

FUND EVALUATION REPORT

Plymouth County Retirement Association

Investment Review
June 25, 2019



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2018 Performance Commentary

PCRA vs. PRIT Performance Commentary

- The Association underperformed PRIT in 2018 by 5.0%, returning -7.3% net of fees vs. -2.3% net of fees.
 - PRIT had a relatively strong year, as the InvestorForce All Public DB peer median returned -4.4%, net of fees for the year.

The Association's underperformance was driven by several factors, including:

- Different risk profiles: PCRA has a target return of 8.0% while PRIT has a target return of 7.35% which requires PCRA to hold more equities for long term returns. Equities were among the worst performing assets in 2018.
- An overweight to public equities (64% to 38%) when equities were down -10.1% for the year (2.6% drag on performance).
- An underweight to private equities (4% to 12%) when the private equity asset class returned +15.3% (a mature portfolio benchmark) and PRIT earned 24.5% (2.2% drag on performance).
- Performance in private equity (+1.8% to +24.5%) for the year. This is not to say that the PCRA private equity portfolio is performing poorly; it is not. This is due to the vastly different maturity of the programs: PCRA is in the bottom of the J-curve of performance and will continue to be as the portfolio is invested, while PRIT has a well-developed, mature PE portfolio. (0.9% drag).
- Active manager performance/structure detracted in equities, returning -12.6% vs. -10.4% (1.4% drag).
 - The Association was overweight small cap and value, two out of favor styles in 2018.
- Public equities have rallied 11.9% year to date in 2019, so we would expect the Association to recover a portion of the underperformance.

Historical Scenario Analysis¹ (Cumulative Return)

Scenario:	Current Policy (%)	PRIT Policy (%)
Calendar Year 2008	-29.6	-24.7
Global Financial Crisis (4Q07 thru 1Q09)	-34.7	-24.9
Interest Rate Spike (1994)	3.7	3.7
Crash of 1987 (September thru November 1987)	-13.0	-9.8
Popping of the dot.com Bubble (2Q00 thru 3Q02)	-19.2	-9.0
Strong U.S. Dollar (1Q81 through 3Q82)	0.7	2.6
Weak U.S. Dollar (January 1986 thru August 1987)	31.7	53.9
Stagflation (January thru March 1980)	-5.1	-4.1
Stagflation (1Q73 thru 3Q74)	-30.6	-21.5

¹ Based on the Asset Allocation Analysis and data presented in May 2017.



Stress Testing: Impact of Market Movements (Expected Returns under Stressed Conditions) ¹

What happens if (over a 12-month period):	Current Policy (%)	PRIT Policy (%)
10-Year T-Bond rates rise 100 bp	7.3	6.5
10-Year T-Bond rates rise 200 bp	5.8	5.1
10-Year T-Bond rates rise 300 bp	3.6	2.6
BBB Spreads widen by 50 bp, HY by 200 bp	5.5	5.2
BBB Spreads widen by 300 bp, HY by 1000 bp	-32.3	-26.3
Trade-weighted U.S.\$ gains 10%	1.5	1.9
Trade-weighted U.S.\$ gains 20%	2.9	3.7
Equities decline 10%	-7.9	-6.7
Equities decline 25%	-19.8	-16.7
Equities decline 40%	-31.6	-26.7

¹ Based on the Asset Allocation Analysis and data presented in May 2017.



Estimated Retirement Association Performance

Estimated Aggregate Performance¹

	May ² (%)	QTD (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
Total Retirement Association	-3.5	-1.7	6.6	-1.9	6.3	4.7	8.3
<i>60% MSCI ACWI/40% Barclays Global Aggregate</i>	-3.0	-1.2	6.9	0.8	6.3	3.6	6.9
<i>Policy Benchmark</i>	-3.2	-1.5	6.0	1.0	7.5	5.3	8.8

Benchmark Returns

	May (%)	QTD (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
<i>Russell 3000</i>	-6.5	-2.7	10.9	2.5	11.5	9.2	13.9
<i>MSCI EAFE</i>	-4.8	-2.1	7.6	-5.8	5.8	1.3	6.2
<i>MSCI Emerging Markets</i>	-7.3	-5.3	4.1	-8.7	9.9	1.8	5.0
<i>Barclays Aggregate</i>	1.8	1.8	4.8	6.4	2.5	2.7	3.8
<i>Barclays TIPS</i>	1.7	2.0	5.3	4.4	2.5	1.6	3.6
<i>Barclays High Yield</i>	-1.2	0.2	7.5	5.5	7.0	4.4	9.3
<i>JPM GBI-EM Global Diversified</i>	0.3	0.1	3.0	0.4	4.4	-1.3	3.0
<i>S&P Global Natural Resources</i>	-7.7	-7.7	3.7	-13.4	8.7	-0.5	2.0

Estimated Total Fund Assets

	May Estimate
Total Retirement Association	\$955,078,531

¹ The May performance estimates are calculated using index returns as of May 31, 2019 for each asset class. No performance estimate was included for private equity, real estate, infrastructure, and private natural resources asset classes.

