

# **City of Marietta Employees Pension Plan**

Investment Performance Analysis

For Period Ended

December 31, 2017

We have compiled the accompanying summary of the market value, performance statistics and performance results of City of Marietta Employees Pension Plan as of December 31, 2017. Our responsibility is to evaluate the performance results of the investment advisors or unregistered money managers through comparisons with market indices and other universe performance data deemed appropriate and to make observations and recommendations thereon.

We performed time-weighted rates of return and internal rate of return calculations in accordance with standards recommended by the CFA Institute. The calculations performed are based on information provided to us by the custodians, administrators, investment advisors, and/or unregistered money managers. Our approach is to analyze transactions reflected in the custodian and/or administrator statements as well as review the audited market values of the portfolio. This provides us with a reasonable basis, not absolute, that the investment information presented is free from a significant misstatement. We believe that our method of evaluating and measuring performance results contained herein provides us a reasonable basis for our observations and recommendations.

The investment information referred to above presents the market value as of December 31, 2017 and the performance results of the investment advisors or unregistered money managers for the calendar quarter. Based on our procedures, nothing came to our attention that would cause us to believe the information is significantly misstated; however, we do not warrant the complete accuracy of the information.

GAVION does not provide legal or tax advice to clients. All clients with tax considerations, including the effect of UBTI resulting from alternative investment strategies, are strongly urged to consult their tax advisers regarding such issues. A copy of GAVION's current Form ADV Part II may be obtained by contacting the firm's compliance department at (901)-761-8080.

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Past performance is no guarantee of future results.

GAVION, LLC

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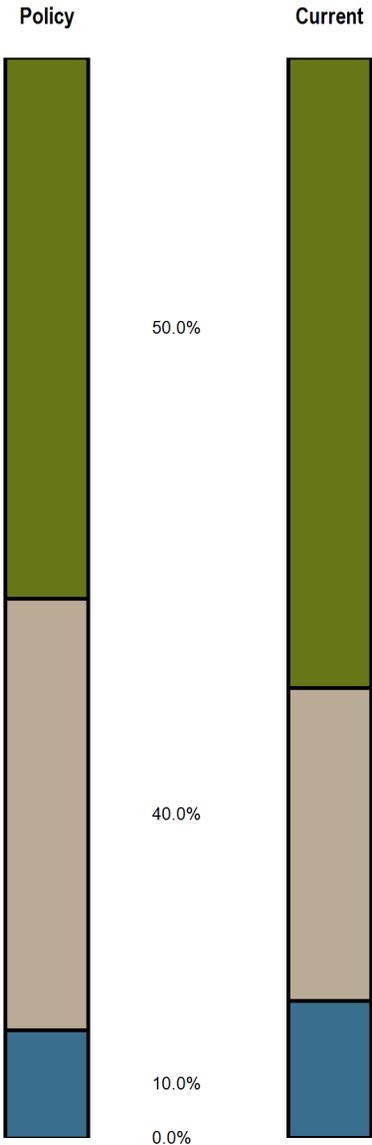
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## **Total Fund Analysis**

Asset Allocation vs. Target Policy

Total Portfolio



Asset Allocation vs. Target  
As Of December 31, 2017

	Policy Range	Policy	%	Current	%	Difference*	%
Equity	20.0% - 65.0%	\$54,053,883	50.0%	\$63,022,224	58.3%	\$8,968,341	8.3%
Fixed Income	15.0% - 80.0%	\$43,243,106	40.0%	\$31,314,730	29.0%	-\$11,928,377	-11.0%
Alternative Assets	0.0% - 15.0%	\$10,810,777	10.0%	\$13,736,208	12.7%	\$2,925,432	2.7%
Cash	0.0% - 0.0%	\$0	0.0%	\$34,604	0.0%	\$34,604	0.0%
<b>Total</b>		<b>\$108,107,765</b>	<b>100.0%</b>	<b>\$108,107,765</b>	<b>100.0%</b>		

\*Difference between Policy and Current Allocation

58.3%

50.0%

40.0%

10.0%

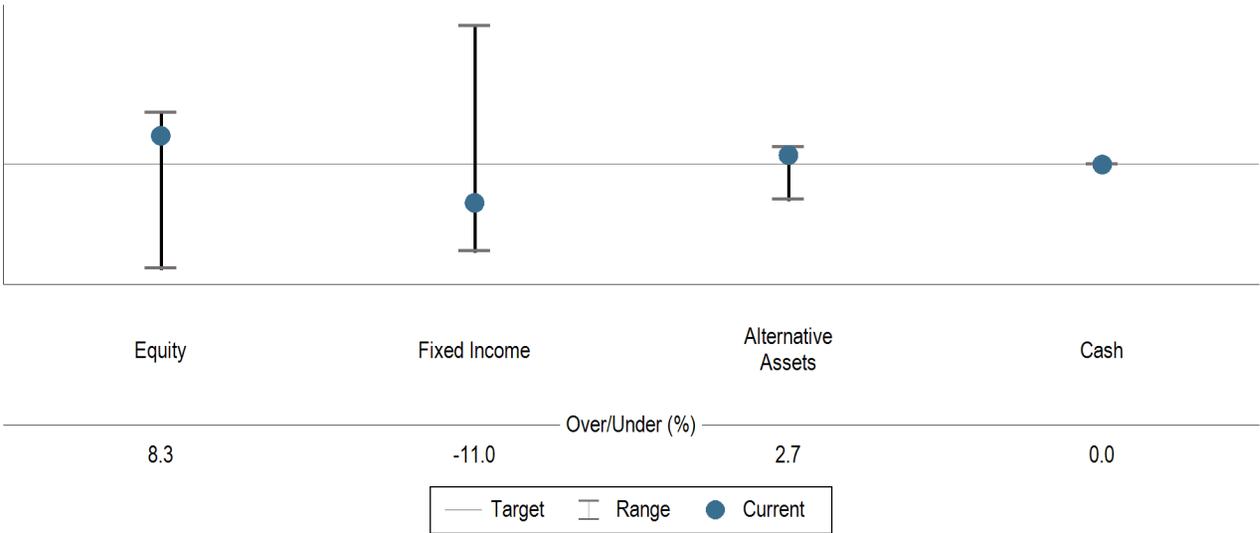
0.0%

29.0%

12.7%

0.0%

Actual vs. Target



## Cash Flow Summary

Total Portfolio

## Cash Flow Summary

Fiscal YTD Ending December 31, 2017

	Beginning Market Value	Contributions	Withdrawals	Fees	Net Investment Change	Ending Market Value	Period Return
Eagle Capital Management	\$23,833,631	\$0	-\$4,307	-\$98,535	\$2,518,298	\$26,347,622	10.57%
Seizert Capital Partners	\$16,126,902	\$0	-\$3,219	-\$52,866	\$522,858	\$16,646,541	3.24%
Westfield Capital All Cap	\$18,087,364	\$0	-\$3,534	-\$69,631	\$1,944,231	\$20,028,061	10.75%
Sage Advisory Core Taxable Fixed Income	\$13,675,850	\$1,250,000	-\$102,871	-\$26,496	\$203,738	\$15,026,717	1.45%
Orleans Capital Management Investment Grade Fixed Income	\$14,838,417	\$1,250,000	-\$3,034	-\$11,100	\$202,629	\$16,288,013	1.33%
Victory INCORE Investment Grade Convertible Securities	\$14,909,521	\$0	-\$2,503,082	-\$41,388	\$1,329,770	\$13,736,208	9.35%
Cash	\$24,232	\$101,001	-\$90,773	\$0	\$144	\$34,604	0.47%
<b>Total</b>	<b>\$101,495,916</b>	<b>\$2,601,001</b>	<b>-\$2,710,820</b>	<b>-\$300,015</b>	<b>\$6,721,668</b>	<b>\$108,107,765</b>	<b>6.63%</b>

