

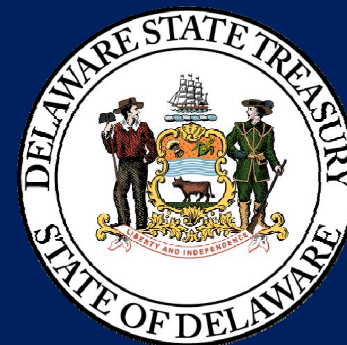
INVESTMENT PERFORMANCE SUMMARY QUARTER ENDING MARCH 31, 2019

OFFICE OF THE STATE TREASURER & CASH MANAGEMENT POLICY BOARD

March 31, 2019

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MARKET ENVIRONMENT

NEPC, LLC

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Introduction

In a sharp reversal from December, markets roared back to life in the first quarter, shrugging off subdued economic growth forecasts while embracing the Federal Reserve's sudden about-turn on tightening monetary policy.

The central bank's actions underscore our belief that the late phase of an expansionary economic cycle can persist into the foreseeable future and investments can perform robustly in this environment. Presently, we see no evidence to suggest a recession is imminent despite the brief inversion of the Treasury yield curve in March. However, the potential outcomes associated with the late phase of a market cycle are more negatively skewed. To this end, NEPC's investment outlook reflects a more risk-balanced stance.

The Fed's sharp and sudden pivot throws into doubt one of our key market themes of tightening global liquidity. Its dovish stance likely underscores the central bank's concern of pushing the US economy into a recession with an overly restrictive monetary policy. Up until the first quarter, the Fed had been telegraphing its position of gradually raising rates above the long-term neutral rate. In conjunction, it had communicated its intention to whittle down its hefty balance sheet, a result of its unprecedented intervention to contain the effects of the 2008 financial crisis. This is no longer the case. Markets are now discounting multiple rate cuts over the next 24 months. In addition—in a move that surprised many—the Fed said it would stop reducing its balance sheet in September, leaving it with assets of over \$3.5 trillion compared to a peak of \$4.5 trillion in the aftermath of the financial crisis. This shift relegates to the sidelines a significant tool that was methodically draining liquidity from the financial system. Furthermore, the Fed will hold greater sway over the Treasury market as it increases its holdings of Treasuries to offset maturing mortgage securities that roll off its balance sheet.



MARKET ENVIRONMENT

Introduction Continued

While asset classes responded with great gusto to the Fed's dovish stance, the International Monetary Fund didn't share the markets' optimism, downgrading its 2019 growth outlook for every major economy (with China being the only outlier). Furthermore, inflation remains stubbornly low across the developed world, bringing up past concerns of deflation. We also believe the universe of potential investment opportunities has shrunk following the rally. To this end, we encourage investors to rebalance their allocation to developed market equities—US and non-US—to an index weight. Clients should also be prepared to exploit market volatility and overweight exposure to US stocks relative to EAFE index weights if US equities turn lower.

Within fixed income, we maintain our recommendation to reduce exposure to lower-quality credit as default rates tend to tread above average in the late phase of a market cycle. We encourage a move away from high-yield securities, bank loans, and certain private-debt strategies as they do not adequately compensate investors for the risk they hold. Furthermore, we remind investors that safe-haven fixed income, for instance, short-duration bonds and Treasuries, play an essential role in mitigating investment risks within a portfolio.

Global Equities

In the US, growth stocks led the way with gains of up to 16.1%. The MSCI ACWI Index rallied 12.2%, with the technology sector up 18.9%. The MSCI China A International Index returned 31% in the first quarter, recovering from losses of 31.8% in 2018.

During the same period, the HFRI Equity Hedge Index gained 7.7%, its strongest quarterly return since 2009. Emerging Asia hedge funds were up 10.4% while those focused on China gained 14.9%; strategies concentrating on North America and Europe lagged the broader index with returns of 6.6% and 2.9%, respectively. Within sectors, hedge funds focusing on healthcare led performance while technology lagged. Capital flows from hedge funds indicate more cautious positioning with net selling in most cyclical sectors during the quarter; within regions, the positioning was more aggressive with inflows into emerging markets in Asia, especially China.



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Global Equities Continued

The quarter saw a 4.1% fall in earnings from a year earlier for S&P 500 companies, a first since 2016, according to data from FactSet. These estimates put the S&P 500 forward price-to-earnings ratio at about 16.7, slightly above the fiveyear average of 16.4 and the 10- year average of 14.7. We continue to monitor potential wage pressures on profit margins, and ultimately, corporate earnings, amid declining unemployment.

In private equity, fundraising totaled \$105.1 billion in the first quarter compared to \$95.8 billion a year ago, according to data provider Preqin. During the same period, US buyout deal value (in dollars) was sharply down at \$95.6 billion—the lowest amount deployed since 2013—amid fewer transactions totaling \$1 billion or more. Similarly, the total number of buyout deals, at 795, fell from prior quarters. In venture capital, funds invested totaled \$36.2 billion, down from \$44.2 billion in the fourth quarter, according to data from PitchBook. Buyout exits also saw a steep drop in the first quarter to \$41.1 billion from \$96.2 billion in the prior quarter. In contrast, venture exits (in dollar terms) were robust at \$46.7 billion, bolstered by the IPO of Lyft.



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Global Fixed Income

In fixed income, spreads narrowed across the board amid an increased appetite for risk, pausing only momentarily with the inversion of the Treasury yield curve. Spreads on high-yield debt tightened to around 400 basis points in the first quarter from their peak of 530 basis points at the end of 2018; the Bloomberg Barclays High Yield Index gained 7.3% for the three months ended March 31. During the same period, risk premiums on investment-grade credit narrowed about 30 basis points to 120 basis points; the Bloomberg Barclays Aggregate Index rose 2.9% and the Bloomberg Barclays US Long Treasury Index gained 4.7% in the first quarter. Leveraged loans also ended the quarter in the black with returns of 4%, according to the S&P LSTA Leveraged Loan Index.

Hedge funds also started the year on a strong note with distressed and restructuring strategies up 3.3% in the first quarter, according to the HFRI ED: Distressed/Restructuring Index; the HFRI ED: Credit Arbitrage Index gained 5.2%.

That said, current spread levels do not fully reflect the underlying credit risks in the market, adding to the appeal of safe-haven fixed-income assets. The significant growth of credit markets since the financial crisis, accompanied by deteriorating credit quality and increasing amounts of leverage, may eventually attract investors of distressed debt. Niche lending and collateralized loan obligations (CLOs) offer the potential for risk-compensation given their structural nuances and the opportunity for credit selection.



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Real Assets

The Bloomberg Commodity Index returned 6.3% for the three months ended March 31. Most commodities remain in contango—when the futures price of a commodity is above the expected future spot price—resulting in negative roll yield. During the same period, WTI and Brent Crude gained 32.4% and 27.1%, respectively, as new oil supply fell behind forecasts. Industrial metals were up 12.8% amid optimism around a trade resolution between China and the United States.

Equities in the energy, agriculture, and metals and mining sectors were up 13%, 11.3% and 13%, respectively. We remain positive on natural resource equities, believing that these securities offer more efficient exposure to commodity markets.

Midstream equities returned 22.2% in the first quarter, according to the Alerian Midstream Index, boosted by strengthening fundamentals and rising equity and oil markets. Fundamentals in the sector continue to improve amid growing cash flows, stronger coverage ratios, lower leverage profiles, and simplified corporate structures.

Meanwhile, in real estate, real estate investment trusts (REITs) were up 16.7%. All property types were in the black, including previously out-of-favor sectors such as retail and timber. Overall, REITs ended the first quarter trading at a premium to private market valuations; however, a wide dispersion within property types remains.

In private core real estate, the NCREIF ODCE Index posted another quarter of stable returns, generating gross (preliminary) returns of 1.4%. As yield spreads continue to tighten, we favor managers capable of growing income at the property level rather than relying on general market appreciation (which we expect will slow). We also prefer certain core-plus real estate debt, or tactical core strategies to augment existing core real estate allocations. In the non-core real estate space, we believe that demographically-driven sectors, including healthcare, data centers, workforce housing, and select international exposures offer the potential to outperform the broad market.



MARKET ENVIRONMENT

Final Thoughts

As we began the year, concerns of a recession were at the forefront of investors' minds. Today, we see negligible evidence of one in current economic and financial indicators, making this one of the longest periods of economic expansion in the United States. However, we do advocate caution and encourage investors to reduce exposure to lower-rated debt while increasing holdings of safe-haven fixed-income securities. There is greater need for balance within portfolios in the late phase of a market cycle amid the increased potential for an adverse economic outcome should the landscape suddenly change. We will expand on this and more as we explore the theme of transitions at NEPC's 24th Annual Investment Conference on May 7-8 in Boston. We are also excited to bring you a roster of accomplished external speakers. Safe travels and we look forward to seeing you next week.



CALENDAR YEAR INDEX PERFORMANCE

	2013	2014	2015	2016	2017	2018	Jan	Feb	Mar	YTD	5yr	10yr
Reserve Custom Index	0.12%	1.1%	0.86%	1.15%	1.00%	1.59%	1.00%	0.07%	1.42%	2.19%	1.58%	1.76%
Endowment Custom Index	14.46%	5.43%	-0.07%	5.71%	14.52%	-5.07%	5.10%	1.78%	1.56%	8.63%	5.31%	9.12%
Citi 3 Mo Treasury Bill	0.05%	0.03%	0.27%	0.84%	0.31%	1.86%	0.20%	0.19%	0.21%	0.60%	0.72%	0.41%
BAML 1-3 Yr Govt/Credit A+	0.55%	0.72%	0.66%	1.07%	0.70%	1.65%	0.30%	0.14%	0.62%	1.10%	1.14%	1.43%
BAML 1-5 Yr Govt/Credit A+	0.10%	1.42%	1.07%	1.30%	1.02%	1.50%	0.40%	0.10%	0.86%	1.41%	1.47%	1.98%
BAML 5-10 Yr Govt/Credit A+	-3.80%	6.60%	1.90%	2.00%	3.00%	0.59%	1.10%	-0.11%	2.11%	3.13%	3.03%	4.27%
BBrg Barclays US Aggregate	-2.02%	5.97%	0.55%	2.65%	3.54%	0.01%	1.10%	-0.06%	1.92%	2.94%	2.74%	3.77%
BC Municipal Bond	-2.60%	9.10%	3.30%	0.20%	5.40%	1.28%	0.80%	0.54%	1.58%	2.90%	3.73%	4.72%
BC US Corp High Yield	7.40%	2.50%	-4.50%	17.10%	7.50%	-2.08%	4.50%	1.66%	0.94%	7.26%	4.68%	11.26%
BC Long Treasuries	-12.70%	25.10%	-1.20%	1.30%	8.50%	-1.80%	0.70%	-1.22%	5.26%	4.67%	5.44%	5.13%
BC US Long Credit	-6.60%	16.40%	-4.60%	10.20%	12.20%	-6.80%	3.50%	-0.07%	4.33%	7.86%	5.38%	9.00%
MSCI World Index	26.68%	4.94%	0.87%	7.51%	22.40%	-8.71%	7.80%	3.01%	1.31%	12.48%	6.78%	12.38%

Source: Bloomberg, Barclays, Alerian, Nareit, MSCI, JP Morgan, Credit Suisse, Thomson One



EXECUTIVE SUMMARY

NEPC, LLC

Delaware Office of the State Treasurer

TOTAL FUND PERFORMANCE SUMMARY

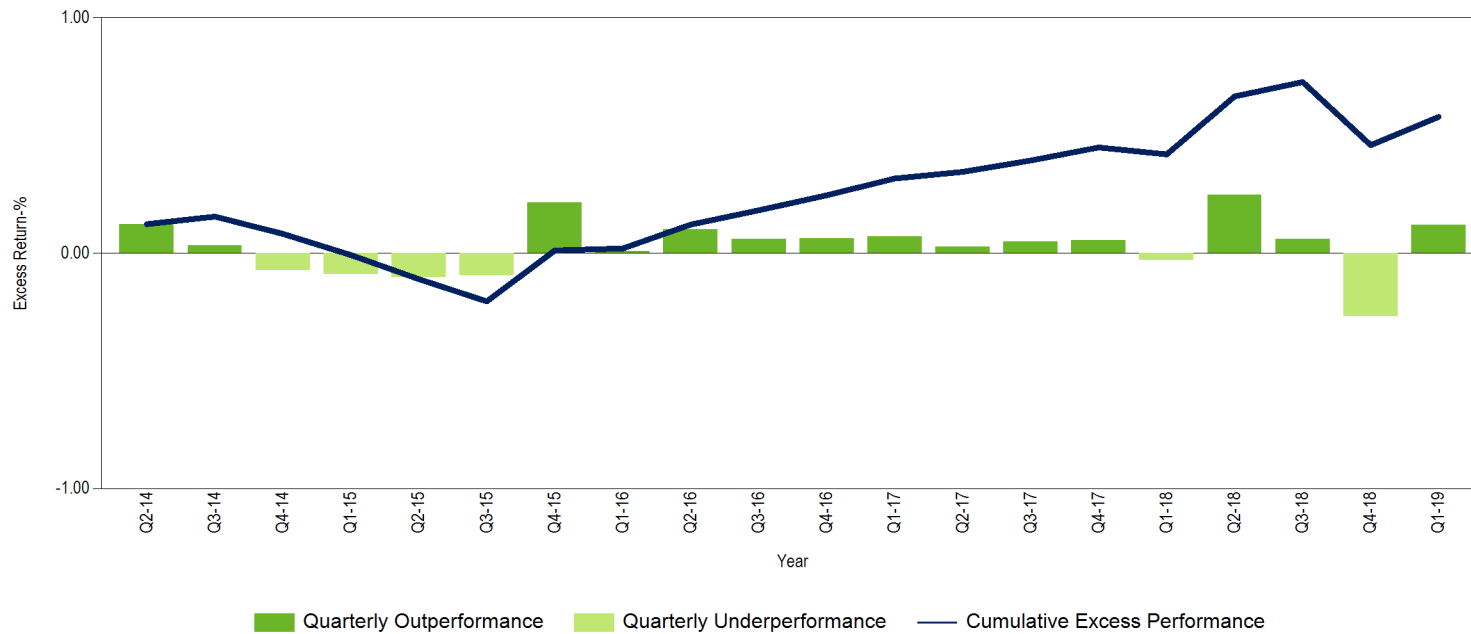
	Market Value	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	Inception	Inception Date
Delaware Total Consolidation	\$2,265,259,288	1.94%	3.27%	3.61%	1.88%	1.54%	2.01%	Jan-05
Total Liquidity & Reserve	\$2,196,231,993	1.70%	3.31%	3.68%	1.69%	--	1.73%	Jan-16
Total Liquidity	\$929,036,712	0.84%	2.03%	2.62%	1.50%	1.12%	1.78%	Jan-05
<i>eV US Cash Management Net Median</i>		<i>0.63%</i>	<i>1.71%</i>	<i>2.21%</i>	<i>1.34%</i>	<i>0.91%</i>	<i>1.48%</i>	<i>Jan-05</i>
Total Reserve	\$1,267,195,281	2.31%	4.27%	4.55%	1.85%	1.70%	2.33%	Jan-05
<i>Reserve Custom Index</i>		<i>2.19%</i>	<i>4.36%</i>	<i>4.39%</i>	<i>1.66%</i>	<i>1.58%</i>	<i>2.52%</i>	<i>Jan-05</i>
<i>eV US Interm Duration Fixed Inc Net Median</i>		<i>2.41%</i>	<i>4.11%</i>	<i>4.10%</i>	<i>1.75%</i>	<i>2.12%</i>	<i>3.67%</i>	<i>Jan-05</i>
Total Endowment	\$69,027,295	9.18%	2.79%	2.18%	7.51%	--	5.34%	Aug-15
<i>Endowment Custom Index</i>		<i>8.63%</i>	<i>3.45%</i>	<i>4.46%</i>	<i>7.28%</i>	<i>5.31%</i>	<i>5.37%</i>	<i>Aug-15</i>
<i>eV Global Balanced Net Median</i>		<i>8.92%</i>	<i>3.88%</i>	<i>3.68%</i>	<i>8.13%</i>	<i>5.05%</i>	<i>4.61%</i>	<i>Aug-15</i>

Fiscal year ends June 30.



