AGENDA

Gainesville Retirement Plan A Board Meeting
Tuesday, November 14, 2017, 10:00 AM
Administration Building, Board Room
300 Henry Ward Way, 3rd Floor
Chairman or Vice Chairman Presides

PRESENTATION(S):

- JP Morgan Special Situation Fund — Jaclyn Weinman / Lindsey Lo Bosco

REPORTS:

- Fiscal Year 2017 Actuarial Valuation — Malichi Waterman, Segal
- Third Quarter 2017 Investment Report — Jeff Swanson, SEAS
- Wells Fargo Executive Summary — Marsha Petzel

UPDATES:

- RPA Election Update — Denise Jordan

EXECUTIVE SESSION:

- Personnel Matters

REGULAR BUSINESS:

- Executive Session Minutes: September 26, 2017 RPA Board Meeting — David Frazier
- Minutes: September 26, 2017 RPA Board Meeting — Denise Jordan

ADJOURNMENT:

Final: Monday, November 13, 2017, 10:00 AM

CITY OF GAINESVILLE

AGENDAREQUEST

Date Submitted: 11/9/2017

Presenter: Jaclyn Weinman / Lindsey Lo Bosco

Item of Business: JP Morgan Special Situation Fund

Meeting Date: 11/14/2017

Purpose of Request:
The purpose of this request is to receive information about the Special Situation Property Fund.

History/Background:
On August 8, 2017, the Board authorized the investment consultant to begin the process for a $2 million non-binding investment in the JP Morgan Special Situation Fund. During the September 26, 2017 meeting, the Board's attorney was authorized to review/negotiate the Participation Agreement and other necessary documents. The Board's attorney has reported the documents are acceptable. SEAS stated the fee is standard for this type fund.

Facts & Issues for Consideration:
If the Board desires to proceed, a resolution should be presented to the governing body authorizing execution of the agreement and other necessary documents. The resolution could be scheduled for the November 30 Work Session for adoption at the December 5 Council Meeting. A draft resolution and the documents to be executed are attached.

Department Recommendation:

Department Director:
David Frazier

If funding is involved, are funds approved within the current budget?
No

Amount Requested:

Source of Funds:
Retirement Plan A

Finance Comments:

Administrative Comments:

ATTACHMENTS:

	Description	Type
🗋	JPM SSPF Presentation	Presentation
🗋	JPM SSPF Resolution	Resolution
🗋	JPM SSPF Participation Agreement	Contract/Agreement/MOU
🗋	JPM SSPF Contribution Notice	Contract/Agreement/MOU
🗋	JPM SSPF Secure Communications	Contract/Agreement/MOU

Gainesville Employees Retirement System

J.P. Morgan Asset Management – Real Estate Americas

JPMCB Special Situation Property Fund[1] | November 14, 2017

Jaclyn Weinman, Vice President
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Lindsey Lo Bosco, Analyst
(212) 464-5347, lindsey.lobosco@pmorgan.com

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Today's Presenters

Jaclyn Weinman, V*ice President*, is a client portfolio manager in J.P. Morgan Asset Management where she is responsible for capital raising and advising clients for the firm's Global Real Estate strategies. Jaclyn previously worked as an acquisition officer on the Real Estate Americas team, where she most recently focused on the Washington, DC metro region and worked on $1.2 billion of real estate transactions across the Mid-Atlantic and Southeastern U.S. An employee since 2009, she previously worked on the Real Estate Asset Management teams for both the U.S. and European platforms as well as in the J.P. Morgan Private Bank. Jaclyn holds Series 7 and 63 licenses and a B.B.A. in Business Administration from Emory University.

Lindsey Lo Bosco is part of the Relationship Management Team for the North Americas Institutional business. Lindsey partners with Kate Hurley, Relationship Manager, to develop a deep understanding of the firm's corporate, public, endowment, foundation and healthcare clients to deliver the firm's full value. Together, they seek to deepen client relationships through sharing our broad resources and providing solutions across asset classes. Prior to this role, Lindsey was an analyst in the J.P. Morgan Private Bank where she was responsible for driving internal and external communications on behalf of the multi-asset solutions business and educating the salesforce on the multi-asset solutions platform by creating quantitative and qualitative resources. Lindsey graduated summa cum laude and received a B.S. in business management from St. Francis College. Lindsey passed CFA Level I in June 2017 and holds FINRA Series 7 and 63 licenses.

[1] Commingled Pension Trust Fund Special Situation Property of JPMorgan Chase Bank, N.A. ("Special Situation Property Fund" or "SSPF")

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Presentation

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J.P. Morgan Asset Management – Real Estate Americas

J.P. Morgan Asset Management – Real Estate Americas platform

We are one of the industry's premier real assets investment managers

Scale, stability and strength	■ $63 billion in AUM across the U.S. ■ 45 years of real estate investment management experience ■ 200+ professionals in 8 offices across the country
Capabilities and experience	■ Part of a global platform of real estate, private equity and credit, infrastructure, transportation, liquid alternatives, and hedge fund strategies ■ A disciplined investment process consistently implemented across investment types and regions ■ Local expertise across strategies, sectors and regions, and complex transactions
Information advantage	■ JPMAM's size provides access to outstanding proprietary and external data sources ■ Dedicated research team provides market research and portfolio construction analysis ■ Over $10 billion of annual transaction activity provides extensive market knowledge
Client focus	■ Trusted advisor and fiduciary to over 1,000 clients worldwide ■ A legacy of trusted partnership built on a promise to put client interests ahead of our own ■ Focus on open communication, transparency and shared information

AUM as of June 30, 2017, based on Gross Asset Value
Source : J.P. Morgan Asset Management

J.P. Morgan Asset Management – Real Estate Americas platform

Head of Real Estate Americas
Kevin Faxon, MD – *30 years experience*

Chief Investment Officer
Doug Schwartz, MD – *23 years experience*

Acquisitions

Northeast
Peter Sibilia, MD

Southwest
Robert Curran, MD

Midwest/FL & East Industrial
Scott Strauss, ED

Mid-Atlantic/Southeast
Preston Meyer, ED

West
Morgan Lingle, MD

Mezzanine Debt
Candace Chao, MD

18 years average experience

Asset Management
Mark Bonapace, MD
27 years experience

East/South
Whit Wilcox, MD

Central
Scott MacDonald, MD

West
Steve Zaun, MD

Retail
Joe Dobronyi, MD

Residential
Allina Boohoff, MD

Development & Engineering
Jim Kennedy, MD

28 years average experience

Director of Research
Dave Esrig, MD
25 years experience

Luigi Cerreta, ED

Aric Chang, ED

Brian Nottage, MD

18 years average experience

Chairman of Investment Committee and Head of Separate Accounts
Benjamin Gifford, MD
44 years experience

Alice Cao, ED

Wayne Comer, MD

Eric Johnson, MD

Dan Volpano, MD

31 years average experience

Director of REA Commingled Funds / Head of Debt Capital Markets
Mike Kelly, MD – *28 years experience*

Fund Portfolio Management

JPMCB Strategic Property Fund
Kim Adams, MD
Ann Cole, MD

JPMCB Special Situation Property Fund
Craig Theirl, MD

U.S. Real Estate Income & Growth Fund
Nancy Brown, MD

JPMCB Core Diversified Commercial Property Fund/ JPMCB Diversified Commercial Property Fund
Dave Esrig, MD
Sue Kolasa, MD

24 years average experience

Head of Debt Financing
Cassie Clark, ED
15 years experience

Head of Client Strategy
J.D. Sitton
25 years of experience

Melissa Anezinis, ED

Josh Braunstein, VP

Rebekah Brown, ED

Alexia Gottschalch, MD

Larry Ostow, MD

Jackie Weinman, VP

18 years average experience

Functional Partners

Head of Finance and Business Management, Global Alternatives
Larry Fuchs, MD
25 years experience

Finance
Al Dort, MD
25 years experience

Valuations
Ruchi Pathela, ED
18 years experience

Chief Operating Officer REA
Bill Schultz, MD
26 years experience

Global Product Development
Steve Greenspan, MD
32 years experience

Omni Solutions
Bernie McNamara, MD
21 years experience

Client Relations
Ravi Sharma, MD
20 years experience

September 2017. There can be no assurance that professionals currently employed by JPMAM will continue to be employed by JPMAM or that past performance or success of any professional serves as an indicator of professional's future performance or success.

Diverse, experienced specialists support portfolio manager

- Team-based approach
- Multi-disciplinary investment process
- Deep functional expertise with a cross real asset perspective
- No single perspective; no tunnel vision
- Experienced and stable team – average of 26 years experience
- 200+ professionals supporting Real Estate Americas Platform

For discussion purposes only.
Source: J.P. Morgan Asset Management. As of September 2017

Real Estate Americas: Investment committee

Institutionalized process employed across the platform: collaborative, streamlined, efficient, and thorough

Voting members: unanimous vote required to approve all acquisitions and dispositions

Chief Investment Officer	▪ Provides investment experience and ensures consistency of process and policy ▪ Underwriting responsibility
Portfolio Manager	▪ Represents the interests of the Fund ▪ Responsible for adherence to Fund investment strategy and maintaining portfolio diversification
Asset Management ***Regional or Property Sector Head***	▪ Provides market and sector expertise ▪ Responsible for executing on business plan of the asset
Real Estate Research ***Senior Member***	▪ Provides macro perspective ▪ Advises on economic and demographic trends, risks/opportunities and portfolio strategies

Participating members: provide expertise in respective areas to aid in decision making

Investment Committee Chairman	Head of Real Estate Americas	Engineering Services	Financial	Director, U.S. Real Estate Commingled Funds	Head of Client Strategy	Head of Asset Management	Director of Valuations	Debt Capital Markets

For illustrative purposes only.

ALTs by J.P.Morgan Asset Management

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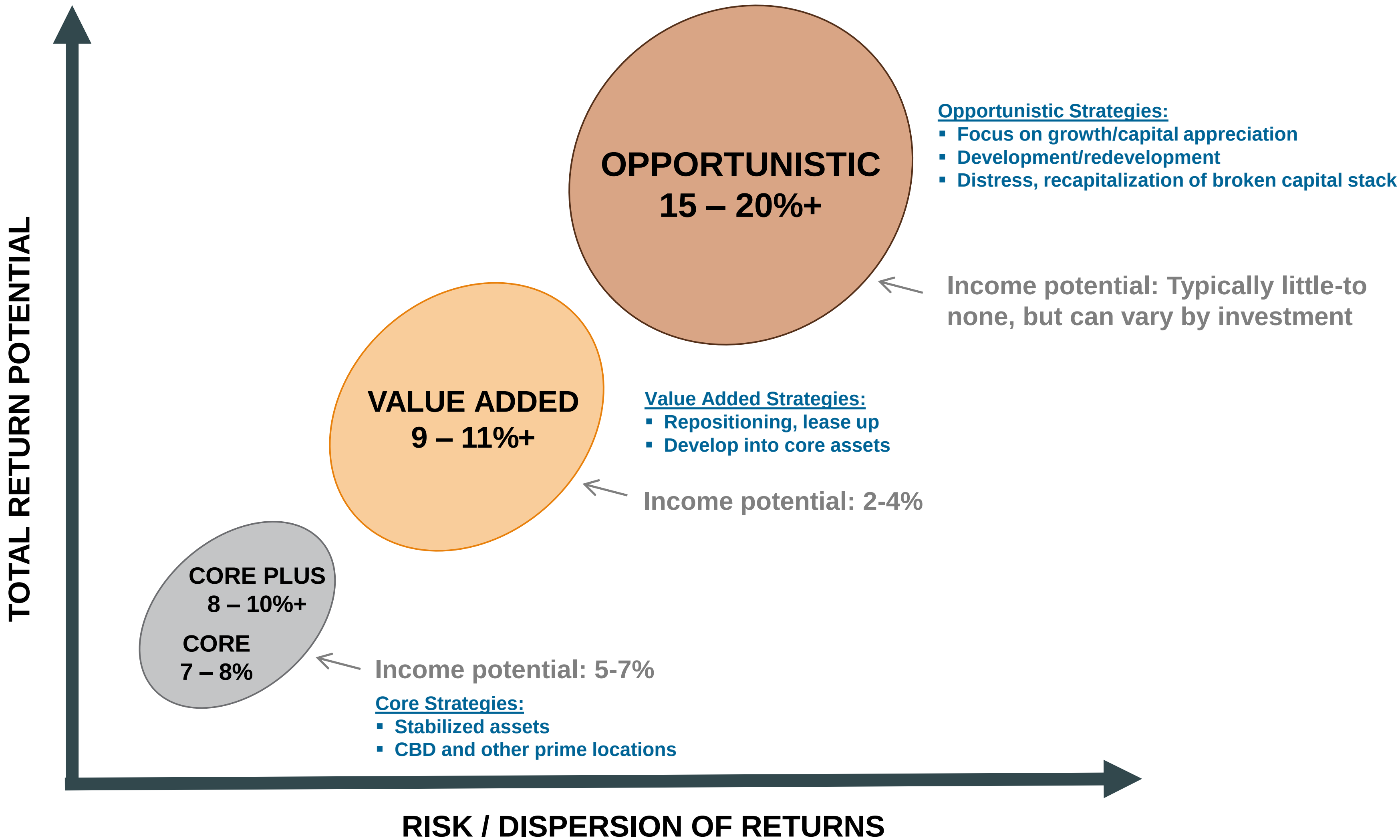
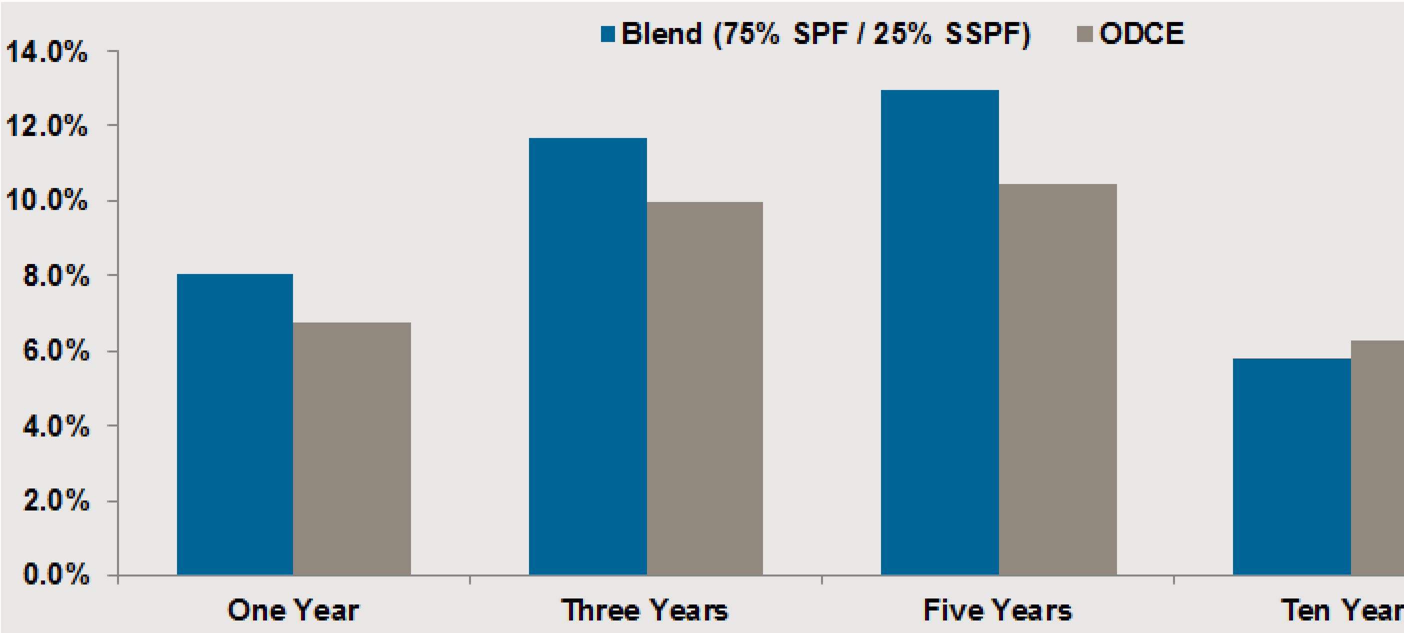
Real estate offers a range of opportunities across the risk/return spectrum

Illustrative ranges



Shown for illustrative purposes only. Returns are assumed to be net of fees, which will vary by strategy.

What does a core and value-add blend look like?



	Beta
75% SPF/25% SSPF	1.04

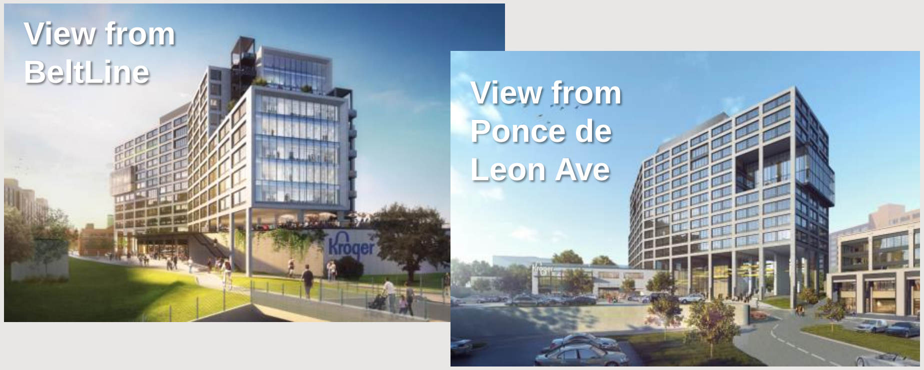
NCREIF ODCE, as of June 2017.

Past performance is not a guarantee of comparable future results. Performance results are gross of investment management fees. The deduction of an advisory fee reduces an investor's return. Actual account performance will vary depending on individual portfolio security selection and the applicable fee schedule. The fees were calculated on a monthly basis, which shows the maximum effect of compounding. Blend of SPF and SSPF represent model returns.

JPMCB Special Situation Property Fund

JPMCB SSPF: What is Value-added investing?

Develop to core



725 Ponce, Atlanta, GA

Lease-up opportunity / below replacement cost

800 Fifth Avenue, Seattle, Washington

Redevelop

Plano Portfolio, Plano, TX

Recapitalize

605 Third Avenue, New York, NY

These examples represent some of the investments of the Fund. However, you should not assume that these types of investments will be available to or, if available, will be selected for investment by the Fund in the future

What is value-add and why in an open-end structure?

Transparency and access

- Investment in specified portfolio of known assets
- Access to joint venture equity opportunities

Ongoing investing at lower cost

- Capital put to work on ongoing basis
- No investment period constraints or finite fund lives
- No acquisition, disposition or carried interest fees
- No vintage year risk

Diversified portfolio

- Diversified across sector, strategy, geography and risk profile to reduce volatility
- Focus on quality asset selection for long-term growth and performance

Stable balance sheet

- Stabilized assets cushion impact of market downturns
- Incentive structure prevents risky investments or excessive leverage

Flexibility and liquidity

- Quarterly redemption for investors' cash needs
- Mix of strategies and hold periods to optimize portfolio

The manager seeks to achieve the stated objectives. There is no guarantee these objectives will be met.

JPMCB Special Situation Property Fund

Special Situation Property Fund is a leading open-end, value-add U.S. real estate fund

Value add investment strategy

- Acquire value add assets, which are de-risked through a variety of executions including development, redevelopment / repositioning, lease-up and recapitalization
- Hold assets for 3-7 years and once stabilized, sell into the core marketplace with net sale proceeds redeployed into new value-add opportunities
- Diversify portfolio across the four traditional real estate sectors: office, residential, industrial and retail
- Focus acquisition activity in major U.S. markets with strong economic drivers and institutional liquidity

Open-end, direct real estate structure

- Immediate access to a large, well-diversified U.S. real estate portfolio across property type, geography and risk profile
- Approximately 50/50 balance of value-add and stabilized assets
- Target portfolio leverage of 40-50% LTV

Return profile

- An appreciation driven return, which includes a moderate level of income
- Targeted total return of ODCE + 200bps over a full market cycle
- Fund level income yield of approximately 3.0% per annum

The target returns are for illustrative purposes only and are subject to significant limitations. An investor should not expect to achieve actual returns similar to the target returns shown above. Because of the inherent limitations of the target returns, potential investors should not rely on them when making a decision on whether or not to invest in the strategy. Please see the complete Target Return disclosure at the conclusion of the presentation for more information on the risks and limitation of target returns.

JPMCB SSPF: 3Q 2017 Fund highlights

Fund profile as of September 30, 2017

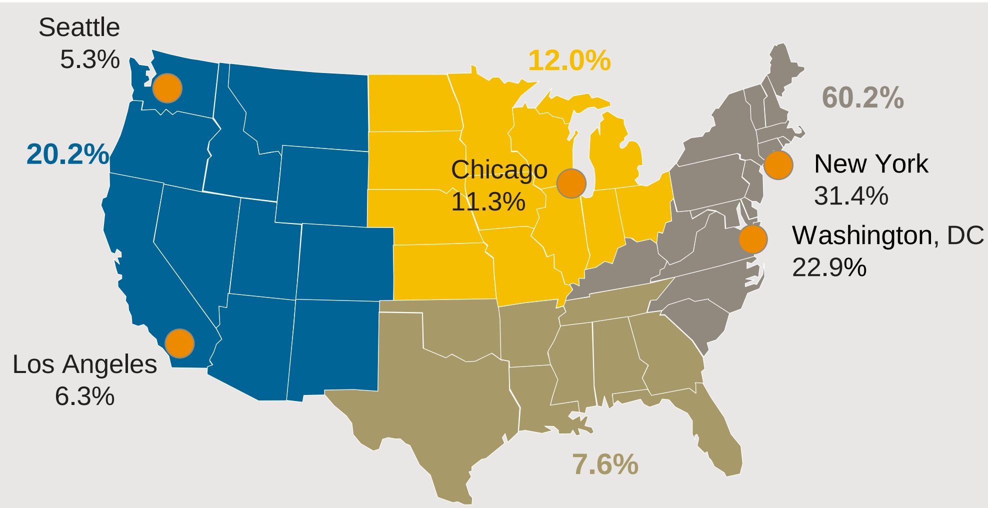
Total investments (gross of debt)	$6.4bn
Net asset value	$3.7bn
Fund leverage	41.4%
Portfolio annual cash distribution	4.0%
Number of investments[3]	75

Liquidity Update – as of September 30, 2017

Cash position	11.4%
Raised (3Q17)	$58.6mm
Redeemed (3Q17 redemption payout)	$35.9mm
Contribution queue[2]	$92.7mm

Diversification[1]

	Share of NAV (%)[1]	Buildings / Units / Sq. Ft[4]
Office	49.3	43 buildings / 11,076,678 SF
Industrial	9.7	22 buildings / 9,224,027 SF
Residential	33.4	25 buildings / 8,974 units
Retail	5.6	6 centers / 1,267,385 SF
Land & Other	2.0	
Total	**100.0**	



[1] As of September 30, 2017. Values may not total 100% due to rounding, includes some properties under development.
[2] As of October 30, 2017
[3] Number of investments includes land
[4] As of June 30, 2017

Past performance is not a guarantee of comparable future returns. Returns assume the reinvestment of income.
Diversification does not guarantee investment returns and does not eliminate the risk of loss.

ALTs by J.P.Morgan Asset Management

JPMCB SSPF*: Performance overview

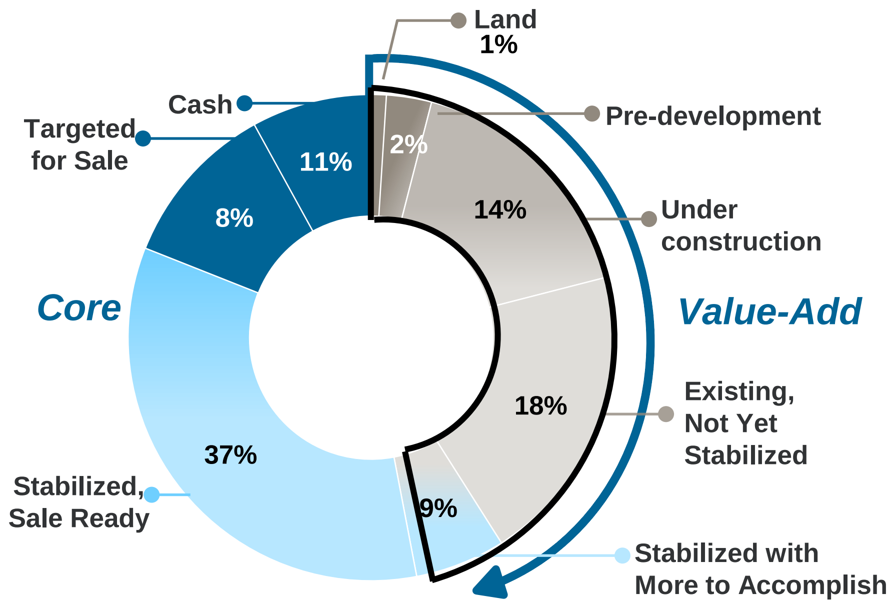
Supplemental to annual performance report

Annualized returns as of September 30, 2017 (%)	Three months[1]	Year to date[1]	One year	Three years	Five years	Ten years	Since incep. 1/1/98
Income	0.6	1.8	2.4	2.7	3.0	3.8	4.9
Appreciation	2.6	5.6	7.4	11.2	12.0	1.2	3.9
SSPF Total Gross	**3.1**	**7.5**	**9.9**	**14.2**	**15.3**	**5.0**	**9.0**
NFI-ODCE Total – Value	1.9	5.4	7.7	10.8	11.6	5.0	8.9
Excess over ODCE	1.2	2.1	2.2	3.4	3.7	-	0.1
SSPF Total Net	2.7	6.3	8.2	12.4	13.5	3.3	7.2

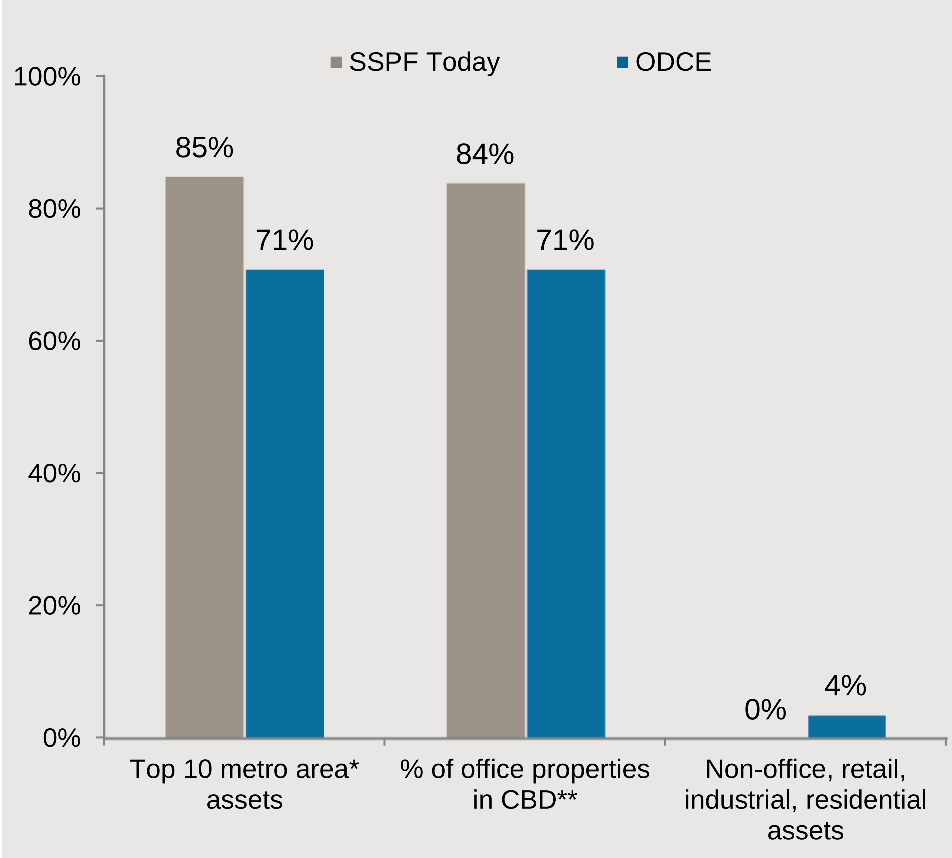
* Commingled Pension Trust Fund (Special Situation Property) of JPMorgan Case Bank, N.A.
[1] Non-annualized returns
Past performance is not a guarantee of comparable future results. Total return assumes the reinvestment of income. Performance results are gross of investment management fees. The deduction of an advisory fee reduces an investor's return. Actual account performance will vary depending on individual portfolio security selection and the applicable fee schedule.

JPMCB SSPF: Active risk management

Investment Risk Cycle[1]



How SSPF is better positioned



[1] Investment Risk Cycle as of September 30, 2017 for illustrative purposes only. Based on current NAV
*Source of top ten metro areas, RCA top metros 2016 transaction volume and IPD, represent four core investment types (GAV)
**Source of CBD office data, IPD as of September 30, 2016, SSPF as of December 31,2016 (GAV)
Opinions, estimates, forecasts, projections and statements of financial market trends that are based on current market conditions constitute our judgment and are subject to change without notice. There can be no guarantee they will be met.

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3Q17 mixed-use acquisition: 210 North Carpenter

ASSET FACTS

Property Type	Mixed-Use Development
Location	Chicago, IL
Size	205,603 SF
JPM Equity Interest	90%

ECONOMICS

Project Budget	$99M ($482/sf)
Projected Untrended ROC	7.1%
Projected SSPF Levered IRR	13.9%
Projected Exit Cap Rate	5.50%
Projected Gross Exit Price	$127M ($618/sf)
SSPF Equity Investment	$43M
Projected Net Profit to SSPF	$26M
Projected SSPF Equity Multiple	1.6x

INVESTMENT STRATEGY

- Joint venture with Sterling Bay Companies to develop a 12-story, 205,603 SF boutique office building with street-level retail and a 44-stall enclosed parking garage in the Fulton Market District of Chicago
- Construction commenced in August, 2017 and the property is currently 11% leased with an additional 33% of the rentable area in active lease negotiations

This example is a representative investment. However, you should not assume that this type of investment will be available to or, if available, will be selected for investment in the future. There can be no guarantee of future success. The target returns are for illustrative purposes only and are subject to significant limitations. An investor should not expect to achieve actual returns similar to the target returns shown above. Because of the inherent limitations of the target returns, potential investors should not rely on them when making a decision on whether or not to invest in the strategy.

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3Q17 disposition: Moreno Knox

ASSET FACTS

Property Type	Industrial
Size	794,447 SF – Existing 736,497 SF – Expansion 1,530,944 SF – Total
JPM Equity Interest	95%
Location	Moreno Valley, CA
Acquisition date	2013

ECONOMICS

Total Development Cost	$95.4M
Gross Sales Price Upon Closing	$151.6M
Buyer Cap Rate	4.5%
SSPF Net Profit	$27.7M
SSPF Equity Multiple	2.1x
SSPF Levered IRR	30.9%

INVESTMENT STRATEGY

- SSPF formed a joint venture with Sares-Regis Group to acquire a 71.3-acre site. The investment strategy was to develop and lease two industrial buildings totaling approximately 1,500,000 sf and sell following stabilization.
- In December 2013, the Venture executed a 10-year build-to-suit lease with the tenant for the current 794,447 sf building. In May 2017, the tenant executed a 10-year, 736,497 sf build-to-suit expansion with a coterminous early renewal on the existing building.
- Upon execution of the expansion lease, the venture pursued an immediate disposition and closed on the sale in July 2017

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3Q17 disposition: 222 Second Street

ASSET FACTS

Property Type	Office
Size	452,418 SF
JPM Equity Interest	80%
Location	San Francisco, CA
Acquisition date	2012

ECONOMICS

Gross Sales Price Upon Closing	$530M
Buyer Cap Rate	4.1%
SSPF Net Profit	$150.1M
SSPF Equity Multiple	2.1x
SSPF Levered IRR	26.6%

INVESTMENT STRATEGY

- In March 2012, SSPF formed a joint venture with Tishman to commence the construction of 222 Second Street. The Property received TCO in August 2015 and was delivered on time and under budget ($297 million or $656 psf).
- The Partnership signed a lease with LinkedIn for the entire building in April 2014
- In April 2017, SSPF reached an agreement with Tishman and the Fund sold its 80% equity interest in the at a gross sales price of $530 million

This example is a representative investment. However, you should not assume that this type of investment will be available to or, if available, will be selected for investment in the future. There can be no guarantee of future success. The target returns are for illustrative purposes only and are subject to significant limitations. An investor should not expect to achieve actual returns similar to the target returns shown above. Because of the inherent limitations of the target returns, potential investors should not rely on them when making a decision on whether or not to invest in the strategy.

Looking ahead

- Seek infill industrial acquisition opportunities and existing multifamily projects with renovation potential
- Acquire older CBD office assets and create value through lobby and common area upgrades
- Concentrate development activities in high barrier to entry submarkets with limited supply pipelines
- Focus on leasing multifamily developments that are delivering over the next 12 months
- Projected 12 month total return of 9-11%*

250 East 57th Street, New York, NY

This example is a representative investment. However, you should not assume that this type of investment will be available to or, if available, will be selected for investment in the future. There can be no guarantee of future success

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Special Situation Property Fund key takeaways

605 3rd Avenue, New York, NY

- A bottom-up and top-down asset selection approach targeting development, vacancy, redevelopment, repositioning and recapitalization
- Immediate access to a large, well-diversified portfolio across property type, geography and risk profile
- Focused investment strategy by:
  - **Style** : add value directly to assets
  - **Region** : major U.S. markets
  - **Target Sectors** : office, residential, industrial and retail
  - **Size** : large asset base provides flexibility and diversity
- Local investment expertise results in unique execution capabilities
- No acquisition, disposition or incentive fees
- Active asset management from geographic and product focused teams is the key driver of performance

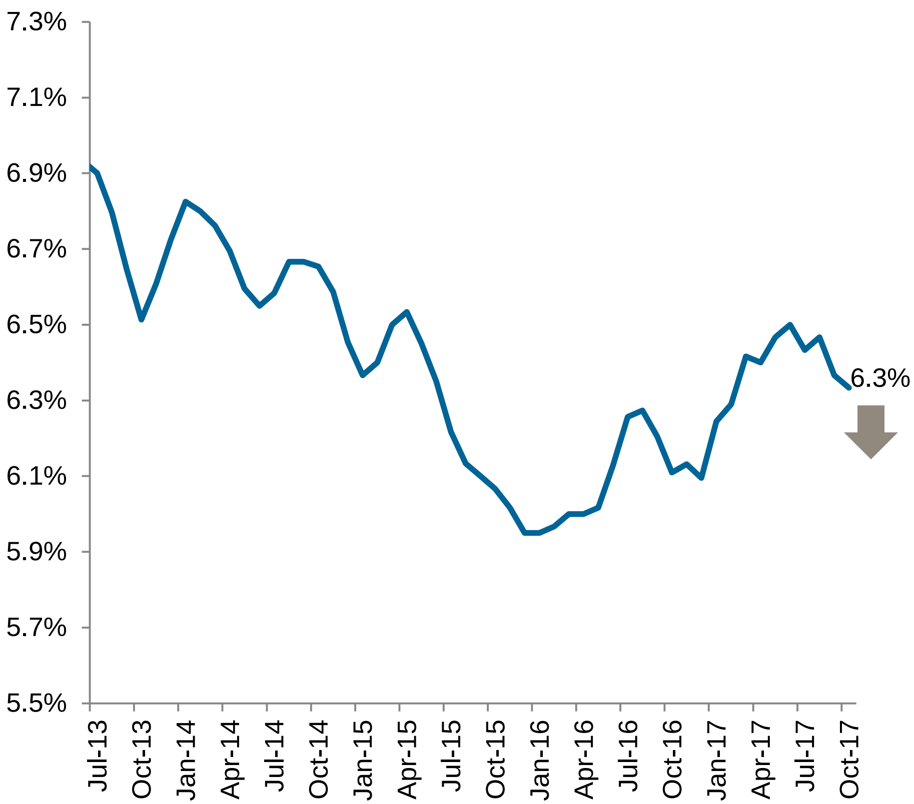
The manager seeks to achieve the stated objectives. There can be no guarantee the objectives will be met.

Appendix – Market outlook

Core underwriting IRRs are declining again

After more than a year of letting IRRs rise, bidders are getting aggressive again

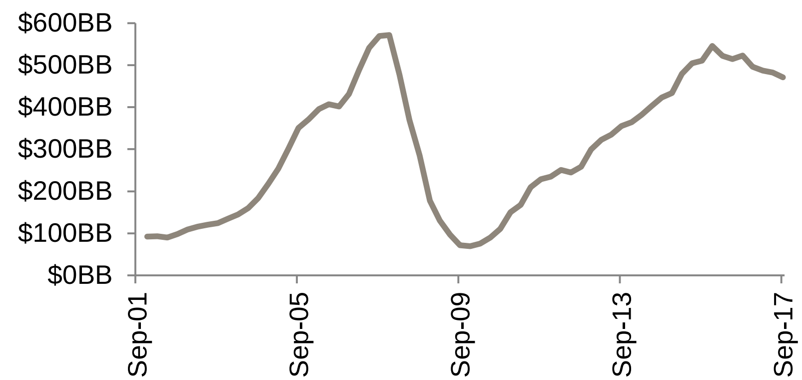
JPMAM underwriting IRRs



Recent capital markets themes

- After rising more than 50bps since H2 2015, we have observed that we are losing more transactions at these new higher IRRs – suggesting they are falling again.
- Net investor flows into the core market appear to have stopped falling. A wide equity premium (low borrowing rates and high underwriting returns) has helped.
- Still, we do not see aggressive bidding for properties that prevailed in 2015.

US CRE transaction volume, rolling four quarter sum

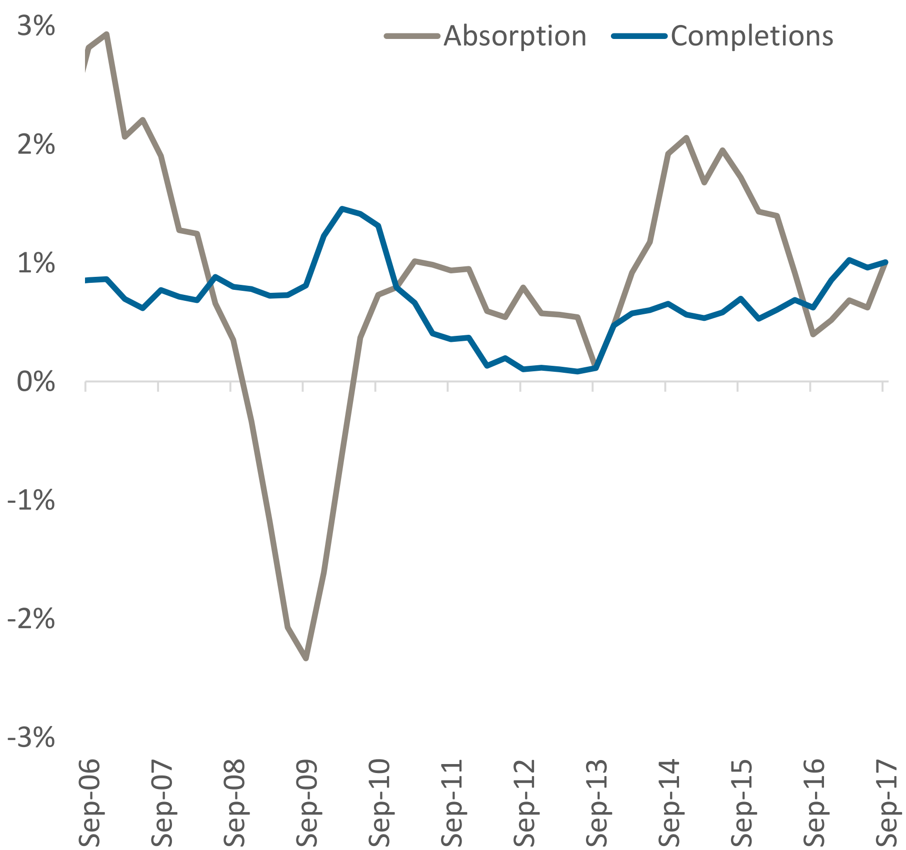


Source: JPMAM as of October 2017, Real Capital Analytics (volume chart) as of September 2017
The IRR (internal rate of return) shown above is calculated based upon internal JPMAM data. There can be no guarantee the IRR will be achieved. The charts and/or graphs shown above and throughout the presentation are for illustration and discussion purposes only.

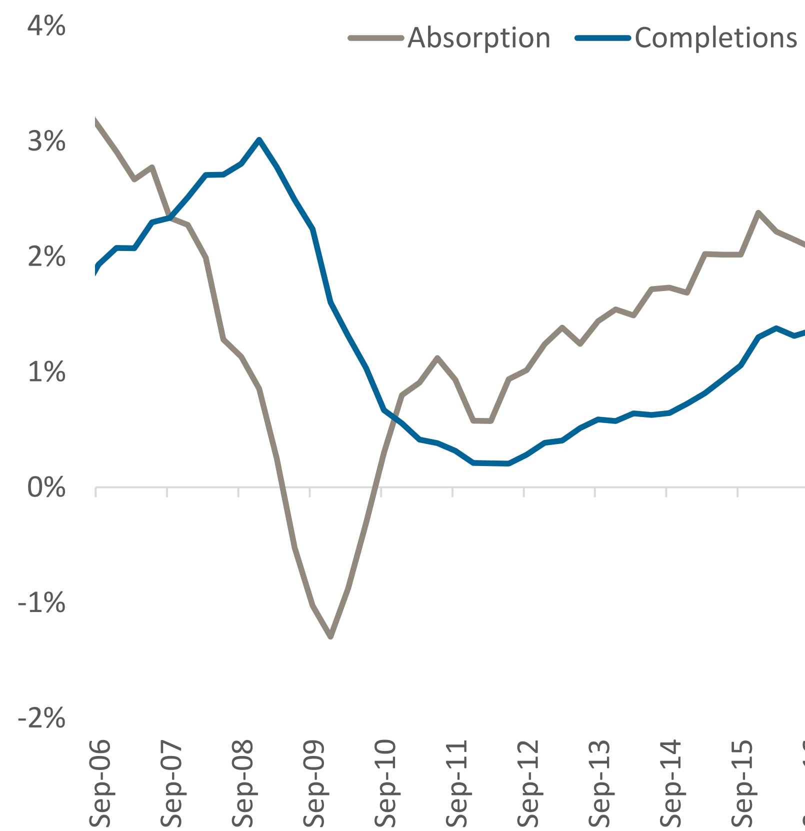
ALTs by J.P.Morgan Asset Management

Office: Densification and weak sentiment have kept absorption slower than employment growth. But some signs of stirring in CBD office markets.

CBD supply and demand



Suburban supply and demand

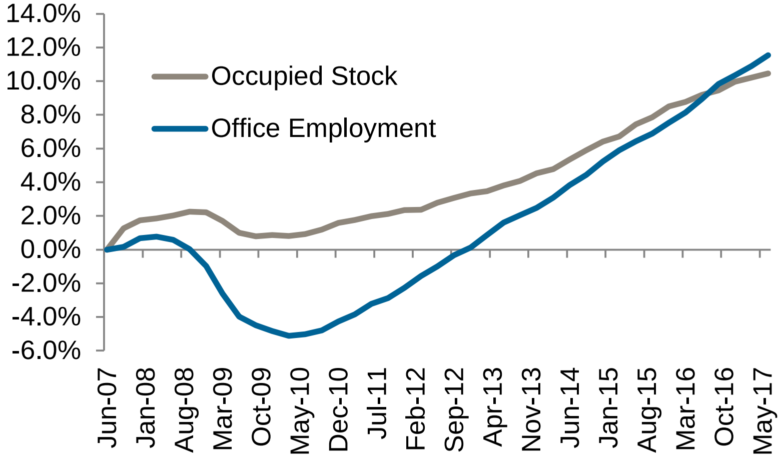


Source: CBRE-EA as of September 30, 2017

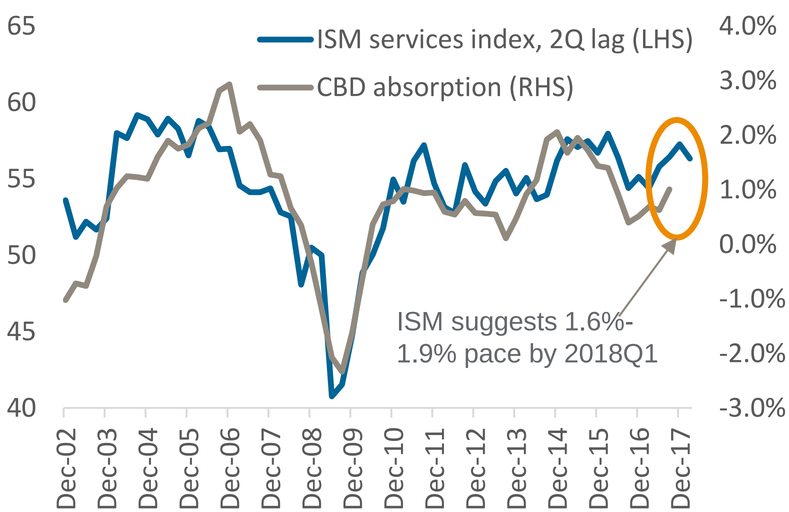
Are we nearing a tipping point on the demand side?