## Performance Summary

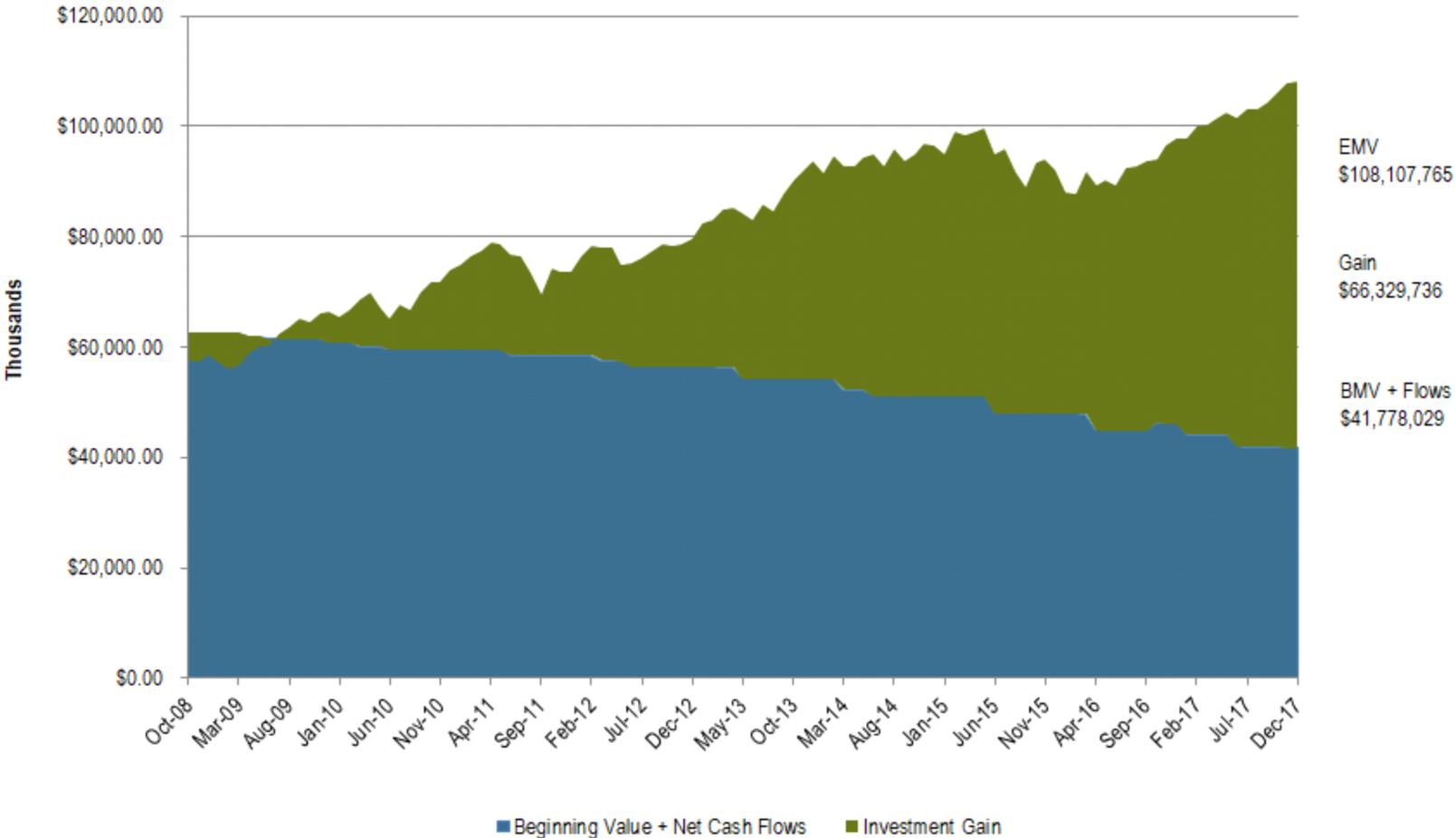
## Total Portfolio

	Market Value (\$)	% of Portfolio	Ending December 31, 2017					Inception	
			3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
<b>Total Fund</b>	<b>108,107,765</b>	<b>100.0</b>	<b>3.5</b>	<b>15.2</b>	<b>7.2</b>	<b>9.7</b>	<b>7.0</b>	<b>8.4</b>	<b>Dec-90</b>
45% S&P 500 / 45% Barclays Agg / 10% ML Conv			3.6	13.3	7.4	9.5	6.4	8.5	Dec-90
35% S&P 500 / 45% Barclays Agg / 10% ML Conv / 10% ACWI x US			3.5	13.8	7.1	8.6	6.0	--	Dec-90
<b>Total Equity</b>	<b>63,022,224</b>	<b>58.3</b>	<b>4.8</b>	<b>19.7</b>	<b>9.1</b>	<b>13.7</b>	<b>--</b>	<b>11.0</b>	<b>Aug-08</b>
S&P 500			6.6	21.8	11.4	15.8	8.5	10.6	Aug-08
<b>Total Domestic Equity</b>	<b>63,022,224</b>	<b>58.3</b>	<b>4.8</b>	<b>19.7</b>	<b>9.1</b>	<b>13.7</b>	<b>--</b>	<b>16.4</b>	<b>Feb-09</b>
Eagle Capital Management	26,347,622	24.4	6.8	23.2	11.6	16.2	--	18.2	Mar-09
S&P 500			6.6	21.8	11.4	15.8	8.5	17.3	Mar-09
Seizert Capital Partners	16,646,541	15.4	1.5	6.3	--	--	--	6.5	Mar-15
Russell 2500 Value			4.3	10.4	9.3	13.3	8.8	9.1	Mar-15
Westfield Capital All Cap	20,028,061	18.5	5.0	28.4	8.4	14.7	--	16.2	Mar-09
Russell 3000 Growth			7.6	29.6	13.5	17.2	9.9	18.4	Mar-09
<b>Total Fixed Income</b>	<b>31,314,730</b>	<b>29.0</b>	<b>0.4</b>	<b>3.7</b>	<b>2.4</b>	<b>2.0</b>	<b>--</b>	<b>3.8</b>	<b>Aug-08</b>
Sage Advisory Core Taxable Fixed Income	15,026,717	13.9	0.5	3.8	2.0	1.8	--	3.1	Dec-09
BBgBarc US Aggregate TR			0.4	3.5	2.2	2.1	4.0	3.6	Dec-09
Orleans Capital Management Investment Grade Fixed Income	16,288,013	15.1	0.4	3.7	2.8	--	--	3.1	Jan-14
BBgBarc US Govt/Credit TR			0.5	4.0	2.4	2.1	4.1	3.3	Jan-14
<b>Total Alternative</b>	<b>13,736,208</b>	<b>12.7</b>	<b>3.8</b>	<b>19.5</b>	<b>8.6</b>	<b>11.5</b>	<b>--</b>	<b>11.2</b>	<b>Mar-09</b>
Victory INCORE Investment Grade Convertible Securities	13,736,208	12.7	4.4	20.1	8.8	11.6	--	11.3	Mar-09
BofA ML US Convertibles 5% Constrained			3.6	18.6	9.9	12.3	--	--	Mar-09
<b>Total Cash</b>	<b>34,604</b>	<b>0.0</b>	<b>0.2</b>	<b>0.7</b>	<b>2.8</b>	<b>1.7</b>	<b>--</b>	<b>1.1</b>	<b>Feb-09</b>
Cash	34,604	0.0	0.2	0.7	2.8	1.7	--	1.1	Feb-09
91 Day T-Bills			0.3	0.9	0.4	0.3	0.3	0.2	Feb-09

Growth of Assets

Total Portfolio

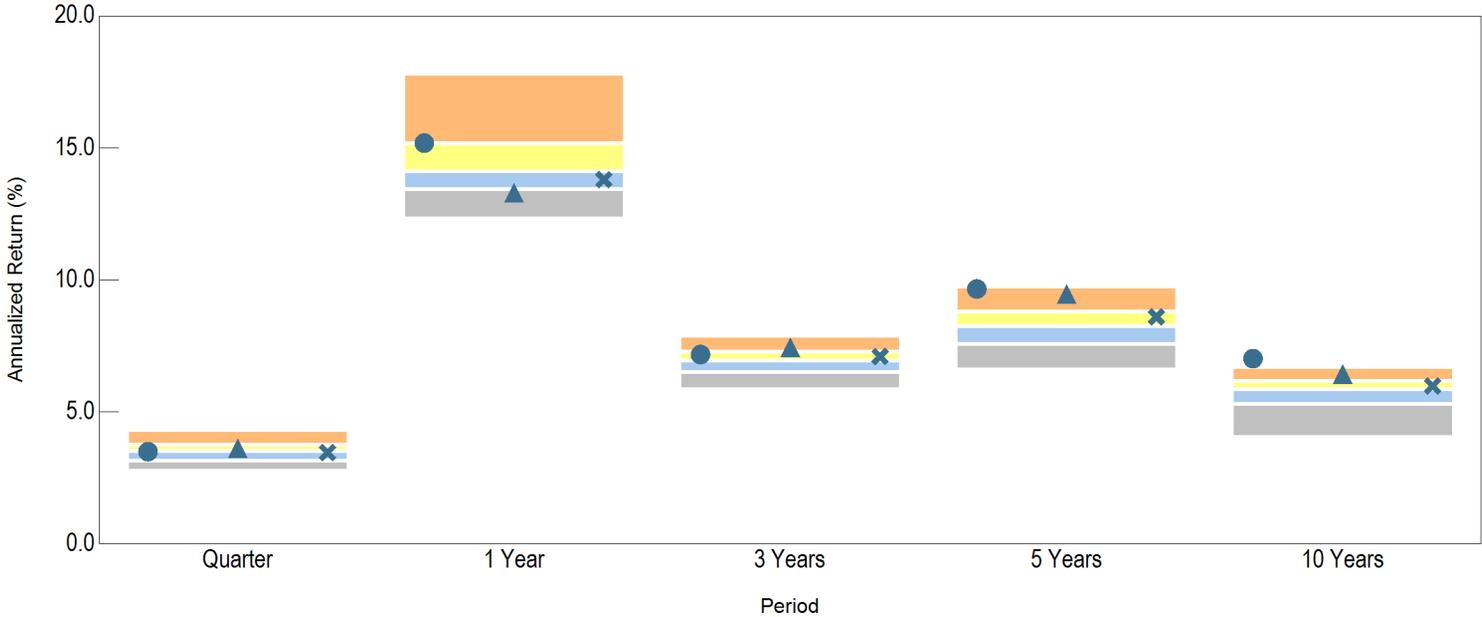
Ending December 31, 2017



Universe Comparison

Total Portfolio

InvestorForce Public DB \$50mm-\$250mm Net Return Comparison  
Ending December 31, 2017

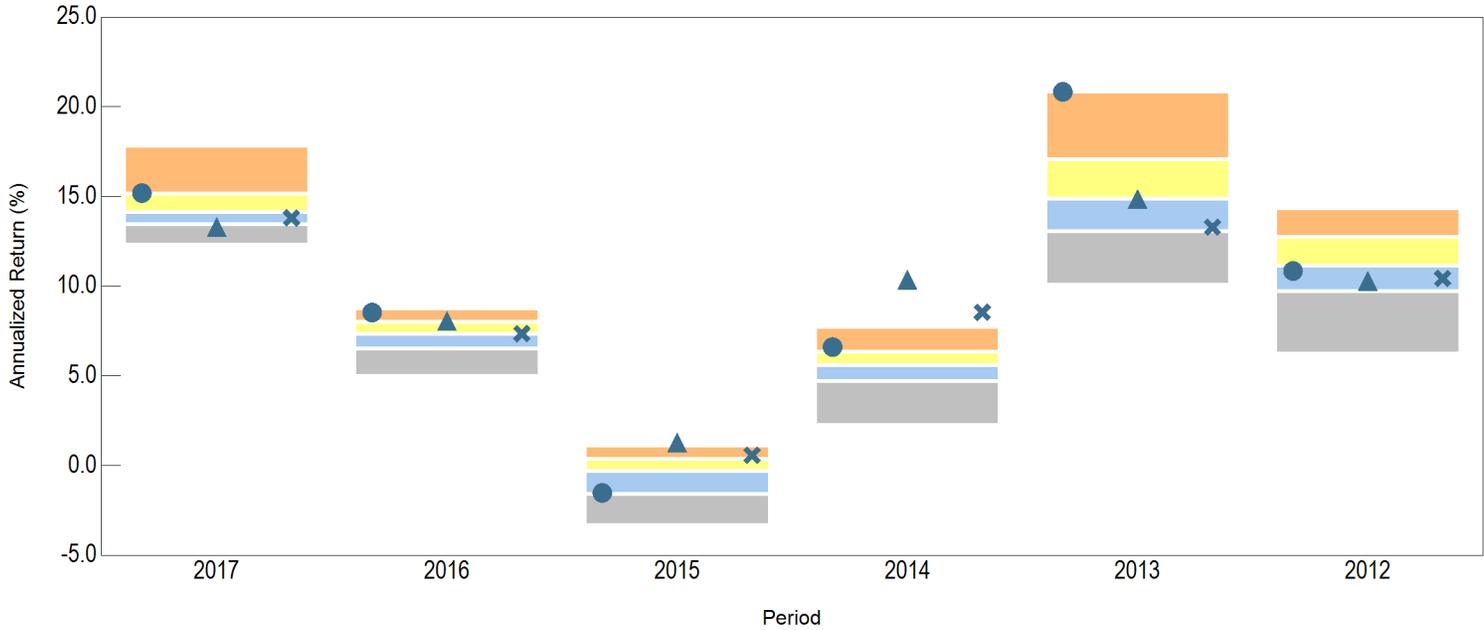


	Return (Rank)									
	Quarter	1 Year	3 Years	5 Years	10 Years	Quarter	1 Year	3 Years	5 Years	10 Years
5th Percentile	4.3	17.8	7.9	9.7	6.7					
25th Percentile	3.8	15.2	7.3	8.8	6.2					
Median	3.5	14.1	7.0	8.3	5.9					
75th Percentile	3.2	13.5	6.5	7.6	5.3					
95th Percentile	2.8	12.3	5.9	6.6	4.1					
# of Portfolios	62	62	62	57	47					
● Total Fund	3.5	15.2	7.2	9.7	7.0	(52)	(26)	(29)	(6)	(1)
▲ 45% S&P 500 / 45% Barclays Agg / 10% ML C	3.6	13.3	7.4	9.5	6.4	(44)	(83)	(19)	(7)	(12)
× 35% S&P 500 / 45% Barclays Agg / 10% ML C	3.5	13.8	7.1	8.6	6.0	(53)	(63)	(38)	(39)	(40)

