

# FUND EVALUATION REPORT

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## Plymouth County Retirement Association

Investment Review  
July 30, 2019



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## **Estimated Retirement Association Performance**

### Estimated Aggregate Performance<sup>1</sup>

	June <sup>2</sup> (%)	QTD (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
<b>Total Retirement Association</b>	<b>3.9</b>	<b>2.3</b>	<b>11.0</b>	<b>2.7</b>	<b>7.8</b>	<b>5.2</b>	<b>8.9</b>
<i>60% MSCI ACWI/40% Barclays Global Aggregate</i>	4.8	3.6	12.0	6.1	7.7	4.3	7.4
<i>Policy Benchmark</i>	4.2	2.7	10.5	5.1	8.8	5.8	9.3

### Benchmark Returns

	June (%)	QTD (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
<i>Russell 3000</i>	7.0	4.1	18.7	9.1	15.2	10.2	14.7
<i>MSCI EAFE</i>	5.9	3.7	14.0	2.1	10.5	2.3	6.9
<i>MSCI Emerging Markets</i>	6.2	0.6	10.6	3.4	12.0	2.6	5.8
<i>Barclays Aggregate</i>	1.3	3.1	6.1	7.9	2.3	3.0	3.9
<i>Barclays TIPS</i>	0.9	2.9	6.2	4.9	2.1	1.8	3.7
<i>Barclays High Yield</i>	2.3	2.5	9.9	7.5	7.8	4.7	9.3
<i>JPM GBI-EM Global Diversified</i>	5.5	5.6	8.7	9.5	5.0	-0.4	3.5
<i>S&amp;P Global Natural Resources</i>	9.7	1.3	13.8	-3.0	12.9	0.8	3.5

### Estimated Total Fund Assets

	June Estimate
<b>Total Retirement Association</b>	<b>\$991,903,886</b>

<sup>1</sup> The June performance estimates are calculated using index returns as of June 30, 2019 for each asset class. No performance estimate was included for private equity, real estate, infrastructure, and private natural resources asset classes.

<sup>2</sup> As of June 30, 2019

**Interim Update  
As of May 31, 2019**

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As of May 31, 2019

## Asset Class Net Performance Summary

	Market Value (\$)	% of Portfolio	1 Mo (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	15 Yrs (%)	Inception (%)	Inception Date
<b>Total Retirement Association</b>	<b>960,871,964</b>	<b>100.0</b>	<b>-3.3</b>	<b>-1.5</b>	<b>6.9</b>	<b>-1.6</b>	<b>6.4</b>	<b>4.8</b>	<b>8.4</b>	<b>6.1</b>	<b>7.7</b>	<b>Nov-89</b>
60% MSCI ACWI / 40% Barclays Global Aggregate			-3.0	-1.2	6.9	0.8	6.3	3.6	6.9	5.7	6.5	Nov-89
Custom Benchmark - Policy Benchmark (Net)			-3.2	-1.5	6.0	1.0	7.5	5.3	8.8	7.0	--	Nov-89
<b>Domestic Equity Assets</b>	<b>219,557,288</b>	<b>22.8</b>	<b>-7.0</b>	<b>-3.1</b>	<b>13.0</b>	<b>-1.2</b>	<b>11.9</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>11.4</b>	<b>Jan-16</b>
Russell 3000			-6.5	-2.7	10.9	2.5	11.5	9.2	13.9	8.5	11.2	Jan-16
<b>International Developed Market Equity Assets</b>	<b>110,367,770</b>	<b>11.5</b>	<b>-5.6</b>	<b>-3.3</b>	<b>6.7</b>	<b>-10.9</b>	<b>4.1</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>3.9</b>	<b>Jan-16</b>
MSCI EAFE			-4.8	-2.1	7.6	-5.7	5.8	1.3	6.2	5.1	4.8	Jan-16
<b>International Emerging Market Equity Assets</b>	<b>103,084,335</b>	<b>10.7</b>	<b>-5.5</b>	<b>-4.2</b>	<b>4.5</b>	<b>-12.4</b>	<b>8.4</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>7.3</b>	<b>Jan-16</b>
MSCI Emerging Markets			-7.3	-5.3	4.1	-8.7	9.9	1.8	5.0	8.3	9.4	Jan-16
<b>Global Equity Assets</b>	<b>97,244,442</b>	<b>10.1</b>	<b>-3.6</b>	<b>-1.5</b>	<b>9.6</b>	<b>0.1</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-3.0</b>	<b>Feb-18</b>
MSCI ACWI			-5.9	-2.8	9.1	-1.3	9.1	5.2	9.4	6.7	-4.9	Feb-18
<b>Core Fixed Income</b>	<b>59,745,809</b>	<b>6.2</b>	<b>1.5</b>	<b>1.8</b>	<b>4.9</b>	<b>5.8</b>	<b>2.7</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>3.5</b>	<b>Jan-16</b>
75% Bbg Barclays Aggregate/25% Bbg Barclays US TIPs 1-10 year			1.6	1.7	4.6	5.8	2.4	2.3	3.6	--	3.1	Jan-16
<b>Value Added Fixed Income</b>	<b>88,795,430</b>	<b>9.2</b>	<b>-0.7</b>	<b>0.6</b>	<b>5.4</b>	<b>4.2</b>	<b>6.1</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>6.9</b>	<b>Jan-16</b>
Custom Benchmark (1)			-0.3	0.7	6.8	5.7	6.0	--	--	--	7.1	Jan-16
<b>Hedge Funds (2)</b>	<b>57,054,196</b>	<b>5.9</b>	<b>-1.2</b>	<b>0.4</b>	<b>8.1</b>	<b>-0.2</b>	<b>4.9</b>	<b>3.3</b>	<b>--</b>	<b>--</b>	<b>4.3</b>	<b>Feb-10</b>
HFRI Fund of Funds Composite Index			-1.0	0.0	4.6	-0.8	3.6	2.1	3.1	2.9	2.7	Feb-10
<b>Real Estate (3)</b>	<b>117,074,423</b>	<b>12.2</b>	<b>0.0</b>	<b>0.0</b>	<b>4.7</b>	<b>8.2</b>	<b>5.2</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>5.0</b>	<b>Jan-16</b>
80% NCREIF ODCE / 20% Wilshire REIT			0.1	0.0	4.3	9.0	7.7	--	--	--	7.6	Jan-16
<b>Private Equity (4)</b>	<b>49,093,139</b>	<b>5.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>-4.1</b>	<b>5.4</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>3.5</b>	<b>Jan-16</b>
Cambridge Associates Fund of Funds Composite 1-Quarter Lag			0.0	0.0	-0.5	11.7	10.8	10.9	11.1	10.8	10.3	Jan-16
<b>Real Assets (5)</b>	<b>48,470,034</b>	<b>5.0</b>	<b>-0.1</b>	<b>0.0</b>	<b>-1.1</b>	<b>1.3</b>	<b>-0.1</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-2.6</b>	<b>Jan-16</b>
CPI +3%			0.3	0.9	2.2	4.8	5.1	4.5	4.8	5.1	5.1	Jan-16
<b>Cash and Cash Equivalent</b>	<b>10,385,099</b>	<b>1.1</b>										

(1) The custom benchmark is comprised of 33% BBgBarc US High Yield/ 33% Credit Suisse Leveraged Loans/ 33% JP Morgan EMBI Global diversified.

(2) The data for EntrustPermal Special Opportunities Evergreen is one month lagged and Entrust Special Opportunities III is two month lagged.

(3) The market value and performance is one quarter lagged.

(4) The market value and performance is one quarter lagged.

(5) The market value and performance is one quarter lagged.