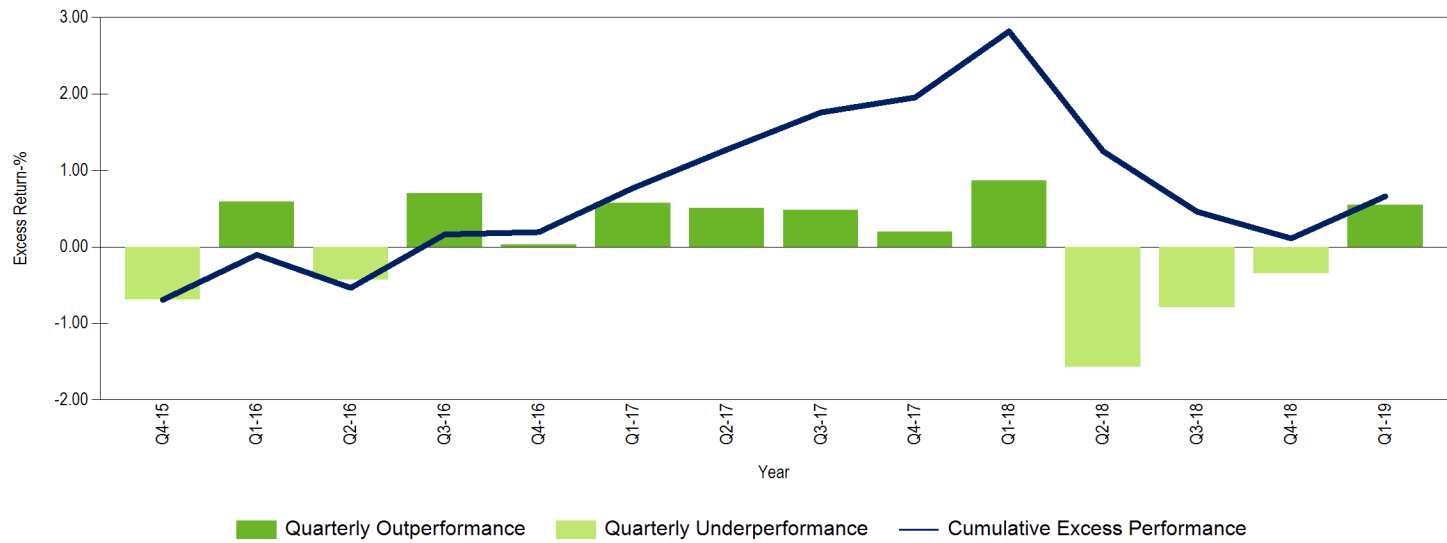
TOTAL FUND PERFORMANCE SUMMARY

Quarterly and Cumulative Excess Performance
Total Reserve vs. Reserve Custom Index



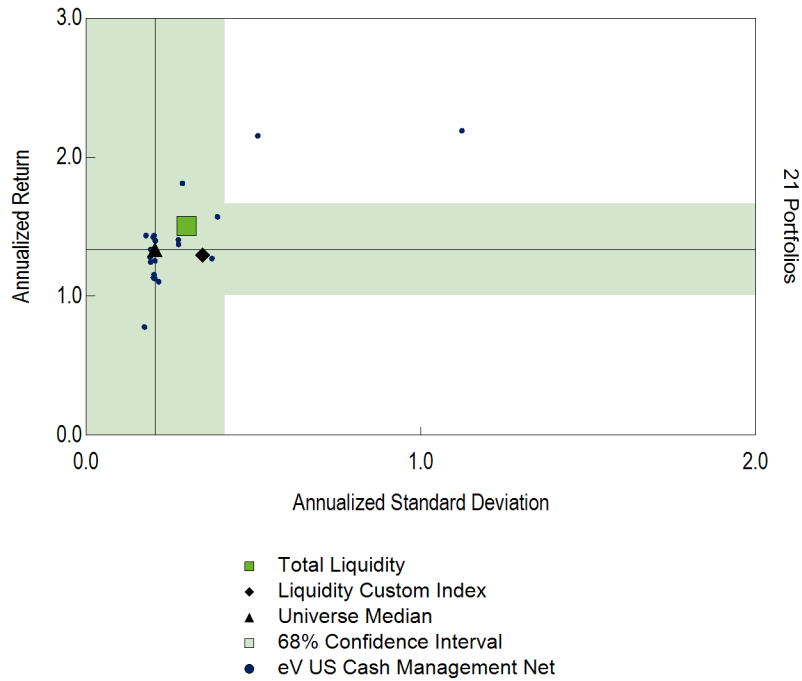
TOTAL FUND PERFORMANCE SUMMARY

Quarterly and Cumulative Excess Performance
Total Endowment vs. Endowment Custom Index

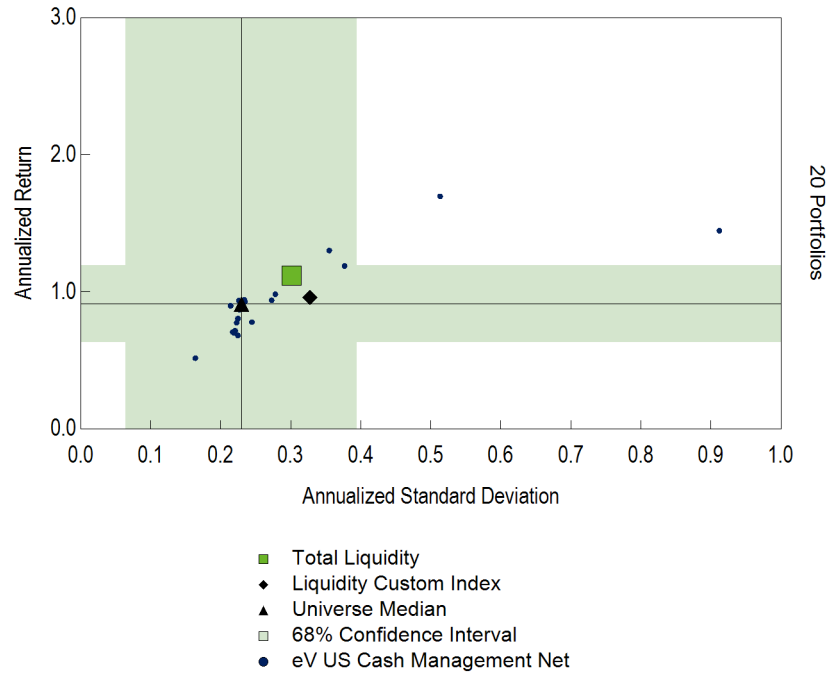


LIQUIDITY RISK/RETURN - 3 & 5 YEARS

3 Years Ending March 31, 2019



5 Years Ending March 31, 2019



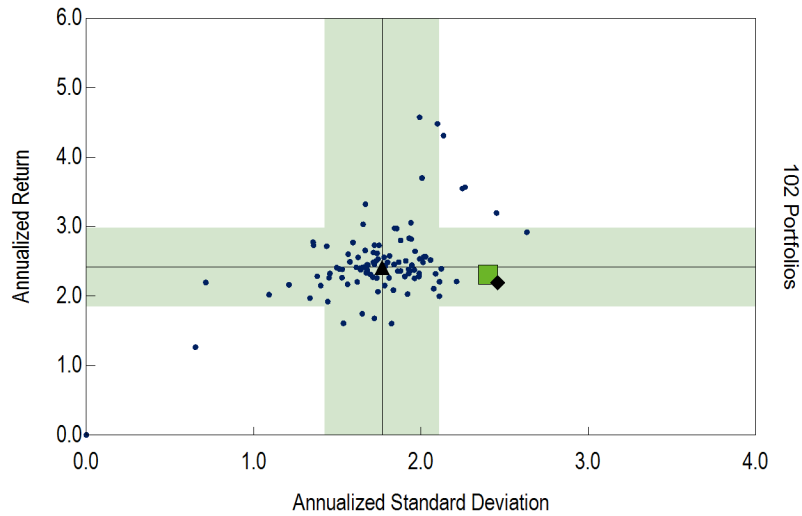
3 Years Ending March 31, 2019			
	Anlzd Ret	Anlzd Std Dev	Sharpe Ratio
Total Liquidity	1.50%	0.30%	0.93
Liquidity Custom Index	1.29%	0.35%	0.19

5 Years Ending March 31, 2019			
	Anlzd Ret	Anlzd Std Dev	Sharpe Ratio
Total Liquidity	1.12%	0.30%	1.19
Liquidity Custom Index	0.96%	0.33%	0.61



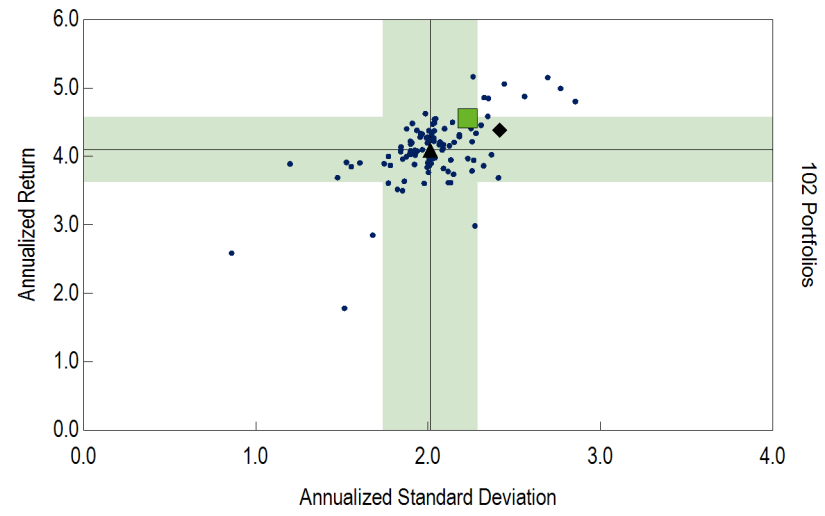
RESERVE RISK/RETURN - 3 & 9 MONTHS

3 Months Ending March 31, 2019



- Total Reserve
- ◆ Reserve Custom Index
- ▲ Universe Median
- 68% Confidence Interval
- eV US Interm Duration Fixed Inc Net

9 Months Ending March 31, 2019



- Total Reserve
- ◆ Reserve Custom Index
- ▲ Universe Median
- 68% Confidence Interval
- eV US Interm Duration Fixed Inc Net

3 Months Ending March 31, 2019

	Anlzd Ret	Anlzd Std Dev	Sharpe Ratio
Total Reserve	2.31%	2.40%	0.71
Reserve Custom Index	2.19%	2.46%	0.65

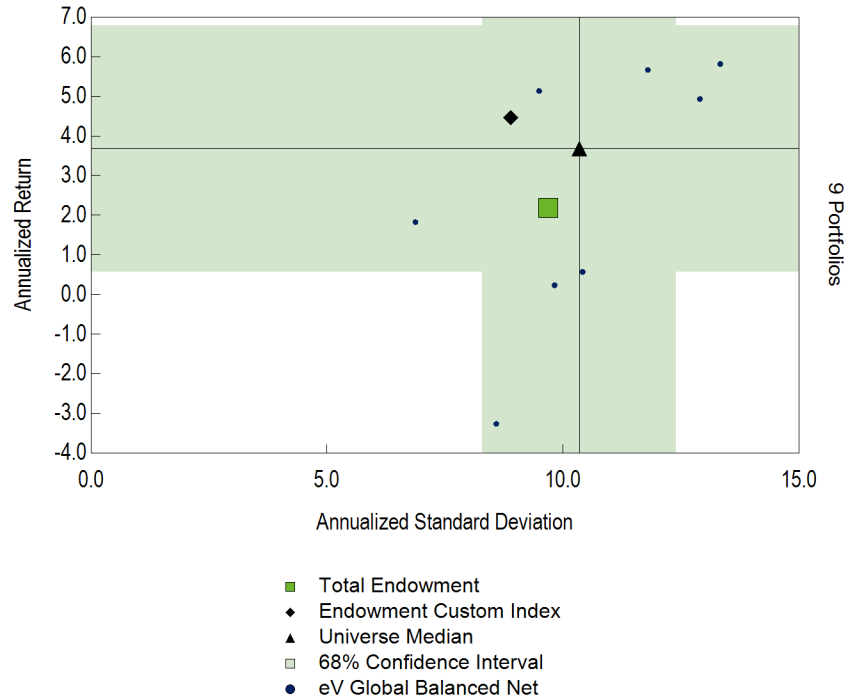
9 Months Ending March 31, 2019

	Anlzd Ret	Anlzd Std Dev	Sharpe Ratio
Total Reserve	4.55%	2.23%	1.11
Reserve Custom Index	4.39%	2.42%	0.95

