

Periods ended December 31, 2019



**Alabama County & Municipal  
Government Capital  
Improvement Trust Fund**

**Fourth Quarter Executive Summary**

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**Annoesjka West**  
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**Market Environment**

Fourth Quarter 2019

## Does Strong 2019 Spell Problems for 2020 and Beyond?

Fed rate cuts, solid corporate fundamentals, and even lower unemployment propelled U.S. equity markets in Q4.

Equity markets around the globe surged in Q4, and closed the year with outsized returns.

- S&P 500 Index was up 31.5%, MSCI World ex USA Index was up 22.5%, and MSCI Emerging Markets Index was up 18.4%. One-year results look particularly strong thanks to the sharp drop in Q4 2018 - lower starting point.

Prospect of a trade deal helped boost global ex-U.S. markets.

- Economic weakness, trade concerns remain for developed ex-U.S. and EM equities.

Fixed income markets enjoyed an “outlier” year.

- Bloomberg Aggregate Index was up 8.7%, contrary to all forecasts
- Investment grade credit the strongest performer in the U.S.; long credit was up 22.4%
- Yield curve shifted lower across maturities; inverted from 90-day to 10-year in April, then from 2- to 10-year in August, but ended the year no longer inverted.

### Returns for Periods ended December 31, 2019

	1 Quarter	1 Year	5 Years	10 Years	25 Years
<b>U.S. Equity</b>					
Russell 3000	9.10	31.02	11.24	13.42	10.21
S&P 500	9.07	31.49	11.70	13.56	10.22
Russell 2000	9.94	25.52	8.23	11.83	9.35
<b>Global ex-U.S. Equity</b>					
MSCI World ex USA	7.86	22.49	5.42	5.32	5.31
MSCI Emerging Markets	11.84	18.44	5.61	3.68	--
MSCI ACWI ex USA Small Cap	11.01	22.42	7.04	6.92	5.93
<b>Fixed Income</b>					
Bloomberg Barclays Aggregate	0.18	8.72	3.05	3.75	5.56
90-day T-Bill	0.46	2.28	1.07	0.58	2.47
Bloomberg Barclays Long Gov/Credit	-1.12	19.59	5.42	7.59	7.90
Bloomberg Barclays Global Agg ex-US	0.67	5.09	1.62	1.50	4.38
<b>Real Estate</b>					
NCREIF Property	1.55	6.42	8.25	10.17	9.34
FTSE Nareit Equity	-0.76	26.00	7.21	11.94	10.64
<b>Alternatives</b>					
CS Hedge Fund	2.44	9.31	2.65	4.25	7.84
Cambridge Private Equity*	0.90	9.50	12.37	13.75	15.30
Bloomberg Commodity	4.42	7.69	-3.92	-4.73	1.70
Gold Spot Price	3.41	18.87	5.16	3.34	5.66
<b>Inflation - CPI-U</b>	0.08	2.29	1.82	1.75	2.18

\*Cambridge PE data through September 30, 2019.

Source: Callan

# U.S. Equity Performance

## Shift away from defensive sectors toward cyclicals

- Utilities, Real Estate, and Staples took a back seat to cyclically oriented sectors during the fourth quarter.
- Investors harnessed three interest rate cuts, a potential U.S.-China trade armistice, and some clarity around Brexit in the risk-on environment.

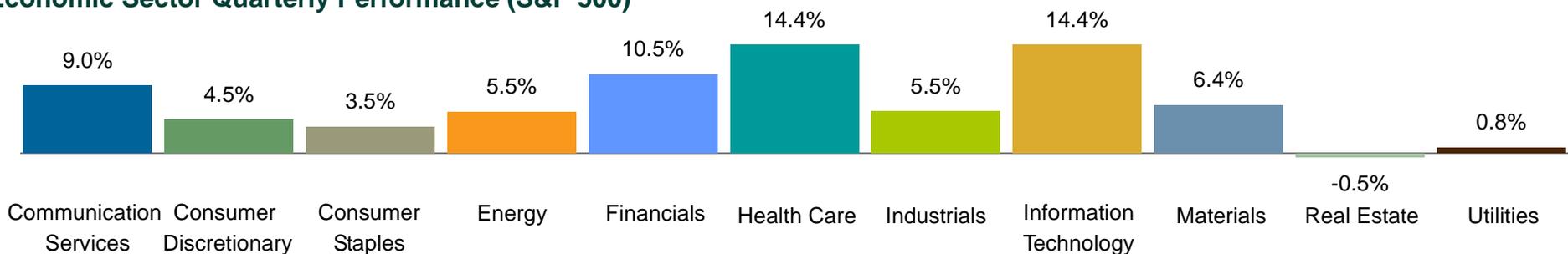
## Small caps outpaced large for quarter but lagged on year

- Heightened new drug approvals and M&A activity within Health Care's biotech and Pharma industries propelled small cap stocks.
- While small cap outperformed in the fourth quarter, large caps led for the third straight year, owing much of the gains to the Tech sector (+50.3%) and Communication Services (+32.7%).
- Apple (+85%) and Microsoft (+54%) hit over \$1 trillion in market cap, accounting for 15% of the S&P 500's annual advance.

## Growth vs. value

- Growth continued its dominance over value during the quarter across the market cap spectrum, closing out a decade-long trend supported by a low-rate environment.

## Economic Sector Quarterly Performance (S&P 500)



Sources: FTSE Russell, S&P Dow Jones Indices

## U.S. Equity: Quarterly Returns



## U.S. Equity: One-Year Returns



# Non-U.S. Equity Performance

## Trade war de-escalation and Brexit clarity turned global ex-U.S. markets positive

- The “phase one” trade deal triggered a “risk-on” market environment.
- In the UK, the Conservative Party gained command of Parliament in December, adding further clarity to the Brexit withdrawal plan and sparking the pound to rally.
- China soared 14.7% with easing trade tensions and expected fiscal and monetary stimulus packages in 2020.

## Trade-related sectors prevailed

- Technology, specifically within Asia, fueled the market as trade tensions receded.
- Factor performance favored risk, including beta and volatility, reflecting risk-on market environment.

