

QUARTERLY SECURITIES LITIGATION UPDATE

City of Marietta/BLW Defined Benefit
Pension Plan

QUARTER ENDING
DECEMBER 31, 2017

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INTRODUCTION

The following is an update of the portfolio monitoring services provided by Kessler Topaz Meltzer & Check, LLP ("Kessler Topaz") for the City of Marietta/BLW Defined Benefit Pension Plan ("the City of Marietta"). The report includes an overview of U.S. and Non-U.S. financial market performance during the past quarter and securities class action information for securities relevant to the City of Marietta's portfolio.

Depending on the securities relevant to the City of Marietta's portfolio, the report may contain sections for monetary and non-monetary settled litigation, and new and ongoing litigation for both U.S. and Non-U.S. litigation. Information regarding the City of Marietta's financial interest during the Class Period provided for new litigation may vary from information previously reported by Kessler Topaz if the Class Period has changed or additional transaction records have since become available.

If you have any questions regarding this report, please contact Darren J. Check, Esq. at (610) 822-2235 or dcheck@ktmc.com.



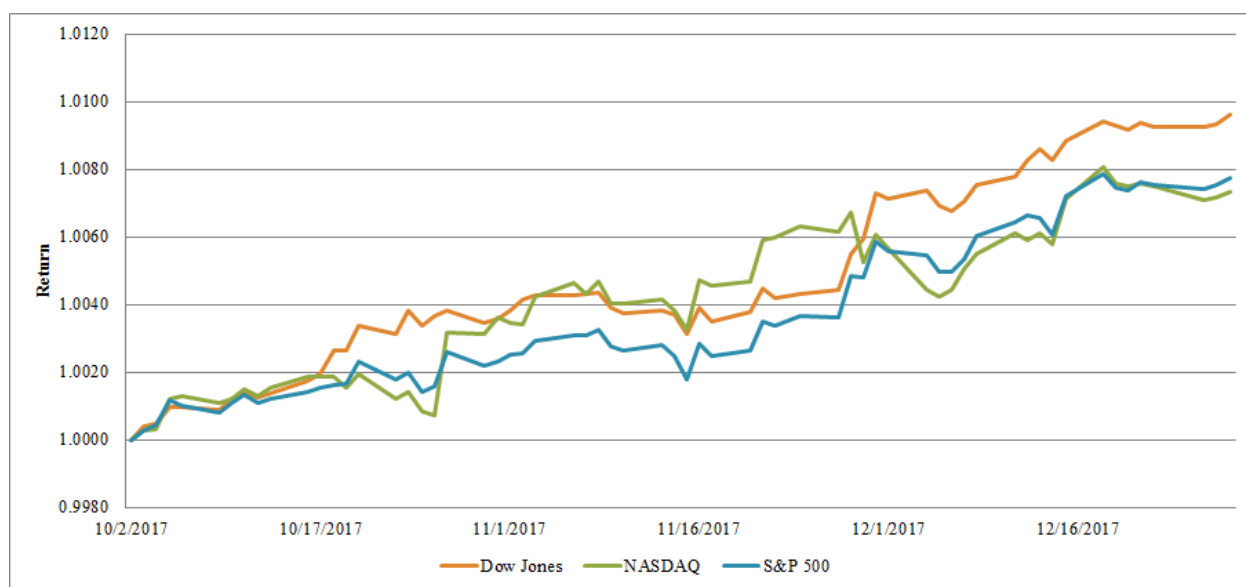
U.S. MARKET OVERVIEW

US equity markets finished the year strong, delivering positive returns in each month of 2017. This was largely due to robust corporate earnings in the tech sector leading to a near 40% increase in tech stocks. The markets rallied even further with the passing of tax reform.

The S&P 500 gained 2.3% for the month of October due to strong earnings per share growth, allowing for a year-to-date gain of 16.9%. The S&P price-to-earnings ratio ended the month at 18.1. In addition to the increase in the stock market, the University of Michigan's Consumer Sentiment Index beat the predictions coming in at 100.7, showing that consumer confidence is higher than expected.