Universe Comparison

Total Portfolio

InvestorForce Public DB \$50mm-\$250mm Net Return Comparison  
Ending December 31, 2017



	Return (Rank)											
5th Percentile	17.8		8.7		1.1		7.7		20.8		14.3	
25th Percentile	15.2		8.0		0.4		6.3		17.1		12.7	
Median	14.1		7.4		-0.3		5.6		14.9		11.1	
75th Percentile	13.5		6.5		-1.6		4.7		13.1		9.7	
95th Percentile	12.3		5.0		-3.3		2.3		10.1		6.3	
# of Portfolios	62		74		75		66		58		54	
● Total Fund	15.2	(26)	8.5	(16)	-1.5	(75)	6.6	(21)	20.8	(6)	10.8	(57)
▲ 45% S&P 500 / 45% Barclays Agg / 10% ML C	13.3	(83)	8.1	(25)	1.3	(2)	10.4	(1)	14.8	(51)	10.3	(67)
× 35% S&P 500 / 45% Barclays Agg / 10% ML C	13.8	(63)	7.3	(51)	0.6	(19)	8.5	(2)	13.3	(75)	10.4	(64)



## **Domestic Equity Analysis**

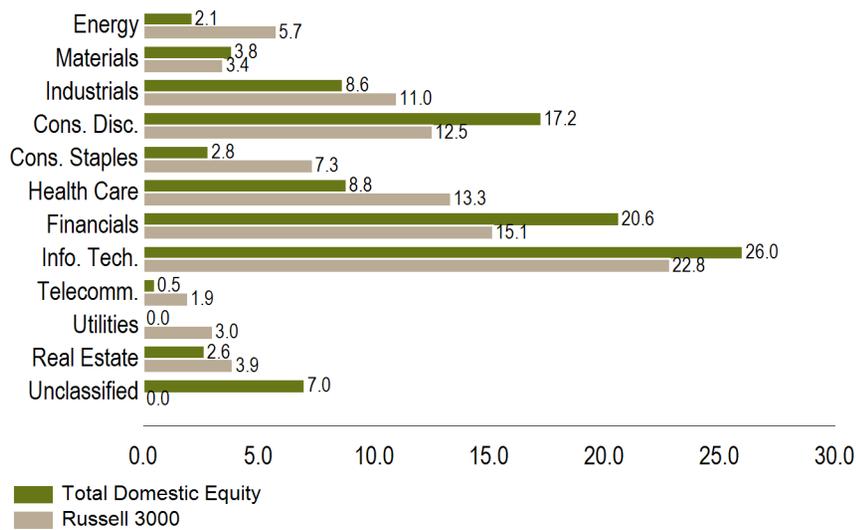
Equity Analysis

Total Domestic Equity

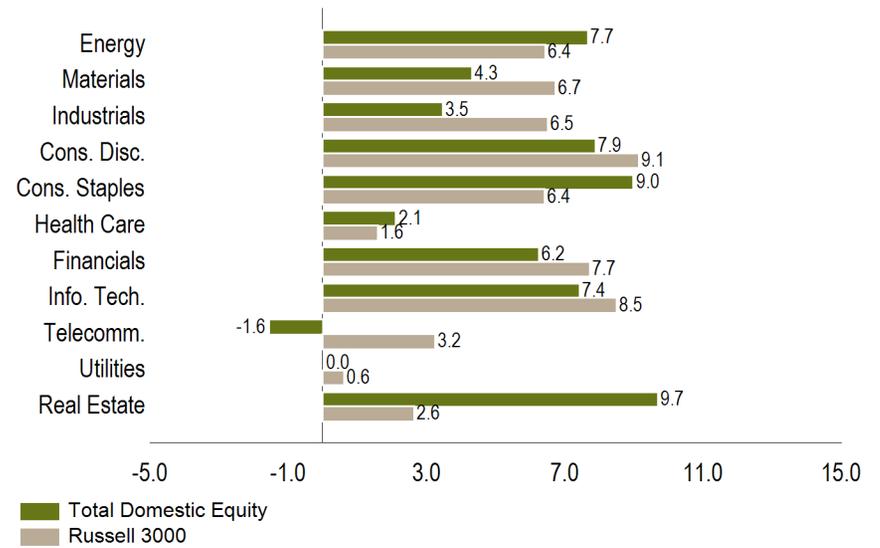
Characteristics

	Portfolio	Russell 3000
Number of Holdings	162	2,961
Weighted Avg. Market Cap. (\$B)	156.98	150.14
Median Market Cap. (\$B)	8.80	1.72
Price To Earnings	27.21	25.02
Price To Book	5.55	4.63
Price To Sales	3.65	3.64
Return on Equity (%)	19.52	17.53
Yield (%)	1.14	1.74

Sector Allocation (%) vs Russell 3000



Sector Returns (%) vs Russell 3000



## Equity Analysis

## Total Domestic Equity

## Top Holdings

MICROSOFT	4.39%
BERKSHIRE HATHAWAY 'B'	3.99%
ALPHABET 'C'	3.96%
AMAZON.COM	3.58%
ORACLE	2.73%
CITIGROUP	2.57%
TWENTY-FIRST CENTURY FOX CL.B	2.47%
MARRIOTT INTL.'A'	2.28%
APPLE	2.05%
UNITEDHEALTH GROUP	1.92%
<b>Total</b>	<b>29.95%</b>

## Top Positive Relative Contributors in Percentage

	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
MARRIOTT INTL.'A' (MAR)	2.12%	0.15%	0.39%	23.42%
TWENTY-FIRST CENTURY FOX CL.B (FOX)	2.30%	0.05%	0.32%	32.30%
AMAZON.COM (AMZN)	3.33%	1.69%	0.31%	21.65%
MICROSOFT (MSFT)	4.08%	2.34%	0.24%	15.42%
NEKTAR THERAPEUTICS (NKTR)	0.00%		0.24%	148.83%
ALPHABET 'C' (GOOG)	3.69%	1.15%	0.20%	9.10%
BERKSHIRE HATHAWAY 'B' (BRKB)	3.71%	1.39%	0.18%	8.13%
UNITEDHEALTH GROUP (UNH)	1.78%	0.77%	0.12%	12.94%
CH ROBINSON WWD. (CHRW)	0.71%	0.05%	0.11%	17.69%
BANK OF AMERICA (BAC)	1.77%	1.04%	0.09%	16.99%
<b>Total</b>	<b>23.50%</b>	<b>8.64%</b>		

## Top Negative Relative Contributors in Percentage

	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
APPLE (AAPL)	1.91%	3.17%	-0.16%	10.20%
CELGENE (CELG)	0.57%	0.29%	-0.16%	-28.43%
BOEING (BA)	0.40%	0.60%	-0.09%	16.64%
LIBERTY MEDIA FORMULA ONE SR.C (FWONK)	0.77%	0.02%	-0.09%	-10.32%
LIBERTY BROADBAND SR.C (LBRDK)	0.75%	0.03%	-0.09%	-10.64%
NEWELL BRANDS (NWL)	0.00%		-0.08%	-27.04%
MEDICINES COMPANY (MDCO)	0.27%	0.01%	-0.08%	-26.19%
ASSURED GUARANTY (AGO)	0.64%	0.01%	-0.07%	-9.93%
ARGAN (AGX)	0.18%	0.00%	-0.07%	-32.08%
PROTHENA (PRTA)	0.15%	0.01%	-0.07%	-42.12%
<b>Total</b>	<b>5.63%</b>	<b>4.15%</b>		



# **Investment Manager Analysis**

**Eagle Capital Management**

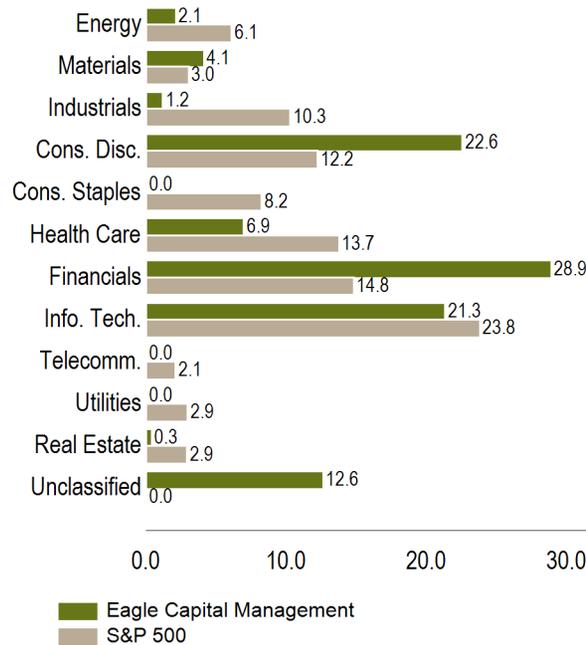
**December 31, 2017**

Eagle's decision-making process is a bottom-up focus on companies undergoing significant change. They are looking for management teams with a vision to meaningfully change the company over the next three to five years. They must understand the corporation's strategy, evaluate it, judge management's record and ability to execute and ensure that they have the necessary resources. They then confirm that the company is undervalued. Their universe is ranked from companies that they know from adjacent opportunities and from dialogues with cutting-edge thinkers in different industries. While they use databases to highlight mispriced stocks, they do not take reported numbers at face value. Almost all of their value-added comes from original research. Frequent meetings with management, other employees and competitors, suppliers, and customers are integral to their process.