As of May 31, 2019

## Trailing Net Performance

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total Retirement Association</b>	<b>960,871,964</b>	<b>100.0</b>	<b>--</b>	<b>-3.3</b>	<b>-1.5</b>	<b>6.9</b>	<b>-1.6</b>	<b>6.4</b>	<b>4.8</b>	<b>8.4</b>	<b>7.7</b>	<b>Nov-89</b>
<i>60% MSCI ACWI / 40% Barclays Global Aggregate</i>				-3.0	-1.2	6.9	0.8	6.3	3.6	6.9	6.5	Nov-89
<b>Domestic Equity Assets</b>	<b>219,557,288</b>	<b>22.8</b>	<b>22.8</b>	<b>-7.0</b>	<b>-3.1</b>	<b>13.0</b>	<b>-1.2</b>	<b>11.9</b>	<b>--</b>	<b>--</b>	<b>11.4</b>	<b>Jan-16</b>
<i>Russell 3000</i>				-6.5	-2.7	10.9	2.5	11.5	9.2	13.9	11.2	Jan-16
Rhumblin Russell 1000 Value	33,265,009	3.5	15.2	-6.4	-3.1	8.4	1.5	7.9	6.4	--	8.8	Apr-13
<i>Russell 1000 Value</i>				-6.4	-3.1	8.5	1.4	8.0	6.5	12.3	8.9	Apr-13
Rhumblin Russell 1000 Growth	35,219,094	3.7	16.0	-6.3	-2.1	13.7	5.4	15.2	12.2	--	14.9	Jul-09
<i>Russell 1000 Growth</i>				-6.3	-2.1	13.7	5.4	15.3	12.3	15.6	15.0	Jul-09
Fisher Midcap Value	40,695,468	4.2	18.5	-7.5	-3.0	12.9	-2.3	10.3	7.5	13.7	7.0	Apr-07
<i>Russell MidCap Value</i>				-6.4	-3.3	10.6	-2.1	6.9	6.1	13.8	6.4	Apr-07
Boston Company Small Cap Growth	48,040,986	5.0	21.9	-6.2	-1.6	22.9	5.6	20.9	13.6	--	14.9	Aug-09
<i>Russell 2000 Growth</i>				-7.4	-4.6	11.8	-6.9	11.7	8.3	13.9	13.0	Aug-09
LMCG Small Cap Value	62,314,242	6.5	28.4	-8.0	-4.7	8.1	-10.0	4.9	5.4	--	7.0	Mar-11
<i>Russell 2000 Value</i>				-8.2	-4.7	6.7	-11.3	7.7	5.0	11.7	7.4	Mar-11
<b>International Developed Market Equity Assets</b>	<b>110,367,770</b>	<b>11.5</b>	<b>11.5</b>	<b>-5.6</b>	<b>-3.3</b>	<b>6.7</b>	<b>-10.9</b>	<b>4.1</b>	<b>--</b>	<b>--</b>	<b>3.9</b>	<b>Jan-16</b>
<i>MSCI EAFE</i>				-4.8	-2.1	7.6	-5.7	5.8	1.3	6.2	4.8	Jan-16
KBI Master Account	48,106,308	5.0	43.6	-5.6	-4.3	4.2	-9.6	3.3	-1.3	4.8	3.1	Jul-05
<i>MSCI EAFE</i>				-4.8	-2.1	7.6	-5.7	5.8	1.3	6.2	4.2	Jul-05
HGK TS International Equity	28,713,355	3.0	26.0	-6.6	-3.0	8.0	-9.5	6.5	2.1	--	5.5	Feb-11
<i>MSCI EAFE</i>				-4.8	-2.1	7.6	-5.7	5.8	1.3	6.2	3.5	Feb-11
Copper Rock International Small Cap	33,548,108	3.5	30.4	-4.6	-1.9	9.6	-15.5	--	--	--	-9.6	Nov-17
<i>MSCI EAFE Small Cap</i>				-5.3	-2.4	8.0	-11.9	5.6	3.8	9.4	-6.1	Nov-17

## Total Retirement Association

As of May 31, 2019

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>International Emerging Market Equity Assets</b>	<b>103,084,335</b>	<b>10.7</b>	<b>10.7</b>	<b>-5.5</b>	<b>-4.2</b>	<b>4.5</b>	<b>-12.4</b>	<b>8.4</b>	<b>--</b>	<b>--</b>	<b>7.3</b>	<b>Jan-16</b>
<i>MSCI Emerging Markets</i>				-7.3	-5.3	4.1	-8.7	9.9	1.8	5.0	9.4	Jan-16
LMCG Emerging Markets	46,946,006	4.9	45.5	-5.9	-5.1	2.3	-14.3	7.6	0.0	--	0.4	Sep-13
<i>MSCI Emerging Markets</i>				-7.3	-5.3	4.1	-8.7	9.9	1.8	5.0	2.5	Sep-13
ABS Emerging Markets	21,217,879	2.2	20.6	-6.2	-4.7	6.1	--	--	--	--	6.1	Dec-18
<i>MSCI Emerging Markets</i>				-7.3	-5.3	4.1	-8.7	9.9	1.8	5.0	1.3	Dec-18
Copper Rock Emerging Markets Small Cap	10,303,103	1.1	10.0	-4.0	-3.5	3.5	--	--	--	--	3.5	Dec-18
<i>MSCI Emerging Markets Small Cap</i>				-4.9	-4.7	2.7	-14.7	5.0	0.1	5.4	1.0	Dec-18
Driehaus Emerging Markets Growth	24,617,347	2.6	23.9	-4.9	-2.5	--	--	--	--	--	-0.5	Mar-19
<i>MSCI Emerging Markets</i>				-7.3	-5.3	4.1	-8.7	9.9	1.8	5.0	-4.5	Mar-19
<b>Global Equity Assets</b>	<b>97,244,442</b>	<b>10.1</b>	<b>10.1</b>	<b>-3.6</b>	<b>-1.5</b>	<b>9.6</b>	<b>0.1</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-3.0</b>	<b>Feb-18</b>
<i>MSCI ACWI</i>				-5.9	-2.8	9.1	-1.3	9.1	5.2	9.4	-4.9	Feb-18
First Eagle Global Value Fund	18,926,885	2.0	19.5	-4.1	-2.3	7.1	-1.7	--	--	--	-4.1	Feb-18
<i>MSCI ACWI</i>				-5.9	-2.8	9.1	-1.3	9.1	5.2	9.4	-4.9	Feb-18
Kopernik Global All Cap Fund	18,059,028	1.9	18.6	-0.6	-0.7	4.5	-5.0	--	--	--	-7.4	Feb-18
<i>MSCI ACWI</i>				-5.9	-2.8	9.1	-1.3	9.1	5.2	9.4	-4.9	Feb-18
Lee Munder Global Multi-Cap Strategy	27,231,225	2.8	28.0	-7.6	-3.8	7.9	-3.9	--	--	--	-3.7	Mar-18
<i>MSCI ACWI</i>				-5.9	-2.8	9.1	-1.3	9.1	5.2	9.4	-1.9	Mar-18
Wellington Durable Enterprises, L.P.	33,027,303	3.4	34.0	-1.4	0.5	15.8	8.3	--	--	--	8.0	Mar-18
<i>MSCI ACWI</i>				-5.9	-2.8	9.1	-1.3	9.1	5.2	9.4	-1.9	Mar-18
<b>Core Fixed Income</b>	<b>59,745,809</b>	<b>6.2</b>	<b>6.2</b>	<b>1.5</b>	<b>1.8</b>	<b>4.9</b>	<b>5.8</b>	<b>2.7</b>	<b>--</b>	<b>--</b>	<b>3.5</b>	<b>Jan-16</b>
75% Bbg Barclays Aggregate/25% Bbg Barclays US TIPs 1-10 year				1.6	1.7	4.6	5.8	2.4	2.3	3.6	3.1	Jan-16
IR&M Core Bonds	59,745,809	6.2	100.0	1.5	1.8	4.9	5.8	2.6	2.4	4.2	4.2	Nov-04
75% Bbg Barclays Aggregate/25% Bbg Barclays US TIPs 1-10 year				1.6	1.7	4.6	5.8	2.4	2.3	3.6	3.9	Nov-04



