

**MONTGOMERY VILLAGE FOUNDATION, INC.**  
**Investment Committee Meeting Agenda**  
**October 16, 2017**  
**\*\*North Creek Community Center\*\***  
**~7:00 PM**

Open Session

Residents Time

1. Chairman's comments
2. Review and approve minutes from 7/17/17 meeting (enclosed)
3. Review investment portfolio (enclosed)
4. Adjournment

Information Item: Enclosed Board approved revised Reserve Fund Investment Policy

**MINUTES OF MEETING  
MONTGOMERY VILLAGE FOUNDATION  
Investment Committee  
July 17, 2017**

A regular meeting of the Montgomery Village Foundation Investment Committee was held at 7:00 p.m. on Monday, July 17, 2017 at the North Creek Community Center Board Room, 20125 Arrowhead Road, Montgomery Village, Maryland.

Members Present:

Pete Young, President  
Glenn Gargan, Vice President  
Bob Carey, Treasurer

Members Absent

Jeff McCloskey

Others Present:

Greg Snellings, MVF Chief Financial Officer  
Joanna Swatik, Wilmington Trust  
Jennifer Thornett, Recording Secretary  
1 resident

**Residents' Time**

A resident of Whetstone noted that they are interested in increasing their investments and he wanted to learn more about the MVF's strategy.

**1. Chairman's comments**

Mr. Young called the meeting to order at 7:04 p.m.

**2. Review and approve minutes from April 17, 2017 meeting**

Mr. Gargan moved approval of the April 17, 2017 meeting minutes. The motion was seconded and passed unanimously.

**3. Review investment portfolio**

Ms. Swatik reported that they are experiencing the second longest bull market in history. She added that consumer spending is stronger than initial estimates and there is a 10.4% growth rate for capital expenditures. Ms. Swatik noted that they anticipate GDP growth to come in at 2.5% at the end of the year. She added that the Fed raised interest rates in June and they do not expect the Fed to raise interest rates again until December. Ms. Swatik noted that the eurozone

put up the strongest economic growth for emerging markets; however, there is risk with emerging markets as the Fed raises interest rates. She added that tax reform will be delayed due to delays with health care reform.

Ms. Swatik explained that the Investment Policy is a conservative strategy with an intermediate time horizon and modest level of volatility. She asked if there are any changes to liquidity requirements. Mr. Snellings reported that they are finishing their second pool renovation and it will be several years until the next pool renovation is expected. Ms. Swatik reviewed the asset allocation analysis. She noted that they are at the top end of the range for equities and the detailed asset categories are in line with the prior year. The total portfolio net of fees for the year to date is 2.8% compared to a policy benchmark of 3.5%. In response to a question from the Committee, Ms. Swatik noted that the percentage of growth for equities includes the dividend yield. She added that the cash flow history shows a net investment change of \$444,531.

Mr. Young asked how much trading is necessary to keep equities below 30%. He noted that there was discussion at the previous meeting about the possibility of increasing the equity ranges. Ms. Swatik noted that they recommend increasing the range for equities to 25-50% with a target of 40%. She added that it does not mean they would increase equities to 40% immediately, rather it would allow them to take advantage of market conditions. Mr. Young expressed concern with such an aggressive jump but noted they are leaving money on the table based on market conditions. He added that more flexibility would be helpful. Mr. Snellings agreed and suggested they increase the range for equities to 20-40%.

Ms. Swatik noted that they assess the draw down potential for the portfolio and for a conservative portfolio they can say with 95% confidence that it will draw down by 14% at most. She noted that increasing the range for equities to 20-40% will allow equities to appreciate in the bull market. The Committee indicated that it is amenable to adjusting the parameters, without being too aggressive, in order to take advantage of market conditions. Ms. Swatik noted that she will work with Mr. Snellings to prepare a formal recommendation for the Committee to present to the MVF Board. Mr. Young noted that they should recommend a change to the Investment Policy at the August Board meeting as it would be coincidental to the budget process. He added that he will give the Board a heads up that the Committee will be bringing forth a recommendation to alter portfolio percentages at the next meeting.

#### 4. Adjournment

Mr. Gargan moved to adjourn the meeting at 7:45 p.m. The motion was seconded and passed unanimously.

There being no further business, the meeting was adjourned at 7:45 p.m. The reports, authorizations, and other documents presented at the meeting have been initialed and attached hereto or filed in the offices of the Montgomery Village Foundation.



Jennifer Thornett  
Recording Secretary

**MONTGOMERY VILLAGE FOUNDATION**  
**Investment Committee**  
**Motion List**  
**July 17, 2017**

1. Mr. Gargan moved approval of the April 17, 2017 meeting minutes. The motion was seconded and passed unanimously.
  
2. Mr. Gargan moved to adjourn the meeting at 7:45 p.m. The motion was seconded and passed unanimously.

# Investment Policy Statement

**Prepared For**

**WTNA AGT MONTGOMERY VLG FNDN INC**



## Investment Policy Statement

Effective Date: October 12, 2017

**Investment Strategy:** Conservative

### Investment Objectives

The primary objective is to preserve capital on a real return basis after inflation with a secondary objective of a moderate growth of capital. Another objective of the portfolio is to maintain liquidity of the assets for cash flow needs. The strategy will consist primarily of fixed income securities, but will also include equity, inflation hedges and cash. Fixed income investments include taxable and/or tax-exempt instruments. Equity investments will be diversified by market capitalization, investment style, and include both domestic and international holdings. Inflation hedges consist of commodities, real estate and inflation-linked bonds.

### Suitability

This strategy is appropriate for investors with an intermediate time horizon who seek income and preservation of capital.

### Risk Profile

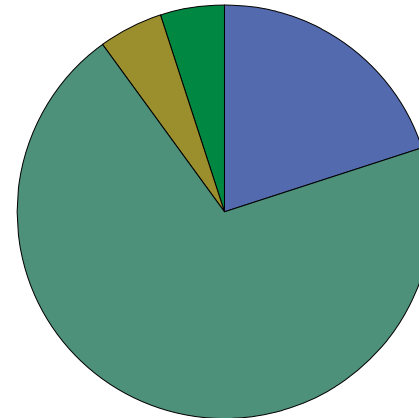
This strategy seeks to achieve its objective with a modest level of volatility. Other risks including purchasing power risk are inherent in this strategy. Broad asset class diversification may reduce risk and/or enhance returns.

**Investment Policy Statement** **Effective Date: October 12, 2017**

<b>Asset Classes</b>	<b>Benchmark</b>	<b>Minimum</b>	<b>Target</b>	<b>Maximum</b>
Equity	Equity Blend (60% Russell 3000 / 40% ACWI Ex US IMI)	20%	20%	45%
Fixed Income	Barclays Intermediate Govt/Credit Bond Index	65%	70%	90%
Inflation Hedges	Inflation Hedge Blend (50% Barclays TIPS / 35% FTSE NAREIT / 15% Bloomberg Comm Index)	0%	5%	10%
Cash & Cash Equivalents	Lipper Money Market Funds Index	0%	5%	10%

Total Allocation (*may not equal 100% due to rounding*) 100%

- Equity 20%
- Fixed Income 70%
- Inflation Hedges 5%
- Cash & Cash Equivalents 5%





## **Investment Policy Statement**

### **Component Accounts**

103377-000	WTNA AGT MONTGOMERY VLG FNDN INC
103377-001	WTNA AGT MONTGOMERY VLG FDN- RESERVE
103377-610	AGT MONTGOMERY VLF FNDN

### **Investment Restrictions**

There are no investment restrictions on this portfolio. Wilmington Trust has full discretion regarding the investments in the portfolio.

### **Client Considerations**

This is a foundation. For investment management purposes, the portfolio consists of three (3) sub-accounts: Dash account -001 holds a diversified mix of mutual funds and ETFs. Dash account -000 holds individual equities managed in accordance with Wilmington Trust's EDIS strategy. Dash -610 holds taxable bonds managed in accordance with Wilmington Trust's Total Return fixed income strategy. The account is managed on a total return basis.

This investment policy has been modified to reflect the ranges and benchmarks chosen for all sub-asset classes by the Montgomery Village Foundation Investment Committee.

### **Income Considerations**

There is no specific income target for this portfolio.

## **Investment Policy Statement**

**Effective Date: October 12, 2017**

### **Tax Considerations**

The portfolio is a 501c4 and therefore has no tax concerns. Taxable fixed income will be used for the allocation to core bonds.

### **Liquidity Requirements**

Liquidity requirements are low as this is the foundation's reserve fund. No distributions are anticipated at this time.

### **Legal Constraints**

There are no legal constraints that would place restrictions on the investment management of this portfolio.

### **Conversion Plan**

As of September 2017, the MVF Board approved an increase in the equity target to 40%, which will be done gradually and opportunistically, and the equity range as been adjusted as well. Once additional equities are purchased in the portfolio, the IPS target will be adjusted.

