

CITY OF HICKORY HILLS
POLICE PENSION BOARD MINUTES
JANUARY 17, 2018 5:30PM

In Attendance: David B Wetherald, President; Robert J Troy, Vice-President; Mary McDonald, Secretary; Alejandro J Lopez, Trustee; James Kardelis, Trustee; Dan M Schramm, City Treasurer; Thomas S Sawyer and John J Falduto, Managing Partners of Sawyer Falduto Asset Management; Allison Barrett, Director of Lauterbach & Amen

Tom Sawyer reviewed the Quarterly Investment Performance Report dated December 31, 2017 for the Hickory Hills Police Pension Fund. The Cash Flow and Performance Review shows that calendar year-to-date the fund started with \$22,456,171, add \$1,135,969 into Schwab, \$1,045,905 went out, so you net those it means the fund had \$22,546,235 to work with. At December 31, 2017 the fund closed with a market value of \$25,638,193 so from investments you earned \$3,091,958 for the twelve month period. That is a 13.67% return gross of fee, 13.39% net versus your benchmark of 13.46%. Your stock portfolio was up 21.69% coming in ahead of the benchmark at 21.49%. The portfolio is comprised of 60.5% equities, 38% fixed income, and the balance in cash.

Allison Barrett of Lauterbach and Amen presented in more detail the services of the firm. Questions and discussion by the board with Allison followed for the board to make a decision as to retaining their actuarial services, accounting, pension benefits, and administrative services. She presented the two letters provided for the services related fees for the fiscal year May 1, 2018 through Aprils 30, 2019 and also states that we will go back and do the actuarial work for the fiscal year ending April 30, 2018. One letter allows Lauterbach to be signers on the Harris Bank account opened for the payment of board approved expenditures, the other does not

Mary asked for a motion to choose the letter with Lauterbach having signing ability on the Harris account, because I believe that is the direction the board is going towards. David made a motion to approve the letter of services that gives Lauterbach the signing ability on the Harris Bank account. Al Lopez seconded the motion. James Kardelis voted yes to the motion, Robert Troy voted yes, Al Lopez voted yes, David Wetherald voted yes, and Mary McDonald voted yes.

Mary provided the board with a copy of the Rules and Regulations which were received from Mr. Reimer in 2012 and stated that no record was found where they formally adopted by the board and put in place. I wanted to give these to the board to review to have updated and approved for submittal to the Department of Insurance. Allison stated that Rick Reimer and his staff have completely revamped the Rules and Regulations for pension boards. Mary will reach out to Rick Reimer in this matter.

Mary requested for a motion to approve the October 18, 2017 minutes. Dave Wetherald made a motion to approve the October 18, 2017 minutes. Al Lopez Troy seconded the motion. The board vote was unanimous to approve the October 18, 2017 minutes.

Mary stated that the only bill that I have for accounts payable is the one from Art Tepfer it is dated in August which I received after our October meeting invoice number 15064 for \$4,800 is for the actuarial valuation report and the GASB reporting. This is the amount we agreed to when we requested his services. The City will absorb \$2,400 as it applies to the GASB audit requirements for the City's audit. The board members had no objections to the payment of this invoice. Mary will contact Art regarding the need of his company's future services.

Mary stated that two board members are required to attend the Spring IPPFA conference to maintain the training requirements. The conference is to be held in East Peoria and it is going to be the week of May 1st. If registered before February 16th the discounted fee is \$375, otherwise it jumps up to \$415. The board members had no objections for this expenditure for Robert Troy and Mary.

Mary presented the paperwork for Eric Schultz, an officer who resigned, to transfer his pension contributions to a 457 plan with Diversified (Transamerica) that he has opened. He wants to pull his pension contributions from the pension fund in the amount of \$38,446.03 while he was with the City between 2009 and 2015. Mary requested a motion approve the wire transfer of these funds. Since he was employed starting 2009 ending 2015, Mary pulled every City payroll check issued to him and has tied it out to what was reported to the Department of Insurance. Bob made the motion to wire transfer \$38,446.03 to Transamerica on behalf of Eric Schultz, Jim Kardelis seconded the motion.

Mary mentioned that Danny Skoczylas, a deferred pensioner, has to apply for a pension if he wants to receive one, it doesn't automatically happen when attains the age to receive his benefit. I have the paperwork here and would like to receive it completed for our April 18th meeting. Dave stated he would deliver the paperwork to Dan. Mary noted that she would reach out to Diane Foxx to confirm any unpaid suspension time as that will affect his creditable time.

At 6:40 Dave made a motion to adjourn the meeting. Al Lopez seconded the motion. The board was in agreement to adjourn the meeting.

Quarterly Investment Performance Report

December 31, 2017

Hickory Hills Police Pension Fund



Presented by:

Thomas S. Sawyer, Managing Partner
John J. Falduto, Managing Partner
David M. Harrington, Director of Portfolio Management

SAWYER FALDUTO
ASSET MANAGEMENT, LLC

Sawyer Falduto Asset Management, LLC
589 S. York Street
Elmhurst, IL 60126
O: (630) 941-8560
F: (630) 941-8558
www.sawyerfalduto.com

CASH FLOW AND PERFORMANCE REVIEW

Cash Flow	Quarter 4 2017	Year-to-Date
Beginning Market Value	\$25,090,276	\$22,456,171
Contributions / Additions	63,664	1,135,969
Distributions / Expenses	-388,471	-1,045,905
Adjusted Beginning Market Value	24,765,469	22,546,235
Ending Market Value	\$25,638,193	\$25,638,193
Investment Return	\$872,724	\$3,091,958

Performance Review	Quarter 1 2017	Quarter 2 2017	Quarter 3 2017	Quarter 4 2017	Year-to-Date
Total Account Return (Gross)	3.90%	2.50%	3.10%	3.50%	13.67%
Total Account Return (Net)	3.83%	2.44%	3.03%	3.44%	13.39%
Account Benchmark	3.75%	2.47%	2.97%	3.63%	13.46%
Equity Return	5.94%	3.59%	4.79%	5.82%	21.69%
Blended Benchmark	5.84%	3.36%	4.71%	6.06%	21.49%
60% S&P 500	6.07%	3.09%	4.48%	6.64%	21.83%
20% Russell 1000	4.04%	3.07%	4.48%	6.58%	19.41%
10% Russell 2000	2.46%	2.47%	5.67%	3.34%	14.65%
10% MSCI EAFE	7.40%	6.37%	5.47%	4.27%	25.62%
Fixed Income Return	0.85%	0.89%	0.58%	-0.14%	2.26%
Barclay's US Gov't Bond	0.67%	1.16%	0.38%	0.05%	2.30%
Barclay's US Gov't/Credit	0.96%	1.69%	0.81%	0.49%	4.00%
Cash Equivalent	0.01%	0.02%	0.04%	0.05%	0.13%
3 Month Treasury Bill	0.10%	0.20%	0.27%	0.28%	0.85%

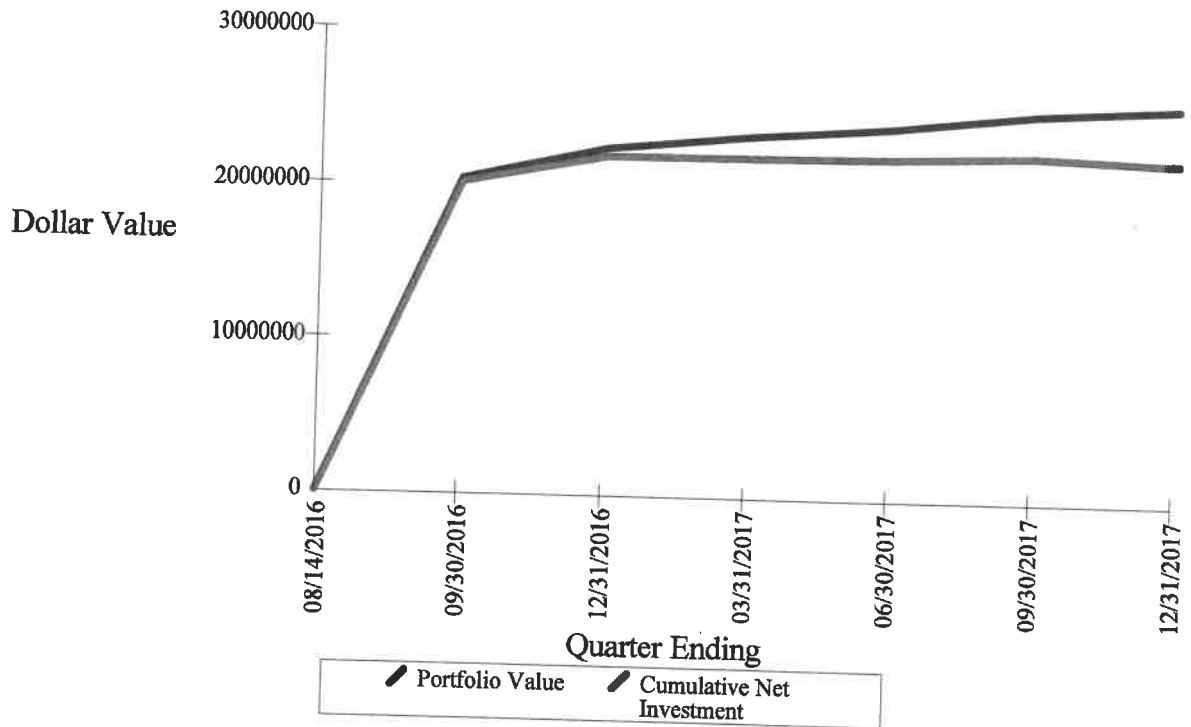
Long-Term Performance Periods Ending 12/31/2017	1 Year	3 Years	5 Years	10 Years	Since Inception 9/30/2016
Total Account Return	13.67%	%	%	%	12.09%
Account Benchmark	13.46%	%	%	%	11.39%
Equity Return	21.69%	%	%	%	20.38%
Blended Benchmark	21.49%	%	%	%	20.46%
Fixed Income Return	2.26%	%	%	%	-0.13%
Barclay's US Gov't Bond	2.30%	%	%	%	-1.20%
Barclay's US Gov't/Credit	4.00%	%	%	%	0.38%

