Quarterly Report

Prepared by

Mitchell, Vaught & Taylor Inc.
Investment Advisors

Hoffman Estates
Firefighters Pension Fund

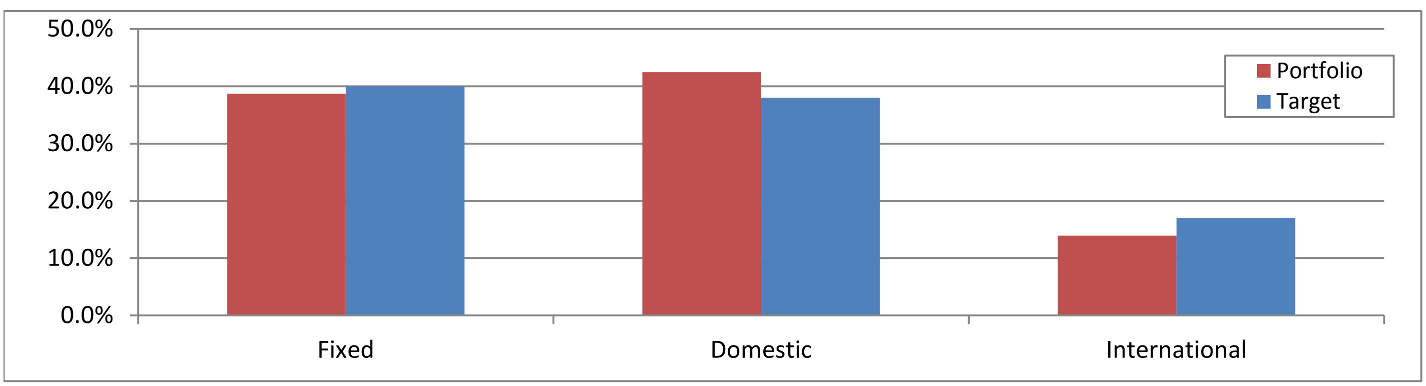
2nd Quarter 2017

53 West Jackson Suite 905
Chicago, Il 60604
312-922-1717
312-922-1772 fax
mvtinvest.com

Hoffman Estates Firefighters Pension Fund
Portfolio Asset Allocation
2nd Quarter 2017

Mitchell, Vaught & Taylor Inc.
Investment Advisors

Manager Summary	Actual	%	Target	Difference
Fixed	**30,279,899**	**38.7%**	**40.0%**	(988,939)
Wm Blair	22,023,288	28.2%		
MVT Core Government	8,137,517	10.4%		
Schwab Money Market	119,094	0.2%		
Equity	**47,892,195**	**61.3%**	**60.0%**	988,939
Domestic	**33,207,381**	**42.5%**	**38.0%**	3,501,985
Russell 3000 iShare	13,660,416	17.5%		
Rothschild (Large Value)	11,436,576	14.6%		
Vanguard Growth Admiral	3,269,401	4.2%		
T Rowe Price Health Sciences Fund	1,470,092	1.9%		
Diamond Hill Small Mid Cap Institution	1,454,645	1.9%		
Baird Midcap Institutional	1,128,443	1.4%		
T Rowe Price Small Cap Growth	787,808	1.0%		
Real Estate	**3,784,528**	**4.8%**	**5.0%**	(124,076)
Adelante (REIT)	3,784,528	4.8%		
International	**10,900,287**	**13.9%**	**17.0%**	(2,388,970)
Oakmark International	4,382,051	5.6%		
Artisan International Fund	4,137,319	5.3%		
Oppenheimer Intl Smid Cap Inst	1,543,539	2.0%		
Oppenheimer Developing Markets Instl	837,377	1.1%		
Total Pension Fund	**78,172,095**			



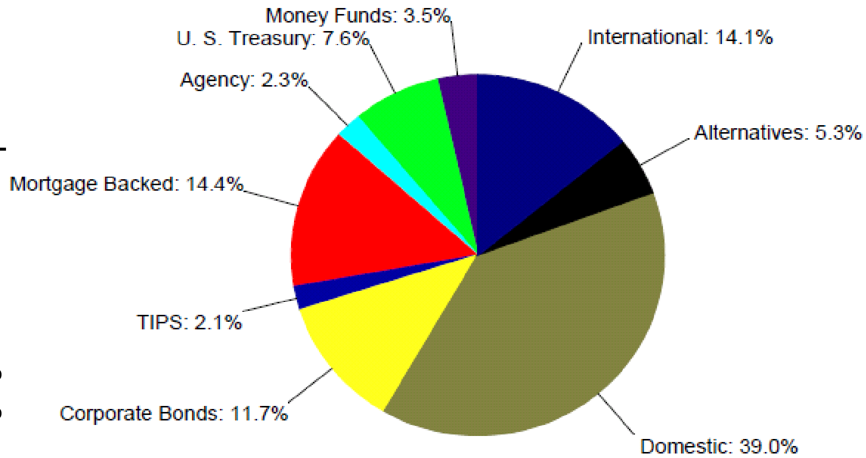
Changes:
We swapped out the Artisan Intl Value fund for the less expensive Artisan Advisor share class (from 1.23 bps down to 1.01 bps).

Hoffman Estates Firefighters Pension Fund
Executive Summary
2nd Quarter 2017

Mitchell, Vaught & Taylor Inc.
Investment Advisors

Activity Summary this Quarter

Beginning Value:	$	76,262,753
Contribute & Withdraw:	$	-
Net Investment Gain:	$	1,909,342
Ending Value:	$	78,172,095
Consulting Fee:	$	12,774
Income	$	418,220



Since: 12/31/2012

Cumulative Return:		38.44%
Annualized Net Return:		7.50%
Net Investment Gain:	$	22,920,843

Net Performance this Quarter

Fixed Income	1.07%	$	320,151
Equities	3.42%	$	1,589,190
Total Fund	2.50%	$	1,909,342
Target	2.47%		

Portfolio Strengths

Fixed - Surprisingly (given the somewhat stronger economic data) longer term interest rates declined a bit in the quarter, meaning longer duration securities slightly outperformed. Given its generally longer duration, the Blair portfolio did the best.

Equity - In another very strong quarter for equities, every international equity manager beat the benchmark, with the Oppenheimer Small Cap Intl fund reporting double digit returns. The T Rowe Price Heath Care fund continued its very strong year, and similar to the first quarter, growth, especially mid cap, beat their value counterparts.

Weaknesses

Fixed - With the yield curve flattening since the prior quarter, short term rates moved higher meaning all shorter duration securities underperformed a bit. Thus, the shorter duration MVT bond portfolio slightly underperformed versus the target.

Equity - Although all equity names were in positive territory for the quarter, both the large cap (Rothschild) and smid (Diamond Hill) value funds trailed the growth oriented managers.

Strategies

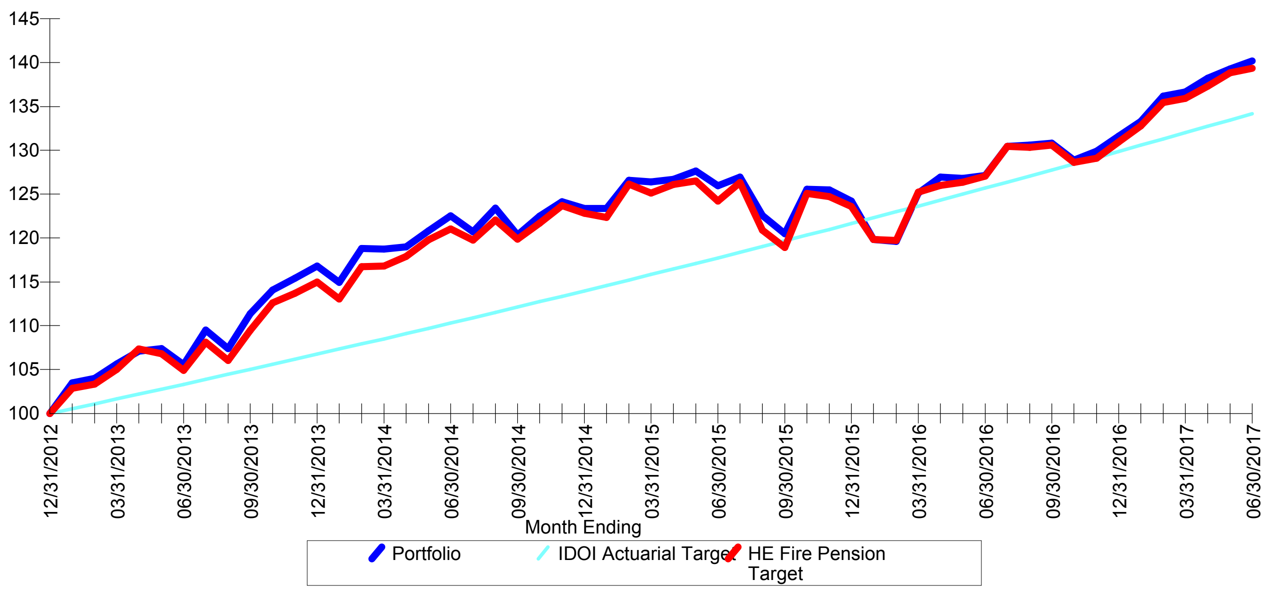
Portfolio - Although recent domestic economic data has been mixed, the overall trend continues to be positive, especially on a YoY basis. Household Durable goods (+5.3% YoY in May), CapEx (+5.0%), and corporate profits (+15% Q1) are all stronger. Internationally, the economic data is not quite as strong, but those equities continue to have a very good year. In fixed income, the Federal Reserve again raised overnight rates by 25 bps in June, and continue to suggest at least one additional hike this year. Despite the move higher in short term rates, inflation continues to be well below the Fed target. We will continue to overweight the Blair portfolio due to its sector weights in investment grade corporates and mortgage-backed securities. In equities, the stronger US economic data has us favoring the domestic growth sector and moving closer to target weight with the comparatively undervalued international sector.

July 6, 2017

Portfolio Performance Review

Hoffman Estates Firefighters Pension Fund

Graphical Comparative Performance



Total Portfolio	Q2	YTD	1 Yr	3 Yrs	Apr	May	Jun	Incept
Time Weighted (gross)	2.6	6.5	10.3	4.6	1.2	0.8	0.6	7.8
Russell 3000	3.0	8.9	18.5	9.1	1.1	1.0	0.9	14.7
MSCI World xUS	4.8	12.4	17.5	-1.8	1.9	2.8	0.1	2.3
Barclays Intermediate Aggr	0.9	1.6	-0.2	2.0	0.6	0.5	-0.3	1.7
Wilshire US REIT Index	1.8	1.8	-1.7	8.3	-0.1	-0.6	2.4	9.9
IDOI Actuarial Target	1.6	3.3	6.7	6.7	0.5	0.5	0.5	6.8
HE Fire Pension Target	2.5	6.3	9.8	4.7	1.0	1.1	0.3	7.7
Time Weighted (net)	2.5	6.3	9.9	4.3	1.1	0.8	0.6	7.5
Russell 3000	3.0	8.9	18.5	9.1	1.1	1.0	0.9	14.7
MSCI World xUS	4.8	12.4	17.5	-1.8	1.9	2.8	0.1	2.3
Barclays Intermediate Aggr	0.9	1.6	-0.2	2.0	0.6	0.5	-0.3	1.7
Wilshire US REIT Index	1.8	1.8	-1.7	8.3	-0.1	-0.6	2.4	9.9
IDOI Actuarial Target	1.6	3.3	6.7	6.7	0.5	0.5	0.5	6.8
HE Fire Pension Target	2.5	6.3	9.8	4.7	1.0	1.1	0.3	7.7

Returns for periods exceeding 12 months are annualized

This report includes data currently available to the investment manager. Past performance is no guarantee of future performance. Indices are not available for direct investment. An investment product which attempts to mimic the performance of an index will incur expenses such as management fees and transaction costs which reduce returns.