## Asset Allocation Analysis

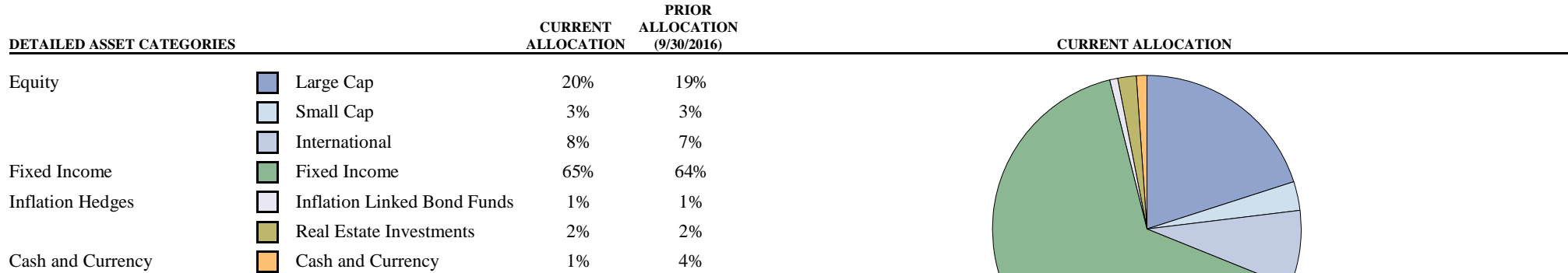
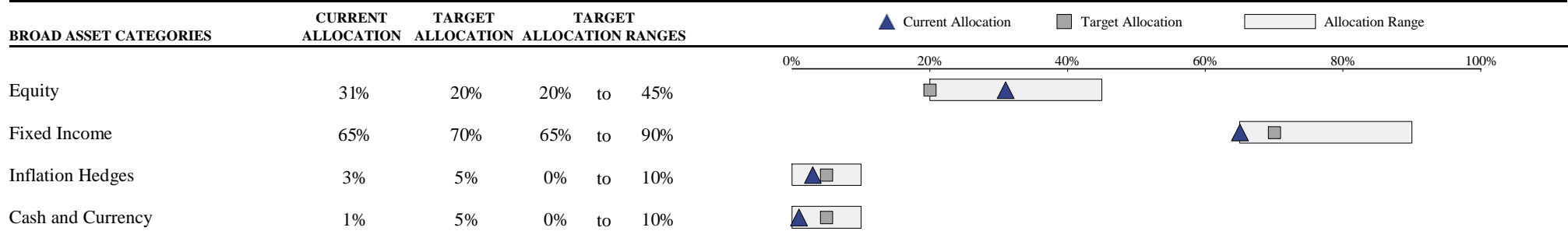
Investment Objective: Conservative

**WTNA AGT MONTGOMERY VLG FNDN INC**

September 30, 2017

1001367MT

Page 6 of 25



## Investment Performance

**WTNA AGT MONTGOMERY VLG FNDN INC**
*September 30, 2017*

1001367MT

*Page 7 of 25*

ASSET CLASS	ACCOUNT NO.	DESCRIPTION	QUARTER TO DATE	YEAR TO DATE	1 YEAR	3 YEARS <sup>1</sup>	SINCE INCEPTION <sup>1</sup>	START DATE
<b>Total Portfolio Net of Fees</b>			<b>1.5%</b>	<b>4.4%</b>	<b>3.9%</b>	<b>2.8%</b>	<b>1.9%</b>	<b>01/01/2013</b>
		<i>Policy Benchmark <sup>3</sup></i>	<i>1.5%</i>	<i>5.0%</i>	<i>3.8%</i>	<i>3.4%</i>	<i>3.6%</i>	<i>01/01/2013</i>
<b>Equity</b>			<b>4.3%</b>	<b>11.9%</b>	<b>15.8%</b>	<b>8.2%</b>	<b>8.2%</b>	<b>10/01/2014</b>
		<i>Equity Policy Benchmark <sup>4</sup></i>	<i>5.2%</i>	<i>16.9%</i>	<i>19.1%</i>	<i>8.5%</i>	<i>8.5%</i>	<i>10/01/2014</i>
Large Cap								
	103377-000	WTNA AGT MONTGOMERY VLG FNDN INC	2.8%	7.1%	12.6%	---	7.5%	12/01/2014
		<i>Russell 1000 Value Index</i>	<i>3.1%</i>	<i>7.9%</i>	<i>15.1%</i>	<i>---</i>	<i>7.4%</i>	<i>12/01/2014</i>
Small Cap								
	103377-001	WTNA AGT MONTGOMERY VLG FDN- RESERVE	5.9%	10.9%	20.9%	9.7%	9.7%	10/01/2014
		<i>Russell 2000 Index</i>	<i>5.7%</i>	<i>10.9%</i>	<i>20.7%</i>	<i>12.2%</i>	<i>12.2%</i>	<i>10/01/2014</i>
International								
	103377-001	WTNA AGT MONTGOMERY VLG FDN- RESERVE	6.4%	22.8%	17.9%	4.7%	4.7%	10/01/2014
		<i>MSCI ACWI ex USA IMI</i>	<i>6.3%</i>	<i>21.5%</i>	<i>19.6%</i>	<i>5.2%</i>	<i>5.2%</i>	<i>10/01/2014</i>
<b>Fixed Income</b>			<b>0.6%</b>	<b>2.1%</b>	<b>0.1%</b>	<b>1.5%</b>	<b>1.4%</b>	<b>01/01/2013</b>
		<i>Fixed Income Policy Benchmark <sup>5</sup></i>	<i>0.6%</i>	<i>2.3%</i>	<i>0.2%</i>	<i>2.1%</i>	<i>1.6%</i>	<i>01/01/2013</i>
Taxable Bonds								
	103377-001	WTNA AGT MONTGOMERY VLG FDN- RESERVE	0.3%	0.8%	0.9%	1.9%	1.4% <sup>2</sup>	01/01/2013
	103377-610	AGT MONTGOMERY VLF FNDN	0.6%	2.2%	0.1%	---	2.0%	12/01/2015
		<i>Merrill Lynch 1-3 Yr Treasury</i>	<i>0.2%</i>	<i>0.7%</i>	<i>0.2%</i>	<i>0.8%</i>	<i>0.6%</i>	<i>01/01/2013</i>
Fixed Income - Other								
	103377-001	WTNA AGT MONTGOMERY VLG FDN- RESERVE	0.3%	0.8%	0.9%	2.1%	2.1%	02/01/2014
<b>Inflation Hedges</b>			<b>0.4%</b>	<b>2.8%</b>	<b>-0.5%</b>	<b>---</b>	<b>3.2%</b>	<b>01/01/2015</b>
		<i>Inflation Hedges Policy Benchmark <sup>6</sup></i>	<i>1.2%</i>	<i>2.5%</i>	<i>0.6%</i>	<i>---</i>	<i>2.3%</i>	<i>01/01/2015</i>

## Investment Performance

### WTNA AGT MONTGOMERY VLG FNDN INC

September 30, 2017

1001367MT

Page 8 of 25

ASSET CLASS	ACCOUNT NO.	DESCRIPTION	QUARTER TO DATE	YEAR TO DATE	1 YEAR	3 YEARS <sup>1</sup>	SINCE INCEPTION <sup>1</sup>	START DATE
<b>Inflation Linked Bond Funds</b>								
	103377-001	WTNA AGT MONTGOMERY VLG FDN- RESERVE	0.8%	1.6%	- 1.0%	---	1.0%	01/01/2015
		<i>Barclays 1-5 Yr TIPS Index</i>	0.5%	0.7%	0.4%	---	1.3%	01/01/2015
<b>Real Estate Investments</b>								
	103377-001	WTNA AGT MONTGOMERY VLG FDN- RESERVE	0.3%	3.4%	- 0.3%	---	4.3%	01/01/2015
		<i>S&amp;P Developed Property Index</i>	2.2%	8.9%	3.4%	---	5.5%	01/01/2015
<b>Cash and Currency</b>								
		<i>Cash and Currency Policy Benchmark <sup>7</sup></i>	0.2%	0.4%	0.5%	0.2%	0.1%	01/01/2013
<b>Cash and Currency</b>								
	103377-001	WTNA AGT MONTGOMERY VLG FDN- RESERVE	0.2%	0.3%	0.4%	0.1%	0.1% <sup>2</sup>	01/01/2013
	103377-610	AGT MONTGOMERY VLF FNDN	0.2%	0.3%	0.3%	---	0.2%	12/01/2015
		<i>Ibbotson Associates SBBI 30 Day US Tbill Index</i>	0.2%	0.5%	0.6%	0.2%	0.2%	01/01/2013

(1) Returns for periods greater than 12 months are annualized.

(2) Returns may include un-invested time periods.

(3) As of the date of this statement, the Policy Benchmark was comprised of 70% of the Barclays Intermediate Govt/Credit Bond Index, 20% of the Equity Blend (60% Russell 3000 / 40% ACWI Ex US IMI), 5% of the Lipper Money Market Funds Index, 5% of the Inflation Hedge Blend (50% Barclays TIPS / 35% FTSE NAREIT / 15% Bloomberg Comm Index).

(4) As of the date of this statement, the Equity Policy Benchmark was comprised of the Equity Blend (60% Russell 3000 / 40% ACWI Ex US IMI).

(5) As of the date of this statement, the Fixed Income Policy Benchmark was comprised of the Barclays Intermediate Govt/Credit Bond Index.

(6) As of the date of this statement, the Inflation Hedges Policy Benchmark was comprised of the Inflation Hedge Blend (50% Barclays TIPS / 35% FTSE NAREIT / 15% Bloomberg Comm Index).

(7) As of the date of this statement, the Cash and Currency Policy Benchmark was comprised of the Lipper Money Market Funds Index.

(8) Equity returns exclude the performance of any holdings in private equity funds.

