

The Elements of Success



Third Quarter Review 2017

Retirement Plan for Employees of the Town of Brooklyn

Town of Brooklyn 4 Wolf Den Road P.O. Box 356 Brooklyn, CT 06234



Returns by Style

| Small | Mid | Large | | ယ္က |
|-------|-------|-------|--------|---------|
| 5.1% | 2.1% | 3.1% | Value | 3Q 2017 |
| 5.7% | 3.5% | 4.5% | Blend | |
| 6.2% | 5.3% | 5.9% | Growth | |
| Small | Mid | Large | | 4 |
| 5.7% | 7.4% | 7.9% | Value | ALD |
| 10.9% | 11.7% | 14.2% | Blend | |
| 16.8% | 17.3% | 20.7% | Growth | |

Source: FadSet, Russell Investment Group, Standard & Poor's, J.P. Morgan Asset Management abculation based on the most recent S&P 500 Index price, divided by consensus estimates for earnings in the next 12 months (NTM), and is rovided by FactSet Market Appropriates.

On the control of the Market Appropriates. SR 500 ndex high on 108/07. Since Market Low rapresents period 30408 obj. Returns are currisative returns, not annualized. For all time periods, Icaal blend category, which is based on the S&P 500 index. Plast performance is a blend category, which is based on the S&P 500 index. Plast performance is received from 20 to 15 years because of a discontinued data series. The new . Since Market Peak represents period 10/9/07 –
w represents period 3/9/09 – 9/2/0/17, illustrating market
w represents period 3/9/09 – 9/2/0/17, illustrating market
L. For all time periods, total return is based on Russell
dex. Past performance is not indicative of future

Quarterly Review:

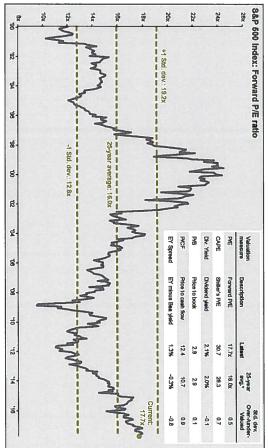
- equity performance across all domestic capitalizations and styles. Every style up 14.24% year to date. Growth continues to outpace Value box performance was improved compared to Q2 2017 with the S&P 500 now The third quarter was a continuation of the previous quarters with strong
- Russell 1000 Value was led by Financials (+5.2% for the quarter) and Energy Growth Index and was up 8.6% for the quarter and 27.4% year to date. The All S&P sectors were positive except for Consumer Staples (-1.3%). Technology continues to lead the market. The Tech sector is 37% of the Russell 1000
- days ago. This is the second longest period without a 3% drawdown since 1928! Volatility remains at a very low level. The market has yet to fall 3% during 2017 In fact, the last time the market fell 3% was right before the election over 225
- Consumer confidence remains high, but investors are unwilling to translate that investors into bonds, and the anticipation of an equity market pullback has confidence into large equity market investing. Demographics continue to drive actually kept the stock markets resilient.

Outlook:

quarter. Given the backdrop of reasonably strong economic growth, we see little to derail reporting of solid corporate earnings for the fourth



- of effective legislation (repatriation, tax policy changes, healthcare legislation) Although the Trump administration has accomplished little in 2017, the possibility continues to buoy the markets.
- Earnings have been strong which have caused valuations to remain modestly rich
- but not overly pricey.
- or pass the market because of the concern of trailing a strong market. Q4 also is seeming to be better valued. when analysts make earnings forecasts for next year which results in the market Professional money managers feel the need to invest more aggressively to keep up Q4 is typically a stronger part of the year, particularly when the markets are up.



Source: FactSet, FRB, Thomson Reuters, Robert Shiller, Standard & Poor's, J.P. Morgan Asset Management Price to earnings is price divided by consensus analyst estimates of earnings per share for the next 12 month 1989, and FactSet for September 30, 2017, Average PEz and standard deviations are calculated using 25 we trailing 10-years of inflation-adjusted earnings as reported by companies. Dividend yield is calculated as the n nays; asumates of earnings per share for the next 12 months as provided by IBES since December age PE and standard deviations are calculated using 25 years of FactSet history. Shiller's PE uses reported by companies. Dividend yield is calculated as the next 12-month consensus dividend the reported by companies. Dividend yield is calculated as the next 12-month consensus dividend the reported by companies. Dividend yield is calculated as the next 12-month consensus dividend share. Price to cash flow is price divided by NTM cash flow. EY et the next 12 months divided by price) minus the Moody's Baa riation over 25 years for each measure

