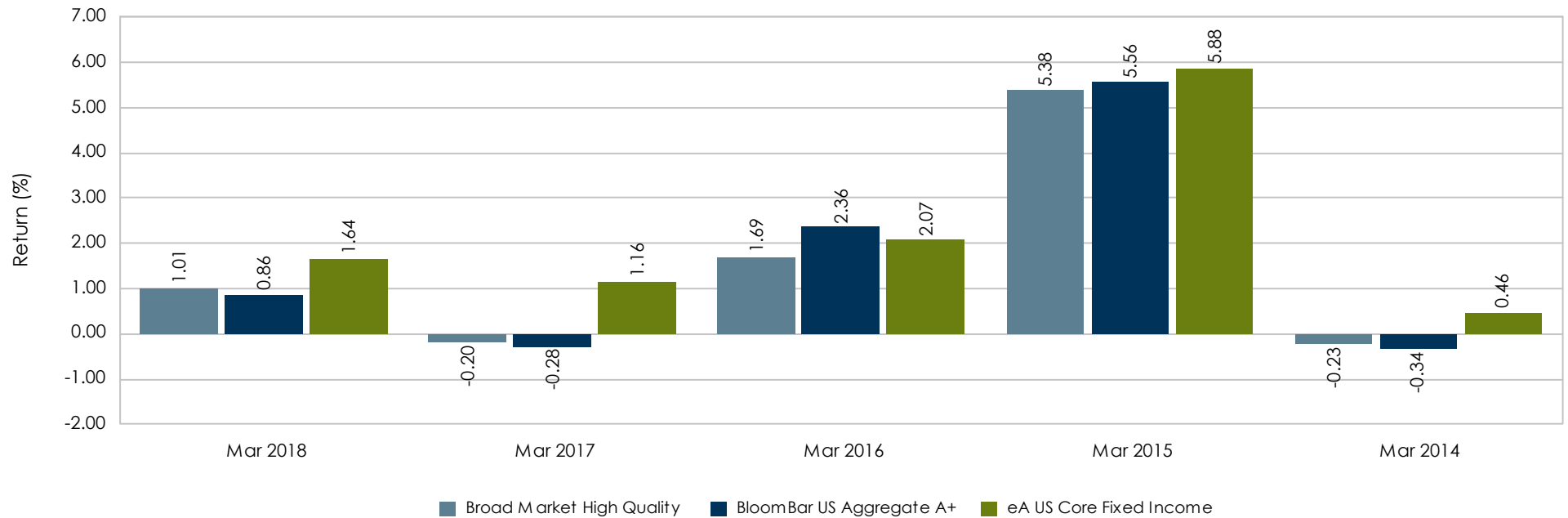


Ranking	8	22	89	99	99	99
5th Percentile	-0.73	-0.06	2.72	2.60	3.17	5.30
25th Percentile	-1.18	-0.65	1.97	1.96	2.51	4.66
50th Percentile	-1.36	-0.88	1.64	1.62	2.20	4.31
75th Percentile	-1.50	-1.03	1.30	1.38	1.97	3.97
95th Percentile	-1.70	-1.30	0.79	1.11	1.70	3.54
Observations	248	248	248	242	237	213

The rankings represent the portfolio's returns versus a peer universe. The rankings are on a scale of 1 to 100 with 1 being the best.

## FMIvT Broad Market High Quality Bond Fund

For the One Year Periods Ending March



Ranking	89	98	77	75	84
5th Percentile	2.72	3.77	3.07	7.25	2.45
25th Percentile	1.97	1.98	2.43	6.28	0.95
50th Percentile	1.64	1.16	2.07	5.88	0.46
75th Percentile	1.30	0.61	1.71	5.37	-0.06
95th Percentile	0.79	0.02	0.95	3.57	-0.73
Observations	248	259	253	267	282

The rankings represent the portfolio's returns versus a peer universe. The rankings are on a scale of 1 to 100 with 1 being the best.

**Investment Guidelines**  
**Broad Market High Quality Bond Fund**

*For the Periods Ending March 31, 2018*

Portfolio Sector Allocations	Max. %	Min. %	Actual Portfolio	Within Guidelines?	Comments
U.S. Govt Oblig., U.S. Govt Agency Oblig, or U.S. Govt Instrum. Oblig.	75.00%	30.00%	42.29%	Yes	
Mortgage Securities including CMO's	50.00%	0.00%	23.75%	Yes	
Corporate and Yankee Debt Obligations	30.00%	0.00%	2.88%	Yes	
Asset Backed Securities	30.00%	0.00%	29.63%	Yes	
Reverse Repurchase Agreements and/or other forms of financial leverage *	30.00%	0.00%	0.00%	Yes	
Other (Cash)	25.00%	0.00%	1.43%	Yes	
Portfolio Duration/Quality	Policy Expectations		Actual Portfolio	Within Guidelines?	Comments
<b>Modified Duration</b>					
Portfolio should maintain a duration equal to the BloomBar US Aggregate A+ Index plus or minus 30% but no greater than 7 years.	4.09 to 7.00		4.94	Yes	
<b>Credit quality</b>					
Portfolio should Maintain a minimum bond fund rating of AA (Fitch).	AAf			Yes	
Individual Securities				Within Guidelines?	Comments
Minimum credit rating of A by any NRSRO for all corporate securities.				Yes	
Maximum of 3% at time of purchase and 5% of the portfolio value may be invested in corporate securities of an individual issuer.			1.55%	Yes	Largest Position Noted
A maximum of 5% of the portfolio, at market, may be invested in individual trusts of ABS and Non-Agency CMOs.			2.19%	Yes	Largest Position Noted
Final stated maturity of 31.0 years or less for all securities.				Yes	

\*Asset Consulting Group is unable to verify the actual percentages in the portfolio. However, ACG has confirmed the actual portfolio allocation is less than the maximum percentage allowed.

## FMIvT Core Plus Fixed Income Fund

For the Periods Ending March 31, 2018

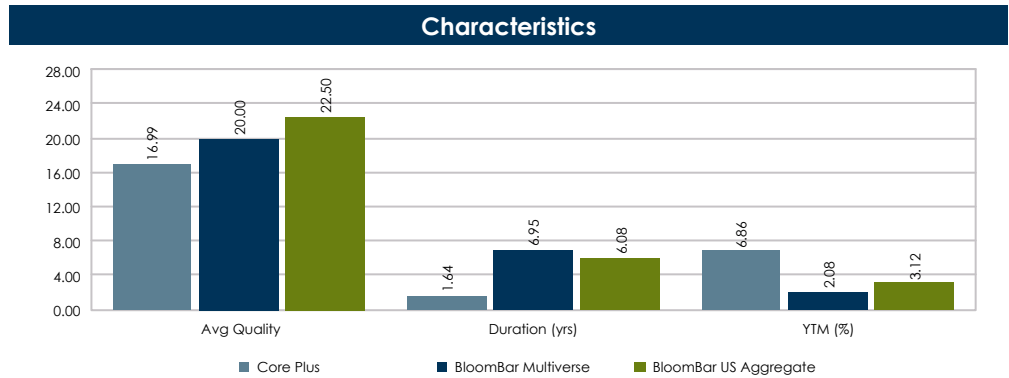
Portfolio Description	Portfolio Information
<ul style="list-style-type: none"> <li>■ <b>Strategy</b> Core Plus Fixed Income</li> <li>■ <b>Manager</b> Franklin Resources, Inc &amp; Pioneer Institutional Investment</li> <li>■ <b>Vehicle</b> Non-Mutual Commingled</li> <li>■ <b>Benchmark</b> Barclays Multiverse</li> <li>■ <b>Performance Inception Date</b> April 2014</li> <li>■ <b>Fees</b> Manager Fee - 69 bps; Admin Fee - 14.5 bps</li> <li>■ <b>Total Expenses</b> Approximately 87 bps</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>Minimum initial investment</b> \$50,000</li> <li>■ <b>Minimum subsequent investments</b> \$5,000</li> <li>■ <b>Minimum redemption</b> \$5,000</li> <li>■ The Portfolio is open once a month, on the first business day following a Portfolio Valuation date, to accept Member contributions or redemptions.</li> <li>■ The Portfolio is valued on the last business day of the month.</li> <li>■ The Administrator must have advance written notification of Member contributions or redemptions.</li> </ul>

Portfolio Objectives and Constraints	Dollar Growth Summary (\$000s)		
<ul style="list-style-type: none"> <li>■ Invests in a broad spectrum of fixed and floating rate debt securities that are diversified by credit quality, geography and duration.</li> <li>■ Outperform the BloomBar Multiverse over a complete market cycle (usually 3 to 5 years).</li> <li>■ Rank above median in a relevant peer group universe.</li> <li>■ The Portfolio is subject to interest rate, credit and liquidity risk, which may cause a loss of principal. Neither the Fund nor its yield is guaranteed by the US Government.</li> </ul>			
		<b>FYTD</b>	<b>1 Year</b>
	<b>Beginning Market Value</b>	<b>166,304</b>	<b>162,133</b>
	Net Additions	-1,159	335
	Return on Investment	502	3,180
	<b>Ending Market Value</b>	<b>165,647</b>	<b>165,647</b>