November saw the unemployment rate fall to 4.1% after initial volatility in jobless claims to start the month. US equities continued to experience gains as tax reform continued to inch closer towards approval. Tax reform was passed as predicted in the final days of December. Following the signing of the new tax bill, The Dow Jones index, The NASDAQ and the S&P 500 index each posted continued gains. As mentioned at the FOMC meeting in November, the Fed raised benchmark rates 0.25% to a target range of 1.25% to 1.5%, marking the third increase in 2017. Moreover, the Fed also announced it was augmenting its growth forecast for US GDP, up 40 basis points, to 2.5%.

COMPARISON OF U.S. STOCK INDICES



PRICE CHANGE

	Close at 9/30/2017	Close at 12/31/2017	% Change
Dow Jones	22405.1	24719.2	10.33 %
NASDAQ	6496	6,903.4	6.27 %
S & P 500	2519.4	2673.6	6.12 %



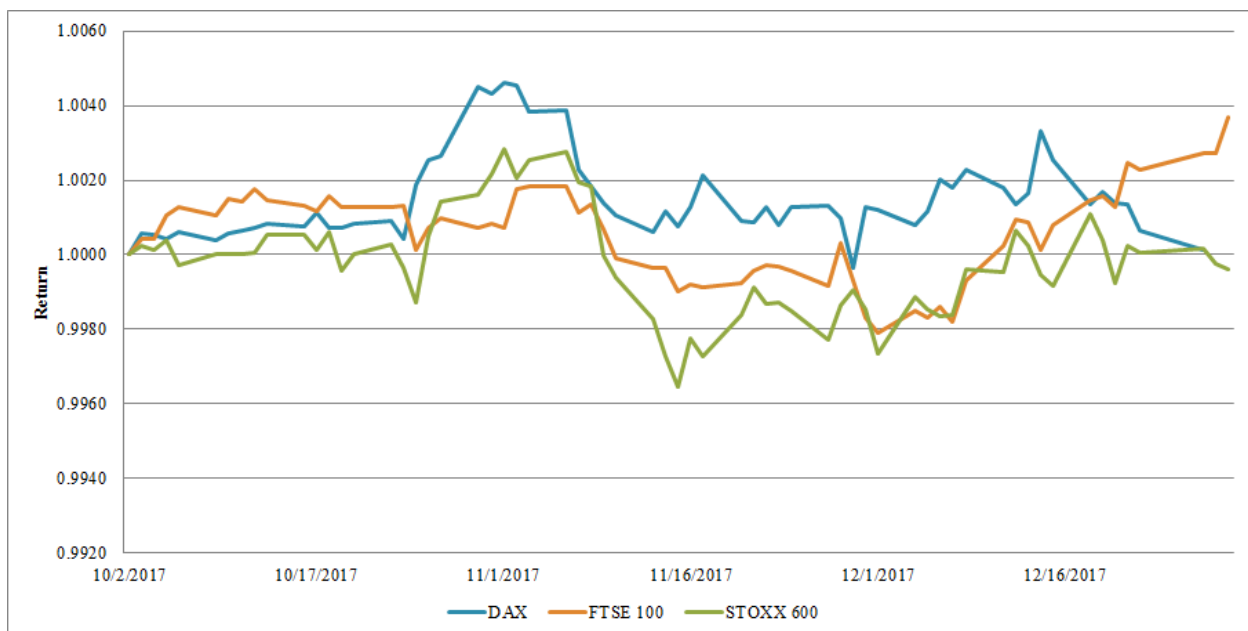
NON-U.S. MARKET OVERVIEW

For the fourth quarter of 2017, the equity markets in the Eurozone were flat-to-up, and economic data remained positive, as the recovery in the region deepened. Many indicators—including car sales, building permit data for residential and non-residential buildings, and private sector credit growth—continue to improve. Some underperformance in healthcare, telecoms and financial sectors in addition to a stronger euro were blamed for holding back further advances in the equity markets.

In the UK, the Bank of England raised interest rates for the first time since 2007, increasing from 0.25% to 0.50%. However, the office of Budget Responsibility lowered its GDP growth forecast and consumer confidence is weakening in relation to most other regions.

Strong corporate earnings led Japanese equities to record a rise of 8.7% for the fourth quarter. This was aided by an increase in net purchases by foreign investors. The unemployment rate in Japan dropped to 2.7%, while increasing the job-to-applicant ratio to its highest levels since 1974. Inflation data also improved along with retail sales and industrial production pushing the quarterly BOJ tankan survey to reach the highest sentiment among large manufacturing companies in more than 11 years.