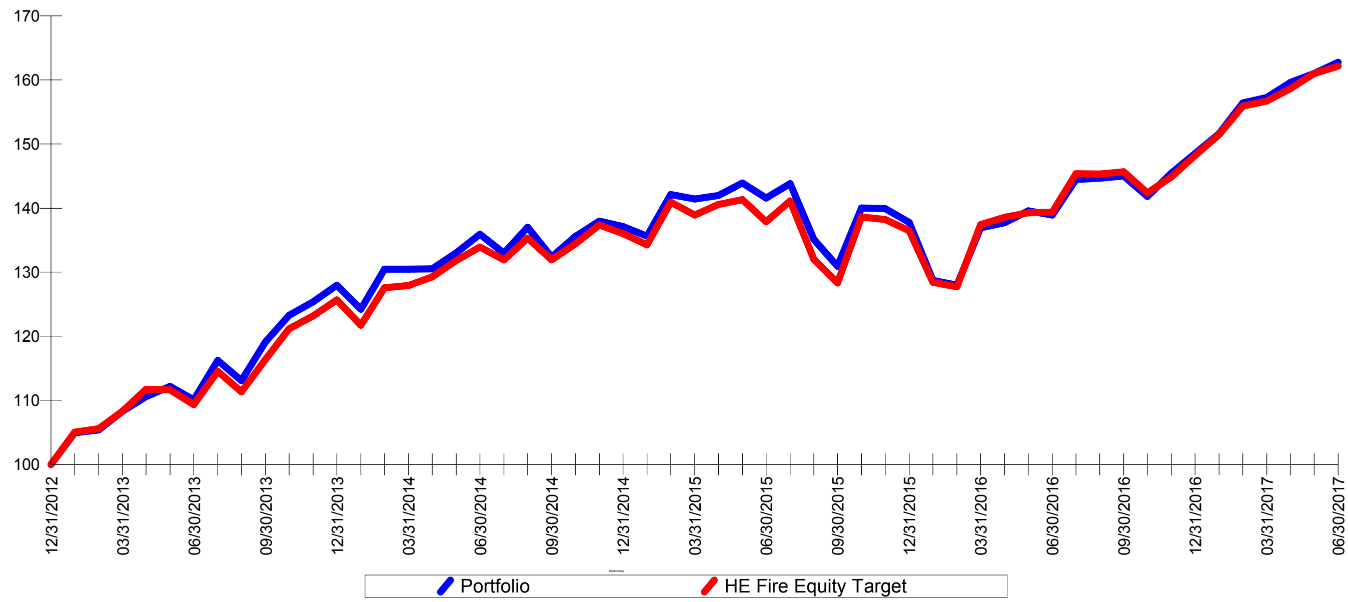
July 3, 2017

Mitchell, Vaught & Taylor Inc.
Investment Advisors

Portfolio Performance Review

Hoffman Estates Equity

Graphical Comparative Performance



Total Portfolio	**Q2**	**YTD**	**1 Yr**	**3 Yrs**	**Apr**	**May**	**Jun**	***Incept**
Time Weighted (gross)	3.5	9.6	17.2	6.2	1.5	0.9	1.1	11.4
Russell 3000	3.0	8.9	18.5	9.1	1.1	1.0	0.9	14.7
S&P 500 Comp. w/ divs	3.1	9.3	17.9	9.6	1.0	1.4	0.6	15.0
Russell 1000 Value	1.3	4.7	15.5	7.4	-0.2	-0.1	1.6	13.6
MSCI World xUS	4.8	12.4	17.5	-1.8	1.9	2.8	0.1	2.3
Wilshire US REIT Inde	1.8	1.8	-1.7	8.3	-0.1	-0.6	2.4	9.9
HE Fire Equity Target	3.5	9.5	16.5	6.4	1.2	1.5	0.7	11.4
Time Weighted (net)	3.4	9.4	16.8	5.9	1.5	0.8	1.1	11.2
Russell 3000	3.0	8.9	18.5	9.1	1.1	1.0	0.9	14.7
S&P 500 Comp. w/ divs	3.1	9.3	17.9	9.6	1.0	1.4	0.6	15.0
Russell 1000 Value	1.3	4.7	15.5	7.4	-0.2	-0.1	1.6	13.6
MSCI World xUS	4.8	12.4	17.5	-1.8	1.9	2.8	0.1	2.3
Wilshire US REIT Inde	1.8	1.8	-1.7	8.3	-0.1	-0.6	2.4	9.9
HE Fire Equity Target	3.5	9.5	16.5	6.4	1.2	1.5	0.7	11.4

* Return since inception date of 12/31/2012

Mitchell, Vaught & Taylor Inc. Investment Advisors

2q17 Hoffman Estates Equity Target

Portfolio Hoffman Estates Equity | **Benchmark** Target - Hoffman Equity | **Currency** US Dollar

Attribution Detail 4/1/2017 to 6/30/2017

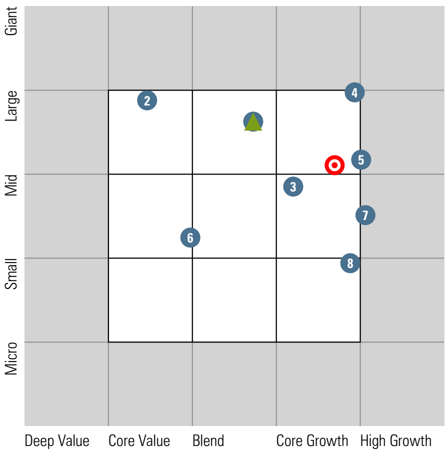
		Allocation %			Gross Return %			Contribution %			Attribution Effects %			
Name	Benchmark	Actual	Policy	+/-	Port	B-mark	+/-	Port	B-mark	+/-	Sector Allocation	Mgr Selection	Mgr B-mark Misfit	Active Ret
Alternative	**Wilshire US REIT TR USD**	**7.88**	**8.33**	**-0.45**	**3.19**	**1.78**	**1.41**	**0.26**	**0.15**	**0.10**	**0.01**	**0.11**	**0.00**	**0.12**
Hoffman Estates Fire Adelante	Wilshire US REIT TR USD	7.88	—	—	3.19	1.78	1.41	0.26	0.00	0.26	—	0.11	0.00	0.11
CASH	**USTREAS T-Bill Auction Ave 3 Mon**	**0.25**	**0.00**	**0.25**	**0.23**	**—**	**—**	**0.00**	**0.00**	**0.00**	**-0.01**	**0.00**	**0.00**	**-0.01**
USTREAS T-Bill Auction Ave 3 Mon	USTREAS T-Bill Auction Ave 3 Mon	0.25	—	—	0.23	0.23	0.00	0.00	0.00	0.00	—	0.00	0.00	0.00
Domestic	**Russell 3000 TR USD**	**69.17**	**58.34**	**10.83**	**2.53**	**3.02**	**-0.48**	**1.78**	**1.76**	**0.02**	**-0.06**	**-0.21**	**-0.17**	**-0.44**
iShares Russell 3000 ETF	Russell 3000 TR USD	28.45	—	—	3.03	3.02	0.02	0.87	0.00	0.87	—	-0.02	0.00	-0.02
Hoffman Estates Fire Rothschild LV	Russell 1000 Value TR USD	23.82	—	—	0.38	1.34	-0.96	0.11	0.00	0.11	—	-0.24	-0.41	-0.65
Vanguard Growth Index Admiral	Russell 1000 Growth TR USD	6.81	—	—	4.72	4.67	0.05	0.32	0.00	0.32	—	0.00	0.11	0.12
Baird MidCap Inst	Russell Mid Cap Growth TR USD	2.35	—	—	7.03	4.21	2.82	0.16	0.00	0.16	—	0.06	0.03	0.09
Diamond Hill Small-Mid Cap I	Russell Mid Cap Value TR USD	3.03	—	—	1.24	1.37	-0.12	0.04	0.00	0.04	—	-0.01	-0.05	-0.06
T. Rowe Price QM US Small-Cap Gr Eq	Russell 2000 Growth TR USD	1.64	—	—	3.98	4.39	-0.41	0.07	0.00	0.07	—	-0.01	0.02	0.01
T. Rowe Price Health Sciences	S&P 1500 Health Care TR	3.06	—	—	7.66	7.39	0.27	0.23	0.00	0.23	—	0.00	0.13	0.13
International	**MSCI ACWI Ex USA PR USD**	**22.70**	**33.33**	**-10.63**	**7.50**	**4.80**	**2.70**	**1.63**	**1.59**	**0.03**	**-0.15**	**0.27**	**0.26**	**0.38**
Artisan International Advisor	MSCI ACWI Ex USA Growth NR USD	8.62	—	—	—	—	2.29	0.00	0.00	0.00	—	0.00	0.00	0.00
Artisan International Value Investor	MSCI ACWI Ex USA NR USD	0.00	—	—	7.06	5.78	1.27	0.59	0.00	0.59	—	0.08	0.08	0.16
Oakmark International Investor	MSCI ACWI Ex USA NR USD	9.13	—	—	6.43	5.78	0.64	0.57	0.00	0.57	—	0.03	0.09	0.12
Oppenheimer International Small-Mid C	MSCI World Ex USA SMID NR USD	3.21	—	—	12.09	6.98	5.11	0.35	0.00	0.35	—	0.14	0.06	0.20
Oppenheimer Developing Markets Y	MSCI EM NR USD	1.74	—	—	7.22	6.27	0.95	0.12	0.00	0.12	—	0.01	0.02	0.04
Total		**100.00**	**100.00**	**0.00**	**3.67**	**3.51**	**0.16**	**3.67**	**3.51**	**0.16**	**-0.21**	**0.17**	**0.09**	**0.05**

Hoffman Estates Domestic

Portfolio Aggregation

Data as of	Currency	Risk-Free Rate	Benchmark
6/30/2017	USD	USTREAS T-Bill Auction Ave 3 Mon	iShares Russell 3000 ETF

Equity Style Box



Style Breakdown	Portfolio %	Benchmark %
Large Value	24.89	24.79
Large Core	24.71	24.88
Large Growth	19.71	22.29
Mid Value	5.70	6.28
Mid Core	8.77	6.43
Mid Growth	8.72	6.21
Small Value	2.26	2.99
Small Core	2.28	3.08
Small Growth	2.94	3.06
Large Cap	69.32	71.96
Mid-Small Cap	30.68	28.04
Value	32.86	34.06
Core	35.76	34.38
Growth	31.37	31.56

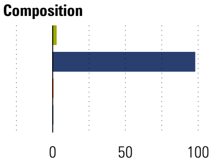
Portfolio Portfolio Constituents Benchmark

Top 10 Constituents

		% Weighting
1	iShares Russell 3000 ETF	36.93
2	Hoffman Estates Fire Rothschild LV	30.92
3	Hoffman Estates Fire Adelante	10.23
4	Vanguard Growth Index Admiral	8.84
5	T. Rowe Price Health Sciences	3.97
6	Diamond Hill Small-Mid Cap I	3.93
7	Baird MidCap Inst	3.05
8	T. Rowe Price QM US Small-Cap Gr Eq	2.13

Portfolio Overview

Composition



	Portfolio %	Benchmark %
Cash	2.32	0.25
Stock	97.59	99.75
Bond	0.07	0.00
Other	0.02	0.00
Total	99.99	100.00

World Region Breakdown	Portfolio %	Benchmark %
Americas	98.76	99.01
North America	98.70	98.98
Latin America	0.06	0.03
Greater Europe	0.88	0.36
United Kingdom	0.08	0.03
Europe Developed	0.77	0.31
Europe Emerging	0.00	0.00
Africa/Middle East	0.03	0.02
Greater Asia	0.36	0.64
Japan	0.04	0.00
Australasia	0.00	0.01
Asia Developed	0.00	0.00
Asia emerging	0.32	0.63

Top 10 Country Breakdown	Portfolio %	Benchmark %
United States	98.66	98.96
Switzerland	0.70	0.27
China	0.31	0.60
United Kingdom	0.08	0.03
Other Countries	0.07	0.05
France	0.04	0.00
Japan	0.04	0.00
Canada	0.03	0.01
Israel	0.02	0.01
Germany	0.01	0.00