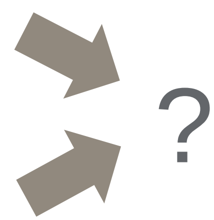
The excess space hoarded during the GFC is now gone, and leading indicators are retaking cycle highs

Cumulative growth since June 2007

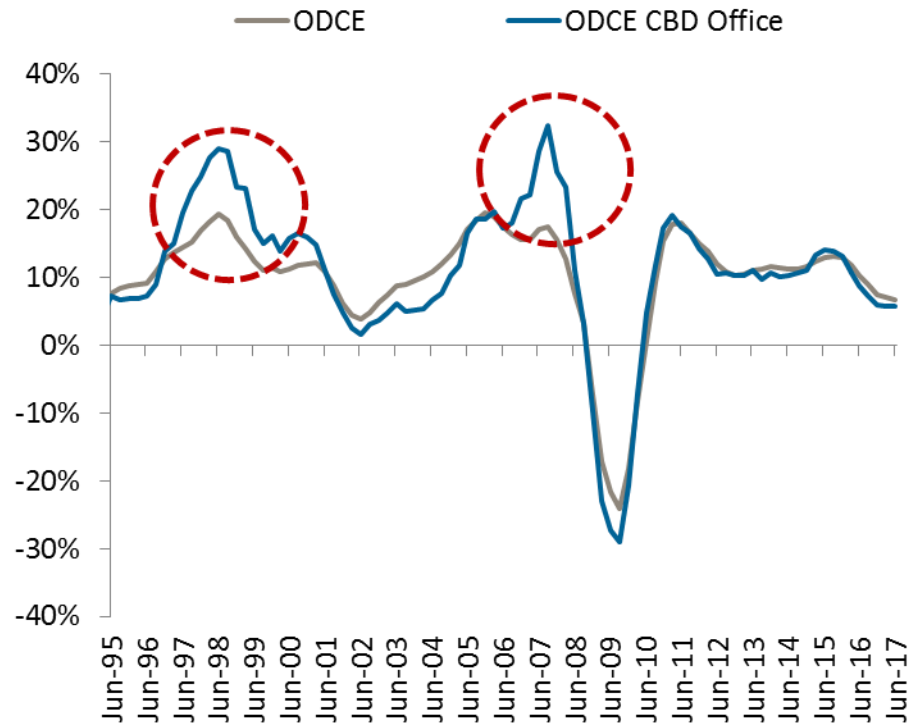


CBD absorption versus ISM services index lagged





Rolling 1-Year Total Return

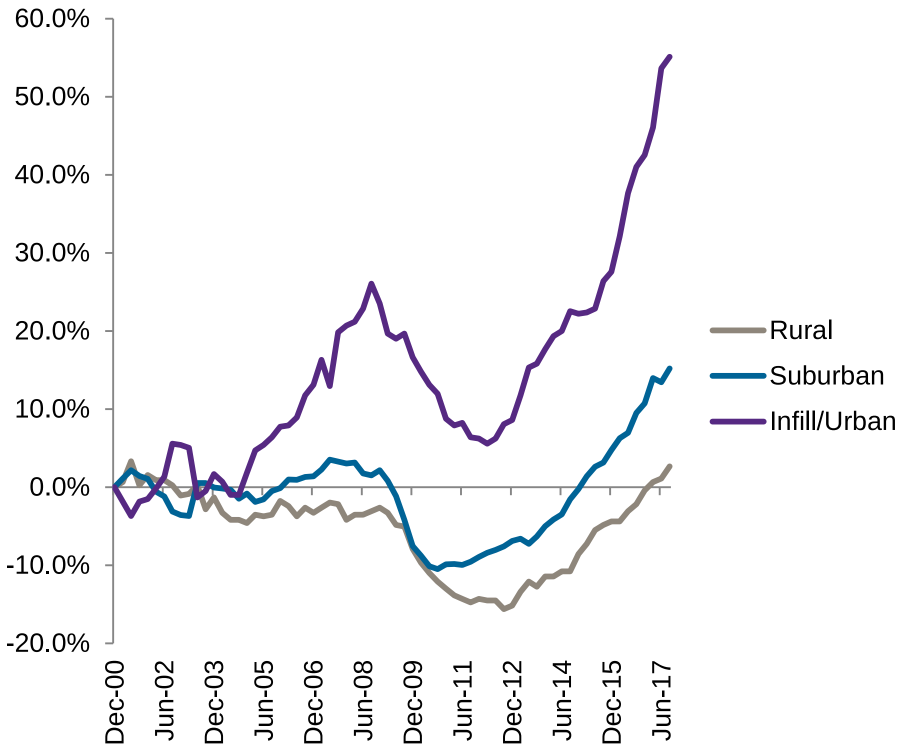


Source: Left: CBRE-EA, BLS, through September 30, 2017; Right: NCREIF ODCE as of June 30, 2017

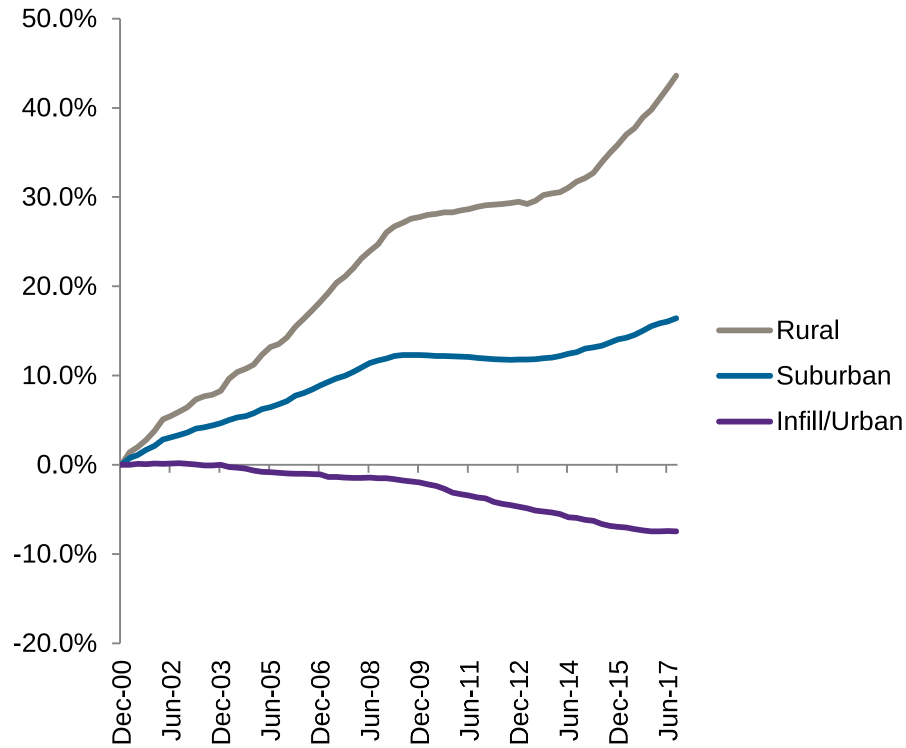
ALTs by J.P.Morgan Asset Management

Industrial: Infill rent surge continues with no infill supply growth outside of a few pockets

Cumulative rent growth since 4Q 2000, top ten US industrial markets



Cumulative percentage change in warehouse stock square footage, top ten US industrial markets



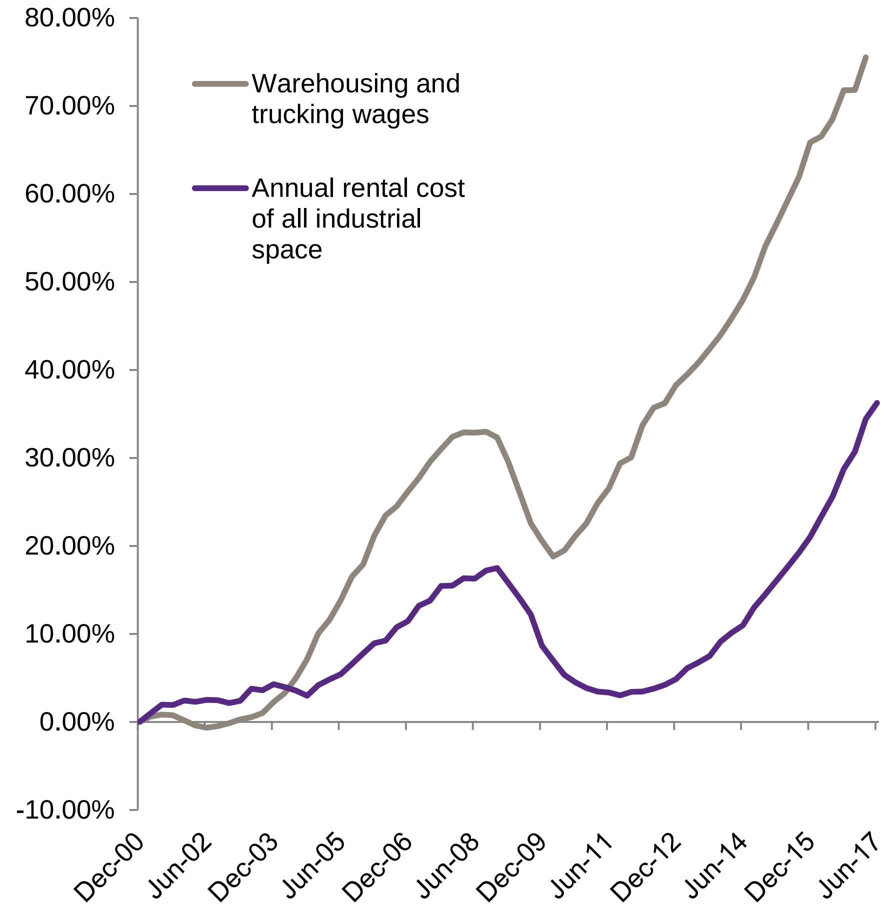
Source: CoStar through September18, 2017; Markets: Atlanta, Boston, Chicago, Dallas, Detroit, Houston, Inland Empire, Long Island, Los Angeles, Northern NJ, Philadelphia

Industrial: How much will tenants spend on rent to reduce direct-to-consumer logistics costs?

Retailers and distributors are controlling inventory costs but other logistics expenses are still surging

Inventory-to-sales ratios

Logistics expenses

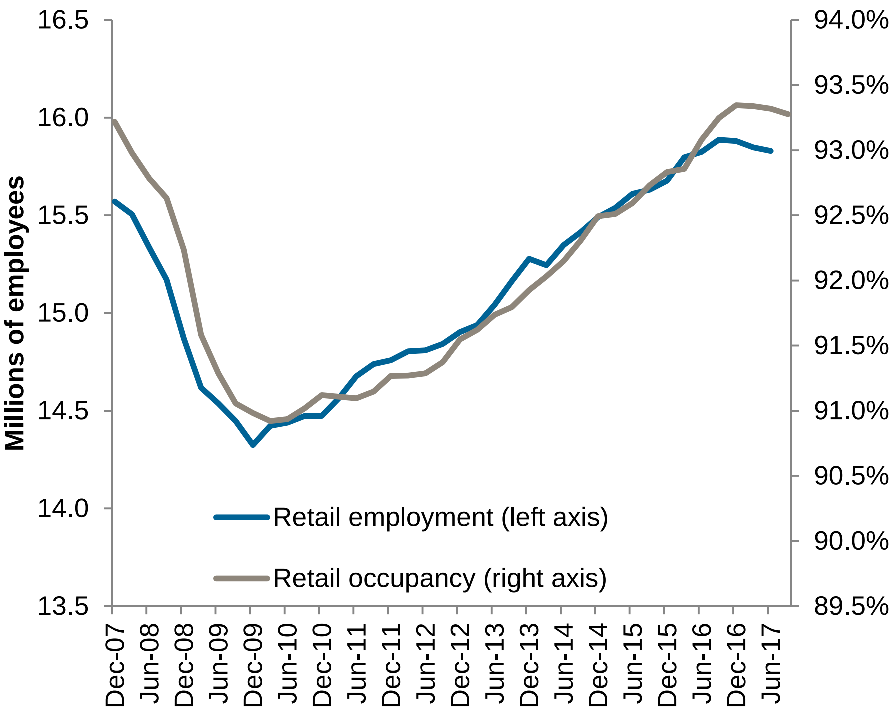


Source: Moody's analytics and BOC as of July 30, 2017

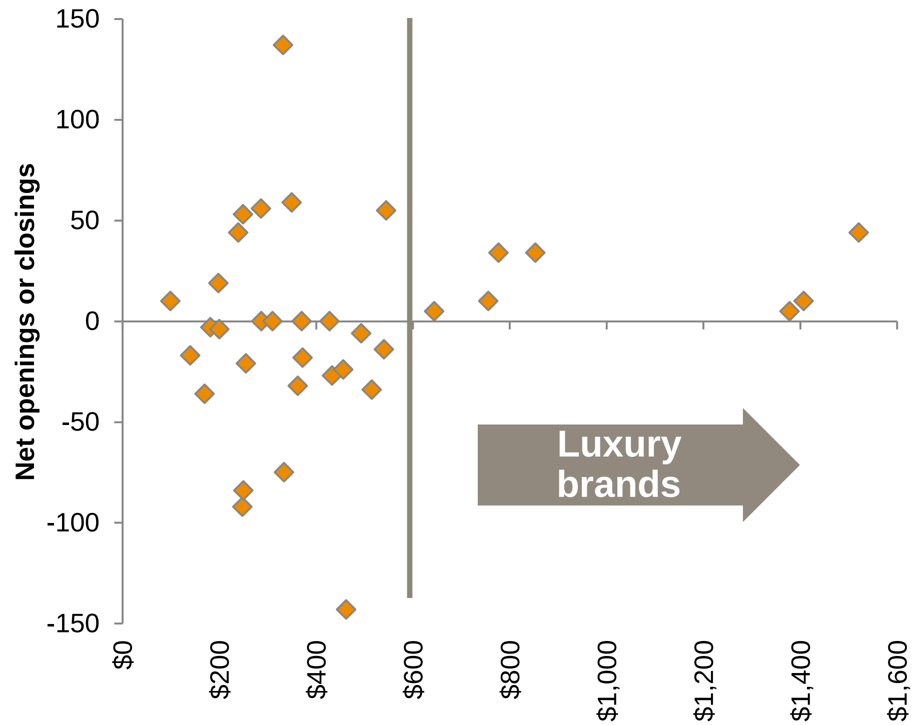
ALTs by J.P.Morgan Asset Management

Retail: Unsurprisingly, occupancy and hiring have flattened but higher end brands are generally growing

Retail occupancy and employment



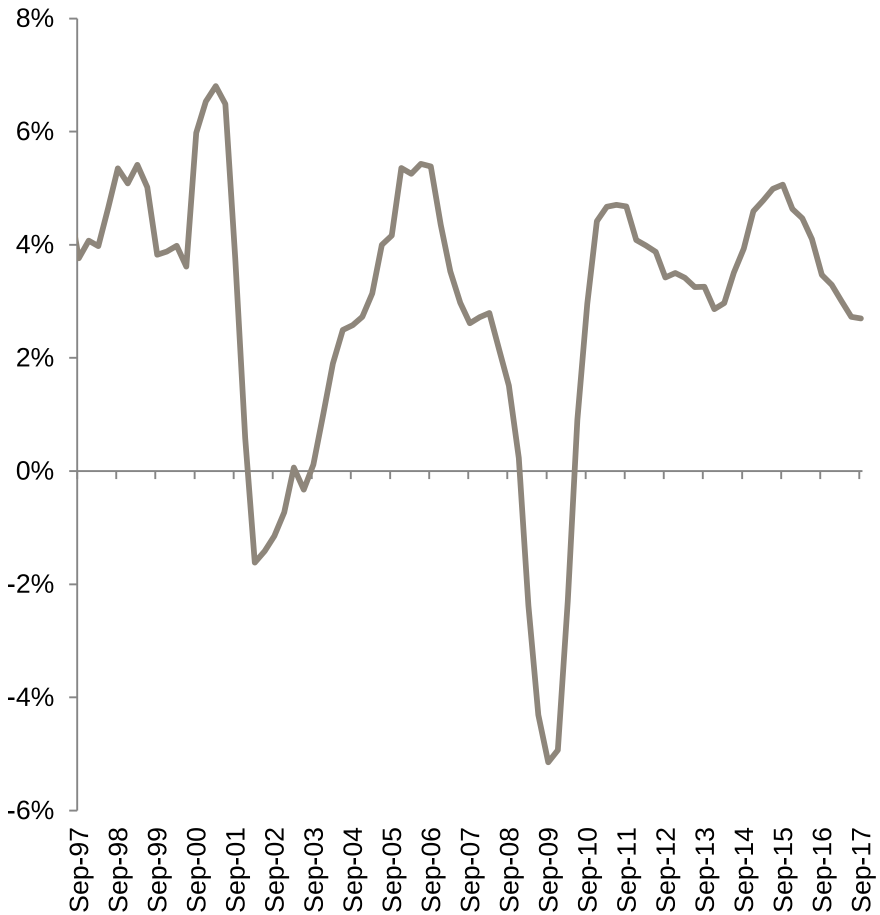
Apparel retailer net store openings (+) or closings (-) compared to sales/sf



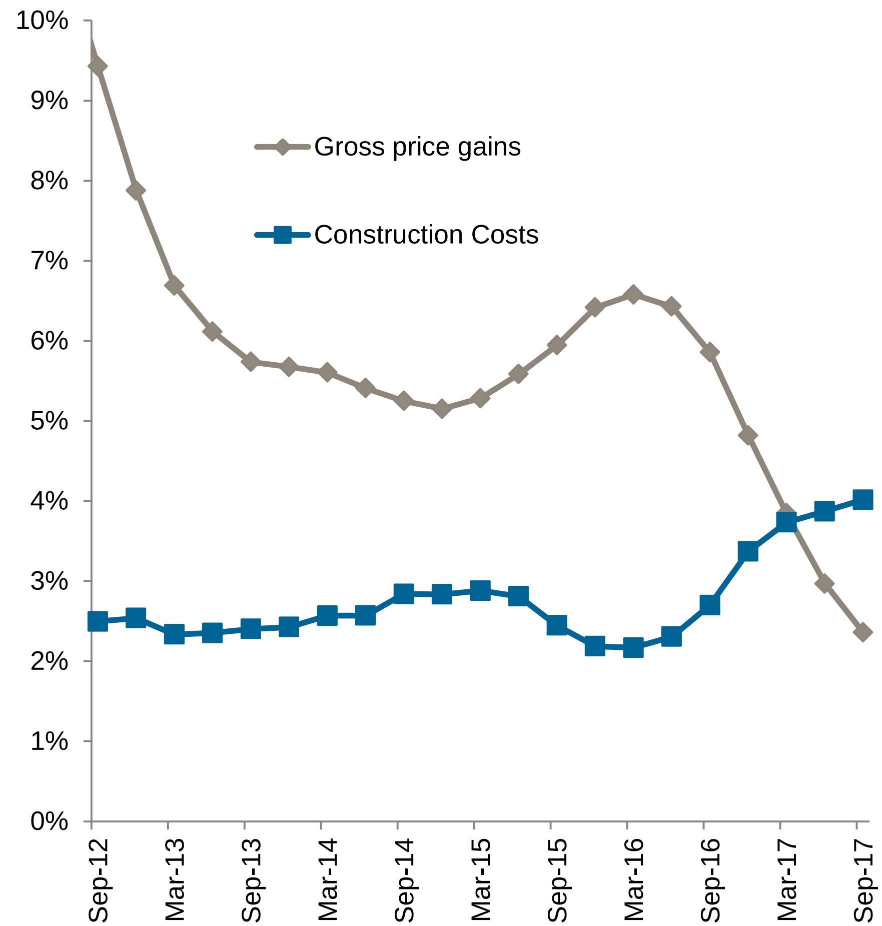
Source: CoStar through September 20, 2017; BLS, Creditntell

Multifamily: Construction is slowing rent growth but rising construction costs may moderate starts

National rent growth



Growth in construction costs vs. asset price growth



Source: Axiometrics, NCREIF, ENR

ALTs by J.P.Morgan Asset Management

Looking forward

- **Capital Market Expectations**
  - High quality transactions have more competitive bidder pools than 12 months ago.
  - Value-add investments are most liquid and returns remain tight vs. core.

- **Sector Views**
  - Apartment: Significant outperformance in less supplied suburbs.
  - Industrial: Big box supply may affect availability and possibly slow rent growth in a few locations, and tenant demand should remain strongest in infill areas.
  - Office: CBD absorption has re-accelerated – we'll see if this rebound has legs.
  - Retail: Negative news flow is focused on lower quality centers. Grocery-anchored strips are not fully bulletproof, but have fared better.

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Appendix – Supplemental exhibits

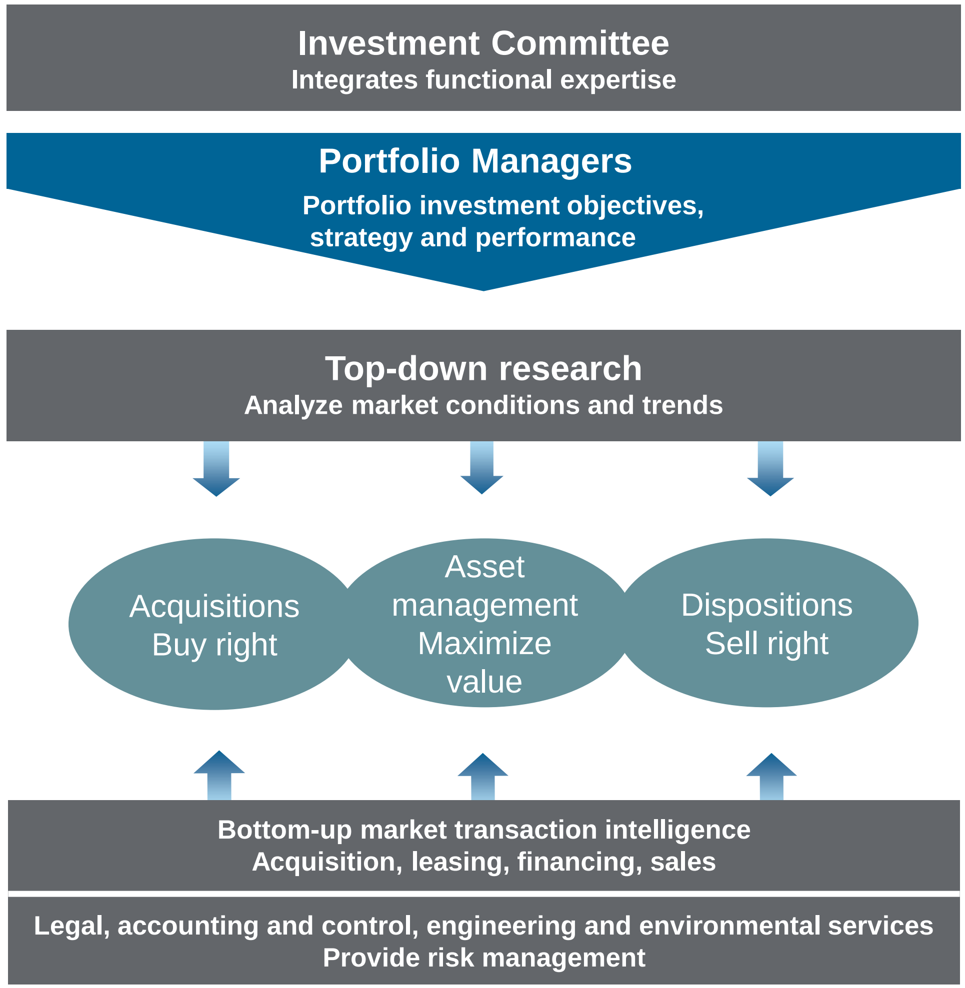
Fee schedule

Special Situation Property Fund ("SSPF") fee is:

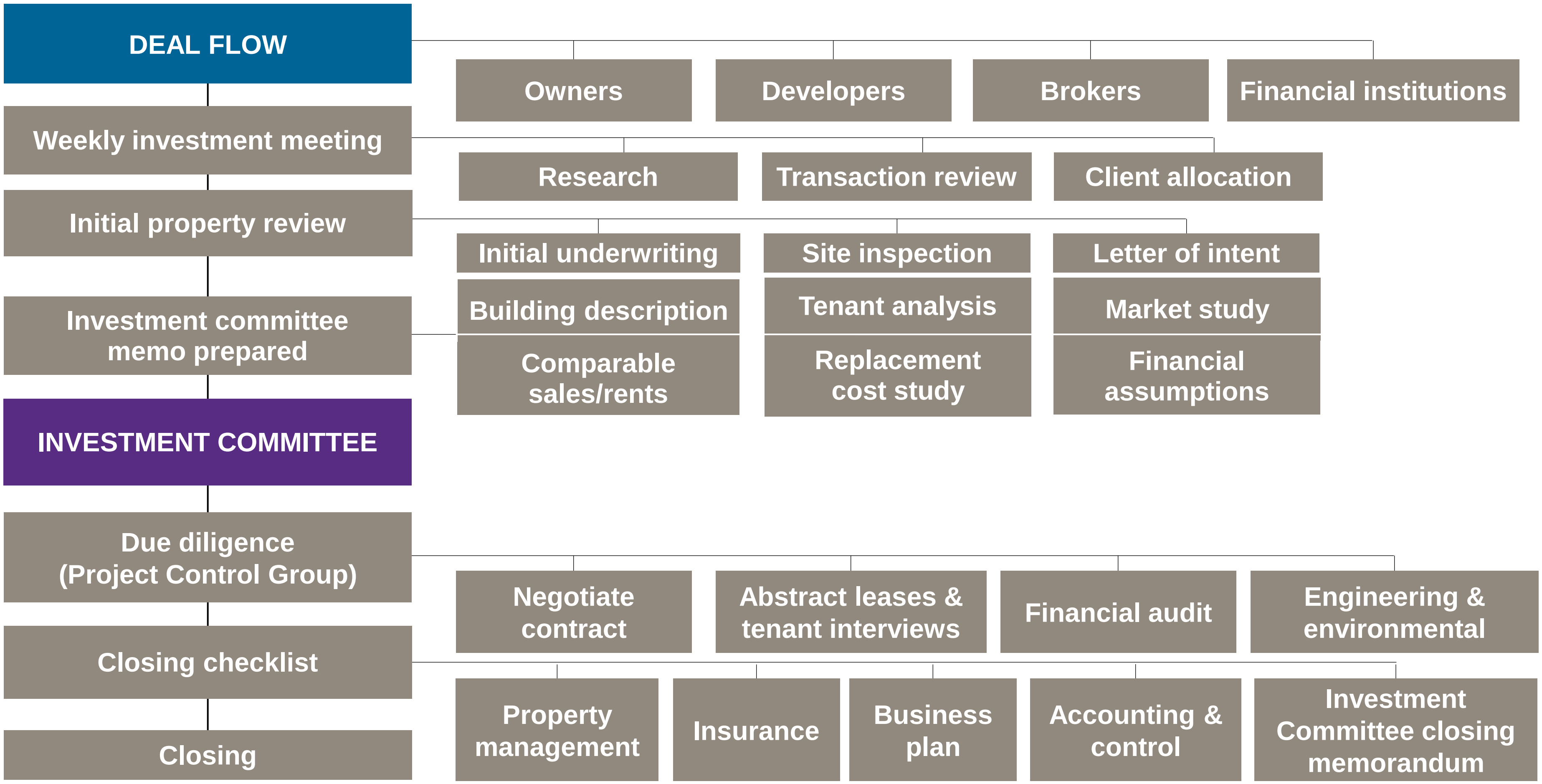
- Effective July 01, 2016, the fee for SSPF is 1.25% of the NAV, except that the fee will only be 0.15% with respect to the market value of cash in SSPF in excess of a 5% position plus 0.625% of the participant's pro-rata share of debt of SSPF. Maximum annual fee of 1.60%
- No acquisition, disposition or incentive fees
- Fees shall be computed and billed on a calendar quarter basis, in arrears

Disciplined and Integrated Investment Process

- Team approach
- Committee process
- Portfolio manager responsibility



Acquisition process



For illustrative and discussion purposes only.

Asset Management Process

- **Assist with Due Diligence & Closing**
  - Abstract Leases & Tenant Interview
  - Select Property Manager
  - Insurance
  - Business Plan & Budgets
  - Accounting & Control
- **Operating Plan**
  - Market Study
  - Annual Operating Budgets
  - Annual Leasing & Management Plan
  - Annual Capital Improvement Plan
- **Value Enhancement**
  - Review of Rent & Term
  - Operating Expense Savings
  - Other Revenue Opportunities
- **Asset Strategy Review**
  - Physical Review of Asset
  - Review Tenant & Building Financials
  - Appraisal & Market Study
  - Hold/Sell Analysis
- **INVESTMENT COMMITTEE**
  - Authorization to Sell
- **Disposition**
  - Marketing Process
  - Due Diligence
  - Purchase & Sale Agreement
  - Closing

As of May 3, 2017

For illustrative and discussion purposes only.

100% Third Party Valuation

Altus Group

PricewaterhouseCoopers ex-post quarterly review

pwc

Final property value

Altus Group
Continuous review of consistency of valuations across portfolios and versus peers and recent transaction activity

Final approval

Altus Group

Review of models and conclusions

JPMorgan Real Estate Americas Director of Valuations

Altus Group

- Accuracy of inputs
- Valuation methods employed
- Asset's highest and best use

- Operating assumptions
- Capital markets environment
- Sales and leasing comparables

External appraisals:
Third party appraisal firm

Annually

Interim valuations:
Altus or REA Asset Management

Quarterly

Role of Altus Group

- Responsible for the initial set up of the work flow process and implementation of the technology platform, appraisal process administration and data coordination, and reviewing and approving third-party appraisals and internal valuations on a quarterly basis
- Create quarterly interim valuations for office, industrial, retail assets in quarters when external appraisals are not completed
- Deliver a concurrence letter at the end of every quarter opining on REA quarterly and daily process
- Assist REA's DOV with various functions such as: benchmarking, standardizing reporting protocol, monitoring and coordinating appraisal procedures set forth in the Valuation Policy and Procedures ("Policies"), and advising of any changes to the Policies based on industry-best practices and experience with other ODCE[1] funds

[1]ODCE refers to the National Council of Real Estate Investment Fiduciaries' Fund Index Open-End Diversified Core Equity benchmark.

Product Design: Risk management elements

Fund guidelines	Special Situation Property Fund (%)
Leverage Limit:	
Portfolio	60
Asset Specific	75
Cash Min - Max	2–10
Asset Type Sector Concentration + / - vs. NFI-ODCE[1]	25
Geographic Sector Concentration + / - vs. NFI-ODCE[1]	30
Development Property - Non Income Producing Max [2]	40
JV Single-Partner Largest Concentration [2]	20
Single Largest Asset Concentration [2]	10
Annual Gross Turnover (rolling four quarters) [3]	15–40
Annual Sales Turnover (rolling four quarters) [4]	15–40

[1] Based on Fund's gross asset value (GAV) - direct real estate only, excluding Land
[2] Based on Fund's gross asset value (GAV) - direct real estate only, including Land
[3] Represents, as a percentage of the Fund's quarterly average gross asset value, the total gross acquisitions, gross sales proceeds and capital expenditures over a rolling 12 month period
[4] Represents, as a percentage of the Fund's quarterly average gross asset value, total gross sales proceeds over a rolling 12 month period

SSPF commitment to sustainability

Multifamily

- **LEED Certifications**
  - 94% of market rate multi-family units developed since 2008 are LEED Certified or In-Progress (4,600 units)
- **Walk Score**
  - Portfolio Walk Score of 84 as compared to US Average of 47

Office

- **LEED Certifications**
  - 5.7 MM square feet LEED Certified or In-progress
- **Energy Star**
  - 4.7 MM square feet labeled
  - 83 weighted average score
- **Why tenants care about sustainability**
  - 76% healthier work environment
  - 59% corporate responsibly goals
  - 41% cost savings

Asset Spotlight

New City, Chicago, IL

- 580,000 square feet retail/multifamily LEED Certified
  - Rainwater harvesting
  - Storm water management
  - Native/adapted landscaping
  - Reduced urban heat island effect (covered parking)
  - Low emission parking
  - Bike storage
  - Walk score 94, Transit score 82, Bike Score 70

* The target returns are for illustrative purposes only and are subject to significant limitations. An investor should not expect to achieve actual returns similar to the target returns shown above. Because of the inherent limitations of the target returns, potential investors should not rely on them when making a decision on whether or not to invest in the strategy. Please see the complete Target Return disclosure at the conclusion of the presentation for more information on the risks and limitation of target returns.

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Investment summary and performance

City of Gainesville - Retirement Plan
Investment Summary as of September 30, 2017

Invested capital	Market value
Strategic Property Fund	$4,132,442

Account Performance (%)	Income	Appreciation	Total	ODCE Value
Three months[1]	1.1	0.7	1.7	1.9
Since inception (4/01/17)	2.1	1.2	3.3	3.6

[1] non-annualized returns

Past performance is not a guarantee of comparable future results. Total return assumes the reinvestment of income. Performance results are gross of investment management fees. The deduction of an advisory fee reduces an investor's return. Actual account performance will vary depending on individual portfolio security selection and the applicable fee schedule. Fees are described in Part II of the Advisor's ADV which is available upon request. See Appendix for additional information

The following is an example of the effect of compounded advisory fees over a period of time on the value of a client's portfolio: A portfolio with a beginning value of $100mm, gaining an annual return of 10% per annum would grow to $259mm after 10 years, assuming no fees have been paid out. Conversely, a portfolio with a beginning value of $100mm, gaining an annual return of 10% per annum, but paying a fee of 1% per annum, would only grow to $235mm after 10 years. The annualized returns over the 10 year time period are 10.00% (gross of fees) and 8.91% (net of fees). If the fee in the above example was 0.25% per annum, the portfolio would grow to $253mm after 10 years and return 9.73% net of fees. The fees were calculated on a monthly basis, which shows the maximum effect of compounding

Appendix – Biographies of key professionals

ALTs by J.P.Morgan Asset Management

J.P. Morgan Asset Management – Real Estate Americas

Kevin Faxon, *Managing Director*, is head of Real Estate Americas at J.P. Morgan Asset Management. The 250 person group manages more than $60 billion of assets across a range of Core, Value-added and Opportunistic strategies on behalf of institutional, sovereign and high net worth investors. Kevin is a member of JPMAM Americas Executive Committee and sits on the J.P. Morgan Commercial Real Estate Council which coordinates the Real Estate activities of the broader Firm. An employee since 1988, Kevin was previously portfolio manager of the Special Situation Property and Income & Growth Funds. Prior to assuming these roles, Kevin was head of acquisitions for the western United States. Before joining the firm, he was employed by Landauer Associates, a national real estate consulting firm. Kevin holds a B.S. in real estate and finance from the University of Connecticut and an M.B.A. in finance from New York University. He is Chairman of the Board of Directors of PREA and Urban Land Institute Foundation Trustee and Governor.

Douglas A. Schwartz, *Managing Director*, is Chief Investment Officer, Real Estate Americas at J.P. Morgan Asset Management, responsible for all transactions and asset management on the platform. Doug is a voting member of the Investment Committee and sits on the America's Management Committee as well as the Risk and Oversight Committee. He is also a member of the Board of Directors of Carr Properties. Previously, Doug was portfolio manager of JPMCB Special Situation Property Fund, an open-end, value added real estate fund. Prior to this role, he was head of real estate acquisitions for the West Coast with responsibility for sourcing, underwriting and closing office, industrial, retail and multi-family transactions for all of J.P. Morgan's U.S. real estate funds. His 23 years in the industry have included roles in transactions, asset management, development management, research, risk management, and capital-raising. Prior to joining the firm in 2004, he held real estate investment roles with Lowe Enterprises, Bristol Group and Sedway & Associates. Doug earned his B.A. in mathematics from the University of Pennsylvania and an M.B.A. from the University of California, Los Angeles. Doug is a ULI IOPC chair.

Mike Kelly, *Managing Director*, is Director of U.S. Real Estate Commingled Funds and head of Debt Capital Markets, Real Estate Americas, at J.P. Morgan Asset Management. An employee since 2009, Mike is responsible for oversight of the portfolio managers for U.S. open-end funds, leadership of the client strategy team and management of a team that procures debt for J.P. Morgan Asset Management's properties and originates and manages mezzanine loans. Before joining the firm, he was a director and head of Real Estate Conduit and Workouts for Citigroup Global Markets. Previously, Michael was a vice president and originator in the Large Loan CMBS Group and assisted with management of Goldman Sachs Commercial Mortgage Capital. Prior to that, he was a managing director and co-head of Commercial Mortgage Origination at New York Life Investment Management. He started in the industry in 1989. Mike earned a B.S. in business management from Springfield College and an M.S. in real estate from New York University and holds Series 3, 7 and 63 licenses.

Craig A. Theirl, *Managing Director*, is portfolio manager of JPMCB Special Situation Property Fund, an open-end, value added real estate fund managed by J.P. Morgan Asset Management. Previously, Craig was the head of the South-Midwest region acquisitions team with responsibility for sourcing, underwriting and closing transactions across property types for all of J.P. Morgan’s U.S. real estate funds. Craig was also an acquisitions officer involved in the origination and structuring of real estate investment transactions in the Northeast, with a focus on properties in New England. Prior to joining the firm in 2000, he worked in the real estate consulting practice of PricewaterhouseCoopers in New York. Craig holds a B.B.A. in real estate and urban land economics from the University of Wisconsin-Madison.

J.P. Morgan Asset Management – Real Estate Americas

J.D. Sitton, *Managing Director*, is Head of Client Strategy, Real Estate Americas at J.P. Morgan Asset Management. J.D. leads the team responsible for raising capital and advising clients for the firm's Real Estate Americas investment platform with more than $60 billion in gross assets under management and over 200 professionals. J.D. also serves on the Real Estate Americas Management Team and the Global Alternatives Client Operating Committee. Previously, J.D. was Head of Real Estate Investor Relations at Barings and responsible for business development and client relationships. Earlier in his career, he was with Lend Lease and Equitable Real Estate, where he was a vice president and account executive. He has been in the industry since 1993. J.D. has a B.S. in accounting from George Mason University, and passed the CPA examination in 1996. He is a CFA charter holder and holds FINRA Series 7, 24 and 63 licenses. He is a member of The CFA Institute, The New York Society of Security Analysts, and the Pension Real Estate Association.

Benjamin G. Gifford, *Managing Director*, is Chairman of Real Estate Americas Investment Committee at J.P. Morgan Asset Management. Ben is responsible for governing the Investment Committee proceedings as well as managing Real Estate Americas' Separate Account business. An employee since 1998, Ben is the former CIO, Real Estate Americas, and, in that role, was responsible for the direct real estate investment activity of the commingled funds and all separate accounts. Prior to joining the firm, he was president of O'Connor Realty Advisors, where he was responsible for the separate account direct investment real estate advisory business. He was also employed at the Morgan Guaranty Trust Company, where he was responsible for real estate equity investments on behalf of its commingled trust fund and separate accounts. Prior to that, he was employed by the Teachers Insurance and Annuity Association (TIAA) as a mortgage officer. Ben holds a B.A. from the University of Pennsylvania and his professional affiliations include the Urban Land Institute, the International Council of Shopping Centers and the Pension Real Estate Association.

Dave Esrig, *Managing Director*, is JPMAM's Director of Research for Real Estate Americas and OECD Infrastructure and is the senior portfolio manager of the firm's suite of proprietary real estate funds of funds. An employee since 1997, Dave and his team forecast local economic and property performance used in acquisitions and dispositions underwriting. Additionally, he and his team develop new investment strategies for existing as well as new funds. Dave holds a B.A. from the University of Virginia, an M.A. in economics from the University of Pennsylvania, and is a CFA charter holder.

Mark Bonapace, *Managing Director*, is the head of Asset Management for the JPMorgan Real Estate Group, responsible for the management, leasing and ongoing development of the real estate assets. An employee since 1990, Mark has held several positions within the group. Prior to his role as head of Asset Management, Mark was the sector head for Office/Industrial East/South within the Real Estate Group. Mark has also been the Office/Industrial sector head for the Central region and was a Senior Asset Manager for our Retail portfolio. Mark previously worked at Deloitte & Touche for four years. He holds a B.S. in accounting from the University of Delaware and an M.B.A. in finance from New York University's Stern School of Business. Mark is also a Certified Public Accountant and an active member of the Urban Land Institute.

James F. Kennedy, *Managing Director*, is the head of the Development & Engineering Group, Global Real Estate, at J.P. Morgan Asset Management. An employee since 2004, he is responsible for engineering and environmental due diligence, development oversight and general engineering support. Jim is involved with the various real estate and infrastructure funds internationally, and provides leadership in the group's sustainability initiatives. Prior to joining J.P. Morgan Jim served in various roles across the development, construction and business consulting fields. His experience ranges across asset types, including office, industrial, retail, multi-family, hospitality and large-scale civil infrastructure. Jim received a B.B.A. in finance from the University of Massachusetts at Amherst and an M.S. in civil and environmental engineering from the Massachusetts Institute of Technology. He is a member of the American Society of Civil Engineers, National Association of Real Estate Investment Managers, Urban Land Institute and International Council of Shopping Centers. Jim is a USGBC-LEED Accredited Professional.

J.P. Morgan Asset Management – Real Estate Americas

Lawrence Fuchs, *Managing Director*, is the Head of Finance and Business Management, Global Alternatives, at J.P. Morgan Asset Management. An employee since 2000, he is responsible for driving strategy and operations around new business initiatives, governance, risk management, financial planning, and people initiatives. Lawrence is a member of the Global Alternatives Management Committee and serves on the investment committees and boards of directors of various real estate, infrastructure and maritime funds. Prior to joining the group, he was the director of operations for the Emerging Markets U.S. division of J.P. Morgan Securities, Inc. From 1998 to 2000, he was a member of the Emerging Markets Trading Association, providing insight for emerging markets operational risk and business practices. Lawrence registered as a General Securities Principal of J.P. Morgan Institutional Investments, Inc. He holds a B.B.A. in finance from Hofstra University.

Steven M. Greenspan, *Managing Director*, is the Global Director of Product Development for J.P. Morgan Asset Management. Steven plays an integral role in the design, marketing, launch, implementation and oversight of Real Estate Americas' global products and strategies. A J.P. Morgan employee since 1996, Steven has broad experience in structuring open- and closed-end funds and separate accounts designed to meet the complex commercial, legal, regulatory, and tax needs of JPMAM's global client base. He is a member of JPMAM's Global and Americas Management Committees and serves on the investment committees and boards of directors of various real estate, infrastructure and maritime funds. Steven has been recognized as a New York Super Lawyer. He previously served as a vice president/assistant general counsel in JPMAM's Legal Department, and as a practicing attorney in the real estate and corporate departments at Stroock & Stroock & Lavan LLP. Steven holds a B.P.S. from the University at Buffalo and a J.D. from Brooklyn Law School.

William C. Schultz, *Managing Director*, is Chief Operating Officer of Real Estate Americas for J.P. Morgan Asset Management. An employee since 2002, he is responsible for development and execution of the business plan, strategic initiatives and operational management of the Americas real estate business. Bill is a member of the Real Estate Americas Management Committee. He is also a board member of the JPMorgan Alternative Property Fund and a past board member of the JPMorgan US Real Estate Income and Growth Fund. His prior responsibilities within Real Estate Americas include managing the platform's expansion into Europe and Asia and roles as the Global Head of Technology, India Services and Product Delivery. Prior to joining the firm, Bill was a business process engineering and technology consultant, providing automation solutions to Fortune 500 companies globally. He holds a B.A. in economics from Glassboro State College.

Alfred W. Dort, *Managing Director*, is head of the Global Real Estate Financial Group at J.P. Morgan Asset Management. An employee since 1997, he manages a team of professionals that provide dedicated support to the real estate and transportation teams in New York, Los Angeles, London, Luxembourg, Mumbai, Hong Kong and Singapore. His responsibilities include all aspects of financial management, tax, reporting and analysis for all of the platforms open- and closed-end funds and separate accounts. He serves on the boards of directors of several real estate funds and is a non-voting member of the Real Estate Americas Investment Committee. Prior to joining the firm, Alfred spent several years with PricewaterhouseCoopers LLP, providing consulting and accounting services to real estate industry clients. He earned a B.S. in accountancy from Villanova University and is a Certified Public Accountant. He is currently a member of the American Institute of Certified Public Accountants and the New York State Society of Certified Public Accountants.