COMPARISON OF NON-U.S. STOCK INDICES



PRICE CHANGE

	Close at 9/30/2017	Close at 12/31/2017	% Change
DAX	12828.9	12917.6	0.69 %
FTSE 100	7372.8	7687.8	4.27 %
Stoxx Europe 600	388.2	389.2	0.26 %



SETTLED LITIGATION (MONETARY RECOVERY)

Based on an analysis of the transactions provided to Kessler Topaz, the City of Marietta is eligible to file proofs of claim in the following securities class action settlements that have been announced this Quarter.

Please be advised that meeting the eligibility requirements to file a claim does not guarantee that the claim will qualify to receive a recovery under the court-approved plan of allocation.

Please contact the City of Marietta's designated claims filer (such as its Custodian or third-party filing service) for any questions regarding the status of these claims or to confirm claims have been submitted.

Settlement	Claims Deadline	Class Period	Settlement Amount
NONE			



SETTLED LITIGATION (ANTITRUST)

Below is a list of Antitrust Litigation that has settled this quarter. Because the securities involved in these settlements do not have standard identifiers for searching and our records do not contain the level of detail needed for these claims, Kessler Topaz is unable to advise whether the City of Marietta is eligible to file claims in these settlements.

However, if you wish to file claims, Kessler Topaz can provide information to aid the City of Marietta in gathering detailed information from its money managers. Once the City of Marietta obtains transaction information, Kessler Topaz can assist in the filing of these claims upon request. Please contact Darren J. Check, Esq. at (610) 822-2235 or dcheck@ktmc.com for more information.

EURO INTERBANK OFFERED RATE (EURIBOR)

Settling Defendants(s): Barclays, HSBC & Deutsche Bank

Claims Deadline	08/01/2018
Settlement Amount	\$309,000,000

CLASS DEFINITION

All persons who transacted in **Euribor Products** between June 1, 2005 and March 31, 2011 and during this time were domiciled in the United States or its territories ("U.S."), or if domiciled outside the U.S., transacted Euribor Products in the U.S.

Euribor Products includes, but is not limited to:

- Euro currency futures contracts and options traded on CME
- Euribor futures contracts and options traded on NYSE and LIFFE
- other instruments **related to Euribor** including:
 - interest rate swaps
 - forward rate agreements
 - structured products

EUROYEN-BASED DERIVATIVES (EUROYEN TIBOR/ YEN-LIBOR) II

Settling Defendants(s): Deutsche Bank/ JPMorgan

Claims Deadline	02/20/2018
Settlement Amount	\$148,000,000



CLASS DEFINITION

Persons that purchased, sold, held, traded or otherwise had any interest in any **Euroyen-Based Derivatives** at any time from January 1, 2006 through June 30, 2011 where the **Euroyen-Based Derivatives** were entered into by a U.S. Person or by a Person from or through a location within the U.S.

Euroyen-Based Derivatives includes:

- **Euroyen TIBOR futures contracts** on the CME, TFX SGX or LIFFE exchanges
- **Japanese Yen currency futures contracts** on the CME
- **Swaptions** (options on a Yen-LIBOR or Euroyen TIBOR option)
- **Japanese Yen currency forward agreements**
- **Yen-LIBOR and/or Euroyen TIBOR based forward agreements**

FOREIGN EXCHANGE BENCHMARK RATES

Claims Deadline	03/22/2018
Settlement Amount	\$2,310,275,000

CLASS DEFINITION

All Persons who, between January 1, 2003 and December 15, 2015, entered into:

1) one or more **FX Instruments** directly with a Defendant, Released Party, direct or indirect parent, subsidiary or division of a Defendant, or co-conspirator, where such Persons were either domiciled in the United States or its territories ("U.S.") or, if domiciled outside the U.S., transacted one or more FX Instruments in the U.S.