## FMIvT Core Plus Fixed Income Fund

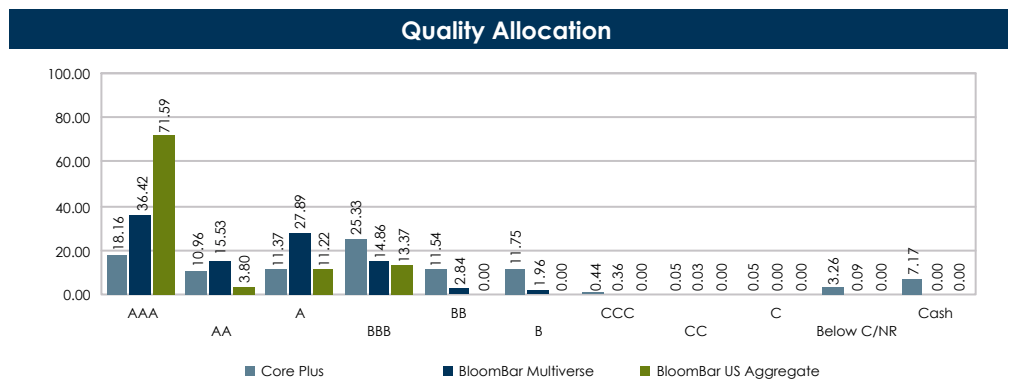
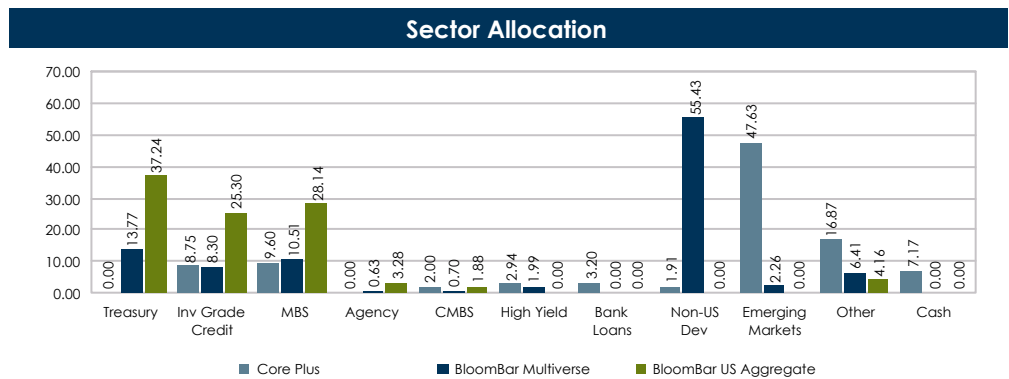
For the Periods Ending March 31, 2018

Manager Allocation		
Name	Market Value (\$000s)	Allocation (%)
<b>Total Core Plus</b>	<b>165,647</b>	<b>100.00</b>
Franklin Templeton GMSP Fund	84,070	50.75
Amundi Pioneer MSFI Fund	81,659	49.30



### Dollar Growth Summary (\$000s)

	FYTD	1 Year
<b>Beginning Market Value</b>	<b>166,304</b>	<b>162,133</b>
Net Additions	-1,159	335
Return on Investment	502	3,180
<b>Ending Market Value</b>	<b>165,647</b>	<b>165,647</b>



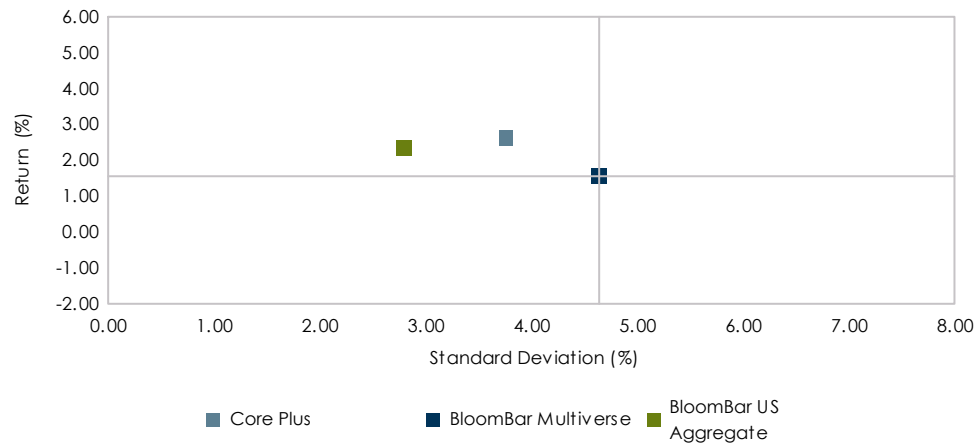
The Other sector consists of ABS, CMO, Convertibles, Municipals, Private Placements/144As and TIPS.



## FMIvT Core Plus Fixed Income Fund

For the Periods Ending March 31, 2018

### Risk / Return Since Apr 2014



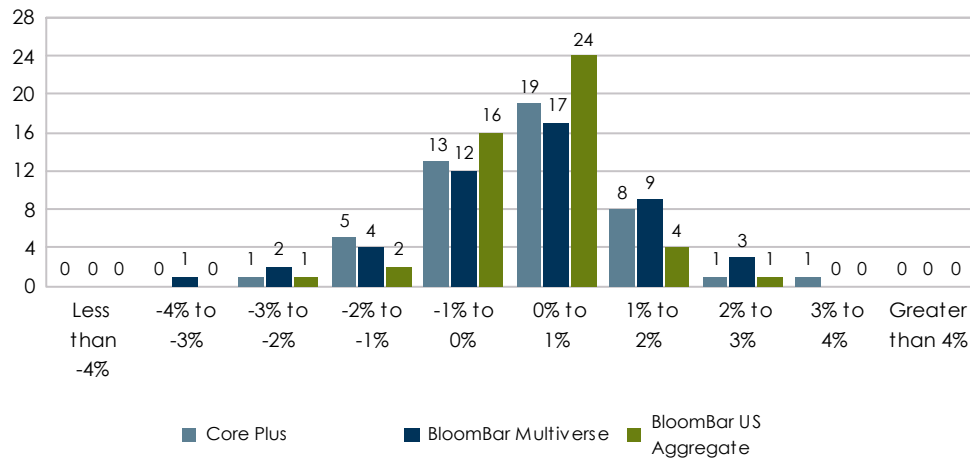
### Portfolio Statistics Since Apr 2014

	Core Plus	BloomBar Multiverse	BloomBar US Aggregate
Return (%)	2.62	1.57	2.31
Standard Deviation (%)	3.76	4.63	2.79
Sharpe Ratio	0.60	0.26	0.70

### Benchmark Relative Statistics

Beta	0.20	0.24
R Squared (%)	6.07	3.14
Alpha (%)	2.35	2.12
Tracking Error (%)	5.20	4.26
Batting Average (%)	50.00	43.75
Up Capture (%)	31.37	49.36
Down Capture (%)	-6.27	-4.23

### Return Histogram Since Apr 2014

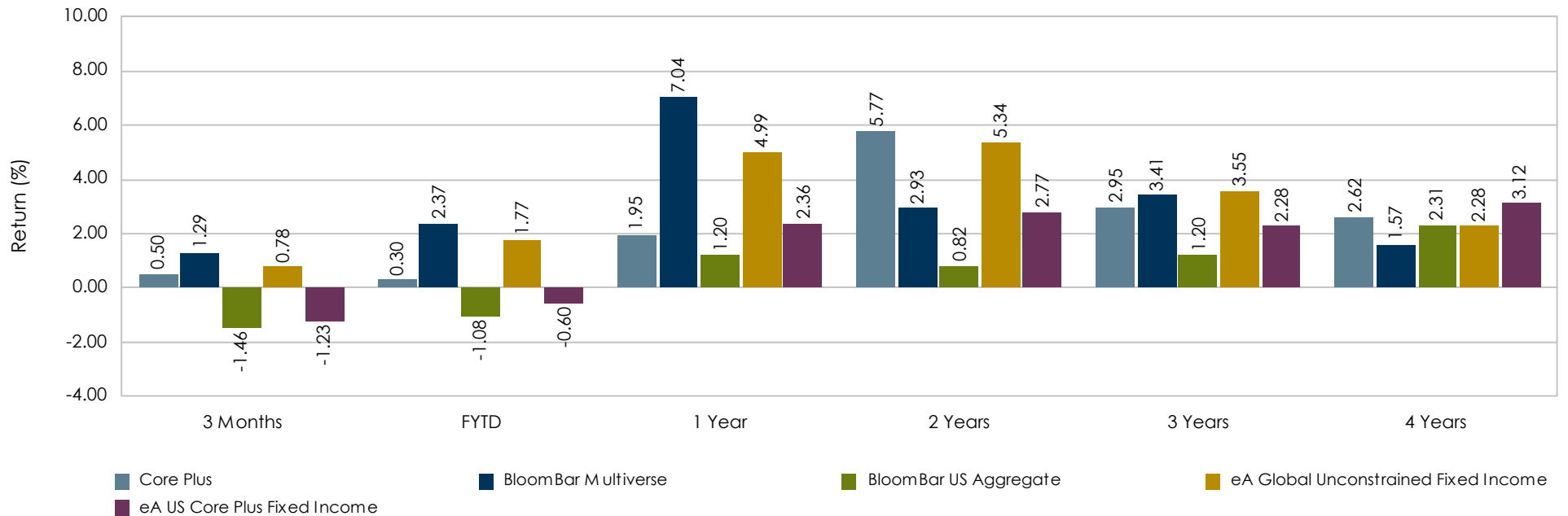


### Return Analysis Since Apr 2014

	Core Plus	BloomBar Multiverse	BloomBar US Aggregate
Number of Months	48	48	48
Highest Monthly Return (%)	3.09	2.89	2.10
Lowest Monthly Return (%)	-2.34	-3.88	-2.37
Number of Positive Months	29	29	29
Number of Negative Months	19	19	19
% of Positive Months	60.42	60.42	60.42

