



(Preliminary Subject to Change)



Employees Retirement System

City of Philadelphia
Employees Retirement System
Executive Summary
January 31, 2018

Total Fund Composite

Market Value: \$5,078.2 Million and 100.0% of Fund

Ending January 31, 2018

	Asset Class	Market Value (\$)	3 Mo Net Cash Flows (\$)	% of Portfolio	Policy %	Policy Difference (\$)
Total Fund Composite		5,078,196,924	-105,992,413	100.0	100.0	0
Total Fund w/o Alternative Assets		4,179,619,773	-74,430,600	82.3	79.4	147,531,415
Investment Grade Fixed Income Composite		696,830,585	-219	13.7	19.0	-268,026,830
Brandywine Global Investment Management	Global Fixed Income	171,812,483	0	3.4		
Garcia Hamilton & Associates	Int. Govt. Fixed Income	163,451,808	0	3.2		
Logan Circle	Core Plus Fixed Income	43,851,254	-219	0.9		
Longfellow	Core Plus Fixed Income	155,588,358	0	3.1		
Rhumblin Core Bond Index	Core Fixed Income	162,126,683	0	3.2		
Opportunistic Fixed Income Composite		335,487,626	-7,478,400	6.6	7.5	-45,377,143
Apollo Franklin Partnership, L.P.	Opportunistic Fixed Income	24,359,908	-1,454,545	0.5		
Avenue Coppers Opportunity Fund LP	Opportunistic Fixed Income	36,696,402	-2,417,445	0.7		
KKR-PBPR Capital Partners LP	Opportunistic Fixed Income	100,434,495	-3,426,140	2.0		
Logan Circle - EMD	EM Fixed Income	74,654,528	-50,000	1.5		
Strategic Income Management	High Yield Fixed Income	99,066,861	0	2.0		
U.S. Equity Composite		1,683,734,654	-25,000,000	33.2	29.8	170,431,970
Rhumblin Russell 1000 Index	Large-Cap Core	1,179,058,194	-25,000,000	23.2		
Aronson+Johnson+Ortiz LP	Large-Cap Value	46,847,482	0	0.9		
O'Shaughnessy Asset Management	Large-Cap Value	29,495,449	0	0.6		
Rhumblin MidCap Index	Mid-Cap Core	172,171,109	0	3.4		
Rhumblin Russell 2000 Index	Small-Cap Core	40,853,577	0	0.8		
Emerald Advisors	Small-Cap Growth	75,102,063	0	1.5		
Fisher Asset Management	Small-Cap Value	56,396,429	0	1.1		
Fiera Capital	Smid-Cap Growth	26,719,248	0	0.5		
Ariel	Smid-Cap Value	57,047,688	0	1.1		
Non-U.S. Equity Developed Composite		1,088,751,908	25,142,639	21.4	16.8	235,614,825
Causeway Capital Management	Non-U.S. Large-Cap Core	202,598,622	-49,857,361	4.0		
Northern Trust MSCI EAFE+Canada	Non-U.S. Large-Cap Core	800,962,012	0	15.8		
Strategic Global Advisors	Non-U.S. Small-Cap Core	26,997,110	25,000,000	0.5		
Investors Group	Non-U.S. Small-Cap Core	54,019,929	50,000,000	1.1		
Non-U.S. Equity Emerging Composite		299,314,730	0	5.9	5.2	35,248,490
Rhumblin Emerging Markets Index	Emerging Markets	299,311,231	0	5.9		

Total Fund Composite

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Ending January 31, 2018

	Asset Class	Market Value (\$)	3 Mo Net Cash Flows (\$)	% of Portfolio	Policy %	Policy Difference (\$)
Cash Composite		75,500,269	-67,094,620	1.5	1.1	19,640,103
Cash	Cash & Equivalents	74,760,967	-67,079,626	1.5		
Directed Commissions	Cash & Equivalents	739,302	-14,994	0.0		
Absolute Return		39,957,995	-2,478,001	0.8	0.5	14,567,011
400 Capital Credit Opportunity Fund	Relative Value Hedge Fund	2,834,858	0	0.1		
Elizabeth Park Capital Management	Long/Short Hedge Fund	30,862,703	0	0.6		
Archview Offshore Fund. LTD	Credit Hedge Fund	5,730,577	-2,478,001	0.1		
Real Assets Composite		446,378,101	-9,923,148	8.8	9.1	-15,737,819
Real Assets - Public Real Estate Composite		95,037,026	0	1.9	1.4	23,942,269
Rhumblin FTSE NAREIT	Real Assets	95,037,026	0	1.9		
Real Assets - Open-End Real Estate Composite		127,273,903	-1,313,767	2.5	1.7	40,944,555
UBS Trumbull Fund	Core Real Estate	127,273,903	-1,313,767	2.5		
Real Assets - Infrastructure Composite		106,726,065	0	2.1	3.4	-65,932,631
Rhumblin Infrastructure Index	Publicly-Traded Infrastructure	106,726,065	0	2.1		
Real Assets - Private Real Estate Composite		110,609,519	-9,072,110	2.2	2.6	-21,423,601
Real Assets - Private Energy/Infrastructure Composite		6,731,589	462,728	0.1	--	6,731,589
Private Assets Composite		412,241,055	-19,160,665	8.1	11.0	-146,360,607
Private Assets - Private Equity	U.S. Private Equity FoF	400,506,258	-15,403,110	7.9		
Private Assets - Private Debt	Mezz. Private Equity	11,734,797	-3,757,554	0.2		

