



Nevada Public Agency Insurance Pool
Public Agency Compensation Trust
201 S. Roop Street, Suite 102
Carson City, NV 89701-4779
Toll Free Phone (877) 883-7665
Telephone (775) 885-7475
Facsimile (775) 883-7398

**Notice of Joint Meeting and Agenda of
Executive Committees of
Nevada Public Agency Insurance Pool and
Public Agency Compensation Trust**

Date: Monday, November 5, 2018

Time: 8:30 A.M.

Place: at 201 S. Roop Street, Carson City, NV 89701

Conference Call-In Phone No: 1-800-593-9034; Passcode: 150420

AGENDA

Notices:

- 1. Items on the agenda may be taken out of order.**
- 2. Two or more items on the agenda may be combined for consideration.**
- 3. Any item on the agenda may be removed or discussion may be delayed at any time.**
- 4. The general Public Comment periods are limited to those items not listed on the agenda. Public Comment periods are devoted to comments by the general public, if any, and may include discussion of those comments; however, no action may be taken upon a matter raised under Public Comments until the matter itself has been included specifically on an agenda as an item upon which action may be taken. Public Comments are Limited to Three Minutes per Person.**
- 5. At the discretion of the Chair of the meeting, public comments on specific agenda items may be allowed, but must be limited to the specific agenda item.**

- 1. Roll**
- 2. Public Comment**
- 3. For Possible Action:**
 - a. Approval of Minutes of Meeting of August 20, 2018**
- 4. For Possible Action: Succession Planning for POOL/PACT**
 - a. Decide whether to include the administrative functions of PARMS into PRI or establish a separate non-profit organization to handle all administrative aspects of POOL/PACT**
- 5. For Possible Action: Ratification of New England Asset Management (NEAM) as the POOL/PACT investment manager and of Strategic Asset Alliance (SAA) as the POOL/PACT investment advisor**
 - a. Update from Daniel Smereck of SAA on bank loans and next steps for potential risk asset allocation**
- 6. For Possible Action: Acceptance of 2018 Financial Audit of**
 - a. NPAIP**
 - b. PACT**

7. **For Possible Action:** Approval from Executive Committee to proceed with roof repair/replacement
8. **For Possible Action:** Approval from Executive Committee to proceed with the purchase of two scanners and "OnBase" software from Precision Documents Imaging to continue the digitization of accounting system
9. **For Possible Action:** Acceptance of Reports:
 - a. Operations Manager Report (Retreat Summary)
 - b. NEAM and SAA Investment Update
 - c. Willis Pooling
 - d. Human Resources
 - e. ASC - Claim status
 - f. Executive Director's
 - g. E-Learning/Web Master on the POOL/PACT LMS programs
10. **For Possible Action:** Risk Management and Loss Control
 - a. Risk Manager Report
 - b. Stryker Grant Program to get direction from the Joint Executive Committee on the overall process of conducting Stryker equipment grants as requested from the Loss Control Committee
 - c. Report on cyber protocol and introduction of John Funk of the Gunderson law firm as cyber counsel
11. **For Possible Action:** Approval of POOL Form Amendments/Endorsements for Fiscal Year 2019-2020
12. **For Possible Action:** Ratify the appointment of Small Schools Representative on NPAIP Executive Committee to Replace Lisa Jones
13. **For Possible Action:** Approval of Resolution recognizing the service of Lisa Jones as Executive Committee Member on NPAIP
14. **For Possible Action:** Approval of the next Joint Executive Committee meeting being scheduled for February 19, 2019 and the Annual Meeting to be held on April 16-17 (Tuesday and Wednesday), 2019 at the Atlantis
15. **Public Comment**
16. **For Possible Action:** Adjournment

This Agenda was posted at the following locations and linked to the Official State Website <https://notice.nv.gov>:

N.P.A.I.P.
201 S. Roop
Carson City, NV 89701

Carson City Courthouse
885 E. Musser Street
Carson City, NV 89701

Eureka County Courthouse
10 S. Main Street
Eureka, NV 89316

Churchill County Courthouse
155 North Taylor Street
Fallon, NV 89406

NOTICE TO PERSONS WITH DISABILITIES

Members of the public who are disabled and require special accommodations or assistance at the meeting are requested to notify the Nevada Public Agency Insurance Pool in writing at 201 S. Roop Street, Suite 102, Carson City, NV 89701-4790, or by calling (775) 885-7475 at least three working days prior to the meeting.



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**Notice of Joint Meeting and Agenda of
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Date: Monday, August 20, 2018

Time: 8:30 A.M.

Place: at 201 S. Roop Street, Carson City, NV 89701

Conference Call-In Phone No: 1-800-593-9034; Passcode: 150420

AGENDA

1. Roll

Members present: Paul Johnson, Ann Cyr, Gerry Eick, Bev Conley, Mike Giles, Elizabeth Frances, Chris Mulkerns, Cindy Hixenbaugh, Lisa Jones

Members Absent: Cash Minor, Josh Foli, Dan Corona

Others Present: Wayne Carlson, Mike Rebaleati, Alan Kalt, Stacy Norbeck, Mary Wray, Stephen Romero, Kelly Sullivan, Dan Smereck, Geof Stark

A quorum being present, Chair Johnson called the meeting to order.

2. Public Comment

Chair Johnson opened public comment and hearing none, closed the comment period.

3. For Possible Action: Consent Agenda

a. Approval of Minutes of Meetings:

1. Joint Meetings of May 14th, 2018

On motion and second to approve the minutes, the motion carried.

4. For Possible Action: Board Retreat September 20-21, 2018 for NPAIP, PACT, PRI

a. Retreat Focus and Planning (Includes report from Succession Planning workgroup).

b. Action Plan for Daniel Burrus presentation

c. Tentative agenda for retreat

Chairman Johnson had Mike Rebaleati discuss the white paper report from the Succession Planning workgroup. The working group established by Mr. Rebaleati has been working for nearly a year to discuss options in the future of replacing PARMS as part of a succession planning process. The proposed plan is to use PRI as the administrative function of POOL/PACT/PRM/PCM which are currently performed by PARMS. PARMS contract would be for Executive Director services provided by Wayne Carlson. He informed the Joint Executive Committee members of the basic

timeline for implementation, required meeting discussions, differences in current PRI and PARMS operations, accounting, logistics and the goal of making this a “zero sum” move for the POOLS. Gerry Eick noted that the IRS has approved the PRI as a non-profit and the Nevada Insurance Division regulators agreed in concept with the proposed plan. Mike Rebaleati informed the Committee that they received an e-mail from the Burrus Company with the Anticipatory Organization Learning System. He encouraged everyone to complete the first Module prior to the retreat in order to optimize our time with Dr. Burrus. An overview of the tentative retreat agenda was provided. This was informational only and no action was taken by the Committees.

- 5. For Possible Action: Setting dates for future Joint Executive Committees. Possible dates are (alternate dates may be selected):**
- a. **November 5, 2019 – 9am**
 - b. **February 19, 2019 – 9am**
 - c. **Annual Meeting - April 16-17, 2019**

On a motion and second, the dates for the next Joint Executive Committees meetings were established for November 5, 2018 at 9 am; February 19, 2019 at 9 am; and the Annual meeting to be held on April 16-17, 2019. It was recommended that board members make an effort to attend the February 19th meeting in person in Carson City given the anticipated agenda items and length of the meeting.

6. Public Comment

Chair Johnson asked for public comment and hearing none, closed the comment period.

7. For Possible Action: Adjournment

On motion and second to adjourn, the meeting adjourned.

The Agenda was posted at the following locations and linked to the Official State Website

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Eureka, NV 89316**

**Churchill County Courthouse
155 North Taylor Street
Fallon, NV 89406**

End of Item # 3

GENERAL RE - NEW ENGLAND ASSET MANAGEMENT, INC.

Investment Management Agreement

This Agreement is made as of the 1st day of January, 2016, between

1. GENERAL RE - NEW ENGLAND ASSET MANAGEMENT, INC., a corporation organized under the laws of the State of Delaware ("Manager"); and
2. PUBLIC AGENCY COMPENSATION TRUST, an Interlocal Cooperation Agreement entity organized under the laws of the State of Nevada, and its affiliates listed on Schedule E (collectively, the "Client").

WHEREAS, Client appoints Manager as the investment manager of that portion of Client's assets constituting the Account (as defined below) for fees agreed upon in Schedule A. III.;

NOW THEREFORE, in consideration of the mutual agreements herein contained, it is agreed as follows:

Section 1. The Account

The cash, securities and other assets placed by Client in the account to be managed under this Agreement (the "Account") are listed on Section I.A. of Schedule A. Assets may be added to the Account at any time. Client will provide notification to the Manager of any such additions. The Account will include these assets and any changes in them resulting from transactions directed by Manager, withdrawals and additions made by Client, or dividends, interest, stock splits and other earnings, gains or losses on the assets.

Assets of the Client that are not to be managed by Manager are separately identified on Schedule A ("Unmanaged Assets"). Manager may include these assets in its periodic reports to Client, but will exclude their value when calculating Manager's asset management fees and Manager shall not be responsible for valuation of any Unmanaged Assets.

Section 2. Management of the Account

Manager will make all investment decisions for the Account, in Manager's sole discretion and without first consulting or notifying Client, in accordance with the investment restrictions and guidelines which are attached as Schedule B (the "Investment Guidelines"). If Manager manages only a portion of Client's total assets, unless otherwise specified by Client in writing,

Investment Guidelines' restrictions relate specifically to the assets managed by Manager. Client may change these Investment Guidelines at any time, but Manager will be bound by the changes only after it has received and agreed to them in writing. Other than by the Investment Guidelines and the terms of this Agreement, the investments made by Manager on behalf of the Client will not be restricted in any manner, except by operation of law.

In the event that the Account ceases to conform to the Investment Guidelines as a result of changes in market values, maturities, amortization rates, credit ratings or other characteristics of the securities within the portfolio, Manager will not be required to take immediate action to bring the portfolio back into compliance with the Investment Guidelines, but will: inform Client of the non-compliance as soon as reasonably possible either in writing, verbally or both; offer Client the opportunity to consult on the situation; and use its discretion to return the portfolio to compliance over time with a minimum of disruption to the portfolio.

Manager will have full power and authority, on behalf of Client, to instruct any brokers, dealers or banks to buy, sell, exchange, convert or otherwise trade in all securities, futures or other investments for the Account.

Manager will not be responsible for giving Client investment advice or taking any other action with respect to Unmanaged Assets.

Client appoints Manager as the true and lawful attorney of the Client for and in the name, place and stead of Client, in Manager's unrestricted discretion, to operate and conduct the brokerage accounts of the Client and to do and perform all and every act and thing whatsoever requisite in furtherance of this Agreement, including the negotiation and execution of all writings related to the purchase or sale, settlement, assignments, transfers and ownership of any stocks, bonds, commodities, or other derivatives or securities, including, without limitation, such documentation relating to restructuring, reorganization or other action of or relating to the issuer. Pursuant to the appointment and powers granted herein, Client hereby authorizes Manager to enter into one or more Master Securities Forward Settlement Agreements ("MSFTA") or similar agreements on Client's behalf as the agent of Client and to coordinate all required collateral transfers in connection with authorized transactions and settlements hereunder. Manager is hereby fully authorized to act and rely on the authority vested pursuant to said power of attorney.

Effective as of January 1, 2016, and until further notice, Manager will provide investment accounting services for Client, and will assist Client in preparing Client's statutory Schedule D, if applicable. Client acknowledges that Manager will provide accounting data according to Manager's standard interpretation of accounting principles, unless expressly instructed otherwise by Client's prior written notice.

Section 3. Transactions for the Account

Manager will arrange for securities transactions for the Account to be executed through those brokers, dealers or banks that Manager believes will provide best execution. In choosing a broker, dealer or bank, Manager will consider the broker, dealer or bank's execution capability, reputation and access to the markets for the securities being traded for the Account. Manager will seek competitive commission rates, but not necessarily the lowest rates available.

Manager may also send transactions for the Account to brokers who charge higher commissions than other brokers, provided that Manager determines in good faith that the amount of commissions Manager pays is reasonable in relation to the value of the brokerage and research services provided, viewed in terms either of that particular transaction or Manager's overall responsibilities with respect to all clients whose accounts Manager manages on a discretionary basis.

Portfolio transactions for each client account generally are completed independently. However, if Manager decides to purchase or sell the same securities for Client and other clients at about the same time, Manager may combine Client's order with those of other clients if Manager reasonably believes that it will be able to negotiate better prices or lower commission rates or transaction costs for the combined order than for Client's order alone. Client will pay the average price and transaction costs obtained for such combined orders. Manager generally will allocate securities purchased or sold as part of a combined order to Client's Account and to accounts of other clients according to the size of the order placed for each client.

If Manager is unable to obtain execution for the total amount of the securities in the combined orders, adjustments to the allocation will generally be made on a random methodology basis with the exception of certain alternative high yield fixed income security transactions which are allocated on a pro-rata basis. However, Manager may increase or decrease the amounts of securities allocated to each client if necessary to avoid having odd or small number of shares held for the account of any client and may deviate from a selected allocation methodology based on, among other factors, available cash in the account or account-specific investment guidelines. Each client that participates in a combined order will receive or pay the average share price and/or transactions costs for all transactions executed as part of the combined order.

If Client directs Manager to use particular brokers, dealers or banks to execute transactions for the Account, Manager will do so, but Manager will not seek better execution services or prices for Client from other brokers, dealers or banks, and Client may pay higher prices or transaction costs as a result. Manager also may not be able to seek better execution services for Client by combining Client's orders with those of other clients.

Client may direct all transactions for the Account to a particular broker, dealer or bank, by writing the name and address of that broker, dealer or bank in the space provided on Schedule A.

Any tax-related documentation required by broker/dealers and/or custodian banks shall be completed by Client. This includes Forms W-9 or W-8 which are necessary to confirm Client's tax identification number and certification of tax status. Upon receipt, Client shall process promptly as failure to do so may result in transactions in the Client's account to be subject to backup withholding payments.

Section 4. Transaction Confirmations

Manager will instruct the brokers, dealers or banks who execute transactions for the Account to send Client duplicate copies of all transaction confirmations, unless Client chooses not to receive confirmations. If Client does not wish to receive individual confirmations, this box should be checked.

Client may elect to receive individual confirmations at any time by giving Manager written notice.

Section 5. Custody of Account Assets

The assets in the Account will be held for Client by the custodian named on Schedule A (the "Custodian"). Manager will not have custody of any Account assets. Client will pay all fees of the Custodian.

Client will authorize the Custodian to follow Manager's instructions to make and accept payments for, and to deliver or to receive, securities, cash or other investments purchased, sold, redeemed, exchanged, pledged or loaned for the Account. Client also will instruct the Custodian to send Client and Manager monthly statements showing the assets in and all transactions for the Account during the month, including any payments of Manager's fees.

Client will give Manager reasonable advance notice of any change of Custodian.

Section 6. Client Reports and Electronically Available CARA® Toolset and Information

Both Parties agree that the Web Access Addendum attached as Schedule F hereto shall govern the Manager's provisions and Client's use of the electronically available CARA® toolset and information.

Manager shall prepare 1) monthly appraisal reports and detailed holdings reports, showing current book values, securities valuations, unrealized gains and losses, book yields and average life; and 2) transaction reports.

Manager utilizes a core set of reports to complete the investment accounting which generally include the following:

- Holdings
- Transaction

- Investment Income Earned
- Open Trades
- Cash Activity / Contributions and Withdrawals
- Summary General Ledger Entries
- Trial Balance of Investment Accounts

Manager shall work with Client to produce a reporting package that meets Client's investment accounting and reporting needs and will deliver the reports to Client by the later of the morning of the sixth business day following each reporting month or the third business day after the day on which Manager receives from Client, Client's asset manager or other third party the last remaining information required by Manager to prepare such reports.

Notwithstanding the foregoing, Client acknowledges and agrees that delays in Manager's delivery of reports resulting from the failure by Client, its manager(s), custodian bank(s) or any other third party to deliver necessary account information to Manager in a timely manner or caused, directly or indirectly, by fire, flood, earthquake, elements of nature or acts of God, acts of war, terrorism, threatened terrorism, riots, civil disorders, rebellions or revolutions, strikes, lockouts or labor difficulties, court order, third party nonperformance, or any other similar cause beyond the reasonable control of Client or Manager shall not constitute a breach by Manager of the reporting deadlines set forth above.

Client agrees to obtain its appraisals and investment accounting reports via Manager's website, GRNEAM.com. However, both Parties agree that Client has the right to receive hard copies of the appraisals and investment accounting reports and that, upon reasonable written request by an authorized person, Manager will send them to the Client.

The Account's performance will be sent monthly, quarterly or annually upon Client request. Ad hoc reports and presentation materials are prepared as reasonably directed by Client.

Section 7. Account Valuation

Manager will value the securities in the Account using independent pricing sources. Securities shall be valued in accordance with any reasonable valuation method selected by Manager, consistent with industry accepted practices. While Manager does its best to obtain representative market prices for all securities in the Account, such prices do not always reflect the price actually received or paid on the open market.

Section 8. Manager's Fees

For Manager's services, Client will pay a percentage of the value, as determined under Section 7 of this Agreement, of all assets in the Account (excluding Unmanaged Assets) as of the last trading day of each calendar month. In the event this Agreement is terminated prior to any month end, fees for the final partial month shall be calculated based on the valuation of assets performed at the end of the prior month. The fees are payable at the end of each calendar quarter for services provided by Manager during the prior three months. The percentage amount of the

fees is shown on Schedule A. In any partial period, the fees will be reduced pro rata based on the number of days the Account was managed.

Client will be billed directly by Manager and will pay Manager's fees within 30 days of receiving the bill.

If Manager invests in securities issued by money market funds or other investment companies and funds, including Exchange Traded Funds (ETFs), for the Account, these securities will be included in the value of the Account when Manager's fees are calculated. These same assets will be subject to additional investment management and other fees that are paid by the investment company or fund but ultimately borne by its shareholders, including the Client. These additional fees are described in each investment company's prospectus.

Section 9. Proxy Voting

If the Account does not include equity securities, Manager will not act as proxy. Check the box below to indicate that the Account does not include equity securities and Manager will not act as proxy:

Account does not include equity securities; Manager will not act as proxy.

If the Account contains equity securities, select either A or B, below:

- A. Client directs Manager not to vote proxies for equity securities held for the Account.
- B. Client directs Manager to vote all proxies for equity securities held for Client's Account in accordance with (select one):
- Manager's own discretion
 - or
 - Client's proxy voting guidelines attached as Schedule C.

Client shall direct Custodian to send promptly all proxies and related shareholder communications to:

Glass Lewis & Co., LLC ("Glass Lewis")
PVA – GEN016/General RE
One Sansome Street, Suite 3300
San Francisco, CA 94104

and to identify them as relating to Client's Account. Client understands that Glass Lewis will not be able to vote proxies if they are not received on a timely basis by Glass Lewis and properly identified as relating to Client's Account.

These proxy voting instructions may be changed at any time by notifying Manager in writing.

Section 10. Legal Proceedings

Manager will not provide legal advice or act for Client in any legal proceedings, including bankruptcies or class actions, involving securities held in the Account or issuers of those securities or any other matter, but shall continue to monitor, manage and provide investment advice regarding investments held in the Account.

Section 11. Risk

Manager cannot guarantee the future performance of the Account, promise any specific level of performance or promise that its investment decisions, strategies or overall management of the Account will be successful. The investment decisions Manager will make for Client are subject to various market, currency, economic, political and business risks, and will not necessarily be profitable.

Section 12. Standard of Care; Limitation of Liability

Except as may otherwise be provided by law, Manager will not be liable to Client for any loss (i) that Client may suffer as a result of Manager's good faith decisions or actions where Manager exercises the degree of care, skill, prudence and diligence that a prudent person acting in a like fiduciary capacity would use; (ii) caused by following Client's instructions; (iii) caused by the Custodian, any broker, dealer or bank to which Manager directs transactions for the Account or any other person; (iv) resulting from legislation, actions by public authorities, acts of war, natural disasters, strikes, blockades, boycotts, lockouts or similar circumstances; (v) caused by securities exchanges or other marketplaces, custodian institutions, central securities depositories, clearing organizations, or other parties which provide equivalent services; or (vi) caused by contractors selected by Manager with due care or those who have been recommended by the Client. Nor shall the Manager be liable for any damage or loss that occurs to the Client or any other affiliate or interest holder due to restrictions upon disposal that may be applied against the Manager in respect of financial instruments.

Federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith, and this Agreement does not waive or limit Client's rights under those laws.

Manager will not be responsible for Client's own compliance with the insurance investment laws of Client's state of domicile or for Client's compliance with applicable tax laws.

In managing the Account, Manager will not consider any other securities, cash, or other investments or assets Client owns for diversification or other purposes. Manager shall have no responsibility whatsoever for the management of the Unmanaged Assets or any assets of Client other than the Account and shall incur no liability for any loss or damage which may result from the management of such other assets.

If Manager is called upon by Client to participate in, testify or produce records in connection with any legal process, extraordinary audits or investigations to which Manager is not a party, not alleged to be at fault or negligent or would not otherwise participate in relating to this Agreement, the Account, Client or the services provided hereunder, Client shall reimburse Manager for any extraordinary expenses properly and necessarily incurred by Manager as a direct result thereof.

Section 13. Client Directions

The names and specimen signatures of each individual who is authorized to give directions to Manager on Client's behalf under this Agreement are set forth on Schedule D. Directions received by Manager from Client must be signed by at least one such person. If Manager receives directions from Client which are not signed by a person that Manager reasonably believes is authorized to do so, Manager shall not be required to comply with such directions until it verifies that the directions are properly authorized by Client.

Manager shall be fully protected in relying upon any direction signed or given by a person that Manager reasonably believes is authorized to give such directions on Client's behalf. Manager also shall be fully protected when acting upon an instrument, certificate, or paper that Manager reasonably believes to be genuine and to be signed or presented by any such person or persons. Manager shall be under no duty to make any investigation or inquiry as to any statement contained in any writing and may accept the same as conclusive evidence of truth and accuracy of statements contained therein.

Section 14. Confidentiality

Except as Client and Manager otherwise agree or as may be required by law, all information concerning the Account and services provided under this Agreement shall be kept confidential.

Section 15. Non-Exclusive Agreement

Manager provides investment advice to other clients and may give them advice or take actions for them, for Manager's own accounts or for accounts of persons related to or employed by Manager, which is different from advice provided to or actions taken for Client.

Manager is not obligated to buy, sell or recommend for Client's Account any security or other investment that Manager may buy, sell or recommend for other clients or for the account of Manager or its related persons or employees.

If Manager obtains material, non-public information about a security or its issuer that Manager may not lawfully use or disclose, Manager will have no obligation to disclose the information to Client or to use it for Client's benefit.

Section 16. Term of Agreement

Either Client or Manager may cancel this Agreement at any time upon 30 days written notice. This Agreement will remain in effect until terminated. Termination of this Agreement will not affect (i) the validity of any action that Manager or Client has previously taken; (ii) the liabilities or obligations of Manager or Client for transactions started before termination; or (iii) Client's obligation to pay Manager's fees through the date of termination. Upon termination, Manager will have no obligation to recommend or take any action with regard to the securities, cash or other assets in the Account.

Section 17. Agreement Not Assignable

This Agreement may not be assigned within the meaning of the Investment Advisers Act of 1940 (the "Advisers Act") by Manager without Client's written consent.

Section 18. Governing Law

The laws of the State of Nevada will govern this Agreement. However, nothing in this Agreement will be construed contrary to any provision of the Advisers Act or the rules thereunder.

Section 19. Miscellaneous

If any provision of this Agreement is or becomes inconsistent with any applicable law or rule, the provision will be deemed rescinded or modified to the extent necessary to comply with such law or rule. In all other respects, this Agreement will continue in full force and effect. This Agreement contains the entire understanding between Manager and Client and may not be changed except in writing signed by both parties. Failure to insist on strict compliance with this Agreement or with any of its terms or any continued conduct will not be considered a waiver by either party under this Agreement.

Section 20. Notices

All notices and instructions with respect to the Account or other matters covered by this Agreement may be sent by U.S. mail express delivery services, facsimile, e-mail or other electronic means to Client and to Manager at the addresses at the end of this agreement or to another address provided in writing.

Section 21. Representations of Client

Client represents and warrants to Manager that (a) Client is the beneficial owner of all assets in the Account and except as specifically identified by Client, there are no restrictions on transfer or sale of any of those assets; (b) this Agreement has been duly authorized, executed, and delivered by Client and is Client's valid and binding obligation; (c) the names of the individuals who are authorized to act under this Agreement on behalf of Client have been given to Manager in writing; (d) no government authorizations, approvals, consents, or filings not already obtained are required

in connection with the execution, delivery, or performance of this Agreement by Client; and (e) it is not an employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), or a plan subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the “Code”), nor a Person acting on behalf of any such plan. Client agrees to notify Manager in writing within five (5) days after the occurrence of an event making the above warranties no longer accurate.

Client agrees to indemnify, defend and hold harmless Manager and its officers, directors, agents, employees, shareholders, legal representatives, successors and assigns, from and against any and all claims, actions, suits, damages, costs, liabilities, judgments, losses, charges, costs and expenses, including attorneys’ fees, of Manager arising from any failure by Client to accurately disclose its status under this Section or by reason of any defect in Client’s authority to appoint Manager under this Agreement.

Section 22. Representations of Manager

Manager represents and warrants that this Agreement has been duly authorized, executed and delivered by Manager and is its valid and binding obligation and that it is registered as an investment adviser with the Securities and Exchange Commission pursuant to the Advisers Act and that such registration is currently effective.

Section 23. Form ADV

Client has received and reviewed a copy of Manager's Form ADV Part 2A Brochure, Manager’s Form ADV Part 2B Brochure Supplement and a copy of this Agreement.

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Section 24. Independent Contractor

The relationship of Manager to Client is and shall remain during the term of this Agreement that of independent contractor. Manager and Client are not partners or joint venturers with each other under this Agreement, and nothing in this Agreement shall be construed so as to make them partners or joint venturers, or to impose any liability as such on either of them.

AGREED TO AND ACCEPTED BY:

GENERAL RE - NEW ENGLAND
ASSET MANAGEMENT, INC.

PUBLIC AGENCY COMPENSATION TRUST



By: William E. Rotatori
Its: Chief Executive Officer

By: *Wayne Carlson*
Its: *Executive Director*

Principal Address:

Pond View Corporate Center
74 Batterson Park Road
Farmington, Connecticut 06032

201 South Roop Street
Suite 102
Carson City, Nevada 89701

Taxpayer Identification Number: 88-0352297

SCHEDULE A

<p>I. <u>ACCOUNT ASSETS.</u></p> <p>A. <u>Managed Assets</u> - Client has deposited the following securities, cash and other assets with the Custodian identified below to be managed under this Agreement:</p> <p style="text-align: center;">SEE LIST OF INITIAL HOLDINGS ATTACHED AS <u>SCHEDULE A-1</u></p> <p>B. <u>Unmanaged Assets</u> - Client also deposited with the Custodian the following assets which are not to be managed under this Agreement:</p>																	
<p>II. <u>CUSTODY OF ACCOUNT ASSETS.</u> The assets to be managed under this Agreement and any Unmanaged Assets will be held by:</p>																	
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Custodian Bank: Wells Fargo</td> <td style="padding: 2px;">Custodian Account Name:</td> <td style="padding: 2px;">Custodian Account Number:</td> </tr> <tr> <td style="padding: 2px;">_____</td> <td style="padding: 2px;">PUBLIC AGENCY COMPENSATION TRUST - NEAM PLEDGED</td> <td style="padding: 2px;">24131404</td> </tr> <tr> <td style="padding: 2px;">Contact: _____</td> <td style="padding: 2px;">PUBLIC AGENCY COMPENSATION TRUST - NEAM ADMIN</td> <td style="padding: 2px;">24131405</td> </tr> <tr> <td style="padding: 2px;">Phone #: _____</td> <td style="padding: 2px;">PUBLIC AGENCY COMPENSATION TRUST - NEAM CLAIMS</td> <td style="padding: 2px;">24131406</td> </tr> <tr> <td style="padding: 2px;">Email: _____</td> <td></td> <td></td> </tr> </table>	Custodian Bank: Wells Fargo	Custodian Account Name:	Custodian Account Number:	_____	PUBLIC AGENCY COMPENSATION TRUST - NEAM PLEDGED	24131404	Contact: _____	PUBLIC AGENCY COMPENSATION TRUST - NEAM ADMIN	24131405	Phone #: _____	PUBLIC AGENCY COMPENSATION TRUST - NEAM CLAIMS	24131406	Email: _____				
Custodian Bank: Wells Fargo	Custodian Account Name:	Custodian Account Number:															
_____	PUBLIC AGENCY COMPENSATION TRUST - NEAM PLEDGED	24131404															
Contact: _____	PUBLIC AGENCY COMPENSATION TRUST - NEAM ADMIN	24131405															
Phone #: _____	PUBLIC AGENCY COMPENSATION TRUST - NEAM CLAIMS	24131406															
Email: _____																	
<p>III. <u>FEES.</u> Manager's fees for services provided under this Agreement shall be as follows, subject to the provisions of Section 8 of the Agreement:</p> <p>Asset Management Fees: Annual fee of .14% (fourteen hundredths of one percent) on the first \$200 million of the market value of the assets under management; and .10% (ten hundredths of one percent) on the market value of the remaining assets under management.</p> <p>Management Fees are subject to a \$150,000 minimum. Assets of all Client affiliated accounts managed by Manager are aggregated for fee calculation purposes.</p>																	

SCHEDULE A (continued)**Investment Accounting Fees:**

In addition to the asset management fees specified above, the annual Manager's fees for accounting services including assistance with Schedule D preparation provided under this Agreement shall be: (i) an additional .01% (one hundredth of one percent) on the market value of managed and accounted for assets, and (ii) an additional 0.02% (two hundredths of one percent) on the market value of said unmanaged and accounted for assets, subject to a \$15,000 annual minimum evaluated quarterly.

Investment accounting fees contemplate a 5 business day close (reports delivered on the morning of the 6th day).

Website Tools Fees:**CARA® Toolset & Accessing Reports via the Website**

Manager may provide Client with access to their monthly investment accounting and reporting package and additional analytical CARA® tools for Client's managed assets via Manager's website. Manager reserves the right to charge additional fees for access to any such CARA® tools on at least sixty (60) days notice to Client.

CARA® Toolset for Unmanaged Assets:

Client may request to utilize the CARA® tools on unmanaged assets, subject to Manager's approval and possible additional fees. Manager shall not be responsible for valuation of any Unmanaged Assets.

IV. BROKERAGE DIRECTION. Client directs Manager to cause all transactions for the Account to be executed through the following broker, dealer or Bank: _____

NOT APPLICABLE

Client has read, understands and accepts the limitations that this direction will place on Manager's ability to seek best execution for the Account. This direction may be changed by Client at any time by notifying Manager in writing.

SCHEDULE A-1

LIST OF INITIAL MANAGED HOLDINGS

(see attached)

PUBLIC AGENCY COMP TR (PACT)

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Cusip	Security Description	Coupon Rate	Maturity Date	Quantity	Book Value	Market Price	Market Value	Unrealized Gain/Loss	Book Yield	YTW At Mkt	Average Life	DTW At Mkt	Lowest Rating
CASH & CASH EQUIVALENTS													
99C019447	WELLS FARGO ADV CASH INV FD INST 451	0.000		2,505,500	2,505,500	1.000	2,505,500	0	0.00	0.00	0.00	0.00	AAA
TOTAL CASH & CASH EQUIVALENTS				2,505,500	2,505,500		2,505,500	0	0.00	0.00	0.00	0.00	AAA
SOVEREIGNS													
912828A42	UNITED STATES TREASURY NOTE	2.000	11/30/20	1,170,000	1,187,461	103.012	1,205,237	17,776	1.68	1.35	4.84	4.59	AA+
912828FQ8	UNITED STATES TREASURY NOTES	4.875	08/15/16	3,000,000	3,020,015	102.328	3,069,844	49,828	3.61	0.60	0.55	0.53	AA+
912828J27	UNITED STATES TREASURY NOTE	2.000	02/15/25	2,600,000	2,546,052	100.824	2,621,430	75,378	2.25	1.90	9.05	8.17	AA+
912828J43	UNITED STATES TREASURY NOTE	1.750	02/28/22	890,000	892,059	101.156	900,291	8,231	1.71	1.55	6.09	5.72	AA+
912828JH4	UNITED STATES TREASURY NOTE	4.000	08/15/18	3,445,000	3,624,487	107.941	3,718,581	94,095	1.88	0.84	2.55	2.40	AA+
912828NW6	UNITED STATES TREASURY NOTE	1.875	08/31/17	900,000	911,523	101.727	915,539	4,016	1.05	0.78	1.59	1.55	AA+
912828PY0	UNITED STATES TREASURY NOTE	2.750	02/28/18	415,000	428,757	103.902	431,195	2,438	1.13	0.86	2.09	2.01	AA+
912828QY9	UNITED STATES TREASURY NOTE	2.250	07/31/18	120,000	123,356	103.391	124,069	713	1.11	0.88	2.51	2.41	AA+
912828RM4	UNITED STATES TREASURY NOTE	1.000	10/31/16	290,000	290,787	100.305	290,884	97	0.63	0.59	0.75	0.75	AA+
912828SM3	UNITED STATES TREASURY NOTE	1.000	03/31/17	425,000	426,380	100.359	426,527	147	0.72	0.69	1.17	1.16	AA+
912828SY7	UNITED STATES TREASURY NOTE	0.625	05/31/17	75,000	74,711	99.875	74,906	195	0.92	0.72	1.34	1.33	AA+
912828TY6	UNITED STATES TREASURY NOTE	1.625	11/15/22	1,575,000	1,527,327	99.871	1,572,970	45,643	2.10	1.64	6.79	6.39	AA+
912828UA6	UNITED STATES TREASURY NOTE	0.625	11/30/17	145,000	144,365	99.699	144,564	198	0.87	0.79	1.84	1.82	AA+
912828UE8	UNITED STATES TREASURY NOTE	0.750	12/31/17	300,000	298,358	99.906	299,719	1,360	1.04	0.80	1.92	1.90	AA+
912828UZ1	UNITED STATES TREASURY NOTE	0.625	04/30/18	940,000	932,793	99.473	935,043	2,250	0.97	0.86	2.25	2.23	AA+
912828VB3	UNITED STATES TREASURY NOTE	1.750	05/15/23	2,440,000	2,379,810	100.281	2,446,863	67,053	2.12	1.71	7.29	6.80	AA+
912828VE7	UNITED STATES TREASURY NOTE	1.000	05/31/18	1,725,000	1,724,956	100.277	1,729,784	4,828	1.00	0.88	2.34	2.30	AA+
912828WD8	UNITED STATES TREASURY NOTE	1.250	10/31/18	765,000	767,098	100.809	771,186	4,088	1.15	0.95	2.75	2.69	AA+
912828WW6	UNITED STATES TREASURY NOTE	1.625	07/31/19	1,065,000	1,060,520	101.789	1,084,054	23,534	1.75	1.10	3.51	3.38	AA+
TOTAL SOVEREIGNS				22,285,000	22,360,815		22,762,684	401,869	1.93	1.15	4.00	3.75	AA+
AGENCY													
3130A1NN4	FEDERAL HOME LOAN BANK	0.875	05/24/17	975,000	974,821	100.215	977,096	2,275	0.89	0.71	1.32	1.31	AA+
3130A3J70	FEDERAL HOME LOAN BANK	0.625	11/23/16	50,000	50,028	99.975	49,988	(40)	0.56	0.66	0.82	0.81	AA+
3130A4QV7	FEDERAL HOME LOAN BANK	0.840	03/24/17	150,000	150,000	100.019	150,029	29	0.84	0.71	0.15	0.15	AA+
3130A5EP0	FEDERAL HOME LOAN BANK	0.625	05/30/17	310,000	309,832	99.849	309,532	(300)	0.67	0.74	1.34	1.33	AA+
313371PV2	FEDERAL HOME LOAN BANK	1.625	12/09/16	315,000	317,647	100.828	317,608	(38)	0.64	0.66	0.86	0.85	AA+

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Cusip	Security Description	Coupon Rate	Maturity Date	Quantity	Book Value	Market Price	Market Value	Unrealized Gain/Loss	Book Yield	YTW At Mkt	Average Life	DTW At Mkt	Lowest Rating
313372C36	FEDERAL HOME LOAN BANK	3.125	12/08/17	1,650,000	1,715,405	104.131	1,718,161	2,757	0.96	0.88	1.86	1.81	AA+
313378J77	FEDERAL HOME LOAN BANK	1.875	03/13/20	2,835,000	2,848,925	102.249	2,898,759	49,834	1.75	1.31	4.12	3.94	AA+
3133834R9	FEDERAL HOME LOAN BANK	0.375	06/24/16	450,000	449,898	99.968	449,856	(42)	0.43	0.45	0.40	0.40	AA+
3133XSR59	FEDERAL HOME LOAN BANK	3.750	12/14/18	965,000	1,026,620	107.628	1,038,611	11,991	1.47	1.05	2.88	2.73	AA+
3133XXP50	FEDERAL HOME LOAN BANK	4.125	03/13/20	415,000	456,652	111.169	461,351	4,699	1.60	1.33	4.12	3.77	AA+
3135G0JA2	FANNIE MAE	1.125	04/27/17	500,000	501,789	100.483	502,415	626	0.83	0.73	1.24	1.23	AA+
3135G0RT2	FANNIE MAE	0.875	12/20/17	575,000	574,324	100.106	575,610	1,285	0.94	0.82	1.89	1.87	AA+
3135G0ZB2	FANNIE MAE	0.750	04/20/17	495,000	494,056	100.030	495,149	1,093	0.91	0.73	1.23	1.22	AA+
3135G0ZL0	FANNIE MAE	1.000	09/27/17	115,000	114,778	100.320	115,368	590	1.12	0.81	1.66	1.64	AA+
3137EAAY5	FREDDIE MAC	5.500	08/23/17	505,000	539,772	107.340	542,067	2,295	1.04	0.78	1.57	1.49	AA+
3137EADT3	FREDDIE MAC	0.875	02/22/17	300,000	300,379	100.159	300,477	98	0.76	0.72	1.06	1.05	AA+
649081AA4	NEW VALLEY GENERATION IV	4.687	01/15/22	845,089	917,082	109.574	925,995	8,912	1.95	1.64	3.26	3.06	AA-
649083AA0	NEW VALLEY GENERATION I	7.299	03/15/19	798,903	893,390	109.145	871,962	(21,429)	1.20	1.54	1.62	1.54	AA-
880591EA6	TENN VALLEY AUTHORITY	5.500	07/18/17	1,950,000	2,020,456	106.711	2,080,864	60,409	2.96	0.89	1.47	1.42	AA+
880591EC2	TENN VALLEY AUTHORITY	4.500	04/01/18	631,000	672,438	107.421	677,827	5,388	1.41	1.04	2.17	2.06	AA+
880591EL2	TENN VALLEY AUTHORITY	3.875	02/15/21	1,460,000	1,586,761	110.839	1,618,249	31,488	2.05	1.63	5.04	4.55	AA+
TOTAL AGENCY				16,289,993	16,915,054		17,076,973	161,919	1.53	1.08	2.52	2.39	AA+
GOVERNMENT GUARANTEED													
742651DG4	PRIVATE EXPORT FUNDING	4.375	03/15/19	1,200,000	1,224,505	109.226	1,310,712	86,207	3.68	1.35	3.13	2.90	AA+
742651DJ8	PRIVATE EXPORT FUNDING	4.300	12/15/21	200,000	219,660	112.351	224,702	5,042	2.49	2.06	5.88	5.22	AA+
742651DK5	PRIVATE EXPORT FUNDING	2.250	12/15/17	500,000	508,206	102.203	511,015	2,809	1.36	1.06	1.88	1.84	AA+
742651DM1	PRIVATE EXPORT FUNDING	2.800	05/15/22	1,790,000	1,796,577	104.282	1,866,648	70,071	2.74	2.07	6.29	5.74	AA+
742651DU3	PRIVATE EXPORT FUNDING	2.250	03/15/20	220,000	222,027	102.781	226,118	4,091	2.02	1.55	4.13	3.91	AA+
TOTAL GOVERNMENT GUARANTEED				3,910,000	3,970,976		4,139,195	168,219	2.80	1.69	4.60	4.23	AA+
SUPRANATIONALS													
45905UTJ3	INTL BK RECON & DEVELOP	0.603	09/30/17	100,000	100,000	99.862	99,862	(138)	0.57	0.69	1.67	0.17	AAA
TOTAL SUPRANATIONALS				100,000	100,000		99,862	(138)	0.57	0.69	1.67	0.17	AAA
MBS													
3128CUCJ3	FHLMC POOL G30073	8.000	05/01/17	507	511	100.398	509	(2)	5.77	6.58	0.48	0.47	AA+

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31307CYH5	FHLMC POOL J24312	2.000	06/01/23	660,042	670,815	101.804	671,947	1,132	1.43	1.36	3.03	2.92	AA+
3138EK2U8	FNMA POOL AL3486	2.000	05/01/23	330,485	335,988	101.214	334,498	(1,490)	1.33	1.49	2.67	2.59	AA+
3138X4QS2	FNMA POOL AU4964	2.000	08/01/23	257,056	258,340	101.218	260,188	1,848	1.77	1.48	2.67	2.58	AA+
31418A6C7	FNMA POOL MA1766	2.500	01/01/24	333,991	339,612	103.300	345,014	5,402	1.85	1.27	2.88	2.78	AA+
31418ARF7	FNMA POOL MA1385	2.000	03/01/23	589,492	596,823	101.215	596,655	(168)	1.47	1.47	2.60	2.52	AA+
31418AT99	FNMA POOL MA1475	2.000	06/01/23	375,148	380,875	101.215	379,707	(1,168)	1.38	1.48	2.67	2.59	AA+
31418AXP8	FNMA POOL MA1585	2.000	09/01/23	1,190,042	1,206,796	101.217	1,204,523	(2,273)	1.46	1.52	2.86	2.76	AA+
36213FSY0	GNMA POOL 553235	6.000	05/15/33	32,141	33,678	113.088	36,347	2,670	3.96	2.24	3.81	3.49	AA+
TOTAL MBS				3,768,903	3,823,436		3,829,386	5,950	1.51	1.46	2.81	2.71	AA+
ABS													
83162CUG6	SMALL BUSINESS ADMINISTRATION 11-201 1	2.850	09/01/31	917,189	931,465	103.607	950,273	18,808	2.85	2.23	6.44	5.68	AA+
831641FB6	SMALL BUSINESS ADMINISTRATION 14-10B 1	3.015	09/10/24	1,180,339	1,217,166	105.860	1,249,507	32,341	3.01	2.26	8.61	7.51	AA+
TOTAL ABS				2,097,528	2,148,630		2,199,780	51,150	2.94	2.24	7.67	6.72	AA+
CMO / RMBS													
3133TELG7	FREDDIE MAC -2064 M	6.000	06/15/28	48,451	49,551	111.715	54,127	4,576	5.01	1.31	2.63	2.52	AA+
3133TNCR3	FREDDIE MAC -2210 AN	6.000	01/15/30	32,578	33,146	108.890	35,474	2,328	5.21	2.27	2.56	2.41	AA+
31340YLQ0	FREDDIE MAC -35 Z	10.000	04/15/20	1,577	1,593	102.776	1,621	27	7.83	4.93	0.63	0.61	AA+
31340YMX4	FREDDIE MAC -39 F	10.000	05/15/20	1,148	1,170	109.505	1,258	88	8.17	1.59	1.19	1.15	AA+
31359LAH8	FANNIE MAE 94-9 PJ	6.500	08/17/24	61,435	63,828	110.977	68,179	4,352	4.93	2.31	2.82	2.62	AA+
313603RA2	FANNIE MAE 90-6 H	9.000	01/25/20	4,692	4,943	109.608	5,143	200	4.40	0.95	1.28	1.25	AA+
3136A0QE0	FANNIE MAE 11-79 HD	2.000	12/25/22	850,358	863,335	100.868	857,738	(5,596)	1.28	1.55	2.29	2.22	AA+
3136A0QW0	FANNIE MAE 11-79 GC	2.000	12/25/22	318,884	323,642	100.868	321,652	(1,990)	1.29	1.55	2.29	2.22	AA+
3136A2NZ2	FANNIE MAE 11-129 AG	2.000	12/25/21	365,862	370,945	100.959	369,369	(1,575)	1.30	1.49	2.15	2.10	AA+
3136A34Z1	FANNIE MAE 12-8 LP	2.500	08/25/21	454,025	457,558	102.996	467,627	10,069	2.22	1.53	3.35	3.21	AA+
3136A3JE2	FANNIE MAE 11-137 KC	2.000	01/25/27	1,034,540	1,048,410	100.787	1,042,679	(5,731)	1.38	1.60	2.35	2.28	AA+
3136A3XZ9	FANNIE MAE 12-2 MB	1.750	02/25/22	220,683	222,667	100.393	221,549	(1,118)	1.28	1.51	2.12	2.07	AA+
3136A4G60	FANNIE MAE 12-17 KB	2.000	01/25/40	504,861	507,457	97.495	492,215	(15,242)	1.75	2.99	2.59	2.46	AA+
3136A9A81	FANNIE MAE 12-127 DA	1.500	11/25/27	805,697	808,531	99.969	805,446	(3,085)	1.29	1.47	2.15	2.10	AA+
3136ADKX6	FANNIE MAE 13-29 JE	1.250	04/25/43	606,105	607,214	94.615	573,467	(33,746)	1.15	3.45	2.64	2.45	AA+
3137A1N25	FREDDIE MAC -3706 CB	2.000	10/15/23	101,243	102,245	100.965	102,219	(26)	1.50	1.50	2.10	2.05	AA+
3137A3EY1	FREDDIE MAC -3758 PA	2.000	08/15/25	344,913	348,435	98.855	340,963	(7,471)	1.61	2.41	2.79	2.65	AA+

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3137A83W6	FREDDIE MAC -3820 DN	2.000	11/15/35	829,609	842,284	100.456	833,396	(8,888)	1.31	1.77	2.34	2.27	AA+
3137AA5M1	FREDDIE MAC -3854 GJ	2.000	11/15/24	102,287	103,301	100.517	102,816	(485)	0.87	1.34	0.91	0.90	AA+
3137AEG90	FREDDIE MAC -3903 QD	2.500	03/15/41	228,533	242,446	102.056	233,232	(9,214)	0.00	1.80	3.18	3.03	AA+
3137AFB7	FREDDIE MAC -3926 MB	1.750	11/15/25	346,469	349,312	101.028	350,031	719	1.28	1.15	1.85	1.81	AA+
3137AFXP2	FREDDIE MAC -3941 BE	2.000	03/15/26	213,823	215,841	99.072	211,838	(4,003)	1.64	2.32	2.85	2.71	AA+
3137AKG70	FREDDIE MAC -3987 CA	2.000	06/15/26	443,825	447,548	98.653	437,845	(9,703)	1.68	2.48	2.89	2.74	AA+
3137ALP37	FREDDIE MAC -4003 BG	2.000	10/15/26	650,323	656,778	98.616	641,325	(15,453)	1.68	2.42	3.40	3.20	AA+
3137ALTA7	FREDDIE MAC -3996 EK	2.500	07/15/39	271,129	272,821	101.128	274,189	1,368	2.24	2.04	2.74	2.62	AA+
3137APBF6	FREDDIE MAC -4033 ED	2.500	10/15/36	525,026	530,423	101.164	531,140	717	2.18	2.14	3.61	3.40	AA+
3137APH78	FREDDIE MAC -4032 AE	2.250	10/15/41	871,913	888,806	99.599	868,419	(20,387)	1.69	2.35	4.02	3.73	AA+
3137APVT4	FREDDIE MAC -4054 HD	2.000	05/15/26	729,133	895,806	98.902	721,127	(174,679)	(5.11)	2.39	2.85	2.71	AA+
3137BA4B5	FREDDIE MAC -4329 ME	2.500	06/15/26	232,489	236,394	101.837	236,759	365	1.86	1.79	2.80	2.68	AA+
3137BHU39	FREDDIE MAC -4459 NB	4.500	01/15/20	116,313	120,788	103.868	120,812	24	0.80	0.62	1.05	1.03	AA+
31393C6V0	FANNIEMAE WHOLE LOAN 03-W11 A2	6.388	07/25/33	12,611	13,243	107.930	13,611	369	3.45	2.58	2.32	2.18	AA+
31397QDZ8	FANNIE MAE 10-150 PC	3.000	10/25/40	399,165	406,909	102.141	407,710	801	2.42	2.36	3.85	3.56	AA+
31398MNB8	FANNIE MAE 10-13 KA	2.000	12/25/18	30,561	30,754	101.216	30,933	179	1.24	0.59	0.96	0.95	AA+
31398SUR2	FANNIE MAE 10-145 MA	2.000	12/25/20	1,016,064	1,028,634	100.959	1,025,805	(2,829)	1.26	1.39	1.82	1.79	AA+
31398SYY3	FANNIE MAE 10-141 MD	2.000	10/25/40	277,278	277,778	100.172	277,756	(22)	1.90	1.90	2.87	2.75	AA+
38377KKU3	GOVERNMENT NATIONAL MORTGAGE A 10-115 1	2.500	10/20/37	290,103	292,635	100.892	292,690	55	1.71	1.67	1.24	1.22	AA+
38377MPW0	GOVERNMENT NATIONAL MORTGAGE A 10-137 1	2.500	02/20/38	331,821	334,913	100.852	334,648	(265)	1.77	1.80	1.43	1.40	AA+
38377UN20	GOVERNMENT NATIONAL MORTGAGE A 11-62 P/	3.000	01/20/40	556,001	563,832	100.672	559,737	(4,095)	1.11	1.95	0.79	0.78	AA+
38377XQW5	GOVERNMENT NATIONAL MORTGAGE A 11-117 F	2.000	05/20/39	444,041	448,683	100.602	446,712	(1,971)	1.48	1.67	2.18	2.12	AA+
38378PTN8	GOVERNMENT NATIONAL MORTGAGE A 13-186 1	2.500	03/16/27	2,012,626	2,031,196	101.910	2,051,067	19,871	2.30	2.10	5.22	4.85	AA+
92261WAA8	VENDEE MORTGAGE TRUST 11-1 DA	3.750	02/15/35	738,054	743,212	105.138	775,978	32,766	3.48	1.97	3.08	2.90	AA+
TOTAL CMO / RMBS				17,426,250	17,789,001		17,540,301	(248,701)	1.38	1.95	2.86	2.72	AA+
CMBS													
3136A9MK1	FANNIEMAE-ACES 12-M14 ASQ2	1.114	02/25/17	122,379	122,615	100.161	122,576	(39)	0.84	0.87	0.97	0.96	AA+
3136AMMC0	FANNIEMAE-ACES 15-M3 FA	0.414	06/25/18	51,824	51,811	99.913	51,779	(32)	0.41	0.46	1.24	0.01	AA+
3136AMTM1	FANNIEMAE-ACES 15-M4 FA	0.404	09/25/18	55,869	55,854	99.958	55,845	(9)	0.41	0.42	2.53	0.01	AA+
3136ANA98	FANNIEMAE-ACES 15-M10 FA	0.444	03/25/19	132,318	132,280	99.983	132,296	16	0.45	0.45	2.78	0.01	AA+
3136ANMF1	FANNIEMAE-ACES 15-M8 FA	0.364	11/25/18	78,602	78,584	99.016	77,829	(755)	0.37	0.76	2.50	0.01	AA+
3136AP3Z3	FANNIEMAE-ACES 15-M12 FA	0.534	04/25/20	192,238	192,169	99.981	192,201	33	0.54	0.54	3.20	0.01	AA+
3136AQDQ0	FANNIEMAE-ACES 15-M13 ASQ2	1.646	09/25/19	75,000	75,681	100.743	75,557	(124)	1.27	1.33	2.70	2.64	AA+

PUBLIC AGENCY COMP TR (PACT)

Amounts Converted to USD

Monthly Appraisal |

As Of 01/31/2016

Cusip	Security Description	Coupon Rate	Maturity Date	Quantity	Book Value	Market Price	Market Value	Unrealized Gain/Loss	Book Yield	YTW At Mkt	Average Life	DTW At Mkt	Lowest Rating
3137BLAC2	FHLMC MULTIFAMILY STRUCTURED P -K048 A2	3.284	06/25/25	1,020,000	1,049,538	104.613	1,067,053	17,515	2.92	2.71	9.24	8.00	AA+
38376G5R7	GOVERNMENT NATIONAL MORTGAGE A 11-142 /	2.337	10/16/40	552,456	556,341	101.146	558,787	2,446	1.97	1.75	2.16	2.10	AA+
38378BSP5	GOVERNMENT NATIONAL MORTGAGE A 12-46 A/	1.771	11/16/38	521,481	520,983	100.303	523,061	2,078	1.80	1.43	1.09	1.08	AA+
38378BUJ6	GOVERNMENT NATIONAL MORTGAGE A 12-70 A	1.732	05/16/42	1,111,901	1,116,030	100.017	1,112,090	(3,940)	1.49	1.69	1.78	1.74	AA+
TOTAL CMBS				3,914,069	3,951,886		3,969,075	17,189	1.82	1.76	3.86	3.16	AA+
GRAND TOTAL				72,297,243	73,565,299		74,122,756	557,457	1.69	1.39	3.33	3.09	AA+

SCHEDULE B

INVESTMENT GUIDELINES: The investment guidelines to be followed by Manager in managing Client's Account are set forth below:

(see attached)

PUBLIC AGENCY COMPENSATION TRUST

INVESTMENT GUIDELINES

1. Scope

This investment policy applies to all financial assets of PACT. These funds are accounted for in PACT's annual financial report.

2. Statement of Purpose

- A. Safety of principal is an important objective of the investment program. To ensure that investment of funds is accomplished in a safe and secure manner, particularly with respect to limiting the exposure of the PACT to unnecessary risk investments shall be undertaken in a manner that seeks to ensure the preservation of capital. To attain this objective, diversification is required in accordance with these guidelines.
- B. To provide adequate liquidity to meet all operating obligations which reasonably may be anticipated.
- C. To structure an investment portfolio which is designed to attain a rate of return throughout budgetary and economic cycles commensurate with the investment risk constraints and cash flow characteristics of the portfolio. A balanced return of current income and modest growth of principal is an important objective. In addition, a related objective is to achieve returns in excess of the rate of inflation over the investment horizon in order to preserve the purchasing power of PACT.
- D. To assure that the investment allocation does not impair the maintenance of capital in accordance with the PACT Capitalization Policy Statement.

3. Investment Strategy

- A. PACT generally will adhere to the concept of matching amounts and maturities to uses of funds.
- B. Investment officers acting in accordance with written procedures and exercising due diligence will not have personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

Investment officials will adhere to the Prudent Investor Rules that state that a fiduciary must:

- 1. Make investment and management decisions with respect to individual assets in the context of the investment portfolio as a whole and as part of an overall investment strategy, not in isolation.
- 2. Adhere to fundamental fiduciary duties of loyalty, impartiality, and prudence.
- 3. Maintain overall portfolio risk at a reasonable level. That is, risk and return objectives must be reasonable and suitable to the portfolio. The tradeoff between risk and return is the fiduciary's central concern.
- 4. Provide for the reasonable diversification of investments.
- 5. Act with prudence in deciding whether and how to delegate authority to experts and in selecting supervising agents. Be cost conscious when investing. The fiduciary should incur only costs that are reasonable in amount and appropriate to the investment responsibilities of the fiduciary.

C. Investment strategy will facilitate an appropriate balance of these investment objectives:

- 1) capital preservation;
- 2) diversification among types of investments, issuers and credit ratings; and
- 3) allocation of investments in a manner consistent with principles of prudent investment management.

D. The investment strategy will conform to state statutes governing investment of public funds.

4. Investment Risk

A. It is the policy of PACT that safety of principal is an important objective of the investment program and seeks to mitigate to mitigate risks to the extent possible. Four types are recognized:

1. Credit Risk - is the risk that the issuer of a security will default on the principal and interest. PACT will not assume significant credit risk in an attempt to enhance return. Therefore, below investment grade securities shall not be utilized. Acceptable credit ratings for securities shall be AAA or AA as rated by Moody's or Standard & Poor's. In addition, PACT will diversify the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

2. Liquidity Risk - is the risk that an investment may not be converted into cash if a need for cash arises. PACT will minimize liquidity risk to the extent possible through planning investment maturities to ensure that funds are available to meet cash flow needs (static liquidity) and maintain a portion of the funds in money market mutual funds which offer same-day liquidity for short-term funds. In addition, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity).

3. Maturity Risk - is the risk that an investment may yield poor results if the length of maturity or maturity structure is inappropriate for the market conditions. The PACT will minimize this risk by actively managing the maturity structure to enable holding securities to maturity unless 1) the security has declining credit and needs to be sold early to minimize loss of principal, 2) a security swap would improve the quality, yield or target duration of the portfolio, or 3) liquidity needs of the portfolio require that the security be sold.

4. Market Risk - arises from the change in the value of the investment as economic conditions and interest rates change. PACT will, to the extent possible, minimize market risk by matching investments with its liabilities, making it possible to hold investments to maturity if appropriate. The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles consistent with investment risk constraints and liquidity needs.

5. Investment Responsibility

- A. Investment authority for PACT rests with the Board of Trustees. This authority may be delegated to the Executive Committee and the Executive Director.
- B. The Board of Trustees may contract with investment advisor(s) to advise and manage the PACT's investments. Such advisor(s) shall provide a comprehensive report at least annually to the Board of Directors or its designee of all transactions and the investment performance of funds under management. The report shall suggest changes in policies or improvements that might be made in the investment program.
- C. The Executive Director will manage all investment activity as closely as is practicable. The Executive Director will make day-to-day investments. In all cases, the Executive Director will:

1. Ensure that all investments are made in accordance with PACT policies;
2. Make recommendations to the Board of Trustees concerning investment policy and strategy;
3. Inventory all securities held by PACT (This shall be done in conjunction with the annual CPA audit);
4. Provide quarterly reports to the Executive Committee and annually to the Board of Trustees of all investment activity. The report shall include a listing of all securities bought, sold and matured. The report will also include a status of all investments held;
5. The Board of Trustees will review the investment report, and shall make the review a matter of record in the minutes;
6. The Board of Trustees may appoint a Fiscal Officer. The Fiscal Officer will, at the direction of the Board of Trustees, make investments and execute transactions in cooperation with the Executive Director.
7. Officers, the Executive Director and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial decisions. Such persons shall disclose to the Executive Director or to the Chairman of the Board any material financial interests in financial institutions that conduct business within their jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the PACT.
8. The Board of Directors will review this investment policy and the asset allocation, diversification and risks at least annually and at any other time as needed to fulfill its fiduciary responsibility.

6. Authorized Investments

A. The following types of securities are eligible investments subject to asset allocation:

1. U.S. Treasury Securities;
2. Federal Agency Securities;
3. Federal Funds;
4. Bank Certificates of Deposit insured ;
5. Savings and Loan Certificates of Deposit insured ;
6. Repurchase Agreements;
7. Money Market Mutual Funds;
8. Statutorily eligible Mortgage-backed securities at a price not to exceed 102% of par value
9. Such other securities as authorized under Nevada laws applicable to the PACT.

Not more than ten percent (10%) of the fixed income portfolio should be to any one issuer, other than securities of the U.S. government or agencies.

B. A Master Repurchase Agreement must be signed with the bank or dealer.

C. If governmental sponsored pools and/or mutual funds are to be utilized, a thorough investigation of the pool/fund is required prior to investing, and on a continual basis. The following general information must be addressed:

1. A description of the eligible investment securities, and a written statement of investment policy and objectives
2. A description of interest calculations and how its is distributed, and how gains and losses are treated.

3. A description of how the securities are safeguarded (including the settlement processes) and how often the securities are priced and the program audited.
4. A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
5. A schedule for receiving statements and portfolio listings.
6. A statement regarding utilization by the pool/funds of reserves or retained earnings.
7. A fee schedule and when and how it is assessed.
8. A statement regarding whether the pool/fund is eligible for bond proceeds and/or whether it will accept such proceeds.

7. Authorized Financial Dealers and Institutions

The Executive Director will maintain a list of financial institutions authorized by the Board or the Executive Committee to provide investment services. No public deposit shall be made except in a qualified public depository as established by Nevada law. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Executive Director with the following evidence of qualifications:

- a. audited financial statements
- b. proof of National Association of Security Dealers certification
- c. trading resolution
- d. proof of Nevada registration
- e. completed broker/dealer questionnaire
- f. certification as having read the PACT's Investment Guidelines and depository contracts

An annual review of the financial condition and registrations of qualified bidders will be conducted by the Executive Director. A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the PACT invests.

8. Investment Guidelines and Limitations

A. Diversity. There will be sufficient diversity in the authorized instruments to allow for variety in the makeup of the portfolio. The Board of Trustees will review investment activity reports to assure appropriate diversity exists. PACT will diversify its investments by maturity, security type and issuer. Maturities selected shall provide for stability of income and reasonable liquidity. For cash management funds, the following guidelines shall apply: Liquidity shall be assured through practices ensuring that the next disbursement date is covered through maturing investments or marketable U.S. Treasury bills

Risks of market price volatility shall be controlled through maturity diversification such that aggregate price losses on instruments with maturities exceeding one year shall not be greater than coupon interest and investment income received from the balance of the portfolio.

With the exception of U.S. Treasury securities, money markets, certificates of deposit, exchange traded funds and authorized pools, no more than fifteen percent (15%) of the PACT's total investment portfolio will be invested in a particular issuer or class of securities or in an industry or company.

B. Maximum Maturities. To the extent possible, the PACT will attempt to match its investments with anticipated cash flow requirements. The PACT will not directly invest in securities maturing more than ten (10) years from the date of purchase, except as permitted by law. The average maturity of the portfolio will not exceed five (5) years.

C. Return on Investment. The PACT's investment portfolio will be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the PACT's investment risk constraints and the cash flow characteristics of the portfolio.

D. Performance Standards. The investment portfolio results will be compared to reasonably comparable indexes reflective of the investment goals listed below:

1. Goal - to outperform over a 4-5 year period the risk free return from short-term U.S. Treasury bills by at least 100 to 200 basis points per year.
2. Goal - to outperform the Consumer Price Index over a 4 to 5 year period by at least 200 basis points per year.
3. Goal - to perform in line with the iShares Lehman 1-3 Year Treasury Bond Fund (currently trading as SHY) over a 4 to 5 year period.

9. Safekeeping and Custody

Securities purchased by the PACT will be held by a professionally qualified institution that has the necessary specialization to provide accurate and timely safekeeping of the assets of PACT. If securities are purchased from outside dealers, then trades will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.

The Executive Director shall establish a system of internal controls, which shall be documented in writing. The internal controls shall be reviewed by the Audit Committee and with the independent auditor. The controls shall be designed to prevent the loss of PACT funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets or imprudent actions by employees, service providers and officers of PACT.

10. Collateralization

Collateralization will be required on two types of investments: certificates of deposit in excess of current FDIC insurance limits and repurchase (and reverse) agreements. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102% of market value of principal and accrued interest.

Collateral always will be held by an independent third party with which the PACT has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the PACT and retained.

The right of collateral substitution is granted.

11. Selection and Performance Review of Investment Managers

The PACT Board of Directors will select appropriate investment managers to manage PACT assets. A qualifying investment manager must meet the following minimum criteria:

- Be a registered investment advisor under the Registered Investment Advisors Act of 1940 or be a bank, insurance company or investment management company.
- Provide historical quarterly performance numbers calculated on a time-weighted basis, based on a composite of all fully discretionary accounts of similar investment style, and reported net and gross of fees.
- Provide performance evaluation reports prepared by an objective third party that illustrate the risk/return profile of the manager relative to other managers of like investment style.
- Provide detailed information on the history of the firm, key personnel, key clients, fee schedule and support personnel.
- Clearly articulate the investment strategy that will be followed and document that the strategy successfully has been adhered to over time.
- Have no outstanding legal judgments or past judgments that may reflect negatively on the firm.

- Provide in writing acknowledgement of fiduciary responsibility to PRI.

The investment performance of total portfolios, as well as asset class components, will be measured against commonly accepted performance benchmarks. Consideration will be given to the extent to which the investment results are consistent with the investment objectives, goals and guidelines as set forth in this investment policy statement.

The Board of Directors intends to evaluate the portfolio(s) over at least a three-year period, but reserves the right to terminate a manager for any reason, including the following:

- Investment performance that significantly is less than anticipated given the discipline employed and the risk parameters established or unacceptable justification of poor results.
- Failure to adhere to any aspect of this investment policy statement including communication and reporting requirements.
- Significant qualitative changes to the investment management organization.

Investment managers shall be reviewed regularly regarding performance, personnel, strategy, research capabilities, organizational and business matters, and other qualitative factors that may impact their ability to achieve the desired investment results.

12. Reporting

The Executive Director will include a market report on investment activity and returns in the PACT's Financial Report, which will be distributed quarterly to the Executive Committee and at each Board meeting.

13. Investment Policy Adoption

The PACT's investment policy will be adopted by the Board of Trustees. The policy will be reviewed on an annual basis by the Executive Committee and any modifications made thereto must be approved by the Board.

Adopted 9/91
Revised 10/95
Revised 4/98
Revised 5/1/2000
Revised 9/13/2006
Revised 5/1/2009


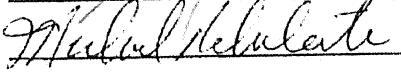
SCHEDULE C

PROXY VOTING GUIDELINES: The proxy voting guidelines to be followed by Manager in voting securities held in the Account are set forth below:

(If none, check here)


Officer's Certificate

I, Wayne Carlson, the duly appointed Executive Director of Public Agency Compensation Trust ("PACT"), an interlocal cooperation agreement quasi-governmental entity and existing under the laws of the State of Nevada, hereby certify that each of the following officers of PACT, acting singly, is authorized in the name and on behalf of PACT, to give instructions to General Re-New England Asset Management, inc, a corporation organized and existing under the laws of the State of Delaware (the "Manager") with respect to any and all matters, including investment and reinvestment of securities, pertaining to that certain Investment Management Agreement between PACT and Manager ("Agreement"), and to execute and deliver any and all documents and to take any and all other action to carry out the purposes of said Agreement. I further certify that each signature set forth below appearing next to a corresponding printed officer name and title is the true and genuine signature of each officer.

<u>Name of Officer</u>	<u>Title</u>	<u>Signature</u>
Wayne Carlson	Executive Director	
Michael Rebaleati	Operations Manager	
Doug Smith	Chief Risk Officer	_____

This Certificate shall be in effect from January 1, 2016 until written notice is given on behalf of PACT to terminate or revise it.

IN WITNESS WHEREOF, I set my hand of PACT:

	 [Executive Director]	January 19, 2016
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SCHEDULE E

Name	State of Incorporation	Principal Business Address	Tax ID #	Custodian Information
NONE				

**SCHEDULE F
WEB ACCESS ADDENDUM**

This WEB ACCESS ADDENDUM (“Addendum”) hereby supplements the Investment Management Agreement between Manager and Client.

WHEREAS, in addition to the services to be provided by Manager to Client pursuant to the Investment Management Agreement, Client desires to have access to and to use Manager’s proprietary suite of information and services for access to on-line investment reports concerning Client’s Account and the on-line analysis of investment portfolios and other services, which are more fully described on Exhibit A hereto and on Schedule A to the Investment Management Agreement; and

WHEREAS, Manager has agreed to provide such access to information, reports and services to Client on the terms and conditions set forth in this Addendum; and

NOW THEREFORE in consideration of the foregoing and of the mutual promises contained in the Investment Management Agreement and this Addendum Client and Manager agree as follows:

**ARTICLE I
Definitions**

Section 1.1 -“Client Data” has the meaning set forth in Section 6.1.

Section 1.2 -“Confidential Information” has the meaning set forth in Section 8.1.

Section 1.3 -“Documentation” means the specifications, user manuals, training materials and conditions for use published and updated from time to time by Manager and designated as “Documentation”.

Section 1.4 -“Eligible User(s)” shall mean those employees of Client set forth on Exhibit B-1 and/or Exhibit B-2 hereto, or any authorized amendment to Exhibit B-1 and/or Exhibit B-2 as provided in Section 3.2(b) hereto.

Section 1.5 -“Force Majeure Event” has the meaning set forth in ARTICLE XI.

Section 1.6 -“Indemnified Party” has the meaning set forth in Section 12.3.

Section 1.7 -“Indemnifying Party” has the meaning set forth in Section 12.3.

Section 1.8 -“Legal Statement” has the meaning set forth in Section 3.3(c).

Section 1.9 -“Losses” has the meaning set forth in Section 12.2.

Section 1.10 -“Manager Data” means data and models made available in any form by Manager in connection with the Services, including any data obtained by Manager from a Vendor.

Section 1.11 -“Manager Proprietary System” means the Platform, Manager Data, Services and any other proprietary materials of Manager as further provided in ARTICLE V.

Section 1.12 -“Platform” means a set of world wide web pages implemented by Manager and through which Client’s Eligible Users may access the Manager Proprietary System over the Internet.

Section 1.13 -“Proprietary Rights” means any United States trademark, tradename, copyright, or trade secret of a third party.

Section 1.14 -“Service Data” means all data generated by an Internet server that relates to the number of users having access through the Platform and similar user-related usage data collected in connection with the Platform and Services.

Section 1.15 -“Services” has the meaning set forth in Section 3.1.

Section 1.16 -“Terms of Use” means the Legal Statement and any other terms and conditions posted at <http://www.grneam.com>, as amended from time to time by Manager governing the use of the Services by customers, including Client and Eligible Users.

Section 1.17 -“Vendors” means certain third parties that have granted Manager the right to use and distribute their data, software or other proprietary materials.

ARTICLE II

Term

The term of this Addendum shall be coextensive with the term of the Investment Management Agreement, unless terminated earlier pursuant to ARTICLE X (the “Term”)

ARTICLE III

The Services

Section 3.1 Services. During the Term, Manager shall make accessible to Client the Platform and the online information, reports and services described in Exhibit A (the “Services”). Manager will retain control over the form and content of the Services, as well as the selection of Vendors and Data used in connection therewith, and may alter all or any portion of the Services from time to time in its sole discretion.

Section 3.2 Grant of Rights; Eligible Users.

(a) Manager hereby grants to Client a non-exclusive and non-transferable license during the Term to allow Eligible Users to access the Platform, and to utilize the Services

made available thereunder, solely for use in connection with Client's internal business purposes in accordance with the Terms of Use and Documentation. In the event of an inconsistency between the defined terms "Terms of Use" and "Documentation" and other terms of this Addendum, the defined terms shall prevail.

(b) The initial Eligible Users for accessing Client's monthly investment account and reporting package shall be those employees of the Client listed on Exhibit B-1 hereto. The initial Eligible Users for accessing Manager's CARA® toolset shall be those employees of the Client listed on Exhibit B-2 hereto. Permission to add a non-employee user may be granted on a case by case basis by Manager. In the event that Client desires during the Term to add, subtract or change an Eligible User, Client's Authorized Person (whose name appears on the Secretary's Certificate in Schedule D to the Investment Management Agreement) shall promptly provide to Manager, an email notice or an amended Exhibit B-1 and/or Exhibit B-2 with the name(s) of the discontinued Eligible User(s) and the name(s) of the new or changed Eligible User(s), which amendment shall (in the case of new or changed Eligible User(s) but not discontinued Eligible Users) be subject to the approval of Manager, which shall not be unreasonably withheld or delayed.

Client further agrees to cooperate in reviewing and confirming in writing the list of Eligible Users from time to time, upon request of the Manager.

Section 3.3 Limitations On Use

(a) Notwithstanding anything to the contrary contained in this-Addendum, Client shall not:

(i) provide access to the Platform to any person that is not an Eligible User;

(ii) except for month-end investment reports, publish, display, distribute or transfer in any form to any third party who is not an employee of Client without the prior written permission of Manager (which permission shall not be unreasonably withheld; however, in the case of a competitor of Manager, any withholding of permission shall be at the sole discretion of Manager), any Manager Data or the results of any research, information or material derived from the use of the Manager's Proprietary System. In no circumstance will Manager's permissions described in this paragraph constitute a guarantee of continuous and uninterrupted third party access to any Manager Data or the results of any research, information or material derived from the use of the Manager's Proprietary System. Manager uses numerous market data vendors and is required to comply with their usage policies. Because these market data vendor policies can change from time to time, Manager reserves the right to revoke any third party permissions granted pursuant to this paragraph and shall have no liability to Client or any third party in the event such permisisions are denied or revoked;

(iii) resell, make available or distribute any Manager Data Services or Documentation (or any part thereof) to any third party whether by license or by any other means;

(iv) except for month-end investment reports, incorporate into, or warehouse on, any computer system of Client any Manager Data, Documentation, Services or Manager's Proprietary System;

(v) copy, adapt, reverse engineer, decompile, disassemble, or modify, any portion of the Manager Data or Manager's Proprietary System;

(vi) conceal, remove or alter any title, trademark, copyright, proprietary or restricted rights notices incorporated in the Manager's Proprietary System;

(vii) use the Manager's Proprietary System in breach of any applicable laws, regulations or market conventions;

(viii) use Manager's name or service marks in connection with a prospectus or the creation, issuance, offer or promotion of a financial instrument, or in their advertising or marketing materials;

(ix) use the Manager's Proprietary System for the benefit of a third party, including, but not limited to, on a time-share basis or acting as a service bureau or application service provider;

(x) use, evaluate, or view any Services for the purpose of designing, modifying, or otherwise creating any software program, or any portion thereof, which performs functions similar to or that compete with the functions performed by any of the Manager's Proprietary System; or

(xi) authorize any third party to do any of the foregoing.

(b) Each password Manager assigns Client will be kept confidential by Client and by the Eligible Users. If Client learns or suspects that such confidentiality or any provision of this Section 3.3 has in any way been breached, Client will immediately notify Manager, which may assign new passwords or restrict the use of all or any portion of the Platform or the Services or take other appropriate action, in Manager's sole discretion.

(c) Client shall, and shall ensure that the Eligible Users are bound to observe all of the terms of the legal statement published and amended from time to time on Manager's web site at [<http://www.grneam.com>] ("Legal Statement"). In the event of an inconsistency between the defined term "Legal Statement" and other terms of this Addendum, the defined term shall prevail. Manager shall provide Client with written notice of any amendments to the Legal Statement on its web site. For purposes of this paragraph, "written notice" shall include notices appearing on Manager's website.

Section 3.4 Non-exclusive Services. Nothing contained herein shall be construed as a limitation on Manager's ability to provide any Platform or the Services (or any portion thereof) or any similar or identical services to any third party.

Section 3.5 Service Maintenance, Upgrades, New Versions. During the Term, Manager shall provide Client with such maintenance and service upgrades as Manager may release from time to time to its other customers who license equivalent services from Manager. Manager shall not be required to provide upgrades or new versions. Manager shall have no obligation to provide new CARA® tools hereunder, and reserves the right to charge additional fees for any new CARA® tools or substantial new functionality provided. Nothing in this section shall be construed to require Manager to provide any additional services, customized Services or Enhancement Services.

Section 3.6 Additional Data Fees. This Addendum is subject to any requirements of Manager's Vendors under Manager's agreements with such Vendors, including those requirements which may be imposed from time to time.

Client acknowledges that if it requests that the CARA® tools be utilized for assets not managed by Manager, certain Data may be subject to separate additional consents and fees imposed by a vendor for receipt of such data through the Platform. Accordingly, Client agrees to pay Manager, as applicable, such additional Vendor fees (including any increases in such Vendor fees) for any such Data requested by Client.

ARTICLE IV Client Responsibilities

Section 4.1 Client Cooperation. Client will cooperate with Manager and provide any necessary assistance, equipment, access to Client's personnel and information to allow Manager to perform Manager's obligations under this Addendum, including without limitation, making available in a timely manner, as reasonably requested by Manager, such management decisions, personnel (whether management, technical or user), information, approvals and acceptances in order that Manager's provision of Services under this Addendum may be properly, timely and efficiently accomplished.

Section 4.2 Client's Program Administrator. Client will designate a qualified program administrator, to be named on each of Exhibit B-1 and Exhibit B-2, who will be authorized to make binding decisions for Client regarding this Addendum ("Client's Program Administrator"), and shall, in a timely manner, (i) provide all Client information and data necessary for Manager's performance of Services and assume responsibility for the accuracy of the same; (ii) arrange for Manager's access to Client's staff, facilities, equipment and systems as appropriate, (iii) render all decisions required by Manager in connection with this Addendum, (iv) distribute usernames and passwords to Eligible Users, (v) provide notice to Manager in accordance with Section 3.2(b) of all changes to the list of Eligible Users, and (vi) take, or have taken, all other action required to be taken by Client under this Addendum.

Section 4.3 Client Responsible for Employees and User Access. Client shall be responsible for the actions of all Eligible Users and anyone who obtains access to the Platform through or from Client or its Eligible Users, whether or not authorized by Client.

Section 4.4 Consent to Electronic Signatures. Client agrees that whenever an Eligible User clicks on an “I Agree”, “I Consent” or other similarly worded “button” or entry field with a mouse, keystroke or any other means communicable via a computer device, the Eligible User’s agreement or consent will be deemed to have been made on behalf of Client, and shall be legally binding and enforceable on Client.

ARTICLE V Manager Proprietary System

All software and related documentation (including the Manager Proprietary System) (i) owned by Manager prior to the Effective Date (ii) of which Manager acquires ownership after the Effective Date, or (iii) which is developed by or on behalf of Manager after the Effective Date for use in connection with the Services, or (iv) which is licensed or leased from a third party by Manager and which will be used in connection with the Services, shall be and shall remain the exclusive property of Manager or its respective third party licensors. Client shall have no rights or interests therein or in any third party software of Manager. All Service Data shall be Manager’s Confidential Information and Manager shall own all Service Data.

ARTICLE VI Data and Reports

Section 6.1 Ownership of Client Data. All data and information submitted to Manager by Client in connection with the Services (the “Client Data”) is and shall remain the property of Client. Except as permitted by this Addendum or the Investment Management Agreement or as reasonably necessary to provide the Services, Manager shall not use the Client Data or, disclose or otherwise provide the Client Data to third parties.

Section 6.2 Reports. Client may use the Platform to produce reports presenting Client Data in accordance with Manager’s standard reporting formats as described in Exhibit A and in such other reporting formats as the parties may agree (the “Reports”). Client may also be able to access its monthly investment accounting and reporting package for its Account via the Platform.

If Client elects to receive the monthly investment accounting and reporting package for its Account via hard copy, in lieu of access via the Platform this box should be checked.

The Client may revoke this preference at any time, and/or can receive a hard copy of any of its monthly investment accounting reports by written notification to Manager.

Section 6.3 Correction of Errors. Manager shall prepare and be responsible for the accuracy and completeness of Reports provided to Client. Client is responsible for the accuracy and completeness of the Client Data as well as any errors or inaccuracies in and with respect to data obtained from Manager due to any inaccurate or incomplete Client Data.

ARTICLE VII**Taxes**

Client shall be responsible for all applicable taxes related to the Services provided under this Addendum including all applicable sales, use, value added or similar taxes arising out of or in connection with this Addendum. If Manager pays any such taxes on behalf of Client, Client shall reimburse Manager for such payment. Client shall not be responsible for taxes based upon Manager's income.

ARTICLE VIII**Confidentiality**

Section 8.1 Confidential Information. "Confidential Information" means any and all information or materials of a party relating to the technology, business or affairs of the disclosing party revealed, disclosed or furnished to the receiving party either orally, in writing or by inspection, that could reasonably be understood by the receiving party to be proprietary or confidential information or materials of the disclosing party. Confidential Information might include, but is not limited to technical information, financial information, business information, billing rates, research information, human resources, personnel information, marketing/sales information, trade secrets, and competitive sensitive information, and such other information as has been or may be disclosed, revealed or furnished before or after the date hereof by the disclosing party. All information of Manager in connection with the Manager Proprietary System and all Client Data will be considered Confidential Information regardless of whether (a) it is disclosed in tangible form; or (b) is marked "Confidential", "Proprietary" or the like. Notwithstanding the foregoing, Confidential Information does not include information that (i) is or becomes generally available to the public other than as a result of a disclosure or improper action by the receiving party or any of its directors, officers, employees, affiliates, agents, subcontractors, or consultants, (ii) was rightfully disclosed to the receiving party by a third party without restriction, provided the receiving party complies with any restrictions imposed by the third party, or (iii) was independently developed by the receiving party without use of or access to any Confidential Information of the disclosing party.

Section 8.2 Preservation of Confidential Information. The parties shall preserve in confidence all Confidential Information, received from the other party using the same degree of care as it uses to preserve and safeguard its own Confidential Information, but in no event less than a reasonable degree of care.

Section 8.3 Return of Confidential Information. Upon the expiration or termination of this Addendum, Client shall return all Confidential Information and all copies of Confidential Information to the Manager.

ARTICLE IX**Disclaimers and Limitations**

Section 9.1 Special Admonitions Regarding Use of Financial Products. The Services contain a number of analytical tools that should only be used by sophisticated investment



professionals. There is no assurance that the financial instruments identified by the Services will perform in a manner that is consistent with their historical characteristics or assure the profitability or utility of forecasts or expected values. Neither Manager nor any Vendor shall be deemed to be providing investment management, broker-dealer, supervision or advisory services in connection with this Addendum. Furthermore, Client understands and acknowledges that all content and materials comprising the Services are to be used solely for informational and research purposes, and that such content and materials are not intended to provide specific investment, financial, tax or legal advice. Information provided through the Services is not intended as advice regarding the nature, potential value, or suitability of any particular security, transaction, or investment strategy. References to any specific securities do not constitute a solicitation or an offer to buy or sell securities.

Section 9.2 Electronic Access and Communications. Client acknowledges that access to the Services and any electronic mail communications between Client and Manager over the Internet are subject to possible interception by third parties during transmission. Manager shall not be responsible for the security of such communications or the safety and security of Client Data during transmission or the prevention of access by unauthorized persons to Client Data transmitted over the Internet. Manager shall not be responsible for any interruption in access to the Services, or inability to access the Services, caused by the interruptions in the availability of the Internet, or slowdowns thereto.

Section 9.3 Services Warranty Disclaimer. EXCEPT AS SET FORTH IN THIS ADDENDUM, THE SERVICES HEREUNDER ARE PROVIDED ON AN "AS IS" BASIS, AND CLIENT'S AND ANY ELIGIBLE USER'S USE THEREOF IS AT ITS OWN RISK. MANAGER DOES NOT MAKE, AND HEREBY DISCLAIMS FOR ITSELF AND ON BEHALF OF ITS CORPORATE PARENTS AND AFFILIATES AND VENDORS, ANY AND ALL EXPRESS AND IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF ACCURACY, ORIGINALITY, CONSISTENCY, TIMELINESS, COMPLETENESS, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT AND TITLE, AND ANY WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE OR TRADE PRACTICE. MANAGER DOES NOT WARRANT THAT THE SERVICES WILL PERFORM AT A PARTICULAR SPEED, OR WILL BE UNINTERRUPTED, ERROR-FREE, OR COMPLETELY SECURE OR FREE OF UNAUTHORIZED HIDDEN PROGRAMS, TROJAN HORSES, WORMS OR VIRUSES OR THAT THE CALCULATIONS OR OTHER FUNCTIONS PERFORMED ON CLIENT'S DATA WILL BE CORRECT OR MEET CLIENT'S NEEDS OR EXPECTATIONS. NEITHER MANAGER NOR MANAGER'S VENDORS WILL BE RESPONSIBLE FOR LOSS OF PROPERTY OR INJURY RESULTING FROM ANY SERVICE OR FOR ANY FAILURE OR INTERRUPTION OF THE SERVICES RESULTING FROM ANY CIRCUMSTANCES BEYOND MANAGER'S CONTROL. MANAGER'S ONLY RESPONSIBILITY FOR ANY OTHER FAILURE OR INTERRUPTION OF THE SERVICES WILL BE TO RE-RUN CLIENT DATA OR REPORTS CAUSED BY A MALFUNCTION OF THE SERVICES. IN NO EVENT WILL MANAGER OR ANYONE ELSE WHO HAS BEEN INVOLVED IN THE PERFORMANCE OF ANY OF THE SERVICES BE LIABLE TO CLIENT OR ANY OTHER PERSON FOR ANY SPECIAL, INCIDENTAL,

CONSEQUENTIAL, INDIRECT, PUNITIVE, EXEMPLARY, OR OTHER SIMILAR DAMAGES INCLUDING, BUT NOT LIMITED TO, ANY LOST PROFITS OR SAVINGS, OR COSTS INCURRED AS A RESULT OF LOSS OF TIME, LOSS OF DATA, LOSS OF THE USE OF SOFTWARE, CLAIMS BY OTHERS, INCONVENIENCE OR SIMILAR COST, OR FOR THE FAILURE OF CLIENT TO PERFORM CLIENT'S RESPONSIBILITIES, EVEN IF MANAGER HAS BEEN ADVISED, KNEW OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES.

ARTICLE X

Termination

Section 10.1 Client may, in its sole option, upon written notice, terminate this Addendum. Manager may in its sole option, upon written notice, terminate this Addendum if Client:

- (a) has materially breached any of its material obligations hereunder, and such breach is not cured within thirty (30) days after written notice thereof by Manager to Client; or
- (b) becomes insolvent or institutes or has instituted against Client voluntary or involuntary proceedings in bankruptcy or under any other insolvency law, or makes or consents to an arrangement with creditors, or corporate reorganization, receivership or dissolution, of Client; or
- (c) ceases to be an Asset Management Client of Manager.

Section 10.2 Notwithstanding the provisions of Section 10.1(a) to the contrary, Manager may terminate this Addendum immediately upon notice if Client breaches Section 3.3 or ARTICLE VIII of this Addendum.

Section 10.3 In the event of the termination of this Addendum, Client shall cease, and Manager may disable, all access to the Services.

ARTICLE XI

Force Majeure

Neither Client nor Manager shall be liable for any failure or delay in the performance of its obligations pursuant to this Addendum and such failure or delay shall not be deemed a breach of this Addendum or grounds for termination hereunder; provided that, such failure or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of reasonably available and economical alternate sources, work-around plans, or other means and if and to the extent such failure or delay is caused, directly or indirectly, by fire, flood, earthquake, elements of nature or acts of God, acts of war, terrorism, threatened terrorism, riots, civil disorders, rebellions or revolutions, strikes, lockouts or labor difficulties, court order, third party nonperformance, or any other similar cause beyond the reasonable control of such party (each, a "Force Majeure Event"). Upon the occurrence of a Force Majeure Event, the non-performing party shall be excused from any further performance of those of its obligations pursuant to this Addendum affected by the Force Majeure Event for as long as such Force Majeure Event continues. The party whose

performance is delayed by a Force Majeure Event shall immediately notify the other party by telephone (to be confirmed by written notice within three (3) days of the inception of the failure or delay) of the occurrence of a Force Majeure Event and describe in reasonable detail the nature of the Force Majeure Event.

ARTICLE XII Indemnification

Section 12.1 Indemnification by Client. Subject to the conditions, provisions and limitations of this Addendum, Client hereby agrees to indemnify, defend and hold harmless Manager and its affiliates from and against all Losses (as defined in Section 12.2) asserted against, resulting to, imposed upon or incurred by Manager by reason of or resulting from any of the following:

- (a) Any use otherwise than in accordance with the terms of this Addendum or misuse of the Services by Client or its Eligible Users including, without limitation, any material violation by Client or the Authorized Representative of any of the Terms of Use or the Documentation; or
- (b) Any allegation or claim that any Client Data or any other intellectual property used by Client in connection with the transactions contemplated in this Addendum infringe or violate any Proprietary Rights of any third party.

Section 12.2 Indemnification by Manager. Subject to the conditions, provisions and limitations of this Addendum, Manager hereby agrees to indemnify, defend and hold harmless Client from and against all actual and direct damages, costs and expenses, including, without limitation, interest, penalties and reasonable attorneys' fees and disbursements (collectively, "Losses"), asserted against, resulting to, imposed upon or incurred by Client by reason of or resulting from any allegation or claim that the intellectual property rights owned by and proprietary to Manager that are used in the provision of the Services infringe any Proprietary Rights; provided, however, that Manager shall have no obligation or liability with respect to any infringement claim to the extent such alleged infringement is based on (a) the use of the Services in violation of this Addendum; (b) the combination, or use of the Services with any service, product, equipment, program or data unless otherwise contemplated under this Addendum; or (c) the alteration, modification or change of any portion of the Services other than by Manager or its employees, agents or subcontractors or with Manager's express prior written consent; and provided further that Manager may, in its sole election and expense, but without any obligation to do so, either (i) procure for Client and its Eligible Users the right to continue to make use of the allegedly infringing portion of the Services, (ii) replace or modify the portion of the Services at issue with substitute matter that is non-infringing but which causes the portion of the Services at issue to be of substantially equivalent functionality and performance to the portion of the Services alleged to be infringing, or (iii) terminate this Addendum.

Section 12.3 Indemnification Procedures. The obligations and liabilities of Manager and Client hereunder with respect to their respective indemnities pursuant to this ARTICLE XII,

resulting from any claim, demand or other assertion of liability by third parties (hereinafter collectively called "Demands"), shall be subject to the following terms and conditions:

(a) Subject to the consent of the party to be indemnified pursuant to this ARTICLE XII (the "Indemnified Party") (such consent not to be unreasonably withheld, delayed or conditioned), the indemnifying party (the "Indemnifying Party") will have the right to undertake, by counsel or representatives of its own choosing, the defense, compromise or settlement to be undertaken on behalf of and for the account and risk of the Indemnifying Party.

(b) In the event the Indemnifying Party shall elect not to undertake such defense by its own representatives, the Indemnifying Party shall give prompt written notice of its election to the Indemnified Party, and the Indemnified Party will undertake the defense, compromise or settlement thereof by counsel designated by it whom the Indemnifying Party determines in writing to be satisfactory for such purposes. The consent of the Indemnifying Party to the Indemnified Party's choice of counsel shall not be unreasonably withheld, delayed or conditioned.

(c) No settlement or compromise of any such Demand may be made by a Party hereto without the prior express written consent or approval of the other Party hereto (such consent not to be unreasonably withheld, delayed or conditioned).

(d) In the event that any Demand shall arise out of a transaction or cover any period or periods wherein Client and Manager each is or may be liable hereunder for part of the liability or obligation arising therefrom, then such Parties shall, each choosing its own counsel and bearing its own expense, defend such Demand, and no settlement or compromise of such Demand may be made without the joint written consent or approval of Manager and Client, except where the respective liabilities and obligations of Client and Manager are clearly allocable or attributable on the basis of objective facts.

(e) The agreements to indemnify contained in this ARTICLE XII shall survive termination or expiration of this Addendum for a period of three (3) years after the effective date of such termination or expiration; provided, however, that with respect to any Demand or other matter (including actual and direct damages incurred other than as a result of a third party claim) for which notice has been timely given within such three (3) year period, the indemnification period shall be extended until the final resolution of such Demand or other matter (including actual and direct damages incurred other than as a result of a third party claim).

(f) A party having reason to believe that it may be entitled to indemnification under this ARTICLE XII shall give reasonably prompt written notice to the other party hereto from whom indemnification may be sought specifying in reasonable detail the nature and basis of any Demand or other matter (including actual and direct damages incurred other than as a result of a third party claim) which may give rise to such indemnification but such notice shall not be a condition of such indemnification. The failure of the Indemnified Party to provide such notice shall not relieve the Indemnifying Party of its obligations under this ARTICLE XII, unless the delay or failure to provide such notice prejudices an Indemnifying Party in a manner that demonstrably results in additional actual and direct damages to such Indemnifying Party, in

which event such Indemnifying Party shall be relieved of such obligations, but only to the extent such additional actual and direct damages can be proved.

ARTICLE XIII

Limitations on Liability

Section 13.1 Direct Damages. In the event Manager shall be held liable to Client, for any matter arising out of, under, or in connection with this Addendum, whether based on an action or claim in contract, equity, negligence, tort, or otherwise, the amount of direct damages recoverable against Manager for all events, acts or omissions shall not exceed, in the aggregate, an amount equal to the sum of all fees received by Manager pursuant to this Addendum for a period of three (3) months prior to the date on which the claim or claims arose.

Section 13.2 No Indirect Damages. Neither Client nor Manager shall be liable for any indirect, incidental, special, or consequential damages, punitive, exemplary, or other similar damages or amounts for loss of income, profits, or savings arising out of or relating to this Addendum.

ARTICLE XIV

General Provisions

Section 14.1 Binding Effect. Client may not assign this Addendum without the prior written consent of Manager which may be withheld in its sole discretion, and any assignment in violation of this Addendum shall be null and void. This Addendum shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and permitted assigns.

Section 14.2 Severability. If any part of this Addendum, or the application thereof to any person or circumstance, is for any reason held invalid or unenforceable, it shall be deemed severable and the validity of the remainder of this Addendum or the applications of such provision to other persons or circumstances shall not be affected thereby.

Section 14.3 Export Regulations. Client acknowledges that the Services and any direct products thereof may be subject to United States export laws, statutes and regulations, and that Client will at all times comply with the provisions of such laws, statutes and regulations including obtaining any necessary or required licenses. Client shall not export or re-export or otherwise transmit, directly or indirectly, the Services or any direct products thereof into, or use the Services or any direct products thereof in, any country prohibited or restricted under United States export laws, statutes or regulations or any other applicable laws.

Section 14.4 Defined Terms. Any capitalized terms not defined herein shall have the meaning set forth in the Investment Management Agreement.

Section 14.5. Entire Agreement. This Addendum supersedes all prior and contemporaneous agreements (including any Beta Extranet Agreements), understandings,

inducements and conditions, express or implied, oral or written, or any nature whatsoever with respect to the subject matter hereof.

**ARTICLE XV
Ongoing Testing**

Periodically, Manager may ask Client to beta test and evaluate certain additional CARA® tools and/or services that Manager is developing. If Client agrees to conduct such beta tests and evaluation, Manager is willing to provide sample data, information or software from such additional services (“Test Data”) to Client at no charge for a limited period of time provided that:

1. Client will use the Test Data solely for the purpose of evaluating the Test Data and Manager’s services within the Client’s own organization and not for redistribution to any third party. Manager, within its sole discretion and without further notice, may discontinue providing such Test Data at any time.

2. The Client understands and acknowledges that in such instances the CARA® tools and or services would be in a beta format and the final format and content of the CARA® tools and/or services may be substantially different from the form presented to the Client. Additionally, Client acknowledges that as a result of the beta condition of such CARA® tools and/or services, some of the functionality may be impaired or nonexistent and the Client as a beta tester agrees to inform Manager of any bugs, glitches or other issues affecting the website of which it becomes aware during such testing.

**ARTICLE XVI
Systems Requirements**

The Client must be able to access the Internet via an Internet Service Provider of its choice at its own expense. Manager's website is designed to work optimally with Microsoft Internet Explorer. Certain sections of the website may not be viewable with other model browsers or older versions of Microsoft Internet Explorer. In addition, Client must use a Windows based PC to access Manager's website and a broadband connection is highly recommended.

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GR=NEAM®

As standards change, Client may need to upgrade existing hardware or software in order to continue to access Manager's website. Manager's technical support is not responsible for Client's inability to access grneam.com for reasons beyond its control, including but not limited to:

- 1) Incompatible and/or deficient Client hardware, software, modem, operating system, communications or any other component.
- 2) Connectivity difficulties resulting from telephone communications, Client's ISP, Client's modem, Client's computer, telephone volume, traffic levels resulting in slow or no response time or incomplete data transmission;
- 3) Problems associated with Client's Internet browsing software such as plug-in components, helper applications, enhancements, upgrades and add-ons, or versions older than those recommended.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be signed by their duly authorized representatives as of the day and year first above written.

PUBLIC AGENCY COMPENSATION TRUST

GENERAL RE-NEW ENGLAND ASSET
MANAGEMENT, INC.



By: Wayne Carlson
Its: Executive Director

By: William E. Rotatori
Its: Chief Executive Officer

Exhibits

Exhibit A. The Services

Exhibit B-1. List of Eligible Users and Program Administration - Monthly Investment
Accounting and Reporting Package

Exhibit B-2. List of Eligible Users and Program Administration - CARA[®] Toolset

EXHIBIT A
Services

Manager's CARA® system is an investment portfolio analytics system. It performs a wide range of analytics calculations on a wide range of securities, portfolios, and indices. The system runs on central site computers (currently in Trumbull, CT). Eligible Users utilize a desktop workstation or PC and Internet Service Provider to access the system. Client supplies the desktop equipment and Internet connection. The system includes:

- Use of Central Site software
- Access to Central Site Database (Indicative, Pricing, Historical)
- Downloading capability of calculated data

CARA® Toolset/Client Reports:

Market Monitors: A collection of "rich/cheap" tools used to analyze broad market indices, yield curves, spreads and specific asset classes.

Risk Portal: CARA's Risk Portal is a comprehensive suite of reports to aid in managing and assessing the risk in a portfolio. The suite of Risk Portal reports covers many topic areas including summary analysis, comparison analysis, concentration risk, surveillance, quality & ratings, transactions and liquidity analysis.

Investment Accounting and Reporting Package: Ability to electronically receive and print monthly investment accounting and reporting package directly from the website.

Data Warehouse: Ability to access holdings, analytics and security master details to develop and prepare reports. The data warehouse is another option to meet changing needs and ad hoc reporting requirements.

EXHIBIT B-1

**List of Eligible Users and Program Administrator
FOR GR-NEAM'S WEBSITE-
ACCESS TO MONTHLY INVESTMENT ACCOUNTING AND
REPORTING PACKAGE**

**PUBLIC AGENCY COMPENSATION TRUST
201 South Roop Street
Suite 102
Carson City, Nevada 89701**

NAME	PHONE NUMBER	E-MAIL ADDRESS
Program Administrator:		
Mike Rebaleati	(775) 885-7475	mikerebaleati@poolpact.com
Wayne Carlson	(775) 885-7475	waynecarlson@poolpact.com
Authorized Users:		
Mike Rebaleati	(775) 885-7475	mikerebaleati@poolpact.com
Wayne Carlson	(775) 885-7475	waynecarlson@poolpact.com
Doug Smith	(775) 885-7475	dougsmith@poolpact.com
Debbie Connally	(775) 885-7475	debbieconnally@poolpact.com
Melissa Mack	(775) 885-7475	melissamack@poolpact.com

EXHIBIT B-2

**List of Eligible Users and Program Administrator
FOR GR-NEAM'S WEBSITE-
ACCESS TO CARA® TOOLSET**

**PUBLIC AGENCY COMPENSATION TRUST
201 South Roop Street
Suite 102
Carson City, Nevada 89701**

NAME	PHONE NUMBER	E-MAIL ADDRESS
Program Administrator:		
Mike Rebaleati	(775) 885-7475	mikerebaleati@poolpact.com
Wayne Carlson	(775) 885-7475	waynecarlson@poolpact.com
Authorized Users:		
Mike Rebaleati	(775) 885-7475	mikerebaleati@poolpact.com
Wayne Carlson	(775) 885-7475	waynecarlson@poolpact.com
Doug Smith	(775) 885-7475	dougsmith@poolpact.com
Debbie Connally	(775) 885-7475	debbieconnally@poolpact.com
Melissa Mack	(775) 885-7475	melissamack@poolpact.com

GENERAL RE - NEW ENGLAND ASSET MANAGEMENT, INC.

Investment Management Agreement

This Agreement is made as of the 1st day of January, 2016, between

1. GENERAL RE - NEW ENGLAND ASSET MANAGEMENT, INC., a corporation organized under the laws of the State of Delaware ("Manager"); and
2. NEVADA PUBLIC AGENCY INSURANCE POOL, an Interlocal Cooperation Agreement entity organized under the laws of the State of Nevada, and its affiliates listed on Schedule E (collectively, the "Client").

WHEREAS, Client appoints Manager as the investment manager of that portion of Client's assets constituting the Account (as defined below) for fees agreed upon in Schedule A. III.;

NOW THEREFORE, in consideration of the mutual agreements herein contained, it is agreed as follows:

Section 1. The Account

The cash, securities and other assets placed by Client in the account to be managed under this Agreement (the "Account") are listed on Section I.A. of Schedule A. Assets may be added to the Account at any time. Client will provide notification to the Manager of any such additions. The Account will include these assets and any changes in them resulting from transactions directed by Manager, withdrawals and additions made by Client, or dividends, interest, stock splits and other earnings, gains or losses on the assets.

Assets of the Client that are not to be managed by Manager are separately identified on Schedule A ("Unmanaged Assets"). Manager may include these assets in its periodic reports to Client, but will exclude their value when calculating Manager's asset management fees and Manager shall not be responsible for valuation of any Unmanaged Assets.

Section 2. Management of the Account

Manager will make all investment decisions for the Account, in Manager's sole discretion and without first consulting or notifying Client, in accordance with the investment restrictions and guidelines which are attached as Schedule B (the "Investment Guidelines"). If Manager manages only a portion of Client's total assets, unless otherwise specified by Client in writing,

Investment Guidelines' restrictions relate specifically to the assets managed by Manager. Client may change these Investment Guidelines at any time, but Manager will be bound by the changes only after it has received and agreed to them in writing. Other than by the Investment Guidelines and the terms of this Agreement, the investments made by Manager on behalf of the Client will not be restricted in any manner, except by operation of law.

In the event that the Account ceases to conform to the Investment Guidelines as a result of changes in market values, maturities, amortization rates, credit ratings or other characteristics of the securities within the portfolio, Manager will not be required to take immediate action to bring the portfolio back into compliance with the Investment Guidelines, but will: inform Client of the non-compliance as soon as reasonably possible either in writing, verbally or both; offer Client the opportunity to consult on the situation; and use its discretion to return the portfolio to compliance over time with a minimum of disruption to the portfolio.

Manager will have full power and authority, on behalf of Client, to instruct any brokers, dealers or banks to buy, sell, exchange, convert or otherwise trade in all securities, futures or other investments for the Account.

Manager will not be responsible for giving Client investment advice or taking any other action with respect to Unmanaged Assets.

Client appoints Manager as the true and lawful attorney of the Client for and in the name, place and stead of Client, in Manager's unrestricted discretion, to operate and conduct the brokerage accounts of the Client and to do and perform all and every act and thing whatsoever requisite in furtherance of this Agreement, including the negotiation and execution of all writings related to the purchase or sale, settlement, assignments, transfers and ownership of any stocks, bonds, commodities, or other derivatives or securities, including, without limitation, such documentation relating to restructuring, reorganization or other action of or relating to the issuer. Pursuant to the appointment and powers granted herein, Client hereby authorizes Manager to enter into one or more Master Securities Forward Settlement Agreements ("MSFTA") or similar agreements on Client's behalf as the agent of Client and to coordinate all required collateral transfers in connection with authorized transactions and settlements hereunder. Manager is hereby fully authorized to act and rely on the authority vested pursuant to said power of attorney.

Effective as of January 1, 2016, and until further notice, Manager will provide investment accounting services for Client, and will assist Client in preparing Client's statutory Schedule D, if applicable. Client acknowledges that Manager will provide accounting data according to Manager's standard interpretation of accounting principles, unless expressly instructed otherwise by Client's prior written notice.

Section 3. Transactions for the Account

Manager will arrange for securities transactions for the Account to be executed through those brokers, dealers or banks that Manager believes will provide best execution. In choosing a broker, dealer or bank, Manager will consider the broker, dealer or bank's execution capability, reputation and access to the markets for the securities being traded for the Account. Manager will seek competitive commission rates, but not necessarily the lowest rates available.

Manager may also send transactions for the Account to brokers who charge higher commissions than other brokers, provided that Manager determines in good faith that the amount of commissions Manager pays is reasonable in relation to the value of the brokerage and research services provided, viewed in terms either of that particular transaction or Manager's overall responsibilities with respect to all clients whose accounts Manager manages on a discretionary basis.

Portfolio transactions for each client account generally are completed independently. However, if Manager decides to purchase or sell the same securities for Client and other clients at about the same time, Manager may combine Client's order with those of other clients if Manager reasonably believes that it will be able to negotiate better prices or lower commission rates or transaction costs for the combined order than for Client's order alone. Client will pay the average price and transaction costs obtained for such combined orders. Manager generally will allocate securities purchased or sold as part of a combined order to Client's Account and to accounts of other clients according to the size of the order placed for each client.

If Manager is unable to obtain execution for the total amount of the securities in the combined orders, adjustments to the allocation will generally be made on a random methodology basis with the exception of certain alternative high yield fixed income security transactions which are allocated on a pro-rata basis. However, Manager may increase or decrease the amounts of securities allocated to each client if necessary to avoid having odd or small number of shares held for the account of any client and may deviate from a selected allocation methodology based on, among other factors, available cash in the account or account-specific investment guidelines. Each client that participates in a combined order will receive or pay the average share price and/or transactions costs for all transactions executed as part of the combined order.

If Client directs Manager to use particular brokers, dealers or banks to execute transactions for the Account, Manager will do so, but Manager will not seek better execution services or prices for Client from other brokers, dealers or banks, and Client may pay higher prices or transaction costs as a result. Manager also may not be able to seek better execution services for Client by combining Client's orders with those of other clients.

Client may direct all transactions for the Account to a particular broker, dealer or bank, by writing the name and address of that broker, dealer or bank in the space provided on Schedule A.

Any tax-related documentation required by broker/dealers and/or custodian banks shall be completed by Client. This includes Forms W-9 or W-8 which are necessary to confirm Client's tax identification number and certification of tax status. Upon receipt, Client shall process promptly as failure to do so may result in transactions in the Client's account to be subject to backup withholding payments.

Section 4. Transaction Confirmations

Manager will instruct the brokers, dealers or banks who execute transactions for the Account to send Client duplicate copies of all transaction confirmations, unless Client chooses not to receive confirmations. If Client does not wish to receive individual confirmations, this box should be checked.

Client may elect to receive individual confirmations at any time by giving Manager written notice.

Section 5. Custody of Account Assets

The assets in the Account will be held for Client by the custodian named on Schedule A (the "Custodian"). Manager will not have custody of any Account assets. Client will pay all fees of the Custodian.

Client will authorize the Custodian to follow Manager's instructions to make and accept payments for, and to deliver or to receive, securities, cash or other investments purchased, sold, redeemed, exchanged, pledged or loaned for the Account. Client also will instruct the Custodian to send Client and Manager monthly statements showing the assets in and all transactions for the Account during the month, including any payments of Manager's fees.

Client will give Manager reasonable advance notice of any change of Custodian.

Section 6. Client Reports and Electronically Available CARA® Toolset and Information

Both Parties agree that the Web Access Addendum attached as Schedule F hereto shall govern the Manager's provisions and Client's use of the electronically available CARA® toolset and information.

Manager shall prepare 1) monthly appraisal reports and detailed holdings reports, showing current book values, securities valuations, unrealized gains and losses, book yields and average life; and 2) transaction reports.

Manager utilizes a core set of reports to complete the investment accounting which generally include the following:

- Holdings
- Transaction

- Investment Income Earned
- Open Trades
- Cash Activity / Contributions and Withdrawals
- Summary General Ledger Entries
- Trial Balance of Investment Accounts

Manager shall work with Client to produce a reporting package that meets Client's investment accounting and reporting needs and will deliver the reports to Client by the later of the morning of the sixth business day following each reporting month or the third business day after the day on which Manager receives from Client, Client's asset manager or other third party the last remaining information required by Manager to prepare such reports.

Notwithstanding the foregoing, Client acknowledges and agrees that delays in Manager's delivery of reports resulting from the failure by Client, its manager(s), custodian bank(s) or any other third party to deliver necessary account information to Manager in a timely manner or caused, directly or indirectly, by fire, flood, earthquake, elements of nature or acts of God, acts of war, terrorism, threatened terrorism, riots, civil disorders, rebellions or revolutions, strikes, lockouts or labor difficulties, court order, third party nonperformance, or any other similar cause beyond the reasonable control of Client or Manager shall not constitute a breach by Manager of the reporting deadlines set forth above.

Client agrees to obtain its appraisals and investment accounting reports via Manager's website, GRNEAM.com. However, both Parties agree that Client has the right to receive hard copies of the appraisals and investment accounting reports and that, upon reasonable written request by an authorized person, Manager will send them to the Client.

The Account's performance will be sent monthly, quarterly or annually upon Client request. Ad hoc reports and presentation materials are prepared as reasonably directed by Client.

Section 7. Account Valuation

Manager will value the securities in the Account using independent pricing sources. Securities shall be valued in accordance with any reasonable valuation method selected by Manager, consistent with industry accepted practices. While Manager does its best to obtain representative market prices for all securities in the Account, such prices do not always reflect the price actually received or paid on the open market.

Section 8. Manager's Fees

For Manager's services, Client will pay a percentage of the value, as determined under Section 7 of this Agreement, of all assets in the Account (excluding Unmanaged Assets) as of the last trading day of each calendar month. In the event this Agreement is terminated prior to any month end, fees for the final partial month shall be calculated based on the valuation of assets performed at the end of the prior month. The fees are payable at the end of each calendar quarter for services provided by Manager during the prior three months. The percentage amount of the

fees is shown on Schedule A. In any partial period, the fees will be reduced pro rata based on the number of days the Account was managed.

Client will be billed directly by Manager and will pay Manager's fees within 30 days of receiving the bill.

If Manager invests in securities issued by money market funds or other investment companies and funds, including Exchange Traded Funds (ETFs), for the Account, these securities will be included in the value of the Account when Manager's fees are calculated. These same assets will be subject to additional investment management and other fees that are paid by the investment company or fund but ultimately borne by its shareholders, including the Client. These additional fees are described in each investment company's prospectus.

Section 9. Proxy Voting

If the Account does not include equity securities, Manager will not act as proxy. Check the box below to indicate that the Account does not include equity securities and Manager will not act as proxy:

Account does not include equity securities; Manager will not act as proxy.

If the Account contains equity securities, select *either* A or B, below:

- A. Client directs Manager not to vote proxies for equity securities held for the Account.
- B. Client directs Manager to vote all proxies for equity securities held for Client's Account in accordance with (select one):
- Manager's own discretion
 - or
 - Client's proxy voting guidelines attached as Schedule C.

Client shall direct Custodian to send promptly all proxies and related shareholder communications to:

Glass Lewis & Co., LLC ("Glass Lewis")
 PVA – GEN016/General RE
 One Sansome Street, Suite 3300
 San Francisco, CA 94104

and to identify them as relating to Client's Account. Client understands that Glass Lewis will not be able to vote proxies if they are not received on a timely basis by Glass Lewis and properly identified as relating to Client's Account.

These proxy voting instructions may be changed at any time by notifying Manager in writing.

Section 10. Legal Proceedings

Manager will not provide legal advice or act for Client in any legal proceedings, including bankruptcies or class actions, involving securities held in the Account or issuers of those securities or any other matter, but shall continue to monitor, manage and provide investment advice regarding investments held in the Account.

Section 11. Risk

Manager cannot guarantee the future performance of the Account, promise any specific level of performance or promise that its investment decisions, strategies or overall management of the Account will be successful. The investment decisions Manager will make for Client are subject to various market, currency, economic, political and business risks, and will not necessarily be profitable.

Section 12. Standard of Care; Limitation of Liability

Except as may otherwise be provided by law, Manager will not be liable to Client for any loss (i) that Client may suffer as a result of Manager's good faith decisions or actions where Manager exercises the degree of care, skill, prudence and diligence that a prudent person acting in a like fiduciary capacity would use; (ii) caused by following Client's instructions; (iii) caused by the Custodian, any broker, dealer or bank to which Manager directs transactions for the Account or any other person; (iv) resulting from legislation, actions by public authorities, acts of war, natural disasters, strikes, blockades, boycotts, lockouts or similar circumstances; (v) caused by securities exchanges or other marketplaces, custodian institutions, central securities depositories, clearing organizations, or other parties which provide equivalent services; or (vi) caused by contractors selected by Manager with due care or those who have been recommended by the Client. Nor shall the Manager be liable for any damage or loss that occurs to the Client or any other affiliate or interest holder due to restrictions upon disposal that may be applied against the Manager in respect of financial instruments.

Federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith, and this Agreement does not waive or limit Client's rights under those laws.

Manager will not be responsible for Client's own compliance with the insurance investment laws of Client's state of domicile or for Client's compliance with applicable tax laws.

In managing the Account, Manager will not consider any other securities, cash, or other investments or assets Client owns for diversification or other purposes. Manager shall have no responsibility whatsoever for the management of the Unmanaged Assets or any assets of Client other than the Account and shall incur no liability for any loss or damage which may result from the management of such other assets.

If Manager is called upon by Client to participate in, testify or produce records in connection with any legal process, extraordinary audits or investigations to which Manager is not a party, not alleged to be at fault or negligent or would not otherwise participate in relating to this Agreement, the Account, Client or the services provided hereunder, Client shall reimburse Manager for any extraordinary expenses properly and necessarily incurred by Manager as a direct result thereof.

Section 13. Client Directions

The names and specimen signatures of each individual who is authorized to give directions to Manager on Client's behalf under this Agreement are set forth on Schedule D. Directions received by Manager from Client must be signed by at least one such person. If Manager receives directions from Client which are not signed by a person that Manager reasonably believes is authorized to do so, Manager shall not be required to comply with such directions until it verifies that the directions are properly authorized by Client.

Manager shall be fully protected in relying upon any direction signed or given by a person that Manager reasonably believes is authorized to give such directions on Client's behalf. Manager also shall be fully protected when acting upon an instrument, certificate, or paper that Manager reasonably believes to be genuine and to be signed or presented by any such person or persons. Manager shall be under no duty to make any investigation or inquiry as to any statement contained in any writing and may accept the same as conclusive evidence of truth and accuracy of statements contained therein.

Section 14. Confidentiality

Except as Client and Manager otherwise agree or as may be required by law, all information concerning the Account and services provided under this Agreement shall be kept confidential.

Section 15. Non-Exclusive Agreement

Manager provides investment advice to other clients and may give them advice or take actions for them, for Manager's own accounts or for accounts of persons related to or employed by Manager, which is different from advice provided to or actions taken for Client.

Manager is not obligated to buy, sell or recommend for Client's Account any security or other investment that Manager may buy, sell or recommend for other clients or for the account of Manager or its related persons or employees.

If Manager obtains material, non-public information about a security or its issuer that Manager may not lawfully use or disclose, Manager will have no obligation to disclose the information to Client or to use it for Client's benefit.

Section 16. Term of Agreement

Either Client or Manager may cancel this Agreement at any time upon 30 days written notice. This Agreement will remain in effect until terminated. Termination of this Agreement will not affect (i) the validity of any action that Manager or Client has previously taken; (ii) the liabilities or obligations of Manager or Client for transactions started before termination; or (iii) Client's obligation to pay Manager's fees through the date of termination. Upon termination, Manager will have no obligation to recommend or take any action with regard to the securities, cash or other assets in the Account.

Section 17. Agreement Not Assignable

This Agreement may not be assigned within the meaning of the Investment Advisers Act of 1940 (the "Advisers Act") by Manager without Client's written consent.

Section 18. Governing Law

The laws of the State of Nevada will govern this Agreement. However, nothing in this Agreement will be construed contrary to any provision of the Advisers Act or the rules thereunder.

Section 19. Miscellaneous

If any provision of this Agreement is or becomes inconsistent with any applicable law or rule, the provision will be deemed rescinded or modified to the extent necessary to comply with such law or rule. In all other respects, this Agreement will continue in full force and effect. This Agreement contains the entire understanding between Manager and Client and may not be changed except in writing signed by both parties. Failure to insist on strict compliance with this Agreement or with any of its terms or any continued conduct will not be considered a waiver by either party under this Agreement.

Section 20. Notices

All notices and instructions with respect to the Account or other matters covered by this Agreement may be sent by U.S. mail express delivery services, facsimile, e-mail or other electronic means to Client and to Manager at the addresses at the end of this agreement or to another address provided in writing.

Section 21. Representations of Client

Client represents and warrants to Manager that (a) Client is the beneficial owner of all assets in the Account and except as specifically identified by Client, there are no restrictions on transfer or sale of any of those assets; (b) this Agreement has been duly authorized, executed, and delivered by Client and is Client's valid and binding obligation; (c) the names of the individuals who are authorized to act under this Agreement on behalf of Client have been given to Manager in writing; (d) no government authorizations, approvals, consents, or filings not already obtained are required

in connection with the execution, delivery, or performance of this Agreement by Client; and (e) it is not an employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), or a plan subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the “Code”), nor a Person acting on behalf of any such plan. Client agrees to notify Manager in writing within five (5) days after the occurrence of an event making the above warranties no longer accurate.

Client agrees to indemnify, defend and hold harmless Manager and its officers, directors, agents, employees, shareholders, legal representatives, successors and assigns, from and against any and all claims, actions, suits, damages, costs, liabilities, judgments, losses, charges, costs and expenses, including attorneys’ fees, of Manager arising from any failure by Client to accurately disclose its status under this Section or by reason of any defect in Client’s authority to appoint Manager under this Agreement.

Section 22. Representations of Manager

Manager represents and warrants that this Agreement has been duly authorized, executed and delivered by Manager and is its valid and binding obligation and that it is registered as an investment adviser with the Securities and Exchange Commission pursuant to the Advisers Act and that such registration is currently effective.

Section 23. Form ADV

Client has received and reviewed a copy of Manager's Form ADV Part 2A Brochure, Manager’s Form ADV Part 2B Brochure Supplement and a copy of this Agreement.

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Section 24. Independent Contractor

The relationship of Manager to Client is and shall remain during the term of this Agreement that of independent contractor. Manager and Client are not partners or joint venturers with each other under this Agreement, and nothing in this Agreement shall be construed so as to make them partners or joint venturers, or to impose any liability as such on either of them.

AGREED TO AND ACCEPTED BY:

GENERAL RE - NEW ENGLAND
ASSET MANAGEMENT, INC.

NEVADA PUBLIC AGENCY RISK POOL



By: William E. Rotatori
Its: Chief Executive Officer



By: Wayne Carlson
Its: Executive Director

Principal Address:

Pond View Corporate Center
74 Batterson Park Road
Farmington, Connecticut 06032

201 South Roop Street
Suite 102
Carson City, Nevada 89701

Taxpayer Identification Number: 88-0227237

SCHEDULE A

I. ACCOUNT ASSETS.

A. Managed Assets - Client has deposited the following securities, cash and other assets with the Custodian identified below to be managed under this Agreement:

SEE LIST OF INITIAL HOLDINGS ATTACHED AS SCHEDULE A-1

B. Unmanaged Assets - Client also deposited with the Custodian the following assets which are not to be managed under this Agreement:

II. CUSTODY OF ACCOUNT ASSETS. The assets to be managed under this Agreement and any Unmanaged Assets will be held by:

Custodian Bank:	Custodian Account Name:	Custodian Account Number:
Wells Fargo _____	NEVADA PUBLIC AGENCY INSURANCE POOL – OTHER	24131301
Contact: _____ Phone #: _____ Email: _____	NEVADA PUBLIC AGENCY INSURANCE POOL - NEAM	24131302

III. FEES. Manager’s fees for services provided under this Agreement shall be as follows, subject to the provisions of Section 8 of the Agreement:

Asset Management Fees:

Annual fee of .14% (fourteen hundredths of one percent) on the first \$200 million of the market value of the assets under management; and

.10% (ten hundredths of one percent) on the market value of the remaining assets under management.

Management Fees are subject to a \$150,000 minimum. Assets of all Client affiliated accounts managed by Manager are aggregated for fee calculation purposes.

SCHEDULE A (continued)**Investment Accounting Fees:**

In addition to the asset management fees specified above, the annual Manager's fees for accounting services including assistance with Schedule D preparation provided under this Agreement shall be: (i) an additional .01% (one hundredth of one percent) on the market value of managed and accounted for assets, and (ii) an additional 0.02% (two hundredths of one percent) on the market value of said unmanaged and accounted for assets, subject to a \$15,000 annual minimum evaluated quarterly.

Investment accounting fees contemplate a 5 business day close (reports delivered on the morning of the 6th day).

Website Tools Fees:**CARA® Toolset & Accessing Reports via the Website**

Manager may provide Client with access to their monthly investment accounting and reporting package and additional analytical CARA® tools for Client's managed assets via Manager's website. Manager reserves the right to charge additional fees for access to any such CARA® tools on at least sixty (60) days notice to Client.

CARA® Toolset for Unmanaged Assets:

Client may request to utilize the CARA® tools on unmanaged assets, subject to Manager's approval and possible additional fees. Manager shall not be responsible for valuation of any Unmanaged Assets.

IV. BROKERAGE DIRECTION. Client directs Manager to cause all transactions for the Account to be executed through the following broker, dealer or Bank: _____

NOT APPLICABLE

Client has read, understands and accepts the limitations that this direction will place on Manager's ability to seek best execution for the Account. This direction may be changed by Client at any time by notifying Manager in writing.

SCHEDULE A-1

LIST OF INITIAL MANAGED HOLDINGS

(see attached)

PLP NEVADA PUBLIC AGENCY INS POOL (POOL)

Amounts Converted to USD

Monthly Appraisal | GAAP Basis

As Of 01/31/2016

Cusip	Security Description	Coupon Rate	Maturity Date	Quantity	Book Value	Market Price	Market Value	Unrealized Gain/Loss	Book Yield	YTW At Mkt	Average Life	DTW At Mkt	Lowest Rating
CASH & CASH EQUIVALENTS													
99C019447	WELLS FARGO ADV CASH INV FD INST 451	0.000		733,933	733,933	1.000	733,933	0	0.00	0.00	0.00	0.00	AAA
TOTAL CASH & CASH EQUIVALENTS				733,933	733,933		733,933	0	0.00	0.00	0.00	0.00	AAA
SOVEREIGNS													
912828A42	UNITED STATES TREASURY NOTE	2.000	11/30/20	550,000	558,208	103.012	566,564	8,356	1.68	1.35	4.84	4.59	AA+
912828J27	UNITED STATES TREASURY NOTE	2.000	02/15/25	1,190,000	1,169,511	100.824	1,199,808	30,298	2.21	1.90	9.05	8.17	AA+
912828J43	UNITED STATES TREASURY NOTE	1.750	02/28/22	620,000	619,252	101.156	627,169	7,917	1.77	1.55	6.09	5.72	AA+
912828JH4	UNITED STATES TREASURY NOTE	4.000	08/15/18	1,615,000	1,711,782	107.941	1,743,254	31,472	1.58	0.84	2.55	2.40	AA+
912828TY6	UNITED STATES TREASURY NOTE	1.625	11/15/22	950,000	926,079	99.871	948,775	22,697	2.02	1.65	6.79	6.39	AA+
912828VB3	UNITED STATES TREASURY NOTE	1.750	05/15/23	1,060,000	1,031,100	100.281	1,062,981	31,882	2.16	1.71	7.29	6.80	AA+
912828VE7	UNITED STATES TREASURY NOTE	1.000	05/31/18	950,000	950,348	100.277	952,635	2,286	0.98	0.88	2.34	2.30	AA+
912828WW6	UNITED STATES TREASURY NOTE	1.625	07/31/19	740,000	737,503	101.789	753,239	15,736	1.72	1.10	3.51	3.38	AA+
TOTAL SOVEREIGNS				7,675,000	7,703,782		7,854,426	150,643	1.77	1.34	5.21	4.86	AA+
AGENCY													
313372C36	FEDERAL HOME LOAN BANK	3.125	12/08/17	1,100,000	1,143,808	104.131	1,145,441	1,633	0.95	0.88	1.86	1.81	AA+
313378J77	FEDERAL HOME LOAN BANK	1.875	03/13/20	1,445,000	1,441,233	102.249	1,477,498	36,265	1.94	1.31	4.12	3.94	AA+
649081AA4	NEW VALLEY GENERATION IV	4.687	01/15/22	576,394	625,497	109.574	631,576	6,079	1.95	1.64	3.26	3.06	AA-
649083AA0	NEW VALLEY GENERATION I	7.299	03/15/19	266,301	297,797	109.145	290,654	(7,143)	1.20	1.54	1.62	1.54	AA-
880591EA6	TENN VALLEY AUTHORITY	5.500	07/18/17	1,150,000	1,198,389	106.711	1,227,176	28,788	2.55	0.89	1.47	1.42	AA+
880591EC2	TENN VALLEY AUTHORITY	4.500	04/01/18	495,000	529,730	107.421	531,734	2,004	1.21	1.04	2.17	2.06	AA+
880591EL2	TENN VALLEY AUTHORITY	3.875	02/15/21	1,400,000	1,511,445	110.839	1,551,746	40,301	2.20	1.63	5.04	4.55	AA+
TOTAL AGENCY				6,432,695	6,747,899		6,855,825	107,926	1.85	1.25	3.14	2.94	AA+
GOVERNMENT GUARANTEED													
742651DG4	PRIVATE EXPORT FUNDING	4.375	03/15/19	715,000	729,598	109.226	780,966	51,368	3.68	1.35	3.13	2.90	AA+
742651DJ8	PRIVATE EXPORT FUNDING	4.300	12/15/21	325,000	356,948	112.351	365,141	8,193	2.49	2.06	5.88	5.22	AA+
742651DM1	PRIVATE EXPORT FUNDING	2.800	05/15/22	1,105,000	1,111,183	104.282	1,152,316	41,133	2.70	2.07	6.29	5.74	AA+
742651DQ2	PRIVATE EXPORT FUNDING	1.450	08/15/19	150,000	147,549	100.212	150,318	2,769	1.93	1.39	3.54	3.42	AAA
742651DU3	PRIVATE EXPORT FUNDING	2.250	03/15/20	1,040,000	1,038,375	102.781	1,068,922	30,547	2.29	1.55	4.13	3.91	AAA

PLP NEVADA PUBLIC AGENCY INS POOL (POOL)

Amounts Converted to USD

Monthly Appraisal | GAAP Basis

As Of 01/31/2016

Cusip	Security Description	Coupon Rate	Maturity Date	Quantity	Book Value	Market Price	Market Value	Unrealized Gain/Loss	Book Yield	YTW At Mkt	Average Life	DTW At Mkt	Lowest Rating
TOTAL GOVERNMENT GUARANTEED				3,335,000	3,383,653		3,517,663	134,010	2.73	1.72	4.77	4.40	AA+
MBS													
3138EK2U8	FNMA POOL AL3486	2.000	05/01/23	270,397	274,899	101.214	273,680	(1,219)	1.33	1.49	2.67	2.59	AA+
31418AU22	FNMA POOL MA1500	2.000	07/01/23	799,958	810,797	101.216	809,682	(1,115)	1.45	1.49	2.69	2.61	AA+
31418AV54	FNMA POOL MA1535	2.000	08/01/23	1,183,773	1,206,666	101.216	1,198,167	(8,499)	1.24	1.50	2.74	2.65	AA+
31418AXP8	FNMA POOL MA1585	2.000	09/01/23	370,625	375,261	101.217	375,135	(127)	1.51	1.52	2.86	2.76	AA+
36213FSY0	GNMA POOL 553235	6.000	05/15/33	20,088	21,048	113.088	22,717	1,669	3.96	2.24	3.81	3.49	AA+
TOTAL MBS				2,644,840	2,688,671		2,679,380	(9,292)	1.37	1.50	2.74	2.65	AA+
ABS													
83162CUG6	SMALL BUSINESS ADMINISTRATION 11-20I 1	2.850	09/01/31	615,879	614,038	103.607	638,095	24,057	2.91	2.23	6.44	5.68	AA+
831641FB6	SMALL BUSINESS ADMINISTRATION 14-10B 1	3.015	09/10/24	803,424	804,136	105.860	850,505	46,369	3.01	2.26	8.61	7.51	AA+
TOTAL ABS				1,419,303	1,418,175		1,488,600	70,425	2.97	2.24	7.68	6.73	AA+
CMO / RMBS													
3133TELG7	FREDDIE MAC -2064 M	6.000	06/15/28	16,150	16,521	111.715	18,042	1,522	5.00	1.31	2.63	2.52	AA+
3133TNCR3	FREDDIE MAC -2210 AN	6.000	01/15/30	26,143	26,769	108.890	28,467	1,697	4.94	2.27	2.56	2.41	AA+
31340YLQ0	FREDDIE MAC -35 Z	10.000	04/15/20	1,314	1,320	102.776	1,351	31	8.85	4.93	0.63	0.61	AA+
31340YMX4	FREDDIE MAC -39 F	10.000	05/15/20	5,104	5,151	109.505	5,590	439	9.03	1.59	1.19	1.15	AA+
31359DBR3	FANNIE MAE 93-147 X	7.000	08/25/23	23,004	24,064	109.165	25,112	1,049	4.90	2.99	2.55	2.36	AA+
31359LAH8	FANNIE MAE 94-9 PJ	6.500	08/17/24	61,435	63,828	110.977	68,179	4,352	4.93	2.31	2.82	2.62	AA+
313603RA2	FANNIE MAE 90-6 H	9.000	01/25/20	3,754	3,953	109.608	4,114	162	4.44	0.95	1.28	1.25	AA+
3136A0QW0	FANNIE MAE 11-79 GC	2.000	12/25/22	318,884	323,654	100.868	321,652	(2,003)	1.29	1.55	2.29	2.22	AA+
3136A4G60	FANNIE MAE 12-17 KB	2.000	01/25/40	363,079	362,625	97.495	353,984	(8,640)	1.97	2.99	2.59	2.46	AA+
3136A7JX1	FANNIE MAE 12-67 HG	1.500	04/25/27	788,950	786,575	100.485	792,776	6,202	1.59	1.26	2.49	2.43	AA+
3136A9A81	FANNIE MAE 12-127 DA	1.500	11/25/27	507,939	509,726	99.969	507,781	(1,945)	1.29	1.47	2.15	2.10	AA+
3136ADKX6	FANNIE MAE 13-29 JE	1.250	04/25/43	101,018	101,208	94.615	95,578	(5,630)	1.15	3.45	2.64	2.45	AA+
3137A0UL7	FREDDIE MAC -3716 PC	2.500	04/15/38	222,794	226,953	100.987	224,993	(1,960)	1.64	2.02	2.29	2.21	AA+
3137AA5M1	FREDDIE MAC -3854 GJ	2.000	11/15/24	168,774	170,447	100.517	169,647	(800)	0.87	1.34	0.91	0.90	AA+
3137AAGA5	FREDDIE MAC -3857 GL	3.000	05/15/40	248,037	252,765	102.321	253,793	1,028	2.32	2.17	3.07	2.90	AA+
3137AEG90	FREDDIE MAC -3903 QD	2.500	03/15/41	107,783	109,919	102.056	109,999	81	1.56	1.80	3.18	3.03	AA+
3137AELR4	FREDDIE MAC -3910 JB	3.000	12/15/37	761,917	760,430	102.305	779,480	19,051	3.05	2.09	2.76	2.63	AA+

2/3/2016

5:24:06PM

APPRSL

PLP NEVADA PUBLIC AGENCY INS POOL (POOL)

Amounts Converted to USD

Monthly Appraisal | GAAP Basis

As Of 01/31/2016

Cusip	Security Description	Coupon Rate	Maturity Date	Quantity	Book Value	Market Price	Market Value	Unrealized Gain/Loss	Book Yield	YTW At Mkt	Average Life	DTW At Mkt	Lowest Rating
3137AFBY7	FREDDIE MAC -3926 MB	1.750	11/15/25	301,278	303,749	101.028	304,375	625	1.28	1.15	1.85	1.81	AA+
3137AGBH2	FREDDIE MAC -3945 BJ	2.000	03/15/26	612,405	619,044	99.101	606,898	(12,146)	1.56	2.33	2.67	2.55	AA+
3137AJ6H2	FREDDIE MAC -3955 BK	2.000	02/15/41	178,919	180,594	98.991	177,113	(3,481)	1.71	2.29	3.56	3.34	AA+
3137APBF6	FREDDIE MAC -4033 ED	2.500	10/15/36	359,195	361,939	101.164	363,377	1,438	2.26	2.14	3.61	3.40	AA+
3137APH78	FREDDIE MAC -4032 AE	2.250	10/15/41	624,533	636,277	99.599	622,031	(14,246)	1.70	2.35	4.02	3.73	AA+
31393C6V0	FANNIEMAE WHOLE LOAN 03-W11 A2	6.388	07/25/33	7,567	7,946	107.930	8,167	221	3.45	2.58	2.32	2.18	AA+
31397QDZ8	FANNIE MAE 10-150 PC	3.000	10/25/40	236,335	240,920	102.141	241,394	474	2.42	2.36	3.85	3.56	AA+
31398SUR2	FANNIE MAE 10-145 MA	2.000	12/25/20	693,659	701,794	100.959	700,309	(1,484)	1.28	1.39	1.82	1.79	AA+
31398SYY3	FANNIE MAE 10-141 MD	2.000	10/25/40	184,852	185,185	100.172	185,171	(14)	1.90	1.90	2.87	2.75	AA+
38377KKU3	GOVERNMENT NATIONAL MORTGAGE A 10-115 T	2.500	10/20/37	166,655	168,110	100.892	168,141	32	1.71	1.67	1.24	1.22	AA+
38377MPW0	GOVERNMENT NATIONAL MORTGAGE A 10-137 P	2.500	02/20/38	199,092	200,947	100.852	200,789	(159)	1.77	1.80	1.43	1.40	AA+
38377UN20	GOVERNMENT NATIONAL MORTGAGE A 11-62 P	3.000	01/20/40	306,016	310,326	100.672	308,072	(2,254)	1.11	1.95	0.79	0.78	AA+
38377XQW5	GOVERNMENT NATIONAL MORTGAGE A 11-117 F	2.000	05/20/39	321,770	325,472	100.602	323,705	(1,767)	1.43	1.67	2.18	2.12	AA+
38378PTN8	GOVERNMENT NATIONAL MORTGAGE A 13-186 V	2.500	03/16/27	1,338,871	1,351,392	101.910	1,364,444	13,052	2.30	2.10	5.22	4.85	AA+
92261WAA8	VENDEE MORTGAGE TRUST 11-1 DA	3.750	02/15/35	522,761	527,408	105.138	549,622	22,214	3.42	1.97	3.08	2.90	AA+
TOTAL CMO / RMBS				9,779,987	9,867,008		9,884,147	17,139	1.95	1.93	2.93	2.78	AA+
CMBS													
3137BLAC2	FHLMC MULTIFAMILY STRUCTURED P -K048 A2	3.284	06/25/25	640,000	658,534	104.613	669,523	10,990	2.92	2.71	9.24	8.00	AA+
38376G5R7	GOVERNMENT NATIONAL MORTGAGE A 11-142 A	2.337	10/16/40	367,669	370,274	101.146	371,882	1,608	1.97	1.75	2.16	2.10	AA+
38378BSP5	GOVERNMENT NATIONAL MORTGAGE A 12-46 A	1.771	11/16/38	367,407	367,057	100.303	368,521	1,464	1.80	1.43	1.09	1.08	AA+
38378BUJ6	GOVERNMENT NATIONAL MORTGAGE A 12-70 A	1.732	05/16/42	862,867	865,017	100.017	863,013	(2,004)	1.56	1.69	1.78	1.74	AA+
TOTAL CMBS				2,237,943	2,260,882		2,272,940	12,058	2.06	1.96	3.93	3.53	AA+
GRAND TOTAL				34,258,702	34,804,004		35,286,914	482,910	1.93	1.59	3.85	3.58	AA+

SCHEDULE B

INVESTMENT GUIDELINES: The investment guidelines to be followed by Manager in managing Client's Account are set forth below:

(see attached)

NEVADA PUBLIC AGENCY INSURANCE POOL

INVESTMENT GUIDELINES

1. Scope

This investment policy applies to all financial assets of the POOL. These funds are accounted for in the POOL's annual financial report.

