



# Philadelphia Gas Works Pension Plan

## **Monthly Performance Review For the Period Ended September 30, 2017**

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## Asset Allocation &amp; Performance - Preliminary

|  | Allocation         |               | Performance(%) |             |                      |              |              |              |              |             |                 |                   |
|--|--------------------|---------------|----------------|-------------|----------------------|--------------|--------------|--------------|--------------|-------------|-----------------|-------------------|
|  | Market Value (\$)  | %             | 1 Month        | 1 Quarter   | Sep-2017 To Sep-2017 | Year To Date | 1 Year       | 3 Years      | 5 Years      | 10 Years    | Since Inception | Inception Date    |
| <b>Total Fund</b>                        | <b>528,126,965</b> | <b>100.00</b> | <b>1.59</b>    | <b>3.71</b> | <b>1.59</b>          | <b>12.15</b> | <b>13.07</b> | <b>7.33</b>  | <b>9.08</b>  | <b>5.47</b> | <b>8.32</b>     | <b>01/01/1987</b> |
| <i>Total Fund TMI</i>                    |                    |               | 1.30           | 3.58        | 1.30                 | 11.43        | 12.92        | 7.36         | 8.97         | 5.79        | 8.45            | 01/01/1987        |
| <b>Combined Large Cap</b>                | <b>204,181,846</b> | <b>38.66</b>  | <b>2.03</b>    | <b>4.82</b> | <b>2.03</b>          | <b>15.52</b> | <b>19.71</b> | <b>10.46</b> | <b>13.96</b> | <b>6.83</b> | <b>9.42</b>     | <b>01/01/1987</b> |
| <i>Russell 1000 Index</i>                |                    |               | 2.13           | 4.48        | 2.13                 | 14.17        | 18.54        | 10.63        | 14.27        | 7.55        | 10.44           | 01/01/1987        |
| Rhumblin Advisers                        | 114,004,874        | 21.59         | 2.18           | 4.45        | 2.18                 | 14.06        | 18.45        | 10.55        | N/A          | N/A         | 10.75           | 08/01/2014        |
| <i>Russell 1000 Index</i>                |                    |               | 2.13           | 4.48        | 2.13                 | 14.17        | 18.54        | 10.63        | 14.27        | 7.55        | 10.84           | 08/01/2014        |
| Northern Trust                           | 23,068,081         | 4.37          | 2.12           | 4.28        | 2.12                 | 14.10        | 18.44        | N/A          | N/A          | N/A         | 9.33            | 12/01/2014        |
| <i>Russell 1000 Index</i>                |                    |               | 2.13           | 4.48        | 2.13                 | 14.17        | 18.54        | 10.63        | 14.27        | 7.55        | 9.34            | 12/01/2014        |
| O'Shaughnessy Asset Management           | 34,566,345         | 6.55          | 3.73           | 5.69        | 3.73                 | 14.42        | 23.61        | N/A          | N/A          | N/A         | 12.26           | 11/01/2015        |
| <i>Russell 1000 Value Index</i>          |                    |               | 2.96           | 3.11        | 2.96                 | 7.92         | 15.12        | 8.53         | 13.20        | 5.92        | 12.06           | 11/01/2015        |
| Fred Alger                               | 32,542,546         | 6.16          | -0.17          | 5.49        | -0.17                | 23.05        | 21.22        | 11.61        | 15.35        | N/A         | 14.72           | 05/01/2012        |
| <i>Russell 1000 Growth Index</i>         |                    |               | 1.30           | 5.90        | 1.30                 | 20.72        | 21.94        | 12.69        | 15.26        | 9.08        | 14.42           | 05/01/2012        |
| <b>Combined Small Cap</b>                | <b>45,084,321</b>  | <b>8.54</b>   | <b>5.02</b>    | <b>4.23</b> | <b>5.02</b>          | <b>10.36</b> | <b>17.21</b> | <b>11.12</b> | <b>13.88</b> | <b>7.82</b> | <b>10.45</b>    | <b>03/01/1994</b> |
