

FUND EVALUATION REPORT

Plymouth County Retirement Association

Investment Review
October 23, 2018

DRAFT



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- 1. Interim Update as of September 30, 2018**
- 2. Private Equity Respondent Review**
- 3. Disclaimer, Glossary, and Notes**

Interim Update

As of September 30, 2018

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
Total Retirement Association	1,036,859,403	100.0	-0.2	1.7	2.1	5.7	9.0	7.0	7.0	7.1	8.0	Nov-89
<i>Custom Benchmark - Policy Benchmark</i>			0.9	3.1	4.6	9.1	10.6	8.2	8.5	--	--	Nov-89
Domestic Equity Assets	259,944,567	25.1	-0.7	5.8	12.8	18.9	--	--	--	--	17.5	Jan-16
<i>Russell 3000</i>			0.2	7.1	10.6	17.6	17.1	13.5	12.0	9.9	16.2	Jan-16
International Developed Market Equity Assets	159,578,723	15.4	-0.7	-1.4	-4.7	-1.0	--	--	--	--	8.1	Jan-16
<i>MSCI EAFE</i>			0.9	1.4	-1.4	2.7	9.2	4.4	5.4	6.8	8.3	Jan-16
International Emerging Market Equity Assets	91,562,128	8.8	-1.6	-2.4	-8.4	-1.7	--	--	--	--	11.5	Jan-16
<i>MSCI Emerging Markets</i>			-0.5	-1.1	-7.7	-0.8	12.4	3.6	5.4	9.7	13.3	Jan-16
Global Equity Assets	98,627,345	9.5	0.8	2.4	--	--	--	--	--	--	-2.6	Feb-18
<i>MSCI ACWI</i>			0.4	4.3	3.8	9.8	13.4	8.7	8.2	8.1	-1.7	Feb-18
Domestic Fixed Income	85,637,712	8.3	-0.6	-0.1	-1.3	-0.8	--	--	--	--	2.2	Jan-16
<i>75% Bbg Barclays Aggregate/25% Bbg Barclays US TIPs 1-10 year</i>			-0.7	-0.1	-1.2	-0.8	1.4	1.9	--	--	1.7	Jan-16
Value Added Fixed Income	73,881,564	7.1	0.5	2.0	2.8	3.2	--	--	--	--	7.2	Jan-16
<i>50% BBgBarc US High Yield/ 50% Credit Suisse Leveraged Loans</i>			0.6	2.2	3.5	4.3	6.8	5.0	7.7	6.3	8.2	Jan-16
International Fixed Income	36,409,218	3.5	1.9	1.2	-1.2	0.2	--	--	--	--	6.0	Jan-16
<i>Custom Benchmark - Global Fixed Income</i>			1.5	2.3	-3.0	-1.8	4.7	3.3	--	--	5.1	Jan-16
Hedge Fund	44,650,150	4.3	-0.2	2.0	2.1	3.8	5.4	5.1	--	--	5.0	Feb-10
<i>HFRI Fund of Funds Composite Index</i>			-0.2	0.3	1.0	3.1	3.3	3.2	2.6	3.3	3.0	Feb-10
Real Estate	93,145,176	9.0	0.5	0.9	3.3	4.3	--	--	--	--	4.4	Jan-16
<i>NCREIF ODCE</i>			2.1	2.1	6.5	8.7	8.8	10.7	5.6	8.3	8.3	Jan-16
Private Equity	37,211,742	3.6	1.6	1.6	4.1	9.5	--	--	--	--	5.3	Jan-16
<i>Cambridge Associates Fund of Funds Composite 1-Quarter Lag</i>			4.0	4.0	12.7	16.5	9.8	12.5	8.3	11.4	10.7	Jan-16
Real Assets	24,736,219	2.4	0.4	0.4	-0.2	-0.9	--	--	--	--	-2.7	Jan-16
<i>CPI+3%</i>			0.3	1.2	3.9	5.3	5.0	4.5	4.4	5.1	5.1	Jan-16
Cash and Cash Equivalent	31,474,860	3.0										