As of May 31, 2019

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Value Added Fixed Income</b>	<b>88,795,430</b>	<b>9.2</b>	<b>9.2</b>	<b>-0.7</b>	<b>0.6</b>	<b>5.4</b>	<b>4.2</b>	<b>6.1</b>	<b>--</b>	<b>--</b>	<b>6.9</b>	<b>Jan-16</b>
<i>Custom Benchmark</i>				<i>-0.3</i>	<i>0.7</i>	<i>6.8</i>	<i>5.7</i>	<i>6.0</i>	<i>--</i>	<i>--</i>	<i>7.1</i>	<i>Jan-16</i>
Eaton Vance High Yield	21,097,994	2.2	23.8	-0.9	0.4	7.2	5.3	5.9	4.4	9.1	6.8	Apr-06
<i>ICE BofAML US High Yield TR</i>				<i>-1.3</i>	<i>0.1</i>	<i>7.5</i>	<i>5.4</i>	<i>7.1</i>	<i>4.4</i>	<i>9.3</i>	<i>7.2</i>	<i>Apr-06</i>
THL Bank Loan Select Fund	36,217,281	3.8	40.8	-0.5	1.0	4.8	3.7	5.2	4.2	--	5.4	Sep-10
<i>Credit Suisse Leveraged Loans</i>				<i>-0.2</i>	<i>1.4</i>	<i>5.2</i>	<i>4.0</i>	<i>5.4</i>	<i>3.9</i>	<i>6.7</i>	<i>4.9</i>	<i>Sep-10</i>
Franklin Templeton Emerging Market Bonds	31,480,155	3.3	35.5	-0.7	0.3	4.3	3.8	7.1	3.6	8.1	6.8	May-06
<i>JP Morgan EMBI Global Diversified</i>				<i>0.4</i>	<i>0.7</i>	<i>7.7</i>	<i>7.5</i>	<i>5.5</i>	<i>4.7</i>	<i>7.6</i>	<i>7.1</i>	<i>May-06</i>
<b>Hedge Funds</b>	<b>57,054,196</b>	<b>5.9</b>	<b>5.9</b>	<b>-1.2</b>	<b>0.4</b>	<b>8.1</b>	<b>-0.2</b>	<b>4.9</b>	<b>3.3</b>	<b>--</b>	<b>4.3</b>	<b>Feb-10</b>
<i>HFRI Fund of Funds Composite Index</i>				<i>-1.0</i>	<i>0.0</i>	<i>4.6</i>	<i>-0.8</i>	<i>3.6</i>	<i>2.1</i>	<i>3.1</i>	<i>2.7</i>	<i>Feb-10</i>
ABS Offshore SPC - Global Segregated Portfolio	20,994,859	2.2	36.8	-3.0	-0.4	5.2	-3.6	4.1	2.8	--	4.8	Aug-10
<i>HFRI Fund of Funds Composite Index</i>				<i>-1.0</i>	<i>0.0</i>	<i>4.6</i>	<i>-0.8</i>	<i>3.6</i>	<i>2.1</i>	<i>3.1</i>	<i>2.9</i>	<i>Aug-10</i>
EnTrust Special Opportunities Fund III, Ltd.	26,492,509	2.8	46.4	0.0	0.0	9.9	1.7	--	--	--	12.0	Oct-16
<i>HFRI Fund of Funds Composite Index</i>				<i>0.0</i>	<i>0.0</i>	<i>4.6</i>	<i>-0.8</i>	<i>3.6</i>	<i>2.1</i>	<i>--</i>	<i>3.3</i>	<i>Oct-16</i>
Old Farm Partners Master Fund, L.P.	4,894,256	0.5	8.6	-0.8	0.6	4.3	--	--	--	--	-2.1	Oct-18
<i>HFRI Fund of Funds Composite Index</i>				<i>-1.0</i>	<i>0.0</i>	<i>4.6</i>	<i>-0.8</i>	<i>3.6</i>	<i>2.1</i>	<i>3.1</i>	<i>-0.6</i>	<i>Oct-18</i>
EnTrustPermal Special Opportunities Evergreen Fund, Ltd.	4,672,572	0.5	8.2	0.0	6.9	14.2	--	--	--	--	14.2	Jan-19
<i>HFRI Fund of Funds Composite Index</i>				<i>0.0</i>	<i>0.9</i>	<i>5.6</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>5.6</i>	<i>Jan-19</i>

EnTrust Special Opportunities Fund III, Ltd: Performance and market value is lagged as of March 31,2019. The benchmark is also lagged as of March 31, 2019.

EnTrustPermal Special Opportunities Evergreen Fund, Ltd: Performance and market value is lagged as of April 30, 2019. The benchmark is also lagged as of April 30, 2019.



## Total Retirement Association

As of May 31, 2019

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Real Estate</b>	<b>117,074,423</b>	<b>12.2</b>	<b>12.2</b>	<b>0.0</b>	<b>0.0</b>	<b>4.7</b>	<b>8.2</b>	<b>5.2</b>	<b>--</b>	<b>--</b>	<b>5.0</b>	<b>Jan-16</b>
80% NCREIF ODCE / 20% Wilshire REIT				0.1	0.0	4.3	9.0	7.7	--	--	7.6	Jan-16
<b>Core Real Estate</b>	<b>85,738,605</b>	<b>8.9</b>	<b>73.2</b>	<b>0.0</b>	<b>0.0</b>	<b>4.5</b>	<b>9.7</b>	<b>7.1</b>	<b>--</b>	<b>--</b>	<b>7.2</b>	<b>Jan-16</b>
NCREIF-ODCE				0.0	0.0	1.4	7.5	8.0	10.2	8.7	7.6	Jan-16
PRISA I	41,184,834	4.3	48.0	0.0	0.0	1.6	7.7	7.5	9.8	5.9	6.7	Sep-04
NCREIF ODCE				0.0	0.0	1.4	7.5	8.0	10.2	8.7	7.9	Sep-04
Invesco Equity Real Estate Securities Trust	17,947,416	1.9	20.9	0.0	0.0	17.0	14.3	7.1	7.9	14.2	11.3	Dec-02
Wilshire REIT				0.4	0.2	16.3	13.8	5.8	7.7	15.1	10.5	Dec-02
TA Realty Core Property Fund, L.P.	26,606,354	2.8	31.0	0.0	0.0	1.8	12.1	--	--	--	10.3	Apr-18
NCREIF ODCE				0.0	0.0	1.4	7.5	8.0	10.2	8.7	6.4	Apr-18
<b>Non-Core Real Estate</b>	<b>31,335,818</b>	<b>3.3</b>	<b>26.8</b>	<b>0.0</b>	<b>0.0</b>	<b>5.1</b>	<b>3.0</b>	<b>-1.0</b>	<b>--</b>	<b>--</b>	<b>-2.0</b>	<b>Jan-16</b>
<b>Private Equity</b>	<b>49,093,139</b>	<b>5.1</b>	<b>5.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>-4.1</b>	<b>5.4</b>	<b>--</b>	<b>--</b>	<b>3.5</b>	<b>Jan-16</b>
Cambridge Associates Fund of Funds Composite 1-Quarter Lag				0.0	0.0	-0.5	11.7	10.8	10.9	11.1	10.3	Jan-16
<b>Private Equity</b>	<b>41,802,831</b>	<b>4.4</b>	<b>85.2</b>	<b>0.0</b>	<b>0.0</b>	<b>1.2</b>	<b>-1.8</b>	<b>3.8</b>	<b>--</b>	<b>--</b>	<b>1.8</b>	<b>Jan-16</b>
<b>Venture Capital</b>	<b>7,290,308</b>	<b>0.8</b>	<b>14.8</b>	<b>0.0</b>	<b>0.0</b>	<b>-5.8</b>	<b>-10.1</b>	<b>9.6</b>	<b>--</b>	<b>--</b>	<b>8.1</b>	<b>Jan-16</b>
<b>Real Assets</b>	<b>48,470,034</b>	<b>5.0</b>	<b>5.0</b>	<b>-0.1</b>	<b>0.0</b>	<b>-1.1</b>	<b>1.3</b>	<b>-0.1</b>	<b>--</b>	<b>--</b>	<b>-2.6</b>	<b>Jan-16</b>
CPI +3%				0.3	0.9	2.2	4.8	5.1	4.5	4.8	5.1	Jan-16
IFM Global Infrastructure	20,974,984	2.2	43.3	-0.1	-0.1	2.6	--	--	--	--	5.5	Oct-18
CPI+5% (1q Lagged)				0.0	0.0	0.7	--	--	--	--	2.2	Oct-18
<b>Cash and Cash Equivalent</b>	<b>10,385,099</b>	<b>1.1</b>	<b>1.1</b>									
Cash	10,385,099	1.1	100.0									

Core Real Estate: The market value and performance is one quarter lagged.

