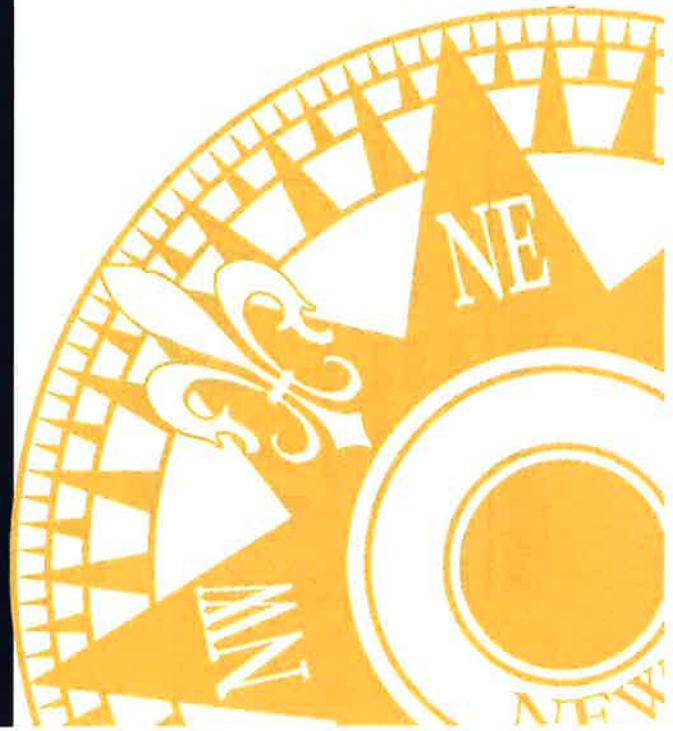
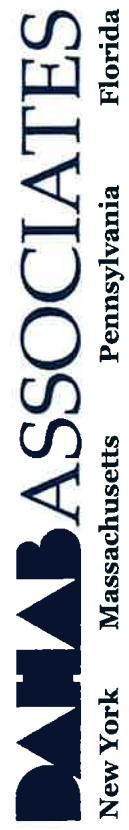


# Chatham County OPEB Fund

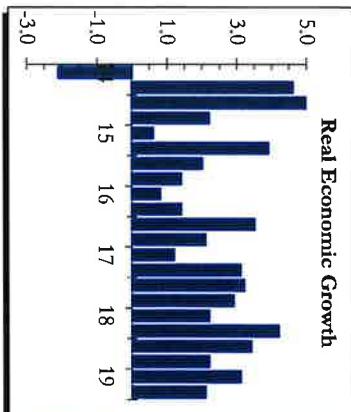
Performance Review  
June 2019



## ECONOMIC ENVIRONMENT

### Mostly Good News

Second quarter GDP (advance estimate) grew by 2.1%, a percent lower than the prior quarter. Higher net imports and serious trade issues with China contributed to the slowing rate.



and construction. Unemployment

ticked down slightly over the quarter to 3.7%.

May's existing home sales jumped 2.5%, in line with falling mortgage rates. All regions of the country participated. However, new home sales fell almost 8% in May, as rising home prices squelched buyers' enthusiasm. \$278,000 was the national median sale price for existing homes while the median for new homes was approximately \$308,000. Those prices masked great variability by region.

The ISM Manufacturing Index has now grown for more than 10 years. This represents the 12<sup>2<sup>nd</sup></sup> consecutive month of growth! The production index component increased to 54.1% (greater than 50% represents growth), but, other related measures modestly decreased. 12 of the 18 manufacturing industries grew, while the clothing, primary metals, and transportation equipment sectors contracted. On the services side, the Non-Manufacturing Index registered 55.1%, modestly down from May's 56.9%. Very favorably, 16 of 17 service industries reported growth. Only the arts, entertainment and recreation industry slowed.

The University of Michigan Consumer Sentiment Index fell slightly from 100 to 98 in June, as higher income consumers were pointedly concerned about the economic fallout from US-China tariffs. While

more bad news on that front could further dampen consumer confidence, any tariff pullback would likely be a relief.

While commodity prices continued to slide, the 2<sup>nd</sup> quarter loss was contained to 1.2%. Key components were energy (-4.6%) and especially its natural gas component (-16.2%). Livestock (-11%) and industrial metals (-7.2%) didn't help. On the plus side, agricultural prices rose 4.5% and gold climbed 9%.

In June, the Fed announced that it would maintain its 2 1/4%–2 1/2% Fed funds rate. While citing good news on the labor and economic fronts, it also voiced concern for softer future economic growth. The Fed statement implied that it was seriously considering one or more rate cuts this year into early 2020. However, the surprisingly high new job statistics reported in early July led investors to question the timing and extent of future rate cuts. Still, as the markets closed in June, hopes remained high for both rate cuts and renewed China-US tariff negotiations. Those factors, more than any other, lifted equity and bond markets in the second quarter.

## DOMESTIC EQUITIES

### A Strong Quarter Overall

It was a solid up-quarter for stocks, despite the breakdown in US-China trade negotiations that triggered May's market fall. Not only did the S&P 500 log a 4.3% gain, but the tech-oriented NASDAQ posted 3.9% and the industrial-tilted DJIA added 3.2%. Growth-style indices continued their trend of outperformance relative to their value counterparts in the 2<sup>nd</sup> quarter, as the Russell 1000 Growth Index earned 4.6% vs. 3.8% for the Value Index. The same was true for mid-cap and small-cap stocks, but with still wider gaps. For example, the Russell 2000 Growth Index rose 2.7% vs. 1.4% for the Value Index. Growth-

style indices across all cap sizes are now outperforming their value counterparts on a 1, 3, 5, and 10-year basis.

10 of the 11 S&P sectors showed positive results. The energy sector (-2.8%) was the only one to lose ground due to price pullbacks and a growing supply. Healthcare was the second-worst sector, moving up just 1.4%, as calls continued for drug reform. All other sectors returned between 2.5% and 8%. Financials performed best as government stress tests showed the major banks' balance sheets to be in good shape. Tech stocks, with an S&P weight of almost 22%, also performed well (+6.1%). Microsoft (+14%), the largest component of the tech sector, was just one example of robust gains.

## INTERNATIONAL EQUITIES

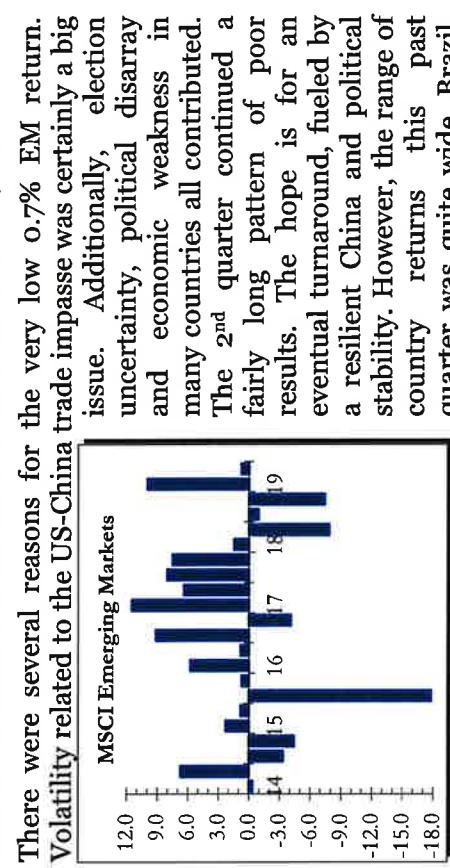
### Mixed Reviews Globally

The temporary breakdown in US-China trade talks cast a pall on European and Pacific developed markets. Still, investors remained positive. Not only did they hold out hope for further rate cuts by both the European and Australian central banks, but they also believed the trade mess would eventually resolve itself favorably. In turn, these attitudes boosted many country returns in June and for the quarter, sending EAFFE up 4%. The Euro region was a bright spot, returning 6.5%. The two biggest Euro markets, France and Germany, gained 7.3% and 7.8%, respectively. French investors looked forward to tax cuts and the end of the destabilizing yellow vest demonstrations. The French economy also seemed to be on the mend. In Germany, a survey revealed that residents had high consumer confidence; more good news came from its strong service sector. Italy, the third largest European economy, struggled as its market trailed (+3.6%). Arguably, a moribund economy and nationalistic politics could have weighed down returns even more. Ireland (+4.9%) performed surprisingly well, considering the possibility of a disorderly Brexit,

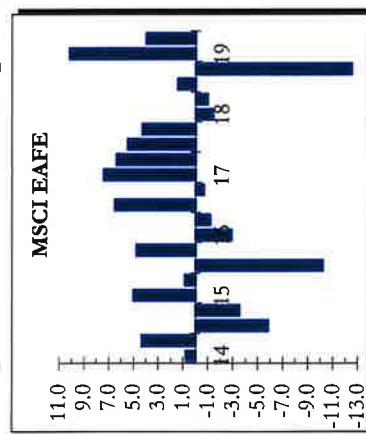
Russia, India and China (BRIC) are the four heavy-weight economies in the EM index. Collectively, they returned -0.1%. Yet Brazil and Russia rose strongly. Brazil's market gained 7.2% despite that country's poorly performing exports. It owes its healthy return to news that the huge state-owned Petrobras plans to sell assets to reduce its debt load and the fact that the newly re-elected President Bolsonaro retains wide support. Moving on to Russia, there is no easy explanation for Russian shares to advance 17.3%. A partial explanation is that Russian oil shipments still helped the economy despite volatile prices. Additionally, state-owned Sberbank shares climbed 25% based on a turnaround in profits. China was the worst

which could negatively impact trade with its UK neighbor. The UK market itself was among the poorest performers, earning just 0.9%. Stalled Brexit negotiations accounted for the weak showing despite respectable retail sales and relatively low unemployment.

Hong Kong citizenry shuddered over the prospect of a law allowing extradition of its citizens to mainland China. The US-China trade impasse also concerned investors. This resulted in a very modest 1% return for the Hong Kong market. The Japanese economy benefited from consumer buying in advance of a new sales tax. However, its exports sank in sync with global trade tensions. Falling exports predominated, with the Japanese market rising a mere 1.1%. Singapore shares rose 7%, bolstered by heavy government and consumer spending. Israel fared worst among developed markets (-3.5%), due to a drop-off in natural gas exports and especially because of the political quagmire involving PM Netanyahu.



There were several reasons for the very low 0.7% EM return. Additionally, election uncertainty, political disarray and economic weakness in many countries all contributed. The 2<sup>nd</sup> quarter continued a fairly long pattern of poor results. The hope is for an eventual turnaround, fueled by a resilient China and political stability. However, the range of country returns this past quarter was quite wide. Brazil, Russia, India and China (BRIC) are the four heavy-weight economies in the EM index. Collectively, they returned -0.1%. Yet Brazil and Russia rose strongly. Moving on to Russia, there is no easy explanation for Russian shares to advance 17.3%. A partial explanation is that Russian oil shipments still helped the economy despite volatile prices. Additionally, state-owned Sberbank shares climbed 25% based on a turnaround in profits. China was the worst

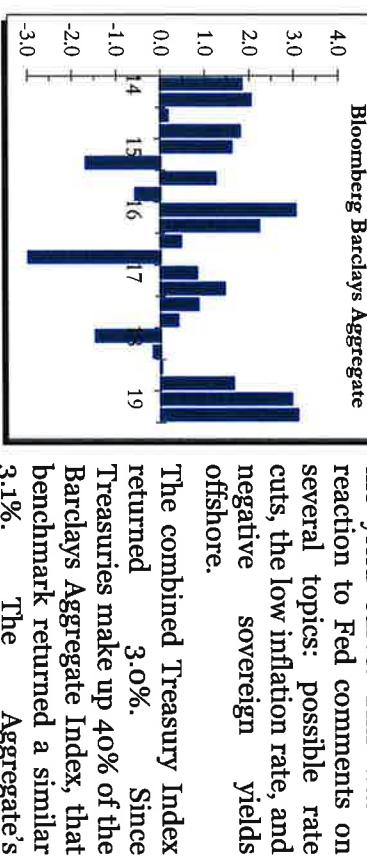


performer (-3.9%), as the trade impasse with the US and falling industrial production hit hard. Importantly, the growth trajectories of consumer technology companies, including Alibaba and Tencent, skidded. In turn, China's difficulties had a spillover effect on its smaller trading partners.

## BOND MARKET

### Price Gains All Around

Bonds followed stocks upward during the second quarter rally. Correspondingly, US Treasury yields declined significantly all along the yield curve. This was in reaction to Fed comments on several topics: possible rate cuts, the low inflation rate, and negative sovereign yields offshore.



The combined Treasury Index returned -3.0%. Since Treasuries make up 40% of the Barclays Aggregate Index, that benchmark returned a similar 3.1%. The Aggregate's corporate bond sector performed better still, earning 4.5%. Within the corporate sector, utility and industrial bonds each earned approximately 4.7%. Financial issues lagged modestly, rising 3.9%. The lower the credit rating, the higher the return was the rule for

investment grade credits. For example, AAA credits averaged a 2.7% return while BAA's averaged 4.8%.

Residential mortgage-backed paper returned almost 2%, as investors were wary of higher prepayments and refinancing in a falling mortgage rate environment. On the other hand, commercial mortgage issues performed better (+3.3%). It is worth mentioning that prepayments are restricted in this sector.

The US dollar had mixed currency results compared to other major G-7 currencies. The British pound and Australian dollar fell while the euro, yen, Canadian dollar and Swiss franc climbed against the US dollar.

Together, the sovereign bonds of the G-6 countries (excluding US Treasuries) rose 3.4%. Italy was the big winner, returning 5.2%. Next was France, up 4.4%. The only laggard was the UK, which actually lost 1%. Currency depreciation impacted the UK return more than the specter of Brexit. The EM Sovereign Debt Index returned 4.5% for the quarter.

## CASH EQUIVALENTS

### Keeping Pace with CPI

The three-month T-Bill returned 0.6% for the second quarter and 2.3% for the latest one-year. Had you owned Treasuries having a longer than one-year maturity, you achieved a latest 12-month return of at least 3%. Surprisingly, money market instruments have more than kept pace with the CPI's anemic 1.6% advance for the latest year.

## Economic Statistics

### Major Index Returns

	Current Quarter	Previous Quarter	Index	Quarter	12 Months
GDP	2.1%	3.1%	Russell 3000	4.1%	9.0%
Unemployment	3.7%	3.8%	S&P 500	4.3%	10.4%
CPI All Items Year/Year	1.6%	1.9%	Russell Midcap	4.1%	7.8%
Fed Funds Rate	2.50%	2.50%	Russell 2000	2.1%	-3.3%
Industrial Capacity	77.9%	78.4%	MSCI EAFE	4.0%	1.6%
US Dollars per Euro	1.14	1.12	MSCI Emg Markets	0.7%	1.6%
			NCREIF ODCE	1.0%	6.4%
			U.S. Aggregate	3.1%	7.9%
			90 Day T-bills	0.6%	2.3%

### Domestic Equity Return Distributions

Quarter	Trailing Year			VAL	COR	GRO
	VAL	COR	GRO			
LC	3.8	4.2	4.6	LC	8.4	10.0
MC	3.2	4.1	5.4	MC	3.7	7.8
SC	1.4	2.1	2.7	SC	-6.3	-3.3

### Market Summary

Stocks bounced back at the end of Q2, to continue their 2019 run.
Growth equities continue to outperform value across all cap sizes.
Fixed Income markets continue to do well. Markets seem to be pricing in a high probability of rate cuts over the coming months.
Inflation has continued to be weak.
Unemployment fell slightly in Q2 to 3.7%.

## **INVESTMENT RETURN**

On June 30th, 2019, the Chatham County OPEB Fund was valued at \$78,051,325, representing an increase of \$2,536,817 from the March quarter's ending value of \$75,514,508. Last quarter, the Fund posted no net contributions or withdrawals, while posting \$2,536,817 in net investment returns. Since there were no income receipts for the second quarter, the portfolio's net investment return was the result of net realized and unrealized capital gains totaling \$2,536,817.

## **RELATIVE PERFORMANCE**

### **Total Fund**

During the second quarter, the portfolio returned 3.4%, which ranked in the 35th percentile of the Public Fund universe. Over the trailing year, the portfolio returned 7.0%, which ranked in the 28th percentile. Since December 2013, the portfolio returned 6.8% annualized and ranked in the 27th percentile.

### **Large Cap Equity**

During the second quarter, the large cap equity portion of the portfolio gained 4.3%, which was equal to the S&P 500 Index's return of 4.3% and ranked in the 49th percentile of the Large Cap universe. Over the trailing twelve-month period, the large cap equity portfolio returned 10.4%, which was equal to the benchmark's 10.4% performance, and ranked in the 38th percentile. Since December 2013, this component returned 11.0% per annum and ranked in the 39th percentile. For comparison, the S&P 500 returned an annualized 11.1% during the same period.

### **Mid Cap Equity**

The mid cap equity assets gained 3.0% in the second quarter, equal to the S&P 400 Index's return of 3.0% and ranked in the 74th percentile of the Mid Cap universe. Over the trailing twelve months, this segment returned 1.4%, equal to the benchmark's 1.4% return, and ranked in the 77th percentile. Since December 2013, this component returned 8.7% on an annualized basis and ranked in the 63rd percentile. The S&P 400 returned an annualized 8.7% during the same time frame.

### **Small Cap Equity**

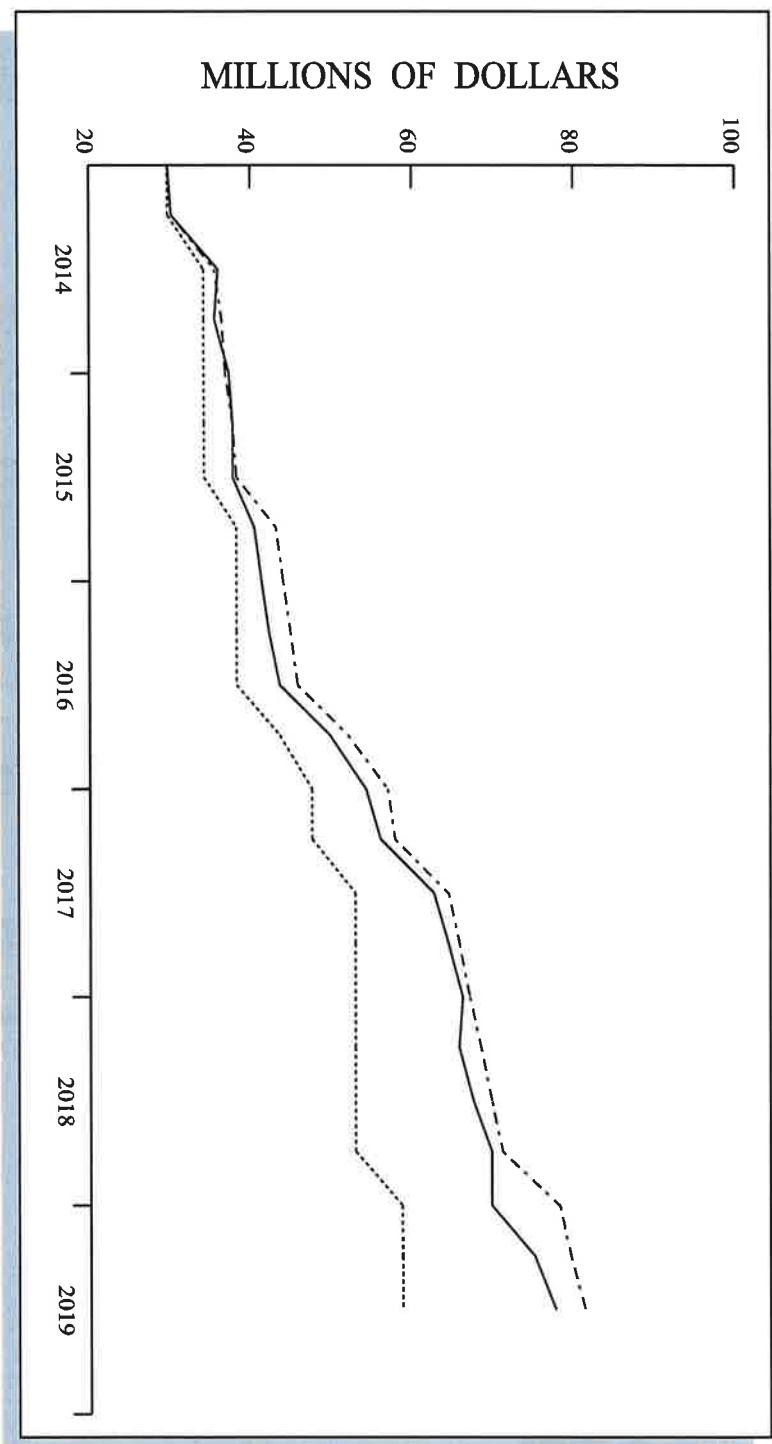
For the second quarter, the small cap equity component returned 1.9%, which was equal to the S&P 600 Small Cap's return of 1.9% and ranked in the 70th percentile of the Small Cap universe. Over the trailing year, this segment returned -4.9%, which was equal to the benchmark's -4.9% performance, and ranked in the 70th percentile. Since December 2013, this component returned 8.2% on an annualized basis and ranked in the 44th percentile. The S&P 600 Small Cap returned an annualized 8.2% during the same period.

### **Fixed Income**

The fixed income portfolio returned 3.1% last quarter; that return was equal to the Bloomberg Barclays Aggregate Index's return of 3.1% and ranked in the 31st percentile of the Broad Market Fixed Income universe. Over the trailing year, this component returned 8.2%, 0.3% above the benchmark's 7.9% performance, ranking in the 30th percentile. Since December 2013, this component returned 3.4% annualized and ranked in the 59th percentile. For comparison, the Bloomberg Barclays Aggregate Index returned an annualized 3.4% during the same period.