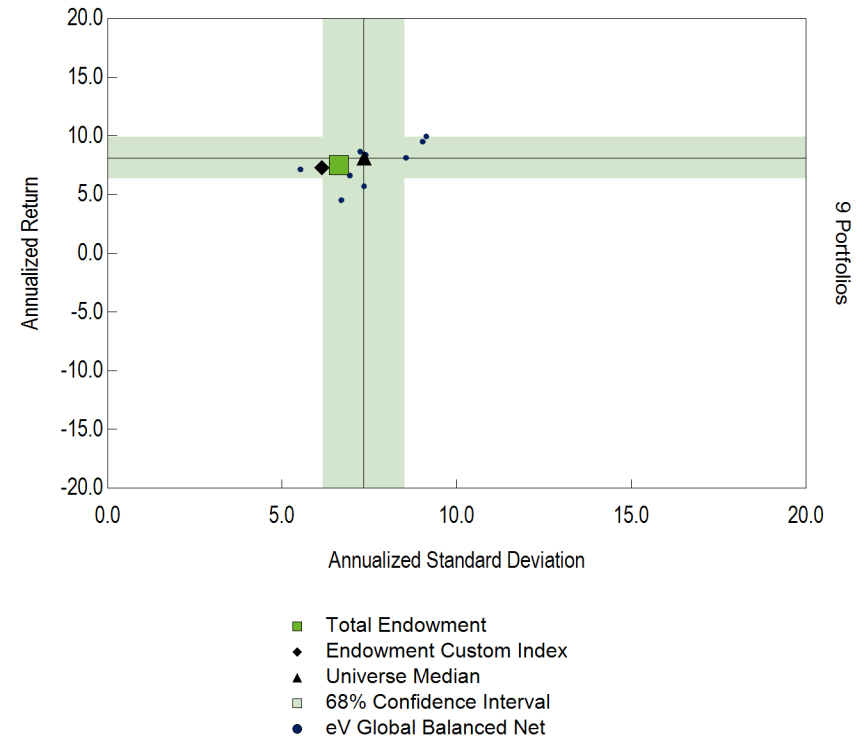


ENDOWMENT RISK/RETURN - 1 YEAR & 3 YEAR

1 Year Ending March 31, 2019



3 Years Ending March 31, 2019



1 Year Ending March 31, 2019

	Anlzd Ret	Anlzd Std Dev	Sharpe Ratio
Total Endowment	2.18%	9.69%	0.00
Endowment Custom Index	4.46%	8.90%	0.26

3 Years Ending March 31, 2019

	Anlzd Ret	Anlzd Std Dev	Sharpe Ratio
Total Endowment	7.51%	6.63%	0.95
Endowment Custom Index	7.28%	6.14%	0.99



Delaware Office of the State Treasurer

TOTAL FUND PERFORMANCE DETAIL

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	Inception (%)	Inception Date
Delaware Total Consolidation	2,265,259,288	100.00	1.94	--	3.27	--	3.61	--	1.88	--	1.54	--	2.01	Jan-05
<i>BBgBarc US High Yield TR</i>			7.26	--	4.86	--	5.93	--	8.56	--	4.68	--	7.11	Jan-05
Total Liquidity & Reserve	2,196,231,993	96.95	1.70	--	3.31	--	3.68	--	1.69	--	--	--	1.73	Jan-16
Total Liquidity	929,036,712	41.01	0.84	23	2.03	19	2.62	15	1.50	16	1.12	18	1.78	Jan-05
<i>eV US Cash Management Net Median</i>			0.63		1.71		2.21		1.33		0.91		1.48	Jan-05
PFM Asset Management	465,675,928	20.56	0.82	24	1.93	26	2.57	17	1.57	14	1.19	15	1.10	Jun-13
Wilmington Liquidity	463,360,784	20.46	0.86	22	2.12	13	2.66	13	1.39	39	1.05	21	4.20	Jan-85
Total Reserve	1,267,195,281	55.94	2.31	69	4.27	29	4.55	10	1.85	40	1.70	96	2.33	Jan-05
<i>Reserve Custom Index</i>			2.19	82	4.36	22	4.39	20	1.66	59	1.58	97	2.52	Jan-05
<i>eV US Interm Duration Fixed Inc Net Median</i>			2.41		4.10		4.10		1.74		2.12		3.67	Jan-05
JPM Intermediate	311,175,769	13.74	1.31	64	2.83	47	3.24	41	1.38	67	1.38	58	1.28	Jun-13
<i>J.P. Morgan Custom Index</i>			1.10	84	2.66	63	2.94	68	1.19	80	1.30	71	1.18	Jun-13
Blackrock Financial Mangement	314,081,487	13.87	1.58	34	3.26	17	3.65	13	--	--	--	--	3.54	Mar-18
<i>Blackrock Custom Index</i>			1.41	55	3.22	19	3.40	28	1.34	69	1.39	58	3.35	Mar-18
Chandler Asset Management	323,741,597	14.29	3.26	42	5.59	2	5.96	1	2.21	49	2.07	96	1.78	Jun-13
Lazard Financial Management	318,196,428	14.05	3.08	62	5.40	4	5.33	3	--	--	--	--	5.39	Mar-18
<i>Chandler/Lazard Custom Index</i>			3.13	55	5.79	1	5.60	2	2.06	61	1.81	98	5.38	Mar-18
Total Endowment	69,027,295	3.05	9.18	34	2.79	61	2.18	65	7.51	52	--	--	5.34	Aug-15
<i>Endowment Custom Index</i>			8.63	60	3.45	57	4.46	49	7.28	54	5.31	52	5.37	Aug-15
<i>eV Global Balanced Net Median</i>			9.04		3.72		4.31		7.64		5.41		5.17	Aug-15
SEI Funds	23,841,116	1.05	9.51	33	2.76	61	2.76	62	8.24	40	--	--	6.41	Aug-15
MSIFT Global Strategist	22,307,245	0.98	8.13	66	2.55	62	0.94	75	6.86	70	--	--	4.70	Aug-15
JP Morgan Diversified	22,878,523	1.01	9.87	32	2.63	62	2.24	65	8.14	44	--	--	5.55	Aug-15
Cash Account	411	0.00	0.58	68	1.35	99	1.74	98	0.94	98	--	--	0.79	Aug-15

Notes: Net of Fees. Results for periods longer than one year are annualized.

Performance history through 12/2015 is from BNY Mellon. NEPC Performance start date is January 2016. Fiscal Year end is June 30.

Endowment Custom Index consists of 60% MSCI World Index/40% BBgBarc US Aggregate.

Post 3/1/2018 Reserve Custom Index is comprised of 25% BBgBarc US Govt/Credit 1-3 Yr, BBgBarc US Govt/Credit 1-5 Yr, and BBgBarc US Govt/Credit 5-10 Yr.

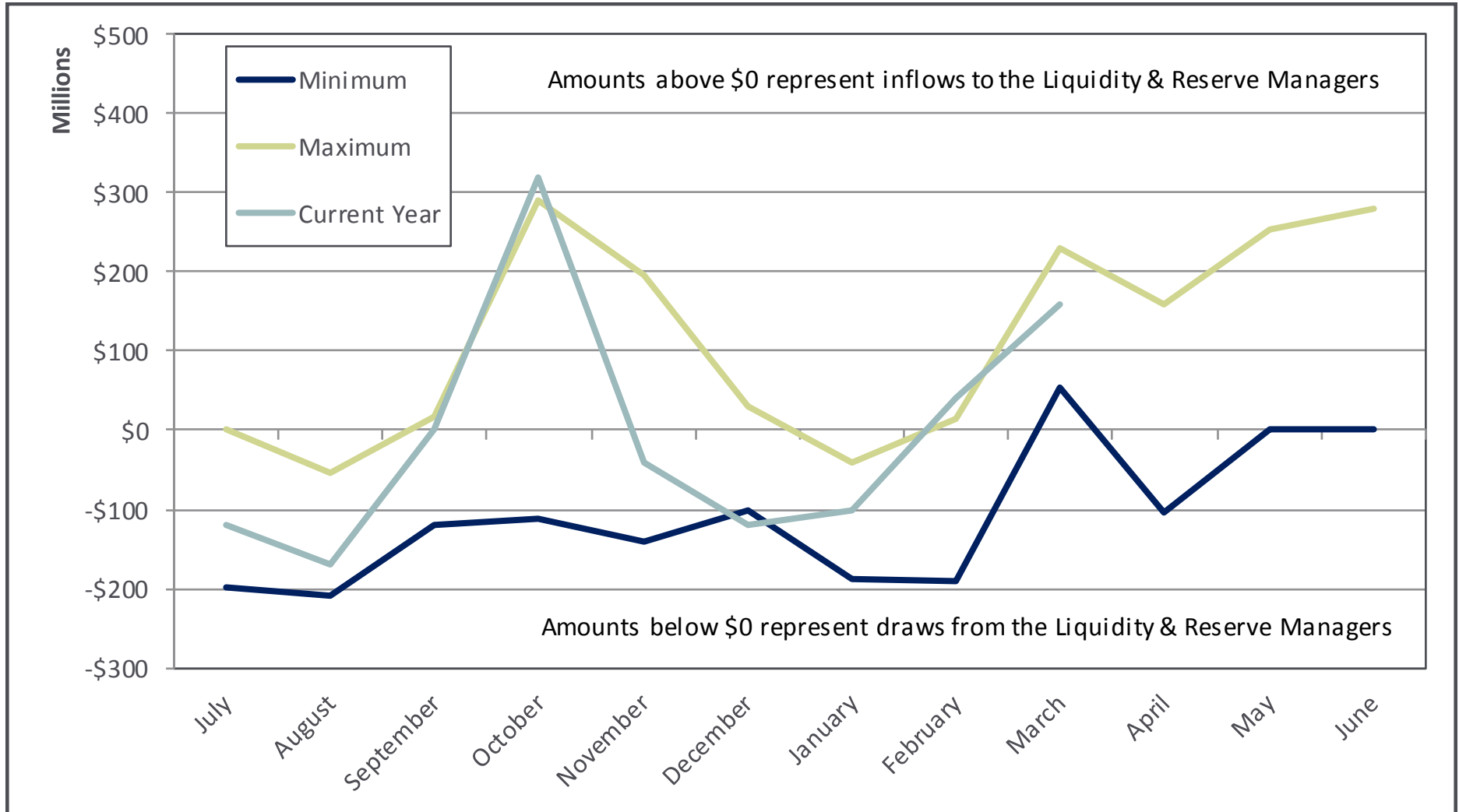
Blackrock Custom Index consists of 100% BofA Merrill Lynch 1-5 year Corporate/Gov A+ or Better and 75% BofA Merrill Lynch 1-5 year Govt/Corporate A+ or Better/ 25% 6 Month Treasury Bill prior to 4/1/2018.

J.P Morgan Custom Index consists of 100% BofA Merrill Lynch 1-3 year Corporate/Gov A+ or Better and 75% BofA Merrill Lynch 1-5 year Govt/Corporate A+ or Better/ 25% 6 Month Treasury Bill prior to 4/1/2018.

Chandler/Lazard Custom Index consists of 100% BofA Merrill Lynch 5-10 year Gov/Credit A+ or Better and 75% BofA Merrill Lynch 1-5 year Govt/Corporate A+ or Better/ 25% 6 Month Treasury Bill prior to 4/1/2018.



CASH FLOWS – FISCAL YEAR 2019



The minimum and maximum bands are the historical high and low amounts over the preceding 10 fiscal years.



MONTH ENDED MARCH 31, 2019

Change in Market Value Month Ending March 31, 2019										
	Beginning Market Value	Contributions	Withdrawals	Fees	Income	Unrealized Gain (Loss)	Realized Gain (Loss)	Amortization / Accretion	Ending Market Value	
Liquidity Managers										
PFM Asset Management	\$ 384,460,398	\$ 100,000,000	\$ (20,000,000)	\$ -	\$ 870,593	\$ 158,232	\$ 8,021	\$ 178,683	\$ 465,675,928	
Wilmington Liquidity	\$ 381,727,496	\$ 100,000,000	\$ (20,000,000)	\$ -	\$ 815,176	\$ 529,909	\$ 7,671	\$ 280,532	\$ 463,360,784	
Total Liquidity Managers	\$ 766,187,894	\$ 200,000,000	\$ (40,000,000)	\$ -	\$ 1,685,769	\$ 688,141	\$ 15,692	\$ 459,215	\$ 929,036,712	
Reserve Managers										
BlackRock Financial Management	\$ 311,297,743	\$ -	\$ -	\$ -	\$ 623,022	\$ 2,052,591	\$ 59,535	\$ 48,597	\$ 314,081,487	
Chandler Asset Management	\$ 317,337,713	\$ -	\$ -	\$ -	\$ 705,066	\$ 5,630,955	\$ (30,621)	\$ 98,483	\$ 323,741,597	
JPM Intermediate	\$ 309,142,184	\$ -	\$ -	\$ -	\$ 639,667	\$ 1,311,041	\$ 26,069	\$ 56,808	\$ 311,175,769	
Lazard Asset Management	\$ 311,543,066	\$ -	\$ -	\$ -	\$ 679,798	\$ 5,522,069	\$ 332,920	\$ 118,574	\$ 318,196,428	
Total Reserve Managers	\$ 1,249,320,706	\$ -	\$ -	\$ -	\$ 2,647,553	\$ 14,516,656	\$ 387,903	\$ 322,461	\$ 1,267,195,281	
Total Liquidity & Reserve Managers	\$ 2,015,508,600	\$ 200,000,000	\$ (40,000,000)	\$ -	\$ 4,333,322	\$ 15,204,797	\$ 403,595	\$ 781,676	\$ 2,196,231,993	
Land & Water Endowment										
SEI Funds	\$ 24,235,346	\$ 12,942	\$ (738,000)	\$ -	\$ 24,422	\$ 249,495	\$ 56,911	\$ -	\$ 23,841,116	
MSIFT Global Strategist	\$ 22,776,343	\$ 12,942	\$ (738,000)	\$ -	\$ 502	\$ 293,075	\$ (37,618)	\$ -	\$ 22,307,245	
JP Morgan Diversified	\$ 23,266,068	\$ 12,942	\$ (738,000)	\$ -	\$ 120,775	\$ 255,362	\$ (38,624)	\$ -	\$ 22,878,523	
Cash Account	\$ 2,401	\$ 2,250,426	\$ (2,252,826)	\$ -	\$ 410	\$ -	\$ -	\$ -	\$ 411	
Total Land & Water Endowment	\$ 70,280,158	\$ 2,289,252	\$ (4,466,826)	\$ -	\$ 146,109	\$ 797,932	\$ (19,331)	\$ -	\$ 69,027,295	
Total	\$ 2,085,788,758	\$ 202,289,252	\$ (44,466,826)	\$ -	\$ 4,479,431	\$ 16,002,730	\$ 384,264	\$ 781,676	\$ 2,265,259,288	

Footnotes:

Values provided by Northern Trust and are reconciled to the audited custodian reports.