## FMIvT Core Plus Fixed Income Fund

For the Periods Ending March 31, 2018

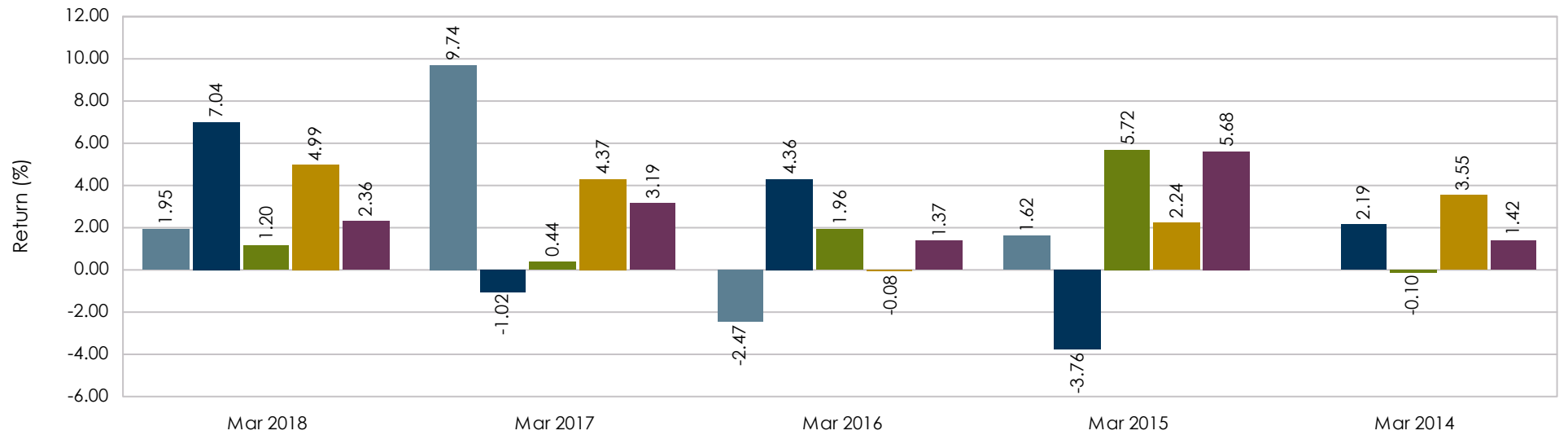


Ranking	62 / 2	79 / 5	89 / 74	43 / 3	68 / 17	45 / 83
5th Percentile	3.80 / -0.38	5.36 / 0.22	17.34 / 3.90	10.01 / 4.79	7.08 / 3.50	5.28 / 4.19
25th Percentile	2.08 / -1.02	3.68 / -0.36	12.91 / 2.82	6.93 / 3.60	4.58 / 2.71	3.76 / 3.42
50th Percentile	0.78 / -1.23	1.77 / -0.60	4.99 / 2.36	5.34 / 2.77	3.55 / 2.28	2.28 / 3.12
75th Percentile	-0.03 / -1.42	0.47 / -0.88	3.35 / 1.90	3.37 / 2.10	2.46 / 1.90	-0.01 / 2.76
95th Percentile	-1.02 / -1.69	-0.59 / -1.21	1.27 / 1.36	1.19 / 1.42	-0.36 / 1.36	-2.33 / 2.31
Observations	136 / 132	136 / 132	136 / 132	133 / 131	125 / 127	111 / 123

The rankings represent the portfolio's returns versus a peer universe. The rankings are on a scale of 1 to 100 with 1 being the best.

## FMIvT Core Plus Fixed Income Fund

For the One Year Periods Ending March



■ Core Plus
 ■ BloomBar M Universe
 ■ BloomBar US Aggregate
 ■ eA Global Unconstrained Fixed Income
 ■ eA US Core Plus Fixed Income

Ranking	89 / 74	13 / 2	78 / 96	56 / 99	
5th Percentile	17.34 / 3.90	11.67 / 6.33	6.13 / 2.70	7.22 / 7.65	14.16 / 4.90
25th Percentile	12.91 / 2.82	7.94 / 4.30	1.39 / 1.87	4.02 / 6.27	7.61 / 2.73
50th Percentile	4.99 / 2.36	4.37 / 3.19	-0.08 / 1.37	2.24 / 5.68	3.55 / 1.42
75th Percentile	3.35 / 1.90	-0.46 / 2.06	-2.20 / 0.57	-4.08 / 4.74	1.44 / 0.75
95th Percentile	1.27 / 1.36	-9.20 / 1.18	-5.98 / -2.37	-20.12 / 2.64	-4.83 / -0.30
Observations	136 / 132	149 / 136	177 / 166	168 / 171	144 / 175

The rankings represent the portfolio's returns versus a peer universe. The rankings are on a scale of 1 to 100 with 1 being the best.

**Investment Guidelines**

**Core Plus Fixed Income Fund**

*For the Periods Ending March 31, 2018*

Manager Allocations	Target %	Range%	Actual Portfolio	Within Guidelines?	Comments
Franklin Templeton Global Multisector Plus Fixed Income Fund	50.00%	45% - 55%	50.75%	Yes	
Pioneer Multisector Fixed Income Fund	50.00%	45% - 55%	49.30%	Yes	

## FMIvT Diversified Large Cap Equity Portfolio

For the Periods Ending March 31, 2018

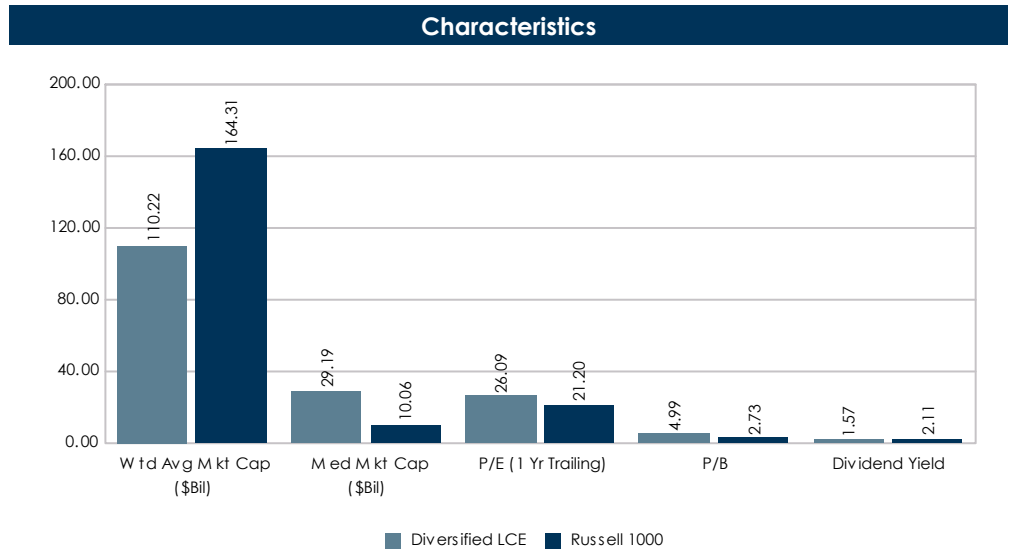
Portfolio Description	Portfolio Information
<ul style="list-style-type: none"> <li>■ <b>Strategy</b> Large Cap US Equity</li> <li>■ <b>Manager</b> Janus/INTECH, Hotchkis &amp; Wiley, &amp; Atlanta Capital</li> <li>■ <b>Vehicle</b> Non-Mutual Commingled</li> <li>■ <b>Benchmark</b> Russell 1000</li> <li>■ <b>Performance Inception Date</b> October 2017</li> <li>■ <b>Fees</b> Manager Fee - 49 bps; Admin Fee - 14.5 bps</li> <li>■ <b>Total Expenses</b> Approximately 65 bps</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>Minimum initial investment</b> \$50,000</li> <li>■ <b>Minimum subsequent investments</b> \$5,000</li> <li>■ <b>Minimum redemption</b> \$5,000</li> <li>■ The Portfolio is open once a month, on the first business day following the Portfolio Valuation date, to accept Member contributions or redemptions.</li> <li>■ The Portfolio is valued on the last business day of the month.</li> <li>■ The Administrator must have advance written notification of Member contributions or redemptions.</li> </ul>

Portfolio Objectives and Constraints	Dollar Growth Summary (\$000s)		
<ul style="list-style-type: none"> <li>■ Invests in large cap US stocks that are diversified by industry and sector.</li> <li>■ Outperform the Russell 1000 over a complete market cycle (usually 3 to 5 years).</li> <li>■ Rank above median in a relevant peer group universe.</li> <li>■ Stock values fluctuate in response to the activities of individual companies, the general market and economic conditions. Shares of the Portfolio are neither insured nor guaranteed by any US Government agency, including the FDIC.</li> </ul>			
		<b>3 Months</b>	<b>FYTD</b>
	<b>Beginning Market Value</b>	<b>290,165</b>	<b>301,795</b>
	Net Additions	-17,058	-44,147
	Return on Investment	2,013	17,472
	<b>Ending Market Value</b>	<b>275,120</b>	<b>275,120</b>

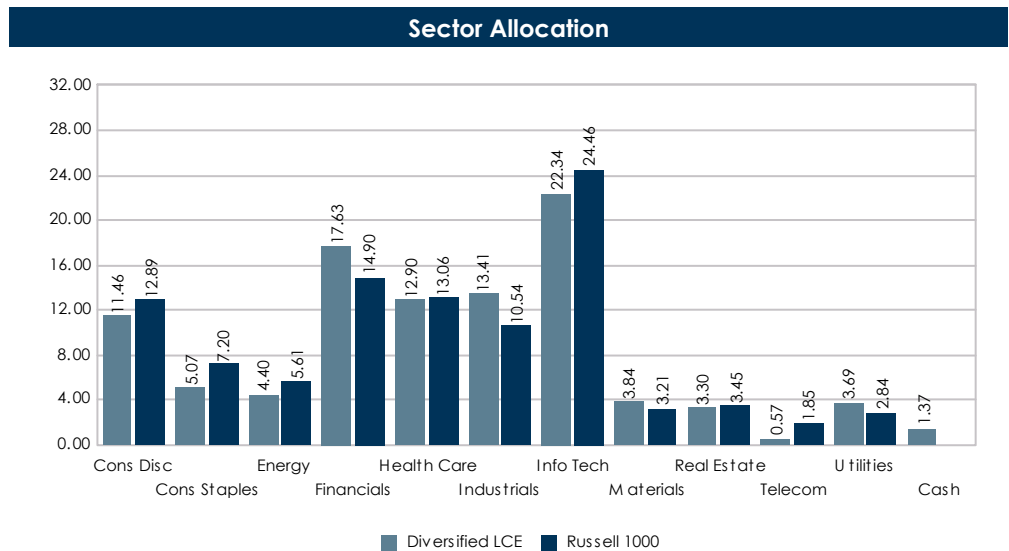
## FMIvT Diversified Large Cap Equity Portfolio

