

*“Compelling stocks possess an elusive combination of three essential criteria: statistical cheapness, undervaluation, and timeliness. Our process is dedicated to identifying stocks that meet all three.”*

### Investment Approach

- We start by identifying contrarian ideas: neglected stocks with low expectations that trade at low price multiples of earnings, book value, cash flow, and dividends
- We distinguish between those that are merely neglected and those that are truly undervalued using a fundamentally-driven valuation discipline based on our assessment of normalized EPS, long-term earnings growth and the level of company-specific risk
- To reduce the risk of value traps, we exercise patience by waiting until a positive catalyst can be articulated

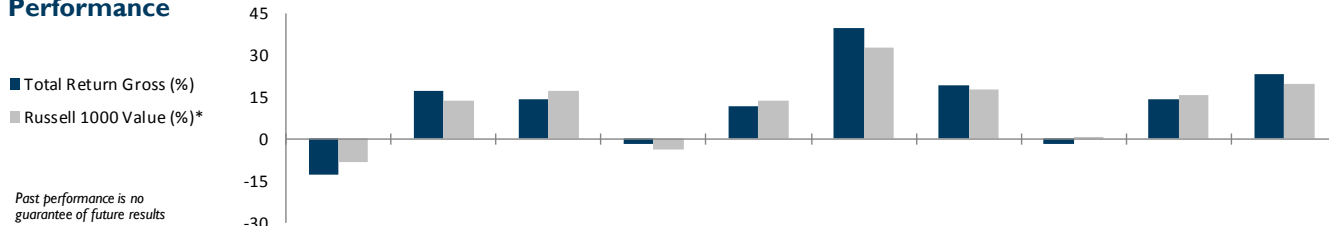
### Sell Discipline

- Holdings must continue to meet the three buy discipline criteria or become sell candidates
- Given that our portfolio will have a maximum of 60 holdings, stocks that still meet the criterion may be sold to make room for a more attractive stock
- If the integrity of financial reporting is suspect, a mandatory review is triggered

### Risk Management Strategy

- Team of experienced portfolio managers dedicated to a risk-aware, disciplined approach to stock selection
- Diversified portfolio construction
  - Portfolio holds 40 – 60 stocks
  - Individual positions limited to the greater of 5% or the benchmark weight
  - Maximum sector weights equal to the Russell 1000 Value weight plus 10 percentage points
  - Minimum sector weights equal to 1/3 the Russell 1000 Value, or 0% if the sector is less than 5% of the benchmark
- Portfolio risk management analysis (Axioma) used to monitor beta and decompose the sources of active risk

### Performance



	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Return Gross (%)	-12.63	16.92	14.09	-1.72	11.62	39.48	19.12	-1.75	14.34	23.03
Total Return Net (%)	-13.05	16.30	13.54	-2.21	11.09	38.82	18.31	-2.43	13.55	22.18
Russell 1000 Value (%)*	-8.27	13.66	17.34	-3.83	13.45	32.53	17.51	0.39	15.51	19.69
Number of Portfolios	30	25	26	24	16	13	32	39	39	46
Composite Assets (US \$M)	799.6	716.7	706.5	522.1	378.9	320.1	511.7	720.1	796.4	884.4
Total Firm Assets (US \$B)	2.3	2.5	2.4	1.2	1.1	1.2	1.6	14.6	17.1	17.7
Composite Dispersion (%)	0.05	0.15	0.33	0.08	0.16	0.22	0.16	0.10	0.21	0.36
External Composite Dispersion (%)	11.49	10.85	11.39	11.18	10.57	14.52	17.15	20.79	(a)	(a)
External Benchmark Dispersion (%)	10.82	10.20	10.77	10.68	9.20	12.70	15.51	20.69	(a)	(a)

### Annualized Returns (As of 6/28/2019)

	Composite Gross (%)	Composite Net (%)	Russell 1000 Value (%)*
3 Month	3.87	3.74	3.84
YTD	16.11	15.84	16.24
1 Year	4.62	4.13	8.46
3 Years	10.49	9.94	10.19
5 Years	6.50	5.98	7.46
10 Years	12.99	12.36	13.19

\*The benchmark returns for the periods January 1, 2009 - December 31, 2011, are not covered by the other independent verifier's Report of Independent Accountants.  
(a) External dispersion is not presented as it is not required for periods ended prior to January 1, 2011.

### 3 Year Risk Statistics (As of 6/28/2019)

	Composite*	Russell 1000 Value
Beta	1.08	1.00
Alpha	-0.43	0.00
R-squared	97.38	100.00
Information Ratio	0.13	N/A
Sharpe Ratio	0.70	0.74
Tracking Error	2.33	0.00
Standard Deviation	13.09	11.94
Downside Deviation	8.58	7.98

\* The data listed is Supplemental Information, as a model portfolio is used.

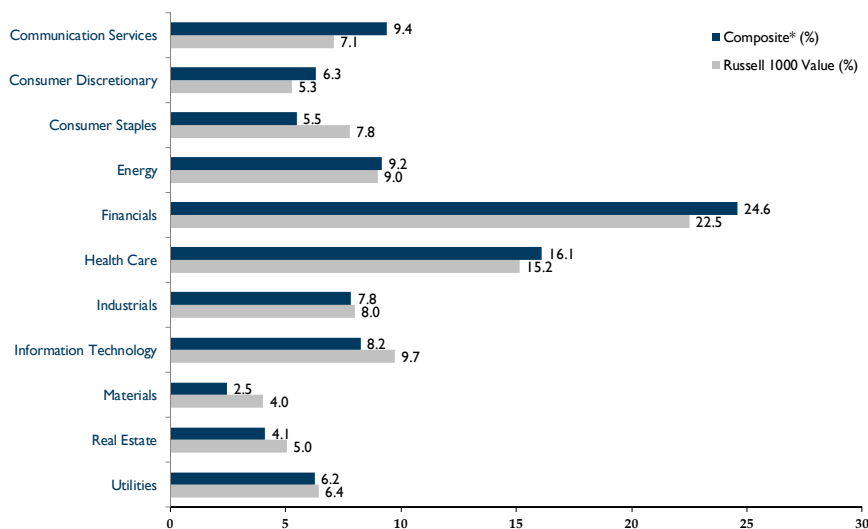
### Portfolio Management Team:

**Mary Jane Matts, CFA**  
Partner  
Portfolio Manager - Value Strategies  
Industry Start: 1987

**Ted Y. Moore CFA**  
Partner  
Portfolio Manager - Value Strategies  
Industry Start: 1997

**Peter M. Klein, CFA**  
Partner  
Director - Value Strategies  
Industry Start: 1979

## Strategy Overview (All Information as of 6/28/2019)



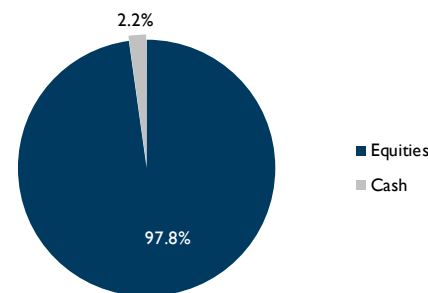
Composite Assets (\$M)	939.3
Benchmark	Russell 1000 Value
Number of Holdings	55

### Top Ten Holdings

Company	Composite* (%)
JPMorgan Chase & Co.	4.66
Citigroup Inc.	4.38
Johnson & Johnson	4.04
AT&T Inc.	3.76
Cisco Systems, Inc.	3.25
Exelon Corporation	3.13
Pfizer Inc.	3.03
Capital One Financial Corporation	2.86
Verizon Communications Inc.	2.85
Comcast Corporation Class A	2.80

### Characteristics

Characteristic	Composite*	Russell 1000 Value
Price/Book	2.43	2.86
Price/Sales	2.27	3.05
Price/Cash Flow	8.77	12.65
Dividend Yield	3.28	2.52
Cal 2019 P/E	12.74	17.61
Wtd. Avg. Market Cap (\$B)	\$118.3	\$129.5



\* The opinions expressed herein are those of Foundry and may not actually come to pass. This information is current as of the date of this material and is subject to change at any time, based on market and other conditions. Indices are unmanaged and do not incur investment management fees. An investor is unable to invest in an index. The mention of specific securities illustrates the application of our investment approach only and is not to be considered a recommendation by Foundry. The Composite data listed is Supplemental Information, as a model portfolio is used. All information is as of 6/28/19. Sources: FactSet, SPAR, Axioma

**THE FIRM** - Foundry Partners, LLC (the "Firm" or "Foundry") is an investment adviser registered under the Investment Advisers Act of 1940, established in September 2012. Foundry is defined as an independent investment advisory firm that is not affiliated with any parent organization. Effective February 1, 2013, Foundry purchased the assets of the Large Cap Value Composite (the "Composite") from ClearArc Capital, Inc., ("ClearArc") formerly known as Fifth Third Asset Management, Inc. Foundry utilizes past performance from ClearArc to link current performance and present historical returns in order to meet the requirements under the Global Investment Performance Standards (GIPS® standards). The investment management team and the investment decision process for the Large Cap Value Composite remained intact throughout the period including the purchase by Foundry, and Foundry retains the records that support the reported performance.

**COMPLIANCE STATEMENT** - Foundry Partners, LLC claims compliance with the GIPS® standards and has prepared and presented this report in compliance with the GIPS® standards. ClearArc has been independently verified for the periods from January 1, 1995, to December 31, 2012, and Foundry has been independently verified from January 1, 2013, to December 31, 2018. Verification assesses whether (1) the Firm has complied with all the composite construction requirements of the GIPS® standards on a firm wide basis and (2) the Firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards. The Large Cap Value Composite has been examined for the periods from January 1, 2000, to December 31, 2018. The verification and performance examination reports are available upon request.

**THE COMPOSITE** - The Large Cap Value strategy seeks to outperform the Russell 1000® Value Index over a market cycle using a fundamental investment approach. The strategy invests primarily in large-capitalization stocks of \$3 billion and above at purchase. This Composite includes fully discretionary, non-SMA/Wrap accounts greater than \$250,000 from inception through March 31, 2007, and greater than \$100,000 from April 1, 2007 through January 31, 2013. Effective February 1, 2013, all accounts, regardless of size, are included in the Composite. Terminated accounts are included in the historical performance of the Composite through the last full month the account was managed. Performance results are shown gross-of-fees which are net of actual trading expenses. Fees, including management fees, custodial fees, performance fees, and other expenses incurred will reduce the return. Net returns are net of actual trading expenses and, prior to January 1, 2013, the highest net model fee. Effective January 1, 2013, net-of-fee performance is calculated using actual management fees that were paid and do not include custodial fees. Foundry's standard investment management fee schedule for the Composite is: 0.70% on the first \$25 million; 0.50% on the next \$25 million; and 0.40% on the remainder. Actual investment advisory fees, inclusive of performance based fees, if applicable, incurred by clients may vary due to various conditions, including account size. The Firm values portfolios at least monthly and geometrically links periodic returns. The Firm uses trade date accounting and income is accrued as earned. Performance returns include realized and unrealized gains and losses, and the reinvestment of all income. Composite performance is presented net of foreign withholding taxes on dividends, interest income, and capital gains. From inception through January 31, 2013, the monthly composite returns are computed by weighting each account's monthly return by its beginning market value as a percent of the total composite beginning market value. Effective February 1, 2013, Foundry asset-weights the portfolios within the Composite using the aggregate return method, which combines all the Composite assets and external cash flows before any calculations occur to calculate returns as if the Composite were one portfolio. Valuations and returns are computed and stated in U.S. dollars. The Composite's inception date is December 31, 1999, and the Composite's creation date is September 30, 2003. Composite internal dispersion is calculated using an equal-weighted standard deviation methodology from inception to December 31, 2007, and a cap-weighted standard deviation methodology from January 1, 2008, to December 31, 2012. Effective for the period January 1, 2013, to December 31, 2018, the annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the Composite the entire year. The three-year annualized ex-post standard deviation (external dispersion) measures the volatility of the Composite and benchmark monthly returns over the past 36 months as of each year end. No leverage, derivatives, or short positions are used in this Composite.

**THE BENCHMARK** - The Russell 1000® Value Index (the "Index") measures the performance of those companies in the Russell 1000® Index with lower price-to-book ratios and lower forecasted growth values. The Index is calculated on a total return basis with dividends reinvested and is not assessed a management fee. It is not possible to invest directly in an index.

**ADDITIONAL INFORMATION** - Additional information regarding policies for valuing portfolios, calculating performance, and preparing compliant presentations, as well as additional Firm definition information, is available upon request. A complete list and description of the Firm's Composites is available upon request. This report presents past performance, which is not indicative of future results. Graphs and charts, by themselves, cannot be used to make investment decisions.

The information provided should not be construed as a recommendation. This presentation may contain confidential information and any unauthorized use or redistribution is strictly prohibited. Additional information regarding Foundry's fees is included in Part 2A of Form ADV. For additional firm disclosures, please visit <http://foundrypartnersllc.com/disclosure/>.

00756-0719

## Carpenters Annuity Trust Fund for Northern California

**June 30, 2019**

**Market Value:** \$164,683,243.26  
**Cash:** 2.96%  
**Strategy:** Capital Appreciation  
**Benchmark:** Russell 1000 Growth Index  
**Inception Date:** 12/03/2014  
**Account #:** AL547

**Characteristics**

	Portfolio	Benchmark
<b># of Equity Holdings</b>	78	546
<b>Market Cap – Weighted Average</b>	\$319.23 bil	\$306.65 bil
<b>Market Cap – Median</b>	\$55.47 bil	\$13.08 bil
<b>Market Cap – Average</b>	\$136.54 bil	\$37.04 bil

**Performance Results**

	1 Month	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
<b>Carpenters Annuity Trust (Gross)</b>	7.12%	5.98%	22.72%	11.49%	18.55%	--	--	12.60%
<b>Carpenters Annuity Trust (Net)</b>	7.12%	5.98%	22.57%	11.10%	18.03%	--	--	12.08%
<b>Russell 1000 Growth Index</b>	6.87%	4.64%	21.49%	11.56%	18.08%	--	--	13.00%
	--	--	--	--	--	--	--	--

**Top 10 Holdings**

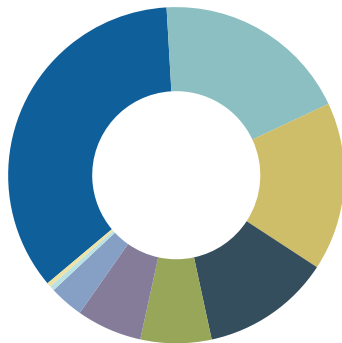
Company	Ending Weight (%)
Microsoft Corporation	7.89
Amazon.com, Inc.	6.54
Visa Inc. Class A	5.03
salesforce.com, inc.	4.21
Facebook, Inc. Class A	4.15
Adobe Inc.	3.93
Alphabet Inc. Class C	3.59
Apple Inc.	3.24
UnitedHealth Group Incorporated	2.57
Danaher Corporation	2.53
<b>Total</b>	<b>43.68</b>

**Top Contributors and Detractors (One month ending 06/30/2019)**

	Avg Weight (%)	Contribution
<b>Top Contributors</b>	<b>26.32</b>	<b>2.11</b>
Microsoft Corporation	7.94	0.65
Amazon.com, Inc.	6.54	0.42
Visa Inc. Class A	5.04	0.38
Apple Inc.	2.96	0.33
Adobe Inc.	3.84	0.33
<b>Top Detractors</b>	<b>4.86</b>	<b>-0.19</b>
Alphabet Inc. Class C	4.04	-0.16
Norwegian Cruise Line Holdings Ltd.	0.14	-0.02
Twitter, Inc.	0.24	-0.01
Autodesk, Inc.	0.06	0.00
GW Pharmaceuticals PLC Sponsored ADR	0.39	0.00

**Sector Allocation**

- Information Technology (34.15%)
- Health Care (18.39%)
- Consumer Discretionary (15.71%)
- Communication Services (12.04%)
- Financials (6.62%)
- Industrials (6.10%)
- Materials (3.19%)
- Consumer Staples (0.46%)
- Real Estate (0.38%)

**Overweight / Underweight vs. Benchmark**

Health Care	3.67
Financials	3.43
Materials	1.81
Consumer Discretionary	1.04
Communication Services	0.64
Energy	-0.37
Real Estate	-2.04
Information Technology	-3.22
Industrials	-3.67
Consumer Staples	-4.24

**Michael Lynam**, Vice President, Institutional Sales & Service / 212.806.2945 / mlynam@alger.com

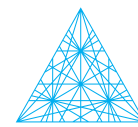
**Andrew Harrington**, Assistant Vice President, Institutional Sales & Service / 212.806.8874 / aharrington@alger.com

The information presented is preliminary and is subject to change. Net performance, if shown, may or may not reflect fees for the most recent period based on the fee arrangements. Index performance does not reflect the deduction of fees, expenses or taxes. Investors cannot invest directly in any index. Clients are strongly encouraged to compare this information to the information received from their custodian. Performance for periods less than one year is not annualized.

**Fred Alger Management, Inc.** 360 Park Avenue South, New York, NY 10010 / 212.806.8800 / [www.alger.com](http://www.alger.com)

Inspired by Change, Driven by Growth.

# CARPENTERS ANNUITY TRUST FUND FOR N. CALIFORNIA



**GAMCO**  
ASSET MANAGEMENT

Second Quarter - June 30, 2019

## PHILOSOPHY

We employ a fundamental bottom-up Private Market Value with a Catalyst™ approach to the investment process. Our primary focus is to identify companies that are selling at substantial discounts to their Private Market Value (PMV).

## METHODOLOGY

Our investment methodology is research driven. Three pronged approach: free cash flow (earnings before interest, taxes, depreciation, and amortization, or EBITDA, minus the capital expenditures necessary to grow/maintain the business); earnings per share trends; and Private Market Value (PMV), which encompasses on and off balance sheet assets and liabilities.

## ACCOUNT SUMMARY

Inception Date	April 7, 2017
Initial Balance	\$ 100,000,000
Current Value	\$ 111,074,407

## PERFORMANCE AS OF JUNE 30, 2019

	2019	Since Inception <sup>(a)</sup>
Annuity Gross	15.1%	4.8%
Annuity Net	14.8%	4.1%
R-3000 Value	16.1%	7.3%

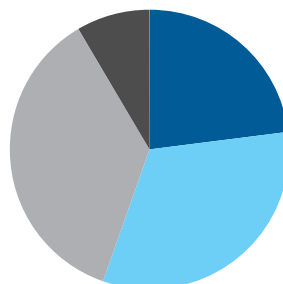
<sup>1</sup>  
\*Periods over one year are Annualized <sup>(a)</sup>4/7/17

## SECTOR ALLOCATION

Communication Services	22.8%
Industrial	21.7
Consumer Staples	13.1
Consumer Discretionary	11.7
Financials	10.2
Health Care	6.4
Materials	6.6
Information Technology	6.0
Utilities	1.0
Energy	0.6
Other	0.0

## MARKET CAPITALIZATION

■ Mega Cap > \$50 Bil.	27.1%
■ Large Cap \$10 - \$50 Bil.	36.8%
■ Mid Cap \$3.0 - \$10 Bil.	23.8%
■ Small Cap < \$3.0 Bil.	12.3%



## ABOUT GAMCO

- Long-Term Results
- 42 Year Institutional Record
- Intense Equity Research-Driven Culture
- \$36.9 BN AUM as of June 30, 2019

## PORTFOLIO CHARACTERISTICS

	Annuity Trust	Russell 3000V
Number of Holdings	89	2,069
Wtd. Median Market Cap.	\$15.5B	\$56.8B
EPS Growth (LT Historical)	11.6%	8.0%
Portfolio P/E (Forward Earnings)	17.5x	15.0x
Dividend Yield	1.4%	2.5%
ROE	15.2%	12.5%
LT Debt/Capital	44.2%	39.7%

## TOP TEN HOLDINGS

Comcast	2.8 %
Mondelez International	2.6
Conagra Brands	2.6
Republic Services	2.5
O'Reilly Automotive	2.5
Pay Pal Holdings Inc.	2.4
Honeywell International	2.4
Liberty Media Corp.	2.3
Madison Square Garden	2.3
American Express	2.1

## TOP CONTRIBUTORS - 2Q % CTR\*

Sony Corporation	0.39
H&R Block, Inc.	0.29
American Express	0.25
Mondelez International	0.24
Legg Mason, Inc.	0.24

## BOTTOM CONTRIBUTORS- 2Q % CTR\*

Edgewell Personal Care	-0.70
Grupo Televisa	-0.25
Bank of NY Mellon	-0.24
Lamb Weston Holdings	-0.16
State Street Corporation	-0.15

\*Contribution to Return

For Institutional use only. Not for Distribution.