FX instruments include, but are not limited to:

- FX spot transactions
- forwards
- swaps
- futures
- options

AND/OR

2) one or more **FX Exchange-Traded Instruments**, where such Persons were either domiciled in the U.S., or if domiciled outside of the U.S., entered into one or more FX Exchange-Traded Instruments on a U.S. Exchange

FX Exchange-Traded Instruments include, but are not limited to:

- FX futures
- options on FX futures



ISDAFIX INSTRUMENTS

Claims Deadline	07/16/2018
Settlement Amount	\$408,500,000

CLASS DEFINITION

All persons or entities who entered into, received or made payments on, settled, terminated, transacted in, or held an **ISDAfix Instrument** during the period January 1, 2006 to January 31, 2014.

USD ISDAfix Instruments include, but are not limited to:

- Any of the following where **denominated in USD or related to USD interest rates**:
 - swaps
 - swap spreads
 - swap futures
 - variance swaps
 - volatility swaps
 - range accrual swaps
 - constant maturity swaps
 - constant maturity swap options
 - digital options
 - cash-settled swaptions
 - physically-settled swaptions
 - swapnote futures
 - cash-settled swap futures
 - steepeners
 - flatteners
 - inverse floaters
 - snowballs
 - interest-rate-linked structured notes
 - digital and callable range accrual notes
- Other instruments, products or transactions **related to ISDAfix Benchmark Rates** including:
 - those that reference ISDAfix Benchmark Rates
 - those relevant to the determination or calculation of ISDAfix Benchmark Rates



U.S. DOLLAR LIBOR-BASED DEBT SECURITIES

Settling Defendants(s): Citibank

Claims Deadline	02/20/2018
Settlement Amount	\$130,000,000

CLASS DEFINITION

Investors that purchased in the United States, directly from a Defendant or a Defendant's subsidiaries or affiliates, a **U.S. Dollar LIBOR-Based Instrument**, any time during the period August 2007 through May 2010.

U.S. Dollar LIBOR-Based Instruments include, but are not limited to:

- asset swaps
- collateralized debt obligations
- credit default swaps
- forward rate agreements
- inflation swaps
- interest rate swaps
- total return swaps
- options
- floating rate notes



NEW U.S. LITIGATION


Below is a list of the U.S. securities litigation filed during the past quarter where the City of Marietta has suffered a loss on its Class Period investments or, for cases involving mergers and acquisitions, has held shares at the relevant times.

A more detailed description of each litigation that appears in the list can be found on the following pages.

Litigation	Lead Plaintiff Deadline	Class Period/ Class Definition	Losses/ Shares
INC RESEARCH HOLDINGS, INC. (2017) (S.D.N.Y.)	01/30/2018	05/10/2017 - 11/09/2017	\$3,136
PHILIP MORRIS INTERNATIONAL INC. (2017)	02/20/2018	07/26/2016 - 12/20/2017	\$32,532



**INC RESEARCH HOLDINGS, INC. (2017)
(S.D.N.Y.)**
NASDAQ: INCR

	Date Case Filed	12/01/2017
	Lead Plaintiff Deadline	01/30/2018
	Class Period	05/10/2017 - 11/09/2017
	Jurisdiction	U.S.D.C., Southern District of New York
	Losses Suffered	\$3,136

The Complaint charges the Company and certain of its officers (the “Individual Defendants”)¹ with violations of the Securities Exchange Act of 1934. INCR, a Delaware corporation headquartered in Raleigh, North Carolina, is a contract research organization that provides clinical development services to the biopharmaceutical and medical device industries worldwide. On August 1, 2017, the Company announced that it had completed its acquisition of inVentiv Health, Inc. (“inVentiv”).

The Complaint alleges that throughout the Class Period, Defendants made materially false and misleading statements and failed to disclose material adverse facts about INCR’s business and operations. Specifically, Defendants misstated the costs and benefits of the Company’s acquisition of inVentiv.


As set forth in the Complaint, on November 9, 2017, the Company announced its financial results for the third fiscal quarter of 2017 (“3Q17”), including a loss from operations of \$88.9 million as compared to income from operations of \$39.4 million during the same quarter of 2016. The Company explained that 3Q17 results were impacted, in part, by acquisition related transaction expenses of \$84.3 million and an amortization expense of \$41.9 million “due to the acquisition of intangible assets” as a result of the inVentiv acquisition. On this news, the price of Company shares declined \$16.35 per share, or more than 28%, from a close of \$57.50 per share on November 8, 2017, to close at \$41.15 per share on, November 9, 2017.

