

# Braintree Contributory Retirement System

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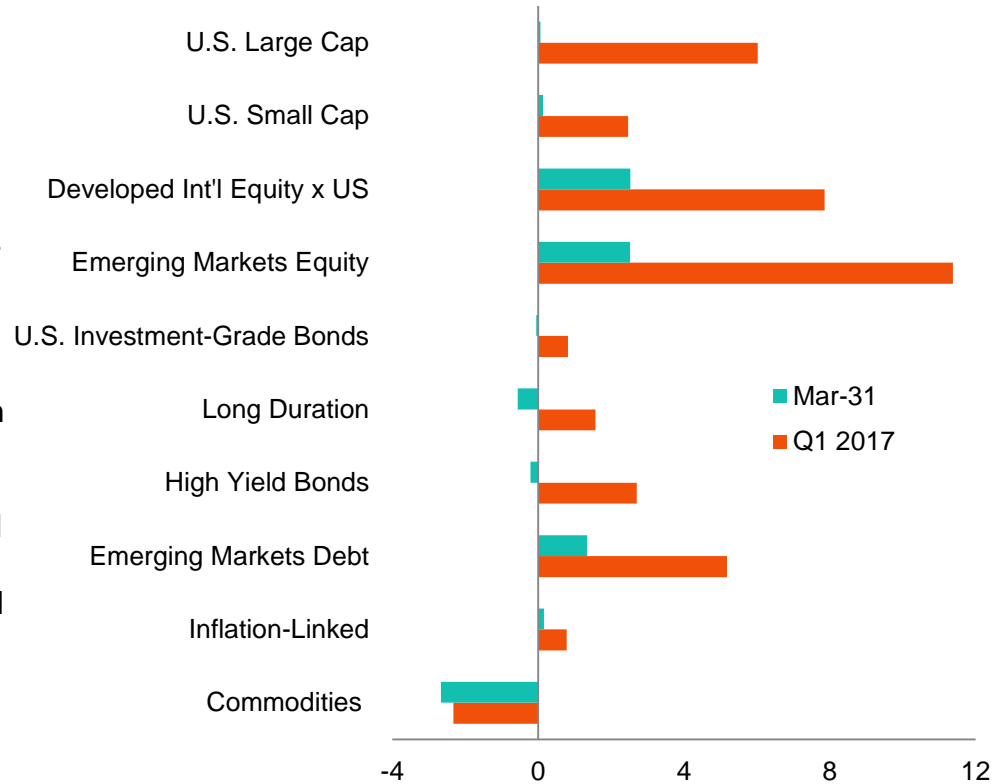
As of:  
3/31/2017

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# Market and performance overview

- Anticipation gave way early in the first quarter with January's U.S. presidential inauguration, which was followed by a turbulent acclimation period as the new administration wrestled with the constraints of governing in the face of heavy opposition (from both outside and within President Trump's party), critical media and unrelenting controversy.
- Equity markets advanced globally for much of the quarter, then encountered some resistance in March as Trump's agenda was set back by healthcare reform, leaving investors to wonder whether business-friendly tax and regulatory reforms would be delayed or meet a similar fate.
- Bond yields generally finished the quarter a bit lower (yields and prices have an inverse relationship), hitting a period high in mid-March before staging a steep retreat.
- The U.S. Federal Reserve (Fed) delivered a widely expected quarter-point interest-rate increase following its mid-March meeting, but maintained its target projection of two additional rate hikes for the remainder of 2017.
- There's no denying that the "Trump reflation" trade began to fade toward the end of the first quarter as healthcare reform efforts ran up against internal divisions between Congressional Republicans, complicating the coming debate over tax reform. We expect the U.S. economy will continue to expand, although a step-up in growth will hinge on how successfully the Trump Administration pushes through pro-cyclical legislation and rule changes.