| <i>Russell 2000 Index</i>                |                    |               | 6.24           | 5.67        | 6.24                 | 10.94        | 20.74        | 12.18        | 13.79        | 7.85        | 9.06            | 03/01/1994        |
| Vaughan Nelson                           | 21,476,168         | 4.07          | 5.74           | 4.27        | 5.74                 | 3.70         | 13.28        | 10.28        | 14.54        | N/A         | 11.03           | 03/01/2011        |
| <i>Russell 2000 Value Index</i>          |                    |               | 7.08           | 5.11        | 7.08                 | 5.68         | 20.55        | 12.12        | 13.27        | 7.14        | 10.38           | 03/01/2011        |
| Eagle Asset Management                   | 23,608,153         | 4.47          | 4.36           | 4.19        | 4.36                 | 17.21        | 21.03        | 11.94        | 13.54        | N/A         | 15.61           | 09/01/2009        |
| <i>Russell 2000 Growth Index</i>         |                    |               | 5.45           | 6.22        | 5.45                 | 16.81        | 20.98        | 12.17        | 14.28        | 8.47        | 14.99           | 09/01/2009        |
| <b>Combined International Equity</b>     | <b>113,448,413</b> | <b>21.48</b>  | <b>2.29</b>    | <b>5.80</b> | <b>2.29</b>          | <b>23.42</b> | <b>18.92</b> | <b>5.82</b>  | <b>7.10</b>  | <b>0.86</b> | <b>4.55</b>     | <b>10/01/1989</b> |
| <i>MSCI AC World ex USA (Net)*</i>       |                    |               | 1.86           | 6.16        | 1.86                 | 21.13        | 19.61        | 4.70         | 6.97         | 1.28        | 5.19            | 10/01/1989        |
| Mondrian/Delaware                        | 23,758,242         | 4.50          | 3.62           | 5.28        | 3.62                 | 17.90        | 16.76        | 3.75         | 7.78         | 1.44        | 7.48            | 03/01/1994        |
| <i>MSCI EAFE Value Index (Net)</i>       |                    |               | 3.08           | 5.87        | 3.08                 | 17.64        | 22.55        | 3.50         | 7.80         | 0.49        | 5.73            | 03/01/1994        |
| Harding Loevner                          | 46,718,114         | 8.85          | 2.83           | 5.98        | 2.83                 | 24.28        | 18.66        | 8.28         | N/A          | N/A         | 7.84            | 02/01/2013        |
| <i>MSCI AC World ex USA Growth (Net)</i> |                    |               | 1.75           | 6.33        | 1.75                 | 24.82        | 17.68        | 6.43         | 7.87         | 1.89        | 6.47            | 02/01/2013        |
| <i>MSCI EAFE Growth Index (Net)</i>      |                    |               | 1.89           | 4.94        | 1.89                 | 22.45        | 15.68        | 6.48         | 8.89         | 2.12        | 7.19            | 02/01/2013        |
| Rhumblin International                   | 24,084,024         | 4.56          | 2.39           | 5.39        | 2.39                 | N/A          | N/A          | N/A          | N/A          | N/A         | 5.21            | 06/01/2017        |
| <i>MSCI EAFE Index</i>                   |                    |               | 2.53           | 5.47        | 2.53                 | 20.47        | 19.65        | 5.53         | 8.87         | 1.82        | 5.31            | 06/01/2017        |
| DFA Emerging Markets Core                | 18,888,032         | 3.58          | -0.76          | 6.54        | -0.76                | 26.87        | 20.41        | 4.98         | 4.64         | N/A         | 6.53            | 06/01/2012        |
| <i>MSCI EM (net)</i>                     |                    |               | -0.40          | 7.89        | -0.40                | 27.78        | 22.46        | 4.90         | 3.99         | 1.32        | 5.94            | 06/01/2012        |

Returns are net of fees.

