

# FUND EVALUATION REPORT

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## **Plymouth County Retirement Association**

Investment Review  
August 29, 2018



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M E K E T A    I N V E S T M E N T    G R O U P

BOSTON  
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- 2. Current Issues**
  - EnTrustPermal Special Opportunities Update
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## Interim Update

As of July 31, 2018

## 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
<b>Total Retirement Association</b>	<b>1,042,141,894</b>	<b>100.0</b>	<b>1.2</b>	<b>1.9</b>	<b>7.9</b>	<b>7.0</b>	<b>7.4</b>	<b>6.1</b>	<b>7.3</b>	<b>8.0</b>	<b>Nov-89</b>
<i>Custom Benchmark - Policy Benchmark</i>			1.6	3.1	9.9	8.3	8.4	7.5	--	--	Nov-89
<b>Domestic Equity Assets</b>	<b>264,978,222</b>	<b>25.4</b>	<b>2.0</b>	<b>8.7</b>	<b>17.8</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>17.1</b>	<b>Jan-16</b>
<i>Russell 3000</i>			3.3	6.6	16.4	12.2	12.8	10.7	9.7	15.7	Jan-16
<b>International Developed Market Equity Assets</b>	<b>164,786,287</b>	<b>15.8</b>	<b>1.8</b>	<b>-1.5</b>	<b>5.6</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>10.0</b>	<b>Jan-16</b>
<i>MSCI EAFE</i>			2.5	-0.4	6.4	5.0	5.9	3.4	7.3	9.3	Jan-16
<b>International Emerging Market Equity Assets</b>	<b>94,647,472</b>	<b>9.1</b>	<b>0.9</b>	<b>-5.3</b>	<b>3.4</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>13.8</b>	<b>Jan-16</b>
<i>MSCI Emerging Markets</i>			2.2	-4.6	4.4	8.9	5.3	2.9	10.4	15.7	Jan-16
<b>Global Equity Assets</b>	<b>98,221,016</b>	<b>9.4</b>	<b>2.0</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-3.0</b>	<b>Feb-18</b>
<i>MSCI ACWI</i>			3.0	2.6	11.0	8.9	9.0	6.4	8.2	-2.9	Feb-18
<b>Domestic Fixed Income</b>	<b>100,597,918</b>	<b>9.7</b>	<b>-0.1</b>	<b>-1.3</b>	<b>-0.4</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>2.3</b>	<b>Jan-16</b>
<i>75% Bbg Barclays Aggregate/25% Bbg Barclays US TIPs 1-10 year</i>			-0.1	-1.2	-0.5	1.5	1.9	--	--	1.9	Jan-16
<b>Value Added Fixed Income</b>	<b>73,047,846</b>	<b>7.0</b>	<b>0.9</b>	<b>1.7</b>	<b>2.6</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>7.2</b>	<b>Jan-16</b>
<i>50% BBgBarc US High Yield/ 50% Credit Suisse Leveraged Loans</i>			1.0	2.2	3.7	5.4	4.8	6.9	6.4	8.3	Jan-16
<b>International Fixed Income</b>	<b>36,787,823</b>	<b>3.5</b>	<b>2.3</b>	<b>-0.2</b>	<b>2.6</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>6.8</b>	<b>Jan-16</b>
<i>Custom Benchmark - Global Fixed Income</i>			2.6	-2.8	-0.5	4.5	3.5	--	--	5.5	Jan-16
<b>Hedge Fund</b>	<b>43,603,507</b>	<b>4.2</b>	<b>0.2</b>	<b>0.4</b>	<b>3.5</b>	<b>3.6</b>	<b>5.1</b>	<b>--</b>	<b>--</b>	<b>4.9</b>	<b>Feb-10</b>
<i>HFRI Fund of Funds Composite Index</i>			0.2	0.9	4.3	1.9	3.3	1.7	3.4	3.0	Feb-10
<b>Real Estate</b>	<b>90,462,853</b>	<b>8.7</b>	<b>0.1</b>	<b>2.4</b>	<b>4.4</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>4.4</b>	<b>Jan-16</b>
<i>NCREIF ODCE</i>			0.0	4.3	8.4	9.4	11.0	5.3	8.3	8.0	Jan-16
<b>Private Equity</b>	<b>38,202,787</b>	<b>3.7</b>	<b>0.0</b>	<b>11.2</b>	<b>22.6</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>8.3</b>	<b>Jan-16</b>
<i>Cambridge Associates Fund of Funds Composite 1-Quarter Lag</i>			0.0	7.8	16.2	10.4	12.0	8.0	11.7	9.8	Jan-16
<b>Real Assets</b>	<b>23,662,010</b>	<b>2.3</b>	<b>0.0</b>	<b>-0.6</b>	<b>0.1</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-3.1</b>	<b>Jan-16</b>
<i>CPI+3%</i>			0.4	3.1	5.9	4.8	4.5	4.4	5.1	5.2	Jan-16
<b>Cash and Cash Equivalent</b>	<b>13,144,151</b>	<b>1.3</b>									