Equity Sector Breakdown	Portfolio %	Benchmark %
Cyclical	39.57	35.11
Basic Matls	2.23	3.36
Cons Cyclical	10.27	11.72
Financial Svcs	14.63	16.25
Real Estate	12.43	3.79
Sensitive	34.94	39.42
Comm Svcs	4.22	3.51
Energy	6.78	5.57
Industrials	9.65	11.01
Technology	14.29	19.33
Defensive	25.50	25.46
Cons Defensive	7.00	8.16
Healthcare	15.37	14.16
Utilities	3.12	3.15

Fixed-Income Sector Breakdown	Portfolio %	Benchmark %
Government	0.40	0.00
Municipal	0.00	0.00
Corporate	8.98	42.61
Securitized	6.52	0.00
Cash and Cash Equivalents	84.10	57.39
Derivative	0.00	0.00

Credit Rating Breakdown	Portfolio %	Benchmark %
AAA	21.04	—
AA	8.02	—
A	16.31	—
BBB	28.49	—
BB	12.05	—
B or Below B	1.22	—
Not Rated	12.86	—

Portfolio Statistics

Style Box Value Factors	Portfolio	Benchmark
Price/Prospective Earnings	22.22	19.79
Price/Book	3.49	2.62
Price/Sales	3.01	1.93
Price/Cash Flow	15.02	10.85
Dividend Yield %	2.21	2.00
Style Box Growth Factors		
Long-Term Earning Growth %	9.19	9.72
Historical Earnings Growth %	15.18	3.50
Book Value Growth %	3.02	-2.91
Sales Growth %	1.99	-2.35
Cash Flow Growth %	3.82	-0.37

Equity Valuation Price Multiples		
Price to Earnings	20.59	20.85
Price to Book Value	2.66	2.81
Price to Sales	1.98	1.93
Price to Cash Flow	12.02	12.71

Financial Ratios		
ROE %	17.75	19.68
ROA %	5.64	6.53
Net Margin %	13.95	13.80
Debt to Capital %	42.84	42.21

Fixed Income Style		
Avg Eff Duration	1.63	—
Avg Eff Maturity	—	—
Avg Credit Quality	BB	—
Avg Wtd Coupon	3.98	—
Avg Wtd Price	—	—

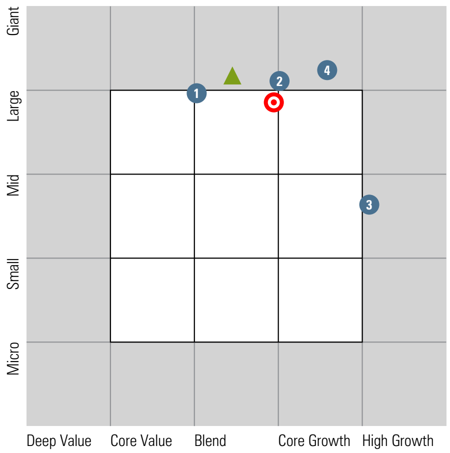
Misc		
% Market Value in Top 10 Holdings	100.00	15.54
Average Expense Ratio	0.32	0.20

Hoffman Estates Intl

Portfolio Aggregation

Data as of	Currency	Risk-Free Rate	Benchmark
6/30/2017	USD	USTREAS T-Bill Auction Ave 3 Mon	iShares MSCI ACWI ex US ETF

Equity Style Box



Style Breakdown	Portfolio %	Benchmark %
Large Value	23.82	34.71
Large Core	26.58	31.56
Large Growth	30.30	27.01
Mid Value	1.61	2.39
Mid Core	6.75	2.45
Mid Growth	9.17	1.84
Small Value	0.18	0.03
Small Core	0.16	0.03
Small Growth	1.42	0.00
Large Cap	80.71	93.28
Mid-Small Cap	19.29	6.73
Value	25.61	37.12
Core	33.49	34.03
Growth	40.90	28.85

Portfolio Portfolio Constituents Benchmark

Top 10 Constituents

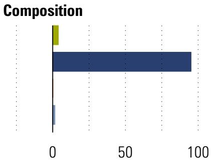
		% Weighting
1	Oakmark International Investor	40.20
2	Artisan International Advisor	37.96
3	Oppenheimer International Small-Mid Co Y	14.16
4	Oppenheimer Developing Markets Y	7.68

Portfolio Statistics

Style Box Value Factors	Portfolio	Benchmark
Price/Prospective Earnings	17.36	14.58
Price/Book	2.03	1.61
Price/Sales	1.50	1.26
Price/Cash Flow	5.83	4.83
Dividend Yield %	2.76	3.27
Style Box Growth Factors		
Long-Term Earning Growth %	9.71	9.72
Historical Earnings Growth %	6.72	-20.12
Book Value Growth %	3.46	-0.15
Sales Growth %	-1.15	-6.69
Cash Flow Growth %	9.46	1.34
Equity Valuation Price Multiples		
Price to Earnings	19.48	17.44
Price to Book Value	2.05	1.66
Price to Sales	1.48	1.27
Price to Cash Flow	10.75	8.37
Financial Ratios		
ROE %	13.34	13.95
ROA %	5.26	5.01
Net Margin %	11.60	13.74
Debt to Capital %	33.89	32.94
Fixed Income Style		
Avg Eff Duration	—	—
Avg Eff Maturity	—	—
Avg Credit Quality	—	—
Avg Wtd Coupon	—	—
Avg Wtd Price	—	—
Misc		
% Market Value in Top 10 Holdings	100.00	9.27
Average Expense Ratio	1.01	0.33

Portfolio Overview

Composition



	Portfolio %	Benchmark %
Cash	3.72	0.05
Stock	94.93	99.82
Bond	0.00	0.00
Other	1.35	0.13
Total	100.00	100.00

World Region Breakdown	Portfolio %	Benchmark %
Americas	11.14	10.34
North America	9.22	7.45
Latin America	1.93	2.89
Greater Europe	63.52	47.16
United Kingdom	13.62	11.86
Europe Developed	48.05	31.62
Europe Emerging	1.03	1.44
Africa/Middle East	0.81	2.23
Greater Asia	25.34	42.51
Japan	11.24	16.42
Australasia	2.11	5.00
Asia Developed	4.11	9.88
Asia emerging	7.87	11.22

Top 10 Country Breakdown	Portfolio %	Benchmark %
Germany	14.25	6.61
United Kingdom	13.61	11.86
Japan	11.23	16.42
France	9.67	6.88
Switzerland	8.68	5.92
United States	7.57	0.98
Netherlands	4.64	2.61
Italy	4.32	1.32
China	3.91	7.06
Sweden	3.25	1.98

Equity Sector Breakdown	Portfolio %	Benchmark %
Cyclical	53.30	45.28
Basic Matls	8.09	7.80
Cons Cyclical	17.83	11.07
Financial Svcs	26.44	22.95
Real Estate	0.94	3.47
Sensitive	28.17	33.46
Comm Svcs	3.98	4.65
Energy	0.22	6.29
Industrials	14.90	11.08
Technology	9.07	11.44
Defensive	18.53	21.26
Cons Defensive	11.38	10.20
Healthcare	7.15	8.03
Utilities	0.00	3.02

Fixed-Income Sector Breakdown	Portfolio %	Benchmark %
Government	0.00	0.00
Municipal	0.00	0.00
Corporate	0.17	100.00
Securitized	0.00	0.00
Cash and Cash Equivalents	99.83	0.00
Derivative	0.00	0.00

Credit Rating Breakdown	Portfolio %	Benchmark %
AAA	—	—
AA	—	—
A	—	—
BBB	—	—
BB	—	—
B or Below B	—	—
Not Rated	—	—

July 4, 2017

Mitchell, Vaught & Taylor Inc.
Investment Advisors

Buys, Sells, Deposits, Withdrawals

From 04/01/2017 to 06/30/2017

Hoffman Estates Fire Mutual Funds

Portfolio Account Type	Trade Date	Maturity Date	Activity	Security Symbol	Description	Net Amount	Total Fees
Mutual Fun	06/26/2017		Sell	ARTKX	Artisan Intl Value Fund	4,171,211.97	0
Mutual Fun	06/27/2017		Buy	APDIX	Artisan International Fund	(4,171,211.97)	25
						0.00	25

July 4, 2017

Mitchell, Vaught & Taylor Inc. Investment Advisors

Buys, Sells, Deposits, Withdrawals

From 04/01/2017 to 06/30/2017

Hoffman Estates Fire Adelante

Portfolio Account Type	Trade Date	Maturity Date	Activity	Security Symbol	Description	Net Amount	Total Fees
Managed A	04/20/2017		Buy	ARE	Alexandria Real Estate	(8,315.46)	0
Managed A	04/20/2017		Buy	BXP	Boston Properties	(4,025.87)	0
Managed A	04/20/2017		Buy	SFR	Colony Starwood Homes	(9,739.32)	0
Managed A	04/20/2017		Buy	OFC	Corporate Office Properti	(11,560.66)	0
Managed A	04/20/2017		Buy	DCT	DCT Industrial Trust	(6,068.38)	0
Managed A	04/20/2017		Buy	EXR	Extra Space Storage Inc	(9,893.41)	0
Managed A	04/20/2017		Buy	GGP	GGP, Inc.	(1,905.59)	0
Managed A	04/20/2017		Buy	HTA	Healthcare Trust of Ameri	(1,865.88)	0
Managed A	04/20/2017		Buy	HIW	Highwood Properties Inc	(926.15)	0
Managed A	04/20/2017		Buy	HLT	Hilton Hotels Corp	(2,566.35)	0
Managed A	04/20/2017		Buy	KRC	Kilroy Realty Corp	(3,775.20)	0
Managed A	04/20/2017		Buy	KIM	Kimco Realty Corp	(10,213.34)	0
Managed A	04/20/2017		Buy	MAR	Marriott International	(9,285.65)	0
Managed A	04/20/2017		Buy	PLD	Prologis	(19,239.55)	0
Managed A	04/20/2017		Buy	PSA	Public Storage	(4,817.25)	0
Managed A	04/20/2017		Buy	ROIC	Retail Oppty Investments	(2,811.66)	0
Managed A	04/20/2017		Buy	SPG	Simon Property Group	(19,291.96)	0
Managed A	04/20/2017		Buy	SUI	Sun Communities	(9,304.38)	0
Managed A	04/20/2017		Buy	VNO	Vornado Realty	(19,787.43)	0
Managed A	04/20/2017		Buy	HCN	Welltower Inc.	(8,635.19)	0
Managed A	04/20/2017		Sell	AIV	Airport Investment & Man	11,453.37	0
Managed A	04/20/2017		Sell	AAT	American Assets TRUST	1,200.74	0
Managed A	04/20/2017		Sell	AMT	American Tower	22,384.36	0
Managed A	04/20/2017		Sell	DRE	Duke Realty Corp	98,313.58	0
Managed A	04/20/2017		Sell	DFT	Dupont Fabros Technolo	2,798.99	0
Managed A	04/20/2017		Sell	EQIX	Equinix Inc New	10,956.33	0
Managed A	04/20/2017		Sell	EQR	Equity Residential	11,734.32	0
Managed A	04/20/2017		Sell	ESS	Essex Property	16,877.95	0
Managed A	04/20/2017		Sell	FCPT	Four Corners Property M	3,055.15	0
Managed A	04/20/2017		Sell	HGV	Hilton Grand Vacatio	1,796.38	0
Managed A	04/20/2017		Sell	NNN	National Retail Pptys	406.85	0
Managed A	04/20/2017		Sell	OHI	Omega Hlthcare Invs Inc	1,983.80	0
Managed A	04/20/2017		Sell	PK	Park Hotels & Resort	36,491.90	1
Managed A	04/20/2017		Sell	REG	Regency Centers	4,084.28	0
Managed A	05/03/2017		Buy	AAT	American Assets TRUST	(378.45)	0
Managed A	05/03/2017		Buy	BXP	Boston Properties	(1,877.85)	0
Managed A	05/03/2017		Buy	EQR	Equity Residential	(10,032.14)	0
Managed A	05/03/2017		Buy	ESS	Essex Property	(745.80)	0
Managed A	05/03/2017		Buy	EXR	Extra Space Storage Inc	(7,440.67)	0
Managed A	05/03/2017		Buy	HTA	Healthcare Trust of Ameri	(23,016.02)	0
Managed A	05/03/2017		Buy	KRC	Kilroy Realty Corp	(1,489.54)	0
Managed A	05/03/2017		Buy	MAR	Marriott International	(291.01)	0
Managed A	05/03/2017		Buy	NNN	National Retail Pptys	(2,401.25)	0
Managed A	05/03/2017		Buy	OHI	Omega Hlthcare Invs Inc	(1,363.39)	0
Managed A	05/03/2017		Buy	REG	Regency Centers	(5,347.84)	0
Managed A	05/03/2017		Buy	ROIC	Retail Oppty Investments	(6,589.93)	0
Managed A	05/03/2017		Buy	SPG	Simon Property Group	(2,497.03)	0
Managed A	05/03/2017		Buy	VNO	Vornado Realty	(13,976.97)	0

