

Board of Trustees



Handout Book

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KPS CAPITAL PARTNERS, LP



KPS Capital Partners, LP

KPS Capital Partners, LP is the Manager of the KPS Special Situations Funds, a family of private equity limited partnerships with approximately \$5.1 billion of assets under management (as of June 30, 2019) focused on constructive investing in highly complex corporate carve-outs, restructurings, turnarounds and other special situations

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EXECUTIVE SUMMARY AND OVERVIEW

Executive Summary and Overview

KPS Capital Partners is a control private equity Firm focused on constructive investing in highly complex corporate carve-outs, turnarounds, restructurings and other special situations

❖ **Accomplished and Long-Tenured Investment Team**

- ◆ Managing Partners have worked together as a team employing the same investment strategy for over two decades
- ◆ KPS' six Partners are responsible for every KPS investment, providing total continuity into the future
- ◆ This continuity creates and fosters the culture of a “family-owned” Firm that is grounded in the Firm's core values of integrity, veracity, transparency, humility and stability

Same Partners, Same Investment Team, Same Investment Strategy

❖ **Distinct and Differentiated Investment Strategy with Demonstrated Long-Term Success^a**

- ◆ Focus on investing in companies that manufacture a diverse array of products across many industries, including basic materials, branded consumer, healthcare and luxury products, automotive parts, capital equipment and general manufacturing
- ◆ Investment strategy based on seeing value where others do not, buying right and making businesses better
- ◆ We believe our investment strategy is low risk. We seek to create value through fundamental improvement in the business and operations of our portfolio companies, rather than relying on financial leverage or financial engineering to drive investment returns
- ◆ Demonstrated price discipline across decades, industries, and economic and business cycles
- ◆ Demonstrated patience in investment pace across funds – investment periods are up to seven years

Patient and Disciplined Investors with Demonstrated Successful Investment Performance across Decades, Industries, and Economic and Business Cycles

^a Past performance is not indicative of future results. There can be no guarantee any historical trends will continue

Executive Summary and Overview

❖ Leading Global Franchise

- ◆ Invest on a global basis, with offices in New York, Frankfurt and Amsterdam
- ◆ Global investor base spanning 18 countries
- ◆ Current KPS portfolio companies have aggregate annual revenues of approximately \$6.7 billion, operate 106 manufacturing facilities in 28 countries and have approximately 24,000 employees, directly and through joint ventures worldwide (as of June 30, 2019)^a
- ◆ Portfolio companies have constructed new manufacturing facilities in 10 countries under KPS' ownership



❖ Strong Alignment of Interests with Investors

- ◆ Successfully generated “true alpha” and absolute dollar value creation on a consistent basis over the long-term^b
- ◆ KPS is not in the AUM or fee business – validated by limiting its fund sizes relative to investor demand

Demonstrated Alignment of Interests with Investors across Funds

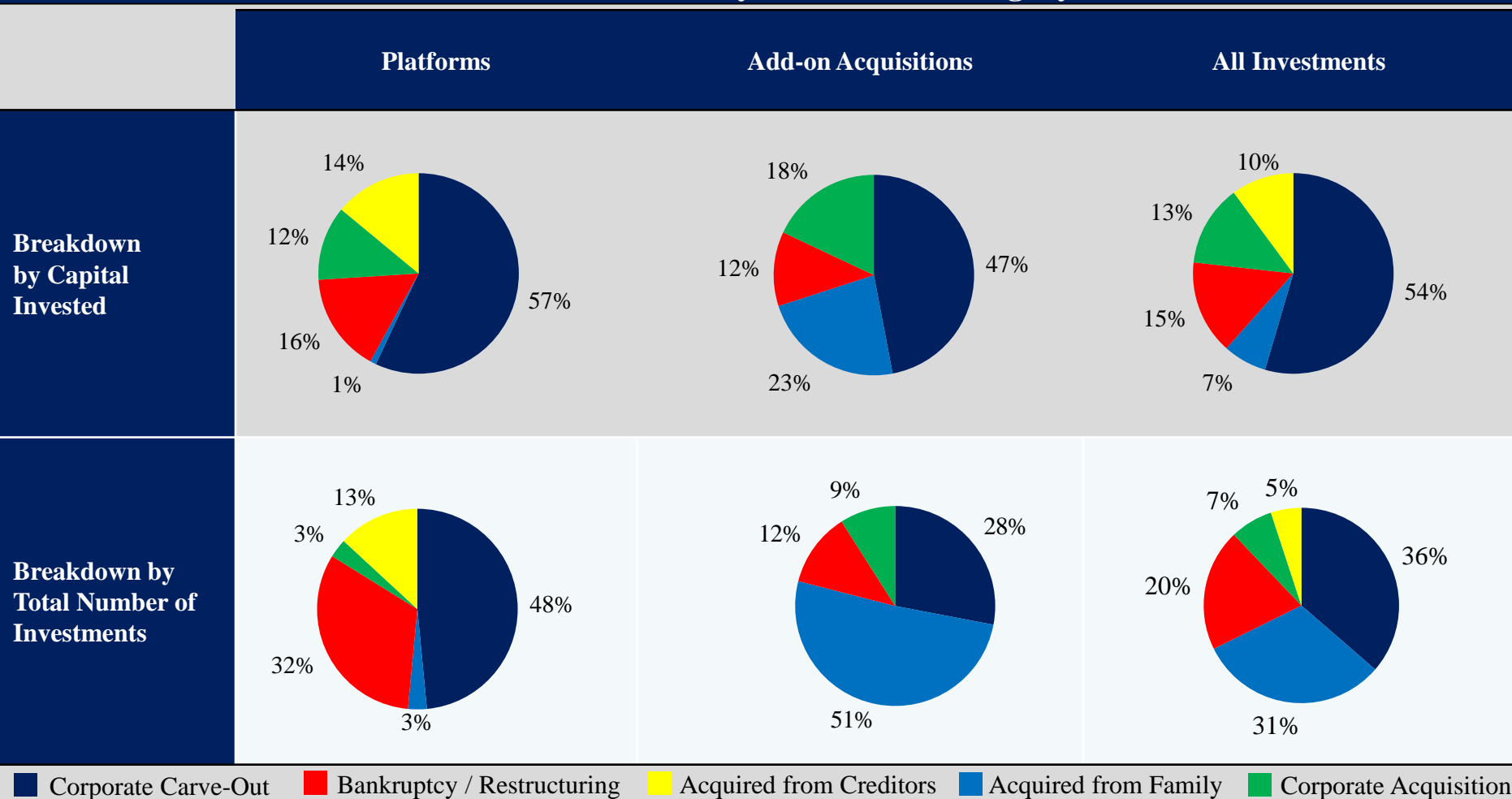
^a Includes pending acquisition of Howden

^b Past performance is not indicative of future results. There can be no guarantee any historical trends will continue

Executive Summary and Overview

KPS Funds Investment History^a

Fund I – Fund IV by Investment Category



^a Includes KPS Fund I, Fund II, Fund III / IIIS, Fund IV investments, including pending investment in Howden



COMPETITIVE ADVANTAGE – KPS TEAM

Competitive Advantage – KPS Team

KPS Investment Team and Firm Culture

- ❖ KPS believes its Partners and Senior Investment Team are among the longest tenured and most accomplished in private equity special situations investing
- ❖ The complete stability and continuity of the Partners and the Firm's unique culture are a critical competitive advantage and significant differentiator
- ❖ Michael Psaros and David Shapiro have worked together as a team for over 28 years, with Raquel Palmer for nearly 25 years, with Jay Bernstein for 20 years, and with Ryan Baker and Kyle Mumford for over 10 years
- ❖ The Partners are responsible for every single KPS investment since the Firm's inception
- ❖ The entire careers of the Partners have focused on creating, acquiring and then building world-class, industry-leading manufacturing companies by structurally improving each company's strategic position, competitiveness and profitability
- ❖ The Partners are personally involved in every aspect of the Firm's activities, from leading acquisitions to direct engagement with its portfolio companies and management teams
- ❖ The Partners operate as a cohesive and effective team, and believe their shared sense of purpose is critical to the Firm's success
- ❖ The Partners have created and fostered the culture of a "family-owned" Firm that is grounded in the Firm's core values of integrity, veracity, transparency, humility and stability
- ❖ KPS believes in leveraging the talent, experience and skill set of the entire Firm across its investments
- ❖ KPS' success is the result of a true team effort and there is **no individual attribution** of investments
- ❖ The KPS Investment Team acts as a catalyst to make businesses better. This requires a very specialized set of skills, abilities and judgement, and often depends on drawing from KPS' collective experience across decades

KPS is fully staffed to invest Fund V and the Mid-Cap Fund

Competitive Advantage – KPS Team

KPS Investment Team and Firm Culture

Critical Takeaways for KPS Investors:

- ❖ The shared experience of the KPS Partners is our Firm's single most critical competitive advantage
 - ◆ The Partners have experienced four economic down cycles and four economic up cycles as a team
 - ◆ The Partners believe that there is almost no situation that they have not experienced and managed through together as a team. Investors should examine the performance of KPS' portfolio companies in 2008 and 2009 during the Great Recession – KPS wrote up the value of its investments
 - ◆ The Partners have completed over 70 investments, including follow-on acquisitions, with full or partial realizations achieved on most investments using multiple exit strategies
- ❖ Our shared experience as a Partnership and Investment Team has resulted in our demonstrated:
 - ◆ **ABILITY TO SEE VALUE WHERE OTHERS DO NOT**
 - ◆ Patience as an investor (seven year investment periods)
 - ◆ Price discipline over decades
 - ◆ Commitment to our values and value system
 - ◆ Ability to consistently implement our investment strategy, with a laser focus on execution
 - ◆ Commitment to building the KPS franchise over the long term
- ❖ We are proud
 - ◆ To be manufacturers and industrialists, not financial / capital structure focused investors
 - ◆ To be traditional private equity investors, focused on generating traditional private equity returns
 - ◆ Of our ability to generate significant absolute dollar value creation – generating true alpha – and monetizing that value for distribution to our investors using multiple exit strategies
 - ◆ To be responsible for saving tens of thousands of jobs (real jobs at real wages), and the positive impact of saving many manufacturing facilities in towns and communities