As of September 30, 2018

Trailing Net Performance

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Retirement Association	1,036,859,403	100.0	--	-0.2	1.7	2.1	5.7	9.0	7.0	7.0	8.0	Nov-89
<i>Custom Benchmark - Policy Benchmark</i>				0.9	3.1	4.6	9.1	10.6	8.2	8.5	--	Nov-89
Domestic Equity Assets	259,944,567	25.1	25.1	-0.7	5.8	12.8	18.9	--	--	--	17.5	Jan-16
<i>Russell 3000</i>				0.2	7.1	10.6	17.6	17.1	13.5	12.0	16.2	Jan-16
Rhumblin Russell 1000 Value	34,741,600	3.4	13.4	0.2	5.7	3.9	9.3	13.4	10.6	--	10.8	Apr-13
<i>Russell 1000 Value</i>				0.2	5.7	3.9	9.5	13.6	10.7	9.8	11.0	Apr-13
Rhumblin Russell 1000 Growth	46,741,005	4.5	18.0	0.6	9.2	17.1	26.1	20.4	16.5	--	16.6	Jul-09
<i>Russell 1000 Growth</i>				0.6	9.2	17.1	26.3	20.6	16.6	14.3	16.7	Jul-09
Fisher Midcap Value	47,258,975	4.6	18.2	0.4	6.1	7.1	13.7	16.8	11.5	11.6	8.3	Apr-07
<i>Russell MidCap Value</i>				-0.8	3.3	3.1	8.8	13.1	10.7	11.3	7.3	Apr-07
Boston Company Small Cap Growth	55,105,026	5.3	21.2	-0.8	8.4	26.4	32.6	22.2	15.2	--	16.6	Aug-09
<i>Russell 2000 Growth</i>				-2.3	5.5	15.8	21.1	18.0	12.1	12.7	15.6	Aug-09
LMCG Small Cap Value	76,082,992	7.3	29.3	-2.6	1.6	4.5	7.5	14.3	9.9	--	9.6	Mar-11
<i>Russell 2000 Value</i>				-2.5	1.6	7.1	9.3	16.1	9.9	9.5	10.2	Mar-11
International Developed Market Equity Assets	159,578,723	15.4	15.4	-0.7	-1.4	-4.7	-1.0	--	--	--	8.1	Jan-16
<i>MSCI EAFE</i>				0.9	1.4	-1.4	2.7	9.2	4.4	5.4	8.3	Jan-16
KBI Master Account	75,800,534	7.3	47.5	0.5	0.2	-4.4	-1.2	7.2	2.9	4.4	4.0	Jul-05
<i>MSCI EAFE</i>				0.9	1.4	-1.4	2.7	9.2	4.4	5.4	4.9	Jul-05
HGK TS International Equity	46,219,839	4.5	29.0	-2.2	-3.1	-4.2	-1.8	9.6	5.1	--	6.6	Feb-11
<i>MSCI EAFE</i>				0.9	1.4	-1.4	2.7	9.2	4.4	5.4	4.6	Feb-11
Copper Rock International Small Cap	37,558,349	3.6	23.5	-1.2	-2.3	-5.6	--	--	--	--	-3.9	Nov-17
<i>MSCI EAFE Small Cap</i>				-0.7	-0.9	-2.2	3.7	12.4	8.0	9.7	0.4	Nov-17

Total Retirement Association

	As of September 30, 2018											
	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
International Emerging Market Equity Assets	91,562,128	8.8	8.8	-1.6	-2.4	-8.4	-1.7	--	--	--	11.5	Jan-16
<i>MSCI Emerging Markets</i>				-0.5	-1.1	-7.7	-0.8	12.4	3.6	5.4	13.3	Jan-16
LMCG Emerging Markets	91,562,128	8.8	100.0	-1.6	-2.4	-8.4	-1.7	10.2	2.1	--	2.1	Sep-13
<i>MSCI Emerging Markets</i>				-0.5	-1.1	-7.7	-0.8	12.4	3.6	5.4	3.6	Sep-13
Global Equity Assets	98,627,345	9.5	9.5	0.8	2.4	--	--	--	--	--	-2.6	Feb-18
<i>MSCI ACWI</i>				0.4	4.3	3.8	9.8	13.4	8.7	8.2	-1.7	Feb-18
First Eagle Global Value Fund	19,291,765	1.9	19.6	0.4	1.2	--	--	--	--	--	-3.5	Feb-18
<i>MSCI ACWI</i>				0.4	4.3	3.8	9.8	13.4	8.7	8.2	-1.7	Feb-18
Kopernik Global All Cap Fund	17,552,944	1.7	17.8	2.3	-6.4	--	--	--	--	--	-12.2	Feb-18
<i>MSCI ACWI</i>				0.4	4.3	3.8	9.8	13.4	8.7	8.2	-1.7	Feb-18
Lee Munder Global Multi-Cap Strategy	29,386,436	2.8	29.8	0.0	3.9	--	--	--	--	--	3.1	Mar-18
<i>MSCI ACWI</i>				0.4	4.3	3.8	9.8	13.4	8.7	8.2	2.6	Mar-18
Wellington Durable Enterprises, L.P.	32,396,201	3.1	32.8	0.9	7.0	--	--	--	--	--	8.0	Mar-18
<i>MSCI ACWI</i>				0.4	4.3	3.8	9.8	13.4	8.7	8.2	2.6	Mar-18
Domestic Fixed Income	85,637,712	8.3	8.3	-0.6	-0.1	-1.3	-0.8	--	--	--	2.2	Jan-16
75% Bbg Barclays Aggregate/25% Bbg Barclays US TIPs 1-10 year				-0.7	-0.1	-1.2	-0.8	1.4	1.9	--	1.7	Jan-16
IR&M Core Bonds	85,637,712	8.3	100.0	-0.6	-0.1	-1.3	-0.9	1.6	2.1	3.8	3.9	Nov-04
75% Bbg Barclays Aggregate/25% Bbg Barclays US TIPs 1-10 year				-0.7	-0.1	-1.2	-0.8	1.4	1.9	--	--	Nov-04
Value Added Fixed Income	73,881,564	7.1	7.1	0.5	2.0	2.8	3.2	--	--	--	7.2	Jan-16
50% BBgBarc US High Yield/ 50% Credit Suisse Leveraged Loans				0.6	2.2	3.5	4.3	6.8	5.0	7.7	8.2	Jan-16
Eaton Vance High Yield	38,271,443	3.7	51.8	0.4	2.1	1.9	2.0	6.9	5.3	8.6	7.0	Apr-06
<i>ICE BofAML US High Yield TR</i>				0.6	2.4	2.5	2.9	8.2	5.5	9.4	7.4	Apr-06
THL Bank Loan Select Fund	35,610,121	3.4	48.2	0.7	1.9	3.8	4.4	5.7	4.8	--	5.7	Sep-10
<i>Credit Suisse Leveraged Loans</i>				0.7	1.9	4.4	5.6	5.4	4.4	5.8	5.1	Sep-10