As of July 31, 2018

## Trailing Net Performance

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total Retirement Association</b>	<b>1,042,141,894</b>	<b>100.0</b>	<b>--</b>	<b>1.2</b>	<b>1.9</b>	<b>7.9</b>	<b>7.0</b>	<b>7.4</b>	<b>6.1</b>	<b>8.0</b>	<b>Nov-89</b>
<i>Custom Benchmark - Policy Benchmark</i>				1.6	3.1	9.9	8.3	8.4	7.5	--	Nov-89
<b>Domestic Equity Assets</b>	<b>264,978,222</b>	<b>25.4</b>	<b>25.4</b>	<b>2.0</b>	<b>8.7</b>	<b>17.8</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>17.1</b>	<b>Jan-16</b>
<i>Russell 3000</i>				3.3	6.6	16.4	12.2	12.8	10.7	15.7	Jan-16
Rhumblin Russell 1000 Value	34,167,725	3.3	12.9	4.0	2.2	9.4	9.3	9.9	--	10.8	Apr-13
<i>Russell 1000 Value</i>				4.0	2.2	9.5	9.5	10.0	9.0	11.0	Apr-13
Rhumblin Russell 1000 Growth	58,375,551	5.6	22.0	2.9	10.4	22.7	14.7	15.7	--	16.2	Jul-09
<i>Russell 1000 Growth</i>				2.9	10.4	22.8	14.8	15.8	12.4	16.3	Jul-09
Fisher Midcap Value	45,898,419	4.4	17.3	3.0	4.0	13.0	11.7	11.0	9.8	8.1	Apr-07
<i>Russell MidCap Value</i>				2.7	2.6	9.1	9.8	10.7	10.5	7.4	Apr-07
Boston Company Small Cap Growth	50,366,386	4.8	19.0	-0.9	15.7	26.8	12.7	14.3	--	15.8	Aug-09
<i>Russell 2000 Growth</i>				1.7	11.6	22.9	11.1	12.4	11.2	15.5	Aug-09
LMCG Small Cap Value	76,157,296	7.3	28.7	1.8	4.8	10.8	11.3	10.1	--	9.9	Mar-11
<i>Russell 2000 Value</i>				1.8	7.3	14.4	12.9	10.2	9.5	10.4	Mar-11
<b>International Developed Market Equity Assets</b>	<b>164,786,287</b>	<b>15.8</b>	<b>15.8</b>	<b>1.8</b>	<b>-1.5</b>	<b>5.6</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>10.0</b>	<b>Jan-16</b>
<i>MSCI EAFE</i>				2.5	-0.4	6.4	5.0	5.9	3.4	9.3	Jan-16
KBI Master Account	77,783,765	7.5	47.2	2.8	-1.9	3.5	3.5	4.7	2.7	4.2	Jul-05
<i>MSCI EAFE</i>				2.5	-0.4	6.4	5.0	5.9	3.4	5.0	Jul-05
HGK TS International Equity	48,778,662	4.7	29.6	2.2	1.0	7.7	8.0	8.0	--	7.5	Feb-11
<i>MSCI EAFE</i>				2.5	-0.4	6.4	5.0	5.9	3.4	4.8	Feb-11
Copper Rock International Small Cap	38,223,860	3.7	23.2	-0.5	-3.7	--	--	--	--	-2.1	Nov-17
<i>MSCI EAFE Small Cap</i>				0.7	-0.7	9.2	10.0	10.2	7.4	2.0	Nov-17