Non-Core Real Estate: The market value and performance is one quarter lagged.

Private Equity: The market value and performance is one quarter lagged.

Real Assets: The market value and performance is one quarter lagged.

Invesco REIT: Data is based on April 30, 2019.



As of May 31, 2019

## Allocation vs. Target

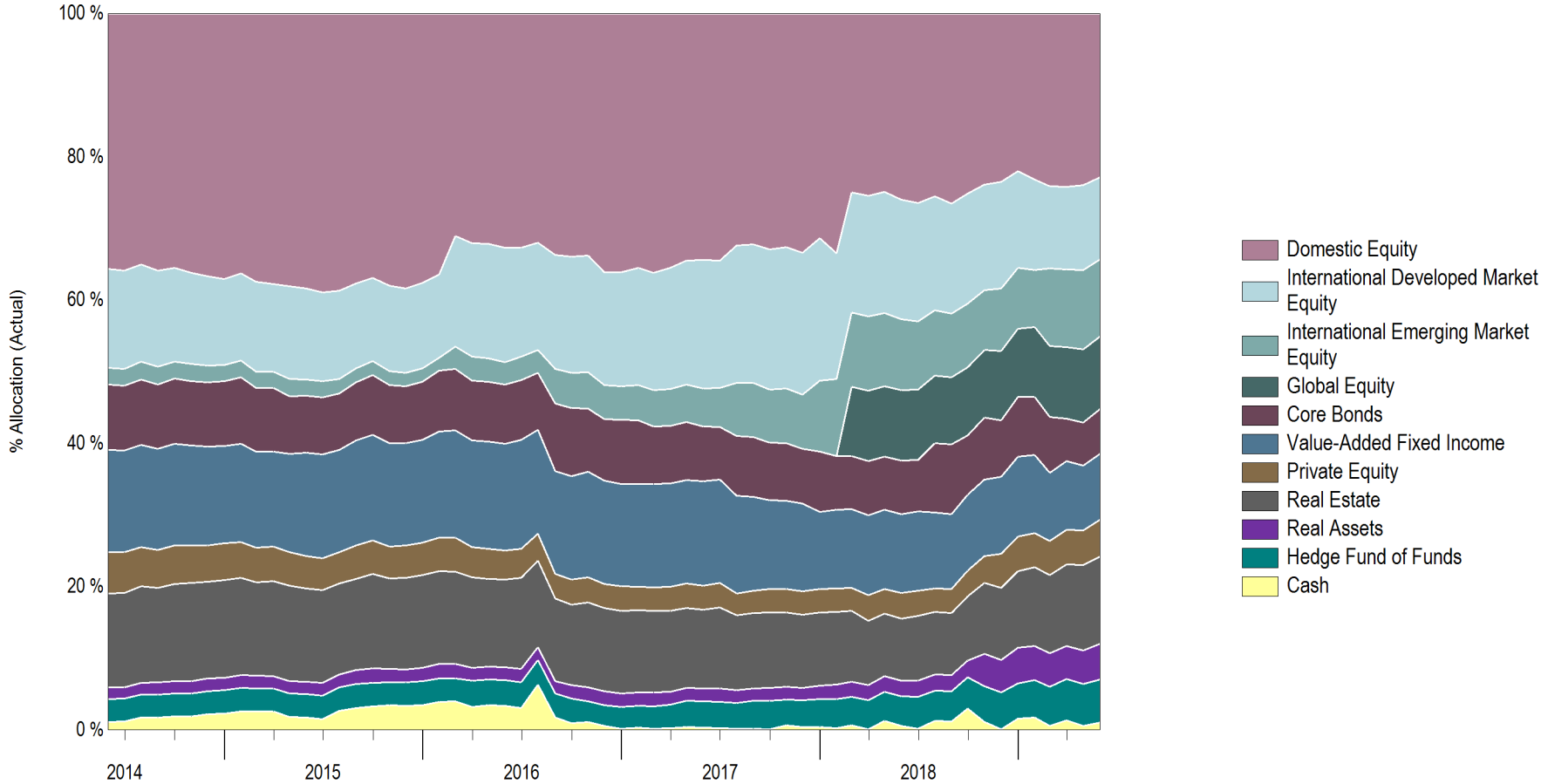
	Current Balance	Current Allocation	Policy	Policy Range	Within IPS Range?
Domestic Equity	\$219,557,288	23%	26%	21% - 36%	Yes
International Developed Market Equity	\$110,367,770	11%	6%	1% - 16%	Yes
International Emerging Market Equity	\$103,084,335	11%	10%	5% - 20%	Yes
Global Equity	\$97,244,442	10%	10%	5% - 20%	Yes
Core Bonds	\$59,745,809	6%	9%	4% - 14%	Yes
Value-Added Fixed Income	\$88,795,430	9%	6%	2% - 12%	Yes
Private Equity	\$49,093,139	5%	13%	4% - 18%	Yes
Real Estate	\$117,074,423	12%	10%	5% - 15%	Yes
Real Assets	\$47,943,484	5%	6%	2% - 10%	Yes
Hedge Fund of Funds	\$57,054,196	6%	4%	2% - 6%	Yes
Cash	\$10,385,099	1%	0%	0% - 3%	Yes
<b>Total</b>	<b>\$960,345,414</b>	<b>100%</b>	<b>100%</b>		

	Current Balance	Current Allocation	Policy	Policy Range	Within IPS Range?
Total Equity	\$635,201,170	66%	69%	60% - 80%	Yes
Total Fixed Income	\$148,541,238	15%	15%	5% - 25%	Yes
Total Real Assets and Real Estate	\$166,217,907	17%	16%	13% - 19%	Yes
Cash	\$10,385,099	1%	0%	0% - 3%	Yes

Plymouth County Retirement Association adopted a new asset allocation as of December 2018.



Asset Allocation History  
5 Years Ending May 31, 2019



## Investment Expense Analysis

As of May 31, 2019

## Annual Investment Expense Analysis

As Of May 31, 2019

Name	Fee Schedule	Market Value	Estimated Fee Value	Estimated Fee
<b>Domestic Equity Assets</b>		<b>\$219,557,288</b>		
Rhumblin Russell 1000 Value	0.05% of First 25.0 Mil, 0.04% of Next 25.0 Mil, 0.03% Thereafter	\$33,265,009	\$15,806	0.05%
Rhumblin Russell 1000 Growth	0.05% of First 25.0 Mil, 0.04% of Next 25.0 Mil, 0.03% Thereafter	\$35,219,094	\$16,588	0.05%
Fisher Midcap Value	0.80% of First 25.0 Mil, 0.75% of Next 25.0 Mil, 0.67% Thereafter	\$40,695,468	\$317,716	0.78%
Boston Company Small Cap Growth	0.45% of Assets	\$48,040,986	\$216,184	0.45%
LMCG Small Cap Value	0.90% of Assets	\$62,314,242	\$560,828	0.90%
<b>International Developed Market Equity Assets</b>		<b>\$110,367,770</b>		
KBI Master Account	0.65% of Assets	\$48,106,308	\$312,691	0.65%
HGK TS International Equity	1.00% of Assets	\$28,713,355	\$287,134	1.00%
Copper Rock International Small Cap	0.85% of Assets	\$33,548,108	\$285,159	0.85%
<b>International Emerging Market Equity Assets</b>		<b>\$103,084,335</b>		
LMCG Emerging Markets	0.75% of Assets	\$46,946,006	\$352,095	0.75%
ABS Emerging Markets	0.35% Management Fee and 10% Performance/Incentive Fee.	\$21,217,879		
Copper Rock Emerging Markets Small Cap	0.85% of Assets	\$10,303,103	\$87,576	0.85%
Driehaus Emerging Markets Growth	0.55% of Assets	\$24,617,347	\$135,395	0.55%
<b>Global Equity Assets</b>		<b>\$97,244,442</b>		
First Eagle Global Value Fund	0.75% of Assets	\$18,926,885	\$141,952	0.75%
Kopernik Global All Cap Fund	0.80% of First 50.0 Mil, 0.75% of Next 150.0 Mil, 0.70% of Next 250.0 Mil, 0.65% of Next 350.0 Mil	\$18,059,028	\$144,472	0.80%
Lee Munder Global Multi-Cap Strategy	0.45% of Assets	\$27,231,225	\$122,541	0.45%
Wellington Durable Enterprises, L.P.	0.60% of Assets	\$33,027,303	\$198,164	0.60%
<b>Core Fixed Income</b>		<b>\$59,745,809</b>		
IR&M Core Bonds	0.25% of First 50.0 Mil, 0.20% of Next 50.0 Mil, 0.15% Thereafter	\$59,745,809	\$144,492	0.24%
<b>Value Added Fixed Income</b>		<b>\$88,795,430</b>		
Eaton Vance High Yield	0.50% of Assets	\$21,097,994	\$105,490	0.50%
THL Bank Loan Select Fund	0.40% of Assets	\$36,217,281	\$144,869	0.40%
Franklin Templeton Emerging Market Bonds	0.99% of Assets	\$31,480,155	\$311,654	0.99%