# AFL-CIO Equity Index Fund Fact Sheet

June 30, 2019

## FUND DESCRIPTION

A commingled equity fund available to all qualified pension plans, both multi-employer and single employer plans.

Indexing is a strategy that focuses on tracking the performance of a well-known index representative of the stock market.

Stocks in an index fund's portfolio are not actively traded, resulting in lower transaction costs and expenses.

An index fund offers the benefits of broad diversification and lower security volatility.

The Fund commenced operation in March 2011.

## INVESTMENT OBJECTIVE

To replicate as nearly as possible the returns of the broad large-capitalization equity market as represented by the Standard & Poor's Composite Index.

## THE ADVISER

ASB Capital Management LLC (ASBCM) is a registered investment adviser based in Bethesda, Maryland.

Chevy Chase Trust Company (CCTC) is the Trustee and Custodian for the Fund based in Bethesda, Maryland.

## CORPORATE GOVERNANCE

All company proxies received as a result of Fund ownership are voted upon with sensitivity to labor union related issues and in accordance with the AFL-CIO Proxy Voting Guidelines.

FUND FACTS	
Participating Plans	157
Assets	\$8.7 billion
Investment Management Fee	<ul style="list-style-type: none"> <li>1.5 basis points annually (\$150 per million invested)</li> </ul>
Daily Liquidity	CUSIP 177778453

## FUND PERFORMANCE

Total Return	AFL-CIO Equity Index Fund	S&P 500
1 month	7.03%	7.05%
3 months	4.29%	4.30%
YTD	18.50%	18.54%
1 Year	10.38%	10.42%
2 Years	12.34%	12.38%
3 Years	14.15%	14.19%
4 Years	11.51%	11.55%
5 Years	10.67%	10.71%
6 Years	12.87%	12.92%
7 Years	13.93%	13.98%
Since Inception (annualized)	12.26%	12.32%

Total Return	AFL-CIO Equity Index Fund	S&P 500
2018	-4.40%	-4.38%
2017	21.79%	21.83%
2016	11.91%	11.96%
2015	1.37%	1.38%
2014	13.62%	13.69%
2013	32.28%	32.39%
2012	15.93%	16.00%

For more information, please contact:

Hank Murphey  
240.482.2948

See important notes on the following page.

- Inception for the Fund managed by ASB Capital Management LLC was March 3, 2011.
- Performance is net of fees and expenses. Returns for periods greater than one year are annualized. Past performance is not necessarily indicative of future results. The performance returns presented above include the reinvestment of dividends. Share price and investment returns fluctuate and shares may be worth more or less than the original cost upon redemption.
- The fund is not insured by the FDIC or an other agency.

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# Rothschild & Co

## US Small/Mid-Cap Core



Quarterly Report June 2019

### Investment Process

An integrated process focused on fundamentals

### Idea Generation

Narrow the investable universe using a proprietary ranking tool

### Fundamental Analysis

Focus on catalysts for outperformance

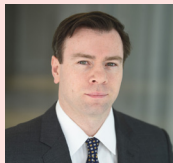
### Portfolio Construction

Seeks outperformance through diversified stock selection and risk controls

### Small & Small/Mid-Cap Investment Team



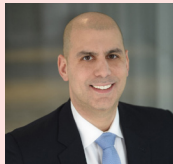
**Tina Jones, CFA**  
Chief Investment Officer  
23 yrs of experience



**Michael Kehoe**  
Portfolio Manager  
18 yrs of experience



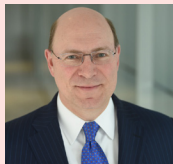
**Joe Bellantoni, CFA**  
Portfolio Manager  
22 yrs of experience



**Doug Levine, CFA**  
Portfolio Manager  
20 yrs of experience



**Eric Fraser, CFA**  
Sector Analyst  
13 yrs of experience



**Dan Oshinskie, CFA**  
Senior Advisor  
32 yrs of experience

### Investment Philosophy

Our expertise is derived from bottom-up stock selection targeting attractive valuations and improving fundamentals.

We seek to deliver consistent outperformance as well as protection in down markets with a controlled level of risk.

### Key Facts

Investment Vehicle	Separate Account, Commingled Fund, CIT
Product Inception Date	January 1, 1997
US Small/Mid-Cap Core Assets	\$3.1 billion
US Small- and Small/Mid-Cap Assets	\$4.8 billion
Benchmark	Russell 2500

### Performance

	QTD	YTD	1yr	3yrs	5yrs	10yrs	1/1/97
Portfolio (gross of fees)	1.4%	16.2%	-0.1%	12.1%	8.7%	15.0%	11.8%
Portfolio (net of fees)	1.2%	15.7%	-0.9%	11.2%	7.8%	14.0%	10.8%
Russell 2500	3.0%	19.2%	1.8%	12.3%	7.7%	14.4%	9.5%
Gross Excess Returns	-1.6%	-3.1%	-1.8%	-0.2%	1.0%	0.6%	2.3%

### Top 10 Holdings

Euronet Worldwide, Inc.	1.42%
Insperty, Inc.	1.24%
Everest Re Group, Ltd.	1.22%
Cooper Companies, Inc.	1.21%
Service Corporation Int'l	1.20%
Lamar Advertising Company	1.17%
Hill-Rom Holdings, Inc.	1.16%
Old Republic International	1.15%
Performance Food Group	1.15%
Hanover Insurance Group, Inc.	1.12%

### Top 10 Relative Overweights

Euronet Worldwide, Inc.	1.25%
Insperty, Inc.	1.14%
Diamondback Energy, Inc.	1.10%
Performance Food Group	1.07%
LiveRamp Holdings, Inc.	1.04%
Service Corporation Int'l	1.03%
Lamar Advertising Company	1.02%
Old Republic International	1.02%
Hill-Rom Holdings, Inc.	1.01%
SeaWorld Entertainment, Inc.	1.01%

Past performance is not indicative of future results. Data as of June 30, 2019. Please see important disclosures at the end of this presentation.

This presentation is for institutional use only and not for distribution to the general public. The performance returns represent the composite performance of all accounts and do not reflect the performance of any one particular product or fund, which may differ in performance from the composite due to cash flows, expenses and other factors. Nothing in this fact sheet should be construed as an offer, invitation or solicitation of an offer to invest in a fund or other investment product managed by Rothschild, to purchase any security or to engage in any other transactions.

# Portfolio Highlights



## Holdings Based Characteristics (5-year average)

	R&Co	Russell 2500
Weighted Avg. Mkt. Cap (\$mm)	\$4,247	\$4,545
Price/Cash Flow	10.6x	10.6x
Estimated Price/Earnings*	17.6x	18.3x
EV/EBITDA	11.5x	11.8x
EV/Revenue	1.5x	1.4x
Price/Book	2.5x	2.2x
Dividend Yield	1.1%	1.3%

\*Excluding negative earnings.

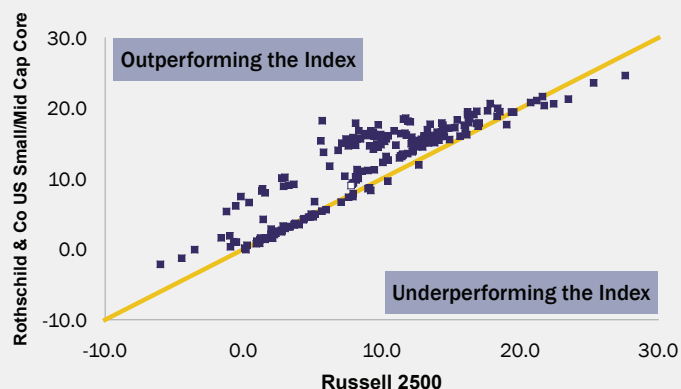
## Top Relative Contributors (past 3 months)

Name	Sector	Relative Contribution
Sinclair Broadcast Group	Consumer Services	+ 26 bps
Generac Holdings Inc.	Manufacturing	+ 24 bps
Silicon Laboratories Inc.	Technology	+ 18 bps
Aerojet Rocketdyne	Manufacturing	+ 18 bps
SeaWorld Entertainment	Consumer Services	+ 16 bps

Relative contribution in basis points versus the Russell 2500 Index.  
Please see disclosures for methodology.  
Analysis includes only securities held in the portfolio.

## Rolling 5-Year Relative Performance Since Inception

Outperformed Index for 79% of Monthly Observations



Data as of March 31, 2019.

## Returns Based Characteristics (5 years)

	R&Co	Russell 2500
Standard Deviation	14.25	14.99
Sharpe Ratio	0.55	0.45
Information Ratio	0.40	---
Alpha	1.39	---
Beta	0.94	---
Tracking Error	2.55	---

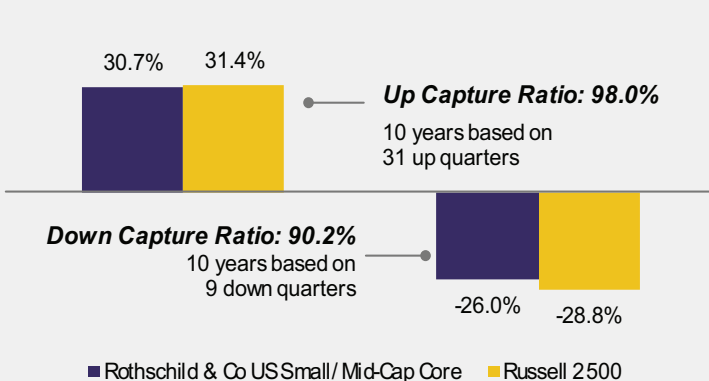
Analysis based on monthly observations.

## Top Relative Detractors (past 3 months)

Name	Sector	Relative Contribution
LivaNova Plc	Healthcare	-24 bps
iRobot Corporation	Consumer Disc.	-22 bps
Benefitfocus, Inc.	Technology	-22 bps
Cardtronics plc Class A	Technology	-20 bps
Green Dot Corporation	Technology	-19 bps

Relative contribution in basis points versus the Russell 2500 Index.  
Please see disclosures for methodology.  
Analysis includes only securities held in the portfolio.

## Up / Down Capture Ratio (10 years)



Past performance is not indicative of future results. Data as of June 30, 2019. Please see important disclosures at the end of this presentation.



# Portfolio Commentary



## Our expertise is derived from bottom-up stock selection targeting attractive valuations and improving fundamentals.

After experiencing a pullback in May, equities rebounded in June and ended up posting positive gains for the second quarter of 2019. During the quarter, large-cap stocks (as measured by the S&P 500® index) climbed roughly 4.3%, outpacing small-cap stocks (as measured by the Russell 2000® Index) which rose approximately 2.1%. Turning to investment styles, large-cap growth stocks outpaced their value counterparts as the Russell 1000® Growth Index increased 4.6% compared to a 3.8% rise for the Russell 1000® Value Index. Growth was also in favor within small/mid-caps, as the Russell 2500® Growth Index rose 4.1% versus a 1.9% increase for the Russell 2500® Value Index. On a trailing 12-month basis, growth stocks maintained a noticeable lead over their value counterparts (11.6% vs. 8.5%, respectively within large-caps; and 6.1% vs. -1.9%, respectively within small/mid-caps). For the quarter, the Rothschild & Co US Small/Mid-Cap Core strategy underperformed the Russell 2500® Index benchmark on a gross-of-fees basis.

There was a wide divergence in sector performance for the Russell 2500 benchmark. The worst performers included Energy (down 11.0%), Consumer Staples (down 3.1%) and Consumer Discretionary (down 2.3%). Conversely, the best performers were Manufacturing (up 8.0%), Financial Services (up 6.0%) and Commercial Services (up 5.3%). Underperformance was largely driven by Stock Selection with Sector allocation have a minor impact. At the sector level the largest detractors were Consumer Staples and Healthcare while the largest contributors were Consumer Discretionary and Real Estate. Stock selection was strongest in Consumer Services, Manufacturing and Energy while laggards were led by Technology, Healthcare and Consumer Discretionary.

On a stock specific basis, our largest contributors included Sinclair Broadcast Group (up 39.9%) a local broadcaster, announced a significantly accretive acquisition of the Fox regional sport networks which will reduce the company's reliance on volatile local advertising. Generac Holdings (up 35.5%), a backup power company, reported better than expected quarterly results and raised full year guidance. In addition, the company's market opportunity expanded as scheduled brownouts/blackouts in California associated with future wildfire risk increases. Silicon Laboratories (up 27.9%), a semiconductor company, reported both better than expected quarterly results and 2Q guidance.

Conversely, our largest relative detractors included LivaNova Plc (down 26.0%), which pre-announced a revenue miss due to the introduction of a new competitive drug therapy (cannabis derived) that delayed the implantation of its neuromodulation device that's indicated for patients with major depression disorder who have failed at least 4 prior drug therapies or deemed treatment resistant. The introduction of this new drug also led to sales force turnover as some defected to sell this competing new drug therapy. iRobot Corporation (down 22.1%), a consumer robotics company, reported mixed quarterly results where revenue missed but profitability was higher than expected. That being said, the company maintained full year guidance. Benefitfocus (down 24.2%), a benefit administration software company, reported better than expected quarterly results and reiterated full year guidance. However, the stock was under pressure as the company announced the departure of its CFO along with a more backend loaded guidance as street questions seasonality.

A focus on trade outlook, interest rate levels, and key economic indicators may provide mixed headlines and subsequent volatility in the months to come. Historically, periods of market uncertainty have provided openings for bottom-up investors to identify attractive long-term investment opportunities. Therefore, we will remain long-term focused on stock-specific fundamentals and will continue to target stocks with relatively attractive valuations and the ability to exceed consensus expectations.

# GIPS Composite



Year	Performance			3-Year Standard Deviation		Composite Totals			Total Firm Assets (\$mm)
	R&Co US Small/Mid-Cap (Gross of Fees)	R&Co US Small/Mid-Cap (Net of Fees)	Russell 2500	R&Co US Small/Mid-Cap	Russell 2500	Annual Dispersion (pct pts)	Number of Portfolios	Assets (\$mm)	
2018	-10.61%	-11.37%	-10.00%	13.83	14.30	0.3	33	\$2,250	\$8,552
2017	18.42%	17.44%	16.81%	11.56	12.31	0.3	25	\$1,730	\$9,701
2016	17.10%	16.12%	17.59%	13.12	13.86	0.4	20	\$1,139	\$8,317
2015	1.52%	0.66%	-2.90%	12.34	12.59	0.3	16	\$557	\$5,951
2014	10.36%	9.43%	7.07%	11.10	11.84	0.6	12	\$480	\$5,236
2013	39.44%	38.29%	36.80%	15.46	15.85	0.6	11	\$434	\$4,613
2012	15.04%	14.07%	17.88%	18.42	19.24	0.3	12	\$385	\$3,950
2011	3.44%	2.57%	-2.51%	20.45	23.73	1.4	12	\$431	\$3,826
2010	27.99%	26.92%	26.71%	22.32	22.19	0.8	13	\$498	\$4,034
2009	19.15%	18.16%	34.38%	19.52	24.59	1.0	19	\$904	\$4,683

Data as of December 31, 2018.

## Disclaimer:

\* Please note that the 2016 and 2017 total firm assets have been restated to properly exclude model delivery assets and non-discretionary assets. The following adjustments were made: 2016 AUM \$8,445 to \$8,317 and 2017 AUM \$10,390 to \$9,701. Additional information regarding these corrections is available upon request.

Rothschild & Co Asset Management US Inc. ("Rothschild & Co AMUS"), a wholly owned subsidiary of Rothschild & Co North America Inc., claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Rothschild & Co Asset Management US Inc. has been independently verified for the periods from 1/1/93 through 12/31/14 by Mengel Metzger Barr & Co. LLP and from 1/1/15 to 12/31/18 by ACA Performance Services, LLC.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Rothschild & Co US Small/Mid-Cap Institutional Composite ("Composite") has been examined for the periods from 1/1/97 through 12/31/18. The verification and performance examination reports are available upon request. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

Rothschild & Co AMUS is registered as an investment advisor with the Securities and Exchange Commission. Rothschild & Co AMUS provides investment advisory services on a discretionary basis to a broad range of clients, including corporate pension plans and profit-sharing plans, public pension funds (e.g., state and municipal government entities), Taft-Hartley plans, healthcare organizations, endowments, foundations, high-net-worth investors, sub-advised accounts, other pooled investment vehicles, and retail investors in various wrap fee programs. Rothschild & Co AMUS also provides non-discretionary investment advice to various wrap unified managed account programs.

The Composite consists of all discretionary, fee-paying, institutional separate accounts, collective investment trusts ("CIT") and mutual funds using the Rothschild & Co US Small/Mid-Cap strategy with a benchmark of the Russell 2500 Index. Effective December 31, 2018, the Composite was renamed from Rothschild & Co US Small/Mid-Cap Core Composite to Rothschild & Co US Small/Mid-Cap Core Institutional Composite. The Composite was created on January 1, 1997. Results for the full historical period are time-weighted, based on daily cash flow application. The Composite is asset-weighted, using beginning-of-month market value. There have been no material personnel or other changes which would affect the Composite. Effective June 1, 2018, the Composite was redefined to include CIT and mutual funds. Previously, the CIT and mutual funds' liquidity needs created a significant difference in the way CIT and mutual funds were managed versus other institutional accounts. However, due to the consistent growth of the CIT and mutual funds accounts, the liquidity needs of CIT and mutual funds accounts no longer have a major impact in the management of these accounts, and are considered materially the same as institutional accounts.

Valuations and returns are computed and stated in US Dollars. Effective January 1, 2018, annual dispersion is calculated as the equal-weighted standard deviation of portfolios in the Composite for the full year. Prior to this date, annual dispersion was calculated as the difference between the high and low returns of each portfolio within the Composite. Annual Dispersion is not presented for annual periods that contain fewer than six portfolios for the entire year. The standard separate account management fee schedule is 0.85% for the first \$25 million, 0.75% for the next \$25 million, and 0.65% for the balance. Net returns are calculated by subtracting the highest applicable fee (0.85% on an annual basis) on monthly basis from the gross Composite monthly return. To evaluate the fee impact on performance, assume an initial client account of \$1,000 becomes \$2,593 with a 10% compound annual return before fees over a 10-year period whereas a 0.5% annual fee would reduce the ending account value to \$2,478.

Returns reflect the reinvestment of dividends and other earnings. The Russell 2500 Index is an unmanaged index considered representative of small/mid-cap US stocks. The benchmark returns are not covered by the report of independent verifiers. The investment strategy of Rothschild & Co US Small/Mid-Cap Core is not restricted to securities of the Russell 2500 Index. In addition, Rothschild & Co US Small/Mid-Cap Core may use various investment techniques, such as eliminating stocks with a relatively short trading history, which are not reflected in the Russell 2500 Index. For the foregoing and other reasons, the performance of Rothschild & Co US Small/Mid-Cap Core and the Russell 2500 Index will differ. Investing in equities involves certain risks, including the possibility that the price of equity securities may vary in response to general market and economic conditions.

The three-year annualized standard deviation measures the variability of the Composite and the benchmark returns over the preceding 36-month period.

A complete list of composites descriptions and performance results is available upon request. Past performance is not necessarily indicative of future results.

## Contact us

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[www.rothschildandco.com](http://www.rothschildandco.com)

# POST INTERMEDIATE TERM HIGH YIELD STRATEGY

INCEPTION DATE: FEBRUARY 1, 2012

## STRATEGY OVERVIEW & OBJECTIVE

The Post Intermediate Term High Yield Strategy invests in a portfolio of short-to-intermediate term, lower volatility, high yield debt securities with an effective duration of approximately 2-3 and an overall average quality rating of B to BB-. It seeks to invest in a diversified portfolio of high yield securities, including domestic and foreign corporate bonds, bank debt, bridge loans, convertible bonds, preferred stocks, and other financial instruments. The strategy is a combination of limited term bonds for greater stability and intermediate term bonds for greater yield. The primary objective is to seek to achieve a high rate of return relative to the three year United States Treasury yield.