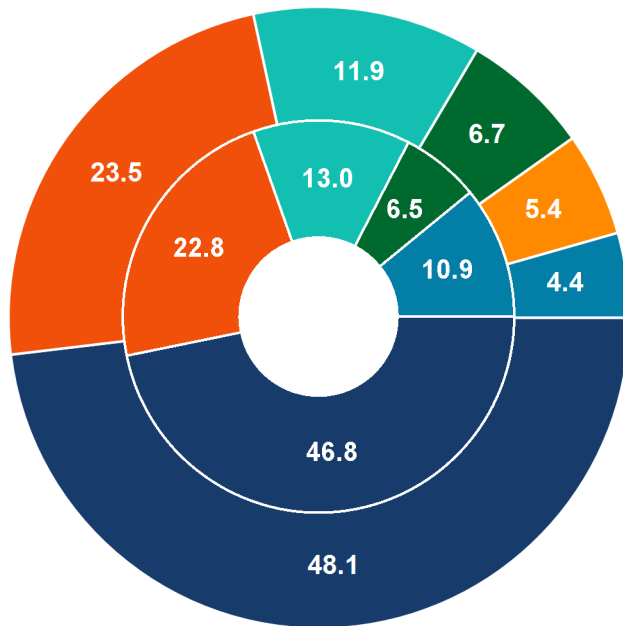
## Financial Markets Review (%)



U.S. Large Cap = Russell 1000, U.S. Small Cap = Russell 2000, Developed International Equity x U.S. = MSCI ACWI ex-US, Emerging Markets Equity = MSCI EFM (Emerging+Frontier Markets), U.S. Investment Grade Bonds = Bloomberg Barclays U.S. Aggregate, High Yield = BofA ML Master II HY Constrained, Emerging Markets Debt = 50% JPM EMBI GD / 50% GBI- EM GD Index, Long Duration = Bloomberg Barclays Long US Govt/Credit, Inflation Linked = Barclays 1-5 Year TIPS, Commodities = Bloomberg Commodity. Source: SEI. Past performance is no guarantee of future results.

## Asset summary

**Asset Allocation (%)**  
Actual (Outer Ring) vs. Target (Inner Ring)



■ Total Equity    ■ Alternatives    ■ Cash and Equivalents  
■ Total Fixed    ■ Other    ■ Real Estate/Property

**Summary for periods ending 3/31/2017**

	One Month	Three Month	Year To Date
Portfolio Value	\$181,445,513.53	\$174,754,245.98	\$174,754,245.98
Net Cash Flows	\$0.00	\$7,029,416.10	\$7,029,416.10
Realized Gains	\$13,271.26	\$469,388.04	\$469,388.04
Unrealized Gains	\$1,053,338.08	\$7,180,486.29	\$7,180,486.29
Interest	\$0.00	\$0.00	\$0.00
Dividends	\$73,707.68	\$252,294.13	\$252,294.13
Ending Portfolio Value	\$182,585,830.55	\$182,585,830.55	\$182,585,830.55