Total Retirement Association

As of September 30, 2018

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
International Fixed Income	36,409,218	3.5	3.5	1.9	1.2	-1.2	0.2	--	--	--	6.0	Jan-16
<i>Custom Benchmark - Global Fixed Income</i>				1.5	2.3	-3.0	-1.8	4.7	3.3	--	5.1	Jan-16
Franklin Templeton Emerging Market Bonds	36,409,218	3.5	100.0	1.9	1.2	-1.2	0.6	7.9	4.1	7.0	6.8	May-06
<i>JP Morgan EMBI Global Diversified</i>				1.5	2.3	-3.0	-1.9	6.0	5.4	7.5	6.9	May-06
Hedge Fund	44,650,150	4.3	4.3	-0.2	2.0	2.1	3.8	5.4	5.1	--	5.0	Feb-10
<i>HFRI Fund of Funds Composite Index</i>				-0.2	0.3	1.0	3.1	3.3	3.2	2.6	3.0	Feb-10
ABS Offshore SPC - Global Segregated Portfolio	21,691,899	2.1	48.6	-0.7	0.8	1.8	3.8	4.1	5.0	--	5.7	Aug-10
<i>HFRI Fund of Funds Composite Index</i>				-0.2	0.3	1.0	3.1	3.3	3.2	2.6	3.2	Aug-10
Entrust Special Opportunities Fund III, Ltd.	22,958,251	2.2	51.4	0.2	3.2	2.1	3.4	--	--	--	18.7	Oct-16
<i>HFRI Fund of Funds Composite Index</i>				-0.2	0.3	1.0	3.1	3.3	3.2	2.6	4.8	Oct-16
Real Estate	93,145,176	9.0	9.0	0.5	0.9	3.3	4.3	--	--	--	4.4	Jan-16
NCREIF ODCE				2.1	2.1	6.5	8.7	8.8	10.7	5.6	8.3	Jan-16
Core Real Estate	70,719,242	6.8	75.9	0.8	1.4	4.6	7.1	8.4	9.8	2.9	--	
NCREIF ODCE (lagged one qtr., net)				1.8	1.8	5.7	7.5	8.4	10.0	4.3	--	
PRISA I	39,687,182	3.8	56.1	1.6	1.6	5.5	7.6	8.8	10.5	3.8	6.8	Sep-04
NCREIF ODCE (lagged one qtr., net)				1.8	1.8	5.7	7.5	8.4	10.0	4.3	7.1	Sep-04
Invesco REIT	16,354,820	1.6	23.1	-2.4	0.3	1.2	4.7	7.6	8.9	7.6	11.1	Dec-02
<i>Wilshire REIT</i>				-2.8	0.7	2.2	4.0	7.1	9.2	7.4	10.4	Dec-02
TA Realty Core Property Fund, L.P.	14,677,241	1.4	20.8	2.4	2.4	--	--	--	--	--	8.5	Mar-18
NCREIF ODCE (lagged one qtr., net)				1.8	1.8	5.7	7.5	8.4	10.0	4.3	5.7	Mar-18
Non-Core Real Estate	22,425,934	2.2	24.1	-0.6	-0.6	-0.8	-5.4	--	--	--	-4.3	Jan-16
Mesirov Financial International Real Estate Fund I	3,980,727	0.4	17.8									
DSF Multi-Family Real Estate Fund III	8,762,545	0.8	39.1									
AEW Partners Real Estate VIII	5,003,723	0.5	22.3									
DSF Capital Partners IV	2,140,004	0.2	9.5									

Hedge Fund managers: The market value and performance data is based on an estimate.
Invesco REIT: Market value as of September 30, 2018.