Buys, Sells, Deposits, Withdrawals
From 04/01/2017 to 06/30/2017

Hoffman Estates Fire Adelante

Portfolio Account Type	Trade Date	Maturity Date	Activity	Security Symbol	Description	Net Amount	Total Fees
Managed A	05/03/2017		Buy	HCN	Welltower Inc.	(3,153.51)	0
Managed A	05/03/2017		Sell	AIV	Airport Investment & Man	9,025.18	0
Managed A	05/03/2017		Sell	ARE	Alexandria Real Estate	1,699.43	0
Managed A	05/03/2017		Sell	AMT	American Tower	2,678.04	0
Managed A	05/03/2017		Sell	SFR	Colony Starwood Homes	1,028.63	0
Managed A	05/03/2017		Sell	OFC	Corporate Office Properti	1,096.14	0
Managed A	05/03/2017		Sell	DCT	DCT Industrial Trust	2,570.63	0
Managed A	05/03/2017		Sell	DFT	Dupont Fabros Technolo	1,806.53	0
Managed A	05/03/2017		Sell	EQIX	Equinix Inc New	6,329.31	0
Managed A	05/03/2017		Sell	FCPT	Four Corners Property M	345.65	0
Managed A	05/03/2017		Sell	HIW	Highwood Properties Inc	900.54	0
Managed A	05/03/2017		Sell	HGV	Hilton Grand Vacatio	4,889.83	0
Managed A	05/03/2017		Sell	HLT	Hilton Hotels Corp	6,954.37	0
Managed A	05/03/2017		Sell	KIM	Kimco Realty Corp	2,248.09	0
Managed A	05/03/2017		Sell	PLD	Prologis	6,338.25	0
Managed A	05/03/2017		Sell	PSA	Public Storage	3,699.97	0
Managed A	05/03/2017		Sell	SUI	Sun Communities	1,245.24	0
Managed A	06/23/2017		Buy	ARE	Alexandria Real Estate	(2,181.16)	0
Managed A	06/23/2017		Buy	AAT	American Assets TRUST	(3,706.79)	0
Managed A	06/23/2017		Buy	BXP	Boston Properties	(6,407.39)	0
Managed A	06/23/2017		Buy	SFR	Colony Starwood Homes	(525.00)	0
Managed A	06/23/2017		Buy	OFC	Corporate Office Properti	(6,624.22)	0
Managed A	06/23/2017		Buy	DCT	DCT Industrial Trust	(4,789.75)	0
Managed A	06/23/2017		Buy	DFT	Dupont Fabros Technolo	(3,373.04)	0
Managed A	06/23/2017		Buy	EQR	Equity Residential	(8,275.44)	0
Managed A	06/23/2017		Buy	EXR	Extra Space Storage Inc	(2,836.01)	0
Managed A	06/23/2017		Buy	HIW	Highwood Properties Inc	(157.30)	0
Managed A	06/23/2017		Buy	KIM	Kimco Realty Corp	(7,348.27)	0
Managed A	06/23/2017		Buy	PLD	Prologis	(5,630.91)	0
Managed A	06/23/2017		Buy	PSA	Public Storage	(1,927.06)	0
Managed A	06/23/2017		Buy	REG	Regency Centers	(3,660.62)	0
Managed A	06/23/2017		Buy	ROIC	Retail Oppty Investments	(10,361.30)	0
Managed A	06/23/2017		Buy	SPG	Simon Property Group	(2,383.12)	0
Managed A	06/23/2017		Buy	SUI	Sun Communities	(4,082.08)	0
Managed A	06/23/2017		Buy	VNO	Vornado Realty	(18,346.46)	0
Managed A	06/23/2017		Sell	AIV	Airport Investment & Man	17,625.27	0
Managed A	06/23/2017		Sell	EQIX	Equinix Inc New	1,321.92	0
Managed A	06/23/2017		Sell	ESS	Essex Property	3,995.16	0
Managed A	06/23/2017		Sell	FCPT	Four Corners Property M	12,482.20	0
Managed A	06/23/2017		Sell	GGP	GGP, Inc.	9,019.21	0
Managed A	06/23/2017		Sell	HTA	Healthcare Trust of Ameri	4,110.56	0
Managed A	06/23/2017		Sell	HGV	Hilton Grand Vacatio	1,314.05	0
Managed A	06/23/2017		Sell	HLT	Hilton Hotels Corp	2,351.77	0
Managed A	06/23/2017		Sell	KRC	Kilroy Realty Corp	6,734.27	0
Managed A	06/23/2017		Sell	MAR	Marriott International	5,008.82	0
Managed A	06/23/2017		Sell	NNN	National Retail Pptys	8,676.12	0
Managed A	06/23/2017		Sell	OHI	Omega Hlthcare Invs Inc	307.82	0
Managed A	06/23/2017		Sell	HCN	Welltower Inc.	3,270.64	0
Managed A	06/28/2017		Sell	AIV	Airport Investment & Man	42,871.65	0
Managed A	06/28/2017		Sell	ARE	Alexandria Real Estate	49,654.17	1
Managed A	06/28/2017		Sell	AAT	American Assets TRUST	14,429.09	0
Managed A	06/28/2017		Sell	AMT	American Tower	23,094.76	1
Managed A	06/28/2017		Sell	BXP	Boston Properties	40,586.84	1
Managed A	06/28/2017		Sell	SFR	Colony Starwood Homes	25,821.25	0
Managed A	06/28/2017		Sell	OFC	Corporate Office Properti	38,130.73	1
Managed A	06/28/2017		Sell	DCT	DCT Industrial Trust	37,205.51	1
Managed A	06/28/2017		Sell	DFT	Dupont Fabros Technolo	40,509.58	1

Buys, Sells, Deposits, Withdrawals

From 04/01/2017 to 06/30/2017

Hoffman Estates Fire Adelante

Portfolio Account Type	Trade Date	Maturity Date	Activity	Security Symbol	Description	Net Amount	Total Fees
Managed A	06/28/2017		Sell	EQIX	Equinix Inc New	33,731.86	1
Managed A	06/28/2017		Sell	EQR	Equity Residential	61,229.38	1
Managed A	06/28/2017		Sell	ESS	Essex Property	40,612.21	1
Managed A	06/28/2017		Sell	EXR	Extra Space Storage Inc	48,974.15	0
Managed A	06/28/2017		Sell	FCPT	Four Corners Property M	14,299.50	0
Managed A	06/28/2017		Sell	GGP	GGP, Inc.	26,000.47	1
Managed A	06/28/2017		Sell	HTA	Healthcare Trust of Ameri	45,522.37	1
Managed A	06/28/2017		Sell	HIW	Highwood Properties Inc	34,721.81	0
Managed A	06/28/2017		Sell	HGV	Hilton Grand Vacatio	13,013.45	0
Managed A	06/28/2017		Sell	HLT	Hilton Hotels Corp	22,823.97	1
Managed A	06/28/2017		Sell	KRC	Kilroy Realty Corp	51,650.68	1
Managed A	06/28/2017		Sell	KIM	Kimco Realty Corp	39,829.70	0
Managed A	06/28/2017		Sell	MAR	Marriott International	38,868.08	1
Managed A	06/28/2017		Sell	NNN	National Retail Pptys	23,576.84	1
Managed A	06/28/2017		Sell	OHI	Omega Hlthcare Invs Inc	14,756.75	0
Managed A	06/28/2017		Sell	PLD	Prologis	84,471.34	2
Managed A	06/28/2017		Sell	PSA	Public Storage	69,377.69	2
Managed A	06/28/2017		Sell	REG	Regency Centers	57,787.85	1
Managed A	06/28/2017		Sell	ROIC	Retail Oppty Investments	27,168.19	1
Managed A	06/28/2017		Sell	SPG	Simon Property Group	137,181.31	3
Managed A	06/28/2017		Sell	SUI	Sun Communities	36,220.85	0
Managed A	06/28/2017		Sell	VNO	Vornado Realty	63,313.89	1
Managed A	06/28/2017		Sell	HCN	Welltower Inc.	70,991.40	2
						1,383,792.96	29

July 4, 2017

Mitchell, Vaught & Taylor Inc.
Investment Advisors

Buys, Sells, Deposits, Withdrawals

From 04/01/2017 to 06/30/2017

Hoffman Estates Fire Rothschild LV

Portfolio Account Type	Trade Date	Maturity Date	Activity	Security Symbol	Description	Net Amount	Total Fees
Managed A	04/04/2017		Sell	LLY	Lilly Eli & Company	38,404.14	1
Managed A	04/05/2017		Buy	PWR	Quanta Services Inc	(43,777.92)	0
Managed A	04/11/2017		Sell	GILD	Gilead Sciences	86,063.82	2
Managed A	04/12/2017		Buy	ORCL	Oracle Corporation	(141,536.70)	0
Managed A	04/12/2017		Sell	DXC	D X C Technology Com	35,001.41	1
Managed A	04/12/2017		Sell	PG	Procter & Gamble Co	55,342.45	1
Managed A	04/12/2017		Sell	VZ	Verizon Communications	45,247.70	1
Managed A	04/13/2017		Buy	FL	Foot Locker Inc	(129,796.41)	0
Managed A	04/13/2017		Sell	SKX	Skechers U S A Inc	100,352.17	2
Managed A	04/21/2017		Sell	VZ	Verizon Communications	80,319.47	2
Managed A	05/03/2017		Buy	WRK	Westrock Co	(35,728.41)	0
Managed A	05/04/2017		Buy	CMI	Cummins Inc	(22,775.99)	0
Managed A	05/04/2017		Buy	CMI	Cummins Inc	(90,034.50)	0
Managed A	05/09/2017		Sell	FLR	Fluor Corporation	59,637.37	1
Managed A	05/15/2017		Buy	DIS	Walt Disney	(136,070.69)	0
Managed A	05/15/2017		Sell	TWX	Time Warner Inc	91,559.17	2
Managed A	05/16/2017		Sell	LLY	Lilly Eli & Company	37,333.74	1
Managed A	05/16/2017		Sell	UNH	Unitedhealth Group	57,016.96	1
Managed A	05/19/2017		Buy	PEG	PSEG Inc	(13,898.41)	0
Managed A	05/23/2017		Sell	GE	General Electric Compan	60,396.72	1
Managed A	05/24/2017		Buy	CSCO	Cisco Systems Inc	(51,848.61)	0
Managed A	05/24/2017		Buy	ORCL	Oracle Corporation	(55,192.49)	0
Managed A	05/24/2017		Sell	KIM	Kimco Realty Corp	73,521.72	0
Managed A	05/26/2017		Buy	DIS	Walt Disney	(28,877.57)	0
Managed A	06/02/2017		Buy	ONNN	On Semiconductor Corp	(54,121.50)	0
Managed A	06/02/2017		Sell	GE	General Electric Compan	80,117.43	2
Managed A	06/02/2017		Sell	INTC	Intel Corporation	39,124.86	1
Managed A	06/07/2017		Buy	ETFC	E*TRADE FINANCIAL C	(65,943.27)	0
Managed A	06/08/2017		Buy	WRK	Westrock Co	(12,474.00)	0
Managed A	06/08/2017		Sell	PHM	PulteGroup Inc	40,178.11	1
Managed A	06/09/2017		Buy	ONNN	On Semiconductor Corp	(36,548.37)	0
Managed A	06/12/2017		Buy	HD	Home Depot Inc	(26,022.78)	0
Managed A	06/12/2017		Sell	VLO	Valero Energy	31,578.82	1
Managed A	06/15/2017		Buy	HIW	Highwood Properties Inc	(62,543.22)	0
Managed A	06/15/2017		Sell	AAPL	Apple Computer Inc	97,407.62	2
Managed A	06/16/2017		Buy	TMO	Thermo Electron Corp	(102,178.39)	0
Managed A	06/16/2017		Buy	DIS	Walt Disney	(58,999.25)	0
Managed A	06/16/2017		Sell	BAH	Booz Allen Hamilton Hold	21,582.03	0
Managed A	06/16/2017		Sell	DOW	Dow Chemical Company	25,129.52	1
Managed A	06/16/2017		Sell	VLO	Valero Energy	32,091.87	1
Managed A	06/19/2017		Buy	HIW	Highwood Properties Inc	(25,330.32)	0
Managed A	06/21/2017		Buy	XEL	Xcel Energy Inc	(30,616.83)	0
Managed A	06/21/2017		Sell	FL	Foot Locker Inc	27,310.81	1
Managed A	06/23/2017		Sell	NUE	Nucor Corp	61,306.22	1
Managed A	06/29/2017		Buy	XL	XL Capital	(57,482.91)	0
Managed A	06/29/2017		Sell	AR	Antero Resouces Corp	65,250.40	2