Annualized returns for periods exceeding one year. All account performance and benchmark calculations include any change to asset allocation guidelines. Past performance is no guarantee of future returns.

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ASSET MANAGEMENT, LLC

Portfolio Value vs. Cumulative Net Investment
From 08/14/2016 to 12/31/2017

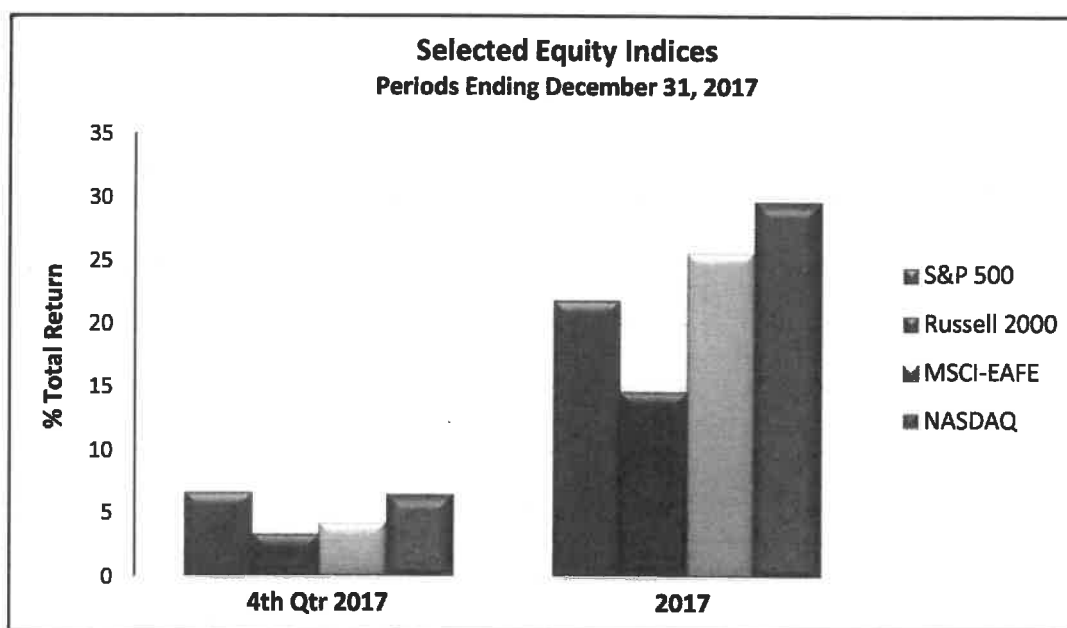
Hickory Hills Police Pension Fund



<u>Period Ending</u>	<u>Contributions and Withdrawals</u>	<u>Cumulative Net Investment</u>	<u>Portfolio Value</u>	<u>Investment Gain</u>
08/14/2016	20,838	20,838	20,838	0
09/30/2016	20,128,722	20,149,560	20,366,900	217,340
12/31/2016	1,778,840	21,928,400	22,456,171	527,771
03/31/2017	52,935	21,981,335	23,376,619	1,395,284
06/30/2017	115,978	22,097,313	24,067,569	1,970,256
09/30/2017	289,660	22,386,972	25,090,276	2,703,303
12/31/2017	-309,126	22,077,846	25,638,193	3,560,347

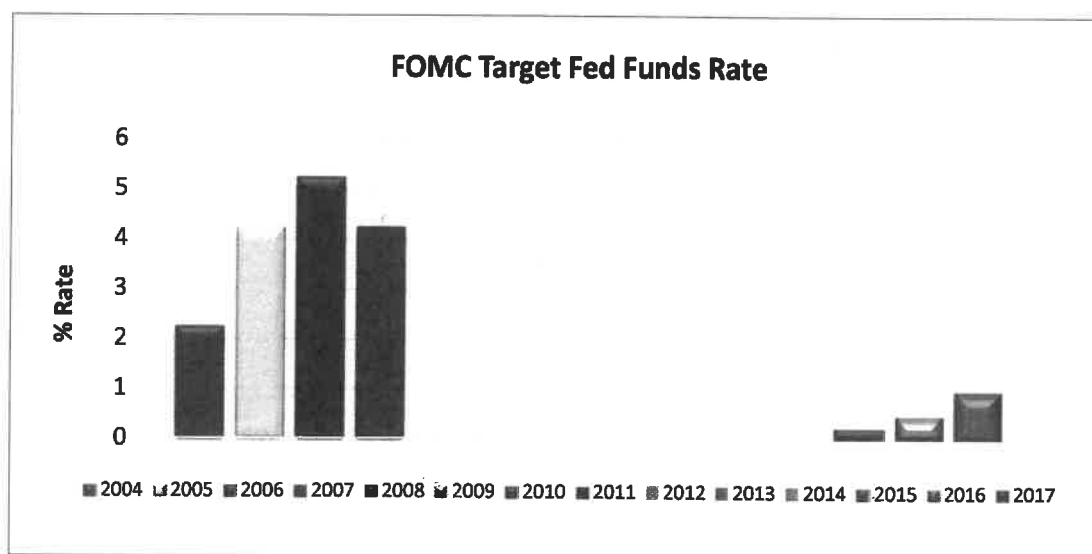
QUARTERLY UPDATE – DECEMBER 31, 2017**Tax Reform "Icing on the Cake" for Equities**

Equity markets finished the year on a strong note as all of the major market indices regularly tracked in the Market Commentary moved higher during the 4th quarter. Small company stocks turned in another strong quarter along with technology stocks as the tech-heavy NASDAQ continued its positive run. For the full year all four benchmarks produced strong double-digit returns, led by the NASDAQ which was positive by nearly 30%. Volatility remains near record low levels as measured by the CBOE Volatility Index (VIX) reflecting little concern over the uncertainty often associated with political tensions both at home and abroad, economic disruption from multiple natural disasters and question marks surrounding the current administration's ability to advance its economic agenda. In the end, markets advanced on corporate earnings growth built on a solid economic foundation. Passage of the "Tax Cuts and Jobs Act" was a positive for equities as the market closed out 2017.

**Key Considerations**

- **Economic Growth:** Economic growth in the U.S. continues to be solid with Gross Domestic Product increasing at an annual rate of 3.0% in both the second and third quarters of 2017 improving upon 2.0% to 2.5% trend levels. The uptick in economic growth is bolstered by positive measures of both consumer and business sentiment.
- **Federal Reserve:** As widely anticipated, the Federal Open Market Committee (FOMC), at its December meeting, raised its benchmark interest rate by 0.25% targeting a range of 1.25% to 1.5%. The Fed went on to note that future increases will likely be warranted though reinforcing prior guidance that the pace will continue to be gradual.

- **Continuity of Leadership at the Fed:** The President nominated Federal Reserve Governor Jerome (Jay) Powell to replace Chairman Janet Yellen, whose term expires February 3, 2018. The nomination of Powell, who has been supportive of monetary policy decisions under Yellen's watch, seems to be generally well received as a successor.
- **Federal Reserve – Balance Sheet Normalization:** FOMC initiated its program of shrinking the \$4.5 trillion balance sheet in October. The "runoff" will be slow as the Fed initially will reduce positions in U.S. Treasuries, agencies and mortgage-backed securities at a rate of \$10 billion monthly with subsequent increases of \$10 billion quarterly over the next year.