Total Retirement Association

As of September 30, 2018

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Hunt Redevelopment & Renovation	168,092	0.0	0.7									
1921 Realty, Inc	931,632	0.1	4.2									
New Boston Institutional Fund, LP VII	320,647	0.0	1.4									
Berkshire Multifamily Value Fund II	-3,266	0.0	0.0									
Carlyle Realty Partners VIII	1,121,830	0.1	5.0									
Private Equity	37,211,742	3.6	3.6	1.6	1.6	4.1	9.5	--	--	--	5.3	Jan-16
<i>Cambridge Associates Fund of Funds Composite 1-Quarter Lag</i>				<i>4.0</i>	<i>4.0</i>	<i>12.7</i>	<i>16.5</i>	<i>9.8</i>	<i>12.5</i>	<i>8.3</i>	<i>10.7</i>	<i>Jan-16</i>
Private Equity General	28,857,608	2.8	77.5									
Euro Choice V Programme	5,598,526	0.5	19.4									
Lexington Capital Partners VII	3,153,562	0.3	10.9									
TRG Growth Partnership II	2,134,098	0.2	7.4									
Landmark Equity Partners XIV	1,420,217	0.1	4.9									
Summit Partners Growth Equity Fund IX	5,430,367	0.5	18.8									
Leeds Equity Partners V	1,878,344	0.2	6.5									
Audax Mezzaine Debt IV	2,402,772	0.2	8.3									
Siguler Guff Distressed Opportunities Fund III, LP	1,030,337	0.1	3.6									
Mesirow Financial Capital Partners IX, LP	265,163	0.0	0.9									
Leeds Equity Partners IV	54,564	0.0	0.2									
DN Partners II, LP	905,412	0.1	3.1									
Euro Choice II	170,561	0.0	0.6									
RIMCO Royalty Partners, LP	1	0.0	0.0									
Charles River Partnership XI	92,929	0.0	0.3									
LLR Equity Partners V, LP.	1,842,965	0.2	6.4									
Wellspring Capital Partners VI	404,237	0.0	1.4									

Total Retirement Association

As of September 30, 2018

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Trilantic Capital Partners, L.P.	2,073,552	0.2	7.2									
Venture Capital	8,354,134	0.8	22.5									
Ascent Ventures V	4,437,392	0.4	53.1									
Globespan Capital V	3,665,098	0.4	43.9									
Ascend Ventures II	72,247	0.0	0.9									
Ascent Ventures IV	179,397	0.0	2.1									
Real Assets	24,736,219	2.4	2.4	0.4	0.4	-0.2	-0.9	--	--	--	-2.7	Jan-16
<i>CPI+3%</i>				0.3	1.2	3.9	5.3	5.0	4.5	4.4	5.1	Jan-16
JP Morgan Global Maritime Investment	6,729,562	0.6	27.2									
Timbervest Partners III, LP	5,196,291	0.5	21.0									
BTG Pactual Global Timberland Resources	3,129,900	0.3	12.7									
Global Infrastructure Partners III	8,427,418	0.8	34.1									
Basalt Infrastructure Partners II	1,253,048	0.1	5.1									
Cash and Cash Equivalent	31,474,860	3.0	3.0									
Cash	31,474,860	3.0	100.0									

Ascend II: Market value as of June 30, 2018.