DATA AS OF JUNE 2019

STRATEGY ASSETS: \$7.8B

## PERFORMANCE SUMMARY (gross of fees; see disclosures)

Gross Returns	3 month	YTD	1-Year	Annualized 3-Year	Annualized 5-Year	Annualized Since Inception
<b>Post Intermediate Term High Yield Composite</b>	<b>1.94%</b>	<b>6.42%</b>	<b>6.80%</b>	<b>4.80%</b>	<b>4.02%</b>	<b>5.47%</b>
70% BofA ML 0-5yr/30% 90 Day LIBOR	1.28%	5.50%	4.61%	5.48%	3.38%	4.45%

## COMPOSITE CHARACTERISTICS (excludes cash)

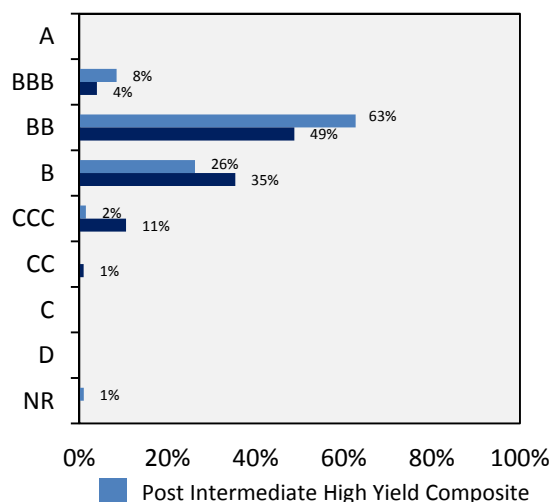
	Composite	BofA Merrill Lynch 0-5 Year Index
Yield to Worst	4.10%	5.99%
Effective Duration	1.44	1.76
Option Adjusted Spread (basis points)	218	410

## FIVE-YEAR RISK STATISTICS

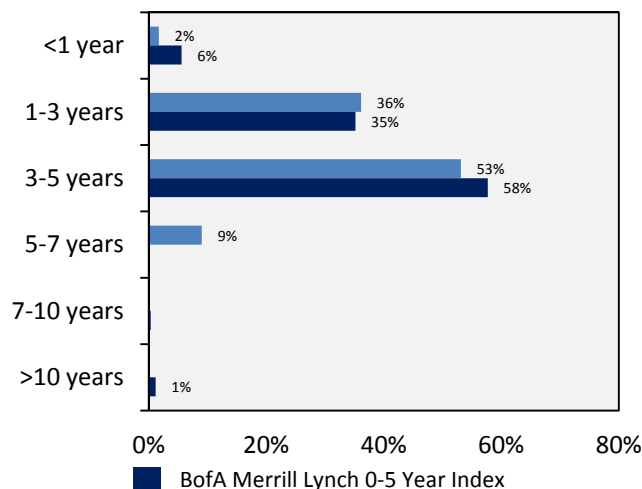
	Sharpe Ratio	Standard Deviation
<b>Post Intermediate Term High Yield Composite</b>	<b>1.35</b>	<b>2.34%</b>
70% BofA ML 0-5yr/30% 90 Day LIBOR	0.78	3.23%

## COMPOSITE ANALYTICS (excludes cash)

### Credit Rating



### Maturity



## PROVEN INVESTMENT PHILOSOPHY

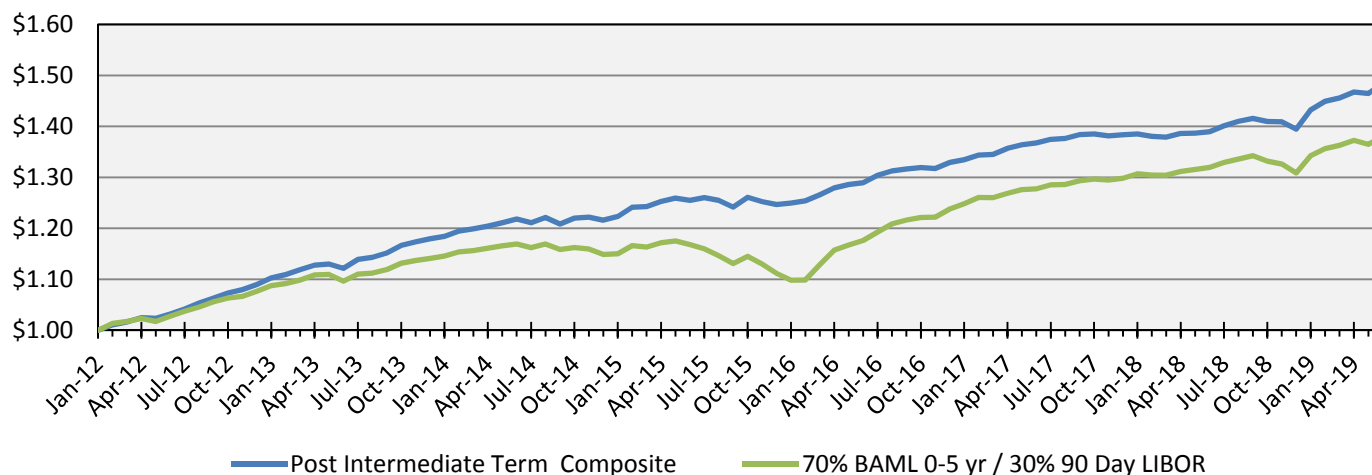
- **Safe, Good, and Cheap Investments:** Primary focus on investing in “safe, good, and cheap” high yield bonds and senior loans of high quality businesses in attractive industries to reduce volatility and ensure sufficient levels of staying power, margin of safety, and downside protection.
- **Strong Credit Selection:** Rigorous bottom-up fundamental credit research in conjunction with proactive utilization of capital structure and credit curve positioning enhances ability to effectively manage credit, market, and duration risk.
- **Macro and Technical Overlay:** Augment bottom-up fundamental credit research with a top-down macro and technical overlay to better assess relative and absolute value and strategically position portfolios through macroeconomic and market cycles.
- **Identify Potential Catalysts:** Utilize thoughtful analysis of potential catalysts in conjunction with disciplined pricing of negative event risk and positive optionality to help evaluate relative and absolute value, size positions, and manage risk.
- **Position Sizing:** Proactively and opportunistically scale in and out of positions to maximize value and right-size positions based on market conditions, relative and absolute value, and liquidity considerations.
- **Tactical Portfolio Management:** Tactical portfolio positioning driven primarily by top-down view of market conditions improves ability to play “defense” and “offense” as market conditions warrant.

## EXPERIENCED PORTFOLIO MANAGEMENT TEAM

Henry Chyung	Jeffrey Stroll	David Kim	Schuyler Hewes	Dan Ross	Iris Shin	James Wolf
Chief Investment Officer	Co - Chief Investment Officer	Deputy Chief Investment Officer	Portfolio Manager	Portfolio Manager	Portfolio Manager	Portfolio Manager
27 years of experience	16 years of experience	16 years of experience	21 years of experience	21 years of experience	15 years of experience	32 years of experience

## GROWTH OF \$1 (gross of fees)

02/01/2012 to 06/30/2019



## DISCLOSURE

N.A. - Not applicable as 36 months of composite returns are not available.

\* Results shown for the year 2012 represent partial period performance from February 1, 2012 through December 31, 2012.

**COMPLIANCE STATEMENT** - Post Advisory Group, LLC (the “Firm”) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. The Firm has been independently verified for the periods July 1, 1992 through December 31, 2015 by Ashland Partners & Company LLP and for the periods January 1, 2016 through December 31, 2016 by ACA Performance Services, LLC. Verification assesses whether (1) the Firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the Firm’s policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Post Intermediate Term High Yield Composite has been examined for the period February 1, 2012 (inception) through December 31, 2016. The verification and performance examination reports are available upon request.

**FIRM** - The Firm is registered with the Securities and Exchange Commission as an investment adviser. The Firm’s list of composite descriptions, as well as information regarding the Firm’s policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.

**“COMPOSITE** - The Post Intermediate Term High Yield Composite (the “Composite”) was created February 1, 2012. The Composite contains fully discretionary fixed-income accounts that primarily invest in “intermediate term” high yield securities with a typical average credit rating of B to BB-. The accounts hedge against foreign currency exchange risk on its non-U.S. dollar denominated investments. The Composite may include leveraged accounts, which utilize the same investment strategy as the non-leveraged accounts in the Composite, but gives the Firm the ability to purchase securities on margin. The extent of leverage is dictated by the terms of the individual investment management agreements and is currently limited to 25% of net asset value. The minimum account size to be included in this composite is \$10 million.

**BENCHMARK** - For comparison purposes, this composite is measured against a blended benchmark of 70% Bank of America Merrill Lynch 0-5 Year US High Yield Constrained Index / 30% 90-Day LIBOR. The BofA Merrill Lynch 0-5 Yr Index tracks the performance of short-term U.S. dollar denominated below investment grade corporate debt issued in the U.S. domestic market with less than five years remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of \$100 million, issued publicly. The blended benchmark is rebalanced on a daily basis.

**PERFORMANCE** - The U.S. Dollar is the currency used to express performance. Returns are presented gross of management fees and include the reinvestment of all income. Actual returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. Results for the composites are based on fully discretionary accounts under management, including those accounts no longer with the firm. Past performance is not indicative of future results.

**FEES** - The Firm’s general fee schedule for the Intermediate Term High Yield product is a 0.65% asset-based management fee. The collection of fees produces a compounding effect on the total rate of return net of management fees. As an example, the effect of investment management fees on the total value of a client’s portfolio assuming (a) quarterly fee assessment, (b) \$1,000,000 investment, (c) portfolio return of 8% a year, and (d) 1.00% annual investment advisory fee would be \$10,416 in the first year, and cumulative effects of \$59,816 over five years and \$143,430 over ten years. Actual investment advisory fees incurred by clients may vary. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. Composite dispersion has not been calculated for any presented year containing five or fewer accounts that were managed for that entire year.

Year End	Total Firm Assets	Composite Assets		Annual Performance Results (USD)				
		USD (millions)	# of Accts	Composite Gross	Index Annual	Composite Dispersion	3 YR STD	Bench 3 Yr STD
2017	16,879	1,959	9	4.10%	4.87%	0.1%	1.95	3.43
2016	14,718	1,745	9	6.62%	11.35%	0.4%	2.24	3.57
2015	11,115	990	6	2.52%	-3.24%	5 or fewer accounts	2.45	2.82
2014	9,469	940	<=5	3.08%	0.70%	5 or fewer accounts	N.A.	N.A.
2013	11,268	843	<=5	8.25%	5.97%	5 or fewer accounts	N.A.	N.A.
2012*	10,471	189	<=5	8.98%	7.67%	5 or fewer accounts	N.A.	N.A.



**THE MACKAY ADVANTAGE**

**MacKay Shields**

- \$122.8 Billion AUM as of June 30, 2019<sup>1</sup>
- Skilled boutique investment teams
- Specialize in taxable and municipal fixed income credit and less efficient segments of global equity markets
- Acquired by New York Life Insurance Company in 1984

**PORTFOLIO MANAGEMENT TEAM**

**Global Fixed Income**

*Dan Roberts, PhD*  
Chief Investment Officer  
Executive Managing Director

*Senior Portfolio Managers*

- Joseph Cantwell
- Stephen Cianci, CFA
- Matthew Jacob
- Neil Moriarty
- Shu-Yang Tan, CFA

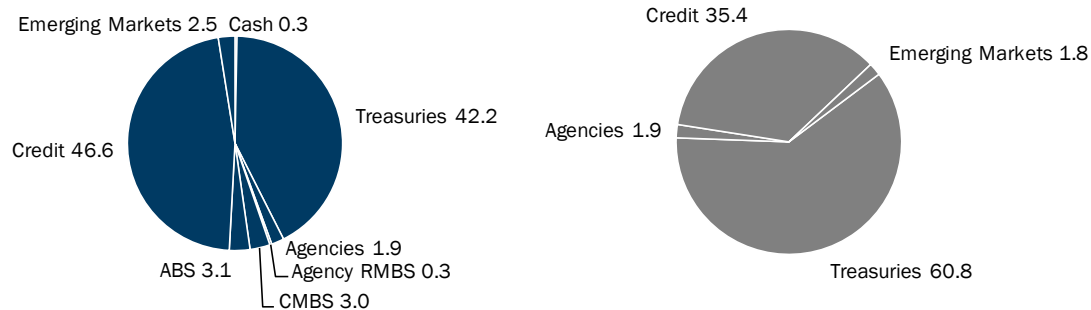
Intermediate seeks to outperform the benchmark by eliminating or reducing uncompensated risk from investments in fixed income intermediate securities. The strategy strives to achieve an information ratio of greater than 1.

**Representative Account Characteristics**

As of June 30, 2019

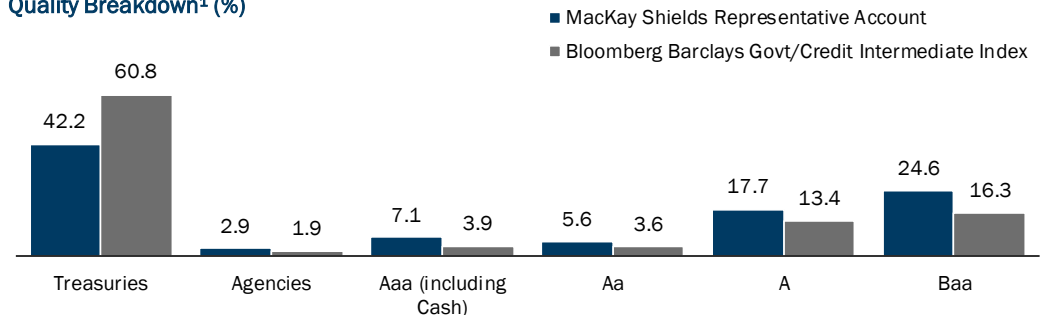
	<b>MacKay Shields Representative Account</b>	<b>Bloomberg Barclays Govt/Credit Intermediate Index</b>
Yield to Worst	2.3%	2.1%
Effective Duration	3.9 Years	3.9 Years
Average Quality	AA-/Aa3	AA/Aa2
Number of Holdings	180	4,883

**MacKay Shields Representative Account Sector Breakdown vs. Bloomberg Barclays Govt/Credit Intermediate Index (% Market Value)**



CMBS = Commercial Mortgage-Backed Securities; ABS = Asset-Backed Securities

**Quality Breakdown<sup>1</sup> (%)**



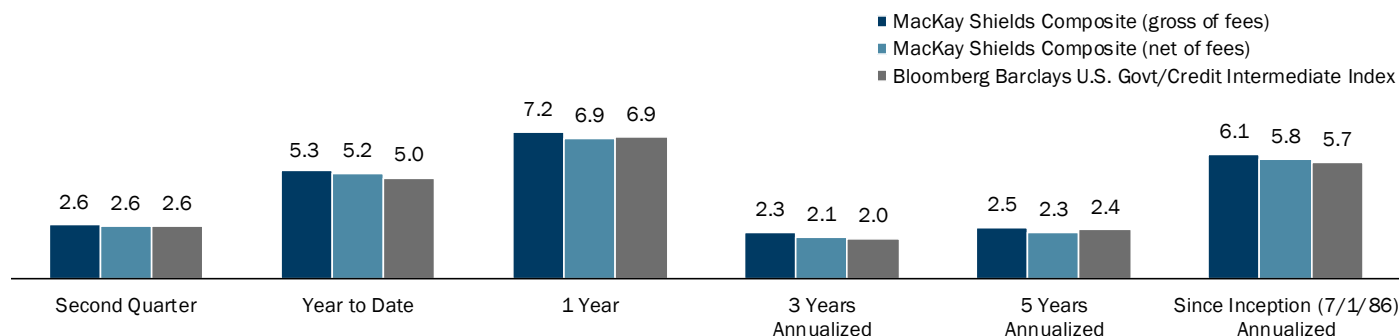
1. For rated securities, credit quality is assigned as the middle rating of Moody's, S&P and Fitch; when a rating from only two agencies is available, the lower is used; when only one agency rates a bond, that rating is used. The representative account utilized for this analysis was selected because it is the largest and oldest account in the composite that permits the use of US Treasury futures, which is a preferred tool for managing interest rate risk. Each client account is individually managed, actual holdings will vary for each client and there is no guarantee that a particular client's account will have the same characteristics. It may not precisely represent every portfolio in the composite. Portfolio holdings are subject to change without notice. Quality breakdown is based on the guidelines of the representative portfolio.

Provided as supplemental information to the GIPS-compliant presentation on the following page. It is not possible to invest directly into an index. See last page for additional disclosures, including disclosures related to comparisons to an index. This document is for informational purposes only.

1. As of June 30, 2019, MacKay Shields LLC and its subsidiaries have assets under management totaling \$122.8 Billion, which includes \$2 Billion of assets under management of Credit Value Partners, LLC.

### Composite Returns (%)

Period Ending June 30, 2019



### Composite Disclosures

Calendar Years	MacKay Shields Composite (gross of fees) (%)	MacKay Shields Composite (net of fees) (%)	Bloomberg Barclays Govt/Credit Intermediate Index (%)	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)	No. of Accts.	Composite Assets (\$Mil)	Firm Assets (\$Mil)	Internal Dispersion
2019 (Thru 6/30)	5.3	5.2	5.0	2.1	2.2	20	2,128	120,821	N/A
2018	0.6	0.4	0.9	2.0	2.1	20	1,955	107,467	0.1
2017	2.7	2.4	2.1	2.0	2.1	21	1,734	98,098	0.4
2016	2.3	2.1	2.1	2.1	2.2	22	1,406	94,540	0.5
2015	1.1	0.9	1.1	2.0	2.1	19	1,268	89,196	0.4
2014	3.4	3.1	3.1	2.1	1.9	19	1,143	91,626	0.3
2013	0.0	-0.3	-0.9	2.2	2.1	22	1,051	80,331	0.4
2012	6.2	6.0	3.9	2.4	2.2	15	730	78,371	0.8
2011	5.8	5.5	5.8	2.8	2.6	15	635	58,115	0.4
2010	8.1	7.8	5.9	3.9	3.9	18	704	54,319	1.0
2009	7.7	7.5	5.2	3.7	3.8	19	737	43,197	2.4

The Fixed Income Intermediate Composite includes all discretionary fixed income intermediate accounts managed with similar objectives for a full month, including those accounts no longer with the firm. This strategy invests a substantial portion of its assets in all types of debt securities, such as: debt or debt-related securities issued or guaranteed by the U.S. or foreign governments, their agencies or instrumentalities; obligations of international or supranational entities; debt securities issued by U.S. or foreign corporate entities; zero coupon bonds; municipal bonds; and mortgage-related and other asset-backed securities. A majority of the strategy's total assets will be invested in debt securities that are investment grade or, if unrated, that we determine to be of comparable quality. The effective maturity of the strategy's investments will generally be in intermediate maturities (three to ten years), although it may vary depending on market conditions, as we may determine. The strategy may also include derivatives, such as futures, to try to manage interest rate risk or reduce the risk of loss of (that is, hedge) certain of its holdings. Gross-of-fees composite performance reflects reinvestment of income and dividends and is a market-weighted average of the time-weighted return, before advisory fees and related expenses, of each account for the period since inception. Net-of-fees composite performance is derived by reducing the monthly gross-of-fees composite returns by 0.0208%, our highest monthly fee. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Performance is expressed in US Dollars. The composite creation and inception date is 7/1/86. All portfolios in the composite are fee-paying portfolios. There can be no assurance that the rate of return for any account within a composite will be the same as that of the composite presented. **Past performance is not indicative of future results.**

MacKay Shields LLC, an SEC-registered investment adviser, claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. The firm has been independently verified from January 1, 1988 through March 31, 2019. The verification report is available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. A complete list of composite descriptions is available upon request. Indices do not incur management fees, transaction costs or other operating expenses. Investments cannot be made directly into an index. The Bloomberg Barclays U.S. Govt/Credit Intermediate Index is referred to for comparative purposes only and is not intended to parallel the risk or investment style of the portfolio in the MacKay Shields Composite. Internal dispersion is calculated using the equal-weighted standard deviation of annual gross returns of those portfolios that were included in the composite for the entire year. The three-year annualized standard deviation measures the variability of the composite and the index returns over the preceding 36-month period.

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## Disclosures

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Availability of this document and products and services provided by MacKay Shields may be limited by applicable laws and regulations in certain jurisdictions and this document is provided only for persons to whom this document and the products and services of MacKay Shields may otherwise lawfully be issued or made available. None of the products and services provided by MacKay Shields are offered to any person in any jurisdiction where such offering would be contrary to local law or regulation. This document is provided for information purposes only. It does not constitute investment advice and should not be construed as an offer to buy securities. The contents of this document have not been reviewed by any regulatory authority in any jurisdiction.

### Comparisons to an Index

Comparisons to a financial index are provided for illustrative purposes only. Comparisons to the index are subject to limitations because portfolio holdings, volatility and other portfolio characteristics may differ materially from the index. There is no guarantee that any of the securities in the index are contained in any portfolio. The performance of the index assumes reinvestment of dividends but does not reflect the impact of fees, applicable taxes or trading costs which, unlike the index, may reduce the returns of a managed portfolio. Investors cannot invest in an index. Because of these differences, the performance of the index should not be relied upon as an accurate measure of comparison.