## EXECUTIVE SUMMARY

PERFORMANCE SUMMARY						ASSET ALLOCATION		
	Quarter	FYTD / 1Y	3 Year	5 Year	Since 12/13			
Total Portfolio - Gross <i>PUBLIC FUND RANK</i>	3.4 (35)	7.0 (28)	7.9 (79)	6.5 (27)	6.8 (27)	Large Cap Equity	30.5%	\$ 23,801,814
Total Portfolio - Net <i>SHADOW INDEX</i>	3.3 3.3	6.9 6.1	7.8 7.6	6.4 6.3	6.8 6.7	Mid Cap Equity	9.3%	7,297,576
Domestic Equity - Gross <i>DOMESTIC EQUITY RANK</i>	3.6 (59)	5.4 (55)	13.1 (50)	9.7 (41)	10.1 (40)	Small Cap	9.4%	7,367,656
Russell 3000	4.1	9.0	14.0	10.2	10.6	Fixed Income	50.7%	39,584,279
S&P 1500	-2.7	2.1	11.4	9.0	9.5	Total Portfolio	100.0%	\$ 78,051,325
Large Cap Equity - Gross <i>LARGE CAP RANK</i>	4.3 (49)	10.4 (38)	14.2 (44)	10.7 (41)	11.0 (39)			
S&P 500	4.3	10.4	14.2	10.7	11.0			
Mid Cap Equity - Gross <i>MID CAP RANK</i>	3.0 (74)	1.4 (77)	10.9 (69)	8.0 (64)	8.7 (63)			
S&P 400	3.0	1.4	10.9	8.0	8.7			
Small Cap Equity - Gross <i>SMALL CAP RANK</i>	1.9 (70)	-4.9 (70)	11.9 (55)	8.4 (44)	8.2 (44)			
S&P 600	1.9	-4.9	12.0	8.4	8.2			
Fixed Income - Gross <i>BROAD MARKET FIXED RANK</i>	3.1 (31)	8.2 (30)	2.4 (69)	3.0 (61)	3.4 (59)	INVESTMENT RETURN		
Aggregate Index	3.1	7.9	2.3	2.3	3.4	Market Value 3/2019	\$ 75,514,508	
						Contribs / Withdrawals	0	
						Income	0	
						Capital Gains / Losses	2,536,817	
						Market Value 6/2019	\$ 78,051,325	

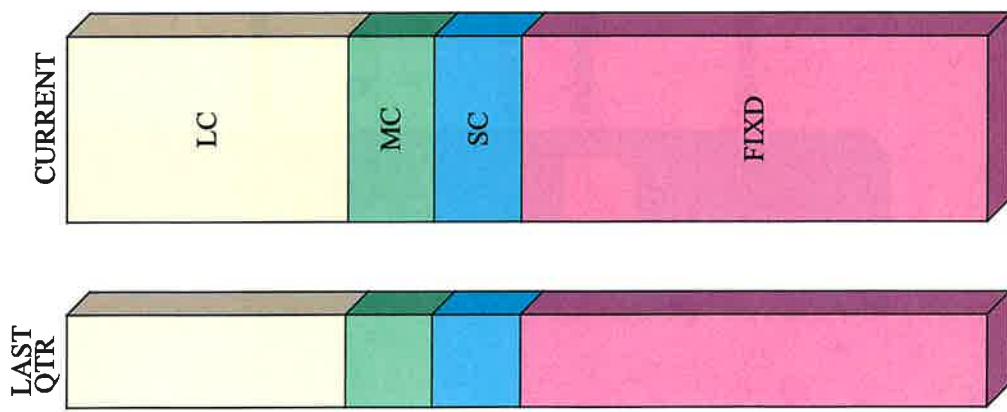
**INVESTMENT GROWTH**

	LAST QUARTER	PERIOD
		12/13 - 6/19
BEGINNING VALUE	\$ 75,514,508	\$ 30,053,434
NET CONTRIBUTIONS	0	28,639,696
INVESTMENT RETURN	<u>2,536,817</u>	<u>19,358,195</u>
ENDING VALUE	<u>\$ 78,051,325</u>	<u>\$ 78,051,325</u>
INCOME	0	0
CAPITAL GAINS (LOSSES)	<u>2,536,817</u>	<u>19,358,195</u>
INVESTMENT RETURN	<u>2,536,817</u>	<u>19,358,195</u>

8.0% RETURN    \$ 81,429,971

## CHATHAM COUNTY OPEB FUND

JUNE 30TH, 2019



	VALUE	PERCENT	TARGET	DIFFERENCE
	\$			+ / -
LARGE CAP EQUITY	\$ 23,801,814	30.5%	30.0%	0.5%
MID CAP EQUITY	7,297,576	9.3%	10.0%	-0.7%
SMALL CAP EQUITY	7,367,656	9.4%	10.0%	-0.6%
FIXED INCOME	39,584,279	50.7%	50.0%	0.7%
<b>TOTAL FUND</b>	<b>\$ 78,051,325</b>	<b>100.0%</b>		

## MANAGER ALLOCATION SUMMARY

Name	Market Value	Percent
Rhumbline 500 (LCC)	\$23,801,814	30.5
Rhumbline 400 (MC)	\$7,297,576	9.3
Rhumbline 600 (SC)	\$7,367,656	9.4
Rhumbline Fixed (FIXD)	\$39,584,279	50.7
<b>Total</b>	<b>\$78,051,325</b>	<b>100.0</b>

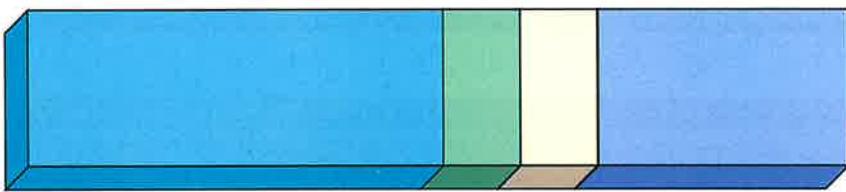
RHUMBLINE 500 (LCC) 30.5%

RHUMBLINE 400 (MC) 9.3%

Rhumbline 600 (SC)	\$7,367,656	9.4
Rhumbline Fixed (FIXD)	\$39,584,279	50.7

RHUMBLINE 600 (SC) 9.4%

RHUMBLINE FIXED (FIXD) 50.7%



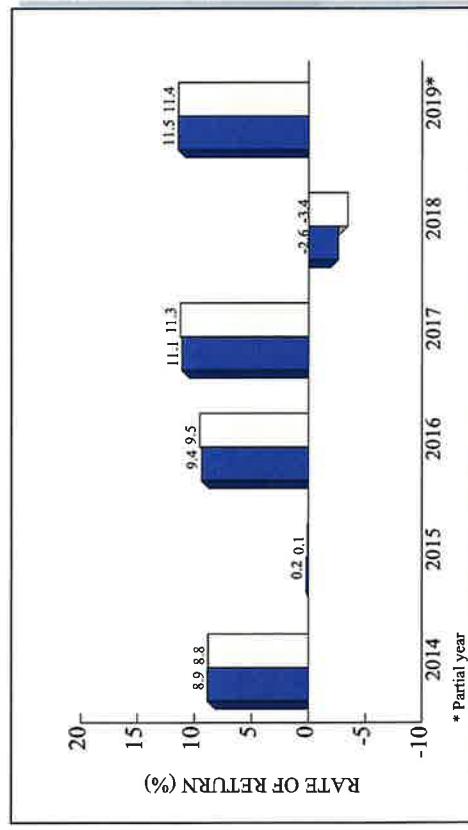
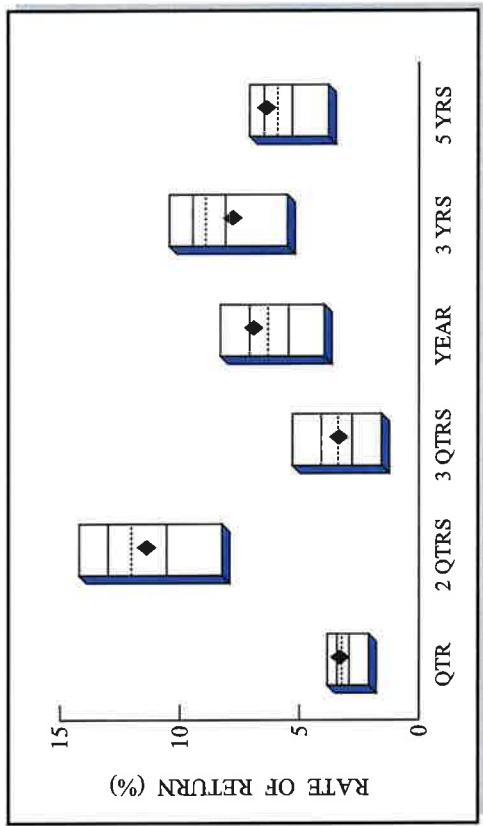
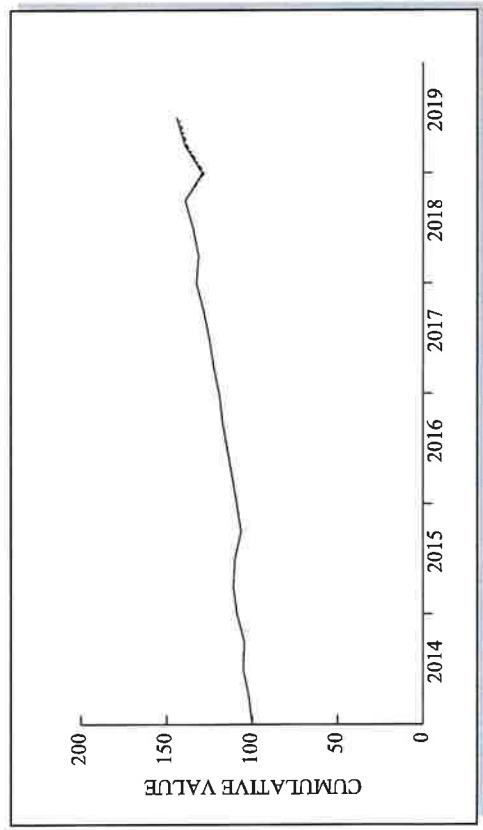
## MANAGER PERFORMANCE SUMMARY

Name	(Universe)	Quarter	1 Year	3 Years	5 Years	Market Value	%
Total Portfolio	(Public Fund)	3.4 (35)	7.0 (28)	7.9 (79)	6.5 (27)	\$78,051,325	100.0%
<b>Shadow Index</b>		<b>3.3 ---</b>	<b>6.1 ---</b>	<b>7.6 ---</b>	<b>6.3 ---</b>	---	---
Rhumbline 500	(LC Core)	4.3 (50)	10.4 (37)	14.2 (41)	10.7 (37)	\$23,801,814	30.5%
<b>S&amp;P 500</b>		<b>4.3 ---</b>	<b>10.4 ---</b>	<b>14.2 ---</b>	<b>10.7 ---</b>	---	---
Rhumbline 400	(Mid Cap)	3.0 (74)	1.4 (77)	10.9 (69)	8.0 (64)	\$7,297,576	9.3%
<b>S&amp;P 400</b>		<b>3.0 ---</b>	<b>1.4 ---</b>	<b>10.9 ---</b>	<b>8.0 ---</b>	---	---
Rhumbline 600	(Small Cap)	1.9 (70)	-4.9 (70)	11.9 (55)	8.4 (44)	\$7,367,656	9.4%
<b>S&amp;P 600</b>		<b>1.9 ---</b>	<b>-4.9 ---</b>	<b>12.0 ---</b>	<b>8.4 ---</b>	---	---
Rhumbline Fixed	(Broad Fixed)	3.1 (31)	8.2 (30)	2.4 (69)	3.0 (61)	\$39,584,279	50.7%
<b>Aggregate Index</b>		<b>3.1 ---</b>	<b>7.9 ---</b>	<b>2.3 ---</b>	<b>3.0 ---</b>	---	---

## INVESTMENT RETURN SUMMARY - ONE QUARTER

Name	Quarter Total Return	Market Value March 31st, 2019	Net Cashflow	Net Investment Return	Market Value June 30th, 2019
Rhumbline 500 (LCC)	4.3	22,822,360	0	979,454	23,801,814
Rhumbline 400 (MC)	3.0	7,081,885	0	215,691	7,297,576
Rhumbline 600 (SC)	1.9	7,232,392	0	135,264	7,367,656
Rhumbline Fixed (FIXD)	3.1	38,377,871	0	1,206,408	39,584,279
<b>Total Portfolio</b>	<b>3.4</b>	<b>75,514,508</b>	<b>0</b>	<b>2,536,817</b>	<b>78,051,325</b>

## TOTAL RETURN COMPARISONS

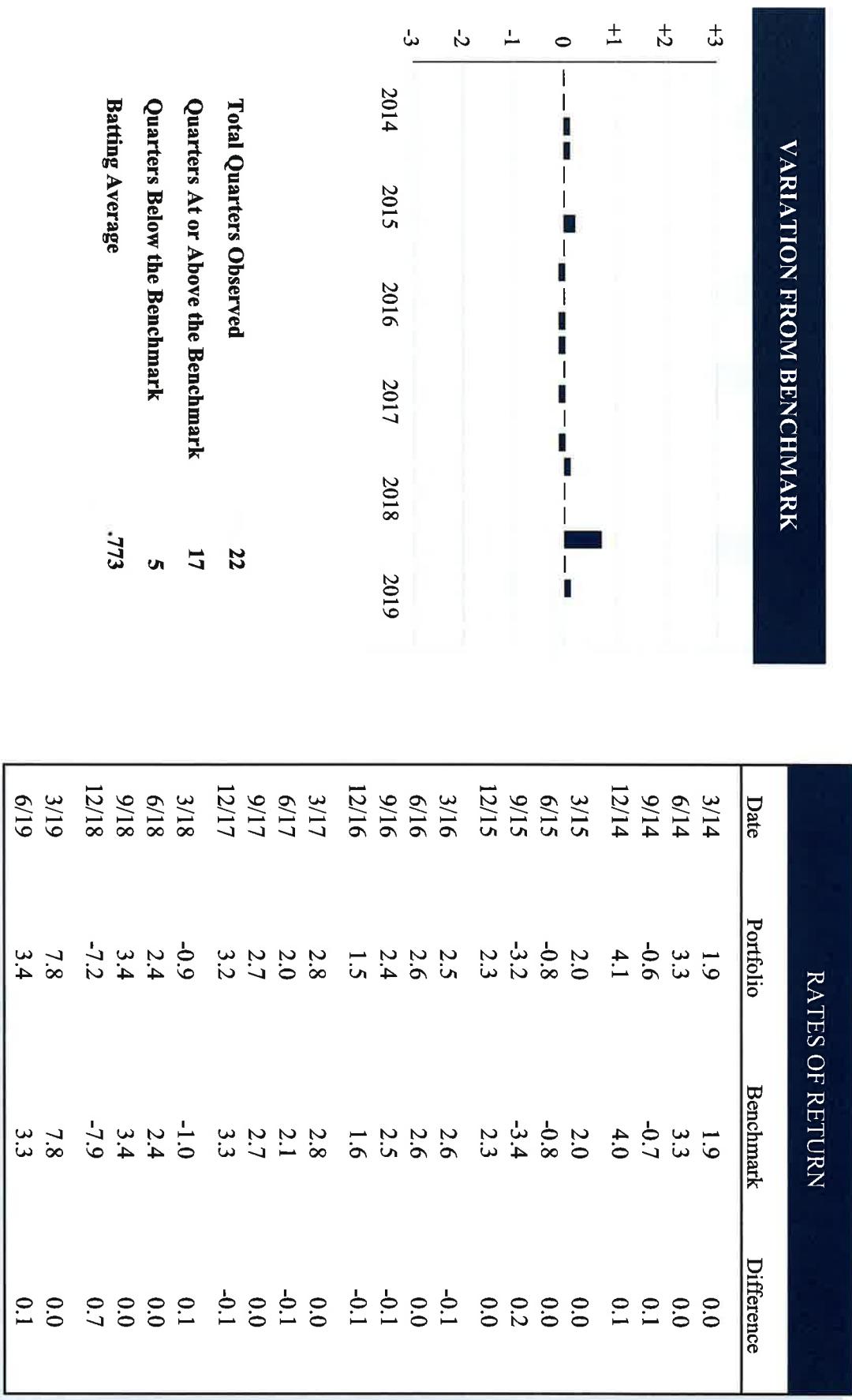


	ANNUALIZED-----					
	QTR	2 QTRS	3 QTRS	YEAR	3 YRS	5 YRS
RETURN (RANK)	3.4 (35)	11.5 (62)	3.4 (49)	7.0 (28)	7.9 (79)	6.5 (27)
5TH %ILE	3.8	14.2	5.3	8.3	10.4	7.1
25TH %ILE	3.4	13.0	4.1	7.1	9.5	6.5
MEDIAN	3.2	12.0	3.4	6.3	8.9	5.9
75TH %ILE	2.9	10.5	2.8	5.5	8.1	5.3
95TH %ILE	2.1	8.2	1.6	4.0	5.5	3.8
Shadow Index	3.3	11.4	2.6	6.1	7.6	6.3

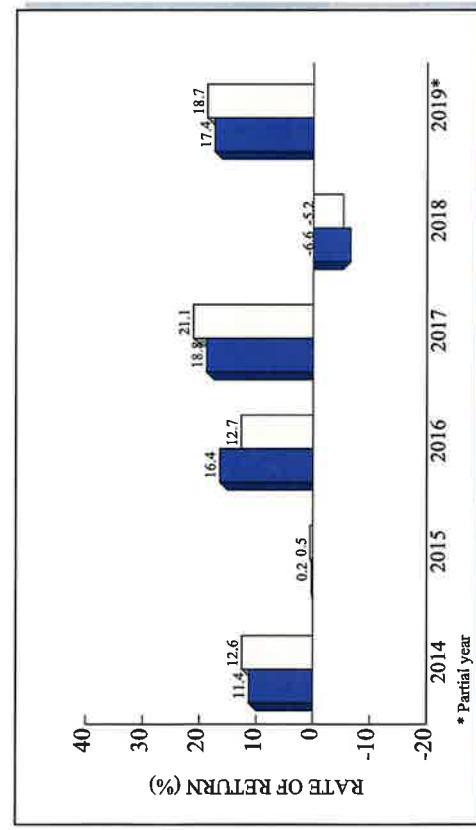
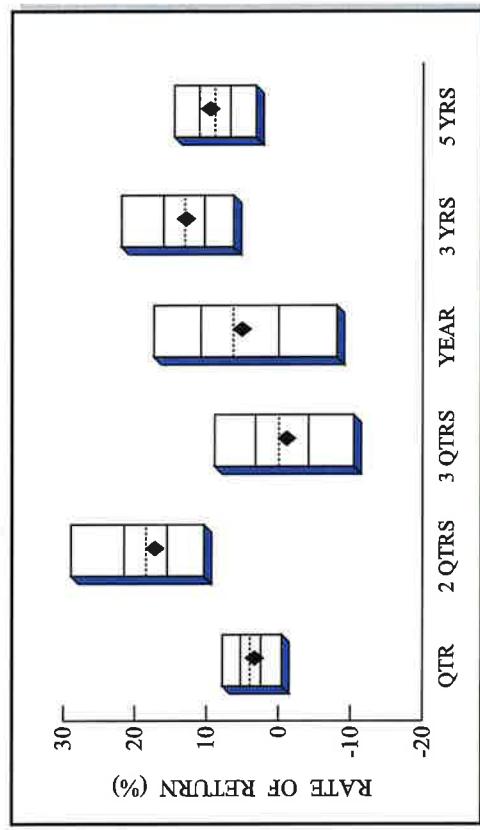
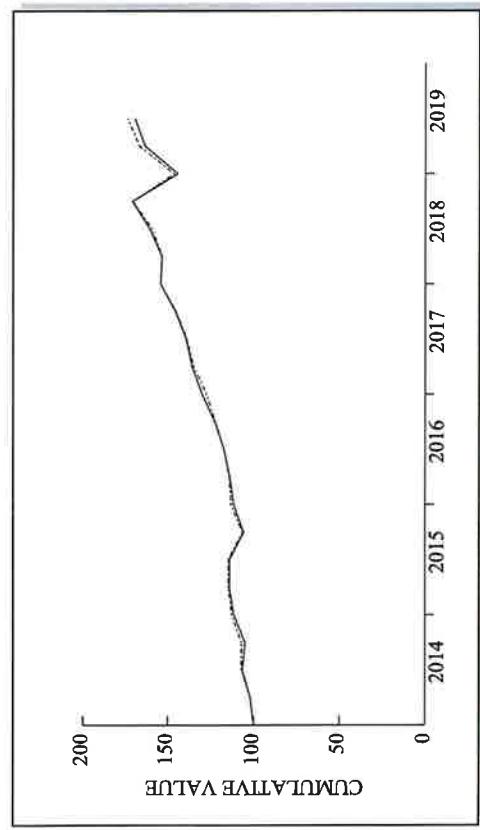
Public Fund Universe

## TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: SHADOW INDEX



## DOMESTIC EQUITY RETURN COMPARISONS



Domestic Equity Universe

DAHAB ASSOCIATES, INC.