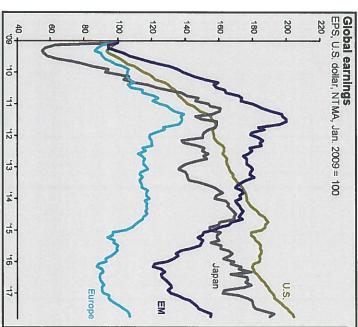
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■ Global Equity Market Returns

| * | | | | | | | | | MSCI: | \downarrow | | | \bigvee | | Regio | | |
|--|--------|--------|-------|-------|-------|---------|--------|----------------|--------------------------|------------------|------------------|--------------|-----------|-----------|-------------------------|-----------------|--------------|
| Returns measured in terms of U.S. dollars which takes into account the impact of changes in currency exchange rates. | Russia | Brazil | India | China | Japan | Germany | France | United Kingdom | MSCI: Selected Countries | Emerging Markets | Pacific ex-Japan | Europe ex-UK | EAFE | All World | Regions / Broad Indexes | County / Region | |
| f U.S. dollars y exchange r | 15.3 | 17.4 | 4.0 | 14.8 | 4.3 | 3.9 | 4.6 | 1.8 | | 7.7 | 2.2 | 4.1 | 3.4 | 4.5 | | Local | 3 - Month |
| which takes , ates. | 18.1 | 23.0 | 3.0 | 14.8 | 4.1 | 7.7 | 8.4 | 5.2 | | 8.0 | 3.7 | 7.0 | 5.5 | 5.3 | | \$US* | onth |
| into account | -3.2 | 23.3 | 19.4 | 44.2 | 10.6 | 11.5 | 14.1 | 6.6 | | 23.9 | 11.6 | 14.5 | 11.6 | 14.2 | | Local | Yeart |
| the | 1.6 | 26.9 | 24.1 | 43.4 | 14.6 | 25.0 | 27.9 | 15.7 | | 28.1 | 17.7 | 26.6 | 20.5 | 17.8 | | \$US* | Year to Date |

Outlook:

- U.S. Earnings are expected to be at record highs while those in both Europe and Emerging Markets remain far below their 2011 peaks. The cyclical recovery in Europe and firming commodity prices mean both Developed International and Emerging Market earnings have more room to grow than in the U.S.
- Global growth, which started to pick up steam at the end of 2016, shows no signs of slowing down. Thanks to a weak currency, rising confidence and pent-up demand, the Eurozone is growing particularly fast. The UK appears to be weathering Brexit better than many had anticipated due to competitive exports and a weakened currency.
- Japan's market has a high correlation to Global PMIs, so this along with other positive economic data provide a positive outlook. However, ongoing issues with North Korea pose a significant risk should a military conflagration arise over North Korea's ongoing ballistic missile launches.



Source FedSel, IRSC Thomson Review, Senderd 8 Poor's, J.P. Morgan Ased Masspersent.

Yalasidos refer to MTAA FE for Europu, U.S. Japan and Creedpoid Marities and PSE or emerging markers, Valuation and earnings charlis use

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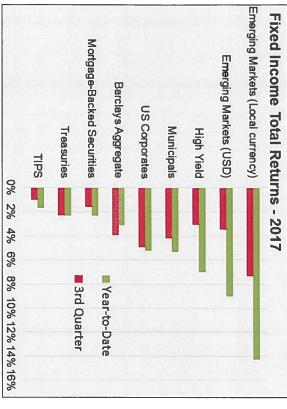
MCC Indicate for all explorazionatives, accessing for the U.S. available in the ESE 2002 and Redicts used BSES appropria earnings estimated used determines in the local, MSC Europe Inducted the European as well as countries not in the currency block. such as if a fundamental countries and the service of the Contractive of the Contract

Quarterly Review:

- 5.3% \$US (4.5% in local currency). YTD the All World Index is up 17.8% \$US (14.2% local). as global growth continued uninterrupted on its positive track. The All World Index was up As was the case in Q1 and Q2, returns were very strong across the board for the 3rd quarter,
- investors. The MSCI UK Index is up 6.6% YTD local and 15.7% \$US. The U.S. dollar continued to weaken against most major currencies, furthering gains for U.S.
- Emerging Markets had another strong quarter, up 8.0% \$US (7.7% local). China, Brazil, and currency. After a relatively flat 2016, China is now up 43.4% \$US YTD (44.2% local). Russia led the way, all up double digits for the quarter in both \$US and local