2. Statement of Purpose

- A. Safety of principal is an important objective of the investment program. To ensure that investment of funds is accomplished in a safe and secure manner, particularly with respect to limiting the exposure of the POOL to unnecessary risk, investments shall be undertaken in a manner that seeks to ensure the preservation of capital. To attain this objective, diversification is required in accordance with these guidelines.
- B. To provide adequate liquidity to meet all operating obligations which reasonably may be anticipated.
- C. To structure an investment portfolio which is designed to attain a rate of return throughout budgetary and economic cycles commensurate with the investment risk constraints and cash flow characteristics of the portfolio. A balanced return of current income and modest growth of principal is an important objective. In addition, a related objective is to achieve returns in excess of the rate of inflation over the investment horizon in order to preserve the purchasing power of POOL.
- D. To assure that the investment allocation does not impair the maintenance of capital in accordance with the POOL Capitalization Policy Statement.

3. Investment Strategy

- A. POOL generally will adhere to the concept of matching amounts and maturities to uses of funds.
- B. Investment officers acting in accordance with written procedures and exercising due diligence will not have personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

Investment officials will adhere to the Prudent Investor Rules that state that a fiduciary must:

1. Make investment and management decisions with respect to individual assets in the context of the investment portfolio as a whole and as part of an overall investment strategy, not in isolation.
2. Adhere to fundamental fiduciary duties of loyalty, impartiality, and prudence.
3. Maintain overall portfolio risk at a reasonable level. That is, risk and return objectives must be reasonable and suitable to the portfolio. The tradeoff between risk and return is the fiduciary's central concern.
4. Provide for the reasonable diversification of investments.

5. Act with prudence in deciding whether and how to delegate authority to experts and in selecting supervising agents. Be cost conscious when investing. The fiduciary should incur only costs that are reasonable in amount and appropriate to the investment responsibilities of the fiduciary.

C. Investment strategy will facilitate an appropriate balance of these investment objectives:

- 1) capital preservation;
- 2) diversification among types of investments, issuers and credit ratings; and
- 3) allocation of investments in a manner consistent with principles of prudent investment management.

D. The investment strategy will conform to state statutes governing investment of public funds.

4. Investment Risk

A. It is the policy of the POOL that safety of principal is an important objective of the investment program and seeks to mitigate risks to the extent possible. Four types are recognized:

1. Credit Risk - is the risk that the issuer of a security will default on the principal and interest. POOL will not assume significant credit risk in an attempt to enhance return. Therefore, below investment grade securities shall not be utilized. Acceptable credit ratings for securities shall be AAA or AA as rated by Moody's or Standard & Poor's. In addition, POOL will diversify the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

2. Liquidity Risk - is the risk that an investment may not be converted into cash if a need for cash arises. POOL will minimize liquidity risk to the extent possible through planning investment maturities to ensure that funds are available to meet cash flow needs (static liquidity) and maintain a portion of the funds in money market mutual funds which offer same-day liquidity for short-term funds. In addition, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity).

3. Maturity Risk - is the risk that an investment may yield poor results if the length of maturity or maturity structure is inappropriate for the market conditions. The POOL will minimize this risk by actively managing the maturity structure to enable holding securities to maturity unless 1) the security has declining credit and needs to be sold early to minimize loss of principal, 2) a security swap would improve the quality, yield or target duration of the portfolio, or 3) liquidity needs of the portfolio require that the security be sold.

4. Market Risk - arises from the change in the value of the investment as economic conditions and interest rates change. POOL will, to the extent possible, minimize market risk by matching investments with its liabilities, making it possible to hold investments to maturity if appropriate. The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles consistent with investment risk constraints and liquidity needs.

5. Investment Responsibility

- A. Investment authority for POOL rests with the Board of Directors. This authority may be delegated to the Executive Committee and the Executive Director.
- B. The Board of Directors may contract with investment advisor(s) to advise and manage the POOL's investments. Such advisor(s) shall provide a comprehensive report at least annually to the Board of Directors or its designee of all transactions and the investment performance of funds under management. The report shall suggest changes in policies or improvements that might be made in the investment program.
- C. The Executive Director will manage all investment activity as closely as is practicable. The Executive Director will make day-to-day investments. In all cases, the Executive Director will:
 - 1. Ensure that all investments are made in accordance with POOL policies;
 - 2. Make recommendations to the Board of Directors concerning investment policy and strategy;
 - 3. Inventory all securities held by POOL (This shall be done in conjunction with the annual CPA audit);
 - 4. Provide quarterly reports to the Executive Committee and annually reports to the Board of Directors of all investment activity. The reports shall include a listing of all securities bought, sold and matured. The reports will also include a status of all investments held;
 - 5. The Board of Directors will review the investment report, and shall make the review a matter of record in the minutes;
 - 6. The Board of Directors may appoint a Fiscal Officer. The Fiscal Officer will, at the direction of the Board of Directors, make investments and execute transactions in cooperation with the Executive Director.
 - 7. Officers, the Executive Director and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial decisions. Such persons shall disclose to the Executive Director or to the Chairman of the Board any material financial interests in financial institutions that conduct business within their jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the POOL.
 - 8. The Board of Directors will review this investment policy and the asset allocation, diversification and risks at least annually and at any other time as needed to fulfill its fiduciary responsibility.

6. Authorized Investments

- A. The following types of securities are eligible investments subject to asset allocation:
 - 1. U.S. Treasury Securities;
 - 2. Federal Agency Securities;
 - 3. Federal Funds;
 - 4. Bank Certificates of Deposit insured;
 - 5. Savings and Loan Certificates of Deposit insured;
 - 6. Repurchase Agreements;
 - 7. Money Market Mutual Funds;

8. Statutorily eligible Mortgage-backed securities at a price not to exceed 102% of par value
9. Such other securities as authorized under Nevada laws applicable to the POOL.

Not more than ten percent (10%) of the fixed income portfolio should be to any one issuer, other than securities of the U.S. government or agencies.

- B. A Master Repurchase Agreement must be signed with the bank or dealer.
- C. If governmental sponsored pools and/or mutual funds are to be utilized, a thorough investigation of the pool/fund is required prior to investing, and on a continual basis. The following general information must be addressed:
 1. A description of the eligible investment securities, and a written statement of investment policy and objectives
 2. A description of interest calculations and how its is distributed, and how gains and losses are treated.
 3. A description of how the securities are safeguarded (including the settlement processes) and how often the securities are priced and the program audited.
 4. A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
 5. A schedule for receiving statements and portfolio listings.
 6. A statement regarding utilization by the pool/funds of reserves or retained earnings.
 7. A fee schedule and when and how it is assessed.
 8. A statement regarding whether the pool/fund is eligible for bond proceeds and/or whether it will accept such proceeds.

7. Authorized Financial Dealers and Institutions

The Executive Director will maintain a list of financial institutions authorized by the Board or the Executive Committee to provide investment services. No public deposit shall be made except in a qualified public depository as established by Nevada law. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Executive Director with the following evidence of qualifications:

- a. audited financial statements
- b. proof of National Association of Security Dealers certification
- c. trading resolution
- d. proof of Nevada registration
- e. completed broker/dealer questionnaire
- f. certification as having read the POOL's Investment Guidelines and depository contracts

An annual review of the financial condition and registrations of qualified bidders will be conducted by the Fiscal Officer. A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the POOL invests.

8. Investment Guidelines and Limitations

- A. Diversity. There will be sufficient diversity in the authorized instruments to allow for variety in the makeup of the portfolio. The Board of Directors will review investment activity reports to assure appropriate diversity exists. The POOL will diversify its investments by maturity, security type and issuer. Maturities selected shall provide for stability of income and reasonable liquidity. For cash management funds, the following guidelines shall apply: Liquidity shall be assured through practices ensuring that the next disbursement date is covered through maturing investments or marketable U.S. Treasury bills

Risks of market price volatility shall be controlled through maturity diversification such that aggregate price losses on instruments with maturities exceeding one year shall not be greater than coupon interest and investment income received from the balance of the portfolio.

With the exception of U.S. Treasury securities, money markets, certificates of deposit, exchange traded funds and authorized pools, no more than fifteen percent (15%) of the POOL's total investment portfolio will be invested in a particular issuer or class of securities or in an industry or company.

- B. **Maximum Maturities.** To the extent possible, the POOL will attempt to match its investments with anticipated cash flow requirements. The Pool will not directly invest in securities maturing more than ten (10) years from the date of purchase, except as permitted by law. The average maturity of the portfolio will not exceed five (5) years.
- C. **Return on Investment.** The POOL's investment portfolio will be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the POOL's investment risk constraints and the cash flow characteristics of the portfolio.
- D. **Performance Standards.** The investment portfolio results will be compared to reasonably comparable indexes reflective of the investment goals listed below:
 - 1. Goal - to outperform over a 4-5 year period the risk free return from short-term U.S. Treasury bills by at least 100 to 200 basis points per year.
 - 2. Goal - to outperform the Consumer Price Index over a 4 to 5 year period by at least 200 basis points per year.
 - 3. Goal - to perform in line with the iShares Lehman 1-3 Year Treasury Bond Fund (currently trading as SHY) over a 4 to 5 year period.

9. Safekeeping and Custody

Securities purchased by the POOL will be held by a professionally qualified institution that has the necessary specialization to provide accurate and timely safekeeping of the assets of POOL. If securities are purchased from outside dealers, then trades will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.

The Executive Director shall establish a system of internal controls, which shall be documented in writing. The internal controls shall be reviewed by the Audit Committee and with the independent auditor. The controls shall be designed to prevent the loss of POOL funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets or imprudent actions by employees, service providers and officers of POOL.

10. Collateralization

Collateralization will be required on two types of investments: certificates of deposit in excess of current FDIC insurance limits and repurchase (and reverse) agreements. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102% of market value of principal and accrued interest.

Collateral always will be held by an independent third party with which the POOL has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the POOL and retained.

The right of collateral substitution is granted.

11. Selection and Performance Review of Investment Managers

The POOL Board of Directors will select appropriate investment managers to manage POOL assets. A qualifying investment manager must meet the following minimum criteria:

- Be a registered investment advisor under the Registered Investment Advisors Act of 1940 or be a bank, insurance company or investment management company.
- Provide historical quarterly performance numbers calculated on a time-weighted basis, based on a composite of all fully discretionary accounts of similar investment style, and reported net and gross of fees.
- Provide performance evaluation reports prepared by an objective third party that illustrate the risk/return profile of the manager relative to other managers of like investment style.
- Provide detailed information on the history of the firm, key personnel, key clients, fee schedule and support personnel.
- Clearly articulate the investment strategy that will be followed and document that the strategy successfully has been adhered to over time.
- Have no outstanding legal judgments or past judgments that may reflect negatively on the firm.
- Provide in writing acknowledgement of fiduciary responsibility to PRI.

The investment performance of total portfolios, as well as asset class components, will be measured against commonly accepted performance benchmarks. Consideration will be given to the extent to which the investment results are consistent with the investment objectives, goals and guidelines as set forth in this investment policy statement.

The Board of Directors intends to evaluate the portfolio(s) over at least a three-year period, but reserves the right to terminate a manager for any reason, including the following:

- Investment performance that significantly is less than anticipated given the discipline employed and the risk parameters established or unacceptable justification of poor results.
- Failure to adhere to any aspect of this investment policy statement including communication and reporting requirements.
- Significant qualitative changes to the investment management organization.

Investment managers shall be reviewed regularly regarding performance, personnel, strategy, research capabilities, organizational and business matters, and other qualitative factors that may impact their ability to achieve the desired investment results.

12. Reporting

The Executive Director will include a market report on investment activity and returns in the POOL's Financial Report, which will be distributed quarterly to the Executive Committee and at each Board meeting.

12. Investment Policy Adoption

The POOL's investment policy will be adopted by the Board of Directors. The policy will be reviewed on an annual basis by the Executive Committee and any modifications made thereto must be approved by the Board.

Adopted 9/91
Revised 10/95
Revised 4/98
Revised 5/1/2000
Revised 9/13/2006
Revised 5/1/2009


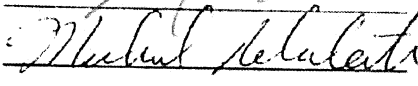
SCHEDULE C

PROXY VOTING GUIDELINES: The proxy voting guidelines to be followed by Manager in voting securities held in the Account are set forth below:

(If none, check here)

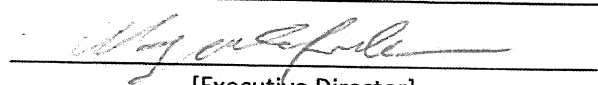
Officer's Certificate

I, Wayne Carlson, the duly appointed Executive Director of Nevada Public Agency Insurance Pool ("NPAIP"), an interlocal cooperation agreement quasi-governmental entity and existing under the laws of the State of Nevada, hereby certify that each of the following officers of NPAIP, acting singly, is authorized in the name and on behalf of NPAIP, to give instructions to General Re-New England Asset Management, inc, a corporation organized and existing under the laws of the State of Delaware (the "Manager") with respect to any and all matters, including investment and reinvestment of securities, pertaining to that certain Investment Management Agreement between NPAIP and Manager ("Agreement"), and to execute and deliver any and all documents and to take any and all other action to carry out the purposes of said Agreement. I further certify that each signature set forth below appearing next to a corresponding printed officer name and title is the true and genuine signature of each officer.

<u>Name of Officer</u>	<u>Title</u>	<u>Signature</u>
Wayne Carlson	Executive Director	
Michael Rebaleati	Operations Manager	
Doug Smith	Chief Risk Officer	_____

This Certificate shall be in effect from January 1, 2016 until written notice is given on behalf of NPAIP to terminate or revise it.

IN WITNESS WHEREOF, I set my hand of NPAIP:

	 _____ [Executive Director]	January 19, 2016
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SCHEDULE E

Name	State of Incorporation	Principal Business Address	Tax ID #	Custodian Information
NONE				

**SCHEDULE F
WEB ACCESS ADDENDUM**

This WEB ACCESS ADDENDUM (“Addendum”) hereby supplements the Investment Management Agreement between Manager and Client.

WHEREAS, in addition to the services to be provided by Manager to Client pursuant to the Investment Management Agreement, Client desires to have access to and to use Manager’s proprietary suite of information and services for access to on-line investment reports concerning Client’s Account and the on-line analysis of investment portfolios and other services, which are more fully described on Exhibit A hereto and on Schedule A to the Investment Management Agreement; and

WHEREAS, Manager has agreed to provide such access to information, reports and services to Client on the terms and conditions set forth in this Addendum; and

NOW THEREFORE in consideration of the foregoing and of the mutual promises contained in the Investment Management Agreement and this Addendum Client and Manager agree as follows:

**ARTICLE I
Definitions**

Section 1.1 -“Client Data” has the meaning set forth in Section 6.1.

Section 1.2 -“Confidential Information” has the meaning set forth in Section 8.1.

Section 1.3 -“Documentation” means the specifications, user manuals, training materials and conditions for use published and updated from time to time by Manager and designated as “Documentation”.

Section 1.4 -“Eligible User(s)” shall mean those employees of Client set forth on Exhibit B-1 and/or Exhibit B-2 hereto, or any authorized amendment to Exhibit B-1 and/or Exhibit B-2 as provided in Section 3.2(b) hereto.

Section 1.5 -“Force Majeure Event” has the meaning set forth in ARTICLE XI.

Section 1.6 -“Indemnified Party” has the meaning set forth in Section 12.3.

Section 1.7 -“Indemnifying Party” has the meaning set forth in Section 12.3.

Section 1.8 -“Legal Statement” has the meaning set forth in Section 3.3(c).

Section 1.9 -“Losses” has the meaning set forth in Section 12.2.

Section 1.10 -“Manager Data” means data and models made available in any form by Manager in connection with the Services, including any data obtained by Manager from a Vendor.

Section 1.11 -“Manager Proprietary System” means the Platform, Manager Data, Services and any other proprietary materials of Manager as further provided in ARTICLE V.

Section 1.12 -“Platform” means a set of world wide web pages implemented by Manager and through which Client’s Eligible Users may access the Manager Proprietary System over the Internet.

Section 1.13 -“Proprietary Rights” means any United States trademark, tradename, copyright, or trade secret of a third party.

Section 1.14 -“Service Data” means all data generated by an Internet server that relates to the number of users having access through the Platform and similar user-related usage data collected in connection with the Platform and Services.

Section 1.15 -“Services” has the meaning set forth in Section 3.1.

Section 1.16 -“Terms of Use” means the Legal Statement and any other terms and conditions posted at <http://www.grneam.com>, as amended from time to time by Manager governing the use of the Services by customers, including Client and Eligible Users.

Section 1.17 -“Vendors” means certain third parties that have granted Manager the right to use and distribute their data, software or other proprietary materials.

ARTICLE II

Term

The term of this Addendum shall be coextensive with the term of the Investment Management Agreement, unless terminated earlier pursuant to ARTICLE X (the “Term”)

ARTICLE III

The Services

Section 3.1 Services. During the Term, Manager shall make accessible to Client the Platform and the online information, reports and services described in Exhibit A (the “Services”). Manager will retain control over the form and content of the Services, as well as the selection of Vendors and Data used in connection therewith, and may alter all or any portion of the Services from time to time in its sole discretion.

Section 3.2 Grant of Rights; Eligible Users.

(a) Manager hereby grants to Client a non-exclusive and non-transferable license during the Term to allow Eligible Users to access the Platform, and to utilize the Services

made available thereunder, solely for use in connection with Client's internal business purposes in accordance with the Terms of Use and Documentation. In the event of an inconsistency between the defined terms "Terms of Use" and "Documentation" and other terms of this Addendum, the defined terms shall prevail.

(b) The initial Eligible Users for accessing Client's monthly investment account and reporting package shall be those employees of the Client listed on Exhibit B-1 hereto. The initial Eligible Users for accessing Manager's CARA® toolset shall be those employees of the Client listed on Exhibit B-2 hereto. Permission to add a non-employee user may be granted on a case by case basis by Manager. In the event that Client desires during the Term to add, subtract or change an Eligible User, Client's Authorized Person (whose name appears on the Secretary's Certificate in Schedule D to the Investment Management Agreement) shall promptly provide to Manager, an email notice or an amended Exhibit B-1 and/or Exhibit B-2 with the name(s) of the discontinued Eligible User(s) and the name(s) of the new or changed Eligible User(s), which amendment shall (in the case of new or changed Eligible User(s) but not discontinued Eligible Users) be subject to the approval of Manager, which shall not be unreasonably withheld or delayed.

Client further agrees to cooperate in reviewing and confirming in writing the list of Eligible Users from time to time, upon request of the Manager.

Section 3.3 Limitations On Use

(a) Notwithstanding anything to the contrary contained in this-Addendum, Client shall not:

(i) provide access to the Platform to any person that is not an Eligible User;

(ii) except for month-end investment reports, publish, display, distribute or transfer in any form to any third party who is not an employee of Client without the prior written permission of Manager (which permission shall not be unreasonably withheld; however, in the case of a competitor of Manager, any withholding of permission shall be at the sole discretion of Manager), any Manager Data or the results of any research, information or material derived from the use of the Manager's Proprietary System. In no circumstance will Manager's permissions described in this paragraph constitute a guarantee of continuous and uninterrupted third party access to any Manager Data or the results of any research, information or material derived from the use of the Manager's Proprietary System. Manager uses numerous market data vendors and is required to comply with their usage policies. Because these market data vendor policies can change from time to time, Manager reserves the right to revoke any third party permissions granted pursuant to this paragraph and shall have no liability to Client or any third party in the event such permisisions are denied or revoked;

(iii) resell, make available or distribute any Manager Data Services or Documentation (or any part thereof) to any third party whether by license or by any other means;

(iv) except for month-end investment reports, incorporate into, or warehouse on, any computer system of Client any Manager Data, Documentation, Services or Manager's Proprietary System;

(v) copy, adapt, reverse engineer, decompile, disassemble, or modify, any portion of the Manager Data or Manager's Proprietary System;

(vi) conceal, remove or alter any title, trademark, copyright, proprietary or restricted rights notices incorporated in the Manager's Proprietary System;

(vii) use the Manager's Proprietary System in breach of any applicable laws, regulations or market conventions;

(viii) use Manager's name or service marks in connection with a prospectus or the creation, issuance, offer or promotion of a financial instrument, or in their advertising or marketing materials;

(ix) use the Manager's Proprietary System for the benefit of a third party, including, but not limited to, on a time-share basis or acting as a service bureau or application service provider;

(x) use, evaluate, or view any Services for the purpose of designing, modifying, or otherwise creating any software program, or any portion thereof, which performs functions similar to or that compete with the functions performed by any of the Manager's Proprietary System; or

(xi) authorize any third party to do any of the foregoing.

(b) Each password Manager assigns Client will be kept confidential by Client and by the Eligible Users. If Client learns or suspects that such confidentiality or any provision of this Section 3.3 has in any way been breached, Client will immediately notify Manager, which may assign new passwords or restrict the use of all or any portion of the Platform or the Services or take other appropriate action, in Manager's sole discretion.

(c) Client shall, and shall ensure that the Eligible Users are bound to observe all of the terms of the legal statement published and amended from time to time on Manager's web site at [<http://www.grneam.com>] ("Legal Statement"). In the event of an inconsistency between the defined term "Legal Statement" and other terms of this Addendum, the defined term shall prevail. Manager shall provide Client with written notice of any amendments to the Legal Statement on its web site. For purposes of this paragraph, "written notice" shall include notices appearing on Manager's website.

Section 3.4 Non-exclusive Services. Nothing contained herein shall be construed as a limitation on Manager's ability to provide any Platform or the Services (or any portion thereof) or any similar or identical services to any third party.

Section 3.5 Service Maintenance, Upgrades, New Versions. During the Term, Manager shall provide Client with such maintenance and service upgrades as Manager may release from time to time to its other customers who license equivalent services from Manager. Manager shall not be required to provide upgrades or new versions. Manager shall have no obligation to provide new CARA® tools hereunder, and reserves the right to charge additional fees for any new CARA® tools or substantial new functionality provided. Nothing in this section shall be construed to require Manager to provide any additional services, customized Services or Enhancement Services.

Section 3.6 Additional Data Fees. This Addendum is subject to any requirements of Manager's Vendors under Manager's agreements with such Vendors, including those requirements which may be imposed from time to time.

Client acknowledges that if it requests that the CARA® tools be utilized for assets not managed by Manager, certain Data may be subject to separate additional consents and fees imposed by a vendor for receipt of such data through the Platform. Accordingly, Client agrees to pay Manager, as applicable, such additional Vendor fees (including any increases in such Vendor fees) for any such Data requested by Client.

ARTICLE IV Client Responsibilities

Section 4.1 Client Cooperation. Client will cooperate with Manager and provide any necessary assistance, equipment, access to Client's personnel and information to allow Manager to perform Manager's obligations under this Addendum, including without limitation, making available in a timely manner, as reasonably requested by Manager, such management decisions, personnel (whether management, technical or user), information, approvals and acceptances in order that Manager's provision of Services under this Addendum may be properly, timely and efficiently accomplished.

Section 4.2 Client's Program Administrator. Client will designate a qualified program administrator, to be named on each of Exhibit B-1 and Exhibit B-2, who will be authorized to make binding decisions for Client regarding this Addendum ("Client's Program Administrator"), and shall, in a timely manner, (i) provide all Client information and data necessary for Manager's performance of Services and assume responsibility for the accuracy of the same; (ii) arrange for Manager's access to Client's staff, facilities, equipment and systems as appropriate, (iii) render all decisions required by Manager in connection with this Addendum, (iv) distribute usernames and passwords to Eligible Users, (v) provide notice to Manager in accordance with Section 3.2(b) of all changes to the list of Eligible Users, and (vi) take, or have taken, all other action required to be taken by Client under this Addendum.

Section 4.3 Client Responsible for Employees and User Access. Client shall be responsible for the actions of all Eligible Users and anyone who obtains access to the Platform through or from Client or its Eligible Users, whether or not authorized by Client.

Section 4.4 Consent to Electronic Signatures. Client agrees that whenever an Eligible User clicks on an “I Agree”, “I Consent” or other similarly worded “button” or entry field with a mouse, keystroke or any other means communicable via a computer device, the Eligible User’s agreement or consent will be deemed to have been made on behalf of Client, and shall be legally binding and enforceable on Client.

ARTICLE V

Manager Proprietary System

All software and related documentation (including the Manager Proprietary System) (i) owned by Manager prior to the Effective Date (ii) of which Manager acquires ownership after the Effective Date, or (iii) which is developed by or on behalf of Manager after the Effective Date for use in connection with the Services, or (iv) which is licensed or leased from a third party by Manager and which will be used in connection with the Services, shall be and shall remain the exclusive property of Manager or its respective third party licensors. Client shall have no rights or interests therein or in any third party software of Manager. All Service Data shall be Manager’s Confidential Information and Manager shall own all Service Data.

ARTICLE VI

Data and Reports

Section 6.1 Ownership of Client Data. All data and information submitted to Manager by Client in connection with the Services (the “Client Data”) is and shall remain the property of Client. Except as permitted by this Addendum or the Investment Management Agreement or as reasonably necessary to provide the Services, Manager shall not use the Client Data or, disclose or otherwise provide the Client Data to third parties.

Section 6.2 Reports. Client may use the Platform to produce reports presenting Client Data in accordance with Manager’s standard reporting formats as described in Exhibit A and in such other reporting formats as the parties may agree (the “Reports”). Client may also be able to access its monthly investment accounting and reporting package for its Account via the Platform.

If Client elects to receive the monthly investment accounting and reporting package for its Account via hard copy, in lieu of access via the Platform this box should be checked.

The Client may revoke this preference at any time, and/or can receive a hard copy of any of its monthly investment accounting reports by written notification to Manager.

Section 6.3 Correction of Errors. Manager shall prepare and be responsible for the accuracy and completeness of Reports provided to Client. Client is responsible for the accuracy and completeness of the Client Data as well as any errors or inaccuracies in and with respect to data obtained from Manager due to any inaccurate or incomplete Client Data.

ARTICLE VII
Taxes

Client shall be responsible for all applicable taxes related to the Services provided under this Addendum including all applicable sales, use, value added or similar taxes arising out of or in connection with this Addendum. If Manager pays any such taxes on behalf of Client, Client shall reimburse Manager for such payment. Client shall not be responsible for taxes based upon Manager's income.

ARTICLE VIII
Confidentiality

Section 8.1 Confidential Information. "Confidential Information" means any and all information or materials of a party relating to the technology, business or affairs of the disclosing party revealed, disclosed or furnished to the receiving party either orally, in writing or by inspection, that could reasonably be understood by the receiving party to be proprietary or confidential information or materials of the disclosing party. Confidential Information might include, but is not limited to technical information, financial information, business information, billing rates, research information, human resources, personnel information, marketing/sales information, trade secrets, and competitive sensitive information, and such other information as has been or may be disclosed, revealed or furnished before or after the date hereof by the disclosing party. All information of Manager in connection with the Manager Proprietary System and all Client Data will be considered Confidential Information regardless of whether (a) it is disclosed in tangible form; or (b) is marked "Confidential", "Proprietary" or the like. Notwithstanding the foregoing, Confidential Information does not include information that (i) is or becomes generally available to the public other than as a result of a disclosure or improper action by the receiving party or any of its directors, officers, employees, affiliates, agents, subcontractors, or consultants, (ii) was rightfully disclosed to the receiving party by a third party without restriction, provided the receiving party complies with any restrictions imposed by the third party, or (iii) was independently developed by the receiving party without use of or access to any Confidential Information of the disclosing party.

Section 8.2 Preservation of Confidential Information. The parties shall preserve in confidence all Confidential Information, received from the other party using the same degree of care as it uses to preserve and safeguard its own Confidential Information, but in no event less than a reasonable degree of care.

Section 8.3 Return of Confidential Information. Upon the expiration or termination of this Addendum, Client shall return all Confidential Information and all copies of Confidential Information to the Manager.

ARTICLE IX
Disclaimers and Limitations

Section 9.1 Special Admonitions Regarding Use of Financial Products. The Services contain a number of analytical tools that should only be used by sophisticated investment

professionals. There is no assurance that the financial instruments identified by the Services will perform in a manner that is consistent with their historical characteristics or assure the profitability or utility of forecasts or expected values. Neither Manager nor any Vendor shall be deemed to be providing investment management, broker-dealer, supervision or advisory services in connection with this Addendum. Furthermore, Client understands and acknowledges that all content and materials comprising the Services are to be used solely for informational and research purposes, and that such content and materials are not intended to provide specific investment, financial, tax or legal advice. Information provided through the Services is not intended as advice regarding the nature, potential value, or suitability of any particular security, transaction, or investment strategy. References to any specific securities do not constitute a solicitation or an offer to buy or sell securities.

Section 9.2 Electronic Access and Communications. Client acknowledges that access to the Services and any electronic mail communications between Client and Manager over the Internet are subject to possible interception by third parties during transmission. Manager shall not be responsible for the security of such communications or the safety and security of Client Data during transmission or the prevention of access by unauthorized persons to Client Data transmitted over the Internet. Manager shall not be responsible for any interruption in access to the Services, or inability to access the Services, caused by the interruptions in the availability of the Internet, or slowdowns thereto.

Section 9.3 Services Warranty Disclaimer. EXCEPT AS SET FORTH IN THIS ADDENDUM, THE SERVICES HEREUNDER ARE PROVIDED ON AN "AS IS" BASIS, AND CLIENT'S AND ANY ELIGIBLE USER'S USE THEREOF IS AT ITS OWN RISK. MANAGER DOES NOT MAKE, AND HEREBY DISCLAIMS FOR ITSELF AND ON BEHALF OF ITS CORPORATE PARENTS AND AFFILIATES AND VENDORS, ANY AND ALL EXPRESS AND IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF ACCURACY, ORIGINALITY, CONSISTENCY, TIMELINESS, COMPLETENESS, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT AND TITLE, AND ANY WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE OR TRADE PRACTICE. MANAGER DOES NOT WARRANT THAT THE SERVICES WILL PERFORM AT A PARTICULAR SPEED, OR WILL BE UNINTERRUPTED, ERROR-FREE, OR COMPLETELY SECURE OR FREE OF UNAUTHORIZED HIDDEN PROGRAMS, TROJAN HORSES, WORMS OR VIRUSES OR THAT THE CALCULATIONS OR OTHER FUNCTIONS PERFORMED ON CLIENT'S DATA WILL BE CORRECT OR MEET CLIENT'S NEEDS OR EXPECTATIONS. NEITHER MANAGER NOR MANAGER'S VENDORS WILL BE RESPONSIBLE FOR LOSS OF PROPERTY OR INJURY RESULTING FROM ANY SERVICE OR FOR ANY FAILURE OR INTERRUPTION OF THE SERVICES RESULTING FROM ANY CIRCUMSTANCES BEYOND MANAGER'S CONTROL. MANAGER'S ONLY RESPONSIBILITY FOR ANY OTHER FAILURE OR INTERRUPTION OF THE SERVICES WILL BE TO RE-RUN CLIENT DATA OR REPORTS CAUSED BY A MALFUNCTION OF THE SERVICES. IN NO EVENT WILL MANAGER OR ANYONE ELSE WHO HAS BEEN INVOLVED IN THE PERFORMANCE OF ANY OF THE SERVICES BE LIABLE TO CLIENT OR ANY OTHER PERSON FOR ANY SPECIAL, INCIDENTAL,

CONSEQUENTIAL, INDIRECT, PUNITIVE, EXEMPLARY, OR OTHER SIMILAR DAMAGES INCLUDING, BUT NOT LIMITED TO, ANY LOST PROFITS OR SAVINGS, OR COSTS INCURRED AS A RESULT OF LOSS OF TIME, LOSS OF DATA, LOSS OF THE USE OF SOFTWARE, CLAIMS BY OTHERS, INCONVENIENCE OR SIMILAR COST, OR FOR THE FAILURE OF CLIENT TO PERFORM CLIENT'S RESPONSIBILITIES, EVEN IF MANAGER HAS BEEN ADVISED, KNEW OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES.

ARTICLE X

Termination

Section 10.1 Client may, in its sole option, upon written notice, terminate this Addendum. Manager may in its sole option, upon written notice, terminate this Addendum if Client:

- (a) has materially breached any of its material obligations hereunder, and such breach is not cured within thirty (30) days after written notice thereof by Manager to Client; or
- (b) becomes insolvent or institutes or has instituted against Client voluntary or involuntary proceedings in bankruptcy or under any other insolvency law, or makes or consents to an arrangement with creditors, or corporate reorganization, receivership or dissolution, of Client; or
- (c) ceases to be an Asset Management Client of Manager.

Section 10.2 Notwithstanding the provisions of Section 10.1(a) to the contrary, Manager may terminate this Addendum immediately upon notice if Client breaches Section 3.3 or ARTICLE VIII of this Addendum.

Section 10.3 In the event of the termination of this Addendum, Client shall cease, and Manager may disable, all access to the Services.

ARTICLE XI

Force Majeure

Neither Client nor Manager shall be liable for any failure or delay in the performance of its obligations pursuant to this Addendum and such failure or delay shall not be deemed a breach of this Addendum or grounds for termination hereunder; provided that, such failure or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of reasonably available and economical alternate sources, work-around plans, or other means and if and to the extent such failure or delay is caused, directly or indirectly, by fire, flood, earthquake, elements of nature or acts of God, acts of war, terrorism, threatened terrorism, riots, civil disorders, rebellions or revolutions, strikes, lockouts or labor difficulties, court order, third party nonperformance, or any other similar cause beyond the reasonable control of such party (each, a "Force Majeure Event"). Upon the occurrence of a Force Majeure Event, the non-performing party shall be excused from any further performance of those of its obligations pursuant to this Addendum affected by the Force Majeure Event for as long as such Force Majeure Event continues. The party whose

performance is delayed by a Force Majeure Event shall immediately notify the other party by telephone (to be confirmed by written notice within three (3) days of the inception of the failure or delay) of the occurrence of a Force Majeure Event and describe in reasonable detail the nature of the Force Majeure Event.

ARTICLE XII Indemnification

Section 12.1 Indemnification by Client. Subject to the conditions, provisions and limitations of this Addendum, Client hereby agrees to indemnify, defend and hold harmless Manager and its affiliates from and against all Losses (as defined in Section 12.2) asserted against, resulting to, imposed upon or incurred by Manager by reason of or resulting from any of the following:

- (a) Any use otherwise than in accordance with the terms of this Addendum or misuse of the Services by Client or its Eligible Users including, without limitation, any material violation by Client or the Authorized Representative of any of the Terms of Use or the Documentation; or
- (b) Any allegation or claim that any Client Data or any other intellectual property used by Client in connection with the transactions contemplated in this Addendum infringe or violate any Proprietary Rights of any third party.

Section 12.2 Indemnification by Manager. Subject to the conditions, provisions and limitations of this Addendum, Manager hereby agrees to indemnify, defend and hold harmless Client from and against all actual and direct damages, costs and expenses, including, without limitation, interest, penalties and reasonable attorneys' fees and disbursements (collectively, "Losses"), asserted against, resulting to, imposed upon or incurred by Client by reason of or resulting from any allegation or claim that the intellectual property rights owned by and proprietary to Manager that are used in the provision of the Services infringe any Proprietary Rights; provided, however, that Manager shall have no obligation or liability with respect to any infringement claim to the extent such alleged infringement is based on (a) the use of the Services in violation of this Addendum; (b) the combination, or use of the Services with any service, product, equipment, program or data unless otherwise contemplated under this Addendum; or (c) the alteration, modification or change of any portion of the Services other than by Manager or its employees, agents or subcontractors or with Manager's express prior written consent; and provided further that Manager may, in its sole election and expense, but without any obligation to do so, either (i) procure for Client and its Eligible Users the right to continue to make use of the allegedly infringing portion of the Services, (ii) replace or modify the portion of the Services at issue with substitute matter that is non-infringing but which causes the portion of the Services at issue to be of substantially equivalent functionality and performance to the portion of the Services alleged to be infringing, or (iii) terminate this Addendum.

Section 12.3 Indemnification Procedures. The obligations and liabilities of Manager and Client hereunder with respect to their respective indemnities pursuant to this ARTICLE XII,

resulting from any claim, demand or other assertion of liability by third parties (hereinafter collectively called “Demands”), shall be subject to the following terms and conditions:

(a) Subject to the consent of the party to be indemnified pursuant to this ARTICLE XII (the “Indemnified Party”) (such consent not to be unreasonably withheld, delayed or conditioned), the indemnifying party (the “Indemnifying Party”) will have the right to undertake, by counsel or representatives of its own choosing, the defense, compromise or settlement to be undertaken on behalf of and for the account and risk of the Indemnifying Party.

(b) In the event the Indemnifying Party shall elect not to undertake such defense by its own representatives, the Indemnifying Party shall give prompt written notice of its election to the Indemnified Party, and the Indemnified Party will undertake the defense, compromise or settlement thereof by counsel designated by it whom the Indemnifying Party determines in writing to be satisfactory for such purposes. The consent of the Indemnifying Party to the Indemnified Party’s choice of counsel shall not be unreasonably withheld, delayed or conditioned.

(c) No settlement or compromise of any such Demand may be made by a Party hereto without the prior express written consent or approval of the other Party hereto (such consent not to be unreasonably withheld, delayed or conditioned).

(d) In the event that any Demand shall arise out of a transaction or cover any period or periods wherein Client and Manager each is or may be liable hereunder for part of the liability or obligation arising therefrom, then such Parties shall, each choosing its own counsel and bearing its own expense, defend such Demand, and no settlement or compromise of such Demand may be made without the joint written consent or approval of Manager and Client, except where the respective liabilities and obligations of Client and Manager are clearly allocable or attributable on the basis of objective facts.

(e) The agreements to indemnify contained in this ARTICLE XII shall survive termination or expiration of this Addendum for a period of three (3) years after the effective date of such termination or expiration; provided, however, that with respect to any Demand or other matter (including actual and direct damages incurred other than as a result of a third party claim) for which notice has been timely given within such three (3) year period, the indemnification period shall be extended until the final resolution of such Demand or other matter (including actual and direct damages incurred other than as a result of a third party claim).

(f) A party having reason to believe that it may be entitled to indemnification under this ARTICLE XII shall give reasonably prompt written notice to the other party hereto from whom indemnification may be sought specifying in reasonable detail the nature and basis of any Demand or other matter (including actual and direct damages incurred other than as a result of a third party claim) which may give rise to such indemnification but such notice shall not be a condition of such indemnification. The failure of the Indemnified Party to provide such notice shall not relieve the Indemnifying Party of its obligations under this ARTICLE XII, unless the delay or failure to provide such notice prejudices an Indemnifying Party in a manner that demonstrably results in additional actual and direct damages to such Indemnifying Party, in

which event such Indemnifying Party shall be relieved of such obligations, but only to the extent such additional actual and direct damages can be proved.

ARTICLE XIII

Limitations on Liability

Section 13.1 Direct Damages. In the event Manager shall be held liable to Client, for any matter arising out of, under, or in connection with this Addendum, whether based on an action or claim in contract, equity, negligence, tort, or otherwise, the amount of direct damages recoverable against Manager for all events, acts or omissions shall not exceed, in the aggregate, an amount equal to the sum of all fees received by Manager pursuant to this Addendum for a period of three (3) months prior to the date on which the claim or claims arose.

Section 13.2 No Indirect Damages. Neither Client nor Manager shall be liable for any indirect, incidental, special, or consequential damages, punitive, exemplary, or other similar damages or amounts for loss of income, profits, or savings arising out of or relating to this Addendum.

ARTICLE XIV

General Provisions

Section 14.1 Binding Effect. Client may not assign this Addendum without the prior written consent of Manager which may be withheld in its sole discretion, and any assignment in violation of this Addendum shall be null and void. This Addendum shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and permitted assigns.

Section 14.2 Severability. If any part of this Addendum, or the application thereof to any person or circumstance, is for any reason held invalid or unenforceable, it shall be deemed severable and the validity of the remainder of this Addendum or the applications of such provision to other persons or circumstances shall not be affected thereby.

Section 14.3 Export Regulations. Client acknowledges that the Services and any direct products thereof may be subject to United States export laws, statutes and regulations, and that Client will at all times comply with the provisions of such laws, statutes and regulations including obtaining any necessary or required licenses. Client shall not export or re-export or otherwise transmit, directly or indirectly, the Services or any direct products thereof into, or use the Services or any direct products thereof in, any country prohibited or restricted under United States export laws, statutes or regulations or any other applicable laws.

Section 14.4 Defined Terms. Any capitalized terms not defined herein shall have the meaning set forth in the Investment Management Agreement.

Section 14.5. Entire Agreement. This Addendum supersedes all prior and contemporaneous agreements (including any Beta Extranet Agreements), understandings,

inducements and conditions, express or implied, oral or written, or any nature whatsoever with respect to the subject matter hereof.

**ARTICLE XV
Ongoing Testing**

Periodically, Manager may ask Client to beta test and evaluate certain additional CARA® tools and/or services that Manager is developing. If Client agrees to conduct such beta tests and evaluation, Manager is willing to provide sample data, information or software from such additional services (“Test Data”) to Client at no charge for a limited period of time provided that:

1. Client will use the Test Data solely for the purpose of evaluating the Test Data and Manager’s services within the Client’s own organization and not for redistribution to any third party. Manager, within its sole discretion and without further notice, may discontinue providing such Test Data at any time.

2. The Client understands and acknowledges that in such instances the CARA® tools and or services would be in a beta format and the final format and content of the CARA® tools and/or services may be substantially different from the form presented to the Client. Additionally, Client acknowledges that as a result of the beta condition of such CARA® tools and/or services, some of the functionality may be impaired or nonexistent and the Client as a beta tester agrees to inform Manager of any bugs, glitches or other issues affecting the website of which it becomes aware during such testing.

**ARTICLE XVI
Systems Requirements**

The Client must be able to access the Internet via an Internet Service Provider of its choice at its own expense. Manager's website is designed to work optimally with Microsoft Internet Explorer. Certain sections of the website may not be viewable with other model browsers or older versions of Microsoft Internet Explorer. In addition, Client must use a Windows based PC to access Manager's website and a broadband connection is highly recommended.

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GR=NEAM®

As standards change, Client may need to upgrade existing hardware or software in order to continue to access Manager's website. Manager's technical support is not responsible for Client's inability to access grneam.com for reasons beyond its control, including but not limited to:

- 1) Incompatible and/or deficient Client hardware, software, modem, operating system, communications or any other component.
- 2) Connectivity difficulties resulting from telephone communications, Client's ISP, Client's modem, Client's computer, telephone volume, traffic levels resulting in slow or no response time or incomplete data transmission;
- 3) Problems associated with Client's Internet browsing software such as plug-in components, helper applications, enhancements, upgrades and add-ons, or versions older than those recommended.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be signed by their duly authorized representatives as of the day and year first above written.

NEVADA PUBLIC AGENCY RISK POOL

GENERAL RE-NEW ENGLAND ASSET
MANAGEMENT, INC.



By: *Wayne Carlson*
Its: *Executive Director*

By: Willaim E. Rotatori
Its: Chief Executive Officer

Exhibits

Exhibit A. The Services

Exhibit B-1. List of Eligible Users and Program Administration - Monthly Investment
Accounting and Reporting Package

Exhibit B-2. List of Eligible Users and Program Administration - CARA[®] Toolset

EXHIBIT A
Services

Manager's CARA® system is an investment portfolio analytics system. It performs a wide range of analytics calculations on a wide range of securities, portfolios, and indices. The system runs on central site computers (currently in Trumbull, CT). Eligible Users utilize a desktop workstation or PC and Internet Service Provider to access the system. Client supplies the desktop equipment and Internet connection. The system includes:

- Use of Central Site software
- Access to Central Site Database (Indicative, Pricing, Historical)
- Downloading capability of calculated data

CARA® Toolset/Client Reports:

Market Monitors: A collection of "rich/cheap" tools used to analyze broad market indices, yield curves, spreads and specific asset classes.

Risk Portal: CARA's Risk Portal is a comprehensive suite of reports to aid in managing and assessing the risk in a portfolio. The suite of Risk Portal reports covers many topic areas including summary analysis, comparison analysis, concentration risk, surveillance, quality & ratings, transactions and liquidity analysis.

Investment Accounting and Reporting Package: Ability to electronically receive and print monthly investment accounting and reporting package directly from the website.

Data Warehouse: Ability to access holdings, analytics and security master details to develop and prepare reports. The data warehouse is another option to meet changing needs and ad hoc reporting requirements.

EXHIBIT B-1

**List of Eligible Users and Program Administrator
FOR GR-NEAM'S WEBSITE-
ACCESS TO MONTHLY INVESTMENT ACCOUNTING AND
REPORTING PACKAGE**

**NEVADA PUBLIC AGENCY RISK POOL
201 South Roop Street
Suite 102
Carson City, Nevada 89701**

NAME	PHONE NUMBER	E-MAIL ADDRESS
Program Administrator:		
Mike Rebaleati	(775) 885-7475	mikerebaleati@poolpact.com
Wayne Carlson	(775) 885-7475	waynecarlson@poolpact.com
Authorized Users:		
Mike Rebaleati	(775) 885-7475	mikerebaleati@poolpact.com
Wayne Carlson	(775) 885-7475	waynecarlson@poolpact.com
Doug Smith	(775) 885-7475	dougsmith@poolpact.com
Debbie Connally	(775) 885-7475	debbieconnally@poolpact.com
Melissa Mack	(775) 885-7475	melissamack@poolpact.com

EXHIBIT B-2

**List of Eligible Users and Program Administrator
FOR GR-NEAM'S WEBSITE-
ACCESS TO CARA® TOOLSET**

**NEVADA PUBLIC AGENCY RISK POOL
201 South Roop Street
Suite 102
Carson City, Nevada 89701**

NAME	PHONE NUMBER	E-MAIL ADDRESS
Program Administrator:		
Mike Rebaleati	(775) 885-7475	mikerebaleati@poolpact.com
Wayne Carlson	(775) 885-7475	waynecarlson@poolpact.com
Authorized Users:		
Mike Rebaleati	(775) 885-7475	mikerebaleati@poolpact.com
Wayne Carlson	(775) 885-7475	waynecarlson@poolpact.com
Doug Smith	(775) 885-7475	dougsmith@poolpact.com
Debbie Connally	(775) 885-7475	debbieconnally@poolpact.com
Melissa Mack	(775) 885-7475	melissamack@poolpact.com

End of Item #5



NPAIP AND PACT AUDIT OVERVIEW

Year Ending June 30, 2018

KEY PLAYERS

Wayne Carlson, Executive Director POOL/PACT

Mike Rebaleati, Captive President, COO

Alan Kalt, CFO

Deb Connally, Controller

Cash Minor, Chair NPAIP, Chair PRM

Paul Johnson, Chair PACT, Chair PCM

Josh Foli, Audit Committee Member

Gerry Eick, Audit Committee Member

Michael Bertrand: Bertrand & Associates: Audit Firm

Steve Balkenbush, General Counsel

Donna Squires, ASC, Claims Management

Derek Burkhalter, Actuary



KEY SECTIONS OF THE AUDIT REPORT

Executive Director's Letter

Management Discussion and Analysis

Independent Auditors Report

Financial Statements:

Statement of Net Position

Statements of Revenues, Expenses and Changes
in Net Position

Statements of Cash Flows

Supplemental Schedule on Unpaid Loss Liabilities

Comparative Schedule of Claim Development



NEVADA PUBLIC AGENCY INSURANCE POOL

Statements of Net Position

June 30, 2018 and 2017

ASSETS	2018	2017
Current assets:		
Cash and cash equivalents	\$ 2,254,893	\$ 625,884
Investments	18,107,946	26,229,345
Accrued interest	63,847	134,765
Deductibles receivable	336,162	146,244
Assessments receivable	10,520	26,170
Other Receivables	47	72,522
Specific and aggregate recoverables	2,794,407	2,712,750
Prepaid expense	220,453	83,691
Total current assets	23,788,275	30,031,371
Capital assets:		
Land, building & equipment, net	1,579,483	1,622,469
Other assets:		
Contributed Surplus Public Risk Mutual, net	13,646,670	10,420,230
Total Assets	39,014,428	42,074,070
LIABILITIES		
Other current liabilities:		
Accounts payable	124,741	165,724
Risk Management Grants payable	196,731	157,564
Deferred inflows of resources	-	5,104
Current portion of reserve for claims and claims adjustment expenses	5,047,158	4,581,556
Total current liabilities	5,368,630	4,909,948
Noncurrent liabilities:		
Reserve for claims and claims adjustment expenses	6,666,842	5,423,444
Total non-current liabilities:	6,666,842	5,423,444
Total Liabilities	12,035,472	10,333,392
NET POSITION		
Net Position, unrestricted	25,399,473	30,118,209
Net Position, invested in capital assets	1,579,483	1,622,469
Total Net Position	\$ 26,978,956	\$ 31,740,678

NEVADA PUBLIC AGENCY INSURANCE POOL



NEVADA PUBLIC AGENCY INSURANCE POOL
Statements of Revenues, Expenses and Changes in Net Position
For Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
OPERATING REVENUES		
Premiums written	\$ 14,390,787	\$ 13,832,878
Rental income	261,643	258,326
Other Income	50,174	68,324
Total revenues	<u>14,702,604</u>	<u>14,159,528</u>
PROGRAM EXPENSES		
Losses and loss adjustment expenses	6,461,215	4,549,021
Excess insurance premiums	5,309,446	5,633,992
Special insurance programs	485,154	-
Pooling and loss control fees	505,000	505,000
Third party administrator fees	710,655	659,418
Agent commissions	955,653	905,483
Taxes written	18,443	2,166
Total program expenses	<u>14,445,566</u>	<u>12,255,080</u>
ADMINISTRATIVE EXPENSES		
Management fees	513,174	490,136
Building maintenance and utilities	93,190	124,219
Depreciation	49,317	44,564
Amortization	2,473,560	1,946,893
Travel	54,981	48,662
Casualty insurance	31,075	51,553
Operating expenses	189,723	113,484
Legal expenses	45,788	85,109
Loss control awards and grants	240,525	320,627
Consultant appraisals	85,700	87,500
Environmental consultation	-	23,665
Technology services	12,483	81,967
Member education and training	1,177,977	1,310,767
Total pool administration expenses	<u>4,967,493</u>	<u>4,729,146</u>
Total program and administration expenses	<u>19,413,059</u>	<u>16,984,226</u>
Decrease in operating net position	(4,710,455)	(2,824,698)
Increase in non-operating net investment income	(51,267)	(297,011)
(Decrease) increase in net position	(4,761,722)	(3,121,709)
Net position, beginning of year	31,740,678	34,862,387
Net position, end of year	\$ 26,978,956	\$ 31,740,678

NEVADA PUBLIC AGENCY INSURANCE POOL



NEVADA PUBLIC AGENCY INSURANCE POOL
Statements of Cash Flows
For Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Premiums written	\$ 14,211,415	\$ 13,941,954
Rental income	261,643	258,326
Other revenues	50,174	68,324
Payment for claims	(4,752,215)	(5,110,021)
Payment to vendors	(10,505,811)	(11,381,636)
Net Cash Used from Operating Activities	<u>(734,794)</u>	<u>(2,223,053)</u>
Cash flows from investing activities:		
Interest and dividend income, net of expenses	600,085	957,587
Purchases of investments	(17,538,308)	(7,595,831)
Proceeds from sales of investments	25,008,356	13,391,219
Net Cash Provided from Investing Activities	<u>8,070,133</u>	<u>6,752,975</u>
Cash flows from capital activities:		
Increase in capitalization of PRM	(5,700,000)	(4,300,000)
Equipment purchases	(6,330)	(23,090)
Net Cash Used for Capital Activities	<u>(5,706,330)</u>	<u>(4,323,090)</u>
Increase in Cash and Cash Equivalents	1,629,009	206,832
Cash and Cash Equivalents, beginning of fiscal year	625,884	419,052
Cash and Cash Equivalents, year ended June 30	<u>2,254,893</u>	<u>625,884</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating net loss	(4,710,455)	(2,824,698)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	49,316	44,564
Amortization expense	2,473,560	1,946,893
(Increase) decrease in deductibles and assessments receivable	(174,268)	103,972
(Increase)in prepaid expense	(136,762)	(60,863)
Decrease (increase) in other receivables	72,475	(72,472)
(Increase) in recoverables	(81,657)	(919,826)
Decrease in accrued interest	70,917	37,380
(Decrease) increase in accounts payable	(40,983)	77,893
Increase in Risk Management Grants liability	39,167	-
(Decrease) increase in deferred inflows of resources	(5,104)	5,104
Increase (decrease) in reserve for claims and loss adjustments	1,709,000	(561,000)
Net Cash Used by Operating Activities	<u>\$ (734,794)</u>	<u>\$ (2,223,053)</u>

NEVADA PUBLIC AGENCY INSURANCE POOL



Total Capital Contributions to PRM	\$29,477,263
Net Contributed Surplus PRM	\$13,646,670
Investment Balance at 6-30-2018	\$18,107,946
Total Assets at 6-30-2018	\$39,014,428
Reserves for claims & CA Expenses	\$11,714,000
Net Investment Income for 2018	\$ (51,267)
Net Position June 30, 2018	\$26,978,956
Total Premium Revenues FY 2018	\$14,390,787
Member education and services	\$ 1,177,977
Total Loss Fund and program expenses	\$14,445,566
Total Administration Expenses	\$ 4,967,493,*

* Includes Amortization on PRM Contribution \$2,473,560

See detailed financial statements and notes for more details.

NEVADA PUBLIC AGENCY INSURANCE POOL

KEY FINANCIAL FIGURES



Mission Statement Financial Items:

Financial Strength, security, and durability

Cost Effective risk sharing and financing

Stewards of Public Assets

Vision Statement:

To sustain financial strength to meet our commitment to

Members

Net Position to SIR (Target 20:1) 54.0 to 1.0

SIR To Net Position 0.019 to 1.0

Cash/Investments to Current Liabilities 3.8 to 1.0

Total Assets/Total Liabilities 3.24 to 1.0

Revenues to Net Position 0.54 to 1.0

Loss Reserves to Net Position 0.43 to 1.0

See detailed financial statements and notes for more details.

NEVADA PUBLIC AGENCY INSURANCE POOL

KEY FINANCIAL BENCHMARK FIGURES





NPAIP AUDIT QUESTIONS & ANSWERS

Year Ending June 30, 2018

PUBLIC AGENCY COMPENSATION TRUST
STATEMENTS OF NET POSITION
June 30, 2018 and 2017

ASSETS	<u>2018</u>	<u>2017</u>
Current assets:		
Cash and cash equivalents	\$ 1,960,467	\$ 2,663,598
Investments	49,996,097	60,688,478
Investment income receivable	209,396	264,696
Member assessments receivable	3,421,951	3,848,709
Specific recoverable	186,908	97,495
Commissions receivable	56,800	64,381
Receivable from State of Nevada	102,976	-
Prepaid expenses	-	30,647
Total current assets	<u>55,934,595</u>	<u>67,658,004</u>
Noncurrent assets:		
Pledged investments	4,561,006	4,538,815
Contributed surplus PCM, net	27,055,732	21,629,160
Total noncurrent assets	<u>31,616,738</u>	<u>26,167,975</u>
TOTAL ASSETS	<u>87,551,333</u>	<u>93,825,979</u>
 LIABILITIES		
Current liabilities:		
Accounts payable	149,389	153,261
Commissions payable	56,800	59,990
Specific recoverable	186,908	97,495
Risk Management Grants payable	154,577	293,164
Current portion of reserve for claims losses	6,261,137	6,371,948
Total current liabilities	<u>6,808,811</u>	<u>6,975,858</u>
Noncurrent liabilities:		
Reserve for Worker's Compensation claims losses	17,315,863	17,377,052
Reserve for Heart & Lung claims losses	24,052,539	22,684,485
Total noncurrent liabilities	<u>41,368,402</u>	<u>40,061,537</u>
TOTAL LIABILITIES	<u>48,177,213</u>	<u>47,037,395</u>
 NET POSITION - unrestricted		
Net position -unrestricted	34,813,114	42,249,769
Net position -restricted for pledged securities	4,561,006	4,538,815
TOTAL NET POSITION	<u>\$ 39,374,120</u>	<u>\$ 46,788,584</u>

PUBLIC AGENCY COMPENSATION TRUST



PUBLIC AGENCY COMPENSATION TRUST
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Years ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
REVENUES		
Assessments for workers compensation	\$ 10,083,799	\$ 13,036,187
Assessments for heart and lung	1,104,106	2,113,595
Total Revenues	<u>11,187,905</u>	<u>15,149,782</u>
LOSS FUND AND PROGRAM EXPENSES		
Claims and adjustment expenses	6,431,493	6,257,686
Heart and Lung loss expenses	1,450,372	2,305,819
Excess insurance premium	526,516	524,612
Re-insurance premium	1,931,416	1,246,065
Member education and services	629,804	578,476
Loss control expense	406,000	406,000
Underwriting and claims processing	863,769	846,380
Total loss fund and program expenses	<u>12,239,370</u>	<u>12,165,038</u>
ADMINISTRATION EXPENSES		
Management fees	513,174	490,136
Professional services	110,407	110,534
Administrative and overhead	659,562	597,859
Risk management grants	186,174	657,230
Insurance Division fees	484,186	453,233
Nevada insolvency fund and related expenses	19,000	19,500
Amortization expense	4,473,428	3,212,594
Total administration expenses	<u>6,445,931</u>	<u>5,541,086</u>
Decrease in operating net position	<u>(7,497,396)</u>	<u>(2,556,342)</u>
Non-operating net investment income	82,932	(574,816)
(Decrease) in net position	<u>(7,414,464)</u>	<u>(3,131,158)</u>
Net position, beginning of year	46,788,584	49,919,742
Net position, end of year	<u>\$ 39,374,120</u>	<u>\$ 46,788,584</u>

PUBLIC AGENCY COMPENSATION TRUST



PUBLIC AGENCY COMPENSATION TRUST
STATEMENTS OF CASH FLOWS
For Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Assessments and other revenues	\$ 13,472,244	\$ 15,765,420
Payment for claims	(6,685,811)	(6,097,910)
Payment to vendors	(6,445,010)	(5,104,765)
Payment to Douglas County for settlement	(1,850,000)	-
Net cash (used) provided from operating activities	<u>(1,508,577)</u>	<u>4,562,745</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Contributed surplus to Public Compensation Mutual	<u>(9,900,000)</u>	<u>(15,100,000)</u>
Net cash used for capital and related financing activities	<u>(9,900,000)</u>	<u>(15,100,000)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and net realized investment income	1,457,200	2,042,351
Sale of investments	76,921,005	28,312,168
Purchases of investments	<u>(67,672,759)</u>	<u>(19,329,914)</u>
Net cash provided for investing activities	<u>10,705,446</u>	<u>11,024,605</u>
(Decrease) increase in cash and cash equivalents	(703,131)	487,350
Cash and cash equivalents, beginning of fiscal year	2,663,598	2,176,248
Cash and cash equivalents, year ended June 30	<u><u>1,960,467</u></u>	<u><u>2,663,598</u></u>
RECONCILIATION FOR OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating net loss	(7,497,396)	(2,556,342)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Decrease in member assessments receivable	426,758	615,638
(Increase) in specific recoverable	(89,413)	(40,117)
Decrease in prepaid expenses	30,647	3,323
Decrease (increase) in agent compensation receivable	7,581	(419)
Decrease in receivable from State of Nevada	-	485,603
(Decrease) increase in accounts payable	(3,872)	46,232
(Decrease) in agent compensation payable	(3,190)	(2,642)
Increase in specific recoverable	89,413	40,116
(Decrease) increase in Risk Management Grants payable	(138,587)	293,164
Increase in amortization of contributed surplus	4,473,428	3,212,594
Increase loss reserves	1,196,054	2,465,595
Net cash (used) provided by operating activities	<u>\$ (1,508,577)</u>	<u>\$ 4,562,745</u>

PUBLIC AGENCY COMPENSATION TRUST



Total Capital Contributions to PCM	\$53,700,939
Net Contributed Surplus PCM	\$27,055,732
Investment Balance at 6-30-2018	\$49,996,097
Total Assets at 6-30-2018	\$87,551,333
Reserves for claim losses WC	\$23,577,000
Reserves for claim losses Heart Lung	\$24,052,539
Net Investment Income for 2018	\$ 82,932
Net Position June 30, 2018	\$39,374,120
Total Assessment Revenues FY 2018	\$11,187,905
Member education and services	\$ 629,804
Total Loss Fund and program expenses	\$12,239,370
Total Administration Expenses	\$ 6,445,931*

* Includes Amortization on PCM Contribution \$4,473,428

See detailed financial statements and notes for more details.

PUBLIC AGENCY COMPENSATION TRUST

KEY FINANCIAL FIGURES



Mission Statement Financial Items:

Financial Strength, security, and durability

Cost Effective risk sharing and financing

Stewards of Public Assets

Vision Statement:

To sustain financial strength to meet our commitment to

Members

Net Position to SIR (Target 20:1) 78.75 to 1.0

SIR To Net Position 0.01 to 1.0

Cash/Investments to Current Liabilities 7.6 to 1.0

Total Assets/Total Liabilities 1.82 to 1.0

Revenues to Net Position 0.28 to 1.0

Loss Reserves to Net Position 0.55 to 1.0

See detailed financial statements and notes for more details.

PUBLIC AGENCY COMPENSATION TRUST

KEY FINANCIAL BENCHMARK FIGURES





PACT AUDIT QUESTIONS & ANSWERS

Year Ending June 30, 2018



End of Item #6

THANKS FOR YOUR FINANCIAL LEADERSHIP

*Working Together
We Achieve
Superior Results*

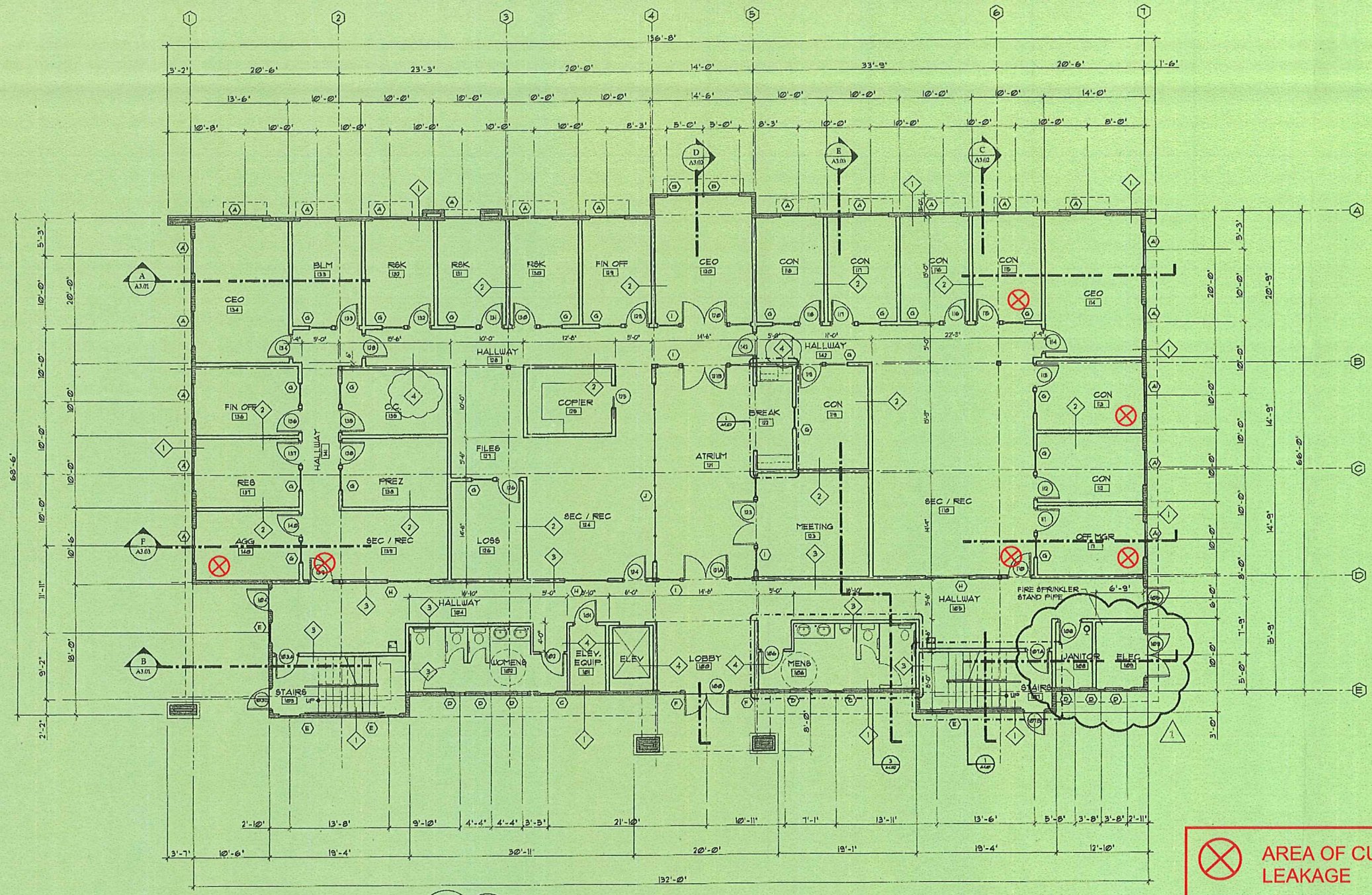


HANNAFIN / DARNEY ARCHITECTS
 Design Development
 318 N. CARSON STREET, SUITE 202 CARSON CITY, NV 89701
 PHONE: (775) 882-6455 FAX: 882-1444
 E-MAIL: AHANNAFIN@POWERNET.NET

REVISION	REMARKS	BY
7-8-2002	REVISION 1	KMT

PROJECT: New Office Building
 Roop And Second Street
 Carson City, Nevada
 SHEET TITLE: First Floor plan

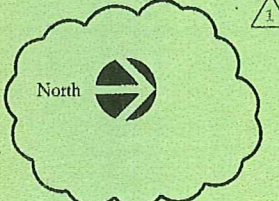
DATE:	
DESIGN BY:	KMT
DRAWN BY:	mcim
SCALE:	1/8" = 1'-0"
SHEET No.	A1-01



AREA OF CURRENT LEAKAGE

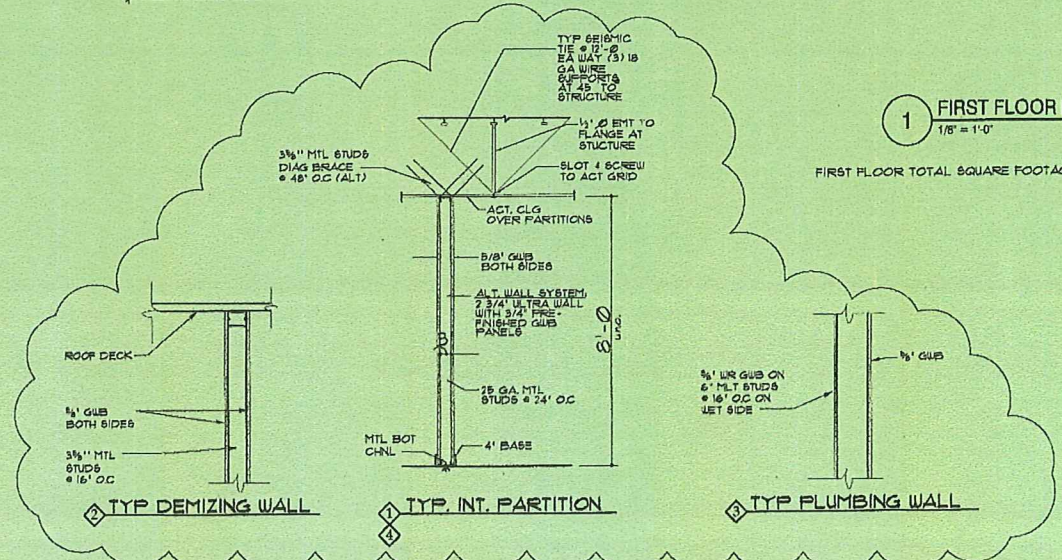
1 FIRST FLOOR PLAN
 1/8" = 1'-0"

FIRST FLOOR TOTAL SQUARE FOOTAGE = 8,108 SF.



WALL LEGEND

- 1 2"x6" WD STUDS @ 16" O/C w/ 1/2" EXT. GRADE 'CDX' 4 3/8" TYPE 'X' GWS w/ R-19 BATT INSULATION.
- 2 3x6" METAL STUDS @ 16" O/C w/ 1/2" GWS ON BOTH SIDES w/ SOUND INSULATION.
- 3 6" METAL STUDS @ 16" O/C w/ 3/4" TYPE 'X' GWS ON BOTH SIDES. VERIFY LOCATION FOR BACKING FOR PLUMBING WALL.
- 4 2"x6" WD STUDS @ 16" O/C w/ 3/4" TYPE 'X' GWS ON BOTH SIDES w/ SOUND INSULATION. FOR RATED CORRIDOR & SHAFT CONSTRUCTION.





June 13, 2016

SENT VIA EMAIL

Andrea Pressler, Esq.
Erickson, Thorpe & Swainston, Ltd
99 West Arroyo Street
Reno, Nevada 89509

RE: The Nevada Public Agency Insurance Pool Building
LCD Job # 3960-351

Dear Ms. Pressler:

This letter is in response to your request for a Preliminary Expert Opinion Report with regards to the above-referenced building. LaCroix Davis LLC was retained on or about April 13, 2016 to respond to issues related to roof leaks of a TPO roof system at the low slope roof areas and the standing seam metal roofing system at steep slope roof areas. This commercial building is located at 201 South Roop Street, in Carson City, NV. Personnel from LaCroix Davis LLC met with Donna Squires and participated in a one day visual inspection on April 28, 2016. We also reviewed the following documents provided to this office:

- One bankers box containing miscellaneous construction documents
- Two reduced size sets of building plans
- Photographs taken by Belfor during destructive testing occurrence at a confined rake location
- D & D Roofing Invoices and Repair Documentation

During our inspection, we observed several areas of ceiling staining at a first floor office. We also observed areas of staining at the exterior soffit adjacent to this office. This office and soffit are located at the southeast corner of the building. These areas of staining were located below a confined rake condition. This is the same area depicted in the photographs of the destructive testing location. It is my opinion that the water intrusion originates at the confined rake area. It appears that the roofing underlayment was not properly installed to turn up the rake wall. It also appears that the stucco paper was not properly integrated with the roofing underlayment. During our inspection of the low slope roofing, large areas of



Andrea Pressler, Esq.
Erickson, Thorpe & Swainston, Ltd
The Nevada Public Insurance Pool Building
June 13, 2016
Page 2

caulking were observed at the confined rake where the leaking is occurring. This application caulking at this location is a stop gaps measure at best. Potential removal of metal roofing material and stucco may be required to properly repair the affected area. These conditions have led to water damage to multiple building products such as ceiling tiles and insulation. In my experience, framing and roof sheeting are also likely being damaged; however, intrusive testing would be necessary to confirm this. Unless these conditions are mitigated and properly repaired, additional damage and potential failure to the building envelope will continue and increase the scope and cost of any potential repair protocol.

Should you have any questions or concerns please don't hesitate to contact this office.

Sincerely,

LaCroix Davis, LLC

Michael L. Gross
Division Manager
Building Services

MLG:cnw





June 17, 2016

SENT VIA EMAIL

Andrea Pressler, Esq.
Erickson, Thorpe & Swainston, Ltd
99 West Arroyo Street
Reno, Nevada 89509

RE: The Nevada Public Agency Insurance Pool Building
LCD Job # 3960-351

Dear Ms. Pressler:

This letter is in response to your request for a repair protocol. The following repair recommendation is designed to minimize repair costs, repair the leak at the confined rake and mitigate stucco issues at the parapet and stucco soffit located at the southeast corner of the building. I believe this repair will stop the roof leak, as well as, water intrusion to the stucco parapet and soffit at the southwest corner entrance of the building.

Confined Rake Area

- Remove stucco at the entire length of the confined rake and return wall 12" to 18" above the standing seam metal roof.
- Install 2 layers of approved stucco paper integrate with existing paper and counter flash over the existing roof underlayment.
- If unable to properly tie into roof underlayment properly remove one panel of metal roofing.
- Re-install roof panel if needed, install new stucco. Stucco texture to match original as close as possible.
- Paint new stucco, color to match original as close as possible.
- Clean up all material and debris and dispose of.

Parapet Area

- Remove stucco at top of parapet and 12" to 18" on both sides of parapet.
- Install self-sealing membrane at top and sides of parapet integrate with existing stucco paper.
- Install new stucco. Stucco texture to match original as close as possible.

FOR MEDIATION PURPOSES ONLY:
Protected from Disclosure by Evidence Code NRS 48.109 & 40.680.

Andrea Pressler, Esq.
Erickson, Thorpe & Swainston, Ltd
The Nevada Public Insurance Pool Building
June 17, 2016
Page 2

- Paint new stucco, color to match original as close as possible.
- Clean up all material and debris and dispose of.

If you decide to move forward with these proposed repairs I would be happy to contact local contractors to visit the site and prepare an estimate. After the bid or bids are provided I will review for scope and content and associated costs.

Should you have any questions or concerns please don't hesitate to contact this office.

Sincerely,

LaCroix Davis, LLC

Michael L. Gross
Division Manager
Building Services

MLG:cnw



April 16, 2018



LEAK DETECTION INSPECTION REPORT

Date

April 16, 2018

Prepared For

Belfor Remediation

Property Inspected

Name & Address:

Belfor Remediation
201 S Roop St
Carson City, NV 89701

Inspection & Report By

American Leak Detection

Technician: Richard Shall/Nikki Cerise
Phone #: (775) 691-3800 or (775) 901-3376

April 16, 2018

Job Assignment Information, Symptoms, Visible Damage & Special Instructions

Job Assignment Information

Water Intrusion

Symptoms / Visible Damage / Special Instructions

The customer, the customer's representative, or the inspecting American Leak Detection technician has observed the following symptoms typical of water leaks and/or damage:

The technician inspected between the drop down ceiling and the plywood. There was water staining on some of the ceiling tiles. There was signs of water dripping down the walls and some water staining on a 2x4 in the first office.

None of this was conclusive for the technician.

A moisture meter was also used but there was no current moisture.

Infrared images were taken of the inside and outside of the building as well.

These will be more conclusive in determining the exact location that the water is penetrating the building.

April 16, 2018

Photos

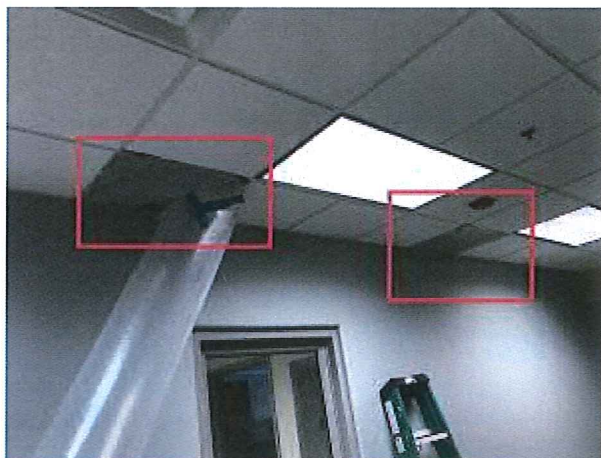
Photo #1

AA770D6C-F964-470C-A5BC-F95593259C61
Entrance to the building.



Photo #2

0E73959B-BD4B-4E58-827E-9A24F6A5F87B
Two areas in the hall that had water damage.



April 16, 2018

Photos

Photo #3

7E7A5624-C761-4831-A027-16AE55DFE474
Stains from water dripping down the hall. Hallway to the right of the door.

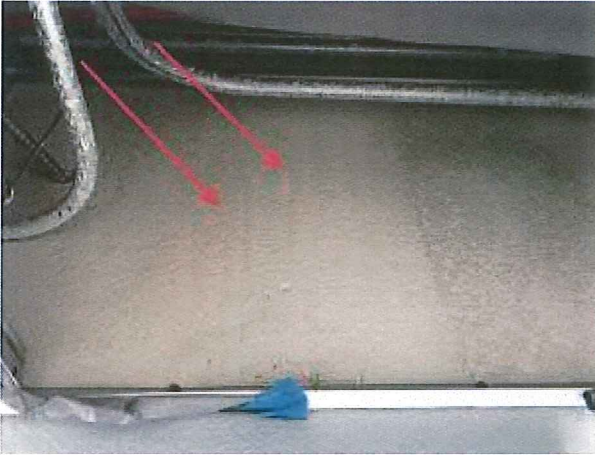


Photo #4

0548379B-C5DE-4463-B50E-F52838B2D1D4
No current moisture. Hallway, to the right of the door.



April 16, 2018

Photos

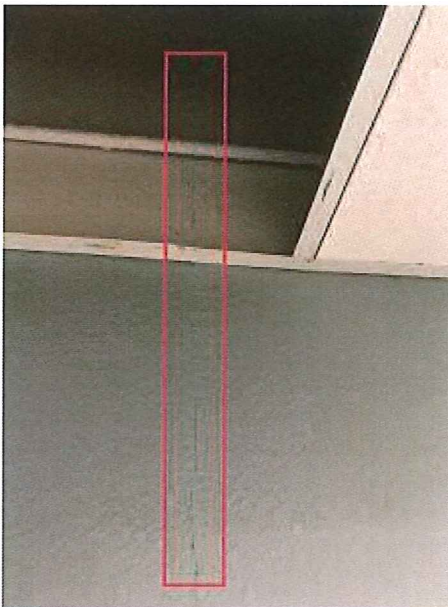
Photo #5

32F983F4-3C5A-41EF-8EA5-8380D2ECCAE9
Hallway, to the left of the door.



Photo #6

6A41B846-8CBC-4F71-86DF-D2E18CEC5D52
Stains from water dripping down the wall. Hallway,
left of door.



April 16, 2018

Photos

Photo #7

8231845F-C1FD-4BD4-B996-4A262E134471
No current moisture. Hallway, left of door.



Photo #8

61D6CDBA-C7FD-4877-9DC9-4889E1149F1F
Furthest office, windows facing the street.



April 16, 2018

Photos

Photo #9

C71B8BC4-CD56-42F7-94B9-029B815023EB
Water stains on the ceiling tile. Furthest office,
facing the street.

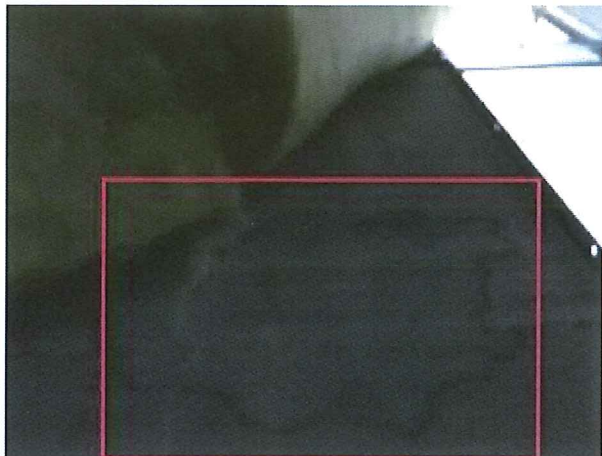


Photo #10

9209EB87-490E-4D3E-AC7E-C878A9A5346E
Water stains on the ceiling tile. Furthest office,
facing the street.



April 16, 2018

Photos

Photo #11

6F424694-BDB6-4212-B817-E2CA97B19215
Water stains on the ceiling tile. Furthest office,
facing the street.



Photo #12

6D165416-DD06-49BE-943D-FBD776358AC0
Water staining on the 2x4 in the ceiling of the
furthest office.



April 16, 2018

Photos

Photo #13

0A0442AF-E8B4-41A9-86BA-6F3EB2A82BBA
Close up of the water staining of the 2x4 in the ceiling of the furthest office.



Photo #14

2F248A54-4BC2-46AC-A0BA-C59ECFD916AD
Close up of the water staining of the 2x4 in the ceiling of the furthest office.



April 16, 2018

Photos

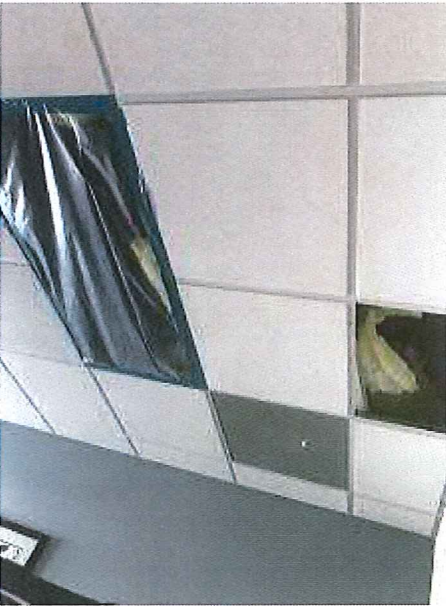
Photo #15

AD1E6229-EDB6-4BD9-8B78-9F8C8F4FEF5F
Furthest office facing the parking lot.



Photo #16

35766212-5439-4910-861F-2E0C7971697A
Office closest to the hallway door.



April 16, 2018

Photos

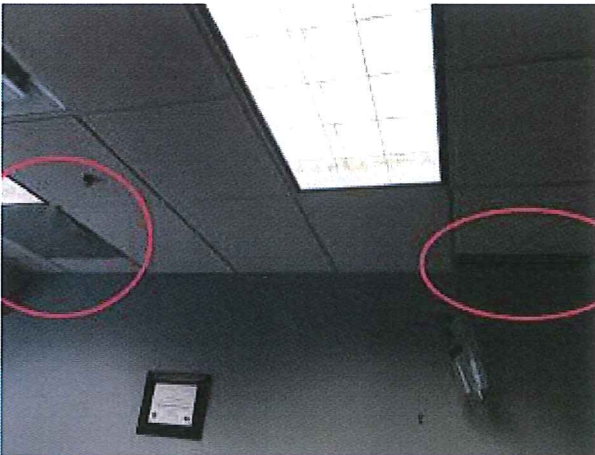
Photo #17

34804D94-A8FF-445E-BA9E-A0ACFC4951FB
Water stains found on the ceiling tile of the office closest to the hallway door. This is the view entering the ceiling the missing ceiling tile closest to the office door.



Photo #18

6ADA3940-50D5-4929-A272-14F015B69385
Center office facing the parking lot.



April 16, 2018

Photos

Photo #19

707D2025-EFC3-4C27-9309-CF886661A9FF
Water stains from water dripping down the wall in the center office facing the parking lot. This is the view of the tile closest to the office door.

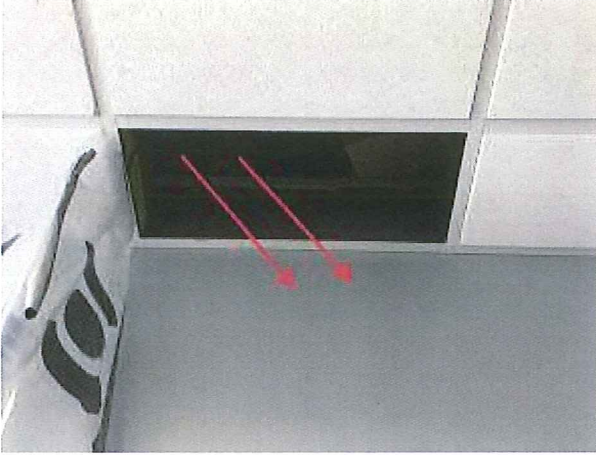


Photo #20

41082176-30E1-44A7-BDDC-E9192F20BDDF
Water staining from water dripping down the wall in the center office facing the parking lot.



April 16, 2018

Photos

Photo #21

AD6DCC97-DD93-4961-B74A-432BE28ED92B
Close up of the stains from water dripping down the wall in the center office facing the parking lot. This is the view of the tile closest to the office door.

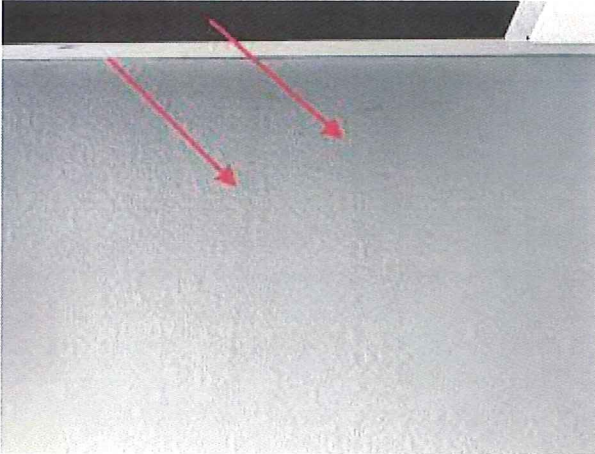


Photo #22

F8F00125-3C71-409B-8B0F-52F53813D47E
View of the building from the street. Arrows point at two very suspicious areas.



April 16, 2018

Photos

Photo #23

67BEF03F-96FB-49A5-A25B-B75D85442A40
Close up of the two suspicious areas, street facing the building.



Photo #24

027A6D27-EBDC-47BF-AD3E-05CF9C64D747
Close up of the suspicious area. This is the area on the left.



April 16, 2018

Photos

Photo #25

2547D13F-2913-4213-99F0-86806CCD5911
Close up of the suspicious area. This is the area on the right.

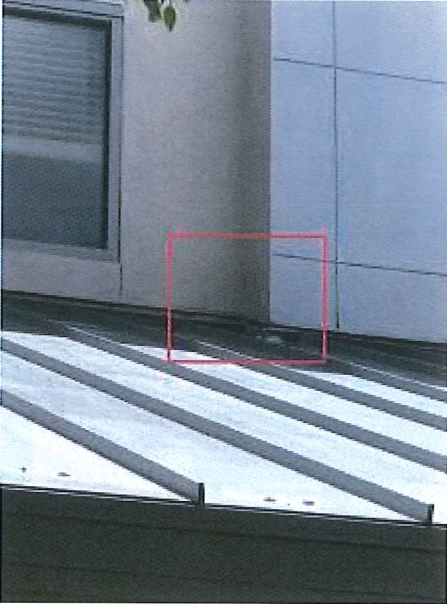
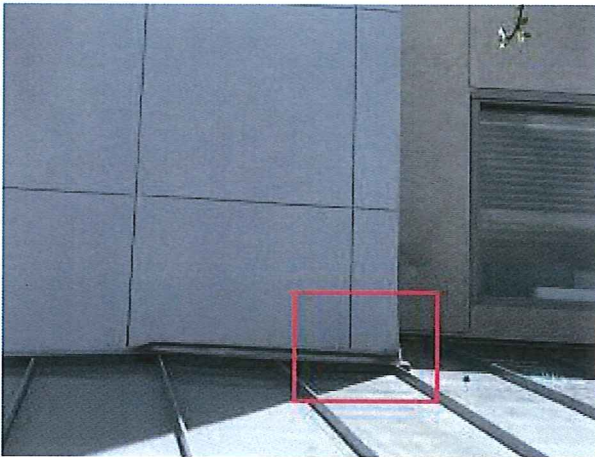


Photo #27

00C1B1D9-6E30-4277-8DEA-A8F19610A0AB
Another suspicious area to left of the first two.



American Leak Detection Northern Nevada
1284 Cedar Brook Ct.
Gardnerville, NV 89460
775-691-3800 or 775-901-3376

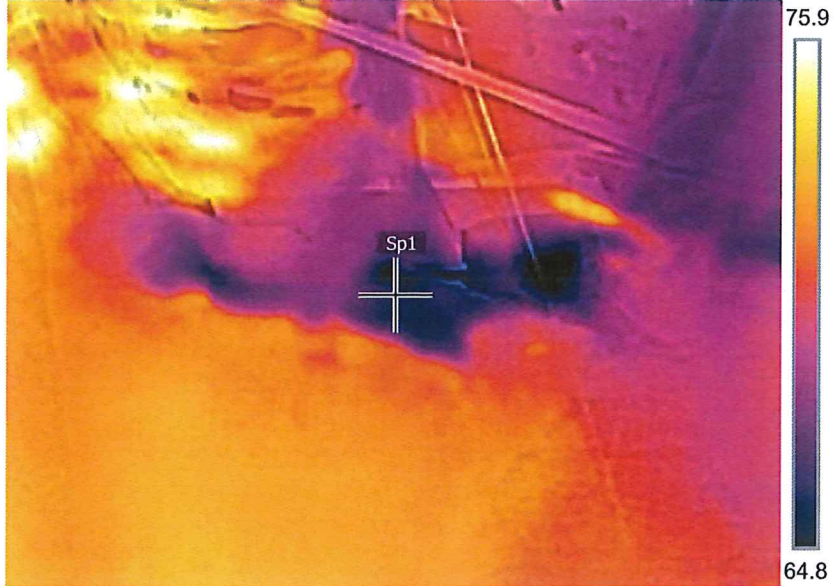
Measurements

Sp1	66.3 °F
-----	---------

Parameters

Emissivity	0.95
Refl. temp.	68 °F

4/16/2018 11:25:30 PM

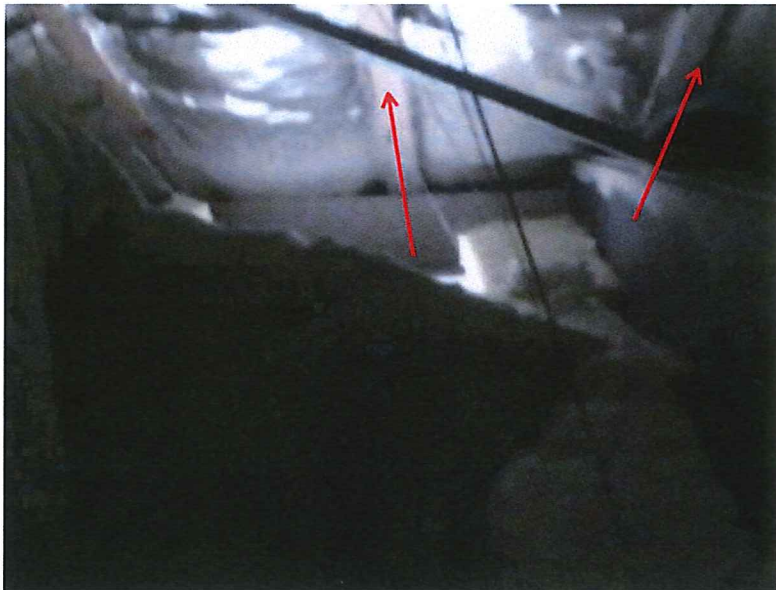


FLIR0002.jpg

FLIR C2

720047737

4/16/2018 11:25:30 PM



FLIR0002.jpg

FLIR C2

720047737

All arrows are indications of extreme temperature differential and are possible locations of water penetration.

American Leak Detection Northern Nevada
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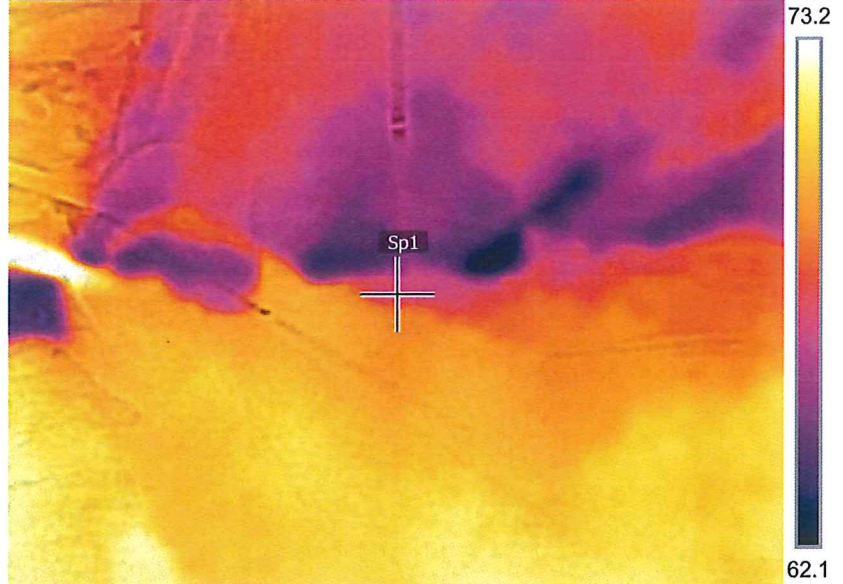
Measurements

Sp1	68.7 °F
-----	---------

Parameters

Emissivity	0.95
Ref. temp.	68 °F

4/16/2018 11:25:39 PM



FLIR0003.jpg

FLIR C2

720047737

4/16/2018 11:25:39 PM



FLIR0003.jpg

FLIR C2

720047737

All arrows are indications of extreme temperature differential and are possible locations of water penetration.

American Leak Detection Northern Nevada
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775-691-3800 or 775-901-3376

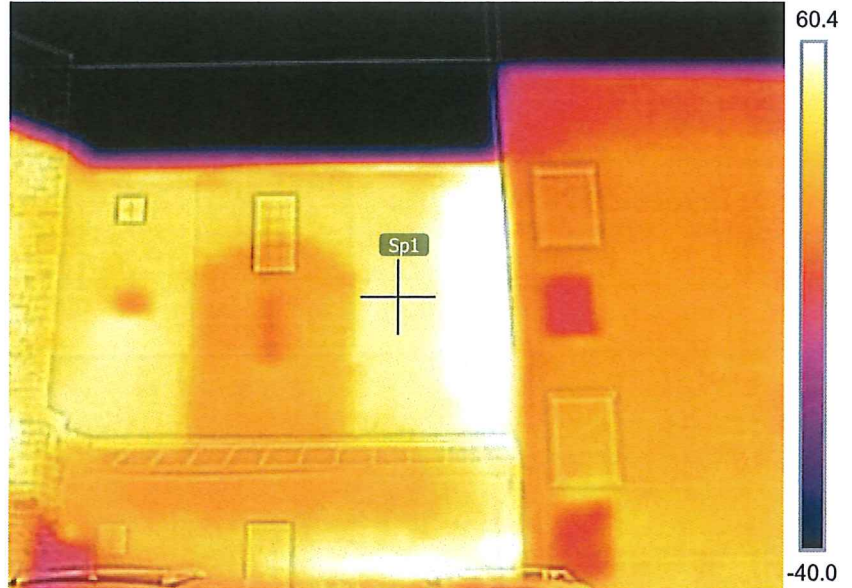
Measurements

Sp1	58.2 °F
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Parameters

Emissivity	0.95
Ref. temp.	68 °F

4/16/2018 11:30:55 PM

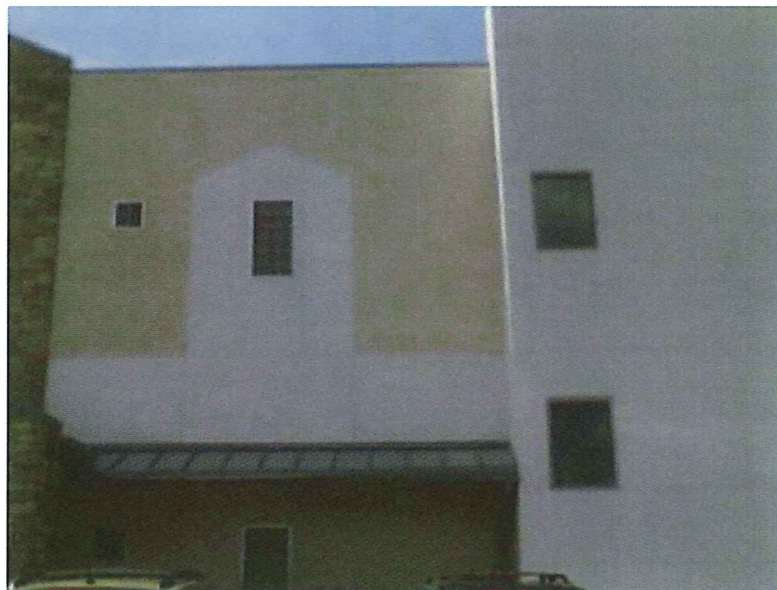


FLIR0006.jpg

FLIR C2

720047737

4/16/2018 11:30:55 PM



FLIR0006.jpg

FLIR C2

720047737

All arrows are indications of extreme temperature differential and are possible locations of water penetration.

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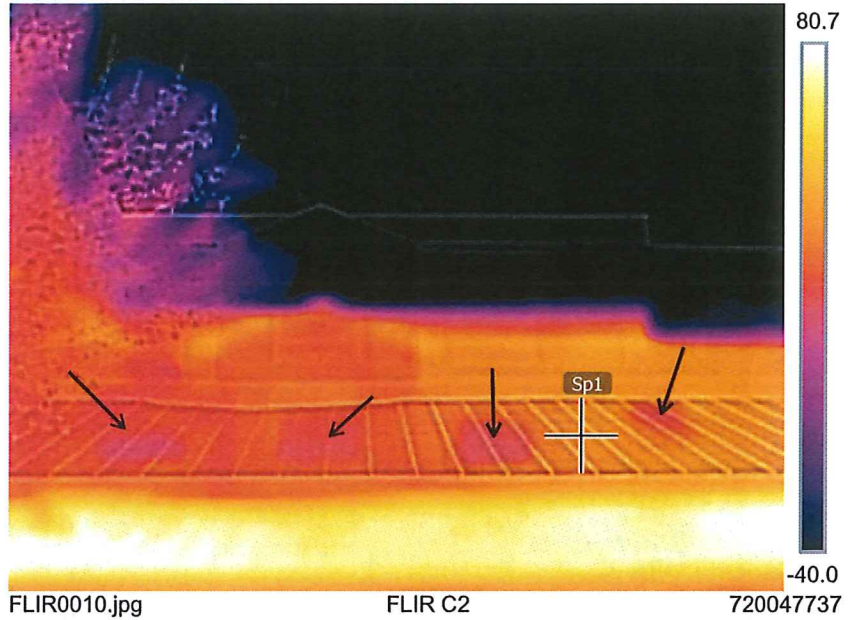
Measurements

Sp1	47.7 °F
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Parameters

Emissivity	0.95
Ref. temp.	68 °F

4/16/2018 11:32:48 PM



4/16/2018 11:32:48 PM



All arrows are indications of extreme temperature differential and are possible locations of water penetration.

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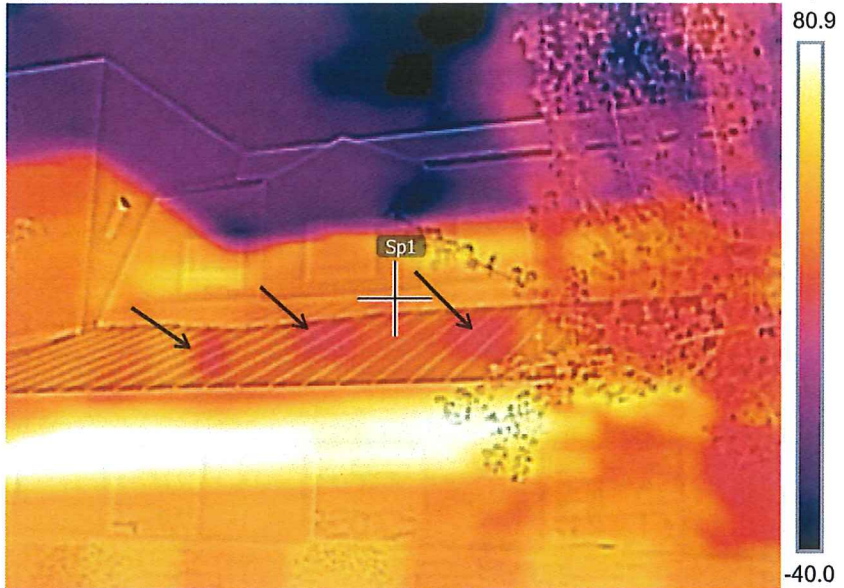
Measurements

Sp1	44.4 °F
-----	---------

Parameters

Emissivity	0.95
Refl. temp.	68 °F

4/16/2018 11:32:27 PM



FLIR0009.jpg

FLIR C2

720047737

4/16/2018 11:32:27 PM



FLIR0009.jpg

FLIR C2

720047737

All arrows are indications of extreme temperature differential and are possible locations of water penetration.

American Leak Detection Northern Nevada
1284 Cedar Brook Ct.
Gardnerville, NV 89460
775-691-3800 or 775-901-3376

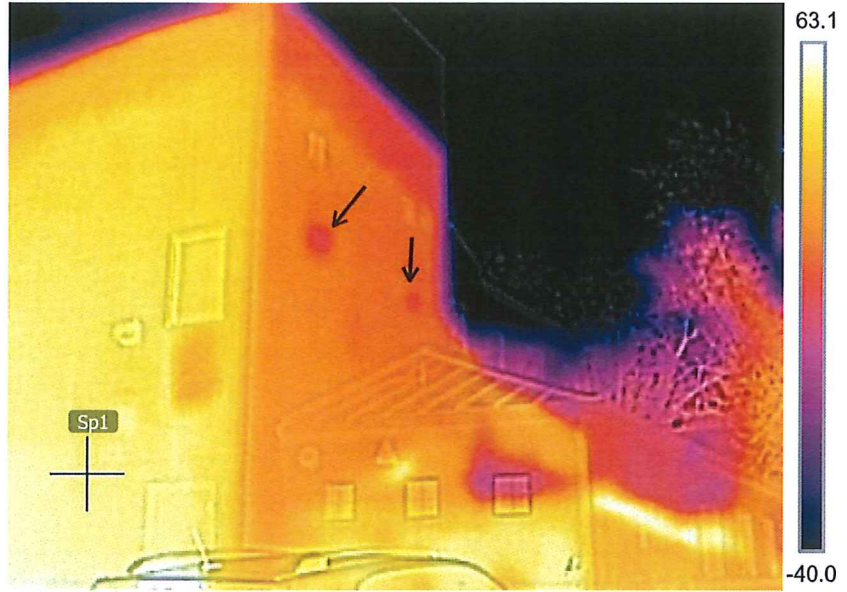
Measurements

Sp1	56.1 °F
-----	---------

Parameters

Emissivity	0.95
Refl. temp.	68 °F

4/16/2018 11:31:27 PM

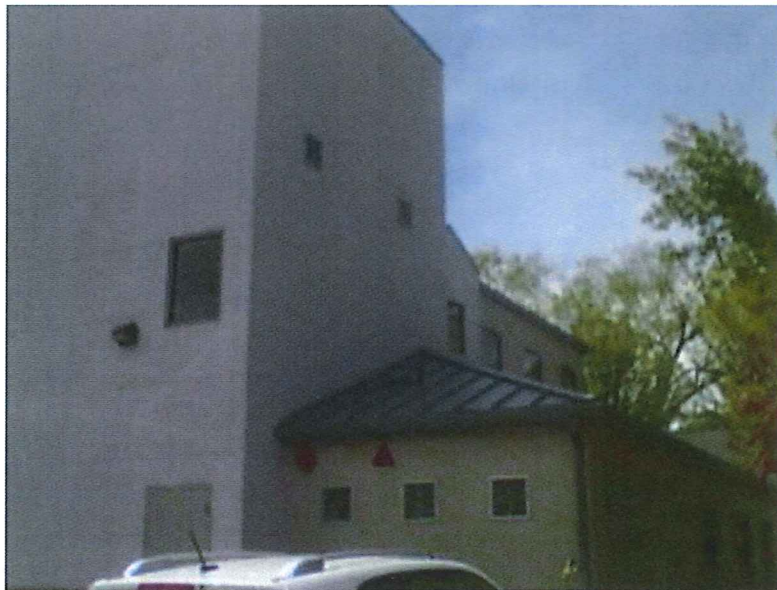


FLIR0008.jpg

FLIR C2

720047737

4/16/2018 11:31:27 PM



FLIR0008.jpg

FLIR C2

720047737

All arrows are indications of extreme temperature differential and are possible locations of water penetration.

American Leak Detection Northern Nevada
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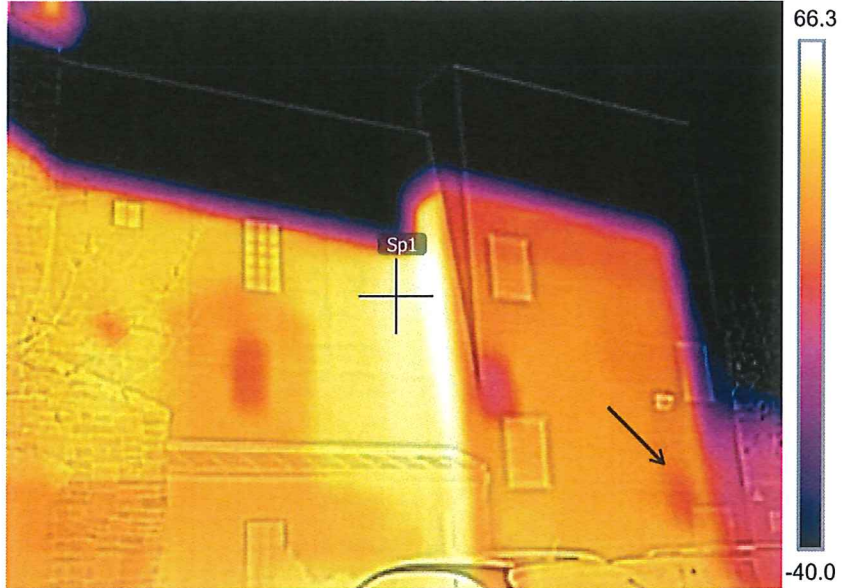
Measurements

Sp1	60.8 °F
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Parameters

Emissivity	0.95
Refl. temp.	68 °F

4/16/2018 11:31:06 PM

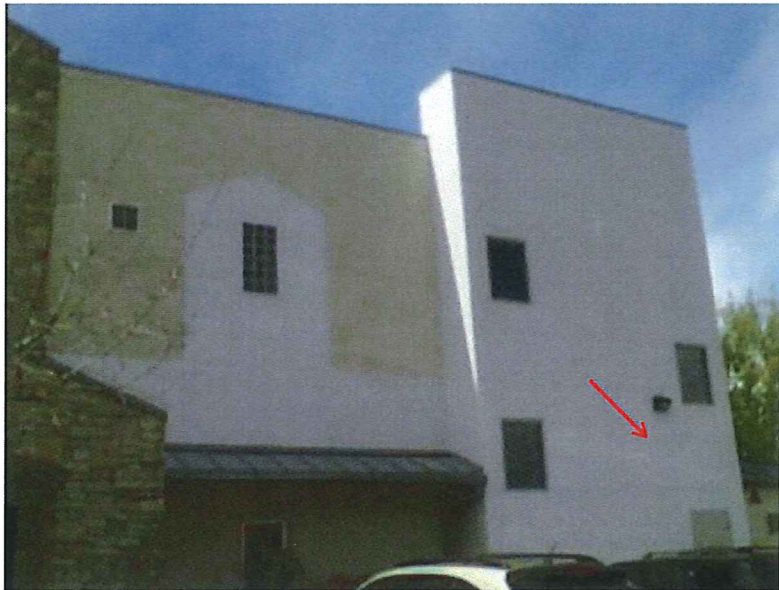


FLIR0007.jpg

FLIR C2

720047737

4/16/2018 11:31:06 PM



FLIR0007.jpg

FLIR C2

720047737

All arrows are indications of extreme temperature differential and are possible locations of water penetration.

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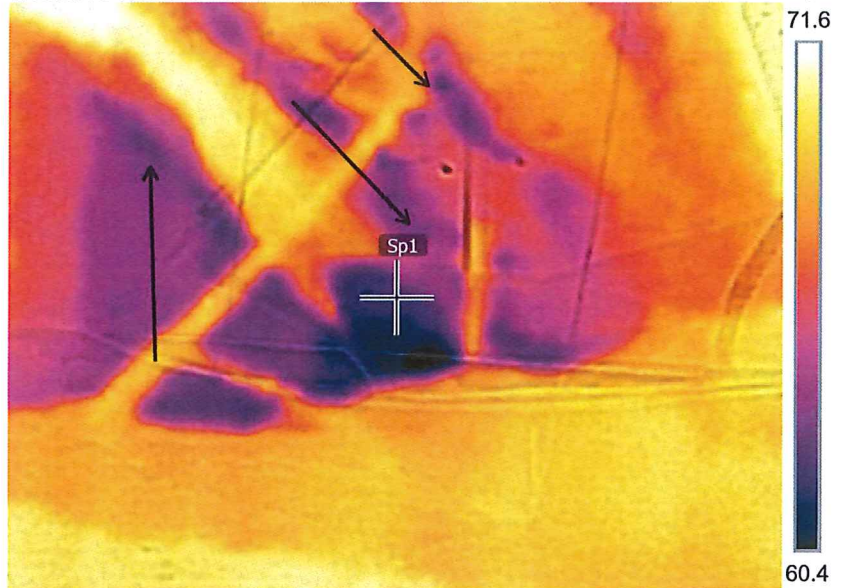
Measurements

Sp1	63.8 °F
-----	---------

Parameters

Emissivity	0.96
Ref. temp.	75 °F

4/16/2018 11:17:43 PM



FLIR0913.jpg

FLIR C2

720047737

4/16/2018 11:17:43 PM



FLIR0913.jpg

FLIR C2

720047737

All arrows are indications of extreme temperature differential and are possible locations of water penetration.

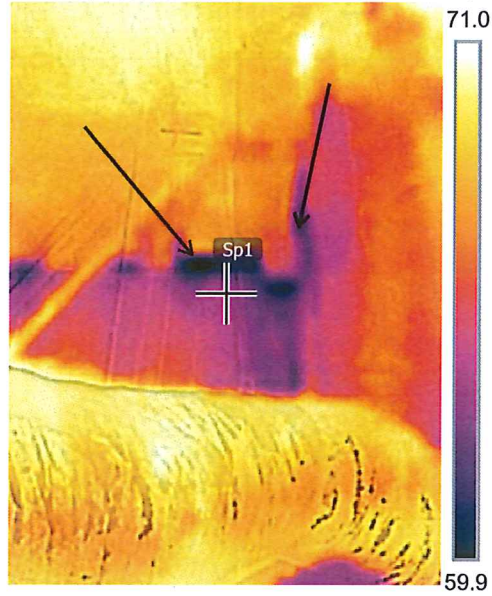
Measurements

Sp1 66.5 °F

Parameters

Emissivity 0.96
Ref. temp. 75 °F

4/16/2018 11:13:04 PM



FLIR0911.jpg FLIR C2 720047737

4/16/2018 11:13:04 PM



FLIR0911.jpg FLIR C2 720047737

All arrows are indications of extreme temperature differential and are possible locations of water penetration.

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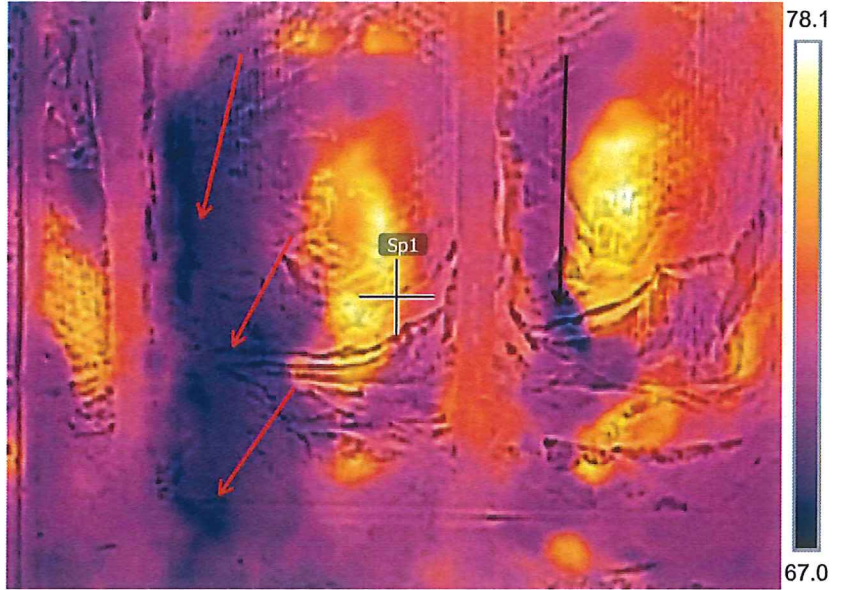
Measurements

Sp1	72.5 °F
-----	---------

Parameters

Emissivity	0.96
Ref. temp.	75 °F

4/16/2018 11:12:50 PM

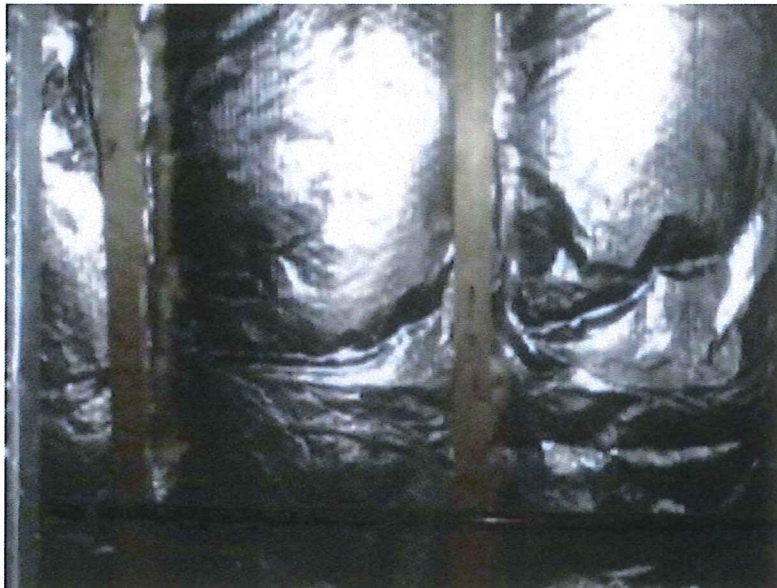


FLIR0910.jpg

FLIR C2

720047737

4/16/2018 11:12:50 PM



FLIR0910.jpg

FLIR C2

720047737

All arrows are indications of extreme temperature differential and are possible locations of water penetration.

American Leak Detection Northern Nevada
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Gardnerville, NV 89460
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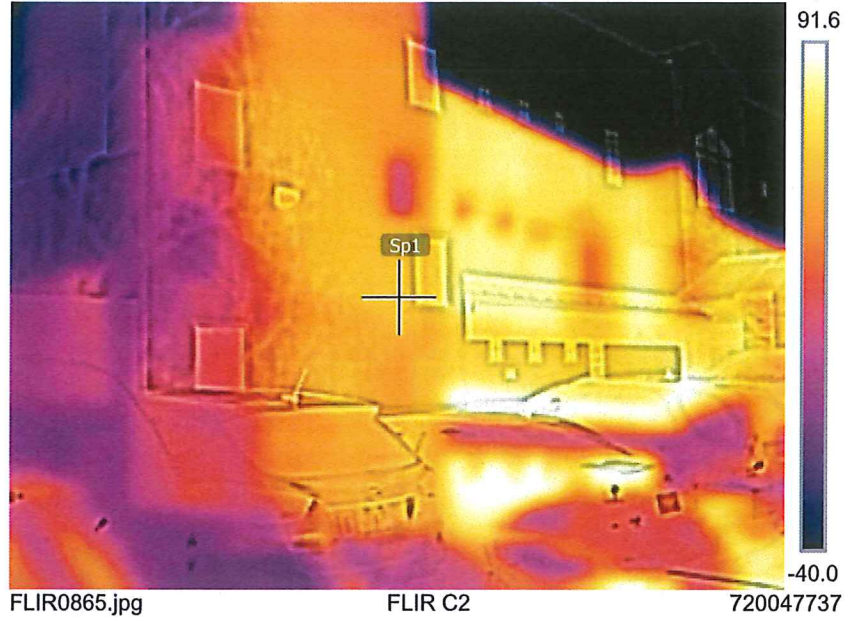
Measurements

Sp1	72.9 °F
-----	---------

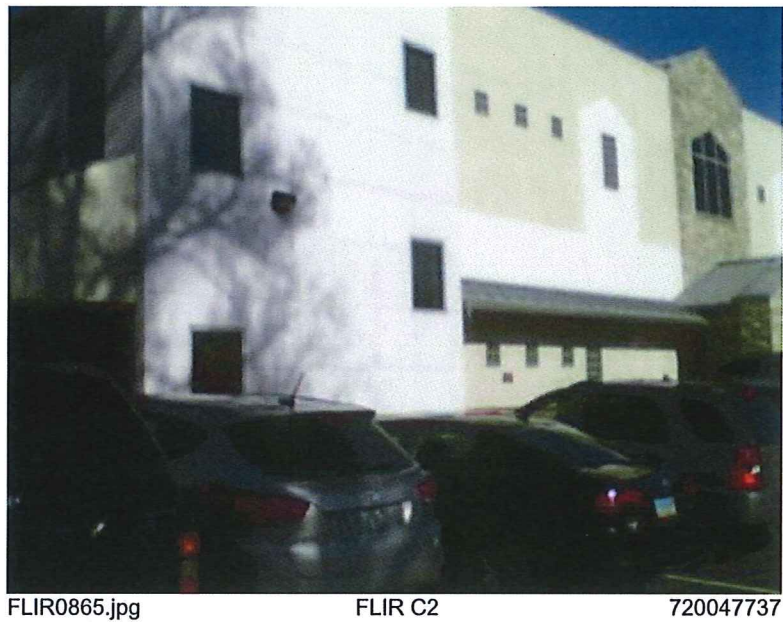
Parameters

Emissivity	0.96
Refl. temp.	75 °F

4/13/2018 6:54:38 PM



4/13/2018 6:54:38 PM



All arrows are indications of extreme temperature differential and are possible locations of water penetration.

American Leak Detection Northern Nevada
1284 Cedar Brook Ct.
Gardnerville, NV 89460
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Measurements

Sp1	85.2 °F
-----	---------

Parameters

Emissivity	0.96
Refl. temp.	75 °F

4/13/2018 6:54:45 PM



FLIR0866.jpg

FLIR C2

720047737

4/13/2018 6:54:45 PM



FLIR0866.jpg

FLIR C2

720047737

All arrows are indications of extreme temperature differential and are possible locations of water penetration.

American Leak Detection Northern Nevada
1284 Cedar Brook Ct.
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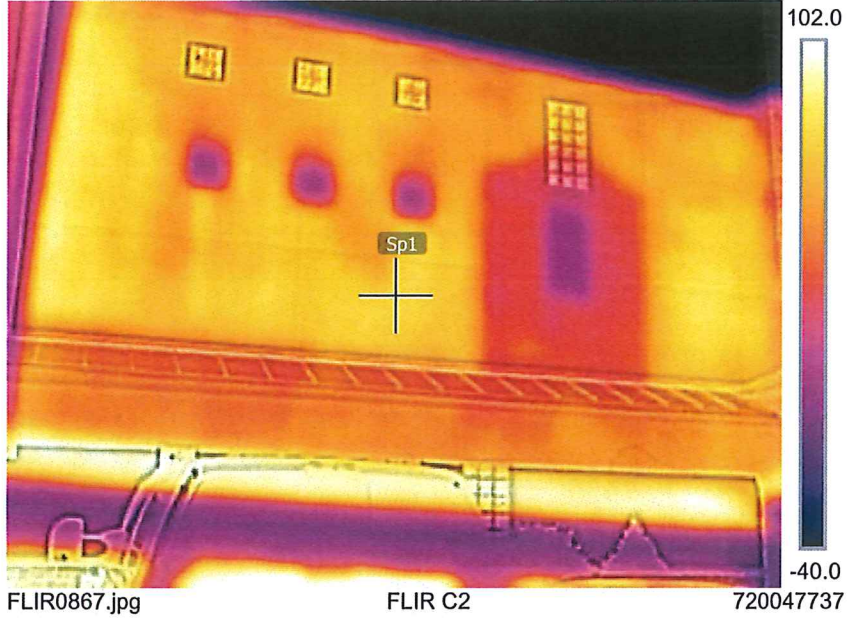
Measurements

Sp1	88.0 °F
-----	---------

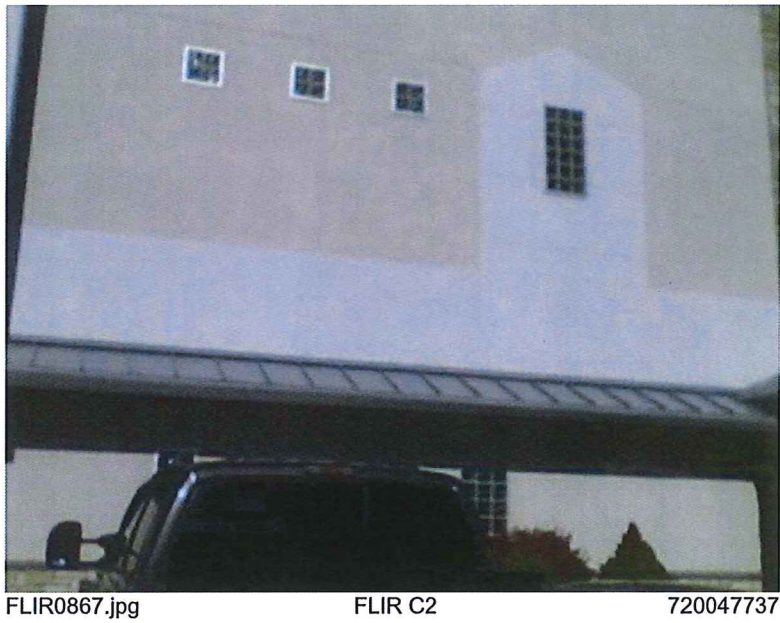
Parameters

Emissivity	0.96
Refl. temp.	75 °F

4/13/2018 6:54:59 PM



4/13/2018 6:54:59 PM



All arrows are indications of extreme temperature differential and are possible locations of water penetration.

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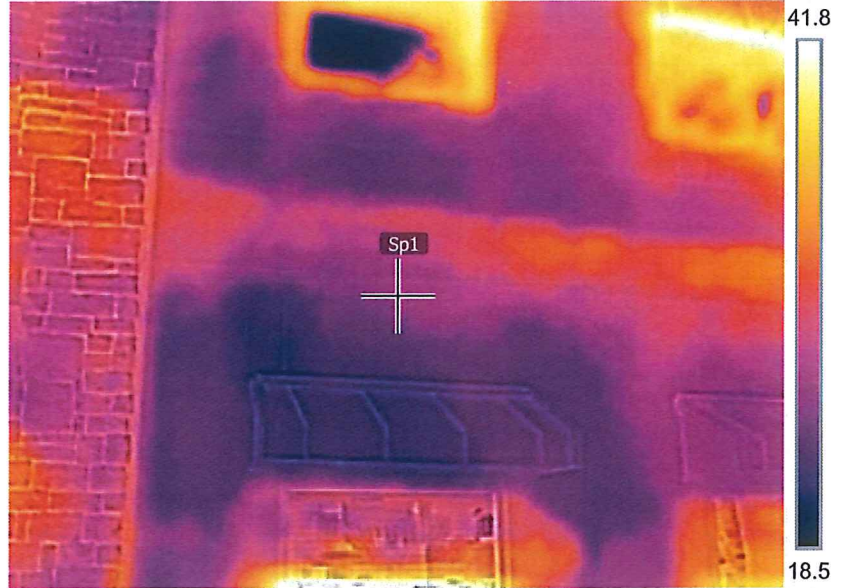
Measurements

Sp1	25.8 °F
-----	---------

Parameters

Emissivity	0.96
Ref. temp.	75 °F

4/13/2018 6:58:03 PM

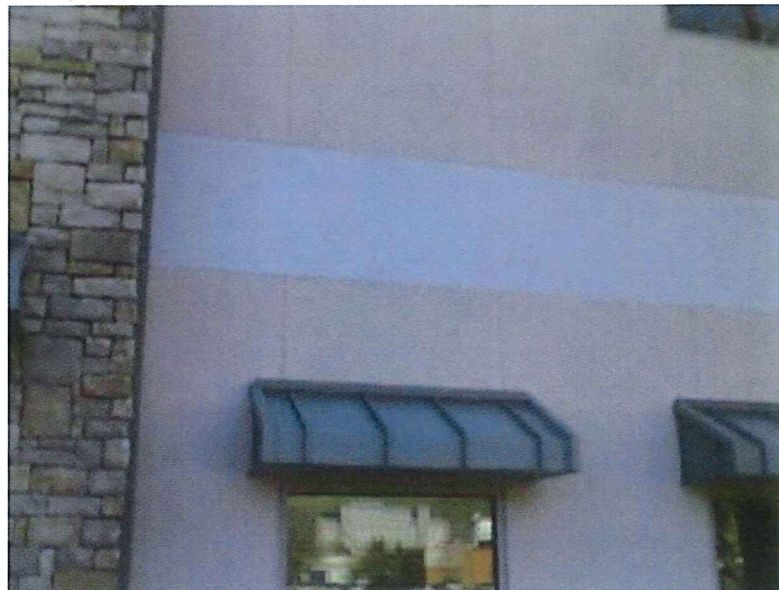


FLIR0882.jpg

FLIR C2

720047737

4/13/2018 6:58:03 PM



FLIR0882.jpg

FLIR C2

720047737

All arrows are indications of extreme temperature differential and are possible locations of water penetration.