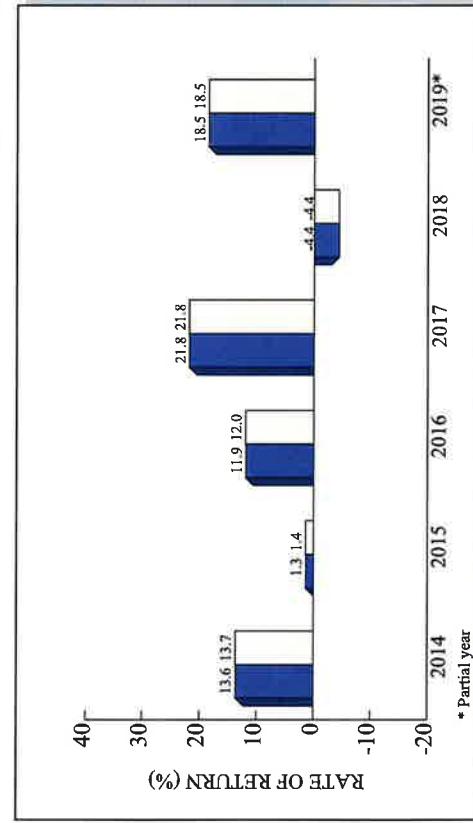
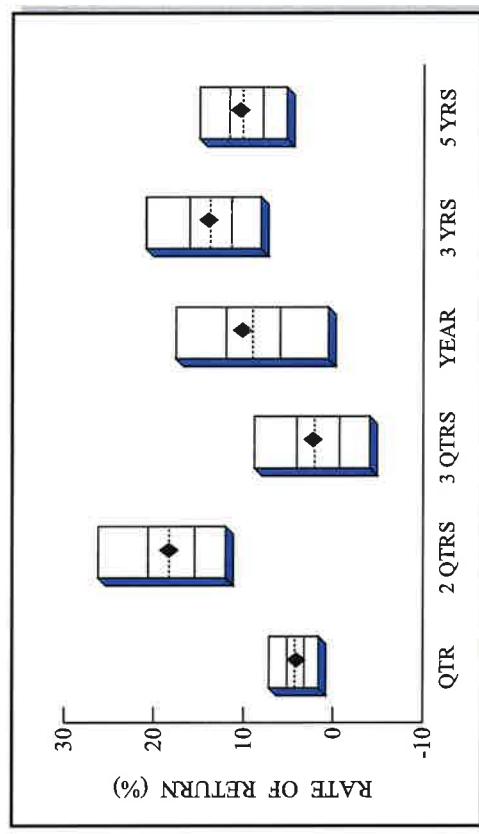
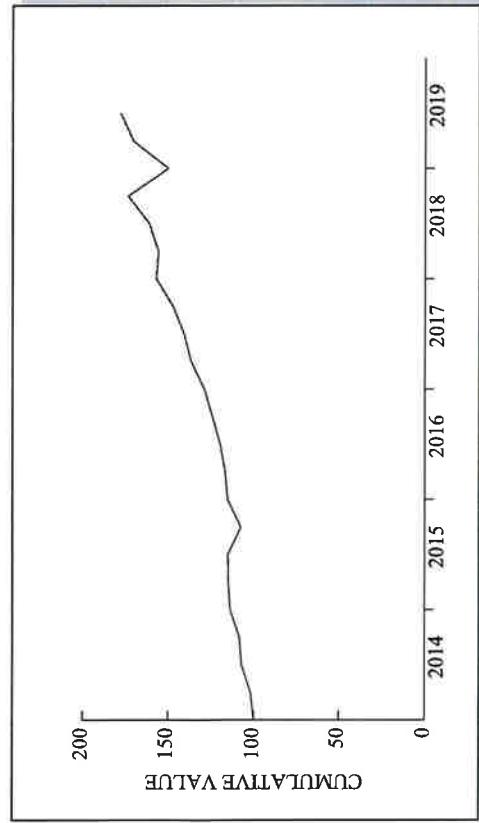
## DOMESTIC EQUITY QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: RUSSELL 3000



RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
3/14	1.9	2.0	-0.1
6/14	4.4	4.9	-0.5
9/14	-1.4	0.0	-1.4
12/14	6.1	5.2	0.9
3/15	2.4	1.8	0.6
6/15	0.0	0.1	-0.1
9/15	-7.2	-7.2	0.0
12/15	5.5	6.3	-0.8
3/16	2.0	1.0	1.0
6/16	2.9	2.6	0.3
9/16	4.6	4.4	0.2
12/16	6.0	4.2	1.8
3/17	4.6	5.7	-1.1
6/17	2.6	3.0	-0.4
9/17	4.5	4.6	-0.1
12/17	6.0	6.3	-0.3
3/18	-0.5	-0.6	0.1
6/18	4.7	3.9	0.8
9/18	6.3	7.1	-0.8
12/18	-15.6	-14.3	-1.3
3/19	13.4	14.0	-0.6
6/19	3.6	4.1	-0.5

## LARGE CAP EQUITY RETURN COMPARISONS



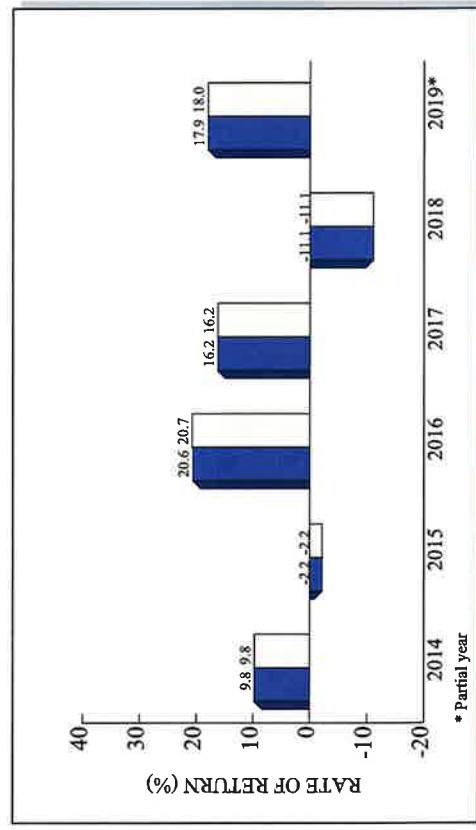
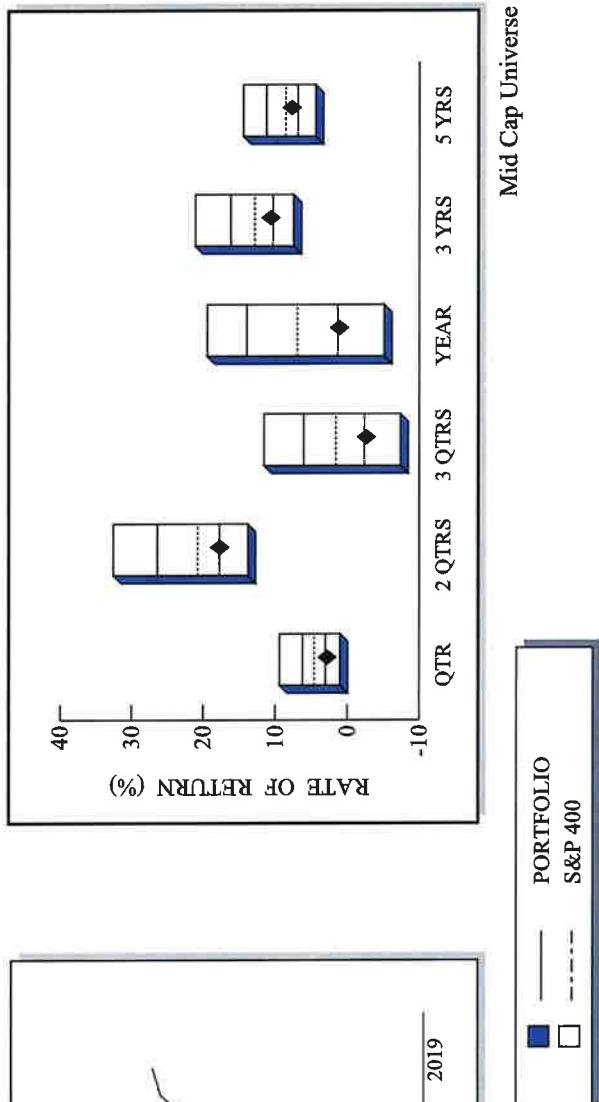
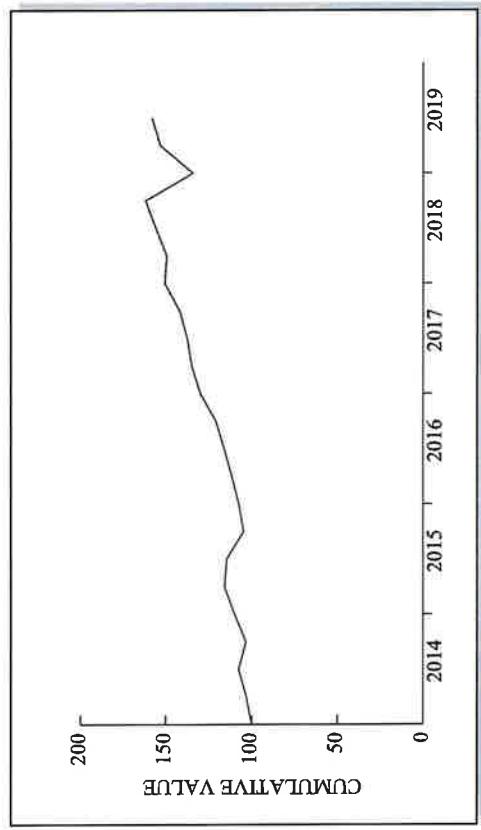
	QTR	2 QTRS	3 QTRS	YEAR	3 YRS	5 YRS
RETURN (RANK)	4.3 (49)	18.5 (46)	2.5 (41)	10.4 (38)	14.2 (44)	10.7 (41)
5TH %ILE	7.2	26.2	8.8	17.6	20.9	15.0
25TH %ILE	5.2	20.6	4.1	12.0	16.1	11.6
MEDIAN	4.3	18.3	2.1	9.1	13.8	10.2
75TH %ILE	3.2	15.5	-0.7	5.9	11.4	7.9
95TH %ILE	1.6	12.0	-4.1	0.6	8.2	5.3
<b>S&amp;P 500</b>	<b>4.3</b>	<b>18.5</b>	<b>2.5</b>	<b>10.4</b>	<b>14.2</b>	<b>10.7</b>

## LARGE CAP EQUITY QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: S&P 500

		VARIATION FROM BENCHMARK					
		RATES OF RETURN					
		Date	Portfolio	Benchmark	Difference		
+3		3/14	1.8	1.8	0.0		
+2		6/14	5.2	5.2	0.0		
+1		9/14	1.1	1.1	0.0		
0		12/14	4.9	4.9	0.0		
-1		3/15	1.0	0.9	0.1		
-2		6/15	0.3	0.3	0.0		
-3		9/15	-6.5	-6.4	-0.1		
	Total Quarters Observed	12/15	7.0	7.0	0.0		
	Quarters At or Above the Benchmark	3/16	1.3	1.3	0.0		
	Quarters Below the Benchmark	6/16	2.4	2.5	-0.1		
	Batting Average	9/16	3.9	3.9	0.0		
		12/16	3.8	3.8	0.0		
		3/17	6.0	6.1	-0.1		
		6/17	3.1	3.1	0.0		
		9/17	4.5	4.5	0.0		
		12/17	6.6	6.6	0.0		
		3/18	-0.8	-0.8	0.0		
		6/18	3.4	3.4	0.0		
		9/18	7.7	7.7	0.0		
		12/18	-13.5	-13.5	0.0		
		3/19	13.6	13.6	0.0		
		6/19	4.3	4.3	0.0		

## MID CAP EQUITY RETURN COMPARISONS

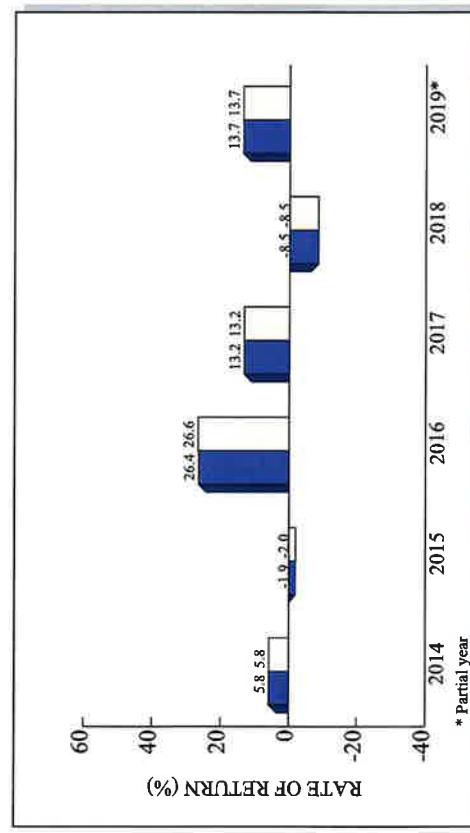
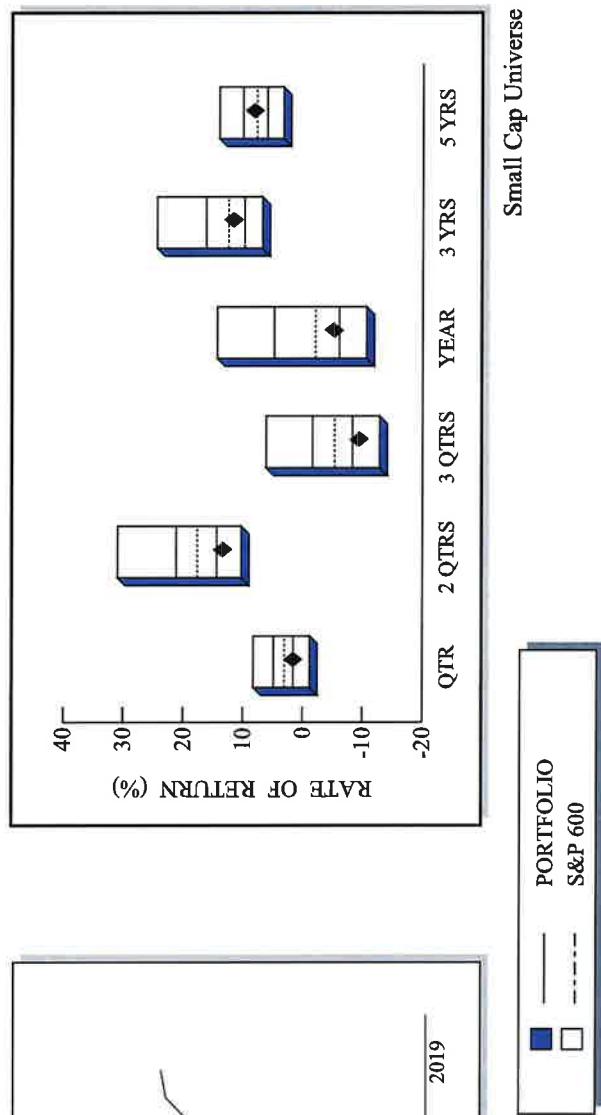
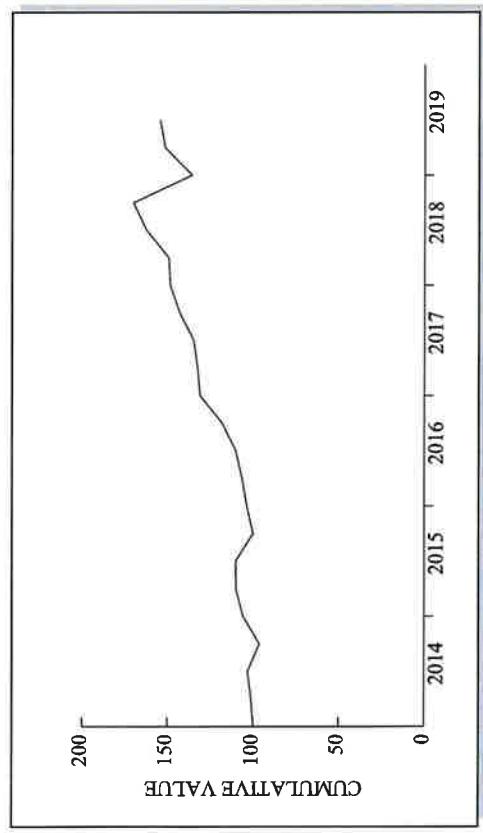


## MID CAP EQUITY QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: S&P 400

		VARIATION FROM BENCHMARK			RATES OF RETURN		
		Date	Portfolio	Benchmark	Difference		
+3		3/14	3.1	3.0	0.1		
+2		6/14	4.4	4.3	0.1		
+1		9/14	-4.0	-4.0	0.0		
0		12/14	6.3	6.3	0.0		
-1		3/15	5.3	5.3	0.0		
-2		6/15	-1.1	-1.1	0.0		
-3		9/15	-8.5	-8.5	0.0		
		12/15	2.6	2.6	0.0		
		3/16	3.7	3.8	-0.1		
		6/16	4.0	4.0	0.0		
		9/16	4.1	4.1	0.0		
		12/16	7.4	7.4	0.0		
		3/17	3.9	3.9	0.0		
		6/17	2.0	2.0	0.0		
		9/17	3.2	3.2	0.0		
		12/17	6.2	6.3	-0.1		
		3/18	-0.8	-0.8	0.0		
		6/18	4.3	4.3	0.0		
		9/18	3.8	3.9	-0.1		
		12/18	-17.2	-17.3	0.1		
		3/19	14.4	14.5	-0.1		
		6/19	3.0	3.0	0.0		
<b>Total Quarters Observed</b>		<b>22</b>					
<b>Quarters At or Above the Benchmark</b>		<b>18</b>					
<b>Quarters Below the Benchmark</b>		<b>4</b>					
<b>Batting Average</b>		<b>.818</b>					

## SMALL CAP EQUITY RETURN COMPARISONS



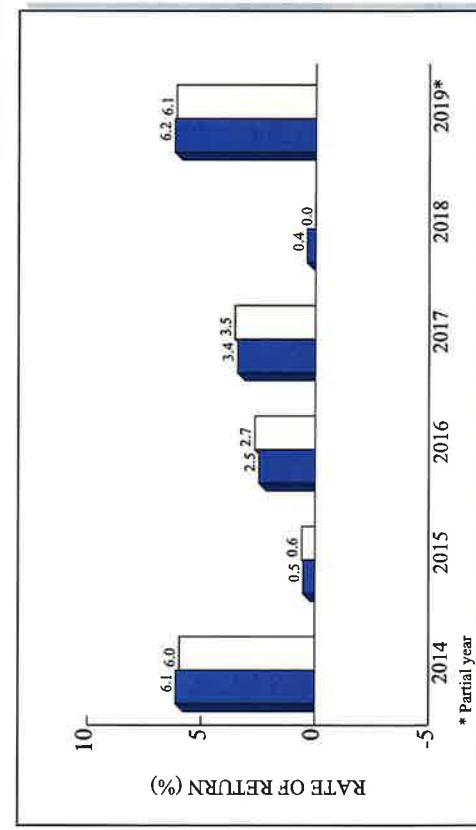
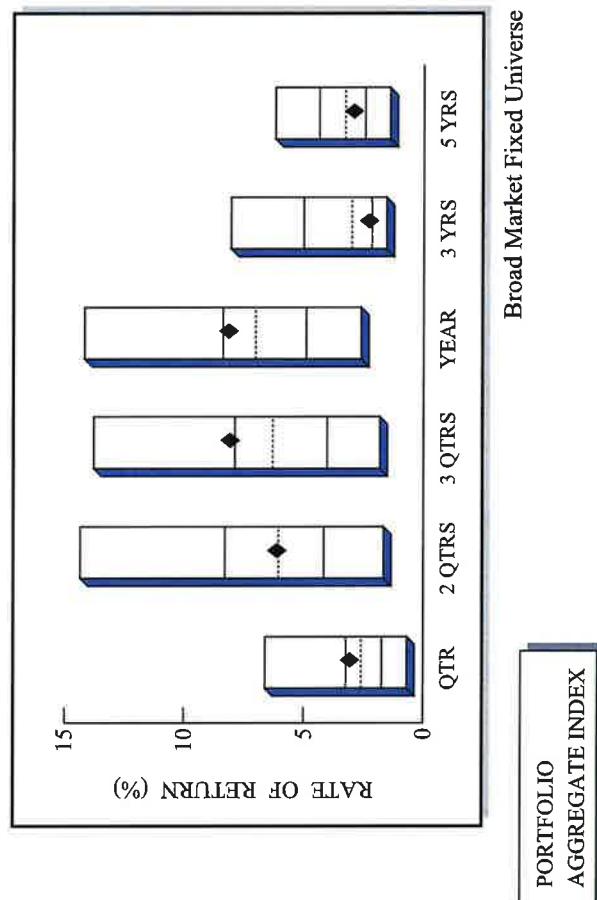
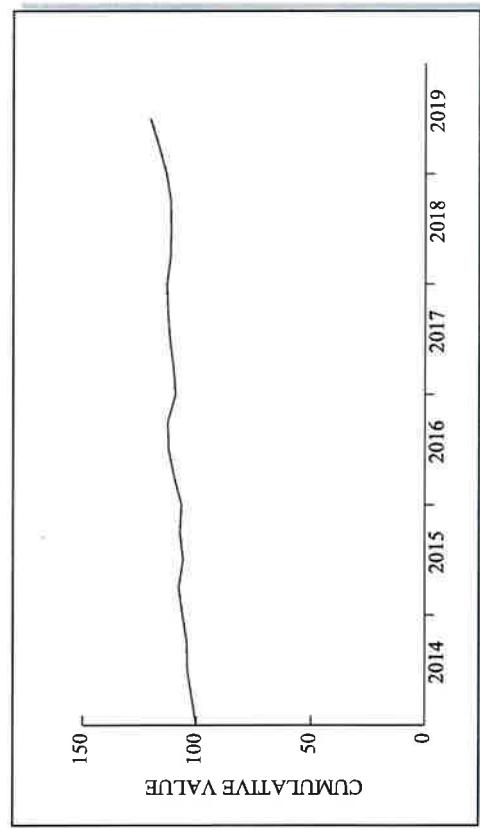
Small Cap Universe

## SMALL CAP EQUITY QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: S&P 600 SMALL CAP

		VARIATION FROM BENCHMARK			RATES OF RETURN		
		Date	Portfolio	Benchmark	Difference		
+3		3/14	1.1	1.1	0.0	0.0	
+2		6/14	2.1	2.1	0.0	0.0	
+1		9/14	-6.7	-6.7	0.0	0.0	
0		12/14	9.8	9.8	0.0	0.0	
-1		3/15	4.0	4.0	0.0	0.0	
-2		6/15	0.2	0.2	0.0	0.0	
-3		9/15	-9.2	-9.3	0.1	0.1	
		12/15	3.7	3.7	0.0	0.0	
		3/16	2.6	2.7	-0.1		
		6/16	3.5	3.5	0.0		
		9/16	7.2	7.2	0.0		
		12/16	11.1	11.1	0.0		
		3/17	1.1	1.1	0.0		
		6/17	1.7	1.7	0.0		
		9/17	6.0	6.0	0.0		
		12/17	3.9	4.0	-0.1		
<b>Total Quarters Observed</b>		<b>22</b>					
<b>Quarters At or Above the Benchmark</b>		<b>20</b>					
<b>Quarters Below the Benchmark</b>		<b>2</b>					
<b>Batting Average</b>		<b>.909</b>					
		12/18	-20.1	-20.1	0.0		
		3/19	11.6	11.6	0.0		
		6/19	1.9	1.9	0.0		