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Fixed Income Yields & Returns



Source: J.P. Morgan Asset Management

Quarterly Review:

- Treasury yields moved higher in Q3 amid volatility. The move was driven by the FOMC's late-August decision to increase their target federal funds rate by 0.25% for the 3rd time this year as they begin to unwind their balance sheet.
- The 10-year and 30-year Treasuries did, however, set 2017 lows on 9/7/17, at 2.04% and 2.66% spurred by geopolitical risks.
- U.S. Treasuries continue to look attractive compared to government debt of other developed countries.

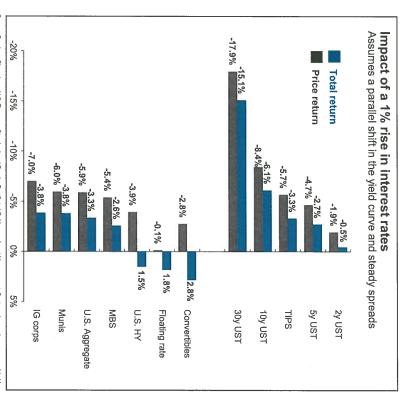
 Robust risk appetites and yield seeking investors continue to pull

spread sectors tighter. \$US Emerging Markets Debt (EMD) and High

Yield returned 4.9% and 4.2%, respectively in Q3.
 The depreciation of the dollar boosted non-\$US EMD which returned an impressive 7.3% in Q3.

Outlook:

- Buoyant economic data and somewhat rising inflation is leading to a shift in the mindset of central bankers globally.
- According to the CME Group, over 84% of market participants expect the Fed to raise rates by 0.25% in December.
- Near term, we continue to position portfolios more defensively in the face of higher interest rates.
- We expect the Fed's balance sheet normalization program to have little impact in the fourth quarter, but will likely impact interest rates in 2018 and beyond.

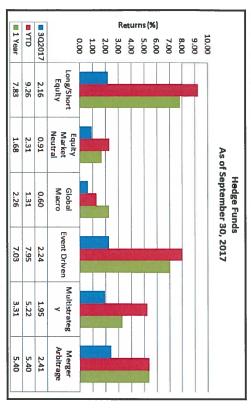


Source, Bactleys, Bloomberg, U.S. Treasury, Standard and PoxYs, FaciSta, I.P. Morpan Asset Management, Sectors shown above an provided by Bardleys and are inspectanted by –Bloomberg Market, U.S. Aggregate, MSS, U.S. Aggregate and Securitized .MSS, components U.S. Concontacts, Minciples U.S. Commercial Components of the Components of t

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source: Barclays, FactSet, HFRI, Standard & Poor's, J.P. Morgan Asset Management. HFRI is the Hedge Fund Return Index

Hedge Fund Returns in Different Market Environments

over the past 15 years through 8/31/17 due to data availability. Average return in up and down months for S&P 500, based on monthly returns

- S&P 500 Up
- HFRI 1.2%
- S&P 500 2.9%
- S&P 500 Down
- -1.1%

HFRI

S&P500 -3.5%

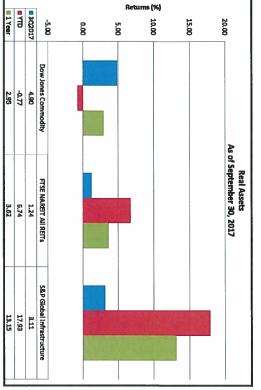
monthly returns over the past 15 years through 8/31/17 due to data availability. Average return in up and down months for Barclays U.S. Aggregate, based on

- Barclays U.S. Agg Up
- HFR! 0.6%
- Barclays 0.9%
- Barclays U.S. Agg Down
- HFR!
- Barclays 0.3% -0.7%

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Real Assets:

- Commodities rebounded in the third quarter with oil having gains in September. two months of the quarter before giving up some of its its best run in 2017. Gold moved up strongly during the first
- REITs had a moderate to good start in 2017. Returns turned negative in August and were flat in September.
- Global Infrastructure had a very strong run year-to-date, September. outperforming the S&P 500 by almost 3.7%. This lead reversed for the quarter with a fairly weak return in



ture TUSD Source: Dow Jones Commodity , FTSE NAREIT All REITs, S&P Global Infrastruc