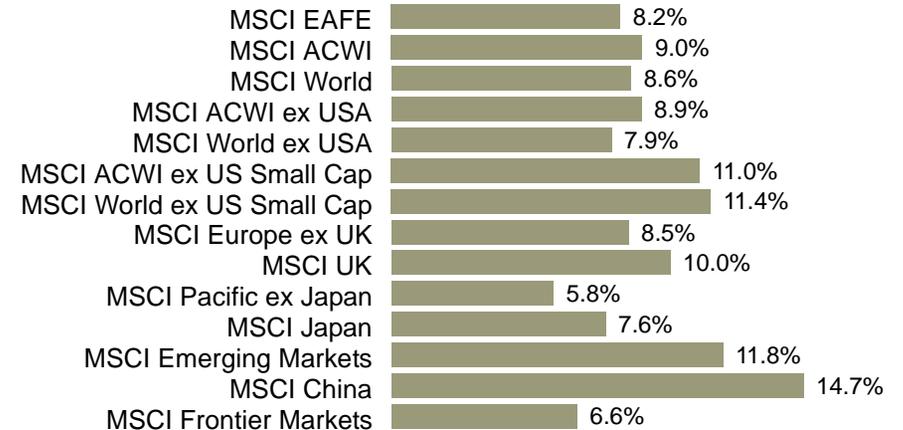
## U.S. dollar vs. other developed and emerging market currencies

- Major developed and emerging market currencies declined vs. the dollar as optimism replaced market anxiety as the phase one trade deal neared.

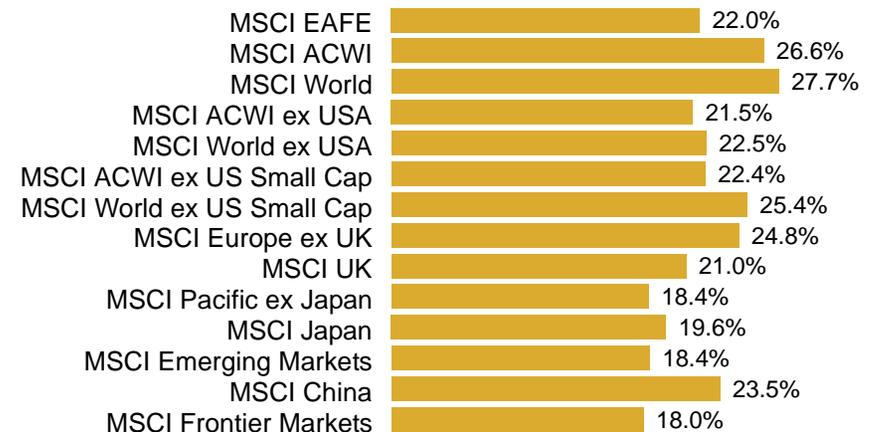
## Growth vs. value

- Growth continued to outperform value within markets and capitalizations, supported by Technology and Health Care.

## Global Equity: Quarterly Returns



## Global Equity: Annual Returns



Source: MSCI

# U.S. Fixed Income Performance

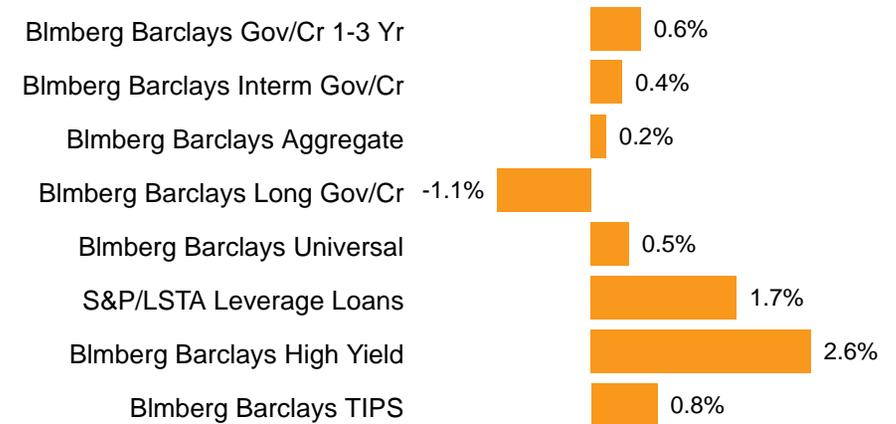
## The yield curve steepened on stronger growth expectations

- Treasuries declined 0.8% with the steepening yield curve, with yields falling on short end and rising modestly on intermediate to long end of the curve on stronger economic growth expectations.
- Spread between the 2-year and 10-year Treasuries remained positive, ending the year at 34 bps.
- Long Treasuries fell (-4.1%) as the 30-year yield rose 27 bps to end the year at 2.39% as investors favored risk assets.
- TIPS outperformed nominal Treasuries as inflation expectations rose; 10-year breakeven spread was 1.77% as of quarter-end, up from 1.53% as of Sept. 30.

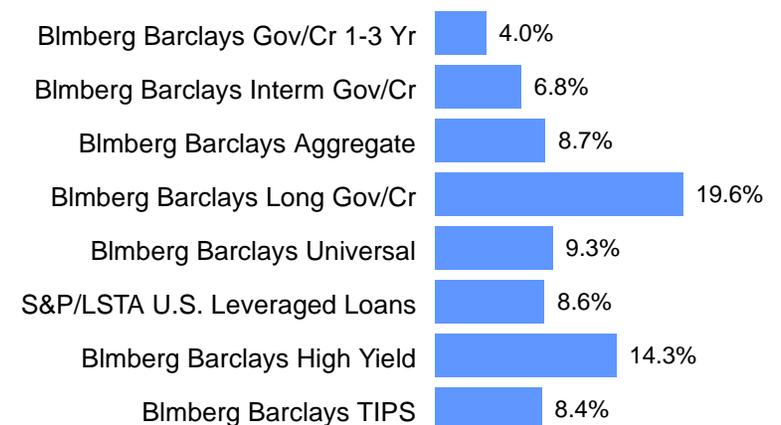
## Corporate bonds rally across credit ratings spectrum

- IG corporate spreads narrowed and posted best results within BB US Aggregate amid risk-on market; BBB-rated corporates (+1.7%) outperformed single A or higher (+0.7%), indicating investor willingness to extend risk down the credit spectrum.
- Below-investment grade CCC-rated corporates (+3.7%) outperformed BB-rated corporates (+2.5%), as the risk-on market sentiment spurred demand for lower-rated securities.
- Spreads across credit quality buckets tightened in the fourth quarter, as the market anticipated improvement in credit fundamentals.