Income is a product of income received during the month plus accrued income.

Numbers may not add due to rounding.



FISCAL YEAR TO DATE

	Change in Market Value Fiscal Year-to-Date Through March 31, 2019									
	Beginning Market Value	Contributions	Withdrawals	Fees	Income	Unrealized Gain (Loss)	Realized Gain (Loss)	Amortization / Accretion	Ending Market Value	
Liquidity Managers										
PFM Asset Management	\$ 492,906,444	\$ 340,000,000	\$ (375,013,748)	\$ (232,522)	\$ 5,603,308	\$ 827,415	\$ 64,524	\$ 1,520,507	\$ 465,675,928	
Wilmington Liquidity	\$ 489,669,700	\$ 458,885,000	\$ (493,885,000)	\$ (238,620)	\$ 5,334,582	\$ 1,520,549	\$ 222,401	\$ 1,852,171	\$ 463,360,784	
Total Liquidity Managers	\$ 982,576,144	\$ 798,885,000	\$ (868,898,748)	\$ (471,142)	\$ 10,937,891	\$ 2,347,964	\$ 286,925	\$ 3,372,678	\$ 929,036,712	
Reserve Managers										
BlackRock Financial Management	\$ 304,178,445	\$ -	\$ -	\$ (175,398)	\$ 5,237,375	\$ 5,687,691	\$ (1,241,494)	\$ 394,868	\$ 314,081,487	
Chandler Asset Management	\$ 306,602,083	\$ -	\$ -	\$ (174,995)	\$ 6,091,474	\$ 10,585,332	\$ (222,231)	\$ 859,935	\$ 323,741,597	
JPM Intermediate	\$ 302,598,195	\$ -	\$ -	\$ (238,520)	\$ 5,312,281	\$ 4,757,656	\$ (1,708,734)	\$ 454,891	\$ 311,175,769	
Lazard Asset Management	\$ 301,883,237	\$ 314	\$ -	\$ (272,274)	\$ 5,983,735	\$ 9,714,791	\$ (127,962)	\$ 1,014,588	\$ 318,196,428	
Total Reserve Managers	\$ 1,215,261,960	\$ 314	\$ -	\$ (861,187)	\$ 22,624,865	\$ 30,745,471	\$ (3,300,422)	\$ 2,724,282	\$ 1,267,195,281	
Total Liquidity & Reserve Managers	\$ 2,197,838,104	\$ 798,885,314	\$ (868,898,748)	\$ (1,332,329)	\$ 33,562,756	\$ 33,093,435	\$ (3,013,497)	\$ 6,096,960	\$ 2,196,231,993	
Land & Water Endowment										
SEI Funds	\$ 22,673,974	\$ 1,272,105	\$ (783,310)	\$ (60,075)	\$ 467,332	\$ (262,744)	\$ 533,835	\$ -	\$ 23,841,116	
MSIFT Global Strategist	\$ 21,282,497	\$ 1,197,411	\$ (763,184)	\$ -	\$ 780,447	\$ (2,103,365)	\$ 1,913,439	\$ -	\$ 22,307,245	
JP Morgan Diversified	\$ 21,816,446	\$ 1,225,484	\$ (784,269)	\$ -	\$ 372,483	\$ (1,426,700)	\$ 1,675,080	\$ -	\$ 22,878,523	
Cash Account	\$ 3,571,583	\$ 2,359,591	\$ (5,957,999)	\$ -	\$ 27,236	\$ -	\$ -	\$ -	\$ 411	
Total Land & Water Endowment	\$ 69,344,500	\$ 6,054,591	\$ (8,288,762)	\$ (60,075)	\$ 1,647,498	\$ (3,792,808)	\$ 4,122,354	\$ -	\$ 69,027,295	
Total	\$ 2,267,182,604	\$ 804,939,905	\$ (877,187,510)	\$ (1,392,404)	\$ 35,210,254	\$ 29,300,627	\$ 1,108,857	\$ 6,096,960	\$ 2,265,259,288	

Footnotes:

Values provided by Northern Trust and are reconciled to the audited custodian reports.

Income is a product of income received during the month plus accrued income.

Numbers may not add due to rounding.



YIELD AND DURATION POSITIONING

Liquidity Portfolio Yield & Duration Analysis							
Portfolio				Benchmark			
	<u>Portfolio Value</u>	<u>Yield</u>	<u>Duration</u>		<u>Yield</u>	<u>Duration</u>	
PFM	\$ 492,906,444	2.64%	0.41	90-Day Treasury Bill	2.40%	0.17	
Wilmington Trust	\$ 489,669,700	2.64%	0.69	90-Day Treasury Bill	2.40%	0.17	
Total Liquidity	\$ 982,576,144	2.64%	0.55	90-Day Treasury Bill	2.40%	0.17	

Reserve Portfolio Yield & Duration Analysis							
Portfolio				Benchmark			
	<u>Portfolio Value</u>	<u>Yield</u>	<u>Duration</u>		<u>Yield</u>	<u>Duration</u>	
JP Morgan	\$ 302,598,195	2.76%	1.72	BAML 1-3 Yr Govt/Credit A+	2.60%	1.86	
BlackRock	\$ 304,178,445	2.70%	2.49	BAML 1-5 Yr Govt/Credit A+	2.61%	2.58	
Chandler	\$ 306,602,083	2.93%	5.83	BAML 5-10 Yr Govt/Credit A+	2.85%	6.26	
Lazard	\$ 301,883,237	2.84%	6.28	BAML 5-10 Yr Govt/Credit A+	2.85%	6.26	
Total Reserve	\$ 1,215,261,960	2.81%	4.08	Custom Reserve Benchmark	2.73%	4.24	

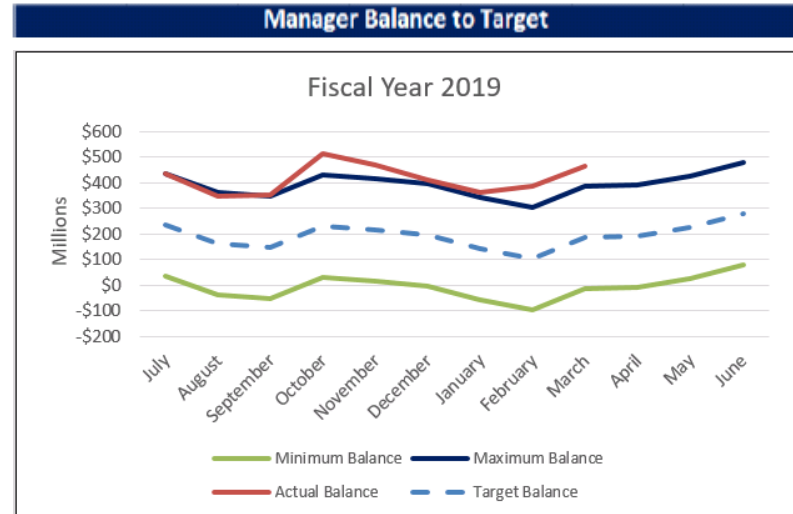
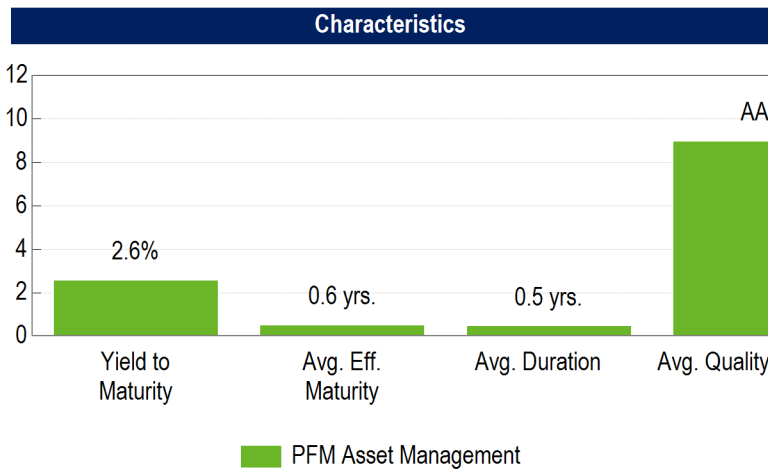
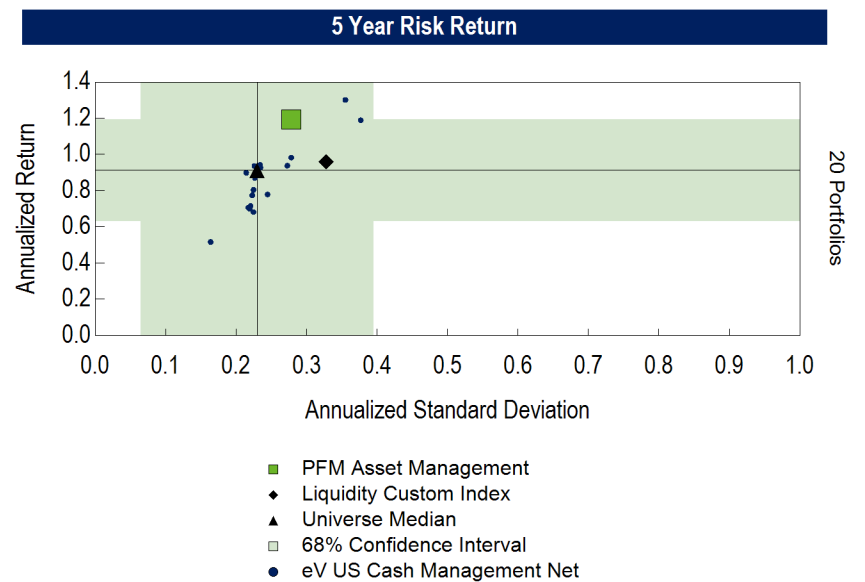
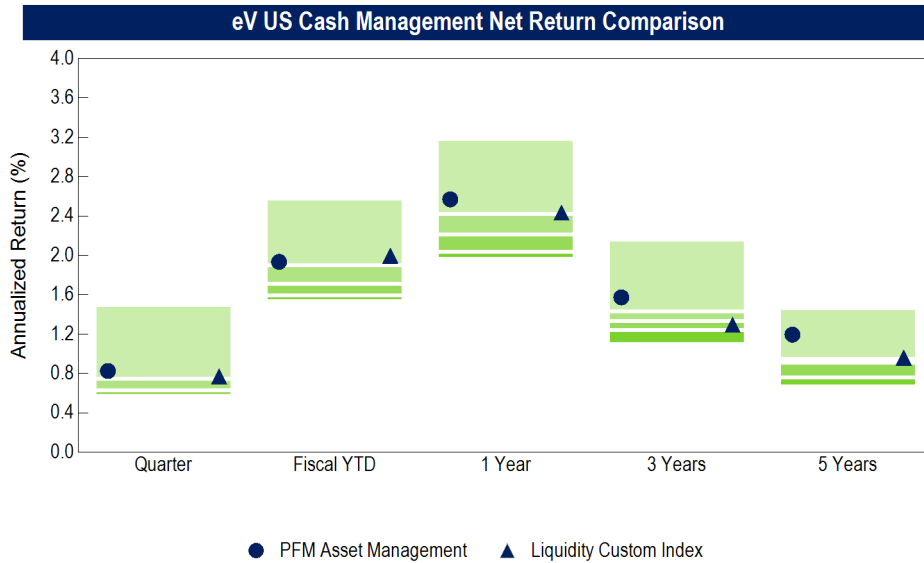


LIQUIDITY MANAGER REVIEW

NEPC, LLC

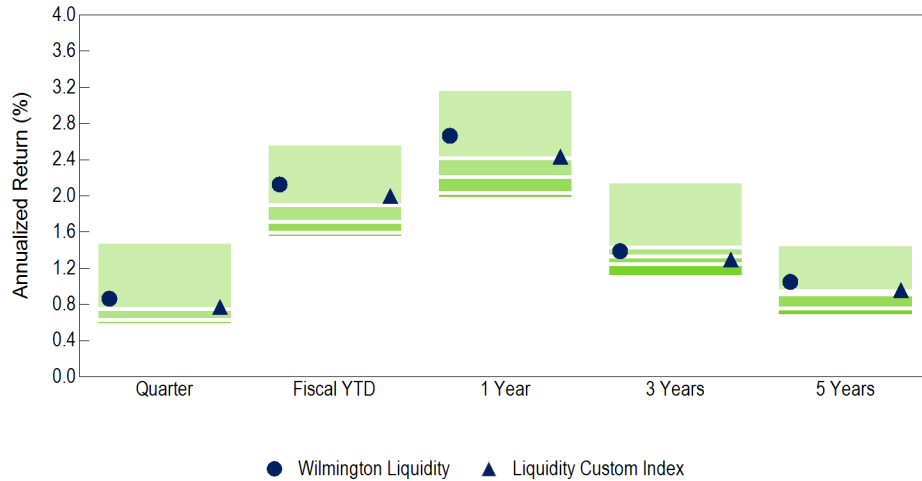
Delaware Office of the State Treasurer

PFM ASSET MANAGEMENT

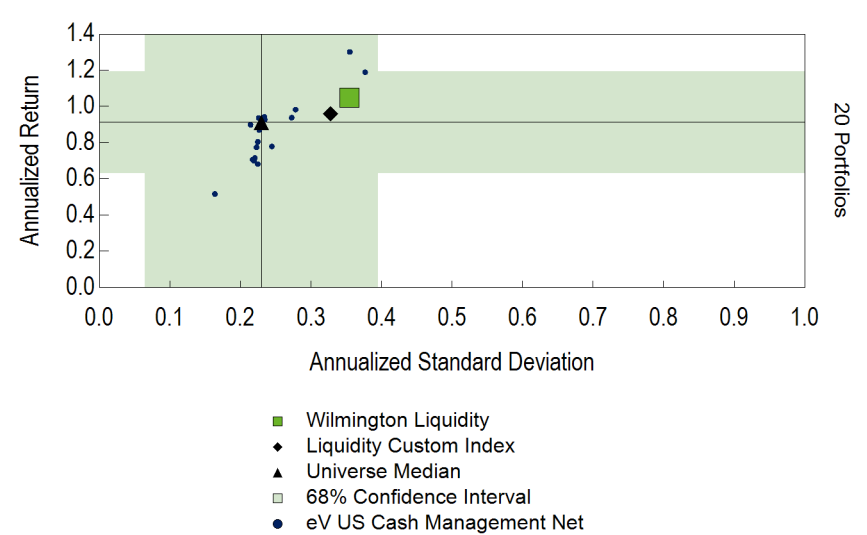


WILMINGTON LIQUIDITY

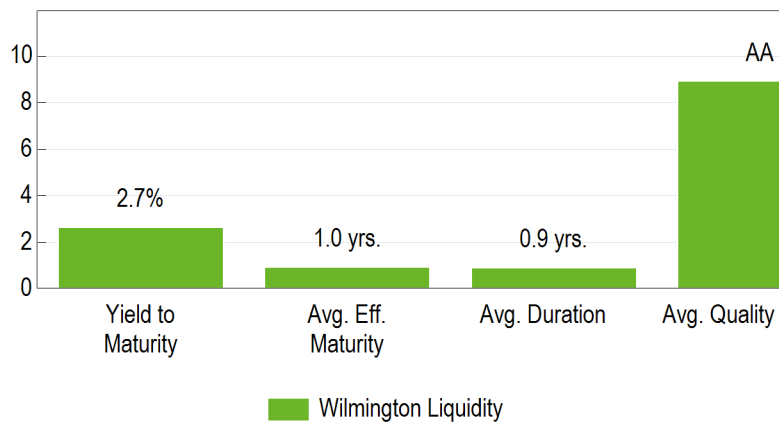
eV US Cash Management Net Return Comparison