### Index Descriptions

#### *Bloomberg Barclays U.S. Govt/Credit Intermediate Index*

The US Government/Credit index includes treasuries, agencies, publicly issued U.S. corporate and foreign debentures and secured notes that meet specified maturity, liquidity, and quality requirements. The intermediate component of the U.S. Government/Credit index must have a maturity from 1 up to (but not including) 10 years.

### Note to European Investors

This document is intended for the use of professional and qualifying investors (as defined in the Alternative Investment Fund Manager's Directive) only. This document has been issued by MacKay Shields UK LLP, 200 Aldersgate Street, 13th Floor, London EC1A 4HD, which is authorised and regulated by the UK Financial Conduct Authority (FRN594166).

#### Fund Performance <sup>1</sup>

Fund Inception	April 01, 2018
Market Value as of Last Month	\$273.24 m
Market Value as of 30-Jun-2019	\$278.84 m
Month to Date	2.05%
Quarter to Date	1.58%
Year to Date	7.59%

#### Fund Strategy Allocation

Strategy	Allocation	Market Value
Long/Short Equity	6.11%	\$17,048,030.76
Activist	6.48%	\$18,075,618.74
Credit & Special Situations	13.54%	\$37,760,118.44
Event Driven & Multi-Strategy	17.64%	\$49,178,081.67
Opportunistic Co-Investment	55.18%	\$153,852,988.42
Cash and Other	1.05%	\$2,925,027.67
<b>Total</b>	<b>100.00%</b>	<b>\$278,839,865.70</b>

#### Fund Historical Performance <sup>1</sup>

Since Inception (Annualized)	1.93%
Since Inception (Cumulative)	2.42%
Annualized Volatility	7.06%
% Positive Months	73.33%
% Negative Months	26.67%
Sharpe Ratio	-0.01

#### Fund Strategy Contribution <sup>2</sup>

Strategy	MTD	QTD	YTD
Long/Short Equity	0.17%	0.24%	0.63%
Activist	0.41%	0.26%	1.48%
Credit & Special Situations	0.09%	0.20%	0.89%
Event Driven & Multi-Strategy	0.11%	0.13%	0.85%
Opportunistic Co-Investment	1.35%	0.92%	4.13%

#### Opportunistic Strategy Performance

	ITD IRR
Realized <sup>2</sup>	22.91%
Total <sup>2</sup>	7.68%

<sup>1</sup> Performance is shown net of all fees and expenses.

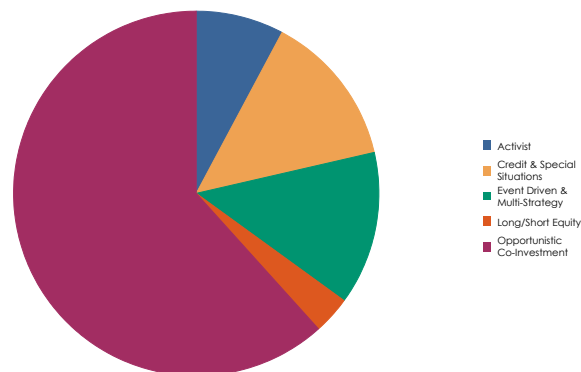
<sup>2</sup> Performance is shown net of underlying manager fees and expenses, but gross of fees and expenses at the EnTrust Global level.

Inception to date, (ITD) IRR does not include any opportunistic co-investments made prior to the inception of the Fund. Total ITD IRR includes unrealized and realized opportunistic co-investments.

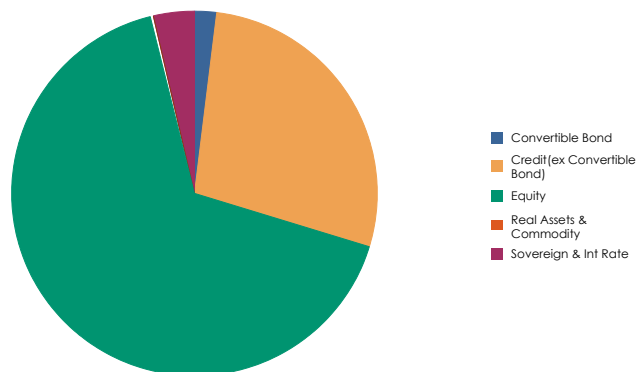
An IRR – also referred to as a Dollar-Weighted Return – is the calculation methodology employed for the Opportunistic Co-investment strategy, as it accounts for the timing of cash flows. By accounting for cash flows, performance will have a greater impact to IRR when more capital is invested, and conversely, make a smaller impact when less capital is invested. As a result, IRRs represent the generally accepted calculation methodology for application to strategies where capital is allocated to the strategy over time, and conversely, distributions are made from the strategy over time. Unlike an IRR, more traditional time-weighted performance fails to account for actual dollars invested at any given point in time and instead assigns an equal weight to each return over the same period. Cash flows for the foregoing purpose include capital that is allocated and/or distributed to and from the Opportunistic Co-investment strategy from other strategies in the Fund.



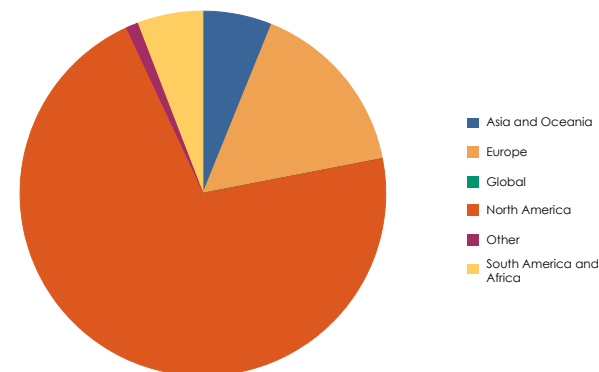
#### Exposure by Strategy



#### Exposure by Asset Class



#### Exposure by Geography



Strategy	Long	Short	Net
Long/Short Equity	6.51%	-3.91%	2.60%
Activist	6.74%	-0.65%	6.09%
Credit & Special Situations	15.01%	-4.22%	10.80%
Event Driven & Multi-Strategy	19.52%	-8.66%	10.85%
Opportunistic Co-Investment	50.09%	-1.48%	48.61%
<b>Total Portfolio</b>	<b>97.87%</b>	<b>-18.93%</b>	<b>78.94%</b>

Asset Class	Long	Short	Net
Convertible Bond	1.53%	-0.02%	1.51%
Credit (ex Convertible Bond)	26.29%	-4.28%	22.01%
Equity	64.58%	-12.11%	52.46%
Real Assets & Commodity	0.04%	0.00%	0.04%
Sovereign & Int Rate	5.44%	-2.51%	2.93%
<b>Total Portfolio</b>	<b>97.87%</b>	<b>-18.93%</b>	<b>78.94%</b>

Region	Long	Short	Net
Asia and Oceania	8.87%	-4.11%	4.75%
Europe	14.28%	-1.77%	12.52%
Global	0.08%	-0.13%	-0.06%
North America	69.11%	-12.79%	56.32%
Other	0.83%	0.00%	0.82%
South America and Africa	4.71%	-0.12%	4.59%
<b>Total Portfolio</b>	<b>97.87%</b>	<b>-18.93%</b>	<b>78.94%</b>

Exposure categorizations are based on the subjective determination of underlying Investment Partners and/or EnTrust Global, and may be subject to change.

PAST PERFORMANCE IS NOT A GUIDE FOR FUTURE RESULTS. The returns are estimated and subject to change. For additional information specific to the portfolio, please see the Important Information section for details. All returns are shown as time-weighted returns unless otherwise indicated.

Global risk assets advanced in June as both broad equity and fixed income markets recorded gains following a difficult May. Despite weakening economic data, risk markets rose on accommodative central bank rhetoric, which eased tensions between the U.S. and China while prompting a recovery in oil prices.

U.S. equity markets appreciated in June, negating losses experienced in May. The materials and energy sectors performed particularly well, benefiting from progress in connection with trade discussions between the U.S. and China. To that end, during the month, President Trump stated that the U.S. will hold off on new tariffs on China "at least for the time being," following China's agreement to buy more agricultural products from the U.S. Negotiations will continue between the two economic superpowers, but the tentative ceasefire has helped to alleviate market worries. Elsewhere, equities in the United Kingdom also advanced, albeit to a lesser extent, as it appears increasingly more likely that Boris Johnson will succeed Theresa May as the next Prime Minister. Lastly, Brazilian equities also appreciated as progress surrounding the country's pension reform continues to develop.

Both investment grade and high yield fixed income assets rallied in June amid dovish central bank sentiment and falling U.S. Treasury rates. The 10-Year U.S. Treasury yield dropped by 12bps during the month, settling at 2.0%. Additionally, markets have begun to price in a number of rate cuts by the U.S. Federal Reserve. During the month, when faced with decreasing consumer confidence, a slowdown in hiring and weakening manufacturing data, Chairman of the Federal Reserve Jerome Powell stated that "an ounce of prevention is worth a pound of cure." Furthermore, Mario Draghi, the President of the European Central Bank, stated that monetary policy would be loosened if economic data does not improve.

The Bloomberg Commodity Index posted a gain in June. Crude oil prices rose from \$54 to \$58 per barrel as OPEC stated its intention to extend supply cuts until March 2020. Elsewhere in commodities, gold advanced 8% as the USD index posted its first monthly loss since January 2019.

# Corbin Opportunity Fund, Ltd.

## Global Credit

Corbin Opportunity Fund, Ltd. (the "Fund") seeks to achieve a substantial return on capital through opportunistic investments primarily in a broad range of public and private credit instruments, with an expected emphasis on corporate credit securities, asset-backed securities, mortgage-backed securities, commercial real estate, structured credit and collateralized loan obligations, though at times the Fund may have exposure to other assets, instruments and markets.

*Corbin Opportunity Fund, L.P., the master fund into which the Fund invests substantially all of its assets, has operated since December 1, 2008. Performance information for the master fund is available upon request.*

Returns (%)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2019	1.22	1.15	0.49	0.71	0.79	0.02 est							4.45
2018	0.69	0.60	1.15	0.62	0.42	0.92	0.58	0.26	0.77	0.67	(0.86)	(2.24)	3.59
2017	1.24	0.49	(0.16)	0.05	0.45	0.37	0.48	0.45	(0.03)	(0.06)	0.71	1.33	5.43
2016	(1.37)	(1.71)	2.94	2.24	0.99	0.10	2.43	1.31	0.93	0.84	(0.07)	1.27	10.24
2015	1.00	1.53	0.08	1.14	0.78	0.45	0.13	(0.14)	(1.31)	0.21	(0.07)	(3.30)	0.41
2014	1.37	1.17	1.40	1.53	1.64	1.33	0.23	0.80	0.30	0.05	0.87	0.04	11.25
2013			0.50	1.11	0.68	(0.32)	0.48	0.51	1.69	1.26	0.90	0.65	7.70

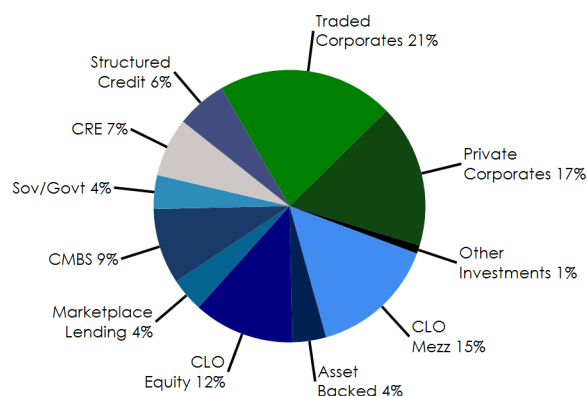
## Performance Statistics

As of June 2019	Corbin Opportunity Fund, Ltd.	HFRI ED: Distressed / Restructuring Index	ICE BofAML US High Yield Index
Current Month Return (%)	0.02	0.42	2.45
Year-To-Date Return (%)	4.45	4.53	10.16
2018 Return (%)	3.59	-1.70	-2.26
Annualized Return Since Inception (%)	6.76	3.76	5.48
Standard Deviation (%)	3.27	4.91	5.34
Sharpe Ratio	1.73	0.60	0.86
Beta to S&P 500	0.11	0.27	0.33

## Attribution As of June 2019

Asset Type	Monthly Contribution (%)	YTD Contribution (%)	2018 Contribution (%)
Corporates	0.33	1.62	2.42
CLO	-0.29	1.73	-0.52
Structured Credit	0.07	0.45	0.43
Asset Backed	0.04	0.28	0.42
Sov/Govt	0.23	1.07	0.44
CRE	0.04	0.02	-0.15
Hedges	-0.33	-0.81	0.18
Other Investments	-0.01	0.00	-0.11
CMBS	-0.06	0.09	0.48

## Asset Types



As of 6/30/2019, the market value of the Fund's hedge investments represented 0% of the Fund's net asset value (excluding month end investor activity). As of 6/30/2019, the market value of the Fund's total investments (including the hedges) represented 107% of the Fund's net asset value (excluding month end investor activity).

## Summary of Terms

<b>Fund AUM:</b>	\$604mm (estimated as of 06/30/2019)
<b>Fund Domicile:</b>	Cayman Islands
<b>Subscriptions:</b>	Monthly
<b>Minimum Subscription:</b>	\$5 Million initial; \$1 million subsequent; subject to waiver
<b>Redemptions:</b>	Quarterly with 70 days' prior written notice
<b>Investor Level Gate:</b>	25% Quarterly
<b>Management Fee:</b>	0.65%
<b>Incentive Allocation:</b>	12.50% per annum of allocable net profits subject to 7.50% hurdle. Incentive Allocation is charged on all net profits once the 7.50% hurdle is reached
<b>Auditors:</b>	PricewaterhouseCoopers LLP
<b>Legal Counsel:</b>	Willkie Farr & Gallagher LLP (US), Ogier (Cayman)
<b>Administrator:</b>	International Fund Services (N.A.), LLC
<b>Prime Broker:</b>	Not Applicable
<b>Custodian:</b>	State Street



## End Notes and Risk Disclosures

Monthly and YTD net contribution figures shown above are as of June 30, 2019 and are estimated and unaudited. Figures as presented may include slight rounding error. Contribution figures are presented net of all fees and expenses. If you are currently an investor, please refer to your capital balance statement for the total net contribution for your investment. The monthly return figures are calculated by subtracting the current month's beginning net asset value ("NAV") from the current month's ending NAV and then dividing the remainder by the current month's beginning NAV. The annual return for each year is calculated by compounding the monthly return figures for such year. AUM presented on page 1 is shown gross of redemptions that are effective as of the date for which AUM are reported.

The performance figures set forth herein for Corbin Opportunity Fund, Ltd. (the "Fund") are net of a 1% per annum management fee and a 10% per annum performance fee (subject to a 5% hurdle) from December 1, 2013 to October 31, 2017. Beginning on November 1, 2017, the performance figures are net of a 0.65% per annum management fee and a 12.50% per annum performance fee (subject to a 7.50% hurdle). Incentive allocations are charged on all net profits once the hurdle is reached. Performance is presented net of expenses and includes new issue income, the reinvestment of dividends, gains and other earnings. Figures as presented may include slight rounding errors. All figures above which take into account the current month's performance information are estimated and monthly figures are not audited. Each investor's rate of return may vary from this performance due to the timing of capital transactions as well as their new issues status. **PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.**

**Beta:** the slope of an investment's returns regressed on a particular factor's returns. Beta is also known as the sensitivity or risk exposure to a given factor. Under the CAPM framework, the factor is the "market" typically proxied by the S&P 500. For example, if a long/short manager has a beta of 0.2 and if the market is up +1%, then we would expect the long/short manager to be up +0.2% on average.

**Sharpe Ratio:** a return/risk measure. Return (the numerator) is defined as the incremental average return of an investment over the risk free rate. Risk (the denominator) is defined as the standard deviation of the investment returns. The value for the risk free rate for the calculations is that of the 3-month U.S. Treasury Bill. Values in the Performance Summary are presented in annualized terms; annualized Sharpe Ratios are calculated by multiplying the monthly Sharpe Ratio by the square root of twelve.

**RMBS (Residential Mortgage-Backed Securities):** means securities created when a group of mortgages are gathered together and bonds are sold to other institutions or the public.

**Corporates:** means securities, principally debt, issued by a corporation.

**ABS (Asset Backed Securities):** means bonds or notes backed by loan paper or accounts receivables originated by banks, credit card companies or other providers of credit.

**CRE (Commercial Real Estate):** means principally loans secured by real estate for which the cash flow from the property is the primary source of repayment.

**Hedge:** this classification includes the Fund's portfolio-level hedging activities plus any hedging-related investments with underlying managers.

**Sovereign/Government:** this classification represents investments in sovereign-related entities and/or currencies.

**Structured Credit Investments:** this classification represents investments mainly comprised of tranches of portfolios of credit instruments and may also include, for example, collateralized debt obligations and/or collateralized loan obligations or other similar products which hold loans, bonds or securitized products.

**CLO (Collateralized Loan Obligation):** is a special purpose vehicle with securitization payments in the form of different tranches.

The performance of all comparative indices referenced herein includes reinvested dividends or income. All comparative indices referenced herein are passive, and do not reflect any fees or expenses unless stated otherwise. Investors cannot invest in the comparative indices directly. The **HFRI Monthly Indices ("HFRI")** are provided by Hedge Fund Research, Inc. ("HFR"). HFRI Indices are equally weighted performance indexes, utilized by numerous hedge fund managers as a benchmark for their own hedge funds. Due to mutual agreements with the hedge fund managers listed in the HFR Database, HFR is not at liberty to disclose the particular funds behind any index to non-database subscribers. All funds report net of fee returns on a monthly basis. Funds included in the HFRI Monthly Indices must have at least \$50 million under management or have been actively traded for twelve months. The **HFRI ED: Distressed/Restructuring Index** employs an investment process focused on corporate fixed income instruments, primarily on corporate credit instruments of companies trading at significant discounts to their value at issuance or obliged (par value) at maturity as a result of either formal bankruptcy proceeding or financial market perception of near term proceedings. The **Merrill Lynch High Yield Master II Index** is a commonly used benchmark index for high yield corporate bonds. It is administered by Merrill Lynch and is a measure of the broad high yield market, unlike the Merrill Lynch BB/B Index, which excludes lower-rated securities. This Index does not reflect any fees or expenses.

An investment in the Fund is speculative and involves a high degree of risk. There can be no assurance that the Fund's investment objective will be achieved, and investment results may vary substantially from year to year. The Fund may be leveraged and its performance may be volatile. An investor could lose all or substantially all of his or her investment. Corbin Capital Partners, L.P. has total trading authority over the Fund. The use of a single advisor could result in lack of diversification and consequently, higher risk. There is no secondary market for an investor's interests in the Fund and none is expected to develop. There are restrictions on transferring interests in the Fund. The Fund's fees and expenses may offset the Fund's trading profits. Prospective investors should review the risks described in the Fund's Confidential Memorandum.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, any interest in any investment vehicle and should not be relied on as such. Nor does this document disclose the risks and terms of an investment in any investment vehicle managed by Corbin Capital Partners, L.P. or any of its affiliates. Solicitations can be made only with a Confidential Memorandum and only to qualified persons. Neither Corbin Capital Partners, L.P. nor any of its affiliates accepts any responsibility or liability arising from this document. No representation or warranty, express or implied, is being given or made that the information presented herein is accurate, current or complete, and such information is at all times subject to change without notice. By accepting this document, you acknowledge and agree that all of the information contained in this document shall be kept strictly confidential by you.

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No information or communication provided herein or otherwise is intended to be, or should be construed as, a recommendation within the meaning of the U.S. Department of Labor's final regulation defining "investment advice." Further, it is not intended for any such information or communication to be, and should not be construed as, providing impartial investment advice.