## Total Retirement Association

As of July 31, 2018

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>International Emerging Market Equity Assets</b>	<b>94,647,472</b>	<b>9.1</b>	<b>9.1</b>	<b>0.9</b>	<b>-5.3</b>	<b>3.4</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>13.8</b>	<b>Jan-16</b>
<i>MSCI Emerging Markets</i>				2.2	-4.6	4.4	8.9	5.3	2.9	15.7	Jan-16
LMCG Emerging Markets	94,647,472	9.1	100.0	0.9	-5.3	3.4	7.9	--	--	2.9	Sep-13
<i>MSCI Emerging Markets</i>				2.2	-4.6	4.4	8.9	5.3	2.9	4.4	Sep-13
<b>Global Equity Assets</b>	<b>98,221,016</b>	<b>9.4</b>	<b>9.4</b>	<b>2.0</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-3.0</b>	<b>Feb-18</b>
<i>MSCI ACWI</i>				3.0	2.6	11.0	8.9	9.0	6.4	-2.9	Feb-18
First Eagle Global Value Fund	19,334,396	1.9	19.7	1.4	--	--	--	--	--	-3.3	Feb-18
<i>MSCI ACWI</i>				3.0	2.6	11.0	8.9	9.0	6.4	-2.9	Feb-18
Kopernik Global All Cap Fund	18,313,811	1.8	18.6	-2.4	--	--	--	--	--	-8.4	Feb-18
<i>MSCI ACWI</i>				3.0	2.6	11.0	8.9	9.0	6.4	-2.9	Feb-18
Lee Munder Global Multi-Cap Strategy	29,090,255	2.8	29.6	3.0	--	--	--	--	--	2.1	Mar-18
<i>MSCI ACWI</i>				3.0	2.6	11.0	8.9	9.0	6.4	1.3	Mar-18
Wellington Durable Enterprises, L.P.	31,482,554	3.0	32.1	4.0	--	--	--	--	--	4.9	Mar-18
<i>MSCI ACWI</i>				3.0	2.6	11.0	8.9	9.0	6.4	1.3	Mar-18
<b>Domestic Fixed Income</b>	<b>100,597,918</b>	<b>9.7</b>	<b>9.7</b>	<b>-0.1</b>	<b>-1.3</b>	<b>-0.4</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>2.3</b>	<b>Jan-16</b>
<i>75% Bbg Barclays Aggregate/25% Bbg Barclays US TIPs 1-10 year</i>				-0.1	-1.2	-0.5	1.5	1.9	--	1.9	Jan-16
IR&M Core Bonds	100,597,918	9.7	100.0	-0.1	-1.3	-0.5	1.6	2.2	3.5	4.0	Nov-04
<i>75% Bbg Barclays Aggregate/25% Bbg Barclays US TIPs 1-10 year</i>				-0.1	-1.2	-0.5	1.5	1.9	--	--	Nov-04
<b>Value Added Fixed Income</b>	<b>73,047,846</b>	<b>7.0</b>	<b>7.0</b>	<b>0.9</b>	<b>1.7</b>	<b>2.6</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>7.2</b>	<b>Jan-16</b>
<i>50% BBgBarc US High Yield/ 50% Credit Suisse Leveraged Loans</i>				1.0	2.2	3.7	5.4	4.8	6.9	8.3	Jan-16
Eaton Vance High Yield	37,832,999	3.6	51.8	1.0	0.8	1.7	5.1	5.2	7.9	7.0	Apr-06
<i>ICE BofAML High Yield Master TR</i>				1.1	1.2	2.5	6.2	5.3	8.3	7.4	Apr-06
THL Bank Loan Select Fund	35,214,847	3.4	48.2	0.8	2.6	3.7	4.9	4.6	--	5.6	Sep-10
<i>Credit Suisse Leveraged Loans</i>				0.8	3.2	4.7	4.6	4.2	5.2	5.0	Sep-10



## Total Retirement Association

As of July 31, 2018

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>International Fixed Income</b>	<b>36,787,823</b>	<b>3.5</b>	<b>3.5</b>	<b>2.3</b>	<b>-0.2</b>	<b>2.6</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>6.8</b>	<b>Jan-16</b>
<i>Custom Benchmark - Global Fixed Income</i>				2.6	-2.8	-0.5	4.5	3.5	--	5.5	Jan-16
Franklin Templeton Emerging Market Bonds	36,787,823	3.5	100.0	2.3	-0.2	4.0	6.6	4.4	6.2	7.0	May-06
<i>JP Morgan EMBI Global Diversified</i>				2.6	-2.8	0.1	5.3	5.4	6.9	7.1	May-06
<b>Hedge Fund</b>	<b>43,603,507</b>	<b>4.2</b>	<b>4.2</b>	<b>0.2</b>	<b>0.4</b>	<b>3.5</b>	<b>3.6</b>	<b>5.1</b>	<b>--</b>	<b>4.9</b>	<b>Feb-10</b>
<i>HFRI Fund of Funds Composite Index</i>				0.2	0.9	4.3	1.9	3.3	1.7	3.0	Feb-10
ABS Offshore SPC - Global Segregated Portfolio	21,582,153	2.1	49.5	0.2	1.3	4.7	2.5	5.3	--	5.7	Aug-10
<i>HFRI Fund of Funds Composite Index</i>				0.2	0.9	4.3	1.9	3.3	1.7	3.2	Aug-10
Entrust Special Opportunities Fund III, Ltd.	22,021,354	2.1	50.5	0.2	-0.9	2.4	--	--	--	18.7	Oct-16
<i>HFRI Fund of Funds Composite Index</i>				0.2	0.9	4.3	1.9	3.3	1.7	5.2	Oct-16
<b>Real Estate</b>	<b>90,462,853</b>	<b>8.7</b>	<b>8.7</b>	<b>0.1</b>	<b>2.4</b>	<b>4.4</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>4.4</b>	<b>Jan-16</b>
NCREIF ODCE				0.0	4.3	8.4	9.4	11.0	5.3	8.0	Jan-16
<b>Core Real Estate</b>	<b>69,777,146</b>	<b>6.7</b>	<b>77.1</b>	<b>0.1</b>	<b>3.2</b>	<b>6.4</b>	<b>8.1</b>	<b>9.7</b>	<b>2.8</b>	<b>--</b>	
NCREIF ODCE (lagged one qtr., net)				0.0	3.9	7.1	9.0	10.4	4.2	--	
PRISA I	39,075,175	3.7	56.0	0.0	3.9	7.4	9.4	10.8	3.7	6.7	Sep-04
NCREIF ODCE (lagged one qtr., net)				0.0	3.9	7.1	9.0	10.4	4.2	7.1	Sep-04
Invesco REIT	16,362,354	1.6	23.4	0.3	1.3	4.3	6.4	8.2	7.6	11.2	Dec-02
Wilshire REIT				0.6	2.1	3.3	6.0	8.4	7.6	10.5	Dec-02
TA Realty Core Property Fund, L.P.	14,339,616	1.4	20.6	0.0	--	--	--	--	--	6.0	Mar-18
<b>Non-Core Real Estate</b>	<b>20,685,708</b>	<b>2.0</b>	<b>22.9</b>	<b>0.0</b>	<b>-0.1</b>	<b>-3.4</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-4.3</b>	<b>Jan-16</b>
Mesirov Financial International Real Estate Fund I	3,980,727	0.4	19.2								
DSF Multi-Family Real Estate Fund III	8,590,224	0.8	41.5								