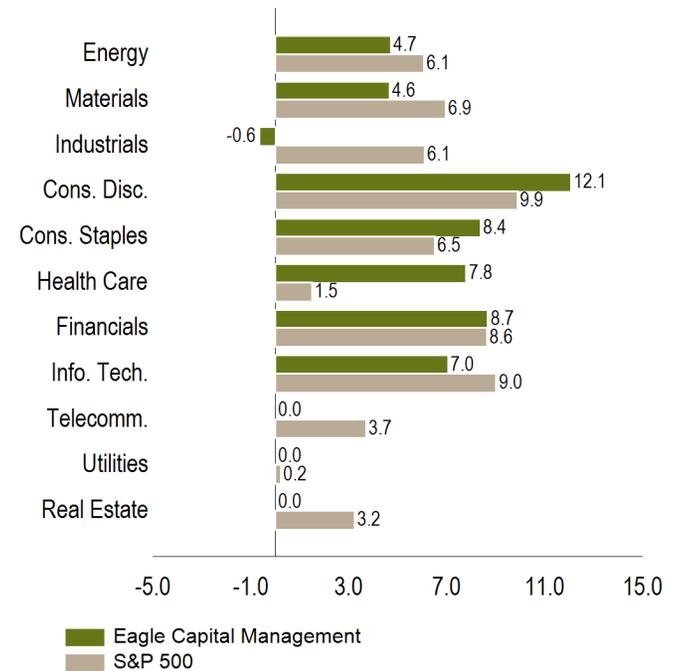
**Top Holdings**

BERKSHIRE HATHAWAY 'B'	10.2%
MICROSOFT	8.0%
ALPHABET 'C'	7.4%
ORACLE	7.0%
CITIGROUP	6.6%
TWENTY-FIRST CENTURY FOX CL.B	6.3%
AMAZON.COM	6.0%
UNITEDHEALTH GROUP	4.9%
ECOLAB	4.7%
MARRIOTT INTL.'A'	4.4%

**Sector Allocation (%) vs S&P 500**



**Sector Returns (%) vs S&P 500**

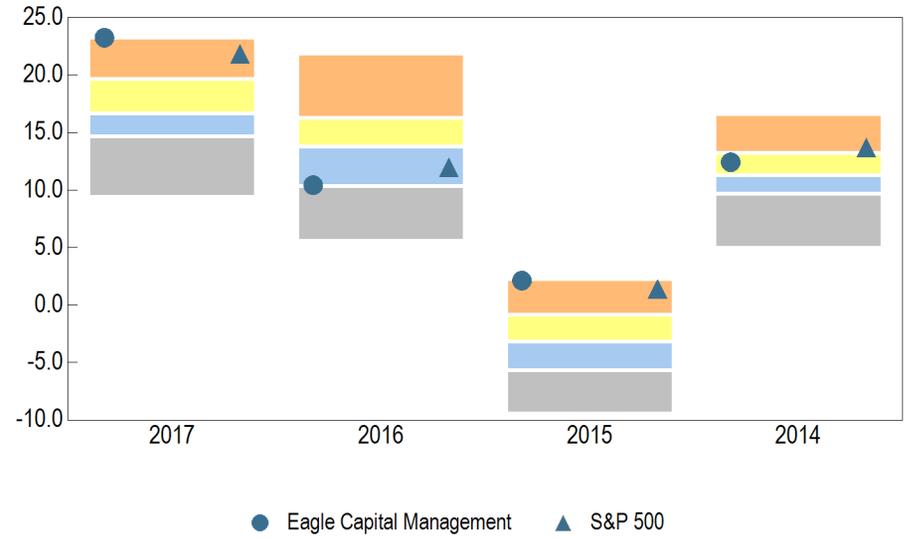


	Fourth Quarter		1 Year Ending 12/31/17		3 Years Ending 12/31/17		5 Years Ending 12/31/17	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank
<b>Eagle Capital Management</b>	<b>6.8%</b>	<b>37</b>	<b>23.2%</b>	<b>5</b>	<b>11.6%</b>	<b>7</b>	<b>16.2%</b>	<b>12</b>
S&P 500	6.6	41	21.8	10	11.4	7	15.8	18

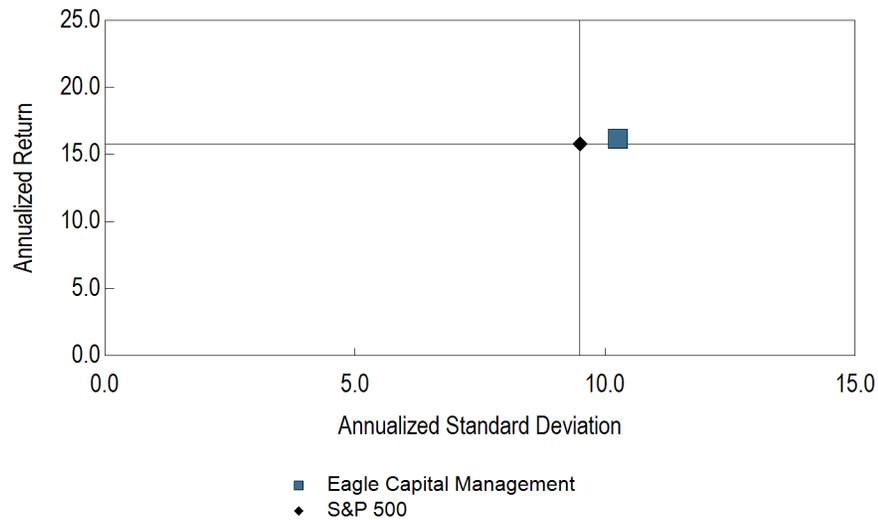
### Characteristics

	Portfolio	S&P 500
<b>PORTFOLIO CHARACTERISTICS</b>		
Price To Earnings	25.50	24.81
P/E Excluding Negative Earnings	26.20	25.63
P/E Median	25.00	23.43
Price To Book	5.59	4.93
Price To Book Median	3.17	3.53
Price To Cash Flow	16.09	16.15
Price To Sales	3.50	3.50
Dividend Yield (%)	1.16	1.87
Weighted Avg. Market Cap. (\$B)	245.34	180.13
Median Market Cap. (\$B)	68.24	21.55

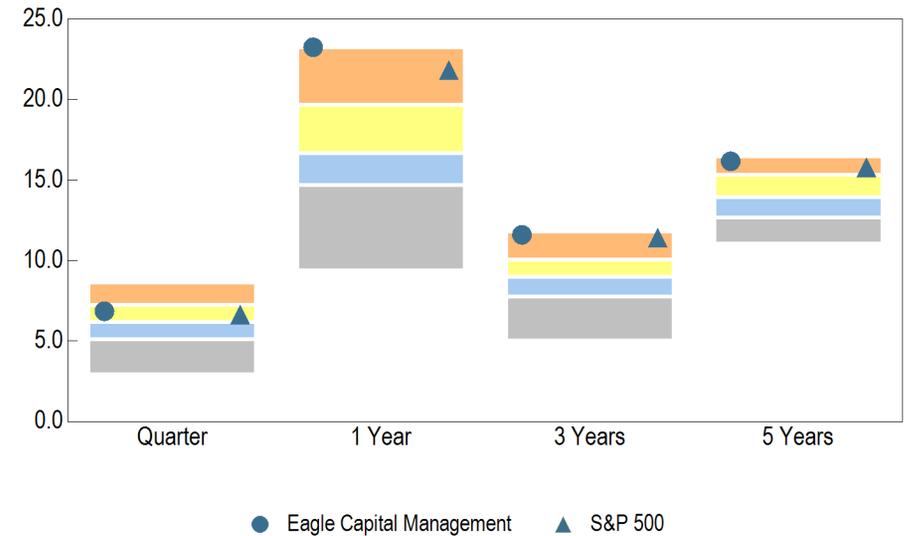
eV US Large Cap Value Equity Net Return Comparison  
Ending December 31, 2017



Annualized Return vs. Annualized Standard Deviation  
5 Years Ending December 31, 2017



eV US Large Cap Value Equity Net Return Comparison  
Ending December 31, 2017



**Seizert Capital Partners**

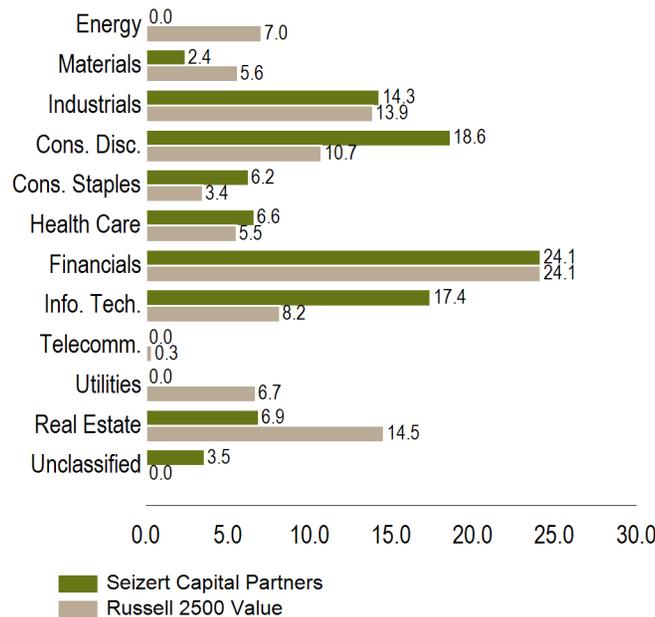
**December 31, 2017**

Seizert Capital Partners believes that the stock market is inefficient and that sentiment or emotion creates undervaluation and overvaluation of stocks relative to their intrinsic value. They believe that this undervaluation can be identified and that portfolios can be constructed to allow for the upward revision process and excess returns. Because expectations of this group are generally conservative, the risks associated with business execution are lower than the more expensive counterparts of the market. They believe that investing in undervalued stocks represents the best and most consistent way to capture an attractive upside/downside relationship that is available in the market. Seizert believes that management behaviors of conservative capital deployment, shareholder friendly activities, and conservative and transparent reporting practices are consistent with solid execution and are key to unlocking the undervaluation of these stocks. They believe that capital growth and protection is best supported by a relatively concentrated investment of capital. Protecting capital in down markets is paramount.