## Investment returns

Returns for periods ending 3/31/2017

	Total Assets (\$)	Actual Alloc (%)	Cumulative (%)			Annualized (%)				Inception
			1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	10/31/2016
<b>Total Portfolio Return</b>	182,585,831	100	0.64	4.48	4.48	-	-	-	-	7.02
<b>Total Portfolio Index</b>			0.53	4.01	4.01	-	-	-	-	6.37
<b>Total Equity</b>	87,946,021	48.1	1.09	6.89	6.89	-	-	-	-	11.40
<b>US Equity</b>	52,484,172	28.7	0.09	5.54	5.54	-	-	-	-	13.42
SEI S&P 500 Index Fund <i>S&amp;P 500 Index</i>	36,489,242	19.9	0.15 <i>0.12</i>	6.07 <i>6.07</i>	6.07 <i>6.07</i>	-	-	-	-	12.85 <i>12.17</i>
SEI Extended Market Index Fund <i>Russell Small Cap Completeness Index</i>	15,994,931	8.8	-0.07 <i>-0.08</i>	4.37 <i>4.39</i>	4.37 <i>4.39</i>	-	-	-	-	14.72 <i>14.80</i>
<b>World Equity x-US</b>	35,461,848	19.4	2.61	8.98	8.98	-	-	-	-	8.07
SEI World Equity Ex-US Fund <i>MSCI All Country World ex US Index</i>	29,193,102	16.0	2.59 <i>2.54</i>	8.76 <i>7.86</i>	8.76 <i>7.86</i>	-	-	-	-	8.45 <i>8.06</i>
SEI Emerging Markets Equity Fund <i>MSCI Emerging + Frontier Mkts Index (Net)</i>	6,268,746	3.4	2.68 <i>2.52</i>	10.21 <i>11.38</i>	10.21 <i>11.38</i>	-	-	-	-	6.03 <i>6.63</i>
<b>Total Fixed Income</b>	42,890,107	23.5	0.22	1.68	1.68	-	-	-	-	0.90
SEI Core Fixed Income Fund <i>Bloomberg Barclays US Agg Bond Index</i>	16,283,923	8.9	-0.06 <i>-0.05</i>	0.97 <i>0.82</i>	0.97 <i>0.82</i>	-	-	-	-	-1.03 <i>-1.43</i>
SEI Opportunistic Income Fund <i>BofA ML 3 Month Cons Maturity LIBOR Index</i>	14,266,599	7.8	0.14 <i>0.08</i>	0.88 <i>0.23</i>	0.88 <i>0.23</i>	-	-	-	-	1.59 <i>0.36</i>
SEI High Yield Bond Fund <i>Hist Blind: SEI High Yield Bond Index</i>	6,133,627	3.4	-0.23 <i>-0.21</i>	2.85 <i>2.71</i>	2.85 <i>2.71</i>	-	-	-	-	4.85 <i>4.31</i>
SEI Emerging Markets Debt Fund <i>Hist Blind: SEI Emerg Mkt Debt Index</i>	6,205,959	3.4	1.58 <i>1.34</i>	6.25 <i>5.18</i>	6.25 <i>5.18</i>	-	-	-	-	1.41 <i>0.92</i>
<b>Alternatives</b>	21,665,149	11.9	0.06	2.54	2.54	-	-	-	-	4.55
PRIM Hedge Funds <i>HFR1 Fund of Funds Composite Index</i>	8,690,448	4.8	0.00 <i>0.07</i>	1.07 <i>2.03</i>	1.07 <i>2.03</i>	-	-	-	-	3.59 <i>3.20</i>
SEI Energy Debt CIT March 2017	7,100,000	3.9	-	-	-	-	-	-	-	0.00
SEI Structured Credit Collective Fund	5,055,251	2.8	0.24	5.32	5.32	-	-	-	-	5.32
Lexington Capital Partners VII, L.P.	819,450	0.4	0.00	2.10	2.10	-	-	-	-	2.10

# Investment returns

Returns for periods ending 3/31/2017

	Total Assets (\$)	Actual Alloc (%)	Cumulative (%)			Annualized (%)				Inception
			1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	10/31/2016
<b>Other</b>	12,284,552	6.7	0.73	5.96	5.96	-	-	-	-	13.40
SEI Dynamic Asset Allocation Fund	12,284,552	6.7	0.73	5.96	5.96	-	-	-	-	13.40
<i>Hist Blind: SEI Dynamic Asset Alloc Index</i>			0.12	6.07	6.07	-	-	-	-	12.17
<b>Cash/Cash Equivalents</b>	9,800,001	5.4	-	-	-	-	-	-	-	-
Cash Pending SEI Core Property Fund CIT	9,800,000	5.4	-	-	-	-	-	-	-	-
SEI Daily Income Government Fund	1	0.0	-	-	-	-	-	-	-	-
<b>Real Estate / Property</b>	8,000,001	4.4	0.00	-	-	-	-	-	-	0.00
SEI Core Property Fund CIT	8,000,001	4.4	0.00	-	-	-	-	-	-	0.00
<i>Hist Blind: Core Property Index</i>			0.00	-	-	-	-	-	-	0.00