Hedge Fund Managers: The market values and performance data are based on estimates.

Invesco REIT: Market value as of July 31, 2018.



## Total Retirement Association

As of July 31, 2018

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
AEW Partners Real Estate VIII	4,364,192	0.4	21.1								
DSF Capital Partners IV	2,110,813	0.2	10.2								
Hunt Redevelopment & Renovation	170,431	0.0	0.8								
1921 Realty, Inc	931,632	0.1	4.5								
New Boston Institutional Fund, LP VII	332,860	0.0	1.6								
Berkshire Multifamily Value Fund II	97,917	0.0	0.5								
Carlyle Realty Partners VIII	106,912	0.0	0.5								
<b>Private Equity</b>	<b>38,202,787</b>	<b>3.7</b>	<b>3.7</b>	<b>0.0</b>	<b>11.2</b>	<b>22.6</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>8.3</b>	<b>Jan-16</b>
<i>Cambridge Associates Fund of Funds Composite 1-Quarter Lag</i>				<i>0.0</i>	<i>7.8</i>	<i>16.2</i>	<i>10.4</i>	<i>12.0</i>	<i>8.0</i>	<i>9.8</i>	<i>Jan-16</i>
<b>Private Equity General</b>	<b>26,697,198</b>	<b>2.6</b>	<b>69.9</b>								
Euro Choice V Programme	5,516,552	0.5	20.7								
Lexington Capital Partners VII	3,301,554	0.3	12.4								
TRG Growth Partnership II	2,490,492	0.2	9.3								
Landmark Equity Partners XIV	1,530,165	0.1	5.7								
Summit Partners Growth Equity Fund IX	3,657,715	0.4	13.7								
Leeds Equity Partners V	1,794,955	0.2	6.7								
Audax Mezzaine Debt IV	2,027,192	0.2	7.6								
Siguler Guff Distressed Opportunities Fund III, LP	1,071,786	0.1	4.0								
Mesirow Financial Capital Partners IX, LP	314,144	0.0	1.2								
Leeds Equity Partners IV	1,006,398	0.1	3.8								
DN Partners II, LP	910,497	0.1	3.4								
Euro Choice II	170,561	0.0	0.6								



## Total Retirement Association

As of July 31, 2018

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
RIMCO Royalty Partners, LP	1	0.0	0.0								
Charles River Partnership XI	92,929	0.0	0.3								
LLR Equity Partners V, LP.	882,085	0.1	3.3								
Wellspring Capital Partners VI	430,173	0.0	1.6								
Trilantic Capital Partners, L.P.	1,500,000	0.1	5.6								
<b>Venture Capital</b>	<b>11,505,590</b>	<b>1.1</b>	<b>30.1</b>								
Ascent Ventures V	7,455,064	0.7	64.8								
Globespan Capital V	3,795,906	0.4	33.0								
Ascend Ventures II	72,247	0.0	0.6								
Ascent Ventures IV	182,373	0.0	1.6								
<b>Real Assets</b>	<b>23,662,010</b>	<b>2.3</b>	<b>2.3</b>	<b>0.0</b>	<b>-0.6</b>	<b>0.1</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>-3.1</b>	<b>Jan-16</b>
<i>CPI+3%</i>				<i>0.4</i>	<i>3.1</i>	<i>5.9</i>	<i>4.8</i>	<i>4.5</i>	<i>4.4</i>	<i>5.2</i>	<i>Jan-16</i>
JP Morgan Global Maritime Investment	6,609,213	0.6	27.9								
Timbervest Partners III, LP	5,354,568	0.5	22.6								
BTG Pactual Global Timberland Resources	3,612,220	0.3	15.3								
Global Infrastructure Partners III	6,783,673	0.7	28.7								
Basalt Infrastructure Partners II	1,302,336	0.1	5.5								
<b>Cash and Cash Equivalent</b>	<b>13,144,151</b>	<b>1.3</b>	<b>1.3</b>								
Cash	13,144,151	1.3	100.0								

Ascend II: Market value as of July 31, 2018.