Buys, Sells, Deposits, Withdrawals

From 04/01/2017 to 06/30/2017

Hoffman Estates Fire Rothschild LV

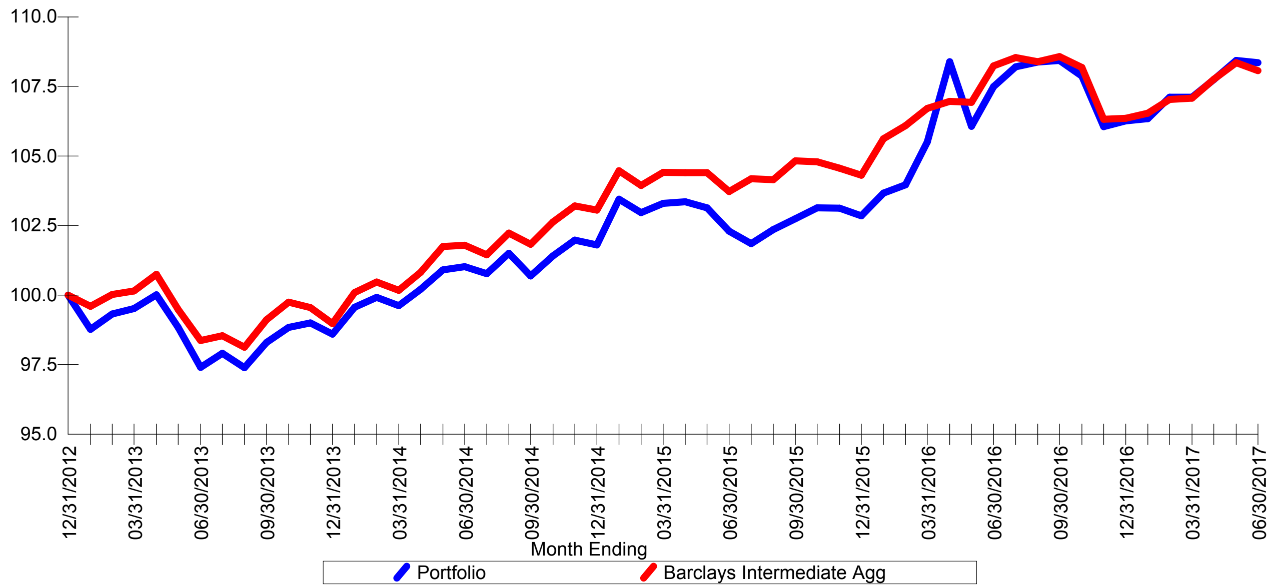
Portfolio Account Type	Trade Date	Maturity Date	Activity	Security Symbol	Description	Net Amount	Total Fees
Managed A	06/29/2017		Sell	MSFT	Microsoft Corporation	33,166.25	1
						92,642.24	29

July 3, 2017

Portfolio Performance Review

Hoffman Estates Total Bond

Graphical Comparative Performance



Total Portfolio	Q2	YTD	1 Yr	3 Yrs	Apr	May	Jun
Time Weighted (gross)	1.2	2.0	0.8	2.4	0.6	0.6	-0.1
Barclays Int Govt	0.7	1.2	-1.2	1.5	0.5	0.4	-0.3
Barclays Government	1.2	1.9	-2.2	2.0	0.7	0.6	-0.2
Barclays Corp A+ 1-5 yr	0.8	1.6	1.0	1.9	0.5	0.4	0.0
Barclays Aggregate Bond	1.4	2.3	-0.3	2.5	0.8	0.8	-0.1
Barclays Intermediate Agg	0.9	1.6	-0.2	2.0	0.6	0.5	-0.3
Time Weighted (net)	1.1	1.7	0.5	2.0	0.5	0.6	-0.1
Barclays Int Govt	0.7	1.2	-1.2	1.5	0.5	0.4	-0.3
Barclays Government	1.2	1.9	-2.2	2.0	0.7	0.6	-0.2
Barclays Corp A+ 1-5 yr	0.8	1.6	1.0	1.9	0.5	0.4	0.0
Barclays Aggregate Bond	1.4	2.3	-0.3	2.5	0.8	0.8	-0.1
Barclays Intermediate Agg	0.9	1.6	-0.2	2.0	0.6	0.5	-0.3

* Return since inception date of 06/30/2007

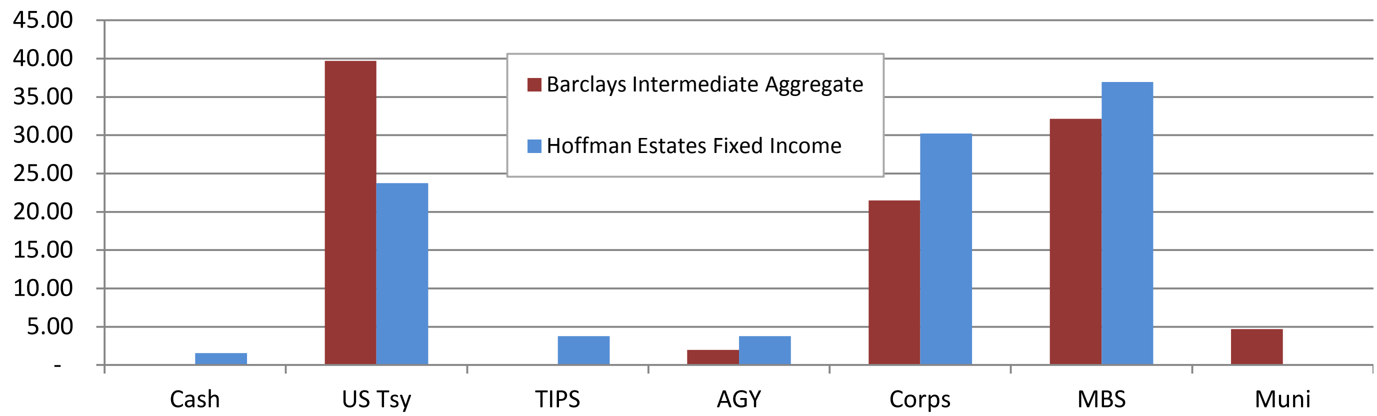
Returns for periods exceeding 12 months are annualized

This report includes data currently available to the investment manager. Past performance is no guarantee of future performance. Indices are not available for direct investment. An investment product which attempts to mimic the performance of an index will incur expenses such as management fees and transaction costs which reduce returns.

Hoffman Estates Firefighters Pension Fund
Fixed Income - All
2nd Quarter 2017

Mitchell, Vaught & Taylor Inc.
Investment Advisors

	Portfolio	Barclays Int Agg Index
Number of Bonds	127	
Current Yield	3.96	2.74
Maturity	6.67	4.65
Yield to Worst	2.45	2.27
Effective Duration	4.59	4.04
Convexity	0.12	(0.19)



Leading Contributors

Sector	Weight	Gross	Description	Maturity
CORP	0.80%	8.30	Microsoft Corp	11/03/55
CORP	0.70%	7.05	AT&T Callable Bond	05/15/46
CORP	0.50%	6.15	Northrop Grumman Corp w Call	04/15/45
CORP	0.70%	6.10	ANHEUSER-BUSCH INBEV FIN SR GI	02/01/46
CORP	0.70%	5.95	Goldman Sachs Group Inc. Bond	10/21/45
CORP	0.70%	5.88	Express Scripts	11/15/41
CORP	0.70%	5.64	HSBC Holdings	09/17/24
CORP	0.80%	5.33	Apple Inc	02/23/46
CORP	0.60%	5.28	ERP Partnership	06/01/45
CORP	0.60%	4.94	Verizon Communications	08/15/46

Leading Detractors

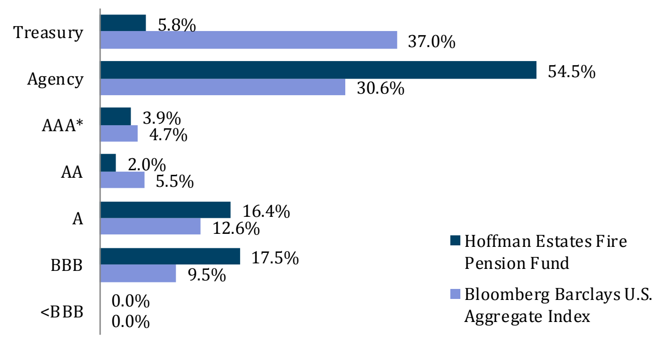
Sector	Weight	Gross	Description	Maturity
CORP	0.70%	(1.24)	Kroger Company	09/15/29
MORT	1.70%	(0.82)	FHLMC	06/01/34
TREAS	0.80%	(0.52)	US Treasury	05/31/22
MORT	0.00%	(0.39)	FNMA	06/01/17
MORT	0.10%	(0.11)	FHLMC	06/01/40
MORT	0.30%	(0.08)	FNMA	10/01/38
MORT	1.40%	(0.06)	Freddie Mac	10/01/39
MORT	0.70%	(0.05)	FNMA PI	09/01/36
MORT	0.30%	(0.04)	FNMA PI AI	07/01/41
MORT	0.00%	(0.03)	FHLMC	05/01/19

Core Fixed Income
Hoffman Estates Fire Pension Fund – June 30, 2017

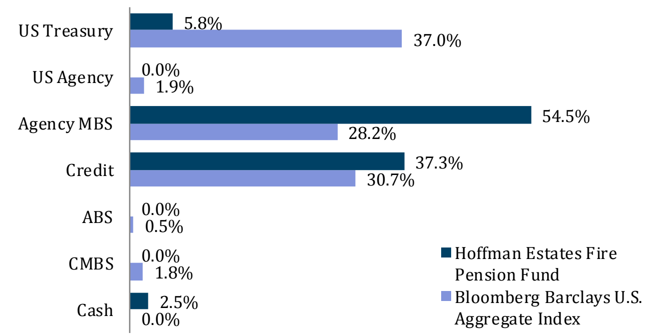
Preliminary Performance	2Q17	YTD	1 Year	3 Years	Inception[1]
Hoffman Estates Fire Pension Fund	1.09	1.97	1.25	2.83	2.54
Hoffman Estates Fire Pension Fund Benchmark	1.45	2.27	-0.31	2.45	2.16
Excess Performance	**-0.36**	**-0.30**	**1.56**	**0.38**	**0.38**

- During the 2nd quarter, gross of fees, the portfolio underperformed the benchmark by 36 bps.
- Since inception, 1/31/13 to 6/30/17, the portfolio has an annualized return of 2.54%, outperforming the benchmark by 38 bps.
- Hoffman Estates Fire Pension Fund Benchmark is comprised of the Bloomberg Barclays Intermediate Aggregate Index from 1/31/13 to 8/13/14 and the Bloomberg Barclays Aggregate Index thereafter.

