

Investment Performance Review  
Period Ending September 30, 2018

# Macomb Twp Act 345 Quarterly Report

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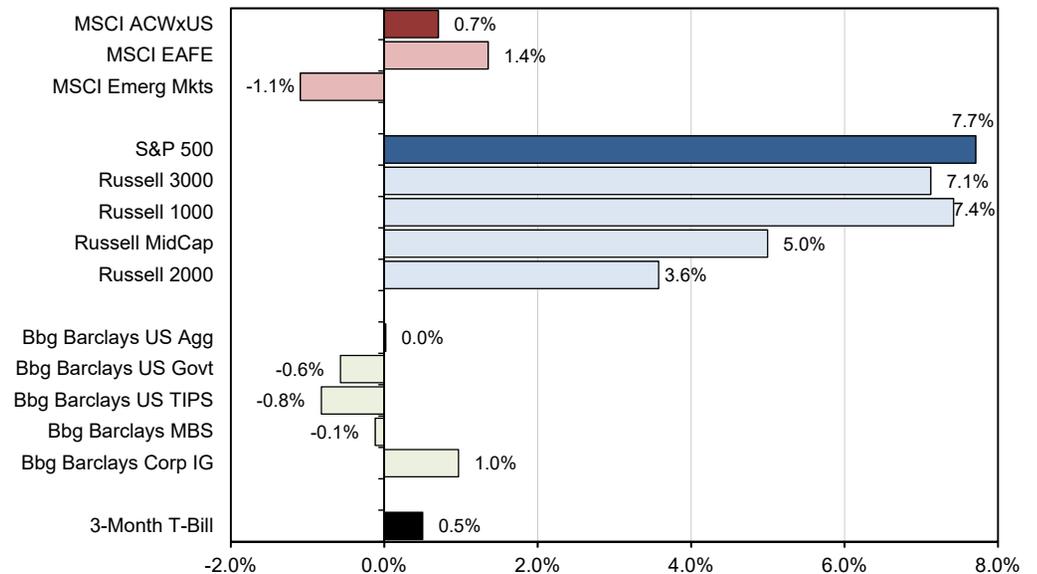


# 3rd Quarter 2018 Market Environment

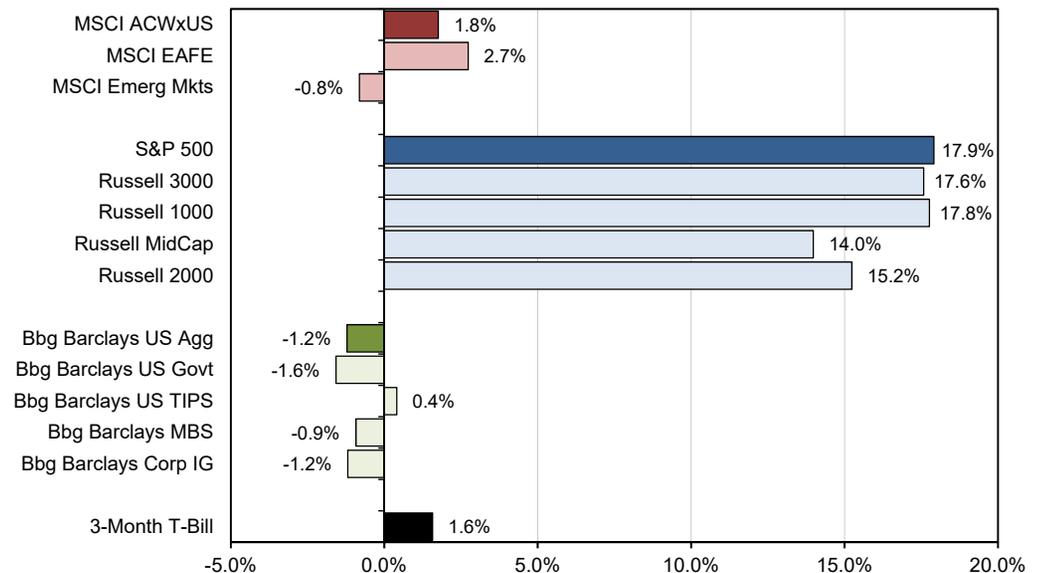


- Market returns were mixed across major equity and fixed income indices for the 3rd quarter of 2018 with many themes from the 2nd quarter repeating during the current period. Broad domestic equity indices pushed higher on continued strength in both economic and corporate earnings data. Corporate earnings continue to benefit from fiscal stimulus tailwinds in the form of the late 2017 tax reform. International indices underperformed domestic indices during the period, posting more muted returns in US dollar (USD) terms, as investors weighed relatively soft economic data, a strengthening USD and geopolitical concerns, especially around global trade relations. Fixed income returns were flat for the quarter as interest rates continued to rise. Domestic stocks rose as concerns around ongoing monetary policy tightening by the Federal Reserve (Fed) and an escalating trade war between the US and China were not substantial enough to dampen investor enthusiasm around the ongoing strength of the US economy. The US stock market represented by the Russell 3000 Index returned 7.1% and 17.6% for the quarter and 1-year period respectively.
- International equity returns finished the quarter slightly positive with the MSCI ACWI ex US Index returning 0.7%. Developed market stocks pushed higher through the period, however, relatively subdued economic growth and ongoing political and trade uncertainty tempered returns versus domestic equities. The developed market MSCI EAFE Index gained 1.4% during the quarter. Emerging market stocks struggled in comparison, posting negative returns for the period, as trade tensions grew between the US and China. In addition, a strengthening USD caused headwinds for most international markets, but caused particular difficulties for emerging market countries that issue debt in USD. The MSCI Emerging Markets Index posted a small decline of -1.1% during the 3rd quarter. The relative outperformance of developed markets can also be seen in the 1-year period with the MSCI EAFE and MSCI Emerging Markets indices returning 2.7% and -0.8% respectively.
- Interest rates on the US Treasury Yield Curve continued their year-to-date rise during the 3rd quarter as investor expectations for further Fed tightening of monetary policy increased during the period. The yield curve did flatten slightly as interest rates had the greatest increase in short-term maturities, but overall, the shift in rates was fairly consistent throughout the entire curve. The Fed did implement another interest rate increase following their September meeting citing the continued strength of the US economy and stable inflation. The broad market Bloomberg Barclays US Aggregate Index was flat for the quarter returning 0.0% and is slightly negative over the 1-year period returning -1.2%. Corporate issues rebounded following underperformance during the first half of the year and were the only investment grade sector to post a positive return during the quarter, as they benefitted from tightening credit spreads and strong investor demand.

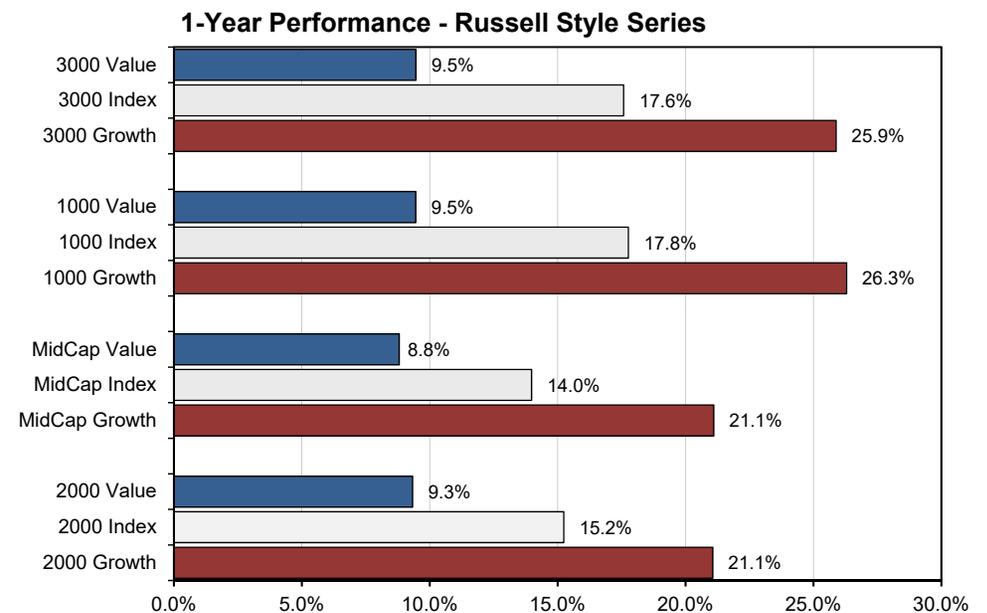
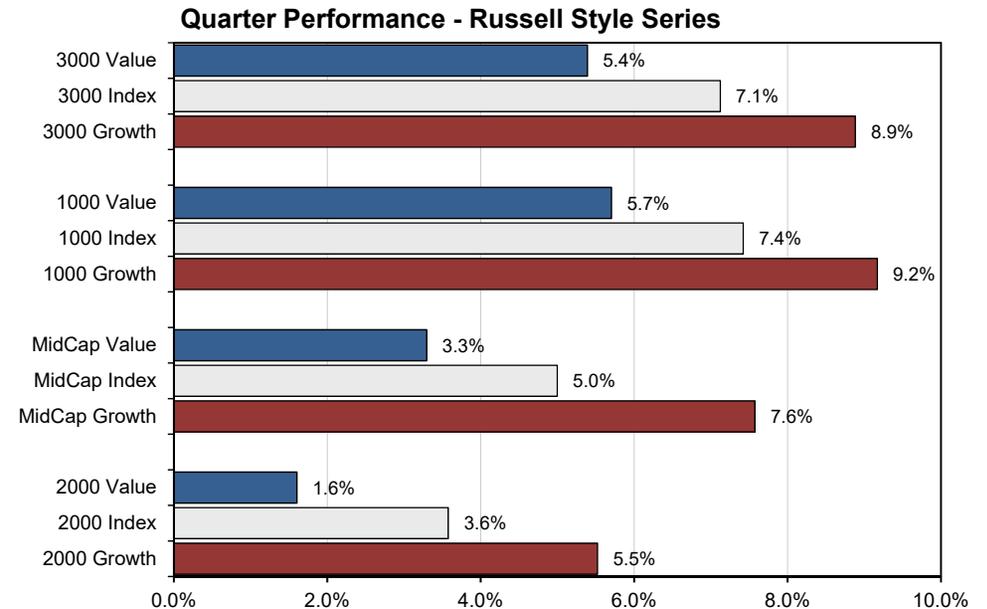
### Quarter Performance



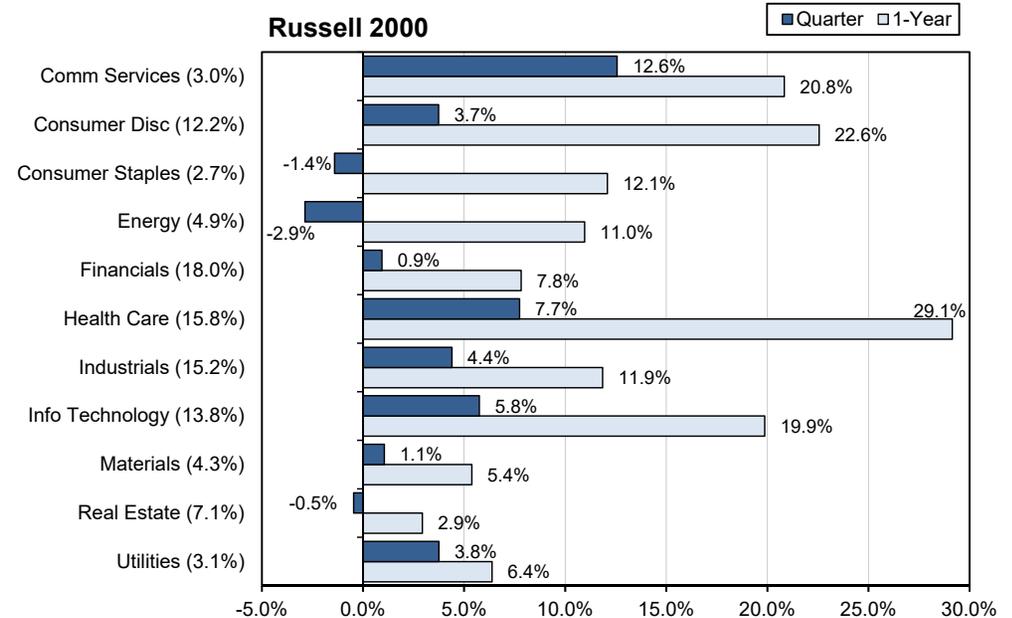
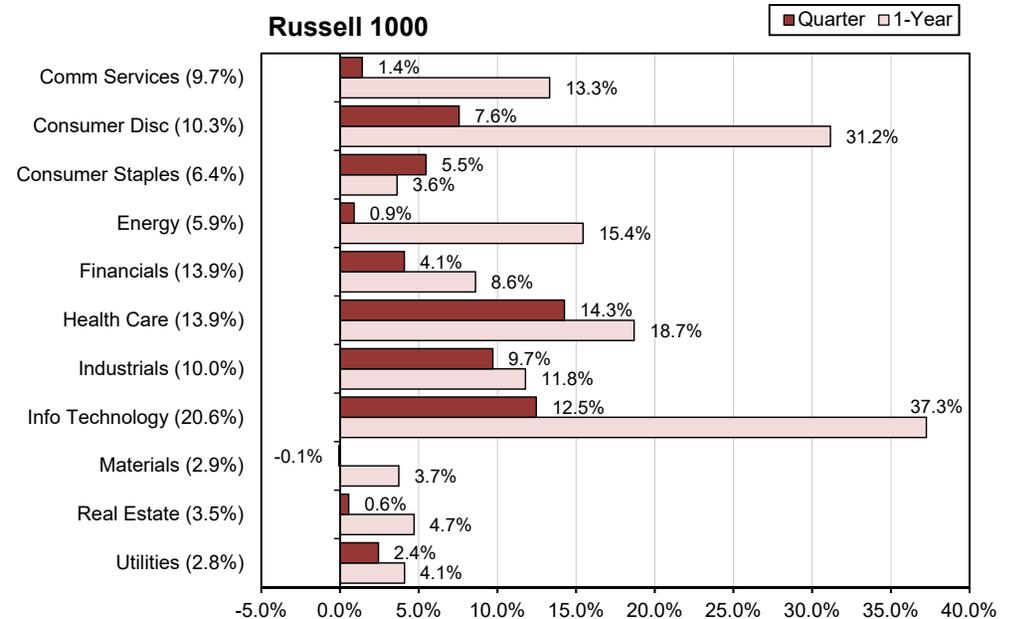
### 1-Year Performance



- US equity index returns were positive across the style and capitalization spectrum during the 3rd quarter of 2018. US equity markets were pushed higher by the ongoing strength in US economic data and corporate earnings. Positive data releases in GDP, unemployment, retail sales, consumer consumption and investor sentiment highlighted the continued health of the US economy. Corporate earnings released during the quarter were also impressive. Earnings reported for S&P 500 companies were up over 20% on a year-over-year basis for the second straight quarter as corporate profits continued to benefit from the new tax code. The current expansion in US equity markets now marks the longest bull market in history. While the positive economic data drove returns through the quarter, trade negotiations with China broke down with both the US and China instituting several rounds of new tariffs during the period. Currently the US is imposing tariffs on \$250 billion of Chinese imports with China placing tariffs on \$110 billion worth of goods. Further action has been threatened by both countries. While negotiations with China have been unsuccessful, progress was made in the renegotiation of the North American Free Trade Agreement (NAFTA) and discussions with the European Union (EU) appear to be moving ahead productively.
- During the quarter, large cap stocks outperformed mid and small cap equities across growth, value and core indices. The large cap Russell 1000 Index returned 7.4% for the quarter versus a 3.6% return for the Russell 2000 Index. The Russell 1000 benefitted from strong performance from some of its largest exposures. Apple Inc, Microsoft Corp and Amazon.com Inc alone make up over 10% of the index and posted quarterly returns of 22.4%, 16.4% and 17.8% respectively. Those same three stocks have gained 48.7%, 56.3% and 108.4% over the 1-year period. This strong performance from some of the index's largest constituents has helped large caps outperform small caps over the 1-year period as well with the Russell 1000 returning 17.8% over the trailing year while the Russell 2000 posted a still solid return of 15.2%.
- Growth stocks outperformed value stocks across the market cap spectrum during the 3rd quarter. The large cap Russell 1000 Growth Index was the best performing style index for the period returning a notable 9.2% for the quarter. The outperformance of growth indices relative to value indices is also evident over the 1-year period as growth indices continue to show significant outperformance relative to their value counterparts. The returns for growth indices more than double the returns of the corresponding value indices over the last 12 months. Growth benchmarks benefitted from larger exposures to more cyclical names within the information technology, consumer discretionary, health care and industrials sectors. They also benefitted from underweights to more defensive sectors such as REITs and utilities.



- Both S&P Dow Jones Indices and MSCI made changes to the Global Industry Classification Standard (GICS) sector configurations of their indices, creating a new GICS sector classification called Communication Services which replaced the Telecommunications sector on September 28, 2018. The Communication Services sector is comprised of companies in the Telecommunications sector, as well as certain companies formerly classified as Consumer Discretionary and Information Technology. As a result, the sector, went from a weighting of about 2% of the Russell 1000 Index to almost 10% post reclassification. Notable names now classified under Communication Services include Netflix, Alphabet, Facebook and Disney. This is just the second change to the GICS classifications since 1999.
- Sector performance was broadly positive across large cap sectors for the 3rd quarter. Ten of eleven sectors had positive returns for the quarter with four outpacing the Russell 1000 Index return. The consumer discretionary sector continues to do well on the back of strong retail sales and increased consumer spending, gaining 7.6% for the period. Health care and technology stocks increased 14.3% and 12.5% during the quarter respectively, with companies in both sectors reporting strong earnings. Industrials benefitted from continued economic strength returning 9.7%. The largest detractors for the quarter were the materials, real estate and energy sectors which returned -0.1%, 0.6% and 0.9% respectively. Over the trailing 1-year period, all large cap all sectors were positive. The information technology and consumer discretionary sectors were the best performers, returning over 30% over the last 12 months, and six of eleven sectors have returns over 10% for the year.
- Quarterly results for small cap sectors were generally lower relative to their large capitalization counterparts. Nine of eleven sectors had positive returns during the period with six of eleven economic sectors outpacing the Russell 2000 Index return for the quarter. Energy, consumer staples and real estate posted negative returns for the period returning -2.9%, -1.4% and -0.5% respectively. Communications services and health care were the best performers returning 12.6% and 7.7%. Over the trailing 1-year period, all eleven sectors posted gains. Health care stocks were the best performers within the Russell 2000 for the trailing year returning a solid 29.1%. Communication services, technology, and consumer discretionary also had particularly robust returns for the 1-year period.
- Using S&P 500 sector valuations as a proxy for the market, forward P/E ratios for seven of the eleven GICS sectors were higher than their long-term averages at quarter-end. Using these historical P/E measures, the utilities, consumer discretionary and real estate sectors appear the most extended. In contrast the financials, technology and health care sectors were trading at a discount to their long-term average P/E ratios.