As of July 31, 2018

## Allocation vs. Target

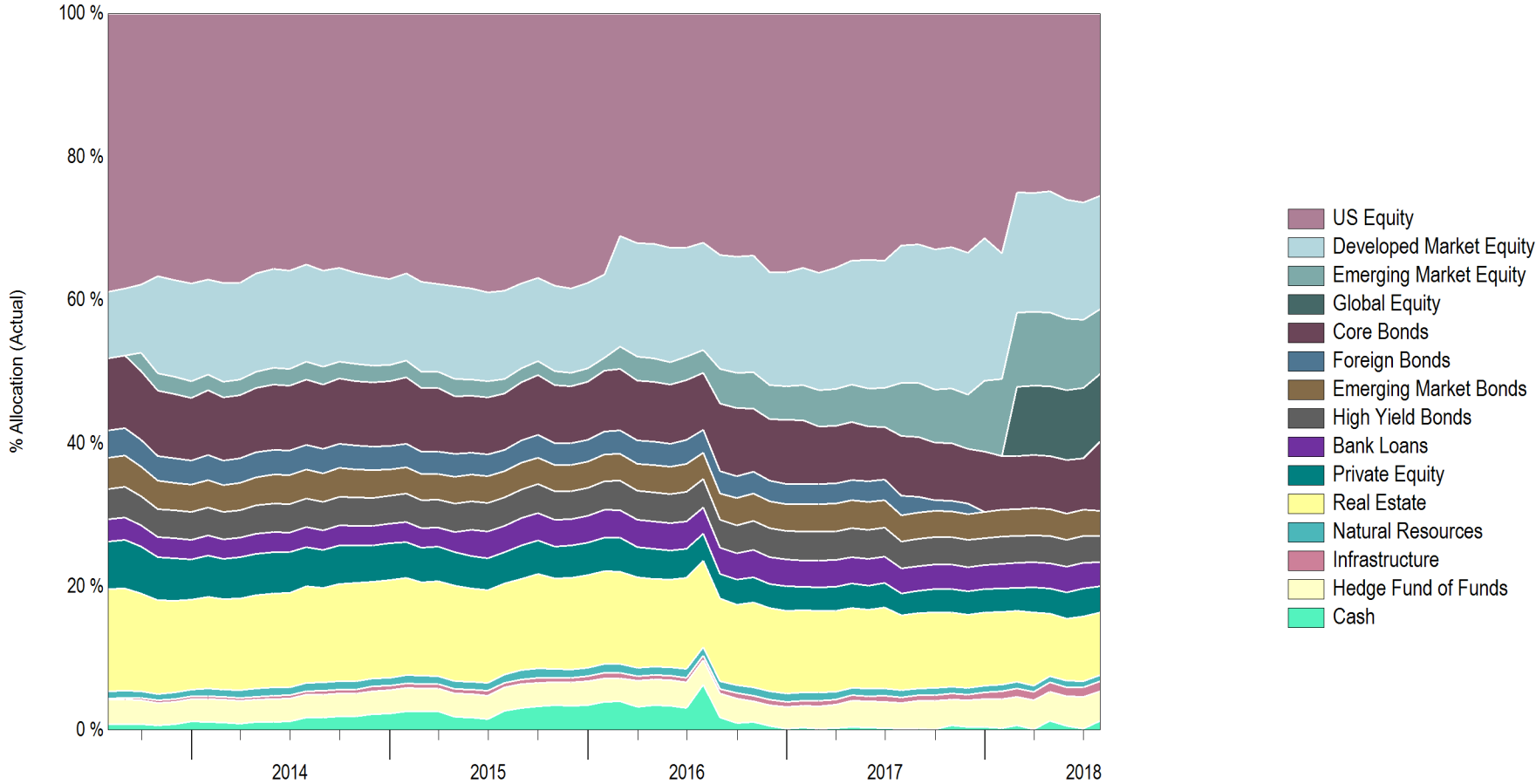
	Current Balance	Current Allocation	Policy	Policy Range	Within IPS Range?
US Equity	\$264,978,209	25%	26%	21% - 36%	Yes
Developed Market Equity	\$164,786,287	16%	6%	1% - 16%	Yes
Emerging Market Equity	\$94,647,472	9%	10%	5% - 20%	Yes
Global Equity	\$98,221,016	9%	10%	5% - 20%	Yes
Core Bonds	\$100,597,918	10%	9%	4% - 14%	Yes
Emerging Market Bonds	\$36,787,823	4%	2%	0% - 7%	Yes
High Yield Bonds	\$37,832,999	4%	2%	0% - 7%	Yes
Bank Loans	\$35,214,847	3%	2%	0% - 7%	Yes
Private Equity	\$38,202,787	4%	13%	8% - 18%	No
Real Estate	\$90,462,853	9%	10%	5% - 15%	Yes
Natural Resources	\$8,966,788	1%	2%	0% - 4%	Yes
Infrastructure	\$14,695,222	1%	4%	2% - 6%	No
Hedge Fund of Funds	\$43,603,507	4%	4%	2% - 6%	Yes
Cash	\$13,144,151	1%	0%	0% - 3%	Yes
<b>Total</b>	<b>\$1,042,141,882</b>	<b>100%</b>	<b>100%</b>		