## Cash Flow History

---

**WTNA AGT MONTGOMERY VLG FNDN INC**


---

*September 30, 2017*

1001367MT

*Page 9 of 25*

DATE	BEGINNING MARKET VALUE	CONTRIBUTIONS/ WITHDRAWALS	NET INVESTMENT CHANGE	ENDING MARKET VALUE
2017	\$6,055,313	(\$19)	\$267,871	\$6,323,165
Quarter 3	\$6,227,603	(\$6)	\$95,568	\$6,323,165
Quarter 2	\$6,150,776	(\$6)	\$76,834	\$6,227,603
Quarter 1	\$6,055,313	(\$6)	\$95,469	\$6,150,776
2016	\$5,800,883	(\$37)	\$254,467	\$6,055,313
Quarter 4	\$6,085,471	(\$5)	(\$30,152)	\$6,055,313
Quarter 3	\$6,041,966	(\$12)	\$43,517	\$6,085,471
Quarter 2	\$5,923,738	(\$3)	\$118,231	\$6,041,966
Quarter 1	\$5,800,883	(\$16)	\$122,872	\$5,923,738
2015	\$5,820,085	\$98	(\$19,301)	\$5,800,883
Quarter 4	\$5,730,316	\$101	\$70,466	\$5,800,883
Quarter 3	\$5,846,043	(\$3)	(\$115,724)	\$5,730,316
Quarter 2	\$5,866,598	\$0	(\$20,555)	\$5,846,043
Quarter 1	\$5,820,085	\$0	\$46,513	\$5,866,598
2014	\$2,836,395	\$2,944,652	\$39,038	\$5,820,085
Quarter 4	\$5,821,028	\$0	(\$943)	\$5,820,085
Quarter 3	\$5,826,102	\$0	(\$5,073)	\$5,821,028
Quarter 2	\$6,702,349	(\$897,941)	\$21,693	\$5,826,102
Quarter 1	\$2,836,395	\$3,842,593	\$23,361	\$6,702,349
2013	\$2,838,371	\$0	(\$1,975)	\$2,836,395
Quarter 4	\$2,835,893	\$0	\$502	\$2,836,395
Quarter 3	\$2,829,873	\$0	\$6,021	\$2,835,893
Quarter 2	\$2,837,186	\$0	(\$7,313)	\$2,829,873

## Cash Flow History

---

**WTNA AGT MONTGOMERY VLG FNDN INC**


---

*September 30, 2017*

1001367MT

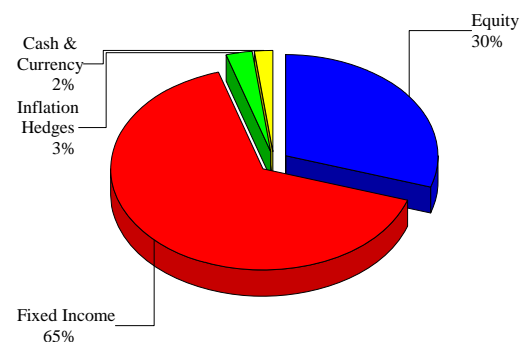
*Page 10 of 25*

<b>DATE</b>	<b>BEGINNING MARKET VALUE</b>	<b>CONTRIBUTIONS/ WITHDRAWALS</b>	<b>NET INVESTMENT CHANGE</b>	<b>ENDING MARKET VALUE</b>
Quarter 1	\$2,838,371	\$0	(\$1,185)	\$2,837,186
<b>Total</b>	<b>\$2,838,371</b>	<b>\$2,944,695</b>	<b>\$540,099</b>	<b>\$6,323,165</b>

## Account Overview

As of October 12, 2017

Asset Category	Market Value (\$)	% of Total
Equity	1,902,660.65	30.1
Fixed Income	4,114,661.80	65.1
Inflation Hedges	189,362.42	3.0
Cash & Currency	117,085.44	1.9
<b>Total:</b>	<b>\$6,323,770.31</b>	<b>100%</b>



Asset	Units	Price	Tax Cost	Market Value	Est. Income	Yield	% Total
<b>Equity</b>							
<i>Consumer Discretionary</i>							
COACH INC COMMON	461.00	\$39.42	\$16,445.42	\$18,172.62	\$622.35	3.42%	0.3%
DARDEN RESTAURANTS INC COM	222.00	\$79.21	\$11,386.87	\$17,584.62	\$559.44	3.18%	0.3%
EXTENDED STAY AMERICA INC	712.00	\$20.65	\$12,774.82	\$14,702.80	\$598.08	4.07%	0.2%
MCDONALD'S CORPORATION	102.00	\$163.91	\$9,894.75	\$16,718.82	\$412.08	2.46%	0.3%
<i>Consumer Discretionary Subtotal:</i>			<b>\$50,501.86</b>	<b>\$67,178.86</b>	<b>\$2,191.95</b>	<b>3.26%</b>	<b>1.1%</b>
<i>Consumer Staples</i>							
ALTRIA GROUP INC	418.00	\$65.35	\$20,933.76	\$27,316.30	\$1,103.52	4.04%	0.4%
COCA COLA CO COM	389.00	\$46.11	\$15,007.81	\$17,936.79	\$575.72	3.21%	0.3%



**Account Overview**

As of October 12, 2017

Asset	Units	Price	Tax Cost	Market Value	Est. Income	Yield %	Total
PHILIP MORRIS INTERNATIONAL INC	235.00	\$114.53	\$20,336.66	\$26,914.55	\$1,005.80	3.74%	0.4%
PROCTER & GAMBLE CO COM	288.00	\$92.15	\$21,694.20	\$26,539.20	\$794.30	2.99%	0.4%
UNILEVER PLC SPONSORED ADR	227.00	\$59.35	\$9,389.66	\$13,472.45	\$334.83	2.49%	0.2%
<b><i>Consumer Staples Subtotal:</i></b>			<b>\$87,362.09</b>	<b>\$112,179.29</b>	<b>\$3,814.17</b>	<b>3.40%</b>	<b>1.8%</b>
<b><i>Energy</i></b>							
BP PLC SPONSORED ADR	699.00	\$39.01	\$23,099.19	\$27,267.99	\$1,663.62	6.10%	0.4%
CHEVRON CORP	393.00	\$119.14	\$40,597.94	\$46,822.02	\$1,697.76	3.63%	0.7%
EXXON MOBIL CORP	230.00	\$82.43	\$18,332.57	\$18,958.90	\$708.40	3.74%	0.3%
OCCIDENTAL PETROLEUM CORP COMMON	398.00	\$64.22	\$30,248.62	\$25,559.56	\$1,225.84	4.80%	0.4%
SCHLUMBERGER LTD	284.00	\$67.29	\$17,867.55	\$19,110.36	\$568.00	2.97%	0.3%
SUNCOR ENERGY INC	811.00	\$33.76	\$21,144.54	\$27,379.36	\$839.39	3.07%	0.4%
<b><i>Energy Subtotal:</i></b>			<b>\$151,290.41</b>	<b>\$165,098.19</b>	<b>\$6,703.01</b>	<b>4.06%</b>	<b>2.6%</b>
<b><i>Financials</i></b>							
BLACKSTONE MTG TR INC REAL ESTATE INVESTMENT TRUST	700.00	\$31.37	\$20,057.02	\$21,959.00	\$1,736.00	7.91%	0.3%
INVESCO LIMITED	653.00	\$36.29	\$21,727.60	\$23,697.37	\$757.48	3.20%	0.4%
JPMORGAN CHASE & CO	389.00	\$95.99	\$23,437.55	\$37,340.11	\$871.36	2.33%	0.6%
LAZARD LTD CLASS A	496.00	\$44.96	\$21,306.52	\$22,300.16	\$813.44	3.65%	0.4%
MAIN STREET CAPITAL CORPORATION	443.00	\$39.75	\$16,400.96	\$17,609.25	\$1,010.04	5.74%	0.3%
METLIFE INCORPORATED	407.00	\$52.73	\$15,754.61	\$21,461.11	\$651.20	3.03%	0.3%

**Account Overview**

As of October 12, 2017

Asset	Units	Price	Tax Cost	Market Value	Est. Income	Yield %	Total
OLD REPUBLIC INTL CORP COM	1,188.00	\$19.66	\$17,813.96	\$23,356.08	\$902.88	3.87%	0.4%
PACWEST BANCORP	548.00	\$48.62	\$25,854.30	\$26,643.76	\$1,096.00	4.11%	0.4%
PEOPLES UNITED FINANCIAL INC	1,017.00	\$18.28	\$14,993.92	\$18,590.76	\$701.73	3.77%	0.3%
SIMON PROPERTY GROUP INC REAL ESTATE INVESTMENT TRUST	75.00	\$164.54	\$12,310.70	\$12,340.50	\$521.25	4.22%	0.2%
THE TORONTO-DOMINION BANK	579.00	\$56.95	\$30,882.73	\$32,974.05	\$1,101.26	3.34%	0.5%
UMPQUA HOLDINGS CORPORATION	1,189.00	\$19.80	\$20,354.60	\$23,542.20	\$856.08	3.64%	0.4%
UNITED BANKSHARES INC COM	463.00	\$37.30	\$16,082.96	\$17,269.90	\$611.16	3.54%	0.3%
WELLS FARGO & CO	469.00	\$55.21	\$25,417.99	\$25,893.49	\$731.64	2.83%	0.4%
WEYERHAEUSER CO COM	828.00	\$34.59	\$21,507.18	\$28,640.52	\$1,026.72	3.58%	0.5%
<b>Financials Subtotal:</b>			<b>\$303,902.60</b>	<b>\$353,618.26</b>	<b>\$13,388.24</b>	<b>3.79%</b>	<b>5.6%</b>
<b>Health Care</b>							
ABBVIE INC	336.00	\$91.42	\$19,674.67	\$30,717.12	\$860.16	2.80%	0.5%
BRISTOL-MYERS SQUIBB CO	244.00	\$65.35	\$11,907.59	\$15,945.40	\$380.64	2.39%	0.3%
GLAXOSMITHKLINE PLC ADR	457.00	\$41.02	\$18,068.22	\$18,746.14	\$916.29	4.89%	0.3%
JOHNSON & JOHNSON	259.00	\$136.83	\$27,013.19	\$35,438.97	\$870.24	2.46%	0.6%
MERCK & COMPANY INC	490.00	\$63.83	\$28,916.23	\$31,276.70	\$921.20	2.95%	0.5%
PFIZER INC	924.00	\$36.35	\$29,392.47	\$33,587.40	\$1,182.72	3.52%	0.5%
<b>Health Care Subtotal:</b>			<b>\$134,972.37</b>	<b>\$165,711.73</b>	<b>\$5,131.25</b>	<b>3.10%</b>	<b>2.6%</b>
<b>Industrials</b>							