## U.S. Fixed Income: Quarterly Returns



## U.S. Fixed Income: Annual Returns



Sources: Bloomberg Barclays, S&P Dow Jones Indices

# Style Performance Ranking

Periods Ended September 30, 2019

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Last Quarter	Year to Date	Last 10 Years	Last 20 Years
Barclays Agg	Barclays Agg	Barclays Agg	MSCI:EM Gross	S&P:Dev x US Sm Cap	MSCI:EM Gross	MSCI:EM Gross	MSCI:EM Gross	Barclays Agg	MSCI:EM Gross	Russell 2000 Index	Barclays Agg	MSCI:EM Gross	Russell 2000 Index	S&P 500	S&P:Dev x US Sm Cap	Russell 2000 Index	MSCI:EM Gross	Barclays Agg	S&P 500	MSCI:EM Gross	S&P 500	S&P 500	Russell:Midcap Index
11.63%	8.43%	10.26%	56.28%	28.75%	34.54%	32.59%	39.78%	5.24%	79.02%	26.85%	7.84%	18.63%	38.82%	13.69%	5.92%	21.31%	37.75%	0.01%	31.49%	11.93%	31.49%	13.56%	9.01%
Russell:Midcap Index	Bimbg:HY Corp	Bimbg:HY Corp	S&P:Dev x US Sm Cap	MSCI:EM Gross	S&P:Dev x US Sm Cap	S&P:Dev x US Sm Cap	MSCI:EAFE	Bimbg:HY Corp	Bimbg:HY Corp	Russell:Midcap Index	Bimbg:HY Corp	S&P:Dev x US Sm Cap	Russell:Midcap Index	Russell:Midcap Index	S&P 500	Bimbg:HY Corp	S&P:Dev x US Sm Cap	Bimbg:HY Corp	Russell:Midcap Index	S&P:Dev x US Sm Cap	Russell:Midcap Index	Russell:Midcap Index	Russell 2000 Index
8.25%	5.28%	-1.37%	53.73%	25.95%	22.10%	29.43%	11.17%	-26.16%	58.21%	25.48%	4.98%	18.56%	34.76%	13.22%	1.38%	17.13%	32.38%	-2.08%	30.54%	11.74%	30.54%	13.19%	7.59%
Russell 2000 Index	Russell 2000 Index	MSCI:EM Gross	Russell 2000 Index	MSCI:EAFE	MSCI:EAFE	MSCI:EAFE	S&P:Dev x US Sm Cap	Russell 2000 Index	S&P:Dev x US Sm Cap	S&P:Dev x US Sm Cap	S&P 500	MSCI:EAFE	S&P 500	Barclays Agg	Barclays Agg	Russell:Midcap Index	MSCI:EAFE	S&P 500	Russell 2000 Index	Russell 2000 Index	Russell 2000 Index	Russell 2000 Index	S&P:Dev x US Sm Cap
-3.02%	2.49%	-6.00%	47.25%	20.25%	13.54%	26.34%	7.32%	-33.79%	45.07%	21.96%	2.11%	17.32%	32.39%	5.97%	0.55%	13.80%	25.03%	-4.38%	25.52%	9.94%	25.52%	11.83%	7.15%
Bimbg:HY Corp	MSCI:EM Gross	S&P:Dev x US Sm Cap	Russell:Midcap Index	Russell:Midcap Index	Russell:Midcap Index	Russell 2000 Index	Barclays Agg	S&P 500	Russell:Midcap Index	MSCI:EM Gross	Russell:Midcap Index	Russell:Midcap Index	S&P:Dev x US Sm Cap	Russell 2000 Index	MSCI:EAFE	S&P 500	S&P 500	Russell:Midcap Index	S&P:Dev x US Sm Cap	S&P 500	S&P:Dev x US Sm Cap	S&P:Dev x US Sm Cap	Bimbg:HY Corp
-5.86%	-2.37%	-7.28%	40.06%	20.22%	12.65%	18.37%	6.97%	-37.00%	40.48%	19.20%	-1.55%	17.28%	26.06%	4.89%	-0.81%	11.96%	21.83%	-9.06%	24.66%	9.07%	24.66%	8.34%	7.14%
S&P 500	Russell:Midcap Index	MSCI:EAFE	MSCI:EAFE	Russell 2000 Index	S&P 500	S&P 500	Russell:Midcap Index	Russell:Midcap Index	MSCI:EAFE	Bimbg:HY Corp	Russell 2000 Index	Russell 2000 Index	MSCI:EAFE	Bimbg:HY Corp	Russell:Midcap Index	MSCI:EM Gross	Russell:Midcap Index	Russell 2000 Index	MSCI:EAFE	MSCI:EAFE	MSCI:EAFE	Bimbg:HY Corp	MSCI:EM Gross
-9.11%	-5.62%	-15.94%	38.59%	18.33%	4.91%	15.79%	5.60%	-41.46%	31.78%	15.12%	-4.18%	16.35%	22.78%	2.45%	-2.44%	11.60%	18.52%	-11.01%	22.01%	8.17%	22.01%	7.57%	7.03%
S&P:Dev x US Sm Cap	S&P 500	Russell:Midcap Index	Bimbg:HY Corp	Bimbg:HY Corp	Russell 2000 Index	Russell:Midcap Index	S&P 500	MSCI:EAFE	Russell 2000 Index	S&P 500	MSCI:EAFE	S&P 500	Bimbg:HY Corp	MSCI:EM Gross	Russell 2000 Index	S&P:Dev x US Sm Cap	Russell 2000 Index	MSCI:EAFE	MSCI:EM Gross	Russell:Midcap Index	MSCI:EM Gross	MSCI:EAFE	S&P 500
-10.32%	-11.89%	-16.19%	28.97%	11.13%	4.55%	15.26%	5.49%	-43.38%	27.17%	15.06%	-12.14%	16.00%	7.44%	-1.82%	-4.41%	3.78%	14.65%	-13.79%	18.90%	7.06%	18.90%	5.50%	6.06%
MSCI:EAFE	S&P:Dev x US Sm Cap	Russell 2000 Index	S&P 500	S&P 500	Bimbg:HY Corp	Bimbg:HY Corp	Bimbg:HY Corp	S&P:Dev x US Sm Cap	S&P 500	MSCI:EAFE	S&P:Dev x US Sm Cap	Bimbg:HY Corp	Barclays Agg	S&P:Dev x US Sm Cap	Bimbg:HY Corp	Barclays Agg	Bimbg:HY Corp	MSCI:EM Gross	Bimbg:HY Corp	Bimbg:HY Corp	Bimbg:HY Corp	MSCI:EM Gross	Barclays Agg
-14.17%	-15.70%	-20.48%	28.68%	10.88%	2.74%	11.85%	1.87%	-47.67%	26.47%	7.75%	-14.49%	15.81%	-2.02%	-3.42%	-4.47%	2.65%	7.50%	-14.24%	14.32%	2.61%	14.32%	4.04%	5.03%
MSCI:EM Gross	MSCI:EAFE	S&P 500	Barclays Agg	Barclays Agg	Barclays Agg	Barclays Agg	Russell 2000 Index	MSCI:EM Gross	Barclays Agg	Barclays Agg	MSCI:EM Gross	Barclays Agg	MSCI:EM Gross	MSCI:EAFE	MSCI:EM Gross	MSCI:EAFE	Barclays Agg	S&P:Dev x US Sm Cap	Barclays Agg	Barclays Agg	Barclays Agg	Barclays Agg	MSCI:EAFE
-30.61%	-21.44%	-22.10%	4.10%	4.34%	2.43%	4.33%	-1.57%	-53.18%	5.93%	6.54%	-18.17%	4.21%	-2.27%	-4.90%	-14.60%	1.00%	3.54%	-18.41%	8.72%	0.18%	8.72%	3.75%	3.32%