¹ The Individual Defendants include: Michael A. Bell (the Company’s Executive Chairman of its Board of Directors and President of its Commercial Division since August 1, 2017, and until August 1, 2017, inVentiv’s Chief Executive Officer and Chairman of its Board of Directors); Alistair Macdonald (the Company’s Chief Executive Officer); Michael Gibertini (the Company’s President of Clinical Development, Therapeutic Business Units since August 1, 2017, and until August 1, 2017, the Company’s Chief Operating Officer); and Gregory S. Rush (the Company’s Executive Vice President and Chief Financial Officer).



PHILIP MORRIS INTERNATIONAL INC. (2017)

NYSE: PM

	Date Case Filed	12/21/2017
	Lead Plaintiff Deadline	02/20/2018
	Class Period	07/26/2016 - 12/20/2017
	Jurisdiction	U.S.D.C., District of New Jersey
	Losses Suffered	\$32,532

The Complaint charges the Company and certain of its executive officers (the “Individual Defendants”)¹ with violations of the Securities Exchange Act of 1934. Philip Morris, a Virginia corporation headquartered in New York, New York, manufactures and sells tobacco products throughout the world. The Company has recently commercialized various “Reduced-Risk Products” (“RRPs”) which purportedly “reduce individual risk and population harm in comparison to smoking cigarettes.” One of the Company’s RRP is iQOS, an aerosol-based tobacco heating device sold in certain countries worldwide but not yet approved by the United States Food and Drug Administration (the “FDA”) for commercialization in the United States (“U.S.”).

The Complaint alleges that throughout the Class Period, Defendants made false and misleading statements and failed to disclose material adverse facts about the Company’s business and operations. Specifically, Defendants misrepresented and/or concealed that clinical studies regarding the safety and efficacy of iQOS were deficient and, as a result, FDA approval for commercialization of iQOS in the U.S. market would be delayed.

As set forth in the Complaint, on December 20, 2017, *Reuters* published a report (the “Report”) alleging that certain former Company employees had found “irregularities in the clinical experiments that underpin [the Company’s] application to the FDA for approval of its iQOS smoking device” and had “questioned the quality of some of the researchers and sites” conducting the clinical studies. The Report further alleged that the Company’s FDA submissions had shown “shortcomings in the training and professionalism of some of the lead investigators, as well as their knowledge of the study results.” On this news, the Company’s stock price declined \$3.75 per share, or more than 3%, from a close of \$108.12 per share on December 19, 2017, to close at \$104.37 per share on December 20, 2017.

¹ The Individual Defendants named in the Complaint include: André Calantzopoulos (the Company’s Chief Executive Officer); and Jacek Olczak (the Company’s Chief Financial Officer until January 1, 2018, and since January 1, 2018, the Company’s Chief Operating Officer).



ONGOING U.S. LITIGATION

The following list of ongoing litigation contains status updates for the past quarter, including recent settlements and dismissals. If there has been no new activity for this litigation during the quarter, the most recent status update is listed.

Aegerion Pharmaceuticals, Inc. (2014)

On November 30, 2017, the court granted final settlement approval.

Caterpillar, Inc. (2017)

On October 10, 2017, Defendants filed a Motion to Dismiss.

Endo International PLC (2017)

On December 4, 2017, the court appointed a Lead Plaintiff and Lead Counsel.

HD Supply Holdings, Inc. (2017)

On October 19, 2017, the court appointed a Lead Plaintiff and Lead Counsel. Lead Plaintiff filed an Amended Complaint on November 16, 2017, and Defendants filed a Motion to Dismiss on December 21, 2017.

Lionbridge Technologies, Inc. (2017)

Lead Plaintiff filed an Amended Complaint on October 2, 2017. On December 1, 2017, Defendants filed a Motion to Dismiss.

Rayonier, Inc. (M.D. Fla.)

On October 5, 2017, the court granted final settlement approval.

TransDigm Group, Inc. (2017)

On December 5, 2017, the court appointed a Lead Plaintiff and Lead Counsel.

Zebra Technologies Corporation (2017)

Competing motions for appointment of Lead Plaintiff and Lead Counsel were filed on September 25, 2017.

