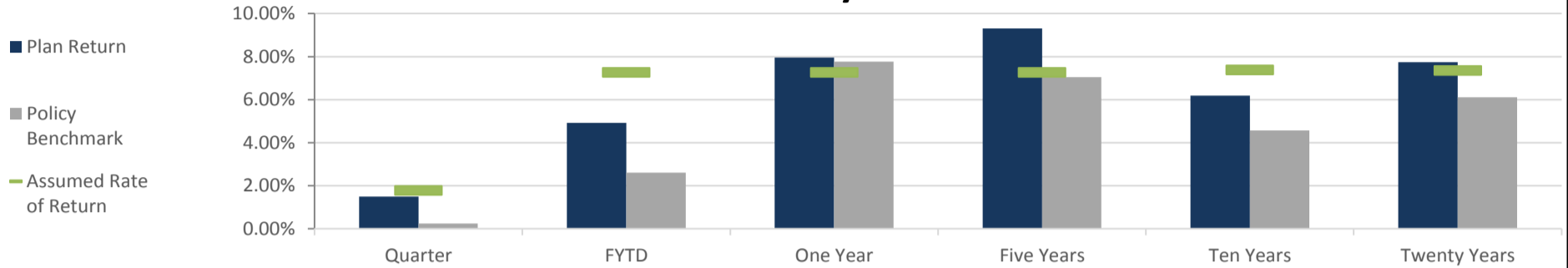




"The goal of LAGERS' investment portfolio is to achieve the assumed rate of return over the long-term, while maintaining reasonable risk. If the portfolio meets this goal, we can assure that future benefits of LAGERS' members are safe and secure." - LAGERS' Investment Team

Net of Fee Returns By Time Period¹



Executive Summary	Market Value (millions)	Quarter	FYTD ²	One Year	Five Years	Ten Years	Twenty Years
Total Plan	\$6,541,235,951	1.49%	4.92%	7.96%	9.31%	6.19%	7.74%
Policy Benchmark		0.24%	2.61%	7.77%	7.05%	4.57%	6.11%
Excess Return		1.25%	2.31%	0.19%	2.26%	1.62%	1.63%

Estimated Allocation / Exposure	Portfolio Exposure	Policy Target	Variance	LAGERS Portfolio Exposure
Equity	44.97%	43.00%	1.97%	
Private Equity	7.20%			
Public Equity	37.77%			
Fixed Income	23.10%	26.00%	-2.90%	
Private Fixed Income	12.64%			
Public Fixed Income	10.46%			
Real Assets/Real Return	22.21%	21.00%	1.21%	
Private Real Assets	16.14%			
Public Real Assets	6.07%			
Strategic	9.72%	10.00%	-0.28%	
Private Strategic	2.78%			
Public Strategic	6.94%			

FYTD Contributions to Plan Value

Beginning Value	(as of 6/30/2016)	\$6,273,190,893
Payment to Retirees		-\$138,866,056
Contributions Received		\$100,964,802
Investment Gain/Loss & Expenses		\$305,946,312
Ending Value	(as of 12/31/2016)	\$6,541,235,951

Key Developments During the Quarter

Notable activity during the quarter included a new \$43.5 million commitment to Pamlico Capital and a \$50 million commitment to Avenue Strategic Opportunities Fund, L.P.

¹LAGERS' assumed rate of return is 7.25%

²LAGERS' fiscal year is June 30

This report was compiled by LAGERS' staff utilizing data primarily from LAGERS' Custodian.

No information contained in this report should be used to calculate returns or compare multiple funds, including private equity funds.

The information in this report has not been reviewed, approved or verified by the external investment managers.