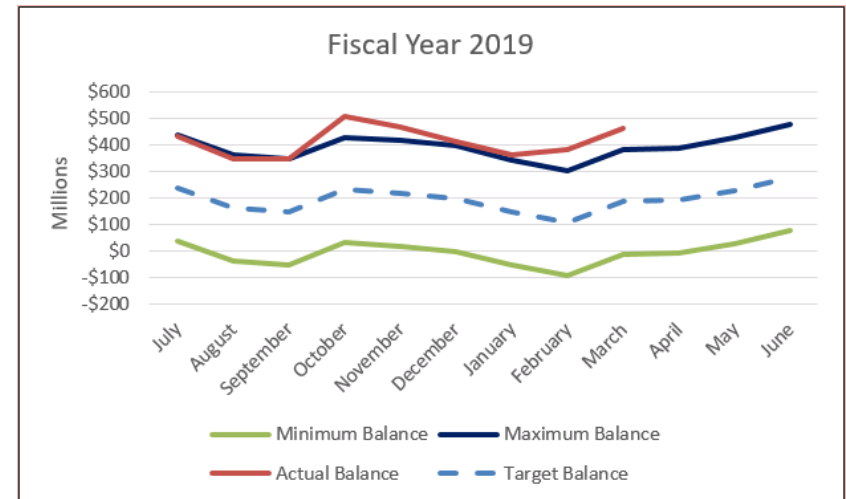
5 Year Risk Return



Characteristics



Manager Balance to Target



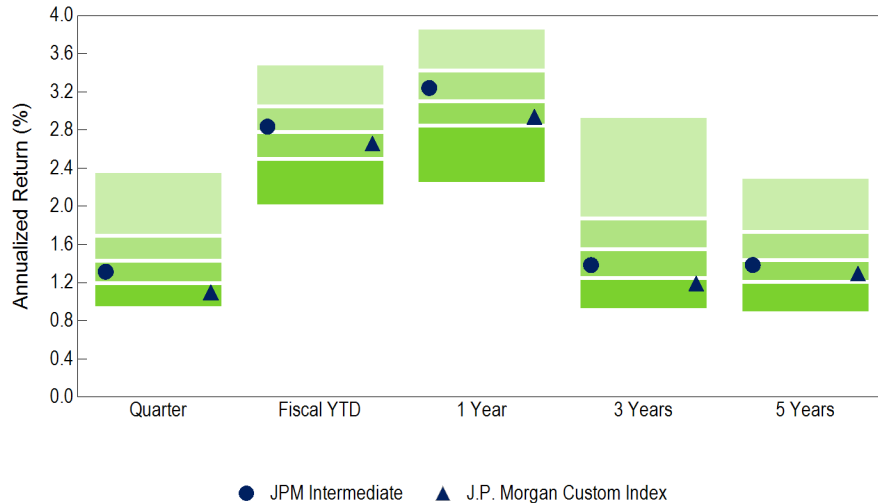
RESERVE MANAGER REVIEW

NEPC, LLC

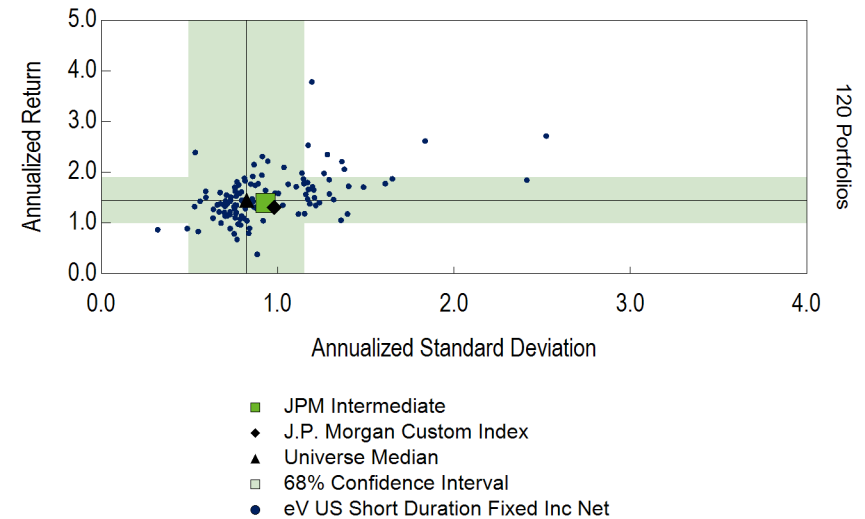
Delaware Office of the State Treasurer

JPM INTERMEDIATE

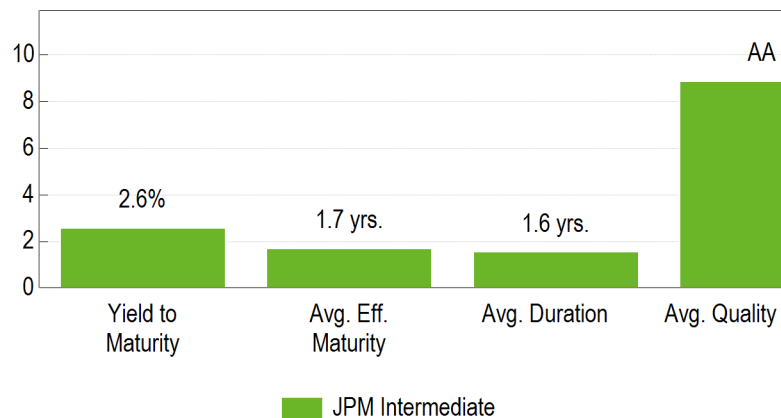
eV US Short Duration Fixed Inc Net Return Comparison



5 Year Risk Return



Characteristics



Qualitative Attribution

Duration and Yield Positioning – the portfolio remained marginally short duration with a yield advantage relative to the benchmark.
Result: Minor value detractor during the quarter due to the Federal Reserve changing course on interest increases.

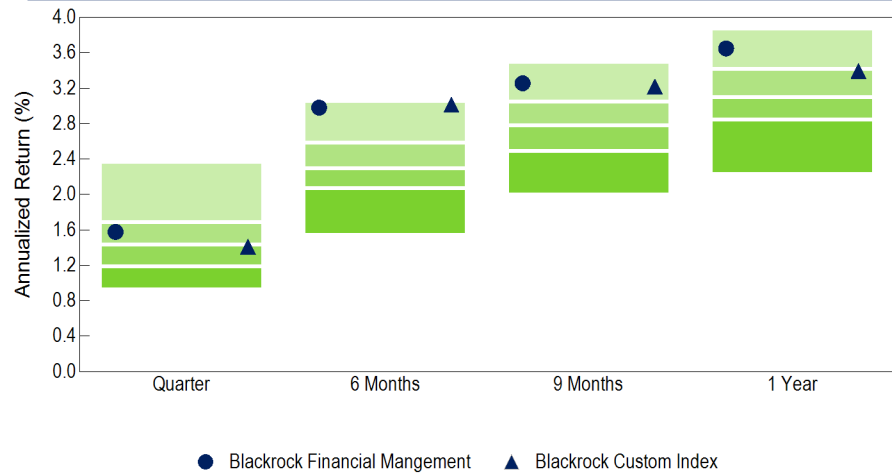
Credit Positioning – the portfolio had an overweight to corporate and an underweight to Treasuries. The sell-off in corporate bonds in December presented an opportunity to increase the allocation.
Result: Value added as corporate spreads tightened during the quarter.

Other Positioning – the portfolio increased its credit positioning in December and January as the market sell off presented compelling investment options. The PM team is ready to reverse course should credit spreads continue to narrow, making Treasuries more attractive. The portfolio may also increase duration should interest rates increase during the quarter.

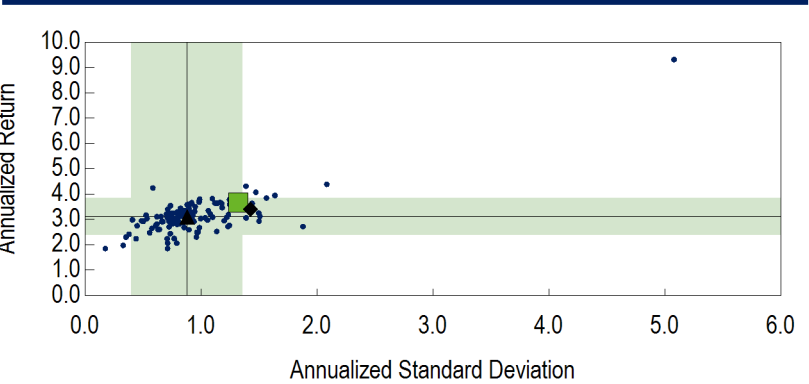


BLACKROCK FINANCIAL MANAGEMENT

eV US Short Duration Fixed Inc Net Return Comparison

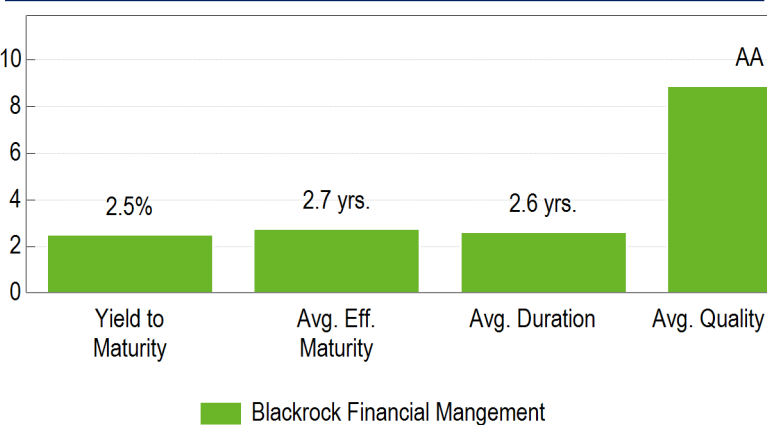


1 Year Risk Return



- Blackrock Financial Mangement
- ◆ Blackrock Custom Index
- ▲ Universe Median
- 68% Confidence Interval
- eV US Short Duration Fixed Inc Net

Characteristics



Qualitative Attribution

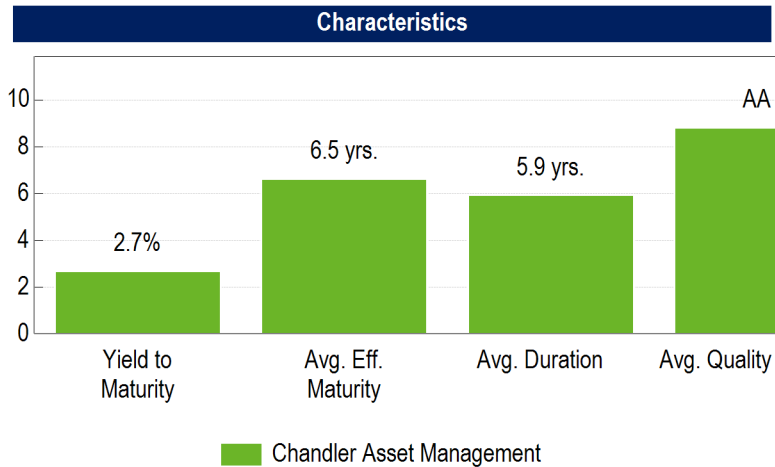
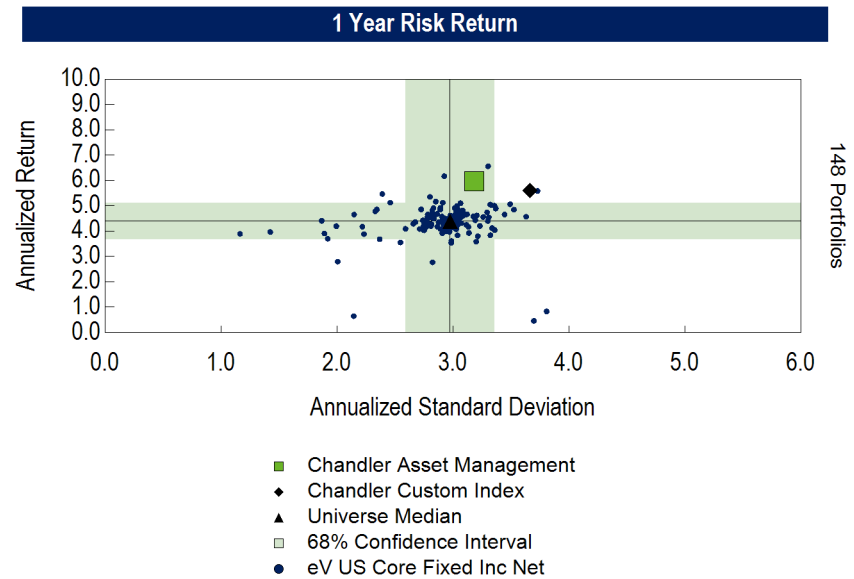
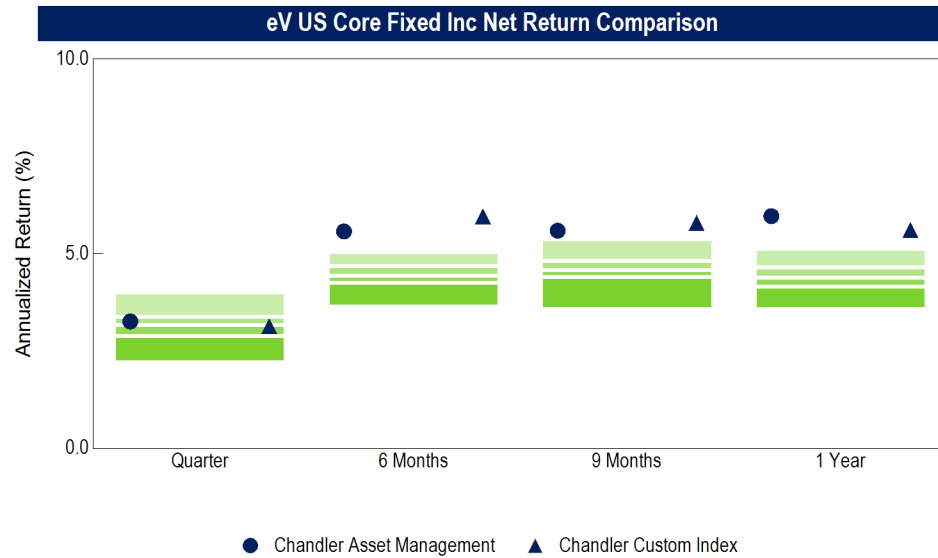
Duration Positioning – the portfolio was positioned short relative to the benchmark during the quarter. The duration was lengthened to a neutral position after the Fed’s interest rate announcement.
Result: Value detracted as the interest rates declined during the quarter.