For the Periods Ending March 31, 2018

Manager Allocation		
Name	Market Value (\$000s)	Allocation (%)
<b>Total Diversified LCE</b>	<b>275,120</b>	<b>100.00</b>
Intech US Broad Enhanced Plus Fund	153,672	55.86
Atlanta Capital High Quality Growth	62,363	22.67
Hotchkis & Wiley Diversified Value	59,086	21.48

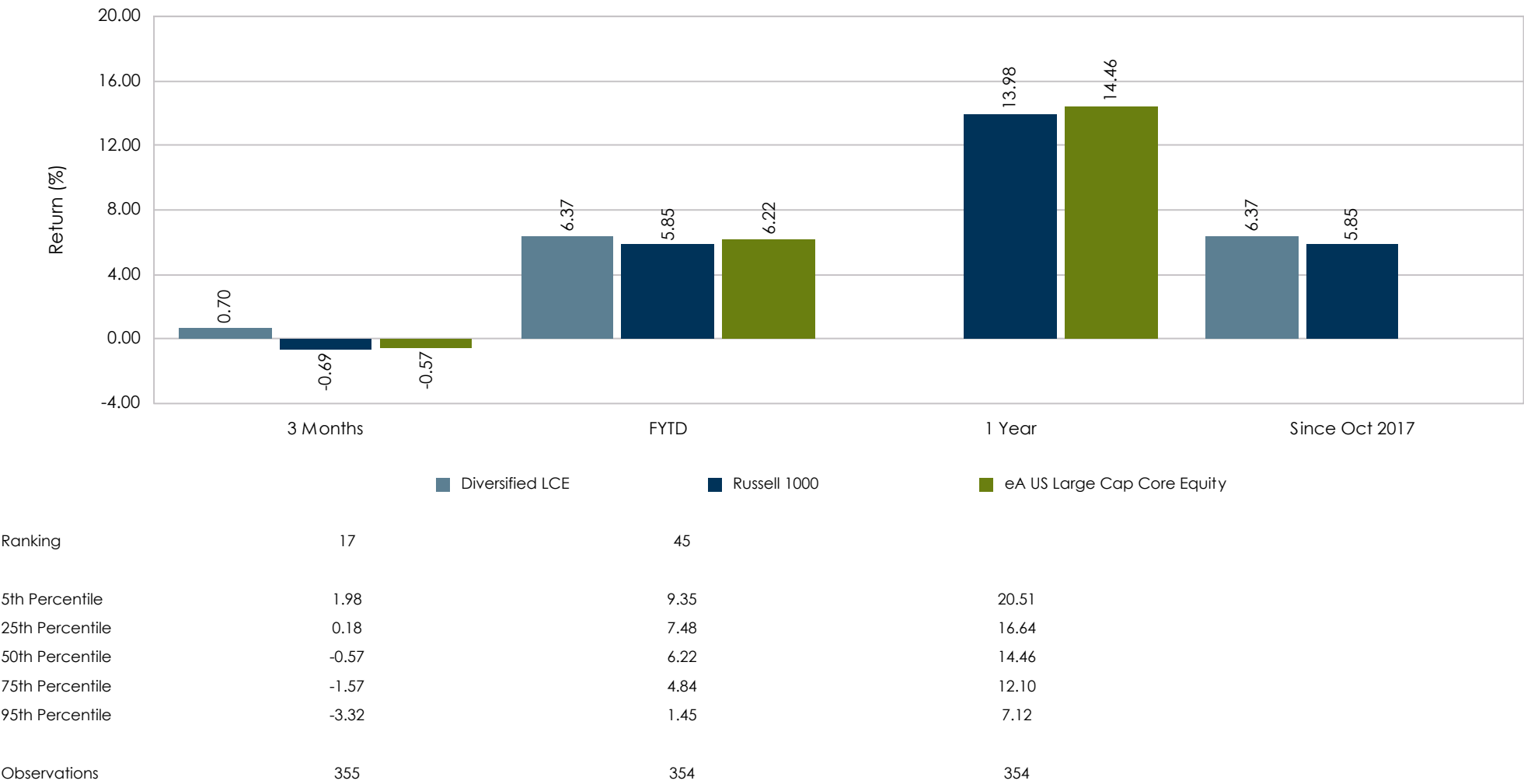


Dollar Growth Summary (\$000s)		
	3 Months	FYTD
<b>Beginning Market Value</b>	<b>290,165</b>	<b>301,795</b>
Net Additions	-17,058	-44,147
Return on Investment	2,013	17,472
<b>Ending Market Value</b>	<b>275,120</b>	<b>275,120</b>



FMIvT Diversified Large Cap Equity Portfolio

For the Periods Ending March 31, 2018



The rankings represent the portfolio's returns versus a peer universe. The rankings are on a scale of 1 to 100 with 1 being the best.

**Investment Guidelines**  
**Diversified Large Cap Equity Portfolio**  
*For the Periods Ending March 31, 2018*

Manager Allocations	Target %	Range%	Actual Portfolio	Within Guidelines?	Comments
INTECH Broad Enhanced Russell 1000	60.0%	50% - 70%	55.86%	Yes	
Atlanta Capital High Quality Growth	20.0%	10% - 30%	22.67%	Yes	
Hotchkis & Wiley Diversified Value	20.0%	10% - 30%	21.48%	Yes	
Allocation	Max. %		Actual Portfolio	Within Guidelines?	Comments
A maximum of 10% of the portfolio, valued at market, may be invested in cash.	10.0%		1.37%	Yes	
The portfolio shall not own private placements, unregistered or registered stock, options, futures, or commodities, nor participate in margin trading.	N/A		N/A	Yes	



## FMIvT Diversified SMID Cap Equity Portfolio

For the Periods Ending March 31, 2018

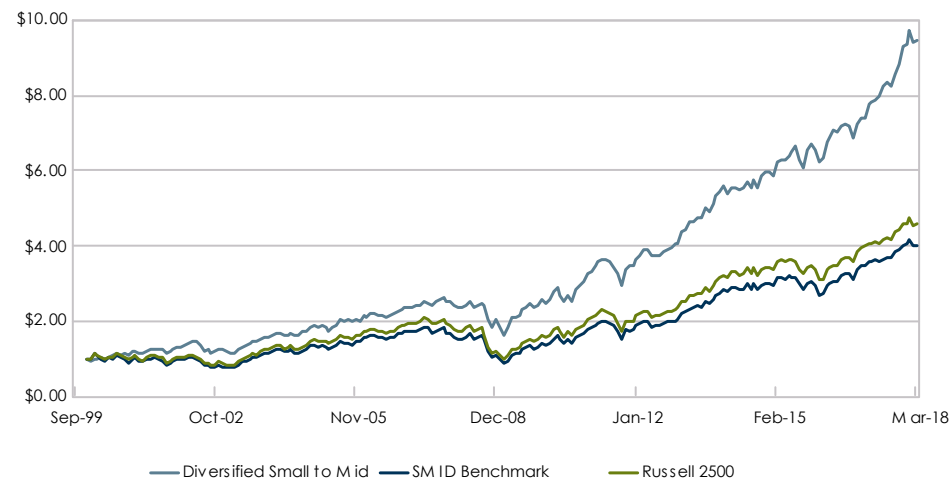
Portfolio Description	Portfolio Information
<ul style="list-style-type: none"> <li>■ <b>Strategy</b> Small to Mid (SMID) (Strategy change in 2010)</li> <li>■ <b>Manager</b> Atlanta Capital Management Company</li> <li>■ <b>Vehicle</b> Separately Managed Account</li> <li>■ <b>Benchmark</b> A blend of Russell 2500 and Russell 2000</li> <li>■ <b>Performance Inception Date</b> January 2000</li> <li>■ <b>Fees</b> Manager Fee - 45 bps; Admin Fee - 14.5 bps</li> <li>■ <b>Total Expenses</b> Approximately 63 bps</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>Minimum initial investment</b> \$50,000</li> <li>■ <b>Minimum subsequent investments</b> \$5,000</li> <li>■ <b>Minimum redemption</b> \$5,000</li> <li>■ The Portfolio is open once a month, on the first business day following the Portfolio Valuation date, to accept Member contributions or redemptions.</li> <li>■ The Portfolio is valued on the last business day of the month.</li> <li>■ The Administrator must have advance written notification of Member contributions or redemptions.</li> </ul>

Portfolio Objectives and Constraints	Dollar Growth Summary (\$000s)		
<ul style="list-style-type: none"> <li>■ Invests in small to mid cap core style common stocks of companies domiciled in the US or traded on the New York Stock Exchange.</li> <li>■ Outperform a blended index of the Russell 2500 beginning June 1, 2010 and the Russell 2000 prior to that, over a complete market cycle (usually 3 to 5 years).</li> <li>■ Rank above median in a relevant peer group universe.</li> <li>■ Stock values fluctuate in response to the activities of individual companies, the general market and economic conditions. Shares of the Portfolio are neither insured nor guaranteed by any US Government agency, including the FDIC.</li> </ul>			
		<b>FYTD</b>	<b>1 Year</b>
	<b>Beginning Market Value</b>	<b>120,571</b>	<b>117,369</b>
	Net Additions	1,940	-5,444
	Return on Investment	13,620	24,206
	Income	576	1,045
	Gain/Loss	13,044	23,161
	<b>Ending Market Value</b>	<b>136,130</b>	<b>136,130</b>