Note: Past performance is not indicative of future results. There can be no guarantee any historical trends will continue

Competitive Advantage – KPS Team

KPS Investment Team and Firm Culture



Michael Psaros

Co-Founder and Managing Partner

Age: 52



David Shapiro

Co-Founder and Managing Partner

Age: 57



Raquel Palmer

Managing Partner

Age: 46



Jay Bernstein

Partner

Age: 44



Ryan Baker

Partner

Age: 42



Kyle Mumford

Partner

Age: 36

Average age of the Partners is 46 years

Shared investment experience of the team is over 120 years

Competitive Advantage – KPS Team

MICHAEL PSAROS
Managing Partner
Co-Founder (28 Years)

DAVID SHAPIRO
Managing Partner
Co-Founder (28 Years)

RAQUEL PALMER
Managing Partner
(25 Years)

JAY BERNSTEIN
Partner
(20 Years)

RYAN BAKER
Partner
(12 Years)

KYLE MUMFORD
Partner
(11 Years)

INVESTMENT PROFESSIONALS

VICE PRESIDENTS

Rahul Sevani
New York Univ., B.S.
(7 Years)

Alison Beyer
Dartmouth College, B.A.
(7 Years)

Kyle Fitzpatrick
Babson College, B.S.
(5 Years)

Greg Boguslavsky
Harvard Univ., M.B.A.
(1 Year)

Michael Wang
Univ. of W. Ontario, B.A.
(<1 Year)

SENIOR ASSOCIATES

Ryan Deane
Middlebury College, B.A.
(4 Years)

Martins Trautmanis
Michigan State, B.A.
(3 Years)

Christopher LaCosta
Univ. of Notre Dame, B.A.
(2 Years)

James Karle
New York Univ., M.B.A.
(<1 Year)

ASSOCIATES

Bryan Verbel
Quinnipiac Univ., B.S.
(1 Year)

George Luo
New York Univ., B.S.
(1 Year)

Talia Campbell
Univ. of Notre Dame, B.A.
(1 Year)

Charles Bagley
Univ. of Pennsylvania, B.S.
(1 Year)

William Carter
Wake Forest, B.S.
(1 Year)

Daley Smith
Willamette Univ., B.A.
(<1 Year)

Ashok Narayana
Columbia Univ., B.A.
(<1 Year)

PORTFOLIO OPERATIONS

Jeff Hykin
Managing Director
Northwestern Univ., M.B.A.
(19 Years)*

David Peck
Managing Director
Univ. of Michigan, M.B.A.
(11 Years)*

Florian Küppers
Managing Director
Univ. of Karlsruhe, M.S.
(6 Years)

Jeff Cardell
Vice President
Univ. of N. Carolina, M.S.
(16 Years)*

Alex McDonnell
Vice President
James Watt College, B.S.
(1 Year)

Rick Trank
Vice President
Florida State Univ., B.S.
(<1 Year)

Keith McKinnish
Managing Director
Univ. of N. Carolina, B.A.
(12 Years)*

Jose Alvarez
Managing Director
Dartmouth Univ., M.B.A.
(7 Years)*

Jeff Bougher
Vice President
Northwestern Univ., M.B.A.
(5 Years)

Delane Taylor
Vice President
Walden Univ., M.B.A.
(14 Years)*

James Erasmus
Vice President
Connecticut State Univ., B.S.
(<1 Year)

Zaid Nesheiwat
Senior Associate
Clarkson Univ., B.S.
(3 Years)

Mallory Sears
Analyst
Univ. of Wisconsin, B.S.
(4 Years)

FUND ADMINISTRATION

Bhumika Shah
Chief Financial Officer
New York Univ., B.S.
(15 Years)

Stephen Schipani
Director of Tax
Baruch College, B.A.
(4 Years)

Craig Swanson
Controller
Bucknell Univ., B.A.
(1 Year)

Sarah Donner
Assistant Controller
George Washington Univ., B.A.
(12 Years)

Frank Gassert
Assistant Controller
Providence College, B.S.
(3 Years)

Chris Anderson
General Counsel & Chief
Compliance Officer
Syracuse Univ., J.D.
(8 Years)

Bryan Assael
VP, Legal & Compliance
New York Law, J.D.
(1 Year)

Tim de Kogel
VP, Legal & Compliance
Univ. of Amsterdam, LL.M
(<1 Year)

Pedro Gomez Nunez
Accounting Officer
Amsterdam Business College
(<1 Year)

Katherine Cachola
Operations & Admin. Manager
New York Univ., B.S.
(11 Years)

BUSINESS DEVELOPMENT

Daniel Gray
Managing Director
Westmont College, B.A.
(9 Years)

Florian Almeling
Managing Director
KPS Europe
Univ. of Bayreuth, B.A.
(8 Years)

INVESTOR RELATIONS

Shavonne Correia
Head of Investor
Relations & Marketing
Univ. Southern California, B.S.
(3 Years)

Lauren Mrozowski
William Smith College, B.A.
(13 Years)

(Tenure with KPS) *Includes tenure at KPS portfolio company

The background of the slide is a grayscale, high-contrast photograph of industrial machinery. It features several large, circular components that appear to be gears or flywheels, some with text like "MADE IN THE U.S." visible. Below these, there are various mechanical parts, including bolts, pipes, and a large white cylindrical component on the right. A dark blue horizontal bar with a thin white border is positioned across the middle of the image, containing the text "RECENT KPS AWARDS" in white, bold, serif capital letters.

RECENT KPS AWARDS

KPS won Buyouts' overall global Deal of the Year Award in 2012, 2013, 2015 and 2017



BUYOUTS

www.buyoutsnews.com March 26, 2017 • Issue 7

DEAL OF THE YEAR:

KPS for Anchor Glass

34

BUYOUTS

www.buysidepartners.com March 23, 2015 • Issue 7

KPS CAPITAL PARTNERS WINS DEAL OF THE YEAR

A group of four KPS Capital Partners executives, three men and one woman, are posed in front of a modern building with large glass windows. They are all smiling and dressed in professional business attire. The man on the far left is wearing a dark pinstripe suit and a light blue tie. The man next to him is wearing a dark suit and a dark tie. The woman in the center is wearing a dark blazer over a dark top and a gold necklace. The man on the far right is wearing a dark suit and a pink tie. The background shows the building's facade and some greenery.

YOUR SOURCE FOR LEVERAGED AND MANAGEMENT BUYOUTS

Buyouts

www.Buyoutsnews.com

April 22, 2013 • Issue 9

Deal Of The Year Awards

Buyouts
AWARDS
2013

CHS Capital Spawning Three PE Firms

YOUR SOURCE FOR LEVERAGED AND MANAGEMENT BUYOUTS

Buyouts

www.buyoutsonline.com April 29, 2012 • Issue 9

Deal Of The Year Awards



Sponsor Contributions Fluctuate On Quirks In Market

BENTON & BOWLES

TAP TURNAROUND

TURNAROUND OF THE YEAR AND DEAL OF THE YEAR

KPS Capital Partners LP

KPS Capital Revives Attends Healthcare LP

KPS Capital Partners LP (a unit of Altria Group Inc.) has purchased 100% of Healthcare Partners, a private investment of about \$100 million, from its previous owners.

With its acquisition in the aftermath of the 2001-2002 downturn in the health care industry, KPS Capital was able to transform a company that was facing insolvency into a profitable, growing, company similar to a Fortune 500 company with growth in the investment capital market.

This is a situation, this is what we did," says Robert Penick, a partner with KPS Capital and Altria.

Atlanta Healthcare came with investment capital from the Atlanta-based bank. It acquired assets from a 50-50 deal with, in Greenville, N.C., and a Wayne, Calif., before KPS Capital's involvement.

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The company was in its preinfected

financial health when the suggested the company's potential. With health care firms beginning to fail, three owners wanted to sell the company. KPS Capital, despite the health's strength, had a legal right to buy the company.

But KPS Capital executives really wanted to work the company. They thought it would be a start-up that would get into the investment capital market, when customers started spending on the investment capital.

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SNAPSHOT:

KPS Capital Partners LP

Legal: Arthur Andersen LLP

Private: AIG

Investment: \$100 million

Deal: \$100 million

Deal: \$100 million

Deal: \$100 million

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KPS CAPITAL PARTNERS, LP

Recent Awards for KPS

KPS won Buyouts' Turnaround Deal of the Year Award in 2012, 2013 and 2019

❖ KPS won an unprecedented three times

AS SEEN IN
BUYOUTS

March 18, 2019

FEATURING KPS
CAPITAL PARTNERS, LP

TURNAROUND DEAL OF THE YEAR

KPS

By Milana Vinn



2019

SNAPSHOT

Company: Electrical Components International

Location: Bank of America, GE Capital, Fifth Third Bank

Legal advisors: Paul Weiss, Rind, Wharton and Garrison

Financial advisors: Sardary

WHY THEY WON

- KPS revenue grew nearly 50 pct to \$1.6B
- KPS doubled EBITDA between 2014 and 2018
- KPS added 8,000 employees to ECI business
- KPS returned 3.2x its money on exit from ECI

When a group of hedge funds and debt holders were exploring an exit from **Electrical Components International** in May 2014, the company's growth opportunity for a new buyer was not obvious. ECI, an international wire-harness manufacturer, relied heavily on the North American appliance industry and one customer, and it didn't have a broad-based sales base in Europe.

"It was not an obvious growth story, and there was not an obvious way to create value to the investors," **Raquel Palmer**, managing partner at **KPS Capital Partners**, told *Buyouts*.