Investment Manager

Annualized Performance (Net of Fees)

Market Value: \$5,078.2 Million and 100.0% of Fund

	Ending January 31, 2018											Inception	
	1 Mo	3 Mo	YTD	Fiscal YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	10 Yrs	Return	Since
Total Fund Composite	3.1%	5.6%	3.1%	10.6%	17.2%	15.2%	7.6%	7.1%	7.7%	7.5%	5.8%	7.7%	Jul-88
<i>Total Fund Policy Benchmark</i>	2.7%	4.6%	2.7%	9.0%	14.5%	14.8%	7.8%	7.6%	8.0%	7.6%	6.8%	8.5%	Jul-88
Total Fund w/o Alternative Assets	3.8%	6.8%	3.8%	12.7%	20.2%	16.8%	8.2%	7.5%	--	--	--	7.5%	Jan-14
Investment Grade Fixed Income Composite	0.3%	1.0%	0.3%	1.9%	5.1%	4.0%	1.3%	2.7%	1.8%	3.3%	3.9%	6.2%	Jul-88
<i>BBgBarc US Aggregate TR</i>	-1.2%	-0.8%	-1.2%	0.1%	2.1%	1.8%	1.1%	2.5%	2.0%	3.0%	3.7%	6.3%	Jul-88
Brandywine Global Investment Management	4.4%	6.6%	4.4%	7.5%	15.0%	10.5%	3.7%	4.9%	2.9%	5.4%	--	8.2%	Jan-09
<i>Citi WGBI</i>	1.6%	3.2%	1.6%	4.6%	8.2%	4.6%	2.4%	1.3%	0.7%	1.4%	2.5%	2.5%	Jan-09
Garcia Hamilton & Associates	-0.7%	-0.6%	-0.7%	-0.2%	1.3%	1.1%	1.3%	2.4%	2.2%	3.3%	4.5%	5.2%	Aug-00
<i>BBgBarc US Govt/Credit Int TR</i>	-0.9%	-1.1%	-0.9%	-0.5%	1.0%	1.0%	0.9%	1.6%	1.4%	2.3%	3.0%	4.4%	Aug-00
Logan Circle	-0.8%	-0.4%	-0.8%	1.0%	3.8%	3.7%	2.0%	--	--	--	--	2.6%	Oct-14
<i>BBgBarc US Aggregate TR</i>	-1.2%	-0.8%	-1.2%	0.1%	2.1%	1.8%	1.1%	2.5%	2.0%	3.0%	3.7%	2.0%	Oct-14
Longfellow	-1.0%	-0.5%	-1.0%	0.6%	2.9%	2.2%	1.7%	--	--	--	--	2.4%	Sep-14
<i>BBgBarc US Aggregate TR</i>	-1.2%	-0.8%	-1.2%	0.1%	2.1%	1.8%	1.1%	2.5%	2.0%	3.0%	3.7%	2.2%	Sep-14
Rhumblin Core Bond Index	-1.2%	-0.9%	-1.2%	-0.1%	2.0%	1.4%	0.8%	2.2%	1.6%	2.7%	3.5%	4.0%	Jun-07
<i>BBgBarc US Aggregate TR</i>	-1.2%	-0.8%	-1.2%	0.1%	2.1%	1.8%	1.1%	2.5%	2.0%	3.0%	3.7%	4.2%	Jun-07