² As of May 31, 2019



**Interim Update
As of April 30, 2019**

DRAFT

As of April 30, 2019

Asset Class Net Performance Summary

	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	15 Yrs (%)	Inception (%)	Inception Date
Total Retirement Association	985,092,119	100.0	1.9	10.5	2.4	7.8	5.7	9.2	6.4	7.8	Nov-89
60% ACWI / 40% Barclays Global Aggregate			1.9	10.2	3.6	7.2	4.6	8.0	6.0	6.6	Nov-89
Custom Benchmark - Policy Benchmark (Net)			1.8	9.5	4.6	8.8	6.3	9.6	7.3	--	Nov-89
Domestic Equity Assets	235,960,776	24.0	4.2	21.5	11.1	15.4	--	--	--	14.1	Jan-16
Russell 3000			4.0	18.6	12.7	14.7	11.2	15.3	9.1	13.7	Jan-16
International Developed Market Equity Assets	116,851,353	11.9	2.5	13.0	-7.1	6.2	--	--	--	5.8	Jan-16
MSCI EAFE			2.8	13.1	-3.2	7.2	2.6	8.0	5.5	6.4	Jan-16
International Emerging Market Equity Assets	109,121,421	11.1	1.4	10.7	-9.8	8.8	--	--	--	9.3	Jan-16
MSCI Emerging Markets			2.1	12.2	-5.0	11.3	4.0	7.5	8.7	12.1	Jan-16
Global Equity Assets	100,872,568	10.2	2.2	13.7	3.8	--	--	--	--	-0.3	Feb-18
MSCI ACWI			3.4	16.0	5.1	11.4	7.0	11.1	7.2	-0.5	Feb-18
Core Fixed Income	58,842,181	6.0	0.3	3.3	4.8	2.2	--	--	--	3.1	Jan-16
75% Bbg Barclays Aggregate/25% Bbg Barclays US TIPs 1-10 year			0.1	3.0	4.8	1.8	2.3	3.5	--	2.7	Jan-16
Value Added Fixed Income	89,377,006	9.1	1.3	6.1	4.3	6.4	--	--	--	7.3	Jan-16
Custom Benchmark (1)			1.1	7.1	5.8	6.3	--	--	--	7.4	Jan-16
Hedge Funds (2)	57,438,283	5.8	1.1	8.8	1.6	5.7	3.7	--	--	4.5	Feb-10
HFRI Fund of Funds Composite Index			0.9	5.6	0.9	4.1	2.5	3.5	2.9	2.8	Feb-10
Real Estate (3)	117,397,268	11.9	0.0	4.7	8.8	5.3	--	--	--	5.1	Jan-16
80% NCREIF ODCE / 20% Wilshire REIT			0.0	4.3	9.7	7.8	--	--	--	7.7	Jan-16
Private Equity (4)	48,074,577	4.9	0.0	0.1	-4.1	5.4	--	--	--	3.5	Jan-16
Cambridge Associates Fund of Funds Composite 1-Quarter Lag			0.0	-0.1	9.7	10.0	10.1	10.7	10.5	9.6	Jan-16
Real Assets (5)	45,604,101	4.6	0.0	-1.3	-0.1	-0.5	--	--	--	-3.1	Jan-16
CPI +3%			0.6	1.9	5.0	5.2	4.5	4.8	5.1	5.1	Jan-16
Cash and Cash Equivalent	5,552,585	0.6									

(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 market value and performance is one quarter 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 April 30, 2019

Trailing Net Performance

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Retirement Association	985,092,119	100.0	--	1.9	10.5	2.4	7.8	5.7	9.2	7.8	Nov-89
<i>60% ACWI / 40% Barclays Global Aggregate</i>				1.9	10.2	3.6	7.2	4.6	8.0	6.6	Nov-89
Domestic Equity Assets	235,960,776	24.0	24.0	4.2	21.5	11.1	15.4	--	--	14.1	Jan-16
<i>Russell 3000</i>				4.0	18.6	12.7	14.7	11.2	15.3	13.7	Jan-16
Rhumblin Russell 1000 Value	35,545,678	3.6	15.1	3.5	15.8	9.1	10.8	8.1	--	10.1	Apr-13
<i>Russell 1000 Value</i>				3.5	15.9	9.1	11.0	8.3	13.8	10.3	Apr-13
Rhumblin Russell 1000 Growth	37,590,608	3.8	15.9	4.5	21.3	17.4	18.5	14.4	--	15.8	Jul-09
<i>Russell 1000 Growth</i>				4.5	21.3	17.4	18.6	14.5	17.0	15.9	Jul-09
Fisher Midcap Value	43,958,898	4.5	18.6	4.8	22.0	7.7	14.2	9.4	15.2	7.8	Apr-07
<i>Russell MidCap Value</i>				3.3	18.1	5.8	9.9	7.8	15.0	7.0	Apr-07
Boston Company Small Cap Growth	51,181,078	5.2	21.7	4.8	31.0	22.4	24.2	14.8	--	15.8	Aug-09
<i>Russell 2000 Growth</i>				3.0	20.7	6.9	15.6	10.2	15.2	14.0	Aug-09
LMCG Small Cap Value	67,662,067	6.9	28.7	3.5	17.5	3.0	8.6	7.3	--	8.2	Mar-11
<i>Russell 2000 Value</i>				3.8	16.2	2.2	11.5	6.9	12.9	8.6	Mar-11
International Developed Market Equity Assets	116,851,353	11.9	11.9	2.5	13.0	-7.1	6.2	--	--	5.8	Jan-16
<i>MSCI EAFE</i>				2.8	13.1	-3.2	7.2	2.6	8.0	6.4	Jan-16
KBI Master Account	50,987,030	5.2	43.6	1.4	10.4	-6.9	5.1	0.2	6.7	3.5	Jul-05
<i>MSCI EAFE</i>				2.8	13.1	-3.2	7.2	2.6	8.0	4.6	Jul-05
HGK TS International Equity	30,722,901	3.1	26.3	3.8	15.6	-3.9	8.7	4.0	--	6.4	Feb-11
<i>MSCI EAFE</i>				2.8	13.1	-3.2	7.2	2.6	8.0	4.1	Feb-11
Copper Rock International Small Cap	35,141,422	3.6	30.1	2.8	14.9	-11.4	--	--	--	-7.1	Nov-17
<i>MSCI EAFE Small Cap</i>				3.0	14.0	-7.9	7.8	5.3	11.5	-2.8	Nov-17