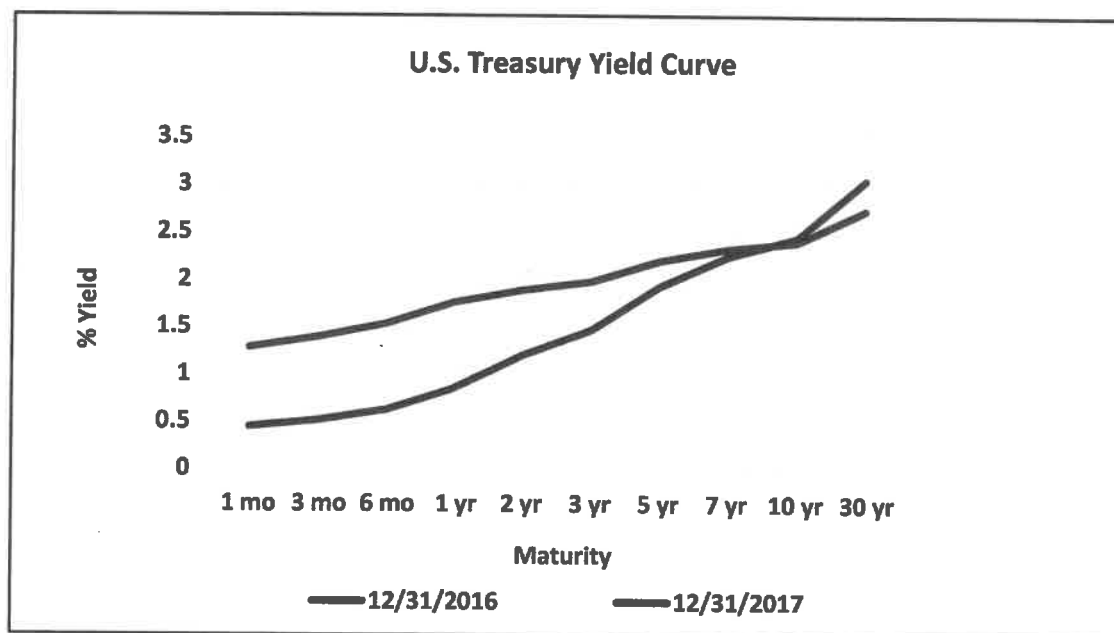


- **Corporate Earnings:** Companies in the S&P 500 Index continued to report solid earnings gains during the third quarter. According to S&P, year-over-year reported earnings through September 30, 2017 increased by over 13%. On a forward-looking basis, estimates continue to forecast low double-digit growth in corporate earnings over the next year. It will be interesting to see how the reduction in the corporate tax rate affects analysts' earnings estimates. Preliminary analyses suggest estimates could be bumped by 8% to 10% which would, everything else held equal, pull valuations in to more reasonable levels. On an operating basis, the S&P 500 is currently priced at a multiple of just over 21x operating earnings, very much in line with our observed levels over recent quarters. On a forward-looking basis, earnings estimates (12 months), for companies in the S&P 500 are currently priced between 18x and 19x operating earnings, levels that are supported by the low interest rate environment.

The strong equity market performance accompanied by record low volatility makes 2017 a year not to be forgotten. It is difficult to imagine a repeat performance during 2018. While valuations remain somewhat elevated relative to historical averages, low interest rates, solid corporate earnings and positive economic data all continue support a positive outlook for equities.

The Yield Curve Flattens

For the full year, yields moved higher for U.S. Treasury securities with maturities of 10 years or less. The largest increase in yields was for maturities out to 2 years reflecting the Fed's three rate increases during 2017. Yields for maturities between 10 and 30 years range from 2.40% to 2.74% respectively despite two consecutive quarters of 3% economic growth and the Fed kicking off its Balance Sheet Normalization program in October. We reiterate our position that there remains enough uncertainty arising from political unrest - both domestic and abroad - to support a healthy appetite for the safety of U.S. debt. While forecasts once again point to higher bond yields during 2018 as economic activity and inflation potentially heat up, there is still plenty of room for the recurring "flights to safety" we have observed over the ten years following the financial crisis.



The yield on the 10-year U.S. Treasury Note closed December 31, 2017 with a yield of 2.40%, almost within 5 basis points of where we began the year. We turn to the spread between the 3-month U.S. Treasury Bill and 10-year U.S. Treasury Bill as one measure of value across the yield curve. At year-end the spread was 101 basis points as compared to 194 basis points to start 2017 reflecting the Fed's monetary policy actions along with investors' expectations regarding economic growth and inflation. Given the flattening of the yield curve, bond portfolios are conservatively postured. We continue to hold durations relatively close to benchmarks and place a premium on quality.

The information contained in this commentary is the opinion of the author and obtained from sources believed to be reliable, but the accuracy cannot be guaranteed. Past performance is not predictive of future returns.

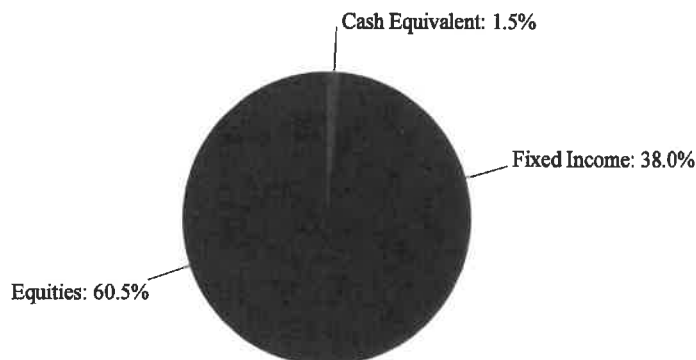
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ASSET MANAGEMENT LLC

Portfolio Statement

As of 12/31/2017
12/29/2017 Prices

Hickory Hills Police Pension Fund

Portfolio Allocation



Weight	Description	Symbol	Quantity	Current Value	Current Yield	Annual Income
Equities						
Large Cap						
Mutual Fund						
5.7%	LSV Value Equity Fund	LSVEX	50,818.737	1,471,202.44	1.7%	25,724.45
5.7%	Pioneer Equity Income	PYEQX	40,456.993	1,465,352.29	1.5%	22,704.46
11.3%	T Rowe Price Growth Stock	PRUFX	46,266.402	2,900,903.41	0.4%	12,029.26
11.7%	Vanguard 500 Index Fund	VFIAX	12,187.078	3,008,014.59	1.9%	58,122.63
34.5%				8,845,472.73	1.3%	118,580.79
Mid Cap						
Mutual Fund						
7.0%	Vanguard Mid Cap Index	VIMAX	9,321.569	1,785,546.54	0.4%	7,480.56
2.8%	Victory Sycamore	VEVIX	17,433.242	707,615.29	0.3%	2,089.36
9.7%				2,493,161.83	0.4%	9,569.92
Small Cap						
Mutual Fund						
1.0%	Bridgeway Ultra-Small Company	BRSEX	17,370.014	247,696.40	0.1%	350.70
2.8%	Hennessy Focus Fd I	HFCIX	7,836.655	710,706.24	0.0%	0.00
2.3%	Homestead Small Company Stock	HSCSX	13,571.456	598,636.92	0.2%	1,042.29
2.3%	T Rowe Price QM US Small-Cap	TQAIX	17,022.2	594,755.67	0.0%	0.00
8.4%				2,151,795.23	0.1%	1,392.98
International						
Mutual Fund						
0.9%	First Eagle Overseas	SGOIX	9,285.381	234,177.31	1.9%	4,336.27
1.0%	Goldman Sachs International	GCIIX	19,602.232	266,590.36	1.6%	4,322.29
1.1%	Oppenheimer Developing Markets	ODVIX	6,335.094	271,965.59	0.7%	1,974.39

Portfolio Statement

As of 12/31/2017

12/29/2017 Prices

Hickory Hills Police Pension Fund

Weight	Description	Symbol	Quantity	Current Value	Current Yield	Annual Income
Equities						
International Mutual Fund						
2.0%	Oppenheimer International Growt	OIGIX	11,814.279	515,456.99	1.1%	5,435.05
5.0%				1,288,190.25	1.2%	16,068.00
Real Estate Mutual Fund						
1.3%	Cohen & Steers Realty	CSRIX	7,843.645	339,708.26	0.7%	2,353.09
Natural Resources Mutual Fund						
1.2%	Fidelity Advisor Materials Fund	FMFEX	3,290.16	298,713.63	0.7%	2,049.77
0.4%	Vanguard Energy Fund	VGELX	901.488	90,888.02	3.0%	2,722.95
1.5%				389,601.65	1.2%	4,772.72
60.5%				15,507,929.95	1.0%	152,737.50
Fixed Income						
Taxable Bonds						
U. S. Treasury						
0.4%	US Treas Note 11/15/2024 2.25%	912828G38	100,000	99,453.12	2.3%	2,250.00
	Accrued Income			292.13		
0.8%	US Treas Note 11/30/2021 1.875%	912828G53	200,000	198,343.74	1.9%	3,750.00
	Accrued Income			329.67		
0.4%	US Treas Note 08/31/2022 1.875%	912828L24	100,000	98,593.75	1.9%	1,875.00
	Accrued Income			630.21		
0.4%	US Treas Note 11/15/2025 2.25%	912828M56	100,000	99,093.75	2.3%	2,250.00
	Accrued Income			292.13		
0.4%	US Treas Note 11/30/2022 2.00%	912828M80	100,000	99,109.37	2.0%	2,000.00
	Accrued Income			175.82		
0.4%	US Treas Note 12/15/2018 1.25%	912828N22	100,000	99,468.75	1.3%	1,250.00
	Accrued Income			58.38		
0.4%	US Treas Note 12/31/2020 1.75%	912828N48	100,000	99,296.87	1.8%	1,750.00
	Accrued Income			4.86		
0.4%	US Treas Note 10/31/2018 1.75%	912828RP7	100,000	99,984.37	1.8%	1,750.00
	Accrued Income			299.72		
0.6%	US Treas Note 05/15/2023 1.75%	912828VB3	150,000	146,296.88	1.8%	2,625.00
	Accrued Income			340.81		
0.4%	US Treas Note 08/31/2020 2.125%	912828VV9	100,000	100,468.75	2.1%	2,125.00
	Accrued Income			722.03		
0.2%	US Treas Note 11/15/2023 2.75%	912828WE6	50,000	51,343.75	2.7%	1,375.00
	Accrued Income			178.52		