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1284 Cedar Brook Ct.
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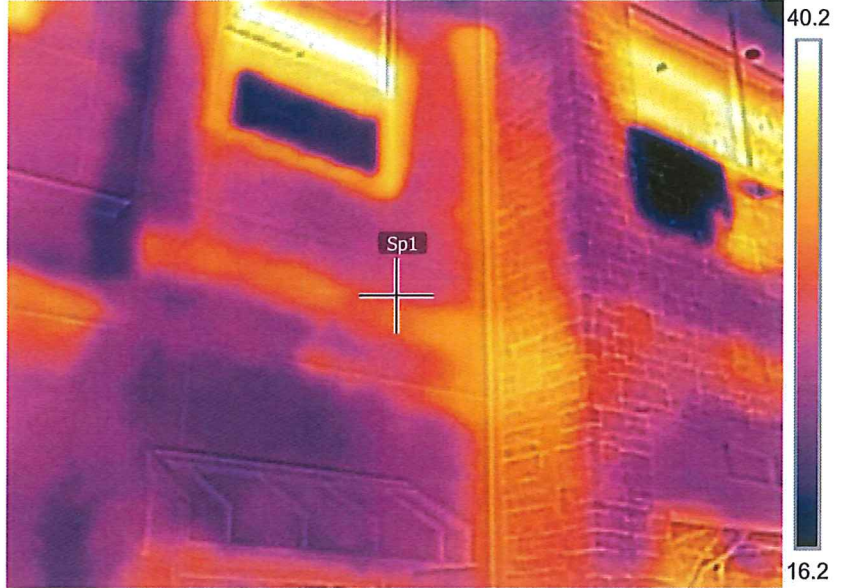
Measurements

Sp1	26.9 °F
-----	---------

Parameters

Emissivity	0.96
Refl. temp.	75 °F

4/13/2018 6:57:43 PM

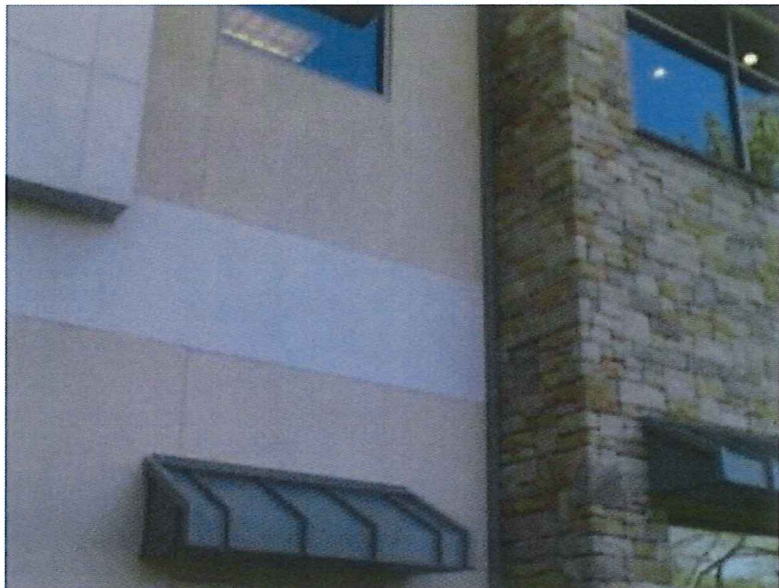


FLIR0880.jpg

FLIR C2

720047737

4/13/2018 6:57:43 PM



FLIR0880.jpg

FLIR C2

720047737

All arrows are indications of extreme temperature differential and are possible locations of water penetration.

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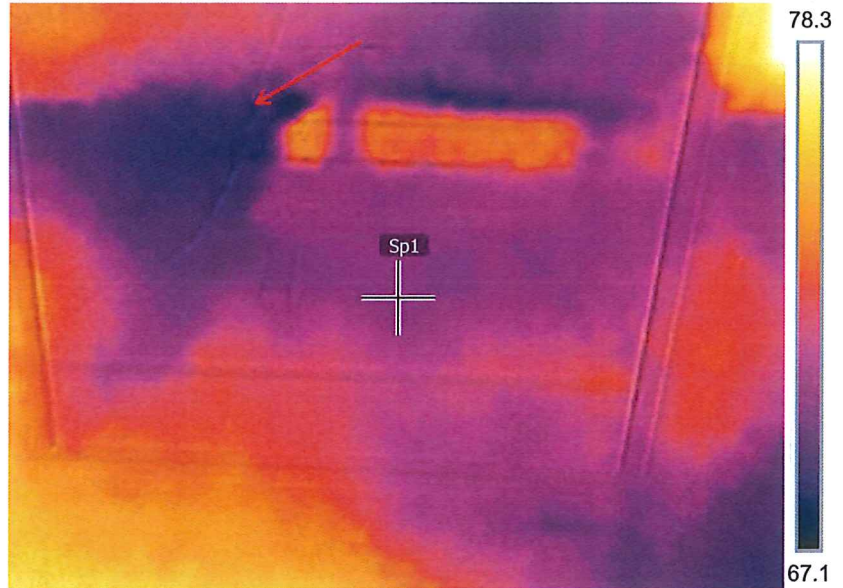
Measurements

Sp1	71.2 °F
-----	---------

Parameters

Emissivity	0.96
Refl. temp.	75 °F

4/16/2018 10:42:23 PM



FLIR0902.jpg

FLIR C2

720047737

4/16/2018 10:42:23 PM



FLIR0902.jpg

FLIR C2

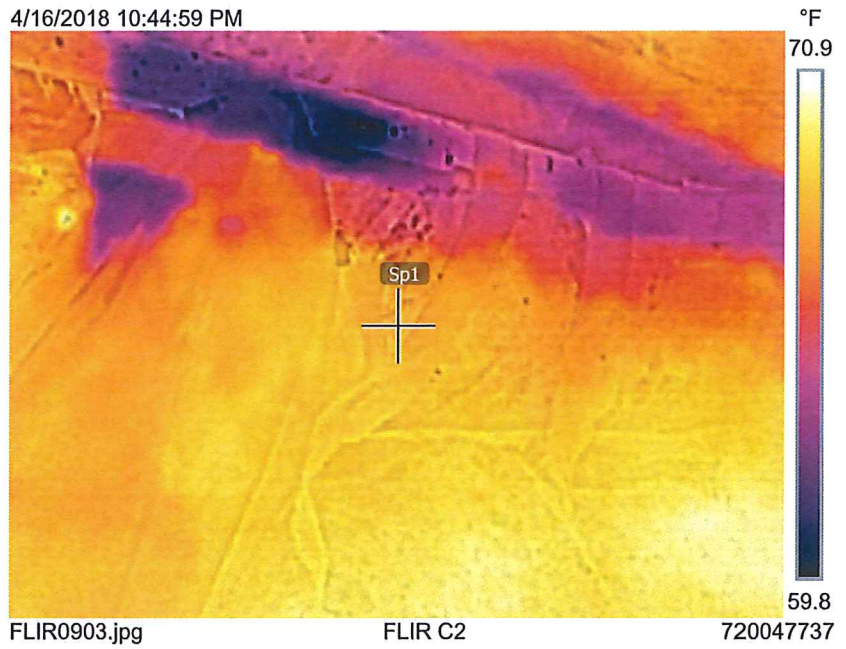
720047737

All arrows are indications of extreme temperature differential and are possible locations of water penetration.

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1284 Cedar Brook Ct.
Gardnerville, NV 89460
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Measurements	
Sp1	67.8 °F

Parameters	
Emissivity	0.96
Refl. temp.	75 °F



All arrows are indications of extreme temperature differential and are possible locations of water penetration.

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775-691-3800 or 775-901-3376

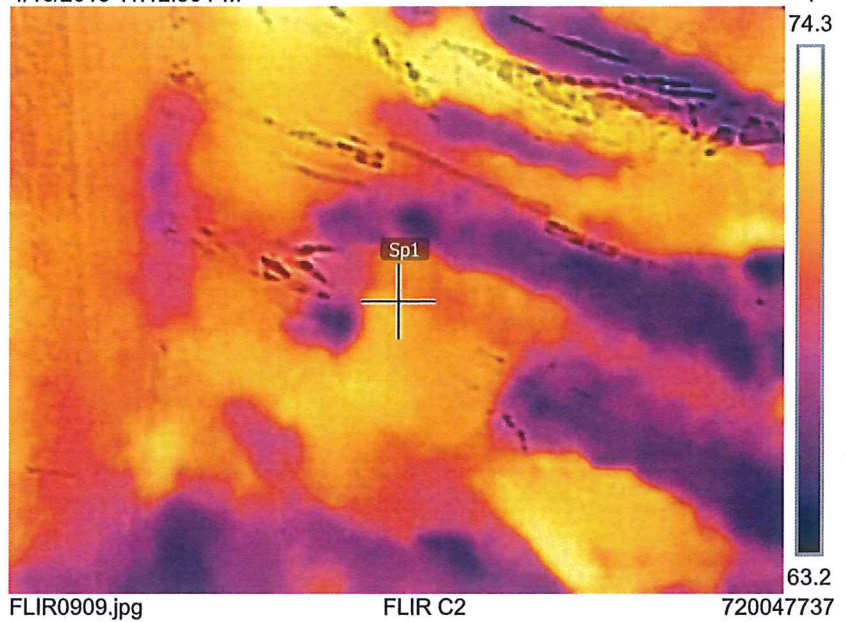
Measurements

Sp1	69.8 °F
-----	---------

Parameters

Emissivity	0.96
Refl. temp.	75 °F

4/16/2018 11:12:36 PM



4/16/2018 11:12:36 PM



All arrows are indications of extreme temperature differential and are possible locations of water penetration.

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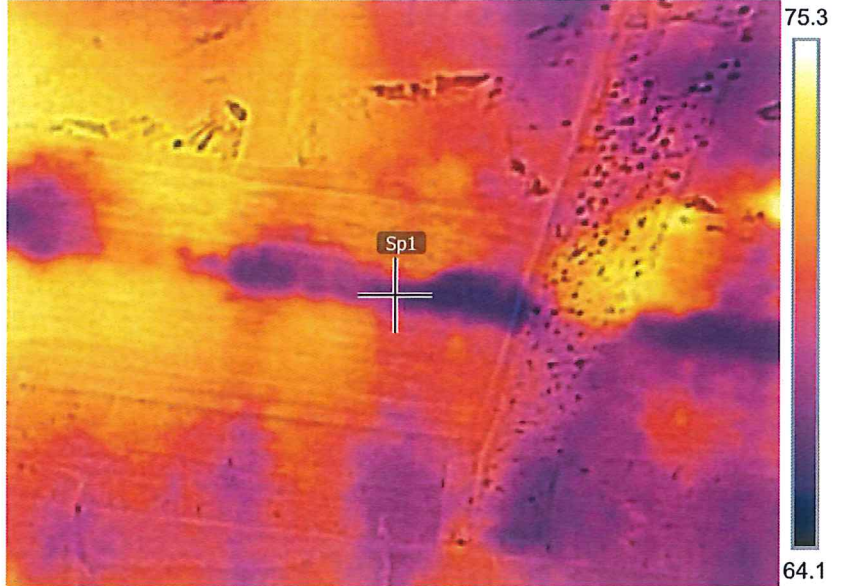
Measurements

Sp1	69.7 °F
-----	---------

Parameters

Emissivity	0.96
Refl. temp.	75 °F

4/16/2018 11:12:17 PM



FLIR0906.jpg

FLIR C2

720047737

4/16/2018 11:12:17 PM



FLIR0906.jpg

FLIR C2

720047737

All arrows are indications of extreme temperature differential and are possible locations of water penetration.

American Leak Detection Northern Nevada
1284 Cedar Brook Ct.
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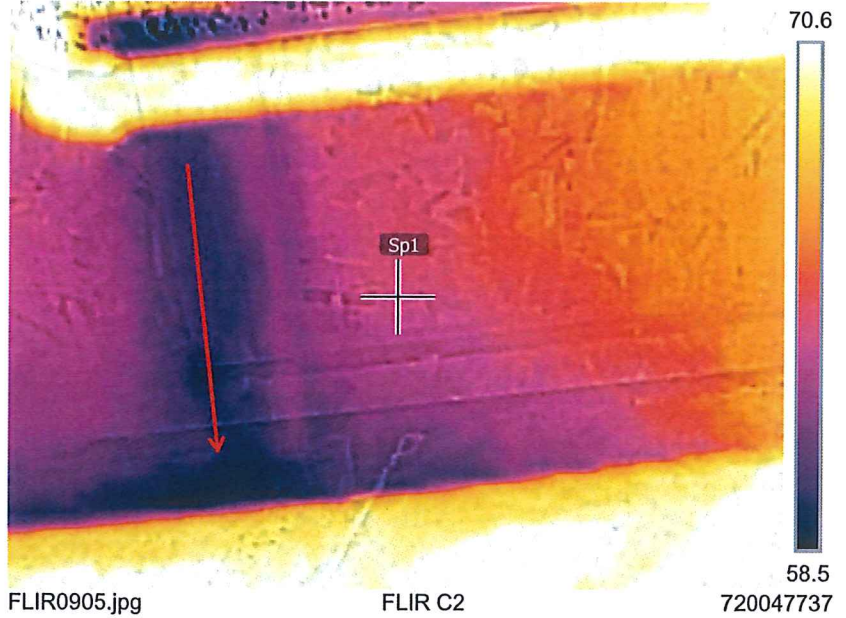
Measurements

Sp1	64.0 °F
-----	---------

Parameters

Emissivity	0.96
Refl. temp.	75 °F

4/16/2018 10:57:52 PM



4/16/2018 10:57:52 PM



All arrows are indications of extreme temperature differential and are possible locations of water penetration.

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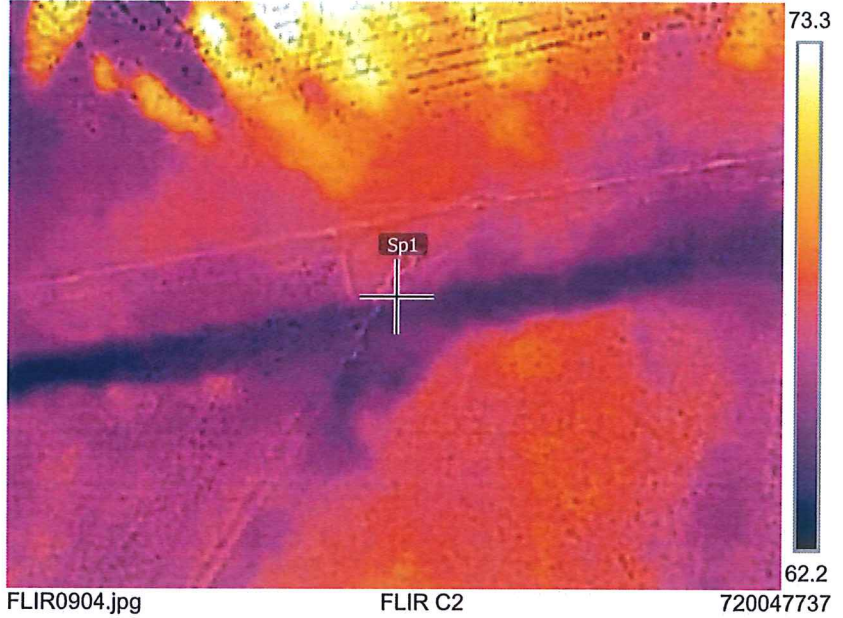
Measurements

Sp1	66.7 °F
-----	---------

Parameters

Emissivity	0.96
Refl. temp.	75 °F

4/16/2018 10:45:06 PM



4/16/2018 10:45:06 PM



FLIR0904.jpg FLIR C2 720047737

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DRAFT REPORT

October 25, 2018
Project No. 9501.000

Mr. Mike Rebaleati
Chief Operations Office
NEVADA PUBLIC AGENCY INSURANCE POOL
201 South Roop Street, Suite 102
Carson City, NV 89701

**RE: BUILDING AT 201 SOUTH ROOP STREET – CARSON CITY, NV
ROOF LEAKAGE INVESTIGATION**

Dear Mr. Rebaleati:

Presented herein are the results of our evaluation into the causes of the roof leakage at the above-referenced building.

1.0 Scope of Evaluation

It is our understanding that the building's roof system has leaked for several years. Previous attempts to determine the sources of the leakage have not been entirely successful. Lumos & Associates (Lumos) has been requested to conduct an evaluation of the roofing systems to identify the probable sources of the leakage and to offer recommendations for mitigation.

Our evaluation involved the following tasks:

1. The building's construction drawings and the technical information contained in the Operations and Maintenance Manual as well as other information contained in the Nevada Public Agency Insurance Pool (NPAIP) files were reviewed to gain insight into the details of the building's construction. A technical specifications manual was not reviewed as one was not found in the NPAIP files nor was one referenced in the drawings.

2. Previously prepared reports and correspondence relative to the leakage were reviewed. These documents include:
 - Preliminary Expert Opinion Report by LaCroix Davis LLC and dated June 13, 2016
 - Repair protocol letter as submitted by LaCroix Davis LLC and dated June 17, 2016
 - *Leak Detection Inspection Report* by American Leak Detection and dated April 16, 2018

Copies of these reports are included in the Appendix.

3. Inspections of the roofing system were conducted to generally verify the details of the roof's construction and to identify potential sources of leakage.
4. Research was conducted to establish accepted construction practices relative to these types of roofs.
5. Our findings as well as a discussion of mitigation options have been summarized in this report.

2.0 Building Description

The building is a partial two-story office building encompassing approximately 14,460 square feet. Construction drawings for the facility as prepared by Hannafin/Darney Architects and dated 2002 have been provided to us to assist in the evaluation. According to those drawings, the building is a timber-framed structure designed to meet the 1997 Uniform Building Code. The building's general contractor was Metcalf Builders, Inc.

As shown in Figure 1 and in Photographs 1 and 2, there are two levels of roof. The lower level roofs occur over the single story portions of the building, which are located on its north and south sides. These lower roofs have a single slope and are comprised of metal roofing over plywood sheathing supported by timber joists. The upper edges of these roofs terminate at the second story exterior walls, which have a stucco finish. Gutters are present along some portions of the low roofs.

The upper roofs are located over the two-story portions of the building and consist of sloping and flat roofs. The sloping roofs are comprised of metal roofing over plywood sheathing supported by pre-manufactured timber trusses. The flat roof has a single ply roofing membrane over plywood sheathing supported by pre-manufactured timber trusses. The upper roof also contains a large skylight with a steel truss framing system.

The metal roofing was installed by Anderson Heating and Air Conditioning. The single ply roofing was installed by D&D Contractors.

The lower roof at the building's southeast corner previously leaked and was subsequently repaired by Anderson Heating and Air Conditioning. It is our understanding that leakage has not occurred in that area of the roof since the repairs were made. As well, other repairs may have been made to other areas of the roof but those repairs have not been documented.

3.0 Inspection Results

As you indicated during our initial site visit, the following first story rooms have recently experienced roof leakage. The room numbers are based on Architectural plan sheet A1-01, a copy of which is included in the Appendix.

- Reception 110
- Office/conference rooms 112, 113, 115 and 140
- Hallways 105 and 141

On August 3, 2018, engineers from Lumos & Associates conducted a site visit to examine the roof systems over the areas of current leakage. The following observations were made during our site visit:

1. The first story single slope roofs consist of standing seam metal roof panels that are 19 inches wide with 1½-inch high interlocking seams along the sides of the panels. See Photograph 3. In some areas, screws with sealant are present along the lower edges of the panels. It is our understanding that the screws were installed to attach brackets used for a snow retention system, which was subsequently removed. See Photograph 4.
2. As seen in Photograph 5, the upper edges of the first story metal roofs terminate at vertical walls, which is termed a headwall termination. At the terminations, metal flashing extends from below the stucco finish over the roofing panel's standing seams. Flashing is used to prevent the entry of water at roofing joints and terminations. The length of the flashing extension over the standing seams varies. At the sloping sides of the metal roofing, termed a rake sidewall condition, the flashing has multiple bends and extends from below the stucco over the roofing panel. See Photograph 6.
3. Sealant has been applied to flashing joints, flashing to stucco joints and joints in the stucco. Some of the sealant appears to have been applied as a repair. See Photographs 7-10.

4. A downspout from an upper story gutter empties onto a lower story roof adjacent to a rake sidewall. The stucco finish in the adjacent sidewall contains a small horizontal crack, which appears to be at the upper edge of the weep screed. The flashing in this area contains sealant and some areas of sealant contain gaps. See Photographs 11 and 12.
5. As seen in Photograph 13, the low roof gutters contain a substantial amount of leaves. The second story roof along the building's west side has gutter at its lower edge. A plant was observed growing out of the gutter directly adjacent to a downspout. See Photograph 14.
6. The first story roofs contain two vent penetrations, which occur over the entry at the southeast corner and at the northeast corner. These penetrations do not coincide with the areas of current leakage.

4.0 Discussion

Our research indicates that leaks in metal roofing systems are often related to the following causes:

A. Improper detailing of the roofing system and flashing and/or improper workmanship during installation.

The architectural drawings were reviewed to determine whether they contain roofing installation details. Roof-to-wall installation details were found in the drawings but these details do not describe the flashing requirements. Instead, they contain the notation "Install 20 ga. metal flashing required per mfg's specs, typical".

Since the architectural plans refer to the roofing manufacturer's specifications for the installation requirements, we reviewed the project Operations and Maintenance Manual to identify the manufacturer of the metal roofing. The Manual contains technical data on the single ply roofing but does not contain data on the metal roofing. However, in one of the NPAIP files, we found information on SLZ-1000 and SL-100 Titan Snap-lock Roof Panels as manufactured by Custom-Bilt Metals.

This information includes dimensioned profiles of each panel type. We compared those profiles to the profile of the panels installed on the roof and determined that the as-installed roof panel profile does not match the Titan Snap-lock panel profiles.

Although, the as-installed roof panels do not match the Titan Snap-lock Roof Panels, it is possible that other styles of Custom-Bilt Metals (CBM) roof panels were used. Their website contains installation instructions and details, including headwall flashing and sidewall flashing details. Copies of these details are included in the Appendix. Even if the panels were from a different manufacturer, the flashing details would be similar to those provided by CBM.

The CBM headwall flashing detail shows headwall flashing and counter flashing as well as roofing underlayment that extends up the wall. Although we observed headwall flashing at the upper edges of the first story sloping roofs, counter flashing was not observed in all locations, although it may be concealed. The underlayment is concealed.

Similarly, the CBM sidewall flashing detail shows sidewall flashing that extends from below the stucco over the standing seam roof as well as counter flashing. The sidewall flashing was observed on the first story roofs but we did not observe counter flashing, although it may also be concealed. The presence of counter flashing as well as the extent of underlayment at the headwall and sidewall terminations cannot be confirmed without invasive examination of the roofing-to-wall terminations.

As indicated earlier, a report was prepared by American Leak Detection. The report includes photos of several lower roof headwall and sidewall terminations (#22 through #27) and which are labeled as being potential areas of leakage. The report is included in the Appendix.

The June 13, 2016 report by LaCroix Davis concludes that the leakage was due to improper installation of underlayment at the terminations.

On the basis of those two reports and on the presence of substantial amounts of sealant applied at some terminations and flashing seams, these terminations and seams should be considered as possible sources of leakage.

B. Aging of the roofing leading to embrittlement of sealants and corrosion of the metal.

The sealants do not appear to be aged or embrittled and we did not observe corrosion of the roofing panels. Therefore, aging of the roofing system is not considered to be a cause of the leakage.

C. Lack of adequate maintenance.

The roofing has sealant applied at numerous joints and seams as well as at the snow retention system bracket fastener holes. It is unknown whether the sealant was applied in an attempt at repairs or as some type of maintenance. The effectiveness of the sealant is unknown.

Also, as previously stated, leaves were observed in the lower roof gutters and a plant was seen growing in an upper roof gutter. If the roof drainage is prevented from flowing freely to the downspouts, it could possibly lead to backups and penetration into the roof system.

A lack of adequate maintenance may have contributed to the leakage but is not likely to be the primary cause.

D. Damage due to environmental events such as heavy snow accumulation, high winds or annual temperature fluctuations.

We did not observe any evidence that the building, including the roofing, has been noticeably affected by heavy snow and high wind events. It is possible that some of the roofing and flashing joints and seams experienced movement due to expansion-contraction resulting from temperature extremes but the movements would be minimal due to the relatively short lengths of the roofing panels.

E. Other Factors

American Leak Detection also performed thermal imaging of the building, which is included in their report. The imaging reveals that the exterior walls contained areas of moisture at the time of the imaging, typically below the second story windows. These areas of moisture may be indicative of window leakage or, possibly, leakage through the stucco system.

It is also our understanding that the stucco was previously coated with an elastomeric coating. The type of elastomeric coating is unknown.

Conclusions and Recommendations

Our evaluation indicates that there are multiple sources of potential leakage, including the flashing seams, the roofing-to-wall terminations, the second story windows and, possibly, the stucco finishes. Since the original construction documents are lacking detail, it is not possible to conclusively determine the area(s) of leakage without invasive examination of the roofing and other systems.

In order to help further identify the cause of the leakage without performing invasive examination, the second story windows, the stucco finishes below the windows and the roofing-to-wall joints could be tested for water penetration. In general, the testing will involve spraying water under pressure to these elements for a set period of time. Prior to the testing, thermal imaging of the walls and roofs should be performed to establish a baseline moisture content.

The results of the testing will help determine which components may be leaking. Once the areas of leakage are identified, detailed recommendations for repair or replacement can be formulated. The previous repairs implemented by Anderson Heating and Air Conditioning and that were based on the repair protocol developed by LaCroix Davis appear to have eliminated the leakage. Accordingly, that same protocol could possibly be used for repairs in similar areas of leakage.

It should also be noted that the prolonged exposure to moisture might have allowed some dry rot of the plywood sheathing to occur or for growth of mold. If that is the case, then removal and replacement of the roofing system may be warranted. It will be difficult to verify the presence of dry rot and/or mold without more extensive and invasive roof inspections.

Limitations

It should be emphasized that our conclusions are based on information contained in the original construction documents, on our recent examination of the visible portions of the roof system and on background information provided by others. While we have endeavored to provide a comprehensive evaluation, it is possible that there are other factors or concealed conditions, which, if encountered, might affect our conclusions.

Please feel free to contact me should you have any questions regarding our findings.

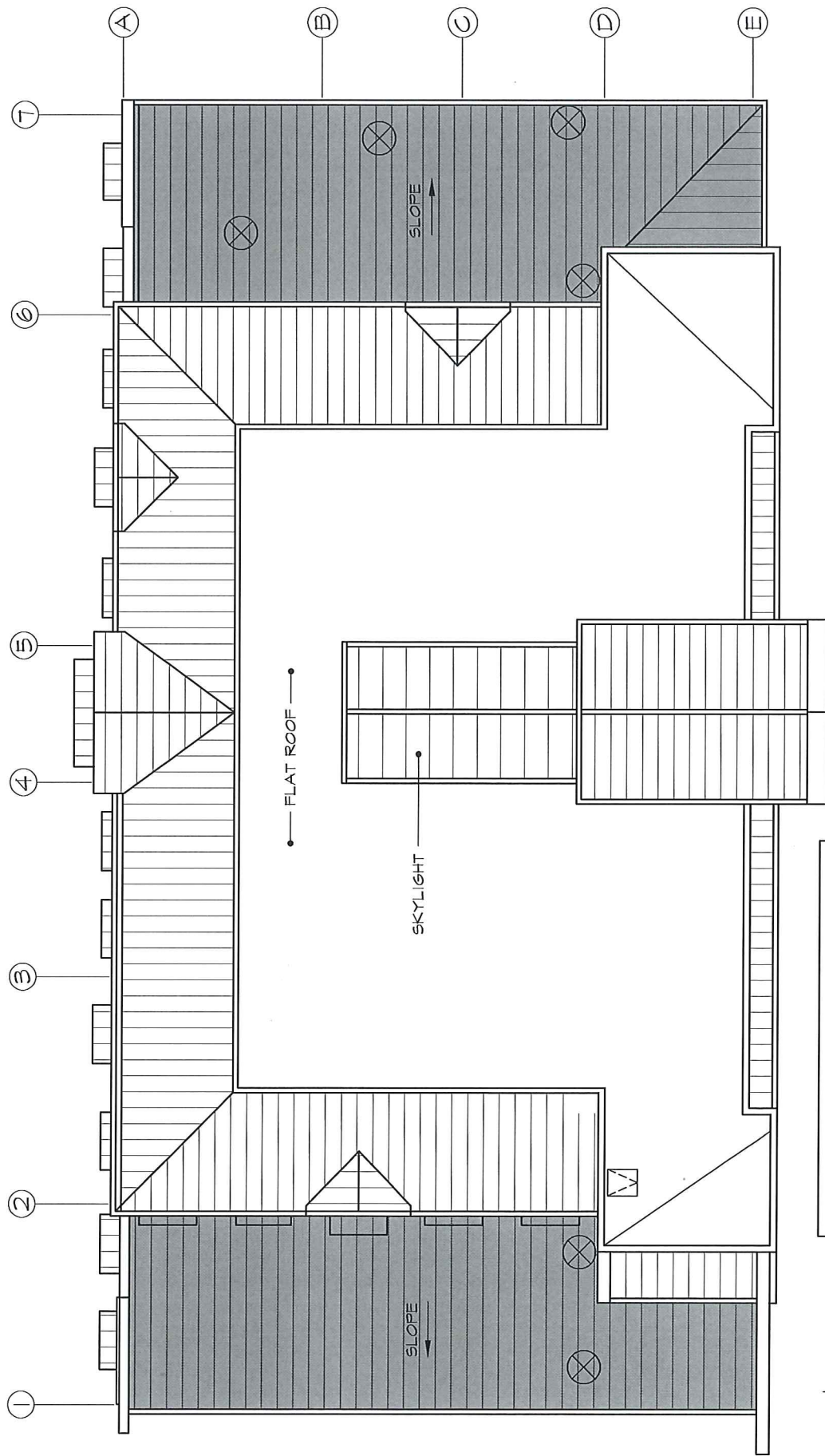
Sincerely,

LUMOS & ASSOCIATES

TERRENCE R. TOBEY, P.E., S.E.

Director - Structural Engineering Division

APPENDIX



LEGEND

- ROOF OVER FIRST STORY
- APPROXIMATE LOCATION OF CURRENT ROOF LEAK
- STANDING SEAM METAL ROOFING



ROOF PLAN

ROOF LEAKAGE EVALUATION
201 SOUTH ROOP STREET

Date: OCT. 2018
Scale: N.T.S.
Job No: 9501.000
FIGURE 1

CARSON CITY NEVADA

LUMOS & ASSOCIATES
9222 PROTOTYPE DRIVE
RENO, NEVADA 89521
PH. (775) 827-6111 FAX (775) 827-6122

NEVADA

201 SOUTH ROOP STREET, CARSON CITY, NV
ROOF LEAKAGE INVESTIGATION
Report Photographs



Photograph 1. View of the upper and lower roofs from the south.



Photograph 2. View of the upper and lower roofs from the north.

201 SOUTH ROOP STREET, CARSON CITY, NV
ROOF LEAKAGE INVESTIGATION
Report Photographs



Photograph 3. Standing seam roofing as installed.

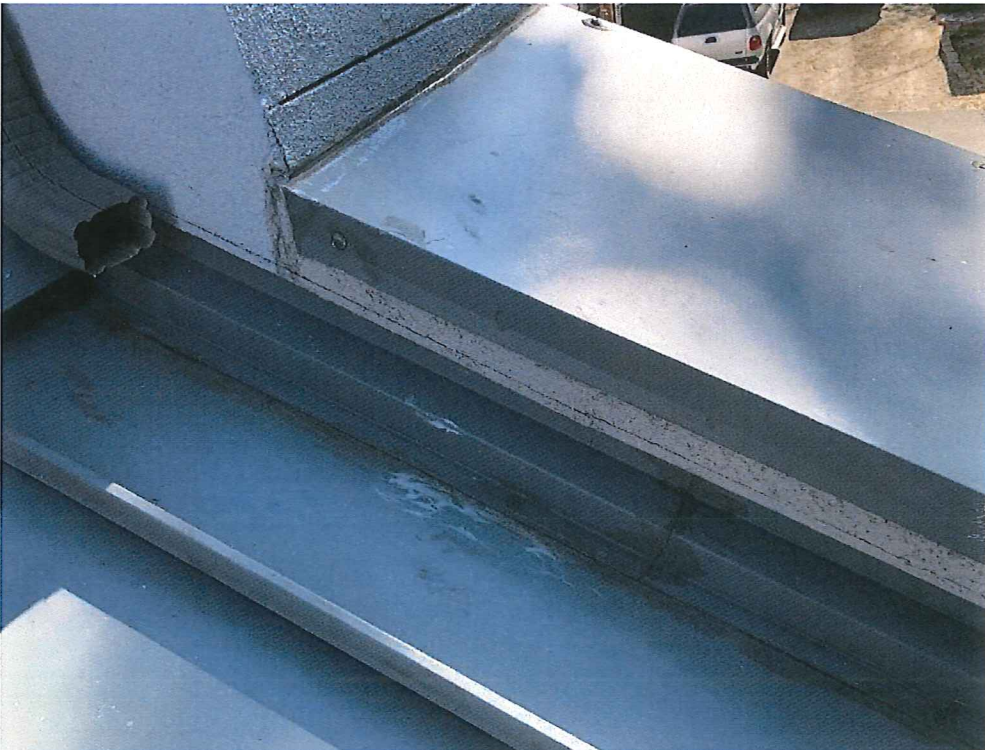


Photograph 4. Standing seam roofing with screws from a snow retention system.

201 SOUTH ROOP STREET, CARSON CITY, NV
ROOF LEAKAGE INVESTIGATION
Report Photographs



Photograph 5. Typical headwall termination flashing at the stucco wall.



Photograph 6. Sidewall termination flashing at a sidewall. Note the roof drain.

201 SOUTH ROOP STREET, CARSON CITY, NV
ROOF LEAKAGE INVESTIGATION
Report Photographs



Photograph 7. Sealant applied at a headwall - sidewall termination joint.



Photograph 8. Sealant applied at a headwall - sidewall termination joint.

201 SOUTH ROOP STREET, CARSON CITY, NV
ROOF LEAKAGE INVESTIGATION
Report Photographs

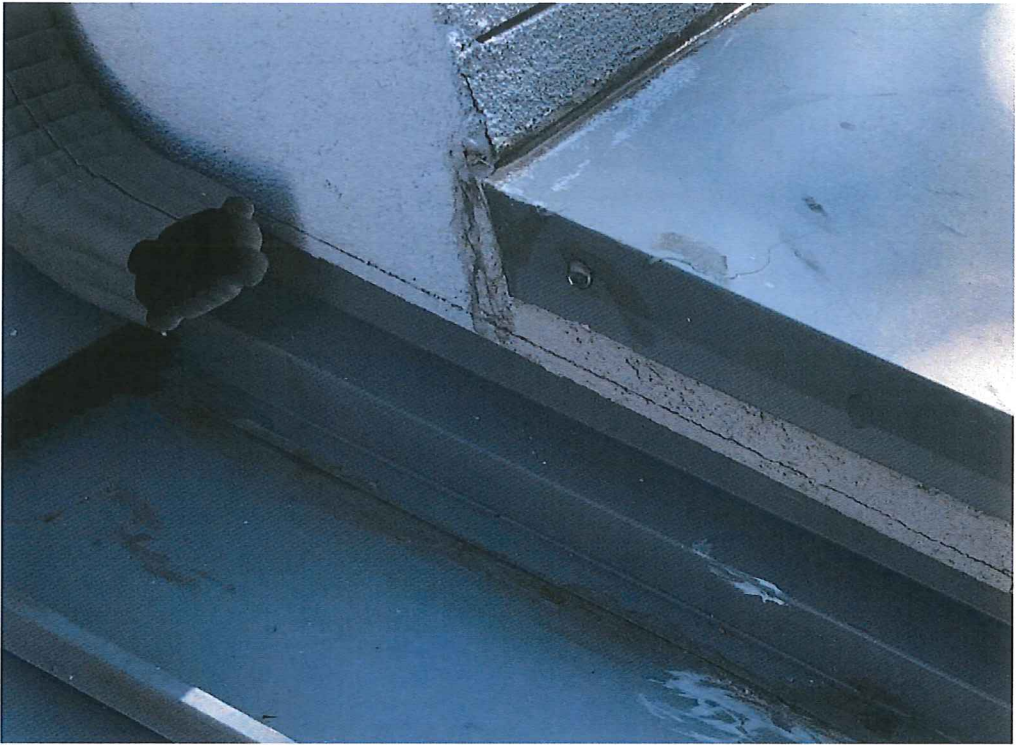


Photograph 9. Sealant applied at a sidewall - headwall termination joint.



Photograph 10. Sealant applied at a sidewall - headwall termination joint

201 SOUTH ROOP STREET, CARSON CITY, NV
ROOF LEAKAGE INVESTIGATION
Report Photographs



Photograph 11. Crack in the stucco above the sidewall flashing.

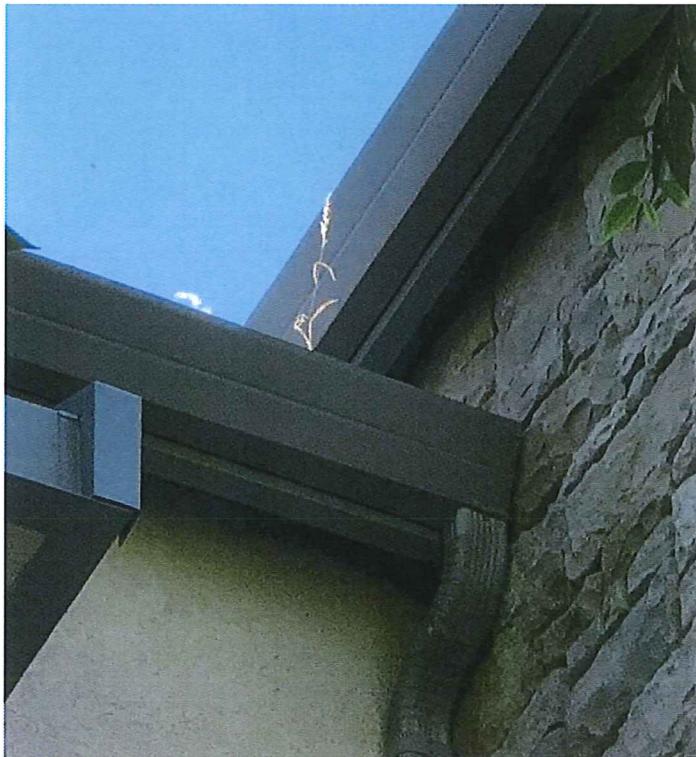


Photograph 12. Gap below the sidewall flashing.

201 SOUTH ROOP STREET, CARSON CITY, NV
ROOF LEAKAGE INVESTIGATION
Report Photographs



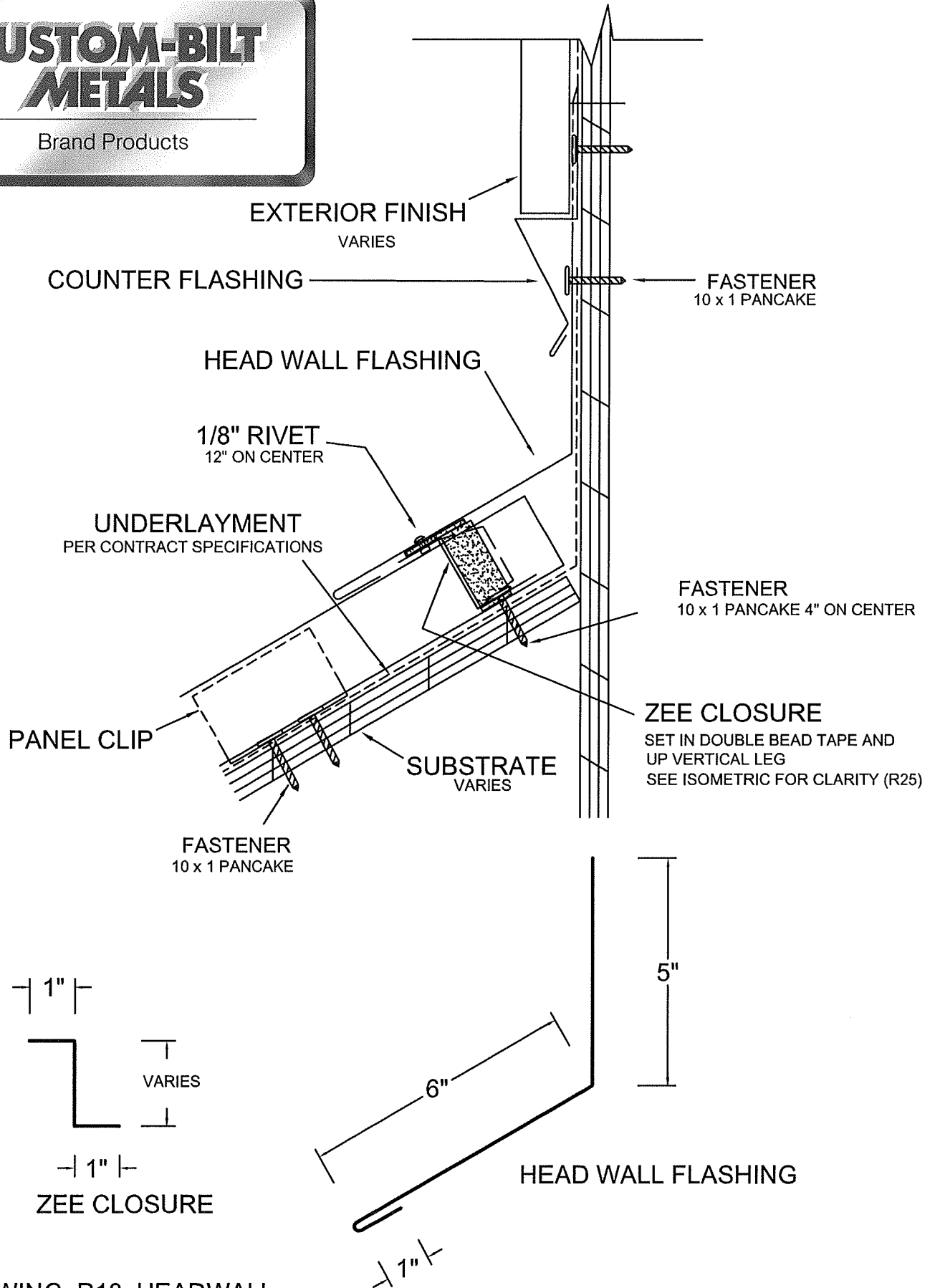
Photograph 13. Gutter filled with leaves.



Photograph 14. Plant growing out of an upper roof gutter.

CUSTOM-BILT METALS

Brand Products

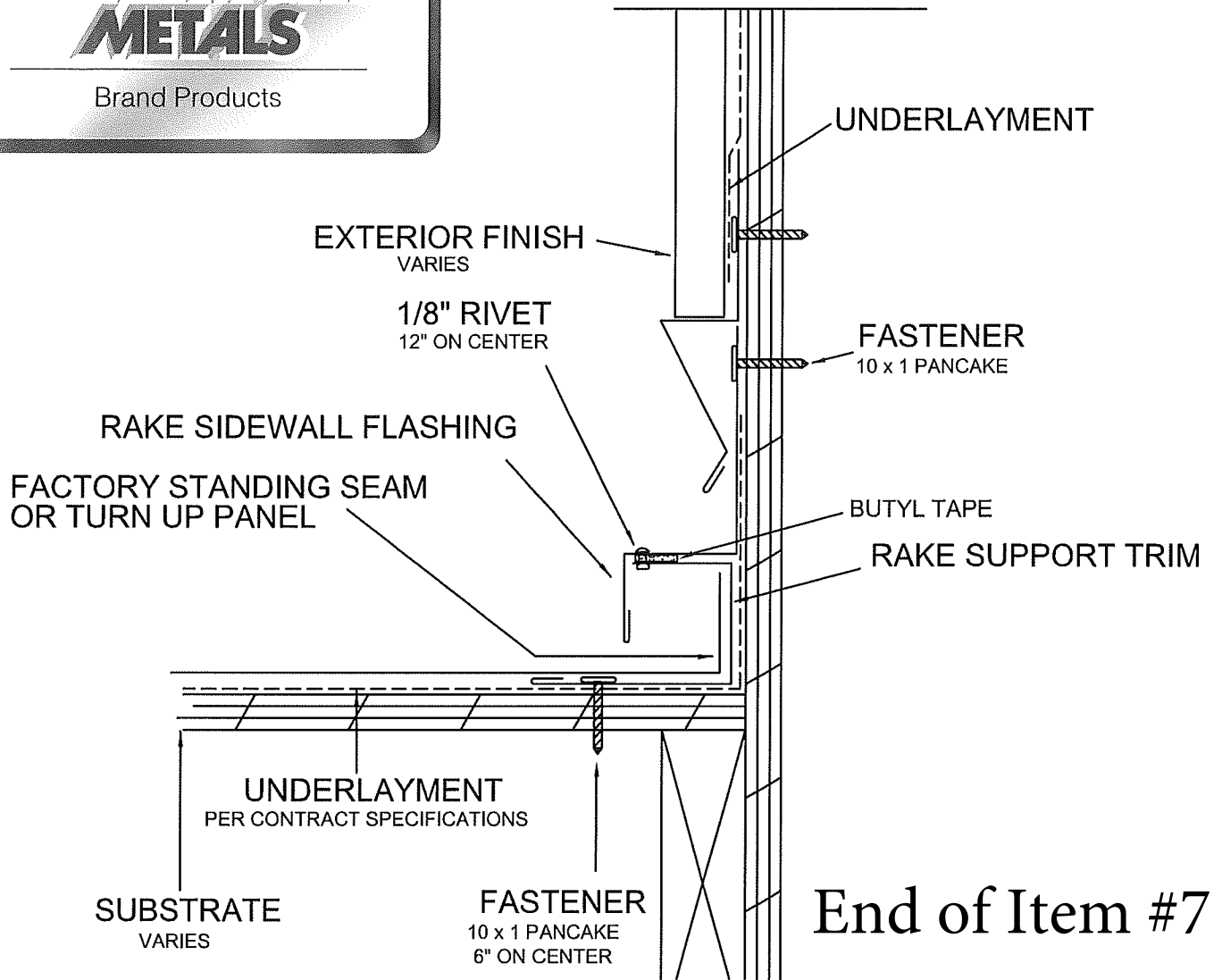


DRAWING: R13 HEADWALL

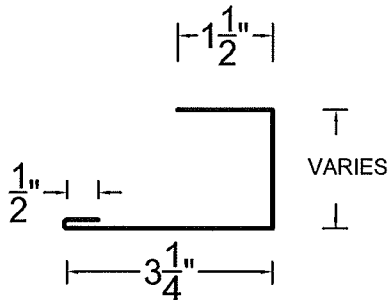
All Flashing and Trim available through CBM	Note:
SUBJECT TO CHANGE WITHOUT NOTICE	

CUSTOM-BILT METALS

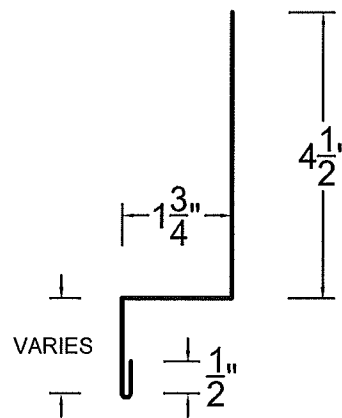
Brand Products



End of Item #7



RAKE SUPPORT TRIM



RAKE SIDEWALL FLASHING

DRAWING: R12 SIDEWALL

All Flashing and Trim available through CBM	Note:
SUBJECT TO CHANGE WITHOUT NOTICE	

Precision Document Imaging
Power for your processes

2440 Vassar St Reno, NV 89502

Quote Date:	10/23/2018
Quote Expiration Date:	10/30/2018
Prepared For:	POOLPACT
Contact:	Mike Rebaleati
Prepared By:	Mike Farrell
775-870-7401	mfarrell@precisiondi.com

Canon DR Scanner Quote:

Canon DR - G1100 - M140 - M1060

<u>Product / Module Name</u>	<u>Product Code</u>	<u>Qty</u>	<u>Extended Price</u>	<u>Extended Maintenance</u>	<u>Trade-In</u>	<u>Total</u>
DR-G1100, 100ppm/200ipm	8074B002	1	\$4,395.00	\$990.00		\$5,385.00
DR-M1060, 60ppm,120ipm	9392B002	1	\$1,750.00	\$450.00		\$2,200.00
DR-M140, 40ppm/80ipm	5482B002	1	\$875.00	\$350.00		\$1,225.00



				Total:		\$0.00
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Precision Document Imaging
Power for your processes

2440 Vassar Street #1
Reno , Nv 89502

Quote Date:	10/24/2018
Expiration Date:	12/24/2018
Customer:	POOLPACT
Customer Contact:	Mike Rebaleati
Prepared By:	Mike Farrell
775-870-7401	mfarrell@precisiondi.com

OnBase Software Solution Quote

Product / Module Name	Product Code	License Fee	Qty	Extended Price	Extended Maintenance	Total
Local Government Licensing Bundle	GV-B-LOCAL	\$ 20,000.00	<u>1</u>	\$ 20,000.00	\$ 4,000.00	\$ 24,000.00
Local Government Production Document Imaging (ISIS)	GV-B-MU2-ASIPW1	\$ 2,000.00	<u>1</u>	\$ 2,000.00	\$ 400.00	\$ 2,400.00
Local Government Production Document Imaging (ISIS)	GV-B-MU2-ASIPW2	\$ 800.00	<u>2</u>	\$ 1,600.00	\$ 320.00	\$ 1,920.00
Document Import Processor	DPIPW1	\$ 5,000.00	<u>1</u>	\$ 5,000.00	\$ 1,000.00	\$ 6,000.00
OnBase Agenda (includes Agenda management and Minutes)	AGEIP1	\$ 5,000.00	<u>1</u>	\$ 5,000.00	\$ 1,000.00	\$ 6,000.00
Agenda Concurrent Client	AGEIPC1	\$ 500.00	<u>5</u>	\$ 2,500.00	\$ 500.00	\$ 3,000.00
Advanced Capture (auto ocr and index)	GV-B-MU2-IAIPW1	\$ 10,000.00	<u>1</u>	\$ 10,000.00	\$ 2,000.00	\$ 12,000.00
Local Government Web Server	GV-B-MU2-WTIPW1	\$ 4,000.00	<u>1</u>	\$ 4,000.00	\$ 800.00	\$ 4,800.00
Local Government Concurrent Client	GV-B-MU2-CTIPC1	\$ 650.00	<u>5</u>	\$ 3,250.00	\$ 650.00	\$ 3,900.00
Local Government Workflow/Workview Concurrent SL	GV-B-MU2-WWIPC1	\$ 1,740.00	<u>5</u>	\$ 8,700.00	\$ 1,740.00	\$ 10,440.00
Local Government Integration for Microsoft Outlook (optional)	GV-B-MU2-OUTIPI1	\$ 4,000.00	<u>1</u>	\$ 4,000.00	\$ 800.00	\$ 4,800.00
Local Government Office Business Application (optional)	GV-B-MU2-OBAIPI1	\$ 2,000.00	<u>1</u>	\$ 2,000.00	\$ 400.00	\$ 2,400.00

*Professional Services will be remote access.

*Only actual hours of professional service hours rendered will be invoiced. Additional Hours billed at \$150.00 p/h

*Services will be adjusted as options are added.

*Includes Training

*Includes Installation

Government Bundle includes: Multi user Server | EDM Services | Virtual Print Driver | Application Enabler

Full-Text Indexing Server | Unity Client Server.

*Government pricing reflects a 60% discount off standard pricing.

Software	\$ 68,050.00
Maintenance	\$ 13,610.00
80 hours @ 150.00 p/h: Services	\$ 12,000.00
Total:	\$ 93,660.00

Product Details

Product Name	Description
Document Import Processor	Imports documents (scanned or other) and their respective index information. This module is often used in conjunction with third party forms processing software as well as data conversion utilities.
Local Government Web Server	Provides an ActiveX or HTML browser interface to access documents stored in an OnBase database via the Internet, Extranet or corporate Intranet.
Local Government Licensing Bundle	Provides limited ECM functionality to Local Government with populations of less than 250,000. Modules comprising the bundle include: Multi-User Server (1), Unity Client Server with Combined Viewer (1), EDM Services (1), Application Enabler (single application) (1), Full-Text Search (1), and Virtual Print Driver (1).
Local Government Concurrent Client	Each - Provides retrieval, viewing, printing, and management of documents. Concurrent Clients have a minimum connection (lease) time of five (5) minutes. Both the OnBase Client or OnBase Web Client can use this license.
Local Government Workflow/Workview Concurrent SL	Provides the combined functionality of Workflow and WorkView within a single license. Includes E-Forms.
OnBase Agenda	Allows organizations to electronically create and manage meeting templates, meeting dates and times as well as agenda, agenda packet and minutes documents. Can be used in conjunction with pre-configured E-Forms and workflows to improve review processes, provide for collaboration and reduce the amount of time needed to produce timely and complete agendas, agenda packets and minutes. OnBase Agenda includes OnBase modular functionality for specific use with the Agenda application for Agenda-related activity.
OnBase Agenda Concurrent Client	Allows for concurrent access to the OnBase Agenda application and its workflows for performance of Agenda-related activities and tasks.
Local Government Production Document Imaging (ISIS) - For first	For first - Scans (digitizes) paper documents using ISIS compatible devices. Advanced features include bar code recognition, distributed capture and indexing, blank page separation and auto-enabled indexing.
Local Government Production Document Imaging (ISIS) - For second and beyond	For second and beyond. - Scans (digitizes) paper documents using ISIS compatible devices. Advanced features include bar code recognition, distributed capture and indexing, blank page separation and auto-enabled indexing.
Local Government Advanced Capture	Per concurrent instance. - Enables the automatic classification and indexing of scanned documents. Supports multiple languages and the processing of bi-tonal, grayscale and color images. Enables batch processing and also ad-hoc Automated Indexing from a select list.
Local Government Office Business Application	Allows users of Word, Excel, and PowerPoint to interact with OnBase content through their familiar Microsoft Office interface. This integration provides users with single-click menu access for storing, retrieving, and editing OnBase documents and related content.
Local Government Integration for Microsoft Outlook	Allows a Microsoft Outlook user to interact with an OnBase system through the familiar Outlook client. Provides users the ability to save e-mails and/or any associated attachments by simply dragging the e-mail to the "OnBase" folder. Users can also retrieve documents from the interface.

TargetSolutions Utilization Report	September 2018
---	-----------------------

Last 3 Months

	July	August	September
Active Users	614	623	649
Total Active and Offline Registered Users	415	422	440
Courses Completed-Users	98	72	74
Courses Completed-Total	213	174	158
Custom Activities Completed-Users	152	142	163
Custom Activities Completed-Total	1226	1048	1168

Last 12 Months
649
440
295
2,967
354
16,304



GEM

Emerging Technology and Cyber Discussion

**POOLS
UNITED**

**FOCUSED
SOLUTIONS**

**MEMBER
CONTROL**



GEM EMERGING TECHNOLOGY AND CYBER DISCUSSION

This discussion on emerging technology and cyber will be interlinked.

- Opportunity to develop coverage for new risks:
 - Autonomous vehicles.
 - Artificial Intelligence.
 - Identifying members changing risk exposure.
- Opportunity to develop new support for members:
 - Facilitate Education and Training.
 - Coordinate Coverage options to be offered to GEM members.



GEM EMERGING TECHNOLOGY AND CYBER DISCUSSION

External or Internal considerations for GEM

- Internal Risk to GEM
 - Proper updating of technology needs for software and hardware.
 - Conducting internal cyber risk assessment and review current security policies.
 - Are proper exclusions or inclusion included in current coverage.
 - Dual Authentication for access to GEM information.



GEM EMERGING TECHNOLOGY AND CYBER DISCUSSION

External

- External support provided by GEM.
- Coverage for emerging artificial intelligence from an exposure perspective
 - AI might influence changes in all aspects of the insurance industry.
 - GEM could try to lead in providing AI coverage.
- Facilitate cyber security products for members.
 - Education and/or coverage for members.



GEM EMERGING TECHNOLOGY AND CYBER DISCUSSION

External (cont.)

- Education to Gem members to define the options:
 - Cyber coverage
- Provide contract sample policies to identify areas of concern
- Coordinating assessments (passive or aggressive)
 - Scope of work
 - Potential products
 - Facilitator for vulnerability assessment
 - Preferred provider
 - Model contract



GEM EMERGING TECHNOLOGY AND CYBER DISCUSSION

External (cont.)

- Facilitating access to providers
 - This was done years ago by GEM to help provide access to Beazley
- Developing your own team
 - What does it take to form a response team
 - Risk vs Reward



GEM EMERGING TECHNOLOGY AND CYBER DISCUSSION

External (cont.)

- Claim management issues
 - Specialized responders
 - Attorneys
 - PR
 - Forensic IT analyst
 - Coordinating proper authorities
 - Pay or not to pay ransomware
 - Optional endorsement for social engineering crime



GEM EMERGING TECHNOLOGY AND CYBER DISCUSSION

- GEM doing a summit for GEM's membership and underlining pool members.
- Possible topics could include:
 - More discussion on cyber security
 - AI opportunities
 - Blockchain information



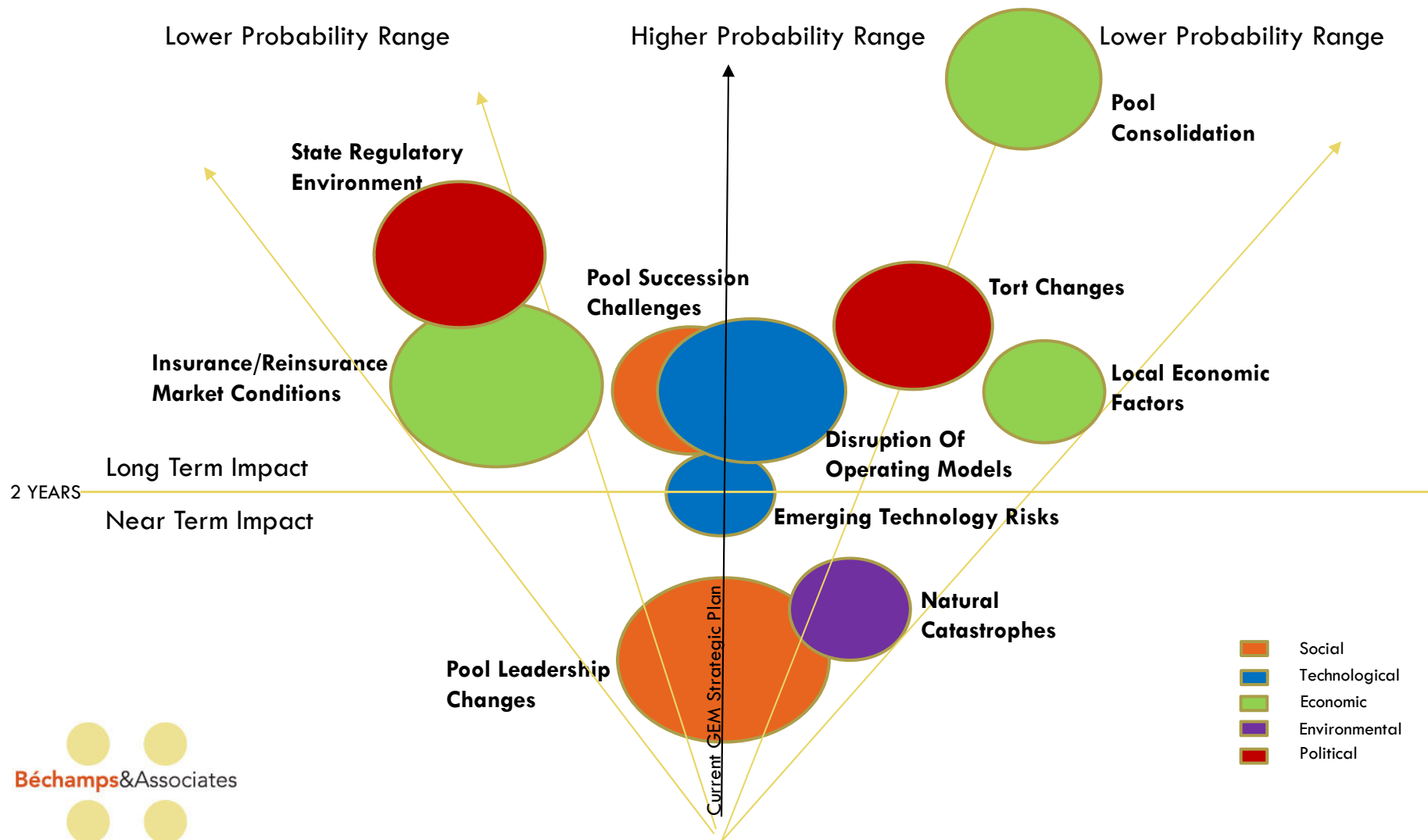


GEM GENERATIVE MODEL

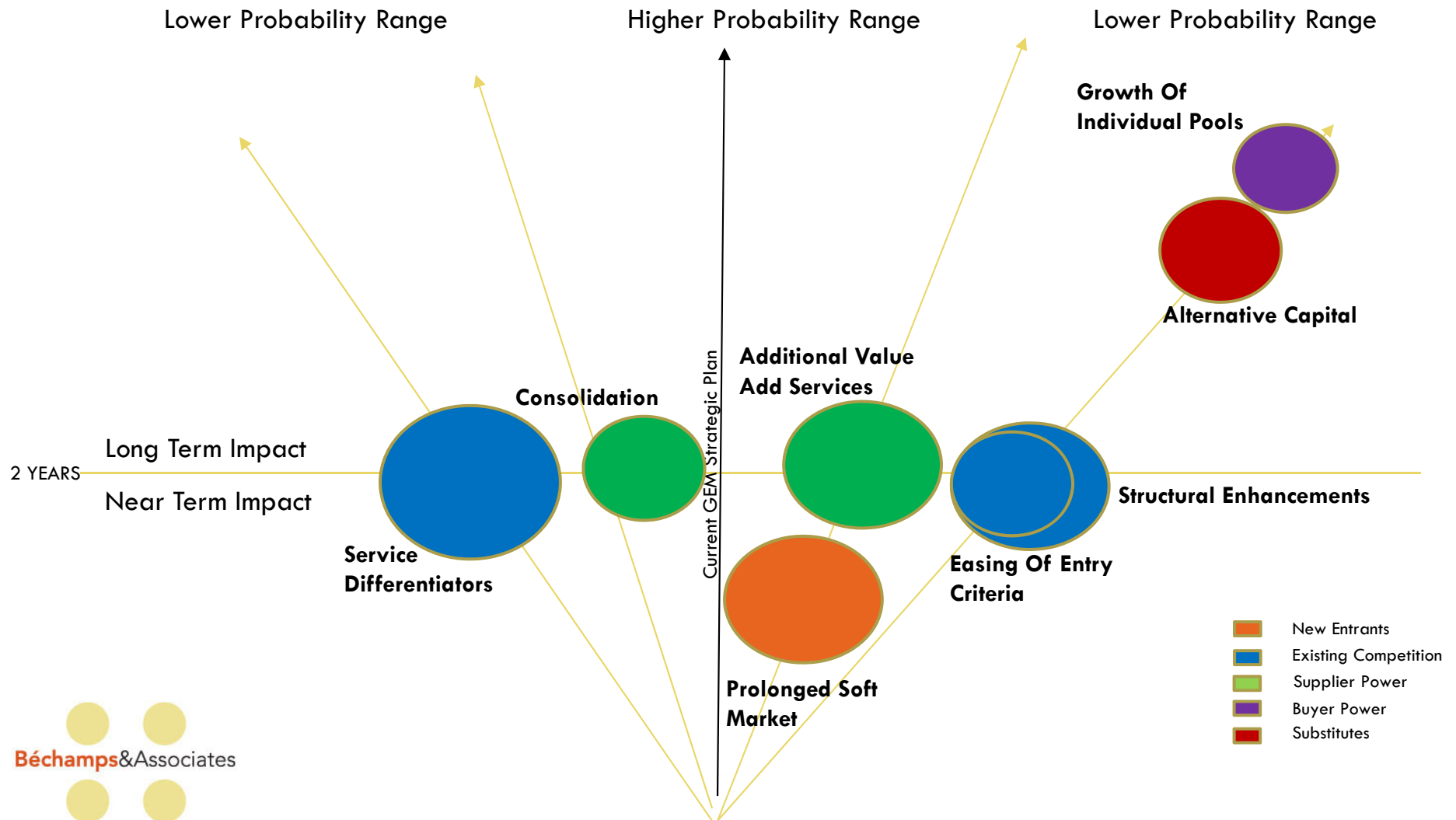
**Béchamps**&Associates

Framework For Where To Focus Board Energy

GEM Model – All STEEP Events



GEM Model – All Competition Events



How To Approach Event Review

□ Determine Validity of Event

- ❖ Is there anything that needs to be clarified?
 - There are 17 events in total

□ Determine If Other Events Should Be Added



Pool Leadership Changes

October 2018



Pool Leadership Changes

1. Maintain Inventory of Pools and Their Leaders

Sources

- Inventory currently maintained by AH; supplemented by:
 - AGRIP “Source Book”
 - Other materials from GEM members?



Pool Leadership Changes

2. Maintain List of Leadership Changes

Sources

- AGRIP notifications
- Anecdotal information from GEM members



Pool Leadership Changes

3. Determine and Assign Follow-Up

According to

- What we know about the pool
- Relationships with new/upcoming leader



Pool Leadership Changes

Inventory

Pool	State	Change	GEM Relationship
1. County Risk Sharing Authority (CORSA)	OH	John Brownlee – new ED	
2. Idaho Counties Risk Mgt Program	ID	Tim Osborne – new ED	
3. Middle Cities Risk Mgt Trust	MI	James Craig – ED soon to retire	





Prolonged Soft Market

October 2018



Prolonged Soft Market

1. Mike Waterman presenting on “State of the Insurance/Reinsurance Market”
2. Questions identified in advance



Questions for Mike Waterman

1. Can GEM take greater advantage of the soft reinsurance market?
2. Might any reinsurers back away from law enforcement?
3. Could the cost or lack of reinsurance for law enforcement risk drive some insurance pools out of business?
4. Which public entity risks do underwriters have less of an appetite for?
5. Are reinsurers concerned over challenges to tort caps?
6. Do any reinsurers have a more conservative outlook than their peers?
7. Can pools expect to see more competition from insurance companies?





TORT CHANGES

Generative Activity Report

Micheon Balmer and Bryan Anderson

October 25, 2018



Resources: Current Tort Liability By State

Matthiesen, Wickert & Lehrer, S.C. Attorneys at Law
www.mwl-law.com

- <https://www.mwl-law.com/subrogation-reference-charts/>
 - Refer to “Federal, State and Local Governmental Entities”
 - [Federal Government Liability and Tort Claims](#)
 - [Municipal/County/Local Governmental Immunity and Tort Liability in All 50 States](#)
 - [State Sovereign Immunity and Tort Liability in All 50 States](#)



Resources: Pending/Enacted Tort Reform

American Tort Reform Association www.atra.org

- <http://www.atra.org/resources/>
 - [Tort Reform Record](#) provides historical information regarding legislation proposed and voted on by legislature.
 - Enactments by Year and State
 - [2018 State Tort Reform Enactments](#)
 - [2017 State Tort Reform Enactments](#)



Resources: Presumptive Laws by State

Presumptive Health Initiative www.phi.iaff.org

- <http://phi.iaff.org/Map.aspx>
 - Provides an online chart of presumptive disability provisions for the United States and Canada – as of 10/22/2018 not currently available online, but we can provide a scan of the chart



Conclusion

- Resources do not include State specific legislation that may not be related to Tort Reform but may impact risk pools or excess/reinsurance providers' willingness to write coverage for a specific risk or within a specific jurisdiction
 - Examples: Expansion of the statute of limitations in the filing of claims involving sexual abuse/criminal sexual conduct (California – AB3120 – vetoed by Governor, and Michigan – SB 871 & 872 – signed into law).
- Recommend GEM staff review available resources during underwriting process.
- Recommend GEM members review their respective State's information annually and provide update to GEM staff.





Investment Review Summary – September 2018

October 19th, 2018

Daniel Smereck
Managing Director



STRATEGIC ASSET ALLIANCE
THE INSURANCE INVESTMENT SPECIALIST

Executive Summary

[Capital Market Summary – 3rd Quarter 2018](#)

- Global equities made gains in Q3, primarily due to US market strength. Political uncertainty and trade concerns weighed on other regions.
- Core government bond yields rose over the quarter due to positive economic data, particularly from the U.S. This outweighed a bout of safe haven demand in August caused by concerns related to emerging market instability, trade tensions and political issues in Europe.

[GEM Investment Performance \(Net of Fees\) & Investment Activity](#)

- For YTD 2018, the total portfolio return was down -0.06% and [outperformed](#) the benchmark by 19 basis points.
- For Q3-2018, the total portfolio return was up +0.68% and [outperformed](#) the benchmark by 4 basis points.
 - The fixed income portfolio return was up +0.24% and [outperformed](#) the benchmark by 3 basis points.
 - The risk asset portfolio return was up +3.74% and [outperformed](#) the benchmark by 11 basis points.

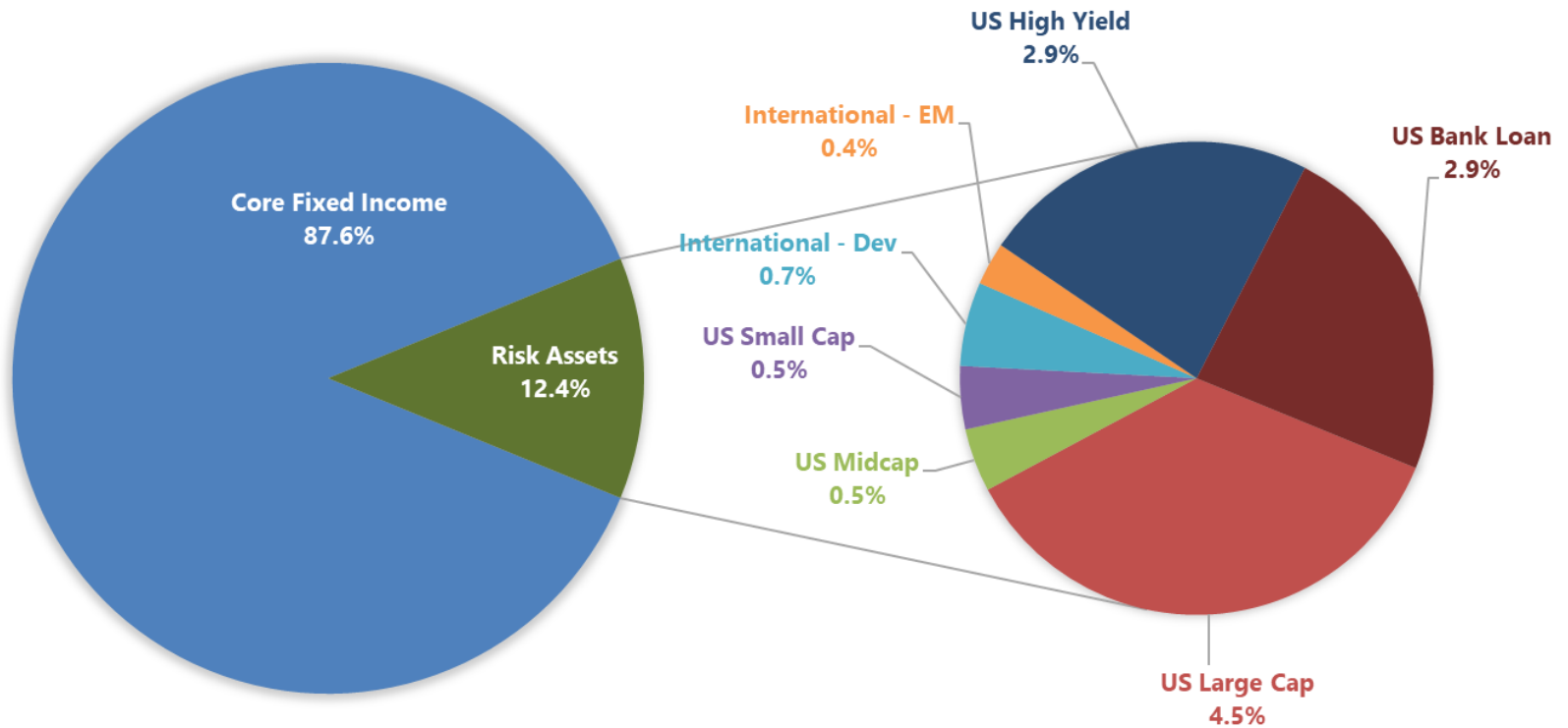
[Compliance & OTTI Monitoring](#)

- The policy is in compliance with the guidelines as of 9/30/2018.
- As a matter of OTTI surveillance, there were forty (40) bonds with a Market-to-Book Value ratio less than or equal to 95%.
 - No fixed income securities are being tracked for possible OTTI impairment.
 - No equity funds/ETFs are being tracked for possible OTTI impairment.



GEM Portfolio Allocation

GEM ASSET ALLOCATION - 9/30/2018 \$71.4M



Core Fixed Income = \$62.5M

Risk Assets = \$8.8M or
37.0% of Surplus
(12/31/2017)



GEM Portfolio Performance: 9/30/2018

Investment Portfolios	Market Value	% of Portfolio	Book Yield (%)	Sep-18	Q3 '18	YTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr	Inception ¹
Galliard Capital - Fixed Income ²	\$ 62,528,871	87.6%	2.52%	-0.37%	0.24%	-0.56%	-0.51%	1.36%	2.00%	2.02%	N/A	3.46%
<i>Barclay's Intermediate Gov/Credit</i>				<u>-0.40%</u>	<u>0.21%</u>	<u>-0.77%</u>	<u>-0.97%</u>	<u>0.91%</u>	<u>1.53%</u>	<u>1.60%</u>	<u>N/A</u>	<u>2.93%</u>
Difference				↑ 0.03%	↑ 0.03%	↑ 0.21%	↑ 0.46%	↑ 0.45%	↑ 0.47%	↑ 0.42%	N/A	↑ 0.53%
GEM Risk Assets	\$ 8,835,722	12.4%	3.59%	0.27%	3.74%	3.79%	10.05%	14.57%	10.19%	12.86%	10.31%	7.63%
<i>Market-Weighted Index³</i>				<u>0.27%</u>	<u>3.63%</u>	<u>3.81%</u>	<u>10.21%</u>	<u>14.90%</u>	<u>10.66%</u>	<u>13.89%</u>	<u>9.93%</u>	<u>7.45%</u>
Difference				→ 0.00%	↑ 0.11%	↓ -0.02%	↓ -0.16%	↓ -0.33%	↓ -0.47%	↓ -1.03%	↑ 0.38%	↑ 0.18%
Risk Assets As % of Surplus >>>>>>	37.0%	\$23.85M - 12/31/2017 Surplus less Return of Member Surplus Contribution										
GEM Consolidated Portfolio	\$ 71,364,593	100.0%	2.65%	-0.29%	0.68%	-0.06%	0.39%	2.15%	2.50%	2.60%	4.08%	4.10%
<i>Market-Weighted Index⁴</i>				<u>-0.32%</u>	<u>0.64%</u>	<u>-0.25%</u>	<u>-0.02%</u>	<u>1.73%</u>	<u>2.07%</u>	<u>2.26%</u>	<u>3.60%</u>	<u>3.78%</u>
Difference				↑ 0.03%	↑ 0.04%	↑ 0.19%	↑ 0.41%	↑ 0.42%	↑ 0.43%	↑ 0.34%	↑ 0.48%	↑ 0.32%

1) SAA performance tracking inception as of March-2006; Performance presented net of fees.
2) Galliard Capital inception as of 1/1/2009; Effective 4/1/2014, benchmark changed from Barclay's Intermediate Aggregate to Barclays Intermediate Gov/Credit
3) Effective 4/2013, the GEM risk asset benchmark is a market-weighted blend of the surplus growth portion allocation. Prior to 4/2013, the benchmark was the S&P 500.
4) Effective 4/2013, the GEM total portfolio benchmark is a market-weighted blend of the portfolio allocation. Prior to 4/2013, the benchmark was the 95% Fixed Income Benchmark / 5% S&P 500.
5) WMMIC 114 Trust terminated with assets transferred to GEM fixed income account in June 2018

□ 3rd Quarter Performance Drivers:

- Fixed Income – Stability in growth and employment figures allowed the Federal Reserve (Fed) to enact its widely anticipated increase in the federal funds rate by 25 basis points. The committee dropped its long-standing description of monetary policy as “accommodative”, and reaffirmed its outlook for further gradual hikes into 2019. U.S. 10-year yields rose from 2.86% to 3.06%.
- Risk Assets - US equities significantly outperformed other major regions. Economic growth and earnings data remained extremely robust, ultimately overshadowing concerns surrounding the escalating US-China trade war. The US initially targeted \$34 billion of Chinese products with a 25% tariff in early July. Tariffs on another \$16 billion began in late August, before a 10% tariff was implemented on a further \$200 billion of Chinese goods in September (set to rise to 25% in January). Despite these measures, the US equity bull market became the longest in history on August 22nd. High yield and bank loans were standout sectors during the quarter, as strong corporate earnings and a growing economy provided a favorable backdrop.



GEM Risk Assets Performance Detail: 9/30/2018

Risk Asset Portfolios	Market Value	% of Portfolio	Book Yield (%)	Sep-18	Q3 '18	YTD	1 Yr	2 Yr	3 Yr	5 Yr	Inception ¹	Inception Date
Vanguard High-Yield Corporate Fund	\$ 2,036,438	23.0%	5.44%	0.46%	2.67%	1.56%	N/A	N/A	N/A	N/A	1.83%	Dec-17
<i>Benchmark²</i>				0.40%	2.18%	1.70%	N/A	N/A	N/A	N/A	1.90%	
Difference				↑ 0.06%	↑ 0.49%	↓ -0.14%	N/A	N/A	N/A	N/A	↓ -0.07%	
Eaton Vance Floating Rate I	\$ 2,087,753	23.6%	4.70%	0.67%	2.06%	4.59%	N/A	N/A	N/A	N/A	4.99%	Dec-17
<i>S&P/LSTA US Leveraged Loan Index</i>				0.69%	1.84%	4.04%	N/A	N/A	N/A	N/A	4.45%	
Difference				↓ -0.02%	↑ 0.22%	↑ 0.55%	N/A	N/A	N/A	N/A	↑ 0.54%	
SPDR S&P Dividend ETF	\$ 3,180,864	36.0%	2.40%	0.26%	6.29%	5.60%	12.69%	12.25%	16.12%	12.37%	13.87%	Aug-11
<i>S&P High Yield Dividend Aristocrats Index</i>				0.28%	6.45%	5.96%	13.16%	12.69%	16.58%	12.82%	14.29%	
Difference				↓ -0.02%	↓ -0.16%	↓ -0.36%	↓ -0.47%	↓ -0.44%	↓ -0.46%	↓ -0.45%	↓ -0.42%	
Vanguard Mid Cap Index Fund	\$ 382,869	4.3%	1.51%	-0.47%	4.67%	7.37%	13.42%	14.36%	13.78%	N/A	10.19%	Apr-14
<i>CRSP US Mid Cap Index</i>				-0.47%	4.65%	7.37%	13.44%	14.38%	13.81%	N/A	10.23%	
Difference				⇒ 0.00%	↑ 0.02%	⇒ 0.00%	↓ -0.02%	↓ -0.02%	↓ -0.03%	N/A	↓ -0.04%	
Vanguard Small Cap Index Fund	\$ 381,014	4.3%	1.39%	-1.54%	4.77%	11.04%	16.70%	17.03%	16.34%	N/A	10.10%	Apr-14
<i>CRSP US Small Cap Index</i>				-1.54%	4.77%	11.02%	16.68%	17.01%	16.31%	N/A	10.08%	
Difference				⇒ 0.00%	⇒ 0.00%	↑ 0.02%	↑ 0.02%	↑ 0.02%	↑ 0.03%	N/A	↑ 0.02%	
Vanguard Developed Markets Fund	\$ 507,754	5.7%	2.88%	0.71%	1.09%	-1.73%	2.61%	10.58%	9.69%	4.72%	5.44%	Aug-11
<i>FTSE Developed Ex-North America Index</i>				0.66%	1.06%	-1.81%	3.03%	10.88%	9.99%	4.90%	5.56%	
Difference				↑ 0.05%	↑ 0.03%	↑ 0.08%	↓ -0.42%	↓ -0.30%	↓ -0.30%	↓ -0.18%	↓ -0.12%	
Vanguard Emerging Mkts Fund	\$ 259,030	2.9%	2.37%	-1.31%	-1.79%	-8.95%	-3.27%	7.12%	9.88%	2.80%	0.45%	Aug-11
<i>FTSE Emerging Markets Index</i>				-1.12%	-1.87%	-8.91%	-2.81%	7.61%	10.23%	3.02%	0.69%	
Difference				↓ -0.19%	↑ 0.08%	↓ -0.04%	↓ -0.46%	↓ -0.49%	↓ -0.35%	↓ -0.22%	↓ -0.24%	
GEM Risk Assets Portfolio	\$ 8,835,722	100.0%	3.59%	0.27%	3.74%	3.79%	10.05%	11.84%	14.57%	10.19%	11.15%	Aug-11
<i>GEM Risk Asset Benchmark²</i>				0.27%	3.63%	3.81%	10.21%	12.08%	14.90%	10.66%	11.52%	
Difference				⇒ 0.00%	↑ 0.11%	↓ -0.02%	↓ -0.16%	↓ -0.24%	↓ -0.33%	↓ -0.47%	↓ -0.37%	

1) 95% Bloomberg Barclays U.S. High-Yield Ba/B 2% Issuer Capped Index and 5% Bloomberg Barclays U.S. 1-5 Year Treasury Bond

2) Effective 4/2013, the GEM risk asset benchmark is a market-weighted blend of the surplus growth portion allocation. Prior to 4/2013, the benchmark was the S&P 500.



Compliance

Total Portfolio	Target	Range	Maximum	Actual	Range Compliant
Operating Funds (NW Bank)	N/A	N/A	100%	5.9%	Yes
Core Investment Grade Bonds (includes mgr cash)	80%-85%	60%-90%	90%	82.0%	Yes
Non-Investment Grade Fixed Income ¹	5-10%	0-15%	15%	0.4%	Yes
Risk Assets	5-10%	0-15%	15%	11.7%	Yes
Risk Assets (As % of Surplus)			40% of 12/31/2017	37.0%	Yes
Core Fixed Income Portfolio			Maximum	Actual	Compliant
- US Government & Agency			100%	26.3%	Yes
- TIPS			10%	1.6%	Yes
- Total MBS/CMO/CMBS/ABS			55%	23.3%	Yes
- Agency Sponsored MBS/CMO			55%	12.6%	Yes
- Private CMO/CMBS			20%	4.3%	Yes
- ABS			25%	6.3%	Yes
- Corporate & Intl Gov/Agency			50%	27.6%	Yes
- Credit Limit: BBB rated securities			25%	13.9%	Yes
Minimum Portfolio Credit Rating			AA	AA	Yes
Duration: 80% to 120% of Barclays Capital Int. Gov/Credit				3.36	Yes
<i>Notes:</i>					
<i>1) Includes three securities within the Galliard portfolio (i.e. Fallen Angels - securities were originally purchased as investment grade): 1) Marathon Oil, 2) City of Chicago, and 3) Becton Dickinson & Co.</i>					



Market Value & OTTI Surveillance: As of 9/30/2018

- As a matter of OTTI surveillance:
 - As a result of rising market yields during Q3-2018, forty fixed income securities (15 securities excluding US Government issues) had a Market-to-Book Value ratio less than or equal to 95%:

CUSIP	Issuer_Name	Par_Value	Book_Value	MktVal_Only	MV/BV Ratio	Unreal_Gain_Loss	Yield	Maturity_Date	Lowest Credit	Duration	Book_Yield	Pct_of_Port	Sector
92938IAE2	United States Treasury Note/Bond	15,000	14,946	13,393	89.6%	-1,553	3.04	8/15/2026	AA+	7.31	1.55	0.021	U.S. Government
233050AC7	United States Treasury Note/Bond	560,000	555,846	506,581	91.1%	-49,265	3.03	5/15/2026	AA+	7.03	1.73	0.816	U.S. Government
36249KAC4	United States Treasury Note/Bond	27,000	26,735	24,501	91.6%	-2,233	3.03	2/15/2026	AA+	6.84	1.77	0.039	U.S. Government
36248GAD2	Fannie Mae Pool	72,927	77,458	72,337	93.4%	-5,121	3.61	11/1/2042	AA+	6.22	2.94	0.116	Mortgage Backed
90265EAL4	Freddie Mac Gold Pool	154,599	164,340	153,944	93.7%	-10,396	3.59	10/1/2032	AA+	4.11	2.57	0.247	Mortgage Backed
460146CP6	United States Treasury Note/Bond	2,270,000	2,297,783	2,155,170	93.8%	-142,614	3.04	5/15/2027	AA+	7.65	2.22	3.479	U.S. Government
26884ABF9	Fannie Mae Pool	87,091	92,057	86,386	93.8%	-5,671	3.62	11/1/2042	AA+	5.62	2.98	0.139	Mortgage Backed
00206RCP5	Freddie 20-Yr 3.5 GIANT	140,270	149,202	140,097	93.9%	-9,105	3.52	9/1/2032	AA+	4.09	2.55	0.225	Mortgage Backed
913017CN7	United States Treasury Note/Bond	816,000	814,911	765,255	93.9%	-49,656	3.05	8/15/2027	AA+	7.93	2.27	1.228	U.S. Government
3138MLEZ3	Fannie Mae Pool	175,245	186,486	175,262	94.0%	-11,224	3.47	10/1/2032	AA+	4.11	2.54	0.281	Mortgage Backed
3132G7CM5	Fannie Mae Pool	79,100	84,008	79,109	94.2%	-4,899	3.47	10/1/2032	AA+	4.20	2.57	0.127	Mortgage Backed
3138MLGF5	United States Treasury Note/Bond	43,000	42,707	40,296	94.4%	-2,412	3.02	8/15/2025	AA+	6.33	2.11	0.065	U.S. Government
3132FTAC2	United States Small Business Administration	166,122	166,122	156,772	94.4%	-9,350	3.66	11/1/2032	AA+	3.70	2.09	0.253	Other U.S. Government
3138MDV22	Freddie Mac Gold Pool	93,242	95,969	90,579	94.4%	-5,390	3.38	12/1/2027	AA+	3.26	1.84	0.145	Mortgage Backed
3138MC4A9	Fannie Mae Pool	124,061	127,697	120,607	94.4%	-7,090	3.30	12/1/2027	AA+	3.37	1.83	0.193	Mortgage Backed
31306Y2H3	Freddie Mac Gold Pool	119,297	122,604	115,889	94.5%	-6,714	3.37	12/1/2027	AA+	3.27	1.88	0.186	Mortgage Backed
3138MPCY9	United States Treasury Note/Bond	10,000	10,134	9,583	94.6%	-551	2.99	11/15/2024	AA+	5.62	2.02	0.015	U.S. Government
31306V261	Freddie Mac Gold Pool	269,491	282,570	267,319	94.6%	-15,250	3.64	3/1/2043	AA+	5.96	3.06	0.429	Mortgage Backed
31327EQ1	United States Treasury Note/Bond	7,000	6,967	6,593	94.6%	-374	3.00	2/15/2025	AA+	5.90	2.08	0.011	U.S. Government
3128E6XM4	Freddie Mac Gold Pool	133,260	138,593	131,308	94.7%	-7,284	3.32	11/1/2032	AA+	4.42	2.41	0.211	Mortgage Backed
3128E6XL6	Freddie Mac Gold Pool	147,470	153,042	145,310	94.9%	-7,732	3.32	11/1/2032	AA+	4.29	2.44	0.233	Mortgage Backed
3138EJW2	United States Treasury Note/Bond	25,000	25,073	23,812	95.0%	-1,261	2.88	7/31/2021	AA+	2.75	1.02	0.038	U.S. Government
83162CVD2	United States Treasury Note/Bond	175,000	173,226	164,534	95.0%	-8,692	2.98	8/31/2024	AA+	5.53	2.06	0.264	U.S. Government
05914FE48	United States Treasury Note/Bond	175,000	172,397	163,803	95.0%	-8,595	3.06	11/15/2027	AA+	8.08	2.43	0.264	U.S. Government
649322AC8	Fannie Mae Pool	193,844	204,748	194,583	95.0%	-10,165	3.39	5/1/2032	AA+	4.03	2.62	0.312	Mortgage Backed
419792KL9	County of Baltimore MD	200,000	200,000	177,308	88.7%	-22,692	3.96	7/1/2034	AAA	12.14	2.99	0.286	Taxable Muni / Not for Profit
16876AAB0	UDR Inc	60,000	60,000	54,958	91.6%	-5,042	4.21	9/1/2026	BBB+	6.89	2.95	0.088	Corporate
830337KF7	International Paper Co	110,000	109,661	100,993	92.1%	-8,667	4.17	2/15/2027	BBB	7.21	3.04	0.162	Corporate
100853LY4	WFRBS Commercial Mortgage Trust 2013-UBS1	170,000	187,813	174,075	92.7%	-13,739	3.53	3/15/2046	AAA	4.30	3.23	0.279	Mortgage Backed
9128282A7	New York and Presbyterian Hospital/The	155,000	155,001	144,023	92.9%	-10,978	4.13	8/1/2036	AA-	12.85	3.56	0.232	Taxable Muni / Not for Profit
912828R36	ERP Operating LP	50,000	49,728	46,327	93.2%	-3,401	3.92	11/1/2026	A-	6.98	2.93	0.075	Corporate
912828P46	State of Hawaii	200,000	200,000	186,396	93.2%	-13,604	3.70	10/1/2027	AA+	7.52	2.80	0.303	Taxable Muni / Not for Profit
912828X88	DBUBS 2011-LC1 Mortgage Trust	350,000	386,209	361,260	93.5%	-24,949	2.75	11/10/2046	AAA	1.44	4.16	0.580	Mortgage Backed
912828R20	AT&T Inc	170,000	169,567	158,825	93.7%	-10,742	5.09	5/15/2035	BBB	11.17	4.52	0.259	Corporate
912828K74	Children's Hospital Medical Center/Cincinnati OH	150,000	150,000	140,611	93.7%	-9,389	3.75	11/15/2026	A-	7.03	2.85	0.227	Taxable Muni / Not for Profit
912828G38	GS Mortgage Securities Trust 2010-C1	275,000	298,556	280,399	93.9%	-18,158	3.13	8/10/2043	AAA	1.37	3.84	0.450	Mortgage Backed
912828J27	GS Mortgage Securities Trust 2013-GC16	210,000	229,821	217,288	94.5%	-12,533	3.47	11/10/2046	AAA	4.21	3.53	0.349	Mortgage Backed
912828S76	Skagit County School District No 101 Sedro Woolley	150,000	163,387	154,761	94.7%	-8,626	3.78	12/1/2022	AA+	2.76	3.35	0.251	Taxable Muni / Not for Profit
912828U3	City of Boston MA	150,000	162,118	153,746	94.8%	-8,372	4.40	4/1/2025	AAA	1.89	3.45	0.252	Taxable Muni / Not for Profit
9128283F5	United Technologies Corp	100,000	99,831	94,816	95.0%	-5,015	3.84	5/4/2024	A-	5.02	2.83	0.153	Corporate
TOTALS (40)		8,579,019	8,807,311	8,248,808	93.7%	-558,503	3.34			6.16	2.61	13.282	
TOTALS (15) - EXCLUDING U.S. GOVERNMENTS		2,500,000	2,621,691	2,445,786	93.3%	-175,905	3.69			5.46	3.42	3.95	

- There are no equity securities that meet the OTTI monitoring threshold at this time.



Mutual Fund/ETF Portfolio – OTTI/Impairment Monitor

GEM - Mutual Fund/ETF OTTI Monitoring

Month-End Market-to-Book Value Ratio (Latest 12 month period)

Ticker	FUND/ETF	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18
SDY	SPDR S&P Dividend ETF	155.1%	161.6%	158.5%	161.6%	153.7%	153.0%	152.5%	154.4%	155.5%	161.6%	164.9%	164.3%
VMISX	Vanguard Mid-Cap Index Fund Adm Class	129.3%	133.4%	133.9%	139.7%	134.0%	133.3%	133.1%	135.5%	136.1%	139.6%	143.1%	141.5%
VSISX	Vanguard Small-Cap Index Adm Class	125.4%	129.3%	128.9%	132.6%	127.2%	128.1%	128.5%	135.1%	135.6%	138.1%	144.3%	141.3%
VTMGX	Vanguard Developed Markets Index	122.6%	123.7%	124.3%	130.2%	123.4%	122.4%	124.3%	122.3%	118.6%	121.4%	119.1%	119.4%
VEIEX	Vanguard Emerging Markets Index	104.7%	104.9%	108.1%	117.2%	111.6%	110.1%	107.8%	104.8%	99.5%	102.6%	99.0%	96.6%
VWEAX	Vanguard High Yield Corporate Bond		100.0%	99.9%	99.7%	98.6%	97.6%	97.6%	96.8%	96.6%	97.3%	97.8%	97.9%
EIBLX	Eaton Vance Bank Loan		100.1%	100.1%	100.6%	100.4%	100.4%	100.5%	100.2%	100.0%	100.4%	100.5%	100.8%
Total Risk Assets		142.0%	135.5%	127.6%	125.3%	118.3%	117.7%	117.5%	117.8%	117.6%	120.0%	121.0%	120.7%

% of Risk Asset Portfolio

Ticker	FUND/ETF	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18
SDY	SPDR S&P Dividend ETF	67.4%	55.8%	46.7%	40.5%	35.1%	35.0%	34.8%	35.1%	35.3%	35.8%	36.1%	36.0%
VMISX	Vanguard Mid-Cap Index Fund Adm Class	7.7%	6.3%	5.4%	4.8%	4.2%	4.2%	4.2%	4.3%	4.3%	4.3%	4.4%	4.3%
VSISX	Vanguard Small-Cap Index Adm Class	7.4%	6.1%	5.2%	4.6%	4.0%	4.0%	4.1%	4.2%	4.3%	4.2%	4.4%	4.3%
VTMGX	Vanguard Developed Markets Index	11.3%	9.1%	7.9%	7.0%	6.0%	6.0%	6.1%	6.0%	5.9%	5.9%	5.7%	5.7%
VEIEX	Vanguard Emerging Markets Index	6.2%	4.9%	4.3%	4.0%	3.5%	3.4%	3.4%	3.2%	3.1%	3.1%	3.0%	2.9%
VWEAX	Vanguard High Yield Corporate Bond		8.9%	15.2%	19.5%	23.4%	23.3%	23.4%	23.2%	23.2%	23.0%	23.0%	23.0%
EIBLX	Eaton Vance Bank Loan		8.9%	15.3%	19.6%	23.8%	24.0%	24.1%	24.0%	24.0%	23.6%	23.5%	23.6%
Total Risk Assets		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Market-to-Book Ratio between 80%-90%

Market-to-Book Ratio less than 80%

Based on Wells Fargo custody statements

- As of September 2018, no risk asset funds were near the OTTI threshold.



GOVERNMENT ENTITIES MUTUAL, INC., PCC**FIVE-YEAR PRO FORMA INCOME STATEMENT**

	NOTES	2017	2018	2019	2020	2021
INCOME:						
PREMIUM WRITTEN	(1)	11,669,839	12,500,000	12,875,000	13,261,250	13,659,087
LESS: R/I PREMIUM CEDED	(2)	3,530,952	3,800,000	3,914,000	4,031,420	4,152,362
NET PREMIUM WRITTEN		8,138,887	8,700,000	8,961,000	9,229,830	9,506,725
LESS: CHG. IN UEP	(3)	233,621	152,635	66,222	68,208	70,255
NET EARNED PREMIUM		7,905,266	8,547,365	8,894,778	9,161,622	9,436,470
OTHER U/W INCOME	(4)	537,514	532,000	534,583	540,614	556,833
TOTAL U/W INCOME		8,442,780	9,079,366	9,429,361	9,702,236	9,993,303
EXPENSES:						
UNDERWRITING EXPENSE	(5)	27,023	28,101	29,205	30,067	30,956
PAID LOSS & LAE (NET)	(6)	13,145,216	9,716,294	10,918,728	11,657,403	12,146,446
INC./DECR. TO OLR.	(7)	(4,982,964)	(2,451,033)	(3,358,166)	(3,870,024)	(4,125,446)
TOTAL INCURRED LOSS AND LAE		8,162,252	7,265,261	7,560,562	7,787,378	8,021,000
GENERAL & ADMIN.	(8)	1,851,845	2,137,500	2,003,145	2,060,882	2,120,562
TOTAL EXPENSES		10,041,120	9,430,862	9,592,911	9,878,327	10,172,517
NET UNDERWRITING INCOME		(1,598,340)	(351,496)	(163,550)	(176,091)	(179,214)
INV. INCOME	(9)	2,029,616	1,590,000	2,050,169	2,000,140	1,937,075
PROFIT BEFORE TAXES		431,276	1,238,503	1,886,619	1,824,049	1,757,861
LESS: FEDERAL TAX	(10)	-	-	-	-	-
NET INCOME AFTER TAX		431,276	1,238,503	1,886,619	1,824,049	1,757,861
RETAINED PROFIT B/D (OCI adj.)		447,803	879,079	2,117,583	4,004,202	5,828,250
LESS: DIVIDEND		-	-	-	-	-
RETAINED PROFIT A/D		879,079	2,117,583	4,004,202	5,828,250	7,586,111

GOVERNMENT ENTITIES MUTUAL, INC., PCC**FIVE YEAR PRO FORMA BALANCE SHEET**

ASSETS	2017	2018	2019	2020	2021
STATUTORY CASH CAPITAL	250,000	250,000	250,000	250,000	250,000
INVESTMENTS	73,110,427	69,819,721	68,408,374	66,434,411	64,140,999
PREMIUMS RECEIVABLE	220,471	220,471	220,471	220,471	220,471
OTHER ASSETS	764,611	777,738	817,690	849,514	883,004
TOTAL ASSETS	74,345,509	71,067,930	69,696,536	67,754,396	65,494,474
LIABILITIES					
ACCOUNTS & OTHER PAYABLES	646,308	678,623	712,555	748,182	785,591
LOSS RESERVES	45,542,766	43,091,733	39,733,567	35,863,543	31,738,096
UNEARNED PREMIUM / COMMISSION	2,054,753	2,207,388	2,273,609	2,341,818	2,412,072
TOTAL LIABILITIES	48,243,827	45,977,745	42,719,731	38,953,543	34,935,760
CAPITAL					
OPENING SURPLUS BALANCE	25,222,603	22,972,603	22,972,603	22,972,603	22,972,603
EARNED SURPLUS (incl. adj. for OCI)	879,079	2,117,583	4,004,202	5,828,250	7,586,111
TOTAL CAPITAL	26,101,682	25,090,186	26,976,805	28,800,853	30,558,714
TOTAL LIAB. AND CAPITAL	74,345,509	71,067,930	69,696,536	67,754,396	65,494,474

GOVERNMENT ENTITIES MUTUAL, INC., PCC

CASH FLOW AND RATIO ANALYSIS

	2017	2018	2019	2020	2021
CASH INFLOW					
NET PREMIUM WRITTEN CAPITAL	8,138,887	8,700,000	8,961,000	9,229,830	9,506,725
OTHER U/W INCOME	-	(2,250,000)	-	-	-
INVESTMENT INCOME	392,880	425,366	438,127	451,271	464,809
	2,029,616	1,590,000	2,050,169	2,000,140	1,937,075
TOTAL CASH INFLOW	10,561,383	8,465,366	11,449,296	11,681,241	11,908,609
CASH OUTFLOW					
OTHER UNDERWRITING EXPENSE	26,707	28,575	29,419	30,288	31,183
LOSSES PAID	13,145,216	9,716,294	10,918,728	11,657,403	12,146,446
G&A EXPENSE	1,851,845	2,137,500	2,003,145	2,060,882	2,120,562
DIVIDENDS	-	-	-	-	-
TOTAL CASH OUTFLOW	15,023,769	11,882,369	12,951,292	13,748,572	14,298,191
NET CASH FLOW	(4,462,385)	(3,417,003)	(1,501,996)	(2,067,332)	(2,389,582)
ECONOMIC BENEFIT TO DOMICILE					
TAXES AND FEES	27,023	28,101	29,205	30,067	30,956
ESTIMATED GENERAL EXPENDITURES	185,185	213,750	200,315	206,088	212,056
TOTAL	212,207	241,851	229,519	236,155	243,012
LOSS AND EXPENSE RATIOS					
INCURRED LOSS : EARNED PREMIUM	103.25%	85.00%	85.00%	85.00%	85.00%
U/W EXPENSE : EARNED PREMIUM:	0.34%	0.33%	0.33%	0.33%	0.33%
GENERAL & ADMIN.EXP. : EARNED PREMIUM	23.43%	25.01%	22.52%	22.49%	22.47%
COMBINED EXPENSE RATIO	127.02%	110.34%	107.85%	107.82%	107.80%
SOLVENCY RATIOS					
PREMIUM : CAPITAL AND SURPLUS	0.447 To 1	0.498 To 1	0.477 To 1	0.46 To 1	0.447 To 1
RESERVES : CAPITAL AND SURPLUS	1.745 To 1	1.717 To 1	1.473 To 1	1.245 To 1	1.039 To 1
RETAINED RISK *: EQUITY	6%	6%	6%	6%	6%
* ASSUMED PER OCCURRENCE RETENTION	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000

GOVERNMENT ENTITIES MUTUAL, INC., PCC
NOTES TO FINANCIAL STATEMENTS - UNDERWRITING YEAR BASIS

		2017	2018	2019	2020	2021
(1) ORIGINAL GROSS PREMIUM		11,669,839	12,500,000	12,875,000	13,261,250	13,659,087
LESS: REINSURANCE		3,530,952	3,800,000	3,914,000	4,031,420	4,152,362
EQUALS: SUBJECT PREMIUM		8,138,887	8,700,000	8,961,000	9,229,830	9,506,725
(2) REINSURANCE CEDED	30%	3,530,952	3,800,000	3,914,000	4,031,420	4,152,362
(3) UNEARNED PREMIUM	25%					
(4) UNDERWRITING INCOME	14%	537,514	532,000	534,583	540,614	556,833
(5) CLAIMS FEES	0.00%	-	-	-	-	-
B) FRONTING FEE & TAX	0.00%	-	-	-	-	-
C) EXCISE TAXES	0.00%	-	-	-	-	-
D) DOMICILE TAXES AND FEES	0.23%	27,023	28,101	29,205	30,067	30,956
TOTAL UNDERWRITING EXPENSE		27,023	28,101	29,205	30,067	30,956
(6) PAID LOSS AND LOSS ADJUSTMENT EXPENSE - SEE LOSS SCHEDULE ATTACHED						
(7) GROSS AND DISCOUNTED LOSS RESERVES - SEE RESERVE SCHEDULE ATTACHED						
(8) SALARIES & EMPLOYEE BENEFITS		993,991	975,000	1,014,000	1,054,560	1,096,742
PROFESSIONAL DEVELOPMENT		1,916	13,500	13,500	13,500	13,500
GOVERNANCE		150,376	174,000	177,480	181,030	184,650
ASSOCIATIONS		13,901	16,700	17,034	17,375	17,722
INSURANCE		45,697	57,000	58,140	59,303	60,489
TRAVEL AND ENTERTAINMENT		96,992	127,000	129,540	132,131	134,773
RENT		53,810	58,000	59,160	60,343	61,550
PRINTING, SUPPLIES, SUBSCRIPTIONS		19,878	31,000	25,000	25,500	26,010
POSTAGE & PRIVATE CARRIERS		1,582	1,800	1,836	1,873	1,910
TELECOMMUNICATIONS		14,280	16,000	16,320	16,646	16,979
BANK, LOC & TRUST FEES		8,198	10,000	10,000	10,000	10,000
LEGAL		5,944	30,000	25,000	25,000	25,000
AUDITING		65,256	63,500	64,135	64,776	65,424
TECHNOLOGY		47,402	39,000	34,000	34,680	35,374
CONSULTANT SERVICES & MARKETING		330,052	497,000	350,000	356,125	362,357
DEPRECIATION		3,940	4,000	4,000	4,000	4,000
BUSINESS TAXES		(1,370)	24,000	4,000	4,040	4,080
TOTAL ANNUAL G&A EXPENSE		1,851,845	2,137,500	2,003,145	2,060,882	2,120,562
(9) CALCULATION OF INVESTMENT INCOME: RATE:		2.72%	2.25%	3.00%	3.00%	3.00%
CAPITAL & SURPLUS PROVIDED		0	(2,250,000)	0	0	0
Adjustment for timing of receipt		1.00	0.50	1.00	1.00	1.00
ADJUSTED CAPITAL & SURPLUS		-	(1,125,000)	-	-	-
OPERATING CASH FLOW						
NET PREMIUMS WRITTEN		8,138,887	8,700,000	8,961,000	9,229,830	9,506,725
OTHER UNDERWRITING INCOME		478,233	551,663	528,776	544,639	560,978
WC LPT		-	-	-	-	-
LOSSES PAID		(13,145,216)	(9,716,294)	(10,918,728)	(11,657,403)	(12,146,446)
DIVIDENDS PAID		-	-	-	-	-
OTHER UNDERWRITING EXPENSES		(26,707)	(28,575)	(29,419)	(30,288)	(31,183)
GENERAL & ADMINISTRATIVE EXPENSES		(1,851,845)	(2,137,500)	(2,003,145)	(2,060,882)	(2,120,562)
NET OPERATING CASH FLOW		(6,406,648)	(2,630,706)	(3,461,516)	(3,974,103)	(4,230,488)
Adjustment for timing of receipt - premiums		0.50	0.50	0.50	0.50	0.50
Adjustment for timing of payment - expenses & losses		0.50	0.50	0.50	0.50	0.50
ADJUSTED CASH CAPITAL & SURPLUS		(3,203,324)	(1,315,353)	(1,730,758)	(1,987,051)	(2,115,244)
BEGINNING CASH/INVESTMENT BALANCE		77,737,459	73,360,427	70,069,721	68,658,374	66,684,411
TOTAL YEAR END INVESTED FUNDS		73,360,427	70,069,721	68,658,374	66,684,411	64,390,999
AVERAGE INVESTED FUNDS		74,534,135	70,920,074	68,338,963	66,671,323	64,569,168
INTEREST INCOME		2,029,616	1,590,000	2,050,169	2,000,140	1,937,075

(10) FEDERAL TAX

0% N/A RECEIVED TAX EXEMPT STATUS

GOVERNMENT ENTITIES MUTUAL, INC., PCC
CALENDAR YEAR INCURRED AND PAID LOSSES AND LOSS ADJUSTMENT EXPENSES

(6A) INCURRED LOSSES		2017	2018	2019	2020	2021	2022
	RISK						
DVIT		407,450	577,279	601,083	619,116	637,689	656,820
MMIA		212,623	301,246	313,668	323,078	332,770	342,753
MVRMA		159,374	225,803	235,114	242,167	249,432	256,915
PDRMA		250,625	355,088	369,730	380,822	392,247	404,014
Primex		877,359	1,243,050	1,294,309	1,333,138	1,373,132	1,414,326
Enduris		61,995	87,835	91,457	94,200	97,026	99,937
WSTIP		351,120	497,471	517,985	533,524	549,530	566,016
MPR		216,941	307,365	320,039	329,640	339,529	349,715
MMRMA		242,915	344,164	358,356	369,106	380,180	391,585
VTLP		279,807	396,433	412,781	425,164	437,919	451,057
WMMIC		158,514	224,584	233,845	240,860	248,086	255,529
WCIA		638,933	905,246	942,575	970,852	999,978	1,029,977
TCRMF		282,669	400,489	417,003	429,513	442,399	455,671
CalTIP		696,239	986,437	1,027,114	1,057,928	1,089,666	1,122,356
NPAIP		89,785	127,208	132,453	136,427	140,520	144,735
TWCARMF		198,646	281,444	293,049	301,841	310,896	320,223
Adverse Development		1,398,240	-	-	-	-	-
Prior Year Audit Adjustments and UPR		1,639,019	4,122	-	-	-	-
		0	-	-	-	-	-
	TOTAL	8,162,252	7,265,261	7,560,562	7,787,378	8,021,000	8,261,630
	BALANCES BROUGHT FORWARD	0	0	0	0	0	0
(6B) PAYOUT		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
DVIT		27.32%	32.82%	17.35%	9.01%	4.66%	2.68%
MMIA		27.32%	32.82%	17.35%	9.01%	4.66%	2.68%
MVRMA		27.32%	32.82%	17.35%	9.01%	4.66%	2.68%
PDRMA		27.32%	32.82%	17.35%	9.01%	4.66%	2.68%
Primex		27.32%	32.82%	17.35%	9.01%	4.66%	2.68%
Enduris		27.32%	32.82%	17.35%	9.01%	4.66%	2.68%
WSTIP		27.32%	32.82%	17.35%	9.01%	4.66%	2.68%
MPR		27.32%	32.82%	17.35%	9.01%	4.66%	2.68%
MMRMA		27.32%	32.82%	17.35%	9.01%	4.66%	2.68%
VTLP		27.32%	32.82%	17.35%	9.01%	4.66%	2.68%
WMMIC		27.32%	32.82%	17.35%	9.01%	4.66%	2.68%
WCIA		27.32%	32.82%	17.35%	9.01%	4.66%	2.68%
TCRMF		27.32%	32.82%	17.35%	9.01%	4.66%	2.68%
CalTIP		27.32%	32.82%	17.35%	9.01%	4.66%	2.68%
NPAIP		27.32%	32.82%	17.35%	9.01%	4.66%	2.68%
TWCARMF		27.32%	32.82%	17.35%	9.01%	4.66%	2.68%
Adverse Development		27.32%	32.82%	17.35%	9.01%	4.66%	2.68%
Prior Year Audit Adjustments		27.32%	32.82%	17.35%	9.01%	4.66%	2.68%
	BALANCES BROUGHT FORWARD	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
(6C) PAID		2017	2018	2019	2020	2021	2022
DVIT		111,315	291,438	424,371	503,287	552,699	588,128
MMIA		58,088	152,083	221,453	262,634	288,419	306,907
MVRMA		43,541	113,996	165,993	196,861	216,188	230,046
PDRMA		68,471	179,265	261,034	309,575	339,968	361,761
Primex		239,694	627,550	913,796	1,083,725	1,190,122	1,266,412
Enduris		16,937	44,343	64,569	76,577	84,095	89,485
WSTIP		95,926	251,147	365,703	433,708	476,289	506,820
MPR		59,268	155,172	225,951	267,969	294,277	313,141
MMRMA		66,364	173,750	253,003	300,051	329,510	350,632
VTLP		76,443	200,138	291,428	345,621	379,553	403,884
WMMIC		43,306	113,381	165,097	195,798	215,021	228,805
WCIA		174,556	457,011	665,468	789,218	866,701	922,259
TCRMF		77,225	202,186	294,409	349,157	383,436	408,015
CalTIP		190,212	498,000	725,154	860,003	944,436	1,004,977
NPAIP		24,529	64,221	93,514	110,903	121,791	129,599
TWCARMF		54,270	142,086	206,896	245,370	269,460	286,733
Adverse Development		381,999	458,902	242,595	125,981	65,158	37,473
Prior Year Audit Adjustments		447,780	539,052	285,723	148,391	76,750	44,118
	BALANCES BROUGHT FORWARD	10,915,289	5,052,573	5,052,573	5,052,573	5,052,573	5,052,573
	TOTAL PAID	13,145,216	9,716,294	10,918,728	11,657,403	12,146,446	12,531,769
(7A) GROSS RESERVES		2017	2018	2019	2020	2021	2022
DVIT		296,134	285,841	176,712	115,829	84,991	68,692
MMIA		154,534	149,163	92,215	60,444	44,351	35,846
MVRMA		115,833	111,807	69,121	45,306	33,244	26,869
PDRMA		182,154	175,823	108,697	71,247	52,278	42,253
Primex		637,664	615,500	380,513	249,413	183,010	147,914
Enduris		45,058	43,492	26,887	17,624	12,932	10,452
WSTIP		255,194	246,324	152,282	99,816	73,241	59,196
MPR		157,673	152,192	94,088	61,672	45,252	36,574
MMRMA		176,550	170,414	105,353	69,055	50,670	40,953
VTLP		203,364	196,295	121,353	79,543	58,366	47,173
WMMIC		115,208	111,203	68,748	45,062	33,065	26,724
WCIA		464,376	448,235	277,107	181,634	133,276	107,718
TCRMF		205,444	198,303	122,594	80,357	58,963	47,655
CalTIP		506,026	488,437	301,961	197,925	145,230	117,379
NPAIP		65,256	62,987	38,940	25,524	18,728	15,137
TWCARMF		144,376	139,358	86,153	56,471	41,436	33,490
Adverse Development		1,016,241	(458,902)	(242,595)	(125,981)	(65,158)	(37,473)
Prior Year Audit Adjustments		1,191,239	(534,930)	(285,723)	(148,391)	(76,750)	(44,118)
	BALANCES BROUGHT FORWARD	50,525,730	(5,052,573)	(5,052,573)	(5,052,573)	(5,052,573)	(5,052,573)
	INCR/(DECR.)	(4,982,964)	(2,451,033)	(3,358,166)	(3,870,024)	(4,125,446)	(4,270,139)
	CUMULATIVE TOTAL (OCCURRENCE)	45,542,766	43,091,733	39,733,567	35,863,543	31,738,096	27,467,957
	CUMULATIVE TOTAL (CLAIMS MADE)	45,542,766	43,091,733	39,733,567	35,863,543	31,738,096	27,467,957



**INTERNATIONAL SCHOOL
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Prepare now for a safer tomorrow...

**Nevada Track Schedule
Grand Pacific Palisades Grand Ballroom
Tuesday, October 9, 2018**

- 7:30 AM - 8:00 AM:** Registration
- 8:00 AM - 8:15 AM:** **Welcome and Nevada Rural School District Emergency Management Project Update**
Curtiss Kull, School Safety Operations
- 8:15 AM - 9:15 AM:** **Update on Governor's Safety Task Force**
Dave Jensen, Superintendent, Humboldt County School District
- 9:15 AM - 9:30 AM:** Break
- 9:30 AM - 10:00 AM:** **Suicide Prevention, Intervention, and Post-Vention Policies**
Ann Cyr, Risk Manager, Carson City School District
- 10:00 AM - 10:15 AM:** **POOL PACT policy updates**
Marshall Smith and Mike Rebaleati, NV. Risk Management Pool
- 10:15 AM - 10:45 AM:** **Safe Voice Program update**
Safe Voice staff
- 10:45 AM - 11:00 AM:** Break
- 11:00 AM - 11:15 AM:** **Update on State School Emergency Management Team**
Dan Wold, Superintendent, Eureka County School District
- 11:15 AM - 12:00 AM:** **School Climate and Staff Safety**
Dan Wold, Superintendent, Eureka County School District

In this session, we will explore the links between achievement, safety and climate, and what simple, proven steps we can all take in that regard. We will look at what the research tells us, and Dan will share his experiences as a superintendent and as a member of the Nevada State School Emergency Preparedness Team. Participants will leave with actionable knowledge on how to improve student and staff safety at little or no cost.

Make sure to follow us on Facebook! <https://www.facebook.com/intlschoolsafetyinstitute/>



2018 SYMPOSIUM PRESENTER SCHEDULE
Grand Pacific Palisades Resort
5805 Armada Drive, Carlsbad, CA. 92008
October 9-11, 2018

TUESDAY, OCTOBER 9, 2018

7:30 AM – 5:00 PM: Workshop Registration and early Full Conference Registration, Ballroom Lobby

7:30 AM to 8:00 AM: Top Gun Event Registration, Grand Pacific Palisades Club Room

8:00 AM to 3:00 PM: **Top Gun Event, Grand Pacific Palisades:**

The Firearms Safety and Immediate Tactical Care First Aid for Educators classroom portion of this training will take place at the hotel. The class will then move to the range for the live fire portion of the class. Lunch and transportation will be provided to participants. The class will end up back at the hotel will finish by 3:00 PM for those who want to attend Joe Erardi's workshop. This is a bonus event open only to non-law enforcement participants and pre-registration is required.

8:30 AM to 4:30 PM: Pre-Conference Workshop, Grand Ballrooms A and B in main conference center, (Please see workshop schedule)

4:30 PM to 7:00 PM: Sponsor Set Up: Grand Ballroom

The International School Safety Institute table in the Grand Ballroom lobby will be staffed throughout the day for questions or any needed assistance.

WEDNESDAY, OCTOBER 10, 2018

7:30 AM to 5:00 PM: Registration open at the ISSI booth in the Grand Ballroom lobby

7:30 AM to 8:30 AM: Continental Breakfast, Hosted by Gold Sponsor *SCHOOL SAFETY OPERATIONS INC.*, Grand Ballroom Patio

8:30 AM to 9:00 AM: Opening welcome:

- International School Safety Institute Staff
- Dr. Benjamin Churchill, Superintendent of the Carlsbad, CA. Unified School District

9:00 AM to 10:10 AM: “Board Governance In Troubled Times, The Security Threat Today” C. Ed Massey
Ed is a practicing partner in the Kentucky law firm of Blankenship, Massey, and Associates. He has been a member of the Boone County, KY. Board of Education for over 20 years. He has served as president of the KY. School Boards Association and the National School Boards Association.

10:10 AM to 10:30 AM: Break: Interaction with sponsors and participants

10:30 AM to 11:45 AM: “Using CLUES To Support Behavior And Mental Health” Michelle Palladini
Michelle is a Detective and School Resource Office in Norfolk, MA. She is also the founder of the L.E.A.P. (Leadership, Empowerment, Awareness, Protection), which offers a solution focused method of connectivity between schools and community partners as a pathway to student success. Michelle’s motivational presentation introduces attendees to the L.E.A.P. Program and CLUES Model as synergetic, solution-focused method for managing and improving behavioral and mental health in your school. Attendees will be provided with action steps for improving relationships with students and mitigating risky behaviors.

11:45 AM to Noon: “Crisis Communications And Accountability” Bill Reynolds, Crisis-Go

12:00 PM to 1:00 PM: Hosted Lunch and Networking, Grand Ballroom Patio. Sponsored by Crisis-Go

1:00 PM to 3:30 PM: “Violent Threat Risk Assessment” Theresa Campbell and Sam Jingfors
Theresa is the President of Safer Schools Together, with offices in White Rock, British Columbia and Bellingham, WA. She has produced five award-winning gang prevention documentaries, is a certified trainer and consultant with the Canadian Centre for Threat Assessment and Trauma Response, and serves as a safety representative on municipal, provincial, and federal committees in Canada. The programs Theresa conceptualized, developed, and implemented, including the first web-based anonymous reporting tool for students, are proactive tools aimed at early identification of at-risk student behavior. These are realistic tools that can be used in education to address and turn around current trends of school violence, teen suicide, and all culture and climate issues that negatively impact the safe school environment.

Sam Jingfors is the Vice President of Safer Schools Together and works closely with Theresa to use proactive programs and training in the education industry as methods of identifying at-risk potentially violent behavior and addressing it *before* an actual violent incident occurs. Sam is an expert in digital behavioral violence/risk assessment and open source digital information gathering.

During this session, Theresa and Sam will use current case studies to give attendees an understanding of how important it is to identify at risk behavior early in order to take steps for intervention. Something is always missed pre-incident in every violent incident. By using the programs and training discussed by Theresa and Sam during this session, attendees will understand there are actions that can be taken *before* violence shows up at a school. Infrastructure target hardening of schools is necessary, but proactive pre-incident methods like those discussed in this session are the key to unlocking the mystery of how to turn around our current trends of school violence.

A short break will be provided during this session, but attendees are encouraged to return on time in order to not miss any of this important information.

3:30 PM to 3:45 PM: Break and interaction with sponsors and participants.

3:45 PM to 5:00 PM: “Sexting, Cyberbullying, and Harassment. Law and Order in Schools” Eric Tamashasky

Eric is the legal advisor and deputized law enforcement officer with the St. Joseph’s County Police Department in Indiana, where he is an investigator with the Cyber-Crimes Unit. He also works closely with Theresa and Sam from Safer Schools Together to proactively address today’s high level cyber threats. Eric presents on Cyber-safety and cyber-crime issues pertinent to schools and local organizations. This presentation builds off of the foundation laid by Theresa and Sam in their presentation, and is a “*must see*” for attendees to get a better understanding of today’s cyber-related threats.

5:15 PM to 6:45 PM: Hosted “Sunset In The Pacific” Welcome Reception at the Resort Pool.

Beer, Wine, Soft Drinks, and Light Appetizers will be available to participants. Please wear your conference I.D. for admission. We wore you out today with excellent training, but now we’ll help you relax and give you a chance to network with attendees and sponsors. You will also see why the pool at the Grand Pacific Palisades is among the best spots on the Carlsbad Cliffs to watch the sun drop into the Pacific Ocean. Bring business cards and meet new friends with common goals in school safety. ***This event is being hosted by our friends and sponsors from Lobby Guard, who have been with us and supporting our efforts in education safety since 2013.***

There are multiple dinner options available to attendees staying at the Grand Pacific Palisades or other local hotels. The resort has the Karl Strauss Brewery and Restaurant on the property and it is one of the better eateries in the area. There are also multiple excellent restaurants and pubs in Carlsbad Village, approximately three miles from the resort. Shuttle service to Carlsbad Village is available through the front desk at the resort. Uber is also readily available in the area. Please see ISSI Staff members for recommendations or questions on where to go, and we’ll see you in the morning!

THURSDAY, OCTOBER 11, 2018

7:30 AM to 8:30 AM: Continental Breakfast, Grand Ballroom Patio.

This is a good opportunity to network with attendees and sponsors. All sponsors will be available during this time and staff will be at the ISSI table if any assistance is needed. **Hosted by Sponsor Campbell Glass.**

8:30 AM to 9:00 AM: Welcome to Day 2 From The ISSI Staff and our sponsor from Campbell Glass.

9:00 AM to 10:30 AM: “GATEKEEPER, Emergency Response For Schools” Jeff Kaye

Jeff is retired law enforcement, retired Director of Public Safety for a K-12 school district, President of the consulting company *School Safety Operations Inc.*, and one of the co-founders of the International School Safety institute. His session looks at what we realistically need to do to keep our schools safe from both manmade and natural disaster incidents, to include school Active Assailant response. We call our educators and school staff the “*Immediate Responders*” during a school emergency, because they are boots on the ground while waiting for the First Responders. They are the “*Keepers Of The Gate*” protecting our most valuable resource, so they need the tools to do their job. Proactive means of turning around current school violence trends will be discussed, and participants will learn valuable information they can implement immediately to assist them with school safety. Actual case studies the presenter was involved in where at risk or violent behavior were successfully identified and addressed pre-incident will

be offered during this presentation to demonstrate the effectiveness of programs discussed throughout this conference.

10:30 AM to 10:45 AM: Break

10:45 AM to Noon: *“Taking Your Leadership Skills Into The Uncomfortable Zone” Rob Marti*

Rob is a state certified science teacher in Castle Rock, CO. at an Alternative Ed High School for “at-risk” students. Prior to entering the education field in 2004, Rob served 13 years with the Los Angeles County Sheriff’s Department specializing in tactical response. His blend of tactical response and education experience gives him a unique insight as to what we can all do to keep schools safe. Rob’s motivational presentation will look at what individual contributions those in education, law enforcement, and mental health communities can make towards the collaborative efforts in school safety.

12:00 PM to 1:00 PM: Hosted Lunch on the Grand Ballroom patio. Hosted by sponsors Avigilon and Motorola. Networking opportunity with attendees and sponsors.

1:00 PM to 1:15 PM: A Word From Our Sponsors at Avigilon and Motorola.

1:15 PM to 2:45 PM: *“The Opioid Crisis, Current Drug Trends, and The Impact Our Schools” Federal Supervisory Special Agent John Callery.*

John has been a Federal Agent for twenty-seven years and is currently supervising a major United States Field Office tasked with enforcing drug laws and addressing today’s opioid crisis. John is considered an expert in drug enforcement and investigation from the street level to major cartel investigations. He and the agents he supervises are playing a major role in stemming the tide of opioid abuse, particularly as it concerns prescription drug abuse. Attendees will hear realistic information about the current drug trends, what law enforcement is doing about it, and what we can do in schools to help turn things around. Many states are legalizing marijuana, so John will also discuss the detrimental effects of the active ingredient Tetrahydrocannabinol (THC) on the teen brain. This isn’t the “weed of the 60’s and 70’s” our students our teens are smoking, vaping, and eating today, so it is important for all of us to have realistic information. Much of what John does is considered classified information outside of law enforcement, but he will include current and realistic case studies and factual data on what we are seeing in today’s drug culture. This is a new presentation that has never been done at an education safety conference, so attendees will leave with the most current and factual information available to the general public. John will be available throughout the conference for discussions, and he is an excellent resource for both education and law enforcement professionals.

2:45 PM to 3:00 PM: Break

3:00 PM to 4:00 PM: *“Creating School Safety Through Regional and Community Partners” Constable Mark Jenkins, Victoria B.C. and Constable Steve Robinson, Saanich B.C.*

Mark works for the Victoria Police Department and Steve is with the Saanich Police Department. They co-chair a School Safety Committee responsible for 60,000 students in their area of British Columbia. Their region of Victoria, Canada covers three school districts and includes five Police Departments. Mark and Steve formed this committee based on information he obtained by attending the 2017 International School Safety Institute Symposium and is presenting on how he and his partners in school safety put it all together and made improvements in school safety. What better way to bring this all together than to hear from two “GATEKEEPERS” who put their training to work to enhance school safety. Mark called the 2017

symposium a “life changing conference” and now wants to give back to the attendees of the 2018 symposium so they can benefit from what he’s taken back to his schools.

The message of this presentation is the mindset of *Optimistic Denial* does not protect our schools and communities from threats to safety. Mark and Steve will discuss the process of developing school safety in complex regions made up of different school districts and police departments, as well as how to successfully work with community partners to contribute to school safety. The responsibility for school safety does not fall solely on law enforcement. We’re all in this together and there are no geographical lines on the map of school safety.

4:00 PM to 4:30 PM: “Bringing It Together to Bridge the Gaps In School Safety” Presenter Panel

Closing comments from ISSI staff and presenters. Q&A from attendees and presenters will be available for conversation and information exchange.

4:30 PM: Conference Ends. (But we’ll be back October 2019)

THE ISSI STAFF AND PRESENTERS THANK YOU FOR YOUR PARTICIPATION!

Make sure to check out our website and follow us on Facebook for updates.



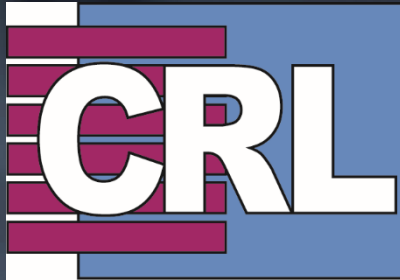
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Investment Review - County Reinsurance, Limited 3rd Quarter 2018

October 24th, 2018

Mr. Daniel Smereck
Managing Director



STRATEGIC ASSET ALLIANCE
THE INSURANCE INVESTMENT SPECIALIST

We have performed a review of the investment performance for County Reinsurance Limited. This report is based upon results submitted by the managers. This report reflects all of the information currently received and analyzed. Any changes or corrections to that information may impact the conclusions of this review.

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Summary Capital Market Commentary – 3rd Quarter 2018

● GLOBAL FINANCIAL MARKETS

- **Global equities made gains in Q3, primarily due to US market strength. Political uncertainty and trade concerns weighed on other regions.**
 - US equities significantly outperformed other major regions. Economic growth and earnings data remained extremely robust, ultimately overshadowing concerns surrounding the escalating US-China trade war. The US initially targeted \$34 billion of Chinese products with a 25% tariff in early July. Tariffs on another \$16 billion began in late August, before a 10% tariff was implemented on a further \$200 billion of Chinese goods in September (set to rise to 25% in January). Despite these measures, the US equity bull market became the longest in history on August 22nd.
 - Eurozone equity gains were modest. Banks were generally weaker amid concerns over exposure to emerging markets as well as worries over the Italian budget. On the economic front, growth for the second quarter of 2018 was revised up to 0.4% quarter-on-quarter, compared to the initial estimate of 0.3%. Forward-looking activity indicators continued to point towards expansion, albeit at a more subdued pace than at the start of 2018.
 - Japanese equities saw strong gains amid a weaker yen and greater clarity on the medium-term policy outlook following Prime Minister Abe's re-election as his party's leader.
 - Emerging markets equities lost value, with US dollar strength and trade tensions weighing. China underperformed as the US implemented tariffs on a total of \$250 billion of Chinese goods.
- **Core government bond yields rose over the quarter due to positive economic data, particularly from the U.S. This outweighed a bout of safe haven demand in August caused by concerns related to emerging market instability, trade tensions and political issues in Europe.**
 - Stability in growth and employment figures allowed the Federal Reserve (Fed) to enact its widely anticipated increase in the federal funds rate by 25 basis points. The committee dropped its long-standing description of monetary policy as “accommodative”, and reaffirmed its outlook for further gradual hikes into 2019. U.S. 10-year yields rose from 2.86% to 3.06%.