## FIXED INCOME RETURN COMPARISONS

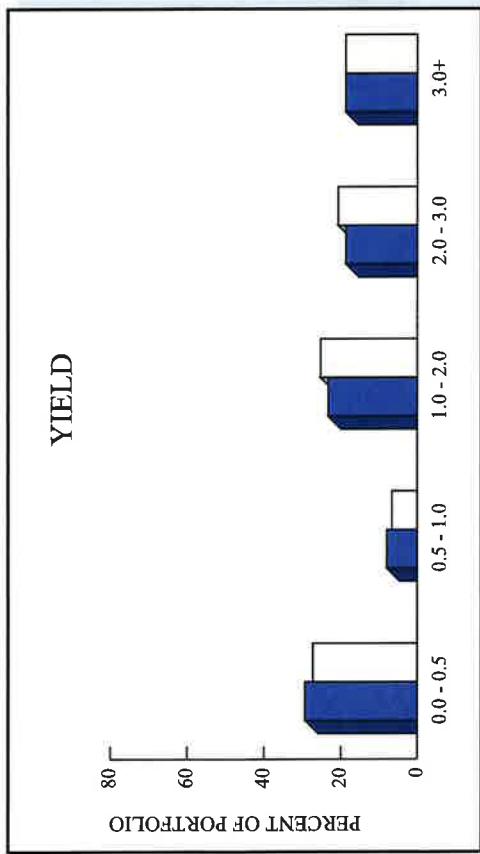


Broad Market Fixed Universe

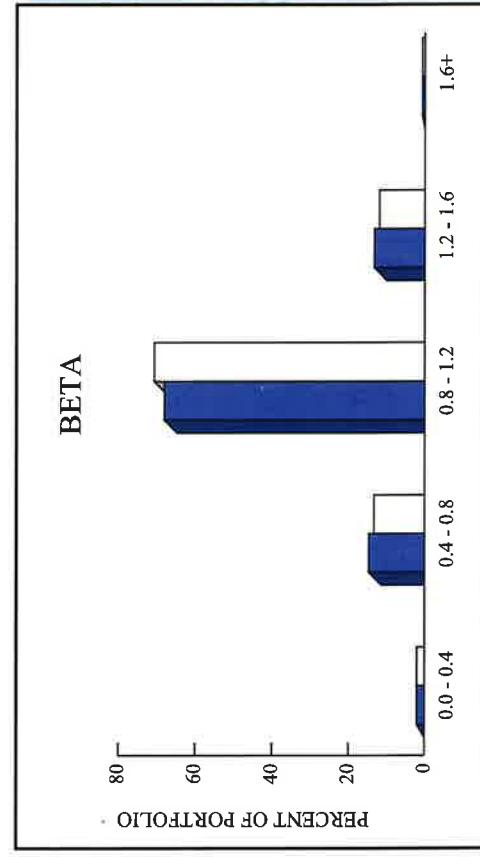
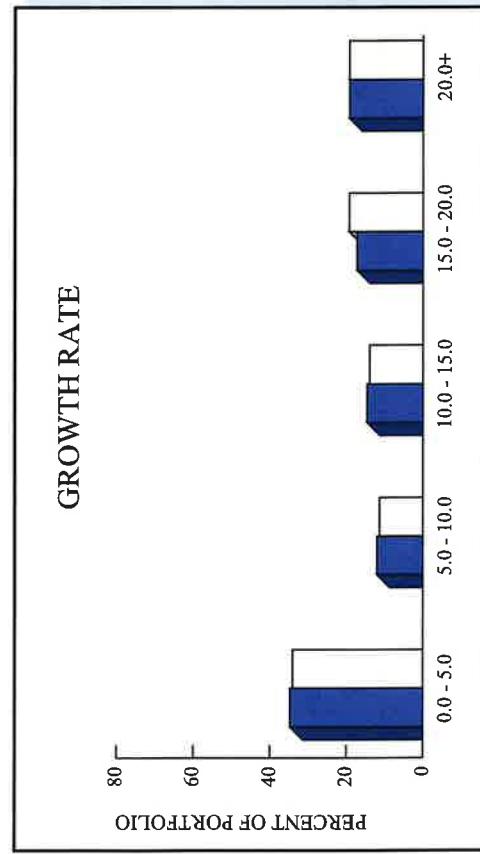
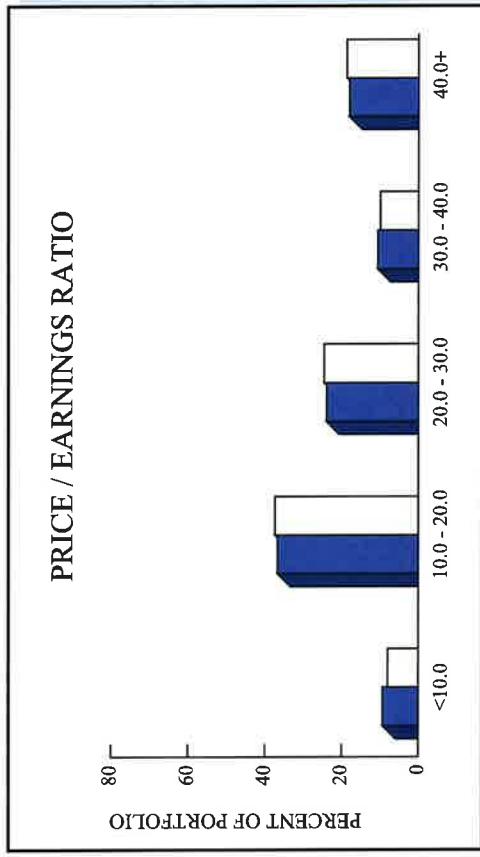
**FIXED INCOME QUARTERLY PERFORMANCE SUMMARY**  
**COMPARATIVE BENCHMARK: BLOOMBERG BARCLAYS AGGREGATE INDEX**

		VARIATION FROM BENCHMARK			RATES OF RETURN		
		Date	Portfolio	Benchmark	Difference		
+3		3/14	2.0	1.8	0.2		
+2		6/14	1.9	2.0	-0.1		
+1		9/14	0.3	0.2	0.1		
0		12/14	1.8	1.8	0.0		
-1		3/15	1.6	1.6	0.0		
-2		6/15	-1.7	-1.7	0.0		
-3		9/15	1.3	1.2	0.1		
		12/15	-0.6	-0.6	0.0		
		3/16	3.0	3.0	0.0		
		6/16	2.2	2.2	0.0		
		9/16	0.4	0.5	-0.1		
		12/16	-3.0	-3.0	0.0		
		3/17	0.9	0.8	0.1		
		6/17	1.4	1.4	0.0		
		9/17	0.8	0.8	0.0		
		12/17	0.4	0.4	0.0		
<b>Total Quarters Observed</b>	<b>22</b>						
<b>Quarters At or Above the Benchmark</b>	<b>20</b>						
<b>Quarters Below the Benchmark</b>	<b>2</b>						
<b>Batting Average</b>	<b>.909</b>						
		3/18	-1.4	-1.5	0.1		
		6/18	-0.1	-0.2	0.1		
		9/18	0.1	0.0	0.1		
		12/18	1.8	1.6	0.2		
		3/19	3.0	2.9	0.1		
		6/19	3.1	3.1	0.0		

## STOCK CHARACTERISTICS

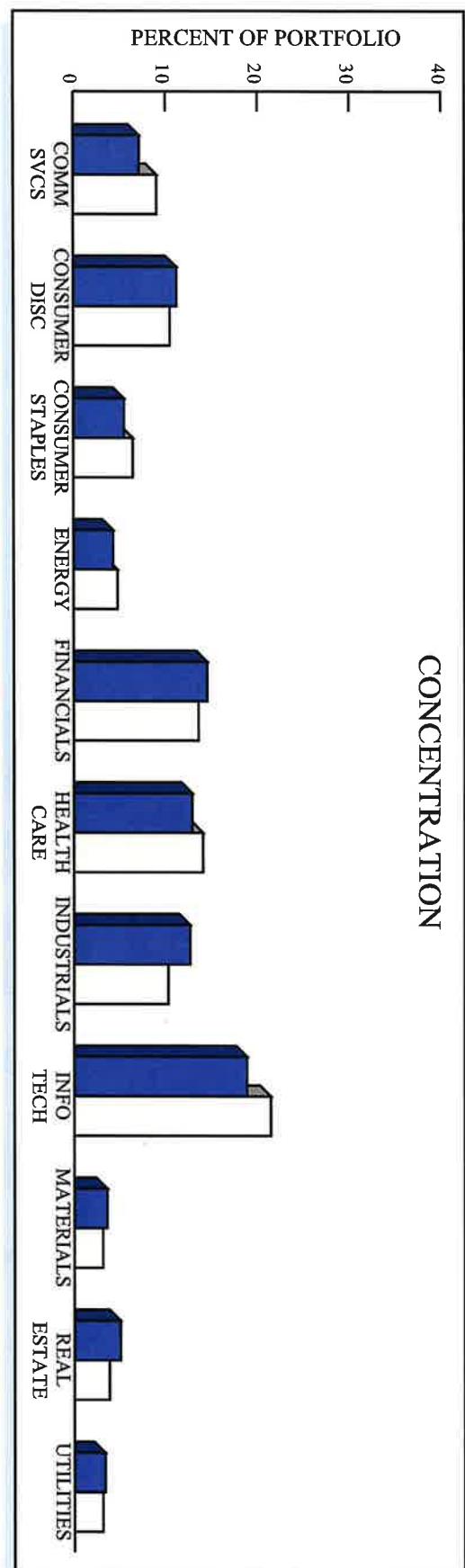


	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	1,506	1.8%	11.1%	26.5	0.98
RUSSELL 3000	2,953	1.8%	11.6%	27.2	0.98

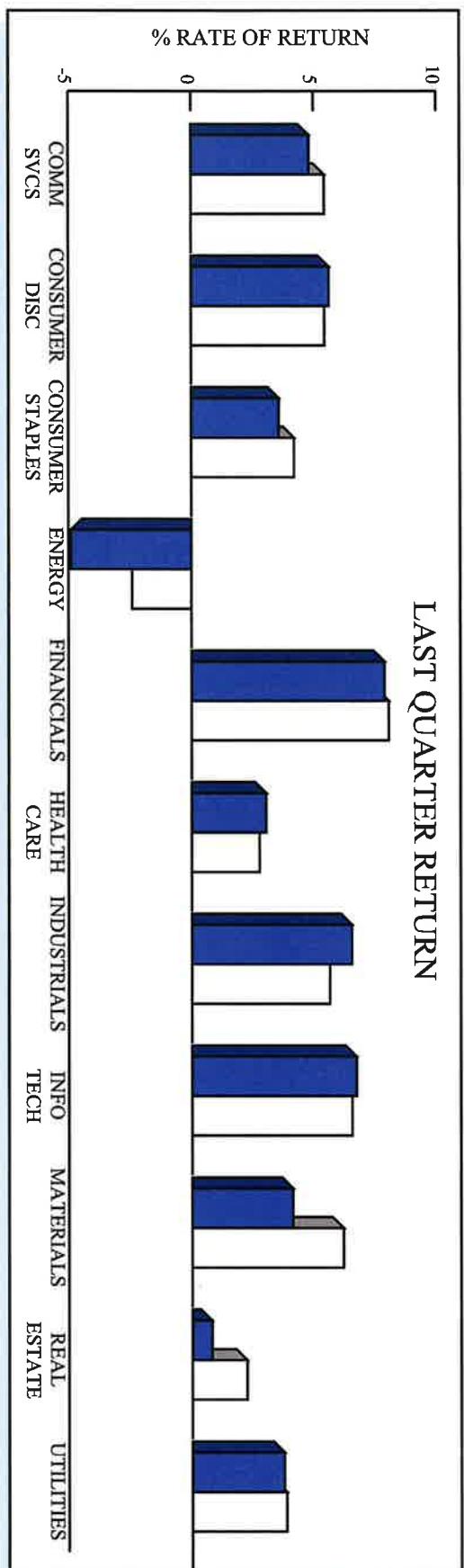


## STOCK INDUSTRY ANALYSIS

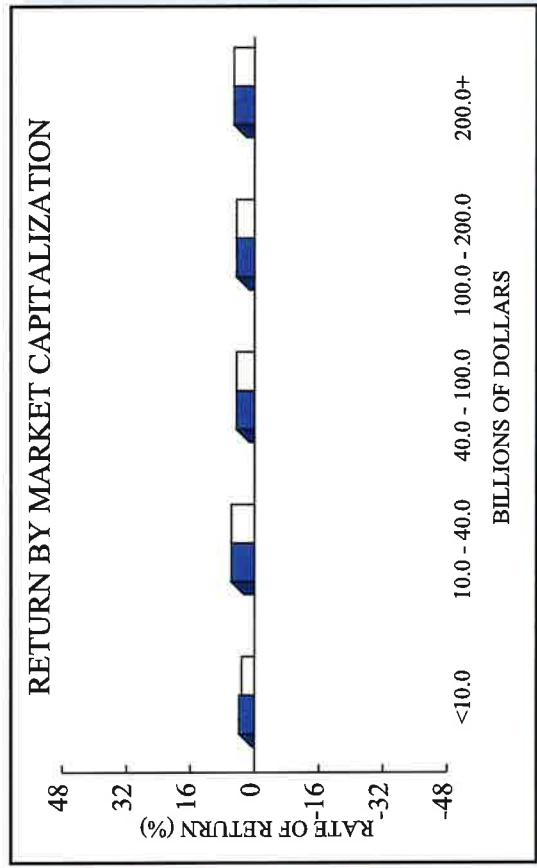
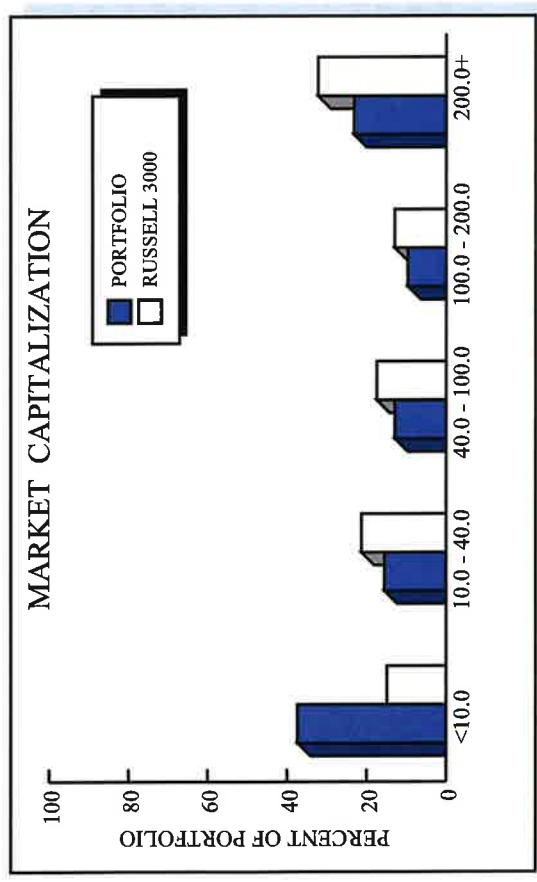
## CONCENTRATION



## LAST QUARTER RETURN



## TOP TEN HOLDINGS



## TOP TEN EQUITY HOLDINGS

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	MICROSOFT CORP	\$ 1,000,413	2.60%	14.0%	Information Technology	\$ 1026.5 B
2	APPLE INC	843,139	2.19%	4.6%	Information Technology	910.6 B
3	AMAZON.COM INC	763,133	1.98%	6.3%	Consumer Discretionary	932.3 B
4	FACEBOOK INC-CLASS A	451,813	1.17%	15.8%	Communication Services	463.7 B
5	BERKSHIRE HATHAWAY INC-CL B	402,465	1.05%	6.1%	Financials	291.7 B
6	JOHNSON & JOHNSON	360,317	.94%	0.3%	Health Care	369.8 B
7	JPMORGAN CHASE & CO	353,400	.92%	11.3%	Financials	362.7 B
8	ALPHABET INC-CL C	323,192	.84%	-7.9%	Communication Services	376.4 B
9	ALPHABET INC-CL A	316,178	.82%	-8.0%	Communication Services	324.2 B
10	EXXON MOBIL CORP	315,945	.82%	-4.1%	Energy	324.2 B

## APPENDIX - MAJOR MARKET INDEX RETURNS

<b>Economic Data</b>		<b>Style</b>	<b>QTR</b>	<b>FYTD</b>	<b>1 Year</b>	<b>3 years</b>	<b>5 Years</b>
Consumer Price Index		Economic Data	0.8	1.7	1.7	2.0	1.5
<b>Domestic Equity</b>							
Russell 3000		Style	QTR	FYTD	1 Year	3 years	5 Years
S&P 500		Broad Equity	4.1	9.0	9.0	14.0	10.2
Russell 1000		Large Cap Core	4.3	10.4	10.4	14.2	10.7
Russell 1000 Growth		Large Cap	4.2	10.0	10.0	14.1	10.4
Russell 1000 Value		Large Cap Growth	4.6	11.6	11.6	18.1	13.4
Russell Mid Cap		Large Cap Value	3.8	8.4	8.4	10.2	7.5
Russell Mid Cap Growth		Midcap	4.1	7.8	7.8	12.1	8.6
Russell Mid Cap Value		Midcap Growth	5.4	13.9	13.9	16.5	11.1
Russell 2000		Midcap Value	3.2	3.7	3.7	8.9	6.7
Russell 2000 Growth		Small Cap	2.1	-3.3	-3.3	12.3	7.1
Russell 2000 Value		Small Cap Growth	2.7	-0.5	-0.5	14.7	8.6
		Small Cap Value	1.4	-6.3	-6.3	9.8	5.4
<b>International Equity</b>							
MSCI All Country World Ex US		Style	QTR	FYTD	1 Year	3 years	5 Years
MSCI EAFE		Foreign Equity	3.2	1.8	1.8	9.9	2.6
MSCI EAFE Growth		Developed Markets Equity	4.0	1.6	1.6	9.6	2.7
MSCI EAFE Value		Developed Markets Growth	6.0	4.7	4.7	10.1	4.8
MSCI Emerging Markets		Developed Markets Value	1.9	-1.5	-1.5	9.1	0.6
		Emerging Markets Equity	0.7	1.6	1.6	11.1	2.9
<b>Domestic Fixed Income</b>							
Bloomberg Barclays Aggregate Index		Style	QTR	FYTD	1 Year	3 years	5 Years
Bloomberg Barclays Capital Gov't Bond		Core Fixed Income	3.1	7.9	7.9	2.3	3.0
Bloomberg Barclays Capital Credit Bond		Treasuries	3.0	7.2	7.2	1.4	2.5
Intermediate Aggregate		Corporate Bonds	4.3	10.3	10.3	3.7	3.9
ML/BoA 1-3 Year Treasury		Core Intermediate	2.4	6.7	6.7	2.0	2.5
Bloomberg Barclays Capital High Yield		Short Term Treasuries	1.4	4.0	4.0	1.3	1.2
		High Yield Bonds	2.5	7.5	7.5	7.5	4.7
<b>Alternative Assets</b>							
Bloomberg Barclays Global Treasury Ex US		Style	QTR	FYTD	1 Year	3 years	5 Years
NCREIF NFI-ODCE Index		International Treasuries	3.6	4.7	4.7	0.5	0.2
HFR1 FOF Composite		Real Estate	1.0	6.4	6.4	7.6	9.8
		Hedge Funds	2.1	1.8	1.8	4.5	2.3

## APPENDIX - DISCLOSURES

- \* The shadow index is a customized index that matches your portfolio's asset allocation on a quarterly basis.  
This index was calculated using the following asset classes and corresponding benchmarks:

Large Cap Equity	S&P 500
Mid Cap Equity	S&P 400
Small Cap Equity	S&P 600 Small Cap
Fixed Income	Bloomberg Barclays Aggregate Index
- \* Dahab Associates utilizes data provided by a custodian and other vendors it believes are reliable. However, it cannot assume responsibility for errors and omissions therefrom.
- \* All returns were calculated on a time-weighted basis, and are gross of fees unless otherwise noted.
- \* All returns for periods greater than one year are annualized.
- \* Dahab Associates uses the modified duration measure to present average duration.
- \* All values are in US dollars.



CHATHAM COUNTY OPEB FUND  
RHUMBLINE - S&P 500 POOLED INDEX  
PERFORMANCE REVIEW  
JUNE 2019

 Associates, Inc.  
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## **INVESTMENT RETURN**

On June 30th, 2019, the Chatham County OPEB Funds Rhumbline S&P 500 Pooled Index portfolio was valued at \$23,801,814, representing an increase of \$979,454 from the March quarter's ending value of \$22,822,360. Last quarter, the Fund posted no net contributions or withdrawals, while posting \$979,454 in net investment returns. Since there were no income receipts for the second quarter, the portfolio's net investment return was the result of net realized and unrealized capital gains totaling \$979,454.

## **RELATIVE PERFORMANCE**

During the second quarter, the Rhumbline S&P 500 Pooled Index portfolio gained 4.3%, which was equal to the S&P 500 Index's return of 4.3% and ranked in the 50th percentile of the Large Cap Core universe. Over the trailing twelve-month period, this portfolio returned 10.4%, which was equal to the benchmark's 10.4% return, and ranked in the 37th percentile. Since December 2013, the portfolio returned 11.0% per annum and ranked in the 33rd percentile. For comparison, the S&P 500 returned an annualized 11.1% over the same period.

## **ASSET ALLOCATION**

This account was fully invested in the Rhumbline S&P 500 Pooled Index Fund.