Source: Callan, Bloomberg



**CMT Executive Summary**

## Executive Summary - 4Q 2019

### County & Municipal Government Capital Improvement Trust Fund

As of 12/31/19

Total Fund Assets		Quarter	1 Year	3 Years	5 Years	Since Inception	
Current Assets:	\$535,755,205	Total Fund Return	5.50%	19.91%	9.42%	7.24%	6.14%
Previous Quarter:	\$508,140,776	Target Benchmark*	5.30%	18.30%	8.95%	6.91%	-

**Comments:** The total fund outperformed the benchmark for the quarter and one-year period. The Fund ranked in the 59th percentile for the quarter and 31st for the one year period in the Callan Endowment and Foundation - Mid peer group. For the trailing three-year period, the total fund outperformed the target benchmark and returned 9.42%. The total fund returned 7.24% for the five-year period, ranking in the 41st percentile of the Callan Endowment and Foundation - Mid peer group. Performance in the fourth quarter was a result of asset allocation adding 20 bps and manager effect adding 1 bp. The positive asset allocation in the quarter came primarily from an underweight to domestic fixed income and an overweight to large cap and small cap equity. Within manager effect, outperformance in domestic fixed income and international equity offset underperformance within small cap equity. For the one-year period, manager effect added 154 bps and asset allocation added 7 bps.

\*Current Target Benchmark: 35.0% Barclays Aggregate Index, 25.0% S&P 500 Index, 24.0% MSCI ACXI ex-US IMI Index, 9.0% NFI-ODCE Equal Weight Net Index and 7.0% Russell 2000 Index

#### Relative Attribution Effects for Quarter ended December 31, 2019

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity	27%	25%	9.04%	9.07%	(0.01%)	0.08%	0.07%
Small Cap Equity	8%	7%	6.56%	9.94%	(0.26%)	0.04%	(0.22%)
Domestic Fixed Income	33%	35%	0.75%	0.18%	0.19%	0.10%	0.29%
Real Estate	8%	9%	1.60%	1.30%	0.03%	0.03%	0.05%
International Equity	23%	24%	9.49%	9.20%	0.06%	(0.04%)	0.03%
Cash Account	0%	0%	0.40%	0.40%	0.00%	(0.01%)	(0.01%)
<b>Total</b>			<b>5.50%</b>	<b>= 5.30%</b>	<b>+ 0.01%</b>	<b>+ 0.20%</b>	<b>0.21%</b>

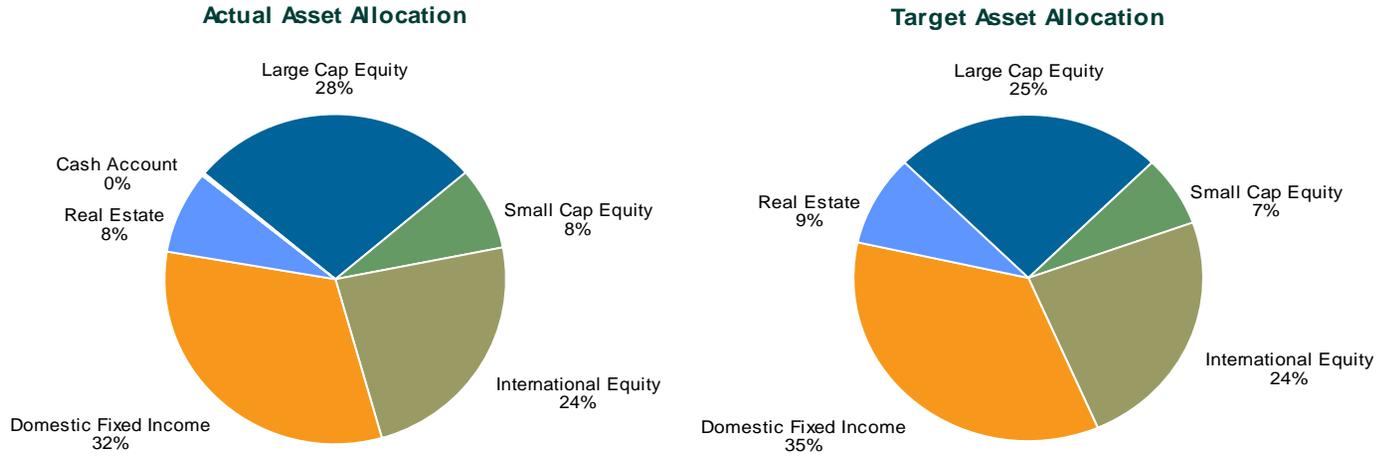
#### One Year Relative Attribution Effects

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity	27%	25%	31.21%	31.49%	(0.07%)	0.17%	0.10%
Small Cap Equity	8%	7%	30.20%	25.52%	0.33%	0.02%	0.35%
Domestic Fixed Income	33%	35%	10.77%	8.72%	0.72%	0.06%	0.78%
Real Estate	9%	9%	3.03%	5.18%	(0.21%)	0.01%	(0.20%)
International Equity	23%	24%	25.05%	21.63%	0.76%	(0.08%)	0.67%
Cash Account	0%	0%	2.10%	2.10%	0.00%	(0.11%)	(0.11%)
<b>Total</b>			<b>19.91%</b>	<b>= 18.30%</b>	<b>+ 1.54%</b>	<b>+ 0.07%</b>	<b>1.61%</b>