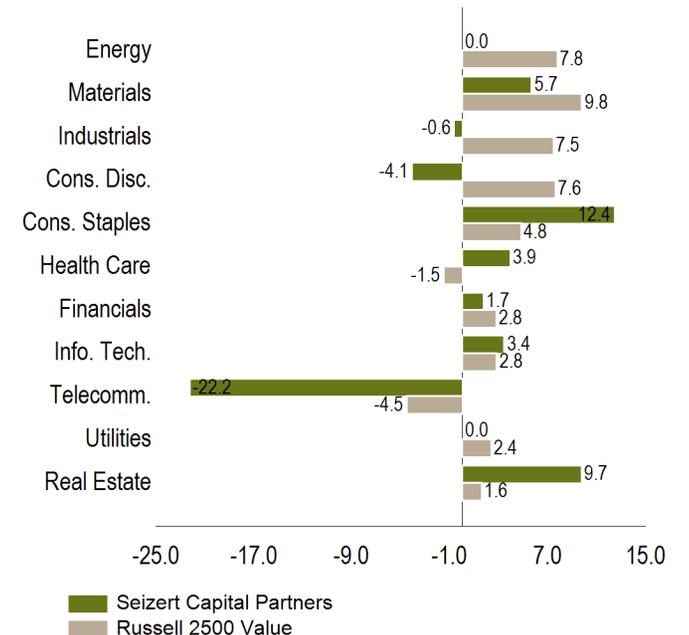
**Top Holdings**

LIBERTY MDA.SR.C LBRTY. SIRIUSXM	3.3%
ZIONS BANCORP.	3.1%
LIBERTY MEDIA FORMULA ONE SR.C	3.0%
LIBERTY BROADBAND SR.C	2.9%
REGIONS FINL.NEW	2.9%
FIFTH THIRD BANCORP	2.8%
CH ROBINSON WWD.	2.8%
HOWARD HUGHES	2.7%
DISCOVERY COMMS.'C'	2.6%
ASSURED GUARANTY	2.5%

**Sector Allocation (%) vs Russell 2500 Value**



**Sector Returns (%) vs Russell 2500 Value**

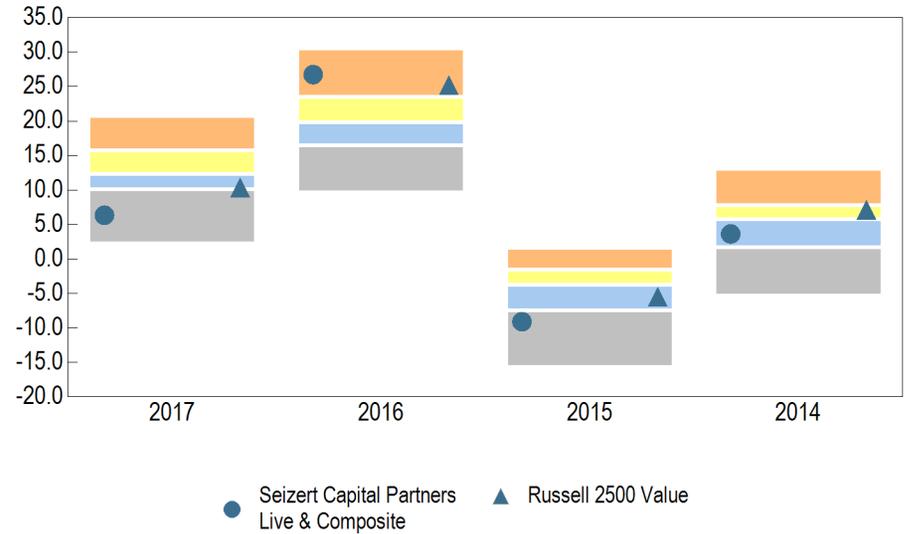


	Fourth Quarter		1 Year Ending 12/31/17		3 Years Ending 12/31/17		5 Years Ending 12/31/17	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank
<b>Seizert Capital Partners Live &amp; Composite</b>	<b>1.5%</b>	<b>88</b>	<b>6.3%</b>	<b>92</b>	<b>7.0%</b>	<b>78</b>	<b>13.1%</b>	<b>56</b>
Russell 2500 Value	4.3	52	10.4	73	9.3	36	13.3	53

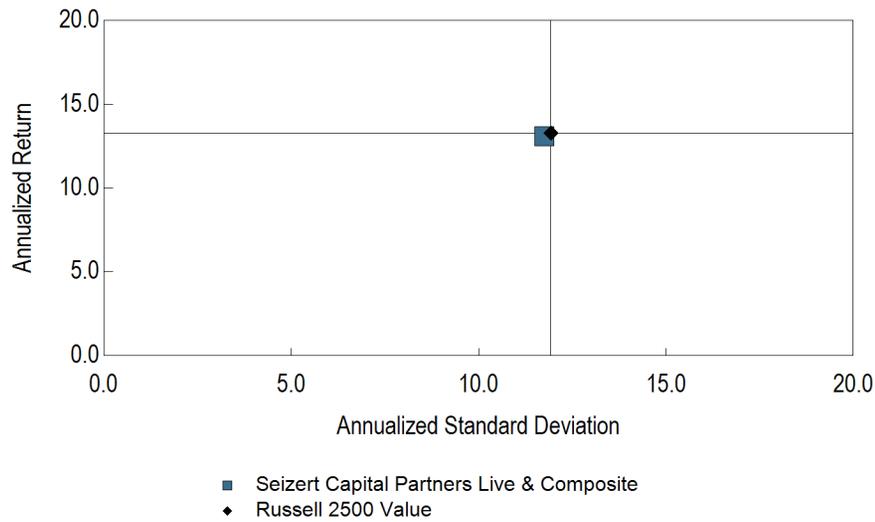
### Characteristics

	Portfolio	Russell 2500 Value
<b>PORTFOLIO CHARACTERISTICS</b>		
Price To Earnings	22.95	19.31
P/E Excluding Negative Earnings	24.11	25.66
P/E Median	19.14	17.95
Price To Book	3.19	2.18
Price To Book Median	2.03	1.80
Price To Cash Flow	10.99	11.87
Price To Sales	2.29	2.91
Dividend Yield (%)	1.35	1.84
Weighted Avg. Market Cap. (\$B)	7.63	4.75
Median Market Cap. (\$B)	2.93	1.04

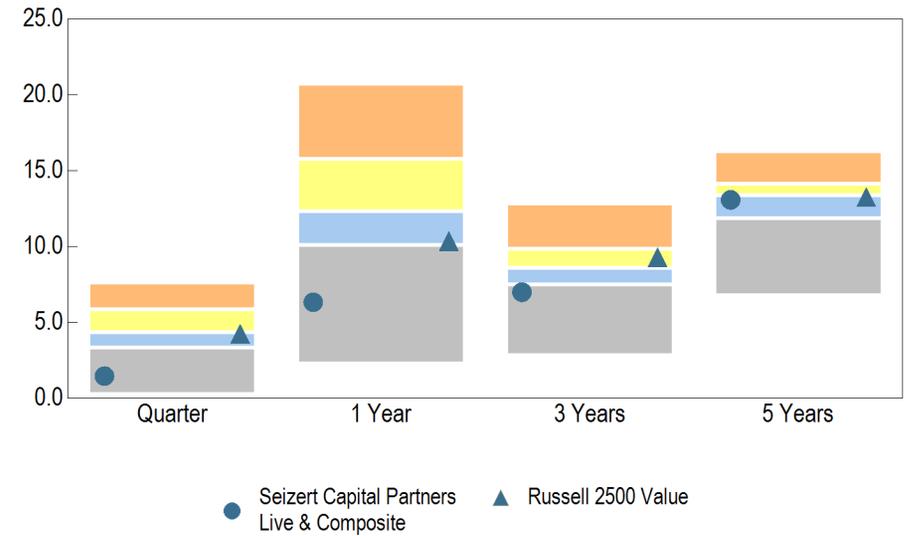
eV US Small-Mid Cap Value Equity Net Return Comparison  
Ending December 31, 2017



Annualized Return vs. Annualized Standard Deviation  
5 Years Ending December 31, 2017



eV US Small-Mid Cap Value Equity Net Return Comparison  
Ending December 31, 2017



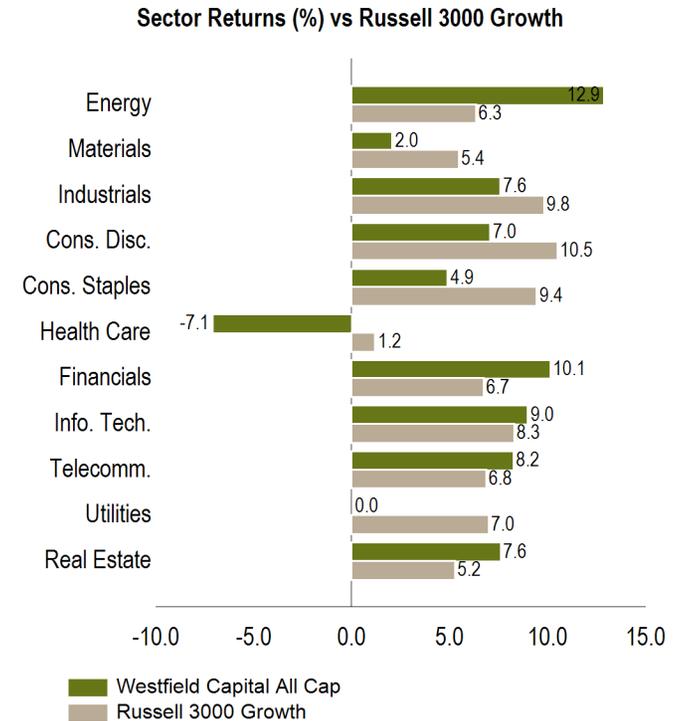
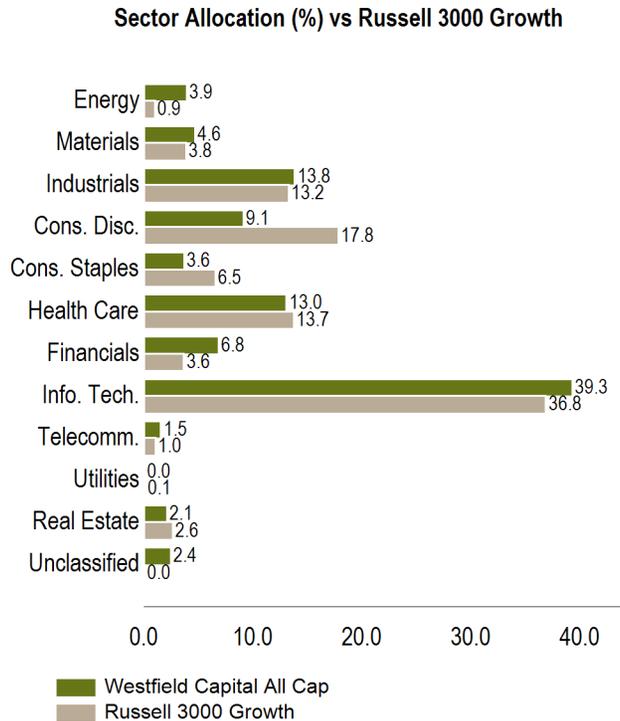
Westfield Capital All Cap

December 31, 2017

Westfield is a fundamental, bottom-up manager investing in earnings growth stocks due to their conviction that stocks follow earnings progress and that they offer the best opportunity for superior real rates of return. Westfield generates themes to drive investment ideas in specific areas throughout the capitalization spectrum. This is particularly the case in cyclical sectors such as energy. The firm does utilize screens; however, most of their themes are driven from their understanding of the sectors that each analyst covers. The analysts' network and industry knowledge are the most critical components of the idea generation stage, and as bottom up investors, Westfield does not use the benchmark as a part of the portfolio construction process.