## EXECUTIVE SUMMARY

PERFORMANCE SUMMARY					
	Quarter	FYTD / 1Y	3 Year	5 Year	Since 12/13
Total Portfolio - Gross	4.3	10.4	14.2	10.7	11.0
LARGE CAP CORE RANK	(50)	(37)	(41)	(37)	(33)
Total Portfolio - Net	4.3	10.3	14.1	10.6	10.9
S&P 500	4.3	10.4	14.2	10.7	11.1
Large Cap Equity - Gross	4.3	10.4	14.2	10.7	11.0
LARGE CAP CORE RANK	(50)	(37)	(41)	(37)	(33)
S&P 500	4.3	10.4	14.2	10.7	11.1

ASSET ALLOCATION					
	Large Cap Equity	100.0%	\$ 23,801,814		
Total Portfolio	100.0%	\$ 23,801,814			

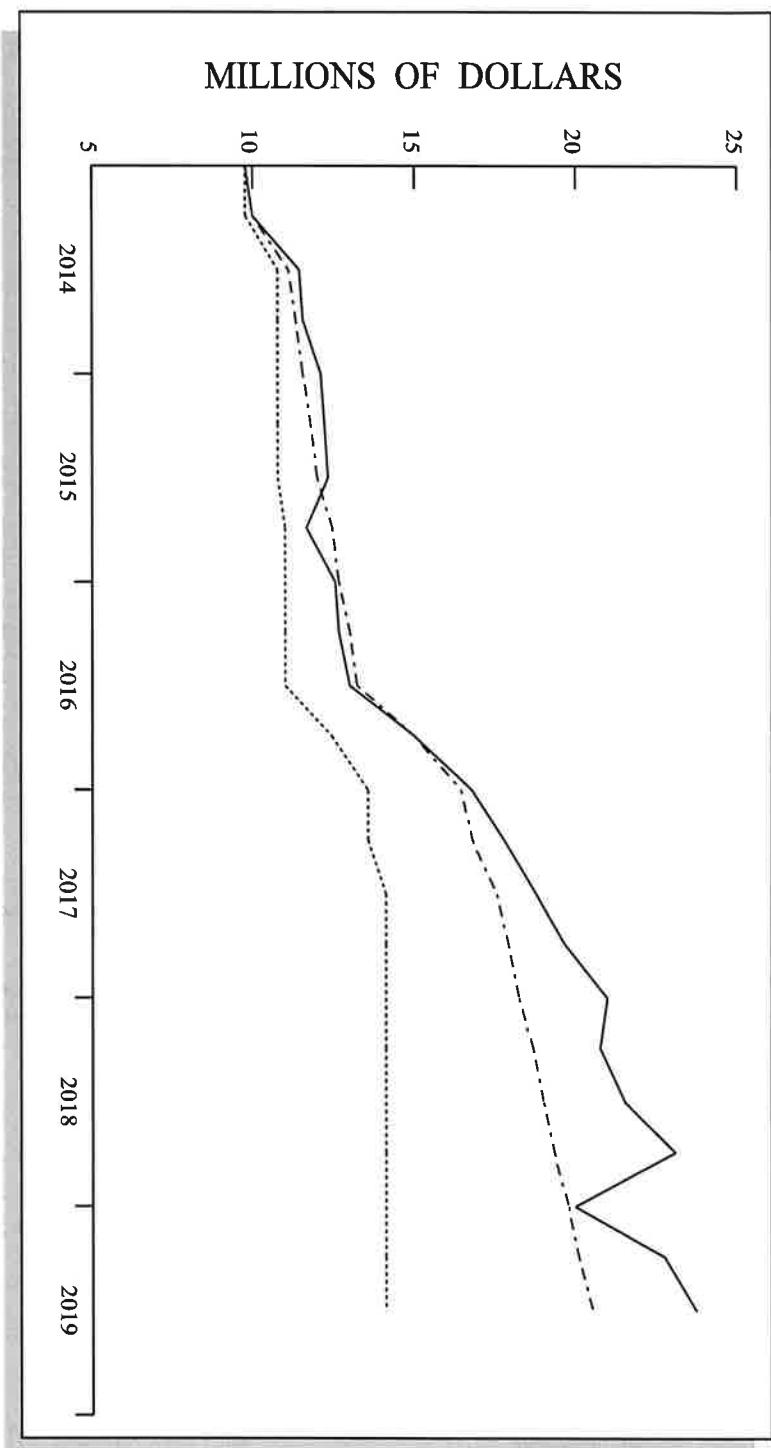
## INVESTMENT RETURN

Market Value 3/2019	\$ 22,822,360
Contribs / Withdrawals	0
Income	0
Capital Gains / Losses	979,454
Market Value 6/2019	\$ 23,801,814

CHATHAM COUNTY OPEB - RHUMBLINE S&P 500 POOLED INDEX

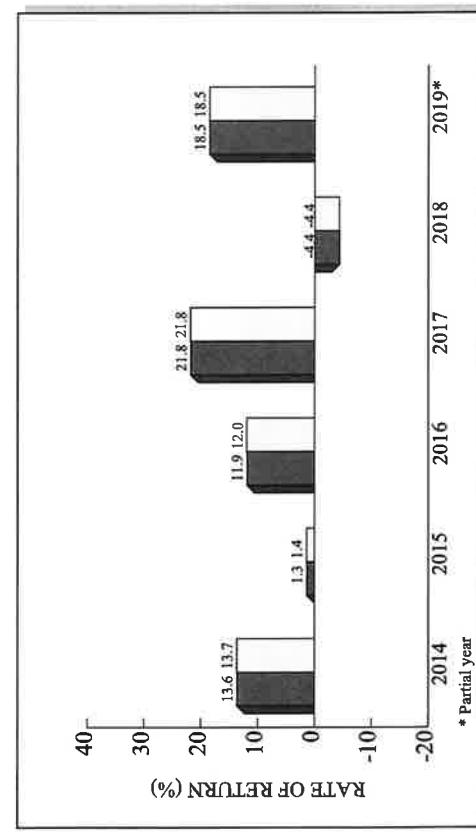
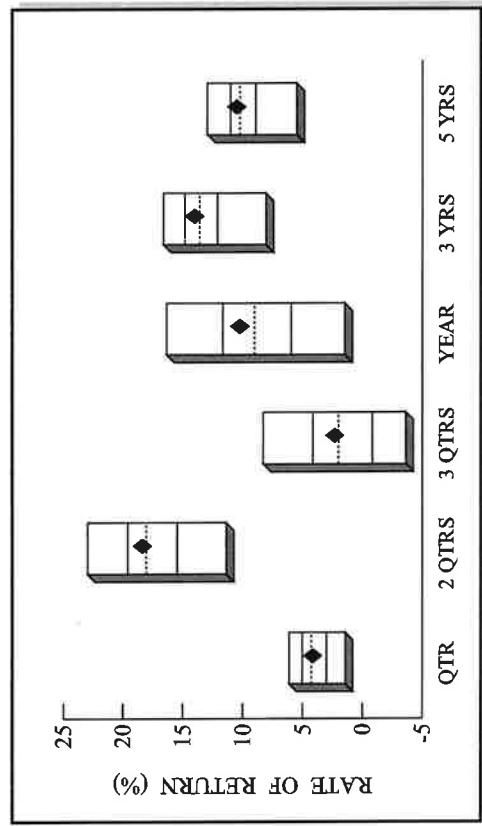
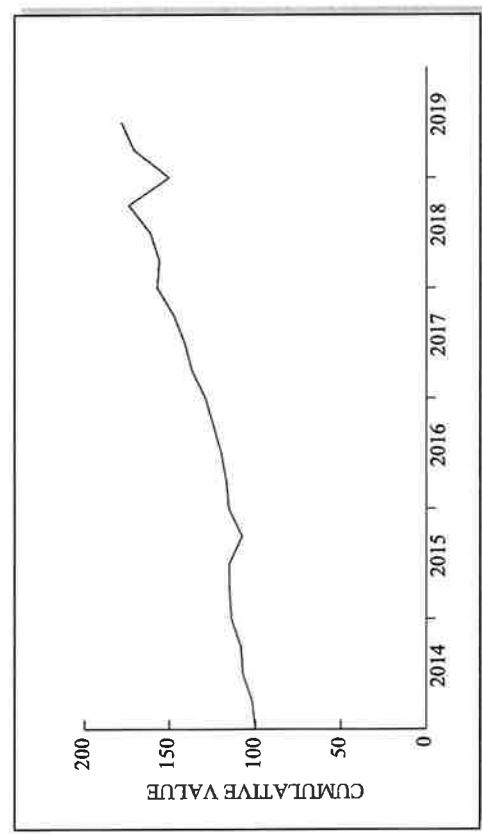
JUNE 30TH, 2019

INVESTMENT GROWTH



	LAST QUARTER	PERIOD
		12/13 - 6/19
BEGINNING VALUE	\$ 22,822,360	\$ 9,847,028
NET CONTRIBUTIONS	0	4,302,311
INVESTMENT RETURN	979,454	9,652,475
ENDING VALUE	\$ 23,801,814	\$ 23,801,814
INCOME	0	0
CAPITAL GAINS (LOSSES)	979,454	9,652,475
INVESTMENT RETURN	9,652,475	

## TOTAL RETURN COMPARISONS



	ANNUALIZED-----					
	OTR	2 QTRS	3 QTRS	YEAR	3 YRS	5 YRS
RETURN (RANK)	4.3 (50)	18.5 (44)	2.5 (40)	10.4 (37)	14.2 (41)	10.7 (37)
5TH %ILE	6.1	23.0	8.3	16.3	16.6	13.0
25TH %ILE	5.0	19.6	4.2	11.7	14.8	11.0
MEDIAN	4.3	18.0	2.0	9.0	13.6	10.3
75TH %ILE	3.0	15.5	-0.8	6.0	12.1	9.0
95TH %ILE	1.4	11.4	-3.6	1.5	8.1	5.5
S&P 500	4.3	18.5	2.5	10.4	14.2	10.7

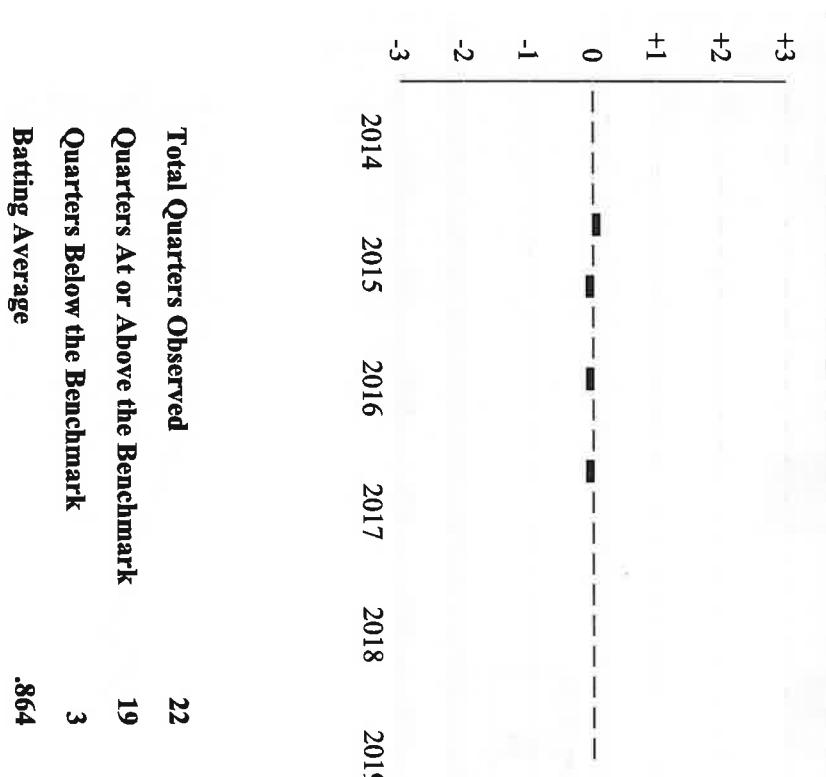
Large Cap Core Universe

DAHAB ASSOCIATES, INC.

## TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

## COMPARATIVE BENCHMARK: S&P 500

RATES OF RETURN			
Date	Portfolio	Benchmark	Difference
3/14	1.8	1.8	0.0
6/14	5.2	5.2	0.0
9/14	1.1	1.1	0.0
12/14	4.9	4.9	0.0
3/15	1.0	0.9	0.1
6/15	0.3	0.3	0.0
9/15	-6.5	-6.4	-0.1
12/15	7.0	7.0	0.0
3/16	1.3	1.3	0.0
6/16	2.4	2.5	-0.1
9/16	3.9	3.9	0.0
12/16	3.8	3.8	0.0
3/17	6.0	6.1	-0.1
6/17	3.1	3.1	0.0
9/17	4.5	4.5	0.0
12/17	6.6	6.6	0.0
3/18	-0.8	-0.8	0.0
6/18	3.4	3.4	0.0
9/18	7.7	7.7	0.0
12/18	-13.5	-13.5	0.0
3/19	13.6	13.6	0.0
6/19	4.3	4.3	0.0

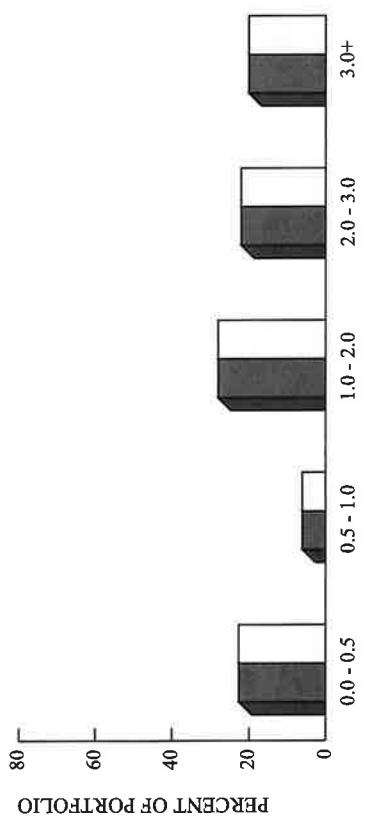


## CHATHAM COUNTY OPEB - RHUMBLINE S&P 500 POOLED INDEX

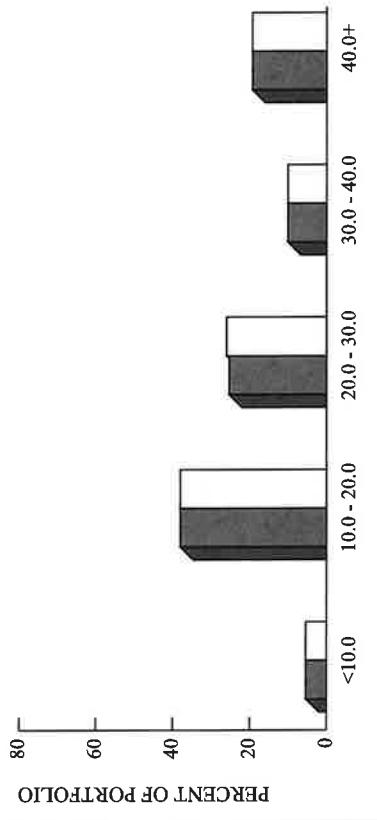
JUNE 30TH, 2019

## STOCK CHARACTERISTICS

### YIELD



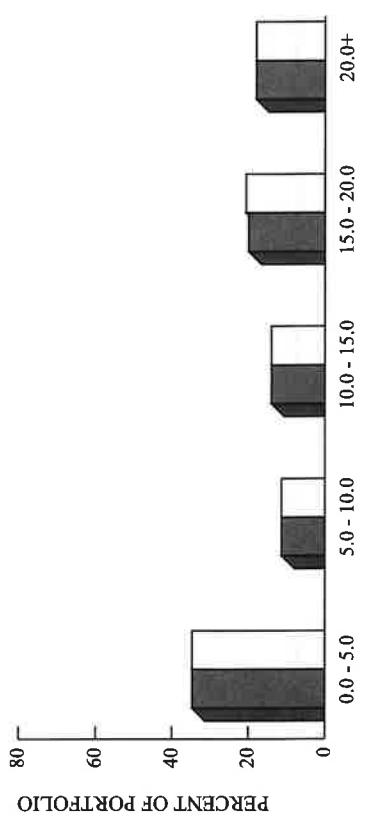
### PRICE / EARNINGS RATIO



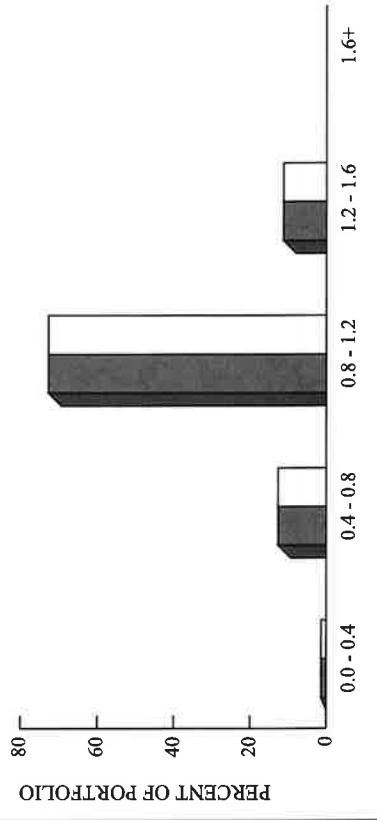
### PORTFOLIO

	# HOLDINGS	YIELD	GROWTH	P/E	BETA
PORTFOLIO	505	1.9%	11.5%	28.4	0.98
S&P 500	505	1.9%	11.5%	28.4	1.00

### GROWTH RATE

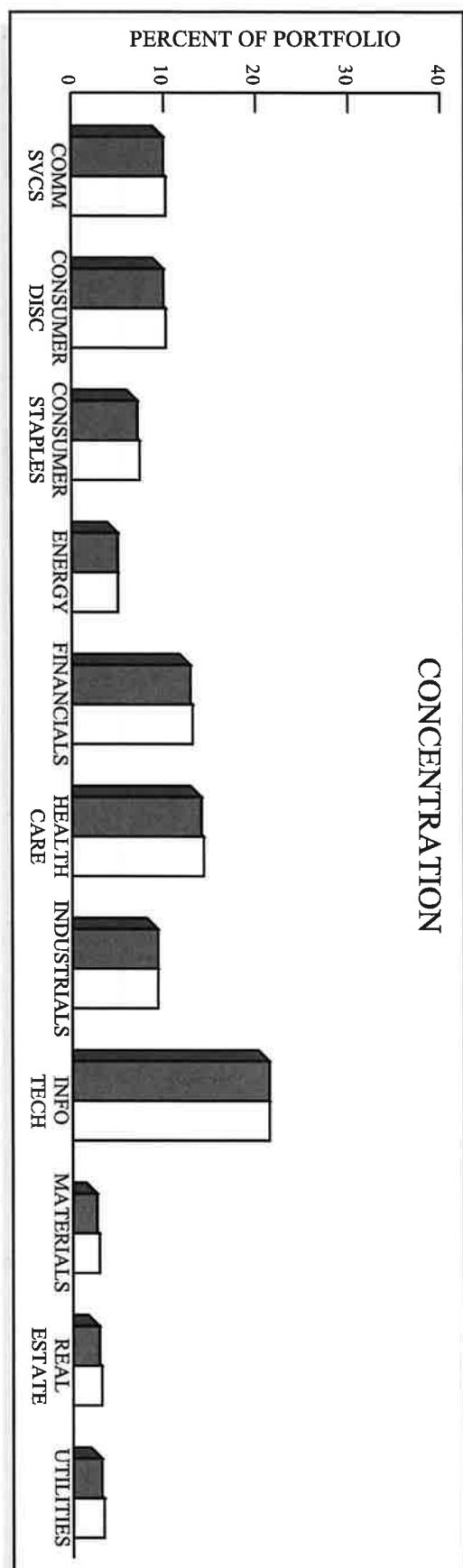


### BETA

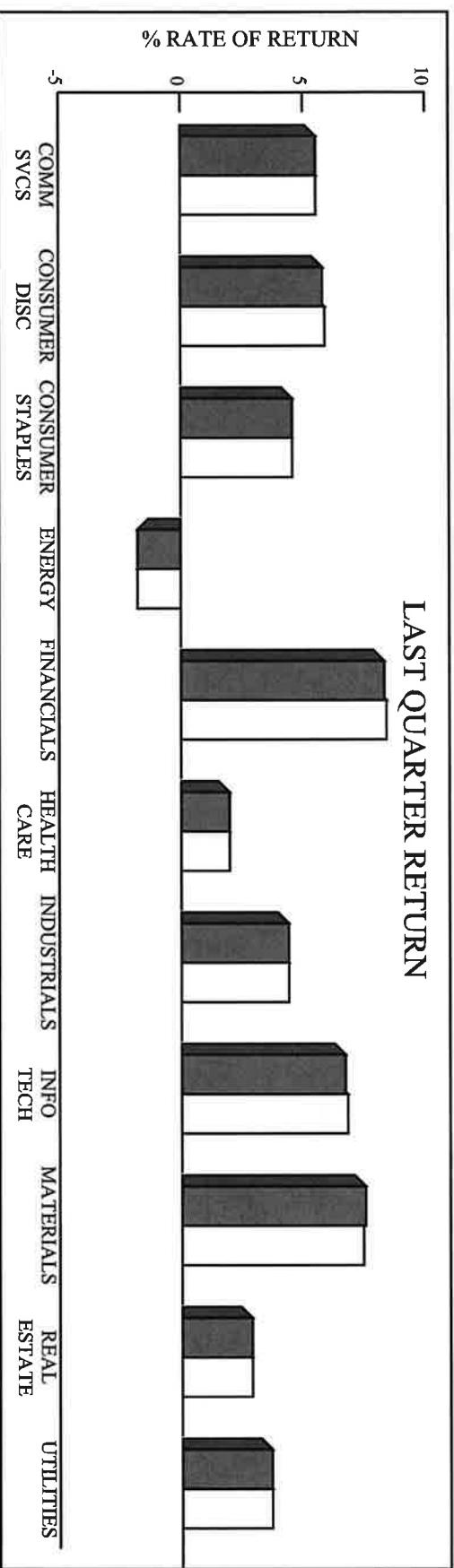


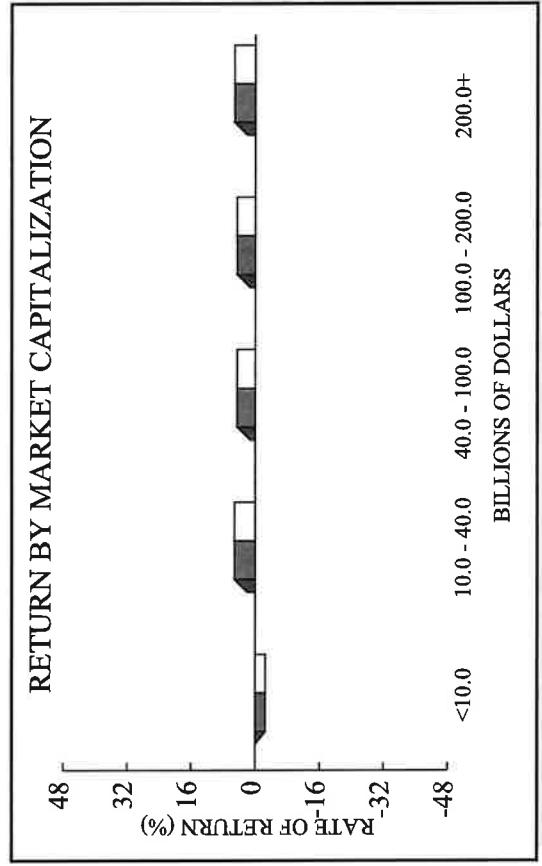
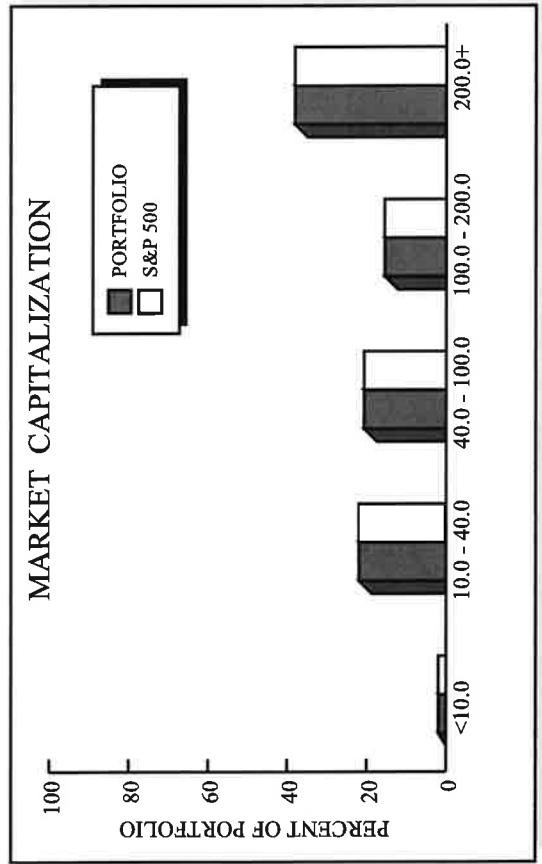
## STOCK INDUSTRY ANALYSIS