Executive Summary - Key Capital Market Index Returns

Index	Asset Class	Jul-18	Aug-18	Sep-18	Q3'18	YTD	Trailing 1 Yr	Trailing 3 Yr
Dow Jones Industrial Average	U.S. Equity	4.83%	2.56%	1.97%	9.63%	8.83%	20.76%	20.49%
S&P Composite 1500 Growth	U.S. Equity	3.31%	4.87%	0.49%	8.87%	16.73%	24.59%	19.59%
S&P 500	U.S. Equity	3.72%	3.26%	0.57%	7.71%	10.56%	17.91%	17.31%
S&P Composite 1500	U.S. Equity	3.57%	3.30%	0.34%	7.35%	10.47%	17.69%	17.26%
Alerian MLP	Master Limited Partnerships	6.58%	1.58%	-1.57%	6.57%	5.90%	4.89%	4.43%
S&P Composite 1500 Value	U.S. Equity	3.86%	1.50%	0.16%	5.60%	3.89%	10.30%	14.37%
MSCI World Index	World Equity	3.15%	1.28%	0.60%	5.10%	5.89%	11.84%	14.18%
S&P SmallCap 600	U.S. Equity	3.16%	4.83%	-3.17%	4.71%	14.54%	19.08%	19.41%
BofA Merrill Lynch US Convertibles	U.S. Convertible Bond	0.65%	3.52%	-0.25%	3.93%	10.43%	12.15%	11.83%
S&P MidCap 400	U.S. Equity	1.76%	3.19%	-1.10%	3.86%	7.49%	14.21%	15.68%
S&P GSCI Crude Oil	U.S. Equity	-5.28%	2.76%	5.41%	2.60%	28.11%	48.57%	2.94%
Barclays Capital U.S. Corporate High Yield	U.S. Fixed Income	1.09%	0.74%	0.56%	2.40%	2.57%	3.05%	8.15%
S&P/LSTA US Leveraged Loan Index	U.S. Fixed Income	0.74%	0.40%	0.69%	1.84%	4.04%	5.19%	5.32%
MSCI EAFE Index	International Equity	2.47%	-1.92%	0.91%	1.42%	-0.98%	3.25%	9.77%
MSCI World Ex. US Index	World Equity	2.47%	-1.87%	0.83%	1.38%	-1.04%	3.20%	9.87%
MSCI EAFE (Net)	International Equity	2.46%	-1.93%	0.87%	1.35%	-1.43%	2.74%	9.23%
S&P GSCI Commodities	U.S. Equity	-3.53%	1.08%	3.93%	1.34%	11.84%	22.91%	3.17%
Barclays Capital U.S. Corporate Investment Grade	U.S. Fixed Income	0.83%	0.49%	-0.36%	0.97%	-2.33%	-1.19%	3.12%
Dow Jones U.S. Select REIT	U.S. Real Estate	0.55%	2.98%	-2.73%	0.72%	2.56%	4.59%	6.88%
Citigroup 3-month T-bill	Cash/Cash Equivalent	0.16%	0.17%	0.17%	0.50%	1.29%	1.57%	0.80%
Barclays Intermediate U.S. Government/Credit	U.S. Fixed Income	0.03%	0.59%	-0.40%	0.21%	-0.76%	-0.96%	0.91%
Barclays U.S. Government/Credit	U.S. Fixed Income	0.08%	0.65%	-0.67%	0.06%	-1.85%	-1.37%	1.45%
Barclays Capital U.S. Aggregate	U.S. Fixed Income	0.02%	0.64%	-0.64%	0.02%	-1.60%	-1.22%	1.31%
Barclays Capital Municipal Bond	U.S. Fixed Income	0.24%	0.26%	-0.65%	-0.15%	-0.40%	0.35%	2.24%
5-Year US Treasury	U.S. Treasury	-0.30%	0.75%	-0.70%	-0.26%	-1.33%	-2.03%	-0.49%
Merrill Lynch US Treasury Master	U.S. Fixed Income	-0.45%	0.78%	-0.98%	-0.66%	-1.75%	-1.64%	0.28%
Barclays U.S. Treasury: U.S. TIPS	U.S. Fixed Income	-0.48%	0.72%	-1.05%	-0.82%	-0.84%	0.41%	2.04%
Citigroup WorldBIG Index	World Fixed Income	-0.12%	0.01%	-0.80%	-0.90%	-2.40%	-1.39%	1.89%
MSCI EM (Emerging Markets)	International Equity	2.28%	-2.67%	-0.50%	-0.95%	-7.39%	-0.44%	12.77%
10-Year US Treasury	U.S. Treasury	-0.72%	1.13%	-1.49%	-1.10%	-3.75%	-4.02%	-1.12%

- **SAA BOTTOMLINE:** US equities advanced in Q3 to significantly outperform other major regions. Economic growth and earnings data remained robust, and this ultimately overshadowed simmering concerns around the escalating US-China trade war. With the US equity bull market becoming the longest in history on August 22nd, markets are growing more concerned with longer-term revenue growth as positive earnings surprises due primarily to tax law changes diminish prospectively.
- Core government bond yields rose over the quarter due to positive economic data, particularly from the US.



- Indices sorted high/low by Q3 '18 performance.

U.S. Fixed Income Sector Yields & Returns

Index YTW	12/31/2013	12/31/2014	12/31/2015	12/31/2016	12/31/2017	6/30/2018	9/30/2018
Aggregate	2.48%	2.25%	2.59%	2.61%	2.71%	3.29%	3.46%
U.S. Credit	3.18%	3.01%	3.54%	3.29%	3.19%	3.94%	4.00%
U.S. Treasury	1.44%	1.43%	1.73%	1.89%	2.19%	2.71%	2.95%
Municipal Bond	3.15%	2.09%	2.11%	2.65%	2.36%	2.67%	2.86%
U.S. High Yield	5.64%	6.61%	8.74%	6.12%	5.72%	6.49%	6.24%
U.S. 2-Yr Treasury	0.38%	0.66%	1.05%	1.19%	1.88%	2.53%	2.82%
U.S. 5-Yr Treasury	1.74%	1.65%	1.76%	1.92%	2.19%	2.73%	2.95%
U.S. 10-Yr Treasury	3.03%	2.17%	2.28%	2.43%	2.41%	2.85%	3.06%
Global Aggregate (USD)	2.11%	1.62%	1.77%	1.60%	1.66%	1.99%	2.15%
Change to Current Period							
Aggregate	▲ 0.98%	▲ 1.21%	▲ 0.87%	▲ 0.85%	▲ 0.75%	▲ 0.17%	
U.S. Credit	▲ 0.82%	▲ 0.99%	▲ 0.46%	▲ 0.71%	▲ 0.81%	▲ 0.06%	
U.S. Treasury	▲ 1.51%	▲ 1.52%	▲ 1.22%	▲ 1.06%	▲ 0.76%	▲ 0.24%	
Municipal Bond	▼ -0.29%	▲ 0.77%	▲ 0.75%	▲ 0.21%	▲ 0.50%	▲ 0.19%	
U.S. High Yield	▲ 0.60%	▼ -0.37%	▼ -2.50%	▲ 0.12%	▲ 0.52%	▼ -0.25%	
U.S. 2-Yr Treasury	▲ 2.44%	▲ 2.16%	▲ 1.77%	▲ 1.63%	▲ 0.94%	▲ 0.29%	
U.S. 5-Yr Treasury	▲ 1.21%	▲ 1.30%	▲ 1.19%	▲ 1.03%	▲ 0.76%	▲ 0.22%	
U.S. 10-Yr Treasury	▲ 0.03%	▲ 0.89%	▲ 0.78%	▲ 0.63%	▲ 0.65%	▲ 0.21%	
Global Aggregate	▲ 0.04%	▲ 0.53%	▲ 0.38%	▲ 0.55%	▲ 0.49%	▲ 0.16%	
U.S. Agg. vs. Global Agg.	▲ 0.37%	▲ 0.63%	▲ 0.82%	▲ 1.01%	▲ 1.05%	▲ 1.30%	▲ 1.31%
UST 2yr-10yr Spread (bps)	264.8	150.6	123.2	124.2	52.7	32.0	24.0
UST 5yr-10yr Spread (bps)	128.7	51.7	52.0	51.0	22.0	12.0	11.0

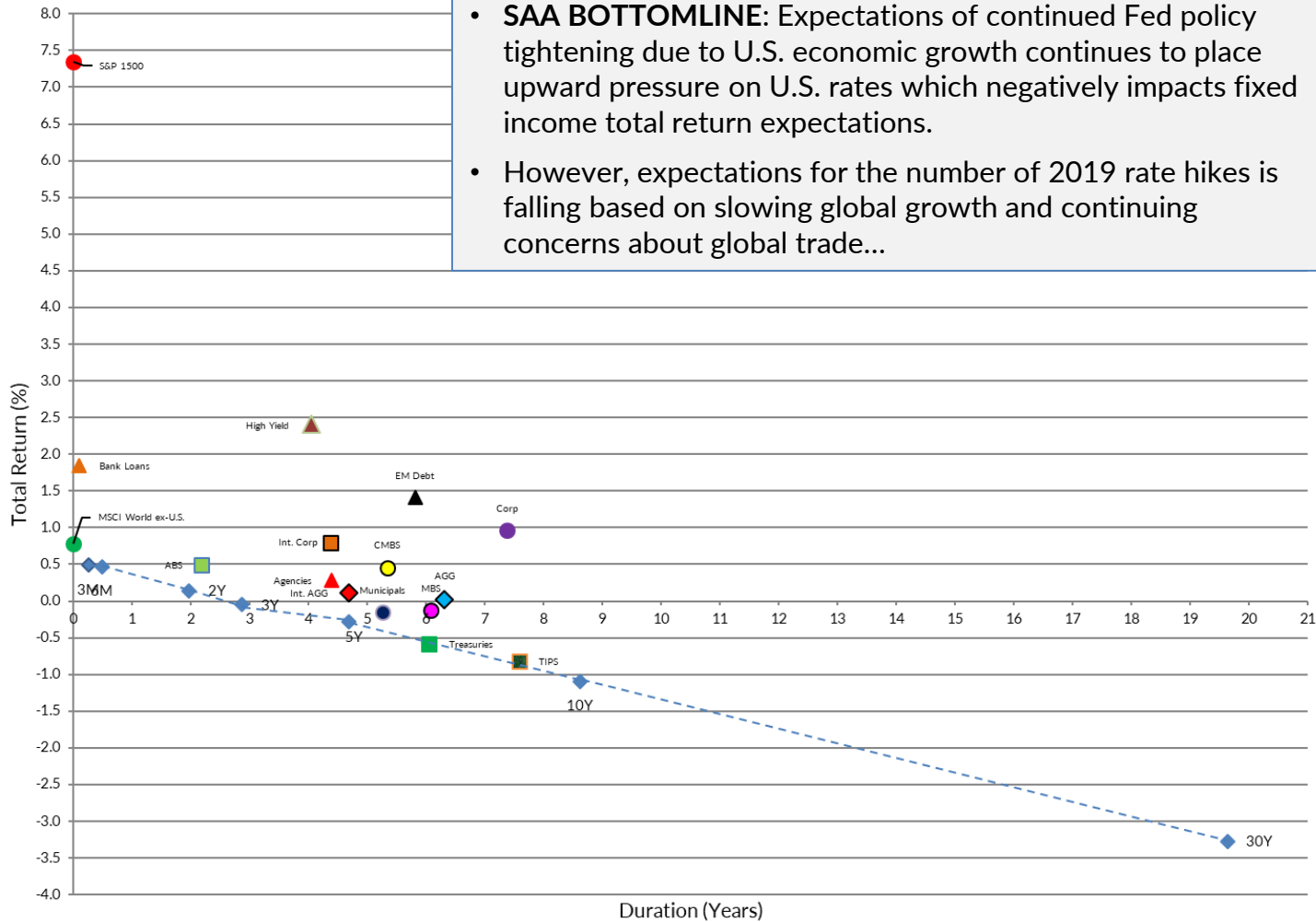
Note: Bloomberg Barclays Indices

- **SAA BOTTOMLINE:** The difference between U.S. and Global yields still remains pronounced at 1.31% as the expectation of further Fed rate hikes continues the active policy divergence between the U.S. and other developed markets' central banks; although the rest of the world's monetary policy is slowly becoming less accommodative.
- Additionally, the UST yield curve continued to flatten as the 2/10 spread is only 24 bps. When 2/10 year yields meet, recessions typically follow according to history. However, a number of economists suggest that this "barometer" is broken as a result of the unprecedented central bank bond purchases as part of quantitative easing policies worldwide since 2009.

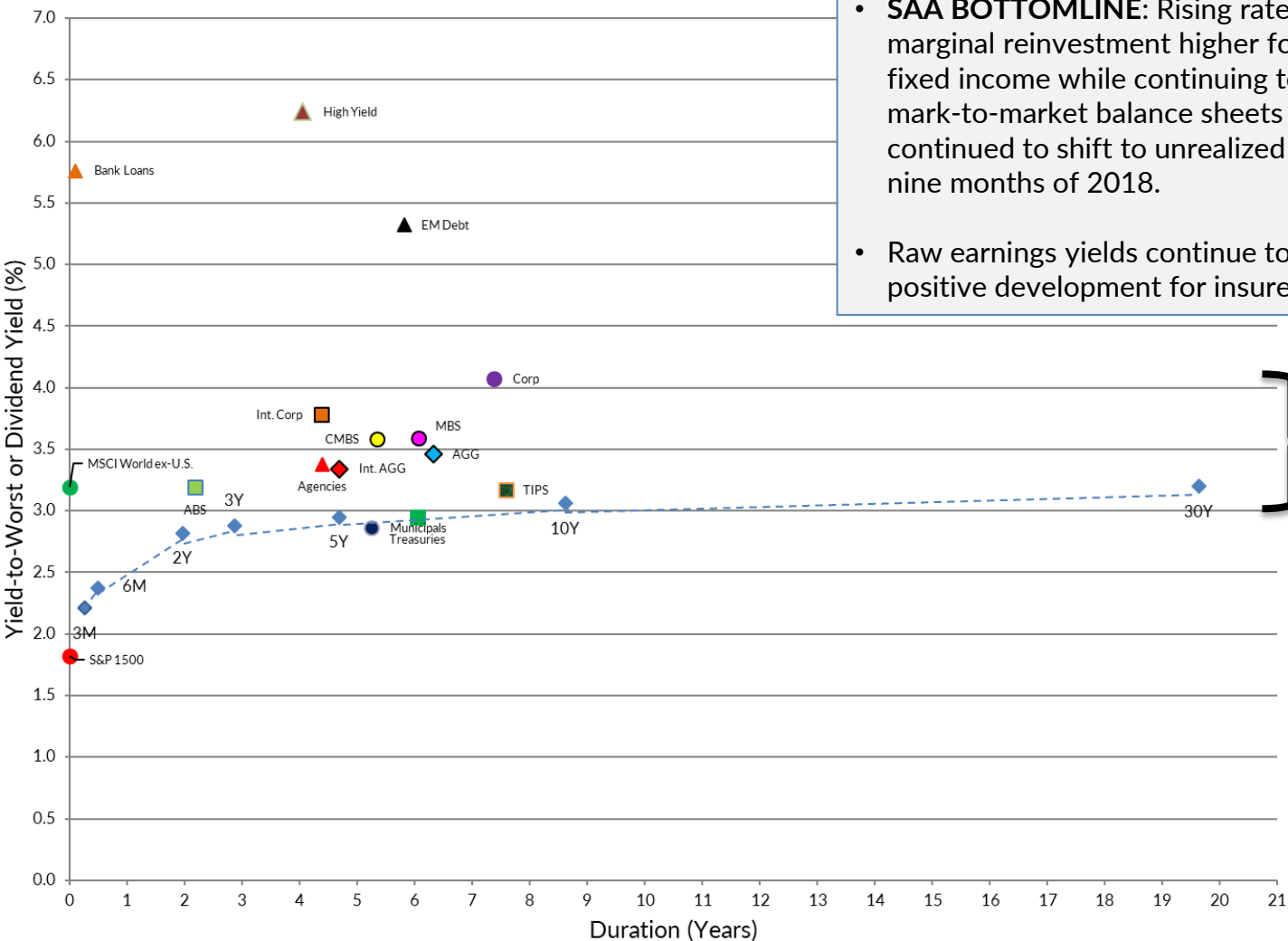


Q3-2018 Fixed Income Sector/Duration - Total Return

- **SAA BOTTOMLINE:** Expectations of continued Fed policy tightening due to U.S. economic growth continues to place upward pressure on U.S. rates which negatively impacts fixed income total return expectations.
- However, expectations for the number of 2019 rate hikes is falling based on slowing global growth and continuing concerns about global trade...



Q3-2018 U.S. Fixed Income Sector/Duration - Yields



- **SAA BOTTOMLINE:** Rising rates continue to push marginal reinvestment higher for investment-grade fixed income while continuing to wreak havoc across mark-to-market balance sheets as unrealized gains continued to shift to unrealized losses during the first nine months of 2018.
- Raw earnings yields continue to rise – a longer-term positive development for insurers.

New money and reinvestment yields have risen for U.S. investment grade fixed income and now range from 3.00% to 4.25%





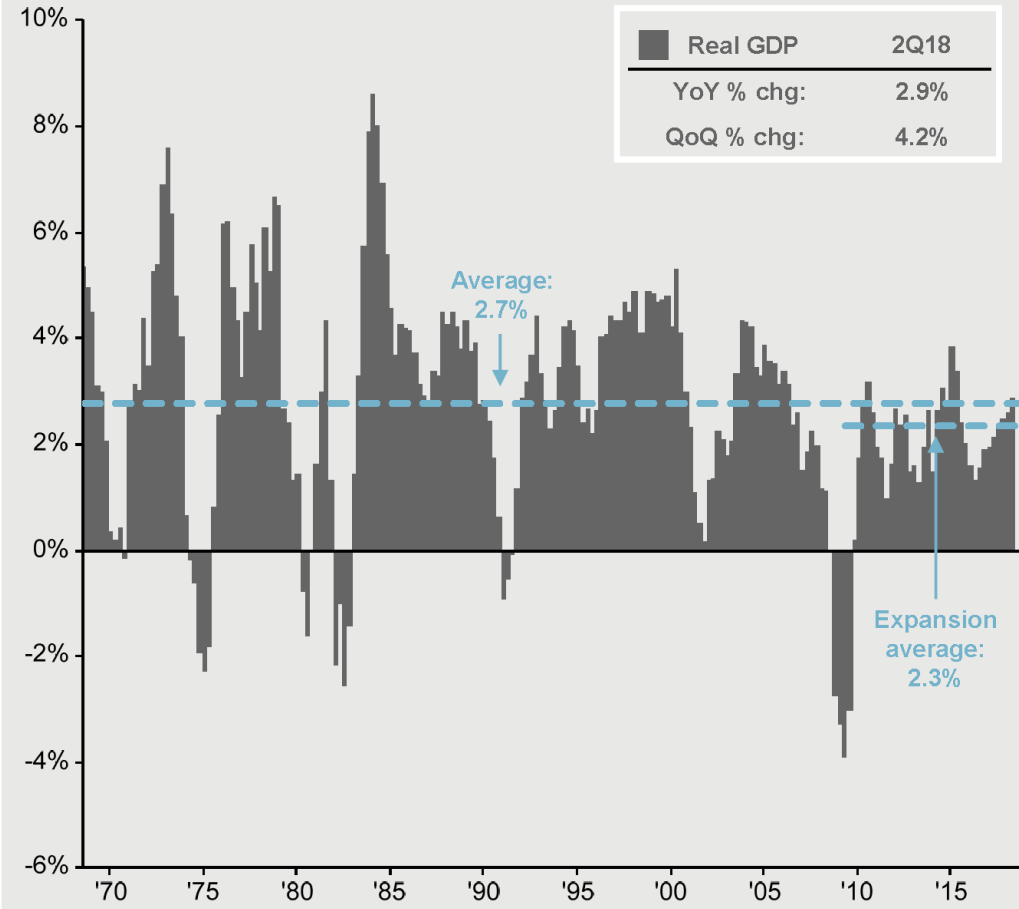
KEY INVESTMENT THEMES FOR Q3-2018



U.S. Economy (Slowly moving ahead...)

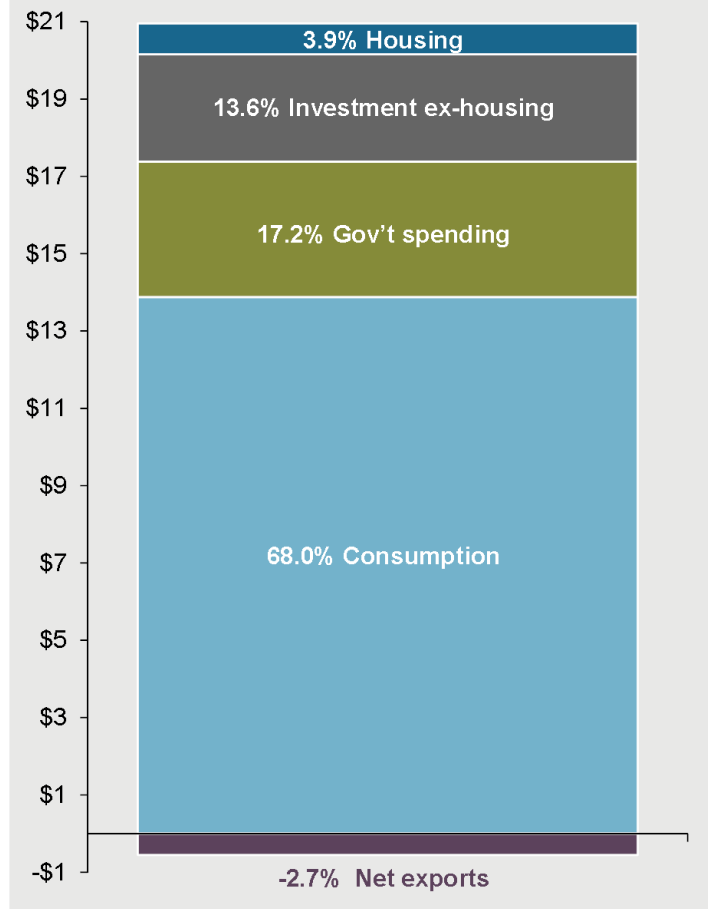
Real GDP

Year-over-year % change



Components of GDP

2Q18 nominal GDP, USD trillions



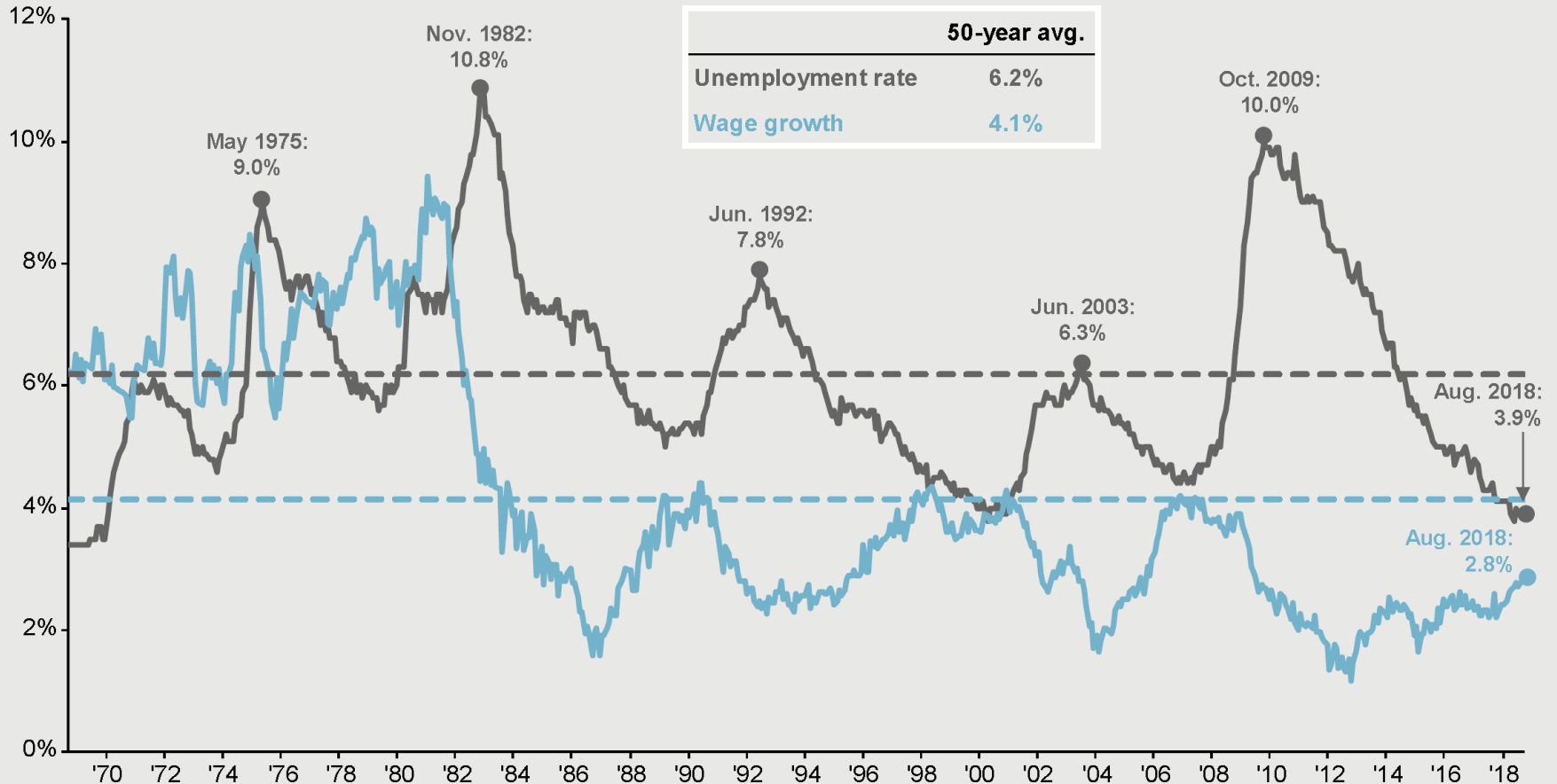
- SAA BOTTOMLINE:** Recent economic growth accelerated as tax cuts spurred both consumer and business spending. However, average growth of the current expansion has lagged the historical average. The near-term issue is trade and further escalation of tariffs will negatively impact future growth as well as investor sentiment. The long-term issue is productivity as this is what drives U.S. GDP growth.



U.S. Employment & Wages

Civilian unemployment rate and year-over-year wage growth for private production and non-supervisory workers

Seasonally adjusted, percent

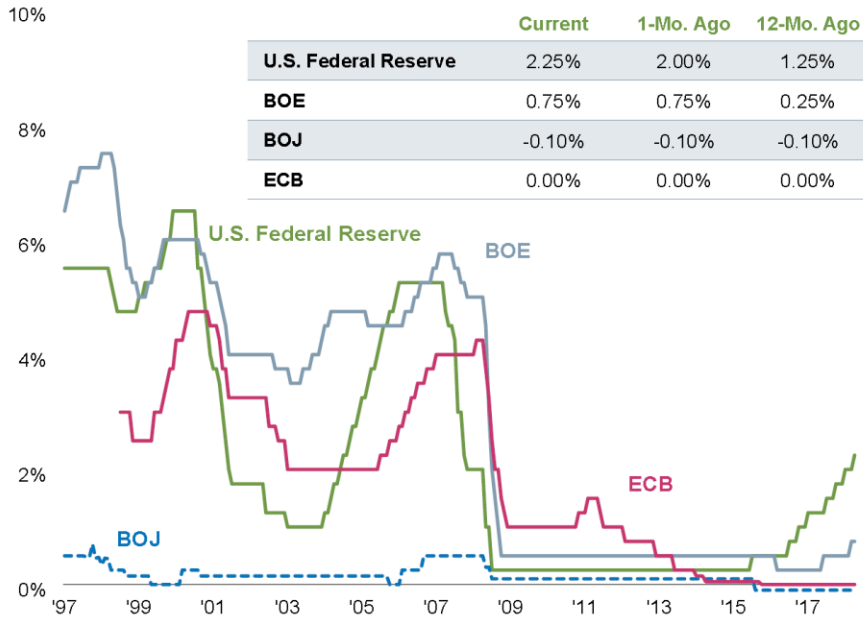


- SAA BOTTOMLINE:** The potential for wage inflation and its impact on Fed policy remains a concern, but has yet to materialize even with two major factors limiting labor force growth: 1) demographic drag of retiring baby boomers; and 2) tighter immigration restrictions. More importantly, labor force shortage has longer-term implications regarding productivity and economic growth.

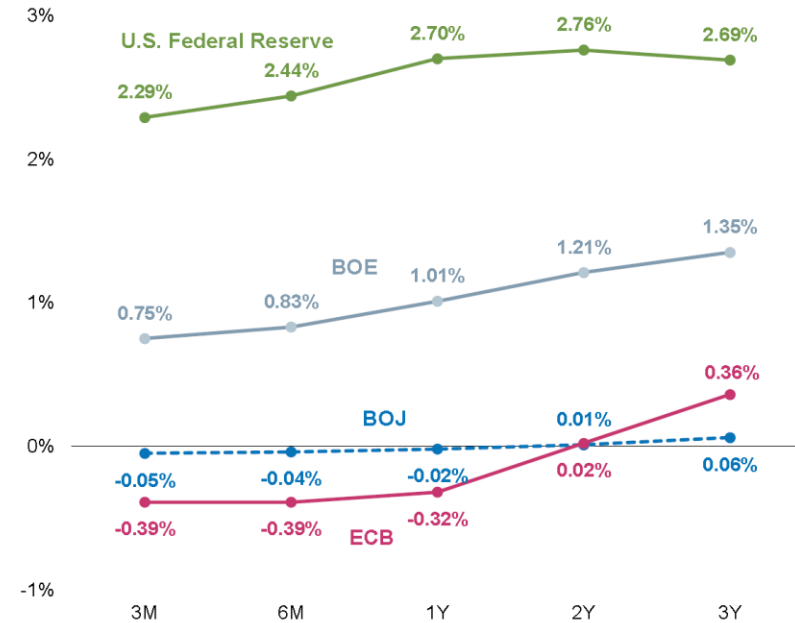


Global Monetary Policy

Central Bank Policy Rates



Market Expectations for Future Central Bank Rates

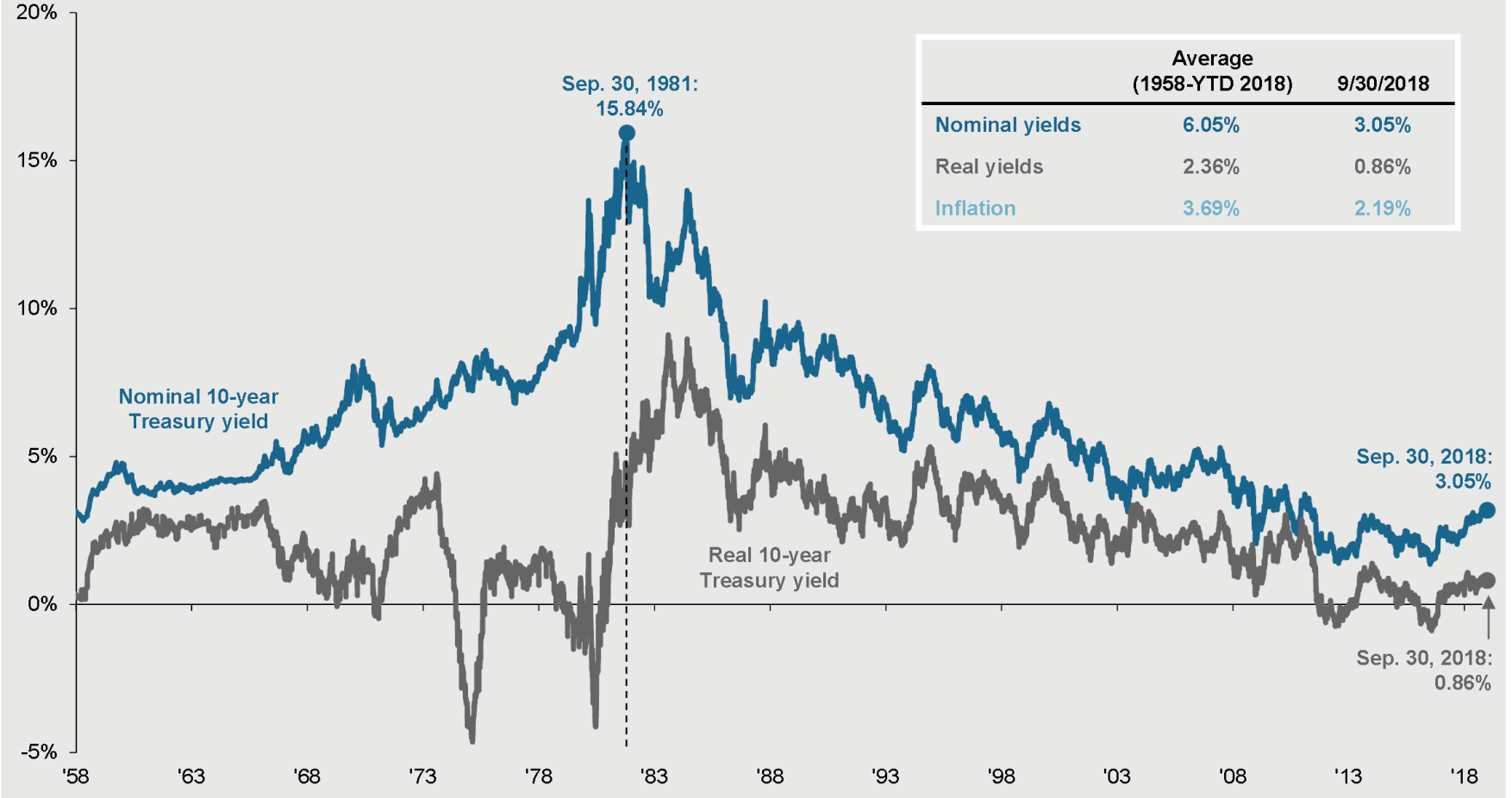


- **SAA BOTTOMLINE:** While the U.S. leads the way with regard to tightening monetary policy, the rest of the world is beginning to resolutely follow. Currently, the Fed is more concerned with overly expansive monetary policy and its impact on asset prices (i.e. bubbles) than they are with higher inflation.



U.S. Interest Rates & Inflation

Nominal and real 10-year Treasury yields



- SAA BOTTOMLINE:** With real yields turning positive as a result of the Fed's policy moves, fixed income investor returns now outpace inflation (for the time being). This shift to positive yields has contributed to increased volatility across riskier asset classes since investors can now find similar yields using higher quality fixed income securities and not lose purchasing power parity.



U.S. and International Equities

MSCI All Country World ex-U.S. and S&P 500 Indices

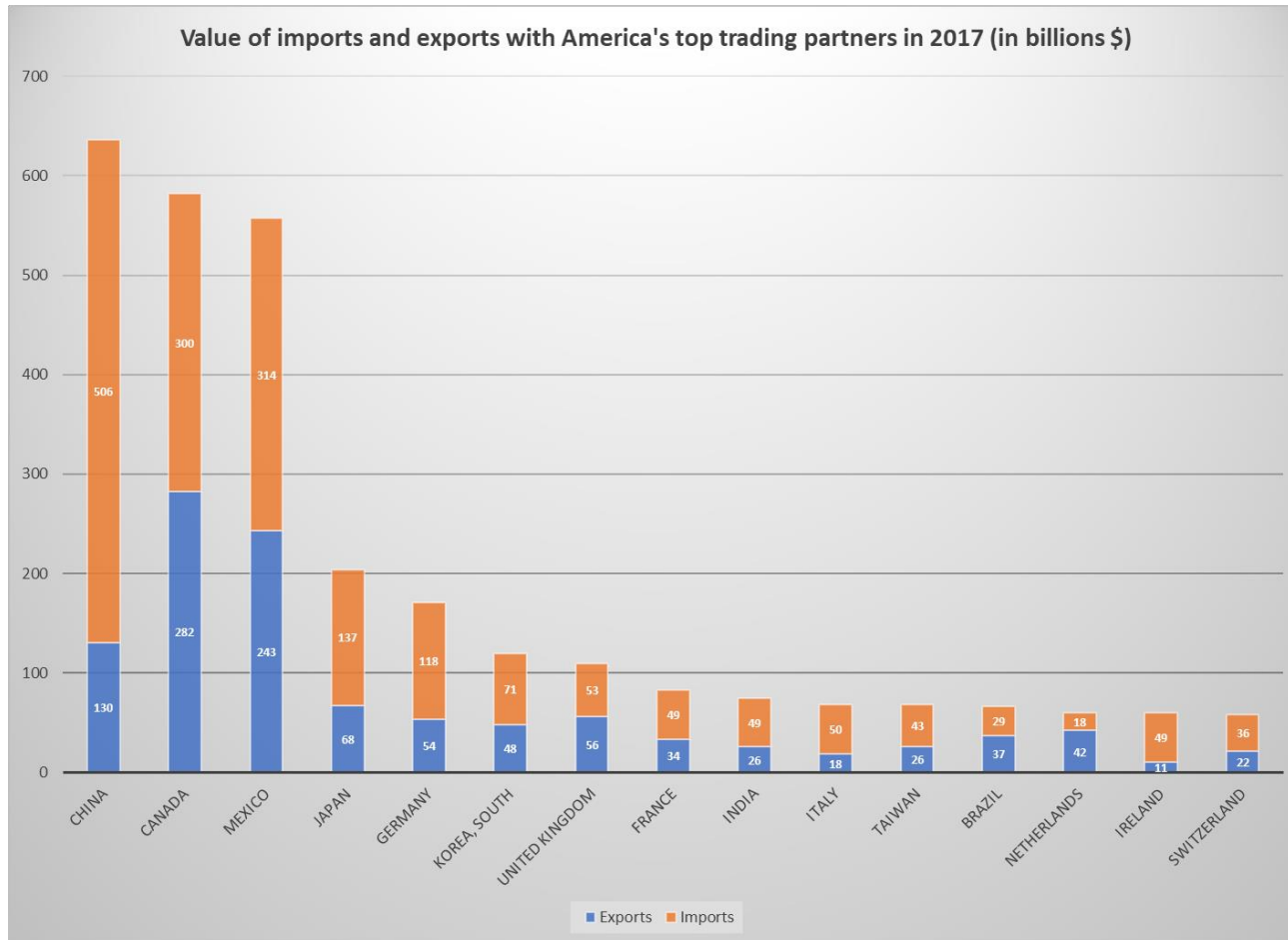
Dec. 1996 = 100, U.S. dollar, price return



• **SAA BOTTOMLINE:** With U.S. equities having solidly outperformed international equities since 2012, it may be easy to overlook the benefits of having international equity exposure longer-term given the diversification benefits and yield advantage. Remaining focused on forward-looking valuation metrics and economic trends remains critical.



Trade Impacts (Talk vs. Tariff)



- SAA BOTTOMLINE:** If trade saber-rattling continues to morph into hard tariffs, the drag on global growth and investor sentiment will quicken. Although it may take some short-term pain, the worlds' major economies are aligned to reach "trade agreements" that are mutually beneficial before investors and consumers begin to bear more negative consequences (both intended and unintended).

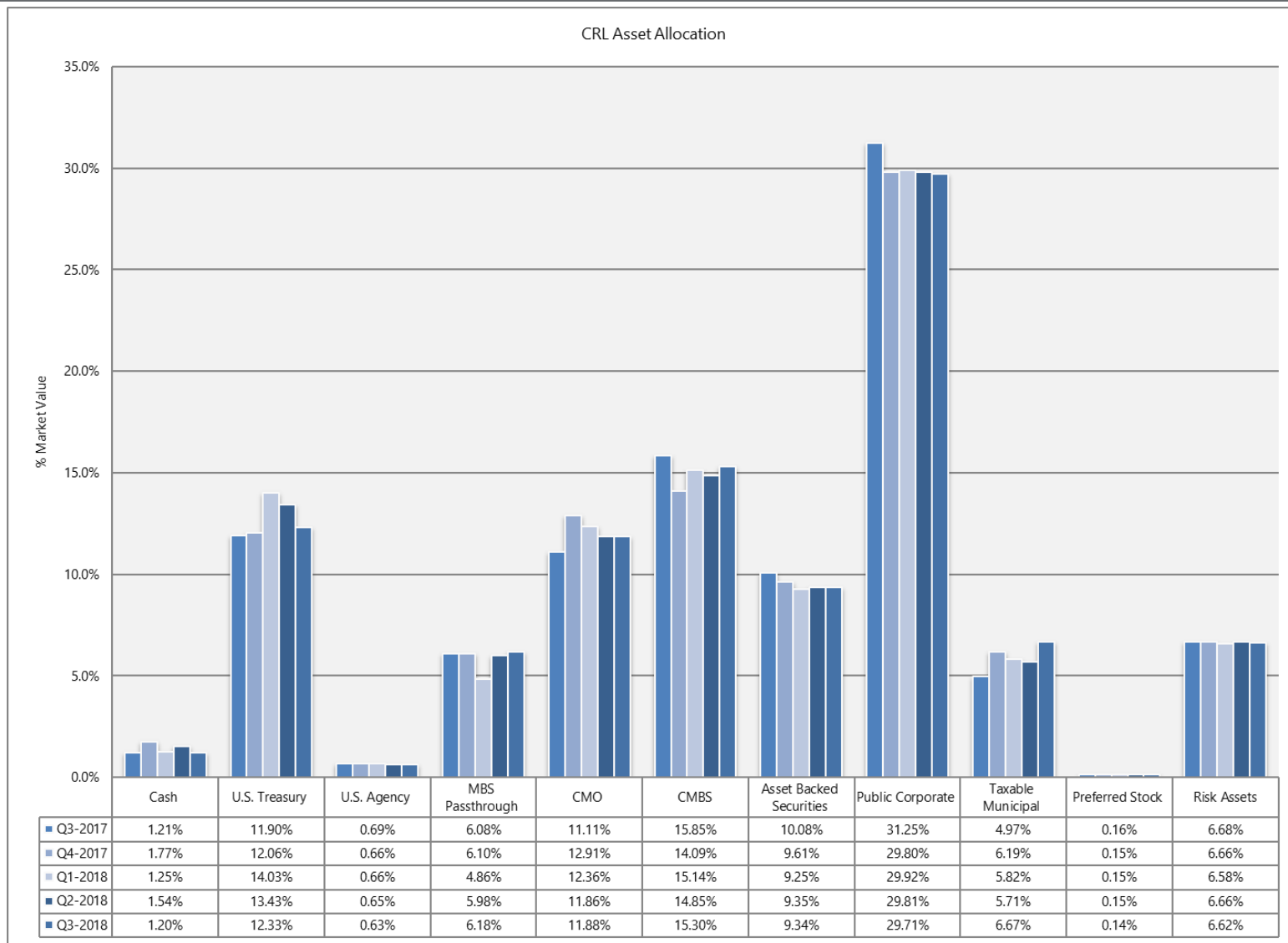




Q3-2018 PERFORMANCE SUMMARY



Strategic Asset Allocation



County Re Investment Program Performance

	Market Value (\$)	% of Total MV	Book Yield (%)	Total Return (%)									
				Q3-2018	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	7 Yr	Inception	Inception Date
Total Portfolio (Net)	\$234,705,065	100.0%	2.87%	0.55%	-0.58%	-0.16%	0.50%	1.90%	2.11%	2.28%	2.23%	2.85%	Q4-2009
Market-Weighted Benchmark ²				0.34%	-0.69%	-0.30%	0.37%	1.75%	1.91%	2.19%	2.12%	2.85%	
Relative Performance				↑ 0.21%	↑ 0.11%	↑ 0.14%	↑ 0.13%	↑ 0.15%	↑ 0.20%	↑ 0.09%	↑ 0.11%	→ 0.00%	
Total Fixed Income Portfolio (Net)	\$219,173,857	93.4%	2.87%	0.29%	-0.92%	-0.80%	-0.20%	1.21%	1.68%	1.87%	1.79%	2.52%	Q4-2009
Custom Benchmark ³				0.09%	-1.02%	-0.94%	-0.38%	1.02%	1.46%	1.75%	1.67%	2.50%	
Relative Performance				↑ 0.20%	↑ 0.10%	↑ 0.14%	↑ 0.18%	↑ 0.19%	↑ 0.22%	↑ 0.12%	↑ 0.12%	↑ 0.02%	
Total Risk Assets (Net)	\$15,531,208	6.6%	2.80%	4.05%	4.14%	9.18%	12.01%	14.04%	9.70%	9.54%	NA	10.95%	Q4-2011
Policy-Weighted Benchmark ⁴				3.81%	3.79%	8.79%	11.58%	13.49%	9.15%	9.25%	NA	10.91%	
Relative Performance				↑ 0.24%	↑ 0.35%	↑ 0.39%	↑ 0.43%	↑ 0.55%	↑ 0.55%	↑ 0.29%	NA	↑ 0.04%	
Liquidity Account													
County Re Cash & Cash Equivalents ⁵	\$11,960,307												
Total Invested Assets	\$246,665,373												
** All long-term fixed income asset to be managed by AAM													
[1] Transition to AAM as of 7/1/2009; performance reporting initiated 8/31/2009 with official evaluation beginning with Q4-2009													
[2] Total portfolio benchmark is market weighted using the fixed income and risk asset benchmarks.													
[3] Custom Benchmark from 11/1/2012 to present 10% Barclays 1-3yr UST, 54% Barclays Int.Agg and 36% Barclays Agg; prior Custom Benchmark 90% Int. Barclays Agg / 10% 1-3yr Barclays Treas.													
[4] Risk Asset benchmark is weighted by the component ETF benchmarks based upon the targeted allocation recommended by SAA.													
[4] Includes U.S. Bank Custody Cash Account and Cash within Risk Assets U.S. Bank Custody Account													

3rd Quarter Market Issues & Performance Drivers:

EQUITIES – Global equities made gains in Q3, primarily due to US market strength. Political uncertainty and trade concerns weighed on other regions. US equities significantly outperformed other major regions. Economic growth and earnings data remained extremely robust, ultimately overshadowing concerns surrounding the escalating US-China trade war. The US initially targeted \$34 billion of Chinese products with a 25% tariff in early July. Tariffs on another \$16 billion began in late August, before a 10% tariff was implemented on a further \$200 billion of Chinese goods in September (set to rise to 25% in January). Despite these measures, the US equity bull market became the longest in history on August 22nd.

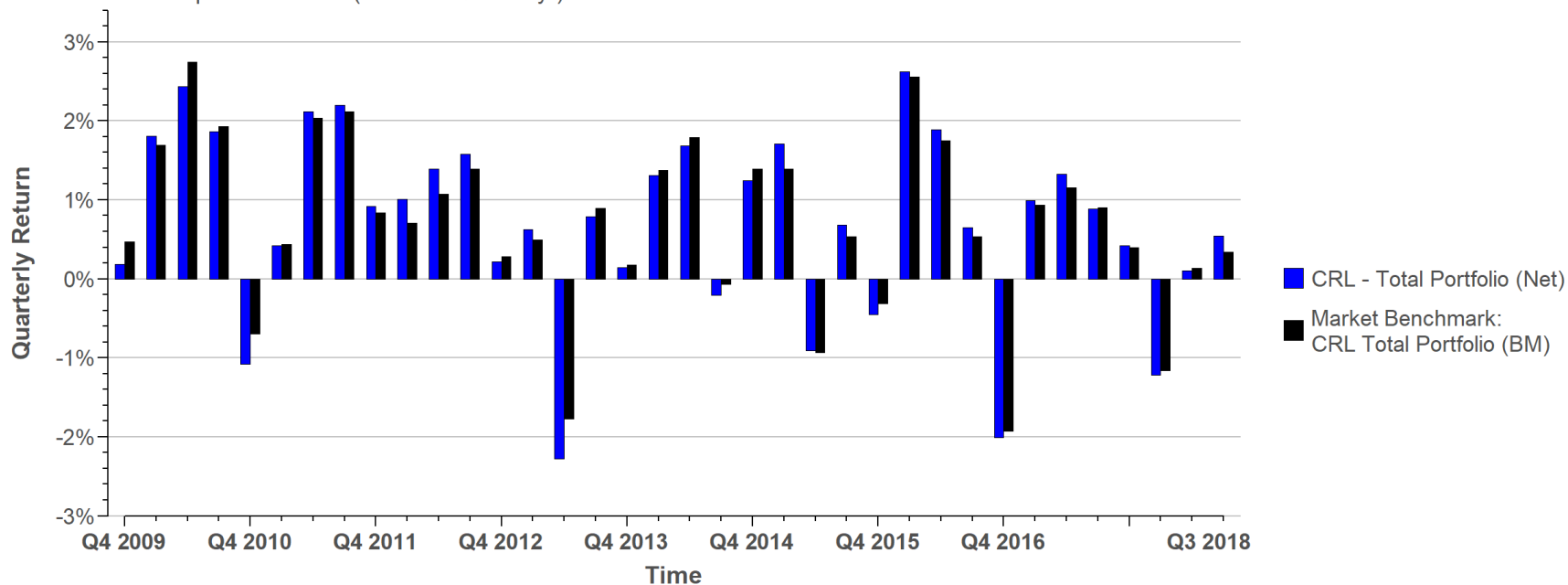
FIXED INCOME – Core government bond yields rose over the quarter due to positive economic data, particularly from the U.S. This outweighed a bout of safe haven demand in August caused by concerns related to emerging market instability, trade tensions and political issues in Europe. Stability in growth and employment figures allowed the Federal Reserve (Fed) to enact its widely anticipated increase in the federal funds rate by 25 basis points. The committee dropped its long-standing description of monetary policy as “accommodative”, and reaffirmed its outlook for further gradual hikes into 2019. U.S. 10-year yields rose from 2.86% to 3.06%.



Consolidated Portfolio – Quarterly Returns Profile

Quarterly Return / Time

October 2009 - September 2018 (Shown Quarterly)



Custom Table

October 2009 - September 2018: Summary Statistics

	Return	Standard Deviation	Sharpe Ratio	# of Down Periods	Average Down Return	# of Up Periods	Average Up Return	Maximum Drawdown	Information Ratio vs. Market	Alpha vs. Market	Beta vs. Market
CRL - Total Portfolio (Net)	2.85%	2.36%	1.07	7	-1.17%	29	1.16%	-2.28%	-0.01	-0.17%	1.06
CRL Total Portfolio (BM)	2.85%	2.20%	1.15	7	-0.98%	29	1.12%	-1.92%	0.00	0.00%	1.00

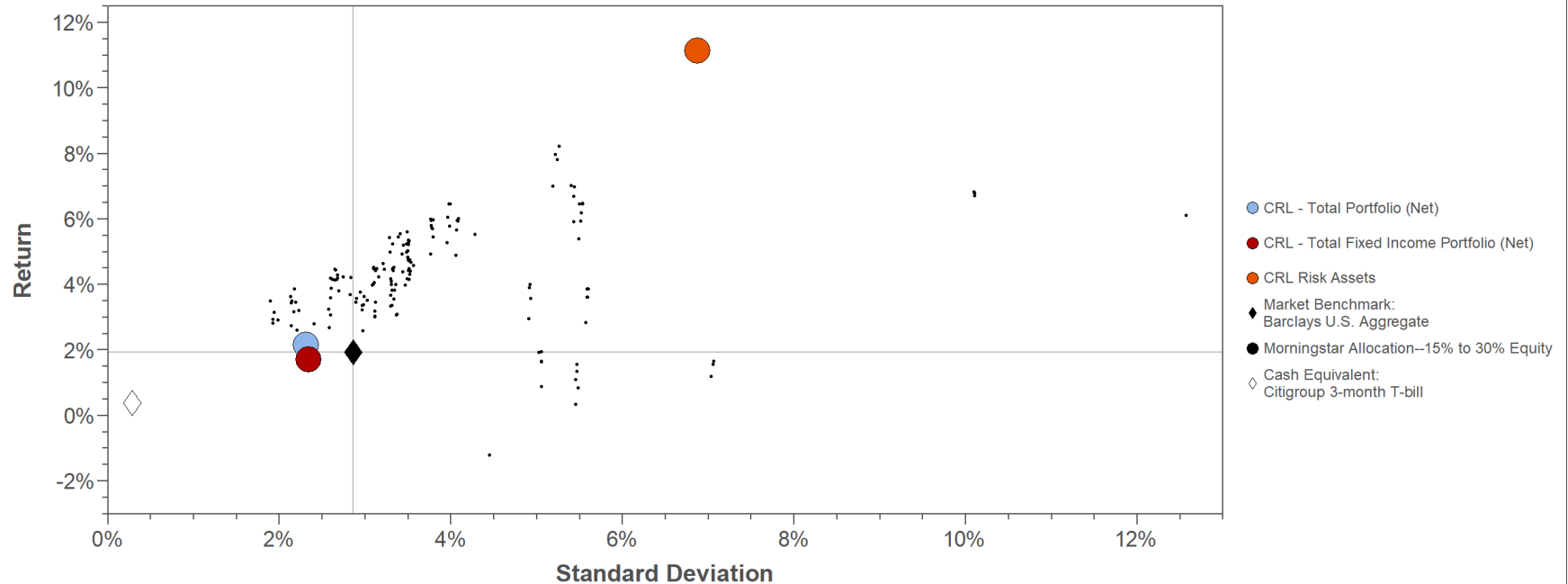
- The quarterly returns profile provides perspective on portfolio return volatility and the impact to quarterly financial statements.



Risk/Return Profile – Since Risk Asset Inception

Risk / Return

January 2012 - September 2018 (Single Computation)



Custom Table

January 2012 - September 2018: Summary Statistics

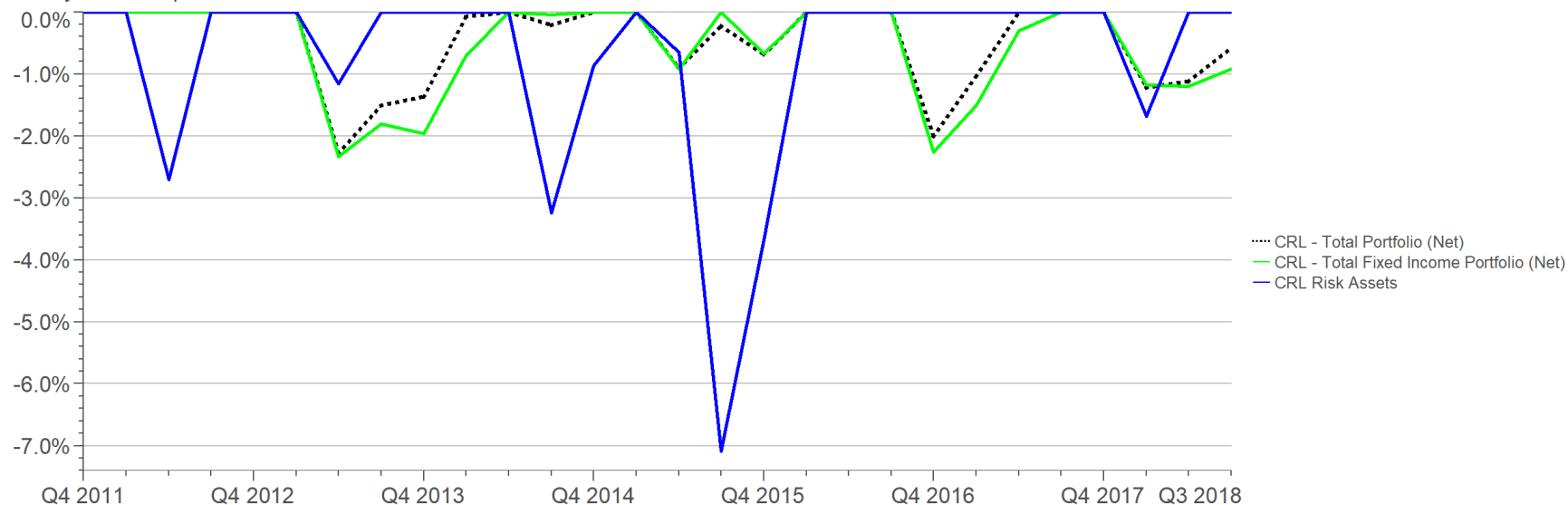
	Return	Standard Deviation	Sharpe Ratio	# of Down Periods	Average Down Return	# of Up Periods	Average Up Return	Maximum Drawdown	Up Capture vs. Market	Down Capture vs. Market	Beta vs. Market
CRL - Total Portfolio (Net)	2.17%	2.31%	0.78	6	-1.18%	21	1.04%	-2.28%	91.49%	64.14%	0.78
CRL - Total Fixed Income Portfolio (Net)	1.72%	2.34%	0.57	8	-0.95%	19	1.02%	-2.34%	83.61%	77.42%	0.80
CRL Risk Assets	11.15%	6.87%	1.57	6	-2.65%	21	4.27%	-7.09%	247.84%	-197.14%	0.39
Barclays U.S. Aggregate	1.93%	2.86%	0.54	8	-1.18%	19	1.19%	-2.98%	100.00%	100.00%	1.00



Drawdown Profile – Since Risk Asset Inception

Drawdown

January 2012 - September 2018



Downside Table

January 2012 - September 2018: Summary Statistics

	Standard Deviation	Semi Standard Deviation	# of Down Periods	Average Down Return	Maximum Drawdown	Downside Deviation (MAR = Cash Eq.)	Pain Ratio	Sortino Ratio (MAR = Cash Eq.)
CRL - Total Portfolio (Net)	2.31%	1.80%	6	-1.18%	-2.28%	1.40%	3.65	1.28
CRL - Total Fixed Income Portfolio (Net)	2.34%	1.79%	8	-0.95%	-2.34%	1.49%	2.28	0.89
CRL Risk Assets	6.87%	5.42%	6	-2.65%	-7.09%	3.12%	13.79	3.44





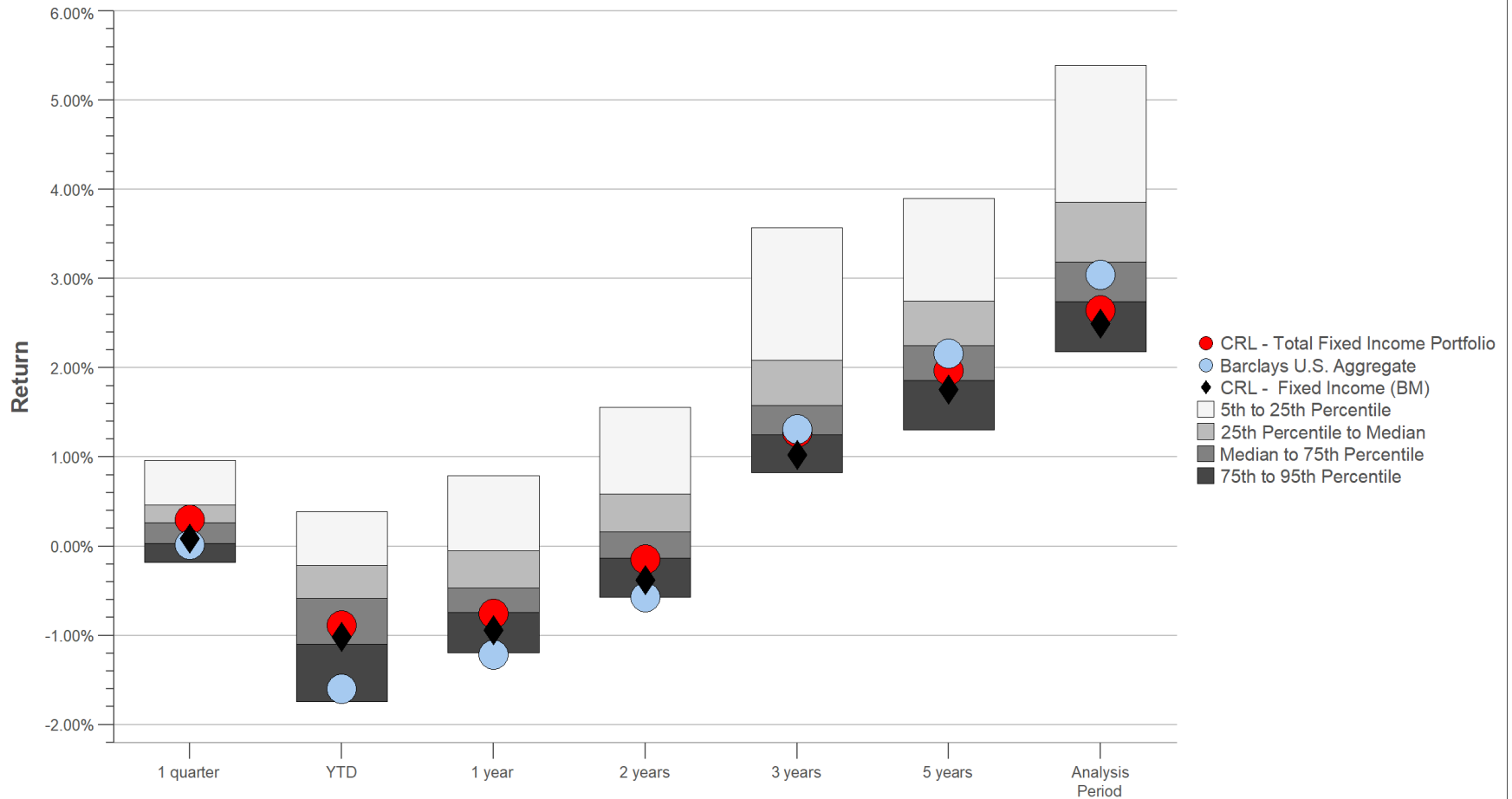
FIXED INCOME



AAM Fixed Income Returns: Peer Comparison

CRL Total Fixed Income Portfolio vs PSN Investment Grade Fixed Income Intermediate Gross: Return

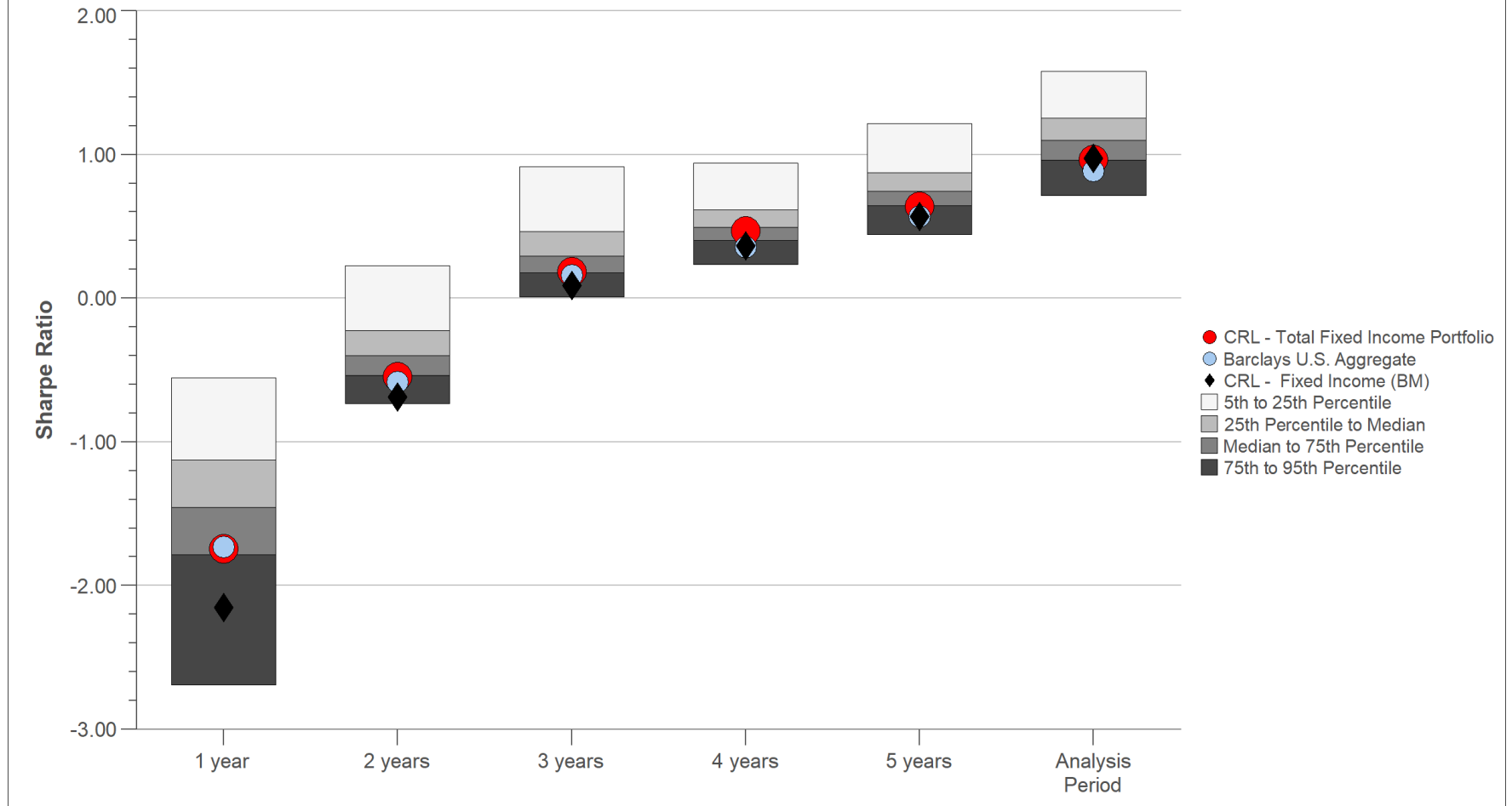
October 2009 - September 2018 (not annualized if less than 1 year)



AAM Fixed Income Sharpe Ratios: Peer Comparison

CRL Total Fixed Income Portfolio vs PSN Investment Grade Fixed Income Intermediate Gross: Sharpe Ratio

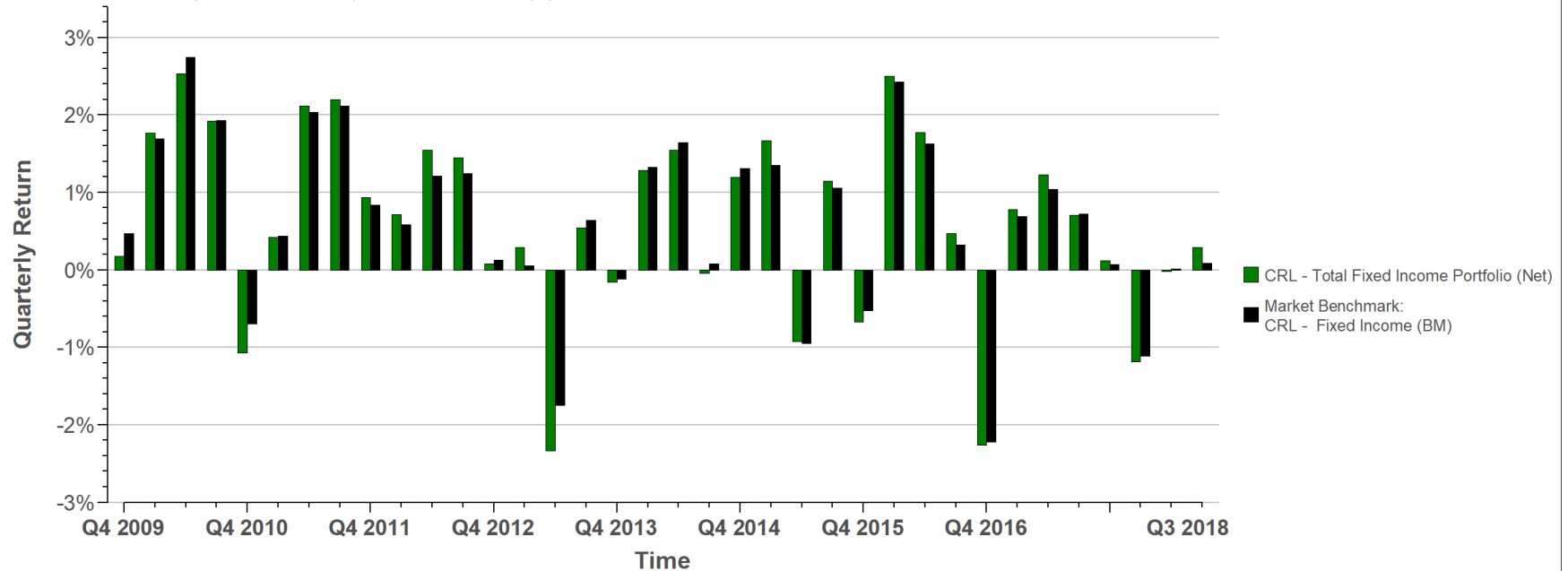
October 2009 - September 2018 (not annualized if less than 1 year)



Fixed Income Portfolio – Quarterly Returns Profile

Quarterly Return / Time

October 2009 - September 2018 (Shown Quarterly)



Custom Table

October 2009 - September 2018: Summary Statistics

	Return	Standard Deviation	Sharpe Ratio	# of Down Periods	Average Down Return	# of Up Periods	Average Up Return	Maximum Drawdown	Information Ratio vs. Market	Alpha vs. Market	Beta vs. Market
CRL - Total Fixed Income Portfolio (Net)	2.52%	2.41%	0.91	9	-0.96%	27	1.16%	-2.34%	0.05	-0.13%	1.06
CRL - Fixed Income (BM)	2.50%	2.25%	0.97	7	-1.05%	29	1.03%	-2.22%	0.00	0.00%	1.00

The quarterly returns profile provides perspective on portfolio return volatility and the impact to quarterly financial statements.

Sets guide for duration posture and surplus sensitivity to rising rates.



Fixed Income Portfolio Characteristics

Sector	% of Portfolio (MV)	Average Life	Duration	Convexity	Market Yield	Book Yield	Rating	Book Value	Market Value
Corporate	31.82%	6.22	5.10	0.41	3.74	3.28	BBB+	71,483,624	69,731,973
U.S. Treasury	13.20%	5.97	5.21	0.52	2.92	2.07	AA+	30,074,308	28,936,000
CMO	12.72%	5.51	4.37	-0.40	3.51	2.63	AA+	28,933,064	27,889,610
Asset Backed Securities	10.00%	1.97	1.80	0.07	3.08	2.32	AAA	22,198,404	21,920,336
Commercial MBS	9.33%	5.47	4.83	0.29	3.59	2.92	AAA	21,081,392	20,451,292
Taxable Municipal	7.14%	9.71	7.09	0.73	3.59	3.49	AA+	16,000,720	15,648,690
Agency CMBS	7.06%	5.01	4.41	0.30	3.77	2.80	AA+	16,120,808	15,468,380
MBS Passthrough	6.62%	7.28	5.22	-0.81	3.52	3.22	AA+	14,842,497	14,506,551
Cash & Money Market	1.28%	0.00	0.00	0.00	3.33	3.33	AAA	2,811,429	2,811,429
U.S. Agency	0.67%	2.47	2.36	0.08	2.81	2.01	AA+	1,506,294	1,477,095
Preferred Stock	0.15%	0.00	---	---	---	2.66	AA-	350,000	332,500
Consolidated	100.00%	5.72	4.68	0.20	3.49	2.88	AA-	225,402,541	219,173,857

- Alongside another rate hike at the end of Q3, the yield curve flattened further with the spread between 2 and 10 year Treasuries shrinking to 24 bps; AAM efforts continue to focus on finding quality, risk-adjusted yield opportunities.



Fixed Income Compliance

Portfolio Allocation	--- Maximum Allowed ---		--- Current Portfolio ---		--- In Compliance ---	
	Per Category	Per Issuer / Pool	Per Category	Per Issuer / Pool	Per Category	Per Issuer / Pool
Short Term Investments (Maturity <1yr)	50.00%		1.28%		YES	
Money Market Funds (NAIC Exempt of Class One Only)		5.00%		2.43%		YES
U.S. Government	100.00%	100.00%	13.20%	1.11%	YES	YES
Agency Obligations	100.00%	25.00%	0.67%		YES	YES
Full Faith & Credit Agencies, including GNMA		40% / 4%		0.00% / 0.00%		YES
FNMA, FHLMC		15% / 3%		0.67% / 0.67%		YES / YES
Other Agencies		5% / 2%		0.00% / 0.00%		YES / YES
Total Combined MBS, ABS & CMBS	50.00%		45.73%		YES	
Agency Issued	50.00%		21.37%		YES	
CMBS	20.00%		9.33%		YES	
ABS (incl. Non-Agency MBS)	20.00%		15.03%		YES	
ABS & Non-Agency MBS						
A Rated or Higher		3% / 1%		0.77% / 0.77%		YES
BBB or Below Rated Quality		2% / 1%		0.05% / 0.05%		YES
Corporate & Municipal Bonds (U.S. Dollar Pay)	40.00%		39.11%		YES	
Per industry	10.00%		7.17%		YES	
Foreign Government/Corporate Obligations (U.S. Dollar Pay)	10.00%		4.43%		YES	
AAA or AA Rated Quality		5.00%		0.90%		YES
A Rated Quality		3.00%		0.89%		YES
BBB Rated Quality		1.50%		0.52%		YES
Private Placements - 144a	10.0%		9.47%		YES	
Minimum Quality By Security		BBB-		CCC-		YES *
BBB Rated Quality or Lower	20.0%		16.24%		YES	
Basket (Lower of 5% of Surplus or 2% of Asset) ²		\$2,919,780		\$2,802,674		YES *
CDO, CLO, Interest Only and Inverse Floaters Prohibited		0.00%		0.00%		YES
Effective Duration Range (+/- 20% Benchmark)		3.78 - 5.68		4.68		YES
Average Quality Minimum		AA-		AA-		YES





Q3-2018 RISK ASSETS



Risk Asset Performance

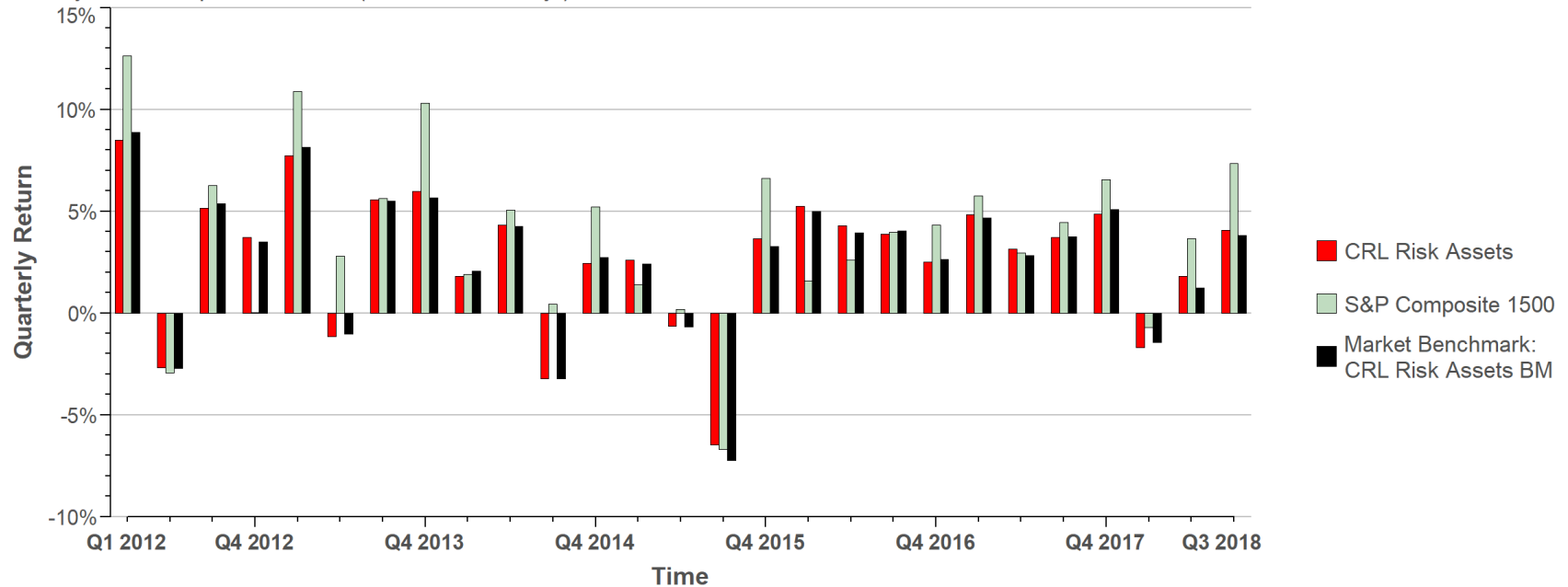
CRL Risk Assets - September 30th, 2018									
Product	Ticker	Style	Market Value	Actual Allocation	Target Allocation	Actual vs. Target	Q3-2018	Inception (Annualized)	
SPDR S&P Dividend ETF*	SDY	Large Cap U.S. Equity	\$5,815,475	37.4%	37.5%	↓ -0.1%	6.28%	13.92%	
iShares S&P 400 Mdcap Index*	IJH	Md Cap U.S. Equity	\$3,272,170	21.1%	20.0%	↑ 1.1%	3.77%	14.47%	
Vanguard High-Yield Corporate Adm**	VWEAX	High Yield Bond	\$2,950,446	19.0%	20.0%	↓ -1.0%	2.68%	4.31%	
Vanguard Intl Div Appreciation Fund***	VIAAX	International Dividend	\$1,771,307	11.4%	11.3%	↑ 0.2%	-0.51%	10.52%	
Vanguard Intl High Dividend Fund***	VIHAX	International Dividend	\$1,721,810	11.1%	11.3%	↓ -0.2%	1.95%	6.97%	
Total			\$15,531,208	100.0%	100.0%		4.05%	10.95%	
Policy Benchmark							3.81%	10.91%	
Difference from Policy Benchmark							↑ 0.24%	↑ 0.04%	
CRL Fixed Income Benchmark							0.29%	1.69%	
Risk Asset Relative Performance							↑ 3.76%	↑ 9.26%	
* Inception 12/6/2011									
**Inception 05/19/2015									
***Inception 02/24/2017									
12/31/2017 CRL Surplus =			\$	58,395,593	26.60%	Risk Asset Capacity >>		\$	(932,310)
Per audited financial statements									



Risk Asset Portfolio – Quarterly Returns Profile

Quarterly Return / Time

January 2012 - September 2018 (Shown Quarterly)



Custom Table

January 2012 - September 2018: Summary Statistics

	Return	Standard Deviation	Sharpe Ratio	# of Down Periods	Average Down Return	# of Up Periods	Average Up Return	Maximum Drawdown	Information Ratio vs. Market	Alpha vs. Market	Beta vs. Market
CRL Risk Assets	11.15%	6.87%	1.57	6	-2.65%	21	4.27%	-7.09%	0.43	0.54%	0.97
S&P Composite 1500	15.63%	8.31%	1.84	3	-3.46%	24	4.68%	-6.69%	1.15	4.21%	1.02
CRL Risk Assets BM	10.90%	7.05%	1.49	6	-2.72%	21	4.22%	-7.87%	0.00	0.00%	1.00

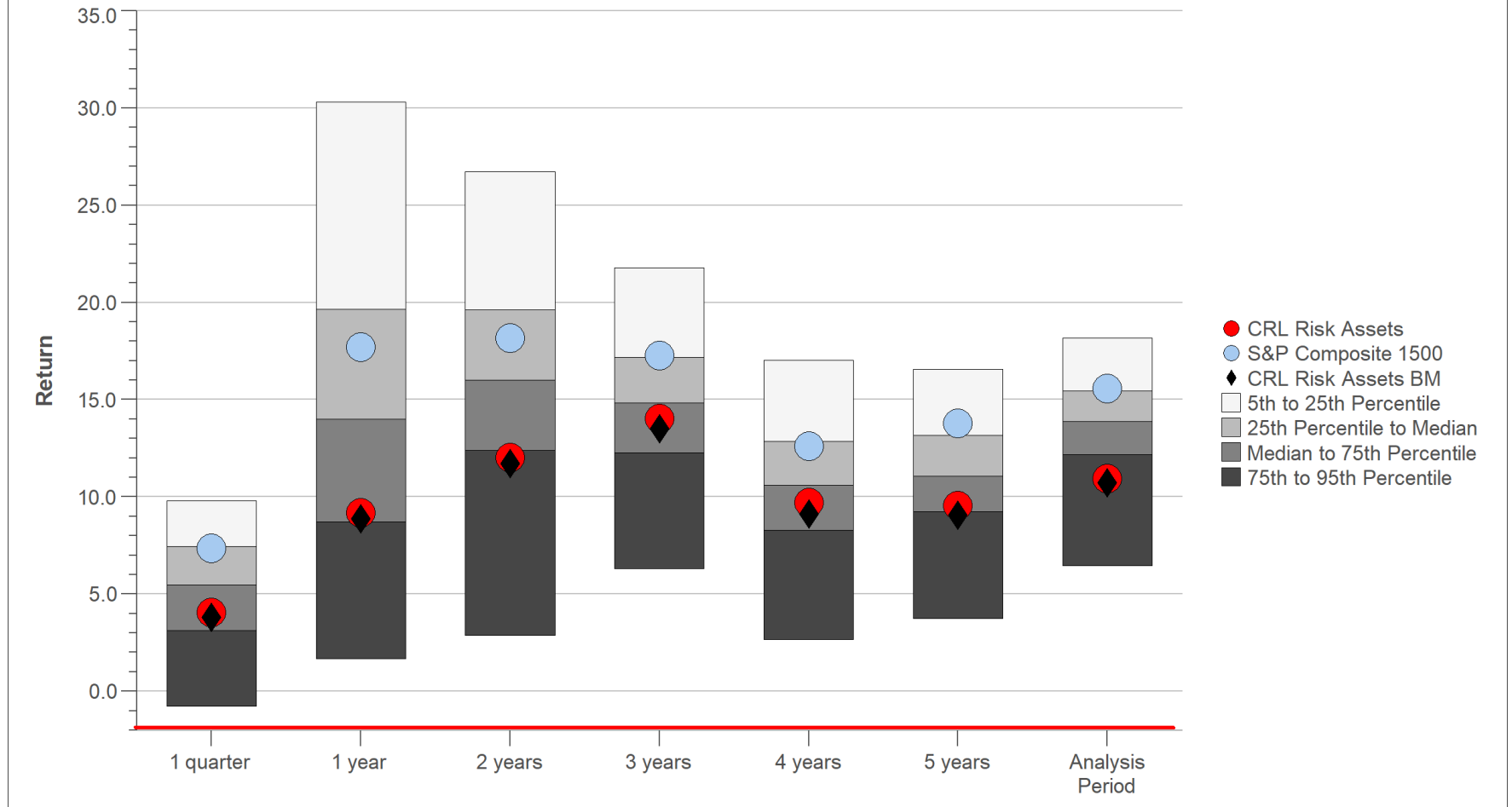
- The quarterly returns profile provides perspective on portfolio return volatility and the impact to quarterly financial statements.
- **Sets guide for surplus sensitivity with risk asset volatility.**



Risk Assets: Peer Comparison

CRL Consolidated Risk Assets vs Morningstar All Domestic Equity Managers: Return

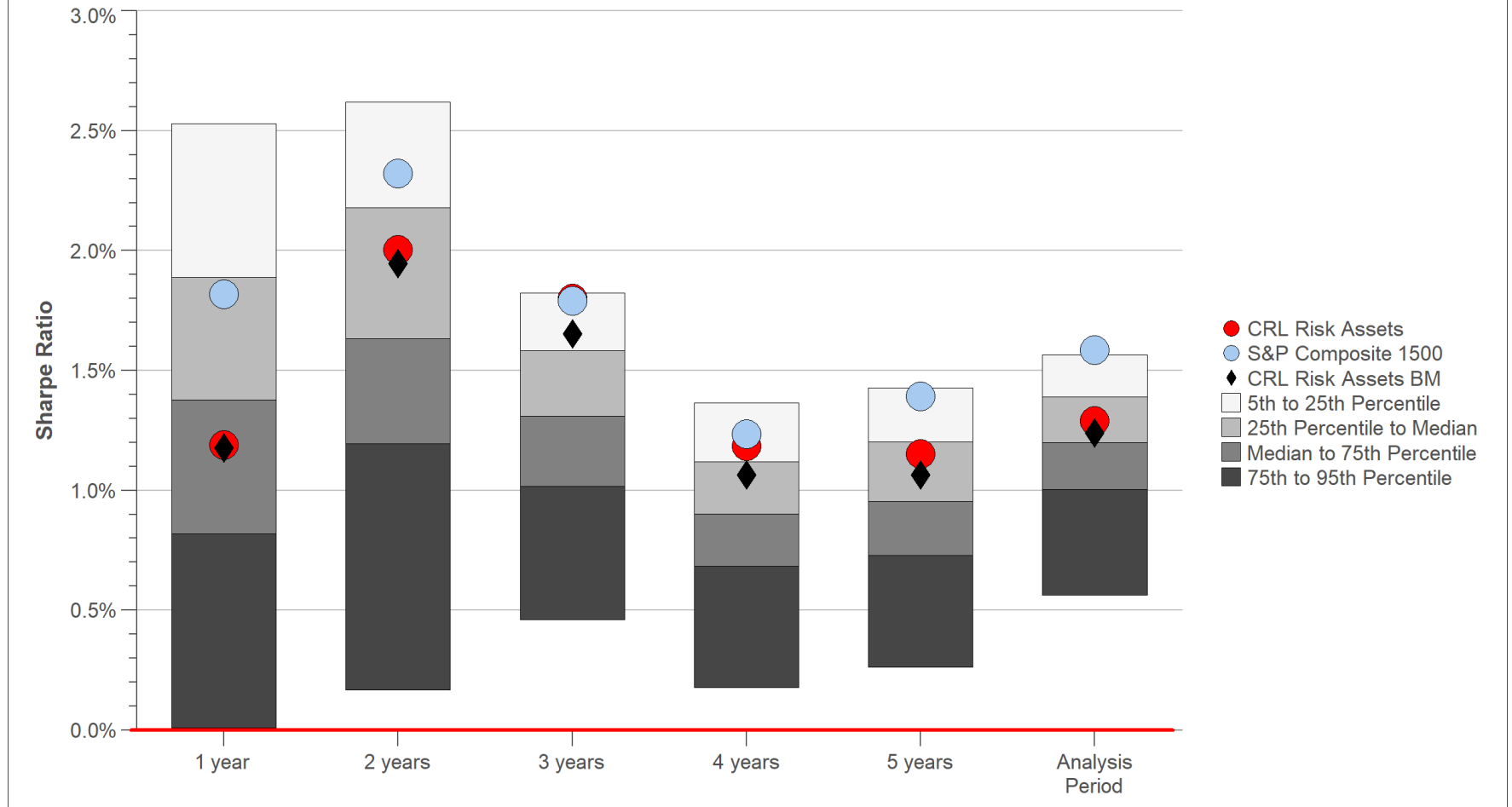
December 2011 - September 2018 (not annualized if less than 1 year)



Risk Assets Sharpe Ratios: Peer Comparison

CRL Consolidated Risk Assets vs Morningstar All Domestic Equity Managers: Sharpe Ratio

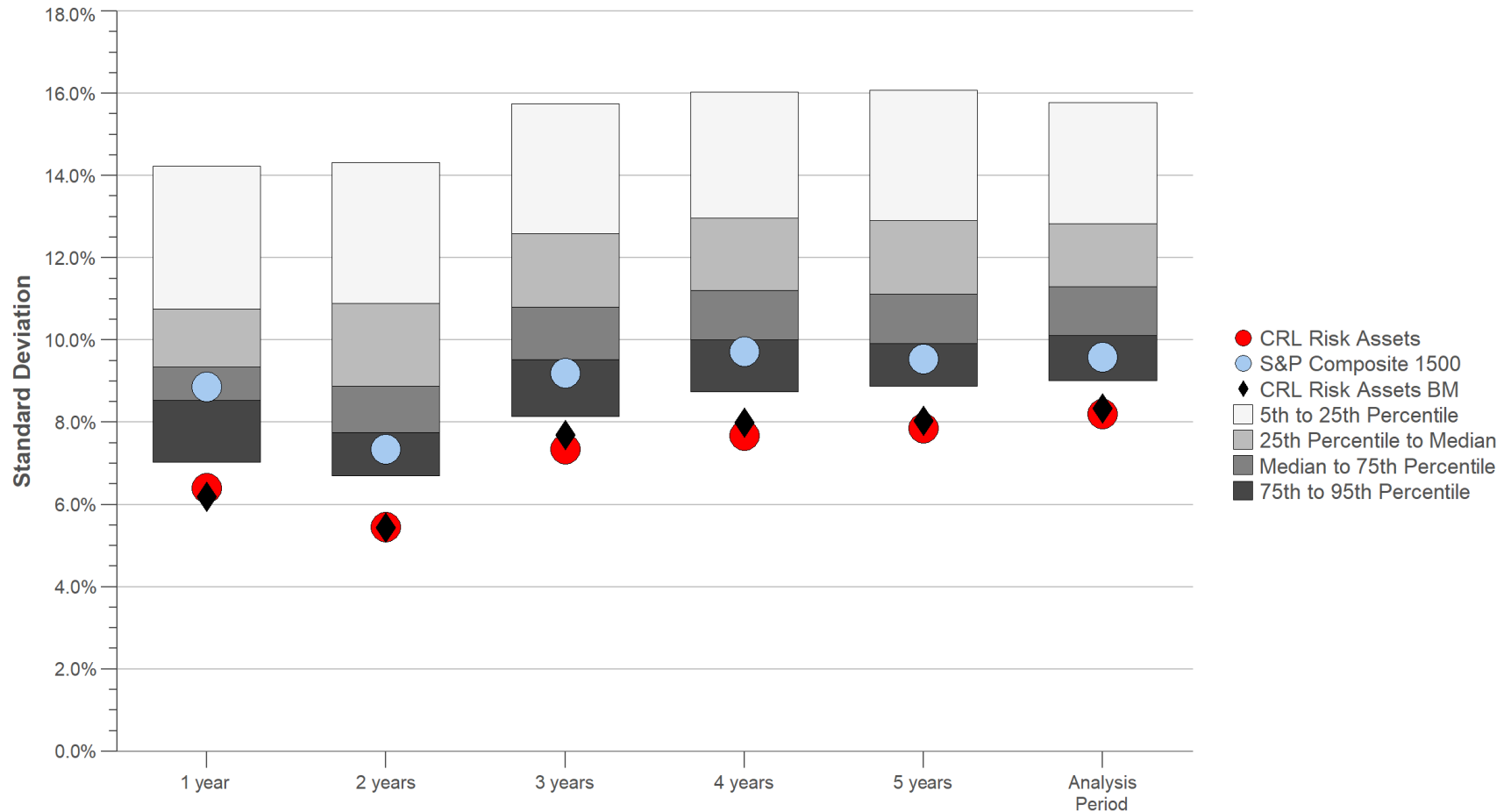
December 2011 - September 2018 (not annualized if less than 1 year)



Risk Assets Volatility: Peer Comparison

CRL Consolidated Risk Assets vs Morningstar All Domestic Equity Managers: Standard Deviation

December 2011 - September 2018 (not annualized if less than 1 year)





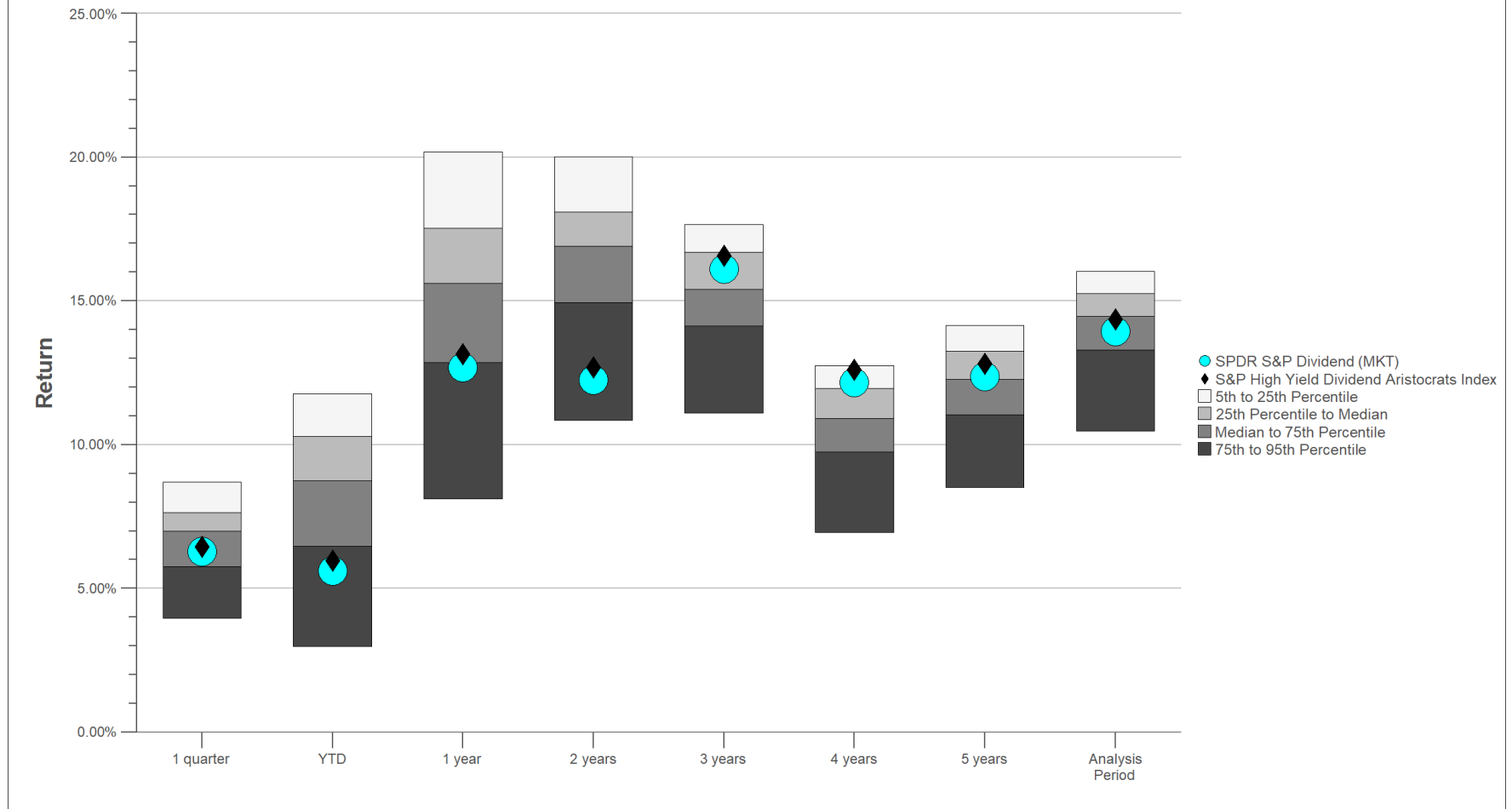
RISK ASSETS FUND DETAIL



SPDR S&P Dividend ETF - Ticker "SDY"

Manager vs Morningstar Large Blend: Return

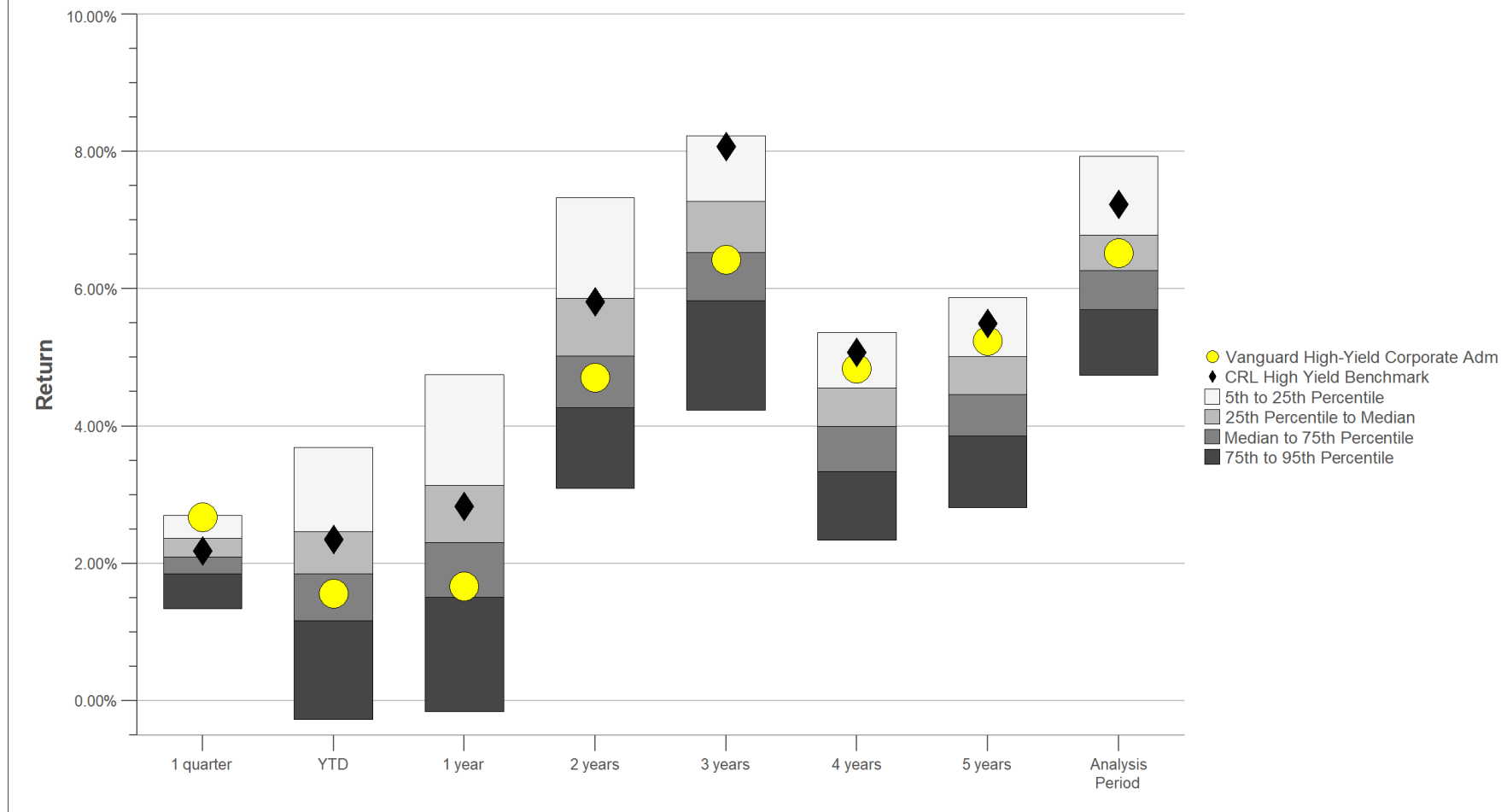
December 2011 - September 2018 (not annualized if less than 1 year)



Vanguard High Yield Corporate Bond Fund - Ticker "VWEAX"

Manager vs Morningstar High Yield Bond: Return

December 2011 - September 2018 (not annualized if less than 1 year)



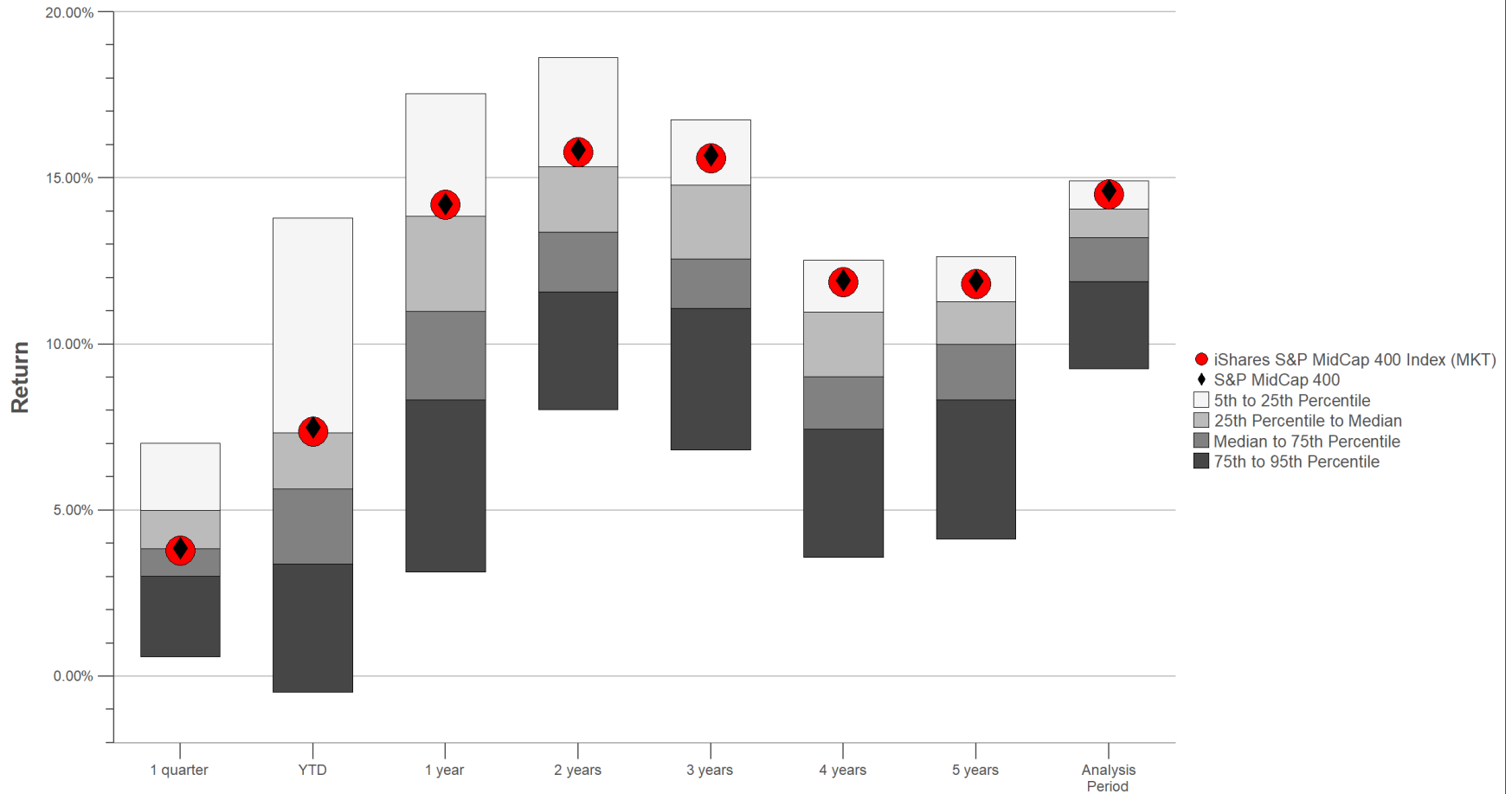
*VWEAX inception date: 05/19/2015



iShares S&P MidCap 400 Index ETF - Ticker "IJH"

Manager vs Morningstar Mid-Cap Blend: Return

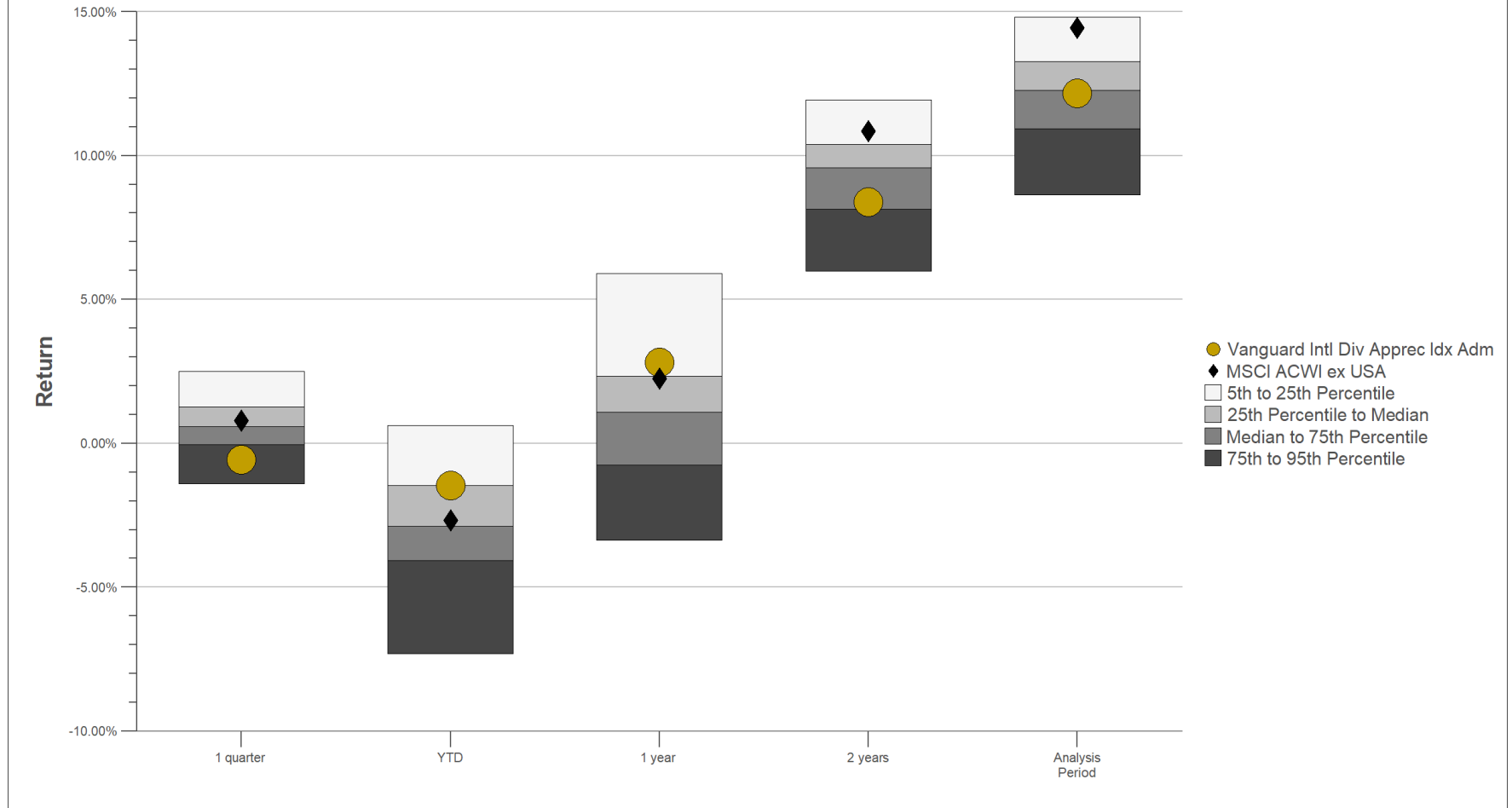
December 2011 - September 2018 (not annualized if less than 1 year)



Vanguard Intl Dividend Appreciation Index- Ticker "VIAAX"

Manager vs Morningstar Foreign Large Blend: Return

March 2016 - September 2018 (not annualized if less than 1 year)

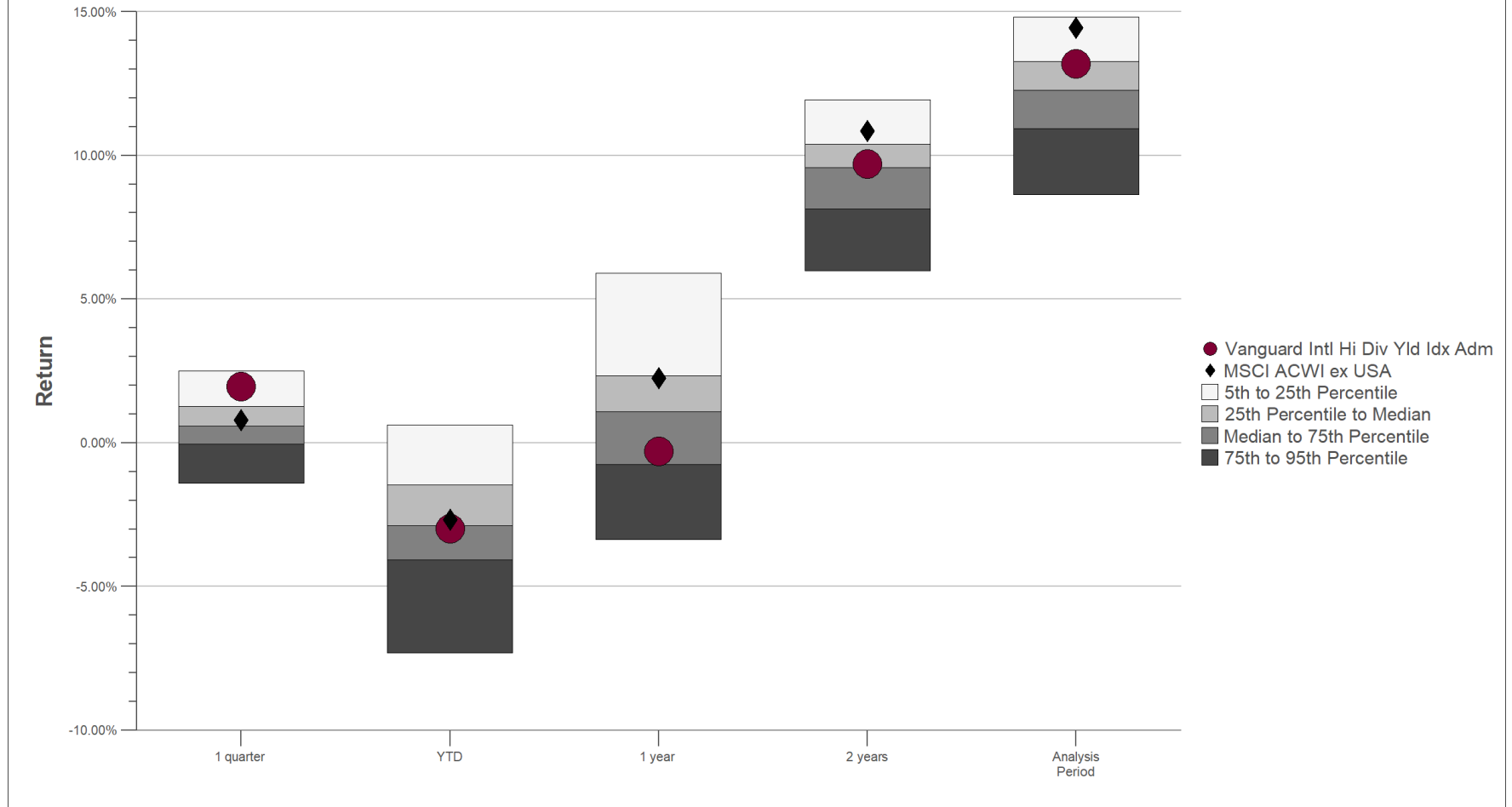


* CRL Inception – 2/24/2017; Fund Inception 3/2016

Vanguard Intl High Dividend Yield Index - Ticker "VIHAX"

Manager vs Morningstar Foreign Large Blend: Return

March 2016 - September 2018 (not annualized if less than 1 year)



* CRL Inception – 2/24/2017; Fund Inception 3/2016



APPENDIX



Glossary of Terms – Page One

- **Annualized Return:** The annualized return is the geometric mean of the returns with respect to one year.
- **Excess Return:** The difference between the manager return and the benchmark return. A positive excess return implies that the manager outperformed the benchmark.
- **Standard Deviation:** Standard deviation of return measures the average deviations of a return series from its mean, and is often used as a measure of risk. A large standard deviation implies that there have been large swings in the return series of the manager.
- **Skewness:** Skewness characterizes the degree of asymmetry of a distribution around its mean.
 - Positive skewness indicates a distribution with an asymmetric tail extending toward more positive values.
 - Negative skewness indicates a distribution with an asymmetric tail extending toward more negative values.
- **Kurtosis:** Kurtosis characterizes the relative peakedness or flatness of a distribution compared with the normal distribution.
 - Positive kurtosis indicates a relatively peaked distribution.
 - Negative kurtosis indicates a relatively flat distribution.
- **Semi Standard Deviation and Upside Deviation:** The semi standard deviation and upside standard deviation differ from the ordinary standard deviation insofar as the sum is restricted to those returns that are less than the mean (semi standard deviation) or more than the mean (upside deviation).
- **Alpha:** Alpha is the mean of the excess return of the manager over beta times benchmark. Generally, the returns generated by a manager not just attributable to market movement via the benchmark volatility.
- **Beta:** Beta is a measure of systematic risk, or the sensitivity of a manager to movements in the benchmark. A beta of 1 implies that you can expect the movement of a manager's return series to match that of the benchmark used to measure beta.
- **Value at Risk:** Based on a probability distribution, Value at Risk quantifies the expected loss under extreme market conditions. In the context of the Zephyr's classification system, VaR measures tail risk based on the historical profile of the returns being examined.



Glossary of Terms – Page Two

- **Sharpe Ratio:** The Sharpe Ratio of a manager series is the quotient of the annualized excess return of the manager over the cash equivalent and the annualized standard deviation of the manager return. The Sharpe Ratio is a risk-adjusted measure of return which uses standard deviation to represent risk.
- **Information Ratio:** The Information Ratio of a manager series vs. a benchmark series is the quotient of the annualized excess return and the annualized standard deviation of excess return. The Information Ratio measures the consistency with which a manager beats a benchmark.
- **Significance Level:** The significance level of a manager series vs. a benchmark series indicates the level of confidence with which the statement “the manager’s annualized excess return over the benchmark is positive” or “the manager’s annualized excess return over the benchmark is negative,” as the case may be, holds true.
- **Up & Down Capture:** The up and down capture is a measure of how well a manager was able to replicate or improve on phases of positive benchmark returns, and how badly the manager was affected by phases of negative benchmark returns.
- **Batting Average:** The batting average of the manager is the ratio between the number of periods where the manager outperforms a benchmark and the total number of periods.
- **Upside & Downside Deviation (Using MAR):** Here, MAR stands for “minimum acceptable return.” To calculate this, we first determine the sum of the squared distances between the returns and the MAR constant, where the sum is restricted to those returns that are more than MAR (upside deviation) or less than the MAR (downside deviation). Used to test return volatility based on an expected hurdle rate of expected return.
- **Sortino Ratio:** The Sortino Ratio is a modification of the Sharpe ratio but penalizes only those returns falling below a user-specified target, or required rate of return, while the Sharpe ratio penalizes both upside and downside volatility equally. It is thus a measure of risk-adjusted returns that treats risk more realistically than the Sharpe ratio. Thus, the ratio is the actual rate of return in excess of the investor’s target rate of return, per unit of downside risk.
- **Pain Index:** The Pain Index is the area enclosed by the drawdown graph and the zero drawdown line, divided by the length of the time interval. The more, the bigger, and more often the icicles, the greater the pain index.
- **Pain Ratio:** The Pain Ratio is a modification of the Sharpe ratio which uses the Pain Index as the measure of risk instead of Standard Deviation.
- **Omega:** The ratio of the likelihood of getting a return over the MAR to the likelihood of getting a return below the MAR. So, in essence, it is a benefit/cost ratio. For a given MAR, higher Omegas are always better, but this can change at different MARs.
- **Gain to Loss Ratio:** The ratio of the average gain in an up period to the average loss in a down period.

End of Item #9a





POOL / PACT

Monthly Investment Review



Data as of September 30, 2018

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Economic and Capital Market Overview

Economic & Interest Rate Outlook



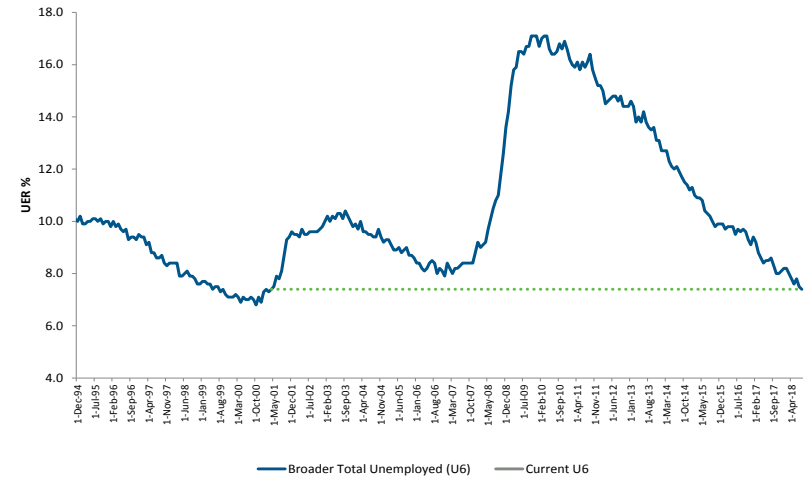
Economic Review & Outlook

A strong economy anchored by a robust labor market, healthy business investment, continued confidence across both the consumer and business sectors combined with a push from fiscal stimulus provided the macro backdrop for a month. Yields climbed higher while the S&P 500 and Dow touched new highs.

Toward the end of the month, the Fed raised its benchmark rate by 25 bps. This had been widely expected by the market as the economy is charging ahead on the back of a strong labor market, healthy household consumption and solid business investment – all reasons cited by the Fed in justifying their interest rate increase. Consistent with previous messages, the Fed maintained that gradual rate increases remain warranted. Notable changes, however, involved the omission of the language describing the stance of monetary policy as “accommodative.” Divining the Fed’s view of the economy from their quarterly economic projections, we see that growth estimates have increased for this year and next, unemployment is projected to fall further for the next two years and inflation should remain in its current range. Despite these near-term changes, growth is expected to slow and unemployment to revert upwards over the longer-term as fiscal stimulus fades and the economy eventually slows. Powell stated in his press conference that the change in language didn’t alter the policy stance. Rather, as rates increase they move inevitably closer to the neutral rate and become less accommodative. Indeed, Fed Fund rate forecasts showed no changes at the median level, although more participants projected another rate hike by the end of the year than at the last meeting.

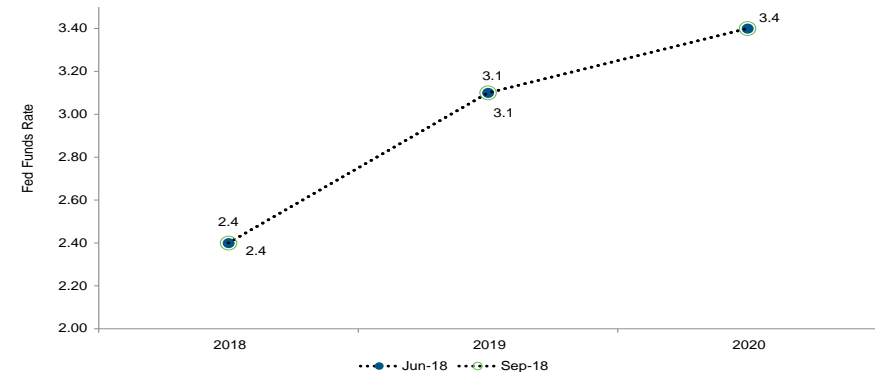
Labor markets continue to hum along with successive payroll numbers chipping away at the number of unemployed and reducing slack in the market. With unemployment hovering around and even diving below 4% of late, what is equally interesting is the decline in the wider unemployed figure (U6) which hit a (just over) 17-year low of 7.4% in August, having peaked at 17.1% in the depths of the Great Recession. Recent Beige Book comments shared that most Fed districts reported “widespread shortages” of workers, hitting not only high skilled but also the lower skilled, too. Job openings are high and a growing percentage of small businesses see their biggest problem as finding quality labor, leading many to leave jobs to seek better opportunities. Conversely, jobless claims sit at multi decade lows. The Beige Book also pointed to more employers offering benefits to entice workers.

Broader Unemployment Measure



Source: BLS, Haver, NEAM

Fed Funds Rate Projections (Median)



Source: FRB, Haver, NEAM

Economic & Interest Rate Outlook



Confidence remains high with the robust labor market and higher incomes. The Conference Board's Consumer Confidence Index for September hit its highest level in 18 years at 138.4 with consumers feeling a touch better with regard to their present situation but expectations surging higher. This data syncs up well with the University of Michigan's Consumer Sentiment Index which, aside from a higher tick last March, ranked as the second highest level in 14 years.

In terms of business, the ISM PMIs released early in September came in at 61.3, its highest level since 2004. The numbers spoke to growth in both the manufacturing sector and overall economy, being led by gains in new orders, production and employment. Despite the improvements, concerns over supply chain issues and tariffs were present in the commentary from different industries. Confidence remains high though, with the NFIB Small Business Optimism Index hitting a new high in August.

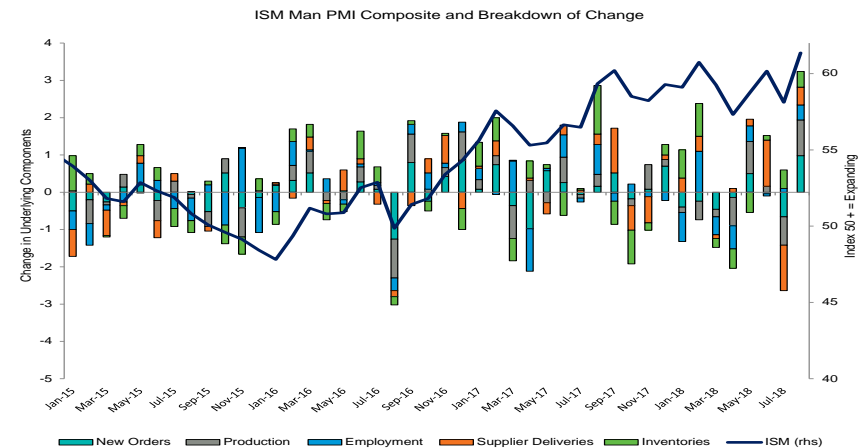
On the housing front, the Case Shiller 20 City Price Index rose 5.9% year-over-year while the national level grew 6% over a comparable period. The numbers are still solidly in positive territory although the pace of growth has been slowing and represents the lowest rate of increase since last summer. Construction labor shortages and higher input costs, combined with rising interest rates appear to be softening demand.

Inflation printed slightly weaker on the month but remained in recent ranges. Headline CPI slipped back to +2.7% year-over-year while the core category also dropped by a similar amount to +2.2% from +2.4% previously. Powell spoke to the FOMC's expectation that inflation should remain near 2% over the longer-term with deviations being transitory—e.g. an increase due to rising oil prices.

Capital Market Implications

Strong economic data, fiscal stimulus and on target inflation led the Fed to raise rates 25 bps in September. Markets absorbed the expected rate hike in stride and we saw both interest rates and select U.S. equity markets head north.

ISM Manufacturing PMI



Source: ISM, Haver, NEAM

U.S. Historical Yield Curves

	<u>Dec-14</u>	<u>Dec-15</u>	<u>Dec-16</u>	<u>Dec-17</u>	<u>Sep-18</u>
Fed Funds Range	0 - 0.25%	0.25-0.50%	0.50 - 0.75%	1.25-1.50%	2.00-2.25%
2-Year	0.66%	1.05%	1.19%	1.88%	2.82%
5-Year	1.65%	1.76%	1.93%	2.21%	2.95%
10-Year	2.17%	2.27%	2.44%	2.41%	3.06%
30-Year	2.75%	3.02%	3.07%	2.74%	3.21%

Source: Bloomberg, NEAM

Capital Market Outlook



2018 Fixed Income Returns

Strong domestic economic data combined with more hawkish inflationary rhetoric and talk of ending QE out of the ECB helped push Treasury yields higher in September. Towards the second half of the month, the 10-year Treasury hurdled the 3% level and remained there while front-end rates rose with the Fed rate hike, leaving total returns for most sectors (except high yield) negative for the month.

	September	3-Month	YTD
Bloomberg Barclays U.S. Aggregate	-0.64%	0.02%	-1.60%
S&P Preferred Stock Total Return	-1.46%	0.21%	1.48%
Bloomberg Barclays U.S. Muni (tax eq)	-0.60%	-0.01%	0.01%
Bloomberg Barclays U.S. MBS (fixed rate)	-0.61%	-0.12%	-1.07%
Bloomberg Barclays U.S. ABS	-0.04%	0.49%	0.52%
Bloomberg Barclays U.S. Agency	-0.43%	-0.01%	-0.54%
Bloomberg Barclays U.S. Treasury	-0.93%	-0.59%	-1.67%
Bloomberg Barclays U.S. Corporates	-0.36%	0.97%	-2.33%
Bloomberg Barclays High Yield	0.56%	2.40%	2.57%

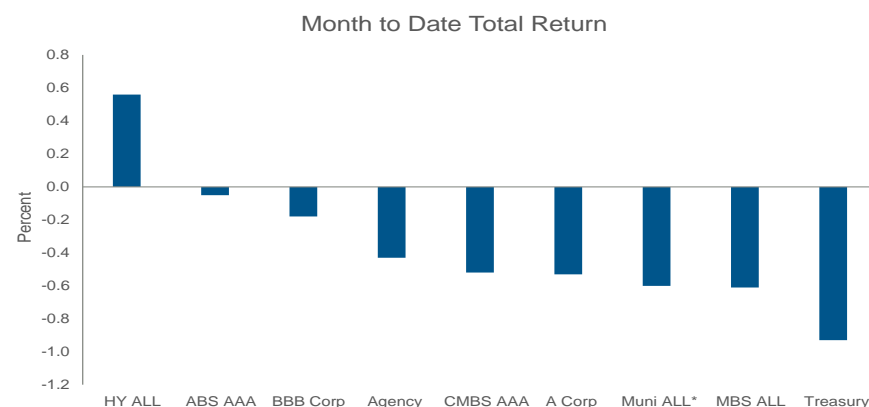
Equity Total Returns

For September, fundamental strength and strong economic data remained the key drivers for equity markets as investors appear more sanguine about ongoing trade tensions with China. The S&P and Dow both celebrated new highs within the period and posted positive returns for the month.

Conversely, the NASDAQ, after achieving another record high in August, lost some momentum and fell slightly for the month. For the S&P 500, the reclassification of key technology names into the Communication Services sector (formerly Telecommunications) likely influenced flows. This revamped sector led the S&P 500 while real estate and financials lagged, an unexpected pairing given the diverging implications for earnings from the 20 bps rise in the 10-year Treasury during the month.

	September	3-Month	YTD
S&P 500	0.57%	7.71%	10.56%
Nasdaq	-0.70%	7.42%	17.49%

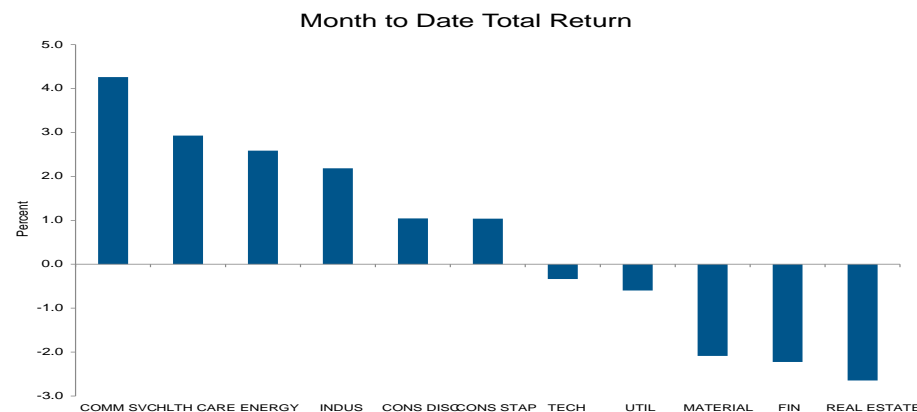
Domestic Fixed Income Sector Returns (09/30/18)



*Taxable Equivalent

Source: Bloomberg, Barclays, NEAM

Domestic Equity Returns (09/30/18)



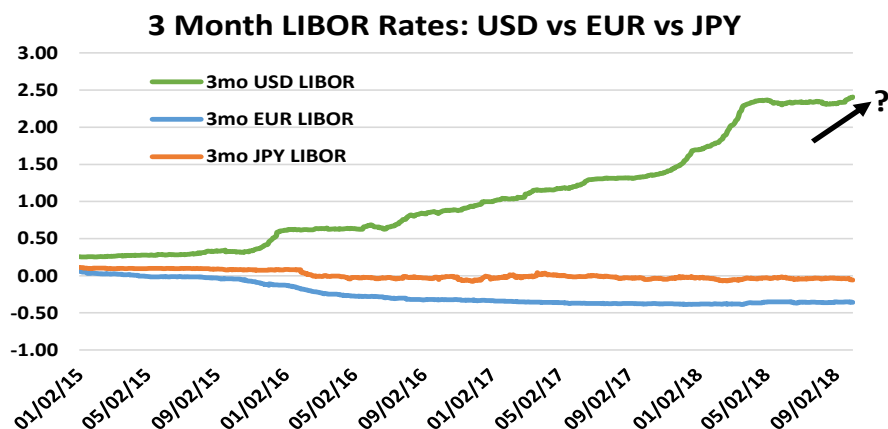
Source: Bloomberg, NEAM

Fixed Income Capital Market Outlook



Corporate Bonds

- Fundamentals:** While bank credit quality has improved significantly following the financial crisis, leverage for many non-financial issuers is elevated, leaving less margin for error in a downturn. Gradual Federal Reserve tightening has impacted demand for corporate bonds but does not yet appear to have negatively affected the U.S. economy or corporate credit quality.
- Technicals:** We believe that front-end USD rate increases have led to less consistent buying from funds and foreign investors in 2018. While more limited demand has pressured spreads at times this year, supply has also decreased relative to 2017 (in part due to repatriation).
- Valuations:** Spreads have generally moved wider since January but remain toward the tighter end of longer-term ranges. The impact of repatriation on supply and demand led to front end spread widening in 1Q18 but credit curves have since steepened.
- Conclusions:** We would maintain an at benchmark to slightly below benchmark allocation to the corporate market. In addition, we would maintain a higher quality bias within our corporate portfolios while taking advantage of select opportunities.