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The Asset Allocation line graph shows that a diversified portfolio helps to limit volatility and provide consistent returns over time.

| Large Cap -22.1% | Small Cap -20.5% | DM Equity - 15.7% | Equity | Asset Alloc. | Cash 1.7% | REITs | High Yield 4.1% | Fixed Income 10.3% | Comdty. 25.9% | 2002 |
|-------------------------|--------------------------|--------------------------|------------------------|------------------------|--------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Cash 1.0% | Fixe d Income 4.1% | Comdty. 23.9% | Asset Abc. 26.3% | Large Cap 28.7% | High Yield 32.4% | REITS 37.1% | DM Equity 39.2% | Small Cap 47.3% | EM Equity 56.3% | 2003 |
| Cash 1.2% | Fixed Income | Comdty. 9.1% | Large Cap 10.9% | Asset A6c. 12.8% | High Yield 13.2% | Small Cap 18.3% | DM Equity 20.7% | EM Equity 26.0% | REITs 31.6% | 2004 |
| Fixed Income 2.4% | Cash 3.0% | High Yield 3.6% | Small Cap 4.6% | Large Cap 4.9% | Asset A C. 8.1% | REITs | DM Equity 14.0% | Comdty. 21.4% | Equity 34.5% | 2005 |
| Comdty. 2.1% | Fixed Income 4.3% | Cash 4.8% | High Yield 13.7% | Asset Abc. 15.3% | Large Cap 15.8% | Small Cap 18.4% | DM Equity 26.9% | EM Equity 32.6% | REITs 35.1% | 2006 |
| REITs -15.7% | Small Cap - 1.6% | High Yield 3.2% | Cash 4.8% | Large Cap 5.5% | Fixed Income 7.0% | Asset AUC. 7.1% | DM Equity 11.6% | Comdty. 16.2% | EM Equity 39.8% | 2007 |
| EM Equity -53.2% | DM Equity -43.1% | REITs -37.7% | Large Cap -37.0% | Comdty. -35.6% | Small Cap -33.8% | High Yiela -26.9% | Asset AC. 254% | Cash 1.8% | Fixed Income 5.2% | 2008 |
| Cash 0.1% | Fixed Income 5.9% | Comdty. 18.9% | Asset A e. 25.0% | Large Cap 26.5% | Small Cap 27.2% | REITs 28.0% | DM Equity 32.5% | High Yield 59.4% | EM Equity 79.0% | 2009 |
| Cash 0.1% | Fixed Income 6.5% | DM Equity 8.2% | Asset AHC: 13.3% | High Yield 14.8% | Large Cap 15.1% | Comdty. 16.8% | EM Equity 19.2% | Small Cap 26.9% | REITs 27.9% | 2010 |
| EM Equity - 18.2% | Comdty. -13.3% | DM Equity - 11.7% | Small Cap -4.2% | Asset Alac. | Cash 0.1% | Large Cap 2.1% | High Yield 3.1% | Fixed Income 7.8% | REITs 8.3% | 2011 |
| Comdty. -1.1% | Cash 0.1% | Fixed Income 4.2% | Asset Auc. 12.2% | Large Cap 16.0% | Small Cap 16.3% | DM Equity 17.9% | EM Equity 18.6% | High Yield 19.6% | REITs 19.7% | 2012 |
| Comdty. | Equity -2.3% | Fixed Income -2.0% | Cash 0.0% | REITs 2.9% | High Yield 7.3% | Asset Albe. | DM Equity 23.3% | Large Cap 32.4% | Small Cap 38.8% | 2013 |
| Comdty. | DM Equity - 4.5% | EM Equity - 1.8% | High Yield 0.0% | Cash 0.0% | Small Cap 4.9% | Asset Alloc. 5.2% | Fixed Income 6.0% | Large Cap 13.7% | REITs 28.0% | 2014 |
| Comdty. | EM Equity -14.6% | Small Cap -4.4% | High Yield -2.7% | Asset AC. | DM Equity -0.4% | Cash 0.0% | Fixed Income 0.5% | Large Cap 1.4% | REITs 2.8% | 2015 |
| Cash 0.3% | DM Equity 1.5% | Fixed Income 2.6% | Asset A.c. 8.3% | REITs 8.6% | EM Equity 11.6% | Comdty. 11.8% | Large Cap 12.0% | High Yield 14.3% | Small Cap 21.3% | 2016 |
| Comdty. | Cash 0.6% | Fixed Income 3.1% | REITs | High Yield 9.5% | Asset Alloc. 10.6% | Small Cap 10.9% | Large Cap 14.2% | DM Equity 20.5% | Equity 28.1% | AD. |
| Comdty. 1.2% | Cash 1.3% | Fixed Income 4.6% | DM Equity 5.7% | Large Cap 6.7% | Asset Alloc. 6.9% | Small Cap 8.5% | High Yield 9.2% | EM Equity 9.8% | REITs 10.8% | 2002 Ann. |
| Cash 0.8% | Fixed Income 3.5% | Asset Alloc. 11.0% | High Yield 11.7% | Large Cap 15.9% | Comdty. 19.0% | DM Equity 19.2% | Small Cap 20.1% | REITs 22.6% | Equity 23.8% | 2002 - 2016 nn. Vol. |