"I don't think there were many people who saw how to make the investment work," but **Talvin Carr**, non-executive director

Ahead of KPS's ownership, ECI's management team projected that the company as ECI was employing operations to grow. "They had lots of meetings with the companies that they wanted to own but didn't have an opportunity," Palmer said. "It was just so on top of it. It was a lot easier with them having cultivated these relationships."

KPS worked closely with ECI's management team, led by CEO **David Webster**, from day one and didn't make any changes to its leadership roster during the hold period. Integrating three family-owned businesses into ECI's operations and supply chain helped increase the company's productivity and cut costs. KPS cut ECI's direct material costs by more than \$10 million each year, particularly in 2014, wire and

unlooked by many manufacturers, Palmer said.

"There is a huge market for better harnesses and there are not many manufacturers other than automotive that do that," she said.

With those changes, ECI more than tripled its customer base to 300. It also grew its specialty-industrial revenue by more than \$300 million, a tripling, under KPS's ownership.

KPS increased ECI's margins by 40 percent, nearly 50 percent.

ECI also distributed \$464.1 million to KPS's shareholders on April 24, 2019, cash-on-cash, realising 18x on equity capital invested. The sale price was

announced and later, the use of ECI as great examples of best work practices, is something we are expecting KPS - what is really to see to do it."

Electrical Components International

Service is Everything!

BUYOUTS | April 23, 2012

TURNAROUND OF THE YEAR AND DEAL OF THE YEAR

KPS Capital Partners LP

KPS Capital Revives Attends Healthcare

SNAPSHOT:

Firm: KPS Capital Partners LP

Target: Attends Healthcare Inc.

Hold Period: 4 years

Buyer: Dorian Corp.

Legal Advisor: Paul Weiss, Rind, Wharton & Garrison LLP

Buyer: KPS Capital Partners LP

Price: \$35 million

WHY THE FIRM WON

- Successful turnaround of corporate capital
- The firm's deep research found a base of loyal Attends customers and favorable demographics
- Company completely upgraded its manufacturing operations
- Improved company's financial performance
- Returned 15x its money

KPS Capital Partners LP's turnaround of adult incontinence products maker Attends Healthcare offers a prime example of what devoted attention from experienced investors can bring to a neglected company.

With its experience in the intricacy of turning around manufacturing companies, KPS Capital was able to transform a company that was facing liquidation into a profitable, growing company sought by a Fortune 500 company while generating 15x its invested capital in the process.

"This is textbook; this is what we do," **Raquel Palmer**, a partner with KPS Capital, told *Buyouts*.

Attends Healthcare makes adult incontinence products under the Attends brand name. It employed around 400 in two facilities, in Greenville, NC, and La Verne, CA, before KPS Capital's involvement.

For more than 10 years, the business had become Attends Healthcare languished under distant management. Procter & Gamble bought it in its personal care products group for years until 1999, when the mammoth consumer products company sold it to a company called Papertek, Papertek, in turn, was bought in 2002 by British private equity firm **3i Group plc** for \$94.1 million, according to Capital IQ.

Attends Healthcare had US and European operations at the time, and even then the US business was struggling while its European business was doing better, according to press reports. Papertek would go on to sell the US business to KPS Capital in January 2007 for an undisclosed amount, and it would sell the European business seven months later to another private equity firm, **Buend Partners**, for \$50.5 million (\$122.3 million at today's exchange rate), according to Capital IQ.

The company was in its proverbial double-dip—generating negative \$3 million in EBITDA—when Ebel Green, a California consulting firm specializing in turnaround situations, reached out to KPS Capital in late 2009.

"I was skeptical at first," **Michael Palmer**, KPS Capital's managing partner, told *Buyouts*.

But the firm's deep research found a base of loyal Attends customers and favorable demographics, which transformed the company into a profitable business. The firm's deep research found a base of loyal Attends customers and favorable demographics, which transformed the company into a profitable business.

Attends

BUYOUTS | April 23, 2012

TURNAROUND OF THE YEAR AND DEAL OF THE YEAR

KPS Capital Partners LP

The Building Of A Brewing Conglomerate

At a time when the global brewing industry was undergoing rapid consolidation and internationalization, **KPS Capital Partners** collected a series of neglected and cash-poor brands, including them into the No. 1 US brewer.

Over the course of its four-year ownership, the New York-based firm caused an 85% return multiple and a 91 percent EBITDA on its investment in **North American Breweries Inc.** by the time of the company's sale to a foreign strategic buyer, **Cerveza Costa Rica SA**, which was seeking to expand in the United States.

"We did not just buy a business and leave it up. We created a company," said **Raquel Palmer**, a partner of KPS Capital Partners and a member of its investment committee who headed the North American Breweries transaction. The firm, working with local union and political leaders, also nearly doubled employment at the portfolio company's flagship operation in Rochester, NY, to more than 500, while enhancing the downtown facility with a "brew house" to provide a destination for visitors.

As a result, North American Breweries won for KPS Capital the *Buyouts* 2012 "Turnaround Of The Year" award. The firm also received overall Deal Of The Year by vote of the magazine's editors. Notably, it was the second year in a row for KPS Capital to sweep that particular doubleheader: The firm won the same pair of awards in 2012 for the company's stewardship of Attends Healthcare Inc., a maker of products for adult incontinence.

In the case of North American Breweries, KPS Capital was able to ride the wave of consolidation in the brewing industry in 2012, the upstart's counterpart, and a situation that equity and debt governments.

The firm recognized, in 2011, that the United States brewing industry was in a state of flux. Through improved marketing and upgraded production, the Genesee brand grew at a 20 percent compounded annual growth rate during KPS Capital's ownership, and the Saginaw brand had a 40 percent growth rate, Palmer said, at a time when industry growth was essentially flat. Growth, in turn, enabled the firm to recapitalize the company, winning the investors plus a profit in less than two years.

Along the way, KPS Capital added independent brewers United to its portfolio in August 2010, expanding its higher margin craft beer business with the brands Magic Hat in Vermont and Pyramid on the West Coast. But with no further transformative acquisitions on the horizon, KPS Capital filed US\$100 last year to conduct an auction. The ultimate buyer, **Cerveza Costa Rica SA**, was a Costa Rican brewer that owned a brand called Imperial, for which High Falls had been exclusive distributor in the United States.

"They had seen the potential of our transformation of the management team and the business itself, so they had given up through the business with us," Palmer said. "They had the best kind of due diligence, to see the company from the start through the process by UBS." —S&P

SNAPSHOT:

Firm: KPS Capital Partners LP

Target: North American Breweries Inc.

Return Multiple: 85x

Acquirer: Cerveza Costa Rica SA

Sale Price: \$100 million

North American Breweries

Turnaround Deal of the Year awards are given by editors of *Buyouts* based on criteria communicated by *Buyouts*. Awards are given for various categories based on transaction structure and size. For 2019, criteria evaluated included origination, innovation, timeliness, finance structure, success of add-on transactions, operational and personnel improvements and exit. KPS believes that prior years used similar criteria. To be considered, the original purchase must have involved a majority stake purchase in a U.S. transaction; full or partial private equity sponsorship; the resultant company must have been private; and the sponsor must have exited at least the majority of its equity position.

Recent Awards for KPS

KPS won Private Equity International's Operational Excellence Award in 2013 and 2016



WINNER – UPPER MID
KPS CAPITAL
MOTOR COACH INDUSTRIES

AMERICAS
PEI Operational Excellence Awards 2016

WINNER – UPPER MID-MARKET

KPS Capital Partners: Motor Coach Industries

KPS Capital Partners' work with Motor Coach Industries International is a great example of turning around a company by focusing on improving its operations rather than financial engineering.

When the New York-based private equity firm acquired the specialty vehicle company in August 2010, MCI was emerging from bankruptcy, operating in deficit of its credit agreement and under severe liquidity constraints. KPS purchased MCI for an undisclosed sum using no third-party leverage, a rare move in the industry.

Five years later, the firm had sold the company to New Flyer for \$475 million. By then, MCI had increased revenue by 50 percent to \$647 million and EBITDA shot up from a negative \$12 million to a

(\$12m)
EBITDA in 2010
\$76m
EBITDA on exit

\$7.6 million gain. KPS and investors realized a 2.7x cash on cash multiple and a 27 percent gross internal rate of return on total capital invested. "We are very proud of MCI's incredible turnaround, executed at the low point of the North America motor coach industry cycle and at the height of the financial crisis," said Jay Bernstein, a partner at KPS. "The success of our investment in MCI demonstrates KPS's ability to see value where others do not, to buy right and to make businesses better. In 2010, we acquired a failing, deeply under-managed business and transformed it into a thriving, highly profitable, and growing business."

To achieve such a result, KPS rolled up its sleeves, hired a new chief executive and a new senior management team whom they

worked with closely, implementing a new organizational structure, transferring the company's manufacturing operations and focusing on quality and customer services among other improvements.

"During a five-year holding period, the turnaround encompassed every aspect of MCI's business from sales to manufacturing and after-market services," said judge Paul Fierman.

A key turning point for MCI was the equity-based strategic partnership with Daimler AG. As part of the partnership, which began in 2012, MCI acquired exclusive rights for high-end Sprinter motor coaches and after-market parts in the US and Canada. In return, Daimler received a minority interest in the company.

A transformational 1,004-unit 45-foot coach order from the NJ Transit, the single largest order in the coach industry in the past 12 years, was also no small feat for MCI. As a result, KPS used more than 1,500 premium industrial jobs. Meanwhile, the sale to New Flyer created one of the largest, most diverse bus companies in the world.

"Motor Coach Industries International is the best example of pure operating improvement," said judge Michael McKenna. "KPS acquired a distressed asset in restructuring and without relying on acquisitions to buy EBITDA or make synergies, they transformed a cash negative business into a profitable business."