**The Market Environment**  
**Top 10 Index Weights & Quarterly Performance for the Russell 1000 & 2000**  
As of September 30, 2018

Top 10 Weighted Stocks				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Apple Inc	3.97%	22.4%	48.7%	Information Technology
Microsoft Corp	3.15%	16.4%	56.3%	Information Technology
Amazon.com Inc	2.96%	17.8%	108.4%	Consumer Discretionary
Berkshire Hathaway Inc B	1.51%	14.7%	16.8%	Financials
Facebook Inc A	1.42%	-15.4%	-3.8%	Communication Services
JPMorgan Chase & Co	1.37%	8.9%	20.7%	Financials
Johnson & Johnson	1.35%	14.6%	9.1%	Health Care
Alphabet Inc Class C	1.32%	7.0%	24.4%	Communication Services
Alphabet Inc A	1.31%	6.9%	24.0%	Communication Services
Exxon Mobil Corp	1.31%	3.8%	7.9%	Energy

Top 10 Weighted Stocks				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Five Below Inc	0.31%	33.1%	137.0%	Consumer Discretionary
Etsy Inc	0.27%	21.8%	204.4%	Consumer Discretionary
Integrated Device Technology Inc	0.27%	47.5%	76.9%	Information Technology
LivaNova PLC	0.27%	24.2%	76.9%	Health Care
Haemonetics Corp	0.26%	27.8%	155.4%	Health Care
Teladoc Health Inc	0.25%	48.8%	160.5%	Health Care
Ligand Pharmaceuticals Inc	0.25%	32.5%	101.6%	Health Care
HubSpot Inc	0.24%	20.4%	79.6%	Information Technology
Primerica Inc	0.23%	21.3%	49.2%	Financials
HealthEquity Inc	0.22%	25.7%	86.7%	Health Care

Top 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Advanced Micro Devices Inc	0.10%	106.1%	142.3%	Information Technology
Square Inc A	0.10%	60.6%	243.7%	Information Technology
Paycom Software Inc	0.03%	57.2%	107.3%	Information Technology
Twilio Inc A	0.02%	54.0%	189.0%	Information Technology
Atlassian Corporation PLC A	0.03%	53.8%	173.5%	Information Technology
Molina Healthcare Inc	0.03%	51.8%	116.3%	Health Care
DexCom Inc	0.05%	50.6%	192.4%	Health Care
Match Group Inc	0.01%	49.5%	149.7%	Communication Services
Fortinet Inc	0.05%	47.8%	157.4%	Information Technology
IAC/InterActiveCorp	0.06%	42.1%	84.3%	Communication Services

Top 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
CareDx Inc	0.04%	135.7%	679.7%	Health Care
Reata Pharmaceuticals Inc A	0.07%	133.8%	162.9%	Health Care
Invitae Corp	0.05%	127.6%	78.5%	Health Care
RigNet Inc	0.01%	97.6%	18.3%	Energy
Tandem Diabetes Care Inc	0.10%	94.6%	486.8%	Health Care
Health Insurance Innovations Inc	0.03%	90.6%	325.2%	Financials
Funko Inc Class A	0.01%	88.8%	N/A	Consumer Discretionary
LSB Industries Inc	0.01%	84.5%	23.2%	Materials
Viking Therapeutics Inc	0.04%	83.6%	812.0%	Health Care
Ra Pharmaceuticals Inc	0.01%	81.8%	23.9%	Health Care

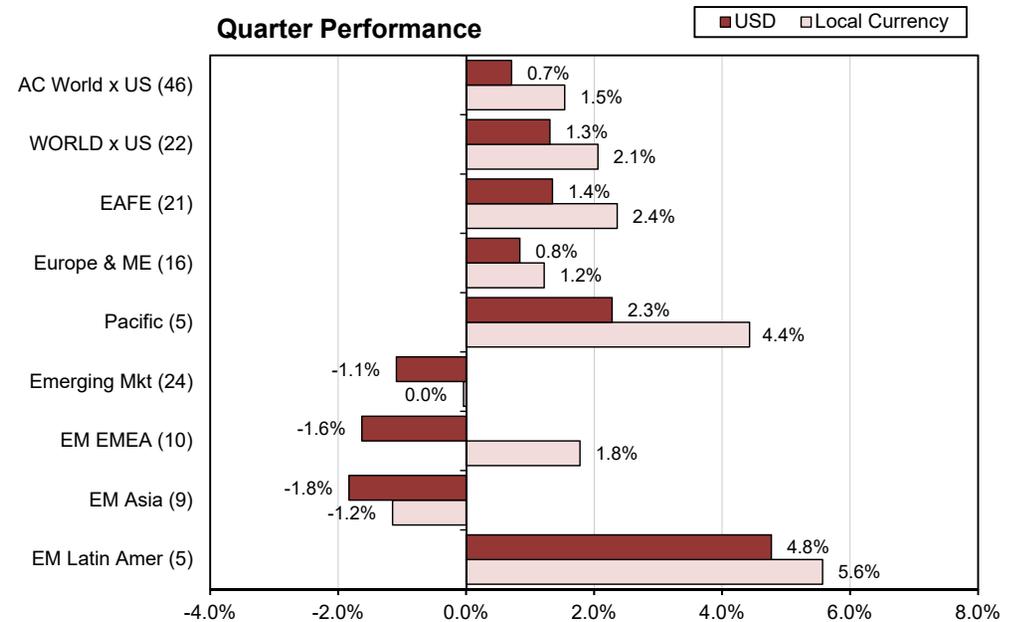
Bottom 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Floor & Decor Holdings Inc	0.01%	-38.8%	-22.5%	Consumer Discretionary
Twitter Inc	0.07%	-34.8%	68.7%	Communication Services
IPG Photonics Corp	0.02%	-29.3%	-15.7%	Information Technology
Visteon Corp	0.01%	-28.1%	-24.9%	Consumer Discretionary
Zillow Group Inc A	0.01%	-26.0%	10.1%	Communication Services
Zillow Group Inc C	0.02%	-25.1%	10.0%	Communication Services
Western Digital Corp	0.06%	-23.7%	-30.4%	Information Technology
Wynn Resorts Ltd	0.05%	-23.7%	-13.3%	Consumer Discretionary
Extraction Oil & Gas Inc	0.00%	-23.1%	-26.6%	Energy
Tesla Inc	0.13%	-22.8%	-22.4%	Consumer Discretionary

Bottom 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Vital Therapies Inc	0.00%	-96.0%	-94.5%	Health Care
GTx Inc	0.00%	-89.7%	-81.4%	Health Care
Ampio Pharmaceuticals Inc	0.00%	-76.9%	-16.9%	Health Care
Innovate Biopharmaceuticals Inc	0.01%	-71.0%	-2.4%	Health Care
Zion Oil & Gas Inc	0.00%	-68.4%	-62.5%	Energy
Endologix Inc	0.01%	-66.3%	-57.2%	Health Care
Lannett Co Inc	0.01%	-65.1%	-74.3%	Health Care
Maiden Holdings Ltd	0.01%	-62.6%	-61.1%	Financials
Diebold Nixdorf Inc	0.02%	-62.3%	-80.1%	Information Technology
Sears Holdings Corp	0.00%	-59.2%	-86.7%	Consumer Discretionary

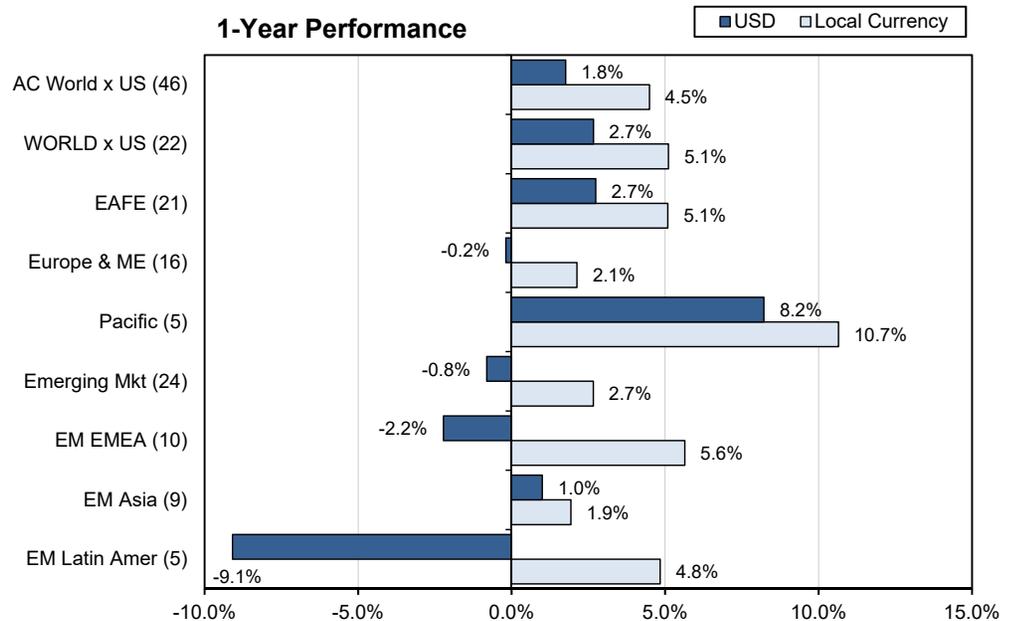


- Broad international equity returns were mixed for the quarter. Most developed markets were positive in local currency and USD terms whereas emerging markets were negative in both local currency and USD terms. Performance was largely driven by the same catalysts as the US equity markets for the second straight quarter. We saw global macroeconomic data slow, but remain generally positive through the period, with returns being tempered by global trade tensions and ongoing political uncertainty. The USD continued to strengthen against most currencies for the period as relatively strong US economic fundamentals and the continued divergence in global monetary policy hurt US investors in international markets. The MSCI ACWI ex US Index gained 1.5% in local currency terms and 0.7% in USD terms during the 3rd quarter. Returns over the 1-year period are modestly positive in both local currency and USD terms with the MSCI ACWI ex US returning 4.5% and 1.8% respectively.
- Third quarter results for developed market international indices were positive in local currency terms and USD terms with the MSCI EAFE Index returning 2.4% and 1.4% respectively. Returns were dampened for US investors as continued strength in the USD pushed returns lower. Developed markets were pushed higher by broadly positive, but slowing, global economic and earnings data despite several significant political events in Europe during the quarter. Concerns over a “no deal” Brexit and worries over a pending budget approval in Italy weighed on returns, while markets were encouraged by progress in trade negotiations between the US and the eurozone and signs of continued political stability in Japan. The MSCI EAFE Index returned 5.1% and 2.7% for the last twelve months in local currency and USD terms respectively.
- Emerging markets underperformed relative to developed markets for the 3rd quarter, posting a flat return in local currency terms that was exacerbated by the rising USD. The MSCI Emerging Markets Index returned 0.0% and -1.1% in local currency and USD terms respectively. Returns in emerging markets were the hurt by the deterioration in trade negotiations between the US and China followed by several rounds of new tariffs enacted by both countries. Emerging market stocks were also negatively affected by rising US interest rates coupled with an appreciating USD. Many emerging market countries and companies issue debt denominated in USD and the combination of higher interest rates and a relatively weaker local currency can put stress on the balance sheets of these borrowers, especially those heavily dependent on external capital. This was particularly problematic for Turkey, Argentina and South Africa during the 3rd quarter with Argentina having to expedite their request for an emergency bailout of \$50 billion from the World Monetary Fund. In positive news, Mexico and the US made progress toward the renegotiation of NAFTA. One year returns for the MSCI Emerging Market Index were 2.7% in local currency terms and -0.8% in USD terms.

**Quarter Performance**



**1-Year Performance**



**The Market Environment**  
**US Dollar International Index Attribution & Country Detail**  
As of September 30, 2018

MSCI - EAFE	Sector Weight	Quarter Return	1-Year Return
Communication Services	5.4%	3.3%	-2.4%
Consumer Discretionary	11.1%	-0.5%	3.3%
Consumer Staples	11.3%	-0.1%	2.5%
Energy	6.0%	3.5%	24.6%
Financials	19.8%	0.9%	-4.0%
Health Care	10.9%	5.6%	7.1%
Industrials	14.3%	2.6%	4.2%
Information Technology	6.2%	0.3%	7.4%
Materials	8.1%	0.4%	5.1%
Real Estate	3.5%	-3.0%	1.0%
Utilities	3.3%	-0.6%	0.7%
<b>Total</b>	<b>100.0%</b>	<b>1.4%</b>	<b>2.7%</b>

MSCI - ACWIXUS	Sector Weight	Quarter Return	1-Year Return
Communication Services	7.6%	-3.0%	-4.1%
Consumer Discretionary	10.7%	-3.2%	-1.4%
Consumer Staples	9.7%	-0.6%	1.6%
Energy	7.1%	4.1%	18.3%
Financials	22.0%	1.7%	-1.9%
Health Care	8.3%	4.5%	7.6%
Industrials	11.7%	2.8%	3.8%
Information Technology	8.5%	1.3%	5.6%
Materials	8.2%	0.4%	5.2%
Real Estate	3.2%	-3.5%	-2.7%
Utilities	3.0%	-0.9%	-1.2%
<b>Total</b>	<b>100.0%</b>	<b>0.7%</b>	<b>1.8%</b>

MSCI - Emerging Mkt	Sector Weight	Quarter Return	1-Year Return
Communication Services	14.8%	-9.4%	-6.0%
Consumer Discretionary	11.3%	-9.9%	-13.2%
Consumer Staples	6.7%	-2.9%	-1.9%
Energy	6.3%	14.5%	26.0%
Financials	23.3%	1.5%	0.4%
Health Care	3.1%	-7.2%	11.4%
Industrials	5.3%	2.5%	-4.3%
Information Technology	15.9%	2.2%	2.3%
Materials	7.8%	4.5%	8.6%
Real Estate	2.9%	-5.6%	-15.1%
Utilities	2.5%	-1.9%	-5.4%
<b>Total</b>	<b>100.0%</b>	<b>-1.1%</b>	<b>-0.8%</b>

Country	MSCI-EAFE Weight	MSCI-ACWIXUS Weight	Quarter Return	1-Year Return
Japan	24.6%	16.9%	3.7%	10.2%
United Kingdom	17.5%	12.0%	-1.7%	2.9%
France	11.2%	7.7%	2.8%	4.2%
Germany	9.4%	6.5%	-0.6%	-5.4%
Switzerland	8.3%	5.7%	7.3%	1.6%
Australia	6.8%	4.7%	-0.9%	4.4%
Hong Kong	3.5%	2.4%	-1.0%	2.9%
Netherlands	3.3%	2.3%	-1.5%	-1.6%
Spain	3.0%	2.0%	-2.4%	-9.7%
Sweden	2.7%	1.9%	7.0%	-3.3%
Italy	2.3%	1.6%	-4.5%	-8.9%
Denmark	1.7%	1.2%	2.3%	-4.2%
Singapore	1.3%	0.9%	2.2%	6.9%
Finland	1.1%	0.7%	3.2%	10.3%
Belgium	1.0%	0.7%	-5.2%	-11.8%
Norway	0.8%	0.5%	6.7%	13.7%
Israel	0.6%	0.4%	5.1%	14.9%
Ireland	0.5%	0.4%	-5.4%	-6.1%
Austria	0.2%	0.2%	0.2%	-3.1%
New Zealand	0.2%	0.2%	2.4%	4.4%
Portugal	0.2%	0.1%	-0.6%	1.7%
<b>Total EAFE Countries</b>	<b>100.0%</b>	<b>68.7%</b>	<b>1.4%</b>	<b>2.7%</b>
Canada		6.7%	0.8%	1.9%
<b>Total Developed Countries</b>		<b>75.3%</b>	<b>1.3%</b>	<b>2.7%</b>
China		7.6%	-7.5%	-2.2%
Korea		3.7%	0.7%	1.4%
Taiwan		3.0%	6.5%	9.7%
India		2.1%	-2.3%	1.1%
Brazil		1.5%	6.1%	-14.0%
South Africa		1.5%	-7.4%	-5.1%
Russia		0.9%	6.2%	13.7%
Mexico		0.8%	6.9%	-4.4%
Thailand		0.6%	13.6%	15.2%
Malaysia		0.6%	3.8%	7.6%
Indonesia		0.5%	2.0%	-10.4%
Poland		0.3%	10.6%	-5.0%
Chile		0.3%	-2.0%	-5.7%
Philippines		0.2%	1.0%	-15.6%
Qatar		0.2%	12.8%	25.3%
United Arab Emirates		0.2%	3.1%	-6.9%
Turkey		0.2%	-20.5%	-41.7%
Colombia		0.1%	-2.5%	10.0%
Peru		0.1%	-2.1%	12.2%
Greece		0.1%	-17.6%	-14.8%
Hungary		0.1%	4.7%	-5.0%
Czech Republic		0.1%	4.0%	12.8%
Egypt		0.0%	-6.8%	-7.1%
Pakistan		0.0%	-4.9%	-20.6%
<b>Total Emerging Countries</b>		<b>24.7%</b>	<b>-1.1%</b>	<b>-0.8%</b>
<b>Total ACWIXUS Countries</b>		<b>100.0%</b>	<b>0.7%</b>	<b>1.8%</b>

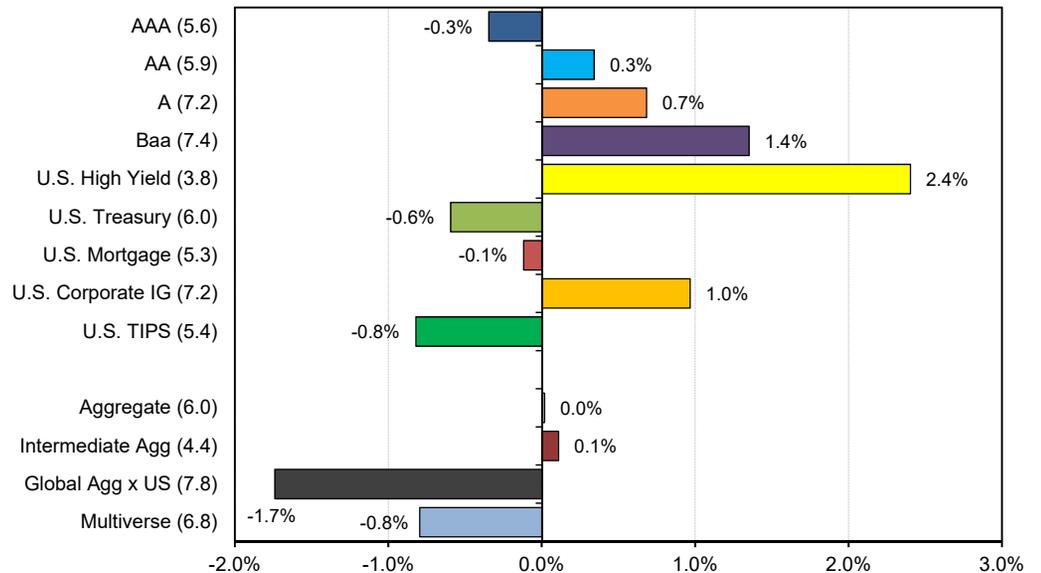
Source: Morningstar Direct, MSCI Global Index Monitor (Returns are Net in USD)

As a result of the GICS classification changes on 9/28/2018 and certain associated reporting limitations, sector performance represents backward looking performance for the prior year of each sector's current constituency, post creation of the Communication Services sector.