Returns are expressed as percentages.

Data and performance shown prior to 4/01/16 is based on information supplied by previous consultant.



## Asset Allocation &amp; Performance - Preliminary

|  | Allocation         |              | Performance(%) |             |                      |              |             |             |             |             |                 |                   |
|--|--------------------|--------------|----------------|-------------|----------------------|--------------|-------------|-------------|-------------|-------------|-----------------|-------------------|
|  | Market Value (\$)  | %            | 1 Month        | 1 Quarter   | Sep-2017 To Sep-2017 | Year To Date | 1 Year      | 3 Years     | 5 Years     | 10 Years    | Since Inception | Inception Date    |
| <b>Combined Fixed Income</b>                         | <b>165,412,380</b> | <b>31.32</b> | <b>-0.31</b>   | <b>0.85</b> | <b>-0.31</b>         | <b>2.98</b>  | <b>0.76</b> | <b>2.71</b> | <b>2.45</b> | <b>4.37</b> | <b>6.17</b>     | <b>07/01/1987</b> |
| <i>Blmbg. Barc. U.S. Aggregate</i>                   |                    |              | <i>-0.48</i>   | <i>0.85</i> | <i>-0.48</i>         | <i>3.14</i>  | <i>0.07</i> | <i>2.71</i> | <i>2.06</i> | <i>4.27</i> | <i>6.40</i>     | <i>07/01/1987</i> |
| Weaver C. Barksdale & Associates                     | 36,172,092         | 6.85         | -0.48          | 0.84        | -0.48                | 3.32         | 0.31        | 2.79        | 2.39        | 5.05        | 5.59            | 10/01/1997        |
| <i>Barclays Aggregate**</i>                          |                    |              | <i>-0.48</i>   | <i>0.85</i> | <i>-0.48</i>         | <i>3.14</i>  | <i>0.07</i> | <i>2.71</i> | <i>2.06</i> | <i>4.31</i> | <i>5.16</i>     | <i>10/01/1997</i> |
| Logan Circle Partners                                | 31,527,292         | 5.97         | -0.20          | 1.26        | -0.20                | 4.86         | 2.05        | N/A         | N/A         | N/A         | 3.25            | 12/01/2014        |
| <i>Blmbg. Barc. U.S. Aggregate</i>                   |                    |              | <i>-0.48</i>   | <i>0.85</i> | <i>-0.48</i>         | <i>3.14</i>  | <i>0.07</i> | <i>2.71</i> | <i>2.06</i> | <i>4.27</i> | <i>2.27</i>     | <i>12/01/2014</i> |
| Logan Circle Inv. Grade Credit                       | 15,811,154         | 2.99         | 0.01           | 1.57        | 0.01                 | N/A          | N/A         | N/A         | N/A         | N/A         | 1.57            | 07/01/2017        |
| <i>Blmbg. Barc. U.S. Credit 5-10 Year Index</i>      |                    |              | <i>-0.41</i>   | <i>1.40</i> | <i>-0.41</i>         | <i>5.11</i>  | <i>1.66</i> | <i>4.16</i> | <i>3.50</i> | <i>6.11</i> | <i>1.40</i>     | <i>07/01/2017</i> |
| Lazard Asset Management                              | 39,497,225         | 7.48         | -0.31          | 0.71        | -0.31                | 2.43         | 0.84        | 2.32        | 2.21        | N/A         | 3.01            | 03/01/2011        |
| <i>Blmbg. Barc. U.S. Intermediate Aggregate</i>      |                    |              | <i>-0.38</i>   | <i>0.72</i> | <i>-0.38</i>         | <i>2.34</i>  | <i>0.25</i> | <i>2.25</i> | <i>1.75</i> | <i>3.83</i> | <i>2.67</i>     | <i>03/01/2011</i> |
| Garcia Hamilton & Associates                         | 42,404,617         | 8.03         | -0.36          | 0.44        | -0.36                | 2.07         | 0.45        | 2.55        | 2.43        | N/A         | 3.68            | 07/01/2010        |
| <i>Blmbg. Barc. Intermed. U.S. Government/Credit</i> |                    |              | <i>-0.45</i>   | <i>0.60</i> | <i>-0.45</i>         | <i>2.34</i>  | <i>0.23</i> | <i>2.13</i> | <i>1.61</i> | <i>3.64</i> | <i>2.57</i>     | <i>07/01/2010</i> |
| <b>Cash Equivalent</b>                               |                    |              |                |             |                      |              |             |             |             |             |                 |                   |
| Wells Fargo Government Money Market                  | 5                  | 0.00         | N/A            | N/A         | N/A                  | N/A          | N/A         | N/A         | N/A         | N/A         | N/A             | 04/01/2012        |
| CUSTODY Cash Only***                                 | 7,649,822          | 1.45         | N/A            | N/A         | N/A                  | N/A          | N/A         | N/A         | N/A         | N/A         | N/A             | 07/01/2015        |