**Account Overview**

As of October 12, 2017

Asset	Units	Price	Tax Cost	Market Value	Est. Income	Yield %	Total
EATON CORP PLC	347.00	\$78.72	\$23,664.65	\$27,315.84	\$832.80	3.05%	0.4%
EMERSON ELECTRIC COMPANY	400.00	\$63.92	\$18,906.02	\$25,568.00	\$768.00	3.00%	0.4%
LOCKHEED MARTIN CORPORATION COM	97.00	\$321.15	\$18,362.73	\$31,151.55	\$776.00	2.49%	0.5%
MACQUARIE INFRASTRUCTURE CORPORATION	207.00	\$72.38	\$16,086.82	\$14,982.66	\$1,142.64	7.63%	0.2%
<b>Industrials Subtotal:</b>			<b>\$77,020.22</b>	<b>\$99,018.05</b>	<b>\$3,519.44</b>	<b>3.55%</b>	<b>1.6%</b>
<b>Information Technology</b>							
CA INC	554.00	\$33.92	\$17,068.86	\$18,791.68	\$565.08	3.01%	0.3%
CISCO SYSTEMS INC	1,253.00	\$33.26	\$34,683.56	\$41,674.78	\$1,453.48	3.49%	0.7%
MAXIM INTEGRATED PRODS INC COM	518.00	\$49.14	\$15,408.68	\$25,454.52	\$745.92	2.93%	0.4%
QUALCOMM INC COM	480.00	\$53.00	\$24,030.84	\$25,440.00	\$1,094.40	4.30%	0.4%
<b>Information Technology Subtotal:</b>			<b>\$91,191.94</b>	<b>\$111,360.98</b>	<b>\$3,858.88</b>	<b>3.47%</b>	<b>1.8%</b>
<b>Materials</b>							
LYONDELLBASELL INDUSTRIES NV CLASS A	268.00	\$97.53	\$24,686.60	\$26,138.04	\$964.80	3.69%	0.4%
<b>Materials Subtotal:</b>			<b>\$24,686.60</b>	<b>\$26,138.04</b>	<b>\$964.80</b>	<b>3.69%</b>	<b>0.4%</b>
<b>Telecommunication Services</b>							
AT&T INC	926.00	\$35.86	\$31,561.89	\$33,206.36	\$1,814.96	5.47%	0.5%
<b>Telecommunication Services Subtotal:</b>			<b>\$31,561.89</b>	<b>\$33,206.36</b>	<b>\$1,814.96</b>	<b>5.47%</b>	<b>0.5%</b>
<b>Utilities</b>							

**Account Overview**

As of October 12, 2017

Asset	Units	Price	Tax Cost	Market Value	Est. Income	Yield %	Total
AMERICAN ELECTRIC POWER CO INC	271.00	\$73.34	\$18,581.50	\$19,875.14	\$639.56	3.22%	0.3%
DUKE ENERGY HOLDING CORP	206.00	\$86.97	\$18,020.15	\$17,915.82	\$733.36	4.09%	0.3%
FIRSTENERGY CORP	612.00	\$32.45	\$18,552.41	\$19,859.40	\$881.28	4.44%	0.3%
NEXTERA ENERGY INCORPORATED	144.00	\$150.70	\$15,021.13	\$21,700.80	\$565.92	2.61%	0.3%
<i>Utilities Subtotal:</i>			<b>\$70,175.19</b>	<b>\$79,351.16</b>	<b>\$2,820.12</b>	<b>3.55%</b>	<b>1.3%</b>
<i>Equity Funds</i>							
CAMBIAR INTERNATIONAL EQUITY FUND	6,386.49	\$28.30	\$155,000.00	\$180,737.53	\$2,695.10	1.49%	2.9%
ISHARES MSCI EMERGING MARKETS ETF	2,959.00	\$46.24	\$110,164.46	\$136,824.16	\$1,739.89	1.27%	2.2%
ISHARES RUSSELL 2000 ETF	1,260.00	\$149.64	\$149,094.39	\$188,546.40	\$2,402.82	1.27%	3.0%
WCM FOCUSED INTERNATIONAL GROWTH FUND	11,982.50	\$15.33	\$157,252.34	\$183,691.65	\$732.01	0.40%	2.9%
<i>Equity Funds Subtotal:</i>			<b>\$571,511.19</b>	<b>\$689,799.73</b>	<b>\$7,569.82</b>	<b>1.10%</b>	<b>10.9%</b>
<b>Total Equity:</b>			<b>\$1,594,176.36</b>	<b>\$1,902,660.65</b>	<b>\$51,776.63</b>	<b>2.72%</b>	<b>30.1%</b>
<b>Fixed Income</b>							
<i>Taxable Bonds</i>							
AMERICAN EXPRESS CREDIT MEDIUM TERM NOTE DTD 03/03/2017 2.200% 03/03/2020	25,000.00	\$1.01	\$24,974.00	\$25,157.25	\$550.00	2.19%	0.4%
AMERICAN HONDA FINANCE MEDIUM TERM NOTE DTD 09/09/2016 1.700% 09/09/2021	30,000.00	\$0.98	\$29,940.00	\$29,448.30	\$510.00	1.73%	0.5%

**Account Overview****As of October 12, 2017**

Asset	Units	Price	Tax Cost	Market Value	Est. Income	Yield	% Total
AMGEN INC DTD 05/11/2017 2.200% 05/11/2020 NON CALLABLE	30,000.00	\$1.00	\$29,983.50	\$30,149.70	\$660.00	2.19%	0.5%
ANHEUSER-BUSCH INBEV FIN DTD 01/25/2016 3.650% 02/01/2026 CALLABLE	30,000.00	\$1.04	\$31,857.03	\$31,074.30	\$1,095.00	3.52%	0.5%
APPLE INC DTD 09/12/2017 2.900% 09/12/2027 CALLABLE	25,000.00	\$0.99	\$24,972.00	\$24,800.50	\$725.00	2.92%	0.4%
AT&T INC DTD 05/04/2015 2.450% 06/30/2020 CALLABLE	15,000.00	\$1.01	\$14,897.85	\$15,096.00	\$367.50	2.43%	0.2%
AT&T INC DTD 08/07/2017 3.400% 08/14/2024 CALLABLE	10,000.00	\$1.00	\$9,983.20	\$10,005.30	\$340.00	3.40%	0.2%
AVALONBAY COMMUNITIES IN MEDIUM TERM NOTE DTD 12/16/2013 4.200% 12/15/2023	35,000.00	\$1.08	\$37,013.78	\$37,657.90	\$1,470.00	3.90%	0.6%
BANK OF AMERICA CORP MEDIUM TERM NOTE DTD 01/21/2014 4.125% 01/22/2024	40,000.00	\$1.07	\$41,149.89	\$42,642.40	\$1,650.00	3.87%	0.7%
BANK OF NEW YORK MELLON CORP MEDIUM TERM NOTE DTD 05/02/2016 2.800% 05/04/2026	35,000.00	\$0.98	\$35,473.51	\$34,389.60	\$980.00	2.85%	0.5%
BERKSHIRE HATHAWAY INC DTD 03/15/2016 3.125% 03/15/2026 CALLABLE	20,000.00	\$1.02	\$19,994.05	\$20,311.40	\$625.00	3.08%	0.3%
CAPITAL ONE FINANCIAL CO DTD 03/09/2017 3.050% 03/09/2022 CALLABLE	45,000.00	\$1.02	\$44,971.20	\$45,678.15	\$1,372.50	3.00%	0.7%
CARDINAL HEALTH INC DTD 06/12/2017 1.948% 06/14/2019 NON CALLABLE	15,000.00	\$1.00	\$15,000.00	\$15,019.35	\$292.20	1.95%	0.2%