Opportunistic Fixed Income Composite	0.8%	2.0%	0.8%	4.4%	7.6%	9.2%	4.0%	3.5%	3.8%	--	--	4.0%	Dec-12
<i>Opportunistic Fixed Income Benchmark</i>	0.8%	1.1%	0.8%	3.1%	5.6%	10.7%	5.5%	4.6%	4.8%	5.6%	--	5.0%	Dec-12
Apollo Franklin Partnership, L.P.	0.0%	-2.2%	0.0%	0.0%	-4.0%	-1.2%	-5.8%	-6.8%	--	--	--	-4.7%	May-13
<i>50% BarCap HY / 50% CSFB Lev Loans</i>	0.8%	1.1%	0.8%	3.2%	5.7%	10.7%	5.6%	4.7%	5.0%	5.7%	6.7%	4.8%	May-13
Avenue Coppers Opportunity Fund LP	0.0%	0.9%	0.0%	3.9%	4.5%	6.6%	3.7%	3.8%	--	--	--	3.7%	Dec-13
<i>Actuarial Rate 7.70%</i>	0.6%	1.9%	0.6%	4.4%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	Dec-13
KKR-PBPR Capital Partners LP	0.0%	2.2%	0.0%	2.9%	8.9%	9.8%	5.5%	4.7%	6.3%	--	--	6.8%	Jun-12
<i>Actuarial Rate 7.70%</i>	0.6%	1.9%	0.6%	4.4%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	Jun-12
Logan Circle - EMD	2.0%	3.2%	2.0%	7.0%	13.2%	15.5%	--	--	--	--	--	8.3%	Feb-15
<i>JP Morgan EMBI Global TR</i>	-0.2%	0.2%	-0.2%	2.7%	7.6%	9.8%	6.6%	6.7%	4.0%	6.5%	6.9%	6.4%	Feb-15
Strategic Income Management	1.1%	2.1%	1.1%	5.0%	7.3%	--	--	--	--	--	--	12.2%	Mar-16
<i>BofA Merrill Lynch US High Yield Master II TR</i>	0.6%	0.7%	0.6%	3.1%	6.7%	13.6%	6.4%	5.4%	5.6%	6.7%	8.1%	12.0%	Mar-16
U.S. Equity Composite	4.9%	9.3%	4.9%	16.5%	24.6%	23.1%	13.1%	12.4%	14.5%	13.1%	9.7%	9.9%	Jul-88
<i>Russell 3000</i>	5.3%	9.6%	5.3%	17.1%	25.2%	23.4%	14.1%	13.8%	15.5%	14.0%	9.8%	10.7%	Jul-88
Rhumblin Russell 1000 Index	5.5%	9.7%	5.5%	17.3%	25.8%	23.5%	14.3%	14.1%	15.7%	13.9%	9.8%	8.4%	May-07
<i>Rhumblin Russell 1000 Custom Benchmark</i>	5.5%	9.8%	5.5%	17.4%	25.9%	23.4%	14.3%	14.2%	15.8%	--	--	--	May-07