## Disclosures

### Fund / Benchmark Disclosures

The SEI Alternative Funds, with the exception of its structured credit and energy debt products, are “fund-of-funds”, which means that the funds invest in underlying third party funds. Alternative investments by their nature involve a substantial degree of risk. Investment values and performance information calculated by fund of funds are generally based on investment values reported by the underlying third party funds which may use a number of valuation methods depending on asset class and may provide such valuations on a delayed timeline. For interim reporting, fund of fund valuations are typically estimates and may be subject to later adjustment. The value of investments in the SEI Alternative Fund(s), including the structured credit and energy debt products, as presented in this report are calculated pursuant to each fund’s valuation procedures on either a monthly or quarterly basis as described in the Confidential Private Placement Memorandum of each fund. All of the SEI Alternative Funds undergo an annual audit. Alternative, Property and Private Assets performance is calculated gross of investment management fees and net of administrative expenses and underlying fund expenses. However: Structured Credit Fund performance is calculated gross of investment management fees and net of administrative expenses; SEI Offshore Opportunity Fund II Ltd. Class A performance is calculated net of investment management and administrative fees; and Energy Debt Fund performance is calculated net of management fees, performance fees, as applicable and operating expenses. None of the SEI Alternative Funds, their respective boards, SEI or any of their affiliates will be able to confirm independently the accuracy of the valuations provided by underlying investments or other third parties. Your investment is illiquid, and you may not realize the estimated value of your investment when you attempt to dispose of your investment. The value of investments and performance information for the Alternative Funds provided herein are presented on a monthly or quarterly lag, as noted below, based on the timing of reporting from, or attributable to, the underlying investments. Values and performance information for the SEI Special Situation Fund and SEI Core Property Fund are updated on the calendar quarters and presented on a one month lag. Values and performance information for the SEI Opportunity Fund, SEI Hedge Fund SPC, SEI Structured Credit Fund and SEI Energy Debt Fund are updated monthly, presented on a one month lag. Past performance does not guarantee future results. This report does not constitute an offer to sell or a solicitation of an offer to buy an interest in any SEI Alternative Fund. Such an offer or solicitation may be made only by means of the Confidential Private Placement Memorandum of such fund.

Hist Blend: Core Property: For the period 1/1/2011 through 3/31/2011, the SEI Core Property Fund Index was comprised of 46% Cash, and 54% NCREIF. For the period 4/1/2011 through 6/30/2011, the SEI Core Property Fund Index was comprised of 27% Cash, and 73% NCREIF. From 7/1/2011 onward the composition is 100% NCREIF.

Hist Blend: SEI Dynamic Asset Allocation Fund: From the period 7/1/2010 through 4/30/2012, the SEI Dynamic Asset Allocation Fund index was comprised of 50% Barclays US 10-Year Treasury Futures Index (USD), and 50% S&P 500 Index (Gross) (USD). From 4/30/2012 through 1/31/2013 the composition was 80% S&P 500 Index (Gross) (USD), 10% JP Morgan EMBI Global (USD), and 10% iBoxx \$ Liquid High Yield Index (USD). From 1/31/2013 onward the composition is 100% S&P 500 Index (Gross) (USD).

Hist Blend: SEI High Yield Bond Fund: From the period of 12/31/1994 through 12/31/1998, the SEI High Yield Bond Fund Index was comprised of 100% Credit Suisse High Yield Index. From 1/1/1999 through 3/31/2004, the composition was 100% Credit Suisse High Yield Developed Countries Only Index. From 4/1/2004 onward the composition is 100% BofA ML US High Yield Constrained Index.

## Disclosures

### Fund / Benchmark Disclosures

Hist Blend: SEI Emerg Mkt Debt: From the period 11/30/2005 through 6/30/2006, the SEI Emerging Market Debt Fund Index was comprised of 100% JP Morgan EMBI Global Index. From 7/1/2006 through 6/30/2012 the composition was 100% JP Morgan EMBI Global Diversified Index. From 7/1/2012 onward the composition is a 50/50 blend of JPMorgan EMBI Global Diversified Index and the JP Morgan GBI EM Global Diversified Index.