**Account Overview****As of October 12, 2017**

Asset	Units	Price	Tax Cost	Market Value	Est. Income	Yield %	Total
CATERPILLAR FINL SERVICE MEDIUM TERM NOTE DTD 03/23/2017 1.900% 03/22/2019	40,000.00	\$1.00	\$39,976.00	\$40,105.60	\$760.00	1.89%	0.6%
CELGENE CORP DTD 05/15/2014 2.250% 05/15/2019 NON CALLABLE	40,000.00	\$1.00	\$40,150.97	\$40,161.60	\$900.00	2.24%	0.6%
CHEVRON CORP DTD 06/24/2013 3.191% 06/24/2023 CALLABLE	50,000.00	\$1.04	\$50,657.95	\$51,986.50	\$1,595.50	3.07%	0.8%
CITIGROUP INC DTD 01/10/2017 2.450% 01/10/2020 CALLABLE	45,000.00	\$1.01	\$44,973.00	\$45,326.25	\$1,102.50	2.43%	0.7%
CVS CAREMARK CORP DTD 11/29/2012 2.750% 12/01/2022 CALLABLE	40,000.00	\$1.01	\$40,706.19	\$40,213.60	\$1,100.00	2.74%	0.6%
DOMINION RESOURCES INC DTD 09/24/2015 3.900% 10/01/2025 CALLABLE	50,000.00	\$1.05	\$51,716.38	\$52,295.00	\$1,950.00	3.73%	0.8%
ECOLAB INC DTD 08/10/2017 2.375% 08/10/2022 CALLABLE	35,000.00	\$1.00	\$34,981.80	\$34,910.75	\$831.25	2.38%	0.6%
EDISON INTERNATIONAL DTD 08/22/2017 2.400% 09/15/2022 CALLABLE	15,000.00	\$0.99	\$14,950.80	\$14,886.90	\$360.00	2.42%	0.2%
EXELON GENERATION CO LLC DTD 12/15/2012 4.250% 06/15/2022 CALLABLE	35,000.00	\$1.06	\$35,763.51	\$37,212.35	\$1,487.50	4.00%	0.6%
EXXON MOBIL CORPORATION DTD 03/03/2016 3.043% 03/01/2026 CALLABLE	30,000.00	\$1.02	\$30,929.84	\$30,648.00	\$912.90	2.98%	0.5%
FEDERAL HOME LOAN MORTGAGE CORP DTD 04/16/12 1.750% 05/30/19	55,000.00	\$1.00	\$55,536.43	\$55,211.75	\$962.50	1.74%	0.9%
FEDEX CORP DTD 01/09/2014 4.000% 01/15/2024 NON CALLABLE	25,000.00	\$1.07	\$26,168.52	\$26,824.25	\$1,000.00	3.73%	0.4%

**Account Overview****As of October 12, 2017**

Asset	Units	Price	Tax Cost	Market Value	Est. Income	Yield	% Total
FEDERAL HOME LOAN MORTGAGE CORP DTD 11/21/2012 0.750% 01/12/2018 NON CALLABLE	30,000.00	\$1.00	\$29,942.34	\$29,969.10	\$225.00	0.75%	0.5%
FEDERAL HOME LOAN MORTGAGE CORP DTD 04/04/2013 1.375% 05/01/2020 NON CALLABLE	45,000.00	\$0.99	\$44,611.26	\$44,698.05	\$618.75	1.38%	0.7%
FEDERAL HOME LOAN MORTGAGE CORP MEDIUM TERM NOTE DTD 01/13/2012 2.375% 01/13/2022	50,000.00	\$1.02	\$50,772.02	\$50,890.00	\$1,187.50	2.33%	0.8%
FIFTH THIRD BANCORP DTD 06/15/2017 2.600% 06/15/2022 CALLABLE	35,000.00	\$1.00	\$34,990.20	\$35,003.15	\$910.00	2.60%	0.6%
FEDERAL NATIONAL MORTGAGE ASSN DTD 06/08/2015 1.125% 07/20/2018 NON CALLABLE	65,000.00	\$1.00	\$64,983.82	\$64,855.70	\$731.25	1.13%	1.0%
FEDERAL NATIONAL MORTGAGE ASSN DTD 05/16/2016 1.250% 05/06/2021 NON CALLABLE	25,000.00	\$0.98	\$25,075.73	\$24,560.50	\$312.50	1.27%	0.4%
FEDERAL NATIONAL MORTGAGE ASSN DTD 10/01/2013 1.625% 11/27/2018 NON CALLABLE	35,000.00	\$1.00	\$35,281.02	\$35,047.60	\$568.75	1.62%	0.6%
GOLDMAN SACHS GROUP INC DTD 09/29/2017 VAR CPN 09/29/2025 CALLABLE	40,000.00	\$1.00	\$40,070.80	\$40,002.80	\$1,308.80	3.27%	0.6%
HONEYWELL INTERNATIONAL DTD 10/31/2016 1.850% 11/01/2021 CALLABLE	40,000.00	\$0.99	\$39,998.00	\$39,543.20	\$740.00	1.87%	0.6%
JPMORGAN CHASE & CO DTD 07/21/2015 3.900% 07/15/2025 CALLABLE	40,000.00	\$1.05	\$41,958.99	\$42,117.60	\$1,560.00	3.70%	0.7%

**Account Overview****As of October 12, 2017**

Asset	Units	Price	Tax Cost	Market Value	Est. Income	Yield	% Total
KEYCORP MEDIUM TERM NOTE DTD 09/15/2015 2.900% 09/15/2020	40,000.00	\$1.02	\$40,584.59	\$40,880.40	\$1,160.00	2.84%	0.6%
KROGER CO MEDIUM TERM NOTE DTD 10/03/2016 1.500% 09/30/2019	30,000.00	\$0.99	\$29,985.30	\$29,744.40	\$450.00	1.51%	0.5%
LOCKHEED MARTIN CORP DTD 11/23/2015 2.500% 11/23/2020 CALLABLE	40,000.00	\$1.01	\$39,950.64	\$40,593.60	\$1,000.00	2.46%	0.6%
MCDONALD'S CORP MEDIUM TERM NOTE DTD 12/09/2015 2.100% 12/07/2018	60,000.00	\$1.00	\$60,422.45	\$60,273.60	\$1,260.00	2.09%	1.0%
MICROSOFT CORP DTD 11/03/2015 2.000% 11/03/2020 CALLABLE	40,000.00	\$1.00	\$40,552.89	\$40,176.00	\$800.00	1.99%	0.6%
MORGAN STANLEY MEDIUM TERM NOTE DTD 01/20/2017 3.625% 01/20/2027	40,000.00	\$1.02	\$40,434.58	\$40,678.80	\$1,450.00	3.56%	0.6%
NEXTERA ENERGY CAPITAL DTD 06/06/2014 2.400% 09/15/2019 CALLABLE	35,000.00	\$1.01	\$35,234.53	\$35,208.95	\$840.00	2.39%	0.6%
ORACLE CORP DTD 07/07/2016 1.900% 09/15/2021 CALLABLE	35,000.00	\$0.99	\$34,939.10	\$34,689.55	\$665.00	1.92%	0.5%
PEPSICO INC DTD 10/06/2016 2.375% 10/06/2026 CALLABLE	15,000.00	\$0.96	\$14,997.30	\$14,367.00	\$356.25	2.48%	0.2%
ROCKWELL COLLINS INC DTD 04/10/2017 3.200% 03/15/2024 CALLABLE	35,000.00	\$1.02	\$34,899.20	\$35,663.95	\$1,120.00	3.14%	0.6%
SOUTHERN CO DTD 05/24/2016 2.350% 07/01/2021 CALLABLE	50,000.00	\$1.00	\$50,626.86	\$49,904.00	\$1,175.00	2.35%	0.8%
SUNTRUST BANKS INC DTD 12/01/2016 2.700% 01/27/2022 CALLABLE	30,000.00	\$1.01	\$29,872.20	\$30,203.40	\$810.00	2.68%	0.5%



**Account Overview****As of October 12, 2017**

Asset	Units	Price	Tax Cost	Market Value	Est. Income	Yield	% Total
TD AMERITRADE HOLDING CO DTD 03/09/2015 2.950% 04/01/2022 CALLABLE	40,000.00	\$1.02	\$40,165.71	\$40,781.60	\$1,180.00	2.89%	0.6%
UNITED STATES TREASURY BONDS DTD 05/15/2013 1.750% 05/15/2023	40,000.00	\$0.98	\$39,384.28	\$39,396.80	\$700.00	1.78%	0.6%
UNITED STATES TREASURY NOTES DTD 07/15/2015 0.875% 07/15/2018	85,000.00	\$1.00	\$84,655.36	\$84,684.65	\$743.75	0.88%	1.3%
UNITED STATES TREASURY NOTES DTD 08/31/2012 1.000% 08/31/2019	35,000.00	\$0.99	\$34,931.76	\$34,665.05	\$350.00	1.01%	0.5%
UNITED STATES TREASURY NOTES DTD 09/15/2015 1.000% 09/15/2018	75,000.00	\$1.00	\$74,953.38	\$74,706.75	\$750.00	1.00%	1.2%
UNITED STATES TREASURY NOTES DTD 02/28/2013 1.250% 02/29/2020	20,000.00	\$0.99	\$19,810.22	\$19,846.20	\$250.00	1.26%	0.3%
UNITED STATES TREASURY NOTES DTD 04/30/2012 1.250% 04/30/2019	55,000.00	\$1.00	\$55,210.31	\$54,795.95	\$687.50	1.25%	0.9%
UNITED STATES TREASURY NOTES DTD 11/15/2015 1.250% 11/15/2018	25,000.00	\$1.00	\$25,026.27	\$24,945.25	\$312.50	1.25%	0.4%
UNITED STATES TREASURY NOTES DTD 03/31/2015 1.375% 03/31/2020	25,000.00	\$0.99	\$24,720.79	\$24,865.25	\$343.75	1.38%	0.4%
UNITED STATES TREASURY NOTES DTD 05/31/2013 1.375% 05/31/2020	30,000.00	\$0.99	\$29,795.02	\$29,817.30	\$412.50	1.38%	0.5%
UNITED STATES TREASURY NOTES DTD 06/30/2013 1.375% 06/30/2018	20,000.00	\$1.00	\$20,065.07	\$20,006.20	\$275.00	1.37%	0.3%
UNITED STATES TREASURY NOTES DTD 12/31/2011 1.375% 12/31/2018	55,000.00	\$1.00	\$55,298.42	\$54,940.05	\$756.25	1.38%	0.9%