Credit Positioning – the portfolio was underweight Treasuries, agency mortgages and sovereign issues, overweight corporates, agencies and taxable municipals. A portion of the corporate exposure was reduced in favor of ABS securities during the quarter. **Result:** Value added as corporate spreads tightened during the quarter.

Other Positioning – as corporate spreads tightened, the portfolio rotated into ABS securities to take advantage of price appreciation opportunities. The portfolio continues to maintain underweight positions in agency securities as they offer a very small yield advantage over Treasuries.



CHANDLER ASSET MANAGEMENT



Qualitative Attribution

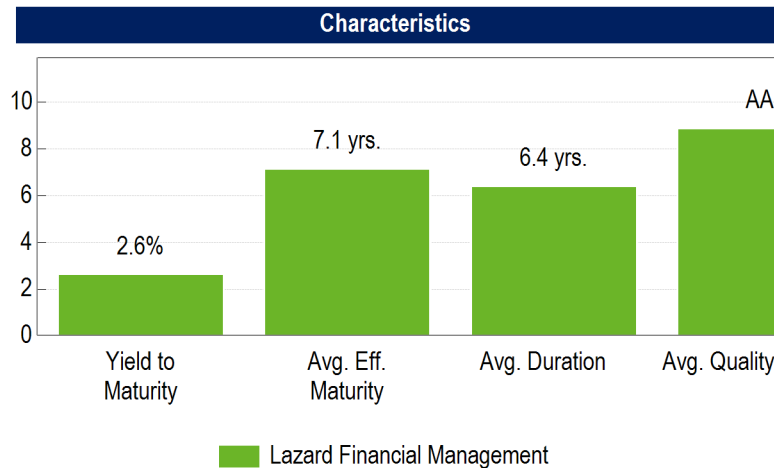
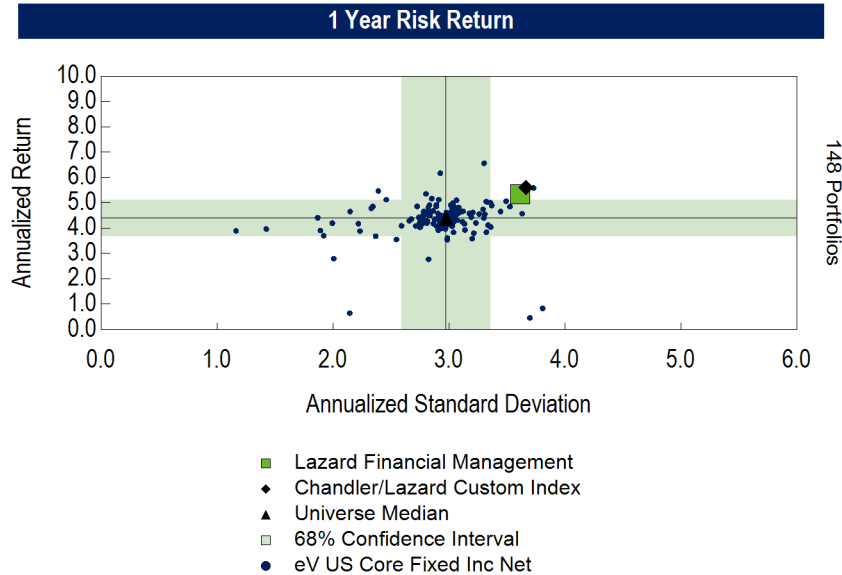
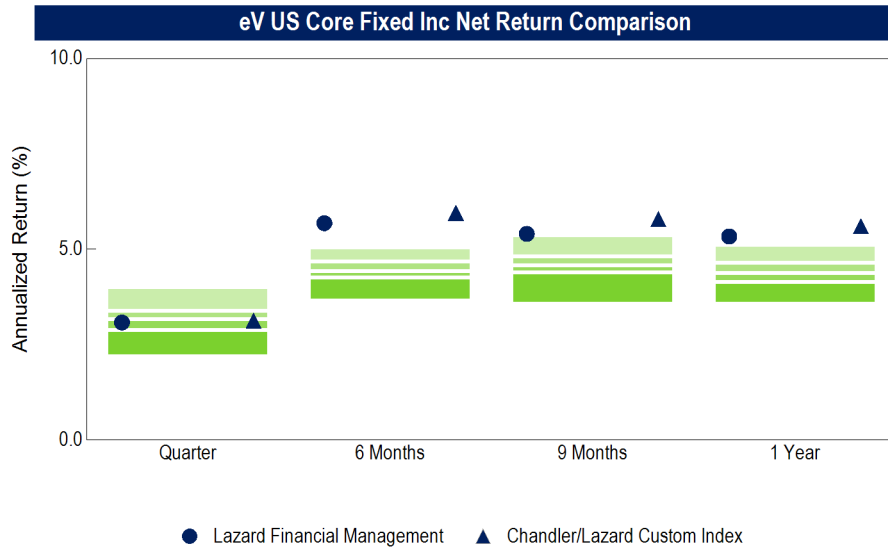
Duration Positioning – the portfolio’s duration position remained stable during the quarter, but was modestly short relative to the benchmark’s duration. **Result:** Modestly negative as interest rates moved lower during the quarter.

Credit Positioning – the portfolio remained underweight Treasuries, which was rewarded during the quarter. The overall mix of corporate credits remain high quality and reflects the defensive positioning of the portfolio. The portfolio reduced a portion of its exposure to shorter duration securities, trading them out for longer dated positions in the same issuer. **Result:** Value added as corporate spreads tightened during the quarter. detracted as the underweight positions to Treasury securities more than offset the strong relative performance of the credit positions.

Other Positioning – the portfolio will opportunistically lengthen the duration of the portfolio as opportunities arise. In the near term, however, the portfolio is likely to be modestly short duration.



LAZARD FINANCIAL MANAGEMENT



Qualitative Attribution

Duration Positioning – the portfolio remained at a neutral duration position during the quarter. The yield curve positioning was defensive in anticipation of a flattening. The portfolio maintained its underweight positioning in the five-year segment of the curve. **Result:** No impact as the 5 to 10-year segment of the yield curve shifted down in concert.

Credit Positioning – the portfolio remained defensively positioned with an underweight to credit and a neutral Treasury position. **Result:** Value detracted as corporate credits rallied sharply during the quarter.

Other Positioning – the portfolio continued to hold its position in 1.5 to 2.0-year AAA rated asset-backed securities, an out of index position. The PM team continues search for attractively priced A-rated corporate positions with little success. In the meantime, the portfolio continues to hold high quality, short duration asset backed securities, which have added value relative to Treasury positions.

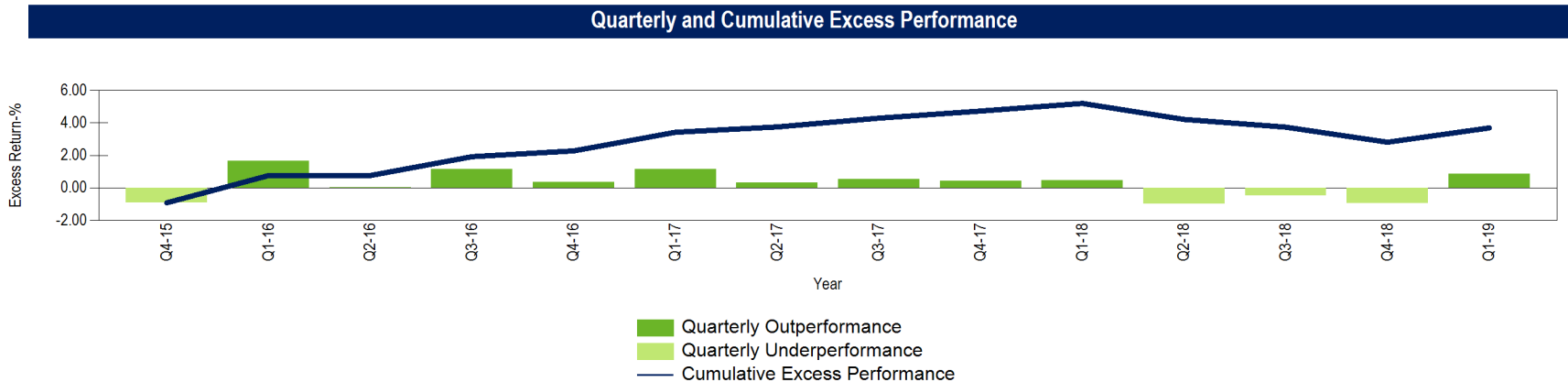
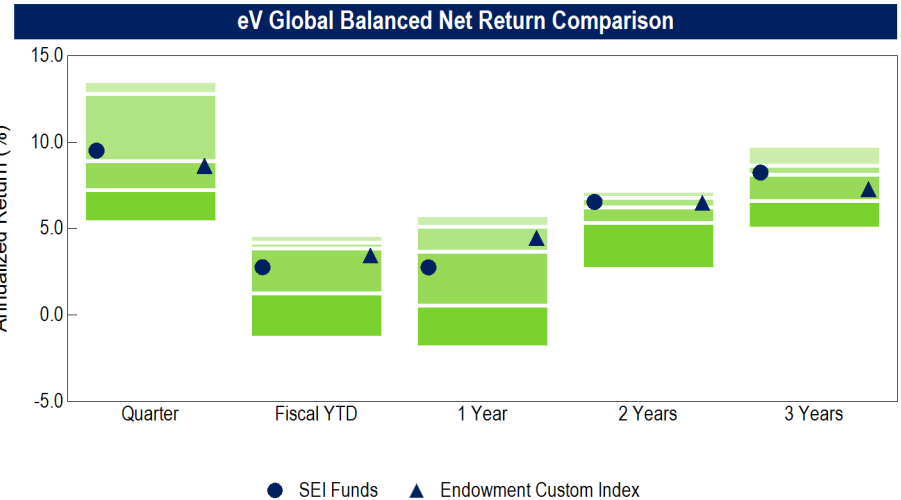


ENDOWMENT MANAGER REVIEW

NEPC, LLC

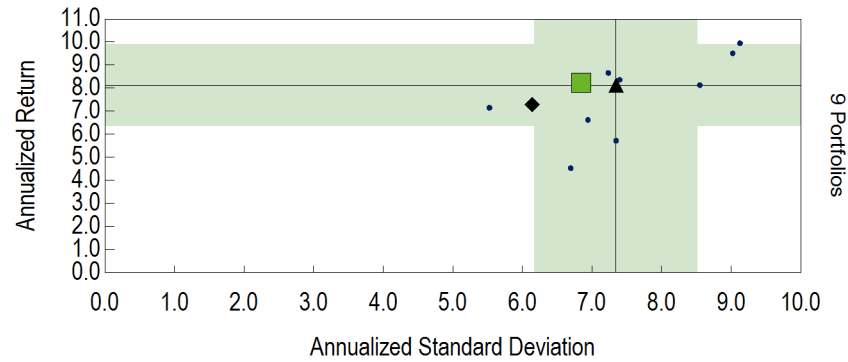
SEI FUNDS

SEI Funds manages a multi-asset class portfolio subject to a 60% target equity allocation which will be held in a range of 45% to 75%, with international equities not to exceed 35% of the equity allocation. A combination of fixed income, alternative investments, and cash will account for the remaining 40% target allocation. Funds will be managed by the following SEI strategies: SEI US Managed Volatility Strategy, SEI S&P 500 Index Strategy, SEI Extended Markets Index Strategy, SEI Small Cap II Equity Strategy, SEI World Equity ex-US Strategy, SEI Core Fixed Income Strategy, SEI High Yield Strategy, and SEI Emerging Markets Debt Strategy.