Total Retirement Association

As of April 30, 2019

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
International Emerging Market Equity Assets	109,121,421	11.1	11.1	1.4	10.7	-9.8	8.8	--	--	9.3	Jan-16
<i>MSCI Emerging Markets</i>				2.1	12.2	-5.0	11.3	4.0	7.5	12.1	Jan-16
LMCG Emerging Markets	49,902,051	5.1	45.7	0.9	8.8	-11.4	8.2	1.8	--	1.5	Sep-13
<i>MSCI Emerging Markets</i>				2.1	12.2	-5.0	11.3	4.0	7.5	3.9	Sep-13
ABS Emerging Markets	22,620,659	2.3	20.7	1.6	13.1	--	--	--	--	13.1	Dec-18
<i>MSCI Emerging Markets</i>				2.1	12.2	-5.0	11.3	4.0	7.5	9.3	Dec-18
Copper Rock Emerging Markets Small Cap	10,727,112	1.1	9.8	0.6	7.8	--	--	--	--	7.8	Dec-18
<i>MSCI Emerging Markets Small Cap</i>				0.2	8.0	-12.1	5.5	1.7	8.2	6.3	Dec-18
Driehaus Emerging Markets Growth	25,871,599	2.6	23.7	2.5	--	--	--	--	--	4.6	Mar-19
<i>MSCI Emerging Markets</i>				2.1	12.2	-5.0	11.3	4.0	7.5	3.0	Mar-19
Global Equity Assets	100,872,568	10.2	10.2	2.2	13.7	3.8	--	--	--	-0.3	Feb-18
<i>MSCI ACWI</i>				3.4	16.0	5.1	11.4	7.0	11.1	-0.5	Feb-18
First Eagle Global Value Fund	19,738,226	2.0	19.6	1.9	11.7	2.9	--	--	--	-1.0	Feb-18
<i>MSCI ACWI</i>				3.4	16.0	5.1	11.4	7.0	11.1	-0.5	Feb-18
Kopernik Global All Cap Fund	18,171,774	1.8	18.0	0.0	5.2	-6.6	--	--	--	-7.4	Feb-18
<i>MSCI ACWI</i>				3.4	16.0	5.1	11.4	7.0	11.1	-0.5	Feb-18
Lee Munder Global Multi-Cap Strategy	29,463,045	3.0	29.2	4.0	16.8	4.4	--	--	--	2.7	Mar-18
<i>MSCI ACWI</i>				3.4	16.0	5.1	11.4	7.0	11.1	3.2	Mar-18
Wellington Durable Enterprises, L.P.	33,499,523	3.4	33.2	1.9	17.4	10.5	--	--	--	9.9	Mar-18
<i>MSCI ACWI</i>				3.4	16.0	5.1	11.4	7.0	11.1	3.2	Mar-18
Core Fixed Income	58,842,181	6.0	6.0	0.3	3.3	4.8	2.2	--	--	3.1	Jan-16
75% Bbg Barclays Aggregate/25% Bbg Barclays US TIPs 1-10 year				0.1	3.0	4.8	1.8	2.3	3.5	2.7	Jan-16
IR&M Core Bonds	58,842,181	6.0	100.0	0.3	3.3	4.8	2.0	2.4	4.3	4.1	Nov-04
75% Bbg Barclays Aggregate/25% Bbg Barclays US TIPs 1-10 year				0.1	3.0	4.8	1.8	2.3	3.5	3.8	Nov-04

As of April 30, 2019

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Value Added Fixed Income	89,377,006	9.1	9.1	1.3	6.1	4.3	6.4	--	--	7.3	Jan-16
<i>Custom Benchmark</i>				1.1	7.1	5.8	6.3	--	--	7.4	Jan-16
Eaton Vance High Yield	21,283,584	2.2	23.8	1.4	8.2	6.1	6.4	4.7	9.8	7.0	Apr-06
<i>ICE BofAML US High Yield TR</i>				1.4	8.9	6.7	7.8	4.9	10.2	7.3	Apr-06
THL Bank Loan Select Fund	36,387,198	3.7	40.7	1.5	5.3	4.3	5.6	4.4	--	5.5	Sep-10
<i>Credit Suisse Leveraged Loans</i>				1.6	5.4	4.5	5.8	4.1	7.3	5.0	Sep-10
Franklin Templeton Emerging Market Bonds	31,706,224	3.2	35.5	1.0	5.1	2.7	7.2	4.3	9.1	6.9	May-06
<i>JP Morgan EMBI Global Diversified</i>				0.2	7.2	6.0	5.3	5.2	8.0	7.1	May-06
Hedge Funds	57,438,283	5.8	5.8	1.1	8.8	1.6	5.7	3.7	--	4.5	Feb-10
<i>HFRI Fund of Funds Composite Index</i>				0.9	5.6	0.9	4.1	2.5	3.5	2.8	Feb-10
ABS Offshore SPC - Global Segregated Portfolio	21,639,345	2.2	37.7	2.6	8.5	1.4	5.5	3.8	--	5.2	Aug-10
<i>HFRI Fund of Funds Composite Index</i>				0.9	5.6	0.9	4.1	2.5	3.5	3.0	Aug-10
EnTrust Special Opportunities Fund III, Ltd.	26,492,509	2.7	46.1	0.0	9.9	1.7	--	--	--	12.4	Oct-16
<i>HFRI Fund of Funds Composite Index</i>				0.9	5.6	0.9	4.1	2.5	3.5	3.8	Oct-16
Old Farm Partners Master Fund, L.P.	4,936,066	0.5	8.6	1.5	5.2	--	--	--	--	-1.3	Oct-18
<i>HFRI Fund of Funds Composite Index</i>				0.9	5.6	0.9	4.1	2.5	3.5	0.4	Oct-18
EnTrustPermal Special Opportunities Evergreen Fund, Ltd.	4,370,362	0.4	7.6	0.0	6.8	--	--	--	--	6.8	Jan-19
<i>HFRI Fund of Funds Composite Index</i>				0.9	5.6	0.9	4.1	2.5	3.5	5.6	Jan-19

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

EnTrustPermal Special Opportunities Evergreen Fund, Ltd: Performance and market value is lagged as of March 31, 2019