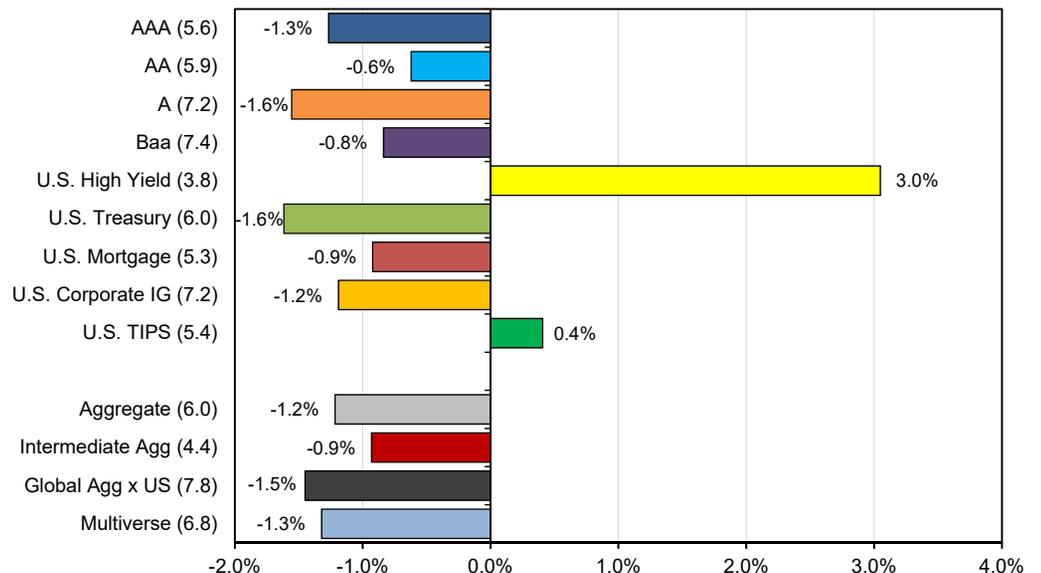


- Broad fixed income benchmarks had mixed results during the 3rd quarter. Interest rates rose across all maturities on the US Treasury Yield Curve. The Federal Open Market Committee (FOMC), decided to increase short-term interest rates by 25 basis points at their September meeting citing continued strength in the economy and stable inflation. This is the third rate hike of 2018. The current Fed Funds Rate target range sits at 2.00%-2.25%. The FOMC also changed the language used in its policy statement, removing the word “accommodative”, which investors took as a signal that the Fed plans to continue its trend of monetary policy tightening. The yield curve continued to flatten, although very gradually, as short-term yields rose at a greater rate than long-term yields during the quarter. The difference in yields between the 2-year and 10-year Treasury now sits at just 0.24%. As the curve continues to flatten, it moves closer to becoming “inverted”, which happens when short-term maturities have greater yields than long-term securities. Historically, an inverted yield curve has signaled a greater probability of a recession. The Fed is also continuing the reduction of the size of its balance sheet by slowing its pace of reinvestment as the securities it holds mature. The Bloomberg Barclays US Aggregate Index was flat during the quarter, posting a 0.0% return. Over the 1-year period the index has fallen -1.2%.
- Within investment grade credit, lower quality corporate issues outperformed higher quality issues as credit spreads tightened steadily over the quarter. On an absolute basis, without negating the duration differences in the sub-indices, Baa rated credit was the best performing investment grade credit quality segment returning 1.4% for the quarter, while AAA was the worst performing, falling -0.3%. High yield debt outperformed relative to investment grade credit, returning 2.0%, as spreads tightened to a greater degree for these issues and the index benefitted from less sensitivity to rising interest rates due to its lower duration. Returns are negative for all investment grade quality segments when viewed over the 1-year period while high yield continues to outperform with a return of 3.0%.
- Of the Bloomberg Barclays US Aggregate Index’s three broad sectors, US investment grade corporates were the best performing investment grade sector through the quarter, returning 1.0%, and the only sector to post a positive return for the period. Corporate credit outperformed as credit spreads tightened. Demand for these securities outweighed supply for the period despite considerable new issuance and a headwind from the sectors higher duration relative to other index sectors. Treasuries were the worst performing sector posting a -0.6% return. Over the 1-year period, all three broad investment grade sectors posted losses with mortgages, investment grade credit and Treasuries falling -0.9%, -1.2% and -1.6% respectively.

**Quarter Performance**

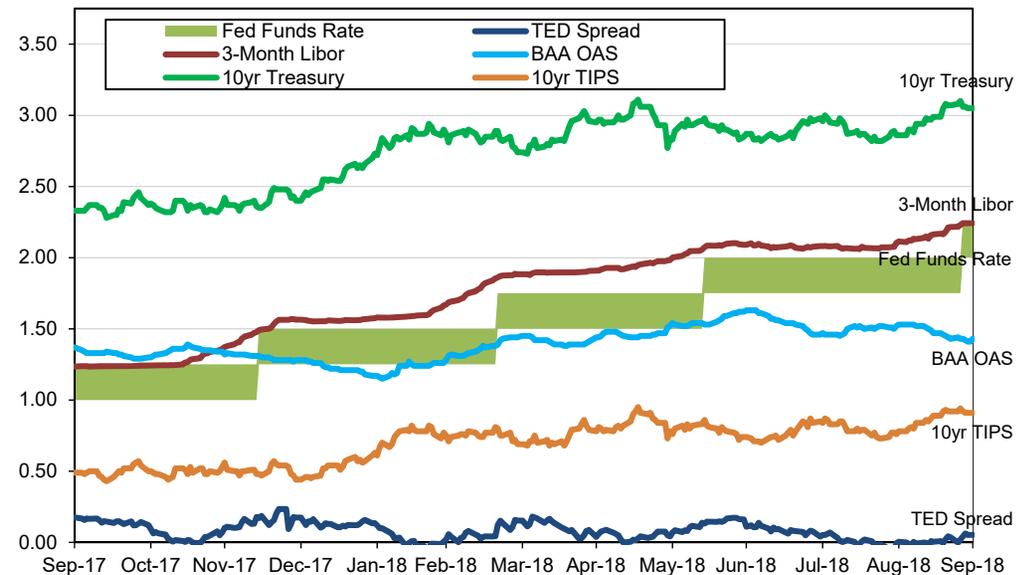


**1-Year Performance**

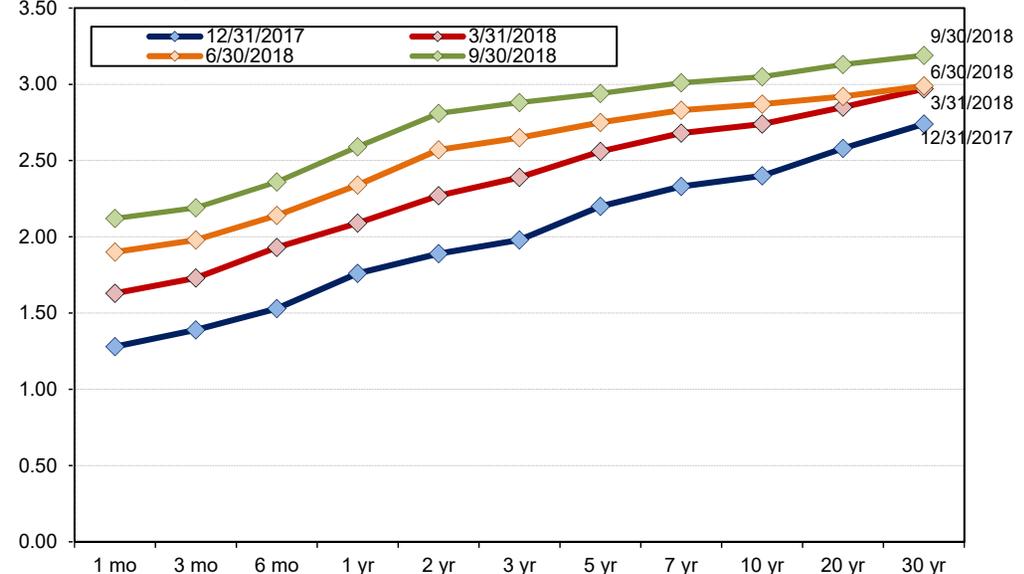


- Global fixed income indices continue to struggle relative to their domestic counterparts, underperforming during the 3rd quarter. These indices have lower yields and their relatively high duration acted as a headwind to performance in the current quarter as interest rates increased. The returns of these indices are also significantly influenced by fluctuations in their currency denomination relative to the USD. During the 3rd quarter the USD strengthened against most other currencies, negatively impacting the returns on global bond indices. The return on global bonds, as represented by the Bloomberg Barclays Global Aggregate ex US Index, was -1.7% and -1.5% for the quarter and 1-year period respectively. As the global economy continues to recover, several international central banks have started to move toward less accommodative postures. Notably, the ECB, began to slow its monthly bond purchase program in September, reducing new purchases to 15 billion euro per month from 30 billion euro per month, as well as forecasting an end to the program by the end of the year assuming the eurozone recovery continues to flourish. However, they have indicated a continuation of reinvestment in maturing securities and would likely not raise interest rates from current levels until summer 2019. The Bank of England increased interest rates by 0.25% during the quarter citing improvement in their near-term economic outlook and the Bank of Japan has changed its policy to allow flexibility for future tightening in the future.
- Much of the index performance detailed in the bar graphs on the previous page is visible on a time series basis by reviewing the line graphs to the right. The '1-Year Trailing Market Rates' chart illustrates that the 10-year Treasury yield (green line) rose steadily during the end of the 3rd quarter, ending the period at 3.05%. The blue line illustrates changes in the BAA OAS (Option Adjusted Spread). This measure quantifies the additional yield premium that investors require to purchase and hold non-Treasury issues. This line illustrates a steady increase in credit spreads through the first two quarters of 2018, followed by a smooth decline during the 3rd quarter. This decline is equivalent to an interest rate decrease on corporate bonds, which produces an additional tailwind for corporate bond index returns. These credit spreads have tightened by about 20 basis points over the last 3-months. The green band across the graph illustrates the gradual increase in the Federal Funds Rate (three increases in the last twelve months) due to the continued unwinding of accommodative US monetary policy.
- The lower graph provides a snapshot of the US Treasury yield curve at the end of each of the last four calendar quarters. As mentioned, the yield curve continues to flatten as yields on shorter-term maturities have risen more than interest rates on the long end of the curve. The upward momentum of interest rates as well as a general flattening of the yield curve are clearly visible over the last twelve months.

1-Year Trailing Market Rates

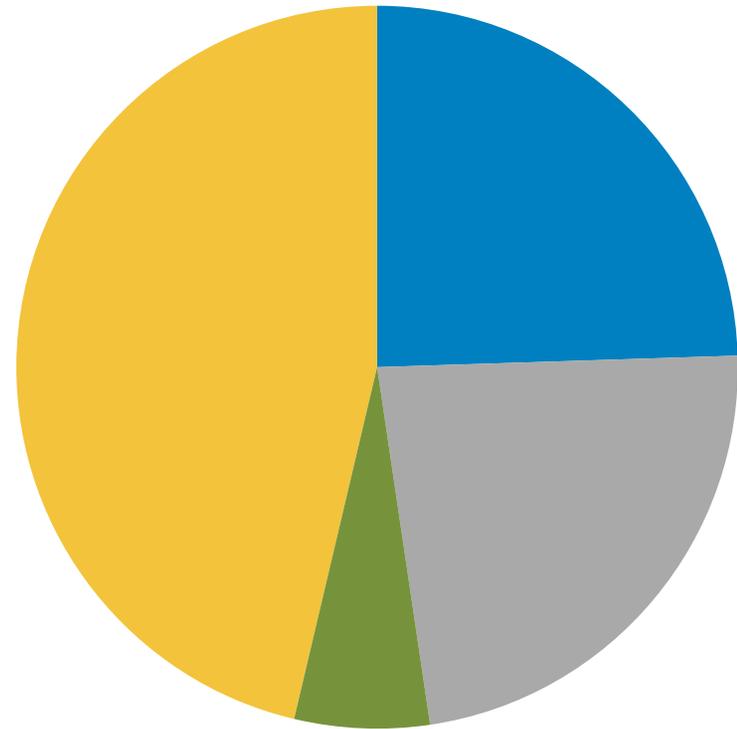
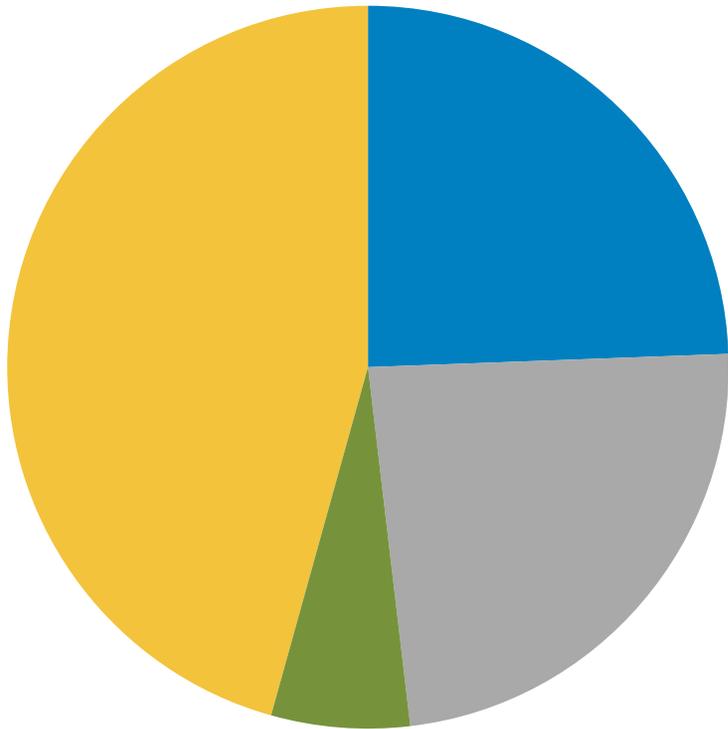