## Total Retirement Association

As of May 31, 2019

Note: The adjusted value is based on December 31, 2018 FMV adjusted for subsequent cash flows.

Private Equity	Commitment	Total Contributions	Total Distributions	Adjusted Value
Ascend Ventures II, L.P.	2,500,000	2,324,355	925,962	64,032
Ascent Venture Partners IV, L.P.	2,500,000	2,502,219	388,970	62,711
Ascent Venture Partners V, L.P.	5,000,000	5,004,731	3,432,862	4,369,916
Audax Mezzanine Fund IV, L.P.	10,000,000	4,175,783	1,112,706	3,292,807
Charles River Partnership XI, L.P.	1,839,000	1,820,323	1,996,788	140,604
DN Partners II, L.P.	5,000,000	2,362,034	0	903,801
Euro Choice II, L.P.	4,103,233	5,513,805	8,038,110	0
Euro Choice V, L.P.	5,042,904	5,688,459	2,167,976	5,177,403
Globespan Capital Partners V, L.P.	5,000,000	4,852,500	7,527,341	3,039,523
Ironsides Direct Investment Fund V, L.P.	12,000,000	8,155,144	871,982	7,120,075
Landmark Equity Partners XIV, L.P.	6,000,000	6,288,437	6,561,763	1,126,252
Leeds Equity Partners IV, L.P.	5,185,562	5,089,327	6,224,435	10,204
Leeds Equity Partners V, L.P.	2,500,000	3,570,815	3,511,052	2,195,328
Lexington Capital Partners VII, L.P.	10,000,000	10,556,021	12,614,582	2,909,178
LLR Equity Partners V, L.P.	12,000,000	4,800,000	433,003	4,341,164
Mesirow Financial Capital Partners IX, L.P.	4,000,000	3,840,731	1,897,056	216,515
Rimco Production Company, Inc	2,000,000	2,000,000	7,486,401	1
Siguler Guff Distressed Opportunities Fund III, L.	6,000,000	5,820,000	8,125,503	1,010,786
Summit Partners Growth Equity Fund IX, L.P.	10,000,000	7,110,000	997,650	7,178,447
TRG Growth Partnership II, L.P.	7,500,000	7,450,399	7,463,445	1,214,567
Trilantic Capital Partners VI (North America), L.P	12,000,000	2,216,525	0	2,043,002
Wellspring Capital Partners VI, L.P.	12,000,000	1,464,659	0	1,291,514
<b>Total Plymouth County - PE</b>	<b>142,170,698</b>	<b>102,606,268</b>	<b>81,777,587</b>	<b>49,093,139</b>

## Total Retirement Association

As of May 31, 2019

Note: The adjusted value is based on December 31, 2018 FMV adjusted for subsequent cash flows.

Real Assets	Commitment	Total Contributions	Total Distributions	Adjusted Value
Basalt Infrastructure Partners II	10,000,000	3,133,699	49,561	3,007,470
BTG Pactual Global Timberland Resources Fund, LLC	4,338,966	5,043,536	229,998	2,690,961
Global Infrastructure Partners III, L.P.	10,000,000	7,741,140	685,189	7,160,950
IFM Global Infrastructure (US), L.P.	20,000,000	20,000,000	119,615	20,448,434
JPMorgan Global Maritime Investment	10,000,000	9,186,014	938,504	6,714,754
Timbervest Partners III, L.P.	5,000,000	5,000,000	1,041,500	5,228,292
<b>Total Plymouth County - RA</b>	<b>59,338,966</b>	<b>50,104,389</b>	<b>3,064,368</b>	<b>47,943,484</b>

Real Estate	Commitment	Total Contributions	Total Distributions	Adjusted Value
1921 Realty, Inc.	5,000,000	5,378,194	0	858,126
AEW Partners Real Estate Fund VIII, L.P.	25,000,000	9,696,265	1,410,695	8,576,995
Berkshire Multifamily Value Fund II, L.P.	10,000,000	11,258,620	17,922,285	0
Carlyle Realty Partners VIII, L.P.	18,000,000	1,911,908	1,650	2,073,575
DSF Capital Partners IV, L.P.	5,000,000	5,000,000	5,997,885	81,181
DSF Multi-Family Real Estate Fund III, L.P.	15,000,000	11,425,148	929,467	11,172,719
Hunt Redevelopment and Renovation Fund, LLC	10,000,000	8,971,078	11,715,633	0
Invesco Equity Real Estate Securities Trust	22,000,000	23,908,825	27,000,000	17,947,416
New Boston Institutional Fund, L.P. VII	5,000,000	3,012,998	3,747,492	317,543
PRISA I	14,995,000	17,227,013	0	41,184,834
Real Estate International Partnership Fund I, L.P.	15,000,000	12,674,617	9,197,754	3,175,939
TA Realty Core Property Fund, L.P.	25,000,000	25,000,000	0	26,929,199
<b>Total Plymouth County - RE</b>	<b>169,995,000</b>	<b>135,464,667</b>	<b>77,922,861</b>	<b>117,074,423</b>

Note: The value for Invesco Equity Real Estate Securities Trust is as of May 31, 2019.



## **Non-Core Real Estate Finalist Overviews**



## Background

- At the May meeting, Meketa Investment Group reviewed proposals from non-core real estate managers for consideration within the Retirement Association's real estate allocation.
  - Meketa recommends the Retirement Association commit an average of \$18 million per year to non-core real estate.
- The Board selected the following three firms as finalists: Rockpoint Real Estate Fund VI, Berkshire Value Fund V, and Virtus Real Estate Capital III
- The finalists are reviewed on the following pages.

## Rockpoint Real Estate Fund VI Firm Overview

Rockpoint Group	
Firm Locations	Boston, MA (HQ) Dallas, TX San Francisco, CA
Firm Inception	2003
Ownership Structure	Privately-owned; majority employee-owned
Firm Employees / Dedicated Investment Professionals	75/29

- Rockpoint Group is a Boston-based private real estate investment management firm established in 2003. Managing Members include: Bill Walton (co-founder), Keith B. Gelb (co-founder), Paisley Boney, Thomas F. Gilbane and Aric M. Shalev.
- Since its formation in 2003, Rockpoint has raised over \$15 billion of equity capital. Of that amount: (i) over \$11 billion of equity capital has been raised through five opportunistic investment vehicles and related co-investment vehicles; and the remainder across two core-plus funds and one real estate debt fund. As of September 30, 2018, Rockpoint has invested or committed to invest almost \$10 billion of Peak Invested Equity through these vehicles across 268 transactions.
- Rockpoint is seeking to raise \$3.5 billion with Rockpoint Real Estate Fund VI.
- In March 2018, Blackstone Strategic Capital Holdings made a minority, passive and non-voting investment in Rockpoint. Prior to the transaction, Rockpoint was owned by its five Managing Members with no one majority stakeholder (although Bill Walton and Keith Gelb collectively hold a majority interest).