Portfolio Statement

As of 12/31/2017

12/29/2017 Prices

Hickory Hills Police Pension Fund

Weight	Description	Symbol	Quantity	Current Value	Current Yield	Annual Income
Fixed Income						
Taxable Bonds						
U. S. Treasury						
0.4%	US Treas Note 06/15/2018 1.125%	912828XF2	100,000	99,828.12	1.1%	1,125.00
	Accrued Income			52.54		
5.0%				1,294,658.04	1.9%	24,125.00
U.S. Government Agency						
0.2%	Fed Farm Cr Bk 09/18/2028 4.92%	31331GBZ1	39,000	46,546.58	4.1%	1,918.80
	Accrued Income			548.99		
0.3%	Fed Farm Cr Bk 09/29/2025 3.50%	31331JP23	75,000	79,842.15	3.3%	2,625.00
	Accrued Income			670.83		
0.2%	Fed Farm Cr Bk 12/13/2022 2.71%	31331K3A6	50,000	50,989.10	2.7%	1,355.00
	Accrued Income			67.75		
0.2%	Fed Farm Cr Bk 12/06/2027 5.09%	31331XFN7	45,000	54,160.61	4.2%	2,290.50
	Accrued Income			159.06		
0.1%	Fed Farm Cr Bk 10/09/2020 1.40%	3133EA3S5	29,000	28,503.26	1.4%	406.00
	Accrued Income			92.48		
0.6%	Fed Farm Cr Bk 08/14/2024 2.35%	3133EAJ90	150,000	149,177.10	2.4%	3,525.00
	Accrued Income			1,341.46		
0.2%	Fed Farm Cr Bk 09/12/2022 1.89%	3133EAT99	50,000	49,191.45	1.9%	945.00
	Accrued Income			286.13		
0.1%	Fed Farm Cr Bk 12/13/2024 2.125%	3133EC7D0	30,000	29,323.86	2.2%	637.50
	Accrued Income			31.88		
0.2%	Fed Farm Cr Bk 06/26/2023 2.75%	3133ECSY1	50,000	51,126.65	2.7%	1,375.00
	Accrued Income			19.10		
0.1%	Fed Farm Cr Bk 12/21/2023 2.95%	3133EDJY9	20,000	20,630.72	2.9%	590.00
	Accrued Income			16.39		
0.4%	Fed Farm Cr Bk 07/11/2025 2.62%	3133EEJ84	100,000	100,514.10	2.6%	2,620.00
	Accrued Income			1,237.22		
0.4%	Fed Farm Cr Bk 08/09/2027 2.79%	3133EESU5	100,000	100,717.80	2.8%	2,790.00
	Accrued Income			1,100.50		
0.3%	Fed Farm Cr Bk 06/17/2025 3.00%	3133EEY38	70,000	72,249.66	2.9%	2,100.00
	Accrued Income			81.67		
0.3%	Fed Farm Cr Bk 08/27/2027 2.90%	3133EFBB2	75,000	76,237.13	2.9%	2,175.00
	Accrued Income			749.17		
0.4%	Fed Farm Cr Bk 09/18/2025 2.78%	3133EFDX2	100,000	101,427.20	2.7%	2,780.00
	Accrued Income			795.39		
0.2%	Fed Farm Cr Bk 11/19/2018 1.29%	3133EFPJ0	60,000	59,735.10	1.3%	774.00
	Accrued Income			90.30		

Portfolio Statement

As of 12/31/2017

12/29/2017 Prices

Hickory Hills Police Pension Fund

<u>Weight</u>	<u>Description</u>	<u>Symbol</u>	<u>Quantity</u>	<u>Current Value</u>	<u>Current Yield</u>	<u>Annual Income</u>
Fixed Income						
Taxable Bonds						
U.S. Government Agency						
0.8%	Fed Farm Cr Bk 12/27/2024 2.70%	3133EG2H7	200,000	202,805.00	2.7%	5,400.00
	Accrued Income			60.00		
0.6%	Fed Farm Cr Bk 02/08/2028 2.95%	3133EG6R1	150,000	152,435.85	2.9%	4,425.00
	Accrued Income			1,757.71		
0.6%	Fed Farm Cr Bk 10/28/2026 2.05%	3133EGB46	150,000	142,908.00	2.2%	3,075.00
	Accrued Income			538.13		
0.4%	Fed Farm Cr Bk 12/08/2021 2.01%	3133EGT47	100,000	99,269.70	2.0%	2,010.00
	Accrued Income			128.42		
0.8%	Fed Farm Cr Bk 12/22/2026 3.00%	3133EGZ57	200,000	205,323.40	2.9%	6,000.00
	Accrued Income			150.00		
0.8%	Fed Farm Cr Bk 06/15/2027 2.58%	3133EHNRO	200,000	198,099.60	2.6%	5,160.00
	Accrued Income			229.33		
0.6%	Fed Farm Cr Bk 08/04/2028 2.73%	3133EHTW3	150,000	148,980.90	2.7%	4,095.00
	Accrued Income			1,672.13		
0.4%	Fed Home Ln Bk 09/01/2028 4.00%	3130A07B0	100,000	110,853.30	3.6%	4,000.00
	Accrued Income			1,333.33		
0.4%	Fed Home Ln Bk 12/10/2021 2.875%	3130A0EN6	100,000	102,514.80	2.8%	2,875.00
	Accrued Income			167.71		
0.6%	Fed Home Ln Bk 12/08/2023 3.375%	3130A0F70	150,000	158,210.85	3.2%	5,062.50
	Accrued Income			323.44		
0.2%	Fed Home Ln Bk 09/11/2026 3.00%	3130A2VE3	50,000	51,410.45	2.9%	1,500.00
	Accrued Income			458.33		
0.2%	Fed Home Ln Bk 09/08/2023 2.375%	3130A3DL5	50,000	50,038.65	2.4%	1,187.50
	Accrued Income			372.74		
0.6%	Fed Home Ln Bk 03/12/2027 3.00%	3130A3DU5	150,000	153,953.70	2.9%	4,500.00
	Accrued Income			1,362.50		
0.5%	Fed Home Ln Bk 12/13/2024 2.75%	3130A3GE8	115,000	116,968.92	2.7%	3,162.50
	Accrued Income			158.13		
0.4%	Fed Home Ln Bk 12/09/2022 2.50%	3130A3KM5	100,000	100,998.90	2.5%	2,500.00
	Accrued Income			152.78		
0.4%	Fed Home Ln Bk 06/11/2027 2.625%	3130A3VD3	100,000	99,423.60	2.6%	2,625.00
	Accrued Income			145.83		
0.4%	Fed Home Ln Bk 03/14/2025 2.375%	3130A4CH3	100,000	99,150.20	2.4%	2,375.00
	Accrued Income			705.90		
0.4%	Fed Home Ln Bk 06/10/2022 2.375%	3130A5P45	110,000	110,740.85	2.4%	2,612.50
	Accrued Income			152.40		