Total Retirement Association

As of April 30, 2019

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Real Estate	117,397,268	11.9	11.9	0.0	4.7	8.8	5.3	--	--	5.1	Jan-16
80% NCREIF ODCE / 20% Wilshire REIT				0.0	4.3	9.7	7.8	--	--	7.7	Jan-16
Core Real Estate	86,061,449	8.7	73.3	0.0	4.5	10.4	7.3	--	--	7.4	Jan-16
NCREIF-ODCE				0.0	1.4	7.5	8.0	10.2	8.7	7.8	Jan-16
PRISA I	41,184,834	4.2	47.9	0.0	1.6	7.7	7.5	9.8	5.9	6.8	Sep-04
NCREIF ODCE				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	1.8	20.9	0.0	17.0	17.7	7.7	8.5	14.4	11.3	Dec-02
Wilshire REIT				-0.2	15.8	17.5	6.4	8.2	15.3	10.6	Dec-02
TA Realty Core Property Fund, L.P.	26,929,199	2.7	31.3	0.0	1.8	12.1	--	--	--	11.1	Apr-18
NCREIF ODCE				0.0	1.4	7.5	8.0	10.2	8.7	6.9	Apr-18
Non-Core Real Estate	31,335,818	3.2	26.7	0.0	5.1	3.0	-1.0	--	--	-2.0	Jan-16
Private Equity	48,074,577	4.9	4.9	0.0	0.1	-4.1	5.4	--	--	3.5	Jan-16
Cambridge Associates Fund of Funds Composite 1-Quarter Lag				0.0	-0.1	9.7	10.0	10.1	10.7	9.6	Jan-16
Private Equity	40,884,269	4.2	85.0	0.0	1.2	-1.8	3.8	--	--	1.9	Jan-16
Venture Capital	7,190,308	0.7	15.0	0.0	-5.8	-10.1	9.6	--	--	8.3	Jan-16
Real Assets	45,604,101	4.6	4.6	0.0	-1.3	-0.1	-0.5	--	--	-3.1	Jan-16
CPI +3%				0.6	1.9	5.0	5.2	4.5	4.8	5.1	Jan-16
IFM Global Infrastructure	20,448,434	2.1	44.8	0.0	2.2	--	--	--	--	2.2	Oct-18
CPI+5% (1q Lagged)				0.6	1.3	6.6	7.1	6.5	6.9	2.8	Oct-18
Cash and Cash Equivalent	5,552,585	0.6	0.6								
Cash	5,552,585	0.6	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: The performance is based on real time.



As of April 30, 2019

Allocation vs. Target

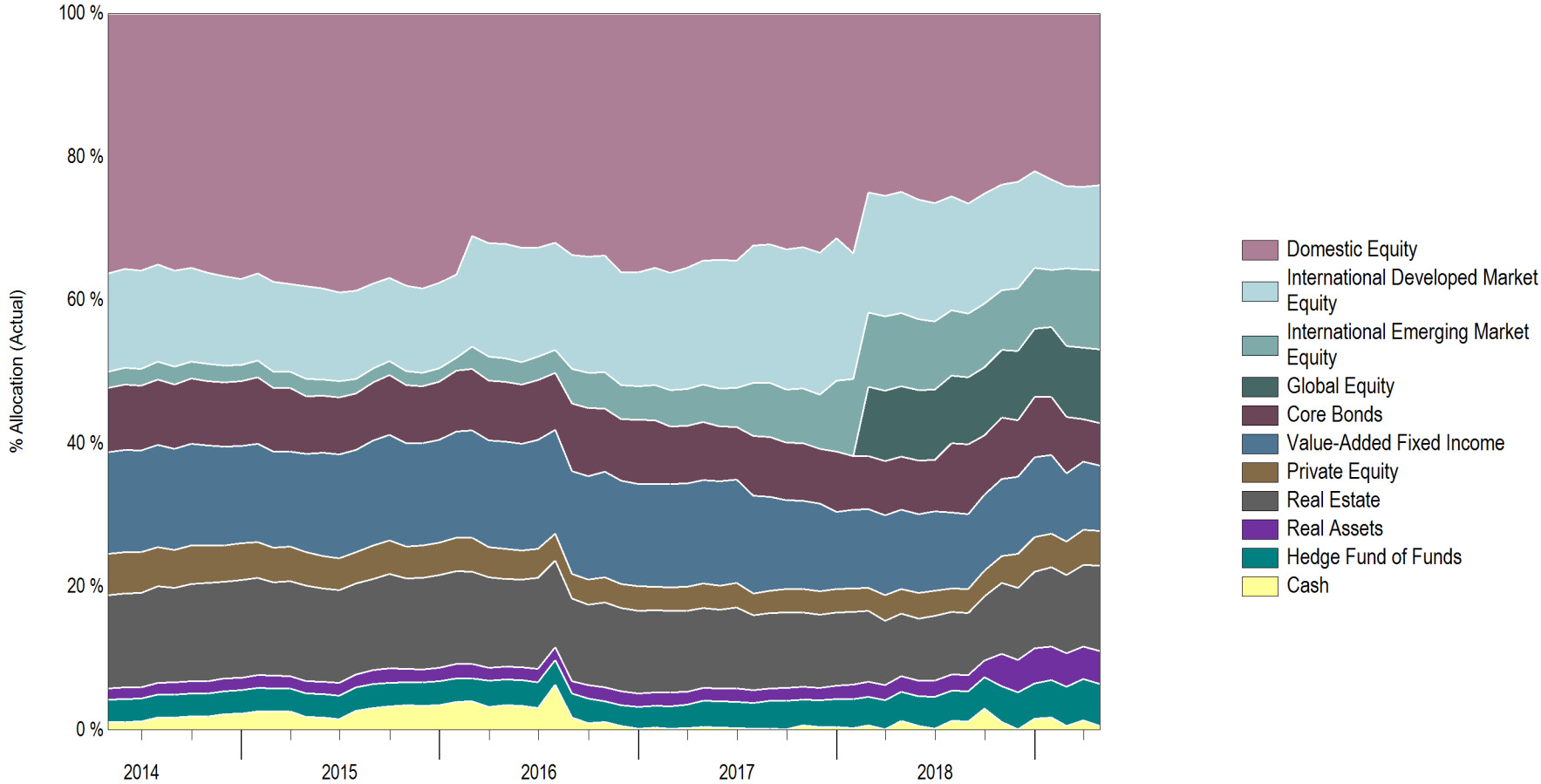
	Current Balance	Current Allocation	Policy	Policy Range	Within IPS Range?
Domestic Equity	\$235,960,763	24%	26%	21% - 36%	Yes
International Developed Market Equity	\$116,851,353	12%	6%	1% - 16%	Yes
International Emerging Market Equity	\$109,121,421	11%	10%	5% - 20%	Yes
Global Equity	\$100,872,568	10%	10%	5% - 20%	Yes
Core Bonds	\$58,842,181	6%	9%	4% - 14%	Yes
Value-Added Fixed Income	\$89,377,006	9%	6%	2% - 12%	Yes
Private Equity	\$48,074,577	5%	13%	4% - 18%	Yes
Real Estate	\$117,397,268	12%	10%	5% - 15%	Yes
Real Assets	\$45,604,101	5%	6%	2% - 10%	Yes
Hedge Fund of Funds	\$57,438,283	6%	4%	2% - 6%	Yes
Cash	\$5,552,585	1%	0%	0% - 3%	Yes
Total	\$985,092,119	100%	100%		