Source: Barclays, Bloomberg, FactSet, MSCI, NAREIT, Russell, Standard & Poor's, J.P. Morgan Asset Management.

Large cap: S&P 500, Small cap: Russell 2000, EM Equity: MSCI EME, DM Equity: MSCI EAFE, Comdty: Bloomberg Commodity Index, High Yield: Barclays Global HY Index, Fixed Income: Barclays US Aggregate, REITs: NAREIT Equity REIT Index. The "Asset Allocation" portfolio assumes the following weights: 25% in the S&P 500, 10% in the Russell 2000, 15% in the MSCI EAFE, 5% in the MSCI EME, 25% in the Barclays US Aggregate, 5% in the Barclays 1-3m Treasury, 5% in the Barclays Global High Yield Index, 5% in the Bloomberg Commodity Index and 5% in the NAREIT Equity REIT Index. Balanced portfolio assumes annual rebalancing. Annualized (Ann.) return and volatility (Vol.) represents period of 12/3/101 – 12/3/1/16. Please see disclosure page at end for index definitions. All data represents total return for stated period. Past performance is not indicative of future

Guide to the Markets – U.S. Data are as of September 30, 2017.

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Disclosures



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established to bring the skills and experience of investment professionals along with the technology, data and analytical Hooker & Holcombe Investment Advisors, Inc. (HHIA), a fully-owned subsidiary of Hooker & Holcombe (H&H), was independent advisory services to private sector, municipal, and non-profit clients. processes used by large institutional investors to the fiduciary-related marketplace. Since 1996, HHIA has offered

(HHRS), which provides defined contribution recordkeeping and third-party administration (TPA) services (HHIA), which provides institutional investment advisory services and Hooker & Holcombe Retirement Services, Inc. Hooker & Holcombe was founded in 1956 and has two subsidiaries: Hooker & Holcombe Investment Advisors, Inc.

Accredited Investment Fiduciary (AIF®) designation. Chartered Alternative Investment Analyst (CAIA), two are Certified Financial Planners (CFP®) and three hold the On our core team, five of our investment professionals hold the Chartered Financial Analyst (CFA®) designation, one is collective backgrounds include prior experience as portfolio managers, fiduciary consultants and finance professionals Together, HHIA's investment professionals have more than 100 years of experience in the financial services area. Their

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advisor with 10 or fewer team members. Go to planadviser.com/Top100 for more information. questions was used to determine eligibility for the Top 100. H&H qualified under the small team category which is an Plan Adviser Survey. The list is drawn solely from a set of quantitative variables and information in the survey supplied had to submit a completed entry in the prior year to the Retirement Plan Adviser Survey. A sub-segment of the by the advisers themselves. For an adviser to be eligible for recognition in the Top 100 for any calendar year, their firm The "PLANADVISER Top 100 Retirement Plan Advisers" list is compiled from responses to the PLANADVISER Retirement



Retirement Plan for Employees of the Town of Brooklyn

Third Quarter Performance Report
September 30, 2017

Portfolio Overview



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Retirement Plan for Employees of the Town of Brooklyn