## Rockpoint Real Estate Fund VI

### Investment Team

- Rockpoint Group is led by the firm's five managing members and has a deep team of 24 additional investment professionals focused on opportunistic strategies. In addition, the firm has 37 employees in Finance and Operations, IT, and Investor Relations.
- Rockpoint is headquartered in Boston, MA (41 employees) and also maintains a Dallas, TX office (20 employees) and a San Francisco, CA office (14 professionals). The Partnership is considering opening a London office primarily to manage limited partner relationships as about 30% of the capital they raise originates from foreign limited partners.
- Over the past five years, Rockpoint has had eight senior professional departures. Five of the departures were a result of Rockpoint's termination of non-US investment activity, two were due to a reduced focus on pure asset management role, and one was due to performance.

## Rockpoint Real Estate Fund VI Investment Terms

Rockpoint Group	
Partnership Type	Limited Partnership
Investment Strategy/Focus	Opportunistic Real Estate
Geographic Focus	United States
Target Size	\$3.5 billion
Final Closing	December 2019 (expected). First close occurred December 2018.
Investment Period	4 years
Total Term	8 years, with two one-year extension options
General Partner Commitment	1.5%
Target Return	13% to 15% net IRR
Maximum Leverage	75% loan-to-value
Fees/Expenses:	
Management Fee	1.5% on committed capital during the Investment Period; 1.5% on net invested capital.
Preferred Return	9%
Carried Interest	20%
Catch-up Provision	60%
Fee Income	100% offset
Organizational Expenses	\$1.75 million

## Rockpoint Real Estate Fund VI

### Investment Strategy

- Rockpoint Real Estate Fund VI will execute an opportunistic strategy focused on acquiring and renovating a portfolio of office, apartment, and hotel properties primarily in North America. There are no major changes in strategy from Fund V.
- Historic allocations to property types have been 12.7% to suburban office, 21.8% to CBD office, 32.9% to apartments, and 24.2% to hotels but the fund expects to take a more conservative approach to new hotel investments.
- Rockpoint expects to continue to make the majority of its investments in their primary target markets of Boston, New York, DC, San Francisco, and Southern California.
- Rockpoint's major competitive advantage is its experience in executing a focused strategy regarding markets, product types, and capital structures. Rockpoint believes that a narrow investment focus enables its investment team to develop a more informed understanding of the fundamentals and key drivers within its targeted markets and product types and to maximize risk-adjusted returns at the portfolio level
- During ownership of a property, Rockpoint engages either its dedicated strategic property management platform, Rockhill, or other third parties, to execute the business plan for each investment and to deliver property-level services. Rockpoint formed Rockhill Management, in July 2015 to provide property management and related services for office investments.

**Rockpoint Real Estate Fund VI**  
**Historical Track Record<sup>1</sup>**  
 As of December 31, 2018

Fund	Vintage Year	Invested Capital (\$ mm)	Realized Proceeds (\$ mm)	Total Value (\$ mm)	Investment Multiple (net) (x)	Gross IRR (%)	Net IRR (%)	IRR Quartile Rank <sup>2</sup>
Fund I	2004	875.8	1,246.1	1,246.1	1.2	26.3	11.5	2 <sup>nd</sup>
Fund II	2005	1,660.7	1,575.1	1,618.6	0.9	-0.5	-2.6	3 <sup>rd</sup>
Fund III	2007	2,335.9	3,611.4	3,789.9	1.4	22.4	14.0	1 <sup>st</sup>
Fund IV	2011	1,889.5	2,065.9	2,897.2	1.3	26.6	16.8	2 <sup>nd</sup>
Fund V	2015	1,693.1	384.0	1,890.6	1.2	30.4	21.9	1 <sup>st</sup>

<sup>1</sup> Performance reflects actual cash flow to investors as of December 31, 2018 with unsold assets assumed to have been liquidated as of December 31, 2018 net asset values.

<sup>2</sup> Benchmark is Cambridge Associates All Opportunistic Real Estate Funds as of December 31, 2018.



### Berkshire Value Fund V Firm Overview

Berkshire Group	
Firm Locations	Boston (HQ) Atlanta Baltimore Dallas San Francisco
Firm Inception	1966
Ownership Structure	Privately-owned
Firm Employees / Number of Investment Professionals	638/60

- Berkshire was founded in 1966 and is a vertically-integrated operating platform with 50 years of experience investing throughout the capital stack in U.S. residential real estate.
- Berkshire is privately owned by various Krupp family entities. Certain Berkshire professionals have a minority ownership stake (totaling 19%).
- Berkshire is headquartered in Boston, with regional offices in Atlanta, Baltimore, Dallas, and San Francisco.
- Across its platform, Berkshire sponsors a closed-end value fund series, an open-end core fund, and two closed-end debt funds. These partnerships total nearly \$17.0 billion of real estate under management, representing 271,000 residential units owned, managed, or overseen.
- Berkshire Value Fund V is targeting \$750 million in committed capital.

## Berkshire Value Fund V

### Investment Team

- Berkshire has a large team of 638 total employees with 110 corporate professionals and 528 property management employees.
  - 60 of these employees are investment professionals.
- Fund V will be managed by Jon Frey and Stephen Parthum (portfolio managers) and overseen by David Olney (CIO). The portfolio management team is supported by the broader platform which includes multifamily investments, development/construction investments, property management, senior housing investments, and fund operations teams, as well as business development, enterprise risk management, portfolio reporting/analytics, and research functions.
- Berkshire has a 13-person Investment Committee that consists of the firm's senior partners. The Investment Committee averages 29 years of real estate experience and 13 years with Berkshire.
- The firm is headquartered in Boston, where most investment professionals are based. Back office duties are carried out in the Boston, Dallas, Atlanta, Baltimore and San Francisco offices with additional property management and investment teams in Atlanta, Dallas, San Francisco. Additionally, Berkshire has onsite property management professionals throughout the country.
- The firm has experienced moderate turnover at the senior level, with 10 senior departures in the last five years.



## Berkshire Value Fund V Investment Terms

Berkshire Group	
Partnership Type	Limited Partnership
Investment Strategy/Focus	Value-Added Multifamily Real Estate
Geographic Focus	United States
Target Size	\$750 million
Final Closing	First closing on June 30, 2019; final closing no later than June 30, 2020.
Investment Period	3 years, subject to a one-year extension with Advisory Committee approval
Total Term	8 year from final closing, with two one-year extension options
General Partner Commitment	2% of commitments up to a maximum of \$15 million
Target Return	12% to 14% net IRR
Target Leverage	65% at fund level
Fees/Expenses:	
Management Fee	1.25% of commitments until invested, 1.50% on invested capital thereafter.
Preferred Return	8%
Carried Interest	20%
Catch-up Provision	None
Fee Income	100% Offset
Organizational Expenses	\$1.5 million cap

## Berkshire Value Fund V

### Investment Strategy

- Fund V will seek to construct a portfolio of residential real estate in target U.S. markets with a primary focus on market-rate apartments, specifically middle-income multifamily. The Fund will also target niche sectors, such as active adult communities and senior housing, and other special situations that might arise from disruption in the housing markets.
- The Fund expects to invest in approximately 36 properties over a four-year investment period. Equity checks will range from \$20 million to \$60 million, with target fund leverage of 65%. Target markets will be U.S. cities that exhibit supply/demand imbalances in housing.
- Berkshire will use a multi-prong approach to creating value, through light value-add initiatives, renovation acquisitions and development. The Fund will seek to acquire well-built assets with predictable capital requirements below replacement cost. Berkshire may also pursue select development that targets middle-income renters. The Fund will leverage Berkshire's operating and development expertise to create value.
- Fund V will target a gross leveraged 14% to 16% IRR (12% to 14% net IRR).