Treasury Yield Curve



Asset Allocation By Segment as of  
 June 30, 2018 : \$2,869,807

Asset Allocation By Segment as of  
 September 30, 2018 : \$2,898,281

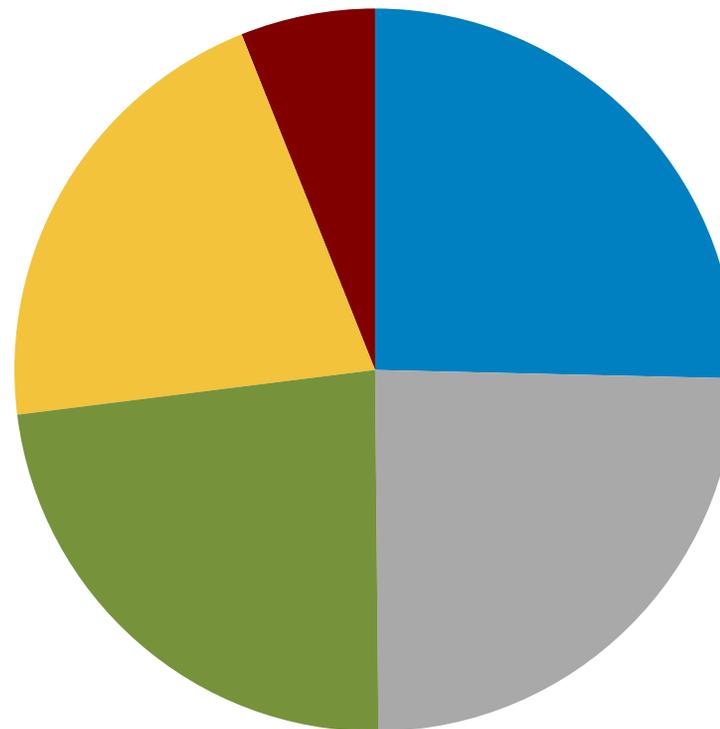
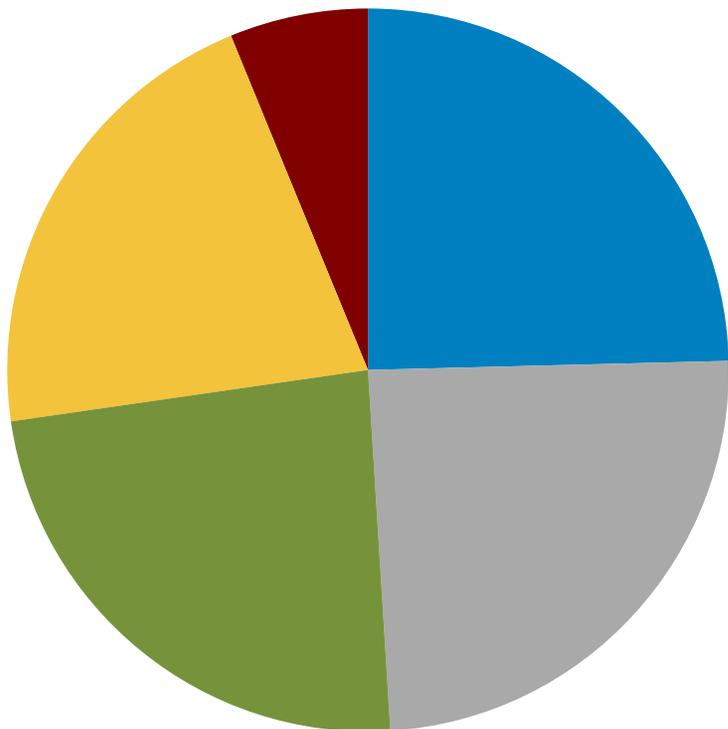


Allocation			Allocation		
Segments	Market Value	Allocation	Segments	Market Value	Allocation
Global Equity	700,620	24.4	Global Equity	709,755	24.5
Alternative Investment	680,632	23.7	Alternative Investment	671,473	23.2
Cash Equivalent	177,983	6.2	Cash Equivalent	175,051	6.0
Balanced	1,310,571	45.7	Balanced	1,342,002	46.3



Asset Allocation By Manager as of  
 June 30, 2018 : \$2,869,807

Asset Allocation By Manager as of  
 September 30, 2018 : \$2,898,281



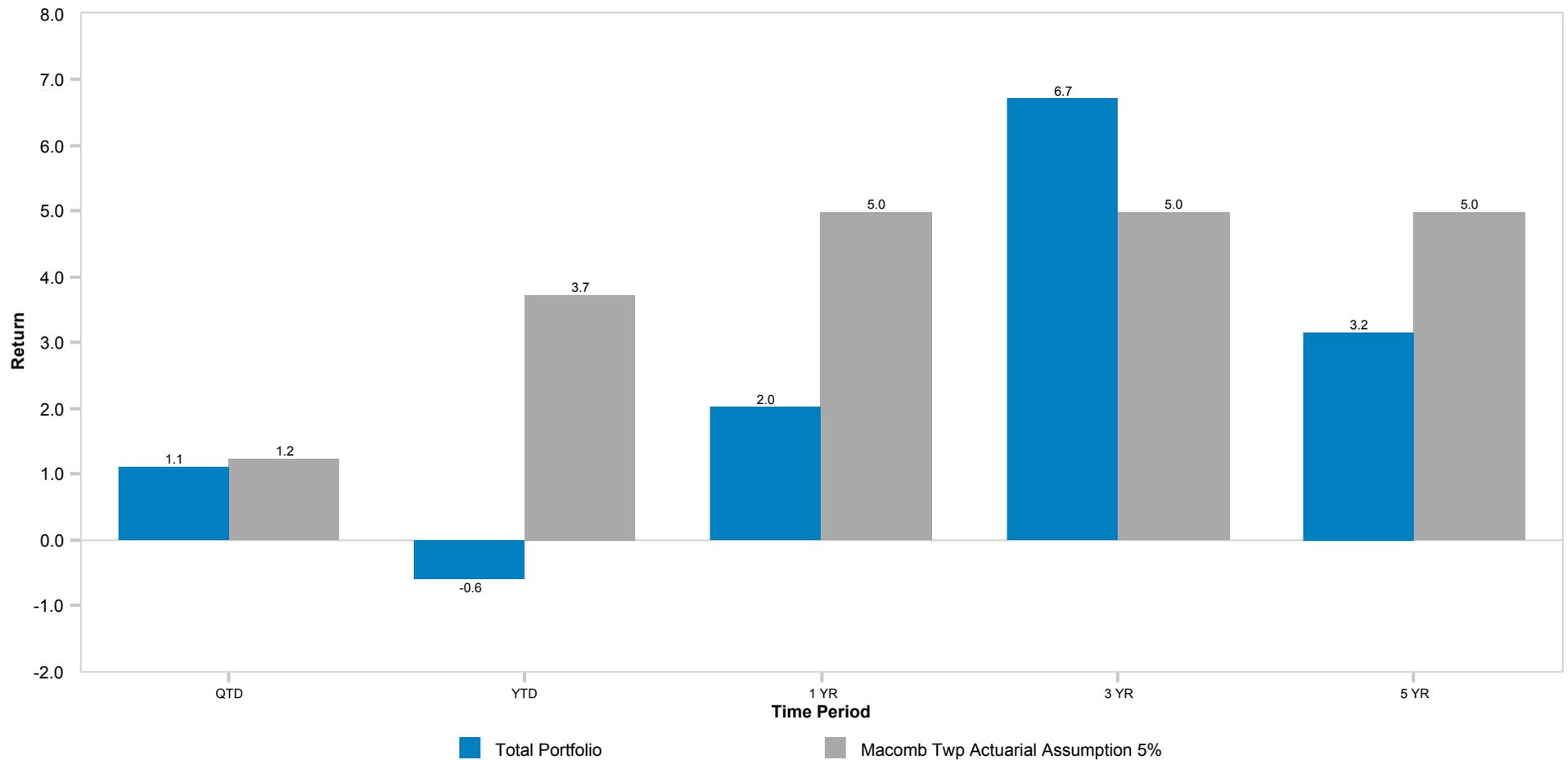
Allocation			Allocation		
	Market Value	Allocation		Market Value	Allocation
■ FPA Crescent Fund (FPACX)	705,938	24.6	■ FPA Crescent Fund (FPACX)	735,205	25.4
■ First Eagle Global Fund (SGENX)	700,620	24.4	■ First Eagle Global Fund (SGENX)	709,755	24.5
■ PIMCO All Assets (PAUAX)	680,632	23.7	■ PIMCO All Assets (PAUAX)	671,473	23.2
■ Wells Fargo Absolute (WARAX)	604,633	21.1	■ Wells Fargo Absolute (WARAX)	606,796	20.9
■ Cash Equivalent	177,983	6.2	■ Cash Equivalent	175,051	6.0



**Gain/Loss Summary**

	QTD	YTD	FYTD	1 YR	3 YR	5 YR	Inception	Inception Date
Total Portfolio								09/25/2009
<b>Beginning Market Value</b>	<b>2,869,807</b>	<b>2,769,132</b>	<b>2,869,807</b>	<b>2,688,682</b>	<b>2,169,694</b>	<b>2,115,536</b>	<b>1,347,133</b>	
Net Contributions	-3,750	145,503	-3,750	155,170	245,170	394,844	845,426	
ROI (Income + Gain/Loss)	32,224	-16,354	32,224	54,429	483,418	387,901	705,722	
<b>Ending Market Value</b>	<b>2,898,281</b>							

**Comparative Performance**



**Comparative Performance**  
**Trailing Periods**  
**As of September 30, 2018**

<b>Comparative Performance</b>																	
	<b>QTR</b>		<b>YTD</b>		<b>1 YR</b>		<b>3 YR</b>		<b>5 YR</b>		<b>8 YR</b>		<b>10 YR</b>		<b>Inception</b>		<b>Inception Date</b>
<b>Total Portfolio</b>	<b>1.12</b>	<b>(98)</b>	<b>-0.60</b>	<b>(100)</b>	<b>2.01</b>	<b>(99)</b>	<b>6.71</b>	<b>(97)</b>	<b>3.16</b>	<b>(99)</b>	<b>2.98</b>	<b>(100)</b>			<b>3.73</b>	<b>(100)</b>	<b>09/01/2009</b>
Macomb Twp Actuarial Assumption 5%	1.23	(98)	3.73	(67)	5.00	(94)	5.00	(98)	5.00	(97)	5.00	(99)	5.00	(100)	5.00	(99)	
All Public Plans-Total Fund Median	3.10		4.25		8.13		9.92		7.82		8.61		8.09		9.09		
<b>First Eagle:Global;A (SGENX)</b>	<b>1.30</b>	<b>(63)</b>	<b>-0.02</b>	<b>(67)</b>	<b>3.20</b>	<b>(53)</b>	<b>9.48</b>	<b>(17)</b>	<b>6.07</b>	<b>(28)</b>	<b>7.71</b>	<b>(21)</b>	<b>7.92</b>	<b>(27)</b>	<b>11.55</b>		<b>05/01/1970</b>
MSCI World Index	5.10	(6)	5.89	(10)	11.84	(6)	14.18	(3)	9.89	(2)	10.85	(2)	9.18	(16)	10.00		
IM Flexible Portfolio (MF) Median	1.74		0.85		3.38		6.98		5.04		5.90		6.31				
<b>WellsFargo:Abs Ret;A (WARAX)</b>	<b>0.36</b>	<b>(58)</b>	<b>-1.49</b>	<b>(67)</b>	<b>0.97</b>	<b>(69)</b>	<b>4.71</b>	<b>(62)</b>	<b>2.27</b>	<b>(62)</b>					<b>3.16</b>	<b>(50)</b>	<b>04/01/2012</b>
MSCI AC World Index (Net)	4.28	(2)	3.83	(8)	9.77	(5)	13.40	(1)	8.67	(1)	9.24	(1)	8.19	(2)	9.46	(1)	
IM Alternative Global Macro (MF) Median	0.46		-0.59		2.20		5.81		2.90		3.81		4.78		3.13		
<b>FPA Crescent (FPACX)</b>	<b>4.14</b>	<b>(14)</b>	<b>3.45</b>	<b>(20)</b>	<b>6.46</b>	<b>(24)</b>	<b>8.98</b>	<b>(21)</b>	<b>6.96</b>	<b>(15)</b>	<b>8.63</b>	<b>(12)</b>	<b>8.20</b>	<b>(23)</b>	<b>10.20</b>	<b>(13)</b>	<b>07/01/1993</b>
60% S&P 500 / 40% BC Aggregate	4.63	(9)	5.61	(11)	9.99	(9)	10.74	(11)	9.20	(4)	9.92	(5)	9.01	(17)	8.26	(32)	
IM Flexible Portfolio (MF) Median	1.74		0.85		3.38		6.98		5.04		5.90		6.31		7.20		
<b>PIMCO:All Ast Ath;A (PAUAX)</b>	<b>-1.35</b>	<b>(92)</b>	<b>-4.65</b>	<b>(96)</b>	<b>-2.78</b>	<b>(88)</b>	<b>5.86</b>	<b>(49)</b>	<b>0.38</b>	<b>(86)</b>	<b>1.76</b>	<b>(82)</b>	<b>3.89</b>	<b>(60)</b>	<b>3.71</b>	<b>(68)</b>	<b>08/01/2005</b>
S&P 500 Index	7.71	(2)	10.56	(1)	17.91	(1)	17.31	(1)	13.95	(1)	14.81	(1)	11.97	(1)	9.01	(1)	
CPI Plus 6.5%	2.05	(26)	6.56	(4)	8.92	(7)	8.63	(6)	8.13	(1)	8.43	(1)	8.01	(2)	8.60	(1)	
IM Alternative Global Macro (MF) Median	0.46		-0.59		2.20		5.81		2.90		3.81		4.78		4.24		

Returns for periods greater than one year are annualized.  
Returns are expressed as percentages.



**Comparative Performance  
Calendar Years**

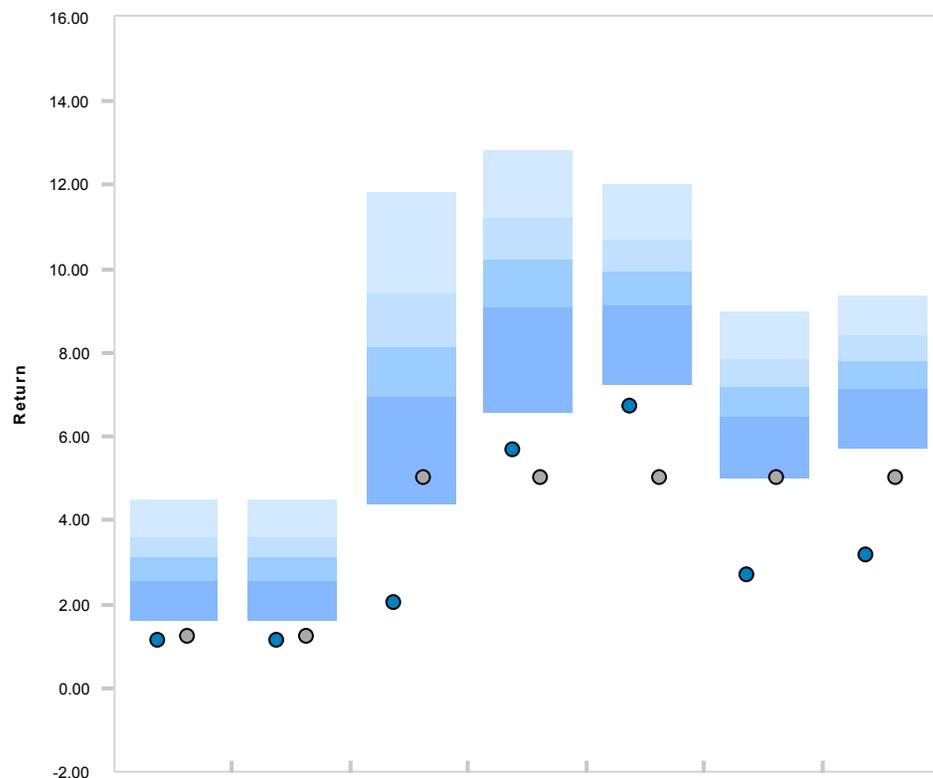
As of September 30, 2018

Comparative Performance										
	2017		2016		2015		2014		2013	
<b>Total Portfolio</b>	<b>12.39</b>	<b>(91)</b>	<b>7.18</b>	<b>(54)</b>	<b>-5.84</b>	<b>(100)</b>	<b>1.04</b>	<b>(100)</b>	<b>6.19</b>	<b>(98)</b>
Macomb Twp Actuarial Assumption 5%	5.00	(99)	5.00	(93)	5.00	(1)	5.00	(85)	5.00	(99)
All Public Plans-Total Fund Median	15.41		7.31		0.06		6.76		16.99	
First Eagle:Global;A (SGENX)	13.48	(38)	10.65	(14)	-0.93	(24)	2.94	(57)	15.49	(34)
MSCI World Index	23.07	(2)	8.15	(36)	-0.32	(18)	5.50	(29)	27.37	(7)
IM Flexible Portfolio (MF) Median	12.03		6.40		-3.36		3.50		11.03	
WellsFargo:Abs Ret;A (WARAX)	12.12	(44)	2.65	(69)	-4.91	(51)	0.44	(63)	9.65	(27)
MSCI AC World Index (Net)	23.97	(2)	7.86	(32)	-2.36	(34)	4.16	(22)	22.80	(4)
IM Alternative Global Macro (MF) Median	11.10		4.39		-4.91		1.57		1.43	
FPA Crescent (FPACX)	10.39	(65)	10.25	(17)	-2.06	(34)	6.64	(22)	21.95	(12)
60% S&P 500 / 40% BC Aggregate	14.26	(31)	8.21	(35)	1.20	(11)	10.56	(9)	17.73	(24)
IM Flexible Portfolio (MF) Median	12.03		6.40		-3.36		3.50		11.03	
PIMCO:All Ast Ath;A (PAUAX)	11.57	(46)	13.21	(8)	-12.15	(92)	-2.72	(81)	-5.96	(93)
S&P 500 Index	21.83	(4)	11.96	(14)	1.38	(11)	13.69	(1)	32.39	(1)
CPI Plus 6.5%	8.75	(59)	8.72	(29)	7.20	(2)	7.20	(8)	8.11	(29)
IM Alternative Global Macro (MF) Median	11.10		4.39		-4.91		1.57		1.43	

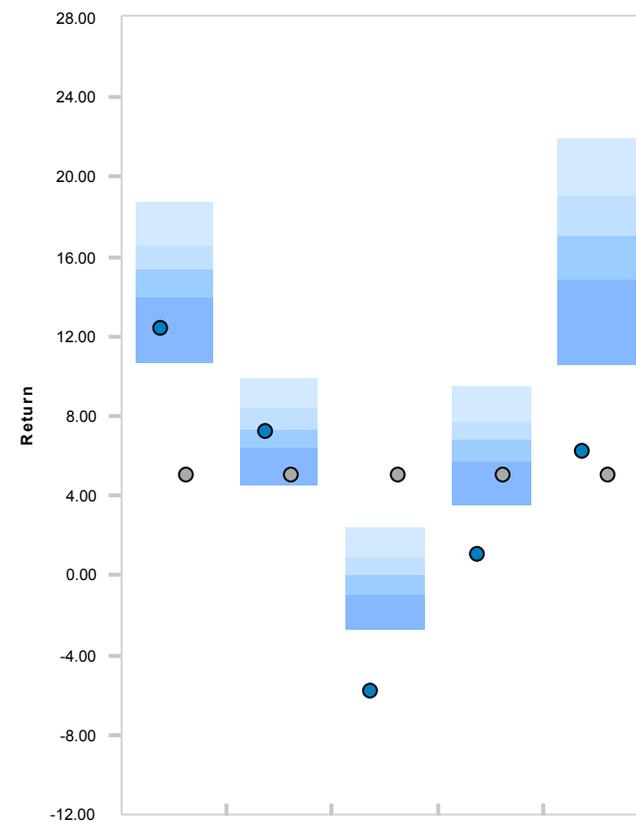
Returns for periods greater than one year are annualized.  
Returns are expressed as percentages.