Real Estate Investment Management Services
JPMCB Special Situation Property Fund Annual Performance Report

Annual returns, U.S. $

	Composite										As of December 31			
Year	Income (%)	Appreciation (%)	Total Gross Return (%)	Total Net Return (%)	NCREIF Property Index Return (%)	NCREIF ODCE Index Return (%)	Composite 3yr St Dev (%)	NCREIF Property Index 3yr St Dev (%)	NCREIF ODCE Index 3yr St Dev (%)	Internal Dispersion (%)	Number of Accounts	Composite Assets ($millions)	% of Real Estate Assets (%)	Total Firm Assets ($billions)
2015	2.66	17.76	20.85	18.96	13.33	15.01	3.57	0.33	0.46	n/a	≤ 5	5,478	6.10	849
2014	3.80	11.51	15.72	13.90	11.81	12.49	3.47	0.21	0.49	n/a	≤ 5	4,488	5.45	845
2013	3.05	16.22	19.73	17.92	10.99	13.94	4.04	0.51	0.74	n/a	≤ 5	3,349	4.63	775
2012	4.43	7.71	12.46	10.67	10.54	10.94	5.30	1.08	1.45	n/a	≤ 5	3,029	4.67	701
2011	5.75	16.89	23.53	21.40	14.26	15.99	17.37	4.63	7.47	n/a	≤ 5	3,125	5.20	657
2010	4.98	12.90	18.52	16.35	13.11	16.36	16.86	4.89	7.49	n/a	≤ 5	3,035	6.16	621
2009	3.29	(45.77)	(44.07)	(45.16)	(16.86)	(29.76)	16.55	5.05	7.39	n/a	≤ 5	3,370	7.63	617
2008	3.96	(15.90)	(12.53)	(14.05)	(6.46)	(10.01)	6.88	4.07	4.98	n/a	≤ 5	4,574	9.06	575
2007	5.11	12.99	18.71	16.67	15.84	15.97	4.21	0.81	0.96	n/a	≤ 5	5,161	9.20	442
2006	5.21	15.06	20.99	18.88	16.59	16.32	3.64	0.96	0.95	n/a	≤ 5	3,736	8.10	374

Fees (as of 12/31/15)

Effective July 01, 2016, the fee for SSPF is 1.25% of the NAV, except that the fee will only be 0.15% with respect to the market value of cash in SSPF in excess of a 5% position plus 0.625% of the participant's pro-rata share of debt of SSPF. Maximum annual fee of 1.60%
No acquisition, disposition or incentive fees
Fees shall be computed and billed on a calendar quarter basis, in arrears

Minimum investment: $10 million

J.P. Morgan Investment Management Inc. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. J.P. Morgan Investment Management, Inc has been independently verified for the period from 2001-2013. The verification report is available upon request.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

J.P. Morgan Investment Management Inc. (JPMIM or the Firm) consists of the assets of institutional clients invested in US managed products including 1) the fixed income and cash assets formerly part of Chase Asset Management and MDSass&Chase Partners, 2) the New York institutional investment division of JPMorgan Chase Bank, N.A., formerly Morgan Guaranty Trust Company of New York, and 3) the institutional investment assets of JPMorgan Investment Advisors, Inc. (JPMIA), formerly known as Banc One Investment Advisors Corporation (BOIA), the advisor to institutional assets directly managed by JPMIA or sub-advised by an affiliate institution, and 4) the institutional assets of Bear Stearns Asset Management Inc. The Firm also includes Separately Managed Accounts over which JPMIM has full and sole discretion. JPMIM is marketed under JPMorgan Asset Management.

The composite contains a single account which is the commingled fund that is directly invested according to JPMCB's Special Situation Property Fund strategy. Special Situation Property Fund is an actively managed, value-added, open-ended commingled trust fund. It seeks an increased total return with a moderate-to-high risk level, as reflected in the potential volatility of both income and property values. It aims to outperform the NCREIF Fund Index – Open End Diversified Core Equity (NFI-ODCE) by at least 200 basis points over a full market cycle (three-to-five-year horizon) through individual asset selection and the application of value-added activities. The Fund does not attempt to match the geographic and property type diversification of the benchmark. The composite was created in December 2000.

Equity futures are occasionally used in accordance with client-authorized account objectives and guidelines in order to equitize large cash contributions and to minimize market impact while purchasing individual equity securities.

Both gross and net returns reflect the reinvestment of income, deduction of transaction costs, and are net of withholding taxes where applicable and include the effect of leverage, which averaged 40.01% of asset value in the year 2015. All returns are expressed in U.S. dollars. Gross returns do not reflect the deduction of investment advisory fees or any other expenses that may be incurred in the management of the account. The sum of the income and appreciation returns will not equal the total gross return due to the effect of compounding. Net returns have been calculated monthly using the actual fees charged to shareholders of the fund.

As of December 31, 2015, the standard annual fee schedule is as follows: 125 basis points of the account's pro-rata share of (i) the NAV and (ii) the aggregate outstanding principal amount of all third-party debt, except that (a) such fee shall be reduced by 0.625% of the Debt and (b) the fee will be 0.15% with respect to the market value of cash/cash equivalents in excess of a 10% reserve position for cash/cash equivalents. In no event will the annual fee exceed 1.60% of the NAV of the Fund, which would be the fee in effect at such time as the Fund's leverage is at a level of 36% of the gross asset value. Actual advisory fees charged and actual account minimum size may vary by account due to various conditions described in Part IIA of Form ADV.

The firm's list of composite descriptions and the policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.

Effective July 1, 2013, the Fund will change its benchmark from the NCREIF Property Index (NPI) to the NCREIF Fund Index – Open End Diversified Core Equity (NFI-ODCE). As a capitalization-weighted index of U.S. open-end core direct real estate funds with returns based on changes in the published market value of net assets of its constituents, the NFI-ODCE provides a more meaningful peer-to-peer comparison than the NPI, a market-value weighted index of unleveraged property returns for the investment-grade U.S. real estate market. Released in 2005, the NFI-ODCE was not available for use as a benchmark at the Fund's inception January 1, 1998. We have made the decision to switch the Fund's benchmark to the NFI-ODCE as the index is now more widely used in the industry as a gauge of performance of the overall institutional-quality U.S. real estate marketplace.

The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period.

The internal dispersion of annual returns is measured by the asset-weighted standard deviation of gross account returns included in the composite for the full year. For periods with 5 or fewer accounts included for the entire year, internal dispersion is not presented (n/a) as it is not considered meaningful.

Past performance is no guarantee of future results. As with any investment vehicle, there is always the potential for gains as well as the possibility of losses.

Effective May 2015, for Calendar Year 2013, the net return was adjusted from 18.30% to 17.92%.

J.P. Morgan Asset Management – Real Estate Americas

The Commingled Pension Trust Funds (Special Situation Property) of JPMorgan Chase Bank N.A. are collective trust funds established and maintained by JPMorgan Chase Bank, N.A. under a declaration of trust. The funds are not required to file a prospectus or registration statement with the SEC, and accordingly, neither is available. The funds are available only to certain qualified retirement plans and governmental plans and are not offered to the general public. Units of the funds are not bank deposits and are not insured or guaranteed by any bank, government entity, the FDIC or any other type of deposit insurance. You should carefully consider the investment objectives, risk, charges, and expenses of the funds before investing.

Opinions, estimates, forecasts, and statements of financial market trends that are based on current market conditions constitute our judgment and are subject to change without notice. We believe the information provided here is reliable. These views and strategies described may not be suitable for all investors. References to specific securities, asset classes and financial markets are for illustrative purposes only and are not intended to be, and should not be interpreted as, recommendations. Past performance is no guarantee of future results.

This document is intended solely to report on various investment views held by J.P. Morgan Asset Management. Opinions, estimates, forecasts, and statements of financial market trends that are based on current market conditions constitute our judgment and are subject to change without notice. We believe the information provided here is reliable but should not be assumed to be accurate or complete. The views and strategies described may not be suitable for all investors. References to specific securities, asset classes and financial markets are for illustrative purposes only and are not intended to be, and should not be interpreted as, recommendations. Indices do not include fees or operating expenses and are not available for actual investment. The information contained herein employs proprietary projections of expected returns as well as estimates of their future volatility. The relative relationships and forecasts contained herein are based upon proprietary research and are developed through analysis of historical data and capital markets theory. These estimates have certain inherent limitations, and unlike an actual performance record, they do not reflect actual trading, liquidity constraints, fees or other costs. References to future net returns are not promises or even estimates of actual returns a client portfolio may achieve. The forecasts contained herein are for illustrative purposes only and are not to be relied upon as advice or interpreted as a recommendation.

Real estate investing may be subject to a higher degree of market risk because of concentration in a specific industry, sector or geographical sector. Real estate investing may be subject to risks including, but not limited to, declines in the value of real estate, risks related to general and economic conditions, changes in the value of the underlying property owned by the trust and defaults by borrower.

The target returns discussed herein have been established as of the date of this presentation. The target returns have been established by each investment adviser based on its assumptions and calculations using data available to it and available investment opportunities and is subject to the risks set forth herein and set forth more fully in the applicable Fund's Memorandum. A more detailed explanation along with the data supporting the target returns is on file with the applicable investment adviser and is available for inspection upon request. The target returns are for illustration/discussion purposes only and are subject to significant limitations. An investor should not expect to achieve actual returns similar to the target returns shown above. The target returns are the investment advisor's estimate based on the investment adviser's assumptions, as well as past and current market conditions, which are subject to change. Each investment adviser has the discretion to change the target returns for the Fund at any time. Because of the inherent limitations of the target returns, potential investors should not rely on them when making a decision on whether or not to invest in any Fund. The target returns cannot account for the impact that economic and market factors have on the implementation of an actual investment program. Unlike actual performance, the target returns do not reflect actual trading, liquidity constraints, fees, expenses, and other factors that could impact the future returns of a Fund. Any investment adviser's ability to achieve the target returns is subject to risk factors over which such investment adviser may have no or limited control. No representation is made that a Fund will achieve the target return or its investment objective. Actual returns could be higher or lower than the target returns. The data supporting the Target Return is on file with J.P. Morgan and is available for inspection upon request.

Leverage. Certain of the Fund's investments may be leveraged, which may adversely affect income earned by the Fund or may result in a loss of principal. The use of leverage creates an opportunity for increased net income, but at the same time involves a high degree of financial risk and may increase the exposure of the Fund or its investments to factors such as rising interest rates, downturns in the economy or deterioration in the condition of the investment collateral. The Fund may be unable to secure attractive financing as market fluctuations may significantly decrease the availability and increase the cost of leverage. Principal and interest payments on any leverage will be payable regardless of whether the Fund has sufficient cash available. Senior lenders would be entitled to a preferred cash flow prior to the Fund's entitlement to payment on its Investment.

The value of investments and the income from them may fluctuate and your investment is not guaranteed. Past performance is no guarantee of future results. Please note current performance may be higher or lower than the performance data shown. Please note that investments in foreign markets are subject to special currency, political, and economic risks. Exchange rates may cause the value of underlying overseas investments to go down or up. Investments in emerging markets may be more volatile than other markets and the risk to your capital is therefore greater. Also, the economic and political situations may be more volatile than in established economies and these may adversely influence the value of investments made.

The deduction of an advisory fee reduces an investor's return. Actual account performance will vary depending on individual portfolio security selection and the applicable fee schedule. Fees are available upon request.

The following is an example of the effect of compounded advisory fees over a period of time on the value of a client's portfolio: A portfolio with a beginning value of $100mm, gaining an annual return of 10% per annum would grow to $259mm after 10 years, assuming no fees have been paid out. Conversely, a portfolio with a beginning value of $100mm, gaining an annual return of 10% per annum, but paying a fee of 1% per annum, would only grow to $235mm after 10 years. The annualized returns over the 10 year time period are 10.00% (gross of fees) and 8.91% (net of fees). If the fee in the above example was 0.25% per annum, the portfolio would grow to $253mm after 10 years and return 9.73% net of fees. The fees were calculated on a monthly basis, which shows the maximum effect of compounding.

J.P. Morgan Asset Management – Real Estate Americas

All case studies are shown for illustrative purposes only and should not be relied upon as advice or interpreted as a recommendation. They are based on current market conditions that constitute our judgment and are subject to change. Results shown are not meant to be representative of actual investment results. Past performance is not necessarily indicative of the likely future performance of an investment.

Any securities mentioned throughout the presentation are shown for illustrative purposes only and should not be interpreted as recommendations to buy or sell. A full list of firm recommendations for the past year is available upon request.

The Fund is established and maintained by JPMorgan Chase Bank, N.A. under a Declaration of Trust. The Fund is a bank-sponsored collective investment fund established as a group trust within the meaning of Internal Revenue Service Revenue Ruling 81-100, as amended. The Fund is available exclusively to certain tax-qualified retirement and governmental plans that have appointed JPMorgan Chase Bank, N.A. as fiduciary for the plan.

J.P. Morgan Asset Management is the marketing name for the asset management businesses of JPMorgan Chase & Co. Those businesses include, but are not limited to, JPMorgan Chase Bank N.A., J.P. Morgan Investment Management Inc., Security Capital Research & Management Incorporated, J.P. Morgan Alternative Asset Management, Inc., and J.P. Morgan Asset Management (Canada), Inc.

RESOLUTION BR-2017- ___

RETIREMENT PLAN A CONTRACT
J.P. MORGAN SPECIAL SITUATION PROPERTY FUND

WHEREAS, the City of Gainesville established the City of Gainesville, Georgia Retirement system effective on February, 24, 1941, known as Retirement Plan A (the Plan) effective July 1, 1994; and

WHEREAS, the Retirement Plan A Plan Document provides that there be a Pension Board vested with the general administration and responsibility for the proper operation of the Plan, and

WHEREAS, the Plan Document further provides that The Pension Board shall select and enter into a contract with one or more investment managers for the investment and general financial management of the Trust Fund. The Pension Board shall have the power and authority to establish the investment powers and limitations of the investment manager(s). Such powers and limitations shall be included in the contract with the investment manager(s) or in an amendment thereto, and such contract and all amendments thereto shall first be approved by the City Council of the City of Gainesville, by proper resolution before becoming effective as a contract, and

WHEREAS, the Pension Board desires to invest a portion of the Fund in Real Estate Co-mingled or Collective Investment Funds, and has exercised due diligence in selecting such a fund, namely J.P. Morgan Special Situation Property Fund, by having the product reviewed by the Plan Attorney and Investment Consultant, and by reviewing the product and interviewing representatives of the Fund, and

WHEREAS, the Board has caused a contract to be drafted which would govern such an investment in the fund in the amount of two million dollars ($2,000,000), and

WHEREAS, the Board recommends approval of the contract.

NOW, THEREFORE, BE IT RESOLVED THAT the governing body of the City of Gainesville approves the attached investment contract with J.P. Morgan Special Situation Property Fund for the purpose of investing two million dollars ($2,000,000) from the Retirement Plan A Trust Fund in said fund and that the City Manager is authorized to sign the contract.

Adopted this _____ day of __________________, 2017.

____

C. Danny Dunagan, Jr., Mayor

This is to certify that I am City Clerk of the City of Gainesville. As such, I keep its official records, including its minutes. In that capacity, my signature below certifies this resolution was adopted as stated and will be recorded in the official minutes.

ATTEST:

____

Denise O. Jordan, City Clerk

JPMorgan Chase Bank, N.A. Commingled Pension Trust Funds

(Single Class Funds)

PARTICIPATION AGREEMENT

The purpose of this Participation Agreement (the “Agreement”) is to provide for the investment of some or all of the assets of the plan or plans (the “Plan”) identified in the Account Information Form attached hereto as Exhibit A in one or more of the JPMorgan Chase Bank, N.A. Commingled Pension Trust Funds (each, a “Fund”) listed in the Account Information Form. This Agreement is entered into on behalf of the Plan by the undersigned plan sponsor, trustee, investment committee or other authorized fiduciary for the Plan (the “Client”). This Agreement includes and incorporates by reference each of the Exhibits and Appendices attached hereto, as the same may be amended or supplemented from time to time.

1. *Fund Information.* Each Fund is established and maintained by JPMorgan Chase Bank, N.A. (“JPMCB”), under a Declaration of Trust, as the same may be amended and in effect from time to time (the “Declaration of Trust”), and in accordance with applicable regulations of the Office of the Comptroller of the Currency, including 12 CFR §9.18(a). Each Fund is a bank-sponsored collective investment fund established as a group trust within the meaning of Internal Revenue Service Revenue Ruling 81-100, as amended. Further information regarding a Fund, including the Fund’s investment objective, strategy and guidelines, risk factors, fees and expenses, and other terms and conditions of participation in the Fund, are set forth in a Fund Summary (the “Fund Summary”). JPMCB shall provide to the Client copies of the Declaration of Trust and Fund Summary, and any amendments or supplements thereto, as in effect from time to time.

2. *Application to Participate.* Client has authority to direct investments or designate investment options for the Plan. Client hereby applies for participation in the Fund by the Plan. Client acknowledges and agrees that participation in the Fund is subject to the terms and conditions described in the Declaration of Trust. In the event of any inconsistency between the Declaration of Trust and this Agreement, the Declaration of Trust shall control. Participation in the Fund requires the written consent of JPMCB, as evidenced by JPMCB’s execution of this Agreement.

3. *Appointment of JPMCB as Investment Manager*. Pursuant to its authority to appoint one or more investment managers for the Plan, the Client hereby appoints JPMorgan Chase Bank, N.A., as investment manager, with the power to invest, reinvest and maintain custody of the assets of the Plan invested in the Fund, and JPMCB accepts such appointment. If the Plan is subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), JPMCB shall be appointed an “investment manager” within the meaning of Section 3(38) of ERISA. The powers and duties of JPMCB as investment manager shall be governed by the terms of the Declaration of Trust and this Agreement. JPMCB shall be responsible only for the investment and custody of the assets accepted by it and shall have no other duties except as specified in the Declaration of Trust and this Agreement. JPMCB acknowledges that it is a fiduciary, as defined by ERISA or other applicable law, with respect to the assets of the Plan invested in the Fund. Such fiduciary responsibility is limited to the management of the Fund and the selection of the investments held within the Fund. JPMCB has no duty, responsibility, authority or discretion with respect to the selection of the Fund as an investment for the Plan or the management of any other assets of the Plan.

4. *Authorized Individuals*. Pursuant to the Authorized Signers List attached hereto as Exhibit B, Client certifies to JPMCB the names, titles and authorities of the individuals who are authorized to act on behalf of the Client with respect to this Agreement and the Plan’s participation in the Fund, and JPMCB shall be entitled to rely upon such information until it receives written notice of a change in such appointments or designations.

5. *Information and Statements*. JPMCB shall provide or make available to the Client or its agent monthly statements setting forth the Plan’s transactions in the Fund, number of units held and the net asset value of the Plan’s investment in the Fund. The Client agrees to review promptly all statements and information provided or made available and to promptly advise JPMCB if there are any issues or concerns regarding such statements or information.

6. *Fees.* To compensate JPMCB for the management of the Fund and the account services rendered by JPMCB and its affiliates in connection with the Plan's investment in the Fund, JPMCB and Client agree to the terms and conditions of the Fee Schedule attached hereto as Exhibit C.

7. *Representations and Covenants.* Client represents, warrants and covenants to JPMCB as follows:

a. Client has full power and authority to appoint JPMCB and to enter into this Agreement with respect to and on behalf of the Plan, either (i) as the "named fiduciary" for the Plan (within the meaning of Section 402(c)(3) of ERISA), or as a duly authorized agent thereof, or (ii) in the case of a governmental plan, under the governing documents of the Plan or applicable statutes or regulations.

b. The Plan (including its related trust or other funding vehicle) is, and at all times that the Plan is invested in the Fund the Plan shall continue to be, (i) qualified under the provisions of Section 401(a) of the Internal Revenue Code of 1986, as amended ("IRC") and therefore exempt from taxation under the provisions of IRC Section 501(a) (a "Tax-Qualified Plan"), or (ii) a governmental plan within the meaning of IRC Section 414(d), which has been established by an employer for the exclusive benefit of its employees or their beneficiaries, or an eligible governmental plan trust or custodial account under IRC Section 457(b) that is exempt from taxation under IRC Section 457(g) (a "Qualified Governmental Investor"). Client has provided along with this Agreement (i) a copy of the Plan's favorable determination, opinion or advisory letter from the Internal Revenue Service (the "IRS") to that effect or an opinion of counsel acceptable to the Bank as to the Plan's Tax-Qualified Plan or Qualified Governmental Investor status, as applicable, or (ii) other evidence acceptable to JPMCB that demonstrates that the Plan meets the foregoing requirements to be either a Tax-Qualified Plan or Qualified Governmental Investor, as applicable and exempt from Federal income taxation.

c. If the Client is investing plan assets in the Fund through a master trust, group trust or similar funding vehicle containing the assets of two or more retirement plans, such master trust, group trust or similar funding vehicle does not contain assets of a plan qualified under the Puerto Rico Internal Revenue Code but not qualified under IRC Section 401(a), and Client shall not permit any Puerto Rico qualified plans that are not also qualified under IRC Section 401(a) to be invested in the Fund through the master trust, group trust or similar funding vehicle.

d. Without limiting the generality of the foregoing, in the event that the Plan is intended to be a Tax-Qualified Plan, Client further represents and covenants to JPMCB that (i) if no favorable determination letter has yet been issued with respect to the Plan, Client shall (A) timely submit the Plan for such a determination, and (B) make any and all of the changes that may be required by the IRS as a condition to the issuance of a favorable determination letter, (ii) Client shall (A) on an ongoing basis, timely make all such submissions to the IRS as may be necessary so that at all times the Plan will have a then-current favorable determination letter, and (B) with respect to each submission, make any and all of the changes that may be required by the IRS as a condition the issuance of the applicable favorable determination letter, and (iii) Client shall otherwise do all things necessary to maintain the Plan as tax-qualified under IRC Section 401(a) and its related trust as tax-exempt under IRC Section 501(a).

e. Without limiting the remedies available in the event of a breach, and without limiting JPMCB's other rights hereunder and under the Fund's governing documents, JPMCB shall have the right to require the Plan to withdraw from the Fund in the event that any of the foregoing assurances are breached, or JPMCB otherwise determines that the Plan is unlikely to be, or continue to be a Tax-Qualified Plan or a Qualified Governmental Investor, as applicable.

f. The trust agreement or other governing documents for the Plan expressly permits the commingling of the Plan's assets for investment purposes in a common, collective, commingled or group trust fund and incorporates the Fund's Declaration of Trust by general or specific reference thereto. The Plan's participation in the Fund does not, and the performance of the terms of this Agreement will not, contravene any provision of existing law or regulations applicable to the Plan, or of the organizational or governing documents of the Plan and its related trust.

g. The Plan does not cover self-employed individuals as defined in IRC Section 401(c).

h. The Asset Certification attached hereto as Exhibit D is true and correct and Client (or Plan's administrator, record keeper or other authorized representative) will immediately advise JPMCB in writing of any change in status affecting such certification.

i. Client acknowledges receipt of the J.P. Morgan Asset Management ERISA Section 408(b)(2) Disclosure Statement.

j. Client will immediately advise JPMCB in writing if any of the foregoing representations shall no longer be true.

8. *Withdrawal and Trading Restrictions.* Client understands and acknowledges that transactions in Fund units, including requests for purchase, redemption or exchange of Fund units, are subject to the terms, conditions and restrictions described in the Declaration of Trust. Client further understands and acknowledges that the Fund does not authorize or permit certain trading practices such as market timing or frequent trading by the Plan (or, if applicable, any participants in the Plan) that could be harmful to the Fund and its investors. Client has been provided JPMCB's policy pertaining to excessive trading in commingled pension trust funds ("Excessive Trading Policy"). Client acknowledges and agrees that the Fund may require the Plan and its administrator, record keeper or other financial intermediary to implement procedures reasonably designed to comply with the withdrawal and trading restrictions set forth in the Declaration of Trust and the Excessive Trading Policy. Client agrees to provide or cause to be provided to JPMCB or the Fund, upon written request, Plan level and individual participant level transaction activity in the Fund, and Client further agrees that the Plan and its record keeper or other applicable party shall comply with such written instructions provided by JPMCB or the Fund that restrict or prohibit further transactions in the Fund that violate the Fund's Excessive Trading Policy.

9. *PTE Disclosures and Consent.* The Fund, and if applicable, other JPMCB commingled pension trust funds in which the Fund invests, may engage in certain transactions in reliance upon and subject to the conditions of the following prohibited transaction exemptions issued by the Department of Labor:

a. *Securities Lending*. Client has reviewed the Securities Lending Disclosure attached hereto as Exhibit E, pertaining to the securities lending program maintained by JPMCB for commingled pension trust funds, along with a copy of PTE 2013-05. Client consents to the Fund's participation in the securities lending program, or, as applicable, investment in other commingled pension trust funds maintained by JPMCB that participate in the securities lending program. The Client consents to the appointment of JPMCB as the securities lending agent for the program and the use of EquiLend as described in the Securities Lending Disclosure and PTE 2013-05. The Client acknowledges that JPMCB, as the securities lending agent for commingled pension trust funds, may enter into repurchase transactions in which repurchase agreement counterparties use JPMCB as tri-party collateral agent and/or custodian for repurchase transactions. JPMCB earns fees from these third-party banks and broker-dealers for the provision of such services. This fee is separate from and in addition to the fees that JPMCB earns as trustee and custodian of the commingled pension trust fund. Client consents to the receipt by JPMCB of fees from third parties who use JPMCB as tri-party collateral agent and/or custodian for repurchase transactions. The foregoing authorization by the Client may be terminated by withdrawing from the Fund in accordance with normal redemption procedures.

b. *Purchase of Securities*. Client has reviewed a copy of the proposed and final exemption issued as PTE 2003-24 pertaining to the purchase of securities by JPMCB or other asset management affiliates of JPMCB, from nonaffiliated persons, of certain securities during the existence of an underwriting or selling syndicate when an affiliate of JPMCB is a manager or member of the underwriting syndicate or where an affiliate serves as trustee of a trust that issued the securities or as indenture trustee of debt securities. Client acknowledges that it has received from JPMCB a copy of the proposed and final exemption, and any other reasonably available information requested by Client regarding transactions that may be executed by JPMCB under PTE 2003-24. Client hereby authorizes JPMCB to purchase securities on behalf of the Fund (or any commingled pension trust fund in which the Fund may invest) in accordance with PTE 2003-24. The foregoing authorization by the Client may be terminated by withdrawing from the Fund in accordance with normal redemption procedures. Client represents that it is unrelated to and independent of JPMCB and its affiliates and that neither it, nor any individual responsible for the decision to appoint JPMCB pursuant to this Agreement, to participate in the Fund or to terminate the authorization of JPMCB to purchase securities in accordance with the exemption, is an officer, director or employee of JPMCB or any of its affiliates and agrees to notify JPMCB if the foregoing facts change.

c. *Brokerage and Execution Services.* This paragraph summarizes JPMCB's brokerage placement practices, including the potential use of affiliated broker-dealers pursuant to PTE 86-128. JPMCB will use the execution services of such broker-dealers as it may select from time to time, which will be entitled to compensation for their services, to effect transactions for the purchase and/or sale of securities and other investments by the Fund. In connection with transactions effected for the Fund, JPMCB may establish and trade in accounts in its own name or in the name of the Fund with members of national or regional securities exchanges and the Financial Industry Regulatory Authority, including "omnibus" accounts established for the purpose of combining orders for more than one client. Subject to the requirements of Section 408(b)(16) of ERISA or other applicable law, JPMCB may also execute transactions for the Fund through an electronic communication network, alternative trading system, or similar execution system or trading venue. In selecting brokers through which transactions for the Fund will be executed, JPMCB's primary consideration will be the broker's ability to provide best execution of trades. In making a decision about best execution (and subject to section 28(e) of the Securities Exchange Act of 1934), JPMCB may consider a number of factors including, but not limited to, trade price and commission and quality of research services the broker may provide. The commission rates paid to any broker for execution of transactions will be determined through negotiations with the broker, taking into account industry norms for the size and type of transaction, and the nature of brokerage and research services provided. Such research services may include, but not be limited to, analysis and reports concerning economic factors and trends, industries, specific securities, and portfolio strategies. Research services furnished by brokers will generally be used in connection with all JPMCB client accounts, although not all such services may be used with any particular account that paid commissions to the brokers providing such services. Subject to JPMCB's compliance with PTE 86-128, Client hereby authorizes JPMCB to effect transactions for the purchase and/or sale of securities and other investments through any of JPMCB's affiliated broker-dealers ("Affiliated Broker-Dealers") and the Affiliated Broker-Dealers may retain commissions in connection with effecting such agency transactions for the Fund. The Client understands that other broker-dealers may be willing to effect transactions at lower commission rates than those charged by Affiliated Broker-Dealers. When executing trades through Affiliated Broker-Dealers, JPMCB shall seek to obtain the most favorable terms for transactions that are reasonably available under the circumstances. The Client may obtain any reasonably available information regarding JPMCB's brokerage placement practices upon request at any time. The Client understands that it may terminate its authorization for JPMCB to effect securities transactions through Affiliated Broker-Dealers on behalf of the Plan by withdrawing from the Fund in accordance with normal redemption procedures.

10. *Indemnity.* Client agrees to indemnify and hold harmless JPMCB, its affiliates, and the Fund from any and all claims, losses, or liabilities which arise out of (i) any misrepresentation by the Client contained in this Agreement, (ii) JPMCB's reasonable reliance on any direction, instruction or other notice given to JPMCB on behalf of the Plan by Client or by the Plan's administrator, record keeper or other authorized representative, or (iii) failure of either the Client or its custodian to credit cash to the Fund for purposes of funding contributions on such date established by JPMCB pursuant to the terms of the Declaration of Trust.

11. *Liability.* JPMCB does not guarantee the future performance of the Fund or any specific level of performance, the success of any investment decision or strategy that JPMCB may use, or the success of JPMCB's overall management of the Fund. JPMCB and its affiliates and their directors, officers and employees shall not be liable for any expenses, losses, damages, liabilities, charges and claims of any kind or nature whatsoever ("Losses") arising from any depreciation in the value of the Fund or resulting from JPMCB's actions in regard to the Fund, except to the extent such Losses are judicially determined to be proximately caused by JPMCB's negligence, willful misconduct or breach of its fiduciary responsibility under ERISA. JPMCB and its affiliates and their directors, officers and employees shall have no responsibility or liability on account of the management of any assets of the Plan outside of the Fund or the administration of the Plan. Except as otherwise required by ERISA, under no circumstances shall JPMCB and its affiliates or their directors, officers or employees be liable for any special, consequential or indirect damages.

12. *Client Lists*. Unless Client has checked the box below, Client hereby grants JPMCB and its affiliates the right to: (a) use the name, trademark, logo or other identifying marks of the Plan or the sponsor of the Plan in any publicity activities or materials, including lists of representative clients, and (b) identify the investment style managed by JPMCB for the Plan in such publicity activities.

☐ Client does <u>*not*</u> grant JPMCB or its affiliates the rights described in (a) and (b) above.

13. *Applicable Law*. All questions arising hereunder shall be determined according to the laws of the State of New York (without regard to its conflict of laws provisions) and the provisions hereof shall be binding upon the successors and assigns of the parties. The Client hereby waives trial by jury in any judicial proceeding involving any dispute, controversy or claim arising out of or relating to this Agreement or the Plan's investment in the Fund. To the maximum extent permitted under applicable law, the Client hereby irrevocably waives any immunity to which it might otherwise be entitled in any arbitration, action at law, suit in equity or any other proceedings arising out of or based on this Agreement or any transaction in connection herewith.

14. *Customer Identification Program.* To help the government fight the funding of terrorism and money laundering activities, JPMCB has adopted a Customer Identification Program ("CIP"), pursuant to which JMPCB is required to obtain, verify and maintain records of certain information relating to its clients. Client understands that United States federal regulations and Executive Orders administered by the Office of Foreign Assets Control ("OFAC") of the U.S. Treasury Department prohibit, among other things, engaging in transactions with, and providing services to, targeted non-U.S. countries and certain entities and individuals (including, without limitation, those subject to OFAC sanctions or embargo programs or engaged in terrorist activities or narcotics trafficking). In order to facilitate JPMCB's compliance with its CIP and all applicable laws and regulations concerning money laundering, terrorist financing and other illegal activities, Client acknowledges that it has provided the representations and warranties with respect to anti-money laundering that are set forth in Exhibit F and Annexes, if any, thereto. Client understands that JPMCB will be relying upon the representations and information provided in this Agreement and in Exhibit F and the Annexes, if any, and agrees to provide such other information and/or representations as may reasonably be requested. Client represents and warrants to, and agrees with, JPMCB that the representations and warranties set forth in this Agreement and Exhibit F are true on the date hereof and that each and any of the representations and warranties will be true as of each date the Agreement is effective, unless the Client has otherwise notified JPMCB. The Client agrees to provide such evidence as to the accuracy of such representations and warranties as may be requested by JPMCB.

15. *Additional Terms and Conditions.* Client and JPMCB agree to the Additional Terms and Conditions, if any, set forth in Exhibit G attached hereto.

16. *Waiver, Amendment or Modification*. Any waiver, amendment or modification of any provision of this Agreement shall not be effective unless made in writing and signed by the party against whom enforcement of such waiver, amendment or modification is sought.

17. *Foreign Tax Reclaims.* The Fund may receive dividends and interest from issuers that are domiciled in foreign countries, some of which subject the Fund to withholding or other taxes even though the U.S. has a tax treaty with the foreign country that provides for a reduced withholding rate for U.S. residents. As a result of foreign tax laws and regulatory requirements, foreign tax authorities may require the Fund to file tax reclaim forms in order to receive the benefit of a reduced withholding rate; and may require the Fund to provide additional documentation to confirm the identity or residency of, or provide other relevant information for the Participating Trusts in the Fund. As a result, the Client agrees to provide additional information or complete forms requested by foreign tax authorities in order for the Fund to file for such tax reclaim.

18. *QPAM Notice.* Please refer to www.jpmorgan.com/qpam for a notification regarding certain obligations in connection with the temporary exemptive relief that allows affiliates of JPMorgan Chase & Co. to act as a QPAM under Prohibited Transaction Class Exemption 84-14, as amended. Upon request, a paper copy of these obligations will be provided at no cost. You should refer back to that website to the extent and at such time as long-term exemptive relief may be granted by the Department of Labor, pursuant to which these obligations may change.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their authorized representatives on this ______ day of _____________, 2017.

CLIENT:	City of Gainesville, Georgia, Retirement Plan A Pension Board	JPMORGAN CHASE BANK, N.A.	
By:	______________________________	By:	______________________________
Name:	Bryan Lackey	Name:	______________________________
Title:	City Manager	Title:	Vice President

APPROVED AS TO FORM

____

Abbott S. Hayes, Jr.
Hulsey, Oliver & Mahar, LLP
City Attorney

ATTEST

____

Denise O. Jordan
City Clerk

CITY SEAL

EXHIBIT A

ACCOUNT INFORMATION FORM

Plan Sponsor:	City of Gainesville, Georgia
Plan Sponsor EIN:	58-6000581
Address for Plan Contact:	300 Henry Ward Way Gainesville, GA 30501
Phone for Plan Contact:	770-535-6865
Name of Trust:	City of Gainesville, Georgia, Retirement Plan A
Name of Trustee:	Retirement Plan A Pension Board
Fiscal Year End of Trust/Plan:	June 30
Plan Type: A. ☒ §401(a) Qualified Plan: *(specify type)* ☒ Defined Benefit ☐ 401(k) / Profit Sharing ☐ Money Purchase	B. ☒ §414(d) Governmental Plan C. ☐ §457(b) Plan

NOTE: In addition to completing this Account Information Form, the Plan must attach a copy of its most recent IRS determination or opinion letter stating the Plan is qualified under IRC section 401(a) and its trust is tax-exempt under IRC section 501(a). A governmental plan that does not have an IRS letter or ruling may in the alternative provide a copy of the applicable statutes or other governing documents regarding the Plan's status.

Fund(s) selected for inclusion in the Plan:

Commingled Pension Trust Fund (Special Situation Property Fund) of JPMorgan Chase Bank, N.A.

For the Fund(s) identified above, please identify all Plans maintained by the Plan Sponsor or its affiliates that invest in the Fund:

Plan Name:	**Plan EIN:**	**Plan Three-Digit Number:**
City of Gainesville, Georgia, Retirement Plan A	58-6000581	002

EXHIBIT B

AUTHORIZED SIGNERS LIST

Client Name: City of Gainesville, Georgia, Retirement Plan A Pension Board

Account Name(s):	**Account Number(s):**
City of Gainesville, Georgia, Retirement Plan A – Special Situation Property Fund	311020

The below named persons are duly authorized to provide instructions for cash flows and other business related activities for the above referenced Account(s).

PLEASE NOTE: A minimum of two authorized persons is required on the below List.

Name:	**Title:**	**Signature:**	**Phone Number*:**
David Frazier	Board Chairman		770-540-6193
Denise Jordan	Board Secretary		770-535-6865
Jeremy Perry	Chief Financial Officer		770-535-6898

I certify that the signatures shown above are the legal signatures of those persons who are authorized to sign and provide instructions on behalf of the above referenced Account(s).

Signature of Authorized Person** Date

Denise O. Jordan City Clerk/Secretary to Retirement Board

Name Title

***Phone number is required to authenticate certain wire and cash flow instructions**
****Certification of Signature must be provided by a Secretary or other duly authorized officer**

EXHIBIT C

FEE SCHEDULE

Client Name: City of Gainesville, Georgia, Retirement Plan A

Fund Name: JPMCB Special Situation Property Fund

Capitalized terms used in this Fee Schedule, but not defined below, shall have the meanings attributed to them in the Agreement.

Annual Fee

The Client shall pay to JPMCB an annual fee (the "Fee") as follows:

The lower of (a) 1.60% of the Client's account NAV of the Fund or (b) 1.25% of the Client's account pro-rata share of (i) the NAV and (ii) the aggregate outstanding principal amount of all third-party debt, except that such fee shall be reduced by 0.625% of the Debt and the fee will be 0.15% with respect to the market value of cash/cash equivalents in excess of a 5% reserve position for cash/cash equivalents. The maximum fee of 1.60% is the fee that would be in effect at such time as the Fund's leverage is at a level of 36% of the gross asset value.

Billing Period

The Fee will be calculated as of the last business day of each calendar quarter-end (*i.e.*, March, June, September and December) and billed in arrears.

Fee Calculation Methodology

The market value(s) used for calculating the Fee will be determined by JPMCB as of the end of the calendar quarter based on a 30/360[1] day count convention and in accordance with the terms of the Declaration of Trust.

Cash Flow Prorations

The market value that forms the basis for each fee calculation will be adjusted to pro-rate any contributions and withdrawals that occurred during the billing period when the daily sum of such activity exceeds the greater of U.S. $1 million or 2% of the market value of the Plan's participation in the Fund. For purposes of determining this percentage threshold, each day's contributions and withdrawals will be measured against the immediately preceding month-end market value.

Billing

The Client authorizes JPMCB to directly debit the Client's Fund account for the Fee following the billing period. In the event that there are insufficient funds in the Client's Fund account, JPMCB shall liquidate holdings in the Client's Fund account in the amount necessary to cover such fees. JPMCB shall provide the Client with an invoice describing in reasonable detail the manner in which the Fee was calculated and the date on which the Fee was charged to the Client's Fund account. The statement will be emailed to the Client.

[1] 30/360 day count convention: standard accounting practice which establishes 30 days per month and 360 days per year as the basis for the number of days in months and years for calculations

<u>Fee Schedule agreed to and accepted</u>:		**<u>Investment Class Approved</u>**:	
CLIENT:	City of Gainesville, Georgia, Retirement Plan A Pension Board	JPMORGAN CHASE BANK, N.A.	
By:	______________________	By:	______________________
Name:	______________________	Name:	______________________
Title:	______________________	Title:	Vice President

APPROVED AS TO FORM

____
Abbott S. Hayes, Jr.
Hulsey, Oliver & Mahar, LLP
City Attorney

ATTEST

____
Denise O. Jordan
City Clerk

CITY SEAL

EXHIBIT D

ASSET CERTIFICATION

Please mark one item below.

Client understands that this certification shall be deemed to be a continuing certification until such time as Client shall notify JPMCB of any change.

☐ the Plan owns and invests on a discretionary basis securities less than $50 million

☒ the Plan owns and invests on a discretionary basis securities equal to or greater than $50 million, but less than $100 million

☐ the Plan owns and invests on a discretionary basis securities equal to or greater than $100 million

In determining the aggregate amount of eligible "securities" owned and invested on a discretionary basis, the following instruments and interests shall be excluded: securities issued by affiliates of the entity, bank deposit notes and certificates of deposits, loan participations; repurchase agreements; securities owned but subject to a repurchase agreement; and currency, interest rate and commodity swaps.

EXHIBIT E

SECURITIES LENDING DISCLOSURE

Description

Securities lending is a common industry practice. In the course of their normal securities business activities, brokerage firms and banks often need to borrow securities, for instance, to effect short sales. Through a lending agent, the borrowing firm provides cash or other collateral to the lender. The lender receives income consisting of the earnings on the cash collateral investments, net of a rebate received from or paid to the borrower and the lending agent fees.

JPMorgan Chase Bank, N.A. ("JPMCB") may implement securities lending within its commingled pension trust funds (a list of participating fund is available upon request). This activity is permitted by each fund's Declaration of Trust and does not affect an investor's right to withdraw from a commingled pension trust fund in accordance with normal redemption procedures. While securities are on loan, they continue to be reflected in the fund's daily net asset values, and the fund receive the benefit of any dividends, earnings or corporate actions attributable to these securities, though they give up the ability to vote proxies.

Intent of the Program

The expected benefit to the fund is increased annual returns from the incremental revenues (net of fees) generated by securities lending, although the actual benefit, if any, cannot be guaranteed or quantified in advance. This activity offers a way to capture the scarcity value of existing security positions, and in no way hinders the execution of a fund's stated investment strategies.

Lending Agent

The Investor Services unit of JPMCB is the securities lending agent for JPMCB's commingled pension trust funds and will receive a fee of up to 15% of the net earnings on each loan it makes. The net earnings from securities lending, minus the fees of the securities lending agent, will be received by the lending fund. In addition, JPMCB, as the securities lending agent for commingled pension trust funds, may enter into repurchase transactions in which the repurchase agreement counterparties use JPMCB as tri-party collateral agent (two banks provide this service to the overwhelming majority of banks and broker-dealers and JPMCB is one of those two banks). JPMCB receives a fee from these repurchase agreement counterparties. The revenue split of securities lending income does not apply to the fees JPMCB receives as tri-party collateral agent.

Risk Management

There are several types of risks associated with securities lending. With regard to the lending activity, there is default risk--the possibility that the borrowing firm does not satisfy its contractual obligation to return the borrowed security. Additionally, with regard to the reinvestment of cash collateral, there is investment risk-the possibility that the chosen investments will generate a lower-than-expected return or that the investment counterparty may default. JPMCB undertakes the following measures to insulate the funds from these risks:

The initial cash collateral provided by the borrower is required to equal between 102% and 105% of the value of any securities borrowed. Should the value of the collateral provided by the borrower fall below 100% of the fair market value of the loaned securities, the borrower will be required to provide sufficient additional collateral to return the value of the collateral to its original required level.

The list of eligible borrowers approved by JPMCB's Risk Management and Control Group includes only brokerage firms and banks whose financial strength, professionalism and reputation meet certain credit requirements. No JPMCB affiliate will be eligible to borrow any securities of a JPMCB commingled pension trust fund.

JPMCB has agreed to indemnify its commingled pension trust funds against a loss due to the bankruptcy or insolvency of a borrowing firm. In addition, JPMCB has agreed to indemnify the commingled pension trust funds against certain losses resulting from defaults by repurchase agreement counterparties.

The cash collateral held by JPMCB, the fund's trustee, custodian and securities lending agent, will be invested in repurchase agreements (using government securities as collateral) or government securities. For each lending fund, the average term of the collateral reinvestment portfolio will be matched to the average term of the loan portfolio. Eligible repurchase agreement counterparties must be approved by JPMCB's Risk Management and Control Group. JPMCB affiliates will not be eligible investment counterparties.

EquiLend

JPMCB, together with a group of leading financial services firms, joined to establish EquiLend. EquiLend operates a common electronic platform ("Platform") for the negotiation of securities lending and borrowing transactions, though EquiLend neither acts as a principal in any securities lending transaction nor guarantees any transaction executed through the Platform. JPMCB has a financial interest in the successful operation of EquiLend. JPMCB expects to use the Platform to transact securities loans on behalf of the commingled pension trust funds with other EquiLend participants that are approved borrower counterparties in the Program.