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PRIVATE EQUITY INTERNATIONAL

OCTOBER 2016



THE OPERATIONAL EXCELLENCE SPECIAL 2013

A PEI supplement

Choosing a reward model
Thinking international
Finding value in distress
Minority influence in Asia
...and more

Sponsors:
Humana
McGladrey
Unitas Capital

Supporter:
Research Now

Also featuring:



WINNER – UPPER MID-MARKET

KPS Capital Partners: HHI Group Holdings

KPS Capital Partners' investment in HHI is really a story of how private equity deals unfolded into one. In 2010, the firm bought five failed automotive component manufacturers – three of which were EBITDA negative – and began consolidating them into a single business under the HHI brand. Seven years later, KPS sold the company for \$750 million, generating an 11x return multiple and 60 percent gross IRR. Under the firm's ownership, EBITDA at HHI grew from \$2 million

in 2010 to \$20 million in 2015. EBITDA generated of deep floor most of the businesses acquiring them," said KPS co-founder and CEO, George HHI. "The five failed automotive component manufacturers were not only profitable, but they were also profitable. The five failed automotive component manufacturers were not only profitable, but they were also profitable. The five failed automotive component manufacturers were not only profitable, but they were also profitable."

KPS was able to do this by focusing on the core business of the five failed automotive component manufacturers. The five failed automotive component manufacturers were not only profitable, but they were also profitable. The five failed automotive component manufacturers were not only profitable, but they were also profitable."

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they are dealing with the lack of the GM and Chrysler bankruptcy, one, making the American auto parts industry – which has historically been awful – and taking five distressed companies and integrating them. And on top of that, they had to deal with the unions."

According to Pearce, the moment when KPS knew it had a shot through operational value to generate a strong investment came after just the second five integration – long before HHI was operating as a single, successful business.

"Our management team demonstrated its ability to successfully turn around two troubled companies quickly and then integrate them," Pearce said. "That's when we had a template to go on and execute on the rest."

\$2m
2006 EBITDA
\$141m
2012 EBITDA

HIGHLY COMMENDED
Brookfield Asset Management
Longview (Risks and Packaging)
Carnegie Partners' Backwater
Hardware

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PRIVATE EQUITY INTERNATIONAL

OCTOBER 2013

Operational Excellence awards are given by a panel selected by Private Equity International based on criteria communicated by Private Equity International. Awards are given for various categories based on region and size. For 2018, criteria evaluated included returns, operational improvements undertaken, product development, supply chain improvement and management enhancement. KPS believes that prior years used similar criteria. The sponsor must have fully or partially realized its position

Performance Review

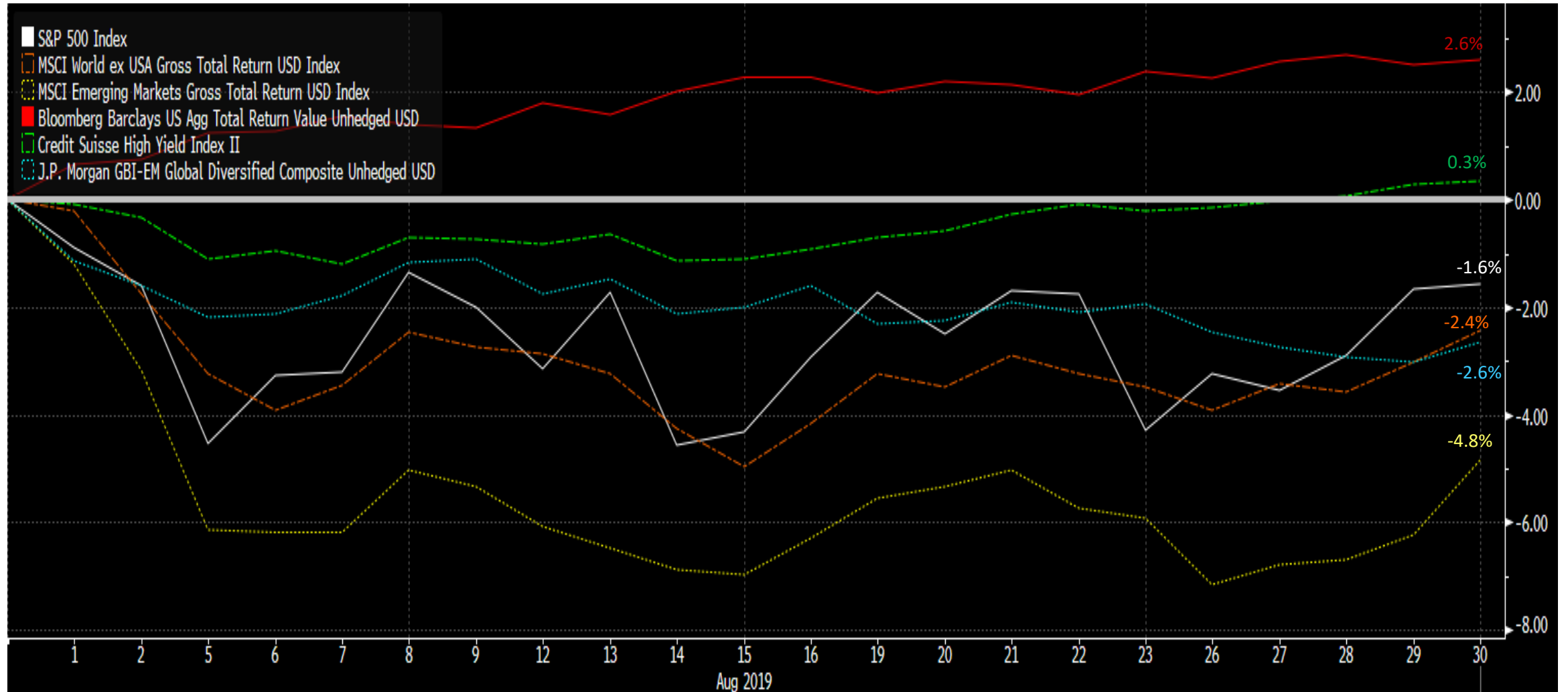
September 26, 2019

Final July Returns



	July 2019
LASERS U.S. Equity	1.4%
<i>S& 500 Index</i>	<i>1.4%</i>
LASERS Int'l Developed	-1.1%
<i>MSCI World Ex-USA Index</i>	<i>-1.2%</i>
LASERS Int'l Emerging	-1.5%
<i>MSCI Emg Mkts Index</i>	<i>-1.1%</i>
LASERS U.S. Fixed Income	0.5%
<i>Barclay's Agg Index</i>	<i>0.2%</i>
LASERS EMD	0.9%
<i>J.P. Morgan GBI-EM Index</i>	<i>0.9%</i>
LASERS GMS	0.7%
<i>50/50 Bar Global Agg/CS HY Index</i>	<i>0.1%</i>
LASERS Alternatives	0.5%
Total Plan	0.2%

August 2019 – Major Indices



August Returns



	August 2019
LASERS U.S. Equity	-3.4%
S& 500 Index	-1.6%
LASERS Int'l Developed	-2.5%
MSCI World Ex-USA Index	-2.4%
LASERS Int'l Emerging	-5.3%
MSCI Emg Mkts Index	-4.8%
LASERS U.S. Fixed Income	1.1%
Barclay's Agg Index	2.6%
LASERS EMD	-3.6%
J.P. Morgan GBI-EM Index	-2.6%
LASERS GMS	0.2%
50/50 Bar Global Agg/CS HY Index	1.2%
LASERS Alternatives	-0.3%
Total Plan	-2.0%

August Performance



Equities, both domestic and international, were negative for August

- The resurfacing of U.S./China trade tensions and global economic growth slowing were to blame
- Small caps and value were the weakest

Fixed Income markets were modestly positive, with the exception of EMD

- Domestic Fixed Income and Global Multi-Sector returned 1.1% and 0.2% respectively
- Emerging Market Debt was down -3.6%