**Account Overview****As of October 12, 2017**

Asset	Units	Price	Tax Cost	Market Value	Est. Income	Yield	% Total
UNITED STATES TREASURY NOTES DTD 08/15/2016 1.500% 08/15/2026	45,000.00	\$0.94	\$43,346.86	\$42,160.95	\$675.00	1.60%	0.7%
UNITED STATES TREASURY NOTES DTD 02/15/2016 1.625% 02/15/2026	45,000.00	\$0.95	\$44,060.08	\$42,813.45	\$731.25	1.71%	0.7%
UNITED STATES TREASURY NOTES DTD 05/15/2016 1.625% 05/15/2026	45,000.00	\$0.95	\$43,798.79	\$42,709.50	\$731.25	1.71%	0.7%
UNITED STATES TREASURY NOTES DTD 08/15/2012 1.625% 08/15/2022	50,000.00	\$0.99	\$49,175.23	\$49,318.50	\$812.50	1.65%	0.8%
UNITED STATES TREASURY NOTES DTD 08/31/2014 1.625% 08/31/2019	15,000.00	\$1.00	\$15,067.36	\$15,029.25	\$243.75	1.62%	0.2%
UNITED STATES TREASURY NOTES DTD 11/15/2012 1.625% 11/15/2022	50,000.00	\$0.98	\$48,866.82	\$49,179.50	\$812.50	1.65%	0.8%
UNITED STATES TREASURY NOTES DTD 05/31/2017 1.750% 05/31/2022	65,000.00	\$0.99	\$65,054.50	\$64,515.10	\$1,137.50	1.76%	1.0%
UNITED STATES TREASURY NOTES DTD 10/31/2013 1.750% 10/31/2020	35,000.00	\$1.00	\$35,091.18	\$35,078.05	\$612.50	1.75%	0.6%
UNITED STATES TREASURY NOTES DTD 12/31/2015 1.750% 12/31/2020	30,000.00	\$1.00	\$30,280.60	\$30,035.10	\$525.00	1.75%	0.5%
UNITED STATES TREASURY NOTES DTD 06/30/2013 1.875% 06/30/2020	30,000.00	\$1.01	\$30,190.57	\$30,207.30	\$562.50	1.86%	0.5%
UNITED STATES TREASURY NOTES DTD 11/30/2014 1.875% 11/30/2021	50,000.00	\$1.00	\$49,947.60	\$50,064.50	\$937.50	1.87%	0.8%
UNITED STATES TREASURY NOTES DTD 02/15/2012 2.000% 02/15/2022	45,000.00	\$1.01	\$45,473.78	\$45,253.35	\$900.00	1.99%	0.7%

**Account Overview****As of October 12, 2017**

Asset	Units	Price	Tax Cost	Market Value	Est. Income	Yield	% Total
UNITED STATES TREASURY NOTES DTD 02/15/2015 2.000% 02/15/2025	45,000.00	\$0.99	\$44,853.86	\$44,384.85	\$900.00	2.03%	0.7%
UNITED STATES TREASURY NOTES DTD 05/31/2014 2.000% 05/31/2021	50,000.00	\$1.01	\$51,505.21	\$50,392.50	\$1,000.00	1.98%	0.8%
UNITED STATES TREASURY NOTES DTD 08/15/2015 2.000% 08/15/2025	45,000.00	\$0.98	\$43,901.55	\$44,240.85	\$900.00	2.03%	0.7%
UNITED STATES TREASURY NOTES DTD 08/31/2014 2.000% 08/31/2021	50,000.00	\$1.01	\$51,316.79	\$50,347.50	\$1,000.00	1.99%	0.8%
UNITED STATES TREASURY NOTES DTD 11/15/2011 2.000% 11/15/2021	55,000.00	\$1.01	\$55,819.64	\$55,369.60	\$1,100.00	1.99%	0.9%
UNITED STATES TREASURY NOTES DTD 11/15/2016 2.000% 11/15/2026	50,000.00	\$0.98	\$48,611.33	\$48,752.00	\$1,000.00	2.05%	0.8%
UNITED STATES TREASURY NOTES DTD 08/31/2013 2.125% 08/31/2020	40,000.00	\$1.01	\$40,812.38	\$40,536.00	\$850.00	2.10%	0.6%
UNITED STATES TREASURY NOTES DTD 11/15/2014 2.250% 11/15/2024	50,000.00	\$1.00	\$50,574.87	\$50,244.00	\$1,125.00	2.24%	0.8%
UNITED STATES TREASURY NOTES DTD 05/15/2017 2.375% 05/15/2027	25,000.00	\$1.00	\$25,550.39	\$25,120.25	\$593.75	2.36%	0.4%
UNITED STATES TREASURY NOTES DTD 08/15/2014 2.375% 08/15/2024	55,000.00	\$1.01	\$56,094.69	\$55,786.50	\$1,306.25	2.34%	0.9%
UNITED STATES TREASURY NOTES DTD 05/15/2014 2.500% 05/15/2024	40,000.00	\$1.02	\$40,991.40	\$40,906.40	\$1,000.00	2.44%	0.6%
UNITED STATES TREASURY NOTES DTD 08/15/2013 2.500% 08/15/2023	40,000.00	\$1.03	\$41,093.11	\$41,001.60	\$1,000.00	2.44%	0.6%

**Account Overview****As of October 12, 2017**

Asset	Units	Price	Tax Cost	Market Value	Est. Income	Yield	% Total
UNITED STATES TREASURY NOTES DTD 11/15/2010 2.625% 11/15/2020	40,000.00	\$1.03	\$41,444.37	\$41,122.00	\$1,050.00	2.55%	0.7%
UNITED STATES TREASURY NOTES DTD 02/15/2014 2.750% 02/15/2024	35,000.00	\$1.04	\$36,526.67	\$36,337.00	\$962.50	2.65%	0.6%
UNITED STATES TREASURY NOTES DTD 11/15/2013 2.750% 11/15/2023	50,000.00	\$1.04	\$51,690.01	\$51,947.50	\$1,375.00	2.65%	0.8%
UNITED STATES TREASURY NOTES DTD 02/15/2010 3.625% 02/15/2020	20,000.00	\$1.05	\$20,938.71	\$20,942.20	\$725.00	3.46%	0.3%
UNITED STATES TREASURY NOTES DTD 02/15/2011 3.625% 02/15/2021	40,000.00	\$1.06	\$42,647.04	\$42,468.80	\$1,450.00	3.41%	0.7%
US BANCORP MEDIUM TERM NOTE DTD 04/26/2016 3.100% 04/27/2026	35,000.00	\$1.00	\$35,096.21	\$34,887.65	\$1,085.00	3.11%	0.6%
VERIZON COMMUNICATIONS DTD 02/21/2015 2.625% 02/21/2020 NON CALLABLE	45,000.00	\$1.02	\$45,639.63	\$45,743.40	\$1,181.25	2.58%	0.7%
WELLS FARGO & COMPANY MEDIUM TERM NOTE DTD 07/25/2016 2.100% 07/26/2021	45,000.00	\$0.99	\$44,957.70	\$44,607.60	\$945.00	2.12%	0.7%
<b><i>Taxable Bonds Subtotal:</i></b>			<b>\$3,561,340.74</b>	<b>\$3,555,237.85</b>	<b>\$78,839.40</b>	<b>2.22%</b>	<b>56.2%</b>
<b><i>International Bonds</i></b>							
AON PLC DTD 11/13/2015 2.800% 03/15/2021 CALLABLE	35,000.00	\$1.01	\$34,951.35	\$35,452.90	\$980.00	2.76%	0.6%
BANK OF MONTREAL MEDIUM TERM NOTE DTD 07/18/2016 1.500% 07/18/2019	45,000.00	\$0.99	\$44,907.75	\$44,685.00	\$675.00	1.51%	0.7%
BP CAPITAL MARKETS PLC DTD 09/19/2017 1.768% 09/19/2019 NON CALLABLE	35,000.00	\$1.00	\$35,000.00	\$35,003.15	\$618.80	1.77%	0.6%

**Account Overview**

As of October 12, 2017

Asset	Units	Price	Tax Cost	Market Value	Est. Income	Yield	% Total
CANADIAN IMPERIAL BANK DTD 10/05/2017 2.100% 10/05/2020 NON CALLABLE	40,000.00	\$1.00	\$39,967.60	\$40,001.60	\$840.00	2.10%	0.6%
SHELL INTERNATIONAL FINANCE DTD 09/12/2016 1.375% 09/12/2019 NON CALLABLE	45,000.00	\$0.99	\$44,986.95	\$44,695.80	\$618.75	1.38%	0.7%
<b>International Bonds Subtotal:</b>			<b>\$199,813.65</b>	<b>\$199,838.45</b>	<b>\$3,732.55</b>	<b>1.87%</b>	<b>3.2%</b>
<b>Fixed Income - Other</b>							
CIT BANK SALT LAKE CITY UTAH CERTIFICATE OF DEPOSIT DTD 04/01/2009 4.000% 04/01/2019	100,000.00	\$1.04	\$100,000.00	\$103,548.00	\$4,000.00	3.86%	1.6%
GE CAPITAL BANK CERTIFICATE OF DEPOSIT DTD 02/05/2010 3.650% 02/05/2020	100,000.00	\$1.04	\$100,000.00	\$104,314.00	\$3,650.00	3.50%	1.6%
GOLDMAN SACHS BANK CERTIFICATE OF DEPOSIT DTD 12/21/2011 2.500% 12/21/2018	150,000.00	\$1.01	\$150,000.00	\$151,723.50	\$3,750.00	2.47%	2.4%
<b>Fixed Income - Other Subtotal:</b>			<b>\$350,000.00</b>	<b>\$359,585.50</b>	<b>\$11,400.00</b>	<b>3.17%</b>	<b>5.7%</b>
<b>Total Fixed Income:</b>			<b>\$4,111,154.39</b>	<b>\$4,114,661.80</b>	<b>\$93,971.95</b>	<b>2.28%</b>	<b>65.1%</b>
<b>Inflation Hedges</b>							
<b>Inflation Linked Bonds</b>							
ISHARES TIPS BOND ETF	518.00	\$113.97	\$58,967.42	\$59,036.46	\$898.73	1.52%	0.9%
<b>Inflation Linked Bonds Subtotal:</b>			<b>\$58,967.42</b>	<b>\$59,036.46</b>	<b>\$898.73</b>	<b>1.52%</b>	<b>0.9%</b>
<b>REIT Funds</b>							
ISHARES COHEN & STEERS REIT ETF	1,172.00	\$102.43	\$115,655.89	\$120,047.96	\$4,537.98	3.78%	1.9%