Peer Group Analysis - All Public Plans-Total Fund



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Total Portfolio	1.12 (98)	1.12 (98)	2.01 (99)	5.67 (97)	6.71 (97)	2.71 (99)	3.16 (99)
● Actuarial Assumption 5%	1.23 (98)	1.23 (98)	5.00 (94)	5.00 (98)	5.00 (98)	5.00 (96)	5.00 (97)
Median	3.10	3.10	8.13	10.21	9.92	7.20	7.82



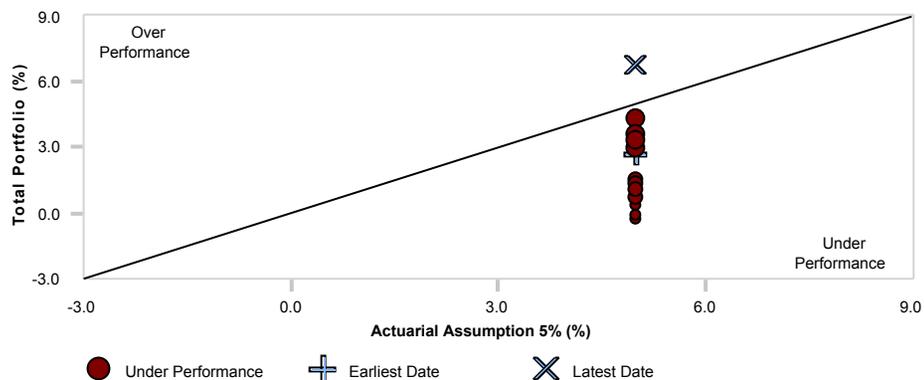
	2017	2016	2015	2014	2013
● Total Portfolio	12.39 (91)	7.18 (54)	-5.84 (100)	1.04 (100)	6.19 (98)
● Actuarial Assumption 5%	5.00 (99)	5.00 (93)	5.00 (1)	5.00 (85)	5.00 (99)
Median	15.41	7.31	0.07	6.76	17.01

Comparative Performance

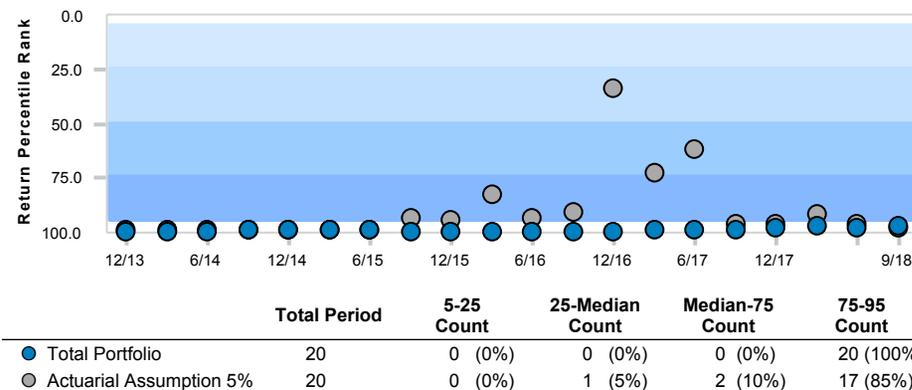
	1 Qtr Ending Jun-2018	1 Qtr Ending Mar-2018	1 Qtr Ending Dec-2017	1 Qtr Ending Sep-2017	1 Qtr Ending Jun-2017	1 Qtr Ending Mar-2017
Total Portfolio	-1.31 (100)	-0.40 (60)	2.63 (95)	2.43 (95)	1.85 (95)	4.97 (17)
Actuarial Assumption 5%	1.23 (60)	1.23 (2)	1.23 (98)	1.23 (99)	1.23 (99)	1.23 (99)
All Public Plans-Total Fund Median	1.42	-0.28	3.74	3.44	2.97	4.39



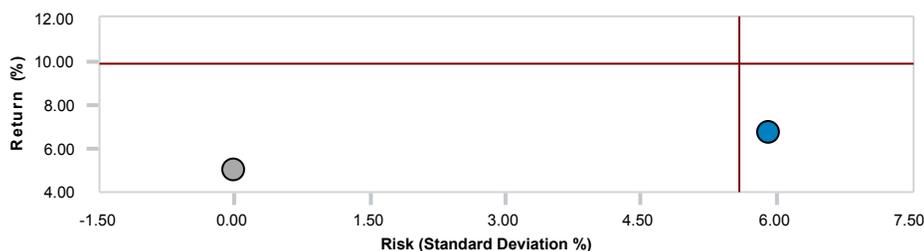
### 3 Yr Rolling Under/Over Performance - 5 Years



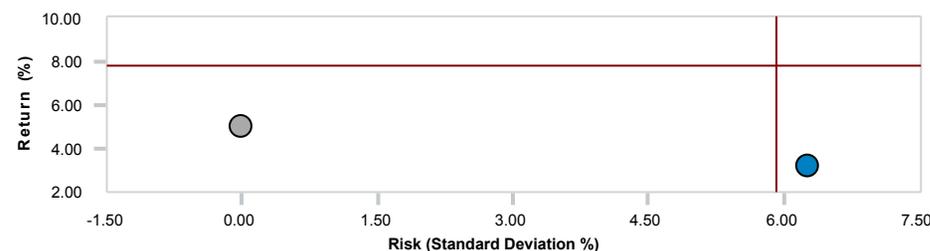
### 3 Yr Rolling Percentile Ranking - 5 Years



### Peer Group Scattergram - 3 Years



### Peer Group Scattergram - 5 Years



### Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Portfolio	5.91	136.79	N/A	N/A	0.30	0.99	N/A	2.88
Actuarial Assumption 5%	0.00	100.00	N/A	N/A	N/A	21.23	N/A	0.00

### Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Portfolio	6.26	67.63	N/A	N/A	-0.25	0.45	N/A	4.01
Actuarial Assumption 5%	0.00	100.00	N/A	N/A	N/A	23.82	N/A	0.00



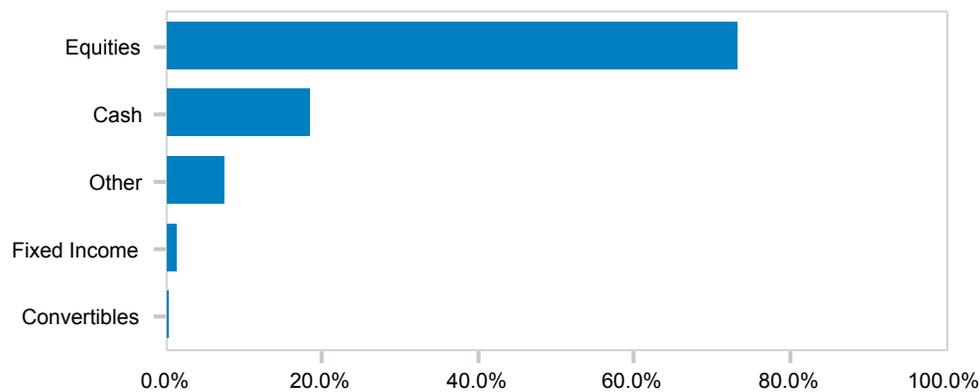
**Fund Information**

Fund Name :	First Eagle Funds: First Eagle Global Fund; Class A Shares	Portfolio Assets :	\$55,673 Million
Fund Family :	First Eagle Funds	Portfolio Manager :	McLennan/Brooker
Ticker :	SGENX	PM Tenure :	2008--2011
Inception Date :	04/28/1970	Fund Style :	IM Flexible Portfolio (MF)
Fund Assets :	\$13,481 Million	Style Benchmark :	60 MSCI World/40 FTSE World
Portfolio Turnover :	10%		

**Fund Investment Policy**

The Fund seeks long-term growth of capital. The majority of the funds assets will be invested in U.S. and foreign common stocks but it may also invest in fixed income, gold and futures contracts related to precious metals. The Fund has the flexibility to respond promptly to changes in market and economic conditions.

**Asset Allocation As of 04/30/2018**



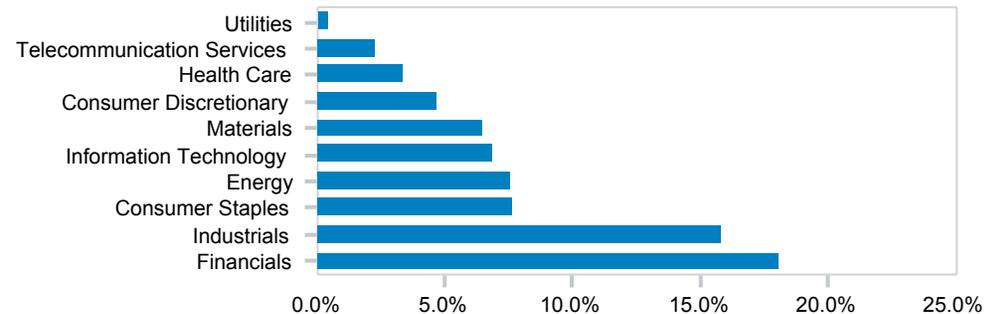
**Fund Characteristics As of 04/30/2018**

Total Securities	160
Avg. Market Cap	\$77,333 Million
P/E	24.4
P/B	3.2
Div. Yield	2.2%
Annual EPS	18.9
5Yr EPS	4.7
3Yr EPS Growth	6.1

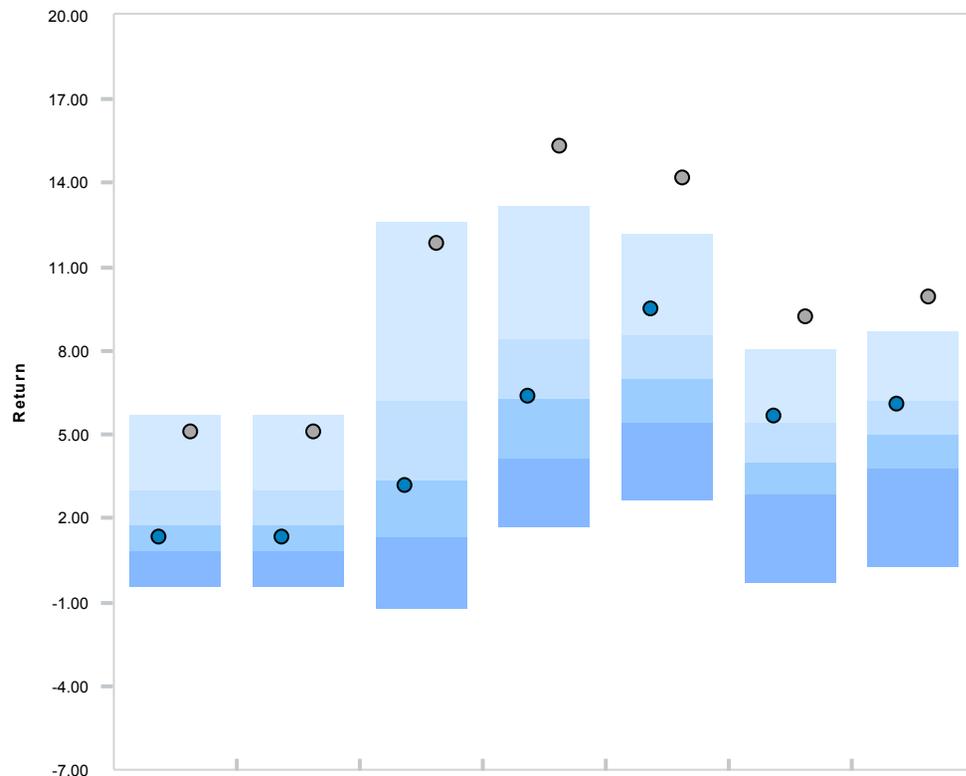
**Top Ten Securities As of 04/30/2018**

Oracle Corp ORD	2.2 %
Fanuc Corp ORD	1.6 %
Exxon Mobil Corp ORD	1.6 %
American Express Co ORD	1.6 %
Weyerhaeuser Co ORD	1.6 %
Schlumberger NV ORD	1.6 %
KDDI Corp ORD	1.5 %
Microsoft Corp ORD	1.5 %
Omnicom Group Inc ORD	1.3 %
Bank of New York Mellon Corp ORD	1.3 %

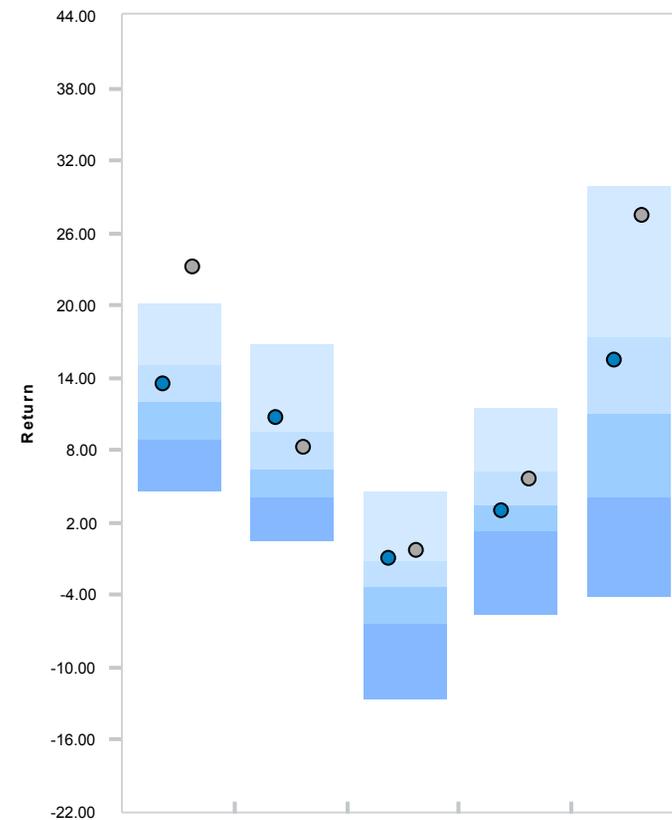
**Sector/Quality Allocation As of 04/30/2018**



**Peer Group Analysis - IM Flexible Portfolio (MF)**



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● First Eagle (SGENX)	1.30 (63)	1.30 (63)	3.20 (53)	6.36 (48)	9.48 (17)	5.63 (24)	6.07 (28)
● MSCI World Index	5.10 (6)	5.10 (6)	11.84 (6)	15.28 (3)	14.18 (3)	9.18 (3)	9.89 (2)
Median	1.74	1.74	3.38	6.26	6.98	4.01	5.04



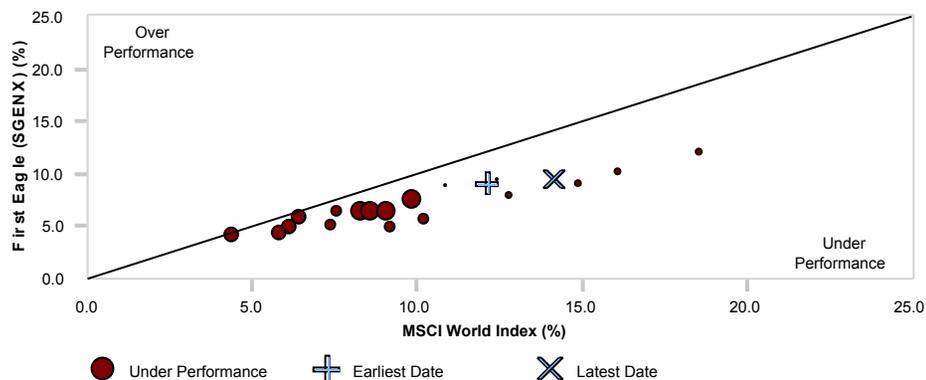
	2017	2016	2015	2014	2013
● First Eagle (SGENX)	13.48 (38)	10.65 (14)	-0.93 (24)	2.94 (57)	15.49 (34)
● MSCI World Index	23.07 (2)	8.15 (36)	-0.32 (18)	5.50 (29)	27.37 (7)
Median	12.03	6.40	-3.36	3.50	11.03

**Comparative Performance**

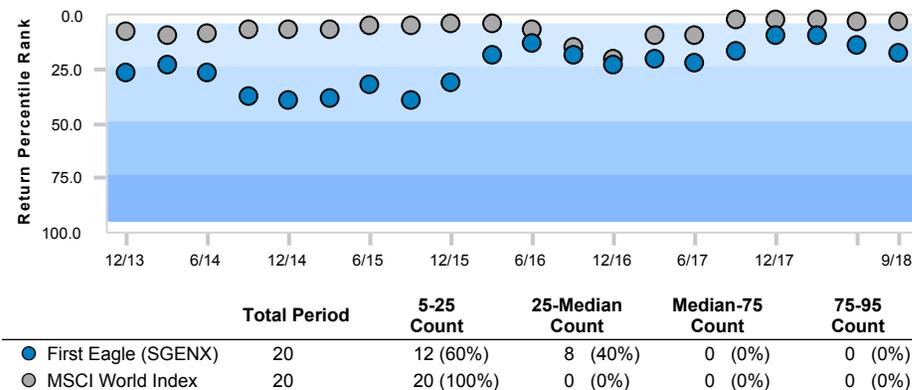
	1 Qtr Ending Jun-2018	1 Qtr Ending Mar-2018	1 Qtr Ending Dec-2017	1 Qtr Ending Sep-2017	1 Qtr Ending Jun-2017	1 Qtr Ending Mar-2017
First Eagle (SGENX)	-0.15 (58)	-1.15 (55)	3.21 (40)	2.72 (54)	1.54 (77)	5.42 (11)
MSCI World Index	1.93 (19)	-1.15 (55)	5.62 (5)	4.96 (5)	4.22 (6)	6.53 (4)
IM Flexible Portfolio (MF) Median	0.26	-1.05	2.75	2.80	2.31	3.82