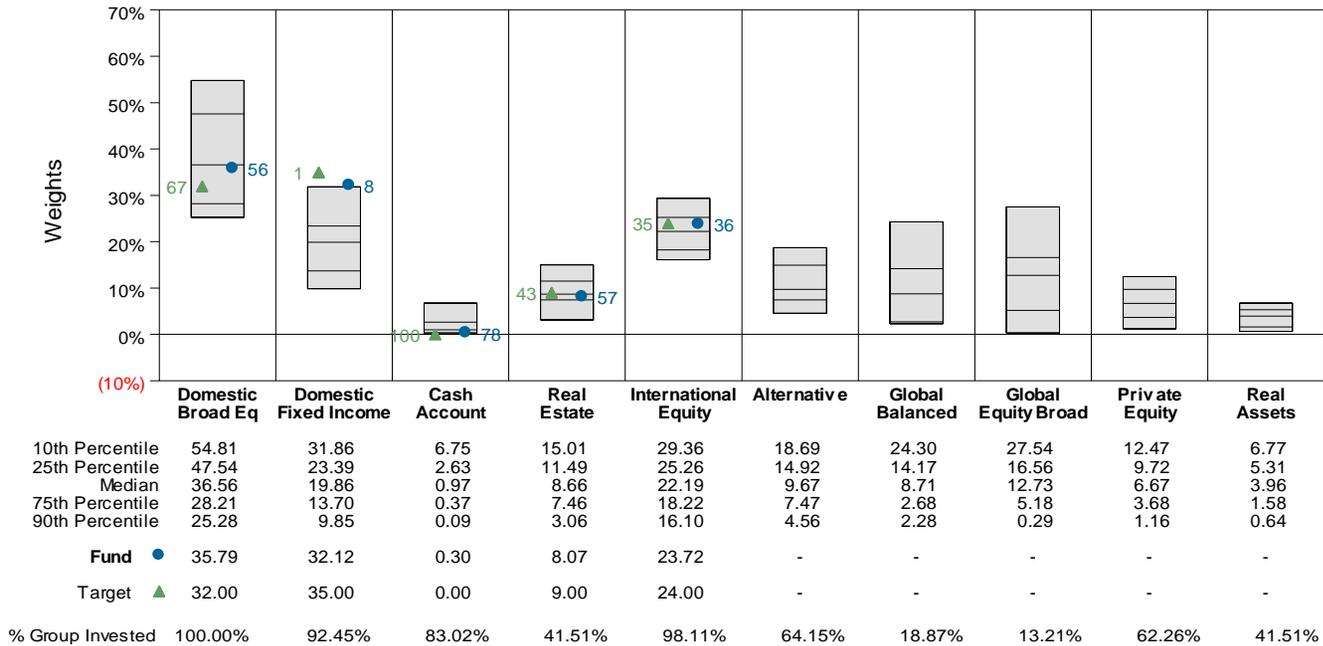
#### Six and One-Half Year Annualized Relative Attribution Effects

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity	26%	25%	13.61%	13.66%	(0.01%)	0.03%	0.01%
Small Cap Equity	8%	7%	12.90%	10.08%	0.20%	(0.03%)	0.18%
Domestic Fixed Income	35%	36%	3.90%	3.32%	0.19%	0.00%	0.19%
Real Estate	7%	7%	-	-	(0.02%)	(0.03%)	(0.05%)
International Equity	24%	24%	5.88%	6.07%	(0.07%)	(0.02%)	(0.08%)
Cash Account	0%	0%	0.76%	0.76%	0.00%	(0.03%)	(0.03%)
<b>Total</b>			<b>7.90%</b>	<b>= 7.69%</b>	<b>+ 0.29%</b>	<b>+ (0.07%)</b>	<b>0.22%</b>

# Executive Summary - 4Q 2019



## Asset Class Weights vs Callan Endow/Foundation - Mid (100M-1B)



## Executive Summary - 4Q 2019

### Detailed Manager Review

#### County & Municipal Government Capital Improvement Trust Fund Fourth Quarter 2019

Manager	Philosophy	Performance						Quarterly Review
<p><b>RSA Equity</b> Large Cap Core Fund</p> <p><b>Management Fee:</b> 1.5 bps of total assets</p>	<p>RSA manages this portfolio similar to that of the broader market as represented by the Standard &amp; Poor's 500 Index. Their objective is to match the total return of the S&amp;P 500 Index while minimizing tracking error.</p>	<p><b>Asset (\$M)</b></p> <p>Fund \$148.5</p>	<p><b>QTR</b></p> <p>9.0%</p>	<p><b>1 Year</b></p> <p>31.2%</p>	<p><b>2 Years</b></p> <p>12.1%</p>	<p><b>3 Years</b></p> <p>15.2%</p>	<p><b>5 Years</b></p> <p>11.7%</p>	<p>The fund returned 9.04% for the quarter and 31.21% over the past year. The fund tracks the index with a somewhat high level of tracking error compared to peers.</p>
		<p>Benchmark</p> <p>9.1%</p>	<p>31.5%</p>	<p>12.1%</p>	<p>15.3%</p>	<p>11.7%</p>		
		<p>Peer Rank</p> <p>91</p>	<p>100</p>	<p>39</p>	<p>77</p>	<p>93</p>		
		<p><b>Benchmark:</b> S&amp;P 500 Index</p>						
<p><b>Atlanta Capital</b> Small Cap Fund</p> <p><b>Management Fee:</b> 80 bps: 0 to 50M 70 bps: 50M+</p>	<p>Atlanta believes that high quality Small Cap companies produce consistently increasing earnings and dividends, thereby providing attractive returns with moderate risk over the long-term.</p>	<p><b>Asset (\$M)</b></p> <p>Fund \$22.1</p>	<p><b>QTR</b></p> <p>4.4%</p>	<p><b>1 Year</b></p> <p>27.2%</p>	<p><b>2 Years</b></p> <p>13.7%</p>	<p><b>3 Years</b></p> <p>13.9%</p>	<p><b>5 Years</b></p> <p>13.1%</p>	<p>The fund returned 4.41% for the quarter, underperforming the index by 553 bps and ranking in the 99th percentile among Small Cap peers. Underperformance relative to the benchmark was largely driven by stock selection within the consumer discretionary, information technology and financials sectors. The fund outperformed its benchmark and ranked above the peer group median over the one-, three-, and five-year periods.</p>
		<p>Benchmark</p> <p>9.9%</p>	<p>25.5%</p>	<p>5.7%</p>	<p>8.6%</p>	<p>8.2%</p>		
		<p>Peer Rank</p> <p>99</p>	<p>41</p>	<p>15</p>	<p>25</p>	<p>9</p>		
		<p><b>Benchmark:</b> Russell 2000 Index</p>						
<p><b>Wasatch Advisors</b> Small Cap Growth Fund</p> <p><b>Management Fee:</b> 85 bps: First \$50M 75 bps: Thereafter</p>	<p>Wasatch believes in long-term growth of capital through investments in a blend of stable, "Core" companies and more aggressive, "High Growth" holdings. The characteristics of "Core" companies include a minimum of 15% annual earnings growth, a sustainable competitive advantage and an ability to grow earnings despite economic concerns or market fluctuations. High growth company characteristics consist of annual earnings growth in excess of 25%, fast-growing industries, high operating margins, proprietary products, and the potential to become a market leader.</p>	<p><b>Asset (\$M)</b></p> <p>Fund \$21.1</p>	<p><b>QTR</b></p> <p>8.9%</p>	<p><b>1 Year</b></p> <p>-</p>	<p><b>2 Years</b></p> <p>-</p>	<p><b>3 Years</b></p> <p>-</p>	<p><b>5 Years</b></p> <p>-</p>	<p>The fund returned 8.90% for the quarter, underperforming the index by 249 bps and ranking in the 64th percentile among small cap growth peers. Poor stock selection within the information technology, industrials and health care sectors detracted from relative performance. For the trailing three quarters, the Fund returned 17.45% outperforming the benchmark by 777 bps and ranking in the 5th percentile among peers.</p>
		<p>Benchmark</p> <p>11.4%</p>	<p>-</p>	<p>-</p>	<p>-</p>	<p>-</p>		
		<p>Peer Rank</p> <p>64</p>	<p>-</p>	<p>-</p>	<p>-</p>	<p>-</p>		
		<p><b>Benchmark:</b> Russell 2000 Growth Index</p>						