**Top Holdings**

APPLE	6.1%
FACEBOOK CLASS A	3.8%
MICROSOFT	3.8%
AMAZON.COM	3.7%
VISA 'A'	3.4%
ALPHABET 'C'	3.2%
HOME DEPOT	2.5%
ALPHABET A	2.4%
AMETEK	2.1%
DOWDUPONT	1.9%

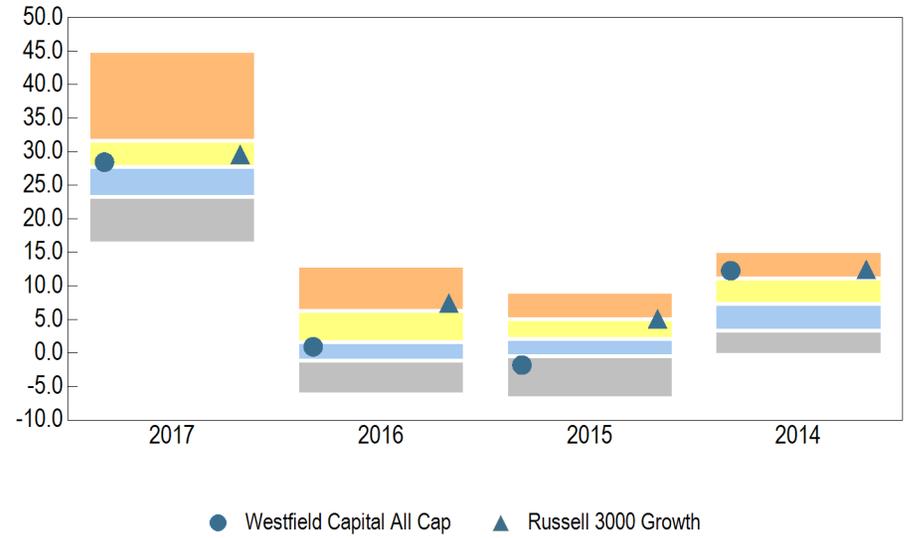


	Fourth Quarter		1 Year Ending 12/31/17		3 Years Ending 12/31/17		5 Years Ending 12/31/17	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank
<b>Westfield Capital All Cap</b>	<b>5.0%</b>	<b>75</b>	<b>28.4%</b>	<b>50</b>	<b>8.4%</b>	<b>76</b>	<b>14.7%</b>	<b>44</b>
Russell 3000 Growth	7.6	20	29.6	44	13.5	11	17.2	10

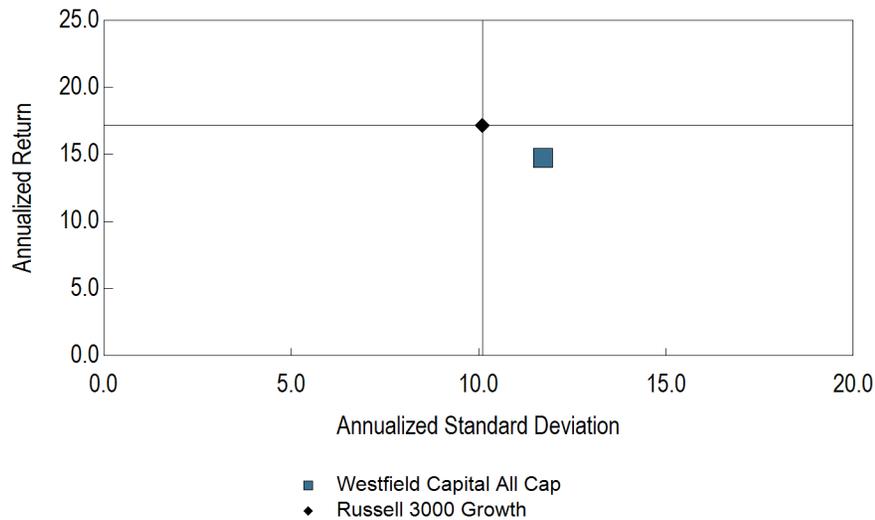
### Characteristics

	Portfolio	Russell 3000 Growth
<b>PORTFOLIO CHARACTERISTICS</b>		
Price To Earnings	32.70	28.33
P/E Excluding Negative Earnings	36.27	30.69
P/E Median	27.29	22.11
Price To Book	7.61	7.47
Price To Book Median	5.10	4.11
Price To Cash Flow	18.81	19.19
Price To Sales	4.96	4.60
Dividend Yield (%)	0.93	1.26
Weighted Avg. Market Cap. (\$B)	183.46	188.75
Median Market Cap. (\$B)	22.29	1.87

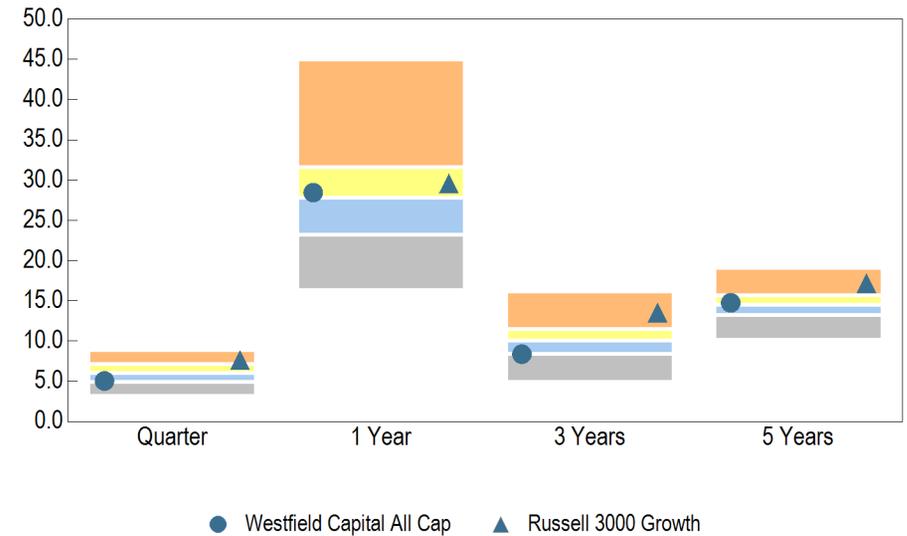
eV US All Cap Growth Equity Net Return Comparison  
Ending December 31, 2017



Annualized Return vs. Annualized Standard Deviation  
5 Years Ending December 31, 2017



eV US All Cap Growth Equity Net Return Comparison  
Ending December 31, 2017



## Sage Advisory Core Taxable Fixed Income

December 31, 2017

Sage Advisory employs a value-oriented comprehensive portfolio management approach blending active duration management, market sector rotation and undervalued security selection. Cash will be used for duration adjustment purposes or as part of a defensive mode, which could be as high as 30%. The strategy looks to provide consistent quarterly total returns while minimizing downside risk in any environment.

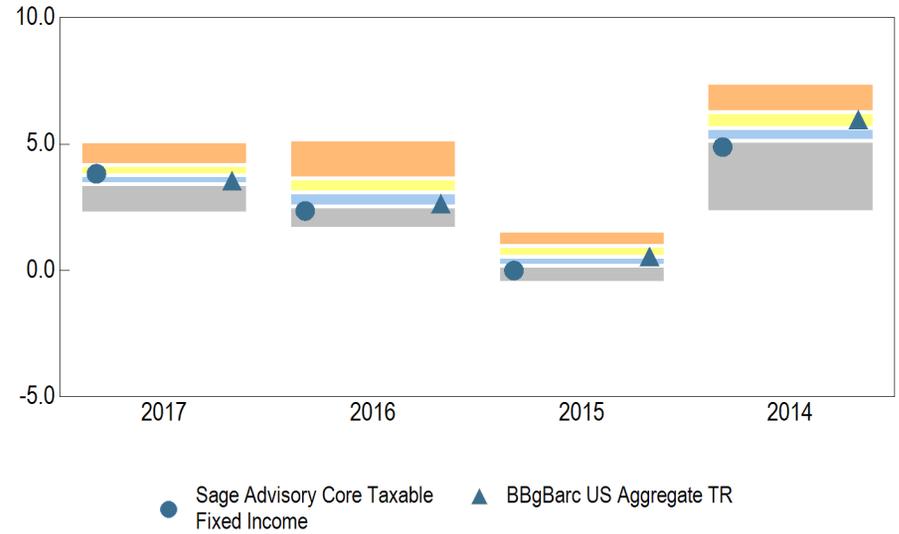
Top Holdings		Sector Distribution History		Quality Distribution History			
		Sage Advisory Core Taxable Fixed Income	BBgBarc US Aggregate TR	Sage Advisory Core Taxable Fixed Income	BBgBarc US Aggregate TR		
		Q4-17	Q4-17	Q4-17	Q4-17		
FNMA CONV 30 YR SF	18.58%						
UNITED STATES TREASURY	5.26%						
FNMA CONV 15 YR SF	4.62%						
FHLMC GOLD 30 YR	4.38%						
UST 2.250 08/15/27 When Iss	2.79%	UST/Agency	19.6%	43.9%	AAA	11.4%	70.6%
UST 2.125 01/31/21	2.72%	Corporate	40.4%	25.7%	AA	52.9%	4.3%
UST 1.250 06/30/19 When Iss	2.69%	MBS	35.4%	29.9%	A	9.5%	11.6%
UST 0.875 10/15/18	2.00%	ABS	--	0.5%	BBB	25.7%	13.5%
UST 1.125 09/30/21 When Iss	1.54%	Foreign	2.4%	--	BB and Below	--	0.0%
UNITED STATES TREASURY	1.49%	Muni	0.8%	--	Not Rated	0.5%	--
		Other	1.5%	--			