**Berkshire Value Fund V  
Historical Performance<sup>1</sup>  
As of September 30, 2018**

Fund	Vintage Year	Invested Capital (\$ mm)	Realized Proceeds (\$ mm)	Total Value (\$ mm)	Investment Multiple (net) (x)	Gross IRR (%)	Net IRR (%)	Index Quartile Rank <sup>2</sup>
Fund I	2005	324	454	454	1.2	5.3	2.6	2 <sup>nd</sup>
Fund II	2007	572	1,154	1,154	1.7	15.9	11.0	1 <sup>st</sup>
BMEF <sup>3</sup>	2011	305	817	817	2.4	34.0	25.8	1 <sup>st</sup>
Fund III	2013	487	612	875	1.6	20.9	14.9	2 <sup>nd</sup>
Fund III Sidecar	2013	538	427	820	1.4	22.4	17.9	1 <sup>st</sup>
Fund IV	2016	242	33	326	1.3	28.0	21.9	1 <sup>st</sup>

<sup>1</sup> Performance reflects actual cash flow to investors as of September 30, 2018 with unsold assets assumed to have been liquidated as of September 30, 2018 net asset values.

<sup>2</sup> Benchmark is Cambridge Associates All Value-Added Real Estate Funds as of September 30, 2018.

<sup>3</sup> Berkshire Multifamily Equity Fund, L.P., a separate account, was restructured as of September 2016 and converted from a closed-end value add fund to an open-end core fund at the direction of the client. The restructuring included a payout of the general partner's promote and restructuring of investment management fee to reflect fees appropriate for open-end core vehicles. For purposes of the investment performance, BMEF Value-Add assumes a disposition of all assets as of September 30, 2016 at their respective fair market values at the time of the portfolio conversion for the value-add fund time period.



### Virtus Real Estate Capital III Firm Overview

Virtus Real Estate Capital	
Firm Locations	Austin, TX (HQ) Wayne, PA Fort Lee, NJ
Firm Inception	2003
Ownership Structure	Employee-owned
Firm Employees / Dedicated Investment Professionals	42/30

- Virtus was founded in 2003 by Terrell Gates and his team from Merrill Lynch. Over the last 16 years, Virtus has capitalized 40 investment vehicles (funds or partnerships) that has invested in 227 assets with a total acquisition value of \$3.6 billion.
- Virtus began by partnering with Montecito Properties (a multifamily operator) to acquire Class B & C multifamily assets in A locations and execute a value-add strategy. Over time the strategy converted into a condominium conversion strategy. In 2006, the real estate markets were frothy in the multifamily sector and Virtus began looking at ways to access durable income through uncorrelated property types. Through the team's research, Virtus identified four demographic trends that they believed would withstand economic modulations: baby boomers, echo boomers, Hispanics/Latinos, and the transitional nature of workers.
- In 2008, Virtus began raising property-specific fund vehicles that grew slightly larger with each fundraise. Virtus launched its flagship fund series in 2012, with \$255 million in commitments and combined all property types into a single diversified fund. As Virtus has evolved, it has taken on a larger role in the sourcing, underwriting and diligence of properties as well as a more active role in asset management.
- Virtus is seeking to raise \$500 million with Virtus Real Estate Capital III.

## Virtus Real Estate Capital III

### Investment Team

- The Virtus team consists of 42 professionals, which includes a team of 30 investment professionals. Within acquisitions and asset management, team members are assigned by focus geographies. With the growth of Virtus as a platform over time, the firm has added key senior investment professionals including a CIO, CFO and property specific acquisition directors.
- Virtus indicated the current staff is designed to oversee approximately 80 to 100 properties.
- Virtus conducts business through its Austin, TX headquarters and has two satellite offices in Wayne, PA and Fort Lee, NJ that have one employee each, both of which have capital development roles.
- Virtus has have seven senior departures in the last five years as the organization grows and seeks to find good fits for its culture.

## Virtus Real Estate Capital III Investment Terms

Virtus Real Estate Capital	
Partnership Type	Limited Partnership
Investment Strategy/Focus	Value-Added Real Estate
Geographic Focus	United States
Target Size	\$500 million
Final Closing	December 2019 (expected). First close occurred in February 2019.
Investment Period	3 years, with a six month extension with Advisory Board approval
Total Term	8 years, with option to extend with consent of majority-in-interest of the LPs
General Partner Commitment	2.0%, up to \$6.0 million
Target Return	13% to 15% net IRR
Maximum Leverage	75% loan-to-value
Fees/Expenses:	
Management Fee	1.75% of commitments during the Investment Period; thereafter, 1.75% of invested capital.
Preferred Return	9%
Carried Interest	20%
Catch-up Provision	50%
Fee Income	100% offset
Organizational Expenses	\$750,000

## Virtus Real Estate Capital III

### Investment Strategy

- Fund III will seek to invest in niche property types such as senior living, medical office, student housing, and self-storage real estate properties. Investments are guided by the demographic trends of baby boomers, millennials and Hispanic populations.
- Virtus expects that at least 75% of assets will be invested into healthcare, education, workforce housing, and self storage, with no more than 50% of assets in any one individual property type (as a note, healthcare and education are comprised of multiple individual property types). In addition, Virtus may target other real estate opportunities that may be more recession-resistant such as properties with long-term leases to government agencies or privatized real estate/infrastructure that was historically provided by the public sector.
- Virtus will typically be the sole investor in the control position, although will use an operating partner when it makes sense strategically.
  - Virtus has had ongoing relationships with 80+ operators since its inception, many of which Virtus has completed a transaction with. In the current portfolio, Virtus has 20 active operator relationships across all property types. A number of operating partners have joint ventured with Virtus on numerous deals.
- Virtus expects to make between 50 and 60 investments with average equity investments of \$10 million.
- Fund III is targeting a net IRR of 13% to 15%.

**Virtus Real Estate Capital III**  
**Historical Track Record<sup>1</sup>**  
 As of December 31, 2018

Fund	Vintage Year	Invested Capital (\$ mm)	Realized Proceeds (\$ mm)	Total Value (\$ mm)	Investment Multiple (net) (x)	Gross IRR (%)	Net IRR (%)	IRR Quartile Rank <sup>2</sup>
Fund I	2012	236.2	345.4	421.8	1.5	22.4	15.4	2 <sup>nd</sup>
Fund II	2015	219.2	14.8	274.7	1.1	15.5	8.7	3 <sup>rd</sup>

<sup>1</sup> Performance reflects actual cash flow to investors as of December 31, 2018 with unsold assets assumed to have been liquidated as of December 31, 2018 net asset values.

<sup>2</sup> Benchmark is Cambridge Associates All Value-Added Real Estate Funds as of December 31, 2018.





### Relative Strengths and Potential Weaknesses

	Relative Strengths	Potential Weaknesses
Rockpoint Real Estate Fund VI	<ul style="list-style-type: none"> <li>Experienced and established platform, stable team with long and consistent track record, particularly in the U.S.</li> </ul>	<ul style="list-style-type: none"> <li>Recent transaction resulting in minority stake from Blackstone Strategic Capital Holdings. Quartile ranking is mixed.</li> </ul>
Berkshire Value Fund V	<ul style="list-style-type: none"> <li>Large, vertically-integrated platform with a developed expertise in residential investments. Strong quartile rankings.</li> </ul>	<ul style="list-style-type: none"> <li>Concentrated portfolio focused only on multifamily. Low employee ownership of firm.</li> </ul>
Virtus Real Estate Capital III	<ul style="list-style-type: none"> <li>Developed expertise within a niche focus on alternative property types such as healthcare, student housing, and self-storage.</li> </ul>	<ul style="list-style-type: none"> <li>Limited track record. Some team turnover as the organization seeks out cultural fits.</li> </ul>