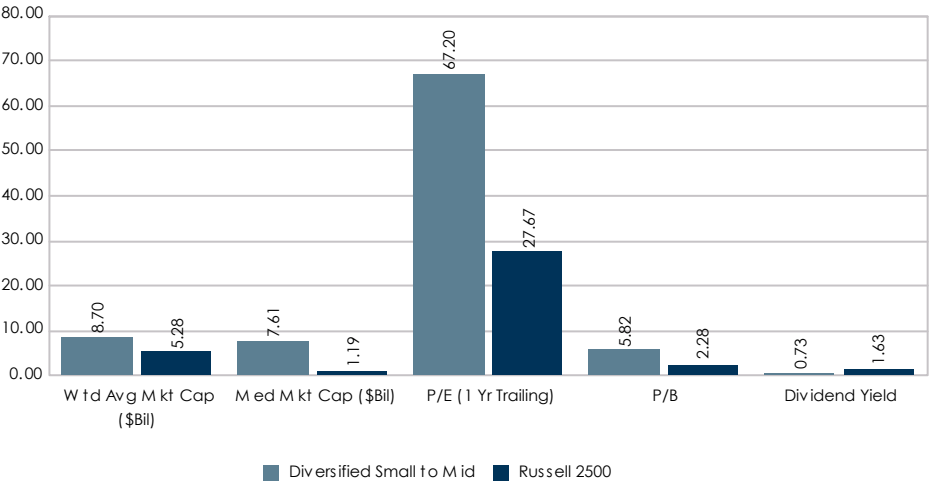
FMLVT Diversified SMID Cap Equity Portfolio

For the Periods Ending March 31, 2018

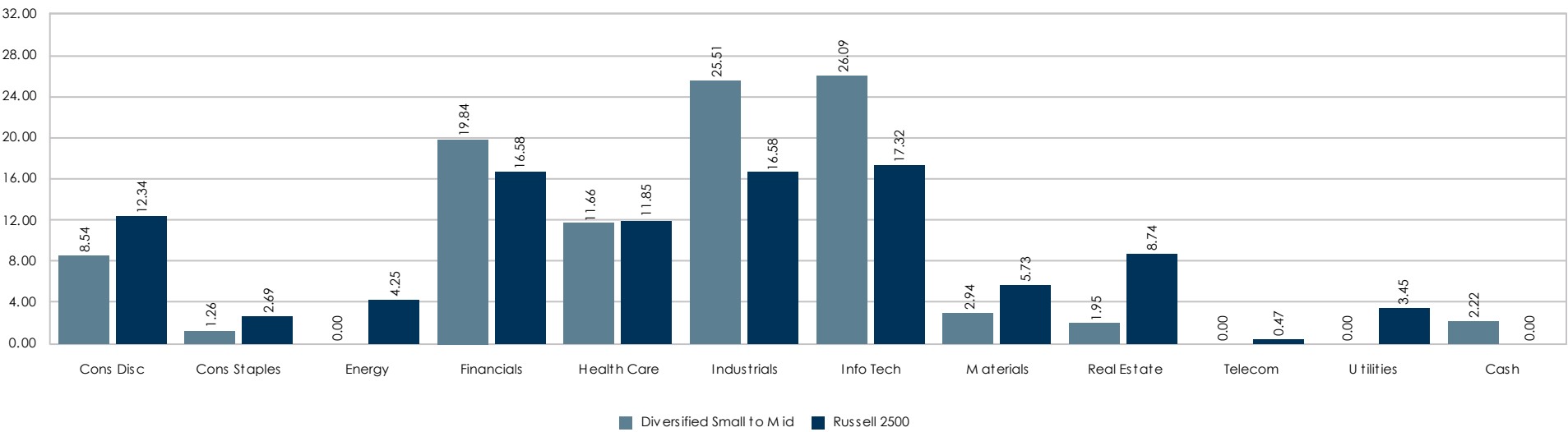
Growth of a Dollar



Characteristics



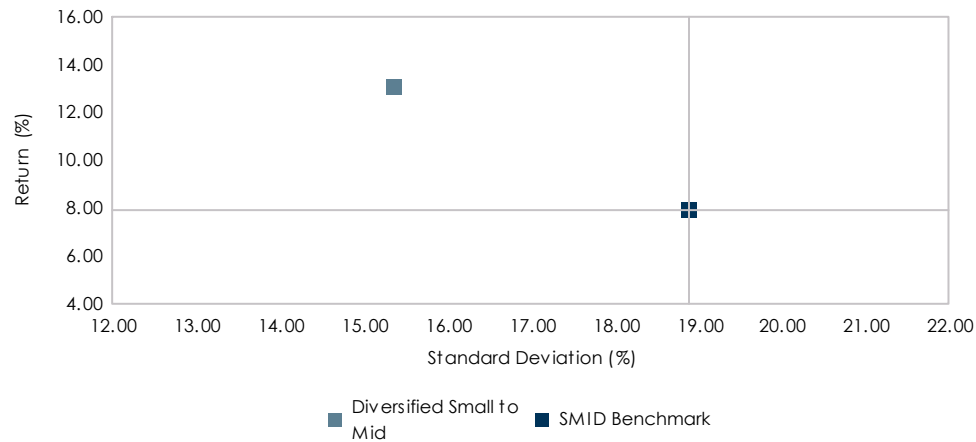
Sector Allocation



## FMLt Diversified SMID Cap Equity Portfolio

For the Periods Ending March 31, 2018

### Risk / Return Since Jan 2000



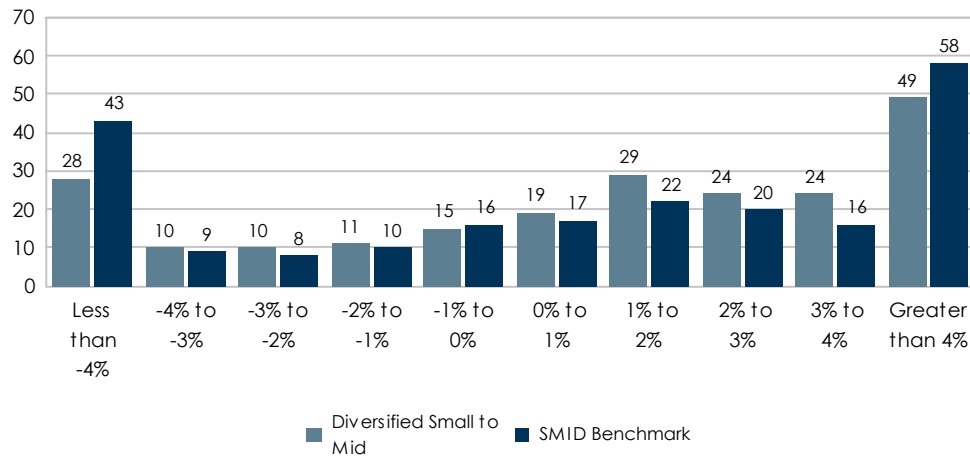
### Portfolio Statistics Since Jan 2000

	Diversified Small to Mid	SMID Benchmark
Return (%)	13.11	7.93
Standard Deviation (%)	15.36	18.89
Sharpe Ratio	0.75	0.34

### Benchmark Relative Statistics

Beta	0.74
R Squared (%)	83.13
Alpha (%)	6.76
Tracking Error (%)	7.98
Batting Average (%)	52.05
Up Capture (%)	84.93
Down Capture (%)	68.49

### Return Histogram Since Jan 2000

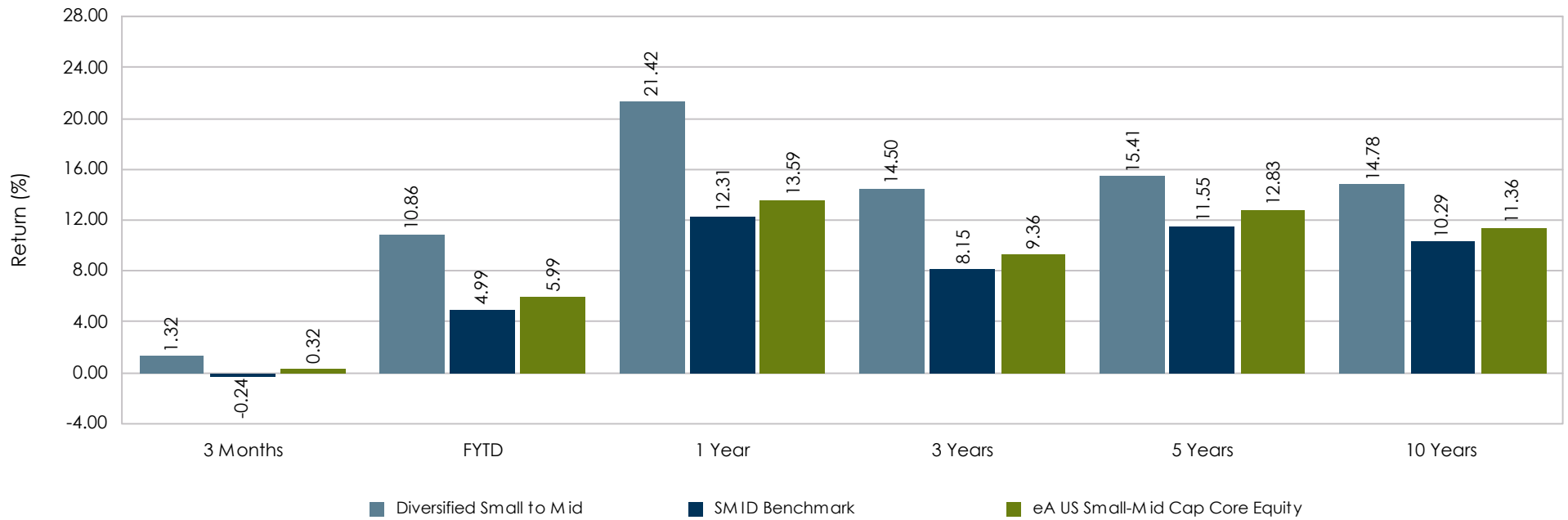


### Return Analysis Since Jan 2000

	Diversified Small to Mid	SMID Benchmark
Number of Months	219	219
Highest Monthly Return (%)	15.00	16.51
Lowest Monthly Return (%)	-16.30	-20.80
Number of Positive Months	145	133
Number of Negative Months	74	86
% of Positive Months	66.21	60.73