# Fund Performance Summary



As of July 1, 2019

## GDF - Global Diversified Fund, Ltd. (the "Fund")

### Fund Details

Fund Assets (USD millions)	146
Inception Date	August 1, 2013
Currency	USD
Number of Investment Managers	28
Number of Portfolio Funds	28
Style Mandate	Broad Mandate Multi-Strategy Portfolios
Portfolio Type	U.S. ERISA

### Performance (in percent)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2019	2.24	0.33	0.18	0.48	-0.71	1.08							3.62
2018	1.82	-0.56	-0.11	0.43	1.42	0.18	0.50	0.40	0.19	-2.30	-0.73	-2.12	-0.95
2017	0.94	0.62	-0.06	0.13	0.32	-0.12	0.41	-0.02	1.38	0.81	0.98	1.07	6.66
2016	-2.91	-1.64	0.46	1.23	1.08	-0.38	0.88	1.56	0.51	0.27	1.09	1.56	3.68
2015	-0.33	1.60	0.53	0.23	0.86	-0.70	0.35	-1.61	-1.96	0.55	-0.31	-0.69	-1.52
2014	0.03	1.42	-0.24	-0.75	1.12	0.71	-0.60	1.25	-0.74	-0.75	0.84	-0.11	2.18
2013								-0.19	1.63	1.33	1.55	1.42	5.87

### TOP 10 Portfolio Fund Allocations

Portfolio Fund	Allocation %	Contrib to MTD ROR %	MTD ROR %	QTD ROR %	YTD ROR %
GCM Fund 17674	9.16	0.05	0.60	2.23	4.21
Macro HF 12969	6.98	0.17	2.49	0.62	5.81
RV HF 84	6.52	0.04	0.74	6.41	13.07
GCM Fund 16729	6.21	0.02	0.25	0.56	1.98
Quant HF 17466	5.98	-0.10	-1.55	-1.53	-0.36
Credit HF 17239	4.80	0.02	0.40	1.51	2.73
MultiStrat HF 13009	4.46	0.07	1.50	-2.41	0.80
Equities HF 18591	4.02	0.20	5.31	6.71	17.02
GCM Fund 16443	3.92	0.06	1.52	2.34	7.45
Equities HF 19300	3.86	0.00	0.00	0.00	0.00
<b>TOP 10 Portfolio Funds % of NAV:</b>	<b>55.90</b>	<b>0.53</b>	<b>1.00</b>	<b>1.67</b>	<b>5.16</b>
<b>TOP 20 Portfolio Funds % of NAV:</b>	<b>83.00</b>	<b>1.07</b>	<b>1.38</b>	<b>1.62</b>	<b>5.88</b>

### TOP 10 Investment Manager Allocations

Investment Manager	Allocation %
GCM Fund 17674	9.16
Inv Manager 4929	6.98
Inv Manager 52	6.52
GCM Fund 16729	6.21
Inv Manager 3651	5.98
Inv Manager 3837	4.80
Inv Manager 3491	4.46
Inv Manager 7079	4.02
GCM Fund 16443	3.92
Inv Manager 7426	3.86
<b>TOP 10 Investment Managers % of NAV:</b>	<b>55.90</b>
<b>TOP 20 Investment Managers % of NAV:</b>	<b>83.00</b>

- Includes sub-funds managed by Grosvenor

### Contributors to ROR for 06/2019

Positive Contributors (in percent)				
Portfolio Fund	MTD	QTD	YTD	
Equities HF 18591	0.20	0.26	0.61	
Equities HF 18825	0.19	0.22	0.27	
Equities HF 17109	0.18	0.09	0.62	
Macro HF 12969	0.17	0.04	0.40	
Equities HF 13465	0.12	0.13	0.23	
Negative Contributors (in percent)				
Portfolio Fund	MTD	QTD	YTD	
RV HF 17083	-0.18	-0.33	-0.83	
Quant HF 17466	-0.10	-0.09	-0.02	
Credit HF 18178	-0.08	-0.09	-0.17	
Credit HF 15144	-0.05	-0.03	0.03	
Equities HF 15142	-0.05	-0.15	0.19	

### Risk Return Statistics

	Fund	S&P 500 Index	MSCI Gross Index	TBIL Index
<b>Annualized ROR (in percent)</b>				
1-Year	-0.54	10.42	6.94	2.30
3-Year	5.09	14.19	12.39	1.36
5-Year	2.23	10.71	7.20	0.84
Since Inception (08/2013)	3.26	12.16	9.13	0.72
<b>Standard Deviation (in percent)</b>				
1-Year	4.21	18.18	16.74	0.05
3-Year	3.20	12.02	11.15	0.22
5-Year	3.59	11.93	11.61	0.25
Since Inception (08/2013)	3.55	11.54	11.30	0.24
<b>Beta to S&amp;P 500</b>				
1-Year	0.21	1.00	0.91	0.00
3-Year	0.22	1.00	0.90	0.00
5-Year	0.23	1.00	0.94	0.00
Since Inception (08/2013)	0.23	1.00	0.95	0.00
<b>Correlation to S&amp;P 500</b>				
1-Year	0.92	1.00	0.99	-0.07
3-Year	0.81	1.00	0.97	-0.08
5-Year	0.75	1.00	0.97	0.03
Since Inception (08/2013)	0.75	1.00	0.97	0.00
<b>Beta to MSCI World</b>				
1-Year	0.24	1.08	1.00	0.00
3-Year	0.23	1.05	1.00	0.00
5-Year	0.24	1.00	1.00	0.00
Since Inception (08/2013)	0.24	0.99	1.00	0.00
<b>Correlation to MSCI World</b>				
1-Year	0.94	0.99	1.00	-0.01
3-Year	0.81	0.97	1.00	-0.12
5-Year	0.78	0.97	1.00	0.05
Since Inception (08/2013)	0.78	0.97	1.00	0.00

## Notes & Disclosures

This report is being provided by Grosvenor Capital Management, L.P. and/or GCM Customized Fund Investment Group, L.P. (together with their affiliates, "GCM Grosvenor"). GCM Grosvenor and its predecessors have been managing investment portfolios since 1971. While GCM Grosvenor's business units share certain operational infrastructure, each has its own investment team and investment

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1 of 3

## GDF - Global Diversified Fund, Ltd. (the "Fund")

process, and is under no obligation to share with any other business unit any investment opportunities it identifies.

The information contained in this report ("GCM Information") relates to GCM Grosvenor, to one or more investment vehicles/accounts managed or advised by GCM Grosvenor (the "GCM funds") and/or to one or more investment vehicles/accounts ("Underlying Funds") managed or advised by third-party investment management firms ("Investment Managers").

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As of July 1, 2019

## GDF - Global Diversified Fund, Ltd. (the "Fund")

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- construed by a recipient as a recommendation to invest in any GCM Fund or any Portfolio Fund (together, "Investment Products"); or
- relied on by the recipient: (1) as a prediction or projection of future performance of any Investment Product; or (2) as indicating GCM's overall experience with any particular investment management firm or any Portfolio Fund in which a GCM Fund has invested.

**If this report contains hypothetical performance results, forward looking estimates, target returns and/or risk parameters, please review the following disclosures:** You have requested that GCM provide you with the historical simulations of the proposed portfolio presented herein. Although the historical simulations provided herein are derived from historical data relating to Underlying Funds in an actual or proposed portfolio, it does not represent the performance of a GCM fund. In certain cases, the returns and statistics contained in this report relating to one or more Underlying Funds may be based in part on the returns and statistics generated by another fund or funds managed by the same investment manager pursuant to investment objectives and portfolio construction policies that are the same as or substantially similar to those of the subject Underlying Fund(s). Despite their similarities, however, the performance of the subject Underlying Fund(s) and such other fund or funds may differ as a result of various factors.

Forward looking estimates ("FLEs") are based solely upon GCM Grosvenor's view of the potential returns and risk parameters for the portfolio funds that comprise the proposed portfolio. FLEs and historical simulation returns and related statistics are net of the fees and expenses of the Underlying Funds, but are before fees and expenses at the GCM Grosvenor portfolio level. There are inherent biases (including survivorship and expectation bias) in the methodology used to calculate both the FLE "Annualized ROR" and historically simulated "Annualized ROR" statistics presented above; as such, the statistics presented above could be overstated.

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- not meant to forecast, predict or project the returns or risk parameters for any GCM fund or any strategy pursued by any GCM fund; and
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Certain of the assumptions have been made for modeling purposes and are unlikely to be realized. No representation or warranty is made as to the reasonableness of the assumptions made or that all assumptions made have been stated or fully considered. Changes in the assumptions may have a material impact on the target returns and risk parameters presented. Target returns may be shown before fees, transactions costs and taxes and do not account for the effects of inflation. Management fees, transaction costs, and potential expenses may not be considered and would reduce returns and affect parameters. Actual results experienced by clients may vary significantly from the target returns and risk parameters shown. **Target Returns And Risk Parameters May Not Materialize.**

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## Separate Account J (J for Jobs)

ULLICO INVESTMENT  
COMPANY, LLC  
MEMBER FINRA/SIPC

2<sup>ND</sup> QUARTER

2019

FOR INVESTORS ELIGIBLE UNDER THE SECURITIES ACT OF 1933 SECTION 3(A)(2)







## Portfolio Overview

Inception Date	Net Asset Value	Participating Plans	Number of Holdings	Average Maturity	Duration
1977	\$3.3B	163	99	3.4 yrs.	2.2

*Our ability to serve America's workers responsibly is what matters with the Ullico Family of Companies. This was true at the founding of The Union Labor Life Insurance Company ("Union Labor Life") in 1927 and remains true today for all subsidiaries and business lines. Our investment philosophy is to develop and deliver innovative and sound products and services that meet the needs of American workers, their employers and their affiliated benefit funds.*

### Product Description

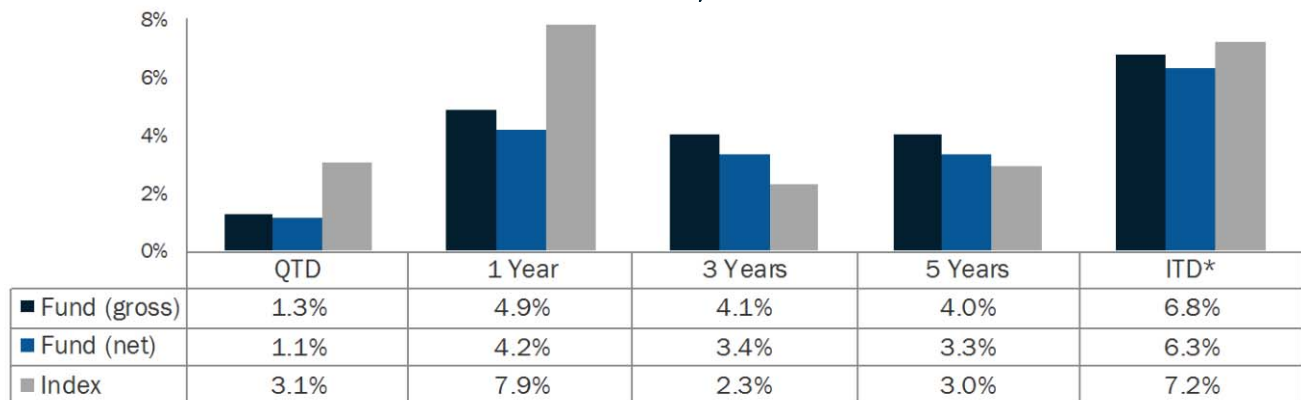
Separate Account J ("the Fund") is a pooled separate account offered through a group annuity contract issued by Union Labor Life. The Fund is invested in high quality construction and permanent first mortgages in commercial real estate projects. All loans are secured by properties geographically diversified throughout the United States. All construction must be performed by union contractors. Separate Account J is designed to provide tax-exempt pension plans a specialized fixed income investment alternative that seeks to enhance performance returns, reduce portfolio volatility and stimulate the unionized construction industry.

### Investment Objective

Separate Account J's objective is to outperform the Bloomberg Barclays U.S. Aggregate Index ("Index") net of fees over a full market cycle. The Fund capitalizes on the income component of private commercial first mortgages as well as mortgage fees paid to the Fund by the borrower. There is no guarantee that the Fund will achieve its investment objective. Additional disclosures, which are an integral part of this document, are included.

Note: Separate Account J is offered through a group annuity contract issued by The Union Labor Life Insurance Company, and sold through Ullico Investment Company, LLC (Member FINRA/SIPC), both subsidiaries of Ullico Inc. The Fund will only be offered to qualified institutional and accredited investors. Investments in commercial mortgage loans secured by illiquid real estate are subject to additional risks including the potential inability of an investor to redeem units. The investment return and principal value of the Fund will fluctuate so that an investor's units, when redeemed, may be worth more or less than original cost. In addition, fluctuations in interest rates and market volatility may limit available financing for real estate investments held by the Fund, thereby adversely affecting the value of the underlying investments, the investment return and the liquidity of the investments. Furthermore, the loan values determined could vary significantly from the prices at which the investments would sell because market prices can only be determined by negotiation between a willing buyer and seller. The ability of borrowers to repay loans issued by the Fund will typically depend upon the successful construction or operation of the related real estate project and the availability of financing. The repayment of loans issued for the construction of multifamily housing (i.e condominium loans) will generally depend on the borrower's ability to sell the underlying housing units. There is no guarantee that Union Labor Life will attain its investment objectives. Potential investors in the Fund should carefully read the Fund Disclosure Memorandum for a description of the potential risks associated with investment in the Fund.

### Annualized Performance As of June 30, 2019



\*Inception date is November 1, 1977. | Performance results for periods greater than one year are annualized. Past performance is not indicative of future results. Current performance may be lower or higher than the performance data quoted.

## Portfolio Commentary

Separate Account J (“the Fund”) returned +1.28% gross of fees and +1.11% net of fees during the second quarter of 2019. The Bloomberg Barclays U.S. Aggregate Index (“Index”), the Fund’s benchmark, returned +3.08% for the second quarter.

Income earned by Separate Account J investments, both through interest payments and fees paid by borrowers, continues to exceed the benchmark income. For the second quarter, the Fund earned income of 1.24% as compared to the 0.78% income earned by the Index. We anticipate that Fund income will continue to grow over the next several quarters as we fund new investments. Furthermore, cash held in the portfolio pending funding of privately placed mortgages has been invested in publicly traded agency and commercial mortgage backed securities. The investment goal for this fixed income allocation is to enhance the Fund’s income.

During the second quarter, lending activity to fund new investments produced over \$188 million in transactions that either closed or have been approved. These transactions have loan rates ranging from 4.5% to 5.5%. Issuing new loans not only enhances returns by generating underwriting fees, which historically have added additional annual income of 0.5% to 1.0%, but will also create capital for union contractors and jobs for union members.

The Fund continues to maintain a lower duration relative to the benchmark. As of June 30, the Fund had a duration of 2.2 versus 5.7 for the benchmark. By maintaining a lower duration than the benchmark while earning higher income, Separate Account J seeks to mitigate interest rate risk and complements many other fixed income investment strategies.

When issuing mortgage loans, Separate Account J always takes the senior first lien position in the financing structure. As a senior lender, there are remedies available in the event that a borrower experiences financial difficulties, and these remedies protect the Fund’s capital. Following the commercial real estate crisis in 2008, non-performing loans and real estate owned held in the Separate Account J portfolio reached a high of 11% in 2011 which declined to 1.9% as of June 30, 2019. The portfolio managers have worked to resolve non-performing loans and to dispose of real estate owned. Since 2013, the credit profile of Separate Account J has continued to improve and at June 30, 2019, 100% of the loan portfolio was invested in performing assets.

We believe Separate Account J is an attractive fixed income strategy that offers advantages in an investor’s overall portfolio allocation. We believe that Separate Account J will provide consistent fixed income returns and create job opportunities for union contractors and tradesmen as it has done throughout its 41 year history.

### Loan Portfolio Profile

Structure	Market Value	Stated Note Rate	Avg. Maturity
Permanent Loans	\$1,514.9	5.0%	4.7 yrs.
Construction Loans	\$945.3	5.5%	1.7 yrs.
Residential Loans	\$4.8	4.5%	3.2 yrs.
Land Loans	\$153.0	5.7%	0.8 yrs.
Real Estate Owned	\$62.6	n/a	n/a

### Geographic Diversification

Region	Market Value	% of Total
Mid-Atlantic	\$272.6	10.2%
Midwest	\$488.8	18.2%
Northeast	\$1,116.0	41.6%
Southeast	\$77.9	2.9%
West	\$725.3	27.1%

### Property Type

Property Type	Market Value	% of Total
Garage	\$13.4	0.5%
Hospitality	\$269.5	10.1%
Industrial	\$33.8	1.3%
Land	\$170.0	6.3%
M.F. Rental	\$748.7	27.9%
M.F. for Sale	\$130.2	4.9%
Mixed Use	\$258.0	9.6%
Office	\$927.2	34.6%
Residential	\$6.4	0.2%
Retail	\$115.0	4.3%
Self-Storage	\$8.2	0.3%

Loan Portfolio Profile, Geographic Diversification, and Property Type data is as of June 30, 2019. Market values are in millions. Percentages of totals are based on loan market values and exclude cash.

Performance results are not presented in compliance with the Global Investment Performance Standards.

#### FIRM DEFINITION

The Union Labor Life Insurance Company ("Union Labor Life") is an insurance company licensed to conduct business in all 50 states. Ullico Investment Company, LLC ("UIC") is registered as a broker-dealer in the United States with the Securities and Exchange Commission ("SEC"). UIC is a member of the Financial Industry Regulatory Authority ("FINRA") and of the Securities Investor Protection Corporation ("SIPC") (<http://www.finra.org/index.htm>, <http://www.sipc.org/>). UIC markets and sells group annuity contracts issued by Union Labor Life to qualified institutional investors.

#### SEPARATE ACCOUNT J

Separate Account J ("Fund") is an insurance company pooled separate account (a commingled investment account) available through the purchase of a group annuity contract issued by Union Labor Life. The Fund is a monthly valued, unitized account and is managed by the Real Estate Investment Group of Union Labor Life. The Fund has not been registered with the SEC under the Securities Act of 1933, as amended ("Securities Act"), any state securities commission or any other regulatory authority. The Fund is being offered and sold in reliance on the exemption from the securities registration requirements of the Securities Act set forth in Section 3(a)(2) thereof. The Fund will only be sold to US pension, retirement or profit-sharing plans that meet the qualifications of Section 401, 404(a)(2) or 414(d) of the United States Internal Revenue Code (IRC) or any corresponding provisions of prior or subsequent federal laws. Separate Account J has claimed an exclusion from the definition of the term "commodity pool operator" under the Commodity Exchange Act ("CEA") and, therefore, is not subject to registration or regulation as a pool operator under the CEA.

The Fund portfolio consists primarily of construction and permanent mortgage loans issued for US commercial properties. The Fund is benchmarked against the Bloomberg Barclays U.S. Aggregate Index ("Index"). The Index represents securities that are SEC-registered, taxable, and dollar denominated. The Index covers the US investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities and asset-backed securities. In contrast, the majority of Fund portfolio holdings are not publicly traded and the holdings, characteristics, and volatility of the Fund portfolio may differ significantly from the Index. Thus, there are significant differences between the securities comprising the Index and those included in the Fund. Investors should bear these differences in mind when comparing the performance of the Fund to the performance of the Index.

As of February 2013, cash held in the Fund

pending funding of privately placed mortgages has been invested in publicly traded agency and commercial mortgage backed securities ("Fixed Income Portfolio"). Effective December 15, 2018, Union Labor Life retained Ullico Investment Advisors, Inc. ("UIA"), an affiliate and a registered investment adviser with the SEC under the Investment Advisers Act of 1940, as amended, as a sub-adviser for the Fixed Income Portfolio. As of the same date, UIA has retained UIA Investment Management, LLC ("UIA-IM") to manage the Fixed Income Portfolio. UIA-IM is a UIA subsidiary and a Relying Adviser in reliance upon the SEC Staff's no-action letter to the American Bar Association dated January 18, 2012. From February 14, 2013 through December 14, 2018, the Fixed Income Portfolio was sub-advised by Amundi Pioneer Asset Management (formerly Amundi Smith Breeden).

#### CALCULATING RETURNS

The returns are actual returns of the Fund. The Fund is valued monthly as of the close of business on the last business day of each month. Monthly returns are calculated by comparing the closing value of the Fund at the end of a month with the closing value at the end of the previous month. Monthly returns are geometrically linked to produce partial, single or multi-year returns. Annualized rates of return are computed by linking the annual rates of return and then appropriately adjusting this cumulative total to reflect the number of years in the annualized calculation.

The returns include (1) realized and unrealized gains, (b) cash and cash equivalent returns, and (c) the reinvestment of dividends and other earnings. Gross returns are presented before investment management fees but after all other expenses. Net returns are presented after investment management fees and all other expenses. Net returns are calculated by subtracting the highest investment management fee on a monthly basis from the gross return.

Past performance is not indicative of future results. Results for individual investors and different time periods may vary. Other performance calculations will produce different results.

#### SEPARATE ACCOUNT J FEES AND EXPENSES

Effective April 1, 2013, the stated annual investment management fee payable by each Separate Account J investor with assets under management of less than \$90 million is 0.75%; and for investors with invested assets of \$90 million or greater, the annual investment management fee payable by each investor is 0.60% on all assets (both based on the Fund's monthly closing value). Prior to April 1, 2013, the annual investment management fee payable by Separate Account J investors was 0.75% on the first \$100 million invested and 0.60% on invested assets in excess of \$100 million (both based on the Fund's monthly closing

value). However, effective July 2010, Union Labor Life has temporarily discounted the annual investment management fee by 10% for investors with assets under management of less than \$90 million. Consequently, these investors pay an annual investment management fee of 0.675%. Union Labor Life also receives a Fund Servicing Fee. As of January 1, 2008, the annual Fund Servicing Fee is 10 basis points of the Fund's assets. Generally, Union Labor Life (or the borrowers) will bear the operating expenses of the Fund that are payable to third parties. However, unanticipated and/or extraordinary third party expenses incurred by the Fund (as determined by Union Labor Life) may be charged to the Fund. Unanticipated or extraordinary expenses include, but are not limited to, interest in the event the Fund's line of credit is drawn down, expenses relating to loan foreclosures and litigation expenses. In addition, third party cash management investment management fees will be paid by the Fund. Any expenses that are charged to the Fund will be reflected in the Fund's unit value.