## Executive Summary - 4Q 2019

### Detailed Manager Review

#### County & Municipal Government Capital Improvement Trust Fund Fourth Quarter 2019

Manager	Philosophy	Performance	Quarterly Review																												
<p style="text-align: center;"><b>Invesco</b> International Growth</p> <p><b>Management Fee:</b> 68bps of total assets</p>	<p>The Fund's investment process primarily focuses on bottom-up stock selection as opposed to top-down allocation decisions. When the team selects individual stocks for the portfolio they seek to identify those that offer attractive combinations of Earnings growth, Quality &amp; Valuation (EQV) characteristics. The EQV investment philosophy is built around the following core principles and beliefs: stock selection; active management (with generally low benchmark overlap and a benchmark agnostic approach); long-term focus (two-three year investment horizon); earnings; quality; and valuation.</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #0056b3; color: white;"></th> <th style="background-color: #0056b3; color: white;">Asset (\$M)</th> <th style="background-color: #0056b3; color: white;">QTR</th> <th style="background-color: #0056b3; color: white;">1 Year</th> <th style="background-color: #0056b3; color: white;">2 Years</th> <th style="background-color: #0056b3; color: white;">3 Years</th> <th style="background-color: #0056b3; color: white;">5 Years</th> </tr> </thead> <tbody> <tr> <td>Fund</td> <td>\$50.3</td> <td>7.5%</td> <td>27.1%</td> <td>4.5%</td> <td>10.5%</td> <td>5.5%</td> </tr> <tr> <td>Benchmark</td> <td></td> <td>8.2%</td> <td>22.0%</td> <td>2.6%</td> <td>9.6%</td> <td>5.7%</td> </tr> <tr> <td>Peer Rank</td> <td></td> <td>94</td> <td>63</td> <td>59</td> <td>82</td> <td>94</td> </tr> </tbody> </table> <p><b>Benchmark:</b> MSCI EAFE Index</p>		Asset (\$M)	QTR	1 Year	2 Years	3 Years	5 Years	Fund	\$50.3	7.5%	27.1%	4.5%	10.5%	5.5%	Benchmark		8.2%	22.0%	2.6%	9.6%	5.7%	Peer Rank		94	63	59	82	94	<p>The fund returned 7.50% for the quarter, underperforming the benchmark by 67 bps and ranking in the 94th percentile among International Growth peers. Relative underperformance was primarily driven by stock selection in the consumer and industrials sectors. The fund outperformed the benchmark but ranked below the median peer over the trailing one- and three-year periods.</p>
	Asset (\$M)	QTR	1 Year	2 Years	3 Years	5 Years																									
Fund	\$50.3	7.5%	27.1%	4.5%	10.5%	5.5%																									
Benchmark		8.2%	22.0%	2.6%	9.6%	5.7%																									
Peer Rank		94	63	59	82	94																									
<p style="text-align: center;"><b>Thompson, Siegel &amp; Walmsley</b> International Value</p> <p><b>Management Fee:</b> 65bps of total assets</p>	<p>The Fund employs an investment philosophy based on concepts of fundamental value. TS&amp;W believes value investing wins over time. TS&amp;W's definition of value is a stock that is inexpensive on a cash flow basis where positive change is also underway. Independent fundamental research adds value. All stocks in TS&amp;W portfolios are internally generated ideas. Portfolio Managers seek to hold stocks where they have a divergent view from the market. It is imperative to manage risk/return tradeoffs. TS&amp;W constructs portfolios from the bottom-up using fundamental research on individual stocks. Each stock-specific return opportunity is evaluated in terms of the risk undertaken to realize it. TS&amp;W monitors and manages portfolio risk with a strong set of tools and controls.</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #0056b3; color: white;"></th> <th style="background-color: #0056b3; color: white;">Asset (\$M)</th> <th style="background-color: #0056b3; color: white;">QTR</th> <th style="background-color: #0056b3; color: white;">1 Year</th> <th style="background-color: #0056b3; color: white;">2 Years</th> <th style="background-color: #0056b3; color: white;">3 Years</th> <th style="background-color: #0056b3; color: white;">5 Years</th> </tr> </thead> <tbody> <tr> <td>Fund</td> <td>\$47.7</td> <td>9.6%</td> <td>21.6%</td> <td>1.7%</td> <td>8.6%</td> <td>5.8%</td> </tr> <tr> <td>Benchmark</td> <td></td> <td>8.2%</td> <td>22.0%</td> <td>2.6%</td> <td>9.6%</td> <td>5.7%</td> </tr> <tr> <td>Peer Rank</td> <td></td> <td>52</td> <td>29</td> <td>31</td> <td>52</td> <td>27</td> </tr> </tbody> </table> <p><b>Benchmark:</b> MSCI EAFE Index</p>		Asset (\$M)	QTR	1 Year	2 Years	3 Years	5 Years	Fund	\$47.7	9.6%	21.6%	1.7%	8.6%	5.8%	Benchmark		8.2%	22.0%	2.6%	9.6%	5.7%	Peer Rank		52	29	31	52	27	<p>The fund returned 9.59% for the quarter, outperforming the benchmark by 142 bps and ranking in the 52nd percentile among International Value Equity peers. An overweight to Germany as well as strong stock selection within the industrials and consumer sectors contributed to relative performance. The fund underperformed the benchmark but ranked above the median peer for the one-year period. The fund outperformed the benchmark and ranked above the median peer over the trailing five-year period.</p>
	Asset (\$M)	QTR	1 Year	2 Years	3 Years	5 Years																									
Fund	\$47.7	9.6%	21.6%	1.7%	8.6%	5.8%																									
Benchmark		8.2%	22.0%	2.6%	9.6%	5.7%																									
Peer Rank		52	29	31	52	27																									
<p style="text-align: center;"><b>Algert</b> International Small Cap</p> <p><b>Management Fee:</b> 80 bps of total assets</p>	<p>The Fund believes there are mispricing's in equity markets due to well-documented behavioral and cognitive biases. They seek to identify undervalued and overvalued stocks utilizing systematic models derived from fundamental data. Drawing on academic work in accounting and behavioral finance as well internal research, they combine these models with measures of sentiment to focus risk taking on mispricing's that they believe will be corrected during the holding period. Team members use a highly automated quantitative process to test and implement these ideas, allowing them to model and trade a broad universe of stocks.</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #0056b3; color: white;"></th> <th style="background-color: #0056b3; color: white;">Asset (\$M)</th> <th style="background-color: #0056b3; color: white;">QTR</th> <th style="background-color: #0056b3; color: white;">1 Year</th> <th style="background-color: #0056b3; color: white;">2 Years</th> <th style="background-color: #0056b3; color: white;">3 Years</th> <th style="background-color: #0056b3; color: white;">5 Years</th> </tr> </thead> <tbody> <tr> <td>Fund</td> <td>\$13.8</td> <td>13.3%</td> <td>24.2%</td> <td style="color: red;">(2.4%)</td> <td>-</td> <td>-</td> </tr> <tr> <td>Benchmark</td> <td></td> <td>11.5%</td> <td>25.0%</td> <td>1.3%</td> <td>-</td> <td>-</td> </tr> <tr> <td>Peer Rank</td> <td></td> <td>11</td> <td>57</td> <td>85</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p><b>Benchmark:</b> MSCI EAFE Small Cap Index</p>		Asset (\$M)	QTR	1 Year	2 Years	3 Years	5 Years	Fund	\$13.8	13.3%	24.2%	(2.4%)	-	-	Benchmark		11.5%	25.0%	1.3%	-	-	Peer Rank		11	57	85	-	-	<p>The fund returned 13.26% for the quarter, outperforming the benchmark by 174 bps and ranking in the 11th percentile among International Small Cap Equity peers. During the fourth quarter, stock selection as well as the Fund's allocation across various common risk factors (e.g. a company's industry, country, size and beta characteristics) contributed to relative performance. For the trailing one-year period, the fund underperformed its benchmark and ranked below the median peer.</p>
	Asset (\$M)	QTR	1 Year	2 Years	3 Years	5 Years																									
Fund	\$13.8	13.3%	24.2%	(2.4%)	-	-																									
Benchmark		11.5%	25.0%	1.3%	-	-																									
Peer Rank		11	57	85	-	-																									