## FMLVT Diversified SMID Cap Equity Portfolio

For the Periods Ending March 31, 2018

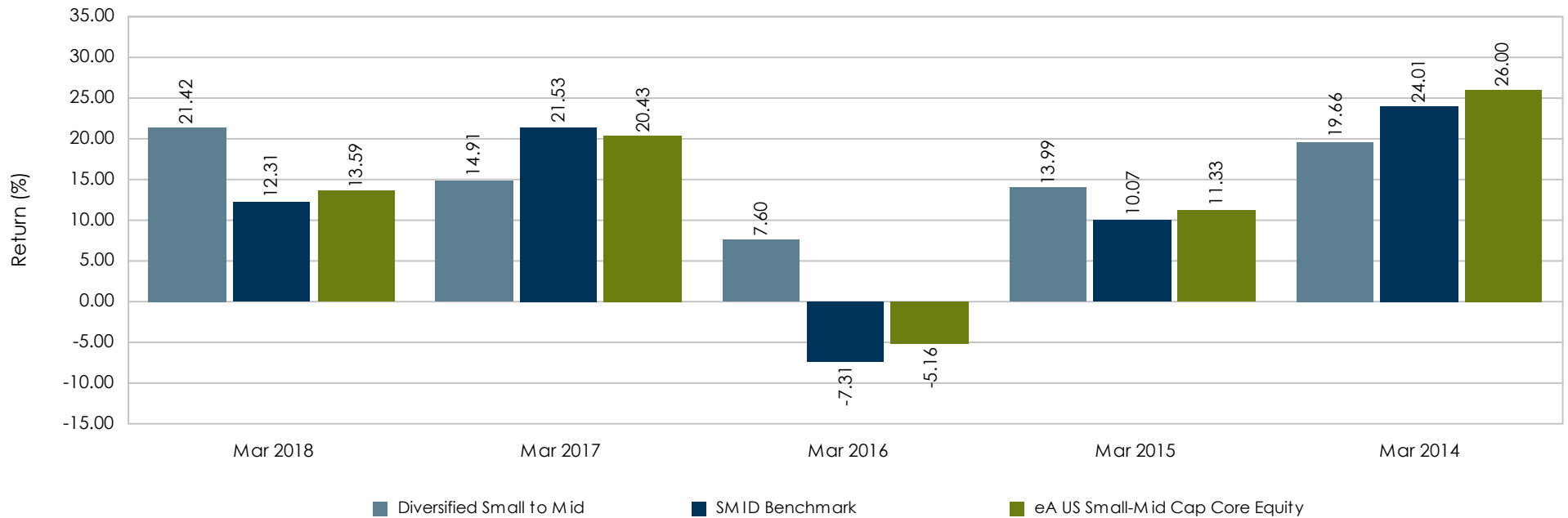


Ranking	23	5	6	3	3	2
5th Percentile	3.53	10.85	21.78	13.53	15.29	14.08
25th Percentile	1.19	8.32	15.85	10.66	13.67	12.51
50th Percentile	0.32	5.99	13.59	9.36	12.83	11.36
75th Percentile	-0.68	4.63	11.75	7.52	11.69	10.64
95th Percentile	-2.26	1.18	8.45	4.71	9.07	8.92
Observations	79	79	79	75	68	49

The rankings represent the portfolio's returns versus a peer universe. The rankings are on a scale of 1 to 100 with 1 being the best.

## FMIvT Diversified SMID Cap Equity Portfolio

For the One Year Periods Ending March



Ranking	6	89	2	22	92
5th Percentile	21.78	27.84	2.99	15.37	34.09
25th Percentile	15.85	22.33	-2.71	13.88	28.56
50th Percentile	13.59	20.43	-5.16	11.33	26.00
75th Percentile	11.75	17.44	-7.17	8.25	23.53
95th Percentile	8.45	13.05	-12.81	4.95	18.47
Observations	79	84	79	80	83

The rankings represent the portfolio's returns versus a peer universe. The rankings are on a scale of 1 to 100 with 1 being the best.

**Investment Guidelines**  
**Diversified Small to Mid (SMID) Cap Equity Portfolio**  
*For the Periods Ending March 31, 2018*

Portfolio Sector Allocations	Maximum	Actual Portfolio	Within Guidelines?	Comments
Maximum sector concentration shall be no more than 30% in any one sector				
Consumer Discretionary	30.00%	8.54%	Yes	
Consumer Staples	30.00%	1.26%	Yes	
Energy	30.00%	0.00%	Yes	
Financials	30.00%	19.84%	Yes	
Health Care	30.00%	11.66%	Yes	
Industrials	30.00%	25.51%	Yes	
Information Technology	30.00%	26.09%	Yes	
Materials	30.00%	2.94%	Yes	
Real Estate	30.00%	1.95%	Yes	
Telecommunication Services	30.00%	0.00%	Yes	
Utilities	30.00%	0.00%	Yes	
Allocation	Max. %	Actual Portfolio	Within Guidelines?	Comments
A maximum of 10% of the portfolio, valued at market, may be invested in cash.	10.0%	2.22%	Yes	
A maximum of 25% of the portfolio may be held in securities that have an S&P equity ranking or Value Line Financial Strength rating below B+.	25.0%	22.75%	Yes	
A maximum of 5% of the portfolio may be invested in the securities of an individual corporation.	5.0%	4.05%	Yes	Largest Position Noted
A maximum of 10% of the portfolio, valued at market, may be invested in convertible issues (must have rating of Baa/BBB or better).	10.0%	0.00%	Yes	
A maximum of 5% of the portfolio, valued at market, may be invested in any one convertible issuer.	5.0%	0.00%	Yes	
A maximum of 10% of the portfolio, valued at cost, may be invested in common stocks of corporations that are organized under the laws of any country other than the United States and traded on the NYSE, AMEX, or NASDAQ.	10.0%	0.00%	Yes	

## FMIVT International Equity Portfolio

For the Periods Ending March 31, 2018

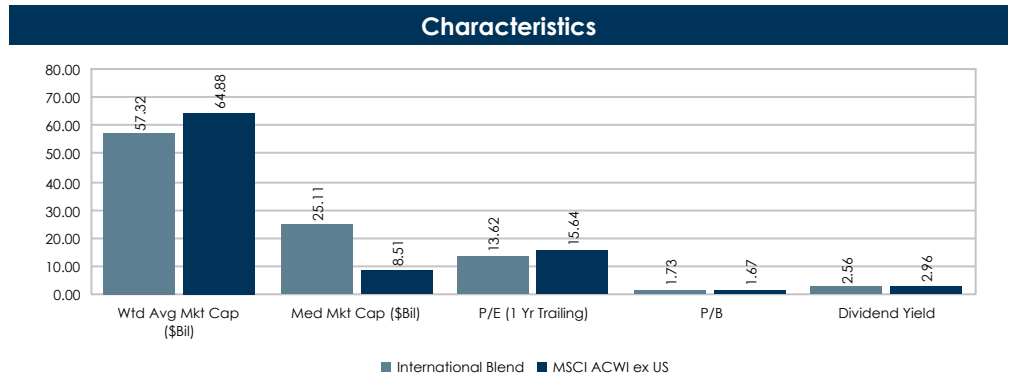
Portfolio Description	Portfolio Information
<ul style="list-style-type: none"> <li>▪ <b>Strategy</b> International Equity</li> <li>▪ <b>Manager</b> Investec Asset Management and Wells Capital Management</li> <li>▪ <b>Vehicle</b> Non-Mutual Commingled</li> <li>▪ <b>Benchmark</b> MSCI ACWI ex US</li> <li>▪ <b>Performance Inception Date</b> June 2005 (Manager changes April 2011, October 2014 &amp; October 2017)</li> <li>▪ <b>Fees</b> Manager Fee - 43 bps; Admin Fee - 14.5 bps</li> <li>▪ <b>Total Expenses</b> Approximately 62 bps</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Minimum initial investment</b> \$50,000</li> <li>▪ <b>Minimum subsequent investments</b> \$5,000</li> <li>▪ <b>Minimum redemption</b> \$5,000</li> <li>▪ The Portfolio is open once a month, on the first business day following the Portfolio Valuation date, to accept Member contributions or redemptions.</li> <li>▪ The Portfolio is valued on the last business day of the month.</li> <li>▪ The Administrator must have advance written notification of Member contributions or redemptions.</li> </ul>

Portfolio Objectives and Constraints	Dollar Growth Summary (\$000s)		
<ul style="list-style-type: none"> <li>▪ Invests in developed and emerging markets outside the US. Maintains approximately equal weightings to both growth and value securities through a systematic rebalancing process.</li> <li>▪ Outperform the MSCI ACWI ex US over a complete market cycle (usually 3 to 5 years).</li> <li>▪ Rank above median in a relevant peer group universe.</li> <li>▪ Stock values fluctuate in response to the activities of individual companies, the general market and economic conditions. Investments in foreign securities generally pose greater risk than domestic securities.</li> </ul>			
		<b>FYTD</b>	<b>1 Year</b>
	<b>Beginning Market Value</b>	<b>89,210</b>	<b>79,085</b>
	Net Additions	36,109	34,991
	Return on Investment	2,798	14,041
	<b>Ending Market Value</b>	<b>128,116</b>	<b>128,116</b>