	Current Balance	Current Allocation	Policy	Policy Range	Within IPS Range?
Total Equity	\$668,318,965	68%	69%	60% - 80%	Yes
Total Fixed Income	\$148,219,187	15%	15%	5% - 25%	Yes
Total Real Assets and Real Estate	\$163,001,369	17%	16%	13% - 19%	Yes
Cash	\$5,552,585	1%	0%	0% - 3%	Yes

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



Asset Allocation History
5 Years Ending April 30, 2019



Investment Expense Analysis

As of April 30, 2019

Annual Investment Expense Analysis

As Of April 30, 2019

Name	Fee Schedule	Market Value	Estimated Fee Value	Estimated Fee
Domestic Equity Assets		\$235,960,776		
Rhumblin Russell 1000 Value	0.05% of First 25.0 Mil, 0.04% of Next 25.0 Mil, 0.03% Thereafter	\$35,545,678	\$16,718	0.05%
Rhumblin Russell 1000 Growth	0.05% of First 25.0 Mil, 0.04% of Next 25.0 Mil, 0.03% Thereafter	\$37,590,608	\$17,536	0.05%
Fisher Midcap Value	0.80% of First 25.0 Mil, 0.75% of Next 25.0 Mil, 0.67% Thereafter	\$43,958,898	\$342,192	0.78%
Boston Company Small Cap Growth	0.45% of Assets	\$51,181,078	\$230,315	0.45%
LMCG Small Cap Value	0.90% of Assets	\$67,662,067	\$608,959	0.90%
International Developed Market Equity Assets		\$116,851,353		
KBI Master Account	0.65% of Assets	\$50,987,030	\$331,416	0.65%
HGK TS International Equity	1.00% of Assets	\$30,722,901	\$307,229	1.00%
Copper Rock International Small Cap	0.85% of Assets	\$35,141,422	\$298,702	0.85%
International Emerging Market Equity Assets		\$109,121,421		
LMCG Emerging Markets	0.75% of Assets	\$49,902,051	\$374,265	0.75%
ABS Emerging Markets	0.35% Management Fee and 10% Performance/Incentive Fee.	\$22,620,659		
Copper Rock Emerging Markets Small Cap	0.85% of Assets	\$10,727,112	\$91,180	0.85%
Driehaus Emerging Markets Growth	0.55% of Assets	\$25,871,599	\$142,294	0.55%
Global Equity Assets		\$100,872,568		
First Eagle Global Value Fund	0.75% of Assets	\$19,738,226	\$148,037	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	\$18,171,774	\$145,374	0.80%
Lee Munder Global Multi-Cap Strategy	0.45% of Assets	\$29,463,045	\$132,584	0.45%
Wellington Durable Enterprises, L.P.	0.60% of Assets	\$33,499,523	\$200,997	0.60%
Core Fixed Income		\$58,842,181		
IR&M Core Bonds	0.25% of First 50.0 Mil, 0.20% of Next 50.0 Mil, 0.15% Thereafter	\$58,842,181	\$142,684	0.24%
Value Added Fixed Income		\$89,377,006		
Eaton Vance High Yield	0.50% of Assets	\$21,283,584	\$106,418	0.50%
THL Bank Loan Select Fund	0.40% of Assets	\$36,387,198	\$145,549	0.40%
Franklin Templeton Emerging Market Bonds	0.99% of Assets	\$31,706,224	\$313,892	0.99%

Total Retirement Association

As of April 30, 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
Total Plymouth County - PE	142,170,698	102,606,268	81,777,587	47,707,830

Total Retirement Association

As of April 30, 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
Total Plymouth County - RA	59,338,966	50,104,389	3,064,368	45,250,860

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
Total Plymouth County - RE	169,995,000	135,464,667	77,922,861	112,317,528

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



Private Equity Finalist Overview

Background

- At the May meeting, Meketa Investment Group reviewed proposals from private equity managers for consideration within the Retirement Association's private equity allocation.
 - Meketa recommends the Retirement Association commit an average of \$36 million per year to private equity, targeting approximately three new commitments each year.
- The Board selected the following four firms as finalists: DW Management Services, Charlesbank Capital Partners, Freeman Spogli Management Co., and Searchlight Capital Partners.
- The finalists are reviewed on the following pages.

DW Healthcare Partners V Overview

DW Management Services, LLC	
Firm Location (Headquarters)	Toronto and Park City, UT
Firm Inception	2003
Strategy Inception	2004
Firm AUM (As of 9/30/2018)	\$809.0 million
Strategy AUM	\$809.0 million
Ownership Structure	Employee owned

- DW Management Services (“DW”) was established by Andrew Carragher and Jay Benear in 2003 and is located in Toronto and Park City, UT. DW provides investment supervisory services to private equity investment vehicles established to make investments primarily in specialty medical device manufacturers, product manufacturers, distributors, and services businesses with the North American healthcare industry.
- The five principal members of DW Healthcare Partners (“DWHP”) collectively have more than 120 years of healthcare experience in acquiring, advising, operating, financing and selling healthcare companies.
- Since its inception, the Firm has raised \$809 million in capital commitments across its four private investment funds. As of December 31, 2018 the Firm has made 31 platform investments and an additional 49 add-on acquisitions for these platforms. Of these 31 platform investments, the Firm has exited 22 investments.