## CONCENTRATION



## LAST QUARTER RETURN



**TOP TEN HOLDINGS****TOP TEN EQUITY HOLDINGS**

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	MICROSOFT CORP	\$ 1,000,413	4.20%	14.0%	Information Technology	\$ 1026.5 B
2	APPLE INC	843,139	3.54%	4.6%	Information Technology	910.6 B
3	AMAZON.COM INC	763,133	3.21%	6.3%	Consumer Discretionary	932.3 B
4	FACEBOOK INC-CLASS A	451,813	1.90%	15.8%	Communication Services	463.7 B
5	BERKSHIRE HATHAWAY INC-CL B	402,465	1.69%	6.1%	Financials	291.7 B
6	JOHNSON & JOHNSON	360,317	1.51%	0.3%	Health Care	369.8 B
7	JPMORGAN CHASE & CO	353,400	1.48%	11.3%	Financials	362.7 B
8	ALPHABET INC-CL C	323,192	1.36%	-7.9%	Communication Services	376.4 B
9	ALPHABET INC-CL A	316,178	1.33%	-8.0%	Communication Services	324.2 B
10	EXXON MOBIL CORP	315,945	1.33%	-4.1%	Energy	324.2 B



CHATHAM COUNTY OPEB FUND  
RHUMBLINE - S&P 400 INDEX  
PERFORMANCE REVIEW  
JUNE 2019

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## **INVESTMENT RETURN**

On June 30th, 2019, the Chatham County OPEB Funds Rhumbline S&P 400 Index portfolio was valued at \$7,297,576, representing an increase of \$215,691 from the March quarter's ending value of \$7,081,885. Last quarter, the Fund posted no net contributions or withdrawals, while posting \$215,691 in net investment returns. Since there were no income receipts for the second quarter, the portfolio's net investment return was the result of net realized and unrealized capital gains totaling \$215,691.

## **RELATIVE PERFORMANCE**

During the second quarter, the Rhumbline S&P 400 Index portfolio gained 3.0%, which was equal to the S&P 400 Index's return of 3.0% and ranked in the 74th percentile of the Mid Cap universe. Over the trailing twelve-month period, this portfolio returned 1.4%, which was equal to the benchmark's 1.4% return, and ranked in the 77th percentile. Since December 2013, the portfolio returned 8.7% per annum and ranked in the 63rd percentile. For comparison, the S&P 400 returned an annualized 8.7% over the same period.

## **ASSET ALLOCATION**

This account was fully invested in the Rhumbline S&P Mid-Cap 400 Pooled Index Fund.

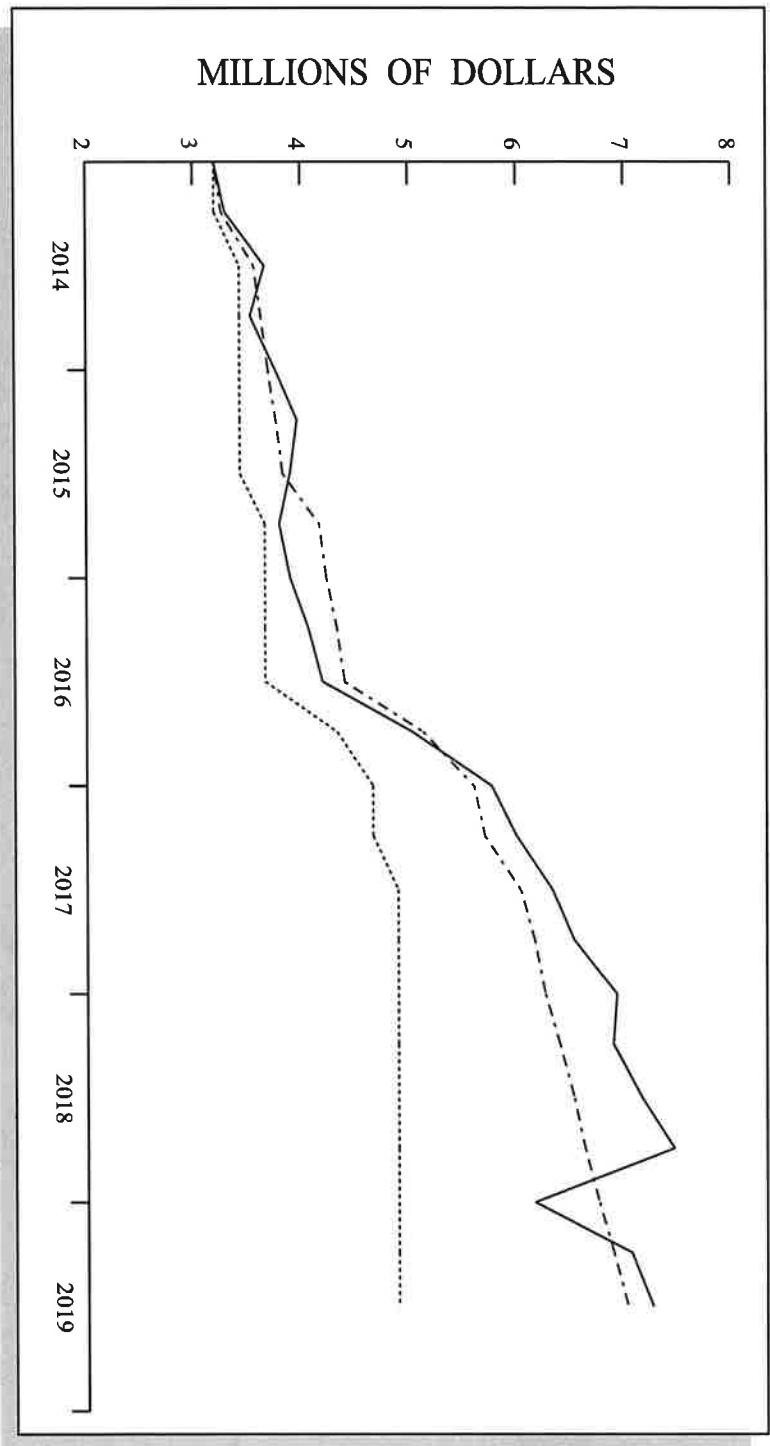
## EXECUTIVE SUMMARY

PERFORMANCE SUMMARY					
	Quarter	FYTD / 1Y	3 Year	5 Year	Since 12/13
Total Portfolio - Gross	3.0	1.4	10.9	8.0	8.7
<i>MID CAP RANK</i>	(74)	(77)	(69)	(64)	(63)
Total Portfolio - Net	3.0	1.3	10.8	7.9	8.6
S&P 400	3.0	1.4	10.9	8.0	8.7
Mid Cap Equity - Gross	3.0	1.4	10.9	8.0	8.7
<i>MID CAP RANK</i>	(74)	(77)	(69)	(64)	(63)
S&P 400	3.0	1.4	10.9	8.0	8.7

ASSET ALLOCATION					
			Mid Cap Equity	100.0%	\$ 7,297,576
Total Portfolio			Total Portfolio	100.0%	\$ 7,297,576

INVESTMENT RETURN		
	Market Value 3/2019	\$ 7,081,885
Contribs / Withdrawals	0	0
Income	0	0
Capital Gains / Losses	215,691	\$ 7,297,576
Market Value 6/2019		

## INVESTMENT GROWTH

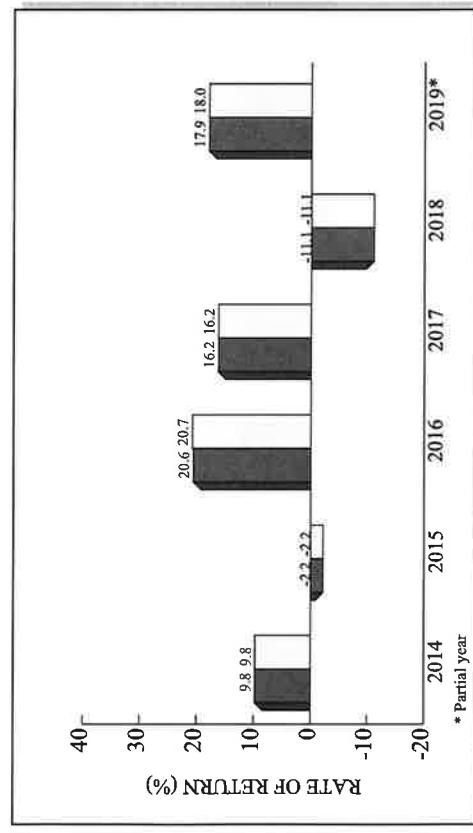
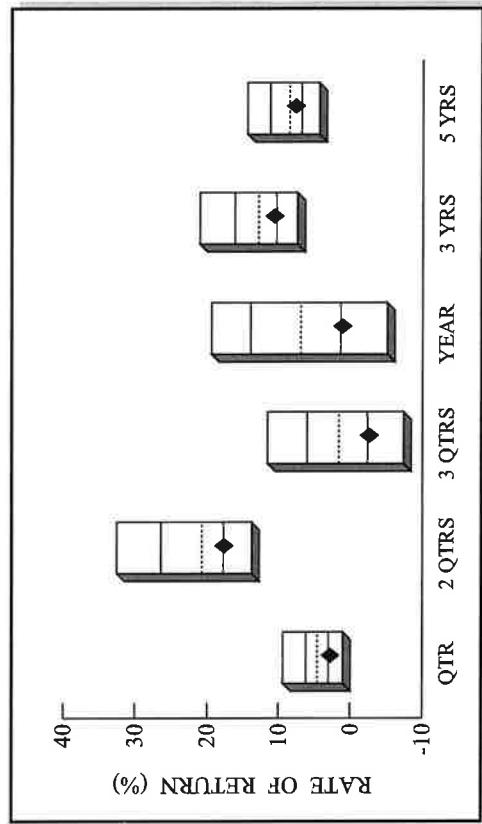
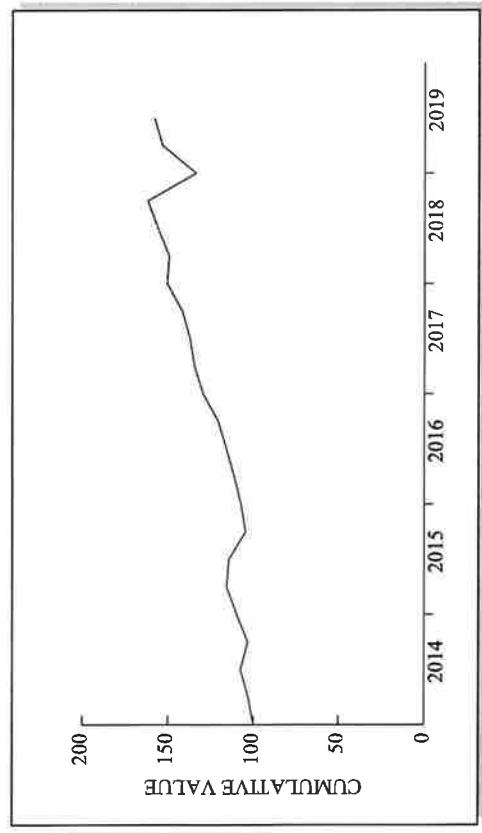


	LAST QUARTER	PERIOD
		12/13 - 6/19
BEGINNING VALUE	\$ 7,081,885	\$ 3,232,120
NET CONTRIBUTIONS	0	1,670,411
INVESTMENT RETURN	<u>215,691</u>	<u>2,395,045</u>
ENDING VALUE	<u>\$ 7,297,576</u>	<u>\$ 7,297,576</u>
INCOME	0	0
CAPITAL GAINS (LOSSES)	<u>215,691</u>	<u>2,395,045</u>
INVESTMENT RETURN	<u>215,691</u>	<u>2,395,045</u>

VALUE ASSUMING

8.0% RETURN    \$ 7,062,150

## TOTAL RETURN COMPARISONS



Mid Cap Universe

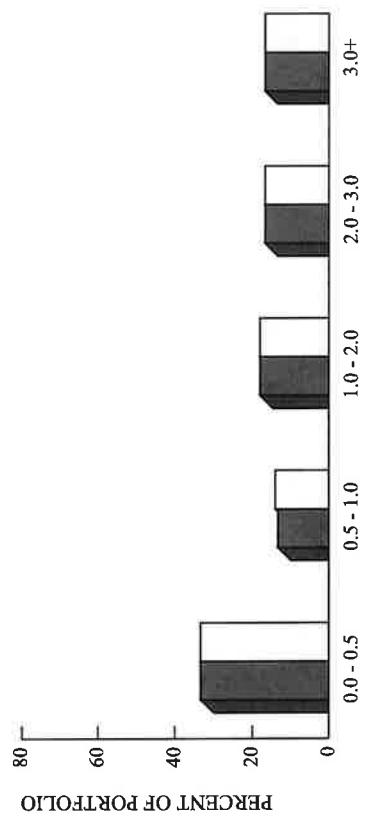
## TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: S&P 400

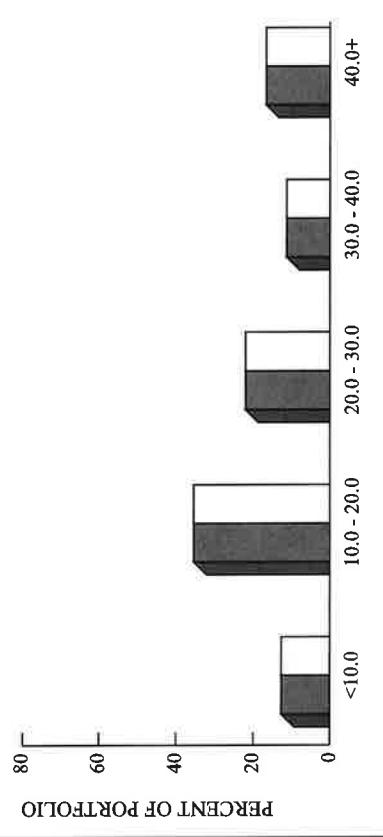
VARIATION FROM BENCHMARK					
RATES OF RETURN					
	Date	Portfolio	Benchmark	Difference	
+3	3/14	3.1	3.0	0.1	
+2	6/14	4.4	4.3	0.1	
+1	9/14	-4.0	-4.0	0.0	
0	12/14	6.3	6.3	0.0	
-1	3/15	5.3	5.3	0.0	
-2	6/15	-1.1	-1.1	0.0	
-3	9/15	-8.5	-8.5	0.0	
	12/15	2.6	2.6	0.0	
	3/16	3.7	3.8	-0.1	
	6/16	4.0	4.0	0.0	
	9/16	4.1	4.1	0.0	
	12/16	7.4	7.4	0.0	
<b>Total Quarters Observed</b>	<b>22</b>				
<b>Quarters At or Above the Benchmark</b>	<b>18</b>				
<b>Quarters Below the Benchmark</b>	<b>4</b>				
<b>Batting Average</b>	<b>.818</b>				
	3/18	-0.8	-0.8	0.0	
	6/18	4.3	4.3	0.0	
	9/18	3.8	3.9	-0.1	
	12/18	-17.2	-17.3	0.1	
	3/19	14.4	14.5	-0.1	
	6/19	3.0	3.0	0.0	