**Account Overview**

As of October 12, 2017

Asset	Units	Price	Tax Cost	Market Value	Est. Income	Yield %	Total
PARK HOTELS & RESORTS INC REAL ESTATE INVESTMENT TRUST	360.00	\$28.55	\$10,292.15	\$10,278.00	\$619.20	6.02%	0.2%
<b>REIT Funds Subtotal:</b>			<b>\$125,948.04</b>	<b>\$130,325.96</b>	<b>\$5,157.18</b>	<b>3.96%</b>	<b>2.1%</b>
<b>Total Inflation Hedges:</b>			<b>\$184,915.46</b>	<b>\$189,362.42</b>	<b>\$6,055.91</b>	<b>3.20%</b>	<b>3.0%</b>
<b>Cash &amp; Currency</b>							
WILMINGTON US GOVERNMENT MONEY MARKET FUND CLASS SELECT	96,436.99	\$1.00	\$96,436.99	\$96,436.99	\$658.86	0.68%	1.5%
Principal Cash	20,648.45	\$1.00	\$20,648.45	\$20,648.45	\$0.00	0.00%	0.3%
<b>Total Cash &amp; Currency:</b>			<b>\$117,085.44</b>	<b>\$117,085.44</b>	<b>\$658.86</b>	<b>0.56%</b>	<b>1.9%</b>
<b>Grand Total:</b>			<b>\$6,007,331.65</b>	<b>\$6,323,770.31</b>	<b>\$152,463.35</b>	<b>2.41%</b>	<b>100%</b>

## Supplemental Report Disclosure

### General

**These reports and the information contained herein are provided as a supplement** and are intended for information purposes only. They are not a replacement or substitute for your custodial account statements. You are encouraged to carefully review custodial statements and retain them for your records as they may contain notices, disclosures and other important information. Due to differences in production, these reports may vary in some details, including pricing. Please report promptly any material inaccuracy or discrepancy in this information to your Relationship Team. If revised data becomes available to Wilmington Trust after these reports are generated, we may update our records accordingly; however, revised data typically will not result in the generation of a new report. The **investment values and estimated income** information reported herein may be generated using market quotations, closing price, mean bid or ask, or estimated market value obtained from various quotation services or issuers which we believe to be reliable and which were available when the report was prepared. If an investment did not have a readily determinable value, then reported values are based on the last valuation available to us at the time the report was generated. For **assets not custodied** at Wilmington Trust, prices and values are provided by an independent third party, such as the issuer or their administrator, and Wilmington Trust is not responsible for this information, nor can Wilmington Trust guarantee its accuracy or timeliness. **Investment Values may not equal market value or fair value** and may include accruals. **Asset values will fluctuate.** This report should not be used to prepare tax documents. Information for tax reporting purposes will be reflected in your annual Wilmington Trust Tax Information Letter.

**Illustrations of recommended portfolio changes** may be included in some reports. Such illustrations may include estimates of proceeds from sales, or purchases based on those proceeds. These estimates are provided for illustrative purposes only, do not reflect actual activity in your account, are based on the same historical pricing used throughout this report, and are not assurances or guarantees of trading or investment results. Trade confirmations should serve as the primary record for the execution of a trade.

**Investment products are not insured by the FDIC or any other governmental agency, are not deposits of or other obligations of or guaranteed by Wilmington Trust, M&T, or any other bank or entity, and are subject to risks, including a possible loss of the principal amount invested.**

Certain characterizations, such as market capitalization and equity "style", are based on information provided by third parties. Charts and other graphics also may be supplied by a third party. This content is provided for illustrative purposes only. Negative numbers are not displayed in some of the graphics.

### PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

**Performance is provided gross of fees unless identified as Net.** Gross returns reflect the deduction of transaction costs and internal fees and expenses, such as a mutual fund's internal expenses, but do not reflect the deduction of advisory fees or other account expenses. Investor returns are reduced by such fees and any other expenses incurred in the management of an account and have a compounded impact over time. Similarly, the returns shown would be lower if the results reflected the deduction of advisory fees. Net performance reflects the deduction of advisory fees. Performance results are specific to investments in your account and will vary, sometimes materially, from other accounts depending upon the performance of individual investments as well as any restrictions, the timing of rebalancing, actual expenses and fees, and other factors. Closed accounts are not listed, but may be included in historical market values and rates of return. Performance calculations assume dividends and other earnings remain in the account until otherwise reinvested or distributed. Returns are time-weighted and calculated monthly. Returns for periods greater than one year are annualized. **Certain holdings may be excluded from calculations or may be treated separately:** PRIVATE EQUITY FUND returns are excluded from the calculation of equity returns; SEGREGATED ASSETS are considered separately for performance calculations, but may not be categorized as Segregated on all reports - results are included in the Total Market Value and Grand Total Returns, but are excluded from the Total Managed Return; OTHER ASSETS are not defined in our standard asset categories, but they are included in all performance calculations.



## Key Terms

All data is provided for informational purposes only, as a supplement to custodial account statements, and may contain estimates. Below are key terms used in this report:

.CONTRIBUTIONS/WITHDRAWALS: The net of all funds received into or disbursed from the portfolio. Contributions include the addition of cash, receipt of assets, tax refunds, and loan repayments. Withdrawals include cash distributions, delivery of assets, tax payments, and fees paid to Wilmington Trust.

.CREDIT QUALITY RATINGS: Credit ratings are used to evaluate the likelihood of default by a bond issuer. Independent rating agencies, such as Moody's Investors Service, analyze the financial strength of each bond's issuer. Moody's ratings range from Aaa (highest quality) to C (lowest quality). Bonds rated Baa3 and better are considered "Investment Grade". Bonds rated Ba1 and below are "Speculative Grade" (also "High Yield"). Average Credit Rating reflects a portfolio-weighted average of ratings on individual rated bonds - non-rated bonds are excluded - it does not represent a rating of the portfolio as a whole. The weighted average is intended only as an aggregate illustration of the portfolio holdings rather than as an indication of their respective risks, as certain risks -including the risk of default of individual issues- may be underrepresented by this measure.

.EFFECTIVE DURATION: Duration is a measure of a bond's sensitivity to changes in interest rates and is calculated as the average percentage change in a bond's value under parallel shifts of the yield curve. Thus a bond with duration of 4 would be expected to lose 1% in value (price) in the event of a 25 basis point (0.25%) increase in market rates, represented by the yield curve. Conversely, that bond would be expected to appreciate 1% in value with a 25 basis point decrease in market rates.

.ESTIMATED ANNUAL INCOME (Est. Inc.): Estimated Annual Income is an indication of income return expected from security positions over the next 12 months assuming that the position quantities, interest /dividend rates, and prices remain constant. For U.S. government, corporate, and municipal bonds it is calculated by multiplying the coupon rate by the face value of the security. For common stocks, ADRs, REITs and mutual funds it is calculated using an indicated (projected) annual dividend. They are provided for illustrative purposes only, are not a forecast or guarantee of future results, and they should not be relied on for making investment, trading, or tax decisions.

.ESTIMATED PORTFOLIO YIELD: Estimated portfolio yield is an estimate of aggregate yield based on indicated dividend and/or coupon yields divided by the portfolio market value as of the date indicated. Yield estimates are provided for illustrative purposes only and are not an assurance or guarantee of future results. Yield is one component of total return, and is inherently positive - income from dividends and interest may be wholly or partially offset by negative price changes for a given security, resulting in a capital loss.

.EXPENSE RATIO (Exp. Ratio): The expense ratio reported for a mutual fund reflects the proportion of the expenses incurred within the fund to the total assets of the fund. The internal expenses include, but are not limited to, fees paid to the fund's adviser(s), fund trading costs, and expenses incurred in the administration of the fund. Expense ratio is reported Net, reflecting current fee and expense waivers in place with the fund's service providers. Were those waivers not reflected, or were they to expire, the expense ratio would be higher.

.INCOME RECEIVED\*: The total of interest and dividends received from investments.

.NET INVESTMENT CHANGE: The increase or decrease in market value of the portfolio less Wilmington Trust fees. This figure excludes contributions and withdrawals.

.REALIZED GAIN/LOSS\*: Realized gain/loss is the difference between the sales proceeds of a security and the adjusted cost basis of that security. If sales proceeds are greater than the original cost, that position reports as a realized gain. Conversely, if the sales proceeds are less than the original cost, the position reports a realized loss. This is a preliminary estimate, is reliant upon accurate cost basis information, and may not reflect all cost basis adjustments. Corporate actions and income reclassifications will alter a holding's basis and subsequent gain/loss values. If no cost basis is reported or if you believe you have more accurate cost information for your holdings, please contact your Relationship Team. This document should not be used for tax reporting.