EquiLend has received an exemption from the Department of Labor (PTE 2013-05) permitting JPMCB (and other lending agents with equity interests in EquiLend) to use the Platform to lend ERISA plan assets. A copy of PTE 2013-05 is attached for your reference. Among other things, PTE 2013-05 permits participation in the Platform by an equity owner of EquiLend in its capacity as a securities lending agent for the plan, provided that certain conditions are met. JPMCB, as a securities lending agent with an equity interest in EquiLend, has a financial interest in the successful operation of EquiLend. As a securities lending agent participating in the Platform, JPMCB may provide to EquiLend securities lending data based on off-Platform securities lending transactions.

EXHIBIT F

AUTHORIZATIONS, REPRESENTATIONS AND WARRANTIES

<u>Client hereby represents, warrants and agrees that to its knowledge:</u>

(i) the Client, each employer maintaining the Plan (and such employer's affiliates), and, if any such employer is an entity that is privately owned, each person having a beneficial ownership interest in such employer (collectively, the "Plan Related Parties") and its Authorized Persons agree to provide any document or information requested by JPMorgan (whether as of the effective date of the Agreement or in the future) that JPMorgan requests in order for JPMorgan to comply with all applicable anti-money laundering statutes, rules, regulations, policies and consent orders;

(ii) all information documents provided to JPMorgan, including information documents regarding the identity of the Plan Related Parties provided or to be provided to JPMorgan are and will be accurate and complete;

(iii) none of the funds that the Plan has contributed, or will contribute, to the Account has been or will be derived, directly or indirectly, from any activity that contravenes any United States federal or any state or international laws and regulations, including anti-money laundering laws and regulations ("Prohibited Investments");

(iv) none of the Plan Related Parties is a country, territory, entity or individual named on an OFAC list;

(v) none of the Plan Related Parties is an individual or entity that resides or has a place of business in, or is organized under the laws of, a country or territory named on an OFAC list or which is designated as a non-cooperative country or territory by the Financial Action Task Force on Money Laundering ("FATF") or which is designated by the Secretary of the Treasury under Section 311 or 312 of the USA PATRIOT Act as warranting special measures due to money laundering concerns or whose contributions to such Account have been or will be transferred from or through such a country or territory;

(vi) none of the Plan Related Parties is a "senior foreign political figure," or an "immediate family member" or "close associate" of a senior foreign political figure within the meaning of the Guidance on Enhanced Scrutiny for Transactions That May Involve the Proceeds of Foreign Official Corruption issued by the U.S. Department of Treasury and other federal agencies;

(vii) none of the Plan Related Parties is a "Foreign Shell Bank" within the meaning of the USA PATRIOT Act, i.e., a foreign bank that does not have a physical presence in any country and that is not affiliated with a bank that has a physical presence and an acceptable level of regulation and supervision and

(viii) JPMorgan may disclose information about the Plan Related Parties, any Authorized Person of the Plan and the Account, to any governmental, regulatory or judicial body, agency, authority or instrumentality with jurisdiction over JPMorgan or pursuant to any requirement under applicable law, rule, regulation, policy or consent order (collectively, the "Requirement") or to its affiliates, if JPMorgan, in its sole discretion, determines that such disclosure is required by such Requirement, including the relevant statutes, rules, regulations or consent orders concerning Prohibited Investments or in connection with management or compliance oversight or an internal audit function.

EXHIBIT G

ADDITIONAL TERMS AND CONDITIONS

1. <u>Amendment to Section 10</u>

Section 10 is hereby deleted and replaced with the following:

10. Liability. Client agrees that it shall be liable for all claims, losses, or liabilities which arise out of (i) any misrepresentation by the Client contained in this Agreement, (ii) JPMCB's reasonable reliance on any direction, instruction or other notice given to JPMCB on behalf of the Plan by Client, or (iii) failure of the Client to credit cash to the Fund for purposes of funding contributions on such date established by JPMCB pursuant to the terms of the Declaration of Trust.

2. <u>Amendment to Section 13</u>

Section 13 is hereby deleted and replaced with the following:

13. *Applicable Law*. All questions arising hereunder shall be determined according to the laws of the State of Georgia (without regard to its conflict of laws provisions) and the provisions hereof shall be binding upon the successors and assigns of the parties. The Client hereby waives trial by jury in any judicial proceeding involving any dispute, controversy or claim arising out of or relating to this Agreement or the Plan's investment in the Fund.

APPENDICES

1 Declaration of Trust

2 Fund Summary

3 PTE 2013-05

4 PTE 2003-24 (Proposed)

5 PTE 2003-24 (Final)

6 Excessive Trading Policy

7 ERISA Section 408(b)(2) Disclosure Statement

J.P.Morgan
Asset Management

Contribution Notice

JPMCB Special Situation Property Fund

___________________, 2017

Send via fax to 866-342-2367
Institutional Client Service
J.P. Morgan Asset Management
1111 Polaris Parkway, Floor 1H
Columbus, OH 43240

Reference is made to the Contribution Policy for the JPMCB Special Situation Property Fund attached as Schedule 1 to the amended and restated Declaration of Trust of the Commingled Pension Trust Fund (Special Situation Property) of JPMorgan Chase Bank, N.A., dated as of February 1, 2014, as amended. All defined terms used herein shall have the meaning ascribed to such terms in the Contribution Policy.

In accordance with the terms of the Contribution Policy, the undersigned participant requests to contribute the amount specified below to the Fund, subject to and in accordance with the terms and conditions of the Declaration of Trust, the Contribution Policy and the Participation Agreement.

Contribution Amount: $ 2,000,000 (2 Million USD)

Agreed and Acknowledged:

Name of Participant:

City of Gainesville, Georgia, Retirement Plan A Pension Board

_________Account 311020_________________________

Signature: ______________________________

Name: Jeremy Perry

Title: Chief Financial Officer

Secure Communication Options

J.P. Morgan Asset Management (JPMAM) is continually striving to maintain confidentiality and protect client data. As we communicate more and more via email, encryption and cyber security are of the utmost importance. To ensure the highest level of security when communicating via email, we encourage the use of Transaction Layer Security (TLS) which JPMAM already supports today.

TLS is an industry standard feature for email security, which allows us to share encrypted communications with clients, who also have this set up on their server. When emails are sent from J.P. Morgan Asset Management, our email system checks the receiving email servers for TLS. If it is present, information exchanged between the servers is encrypted. The same process works for emails you send to us.

You may already be using TLS. If you would like further information about communicating with JPMAM via TLS, please contact your Client Account Manager.

In order for us to keep our records up to date, please choose one of the following options to indicate your preferred method of communication. JPMAM may also deliver reporting via email in a secure, password-protected file.

Please select your preferred delivery method from the options listed below, sign and date, and return to your Client Account Manager by email.

☐ **1. We have TLS enabled on our servers**

☐ **2. We would like to use TLS, please send us more information**

☑ **3. We would like to receive reports via the JPM client website and acknowledge other communications may be unencrypted**

☐ **4. We would like to continue to receive electronic communication from JPM on an unencrypted / unsecured basis**

Please be aware that by choosing options 3 or 4 JPMAM cannot guarantee the security of email transmissions and email communications are at the Client's own risk.

Company Name	City of Gainesville, Georgia Retirement Plan A Pension Board
Authorized Signer	Jeremy Perry, Chief Financial Officer
Date	

J.P.Morgan Asset Management

CITY OF GAINESVILLE

AGENDAREQUEST

Date Submitted: 11/9/2017

Presenter: Malichi Waterman, Segal

Item of Business: Fiscal Year 2017 Actuarial Valuation

Meeting Date: 11/14/2017

Purpose of Request:
The purpose of this request is to receive the Fiscal Year 2017 Actuarial Valuation report from Segal Consulting.

History/Background:
Retirement Plan A submits data to the actuarial firm on an annual basis for the purpose of preparing an Actuarial Valuation and GASB Reports. The fiscal year end data was submitted to Segal Consulting in August 2017.

Facts & Issues for Consideration:
The actuary provided a memorandum summarizing the valuation report. The next step is to present the report to the governing body. The November 16 Work Session is the next available option.

Department Recommendation:

Department Director:
David Frazier

If funding is involved, are funds approved within the current budget?

Amount Requested:

Source of Funds:

Finance Comments:

Administrative Comments:

ATTACHMENTS:

Description	Type
FY2017 Actuarial Valuation	Report
Summary Memo for Council	Executive Summary
FY17 GASB Report	Report

City of Gainesville Retirement Plan A

Actuarial Valuation and Review as of July 1, 2017

Segal Consulting
2018 Powers Ferry Road, Suite 850 Atlanta, GA 30339
T 678.306.3100 www.segalco.com

October 27, 2017

Board of Trustees
City of Gainesville Retirement Plan A
300 Henry Ward Way
Gainesville, GA 30503-2496

Dear Board Members:

We are pleased to submit this Actuarial Valuation and Review as of July 1, 2017. It summarizes the actuarial data used in the valuation, analyzes the 2016-2017 year's experience and establishes the funding requirements for fiscal 2019.

This report was prepared in accordance with generally accepted actuarial principles and practices at the request of the Board to assist in administering the Retirement Plan. The census information and financial information on which our calculations were based was prepared by the staff of the City of Gainsville. That assistance is gratefully acknowledged. Segal Consulting does not audit the data provided; the accuracy and comprehensiveness of the data is the responsibility of those supplying it. To the extent we can, however, Segal Consulting does review the data for reasonableness and consistency. Based on our review of the data, we have no reason to doubt the substantial accuracy of the information on which we have based this report and we have no reason to believe there are facts or circumstances that would affect the validity of these results.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and changes in plan provisions or applicable law.

The actuarial calculations were directed under the supervision of B. Danelle Cook, ASA, MAAA, Enrolled Actuary. Ms. Cook is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of our knowledge, the information supplied in the actuarial valuation is complete and accurate. Further, in our opinion, the assumptions as approved by the Board are reasonably related to the experience of and the expectations for the Plan.

The actuary hereby certifies that the City of Gainesville Retirement Plan A has been funded in conformity with the minimum funding standards specified in Code Section 47-20-10 of the Official Code of Georgia Annotated known as the Public Retirement Systems Standards Law. This certification covers the 2016-2017 plan year.

We look forward to reviewing this report at your next meeting and to answering any questions.

Sincerely,

Segal Consulting, a Member of The Segal Group, Inc.

By: Malichi Waterman — B. Danelle Cook

Malichi S. Waterman, FCA, MAAA	*B. Danelle Cook, ASA, MAAA*
Consulting Actuary	*Associate Actuary*
Enrolled Actuary No. 17-7141	*Enrolled Actuary No. 17-7241*

SECTION 1

VALUATION SUMMARY

SECTION 2

VALUATION RESULTS

SECTION 3

SUPPLEMENTAL INFORMATION

SECTION 4

REPORTING INFORMATION

Purpose

This report has been prepared by Segal Consulting to present a valuation of the City of Gainesville Retirement Plan A as of July 1, 2017. The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits. The contribution requirements presented in this report are based on:

- The benefit provisions of the Retirement Plan, as administered by the Board;
- The characteristics of covered active participants, inactive vested participants, and retired participants and beneficiaries as of June 30, 2017, provided by the City;
- The assets of the Plan as of June 30, 2017, provided by the City;
- Economic assumptions regarding future salary increases and investment earnings; and
- Other actuarial assumptions, regarding employee terminations, retirement, death, etc.

The assumptions and methods used to value the Plan were approved by the Board of Trustees based on the five-year experience study for the period ended June 30, 2015.

Significant Issues in Valuation Year

The following key findings were the result of this actuarial valuation:

1. This July 1, 2017 valuation determines the recommended contribution for the 2018-2019 fiscal year, based on the funding requirements of Georgia Code Section 47-20-10(b). The recommended contribution as a dollar amount has increased over last year, from $7,718,740 to $8,319,152. As a percentage of total payroll, the contribution has increased from 31.80% to 33.96%. The increase in recommended contribution is primarily due to experience losses for the year. See Section 2, Chart 14 for a detailed reconciliation of the increase.
2. The funding of the Plan is the joint responsibility of the employer and the employees. City and employee contributions combined are 26.40% of payroll, which is 7.56% less than the recommended contribution. As stated above, for fiscal year-end 2019 the recommended contribution is $8,319,152. This amount is the total normal cost plus the sum of the amortization payments for bases as determined under Georgia law. The average period for the bases in the determination of the recommended contribution is 12.7 years. The current contribution rate of 26.40% of pay is amortizing the unfunded actuarial accrued liability over an effective period of 23.0 years. The longest amortization period currently allowed by state law is 30 years, and therefore the Plan is in compliance.

3. As of July 1, 2017, the Georgia Minimum Funding Credit Balance has been depleted.
4. The funded ratio for this Plan, based on the actuarial value of assets, decreased from 64.08% as of July 1, 2016 to 63.31% as of July 1, 2017. The last ten years of funding progress are shown in Exhibit III of Section 4.
5. The recommended contribution is based on an actuarial value of assets that reflects a 10-year smoothing of market value investment gains and losses beginning July 1, 2007. The market value rate of return for the year ended June 30, 2017 was 13.99%. This resulted in an investment gain of $5.5 million on a market value basis when compared to the long-term investment return assumption of 7.25%. The rate of return on an actuarial basis was 5.64%, which was lower than the assumption of 7.25%. This resulted in an investment loss of $1,379,158 on an actuarial basis for the year ended June 30, 2017. The actuarial value of assets equals 97.7% of market value as of the valuation date.
6. There were no assumption changes or plan changes reflected for the first time with this valuation.
7. The actuarial valuation report as of July 1, 2017 is based on financial information as of June 30, 2017. Changes in the value of assets subsequent to that date are not reflected and could affect the future actuarial costs of the Plan. We are prepared to work with the City to model the effects of these and any other subsequent developments.
8. The disclosures required for compliance with GASB Statement No. 67, *Financial Reporting for Pension Plans*, and Statement No. 68, *Accounting and Financial Reporting for Pensions* were released to the City's Finance Department on October 13, 2017.

Summary of Key Valuation Results

	July 1, 2017 Valuation	July 1, 2016 Valuation
Contributions for fiscal year beginning July 1 (City plus participants):	**2018**	**2017**
Recommended (prior to application of credit balance)[1]	$8,319,152	$7,718,740[1]
As a percentage of payroll	33.96%	31.80%
Minimum (taking credit balance into account)[1]	8,319,152	7,592,372[1]
Actual contribution rate	26.40%	26.40%
Effective amortization period	23.0 years	21.0 years
Funding elements for plan year beginning July 1:	**2017**	**2016**
Normal cost, including administrative expenses	$2,678,809	$2,638,362
Market value of assets	91,311,628	82,217,921
Actuarial value of assets	89,193,790	86,628,934
Actuarial accrued liability	140,895,035	135,198,456
Unfunded actuarial accrued liability	51,701,245	48,569,522
Funded ratio - Actuarial basis	63.31%	64.08%
Funded ratio - Market basis	64.81%	60.81%
Demographic data for plan year beginning July 1:	**2017**	**2016**
Number of retired participants and beneficiaries	265	247
Number of vested former participants[2]	35	29
Number of active participants	486	489
Projected total payroll	$23,784,772	$23,563,546
Average payroll	48,940	48,187
Projected payroll for fiscal year	$24,498,315	$24,270,452

[1]*As of July 1, 2017 the credit balance has been depleted.*
[2]*Includes 25 former participants with contributions remaining in the plan as of June 30, 2017 and 21 as of June 30, 2016.*

Important Information About Actuarial Valuations

An actuarial valuation is a budgeting tool with respect to the financing of future projected obligations of a pension plan. It is an estimated forecast – the actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.

In order to prepare a valuation, Segal Consulting ("Segal") relies on a number of input items. These include:

- **Plan of benefits** Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. It is important to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.
- **Participant data** An actuarial valuation for a plan is based on data provided to the actuary by the City. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
- **Assets** The valuation is based on the market value of assets as of the valuation date, as provided by the City. The Plan uses an "actuarial value of assets" that differs from market value to gradually reflect year-to-year changes in the market value of assets in determining the contribution requirements.
- **Actuarial assumptions** In preparing an actuarial valuation, Segal projects the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. This projection requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of each participant for each year. In addition, the benefits projected to be paid for each of those events in each future year reflect actuarial assumptions as to salary increases and cost-of-living adjustments. The projected benefits are then discounted to a present value, based on the assumed rate of return that is expected to be achieved on the plan's assets. There is a reasonable range for each assumption used in the projection and the results may vary materially based on which assumptions are selected. It is important for any user of an actuarial valuation to understand this concept. Actuarial assumptions are periodically reviewed to ensure that future valuations reflect emerging plan experience. While future changes in actuarial assumptions may have a significant impact on the reported results, that does not mean that the previous assumptions were unreasonable.

The user of Segal's actuarial valuation (or other actuarial calculations) should keep the following in mind:

- The actuarial valuation is prepared at the request of the Retirement Board. Segal is not responsible for the use or misuse of its report, particularly by any other party.
- An actuarial valuation is a measurement of the plan's assets and liabilities at a specific date. Accordingly, except where otherwise noted, Segal did not perform an analysis of the potential range of future financial measures. The actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.
- If the City is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.
- Segal does not provide investment, legal, accounting, or tax advice. Segal's valuation is based on our understanding of applicable guidance in these areas and of the plan's provisions, but they may be subject to alternative interpretations. The Retirement Board should look to their other advisors for expertise in these areas.

As Segal Consulting has no discretionary authority with respect to the management or assets of the Plan, it is not a fiduciary in its capacity as actuaries and consultants with respect to the Plan.

A. PARTICIPANT DATA

The Actuarial Valuation and Review considers the number and demographic characteristics of covered participants, including active participants, vested terminated participants, retired participants and beneficiaries.

This section presents a summary of significant statistical data on these participant groups.

More detailed information for this valuation year and the preceding valuation can be found in Section 3, Exhibits A, B, and C.

A historical perspective of how the participant population has changed over the past ten valuations can be seen in this chart.

CHART 1

Participant Population: 2008 – 2017

Year Ended June 30	Active Participants	Vested Terminated Participants*	Retired Participants and Beneficiaries	Ratio of Non-Actives to Actives
2008	493	6	176	0.37
2009	471	7	189	0.42
2010	472	9	197	0.44
2011	477	11	202	0.45
2012	484	11	210	0.46
2013	487	13	217	0.47
2014	476	15	230	0.51
2015	488	25	239	0.54
2016	489	29	247	0.56
2017	486	35	265	0.62

**Includes terminated participants with contributions remaining in the Plan.*

Active Participants

Plan costs are affected by the age, years of service and payroll of active participants. In this year's valuation, there were 486 active participants with an average age of 42.2, average years of benefit service of 9.3 years and average payroll of $48,940. The 489 active participants in the prior valuation had an average age of 42.7, average benefit service of 9.6 years and average payroll of $48,187.

Inactive Participants

In this year's valuation, there were ten participants with a vested right to a deferred or immediate vested benefit. In addition, there were 25 participants entitled to a return of their employee contributions.

These graphs show a distribution of active participants by age and by years of service.

CHART 2

Distribution of Active Participants by Age as of June 30, 2017

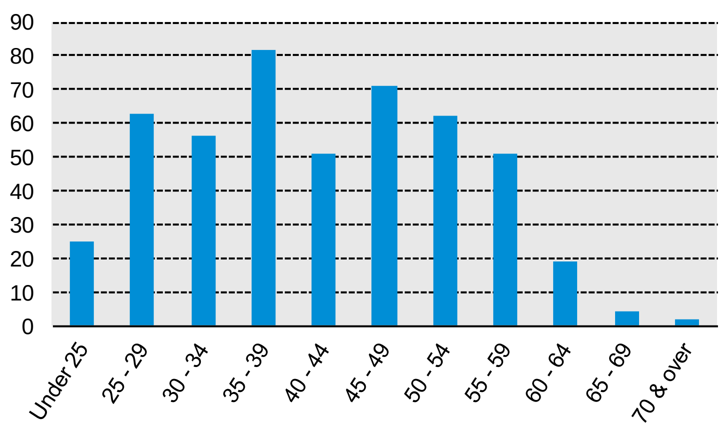
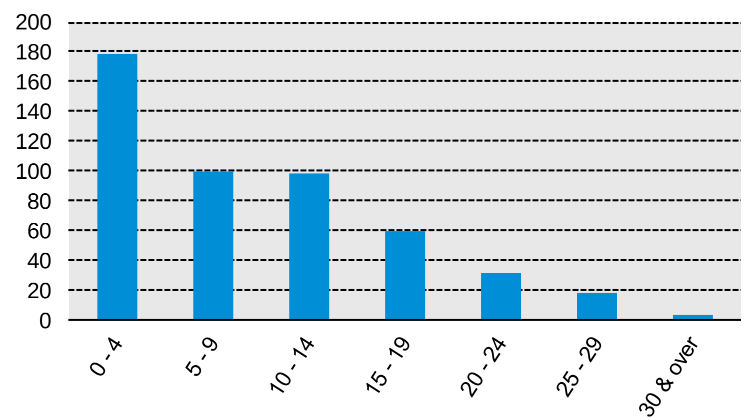


CHART 3

Distribution of Active Participants by Years of Service as of June 30, 2017



Retired Participants and Beneficiaries
As of June 30, 2017, 242 retired participants and 23 beneficiaries were receiving total monthly benefits of $650,270. For comparison, in the previous valuation, there were 227 retired participants and 20 beneficiaries receiving monthly benefits of $596,073.

These graphs show a distribution of the current retired participants and beneficiaries based on their monthly amount and age, by type of pension.

CHART 4

Distribution of Retired Participants and Beneficiaries by Type and by Monthly Amount as of June 30, 2017

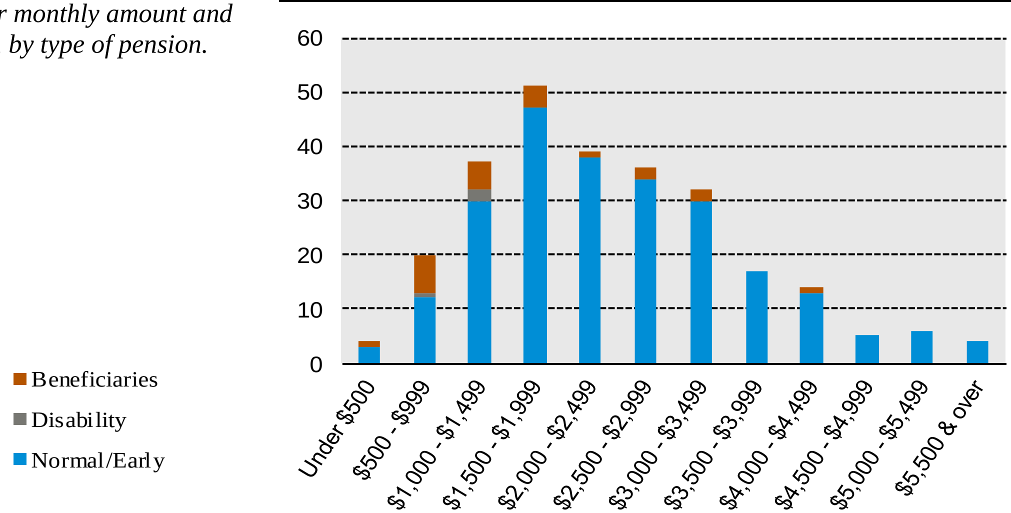
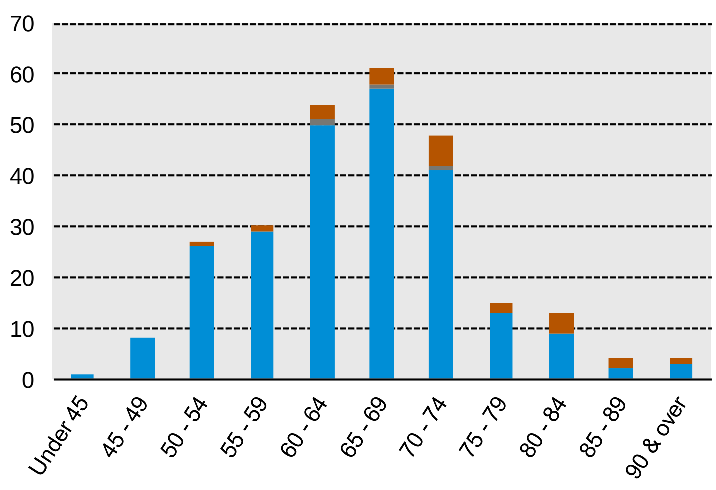


CHART 5

Distribution of Retired Participants and Beneficiaries by Type and by Age as of June 30, 2017



B. FINANCIAL INFORMATION

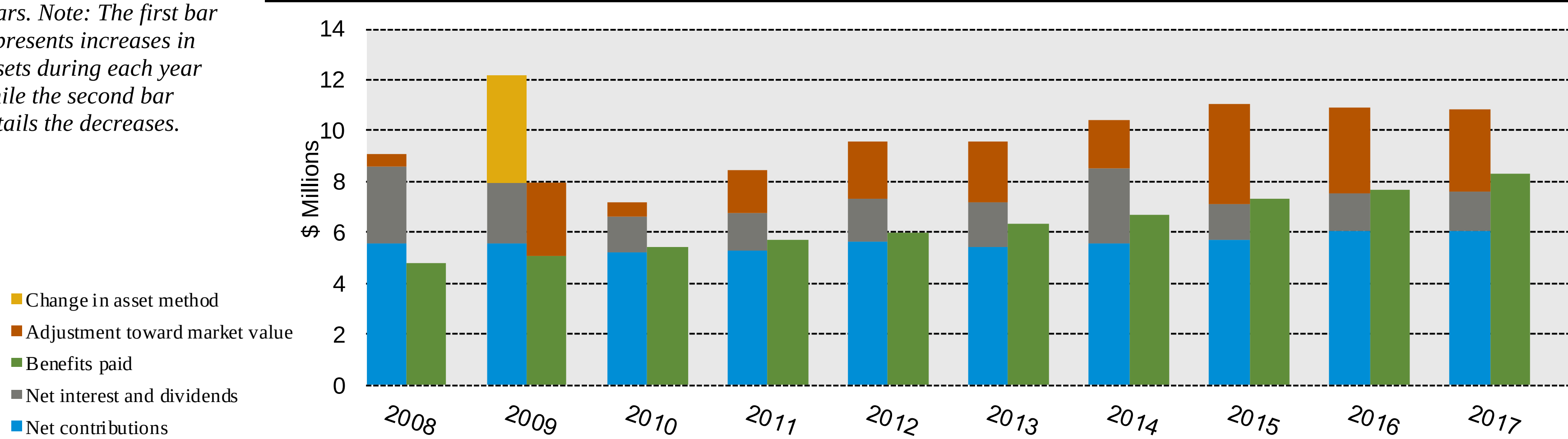
Retirement plan funding anticipates that, over the long term, both contributions (less administrative expenses) and net investment earnings (less investment fees) will be needed to cover benefit payments.

Retirement plan assets change as a result of the net impact of these income and expense components. Additional financial information, including a summary of these transactions for the valuation year, is presented in Section 3, Exhibits D, E and F.

The chart depicts the components of changes in the actuarial value of assets over the last ten years. Note: The first bar represents increases in assets during each year while the second bar details the decreases.

CHART 6

Comparison of Increases and Decreases in the Actuarial Value of Assets for Years Ended June 30, 2008 – 2017



It is desirable to have level and predictable plan costs from one year to the next. For this reason, the Board has approved an asset valuation method that gradually adjusts to market value. Under this valuation method, the full value of market fluctuations is not recognized in a single year and, as a result, the asset value and the plan costs are more stable.

The amount of the adjustment to recognize market value is treated as income, which may be positive or negative. Realized and unrealized gains and losses are treated equally and, therefore, the sale of assets has no immediate effect on the actuarial value.

The chart shows the determination of the actuarial value of assets as of the valuation date.

CHART 7

Determination of Actuarial Value of Assets for Year Ended June 30, 2017

	Original Amount[1]	Percent Deferred	Unrecognized Return[2]	
1. Market value of assets, June 30, 2017				$91,311,628
2. Calculation of unrecognized return				
(a) Year ended June 30, 2017	$5,469,492	90%	$4,922,543	
(b) Year ended June 30, 2016	-4,450,612	80%	-3,560,490	
(c) Year ended June 30, 2015	-3,275,222	70%	-2,292,655	
(d) Year ended June 30, 2014	4,703,922	60%	2,822,353	
(e) Year ended June 30, 2013	1,330,279	50%	665,140	
(f) Year ended June 30, 2012	-3,099,572	40%	-1,239,829	
(g) Year ended June 30, 2011	4,886,516	30%	1,465,955	
(h) Year ended June 30, 2010	2,752,683	20%	550,536	
(i) Year ended June 30, 2009	-12,157,151	10%	-1,215,715	
(j) Year ended June 30, 2008	-6,753,921	0%	0	
(k) Total unrecognized return				2,117,838
3. Preliminary actuarial value: (1) - (2k)				89,193,790
4. Adjustment to be within 30% corridor				0
5. Final actuarial value of assets as of June 30, 2017: (3) + (4)				$89,193,790
6. Actuarial value as a percentage of market value: (5) ÷ (1)				97.7%
7. Amount deferred for future recognition: (1) - (5)				$2,117,838

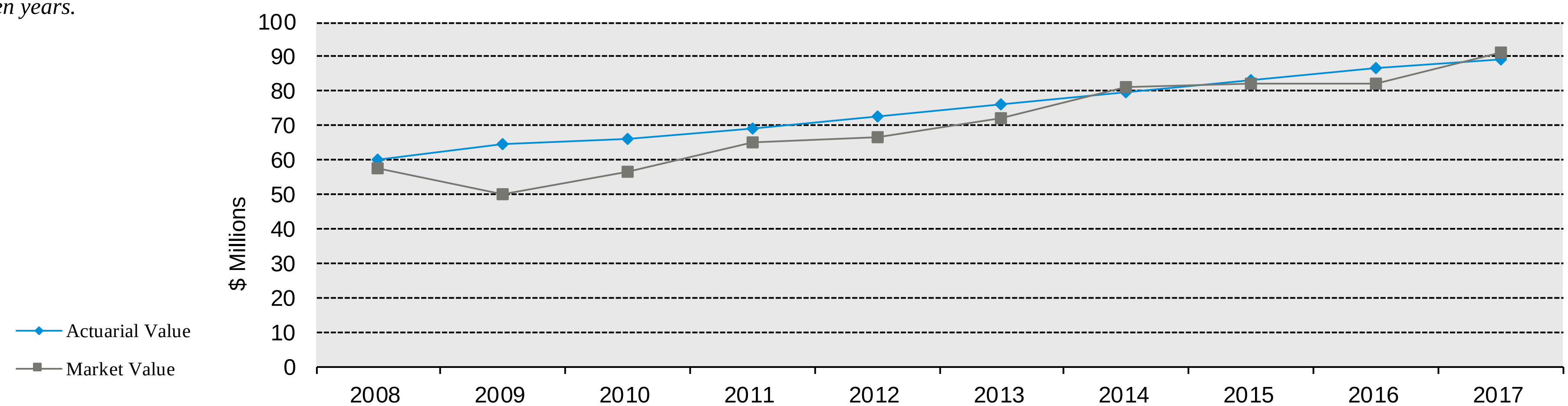
[1] *Total return minus expected return on a market value basis*
[2] *Recognition at 10% per year over 10 years*

Both the actuarial value and market value of assets are representations of the Retirement Plan's financial status. As investment gains and losses are gradually taken into account, the actuarial value of assets tracks the market value of assets. The actuarial asset value is significant because the Plan's liabilities are compared to these assets to determine what portion, if any, remains unfunded. Amortization of the unfunded actuarial accrued liability is an important element in determining the contribution requirement.

This chart shows the change in the actuarial value of assets versus the market value over the past ten years.

CHART 8

Actuarial Value of Assets vs. Market Value of Assets as of June 30, 2008 – 2017



C. ACTUARIAL EXPERIENCE

To calculate the required contribution, assumptions are made about future events that affect the amount and timing of benefits to be paid and assets to be accumulated. Each year actual experience is measured against the assumptions. If overall experience is more favorable than anticipated (an actuarial gain), the contribution requirement will decrease from the previous year. On the other hand, the contribution requirement will increase if overall actuarial experience is less favorable than expected (an actuarial loss).

Taking account of experience gains or losses in one year without making a change in assumptions reflects the belief that the single year's experience was a short-term development and that, over the long term, experience will return to the original assumptions. For contribution requirements to remain stable, assumptions should approximate experience.

If assumptions are changed, the contribution requirement is adjusted to take into account a change in experience anticipated for all future years.

The total loss is $3,218,113, including losses of $1,379,158 from investments and $1,838,955 from all other sources. The net experience variation from individual sources other than investments was 1.3% of the actuarial accrued liability. A discussion of the major components of the actuarial experience is on the following pages.

This chart provides a summary of the actuarial experience during the past year.

CHART 9

Actuarial Experience for Year Ended June 30, 2017

1.	Net loss from investments*	-$1,379,158
2.	Net loss from administrative expenses	-36,329
3.	Net loss from other experience	-1,802,626
4.	Net experience loss: (1) + (2) + (3)	-$3,218,113

** Details in Chart 10*

Investment Rate of Return

A major component of projected asset growth is the assumed rate of return. The assumed return should represent the expected long-term rate of return, based on the Retirement Plan's investment policy. For valuation purposes, the assumed rate of return on the actuarial value of assets is 7.25%. The actual rate of return on an actuarial basis for the 2016-2017 plan year was 5.64%.

Since the actual return for the year was less than the assumed return, the Plan experienced an actuarial loss during the year ended June 30, 2017 with regard to its investments.

This chart shows the loss due to investment experience.

CHART 10

Actuarial Value Investment Experience for Year Ended June 30, 2017

1.	Actual return	$4,819,702
2.	Average value of assets	85,501,511
3.	Actual rate of return: (1) ÷ (2)	5.64%
4.	Assumed rate of return	7.25%
5.	Expected return: (2) x (4)	$6,198,860
6.	Actuarial loss: (1) – (5)	-$1,379,158

Because actuarial planning is long term, it is useful to see how the assumed investment rate of return has followed actual experience over time. The chart below shows the rate of return on an actuarial basis compared to the market value investment return for the last ten years, including five-year and ten-year averages.

Based upon this experience and future expectations, the Board has maintained the assumed rate of return of 7.25%.

CHART 11

Investment Return – Actuarial Value vs. Market Value: 2008 - 2017

Year Ended June 30	Net Interest and Dividend Income*		Recognition of Capital Appreciation		Change in Asset Method		Actuarial Value Investment Return		Market Value Investment Return	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
2008	$3,034,225	5.39%	$521,848	0.93%	- -	- -	$3,556,073	6.32%	-$2,293,335	-3.86%
2009	2,386,846	3.95	-2,830,742	-4.68	$4,257,814	7.04%	3,813,918	6.31	-7,822,179	-13.53
2010	1,414,939	2.20	573,492	0.89	- -	- -	1,988,431	3.09	6,509,428	13.00
2011	1,446,443	2.19	1,736,350	2.63	- -	- -	3,182,793	4.82	9,108,468	16.18
2012	1,690,567	2.45	2,187,819	3.18	- -	- -	3,878,386	5.63	1,779,127	2.74
2013	1,734,256	2.40	2,405,755	3.33	- -	- -	4,140,011	5.74	6,298,042	9.51
2014	3,007,742	3.99	1,889,272	2.51	- -	- -	4,897,014	6.50	10,066,981	14.08
2015	1,371,089	1.74	3,921,941	4.98	- -	- -	5,293,030	6.71	2,740,115	3.42
2016	1,472,246	1.78	3,415,244	4.14	- -	- -	4,887,490	5.92	1,651,839	2.03
2017	1,516,628	1.77	3,303,074	3.87	- -	- -	4,819,702	5.64	11,348,553	13.99
Total	$19,074,981		$17,124,053		$4,257,814		$40,456,848		$39,387,037	
							Five-year average return	6.10%		8.44%
							Ten-year average return	5.69%		5.89%

**Net of investment expenses. Years prior to 2017 are also net of administrative expenses.*

Note: Each year's yield is weighted by the average asset value in that year.

Subsection B described the actuarial asset valuation method that gradually takes into account fluctuations in the market value rate of return. The effect of this is to stabilize the actuarial rate of return, which contributes to leveling pension plan costs.

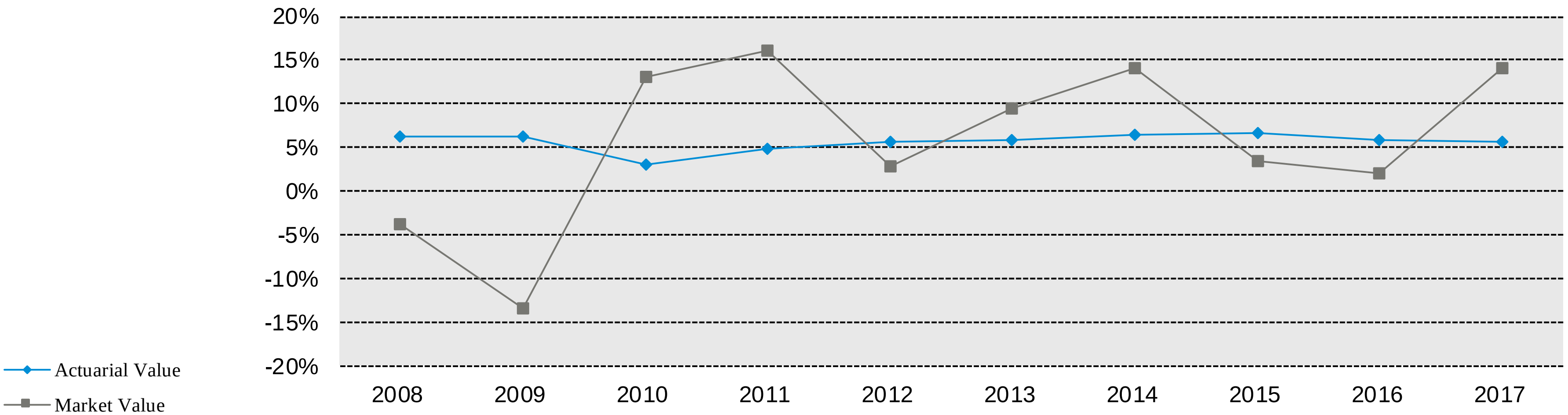
Administrative Expenses

Administrative expenses for the year ended June 30, 2017 totaled $165,260 compared to the assumption of $130,000. This resulted in a loss of $36,329 when adjusted for timing. We have maintained the assumption of $130,000 for the current year. We will continue to monitor this assumption in future valuations.

This chart illustrates how this leveling effect has actually worked over the years 2008 - 2017.

CHART 12

Market and Actuarial Rates of Return for Years Ended June 30, 2008 - 2017



Other Experience

There are other differences between the expected and the actual experience that appear when the new valuation is compared with the projections from the previous valuation. These include:

- the extent of turnover among the participants,
- retirement experience (earlier or later than expected),
- mortality (more or fewer deaths than expected),
- the number of disability retirements, and
- salary increases different than assumed.

The net loss from this other experience for the year ended June 30, 2017 amounted to $1,802,626, which is 1.3% of the actuarial accrued liability.

D. RECOMMENDED CONTRIBUTION

The amount of annual contribution required to fund the Plan is comprised of a normal cost payment and a payment on the unfunded actuarial accrued liability. This total amount is then divided by the projected payroll for active members to determine the funding rate of 33.96% of payroll.

The City has adopted financing periods of 15 years for experience gains and losses, 30 years for assumption and method changes, 20 years for benefit improvements affecting active employees and 10 years for benefit improvements affecting inactive employees. The current average period for the bases in the determination of the recommended contribution is 12.7 years.

The total contribution rate of 26.40% of pay is amortizing the unfunded actuarial accrued liability over an effective period of 23.0 years. This is a reasonable amortization period and complies with the funding requirements of Georgia state laws.

The chart compares this valuation's recommended contribution with the prior valuation.

CHART 13

Recommended Contribution

	Year Beginning July 1			
	2018		2017	
	Amount	% of Projected Payroll	Amount	% of Projected Payroll
1. Normal cost	$2,553,203	10.42%	$2,512,756	10.35%
2. Administrative expenses	125,606	0.51%	125,606	0.52%
3. Total normal cost: (1) + (2)	$2,678,809	10.93%	$2,638,362	10.87%
4. Actuarial accrued liability	140,895,035		135,198,456	
5. Actuarial value of assets	89,193,790		86,628,934	
6. Unfunded actuarial accrued liability: (4) - (5)	$51,701,245		$48,569,522	
7. Payment on unfunded actuarial accrued liability	5,115,494	20.88%	4,593,409	18.93%
8. Total recommended contribution: (3) + (7), adjusted for timing*	$8,319,152	33.96%	$7,718,740	31.80%
9. Projected credit balance	0		126,368	
10. Recommended contribution adjusted by credit balance: (8) - (9)	$8,319,152	33.96%	$7,592,372	31.28%
11. Valuation payroll projected to fiscal year	$24,498,315		$24,270,452	

**Fiscal year contributions are based on the valuation liabilities and assets determined one year prior.*

The contribution requirements as of July 1, 2017 are based on all of the data described in the previous sections, the actuarial assumptions described in Section 4, and the Plan provisions adopted at the time of preparation of the Actuarial Valuation. They include all changes affecting future costs, adopted benefit changes, actuarial gains and losses and changes in the actuarial assumptions.

Reconciliation of Recommended Contribution
The chart below details the changes in the recommended contribution from the prior valuation to the current year's valuation.

The chart reconciles the contribution from the prior valuation to the amount determined in this valuation.