Source: Bloomberg, ICE Benchmark Administration, NEAM

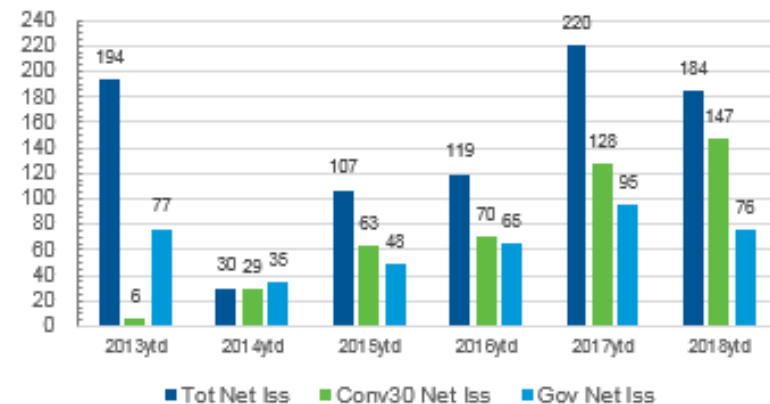
Tenor	Sector	Rating	Z-Score Since 2000	Z-Score Since 2013
3yr	Fin	AAA-A	-0.5	-0.5
3yr	Non-Fin	AAA-A	-0.6	-0.6
3yr	Non-Fin	BBB	-0.7	-0.9
5yr	Fin	AAA-A	-0.5	-0.6
5yr	Non-Fin	AAA-A	-0.7	-1.0
5yr	Non-Fin	BBB	-0.7	-0.9
10yr	Fin	AAA-A	-0.5	-1.2
10yr	Non-Fin	AAA-A	-0.6	-1.0
10yr	Non-Fin	BBB	-0.5	-0.9
30yr	Fin	AAA-A	-0.4	-0.6
30yr	Non-Fin	AAA-A	-0.5	-0.6
30yr	Non-Fin	BBB	-0.3	-0.5

Source: ICE Data Indices, NEAM

Structured Securities

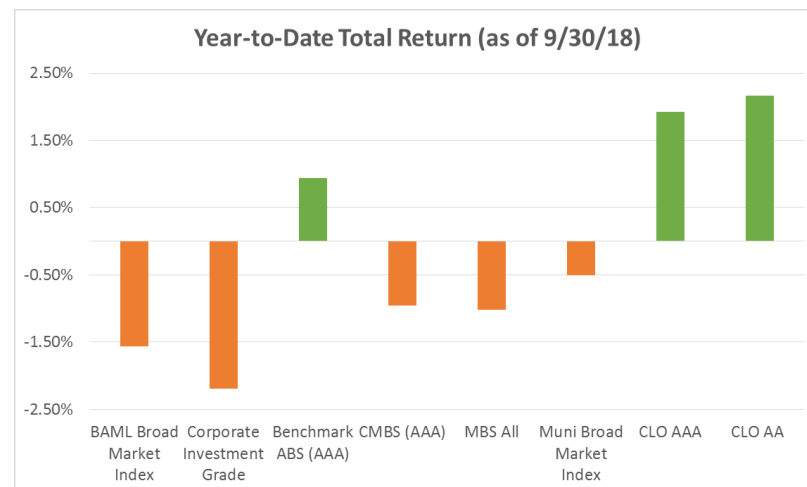
- Fundamentals:** Late cycle behavior is evident in various corners of the structured market ranging from compressed spreads and flat credit curve to modest tiering among issuers of different quality. Growth momentum in commercial and residential real estate appears to be slowing and weaker covenants in leveraged loans have attracted attention. Nonetheless, the economic backdrop is very supportive.
- Technicals:** Issuance levels are quite manageable in ABS and CMBS. CLO valuations have weakened on very active new issue, reset and refinancing activity. Notably, non-agency RMBS has experienced the greatest rate of issuance increase (33%) due to strong underlying fundamentals and investor appetite. Elevated net issuance in MBS, combined with limits on Fed reinvestment have pressured spreads.
- Valuations:** Aside from supply pressures in MBS and CLOs, structured spreads followed corporate spreads tighter. The relative flatness of the swaps curve favors shorter duration, higher spread structured securities sectors.
- Conclusions:** Maintain benchmark positioning to ABS and CMBS. Remain constructive on CLOs, bearing in mind that floating rate targets may shift with any potential change in the Fed's policy stance. Maintain benchmark MBS exposure with the mix of conventional vs. GNMA dependent on relative valuations.

Agency MBS Net Issuance (\$B)



Source: JPMorgan, NEAM

Year-to-Date Total Return (as of 9/30/18)



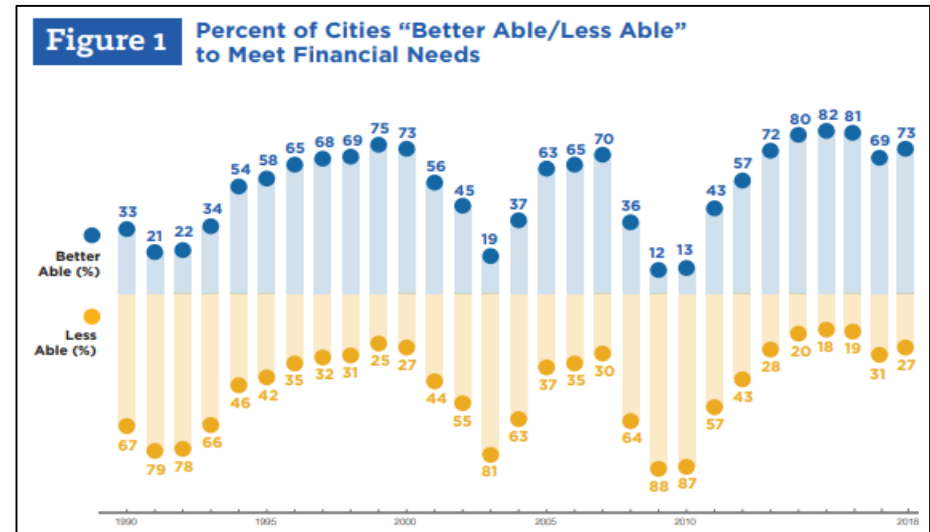
Source: BAML, NEAM

Fixed Income Capital Market Outlook

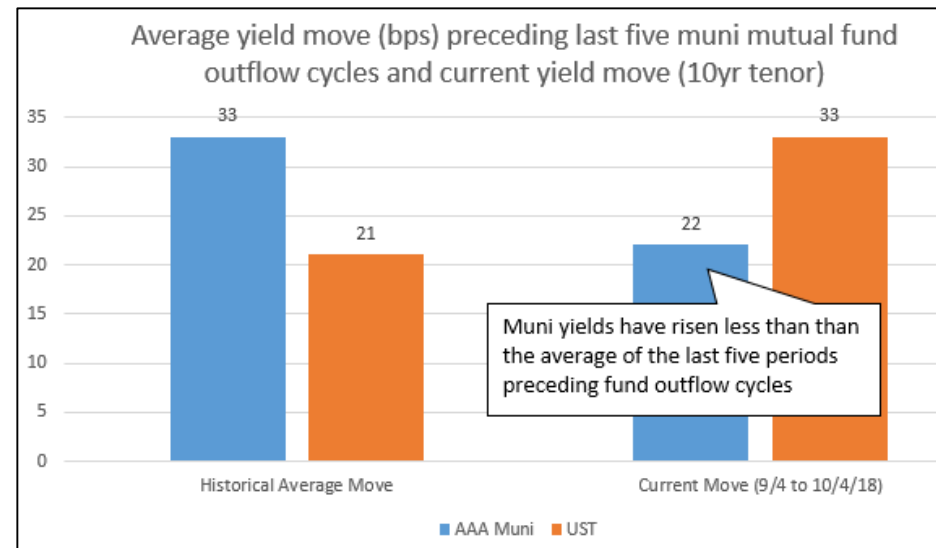


Municipal Bonds

- Fundamentals:** As a barometer of issuer sentiment, city finance officers are more optimistic this year than last about their fiscal condition. According to the National League of Cities, 73% of cities surveyed are better able to meet their financial needs, though confidence is uneven. For example, large cities and southern cities are a fair amount more positive than small and Midwestern ones.
- Technicals:** The technical backdrop has softened from the very supportive conditions of the summer months. Cash coming from coupons and maturities has seasonally weakened, though supply also remains fairly light. States and local governments have issued \$249 billion of long-term debt through September, a year-over-year decline of 15%.
- Valuations:** Tax-exempt muni valuations have adjusted from expensive to fair in the short-to-intermediate maturity range, while the longer-end of the curve remains fair to modestly attractive. Taxable munis remain in strong demand with credit spreads approaching all-time tights.
- Conclusions:** The muni market remains orderly amid the current sell-off in U.S. Treasury bonds. However, the market has historically been prone to mutual fund outflow cycles following such quick interest rate rises. Whether history repeats itself is an unknown though we would view any such forced selling scenario from the retail sector as a potential investment opportunity.



Source: National League of Cities



Source: Citi Research data, NEAM



U.S. Fixed Income – Asset Class Sector Summary



Sector	Overall	Fundamentals	Technicals	Valuations	Macro / Other	Conclusion	Recommendation	Change
U.S. Corporates	↔ / ↓	↔	↔	↔ / ↓	↔	Despite some recent positive developments, we believe that added leverage leaves many non-financial issuers with less margin for error in a downturn. Rising front end USD rates appear to be eroding of some of the demand for USD corporates that had been very consistent in 2017 – but a slowdown in supply has bolstered the technical picture. Spreads remain toward the tighter end of longer-term ranges	Maintain an at benchmark to slightly below benchmark corporate allocation. Maintain a higher quality bias, while taking advantage of select opportunities	No Change
U.S. High Yield	↔	↔	↔	↔ / ↓	↔ / ↑	Continued expectations of stable earnings, low defaults and steady economic growth provide a reasonable backdrop for high yield and leveraged loans. Technical picture remains supportive, however, concerns regarding higher rates, inflation expectations and policy uncertainty provides a catalyst for increased volatility for high yield & leveraged loans. Expect demand for leveraged loans to remain firm given their structural benefits and advantages in a rising rate environment. Valuations remain at historically low end of the range limiting potential upside for both high yield & leveraged loans.	Maintain benchmark weighting for the asset class with a bias towards a selective and measured approach to adding exposure within current market conditions.	No Change
U.S. Leveraged Loans	↔	↔	↑	↔ / ↓	↔ / ↑			
Municipals	↔	↔ / ↑	↔	↔	↔	Muni market remains orderly amid UST sell-off. Issuance light, tax-exempt valuations fair to modestly attractive in longer maturities, demand less certain. Taxable muni spreads (+95) near tights (+92).	Strategic benchmark weight. Focus tax-exempt reinvestment in longer maturities; include taxable munis opportunistically.	No Change

Note: To the extent not reflected above, instances where an underweight / overweight bias may exist can be balanced through the substitution / subtraction of certain other sub groups of asset classes based on relative value. While the addition of these may lead ultimately to a higher / lower than targeted allocation to a sector as grouped above, this could be mitigated by the specifics of the sub group of the asset class, or securities considered and the relative value they would present.

U.S. Fixed Income – Asset Class Sector Summary



Sector	Overall	Fundamentals	Technicals	Valuations	Macro / Other	Conclusion	Recommendation	Change
ABS / CMBS / Other Structured	↔	↔ / ↓	↔ / ↑	↔ / ↓	↔ / ↑	Floating rate exposures have contributed positively to YTD return performance. Structured sectors provide broad range of diversifying sub-sectors. Favor CLOs rated AA and higher in light of weaker underlying collateral trends and more flexibility in CLO transaction terms. The swaps yield curve (convention for pricing most structured securities) is even flatter than the Treasury yield curve, making fixed coupon yields in the short end of the curve very competitive.	Maintain benchmark positioning to ABS and CMBS, with a modest overweight to short ABS. Remain constructive on floating rate assets (especially CLOs), bearing in mind that floating rate targets may shift with any potential change in the Fed's policy stance. Maintain an up-in-quality bias in light of underlying collateral trends.	No Change
MBS	↔	↑	↔ / ↓	↔ / ↓	↑	Historically high rates and duration extension fears have weighed on MBS spreads. We expect marginal further widening as market adjusts. Elevated supply and Fed reinvestments capped highest going forward, will likely steer market preference towards shorter cash flows. Net MBS supply remain concentrated in Conventional 30-year MBS. Mortgage credit fundamentals remain strong and post-crisis sub-sectors offer attractive yield enhancement opportunities with credit diversification.	Maintain benchmark MBS exposure favoring lower spread duration posture through GNMA and / or 20-year MBS until spread normalizes. Add mortgage credit securities to enhance yield while improving convexity profile of overall MBS holdings.	No Change
<p><i>Note: To the extent not reflected above, instances where an underweight / overweight bias may exist can be balanced through the substitution / subtraction of certain other sub groups of asset classes based on relative value. While the addition of these may lead ultimately to a higher / lower than targeted allocation to a sector as grouped above, this could be mitigated by the specifics of the sub group of the asset class, or securities considered and the relative value they would present.</i></p>								



Fixed Income Portfolio Review

Fixed Income Portfolio Comparison



	Total	PACT	POOL	PCM	PRM	PRI
Portfolio Overview (000's Omitted)						
Book Value	159,321	56,068	20,143	54,287	27,822	1,002
Book Value (% of Total)		35.2%	12.6%	34.1%	17.5%	0.6%
Market Value	153,121	53,917	19,423	51,946	26,844	991
Market Value (% of Total)		35.2%	12.7%	33.9%	17.5%	0.6%
Total Unrealized Gain/Loss	(6,200)	(2,151)	(720)	(2,340)	(978)	(11)
Gross Gains	22	12	3	3	4	< 1
Gross Losses	(6,221)	(2,162)	(724)	(2,343)	(982)	(11)
Annualized Book Income	4,073	1,362	492	1,437	764	18
Asset Types						
Cash / Cash Equivalents	2.9%	2.1%	11.9%	0.5%	0.6%	61.5%
Taxable Fixed Income	97.1%	97.9%	88.2%	99.5%	99.4%	38.5%
Portfolio Yields						
Book Yield	2.56%	2.43%	2.44%	2.65%	2.75%	1.79%
Market Yield	3.46%	3.36%	3.45%	3.56%	3.50%	2.34%
Fixed Income Analytics						
Average OAD	4.37	3.85	3.51	5.03	4.91	0.68
Average Life	5.53	4.91	4.73	6.27	6.11	0.74
Average OAC	(7.48)	(24.08)	(58.35)	16.07	16.80	0.55
Average Quality	AA	AA+	AA+	AA-	AA-	AAA
Floaters	2.50%	0.10%	-	4.60%	5.10%	1.30%
5 Year US Govt On The Run	2.95%	2.95%	2.95%	2.95%	2.95%	2.95%
Sector						
Cash & Cash Equivalents	3%	2%	12%	1%	1%	62%
Sovereigns	5%	11%	-	-	5%	24%
Agency	1%	1%	2%	-	-	-
Government Guaranteed	4%	9%	2%	-	4%	-
Supranationals	1%	3%	-	-	1%	-
Corporates	24%	12%	-	39%	35%	-
MBS	27%	41%	44%	16%	11%	12%
ABS	7%	2%	4%	13%	9%	-
CMO / RMBS	9%	14%	24%	2%	1%	< 1%
CMBS	9%	5%	12%	10%	14%	2%
Municipals - Taxable	10%	-	-	19%	19%	-

Fixed Income Portfolio Comparison



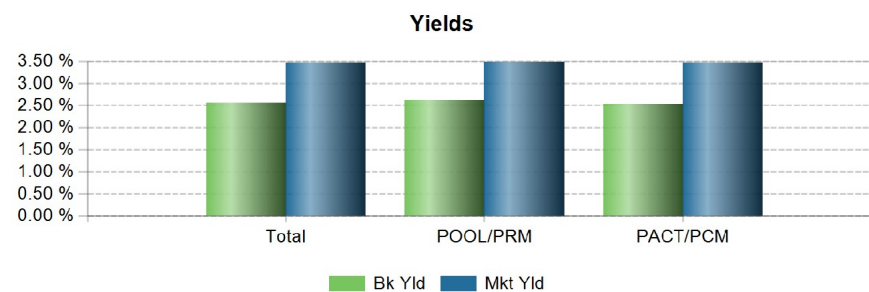
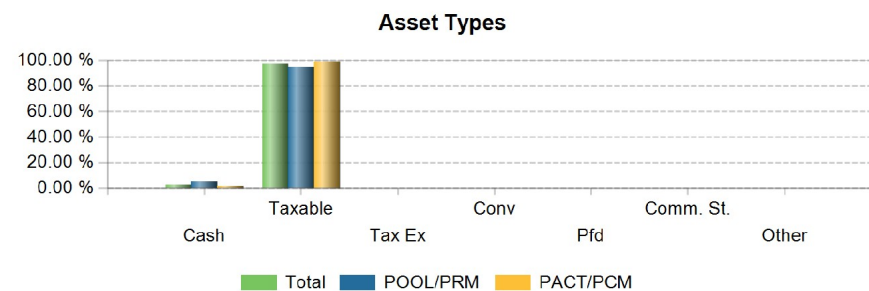
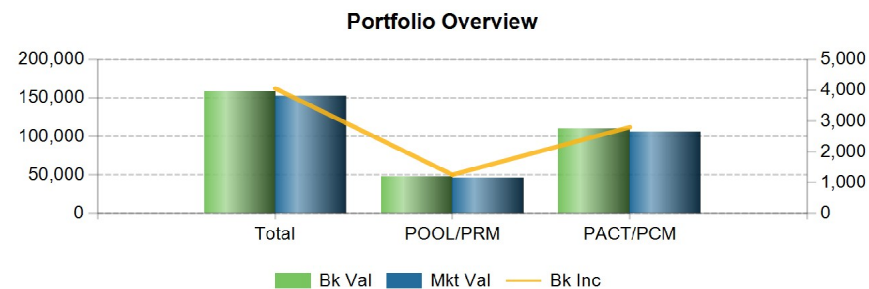
	Total	PACT	POOL	PCM	PRM	PRI
Duration						
< 1 Year	8.7%	5.6%	13.5%	9.1%	8.0%	74.7%
1-3 Years	23.4%	32.4%	19.5%	17.6%	19.9%	12.9%
3-5 Years	22.0%	20.6%	42.7%	17.1%	20.1%	12.4%
5-10 Years	45.0%	41.4%	24.3%	54.7%	50.1%	-
10+ Years	0.9%	-	-	1.5%	1.9%	-
Average Duration	4.37	3.85	3.51	5.03	4.91	0.68
Quality						
AAA	17.2%	7.2%	11.8%	25.2%	23.9%	61.5%
AA	57.4%	81.1%	88.2%	31.1%	39.6%	38.5%
A	18.3%	11.7%	-	28.5%	25.4%	-
BBB	7.1%	-	-	15.2%	11.1%	-
Average Quality	AA	AA+	AA+	AA-	AA-	AAA

A Foreign Exchange Rate as of 9/30/2018, was used to convert amounts to USD.

Fixed Income Portfolio Comparison - POOL/PRM, PACT/PCM - Comparative Overview



	Total	POOL/PRM	PACT/PCM
Portfolio Overview (000's Omitted)			
Book Value	158,319	47,965	110,354
Book Value (% of Total)		30.3%	69.7%
Market Value	152,130	46,267	105,863
Market Value (% of Total)		30.4%	69.6%
Total Unrealized Gain/Loss	(6,189)	(1,698)	(4,491)
Gross Gains	22	7	14
Gross Losses	(6,211)	(1,705)	(4,506)
Annualized Book Income	4,055	1,256	2,799
Asset Types			
Cash / Cash Equivalents	2.6%	5.3%	1.4%
Taxable Fixed Income	97.5%	94.7%	98.7%
Portfolio Yields			
Book Yield	2.56%	2.62%	2.54%
Market Yield	3.47%	3.48%	3.46%
Fixed Income Analytics			
Average OAD	4.40	4.32	4.43
Average Life	5.56	5.53	5.58
Average OAC	(7.53)	(14.75)	(4.38)
Average Quality	AA	AA	AA
Floaters	2.50%	3.00%	2.30%
5 Year US Govt On The Run	2.95%	2.95%	2.95%

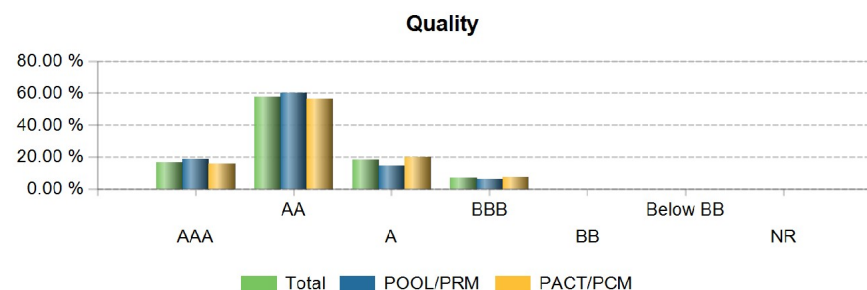
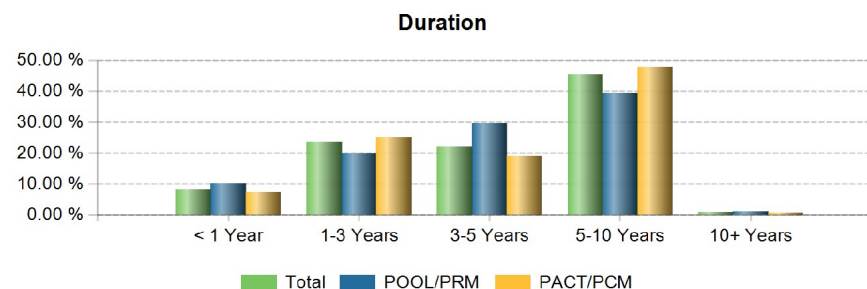
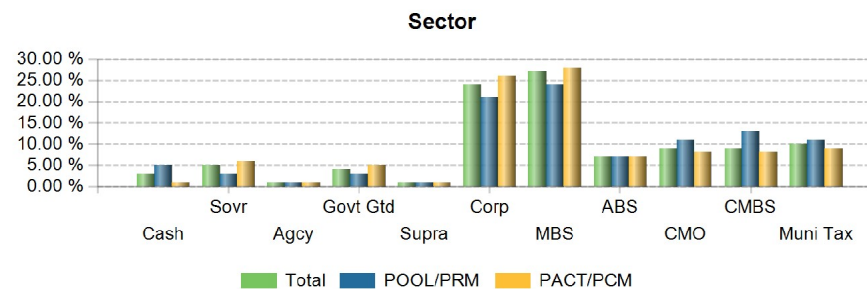


A Foreign Exchange Rate as of 9/30/2018, was used to convert amounts to USD.

Fixed Income Portfolio Comparison - POOL/PRM, PACT/PCM - Fixed Income Summary



Sector	Total	POOL/PRM	PACT/PCM
Sector			
Cash & Cash Equivalents	3%	5%	1%
Sovereigns	5%	3%	6%
Agency	1%	1%	1%
Government Guaranteed	4%	3%	5%
Supranationals	1%	1%	1%
Corporates	24%	21%	26%
MBS	27%	24%	28%
ABS	7%	7%	7%
CMO / RMBS	9%	11%	8%
CMBS	9%	13%	8%
Municipals - Taxable	10%	11%	9%
Duration			
< 1 Year	8.2%	10.3%	7.3%
1-3 Years	23.5%	19.8%	25.1%
3-5 Years	22.1%	29.5%	18.9%
5-10 Years	45.3%	39.3%	47.9%
10+ Years	0.9%	1.1%	0.8%
Average Duration	4.40	4.32	4.43
Quality			
AAA	16.9%	18.8%	16.1%
AA	57.6%	60.0%	56.5%
A	18.4%	14.8%	20.0%
BBB	7.1%	6.4%	7.4%
Average Quality	AA	AA	AA



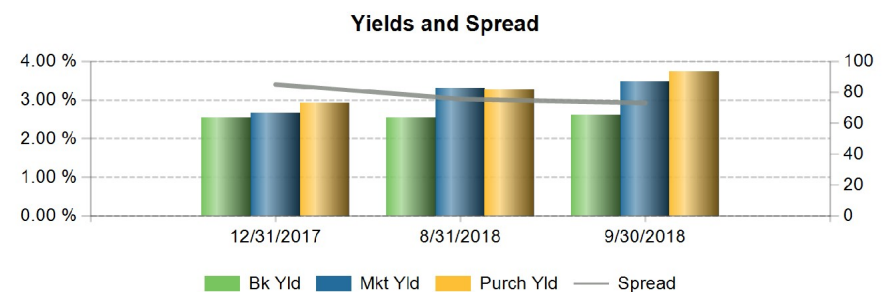
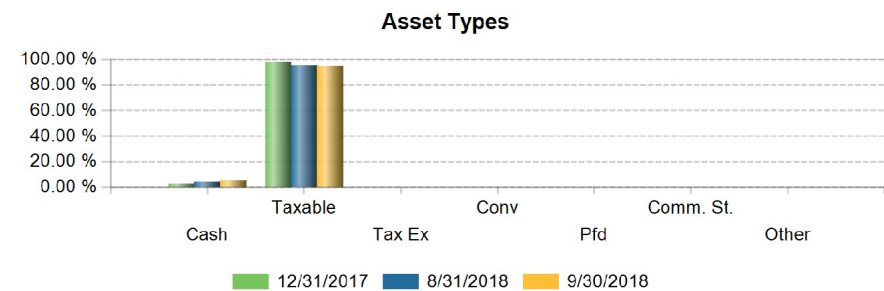
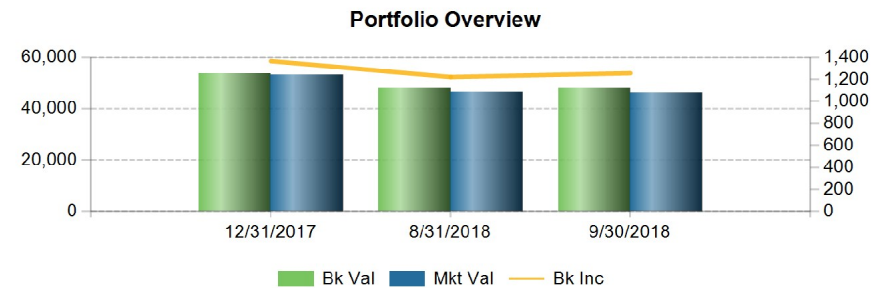


POOL/PRM

POOL/PRM - Portfolio Multi-Period Summary - Comparative Overview



	12/31/2017	8/31/2018	9/30/2018	Change since 8/31/2018
Portfolio Overview (000's Omitted)				
Book Value	53,568	47,838	47,965	126
Market Value	53,237	46,468	46,267	(201)
Total Unrealized Gain/Loss	(332)	(1,371)	(1,698)	(327)
Gross Gains	237	15	7	(8)
Gross Losses	(569)	(1,386)	(1,705)	(319)
Realized Gain / Loss	(35)	(178)	(6)	(8)
Annualized Book Income	1,366	1,221	1,256	35
Asset Types				
Cash / Cash Equivalents	2.1%	4.5%	5.3%	0.8%
Taxable Fixed Income	97.9%	95.5%	94.7%	(0.8%)
Portfolio Yields				
Book Yield	2.55%	2.55%	2.62%	0.07%
Market Yield	2.67%	3.31%	3.48%	0.17%
Fixed Income Analytics				
Average OAD	4.36	4.27	4.32	0.06
Average Life	5.52	5.49	5.53	0.04
Average OAC	(42.35)	(22.15)	(14.75)	7.40
Average Quality	AA	AA	AA	
Floater	2.60%	3.00%	3.00%	-
Average Purchase Yield	2.94%	3.26%	3.75%	0.48%
Average Spread Over Tsy	85	76	73	(2)
5 Year US Govt On The Run	2.21%	2.74%	2.95%	0.21%

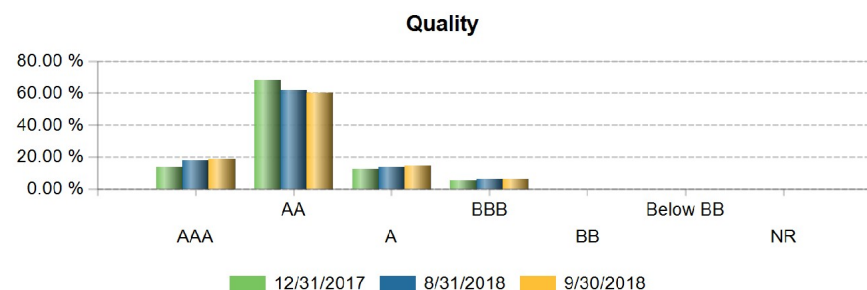
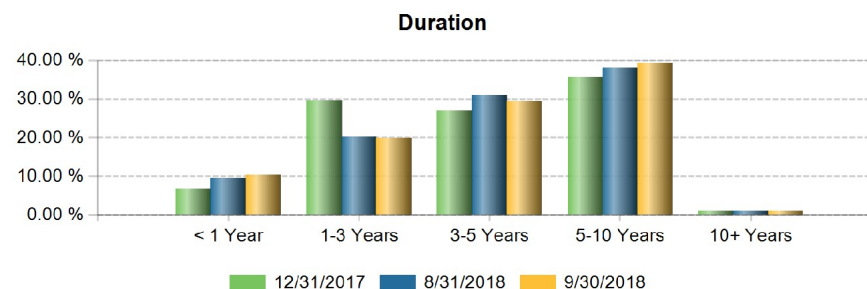
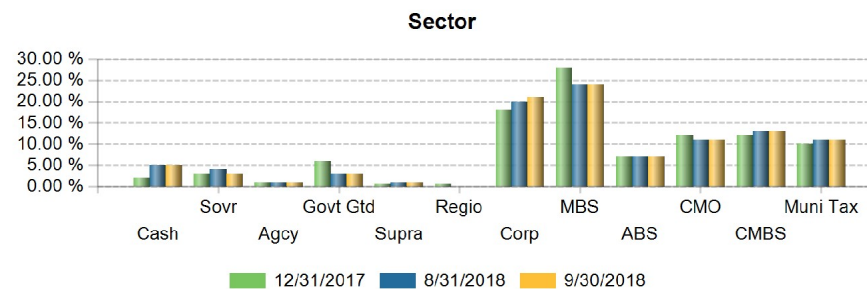


A Foreign Exchange Rate as of 12/31/2017, 8/31/2018 and 9/30/2018, respectively was used to convert amounts to USD.

POOL/PRM - Portfolio Multi-Period Summary - Fixed Income Summary



Sector	12/31/2017	8/31/2018	9/30/2018	Change since 8/31/2018
Sector				
Cash & Cash Equivalents	2%	5%	5%	-
Sovereigns	3%	4%	3%	(1%)
Agency	1%	1%	1%	-
Government Guaranteed	6%	3%	3%	-
Supranationals	< 1%	1%	1%	-
Regional (City/State/Provnc)	< 1%	-	-	-
Corporates	18%	20%	21%	1%
MBS	28%	24%	24%	-
ABS	7%	7%	7%	-
CMO / RMBS	12%	11%	11%	-
CMBS	12%	13%	13%	-
Municipals - Taxable	10%	11%	11%	-
Fixed Income	100%	100%	100%	-
Duration				
< 1 Year	6.7%	9.5%	10.3%	0.8%
1-3 Years	29.7%	20.4%	19.8%	(0.6%)
3-5 Years	27.0%	30.9%	29.5%	(1.4%)
5-10 Years	35.6%	38.1%	39.3%	1.2%
10+ Years	1.0%	1.1%	1.1%	-
Average Duration	4.36	4.27	4.32	0.06
Quality				
AAA	13.7%	18.0%	18.8%	0.8%
AA	68.0%	61.8%	60.0%	(1.8%)
A	12.8%	13.8%	14.8%	1.0%
BBB	5.5%	6.4%	6.4%	-
Average Quality	AA	AA	AA	



POOL/PRM - Portfolio Transaction Analysis - 9/1/2018 thru 9/30/2018 - Transaction Summary



(000's Omitted)

Purchases	Market Value	%	Spread (Bp)	Book Yld	Lwst	Duration
Corporates	450	100.0	73	3.75	A	7.94
Total Purchases	450	100.0	73	3.75	A	7.94

Sales	Market Value	%	Realized G/L	Trade / Book Yld	Lwst	Duration
Sovereigns	293	100.0	(5)	2.85 / 1.94	AA+	2.09
Total Sales	293	100.0	(5)	2.85 / 1.94	AA+	2.09

Other Transactions	Market Value	%	Realized G/L	Book Yld	Lwst	Duration
Paydowns	368	99.9	< 0	2.61	AA+	3.77
Sinking Funds	< 1	0.1	-	3.12	AA+	6.44
Total Other Transactions	368	100.0	< 0	2.61	AA+	3.77

A Foreign Exchange Rate as of 09/30/2018 was used to convert amounts to USD.
 Tax Equivalent Spread for Municipal bonds calculated at time of purchase, excluding floating rate securities.

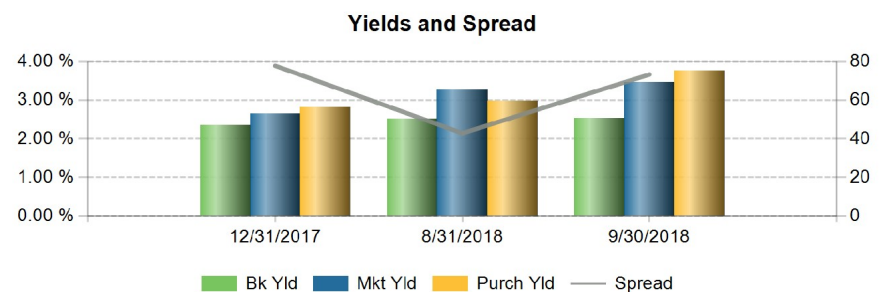
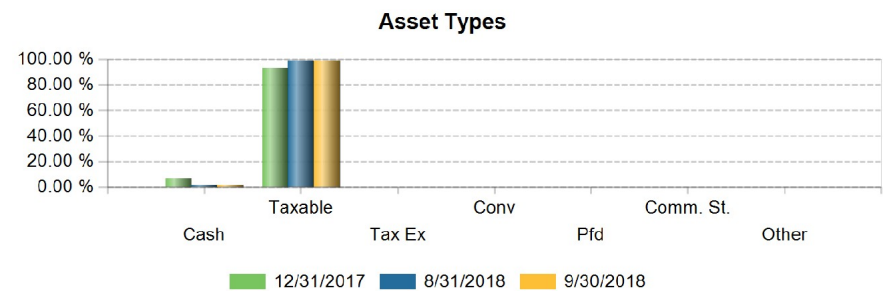
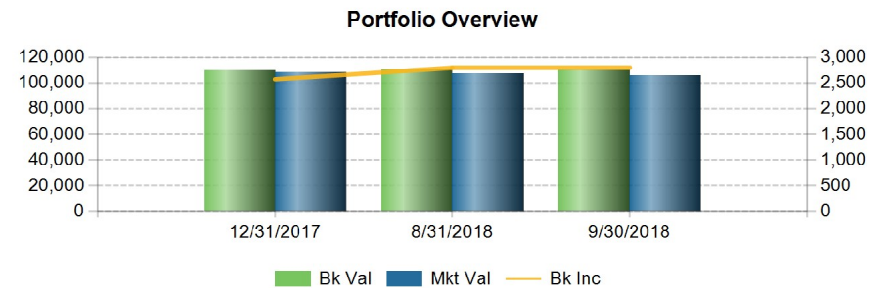


PACT/PCM

PACT/PCM - Portfolio Multi-Period Summary - Comparative Overview



	12/31/2017	8/31/2018	9/30/2018	Change since 8/31/2018
Portfolio Overview (000's Omitted)				
Book Value	109,761	110,933	110,354	(579)
Market Value	108,300	107,176	105,863	(1,313)
Total Unrealized Gain/Loss	(1,461)	(3,757)	(4,491)	(734)
Gross Gains	272	38	14	(23)
Gross Losses	(1,733)	(3,795)	(4,506)	(711)
Realized Gain / Loss	91	(11)	(5)	
Annualized Book Income	2,573	2,796	2,799	3
Asset Types				
Cash / Cash Equivalents	6.9%	1.4%	1.4%	(0.1%)
Taxable Fixed Income	93.1%	98.6%	98.7%	0.1%
Portfolio Yields				
Book Yield	2.34%	2.52%	2.54%	0.02%
Market Yield	2.65%	3.29%	3.46%	0.17%
Fixed Income Analytics				
Average OAD	4.40	4.38	4.43	0.05
Average Life	5.61	5.55	5.58	0.03
Average OAC	(44.71)	(11.83)	(4.38)	7.45
Average Quality	AA	AA	AA	
Floater	2.60%	2.30%	2.30%	-
Average Purchase Yield	2.82%	2.98%	3.75%	0.78%
Average Spread Over Tsy	78	43	73	30
5 Year US Govt On The Run	2.21%	2.74%	2.95%	0.21%

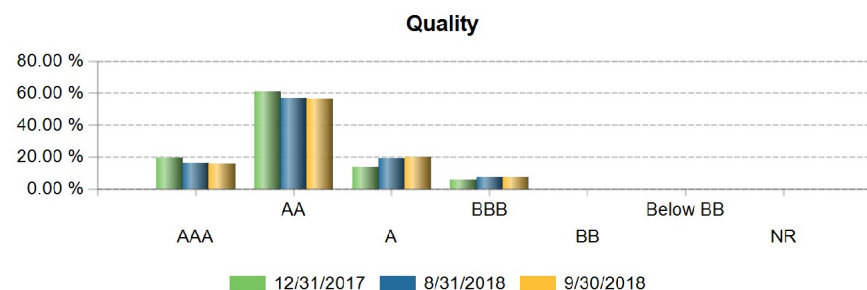
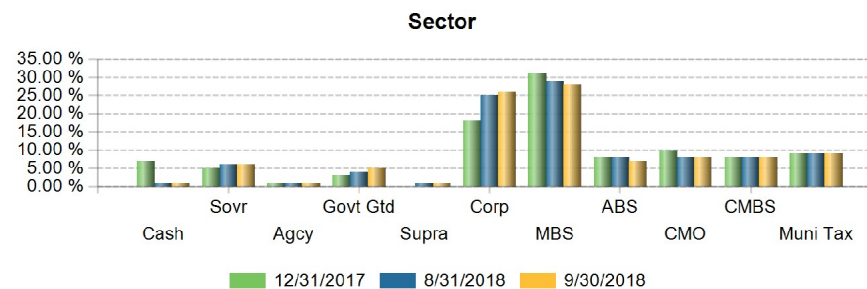


A Foreign Exchange Rate as of 12/31/2017, 8/31/2018 and 9/30/2018, respectively was used to convert amounts to USD.

PACT/PCM - Portfolio Multi-Period Summary - Fixed Income Summary



	12/31/2017	8/31/2018	9/30/2018	Change since 8/31/2018
Sector				
Cash & Cash Equivalents	7%	1%	1%	-
Sovereigns	5%	6%	6%	-
Agency	1%	1%	1%	-
Government Guaranteed	3%	4%	5%	1%
Supranationals	-	1%	1%	-
Corporates	18%	25%	26%	1%
MBS	31%	29%	28%	(1%)
ABS	8%	8%	7%	(1%)
CMO / RMBS	10%	8%	8%	-
CMBS	8%	8%	8%	-
Municipals - Taxable	9%	9%	9%	-
Fixed Income	100%	100%	100%	
Duration				
< 1 Year	11.5%	7.5%	7.3%	(0.2%)
1-3 Years	14.0%	24.3%	25.1%	0.8%
3-5 Years	35.7%	23.9%	18.9%	(5.0%)
5-10 Years	38.0%	43.5%	47.9%	4.4%
10+ Years	0.8%	0.8%	0.8%	-
Average Duration	4.40	4.38	4.43	0.05
Quality				
AAA	19.6%	16.3%	16.1%	(0.2%)
AA	60.8%	57.1%	56.5%	(0.6%)
A	13.7%	19.2%	20.0%	0.8%
BBB	5.9%	7.4%	7.4%	-
Average Quality	AA	AA	AA	



PACT/PCM - Portfolio Transaction Analysis - 9/1/2018 thru 9/30/2018 - Transaction Summary



(000's Omitted)

Purchases	Market Value	%	Spread (Bp)	Book Yld	Lwst	Duration
Corporates	700	100.0	73	3.75	A	7.95
Total Purchases	700	100.0	73	3.75	A	7.95
Other Transactions	Market Value	%	Realized G/L	Book Yld	Lwst	Duration
Paydowns	1,141	100.0	(5)	2.01	AA+	2.91
Sinking Funds	1	< 0.1	-	3.12	AA+	6.44
Total Other Transactions	1,141	100.0	(5)	2.01	AA+	2.91

A Foreign Exchange Rate as of 09/30/2018 was used to convert amounts to USD.
 Tax Equivalent Spread for Municipal bonds calculated at time of purchase, excluding floating rate securities.



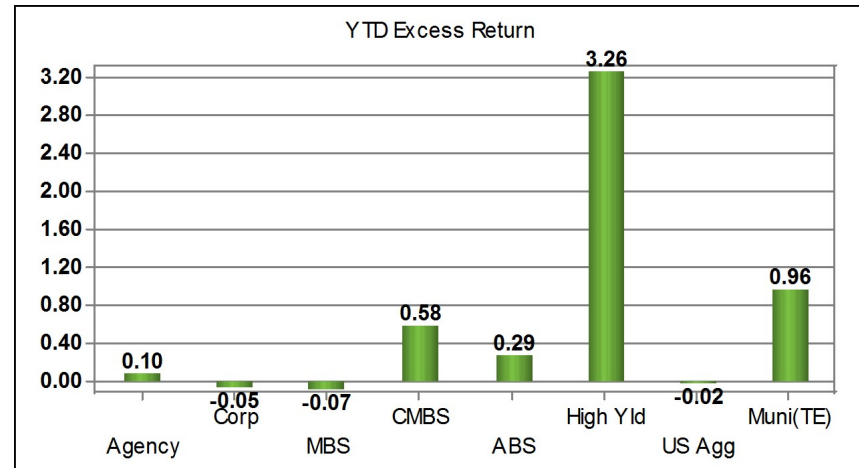
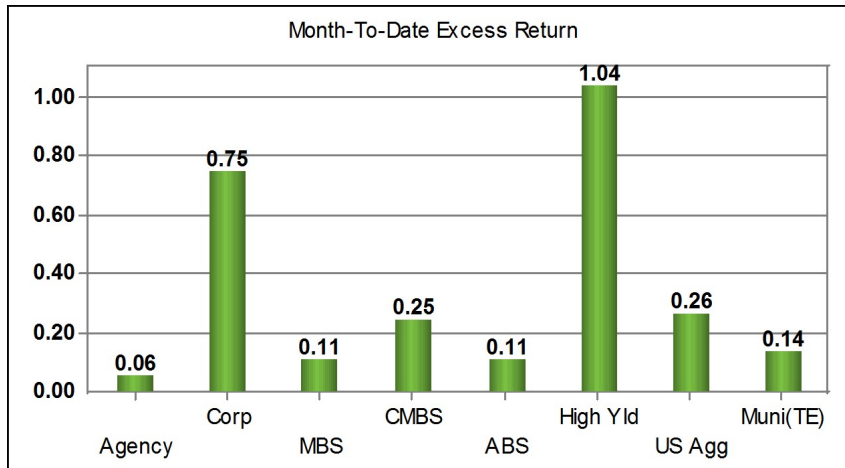
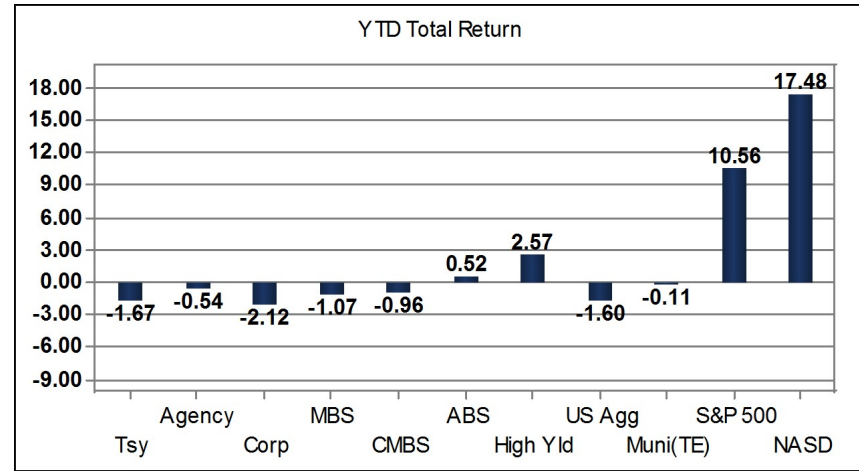
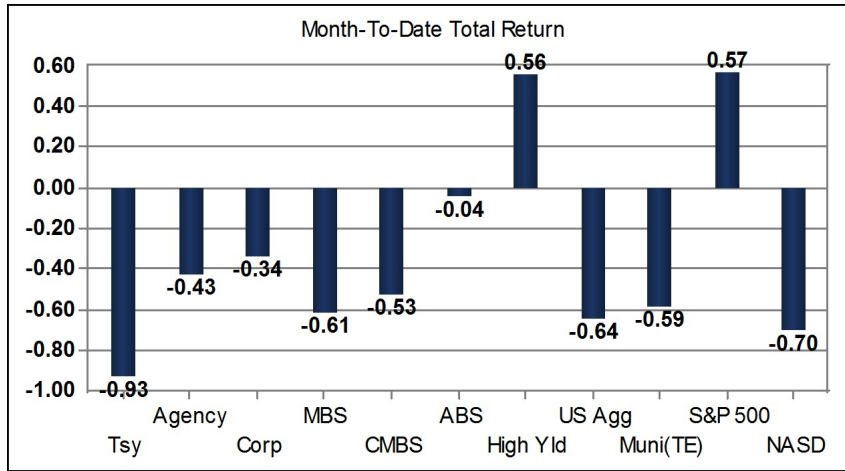
POOL/PACT Consolidated Portfolio Rating Change



Cusip	Description	Insurer	Cpn	Maturity	OAD	Avg Life	Quantity	Market Value	Unrealized Gain/Loss	Previous Rater	Previous Rating	Moody	S&P	Post Fitch	Lwst	NAIC	Eff Date
Downgrades																	
035242AJ5	ANHEUSER-BUSCH INBEV FINANCE INC		2.65	02/01/2021	2.23	2.34	200,000	197,096	(6,229)	NAIC	1FE	A3	A-	BBB	BBB	2FE	09/30/2018
842400GD9	SOUTHERN CALIFORNIA EDISON CO		2.40	02/01/2022	3.24	3.42	250,000	241,875	(12,349)	MOODY	Aa3	A1	A	A+	A	1FE	09/06/2018
					3.24	3.42	250,000	241,875	(12,349)	FITCH	A+	A1	A	A	A	1FE	09/13/2018
913017CR8	UNITED TECHNOLOGIES CORP		3.13	05/04/2027	7.31	8.59	500,000	467,060	(37,055)	NAIC	1FE	Baa1	A-	NR	BBB+	2FE	09/30/2018



Capital Market Performance Review as of September 2018



Sources: Barclays, BofA Merrill, Bloomberg

Performance Report



	PACT Portfolio	POOL Portfolio	POOL/PACT Blend
Inception Date	Jan 2017	Jan 2017	Jan 2017
2017	2.43	2.47	1.60
2018	(0.64)	(0.71)	(0.72)
Q1 2018	(0.89)	(0.89)	(0.86)
Q2 2018	0.25	0.18	0.17
Q3 2018	0.00	0.00	(0.03)
July 2018	(0.07)	(0.05)	(0.12)
August 2018	0.56	0.52	0.58
September 2018	(0.49)	(0.47)	(0.48)
YTD 2018	(0.64)	(0.71)	(0.72)
Trailing 12 Months	(0.50)	(0.63)	(0.92)
Since Inception (Annualized)	1.01	0.99	0.50

Please see the accompanying Disclosure Page for important information regarding this Performance Exhibit.

Performance Report



	PRM Portfolio	PCM Portfolio	PRM/PCM Blend
Inception Date	Jan 2017	Jan 2017	Jan 2017
2017	3.00	3.16	3.96
2018	(1.24)	(1.30)	(1.50)
Q1 2018	(1.52)	(1.62)	(1.63)
Q2 2018	(0.04)	(0.02)	(0.19)
Q3 2018	0.32	0.35	0.32
July 2018	0.07	0.14	0.19
August 2018	0.74	0.73	0.64
September 2018	(0.49)	(0.52)	(0.51)
YTD 2018	(1.24)	(1.30)	(1.50)
Trailing 12 Months	(1.04)	(0.98)	(0.98)
Since Inception (Annualized)	0.98	1.03	1.36

Please see the accompanying Disclosure Page for important information regarding this Performance Exhibit.

Performance Report



Inception Date	PRI Portfolio	ICE BofAML US Treasury/Agencies: 0-3 Yrs
	Jan 2017	Jan 2017
2017	1.04	0.55
2018	0.85	0.61
Q1 2018	0.07	0.02
Q2 2018	0.37	0.30
Q3 2018	0.40	0.29
July 2018	0.10	0.05
August 2018	0.24	0.28
September 2018	0.06	(0.04)
YTD 2018	0.85	0.61
Trailing 12 Months	0.96	0.51
Since Inception (Annualized)	1.08	0.67

Please see the accompanying Disclosure Page for important information regarding this Performance Exhibit.

Performance Report



Disclosures

The POOL/PACT Blend is comprised of the following indices:

Effective Jan 2017, 60% ICE BofAML US Treasury/Agencies: 1-10 Yrs, 30% ICE BofAML Mortgage Master Index and 10% ICE BofAML US Corporates A-AAA: 1-5 Yrs.

The PRM/PCM Blend is comprised of the following indices:

Effective Jan 2017, 40% ICE BofAML US Corporates A-AAA, 30% ICE BofAML Mortgage Master Index, 10% ICE BofAML US Corporates BBB: 1-10 Yrs, 10% ICE BofAML US Treasury/Agencies, 5% ICE BofAML Asset-Backed Master Index AAA and 5% ICE BofAML CMBS Fixed Rate AAA.

Taxable equivalent returns are designated with a "TE" or similar. To calculate portfolio taxable equivalent returns, municipal bond and preferred/common stock returns are grossed up using the portfolio's relevant book yield to worst, applying the proration tax and then grossing up at the federal tax rate of 21% (35% to 12/31/17). For the benchmark, the returns of the municipals are grossed up in a similar fashion using municipal yield to worst at market.

The performance results reflect Pool/Pact portfolios managed by NEAM. A Daily Valuation Methodology that adjusts for cash flows is utilized to calculate portfolio performance. Portfolio returns are calculated daily and geometrically linked to create monthly gross of fee rates of return. Performance results are reported gross of management fees and of custody fees and other charges by the custodian for your account and net of commissions, mark-ups or mark-downs, spreads, discounts or commission equivalents. The performance results for your account are shown in comparison to a benchmark that has been chosen by you. The securities comprising this benchmark is not identical to those in your account. The benchmark is comprised of securities that are not actively managed and does not reflect the deduction of any management or other fees or expenses. Past performance is not indicative of future performance.

PACT Performance by Sector Detail



Fixed Income Portfolio Performance September 30, 2018

Asset Class	PACT			Custom Benchmark		
	Fixed Alloc	Sep Return	YTD Return	Fixed Alloc	Sep Return	YTD Return
Cash/Short	2.1	0.05	0.70			
Government/Sovereigns	11.3	(0.69)	(1.49)	57.9	(0.50)	(0.75)
Agency	12.8	(0.11)	0.35	2.2	(0.18)	0.08
Corporate	12.5	0.01	1.02	10.0	(0.10)	0.16
MBS	39.4	(0.74)	(1.72)	30.0	(0.59)	(1.02)
CMO\RMBS	14.3	(0.53)	(0.02)			
ABS	2.4	(0.83)	(1.22)			
CMBS	5.3	(0.23)	0.00			
Municipal - Taxable						
Total	100.0	(0.49)	(0.64)	100.0	(0.48)	(0.72)

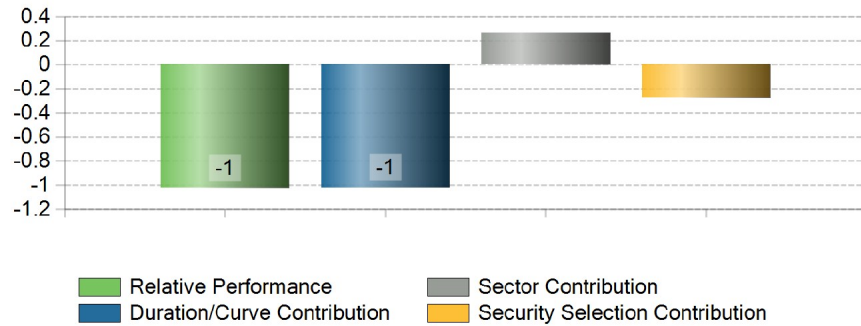
Custom Benchmark:
Effective Jan 2017, 60% BofA ML US Treasury/Agencies: 1-10 Yrs, 30% BofA ML Mortgage Master Index and 10% BofA ML US Corporates A-AAA: 1-5 Yrs.

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PACT Attribution Report

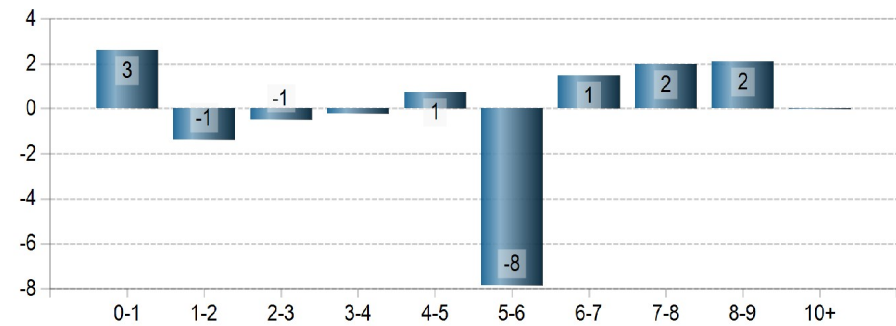


Pool Pact - Pact (Benchmark: Pool/Pact Blend)
Performance Contribution (bps)

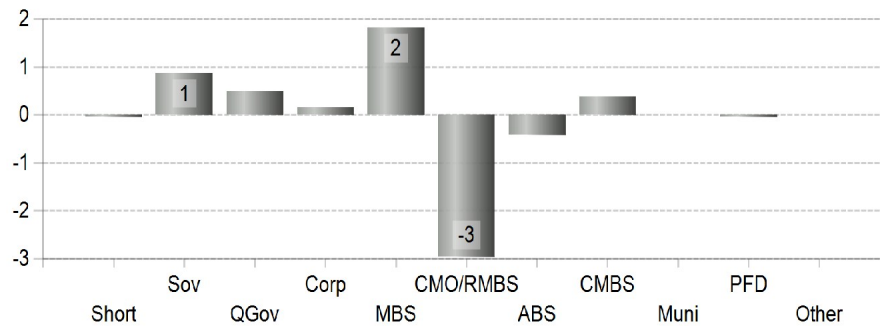


Sep 2018 - Sep 2018

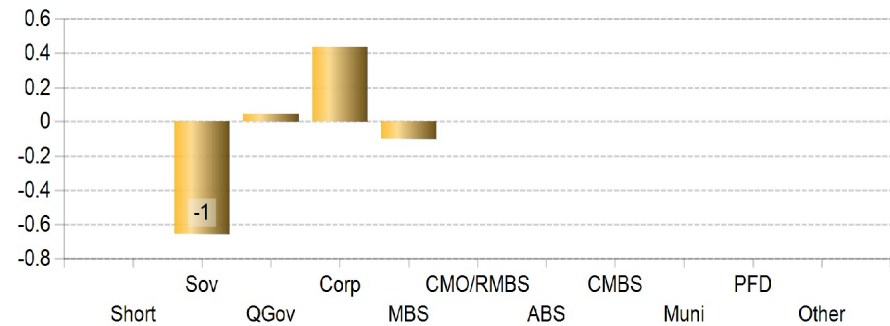
Duration/Curve Contribution (bps)



Sector Contribution (bps)



Security Selection Contribution (bps)



*** Municipals are not tax adjusted**

Attribution results are calculated monthly using an internally designed model which calculates return data using underlying securities' market values and estimated cashflows and attributing excess return to sector, duration and security selection components. The monthly results are added using a Carino smoothing methodology to calculate quarterly and yearly results. This different underlying methodology may cause attribution results to differ from total returns.

POOL Performance by Sector Detail



Fixed Income Portfolio Performance September 30, 2018

Asset Class	POOL			Custom Benchmark		
	Fixed Alloc	Sep Return	YTD Return	Fixed Alloc	Sep Return	YTD Return
Cash/Short	11.9	0.17	0.52			
Government/Sovereigns				57.9	(0.50)	(0.75)
Agency	4.0	(0.15)	0.20	2.2	(0.18)	0.08
Corporate				10.0	(0.10)	0.16
MBS	43.0	(0.59)	(1.28)	30.0	(0.59)	(1.02)
CMO\RMBS	24.5	(0.60)	(0.19)			
ABS	4.5	(0.83)	(1.22)			
CMBS	12.2	(0.37)	(0.40)			
Municipal - Taxable						
Total	100.0	(0.47)	(0.71)	100.0	(0.48)	(0.72)

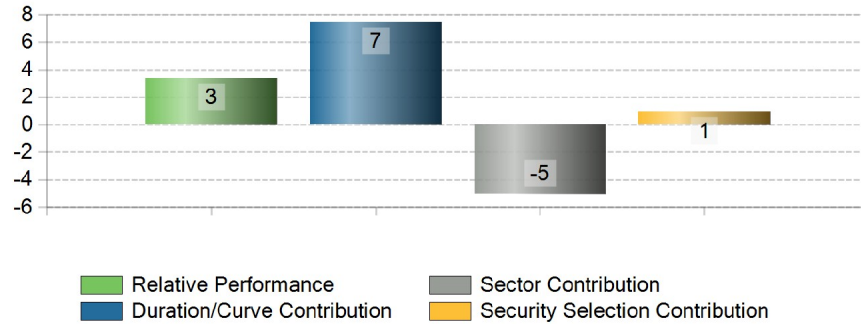
Custom Benchmark:
Effective Jan 2017, 60% BofA ML US Treasury/Agencies: 1-10 Yrs, 30% BofA ML Mortgage Master Index and 10% BofA ML US Corporates A-AAA: 1-5 Yrs.

The performance results reflect POOL/PACT's portfolio managed by NEAM. A Daily Valuation Methodology that adjusts for cash flows is utilized to calculate portfolio performance. Portfolio returns are calculated daily and geometrically linked to create monthly gross of fee rates of return. Performance results are reported gross of management fees and of custody fees and other charges by the custodian for your account and net of commissions, mark-ups or mark-downs, spreads, discounts or commission equivalents. Sector returns (used to calculate income and principal components) are calculated by aggregating cusip market values and cash flows by sector. Sector cashflows are purchases, sales and income received. Total return cash flows are contributions and withdrawals. This different underlying methodology may cause sector results to differ from total returns. The performance results for your account are shown in comparison to a benchmark that has been chosen by you. The securities comprising this benchmark is not identical to those in your account. The benchmark is comprised of securities that are not actively managed and does not reflect the deduction of any management or other fees or expenses. Past performance is not indicative of future performance.

POOL Attribution Report

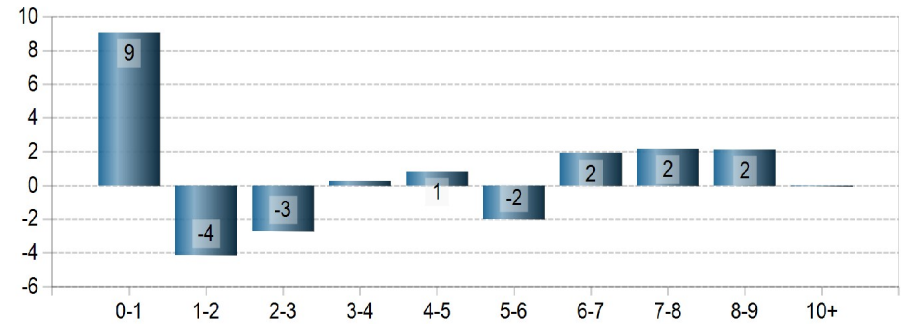


Pool Pact - Pool (Benchmark: Pool/Pact Blend)
Performance Contribution (bps)

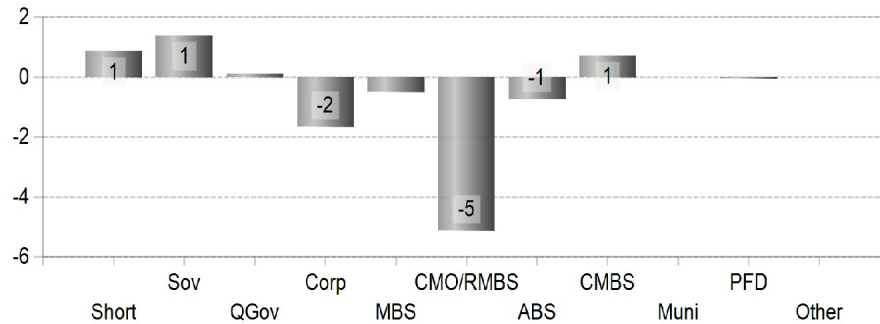


Sep 2018 - Sep 2018

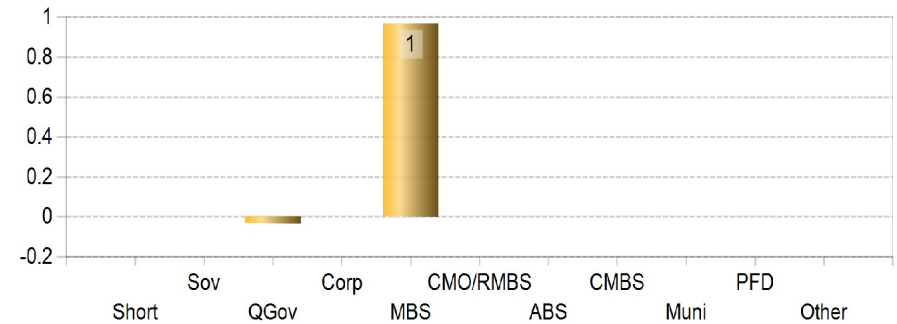
Duration/Curve Contribution (bps)



Sector Contribution (bps)



Security Selection Contribution (bps)



*** Municipals are not tax adjusted**

Attribution results are calculated monthly using an internally designed model which calculates return data using underlying securities' market values and estimated cashflows and attributing excess return to sector, duration and security selection components. The monthly results are added using a Carino smoothing methodology to calculate quarterly and yearly results. This different underlying methodology may cause attribution results to differ from total returns.

PCM Performance by Sector Detail



Fixed Income Portfolio Performance September 30, 2018

Asset Class	PCM			Custom Benchmark		
	Fixed Alloc	Sep Return	YTD Return	Fixed Alloc	Sep Return	YTD Return
Cash/Short	0.5	0.10	0.73			
Government/Sovereigns				9.7	(0.98)	(1.75)
Agency				0.4	(0.43)	(0.64)
Corporate	39.5	(0.48)	(2.22)	49.9	(0.43)	(2.03)
MBS	16.0	(0.71)	(1.54)	30.0	(0.59)	(1.02)
CMO\RMBS	1.8	(0.93)	(1.27)	0.1	(0.04)	0.37
ABS	12.7	0.13	0.92	4.9	0.03	0.81
CMBS	10.4	(0.66)	(1.78)	5.0	(0.53)	(0.96)
Municipal - Taxable	19.1	(0.78)	(0.87)			
Total	100.0	(0.52)	(1.30)	100.0	(0.51)	(1.50)

Custom Benchmark:

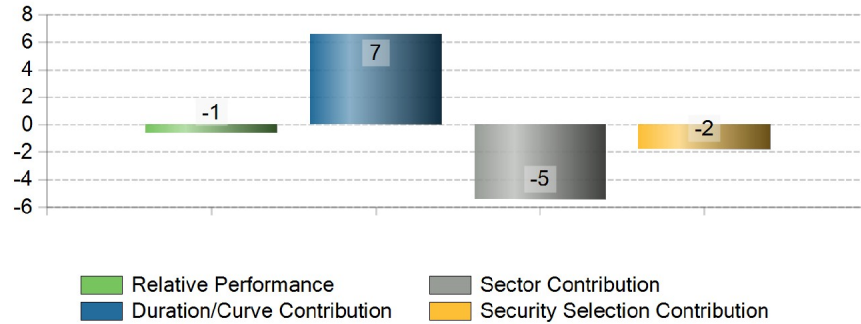
Effective Jan 2017, 40% BofA ML US Corporates A-AAA, 30% BofA ML Mortgage Master Index, 10% BofA ML US Corporates BBB: 1-10 Yrs, 10% BofA ML US Treasury/Agencies, 5% BofA ML Asset-Backed Master Index AAA and 5% BofA ML CMBS Fixed Rate AAA.

The performance results reflect POOL/PACT's portfolio managed by NEAM. A Daily Valuation Methodology that adjusts for cash flows is utilized to calculate portfolio performance. Portfolio returns are calculated daily and geometrically linked to create monthly gross of fee rates of return. Performance results are reported gross of management fees and of custody fees and other charges by the custodian for your account and net of commissions, mark-ups or mark-downs, spreads, discounts or commission equivalents. Sector returns (used to calculate income and principal components) are calculated by aggregating cusip market values and cash flows by sector. Sector cashflows are purchases, sales and income received. Total return cash flows are contributions and withdrawals. This different underlying methodology may cause sector results to differ from total returns. The performance results for your account are shown in comparison to a benchmark that has been chosen by you. The securities comprising this benchmark is not identical to those in your account. The benchmark is comprised of securities that are not actively managed and does not reflect the deduction of any management or other fees or expenses. Past performance is not indicative of future performance.

PCM Attribution Report

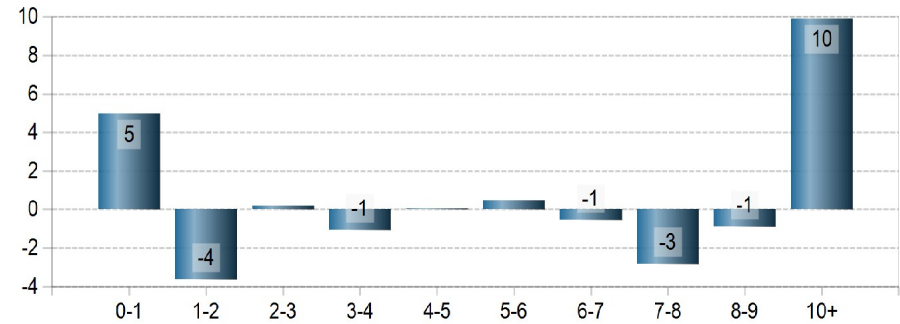


Pool Pact - PCM (Benchmark: Pool/Pact PRM and PCM Blend)
Performance Contribution (bps)

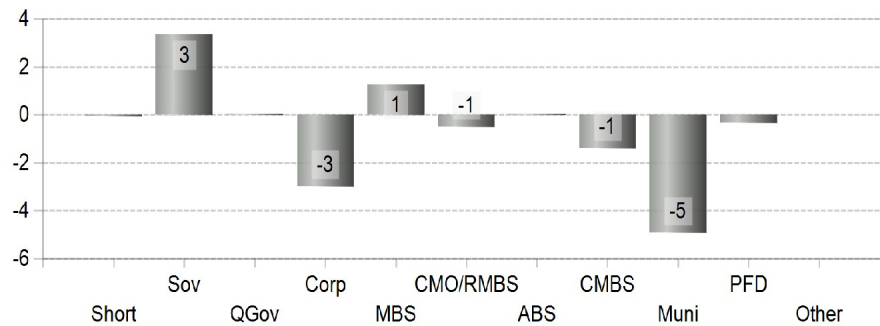


Sep 2018 - Sep 2018

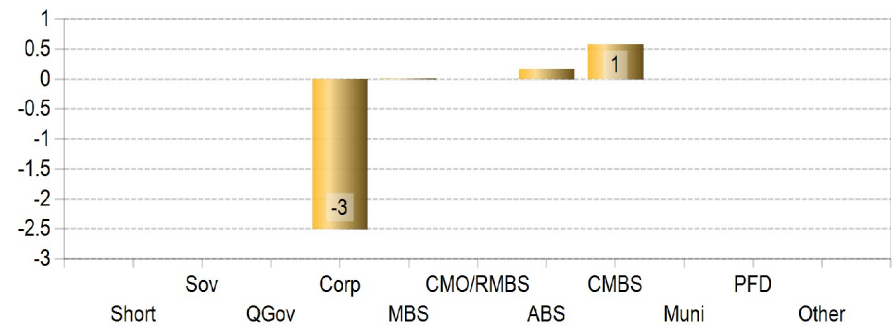
Duration/Curve Contribution (bps)



Sector Contribution (bps)



Security Selection Contribution (bps)



*** Municipals are not tax adjusted**

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PRM Performance by Sector Detail



Fixed Income Portfolio Performance September 30, 2018

Asset Class	PRM			Custom Benchmark		
	Fixed Alloc	Sep Return	YTD Return	Fixed Alloc	Sep Return	YTD Return
Cash/Short	0.6	0.07	0.93			
Government/Sovereigns	5.1	(0.79)	(1.59)	9.7	(0.98)	(1.75)
Agency	5.1	0.04	0.72	0.4	(0.43)	(0.64)
Corporate	35.7	(0.34)	(1.82)	49.9	(0.43)	(2.03)
MBS	10.6	(0.64)	(1.34)	30.0	(0.59)	(1.02)
CMO\RMBS	1.5	(1.35)	(1.70)	0.1	(0.04)	0.37
ABS	8.8	0.09	0.71	4.9	0.03	0.81
CMBS	13.5	(0.76)	(2.10)	5.0	(0.53)	(0.96)
Municipal - Taxable	19.1	(0.75)	(0.98)			
Total	100.0	(0.49)	(1.24)	100.0	(0.51)	(1.50)

Custom Benchmark:
Effective Jan 2017, 40% BofA ML US Corporates A-AAA, 30% BofA ML Mortgage Master Index, 10% BofA ML US Corporates BBB: 1-10 Yrs, 10% BofA ML US Treasury/Agencies, 5% BofA ML Asset-Backed Master Index AAA and 5% BofA ML CMBS Fixed Rate AAA.

The performance results reflect POOL/PACT's portfolio managed by NEAM. A Daily Valuation Methodology that adjusts for cash flows is utilized to calculate portfolio performance. Portfolio returns are calculated daily and geometrically linked to create monthly gross of fee rates of return. Performance results are reported gross of management fees and of custody fees and other charges by the custodian for your account and net of commissions, mark-ups or mark-downs, spreads, discounts or commission equivalents. Sector returns (used to calculate income and principal components) are calculated by aggregating cusip market values and cash flows by sector. Sector cashflows are purchases, sales and income received. Total return cash flows are contributions and withdrawals. This different underlying methodology may cause sector results to differ from total returns. The performance results for your account are shown in comparison to a benchmark that has been chosen by you. The securities comprising this benchmark is not identical to those in your account. The benchmark is comprised of securities that are not actively managed and does not reflect the deduction of any management or other fees or expenses. Past performance is not indicative of future performance.

PRM Attribution Report

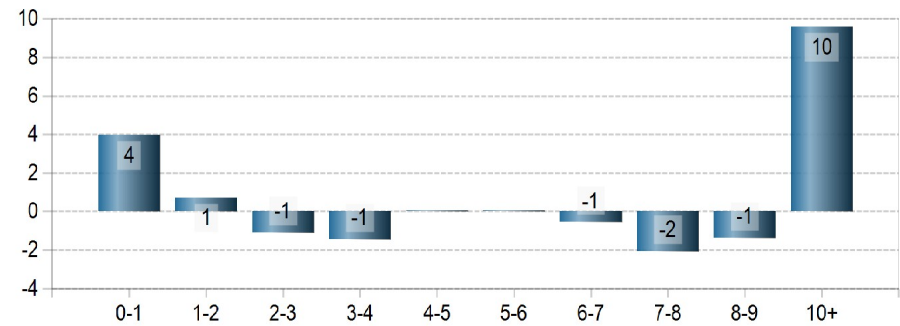


Pool Pact - PRM (Benchmark: Pool/Pact PRM and PCM Blend)
Performance Contribution (bps)

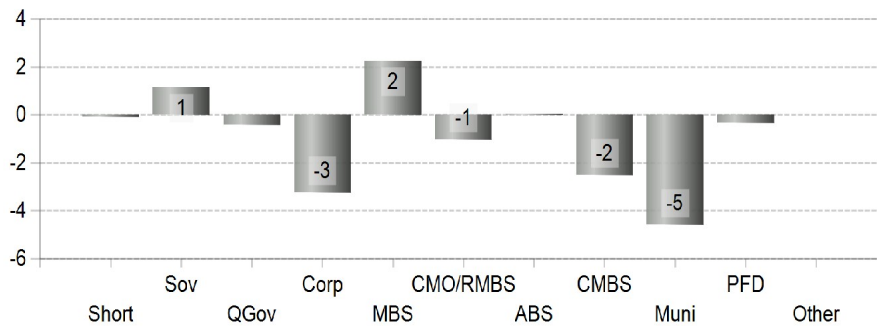


Sep 2018 - Sep 2018

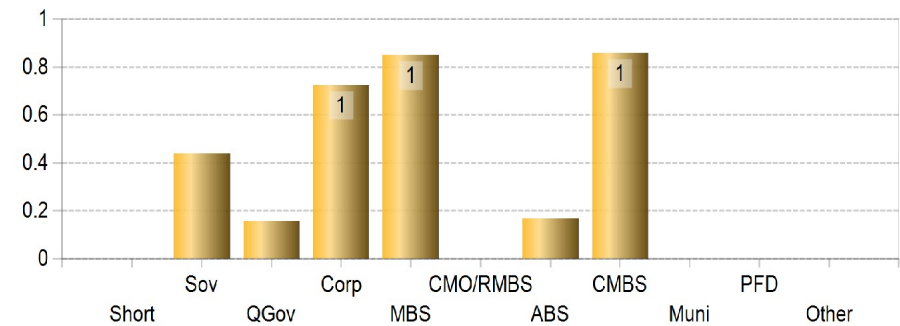
Duration/Curve Contribution (bps)



Sector Contribution (bps)



Security Selection Contribution (bps)



*** Municipals are not tax adjusted**

Attribution results are calculated monthly using an internally designed model which calculates return data using underlying securities' market values and estimated cashflows and attributing excess return to sector, duration and security selection components. The monthly results are added using a Carino smoothing methodology to calculate quarterly and yearly results. This different underlying methodology may cause attribution results to differ from total returns.

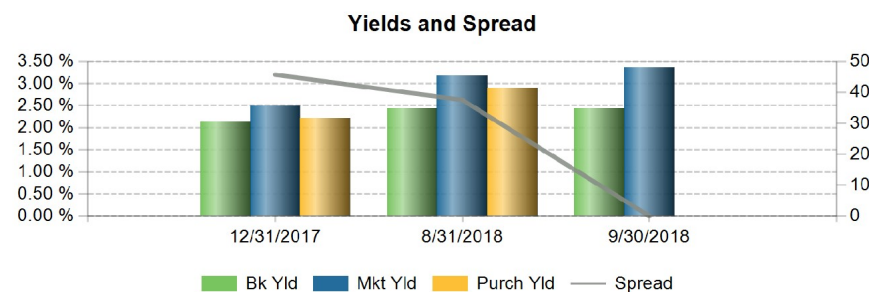
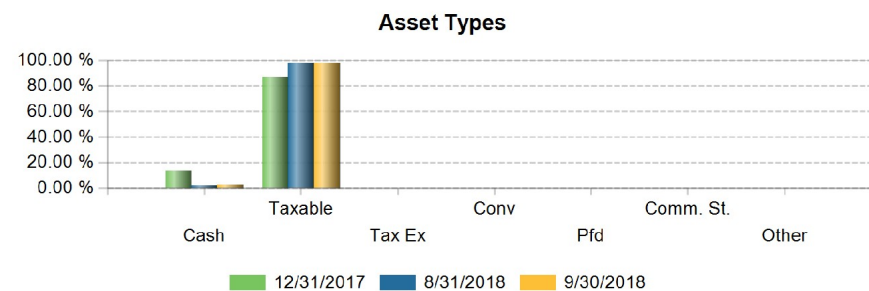
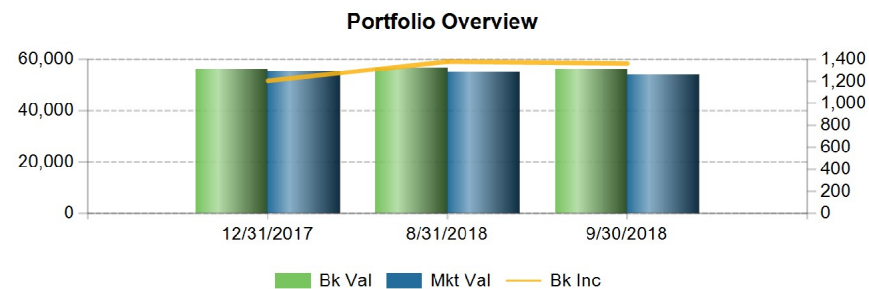




PACT - Portfolio Multi-Period Summary - Comparative Overview



	12/31/2017	8/31/2018	9/30/2018	Change since 8/31/2018
Portfolio Overview (000's Omitted)				
Book Value	56,216	56,758	56,068	(690)
Market Value	55,357	54,951	53,917	(1,034)
Total Unrealized Gain/Loss	(859)	(1,806)	(2,151)	(344)
Gross Gains	108	27	12	(15)
Gross Losses	(966)	(1,833)	(2,162)	(329)
Realized Gain / Loss	79	(11)	(5)	
Annualized Book Income	1,205	1,379	1,362	(17)
Asset Types				
Cash / Cash Equivalents	13.3%	2.0%	2.1%	0.1%
Taxable Fixed Income	86.7%	98.0%	97.9%	(0.1%)
Portfolio Yields				
Book Yield	2.14%	2.43%	2.43%	-
Market Yield	2.51%	3.18%	3.36%	0.18%
Fixed Income Analytics				
Average OAD	3.57	3.79	3.85	0.06
Average Life	4.59	4.88	4.91	0.03
Average OAC	(82.01)	(33.71)	(24.08)	9.63
Average Quality	AA+	AA+	AA+	
Floaters	0.40%	0.10%	0.10%	-
Average Purchase Yield	2.21%	2.90%	-	(2.90%)
Average Spread Over Tsy	46	38	-	(38)
5 Year US Govt On The Run	2.21%	2.74%	2.95%	0.21%

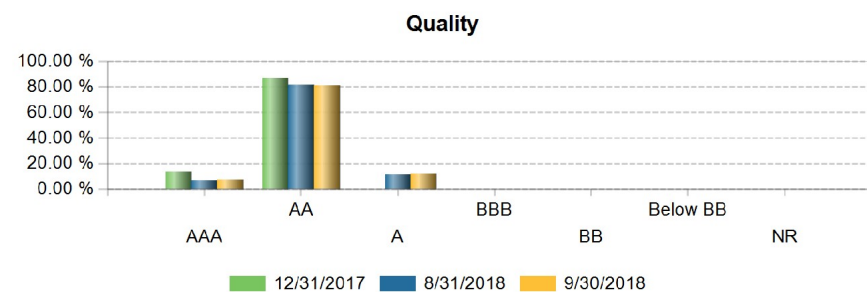
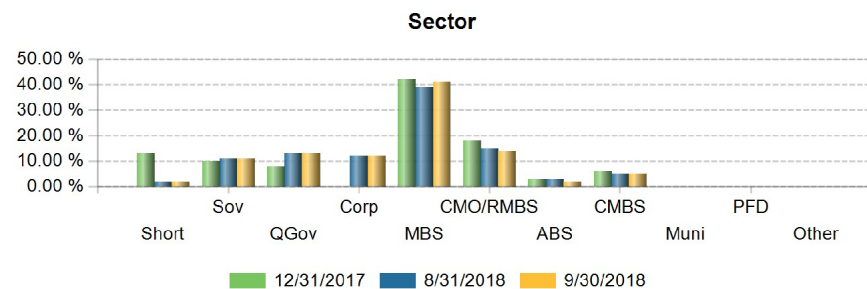


A Foreign Exchange Rate as of 12/31/2017, 8/31/2018 and 9/30/2018, respectively was used to convert amounts to USD.

PACT - Portfolio Multi-Period Summary - Fixed Income Summary



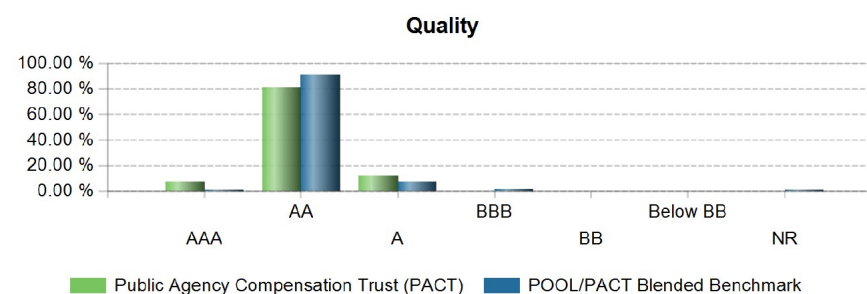
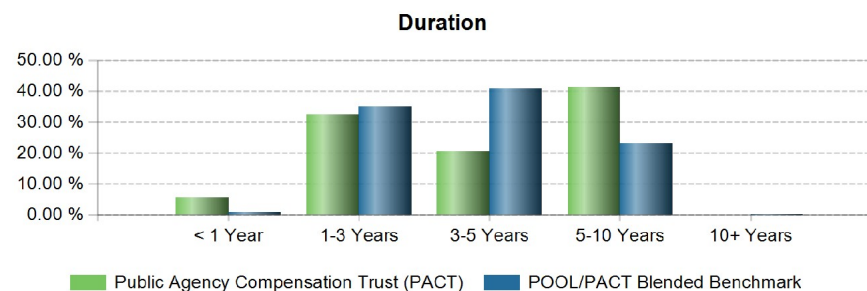
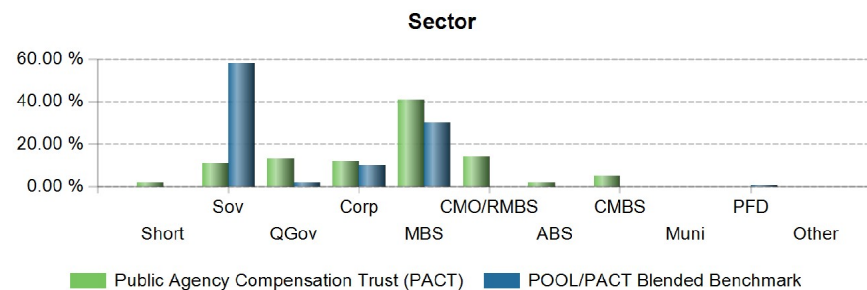
	12/31/2017	8/31/2018	9/30/2018	Change since 8/31/2018
Sector				
Short Term	13%	2%	2%	-
Sovereign	10%	11%	11%	-
Quasi Government	8%	13%	13%	-
Corporate	-	12%	12%	-
MBS	42%	39%	41%	2%
CMO / RMBS	18%	15%	14%	(1%)
ABS	3%	3%	2%	(1%)
CMBS	6%	5%	5%	-
Fixed Income	100%	100%	100%	
Duration				
< 1 Year	15.9%	5.5%	5.6%	0.1%
1-3 Years	18.4%	30.7%	32.4%	1.7%
3-5 Years	34.4%	28.1%	20.6%	(7.5%)
5-10 Years	31.3%	35.7%	41.4%	5.7%
Average Duration	3.57	3.79	3.85	0.06
Quality				
AAA	13.3%	7.0%	7.2%	0.2%
AA	86.7%	81.5%	81.1%	(0.4%)
A	-	11.5%	11.7%	0.2%
Average Quality	AA+	AA+	AA+	



PACT Portfolio to Benchmark Profile - Fixed Income Summary



Sector	Public Agency Compensation Trust (PACT)	POOL/PACT Blended Benchmark	Diff
Sector			
Short Term	2%	-	2%
Sovereign	11%	58%	(47%)
Quasi Government	13%	2%	11%
Corporate	12%	10%	2%
MBS	41%	30%	11%
CMO / RMBS	14%	-	14%
ABS	2%	-	2%
CMBS	5%	-	5%
Preferred	-	< 1%	< 0%
Total	100%	100%	
Duration			
< 1 Year	5.6%	0.9%	4.7%
1-3 Years	32.4%	34.9%	(2.5%)
3-5 Years	20.6%	41.0%	(20.4%)
5-10 Years	41.4%	23.2%	18.2%
10+ Years	-	< 0.1%	< 0.0%
Average Duration	3.85	3.79	0.06
Quality			
AAA	7.2%	0.2%	7.0%
AA	81.1%	91.3%	(10.2%)
A	11.7%	7.1%	4.6%
BBB	-	1.4%	(1.4%)
NR	-	< 0.1%	< 0.0%
Average Quality	AA+	AA+	



PACT Portfolio Transaction Analysis - 9/1/2018 thru 9/30/2018 - Transaction Summary



(000's Omitted)

Other Transactions	Market Value	%	Realized G/L	Book Yld	Lwst	Duration
Paydowns	694	100.0	(5)	2.31	AA+	3.86
Total Other Transactions	694	100.0	(5)	2.31	AA+	3.86

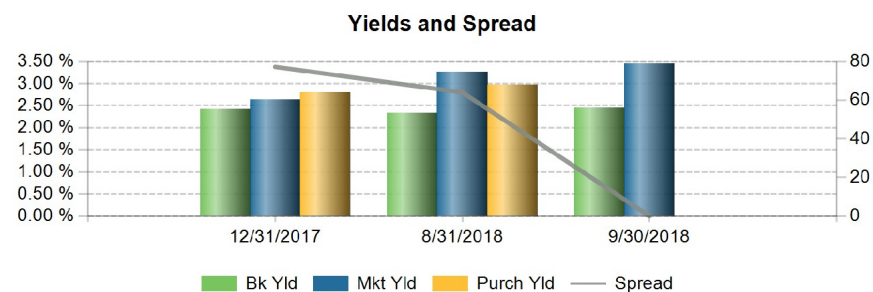
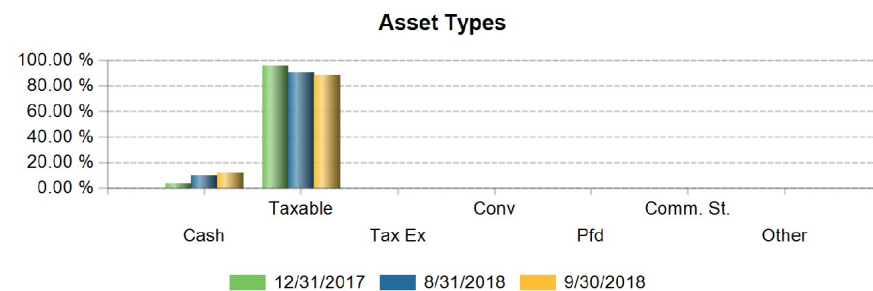
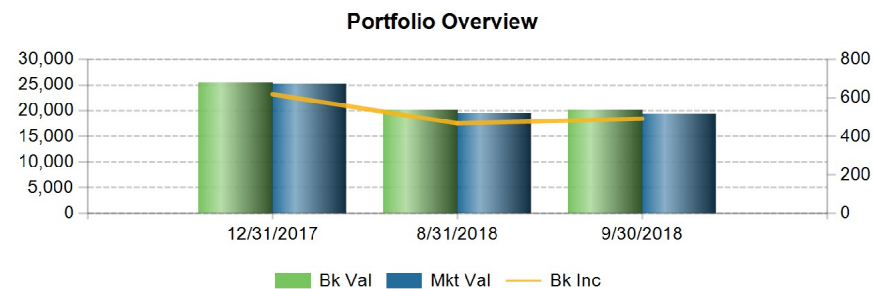
A Foreign Exchange Rate as of 09/30/2018 was used to convert amounts to USD.



POOL - Portfolio Multi-Period Summary - Comparative Overview



	12/31/2017	8/31/2018	9/30/2018	Change since 8/31/2018
Portfolio Overview (000's Omitted)				
Book Value	25,489	20,086	20,143	57
Market Value	25,219	19,502	19,423	(79)
Total Unrealized Gain/Loss	(271)	(584)	(720)	(136)
Gross Gains	83	6	3	(3)
Gross Losses	(354)	(590)	(724)	(133)
Realized Gain / Loss	(24)	(178)	< 0	
Annualized Book Income	618	468	492	24
Asset Types				
Cash / Cash Equivalents	4.0%	9.8%	11.9%	2.1%
Taxable Fixed Income	96.0%	90.2%	88.2%	(2.1%)
Portfolio Yields				
Book Yield	2.43%	2.33%	2.44%	0.11%
Market Yield	2.63%	3.27%	3.45%	0.18%
Fixed Income Analytics				
Average OAD	3.43	3.45	3.51	0.05
Average Life	4.41	4.67	4.73	0.06
Average OAC	(99.08)	(70.95)	(58.35)	12.60
Average Quality	AA+	AA+	AA+	
Average Purchase Yield	2.80%	2.97%	-	(2.97%)
Average Spread Over Tsy	77	64	-	(64)
5 Year US Govt On The Run	2.21%	2.74%	2.95%	0.21%

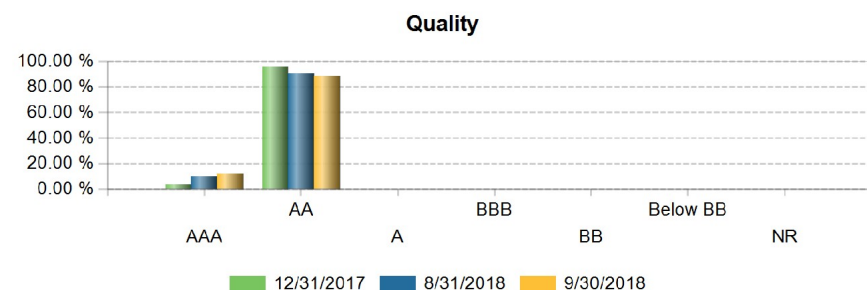
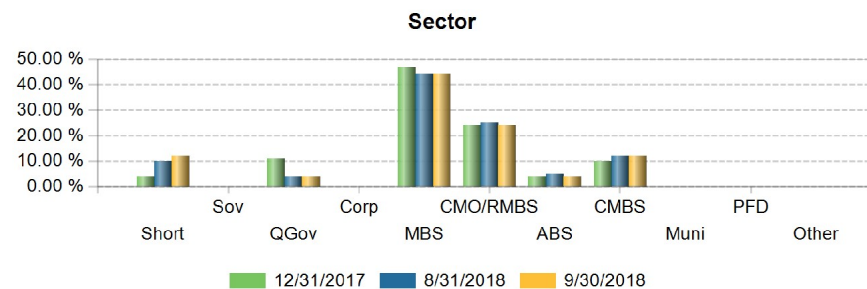


A Foreign Exchange Rate as of 12/31/2017, 8/31/2018 and 9/30/2018, respectively was used to convert amounts to USD.

POOL - Portfolio Multi-Period Summary - Fixed Income Summary



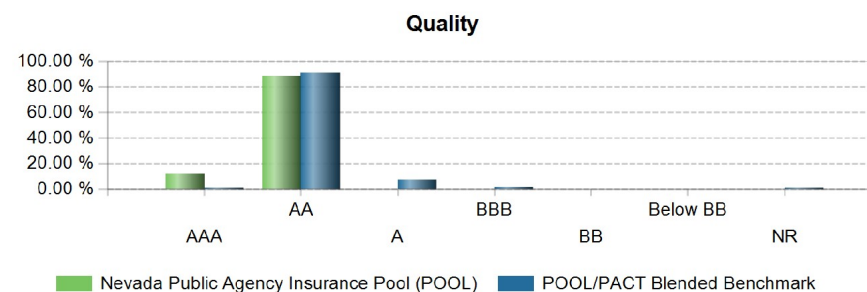
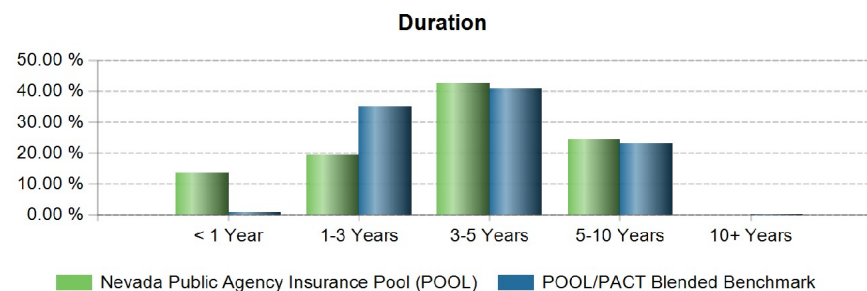
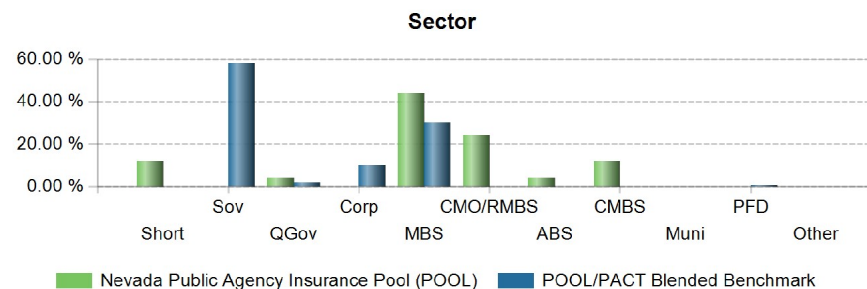
	12/31/2017	8/31/2018	9/30/2018	Change since 8/31/2018
Sector				
Short Term	4%	10%	12%	2%
Quasi Government	11%	4%	4%	-
MBS	47%	44%	44%	-
CMO / RMBS	24%	25%	24%	(1%)
ABS	4%	5%	4%	(1%)
CMBS	10%	12%	12%	-
Fixed Income	100%	100%	100%	
Duration				
< 1 Year	5.0%	11.6%	13.5%	1.9%
1-3 Years	43.5%	18.1%	19.5%	1.4%
3-5 Years	29.5%	50.4%	42.7%	(7.7%)
5-10 Years	22.0%	19.9%	24.3%	4.4%
Average Duration	3.43	3.45	3.51	0.05
Quality				
AAA	4.0%	9.8%	11.8%	2.0%
AA	96.0%	90.2%	88.2%	(2.0%)
Average Quality	AA+	AA+	AA+	



POOL Portfolio to Benchmark Profile - Fixed Income Summary



	Nevada Public Agency Insurance Pool (POOL)	POOL/PACT Blended Benchmark	Diff
Sector			
Short Term	12%	-	12%
Sovereign	-	58%	(58%)
Quasi Government	4%	2%	2%
Corporate	-	10%	(10%)
MBS	44%	30%	14%
CMO / RMBS	24%	-	24%
ABS	4%	-	4%
CMBS	12%	-	12%
Preferred	-	< 1%	< 0%
Total	100%	100%	
Duration			
< 1 Year	13.5%	0.9%	12.6%
1-3 Years	19.5%	34.9%	(15.4%)
3-5 Years	42.7%	41.0%	1.7%
5-10 Years	24.3%	23.2%	1.1%
10+ Years	-	< 0.1%	< 0.0%
Average Duration	3.51	3.79	(0.29)
Quality			
AAA	11.8%	0.2%	11.6%
AA	88.2%	91.3%	(3.1%)
A	-	7.1%	(7.1%)
BBB	-	1.4%	(1.4%)
NR	-	< 0.1%	< 0.0%
Average Quality	AA+	AA+	



POOL Portfolio Transaction Analysis - 9/1/2018 thru 9/30/2018 - Transaction Summary



(000's Omitted)

Other Transactions	Market Value	%	Realized G/L	Book Yld	Lwst	Duration
Paydowns	328	100.0	< 0	2.58	AA+	3.64
Total Other Transactions	328	100.0	< 0	2.58	AA+	3.64

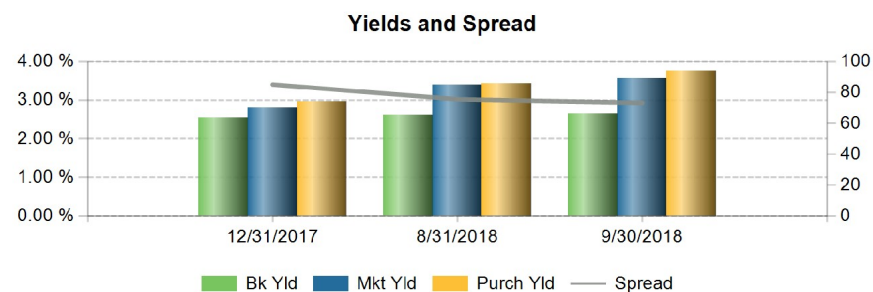
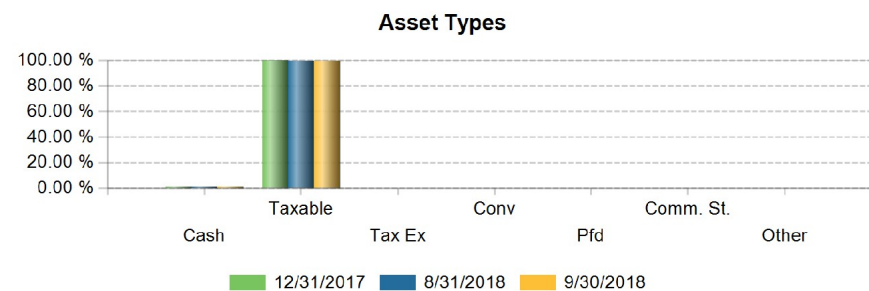
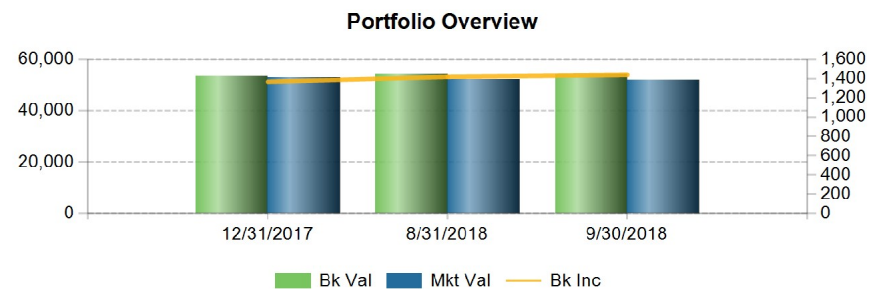
A Foreign Exchange Rate as of 09/30/2018 was used to convert amounts to USD.



PCM - Portfolio Multi-Period Summary - Comparative Overview



	12/31/2017	8/31/2018	9/30/2018	Change since 8/31/2018
Portfolio Overview (000's Omitted)				
Book Value	53,545	54,175	54,287	111
Market Value	52,943	52,225	51,946	(279)
Total Unrealized Gain/Loss	(602)	(1,951)	(2,340)	(390)
Gross Gains	164	11	3	(8)
Gross Losses	(766)	(1,962)	(2,343)	(382)
Realized Gain / Loss	12	-	-	-
Annualized Book Income	1,368	1,418	1,437	20
Asset Types				
Cash / Cash Equivalents	0.3%	0.8%	0.5%	(0.2%)
Taxable Fixed Income	99.7%	99.2%	99.5%	0.2%
Portfolio Yields				
Book Yield	2.55%	2.62%	2.65%	0.03%
Market Yield	2.79%	3.40%	3.56%	0.16%
Fixed Income Analytics				
Average OAD	5.27	5.00	5.03	0.03
Average Life	6.68	6.26	6.27	0.01
Average OAC	(5.71)	11.20	16.07	4.87
Average Quality	AA-	AA-	AA-	-
Floaters	4.90%	4.60%	4.60%	-
Average Purchase Yield	2.96%	3.43%	3.75%	0.32%
Average Spread Over Tsy	85	76	73	(2)
5 Year US Govt On The Run	2.21%	2.74%	2.95%	0.21%

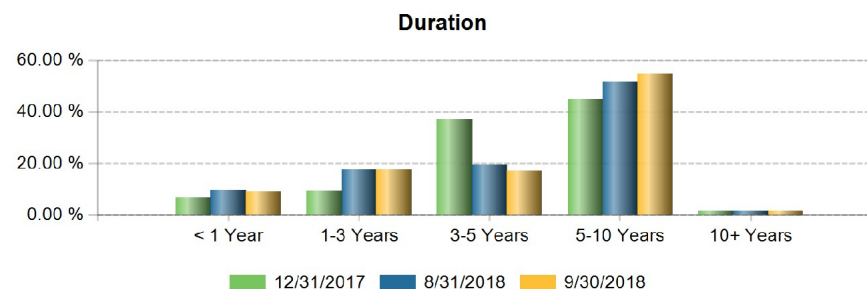
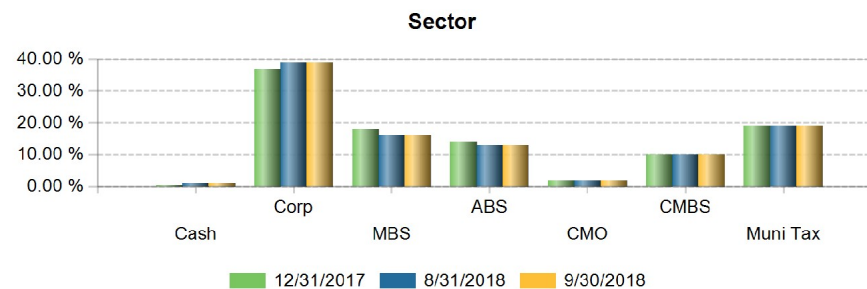


A Foreign Exchange Rate as of 12/31/2017, 8/31/2018 and 9/30/2018, respectively was used to convert amounts to USD.

PCM - Portfolio Multi-Period Summary - Fixed Income Summary



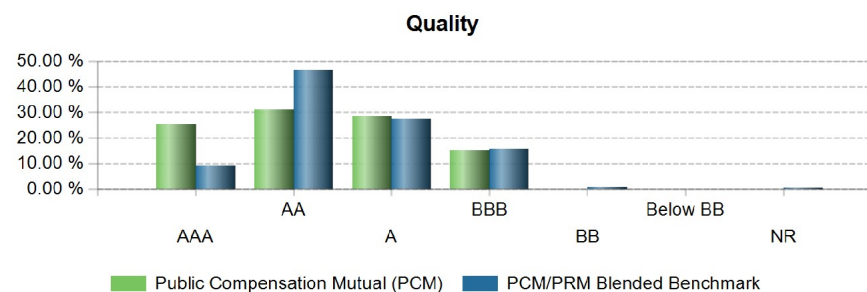
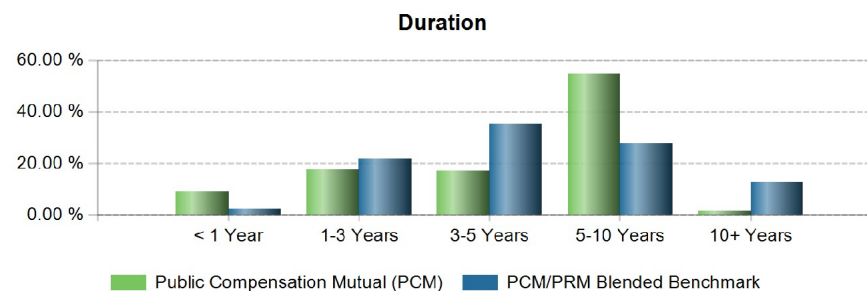
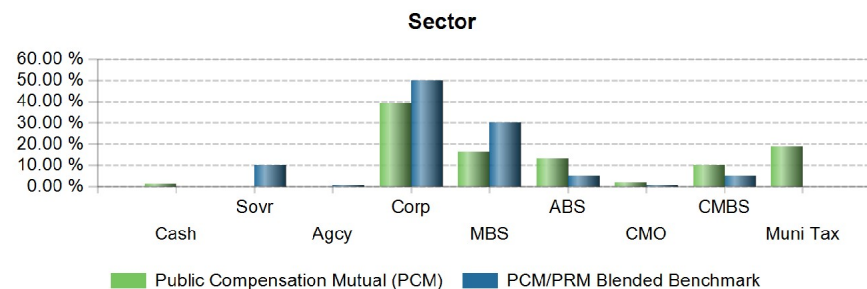
	12/31/2017	8/31/2018	9/30/2018	Change since 8/31/2018
Sector				
Cash & Cash Equivalents	< 1%	1%	1%	-
Corporates	37%	39%	39%	-
MBS	18%	16%	16%	-
ABS	14%	13%	13%	-
CMO / RMBS	2%	2%	2%	-
CMBS	10%	10%	10%	-
Municipals - Taxable	19%	19%	19%	-
Fixed Income	100%	100%	100%	-
Duration				
< 1 Year	6.9%	9.6%	9.1%	(0.5%)
1-3 Years	9.3%	17.5%	17.6%	0.1%
3-5 Years	37.2%	19.6%	17.1%	(2.5%)
5-10 Years	44.9%	51.7%	54.7%	3.0%
10+ Years	1.7%	1.6%	1.5%	(0.1%)
Average Duration	5.27	5.00	5.03	0.03
Quality				
AAA	26.2%	26.1%	25.2%	(0.9%)
AA	33.7%	31.4%	31.1%	(0.3%)
A	28.0%	27.3%	28.5%	1.2%
BBB	12.1%	15.2%	15.2%	-
Average Quality	AA-	AA-	AA-	



PCM Portfolio to Benchmark Profile - Fixed Income Summary



Sector	Public Compensation Mutual (PCM)	PCM/PRM Blended Benchmark	Diff
Sector			
Cash & Cash Equivalents	1%	-	1%
Sovereigns	-	10%	(10%)
Agency	-	< 1%	< 0%
Government Guaranteed	-	< 1%	< 0%
Corporates	39%	50%	(11%)
MBS	16%	30%	(14%)
ABS	13%	5%	8%
CMO / RMBS	2%	< 1%	2%
CMBS	10%	5%	5%
Municipals - Taxable	19%	-	19%
Total	100%	100%	
Duration			
< 1 Year	9.1%	2.4%	6.7%
1-3 Years	17.6%	21.9%	(4.3%)
3-5 Years	17.1%	35.2%	(18.1%)
5-10 Years	54.7%	27.7%	27.0%
10+ Years	1.5%	12.8%	(11.3%)
Average Duration	5.03	5.51	(0.48)
Quality			
AAA	25.2%	9.3%	15.9%
AA	31.1%	46.6%	(15.5%)
A	28.5%	27.6%	0.9%
BBB	15.2%	15.8%	(0.6%)
BB	-	0.7%	(0.7%)
NR	-	< 0.1%	< 0.0%
Average Quality	AA-	AA-	



PCM Portfolio Transaction Analysis - 9/1/2018 thru 9/30/2018 - Transaction Summary



(000's Omitted)

Purchases	Market Value	%	Spread (Bp)	Book Yld	Lwst	Duration
Corporates	700	100.0	73	3.75	A	7.95
Total Purchases	700	100.0	73	3.75	A	7.95
Other Transactions	Market Value	%	Realized G/L	Book Yld	Lwst	Duration
Paydowns	447	99.9	-	1.53	AAA	1.44
Sinking Funds	1	0.1	-	3.12	AA+	6.44
Total Other Transactions	447	100.0	-	1.53	AAA	1.45

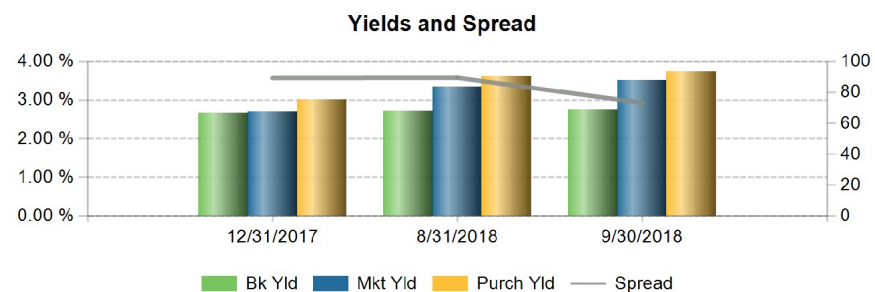
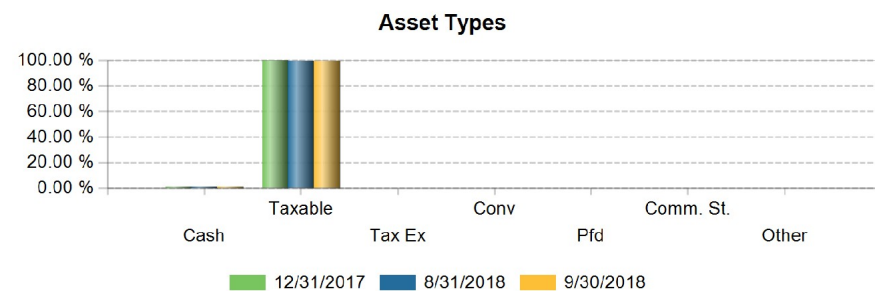
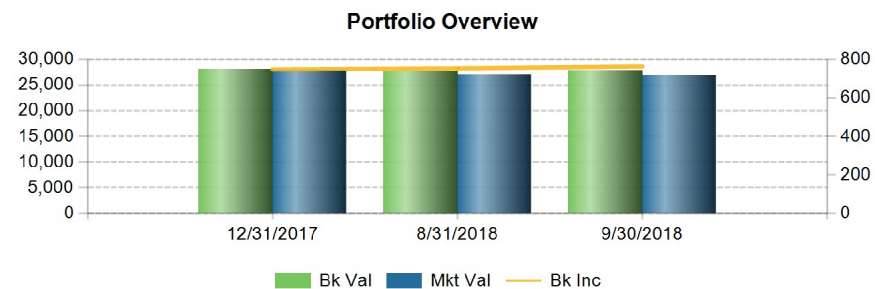
A Foreign Exchange Rate as of 09/30/2018 was used to convert amounts to USD.
 Tax Equivalent Spread for Municipal bonds calculated at time of purchase, excluding floating rate securities.



PRM - Portfolio Multi-Period Summary - Comparative Overview



	12/31/2017	8/31/2018	9/30/2018	Change since 8/31/2018
Portfolio Overview (000's Omitted)				
Book Value	28,079	27,752	27,822	70
Market Value	28,018	26,966	26,844	(122)
Total Unrealized Gain/Loss	(61)	(787)	(978)	(191)
Gross Gains	154	9	4	(5)
Gross Losses	(215)	(796)	(982)	(186)
Realized Gain / Loss	(11)	(1)	(5)	(5)
Annualized Book Income	748	753	764	11
Asset Types				
Cash / Cash Equivalents	0.3%	0.7%	0.6%	(0.1%)
Taxable Fixed Income	99.7%	99.3%	99.4%	0.1%
Portfolio Yields				
Book Yield	2.66%	2.71%	2.75%	0.03%
Market Yield	2.69%	3.34%	3.50%	0.16%
Fixed Income Analytics				
Average OAD	5.21	4.85	4.91	0.06
Average Life	6.52	6.09	6.11	0.03
Average OAC	8.71	13.14	16.80	3.66
Average Quality	AA	AA	AA-	
Floater	4.90%	5.10%	5.10%	-
Average Purchase Yield	3.01%	3.61%	3.75%	0.13%
Average Spread Over Tsy	89	89	73	(16)
5 Year US Govt On The Run	2.21%	2.74%	2.95%	0.21%

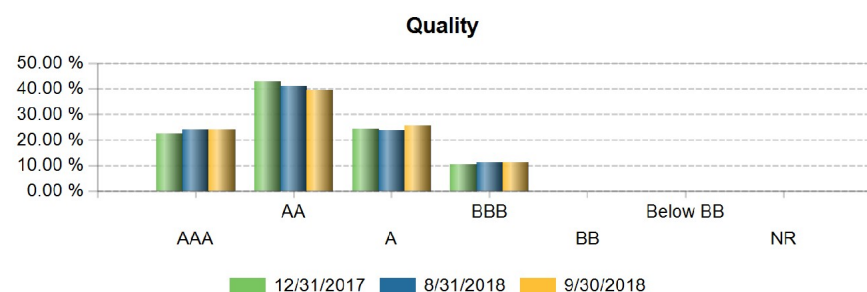
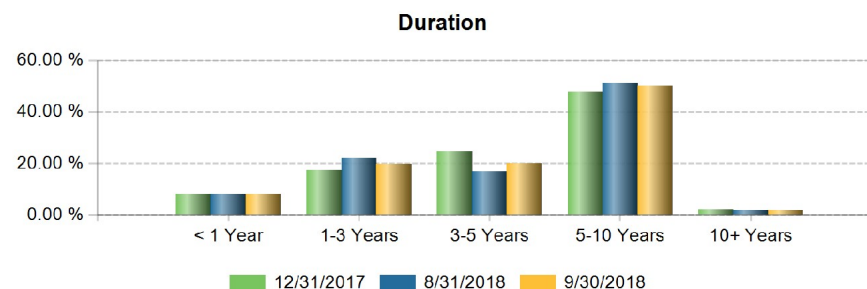
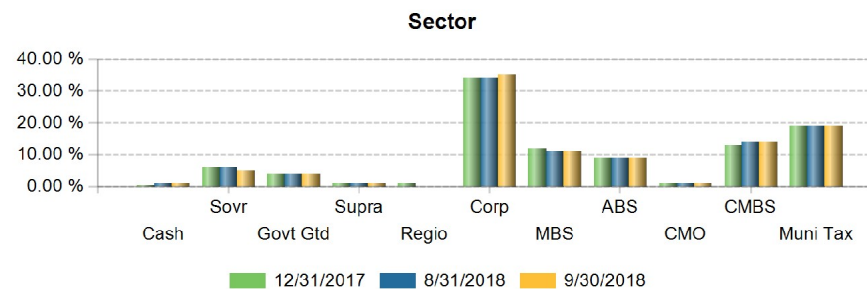


A Foreign Exchange Rate as of 12/31/2017, 8/31/2018 and 9/30/2018, respectively was used to convert amounts to USD.

PRM - Portfolio Multi-Period Summary - Fixed Income Summary



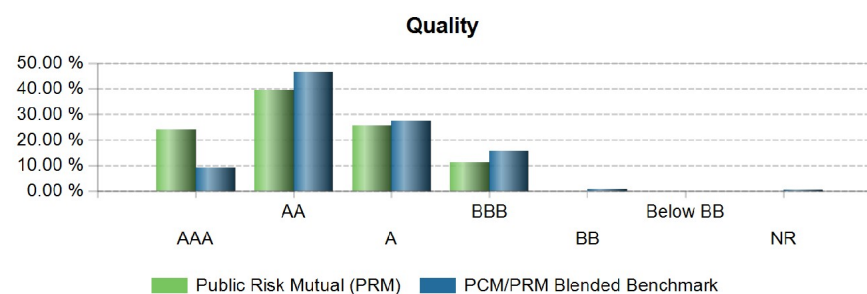
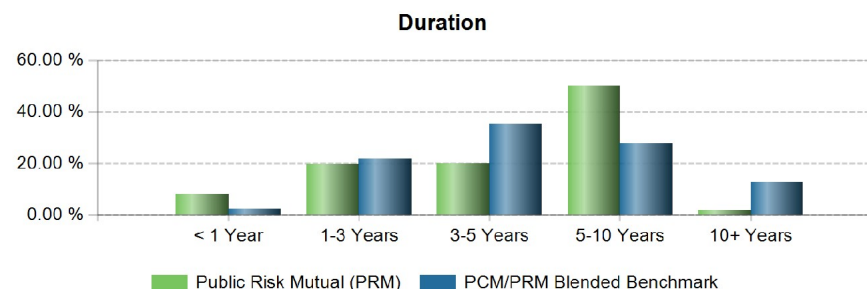
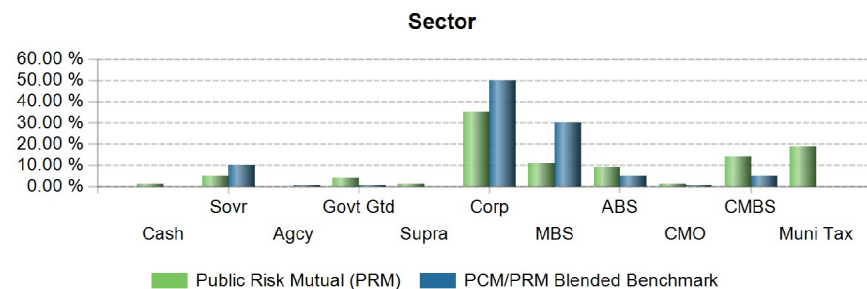
Sector	12/31/2017	8/31/2018	9/30/2018	Change since 8/31/2018
Sector				
Cash & Cash Equivalents	< 1%	1%	1%	-
Sovereigns	6%	6%	5%	(1%)
Government Guaranteed	4%	4%	4%	-
Supranationals	1%	1%	1%	-
Regional (City/State/Provnc)	1%	-	-	-
Corporates	34%	34%	35%	1%
MBS	12%	11%	11%	-
ABS	9%	9%	9%	-
CMO / RMBS	1%	1%	1%	-
CMBS	13%	14%	14%	-
Municipals - Taxable	19%	19%	19%	-
Fixed Income	100%	100%	100%	
Duration				
< 1 Year	8.2%	8.0%	8.0%	-
1-3 Years	17.3%	22.0%	19.9%	(2.1%)
3-5 Years	24.7%	16.9%	20.1%	3.2%
5-10 Years	47.8%	51.2%	50.1%	(1.1%)
10+ Years	2.0%	1.9%	1.9%	-
Average Duration	5.21	4.85	4.91	0.06
Quality				
AAA	22.4%	24.0%	23.9%	(0.1%)
AA	42.9%	41.1%	39.6%	(1.5%)
A	24.3%	23.8%	25.4%	1.6%
BBB	10.4%	11.1%	11.1%	-
Average Quality	AA	AA	AA-	



PRM Portfolio to Benchmark Profile - Fixed Income Summary



Sector	Public Risk Mutual (PRM)	PCM/PRM Blended Benchmark	Diff
Sector			
Cash & Cash Equivalents	1%	-	1%
Sovereigns	5%	10%	(5%)
Agency	-	< 1%	< 0%
Government Guaranteed	4%	< 1%	4%
Supranationals	1%	-	1%
Corporates	35%	50%	(15%)
MBS	11%	30%	(19%)
ABS	9%	5%	4%
CMO / RMBS	1%	< 1%	1%
CMBS	14%	5%	9%
Municipals - Taxable	19%	-	19%
Total	100%	100%	
Duration			
< 1 Year	8.0%	2.4%	5.6%
1-3 Years	19.9%	21.9%	(2.0%)
3-5 Years	20.1%	35.2%	(15.1%)
5-10 Years	50.1%	27.7%	22.4%
10+ Years	1.9%	12.8%	(10.9%)
Average Duration	4.91	5.51	(0.60)
Quality			
AAA	23.9%	9.3%	14.6%
AA	39.6%	46.6%	(7.0%)
A	25.4%	27.6%	(2.2%)
BBB	11.1%	15.8%	(4.7%)
BB	-	0.7%	(0.7%)
NR	-	< 0.1%	< 0.0%
Average Quality	AA-	AA-	



PRM Portfolio Transaction Analysis - 9/1/2018 thru 9/30/2018 - Transaction Summary



(000's Omitted)

Purchases	Market Value	%	Spread (Bp)	Book Yld	Lwst	Duration
Corporates	450	100.0	73	3.75	A	7.94
Total Purchases	450	100.0	73	3.75	A	7.94
Sales	Market Value	%	Realized G/L	Trade / Book Yld	Lwst	Duration
Sovereigns	293	100.0	(5)	2.85 / 1.94	AA+	2.09
Total Sales	293	100.0	(5)	2.85 / 1.94	AA+	2.09
Other Transactions	Market Value	%	Realized G/L	Book Yld	Lwst	Duration
Paydowns	40	99.4	-	2.88	AA+	4.88
Sinking Funds	< 1	0.6	-	3.12	AA+	6.44
Total Other Transactions	40	100.0	-	2.88	AA+	4.88

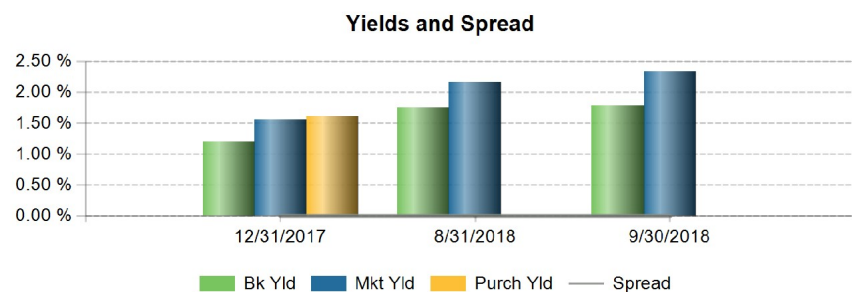
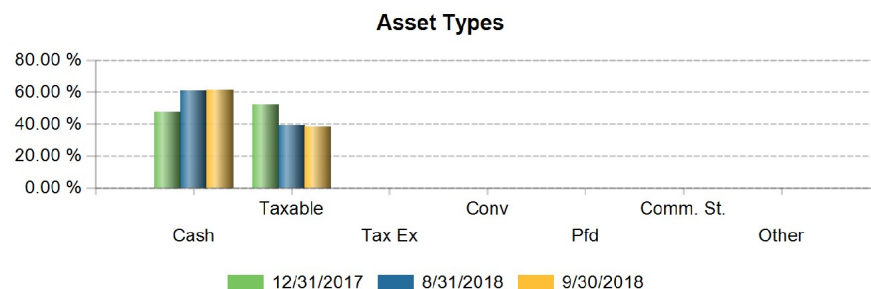
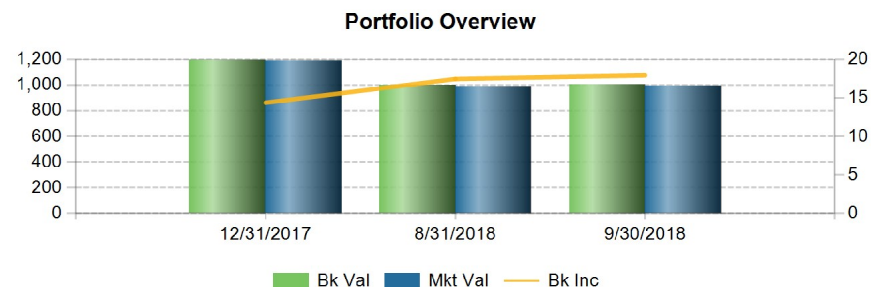
A Foreign Exchange Rate as of 09/30/2018 was used to convert amounts to USD.
 Tax Equivalent Spread for Municipal bonds calculated at time of purchase, excluding floating rate securities.



PRI - Portfolio Multi-Period Summary - Comparative Overview



	12/31/2017	8/31/2018	9/30/2018	Change since 8/31/2018
Portfolio Overview (000's Omitted)				
Book Value	1,195	1,001	1,002	1
Market Value	1,188	991	991	< 1
Total Unrealized Gain/Loss	(7)	(10)	(11)	(1)
Gross Gains	< 1	< 1	< 1	< 0
Gross Losses	(7)	(10)	(11)	(1)
Annualized Book Income	14	17	18	< 1
Asset Types				
Cash / Cash Equivalents	47.6%	60.8%	61.5%	0.7%
Taxable Fixed Income	52.4%	39.2%	38.5%	(0.7%)
Portfolio Yields				
Book Yield	1.20%	1.74%	1.79%	0.04%
Market Yield	1.56%	2.16%	2.34%	0.18%
Fixed Income Analytics				
Average OAD	0.82	0.71	0.68	(0.03)
Average Life	0.94	0.79	0.74	(0.04)
Average OAC	(4.54)	(0.53)	0.55	1.08
Average Quality	AA+	AAA	AAA	
Floaters	4.50%	1.60%	1.30%	(0.30%)
Average Purchase Yield	1.61%	-	-	-
5 Year US Govt On The Run	2.21%	2.74%	2.95%	0.21%

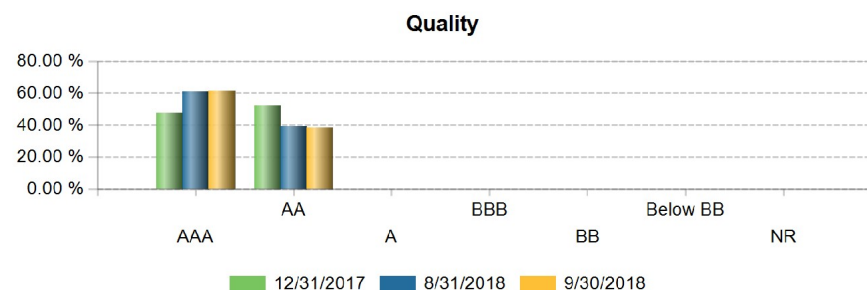
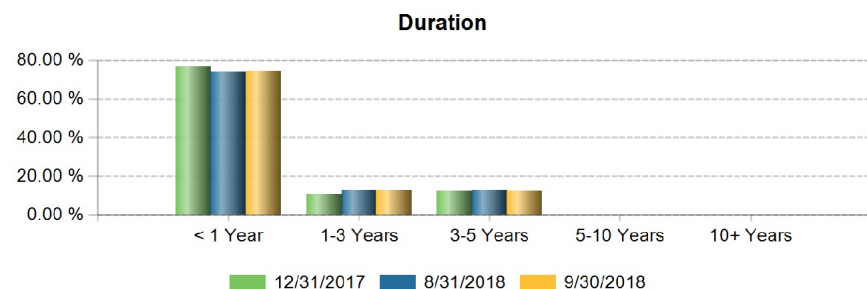
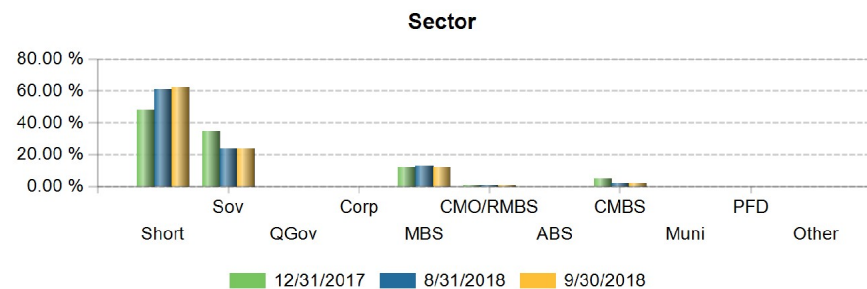


A Foreign Exchange Rate as of 12/31/2017, 8/31/2018 and 9/30/2018, respectively was used to convert amounts to USD.

PRI - Portfolio Multi-Period Summary - Fixed Income Summary



	12/31/2017	8/31/2018	9/30/2018	Change since 8/31/2018
Sector				
Short Term	48%	61%	62%	1%
Sovereign	35%	24%	24%	-
MBS	12%	13%	12%	(1%)
CMO / RMBS	< 1%	< 1%	< 1%	-
CMBS	5%	2%	2%	-
Fixed Income	100%	100%	100%	
Duration				
< 1 Year	76.9%	74.3%	74.7%	0.4%
1-3 Years	10.8%	12.9%	12.9%	-
3-5 Years	12.3%	12.8%	12.4%	(0.4%)
Average Duration	0.82	0.71	0.68	(0.03)
Quality				
AAA	47.6%	60.8%	61.5%	0.7%
AA	52.4%	39.2%	38.5%	(0.7%)
Average Quality	AA+	AAA	AAA	



PRI Portfolio Transaction Analysis - 9/1/2018 thru 9/30/2018

- Transaction Summary



(000's Omitted)

Other Transactions	Market Value	%	Realized G/L	Book Yld	Lwst	Duration
Paydowns	6	100.0	-	1.64	AA+	1.67
Total Other Transactions	6	100.0	-	1.64	AA+	1.67

A Foreign Exchange Rate as of 09/30/2018 was used to convert amounts to USD.