Gross returns do not include investment management fees, which would reduce such returns. Gross returns do include the Fund Servicing Fee, which is deducted directly from the assets of the Fund. Management fees are deducted monthly in arrears from each individual investor's investment by redeeming investors' units in the Fund, which produces a compounding effect on the total rate of return net of investment management fees. Effective July 2010, the monthly fees are charged at a discounted rate of 1/12 of 0.675% on invested assets of less than \$90 million, and 0.60% on all invested assets of \$90 million or greater and are based on the closing value of the investor's account.

Union Labor Life reserves the right to charge more or less than these generally prevailing fees for investors investing a very small or very large amount in the Fund (subject to the maximum fee allowed by the General Plan of Operations). Union Labor Life may agree to aggregate the investments of affiliated Separate Account J investors for the purpose of applying the investment management fee schedule and the corresponding fee breakpoints.

#### FUND VALUATION

Consistent with industry practice, the valuation of mortgages held in the Fund portfolio is performed generally by determining the appropriate discount rate for each mortgage as of the valuation date and applying that rate to discount the future mortgage payments to present value. The mortgage values could vary significantly from the prices at which the investment would sell because market prices of real estate investment can only be determined by negotiation between a willing buyer and seller.

#### INVESTMENT RISKS

Investments in commercial mortgage loans secured by illiquid real estate are subject to additional risks including the potential inability of an investor to redeem units. The investment return and principal value of Separate Account J will fluctuate so that an investor's units, when redeemed, may be worth more or less than original cost. In addition, fluctuations in interest rates and market volatility may limit available financing for real estate investments held by Separate Account J, thereby adversely affecting the value of the underlying investments, the investment return and the liquidity of the investments. The ability of borrowers to repay loans issued by Separate Account J will typically depend upon the successful construction or operation of the related real estate project and the availability of financing. The repayment of loans issued for the construction of multifamily housing (i.e. condominium loans) will generally depend on the borrower's ability to sell the underlying housing units. Potential investors in Separate Account J should carefully read the Separate Account J Disclosure Memorandum for a description of the potential risks associated with investment in Separate Account J.

#### ADDITIONAL DISCLOSURES

Effective January 1, 2016, Union Labor Life has retained Segal Marco Advisors as a proxy voting agent for publicly traded equity securities, for which Segal Marco Advisors receives a fee from Union Labor Life. Union Labor Life markets products and services and manages assets for current and prospective clients who also retain Segal Marco Advisors as a service provider. The selection of Segal Marco Advisors was made based on a review of its qualifications without regard to Segal Marco Advisors' service to current and prospective clients and Union Labor Life will employ objective standards to monitor Segal Marco Advisors' ongoing performance as a proxy voting agent.

All assets and industry reports contained herein are unaudited. The summation of dollar values and percentages reported may not equal the total values due to rounding discrepancies. Unless otherwise noted, Union Labor Life is the source of all illustrations, charts, tables, graphs, performance data and characteristics. Estimates are preliminary and unaudited. All information is shown in US dollars.

Under no circumstances does the information contained within represent a recommendation to buy or sell securities. Investors should carefully consider the investment objectives, risks, charges, and expenses of the Fund before investing.

ALL MATERIALS PRESENTED ARE FOR INSTITUTIONAL CLIENTS ONLY AND ARE NOT INTENDED FOR DISTRIBUTION TO THE GENERAL PUBLIC.



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## BlackRock Global Allocation Collective Fund

### Strategy overview

The BlackRock Global Allocation Collective Fund (the “fund”) seeks to provide high total investment returns through a fully managed investment policy consisting of U.S. and non-U.S. equity securities, fixed income securities and money market securities. When selecting investments, BTC considers various factors, including opportunities for equity or debt investments to increase in value, expected dividends and interest rates. The fund generally seeks diversification across markets, industries, and issuers as one of its strategies to reduce volatility. The fund may invest in securities of companies of any market capitalization.

### Performance<sup>†</sup>

Total return % as of 06/30/2019 (return percentages are annualized for periods longer than 1 year)

	Quarter	1 Year	3 year	5 year	Since inception
Fund Return	3.27	4.99	7.60	4.37	5.62
Reference Benchmark <sup>†</sup> Return	3.87	7.08	7.88	5.14	6.45
Difference	<b>-0.60</b>	<b>-2.09</b>	<b>-0.28</b>	<b>-0.77</b>	<b>-0.83</b>

#### Performance disclosure<sup>‡</sup>

The fund's net asset value does not include an accrual for the investment management fee but does include an accrual for fund level administrative costs and, if applicable, certain third party acquired fund fees and expenses. If the fund's net asset value did include an accrual for the investment management fee, the fund's returns would be lower. **Past performance is not necessarily an indicator of future performance.**

<sup>†</sup> Reference benchmark is 36% S&P 500 Index, 24% FTSE World (ex US) Index, 24% ICE BofA/ML Current 5-Year US Treasury Index, 16% FTSE Non-USD World Gov't Bond Index

### Strategy details (as of 06/30/2019)

Benchmark	Reference benchmark <sup>†</sup>
Total fund assets	\$1.3 billion
Fund inception date	31 May 2013
Style	Multi-asset
Portfolio managers	Rick Rieder Russ Koesterich, CFA, JD David Clayton, CFA, JD Dan Chamby, CFA

### Characteristics (as of 06/30/2019)

	Fund
Number of issuers	613
Equity price/earnings (FY1)	16.5x
Equity wtd. avg. market cap. \$(B)	172.1
Portfolio effective duration	2.1 years
Portfolio effective duration assumes 0 duration for equity holdings.	
Fixed income effective duration	6.0 years
Fixed income + cash eff. Duration	5.2 years

### Key differentiators

#### Unconstrained in search of opportunity

- ▶ Broadly diversified across 40+ countries and 30+ currencies
- ▶ Combines traditional and non-traditional asset classes and investments across the capital stack
- ▶ Ability to deviate from benchmark to capture opportunity and manage risk

#### One of the most well-resourced multi-asset teams

- ▶ Dedicated investment team seeks to generate alpha through macro analysis, fundamental research and systematic strategies
- ▶ Maximizes BlackRock's worldwide investment resources, technology, risk management & trading capabilities

#### Seeking returns competitive with global stocks with less volatility

- ▶ Downside volatility mitigation is an important aspect of the portfolio construction process
- ▶ Proprietary tools assist the team in understanding both stand-alone and comprehensive portfolio risks

Source: BlackRock

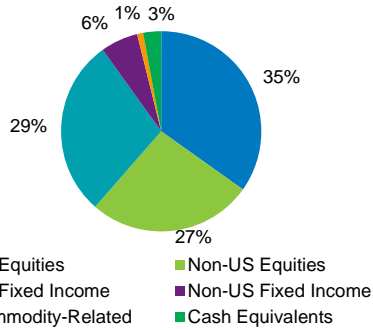
Data is used for analytical purposes only. Index data may differ from those published by the Index provider due to different classification criteria. Breakdowns may not sum to 100% due to rounding, exclusion of cash, STIF and other statistically immaterial factors.

For use with eligible institutional investors in a one-on-one communication – proprietary and confidential.

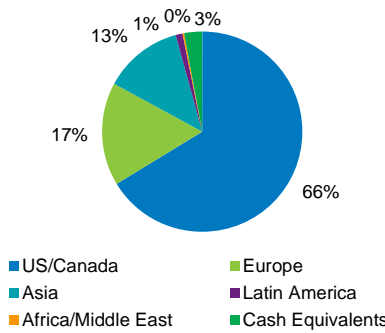
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**Portfolio characteristics** (as of 06/30/2019)

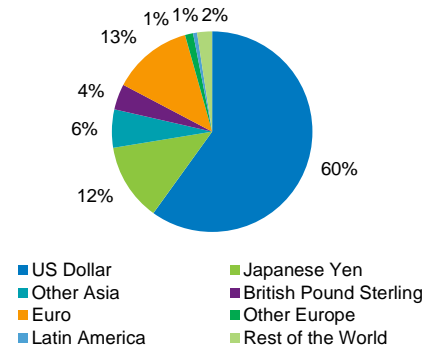
**Asset allocation\*\***



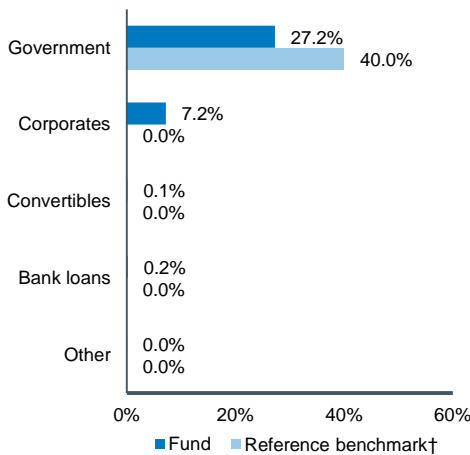
**Geographic allocation\*\***



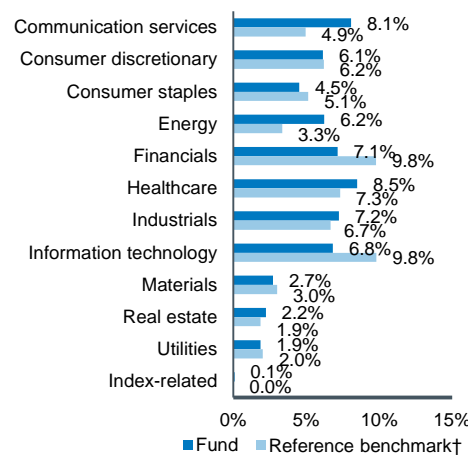
**Currency allocation\*\***



**Fixed income sector allocation\*\***



**Equity sector allocation\*\***



**Top ten equity holdings\***

Company	% of net assets**
Alphabet	1.6%
Microsoft	1.5%
Apple	1.2%
JPMorgan Chase	1.1%
Comcast	0.9%
Danone	0.9%
Nestle	0.9%
Amazon	0.9%
Anthem	0.8%
Williams	0.8%

\* Portfolio holdings are subject to change and are not intended as recommendations of individual stocks.

\*\* % of net assets represents the Fund's exposure based on the economic value of securities and is adjusted for futures, options, and swaps (except with respect to fixed income securities), and convertible bonds.

† Reference benchmark is 36% S&P 500 Index, 24% FTSE World (ex US) Index, 24% ICE BofA/ML Current 5-Year US Treasury Index, 16% FTSE Non-USD World Gov't Bond Index

**Important Notes**

BlackRock Institutional Trust Company, N.A. ("BTC") is a wholly-owned subsidiary of BlackRock, Inc. For ease of reference, "BlackRock" may be used to refer to BlackRock, Inc. and its affiliates, including BTC. Any strategy referred to herein does not give rise to a deposit or other obligation of BlackRock, Inc. or its subsidiaries and affiliates, is not guaranteed by BlackRock, Inc. or its subsidiaries and affiliates, is not insured by the United States Federal Deposit Insurance Corporation or any other governmental agency, and may involve investment risks, including possible loss of principal invested.

The Fund is also subject to other key risks, as described in the Fund's Collective Investment Fund Profile. Some or all of those risks may adversely affect the value of units in the Fund, yield, total return and the Fund's ability to meet its investment objective. See the Collective Investment Fund Profile for additional information.

**Past performance does not guarantee future results.** Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. Any opinions expressed in this publication reflect our judgment at this date and are subject to change. No part of this publication may be reproduced in any manner without the prior written permission of BTC. Collective fund performance assumes reinvestment of income and does not reflect management fees and certain transaction costs and expenses charged to the fund. Risk controls, asset allocation models and proprietary technology do not promise any level of performance or guarantee against loss of principal.

The Fund, a collective investment fund maintained and managed by BTC, is available only to certain eligible investors and not offered or available to the general public. In the event of a conflict between this summary description of the Fund and the trust document under which the Fund was established, the trust document will govern. For more information related to the Fund, please see the Fund's trust document, Collective Investment Fund Profile and most recent audited financial statements. BTC, a national banking association operating as a limited purpose trust company, manages the collective investment products and services discussed in this publication and provides fiduciary and custody services to various institutional investors. A collective investment fund is privately offered. Accordingly, prospectuses are not required and prices are not available in local publications. To obtain pricing information, please contact your local service representative.

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# AFL-CIO BUILDING INVESTMENT TRUST

## Status and Performance: Second Quarter 2019

### Fund Overview

The AFL-CIO Building Investment Trust (BIT) is a bank collective trust for which PNC Bank, National Association, is trustee. The investors in the BIT are comprised of qualified pension funds and retirement plans with union beneficiaries. The primary objective of the BIT is to generate competitive risk-adjusted returns by investing in real estate investments that have the potential to offer the BIT current cash return, long-term capital appreciation, or both. As a collateral objective, BIT investments help create union jobs and promote positive labor relations.

### BIT Portfolio Summary, 6/30/19

Gross Asset Value <sup>1</sup>	\$7.3 B	Square Feet <sup>6</sup>	14.4 M
Net Asset Value <sup>2</sup>	\$5.4 B	Multifamily Units <sup>7</sup>	7,721
Participants <sup>3</sup>	244	Occupancy, Commercial <sup>8</sup>	96.4%
Properties <sup>4</sup>	60	Occupancy, Multifamily <sup>9</sup>	94.4%
Portfolio Leverage <sup>5</sup>	25.4%	Cash <sup>10</sup>	4.4%

### Returns for Periods Ended 6/30/19\*

	Quarter	One-Year	Three-Year	Five-Year	Ten-Year	Since BIT Inception (7/1/1988)
<b>BIT Gross</b>	1.72%	6.92%	6.69%	9.06%	8.96%	7.86%
<b>BIT Net</b>	1.50%	5.97%	5.74%	8.09%	7.94%	6.79%
<b>Income (Gross)</b>	0.95%	3.78%	3.73%	3.80%	4.45%	6.70%
<b>Appreciation (Gross)</b>	0.77%	3.05%	2.87%	5.13%	4.35%	1.10%

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1. The Gross Asset Value or "GAV" is the NAV plus the sum of BIT's debt on wholly-owned investments and BIT's proportionate share of debt on joint venture investments.
2. The Net Asset Value or "NAV" is the value of all investments owned, plus cash, receivables, and other assets minus liabilities.
3. The number of all BIT institutional investors.
4. The number of real estate investments.
5. Portfolio leverage is calculated as the total debt outstanding (including the BIT's proportionate share of debt on joint venture investments) divided by the BIT's GAV.

6. The total rentable square footage within the BIT's office, industrial, and retail investments.
7. Total number of multifamily units, including units under development.
8. The percentage of total square footage leased within the BIT's office, industrial, and retail investments. Excludes investments that are under development or redevelopment.
9. The percentage of units leased within the BIT's multifamily investments. Excludes properties that are under development or redevelopment.
10. Cash is presented as a percentage of Net Asset Value.

\*During First Quarter 2019, the BIT's trustee identified a miscalculation in an investment valuation which resulted in an overstatement of the Net Asset Value of the BIT for Fourth Quarter 2018 by \$8.10 per unit and a corresponding overstatement of the three month return of 0.11% through December 31, 2018. Since the adjustment to correct for the miscalculation falls below the materiality threshold established by the BIT's independent auditors, correcting adjustments were made in First Quarter 2019. These adjustments made whole the Fund and all Participants, including those who transacted during Fourth Quarter 2018. The returns for First Quarter 2019 also reflect the correction due to the overstatement in Fourth Quarter of 2018.

Performance data shown represents past performance. Past performance does not guarantee future results. Gross returns are calculated net of fund level expenses, except for Trustee fees. Net returns are calculated net of all fund expenses. Returns are calculated quarterly on a time-weighted basis using beginning-of-period values and reflect the reinvestment of all income. All returns, with the exception of those for the current quarter, are annualized. Income is the dividends, interest, and rents net of operating expense from BIT investments and other sources (except realized and unrealized losses from investments). Net appreciation is the realized and unrealized gains and losses from BIT real estate investments calculated based on fair values determined utilizing independent real estate appraisals. Each year, the consolidated financial statements of the BIT are audited by an independent firm, and financial statements based upon such audit are delivered to each Participant. The fair market value of each real estate investment as reflected in such audited financial statements is derived using the same information and methodology as discussed above. Additional information is available in the Investment Memorandum of the BIT or otherwise available upon request.



# AFL-CIO BUILDING INVESTMENT TRUST

Status and Performance: Second Quarter 2019

## BIT Portfolio Highlights<sup>†</sup>

### BIT Properties Currently Under Development:

- Wolf Point East, multifamily in Chicago, IL

### BIT Properties Currently in Lease-Up:

- Cadence, multifamily in South San Francisco, CA, is 11% leased
- MacArthur Commons, multifamily in Oakland, CA, is 24% leased
- The National Apartments, multifamily in Philadelphia, PA is 51% leased

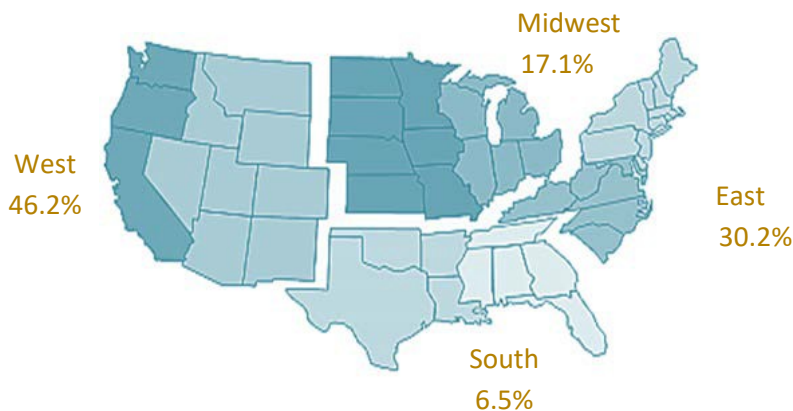
## Top 10 BIT Metropolitan Statistical Areas\*

- 1. New York**  
\$781m – 15.0%
- 2. San Francisco**  
\$700m – 13.5%
- 3. Chicago**  
\$645m – 12.4%
- 4. Los Angeles**  
\$638m – 12.3%
- 5. Seattle**  
\$347m – 6.7%
- 6. Washington DC**  
\$247m – 4.7%
- 7. Boston**  
\$245m – 4.7%
- 8. Denver**  
\$233m – 4.5%
- 9. Philadelphia**  
\$172m – 3.3%
- 10. Oakland**  
\$146m – 2.8%

**Total: \$4,154m – 79.9%**

\*BIT portfolio percentages are based on NAV, excluding cash, as of 6/30/19

## BIT Geographic Region\*



## BIT Property Type\*



## BIT - Five Largest Assets (based on NAV as of 6/30/19)

Property	MSA	Product Type
21 West End Avenue	New York	Multifamily
1801 California Office	Denver	Office
Wacker Office	Chicago	Office
Bravern Office Commons	Seattle	Office
Park & Garden	New York	Multifamily

<sup>†</sup>Transactions listed are not a complete list of transactions, but contain a sampling of transactions during this time period. A complete list of transactions can be obtained upon request.

The BIT was managed by a trustee unaffiliated with PNC Bank from July 1, 1988 through December 31, 1991, and PNC Bank is relying on data provided by this prior trustee for this time frame.

The AFL-CIO Building Investment Trust (the "BIT", the "Trust", or the "Fund") is a bank collective trust for which PNC Bank, National Association ("PNC Bank") is the trustee. PNC Bank is an indirect, wholly-owned subsidiary of The PNC Financial Services Group, Inc. ("PNC"). PNC may use the service mark "PNC Institutional Asset Management" in connection with certain activities of the Trust. PNC Bank has retained PNC Realty Investors, Inc. ("PRI") to provide real estate investment advisory and management services for the BIT. PNC has retained the AFL-CIO Investment Trust Corporation (the "ITC") to provide investor and labor relation services and AFL-CIO ITC Financial, LLC ("ITC Financial"), an indirect, wholly-owned subsidiary of the ITC, to provide marketing services in connection with the BIT. ITC Financial is a registered broker dealer under the U.S. Securities and Exchange Commission (SEC) Act of 1934 as amended and member with the Financial Industry Regulatory Authority, Inc. (FINRA). PNC Bank licenses the ability to use the "AFL-CIO" name in the name of the Trust and in connection with the activities of the Trust.