Total Plan Returns



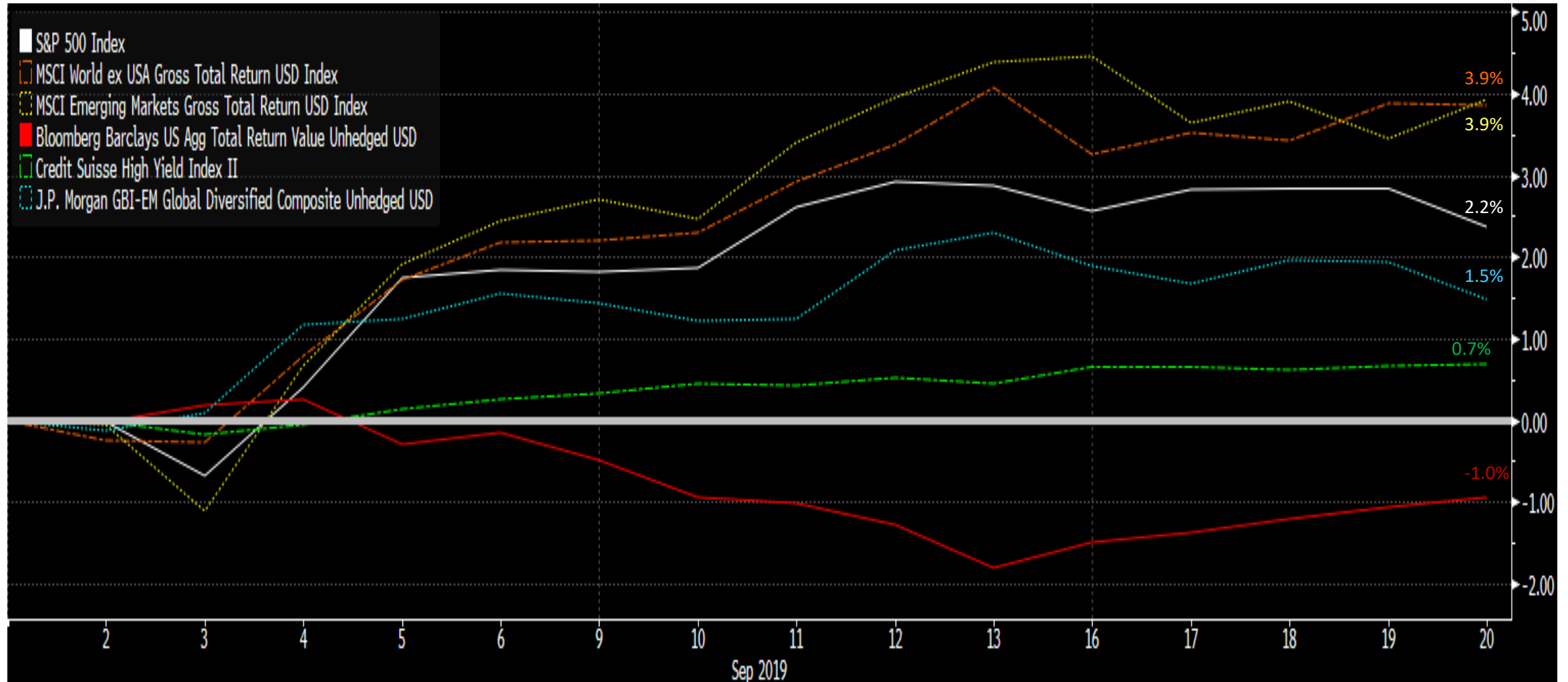
As of August 31, 2019

	LASERS Total Plan	S&P 500 Index
Fiscal-Year-to-Date	-1.8%	-0.2%
1 year	0.5%	2.9%
3 years*	7.8%	12.7%
5 years*	5.1%	10.1%
7 years*	7.7%	13.4%
9 years*	8.5%	14.4%
10 years*	8.7%	13.4%

*annualized

September 2019 MTD – Major Indices

(As of September 20)



September 2019 Update



September MTD Performance as of September 20th was approximately 2.3%

LASERS
SUMMARY OF MANAGER PERFORMANCE
RATES OF RETURN
TOTAL GROSS OF FEES
(For Period Ending August 31, 2019)

	Contract Exp. Date	Approx. Mgt. Fees	Curr. Mkt. Value (\$M)	Month	3 mos	YTD	Fiscal YTD	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years
U.S. EQUITY													
LARGE CAP VALUE													
AJO, LP	03/31/22	7.0 bps	\$ 228.4	-4.0	5.4	13.8	-2.5	-3.8	6.2	9.6	8.3	6.3	9.4
S&P 500 VALUE INDEX				-2.6	7.1	15.7	-0.9	2.1	7.5	9.1	10.1	7.3	9.7
S&P 500 INDEX				-1.6	6.9	18.3	-0.2	2.9	11.0	12.7	12.7	10.1	12.5
TOTAL LARGE VALUE		7.0 bps	\$ 228.4	-4.0	5.4	13.8	-2.5	-3.8	6.2	9.6	8.3	6.3	9.4
LARGE CAP INDEX FUNDS													
LASERS S&P 500 INDEX FUND		1.3 bps	\$ 1,198.7	-1.6	6.9	18.3	-0.2	2.9	10.9	12.7	12.6	10.1	12.5
S&P 500 INDEX				-1.6	6.9	18.3	-0.2	2.9	11.0	12.7	12.7	10.1	12.5
TOTAL DOMESTIC LARGE CAP		2.2 bps	\$ 1,427.1	-2.0	6.7	17.7	-0.5	1.6	10.1	12.2	11.9	9.4	11.9
MID CAP INDEX FUNDS													
LASERS S&P 400 INDEX FUND		1.3 bps	\$ 437.2	-4.2	4.4	14.4	-3.1	-6.4	6.0	8.1	9.2	7.3	9.8
S&P MIDCAP 400 INDEX				-4.2	4.4	14.4	-3.1	-6.4	6.0	8.1	9.1	7.2	9.7
TOTAL DOMESTIC MID CAP INDEX		1.3 bps	\$ 437.2	-4.2	4.4	14.4	-3.1	-6.4	6.0	8.1	9.2	7.3	9.8
SMALL CAP GROWTH													
RICE HALL JAMES	07/31/20	0.0bps	\$ 196.8	-5.2	3.3	13.2	-3.0	-14.4	6.4	5.9	4.5	5.2	7.0
S&P 600 GROWTH INDEX				-3.9	4.1	10.4	-2.8	-14.2	8.5	10.2	10.5	9.7	10.8
S&P SMALLCAP 600 INDEX				-4.5	3.8	9.8	-3.4	-15.1	6.1	8.4	9.6	8.0	9.7
TOTAL SMALL GROWTH		0.0bps	\$ 196.8	-5.2	3.3	13.2	-3.0	-14.4	6.4	5.9	4.5	5.2	7.0
SMALL CAP VALUE													
LSV	05/31/21	55.9 bps	\$ 186.2	-7.9	0.4	2.7	-7.6	-20.4	-2.2	2.1	5.0	4.2	7.9
S&P 600 VALUE INDEX				-5.1	3.4	9.3	-4.0	-15.8	3.8	6.5	8.7	6.2	8.6
S&P SMALLCAP 600 INDEX				-4.5	3.8	9.8	-3.4	-15.1	6.1	8.4	9.6	8.0	9.7
TOTAL SMALL VALUE		55.9 bps	\$ 186.2	-7.9	0.4	2.7	-7.6	-20.4	-2.2	2.1	4.6	3.4	6.4
SMALL CAP INDEX FUNDS													
LASERS S&P 600 INDEX FUND		1.3 bps	\$ 272.2	-4.5	3.8	9.9	-3.4	-15.0	6.2	8.4	9.6	8.0	9.7
S&P SMALLCAP 600 INDEX				-4.5	3.8	9.8	-3.4	-15.1	6.1	8.4	9.6	8.0	9.7
TOTAL DOMESTIC SMALL CAP		16.4 bps	\$ 655.2	-5.7	2.7	8.8	-4.5	-16.4	3.7	5.7	6.3	5.5	7.7
TOTAL U.S. EQUITY		5.8 bps	\$ 2,519.5	-3.4	5.2	14.7	-2.0	-5.0	7.6	9.7	9.9	8.0	10.4

LASERS
SUMMARY OF MANAGER PERFORMANCE
RATES OF RETURN
TOTAL GROSS OF FEES
(For Period Ending August 31, 2019)

	Contract Exp. Date	Approx. Mgt. Fees	Curr. Mkt. Value (\$M)	Month	3 mos	YTD	Fiscal YTD	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years
NON-U.S. EQUITY													
LARGE CAP VALUE													
MONDRIAN INVESTMENT PARTNERS	12/31/20	28.5 bps	\$ 214.2	-3.4	0.2	5.8	-5.6	-2.5	0.6	4.9	4.3	2.3	5.4
MSCI WORLD EX-USA VALUE INDEX				-3.9	-0.8	4.3	-5.9	-6.4	-2.4	4.7	3.1	-0.3	2.8
MSCI WORLD EX-USA INDEX				-2.4	2.2	11.0	-3.6	-2.4	1.3	6.5	5.1	2.2	4.6
TOTAL INT'L LARGE VALUE		28.5 bps	\$ 214.2	-3.4	0.2	5.8	-5.6	-2.5	0.6	4.9	4.3	2.3	5.4
LARGE CAP CORE													
LASERS MSCI WORLD EX-USA INDEX FUND		1.3 bps	\$ 1,425.0	-2.5	2.0	10.3	-3.7	-2.6	1.0	6.1	4.8	1.9	4.3
MSCI WORLD EX-USA INDEX				-2.4	2.2	11.0	-3.6	-2.4	1.3	6.5	5.1	2.2	4.6
TOTAL INT'L LARGE CORE		1.3 bps	\$ 1,425.0	-2.6	2.0	10.3	-3.7	-2.6	1.0	6.1	4.8	1.9	4.3
LASERS TERROR-FREE INT'L FUND		1.3 bps	\$ 28.2	-2.4	2.7	11.5	-3.0	-1.1	1.4	7.2	5.4	2.6	4.9
MSCI WORLD EX-USA INDEX				-2.4	2.2	11.0	-3.6	-2.4	1.3	6.5	5.1	2.2	4.6
TOTAL INT'L LARGE CAP		4.8 bps	\$ 1,667.5	-2.7	1.7	9.7	-4.0	-2.5	0.9	5.9	4.7	2.0	4.5
INT'L SMALL CAP													
MONDRIAN INVESTMENT PARTNERS	02/14/21	70.4 bps	\$ 229.8	-2.8	2.0	10.9	-3.6	-4.8	2.3	6.5	7.4	4.7	6.3
GOLDMAN SACHS	02/17/21	51.1 bps	\$ 338.8	-1.6	3.6	11.5	-1.7	-7.8	-0.3	7.1			
MSCI WORLD EX-USA SMALL CAP INDEX				-2.3	1.7	10.1	-2.7	-8.2	-0.7	6.0	6.2	3.7	6.2
TOTAL INT'L SMALL CAP		58.9 bps	\$ 568.7	-2.1	2.9	11.2	-2.5	-6.8	0.6	6.8	7.8	5.0	6.6
EMERGING MARKETS													
CITY OF LONDON	08/31/24	93.0 bps	\$ 391.7	-5.1	-0.3	6.2	-6.3	-0.6	-1.1	6.4	8.7	2.7	5.9
WESTWOOD GLOBAL EMERGING MKTS	OPEN	89.3 bps	\$ 269.9	-3.9	-0.5	-2.0	-4.9	-8.4	-3.5	5.9	7.3	0.9	4.3
LSV CUSTOM EMERGING MARKETS	08/22/23	50.0 bps	\$ 623.9	-6.1	-2.8	0.2	-7.8	-4.9	-4.1	4.8	6.4	-0.7	3.3
MSCI EMERGING MARKETS INDEX				-4.8	0.0	4.2	-5.9	-4.0	-2.2	6.2	7.6	0.8	3.8
TOTAL EMERGING MARKETS		71.3 bps	\$ 1,285.5	-5.3	-1.6	1.5	-6.7	-4.3	-3.1	5.5	7.3	0.6	4.2
TOTAL NON-U.S. EQUITY													
		37.8 bps	\$ 3,521.6	-3.6	0.7	6.8	-4.8	-3.8	-0.6	5.9	6.0	1.7	4.6
TOTAL EQUITY													
		24.5 bps	\$ 6,041.1	-3.5	2.5	10.0	-3.6	-4.4	2.8	7.5	7.7	4.6	7.3