Portfolio Statement

As of 12/31/2017

12/29/2017 Prices

Hickory Hills Police Pension Fund

<u>Weight</u>	<u>Description</u>	<u>Symbol</u>	<u>Quantity</u>	<u>Current Value</u>	<u>Current Yield</u>	<u>Annual Income</u>
Fixed Income						
Taxable Bonds						
U.S. Government Agency						
0.2%	Fed Home Ln Bk 06/13/2025 2.875%	3130A5R35	50,000	51,182.75	2.8%	1,437.50
	Accrued Income			71.88		
0.2%	Fed Home Ln Bk 03/12/2027 2.875%	3130AAZ92	50,000	50,811.45	2.8%	1,437.50
	Accrued Income			435.24		
0.4%	Fed Home Ln Bk 03/13/2026 4.375%	313373B68	100,000	112,989.80	3.9%	4,375.00
	Accrued Income			1,312.50		
0.6%	Fed Home Ln Bk 03/13/2020 1.875%	313378J77	150,000	149,683.80	1.9%	2,812.50
	Accrued Income			843.75		
0.2%	Fed Home Ln Bk 03/08/2024 2.665%	313378JT9	60,000	60,907.26	2.6%	1,599.00
	Accrued Income			501.91		
0.1%	Fed Home Ln Bk 06/10/2022 2.125%	313379Q69	25,000	24,905.55	2.1%	531.25
	Accrued Income			30.99		
0.1%	Fed Home Ln Bk 12/01/2021 1.93%	3133827M9	20,000	19,794.94	1.9%	386.00
	Accrued Income			32.17		
0.6%	Fed Home Ln Mtg 12/10/2021 2.00%	3134G45T1	150,000	148,846.95	2.0%	3,000.00
	Accrued Income			175.00		
0.1%	Fed Home Ln Mtg - Strip 03/15/2020 0.00%	3134A4BR4	31,000	29,632.31	0.0%	0.00
0.5%	Fed Natl Mtg 10/09/2019 0.00%	313586RC5	125,000	120,520.75	0.0%	0.00
0.3%	Fed Natl Mtg 04/24/2026 2.125%	3135G0K36	79,000	76,530.54	2.2%	1,678.75
	Accrued Income			312.43		
0.4%	Fed Natl Mtg 08/17/2021 1.25%	3135G0N82	100,000	96,914.60	1.3%	1,250.00
	Accrued Income			503.47		
0.3%	Fed Natl Mtg 11/29/2022 2.125%	3136G05K3	75,000	74,446.28	2.1%	1,593.75
	Accrued Income			141.67		
0.4%	Fed Natl Mtg 08/26/2022 2.00%	3136G05L1	100,000	98,924.10	2.0%	2,000.00
	Accrued Income			694.44		
0.4%	Fed Natl Mtg 10/30/2023 2.125%	3136G0X97	100,000	98,725.70	2.2%	2,125.00
	Accrued Income			360.07		
0.2%	Tenn Valley Auth 09/15/2024 2.875%	880591ER9	50,000	51,117.70	2.8%	1,437.50
	Accrued Income			423.26		
0.5%	Tenn Valley Auth - Strip 09/15/2025 0.00%	88059E4V3	150,000	121,315.50	0.0%	0.00
0.1%	Tenn Valley Auth - Strip 11/01/2018 0.00%	88059EHA5	16,000	15,748.98	0.0%	0.00
18.7%				4,800,454.01	2.5%	117,135.55

Portfolio Statement

As of 12/31/2017

12/29/2017 Prices

Hickory Hills Police Pension Fund

Weight	Description	Symbol	Quantity	Current Value	Current Yield	Annual Income
Fixed Income						
Taxable Bonds						
U.S. Government Agency - Callable						
0.1%	Fed Farm Cr Bk 12/14/2020 1.54%	3133EGEU5	25,000	24,571.20	1.6%	385.00
	Accrued Income			18.18		
0.4%	Fed Farm Cr Bk 03/06/2019 1.15%	3133EGTS4	103,000	102,090.30	1.2%	1,184.50
	Accrued Income			378.38		
0.2%	Fed Farm Cr Bk 03/09/2027 3.08%	3133EHBV4	50,000	50,107.80	3.1%	1,540.00
	Call 03/09/2020, 100.00					
	Accrued Income			479.11		
0.2%	Fed Farm Cr Bk 03/20/2025 2.93%	3133EHCZ4	50,000	50,041.65	2.9%	1,465.00
	Call 03/20/2020, 100.00					
	Accrued Income			411.01		
0.2%	Fed Home Ln Bk 10/25/2023 1.84%	3130A9PD7	40,000	38,568.72	1.9%	736.00
	Accrued Income			134.93		
0.4%	Fed Home Ln Bk 11/16/2023 2.25%	3130A9UE9	100,000	98,626.10	2.3%	2,250.00
	Call 11/16/2018, 100.00					
	Accrued Income			281.25		
0.2%	Fed Home Ln Mtg 12/28/2018 1.00%	3134G9ZR1	50,000	49,601.45	1.0%	500.00
	Accrued Income			4.17		
0.4%	Fed Home Ln Mtg 09/28/2026 2.00%	3134GAMN1	100,000	94,295.40	2.1%	2,000.00
	Call 09/28/2018, 100.00					
	Accrued Income			516.67		
0.3%	Fed Home Ln Mtg - Step 11/17/2021 1.25%	3134GAUF9	75,000	74,295.90	1.3%	937.50
0.2%	Federal Home Ln Bk 12/27/2021 2.125%	3134GB6K3	50,000	49,754.20	2.1%	1,062.50
	Call 12/27/2019, 100.00					
	Accrued Income			11.81		
0.2%	Fedl Natl Mt 06/21/2019 1.375%	3136G3RD9	50,000	49,563.25	1.4%	687.50
	Accrued Income			19.10		
2.7%				683,770.58	1.9%	12,748.00
Mortgage Backed						
0.1%	FHLMC 05/01/2037 5.50%	3128KQBR6	1,500,000	30,450.90	5.1%	1,539.32
	Par 27,987.72 (0.01865848)					
	Accrued Income			72.69		
0.1%	FNMA 07/01/2027 5.50%	31371NGK5	800,000	26,953.57	5.0%	1,352.36
	Par 24,588.34 (0.03073542)					
	Accrued Income			26.30		
0.2%	FNMA 07/01/2037 6.00%	31371NGS8	1,750,000	38,843.79	5.5%	2,138.15
	Par 35,635.81 (0.02036332)					
	Accrued Income			41.58		

Portfolio Statement

As of 12/31/2017

12/29/2017 Prices

Hickory Hills Police Pension Fund

Weight	Description	Symbol	Quantity	Current Value	Current Yield	Annual Income
Fixed Income						
Taxable Bonds						
Mortgage Backed						
0.3%	FNMA 09/01/2028 5.50% Par 62,507.44 (0.03125372) Accrued Income	31371NZ81	2,000,000	68,595.72	5.0%	3,437.91
0.5%	FNMA 02/01/2039 7.00% Par 102,702.16 (0.10270216) Accrued Income	3138EHT36	1,000,000	117,212.93	6.1%	7,189.15
0.2%	FNMA 04/01/2037 7.00% Par 46,231.32 (0.15410441) Accrued Income	3138EHT44	300,000	52,794.64	6.1%	3,236.19
0.0%	FNMA 12/01/2036 5.50% Par 4,272.04 (0.00854408) Accrued Income	31412DTR9	500,000	4,498.81	5.2%	234.96
0.2%	GNMA 11/20/2044 4.50% Par 39,102.77 (0.07109595) Accrued Income	36179QTU5	550,000	40,082.23	4.4%	1,759.62
0.1%	GNMA 11/20/2035 5.00% Par 31,285.11 (0.06952247) Accrued Income	36202EF20	450,000	33,504.82	4.7%	1,564.26
0.2%	GNMA 12/20/2035 5.00% Par 47,509.29 (0.07145038) Accrued Income	36202EGC7	664,927	50,877.96	4.7%	2,375.46
0.1%	GNMA 08/20/2039 4.00% Par 19,391.98 (0.09695989) Accrued Income	36202FAL0	200,000	19,967.46	3.9%	775.68
0.5%	GNMA 11/20/2039 5.00% Par 130,639.15 (0.05225566) Accrued Income	36202FCJ3	2,500,000	135,445.33	4.8%	6,531.96
0.3%	GNMA 09/20/2040 4.50% Par 68,417.89 (0.08049163) Accrued Income	36202FKH8	850,000	70,147.39	4.4%	3,078.80
0.0%	GNMA 09/15/2031 6.50% Par 643.32 (0.0025707) Accrued Income	36213SZB4	250,251	661.24	6.3%	41.82
0.1%	GNMA 03/15/2039 4.50% Par 22,573.02 (0.15048678) Accrued Income	36291UNH4	150,000	23,776.02	4.3%	1,015.79
0.1%	GNMA 03/15/2039 4.50% Par 29,916.49 (0.05395764) Accrued Income	36292EP61	554,444	31,624.29	4.3%	1,346.24
				63.57		