CHART 14

Reconciliation of Recommended Contribution from Fiscal Year Beginning July 1, 2017 to July 1, 2018

Recommended Contribution as of July 1, 2017	$7,718,740
Effect of expected change in amortization payment due to payroll growth	147,082
Effect of investment loss	128,274
Effect of other gains and losses on accrued liability	171,039
Effect of net other changes	154,017
Total change	$600,412
Recommended Contribution as of July 1, 2018	$8,319,152

EXHIBIT A

Table of Plan Coverage

Category	Year Ended June 30 2017	Year Ended June 30 2016	Change From Prior Year
Active participants in valuation:			
Number	486	489	-0.6%
Average age	42.2	42.7	N/A
Average eligibility service	9.7	10.0	N/A
Average benefit service	9.3	9.6	N/A
Projected total payroll	$23,784,772	$23,563,546	0.9%
Projected average payroll	48,940	48,187	1.6%
Account balances	22,878,446	23,167,273	-1.2%
Total active vested participants	223	220	1.4%
Vested terminated participants*	35	29	20.7%
Retired participants:			
Number in pay status	239	223	7.2%
Average age	65.2	64.9	N/A
Average monthly benefit	$2,553	$2,497	2.2%
Disabled participants:			
Number in pay status	3	4	-25.0%
Average age	66.5	65.7	N/A
Average monthly benefit	$1,053	$1,222	-13.8%
Beneficiaries in pay status:			
Number in pay status	23	20	15.0%
Average age	73.7	74.3	N/A
Average monthly benefit	$1,610	$1,718	-6.3%

**Includes 25 former participants with contributions remaining in the plan as of June 30, 2017 and 21 as of June 30, 2016.*

EXHIBIT B

Participants in Active Service as of June 30, 2017 By Age, Years of Service, and Average Payroll

		Years of Service							
Age	Total	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 & over
Under 25	25	25	- -	- -	- -	- -	- -	- -
	$32,399	$32,399	- -	- -	- -	- -	- -	- -
25 - 29	63	54	9	- -	- -	- -	- -	- -
	38,174	36,814	$46,333	- -	- -	- -	- -	- -
30 - 34	56	24	20	12	- -	- -	- -	- -
	43,703	39,006	44,561	$51,667	- -	- -	- -	- -
35 - 39	82	21	24	28	9	- -	- -	- -
	47,890	37,772	49,738	51,862	$54,213	- -	- -	- -
40 - 44	51	12	5	14	17	3	- -	- -
	58,186	51,737	51,438	54,390	66,255	$67,221	- -	- -
45 - 49	71	15	15	9	13	15	4	- -
	57,577	43,333	53,129	55,462	57,697	74,080	$70,158	- -
50 - 54	62	14	11	11	10	7	8	1
	51,970	38,569	50,280	48,299	55,721	63,724	59,978	$114,674
55 - 59	51	11	10	16	6	3	3	2
	52,924	48,065	51,063	51,412	57,440	52,792	53,279	87,163
60 - 64	19	3	4	5	2	3	2	- -
	49,867	35,021	40,450	47,019	63,081	58,291	72,242	- -
65 - 69	4	- -	- -	2	2	- -	- -	- -
	49,506	- -	- -	51,429	47,583	- -	- -	- -
70 & over	2	- -	1	1	- -	- -	- -	- -
	36,636	- -	34,118	39,154	- -	- -	- -	- -
Total	486	179	99	98	59	31	17	3
	$48,940	$38,949	$48,643	$51,671	$59,110	$67,489	$62,634	$96,333

EXHIBIT C

Reconciliation of Participant Data

	Active Participants	Vested Former Participants	Disableds	Retired Participants	Beneficiaries	Total
Number as of July 1, 2016	489	29	4	223	20	765
New participants	59	0	N/A	N/A	N/A	59
Terminations – with vested rights	-7	7	0	0	0	0
Retirements	-20	0	N/A	20	N/A	0
New disabilities	0	0	0	N/A	N/A	0
Return to work	1	-1	0	0	N/A	0
Deceased	-2	0	-1	-4	-1	-8
New beneficiary	0	0	0	0	4	4
Lump sum payoffs	-34	-2	0	0	0	-36
Certain period expired	N/A	N/A	0	0	0	0
Data adjustments	0	2*	0	0	0	2
Number as of July 1, 2017	486	35	3	239	23	786

Note: *Hired, terminated within the past valuation cycle and left employee contributions in plan.*

EXHIBIT D

Summary Statement of Income and Expenses on an Actuarial Value Basis

	Year Ended June 30, 2017		Year Ended June 30, 2016	
Net assets at actuarial value at the beginning of the year		$86,628,934		$83,341,309
Contribution income:				
City contributions	$3,079,855		$3,021,182	
Member contributions	3,132,278		3,021,182	
Less administrative expenses	-165,260		0	
Net contribution income		6,046,873		6,042,364
Investment income:				
Interest, dividends and other income	$1,516,628		$1,615,250	
Recognition of capital appreciation	3,303,074		3,415,244	
Less investment fees	0		-143,004	
Net investment income		4,819,702		4,887,494
Total income available for benefits		$10,866,575		$10,929,854
Less benefit payments:				
Benefit payments	-$7,616,626		-$6,985,547	
Refunds	-685,093		-656,682	
Net benefit payments		-$8,301,719		-$7,642,229
Change in reserve for future benefits		$2,564,856		$3,287,625
Net assets at actuarial value at the end of the year		$89,193,790		$86,628,934

EXHIBIT E

Summary Statement of Income and Expenses on a Market Value Basis

	Year Ended June 30, 2017		Year Ended June 30, 2016	
Net assets at market value at the beginning of the year		$82,217,921		$82,165,947
Contribution income:				
City contributions	$3,079,855		$3,021,182	
Member contributions	3,132,278		3,021,182	
Less administrative expenses	-165,260		0	
Net contribution income		6,046,873		6,042,364
Investment income:				
Interest, dividends and other income	$1,516,628		$1,615,250	
Asset appreciation	9,831,925		179,593	
Less investment and administrative fees	0		-143,004	
Net investment income		11,348,553		1,651,839
Total income available for benefits		$17,395,426		$7,694,203
Less benefit payments:				
Benefit payments	-$7,616,626		-$6,985,547	
Refunds	-685,093		-656,682	
Net benefit payments		-$8,301,719		-$7,642,229
Change in reserve for future benefits		$9,093,707		$51,974
Net assets at market value at the end of the year		$91,311,628		$82,217,921

EXHIBIT F

Summary Statement of Plan Assets

	Year Ended June 30, 2017		Year Ended June 30, 2016	
Cash equivalents		$829,193		$1,077,133
Investments:				
Equities	$61,252,507		$52,527,941	
Fixed Income	25,194,368		28,633,683	
Other	4,062,432		0	
Total investments at market value		90,509,307		81,161,624
Total assets		$91,338,500		$82,238,757
Less accounts payable:		-$26,872		-$20,836
Net assets at market value		$91,311,628		$82,217,921
Net assets at actuarial value		$89,193,790		$86,628,934

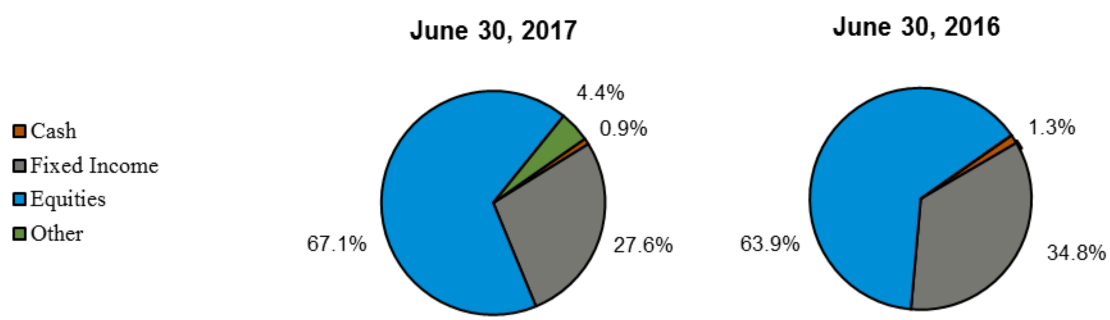


EXHIBIT G

Development of the Fund Through June 30, 2017

Year Ended June 30	City Contributions	Employee Contributions	Net Investment Return[1]	Administrative Expenses	Benefit Payments	Refunds	Actuarial Value of Assets at End of Year
2008	$2,773,306	$2,773,306	$3,556,073	$0	$4,332,518	$422,717	$60,238,608
2009	2,767,985	2,767,985	3,813,918[2]	0	4,525,289	565,131	64,498,076
2010	2,599,539	2,599,539	1,988,431	0	4,816,120	603,534	66,265,931
2011	2,637,591	2,637,591	3,182,793	0	5,188,938	478,988	69,055,980
2012	2,829,095	2,829,095	3,878,386	0	5,497,109	472,022	72,623,425
2013	2,720,450	2,720,450	4,140,011	0	5,843,136	470,048	75,891,152
2014	2,766,404	2,766,404	4,897,014	0	6,151,412	563,954	79,605,608
2015	2,862,539	2,862,539	5,293,030	0	6,681,676	600,731	83,341,309
2016	3,021,182	3,021,182	4,887,490	0	6,985,547	656,682	86,628,934
2017	3,079,855	3,132,278	4,819,702	165,260	7,616,626	685,093	89,193,790

[1]*Net of investment fees. Years prior to 2017 are also net of administrative expenses.*
[2]*Includes change in asset method of $4,257,814.*

EXHIBIT H

History of Contribution Rates

Fiscal Year Ended June 30	Member % of Pay	City % of Pay	Total Policy %	Minimum Required (Without Regard to Credit Balance)
1998	9.50%	9.50%	19.00%	18.90%
1999	9.50%	9.50%	19.00%	19.60%
2000	9.50%	9.50%	19.00%	19.20%
2001	9.50%	9.50%	19.00%	19.30%
2002	9.50%	9.50%	19.00%	19.50%
2003	9.50%	9.50%	19.00%	19.80%
2004	10.50%	10.50%	21.00%	21.10%
2005	10.50%	10.50%	21.00%	22.10%
2006	10.50%	10.50%	21.00%	22.10%
2007	13.20%	13.20%	26.40%	26.40%
2008	13.20%	13.20%	26.40%	26.80%
2009	13.20%	13.20%	26.40%	26.24%
2010	13.20%	13.20%	26.40%	25.07%
2011	13.20%	13.20%	26.40%	27.26%
2012	13.20%	13.20%	26.40%	28.98%
2013	13.20%	13.20%	26.40%	29.32%
2014	13.20%	13.20%	26.40%	28.12%
2015	13.20%	13.20%	26.40%	28.97%
2016	13.20%	13.20%	26.40%	30.22%
2017	13.20%	13.20%	26.40%	30.88%
2018	13.20%	13.20%	26.40%	31.80%
2019	13.20%	13.20%	26.40%	33.96%

EXHIBIT I

Development of Unfunded Actuarial Accrued Liability for Year Ended June 30, 2017

1. Unfunded actuarial accrued liability at beginning of year		$48,569,522
2. Normal cost at beginning of year		2,638,362
3. Total contributions		-6,212,133
4. Interest		
(a) For whole year on (1) + (2)	$3,712,571	
(b) For half year on (3)	-225,190	
(c) Total interest		3,487,381
5. Expected unfunded actuarial accrued liability		$48,483,132
6. Change due to net experience loss		3,218,113
7. Unfunded actuarial accrued liability at end of year		$51,701,245

EXHIBIT J

Table of Amortization Bases

Type	Date Established	Initial Years	Initial Amount	Annual Payment[1]	Years Remaining	Outstanding Balance
Method Change	7/1/2005	30	$32,986,302	$2,770,725	18	$36,150,888
Experience Loss	7/1/2006	15	1,026,061	128,495	4	484,227
Experience Loss[2]	7/1/2007	15	2,683,283	325,046	5	1,501,428
Experience Loss	7/1/2008	15	1,981,229	232,152	6	1,261,998
Plan Amendment	7/1/2008	20	2,971,384	285,694	11	2,588,440
Experience Loss	7/1/2009	15	6,539,294	741,176	7	4,610,606
Change in Asset Method	7/1/2009	30	-4,257,814	-312,812	22	-4,650,728
Experience Loss	7/1/2010	15	649,697	71,228	8	496,752
Experience Loss	7/1/2011	15	1,822,083	193,215	9	1,487,332
Change in Assumptions	7/1/2011	30	-1,863,464	-128,026	24	-2,006,532
Experience Gain	7/1/2012	15	-1,960,521	-201,084	10	-1,687,645
Plan Amendment	7/1/2012	20	455,797	38,348	15	440,067
Experience Gain	7/1/2013	15	-764,499	-75,841	11	-687,136
Experience Loss	7/1/2014	15	1,624,012	155,824	12	1,511,675
Experience Loss	7/1/2015	15	2,710,071	251,500	13	2,594,651
Experience Loss	7/1/2016	15	2,150,436	193,013	14	2,105,366
Change in Assumptions	7/1/2016	30	1,077,026	62,559	29	1,089,971
Experience Loss[3]	7/1/2017	15	4,409,885	384,282	15	4,409,885
Total				$5,115,494		$51,701,245

[1]*Level percentage of payroll*
[2]*Includes impact of change in valuation systems from prior to current actuary*
[3]*Includes impact of $1,191,772 due to a reset of credit balance to $0.*

EXHIBIT K
Development of Credit Balance

1.	Total normal cost as of July 1, 2016	$2,638,362
2.	Sum of annual payments as of July 1, 2016	4,593,409
3.	Interest on items (1) + (2) [{(1) + (2)} * .0725]	524,303
4.	Total charges	$7,756,074
5.	Credit balance as of July 1, 2016	$118,396
6a.	Employer contributions as of June 30, 2017	3,079,855
b.	Employee contributions as of June 30, 2017	3,132,278
7.	Interest on items (5), (6a) and (6b) [(5) * .0725 + (6a + 6b) * .03625]	233,774
8.	Total credits	$6,564,303
9.	Credit balance as of July 1, 2017 [(8) – (4), but not less than zero]	$0

EXHIBIT L
Definitions of Pension Terms

The following list defines certain technical terms for the convenience of the reader:

Assumptions or Actuarial Assumptions: The estimates on which the cost of the Plan is calculated including:

(a) Investment return — the rate of investment yield that the Plan will earn over the long-term future;

(b) Mortality rates — the death rates of employees and pensioners; life expectancy is based on these rates;

(c) Retirement rates — the rate or probability of retirement at a given age;

(d) Withdrawal rates — the rates at which employees of various ages are expected to leave employment for reasons other than death, disability, or retirement.

Normal Cost: The amount of contributions required to fund the benefit allocated to the current year of service.

Actuarial Accrued Liability For Actives: The value of all projected benefit payments for current members less the portion that will be paid by future normal costs.

Actuarial Accrued Liability For Pensioners: The single-sum value of lifetime benefits to existing pensioners. This sum takes account of life expectancies appropriate to the ages of the pensioners and the interest that the sum is expected to earn before it is entirely paid out in benefits.

Unfunded Actuarial Accrued Liability: The extent to which the actuarial accrued liability of the Plan exceeds the assets of the Plan. There is a wide range of approaches to paying off the unfunded actuarial accrued liability, from meeting the interest accrual only to amortizing it over a specific period of time.

Amortization of the Unfunded Actuarial Accrued Liability: Payments made over a period of years equal in value to the Plan's unfunded actuarial accrued liability.

Investment Return: The rate of earnings of the Plan from its investments, including interest, dividends and capital gain and loss adjustments, computed as a percentage of the average value of the fund. For actuarial purposes, the investment return often reflects a smoothing of the capital gains and losses to avoid significant swings in the value of assets from one year to the next.

EXHIBIT I

Summary of Actuarial Valuation Results

The valuation was made with respect to the following data supplied to us:

1.	Retired participants as of the valuation date (including 23 beneficiaries in pay status)		265
2.	Participants inactive during year ended June 30, 2017 with vested rights (including 25 participants with contributions remaining in the Plan)		35
3.	Participants active during the year ended June 30, 2017		486
	Fully vested	223	
	Not vested	263	

The actuarial factors as of the valuation date are as follows:

1.	Normal cost, including administrative expenses		$2,678,809
2.	Actuarial accrued liability		140,895,035
	Retired participants and beneficiaries	$77,269,135	
	Inactive participants with vested rights	1,676,928	
	Active participants	61,948,972	
3.	Actuarial value of assets ($91,311,628 at market value)		89,193,790
4.	Unfunded actuarial accrued liability		$51,701,245

EXHIBIT I (continued)

Summary of Actuarial Valuation Results

The determination of the recommended contribution is as follows:

1.	Normal cost	$2,553,203
2.	Administrative expenses	125,606
3.	Total normal cost, including administrative expenses: (1) + (2)	$2,678,809
4.	Payment on unfunded actuarial accrued liability	5,115,494
5.	Total recommended contribution: (3) + (4), adjusted for timing and projected to July 1, 2018	$8,319,152
6.	Item 5, as a percentage of projected salary	33.96%
7.	Projected credit balance	$0
8.	Recommended contribution adjusted by credit balance: (5) - (7), not less than zero	$8,319,152
9.	Item 8, as a percentage of projected salary	33.96%
10.	Valuation payroll, projected to fiscal year	$24,498,315

EXHIBIT II

History of City Contributions

Plan Year Ended June 30	Actuarially Determined Employer Contributions (ADEC)*	Actual Contributions	Percentage Contributed
2008	$2,457,722	$2,773,306	112.8%
2009	2,800,859	2,767,985	98.8%
2010	3,067,415	2,599,539	84.7%
2011	3,368,366	2,637,591	78.3%
2012	3,219,227	2,829,095	87.9%
2013	3,537,898	2,720,450	76.9%
2014	3,703,299	2,766,404	74.7%
2015	3,579,097	2,862,539	80.0%
2016	3,736,793	3,021,182	80.8%
2017	4,170,598	3,079,855	73.8%

**The Actuarially Determined Contribution for the City for the 2016-2017 fiscal year is equal to the total recommended contribution for the year, as determined in the July 1, 2015 actuarial valuation, minus the actual participant contributions received for the year.*

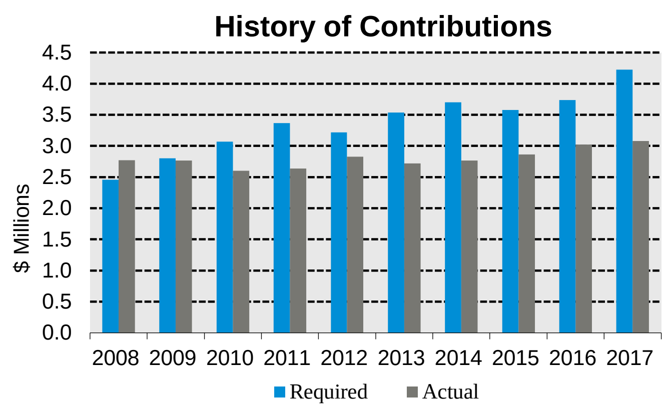


EXHIBIT III

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b) - (a)] / (c)
07/01/2008	$60,238,608	$99,886,843	$39,648,235	60.31%	$21,841,338	181.53%
07/01/2009	64,498,076	106,414,133	41,916,057	60.61%	21,285,746	196.92%
07/01/2010	66,265,931	109,222,610	42,956,679	60.67%	20,168,312	212.99%
07/01/2011	69,055,980	112,225,797	43,169,817	61.53%	20,625,530	209.30%
07/01/2012	72,623,425	114,189,383	41,565,958	63.60%	22,226,619	187.01%
07/01/2013	75,891,152	116,926,085	41,034,933	64.91%	21,482,940	191.01%
07/01/2014	79,605,608	122,275,186	42,669,578	65.10%	21,607,752	197.47%
07/01/2015	83,341,309	128,689,509	45,348,200	64.76%	22,848,470	198.47%
07/01/2016	86,628,934	135,198,456	48,569,522	64.08%	23,563,546	206.12%
07/01/2017	89,193,790	140,895,035	51,701,245	63.31%	23,784,772	217.37%

EXHIBIT IV
Funded Ratio

A critical piece of information regarding the Plan's financial status is the funded ratio. This ratio compares the actuarial value of assets to the actuarial accrued liabilities of the Plan as calculated. High ratios indicate a well-funded plan with assets sufficient to cover the plan's actuarial accrued liabilities. Lower ratios may indicate recent changes to benefit structures, funding of the plan below actuarial requirements, poor asset performance, or a variety of other factors.

The chart below depicts a history of the funded ratios for this plan. Funded ratios are shown on both an actuarial value (AVA) and a market value (MVA) basis.

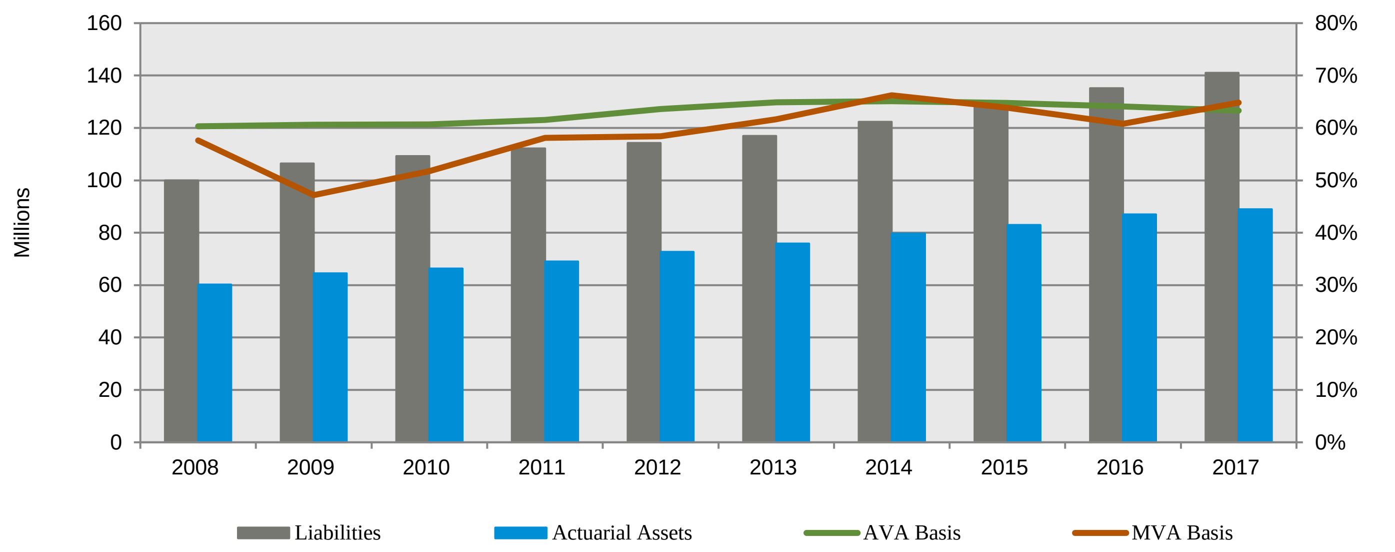


EXHIBIT V

Actuarial Assumptions and Actuarial Cost Method

Rationale for Demographic and Noneconomic Assumptions:	The information and analysis used in selecting each demographic assumption that has a significant effect on this actuarial valuation is shown in the Experience Study Report for the five-year period ended June 30, 2015. Current data is reviewed in conjunction with each annual valuation. Based on professional judgement, no additional demographic assumption changes are warranted at this time.
Mortality Rates:	
Pre-retirement:	RP-2014 Employee Mortality Table, projected generationally with Scale MP-2015.
Healthy annuitants:	RP-2014 Blue Collar Healthy Annuitant Mortality Table with rates multiplied by 120%, set forward two years for males only and projected generationally with Scale MP-2015.
Disabled:	RP-2014 Disabled Retiree Mortality Table, projected generationally with Scale MP-2015.
	The underlying tables with the generational projection to the ages of participants as of the measurement date reasonably reflect the mortality experience of the Plan as of the measurement date. These mortality tables were then adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years.

Termination Rates before Retirement:

	Rate (%)		
	Mortality*		Disability
Age	Male	Female	All lives
20	0.04	0.02	0.02
25	0.05	0.02	0.03
30	0.05	0.02	0.03
35	0.05	0.03	0.03
40	0.06	0.04	0.04
45	0.10	0.07	0.05
50	0.17	0.11	0.08
55	0.28	0.17	0.15
60	0.47	0.24	0.30

**Rates shown do not include generational projection*

	Rate%			
	Withdrawal			
Age	Employees hired prior to July 1, 2008	General Employees hired on or after July 1, 2008	Years of Service	Public Safety Employees hired on or after July 1, 2008
20	24.61	29.51	0-1	18.00
25	15.00	22.48	1-2	16.00
30	8.15	16.28	2-3	14.00
35	5.07	12.64	3-4	12.00
40	4.04	10.07	4-5	10.00
45	3.24	8.07	5-6	8.00
50	2.58	6.44	6-7	6.00
55	2.03	5.06	7-10	4.00
60	1.55	3.86	11-19	2.00
			20+	0.00

Retirement Rates for employees hired before July 1, 2008:

Age	Rate%*
40-49	15.0
50-59	12.5
60	15.0
61	20.0
62	40.0
63	35.0
64	20.0
65-69	35.0
70	100

Retirement Rates for employees hired on or after July 1, 2008:

Public Safety Employees		General Employees	
Age	Rate%*	Age	Rate%*
50-54	5	55-59	5
55-59	10	60-64	30
60-64	30	65	100
65	100		

**Rates are increased an additional 30% at age when participant first becomes eligible for unreduced benefits.*

On the Job Disability:	
Employees hired prior to July 1, 2008:	100%
General Employees hired on or after July 1, 2008:	30%
Public Safety Employees hired on or after July 1, 2008:	80%
Retirement Age for Inactive Vested Participants:	Earliest eligibility for Normal Retirement, but not before age 60
Form of Payment:	Life Annuity
Unknown Data for Participants:	Same as those exhibited by Participants with similar known characteristics. If not specified, Participants are assumed to be male.
Percent Married:	90%
Age of Spouse:	Females two years younger than males
Net Investment Return:	7.25%, net of investment expenses The net investment return assumption was chosen by the Retirement Plan's Board of Trustees, with input from the actuary. This assumption is a long-term estimate derived from historical data, current and recent market expectations, and professional judgment. As part of the analysis, a building block approach was used that reflects inflation expectations and anticipated risk premiums for each of the portfolio's asset classes, as well as the Plan's target asset allocation.
Administrative Expenses:	$130,000, payable mid-year, equivalent to $125,606 at the beginning of the year.

Salary Increases:

Years of Service	Rate (%)
0-1	14.00
1-2	6.00
2-4	5.00
5-14	4.00
15-24	3.50
25+	3.00

Above rates reflect a 3.00% inflation assumption.

The salary scale assumption is based on the City's pay plan, along with analysis completed in conjunction with an Experience Study Report for the five-year period ended June 30, 2015.

Actuarial Value of Assets: The market value of assets less unrecognized returns in each of the last ten years. Unrecognized return is equal to the difference between the actual market return and the projected market return, and is recognized over a ten-year period. The actuarial value of assets is further adjusted, if necessary, to be within 30% of the market value.

Actuarial Cost Method: Entry Age Normal Actuarial Cost Method. Entry Age is the age at the time the participant commenced employment. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are allocated by salary, with Normal Cost determined as if the current benefit accrual rate had always been in effect.

Changes in Assumptions: There have been no changes in actuarial assumptions since the last valuation.

EXHIBIT VI

Summary of Plan Provisions

This exhibit summarizes the major provisions of the Plan included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

Plan Year:	July 1 through June 30

Normal Retirement:

<u>Employees hired prior to July 1, 2008</u>

Eligibility requirement	The later of age 60 and the completion of 10 years of service, or any age and the completion of 25 years of service, if earlier. (If hired on or after age 55, participant is eligible for Normal Retirement after 5 years of participation.)
Amount	3% of Average Monthly Compensation times years of service (maximum 99%)
Average Monthly Compensation	Based on total compensation for the 60 consecutive completed service months that yield the highest average

<u>Employees hired on or after July 1, 2008</u>

Eligibility requirements:	
General Employees	The later of age 65 and the completion of 10 years of service, or age 60 and the completion of 25 years of service, if earlier
Public Safety Employees	The later of age 65 and the completion of 10 years of service, or age 50 and the completion of 25 years of service, if earlier
Amount	2.5% of Average Monthly Compensation times years of service (maximum 82.5%)
Average Monthly Compensation	Based on total compensation for the 60 consecutive completed service months that yield the highest average

Early Retirement:

Employees hired before July 1, 2008

Eligibility requirement	Any age and the completion of 20 years of service
Amount	Normal pension accrued reduced by 2% for each year by which the benefit commencement date precedes the normal retirement date

Employees hired on or after July 1, 2008

Eligibility Requirement	Any age and the completion of 20 years of service
Amount	Normal pension accrued reduced by 5% for each year by which the benefit commencement date precedes the normal retirement date

Disability:

Employees hired prior to July 1, 2008

Eligibility requirement	Any age and one year of credited service, and either eligible for benefits under the Social Security Act or determined to be disabled by the Pension Board.
Amount	50% of average monthly compensation, but not less than the unreduced normal pension accrued

Employees hired on or after July 1, 2008

On-the-job

Eligibility requirement	Any age and one year of credited service, and either eligible for benefits under the Social Security Act or determined to be disabled by the Pension Board
Amount	50% of average monthly compensation, but not less than the unreduced normal pension accrued

Not-on-the-job

Eligibility requirement	Any age and 10 years of credited service, and either eligible for benefits under the Social Security Act or determined to be disabled by the Pension Board.
Amount	The unreduced normal pension accrued

Termination Benefits:

Within the first ten years of eligibility service (five years if hired on or after age 55)	The participant's contributions will be returned without interest.
After ten years of eligibility service	The participant who terminates employment prior to their Normal Retirement Date and elects to leave contributions in the fund shall receive a monthly benefit to commence at age 60. The benefit payable is based on credited service and average monthly compensation as of the date of termination.

Pre-Retirement Death Benefit:

A. Less than 25 years of Eligibility Service

Requirement	Death prior to termination of employment and completion of at least 10 years but less than 25 years of eligibility service.
Amount	50% of accrued Normal Retirement benefit payable.

B. At least 25 years of Eligibility Service

Requirement	Death prior to termination of employment and after completion of at least 25 years of eligibility service.
Amount	The amount of pension computed as if the decedent had retired under the normal retirement provision and elected a 100% Joint and Survivor option.

Note: For all participants, the minimum death benefit is equal to the Participant's contributions converted to an actuarially equivalent life time pension.

Post-Retirement Death Benefit: If married, pension benefits are paid in the form of a joint and survivor annuity unless this form is rejected by the participant and spouse. If not rejected, the benefit amount otherwise payable is reduced to reflect the joint and survivor coverage. If not rejected, and the spouse predeceases the employee, the employee's benefit amount will subsequently be increased to the unreduced amount payable had the joint and survivor coverage been rejected. If rejected, or if not married, benefits are payable for the life of the employee, or in any other available optional form elected by the employee in an actuarially equivalent amount.

Participation:	Any person who performs a service for the City of Gainesville, Georgia who is not covered by Social Security is eligible to participate. Independent contractors, "leased employees" and temporary, casual or part-time employees are not eligible to participate in this plan.
Contributions:	Each participant contributes 13.2% of pay. The City contributes 13.2% as well, for a total of 26.4%.
Changes in Plan Provisions:	There have been no changes in plan provisions since the last valuation.

8620905v1/10417.001

DRAFT

MEMORANDUM

To: Gainesville City Council

From: Malichi S. Waterman, FCA, MAAA, EA

Date: December 5, 2017

Re: **City of Gainesville Retirement Plan A - Summary of the July 1, 2017 Actuarial Valuation**

- As of July 1, 2017, the Plan continues to meet all Georgia funding requirements as well as standards established by the Government Accounting Standards Board (GASB).
- The recommended contribution increased from 31.80% of pay to 33.96% of pay. This increase is predominately due to experience losses for the year. The net effective period for amortizing the unfunded actuarial accrued liability for the plan is 12.7 years as of the valuation date under the Plan's funding policy, down from 13.4 years in the prior valuation.
- Based on contributions of 26.40% of pay, the effective amortization period is 23.0 years, up slightly from 21.0 last year. Both periods are shorter than the maximum period allowed under Georgia state law and current GASB standards of 30 years. **If the total contributions remain at 26.40% of payroll, the City's funding obligation will be met for the 2017-2018 fiscal year.**
- As of June 30, 2016, the Plan had accumulated a credit balance under Georgia funding standards of $126,368. The credit balance projected to fiscal year 2017-2018 may be used to offset any shortfall to the recommended contribution for that year. As of June 30, 2017, the credit balance projected for use in fiscal year 2018-2019 is $0.
- The actuarial value of assets used for funding reflects a ten-year smoothing of gains and losses. As of June 30, 2017, the actuarial value of assets was 97.7% of market value, and there are $2,117,838 in deferred investment gains that will be recognized in future years. Last year the actuarial value of assets was 105.4% of market value. The market value return for the year ended June 30, 2017 was 13.99%; the return on a smoothed actuarial basis was 5.64%. The assumed rate of return was 7.25%.
- The disclosures required for compliance with GASB Statement No. 67 *Financial Reporting for Pension Plans*, and Statement No. 68, *Accounting and Financial Reporting for Pensions* were released to the City's Finance Department on October 13, 2017.
- On November 14, 2017 the Board adopted the valuation results and voted to maintain current contribution levels.
- There were no assumption changes or plan changes reflected for the first time this year.
- Although the funded ratio for the plan decreased slightly from 64.08% to 63.31% this year on an actuarial basis, it is expected to gradually improve over time.

City of Gainesville Retirement Plan A
Projected Future Results as of July 1, 2017

Estimated future results, assuming no additional gains or losses in future years (i.e. current unrecognized investment losses are phased in, with future market rates of return of 7.25%)

Valuation Year	Funded Percentage	Amortization Years
2017	63.3%	23.0
2018	64.1%	22.2
2019	65.8%	20.5
2020	67.3%	19.1
2021	68.5%	18.0
2022	69.9%	16.8
2023	71.3%	15.7
2024	72.5%	14.8
2025	73.9%	13.7
2026	75.6%	12.5
2027	77.0%	11.5

Estimated future results, with an immediate resetting of the Actuarial Value of Assets to the Market Value as of June 30, 2016

Valuation Year	Funded Percentage	Amortization Years
2017	64.8%	21.5
2018	65.8%	20.5
2019	66.9%	19.5
2020	68.0%	18.5
2021	69.1%	17.5
2022	70.4%	16.5
2023	71.6%	15.5
2024	72.9%	14.5
2025	74.2%	13.5
2026	75.6%	12.5
2027	77.0%	11.5

Note: The above amortization periods are the effective periods, assuming the contribution rate remains at 26.4% of pay.

8624956v1/10417.001

Segal Consulting

2018 Powers Ferry Road SE Suite 850 Atlanta, GA 30339-7200
T 678.306.3100 www.segalco.com

October 13, 2017

Mr. Jeremy Perry
Chief Financial Services Officer
City of Gainesville Retirement Plan A
300 Henry Ward Way
Gainesville, GA 30503-2496

Re: GASB Statements 67 and 68 Financial Reporting Information for the City of Gainesville Retirement Plan A for the Fiscal Year Ending June 30, 2017

Dear Jeremy:

We are pleased to submit the attached Governmental Accounting Standards Board Statements 67 and 68 exhibits for the City of Gainesville Retirement Plan A. Exhibits 1-4 contain information that will need to be disclosed in order to comply with the GASB requirements for financial reporting for fiscal year ending June 30, 2017.

Exhibits 5-7 include a breakdown of the deferred inflows and outflows, including their recognition in future years and a detailed development of the pension expense.

This report was prepared in accordance with generally accepted actuarial principles and practices and is based on census and financial information prepared by the City Staff. That assistance is gratefully acknowledged.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; and changes in plan provisions or applicable law.

The actuarial calculations were directed under the supervision of B. Danelle Cook, ASA, MAAA, Enrolled Actuary. Ms. Cook is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of her knowledge, the information supplied in the actuarial valuation is complete and accurate. Further, in her opinion, the assumptions as approved by the Pension Board are reasonably related to the experience of and expectations for the Plan.

Sincerely,

Malichi Waterman

Malichi S. Waterman, FCA, MAAA, EA
Consulting Actuary

cc: David Frazier
Denise Jordan
Beverly Williams

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EXHIBIT 1

General Information – "Financial Statements", Note Disclosures and Required Supplementary Information for a Single Employer Pension Plan

Plan membership:

At June 30, 2016, pension plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	247
Inactive employees entitled to but not yet receiving benefits[1]	29
Active employees	489
Total	765

At June 30, 2017, pension plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	265
Inactive employees entitled to but not yet receiving benefits[1]	35
Active employees	486
Total	786

Benefits Provided: See Section 4, Exhibit VI of the City of Gainesville Retirement Plan A Actuarial Valuation Review as of July 1, 2016, dated November 3, 2016.

[1] *Includes 21 former non-vested participants with contributions remaining in the plan as of June 30, 2016 and 25 as of June 30, 2017.*

EXHIBIT 2

Net Pension Liability

The components of the net pension liability of the Retirement Plan at June 30, 2017 were as follows:

Total pension liability	$136,232,422
Plan fiduciary net position	91,311,628
Employer's net pension liability	$44,920,794
Plan fiduciary net position as a percentage of the total pension liability	67.03%

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of July 1, 2017, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	Inflation plus merit increases that vary by service, ranging from 0.00% to 11.00%
Investment rate of return	7.25%, including inflation, net of investment expenses
Cost-of-living adjustments	None

Pre-retirement mortality rates are based on the sex-distinct RP-2014 Employee Mortality Table. Healthy annuitant mortality rates are based on the sex-distinct RP-2014 Blue Collar Healthy Annuitant Mortality Table with rates adjusted 120%, set forward two years for males only. Disabled mortality rates were based on the sex-distinct RP-2014 Disabled Retiree Mortality Table. All mortality tables are projected generationally with Scale MP-2015.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an experience study for the period July 1, 2010 to June 30, 2015.

EXHIBIT 3
Target Asset Allocation

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The long-term expected rate of return is determined by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	55%	6.71%
Fixed income (core)	40%	2.11%
Fixed income (high yield)	5%	4.61%
Total	100%	

Discount rate: The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumed that plan members and the City will each contribute 13.2% of pay, for a total of 26.4%. Based on these assumptions, the Retirement Plan's fiduciary net position is projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to the projected benefit payments to determine the total liability.

EXHIBIT 4

Discount Rate Sensitivity

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the Retirement Plan, calculated using the discount rate of 7.25%, as well as what the Retirement Plan's net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.25%) or one percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability	$61,030,052	$44,920,794	$31,507,940

EXHIBIT 5

Schedules of Changes in Retirement Plan's Net Pension Liability – Last Two Fiscal Years

	2017	2016
Total pension liability		
Service cost	$3,292,074	$3,650,560
Interest	9,366,300	9,061,392
Change of benefit terms	0	0
Differences between expected and actual experience	1,826,638	586,393
Changes of assumptions	0	-246,666
Benefit payments, including refunds of employee contributions	-8,301,719	-7,642,229
Net change in total pension liability	$6,183,293	$5,409,450
Total pension liability – beginning	130,049,129	124,639,679
Total pension liability – ending (a)	$136,232,422	$130,049,129
Plan fiduciary net position		
Contributions – employer	$3,079,855	$3,021,182
Contributions – employee	3,132,278	3,021,182
Net investment income	11,348,553	1,794,844
Benefit payments, including refunds of employee contributions	-8,301,719	-7,642,229
Administrative expense	-165,260	-143,004
Other	0	0
Net change in plan fiduciary net position	$9,093,707	$51,975
Plan fiduciary net position – beginning	82,217,921	82,165,947
Plan fiduciary net position – ending (b)	$91,311,628	$82,217,922
Employer's net pension liability – ending (a) – (b)	$44,920,794	$47,831,207
Plan fiduciary net position as a percentage of the total pension liability	67.03%	63.22%
Covered employee payroll	$23,729,379	$22,887,742
Employer's net pension liability as percentage of covered employee payroll	189.30%	208.98%

Notes to Schedule:

Benefit changes: There have been no changes in benefit provisions since GASB 67 implementation.

Change of assumptions: A detailed study of experience for the five-year period ending June 30, 2015 was performed and the recommendations of the experience study were approved by the Board in August 2016.The following assumptions changes are included for fiscal years beginning in 2016:

- The investment return assumption was decreased from 7.50% to 7.25%.

- The inflation assumption was lowered from 3.50% to 3.00%.
- The payroll growth rate assumption (used for determining the amortization of the unfunded actuarial accrued liability) was lowered from 3.50% to 3.00%.
- The service-based salary scale assumption was modified to reflect actual plan experience.
- An explicit administrative expense assumption of $130,000 per year was introduced.
- The pre-retirement mortality assumption was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, with rates set forward two years for males and one year for females, to the sex-distinct RP-2014 Blue Collar Employee Mortality Table. This table is projected generationally with Scale MP-2015.
- The post-retirement mortality assumption for healthy annuitants was changed from the sex-distinct RP-2000 Combined Healthy Mortality Table, with rates set forward two years for males and one year for females, to 120% of the sex-distinct RP-2014 Blue Collar Healthy Annuitant Mortality Table with rates set forward two years for males only. This table is projected generationally with Scale MP-2015.
- The mortality assumption for disabled retirees was changed from the sex-distinct RP-2000 Disabled Retiree Mortality Table, with rates set forward two years for males and one year for females, to the sex-distinct RP-2014 Disabled Retiree Mortality Table. This table is projected generationally with Scale MP-2015.
- Retirement rates were modified for participants hired before July 1, 2008 to better reflect actual experience observed during the study period and expected future patterns.
- The turnover assumption for Public Safety employees hired on or after July 1, 2008, was modified from an age-based assumption to an assumption based on years of service. The age-based rates for participants hired prior to July 1, 2008 and General Employees hired on or after July 1, 2008, were also modified to reflect actual experience during the study period. The new rates for all participant groups extend through normal retirement.
- The disability rates were lowered by 50%.
- The percent married assumption was lowered from 100% to 90%.
- The spousal age assumption was set to two years younger for male participants and two years older for female participants.

EXHIBIT 6

Schedule of Contributions – Last Two Fiscal Years

Year Ended June 30	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll[1]	Contributions as a Percentage of Covered Employee Payroll
2016	$3,736,793[2]	$3,021,182	$715,611	$22,887,742	13.20%
2017	$4,170,598[3]	$3,079,855	$1,090,743	$23,729,379	12.98%

[1] *Covered-employee payroll is estimated based on the actual participant contributions received and a 13.2% contribution rate.*

[2] *The Actuarially Determined Contribution for the City for the 2015-2016 fiscal year is equal to the total recommended contribution for the year, as determined in the July 1, 2014 actuarial valuation, minus the actual participant contributions received for the year.*

[3] *The Actuarially Determined Contribution for the City for the 2016-2017 fiscal year is equal to the total recommended contribution for the year, as determined in the July 1, 2015 actuarial valuation, minus the actual participant contributions received for the year.*

Notes to Schedule:

Valuation date:

Actuarially determined contribution rates are calculated using a July 1 valuation date 12 months prior to the beginning of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates for the year ended June 30, 2017:

Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll, using 3.50% annual increases
Remaining amortization period	6-26 years (closed periods)
Asset valuation method	Market value of assets less unrecognized returns in each of the last ten years. Unrecognized return is equal to the difference between the actual market return and the expected return on the market value, and is recognized over a ten-year period, further adjusted, if necessary, to be within 30% of the market value.
Investment rate of return	7.50%, including inflation, net of pension plan investment expense
Inflation rate	3.50%
Projected salary increases	Inflation plus merit increases that vary by service, ranging from 0.50% to 8.50%
Administrative expenses	$100,000, increasing annually with inflation

Notes to Schedule, continued:

Retirement rates	*For employees hired prior to July 1, 2008:* rates based on age starting at age 41 with 100% retirement at age 70; *For employees hired on or after July 1, 2008:* group-specific rates based on age starting at age 50 or 55 (depending upon group) with 100% retirement at age 65. Rates are increased 30% at first eligibility for unreduced benefits. See Section 4, Exhibit V of the July 1, 2015 actuarial valuation report for detail on these rates, and Exhibit 3 of these disclosures for the history of changes to this assumption, if any
Mortality:	
Healthy annuitant	Sex-distinct RP-2000 Combined Healthy Mortality Table, set forward two years for males and one year for females; projected generationally from 2000 with Scale AA
Disabled	Sex-distinct RP-2000 Disabled Retiree Mortality Table, for both males and females; projected generationally from 2000 with Scale AA.
Other information:	See Exhibit 3 for the history of changes to plan provisions and assumptions, if any.

EXHIBIT 7

Deferred Outflows of Resources and Deferred Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$2,856,296	- -
Changes of assumptions	- -	$164,444
Changes of benefit terms	- -	- -
Net difference between projected and actual earnings on pension plan investments	- -	$1,516,796
Total	$2,856,296	$1,681,240

Deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	Recognition of deferred outflows/(inflows)
June 30, 2018	$256,677
June 30, 2019	1,219,164
June 30, 2020	127,612
June 30, 2021	-732,837
June 30, 2022	304,440
June 30, 2023 and thereafter	--

EXHIBIT 8
Schedule of Recognition of Changes in Total New Pension Liability

						Deferred Outflows/(Inflows) Recognized in Future Years					
	Year Established	Initial Balance	Outstanding Balance at July 1, 2016	Amount Recognized During FYE June 30, 2017	Outstanding Balance at June 30, 2017	FYE June 30, 2018	FYE June 30, 2019	FYE June 30, 2020	FYE June 30, 2021	FYE June 30, 2022	FYE 2023 and thereafter
Fiscal Year Outflows											
Demographic	2014	$636,486	$318,243	$106,081	$212,162	$106,081	$106,081	--	--	--	--
Demographic	2015	1,827,514	1,096,509	365,503	731,006	365,503	365,503	--	--	--	--
Investment	2015	3,099,839	1,859,904	619,968	1,239,936	619,968	619,968	--	--	--	--
Demographic	2016	586,393	488,660	97,732	390,928	97,732	97,732	97,732	$97,732	--	--
Investment	2016	4,302,244	3,441,796	860,449	2,581,347	860,449	860,449	860,449	860,449	--	--
Demographic	2017	1,826,638	--	304,438	1,522,200	304,440	304,440	304,440	304,440	304,440	--
Total Outflows			**$7,205,112**	**$2,354,171**	**$6,677,579**	**$2,354,173**	**$2,354,173**	**$1,262,621**	**$402,172**	**$304,440**	**--**
Fiscal Year Inflows											
Investment	2014	$4,812,433	$1,924,974	$962,487	$962,487	$962,487	--	--	--	--	--
Assumption change	2016	246,666	205,555	41,111	164,444	41,111	$41,111	$41,111	$41,111	--	--
Investment	2017	5,469,491	--	1,093,899	4,375,592	1,093,898	1,093,898	1,093,898	1,093,898	--	--
Total Inflows			**$2,130,529**	**$2,097,497**	**$5,502,523**	**$2,097,496**	**$1,135,009**	**$1,135,009**	**$1,135,009**	--	**--**
Total			**$5,074,583**	**$256,674**	**$1,175,056**	**$256,677**	**$1,219,164**	**$127,612**	**-$732,837**	**$304,440**	**--**

Note: In accordance with Paragraph 71 of GASB Statement 68, the difference between projected and actual earnings on investments is recognized over a closed five-year period. Assumption changes and the difference between expected and actual total pension liability experience are each recognized over a closed period equal to the average of the expected remaining service lives of all employees who are provided with pensions through the pension plan (active employees and inactive employees), determined as of the beginning of the measurement period. For 2017, the period is six years.