# Executive Summary - 4Q 2019

## Detailed Manager Review

### County & Municipal Government Capital Improvement Trust Fund Fourth Quarter 2019

Manager	Philosophy	Performance	Quarterly Review																												
<p><b>Wells Capital</b> Berkeley Street Emerging Markets Equity</p> <p><b>Management Fee:</b> 131 bps of total assets</p>	<p>The Fund applies a disciplined process of buying quality companies at compelling prices with the belief that this can provide investors with returns in excess of the benchmark index with controlled levels of risk.</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Asset (\$M)</th> <th style="text-align: center;">QTR</th> <th style="text-align: center;">1 Year</th> <th style="text-align: center;">2 Years</th> <th style="text-align: center;">3 Years</th> <th style="text-align: center;">5 Years</th> </tr> </thead> <tbody> <tr> <td>Fund</td> <td style="text-align: center;">\$15.3</td> <td style="text-align: center;">12.6%</td> <td style="text-align: center;">28.0%</td> <td style="text-align: center;">3.9%</td> <td style="text-align: center;">13.3%</td> <td style="text-align: center;">7.2%</td> </tr> <tr> <td>Benchmark</td> <td></td> <td style="text-align: center;">11.8%</td> <td style="text-align: center;">18.4%</td> <td style="text-align: center;">0.6%</td> <td style="text-align: center;">11.6%</td> <td style="text-align: center;">5.6%</td> </tr> <tr> <td>Peer Rank</td> <td></td> <td style="text-align: center;">27</td> <td style="text-align: center;">16</td> <td style="text-align: center;">15</td> <td style="text-align: center;">26</td> <td style="text-align: center;">26</td> </tr> </tbody> </table> <p><b>Benchmark:</b> MSCI Emerging Markets Index</p>		Asset (\$M)	QTR	1 Year	2 Years	3 Years	5 Years	Fund	\$15.3	12.6%	28.0%	3.9%	13.3%	7.2%	Benchmark		11.8%	18.4%	0.6%	11.6%	5.6%	Peer Rank		27	16	15	26	26	<p>The fund returned 12.63% for the quarter, outperforming the Index by 79 bps and ranking in the 27th percentile among Emerging Markets Style peers. Strong stock selection in the consumer sector contributed to relative performance. For the trailing one-, three- and five-year periods, the fund outperformed the benchmark and ranked above median peer.</p>
	Asset (\$M)	QTR	1 Year	2 Years	3 Years	5 Years																									
Fund	\$15.3	12.6%	28.0%	3.9%	13.3%	7.2%																									
Benchmark		11.8%	18.4%	0.6%	11.6%	5.6%																									
Peer Rank		27	16	15	26	26																									
<p><b>FIAM (Pyramis)</b> Core Bond Plus Fund</p> <p><b>Management Fee:</b> 22.5 bps: 0 to 100M 16 bps: 100M to 250M 15 bps: 250M to 500M 12 bps: 500M+</p>	<p>The Core Plus strategy is designed to provide value-added performance by adhering to the following principles: team structure that facilitates multi-dimensional investment perspectives resulting in broader and higher quality idea generation; fundamental, research-based strategies, issuer and sector valuation, and individual security selection; consideration of top-down, macro views; independent quantitative understanding of all benchmark and portfolio risk and return characteristics, with an explicit understanding of all active exposures relative to the investment benchmark; and de-emphasis on interest rate anticipation.</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">(\$M)</th> <th style="text-align: center;">QTR</th> <th style="text-align: center;">1 Year</th> <th style="text-align: center;">2 Years</th> <th style="text-align: center;">3 Years</th> <th style="text-align: center;">5 Years</th> </tr> </thead> <tbody> <tr> <td>Fund</td> <td style="text-align: center;">\$88.9</td> <td style="text-align: center;">0.9%</td> <td style="text-align: center;">10.9%</td> <td style="text-align: center;">5.1%</td> <td style="text-align: center;">5.1%</td> <td style="text-align: center;">4.3%</td> </tr> <tr> <td>Benchmark</td> <td></td> <td style="text-align: center;">0.2%</td> <td style="text-align: center;">8.7%</td> <td style="text-align: center;">4.3%</td> <td style="text-align: center;">4.0%</td> <td style="text-align: center;">3.1%</td> </tr> <tr> <td>Peer Rank</td> <td></td> <td style="text-align: center;">9</td> <td style="text-align: center;">18</td> <td style="text-align: center;">9</td> <td style="text-align: center;">26</td> <td style="text-align: center;">12</td> </tr> </tbody> </table> <p><b>Benchmark:</b> Bloomberg Barclays Aggregate Index</p>		(\$M)	QTR	1 Year	2 Years	3 Years	5 Years	Fund	\$88.9	0.9%	10.9%	5.1%	5.1%	4.3%	Benchmark		0.2%	8.7%	4.3%	4.0%	3.1%	Peer Rank		9	18	9	26	12	<p>The fund returned 0.92% for the quarter, outperforming the Index by 74 bps and ranking in the 9th percentile among Core Bond Plus peers. Exposure to the plus sectors including leveraged loans and emerging market debt contributed to relative performance. The fund outperformed the benchmark and ranked above median peer over the one-, three- and five-year periods.</p>
	(\$M)	QTR	1 Year	2 Years	3 Years	5 Years																									