Quality Rating Distribution



Sector Weights



Characteristics

	Hoffman Estates Fire Pension Fund	Bloomberg Barclays U.S. Aggregate Index
Effective Duration	5.42	5.84
Convexity	0.41	0.18
Average Yield	2.89%	2.55%

1. Inception date 1/31/2013.

Past performance is not indicative of future returns. Gross investment performance assumes reinvestment of dividends and capital gains, is gross of investment management fees and net of transaction costs. Performance results will be reduced by the fees incurred in the management of the account. For example, assuming an annual gross return of 8% and an annual management/advisory fee of .40%, the net annualized total return of the portfolio would be 7.58% over a 5-year period. Net investment performance represents the deduction of the account's actual fee. Investment management fees are described in William Blair's Form ADV Part 2A. Returns for periods greater than one year are annualized.

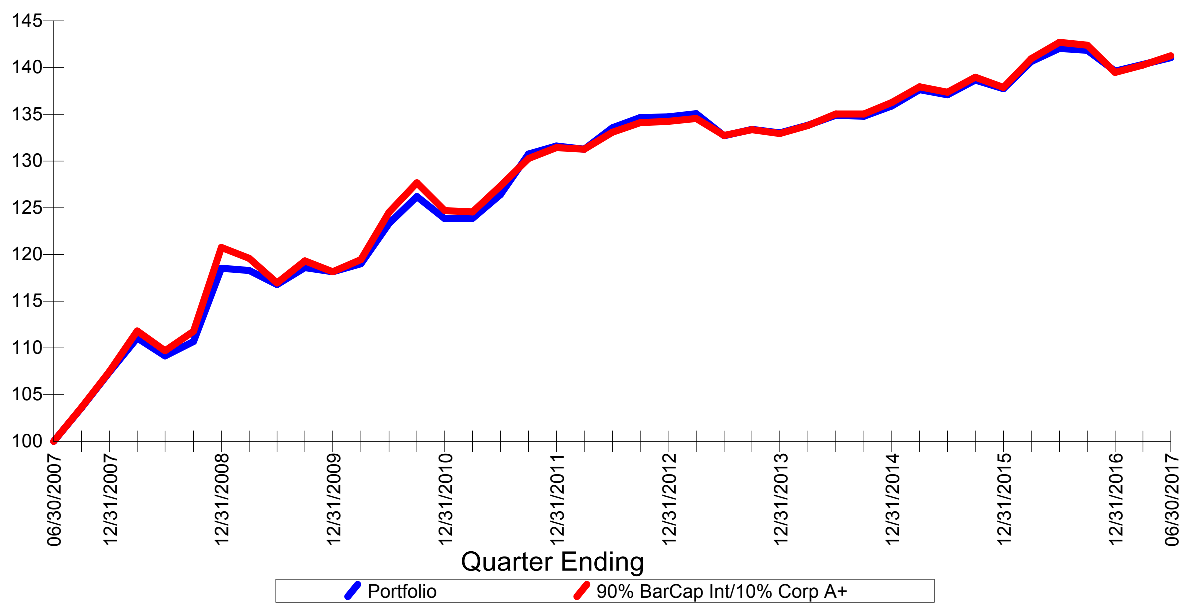
The Bloomberg Barclays Intermediate Aggregate Index includes all medium and larger issues of U.S. government, investment-grade corporate, asset-backed securities, mortgage-backed securities, and investment-grade international dollar-denominated bonds that have maturities of between 1 and 10 years and are publicly issued. The Bloomberg Barclays Aggregate Index includes all medium and larger issues of U.S. government, investment-grade corporate, asset-backed securities, mortgage-backed securities, and investment-grade international dollar-denominated bonds that have maturities of between 1 and 30 years and are publicly issued. Characteristics & sector weights source: BlackRock Solutions.

July 4, 2017

Portfolio Performance Review

Hoffman Estates Firefighters MVT Bonds   Fixed Income   Acct #: 8153-3379

Graphical Comparative Performance



Total Portfolio	**Q2**	**YTD**	**1 Yr**	**3 Yrs**	**5 Yrs**	**7 Yrs**	**10 Yrs**	***Incep**
Time Weighted (gross)	0.5	1.0	-0.7	1.5	1.1	1.9	3.5	3.5
Barclays Int Govt	0.7	1.2	-1.2	1.5	1.1	1.8	3.4	3.4
Barclays Corp A+ 1-5 yr	0.8	1.6	1.0	1.9	2.3			
Barclays Government	1.2	1.9	-2.2	2.0	1.3	2.4	3.9	3.9
90% BarCap Int/10% Corp	0.7	1.2	-1.0	1.5	1.2	1.8	3.5	3.5
Time Weighted (net)	0.5	0.9	-0.9	1.3	0.9	1.7	3.2	3.2
Barclays Int Govt	0.7	1.2	-1.2	1.5	1.1	1.8	3.4	3.4
Barclays Corp A+ 1-5 yr	0.8	1.6	1.0	1.9	2.3			
Barclays Government	1.2	1.9	-2.2	2.0	1.3	2.4	3.9	3.9
90% BarCap Int/10% Corp	0.7	1.2	-1.0	1.5	1.2	1.8	3.5	3.5

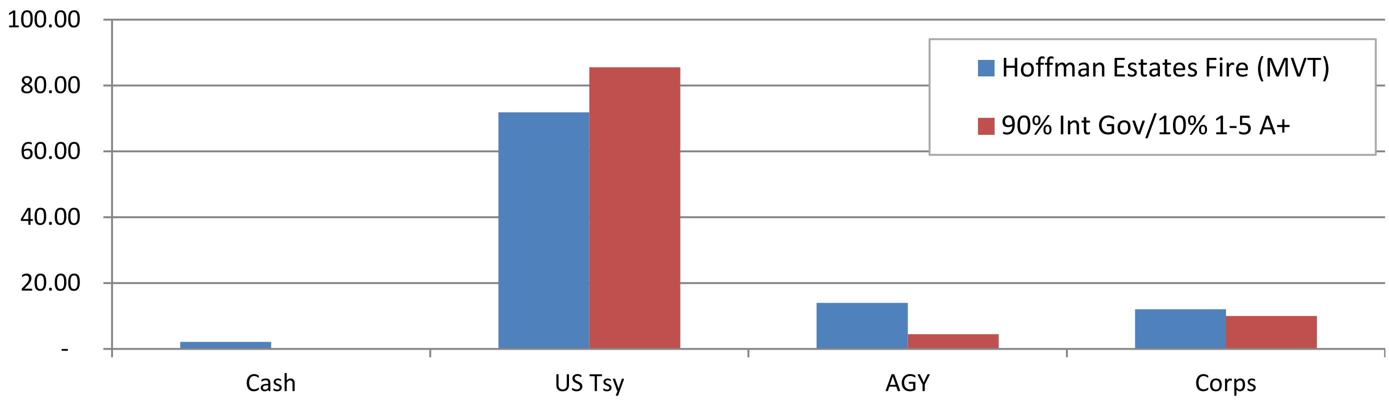
* Return since inception date of 06/30/2007

Returns for periods exceeding 12 months are annualized

Hoffman Estates Firefighters Pension Fund
Fixed Income - MVT
2nd Quarter 2017

Mitchell, Vaught & Taylor Inc.
Investment Advisors

	Portfolio	90% Int Gov 10% 1-5 A+
Number of Bonds	38	
Current Yield	2.22	1.92
Maturity	2.97	4.00
Yield to Worst	1.63	1.75
Effective Duration	2.83	3.77
Convexity	0.06	0.10



Leading Contributors

Sector	Weight	Gross	Description	Maturity
CORP	0.30%	1.31	Bank Montreal	8/27/2021
TREAS	1.80%	1.15	US Treasury Note	5/15/2023
CORP	0.30%	1.14	Wells Fargo	7/26/2021
CORP	0.30%	1.11	Oracle Corp	7/8/2021
TREAS	1.10%	1.07	US Treasury Note	10/31/2022
TREAS	0.70%	1.07	Treasury Bond	11/15/2022
TREAS	0.30%	1.06	US Treasury Note	9/30/2022
TREAS	1.10%	1.00	Treasury Bond	11/15/2024
CORP	0.30%	0.91	JP Morgan Chase	6/23/2020
TREAS	0.80%	0.84	US Treasury Note	2/15/2022

Leading Detractors

Sector	Weight	Gross	Description	Maturity
TREAS	0.80%	(0.52)	US Treasury	5/31/2022
TREAS	0.70%	0.06	Treasury Note	5/15/2018
TREAS	0.90%	0.06	Treasury Strip	5/15/2018
TREAS	1.40%	0.07	Treasury Bond	8/15/2018
TREAS	1.30%	0.09	Treasury Strip	11/15/2018
AGY	0.20%	0.10	FHLMC	1/13/2022
CORP	0.00%	0.14	Wells Fargo	5/8/2017
TREAS	0.30%	0.16	US Treasury Note	5/31/2018
AGY	0.00%	0.18	FNMA 5.375%	6/12/2017
AGY	1.00%	0.19	FNMA	12/20/2017

July 4, 2017

Mitchell, Vaught & Taylor Inc.
Investment Advisors

Buys, Sells, Deposits, Withdrawals

From 04/01/2017 to 06/30/2017

Hoffman Estates Total Bond

Portfolio Account Type	Trade Date	Maturity Date	Activity	Security Symbol	Description	Net Amount	Total Fees
Managed A	04/27/2017	11/01/2025	Buy	3128ME4K	FHLMC	(482,672.25)	10
Managed A	05/08/2017	06/01/2034	Buy	31283H3N	FHLMC	(524,023.10)	10
Fixed Incom	05/08/2017	05/08/2017	Sell	94974BFD	Wells Fargo	90,000.00	0
Fixed Incom	05/16/2017	01/13/2022	Buy	3137EADB	FHLMC	(61,787.59)	10
Fixed Incom	06/07/2017	11/15/2024	Buy	912828G3	Treasury Bond	(81,296.98)	10
Managed A	06/07/2017	07/15/2019	Sell	912828LA	Treasury Inflation-Indexe	211,702.81	10
Fixed Incom	06/12/2017	06/12/2017	Sell	31398ADM	FNMA 5.375%	350,000.00	0
Fixed Incom	06/15/2017	05/31/2022	Buy	912828XR	US Treasury	(245,188.68)	10
Managed A	06/19/2017	09/15/2029	Buy	501044BV	Kroger Company	(180,426.02)	20
Managed A	06/19/2017	04/15/2022	Sell	501044CQ	Kroger Co	206,493.56	20
Managed A	06/21/2017	09/15/2029	Buy	501044BV	Kroger Company	(41,687.93)	10
Managed A	06/26/2017	06/01/2017	Sell	31390GSE	FNMA	0.00	0
						(758,886.18)	110

S&P 500 Gets Its First New Sector Since the Dot-Com Era

New classification will make it easier to track one of the hottest investments of the past decade

After it breaks away from banks, insurers and other financial companies, the real-estate sector will make up roughly 3% of the market capitalization of the S&P 500.

By
Corrie Driebusch
Sept. 16, 2016 5:30 a.m. ET

For the first time since the tech boom, the S&P 500 is gaining a new sector.

Ahead of the U.S. stock-market open on Monday, S&P Dow Jones Indices was set to split off real-estate companies from the financial sector to create an 11th stock grouping. The new classification—undertaken by a team of executives from S&P and rival indexing firm MSCI Inc., which made the change to its own indexes in late August—will make it easier for investors to track one of the hottest investments of the past decade.

Real-estate investment trusts own real estate and pay steady dividends, which have been attractive to investors with interest rates so low. More than a net $62 billion had flowed into U.S. real-estate funds since 2001 through the end of 2015, according to Morningstar Inc. data.

The number of publicly traded REITs has also risen. Since 2001, 129 real-estate investment trusts have gone public in the U.S., raising more than $38 billion, according to Dealogic. There are roughly 240 REITs listed on the New York Stock Exchange and the Nasdaq, according to S&P Dow Jones Indices.

After it breaks away from banks, insurers and other financial companies, the real-estate sector will make up roughly 3% of the market capitalization of the S&P 500, according to S&P Dow Jones Indices. The financial sector's weighting will go from 16% to 13%.

"Up until now, real estate was buried in financials," said Sebastien Lieblich, a managing director at MSCI who is a part of the index-designation committee. Now that real estate is elevated to its own sector it makes it easier for investors to choose to put their money in those stocks, he said.