**Fees and Expenses:** The Trustee pays a trustee fee (the "Trustee Fee") from the assets of the Trust. The Trustee charges 1.0% on net assets up to or equal to \$2 billion, .85% on net assets over \$2 billion and less than or equal to \$3 billion, and .80% on net assets above \$3 billion. The Trustee also charges a .10% fee on capital that has not been committed to a real estate investment. The Trustee pays the fees for the services of PNC Realty Investors, Inc., AFL-CIO Investment Trust Corporation, and AFL-CIO ITC Financial, LLC out of the Trustee Fee (and not from the assets of the Trust). Other than General Administrative Expenses, the Trustee pays from Trust assets all expenses incurred in connection with the investment, administration and management of the Trust out of trust assets (and not out of the Trustee Fee).

**Risk Factors:** A participant's investments in the BIT are not bank deposits, nor are they backed or guaranteed by PNC or any of its affiliates, and are not issued by, insured by, guaranteed by, or obligations of the FDIC, the Federal Reserve Board, or any government agency. Investment in the BIT involves risk. Investment return and principal value of an investment in the BIT will fluctuate so that a participant's investment, when redeemed, may be worth more or less than the original investment. A participant's redemption of its investment or units in the Trust, or a portion thereof, may be delayed by Trustee for one year (or longer if permissible under applicable law) from the date of the request for such redemption.

The BIT generally invests directly or indirectly in commercial real estate through equity investments. The BIT may also in the future invest in real estate through the provision of financing. Equity investments are subject to risks inherent in or customarily associated with the ownership of income-producing real estate, and real estate financing involves risks inherent in or customarily associated with the risks of financing secured directly or indirectly by income producing real estate.

The BIT's assets are valued at fair market value, or in the absence of fair market value, in accordance with the processes set forth in the Investment Memorandum and the Trust Agreement. In the case of real estate investments for which there is no published market price, fair market value is determined by using third party appraisals or the sales price reflected in a contract of sale. Notwithstanding the foregoing, the value of such investments reflected in the net asset value of the fund may differ materially from the prices at which the Trustee would be able to sell, dispose, or liquidate such investments.

Due to such inherent risks, investment returns can be expected to fluctuate and operating cash flow and the Trust's ability to make redemptions or distributions could be adversely affected. Moreover, due to the nature of real estate, investments may be illiquid. Such illiquidity may affect the Trust's operating cash flow, which, in turn, may delay the ability to satisfy redemption requests. Additionally, the BIT or its investments may obtain financing. Such investments are subject to the inherent risks arising from the use of financing, and such risks may increase volatility of a Fund's performance and may increase the Fund's losses.

The information contained in this material is not intended to be a comprehensive description of any investment product or capability. Rather the information is intended only to aid and be used by representatives of PNC Bank, PRI, ITC and/or ITC Financial in providing information and education regarding the BIT. Neither the information herein, nor any opinion expressed herein, is intended (or should be viewed) as individualized impartial investment recommendations or a suggested course of action for an investor to follow, as it generally does not reflect all of the factors that an investor's particular situation may warrant when considering an investment and does not consider any individual investor's specific objectives, circumstances or needs, nor does it identify or define all of the risks that may be associated with potential investments. Accordingly, this material is not intended to be viewed or construed as a recommendation, offer or solicitation to purchase or sell any product, security, commodity, currency or other financial instrument, including an interest in the BIT, but is intended only to help evaluate the BIT as a possible investment. The information being provided does not constitute "investment advice" that would make PNC Bank or any affiliate of PNC Bank, PRI, ITC or ITC Financial a "fiduciary" within the meaning of Section 3(21)(A)(ii) of the Employee Retirement Income Security Act of 1974, as amended. Investors in, or potential investors of, the BIT should consider carefully the BIT's investment objectives, risks and expenses before investing therein. Investors should consult their own advisors and investment professionals to evaluate the merits and risks of investment.

Except as otherwise disclosed, the materials, representations and opinions presented herein are those of PNC Bank, and are of a general nature and do not constitute the provision by PNC, PRI, ITC or ITC Financial of investment, legal, tax, or accounting advice to any person. Opinions expressed herein are subject to change without notice. The information from third party sources was obtained from sources deemed reliable. Such information is not guaranteed as to its accuracy.

Information contained in the material above regarding or providing past performance should not be considered representative, and is no guarantee, of future performance or results. Forward looking statements contained in the material above involve certain assumptions, including but not limited to the performance of the real estate market, which could cause actual outcomes and results to differ materially from the views expressed in the material above.

For more information regarding the investments, risks, and expenses of the BIT, copies of the latest investment memorandum and the applicable plan documents for the BIT, including the trust agreement and a form of participation agreement, may be obtained by contacting 855-530-0640 or [BITTrustOfficer@pnc.com](mailto:BITTrustOfficer@pnc.com). Please read the investment memorandum carefully before investing in the BIT.

PNC does not provide legal, tax or accounting advice and does not provide services in any jurisdiction in which it is not authorized to conduct business. PNC Bank is not registered as a municipal advisor under the Dodd-Frank Wall Street Reform and Consumer Protection Act.

The Fund is operated by PNC Bank who has filed a claim of exclusion from the definition of the term "commodity pool operator" under the Commodity Exchange Act ("CEA"), and therefore, PNC Bank is not subject to registration or regulation as a pool operator under the CEA.

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**PNC Bank, National Association**  
Trustee  
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300 Fifth Avenue  
Pittsburgh, PA 15222  
412.762.2000

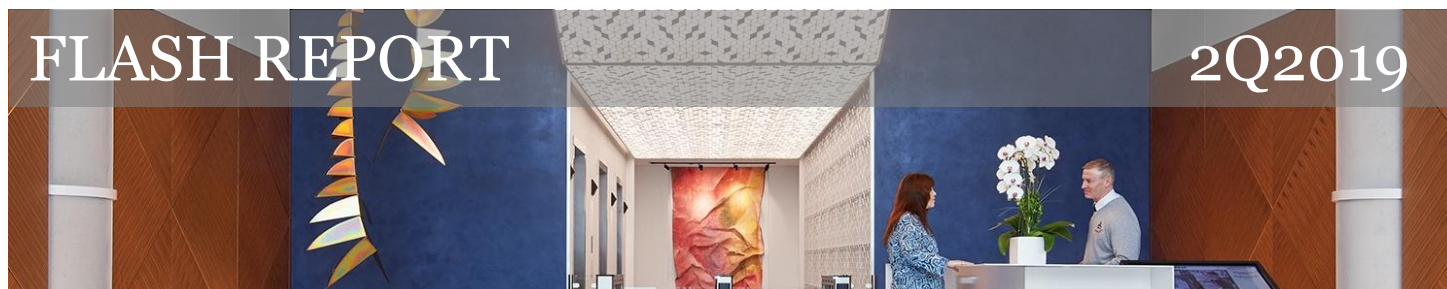
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# MADISON CORE PROPERTY FUND LP<sup>1</sup>



## Fund Snapshot

Gross Asset Value <sup>2</sup>	\$1.84B	Number of Markets	20	Wholly Owned	90.3%
Net Asset Value	\$1.32B	Number of Properties	35	Joint Venture	9.7%
Unit Price	\$2,120.95	Occupancy (Core) <sup>3</sup>	90.1%	Leverage <sup>4</sup>	26.7%

## Second Quarter Highlights

The Madison Core Property Fund produced a gross total return of 1.77% (1.03% income and 0.74% appreciation) during the quarter. Over the past year, Madison's gross total return is 8.86% (4.56% income and 4.16% appreciation).

During the quarter, Madison completed its conversion to a limited partnership that will invest primarily through a private REIT. The Fund also purchased 5161 Lankershim, a 100% leased creative office building in North Hollywood (Los Angeles), for approximately \$103 million. This property has undergone substantial capital improvements in recent years, and benefits from walkable amenities including shops, restaurants, and an LA Metro stop. Madison also closed on a new three-year \$230 million line of credit, which features terms that are generally more favorable than those of the prior same-sized line.

Madison's 2Q2019 Quarterly Report, to be published soon, will include the Fund's relative performance versus the benchmark, a discussion of Fund strategy and the real estate markets, and details on Fund holdings and transaction activity.



## Performance<sup>5</sup>

	2 <sup>nd</sup> Quarter	1 Year	3 Year	5 Year	10 Year	S.I. <sup>7</sup>
Income (gross)	1.03%	4.56%	4.66%	4.93%	5.43%	5.99%
Appreciation	0.74%	4.16%	4.04%	5.65%	4.44%	1.60%
Total Return (gross)	1.77%	8.86%	8.83%	10.79%	10.08%	7.67%
Total Return (net) <sup>6</sup>	1.53%	7.83%	7.81%	9.75%	9.04%	6.66%

## Diversification<sup>8</sup>

Risk Profile <sup>9</sup> and Lifecycle	% of Fund
Core	92.5%
Value Added	7.5%
Opportunistic	0.0%
Operating	96.9%
Initial Leasing	3.1%
Development	0.0%
Pre-Development	0.0%

Property Type	% of Fund
Apartments	26.1%
Industrial	31.5%
Office	39.1%
Retail	3.3%
Other	0.0%

Geography	% of Fund	
West	Pacific	47.2%
	Mountain	9.1%
South	Southwest	0.0%
	Southeast	21.5%
Midwest	W. N. Central	4.2%
	E. N. Central	4.4%
East	Northeast	11.3%
	Mideast	2.3%

"M" and "B" represent unit values of millions and billions, respectively, throughout this report. See Endnotes on the following page for important information. The information provided is shown as supplemental information to the GIPS compliant presentation in the Performance Disclosures on pages 2-3. New York Life Real Estate Investors ("Real Estate Investors") is part of the GIPS firm named as New York Life Investments. Total AUM for the New York Life Investments GIPS firm can be found in the Performance Disclosures. Real Estate Investors is a division of NYL Investors LLC ("NYL Investors"), a wholly owned subsidiary of New York Life Insurance Company. Report as of 6/30/19.



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www.nylinvestors.com

1. Madison Core Property Fund LP is herein referred to as "Madison Core Property Fund," "Madison" or the "Fund." The Fund converted from an LLC to an LP structure effective as of April 1, 2019.
2. Based on the proportionate consolidation method of accounting for joint ventures. Under the equity method of accounting for joint ventures, GAV is also \$1.84B. Madison has a controlling interest in all joint ventures.
3. Occupancy as measured by square footage. Occupancy including value-added and opportunistic assets is 86.7%.
4. Leverage includes Madison's pro rata share of debt held in joint ventures, if any.
5. The Madison Composite ("the Composite"). Supplemental information to the GIPS compliance presentation in Performance Disclosures. Past performance is no guarantee of future results which will vary. Prior to 1Q2015, performance results were calculated on a monthly time-weighted basis and were linked to provide quarterly and annual returns. Starting 1Q2015, performance results are calculated on a quarterly time-weighted basis and are linked to provide annual returns. Income return and appreciation return do not add exactly to total return due to the chain linking of returns.
6. Madison's annual asset management fee is 0.95% of net asset value. The manager waived its fee from May 1, 2001 through September 30, 2001. Prior to 1Q2015, net performance was calculated by reducing gross by a model fee. Starting 1Q2015, net performance is being calculated using the actual fees.
7. Since inception. Please see Performance Disclosures for GIPS compliant presentation. The Composite was created on July 1, 2012 after the Fund management team transitioned to New York Life investments from McMorgan & Company LLC. When at McMorgan & Company LLC, the original creation date for the Composite was May 1, 2001. For comparative purposes, performance is reported beginning July 1, 2001, to align with quarterly performance data published by NCREIF. Returns are calculated on an investment level basis and include cash balances and interest income from short-term investments.
8. Based on gross asset value (pro rata share of gross asset value in the case of joint ventures) of real estate equity investments only.
9. Risk Profile: Madison's definition of "core" includes any property which has reached occupancy of at least 85% at some point following the date of either (1) its acquisition, in the case of an existing asset, or (2) its completion, in the case of a development project. Madison's definition of "value added" includes any new acquisition with occupancy below 85% or completed construction with occupancy below 85%. A value-added asset is reclassified as "core" when its occupancy first rises above 85% (not subject to any time constraint), and it remains classified as core even if its occupancy subsequently falls below 85%. Madison's definition of "opportunistic" includes (1) land; (2) construction in progress; and (3) properties with significant capital expenditure budget for renovation, conversion, or expansion.

On cover (top): Twelve01West, Chicago, IL.

## PERFORMANCE DISCLOSURES

This is not an offer to sell, nor a solicitation to buy, securities. An offering is made only by delivery of the confidential information memorandum relating to the Fund. For more complete information about the Madison Core Property Fund LP, including investment policies, objectives and fees, call (415) 402-4100 and request a confidential information memorandum. Read the information carefully before investing. An investment in real estate securities has the special risks associated with the direct and indirect ownership of real estate. This report is under no circumstances to be construed as a recommendation, including but not limited to a recommendation regarding any specific investment, investment product, strategy, or plan design. By providing this report, none of NYL Investors, its employees or affiliates has the responsibility or authority to provide or has provided investment advice in a fiduciary capacity.

Madison is offered by McMorgan & Company Capital Advisors LLC, One Front Street, Suite 500, San Francisco, CA, 94111. Please keep in mind that investment objectives may not be met as the underlying investment options are subject to market risk and will fluctuate in value. Past performance is not indicative of future results.

Effective June 30, 2012, New York Life Investment Management LLC ("New York Life Investments") became the investment manager for the Fund, formerly known as the McMorgan Institutional Real Estate Fund I, LLC. On June 30, 2014, New York Life Investments assigned management of the Fund to NYL Investors LLC, formally a division of New York Life Investments and now an affiliated investor advisor. Prior to June 30, 2012, the Fund was managed by McMorgan & Company LLC ("McMorgan"), which during that time was an affiliate of New York Life Investments. The performance of the Fund prior to June 30, 2012 occurred while the management team was affiliated with McMorgan. Upon transition, the Fund management team became employees of New York Life Investments and continues to manage the Fund pursuant to the same investment strategy. On December 28, 2012, as part of the transition, the Fund's name was formally changed to the Madison Core Property Fund LLC. On April 1, 2019, the Fund was converted from a Delaware limited liability company to a Delaware limited partnership and the Fund's name was changed to Madison Core Property Fund LP.

### FIRM OVERVIEW

New York Life Investments and NYL Investors are registered U.S.-based investment management firms that provide financial services to individual and institutional investors. NYL investors was formed in October 2013 and is an affiliate of New York Life Investments LLC. Effective January 1, 2014, as a result of a corporate restructuring, the fixed income investors and real estate investors divisions of New York Life investments became divisions of NYL Investors. To address this transition, effective January 1, 2014 the New York Life Investments GIPS firm was redefined to include the following investment divisions of New York Life Investments or NYL Investors as applicable: Fixed Income Investors, Real Estate Investors, Retail Markets and Strategic Asset Allocation & Solutions. The GIPS firm was renamed as New York Life Investments. We note that the accounts included in this composite continue to be managed by the same investment team pursuant to the same investment strategy despite this corporate restructuring. A complete listing and description of all composites is available on request.

Historic changes to the firm definition include the following:

- Effective August 1, 2013 the Strategic Asset Allocation & Solutions Group was also added to the firm upon creation of the Global Tactical Asset Allocation Composite; and

# PERFORMANCE DISCLOSURES

- Effective June 30, 2012 the Real Estate Investors division was added to the firm after certain discretionary private real estate funds were transitioned to New York Life Investments from McMorgan & Company LLC which was an affiliate of New York Life Investments prior to the transition.

## VERIFICATION STATEMENT

New York Life Investments claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. New York Life investments has been independently verified for the periods April 1, 2000 to September 30, 2018. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Madison Composite has been examined for the periods July 1, 2012 to September 30, 2018. The verification and performance examination reports are available upon request. Prior to transitioning to New York Life Investments, the Composite was managed at McMorgan & Company LLC. McMorgan was independently verified for the entire period that the firm managed this composite

## COMPOSITE COMPOSITION

The Madison Composite ("the Composite") was created on July 1, 2012 after the Madison Core Property Fund LLC transitioned to New York Life Investments from McMorgan. When at McMorgan, the original creation date for the composite was May 1, 2001. McMorgan was independently verified for the entire period that the firm managed this Composite. The Composite is comprised of discretionary, fee-paying accounts that invest primarily in core real estate. For real estate, New York Life Investments defines discretion as control over the selection, capitalization, asset management, and disposition of account investments. There are less than 5 accounts in the composite.

## PERFORMANCE CALCULATION

Prior to 1Q2015, performance results were calculated on a monthly time-weighted basis and were linked to provide quarterly and annual returns. Starting 1Q2015, performance results are calculated on a quarterly time-weighted basis and are linked to provide annual returns. Income and appreciation returns may not add exactly to total return due to the chain linking of returns. Total returns include income and appreciation on a full-accrual basis. Returns are presented net of leverage. Returns are calculated on an investment level basis and include cash balances and interest income from short-term investments. Returns presented are denominated in U.S. dollars.

Prior to 1Q2015, performance was presented gross and net of the maximum applicable fee calculated on a monthly basis. Starting 1Q2015, performance is presented gross and net of the actual applicable fee calculated on a quarterly basis. Historically, the ratio of debt to gross assets has been moderate, typically between 10% and 30%. From inception through 2005, the composite was accounted for and performance calculated based on accounting policies recommended by NCREIF. From 2006 through the present, the composite is accounted for and performance calculated based on accounting principles generally accepted in the United States of America (GAAP). Total Composite assets in the following table are reflected on a GAAP basis. Policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.

## VALUATION

Investments are recorded on the statement of net assets at their estimated market values as of the end date of each quarter. Equity real estate assets are valued at least once each year, on a rotating schedule, by independent external appraisers holding the Member Appraisal Institute (MAI) designation. Such appraisers adhere to the Uniform Standards of Professional Appraisal Practice (USPAP), established by the Appraisal Foundation. Effective July 1, 2015, quarterly valuations formerly prepared by internal staff are conducted by an independent valuation consultant. These restricted appraisal reports, also in compliance with USPAP, are subject to final review and approval by the firm's Chief Appraiser. Both quarterly and annual valuations are reviewed by management for reasonableness. Values are determined by using appropriate valuation methodology, including the discounted cash flow, sales comparison, and cost approaches. Property values are affected by numerous factors, including availability of capital, capitalization rates, discount rates, occupancy levels, rental rates, and interest and inflation rates, which are considered and reflected in the market value appraisals. In keeping with industry "best practices," external appraisal firms are rotated at least every three years. Properties that are under contract for sale within a quarter are reported at the sale price if the buyer has a meaningful nonrefundable deposit at risk. Real estate debt for which the fair value option has been elected is marked to market on a quarterly basis.

## INVESTMENT MANAGEMENT FEES

Minimum investment: \$1M. Fee: 95 basis points, paid quarterly. There are no acquisition or disposition fees.

## NCREIF FUND INDEX – OPEN-END DIVERSIFIED CORE EQUITY

The ODCE Index is a fund-level capitalization weighted, time-weighted return index and includes property investments at ownership share, cash balances and leverage (i.e., returns reflect the funds' actual asset ownership positions and financing strategies).