## Summary of Terms

	Rockpoint Real Estate Fund VI	Berkshire Value Fund V	Virtus Real Estate Capital III
Partnership Type	Limited Partnership	Limited Partnership	Limited Partnership
Investment Strategy/Focus	Opportunistic Real Estate	Value-Added Multifamily Real Estate	Value-Added Real Estate
Geographic Focus	United States	United States	United States
Target Size	\$3.5 billion	\$750 million	\$500 million
Final Closing	December 2019 (expected). First close occurred in December 2018.	First closing on June 30, 2019; final closing no later than June 30, 2020.	December 2019 (expected). First close occurred in February 2019.
Investment Period	4 years	3 years, subject to a one-year extension with Advisory Committee approval	3 years, with a six month extension with Advisory Board approval
Total Term	8 years, with two one-year extension options	8 year from final closing, with two one-year extension options	8 years, with option to extend with consent of majority-in-interest of the LPs
General Partner Commitment	1.5%	2% of commitments up to a maximum of \$15 million	2.0%, up to \$6.0 million
Target Return	13% to 15% net IRR	12% to 14% net IRR	13% to 15% net IRR
Maximum Leverage	75% loan-to-value	65% at fund level	75% loan-to-value
Fees/Expenses:			
Management Fee	1.5% on committed capital during the Investment Period; 1.5% on net invested capital.	1.25% of commitments until invested, 1.50% on invested capital thereafter.	1.75% of commitments during the Investment Period; thereafter, 1.75% of invested capital.
Preferred Return	9%	8%	9%
Carried Interest	20%	20%	20%
Catch-up Provision	60%	None	50%
Fee Income	100% offset	100% Offset	100% offset
Organizational Expenses	\$1.75 million	\$1.5 million cap	\$750,000

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**Credit Risk:** Refers to the risk that the issuer of a fixed income security may default (i.e., the issuer will be unable to make timely principal and/or interest payments on the security.)

**Duration:** Measure of the sensitivity of the price of a bond to a change in its yield to maturity. Duration summarizes, in a single number, the characteristics that cause bond prices to change in response to a change in interest rates. For example, the price of a bond with a duration of three years will rise by approximately 3% for each 1% decrease in its yield to maturity. Conversely, the price will decrease 3% for each 1% increase in the bond's yield. Price changes for two different bonds can be compared using duration. A bond with a duration of six years will exhibit twice the percentage price change of a bond with a three-year duration. The actual calculation of a bond's duration is somewhat complicated, but the idea behind the calculation is straightforward. The first step is to measure the time interval until receipt for each cash flow (coupon and principal payments) from a bond. The second step is to compute a weighted average of these time intervals. Each time interval is measured by the present value of that cash flow. This weighted average is the duration of the bond measured in years.

**Information Ratio:** This statistic is a measure of the consistency of a portfolio's performance relative to a benchmark. It is calculated by subtracting the benchmark return from the portfolio return (excess return), and dividing the resulting excess return by the standard deviation (volatility) of this excess return. A positive information ratio indicates outperformance versus the benchmark, and the higher the information ratio, the more consistent the outperformance.

**Jensen's Alpha:** A measure of the average return of a portfolio or investment in excess of what is predicted by its beta or "market" risk. Portfolio Return- [Risk Free Rate+Beta\*(market return-Risk Free Rate)].

**Market Capitalization:** For a firm, market capitalization is the total market value of outstanding common stock. For a portfolio, market capitalization is the sum of the capitalization of each company weighted by the ratio of holdings in that company to total portfolio holdings; thus it is a weighted-average capitalization. Meketa Investment Group considers the largest 65% of the broad domestic equity market as large capitalization, the next 25% of the market as medium capitalization, and the smallest 10% of stocks as small capitalization.

**Market Weighted:** Stocks in many indices are weighted based on the total market capitalization of the issue. Thus, the individual returns of higher market-capitalization issues will more heavily influence an index's return than the returns of the smaller market-capitalization issues in the index.

**Maturity:** The date on which a loan, bond, mortgage, or other debt/security becomes due and is to be paid off.

**Prepayment Risk:** The risk that prepayments will increase (homeowners will prepay all or part of their mortgage) when mortgage interest rates decline; hence, investors' monies will be returned to them in a lower interest rate environment. Also, the risk that prepayments will slow down when mortgage interest rates rise; hence, investors will not have as much money as previously anticipated in a higher interest rate environment. A prepayment is any payment in excess of the scheduled mortgage payment.

**Price-Book Value (P/B) Ratio:** The current market price of a stock divided by its book value per share. Meketa Investment Group calculates P/B as the current price divided by Compustat's quarterly common equity. Common equity includes common stock, capital surplus, retained earnings, and treasury stock adjusted for both common and nonredeemable preferred stock. Similar to high P/E stocks, stocks with high P/B's tend to be riskier investments.

**Price-Earnings (P/E) Ratio:** A stock's market price divided by its current or estimated future earnings. Lower P/E ratios often characterize stocks in low growth or mature industries, stocks in groups that have fallen out of favor, or stocks of established blue chip companies with long records of stable earnings and regular dividends. Sometimes a company that has good fundamentals may be viewed unfavorably by the market if it is an industry that is temporarily out of favor. Or a business may have experienced financial problems causing investors to be skeptical about its future. Either of these situations would result in lower relative P/E ratios. Some stocks exhibit above-average sales and earnings growth or expectations for above average growth. Consequently, investors are willing to pay more for these companies' earnings, which results in elevated P/E ratios. In other words, investors will pay more for shares of companies whose profits, in their opinion, are expected to increase faster than average. Because future events are in no way assured, high P/E stocks tend to be riskier and more volatile investments. Meketa Investment Group calculates P/E as the current price divided by the I/B/E/S consensus of twelve-month forecast earnings per share.

**Quality Rating:** The rank assigned a security by such rating services as Fitch, Moody's, and Standard & Poor's. The rating may be determined by such factors as (1) the likelihood of fulfillment of dividend, income, and principal payment of obligations; (2) the nature and provisions of the issue; and (3) the security's relative position in the event of liquidation of the company. Bonds assigned the top four grades (AAA, AA, A, BBB) are considered investment grade because they are eligible bank investments as determined by the controller of the currency.

**Sharpe Ratio:** A commonly used measure of risk-adjusted return. It is calculated by subtracting the risk free return (usually three-month Treasury bill) from the portfolio return and dividing the resulting excess return by the portfolio's total risk level (standard deviation). The result is a measure of return per unit of total risk taken. The higher the Sharpe ratio, the better the fund's historical risk adjusted performance.

**Standard Deviation:** A measure of the total risk of an asset or a portfolio. Standard deviation measures the dispersion of a set of numbers around a central point (e.g., the average return). If the standard deviation is small, the distribution is concentrated within a narrow range of values. For a normal distribution, about two thirds of the observations will fall within one standard deviation of the mean, and 95% of the observations will fall within two standard deviations of the mean.

**STIF Account:** Short-term investment fund at a custodian bank that invests in cash-equivalent instruments. It is generally used to safely invest the excess cash held by portfolio managers.

**Style:** The description of the type of approach and strategy utilized by an investment manager to manage funds. For example, the style for equities is determined by portfolio characteristics such as price-to-book value, price-to-earnings ratio, and dividend yield. Equity styles include growth, value, and core.

**Yield to Maturity:** The yield, or return, provided by a bond to its maturity date; determined by a mathematical process, usually requiring the use of a “basis book.” For example, a 5% bond pays \$5 a year interest on each \$100 par value. To figure its current yield, divide \$5 by \$95—the market price of the bond—and you get 5.26%. Assume that the same bond is due to mature in five years. On the maturity date, the issuer is pledged to pay \$100 for the bond that can be bought now for \$95. In other words, the bond is selling at a discount of 5% below par value. To figure yield to maturity, a simple and approximate method is to divide 5% by the five years to maturity, which equals 1% pro rata yearly. Add that 1% to the 5.26% current yield, and the yield to maturity is roughly 6.26%.

$$\frac{5\% \text{ (discount)}}{5 \text{ (yrs. to maturity)}} = 1\% \text{ pro rata, plus } 5.26\% \text{ (current yield)} = 6.26\% \text{ (yield to maturity)}$$

Sources: [Investment Terminology](#), International Foundation of Employee Benefit Plans, 1999.  
[The Handbook of Fixed Income Securities](#), Fabozzi, Frank J., 1991.

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Throughout this report, numbers may not sum due to rounding.

Returns for periods greater than one year are annualized throughout this report.

Values shown are in millions of dollars, unless noted otherwise.