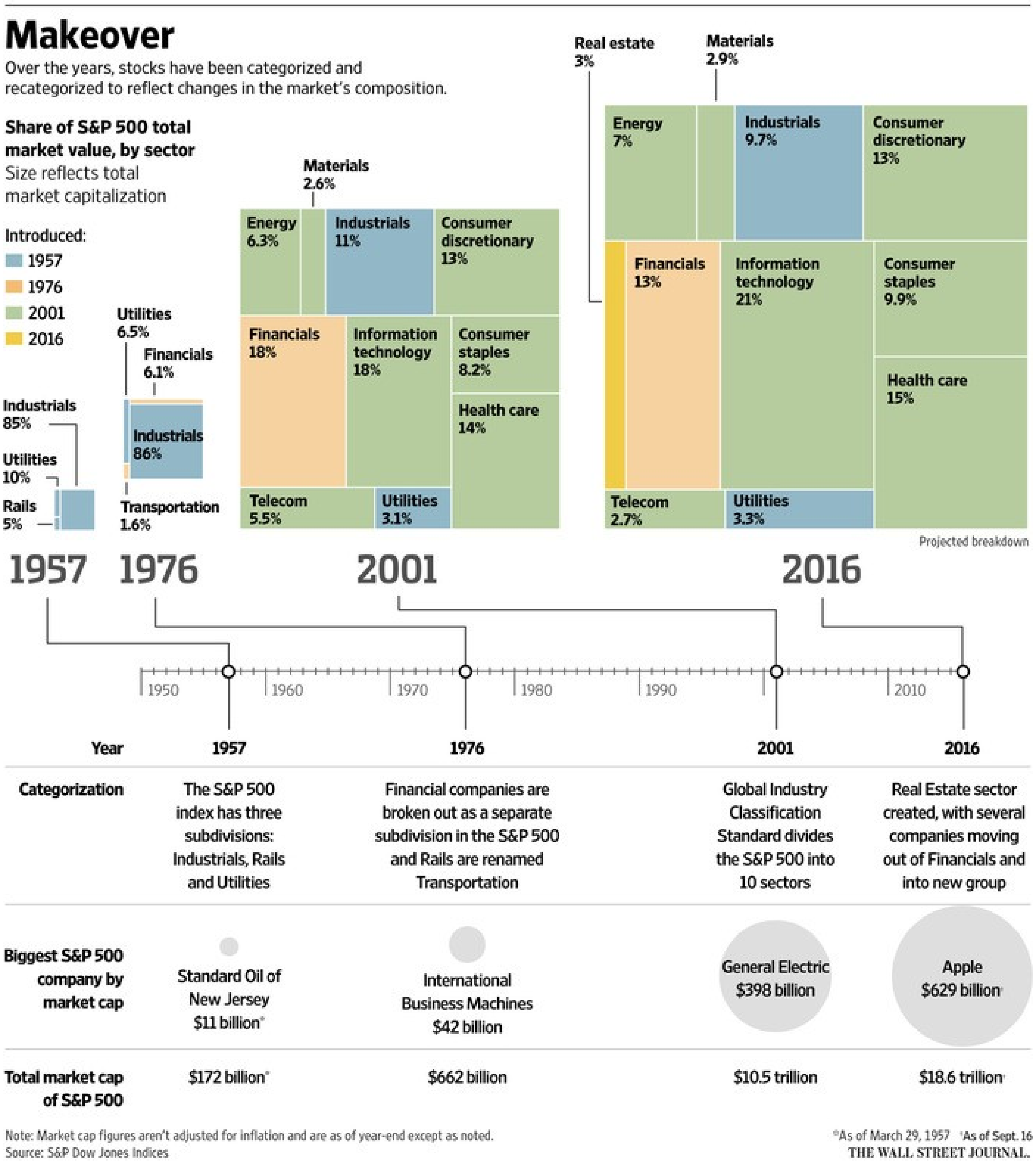
The decisions aren't without some controversy, as changes to sector designations can affect billions of dollars in funds that track indexes. The committee in the past has received calls from corporate executives, bank analysts, and fund managers questioning designations, according to multiple committee members.

Managers who run financial-stock funds may have to sell real-estate shares in order to stay aligned with the new composition. Investors in such funds may no longer automatically get exposure to those REITs, but the new sector could make it easier to place bets on that slice of the market.

Funds that invest in U.S.-listed real-estate companies had record inflows during the week ended Sept. 14—a net $2.9 billion committed compared with the previous record of $1.68 billion set earlier this year, according to EPFR Global.

Mr. Lieblich and some other employees at MSCI and S&P Dow Jones Indices convene twice a year to discuss how sector and industry groupings are defined.

Changes don’t happen often. New groupings have been introduced on three previous occasions since 1957, when the S&P 500 index was introduced, according to S&P Dow Jones Indices. During the dot-com boom of the late 1990s, there were only four subdivisions in the S&P 500, none of which was technology. The groupings reflected an earlier era of the U.S. economy: industrials, transports, financials and utilities. At the time, passive investing was also gaining steam. Investors were becoming more interested in what companies were in which indexes, and how best to get broad exposure to particular slices of stocks.



“What do you do when the world is waking up to indexes, each month tech is bigger than before, and tech isn’t a sector?” said David Blitzer, chairman at S&P Dow Jones Indices and one of the founders of the current categorizing methods. S&P started digging into options for creating a sector-designation standard, he said.

Meanwhile, MSCI, another index provider, was separately working to devise a set of rules for which stocks go in which indexes, according to Mr. Lieblich.

The two firms chose to work together to create a benchmark all investors could look to.

Committee members recall that executives at S&P, whose indexes were mostly U.S.-centered, feared eliminating the transportation sector, while the more globally focused executives at MSCI were wary of including health care, which didn't have many companies outside the U.S. at the time.

After many months of discussions, according to people involved in the process, a new Global Industry Classification Standard was completed in 1999. The S&P 500 was divided into 10 sectors in 2001, Mr. Blitzer said.

The people in the room where the decisions happened, including Mr. Blitzer, agreed to meet again regularly to discuss how the world was changing, and how to keep up with it.

The first consultation to decide whether to make real estate its own sector was several years ago, according to committee members. Mr. Blitzer, who was involved in the sector talks of the late 1990s, said he showed up at the office early on Sept. 24, 2014, eager to be a part of the final decision. But he missed his chance. He was called away to Dallas for the birth of his grandson. The committee members agreed to delay implementation for two years to give those affected—from investors to fund managers to back-office staff—ample time to prepare, according to multiple committee members.

Committee members say they are already talking about the next grouping that may need an overhaul—wireless, phone and cable companies. Mr. Blitzer estimates any overhaul won't happen for at least several years, and not before many long discussions and debates.

In deciding how to classify companies, the committee looks at factors including where they derive their revenue and earnings, and how research analysts categorize them, according to Messrs. Blitzer and Lieblich.

Certain companies are more puzzling nowadays than others, committee members say. One is Amazon.com Inc., which is categorized as a consumer-discretionary company despite some analysts viewing it as a technology giant that is increasingly earning money from its cloud business.

Retailers Wal-Mart Stores Inc. and Target Corp. aren't in the same category. Wal-Mart is considered a consumer-staple stock, while Target is a consumer-discretionary stock. PepsiCo Inc. and tobacco maker Philip Morris International Inc., which make items that could be considered discretionary, are classified as consumer-staple companies.

"At the end of the day, it's more an art, not a science," Mr. Blitzer said.

Write to Corrie Driebusch at corrie.driebusch@wsj.com

2Q2017	U. S. GDP expanded in the 1st quarter, growing at a 1.4% rate. Consumer spending slowed from late 2016 while business investment accelerated in the quarter. In June the Fed raised overnight rates another 0.25%. Following previous recent increases the short end of the yield curve moved upward while the middle and long end remained steady. We conducted due diligence with Pioneer, Artisan, Goldman Sachs, Oakmark, T Rowe Price, Wisdom Tree, Lazard, JP Morgan, Northern Trust. An outcome of the discussions with Artisan included an opportunity to swap investor class ARTIX to advisor class APDIX. This lowers the fund fee from 1.19 to 1.01 on shares that you own. Staff members attended the IPPAC conference and spoke on political impact on current markets; performance monitoring; and investment theories, terms and definitions. We are recommending that the Real Estate Index be removed from your blended target. Real Estate was added to the Global Industry Classification Standard GICS last September and is now included in the broad market index Russell 3000. This will require an updated Investment Policy page and a new blended target in your quarterly reports.
1Q2017	U.S. GDP expanded in the 4th quarter, growing at a 2.1% rate. Personal consumption and corporate profits contributed to growth. Net exports detracted. For all of 2016 GDP came in at a lackluster 1.6%. The Federal Reserve raised their Fed Funds rate target by one quarter percent in March citing a stronger economy and have indicated another two or three may occur in 2017. Amanda Vaught joined our firm in February. She is an attorney with experience in intellectual property law, securities litigation and SEC investigations. Amanda is preparing for the Series 65 Securities Law exam so that she may act as a registered investment advisor representative. Staff members attended the TD Ameritrade national conference to see presentations from David Cameron, former UK Prime Minister and other speakers. Staff members also attended training for cyber-security and regulatory updates. We conducted due diligence with Artisan, Cohen and Steers, Goldman Sachs, T Rowe Price, Clearbridge, Deutsche, USAA and American Funds. MVT staff participated in our annual compliance review to analyze and update our policies and procedures.

4Q2016	The US election produced a somewhat unexpected outcome leading to some volatility in global markets. The Fed raised interest rates another 0.25% for the first time in 2016. GDP for the 3rd quarter came in at 3.5% which was stronger than expected. Partner David Vaught attended and spoke at the AFFI Pension Conference in Lisle. MVT staff attended the IPPAC conference and presented on investment and cyber-security topics. Our Chief Compliance Officer attended the NRS conference and completed his annual CE credits to maintain IACCP designation. MVT went through a cyber security review and audit. We attended the annual Schwab conference and met with managers from several firms. We conducted a due diligence review with Oakmark.
3Q2016	U.S. GDP remained sluggish at 1.4% for the 2nd quarter. Consumer spending accounted for the growth while caution among business and government spending detracted. We conducted due diligence with Goldman Sachs, Cohen and Steers, Queens Road and Wisdom Tree. John Mitchell attended the annual conference with American Funds to review strategies and interview portfolio managers. We upgraded the technical capabilities of our BondEdge fixed income analytics platform.
2Q2016	MVT staff members attended the IPPAC conference and gave a presentation on global market events and financial measurements. We had several meetings with the team from Oakmark about their recent poor performance and are recommending trimming some of those positions, while we continue to evaluate their investment thesis and process. We also conducted traditional due diligence meetings with Diamond Hill, Oppenheimer, Artisan, Goldman, and Cohen & Steers. We also met with Queens Road, Turner, Managers, Vanare, Polen, Prudential. We met with the team from Principal Real Estate investors to understand their direct owned real estate separate account. While we understand and appreciate the company, team and approach; the potential lack of liquidity and mark-to-market pricing continues to lead us away from recommending the product at this time.