	Fourth Quarter		1 Year Ending 12/31/17		3 Years Ending 12/31/17		5 Years Ending 12/31/17	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank
<b>Sage Advisory Core Taxable Fixed Income</b>	<b>0.5%</b>	<b>32</b>	<b>3.8%</b>	<b>47</b>	<b>2.0%</b>	<b>82</b>	<b>1.8%</b>	<b>87</b>
BBgBarc US Aggregate TR	0.4	66	3.5	65	2.2	69	2.1	61

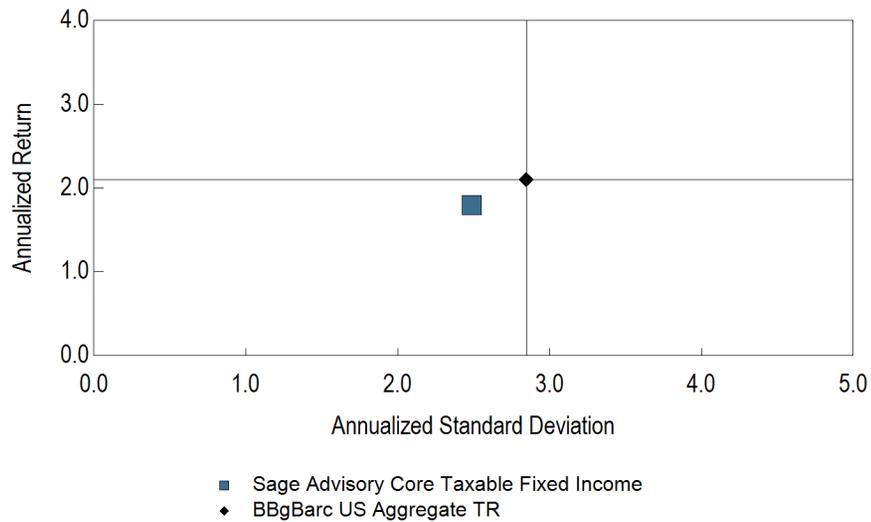
### Characteristic History

	Sage Advisory Core Taxable Fixed Income	BBgBarc US Aggregate TR
	Q4-17	Q4-17
Yield to Maturity	2.9%	2.7%
Avg. Eff. Maturity	8.3 yrs.	8.3 yrs.
Avg. Duration	6.3 yrs.	6.0 yrs.
Avg. Quality	AA	--

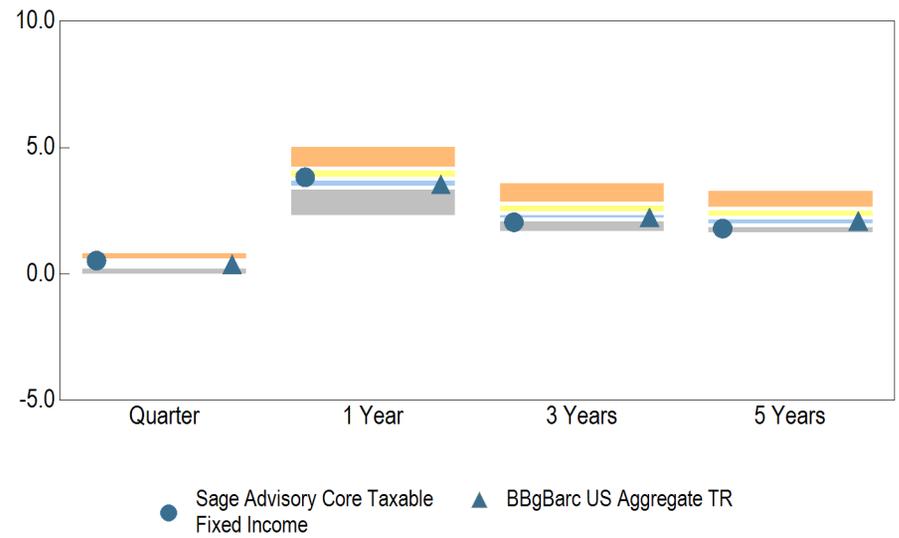
eV US Core Fixed Inc Net Return Comparison  
Ending December 31, 2017



Annualized Return vs. Annualized Standard Deviation  
5 Years Ending December 31, 2017



eV US Core Fixed Inc Net Return Comparison  
Ending December 31, 2017



**Orleans Capital Management Investment Grade Fixed Income**

**December 31, 2017**

The Orleans Capital Management Investment Grade Fixed Income strategy adds value through sector and security selection designed to create an enduring yield advantage over the applicable benchmark without a material variation in quality, convexity, or other portfolio characteristics. In doing so, they overweight both the corporate and mortgage-backed sectors and underweight lower yielding government agencies and treasuries.

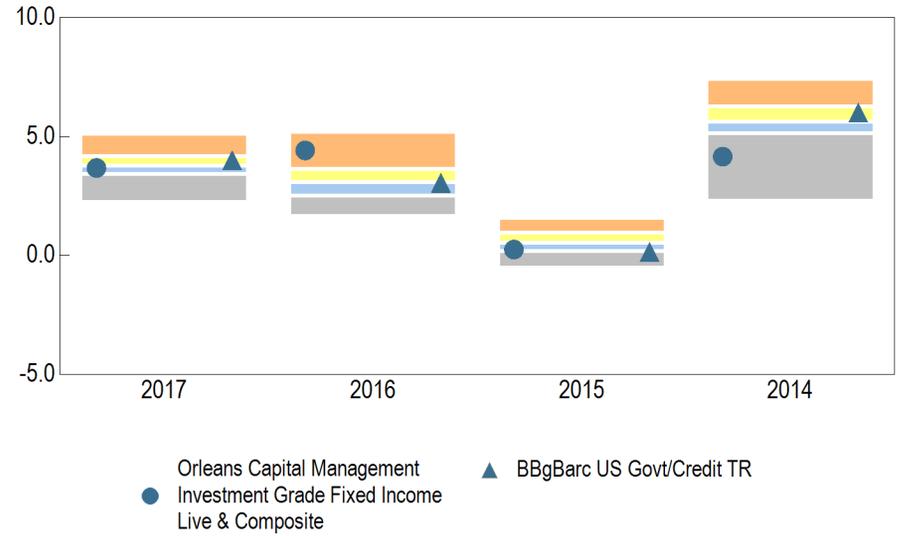
<b>Top Holdings</b>		<b>Sector Distribution History</b>			<b>Quality Distribution History</b>		
		Orleans Capital Management Investment Grade Fixed Income		BBgBarc US Govt/Credit TR	Orleans Capital Management Investment Grade Fixed Income		BBgBarc US Govt/Credit TR
		Q4-17	Q4-17	Q4-17	Q4-17	Q4-17	Q4-17
FH 30yr GOLD	11.33%	UST/Agency	--	63.1%	AAA	--	58.2%
FHLMC GOLD 30 YR	8.26%	Corporate	65.0%	36.9%	AA	41.9%	5.9%
FHLMC GOLD 15 YR	4.30%	MBS	33.5%	--	A	24.7%	16.5%
FHLMC GOLD GIANT 30 YR	3.79%	ABS	--	--	BBB	33.5%	19.4%
INTERNATIONAL PAPER CO	2.66%	Foreign	--	--	BB and Below	--	0.0%
MO 4.750 05/05/21	2.65%	Muni	--	--	Not Rated	--	--
GPE 4.300 03/15/42	2.63%	Other	1.5%	--			
FDX 4.000 01/14/24	2.63%						
AMAZON.COM INC	2.61%						
FORD MOTOR CREDIT COMPANY LLC	2.60%						

	Fourth Quarter		1 Year Ending 12/31/17		3 Years Ending 12/31/17		5 Years Ending 12/31/17	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank
<b>Orleans Capital Management Investment Grade Fixed Income Live &amp; Composite</b>	<b>0.4%</b>	<b>69</b>	<b>3.7%</b>	<b>58</b>	<b>2.8%</b>	<b>28</b>	<b>2.4%</b>	<b>38</b>
BBgBarc US Govt/Credit TR	0.5	39	4.0	36	2.4	55	2.1	58

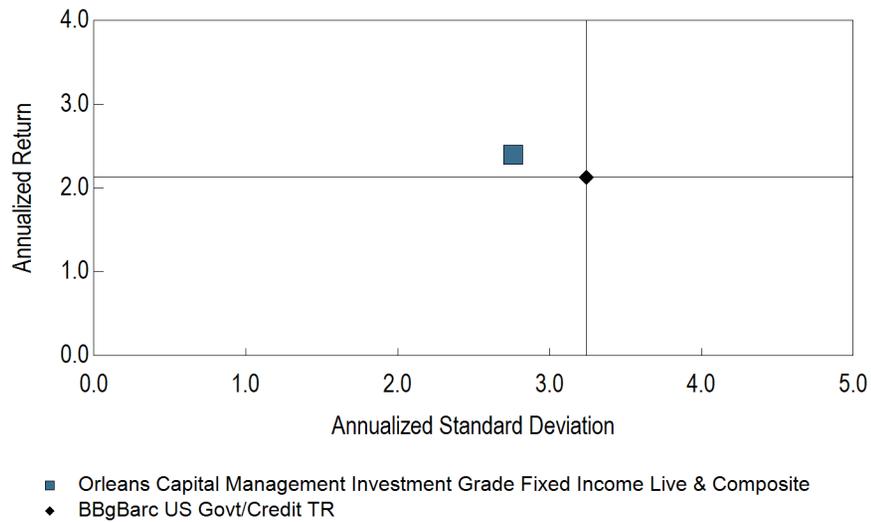
### Characteristic History

	Orleans Capital Management Investment Grade Fixed Income Q4-17	BBgBarc US Govt/Credit TR Q4-17
Yield to Maturity	3.0%	2.6%
Avg. Eff. Maturity	7.7 yrs.	9.0 yrs.
Avg. Duration	6.0 yrs.	6.7 yrs.
Avg. Quality	A	--