Investment Manager

Annualized Performance (Net of Fees)

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		Ending January 31, 2018											Inception	
		1 Mo	3 Mo	YTD	Fiscal YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	10 Yrs	Return	Since
Aronson+Johnson+Ortiz LP		3.4%	7.9%	3.4%	15.7%	18.9%	20.2%	10.3%	10.6%	13.2%	12.7%	8.4%	8.4%	May-01
	Russell 1000 Value	3.9%	8.6%	3.9%	12.8%	17.2%	20.9%	11.5%	11.9%	13.5%	12.7%	8.0%	7.3%	May-01
O'Shaughnessy Asset Management		5.9%	13.5%	5.9%	21.1%	30.2%	25.4%	12.1%	12.1%	16.6%	--	--	16.9%	Jun-12
	Russell 1000 Value	3.9%	8.6%	3.9%	12.8%	17.2%	20.9%	11.5%	11.9%	13.5%	12.7%	8.0%	14.8%	Jun-12
Rhumblin MidCap Index		3.7%	8.3%	3.7%	13.9%	20.1%	--	--	--	--	--	--	20.9%	Dec-16
	Rhumblin Russell Mid Cap Custom Benchmark	3.7%	8.3%	3.7%	13.9%	20.1%	--	--	--	--	--	--	21.0%	Dec-16
Rhumblin Russell 2000 Index		2.7%	5.2%	2.7%	12.1%	17.5%	--	--	--	--	--	--	16.4%	Dec-16
	Rhumblin Russell 2000 Custom Benchmark	2.7%	5.2%	2.7%	12.2%	17.3%	--	--	--	--	--	--	16.3%	Dec-16
Emerald Advisors		2.0%	8.0%	2.0%	17.2%	28.8%	26.2%	14.9%	11.2%	17.8%	15.6%	12.7%	10.5%	Dec-04
	Russell 2000 Growth	3.9%	7.0%	3.9%	15.4%	24.9%	25.9%	12.6%	10.6%	14.6%	13.0%	10.7%	9.2%	Dec-04
Fisher Asset Management		2.4%	4.0%	2.4%	10.1%	17.6%	24.5%	13.0%	12.0%	14.6%	12.2%	--	10.8%	May-08
	Russell 2000 Value	1.2%	3.2%	1.2%	8.6%	10.0%	24.2%	11.6%	9.6%	12.0%	11.0%	8.8%	8.9%	May-08
Fiera Capital		5.0%	10.1%	5.0%	20.0%	29.5%	24.3%	11.5%	11.0%	14.3%	13.7%	--	16.1%	Dec-09
	Russell 2500 Growth	5.0%	8.7%	5.0%	18.1%	27.6%	26.1%	13.3%	11.8%	15.1%	13.6%	11.1%	15.4%	Dec-09
Ariel		6.3%	13.7%	6.3%	14.4%	20.2%	22.1%	--	--	--	--	--	22.1%	Jan-16
	Russell 2500 Value	1.3%	5.0%	1.3%	9.6%	11.1%	22.1%	10.7%	9.8%	12.1%	11.5%	9.4%	22.1%	Jan-16
Non-U.S. Equity Developed Composite		4.4%	7.4%	4.4%	15.3%	26.6%	19.5%	8.7%	5.9%	7.0%	5.8%	3.2%	6.0%	Jan-89
	MSCI EAFE	5.0%	7.8%	5.0%	15.4%	27.6%	19.6%	9.4%	6.8%	7.8%	6.4%	3.4%	5.0%	Jan-89
Causeway Capital Management		3.3%	6.9%	3.3%	16.4%	28.1%	19.0%	8.5%	6.2%	8.6%	--	--	11.3%	Nov-11
	MSCI EAFE	5.0%	7.8%	5.0%	15.4%	27.6%	19.6%	9.4%	6.8%	7.8%	6.4%	3.4%	9.8%	Nov-11
Northern Trust MSCI EAFE+Canada		4.6%	7.6%	4.6%	15.0%	26.3%	19.7%	9.2%	6.7%	7.4%	6.2%	4.1%	3.9%	Mar-07
	Northern Trust MSCI EAFE + Canada Custom Benchmark	4.6%	7.6%	4.6%	15.0%	26.5%	20.1%	9.6%	7.4%	8.4%	6.9%	4.0%	3.5%	Mar-07
Strategic Global Advisors		4.3%	--	4.3%	--	--	--	--	--	--	--	--	8.0%	Nov-17
	MSCI World ex USA Small Cap	4.7%	9.2%	4.7%	18.8%	32.4%	24.4%	15.0%	9.8%	11.3%	8.4%	6.7%	7.7%	Nov-17
Investors Group		4.6%	--	4.6%	--	--	--	--	--	--	--	--	8.0%	Nov-17
	MSCI EAFE Small Cap	5.1%	9.6%	5.1%	19.8%	35.0%	24.5%	16.1%	10.9%	12.8%	9.8%	7.4%	7.9%	Nov-17
Non-U.S. Equity Emerging Composite		9.0%	13.4%	9.0%	27.0%	43.2%	33.1%	12.5%	9.8%	6.3%	3.0%	--	12.0%	Jan-09
	MSCI Emerging Markets	8.3%	12.4%	8.3%	25.6%	41.0%	33.0%	11.8%	10.1%	5.7%	4.1%	3.9%	12.7%	Jan-09
Rhumblin Emerging Markets Index		9.0%	13.4%	9.0%	27.0%	43.2%	33.1%	12.4%	10.6%	6.0%	--	--	6.0%	Feb-13
	MSCI Emerging Markets	8.3%	12.4%	8.3%	25.6%	41.0%	33.0%	11.8%	10.1%	5.7%	4.1%	3.9%	5.7%	Feb-13

Investment Manager

Annualized Performance (Net of Fees)