	U.S GDP slowed to 0.8% (annualized) in 1q2016 the weakest quarterly rate in 2 years. Businesses cut back on investment while consumer tended to hold wage gains and fuel savings in their pockets. In the U.K, voters cast ballots in favor of leaving the EU. This caused immediate turmoil in global markets, particularly in Europe and the financial sector. Market began to recover within a few days and bond yields fell as investors sought the safety that those provide.
1Q2016	Investment Policy has been updated and sent to the Illinois Department of Insurance. After several quarters of lackluster performance and trailing its peers in the sector, our Investment Committee eliminated the Vanguard Explorer fund. After significant research and discussion, the T Rowe Price Small Cap Growth fund was chosen to replace it across all Illinois Public Pension funds. U.S. 4Q GDP was finally revised to +1.4%, which was below both the 3rd and 2nd quarters. At their March meeting, the Federal Reserve declined to raise the Fed Funds rate. Several staff members attended the TD Ameritrade national conference. We conducted due diligence meetings with Rothschild, Cohen and Steers, American Funds, Goldman Sachs, Diamond Hill, Artisan and DWS. On March 24th, the Illinois Supreme Court ruled unconstitutional a Chicago law to reduce COLA and increase employee pension contributions for certain city employees.
4Q2015	The Fed raised interest rates to 0.25% for the first time in over a decade. This action had some impact on the short end of the yield curve and not on longer maturities. MVT staff attended the IPPAC conference and presented on investment topics. Thomas Dugan joined the MVT firm in November, coming over from Morgan Stanley. Tom has many years of experience on trading floors. He will be a fixed income analyst and trader and will attend client board meetings. Our Chief Compliance Officer completed annual CE credits to maintain IACCP designation. We conducted due diligence on funds from Blackrock, TCW, Oppenheimer. MVT has been hired by new clients Washington Police Pension and Stone Park Village Employees Retirement Plan.
3Q2015	Due to extreme global equity volatility caused by the devaluation of the yuan and subsequent crash of the Chinese stock market; in early August we reduced the emerging market weight by about 50% and increased the weight of the domestic Diamond Hill SMID fund. At the September meeting, the Fed held rates at the zero bound. Following the decision to hold, US equity markets dipped on the confirmation of weakness in the

	global and U.S. economies. Our staff conducted due diligence meetings with T. Rowe Price, Diamond Hill, Cohen and Steers, Deutsche, and Blackrock/iShares. MVT updated a module within Tradeweb to enable the trading and analysis of corporate bonds.
2Q2015	As previously discussed we replaced our previous mid and small cap value managers with a single fund, the Diamond Hill Small/Mid Cap manager (investment detail was provided at the last meeting). Also, due to a manager change and “style drift” we replaced Columbia Acorn International with the Oppenheimer International Small Cap fund (investment detail attached). Attended and spoke at the Illinois Public Pension Advisory Committee’s spring conference. Attended the annual investor conference of Warren Buffet’s Berkshire Hathaway. Met with manager firms Lazard, American Funds, Prudential, Vanguard, iShares (Blackrock), Oppenheimer, Columbia, Cohen & Steers, T Rowe Price, Artisan, Baird, Diamond Hill, and Wisdom Tree. Attended due diligence meetings with Schroeder’s and Neuberger Berman, at their headquarters. Attended a Registered Investment Advisers Conference. Attended a TD Ameritrade event in Indianapolis, IN. Attended a SEC Compliance conference. Updated our ADV as annually required.
1Q2015	As discussed at the 3rd quarter meeting we terminated the Heartland Value small cap manager and are recommending replacing them with Diamond Hill Small/Mid Cap manager (investment detail enclosed). Attended and spoke at the Illinois Governmental Finance Officers Association (IGFOA) conference in Downers Grove. All members of our firm attended a mandatory internal compliance conference. Emily Agosto passed the final part of the Illinois CPA exam and is awaiting her official designation as a certified public accountant. Met with manager firms R.W. Baird, Diamond Hill, Oakmark, Columbia, Invesco, Putnam, MFS, and WCM. Attended the annual TD Ameritrade conference and met with many of the portfolio managers.

4Q2014	As noted in the Q3 executive summary, we increased the allocation to the T Rowe Price health fund, as well as underweighting the international portion of the portfolio. The Investment Policy, approved at the October meeting, was signed by President Orr and Secretary Fijalkowski. It has been sent to the Illinois Department of Insurance. Per request of Finance Director (and Pension Trustee) Musiala, we provided portfolio information to the Village auditors. Per request of Village Treasurer Helgerson, we provided information about the fees charged by the separate account managers and mutual funds. Attended and spoke at the Illinois Public Pension Advisory Committee conferences in Schaumburg and Hoffman Estates. Attended and spoke at the Associated Fire Fighters of Illinois Pension Conference in Lisle. Our certified compliance officer attended the annual NRS compliance conference. Met with manager firms Baird and Wisdom Tree Attended custodian training events at TD Ameritrade.
3Q2014	Per MVT recommendation and board approval at the Q2 meeting; the following rebalancing took place, starting on July 11th: William Blair (Fixed Income) +1,012,885 Rothschild (Large Value) + 856,653 Artisan Midcap Value Fund (707,007) Vanguard Growth Index Signal (672,374) Baird Midcap Institutional (780,508) Vanguard Explorer Admiral Shares (727,790) Adelante (REIT) + 1,018,140 UMB Scout International (terminated) Artisan Intl Value Fund + 4,127,405 Per MVT recommendation and board approval at the Q2 meeting; the target for the Blair fixed income portfolio was changed from the Barclays Intermediate Aggregate, to the Barclays Aggregate. The Investment Policy was changed to reflect that amendment. The Investment Policy was amended and is prepared for possible approval. Hosted a pension trustee training conference at U.S. Cellular. Attended and spoke at the Illinois Public Pension Advisory Committee conference in St. Charles.

	Met with manager firms Artisan, Baird, Neuberger Berman, Nuveen, BMO, Alliance Bernstein, MFS, Pioneer, Wisdom Tree Attended custodian training events at both Schwab and TD Ameritrade.
2Q2014	MVT was selected as the consultants for both the Moline Police and Moline Fire Pension funds. Planned for the pension trustee conference on August 16th, at U.S. Cellular. Attended and spoke at the Illinois Public Pension Advisory Committee's spring conference. Attended and spoke at the Illinois City/County Managers Association conference. Attended the annual investor conference of Warren Buffet's Berkshire Hathaway. Met with manager firms Baird, Pioneer Funds, Mirae Asset Management, T-Rowe Price, Principal Group, Goldman Sachs, Heartland Advisors, Artisan Partners, Neuberger Berman. Attended due diligence meetings with American Funds,at their headquarters. Attended the Chicago and Champaign, IL - IICLE Annual Estate Planning conferences. Emily Agosto passed another part of the Illinois CPA exam (two down, two to go). Attended a TD Ameritrade event in Indianapolis, IN.
1Q2014	We continued to discuss the investment policy statement with Board attorney, Barbara Bell. We met in our offices with your managers: Heartland Value, Scout International, Vanguard, and Oakmark International. We attended the two-day Morningstar/Ibbotson economic conference; and met with the T.Rowe Price management team. We attended the TD Ameritrade conference in January and met with several managers. We hosted a Woman's Investment Seminar. All members of our firm attended a mandatory internal compliance conference. Attended the IGFOA conference. Met with managers from Causeway Capital, WisdomTree, Nuveen, Ivy Funds, and Cohen&Steers.

	We are planning the trustee training event again for US Cellular. The date is currently planned for August 16th and does offer 8 hours of training credit.
4Q2013	The names on all of the accounts have been updated to show President Robert Orr, SecretaryMatthewFijalkowski, Finance Director Rachel Musiala, and Treasurer Stan Helgerson. Our firm has now been verified as "GIPS compliant" by outside accounting firm Ashland Partners. We presented at the annual AFFI Pension conference in Bloomington. We presented at the IPPAC seminar. We had due diligence meetings with T.Rowe Price at their headquarters. We attended the Schwab Annual Conference in Washington DC. We had investment presentations from Wisdom Tree, Skyline, Invesco, Ivy Funds,Goldman Sachs, DWS, and Nuveen. Emily Agosto, from our staff, passed the first portion of the CPA exam. Our Compliance Officer, Dwight Ower attended the National Regulatory compliance conference to maintain his certifications.
3Q2013	As per our discussion at the last meeting, we have updated the target allocation to match the state statute of 65% maximum allocation to non-fixed investments and minimum 35% to fixed investments. Due to the management changes at T Rowe Price we sold the remaining half of New America fund and replaced with the Vanguard Growth index fund. We transferred over $300k to the Village to meet the minimum cash balance in the investment policy. We presented at the St. Charles IPPAC pension conference. We attended a meeting with the regional executives from Charles Schwab. We had discussions with our fixed income analytics product team from Bond Edge. We had due diligence meetings with Artisan and Heartland. We had investment presentations from DWS, Neuberger Berman, Invesco, Goldman Sachs, Van Eck, WisdomTree, and Skyline. Yocius has been named a board member at the Illinois Fire Safety Alliance.
2Q2013	Discussed with Rachel Musiala, the minimum cash requirements for the fund. The monthly pension amount is $280,000. We agreed that $600,000 should be the

	minimum in the cash account and the maximum should be $1,000,000. We transferred $4 million from the Blair fixed income account and moved it to the equity account(s) to move closer to our target of 60% equity and 40% fixed. Due to some management changes at T Rowe Price we replaced one-half of the New America fund with a lower cost index fund (Vanguard Growth). We moved into the institutional class of funds for Columbia (Acorn International), Heartland (Heartland Value) and Vanguard (Explorer). We sponsored a training event that included speakers from the State of Illinois (John Sinsheimer), Rothschild (Chris Travers), JudsonUniversity (Michelle Kilbourne), Baird (Tom Gavin), Heartland (Jeff Kohl), Goldman Sachs (David Gonzalez) as well as Project CURE and several MVT speakers. We attended the Pioneer annual conference. We had due diligence meetings with Baird, Vanguard, American Funds, T Rowe Price, and Blair. We attended presentations by the portfolio managers for Artisan International fund and the Heartland Value fund. We also had due diligence meetings with potential management teams from Managers Investments and MFS. Attended and presented at the Illinois Public Pension Advisory Committee (IPPAC) conference.
1Q2013	Increased the total equity percent from 52% (end of January) to 56% (now). Strategy is to move overall equity allocation to 65% by investing new tax receipts in equity and moving additional money from the Blair fixed income account. We had due diligence meetings with the management team of your large cap manager Rothschild, at their New York headquarters. We had due diligence meetings with WisdomTree, Clearbridge/Legg Mason, Neuberger Berman, Columbia, and Goldman Sachs in our office. We had a meeting with the senior management of Charles Schwab, your custodian, to discuss some of the concerns we had with the new account and transfer process for Hoffman Estates. We attended the two-day Morningstar/Ibbotson economic conference. We attended the TD Ameritrade conference in January and met with many of your managers.

Hoffman Estates Firefighters Pension
Definitions and Disclosures

Timing of Performance Information

It is quite common to have inaccurate information regarding index returns as well as pricing and transaction data from custodians at the end of a reporting period. Often, these inaccuracies are cleared up within the first week or two of the following period. Our pension clients should be aware that quarter-end data reported within the first two weeks of a new quarter has a higher likelihood of inaccuracy. We do our best to weed out these problems, but there may be times when we feel it necessary to leave out the performance for the final month of a quarter.

Index Returns

Index returns are reported directly from Morningstar.

Each portfolio is presented with an index or blend of indexes for performance comparison. Detailed similarities and differences between a style and a particular index are available upon request. No single index will precisely reflect a particular investment style; thus, the performance results of the indices chosen should be used for informational purposes only. In addition, the periods shown are for comparative purposes, and it should not be assumed that performance was identical in other periods not shown. These indices are unmanaged and do not include potential commissions, fees, or other transaction costs. You cannot invest directly in an index.

Per the investment policy, the benchmark for the total portfolio is 40% Barclays Intermediate Aggregate Index and 60% of an Equity Blended Index.

The equity blended index is 58.3% S&P 500, 33.3% MSCI EAFE, and 8.34% Wilshire REIT Index. As of January 1, 2016 the equity blended index was changed to 58.3% Russell 3000, 33.3% MSCI All Country World Index xUSA, and 8.34% Wilshire REIT Index.

The benchmark for the William Blair and Company fixed income managed account was the Barclays Intermediate Aggregate Index from 01/31/2013 (inception) until 08/13/2014. Since then, the benchmark is the Barclays Aggregate Bond Index.

The benchmark for the Mitchell, Vaught & Taylor fixed income managed account is a blend of 90% Barclays Intermediate Government Index and 10% Barclays Corporate A+ 1-5 Year Index.

General Statement

It must be understood that market or economic conditions change often and that these changes, whether anticipated by the manager or having occurred unexpectedly, can have either a positive or a negative effect on the performance of a client's portfolio.

The performance results portrayed reflect the reinvestment of dividends when legal for the client to do so (otherwise, the dividends are paid out in cash),interest and all other cash represent in the account for the time periods specified.

Gross of fee reports do not include advisory fees, trading costs, etc.