\*Performance shown prior to 1/2001: MSCI AC World ex USA.

\*\*Performance shown prior to 6/2012: Barclays U.S. Gov't/Credit Index.

\*\*\*Custody Cash account balance is not included in the total fund market value.

Returns are net of fees.

Returns are expressed as percentages.

Data and performance shown prior to 4/01/16 is based on information supplied by previous consultant.



## Historical Hybrid Composition - Total Fund TMI

| Allocation Mandate                     | Weight (%) |
|--|------------|
| <b>Jan-1985</b>                        |            |
| Citigroup World Government Bond        | 3.0        |
| Citigroup World Government Bond Hedged | 3.0        |
| S&P 500                                | 36.0       |
| Russell 2000 Index                     | 7.5        |
| MSCI EAFE (net)                        | 12.5       |
| Blmbg. Barc. U.S. Aggregate            | 34.0       |
| Blmbg. Barc. U.S. Gov't/Credit         | 4.0        |
| <b>Oct-2001</b>                        |            |
| Citigroup World Government Bond        | 3.8        |
| Citigroup World Government Bond Hedged | 3.8        |
| Russell 1000 Index                     | 35.0       |
| Russell 2000 Index                     | 7.5        |
| MSCI EAFE (net)                        | 7.5        |
| Fixed Income Target                    | 42.5       |
| <b>Apr-2003</b>                        |            |
| Russell 1000 Index                     | 35.0       |
| Russell 2000 Index                     | 7.5        |
| MSCI EAFE (net)                        | 7.5        |
| Fixed Income Target                    | 50.0       |
| <b>Dec-2003</b>                        |            |
| Russell 1000 Index                     | 42.0       |
| Russell 2000 Index                     | 9.0        |
| MSCI EAFE (net)                        | 9.0        |
| Fixed Income Target                    | 40.0       |

| Allocation Mandate          | Weight (%) |
|-----------------------------|------------|
| <b>Jul-2007</b>             |            |
| Russell 1000 Index          | 45.0       |
| Russell 2000 Index          | 10.0       |
| MSCI EAFE (net)             | 10.0       |
| Fixed Income Target         | 35.0       |
| <b>Oct-2008</b>             |            |
| Russell 1000 Index          | 41.0       |
| Russell 2000 Index          | 9.0        |
| MSCI EAFE (net)             | 15.0       |
| Fixed Income Target         | 35.0       |
| <b>Jun-2012</b>             |            |
| Russell 1000 Index          | 41.0       |
| Russell 2000 Index          | 9.0        |
| MSCI AC World ex USA (Net)  | 15.0       |
| Fixed Income Target         | 35.0       |
| <b>Dec-2016</b>             |            |
| Russell 3000 Index          | 45.0       |
| MSCI AC World ex USA (Net)  | 20.0       |
| Blmbg. Barc. U.S. Aggregate | 35.0       |



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