Portfolio StatementAs of 12/31/2017
12/29/2017 Prices

Hickory Hills Police Pension Fund

<u>Weight</u>	<u>Description</u>	<u>Symbol</u>	<u>Quantity</u>	<u>Current Value</u>	<u>Current Yield</u>	<u>Annual Income</u>
Fixed Income						
Taxable Bonds						
Mortgage Backed						
0.1%	GNMA 04/15/2039 5.00% Par 25,424.00 (0.04237333) Accrued Income	36296UG46	600,000	27,406.25	4.6%	1,271.20
				60.03		
3.0%				774,192.64	5.0%	38,888.88
Taxable Municipal						
0.2%	Addison, IL 12/15/2028 3.45% Call 12/15/2025, 100.00 Accrued Income	006536RJ7	50,000	49,503.00	3.5%	1,725.00
				76.67		
0.3%	Cook Cnty, IL Westchester School District 12/01/2028 3.90% Call 12/01/2024, 100.00 Accrued Income	213282EZ5	70,000	71,360.80	3.8%	2,730.00
				227.50		
0.4%	Cook Cnty, IL Des Plaines School Dist 62 12/01/2021 4.841% Call 12/01/2019, 100.00 Accrued Income	213633GA2	100,000	104,825.00	4.6%	4,841.00
				403.42		
0.1%	Cook Cnty, IL La Grange Sch Dist 105 01/15/2020 4.752% Accrued Income	214489AU0	20,000	20,680.80	4.6%	950.40
				438.24		
0.2%	Cook Cnty, IL Maine Township Dist.207 12/01/2024 3.05% Accrued Income	215543LS6	50,000	49,714.00	3.1%	1,525.00
				127.08		
0.2%	Cook Cnty, IL Leyden Com HS Dist 212 12/01/2020 3.00% Accrued Income	215615EP6	50,000	50,288.00	3.0%	1,500.00
				125.00		
0.1%	Cook Cnty, IL Argo Cmty HS Dist 217 12/15/2018 1.50% Accrued Income	215687HY3	25,000	24,779.25	1.5%	375.00
				16.67		
0.3%	Cook Cnty, IL Moraine Valley Cmty College 12/01/2021 2.82% Accrued Income	216129EU6	75,000	75,312.75	2.8%	2,115.00
				176.25		
0.1%	Elk Grove Village 01/01/2020 4.875% Call 01/01/2019, 100.00 Accrued Income	287299MJ7	35,000	36,137.50	4.7%	1,706.25
				853.13		
0.2%	Elk Grove Village 01/01/2020 4.875% Call 01/01/2019, 100.00 Accrued Income	287299MK4	30,000	30,674.70	4.8%	1,462.50
				10,968.75		
0.1%	Elk Grove Village, IL 01/01/2020 4.875% Call 01/01/2019, 100.00 Accrued Income	287299HY0	35,000	35,787.15	4.8%	1,706.25
				853.13		

Portfolio Statement

As of 12/31/2017

12/29/2017 Prices

Hickory Hills Police Pension Fund

<u>Weight</u>	<u>Description</u>	<u>Symbol</u>	<u>Quantity</u>	<u>Current Value</u>	<u>Current Yield</u>	<u>Annual Income</u>
Fixed Income						
Taxable Bonds						
Taxable Municipal						
0.2%	Geneva, IL 12/15/2020 3.00%	372064LN3	55,000	55,501.60	3.0%	1,650.00
	Accrued Income			73.33		
0.1%	Glendale Heights, IL 12/15/2019 4.50%	378508JU0	15,000	15,026.85	4.5%	675.00
	Accrued Income			30.00		
0.1%	Grundy County, IL Minooka Cmty HS Dist 111 05/01/2019 2.038%	400424KJ5	20,000	19,874.80	2.1%	407.60
	Accrued Income			67.93		
0.0%	Hoffman Estates, IL 12/01/2029 4.375%	434452KV9	10,000	10,559.60	4.1%	437.50
	Call 12/01/2024, 100.00					
	Accrued Income			36.46		
0.2%	Hoffman Estates, IL 12/01/2030 4.50%	434452KW7	50,000	52,935.00	4.3%	2,250.00
	Call 12/01/2024, 100.00					
	Accrued Income			187.50		
0.4%	Lake Cnty, IL Gurnee Sch Dist 121 01/01/2025 5.90%	509174LJ5	100,000	105,219.00	5.6%	5,900.00
	Call 07/01/2019, 100.00					
	Accrued Income			2,950.00		
0.1%	Romeoville, IL 12/30/2023 3.90%	776154UC8	35,000	36,010.80	3.8%	1,365.00
	Accrued Income			3.79		
0.2%	Vernon Hills 03/30/2025 2.70%	924488KD0	50,000	48,978.50	2.8%	1,350.00
	Call 03/30/2022, 100.00					
	Accrued Income			787.50		
0.2%	Wheaton, IL Pk Dist 12/15/2018 4.50%	962757RW2	50,000	50,996.50	4.4%	2,250.00
	Accrued Income			100.00		
0.1%	Will County, IL Troy Cmty Sch Dist 30 10/01/2020 2.574%	968717RK6	25,000	25,131.00	2.6%	643.50
	Accrued Income			160.88		
0.3%	Winnebago Cnty, IL 12/30/2025 3.00%	974450E20	85,000	82,808.70	3.1%	2,550.00
	Accrued Income			7.08		
4.2%				1,070,775.61	3.8%	40,115.00
Corporate						
0.4%	American Express 11/05/2018 1.875%	0258M0DZ9	100,000	99,874.30	1.9%	1,875.00
	Call 10/15/2018, 100.00					
	Accrued Income			291.67		
0.4%	Apple Inc 02/09/2027 3.35%	037833CJ7	100,000	102,410.70	3.3%	3,350.00
	Call 11/09/2026, 100.00					
	Accrued Income			1,321.39		
0.3%	BB&T Corporation 06/15/2020 0.00%	05531FAW3	75,000	75,435.75	0.0%	0.00

Portfolio Statement

As of 12/31/2017

12/29/2017 Prices

Hickory Hills Police Pension Fund

Weight	Description	Symbol	Quantity	Current Value	Current Yield	Annual Income
Fixed Income						
Taxable Bonds						
Corporate						
0.3%	BlackRock Inc 12/10/2019 5.00%	09247XAE1	75,000	78,793.05	4.8%	3,750.00
	Accrued Income			218.75		
0.4%	Cisco Systems Inc. 09/20/2019 1.40%	17275RBG6	100,000	98,904.90	1.4%	1,400.00
	Accrued Income			392.78		
0.2%	Coca Cola Company 11/01/2023 3.20%	191216BE9	50,000	51,790.65	3.1%	1,600.00
	Accrued Income			266.67		
0.3%	Goldman Sachs Bk 04/01/2018 6.15%	38141GFM1	76,000	76,762.66	6.1%	4,674.00
	Accrued Income			1,168.50		
0.4%	John Deere Capital 10/09/2019 1.25%	24422ETJ8	100,000	98,442.00	1.3%	1,250.00
	Accrued Income			284.72		
0.2%	Microsoft Corp 12/15/2023 3.625%	594918AW4	50,000	52,597.20	3.4%	1,812.50
	Accrued Income			80.56		
0.2%	Microsoft Corp 11/03/2025 3.125% Call 08/03/2025, 100.00	594918BJ2	50,000	50,977.60	3.1%	1,562.50
	Accrued Income			251.74		
0.2%	Northern Trust Corp 11/04/2020 3.45%	665859AL8	50,000	51,389.90	3.4%	1,725.00
	Accrued Income			273.13		
0.4%	Pepsico Inc 10/15/2027 3.00% Call 07/15/2027, 100.00	713448DY1	100,000	99,623.20	3.0%	3,000.00
	Accrued Income			675.00		
0.2%	United Parcel Service 11/15/2024 2.80% Call 09/15/2024, 100.00	911312BL9	50,000	49,636.80	2.8%	1,400.00
	Accrued Income			182.78		
0.2%	United Technologies 05/04/2024 2.80% Call 03/03/2024, 100.00	913017CN7	50,000	49,612.75	2.8%	1,400.00
	Accrued Income			221.67		
0.3%	Walt Disney Co 06/15/2027 2.95%	25468PDV5	75,000	74,421.30	3.0%	2,212.50
	Accrued Income			98.33		
4.4%				1,116,400.45	2.8%	31,011.50
38.0%				9,740,251.33	2.7%	264,023.93
Cash Equivalent						
0.7%	Schwab Bank Deposit	CSBDA		189,918.01	0.1%	227.90
0.8%	Schwab Government Money Fund	SNVXX		200,093.21	0.9%	1,820.85
1.5%				390,011.22	0.5%	2,048.75
99.8%				25,583,817.87	1.6%	418,810.17

Portfolio Statement

As of 12/31/2017

12/29/2017 Prices

Hickory Hills Police Pension Fund

<u> </u>	Total Accrued Income	<u>54,374.63</u>
100.0%		25,638,192.50

Portfolio Snapshot

Hickory Hills Police Pension Fund: 47828111

Analysis 12-31-2017



Asset Allocation

- Cash
- US Stocks
- Non-US Stocks
- Bonds
- Other/Not Clsfd

Portfolio Net %	Bmark Net %
1.24	0.04
87.74	89.23
10.42	10.71
0.04	0.00
0.56	0.01