As of September 30, 2018

Allocation vs. Target

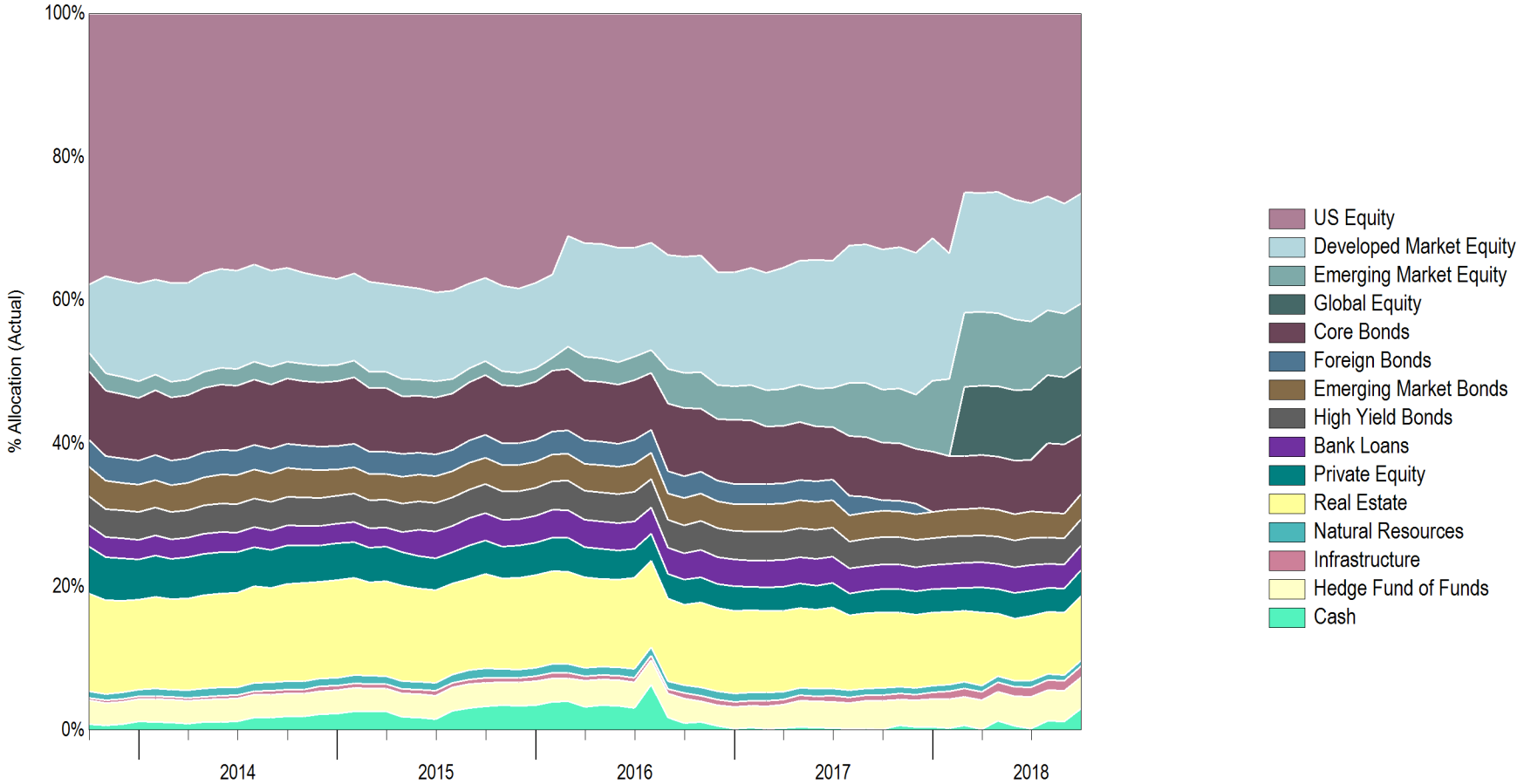
	Current Balance	Current Allocation	Policy	Policy Range	Within IPS Range?
US Equity	\$259,944,555	25%	26%	21% - 36%	Yes
Developed Market Equity	\$159,578,723	15%	6%	1% - 16%	Yes
Emerging Market Equity	\$91,562,128	9%	10%	5% - 20%	Yes
Global Equity	\$98,627,345	10%	10%	5% - 20%	Yes
Core Bonds	\$85,637,712	8%	9%	4% - 14%	Yes
Emerging Market Bonds	\$36,409,218	4%	2%	0% - 7%	Yes
High Yield Bonds	\$38,271,443	4%	2%	0% - 7%	Yes
Bank Loans	\$35,610,121	3%	2%	0% - 7%	Yes
Private Equity	\$37,211,742	4%	13%	8% - 18%	No
Real Estate	\$93,145,176	9%	10%	5% - 15%	Yes
Natural Resources	\$8,326,191	1%	2%	0% - 4%	Yes
Infrastructure	\$16,410,028	2%	4%	2% - 6%	No
Hedge Fund of Funds	\$44,650,150	4%	4%	2% - 6%	Yes
Cash	\$31,474,860	3%	0%	0% - 3%	No
Total	\$1,036,859,390	100%	100%		

	Current Balance	Current Allocation	Policy	Policy Range	Within IPS Range?
Total Equity	\$691,574,642	67%	69%	60% - 80%	Yes
Total Fixed Income	\$195,928,493	19%	15%	5% - 25%	Yes
Total Real Assets	\$117,881,395	11%	16%	13% - 19%	No
Cash	\$31,474,860	3%	0%	0% - 3%	No