PRI Portfolio Transaction Analysis - 9/1/2018 thru 9/30/2018

- Transaction Detail



(000's Omitted for Fixed Income)

Purchases

Trade Date Settle Date	Description CUSIP	Cpn	Maturity	Rating	Quantity	Cost	Price	Spread	At Purchase		
									Average Life	Duration	Book Yield

No Transactions for the Period



Disclaimers



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POOL / PACT

Quarterly Investment Review



Data as of September 30, 2018

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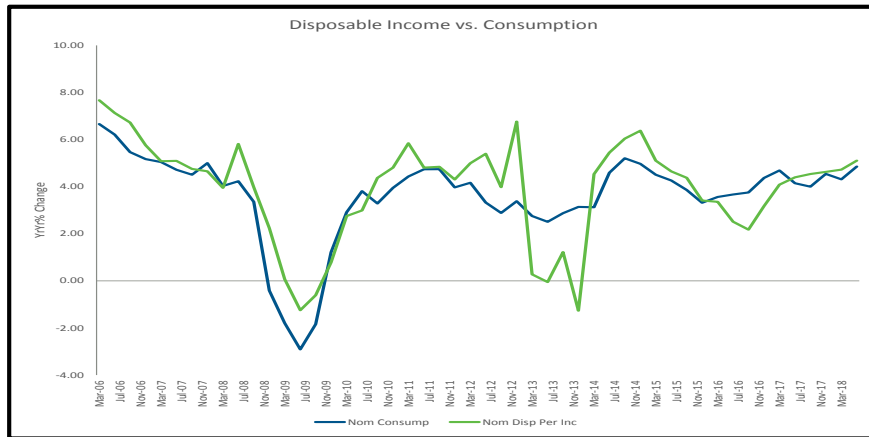
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Economic and Capital Market Overview

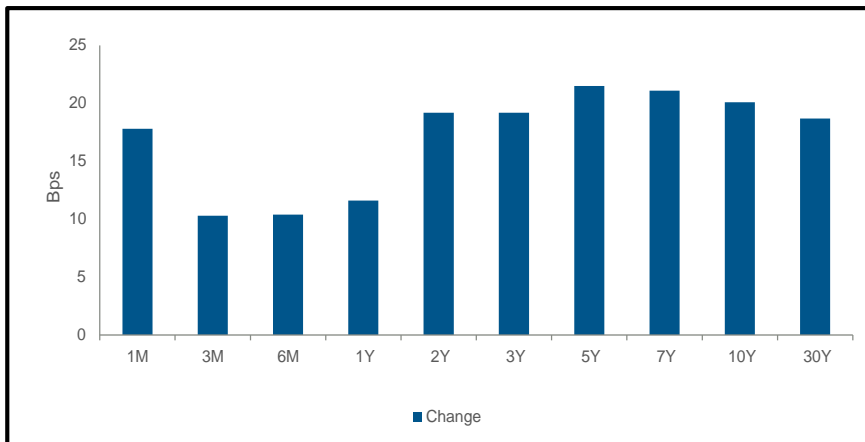
U.S. Economic Highlights

Rising Incomes Supporting Consumption, Business Investment Still Strong, Inflation Remains Low Despite Tighter Labor Market, Treasury Curve Up Across the Board



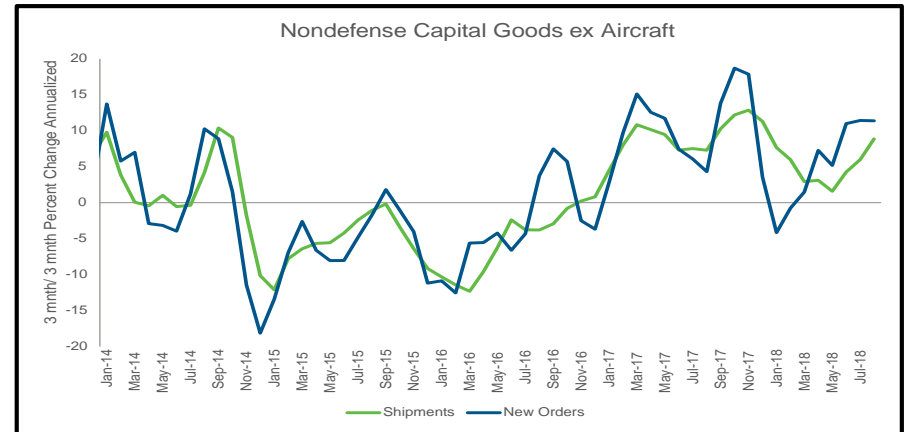
Consumption

- Rising disposable incomes (more jobs, higher wages) fueling consumption
- Rate increases starting to bite a bit, but debt and debt servicing cost levels at the household level are lower now than before the crisis



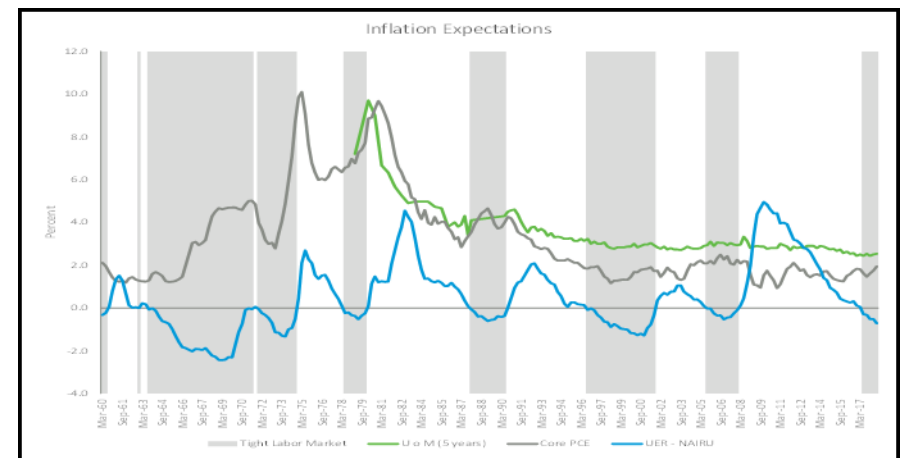
Rates

- Front-end rates continued to rise but were met with similar moves out the curve
- The 10 year yield rose and remained above 3% during the month



Investment

- New orders and shipments up which should bode well for investment



Inflation

- Despite the tighter labor market, inflation remains low. This is in contrast to previous historical periods
- Over the past 20 years, inflation expectations have remained well anchored
- Fed monitoring labor market vs. inflation, and working to find rate level that is neither too restrictive nor accommodative (risk management = gradual rate increases)

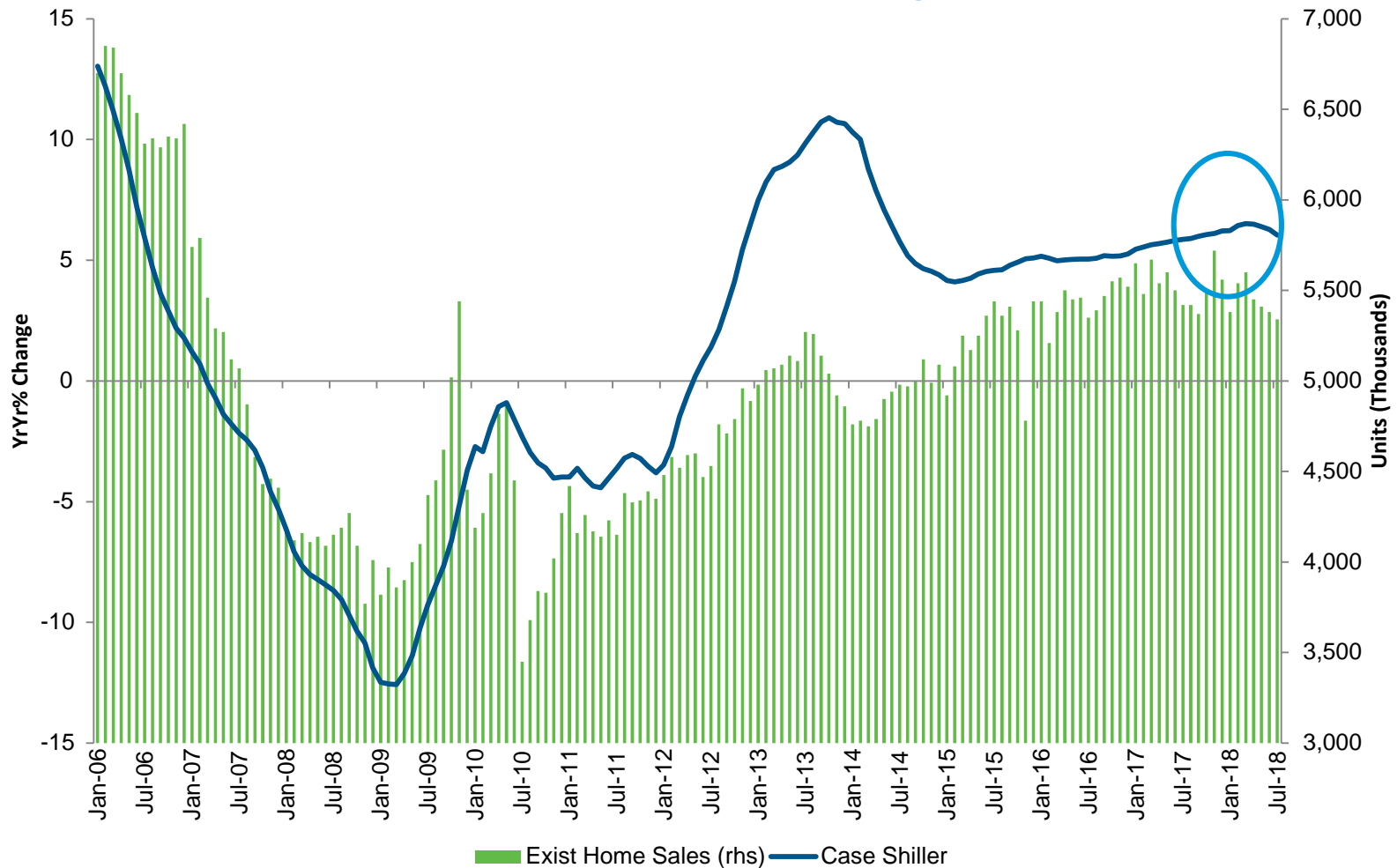
Source: 1. BEA, Haver, NEAM; 2. Census Bureau, Haver, NEAM; 3. CBO, BLS, UoMich, BEA, FRB (Powell), Haver, NEAM; 4. Bloomberg, NEAM

Home Prices vs. Sales

Steady national home price appreciation of ~5-6% yoy has started to roll over given weaker new and existing home sales; reflecting reduced housing affordability.



Home Price Appreciation vs. Existing Home Sales

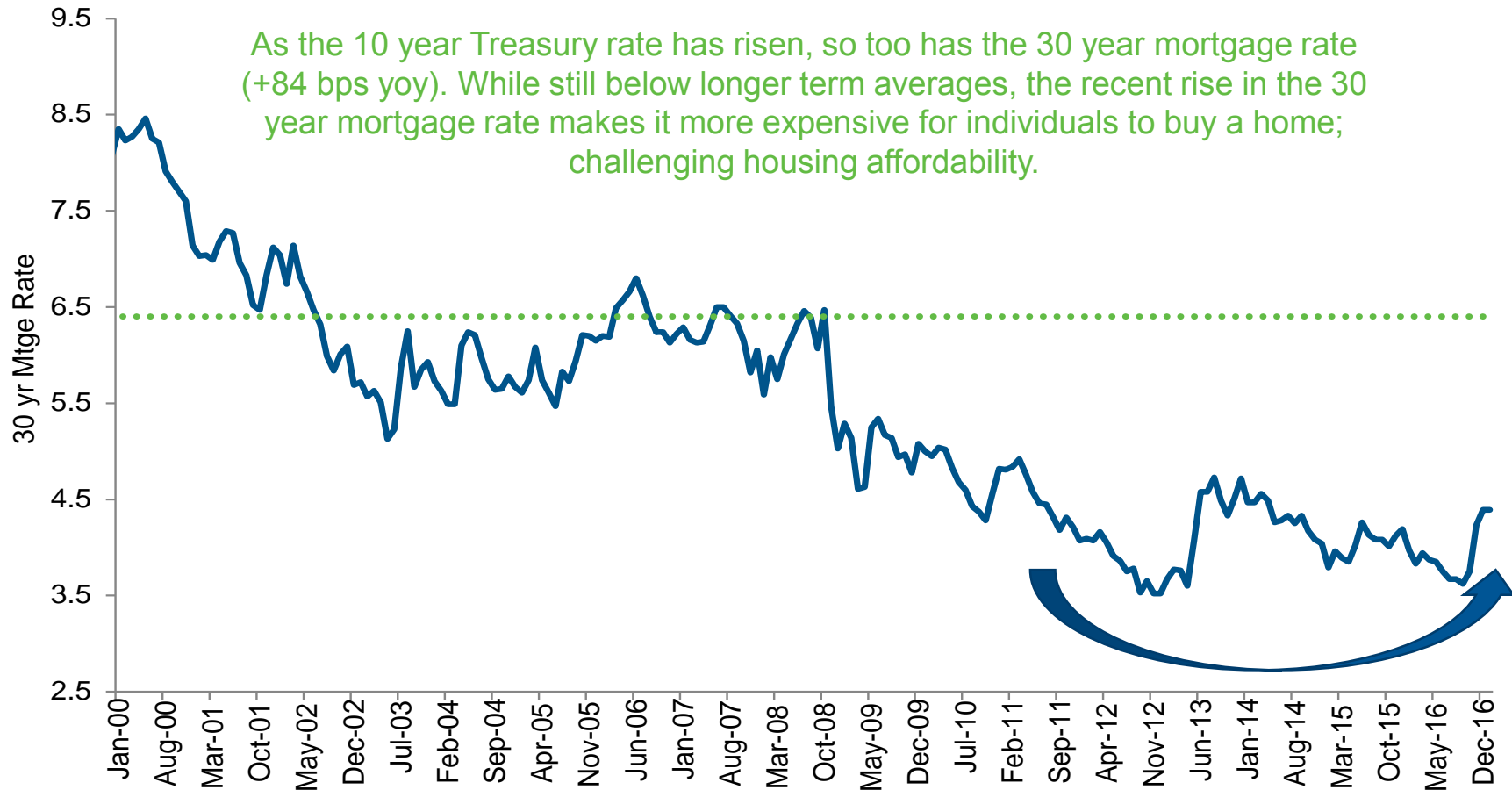


Source: S&P, NAR, Haver, NEAM

Financing Cost of a Home Going Up



30 year Mortgage Rate

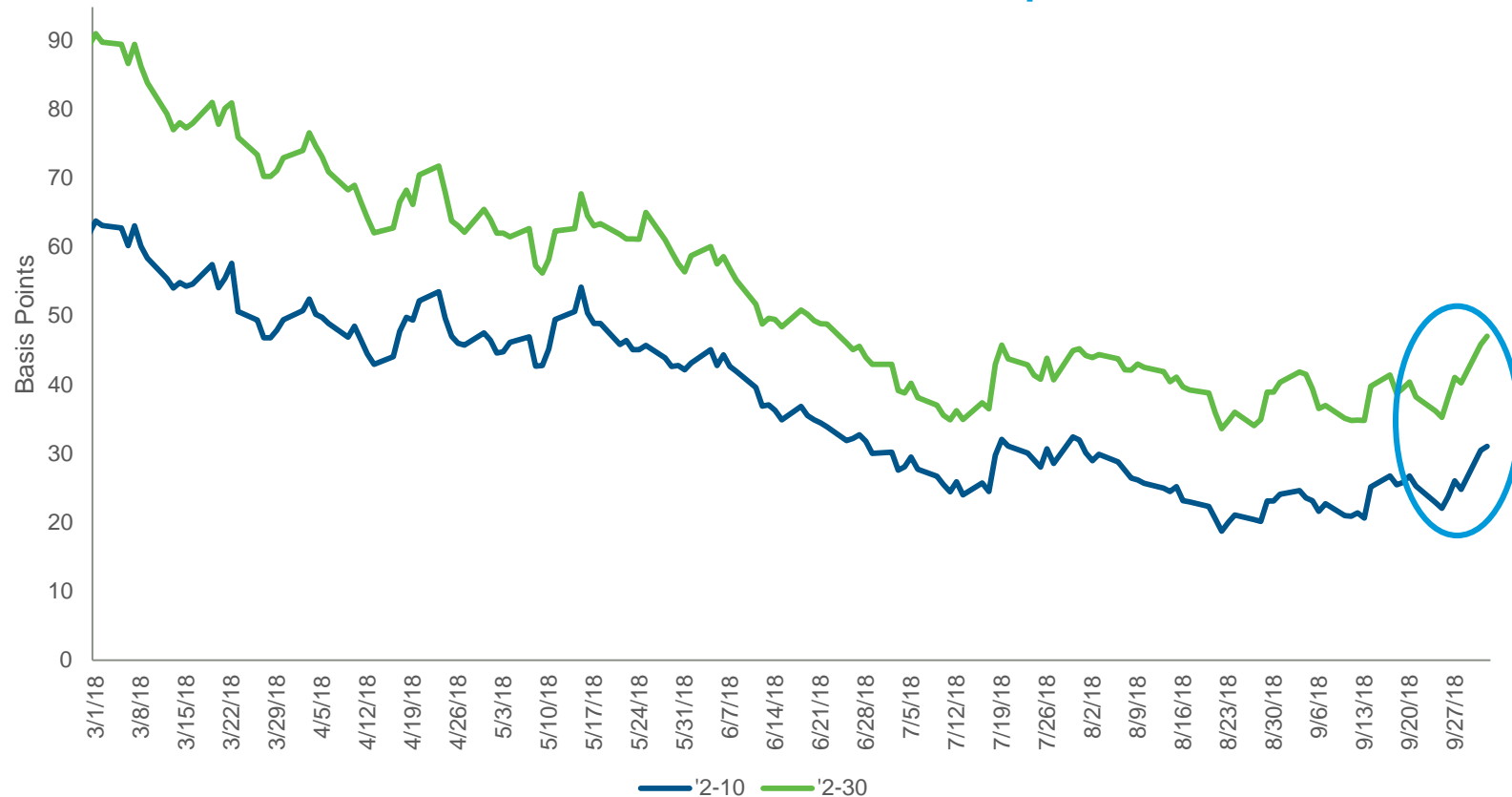


Source: Bloomberg, NEAM

Curve Shape



Interest Rate Curve Shape



Breaking from the flattening trend since February, the Treasury yield curve steepened in September with long rates rising more than short rates. Drivers of the recent steepening include the expiration of the corporate tax deadline on September 15 which has since reduced pension fund buying of long-dated Treasuries as well as signs of inflation continuing to firm around the Fed's 2% target.

This curve steepening makes longer maturity securities look more attractive.

Source: Bloomberg, NEAM

Rates and the Stock Market



S&P 500 vs. 10 year Treasury



The recent rise in Treasury rates has so far not had a negative impact on equities. With rates increasing because the economy is doing well (consumers are confident, businesses are investing, solid wage growth, strong labor market, etc.), this should be supportive of the stock market for a while longer.

Source: Bloomberg, NEAM

Oil



Oil prices have been on a steady ascent from the early 2016 lows (from \$26/barrel to \$75/barrel). The recent move higher in oil reflects concerns over supply as the US placed sanctions on Iran's oil exports.

Higher oil prices could become a potential headwind by pressuring inflation higher, however it is not likely to have much impact on monetary policy as the Fed (and global central bankers) typically focus on "core" inflation which excludes energy prices.

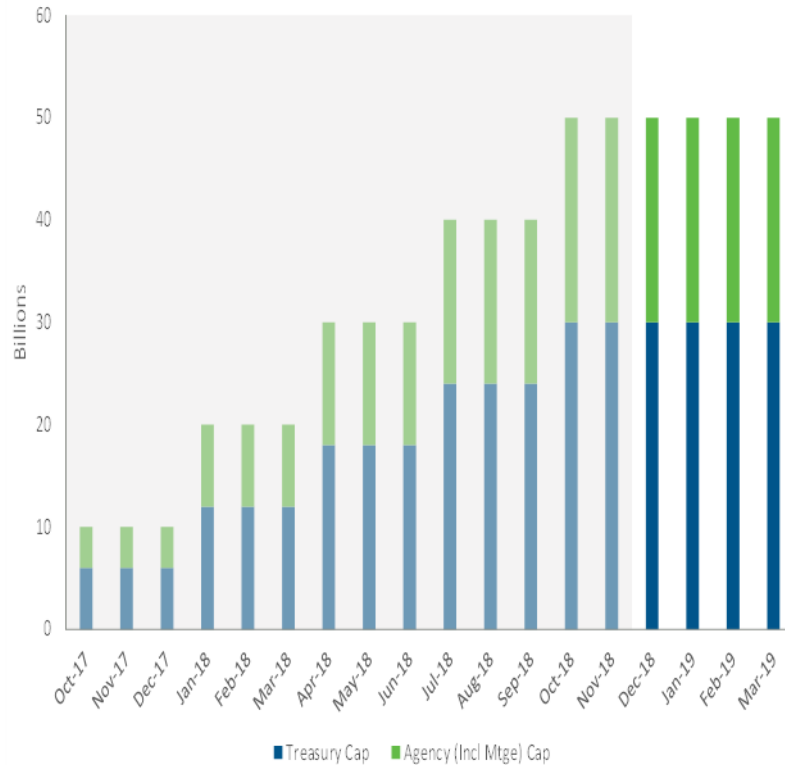


Source: Bloomberg, NEAM

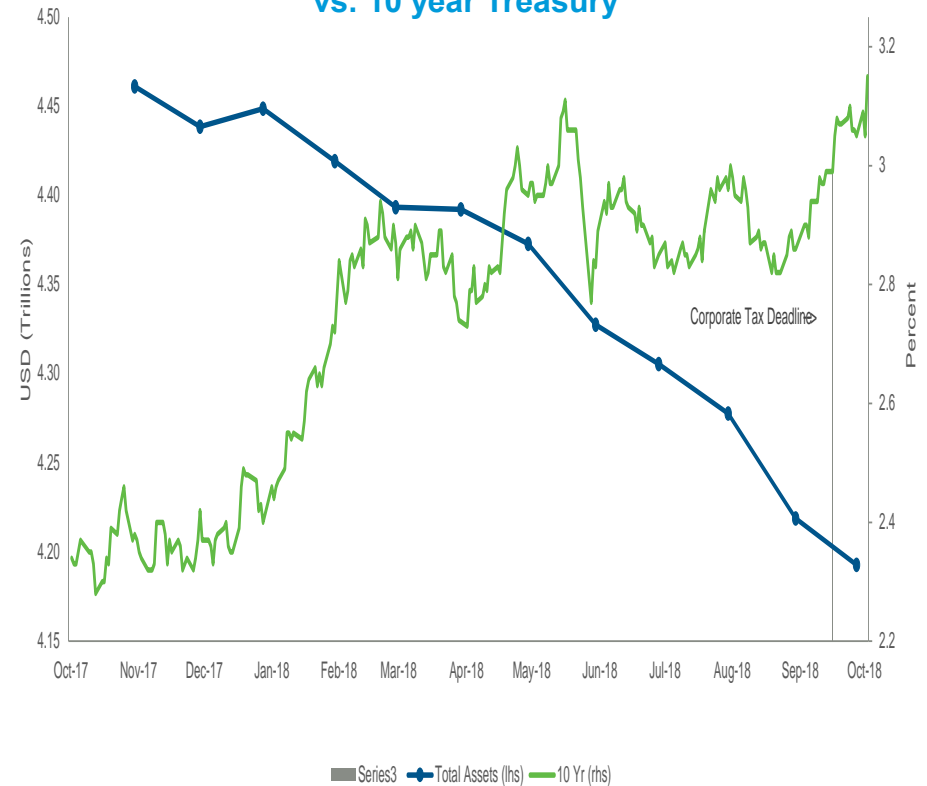
Fed Balance Sheet Reduction vs. 10 year Treasury



Fed Reinvestment Caps



Fed Balance Sheet Reductions vs. 10 year Treasury



The Fed started “tapering” their \$4.5T balance sheet in October 2017 by allowing \$10B to run off each month (\$6B Treasuries and \$4B agency MBS). That reinvestment cap has increased each quarter and the Fed has since reached its terminal run off rate of \$50B/month (\$30B Treasuries and \$20B agency MBS).

As the Fed pulls back from the market, there will be less sponsorship for Treasury and agency MBS bonds and we expect rates to move higher as a result.

Source: FRB, Haver, NEAM

Conclusions



Summary

Comments

- U.S. economy still very strong overall. Labor market tightening, consumer and business confidence high, business investment growing.
- We continue to believe the fiscal stimulus courtesy of tax law changes will be greatest in 2018 / early 2019.
- Wage inflation, CPI, and PCE index have risen, although they remain in line with Fed's symmetric targets.
- The trade / open market dispute continues with China although progress has been made with Canada and Mexico in renegotiating NAFTA.
- A successful resolution with China, while unlikely in the near-term, is more of a risk to yields (higher), than it is a benefit for equities.
- The Fed hiked in September, and the market is currently putting the odds of another hike in December at 75%.

Conclusions

Rates: Duration at 90-95% of benchmark.

Curve: Temper flattening bias (barbell) by adding intermediate cash flows in lieu of longer maturities. While we are still adding floating rate instruments, we will likely change this stance over the next several months.

Sectors: Continue to add GNMA collateral as we neutralize underweight to benchmarks. This will lead to a modest overweight in MBS (and to Structured Securities in general). Maintain benchmark weights to Municipals and Corporates.



Asset Class Sector Summary

U.S. Fixed Income – Asset Class Sector Summary



Sector	Overall	Fundamentals	Technicals	Valuations	Macro / Other	Conclusion	Recommendation	Change
U.S. Corporates	↔ / ↓	↔	↔	↔ / ↓	↔	Despite some recent positive developments, we believe that added leverage leaves many non-financial issuers with less margin for error in a downturn. Rising front end USD rates appear to be eroding of some of the demand for USD corporates that had been very consistent in 2017 – but a slowdown in supply has bolstered the technical picture. Spreads remain toward the tighter end of longer-term ranges	Maintain an at benchmark to slightly below benchmark corporate allocation. Maintain a higher quality bias, while taking advantage of select opportunities	No Change
U.S. High Yield	↔	↔	↔	↔ / ↓	↔ / ↑	Continued expectations of stable earnings, low defaults and steady economic growth provide a reasonable backdrop for high yield and leveraged loans. Technical picture remains supportive, however, concerns regarding higher rates, inflation expectations and policy uncertainty provides a catalyst for increased volatility for high yield & leveraged loans. Expect demand for leveraged loans to remain firm given their structural benefits and advantages in a rising rate environment. Valuations remain at historically low end of the range limiting potential upside for both high yield & leveraged loans.	Maintain benchmark weighting for the asset class with a bias towards a selective and measured approach to adding exposure within current market conditions.	No Change
U.S. Leveraged Loans	↔	↔	↑	↔ / ↓	↔ / ↑			
Municipals	↔	↔ / ↑	↔	↔	↔	Muni market remains orderly amid UST sell-off. Issuance light, tax-exempt valuations fair to modestly attractive in longer maturities, demand less certain. Taxable muni spreads (+95) near tights (+92).	Strategic benchmark weight. Focus tax-exempt reinvestment in longer maturities; include taxable munis opportunistically.	No Change

Note: To the extent not reflected above, instances where an underweight / overweight bias may exist can be balanced through the substitution / subtraction of certain other sub groups of asset classes based on relative value. While the addition of these may lead ultimately to a higher / lower than targeted allocation to a sector as grouped above, this could be mitigated by the specifics of the sub group of the asset class, or securities considered and the relative value they would present.

U.S. Fixed Income – Asset Class Sector Summary



Sector	Overall	Fundamentals	Technicals	Valuations	Macro / Other	Conclusion	Recommendation	Change
ABS / CMBS / Other Structured	↔	↔ / ↓	↔ / ↑	↔ / ↓	↔ / ↑	Floating rate exposures have contributed positively to YTD return performance. Structured sectors provide broad range of diversifying sub-sectors. Favor CLOs rated AA and higher in light of weaker underlying collateral trends and more flexibility in CLO transaction terms. The swaps yield curve (convention for pricing most structured securities) is even flatter than the Treasury yield curve, making fixed coupon yields in the short end of the curve very competitive.	Maintain benchmark positioning to ABS and CMBS, with a modest overweight to short ABS. Remain constructive on floating rate assets (especially CLOs), bearing in mind that floating rate targets may shift with any potential change in the Fed's policy stance. Maintain an up-in-quality bias in light of underlying collateral trends.	No Change
MBS	↔	↑	↔ / ↓	↔ / ↓	↑	Historically high rates and duration extension fears have weighed on MBS spreads. We expect marginal further widening as market adjusts. Elevated supply and Fed reinvestments capped highest going forward, will likely steer market preference towards shorter cash flows. Net MBS supply remain concentrated in Conventional 30-year MBS. Mortgage credit fundamentals remain strong and post-crisis sub-sectors offer attractive yield enhancement opportunities with credit diversification.	Maintain benchmark MBS exposure favoring lower spread duration posture through GNMA and / or 20-year MBS until spread normalizes. Add mortgage credit securities to enhance yield while improving convexity profile of overall MBS holdings.	No Change
<p><i>Note: To the extent not reflected above, instances where an underweight / overweight bias may exist can be balanced through the substitution / subtraction of certain other sub groups of asset classes based on relative value. While the addition of these may lead ultimately to a higher / lower than targeted allocation to a sector as grouped above, this could be mitigated by the specifics of the sub group of the asset class, or securities considered and the relative value they would present.</i></p>								



Fixed Income Portfolio Review

Fixed Income Portfolio Comparison



	Total	PACT	POOL	PCM	PRM	PRI
Portfolio Overview (000's Omitted)						
Book Value	159,321	56,068	20,143	54,287	27,822	1,002
Book Value (% of Total)		35.2%	12.6%	34.1%	17.5%	0.6%
Market Value	153,121	53,917	19,423	51,946	26,844	991
Market Value (% of Total)		35.2%	12.7%	33.9%	17.5%	0.6%
Total Unrealized Gain/Loss	(6,200)	(2,151)	(720)	(2,340)	(978)	(11)
Gross Gains	22	12	3	3	4	< 1
Gross Losses	(6,221)	(2,162)	(724)	(2,343)	(982)	(11)
Annualized Book Income	4,073	1,362	492	1,437	764	18
Asset Types						
Cash / Cash Equivalents	2.9%	2.1%	11.9%	0.5%	0.6%	61.5%
Taxable Fixed Income	97.1%	97.9%	88.2%	99.5%	99.4%	38.5%
Portfolio Yields						
Book Yield	2.56%	2.43%	2.44%	2.65%	2.75%	1.79%
Market Yield	3.46%	3.36%	3.45%	3.56%	3.50%	2.34%
Fixed Income Analytics						
Average OAD	4.37	3.85	3.51	5.03	4.91	0.68
Average Life	5.53	4.91	4.73	6.27	6.11	0.74
Average OAC	(7.48)	(24.08)	(58.35)	16.07	16.80	0.55
Average Quality	AA	AA+	AA+	AA-	AA-	AAA
Floaters	2.50%	0.10%	-	4.60%	5.10%	1.30%
5 Year US Govt On The Run	2.95%	2.95%	2.95%	2.95%	2.95%	2.95%
Sector						
Cash & Cash Equivalents	3%	2%	12%	1%	1%	62%
Sovereigns	5%	11%	-	-	5%	24%
Agency	1%	1%	2%	-	-	-
Government Guaranteed	4%	9%	2%	-	4%	-
Supranationals	1%	3%	-	-	1%	-
Corporates	24%	12%	-	39%	35%	-
MBS	27%	41%	44%	16%	11%	12%
ABS	7%	2%	4%	13%	9%	-
CMO / RMBS	9%	14%	24%	2%	1%	< 1%
CMBS	9%	5%	12%	10%	14%	2%
Municipals - Taxable	10%	-	-	19%	19%	-

Fixed Income Portfolio Comparison



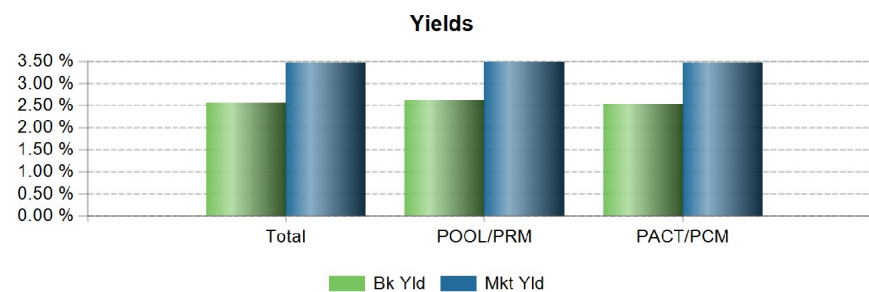
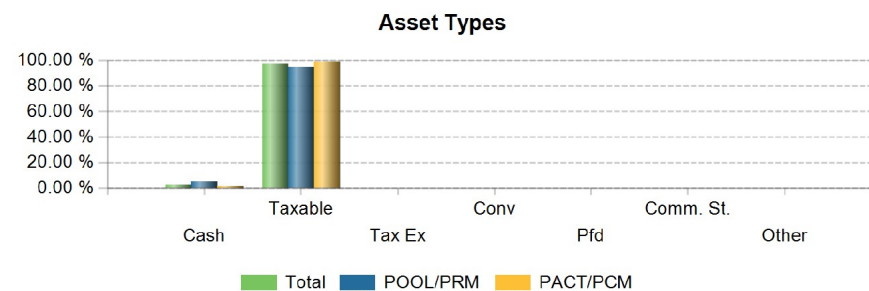
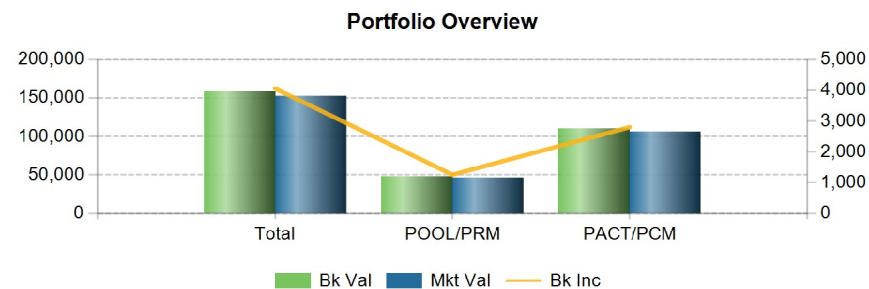
	Total	PACT	POOL	PCM	PRM	PRI
Duration						
< 1 Year	8.7%	5.6%	13.5%	9.1%	8.0%	74.7%
1-3 Years	23.4%	32.4%	19.5%	17.6%	19.9%	12.9%
3-5 Years	22.0%	20.6%	42.7%	17.1%	20.1%	12.4%
5-10 Years	45.0%	41.4%	24.3%	54.7%	50.1%	-
10+ Years	0.9%	-	-	1.5%	1.9%	-
Average Duration	4.37	3.85	3.51	5.03	4.91	0.68
Quality						
AAA	17.2%	7.2%	11.8%	25.2%	23.9%	61.5%
AA	57.4%	81.1%	88.2%	31.1%	39.6%	38.5%
A	18.3%	11.7%	-	28.5%	25.4%	-
BBB	7.1%	-	-	15.2%	11.1%	-
Average Quality	AA	AA+	AA+	AA-	AA-	AAA

A Foreign Exchange Rate as of 9/30/2018, was used to convert amounts to USD.

Fixed Income Portfolio Comparison - POOL/PRM, PACT/PCM - Comparative Overview



	Total	POOL/PRM	PACT/PCM
Portfolio Overview (000's Omitted)			
Book Value	158,319	47,965	110,354
Book Value (% of Total)		30.3%	69.7%
Market Value	152,130	46,267	105,863
Market Value (% of Total)		30.4%	69.6%
Total Unrealized Gain/Loss	(6,189)	(1,698)	(4,491)
Gross Gains	22	7	14
Gross Losses	(6,211)	(1,705)	(4,506)
Annualized Book Income	4,055	1,256	2,799
Asset Types			
Cash / Cash Equivalents	2.6%	5.3%	1.4%
Taxable Fixed Income	97.5%	94.7%	98.7%
Portfolio Yields			
Book Yield	2.56%	2.62%	2.54%
Market Yield	3.47%	3.48%	3.46%
Fixed Income Analytics			
Average OAD	4.40	4.32	4.43
Average Life	5.56	5.53	5.58
Average OAC	(7.53)	(14.75)	(4.38)
Average Quality	AA	AA	AA
Floaters	2.50%	3.00%	2.30%
5 Year US Govt On The Run	2.95%	2.95%	2.95%

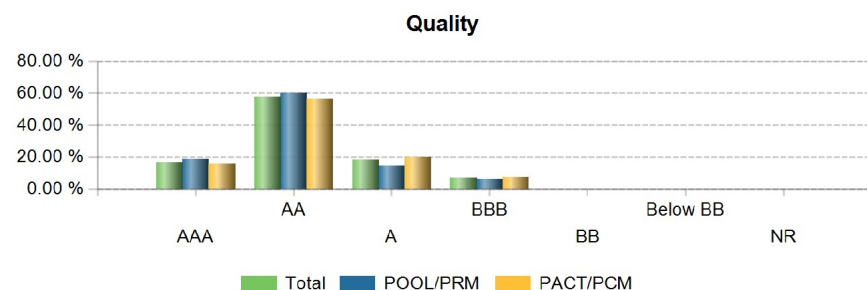
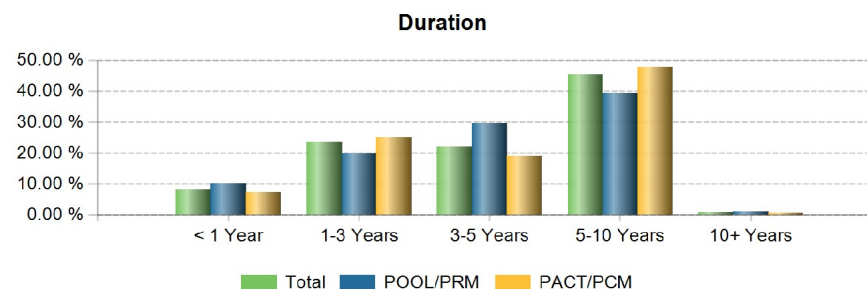
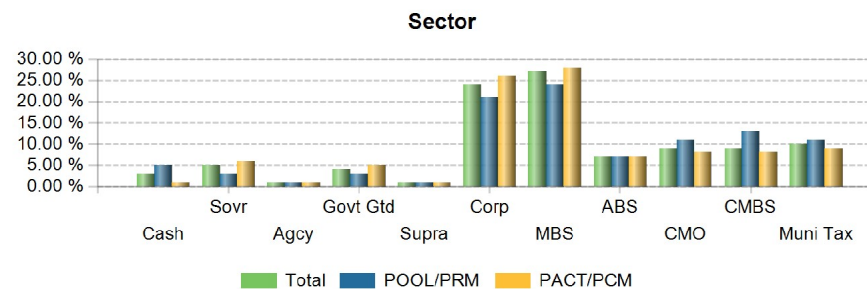


A Foreign Exchange Rate as of 9/30/2018, was used to convert amounts to USD.

Fixed Income Portfolio Comparison - POOL/PRM, PACT/PCM - Fixed Income Summary



Sector	Total	POOL/PRM	PACT/PCM
Sector			
Cash & Cash Equivalents	3%	5%	1%
Sovereigns	5%	3%	6%
Agency	1%	1%	1%
Government Guaranteed	4%	3%	5%
Supranationals	1%	1%	1%
Corporates	24%	21%	26%
MBS	27%	24%	28%
ABS	7%	7%	7%
CMO / RMBS	9%	11%	8%
CMBS	9%	13%	8%
Municipals - Taxable	10%	11%	9%
Duration			
< 1 Year	8.2%	10.3%	7.3%
1-3 Years	23.5%	19.8%	25.1%
3-5 Years	22.1%	29.5%	18.9%
5-10 Years	45.3%	39.3%	47.9%
10+ Years	0.9%	1.1%	0.8%
Average Duration	4.40	4.32	4.43
Quality			
AAA	16.9%	18.8%	16.1%
AA	57.6%	60.0%	56.5%
A	18.4%	14.8%	20.0%
BBB	7.1%	6.4%	7.4%
Average Quality	AA	AA	AA



Transaction Summary



Pooling Company Portfolios – POOL & PACT

- **Purchases:** Invested \$2.3mm in PACT at an average book yield of 3.15% and duration of 3.91 years. Purchases were executed consistent with the Nevada state insurance regulations. No purchases were made in POOL during the quarter.
 - **Sovereigns:** Added 2 to 5 year Treasuries taking advantage of higher yields amid the rate back up.
 - **Corporates:** Purchases emphasized high quality, new issue corporate bonds (AA- rated) as we continue to maintain a higher quality bias, while taking advantage of select opportunities.
 - **Agency MBS:** Focused on Ginnie Mae (GNMA) mortgage pools given their favorable carry profile relative to conventional mortgages (Fannie Mae & Freddie Mac) as the Fed continues to taper its balance sheet.
- **Sales:** Sold \$239k of Treasuries to meet cash needs in PACT.
- \$1.9mm cash was withdrawn from the PACT portfolio during the quarter (\$300k from Admin and \$1.6mm from Claims).

Captive Portfolios – PRM & PCM

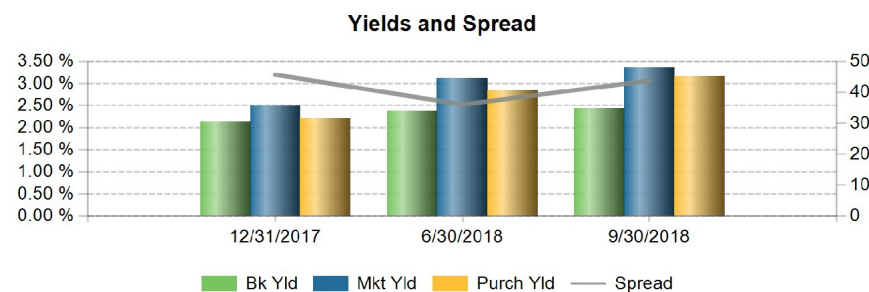
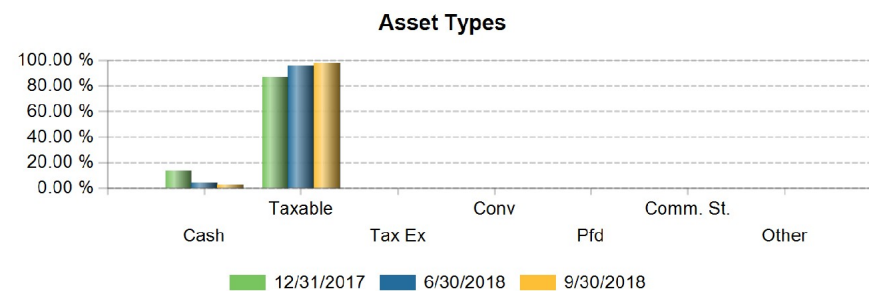
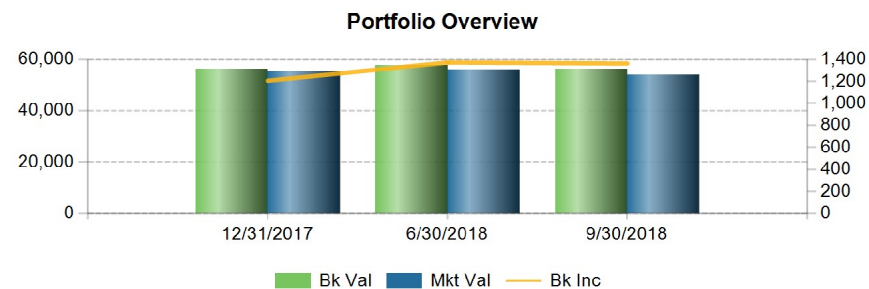
- **Purchases:** Invested \$1.6mm at an average book yield of 3.76%, duration of 8.05 years, and quality of A-.
 - **Corporates:** Despite some recent positive developments, we believe that added leverage leaves many non-financial issuers with less margin for error in a downturn. Recommend maintaining a higher quality bias, while taking advantage of select opportunities. Purchases emphasized high quality, new issue corporate bonds with maturities of 10 years.
- **Sales:** Sold \$293k of Treasuries with a book yield of 1.94% to meet cash needs in PRM.
- \$199k cash was withdrawn from the PRM portfolio during the quarter.



PACT - Portfolio Multi-Period Summary - Comparative Overview



	12/31/2017	6/30/2018	9/30/2018	Change since 6/30/2018
Portfolio Overview (000's Omitted)				
Book Value	56,216	57,665	56,068	(1,597)
Market Value	55,357	55,814	53,917	(1,897)
Total Unrealized Gain/Loss	(859)	(1,851)	(2,151)	(300)
Gross Gains	108	27	12	(16)
Gross Losses	(966)	(1,878)	(2,162)	(284)
Realized Gain / Loss	79	(2)	(14)	
Annualized Book Income	1,205	1,371	1,362	(10)
Asset Types				
Cash / Cash Equivalents	13.3%	4.3%	2.1%	(2.2%)
Taxable Fixed Income	86.7%	95.7%	97.9%	2.2%
Portfolio Yields				
Book Yield	2.14%	2.38%	2.43%	0.05%
Market Yield	2.51%	3.12%	3.36%	0.24%
Fixed Income Analytics				
Average OAD	3.57	3.79	3.85	0.07
Average Life	4.59	4.80	4.91	0.11
Average OAC	(82.01)	(26.84)	(24.08)	2.76
Average Quality	AA+	AA+	AA+	
Floaters	0.40%	0.20%	0.10%	(0.10%)
Average Purchase Yield	2.21%	2.84%	3.15%	0.31%
Average Spread Over Tsy	46	36	44	8
4 Year US Govt On The Run	2.13%	2.71%	2.94%	0.23%

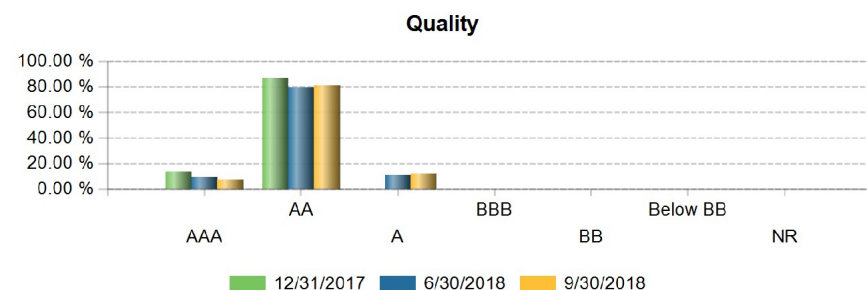
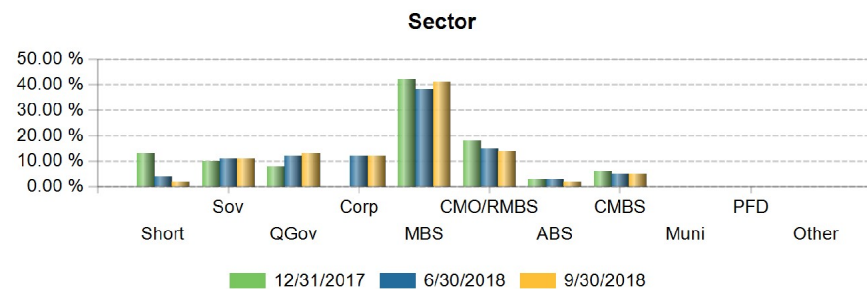


A Foreign Exchange Rate as of 12/31/2017, 6/30/2018 and 9/30/2018, respectively was used to convert amounts to USD.

PACT - Portfolio Multi-Period Summary - Fixed Income Summary



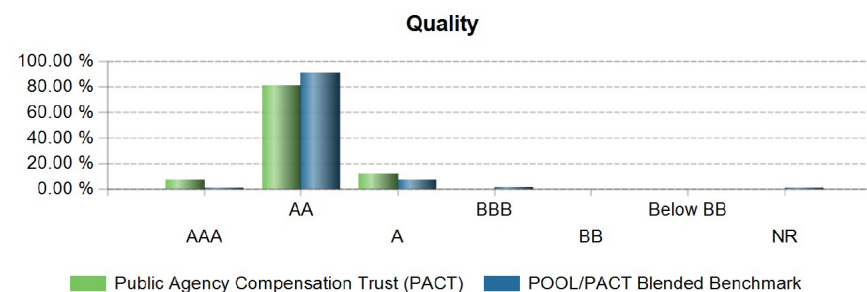
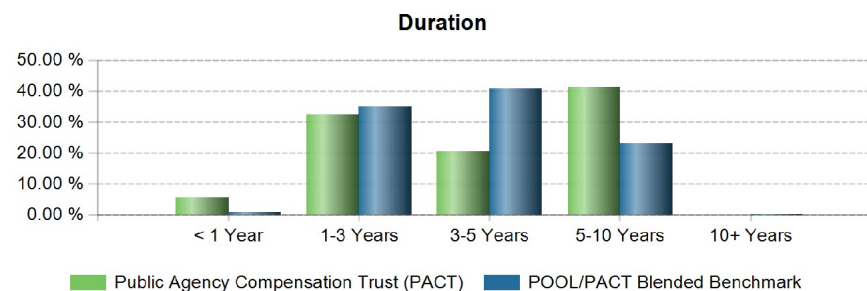
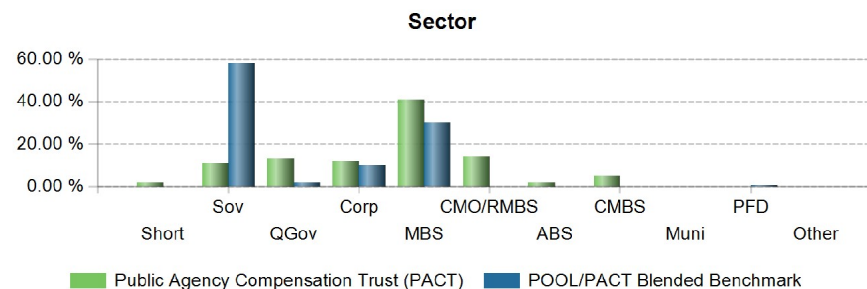
	12/31/2017	6/30/2018	9/30/2018	Change since 6/30/2018
Sector				
Short Term	13%	4%	2%	(2%)
Sovereign	10%	11%	11%	-
Quasi Government	8%	12%	13%	1%
Corporate	-	12%	12%	-
MBS	42%	38%	41%	3%
CMO / RMBS	18%	15%	14%	(1%)
ABS	3%	3%	2%	(1%)
CMBS	6%	5%	5%	-
Fixed Income	100%	100%	100%	
Duration				
< 1 Year	15.9%	8.5%	5.6%	(2.9%)
1-3 Years	18.4%	29.8%	32.4%	2.6%
3-5 Years	34.4%	23.9%	20.6%	(3.3%)
5-10 Years	31.3%	37.8%	41.4%	3.6%
Average Duration	3.57	3.79	3.85	0.07
Quality				
AAA	13.3%	9.3%	7.2%	(2.1%)
AA	86.7%	79.8%	81.1%	1.3%
A	-	10.9%	11.7%	0.8%
Average Quality	AA+	AA+	AA+	



PACT Portfolio to Benchmark Profile - Fixed Income Summary



Sector	Public Agency Compensation Trust (PACT)	POOL/PACT Blended Benchmark	Diff
Sector			
Short Term	2%	-	2%
Sovereign	11%	58%	(47%)
Quasi Government	13%	2%	11%
Corporate	12%	10%	2%
MBS	41%	30%	11%
CMO / RMBS	14%	-	14%
ABS	2%	-	2%
CMBS	5%	-	5%
Preferred	-	< 1%	< 0%
Total	100%	100%	
Duration			
< 1 Year	5.6%	0.9%	4.7%
1-3 Years	32.4%	34.9%	(2.5%)
3-5 Years	20.6%	41.0%	(20.4%)
5-10 Years	41.4%	23.2%	18.2%
10+ Years	-	< 0.1%	< 0.0%
Average Duration	3.85	3.79	0.06
Quality			
AAA	7.2%	0.2%	7.0%
AA	81.1%	91.3%	(10.2%)
A	11.7%	7.1%	4.6%
BBB	-	1.4%	(1.4%)
NR	-	< 0.1%	< 0.0%
Average Quality	AA+	AA+	
Floaters	0.10%	0.05%	0.05%



PACT Portfolio Transaction Analysis - 7/1/2018 thru 9/30/2018 - Transaction Summary



(000's Omitted)

Purchases	Market Value	%	Spread (Bp)	Book Yld	Lwst	Duration
Sovereign	801	34.3	-	2.65	AA+	2.79
Corporate	250	10.7	50	3.18	AA-	2.84
MBS	1,281	54.9	70	3.46	AA+	4.82
Total Purchases	2,332	100.0	67	3.15	AA+	3.91

Sales	Market Value	%	Realized G/L	Trade / Book Yld	Lwst	Duration
Sovereign	239	100.0	(9)	2.76 / 1.97	AA+	4.62
Total Sales	239	100.0	(9)	2.76 / 1.97	AA+	4.62

Other Transactions	Market Value	%	Realized G/L	Book Yld	Lwst	Duration
Maturities	600	25.8	-	3.45	AA+	0.04
Paydowns	1,729	74.2	(5)	2.12	AA+	3.64
Total Other Transactions	2,329	100.0	(5)	2.46	AA+	2.71

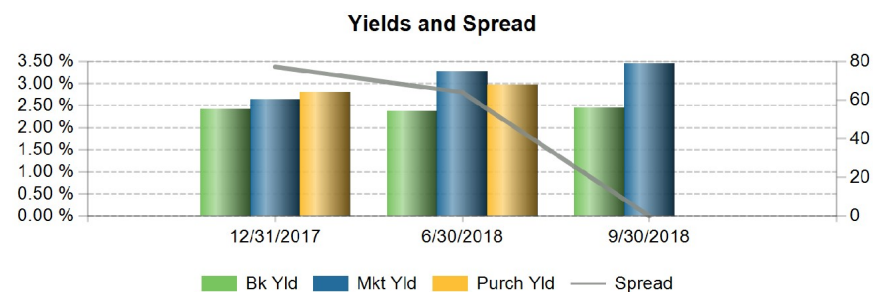
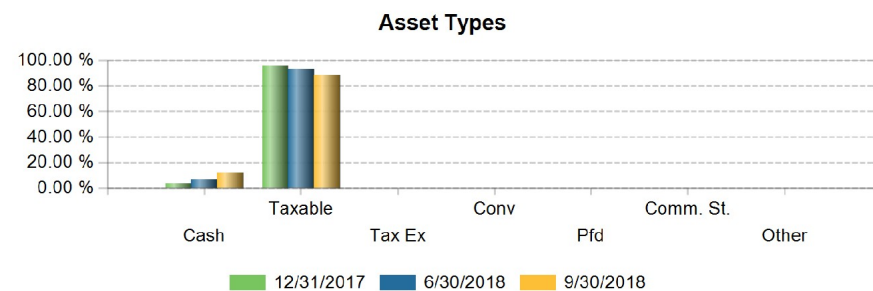
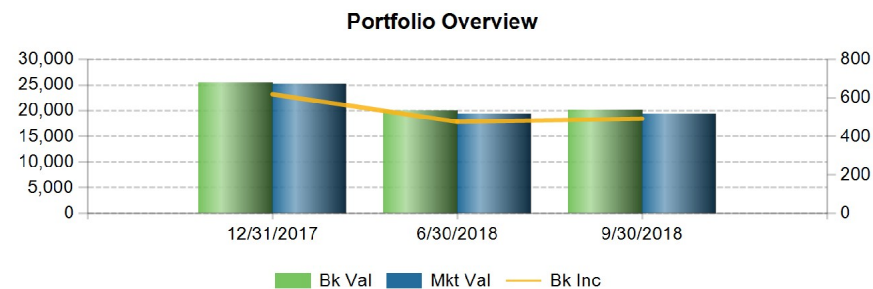
A Foreign Exchange Rate as of 09/30/2018 was used to convert amounts to USD.



POOL - Portfolio Multi-Period Summary - Comparative Overview



	12/31/2017	6/30/2018	9/30/2018	Change since 6/30/2018
Portfolio Overview (000's Omitted)				
Book Value	25,489	20,006	20,143	137
Market Value	25,219	19,413	19,423	10
Total Unrealized Gain/Loss	(271)	(593)	(720)	(127)
Gross Gains	83	7	3	(4)
Gross Losses	(354)	(601)	(724)	(123)
Realized Gain / Loss	(24)	(178)	< 0	
Annualized Book Income	618	476	492	16
Asset Types				
Cash / Cash Equivalents	4.0%	6.7%	11.9%	5.1%
Taxable Fixed Income	96.0%	93.3%	88.2%	(5.1%)
Portfolio Yields				
Book Yield	2.43%	2.38%	2.44%	0.06%
Market Yield	2.63%	3.27%	3.45%	0.17%
Fixed Income Analytics				
Average OAD	3.43	3.59	3.51	(0.08)
Average Life	4.41	4.80	4.73	(0.07)
Average OAC	(99.08)	(72.35)	(58.35)	14.00
Average Quality	AA+	AA+	AA+	
Average Purchase Yield	2.80%	2.97%	-	(2.97%)
Average Spread Over Tsy	77	64	-	(64)
4 Year US Govt On The Run	2.13%	2.71%	2.94%	0.23%

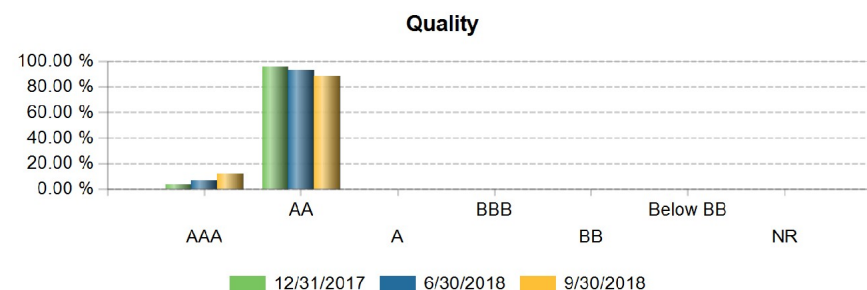
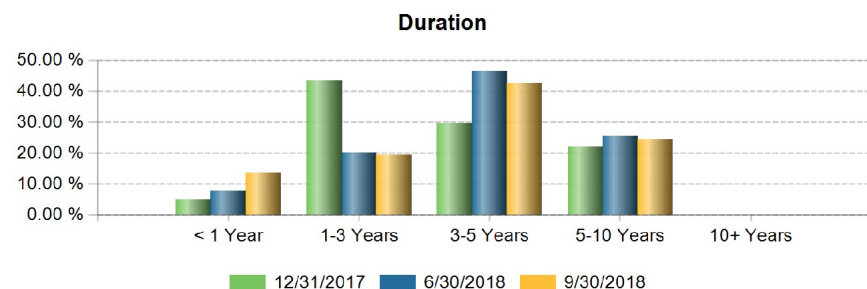
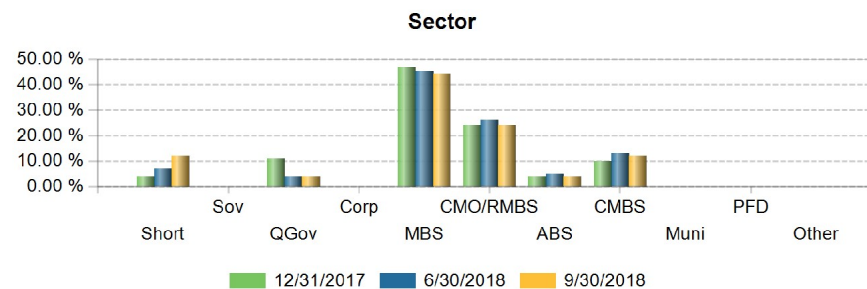


A Foreign Exchange Rate as of 12/31/2017, 6/30/2018 and 9/30/2018, respectively was used to convert amounts to USD.

POOL - Portfolio Multi-Period Summary - Fixed Income Summary



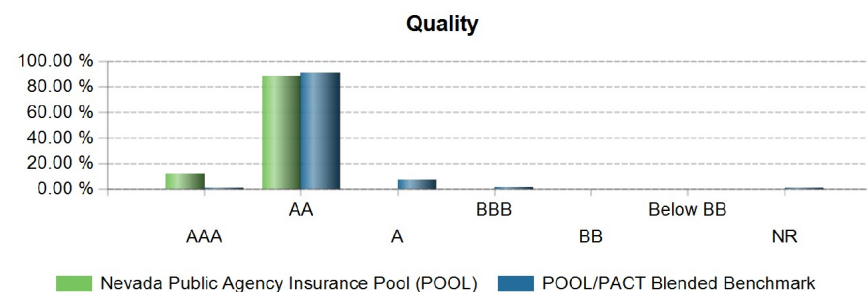
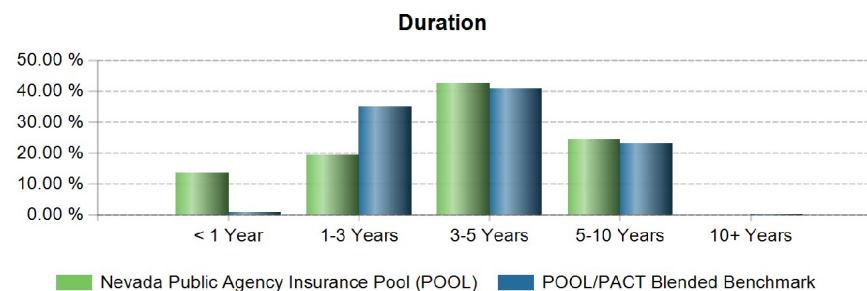
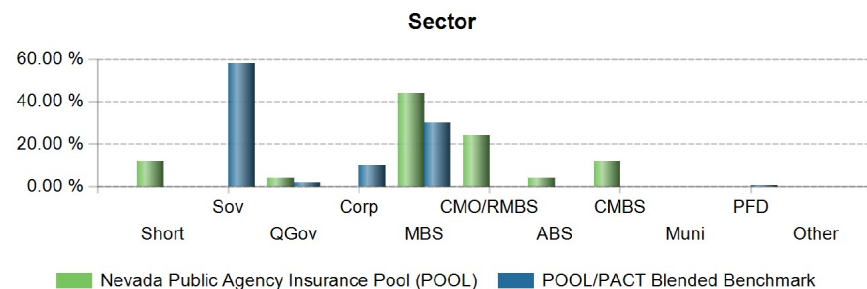
	12/31/2017	6/30/2018	9/30/2018	Change since 6/30/2018
Sector				
Short Term	4%	7%	12%	5%
Quasi Government	11%	4%	4%	-
MBS	47%	45%	44%	(1%)
CMO / RMBS	24%	26%	24%	(2%)
ABS	4%	5%	4%	(1%)
CMBS	10%	13%	12%	(1%)
Fixed Income	100%	100%	100%	
Duration				
< 1 Year	5.0%	7.7%	13.5%	5.8%
1-3 Years	43.5%	20.1%	19.5%	(0.6%)
3-5 Years	29.5%	46.5%	42.7%	(3.8%)
5-10 Years	22.0%	25.7%	24.3%	(1.4%)
Average Duration	3.43	3.59	3.51	(0.08)
Quality				
AAA	4.0%	6.7%	11.8%	5.1%
AA	96.0%	93.3%	88.2%	(5.1%)
Average Quality	AA+	AA+	AA+	



POOL Portfolio to Benchmark Profile - Fixed Income Summary



	Nevada Public Agency Insurance Pool (POOL)	POOL/PACT Blended Benchmark	Diff
Sector			
Short Term	12%	-	12%
Sovereign	-	58%	(58%)
Quasi Government	4%	2%	2%
Corporate	-	10%	(10%)
MBS	44%	30%	14%
CMO / RMBS	24%	-	24%
ABS	4%	-	4%
CMBS	12%	-	12%
Preferred	-	< 1%	< 0%
Total	100%	100%	
Duration			
< 1 Year	13.5%	0.9%	12.6%
1-3 Years	19.5%	34.9%	(15.4%)
3-5 Years	42.7%	41.0%	1.7%
5-10 Years	24.3%	23.2%	1.1%
10+ Years	-	< 0.1%	< 0.0%
Average Duration	3.51	3.79	(0.29)
Quality			
AAA	11.8%	0.2%	11.6%
AA	88.2%	91.3%	(3.1%)
A	-	7.1%	(7.1%)
BBB	-	1.4%	(1.4%)
NR	-	< 0.1%	< 0.0%
Average Quality	AA+	AA+	
Floater	-	0.05%	(0.05%)



POOL Portfolio Transaction Analysis - 7/1/2018 thru 9/30/2018 - Transaction Summary



(000's Omitted)

Other Transactions	Market Value	%	Realized G/L	Book Yld	Lwst	Duration
Paydowns	835	100.0	< 0	2.39	AA+	3.26
Total Other Transactions	835	100.0	< 0	2.39	AA+	3.26

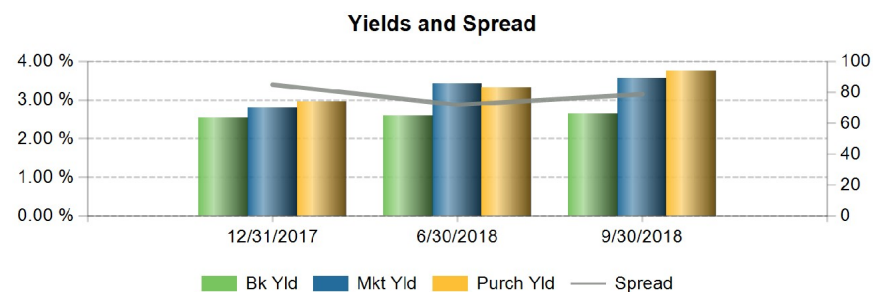
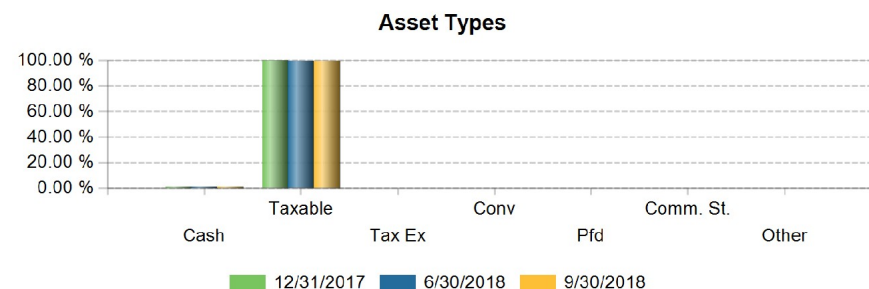
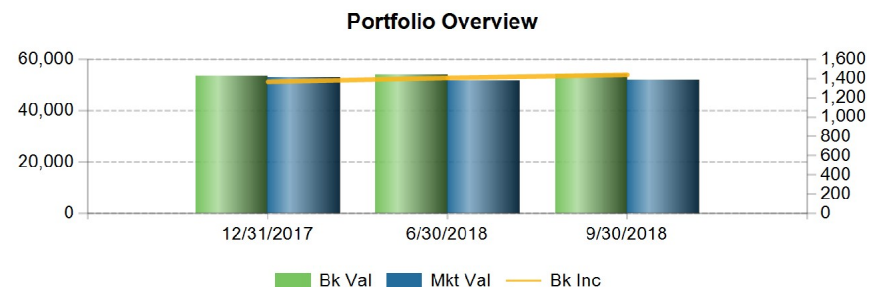
A Foreign Exchange Rate as of 09/30/2018 was used to convert amounts to USD.



PCM - Portfolio Multi-Period Summary - Comparative Overview



	12/31/2017	6/30/2018	9/30/2018	Change since 6/30/2018
Portfolio Overview (000's Omitted)				
Book Value	53,545	53,951	54,287	336
Market Value	52,943	51,785	51,946	161
Total Unrealized Gain/Loss	(602)	(2,166)	(2,340)	(175)
Gross Gains	164	8	3	(5)
Gross Losses	(766)	(2,174)	(2,343)	(169)
Realized Gain / Loss	12	-	-	-
Annualized Book Income	1,368	1,406	1,437	31
Asset Types				
Cash / Cash Equivalents	0.3%	0.7%	0.5%	(0.2%)
Taxable Fixed Income	99.7%	99.3%	99.5%	0.2%
Portfolio Yields				
Book Yield	2.55%	2.61%	2.65%	0.04%
Market Yield	2.79%	3.44%	3.56%	0.13%
Fixed Income Analytics				
Average OAD	5.27	5.08	5.03	(0.05)
Average Life	6.68	6.36	6.27	(0.09)
Average OAC	(5.71)	10.49	16.07	5.57
Average Quality	AA-	AA-	AA-	
Floaters	4.90%	4.80%	4.60%	(0.20%)
Average Purchase Yield	2.96%	3.32%	3.76%	0.44%
Average Spread Over Tsy	85	72	79	7
5 Year US Govt On The Run	2.21%	2.74%	2.95%	0.21%

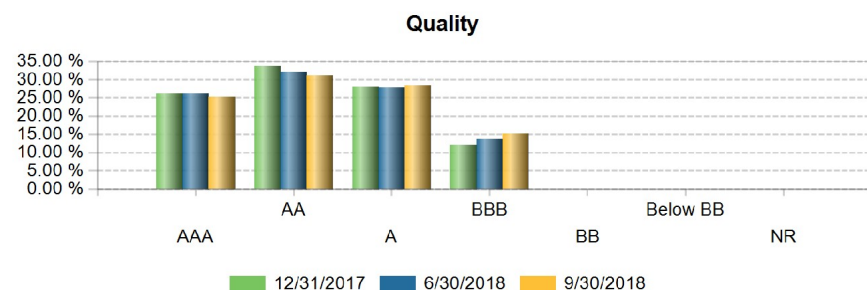
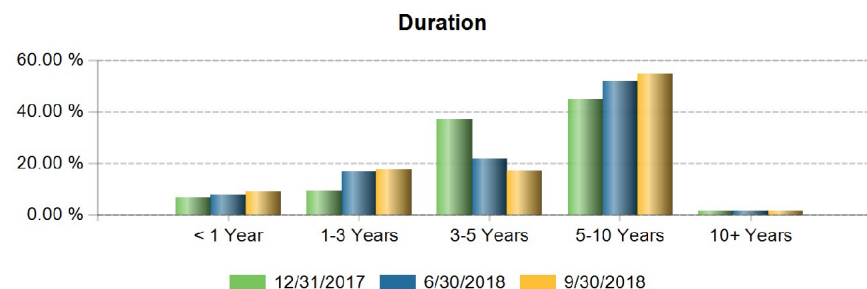
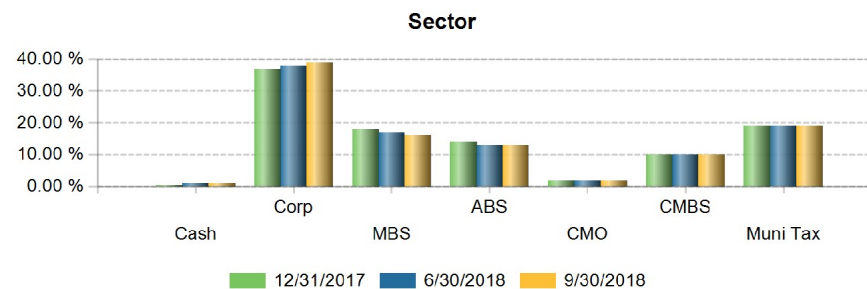


A Foreign Exchange Rate as of 12/31/2017, 6/30/2018 and 9/30/2018, respectively was used to convert amounts to USD.

PCM - Portfolio Multi-Period Summary - Fixed Income Summary



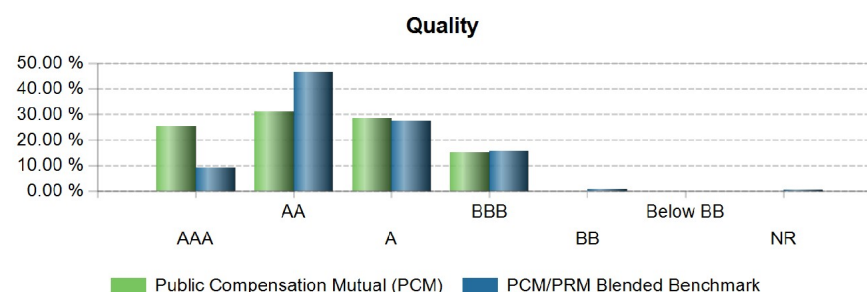
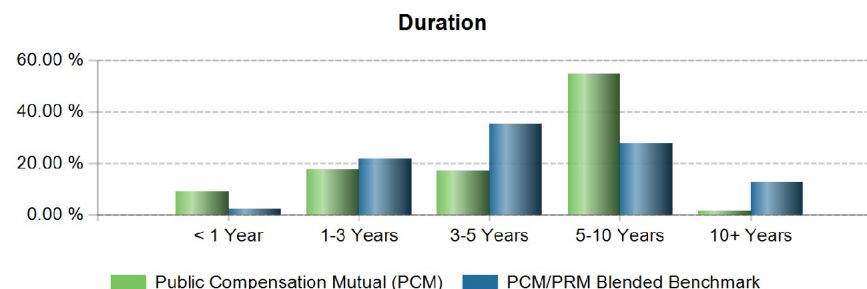
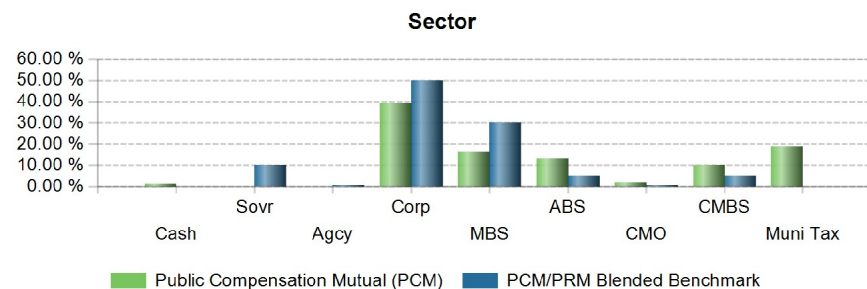
	12/31/2017	6/30/2018	9/30/2018	Change since 6/30/2018
Sector				
Cash & Cash Equivalents	< 1%	1%	1%	-
Corporates	37%	38%	39%	1%
MBS	18%	17%	16%	(1%)
ABS	14%	13%	13%	-
CMO / RMBS	2%	2%	2%	-
CMBS	10%	10%	10%	-
Municipals - Taxable	19%	19%	19%	-
Fixed Income	100%	100%	100%	
Duration				
< 1 Year	6.9%	7.8%	9.1%	1.3%
1-3 Years	9.3%	16.8%	17.6%	0.8%
3-5 Years	37.2%	21.9%	17.1%	(4.8%)
5-10 Years	44.9%	51.9%	54.7%	2.8%
10+ Years	1.7%	1.6%	1.5%	(0.1%)
Average Duration	5.27	5.08	5.03	(0.05)
Quality				
AAA	26.2%	26.2%	25.2%	(1.0%)
AA	33.7%	32.2%	31.1%	(1.1%)
A	28.0%	27.9%	28.5%	0.6%
BBB	12.1%	13.7%	15.2%	1.5%
Average Quality	AA-	AA-	AA-	



PCM Portfolio to Benchmark Profile - Fixed Income Summary



Sector	Public Compensation Mutual (PCM)	PCM/PRM Blended Benchmark	Diff
Sector			
Cash & Cash Equivalents	1%	-	1%
Sovereigns	-	10%	(10%)
Agency	-	< 1%	< 0%
Government Guaranteed	-	< 1%	< 0%
Corporates	39%	50%	(11%)
MBS	16%	30%	(14%)
ABS	13%	5%	8%
CMO / RMBS	2%	< 1%	2%
CMBS	10%	5%	5%
Municipals - Taxable	19%	-	19%
Total	100%	100%	
Duration			
< 1 Year	9.1%	2.4%	6.7%
1-3 Years	17.6%	21.9%	(4.3%)
3-5 Years	17.1%	35.2%	(18.1%)
5-10 Years	54.7%	27.7%	27.0%
10+ Years	1.5%	12.8%	(11.3%)
Average Duration	5.03	5.51	(0.48)
Quality			
AAA	25.2%	9.3%	15.9%
AA	31.1%	46.7%	(15.6%)
A	28.5%	27.6%	0.9%
BBB	15.2%	15.7%	(0.5%)
BB	-	0.7%	(0.7%)
NR	-	< 0.1%	< 0.0%
Average Quality	AA-	AA-	
Floaters	4.60%	0.40%	4.20%



PCM Portfolio Transaction Analysis - 7/1/2018 thru 9/30/2018 - Transaction Summary



(000's Omitted)

Purchases	Market Value	%	Spread (Bp)	Book Yld	Lwst	Duration
Corporates	1,199	100.0	79	3.76	A-	8.09
Total Purchases	1,199	100.0	79	3.76	A-	8.09
Other Transactions	Market Value	%	Realized G/L	Book Yld	Lwst	Duration
Paydowns	725	99.6	-	1.89	AAA	2.40
Sinking Funds	3	0.4	-	3.12	AA+	6.40
Total Other Transactions	728	100.0	-	1.90	AAA	2.42

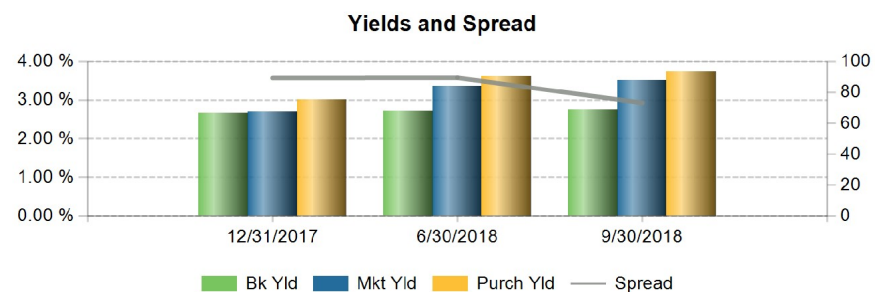
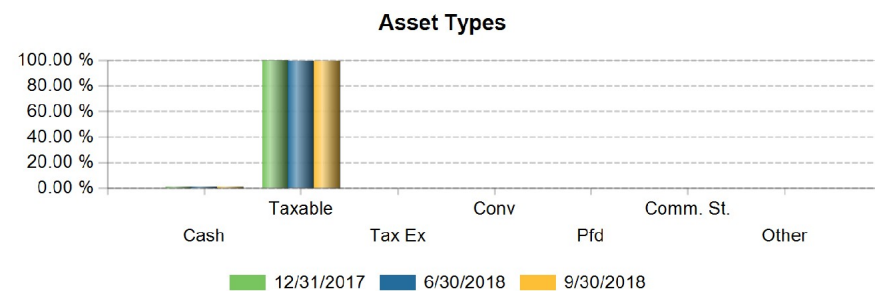
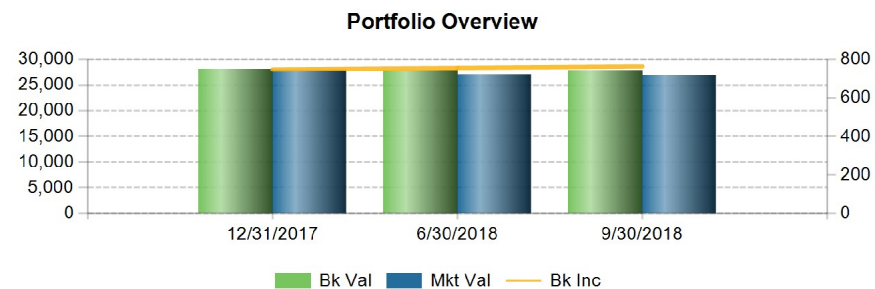
A Foreign Exchange Rate as of 09/30/2018 was used to convert amounts to USD.
 Tax Equivalent Spread for Municipal bonds calculated at time of purchase, excluding floating rate securities.



PRM - Portfolio Multi-Period Summary - Comparative Overview



	12/31/2017	6/30/2018	9/30/2018	Change since 6/30/2018
Portfolio Overview (000's Omitted)				
Book Value	28,079	27,835	27,822	(13)
Market Value	28,018	26,956	26,844	(112)
Total Unrealized Gain/Loss	(61)	(878)	(978)	(99)
Gross Gains	154	8	4	(4)
Gross Losses	(215)	(886)	(982)	(96)
Realized Gain / Loss	(11)	(1)	(5)	
Annualized Book Income	748	756	764	8
Asset Types				
Cash / Cash Equivalents	0.3%	0.7%	0.6%	(0.1%)
Taxable Fixed Income	99.7%	99.3%	99.4%	0.1%
Portfolio Yields				
Book Yield	2.66%	2.71%	2.75%	0.03%
Market Yield	2.69%	3.36%	3.50%	0.14%
Fixed Income Analytics				
Average OAD	5.21	4.98	4.91	(0.07)
Average Life	6.52	6.24	6.11	(0.13)
Average OAC	8.71	12.16	16.80	4.64
Average Quality	AA	AA	AA-	
Floater	4.90%	5.10%	5.10%	-
Average Purchase Yield	3.01%	3.61%	3.75%	0.13%
Average Spread Over Tsy	89	89	73	(16)
5 Year US Govt On The Run	2.21%	2.74%	2.95%	0.21%

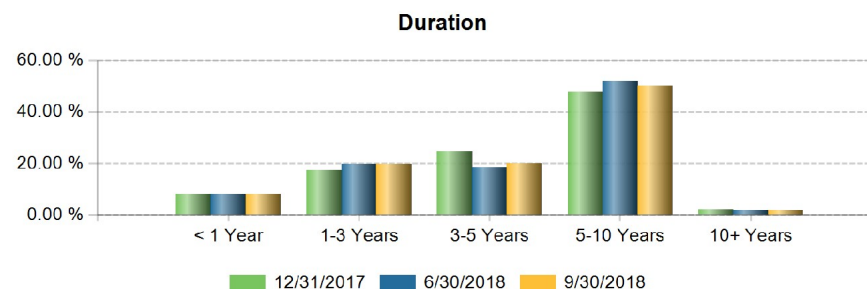
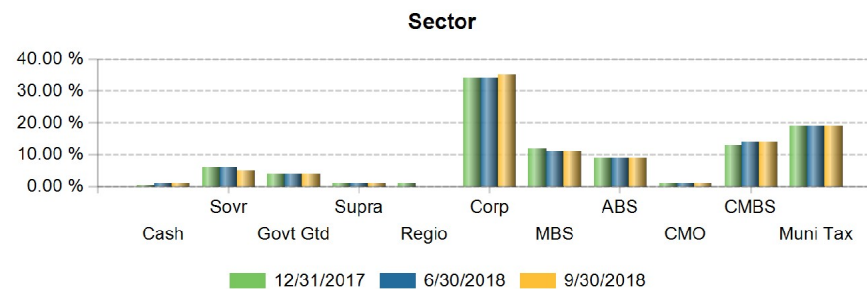


A Foreign Exchange Rate as of 12/31/2017, 6/30/2018 and 9/30/2018, respectively was used to convert amounts to USD.

PRM - Portfolio Multi-Period Summary - Fixed Income Summary



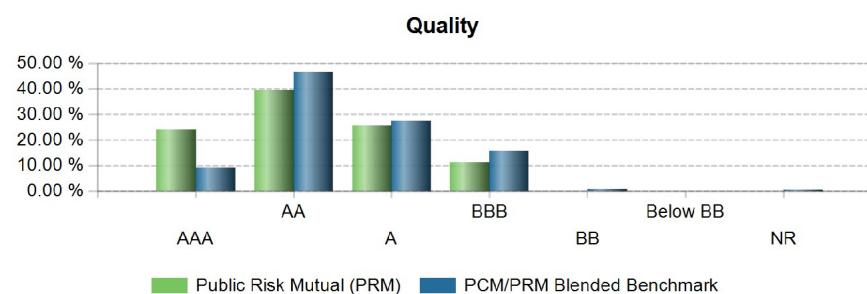
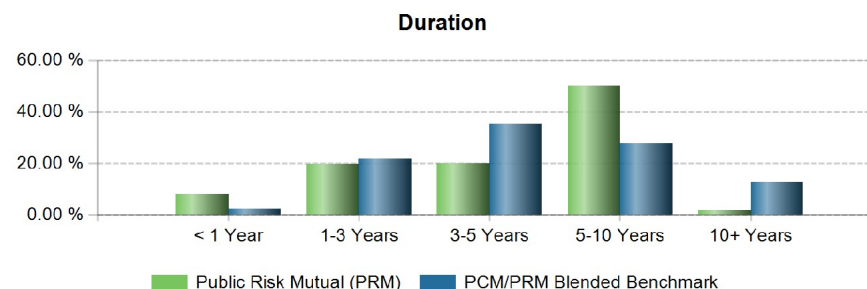
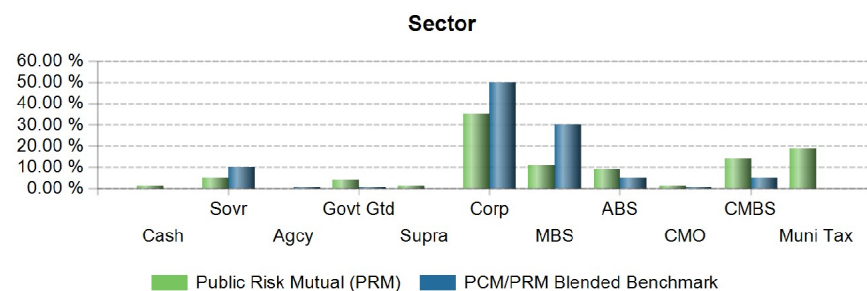
Sector	12/31/2017	6/30/2018	9/30/2018	Change since 6/30/2018
Sector				
Cash & Cash Equivalents	< 1%	1%	1%	-
Sovereigns	6%	6%	5%	(1%)
Government Guaranteed	4%	4%	4%	-
Supranationals	1%	1%	1%	-
Regional (City/State/Provnc)	1%	-	-	-
Corporates	34%	34%	35%	1%
MBS	12%	11%	11%	-
ABS	9%	9%	9%	-
CMO / RMBS	1%	1%	1%	-
CMBS	13%	14%	14%	-
Municipals - Taxable	19%	19%	19%	-
Fixed Income	100%	100%	100%	
Duration				
< 1 Year	8.2%	8.0%	8.0%	-
1-3 Years	17.3%	19.7%	19.9%	0.2%
3-5 Years	24.7%	18.5%	20.1%	1.6%
5-10 Years	47.8%	51.9%	50.1%	(1.8%)
10+ Years	2.0%	1.9%	1.9%	-
Average Duration	5.21	4.98	4.91	(0.07)
Quality				
AAA	22.4%	23.9%	23.9%	-
AA	42.9%	42.5%	39.6%	(2.9%)
A	24.3%	22.6%	25.4%	2.8%
BBB	10.4%	11.0%	11.1%	0.1%
Average Quality	AA	AA	AA-	



PRM Portfolio to Benchmark Profile - Fixed Income Summary



Sector	Public Risk Mutual (PRM)	PCM/PRM Blended Benchmark	Diff
Sector			
Cash & Cash Equivalents	1%	-	1%
Sovereigns	5%	10%	(5%)
Agency	-	< 1%	< 0%
Government Guaranteed	4%	< 1%	4%
Supranationals	1%	-	1%
Corporates	35%	50%	(15%)
MBS	11%	30%	(19%)
ABS	9%	5%	4%
CMO / RMBS	1%	< 1%	1%
CMBS	14%	5%	9%
Municipals - Taxable	19%	-	19%
Total	100%	100%	
Duration			
< 1 Year	8.0%	2.4%	5.6%
1-3 Years	19.9%	21.9%	(2.0%)
3-5 Years	20.1%	35.2%	(15.1%)
5-10 Years	50.1%	27.7%	22.4%
10+ Years	1.9%	12.8%	(10.9%)
Average Duration	4.91	5.51	(0.60)
Quality			
AAA	23.9%	9.3%	14.6%
AA	39.6%	46.7%	(7.1%)
A	25.4%	27.6%	(2.2%)
BBB	11.1%	15.7%	(4.6%)
BB	-	0.7%	(0.7%)
NR	-	< 0.1%	< 0.0%
Average Quality	AA-	AA-	
Floater	5.10%	0.40%	4.70%



PRM Portfolio Transaction Analysis - 7/1/2018 thru 9/30/2018 - Transaction Summary



(000's Omitted)

Purchases	Market Value	%	Spread (Bp)	Book Yld	Lwst	Duration
Corporates	450	100.0	73	3.75	A	7.94
Total Purchases	450	100.0	73	3.75	A	7.94

Sales	Market Value	%	Realized G/L	Trade / Book Yld	Lwst	Duration
Sovereigns	293	100.0	(5)	2.85 / 1.94	AA+	2.09
Total Sales	293	100.0	(5)	2.85 / 1.94	AA+	2.09

Other Transactions	Market Value	%	Realized G/L	Book Yld	Lwst	Duration
Paydowns	109	99.0	-	2.84	AA+	4.97
Sinking Funds	1	1.0	-	3.12	AA+	6.40
Total Other Transactions	110	100.0	-	2.84	AA+	4.98

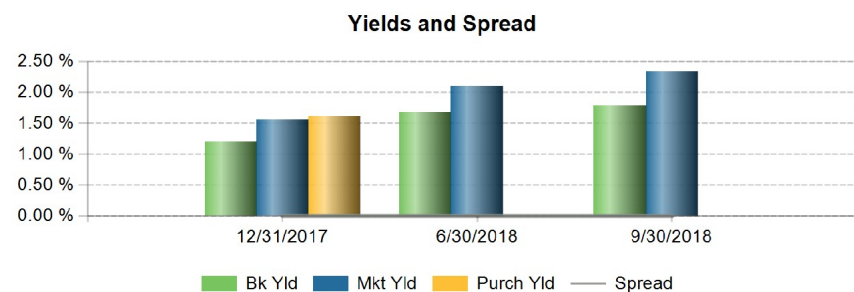
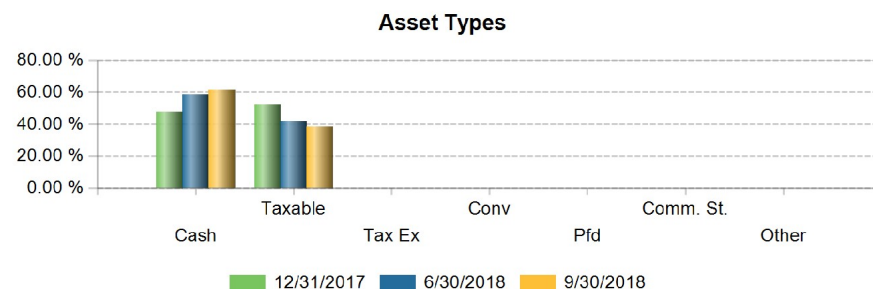
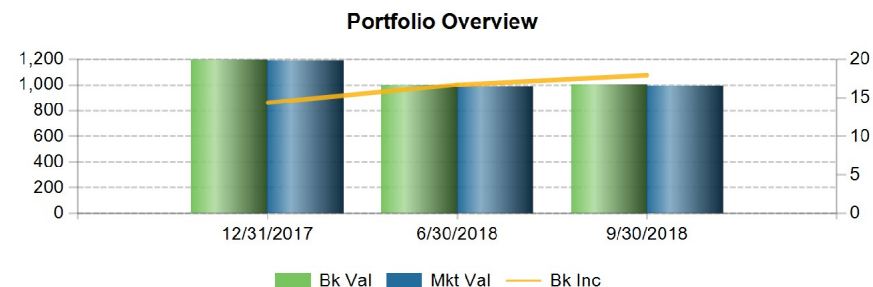
A Foreign Exchange Rate as of 09/30/2018 was used to convert amounts to USD.
 Tax Equivalent Spread for Municipal bonds calculated at time of purchase, excluding floating rate securities.



PRI - Portfolio Multi-Period Summary - Comparative Overview



	12/31/2017	6/30/2018	9/30/2018	Change since 6/30/2018
Portfolio Overview (000's Omitted)				
Book Value	1,195	998	1,002	5
Market Value	1,188	987	991	4
Total Unrealized Gain/Loss	(7)	(10)	(11)	< 0
Gross Gains	< 1	< 1	< 1	< 0
Gross Losses	(7)	(10)	(11)	< 0
Annualized Book Income	14	17	18	1
Asset Types				
Cash / Cash Equivalents	47.6%	58.4%	61.5%	3.1%
Taxable Fixed Income	52.4%	41.6%	38.5%	(3.1%)
Portfolio Yields				
Book Yield	1.20%	1.67%	1.79%	0.11%
Market Yield	1.56%	2.10%	2.34%	0.24%
Fixed Income Analytics				
Average OAD	0.82	0.77	0.68	(0.09)
Average Life	0.94	0.85	0.74	(0.11)
Average OAC	(4.54)	(0.23)	0.55	0.78
Average Quality	AA+	AAA	AAA	
Floaters	4.50%	2.30%	1.30%	(1.00%)
Average Purchase Yield	1.61%	-	-	-
6 Month US Govt On The Run	1.53%	2.11%	2.37%	0.26%

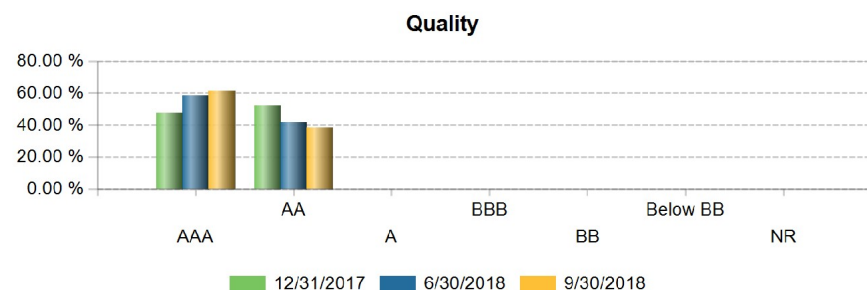
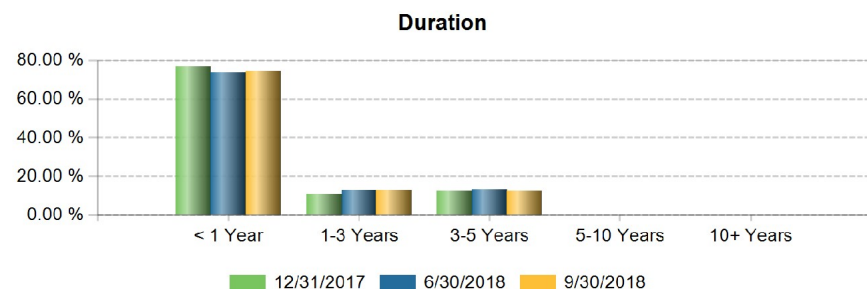
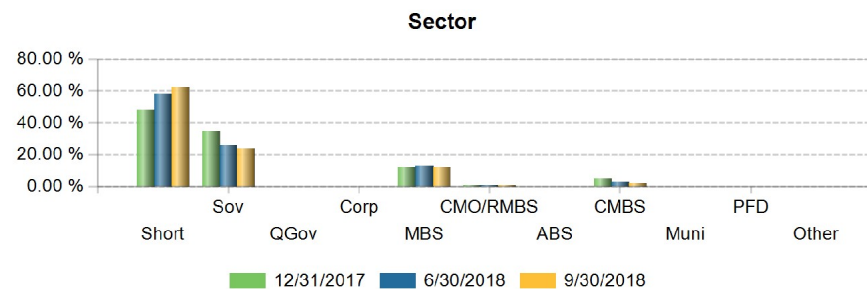


A Foreign Exchange Rate as of 12/31/2017, 6/30/2018 and 9/30/2018, respectively was used to convert amounts to USD.

PRI - Portfolio Multi-Period Summary - Fixed Income Summary

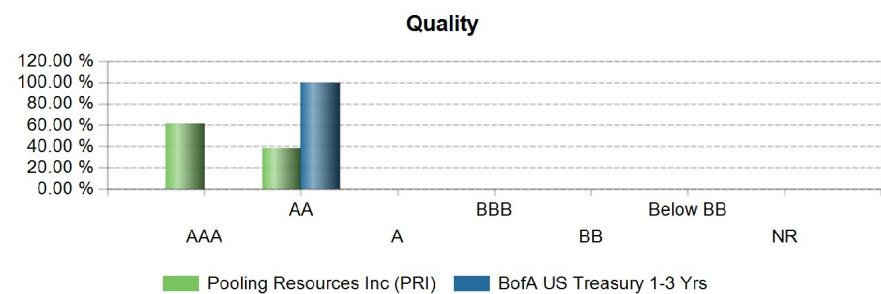
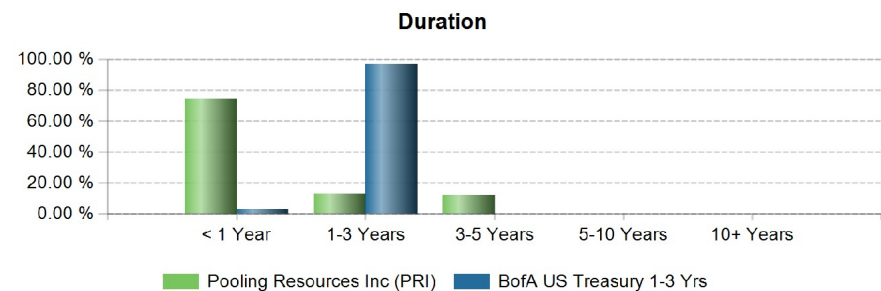
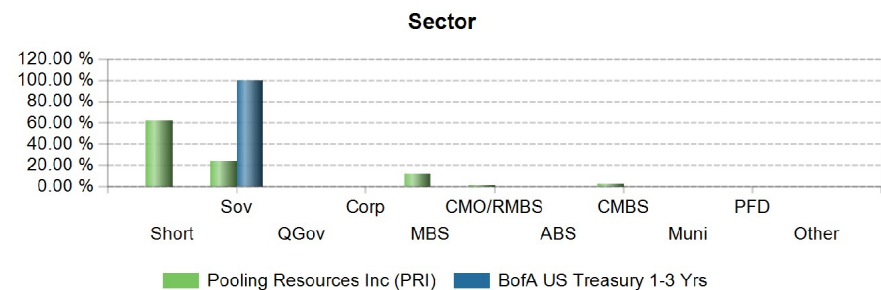


	12/31/2017	6/30/2018	9/30/2018	Change since 6/30/2018
Sector				
Short Term	48%	58%	62%	4%
Sovereign	35%	26%	24%	(2%)
MBS	12%	13%	12%	(1%)
CMO / RMBS	< 1%	< 1%	< 1%	< 0%
CMBS	5%	3%	2%	(1%)
Fixed Income	100%	100%	100%	
Duration				
< 1 Year	76.9%	73.9%	74.7%	0.8%
1-3 Years	10.8%	12.9%	12.9%	-
3-5 Years	12.3%	13.2%	12.4%	(0.8%)
Average Duration	0.82	0.77	0.68	(0.09)
Quality				
AAA	47.6%	58.4%	61.5%	3.1%
AA	52.4%	41.6%	38.5%	(3.1%)
Average Quality	AA+	AAA	AAA	



PRI Portfolio to Benchmark Profile - Fixed Income Summary

	Pooling Resources Inc (PRI)	BofA US Treasury 1-3 Yrs	Diff
Sector			
Short Term	62%	-	62%
Sovereign	24%	100%	(76%)
MBS	12%	-	12%
CMO / RMBS	< 1%	-	< 1%
CMBS	2%	-	2%
Total	100%	100%	
Duration			
< 1 Year	74.7%	2.9%	71.8%
1-3 Years	12.9%	97.1%	(84.2%)
3-5 Years	12.4%	-	12.4%
Average Duration	0.68	1.87	(1.19)
Quality			
AAA	61.5%	-	61.5%
AA	38.5%	100.0%	(61.5%)
Average Quality	AAA	AA+	
Floater	1.30%	-	1.30%



PRI Portfolio Transaction Analysis - 7/1/2018 thru 9/30/2018

- Transaction Summary



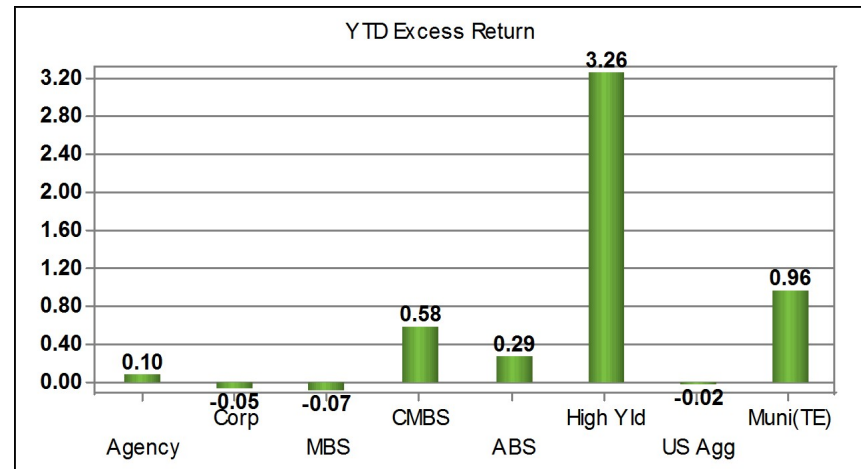
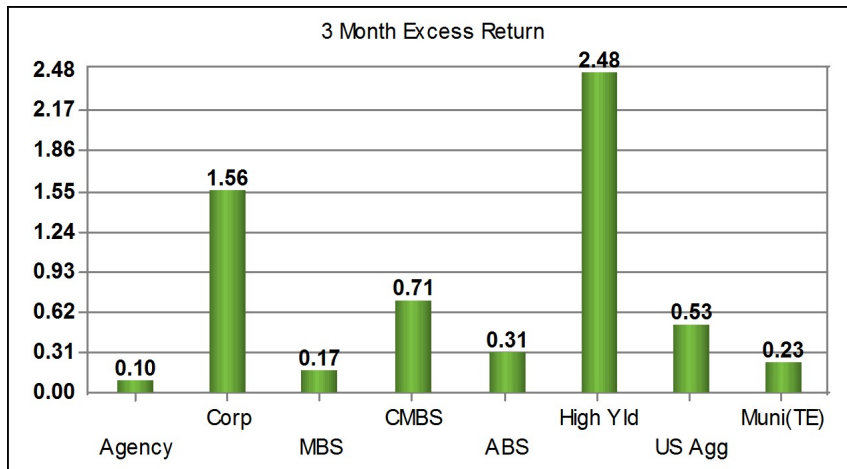
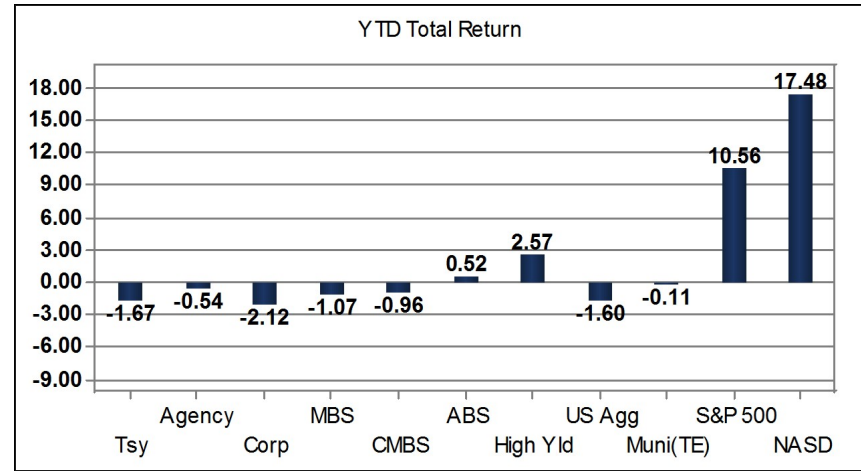
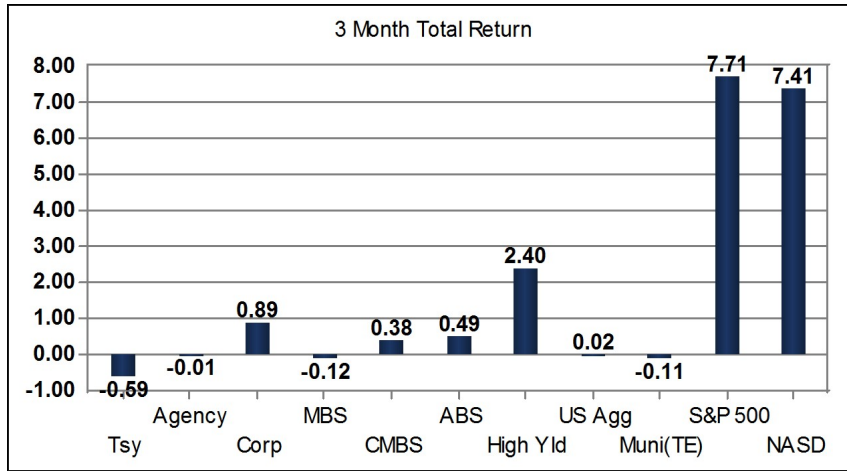
(000's Omitted)

Other Transactions	Market Value	%	Realized G/L	Book Yld	Lwst	Duration
Maturities	10	35.4	-	1.11	AA+	0.09
Paydowns	18	64.6	-	1.66	AA+	1.31
Total Other Transactions	28	100.0	-	1.46	AA+	0.88

A Foreign Exchange Rate as of 09/30/2018 was used to convert amounts to USD.



Capital Market Performance Review as of September 2018



Sources: Barclays, BofA Merrill, Bloomberg

Performance Report



	PACT Portfolio	POOL Portfolio	POOL/PACT Blend
Inception Date	Jan 2017	Jan 2017	Jan 2017
2017	2.43	2.47	1.60
2018	(0.64)	(0.71)	(0.72)
Q1 2018	(0.89)	(0.89)	(0.86)
Q2 2018	0.25	0.18	0.17
Q3 2018	0.00	0.00	(0.03)
July 2018	(0.07)	(0.05)	(0.12)
August 2018	0.56	0.52	0.58
September 2018	(0.49)	(0.47)	(0.48)
YTD 2018	(0.64)	(0.71)	(0.72)
Trailing 12 Months	(0.50)	(0.63)	(0.92)
Since Inception (Annualized)	1.01	0.99	0.50

Please see the accompanying Disclosure Page for important information regarding this Performance Exhibit.

Performance Report



	PRM Portfolio	PCM Portfolio	PRM/PCM Blend
Inception Date	Jan 2017	Jan 2017	Jan 2017
2017	3.00	3.16	3.96
2018	(1.24)	(1.30)	(1.50)
Q1 2018	(1.52)	(1.62)	(1.63)
Q2 2018	(0.04)	(0.02)	(0.19)
Q3 2018	0.32	0.35	0.32
July 2018	0.07	0.14	0.19
August 2018	0.74	0.73	0.64
September 2018	(0.49)	(0.52)	(0.51)
YTD 2018	(1.24)	(1.30)	(1.50)
Trailing 12 Months	(1.04)	(0.98)	(0.98)
Since Inception (Annualized)	0.98	1.03	1.36

Please see the accompanying Disclosure Page for important information regarding this Performance Exhibit.

Performance Report



	PRI Portfolio	ICE BofAML US Treasury/Agencies: 0-3 Yrs
Inception Date	Jan 2017	Jan 2017
2017	1.04	0.55
2018	0.85	0.61
Q1 2018	0.07	0.02
Q2 2018	0.37	0.30
Q3 2018	0.40	0.29
July 2018	0.10	0.05
August 2018	0.24	0.28
September 2018	0.06	(0.04)
YTD 2018	0.85	0.61
Trailing 12 Months	0.96	0.51
Since Inception (Annualized)	1.08	0.67

Please see the accompanying Disclosure Page for important information regarding this Performance Exhibit.

Performance Report



Disclosures

The POOL/PACT Blend is comprised of the following indices:

Effective Jan 2017, 60% ICE BofAML US Treasury/Agencies: 1-10 Yrs, 30% ICE BofAML Mortgage Master Index and 10% ICE BofAML US Corporates A-AAA: 1-5 Yrs.

The PRM/PCM Blend is comprised of the following indices:

Effective Jan 2017, 40% ICE BofAML US Corporates A-AAA, 30% ICE BofAML Mortgage Master Index, 10% ICE BofAML US Corporates BBB: 1-10 Yrs, 10% ICE BofAML US Treasury/Agencies, 5% ICE BofAML Asset-Backed Master Index AAA and 5% ICE BofAML CMBS Fixed Rate AAA.

Taxable equivalent returns are designated with a "TE" or similar. To calculate portfolio taxable equivalent returns, municipal bond and preferred/common stock returns are grossed up using the portfolio's relevant book yield to worst, applying the proration tax and then grossing up at the federal tax rate of 21% (35% to 12/31/17). For the benchmark, the returns of the municipals are grossed up in a similar fashion using municipal yield to worst at market.

The performance results reflect Pool/Pact portfolios managed by NEAM. A Daily Valuation Methodology that adjusts for cash flows is utilized to calculate portfolio performance. Portfolio returns are calculated daily and geometrically linked to create monthly gross of fee rates of return. Performance results are reported gross of management fees and of custody fees and other charges by the custodian for your account and net of commissions, mark-ups or mark-downs, spreads, discounts or commission equivalents. The performance results for your account are shown in comparison to a benchmark that has been chosen by you. The securities comprising this benchmark is not identical to those in your account. The benchmark is comprised of securities that are not actively managed and does not reflect the deduction of any management or other fees or expenses. Past performance is not indicative of future performance.

PACT Performance Detail by Sector



Fixed Income Portfolio Performance September 30, 2018

Asset Class	PACT			Custom Benchmark		
	Fixed Alloc	Q3 Return	YTD Return	Fixed Alloc	Q3 Return	YTD Return
Cash/Short	2.1	0.20	0.70			
Government/Sovereigns	11.3	(0.26)	(1.49)	57.9	(0.11)	(0.75)
Agency	12.8	0.26	0.35	2.2	0.22	0.08
Corporate	12.5	0.61	1.02	10.0	0.66	0.16
MBS	39.4	(0.25)	(1.72)	30.0	(0.12)	(1.02)
CMO\RMBS	14.3	0.02	(0.02)			
ABS	2.4	(0.27)	(1.22)			
CMBS	5.3	0.25	0.00			
Municipal - Taxable						
Total	100.0	0.00	(0.64)	100.0	(0.03)	(0.72)

Custom Benchmark:
Effective Jan 2017, 60% BofA ML US Treasury/Agencies: 1-10 Yrs, 30% BofA ML Mortgage Master Index and 10% BofA ML US Corporates A-AAA: 1-5 Yrs.

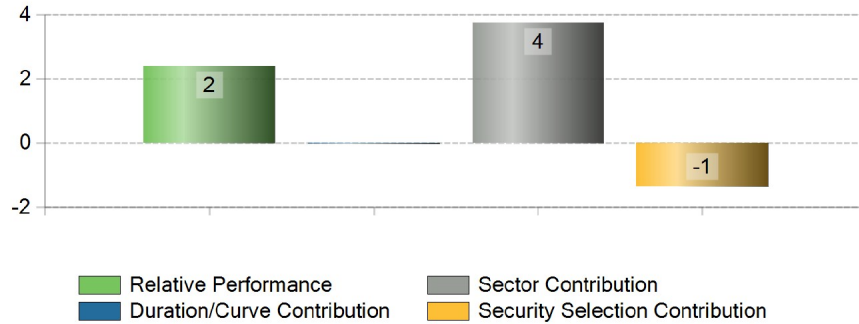
The performance results reflect POOL/PACT's portfolio managed by NEAM. A Daily Valuation Methodology that adjusts for cash flows is utilized to calculate portfolio performance. Portfolio returns are calculated daily and geometrically linked to create monthly gross of fee rates of return. Performance results are reported gross of management fees and of custody fees and other charges by the custodian for your account and net of commissions, mark-ups or mark-downs, spreads, discounts or commission equivalents. Sector returns (used to calculate income and principal components) are calculated by aggregating cusip market values and cash flows by sector. Sector cashflows are purchases, sales and income received. Total return cash flows are contributions and withdrawals. This different underlying methodology may cause sector results to differ from total returns. The performance results for your account are shown in comparison to a benchmark that has been chosen by you. The securities comprising this benchmark is not identical to those in your account. The benchmark is comprised of securities that are not actively managed and does not reflect the deduction of any management or other fees or expenses. Past performance is not indicative of future performance.

PACT Attribution Report



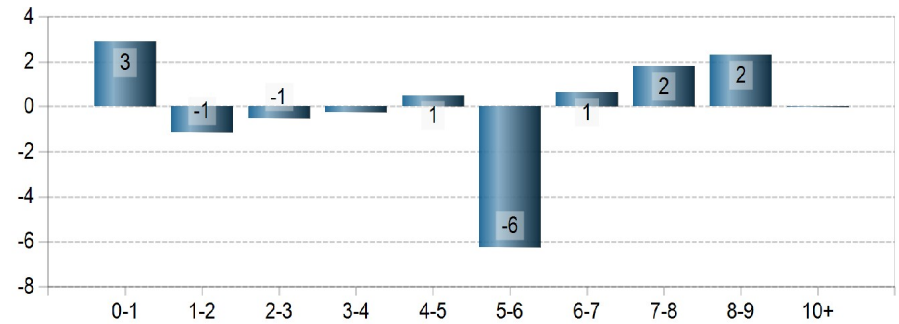
Pool Pact - Pact (Benchmark: Pool/Pact Blend)

Performance Contribution (bps)

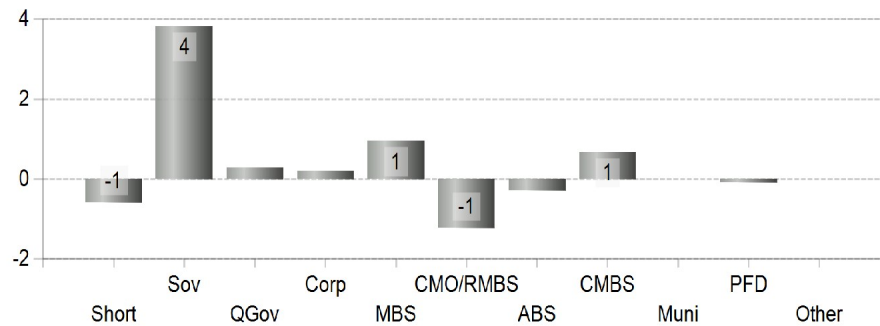


Jul 2018 - Sep 2018

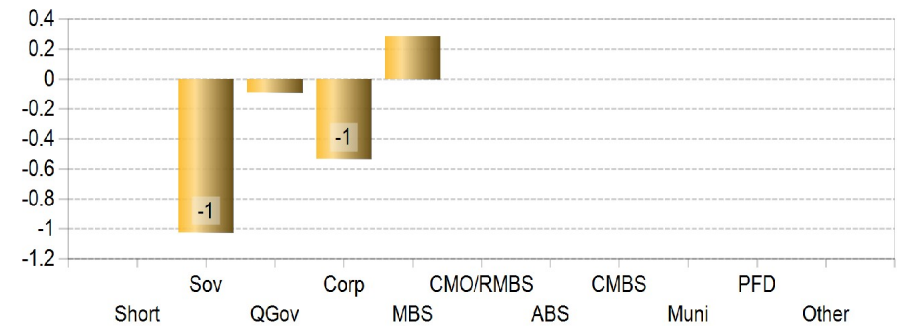
Duration/Curve Contribution (bps)



Sector Contribution (bps)



Security Selection Contribution (bps)



*** Municipals are not tax adjusted**

Attribution results are calculated monthly using an internally designed model which calculates return data using underlying securities' market values and estimated cashflows and attributing excess return to sector, duration and security selection components. The monthly results are added using a Carino smoothing methodology to calculate quarterly and yearly results. This different underlying methodology may cause attribution results to differ from total returns.

POOL Performance Detail by Sector



Fixed Income Portfolio Performance September 30, 2018

Asset Class	POOL			Custom Benchmark		
	Fixed Alloc	Q3 Return	YTD Return	Fixed Alloc	Q3 Return	YTD Return
Cash/Short	11.9	0.25	0.52			
Government/Sovereigns				57.9	(0.11)	(0.75)
Agency	4.0	0.29	0.20	2.2	0.22	0.08
Corporate				10.0	0.66	0.16
MBS	43.0	(0.13)	(1.28)	30.0	(0.12)	(1.02)
CMO\RMBS	24.5	(0.04)	(0.19)			
ABS	4.5	(0.27)	(1.22)			
CMBS	12.2	0.19	(0.40)			
Municipal - Taxable						
Total	100.0	0.00	(0.71)	100.0	(0.03)	(0.72)

Custom Benchmark:
Effective Jan 2017, 60% BofA ML US Treasury/Agencies: 1-10 Yrs, 30% BofA ML Mortgage Master Index and 10% BofA ML US Corporates A-AAA: 1-5 Yrs.

The performance results reflect POOL/PACT's portfolio managed by NEAM. A Daily Valuation Methodology that adjusts for cash flows is utilized to calculate portfolio performance. Portfolio returns are calculated daily and geometrically linked to create monthly gross of fee rates of return. Performance results are reported gross of management fees and of custody fees and other charges by the custodian for your account and net of commissions, mark-ups or mark-downs, spreads, discounts or commission equivalents. Sector returns (used to calculate income and principal components) are calculated by aggregating cusip market values and cash flows by sector. Sector cashflows are purchases, sales and income received. Total return cash flows are contributions and withdrawals. This different underlying methodology may cause sector results to differ from total returns. The performance results for your account are shown in comparison to a benchmark that has been chosen by you. The securities comprising this benchmark is not identical to those in your account. The benchmark is comprised of securities that are not actively managed and does not reflect the deduction of any management or other fees or expenses. Past performance is not indicative of future performance.

POOL Attribution Report

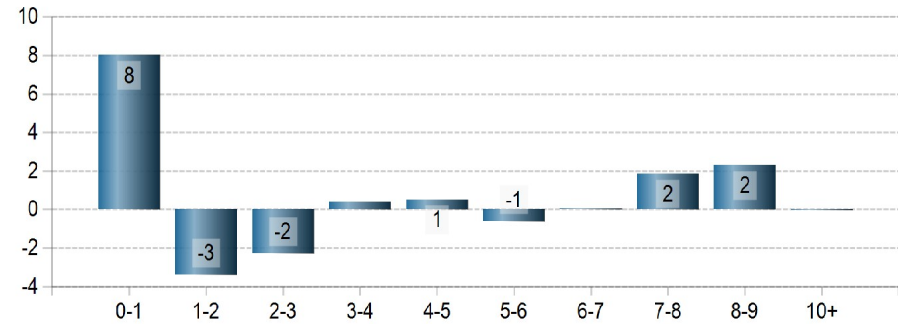


Pool Pact - Pool (Benchmark: Pool/Pact Blend)
Performance Contribution (bps)

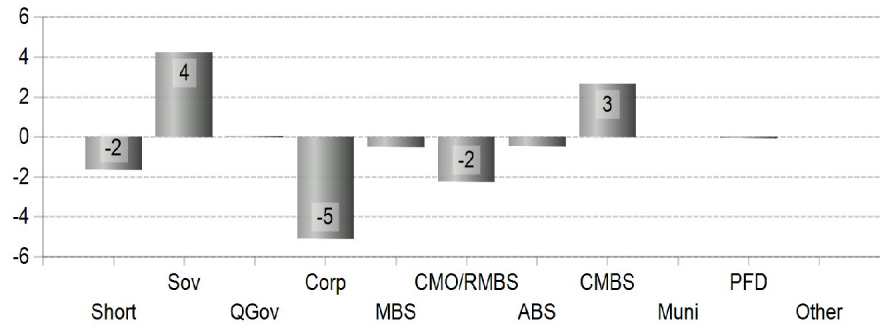


Jul 2018 - Sep 2018

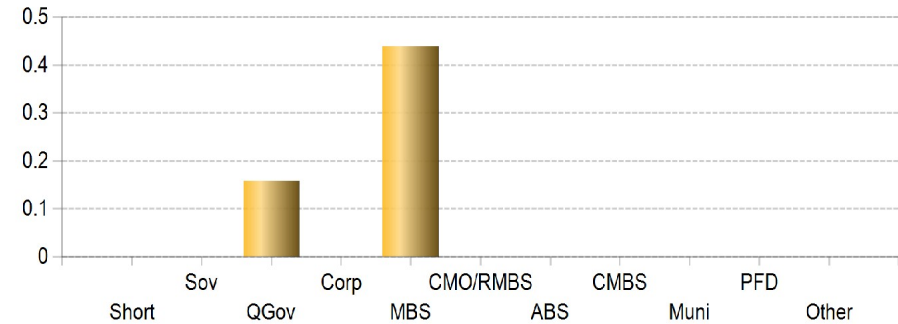
Duration/Curve Contribution (bps)



Sector Contribution (bps)



Security Selection Contribution (bps)



*** Municipals are not tax adjusted**

Attribution results are calculated monthly using an internally designed model which calculates return data using underlying securities' market values and estimated cashflows and attributing excess return to sector, duration and security selection components. The monthly results are added using a Carino smoothing methodology to calculate quarterly and yearly results. This different underlying methodology may cause attribution results to differ from total returns.

PCM Performance Detail by Sector



Fixed Income Portfolio Performance September 30, 2018

Asset Class	PCM			Custom Benchmark		
	Fixed Alloc	Q3 Return	YTD Return	Fixed Alloc	Q3 Return	YTD Return
Cash/Short	0.5	0.27	0.73			
Government/Sovereigns				9.7	(0.66)	(1.75)
Agency				0.4	0.02	(0.64)
Corporate	39.5	0.80	(2.22)	49.9	0.74	(2.03)
MBS	16.0	(0.23)	(1.54)	30.0	(0.12)	(1.02)
CMO\RMBS	1.8	(0.37)	(1.27)	0.1	0.60	0.37
ABS	12.7	0.56	0.92	4.9	0.53	0.81
CMBS	10.4	0.49	(1.78)	5.0	0.38	(0.96)
Municipal - Taxable	19.1	(0.19)	(0.87)			
Total	100.0	0.35	(1.30)	100.0	0.32	(1.50)

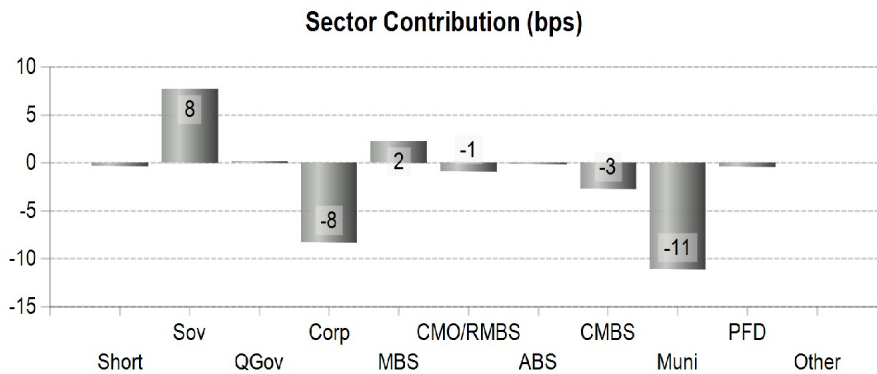
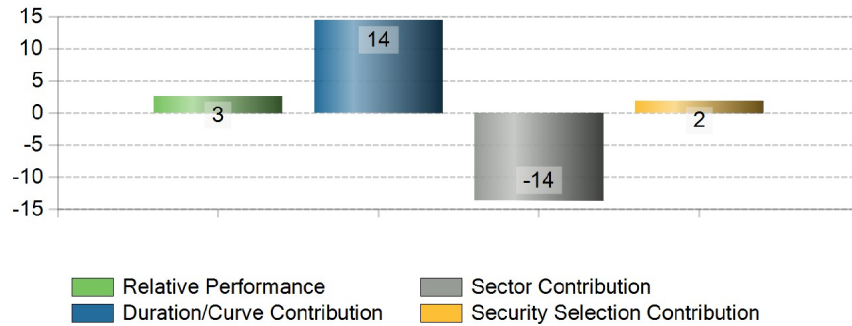
Custom Benchmark:
Effective Jan 2017, 40% BofA ML US Corporates A-AAA, 30% BofA ML Mortgage Master Index, 10% BofA ML US Corporates BBB: 1-10 Yrs, 10% BofA ML US Treasury/Agencies, 5% BofA ML Asset-Backed Master Index AAA and 5% BofA ML CMBS Fixed Rate AAA.

The performance results reflect POOL/PACT's portfolio managed by NEAM. A Daily Valuation Methodology that adjusts for cash flows is utilized to calculate portfolio performance. Portfolio returns are calculated daily and geometrically linked to create monthly gross of fee rates of return. Performance results are reported gross of management fees and of custody fees and other charges by the custodian for your account and net of commissions, mark-ups or mark-downs, spreads, discounts or commission equivalents. Sector returns (used to calculate income and principal components) are calculated by aggregating cusip market values and cash flows by sector. Sector cashflows are purchases, sales and income received. Total return cash flows are contributions and withdrawals. This different underlying methodology may cause sector results to differ from total returns. The performance results for your account are shown in comparison to a benchmark that has been chosen by you. The securities comprising this benchmark is not identical to those in your account. The benchmark is comprised of securities that are not actively managed and does not reflect the deduction of any management or other fees or expenses. Past performance is not indicative of future performance.

PCM Attribution Report



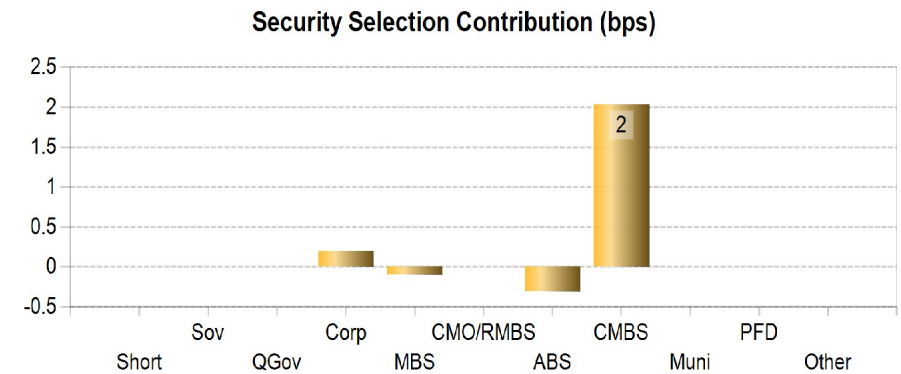
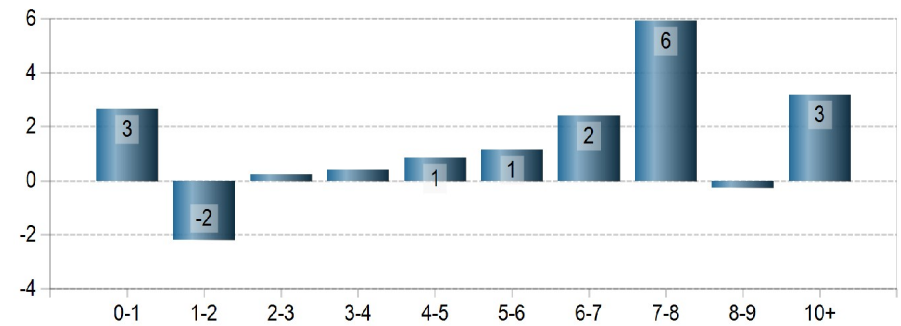
Pool Pact - PCM (Benchmark: Pool/Pact PRM and PCM Blend)
Performance Contribution (bps)



*** Municipals are not tax adjusted**

Attribution results are calculated monthly using an internally designed model which calculates return data using underlying securities' market values and estimated cashflows and attributing excess return to sector, duration and security selection components. The monthly results are added using a Carino smoothing methodology to calculate quarterly and yearly results. This different underlying methodology may cause attribution results to differ from total returns.

Jul 2018 - Sep 2018
Duration/Curve Contribution (bps)



PRM Performance Detail by Sector



Fixed Income Portfolio Performance September 30, 2018

Asset Class	PRM			Custom Benchmark		
	Fixed Alloc	Q3 Return	YTD Return	Fixed Alloc	Q3 Return	YTD Return
Cash/Short	0.6	0.24	0.93			
Government/Sovereigns	5.1	(0.29)	(1.59)	9.7	(0.66)	(1.75)
Agency	5.1	0.38	0.72	0.4	0.02	(0.64)
Corporate	35.7	0.82	(1.82)	49.9	0.74	(2.03)
MBS	10.6	(0.15)	(1.34)	30.0	(0.12)	(1.02)
CMO\RMBS	1.5	(0.83)	(1.70)	0.1	0.60	0.37
ABS	8.8	0.52	0.71	4.9	0.53	0.81
CMBS	13.5	0.41	(2.10)	5.0	0.38	(0.96)
Municipal - Taxable	19.1	(0.19)	(0.98)			
Total	100.0	0.32	(1.24)	100.0	0.32	(1.50)

Custom Benchmark:
Effective Jan 2017, 40% BofA ML US Corporates A-AAA, 30% BofA ML Mortgage Master Index, 10% BofA ML US Corporates BBB: 1-10 Yrs, 10% BofA ML US Treasury/Agencies, 5% BofA ML Asset-Backed Master Index AAA and 5% BofA ML CMBS Fixed Rate AAA.

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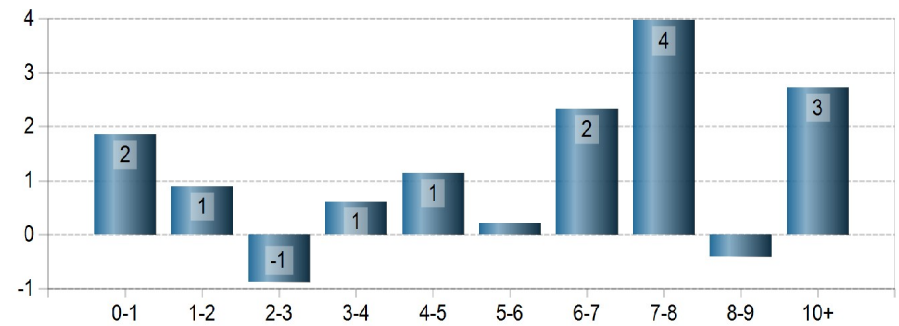
PRM Attribution Report



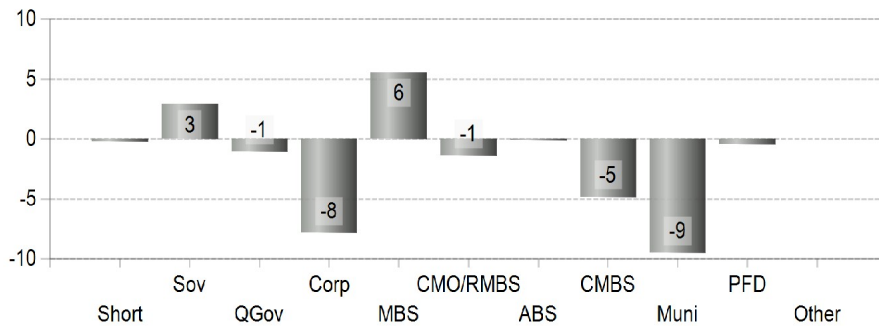
Pool Pact - PRM (Benchmark: Pool/Pact PRM and PCM Blend)
Performance Contribution (bps)



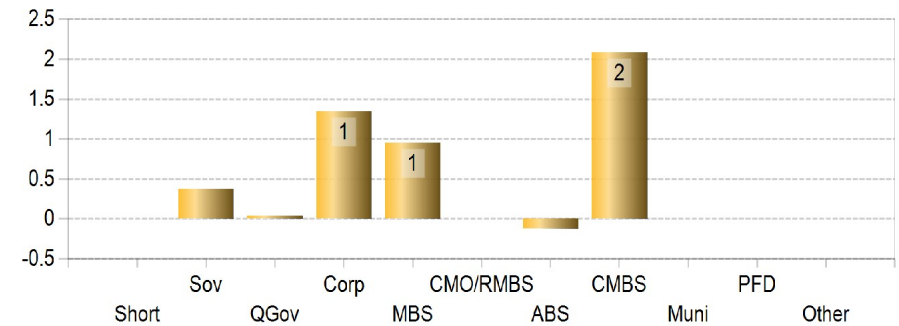
Jul 2018 - Sep 2018
Duration/Curve Contribution (bps)



Sector Contribution (bps)



Security Selection Contribution (bps)



*** Municipals are not tax adjusted**

Attribution results are calculated monthly using an internally designed model which calculates return data using underlying securities' market values and estimated cashflows and attributing excess return to sector, duration and security selection components. The monthly results are added using a Carino smoothing methodology to calculate quarterly and yearly results. This different underlying methodology may cause attribution results to differ from total returns.