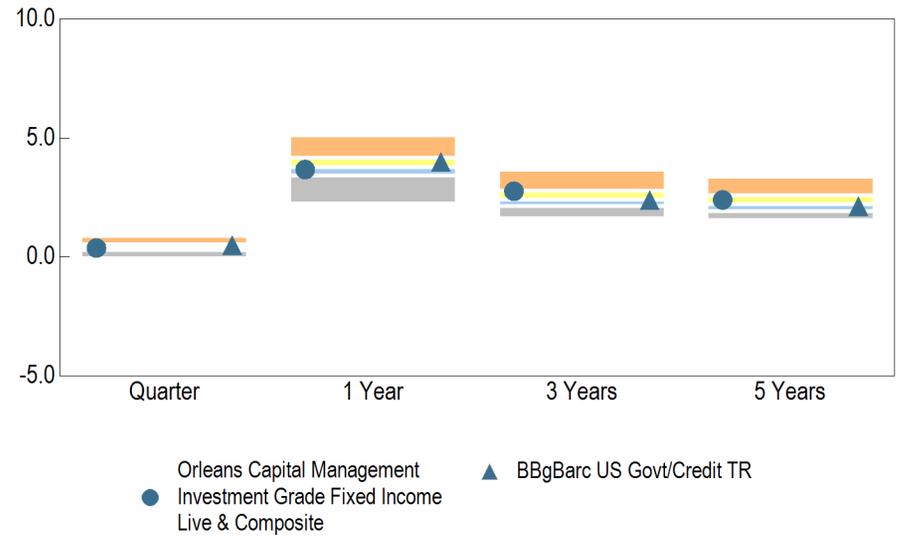
eV US Core Fixed Inc Net Return Comparison  
Ending December 31, 2017



Annualized Return vs. Annualized Standard Deviation  
5 Years Ending December 31, 2017



eV US Core Fixed Inc Net Return Comparison  
Ending December 31, 2017



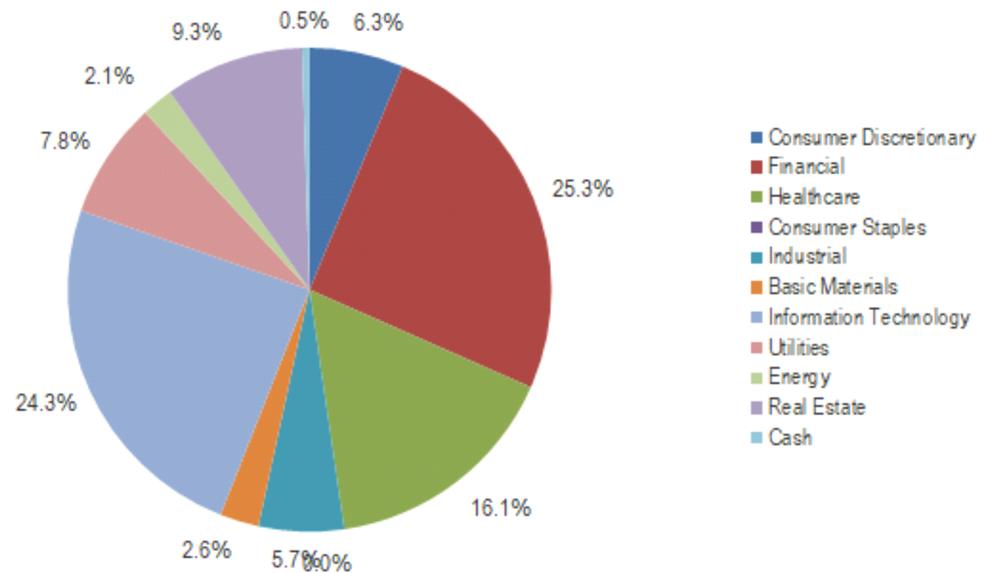
**Victory INCORE Investment Grade Convertible Securities**

**December 31, 2017**

Process focuses on the intrinsic value of the underlying common stock as well as on the convertible security itself. The underlying equity analysis looks for the best combination of intrinsic value, statistical cheapness and earnings revision. The underlying fixed income analysis encompasses financial statement factors in addition to trends of pertinent financial ratios such as pre-tax interest coverage, current ratio, return on equity and profit margins. Convertible characteristics they analyze include quality, intrinsic value, conversion premium, break-even, investment value, yield advantage, call and put features, liquidity, and sensitivity/horizon analysis. They purchase when the underlying equity exhibits superior valuation characteristics, coupled with the most compelling combination of statistical cheapness and earnings revision; underlying bond exhibits solid cash flow or improving fundamentals; and convertible particulars are attractive.

**Top Holdings**

INTC 3.250 08/01/39 CVT	6.23%
RED HAT INC	5.16%
WELLS FARGO 7.50% NCUM. PERP.CV.PFS.CL.A SR.L	5.03%
PRICELINE.COM INC	4.40%
NEXTERA ENERGY	4.13%
DOMINION ENERGY SR.A UNIT	3.93%
LRCX 2.625 05/15/41 CVT	3.86%
WELLPOINT INC	3.29%
BECTON DICKINSON &.CO. DEP.SHS.SR.A	3.28%
RPM 2.250 12/15/20 CVT	3.19%



**Quality Distribution History**

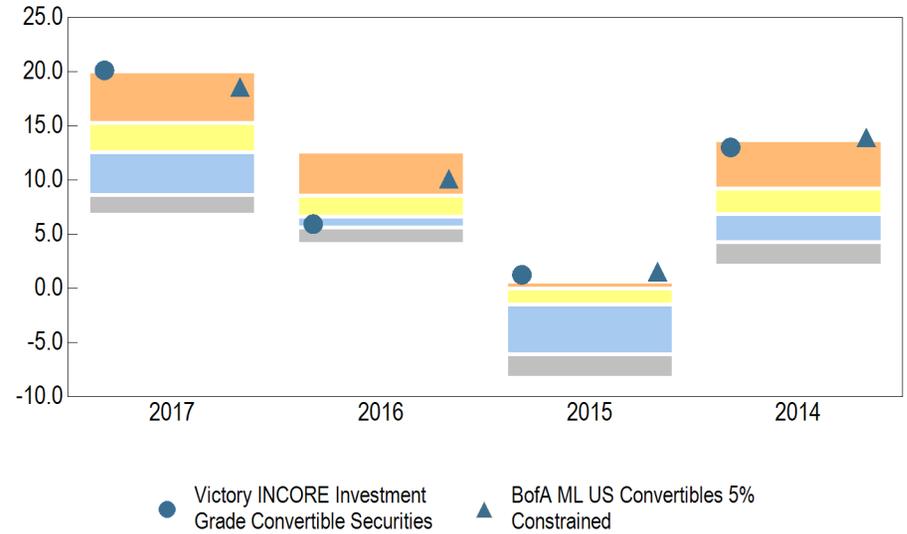
	Q4-17
AAA	3.5%
AA	--
A	16.3%
BBB	73.4%
BB and Below	6.7%
Not Rated	--

	Fourth Quarter		1 Year Ending 12/31/17		3 Years Ending 12/31/17		5 Years Ending 12/31/17	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank
<b>Victory INCORE Investment Grade Convertible Securities</b>	<b>4.4%</b>	<b>4</b>	<b>20.1%</b>	<b>5</b>	<b>8.8%</b>	<b>7</b>	<b>11.6%</b>	<b>6</b>
BofA ML US Convertibles 5% Constrained	3.6	11	18.6	12	9.9	3	12.3	5

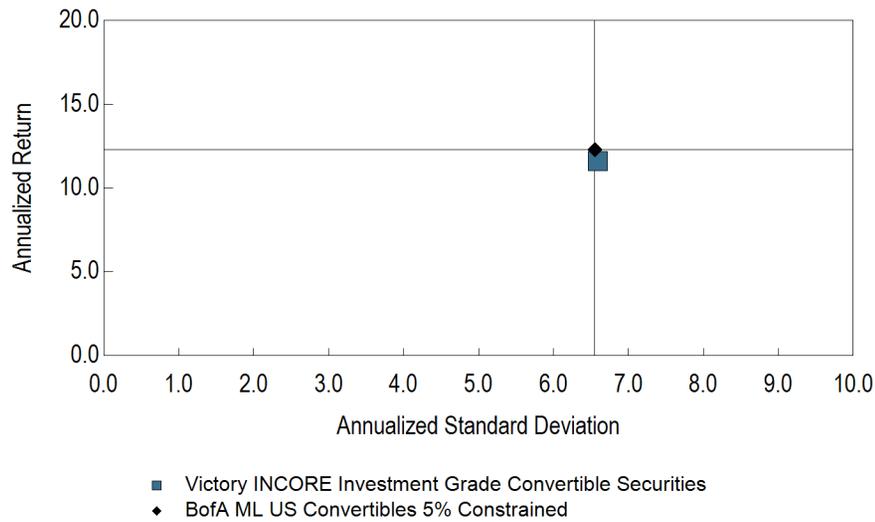
### Characteristic History

	Q4-17
Yield to Maturity	3.5%
Avg. Eff. Maturity	11.7 yrs.
Avg. Duration	6.0 yrs.
Avg. Quality	BBB

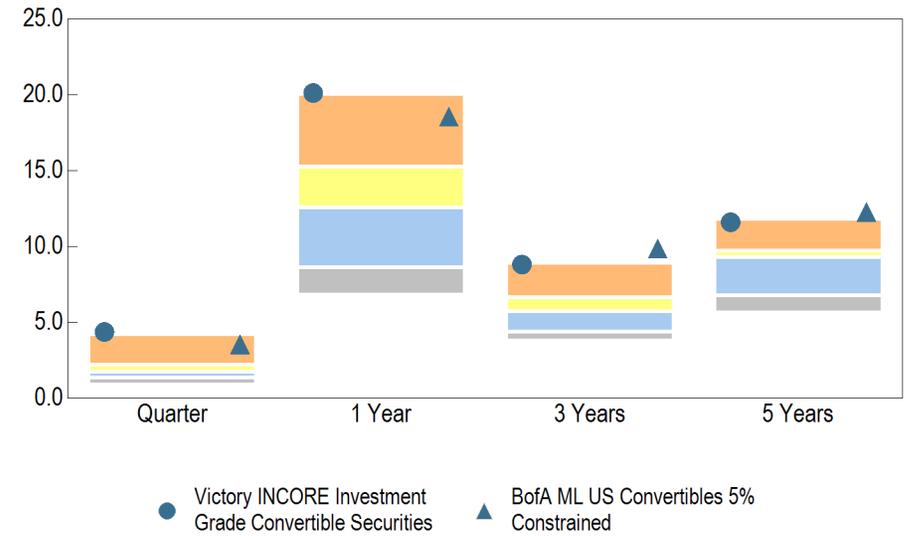
### eV US Convertibles Net Return Comparison Ending December 31, 2017



### Annualized Return vs. Annualized Standard Deviation 5 Years Ending December 31, 2017



### eV US Convertibles Net Return Comparison Ending December 31, 2017



(1) Fiscal Year end is June 30.

(2) Performance figures prior to October 1, 2008 were provided by the prior consultant.

(3) The Broad Market Index was comprised of 55% S&P 500 and 45% Barclays Aggregate from 12/30/1990 to 03/31/2009. The Index was changed on 03/31/2009 to include convertibles in the benchmark.