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



Asset Allocation History
5 Years Ending September 30, 2018



As of September 30, 2018

Annual Investment Expense Analysis

As Of September 30, 2018

Name	Fee Schedule	Market Value	Estimated Fee Value	Estimated Fee
Domestic Equity Assets		\$259,944,567		
Rhumbline Russell 1000 Value	0.05% of First 25.0 Mil, 0.04% of Next 25.0 Mil, 0.03% Thereafter	\$34,741,600	\$16,397	0.05%
Rhumbline Russell 1000 Growth	0.05% of First 25.0 Mil, 0.04% of Next 25.0 Mil, 0.03% Thereafter	\$46,741,005	\$21,196	0.05%
Fisher Midcap Value	0.80% of First 25.0 Mil, 0.75% of Next 25.0 Mil, 0.67% Thereafter	\$47,258,975	\$366,942	0.78%
Boston Company Small Cap Growth	0.45% of Assets	\$55,105,026	\$247,973	0.45%
LMCG Small Cap Value	0.90% of Assets	\$76,082,992	\$684,747	0.90%
International Developed Market Equity Assets		\$159,578,723		
KBI Master Account	0.65% of Assets	\$75,800,534	\$492,703	0.65%
HGK TS International Equity	1.00% of Assets	\$46,219,839	\$462,198	1.00%
Copper Rock International Small Cap	0.85% of Assets	\$37,558,349	\$319,246	0.85%
International Emerging Market Equity Assets		\$91,562,128		
LMCG Emerging Markets	0.75% of Assets	\$91,562,128	\$686,716	0.75%
Global Equity Assets		\$98,627,345		
First Eagle Global Value Fund	0.75% of Assets	\$19,291,765	\$144,688	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	\$17,552,944	\$140,424	0.80%
Lee Munder Global Multi-Cap Strategy	0.45% of Assets	\$29,386,436	\$132,239	0.45%
Wellington Durable Enterprises, L.P.	0.60% of Assets	\$32,396,201	\$194,377	0.60%
Domestic Fixed Income		\$85,637,712		
IR&M Core Bonds	0.25% of First 50.0 Mil, 0.20% of Next 50.0 Mil, 0.15% Thereafter	\$85,637,712	\$196,275	0.23%
Value Added Fixed Income		\$73,881,564		
Eaton Vance High Yield	0.50% of Assets	\$38,271,443	\$191,357	0.50%
THL Bank Loan Select Fund	0.40% of Assets	\$35,610,121	\$142,440	0.40%
International Fixed Income		\$36,409,218		
Franklin Templeton Emerging Market Bonds	0.99% of Assets	\$36,409,218	\$360,451	0.99%

Private Equity Search Summary

Background

- To reach and maintain a 13% target to private equity, the Retirement Association should commit an average of \$36 million per year, spread across approximately three commitments.
- To help execute this strategy, Meketa issued an RFP for middle market buyout managers on September 21, 2018, with responses due on October 9, 2018.
- Meketa Investment Group received five responses, one of which was excluded based on a structure that did not meet the search criteria; the remaining four responses are reviewed on the following pages.

Manager Search Respondent Reviews

Manager Respondents Composite Rating Overview

Manager	Score	Rationale
SK Capital Partners	Highly Advantageous	<ul style="list-style-type: none"> Experienced team with notable sector specialization; prior fund performance is relatively strong.
Summit Partners	Highly Advantageous	<ul style="list-style-type: none"> Established organization with a capable team; impressive track record with consistently strong returns.
Behrman Capital	Advantageous	<ul style="list-style-type: none"> Small team; historical performance is variable.
Partners Group (Direct Equity 2019)	Advantageous	<ul style="list-style-type: none"> Global organization with substantial resources; moderate historical performance.
Partners Group (Private Equity II)	Excluded	<ul style="list-style-type: none"> Does not meet search criteria for North American direct small and middle market private equity. Evergreen structure with opportunistic allocations to direct private equity, infrastructure, real estate, and debt.

SK Capital Partners V¹

Rating Criteria	Score	Rationale
Overall	Highly Advantageous	<ul style="list-style-type: none"> Experienced team with notable sector specialization; impressive historical performance.
Organization	Advantageous	<ul style="list-style-type: none"> SK Capital was founded in 2007 and is a private investment firm based out of New York. The firm currently manages aggregate assets of approximately \$3.9 billion across three prior funds raised.
Team	Highly Advantageous	<ul style="list-style-type: none"> The team consists of 28 total professionals and is led by a group of five Managing Directors who have significant investment and operating expertise within the firm's target sectors. SK Capital has experienced moderate employee turnover with three mid/senior professionals leaving the firm in the past five years.
Investment Philosophy & Process	Advantageous	<ul style="list-style-type: none"> The Fund will make control investments in global businesses operating within the Specialty Materials, Chemicals, and Pharmaceuticals sectors. The Fund intends to make between 6 and 9 platform investments and plans to add value to portfolio companies through operational improvements, add-on acquisitions, and the implementation of strategic initiatives.
Performance ²	Highly Advantageous	<ul style="list-style-type: none"> Fund II: 2009 vintage year, 351.1% net IRR. Fund III: 2011 vintage year, 25.2% net IRR. Fund IV: 2015 vintage year, 3.3% net IRR.
Fees	Advantageous	<ul style="list-style-type: none"> 2.0% of commitments during the Commitment Period; thereafter, 2.0% of invested capital. 20.0% Carried Interest; 8.0% Preferred Return.