Period	Total Assets at End of Period (\$M)	Assets as a Percentage of Firm Assets (%)	Total Firm Assets (\$M)	Composite Income (% gross)	Composite Appreciation (% gross)	Composite Total (% gross)	Composite Total (% net)	NCREIF ODCE (% gross)	Number of Accounts
2008	1,005	-	-	4.93	-13.09	-8.76	-9.63	-10.01	<5
2009	667	-	-	6.11	-29.84	-25.41	-26.14	-29.76	<5
2010	575	-	-	6.28	8.55	15.32	14.24	16.36	<5
2011	631	-	-	5.65	9.25	15.38	14.30	15.99	<5
2012	682	0.25	276,152	5.90	3.80	9.91	8.88	10.94	<5
2013	796	0.24	302,995	5.65	6.72	12.72	11.66	13.94	<5
2014	875	0.28	311,296	5.46	4.71	10.40	9.37	12.50	<5
2015	992	0.32	311,406	5.43	9.15	14.94	13.86	15.02	<5
2016	1,094	0.34	317,236	5.39	5.27	10.87	9.83	8.77	<5
2017	1,209	0.37	330,417	4.52	3.78	8.43	7.41	7.62	<5
2018	1,310	0.40	324,291	4.64	4.62	9.42	8.39	8.35	<5

# MEPT Fund

## Flash Report 2Q 2019

### Portfolio Metrics as of 2Q 2019

Gross Asset Value	\$8.5 billion
Net Asset Value	\$6.5 billion
Leverage Ratio	23.9%
Cash % of NAV	0.9%
Leased %	93.9%
Number of Investors	337

### Performance Overview

- MEPT posted a second quarter 2019 total return of 1.24% (1.02%, net), which outperformed the ODCE index by 25 bps. The Fund's total return consisted of 0.99% income and 0.25% appreciation
- MEPT's 1-year total gross return is 6.93% (6.00%, net), which outperformed the ODCE index by 52 bps, the 3-year total gross

return is 7.01% (6.08%, net), and the 5-year total gross return is 9.24% (8.30%, net)

### Portfolio Highlights

- In the second quarter, MEPT's industrial portfolio continued to generate the majority of Fund appreciation followed by the multifamily portfolio. The retail and office portfolios both experienced modest depreciation
- The key drivers of appreciation were market rent growth and yield compression across the industrial portfolio, particularly at assets in the West, market rent growth at multifamily assets in multiple markets, and market rent growth at 475 Sansome, a CBD office asset in San Francisco
- The Fund's second quarter performance was partially offset by \$16.8 million of depreciation (26 bps) generated by debt mark-to-market adjustments due to a rapid decline in benchmark interest rates during the quarter

- MEPT's operating portfolio remains well-leased at 93.9%, an increase of 45 bps during the quarter

### Acquisitions

- In the second quarter, BGO Diversified acquired Alameda Station [\$109.0], a 338-unit multifamily community located in the historic Baker neighborhood of Denver, bringing year-to-date total acquisitions and new commitments to \$669.8 M
- Additionally, the Fund has approximately \$145.0 M of industrial assets under contract, all of which are anticipated to close in the third quarter

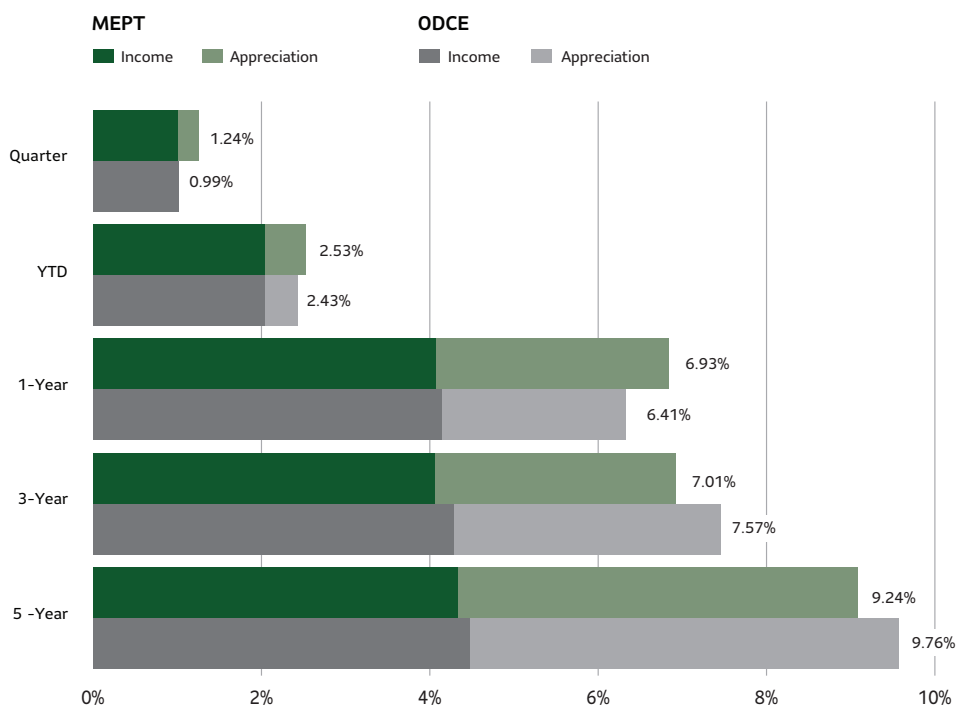
### Dispositions

- There were no dispositions during the quarter; however, the Fund has completed \$337.6 M of dispositions as of mid-year and has \$564.4 M of dispositions under contract or LOI, including \$547.5 M of office dispositions that are expected to close in the third quarter

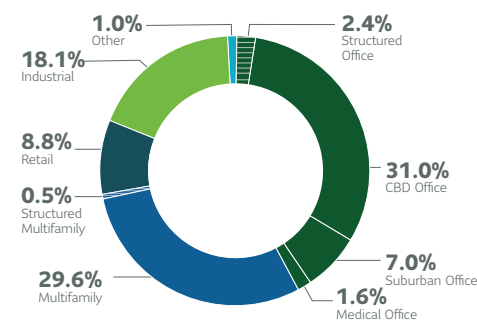
### Financing

- The Fund's leverage decreased by 0.7% to 23.9% during the quarter, due to paying down the Fund's revolving credit line

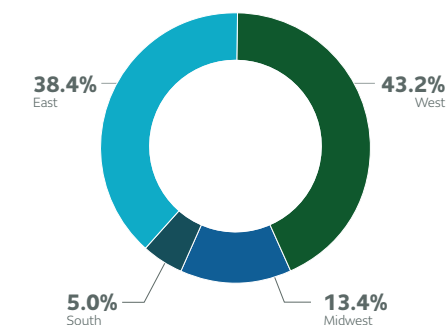
### MEPT and ODCE\* Gross Returns 2Q 2019



### Allocation by Property Type (GAV)



### Allocation by Region (GAV)



### MEPT 2Q 2019 Fund Level Returns

	Quarter		YTD		1-Year		3-Year		5-Year	
	MEPT	ODCE*	MEPT	ODCE*	MEPT	ODCE*	MEPT	ODCE*	MEPT	ODCE*
Income (Gross)	0.99%	1.01%	2.04%	2.04%	4.07%	4.14%	4.06%	4.28%	4.33%	4.47%
Appreciation	0.25%	-0.01%	0.48%	0.39%	2.77%	2.19%	2.86%	3.18%	4.76%	5.10%
<b>Total (Gross)</b>	<b>1.24%</b>	<b>0.99%</b>	<b>2.53%</b>	<b>2.43%</b>	<b>6.93%</b>	<b>6.41%</b>	<b>7.01%</b>	<b>7.57%</b>	<b>9.24%</b>	<b>9.76%</b>
Total (Net)	1.02%	0.78%	2.08%	1.99%	6.00%	5.47%	6.08%	6.61%	8.30%	8.77%

\*Preliminary ODCE returns.

## Multi-Employer Property Trust ("MEPT") - IMPORTANT DISCLOSURES

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Past performance does not indicate how an investment option will perform in the future. Current performance may be lower or higher than the performance shown. Investment return and principal value will fluctuate. An investor's shares, when redeemed, may be worth more or less than their original purchase price. Performance includes the reinvestment of dividends and capital gains.

BentallGreenOak, an SLC Management company, is one of the 30 largest global real estate investment advisors and one of North America's foremost providers of real estate services. The information provided is not intended to provide specific advice, and is provided in good faith without legal responsibility.

Trustee



Real Estate Advisor



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# Principal U.S. Property Account<sup>†</sup>

Quarterly flash report for the period ending  
June 30, 2019



## 2Q2019 key statistics

Inception date	January, 1982
Gross asset value	\$10.34 billion
Net asset value	\$8.24 billion
Number of investments	134
Number of markets	42
Core portfolio occupancy*	93.2%
Cash to gross assets	2.4%
Leverage ratio**	17.6%

## Diversification

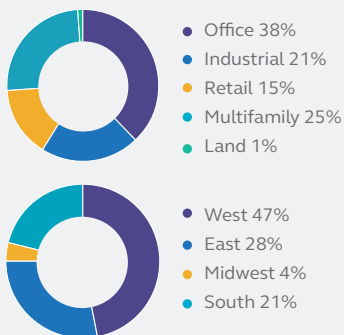


Photo above: West Frye Road, Phoenix, AZ

\*Occupancy excludes value-added assets which are acquired at less than 85% occupancy, are under development or redevelopment or are land parcels. Occupancy for the total portfolio was 90.1%.

\*\*T1 Leverage Percentage calculated in accordance with NCREIF PREA Reporting Standards.

†The Principal U.S. Property Separate Account is an open-end, commingled real estate account available to retirement plans meeting the requirements for qualification under Section 401(a) of the Internal Revenue Code of 1986 (“Code”), as amended, and governmental plans meeting the requirements of Section 457 of the Code, as amended, since 1982. The Account is an insurance company separate account sponsored by Principal Life Insurance Company and managed by Principal Real Estate Investors.

## Second quarter highlights

- Second quarter performance of the Principal U.S. Property Account (the “Account”) totaled 1.54%, generated by income of 1.09% and appreciation of 0.45%. As of June 30, 2019, one-year annualized gross portfolio performance totaled 7.89%, comprised of income of 4.41% and appreciation of 3.36%.
- Unlevered property level performance totaled 1.76% in the second quarter and annualized one-year performance totaled 7.90%. Account assets within the office sector recorded the highest unlevered quarterly property level return at 2.31%, followed by industrial at 1.99%, multifamily at 1.33% and retail at 0.81%.
- Quarterly transaction volume totaled \$195.3 million and included three acquisitions and four dispositions. The Account acquired three data centers in a portfolio transaction totaling \$46.5 million. The buildings are located in the Chicago, IL, Silver Spring, MD and Seattle, WA markets and were acquired in partnership with an existing joint venture partner specializing in data center investing. Disposition activity generated over \$148.8 million in net sales proceeds and included the sale of office buildings located in Houston, TX and Denver, CO and a multifamily project located in Baltimore, MD. The final sale included a land parcel located in Orlando, FL. Additional transaction details will be available in the Account’s Quarterly Performance Report.

Continued on back page

Returns	2Q2019	1 Year	3 Year	5 Year	10 Year	Since Inception <sup>4</sup>
Income (Gross) <sup>1</sup>	1.09%	4.41%	4.65%	4.84%	5.46%	N/A
Appreciation <sup>1</sup>	0.45%	3.36%	4.20%	5.83%	4.94%	N/A
<b>Total Portfolio (Gross)<sup>1</sup></b>	<b>1.54%</b>	<b>7.89%</b>	<b>9.00%</b>	<b>10.88%</b>	<b>10.60%</b>	<b>8.09%</b>
<b>Total Portfolio (Net)<sup>2</sup></b>	<b>1.25%</b>	<b>6.65%</b>	<b>7.75%</b>	<b>9.61%</b>	<b>9.34%</b>	<b>6.86%</b>
Gross Property Level <sup>3</sup>	1.76%	7.90%	8.49%	9.95%	9.67%	8.34%

**Past performance is not necessarily an indicator of future results.** <sup>1</sup>Gross portfolio level returns include leverage. Actual client returns will be reduced by investment management fees and other expenses that may be incurred in the management of the portfolio. The highest standard institutional investment management fee (annualized) for the Account is 1.15% on account values. Actual investment management fees incurred by clients may vary and are collected daily which produces a compounding effect on the total rate of return net of management fees and other expenses. Investment management fees are subject to change. <sup>2</sup>Net portfolio level returns are shown after deduction for portfolio expenses including an investment management fee, which is 1.15% annually from July 1, 2002, through the present. Net portfolio level returns prior to July 1, 2002, are calculated to reflect deduction of blended annualized investment management fees of 1.15% and 1.05% in the periods in which those amounts were charged. <sup>3</sup>Gross property level returns are unlevered, exclude cash, before fees, and are calculated in accordance with NCREIF Property Return Methodology. <sup>4</sup>Account Inception Date: January 30, 1982.

- Occupancy within the total portfolio was unchanged from the prior quarter, ending the period at 90.1% while occupancy within the core portfolio was 93.2%, an increase of more than 100 basis points over the first quarter. The increase in core portfolio occupancy is largely the result of leasing activity at industrial assets located in Dallas, TX, Orlando, FL and Tacoma, WA. Overall positive net absorption totaled more than 560,000 square feet during the quarter, led by nearly 542,000 square feet of positive net absorption within the industrial portfolio and augmented by modest positive net absorption within the multifamily, office and retail sectors. New and renewal leases signed during the quarter totaled approximately 1.7 million square feet, contributing to consistent robust one-year positive net absorption of more than 1.7 million square feet for the period ending June 30.
- Material growth in net operating income (“NOI”) continued in the second quarter with year-over-year same-property NOI growth totaling 8.2% for the period ending June 30. Significant NOI growth across properties in the office

sector was the largest source of growth within the portfolio, with 17.5% growth on a year-over-year basis. Assets in the multifamily sector posted year-over-year NOI growth of 3.8% while growth within the industrial and retail sectors totaled 3.2% and 0.2%, respectively.

- The Account instituted a contribution queue for new large investments in the second quarter. Amounts in the contribution queue will be called subject to the Account’s capacity for accepting additional capital. The investment production and portfolio management teams remain diligent in identifying transactions that meet the Account’s criteria for acquisitions with strong relative value and appropriate risk adjusted returns. Additional amounts added to the contribution queue are anticipated to fund in approximately two quarters.

**Before directing retirement funds to a separate account, investors should carefully consider the investment objectives, risks, charges and expenses of the separate account as well as their individual risk tolerance, time horizon and goals. For additional information contact us at 800-547-7754 or by visiting [principal.com](http://principal.com).**

#### **Investing involves risk, including possible loss of principal.**

Real Estate investment options are subject to investment and liquidity risk and other risks inherent in real estate such as those associated with general and local economic conditions. Property values can decline due to environmental and other reasons. In addition, fluctuation in interest rates can negatively impact the performance of real estate investment options.

Separate Accounts are available through a group annuity contract with Principal Life Insurance Co. Insurance products and plan administrative services provided through Principal Life Insurance Company, a member of the Principal Financial Group, Des Moines, IA 50392. See the group annuity contract for the full name of the Separate Account. Certain investment options may not be available in all states or U.S. commonwealths. Principal Life Insurance Company reserves the right to defer payments or transfers from Principal Life Separate Accounts as permitted by the group annuity contracts providing access to the Separate Accounts or as required by applicable law. Such deferment will be based on factors that may include situations such as: unstable or disorderly financial markets; investment conditions which do not allow for orderly investment transactions; or investment, liquidity, and other risks inherent in real estate (such as those associated with general and local economic conditions). If you elect to allocate funds to a Separate Account, you may not be able to immediately withdraw them.

The Account is a diversified real estate equity portfolio consisting primarily of high quality, well-leased real estate properties in the multifamily, industrial, office, retail and hotel sectors.

Principal Life Insurance Company is the Investment Manager, as defined in ERISA, with regard to the assets of the Separate Account.

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**Principal Real Estate Investors is committed to operating practices that are environmentally responsible.**



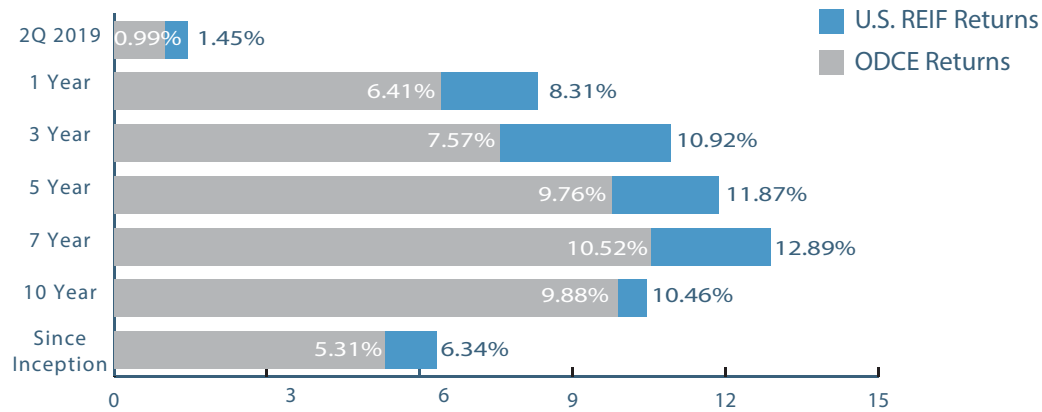
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# Intercontinental U.S. REIF Fund Performance as of 6/30/19

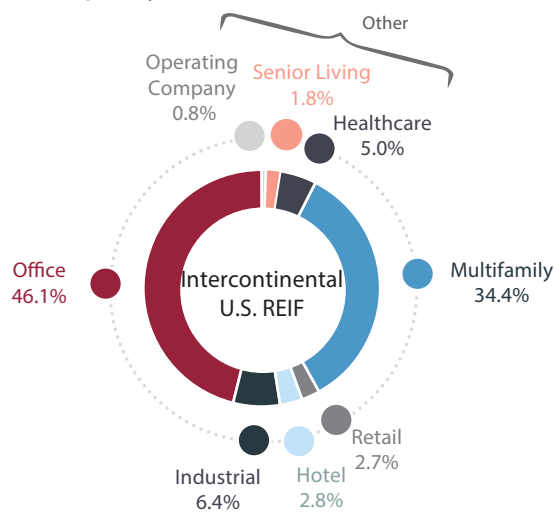
## Intercontinental U.S. REIF vs. ODCE Performance<sup>1</sup>

	Quarter		1 Year		3 Year		5 Year		7 Year		10 Year		Since Inception	
	U.S. REIF	ODCE	U.S. REIF	ODCE	U.S. REIF	ODCE	U.S. REIF	ODCE	U.S. REIF	ODCE	U.S. REIF	ODCE	U.S. REIF	ODCE
Income	1.29%	1.01%	5.07%	4.14%	5.12%	4.28%	5.20%	4.47%	5.28%	4.69%	5.55%	5.09%	5.49%	5.09%
Appreciation	0.15%	(0.01%)	3.12%	2.19%	5.59%	3.18%	6.43%	5.10%	7.33%	5.62%	4.71%	4.59%	0.82%	0.20%
Total (Gross)	1.45%	0.99%	8.31%	6.41%	10.92%	7.57%	11.87%	9.76%	12.89%	10.52%	10.46%	9.88%	6.34%	5.31%
Total (Net)	1.25%	0.78%	6.92%	5.47%	9.47%	6.61%	10.20%	8.77%	11.08%	9.52%	8.71%	8.87%	4.73%	4.35%

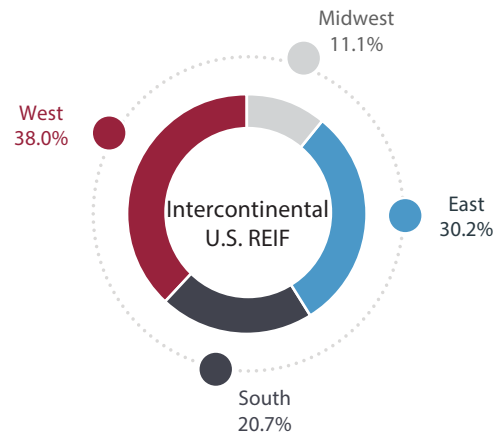


Intercontinental's U.S. REIF had a steady second quarter of 1.45% (gross) comprised of 1.29% income and 0.15% appreciation. The Fund's appreciation return of 0.15% was comprised of 1.32% real estate appreciation and (1.17%) debt depreciation. The Fund's income return has now outperformed the benchmark every quarter for more than four years.

## Property Sector Diversification<sup>2</sup>



## Geographic Diversification<sup>2</sup> United States



## Q2 2019 - Intercontinental U.S. REIF Snapshot

GROSS REAL ESTATE ASSET VALUE: **\$8.6 Billion**

PORTFOLIO OCCUPANCY: **93%**

NET ASSET VALUE: **\$5.5 Billion**

NUMBER OF PROPERTIES: **122**

LEVERAGE RATIO<sup>3</sup>: **30.9%**

NUMBER OF INVESTORS: **390**

1. Since Inception returns are calculated from January 1, 2008, which is the beginning of the first full year of the Fund's life. Unless otherwise stated, performance returns are presented leveraged before (gross of) fees. ODCE returns are preliminary.  
 2. Calculated using Intercontinental U.S. REIF's proportionate share of gross assets' market value as of quarter end.  
 3. Includes all wholly owned debt and Intercontinental U.S. REIF's proportionate share of joint venture debt at cost over total assets.  
 Unless otherwise stated, Intercontinental U.S. REIF returns are leveraged gross of fees. The above returns are calculated at the Fund level and may not be reflective of the actual performance returns experienced by any one investor. Past performance is not a guarantee of future results and it is important to understand that investments of the type made by the Fund pose the potential for loss of capital over any time period. According to the Fund's valuation policy, prior to its first appraisal, all acquired investments will be valued at cost plus capital expenditures and will join the annual valuation cycle within 12 months following the acquisition date. The appraised values are updated quarterly by the Fund's Appraisal Management Firm. Since Inception returns commence at the beginning of the first full year of the Fund's life.