Economic and Capital Market Overview

Economic & Interest Rate Outlook



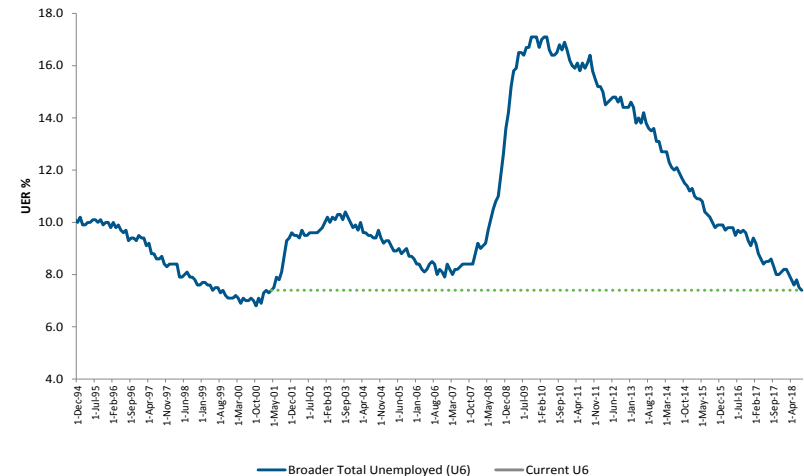
Economic Review & Outlook

A strong economy anchored by a robust labor market, healthy business investment, continued confidence across both the consumer and business sectors combined with a push from fiscal stimulus provided the macro backdrop for a month. Yields climbed higher while the S&P 500 and Dow touched new highs.

Toward the end of the month, the Fed raised its benchmark rate by 25 bps. This had been widely expected by the market as the economy is charging ahead on the back of a strong labor market, healthy household consumption and solid business investment – all reasons cited by the Fed in justifying their interest rate increase. Consistent with previous messages, the Fed maintained that gradual rate increases remain warranted. Notable changes, however, involved the omission of the language describing the stance of monetary policy as “accommodative.” Divining the Fed’s view of the economy from their quarterly economic projections, we see that growth estimates have increased for this year and next, unemployment is projected to fall further for the next two years and inflation should remain in its current range. Despite these near-term changes, growth is expected to slow and unemployment to revert upwards over the longer-term as fiscal stimulus fades and the economy eventually slows. Powell stated in his press conference that the change in language didn’t alter the policy stance. Rather, as rates increase they move inevitably closer to the neutral rate and become less accommodative. Indeed, Fed Fund rate forecasts showed no changes at the median level, although more participants projected another rate hike by the end of the year than at the last meeting.

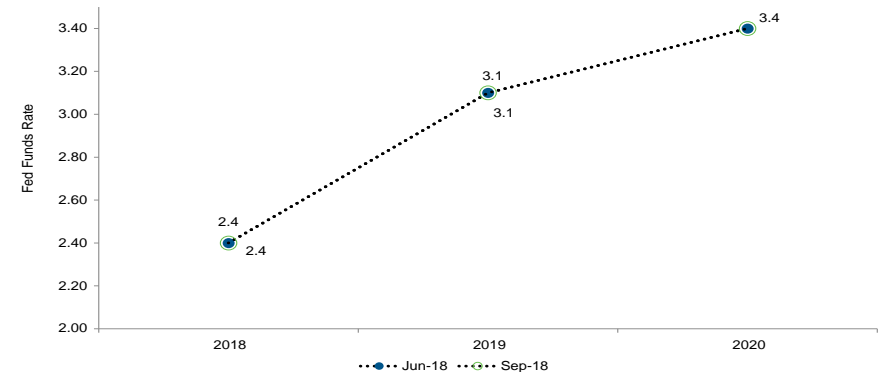
Labor markets continue to hum along with successive payroll numbers chipping away at the number of unemployed and reducing slack in the market. With unemployment hovering around and even diving below 4% of late, what is equally interesting is the decline in the wider unemployed figure (U6) which hit a (just over) 17-year low of 7.4% in August, having peaked at 17.1% in the depths of the Great Recession. Recent Beige Book comments shared that most Fed districts reported “widespread shortages” of workers, hitting not only high skilled but also the lower skilled, too. Job openings are high and a growing percentage of small businesses see their biggest problem as finding quality labor, leading many to leave jobs to seek better opportunities. Conversely, jobless claims sit at multi decade lows. The Beige Book also pointed to more employers offering benefits to entice workers.

Broader Unemployment Measure



Source: BLS, Haver, NEAM

Fed Funds Rate Projections (Median)



Source: FRB, Haver, NEAM

Economic & Interest Rate Outlook



Confidence remains high with the robust labor market and higher incomes. The Conference Board’s Consumer Confidence Index for September hit its highest level in 18 years at 138.4 with consumers feeling a touch better with regard to their present situation but expectations surging higher. This data syncs up well with the University of Michigan’s Consumer Sentiment Index which, aside from a higher tick last March, ranked as the second highest level in 14 years.

In terms of business, the ISM PMIs released early in September came in at 61.3, its highest level since 2004. The numbers spoke to growth in both the manufacturing sector and overall economy, being led by gains in new orders, production and employment. Despite the improvements, concerns over supply chain issues and tariffs were present in the commentary from different industries. Confidence remains high though, with the NFIB Small Business Optimism Index hitting a new high in August.

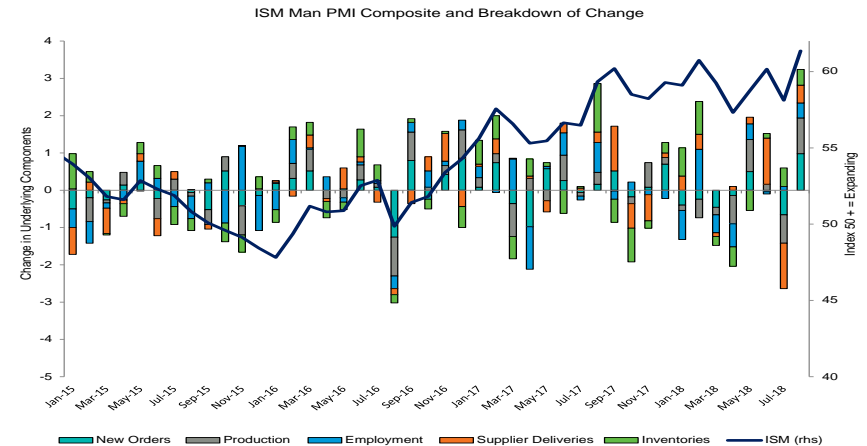
On the housing front, the Case Shiller 20 City Price Index rose 5.9% year-over-year while the national level grew 6% over a comparable period. The numbers are still solidly in positive territory although the pace of growth has been slowing and represents the lowest rate of increase since last summer. Construction labor shortages and higher input costs, combined with rising interest rates appear to be softening demand.

Inflation printed slightly weaker on the month but remained in recent ranges. Headline CPI slipped back to +2.7% year-over-year while the core category also dropped by a similar amount to +2.2% from +2.4% previously. Powell spoke to the FOMC’s expectation that inflation should remain near 2% over the longer-term with deviations being transitory—e.g. an increase due to rising oil prices.

Capital Market Implications

Strong economic data, fiscal stimulus and on target inflation led the Fed to raise rates 25 bps in September. Markets absorbed the expected rate hike in stride and we saw both interest rates and select U.S. equity markets head north.

ISM Manufacturing PMI



Source: ISM, Haver, NEAM

U.S. Historical Yield Curves

	<u>Dec-14</u>	<u>Dec-15</u>	<u>Dec-16</u>	<u>Dec-17</u>	<u>Sep-18</u>
Fed Funds Range	0 - 0.25%	0.25-0.50%	0.50 - 0.75%	1.25-1.50%	2.00-2.25%
2-Year	0.66%	1.05%	1.19%	1.88%	2.82%
5-Year	1.65%	1.76%	1.93%	2.21%	2.95%
10-Year	2.17%	2.27%	2.44%	2.41%	3.06%
30-Year	2.75%	3.02%	3.07%	2.74%	3.21%

Source: Bloomberg, NEAM

Capital Market Outlook



2018 Fixed Income Returns

Strong domestic economic data combined with more hawkish inflationary rhetoric and talk of ending QE out of the ECB helped push Treasury yields higher in September. Towards the second half of the month, the 10-year Treasury hurdled the 3% level and remained there while front-end rates rose with the Fed rate hike, leaving total returns for most sectors (except high yield) negative for the month.

	September	3-Month	YTD
Bloomberg Barclays U.S. Aggregate	-0.64%	0.02%	-1.60%
S&P Preferred Stock Total Return	-1.46%	0.21%	1.48%
Bloomberg Barclays U.S. Muni (tax eq)	-0.60%	-0.01%	0.01%
Bloomberg Barclays U.S. MBS (fixed rate)	-0.61%	-0.12%	-1.07%
Bloomberg Barclays U.S. ABS	-0.04%	0.49%	0.52%
Bloomberg Barclays U.S. Agency	-0.43%	-0.01%	-0.54%
Bloomberg Barclays U.S. Treasury	-0.93%	-0.59%	-1.67%
Bloomberg Barclays U.S. Corporates	-0.36%	0.97%	-2.33%
Bloomberg Barclays High Yield	0.56%	2.40%	2.57%

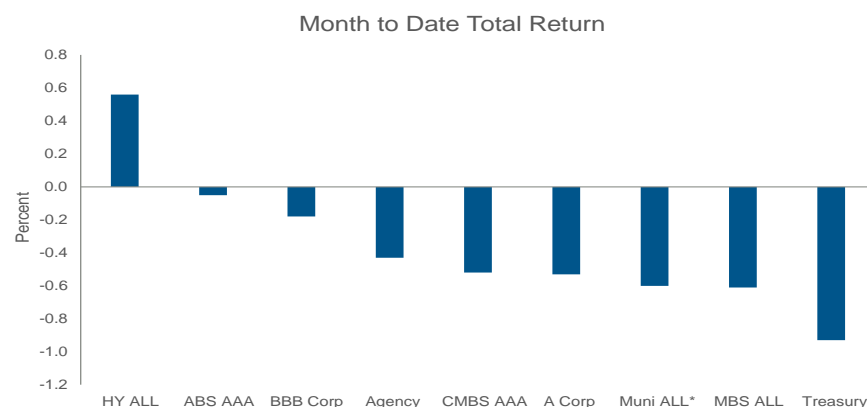
Equity Total Returns

For September, fundamental strength and strong economic data remained the key drivers for equity markets as investors appear more sanguine about ongoing trade tensions with China. The S&P and Dow both celebrated new highs within the period and posted positive returns for the month.

Conversely, the NASDAQ, after achieving another record high in August, lost some momentum and fell slightly for the month. For the S&P 500, the reclassification of key technology names into the Communication Services sector (formerly Telecommunications) likely influenced flows. This revamped sector led the S&P 500 while real estate and financials lagged, an unexpected pairing given the diverging implications for earnings from the 20 bps rise in the 10-year Treasury during the month.

	September	3-Month	YTD
S&P 500	0.57%	7.71%	10.56%
Nasdaq	-0.70%	7.42%	17.49%

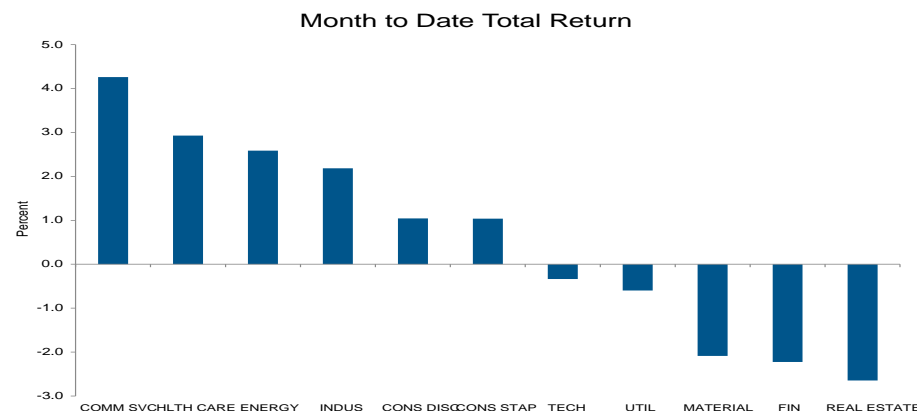
Domestic Fixed Income Sector Returns (09/30/18)



*Taxable Equivalent

Source: Bloomberg, Barclays, NEAM

Domestic Equity Returns (09/30/18)



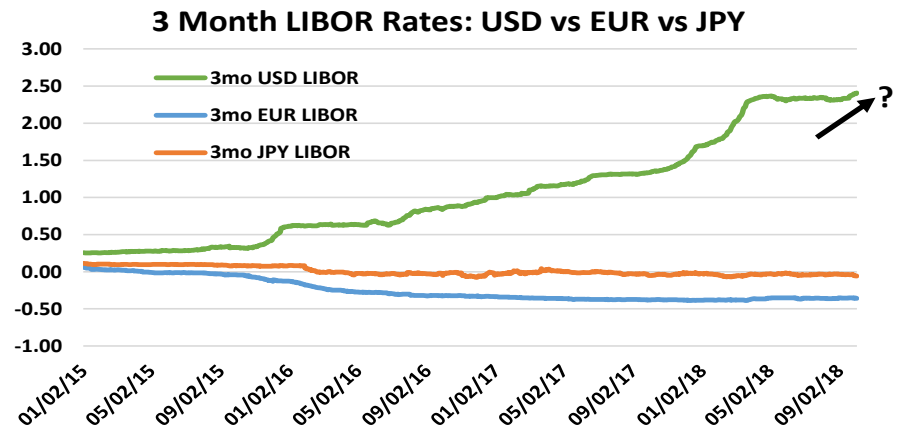
Source: Bloomberg, NEAM

Fixed Income Capital Market Outlook



Corporate Bonds

- Fundamentals:** While bank credit quality has improved significantly following the financial crisis, leverage for many non-financial issuers is elevated, leaving less margin for error in a downturn. Gradual Federal Reserve tightening has impacted demand for corporate bonds but does not yet appear to have negatively affected the U.S. economy or corporate credit quality.
- Technicals:** We believe that front-end USD rate increases have led to less consistent buying from funds and foreign investors in 2018. While more limited demand has pressured spreads at times this year, supply has also decreased relative to 2017 (in part due to repatriation).
- Valuations:** Spreads have generally moved wider since January but remain toward the tighter end of longer-term ranges. The impact of repatriation on supply and demand led to front end spread widening in 1Q18 but credit curves have since steepened.
- Conclusions:** We would maintain an at benchmark to slightly below benchmark allocation to the corporate market. In addition, we would maintain a higher quality bias within our corporate portfolios while taking advantage of select opportunities.



Source: Bloomberg, ICE Benchmark Administration, NEAM

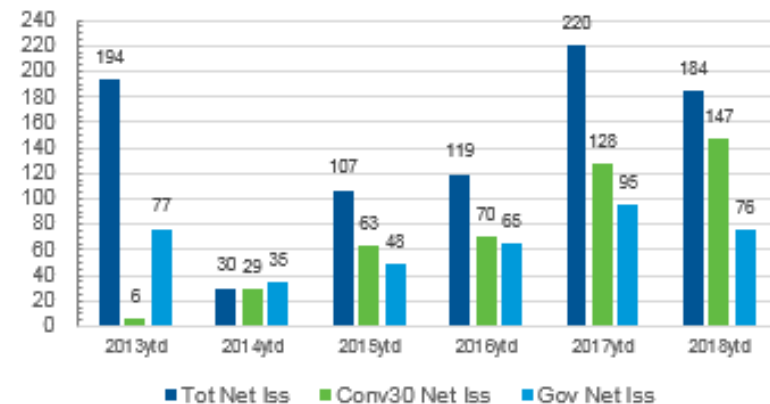
Tenor	Sector	Rating	Z-Score Since 2000	Z-Score Since 2013
3yr	Fin	AAA-A	-0.5	-0.5
3yr	Non-Fin	AAA-A	-0.6	-0.6
3yr	Non-Fin	BBB	-0.7	-0.9
5yr	Fin	AAA-A	-0.5	-0.6
5yr	Non-Fin	AAA-A	-0.7	-1.0
5yr	Non-Fin	BBB	-0.7	-0.9
10yr	Fin	AAA-A	-0.5	-1.2
10yr	Non-Fin	AAA-A	-0.6	-1.0
10yr	Non-Fin	BBB	-0.5	-0.9
30yr	Fin	AAA-A	-0.4	-0.6
30yr	Non-Fin	AAA-A	-0.5	-0.6
30yr	Non-Fin	BBB	-0.3	-0.5

Source: ICE Data Indices, NEAM

Structured Securities

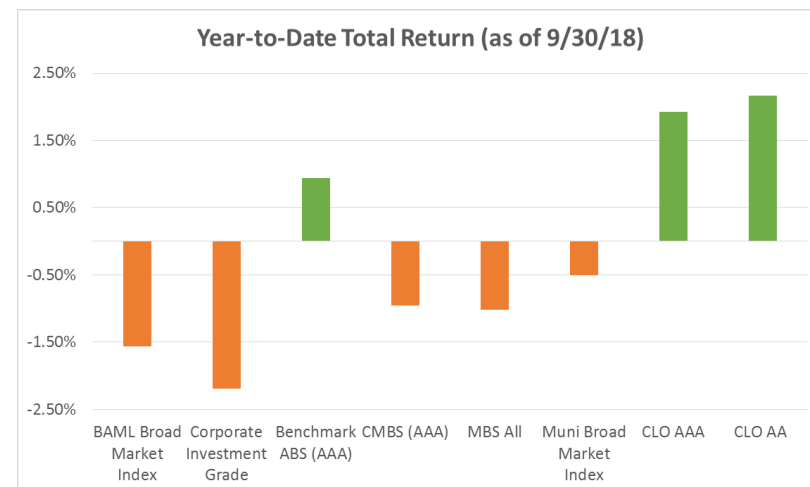
- Fundamentals:** Late cycle behavior is evident in various corners of the structured market ranging from compressed spreads and flat credit curve to modest tiering among issuers of different quality. Growth momentum in commercial and residential real estate appears to be slowing and weaker covenants in leveraged loans have attracted attention. Nonetheless, the economic backdrop is very supportive.
- Technicals:** Issuance levels are quite manageable in ABS and CMBS. CLO valuations have weakened on very active new issue, reset and refinancing activity. Notably, non-agency RMBS has experienced the greatest rate of issuance increase (33%) due to strong underlying fundamentals and investor appetite. Elevated net issuance in MBS, combined with limits on Fed reinvestment have pressured spreads.
- Valuations:** Aside from supply pressures in MBS and CLOs, structured spreads followed corporate spreads tighter. The relative flatness of the swaps curve favors shorter duration, higher spread structured securities sectors.
- Conclusions:** Maintain benchmark positioning to ABS and CMBS. Remain constructive on CLOs, bearing in mind that floating rate targets may shift with any potential change in the Fed's policy stance. Maintain benchmark MBS exposure with the mix of conventional vs. GNMA dependent on relative valuations.

Agency MBS Net Issuance (\$B)



Source: JPMorgan, NEAM

Year-to-Date Total Return (as of 9/30/18)



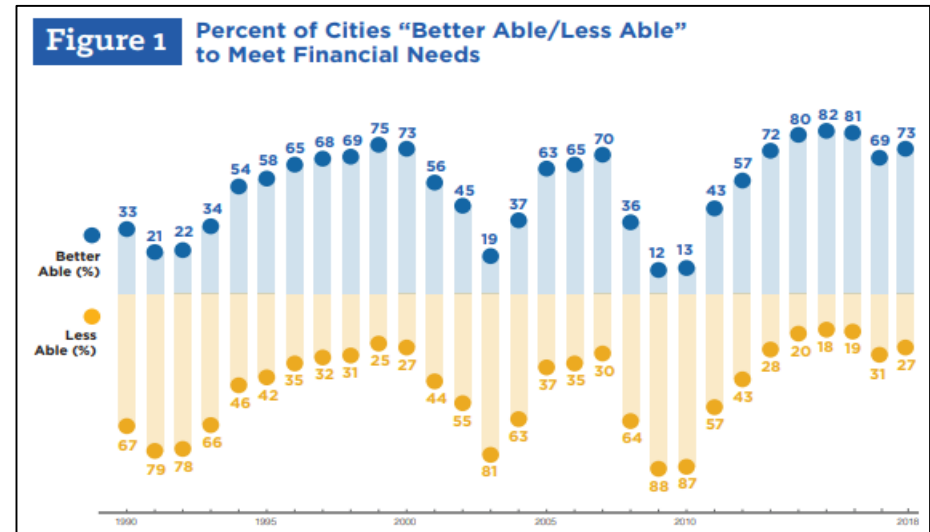
Source: BAML, NEAM

Fixed Income Capital Market Outlook

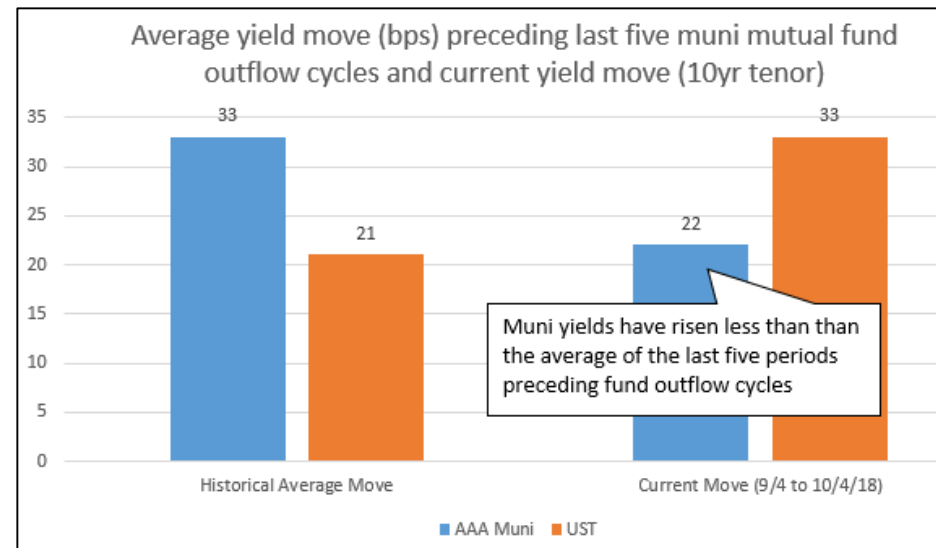


Municipal Bonds

- Fundamentals:** As a barometer of issuer sentiment, city finance officers are more optimistic this year than last about their fiscal condition. According to the National League of Cities, 73% of cities surveyed are better able to meet their financial needs, though confidence is uneven. For example, large cities and southern cities are a fair amount more positive than small and Midwestern ones.
- Technicals:** The technical backdrop has softened from the very supportive conditions of the summer months. Cash coming from coupons and maturities has seasonally weakened, though supply also remains fairly light. States and local governments have issued \$249 billion of long-term debt through September, a year-over-year decline of 15%.
- Valuations:** Tax-exempt muni valuations have adjusted from expensive to fair in the short-to-intermediate maturity range, while the longer-end of the curve remains fair to modestly attractive. Taxable munis remain in strong demand with credit spreads approaching all-time tights.
- Conclusions:** The muni market remains orderly amid the current sell-off in U.S. Treasury bonds. However, the market has historically been prone to mutual fund outflow cycles following such quick interest rate rises. Whether history repeats itself is an unknown though we would view any such forced selling scenario from the retail sector as a potential investment opportunity.



Source: National League of Cities



Source: Citi Research data, NEAM



Compliance Report

Compliance Report

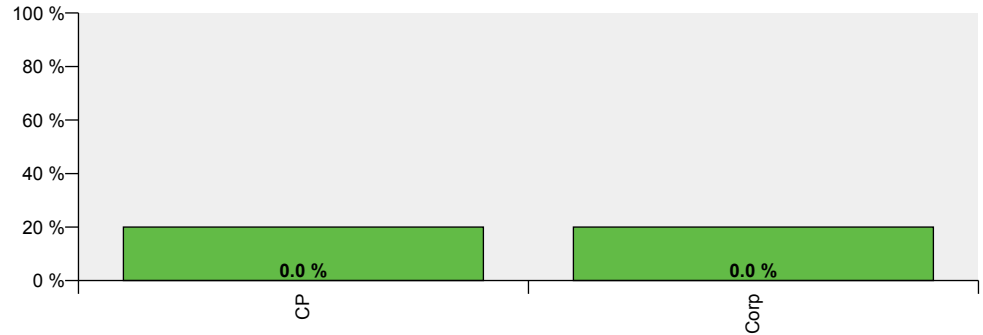


POOLING RESOURCES INC

9/30/2018

Sector	Value (000's Omitted)	Percentage	Lower Limit	Upper Limit
Commercial Paper	0	0.00 %	0.00 %	20.00 %
Corporate	0	0.00 %	0.00 %	20.00 %

Investment Guideline Exceptions Displayed On Following Page



This material illustrates certain investment guideline rules at a specific point in time, which we have codified in our automated investment guideline monitoring system and is not intended to be comprehensive. Only the investment guideline limits specifically identified are reflected in this material; it is not an exhaustive list of all guidelines applicable to your portfolio(s). Therefore, this may not reflect all investment guideline exceptions, including but not limited to certain guidelines which are not presented and/or which are not coded in our automated system. Additional information is available upon request.

Compliance Report



POOLING RESOURCES INC

9/30/2018

Category	Test Name	Units	Concentration	Lower Limit	Upper Limit	Status
BENCH	Weighted Avg Duration incl Cash vs. BofA ML Index US Treasury/Agency: 0-3 Yrs	Years	0.66	(20.00)	20.00	Waiver

Compliance Report

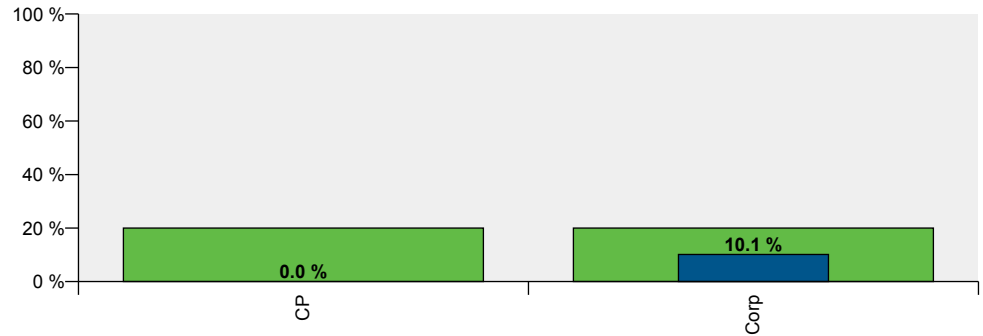


PUBLIC AGENCY COMPENSATION TRUST

9/30/2018

Sector	Value (000's Omitted)	Percentage	Lower Limit	Upper Limit
Commercial Paper	0	0.00 %	0.00 %	20.00 %
Corporate	9,509	10.13 %	0.00 %	20.00 %

Investment Guideline Exceptions Displayed On Following Page



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Compliance Report



PUBLIC AGENCY COMPENSATION TRUST

9/30/2018

Category	Test Name	Units	Concentration	Lower Limit	Upper Limit	Status
MAT	Exposure to Fixed Income Securities with an Average Life greater than 10 years Cusip: 3140ECS91 - FNMA POOL BA7743	Exclusion				Waiver

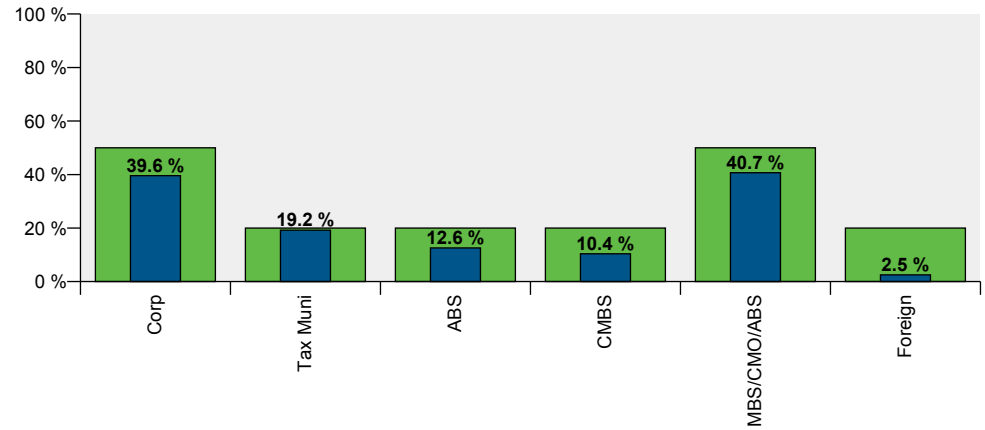
Compliance Report



PUBLIC COMPENSATION MUTUAL (PCM) - NEAM

Sector	Value (000's Omitted)	Percentage	Lower Limit	Upper Limit
Corporate	20,690	39.60 %	0.00 %	50.00 %
Taxable Municipal	10,025	19.19 %	0.00 %	20.00 %
ABS	6,581	12.59 %	0.00 %	20.00 %
CMBS	5,431	10.39 %	0.00 %	20.00 %
MBS/CMO/ABS	21,255	40.68 %	0.00 %	50.00 %
Foreign	1,311	2.51 %	0.00 %	20.00 %
No Investment Guideline Exceptions				

9/30/2018



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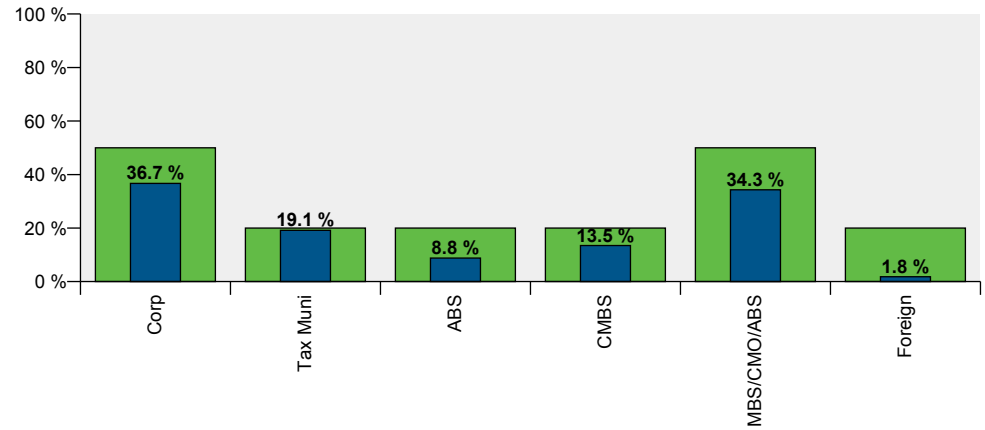
Compliance Report



PUBLIC RISK MUTUAL (PRM) - NEAM

Sector	Value (000's Omitted)	Percentage	Lower Limit	Upper Limit
Corporate	9,916	36.72 %	0.00 %	50.00 %
Taxable Municipal	5,167	19.13 %	0.00 %	20.00 %
ABS	2,373	8.79 %	0.00 %	20.00 %
CMBS	3,638	13.47 %	0.00 %	20.00 %
MBS/CMO/ABS	9,264	34.30 %	0.00 %	50.00 %
Foreign	488	1.81 %	0.00 %	20.00 %
No Investment Guideline Exceptions				

9/30/2018



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Credit Report

POOL/PACT Consolidated Portfolio Rating Change



Cusip	Description	Insurer	Cpn	Maturity	OAD	Avg Life	Quantity	Market Value	Unrealized Gain/Loss	Previous Rater	Previous Rating	Moody	S&P	Post Fitch	Lwst	NAIC	Eff Date
Downgrades																	
035242AJ5	ANHEUSER-BUSCH INBEV FINANCE INC		2.65	02/01/2021	2.23	2.34	200,000	197,096	(6,229)	NAIC	1FE	A3	A-	BBB	BBB	2FE	09/30/2018
134429BD0	CAMPBELL SOUP CO		3.30	03/15/2021	2.47	2.63	450,000	447,354	(2,365)	S&P	BBB	Baa2	BBB-		BBB-	2FE	08/30/2018
66989HAG3	NOVARTIS CAPITAL CORP		3.40	05/06/2024	5.26	5.85	325,000	324,214	(5,392)	MOODY	Aa3	A1	AA-	AA	A+	1FE	07/02/2018
842400GD9	SOUTHERN CALIFORNIA EDISON CO		2.40	02/01/2022	3.24	3.42	250,000	241,875	(12,349)	MOODY	Aa3	A1	A	A+	A	1FE	09/06/2018
					3.24	3.42	250,000	241,875	(12,349)	FITCH	A+	A1	A	A	A	1FE	09/13/2018
913017CR8	UNITED TECHNOLOGIES CORP		3.13	05/04/2027	7.48	8.76	500,000	469,150	(35,037)	MOODY	A3	Baa1	A-	NR	BBB+	1FE	08/09/2018
					7.31	8.59	500,000	467,060	(37,055)	NAIC	1FE	Baa1	A-	NR	BBB+	2FE	09/30/2018
Upgrades																	
81170TDT4	SEACOAST UTILITY AUTHORITY		6.68	03/01/2039	1.48	1.59	320,000	338,538	(5,465)	FITCH	AA	Aa1	AA+	AA+	AA+	1FE	08/08/2018



Transaction Detail

PACT Portfolio Transaction Analysis - 7/1/2018 thru 9/30/2018 - Transaction Detail



(000's Omitted for Fixed Income)

Purchases										At Purchase		
Trade Date	Description	Cpn	Maturity	Lwst	Quantity	Cost	Price	Spread	Average Life	Duration	Book Yield	
Settle Date	CUSIP											
SOVEREIGN												
08/06/2018	UNITED STATES TREASURY NOTE											
08/07/2018	912828Y61	2.75	07/31/2023	AA+	150	150	99.75	-	4.98	4.62	2.80	
08/20/2018	UNITED STATES TREASURY NOTE											
08/21/2018	9128284W7	2.75	08/15/2021	AA+	325	326	100.29	-	2.98	2.85	2.65	
08/20/2018	UNITED STATES TREASURY NOTE											
08/21/2018	912828Y46	2.63	07/31/2020	AA+	325	325	100.07	-	1.94	1.88	2.59	
Total Sovereign					800	801		-	2.93	2.79	2.65	
CORPORATE												
07/10/2018	TOYOTA MOTOR CORP											
07/20/2018	892331AB5	3.18	07/20/2021	AA-	250	250	100.00	50	3.00	2.84	3.18	
Total Corporate					250	250		50	3.00	2.84	3.18	
MBS												
07/05/2018	GOVERNMENT NATL MTG ASSOC II #MA5330											
07/19/2018	36179T4P7	4.00	07/20/2048	AA+	1,250	1,281	102.52	70	5.72	4.82	3.46	
Total MBS					1,250	1,281		70	5.72	4.82	3.46	
Total Purchases					2,300	2,332		67	4.47	3.91	3.15	

A Foreign Exchange Rate as of 09/30/2018 was used to convert amounts to USD.

PACT Portfolio Transaction Analysis - 7/1/2018 thru 9/30/2018 - Transaction Detail



(000's Omitted for Fixed Income)

Sales												Most Recent		
Trade Date	Description	Cpn	Maturity	Lwst	Quantity	Book Value	Principal Proceeds	Price	Realized G/L	Trade Yield	Average Life	Duration	Book Yield	
Settle Date	CUSIP													
SOVEREIGN														
07/16/2018	UNITED STATES TREASURY NOTE													
07/17/2018	912828VB3	1.75	05/15/2023	AA+	250	247	239	95.45	(9)	2.76	4.88	4.62	1.97	
Total Sovereign					250	247	239		(9)	2.76	4.88	4.62	1.97	
Total Sales					250	247	239		(9)	2.76	4.88	4.62	1.97	

A Foreign Exchange Rate as of 09/30/2018 was used to convert amounts to USD.

PACT Portfolio Transaction Analysis - 7/1/2018 thru 9/30/2018 - Transaction Detail



(000's Omitted for Fixed Income)

Other Transactions

Trade Date	Description	Cpn	Maturity	Lwst	Quantity	Book Value	Principal Proceeds	Price	Realized G/L	Most Recent		Tran Type
										Settle Date	CUSIP	
MATURITIES												
08/15/2018	UNITED STATES TREASURY NOTE											
08/15/2018	912828JH4	4.00	08/15/2018	AA+	600	600	600	100.00	-	0.04	3.45	MATURITY
Total Maturities					600	600	600		-	0.04	3.45	
Total Other Transactions					600	600	600		-	0.04	3.45	

A Foreign Exchange Rate as of 09/30/2018 was used to convert amounts to USD.

POOL Portfolio Transaction Analysis - 7/1/2018 thru 9/30/2018 - Transaction Detail



(000's Omitted for Fixed Income)

Purchases

Trade Date Settle Date	Description CUSIP	Cpn	Maturity	Rating	Quantity	Cost	Price	Spread	At Purchase		
									Average Life	Duration	Book Yield

No Transactions for the Period

PCM Portfolio Transaction Analysis - 7/1/2018 thru 9/30/2018 - Transaction Detail



(000's Omitted for Fixed Income)

Purchases											
Trade Date Settle Date	Description CUSIP	Cpn	Maturity	Lwst	Quantity	Cost	Price	Spread	At Purchase		
									Average Life	Duration	Book Yield
CORPORATES											
08/06/2018 08/09/2018	DUKE ENERGY PROGRESS LLC 26442UAG9	3.70	09/01/2028	A	200	200	99.98	77	10.06	8.34	3.70
08/14/2018 08/17/2018	OKLAHOMA G&E CO 678858BT7	3.80	08/15/2028	BBB+	300	299	99.81	93	9.99	8.25	3.82
09/04/2018 09/07/2018	UNILEVER CAPITAL CORP 904764BC0	3.50	03/22/2028	A+	200	198	99.02	74	9.54	7.91	3.62
09/26/2018 09/28/2018	UNITEDHEALTH GROUP INC 91324PDK5	3.85	06/15/2028	A-	500	502	100.35	73	9.71	7.96	3.81
Total Corporates					1,200	1,199		79	9.81	8.09	3.76
Total Purchases					1,200	1,199		79	9.81	8.09	3.76

A Foreign Exchange Rate as of 09/30/2018 was used to convert amounts to USD.
Tax Equivalent Spread for Municipal bonds calculated at time of purchase, excluding floating rate securities.

PCM Portfolio Transaction Analysis - 7/1/2018 thru 9/30/2018 - Transaction Detail



(000's Omitted for Fixed Income)

Other Transactions

Trade Date Settle Date	Description CUSIP	Cpn	Maturity	Lwst	Quantity	Book Value	Principal Proceeds	Price	Realized G/L	Most Recent		Tran Type
										Duration	Book Yield	
SINKING FUNDS												
07/01/2018 07/01/2018	TEXAS ST DEPT OF HSG & CMNTY A 88275FPA1	3.10	09/01/2047	AA+	1	1	1	100.00	-	6.40	3.12	SINK
08/01/2018 08/01/2018	TEXAS ST DEPT OF HSG & CMNTY A 88275FPA1	3.10	09/01/2047	AA+	2	2	2	100.00	-	6.38	3.12	SINK
09/01/2018 09/01/2018	TEXAS ST DEPT OF HSG & CMNTY A 88275FPA1	3.10	09/01/2047	AA+	1	1	1	100.00	-	6.44	3.12	SINK
Total Sinking Funds					3	3	3		-	6.40	3.12	
Total Other Transactions					3	3	3		-	6.40	3.12	

A Foreign Exchange Rate as of 09/30/2018 was used to convert amounts to USD.
Tax Equivalent Spread for Municipal bonds calculated at time of purchase, excluding floating rate securities.

PRM Portfolio Transaction Analysis - 7/1/2018 thru 9/30/2018 - Transaction Detail



(000's Omitted for Fixed Income)

Purchases										At Purchase		
Trade Date	Description	Cpn	Maturity	Lwst	Quantity	Cost	Price	Spread	Average Life	Duration	Book Yield	
Settle Date	CUSIP											
CORPORATES												
09/04/2018	UNILEVER CAPITAL CORP											
09/07/2018	904764BC0	3.50	03/22/2028	A+	150	149	99.02	74	9.54	7.91	3.62	
09/26/2018	UNITEDHEALTH GROUP INC											
09/28/2018	91324PDK5	3.85	06/15/2028	A-	300	301	100.35	73	9.71	7.96	3.81	
Total Corporates					450	450		73	9.65	7.94	3.75	
Total Purchases					450	450		73	9.65	7.94	3.75	

A Foreign Exchange Rate as of 09/30/2018 was used to convert amounts to USD.
 Tax Equivalent Spread for Municipal bonds calculated at time of purchase, excluding floating rate securities.

PRM Portfolio Transaction Analysis - 7/1/2018 thru 9/30/2018 - Transaction Detail



(000's Omitted for Fixed Income)

Sales												Most Recent		
Trade Date	Description	Cpn	Maturity	Lwst	Quantity	Book Value	Principal Proceeds	Price	Realized G/L	Trade Yield	Average Life	Duration	Book Yield	
Settle Date	CUSIP													
SOVEREIGNS														
09/27/2018	UNITED STATES TREASURY NOTE													
09/28/2018	912828WC0	1.75	10/31/2020	AA+	300	299	293	97.78	(5)	2.85	2.17	2.09	1.94	
Total Sovereigns					300	299	293		(5)	2.85	2.17	2.09	1.94	
Total Sales					300	299	293		(5)	2.85	2.17	2.09	1.94	

A Foreign Exchange Rate as of 09/30/2018 was used to convert amounts to USD.
 Tax Equivalent Spread for Municipal bonds calculated at time of purchase, excluding floating rate securities.

PRM Portfolio Transaction Analysis - 7/1/2018 thru 9/30/2018 - Transaction Detail



(000's Omitted for Fixed Income)

Other Transactions

Trade Date Settle Date	Description CUSIP	Cpn	Maturity	Lwst	Quantity	Book Value	Principal Proceeds	Price	Realized G/L	Most Recent		Tran Type
										Duration	Book Yield	
SINKING FUNDS												
07/01/2018 07/01/2018	TEXAS ST DEPT OF HSG & CMNTY A 88275FPA1	3.10	09/01/2047	AA+	< 1	< 1	< 1	100.00	-	6.40	3.12	SINK
08/01/2018 08/01/2018	TEXAS ST DEPT OF HSG & CMNTY A 88275FPA1	3.10	09/01/2047	AA+	1	1	1	100.00	-	6.38	3.12	SINK
09/01/2018 09/01/2018	TEXAS ST DEPT OF HSG & CMNTY A 88275FPA1	3.10	09/01/2047	AA+	< 1	< 1	< 1	100.00	-	6.44	3.12	SINK
Total Sinking Funds					1	1	1		-	6.40	3.12	
Total Other Transactions					1	1	1		-	6.40	3.12	

A Foreign Exchange Rate as of 09/30/2018 was used to convert amounts to USD.
Tax Equivalent Spread for Municipal bonds calculated at time of purchase, excluding floating rate securities.

PRI Portfolio Transaction Analysis - 7/1/2018 thru 9/30/2018

- Transaction Detail



(000's Omitted for Fixed Income)

Other Transactions

Trade Date Settle Date	Description CUSIP	Cpn	Maturity	Lwst	Quantity	Book Value	Principal Proceeds	Price	Realized G/L	Most Recent		Tran Type
										Duration	Book Yield	
MATURITIES												
07/31/2018	UNITED STATES TREASURY NOTE											
07/31/2018	912828QY9	2.25	07/31/2018	AA+	10	10	10	100.00	-	0.09	1.11	MATURITY
Total Maturities					10	10	10		-	0.09	1.11	
Total Other Transactions					10	10	10		-	0.09	1.11	

A Foreign Exchange Rate as of 09/30/2018 was used to convert amounts to USD.



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Investment Review As of September 30th, 2018

October 29th, 2018

Presented By: Daniel Smereck
Managing Director

We have performed a detailed review of the investment performance for NPAIP & PACT. This report is based upon information submitted by the company and its investment managers. This report reflects all of the information currently received and analyzed. Any changes or corrections to that information may impact the conclusions of this review.



STRATEGIC ASSET ALLIANCE
THE INSURANCE INVESTMENT SPECIALIST

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Executive Summary

- **CAPITAL MARKETS - 3rd Quarter 2018**

- **Global equities made gains in Q3, primarily due to US market strength. Political uncertainty and trade concerns weighed on other regions.**
 - US equities significantly outperformed other major regions. Economic growth and earnings data remained extremely robust, ultimately overshadowing concerns surrounding the escalating US-China trade war. The US initially targeted \$34 billion of Chinese products with a 25% tariff in early July. Tariffs on another \$16 billion began in late August, before a 10% tariff was implemented on a further \$200 billion of Chinese goods in September (set to rise to 25% in January). Despite these measures, the US equity bull market became the longest in history on August 22nd.
 - Eurozone equity gains were modest. Banks were generally weaker amid concerns over exposure to emerging markets as well as worries over the Italian budget. On the economic front, growth for the second quarter of 2018 was revised up to 0.4% quarter-on-quarter, compared to the initial estimate of 0.3%. Forward-looking activity indicators continued to point towards expansion, albeit at a more subdued pace than at the start of 2018.
 - Japanese equities saw strong gains amid a weaker yen and greater clarity on the medium-term policy outlook following Prime Minister Abe's re-election as his party's leader.
 - Emerging markets equities lost value, with US dollar strength and trade tensions weighing. China underperformed as the US implemented tariffs on a total of \$250 billion of Chinese goods.
- **Core government bond yields rose over the quarter due to positive economic data, particularly from the U.S. This outweighed a bout of safe haven demand in August caused by concerns related to emerging market instability, trade tensions and political issues in Europe.**
 - Stability in growth and employment figures allowed the Federal Reserve (Fed) to enact its widely anticipated increase in the federal funds rate by 25 basis points. The committee dropped its long-standing description of monetary policy as "accommodative", and reaffirmed its outlook for further gradual hikes into 2019. U.S. 10-year yields rose from 2.86% to 3.06%.

- **INVESTMENT PROGRAM**

- The enterprise-based asset allocation work ("ERM") indicates the ability of both PCM and PRM to take additional, prudent risk across both fixed income and risk asset portfolios to increase longer-term expected investment returns. However, the final cash transfers from Pool/PACT to PRM/PCM will be first invested within the fixed income portfolio; risk asset allocation evaluation will occur afterwards.
- As of 9/30/2018 other than one security held by PACT with a weighted average life of 10.17 (Policy maximum is 10), all portfolios are in compliance with their respective investment guidelines.
 - PCM/PRM risk assets/surplus are well under the 50% maximum after using 12/31/2017 surplus figures.





Capital Markets Review Third Quarter 2018

DISCLAIMERS: Opinions and estimates offered constitute our judgment and are subject to change without notice, as are statements of financial market trends, which are based on current market conditions. We believe the information provided here is reliable, but do not warrant its accuracy or completeness. This material is not intended as an offer or solicitation for the purchase or sale of any financial instrument. The views and strategies described may not be suitable for all investors. This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for investment, accounting, legal and tax advice. References to future returns are not promises or even estimates of actual returns a client portfolio may achieve. Any forecasts contained herein are for illustrative purposes only.

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Summary Capital Market Commentary – 3rd Quarter 2018

● GLOBAL FINANCIAL MARKETS

- **Global equities made gains in Q3, primarily due to US market strength. Political uncertainty and trade concerns weighed on other regions.**
 - US equities significantly outperformed other major regions. Economic growth and earnings data remained extremely robust, ultimately overshadowing concerns surrounding the escalating US-China trade war. The US initially targeted \$34 billion of Chinese products with a 25% tariff in early July. Tariffs on another \$16 billion began in late August, before a 10% tariff was implemented on a further \$200 billion of Chinese goods in September (set to rise to 25% in January). Despite these measures, the US equity bull market became the longest in history on August 22nd.
 - Eurozone equity gains were modest. Banks were generally weaker amid concerns over exposure to emerging markets as well as worries over the Italian budget. On the economic front, growth for the second quarter of 2018 was revised up to 0.4% quarter-on-quarter, compared to the initial estimate of 0.3%. Forward-looking activity indicators continued to point towards expansion, albeit at a more subdued pace than at the start of 2018.
 - Japanese equities saw strong gains amid a weaker yen and greater clarity on the medium-term policy outlook following Prime Minister Abe's re-election as his party's leader.
 - Emerging markets equities lost value, with US dollar strength and trade tensions weighing. China underperformed as the US implemented tariffs on a total of \$250 billion of Chinese goods.
- **Core government bond yields rose over the quarter due to positive economic data, particularly from the U.S. This outweighed a bout of safe haven demand in August caused by concerns related to emerging market instability, trade tensions and political issues in Europe.**
 - Stability in growth and employment figures allowed the Federal Reserve (Fed) to enact its widely anticipated increase in the federal funds rate by 25 basis points. The committee dropped its long-standing description of monetary policy as "accommodative", and reaffirmed its outlook for further gradual hikes into 2019. U.S. 10-year yields rose from 2.86% to 3.06%.



Executive Summary - Key Capital Market Index Returns

Index	Asset Class	Jul-18	Aug-18	Sep-18	Q3'18	YTD	Trailing 1 Yr	Trailing 3 Yr
Dow Jones Industrial Average	U.S. Equity	4.83%	2.56%	1.97%	9.63%	8.83%	20.76%	20.49%
S&P Composite 1500 Growth	U.S. Equity	3.31%	4.87%	0.49%	8.87%	16.73%	24.59%	19.59%
S&P 500	U.S. Equity	3.72%	3.26%	0.57%	7.71%	10.56%	17.91%	17.31%
S&P Composite 1500	U.S. Equity	3.57%	3.30%	0.34%	7.35%	10.47%	17.69%	17.26%
Alerian MLP	Master Limited Partnerships	6.58%	1.58%	-1.57%	6.57%	5.90%	4.89%	4.43%
S&P Composite 1500 Value	U.S. Equity	3.86%	1.50%	0.16%	5.60%	3.89%	10.30%	14.37%
MSCI World Index	World Equity	3.15%	1.28%	0.60%	5.10%	5.89%	11.84%	14.18%
S&P SmallCap 600	U.S. Equity	3.16%	4.83%	-3.17%	4.71%	14.54%	19.08%	19.41%
BofA Merrill Lynch US Convertibles	U.S. Convertible Bond	0.65%	3.52%	-0.25%	3.93%	10.43%	12.15%	11.83%
S&P MidCap 400	U.S. Equity	1.76%	3.19%	-1.10%	3.86%	7.49%	14.21%	15.68%
S&P GSCI Crude Oil	U.S. Equity	-5.28%	2.76%	5.41%	2.60%	28.11%	48.57%	2.94%
Barclays Capital U.S. Corporate High Yield	U.S. Fixed Income	1.09%	0.74%	0.56%	2.40%	2.57%	3.05%	8.15%
S&P/LSTA US Leveraged Loan Index	U.S. Fixed Income	0.74%	0.40%	0.69%	1.84%	4.04%	5.19%	5.32%
MSCI EAFE Index	International Equity	2.47%	-1.92%	0.91%	1.42%	-0.98%	3.25%	9.77%
MSCI World Ex. US Index	World Equity	2.47%	-1.87%	0.83%	1.38%	-1.04%	3.20%	9.87%
MSCI EAFE (Net)	International Equity	2.46%	-1.93%	0.87%	1.35%	-1.43%	2.74%	9.23%
S&P GSCI Commodities	U.S. Equity	-3.53%	1.08%	3.93%	1.34%	11.84%	22.91%	3.17%
Barclays Capital U.S. Corporate Investment Grade	U.S. Fixed Income	0.83%	0.49%	-0.36%	0.97%	-2.33%	-1.19%	3.12%
Dow Jones U.S. Select REIT	U.S. Real Estate	0.55%	2.98%	-2.73%	0.72%	2.56%	4.59%	6.88%
Citigroup 3-month T-bill	Cash/Cash Equivalent	0.16%	0.17%	0.17%	0.50%	1.29%	1.57%	0.80%
Barclays Intermediate U.S. Government/Credit	U.S. Fixed Income	0.03%	0.59%	-0.40%	0.21%	-0.76%	-0.96%	0.91%
Barclays U.S. Government/Credit	U.S. Fixed Income	0.08%	0.65%	-0.67%	0.06%	-1.85%	-1.37%	1.45%
Barclays Capital U.S. Aggregate	U.S. Fixed Income	0.02%	0.64%	-0.64%	0.02%	-1.60%	-1.22%	1.31%
Barclays Capital Municipal Bond	U.S. Fixed Income	0.24%	0.26%	-0.65%	-0.15%	-0.40%	0.35%	2.24%
5-Year US Treasury	U.S. Treasury	-0.30%	0.75%	-0.70%	-0.26%	-1.33%	-2.03%	-0.49%
Merrill Lynch US Treasury Master	U.S. Fixed Income	-0.45%	0.78%	-0.98%	-0.66%	-1.75%	-1.64%	0.28%
Barclays U.S. Treasury: U.S. TIPS	U.S. Fixed Income	-0.48%	0.72%	-1.05%	-0.82%	-0.84%	0.41%	2.04%
Citigroup WorldBIG Index	World Fixed Income	-0.12%	0.01%	-0.80%	-0.90%	-2.40%	-1.39%	1.89%
MSCI EM (Emerging Markets)	International Equity	2.28%	-2.67%	-0.50%	-0.95%	-7.39%	-0.44%	12.77%
10-Year US Treasury	U.S. Treasury	-0.72%	1.13%	-1.49%	-1.10%	-3.75%	-4.02%	-1.12%

- **SAA BOTTOMLINE:** US equities advanced in Q3 to significantly outperform other major regions. Economic growth and earnings data remained robust, and this ultimately overshadowed simmering concerns around the escalating US-China trade war. With the US equity bull market becoming the longest in history on August 22nd, markets are growing more concerned with longer-term revenue growth as positive earnings surprises due primarily to tax law changes diminish prospectively.

- Core government bond yields rose over the quarter due to positive economic data, particularly from the US.



Indices sorted high/low by Q3 '18 performance.

U.S. Fixed Income Sector Yields & Returns

Index YTW	12/31/2013	12/31/2014	12/31/2015	12/31/2016	12/31/2017	6/30/2018	9/30/2018
Aggregate	2.48%	2.25%	2.59%	2.61%	2.71%	3.29%	3.46%
U.S. Credit	3.18%	3.01%	3.54%	3.29%	3.19%	3.94%	4.00%
U.S. Treasury	1.44%	1.43%	1.73%	1.89%	2.19%	2.71%	2.95%
Municipal Bond	3.15%	2.09%	2.11%	2.65%	2.36%	2.67%	2.86%
U.S. High Yield	5.64%	6.61%	8.74%	6.12%	5.72%	6.49%	6.24%
U.S. 2-Yr Treasury	0.38%	0.66%	1.05%	1.19%	1.88%	2.53%	2.82%
U.S. 5-Yr Treasury	1.74%	1.65%	1.76%	1.92%	2.19%	2.73%	2.95%
U.S. 10-Yr Treasury	3.03%	2.17%	2.28%	2.43%	2.41%	2.85%	3.06%
Global Aggregate (USD)	2.11%	1.62%	1.77%	1.60%	1.66%	1.99%	2.15%
Change to Current Period							
Aggregate	▲ 0.98%	▲ 1.21%	▲ 0.87%	▲ 0.85%	▲ 0.75%	▲ 0.17%	
U.S. Credit	▲ 0.82%	▲ 0.99%	▲ 0.46%	▲ 0.71%	▲ 0.81%	▲ 0.06%	
U.S. Treasury	▲ 1.51%	▲ 1.52%	▲ 1.22%	▲ 1.06%	▲ 0.76%	▲ 0.24%	
Municipal Bond	▼ -0.29%	▲ 0.77%	▲ 0.75%	▲ 0.21%	▲ 0.50%	▲ 0.19%	
U.S. High Yield	▲ 0.60%	▼ -0.37%	▼ -2.50%	▲ 0.12%	▲ 0.52%	▼ -0.25%	
U.S. 2-Yr Treasury	▲ 2.44%	▲ 2.16%	▲ 1.77%	▲ 1.63%	▲ 0.94%	▲ 0.29%	
U.S. 5-Yr Treasury	▲ 1.21%	▲ 1.30%	▲ 1.19%	▲ 1.03%	▲ 0.76%	▲ 0.22%	
U.S. 10-Yr Treasury	▲ 0.03%	▲ 0.89%	▲ 0.78%	▲ 0.63%	▲ 0.65%	▲ 0.21%	
Global Aggregate	▲ 0.04%	▲ 0.53%	▲ 0.38%	▲ 0.55%	▲ 0.49%	▲ 0.16%	
U.S. Agg. vs. Global Agg.	▲ 0.37%	▲ 0.63%	▲ 0.82%	▲ 1.01%	▲ 1.05%	▲ 1.30%	▲ 1.31%
UST 2yr-10yr Spread (bps)	264.8	150.6	123.2	124.2	52.7	32.0	24.0
UST 5yr-10yr Spread (bps)	128.7	51.7	52.0	51.0	22.0	12.0	11.0

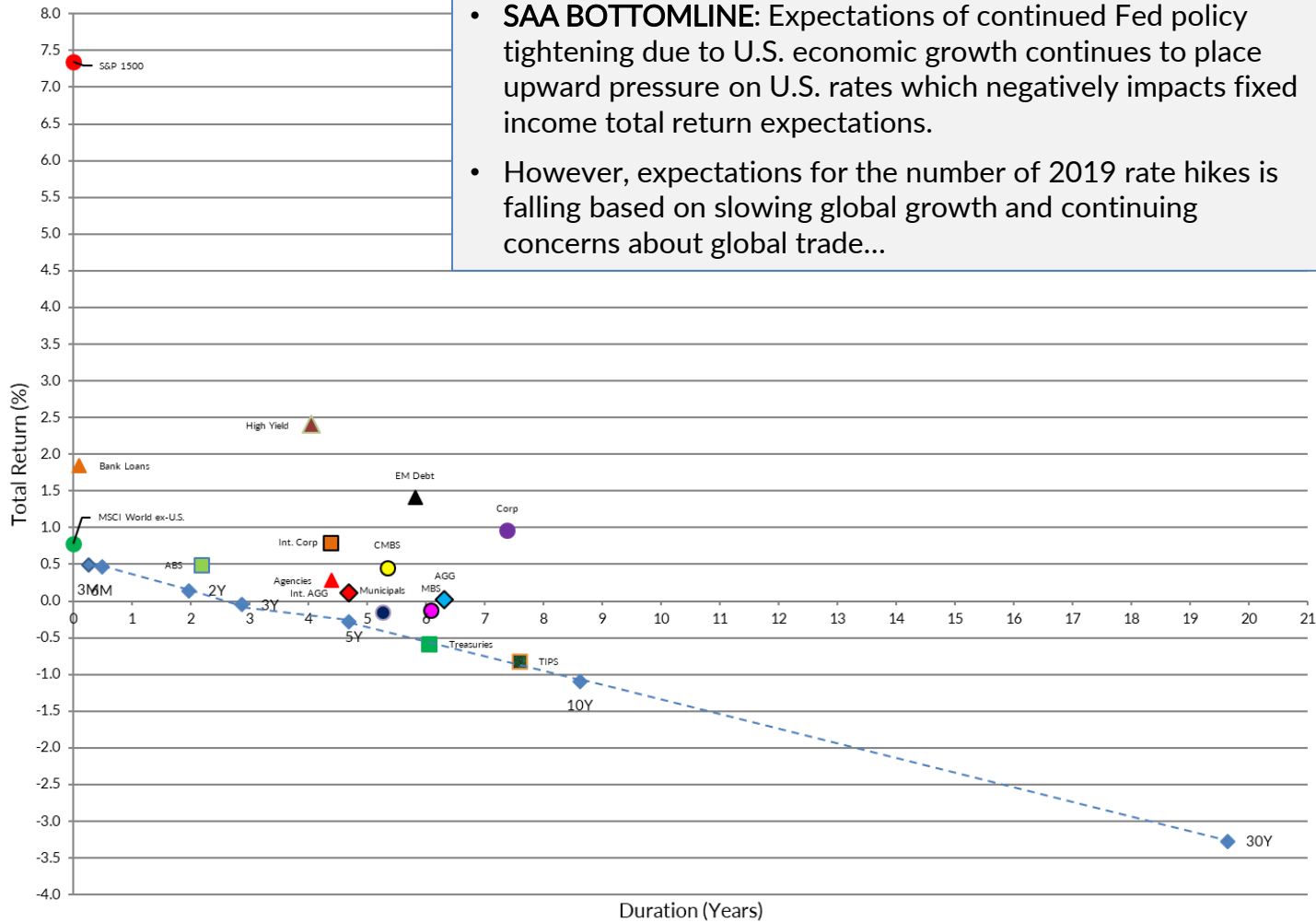
Note: Bloomberg Barclays Indices

- **SAA BOTTOMLINE:** The difference between U.S. and Global yields still remains pronounced at 1.31% as the expectation of further Fed rate hikes continues the active policy divergence between the U.S. and other developed markets' central banks; although the rest of the world's monetary policy is slowly becoming less accommodative.
- Additionally, the UST yield curve continued to flatten as the 2/10 spread is only 24 bps. When 2/10 year yields meet, recessions typically follow according to history. However, a number of economists suggest that this "barometer" is broken as a result of the unprecedented central bank bond purchases as part of quantitative easing policies worldwide since 2009.

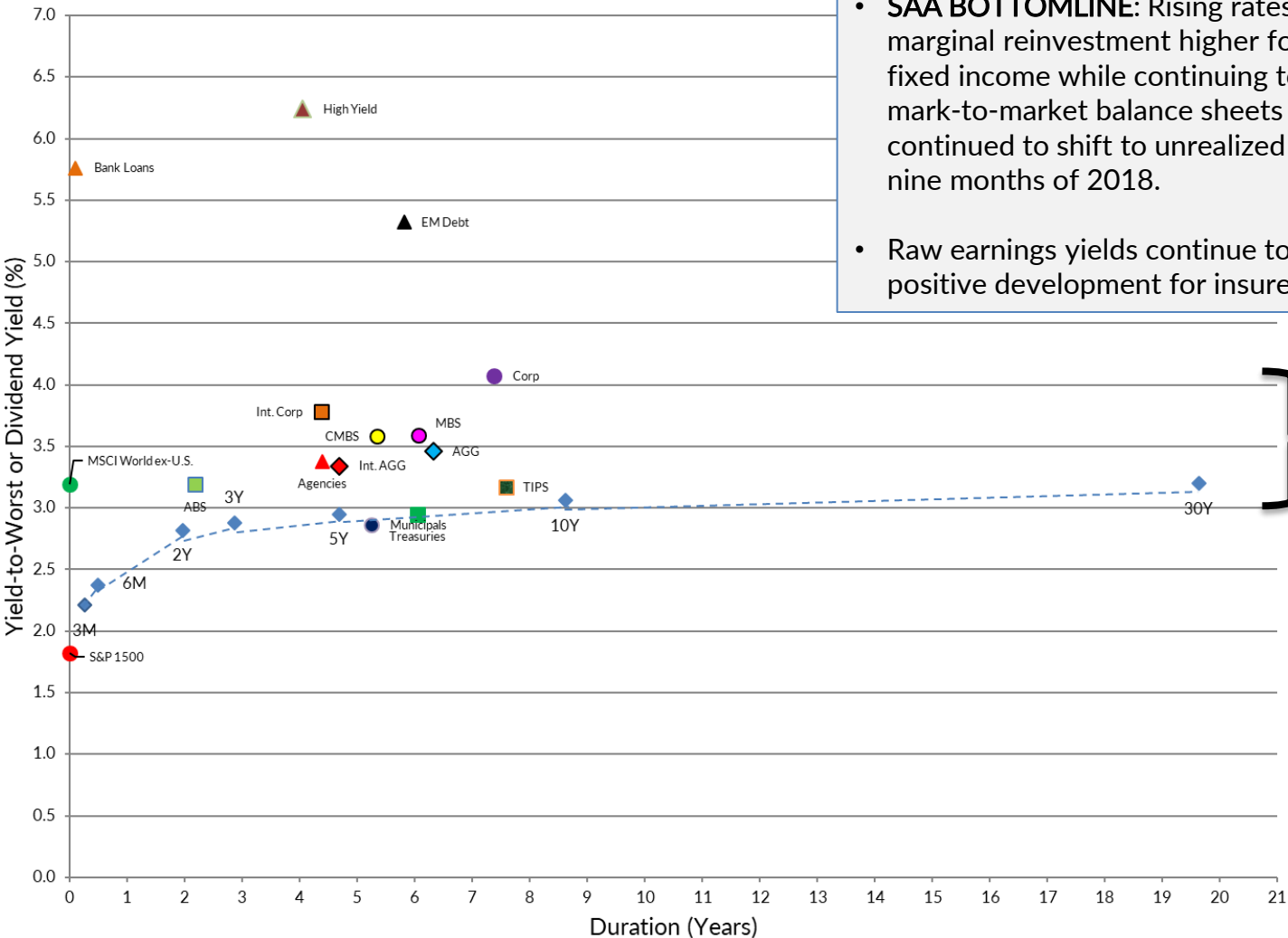


Q3-2018 Fixed Income Sector/Duration - Total Return

- **SAA BOTTOMLINE:** Expectations of continued Fed policy tightening due to U.S. economic growth continues to place upward pressure on U.S. rates which negatively impacts fixed income total return expectations.
- However, expectations for the number of 2019 rate hikes is falling based on slowing global growth and continuing concerns about global trade...



Q3-2018 U.S. Fixed Income Sector/Duration - Yields



- **SAA BOTTOMLINE:** Rising rates continue to push marginal reinvestment higher for investment-grade fixed income while continuing to wreak havoc across mark-to-market balance sheets as unrealized gains continued to shift to unrealized losses during the first nine months of 2018.
- Raw earnings yields continue to rise – a longer-term positive development for insurers.

New money and reinvestment yields have risen for U.S. investment grade fixed income and now range from 3.00% to 4.25%





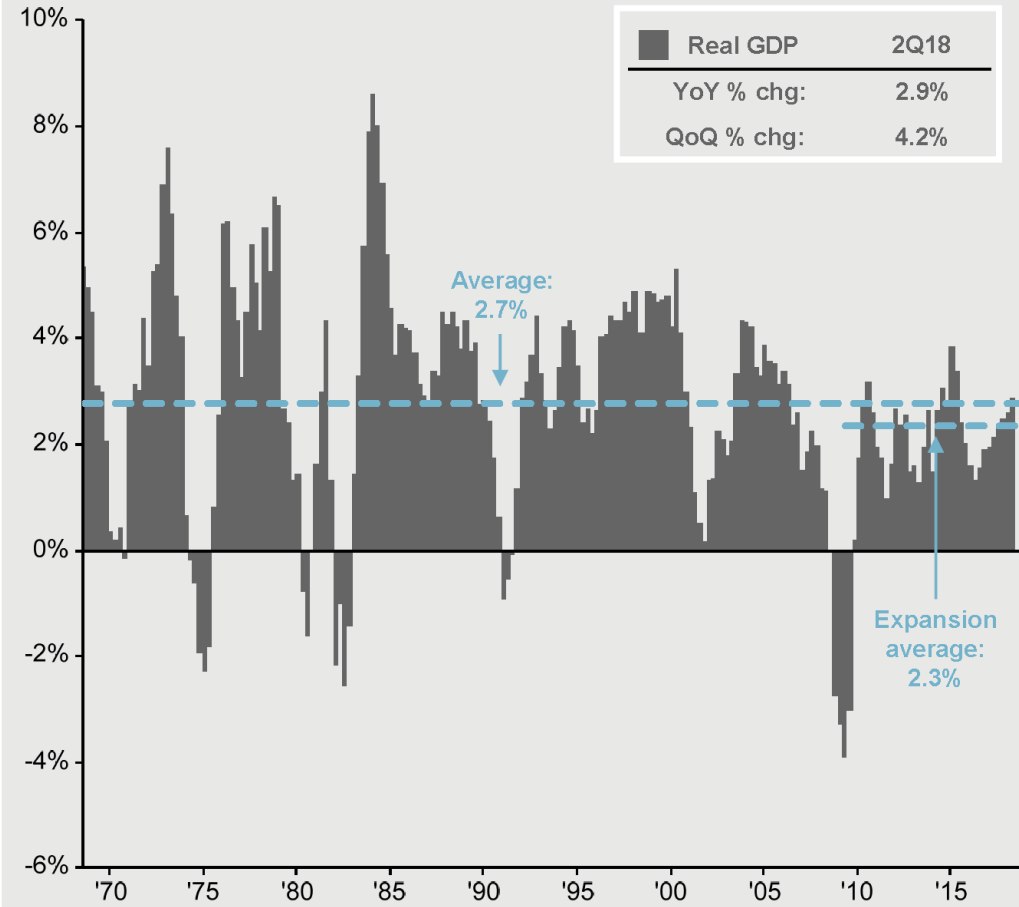
KEY INVESTMENT THEMES FOR Q3-2018



U.S. Economy (Slowly moving ahead...)

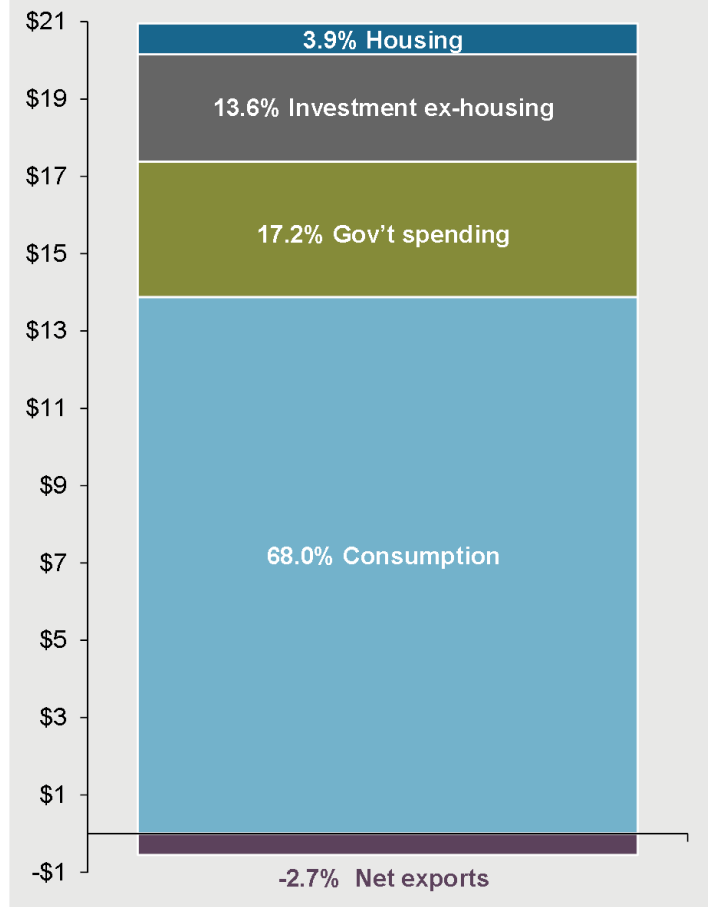
Real GDP

Year-over-year % change



Components of GDP

2Q18 nominal GDP, USD trillions



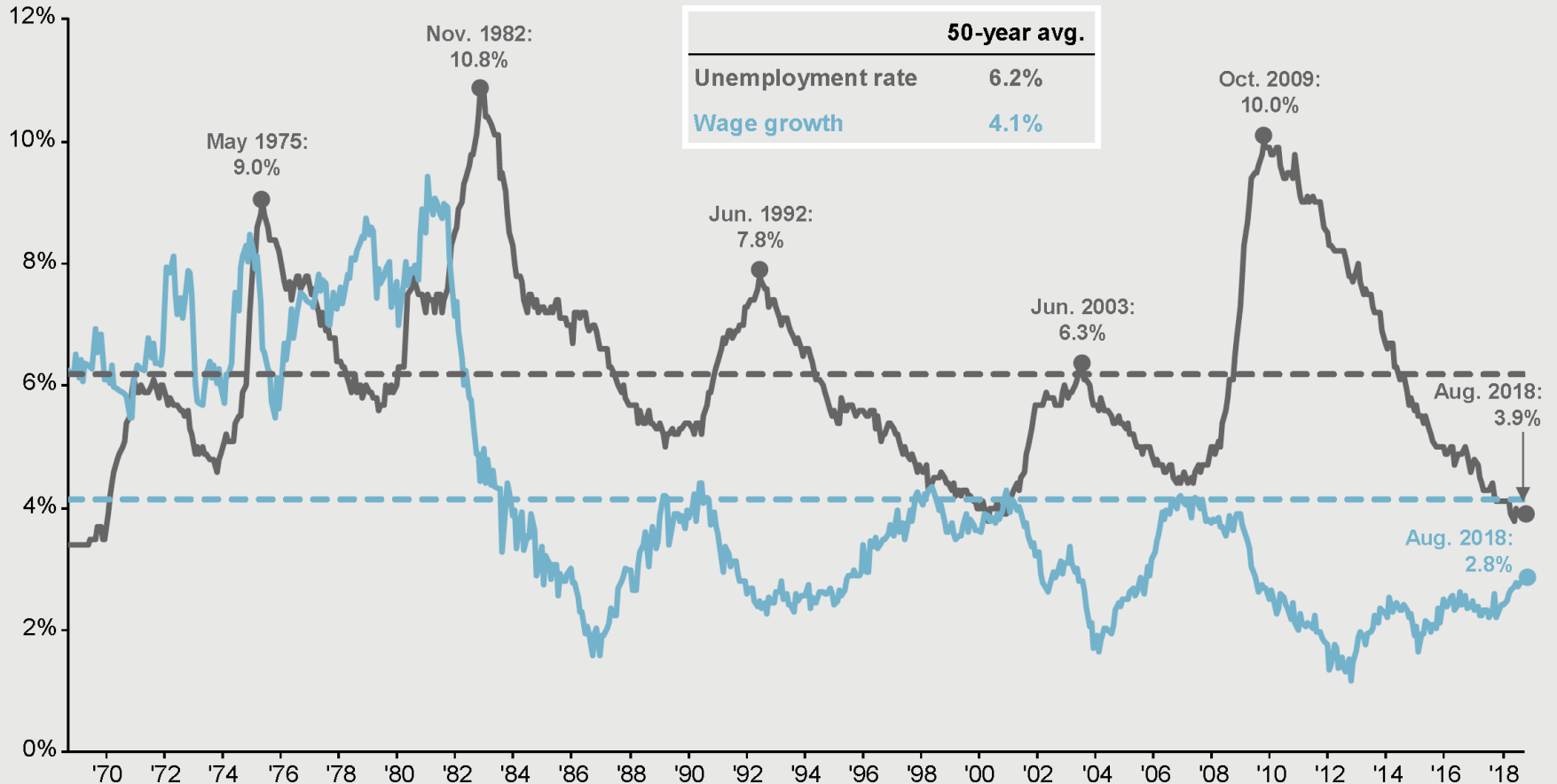
- SAA BOTTOMLINE:** Recent economic growth accelerated as tax cuts spurred both consumer and business spending. However, average growth of the current expansion has lagged the historical average. The near-term issue is trade and further escalation of tariffs will negatively impact future growth as well as investor sentiment. The long-term issue is productivity as this is what drives U.S. GDP growth.



U.S. Employment & Wages

Civilian unemployment rate and year-over-year wage growth for private production and non-supervisory workers

Seasonally adjusted, percent

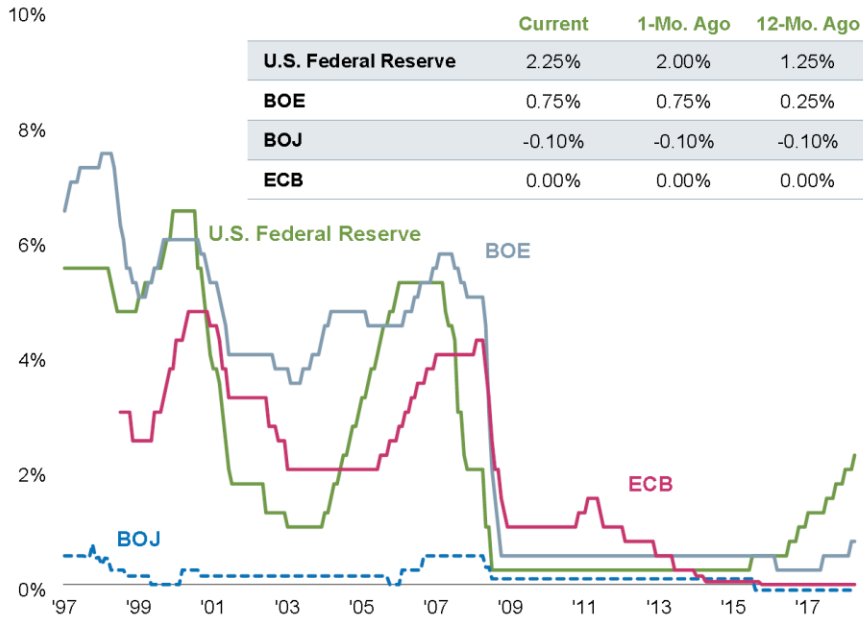


- SAA BOTTOMLINE:** The potential for wage inflation and its impact on Fed policy remains a concern, but has yet to materialize even with two major factors limiting labor force growth: 1) demographic drag of retiring baby boomers; and 2) tighter immigration restrictions. More importantly, labor force shortage has longer-term implications regarding productivity and economic growth.

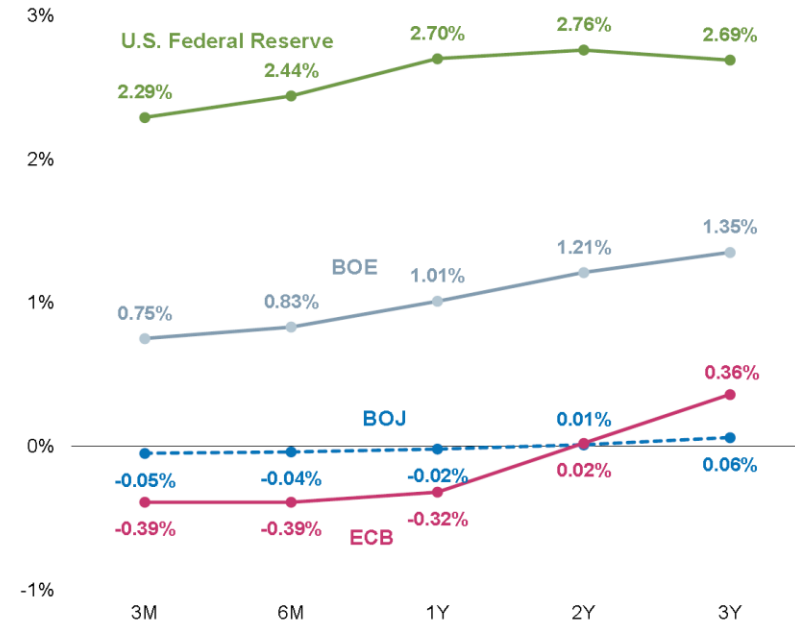


Global Monetary Policy

Central Bank Policy Rates



Market Expectations for Future Central Bank Rates

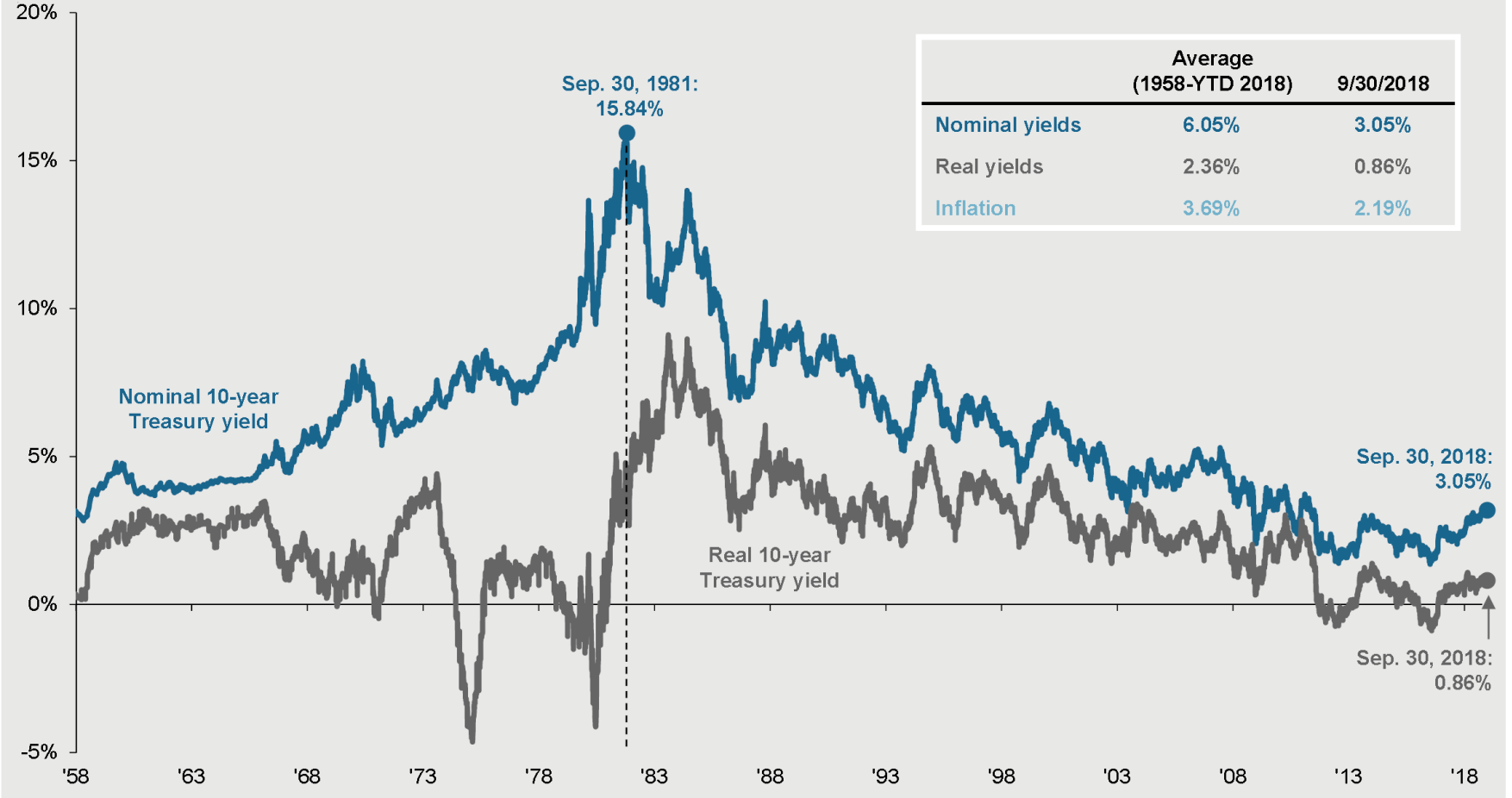


- **SAA BOTTOMLINE:** While the U.S. leads the way with regard to tightening monetary policy, the rest of the world is beginning to resolutely follow. Currently, the Fed is more concerned with overly expansive monetary policy and its impact on asset prices (i.e. bubbles) than they are with higher inflation.



U.S. Interest Rates & Inflation

Nominal and real 10-year Treasury yields



- SAA BOTTOMLINE:** With real yields turning positive as a result of the Fed's policy moves, fixed income investor returns now outpace inflation (for the time being). This shift to positive yields has contributed to increased volatility across riskier asset classes since investors can now find similar yields using higher quality fixed income securities and not lose purchasing power parity.



U.S. and International Equities

MSCI All Country World ex-U.S. and S&P 500 Indices

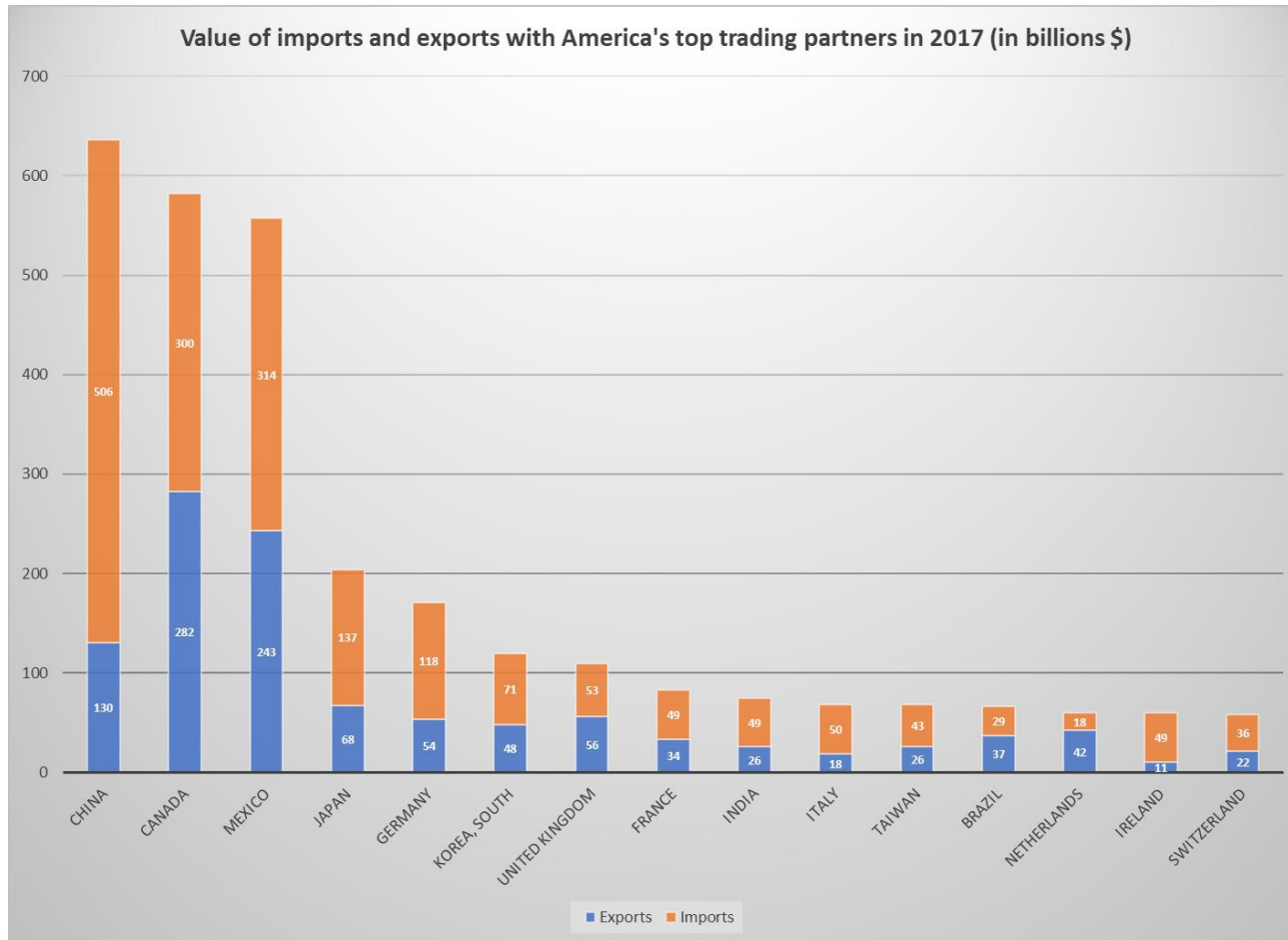
Dec. 1996 = 100, U.S. dollar, price return



- SAA BOTTOMLINE:** With U.S. equities having solidly outperformed international equities since 2012, it may be easy to overlook the benefits of having international equity exposure longer-term given the diversification benefits and yield advantage. Remaining focused on forward-looking valuation metrics and economic trends remains critical.



Trade Impacts (Talk vs. Tariff)



- **SAA BOTTOMLINE:** If trade saber-rattling continues to morph into hard tariffs, the drag on global growth and investor sentiment will quicken. Although it may take some short-term pain, the worlds' major economies are aligned to reach "trade agreements" that are mutually beneficial before investors and consumers begin to bear more negative consequences (both intended and unintended).





NEVADA PUBLIC AGENCY INSURANCE POOL



POOL - Performance Summary

Portfolio	Market Value	% of MV	Q3-2018	YTD	Annualized						Inception Date
					1 Yr	2Yr	3Yr	5Yr	10Yr	Since Inception	
POOL											
NEAM - Fixed Income ¹	\$19,422,712	100.0%	-0.04%	-0.82%	-0.77%	-0.35%	0.65%	1.23%	2.62%	4.38%	Jul-91
Custom Benchmark			-0.02%	-0.71%	-0.91%	-0.66%	0.36%	1.07%	2.29%	4.75%	
Relative Performance			▼ -0.02%	▼ -0.11%	▲ 0.14%	▲ 0.31%	▲ 0.29%	▲ 0.16%	▲ 0.33%	▼ -0.37%	
Key Market Indices											
Barclays U.S. Aggregate			0.02%	-1.60%	-1.22%	-0.57%	1.31%	2.16%	3.77%		
Barclays Intermediate U.S. Government/Credit			0.21%	-0.76%	-0.96%	-0.37%	0.91%	1.52%	3.22%		
Barclays U.S. Corporate Investment Grade			0.97%	-2.33%	-1.19%	0.50%	3.12%	3.54%	6.35%		
Notes:											
1) NEAM replaced EAM as fixed income manager 1/1/2016.											
-- All returns net of fees											
-- Fixed Income Market values include accrued income											
-- For each measurement period, Green indicates outperformance, and Red indicates underperformance											

3rd Quarter Market Issues & Performance Drivers:

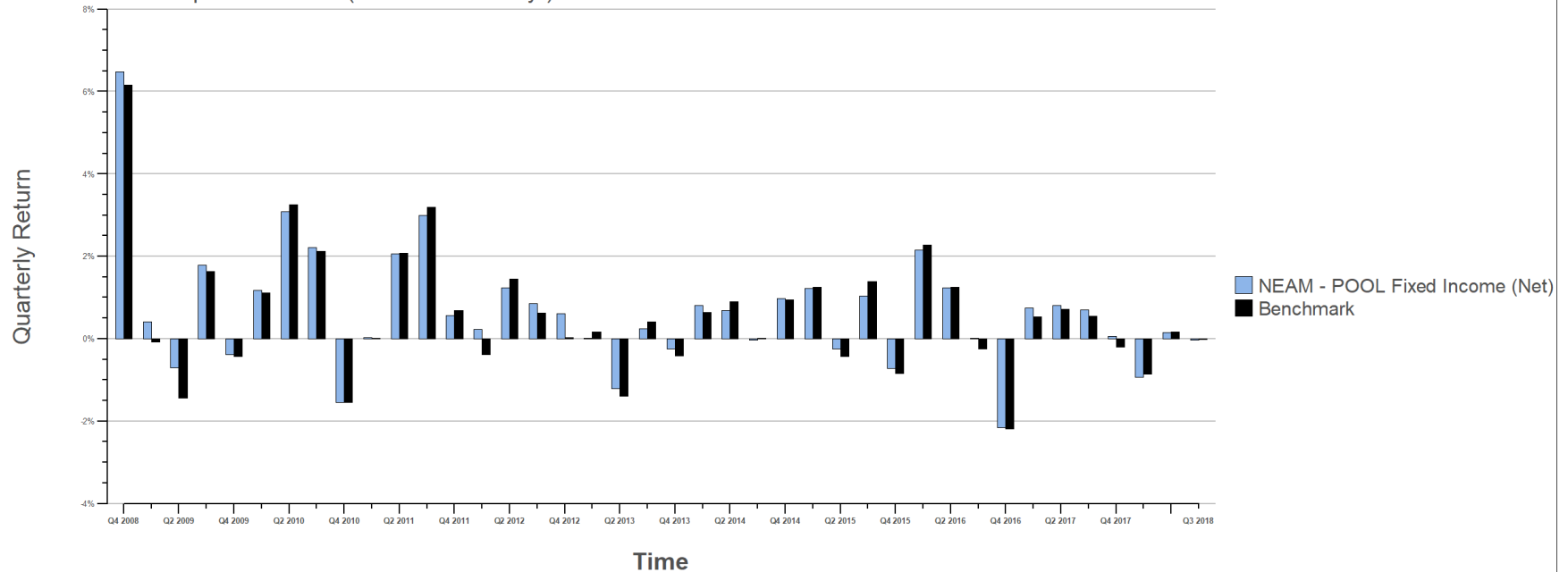
- **FIXED INCOME** – Stability in growth and employment figures allowed the Federal Reserve (Fed) to enact its widely anticipated increase in the federal funds rate by 25 basis points. The committee dropped its long-standing description of monetary policy as “accommodative”, and reaffirmed its outlook for further gradual hikes into 2019. U.S. 10-year yields rose from 2.86% to 3.06%.



Quarterly Return Profile – Latest 10 Years

Quarterly Return / Time

October 2008 - September 2018 (Shown Quarterly)



Custom Table

October 2008 - September 2018: Summary Statistics

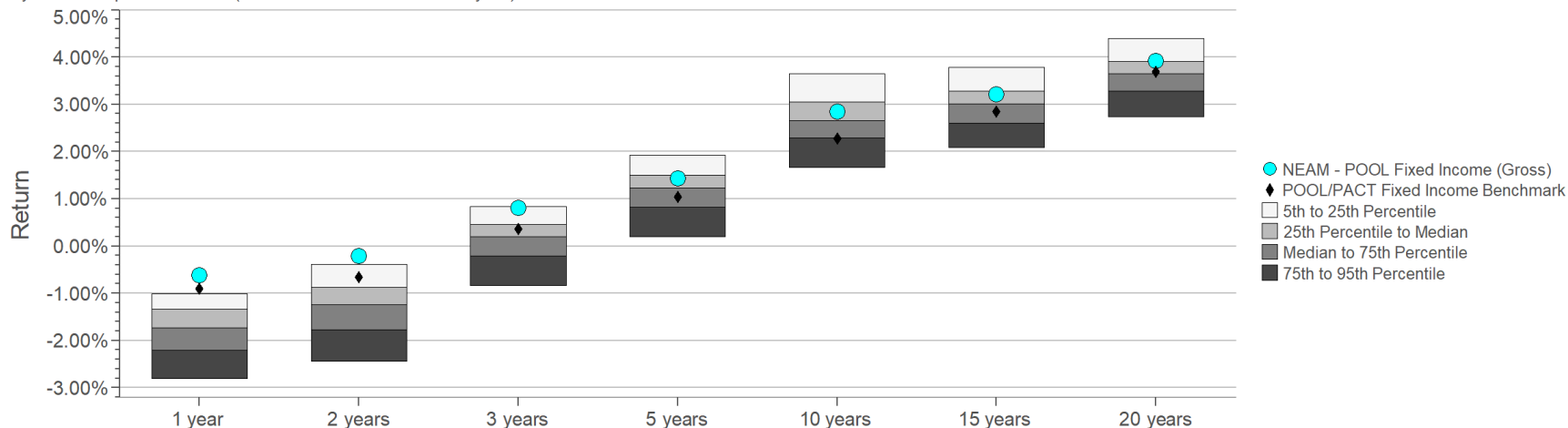
	Return	Standard Deviation	Sharpe Ratio	# of Down Periods	Average Down Return	# of Up Periods	Average Up Return	Maximum Drawdown	Information Ratio vs. Market	Alpha vs. Market	Beta vs. Market
NEAM - POOL Fixed (Net)	2.62%	2.92%	0.79	11	-0.75%	29	1.19%	-2.16%	0.71	0.42%	0.96
Benchmark	2.29%	3.01%	0.65	14	-0.75%	26	1.29%	-2.42%	0.00	0.00%	1.00



Performance Peer Analysis

POOL Fixed Income Portfolio vs Morningstar Intermediate Government: Return

July 1991 - September 2018 (not annualized if less than 1 year)



Manager vs Morningstar Intermediate Government: Return

July 1991 - September 2018 (not annualized if less than 1 year)

	1 year	2 years	3 years	5 years	10 years	15 years	20 years
	235 mng	235 mng	233 mng	231 mng	208 mng	195 mng	188 mng
5th Percentile	-1.02%	-0.38%	0.84%	1.92%	3.65%	3.78%	4.40%
Median	-1.73%	-1.25%	0.19%	1.22%	2.66%	3.01%	3.64%
95th Percentile	-2.81%	-2.43%	-0.83%	0.20%	1.66%	2.09%	2.74%
NEAM - POOL Fixed Income (Gross)	-0.62%	-0.20%	0.80%	1.43%	2.85%	3.21%	3.93%
POOL/PACT Fixed Income Benchmark	-0.91%	-0.66%	0.36%	1.04%	2.27%	2.85%	3.69%

Manager vs Morningstar Intermediate Government: Return Rank

July 1991 - September 2018 (not annualized if less than 1 year)

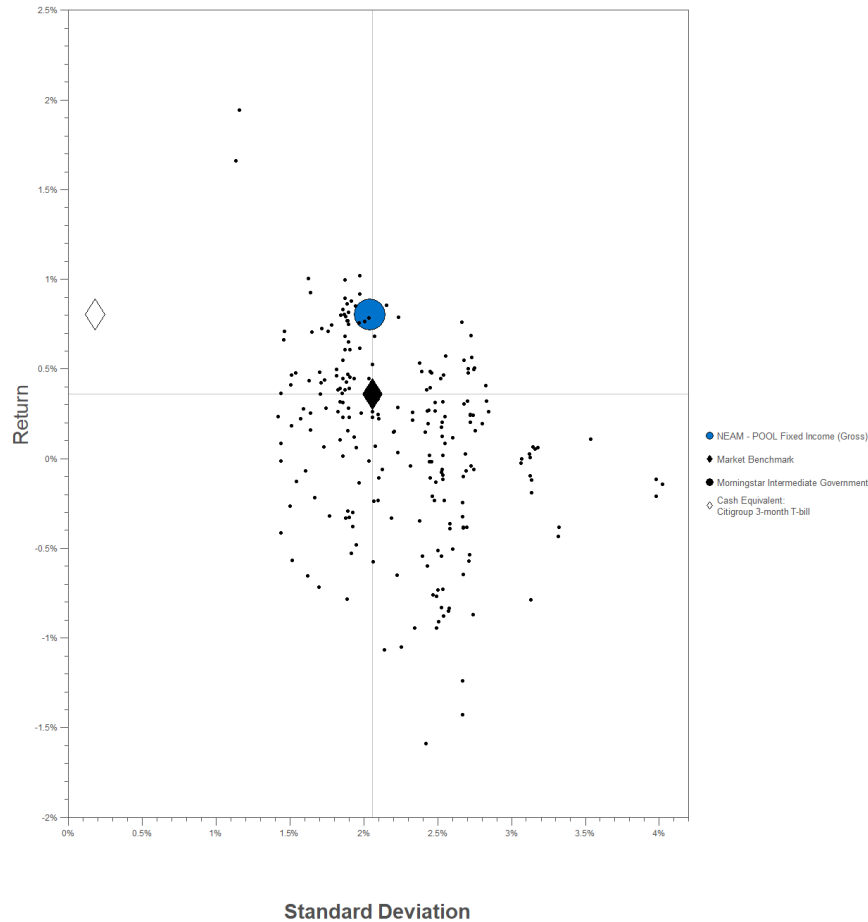
	1 year	2 years	3 years	5 years	10 years	15 years	20 years
	235 mng	235 mng	233 mng	231 mng	208 mng	195 mng	188 mng
NEAM - POOL Fixed Income (Gross)	0.85%	1.54%	6.25%	31.09%	36.05%	30.04%	23.16%
POOL/PACT Fixed Income Benchmark	2.83%	15.33%	33.25%	63.44%	76.10%	63.49%	44.20%



Performance Risk/Reward Analysis

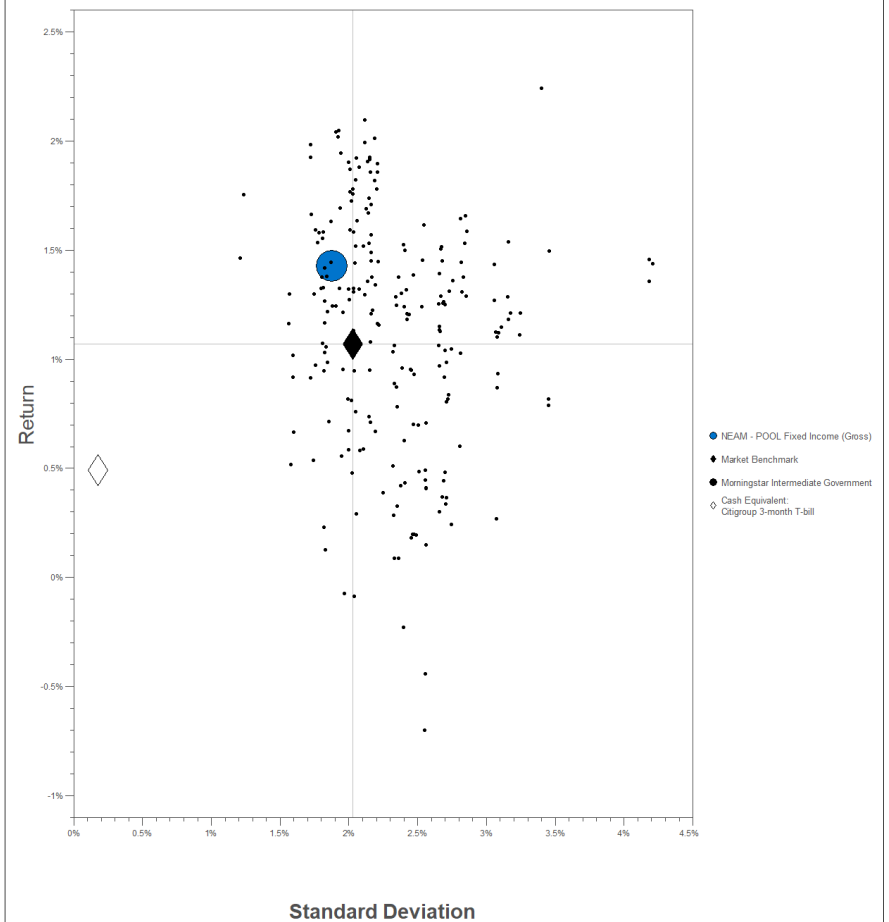
Risk / Return - Latest 3 Years

October 2015 - September 2018 (Single Computation)

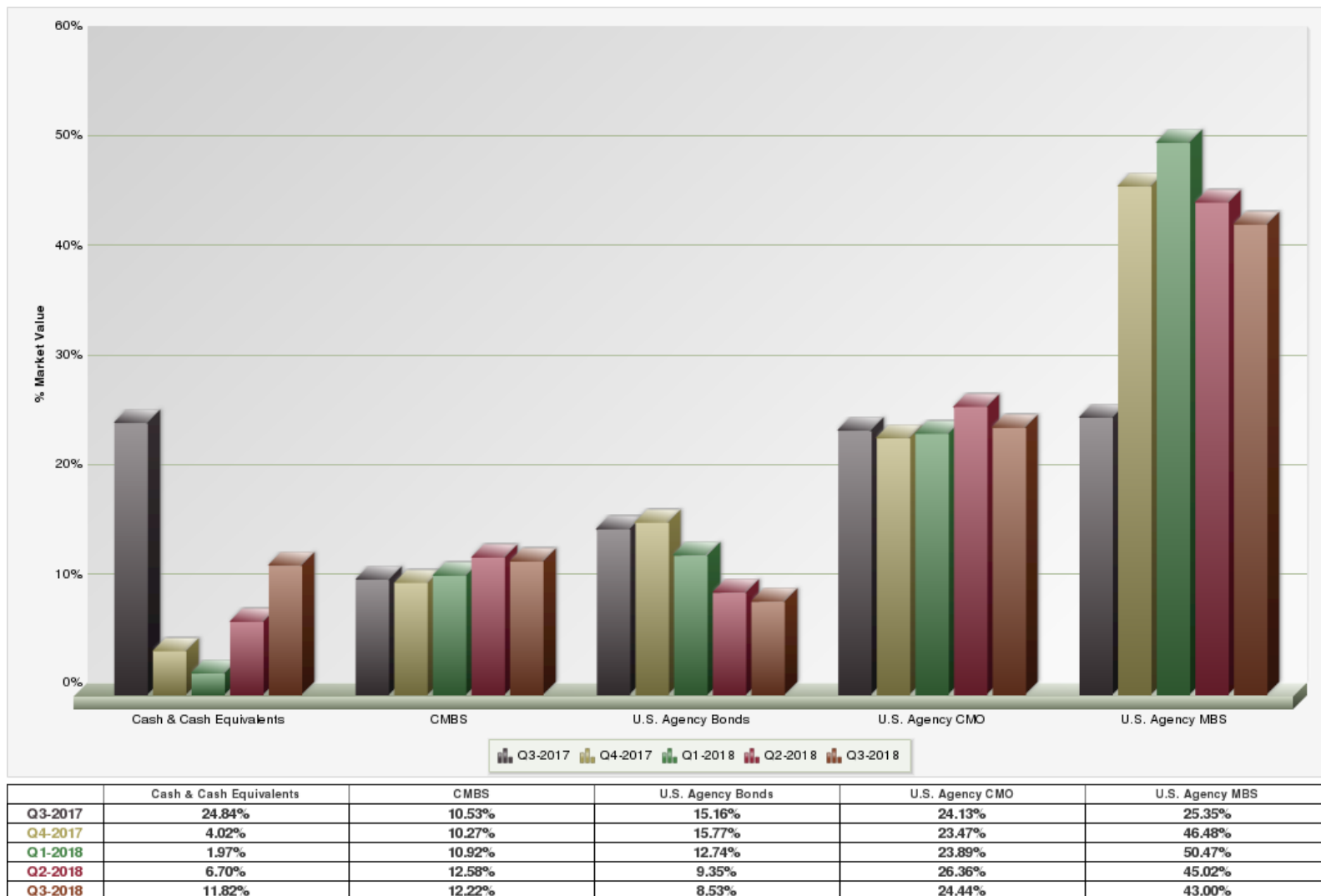


Risk / Return - Latest 5 Years

October 2013 - September 2018 (Single Computation)



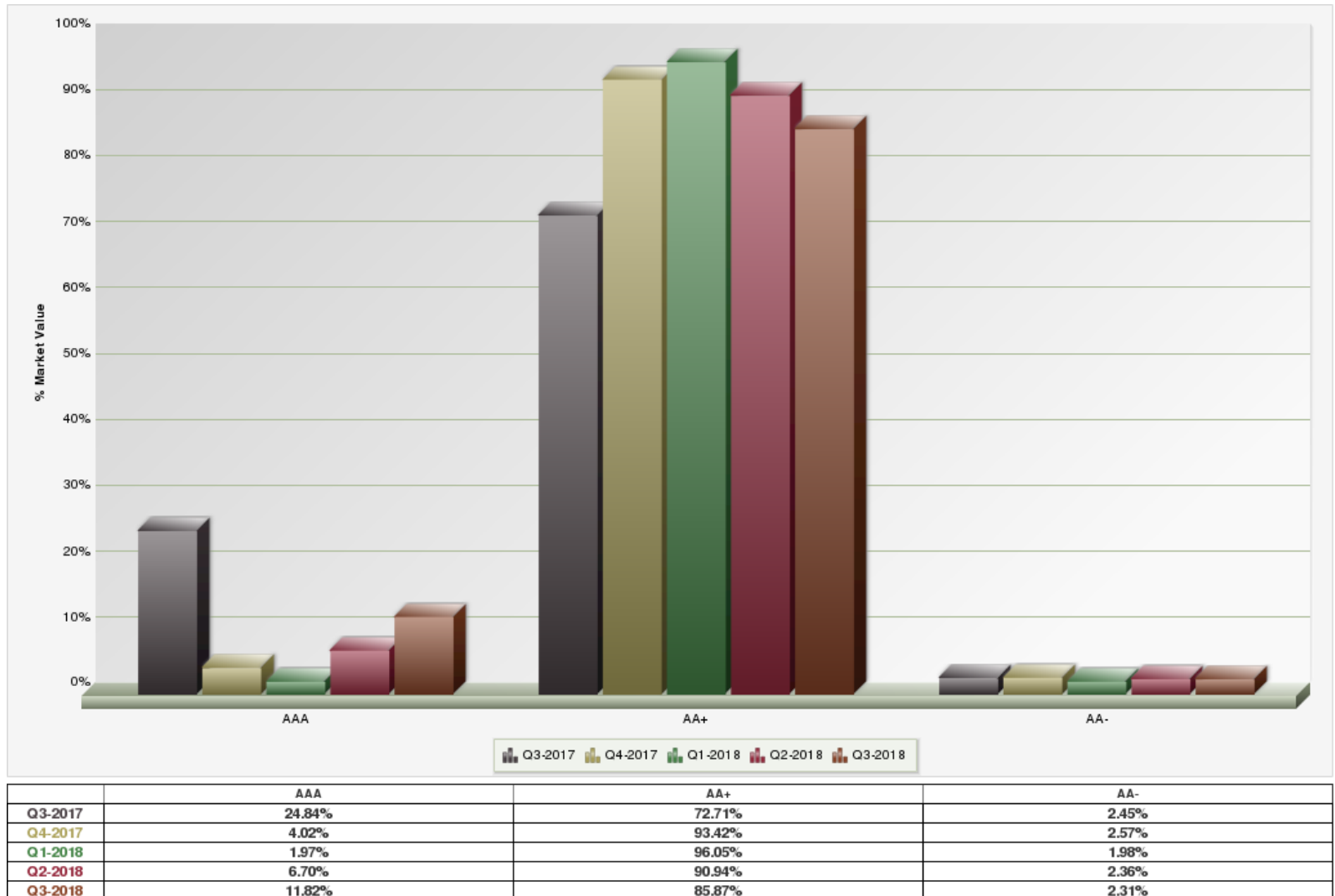
POOL – Asset Allocation Last 5 Quarters



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POOL – Credit Rating Detail Last 5 Quarters



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PUBLIC RISK MUTUAL



PRM - Performance Summary

Portfolio	Market Value	% of MV	Q3-2018	YTD	Annualized						Inception Date
					1 Yr	2Yr	3Yr	5Yr	10Yr	Since Inception	
PRM - Captive											
NEAM - Core Fixed Income¹	\$26,844,141	64.0%	0.28%	-1.35%	-1.18%	-0.45%	0.73%	1.17%	2.67%	3.01%	Oct-04
Custom Benchmark			0.32%	-1.49%	-0.96%	0.16%	1.26%	1.73%	3.33%	3.35%	
Relative Performance			▼ -0.04%	▲ 0.14%	▼ -0.22%	▼ -0.61%	▼ -0.53%	▼ -0.56%	▼ -0.66%	▼ -0.34%	
Risk Assets	\$15,076,751	36.0%	4.55%	4.65%	9.87%	12.21%	12.77%	8.05%	N/A	8.63%	Jul-13
Benchmark ²			4.78%	4.79%	11.10%	12.73%	13.69%	9.86%	N/A	9.99%	
Relative Performance			▼ -0.23%	▼ -0.14%	▼ -1.23%	▼ -0.52%	▼ -0.92%	▼ -1.81%	N/A	▼ -1.36%	
Consolidated PRM Portfolio	\$41,920,892	100.0%	1.77%	0.72%	2.42%	3.56%	4.58%	3.73%	N/A	4.17%	Jul-13
Benchmark ³			1.87%	0.67%	2.95%	4.15%	5.16%	5.00%	N/A	5.17%	
Relative Performance			▼ -0.10%	▲ 0.05%	▼ -0.53%	▼ -0.59%	▼ -0.58%	▼ -1.27%	N/A	▼ -1.00%	
Key Market Indices											
Barclays U.S. Aggregate			0.02%	-1.60%	-1.22%	-0.57%	1.31%	2.16%	3.77%		
Barclays Intermediate U.S. Government/Credit			0.21%	-0.76%	-0.96%	-0.37%	0.91%	1.52%	3.22%		
Barclays U.S. Corporate Investment Grade			0.97%	-2.33%	-1.19%	0.50%	3.12%	3.54%	6.35%		
Barclays U.S. Corporate High Yield			2.40%	2.57%	3.05%	5.92%	8.15%	5.54%	9.46%		
Barclays U.S. Treasury: U.S. TIPS			-0.82%	-0.84%	0.41%	-0.16%	2.04%	1.37%	3.32%		
S&P 500			7.71%	10.56%	17.91%	18.26%	17.31%	13.95%	11.97%		
S&P MidCap 400			3.86%	7.49%	14.21%	15.85%	15.68%	11.91%	12.49%		
S&P SmallCap 600			4.71%	14.54%	19.08%	20.06%	19.41%	13.32%	12.86%		
MSCI EAFE Index			1.42%	-0.98%	3.25%	11.15%	9.77%	4.90%	5.87%		
MSCI Emerging Markets			-0.95%	-7.39%	-0.44%	10.62%	12.77%	3.99%	5.76%		
MSCI Frontier Emerging Markets			-1.54%	-10.84%	-6.32%	4.21%	5.20%	1.38%	N/A		
MSCI World Ex. US Index			1.38%	-1.04%	3.20%	10.96%	9.87%	4.75%	5.69%		
Notes:											
1) NEAM replaced EAM as fixed income manager 1/1/2016.											
2) Blended BM of 55% S&P 500 / 35% Barclays Intermediate Gov/Credit / 10% 90 day T-Bill to 3/2015; market-weighted by fund/ETF BM to 9/30/2017; thereafter policy-weighted targets.											
3) Market-weighted benchmark using fixed income and risk asset benchmarks.											
-- All returns net of fees											
-- Fixed Income Market values include accrued income											
-- For each measurement period, Green indicates outperformance, and Red indicates underperformance											

3rd Quarter Market Performance Drivers:

Fixed Income – Core government bond yields rose over the quarter due to positive economic data, particularly from the U.S. This outweighed a bout of safe haven demand in August caused by concerns related to emerging market instability, trade tensions and political issues in Europe. Stability in growth and employment figures allowed the Federal Reserve (Fed) to enact its widely anticipated increase in the federal funds rate by 25 basis points. The committee dropped its long-standing description of monetary policy as “accommodative”, and reaffirmed its outlook for further gradual hikes into 2019. U.S. 10-year yields rose from 2.86% to 3.06%.

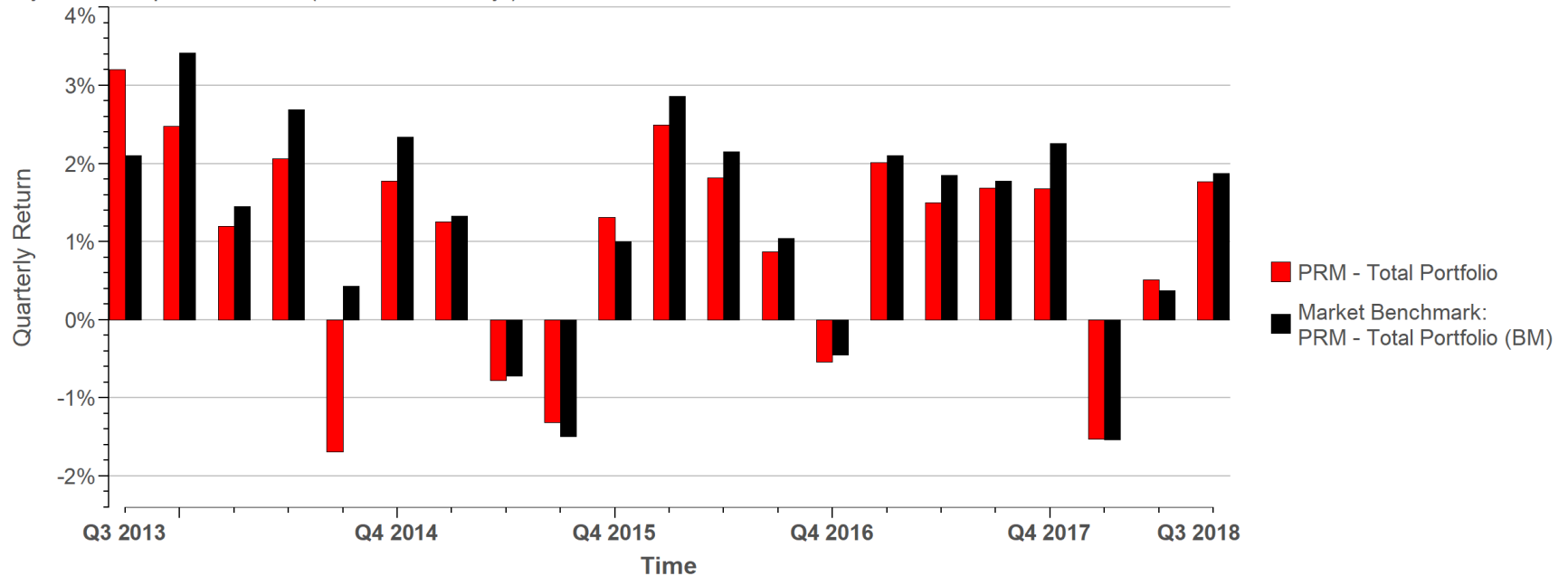
Risk Assets - US equities significantly outperformed other major regions. Economic growth and earnings data remained extremely robust, ultimately overshadowing concerns surrounding the escalating US-China trade war. The US initially targeted \$34 billion of Chinese products with a 25% tariff in early July. Tariffs on another \$16 billion began in late August, before a 10% tariff was implemented on a further \$200 billion of Chinese goods in September (set to rise to 25% in January). Despite these measures, the US equity bull market became the longest in history on August 22nd.



Total Portfolio: Quarterly Return Profile**

Quarterly Return / Time

July 2013 - September 2018 (Shown Quarterly)



Custom Table

July 2013 - September 2018: Summary Statistics

	Return	Standard Deviation	Sharpe Ratio	# of Down Periods	Average Down Return	# of Up Periods	Average Up Return	Maximum Drawdown	Information Ratio vs. Market	Alpha vs. Market	Beta vs. Market
PRM - Total Portfolio	4.17%	2.81%	1.32	5	-1.17%	16	1.73%	-2.09%	-0.84	-0.55%	0.92
PRM - Total Portfolio (BM)	5.17%	2.78%	1.69	4	-1.05%	17	1.83%	-2.21%	0.00	0.00%	1.00



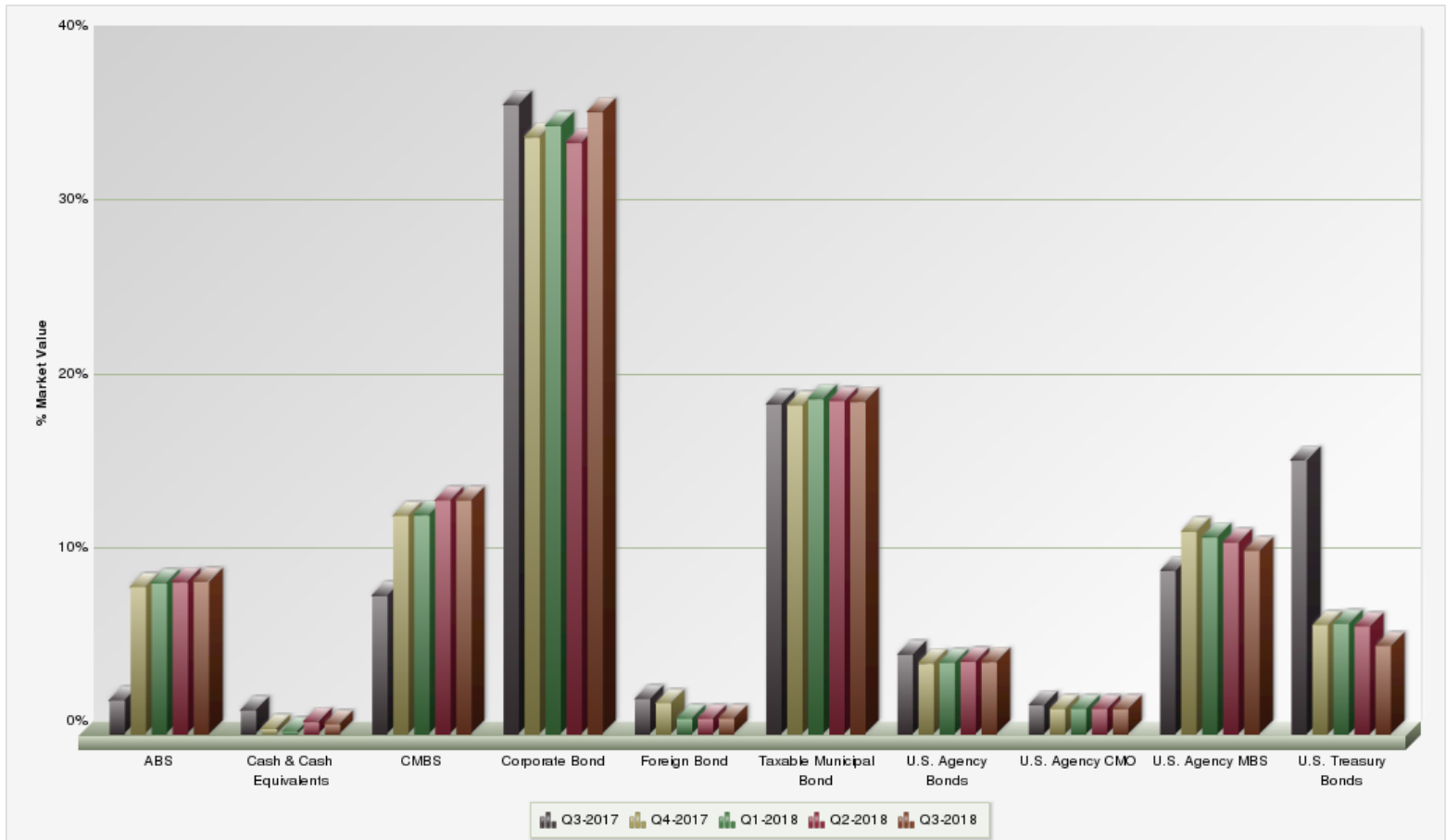
PRM – Asset Allocation

Asset Class	Market Value	Minimum	Maximum	Old Target	SAA Target	Current vs. SAA Target	Current
Core Fixed Income	\$ 26,844,141	50%	100%	60%	65%	▼ -0.96%	64.04%
Risk Assets	\$ 15,076,751	20%	40%	40%	35%	▲ 0.96%	35.96%
Risk Assets As % of 12/31/2017 Surplus							38.17%
<i>US Large Cap</i>	\$ 7,016,220				45%		46.5%
<i>US Mid Cap</i>	\$ 1,544,549				10%		10.2%
<i>US Small Cap</i>	\$ 1,596,745				10%		10.6%
<i>US High Yield Fixed Income</i>	\$ 1,427,699				10%		9.5%
<i>International Equity</i>	\$ 3,490,410				25%		23.2%
<i>World Fixed Income</i>	\$ 1,127				0%		0.0%
Total	\$ 41,920,892				100%		100%

- **SAA BOTTOMLINE:** The additional capital contribution potentially allows and supports additional allocation to risk assets.