¹ Fund V-A will serve as the Main Fund while Fund V-B will serve as the Overage Fund; both are Cayman Islands limited partnerships.

² As of 6/30/2018.



Summit Partners Growth Equity Fund X

Rating Criteria	Score	Rationale
Overall	Highly Advantageous	<ul style="list-style-type: none"> Established organization with a large, capable team; strong track record displaying fairly consistent performance across multiple market cycles.
Organization	Advantageous	<ul style="list-style-type: none"> Summit Partners is an alternative asset management firm founded in 1984 with offices in Boston, Menlo Park, and London. The firm manages investment vehicles focused on growth equity, credit, venture capital, and public equities with current AUM of approximately \$22 billion (\$13.6 billion within growth equity).
Team	Advantageous	<ul style="list-style-type: none"> The U.S. Growth Equity platform includes 36 total investment professionals while leadership of the group is shared by 10 Managing Directors, most of whom have worked at the firm for over a decade. Summit has experienced some senior-level turnover with six Managing Directors leaving in the past five years, although several of these individuals retired and now serve as Senior Advisors to the firm.
Investment Philosophy & Process	Advantageous	<ul style="list-style-type: none"> Fund X will make growth-oriented investments in profitable, well-managed businesses within the firm's three primary target sectors: Healthcare, Technology, and Growth Products and Services. The Fund will focus primarily on U.S. companies with demonstrated cash flow and strong market positions, investing between \$75 million and \$300 million per deal.
Performance ¹	Highly Advantageous	<ul style="list-style-type: none"> Fund VII: 2006 vintage year, 11.0% net IRR. Fund VIII: 2012 vintage year, 25.0% net IRR. Fund IX: 2016 vintage year, 51.0% net IRR.
Fees	Advantageous	<ul style="list-style-type: none"> 1.0% of commitments for the twelve month period commencing on the First Draw Down Date; 1.85% of commitments in the succeeding twelve month period, and, thereafter; 2.0% of commitments. Following the sixth anniversary, the management fee will be reduced by 10 basis points per year. 20.0% Carried Interest; 8.0% Preferred Return.

- The Association invested \$10 million in Fund IX in 2016.

¹ As of 6/30/2018.



Behrman Capital VI

Rating Criteria	Score	Rationale
Overall	Advantageous	<ul style="list-style-type: none"> • Small team; historical performance is variable.
Organization	Advantageous	<ul style="list-style-type: none"> • Behrman Capital was founded in 1991 and is a private equity firm headquartered in New York with an additional office in San Francisco. • The firm currently manages capital of approximately \$3.3 billion across five prior funds raised.
Team	Advantageous	<ul style="list-style-type: none"> • The team consists of nine investment professionals who are supported by two exclusive Operating Partners. • Behrman has experienced limited employee turnover with only one senior level departure in the last five years.
Investment Philosophy & Process	Advantageous	<ul style="list-style-type: none"> • The Fund will make buyout and growth equity investments in North American middle market companies operating within the defense and aerospace, specialty manufacturing, and healthcare services industries. • The Fund intends to add value to portfolio companies through add-on acquisitions, operational improvements, and the implementation of strategic business initiatives.
Performance ¹	Not Advantageous	<ul style="list-style-type: none"> • Fund III: 2000 vintage year, 11.8% net IRR. • Fund IV: 2008 vintage year, 7.3% net IRR. • Fund V: 2012 vintage year, 15.8% net IRR.
Fees	Advantageous	<ul style="list-style-type: none"> • 2.0% of commitments during the Commitment Period; thereafter, 2.0% of invested capital. • 20.0% Carried Interest; 8.0% Preferred Return.

¹ As of 6/30/2018.