Period Ending: 9/30/2017 Portfolio Inception Date: 12/18/2006

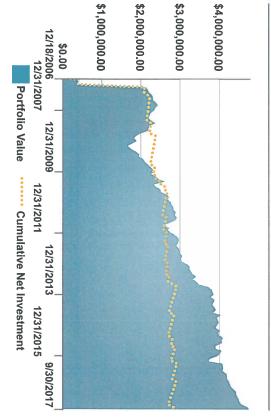
Asset Allocation Total Portfolio Value Short Term Bond/Cash Intermediate Bond International Mid/Small Cap Category 60/40 Large Cap Percentage Current 100.0% 38.6% 12.1% 31.9% 15.7% 1.7% \$4,746,021 \$1,832,570 \$1,511,946 \$746,927 \$574,109 \$80,469 Current Value

| Components of Change | nange | | | | |
|----------------------|-------------|-------------|-------------|--------------|--------------|
| | CQ | YTD | Last 1 Year | Last 3 Years | Last 5 Years |
| BEGINNING VALUE | \$4,494,113 | \$4,286,700 | \$4,183,942 | \$3,917,666 | \$3,051,715 |
| Net Contributions | \$84,560 | (\$45,590) | \$12,424 | (\$18,415) | \$173,531 |
| Capital Appreciation | \$150,869 | \$455,785 | \$422,056 | \$413,363 | \$878,946 |
| Income | \$18,330 | \$55,751 | \$141,021 | \$472,501 | \$698,033 |
| Management Fees | (\$3,000) | (\$6,000) | (\$12,000) | (\$33,000) | (\$43,151) |
| Other Expenses | \$1,149 | (\$626) | (\$1,422) | (\$6,095) | (\$13,054) |
| ENDING VALUE | \$4,746,021 | \$4,746,021 | \$4,746,021 | \$4,746,021 | \$4,746,021 |
| INVESTMENT GAIN | \$167,347 | \$504,910 | \$549,655 | \$846,770 | \$1,520,775 |

| | င့ | YTD | Last 1 Year | Last 3 Years | Last 5 Years |
|--------------------|------|-------|-------------|--------------|--------------|
| Your Portfolio | 3.8% | 12.1% | 13.5% | 7.0% | 8.3% |
| S&P 500 Index | 4.0% | 12.5% | 16.2% | 8.5% | 11.8% |
| Russell 2000 | 5.7% | 10.9% | 20.7% | 12.2% | 13.8% |
| MSCI Eafe | 5.4% | 20.0% | 19.1% | 5.0% | 8.4% |
| Barclays Aggr Bond | 0.8% | 3.1% | 0.1% | 2.7% | 2.1% |

All returns are TWR, gross of fees. Returns for greater than 1 year are annualized.