LASERS
SUMMARY OF MANAGER PERFORMANCE
RATES OF RETURN
TOTAL GROSS OF FEES
(For Period Ending August 31, 2019)

	Contract Exp. Date	Approx. Mgt. Fees	Curr. Mkt. Value (\$M)	Month	3 mos	YTD	Fiscal YTD	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years
US FIXED INCOME													
INVESTMENT GRADE													
LOOMIS SAYLES & CO	12/31/24	17.4 bps	\$ 205.8	2.2	4.0	9.9	2.7	9.8	5.1	4.3	5.2	3.7	5.0
ORLEANS CAPITAL MGT	12/31/24	12.0 bps	\$ 148.4	1.8	3.9	9.4	2.2	9.7	4.3	3.2	4.3	3.2	3.7
BB BC US AGGREGATE BOND INDEX				2.6	4.1	9.1	2.8	10.2	4.4	3.1	3.8	3.3	3.7
TOTAL INVESTMENT GRADE		15.2 bps	\$ 354.2	2.0	4.0	9.6	2.5	9.6	4.7	3.8	4.8	3.4	4.4
HIGH YIELD													
JPMORGAN	06/30/22	27.0 bps	\$ 170.7	0.1	2.9	10.7	0.7	5.9	4.7	5.9	6.3	4.7	5.7
NOMURA	06/30/22	45.0 bps	\$ 166.5	0.2	2.6	9.7	0.7	3.4	4.6	6.4	7.5	5.2	6.6
CREDIT SUISSE HY INDEX				0.3	3.2	10.8	0.8	6.1	4.8	6.1	6.8	4.6	5.6
TOTAL HIGH YIELD		35.9 bps	\$ 337.2	0.1	2.8	10.2	0.7	4.7	4.7	6.2	6.9	5.0	6.1
TOTAL U.S. FIXED INCOME		25.3 bps	\$ 691.4	1.1	3.4	9.9	1.6	7.3	4.9	5.1	5.8	4.5	5.5
EMERGING MARKET DEBT (+)													
STONE HARBOR	10/02/22	52.5 bps	\$ 202.8	-3.0	3.4	7.2	-2.1	12.3	-1.3	2.7	4.9	-1.4	-0.1
GRAMERCY*	OPEN	85.0 bps	\$ 127.0	-4.4	-2.8	2.1	-3.7						
J.P. MORGAN GBI-EM GLOBAL DIVERSIFIED INDEX				-2.6	3.7	6.8	-1.7	11.9	0.3	3.4	5.3	-0.7	0.8
TOTAL EMERGING MARKET DEBT (+)		65.0 bps	\$ 329.9	-3.6	1.2	5.3	-2.7	10.5	-2.1	2.1	4.4	-1.8	-0.3
GLOBAL MULTI-SECTOR (+)													
DOUBLELINE	05/05/21	60.0 bps	\$ 249.7	0.3	1.6	7.2	0.6	6.6	5.2	6.2			
GOLDENTREE	05/01/21	75.0 bps	\$ 251.1	-0.4	1.5	8.9	0.3	5.6	6.3	8.0			
PIMCO*	OPEN	95.0 bps	\$ 184.2	0.9	6.0	9.3	2.0						
BLACKSTONE*	OPEN	78.1 bps	\$ 119.2	0.7	2.5	3.0	1.4						
ZAIS GROUP*	OPEN	62.5 bps	\$ 68.1	-0.2	0.8	n/a	0.3						
50/50 BB BARCLAYS GLOBAL AGG/CS HY INDEX				1.2	3.6	9.1	1.3	7.0	4.0	4.2			
TOTAL GLOBAL MULTI-SECTOR (+)		63.7 bps	\$ 872.4	0.2	2.5	8.2	0.9	6.4	5.9	7.0			
TOTAL FIXED INCOME (+)		49.9 bps	\$ 1,893.6	-0.1	2.6	8.4	0.5	7.1	4.1	5.1	5.8	3.8	4.8

LASERS
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RATES OF RETURN
TOTAL GROSS OF FEES
(For Period Ending August 31, 2019)

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ALTERNATIVE ASSETS*													
PRIVATE MARKETS* (for breakout see pages 5-6)													
TOTAL PRIVATE MARKETS*		88.0 bps	\$ 1,755.0	0.3	3.1	5.7	0.4	12.2	15.7	15.4	12.6	12.1	13.2
ABSOLUTE RETURN STRATEGIES*													
BRIDGEWATER PURE ALPHA		200.0 bps	\$ 137.5	-6.1	-1.8	-5.8	-3.0	2.5	3.2	4.9	2.0	1.7	2.6
PRISMA CAPITAL PARTNERS		65.0 bps	\$ 267.6	0.5	1.8	6.8	1.0	1.4	3.2	3.9	2.0	1.9	2.9
ENTRUST CAPITAL PARTNERS		109.1 bps	\$ 267.4	-3.0	-3.3	-1.8	-3.6	-8.6	-3.1	-0.9	1.2	0.7	4.8
HFRI FUND OF FUNDS COMPOSITE INDEX				-0.6	1.3	6.4	-0.3	2.5	3.5	4.3	2.7	2.5	3.3
ABSOLUTE RETURN STRATEGIES*~		109.1 bps	\$ 679.0	-2.4	-2.2	-0.5	-1.8	-2.1	1.1	2.4	1.2	0.9	2.3
~includes assets being liquidated: PAAMCO \$4.3m; Stark \$2.3m													
RISK PARITY*													
BRIDGEWATER CUSTOM		63.2 bps	\$ 435.4	-0.5	4.8	10.2	1.1	7.3					
AQR CAPITAL MANAGEMENT		110.0 bps	\$ 412.4	1.2	8.5	20.1	2.0	9.0					
LASERS 8% NOMINAL BENCHMARK				0.6	1.9	5.3	1.3	8.0	8.0	8.0	8.0	8.0	8.0
TOTAL RISK PARITY*		85.9 bps	\$ 847.8	0.3	6.6	14.8	1.5	8.1	5.0	5.6	6.2	3.3	5.2
TOTAL ALTERNATIVE ASSETS*		91.8 bps	\$ 3,281.8	-0.3	2.8	6.5	0.3	7.8	9.2	9.5	7.7	6.4	7.6
CASH EQUIVALENTS													
HOLDING ACCOUNT			\$ 28.7										
EB TEMPORARY INVESTMENT FUND		9.0 bps		0.19	0.62	1.71	0.41	2.53	2.14	1.75	1.42	1.18	1.01
90 DAY T-BILL INDEX				0.19	0.59	1.61	0.39	2.36	1.92	1.47	1.15	0.92	0.77
TOTAL PLAN													
FINANCIAL COMPOSITE		30.4 bps	\$ 7,963.5	-2.7	2.6	9.7	-2.6	-2.2	3.2	7.2	7.4	4.6	6.9
FINANCIAL ALLOCATION INDEX				-2.3	3.2	10.9	-2.2	-1.7	3.7	7.6	7.9	4.9	7.0
FINANCIAL POLICY INDEX				-2.3	3.3	10.9	-2.3	-1.3	3.9	7.7	8.0	4.9	7.1
TOTAL PLAN		48.4 bps	\$ 11,245.3	-2.0	2.6	8.8	-1.8	0.5	4.8	7.8	7.5	5.1	7.1
TOTAL PLAN ALLOCATION INDEX				-1.5	3.0	9.4	-1.5	1.2	5.5	8.4	8.0	5.6	7.3
TOTAL PLAN POLICY INDEX				-1.6	3.0	9.5	-1.5	1.7	5.9	8.6	8.3	5.8	7.5
Cells highlighted in green represent performance above the benchmark. Cells highlighted in yellow represent manager performance below the benchmark. Cells highlighted in red represent asset class performance below the benchmark. Royal blue lines represent specific benchmarks. Light blue lines represent broad benchmarks. *Net of fee information is reported. (+) Composite is mixed, containing both gross-of-fee and net-of-fee portfolios.										LONG TERM RETURNS FOR TOTAL PLAN			
										7 Years	8 Years	9 Years	10 Years
										7.7	7.7	8.5	8.7

LASERS
SUMMARY OF MANAGER PERFORMANCE
RATES OF RETURN
TOTAL NET OF FEES
(For Period Ending August 31, 2019)