	Current Balance	Current Allocation	Policy	Policy Range	Within IPS Range?
Total Equity	\$704,439,279	68%	69%	60% - 80%	Yes
Total Fixed Income	\$210,433,588	20%	15%	5% - 25%	Yes
Total Real Assets	\$114,124,864	11%	16%	13% - 19%	No
Cash	\$13,144,151	1%	0%	0% - 3%	Yes

Plymouth County Retirement Association adopted a new asset allocation as of May 2017.



Asset Allocation History  
5 Years Ending July 31, 2018



As of July 31, 2018

## Annual Investment Expense Analysis

As Of July 31, 2018

Name	Fee Schedule	Market Value	Estimated Fee Value	Estimated Fee
<b>Domestic Equity Assets</b>		<b>\$264,978,222</b>		
Rhumbline Russell 1000 Value	0.05% of First 25.0 Mil, 0.04% of Next 25.0 Mil, 0.03% Thereafter	\$34,167,725	\$16,167	0.05%
Rhumbline Russell 1000 Growth	0.05% of First 25.0 Mil, 0.04% of Next 25.0 Mil, 0.03% Thereafter	\$58,375,551	\$25,013	0.04%
Fisher Midcap Value	0.80% of First 25.0 Mil, 0.75% of Next 25.0 Mil, 0.67% Thereafter	\$45,898,419	\$356,738	0.78%
Boston Company Small Cap Growth	0.45% of Assets	\$50,366,386	\$226,649	0.45%
LMCG Small Cap Value	0.90% of Assets	\$76,157,296	\$685,416	0.90%
<b>International Developed Market Equity Assets</b>		<b>\$164,786,287</b>		
KBI Master Account	0.65% of Assets	\$77,783,765	\$505,594	0.65%
HGK TS International Equity	1.00% of Assets	\$48,778,662	\$487,787	1.00%
Copper Rock International Small Cap	0.85% of Assets	\$38,223,860	\$324,903	0.85%
<b>International Emerging Market Equity Assets</b>		<b>\$94,647,472</b>		
LMCG Emerging Markets	0.75% of Assets	\$94,647,472	\$709,856	0.75%
<b>Global Equity Assets</b>		<b>\$98,221,016</b>		
First Eagle Global Value Fund	0.75% of Assets	\$19,334,396	\$145,008	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	\$18,313,811	\$146,510	0.80%
Lee Munder Global Multi-Cap Strategy	0.45% of Assets	\$29,090,255	\$130,906	0.45%
Wellington Durable Enterprises, L.P.	0.60% of Assets	\$31,482,554	\$188,895	0.60%
<b>Domestic Fixed Income</b>		<b>\$100,597,918</b>		
IR&M Core Bonds	0.25% of First 50.0 Mil, 0.20% of Next 50.0 Mil, 0.15% Thereafter	\$100,597,918	\$225,897	0.22%
<b>Value Added Fixed Income</b>		<b>\$73,047,846</b>		
Eaton Vance High Yield	0.50% of Assets	\$37,832,999	\$189,165	0.50%
THL Bank Loan Select Fund	0.40% of Assets	\$35,214,847	\$140,859	0.40%
<b>International Fixed Income</b>		<b>\$36,787,823</b>		
Franklin Templeton Emerging Market Bonds	0.99% of Assets	\$36,787,823	\$364,199	0.99%

## **Current Issues**

## **EnTrustPermal Special Opportunities Update**

## EnTrustPermal

### Background

- On June 26, 2018, EnTrustPermal presented their Special Opportunities strategy to Plymouth County Retirement Association as one of the hedge fund finalists.
  - The Board voted to invest \$20 million into EnTrustPermal Special Opportunities Fund IV.
- During the conversation, we discussed how Meketa was currently in the process of working with Entrust to create a perpetual investment vehicle (“Evergreen Vehicle”).
  - The new investment vehicle will be a hybrid-commingled vehicle where capital is committed, subsequently called, and proceeds are recycled back into the vehicle. Both strategies will invest at the exact same time and hold the same investment vehicles.
- Meketa recommends the Board consider committing to the alternative Special Opportunities Evergreen Fund vehicle as it offers a lower cost and administrative ease.
- Please see the memo that follows with more detailed information on the Special Opportunities Evergreen Fund.