Portfolio Value Vs Cumulative Net Investment



| | | | | | | | | As of 09 | As of 09/30/2017 | | | | | |
|--|--------------|---|-----------------------|-----------------------------|------------------------|-------------------------------|-----------------------|--------------------------------|------------------------|-------------------------|------------------------|-------------------------|------------------------|-----------------------------|
| Name | Weight % | Morningstar Category | Morningstar Rating | Tot Ret % - 3 Mo | Tot Ret Rank - 3 Mo | Tot Ret % - YTD | Tot Ret Rank - YTD | Tot Ret % - 1 Yr | Tot Ret Rank - 1 Yr | Tot Ret % - 3 Yr | Tot Ret Rank - 3 Yr | Tot Ret % - 5 Yr | Tot Ret Rank - 5 Yr | Expense Ratio |
| Oakmark Investor | 6 | Large Blend | *** | 5.76 | 9 | 14.31 | 26 | 23.79 | ω | 10.43 | 28 | 15.42 | ω | 0.89 |
| Vanguard Large Cap Index Admiral Large Blend Weighted Avg | 10 0 | Large Blend | * ; 4.4 * ; | 4.47 | 37 | 14.46 | 24 | 18.69 | 33 | 10.64 | 20 | 14.18 14.64 | 18 | 0.06 |
| COD ECO TO LICE | | l orac Blond | | 4 40 | | 4 0 0 0 | | 2000 | | 10 81 | | 14 22 | | |
| Russell 1000 TR USD | | Large Blend | | 4.48 | | 14.17 | | 18.54 | | 10.63 | | 14.27 | | |
| US Fund Large Blend | | Large Blend | | 4.20 | | 13.19 | | 17.63 | | 9.04 | | 12.87 | | 0.99 |
| T. Rowe Price Growth Stock Adv | æ | Large Growth | * * * | 5.38 | 49 | 25.79 | 14 | 25.78 | 8 | 13.62 | 10 | 15.98 | 14 | 0.93 |
| Russell 1000 Growth TR USD US Fund Large Growth | | Large Growth | | 5.90 5.30 | | 20.72 19.85 | | 21.94 19.75 | | 12.69 10.37 | | 15.26 13.68 | | 1.13 |
| Schwab Fundamental US Large Company lds | 8 | Large Value | * * * * | 4.52 | 26 | 9.39 | 50 | 15.76 | 58 | 8.87 | 32 | 13.59 | 20 | 0.35 |
| Russell 1000 Value TR USD US Fund Large Value | | Large Value | | 3.11 | | 7.92 9.41 | | 15.12 16.18 | | 8.53 7.97 | | 13.20 12.18 | | 0.45 |
| Vancuard Mid Can Index Investor | J | Mid Bland | +++ | 2 41 | 3 | 12 78 | 15 | 15 16 | 83 | 9 49 | 36 | 14 24 | 23 | 0 18 |
| saii Baaia Mila Cab III acs III acso | 1 | i c | 2 | | 1 | ! | ā | | í | | | | 3 | |
| MSCI US Mid Cap 450 PR USD US Fund Mid-Cap Blend | | Mid Blend Mid Blend | | 3.41 | | 11.29 10.15 | | 14.00 16.02 | | 8.49 8.15 | | 13.15 12.86 | | 1.11 |
| Columbia Mid Cap Growth Inst | 2 | Mid Growth | * * | 4.75 | 43 | 17.04 | 45 | 16.44 | 66 | 9.37 | 49 | 11.86 | 64 | 0.94 |
| Russell Mid Cap Growth TR USD US Fund Mid-Cap Growth | | Mid Growth | | 5.28 4.54 | | 17.29 16.74 | | 17.82 18.13 | | 9.96 9.13 | | 14.18 12.61 | | 1.23 |
| JHancock Disciplined Value Mid Cap I | 22 | Mid Value | *** | 3.46 | 49 | 10.01 | 46 | 15.95 | 52 | 11.86 | 5 | 16.38 | 4 | 0.86 |
| Russell Mid Cap Value TR USD US Fund Mid-Cap Value | | Mid Value Mid Value | | 2.14 | | 7.43 7.56 | | 13.37 14.88 | | 9.19 8.01 | | 14.33 12.68 | | 1.15 |
| | | | | | | | | | | | | | | |
| Schwab Small Cap Index Russell Inv US Small Cap Equity S. Small Cap Blend Weighted Avg | 6 3 3 | Small Blend Small Blend Small Blend Avg | 3:** 3:** | 5.66 5.20 5.43 | 36 4 | 10.96 9.77 10.37 | 35 28 | 20.75 19.87 20.31 | 33 44 39 | 12.20 11.18 11.69 | 25 33 | 13.80 13.61 13.70 | 41 47 44 | 0.17 1.00 0.59 |
| Russell 2000 TR USD US Fund Small Blend | | Small Blend Small Blend | | 5.67 5.08 | | 10.94 8.42 | | 20.74 18.88 | | 12.18 10.01 | | 13.79 12.84 | | 1.20 |
| | | | | | | | | | | | | | | |