## STOCK CHARACTERISTICS

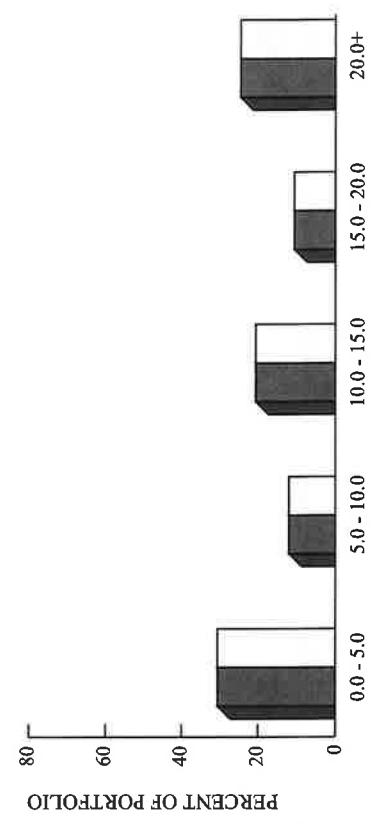
YIELD



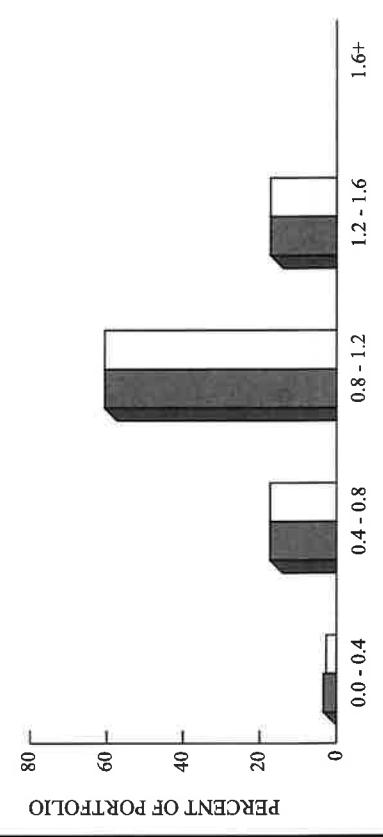
PRICE / EARNINGS RATIO



GROWTH RATE

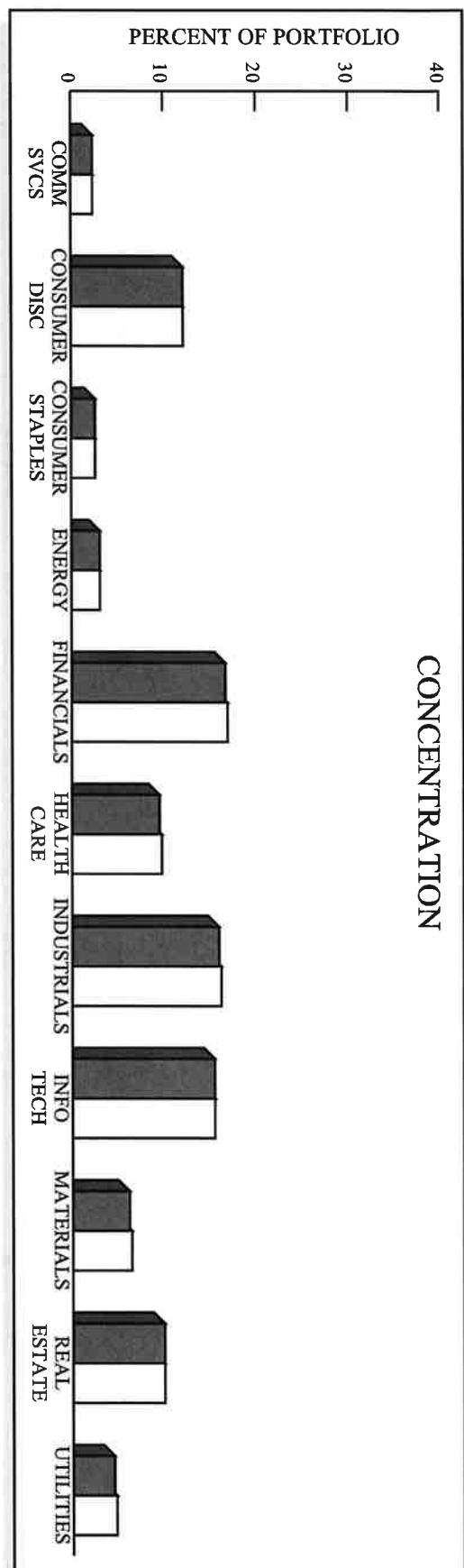


BETA

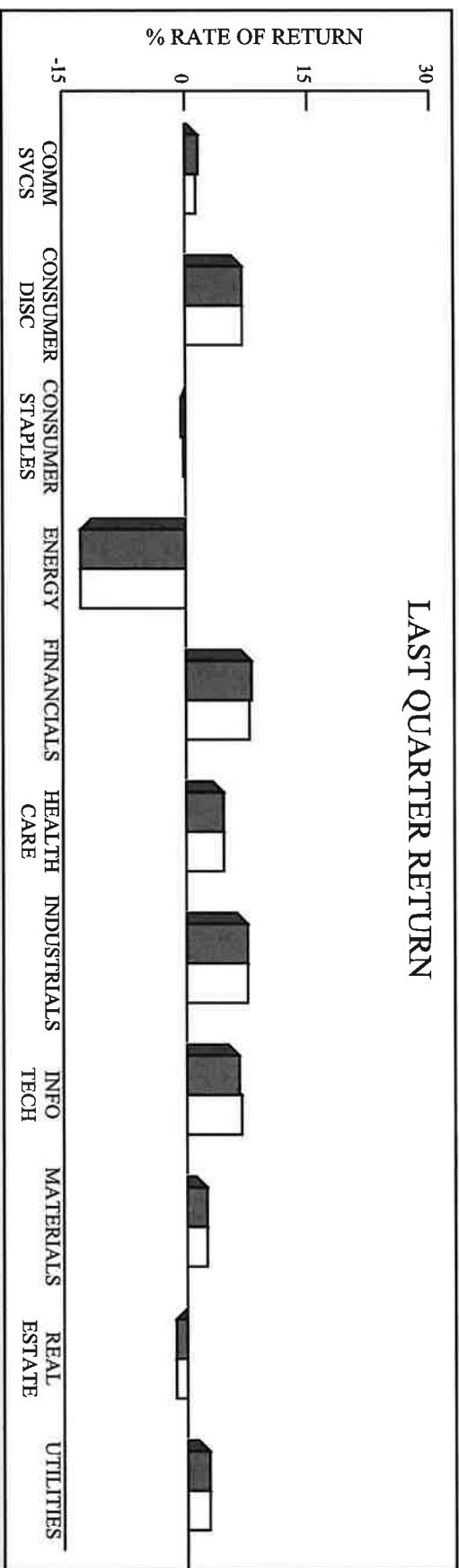


## STOCK INDUSTRY ANALYSIS

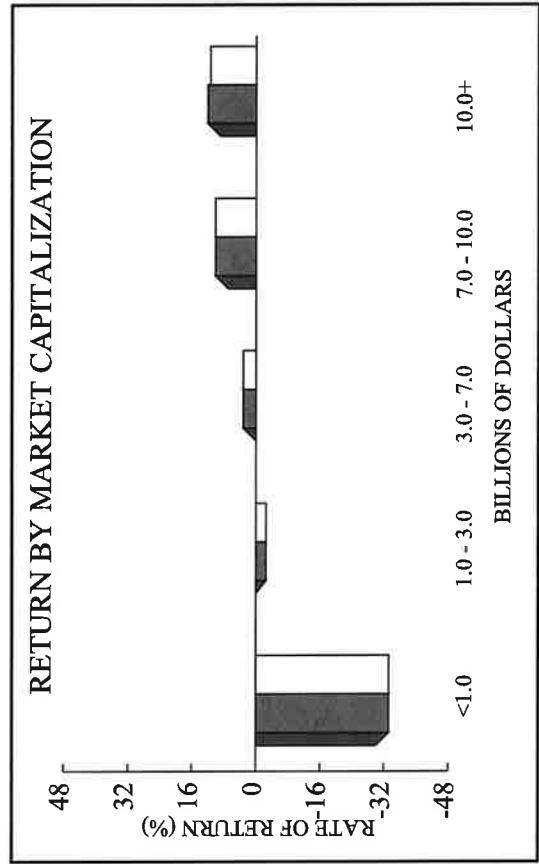
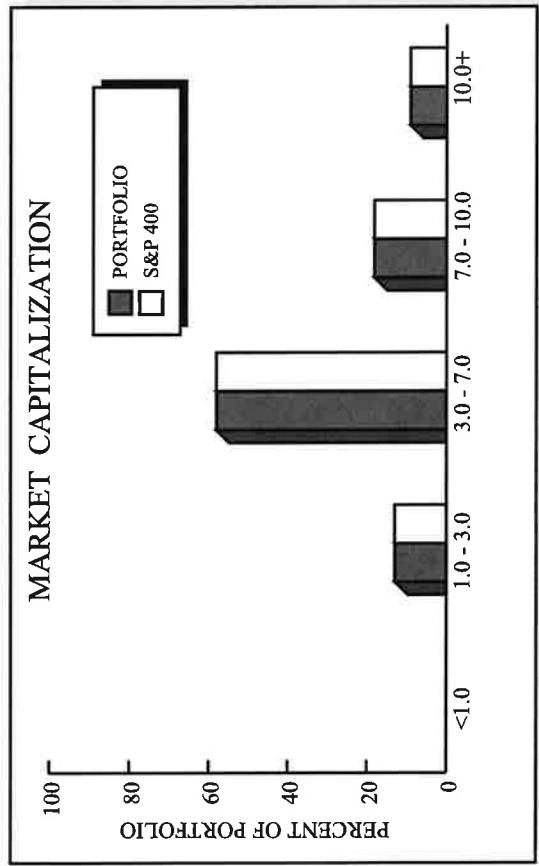
## CONCENTRATION



## LAST QUARTER RETURN



## TOP TEN HOLDINGS



## TOP TEN EQUITY HOLDINGS

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	IDEX CORP	\$ 55,429	.76%	13.8%	Industrials	\$ 13.0 B
2	STERIS PLC	53,448	.73%	16.6%	Health Care	12.6 B
3	MARKETAXESS HOLDINGS INC	51,427	.70%	30.9%	Financials	12.1 B
4	LEIDOS HOLDINGS INC	48,948	.67%	25.1%	Information Technology	11.5 B
5	DOMINO'S PIZZA INC	48,699	.67%	8.1%	Consumer Discretionary	11.4 B
6	TRIMBLE INC	48,268	.66%	11.7%	Information Technology	11.4 B
7	ZEBRA TECHNOLOGIES CORP.-CL A	47,973	.66%	0.0%	Information Technology	11.3 B
8	NVR INC	47,184	.65%	21.8%	Consumer Discretionary	12.1 B
9	FACTSET RESEARCH SYSTEMS INC	46,709	.64%	15.7%	Financials	11.0 B
10	CAMDEN PROPERTY TRUST	42,904	.59%	3.6%	Real Estate	10.1 B



CHATHAM COUNTY OPEB FUND  
RHUMBLINE - S&P 600 POOLED INDEX  
PERFORMANCE REVIEW  
JUNE 2019

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## **INVESTMENT RETURN**

On June 30th, 2019, the Chatham County OPEB Fund's Rhumbline S&P 600 Pooled Index portfolio was valued at \$7,367,656, representing an increase of \$135,264 from the March quarter's ending value of \$7,232,392. Last quarter, the Fund posted no net contributions or withdrawals, while posting \$135,264 in net investment returns. Since there were no income receipts for the second quarter, the portfolio's net investment return was the result of net realized and unrealized capital gains totaling \$135,264.

## **RELATIVE PERFORMANCE**

During the second quarter, the Rhumbline S&P 600 Pooled Index portfolio gained 1.9%, which was equal to the S&P 600 Small Cap's return of 1.9% and ranked in the 70th percentile of the Small Cap universe. Over the trailing twelve-month period, this portfolio returned -4.9%, which was equal to the benchmark's -4.9% return, and ranked in the 70th percentile. Since December 2013, the portfolio returned 8.2% per annum and ranked in the 44th percentile. For comparison, the S&P 600 Small Cap returned an annualized 8.2% over the same period.

## **ASSET ALLOCATION**

This account was fully invested in the Rhumbline Small Cap Pooled Index Fund.

## CHATHAM COUNTY OPEB - RHUMBLINE S&P 600 POOLED INDEX

JUNE 30TH, 2019

## EXECUTIVE SUMMARY

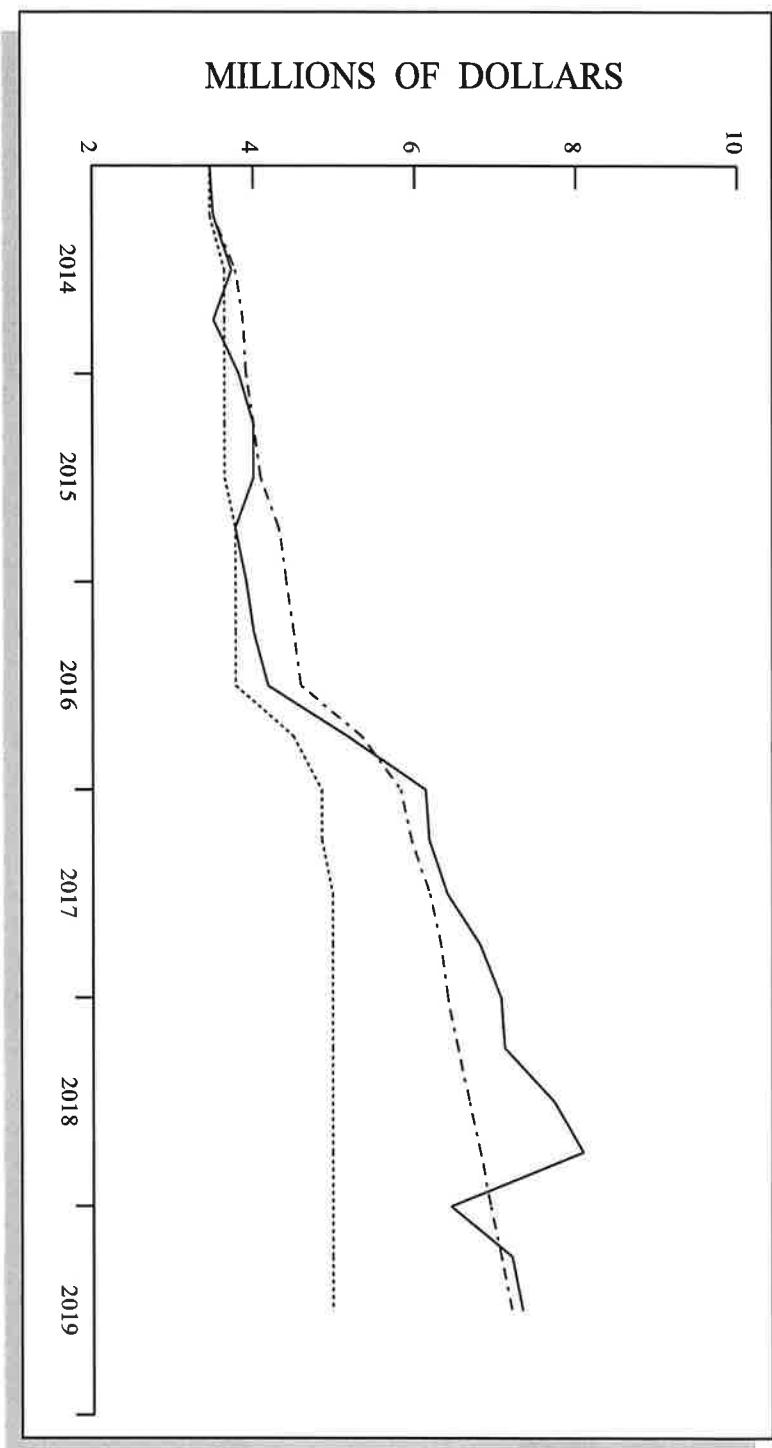
PERFORMANCE SUMMARY					
	Quarter	FYTD / 1Y	3 Year	5 Year	Since 12/13
<b>Total Portfolio - Gross</b>	1.9	-4.9	11.9	8.4	8.2
<i>SMALL CAP RANK</i>	(70)	(70)	(55)	(44)	(44)
<b>Total Portfolio - Net</b>	1.9	-5.0	11.9	8.3	8.1
S&P 600	1.9	-4.9	12.0	8.4	8.2
<b>Small Cap Equity - Gross</b>	1.9	-4.9	11.9	8.4	8.2
<i>SMALL CAP RANK</i>	(70)	(70)	(55)	(44)	(44)
S&P 600	1.9	-4.9	12.0	8.4	8.2

ASSET ALLOCATION					
			Small Cap	100.0%	\$ 7,367,656
Total Portfolio			100.0%		\$ 7,367,656

## INVESTMENT RETURN

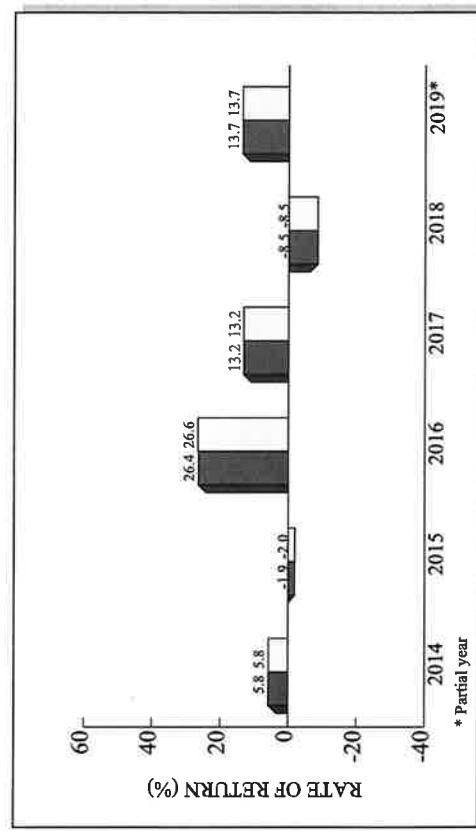
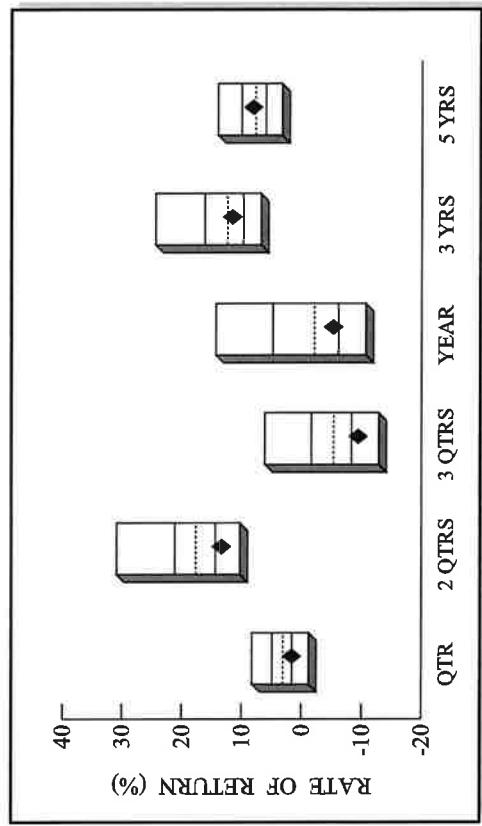
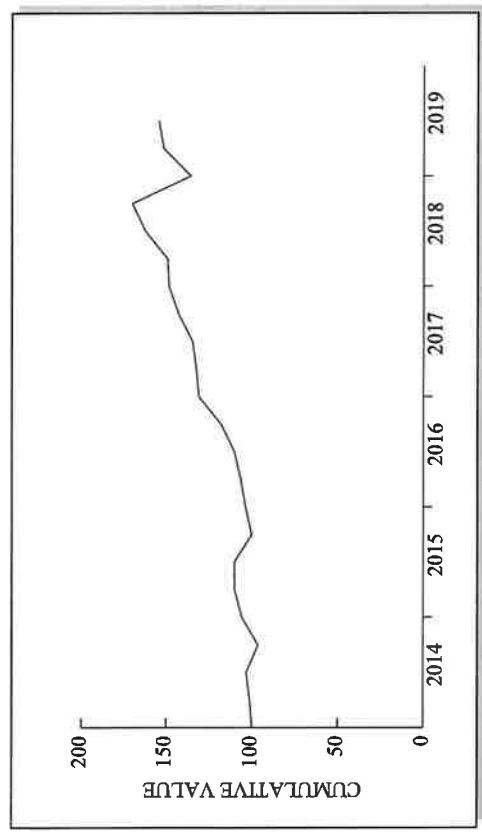
Market Value 3/2019	\$ 7,232,392
Contribs / Withdrawals	0
Income	0
Capital Gains / Losses	135,264
Market Value 6/2019	\$ 7,367,656

## INVESTMENT GROWTH



	LAST QUARTER	PERIOD
		12/13 - 6/19
BEGINNING VALUE	\$ 7,232,392	\$ 3,473,857
NET CONTRIBUTIONS	0	1,515,199
INVESTMENT RETURN	135,264	2,378,600
ENDING VALUE	\$ 7,367,656	\$ 7,367,656
INCOME	0	0
CAPITAL GAINS (LOSSES)	135,264	2,378,600
INVESTMENT RETURN	135,264	2,378,600
VALUE ASSUMING 8.0% RETURN	\$ 7,228,770	

## TOTAL RETURN COMPARISONS



\* Partial year

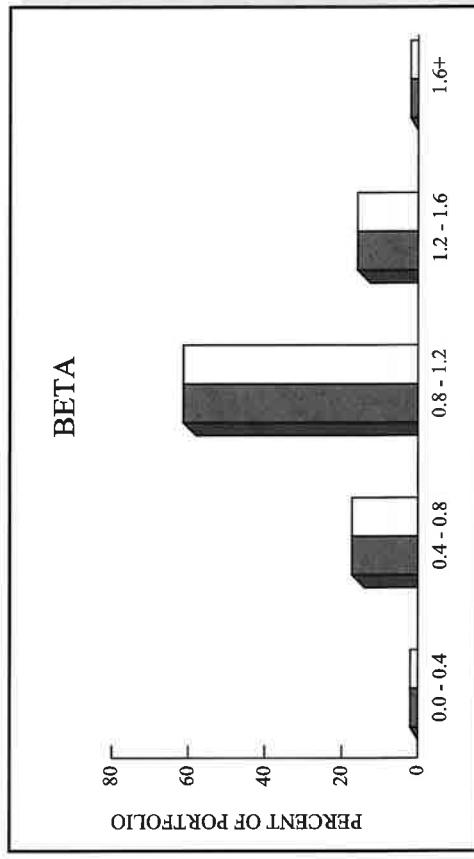
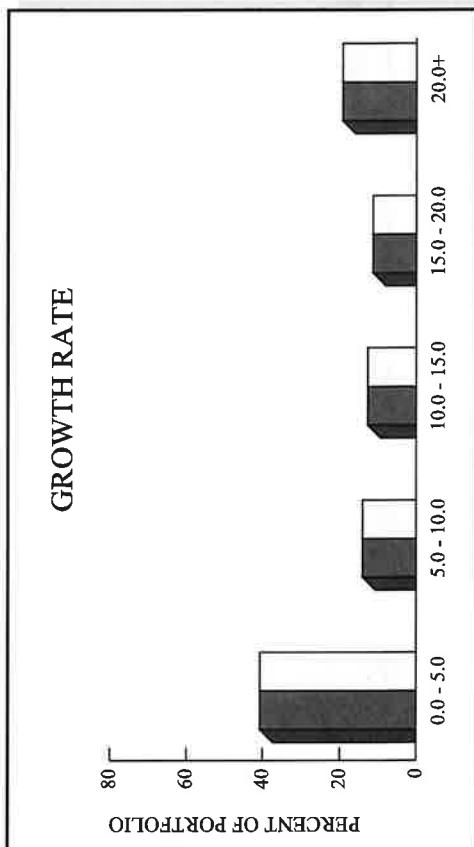
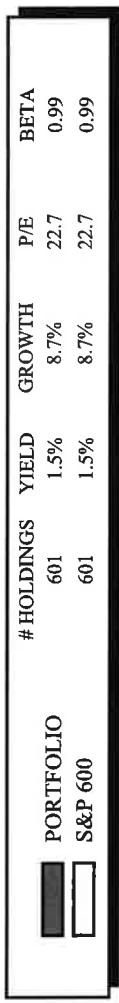
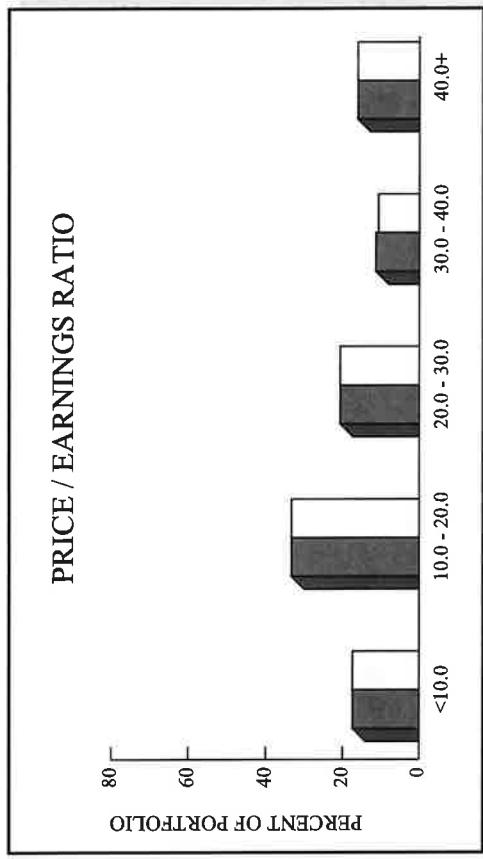
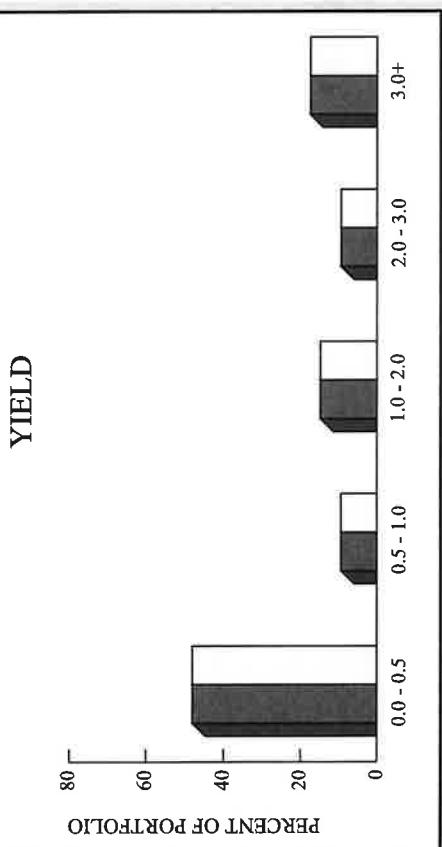
Small Cap Universe

## TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

COMPARATIVE BENCHMARK: S&P 600 SMALL CAP

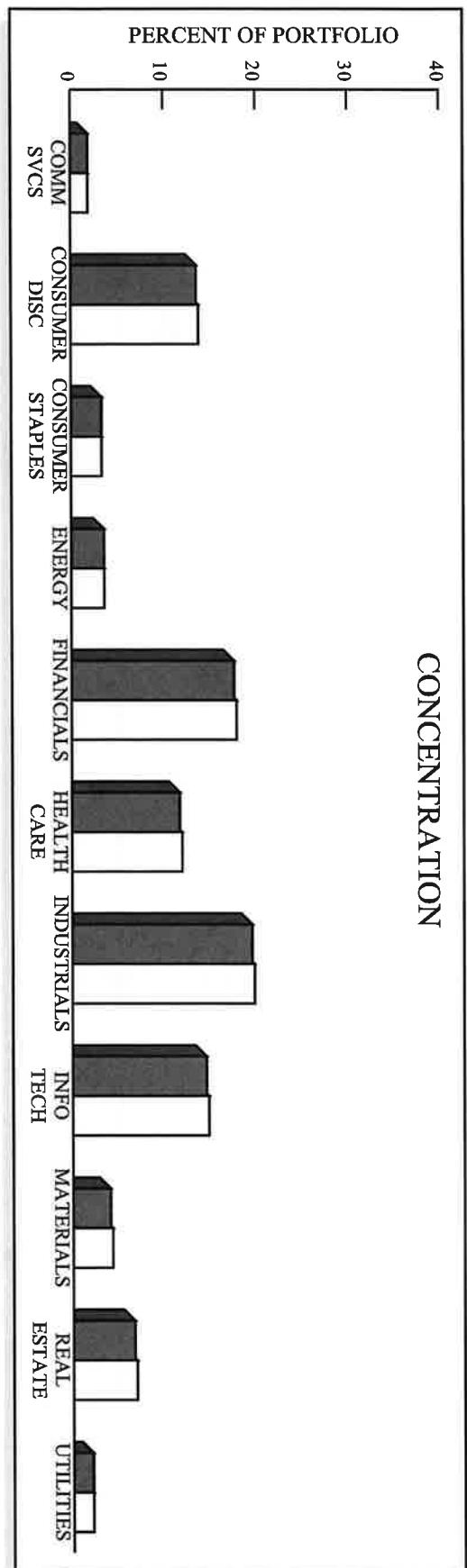
		RATES OF RETURN			
		VARIATION FROM BENCHMARK			
		Date	Portfolio	Benchmark	Difference
+3		3/14	1.1	1.1	0.0
+2		6/14	2.1	2.1	0.0
+1		9/14	-6.7	-6.7	0.0
0		12/14	9.8	9.8	0.0
-1		3/15	4.0	4.0	0.0
-2		6/15	0.2	0.2	0.0
-3		9/15	-9.2	-9.3	0.1
	Total Quarters Observed	12/15	3.7	3.7	0.0
	Quarters At or Above the Benchmark	3/16	2.6	2.7	-0.1
	Quarters Below the Benchmark	6/16	3.5	3.5	0.0
	Batting Average	9/16	7.2	7.2	0.0
		12/16	11.1	11.1	0.0
		3/17	1.1	1.1	0.0
		6/17	1.7	1.7	0.0
		9/17	6.0	6.0	0.0
		12/17	3.9	4.0	-0.1
		3/18	0.6	0.6	0.0
		6/18	8.8	8.8	0.0
		9/18	4.7	4.7	0.0
		12/18	-20.1	-20.1	0.0
		3/19	11.6	11.6	0.0
		6/19	1.9	1.9	0.0

## STOCK CHARACTERISTICS

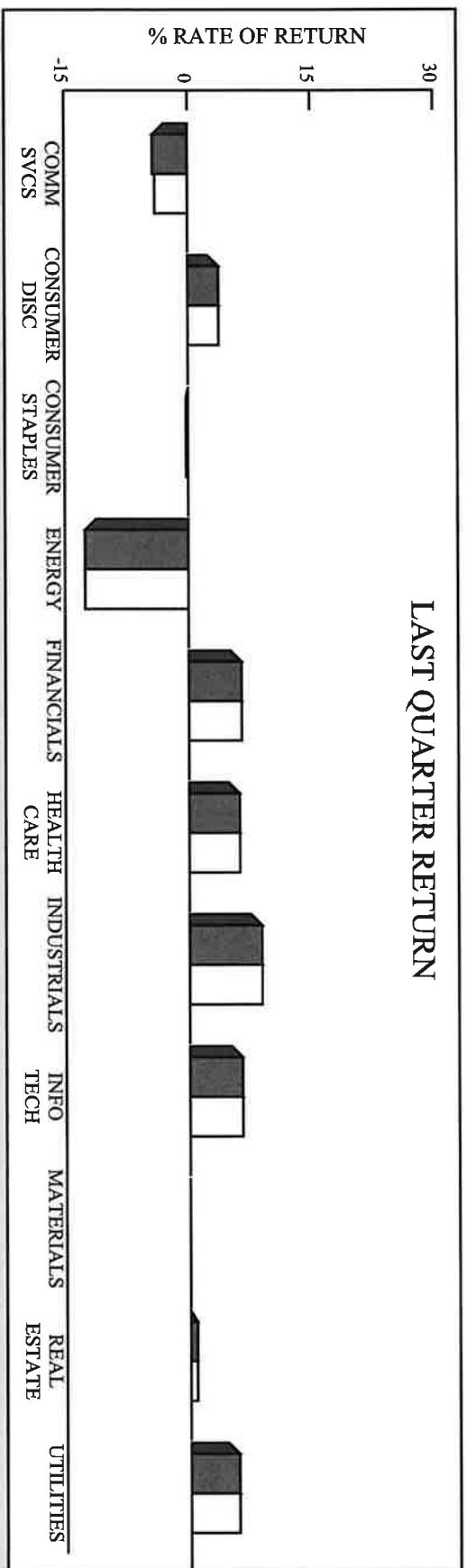


## STOCK INDUSTRY ANALYSIS

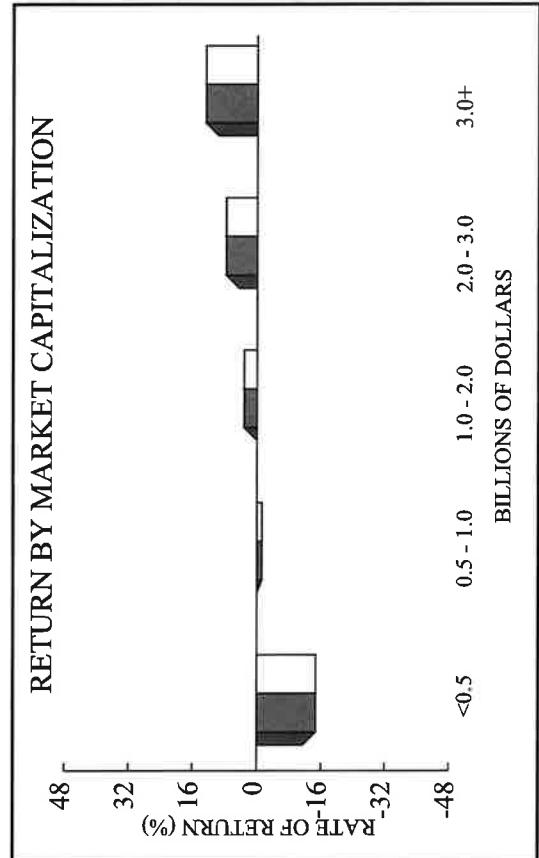
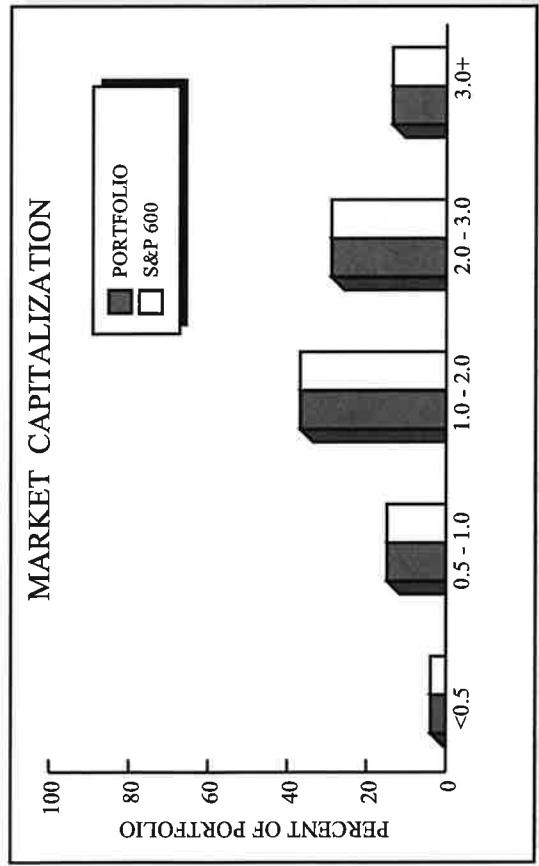
### CONCENTRATION



### LAST QUARTER RETURN



## TOP TEN HOLDINGS



## TOP TEN EQUITY HOLDINGS

RANK	NAME	VALUE	% EQUITY	RETURN	INDUSTRY SECTOR	MKT CAP
1	SELECTIVE INSURANCE GROUP	\$ 44,035	.60%	18.7%	Financials	\$ 4.4 B
2	FIRSTCASH INC	42,909	.58%	15.9%	Financials	4.3 B
3	TETRA TECH INC	42,810	.58%	32.1%	Industrials	4.3 B
4	STRATEGIC EDUCATION INC	38,804	.53%	35.9%	Consumer Discretionary	3.9 B
5	MERCURY SYSTEMS INC	38,692	.53%	9.8%	Industrials	3.9 B
6	JOHN BEAN TECHNOLOGIES CORP	38,035	.52%	31.9%	Industrials	3.8 B
7	AXON ENTERPRISE INC	37,691	.51%	18.0%	Industrials	3.8 B
8	REPLIGEN CORP	35,927	.49%	45.5%	Health Care	4.1 B
9	OMNICELL INC	35,272	.48%	6.4%	Health Care	3.5 B
10	LHC GROUP INC	34,798	.47%	7.9%	Health Care	3.8 B



CHATHAM COUNTY OPEB FUND  
RHUMBLINE - FIXED INCOME  
PERFORMANCE REVIEW  
JUNE 2019

 **DIA** Associates, Inc.  
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## **INVESTMENT RETURN**

On June 30th, 2019, the Chatham County OPEB Funds Rhumbline Fixed Income portfolio was valued at \$39,584,279, representing an increase of \$1,206,408 from the March quarter's ending value of \$38,377,871. Last quarter, the Fund posted no net contributions or withdrawals, while posting \$1,206,408 in net investment returns. Since there were no income receipts for the second quarter, the portfolio's net investment return was the result of net realized and unrealized capital gains totaling \$1,206,408.

## **RELATIVE PERFORMANCE**

During the second quarter, the Rhumbline Fixed Income portfolio gained 3.1%, which was equal to the Bloomberg Barclays Aggregate Index's return of 3.1% and ranked in the 31st percentile of the Broad Market Fixed Income universe. Over the trailing twelve-month period, this portfolio returned 8.2%, which was 0.3% above the benchmark's 7.9% return, and ranked in the 30th percentile. Since December 2013, the portfolio returned 3.4% per annum and ranked in the 59th percentile. For comparison, the Bloomberg Barclays Aggregate Index returned an annualized 3.4% over the same period.

## **ASSET ALLOCATION**

This account was fully invested in the Rhumbline Core Bond Index Fund.

**EXECUTIVE SUMMARY**

PERFORMANCE SUMMARY					
	Quarter	FYTD / 1Y	3 Year	5 Year	Since 12/13
<b>Total Portfolio - Gross</b>	3.1	8.2	2.4	3.0	3.4
<i>BROAD MARKET FIXED RANK</i>	(31)	(30)	(69)	(61)	(59)
<b>Total Portfolio - Net</b>	3.1	8.1	2.3	2.9	3.4
Aggregate Index	3.1	7.9	2.3	3.0	3.4
<b>Fixed Income - Gross</b>	3.1	8.2	2.4	3.0	3.4
<i>BROAD MARKET FIXED RANK</i>	(31)	(30)	(69)	(61)	(59)
Aggregate Index	3.1	7.9	2.3	3.0	3.4

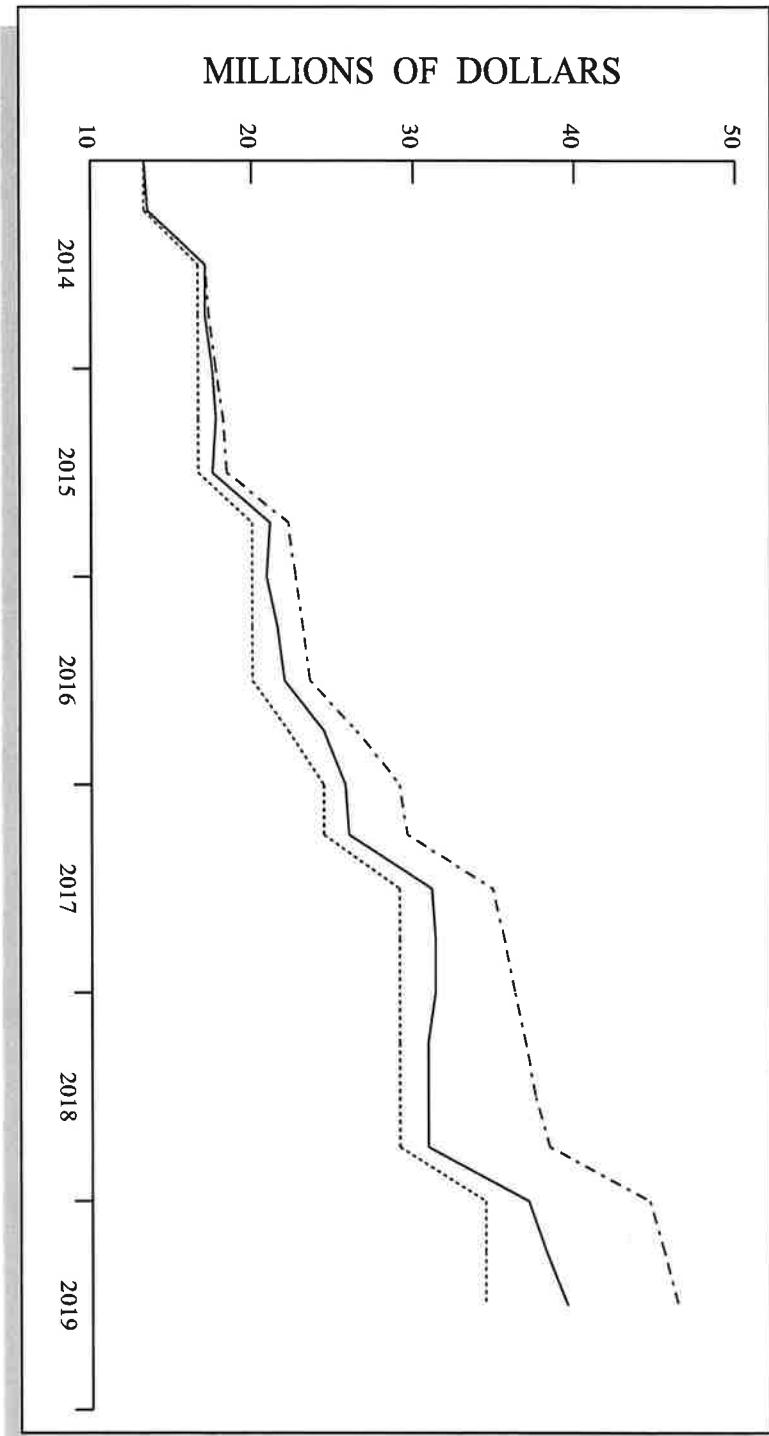
**ASSET ALLOCATION**

	Fixed Income	100.0%	\$ 39,584,279
Total Portfolio		100.0%	\$ 39,584,279

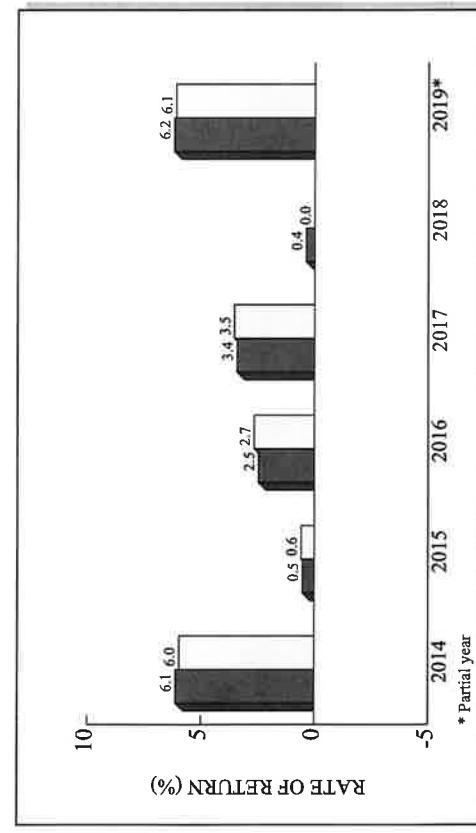
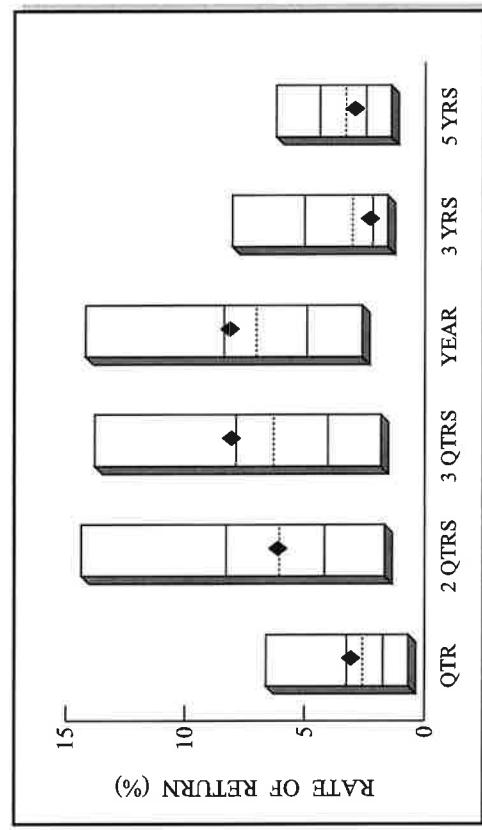
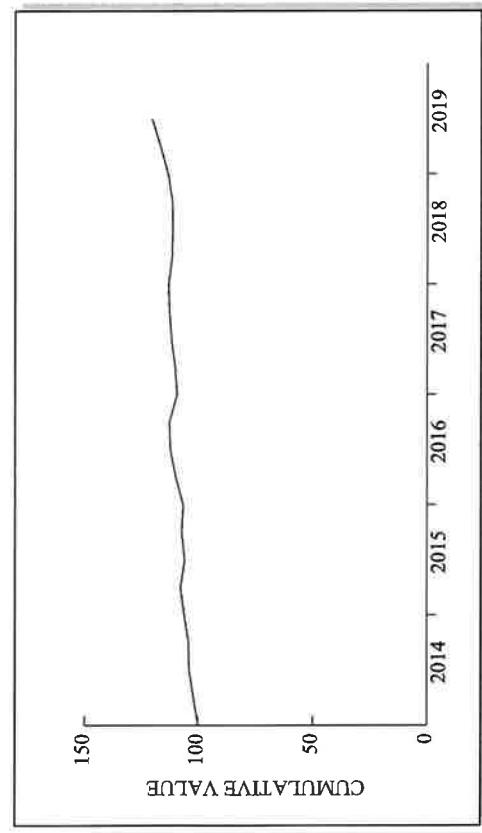
**INVESTMENT RETURN**

Market Value 3/2019	\$ 38,377,871
Contribs / Withdrawals	0
Income	0
Capital Gains / Losses	1,206,408
Market Value 6/2019	\$ 39,584,279

## INVESTMENT GROWTH



	LAST QUARTER	PERIOD 12/13 - 6/19
BEGINNING VALUE	\$ 38,377,871	\$ 13,500,429
NET CONTRIBUTIONS	0	21,151,775
INVESTMENT RETURN	1,206,408	4,932,075
ENDING VALUE	\$ 39,584,279	\$ 39,584,279
INCOME	0	0
CAPITAL GAINS (LOSSES)	1,206,408	4,932,075
INVESTMENT RETURN	0	0
8.0% RETURN	\$ 46,578,773	

**TOTAL RETURN COMPARISONS**

	ANNUALIZED				
	QTR	2 QTRS	3 QTRS	YEAR	3 YRS
RETURN (RANK)	3.1 (31)	6.2 (48)	8.1 (20)	8.2 (30)	2.4 (69) (61)
5TH %ILE	6.6	14.3	13.8	14.2	8.0
25TH %ILE	3.2	8.3	7.9	8.4	5.0
MEDIAN	2.6	6.1	6.3	7.0	3.0
75TH %ILE	1.7	4.2	4.0	4.9	2.2
95TH %ILE	0.7	1.7	1.8	2.6	1.6
Agg	3.1	6.1	7.8	7.9	2.3

Broad Market Fixed Universe

**TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY**  
**COMPARATIVE BENCHMARK: BLOOMBERG BARCLAYS AGGREGATE INDEX**

VARIATION FROM BENCHMARK		RATES OF RETURN			
		Date	Portfolio	Benchmark	Difference
+3		3/14	2.0	1.8	0.2
+2		6/14	1.9	2.0	-0.1
+1		9/14	0.3	0.2	0.1
0		12/14	1.8	1.8	0.0
-1		3/15	1.6	1.6	0.0
-2		6/15	-1.7	-1.7	0.0
-3		9/15	1.3	1.2	0.1
	Total Quarters Observed	12/15	-0.6	-0.6	0.0
	Quarters At or Above the Benchmark	3/16	3.0	3.0	0.0
	Quarters Below the Benchmark	6/16	2.2	2.2	0.0
	Batting Average	9/16	0.4	0.5	-0.1
		12/16	-3.0	-3.0	0.0
		9/17	0.8	0.8	0.0
		12/17	0.4	0.4	0.0
		3/18	-1.4	-1.5	0.1
		6/18	-0.1	-0.2	0.1
		9/18	0.1	0.0	0.1
		12/18	1.8	1.6	0.2
		3/19	3.0	2.9	0.1
		6/19	3.1	3.1	0.0