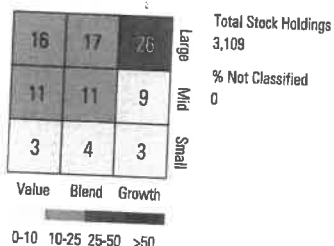
Portfolio Value

\$15,507,929.94

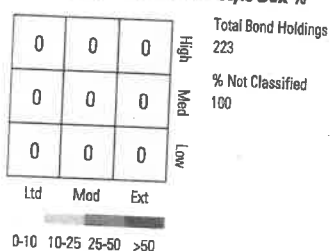
Benchmark

Custom

Morningstar Equity Style Box %

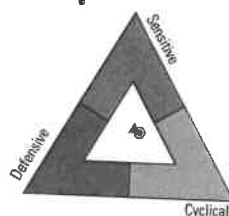


Morningstar Fixed Income Style Box %



Stock Analysis 12-31-2017

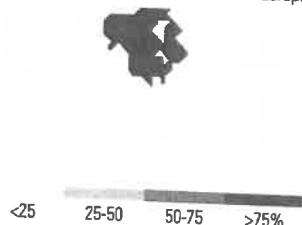
Stock Sectors



- ▲ Benchmark
- Portfolio

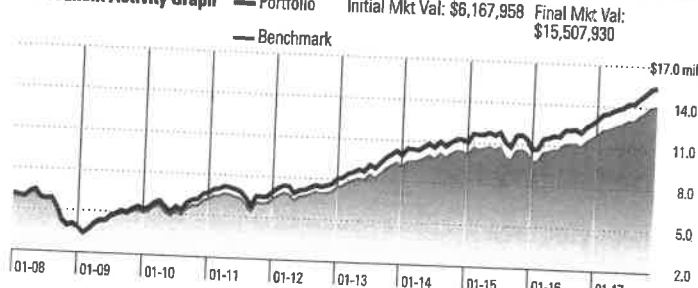
World Regions

Greater Asia Americas Greater Europe



Performance 12-31-2017

Investment Activity Graph



Trailing Returns

	3 Mo	1 Yr	3 Yr	5 Yr	10 Yr
Portfolio Return	5.85	21.95	11.25	15.16	8.94
Benchmark Return	6.01	21.43	10.93	14.81	7.93
+/- Benchmark Return	-0.16	0.52	0.32	0.35	1.01

Best/Worst Time Periods

Period	Best %	Worst %
3 Months	27.87 (Mar 2009-May 2009)	-33.26 (Sep 2008-Nov 2008)
1 Year	58.50 (Mar 2009-Feb 2010)	-43.08 (Mar 2008-Feb 2009)
3 Years	28.03 (Mar 2009-Feb 2012)	-0.05 (Jan 2008-Dec 2010)

Portfolio Yield (12-31-2017)

12-Month Yield Yield %

Portfolio-Level Performance Disclosure

The portfolio-level performance shown is hypothetical and for illustrative purposes only. Investor returns will differ from the results shown. The performance data reflects monthly portfolio rebalancing.

	Portfolio (%)	Bmark (%)
Cyclical	41.85	34.22
Basic Matls	5.58	3.75
Consumer Cycl	14.36	11.37
Financial Svs	16.93	16.00
Real Estate	4.98	3.10
Sensitive	37.06	40.96
Commun Svs	2.79	3.40
Energy	4.42	5.49
Industrials	12.38	12.62
Technology	17.47	19.45
Defensive	21.09	24.82
Consumer Def	6.49	7.97
Healthcare	11.73	13.65
Utilities	2.87	3.20
Not Classified	0.00	0.00

	Portfolio (%)	Bmark (%)
Americas	90.65	89.31
North America	90.36	89.29
Latin America	0.29	0.02
Greater Europe	5.40	6.59
United Kingdom	1.63	1.81
Europe-Developed	3.48	4.72
Europe-Emerging	0.17	0.00
Africa/Middle East	0.12	0.06
Greater Asia	3.95	4.11
Japan	1.15	2.40
Australasia	0.22	0.70
Asia-Developed	0.66	0.50
Asia-Emerging	1.92	0.51
Not Classified	0.00	0.00

Holdings 12-31-2017

Top 10 holdings out of 17

Vanguard 500 Index Admiral (USD)
T. Rowe Price Growth Stock I (USD)
Vanguard Mid Cap Index Admiral (USD)
LSV Value Equity (USD)
Pioneer Equity Income Y (USD)
Hennessy Focus Institutional (USD)
Victory Sycamore Established Value I (USD)
Homestead Small Company Stock (USD)
T. Rowe Price QM US Small-Cap Gr Eq I (USD)
Oppenheimer International Growth I (USD)

Symbol	Type	Holding Value \$	% Assets
VFIAX	MF	3,008,015	19.40
PRUF	MF	2,900,904	18.71
VIMAX	MF	1,785,547	11.51
LSVEX	MF	1,471,203	9.49
PYEQX	MF	1,465,352	9.45
HFCIX	MF	710,706	4.58
VEVIX	MF	707,615	4.56
HSCSX	MF	598,637	3.86
TQAI	MF	594,756	3.84
OIGIX	MF	515,457	3.32

Portfolio Snapshot

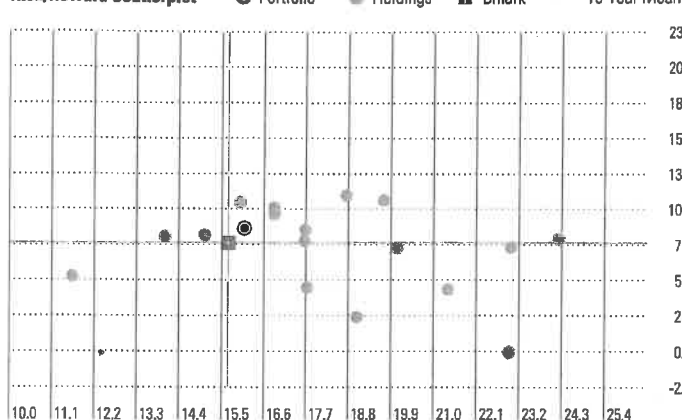
Hickory Hills Police Pension Fund: 47828111

Portfolio Value
\$15,507,929.94

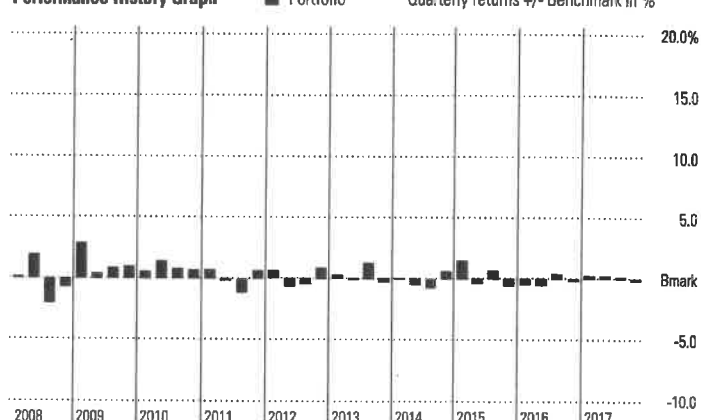
Benchmark
Custom

Risk Analysis 12-31-2017

Risk/Reward Scatterplot



Performance History Graph



Risk and Return Statistics

	3 Yr		5 Yr		10 Yr	
	Portfolio	Bmark	Portfolio	Bmark	Portfolio	Bmark
Standard Deviation	10.07	10.15	9.73	9.66	16.09	15.68
Mean	11.25	10.93	15.16	14.81	8.94	7.93
Sharpe Ratio	1.12	1.08	1.58	1.55	0.62	0.57

MPT Statistics

	3 Yr Portfolio	5 Yr Portfolio	10 Yr Portfolio
Alpha	0.44	0.34	0.84
Beta	0.99	1.00	1.02
R-Squared	98.55	98.22	98.63

Portfolio-Level Performance Disclosure

The portfolio-level performance shown is hypothetical and for illustrative purposes only. Investor returns will differ from the results shown. The performance data reflects monthly portfolio rebalancing.