### Total Index Composition

As of the close of business on 2/28/2017, the Total Index Composition is as follows:

- 19.6 % S&P 500 Index
- 15.2 % MSCI All Country World ex US Index
- 9.9 % Transition Index
- 8.7 % Bloomberg Barclays US Agg Bond Index
- 8.7 % Russell Small Cap Completeness Index
- 7.5 % BofA ML 3 Month Cons Maturity LIBOR Index
- 6.5 % Hist Blnd: SEI Dynamic Asset Alloc Index
- 5.4 % HFRI Fund of Funds Composite Index
- 5.3 % NCREIF Property Index 1 Month Lag
- 3.3 % 50% JPM EMBI Global Div/50% GBI-EM Global
- 3.3 % BofA ML 3 Month US T-Bill Index
- 3.3 % BofA ML US HY Master II Constrained Index
- 3.3 % MSCI Emerging + Frontier Mkts Index (Net)



## Disclosures

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### General Disclosures

For those SEI Funds which employ the 'manager of managers' structure, SEI Investments Management Corporation has ultimate responsibility for the investment performance of the Funds due to its responsibility to oversee the sub-advisors, and recommend their hiring, termination and replacement.

All performance numbers greater than one year are annualized. All figures in this report are based on trade date and accrual accounting methods. As a result, these figures may not match your custody statement.

Certain fund benchmarks used to measure performance may be changed by SEI to more appropriately reflect a fund's investment style.

The Total Index reported is customized for your account. It is based on the benchmarks for each asset class in which you are invested, weighted based on your target allocations. The Total Index is adjusted to reflect any changes in your target allocations but not changes in your actual allocations which may occur due to changes in the market value of your investments.

If there has been a change in the financial condition of your organization, please notify your SEI Client Portfolio Manager immediately.

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There are risks involved with investing including loss of principal. There is no assurance that the objectives of any strategy or fund will be achieved or will be successful. No investment strategy, including diversification, can protect against market risk or loss. Current and future portfolio holdings are subject to risk. Past performance does not guarantee future results.

Index returns are for illustrative purposes only and do not represent actual fund performance. Index performance returns do not reflect any management fees, transaction costs, or expenses, which would reduce returns. Indexes are unmanaged and one cannot invest directly in an index.

In the event prior performance was provided to SEI and included in this report, neither SEI nor its affiliates assumes any responsibility for the accuracy or completeness of such prior performance and such information has not been independently verified by SEI.



## Disclosures

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### General Disclosures - continued

The Portfolio Return and underlying holdings performance numbers are calculated using Gross Fund Performance, using the Modified Dietz method of calculation, which considers the timing of cash flows during the periods. Gross fund performance reflects the effective performance of the underlying mutual funds that are selected or recommended by SIMC to implement an institutional client's investment strategy. Gross fund performance does not reflect the impact of fund level management fees, fund administration or shareholder servicing fees, all of which, if applicable are used to offset the account level investment management fees the client pays to SIMC. Gross fund performance does reflect certain operational expenses charged by the funds and the reinvestment of dividends and other earnings. The inclusion of the fund level expenses that the client incurs but that are offset against the client's account level investment management fees would reduce the gross fund performance of the mutual funds. Alternative, Property and Private Assets performance may be reported on a monthly or quarterly lag.

Any presentation of gross mutual fund performance of underlying mutual fund investments or gross account level performance is only intended for one-on-one presentations with clients and may not be duplicated in any form by any means or redistributed without SIMC's prior written consent.

Through June 30, 2012, annual performance is calculated based on monthly return streams, geometrically linked. From June 30, 2012 onward, annual performance is based upon daily return streams, geometrically linked as of the specified month end.

Performance results do not reflect the effect of certain account level advisory fees. The inclusion of such fees would reduce account level performance, particularly when compounded over a period of years. The following hypothetical illustration shows the compound effect fees have on investment return: For an account charged 1% with a stated annual return of 10%, the net total return before taxes would be reduced from 10% to 9%. A ten year investment of \$100,000 at 10% would grow to \$259,374, and at 9%, to \$236,736 before taxes. For a complete description of all fees and expenses, please refer to SIMC's Form ADV Part 2A, the investment management agreement between SIMC and each client, and quarterly client invoices.