## MEMORANDUM

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**To:** EnTrust Special Opportunities Investors  
**From:** Dan Dynan, Leanne Moore, Brandon Colon  
Meketa Investment Group  
**Date:** August 22, 2018  
**Re:** EnTrustPermal Special Opportunities Evergreen Fund

### BACKGROUND

As discussed at the June 26 Board meeting, Meketa Investment Group was in the process of negotiating with EnTrustPermal on a preferred vehicle structure for their Special Opportunities Fund series. We are pleased to report that we have recently come to an agreement regarding the terms of the Special Opportunities Evergreen Fund, which is an evergreen version of EnTrust's Special Opportunities strategy. As you may recall, the Board voted to commit \$20 million to the EnTrust Special Opportunities Fund IV at the meeting. We recommend the Board consider committing to the alternative Special Opportunities as it offers several advantages over the current structure, including lower cost and administrative simplicity. Importantly, the investment strategies executed by both vehicles will be the exact same, and will hold the same investments in their pro-rata share (at least during the initial commitment period).

### CLOSED-END FUND VS. EVERGREEN FUND

The Fund IV vehicle of the special opportunities strategy is currently offered as a traditional closed-end fund, drawdown structure where capital is committed, subsequently called by EnTrust, and ultimately delivered back to investors at the end of its investment life. The new Evergreen Fund will be a hybrid commingled vehicle where capital is committed, subsequently called, and proceeds are recycled back into the vehicle to create a perpetual investment vehicle which will continue to invest until otherwise directed by the investors. After the 3-year commitment period, investors will have the opportunity to resize the allocation, reinvest distributions, or wind down the account as investments are sold.

The Special Opportunities Evergreen Fund documents are being created by EnTrust and will be shared with investors upon completion.



### WHY AN EVERGREEN STRUCTURE?

Meketa believes an evergreen vehicle enhances the value of the Special Opportunities strategy from an investment and cost perspective. The primary investment enhancement is the evergreen vehicle's ability to avoid any gaps in deal-timing due to the fundraising and commitment cycle. Given the nature of the drawdown structure, investors may miss investments because of the time in between when EnTrust comes to market and an investor can practically approve the investment. The Special Opportunities strategy is predicated on delivering attractive returns based on a highly concentrated best ideas portfolio. Therefore, missing a few investments due to the timing of searches, Board meetings, legal review, and document execution may affect overall returns.

Secondly, Meketa has negotiated a sliding scale on management fees based on aggregate committed assets to the Special Opportunities Evergreen Fund. In this arrangement, EnTrust will treat all Meketa clients as one pool of capital and all clients will receive the benefit of the aggregated investor fee break as detailed in the table below. For example, if the total committed capital is greater than \$150 million, investors receive a 0.25% management fee break going from 1.25% to 1.0% on invested capital. In addition to management fees, Meketa has negotiated to have operating expenses capped at 0.19% annually, modestly lower than the 0.21% historically paid in the closed-end fund structure.

We have included a table below summarizing the terms of the Special Opportunities Evergreen Fund to the Fund IV vehicle.

**COMPARISON OF TERMS**

	<b>Special Opportunities Evergreen Fund</b>	<b>Special Opportunities Fund IV</b>
<b>Expenses</b>	The organization costs incurred by the Fund will be capped at \$20,000 and total ongoing operating expenses are capped at 0.19% per annum of average net ass value.	<p><b>Special Opportunities II</b></p> <ul style="list-style-type: none"> <li>• 2013: 0.21%</li> <li>• 2014: 0.19%</li> <li>• 2015: 0.20%</li> <li>• 2016: 0.20%</li> <li>• 2017: 0.26%</li> </ul> <p><b>Special Opportunities III</b></p> <ul style="list-style-type: none"> <li>• 2017: 0.19%</li> </ul>
<b>Management Fee</b>	<p>Based on aggregate Meketa client committed assets, but charged only on invested capital. 0% on outstanding commitment and cash.</p> <p>1.25% Assets &lt; \$150 million                      1.00% Assets &gt; \$150 million                      0.90% Assets &gt; \$350 million                      0.85% Assets &gt; \$450 million</p>	<p>Charged only on invested capital, 0% on outstanding commitment and cash.</p> <p>1.25% on all assets</p>
<b>Liquidity</b>	Distributions from monetized investments will be recycled into the Fund, unless otherwise noted by the investor. Investors who opt out of the Fund (in part or in whole) following expiration of the 3 year Commitment Period, and any applicable successive renewals, will receive their pro rata distributions of underlying investments in the Fund, net of fees and expenses, as they are realized by the Investment Manager.	<p>EnTrustPermal has three years to commit capital to investments, after which capital will be returned to investors as investments are monetized.</p> <p>EnTrustPermal has the discretion to extend the commitment period for one year.</p>
<b>Incentive Fee</b>	Same. Annual incentive fee equal to 10% of the net realized and unrealized appreciation in the NAV, in excess of a 7.5% annual hurdle rate.	Same. Annual incentive fee equal to 10% of the net realized and unrealized appreciation in the NAV, in excess of a 7.5% annual hurdle rate.