Fund	\$88.9	0.9%	10.9%	5.1%	5.1%	4.3%																									
Benchmark		0.2%	8.7%	4.3%	4.0%	3.1%																									
Peer Rank		9	18	9	26	12																									
<p><b>Manulife Asset Management</b> Core Bond Plus Fund</p> <p><b>Management Fee:</b> 25 bps: 0 to 50M 21 bps: Next 50M 19 bps: 100M+</p>	<p>The Core Plus Fixed Income investment team seeks to add value by anticipating shifts in the business cycle and moderating risk relative to the direction of interest rates. They capitalize on these shifts by using a research-driven process to identify attractive sectors as well as mispriced securities within those sectors.</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">(\$M)</th> <th style="text-align: center;">QTR</th> <th style="text-align: center;">1 Year</th> <th style="text-align: center;">2 Years</th> <th style="text-align: center;">3 Years</th> <th style="text-align: center;">5 Years</th> </tr> </thead> <tbody> <tr> <td>Fund</td> <td style="text-align: center;">\$83.2</td> <td style="text-align: center;">0.6%</td> <td style="text-align: center;">10.7%</td> <td style="text-align: center;">5.0%</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Benchmark</td> <td></td> <td style="text-align: center;">0.2%</td> <td style="text-align: center;">8.7%</td> <td style="text-align: center;">4.3%</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Peer Rank</td> <td></td> <td style="text-align: center;">36</td> <td style="text-align: center;">21</td> <td style="text-align: center;">18</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> </tbody> </table> <p><b>Benchmark:</b> Bloomberg Barclays Aggregate Index</p>		(\$M)	QTR	1 Year	2 Years	3 Years	5 Years	Fund	\$83.2	0.6%	10.7%	5.0%	-	-	Benchmark		0.2%	8.7%	4.3%	-	-	Peer Rank		36	21	18	-	-	<p>The fund returned 0.56% for the quarter, outperforming the Index by 38 bps and ranking in the 36th percentile among Core Bond Plus peers. Sector allocation as well as an overweight position in investment grade corporate bonds and a non-benchmark position in high-yield corporate bonds contributed to relative outperformance during the quarter. For the one-year period, the fund outperformed the benchmark and ranked above the median peer in the 21st percentile.</p>
	(\$M)	QTR	1 Year	2 Years	3 Years	5 Years																									
Fund	\$83.2	0.6%	10.7%	5.0%	-	-																									
Benchmark		0.2%	8.7%	4.3%	-	-																									
Peer Rank		36	21	18	-	-																									
<p><b>Heitman</b> Real Estate</p> <p><b>Management Fee:</b> 110 bps first \$10 million, 100 bps next \$15 million, 90 bps next \$25 million, 80 bps next \$50 million, 70 bps over \$100 million</p>	<p>The Fund seeks to deliver to its investors a combination of current income return and moderate appreciation. In acquiring individual assets for HART, Heitman adheres to the following principles: Buy in major markets and build a portfolio that is diversified by property type, economic exposure and geography. Buy assets with strong site attributes, such as proximity to amenities, complementary land uses and transportation networks. Buy well-constructed assets with features that will continue to appeal to tenants over long periods of time.</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">(\$M)</th> <th style="text-align: center;">QTR</th> <th style="text-align: center;">1 Year</th> <th style="text-align: center;">2 Years</th> <th style="text-align: center;">3 Years</th> <th style="text-align: center;">5 Years</th> </tr> </thead> <tbody> <tr> <td>Fund</td> <td style="text-align: center;">\$43.3</td> <td style="text-align: center;">1.6%</td> <td style="text-align: center;">3.0%</td> <td style="text-align: center;">5.5%</td> <td style="text-align: center;">5.9%</td> <td style="text-align: center;">8.0%</td> </tr> <tr> <td>Benchmark</td> <td></td> <td style="text-align: center;">1.3%</td> <td style="text-align: center;">5.2%</td> <td style="text-align: center;">6.2%</td> <td style="text-align: center;">6.5%</td> <td style="text-align: center;">8.3%</td> </tr> <tr> <td>Peer Rank</td> <td></td> <td style="text-align: center;">60</td> <td style="text-align: center;">92</td> <td style="text-align: center;">85</td> <td style="text-align: center;">79</td> <td style="text-align: center;">69</td> </tr> </tbody> </table> <p><b>Benchmark:</b> NFI-ODCE Equal Weight Net Index</p>		(\$M)	QTR	1 Year	2 Years	3 Years	5 Years	Fund	\$43.3	1.6%	3.0%	5.5%	5.9%	8.0%	Benchmark		1.3%	5.2%	6.2%	6.5%	8.3%	Peer Rank		60	92	85	79	69	<p>The fund returned 1.60% for the quarter, outperforming the benchmark by 30 bps and ranking in the 60th percentile among Open-End Real Estate Style peers. The fund underperformed the Index for the trailing one-, three- and five-year periods and ranked below the median peer.</p>
	(\$M)	QTR	1 Year	2 Years	3 Years	5 Years																									
Fund	\$43.3	1.6%	3.0%	5.5%	5.9%	8.0%																									
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