EXHIBIT 9

Pension Expense for the Year Ended June 30, 2017

Service cost	$3,292,074	
Interest on Total Pension Liability	9,366,300	
Employee contributions	-3,132,278	
Administrative expenses	165,260	
Expected return on assets	-5,879,061	
Expensed portion of current year period differences between expected and actual experience in Total Pension Liability	304,438	
Expensed portion of current year period assumption changes	- -	
Current year plan changes	- -	
Expensed portion of current year period differences between projected and actual investment earnings	-1,093,899	
Current year recognition of deferred inflows and outflows established in prior years	1,046,135	
Total expense		$4,068,969

Data Section (do not touch)

StringBookmarks	
PlanNameLong	Pension Plan
PlanNameShort	Plan
OfficeAddr1	123 Some Street
OfficeAddr2	Some City, ST
ClientContact	Pension Board
FinanSource	Administrative Office
ActuaryName	Ann Actuary
ActuaryTitle	Vice President and Actuary
ActuaryCredential	FCA, ASA, MAAA, EA
ActuaryNumber	99-1234
Assumptions	Board
ConsultantName	Bea Consultant
ConsultantTitle	Senior Vice President
SegalAddr1	2018 Powers Ferry Road, Suite 850
SegalAddr2	Atlanta, GA 30339
SegalPhone	678.306.3100
SegalFax	678.306.3190
ParticipantName	Participant
ParticipantPlural	Participants
RetireeName	Retired participant
RetireePlural	Retired participants
AuditorCompany	
FMWording	Entry Age Normal
ValDate	"1/1/2014"
ValDateEOY	"12/31/2014"
FiscalDate	"1/1/2014"
CensusDate	"1/1/2014"
CensusDateEOY	"12/31/2014"
ValDate1	"1/1/2013"
ValDateEOY1	"12/31/2013"
ValDateMinusOne	"12/31/2013"
ValDate1MinusOne	"12/31/2012"
FiscalDate1	"1/1/2013"
CreditRef	Years of Service
CreditRefSingle	Year of Service
PayRef	Compensation
PayRefSingle	Compensation
GLText	gain
GLAdminText	loss
OtherGLText	gain
GLInvText	loss
HistYearsText	ten
EmpName	Employer

Data Section (do not touch)

OptCategory1	Deferred Beneficiaries
OptCategory2	Disableds
OptRow	Opt Row 1
InactNonText	Inactive nonvested participants due a refund
InactNonText	Inactive non-vested

Data Section (do not touch)

Florida	0	“#”
FundingMethod	2	“#”
AssetMethod	6	“#”
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IntActual	0.0638	“#.00%”
IntActual1	-0.0314	“#.00%”
MVIntActual	0.3874	“#.00%”
MVIntActual1	-0.2743	“#.00%”
DollarLimit	195,000	“#,###”
DollarLimit1	195,000	“#,###”
Valcycle	1	“#”
Fiscal	1	“#”
ActNumTot	6,082	“#,###”
ActNumTot1	7,018	“#,###”
ActNumUnknown	0	“#,###”
AveSalary	43,686	“#,###”
AveSalary1	44,953	"#,###"
ActAge	40.7	“#,###”
ActAge1	42.1	“#,###”
ActSvc	07.9	“#,###”
ActSvc1	09.0	“##.##”
Payroll	265,696,410	“#,###”
Payroll1	315,481,861	“#,###”
BenNum	263	“#,###”
BenNum1	246	“#,###”
BenBft	417,907	“#,###”
BenBft1	376,911	“#,###”
RDNum	3,755	“#,###”
RDNum1	2,794	“#,###”
SuspendedPens	0	“#,###”
SuspendedPens1	0	“#,###”
RDBft	8,870,348	“#,###”
RDBft1	6,411,412	“#,###”
InactNum	453	“#,###”
TotalCount	10,553	“#,###”
TotalCount1	10,504	“##.##”
AstMkt	1,068,058,772	“#,###”
AstAct	1,242,854,749	“#,###.##”
AstAct1	1,209,255,754	“#,###”
InvGL	-16,249,629	“#,###”
AstActAve	1,188,139,654	"#,###"

UpCorridor	1.4000	“#.00%”
LowCorridor	0.7000	“#.00%”
CorridorAdjust	0	“#,###”
CalcUal	537,584,261	“#,###”
OtherGL	17,446,366	“#,###”
ExpGL	-68,747	“#,###”
TotalGl	1,127,990	“#,###”
AdminExp	1	“#”
ActAL	1,731,774,629	“#,###”
ActOPExpDol	377,374	“#,###”
AsmExpDolPer	300,000	“#,###”
AsmExpDolPer1	300,000	“#,###”
SchAmtYrs	30	“#,###”
FCRate	0.1288	“#.00%”
FCRate1	0.1407	“#.00%”
RecCont	36,047,176	“#,###”
RecContDec	44,119,619	“#,###”
RecContInc	27,974,733	“#,###”
RecContPct	0.1288	“#.00%”
RecContPctDec	0.1577	“#.00%”
RecContPctInc	0.1000	“#.00%”

	First
Chart1First	2001
Chart6First	2001
Chart8First	2001
Chart11First	2001
Chart12First	2001

	Last
Chart1Last	2010
Chart6Last	2010
Chart8Last	2010
Chart11Last	2010
Chart12Last	2010

	Num
Chart1Num	10
Chart6Num	10
Chart8Num	10
Chart11Num	10
Chart12Num	10

Data Section (do not touch)

GASBStringBookmarks

PlanNameLongGASB	PlanNameLong
PlanNameShortGASB	PlanNameShort
ClientShortGASB	ClientShort
FundOfficeContactGASB	FundOfficeContact
OfficeAddr1GASB	OfficeAddr1
OfficeAddr2GASB	OfficeAddr2
ActuaryNameGASB	Actuary
ActuaryTitleGASB	ActuaryTitle
ActuaryCredentialsGASB	ActuaryCredentials
AnalystGASB	TSO
ReviewerGASB	TSOO
ConsultantNameGASB	Consultant
ConsultantTitleGASB	ConsultantTitleGASB
SegalOfficeGASB	SegalOffice
ValDateGASB	"1/1/2013"
DiscDate	"12/31/2012"
DiscDate1	"12/31/2011"

IntDisc	4.75%	“#.00%”
IntDisc1	4.75%	“#.00%”
InflRate	4.00%	“#.00%”
SalRate	4.00%	“#.00%”
ColaRate	0.00%	“#.00%”

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Spreadsheet imported from:
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Date and time of import: 05/28/2014 10:07:33
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JPlanNameShortGASB Johnston Police & Fire
ClientShortGASB Town of Johnston,
RFundOfficeContactGASB Joseph Chiodo,
COfficeAddr1GASB 1385 Hartford Avenue
OfficeAddr2GASB Johnston, Rhode Island,
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ActuaryTitleGASB Vice President and
AActuaryCredentialsGASB ASA, EA,
MAnalystGASB ABC
ReviewerGASBXYZ
ConsultantNameGASB DEF
ConsultantTitleGASB Vice President and
CSegalOfficeGASB New York
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DiscDate "12/31/2013"
DiscDate1 "12/31/2012"

CITY OF GAINESVILLE

AGENDAREQUEST

Date Submitted: 11/9/2017

Presenter: Jeff Swanson, SEAS

Item of Business: Third Quarter 2017 Investment Report

Meeting Date: 11/14/2017

Purpose of Request:
The purpose of this request is to allow Southeastern Advisory Services to present the quarterly report for the period ending September 30, 2017.

History/Background:
The Plan's investment consultant is Southeastern Advisory Services (SEAS). The quarterly report summarizes the activities of the Plan's portfolio.

Facts & Issues for Consideration:

Department Recommendation:

Department Director:
David Frazier, Chairman

If funding is involved, are funds approved within the current budget?

Amount Requested: **Source of Funds**:

Finance Comments:

Administrative Comments:

ATTACHMENTS:

	Description	Type
🗋	RPA Investment Report 2017 Q3	Report

CITY OF GAINESVILLE
EMPLOYEES' RETIREMENT SYSTEM PLAN A

INVESTMENT PERFORMANCE ANALYSIS

THIRD QUARTER 2017

Note: For a copy of Southeastern Advisory Services, Inc.'s most recent Form ADV Brochure Part 2A, please write: Southeastern Advisory Services, Inc., 12 Piedmont Center, Suite 202, Atlanta, GA 30305, or e-mail your request to cooper@seadvisory.com. Form ADV Brochure Part 2A will be mailed within seven (7) days upon receipt of the request.

Only the executive summary portion of our reporting is provided herein. If you would like an electronic copy of the back-up pages to this executive summary, send your request to jeff@seadvisory.com.

Jeffrey Swanson, Senior Consultant

Southeastern Advisory Services, Inc.
Twelve Piedmont Center, Suite 202
Atlanta, Georgia 30305
TEL: (404) 237-3156
FAX: (404) 237-2650

CITY OF GAINESVILLE
EMPLOYEES' RETIREMENT SYSTEM PLAN A

INVESTMENT PERFORMANCE ANALYSIS

SEPTEMBER 30, 2017

TABLE OF CONTENTS

Executive Summary

CITY OF GAINESVILLE EMPLOYEES' RETIREMENT SYSTEM PLAN A

Quarter Ending September 30, 2017

I. PORTFOLIO SUMMARY

- As of September 30, 2017, the Total Plan (including R&D) had a market value of $93,990,634. For the quarter, the fund's net withdrawals were -$482,194 and total investment gains were $3,134,329 for a total increase in value of $2,652,135 from the previous quarter end.
- As of September 30, 2017, 65.7% of the Plan (including R&D) was invested in equities, 28.8% in bond/absolute return funds and 4.4% in real estate.
- For the quarter ending September 30, 2017, the portfolio was up 3.4%. For the one year period, the portfolio was up 14.3% and for the three year period the portfolio was up 8.0%

II. MARKET ENVIRONMENT

Index	Third Quarter	1 Year	3 Year
Standard & Poor's 500 Index	4.5%	18.6%	10.8%
MSCI EAFE Index (Net)	5.4%	19.1%	5.0%
NCREIF Property Index	1.7%	6.9%	9.8%
CSFB Hedge Index	1.8%	5.9%	2.0%
BbgBarc U.S. Aggregate	0.9%	0.1%	2.7%
91 Day Treasury Bills	0.3%	0.7%	0.3%
Consumer Price Index (NSA)	0.8%	2.2%	1.2%

The equity bull market marched on as the S&P 500 posted positive returns for eighteen of the last nineteen months as of September. Equity investors were in part responding to strong earnings reports. Economic releases during the past three months have been solid, with growth in both the economy and labor markets. The impact of Hurricanes Irma and Harvey was less devastating than feared. Real GDP growth accelerated during the second quarter of 2017, at 3.1% annualized. This marked the strongest quarter since the first quarter of 2015. Both consumer and business spending contributed to growth. While personal consumption comprises a larger portion of GDP, business investments were particularly strong at rates not seen since 2014. A shrinking trade deficit contributed to growth, as well, with a contraction in government spending being the only detractor. Economic growth for the first half of 2017 was 2.1% annualized. The Consumer Price Index was up 0.5% for the three months ending August and 1.9% for the one-year period. The 10-year breakeven inflation rate closed the third quarter at 1.8%, up from 1.7% at the end of June. All of the increase, however, occurred in September.

Equities: The S&P 500 was up 4.5% for the third quarter of 2017. Large capitalization stocks underperformed small caps with the Wilshire Large-Cap Index up 4.5% versus a gain of 5.4% for the Wilshire US Small-Cap Index. Returns for the past year were nearly identical for the two market segments. Growth stocks led value during the third quarter in both large- and small-cap spaces and lead for the past twelve months. Sector performance was varied during the quarter. The best performing sectors were IT (+8.4%), Energy (+6.7%) and Telecom Services (+6.5%). While some sectors produced more modest gains, only one sector was in negative territory, Consumer Staples (-1.2%).

Fixed Income: The U.S. Treasury yield curve continued to flatten during the quarter with short to intermediate term rates rising more than long-term yields. The bellwether 10-year Treasury yield ended the quarter at 2.3%, up slightly but much higher than a year ago (1.6%). The Federal Open Market Committee decided to maintain their overnight rate while confirming the beginning of their balance sheet reduction program. Credit spreads continued lower during the quarter in both investment grade and high yield bonds. High yield spreads, which have averaged 6% during the past decade, were below 4% during the quarter and stood at 3.5% as-of September 30.

Alternatives: Hedge funds in 2017 are turning in one of their strongest showings in years, interrupting a string of losses, redemptions and even closures. Some of the biggest returns are being seen from stock hedge funds, which posted a 9.6% return on average through September (HFR), compared with a 14.2% total return for the period by the S&P 500. Investors in hedge funds say soaring technology stocks and profitable bets against retail firms have contributed to gains this year. *WSJ.com*

III. Live Universe Comparisons and Reporting

Wilshire Public Plan Sponsor Universe	WILSHIRE
Number of Plans	252
Median Size	$316.9 Million
Total Assets	$2.6 Trillion
Total Plans over $1 Billion	93
Total Plans between $100 - $1,000 Million	88
Total Plans between $20 Million - $100 Million	42
Total Plans under $20 Million	29

About Wilshire Associates

The Wilshire Cooperative is collaboration between Wilshire Associates and more than 60 independent investment consulting firms. Wilshire provides advanced performance measurement and attribution reporting systems to participating firms while Cooperative members provide asset and performance data for their sponsor clients. These are then pooled into peer groups for comparative purposes. Today, the Wilshire Cooperative is the standard utilized by over 1300 plan sponsors with assets over $743 billion dollars.

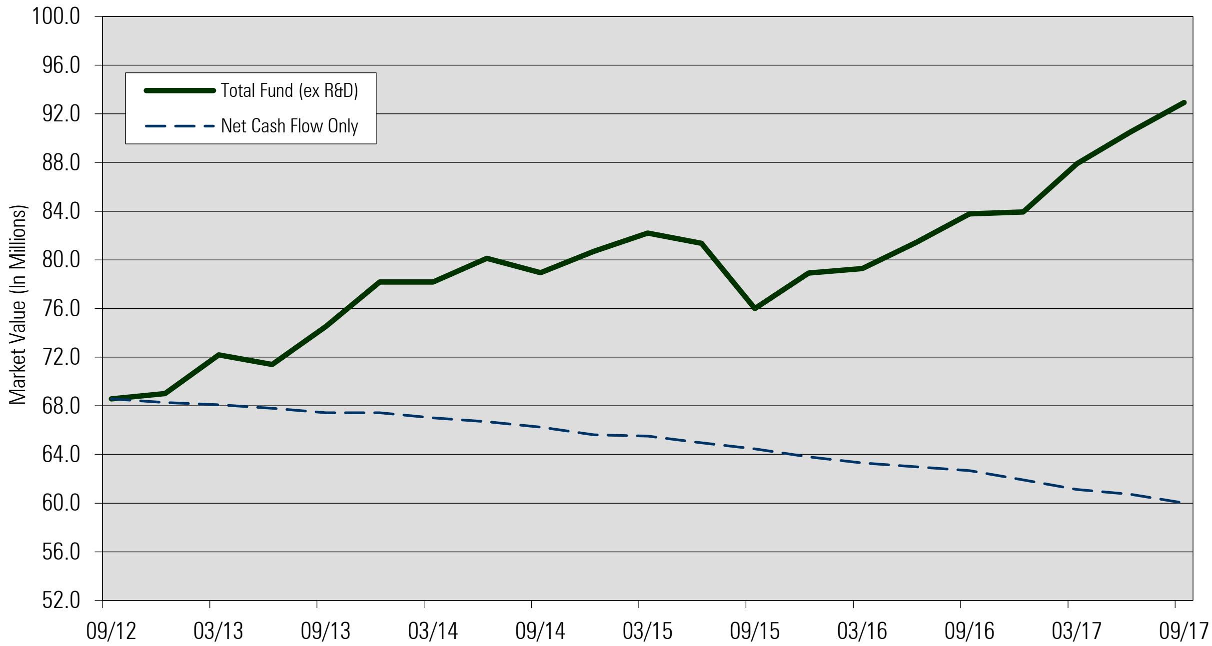
Our Universe Comparisons

As a Wilshire affiliate, we are granted access to large and diverse peer comparisons, including total fund, portfolio-level, and style-based universes. The Wilshire Public Fund Universe (above) includes the actual, live results of over 250 public pension systems across the country. These are real public funds who face similar investment restrictions and guidelines to your own. These peer-to-peer performance comparisons are critical to the evaluation process.

Our Reporting

Unique to Southeastern Advisory Services is our customized reporting platform. We have the ability to accurately calculate performance against virtually any benchmark, comparison or metric. These industry-leading tools include sophisticated attribution analyses and holdings-based style and characteristic analysis. Our goal is to deliver a clear, easily-understood picture of performance that fairly assesses the effectiveness of your investment policy, strategy and managers. Each performance report is fully-customized based on your input. We welcome your requests and suggestions.

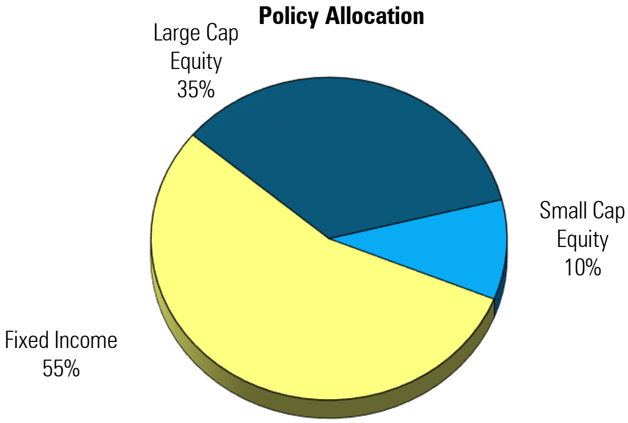
IV. PORTFOLIO GROWTH- PERIOD ENDED SEPTEMBER 30, 2017

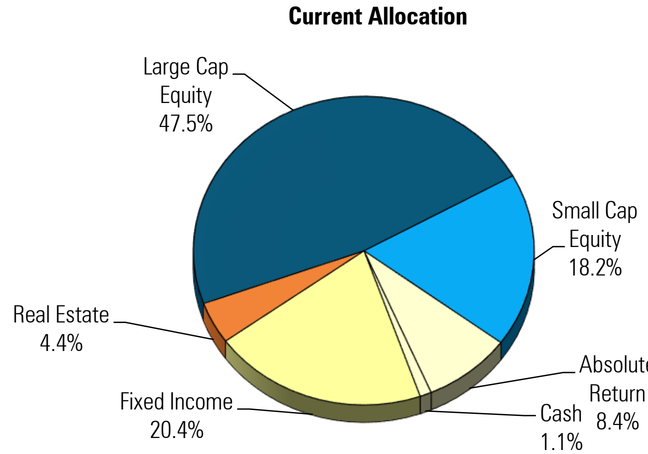


Period Ending	Beginning Value $(000)	Net Cash Flow	Net Gain/Loss	Ending Value $(000)	Quarterly Return	Fiscal Yr Return
Dec-12	68,574	-319	751	69,006	1.1%	
Mar-13	69,006	-160	3,334	72,180	4.8%	
Jun-13	72,180	-292	-478	71,409	-0.7%	9.7%
Sep-13	71,409	-367	3,485	74,526	4.9%	
Dec-13	74,526	-19	3,668	78,176	5.3%	
Mar-14	78,176	-399	407	78,184	0.5%	
Jun-14	78,184	-329	2,280	80,135	2.9%	14.3%
Sep-14	80,135	-446	-756	78,933	-0.9%	
Dec-14	78,933	-635	2,411	80,710	3.1%	
Mar-15	80,710	-99	1,580	82,190	2.0%	
Jun-15	82,190	-547	-284	81,359	-0.4%	3.7%
Sep-15	81,359	-509	-4,848	76,002	-6.0%	
Dec-15	76,002	-657	3,579	78,924	4.4%	
Mar-16	78,924	-486	838	79,276	1.0%	
Jun-16	79,276	-330	2,473	81,419	3.1%	2.2%
Sep-16	81,419	-301	2,660	83,778	3.3%	
Dec-16	83,778	-757	912	83,933	1.1%	
Mar-17	83,933	-806	4,770	87,898	5.7%	
Jun-17	87,898	-392	3,003	90,509	3.5%	14.2%
Sep-17	90,509	-717	3,134	92,926	3.5%	3.5%
Total	**68,574**	**-8,566**	**32,918**	**92,926**	**50.6%**	
Absolute Return Objective*:						**7.25%**

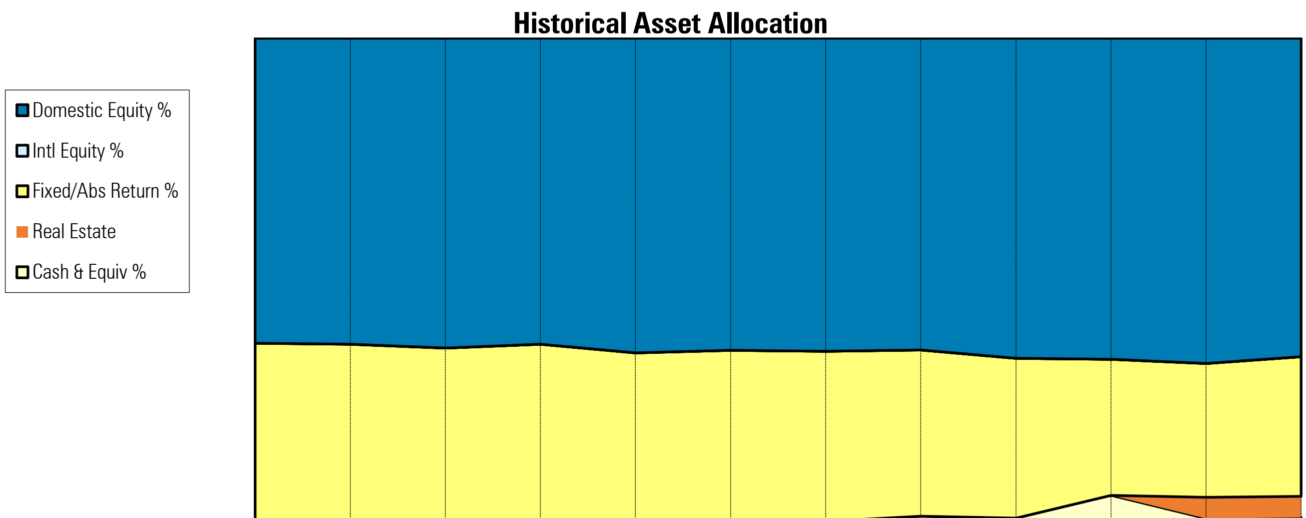
*Table above excludes R&D account

V. ALLOCATION OF ASSETS: Total Fund (ex R&D)





Asset Class	Target Allocation	Quarter End Allocation	Median Public Plan
Domestic Equity	45%	65.7%	46.7%
International Equity	0%	0.0%	11.4%
Fixed Income/Absolute Return	55%	28.8%	26.6%
Real Estate	0%	4.4%	0.5%
Cash Equivalents	N/A	1.1%	2.9%



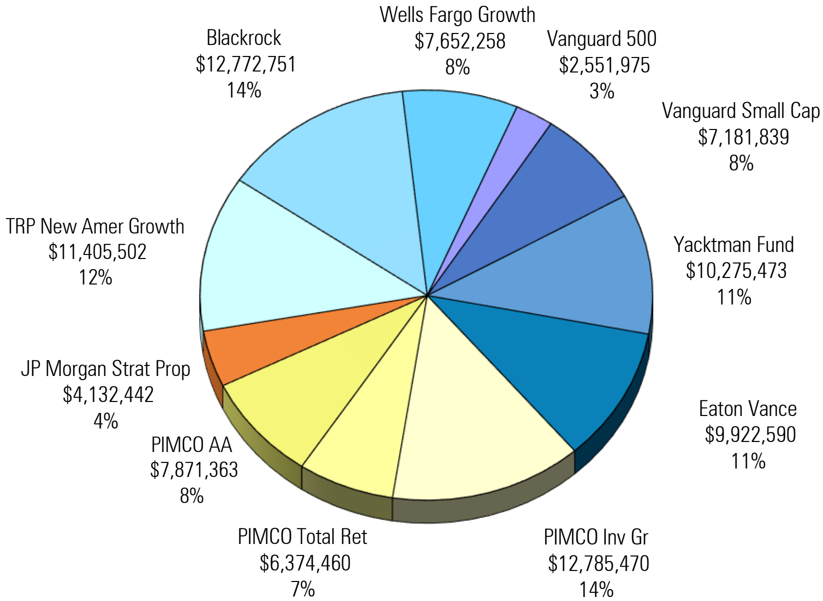
	12/14	03/15	06/15	09/15	12/15	03/16	06/16	09/16	12/16	03/17	06/17	09/17
Domestic Equity %	62.9	63.1	63.9	63.1	64.9	64.4	64.6	64.3	66.0	66.2	67.1	65.7
Intl Equity %	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fixed/Abs Return %	37.1	36.9	36.1	36.9	34.8	35.3	35.1	34.3	33.0	28.1	27.6	28.8
Real Estate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.4	4.4
Cash & Equiv %	0.0	0.0	0.0	0.0	0.3	0.3	0.3	1.4	1.0	5.7	0.9	1.1

Manager	Dom Equity	Intl Equity	Fixed Income	Real Estate	Cash
Blackrock Equity Dividend	100.0%	0.0%	0.0%	0.0%	0.0%
Eaton Vance	100.0%	0.0%	0.0%	0.0%	0.0%
Yacktman Fund	100.0%	0.0%	0.0%	0.0%	0.0%
Vanguard Small Cap	100.0%	0.0%	0.0%	0.0%	0.0%
TRP New America Growth	100.0%	0.0%	0.0%	0.0%	0.0%
Wells Fargo Growth Fund	100.0%	0.0%	0.0%	0.0%	0.0%
PIMCO All Asset	0.0%	0.0%	100.0%	0.0%	0.0%
PIMCO Total Return	0.0%	0.0%	100.0%	0.0%	0.0%
PIMCO Inv Grade Corp	0.0%	0.0%	100.0%	0.0%	0.0%
JP Morgan Strategic Prop	0.0%	0.0%	0.0%	100.0%	0.0%
Total Fund	**65.7%**	**0.0%**	**28.8%**	**4.4%**	**1.1%**

O.C.G.A. Section 47-20-82(c) Compliance				
Equity Value, As of	**3Q17**	**2Q17**	**1Q17**	**4Q16**
Yacktman Fund	$ 8,942,266	$ 8,942,266	$ 8,942,266	$ 8,942,266
Blackrock Equity Dividend	$ 9,324,302	$ 8,247,758	$ 8,197,207	$ 8,197,207
Eaton Vance AC SMID	$ 5,317,546	$ 5,317,546	$ 5,317,546	$ 5,317,546
TRP New America Growth	$ 8,307,135	$ 8,307,136	$ 8,307,136	$ 8,307,136
Vanguard 500	$ 2,091,004	$ 2,078,046	$ 2,066,994	$ 2,056,122
Vanguard Small Cap	$ 5,735,445	$ 5,708,393	$ 5,695,104	$ 5,673,763
Wells Fargo Growth Fund	$ 6,651,268	$ 8,450,786	$ 8,450,786	$ 9,441,192
Total Cost Value	$ 46,368,966	$ 47,051,931	$ 46,977,039	$ 47,935,232
Total Market Value, All Assets	$ 93,990,634	$ 91,338,500	$ 88,954,930	$ 84,794,016
Cost Value vs Market Total	*49.3%*	*51.5%*	*52.8%*	*56.5%*

* Domestic mutual funds may hold foreign securities. Compliance with O.C.G.A. Section 47-20-82(c) requires that those Ga funds that are not classified as "Large Retirement Systems" (over 75% funded ratio if assets are less than $50MM and over 70% funded ratio if total assets exceed $500MM) maintain less than 55% in equity securities based on historical cost basis. The PIMCO All Asset Fund holds predominantly fixed income assets and is classified as such for compliance purposes. The PIMCO All Asset fund may hold underlying equity securities /and or equity fund funds.

VI. MANAGER ALLOCATION AND CASH FLOWS- Quarter ending September 30, 2017

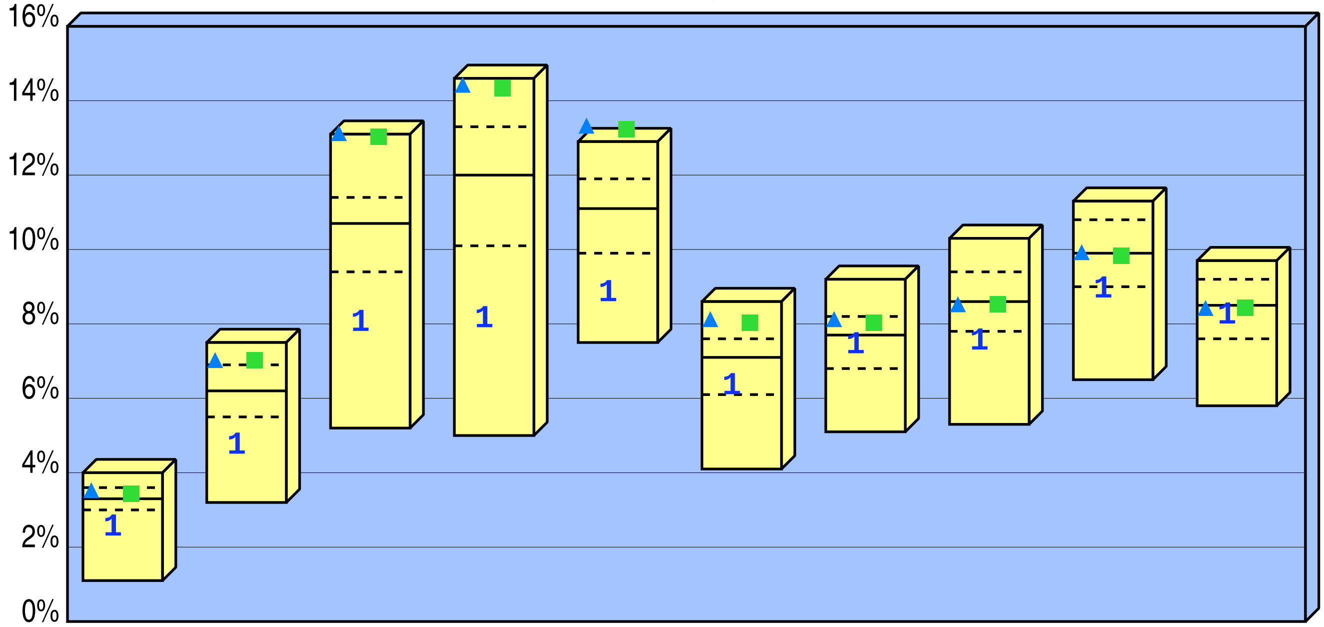


Manager	Beginning Value	% Alloc	Cash In	Cash Out	Gain/Loss	Ending Value	% Alloc
Blackrock Equity Dividend (LCV)	$12,268,866	13.6%	$0	$0	$503,885	$12,772,751	13.7%
TRP New America Growth (LCG)	$10,900,553	12.0%	$0	$0	$504,949	$11,405,502	12.3%
Wells Fargo Growth Fund (LCG)	$9,089,812	10.0%	$0	($2,000,000)	$562,446	$7,652,258	8.2%
Vanguard 500 (Passive)	$2,442,659	2.7%	$0	$0	$109,316	$2,551,975	2.7%
Yacktman Fund (Absol Ret Eq)	$10,096,428	11.2%	$0	$0	$179,045	$10,275,473	11.1%
Total Large Cap Equity	**$44,798,318**	**49.5%**	**$0**	**($2,000,000)**	**$1,859,641**	**$44,657,959**	**48.1%**
Eaton Vance (SMID Growth)	$9,586,442	10.6%	$0	$0	$336,148	$9,922,590	10.7%
Vanguard Small Cap (Passive)	$6,867,747	7.6%	$0	$0	$314,092	$7,181,839	7.7%
Total Small/Mid Cap Equity	**$16,454,189**	**18.2%**	**$0**	**$0**	**$650,240**	**$17,104,429**	**18.4%**
PIMCO All Asset	$8,324,816	9.2%	$0	($716,709)	$263,256	$7,871,363	8.5%
Total Real Return/Real Asset	**$8,324,816**	**9.2%**	**$0**	**($716,709)**	**$263,256**	**$7,871,363**	**8.5%**
PIMCO Inv Grade Corp	$10,590,335	11.7%	$2,000,000	$0	$195,135	$12,785,470	13.8%
PIMCO Total Return	$6,279,217	6.9%	$0	$0	$95,243	$6,374,460	6.9%
Total Fixed Income	**$16,869,552**	**18.6%**	**$2,000,000**	**$0**	**$290,378**	**$19,159,930**	**20.6%**
JP Morgan Strategic Property	$4,062,432	4.5%	$0	$0	$70,010	$4,132,442	4.4%
Total Real Estate	**$4,062,432**	**4.5%**	**$0**	**$0**	**$70,010**	**$4,132,442**	**4.4%**
Total Fund	**$90,509,307**	**96%**	**$2,000,000**	**($2,716,709)**	**$3,133,525**	**$92,926,123**	**100%**
Receipts & Disbursements Acct.	*$829,193*		*$2,416,469*	*($2,181,954)*	*$804*	*$1,064,512*	
Total Fund + R&D Acct.	***$91,338,500***		***$4,416,469***	***($4,898,663)***	***$3,134,329***	***$93,990,635***	

For this report, all performance and asset allocation information for the Total Fund does not include the Receipts & Disbursements Account.

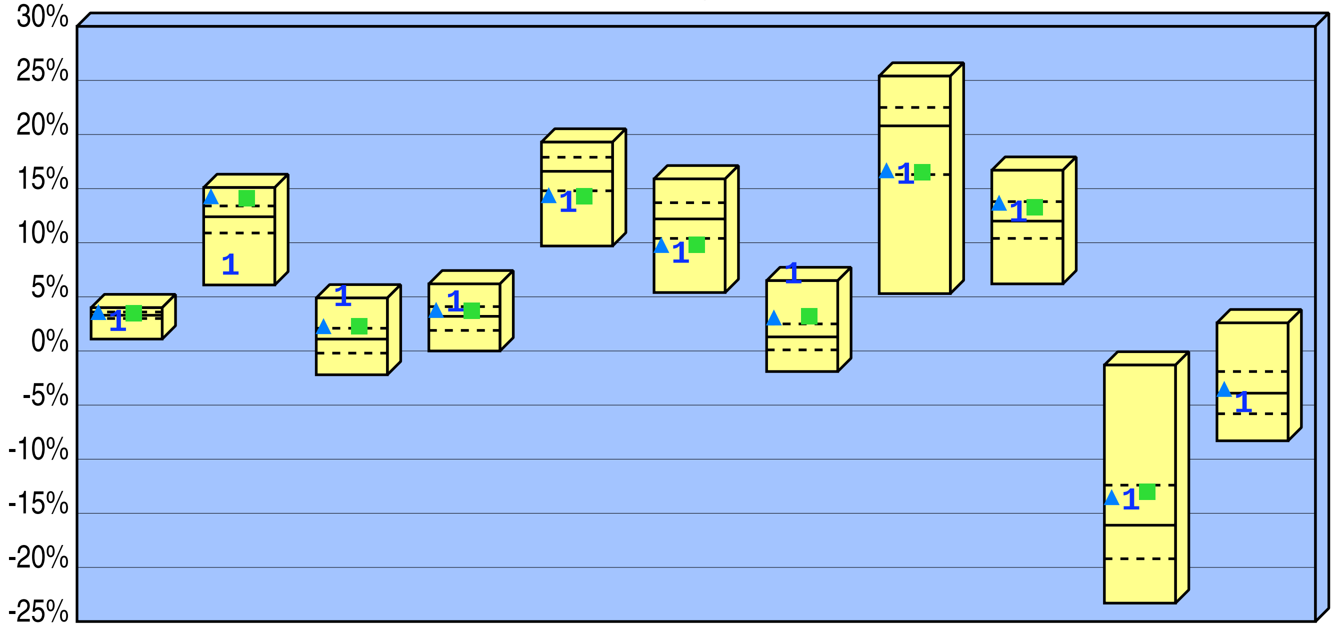
* Wells Fargo is to maintain an R&D balance between $600K and $750K and is directed to rebalance on a monthly basis on the 15th of each month. Balances above $750K are to be applied towards the PIMCO Total Return Bond Fund. Cash needs are to be met through redemptions in the PIMCO All Asset Fund.

Gainesville Employees' Retirement System A
Cumulative Performance Comparison
Total Returns of Total Fund Public Sponsors
Periods Ending 9/17



	Last Qtr	Last 2 Qtrs	Last 3 Qtrs	Last Year	Last 2 Years	Last 3 Years	Last 4 Years	Last 5 Years	Last 6 Years	Last 7 Years
High	4.0	7.5	13.1	14.6	12.9	8.6	9.2	10.3	11.3	9.7
1st Qt	3.6	6.9	11.4	13.3	11.9	7.6	8.2	9.4	10.8	9.2
Median	3.3	6.2	10.7	12.0	11.1	7.1	7.7	8.6	9.9	8.5
3rd Qt	3.0	5.5	9.4	10.1	9.9	6.1	6.8	7.8	9.0	7.6
Low	1.1	3.2	5.2	5.0	7.5	4.1	5.1	5.3	6.5	5.8
▲ Total Fund (ex R&D)										
Return	3.5	7.0	13.1	14.4	13.3	8.1	8.1	8.5	9.9	8.4
Rank	34	16	5	8	1	11	28	51	51	54
1 Policy Index										
Return	2.5	4.7	8.0	8.1	8.8	6.3	7.4	7.5	8.9	8.2
Rank	90	87	90	89	86	66	63	77	76	59
■ Total Fund (incl R&D)										
Return	3.4	7.0	13.0	14.3	13.2	8.0	8.0	8.5	9.8	8.4
Rank	40	17	7	11	2	14	34	54	55	55

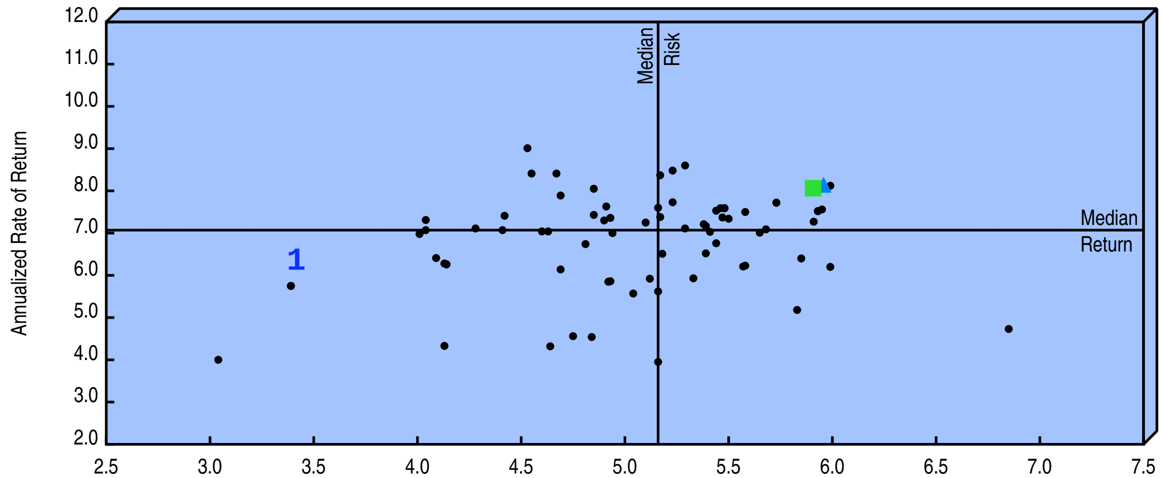
Gainesville Employees' Retirement System A
Fiscal Year Performance Comparison
Total Returns of Total Fund Public Sponsors
Years Ending June



	9/30/17 FYTD	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
High	4.0	15.1	4.9	6.2	19.3	15.9	6.5	25.4	16.7	-1.3	2.6
1st Qt	3.6	13.4	2.1	4.1	17.9	13.7	2.5	22.5	13.8	-12.4	-1.9
Median	3.3	12.4	1.1	3.2	16.6	12.2	1.3	20.8	12.0	-16.1	-3.9
3rd Qt	3.0	10.9	-0.2	1.9	14.8	10.4	0.1	16.3	10.4	-19.2	-5.8
Low	1.1	6.1	-2.2	-0.0	9.7	5.4	-1.9	5.3	6.2	-23.3	-8.3
▲ Total Fund (ex R&D)											
Return	3.5	14.2	2.2	3.7	14.3	9.7	3.0	16.6	13.6	-13.6	-3.6
Rank	34	13	22	37	78	81	18	73	27	32	46
1 Policy Index											
Return	2.5	7.7	4.8	4.3	13.5	8.8	6.9	16.1	12.6	-14.0	-5.0
Rank	90	91	5	20	83	86	3	76	42	34	63
■ Total Fund (incl R&D)											
Return	3.4	14.0	2.2	3.6	14.2	9.7	3.1	16.4	13.2	-13.1	
Rank	40	15	23	38	79	82	18	74	34	29	

Gainesville Employees' Retirement System A
Return vs Risk
Total Returns of Total Fund Public Sponsors

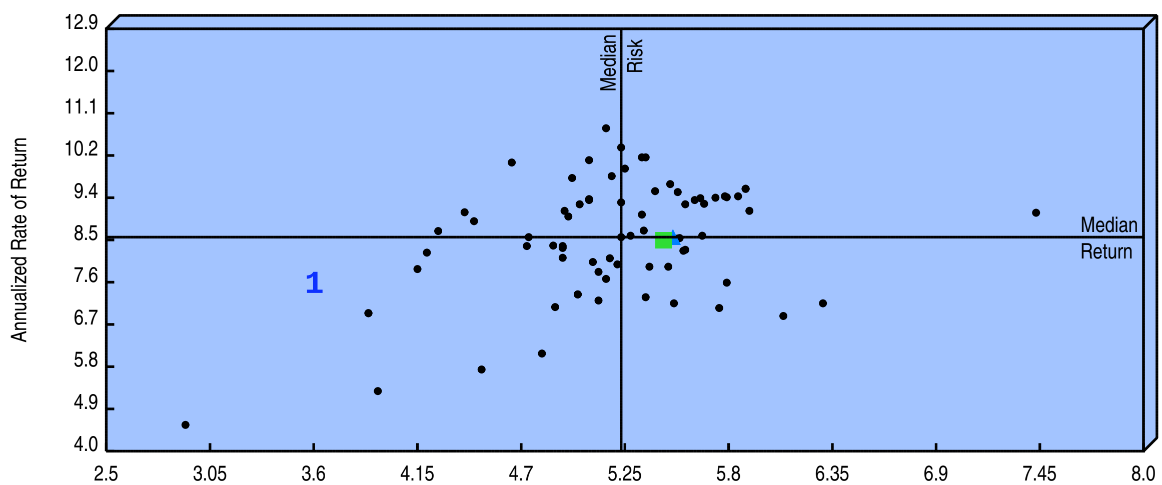
3 Years Ending 9/30/17



Historical Standard Deviation of Return

	Annualized Return Value	Annualized Return Rank	Standard Deviation Value	Standard Deviation Rank
▲ Total Fund (ex R&D)	8.1	11	6.0	94
1 Policy Index	6.3	66	3.4	5
■ Total Fund (incl R&D)	8.0	14	5.9	91
Median	7.1		5.2	

5 Years Ending 9/30/17



Historical Standard Deviation of Return

	Annualized Return Value	Annualized Return Rank	Standard Deviation Value	Standard Deviation Rank
▲ Total Fund (ex R&D)	8.5	51	5.5	74
1 Policy Index	7.5	77	3.6	4
■ Total Fund (incl R&D)	8.5	54	5.5	67
Median	8.6		5.2	

VII. TOTAL FUND PERFORMANCE COMPARISONS

Fiscal Year Returns -v- Objectives	Last Qtr	1 Year	3 Year	5 Year
Total Fund (inc R&D)-Gross of Fees	**3.4%**	**14.3%**	**8.0%**	**8.5%**
Total Fund (inc R&D)-Net of Fees	**3.4%**	**14.3%**	**8.0%**	**8.5%**
Total Fund (ex R&D)-Gross of Fees	**3.5%**	**14.4%**	**8.1%**	**8.5%**
Total Fund (ex R&D)-Net of Fees	**3.5%**	**14.4%**	**8.1%**	**8.5%**
Target Index	2.5%	8.1%	6.3%	7.5%
Absolute Return Objective	1.8%	7.3%	7.3%	7.3%
Wilshire Public Fund Ranking	34	8	11	51
Total Domestic Equities	**4.2%**	**19.1%**	**10.5%**	**12.7%**
Russell 3000	4.6%	18.7%	10.7%	14.2%
Russell 1000	4.5%	18.5%	10.6%	14.3%
Russell 2000	5.7%	20.7%	12.2%	13.8%
vs. Equity Returns of Public Funds	83	48	43	73
Total Real Estate	**2.2%**	**n/a**	**n/a**	**n/a**
Barclays US Aggregate	0.8%	n/a	n/a	n/a
vs. Fixed Income Returns of Public Funds	9	n/a	n/a	n/a
Total Fixed Income/Absolute Return	**2.2%**	**5.6%**	**3.9%**	**3.0%**
Barclays US Aggregate	0.8%	0.1%	2.7%	2.1%
vs. Fixed Income Returns of Public Funds	9	10	32	46

Current Target Index: 45% Russell 1000/10% R2000/5% CPI +3%/5% NCREIF/35% Bloomberg Barclays US Aggregate. Prior to June 2017: 45% Russell 1000/55% Bloomberg Barclays US Aggregate. Prior to July 2009, the Target Index: 35% Russell 1000 /10% Russell 2000/40% Bloomberg Barclays US Aggregate/15% MSCI EAFE (Net). Each Fiscal Year ends 6/30.