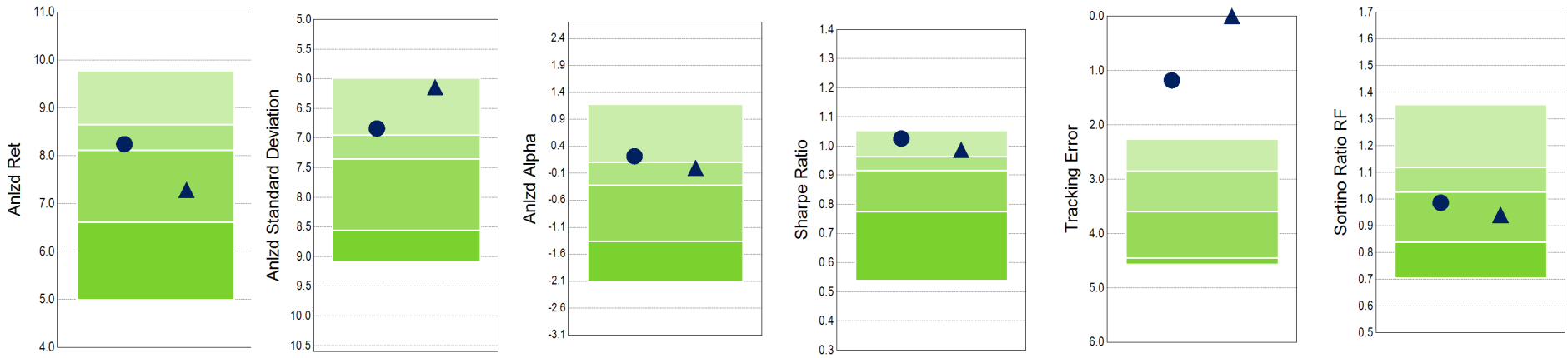


Delaware Office of the State Treasurer
SEI FUNDS

3 Year Risk Return



- SEI Funds
- ◆ Endowment Custom Index
- ▲ Universe Median
- 68% Confidence Interval
- eV Global Balanced Net

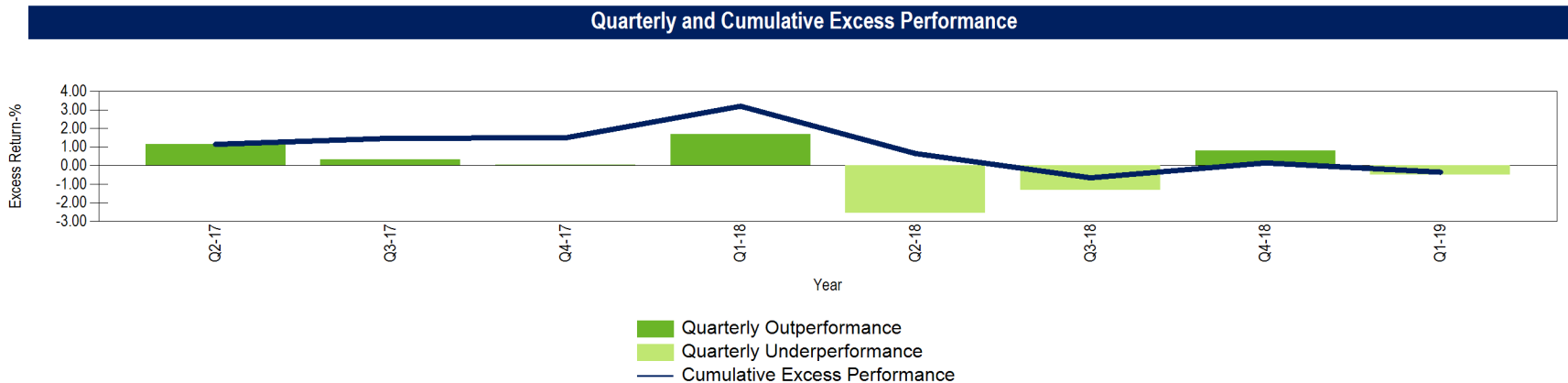
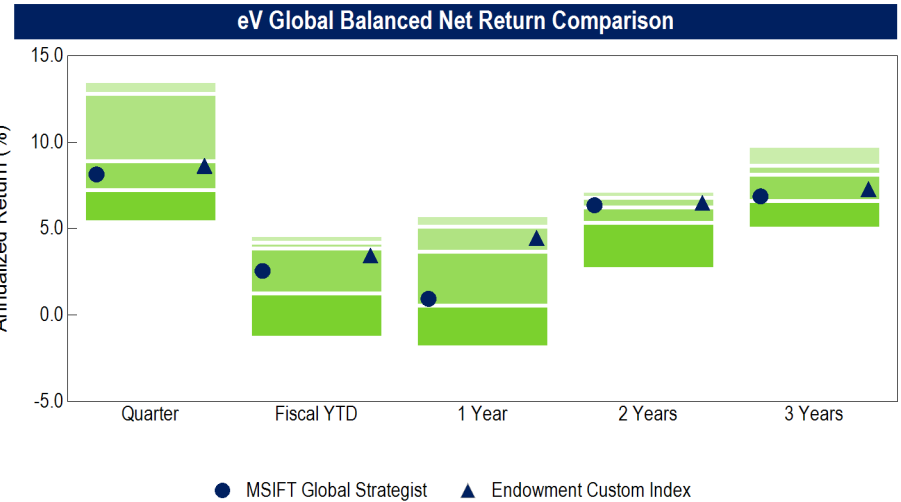


- SEI Funds
- ▲ Endowment Custom Index
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile

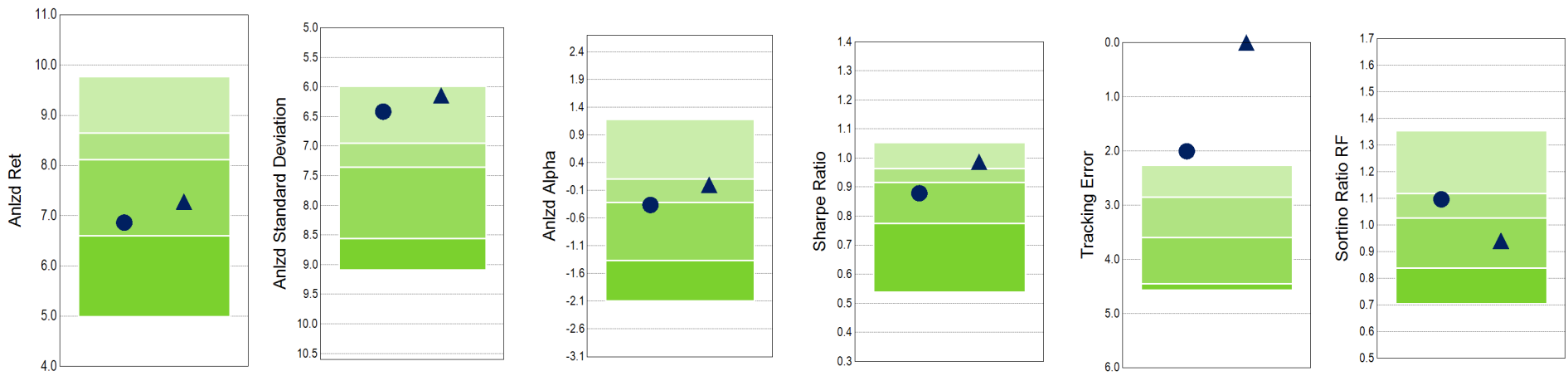
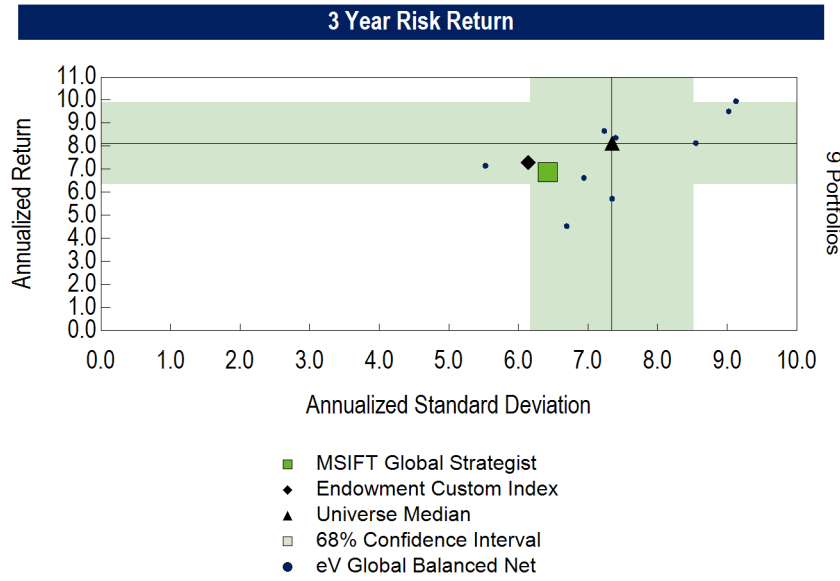


MSIFT GLOBAL STRATEGIST

Morgan Stanley manages a multi-asset class portfolio. The portfolio seeks to achieve its investment objective by investing primarily in a blend of equity and fixed income securities of U.S. and non-U.S. issuers. The equity portfolio will be diversified by types of securities (i.e. common and preferred shares of equity), issuer, industry and sectors. The fixed income portfolio will be diversified by security types (i.e government, agency and corporate bonds), issuer, duration and yield characteristics.

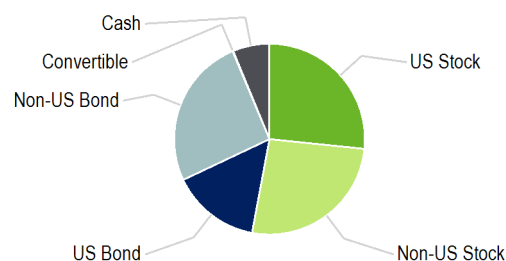


MSIFT GLOBAL STRATEGIST



MSIFT GLOBAL STRATEGIST

Mutual Fund Allocation as of December 31, 2018



Top Holdings as of December 31, 2018

S+P500 EMINI FUT MAR19 XCME 20190315	13.93%
MS INST. FUND TRUST GBL STRATEGIST CAYMAN POR LTD	6.99%
1264433 TRS USD P V 03MLIBOR II3546010180122 EQUITYTRS	5.81%
1264433 TRS USD R E II3562940180122 EQUITYTRS	5.80%
UNITED STATES TREASURY NOTES 0.5%	4.78%
1264567 TRS USD P V 03MLIBOR II1025160180206 EQUITYTRS	4.46%
1264567 TRS USD R E II1027310180206 EQUITYTRS	4.16%
US 10 YEAR ULTRA FUTURE MAR19	3.82%
US 2YR NOTE (CBT) MAR19 XCBT 20190329	2.92%
US ULTRA BOND (CBT) MAR19	2.26%

Portfolio Fund Information as of December 31, 2018

Ticker	MPBAX
Morningstar Category	World Allocation
Average Market Cap (\$mm)	50,835.46
Net Assets (\$mm)	57.28
% Assets in Top 10 Holdings	54.92
Total Number of Holdings	1,516
Manager Name	Mark A. Bavoso
Manager Tenure	8
Expense Ratio	0.74%
Closed to New Investors	No

Fund Characteristics as of December 31, 2018

Sharpe Ratio (3 Year)	0.56
Average Market Cap (\$mm)	50,835.46
Price/Earnings	12.57
Price/Book	1.90
Price/Sales	1.46
Price/Cash Flow	6.20
Dividend Yield	3.12
Number of Equity Holdings	1,213
R-Squared (3 Year)	0.90
Alpha (3 Year)	0.00%

Sector Allocation as of December 31, 2018

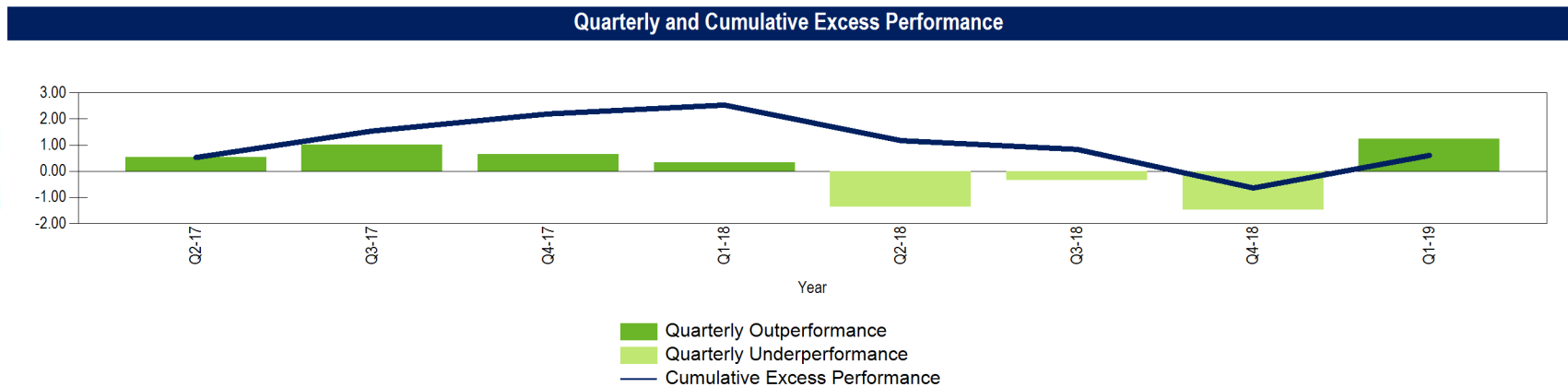
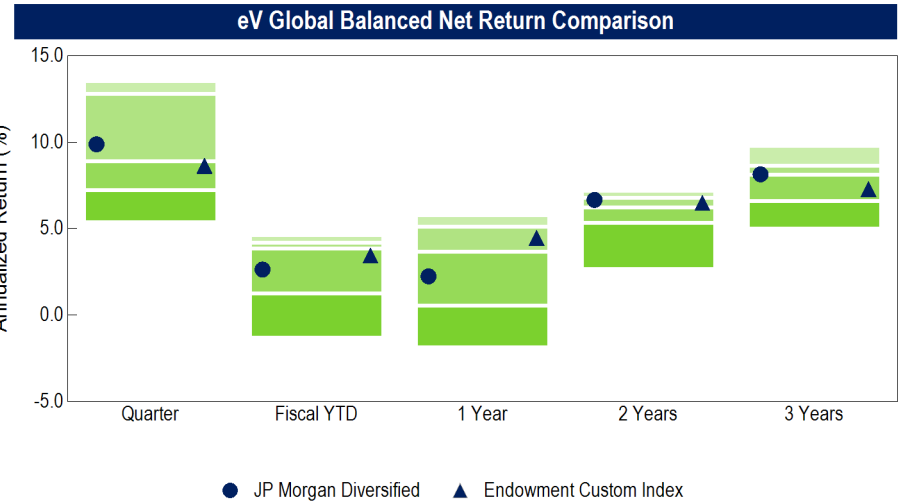
BASIC MATERIALS	6.66%
COMMUNICATION SERVICES	4.72%
CONSUMER CYCLICAL	10.70%
CONSUMER DEFENSIVE	9.94%
ENERGY	6.14%
FINANCIAL SERVICES	22.76%
HEALTHCARE	11.67%
INDUSTRIALS	9.51%
REAL ESTATE	2.44%
TECHNOLOGY	12.08%
UTILITIES	3.39%

Characteristics have not been released for the first quarter.



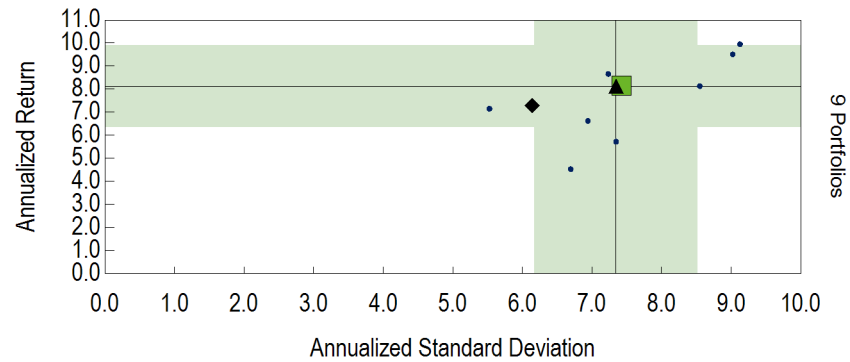
JP MORGAN DIVERSIFIED

J.P Morgan manages a diversified multi-asset class portfolio. The strategy seeks to provide a high total return from a diversified portfolio of equity and fixed income investments based on a model allocation. JP Morgan may periodically increase or decrease the Fund's actual asset allocation according to the relative attractiveness of each asset class. Within its equity allocations, the Fund primarily invests in the common stock and convertible securities of U.S. and foreign companies. Within its fixed income allocations, the Fund primarily invests in corporate bonds, mortgage-backed securities, mortgage "dollar rolls" and U.S. government securities.