DW Healthcare Partners V

Investment Team

- The DW Healthcare Partners team currently consists of five Associates/Senior Associates and two Principals/VPs, led by five Principals. Four of the five Principals have worked together for 14 years, having joined between 2003 and 2006. The Firm also has a five-person deal sourcing team.
- DW has experienced some employee turnover with two senior professionals leaving the firm in the past five years. The Firm had a Managing Principal pass away recently, which is the first significant loss to the team since inception.

DW Healthcare Partners V Investment Terms

DW Healthcare Partners V	
Partnership Name	DW Healthcare Partners V
Partnership Type	Limited Partnership
Investment Strategy/Focus	Middle Market Healthcare Buyout
Geographic Focus	North America
Vintage Year	2019
Fund Size	\$475.0 million target
Anticipated Final Closing	June 2019
Total Term	Ten years.
Fees / Expenses:	
Management Fee	2.0% on committed capital during the commitment period; thereafter, 2.0% of invested capital
Preferred Return	8%
Carried Interest / Performance Fee	20% carried interest with 100% GP Catch-Up

DW Healthcare Partners V

Investment Strategy

- DW Healthcare Partners will source proprietary deals and invest in high growth, founder owned companies as the first institutional investor. DWHP seeks to hold control or near control positions, utilize moderate debt levels, and work closely with management teams to aggressively grow companies. DW Healthcare Partners V will target control investments in founder-owned product & device manufacturers, healthcare services, and consumer services companies.
- The Fund will target approximately 10 North American companies with an average investment size between \$40 million and \$45 million.
- DW looks to add value through direct sales force expansions, international expansions, R&D/new product development, customer/channel diversification, expanding services, upgrading management teams, and DTC marketing implementation.

¹ Benchmark Source: Cambridge Associates All Buyout, U.S. Private Equity Benchmark as of December 31, 2018.



DW Healthcare Partners V

Status Update

- DW Healthcare Partners V is anticipating a first close of \$250 million to \$300 million on May 1st, 2019, with a second and final close in the third quarter of 2019.

Charlesbank Technology Opportunities Fund Overview

Charlesbank Capital Partners	
Firm Location (Headquarters)	Boston, MA
Firm Inception	1998
Strategy Inception	2019
Firm AUM (As of 9/30/2018)	\$5.0B
Strategy AUM	\$600.0M (target)
Ownership Structure	Current and former Employee Owned

- Charlesbank Capital Partners (“Charlesbank”) was established by the principals of Harvard Private Credit Group, Inc., the former private equity investment unit of Harvard University’s endowment manager. Today the firm is owned by its current and former Managing Directors. Based in Boston and New York, Charlesbank is a middle-market private equity investment firm managing more than \$5.0 billion of capital. The investment activity of the Technology Fund will be led by Hiren V. Mankodi and Darren C. Battistoni, along with Mayur M.Desai, supported by a dedicated investment team. The Technology Fund will benefit from the combined investment and industry experience of the 23 senior investment professionals at Charlesbank as well as focused Investment Committee engagement from J. Ryan Carroll, Michael W. Choe, and Andre S. Janower, three of the Firm’s Managing Directors with over 60 years of combined investing experience.

Charlesbank Technology Opportunities Fund

Investment Team

- The Charlesbank Technology Opportunities team currently consists of 5+ investment professionals and is led by two Managing Directors: Hiren V. Mankodi and Darren C. Battistoni. Hiren and Darren previously co-founded a \$1.0 billion technology focused fund at Pamplona TMT. Darren began his private equity career at Welsh, Carson, Anderson & Stowe in 2004, where he focused on technology investments until moving to Pamplona in 2016. Hiren spent 12 years with Audax Private Equity, most recently as Managing Director, before moving to Pamplona.
- Charlesbank has experienced moderate employee turnover with five mid/senior professionals leaving the firm in the past five years, mostly attributable to planned management succession.

Charlesbank Technology Opportunities Fund Investment Terms

Charlesbank Technology Opportunities Fund	
Partnership Name	Charlesbank Technology Opportunities Fund
Partnership Type	Limited Partnership
Investment Strategy/Focus	Middle Market Technology Buyout
Geographic Focus	North America
Vintage Year	2019
Fund Size	\$600.0 million target
Anticipated Final Closing	June 2019
Total Term	Ten years, subject to two one-year extension at the discretion of the General Partner and two further one-year extensions with consent of the Advisory Board
Fees / Expenses:	
Management Fee	2.0% on committed capital during the commitment period; thereafter, 2.0% of invested capital
Preferred Return	8%
Carried Interest / Performance Fee	20% carried interest with 100% GP Catch-Up

Charlesbank Technology Opportunities Fund

Investment Strategy

- Charlesbank Technology Opportunities Fund will focus on U.S. technology investments in lower middle market companies, generally concentrating on businesses with EV between \$50 million and \$300 million.
- Within technology, the Fund will invest in growing businesses with well-established products and business models, strong and defensible competitive positions and predictable financial profiles. The Fund will focus on building companies through active, control-oriented strategies.
- The Fund will target approximately 10-14 equity investments with an average investment size between \$20 million and \$100 million.