VIII. EQUITY MANAGER COMPARISON

Manager/Index/Universe	Quarter	1 Year	3 Year	5 Year
Blackrock Equity Dividend (LCV)	**4.1%**	**20.5%**	**10.2%**	**11.9%**
Russell 1000 Value	3.1%	15.1%	8.5%	13.2%
Russell 1000	4.5%	18.5%	10.6%	14.3%
vs. Large Value Mutual Funds	38	15	3	64
Vanguard 500 (Passive)	**4.5%**	**18.6%**	**n/a**	**n/a**
Russell 1000	4.5%	18.5%	n/a	n/a
vs. Large Core Mutual Funds	46	43	n/a	n/a
TRP New American Growth (LCG)	**4.6%**	**25.3%**	**13.0%**	**16.0%**
Russell 1000 Growth	5.9%	21.9%	12.7%	15.3%
Russell 1000	4.5%	18.5%	10.6%	14.3%
vs. Large Growth Mutual Funds	77	5	14	9
Wells Fargo Growth Fund (LCG)	**7.0%**	**21.3%**	**10.7%**	**12.0%**
Russell 1000 Growth	5.9%	21.9%	12.7%	15.3%
Russell 1000	4.5%	18.5%	10.6%	14.3%
vs. Large Growth Mutual Funds	12	33	57	90
Eaton Vance (SMID Growth)	**3.5%**	**17.3%**	**14.7%**	**15.6%**
Russell 2000 Growth	6.2%	21.0%	12.2%	14.3%
Russell 2000	5.7%	20.7%	12.2%	13.8%
vs. MidCap Growth Equity Portfolios	77	59	1	13
Vanguard Small Cap (Passive)	**4.6%**	**17.3%**	**n/a**	**n/a**
Russell 2000	5.7%	20.7%	n/a	n/a
vs. Small Cap Core Mutual Funds	61	66	n/a	n/a
Yacktman Fund (Absol Return Equity)	**1.8%**	**13.1%**	**6.8%**	**10.4%**
Russell 1000	4.5%	18.5%	10.6%	14.3%

IX. ABSOLUTE RETURN PERFORMANCE COMPARISONS

Manager/Index/Universe	Quarter	1 Year	3 Year	5 Year
PIMCO All Asset	**3.3%**	**10.2%**	**3.5%**	**3.7%**
CPI + 4%	1.8%	6.4%	5.1%	5.3%
MSCI ACWI	5.2%	18.6%	7.4%	10.2%

The inception date of the PIMCO All Asset Fund was May 17, 2011. Absolute Return is considered part of the fixed income allocation for compliance calculations. Mutual Funds for Absolute Return may include underlying equity securities/funds.

X. FIXED INCOME PERFORMANCE COMPARISONS

Manager/Index/Universe	Quarter	1 Year	3 Year	5 Year
PIMCO Total Return	**1.5%**	**2.4%**	**3.2%**	**2.4%**
BbgBarc US Aggregate	0.8%	0.1%	2.7%	2.1%
vs. Intermediate Fixed Income Funds	1	3	6	26
PIMCO Investment Grade Corp	**1.8%**	**4.2%**	**5.3%**	**4.6%**
BbgBarc Credit	1.3%	2.0%	3.9%	3.2%
vs. Intermediate Fixed Income Funds	1	1	1	1

PIMCO Investment Grade Corp has dividends that lag behind one month. Performance shown in this report is based off of market values listed by the custodian.

XI. REAL ESTATE PERFORMANCE COMPARISONS

Manager/Index/Universe	Quarter	1 Year	3 Year	5 Year
JP Morgan Strategic Property	**1.7%**	**N/A**	**N/A**	**N/A**
NCREIF Property Index	1.7%	N/A	N/A	N/A
vs. Real Estate Funds	8	N/A	N/A	N/A

BlackRock Equity Dividend Instl (USD)

Morningstar Analyst Rating™	Overall Morningstar Rating™	Standard Index	Category Index	Morningstar Cat
Bronze 02-22-2017	★★★★ 1,108 US Fund Large Value	S&P 500 TR USD	Russell 1000 Value TR USD	US Fund Large Value

Performance 09-30-2017

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2015	-1.00	0.04	-6.02	7.33	-0.10
2016	0.52	4.22	1.99	8.76	16.21
2017	3.15	3.15	4.11	—	10.77

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	20.47	10.26	11.94	6.77	10.08
Std 09-30-2017	20.47	—	11.94	6.77	10.08
Total Return	20.47	10.26	11.94	6.77	10.08
+/- Std Index	1.86	-0.55	-2.29	-0.67	—
+/- Cat Index	5.34	1.73	-1.27	0.85	—
% Rank Cat	13	8	64	23	
No. in Cat	1269	1108	962	689	

	Subsidized	Unsubsidized
7-day Yield	—	—
30-day SEC Yield 09-29-2017	1.77	1.73

Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-441-7762 or visit www.blackrock.com.

Fees and Expenses

Sales Charges

Front-End Load %	**NA**
Deferred Load %	**NA**

Fund Expenses

Management Fees %	0.55
12b1 Expense %	NA
Gross Expense Ratio %	**0.72**

Risk and Return Profile

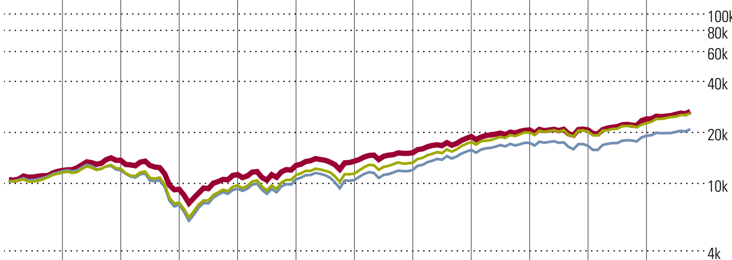
	3 Yr 1108 funds	5 Yr 962 funds	10 Yr 689 funds
Morningstar Rating™	5★	3★	4★
Morningstar Risk	Avg	-Avg	-Avg
Morningstar Return	High	Avg	+Avg

	3 Yr	5 Yr	10 Yr
Standard Deviation	10.18	9.33	13.67
Mean	10.26	11.94	6.77
Sharpe Ratio	0.98	1.24	0.52

MPT Statistics	Standard Index	Best Fit Index Russell 1000 Value TR USD
Alpha	0.00	1.86
Beta	0.95	0.97
R-Squared	88.96	95.94
12-Month Yield		1.69%
Potential Cap Gains Exp		31.63%

Investment Style
Equity
Stocks %

92	91	89	88	93	94	96	99	97	96	96	95



Growth of $10,000
BlackRock Equity Dividend Instl 26,604
Category Average 20,894
Standard Index 25,890

Performance Quartile (within category)

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	09-17	**History**
18.13	20.16	13.25	15.84	17.55	18.19	19.93	24.33	24.95	21.00	22.55	22.72	NAV/Price
19.25	14.78	-32.57	22.18	13.26	5.92	12.18	24.67	9.35	-0.10	16.21	10.77	Total Return %
3.46	9.29	4.43	-4.29	-1.80	3.81	-3.83	-7.72	-4.34	-1.48	4.25	-3.47	+/- Standard Index
-3.00	14.95	4.28	2.49	-2.24	5.53	-5.33	-7.86	-4.11	3.73	-1.13	2.85	+/- Category Index
36	1	16	55	52	13	79	92	70	9	31	—	% Rank Cat
1371	1432	1433	1272	1240	1258	1208	1213	1290	1378	1268	1292	No. of Funds in Cat

Portfolio Analysis 09-30-2017

Asset Allocation % 08-31-2017	Net %	Long %	Short %
Cash	5.06	5.12	0.07
US Stocks	78.50	78.50	0.00
Non-US Stocks	16.44	16.44	0.00
Bonds	0.00	0.00	0.00
Other/Not Clsfd	0.00	0.00	0.00
Total	100.00	100.07	0.07

Equity Style (Value Blend Growth / Large Mid Small)

Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	19.9	0.90	1.06
P/C Ratio TTM	11.6	0.85	1.10
P/B Ratio TTM	2.0	0.66	0.92
Geo Avg Mkt Cap $mil	89812	1.00	1.01

Fixed-Income Style (Ltd Mod Ext / High Med Low)

Avg Eff Maturity	—
Avg Eff Duration	—
Avg Wtd Coupon	—
Avg Wtd Price	—

Credit Quality Breakdown —	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR	—

Regional Exposure	Stocks %	Rel Std Index
Americas	85.5	0.86
Greater Europe	11.2	30.69
Greater Asia	3.4	6.73

Share Chg since 08-2017	Share Amount	Holdings : 88 Total Stocks , 28 Total Fixed-Income, 29% Turnover Ratio	Net Assets %
⊖	9 mil	JPMorgan Chase & Co	3.98
⊖	11 mil	Citigroup Inc	3.71
⊖	31 mil	Bank of America Corporation	3.53
⊕	21 mil	Pfizer Inc	3.43
⊖	12 mil	Oracle Corp	2.93
⊖	8 mil	DowDuPont Inc	2.45
⊖	10 mil	Wells Fargo & Co	2.43
⊖	3 mil	Anthem Inc	2.41
⊖	3 mil	Aetna Inc	2.12
⊖	6 mil	Microsoft Corp	2.10
⊖	7 mil	Merck & Co Inc	2.00
⊖	17 mil	General Electric Co	1.94
⊕	12 mil	Suncor Energy Inc	1.84
⊖	6 mil	American International Group Inc	1.81
⊖	9 mil	Comcast Corp Class A	1.73

Sector Weightings	Stocks %	Rel Std Index
Cyclical	**33.5**	**1.03**
Basic Materials	3.4	1.14
Consumer Cyclical	2.2	0.21
Financial Services	27.9	1.69
Real Estate	0.0	0.00
Sensitive	**37.7**	**0.91**
Communication Services	3.9	0.99
Energy	11.7	1.92
Industrials	11.8	1.12
Technology	10.2	0.49
Defensive	**28.8**	**1.10**
Consumer Defensive	6.7	0.80
Healthcare	16.9	1.14
Utilities	5.3	1.69

Operations

Family:	BlackRock	Base Currency:	USD	Incept:	11-29-1988
Manager:	Multiple	Ticker:	MADVX	Type:	MF
Tenure:	3.3 Years	Minimum Initial Purchase:	$2 mil	Total Assets:	$21,392.65 mil
Objective:	Equity-Income	Purchase Constraints:	A		

AMG Yacktman I (USD)

Morningstar Analyst Rating™	Overall Morningstar Rating™	Standard Index	Category Index	Morningstar Cat
Gold 10-13-2017	★★★★ 1,218 US Fund Large Blend	S&P 500 TR USD	Russell 1000 TR USD	US Fund Large Blend

Performance 09-30-2017

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2015	-3.30	-1.81	-5.16	4.79	-5.63
2016	4.07	2.39	1.48	2.83	11.20
2017	6.92	1.09	1.77	—	10.00

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	13.11	6.79	10.43	10.05	10.27
Std 09-30-2017	13.11	—	10.43	10.05	10.27
Total Return	13.11	6.79	10.43	10.05	10.27
+/- Std Index	-5.50	-4.02	-3.80	2.62	—
+/- Cat Index	-5.43	-3.84	-3.84	2.50	—
% Rank Cat	92	89	91	1	
No. in Cat	1396	1218	1083	799	

	Subsidized	Unsubsidized
7-day Yield	—	—
30-day SEC Yield	—	—

Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-835-3879 or visit www.amgfunds.com.

Fees and Expenses

Sales Charges

Front-End Load %	**NA**
Deferred Load %	**NA**

Fund Expenses

Management Fees %	0.43
12b1 Expense %	NA
Gross Expense Ratio %	**0.76**

Risk and Return Profile

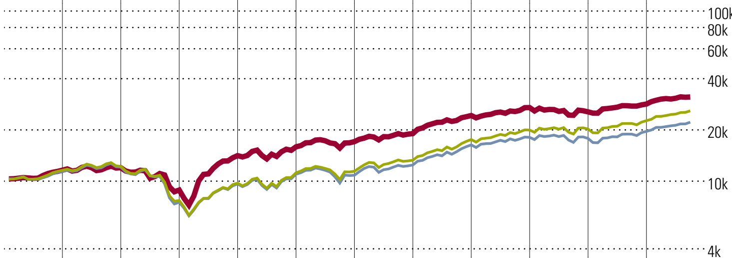
	3 Yr 1218 funds	5 Yr 1083 funds	10 Yr 799 funds
Morningstar Rating™	2★	2★	5★
Morningstar Risk	Low	Low	-Avg
Morningstar Return	-Avg	Low	High

	3 Yr	5 Yr	10 Yr
Standard Deviation	8.60	8.12	15.01
Mean	6.79	10.43	10.05
Sharpe Ratio	0.77	1.24	0.69

MPT Statistics	Standard Index	Best Fit Index Morningstar US Large Cap TR USD
Alpha	-1.45	-1.52
Beta	0.77	0.77
R-Squared	81.23	81.54
12-Month Yield		—
Potential Cap Gains Exp		38.98%

Investment Style
Equity
Stocks %

Growth of $10,000
AMG Yacktman I 31,237
Category Average 22,200
Standard Index 25,890



Performance Quartile (within category)

History

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	09-17
Equity Stocks %	73	89	90	86	89	90	84	79	81	83	78	74
NAV/Price	15.79	13.39	9.68	15.22	16.54	17.51	19.12	23.54	25.12	20.87	21.39	23.53
Total Return %	15.95	3.39	-26.05	59.31	12.64	7.30	11.47	27.74	11.33	-5.63	11.20	10.00
+/- Standard Index	0.16	-2.11	10.94	32.85	-2.42	5.19	-4.53	-4.65	-2.36	-7.02	-0.76	-4.24
+/- Category Index	0.49	-2.39	11.54	30.88	-3.46	5.80	-4.95	-5.37	-1.91	-6.55	-0.85	-4.16
% Rank Cat	—	—	—	—	—	—	85	83	53	91	42	—
No. of Funds in Cat	—	—	—	—	—	—	1686	1559	1568	1606	1409	1435

Portfolio Analysis 09-30-2017

Asset Allocation %	Net %	Long %	Short %
Cash	24.08	24.08	0.00
US Stocks	66.35	66.35	0.00
Non-US Stocks	7.67	7.67	0.00
Bonds	1.89	1.89	0.00
Other/Not Clsfd	0.00	0.00	0.00
Total	100.00	100.00	0.00

Equity Style
Value Blend Growth
Large Mid Small

Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	19.6	0.89	0.90
P/C Ratio TTM	13.2	0.96	0.93
P/B Ratio TTM	3.3	1.06	1.05
Geo Avg Mkt Cap $mil	125126	1.39	1.05

Fixed-Income Style
Ltd Mod Ext
High Med Low

Avg Eff Maturity	—
Avg Eff Duration	—
Avg Wtd Coupon	—
Avg Wtd Price	93.61

Credit Quality Breakdown —	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR	—

Regional Exposure	Stocks %	Rel Std Index
Americas	89.6	0.90
Greater Europe	2.0	5.60
Greater Asia	8.3	16.61

Share Chg since 06-2017	Share Amount	Holdings : 38 Total Stocks , 4 Total Fixed-Income, 4% Turnover Ratio	Net Assets %
	8 mil	Procter & Gamble Co	8.01
⊖	21 mil	Twenty-First Century Fox Inc Class	7.08
⊖	259,260	Samsung Electronics Co Ltd Partici	4.98
⊖	3 mil	Johnson & Johnson	4.83
⊖	4 mil	PepsiCo Inc	4.83
⊖	8 mil	Oracle Corp	4.82
	9 mil	Coca-Cola Co	4.68
⊖	12 mil	Cisco Systems Inc	4.50
⊖	5 mil	Microsoft Corp	4.14
	6 mil	Sysco Corp	3.80
	9 mil	Twenty-First Century Fox Inc Class	2.86
	3 mil	US Bancorp	1.90
	850,000	Anthem Inc	1.88
	3 mil	Bank of New York Mellon Corp	1.50
⊖	2 mil	Exxon Mobil Corp	1.43

Sector Weightings	Stocks %	Rel Std Index
Cyclical	**20.9**	**0.64**
Basic Materials	0.0	0.00
Consumer Cyclical	12.5	1.17
Financial Services	8.4	0.51
Real Estate	0.0	0.00
Sensitive	**35.0**	**0.85**
Communication Services	1.0	0.26
Energy	3.4	0.56
Industrials	1.6	0.16
Technology	29.0	1.40
Defensive	**44.1**	**1.68**
Consumer Defensive	33.9	4.07
Healthcare	10.2	0.69
Utilities	0.0	0.00

Operations

Family:	AMG Funds	Base Currency:	USD	Purchase Constraints:	—
Manager:	Multiple	Ticker:	YACKX	Incept:	07-06-1992
Tenure:	14.9 Years	Minimum Initial Purchase:	$100,000	Type:	MF
Objective:	Growth and Income	Minimum IRA Purchase:	$25,000	Total Assets:	$8,573.13 mil

Vanguard 500 Index Admiral (USD)

Morningstar Analyst Rating™	Overall Morningstar Rating™	Standard Index	Category Index	Morningstar Cat
Gold 07-31-2017	★★★★ 1,218 US Fund Large Blend	S&P 500 TR USD	Russell 1000 TR USD	US Fund Large Blend

Performance 09-30-2017

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2015	0.94	0.28	-6.45	7.04	1.36
2016	1.34	2.45	3.84	3.82	11.93
2017	6.05	3.07	4.48	—	14.20

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	18.57	10.78	14.18	7.43	5.81
Std 09-30-2017	18.57	—	14.18	7.43	5.81
Total Return	18.57	10.78	14.18	7.43	5.81
+/- Std Index	-0.04	-0.03	-0.04	-0.01	—
+/- Cat Index	0.03	0.15	-0.09	-0.12	—
% Rank Cat	36	14	18	21	
No. in Cat	1396	1218	1083	799	

	Subsidized	Unsubsidized
7-day Yield	—	—
30-day SEC Yield	—	—

Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-662-7447 or visit www.vanguard.com.

Fees and Expenses

Sales Charges

Front-End Load %	**NA**
Deferred Load %	**NA**

Fund Expenses

Management Fees %	0.03
12b1 Expense %	NA
Gross Expense Ratio %	**0.04**

Risk and Return Profile

	3 Yr 1218 funds	5 Yr 1083 funds	10 Yr 799 funds
Morningstar Rating™	4★	4★	4★
Morningstar Risk	Avg	-Avg	Avg
Morningstar Return	+Avg	+Avg	+Avg

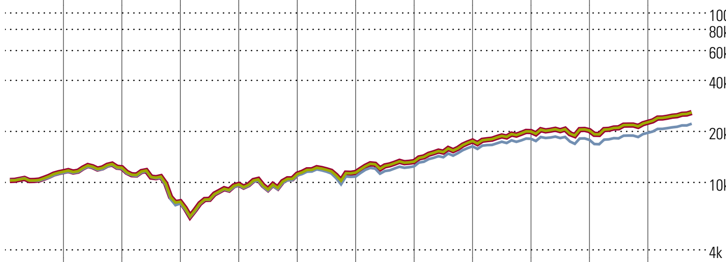
	3 Yr	5 Yr	10 Yr
Standard Deviation	10.07	9.55	15.14
Mean	10.78	14.18	7.43
Sharpe Ratio	1.04	1.42	0.52

MPT Statistics	Standard Index	Best Fit Index S&P 500 TR USD
Alpha	-0.03	-0.03
Beta	1.00	1.00
R-Squared	100.00	100.00

12-Month Yield	—
Potential Cap Gains Exp	40.46%

Investment Style
Equity
Stocks %

100	100	99	100	100	100	100	99	100	100	100	99



Growth of $10,000
- Vanguard 500 Index Admiral 25,857
- Category Average 22,200
- Standard Index 25,890

Performance Quartile (within category)

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	09-17	History
130.59	135.15	83.09	102.67	115.83	115.80	131.37	170.36	189.89	188.48	206.57	232.57	NAV/Price
15.75	5.47	-36.97	26.62	15.05	2.08	15.96	32.33	13.64	1.36	11.93	14.20	Total Return %
-0.05	-0.02	0.03	0.16	-0.01	-0.03	-0.04	-0.06	-0.05	-0.02	-0.03	-0.04	+/- Standard Index
0.29	-0.30	0.63	-1.81	-1.05	0.58	-0.46	-0.78	0.40	0.45	-0.13	0.04	+/- Category Index
21	49	37	52	29	17	35	42	18	20	27	—	% Rank Cat
1980	2090	2086	2027	2010	1786	1686	1559	1568	1606	1409	1435	No. of Funds in Cat

Portfolio Analysis 09-30-2017

Asset Allocation %	Net %	Long %	Short %
Cash	0.51	0.51	0.00
US Stocks	98.62	98.62	0.00
Non-US Stocks	0.86	0.86	0.00
Bonds	0.01	0.01	0.00
Other/Not Clsfd	0.00	0.00	0.00
Total	100.00	100.00	0.00

Equity Style (Value / Blend / Growth; Large / Mid / Small)

Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	22.0	1.00	1.01
P/C Ratio TTM	13.7	1.00	0.97
P/B Ratio TTM	3.1	1.00	0.99
Geo Avg Mkt Cap $mil	89753	1.00	0.75

Fixed-Income Style (Ltd / Mod / Ext; High / Med / Low)

Avg Eff Maturity	—
Avg Eff Duration	—
Avg Wtd Coupon	—
Avg Wtd Price	99.62

Credit Quality Breakdown —	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR	—

Regional Exposure	Stocks %	Rel Std Index
Americas	99.1	1.00
Greater Europe	0.4	1.00
Greater Asia	0.5	1.00

Share Chg since 08-2017	Share Amount	Holdings : 505 Total Stocks , 2 Total Fixed-Income, 4% Turnover Ratio	Net Assets %
⊕	84 mil	Apple Inc	4.02
⊕	124 mil	Microsoft Corp	2.71
⊕	38 mil	Facebook Inc A	1.91
⊕	6 mil	Amazon.com Inc	1.83
⊕	43 mil	Johnson & Johnson	1.68
⊕	29 mil	Berkshire Hathaway Inc B	1.54
⊕	68 mil	Exxon Mobil Corp	1.52
⊕	57 mil	JPMorgan Chase & Co	1.52
⊕	5 mil	Alphabet Inc A	1.34
⊕	5 mil	Alphabet Inc C	1.32
⊕	160 mil	Bank of America Corporation	1.12
⊕	41 mil	Procter & Gamble Co	1.11
⊕	99 mil	AT&T Inc	1.08
⊕	72 mil	Wells Fargo & Co	1.08
⊕	140 mil	General Electric Co	1.01

Sector Weightings	Stocks %	Rel Std Index
Cyclical	**32.3**	**0.99**
Basic Materials	2.8	0.94
Consumer Cyclical	10.7	1.00
Financial Services	16.6	1.00
Real Estate	2.3	1.00
Sensitive	**41.4**	**1.00**
Communication Services	3.9	1.00
Energy	6.1	1.00
Industrials	10.7	1.02
Technology	20.7	1.00
Defensive	**26.2**	**1.00**
Consumer Defensive	8.3	1.00
Healthcare	14.8	1.00
Utilities	3.1	1.00

Operations

Family:	Vanguard	Base Currency:	USD	Incept:	11-13-2000
Manager:	Multiple	Ticker:	VFIAX	Type:	MF
Tenure:	1.6 Years	Minimum Initial Purchase:	$10,000	Total Assets:	$350,318.46 mil
Objective:	Growth	Purchase Constraints:	—		

T. Rowe Price New America Growth (USD)

Morningstar Analyst Rating™	Overall Morningstar Rating™	Standard Index	Category Index	Morningstar Cat
Neutral 01-31-2017	★★★★★ 1,259 US Fund Large Growth	S&P 500 TR USD	Russell 1000 Growth TR USD	US Fund Large Growth

Performance 09-30-2017

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2015	5.78	0.47	-7.28	10.40	8.80
2016	-4.79	0.73	5.99	-0.24	1.40
2017	11.95	7.26	4.63	—	25.64

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	25.34	13.10	16.07	9.85	10.81
Std 09-30-2017	25.34	—	16.07	9.85	10.81
Total Return	25.34	13.10	16.07	9.85	10.81
+/- Std Index	6.73	2.28	1.84	2.41	—
+/- Cat Index	3.40	0.40	0.81	0.76	—
% Rank Cat	9	15	14	8	
No. in Cat	1398	1259	1125	800	

	Subsidized	Unsubsidized
7-day Yield	—	—
30-day SEC Yield	—	—

Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-638-5660 or visit www.troweprice.com.

Fees and Expenses

Sales Charges

Front-End Load %	**NA**
Deferred Load %	**NA**

Fund Expenses

Management Fees %	0.64
12b1 Expense %	NA
Gross Expense Ratio %	**0.80**

Risk and Return Profile

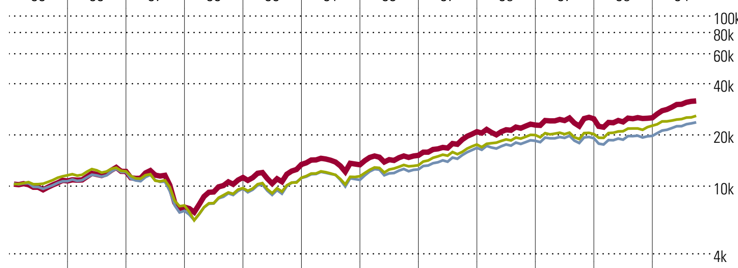
	3 Yr 1259 funds	5 Yr 1125 funds	10 Yr 800 funds
Morningstar Rating™	4★	4★	5★
Morningstar Risk	High	+Avg	+Avg
Morningstar Return	+Avg	+Avg	High

	3 Yr	5 Yr	10 Yr
Standard Deviation	12.98	11.98	17.09
Mean	13.10	16.07	9.85
Sharpe Ratio	0.99	1.29	0.61

MPT Statistics	Standard Index	Best Fit Index Morningstar US Large Growth TR USD
Alpha	0.71	0.48
Beta	1.16	1.07
R-Squared	81.04	94.38

12-Month Yield	—
Potential Cap Gains Exp	41.04%

99	99	97	96	95	91	93	97	98	97	98	94	**Investment Style** Equity Stocks %



Growth of $10,000
- T. Rowe Price New America Growth 31,682
- Category Average 23,711
- Standard Index 25,890

Performance Quartile (within category)

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	09-17	History
31.38	31.87	18.77	28.03	32.99	31.81	35.92	44.17	42.01	41.96	40.09	50.37	NAV/Price
7.24	13.74	-38.31	49.33	19.34	-0.41	13.56	37.73	9.44	8.80	1.40	25.64	Total Return %
-8.56	8.24	-1.31	22.87	4.27	-2.52	-2.45	5.34	-4.25	7.42	-10.56	11.40	+/- Standard Index
-1.84	1.93	0.12	12.13	2.63	-3.05	-1.70	4.24	-3.61	3.13	-5.67	4.92	+/- Category Index
49	44	33	8	18	32	67	16	58	12	66	—	% Rank Cat
1642	1748	1809	1796	1718	1683	1681	1712	1710	1681	1463	1416	No. of Funds in Cat

Portfolio Analysis 09-30-2017

Asset Allocation % 06-30-2017	Net %	Long %	Short %
Cash	5.72	5.72	0.00
US Stocks	86.29	86.29	0.00
Non-US Stocks	7.43	7.43	0.00
Bonds	0.00	0.00	0.00
Other/Not Clsfd	0.56	0.56	0.00
Total	100.00	100.00	0.00

Equity Style (Value / Blend / Growth; Large / Mid / Small)

Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	27.8	1.26	1.04
P/C Ratio TTM	16.1	1.17	0.96
P/B Ratio TTM	5.0	1.64	1.07
Geo Avg Mkt Cap $mil	65408	0.73	0.55

Fixed-Income Style (Ltd / Mod / Ext; High / Med / Low)

Avg Eff Maturity	—
Avg Eff Duration	—
Avg Wtd Coupon	—
Avg Wtd Price	—

Credit Quality Breakdown —	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR	—

Regional Exposure	Stocks %	Rel Std Index
Americas	94.4	0.95
Greater Europe	1.9	5.24
Greater Asia	3.7	7.47

Share Chg since 06-2017	Share Amount	Holdings : 88 Total Stocks , 0 Total Fixed-Income, 93% Turnover Ratio	Net Assets %
☼	271 mil	Reserve Invt Fds	6.49
⊕	250,821	Amazon.com Inc	5.78
⊖	1 mil	Apple Inc	5.11
⊕	3 mil	Microsoft Corp	4.56
⊖	135,796	Alphabet Inc C	3.12
⊕	2 mil	HCA Healthcare Inc	3.06
⊖	683,790	Mastercard Inc A	2.31
⊖	907,303	Visa Inc Class A	2.29
⊖	1 mil	PayPal Holdings Inc	2.09
⊕	336,800	Boeing Co	2.05
⊕	598,054	Intuit Inc	2.04
⊕	430,109	Becton, Dickinson and Co	2.02
⊖	457,800	Facebook Inc A	1.88
⊕	774,041	Crown Castle International Corp	1.86
☼	2 mil	Symantec Corp	1.72

Sector Weightings	Stocks %	Rel Std Index
Cyclical	**36.1**	**1.11**
Basic Materials	1.3	0.44
Consumer Cyclical	19.5	1.82
Financial Services	15.0	0.90
Real Estate	0.3	0.15
Sensitive	**45.9**	**1.11**
Communication Services	5.8	1.47
Energy	0.0	0.00
Industrials	10.9	1.03
Technology	29.2	1.41
Defensive	**18.0**	**0.68**
Consumer Defensive	1.1	0.13
Healthcare	16.3	1.10
Utilities	0.6	0.19

Operations

Family:	T. Rowe Price	Base Currency:	USD	Purchase Constraints:	—
Manager:	Justin White	Ticker:	PRWAX	Incept:	09-30-1985
Tenure:	1.6 Years	Minimum Initial Purchase:	$2,500	Type:	MF
Objective:	Growth	Minimum IRA Purchase:	$1,000	Total Assets:	$4,171.93 mil

Wells Fargo Growth Inst (USD)

Morningstar Analyst Rating™	Overall Morningstar Rating™	Standard Index	Category Index	Morningstar Cat
Neutral 12-05-2016	★★★★ 1,259 US Fund Large Growth	S&P 500 TR USD	Russell 1000 Growth TR USD	US Fund Large Growth

Performance 09-30-2017

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2015	4.86	0.60	-8.36	6.49	2.94
2016	-5.54	3.41	6.12	-4.06	-0.56
2017	11.80	5.77	6.96	—	26.48

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	21.35	10.71	11.98	10.02	4.46
Std 09-30-2017	21.35	—	11.98	10.02	4.46
Total Return	21.35	10.71	11.98	10.02	4.46
+/- Std Index	2.74	-0.10	-2.25	2.58	—
+/- Cat Index	-0.59	-1.98	-3.28	0.94	—
% Rank Cat	33	49	82	7	
No. in Cat	1398	1259	1125	800	

	Subsidized	Unsubsidized
7-day Yield	—	—
30-day SEC Yield	—	—

Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

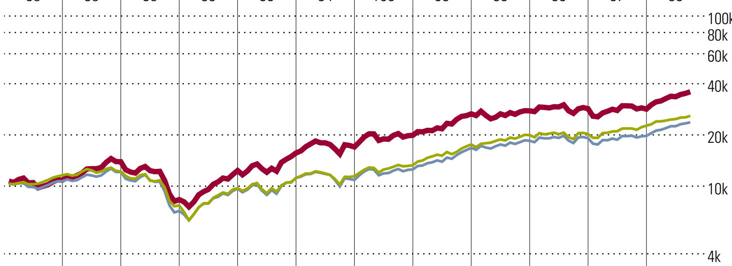
The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 866-765-0778 or visit https://www.wellsfargofunds.com/.

Investment Style
Equity
Stocks %

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	09-17
98	98	98	99	99	94	100	99	99	99	97	96

Growth of $10,000



- Wells Fargo Growth Inst 35,866
- Category Average 23,711
- Standard Index 25,890

Performance Quartile (within category)

History

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	09-17
NAV/Price	23.76	30.47	18.25	27.06	34.32	36.76	43.06	55.75	50.66	46.00	38.63	48.86
Total Return %	8.44	28.24	-40.11	48.27	26.83	8.44	17.14	33.72	4.12	2.94	-0.56	26.48
+/- Standard Index	-7.35	22.75	-3.11	21.81	11.77	6.32	1.13	1.33	-9.57	1.56	-12.52	12.24
+/- Category Index	-0.63	16.43	-1.67	11.07	10.12	5.79	1.88	0.23	-8.93	-2.73	-7.63	5.76
% Rank Cat	36	4	47	9	2	1	28	50	95	56	82	—
No. of Funds in Cat	1642	1748	1809	1796	1718	1683	1681	1712	1710	1681	1463	1416

Portfolio Analysis 08-31-2017

Asset Allocation %	Net %	Long %	Short %
Cash	0.00	0.00	0.00
US Stocks	93.74	93.74	0.00
Non-US Stocks	2.00	2.00	0.00
Bonds	0.00	0.00	0.00
Other/Not Clsfd	4.25	4.25	0.00
Total	100.00	100.00	0.00

Equity Style

Value Blend Growth
Large Mid Small

Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	33.0	1.50	1.23
P/C Ratio TTM	19.3	1.41	1.15
P/B Ratio TTM	5.6	1.83	1.18
Geo Avg Mkt Cap $mil	45613	0.51	0.38

Fixed-Income Style

Ltd Mod Ext
High Med Low

Avg Eff Maturity	—
Avg Eff Duration	—
Avg Wtd Coupon	—
Avg Wtd Price	—

Credit Quality Breakdown —	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR	—

Regional Exposure	Stocks %	Rel Std Index
Americas	98.4	0.99
Greater Europe	0.3	0.78
Greater Asia	1.4	2.73

Share Chg since 07-2017	Share Amount	Holdings : 94 Total Stocks , 0 Total Fixed-Income, 42% Turnover Ratio	Net Assets %
⊖	2 mil	Facebook Inc A	6.45
⊖	281,685	Alphabet Inc A	5.81
	246,900	Amazon.com Inc	5.23
⊕	2 mil	Microchip Technology Inc	3.69
⊖	1 mil	Visa Inc Class A	3.09
⊖	791,700	Apple Inc	2.80
	889,700	Mastercard Inc A	2.56
	1 mil	Microsoft Corp	2.35
⊖	552,100	MarketAxess Holdings Inc	2.30
	2 mil	Veeva Systems Inc Class A	2.07
	941,900	Proofpoint Inc	1.87
⊖	773,100	Union Pacific Corp	1.76
⊖	605,900	Praxair Inc	1.72
	1 mil	Waste Connections Inc	1.72
⊖	790,900	Euronet Worldwide Inc	1.68

Sector Weightings	Stocks %	Rel Std Index
Cyclical	**31.0**	**0.95**
Basic Materials	3.4	1.15
Consumer Cyclical	11.0	1.02
Financial Services	16.3	0.98
Real Estate	0.4	0.16
Sensitive	**52.2**	**1.27**
Communication Services	0.1	0.04
Energy	1.2	0.19
Industrials	11.2	1.06
Technology	39.7	1.92
Defensive	**16.8**	**0.64**
Consumer Defensive	7.0	0.84
Healthcare	9.8	0.66
Utilities	0.0	0.00

Fees and Expenses

Sales Charges

Front-End Load %	**NA**
Deferred Load %	**NA**

Fund Expenses

Management Fees %	0.67
12b1 Expense %	NA
Gross Expense Ratio %	**0.82**

Risk and Return Profile

	3 Yr 1259 funds	5 Yr 1125 funds	10 Yr 800 funds
Morningstar Rating™	3★	2★	5★
Morningstar Risk	+Avg	High	Avg
Morningstar Return	Avg	-Avg	High

	3 Yr	5 Yr	10 Yr
Standard Deviation	12.39	12.40	17.04
Mean	10.71	11.98	10.02
Sharpe Ratio	0.86	0.96	0.62

MPT Statistics	Standard Index	Best Fit Index Morningstar US Mid Growth TR USD
Alpha	-0.42	1.14
Beta	1.06	1.01
R-Squared	73.79	86.87
12-Month Yield		—
Potential Cap Gains Exp		66.89%

Operations

Family:	Wells Fargo Funds	Base Currency:	USD	Incept:	02-24-2000
Manager:	Multiple	Ticker:	SGRNX	Type:	MF
Tenure:	15.5 Years	Minimum Initial Purchase:	$1 mil	Total Assets:	$4,600.49 mil
Objective:	Growth	Purchase Constraints:	—		

Eaton Vance Atlanta Capital SMID-Cap I (USD)

Morningstar Analyst Rating™	Overall Morningstar Rating™	Standard Index	Category Index	Morningstar Cat
Silver 01-05-2017	★★★★★ 563 US Fund Mid-Cap Growth	S&P 500 TR USD	Russell Mid Cap Growth TR USD	US Fund Mid-Cap Growth

Performance 09-30-2017

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2015	6.03	2.96	-6.43	7.44	9.74
2016	3.32	3.36	1.59	2.51	11.21
2017	5.28	5.05	3.51	—	14.47

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	17.35	14.67	15.65	11.92	11.11
Std 09-30-2017	17.35	—	15.65	11.92	11.11
Total Return	17.35	14.67	15.65	11.92	11.11
+/- Std Index	-1.26	3.86	1.43	4.49	—
+/- Cat Index	-0.47	4.71	1.47	3.72	—
% Rank Cat	55	2	9	1	
No. in Cat	614	563	484	362	

	Subsidized	Unsubsidized
7-day Yield	—	—
30-day SEC Yield	—	—

Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-262-1122 or visit www.eatonvance.com.

Fees and Expenses

Sales Charges

Front-End Load %	**NA**
Deferred Load %	**NA**

Fund Expenses

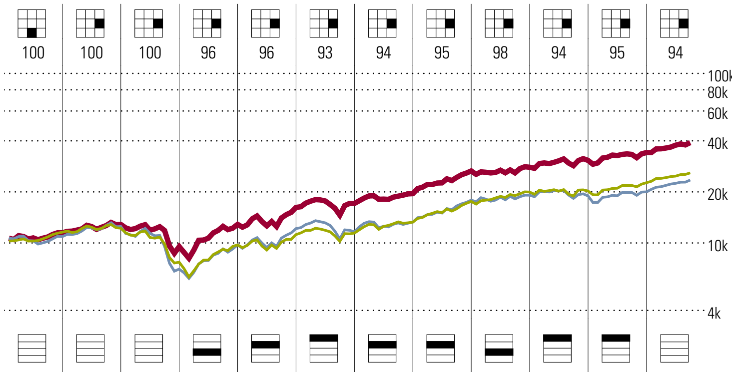
Management Fees %	0.83
12b1 Expense %	NA
Gross Expense Ratio %	**0.96**

Risk and Return Profile

	3 Yr 563 funds	5 Yr 484 funds	10 Yr 362 funds
Morningstar Rating™	5★	5★	5★
Morningstar Risk	Avg	-Avg	-Avg
Morningstar Return	High	High	High

	3 Yr	5 Yr	10 Yr
Standard Deviation	10.97	10.60	16.71
Mean	14.67	15.65	11.92
Sharpe Ratio	1.28	1.41	0.74

MPT Statistics	Standard Index	Best Fit Index Morningstar US Mid Core TR USD
Alpha	4.01	5.19
Beta	0.96	0.90
R-Squared	76.88	82.31
12-Month Yield		—
Potential Cap Gains Exp		37.05%



2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	09-17	History
12.82	12.56	9.02	12.20	15.26	16.03	18.26	24.69	25.20	25.92	27.85	31.88	NAV/Price
14.79	11.99	-25.99	35.25	25.80	5.62	14.26	36.06	5.17	9.74	11.21	14.47	Total Return %
-1.00	6.50	11.00	8.79	10.74	3.51	-1.74	3.67	-8.52	8.36	-0.75	0.23	+/- Standard Index
4.14	0.57	18.33	-11.04	-0.58	7.27	-1.54	0.31	-6.73	9.94	3.89	-2.81	+/- Category Index
—	—	—	66	44	3	49	41	69	1	17	—	% Rank Cat
—	—	—	812	759	751	737	703	749	733	644	627	No. of Funds in Cat

Portfolio Analysis 08-31-2017

Asset Allocation %	Net %	Long %	Short %
Cash	5.89	5.89	0.00
US Stocks	94.11	94.11	0.00
Non-US Stocks	0.00	0.00	0.00
Bonds	0.00	0.00	0.00
Other/Not Clsfd	0.00	0.00	0.00
Total	100.00	100.00	0.00

Equity Style (Value Blend Growth; Large Mid Small)

Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	28.2	1.28	0.99
P/C Ratio TTM	18.3	1.34	1.06
P/B Ratio TTM	3.8	1.25	0.92
Geo Avg Mkt Cap $mil	7081	0.08	0.62

Fixed-Income Style (Ltd Mod Ext; High Med Low)

Avg Eff Maturity	—
Avg Eff Duration	—
Avg Wtd Coupon	—
Avg Wtd Price	—

Credit Quality Breakdown —	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR	—

Regional Exposure	Stocks %	Rel Std Index
Americas	100.0	1.01
Greater Europe	0.0	0.00
Greater Asia	0.0	0.00

Share Chg since 07-2017	Share Amount	Holdings : 46 Total Stocks , 0 Total Fixed-Income, 17% Turnover Ratio	Net Assets %
	2 mil	Teleflex Inc	4.16
	389,386	Markel Corp	4.13
	3 mil	Ansys Inc	4.11
	7 mil	TransUnion	3.35
	6 mil	SEI Investments Co	3.33
	7 mil	Aramark	2.99
	3 mil	JB Hunt Transport Services Inc	2.96
	4 mil	CDW Corp	2.78
	1 mil	Bio-Rad Laboratories Inc	2.70
	2 mil	IDEX Corp	2.58
	2 mil	Fair Isaac Corp	2.57
	3 mil	Blackbaud Inc	2.45
	1 mil	Affiliated Managers Group Inc	2.39
	4 mil	WR Berkley Corp	2.37
	2 mil	WEX Inc	2.36

Sector Weightings	Stocks %	Rel Std Index
Cyclical	**32.5**	**1.00**
Basic Materials	1.1	0.36
Consumer Cyclical	12.6	1.18
Financial Services	17.2	1.04
Real Estate	1.6	0.70
Sensitive	**52.4**	**1.27**
Communication Services	0.0	0.00
Energy	0.0	0.00
Industrials	30.3	2.87
Technology	22.1	1.07
Defensive	**15.2**	**0.58**
Consumer Defensive	1.6	0.19
Healthcare	13.6	0.92
Utilities	0.0	0.00

Operations

Family:	Eaton Vance	Base Currency:	USD	Purchase Constraints:	C
Manager:	Multiple	Ticker:	EISMX	Incept:	04-30-2002
Tenure:	15.6 Years	Minimum Initial Purchase:	$250,000	Type:	MF
Objective:	Growth	Min Auto Investment Plan:	$250,000	Total Assets:	$10,290.51 mil

Vanguard Small Cap Index Adm (USD)

Morningstar Analyst Rating™	Overall Morningstar Rating™	Standard Index	Category Index	Morningstar Cat
Gold 09-28-2017	★★★★ 653 US Fund Small Blend	S&P 500 TR USD	Russell 2000 TR USD	US Fund Small Blend

Performance 09-30-2017

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2015	4.81	-0.56	-10.33	3.11	-3.64
2016	1.00	3.98	6.17	6.10	18.30
2017	3.74	1.95	4.57	—	10.60

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	17.35	10.44	13.94	8.58	9.24
Std 09-30-2017	17.35	—	13.94	8.58	9.24
Total Return	17.35	10.44	13.94	8.58	9.24
+/- Std Index	-1.26	-0.37	-0.29	1.15	—
+/- Cat Index	-3.39	-1.74	0.14	0.74	—
% Rank Cat	69	54	36	19	
No. in Cat	794	653	554	393	

	Subsidized	Unsubsidized
7-day Yield	—	—
30-day SEC Yield	—	—

Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 800-662-7447 or visit www.vanguard.com.