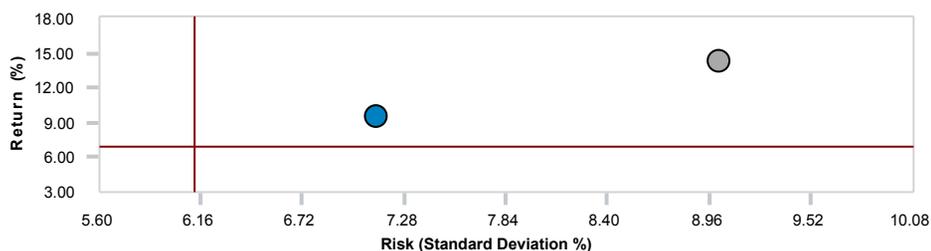
### 3 Yr Rolling Under/Over Performance - 5 Years



### 3 Yr Rolling Percentile Ranking - 5 Years

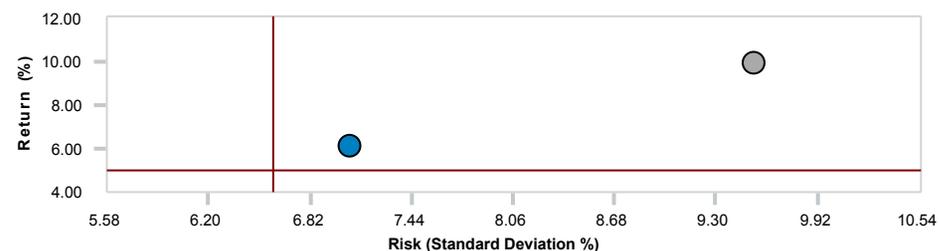


### Peer Group Scattergram - 3 Years



	Return	Standard Deviation
● First Eagle (SGENX)	9.48	7.13
● MSCI World Index	14.18	9.02
— Median	6.98	6.12

### Peer Group Scattergram - 5 Years



	Return	Standard Deviation
● First Eagle (SGENX)	6.07	7.07
● MSCI World Index	9.89	9.54
— Median	5.04	6.60

### Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
First Eagle (SGENX)	4.06	63.71	53.96	-0.43	-1.08	1.19	0.71	3.47
MSCI World Index	0.00	100.00	100.00	0.00	N/A	1.43	1.00	4.66

### Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
First Eagle (SGENX)	4.40	61.49	60.87	-0.47	-0.86	0.80	0.67	3.93
MSCI World Index	0.00	100.00	100.00	0.00	N/A	0.99	1.00	5.62



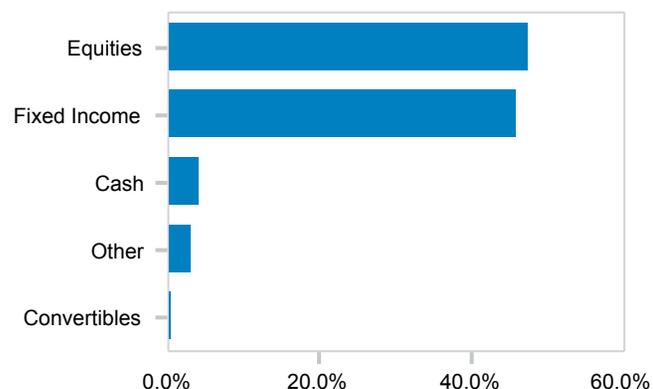
**Fund Information**

Fund Name :	Wells Fargo Funds Trust: Wells Fargo Absolute Return Fund; Class A Shares	Portfolio Assets :	\$5,333 Million
Fund Family :	Wells Fargo Funds Management LLC	Portfolio Manager :	Ben Inker
Ticker :	WARAX	PM Tenure :	2012
Inception Date :	03/01/2012	Fund Style :	IM Alternative Global Macro (MF)
Fund Assets :	\$484 Million	Style Benchmark :	S&P 500 Index
Portfolio Turnover :	5%		

**Fund Investment Policy**

The Fund seeks positive total return. The Fund invests substantially all of its investable assets in the GMO Benchmark-Free Allocation Fund that includes U.S. and foreign fixed income funds and funds with various specialized investment programs.

**Asset Allocation As of 05/31/2018**



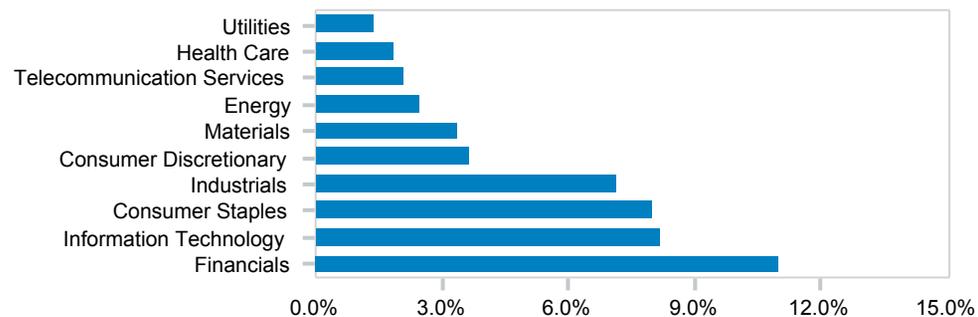
**Top Ten Securities As of 05/31/2018**

GMO Benchmark-Free Allocation Fund;III	99.1 %
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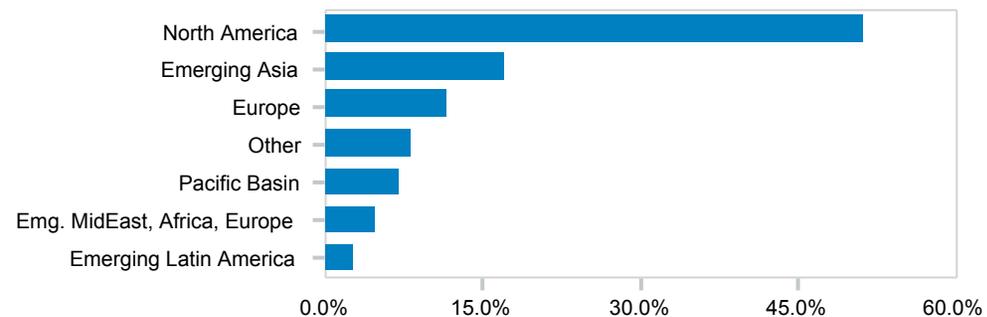
**Fund Characteristics As of 05/31/2018**

Total Securities	2
Avg. Market Cap	\$45,820 Million
P/E	16.0
P/B	2.7
Div. Yield	N/A
Annual EPS	16.2
5Yr EPS	6.2
3Yr EPS Growth	N/A

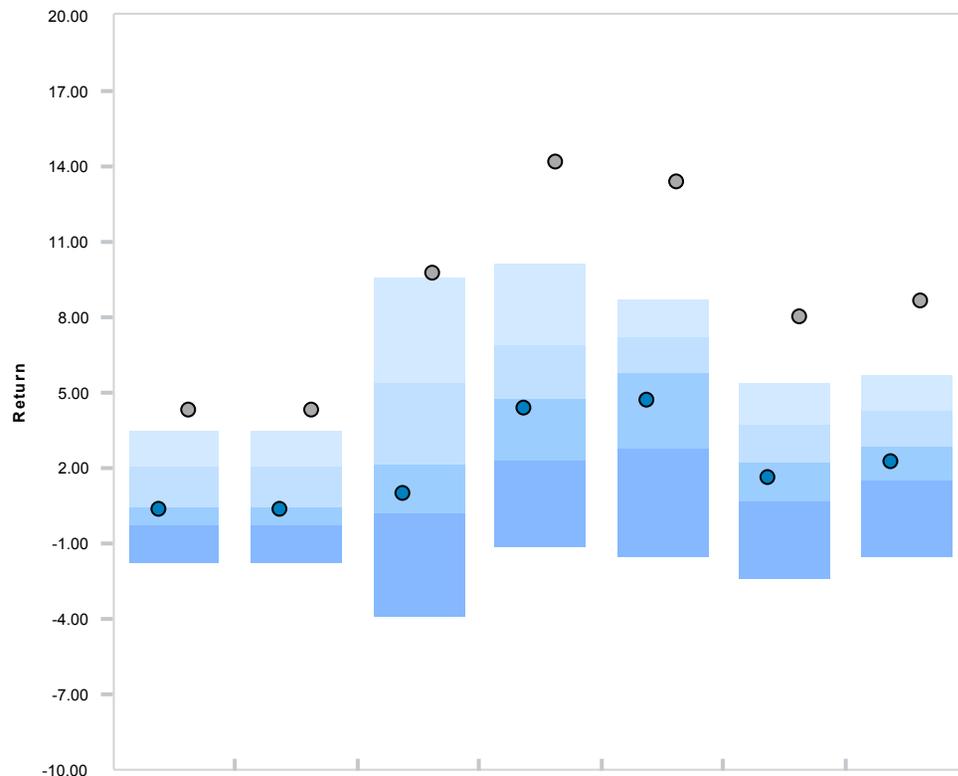
**Sector/Quality Allocation As of 05/31/2018**



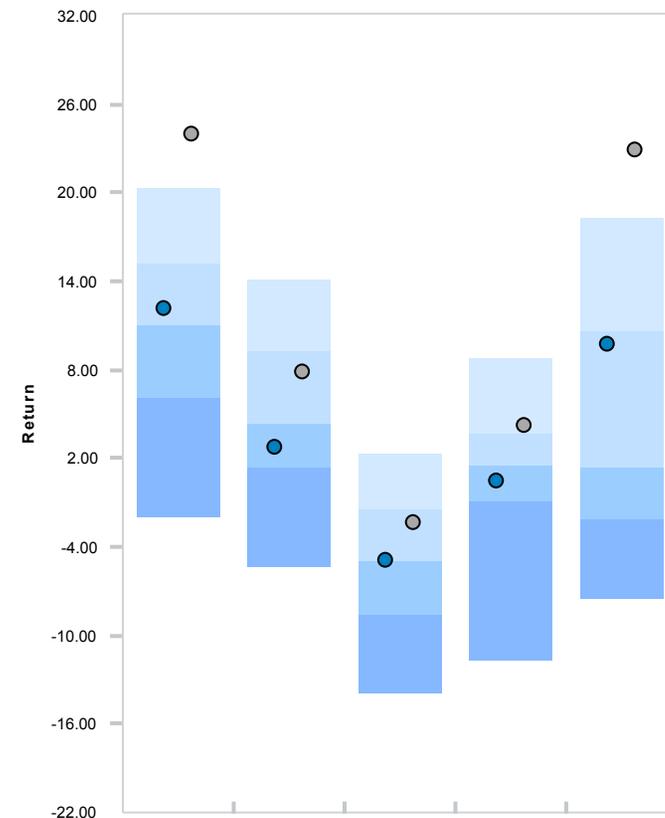
**Regional Allocation As of 05/31/2018**



Peer Group Analysis - IM Alternative Global Macro (MF)



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● WellsFargo (WARAX)	0.36 (58)	0.36 (58)	0.97 (69)	4.39 (52)	4.71 (62)	1.64 (62)	2.27 (62)
● MSCI AC World (Net)	4.28 (2)	4.28 (2)	9.77 (5)	14.13 (1)	13.40 (1)	8.01 (1)	8.67 (1)
Median	0.46	0.46	2.20	4.78	5.81	2.23	2.90



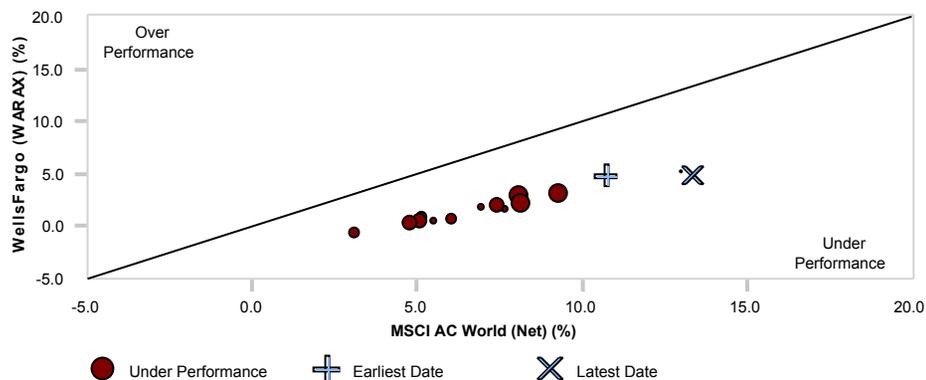
	2017	2016	2015	2014	2013
● WellsFargo (WARAX)	12.12 (44)	2.65 (69)	-4.91 (51)	0.44 (63)	9.65 (27)
● MSCI AC World (Net)	23.97 (2)	7.86 (32)	-2.36 (34)	4.16 (22)	22.80 (4)
Median	11.10	4.39	-4.91	1.57	1.43

Comparative Performance

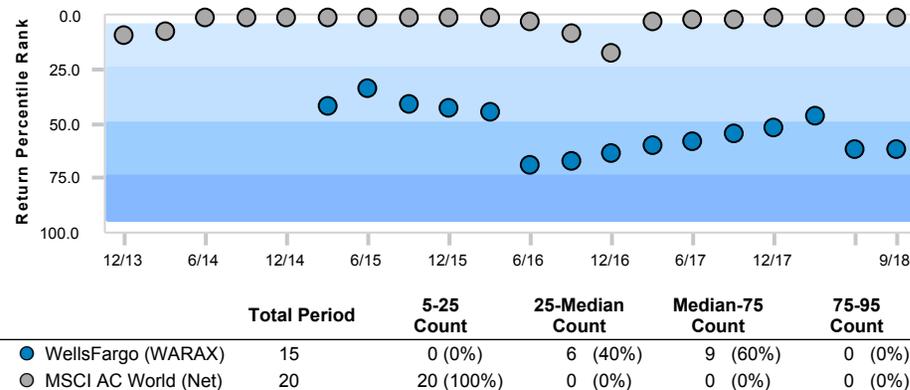
	1 Qtr Ending Jun-2018	1 Qtr Ending Mar-2018	1 Qtr Ending Dec-2017	1 Qtr Ending Sep-2017	1 Qtr Ending Jun-2017	1 Qtr Ending Mar-2017
WellsFargo (WARAX)	-2.44 (88)	0.61 (19)	2.50 (59)	2.08 (63)	2.50 (26)	4.55 (26)
MSCI AC World (Net)	0.53 (39)	-0.96 (47)	5.73 (8)	5.18 (10)	4.27 (4)	6.91 (2)
IM Alternative Global Macro (MF) Median	-0.21	-1.19	3.12	2.76	1.65	3.51



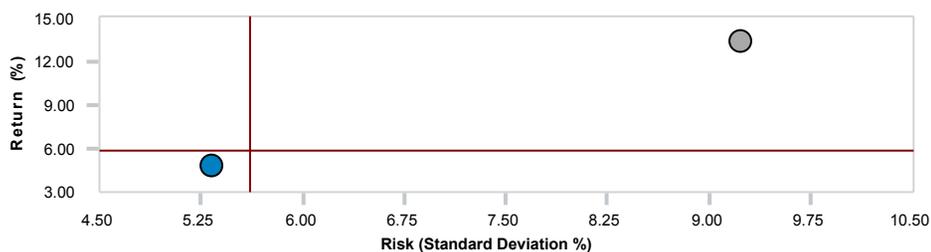
### 3 Yr Rolling Under/Over Performance - 5 Years



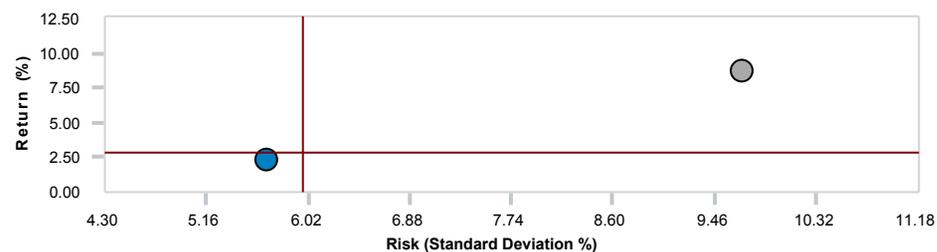
### 3 Yr Rolling Percentile Ranking - 5 Years



### Peer Group Scattergram - 3 Years



### Peer Group Scattergram - 5 Years



### Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
WellsFargo (WARAX)	4.98	42.54	55.56	-2.04	-1.67	0.74	0.52	3.01
MSCI AC World (Net)	0.00	100.00	100.00	0.00	N/A	1.33	1.00	4.71

### Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
WellsFargo (WARAX)	5.10	44.03	60.35	-2.26	-1.26	0.34	0.53	3.72
MSCI AC World (Net)	0.00	100.00	100.00	0.00	N/A	0.86	1.00	5.81



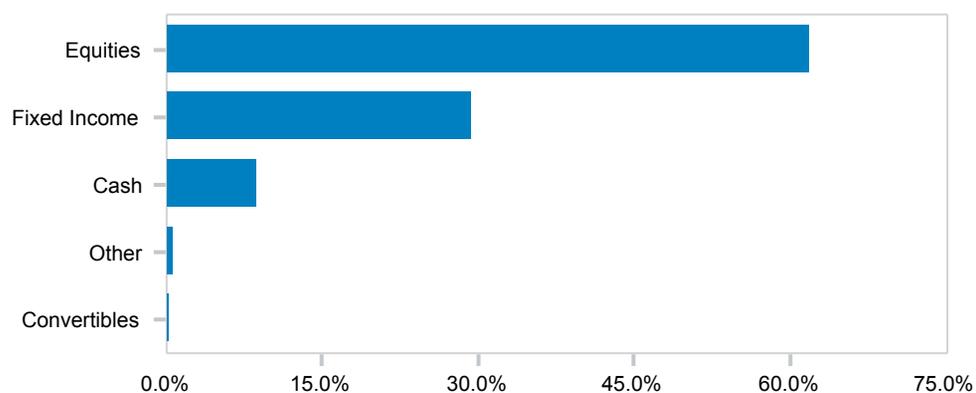
**Fund Information**

Fund Name :	FPA Funds Trust: FPA Crescent Fund	Portfolio Assets :	\$17,134 Million
Fund Family :	First Pacific Advisors LLC	Portfolio Manager :	Romick/Landecker/Selmo
Ticker :	FPACX	PM Tenure :	1993--2013--2013
Inception Date :	06/02/1993	Fund Style :	IM Flexible Portfolio (MF)
Fund Assets :	\$17,134 Million	Style Benchmark :	60 MSCI World/40 FTSE World
Portfolio Turnover :	18%		

**Fund Investment Policy**

The Fund seeks to generate equity-like returns over the long-term, take less risk than the market and avoid permanent impairment of capital. The Fund actively invests in both the equity and debt securities of companies because the Adviser believes that this combination of securities broadens the universe of opportunities.