Charlesbank Technology Opportunities Fund¹
Historical Track Record
(As of September 30, 2018)

	Year of First Investment	Number of Investments	Invested Capital (\$ mm)	Realized Value (\$ mm)	Unrealized Value (\$ mm)	Total Value (\$ mm)	Gross IRR (%)	Net IRR (%)	Peer Median ² (%)	Quartile Ranking ²
Fund IV	1998	NA	280.0	715.0	0.0	715.0	28.0	21.6	8.3	1st
Fund V	2000	NA	545.0	1,624.0	0.0	1,624.0	33.4	20.5	14.3	2 nd
Fund VI	2005	NA	849.0	1,688.0	165.0	1,853.0	17.5	9.9	8.2	2 nd
Fund VII	2010	NA	1,494.0	2,845.0	1,049.0	3,894.0	35.3	23.9	16.0	1 st
Fund VIII	2014	NA	1,520.0	627.0	2,006.0	2,633.0	28.9	19.9	19.4	2 nd
Fund IX	2018	NA	685.0	0.0	735.0	735.0	NA	NA	NA	NA
Total			5,373	7,499	3,955	11,454				

¹ Track Record represents investment performance of Charlesbank's managed private equity funds from the firm's July 1998 inception through September 2018. Performance includes all sectors and is not technology exclusive.

² Benchmark Source: Cambridge Associates All Buyout, U.S. Private Equity Benchmark as of December 31, 2018.



Charlesbank Technology Opportunities Fund

Status Update

- Charlesbank Technology Opportunities Fund first close is expected in late June or early July and a final close is expected in the late third or early fourth quarter of 2019.

FS Equity Partners VIII Overview

Freeman Spogli Management Co., L.P.	
Firm Location (Headquarters)	Los Angeles and New York
Firm Inception	1983
Strategy Inception	1986
Firm AUM (As of 12/31/2018)	\$4.0B
Strategy AUM	\$1.9B
Ownership Structure	Employee owned

- Freeman Spogli Management Co. was founded in 1983 by Brad Freeman and Ron Spogli, both of whom still serve as co-chairmen of the firm, although in less active roles. Freeman Spogli & Co. (“FS”) is a privately owned investment firm dedicated to investing with management in middle-market companies in the consumer and distribution sectors. Since inception, FS has invested over \$4.0 billion of equity in 58 portfolio companies. The first four funds are fully realized. The most recent fund, Fund VII, was raised in 2014 with \$1.3 billion of commitments and has invested/reserved more than 75% of its capital.
- The Firm employs 21 investment professionals, including 10 partners who have an average tenure of 24 years at FS.
- The Firm has invested across seven institutional funds since 1986. As of December 31, 2018, the Firm manages four active funds totaling \$4.0 billion in aggregate commitments.

FS Equity Partners VIII

Investment Team

- The Firm has two offices in Los Angeles and New York and employs 21 investment professionals (12 in LA and 9 in NY). Including the Founding Partners, the ten Partners (six in LA and four in NY) average 25 years with the Firm. The junior team (Vice President-level and below) have all been with the Firm for only 1-2 years.
- The firm has not had any senior level investment professional turnover in the past 9 years.
- The CCO, William Wardlaw, will be retiring "midway through Fund VIII" and he is in the process of finding his own replacement. No other foreseen changes to the team have been identified.

FS Equity Partners VIII Investment Terms

FS Equity Partners VIII	
Partnership Name	FS Equity Partners VIII
Partnership Type	NA
Investment Strategy/Focus	Middle Market Consumer and Distribution sector Buyout
Geographic Focus	North America
Vintage Year	2019
Fund Size	\$1.5 billion target ¹
Anticipated Final Closing	May/June 2019
Total Term	Ten years.
Fees / Expenses:	
Management Fee	1.75% on committed capital during the commitment period; thereafter, 1.0% of invested capital
Preferred Return	8%
Carried Interest / Performance Fee	20% carried interest with 100% GP Catch-Up

¹FS Equity Partners VIII has closed on approximately \$1.3 billion of its \$1.5 billion target, hard cap of \$1.75 billion.

FS Equity Partners VIII

Investment Strategy

- The Fund will continue FS Capital Partners' investment strategy executed in the seven prior funds.
- The Firm invests in companies that have established defensible market positions in brands, products, channels or geographic niches. A typical investment has untapped earnings potential that are realized through complementary acquisitions, geographic/channel expansion, brand/product extensions, capital investment and new operating strategies.
- The Fund will continue its focus on investing on middle-market companies in the consumer and distribution sectors. Within these sectors, the team has identified core subsectors in which the Firm has invested approximately 85% of capital since inception. Subsectors within consumer include: consumer products and services, restaurants, e-commerce, retailing, and retailing services. Subsectors within distribution include wholesaling, business-to-business, and specialty. The Fund intends on limiting exposure to cyclical investments by investing in products/services that offer lower price points and focusing on the middle-to-lower income consumers.
- The Fund will target investments between approximately \$50 million and \$150 million in 11-13 companies with EVs between \$100 million and \$750 million.

FS Equity Partners VIII
Historical Track Record
(As of December 31, 2018)

	Year of First Investment	Number of Investments ¹	Invested Capital (\$ mm)	Realized Value (\$ mm)	Unrealized Value (\$ mm)	Total Value (\$ mm)	Gross IRR (%)	Net IRR (%)	Peer Median ² (%)	Quartile Ranking ²
Fund I	1986	5	75.7	140.4	0.0	140.0	33.1	18.7	NA	NA
Fund II	1988	9	425.0	823.0	0.0	823.0	17.2	9.8	10.8	3rd
Fund III	1993	10	535.9	1,450.0	0.0	1,450.0	21.6	16.3	NA	NA
Fund IV	1998	14	854.8	1,722.5	2.1	1,724.6	17.0	12.9	8.3	2nd
Fund V	2003	8	713.7	1,848.1	89.7	1,937.8	21.6	15.5	14.8	2nd
Fund VI	2009	8	668.9	1,761.0	592.2	2,353.2	29.0	23.2	22.0	2nd
Fund VII	2014	9	920.4	0.0	1,208.7	1,208.7	13.0	8.1	19.4	4th
Total		63	4,194.4	7,745.0	1,892.7	9,637.3				

¹ Number of Investments as of 6/30/2018.

² Benchmark Source: Cambridge Associates All Buyout, U.S. Private Equity Benchmark as of December 31, 2018.



FS Equity Partners VIII

Status Update

- FS Equity Partners VIII is anticipating a final close in the third quarter of 2019.