	Vintage Year	Contract Exp. Date	Commit. Amount	Approx. Mgt. Fees	Curr. Mkt. Value (\$M)	Month	3 mos	YTD	Fiscal YTD	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years
PRIVATE MARKETS BREAKOUT															
ADAMS STREET 2005 NON-US	2005	12/31/20	\$ 15.0	18.6 bps	\$ 3.3	0.0	3.3	-1.0	0.0	-2.1	5.2	7.8	6.1	3.5	5.3
ADAMS STREET PARTNERSHIP 2002 US	2002	12/31/19	\$ 15.0	0.0 bps	\$ 1.5	0.0	4.4	-2.7	0.0	3.3	6.2	9.4	6.9	6.8	9.1
ADAMS STREET PARTNERSHIP 2005 US	2005	12/31/20	\$ 35.0	18.6 bps	\$ 7.6	0.0	8.5	1.8	0.0	9.5	9.8	10.9	8.3	8.9	10.7
ADAMS STREET 2007 US FUND	2007	12/31/19	\$ 27.5	30.0 bps	\$ 13.7	0.0	12.7	12.7	0.0	16.2	16.1	16.9	14.2	15.0	16.4
ADAMS STREET 2007 NON-US	2007	12/31/19	\$ 17.5	30.0 bps	\$ 8.1	0.0	8.5	1.6	0.0	12.9	13.4	13.9	12.4	10.8	12.3
ADAMS STREET 2007 DIRECT	2007	12/31/19	\$ 5.0	60.0 bps	\$ 3.2	0.0	26.0	5.8	0.0	37.3	34.1	28.5	21.4	25.4	27.8
ADAMS STREET 2009 US FUND	2009	12/31/20	\$ 25.0	50.0 bps	\$ 20.7	0.0	8.4	10.7	0.0	16.8	17.0	16.4	13.6	14.4	15.0
ADAMS STREET 2009 NON-US DEV	2009	12/31/20	\$ 15.0	50.0 bps	\$ 9.7	0.0	6.5	8.5	0.0	20.3	19.9	20.6	18.3	14.5	14.3
ADAMS STREET 2009 NON-US EMG	2009	12/31/20	\$ 5.0	50.0 bps	\$ 5.8	0.0	7.1	7.2	0.0	6.5	12.3	12.0	11.4	13.2	12.6
ADAMS STREET 2009 DIRECT	2009	12/31/20	\$ 5.0	100.0 bps	\$ 3.0	0.0	3.4	-8.1	0.0	7.8	15.7	12.9	10.6	9.9	14.1
AEA INVESTORS FUND VI	2015	05/31/25	\$ 50.0	175.0 bps	\$ 46.9	0.0	2.8	12.0	0.0	11.6	10.0	5.7			
ALTAS PARTNERS HOLDING II	2019	06/30/29	\$ 100.0	100.0 bps	\$ 2.0	-25.9									
BARING PE ASIA FUND VII	2018	08/08/28	\$ 100.0	175.0 bps	\$ 18.6	0.0	-21.0	n/a	0.0						
BCP ENERGY SERVICES FUND A	2015	09/23/25	\$ 50.0	200.0 bps	\$ 48.3	7.4	7.4	8.0	7.4	5.9	22.6	22.9			
BCP FUND II A	2017	12/31/27	\$ 75.0	200.0 bps	\$ 3.4	-2.4	-9.8	n/a	-2.4						
BRINSON (ϕ)	'97-'03	termed out	\$ 202.8	0.0 bps	\$ 3.3	-3.1	0.2	-5.9	-3.1	2.4	3.6	3.8	2.8	0.3	2.3
BROOKFIELD CAPITAL IV	2015	05/31/25	\$ 50.0	175.0 bps	\$ 44.2	0.0	-0.5	29.8	0.0	32.2	92.3	64.9			
ADAMS STREET V	2003	08/08/19	\$ 15.0	0.0 bps	\$ 4.6	6.6	8.2	12.3	6.6	11.6	9.8	2.5	2.1	3.2	9.4
APOLLO INV FUND VII	2008	12/17/19	\$ 60.0	0.0 bps	\$ 9.8	0.0	-6.9	-17.7	0.0	-20.9	-7.6	-4.2	-5.8	-3.8	4.2
APOLLO INV FUND VIII	2013	06/30/23	\$ 70.0	150.0 bps	\$ 62.5	0.0	3.4	-2.3	0.0	0.1	8.7	11.8	12.7	13.1	
APOLLO EUROPEAN FUND II	2011	12/31/19	\$ 100.0	175.0 bps	\$ 26.1	0.0	-2.5	-2.9	-0.1	-7.8	1.1	5.2	7.8	8.0	9.7
APOLLO INV FUND IX	2017	06/01/27	\$ 85.0	130.0 bps	\$ 6.5	0.0	-4.0	n/a	0.0						
ARCLIGHT ENERGY FUND VI	2015	07/28/25	\$ 75.0	150.0 bps	\$ 70.6	0.0	-1.8	-0.2	-1.5	10.2	15.6	13.9	11.7		
CCMP CAPITAL III	2013	12/31/23	\$ 60.0	150.0 bps	\$ 51.7	2.4	2.7	-1.2	2.4	3.2	5.9	8.3	11.4	11.5	
CERBERUS VI	2016	08/31/26	\$ 125.0	150.0 bps	\$ 104.8	0.0	-0.3	3.4	0.0	6.7	-3.8				
COLLER INTERNATIONAL PTNRS VI	2012	06/15/22	\$ 100.0	81.0 bps	\$ 32.8	0.1	1.7	8.7	0.1	19.0	20.1	20.2	16.2	15.5	17.5
COLLER INTERNATIONAL PTNRS VII	2015	12/31/25	\$ 75.0	150.0 bps	\$ 61.6	-1.2	5.8	3.6	-1.2	10.0	18.4	43.9			
DOUBLELINE MORTGAGE OPP FUND	2018	10/31/20	\$ 125.0	100.0 bps	\$ 99.1	0.0	2.7	10.6	0.0						
DRUG ROYALTY FUND III	2013	06/30/23	\$ 50.0	150.0 bps	\$ 5.7	-0.5	4.9	22.7	-0.5	27.2	44.6	32.3	27.5	23.6	
EIG ENERGY FUND XIV	2007	11/07/19	\$ 50.0	0.0 bps	\$ 5.0	-0.3	-6.5	-24.5	-0.3	-23.7	-5.1	2.0	-22.7	-22.9	-20.2
EIG ENERGY FUND XV	2010	06/06/20	\$ 40.0	125.0 bps	\$ 17.8	0.9	-1.3	-4.5	0.9	0.0	-0.4	4.9	1.2	-0.3	0.5
EIG ENERGY FUND XVI	2013	05/13/23	\$ 70.0	125.0 bps	\$ 50.0	0.8	2.5	0.7	0.8	0.0	8.6	19.1	14.3	-3.4	-6.8
ENERGY SPECTRUM FUND V	2007	04/01/20	\$ 30.0	0.0 bps	\$ 0.0	0.0	-0.5	-69.6	-0.3	-74.8	-56.8	-37.2	-42.8	-43.7	30.8
ENERGY SPECTRUM FUND VI	2010	12/31/20	\$ 40.0	175.0 bps	\$ 10.3	0.0	5.4	10.4	6.0	85.0	52.0	52.3	33.9	28.7	25.7
GTCR FUND XI	2014	05/21/23	\$ 50.0	135.0 bps	\$ 47.1	0.0	13.3	29.1	0.9	40.3	36.9	34.7	27.0	23.0	
GTCR FUND XII	2017	09/14/27	\$ 60.0	150.0 bps	\$ 11.6	0.0	10.8	5.8	-0.5	-14.7					
LOUISIANA GROWTH FUND	2004	11/13/19	\$ 50.0	50.0 bps	\$ 0.1	0.0	0.0	20.6	0.0	15.3	29.5	-6.9	-5.8	-0.8	0.1
LOUISIANA GROWTH FUND II	2007	06/26/20	\$ 73.5	12.5 bps	\$ 5.1	0.0	0.0	-0.3	0.0	12.8	42.3	36.9	26.0	22.5	26.4
GAMUT FUND I	2016	07/28/26	\$ 50.0	200.0 bps	\$ 19.4	12.2	13.9	23.4	12.1	26.5	11.9				
GOLDMAN SACHS PEP IX	2007	12/31/19	\$ 100.0	10.7 bps	\$ 24.6	0.0	3.1	-1.3	0.0	7.3	12.5	15.6	11.8	13.6	14.6
GOLDENTREE DISTRESSED FUND III	2018	01/31/23	\$ 75.0	125.0 bps	\$ 6.9	0.0	0.4	5.1	0.0						
JOHN HANCOCK*	multiple	OPEN	\$ 55.5	0.0 bps	\$ 0.4	-0.3	-0.5	52.5	-0.3	51.9	-2.1	-3.2	-0.1	2.3	2.6
HIPEP PARTNERSHIP III	1997	12/31/19	\$ 60.0	0.0 bps	\$ 0.1	-1.8	-1.8	-2.0	-1.8	-6.7	-6.4	-2.3	-2.0	-3.1	1.1

LASERS
SUMMARY OF MANAGER PERFORMANCE
RATES OF RETURN
TOTAL NET OF FEES
(For Period Ending August 31, 2019)