**Asset Allocation As of 06/30/2018**



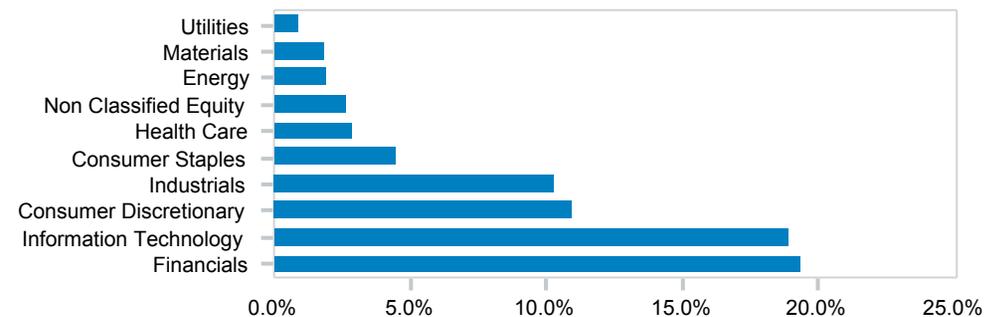
**Top Ten Securities As of 06/30/2018**

Naspers Ltd ORD	4.5 %
Oracle Corp ORD	3.4 %
American International Group Inc	3.1 %
United Technologies Corp ORD	2.5 %
Bank of America Corp ORD	2.5 %
Aon PLC ORD	2.5 %
CIT Group Inc ORD	2.4 %
Baidu Inc DR	2.3 %
Jefferies Financial Group Inc ORD	2.2 %
Altaba Inc ORD	2.1 %

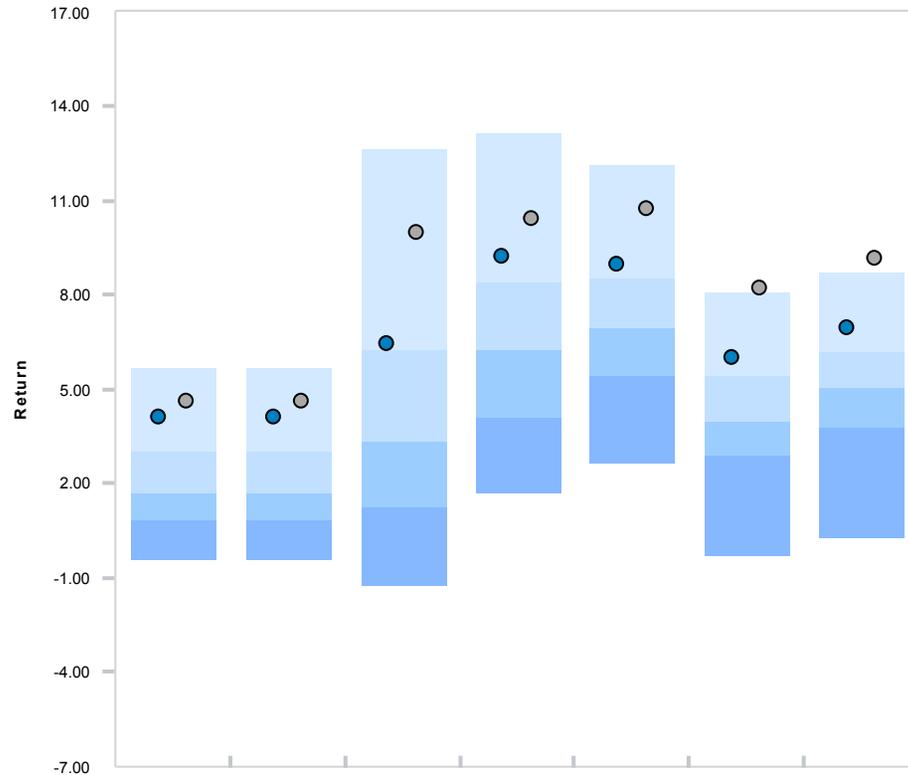
**Fund Characteristics As of 06/30/2018**

Total Securities	167
Avg. Market Cap	\$120,394 Million
P/E	25.5
P/B	2.9
Div. Yield	1.9%
Annual EPS	39.4
5Yr EPS	13.5
3Yr EPS Growth	16.0

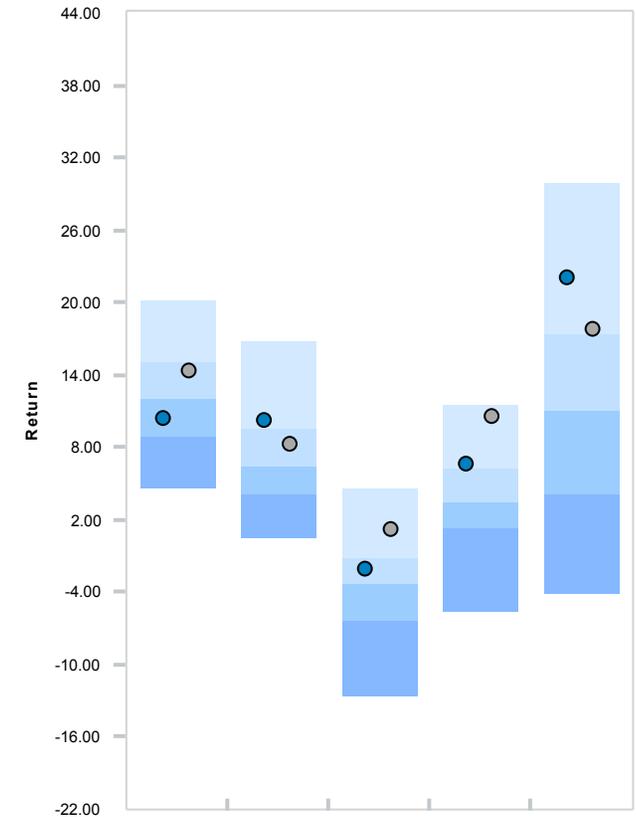
**Sector/Quality Allocation As of 06/30/2018**



Peer Group Analysis - IM Flexible Portfolio (MF)



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● FPA Crescent (FPACX)	4.14 (14)	4.14 (14)	6.46 (24)	9.25 (19)	8.98 (21)	6.03 (17)	6.96 (15)
● 60% S&P 500/40% BC Agg	4.63 (9)	4.63 (9)	9.99 (9)	10.46 (13)	10.74 (11)	8.19 (5)	9.20 (4)
Median	1.74	1.74	3.38	6.26	6.98	4.01	5.04



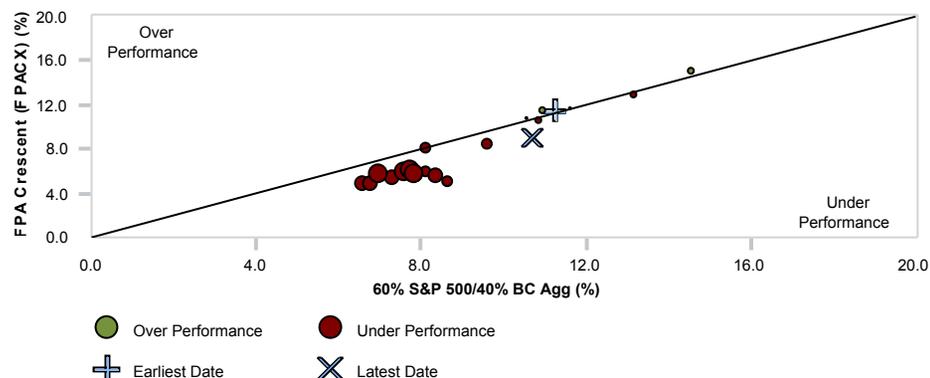
	2017	2016	2015	2014	2013
● FPA Crescent (FPACX)	10.39 (65)	10.25 (17)	-2.06 (34)	6.64 (22)	21.95 (12)
● 60% S&P 500/40% BC Agg	14.26 (31)	8.21 (35)	1.20 (11)	10.56 (9)	17.73 (24)
Median	12.03	6.40	-3.36	3.50	11.03

Comparative Performance

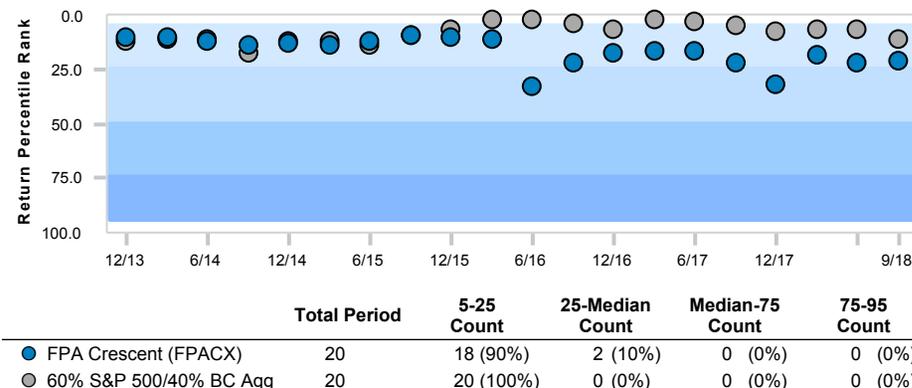
	1 Qtr Ending Jun-2018	1 Qtr Ending Mar-2018	1 Qtr Ending Dec-2017	1 Qtr Ending Sep-2017	1 Qtr Ending Jun-2017	1 Qtr Ending Mar-2017
FPA Crescent (FPACX)	0.32 (48)	-0.98 (49)	2.90 (48)	1.90 (76)	1.84 (69)	3.37 (60)
60% S&P 500/40% BC Agg	2.00 (18)	-1.04 (50)	4.14 (17)	3.03 (40)	2.43 (46)	3.97 (45)
IM Flexible Portfolio (MF) Median	0.26	-1.05	2.75	2.80	2.31	3.82



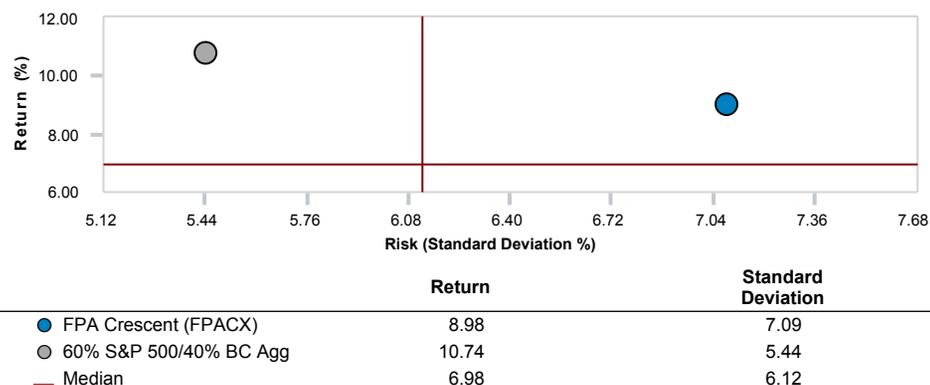
### 3 Yr Rolling Under/Over Performance - 5 Years



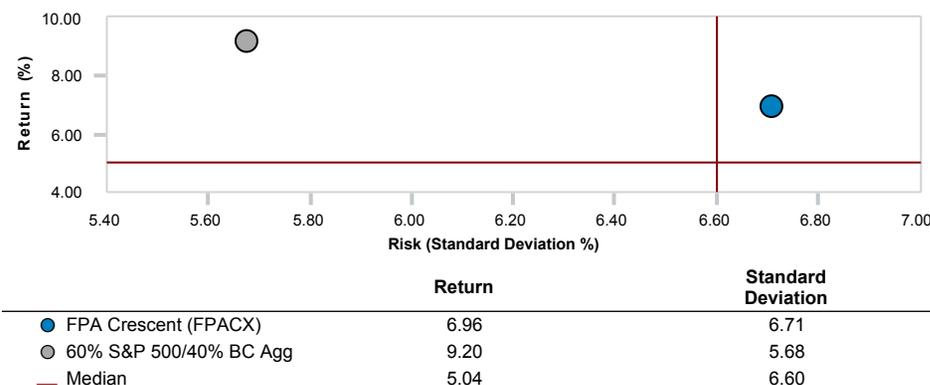
### 3 Yr Rolling Percentile Ranking - 5 Years



### Peer Group Scattergram - 3 Years



### Peer Group Scattergram - 5 Years



### Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
FPA Crescent (FPACX)	4.18	95.12	128.83	-2.04	-0.36	1.14	1.05	3.77
60% S&P 500/40% BC Agg	0.00	100.00	100.00	0.00	N/A	1.76	1.00	2.43

### Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
FPA Crescent (FPACX)	3.54	91.17	120.60	-2.03	-0.57	0.97	1.00	3.74
60% S&P 500/40% BC Agg	0.00	100.00	100.00	0.00	N/A	1.50	1.00	2.87



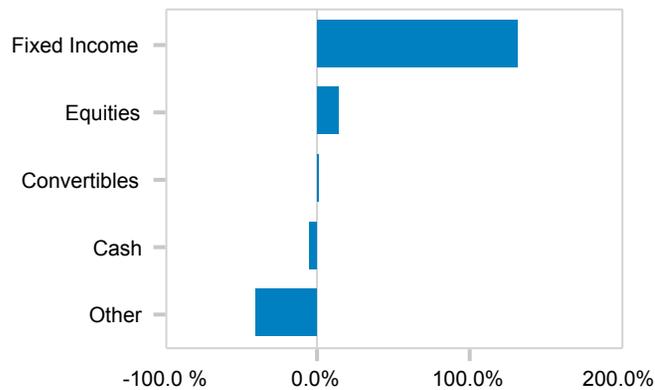
**Fund Information**

Fund Name :	PIMCO Funds: PIMCO All Asset All Authority Fund; Class A Shares	Portfolio Assets :	\$7,552 Million
Fund Family :	PIMCO	Portfolio Manager :	Arnott/Brightman
Ticker :	PAUAX	PM Tenure :	2005--2016
Inception Date :	07/29/2005	Fund Style :	IM Alternative Global Macro (MF)
Fund Assets :	\$661 Million	Style Benchmark :	S&P 500 Index
Portfolio Turnover :	35%		

**Fund Investment Policy**

The Fund seeks maximum real return, consistent with preservation of real capital and prudent investment management. The Fund seeks to achieve its investment objective by investing under normal circumstances substantially all of its assets in Institutional Class Shares of any fund in the PIMCO Trust.