Partners Group Direct Equity 2019 (USD) A¹

Rating Criteria	Score	Rationale
Overall	Advantageous	<ul style="list-style-type: none"> Global organization with substantial resources; relatively strong historical performance.
Organization	Advantageous	<ul style="list-style-type: none"> Partners Group was founded in 1996 and is a global investment management firm with aggregate assets of \$78 billion under management. The firm is based out of Switzerland and has several global offices in the Americas, Europe, and Asia.
Team	Advantageous	<ul style="list-style-type: none"> The Private Equity platform comprises 95 investment professionals and is supported by the firm's Industry Value Creation team, which includes 31 professionals dedicated to eight industry verticals. Senior professionals have worked together at the firm for at least ten years and the investment team has experienced limited turnover with only one senior departure occurring in the past five years.
Investment Philosophy & Process	Advantageous	<ul style="list-style-type: none"> The Fund will execute a global diversified buyout strategy, focusing on middle market companies with enterprise values ranging from \$150 million to \$2 billion. The Fund intends to make approximately 20 portfolio investments throughout North America (20%-70%), Western Europe (20%-70%), and Asia (10%-40%).
Performance ²	Advantageous	<ul style="list-style-type: none"> Direct Equity 2009: 2009 vintage year, 17.9% net IRR. Direct Equity 2012: 2012 vintage year, 22.7% net IRR. Direct Equity 2016: 2016 vintage year, 4.0% net IRR.
Fees ³	Highly Advantageous	<ul style="list-style-type: none"> The management fee rate will be 1.5% of aggregate commitments with a 10% tail-down following the fifth anniversary, and offset by an equalization rebate of 90 basis points (estimated average annual management fee of 1.04% of commitments over an assumed 11.5 year fund life). 20.0% Carried Interest; 8.0% Preferred Return.

¹ Delaware limited partnership structured for U.S.-based investors.

² As of 6/30/2018.

³ There is a 50% first year management fee discount for investors committing to the Fund prior to the first closing.



Summary

	SK Capital Partners	Summit Partners	Behrman Capital	Partners Group
Location	New York, NY	Boston, MA	New York, NY	Zug, Switzerland
Fund Name	SK Capital Partners V	Growth Equity Fund X	Behrman Capital VI	Direct Equity 2019 (USD) A
Fund Size	\$2.0 billion ¹	\$4.0 billion target	\$500 million target ²	€4-5 billion target (across all sleeves)
Track Record	<p>As of 6/30/2018</p> <ul style="list-style-type: none"> Fund II: 2009 vintage year, 351.1% net IRR. Fund III: 2011 vintage year, 25.2% net IRR. <p>Fund IV: 2015 vintage year, 3.3% net IRR.</p>	<p>As of 6/30/2018</p> <ul style="list-style-type: none"> Fund VII: 2006 vintage year, 11.0% net IRR. Fund VIII: 2012 vintage year, 25.0% net IRR. Fund IX: 2016 vintage year, 51.0% net IRR. 	<p>As of 6/30/2018</p> <ul style="list-style-type: none"> Fund III: 2000 vintage year, 11.8% net IRR. Fund IV: 2008 vintage year, 7.3% net IRR. <p>Fund V: 2012 vintage year, 15.8% net IRR.</p>	<p>As of 6/30/2018</p> <ul style="list-style-type: none"> Direct Equity 2009: 2009 vintage year, 17.9% net IRR. Direct Equity 2012: 2012 vintage year, 22.7% net IRR. Direct Equity 2016: 2016 vintage year, 4.0% net IRR.
Strategy	The Fund will make control investments in global businesses operating within the Specialty Materials, Chemicals, and Pharmaceuticals sectors. The Fund intends to make between 6 and 9 platform investments and plans to add value to portfolio companies through operational improvements, add-on acquisitions, and the implementation of strategic initiatives.	The Fund will make growth-oriented investments in profitable, well-managed businesses within the firm's three primary target sectors: Healthcare, Technology, and Growth Products and Services. The Fund will focus primarily on U.S. companies with demonstrated cash flow and strong market positions, investing between \$75 million and \$300 million per deal.	The Fund will make buyout and growth equity investments in North American middle market companies operating within the defense and aerospace, specialty manufacturing, and healthcare services industries. The manager intends to add value to portfolio companies through add-on acquisitions, operational improvements, and the implementation of strategic business initiatives.	The Fund will execute a global diversified buyout strategy, focusing on middle market companies with enterprise values ranging from \$150 million to \$2 billion. The Fund intends to make approximately 20 portfolio investments throughout North America (20%-70%), Western Europe (20%-70%), and Asia (10%-40%).
Geographic Focus	North America	North America	North America	Global
Management Fee	2.0% of aggregate commitments; 2.0% of invested capital.	1.0% & 1.85% of commitments in Years 1 & 2; thereafter, 2.0% of commitments.	2.0% of aggregate commitments; 2.0% of invested capital.	Estimated average annual management fee of 1.04% of commitments.
Preferred Return	8.0%	8.0%	8.0%	8.0%
Carried Interest	20.0%	20.0%	20.0%	20.0%

¹ The firm has closed on \$1.7 billion across both the Main Fund and the Overage Fund; total capitalization for both vehicles is capped at \$2 billion.

² Behrman Capital VI has closed on approximately \$250 million of its \$500 million target.



Summary & Recommendation

- Based upon our review and evaluation of each respondent, Meketa Investment Group has ranked:
 - SK Capital Partners V and Summit Partners Growth Equity Fund X as highly advantageous.
 - Behrman Capital and Partners Group as advantageous.
- We recommend the Board considers interviewing SK Capital Partners and Summit Partners at the November meeting.

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

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.

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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.