Searchlight Capital III Overview

Searchlight Capital Partners	
Firm Location (Headquarters)	New York, NY
Firm Inception	2010
Strategy Inception	2012
Firm AUM (As of 12/31/2018)	\$4.3B
Strategy AUM	\$2.1B
Ownership Structure	Employee owned

- Searchlight was founded in 2010 by Oliver Haarmann, Erol Uzumeri and Eric Zinterhofer. Searchlight has three offices located in New York, London and Toronto. Searchlight's ten Partners have an average of approximately 20 years of private equity and distressed investing experience.
- In addition to Fund III, which represents a continuation of the firm's flagship strategy, Searchlight also has a separate SOF platform (Searchlight Opportunities Fund, L.P.) that will pursue a non-control, multi-strategy approach by investing in debt, debt-like, and passive structured equity investments. SOF has a separate dedicated investment team.
- Searchlight has approximately \$4.3 billion AUM as of 2018.

Searchlight Capital III

Investment Team

- The Searchlight team consists of thirty-one investment professionals, located across offices in New York, London and Toronto. Searchlight's investment professional's work as one team across sectors, deal types and geographies to identify, execute and manage investment opportunities.
- Searchlight's ten Partners have an average of approximately 20 years of private equity and distressed investing experience.
- No senior (partner or managing director-level) professionals have left the firm since inception.

Searchlight Capital III Investment Terms

Searchlight Capital III	
Partnership Name	Searchlight Capital III
Partnership Type	NA
Investment Strategy/Focus	Special Situations Private Equity
Geographic Focus	North America and Europe
Vintage Year	2019
Fund Size	\$2.75 billion target
Anticipated Final Closing	Q3 2019
Total Term	Ten years.
Fees / Expenses:	
Management Fee	2.0% of commitments during the Commitment Period; thereafter, 1.5% of invested capital.
Preferred Return	8%
Carried Interest / Performance Fee	20% carried interest

Searchlight Capital III

Investment Strategy

- Searchlight Capital III will seek to achieve attractive risk-adjusted returns by investing in equity and other structured investments with equity-like governance and return profiles, and distressed debt securities with equity-like returns that will often convert into a controlling equity investment through a restructuring.
- The Fund will pursue complex transactions including distressed debt purchases, post-reorganization equity purchases, bankruptcy reorganizations followed by debt-for-equity swaps, minority private equity investments, leveraged buyouts, corporate partnerships, public equity purchases, and subordinated debt investments with equity optionality.
- This investment strategy will be deployed in North America and Europe, consistent with the prior Funds.
- Average size of an equity investment made by Fund III will be between \$100 million and \$200 million.

Searchlight Capital III
Historical Track Record
(As of March 31, 2019)

	Year of First Investment	Number of Investments	Invested Capital (\$ mm)	Realized Value (\$ mm)	Unrealized Value (\$ mm)	Total Value (\$ mm)	Gross IRR (%)	Net IRR (%)	Peer Median ¹ (%)	Quartile Ranking ¹
Fund I	2012	10	709.0	713.8	562.8	1,276.6	16.0	8.3	18.3	4 th
Fund II	2015	9	1,137.8	332.0	1,512.8	1,844.8	34.3	20.5	13.4	2 nd
Total		19	1,846.8	1,045.8	2,075.6	3,121.4				

¹ Benchmark Source: Cambridge Associates All Buyout, U.S. Private Equity Benchmark as of December 31, 2018.

Searchlight Capital III

Status Update

- Searchlight Capital III is anticipating a final close in the third quarter of 2019.

Relative Strengths and Potential Weakness

	Relative Strengths	Potential Weaknesses
DW Management Services	<ul style="list-style-type: none"> • Stable and experienced team, 15 year investment history. • Healthcare specialist with operational value-add focus. • Dedicated sourcing team. • The track record is relatively strong with Funds I, III-IV generating impressive returns. 	<ul style="list-style-type: none"> • Significant increase in fund size. • Recent loss of one managing principal from the team. • Fund II (2008 vintage) underperformed.
Charlesbank Capital Partners, LLC	<ul style="list-style-type: none"> • First-time fund risk is lessened given that the Managing Directors have been executing their stated strategy at Pamplona TMT (\$1.0 billion fund size) since 2016, deploying approximately \$800 million, with no losses to date. • Charlesbank is a well-established private equity firm. • Hiren Mankodi has full attribution on all of his prior deals. • Large GP commit (8.3%). 	<ul style="list-style-type: none"> • The strategy is new for Charlesbank on a standalone basis and is unproven across market cycles. • No attribution for Darren Battistoni from WCAS, however, full references are available. • The prior track record attributable to the dedicated team may be of somewhat limited relevance to the strategy on a going forward basis.
Freeman Spogli Management Co.	<ul style="list-style-type: none"> • Well-established firm that has been making consumer and distribution investments since inception. • Strong continuity from the senior team of Partners who average 25 years with Freeman Spogli. • Prior funds have generated attractive absolute net returns over various cycles. • Large GP commitment of \$100 million. 	<ul style="list-style-type: none"> • Although absolute returns are somewhat attractive, prior funds have typically ranked in the second quartile versus the benchmark. • Performance in prior funds has been somewhat volatile on an individual portfolio company basis. • The junior team behind the Partners average only 1-2 years with the Firm.
Searchlight Capital Partners	<ul style="list-style-type: none"> • The firm has a seemingly deep team and has enjoyed good stability of senior professionals since inception. • Established firm pursuing risk-adjusted returns by investing in equity and debt securities with equity-like returns. • Searchlight targets an appealing value-focused strategy, and appears capable of sourcing proprietary deals at low valuations. • Searchlight intends to stick to a largely consistent strategy with its prior Fund, making a few more investments than Fund II instead of moving significantly up market. 	<ul style="list-style-type: none"> • Fund I has underperformed on an absolute and relative basis. • Searchlight's relatively rapid growth (in professionals, AUM, strategies), although the senior professionals have prior experience operating within larger platforms.

Disclaimer, Glossary, and Notes

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PERFORMANCE DATA CONTAINED HEREIN REPRESENT PAST PERFORMANCE. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

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.