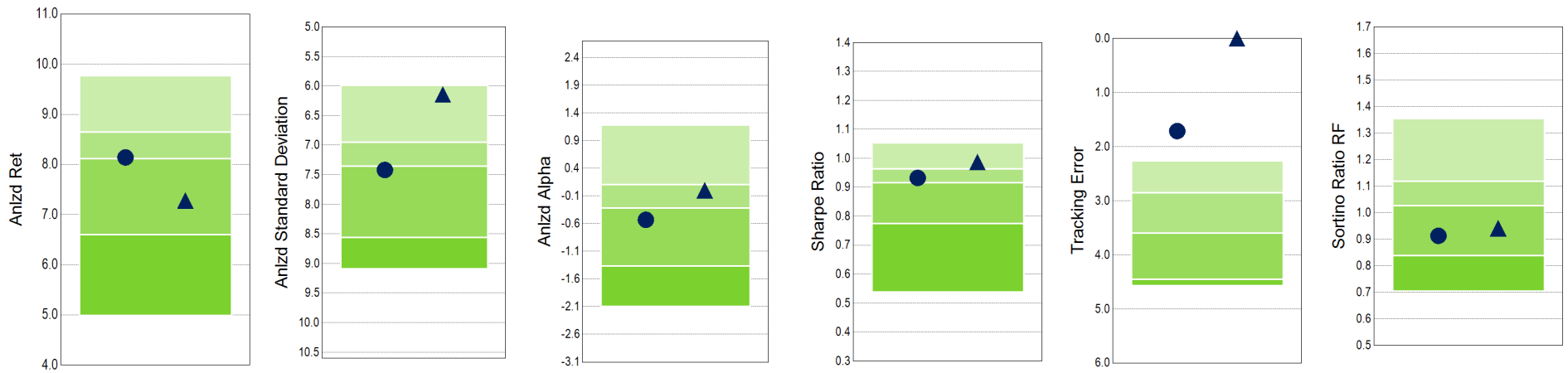


JP MORGAN DIVERSIFIED

3 Year Risk Return



- JP Morgan Diversified
- ◆ Endowment Custom Index
- ▲ Universe Median
- 68% Confidence Interval
- eV Global Balanced Net

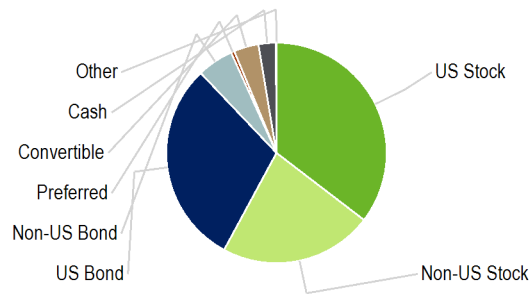


- JP Morgan Diversified
- ▲ Endowment Custom Index
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile



JP MORGAN DIVERSIFIED

Mutual Fund Allocation as of March 31, 2019



Portfolio Fund Information as of March 31, 2019

Ticker	JPDVX
Morningstar Category	Allocation--50% to 70% Equity
Average Market Cap (\$mm)	44,031.77
Net Assets (\$mm)	224.89
% Assets in Top 10 Holdings	15.75
Total Number of Holdings	3,535
Manager Name	Nicole Goldberger
Manager Tenure	8
Expense Ratio	0.75%
Closed to New Investors	No

Fund Characteristics as of March 31, 2019

Sharpe Ratio (3 Year)	0.93
Average Market Cap (\$mm)	44,031.77
Price/Earnings	16.15
Price/Book	2.20
Price/Sales	1.63
Price/Cash Flow	7.75
Dividend Yield	2.44
Number of Equity Holdings	1,925
R-Squared (3 Year)	0.97
Alpha (3 Year)	-0.04%

Top Holdings as of March 31, 2019

JPMORGAN CORE PLUS BOND R6	5.15%
JPMORGAN EMERGING MARKETS STRAT DBT R6	3.13%
JPMORGAN FLOATING RATE INCOME R6	1.99%
MICROSOFT CORP	1.22%
AMAZON.COM INC	1.01%
UNITED STATES TREASURY NOTES 2%	0.97%
APPLE INC	0.73%
PFIZER INC	0.58%
VISA INC CLASS A	0.50%
ALPHABET INC CLASS C	0.47%

Sector Allocation as of March 31, 2019

BASIC MATERIALS	3.73%
COMMUNICATION SERVICES	2.64%
CONSUMER CYCLICAL	13.55%
CONSUMER DEFENSIVE	6.64%
ENERGY	5.20%
FINANCIAL SERVICES	19.00%
HEALTHCARE	10.52%
INDUSTRIALS	10.67%
REAL ESTATE	7.06%
TECHNOLOGY	17.99%
UTILITIES	3.00%



APPENDIX

NEPC, LLC

GLOSSARY OF INVESTMENT TERMINOLOGY

Of Portfolios/Observations¹ - The total number of data points that make up a specified universe

Allocation Index³ - The allocation index measures the value added (or subtracted) to each portfolio by active management. It is calculated monthly: The portfolio asset allocation to each category from the prior month-end is multiplied by a specified market index.

Asset Allocation Effect² - Measures an investment manager's ability to effectively allocate their portfolio's assets to various sectors. The allocation effect determines whether the overweighting or underweighting of sectors relative to benchmark contributes positively or negatively to the overall portfolio return. Positive allocation occurs when the portfolio is over weighted in a sector that outperforms the benchmark and underweighted in a sector that underperforms the benchmark. Negative allocation occurs when the portfolio is over weighted in a sector that underperforms the benchmark and under weighted in a sector that outperforms the benchmark.

Agency Bonds (Agencies)³ - The full faith and credit of the United States government is normally not pledged to payment of principal and interest on the majority of government agencies issuing these bonds, with maturities of up to ten years. Their yields, therefore, are normally higher than government and their marketability is good, thereby qualifying them as a low risk-high liquidity type of investment. They are eligible as security for advances to the member banks by the Federal Reserve, which attests to their standing.

Asset Backed Securities (ABS)³ - Bonds which are similar to mortgage-backed securities but are collateralized by assets other than mortgages; commonly backed by credit card receivables, auto loans, or other types of consumer financing.

Attribution³ - Attribution is an analytical technique that allows us to evaluate the performance of the portfolio relative to the benchmark. A proper attribution tells us where value was added or subtracted as a result of the manager's decisions.

Average Effective Maturity⁴ - For a single bond, it is a measure of maturity that takes into account the possibility that a bond might be called back to the issuer.

For a portfolio of bonds, average effective maturity is the weighted average of the maturities of the underlying bonds. The measure is computed by weighing each bond's maturity by its market value with respect to the portfolio and the likelihood of any of the bonds being called. In a pool of mortgages, this would also account for the likelihood of prepayments on the mortgages.

Batting Average¹ - A measurement representing an investment manager's ability to meet or beat an index.

Formula: Divide the number of days (or months, quarters, etc.) in which the manager beats or matches the index by the total number of days (or months, quarters, etc.) in the period of question and multiply that factor by 100.

Brinson Fachler (BF) Attribution¹ - The BF methodology is a highly accepted industry standard for calculating the allocation, selection, and interaction effects within a portfolio that collectively explains a portfolio's underlying performance. The main advantage of the BF methodology is that rather than using the overall return of the benchmark, it goes a level deeper than BHB and measures whether the benchmark sector, country, etc. outperformed/or underperformed the overall benchmark.

Brinson Hood Beebower (BHB) Attribution¹ - The BHB methodology shows that excess return must be equal to the sum of all other factors (i.e., allocation effect, selection effect, interaction effect, etc.). The advantage to using the BHB methodology is that it is a highly accepted industry standard for calculating the allocation, selection, and interaction effects within a portfolio that collectively explains a portfolio's underlying performance.

Corporate Bond (Corp)⁴ - A debt security issued by a corporation and sold to investors. The backing for the bond is usually the payment ability of the company, which is typically money to be earned from future operations. In some cases, the company's physical assets may be used as collateral for bonds.

Correlation¹ - A range of statistical relationships between two or more random variables or observed data values. A correlation is a single number that describes the degree of relationship between variables.

Data Source: ¹InvestorForce, ²Interaction Effect Performance Attribution, ³NEPC, LLC, ⁴Investopedia, ⁵Hedgeco.net



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Coupon⁴ – The interest rate stated on a bond when it is issued. The coupon is typically paid semiannually. This is also referred to as the "coupon rate" or "coupon percent rate."

Currency Effect¹ – Is the effect that changes in currency exchange rates over time affect excess performance.

Derivative Instrument² – A financial obligation that derives its precise value from the value of one or more other instruments (or assets) at the same point of time. For example, the relationship between the value of an S&P 500 futures contract (the derivative instrument in this case) is determined by the value of the S&P 500 Index and the value of a U.S. Treasury bill that matures at the expiration of the futures contract.

Downside Deviation¹ – Equals the standard deviation of negative return or the measure of downside risk focusing on the standard deviation of negative returns.

Formula:

Annualized Standard Deviation (Fund Return - Average Fund Return) where average fund return is greater than individual fund returns, monthly or quarterly.

Duration³ – Duration is a measure of interest rate risk. The greater the duration of a bond, or a portfolio of bonds, the greater its price volatility will be in response to a change in interest rates. A bond's duration is inversely related to interest rates and directly related to time to maturity.

Equity/Debt/Cash Ratio¹ – The percentage of an investment or portfolio that is in Equity, Debt, and/or Cash (i.e. A 7/89/4 ratio represents an investment that is made up of 7% Equity, 89% Debt, and 4% Cash).

Foreign Bond³ – A bond that is issued in a domestic market by a foreign entity, in the domestic market's currency. A foreign bond is most often issued by a foreign firm to raise capital in a domestic market that would be most interested in purchasing the firm's debt. For foreign firms doing a large amount of business in the domestic market, issuing foreign bonds is a common practice.

Hard Hurdle⁵ – is a hurdle rate that once beaten allows a fund manager to charge a performance fee on only the funds above the specified hurdle rate.

High-Water Mark⁴ – The highest peak in value that an investment fund/account has reached. This term is often used in the context of fund manager compensation, which is performance based. Some performance-based fees only get paid when fund performance exceeds the high-water mark. The high-water mark ensures that the manager does not get paid large sums for poor performance.

Hurdle Rate⁴ – The minimum rate of return on an investment required, in order for a manager to collect incentive fees from the investor, which is usually tied to a benchmark.

Interaction Effects² – The interaction effect measures the combined impact of an investment manager's selection and allocation decisions within a sector. For example, if an investment manager had superior selection and over weighted that particular sector, the interaction effect is positive. If an investment manager had superior selection, but underweighted that sector, the interaction effect is negative. In this case, the investment manager did not take advantage of the superior selection by allocating more assets to that sector. Since many investment managers consider the interaction effect to be part of the selection or the allocation, it is often combined with the either effect.

Median³ – The value (rate of return, market sensitivity, etc.) that exceeds one-half of the values in the population and that is exceeded by one-half of the values. The median has a percentile rank of 50.

Modified Duration³ – The percentage change in the price of a fixed income security that results from a change in yield.

Mortgage Backed Securities (MBS)³ – Bonds which are a general obligation of the issuing institution but are also collateralized by a pool of mortgages.

Municipal Bond (Muni)⁴ – A debt security issued by a state, municipality or county to finance its capital expenditures.

Net Investment Change¹ – Is the change in an investment after accounting for all Net Cash Flows.

Performance Fee⁴ – A payment made to a fund manager for generating positive returns. The performance fee is generally calculated as a percentage of investment profits, often both realized and unrealized.

Data Source: ¹InvestorForce, ²Interaction Effect Performance Attribution, ³NEPC, LLC, ⁴Investopedia, ⁵Hedgeco.net



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Policy Index³ - A custom benchmark designed to indicate the returns that a passive investor would earn by consistently following the asset allocation targets set forth in this investment policy statement.

Price to Book (P/B)⁴ - A ratio used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the latest quarter's book value per share, also known as the "price-equity ratio".

Price to Earnings (P/E)³ - The weighted equity P/E is based on current price and trailing 12 months earnings per share (EPS).

Price to Sales (P/S)⁴ - A ratio for valuing a stock relative to its own past performance, other companies, or the market itself. Price to sales is calculated by dividing a stock's current price by its revenue per share for the trailing 12 months.

Return on Equity (ROE)⁴ - The amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested.

Selection (or Manager) Effect² - Measures the investment manager's ability to select securities within a given sector relative to a benchmark. The over or underperformance of the portfolio is weighted by the benchmark weight, therefore, selection is not affected by the manager's allocation to the sector. The weight of the sector in the portfolio determines the size of the effect—the larger the sector, the larger the effect is, positive or negative.

Soft Hurdle rate⁵ - is a hurdle rate that once beaten allows a fund manager to charge a performance fee based on the entire annualized return.

Tiered Fee¹ - A fee structure that is paid to fund managers based on the size of the investment (i.e. 1.00% fee on the first \$10M invested, 0.90% on the next \$10M, and 0.80% on the remaining balance).

Total Effects² - The active management (total) effect is the sum of the selection, allocation, and interaction effects. It is also the difference between the total portfolio return and the total benchmark return. You can use the active management effect to determine the amount the investment manager has added to a portfolio's return.

Total Return¹ - The actual rate of return of an investment over a specified time period. Total return includes interest, capital gains, dividends, and distributions realized over a defined time period.

Universe³ - The list of all assets eligible for inclusion in a portfolio.

Upside Deviation¹ - Standard Deviation of Positive Returns

Weighted Avg. Market Cap.⁴ - A stock market index weighted by the market capitalization of each stock in the index. In such a weighting scheme, larger companies account for a greater portion of the index. Most indexes are constructed in this manner, with the best example being the S&P 500.

Yield (%)³ - The current yield of a security is the current indicated annual dividend rate divided by current price.

Yield to Maturity³ - The discount rate that equates the present value of cash flows, both principal and interest, to market price.

Data Source: ¹InvestorForce, ²Interaction Effect Performance Attribution, ³NEPC, LLC, ⁴Investopedia, ⁵Hedgeco.net



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