Reduce Vanguard Large Cap Index to 8%

Town of Brooklyn Pension Plan Quarter - End 3Q2017

| | | | | | | | | Δ= of 09 | As of 09/30/2017 | | | | | |
|--|----------|--|-----------------------|-----------------------------|------------------------|-----------------------------|-----------------------|-----------------------------|------------------------|-----------------------------|--|-----------------------------|------------------------|-----------------------------|
| Name | Weight | Morningstar Category | Morningstar Rating | Tot Ret % - 3 Mo | Tot Ret Rank - 3 Mo | Tot Ret % - YTD | Tot Ret Rank - YTD | Tot Ret % - 1 Yr | Tot Ret Rank - 1 Yr | Tot Ret %-3 Yr | Tot Ret Rank - 3 Yr | Tot Ret % - 5 Yr | Tot Ret Rank - 5 Yr | Expense Ratio |
| American Funds Europacific Growth R3 | <u>6</u> | Foreign Large Gwth | *** | 6.68 | 40 | 25.22 | 45 | 19.86 | 30 | 6.87 | 47 | 8.81 | 45 | 1.14 |
| Schwab International Index Foreign Blend Weighted Avg | 12 | Foreign Blend Avg | 3.5 | 5.94 | 49 | 22.98 | 45 | 19.38 | 37 | 5.97 | 49 | 8.57 | 40 | 0.67 |
| MSCI EAFE NR USD US Fund Foreign Large Blend | | Foreign Large Blend Foreign Large Blend | | 5.40 5.30 | | 19.96 20.29 | | 19.10 17.98 | | 5.04 5.11 | | 8.38 7.78 | | 1.09 |
| Vanguard Emerging Mkts Stock ldx Inv | 4 | Emerging Markets | * * | 7.71 | 47 | 23.46 | 65 | 18.63 | 64 | 3.85 | 59 | 3.42 | 64 | N N |
| MSCI EM NR USD US Fund Diversified Emerging Mkts | | Emerging Markets Emerging Markets | | 7.89 7.35 | | 27.78 26.33 | | 22.46 19.98 | | 4.90 3.86 | | 3.99 4.09 | | 1.44 |
| Metropolitan West Total Return Bd I | <u> </u> | Intermediate-Term Bond | * * * * | 0.81 | 58 | 3.03 | 65 | 0.31 | 63 | 2.45 | 56 | 2.73 | 20 | 0.44 |
| BBgBarc US Agg Interm TR USD US Fund Intermediate-Term Bond | | Intermediate-Term Bond Intermediate-Term Bond | | 0.72 0.87 | | 2.34 3.40 | | 0.25 | | 2.25 2.52 | | 1.75 2.14 | | 0.78 |
| BlackRock High Yield Bond Inv A PIMCO High Yield D High Yield Blend Weighted Avg | 2 2 | High Yield Bond High Yield Bond High Yield Blend Avg | ** 35** | 2.35 1.83 2.09 | 16 47 32 | 7.10 6.56 6.83 | 18 34 26 | 9.28 7.70 8.49 | 21 53 37 | 4.85 5.50 5.17 | 34 17 26 | 6.25 5.54 5.90 | 15 39 27 | 0.92 0.90 0.91 |
| BBgBarc US Corporate High Yield TR USD US Fund High Yield Bond | | High Yield Bond High Yield Bond | | 1.98 1.77 | = | 7.00 5.91 | | 8.88 7.76 | | 5.83 4.15 | | 6.36 5.12 | | 1.06 |
| JHancock Income A Pioneer Strategic Income Y PIMCO Income P | 4 4 | Multisector Bond Multisector Bond Multisector Bond | **** | 0.92 1.16 2.06 | 90 78 16 | 3.87 4.63 7.34 | 83 70 14 | 2.38 4.23 8.80 | 61 60 | 2.65 3.69 6.09 | <mark>76</mark> 44 6 | 3.12 3.98 6.84 | 43 1 | 0.81 0.73 0.55 |
| Multisector Blend Weighted Avg | 12 | Multisector Blend Avg | 4.0 | 1.38 | 67 | 5.28 | 8 | 5.14 | 200 | 2 + | ************************************** | 2 4.00 | 8 | 0.70 |
| BlackRock Strategic Income Opps Instl | 4 | Nontraditional Bond | *** | 1.50 | 25 | 4.00 | 41 | 5.17 | 41 | 2.63 | 44 | 3.29 | 15 | 0.60 |
| Western Asset Total Return Uncons I Nontraditional Blend Weighted Avg | . 4 | Nontraditional Bond Nontraditional Blend Avg | **** 4.0 | 1.69 1.59 | 20 | 5.30 | 7 24 | 8.16 6.67 | 10 26 | 3.78 3.21 | 23 34 | 3.39 3.34 | 13 14 | 0.88 |
| BBgBarc US Agg Interm TR USD US Fund Nontraditional Bond | | Intermediate-Term Bond Nontraditional Bond | | 0.72 1.00 | | 2.34 3.64 | | 0.25 4.51 | | 2.25 2.51 | | 1.75 2.33 | | 1.26 |
| Loomis Sayles Global Bond Retail | 4 | World Bond | * | 2.27 | 22 | 7.74 | 32 | 0.48 | 65 | 1.29 | 53 | 0.55 | 67 | 1.00 |
| Citi WGBI NonUSD USD US Fund World Bond | | World Bond World Bond | | 2.57 1.62 | | 8.63 6.08 | | -3.14 1.86 | | 0.47 1.49 | | -1.07 1.14 | | 0.97 |
| Schwab Retirement Advantage Money | - | Money Market | | 0.21 | | 0.52 | Q | 0.62 | | 0.25 | | 0.16 | | 0.46 |
| Asset Summary Benchmark | | Asset Summary | * * * | 3.73 | | 12.04 11.33 | | 13.28 12.28 | | 7.11 5.99 | | 9.01 7.83 | | 0.60 |

Increase American Funds EuroPacific to 8%

Place JHancock Income on Watch List