.STANDARD DEVIATION: The volatility, or uncertainty, of future returns is a key concept of investment risk. Standard deviation is a measure of volatility and represents the variability of individual returns around the mean, or average annual, return. A higher standard deviation indicates more return volatility. This measure serves as a collective, quantitative estimate of risks present in an asset class or investment. Some risks may be underrepresented by this measure.





·**UNREALIZED GAIN/LOSS:** Unrealized gain/loss is the difference between the most recent market value available for a security and the adjusted cost basis of that security. If the market value is greater than the original cost, that position has an unrealized gain. Conversely, if the market value is less than the original cost, that position has an unrealized loss. This is a preliminary estimate, is reliant upon accurate cost basis information, and may not reflect all cost basis adjustments. Corporate actions and income reclassifications will alter a holding's basis and subsequent gain/loss values. If no cost basis is reported or if you believe you have more accurate cost information for your holdings, please contact your Relationship Team. This document should not be used for tax reporting.

\*This report should not be used to prepare tax documents. Information for tax reporting purposes will be reflected in your annual Wilmington Trust Tax Information Letter.

## Benchmarks

There are a variety of market indices or blended indices that may appear as benchmarks for comparison purposes. Returns relative to index results may not be reflective of a portfolio's ability to achieve your financial goals. There may be differences between the indices included in this report and the indices in your Investment Policy Statement or the benchmarks used for the specific strategies in which the portfolio is invested. Benchmark indices may be changed from time to time, by Wilmington Trust as a firm or by your Relationship Team as individual circumstances evolve, and such changes may be applied retroactively or on a going-forward basis. For additional information please contact your Relationship Team.

·**POLICY BENCHMARK:** The composition of the Policy Benchmark as of the date of this report is footnoted on the Investment Summary report. The Policy Benchmarks is determined by the weights and indices selected in your Investment Policy Statement. Any historical changes will not be reflected in the current period footnote. Policy Benchmarks may also be presented by asset class: Equity, Fixed Income, Inflation Hedges, and Hedge Strategies.

·**BROAD BENCHMARK:** An index or blended benchmark of market indices selected by your Relationship Team. The allocations may change over time if a change is made to the investment strategy. Changes made to this benchmark by your Relationship Team may be applied retroactively or on a going-forward basis. For additional information please contact your Relationship Team.

·**ALLOCATION BENCHMARK:** The Allocation Benchmark is a blended return of broad market indices assigned by asset class based on the portfolio's allocation at the beginning of each month. Weightings to illiquid or privately held assets may be excluded from the calculation. The market indices that may be used in this benchmark are Standard & Poor's 500 Index, Russell Midcap Index, Russell 2000 Index, MSCI ACWI ex-US IMI, MSCI ACWI IMI, Barclays Capital Aggregate Index, S&P Municipal Bond Intermediate Index, Barclays Capital World Government ILB Index (Hedged), S&P Developed Property Index, Bloomberg Commodity Index, HFRX Absolute Return Index, HFRX Global Hedge Fund Index, and Lipper Money Market Funds Index.

·**BLENDED EQUITY BENCHMARK:** The Blended Equity Benchmark is a blended return of broad equity indices assigned by equity asset class based on the portfolio's allocation at the beginning of each month - essentially an equity subset of the Allocation Benchmark. Weightings to illiquid or privately held assets may be excluded from the calculation. The market indices that may be used in this benchmark are Standard & Poor's 500 Index, Russell Midcap™ Index, Russell 2000® Index, MSCI ACWI ex-US Net, and MSCI ACWI IMI.

# **INFORMATION ITEMS**

# **MONTGOMERY VILLAGE FOUNDATION, INC.**

## **RESERVE FUND INVESTMENT POLICY**

### **I. Purpose**

The purpose of the Reserve Fund Investment Policy is to establish the criteria by which the funds will be invested, reported and measured. Reserve funds include all cash and investments specifically designated by the Board of Directors for the future repair and replacement of MVF assets and/or acquisitions of new Village-wide amenities funded by the Capital Contribution Fee.

### **II. Investment Objectives**

The primary objectives of this portfolio are:

- A. To preserve capital on a real return basis after inflation with a secondary objective of a moderate growth of capital.
- B. To maintain liquidity of assets for cash flow needs.

### **III. Asset Allocations**

<b>CATEGORY:</b>	<b>TARGET</b>	<b>RANGE</b>
<b>Equities</b>	<b>40%</b>	<b>20% – 45%</b>
<b>Fixed Income</b>	<b>54%</b>	<b>50% – 80%</b>
<b>Real Assets</b>	<b>4%</b>	<b>0% – 10%</b>
<b>Cash</b>	<b>2%</b>	<b>0% – 10%</b>

When possible, new contributions and/or reinvestments of assets should be used to rebalance the allocation classes, but a review and rebalancing of the classifications will be done at least annually or when market conditions dictate, with a goal to maintain the investments within the target/range as defined above.

### **IV. Eligible Investments and Guidelines**

The following are eligible investments for this portfolio:

- A. Cash in money market or like financial instruments
- B. Fixed income securities:
  - 1. US Treasury bonds, notes and bills
  - 2. Federally insured certificates of deposit.
  - 3. Investment grade corporate bonds holding at least an 'A-' (S&P/Fitch) or 'A3' (Moody's) rating at the time of purchase.
- C. Equity Securities – domestic and international stocks.
- D. Real Assets – limited to publicly traded securities in the following categories:
  - 1. Real Estate
  - 2. Inflation-linked securities
  - 3. Commodities

# **MONTGOMERY VILLAGE FOUNDATION, INC.**

## **RESERVE FUND INVESTMENT POLICY**

- E. Mutual funds and Exchange Traded Funds are allowable provided they invest in the securities deemed to be allowable above
- F. Diversification
  - 1. No more than 10% of the total portfolio combined may be in the securities of any one issuer with the exception of obligations of the US government and its agencies and federally insured instruments.
  - 2. No more than 20% of the total portfolio combined may be in the securities of a particular industry.

### **V. Approval of Investment Transactions – approval authorities for the transactions are limited by the transaction amount as follows:**

- |                                     |                                     |
|-------------------------------------|-------------------------------------|
| A. Treasurer                        | Transactions up to \$250,000        |
| B. Treasurer & Investment committee | Transactions \$250,000 to \$500,000 |
| C. MVF Board                        | Transactions over \$500,000         |

Transactions occurring within 7 days will be considered in aggregate for the above approval thresholds.

MVF's Investment Advisor shall have discretion to execute trades **within** sub-asset class, without prior approval, up to the \$500,000 transaction threshold. By definition, sub-asset classes include: large cap U.S. equity, mid cap U.S. equity, small cap U.S. equity, developed international, emerging markets, fixed income, inflation linked securities, commodities, and real estate.

Any changes **between** sub-asset classes or broad asset classes as defined by section III of the Investment Policy (equity, fixed income, real assets, or cash) require prior approval as per Section V. A-C.

### **VI. Performance Measurement**

The investment return of the Reserve Fund is expected to meet or exceed the rate of return of its own custom index of relevant and recognized indices in the same proportion as the actual allocation of each asset class in the portfolio. The composition of the custom index will be provided by the investment advisor as part of the performance reporting in Section VII. Generally, the portfolio will be compared to the following:

- |                 |  |
|-----------------|--|
| A. Cash         | Merrill Lynch 90-day Treasury Bills Index              |
| B. Fixed Income | Merrill Lynch 1-3 year Treasury notes                  |
| C. Equities     | 60% of the Russell 3,000<br>40% of the MSCI ACWI EX US |
| D. Real Assets  | 50% Inflation-linked bonds<br>30% Real Estate          |

# **MONTGOMERY VILLAGE FOUNDATION, INC.**

## **RESERVE FUND INVESTMENT POLICY**

20% Commodities index

### **VII. Reporting**

The Foundation will use the services of an investment advisor(s) to implement and monitor adherence to the investment strategy in this policy. The advisor(s) are expected to recommend and transact purchases and sales of investments that meet the investment criteria within this policy and will monitor and provide timely reporting of the investment performance.

A. The investment advisor will provide the Treasurer and Investment Committee a review outlining the following:

1. The overall performance for the quarter, year-to-date and since inception,
2. The portfolio's performance relative to a custom index based on the target asset allocation,
3. The current portfolio asset allocation and deviations from target/range allocations specified in Section III,
4. Recommendations to buy sell or otherwise improve the portfolio within the limits of the policy statement.

B. Each quarter, Treasurer will report the following to the MVF Board:

1. The allocations comprising the portfolio.
2. The performance of the portfolio as specified above.

### **VIII. Conflict of Interest**

No Foundation Board member or staff member, or any committee member may participate in the making of an investment decision if he/she or any family members, to his/her knowledge, has a direct or indirect financial or other interest in such investment decision. If such an interest exists, the person concerned must disclose the interest and shall be disqualified from participating in the investment decision

Approved: October 27, 1988

Reaffirmed by MVF Board of Directors, May 23, 1991

Reaffirmed by MVF Board of Directors, April 28, 1994

Revised and approved by MVF Board of Directors, January 23, 1997

Revised and approved by MVF Board of Directors, October 22, 1998

Revised and approved by MVF Board of Directors, February 26, 2009

Revised and approved by MVF Board of Directors July 24, 2014

Revised and approved by MVF Board of Directors December 4, 2014

Revised and approved by MVF Board of Directors September 28, 2017