We look forward to discussing this at the next Board meeting. If you have any questions regarding the proposed structure, please feel free to contact us at (781) 471-3500.

DD/LM/BC/bc

## Fixed Income Next Steps

## Retirement Association Current Allocation

	Market Value 7/31/18 (\$ mm)	% of Fund Fixed Income Assets	% of Fund	Target (%)
<b>Total Fixed Income Assets</b>	<b>\$210.4</b>	<b>100%</b>	<b>20%</b>	<b>15%</b>
<b>Core Bonds</b>	<b>100.6</b>	<b>48</b>	<b>10</b>	<b>9</b>
IR&M Core Bonds	100.6	48	10	
<b>Emerging Market Bonds</b>	<b>36.8</b>	<b>18</b>	<b>4</b>	<b>2</b>
Franklin Templeton Emerging Market Bonds	36.8	18	4	
<b>High Yield Bonds</b>	<b>37.8</b>	<b>18</b>	<b>4</b>	<b>2</b>
Eaton Vance High Yield Corporate	37.8	18	4	
<b>Bank Loans</b>	<b>35.2</b>	<b>17</b>	<b>3</b>	<b>2</b>
THL Bank Loan Select Fund	35.2	17	3	

### Potential Next Steps

- Meketa Investment Group recommends the Board issue two fixed income RFPs, for short-duration credit and global multisector unconstrained bonds.
  - The mandate size for each would be approximately \$30 million.
- Meketa believes that these mandates will be beneficial in our current environment of low yields and rising interest rates.
- The managers within these mandates will help to lower portfolio duration to reduce interest rate sensitivity (short-duration credit) and can be tactical in their fixed income investments (global multisector unconstrained bonds.)

## **Disclaimer, Glossary, and Notes**

WE HAVE PREPARED THIS REPORT (THIS "REPORT") FOR THE SOLE BENEFIT OF THE INTENDED RECIPIENT (THE "RECIPIENT").

SIGNIFICANT EVENTS MAY OCCUR (OR HAVE OCCURRED) AFTER THE DATE OF THIS REPORT AND THAT IT IS NOT OUR FUNCTION OR RESPONSIBILITY TO UPDATE THIS REPORT. ANY OPINIONS OR RECOMMENDATIONS PRESENTED HEREIN REPRESENT OUR GOOD FAITH VIEWS AS OF THE DATE OF THIS REPORT AND ARE SUBJECT TO CHANGE AT ANY TIME. ALL INVESTMENTS INVOLVE RISK. THERE CAN BE NO GUARANTEE THAT THE STRATEGIES, TACTICS, AND METHODS DISCUSSED HERE WILL BE SUCCESSFUL.

INFORMATION USED TO PREPARE THIS REPORT WAS OBTAINED FROM INVESTMENT MANAGERS, CUSTODIANS, AND OTHER EXTERNAL SOURCES. WHILE WE HAVE EXERCISED REASONABLE CARE IN PREPARING THIS REPORT, WE CANNOT GUARANTEE THE ACCURACY OF ALL SOURCE INFORMATION CONTAINED HEREIN.

CERTAIN INFORMATION CONTAINED IN THIS REPORT MAY CONSTITUTE "FORWARD - LOOKING STATEMENTS," WHICH CAN BE IDENTIFIED BY THE USE OF TERMINOLOGY SUCH AS "MAY," "WILL," "SHOULD," "EXPECT," "AIM," "ANTICIPATE," "TARGET," "PROJECT," "ESTIMATE," "INTEND," "CONTINUE" OR "BELIEVE," OR THE NEGATIVES THEREOF OR OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. ANY FORWARD - LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS IN THIS PRESENTATION ARE BASED UPON CURRENT ASSUMPTIONS. CHANGES TO ANY ASSUMPTIONS MAY HAVE A MATERIAL IMPACT ON FORWARD - LOOKING STATEMENTS, FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS. ACTUAL RESULTS MAY THEREFORE BE MATERIALLY DIFFERENT FROM ANY FORECASTS, PROJECTIONS, VALUATIONS, OR RESULTS IN THIS PRESENTATION.

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.  $\text{Portfolio Return} - [\text{Risk Free Rate} + \text{Beta} * (\text{market return} - \text{Risk Free Rate})]$ .

**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.

The Russell Indices<sup>®</sup>, TM, SM are trademarks/service marks of the Frank Russell Company.

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.