Fundamental Analysis 12-31-2017

Asset Allocation

	Portfolio Net %	Portfolio Long %	Portfolio Short %
Cash	1.24	1.24	0.00
US Stocks	87.74	87.74	0.00
Non-US Stocks	10.42	10.42	0.00
Bonds	0.04	0.04	0.00
Other/Not Clsfd	0.56	0.56	0.00
Total	100.00	100.00	0.00

Market Maturity

	Portfolio	Bmark
% of Stocks	97.55	99.47
Developed Markets	2.45	0.53
Emerging Markets	0.00	0.00
Not Available	0.00	0.00
Valuation Multiples	Portfolio	Bmark
Price/Earnings	22.43	22.04
Price/Book	2.87	2.78
Price/Sales	1.73	1.92
Price/Cash Flow	12.68	13.12

Geometric Avg Capitalization (\$Mil)

Portfolio	29,647.95
Benchmark	55,609.22

Credit Quality Breakdown

	% of Bonds
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR	100.00

Interest Rate Risk

	Bonds	% Not Available
Avg Eff Maturity	—	100.00
Avg Eff Duration	—	100.00
Avg Wtd Coupon	3.87	38.48

Profitability

	Portfolio 2017-12	Bmark 2017-12
% of Stocks	12.88	14.07
Net Margin	18.03	19.41
ROE	6.19	6.63
ROA	41.90	41.32
Debt/Capital		

Fund Statistics

Potential Cap Gains Exposure	29.19
Avg Net Expense Ratio	0.50
Avg Gross Expense Ratio	0.51

Type Weightings

% of Stocks	Portfolio	Bmark
High Yield	1.62	2.70
Distressed	2.55	1.98
Hard Asset	8.08	6.60
Cyclical	43.99	39.12
Slow Growth	14.46	17.01
Classic Growth	7.77	9.49
Aggressive Growth	8.39	8.18
Speculative Growth	1.98	1.75
Not Available	11.16	13.15

MUTUAL FUND PERFORMANCE AND FUND CHARACTERISTICS

Large Cap (US)	Ticker Symbol	Investment Objective	Annualized Returns			
			1 yr	3 yrs	5 yrs	10 yrs
T Rowe Price Growth Stock	PRUFX	Large Growth	33.84%	14.68%	17.97%	10.04%
Vanguard 500 Index Admiral	VFIAX	Large Blend	21.79%	11.38%	15.75%	8.49%
LSV Value Equity	LSVEX	Large Value	18.30%	10.67%	16.78%	8.10%
Pioneer Equity Income Fund	PYEQX	Large Value	15.21%	11.43%	15.15%	8.39%
S&P 500 Index – Growth			27.44%	12.86%	17.00%	9.99%
S&P 500 Index			21.83%	11.41%	15.79%	8.50%
S&P 500 Index – Value			15.36%	9.47%	14.24%	6.80%

Small & Mid Cap (US)	Ticker Symbol	Investment Objective	Annualized Returns			
			1 yr	3 yrs	5 yrs	10 yrs
Bridgeway Ultra-Small Co Mkt	BRSIX	Ultra Small Blend	12.47%	7.81%	14.62%	7.59%
Homestead Small Co Stock	HSCSX	Small Blend	11.99%	8.07%	13.23%	11.07%
Hennessy Focus Fund	HFCIX	Mid-Cap Growth	19.71%	9.95%	14.80%	10.52%
T Rowe Price Div Small Cap Grwth	TQAIX	Small Growth	22.26%	11.73%	16.43%	11.42%
Victory Sycamore Est. Value	VEVIX	Mid-Cap Value	16.01%	12.34%	16.53%	10.88%
Vanguard Mid Cap Index Fund	VIMAX	Mid-Cap Blend	19.25%	9.38%	15.01%	8.92%
Russell 1000 Index			21.69%	11.23%	15.71%	8.59%
Russell 2000 Index			14.65%	9.96%	14.12%	8.71%
Russell 2000 Index – Growth			22.17%	10.28%	15.21%	9.19%
Russell 2000 Index - Value			7.84%	9.55%	13.01%	8.17%

International	Ticker Symbol	Investment Objective	Annualized Returns			
			1 yr	3 yrs	5 yrs	10 yrs
Oppenheimer Intl Growth	OIGIX	Large Growth	27.15%	8.94%	8.66%	4.67%
First Eagle Overseas	SGOIX	Large Blend	14.37%	7.49%	6.64%	5.50%
Goldman Sachs Intl Equity	GCIIX	Large Value	29.65%	12.74%	10.41%	2.52%
Oppenheimer Developing Markets	ODVIX	Emerging Mkts	35.33%	7.85%	5.48%	4.53%
MSCI EAFE Index			25.62%	8.30%	8.39%	2.42%
MSCI Emerging Markets Index			37.75%	9.50%	4.73%	2.02%

Real Estate	Ticker Symbol	Investment Objective	Annualized Returns			
			1 yr	3 yrs	5 yrs	10 yrs
Cohen & Steers Realty	CSRIX	Real Estate	7.45%	6.19%	10.03%	8.24%
DJ US Select REIT Index			3.76%	4.97%	9.09%	7.07%

Natural Resources	Ticker Symbol	Investment Objective	Annualized Returns			
			1 yr	3 yrs	5 yrs	10 yrs
Vanguard Energy Admiral	VGELX	Natural Resources	3.26%	2.61%	1.84%	-0.06%
Fidelity Advisor Materials Fund	FMFEX	Natural Resources	26.21%	8.91%	9.50%	7.62%
S&P NA Natural Resources Index			1.23%	0.11%	1.07%	-0.23%

*YTD Return and Annualized Returns are calculated as of December 31, 2017

The performance data noted above is the performance of the referenced mutual fund for the period and does not represent the performance of Sawyer Falduto Asset Management, LLC or its clients. Past performance does not guarantee future results. Historical returns for HFCIX includes performance for multiple share classes.

December 31, 2017

MORNINGSTAR CATEGORY RANKINGS – DECEMBER 31, 2017

Large Cap (US)	Ticker Symbol	Morningstar Category	Category Rank				
			1 yr	3 yrs	5 yrs	10 yrs	15 yrs
T Rowe Price Growth Stock	PRUFX	Large Growth	15	7	11	16	15
Vanguard 500 Index Fund	VFIAX	Large Blend	30	15	13	22	25
LSV Value Equity	LSVEX	Large Value	25	12	1	19	8
Pioneer Equity Income Fund	PYEQX	Large Value	60	4	11	13	14

Small & Mid Cap (US)	Ticker Symbol	Morningstar Category	Category Rank				
			1 yr	3 yrs	5 yrs	10 yrs	15 yrs
T Rowe Price Div Small Cap Grwth	TQAIX	Small Growth	43	24	14	3	17
Homestead Small Company Stocks	HSCSX	Small Blend	56	68	54	3	11
Hennessy Focus	HFCIX	Mid Growth	79	43	28	6	4
Bridgeway Ultra-Small Co Mkt	BRSEX	Small Blend	51	73	24	68	37
Victory Sycamore Est. Value	VEVIX	Mid Value	21	4	3	2	3
Vanguard Mid Cap Index Fund	VIMAX	Mid Blend	16	41	18	38	24

International	Ticker Symbol	Morningstar Category	Category Rank				
			1 yr	3 yrs	5 yrs	10 yrs	15 yrs
Oppenheimer Intl Growth	OIGIX	Large Growth	76	46	40	8	4
First Eagle Overseas	SGOIX	Large Blend	99	60	72	4	2
Oppenheimer Developing Markets	ODVIX	Emerging Mkts	50	59	24	6	1
Goldman Sachs International Equity	GCHIX	Large Blend	10	1	4	26	24

Real Estate	Ticker Symbol	Morningstar Category	Category Rank				
			1 yr	3 yrs	5 yrs	10 yrs	15 yrs
Cohen & Steers Realty	CSRIX	Real Estate	25	17	9	13	4

Natural Resources	Ticker Symbol	Morningstar Category	Category Rank				
			1 yr	3 yrs	5 yrs	10 yrs	15 yrs
Vanguard Energy Admiral	VGELX	Natural Resources	12	5	9	25	1
Fidelity Advisor Materials Fund	FMFEX	Natural Resources	12	25	18	8	7

First or Second Quartile Ranking in Morningstar Category =

The performance data noted above is the performance of the referenced mutual fund for the period and does not represent the performance of Sawyer Falduto Asset Management, LLC or its clients. Past performance does not guarantee future results.

FIXED INCOME PORTFOLIO

Fixed Income Allocation	Target	Range	Current
Bank Certificates of Deposit	0%	0 - 20%	0.0%
US Treasury Securities	30%	0 - 100%	13.3%
US Government Agency (non-MBS)	35%	0 - 70%	49.3%
US Government Agency (Callable)	10%	0 - 30%	7.0%
US Government Agency (MBS)	5%	0 - 10%	7.9%
Taxable Municipal Securities	10%	0 - 20%	11.0%
Investment Grade Corporate Bonds	10%	0 - 30%	11.5%

Portfolio Statistics	Duration	Yield-to-Maturity	Current Yield	Average Coupon
Fixed Income Portfolio	5.07 yrs	2.11%	2.73%	2.80%
Barclays US Gov't/Credit	6.65 yrs	2.63%	2.79%	2.88%
Barclays US Gov't	6.13 yrs	2.19%	2.12%	2.14%

Maturity Distribution	% of Fixed Income Securities
0 - 1 years	7.0%
1 - 3 years	17.7%
3 - 5 years	16.2%
5 - 7 years	19.0%
7 - 10 years	27.1%
10 - 15 years	6.0%
15 + years	7.0%

Quality Distribution*	Tsy	Aaa	Aa	A/Baa/NR
Fixed Income Portfolio	13.3%	54.5%	8.3%	23.9%

*Quality Distribution reflects ratings as provided by Moody's. Standard & Poor's lowered the rating on U.S. Treasuries and certain government agencies to AA+ on August 5, 2011.