Fees and Expenses

Sales Charges

Front-End Load %	**NA**
Deferred Load %	**NA**

Fund Expenses

Management Fees %	0.05
12b1 Expense %	NA
Gross Expense Ratio %	**0.06**

Risk and Return Profile

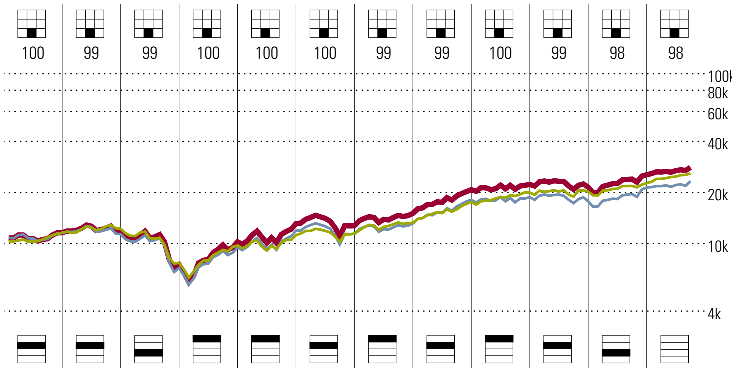
	3 Yr 653 funds	5 Yr 554 funds	10 Yr 393 funds
Morningstar Rating™	3★	4★	4★
Morningstar Risk	-Avg	-Avg	Avg
Morningstar Return	Avg	Avg	+Avg

	3 Yr	5 Yr	10 Yr
Standard Deviation	12.33	12.23	19.73
Mean	10.44	13.94	8.58
Sharpe Ratio	0.84	1.11	0.50

MPT Statistics	Standard Index	Best Fit Index Morningstar US Small Cap TR USD
Alpha	-0.63	0.51
Beta	1.05	0.92
R-Squared	73.75	98.86

12-Month Yield	—
Potential Cap Gains Exp	26.10%

Investment Style
Equity
Stocks %



Growth of $10,000
- Vanguard Small Cap Index Adm 28,109
- Category Average 23,253
- Standard Index 25,890

Performance Quartile (within category)

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	09-17	History
32.64	32.59	20.40	27.50	34.78	33.39	38.76	52.72	55.87	53.05	61.77	67.70	NAV/Price
15.78	1.24	-36.00	36.33	27.89	-2.69	18.24	37.81	7.50	-3.64	18.30	10.60	Total Return %
-0.01	-4.25	1.00	9.86	12.82	-4.80	2.24	5.43	-6.19	-5.03	6.34	-3.64	+/- Standard Index
-2.58	2.81	-2.22	9.16	1.03	1.48	1.89	-1.01	2.61	0.77	-3.00	-0.35	+/- Category Index
41	29	52	25	23	42	21	45	13	34	71	—	% Rank Cat
608	645	670	649	649	650	662	681	737	780	750	809	No. of Funds in Cat

Portfolio Analysis 09-30-2017

Asset Allocation %	Net %	Long %	Short %
Cash	2.28	2.28	0.00
US Stocks	97.13	97.13	0.00
Non-US Stocks	0.56	0.56	0.00
Bonds	0.02	0.02	0.00
Other/Not Clsfd	0.01	0.01	0.00
Total	100.00	100.00	0.00

Equity Style

Value Blend Growth
Large Mid Small

Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	20.1	0.91	0.94
P/C Ratio TTM	11.2	0.82	0.85
P/B Ratio TTM	2.4	0.77	0.96
Geo Avg Mkt Cap $mil	3706	0.04	1.13

Fixed-Income Style

Ltd Mod Ext
High Med Low

Avg Eff Maturity	—
Avg Eff Duration	—
Avg Wtd Coupon	—
Avg Wtd Price	99.64

Credit Quality Breakdown —	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR	—

Regional Exposure	Stocks %	Rel Std Index
Americas	99.6	1.00
Greater Europe	0.3	0.74
Greater Asia	0.1	0.24

Share Chg since 08-2017	Share Amount	Holdings : 1,417 Total Stocks , 2 Total Fixed-Income, 14% Turnover Ratio	Net Assets %
⊖	3 mil	CBOE Holdings Inc	0.34
⊖	6 mil	Cadence Design Systems Inc	0.33
⊖	2 mil	Packaging Corp of America	0.32
⊖	2 mil	Take-Two Interactive Software Inc	0.30
⊖	4 mil	CDW Corp	0.30
⊖	1 mil	Teleflex Inc	0.28
⊖	759,879	CoStar Group Inc	0.28
⊖	2 mil	Atmos Energy Corp	0.28
⊖	3 mil	Broadridge Financial Solutions Inc	0.27
⊖	928,373	Vail Resorts Inc	0.27
⊖	4 mil	The Chemours Co	0.27
⊖	2 mil	IDEX Corp	0.27
⊖	3 mil	Spirit AeroSystems Holdings Inc	0.27
⊖	2 mil	Cognex Corp	0.27
⊖	2 mil	Diamondback Energy Inc	0.27

Sector Weightings	Stocks %	Rel Std Index
Cyclical	**43.7**	**1.34**
Basic Materials	5.8	1.96
Consumer Cyclical	12.6	1.18
Financial Services	13.5	0.81
Real Estate	11.8	5.20
Sensitive	**37.7**	**0.91**
Communication Services	0.7	0.18
Energy	4.9	0.80
Industrials	16.1	1.52
Technology	16.0	0.77
Defensive	**18.6**	**0.71**
Consumer Defensive	3.8	0.45
Healthcare	11.0	0.75
Utilities	3.8	1.22

Operations

Family:	Vanguard	Base Currency:	USD	Incept:	11-13-2000
Manager:	Multiple	Ticker:	VSMAX	Type:	MF
Tenure:	1.6 Years	Minimum Initial Purchase:	$10,000	Total Assets:	$79,837.98 mil
Objective:	Small Company	Purchase Constraints:	—		

PIMCO All Asset Instl (USD)

Morningstar Analyst Rating™	Overall Morningstar Rating™	Standard Index	Category Index	Morningstar Cat
Gold 05-17-2017	★★★★ 252 US Fund Tactical Allocation	Morningstar Mod Tgt Risk TR USD	Morningstar Mod Agg Tgt Risk TR USD	US Fund Tactical Allocation

Performance 09-30-2017

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2015	0.11	-0.24	-8.57	-0.04	-8.72
2016	5.20	4.06	3.86	-0.32	13.34
2017	5.08	1.86	3.25	—	10.52

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	10.17	3.55	3.61	5.12	7.20
Std 09-30-2017	10.17	—	3.61	5.12	7.20
Total Return	10.17	3.55	3.61	5.12	7.20
+/- Std Index	-0.78	-2.49	-3.83	-0.28	—
+/- Cat Index	-4.73	-3.71	-5.78	-0.53	—
% Rank Cat	44	51	70	10	
No. in Cat	302	252	190	69	

	Subsidized	Unsubsidized
7-day Yield	—	—
30-day SEC Yield 09-29-2017	3.54 [1]	3.44

1. Contractual waiver; Expires 07-31-2018

Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 888-877-4626 or visit www.pimco.com.

Fees and Expenses

Sales Charges

Front-End Load %	**NA**
Deferred Load %	**NA**

Fund Expenses

Management Fees %	0.23
12b1 Expense %	NA
Gross Expense Ratio %	**1.07**

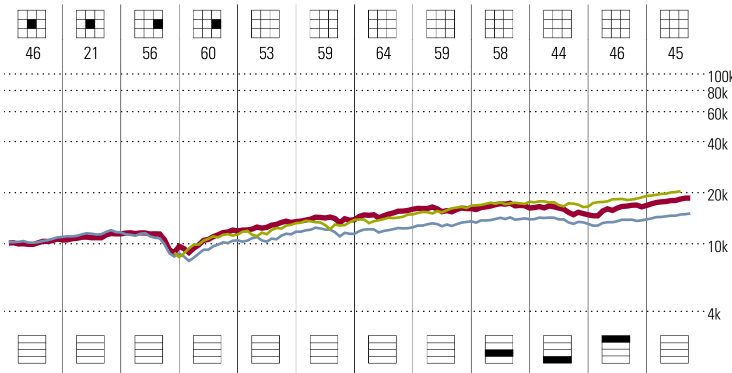
Risk and Return Profile

	3 Yr 252 funds	5 Yr 190 funds	10 Yr 69 funds
Morningstar Rating™	3★	3★	4★
Morningstar Risk	Avg	Avg	Avg
Morningstar Return	Avg	-Avg	High

	3 Yr	5 Yr	10 Yr
Standard Deviation	7.75	7.16	9.67
Mean	3.55	3.61	5.12
Sharpe Ratio	0.44	0.50	0.52

MPT Statistics	Standard Index	Best Fit Index Morningstar EM GR USD
Alpha	-2.49	0.70
Beta	1.04	0.47
R-Squared	65.99	84.81

12-Month Yield	4.42%
Potential Cap Gains Exp	-13.85%



Investment Style
Fixed-Income
Bond %

Growth of $10,000
- PIMCO All Asset Instl 18,570
- Category Average 15,091
- Standard Index 20,392

Performance Quartile (within category)

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	09-17	History
12.59	12.69	10.09	11.49	12.05	11.54	12.58	12.08	11.60	10.20	11.15	12.03	NAV/Price
5.27	8.68	-15.48	22.99	13.68	2.44	15.44	0.77	0.80	-8.72	13.34	10.52	Total Return %
-7.68	0.04	6.72	1.22	1.35	1.85	3.40	-13.54	-4.09	-6.93	4.77	-0.01	+/- Standard Index
-10.72	-0.26	15.17	-4.56	-1.24	4.38	1.11	-19.41	-4.17	-6.32	3.12	-2.81	+/- Category Index
—	—	—	—	—	—	—	—	71	78	7	—	% Rank Cat
—	—	—	—	—	—	—	—	304	327	309	310	No. of Funds in Cat

Portfolio Analysis 06-30-2017

Asset Allocation %	Net %	Long %	Short %
Cash	1.69	112.29	110.60
US Stocks	0.77	0.77	0.00
Non-US Stocks	32.66	36.56	3.90
Bonds	63.59	125.46	61.87
Other/Not Clsfd	1.28	2.97	1.69
Total	100.00	278.05	178.05

Share Chg since 03-2017	Share Amount	Holdings : 676 Total Stocks , 11,622 Total Fixed-Income, 54% Turnover Ratio	Net Assets %
⊖	287 mil	PIMCO Emerging Markets Currency In	13.80
⊖	185 mil	PIMCO RAE Low Volatility PLUS EMG	9.33
⊖	172 mil	PIMCO Emerging Local Bond Instl	6.76
⊕	102 mil	PIMCO Income Instl	6.62
⊕	78 mil	PIMCO RAE Fundamental EMkts Instl	4.47
⊕	83 mil	PIMCO Total Return Instl	4.44
⊕	136 mil	PIMCO Long-Term US Government Instl	4.42
⊕	137 mil	PIMCO CommoditiesPLUS® Strategy In	4.05
⊕	73 mil	PIMCO Senior Floating Rate Instl	3.81
⊕	70 mil	PIMCO RAE Fundamental PLUS EMG Inst	3.70
⊕	61 mil	PIMCO Real Return Instl	3.53
⊕	70 mil	PIMCO RAE Fundamental PLUS Intl In	3.45
⊕	65 mil	PIMCO Low Duration Instl	3.37
⊖	59 mil	PIMCO Investment Grade Corp Bd Ins	3.26
⊕	73 mil	PIMCO Real Estate Real Return Stra	3.19

Equity Style

Value Blend Growth
Large Mid Small

Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	—	—	—
P/C Ratio TTM	—	—	—
P/B Ratio TTM	—	—	—
Geo Avg Mkt Cap $mil	—	—	—

Fixed-Income Style

Ltd Mod Ext
High Med Low

Avg Eff Maturity	—
Avg Eff Duration	3.58
Avg Wtd Coupon	3.78
Avg Wtd Price	—

Credit Quality Breakdown —	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR	—

Regional Exposure	Stocks %	Rel Std Index
Americas	—	—
Greater Europe	—	—
Greater Asia	—	—

Sector Weightings	Stocks %	Rel Std Index
Cyclical	—	—
Basic Materials	—	—
Consumer Cyclical	—	—
Financial Services	—	—
Real Estate	—	—
Sensitive	—	—
Communication Services	—	—
Energy	—	—
Industrials	—	—
Technology	—	—
Defensive	—	—
Consumer Defensive	—	—
Healthcare	—	—
Utilities	—	—

Operations

Family:	Pimco	Base Currency:	USD	Incept:	07-31-2002
Manager:	Multiple	Ticker:	PAAIX	Type:	MF
Tenure:	15.3 Years	Minimum Initial Purchase:	$1 mil	Total Assets:	$19,444.25 mil
Objective:	Asset Allocation	Purchase Constraints:	A		

PIMCO Investment Grade Corp Bd Instl (USD)

Morningstar Analyst Rating™	Overall Morningstar Rating™	Standard Index	Category Index	Morningstar Cat
Silver 10-10-2017	★★★★★ 174 US Fund Corporate Bond	BBgBarc US Agg Bond TR USD	BBgBarc US Corp IG TR USD	US Fund Corporate Bond

Performance 09-30-2017

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2015	3.08	-2.22	-0.51	0.00	0.28
2016	3.33	3.96	2.30	-2.64	6.99
2017	2.40	2.71	1.75	—	7.02

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	4.19	5.31	4.66	7.72	7.79
Std 09-30-2017	4.19	—	4.66	7.72	7.79
Total Return	4.19	5.31	4.66	7.72	7.79
+/- Std Index	4.12	2.60	2.59	3.45	—
+/- Cat Index	1.98	1.21	1.20	1.99	—
% Rank Cat	7	12	17	6	
No. in Cat	227	174	145	85	

	Subsidized	Unsubsidized
7-day Yield	—	—
30-day SEC Yield	—	—

Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 888-877-4626 or visit www.pimco.com.

Fees and Expenses

Sales Charges

Front-End Load %	**NA**
Deferred Load %	**NA**

Fund Expenses

Management Fees %	0.50
12b1 Expense %	NA
Gross Expense Ratio %	**0.51**

Risk and Return Profile

	3 Yr 174 funds	5 Yr 145 funds	10 Yr 85 funds
Morningstar Rating™	5★	4★	5★
Morningstar Risk	+Avg	+Avg	Avg
Morningstar Return	+Avg	+Avg	High

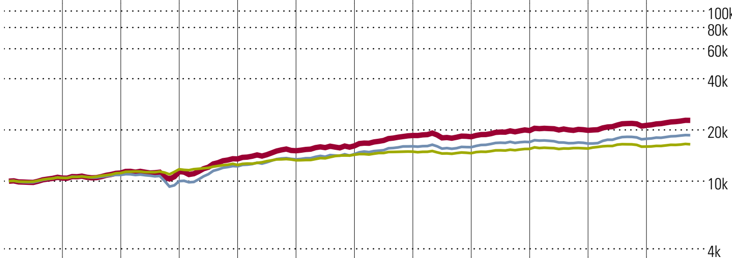
	3 Yr	5 Yr	10 Yr
Standard Deviation	4.12	4.40	5.83
Mean	5.31	4.66	7.72
Sharpe Ratio	1.20	1.01	1.24

MPT Statistics	Standard Index	Best Fit Index BBgBarc US Credit TR USD
Alpha	2.03	1.32
Beta	1.22	1.02
R-Squared	71.81	88.27

12-Month Yield	—
Potential Cap Gains Exp	3.53%

Investment Style
Fixed-Income Bond %

18	15	52	79	71	68	92	92	85	92	80	75



Growth of $10,000
- PIMCO Investment Grade Corp Bd Instl 22,764
- Category Average 18,619
- Standard Index 16,465

Performance Quartile (within category)

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	09-17	History
10.30	10.46	10.08	10.93	10.48	10.35	11.12	10.24	10.55	9.92	10.21	10.63	NAV/Price
4.18	7.15	1.89	18.74	11.72	6.86	14.99	-1.69	8.76	0.28	6.99	7.02	Total Return %
-0.16	0.18	-3.35	12.81	5.18	-0.98	10.78	0.33	2.80	-0.27	4.34	3.88	+/- Standard Index
-0.12	2.59	6.83	0.06	2.72	-1.28	5.18	-0.16	1.30	0.96	0.88	1.83	+/- Category Index
56	4	7	71	11	45	8	74	10	13	39	—	% Rank Cat
89	84	91	97	104	127	134	145	169	177	199	229	No. of Funds in Cat

Portfolio Analysis 06-30-2017

Asset Allocation %	Net %	Long %	Short %
Cash	4.72	43.96	39.24
US Stocks	0.00	0.00	0.00
Non-US Stocks	0.00	0.00	0.00
Bonds	93.52	147.81	54.29
Other/Not Clsfd	1.76	1.86	0.11
Total	100.00	193.64	93.64

Equity Style
Value Blend Growth
Large Mid Small

Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	0.3	—	0.02
P/C Ratio TTM	—	—	—
P/B Ratio TTM	0.1	—	0.11
Geo Avg Mkt Cap $mil	16	—	0.00

Fixed-Income Style
Ltd Mod Ext
High Med Low

Avg Eff Maturity	10.54
Avg Eff Duration	6.51
Avg Wtd Coupon	—
Avg Wtd Price	—

Credit Quality Breakdown —	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR	—

Regional Exposure	Stocks %	Rel Std Index
Americas	100.0	—
Greater Europe	0.0	—
Greater Asia	0.0	—

Share Chg since 03-2017	Share Amount	Holdings : 3 Total Stocks , 1,362 Total Fixed-Income, 133% Turnover Ratio	Net Assets %
☼	5,405 mil	90 Day Eurodollar Future Mar19	-12.28
☼	3,728 mil	90 Day Eurodollar Future Dec18	-8.47
☼	3,500 mil	90 Day Eurodollar Future Mar18	-7.97
☼	3,500 mil	90 Day Eurodollar Future June18	-7.97
☼	557 mil	US 10 Year Note (CBT) Sept17	6.48
⊕	627 mil	Cdx Ig28 5y Ice	5.91
⊖	566 mil	Cdx Ig27 5y Ice	5.35
	349 mil	Cdx Ig25 5y Ice	3.30
	352 mil	IRS USD 2.91000 08/20/18-1Y (RED)	-3.29
☼	279 mil	US Treasury Note 2.375%	2.60
☼	1,066 mil	90 Day Eurodollar Future Sept18	-2.42
⊕	245 mil	IRS GBP 1.50000 09/20/17-10Y LCH_P	-2.29
⊕	216 mil	US Treasury Note 2.25%	1.99
☼	207 mil	US Treasury Note 1.625%	1.87
	176 mil	US Treasury Bond 3.375%	1.80

Sector Weightings	Stocks %	Rel Std Index
Cyclical	**97.5**	**—**
Basic Materials	0.0	—
Consumer Cyclical	97.5	—
Financial Services	0.0	—
Real Estate	0.0	—
Sensitive	**0.0**	**—**
Communication Services	0.0	—
Energy	0.0	—
Industrials	0.0	—
Technology	0.0	—
Defensive	**2.5**	**—**
Consumer Defensive	0.0	—
Healthcare	0.0	—
Utilities	2.5	—

Operations

Family:	Pimco	Base Currency:	USD	Incept:	04-28-2000
Manager:	Multiple	Ticker:	PIGIX	Type:	MF
Tenure:	15.0 Years	Minimum Initial Purchase:	$1 mil	Total Assets:	$11,635.99 mil
Objective:	Corporate Bond - General	Purchase Constraints:	A		

PIMCO Total Return Instl (USD)

Morningstar Analyst Rating™	Overall Morningstar Rating™	Standard Index	Category Index	Morningstar Cat
Silver 05-01-2017	★★★★ 852 US Fund Intermediate-Term Bond	BBgBarc US Agg Bond TR USD	BBgBarc US Agg Bond TR USD	US Fund Intermediate-Term Bond

Performance 09-30-2017

Quarterly Returns	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total %
2015	2.22	-1.84	-0.09	0.48	0.73
2016	1.79	2.07	1.24	-2.46	2.60
2017	1.63	1.80	1.50	—	5.01

Trailing Returns	1 Yr	3 Yr	5 Yr	10 Yr	Incept
Load-adj Mthly	2.43	3.22	2.43	5.63	7.38
Std 09-30-2017	2.43	—	2.43	5.63	7.38
Total Return	2.43	3.22	2.43	5.63	7.38
+/- Std Index	2.36	0.50	0.36	1.35	—
+/- Cat Index	2.36	0.50	0.36	1.35	—
% Rank Cat	10	15	32	5	
No. in Cat	985	852	773	546	

	Subsidized	Unsubsidized
7-day Yield	—	—
30-day SEC Yield	—	—

Performance Disclosure

The Overall Morningstar Rating is based on risk-adjusted returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when sold or redeemed, may be worth more or less than their original cost.

Current performance may be lower or higher than return data quoted herein. For performance data current to the most recent month-end, please call 888-877-4626 or visit www.pimco.com.

Fees and Expenses

Sales Charges

Front-End Load %	**NA**
Deferred Load %	**NA**

Fund Expenses

Management Fees %	0.46
12b1 Expense %	NA
Gross Expense Ratio %	**0.51**

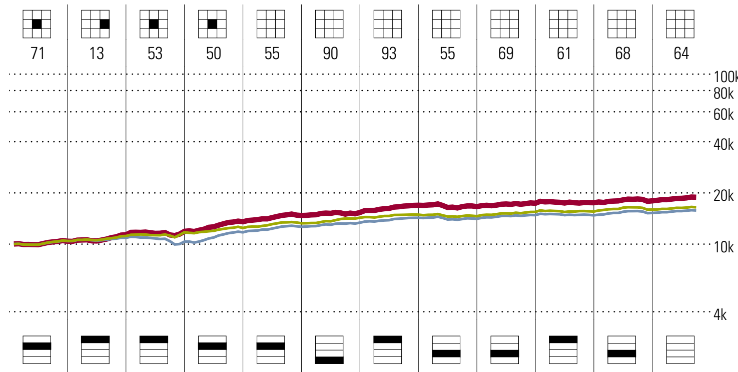
Risk and Return Profile

	3 Yr 852 funds	5 Yr 773 funds	10 Yr 546 funds
Morningstar Rating™	4★	3★	5★
Morningstar Risk	High	High	+Avg
Morningstar Return	+Avg	+Avg	High

	3 Yr	5 Yr	10 Yr
Standard Deviation	3.21	3.42	3.97
Mean	3.22	2.43	5.63
Sharpe Ratio	0.90	0.65	1.30

MPT Statistics	Standard Index	Best Fit Index BBgBarc US Credit TR USD
Alpha	0.57	0.24
Beta	0.97	0.75
R-Squared	75.41	77.52

12-Month Yield	—
Potential Cap Gains Exp	0.59%



2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	09-17	History
10.38	10.69	10.14	10.80	10.85	10.87	11.24	10.69	10.66	10.07	10.03	10.32	NAV/Price
3.99	9.07	4.82	13.83	8.83	4.16	10.36	-1.92	4.69	0.73	2.60	5.01	Total Return %
-0.34	2.11	-0.42	7.90	2.29	-3.68	6.15	0.10	-1.27	0.18	-0.05	1.87	+/- Standard Index
-0.34	2.11	-0.42	7.90	2.29	-3.68	6.15	0.10	-1.27	0.18	-0.05	1.87	+/- Category Index
47	1	11	46	26	87	12	60	71	15	63	—	% Rank Cat
1092	1097	1135	1123	1164	1195	1165	1079	1038	1042	985	1006	No. of Funds in Cat

Portfolio Analysis 06-30-2017

Asset Allocation %	Net %	Long %	Short %
Cash	9.93	102.92	92.99
US Stocks	0.00	0.00	0.00
Non-US Stocks	0.00	0.00	0.00
Bonds	89.75	183.57	93.82
Other/Not Clsfd	0.32	0.43	0.11
Total	100.00	286.91	186.91

Equity Style (Value Blend Growth; Large Mid Small)

Portfolio Statistics	Port Avg	Rel Index	Rel Cat
P/E Ratio TTM	0.3	—	—
P/C Ratio TTM	—	—	—
P/B Ratio TTM	0.1	—	—
Geo Avg Mkt Cap $mil	13	—	—

Fixed-Income Style (Ltd Mod Ext; High Med Low)

Avg Eff Maturity	7.64
Avg Eff Duration	5.08
Avg Wtd Coupon	—
Avg Wtd Price	—

Credit Quality Breakdown —	Bond %
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR	—

Regional Exposure	Stocks %	Rel Std Index
Americas	100.0	—
Greater Europe	0.0	—
Greater Asia	0.0	—

Share Chg since 03-2017	Share Amount	Holdings : 2 Total Stocks , 6,839 Total Fixed-Income, 521% Turnover Ratio	Net Assets %
☼	22,780 mil	US 5 Year Note (CBT) Sept17	36.52
☼	13,959 mil	US 10 Year Note (CBT) Sept17	23.84
☼	39,964 mil	90 Day Eurodollar Future Dec17	-13.39
☼	3,928 mil	Euro OAT Sept17	-9.05
☼	6,262 mil	Fed Natl Mort Assc 4%	8.94
☼	6,278 mil	Fed Natl Mort Assc 3.5%	8.76
☼	22,942 mil	90 Day Eurodollar Future Sept17	-7.70
☼	4,756 mil	Fed Natl Mort Assc 3%	6.45
☼	17,992 mil	90 Day Eurodollar Future Mar18	-6.02
☼	16,617 mil	90 Day Eurodollar Future June18	-5.56
	3,809 mil	IRS USD 2.25000 12/16/15-7Y LCH_Pay	-5.25
	3,850 mil	IRS USD 1.25000 06/21/17-2Y CME_Pay	-5.20
⊖	3,644 mil	IRS JPY 0.30000 03/18/16-10Y CME_P	-4.99
	3,754 mil	IRS USD 1.25000 06/21/17-4Y CME_Pay	-4.99
☼	13,270 mil	90 Day Eurodollar Future Mar19	-4.43

Sector Weightings	Stocks %	Rel Std Index
Cyclical	**100.0**	**—**
Basic Materials	0.0	—
Consumer Cyclical	100.0	—
Financial Services	0.0	—
Real Estate	0.0	—
Sensitive	**0.0**	**—**
Communication Services	0.0	—
Energy	0.0	—
Industrials	0.0	—
Technology	0.0	—
Defensive	**0.0**	**—**
Consumer Defensive	0.0	—
Healthcare	0.0	—
Utilities	0.0	—

Operations

Family:	Pimco	Base Currency:	USD	Incept:	05-11-1987
Manager:	Multiple	Ticker:	PTTRX	Type:	MF
Tenure:	3.2 Years	Minimum Initial Purchase:	$1 mil	Total Assets:	$74,114.10 mil
Objective:	Growth and Income	Purchase Constraints:	A		

XI. POLICY COMPLIANCE - For Discussion Only

A. Investment Guidelines: Total Fund

Goal	FYE 2018	FYE 2017	FYE 2016	FYE 2015
Meet or Exceed Target Index	✓	✓		
Earn Absolute Return Objective of 7.5%	✓	✓		
Rank Above 50th Percentile in Public Fund Universe	✓	✓	✓	✓

Board-Imposed Rebalancing Guideline	Total Fund
Equity Securities Limited to Less Than 70% at Total Fund at Market Valuation	65.7% ✓

O.C.G.A 47-20-82 Compliance	3Q17	2Q17	1Q17	4Q16
Less Than 55% in Equity Securities Based on Historial Cost	49.3% ✓	51.5% ✓	52.8% ✓	56.5%

B. Fund Performance Objective

Manager	Exceed Benchmark 3-Year	Exceed Benchmark 4-Year	Exceed Benchmark 5-Year	Risk vs. Benchmark 5-Year
Blackrock Equity Dividend	✓	✓	✗	<
Eaton Vance AC SMID	✓	✓	✓	<
Vanguard 500	n/a	n/a	n/a	n/a
Vanguard Small Cap	n/a	n/a	n/a	n/a
TRP New America Growth	✓	✗	✓	>
Wells Fargo Growth	✗	✗	✗	>
Yacktman Fund	n/a	n/a	n/a	n/a
PIMCO Total Return	✓	✓	✓	>
PIMCO Investment Grade Corp	✓	✓	✓	>
PIMCO All Asset	✗	✗	✗	<
JP Morgan Strategic Property	n/a	n/a	n/a	n/a

Manager	Rank Above 50th Percentile 3-Year	Rank Above 50th Percentile 4-Year	Rank Above 50th Percentile 5-Year
Blackrock Equity Dividend	✓	✓	✗
Eaton Vance AC SMID	✓	✓	✓
Vanguard 500	n/a	n/a	n/a
Vanguard Small Cap	n/a	n/a	n/a
TRP New America Growth	✓	✓	✓
Wells Fargo Growth	✗	✗	✗
Yacktman Fund	✗	✗	n/a
PIMCO Total Return	✓	✓	✓
PIMCO Investment Grade Corp	✓	✗	✓
PIMCO All Asset	n/a	n/a	n/a
JP Morgan Strategic Property	n/a	n/a	n/a

C. Manager Status

Manager	MS Analyst Rating	Status	Effective Date
Blackrock Equity Dividend	Bronze	Good Standing	
Eaton Vance AC SMID	Silver	Good Standing	
TRP New America Growth	Neutral	Good Standing	
Vanguard 500	Gold	Good Standing	
Vanguard Small Cap	Gold	Good Standing	
Wells Fargo Growth	Neutral	Good Standing	
Yacktman Fund	Gold	Good Standing	
PIMCO Total Return	Silver	Good Standing	
PIMCO Investment Grade Corp	Silver	Good Standing	
PIMCO All Asset	Gold	Good Standing	

XII. NOTES

1) The prior investment consultant, Merrill Lynch Consulting Services, provided all performance and market value data for periods prior to December 31, 2007.
2) Mutual fund investments representing foreign securities were deleted in 2Q09 to become compliant with Investment Policy Guidelines. Domestic mutual funds may hold some foreign securities.
3) The inception date for the O'Shaughnessy account was July 3, 2008.
4) The inception date for the Tradewinds Value Opps Fund and Blackrock Equity Dividend Fund was May 5, 2009.
5) The EuroPacific Growth Fund was liquidated on May 4, 2009.
6) PIMCO Diversified Income was liquidated on May 11, 2009.
7) The inception date for the PIMCO Real Return Fund and PIMCO Investment Grade Corp Fund was October 2, 2009.
8) The inception date for the PIMCO All Asset Fund and PIMCO Unconstrained Bond Fund was May 17, 2011.
9) The inception date for the Eaton Vance Fund and Pennsylvania Fund was September 1, 2011.
10) Buckhead Capital and O'Shaughnessy were liquidated in 3Q11.
11) Growth Fund of America was liquidated on March 5, 2012.
12) The inception date for the TRP New America Growth and Wells Fargo Growth Funds was March 6, 2012.
13) Tradewinds Value Opportunities was liquidated on August 1, 2012.
14) The inception date for the Yacktman Fund was August 2, 2012.
15) PIMCO Real Return was liquidated on August 28, 2013.
16) PIMCO UCB Fund was liquidated on November 24, 2014.
17) The Pennsylvania Fund was liquidated on September 21, 2015.
18) The inception date of the Vanguard Small Cap Fund was September 21, 2015.
19) The inception date of the Vanguard 500 Fund was November 16, 2015.
20) The inception date of the JP Morgan Strategic Property fund was April 1, 2017.

CITY OF GAINESVILLE

AGENDAREQUEST

Date Submitted: 11/10/2017

Presenter: Marsha Petzel

Item of Business: Wells Fargo Executive Summary

Meeting Date: 11/14/2017

Purpose of Request:
The purpose of this request is to provide a periodic update.

History/Background:
Retirement Plan A entered into a custody agreement with Wells Fargo on March 15, 2014.

Facts & Issues for Consideration:

Department Recommendation:

Department Director:
David Frazier

If funding is involved, are funds approved within the current budget?
No

Amount Requested: **Source of Funds**:

Finance Comments:

Administrative Comments:

ATTACHMENTS:

	Description	Type
🗋	Executive Summary	Powerpoint Presentation

City of Gainesville Employees' Retirement Plan A

Executive Summary

Marsha L. Petzel
Vice President and Relationship Manager

Gainesville, GA
November 14, 2017

Wells Fargo Service Team for
City of Gainesville Employees' Retirement Plan A

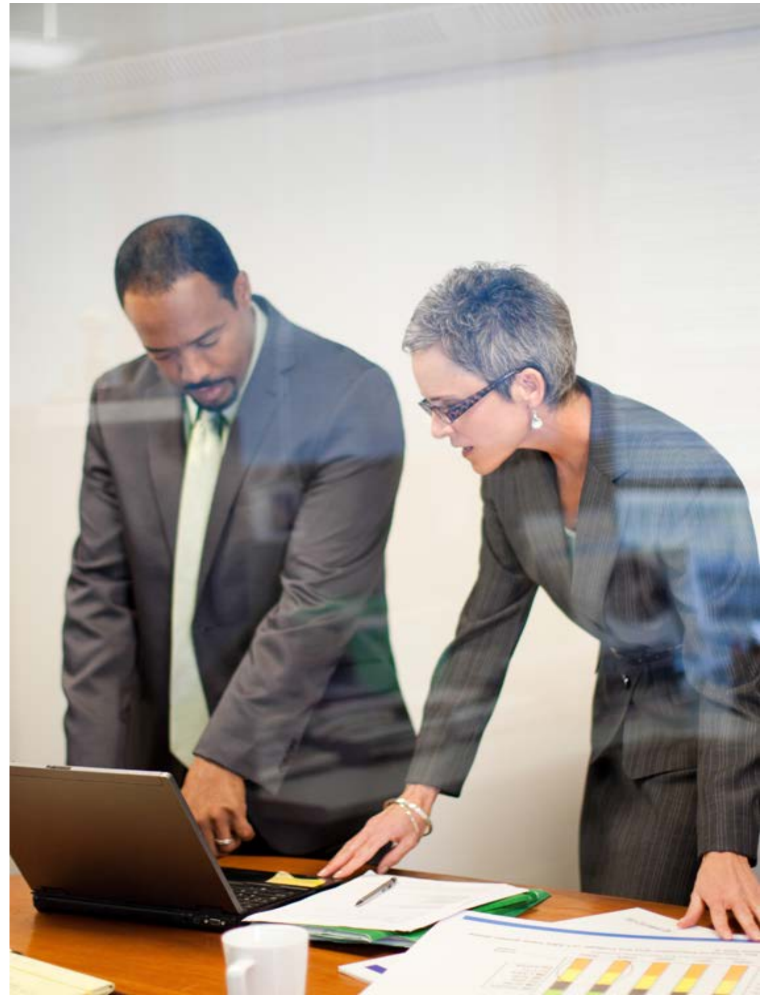
Name and Title	Role on team	Contact information
Marsha Petzel Relationship Manager **Jack Wiltshire** Regional Director	Product and service consultation, design and delivery coordination – your IRT relationship contact	Phone: 678-627-3791 E-mail: marsha.petzel@wellsfargo.com Phone: 704-427-8361 E-mail: jack.wiltshire@wellsfargo.com Fax: 678-627-3782
Carolyn Montgomery Relationship Associate **Rhonda Wilson** Relationship Associate –Backup	Relationship Manager backup and administrative support	Phone: 678-627-3771 Email: carolyn.montgomery@wellsfargo.com Phone: 678-589-4336 Email: rhonda.wilson@wellsfargo.com Fax: 678-627-3782
Landri Campbell Client Service Consultant **Brittnee Rice** Client Service Consultant – Backup	Assigned day-to-day contact for all operational needs, accounting, audit requests, CEO and RPP support and reporting details	Phone: 254-761-6971 Phone: 254-761-6987 Email: **texascsc@wellsfargo.com** Fax: 888-848-5011
Online Support for Commercial Electronic Office® (CEO®)	Technical support for users CEO products (Trust Portfolio Reporting, Trust Information Delivery, Retirement Plan Payments, Securities Lending Reporting and Treasury Management online tools).	Phone: 1-800-289-3557, Option 5, Option 1

Together we'll go far

Our role as custodian

Custodial relationship established in March, 2014
Hold assets in two custody accounts

- Safekeeping of assets
- Trade settlement
- Income processing
- Process of receipts and disbursements (includes contributions and fee invoices)
- Financial reporting
- Automated Cash Sweep
- Securities pricing
- Post maturities and full calls on assets
- Corporate Action/Class Action Processing
- Proxy Processing
- Receive/deliver tri-party repo assets
- Foreign Tax Reclaims
- Real-time information via *Commercial Electronic Office®* (*CEO®*) business portal
- Interface with your investment consultant
- Third Party interfaces
- Pension payment processing
- Monthly reporting via statements

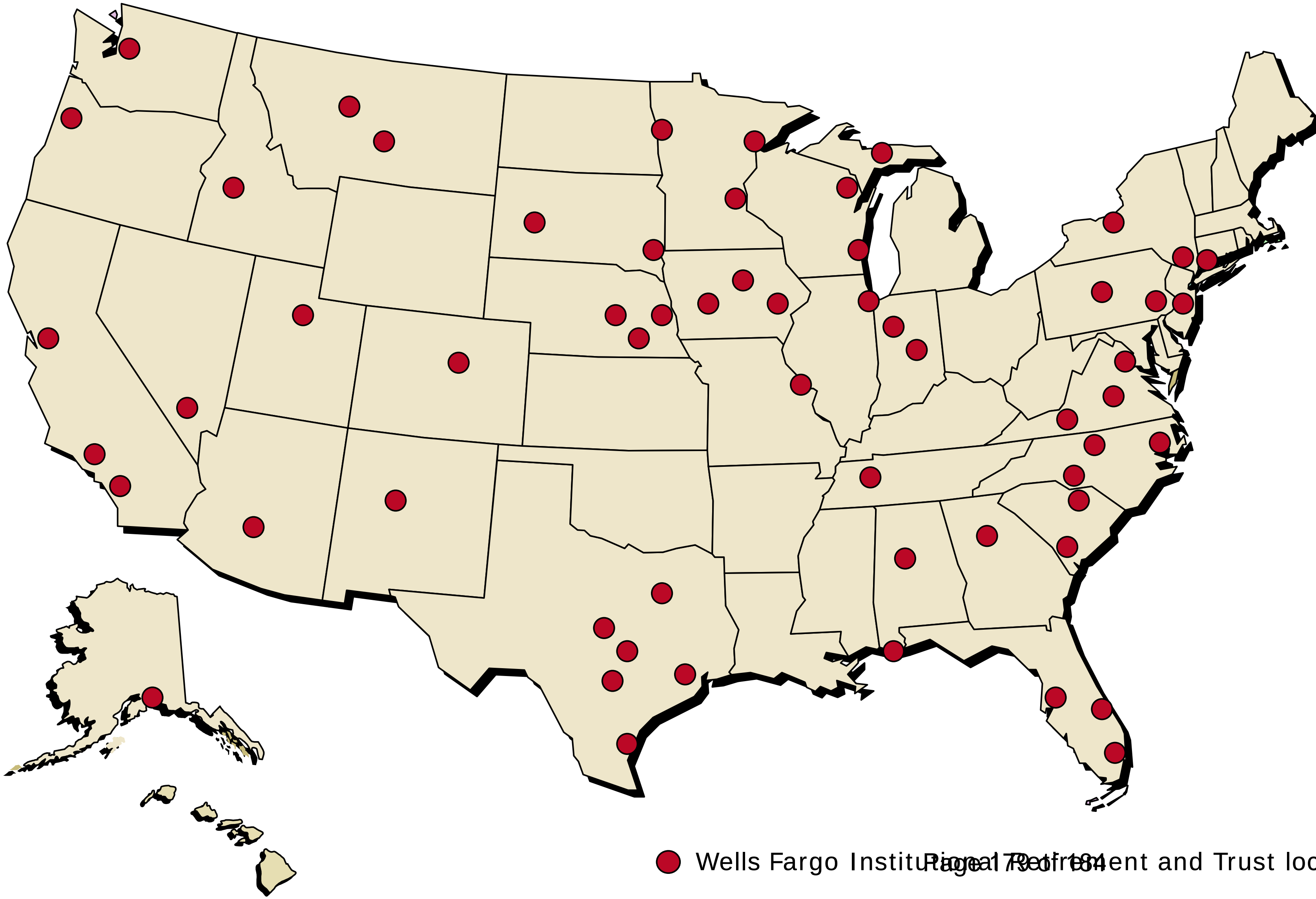


Key statistics & success metrics as of 9/30/2017

Market value 6/30/17	$91,338,500	Pension Payments – QE 9/30/17	$1,960,632	Statement Recipients	10
Market value 9/30/17	$93,990,634	Non-Periodic Payments – QE 9/30/17 (18)	$204,621	Trust Portfolio Reporting Number of users	8
Contributions – QE 9/30/17	$1,699,699	Pension Payments – October Non-Periodic Payments – October (6)	$659,857 $130,440	Trust Information Delivery Number of users	8
Contributions – Employer – QE 9/30/17	$849,849	Periodic Payments – ACH Monthly	265	Retirement Plan Payment Number of users	5
Contributions – Employee – QE 9/30/17	$849,849	Periodic Payments – Check Monthly	1	Number of Trust Accounts (includes combi)	3

A national presence

Extensive network provides local, personalized service



● Wells Fargo Institutional Retirement and Trust locations

Thank you!

CITY OF GAINESVILLE

AGENDAREQUEST

Date Submitted: 11/9/2017

Presenter: Denise Jordan

Item of Business: RPA Election Update

Meeting Date: 11/14/2017

Purpose of Request:
To update the Board on the scheduled RPA Election.

History/Background:

Facts & Issues for Consideration:
The nomination period to address the 2018 expiring terms for the Police and Fire Department positions closed on Friday, November 3, 2017.
Margaret Johnson - Police Representative and Gary Clark - Fire Representative were the only two qualified candidates. As such, there will be no need for an election and the incumbents will remain in office.

Department Recommendation:

Department Director:
David Frazier, Chairman

If funding is involved, are funds approved within the current budget?

Amount Requested:

Source of Funds:

Finance Comments:

Administrative Comments:

ATTACHMENTS:

	Description	Type
🗋	RPA Election Nomination Results	Backup Material

CITY OF GAINESVILLE

OFFICE OF
THE CITY CLERK

Denise O. Jordan
City Clerk

Post Office Box 2496
Gainesville, Georgia 30503-2496
Telephone: 770.535.6865
Fax: 770.535.6896
Web Site: www.gainesville.org

TO: Retirement Plan A Qualified Participants of the Police and Fire Representative Position

FROM: Alisa Grayson, Deputy City Clerk

SUBJECT: Retirement Plan A Nomination Results

DATE: November 8, 2017

CC: Mayor/Council; City Manager; Assistant City Manager; Retirement Board

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The nomination period for the RPA election to address the 2018 expiring terms for the Police and Fire Department positions concluded on November 3, 2017. The submissions have been reviewed and are noted as follows:

POSITION	QUALIFIED CANDIDATES
Police Representative ***(Currently held by Margaret Johnson)***	Margaret Johnson
Fire Representative ***(Currently held by Gary Clark)***	Gary Clark

With there being no opposition, there will be no election and the incumbents will remain as representatives on the Retirement Board. Please help me congratulate Margaret and Gary.

On behalf of myself and the Retirement Plan A Board, I would like to thank everyone who assisted with and participated in this process.

Questions about the election process may be submitted to any current Retirement Board Member or by contacting the City Clerk's office.

Posted: Wednesday, November 08, 2017

Administration Building Bulletin Board
Departmental Bulletin Boards
"V" Drive

CITY OF GAINESVILLE

AGENDAREQUEST

Date Submitted: 11/9/2017

Presenter: David Frazier

Item of Business: Executive Session Minutes: September 26, 2017 RPA Board Meeting

Meeting Date: 11/14/2017

Purpose of Request:
The purpose of this request is to allow the Board to approve the Executive Session minutes from the referenced meeting.

History/Background:

Facts & Issues for Consideration:
Minutes of each Executive Session shall be maintained by the Secretary in accordance with the Open Meetings Act.

Department Recommendation:
Approve the minutes with edits as presented.

Department Director:
David Frazier, Chairman

If funding is involved, are funds approved within the current budget?

Amount Requested:

Source of Funds:

Finance Comments:

Administrative Comments:

CITY OF GAINESVILLE

AGENDAREQUEST

Date Submitted: 11/9/2017

Presenter: Denise Jordan

Item of Business: Minutes: September 26, 2017 RPA Board Meeting

Meeting Date: 11/14/2017

Purpose of Request:
The purpose of this request is to allow the Board to approve the minutes from the referenced meeting.

History/Background:
A draft copy of the minutes was distributed via email to the Board Members and Ex-Officio Members to review and submit comments/corrections.

Facts & Issues for Consideration:

Department Recommendation:
Approve the minutes accepting edits as presented.

Department Director:
David Frazier, Chairman

If funding is involved, are funds approved within the current budget?

Amount Requested:

Source of Funds:

Finance Comments:

Administrative Comments:

ATTACHMENTS:

Description	Type