Net Portfolio Returns since 1/1/2014 reflect the deduction of SIMC's investment management fee and the impact that fee had on the client's portfolio performance. Prior to 1/1/2014, Net Portfolio Returns deduct a proxy annual fee for all periods to demonstrate the impact that SIMC's investment management fee had on the portfolio performance. However, this is a hypothetical calculation, as it does not reflect the actual fees paid by the client during the period. Please see your client invoice for actual fees paid.

Performance prior to the client's inception date with SEI was provided to SEI by the client's prior provider ("Prior Performance"). Neither SEI nor its affiliates assumes any responsibility for the accuracy or completeness of the Prior Performance and such information has not been independently verified by SEI. Performance since the client's inception date is that of SEI and has been linked to the Prior Performance.

SEI performance may differ from that of your manager, custodian or consultant due to differences of pricing, valuation and performance methodology.

## Historic blended benchmark composition

Benchmark composition as of 1/31/2017		Benchmark composition as of 12/31/2016		Benchmark composition as of 11/30/2016	
20.00%	S&P 500 Index	20.00%	S&P 500 Index	21.60%	S&P 500 Index
14.70%	MSCI All Country World ex US Index	14.70%	MSCI All Country World ex US Index	15.90%	MSCI All Country World ex US Index
13.70%	Bloomberg Barclays US Agg Bond Index	13.70%	Bloomberg Barclays US Agg Bond Index	12.70%	Bloomberg Barclays US Agg Bond Index
9.50%	BofA ML 3 Month Cons Maturity LIBOR Index	9.50%	BofA ML 3 Month Cons Maturity LIBOR Index	9.70%	Russell Small Cap Completeness Index
8.40%	Russell Small Cap Completeness Index	8.40%	Russell Small Cap Completeness Index	9.00%	BofA ML 3 Month Cons Maturity LIBOR Index
6.30%	Hist Blnd: SEI Dynamic Asset Alloc Index	6.30%	Hist Blnd: SEI Dynamic Asset Alloc Index	7.30%	Hist Blnd: SEI Dynamic Asset Alloc Index
5.30%	NCREIF Property Index 1 Month Lag	5.30%	Transition Index	6.00%	BofA ML 1-3 Year Treasury Index
5.00%	HFRI Fund of Funds Composite Index	5.00%	HFRI Fund of Funds Composite Index	5.00%	HFRI Fund of Funds Composite Index
4.20%	BofA ML US HY Master II Constrained Index	4.20%	BofA ML US HY Master II Constrained Index	4.00%	BofA ML US HY Master II Constrained Index
3.30%	BofA ML 3 Month US T-Bill Index	3.30%	BofA ML 3 Month US T-Bill Index	3.00%	MSCI Emerging + Frontier Mkts Index (Net)
3.20%	BofA ML 1-3 Year Treasury Index	3.20%	BofA ML 1-3 Year Treasury Index	3.00%	Transition Index
3.20%	50% JPM EMBI Global Div/50% GBI-EM Global	3.20%	50% JPM EMBI Global Div/50% GBI-EM Global	2.80%	50% JPM EMBI Global Div/50% GBI-EM Global
3.20%	MSCI Emerging + Frontier Mkts Index (Net)	3.20%	MSCI Emerging + Frontier Mkts Index (Net)		

## Historic blended benchmark composition

Benchmark composition as of 10/31/2016

22.40%	S&P 500 Index
16.40%	MSCI All Country World ex US Index
13.10%	Bloomberg Barclays US Agg Bond Index
10.10%	Russell Small Cap Completeness Index
9.30%	BofA ML 3 Month Cons Maturity LIBOR Index
7.50%	Hist Blnd: SEI Dynamic Asset Alloc Index
6.20%	BofA ML 1-3 Year Treasury Index
5.00%	HFRI Fund of Funds Composite Index
4.10%	BofA ML US HY Master II Constrained Index
3.00%	MSCI Emerging + Frontier Mkts Index (Net)
2.90%	50% JPM EMBI Global Div/50% GBI-EM Global