## FMIVT International Equity Portfolio

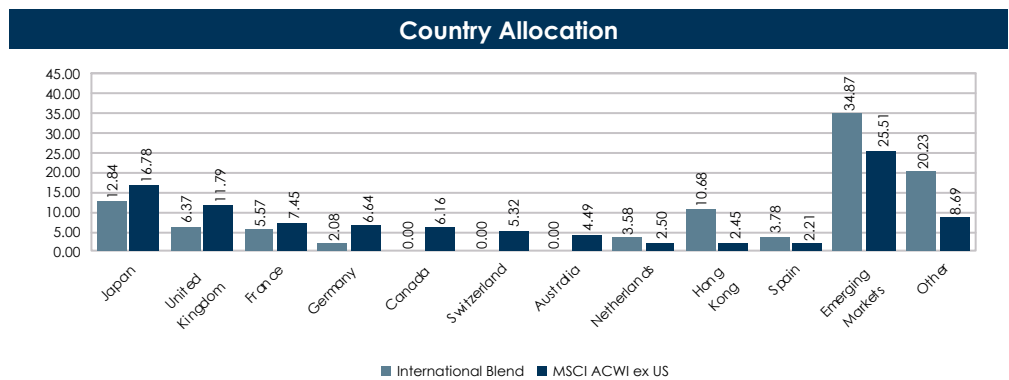
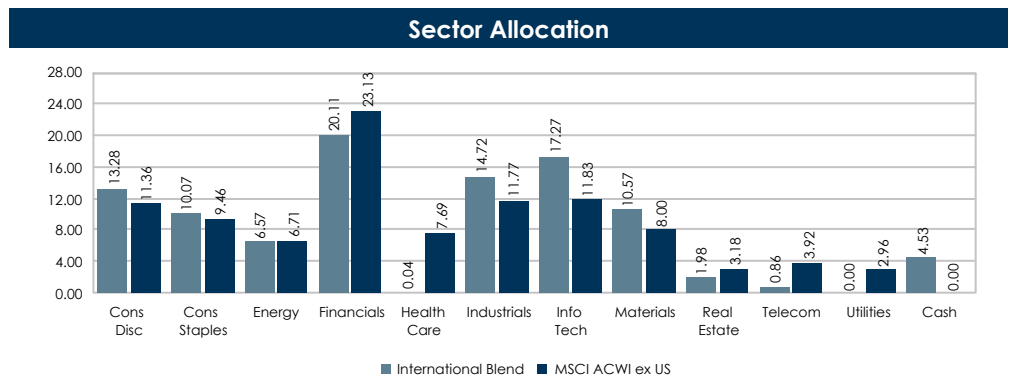
For the Periods Ending March 31, 2018

Manager Allocation		
Name	Market Value (\$000s)	Allocation (%)
<b>Total International Blend</b>	<b>128,116</b>	<b>100.00</b>
Investec International Dynamic Fund	111,722	87.20
Wells Capital EM Large/Mid Cap Fund	16,394	12.80



### Dollar Growth Summary (\$000s)

	FYTD	1 Year
<b>Beginning Market Value</b>	<b>89,210</b>	<b>79,085</b>
Net Additions	36,109	34,991
Return on Investment	2,798	14,041
<b>Ending Market Value</b>	<b>128,116</b>	<b>128,116</b>

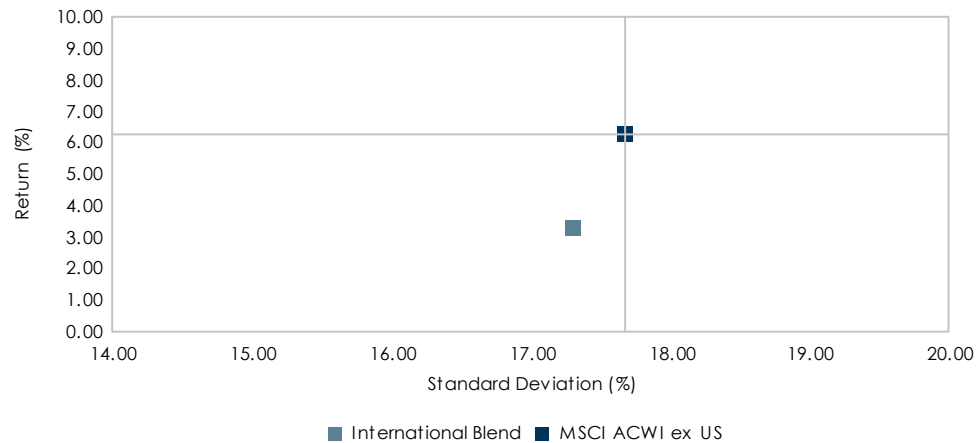




## FMIVT International Equity Portfolio

For the Periods Ending March 31, 2018

### Risk / Return Since Jul 2005



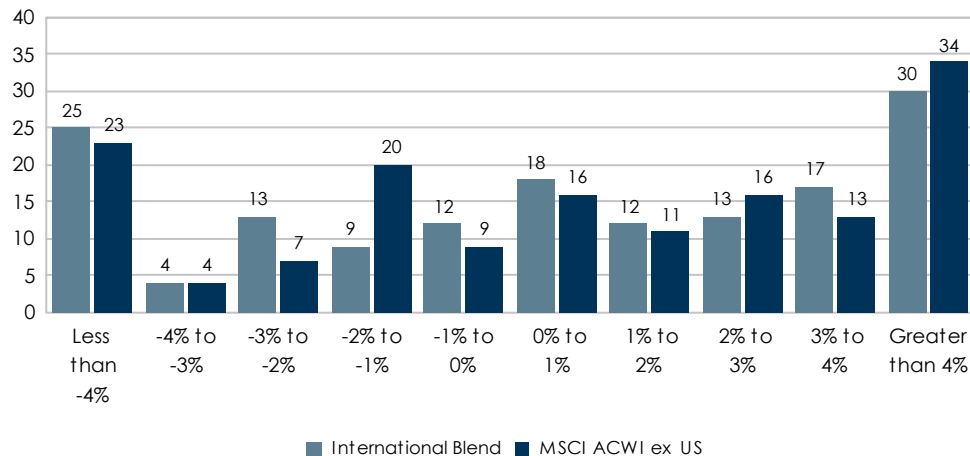
### Portfolio Statistics Since Jul 2005

	International Blend	MSCI ACWI ex US
Return (%)	3.30	6.23
Standard Deviation (%)	17.30	17.67
Sharpe Ratio	0.13	0.29

### Benchmark Relative Statistics

Beta	0.95
R Squared (%)	95.08
Alpha (%)	-2.48
Tracking Error (%)	3.92
Batting Average (%)	44.44
Up Capture (%)	89.76
Down Capture (%)	102.31

### Return Histogram Since Jul 2005

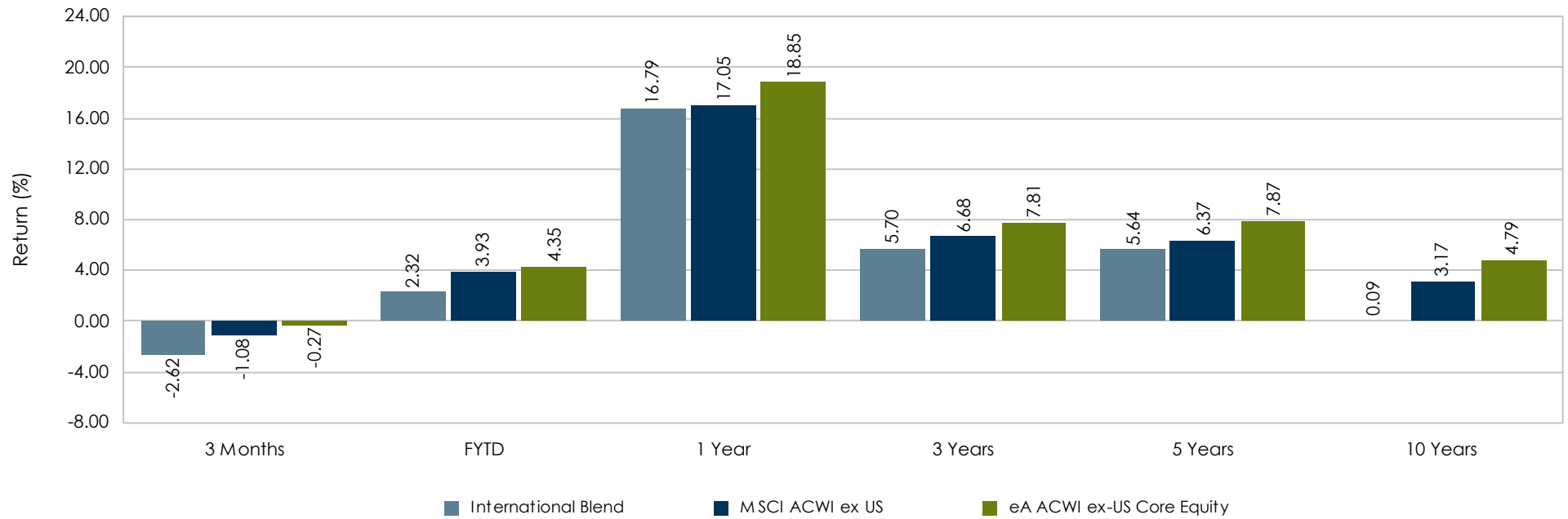


### Return Analysis Since Jul 2005

	International Blend	MSCI ACWI ex US
Number of Months	153	153
Highest Monthly Return (%)	12.03	13.75
Lowest Monthly Return (%)	-21.48	-22.01
Number of Positive Months	90	90
Number of Negative Months	63	63
% of Positive Months	58.82	58.82