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	Ending January 31, 2018											Inception	
	1 Mo	3 Mo	YTD	Fiscal YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	10 Yrs	Return	Since
Absolute Return	3.4%	5.6%	3.4%	9.3%	12.9%	11.5%	5.4%	4.5%	5.5%	4.0%	3.1%	3.8%	Sep-05
HFRI Fund of Funds Composite Index	2.4%	3.2%	2.4%	6.8%	9.1%	6.7%	3.3%	3.5%	4.0%	3.0%	1.6%	2.9%	Sep-05
400 Capital Credit Opportunity Fund	0.0%	0.0%	0.0%	0.0%	5.9%	6.1%	2.3%	4.4%	--	--	--	4.8%	Jun-13
HFRI ED: Distressed/Restructuring Index	1.3%	3.1%	1.3%	4.8%	6.0%	13.3%	5.2%	3.0%	4.7%	4.6%	4.4%	3.8%	Jun-13
HFRIX Distressed Securities Index	1.5%	2.9%	1.5%	2.1%	4.3%	13.9%	4.2%	2.6%	3.2%	1.0%	-2.4%	2.7%	Jun-13
Elizabeth Park Capital Management	4.0%	6.2%	4.0%	10.8%	14.0%	20.8%	15.6%	--	--	--	--	12.5%	May-14
HFRIX Event Driven Index	1.8%	1.8%	1.8%	3.6%	7.2%	11.9%	4.4%	1.7%	3.4%	2.9%	1.7%	1.2%	May-14
Archview Offshore Fund. LTD	2.7%	5.9%	2.7%	9.3%	8.2%	9.4%	2.4%	--	--	--	--	2.2%	Mar-14
HFRI ED: Distressed/Restructuring Index	1.3%	3.1%	1.3%	4.8%	6.0%	13.3%	5.2%	3.0%	4.7%	4.6%	4.4%	2.5%	Mar-14
Real Assets Composite	-0.6%	0.7%	-0.6%	1.9%	4.3%	11.5%	1.7%	4.1%	5.7%	--	--	6.3%	Dec-12
Real Assets Benchmark	-0.7%	0.3%	-0.7%	1.4%	-1.1%	11.0%	-4.2%	-1.5%	0.5%	--	--	1.6%	Dec-12
Real Assets - Public Real Estate Composite	-2.9%	-0.6%	-2.9%	0.6%	5.3%	9.0%	3.5%	9.8%	8.6%	--	--	8.6%	Jan-13
FTSE NAREIT All Equity REIT	-2.9%	-0.7%	-2.9%	0.6%	5.3%	9.0%	3.5%	9.9%	8.4%	9.9%	7.6%	8.4%	Jan-13
Rhumblin FTSE NAREIT	-2.9%	-0.6%	-2.9%	0.6%	5.3%	9.0%	3.6%	9.9%	--	--	--	6.7%	May-13
FTSE NAREIT All Equity REIT	-2.9%	-0.7%	-2.9%	0.6%	5.3%	9.0%	3.5%	9.9%	8.4%	9.9%	7.6%	6.5%	May-13
Real Assets - Open-End Real Estate Composite	0.0%	2.2%	0.0%	3.3%	5.5%	--	--	--	--	--	--	5.5%	Jan-17
NFI	0.0%	1.2%	0.0%	3.5%	6.1%	6.9%	9.0%	9.7%	10.3%	10.8%	4.0%	6.1%	Jan-17
UBS Trumbull Fund	0.0%	2.2%	0.0%	3.3%	5.5%	--	--	--	--	--	--	5.5%	Jan-17
NFI	0.0%	1.2%	0.0%	3.5%	6.1%	6.9%	9.0%	9.7%	10.3%	10.8%	4.0%	6.1%	Jan-17
Real Assets - Infrastructure Composite	0.0%	0.8%	0.0%	4.2%	--	--	--	--	--	--	--	8.2%	Mar-17
Dow Jones Brookfield Global Infrastructure Index	0.0%	0.6%	0.0%	3.8%	14.3%	14.4%	3.9%	6.8%	7.8%	10.1%	7.5%	7.7%	Mar-17
Rhumblin Infrastructure Index	0.0%	0.8%	0.0%	4.2%	--	--	--	--	--	--	--	8.2%	Mar-17
Dow Jones Brookfield Global Infrastructure Index	0.0%	0.6%	0.0%	3.8%	14.3%	14.4%	3.9%	6.8%	7.8%	10.1%	7.5%	7.7%	Mar-17
Real Assets - Private Real Estate Composite	0.0%	0.0%	0.0%	0.1%	4.5%	5.7%	8.5%	9.5%	10.5%	10.2%	1.4%	3.5%	May-06
Real Assets - Private Real Estate Benchmark	0.0%	0.0%	0.0%	0.1%	4.5%	5.7%	8.5%	9.5%	10.5%	--	--	--	May-06
Real Assets - Private Energy/Infrastructure Composite	0.0%	2.4%	0.0%	4.5%	7.0%	6.5%	-6.2%	1.0%	4.5%	--	--	2.9%	May-12
Real Assets - Private Energy/Infrastructure Benchmark	0.0%	2.4%	0.0%	4.5%	7.0%	6.5%	-6.2%	1.0%	4.5%	--	--	2.9%	May-12
Private Assets Composite	0.0%	0.0%	0.0%	1.6%	6.0%	8.0%	7.4%	--	--	--	--	--	Mar-87