PRM FI - Asset Allocation Last 5 Quarters

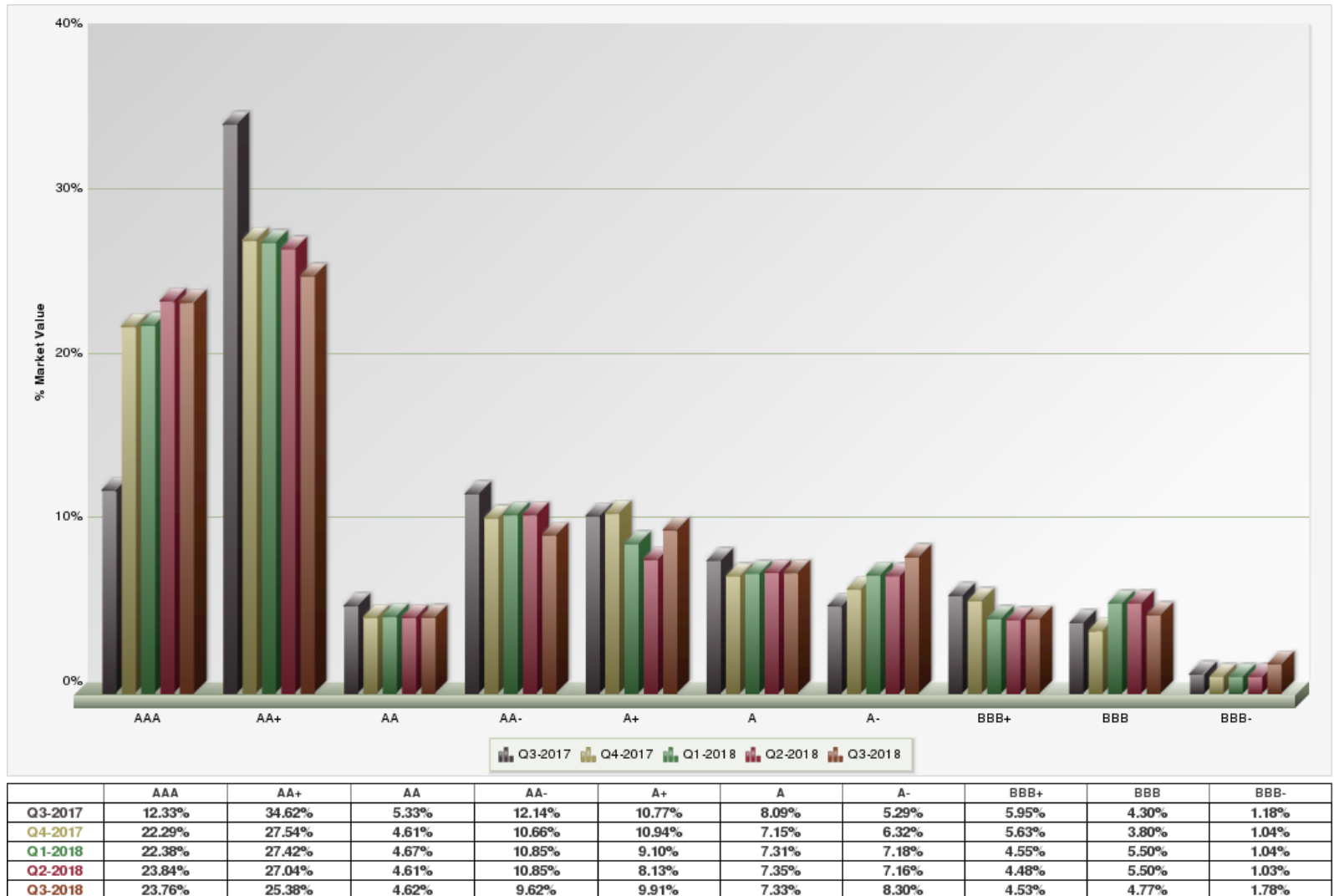


	ABS	Cash & Cash Equivalents	CMBS	Corporate Bond	Foreign Bond	Taxable Municipal Bond	U.S. Agency Bonds	U.S. Agency CMO	U.S. Agency MBS	U.S. Treasury Bonds
Q3-2017	1.97%	1.39%	7.96%	36.20%	2.05%	18.99%	4.60%	1.66%	9.40%	15.76%
Q4-2017	8.49%	0.32%	12.59%	34.34%	1.81%	18.94%	4.07%	1.47%	11.67%	6.31%
Q1-2018	8.70%	0.18%	12.60%	35.01%	0.91%	19.28%	4.13%	1.48%	11.33%	6.38%
Q2-2018	8.75%	0.70%	13.48%	34.03%	0.91%	19.19%	4.18%	1.48%	11.05%	6.23%
Q3-2018	8.79%	0.59%	13.47%	35.80%	0.92%	19.13%	4.15%	1.46%	10.58%	5.11%

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PRM FI - Credit Rating Detail Last 5 Quarters

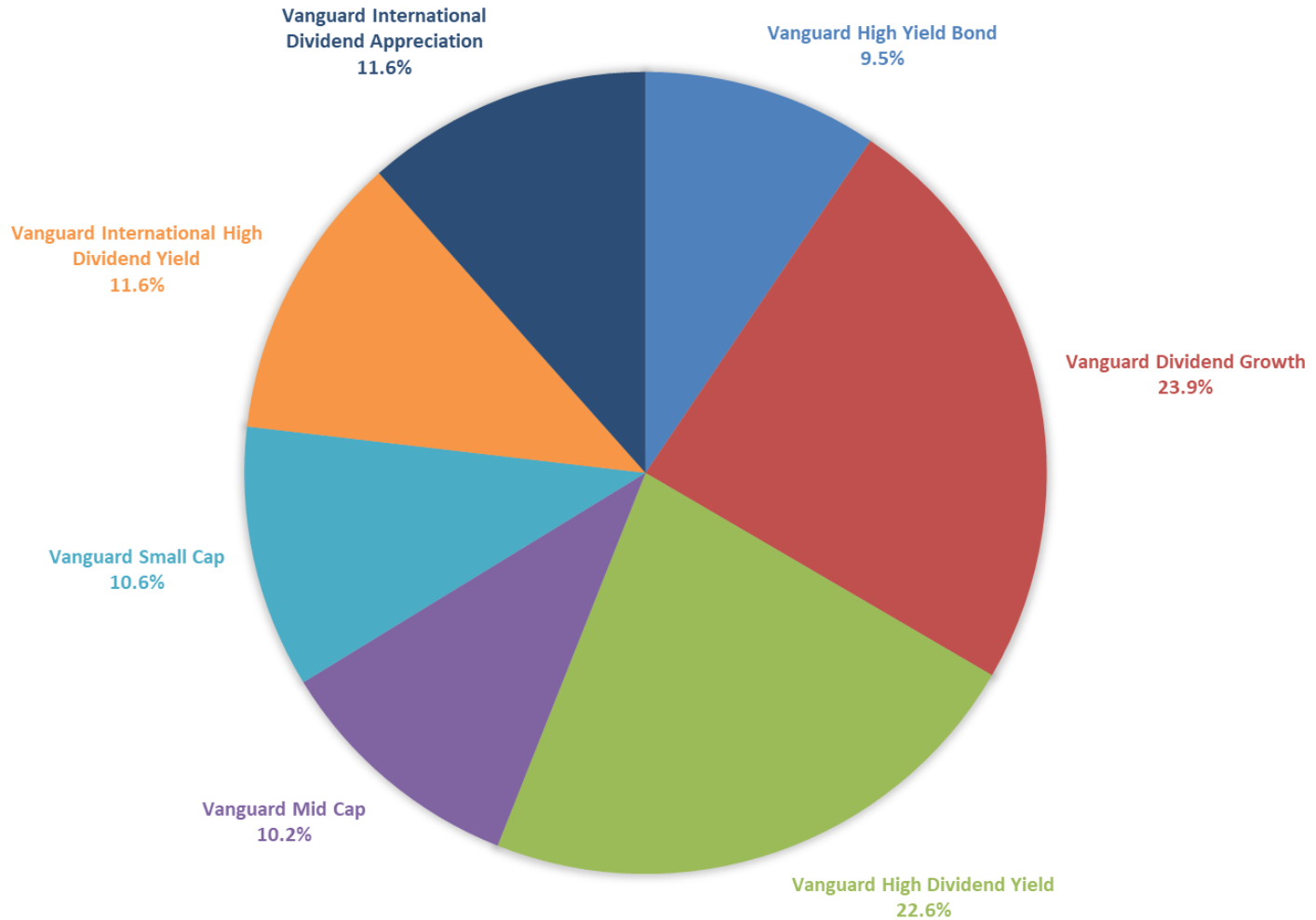


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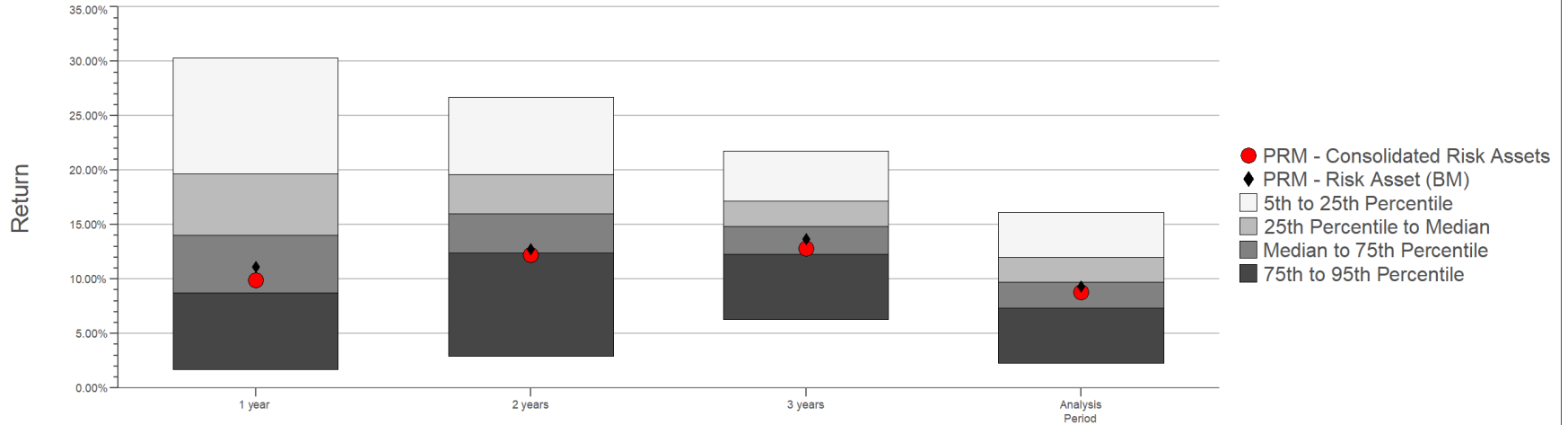
PRM Risk Asset Allocation

PRM RISK ASSET ALLOCATION: \$15.1M OR 38.2% OF OF 12/31/2017 SURPLUS

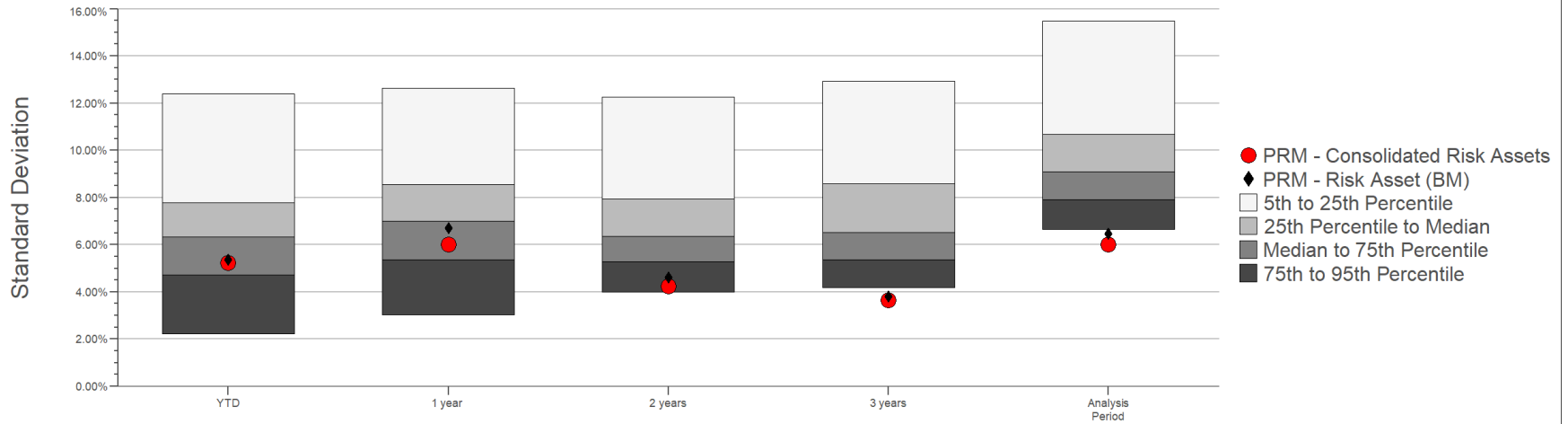


Risk Asset Performance Peer Analysis

PRM ETF/Mutual Fund Portfolio vs Morningstar All Domestic Equity Managers: Return
 April 2015 - September 2018 (not annualized if less than 1 year)



PRM ETF/Mutual Fund Portfolio vs Morningstar All Domestic Equity Managers: Standard Deviation
 April 2015 - September 2018 (not annualized if less than 1 year)



Using Morningstar All U.S. Domestic Equity Peer Universe



PRM Risk Assets - Returns Detail

Manager vs Benchmark: Return

April 2015 - September 2018 (not annualized if less than 1 year)

	1 quarter	YTD	1 year	2 years	3 years	Analysis Period
PRM - Consolidated Risk Assets	4.55%	4.65%	9.87%	12.21%	12.77%	8.76%
-- Market-Weighted Benchmark	4.78%	4.79%	11.10%	12.73%	13.69%	9.29%
Vanguard High Dividend Yield Index Inv	5.68%	4.08%	10.58%	13.18%	15.01%	10.58%
-- FTSE High Dividend Yield Index	5.74%	4.18%	10.75%	13.34%	15.16%	10.73%
Vanguard Dividend Growth Inv	8.06%	10.08%	16.27%	15.19%	14.70%	10.92%
-- NASDAQ US Dividend Achievers Select	9.49%	10.17%	19.11%	17.28%	16.97%	11.87%
Vanguard High-Yield Corporate Adm	2.67%	1.56%	1.67%	4.71%	6.42%	4.62%
-- PRM High Yield benchmark	2.18%	2.35%	2.83%	5.81%	8.07%	5.37%
Vanguard Mid Cap Index Adm	4.67%	7.37%	13.42%	14.36%	13.78%	8.89%
-- CRSP US Mid Cap TR Index	4.65%	7.37%	13.44%	14.38%	13.81%	8.92%
Vanguard Small Cap Index Adm	4.77%	11.04%	16.70%	17.03%	16.34%	10.18%
-- CRSP US Small Cap TR Index	4.77%	11.02%	16.68%	17.01%	16.31%	10.15%
Vanguard Intl Div Apprec Idx Adm	-0.58%	-1.46%	2.82%	8.39%	N/A	N/A
-- NASDAQ International Dividend Achievers Select	-0.39%	-1.05%	3.91%	9.26%	N/A	N/A
Vanguard Intl Hi Div Yld Idx Adm	1.95%	-3.00%	-0.30%	9.69%	N/A	N/A
-- FTSE All-World Ex US High Dividend Yield Index	1.99%	-2.94%	0.30%	10.20%	9.46%	4.18%

Funds/ETFs shown reflects SAA's rebalancing recommendation implemented in December 2017.

To explain the performance omissions, the Vanguard International funds launched in March 2016.





PUBLIC AGENCY COMPENSATION TRUST



PACT - Performance Summary

Portfolio	Market Value	% of MV	Q3-2018	YTD	Annualized					Since Inception	Inception Date
					1 Yr	2Yr	3Yr	5Yr	10Yr		
PACT											
NEAM Fixed Income - Consolidated ¹	\$53,916,854	100.0%	-0.03%	-0.74%	-0.64%	-0.29%	0.53%	1.11%	2.55%	3.88%	Jul-96
Custom Benchmark			-0.02%	-0.71%	-0.91%	-0.66%	0.36%	1.07%	2.29%	4.22%	
Relative Performance			▼ -0.01%	▼ -0.03%	▲ 0.27%	▲ 0.37%	▲ 0.17%	▲ 0.04%	▲ 0.26%	▼ -0.34%	
Key Market Indices											
Barclays U.S. Aggregate			0.02%	-1.60%	-1.22%	-0.57%	1.31%	2.16%	3.77%		
Barclays Intermediate U.S. Government/Credit			0.21%	-0.76%	-0.96%	-0.37%	0.91%	1.52%	3.22%		
Barclays U.S. Corporate Investment Grade			0.97%	-2.33%	-1.19%	0.50%	3.12%	3.54%	6.35%		
Notes:											
1) NEAM assumed fixed income management of PACT on 1/1/2016, and PC Mon 6/1/2016.											
-- All returns net of fees											
-- Fixed Income Market values include accrued income											
-- For each measurement period, Green indicates outperformance, and Red indicates underperformance											

3rd Quarter Market Issues & Performance Drivers:

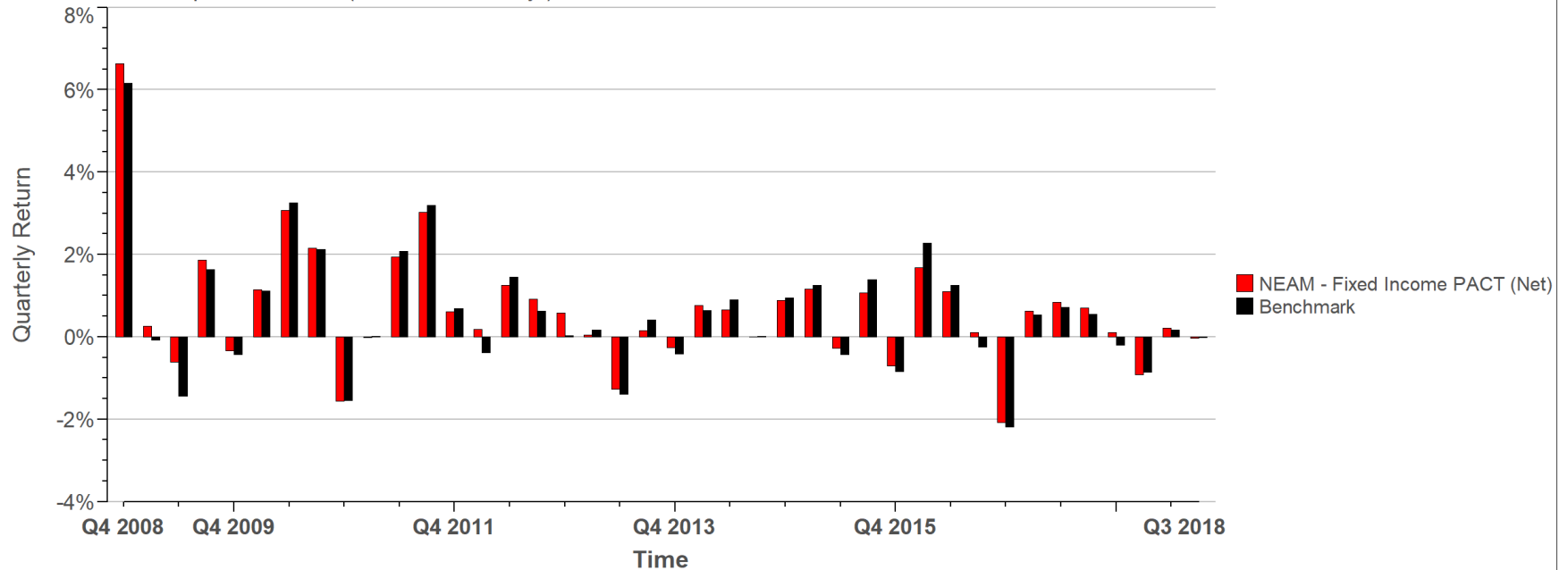
- **FIXED INCOME** – Stability in growth and employment figures allowed the Federal Reserve (Fed) to enact its widely anticipated increase in the federal funds rate by 25 basis points. The committee dropped its long-standing description of monetary policy as “accommodative”, and reaffirmed its outlook for further gradual hikes into 2019. U.S. 10-year yields rose from 2.86% to 3.06%.



Quarterly Return Profile – Latest 10 Years

Quarterly Return / Time

October 2008 - September 2018 (Shown Quarterly)



Custom Table

October 2008 - September 2018: Summary Statistics

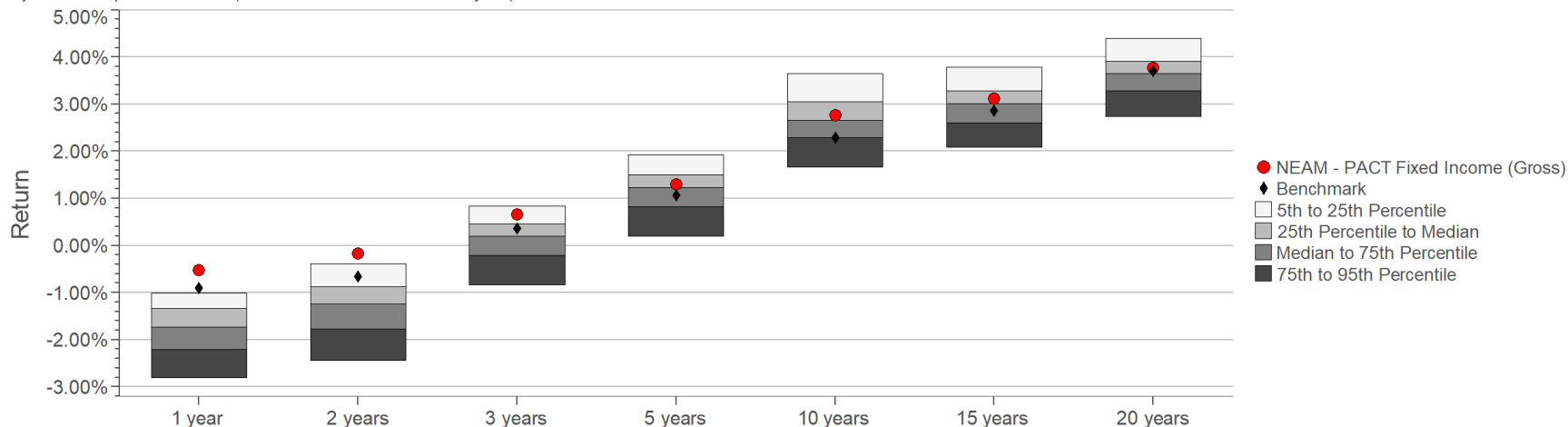
	Return	Standard Deviation	Sharpe Ratio	# of Down Periods	Average Down Return	# of Up Periods	Average Up Return	Maximum Drawdown	Information Ratio vs. Market	Alpha vs. Market	Beta vs. Market
NEAM - PACT Fixed Income (Net)	2.55%	2.92%	0.76	12	-0.67%	28	1.21%	-2.08%	0.50	0.36%	0.96
Benchmark	2.29%	3.01%	0.65	14	-0.75%	26	1.29%	-2.42%	0.00	0.00%	1.00



Performance Peer Analysis

PACT Fixed Income vs Morningstar Intermediate Government: Return

July 1996 - September 2018 (not annualized if less than 1 year)



Manager vs Morningstar Intermediate Government: Return

July 1996 - September 2018 (not annualized if less than 1 year)

	1 year 235 mng	2 years 235 mng	3 years 233 mng	5 years 231 mng	10 years 208 mng	15 years 195 mng	20 years 188 mng
5th Percentile	-1.02%	-0.38%	0.84%	1.92%	3.65%	3.78%	4.40%
Median	-1.73%	-1.25%	0.19%	1.22%	2.66%	3.01%	3.64%
95th Percentile	-2.81%	-2.43%	-0.83%	0.20%	1.66%	2.09%	2.74%
NEAM - PACT Fixed Income (Gross)	-0.52%	-0.17%	0.66%	1.29%	2.77%	3.12%	3.76%
Benchmark	-0.91%	-0.66%	0.36%	1.07%	2.29%	2.85%	3.70%

Manager vs Morningstar Intermediate Government: Return Rank

July 1996 - September 2018 (not annualized if less than 1 year)

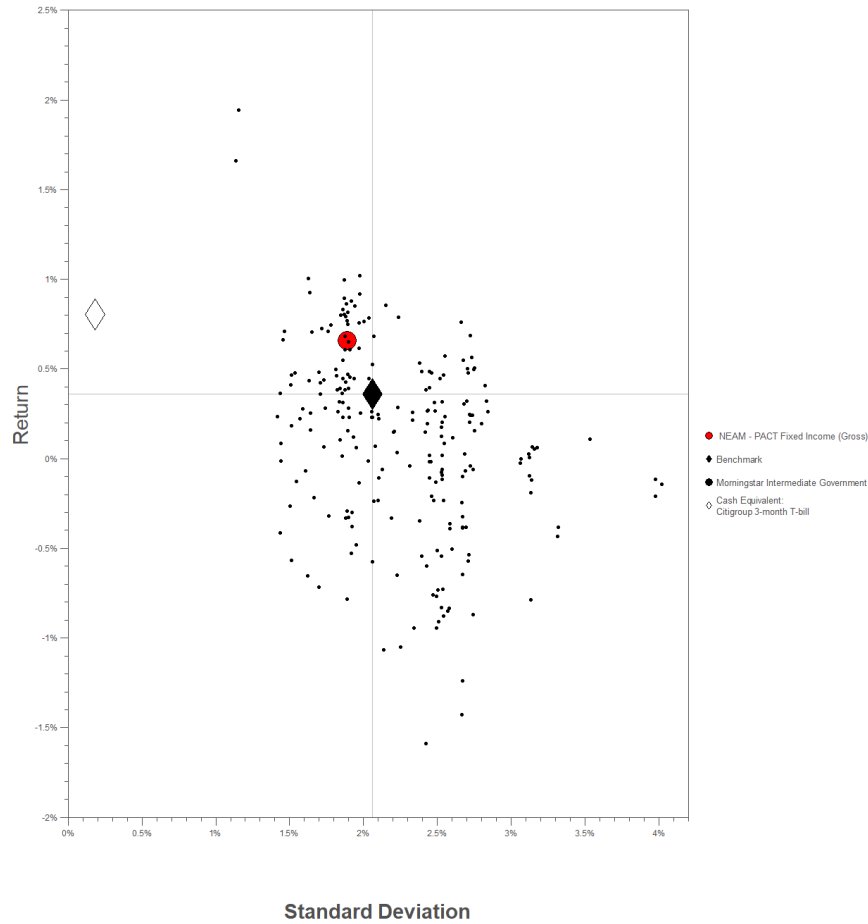
	1 year 235 mng	2 years 235 mng	3 years 233 mng	5 years 231 mng	10 years 208 mng	15 years 195 mng	20 years 188 mng
NEAM - PACT Fixed Income (Gross)	0.83%	1.45%	14.42%	42.36%	43.54%	38.65%	38.18%
Benchmark	2.83%	15.35%	33.64%	61.01%	74.99%	62.81%	43.80%



Performance Risk/Reward Analysis

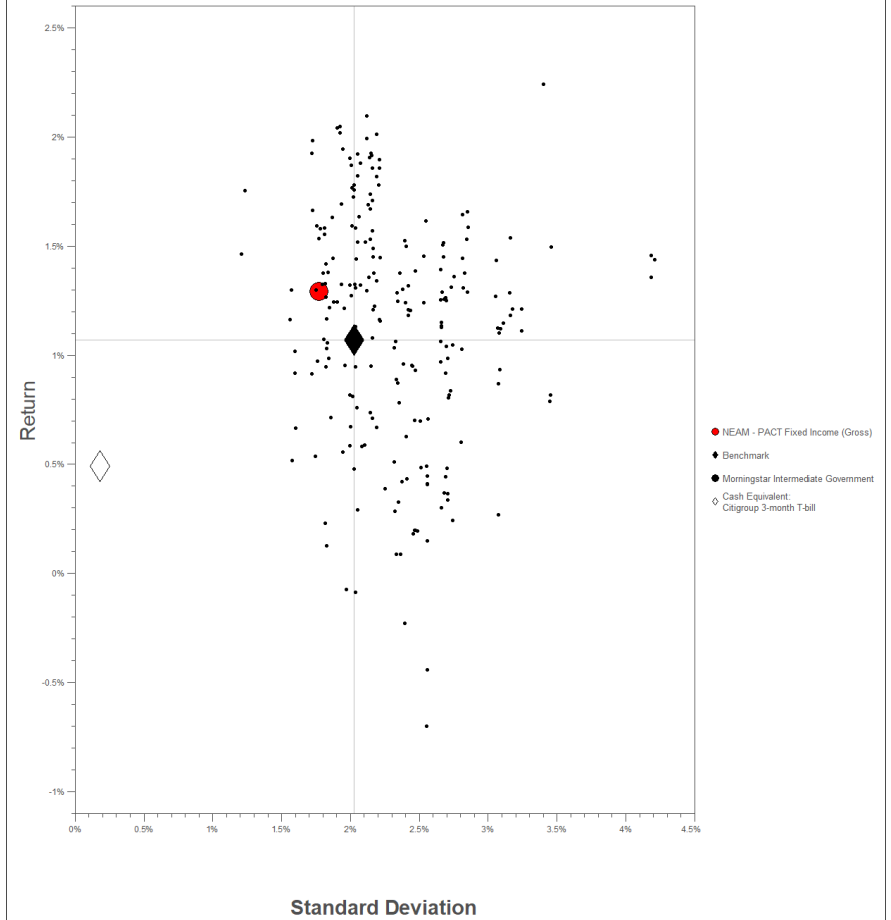
Risk / Return - Latest 3 Years

October 2015 - September 2018 (Single Computation)

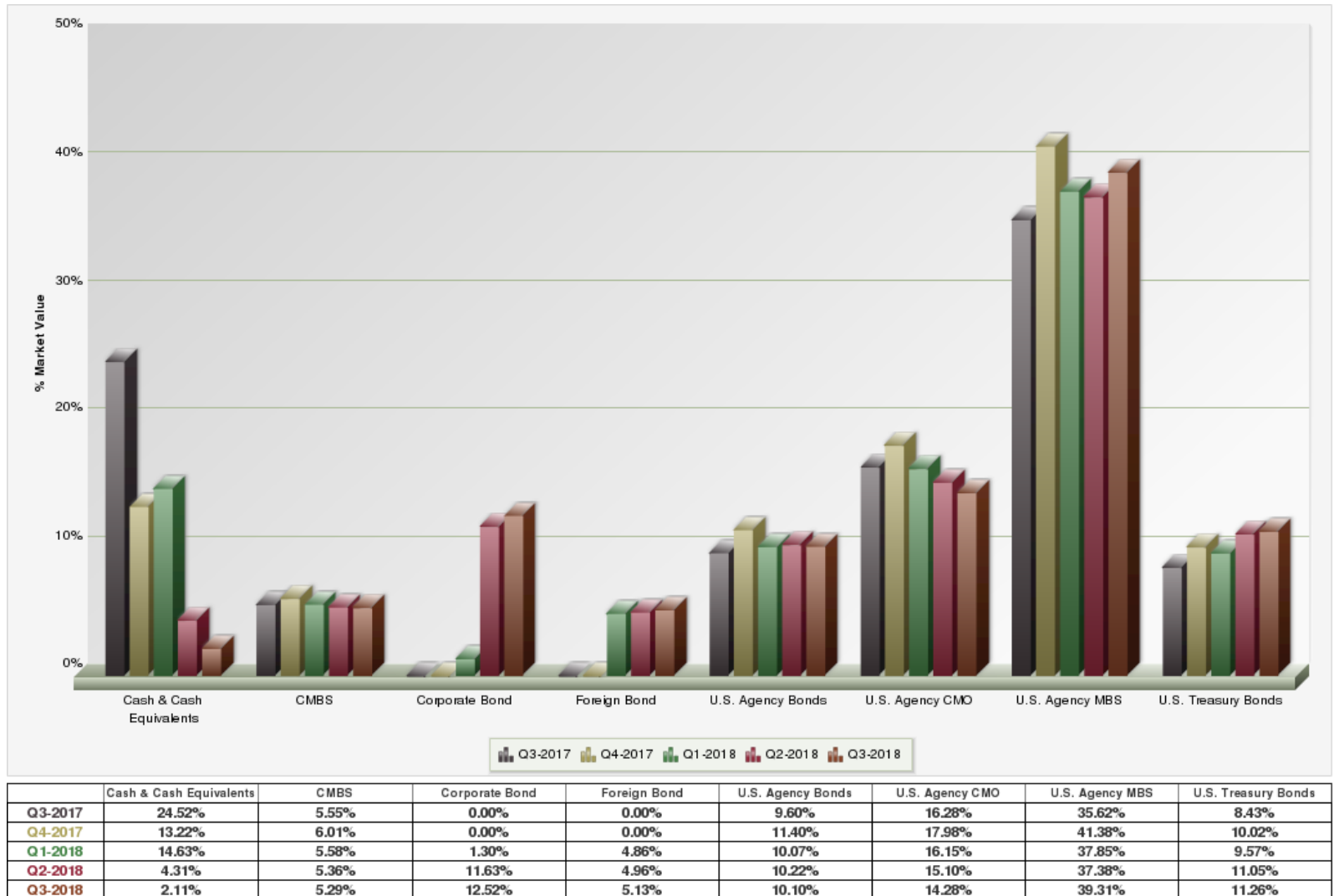


Risk / Return - Latest 5 Years

October 2013 - September 2018 (Single Computation)



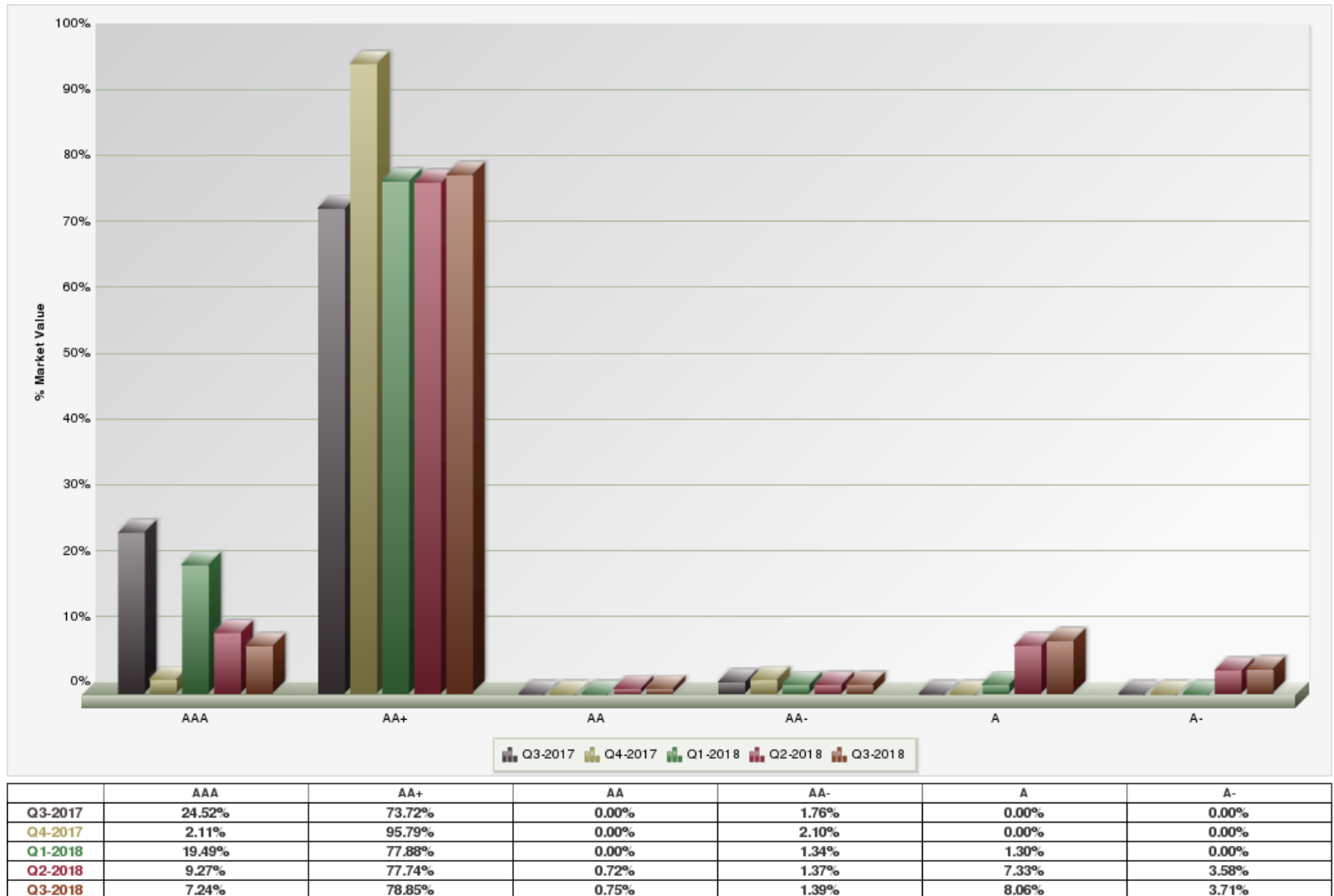
PACT – Asset Allocation Last 5 Quarters



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PACT – Credit Rating Detail Last 5 Quarters



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PUBLIC COMPENSATION MUTUAL



PCM - Performance Summary

Portfolio	Market Value	% of MV	Q3-2018	YTD	Annualized					Inception Date
					1 Yr	2Yr	3Yr	5Yr	Since Inception	
PCM - Captive										
Core Fixed Income¹	\$51,946,313	70.8%	0.31%	-1.42%	-1.14%	-0.60%	0.10%	0.90%	0.41%	Apr-13
Custom Benchmark			0.32%	-1.49%	-0.96%	0.16%	1.26%	1.73%	1.37%	
Relative Performance			▼ -0.01%	▲ 0.07%	▼ -0.18%	▼ -0.76%	▼ -1.16%	▼ -0.83%	▼ -0.96%	
Risk Assets	\$21,412,000	29.2%	4.55%	4.65%	9.85%	12.21%	12.79%	8.57%	9.25%	Apr-13
Benchmark ²			4.78%	4.79%	11.10%	12.72%	11.25%	11.32%	11.85%	
Relative Performance			▼ -0.23%	▼ -0.14%	▼ -1.25%	▼ -0.51%	▲ 1.54%	▼ -2.75%	▼ -2.60%	
Consolidated PCM Portfolio²	\$73,358,313	100.0%	1.51%	0.28%	1.78%	3.11%	3.91%	3.30%	3.22%	Apr-13
Benchmark ³			1.58%	0.27%	2.31%	3.81%	4.81%	5.74%	5.92%	
Relative Performance			▼ -0.07%	▲ 0.01%	▼ -0.53%	▼ -0.70%	▼ -0.90%	▼ -2.44%	▼ -2.70%	
Key Market Indices										
Barclays U.S. Aggregate			0.02%	-1.60%	-1.22%	-0.57%	1.31%	2.16%		
Barclays Intermediate U.S. Government/Credit			0.21%	-0.76%	-0.96%	-0.37%	0.91%	1.52%		
Barclays U.S. Corporate Investment Grade			0.97%	-2.33%	-1.19%	0.50%	3.12%	3.54%		
Barclays U.S. Corporate High Yield			2.40%	2.57%	3.05%	5.92%	8.15%	5.54%		
Barclays U.S. Treasury: U.S. TIPS			-0.82%	-0.84%	0.41%	-0.16%	2.04%	1.37%		
S&P 500			7.71%	10.56%	17.91%	18.26%	17.31%	13.95%		
S&P MidCap 400			3.86%	7.49%	14.21%	15.85%	15.68%	11.91%		
S&P SmallCap 600			4.71%	14.54%	19.08%	20.06%	19.41%	13.32%		
MSCI EAFE Index			1.42%	-0.98%	3.25%	11.15%	9.77%	4.90%		
MSCI Emerging Markets			-0.95%	-7.39%	-0.44%	10.62%	12.77%	3.99%		
MSCI Frontier Emerging Markets			-1.54%	-10.84%	-6.32%	4.21%	5.20%	1.38%		
MSCI World Ex. US Index			1.38%	-1.04%	3.20%	10.96%	9.87%	4.75%		
Notes:										
1) NEAM assumed fixed income management of PACT on 1/1/2016, and PCMon 6/1/2016.										
2) Blended BM of 55% S&P 500/35% Barclays Intermediate Gov/Credit/10% 90 day T-Bill to 3/2015; market-weighted by fund/ETF BM to 9/30/2017; thereafter policy-weighted targets.										
3) Market-weighted benchmark using fixed income and risk asset benchmarks.										
-- All returns net of fees										
-- Fixed Income Market values include accrued income										
-- For each measurement period, Green indicates outperformance, and Red indicates underperformance										

3rd Quarter Market Performance Drivers:

Fixed Income – Core government bond yields rose over the quarter due to positive economic data, particularly from the U.S. This outweighed a bout of safe haven demand in August caused by concerns related to emerging market instability, trade tensions and political issues in Europe. Stability in growth and employment figures allowed the Federal Reserve (Fed) to enact its widely anticipated increase in the federal funds rate by 25 basis points. The committee dropped its long-standing description of monetary policy as “accommodative”, and reaffirmed its outlook for further gradual hikes into 2019. U.S. 10-year yields rose from 2.86% to 3.06%.

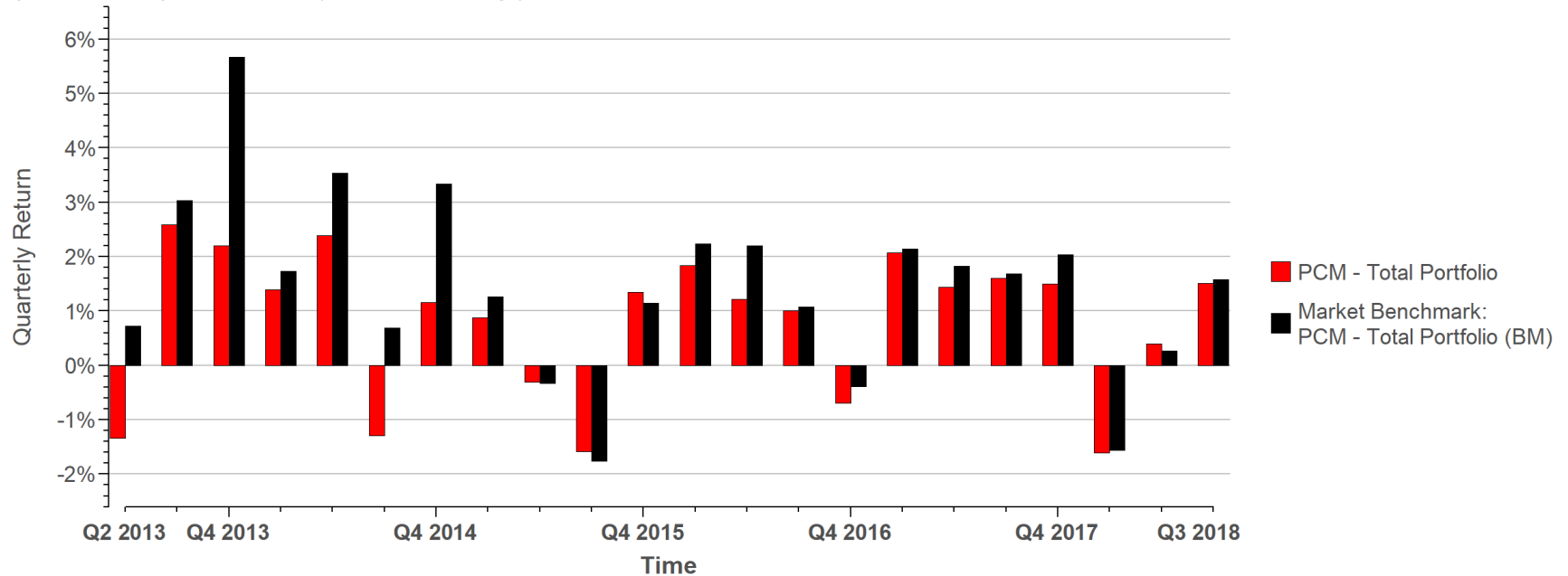
Risk Assets - US equities significantly outperformed other major regions. Economic growth and earnings data remained extremely robust, ultimately overshadowing concerns surrounding the escalating US-China trade war. The US initially targeted \$34 billion of Chinese products with a 25% tariff in early July. Tariffs on another \$16 billion began in late August, before a 10% tariff was implemented on a further \$200 billion of Chinese goods in September (set to rise to 25% in January). Despite these measures, the US equity bull market became the longest in history on August 22nd.



Total Portfolio: Quarterly Return Profile**

Quarterly Return / Time

April 2013 - September 2018 (Shown Quarterly)



Custom Table

April 2013 - September 2018: Summary Statistics

	Return	Standard Deviation	Sharpe Ratio	# of Down Periods	Average Down Return	# of Up Periods	Average Up Return	Maximum Drawdown	Information Ratio vs. Market	Alpha vs. Market	Beta vs. Market
PCM - Total Portfolio	3.22%	2.67%	1.04	6	-1.14%	16	1.53%	-1.89%	-1.41	-0.61%	0.66
PCM - Total Portfolio (BM)	5.92%	3.36%	1.63	4	-1.01%	18	2.01%	-2.08%	0.00	0.00%	1.00

** Wells Fargo only had historical performance reports going back to July 2013 during the transition to SAA.



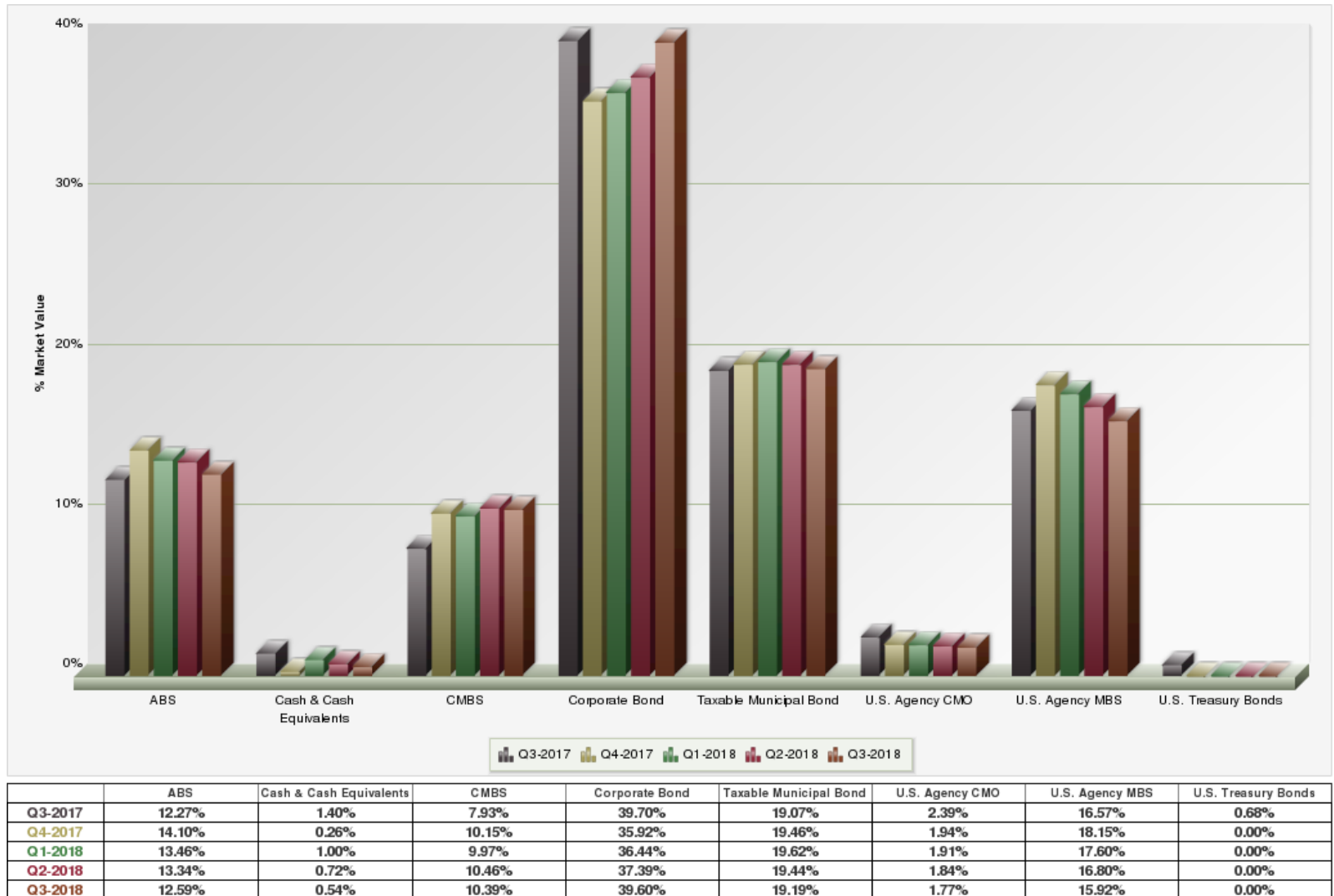
PCM – Asset Allocation

Asset Class	Market Value	Minimum	Maximum	Old Target	SAA Target	Current vs. SAA Target	Current
Core Fixed Income	\$ 51,946,313	50%	100%	60%	65%	▲ 5.81%	70.81%
Risk Assets	\$ 21,412,000	20%	40%	40%	35%	▼ -5.81%	29.19%
Risk Assets As % of 12/31/2017 Surplus							30.69%
<i>US Large Cap</i>	\$ 9,968,182				45%		46.6%
<i>US Mid Cap</i>	\$ 2,193,312				10%		10.2%
<i>US Small Cap</i>	\$ 2,261,212				10%		10.6%
<i>US High Yield Fixed Income</i>	\$ 2,028,913				10%		9.5%
<i>International Equity</i>	\$ 4,958,725				25%		23.2%
<i>World Fixed Income</i>	\$ 1,655				0%		0.0%
Total	\$ 73,358,313				100%		100%

- **SAA BOTTOMLINE:** The additional capital contribution potentially allows and supports additional allocation to risk assets.



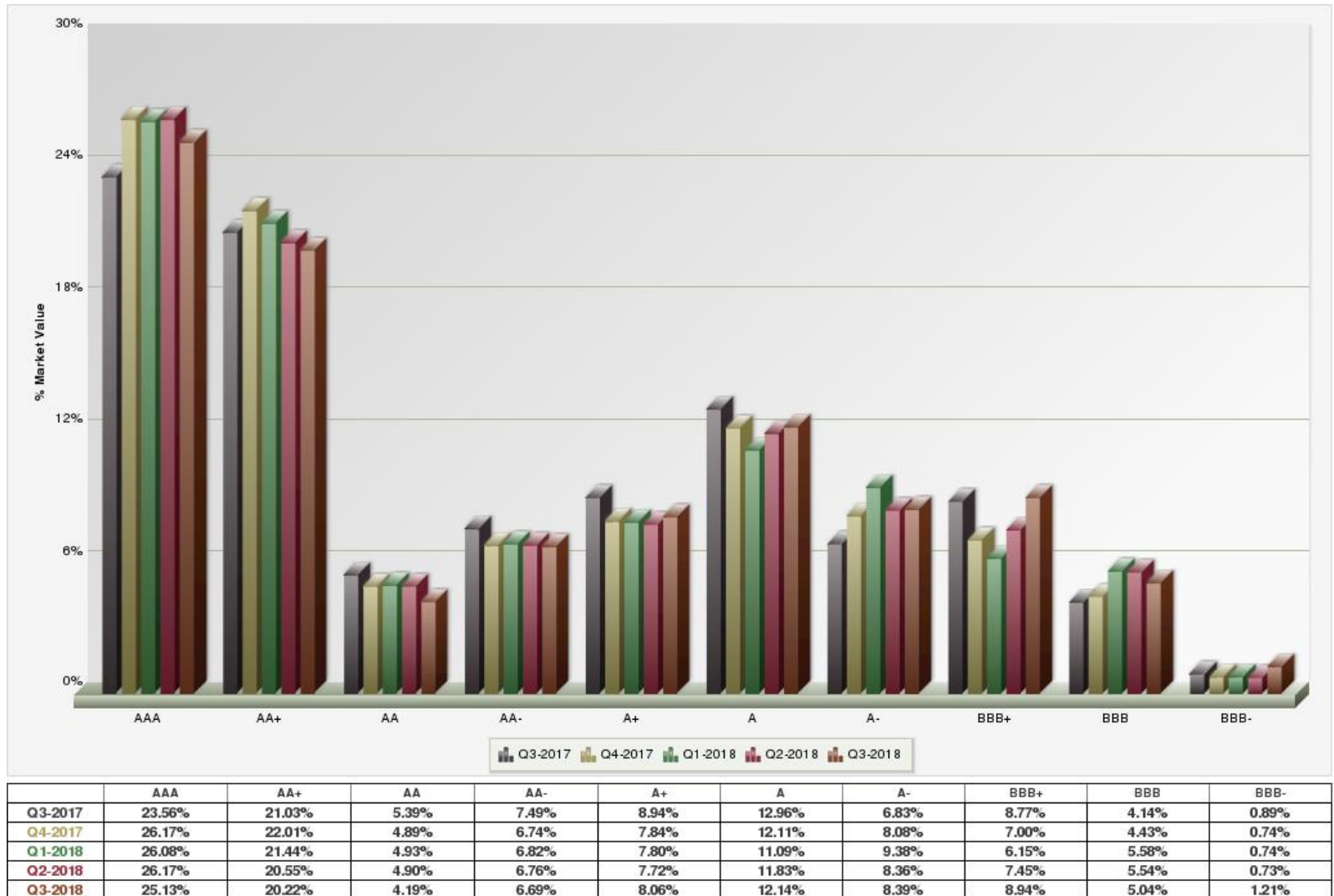
PCM FI – Asset Allocation Last 5 Quarters



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PCM FI – Credit Rating Detail Last 5 Quarters

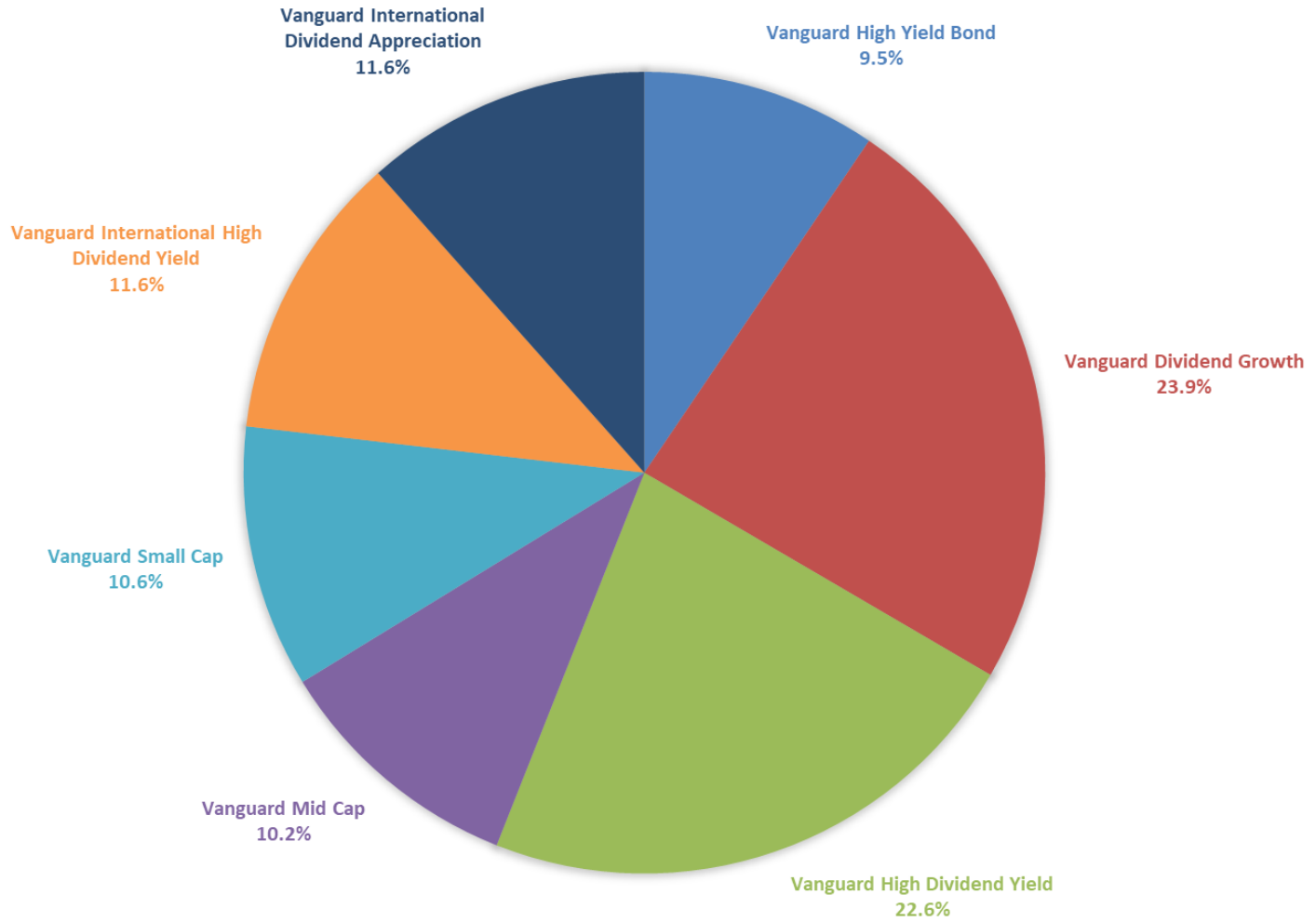


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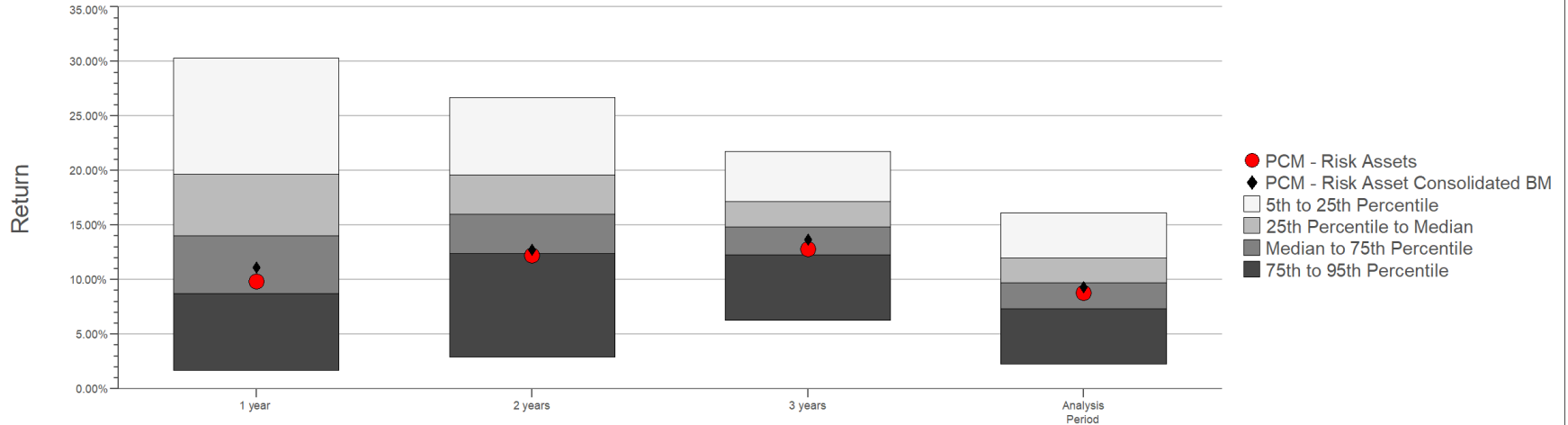
PCM Risk Asset Allocation

PCM RISK ASSET ALLOCATION: \$21.4M OR 30.7% OF 12/31/2017 SURPLUS

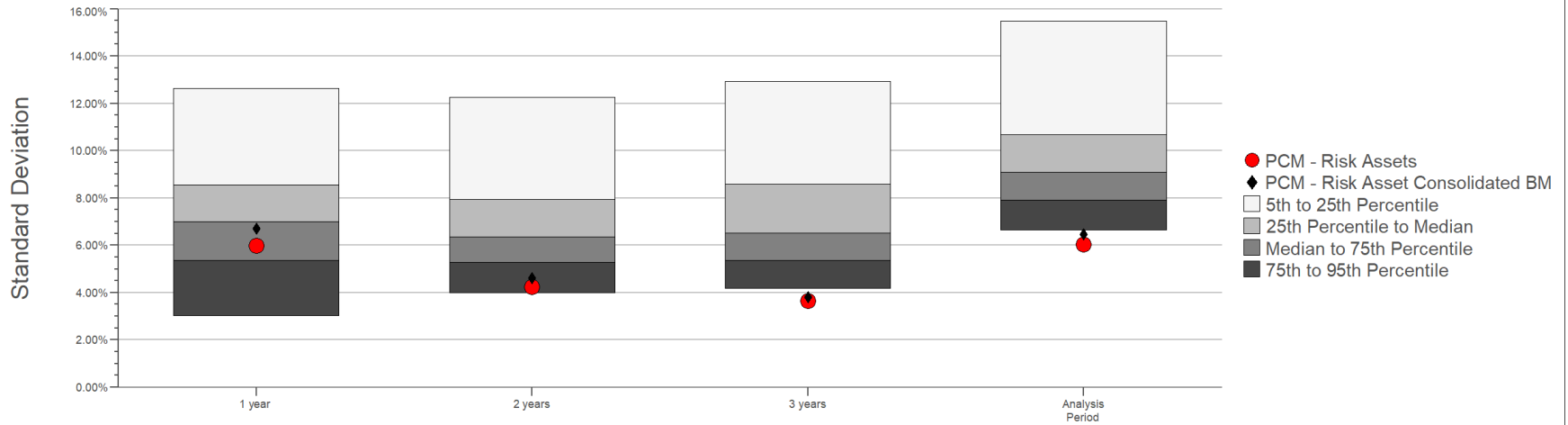


Risk Asset Performance Peer Analysis

PCM ETF/Mutual Fund Portfolio vs Morningstar All Domestic Equity Managers: Return
 April 2015 - September 2018 (not annualized if less than 1 year)



PCM ETF/Mutual Fund Portfolio vs Morningstar All Domestic Equity Managers: Standard Deviation
 April 2015 - September 2018 (not annualized if less than 1 year)



Using Morningstar All Domestic Equity Manager Peer Universe



PCM Risk Assets – Returns Detail

Manager vs Benchmark: Return

April 2015 - September 2018 (not annualized if less than 1 year)

	1 quarter	YTD	1 year	2 years	3 years	Analysis Period
PCM - Risk Assets	4.55%	4.65%	9.85%	12.21%	12.79%	8.76%
-- PCM - Risk Assets (BM)	4.78%	4.79%	11.10%	12.72%	11.25%	8.91%
Vanguard High Dividend Yield Index Inv	5.68%	4.08%	10.58%	13.18%	15.01%	10.58%
-- FTSE High Dividend Yield Index	5.74%	4.18%	10.75%	13.34%	15.16%	10.73%
Vanguard Dividend Growth Inv	8.06%	10.08%	16.27%	15.19%	14.70%	10.92%
-- NASDAQ US Dividend Achievers Select	9.49%	10.17%	19.11%	17.28%	16.97%	11.87%
Vanguard High-Yield Corporate Adm	2.67%	1.56%	1.67%	4.71%	6.42%	4.62%
-- PCM High Yield benchmark	2.18%	2.35%	2.83%	5.81%	8.07%	5.37%
Vanguard Mid Cap Index Adm	4.67%	7.37%	13.42%	14.36%	13.78%	8.89%
-- CRSP US Mid Cap TR Index	4.65%	7.37%	13.44%	14.38%	13.81%	8.92%
Vanguard Small Cap Index Adm	4.77%	11.04%	16.70%	17.03%	16.34%	10.18%
-- CRSP US Small Cap TR Index	4.77%	11.02%	16.68%	17.01%	16.31%	10.15%
Vanguard Intl Div Apprec Idx Adm	-0.58%	-1.46%	2.82%	8.39%	N/A	N/A
-- NASDAQ International Dividend Achievers Select	-0.39%	-1.05%	3.91%	9.26%	N/A	N/A
Vanguard Intl Hi Div Yld Idx Adm	1.95%	-3.00%	-0.30%	9.69%	N/A	N/A
-- FTSE All-World Ex US High Dividend Yield Index	1.99%	-2.94%	0.30%	10.20%	9.46%	4.18%

Funds/ETFs shown reflects SAA's rebalancing recommendation implemented in December 2017.

To explain the performance omissions, the Vanguard International funds launched in March 2016.





POOLING RESOURCES, INC.



Pooling Resources Inc. - Performance Summary

				Annualized					
Portfolio	Market Value	% of MV	Q3-2018	1 Yr	2Yr	3Yr	5Yr	Since Inception	Inception Date
Pooling Resources, Inc.									
Core Fixed Income¹	\$991,391	100.0%	0.40%	0.95%	0.74%	0.77%	0.80%	0.73%	Jul-11
Custom Benchmark			0.32%	-0.96%	0.16%	1.35%	1.14%	0.98%	
Relative Performance			▲ 0.08%	▲ 1.91%	▲ 0.58%	▼ -0.58%	▼ -0.34%	▼ -0.25%	
Key Market Indices									
Barclays U.S. Aggregate			0.02%	-1.22%	-0.57%	1.31%	2.16%		
Barclays Intermediate U.S. Government/Credit			0.21%	-0.96%	-0.37%	0.91%	1.52%		
Barclays U.S. Corporate Investment Grade			0.97%	-1.19%	0.50%	3.12%	3.54%		
Barclays U.S. Corporate High Yield			2.40%	3.05%	5.92%	8.15%	5.54%		
Barclays U.S. Treasury: U.S. TIPS			-0.82%	0.41%	-0.16%	2.04%	1.37%		
Notes:									
1) NEAM assumed fixed income management on 1/1/2016.									
-- All returns net of fees									
-- For each measurement period, Green indicates outperformance, and Red indicates underperformance									

PROPOSED PRI ASSET ALLOCATION (Matches Captives Allocation)			
	Ticker	MV (\$)	MV (%)
Core Fixed Income			
Vanguard Short-Term Bond	VBIRX	\$ 644,404	65.00%
Risk Assets			
Vanguard High Yield Bond	VWEAX	\$ 34,699	3.50%
Vanguard Dividend Appreciation	VDADX	\$ 78,072	7.88%
Vanguard High Dividend Yield	VHDYX	\$ 78,072	7.88%
Vanguard Mid Cap	VIMAX	\$ 34,699	3.50%
Vanguard Small Cap	VS MAX	\$ 34,699	3.50%
Vanguard Total International Stock	VTIAX	\$ 86,747	8.75%
TOTAL ASSETS		991,391	100.00%

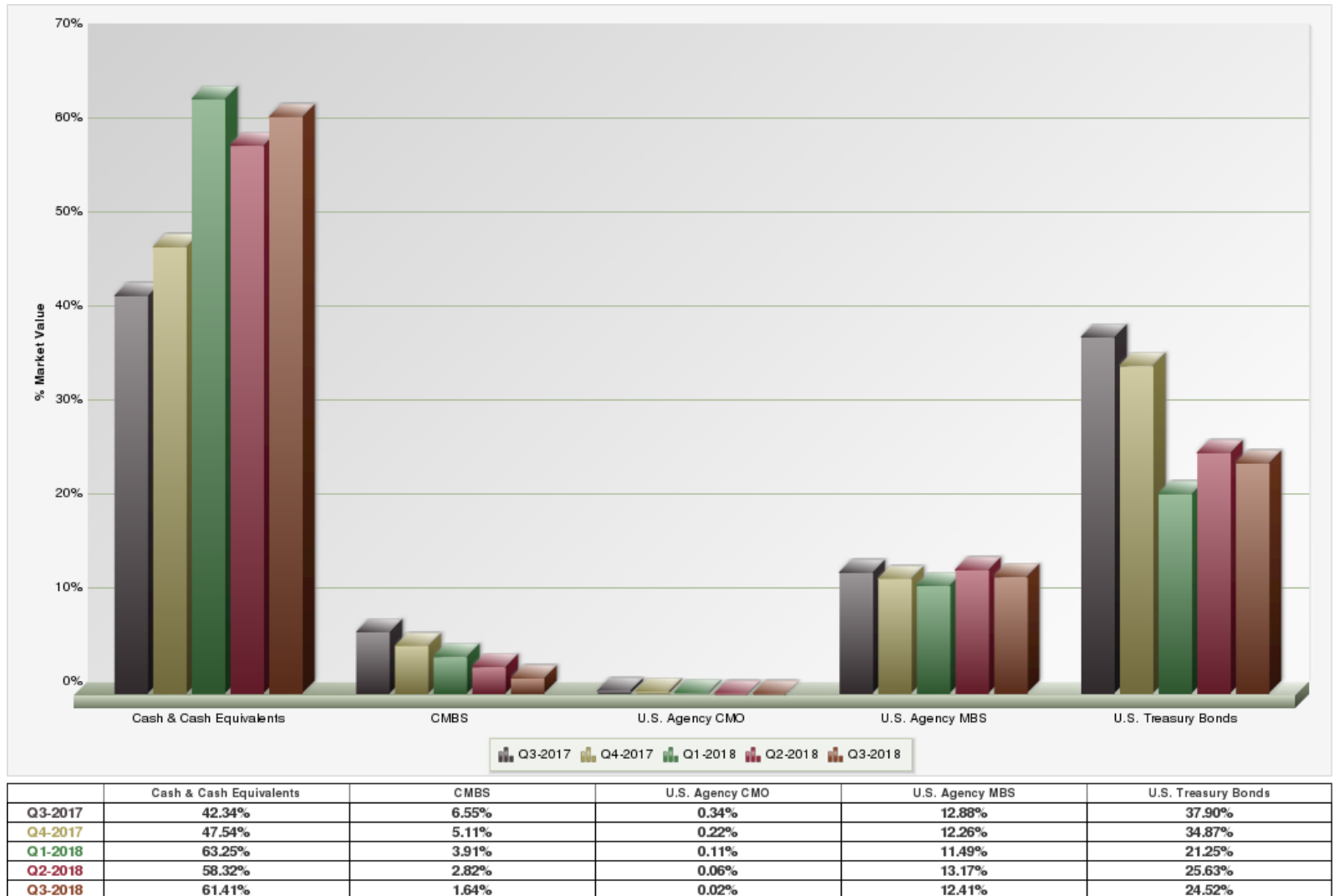
Option (1)

1	
MV (\$)	MV (%)
\$ 743,543	75.00%
\$ 247,848	25.00%
\$ 24,785	2.50%
\$ 55,766	5.63%
\$ 55,766	5.63%
\$ 24,785	2.50%
\$ 24,785	2.50%
\$ 61,962	6.25%
991,391	100.00%

Option (2)



Pooling Resources Inc. – Asset Allocation Last 5 Quarters



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FUND/ETF PERFORMANCE ANALYSIS

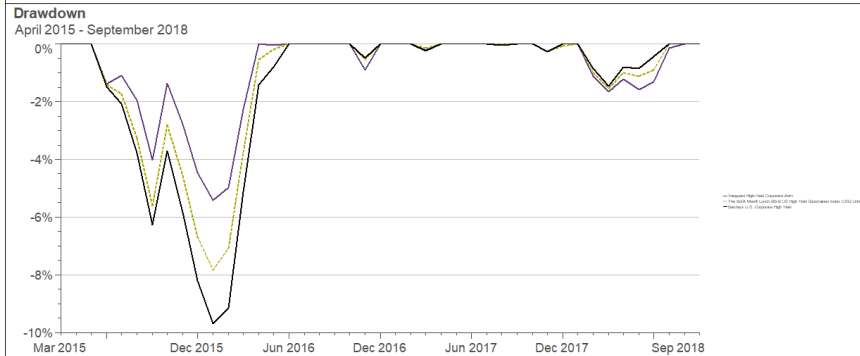
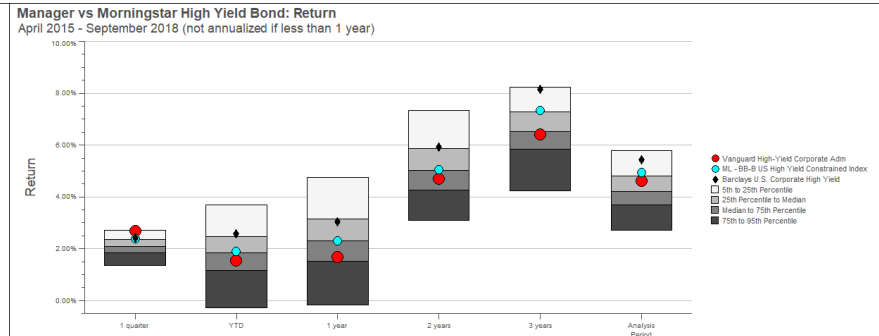
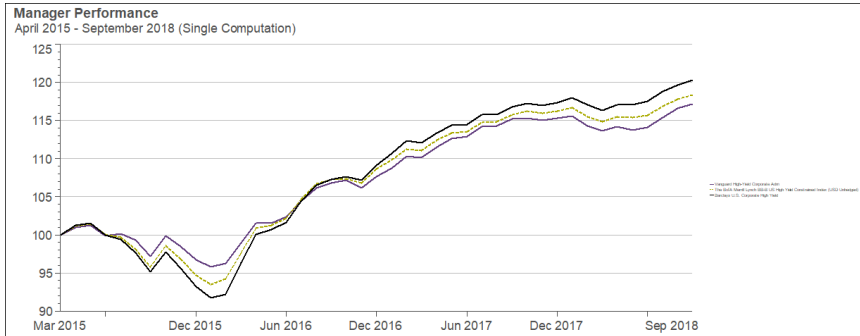


Performance Analysis Guide

Guide to Fund Analysis Page Sections	
<p>Section (1) - Fund Performance</p> <ul style="list-style-type: none"> - Funds' normalized performance over the last ten years or from funds' inception, whichever is less. - Includes normalized cumulative excess returns relative to fund benchmark over the time period. 	<p style="text-align: right; font-size: small;">Zephyr StyleADVISOR: Strategic Asset Alliance</p> <p>Section (4) - Peer Analysis Chart</p> <ul style="list-style-type: none"> - Compares the fund performance on a percentile basis relative to a peer group of other funds of similar investment style. Morningstar peer groups are utilized for analysis purposes. - Time period over the last ten years or from funds' inception, whichever is less.
<p>Section (2) - Drawdown</p> <ul style="list-style-type: none"> - Illustrates negative fund performance over the last ten years or from funds' inception, whichever is less. - Illustrates downside volatility more clearly for riskier asset classes. 	<p>Section (5) - Peer Group Analysis Returns Range</p> <ul style="list-style-type: none"> - Compares the fund and benchmark performance relative to the median, 5th percentile and 95th percentile returns of the peer group. - Annualized returns over the last ten years or from funds' inception, whichever is less.
<p>Section (3) - Risk/Return</p> <ul style="list-style-type: none"> - Illustrates the risk/return characteristics of the fund relative to the fund benchmark and peer group over a period of time. - Time period over the last ten years or from funds' inception, whichever is less. 	<p>Section (6) - Performance Attribution</p> <ul style="list-style-type: none"> - Using market indices relevant to the fund's style and investment policy, this analysis compares the actual fund returns with the relevant market indices to generate a performance attribution the funds' total returns. - Used rolling one-year periods for analysis.

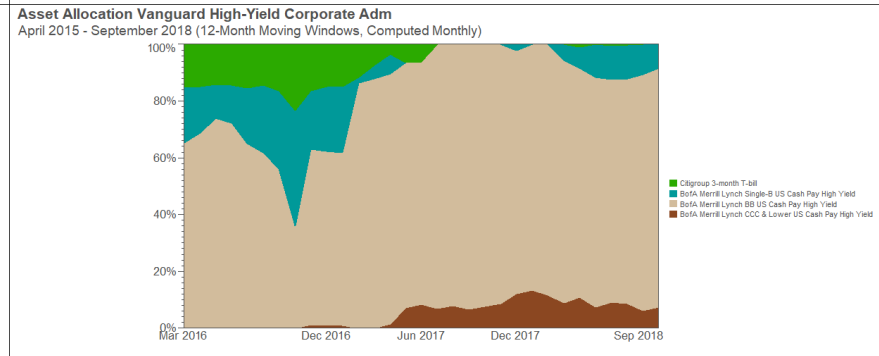
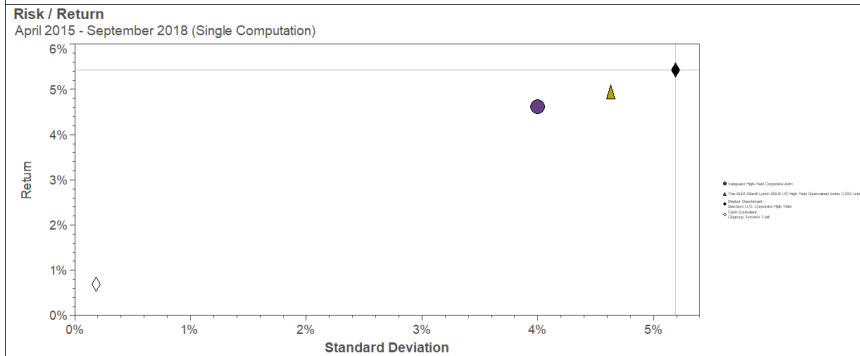


U.S. High Yield Fixed Income: Vanguard High Yield Corporate

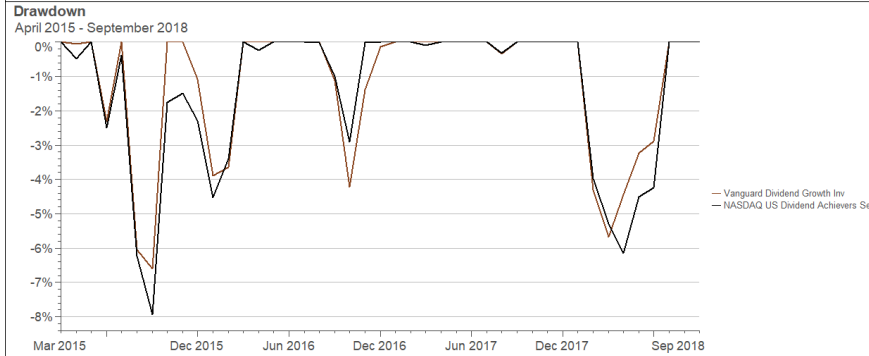
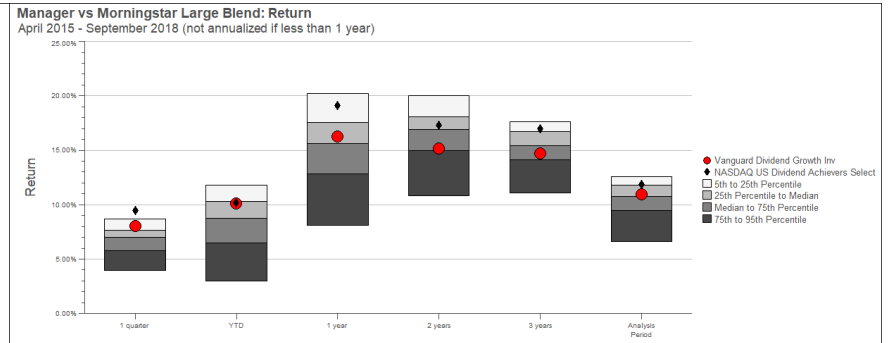
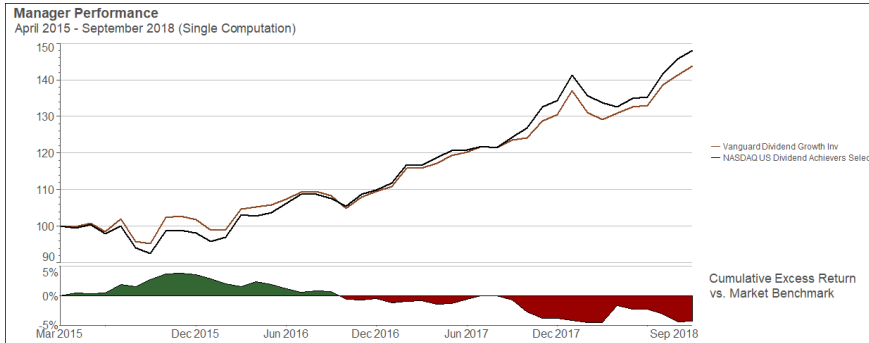


Manager vs Morningstar High Yield Bond: Return
April 2015 - September 2018 (not annualized if less than 1 year)

	1 quarter	YTD	1 year	2 years	3 years	Analysis Period
	690 mng	688 mng	679 mng	661 mng	636 mng	623 mng
9th Percentile	2.70%	3.69%	4.75%	7.33%	8.23%	5.80%
Median	2.10%	1.85%	2.31%	5.02%	6.53%	4.21%
95th Percentile	1.34%	-0.27%	-0.16%	3.09%	4.23%	2.71%
Vanguard High-Yield Corporate Adm	2.67%	1.56%	1.67%	4.71%	6.42%	4.62%
The S&P Merrill Lynch BB-B US High Yield Constrained Index (USD Unhedged)	2.38%	1.90%	2.29%	5.06%	7.33%	4.94%
Barclays U.S. Corporate High Yield	2.40%	2.57%	3.05%	5.92%	8.15%	5.43%

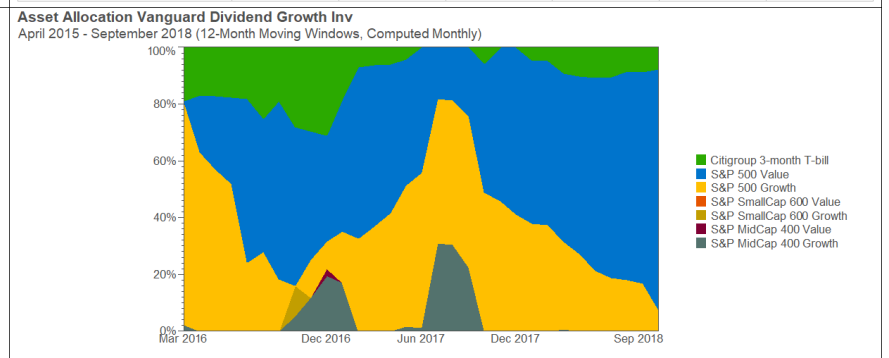
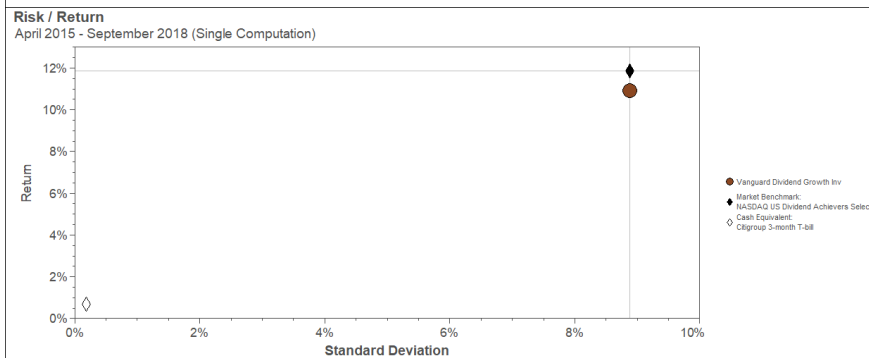


U.S. Large Cap Equity: Vanguard Dividend Growth

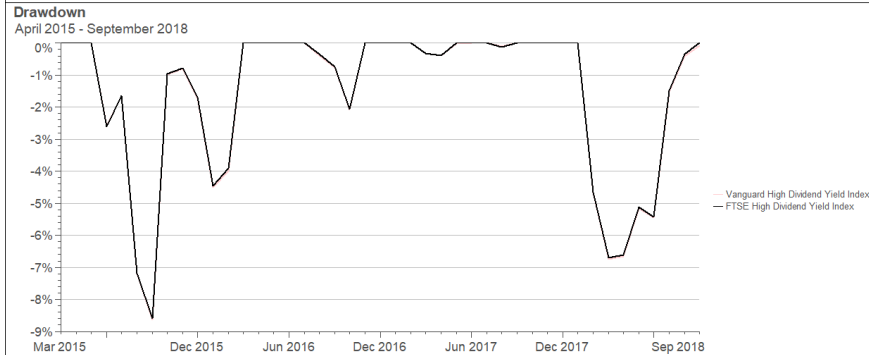
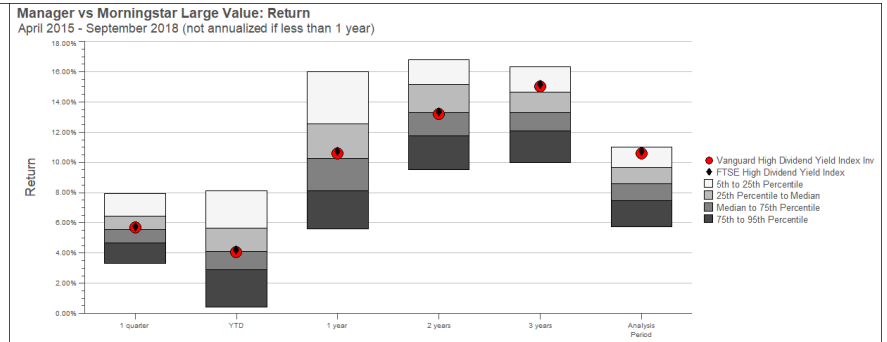
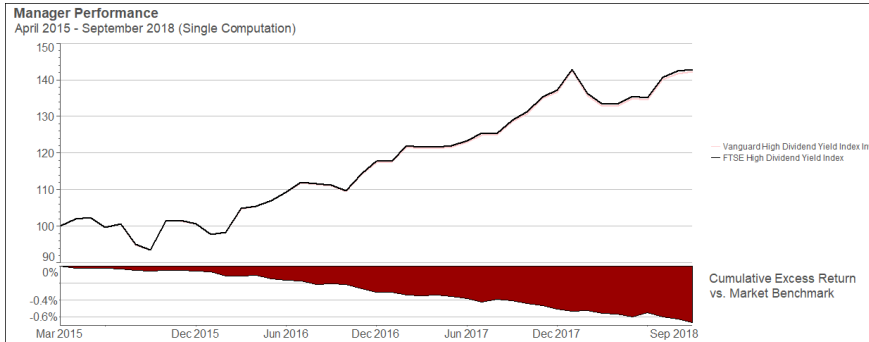


Manager vs Morningstar Large Blend: Return
April 2015 - September 2018 (not annualized if less than 1 year)

	1 quarter	YTD	1 year	2 years	3 years	Analysis Period
	1334 mng	1322 mng	1308 mng	1250 mng	1225 mng	1207 mng
5th Percentile	8.69%	11.76%	20.18%	20.01%	17.65%	12.61%
Median	6.99%	8.73%	15.61%	16.90%	15.41%	10.75%
95th Percentile	3.95%	2.99%	8.12%	10.85%	11.11%	6.60%
Vanguard Dividend Growth Inv	8.06%	10.08%	16.27%	15.19%	14.70%	10.92%
NASDAQ US Dividend Achievers Select	9.49%	10.17%	19.11%	17.28%	16.97%	11.87%

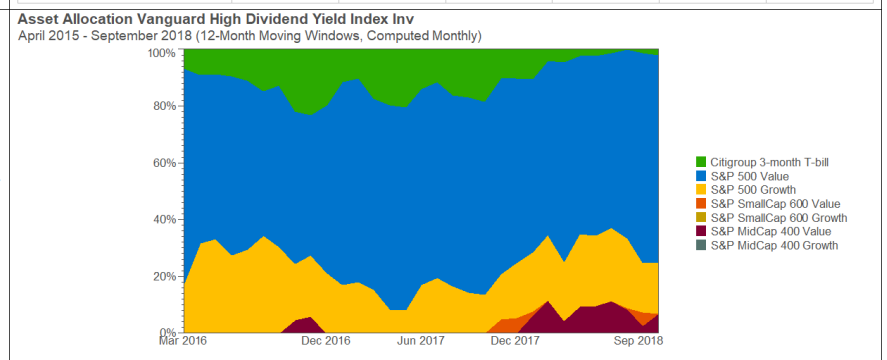
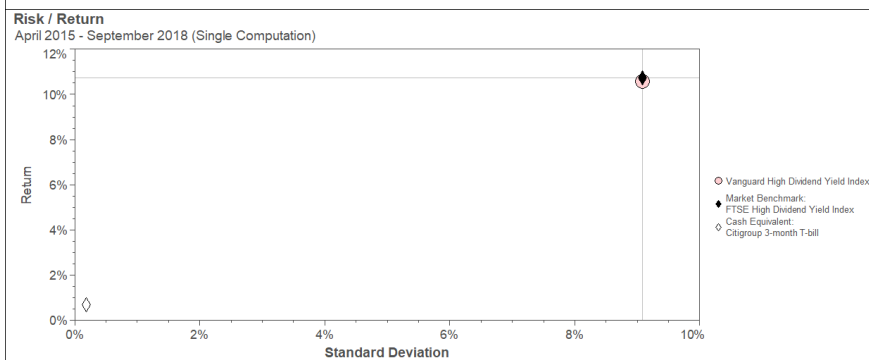


U.S. Large Cap Equity: Vanguard High Dividend Yield

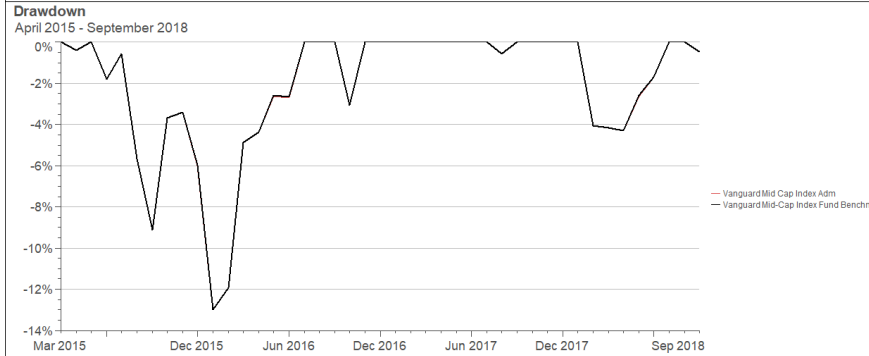
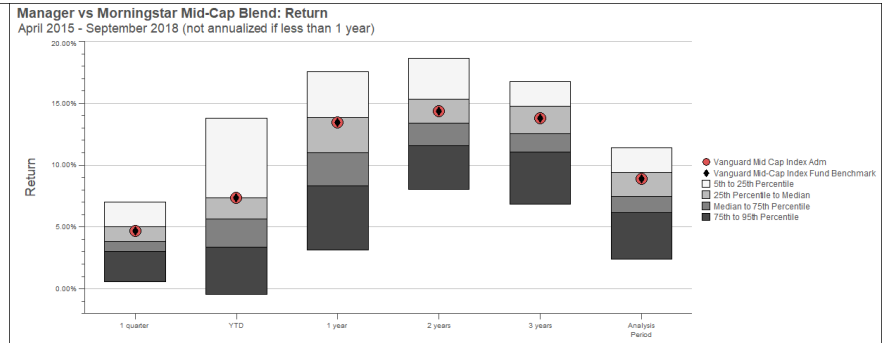
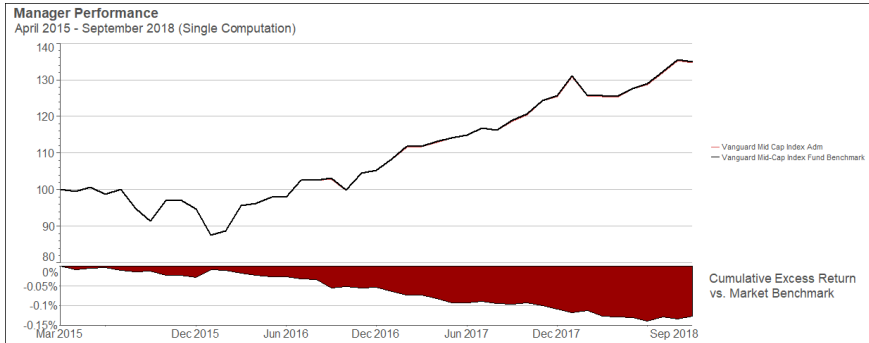


Manager vs Morningstar Large Value: Return
April 2015 - September 2018 (not annualized if less than 1 year)

	1 quarter	YTD	1 year	2 years	3 years	Analysis Period
	1222 mng	1220 mng	1217 mng	1189 mng	1160 mng	1127 mng
5th Percentile	7.94%	8.14%	15.99%	16.79%	16.31%	11.01%
Median	5.55%	4.10%	10.27%	13.31%	13.29%	8.60%
95th Percentile	3.31%	0.41%	5.62%	9.53%	9.99%	5.73%
Vanguard High Dividend Yield Index Inv	5.68%	4.08%	10.58%	13.18%	15.01%	10.58%
FTSE High Dividend Yield Index	5.74%	4.18%	10.75%	13.34%	15.16%	10.73%

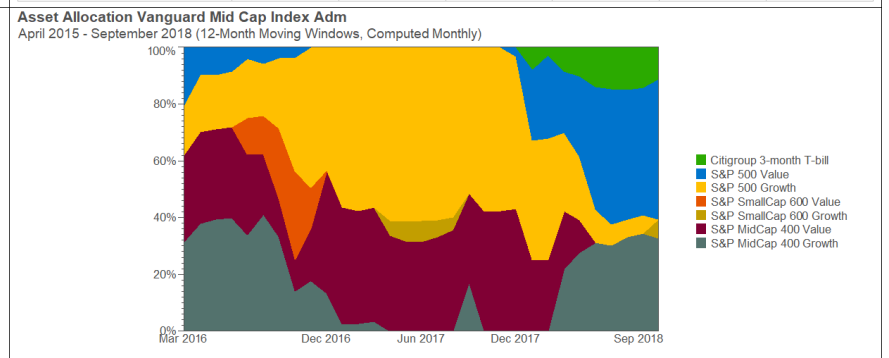
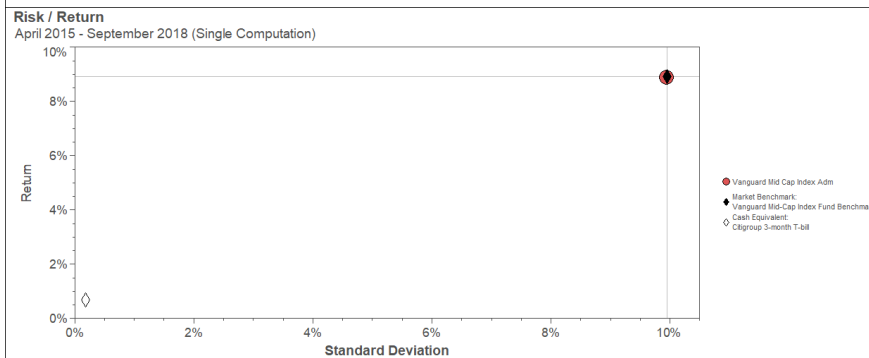


U.S. Mid Cap Equity: Vanguard Mid Cap Index

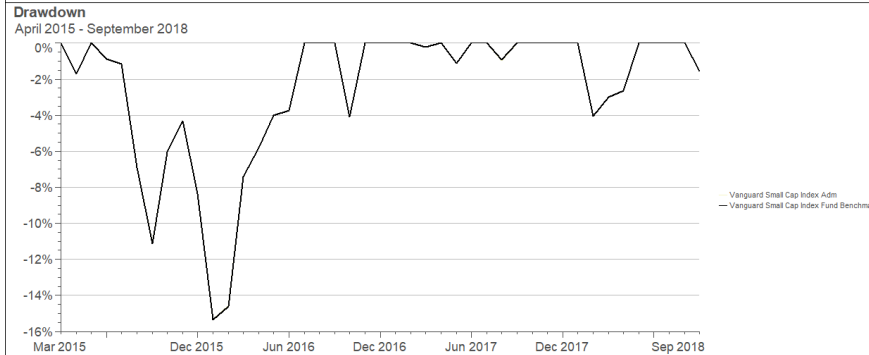
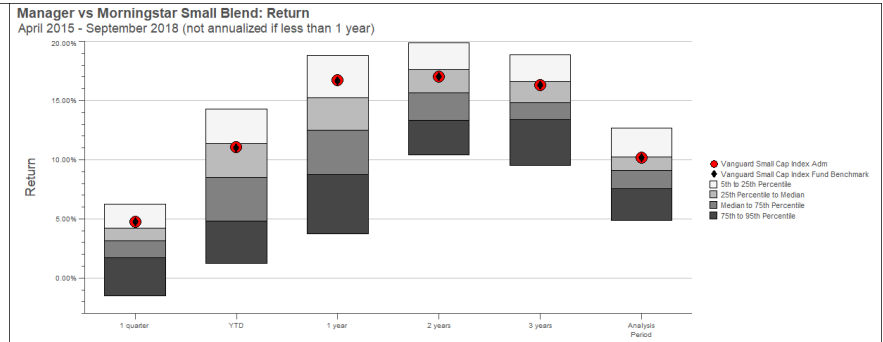
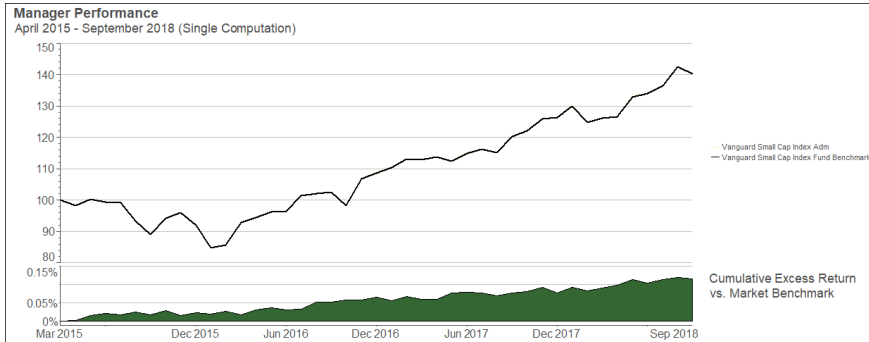


Manager vs Morningstar Mid-Cap Blend: Return
April 2015 - September 2018 (not annualized if less than 1 year)

	1 quarter	YTD	1 year	2 years	3 years	Analysis Period
	434 mng	433 mng	432 mng	417 mng	388 mng	379 mng
5th Percentile	7.01%	13.80%	17.55%	18.62%	16.76%	11.39%
Median	3.83%	5.64%	10.99%	13.37%	12.55%	7.46%
95th Percentile	0.59%	-0.47%	3.15%	8.02%	6.82%	2.40%
Vanguard Mid Cap Index Adm	4.67%	7.37%	13.42%	14.36%	13.78%	8.89%
Vanguard Mid-Cap Index Fund Benchmark	4.65%	7.37%	13.44%	14.38%	13.81%	8.92%

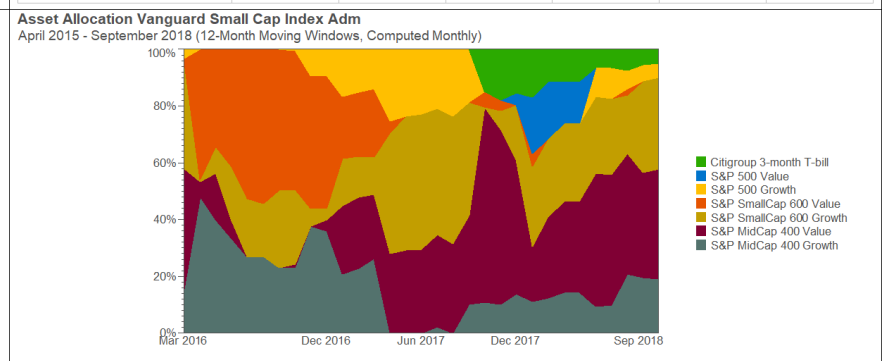
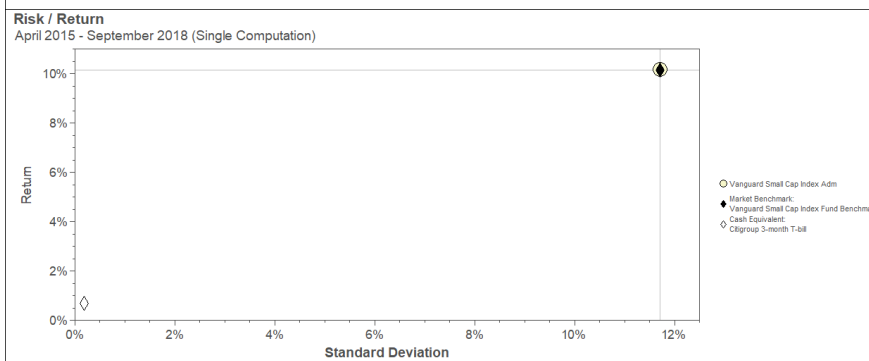


U.S. Small Cap Equity: Vanguard Small Cap Index

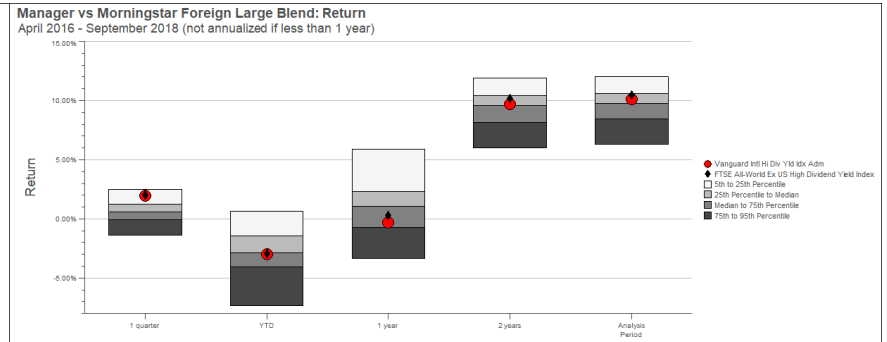
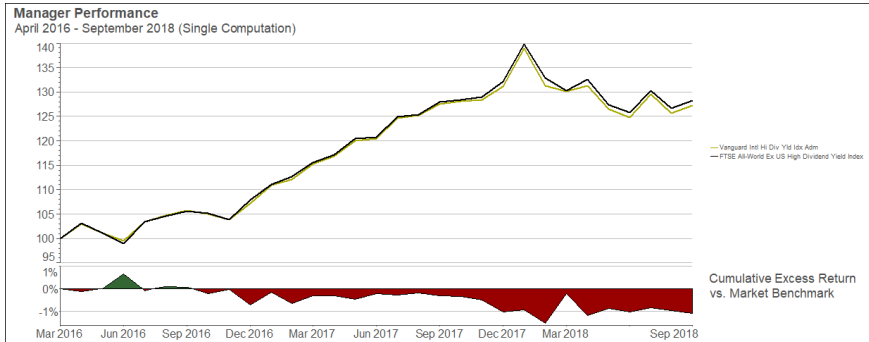


Manager vs Morningstar Small Blend: Return
April 2015 - September 2018 (not annualized if less than 1 year)

	1 quarter	YTD	1 year	2 years	3 years	Analysis Period
	764 mng	755 mng	754 mng	743 mng	721 mng	688 mng
5th Percentile	6.22%	14.31%	18.79%	19.90%	18.85%	12.67%
Median	3.15%	8.51%	12.52%	15.66%	14.80%	9.08%
95th Percentile	-1.49%	1.21%	3.73%	10.42%	9.51%	4.85%
Vanguard Small Cap Index Adm	4.77%	11.04%	16.70%	17.03%	16.34%	10.18%
Vanguard Small Cap Index Fund Benchmark	4.77%	11.02%	16.68%	17.01%	16.31%	10.15%

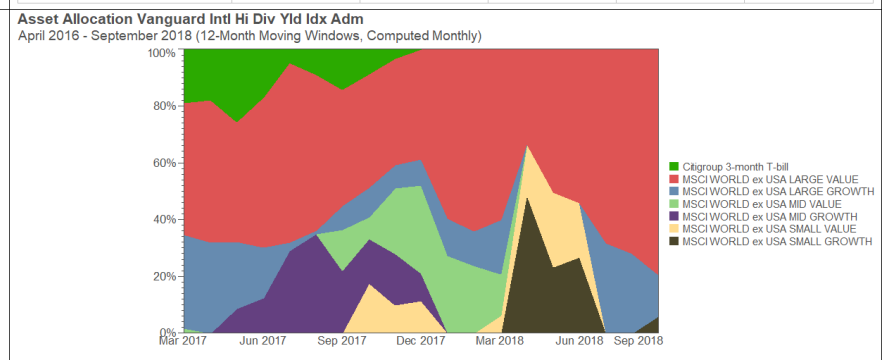
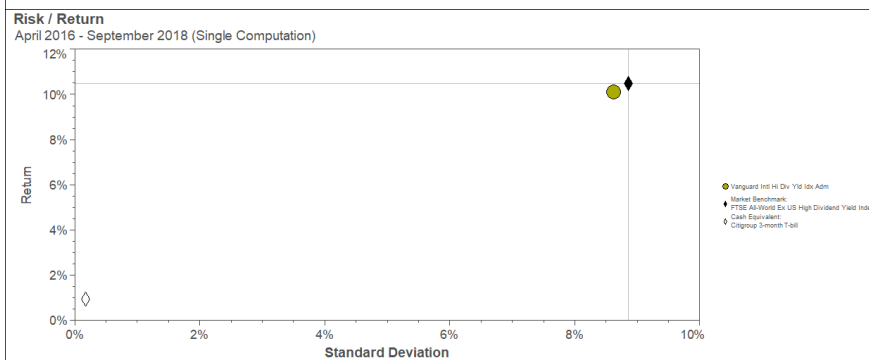


International Equity: Vanguard International High Dividend Yield

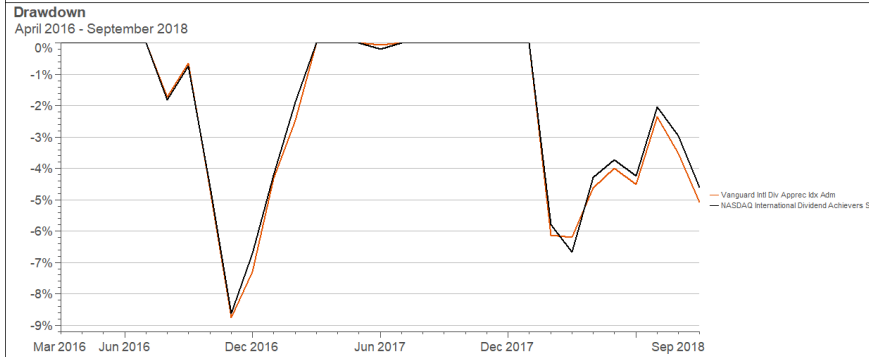
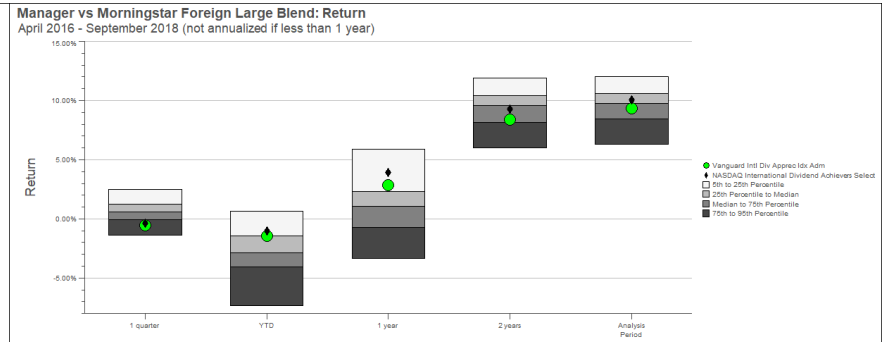
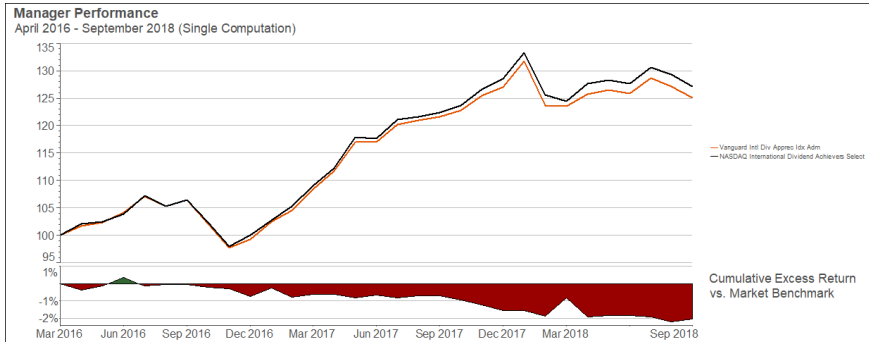


Manager vs Morningstar Foreign Large Blend: Return
April 2016 - September 2018 (not annualized if less than 1 year)

	1 quarter	YTD	1 year	2 years	Analysis Period
	775 mng	760 mng	758 mng	733 mng	715 mng
5th Percentile	2.51%	0.62%	5.91%	11.93%	12.02%
Median	0.58%	-2.88%	1.07%	9.57%	9.79%
95th Percentile	-1.40%	-7.31%	-3.37%	5.99%	6.31%
Vanguard Intl Hi Div Yld Idx Adm	1.95%	-3.00%	-0.30%	9.69%	10.10%
FTSE All-World Ex US High Dividend Yield Index	1.99%	-2.94%	0.30%	10.20%	10.47%

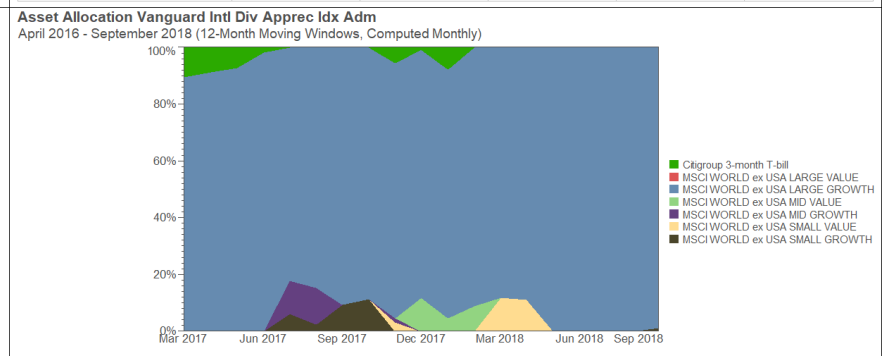
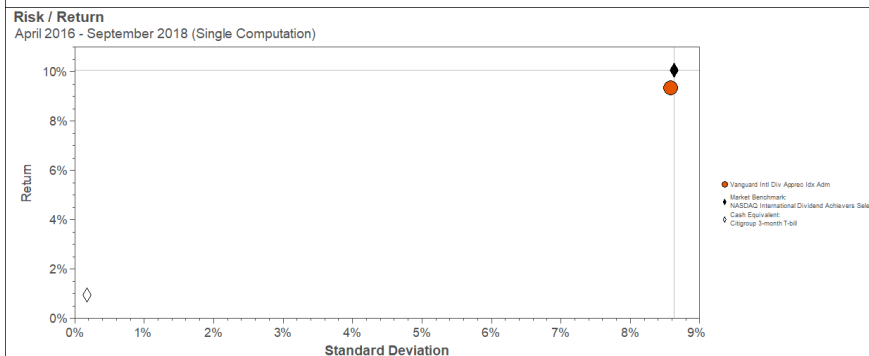


International Equity: Vanguard International Dividend Appreciation



Manager vs Morningstar Foreign Large Blend: Return
April 2016 - September 2018 (not annualized if less than 1 year)

	1 quarter	YTD	1 year	2 years	Analysis Period
	775 mng	760 mng	758 mng	733 mng	715 mng
5th Percentile	2.51%	0.62%	5.91%	11.93%	12.02%
Median	0.58%	-2.88%	1.07%	9.57%	9.79%
95th Percentile	-1.40%	-7.31%	-3.37%	5.99%	6.31%
Vanguard Intl Div Apprec Idx Adm	-0.58%	-1.46%	2.82%	8.39%	9.36%
NASDAQ International Dividend Achievers Select	-0.39%	-1.05%	3.91%	9.26%	10.08%



Glossary of Terms – Page One

- **Annualized Return:** The annualized return is the geometric mean of the returns with respect to one year.
- **Excess Return:** The difference between the manager return and the benchmark return. A positive excess return implies that the manager outperformed the benchmark.
- **Standard Deviation:** Standard deviation of return measures the average deviations of a return series from its mean, and is often used as a measure of risk. A large standard deviation implies that there have been large swings in the return series of the manager.
- **Skewness:** Skewness characterizes the degree of asymmetry of a distribution around its mean.
 - Positive skewness indicates a distribution with an asymmetric tail extending toward more positive values.
 - Negative skewness indicates a distribution with an asymmetric tail extending toward more negative values.
- **Kurtosis:** Kurtosis characterizes the relative peakedness or flatness of a distribution compared with the normal distribution.
 - Positive kurtosis indicates a relatively peaked distribution.
 - Negative kurtosis indicates a relatively flat distribution.
- **Semi Standard Deviation and Upside Deviation:** The semi standard deviation and upside standard deviation differ from the ordinary standard deviation insofar as the sum is restricted to those returns that are less than the mean (semi standard deviation) or more than the mean (upside deviation).
- **Alpha:** Alpha is the mean of the excess return of the manager over beta times benchmark. Generally, the returns generated by a manager not just attributable to market movement via the benchmark volatility.
- **Beta:** Beta is a measure of systematic risk, or the sensitivity of a manager to movements in the benchmark. A beta of 1 implies that you can expect the movement of a manager's return series to match that of the benchmark used to measure beta.
- **Value at Risk:** Based on a probability distribution, Value at Risk quantifies the expected loss under extreme market conditions. In the context of the Zephyr's classification system, VaR measures tail risk based on the historical profile of the returns being examined.



Glossary of Terms – Page Two

- **Sharpe Ratio:** The Sharpe Ratio of a manager series is the quotient of the annualized excess return of the manager over the cash equivalent and the annualized standard deviation of the manager return. The Sharpe Ratio is a risk-adjusted measure of return which uses standard deviation to represent risk.
- **Information Ratio:** The Information Ratio of a manager series vs. a benchmark series is the quotient of the annualized excess return and the annualized standard deviation of excess return. The Information Ratio measures the consistency with which a manager beats a benchmark.
- **Significance Level:** The significance level of a manager series vs. a benchmark series indicates the level of confidence with which the statement “the manager’s annualized excess return over the benchmark is positive” or “the manager’s annualized excess return over the benchmark is negative,” as the case may be, holds true.
- **Up & Down Capture:** The up and down capture is a measure of how well a manager was able to replicate or improve on phases of positive benchmark returns, and how badly the manager was affected by phases of negative benchmark returns.
- **Batting Average:** The batting average of the manager is the ratio between the number of periods where the manager outperforms a benchmark and the total number of periods.
- **Upside & Downside Deviation (Using MAR):** Here, MAR stands for “minimum acceptable return.” To calculate this, we first determine the sum of the squared distances between the returns and the MAR constant, where the sum is restricted to those returns that are more than MAR (upside deviation) or less than the MAR (downside deviation). Used to test return volatility based on an expected hurdle rate of expected return.
- **Sortino Ratio:** The Sortino Ratio is a modification of the Sharpe ratio but penalizes only those returns falling below a user-specified target, or required rate of return, while the Sharpe ratio penalizes both upside and downside volatility equally. It is thus a measure of risk-adjusted returns that treats risk more realistically than the Sharpe ratio. Thus, the ratio is the actual rate of return in excess of the investor's target rate of return, per unit of downside risk.
- **Pain Index:** The Pain Index is the area enclosed by the drawdown graph and the zero drawdown line, divided by the length of the time interval. The more, the bigger, and more often the icicles, the greater the pain index.
- **Pain Ratio:** The Pain Ratio is a modification of the Sharpe ratio which uses the Pain Index as the measure of risk instead of Standard Deviation.
- **Omega:** The ratio of the likelihood of getting a return over the MAR to the likelihood of getting a return below the MAR. So, in essence, it is a benefit/cost ratio. For a given MAR, higher Omegas are always better, but this can change at different MARs.
- **Gain to Loss Ratio:** The ratio of the average gain in an up period to the average loss in a down period.



**Executive Director's Report to Board
November 2018**

Executive Committee Changes:

Lisa Jones from Eureka County School District retired effective September 1, 2018. She was the NPAIP Executive Committee's elected representative for school districts. Her term expires in 2019.

Dan Murphy from Pershing County School District was contacted as a possible replacement candidate and expressed interest in serving. He has been a member of the Loss Control Committee and wants to continue to do that as well.

NPAIP Executive Committee member changes are addressed pursuant to the ICA and Bylaws which entails the Chair appointing a replacement per Section 4.04 (e):

"SECTION 4.04. VACANCIES....

- (e) Vacancies on the Executive Committee that occur between meetings of the Board may be filled by the Chair, or the remaining Executive Committee Members may appoint a replacement, to serve until the next Annual Meeting of the Board as described in Article III, Section 3.02 of these Bylaws...."

On October 9, 2018 Chair Cash Minor appointed Dan Murphy to fill the remaining term to 2019 of Lisa Jones, representing small school districts. The Executive Committee will act to ratify the appointment.

POOL and PACT Budgets:

Staff will begin the budgeting process shortly so the comments below are preliminary to further analysis and review before presentation to the Executive Committee for adoption of the budget.

PACT revenues will increase in fiscal year 2019-2020 due to:

1. Exposure changes usually are about 3.5%
2. Increased rate potential due to:
 - a. adverse claims development in recent years
 - b. AB458 increasing PPD evaluations
 - c. Offset in part with change in membership base
 - d. No change in heart/lung rate
 - e. Phasing out of assumed discount rate of 3% over future periods

POOL revenues will increase in fiscal year 2019-2020 due to:

1. Exposure changes usually are about 4% overall
2. The increased property rate for 2018-19 (12.5%) for both the retained and reinsured losses should mitigate assuming less severe loss patterns emerge this year; analysis of reinsured loss trends vs retention in POOL and PRM will be undertaken

3. Liability rates should be stable or decline slightly due to positive trends, although recent cases with potential severity are of concern

Considering the substantial amortization increase caused by the additional contributions to net position in both PRM and PCM this year, net income is negative for the audits. Amortization over ten years is a planned conservative strategy connected to growing the capacity of the captives. Both captives have increased their risk retention accordingly. POOL, PACT and the captives have accumulated substantial reserves from positive years, so overall financial standing remains adequate.

Renewal Strategies:

POOL:

The property coverage program is placed through Willis Re Pooling in various syndicates at Lloyds of London. Renewal negotiations in London the week of March 10th, 2018. Wayne Carlson, Mike Rebaleati, Alan Kalt along with Mary Wray and Stephen Romero of Willis Pooling will be meeting with the various syndicates. We anticipate negotiating for stable rates and program terms.

POOL Form/Structure Changes:

Consider revision to the Monies and Securities Extension to increase the limit from \$500,000 to \$1,000,000.

Consider revision to Data Security Liability Coverage Limit of \$3,000,000 with a sublimit for Privacy Response of \$500,000 to eliminate the sublimit so that there is a single \$3,000,000 limit.

Consider extending replacement cost on public safety vehicles to a broader range of vehicles based upon age bands. For example, any vehicle less than 5 years old gets full repair or replacement cost; vehicles over 5 but under 10 years get a percentage reduction from full repair or replacement cost; all other vehicles get actual cash value (replacement cost less depreciation).

Consider obtaining optional quotes for increased Flood Zone A aggregate limit from current \$25,000,000 to \$50,000,000 aggregate. Presently there is about \$420 million of property values in Flood Zone A spread throughout the state. Value concentrations on a county-wide basis over \$25,000,000 appear in Elko, Lander, Lyon, Mineral and Nye County for all Member entities within each county. Elko County entities have about \$73,000,000 combined. Note that these counties values are quite spread out over the geography, but there is a concentration of risk in the county seats or major population centers.

Consider increasing property retention (POOL and PRM) from \$500,000 to \$1,000,000 depending upon actuary pricing analysis and Willis and NEAM ERM projects.

Consider negotiating for a Lloyds Property Risk Management Incentive of a 10% premium refund if loss ratio is under 35%. Current analysis for 2010-11 through 2017-2018 shows an actual Lloyds loss ratio of 9.75%. Only 2016-2017 exceeded the 35% loss ratio cap with an 80% incurred

loss ratio. All other years show a zero loss ratio. In the attached spreadsheet, a review of older years 2006-2007 through 2009-2010 shows one outlier year with a 201% loss ratio. A separate tab summarizes both periods.

Succession Planning:

At the Board Retreat on September 20-21, 2018, it was announced that a proposed succession plan for the administrative functions had been developed for consideration. There were two options presented for consideration: 1) merge PARMS into PRI for a combined administration/human resources organization, and 2) create a nonprofit to replace PARMS and exist separately from PRI to take over the administration function. In either option, PARMS would become a subcontractor for the Executive Director function initially for a proposed 3 year term with options to extend as necessary to assure a sustainable transition. Legal counsel was consulted regarding each of these options and a final recommendation would be presented to the Joint Executive Committee on November 5th with subsequent reviews planned in February in anticipation of the annual meeting in April 2019. The proposed changeover date is July 1, 2019.

Alternative Service Concepts

Claim Number Location Coverage	Carrier Code Date Of Loss Cause	Claimant Name Date Reported To Asc Claim Desc.	Status	Incurred Paid	ASC Net Inc			Lloyds Premium	Lloyds Loss Ratio	Loss Control Incentive <35% LR =10% Refund
					POOL share	PRM Share	Lloyds Share			
					\$ 200,000	\$ 300,000				
Policy Eff Date: 7/ 1/2010										
P243-10-02250 - 01	6243	LINCOLN COUNTY SCHOOL DISTRICT		203,279.01	\$ 200,000	\$ 3,279	\$ -			
3760	11/19/2010	11/24/2010 11/17/2011		203,279.01						
BM	90	HEATER FAILURE CAUSING BLOWING SOOT								
P243-10-02262 - 01	6243	CHURCHILL COUNTY MAIN BUILDING		246,235.02	\$ 200,000	\$ 46,235	\$ -			
1360	11/30/2010	11/30/2010 3/27/2013		246,235.02						
RB	06	STEAM LINE BURST AT THE OLD HIGH SCHOOL								
P243-11-02457 - 01	6243	WELLS COMBINED HS BLDG		245,196.28	\$ 200,000	\$ 45,196	\$ -			
1660	5/6/2011	5/9/2011 1/24/2012		245,196.28						
RB	27	FIRE SPRINKLER HEAD BROKE CAUSING WATER								
P243-11-02483 - 01	6243	TONOPAHA HIGH SCHOOL		235,969.45	\$ 200,000	\$ 35,969	\$ -			
6060	6/2/2011	6/3/2011 6/30/2016		235,969.45						
RB	06	PRANK DAY. GROUP OF STUDENTS SPRAYED SKUNK								
Total by Policy Eff Date 5 Claims				1,430,679.76	\$ 800,000	\$ 130,680	\$ -	\$ 2,139,131	0%	\$ 213,913
				1,430,679.76						
Policy Eff Date: 7/ 1/2011										
P243-11-02691 - 01	6243	CALIENTE PUBLIC POOL		240,455.25	\$ 200,000	\$ 40,455	\$ -			
0700	11/29/2011	1/9/2012 8/22/2013		240,455.25						
RB	27	CITY POOL LEAKING APPROX 500,000 GALLONS OF								
Total by Policy Eff Date 1 Claims				240,455.25	\$ 200,000	\$ 40,455	\$ -	\$ 2,321,600	0%	\$ 232,160
				240,455.25						
Policy Eff Date: 7/ 1/2012										
P243-12-03061 - 17	6243	AUSTIN JR HS		236,224.73	\$ 200,000	\$ 36,225	\$ -			
3460	1/14/2013	1/14/2013 10/ 7/2013		236,224.73						
RB	03	SPRINKLER IN HALLWAY FROZE								
Total by Policy Eff Date 1 Claim				236,224.73	\$ 200,000	\$ 36,225	\$ -	\$ 2,623,837	0%	\$ 262,384
				236,224.73						
Policy Eff Date: 7/ 1/2013										
No Claims				\$ -	\$ -	\$ -	\$ -	\$ 2,732,084	0%	\$ 273,208
Policy Eff Date: 7/ 1/2014										
P243-14-03711 - 01	6243	MINERAL COUNTY HIGH SCHOOL GYM		201,000.00	\$ 200,000	\$ 1,000	\$ -			
4860	8/8/2014	8/8/2014 7/14/2015		201,000.00						
RB	27	WATER DAMAGE ON THE ROOF HAS COLLAPSED								
P243-15-03935 - 01	6243	CARSON CITY SCHOOL DISTRICT		245,559.52	\$ 200,000	\$ 45,560	\$ -			
1060	3/3/2015	3/5/2015 4/25/2016		245,559.52						
RB	27	BROKEN PIPE CAUSED WATER DAMAGE								
Total by Policy Eff Date 2 Claims				446,559.52	\$ 400,000	\$ 46,560	\$ -	\$ 2,688,776	0%	\$ 268,878
				446,559.52						
Policy Eff Date: 7/ 1/2015										
P243-16-04379 - 01	6243	MINDEN GARDNERVILLE SANITATION		205,000.01	\$ 200,000	\$ 5,000	\$ -			
4715	12/28/2015	3/11/2016 8/16/2018		205,000.01						
RB	99	POSSIBLE RUPTURE OF EQUIPMENT OR FREEZING								
P243-16-04419 - 01	6243	HUMBOLDT COUNTY RIDING ARENA		202,000.00	\$ 200,000	\$ 2,000	\$ -			
2645	4/8/2016	4/11/2016 4/16/2018		202,000.00						
RB	14	WIND DAMAGE TO RIDING ARENA								
P243-16-04457 - 01	6243	PAHRUMP VALLEY HIGH SCHOOL		205,000.00	\$ 200,000	\$ 5,000	\$ -			
6060	5/16/2016	5/16/2016 1/ 6/2017		205,000.00						
RB	27	FIRE SPRINKLER LINE BROKE CAUSING WATER								
P243-16-04495 - 01	6243	WHITE PINE MIDDLE SCHOOL		205,000.00	\$ 200,000	\$ 5,000	\$ -			
9360	6/9/2016	6/10/2016 2/ 7/2018		205,000.00						
RB	60	RAIN GUTTER LEAKED CAUSING WATER DAMAGE								
Total by Policy Eff Date 4 Claims				817,000.01	\$ 800,000	\$ 17,000	\$ -	\$ 2,555,950	0%	\$ 255,595
				817,000.01						
Policy Eff Date: 7/ 1/2016										
P243-16-04939 - 01	6243	YOUTH CITIZEN ACTIVITY CENTER		280,214.48	\$ -	\$ -	\$ -			

4845 RB	12/28/2016 29	2/1/2017 EARTHQUAKE DAMAGED BUILDING	Open 112,059.31							
P243-16-04939 - 02 4860 RB	6243 1/4/2017 20	SCHURZ ELEMENTARY SCHOOL 1/4/2017 EARTHQUAKES RESULTED IN CRACKS ALLOWING	410,370.66 9/26/2018 410,370.66	\$ 200,000	\$ 300,000	\$ 190,585				
P243-17-04884 - 01 1960 RB	6243 1/9/2017 27	OLD ELEMENTARY NEW GYMNASIUM 1/9/2017 PIPE IN CEILING FROZE AND BURST FLOODING GYM	212,327.27 12/26/2017 212,327.27	\$ -	\$ -	\$ -				
P243-17-04884 - 08 7545 RB	6243 1/9/2017 27	STOREY COUNTY 1/18/2017 FLOOD AND STORM DAMAGE AT MULTIPLE	931,996.25 9/25/2018 931,996.25	\$ -	\$ -	\$ -				
P243-17-04884 - 14 0820 RB	6243 1/9/2017 99	CANYON GENERAL IMPROVEMENT DI 2/9/2017 FLOOD DAMAGE TO CERCLE DE CERESE BRIDGE	878,503.04 9/25/2018 878,503.04	\$ -	\$ -	\$ -				
P243-17-04884 - 16 2820 RB	6243 1/9/2017 27	MAINTENANCE BUILDING 4/4/2017 OVERGROUND WATER INTRUSION INTO	241,498.07 Open 144,551.38	\$ 200,000	\$ 300,000	\$ 1,764,325				
Total by Policy Eff Date 7 Claims				2,954,909.77	\$ 400,000	\$ 600,000	\$ 1,954,910	\$ 2,437,321	80%	\$ -

2,689,807.91

Policy Eff Date: 7/ 1/2017										
P243-17-05226 - 01 1660 RB	6243 8/26/2017 85	ELKO GRAMMAR #2 MAIN CLASSROOM 8/28/2017 MIGRATORY BATS RESIDING IN SCHOOL BUILDING	201,000.00 Open 11,945.17	\$ 200,000	\$ 1,000	\$ -				
P243-17-05362 - 01 7250 RB	6243 12/20/2017 14	ACCESS BUILDING 1/3/2018 HIGH WIND DAMAGE TO SOLAR PANELS, WATER	402,727.95 Open 12,415.95	\$ 200,000	\$ 202,728	\$ -				
Total by Policy Eff Date 2 Claims				603,727.95	\$ 400,000	\$ 203,728	\$ -	\$ 2,546,383	0%	\$ 254,638

24,361.12

Total 2010-2017 9.75% \$ 1,760,776

Policy Eff Date: 7/ 1/2018										
P243-18-05630 - 01 2820 RB	6243 8/11/2018 04	MOUNTAIN GOLF COURSE 8/13/2018 KITCHEN FIRE AND SMOKE/WATER DAMAGE	305,000.00 Open 742.14	\$ 200,000	\$ 105,000	\$ -				
Total by Policy Eff Date 1 Claim				305,000.00	\$ 200,000	\$ 105,000	\$ -	\$ 2,850,338	0%	\$ 285,034

742.14

	Losses Total			
Loss Total	\$ 3,200,000	\$ 1,074,647	\$ 1,954,910	\$ 6,229,557
% of Loss Total	51%	17%	31%	

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STARS ENTERPRISE™

Future Options to explore:				
\$1,000,000 SIR Q/S		65%	35%	0%
Loss distribution	\$ 4,049,212	\$ 2,180,345	\$ -	
Loss Difference	\$ 849,212	\$ 1,105,698	\$ (1,954,910)	

Friday, October 19, 2018

12:47:36 PM

Alternative Service Concepts

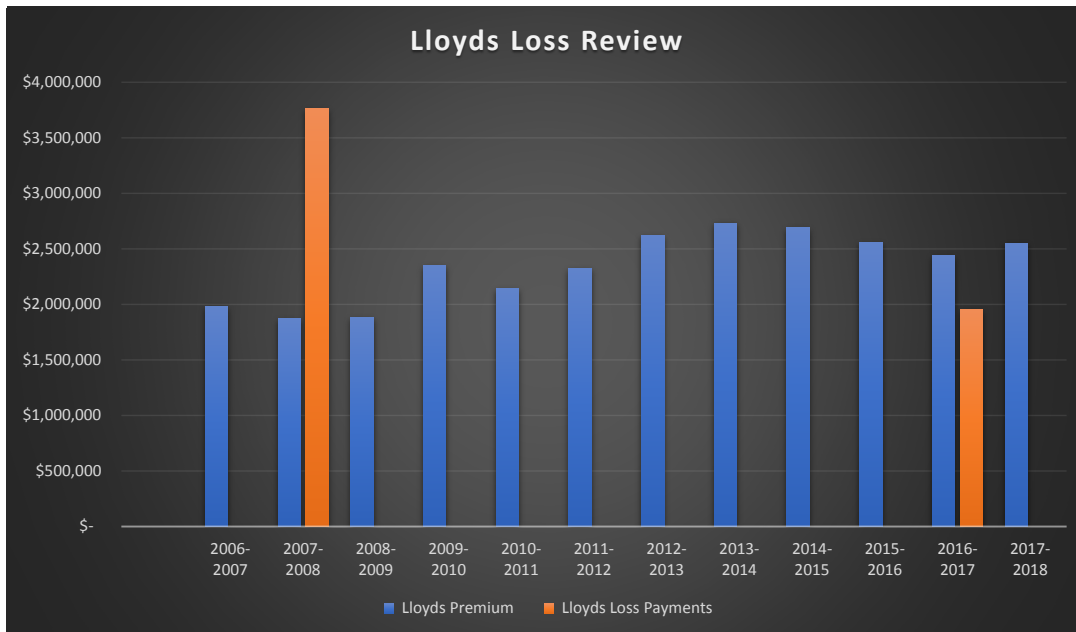
Valued as of : 9/30/2018

STARS

Claim Number	Carrier Code	Claimant Name	Status	Med/BI/Loss Incurred Paid	Expense Incurred Paid	Ind/PD Incurred Paid	Recovery Incurred Paid	Deductible Incurred Paid	Legal Incurred Paid	Voc Rehab Incurred Paid	ASC Net Inc Incurred Paid	POOL share	PRM Share	Lloyds Share	Lloyds Premium	Lloyds Loss Ratio
												\$ 200,000	\$ 300,000			
Policy Eff Date: 7/ 1/2007																
P243-07-00901 - 01	6243	PAHRUMP HIGH SCHOOL		244,481.40	3,732.80	0.00	43,214.20	0.00	0.00	0.00	205,000.00	\$ 200,000	\$ 44,481	\$ -		
6060	9/21/2007	10/2/2007	2/24/2009	244,481.40	3,732.80	0.00	43,214.20	0.00	0.00	0.00	205,000.00					
RB	99	DAMAGE TO GYM FLOOR CAUSED BY RAINSTORMS														
P243-07-00914 - 01	6243	TOWN OF PAHRUMP		273,713.50	0.00	0.00	21,713.51	0.00	0.00	0.00	251,999.99	\$ 200,000	\$ 73,714	\$ -		
6105	10/5/2007	10/8/2007	9/20/2011	273,713.50	0.00	0.00	21,713.51	0.00	0.00	0.00	251,999.99					
RC	90	HIGH WINDS BLEW TOWER DOWN.														
P243-08-01060 - 01	6243	ELKO COUNTY SCHOOL DISTRICT		2,549,904.12	0.00	0.00	2,248,807.06	0.00	0.00	0.00	301,097.06					
1660	2/21/2008	2/21/2008	8/25/2010	2,549,904.12	0.00	0.00	2,248,807.06	0.00	0.00	0.00	301,097.06					
RB	90	6.0 EARTHQUAKE CENTERED 11 MILES SE OF WELLS,NV														
P243-08-01060 - 05	6243	CITY OF WELLS		2,253,834.45	0.00	0.00	2,011,028.90	0.00	0.00	0.00	242,805.55	\$ 200,000	\$ 300,000	\$ 3,759,836		
9000	2/21/2008	2/21/2008	3/22/2013	2,253,834.45	0.00	0.00	2,011,028.90	0.00	0.00	0.00	242,805.55					
RB	90	6.0 EARTHQUAKE														
P243-08-01179 - 01	6243	MINING PARK RECEPTION		223,808.87	0.00	0.00	18,808.87	0.00	0.00	0.00	205,000.00	\$ 200,000	\$ 23,809	\$ -		
8305	5/21/2008	5/21/2008	2/10/2009	223,808.87	0.00	0.00	18,808.87	0.00	0.00	0.00	205,000.00					
RB	75	WIND DAMAGE TO TIN FACADE ROOF. PARTS OF ROOF STRUCK AND DAMAGED PRIVATE PROPERTY.														
												\$ 800,000	\$ 442,004	\$ 3,759,836	\$ 1,870,000	201%
												16%	9%	75%		
												Losses Total		\$ 5,001,840		

NOTE:Years with No losses \$200,000 or more		
	Lloyds Premium	Lloyds LR
2006-2007	\$ 1,984,008	0%
2008-2009	\$ 1,883,436	0%
2009-2010	\$ 2,346,260	0%

Policy Year	Lloyds Premium	Lloyds Loss Payments	Lloyds Loss Ratio
2006-2007	\$ 1,984,008	\$ -	0%
2007-2008	\$ 1,870,000	\$ 3,759,836	201%
2008-2009	\$ 1,883,436	\$ -	0%
2009-2010	\$ 2,346,260	\$ -	0%
2010-2011	\$ 2,139,131	\$ -	0%
2011-2012	\$ 2,321,600	\$ -	0%
2012-2013	\$ 2,623,837	\$ -	0%
2013-2014	\$ 2,732,084	\$ -	0%
2014-2015	\$ 2,688,776	\$ -	0%
2015-2016	\$ 2,555,950	\$ -	0%
2016-2017	\$ 2,437,321	\$ 1,954,910	80%
2017-2018	\$ 2,546,383	\$ -	0%
	<u>\$ 28,128,786</u>	<u>\$ 5,714,746</u>	20%



End of Item #9f
Back to Agenda