## FMIvT International Equity Portfolio

For the Periods Ending March 31, 2018

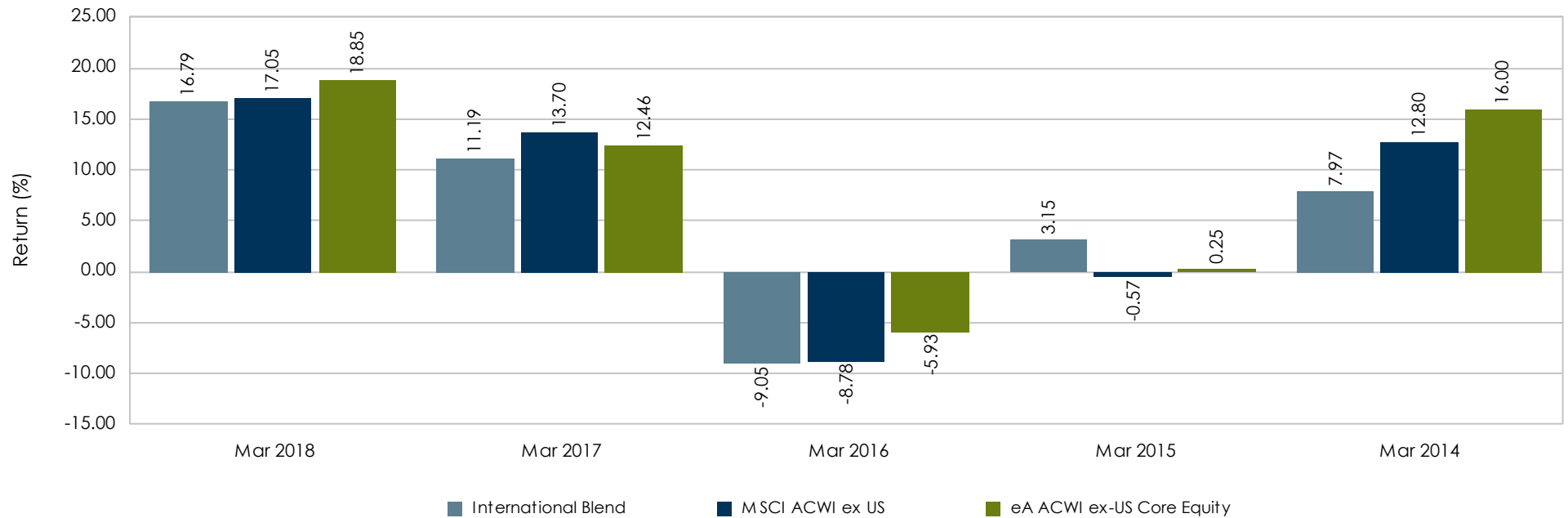


Ranking	96	87	77	88	89	99
5th Percentile	2.52	8.49	27.59	15.24	12.39	8.82
25th Percentile	0.75	6.04	21.46	9.58	9.13	5.44
50th Percentile	-0.27	4.35	18.85	7.81	7.87	4.79
75th Percentile	-1.22	3.17	16.84	6.57	6.73	4.01
95th Percentile	-2.60	1.27	13.06	4.78	4.33	3.01
Observations	144	144	144	135	119	74

The rankings represent the portfolio's returns versus a peer universe. The rankings are on a scale of 1 to 100 with 1 being the best.

## FMIVT International Equity Portfolio

For the One Year Periods Ending March



Ranking	77	65	84	24	95
5th Percentile	27.59	17.78	1.80	6.03	24.79
25th Percentile	21.46	14.95	-2.99	3.01	19.49
50th Percentile	18.85	12.46	-5.93	0.25	16.00
75th Percentile	16.84	9.26	-8.00	-1.59	13.01
95th Percentile	13.06	5.91	-10.87	-7.70	7.72
Observations	144	155	132	134	131

The rankings represent the portfolio's returns versus a peer universe. The rankings are on a scale of 1 to 100 with 1 being the best.

**Investment Guidelines**

**International Equity Portfolio**

*For the Periods Ending March 31, 2018*

Manager Allocations	Target %	Range%	Actual Portfolio	Within Guidelines?	Comments
Investec International Dynamic Equity Fund	90.00%	80% - 100%	87.20%	Yes	
Wells Fargo Berkeley Street EM Large/Mid Cap Fund	10.00%	0% - 20%	12.80%	Yes	
Allocation	Max. %		Actual Portfolio	Within Guidelines?	Comments
A maximum of 10% of the portfolio, valued at market, may be invested in cash.	10.0%		4.53%	No	

## FMIvT Core Real Estate Portfolio

For the Periods Ending March 31, 2018

Portfolio Description	Portfolio Information										
<ul style="list-style-type: none"> <li>■ <b>Strategy</b> Core Real Estate</li> <li>■ <b>Manager</b> Morgan Stanley Real Estate Advisor, Inc.</li> <li>■ <b>Vehicle</b> Non-Mutual Commingled</li> <li>■ <b>Benchmark</b> NFI ODCE Net Index</li> <li>■ <b>Performance Inception Date</b> April 2018</li> <li>■ <b>Fees</b> Manager Fees - 124 bps; Admin Fees - 14.5 bps</li> <li>■ <b>Total Expenses</b> Approximately 141 bps</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>Minimum initial investment</b> \$50,000</li> <li>■ <b>Minimum subsequent investments</b> \$5,000</li> <li>■ <b>Minimum redemption</b> \$5,000 or Member's entire remaining account balance if the Member's balance falls below \$50,000</li> <li>■ The Portfolio is open once a quarter, on the first business day following the Portfolio Valuation date, to accept Member contributions or redemptions.</li> <li>■ The Portfolio is valued on the last business day of the calendar quarter.</li> <li>■ The Administrator must have written notification five business days prior to the valuation of the Portfolio of Member contributions or redemptions.</li> </ul>										
Portfolio Objectives and Constraints	Dollar Growth Summary (\$000s)										
<ul style="list-style-type: none"> <li>■ Invests in real estate properties diversified by type and location.</li> <li>■ Outperform the NFI ODCE Net index on an annual basis.</li> </ul>	<table> <tr> <td></td><td><b>FYTD</b></td></tr> <tr> <td><b>Beginning Market Value</b></td><td><b>0</b></td></tr> <tr> <td>Net Additions</td><td>25,000</td></tr> <tr> <td>Return on Investment</td><td>0</td></tr> <tr> <td><b>Ending Market Value</b></td><td><b>25,000</b></td></tr> </table>		<b>FYTD</b>	<b>Beginning Market Value</b>	<b>0</b>	Net Additions	25,000	Return on Investment	0	<b>Ending Market Value</b>	<b>25,000</b>
	<b>FYTD</b>										
<b>Beginning Market Value</b>	<b>0</b>										
Net Additions	25,000										
Return on Investment	0										
<b>Ending Market Value</b>	<b>25,000</b>										

## FMIvT Core Real Estate Portfolio

For the Periods Ending March 31, 2018

### Account Description

- **Strategy** Core Real Estate
- **Vehicle** Non-Mutual Commingled
- **Benchmark** NFI ODCE Net
- **Performance Inception Date** April 2018

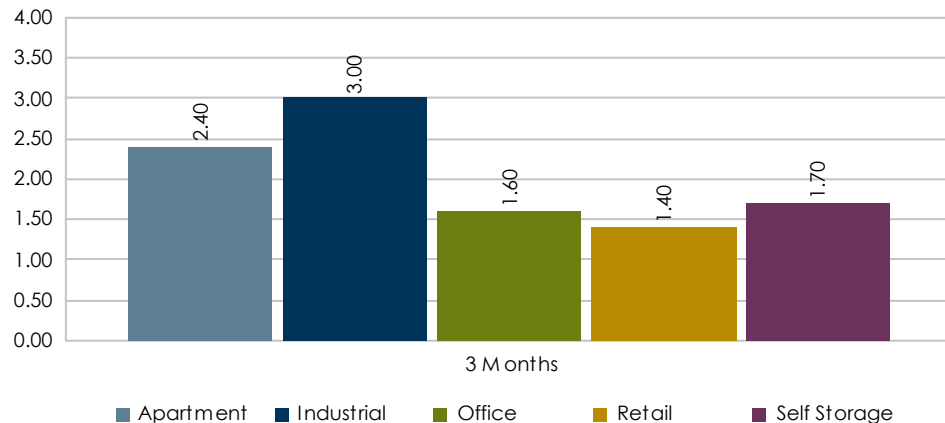
### Fund Information

■ <b>Gross Market Value</b>	\$24,781,000,000
■ <b>Net Market Value</b>	\$20,869,000,000
■ <b>Cash Balance of Fund</b>	\$605,201,000
■ <b># of Properties</b>	375
■ <b># of Participants</b>	352

### Performance Goals

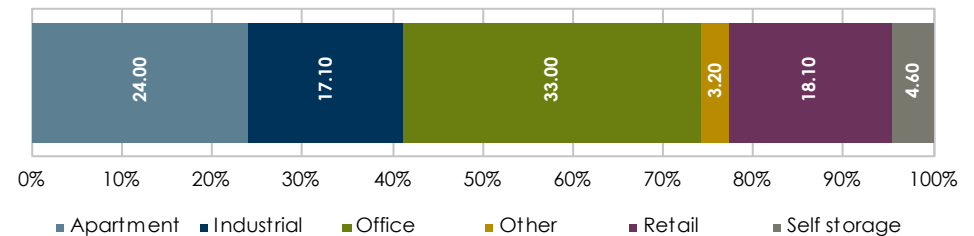
- Invests in real estate properties diversified by type and location.
- Outperform the NFI ODCE Net index on an annual basis.

### Returns by Property Type (%)



### Allocations

#### Property Type



#### Geographic Region