**Asset Allocation As of 03/31/2018**



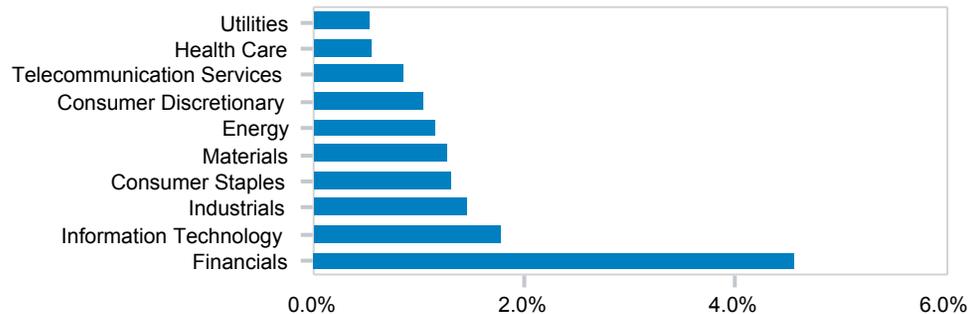
**Top Ten Securities As of 03/31/2018**

PIMCO StocksPLUS Short Fund;Inst	24.5 %
PIMCO EM Currency and Sh-Tr Inv	13.5 %
PIMCO RAE PLUS EMG Fund;Institutional	8.5 %
PIMCO RAE Emerging Markets Fund;Inst	7.4 %
PIMCO Income Fund;Institutional	7.2 %
PIMCO Emerging Local Bond Fund;Instituti	7.0 %
PIMCO Total Return Fund;Institutional	6.8 %
PIMCO RealEstateRealReturn Strategy	6.3 %
PIMCO CommoditiesPLUS Strategy	6.3 %
PIMCO Low Duration Fund;Institutional	5.1 %

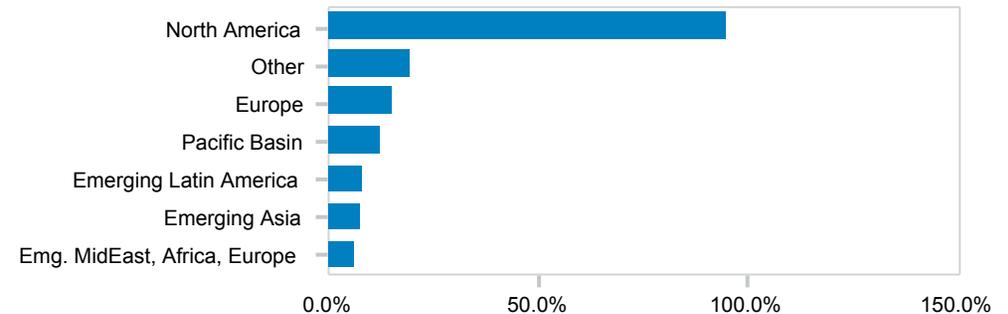
**Fund Characteristics As of 03/31/2018**

Total Securities	36
Avg. Market Cap	\$167,446 Million
P/E	21.7
P/B	4.6
Div. Yield	N/A
Annual EPS	19.1
5Yr EPS	10.3
3Yr EPS Growth	N/A

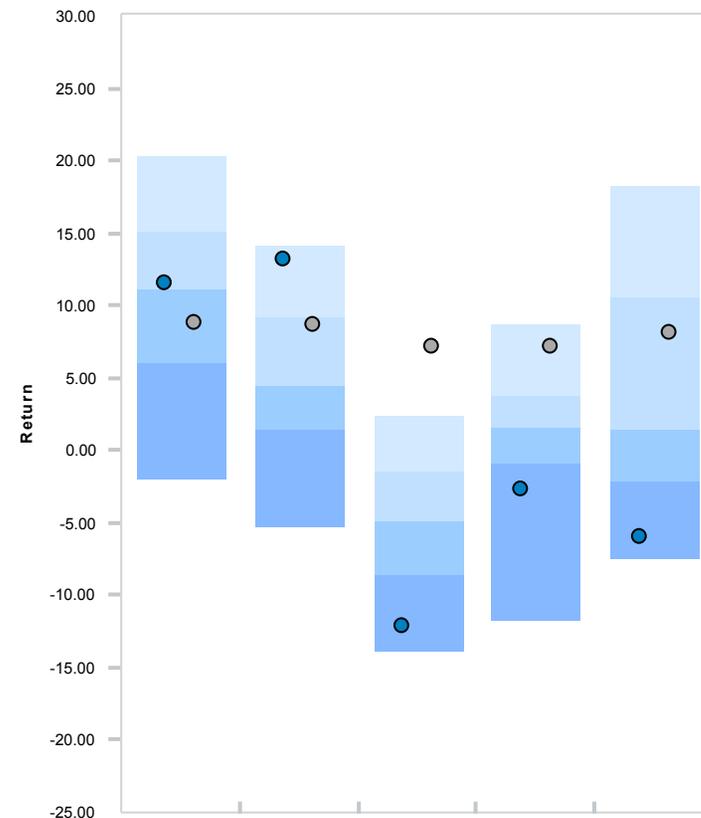
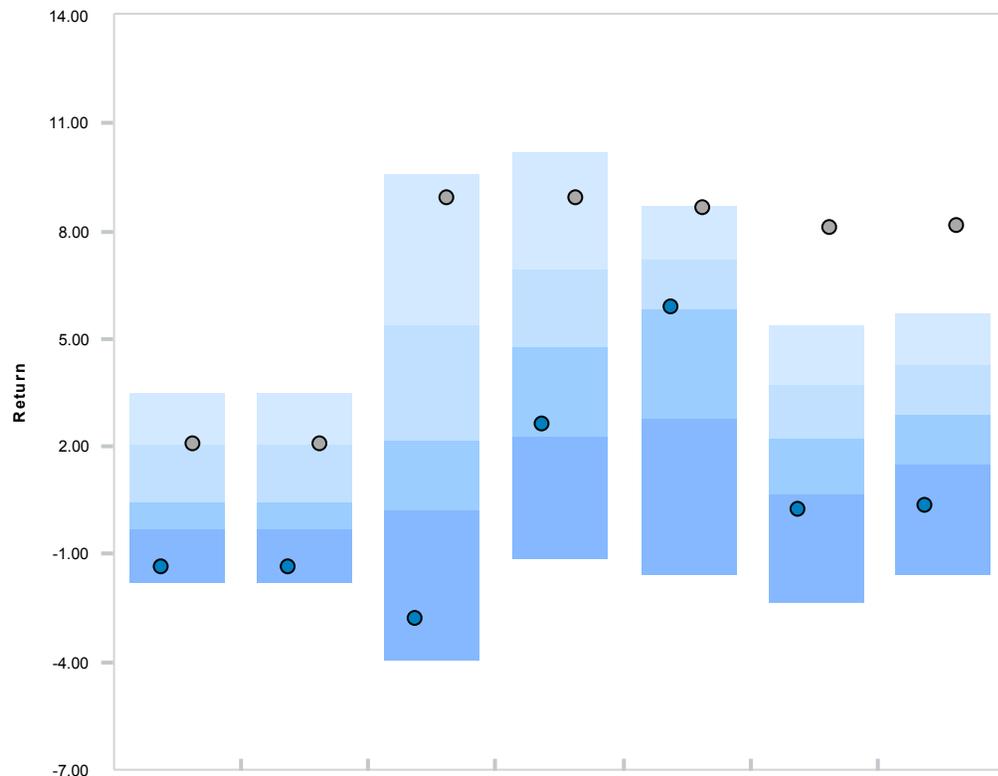
**Sector/Quality Allocation As of 03/31/2018**



**Regional Allocation As of 03/31/2018**



**Peer Group Analysis - IM Alternative Global Macro (MF)**



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● PIMCO (PAUAX)	-1.35 (92)	-1.35 (92)	-2.78 (88)	2.63 (70)	5.86 (49)	0.26 (79)	0.38 (86)
● CPI Plus 6.5%	2.05 (26)	2.05 (26)	8.92 (7)	8.90 (7)	8.63 (6)	8.09 (1)	8.13 (1)
Median	0.46	0.46	2.20	4.78	5.81	2.23	2.90

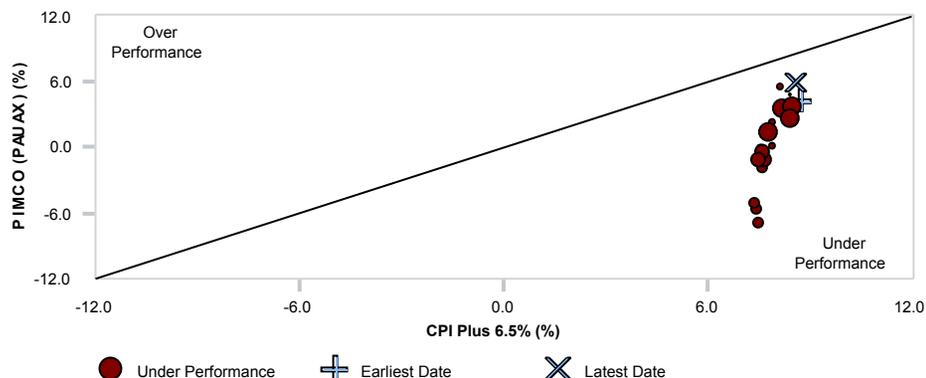
	2017	2016	2015	2014	2013
● PIMCO (PAUAX)	11.57 (46)	13.21 (8)	-12.15 (92)	-2.72 (81)	-5.96 (93)
● CPI Plus 6.5%	8.75 (59)	8.72 (29)	7.20 (2)	7.20 (8)	8.11 (29)
Median	11.10	4.39	-4.91	1.57	1.43

**Comparative Performance**

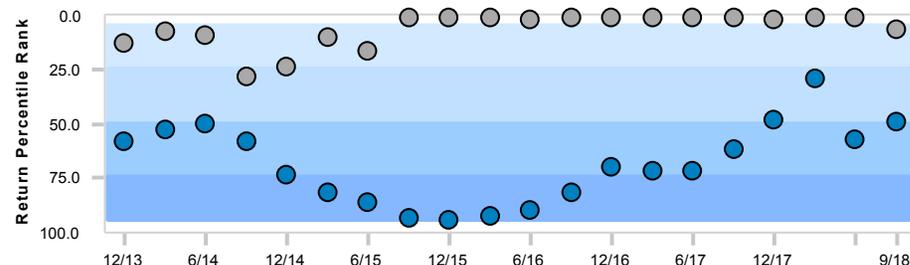
	1 Qtr Ending Jun-2018	1 Qtr Ending Mar-2018	1 Qtr Ending Dec-2017	1 Qtr Ending Sep-2017	1 Qtr Ending Jun-2017	1 Qtr Ending Mar-2017
PIMCO (PAUAX)	-3.37 (92)	0.02 (35)	1.96 (67)	3.04 (45)	1.65 (51)	4.47 (30)
CPI Plus 6.5%	2.15 (15)	2.22 (8)	2.21 (62)	2.57 (54)	1.72 (46)	1.98 (73)
IM Alternative Global Macro (MF) Median	-0.21	-1.19	3.12	2.76	1.65	3.51



### 3 Yr Rolling Under/Over Performance - 5 Years

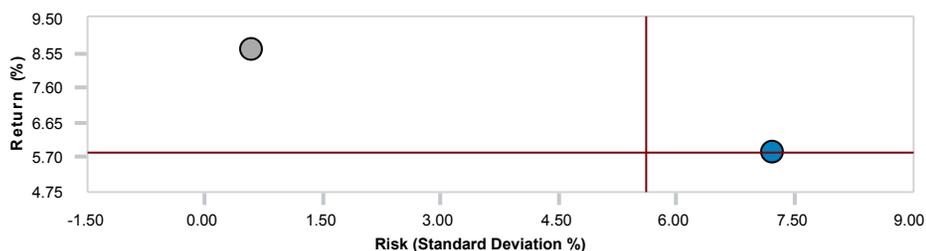


### 3 Yr Rolling Percentile Ranking - 5 Years



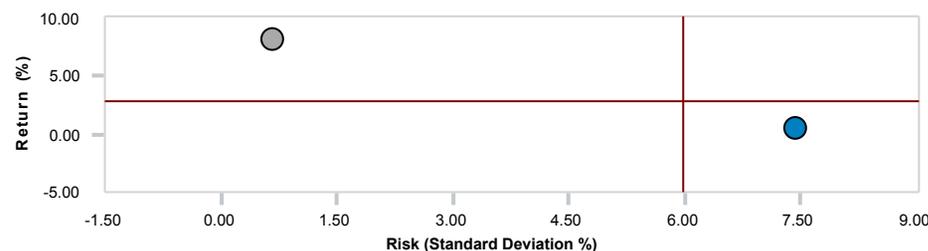
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
● PIMCO (PAUAX)	20	0 (0%)	4 (20%)	9 (45%)	7 (35%)
● CPI Plus 6.5%	20	19 (95%)	1 (5%)	0 (0%)	0 (0%)

### Peer Group Scattergram - 3 Years



	Return	Standard Deviation
● PIMCO (PAUAX)	5.86	7.24
● CPI Plus 6.5%	8.63	0.59
— Median	5.81	5.61

### Peer Group Scattergram - 5 Years



	Return	Standard Deviation
● PIMCO (PAUAX)	0.38	7.43
● CPI Plus 6.5%	8.13	0.68
— Median	2.90	5.97

### Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
PIMCO (PAUAX)	7.16	71.79	N/A	-10.46	-0.33	0.71	2.04	4.08
CPI Plus 6.5%	0.00	100.00	N/A	0.00	N/A	12.56	1.00	0.00

### Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
PIMCO (PAUAX)	7.32	6.60	-782.17	-16.27	-0.98	0.02	2.33	5.21
CPI Plus 6.5%	0.00	100.00	100.00	0.00	N/A	11.04	1.00	0.04



**Financial Reconciliation**  
**Total Fund**  
**1 Quarter Ending September 30, 2018**

<b>Financial Reconciliation</b>									
	<b>Market Value 07/01/2018</b>	<b>Net Transfers</b>	<b>Contributions</b>	<b>Distributions</b>	<b>Management Fees</b>	<b>Other Expenses</b>	<b>Income</b>	<b>Apprec./ Deprec.</b>	<b>Market Value 09/30/2018</b>
<b>Total Portfolio</b>	<b>2,869,807</b>	-	-	-	-	<b>-3,750</b>	<b>9,406</b>	<b>22,818</b>	<b>2,898,281</b>
First Eagle Global Fund (SGENX)	700,620	-	-	-	-	-	-	9,135	709,755
Wells Fargo Absolute (WARAX)	604,633	-	-	-	-	-	-	2,163	606,796
FPA Crescent Fund (FPACX)	705,938	-	-	-	-	-	4,302	24,965	735,205
PIMCO All Assets (PAUAX)	680,632	-	-	-	-	-	4,285	-13,445	671,473



**Financial Reconciliation**  
**Total Fund**  
**July 1, 2018 To September 30, 2018**

<b>Financial Reconciliation</b>									
	<b>Market Value 07/01/2018</b>	<b>Net Transfers</b>	<b>Contributions</b>	<b>Distributions</b>	<b>Management Fees</b>	<b>Other Expenses</b>	<b>Income</b>	<b>Apprec./ Deprec.</b>	<b>Market Value 09/30/2018</b>
<b>Total Portfolio</b>	<b>2,869,807</b>	-	-	-	-	<b>-3,750</b>	<b>9,406</b>	<b>22,818</b>	<b>2,898,281</b>
First Eagle Global Fund (SGENX)	700,620	-	-	-	-	-	-	9,135	709,755
Wells Fargo Absolute (WARAX)	604,633	-	-	-	-	-	-	2,163	606,796
FPA Crescent Fund (FPACX)	705,938	-	-	-	-	-	4,302	24,965	735,205
PIMCO All Assets (PAUAX)	680,632	-	-	-	-	-	4,285	-13,445	671,473



**Macomb Twp Act 345  
Fee Analysis  
As of September 30, 2018**

	<b>Market Value (\$)</b>	<b>Estimated Annual Fee (%)</b>	<b>Estimated Annual Fee (\$)</b>
First Eagle Global Fund (SGENX)	709,755	1.11	7,878
Wells Fargo Absolute (WARAX)	606,796	1.48	8,981
FPA Crescent Fund (FPACX)	735,205	1.09	8,014
PIMCO All Assets (PAUAX)	671,473	1.57	10,542
Cash Equivalent	175,051		-
<b>Total Portfolio</b>	<b>2,898,281</b>	<b>1.22</b>	<b>35,415</b>



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<b>Active Return</b>	- Arithmetic difference between the manager's performance and the designated benchmark return over a specified time period.
<b>Alpha</b>	- A measure of the difference between a portfolio's actual performance and its expected return based on its level of risk as determined by beta. It determines the portfolio's non-systemic return, or its historical performance not explained by movements of the market.
<b>Beta</b>	- A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of the portfolio's systematic risk.
<b>Consistency</b>	- The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. Higher consistency indicates the manager has contributed more to the product's performance.
<b>Distributed to Paid In (DPI)</b>	- The ratio of money distributed to Limited Partners by the fund, relative to contributions. It is calculated by dividing cumulative distributions by paid in capital. This multiple shows the investor how much money they got back. It is a good measure for evaluating a fund later in its life because there are more distributions to measure against.
<b>Down Market Capture</b>	- The ratio of average portfolio performance over the designated benchmark during periods of negative returns. A lower value indicates better product performance
<b>Downside Risk</b>	- A measure similar to standard deviation that utilizes only the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. A higher factor is indicative of a riskier product.
<b>Excess Return</b>	- Arithmetic difference between the manager's performance and the risk-free return over a specified time period.
<b>Excess Risk</b>	- A measure of the standard deviation of a portfolio's performance relative to the risk free return.
<b>Information Ratio</b>	- This calculates the value-added contribution of the manager and is derived by dividing the active rate of return of the portfolio by the tracking error. The higher the Information Ratio, the more the manager has added value to the portfolio.
<b>Public Market Equivalent (PME)</b>	- Designs a set of analyses used in the Private Equity Industry to evaluate the performance of a Private Equity Fund against a public benchmark or index.
<b>R-Squared</b>	- The percentage of a portfolio's performance that can be explained by the behavior of the appropriate benchmark. A high R-Squared means the portfolio's performance has historically moved in the same direction as the appropriate benchmark.
<b>Return</b>	- Compounded rate of return for the period.
<b>Sharpe Ratio</b>	- Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is an absolute rate of return per unit of risk. A higher value demonstrates better historical risk-adjusted performance.
<b>Standard Deviation</b>	- A statistical measure of the range of a portfolio's performance. It represents the variability of returns around the average return over a specified time period.
<b>Total Value to Paid In (TVPI)</b>	- The ratio of the current value of remaining investments within a fund, plus the total value of all distributions to date, relative to the total amount of capital paid into the fund to date. It is a good measure of performance before the end of a fund's life
<b>Tracking Error</b>	- This is a measure of the standard deviation of a portfolio's returns in relation to the performance of its designated market benchmark.
<b>Treynor Ratio</b>	- Similar to Sharpe ratio but utilizes beta rather than excess risk as determined by standard deviation. It is calculated by taking the excess rate of return above the risk free rate divided by beta to derive the absolute rate of return per unit of risk. A higher value indicates a product has achieved better historical risk-adjusted performance.
<b>Up Market Capture</b>	- The ratio of average portfolio performance over the designated benchmark during periods of positive returns. A higher value indicates better product performance.



AndCo compiled this report for the sole use of the client for which it was prepared. AndCo is responsible for evaluating the performance results of the Total Fund along with the investment advisors by comparing their performance with indices and other related peer universe data that is deemed appropriate. AndCo uses the results from this evaluation to make observations and recommendations to the client.

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