	Vintage Year	Contract Exp. Date	Commit. Amount	Approx. Mgt. Fees	Curr. Mkt. Value (\$M)	Month	3 mos	YTD	Fiscal YTD	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years
HARBOURVEST VI - DIRECT	1999	termed out	\$ 25.0	0.0 bps	\$ 1.9	6.5	19.9	30.7	6.5	36.2	5.3	-2.9	-7.8	-3.3	-1.6
HARBOURVEST VI - PTNR	1999	termed out	\$ 150.0	0.0 bps	\$ 1.2	0.2	0.2	-4.9	0.2	-0.7	-0.6	3.9	1.1	1.5	3.1
HIPEP DIRECT IV	2000	12/31/19	\$ 10.0	0.0 bps	\$ 0.3	-19.8	-9.4	-11.1	-19.8	-26.7	-3.1	14.6	9.6	4.0	12.5
HUFF ALTERNATIVE FUND	2001	10/15/19	\$ 32.5	0.0 bps	\$ 10.5	2.6	2.6	2.6	2.6	0.1	-0.2	6.1	3.7	4.0	3.5
INSIGHT VENTURE PARTNERS X	2017	07/14/27	\$ 50.0	175.0 bps	\$ 38.9	0.0	2.7	10.6	1.9	15.5					
KKR ASIAN FUND III	2017	05/31/28	\$ 50.0	125.0 bps	\$ 23.6	0.0	23.6	37.5	0.0	70.6					
MARATHON EUROPEAN CREDIT OPP	2012	12/31/19	\$ 100.0	0.0 bps	\$ 7.8	2.5	5.5	12.2	2.5	19.6	21.6	16.8	14.1	12.1	11.7
MESIROW III	2005	04/06/20	\$ 23.0	40.0 bps	\$ 4.5	0.0	4.4	-2.7	0.0	-1.4	4.5	3.0	2.7	5.6	8.9
MESIROW IV	2006	11/21/19	\$ 60.0	37.2 bps	\$ 26.7	0.0	4.1	5.2	0.0	13.0	11.8	13.6	11.8	12.6	14.5
MESIROW V	2008	11/05/20	\$ 60.0	45.9 bps	\$ 47.2	0.0	4.6	8.0	0.0	17.5	17.4	19.2	17.4	17.2	18.4
NEWSTONE MEZZANINE II	2010	03/05/20	\$ 40.0	100.0 bps	\$ 5.5	-2.1	1.0	15.6	-2.1	16.4	16.5	13.2	11.6	15.2	14.0
OHA STRATEGIC CREDIT FUND II	2017	07/14/27	\$ 50.0	175.0 bps	\$ 13.9	-0.8	3.3	10.2	-0.8	12.5					
OAKTREE EUROPEAN FUND III	2011	03/31/22	\$ 45.1	175.0 bps	\$ 29.8	-1.1	-1.8	-4.7	-3.3	2.6	4.7	10.7	9.2	8.7	9.3
PANTHEON EUROPE VI	2008	12/19/20	\$ 44.9	60.8 bps	\$ 15.1	-1.1	5.1	3.8	-3.3	21.5	14.8	18.2	16.2	13.9	13.9
PANTHEON VI	2004	07/12/20	\$ 50.0	38.4 bps	\$ 10.0	0.0	4.8	0.2	0.0	5.8	6.9	7.7	4.9	5.4	7.3
PANTHEON VII	2006	04/28/20	\$ 50.0	54.7 bps	\$ 18.4	0.0	4.9	-1.2	0.0	7.2	10.6	11.8	9.9	11.3	12.9
STEPSTONE FUND II	2006	05/12/20	\$ 50.0	37.5 bps	\$ 1.0	-0.4	-16.1	-19.7	-0.4	2.3	12.3	13.4	11.4	13.4	16.2
STEPSTONE EUROPE FUND II	2010	12/15/22	\$ 25.9	50.0 bps	\$ 16.4	-1.4	3.7	0.8	-3.6	1.4	5.0	8.7	8.1	7.0	8.2
PRIVATE ADVISORS IV	2011	12/15/26	\$ 35.0	60.8 bps	\$ 18.7	0.0	3.8	3.1	0.0	20.4	22.6	21.5	17.3	16.6	16.4
PRIVATE ADVISORS V	2012	06/30/25	\$ 40.0	81.0 bps	\$ 33.4	0.0	8.9	8.4	0.0	24.1	20.9	18.0	17.3	15.6	11.8
PRIVATE ADVISORS VI	2014	06/30/26	\$ 40.0	90.0 bps	\$ 27.3	0.0	7.3	7.0	0.0	13.8	15.8	12.5	7.7	4.2	
Q-BLK II	2005	12/04/19	\$ 50.0	45.9 bps	\$ 11.3	0.0	-1.0	10.0	0.0	11.0	13.3	9.9	6.4	8.0	9.9
Q-BLK III	2007	12/29/19	\$ 60.0	0.0 bps	\$ 23.1	-1.0	0.5	10.8	-1.0	14.8	16.0	12.5	10.6	11.1	13.0
SIGULER GUFF DOF III	2008	12/31/19	\$ 200.0	16.0 bps	\$ 30.6	0.0	1.7	-0.7	0.0	2.6	6.7	8.8	6.5	6.8	8.1
SIGULER GUFF FUND IV	2011	09/03/23	\$ 40.0	45.4 bps	\$ 15.5	0.0	1.1	2.6	0.0	3.4	5.5	7.2	7.5	7.8	9.0
SIGULER GUFF PELICAN GEM	2016	10/10/28	\$ 100.0	75.0 bps	\$ 62.0	0.0	3.9	6.2	0.0	9.1	12.7				
STERLING PARTNERS	2011	09/30/23	\$ 35.0	200.0 bps	\$ 16.6	0.0	-5.3	-15.6	0.0	-24.1	-11.3	-13.2	-8.0	-5.6	-5.2
VISTA EQUITY PARTNERS IV	2011	03/31/22	\$ 35.0	150.0 bps	\$ 24.8	0.0	-2.8	-2.5	0.0	9.5	9.0	10.6	14.9	19.2	18.8
VISTA EQUITY PARTNERS V	2014	10/15/24	\$ 75.0	150.0 bps	\$ 97.4	0.0	12.7	17.3	0.0	35.4	44.4	34.0	28.5	23.5	
VISTA EQUITY PARTNERS VI	2015	03/11/26	\$ 100.0	150.0 bps	\$ 119.8	0.0	2.6	13.9	2.6	37.2	25.7	17.3			
VISTA EQUITY PARTNERS VII	2018	02/28/28	\$ 125.0	150.0 bps	\$ 18.1	0.3	-4.3	n/a	-0.2						
WARBURG PINCUS	2018	02/28/29	\$ 100.0	140.0 bps	\$ 4.9	13.3	-43.0	n/a	7.3						
WILLIAMS CAPITAL	2004	termed out	\$ 30.0	0.0 bps	\$ 1.3	0.0	0.0	-0.2	0.0	133.1	69.5	17.5	-6.9	-4.9	-2.5
TOTAL PRIVATE MARKETS*			\$ 4,518.2	88.0 bps	\$ 1,755.0	0.3	3.1	5.7	0.4	12.2	15.7	15.4	12.6	12.1	13.2
(¶) Brinson consists of five limited partnerships Private Markets fees are based on commitment amounts rather than market value.															

LASERS FLASH REPORT

The return numbers are expressed as percentages and are listed in columns 5-14

The far left hand column lists the asset class headings, investment managers, benchmarks and composites

The contract expiration date is listed in the second column

The % return for the month

Year to Date (YTD) is the % return since Jan. 1

The 1-6 year columns represent the % return per year for each number of years

	Contract Exp. Date	Mgt. Fees	MKT VAL \$ (Million)	Month	3 mos	YTD	Fiscal YTD	1 Year	2 Years
U.S. EQUITY									
LARGE CAP GROWTH									
GOLDMAN SACHS	01/31/08	44.0 bps	\$ 130.4	-0.5	6.4	10.7	11.5	10.7	7.7
CHICAGO EQUITY PARTNERS	01/31/08	30.0 bps	\$ 136.8	-0.1	5.3	15.0	11.3	15.0	10.4
S&P 500 / CITIGROUP GROWTH				0.4	5.6	11.0	12.1	11.0	6.0
S&P 500				1.4	6.7	15.8	12.7	15.8	10.2
TOTAL LARGE GROWTH		36.8 bps	\$ 267.2	-0.2	5.9	12.9	11.5	12.9	9.0

The broader benchmarks are in light blue and style specific ones in royal blue

The management fees charged are listed third (bps stands for basis points)
"36.8 bps" equals .368%

The market value column tells us the size of each account in millions. For example, \$267.2 equals \$267,200,000

Fiscal YTD is the % return since July 1

Green = manager outperformed style benchmark

Yellow = manager underperformed style benchmark

Red = composite underperformed style benchmark

LASERS FLASH REPORT

WHAT IS IT?

- A snapshot look at the composition and investment returns of LASERS Trust Fund
- Summary of investment manager performance

WHAT INFORMATION DOES IT PROVIDE?

- Asset classes and the investment managers we use to invest the money
- Fees charged by the investment managers who invest our money
- Amount of money we have allocated to each manager
- Investment returns of each investment

HOW CAN I USE THE INFORMATION?

- To evaluate investment manager returns against a set benchmark ⁽¹⁾ return
- To evaluate the return of each asset or asset class
- Analyze LASERS investments gains/losses over time

HOW DO I READ THE REPORT?

Left Side (Asset Classes)

Broken down by each investment manager

Blue lines are benchmarks used to evaluate asset class

Top (contract data & returns):

Management fees in basis points ⁽²⁾

Market value

Returns -

Month	% return that month
3 months	% return from the past 3 months
YTD	Year to date return (since January 1)
Fiscal YTD	Fiscal year to date return (since July 1)
1 year, 2 years, etc.	% return for the specified time period

Colors **Green** – performance of asset was above benchmark (think *money*)

Yellow – manager performed below benchmark

Red – asset class as a whole performed below benchmark

Total Plan (last page of Flash Report)

Financial composite – portfolio excluding alternative investments asset class

Total plan – includes alternative investments

Policy index – return of portfolio based on allocation set forth in investment policy

Allocation index – return of portfolio based the actual allocation LASERS maintained
(Investment policy provides a model for allocation; however, small deviations from this model may occur to take advantage of certain market conditions.)

DEFINITIONS:

1. **Benchmark** – an index whose returns can be used to measure investment performance
2. **Basis Point (bps)** – 0.01%, 100 basis points equals 1%, investment managers charge fees as a percentage of the money invested, fees are usually defined in basis points



LOUISIANA STATE EMPLOYEES'
RETIREMENT SYSTEM

Investment Division

As of August 31, 2019

ASSET ALLOCATION

Asset Class	Target Weight	Actual Weight	Over/(Under) Weight
U.S. Equity	23%	22.4%	-0.6%
Non-U.S. Equity	32%	31.3%	-0.7%
U.S. Fixed Income	6%	6.1%	0.1%
Emerging Market Debt	3%	2.9%	-0.1%
Global Multi-Sector	7%	7.8%	0.8%
Private Markets	15%	15.6%	0.6%
Absoulte Return	7%	6.0%	-1.0%
Risk Parity	7%	7.5%	0.5%
Cash	0%	0.4%	0.4%

*Target weights listed above were approved March 2018.