



Fulton County Schools Employees' Pension Plan

Investment Portfolio Review - Public Session 3rd Quarter 2019

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The SEI logo consists of the letters 'SEI' in a large, white, bold, sans-serif font. To the right of 'SEI', the tagline 'New ways. New answers.®' is written in a smaller, white, sans-serif font. The background for this text is a dark green triangle that points towards the bottom right of the slide.

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New answers.®

November 13, 2019

Agenda

- SEI Update, Executive Summary & Capital Markets Review
- Portfolio Review
- Appendix



SEI Update, Executive Summary & Capital Markets Review

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SEI quarterly update

Research and Commentary

Don't Fear the Repo: Short-Term Borrowing Rates Spike on a Combination of Pressures

Shorter-term, calendar-based pressures, longer-term shifts in market structure, and recent market action led to an overnight repurchase (repo) rate that began on September 16.

Harnessing Alternative Investments for Goals-based Portfolio Construction

In this video, Jim Smigiel, Chief Investment Officer of Non-Traditional Strategies, discusses how integrating alternative strategies directly into goals-based allocations can represent a more effective way to build portfolios.

SEI in the News and Events

PlanSponsor Article: The Importance of Rebalancing DC Plan Portfolios

Rebalancing is critical for DC plan participants

Wealth Management: Optimizing Defined Benefit Plan Liquidity

Understanding the potential benefits liquidity can bring the pension portfolio

Sean Simko on TD Ameritrade Network

Sean Simko, Head of Global Fixed Income Portfolio Management, joins host Oliver Renick to share his thoughts on the FOMC minutes and SEI's fixed income market outlook.

John Lau on CNBC Worldwide Exchange

John Lau, Head of Asian Equities, discusses the recent trade developments between the U.S. and China, as well as the impact on global markets.

Chicago DC Roundtable: October 24, 2019

Addressing asset accumulation and decumulation challenges in defined contribution plans

Animal Dispirits: From Aging Bull to Market



[Our Third Quarter Economic Outlook](#)

\$89 billion
Institutional AUM

\$335 billion
Worldwide AUM



Awards and recognition



Q3 2019. Financials as of September 30, 2019. HFMA staff and volunteers determined that SEI's outsourced investment management solution met specific criteria developed under the HFMA Peer Review process. HFMA does not endorse or guarantee the use of this product. Top OCIO Provider at the Fund Intelligence 2017 and Fund Map 2018 Institutional Asset Management Awards as of November 2018. *Pensions & Investments, July, 2019. SEI ranked as a largest outsourcer based on worldwide institutional outsourced assets under management. Email Institutions@seic.com for a digital copy.

Fulton County Schools Employees' Pension Plan Executive Summary – September 30, 2019

Plan Assets	3 rd Quarter 2019	YTD Return	3 Year Return
\$425 million	+0.3%	+13.2%	+7.7%

Portfolio Objectives

- The objective of the investment program is to improve the funded status of the Plan to ensure sufficient resources to meet or exceed benefit obligations by achieving the highest rate of return at the most appropriate level of risk with minimal annual pension expense volatility.

Portfolio Highlights

- Despite mixed performance in Q3 due to the recent market volatility, most global equity strategies continue to post double-digit returns in 2019. The strategic allocation to U.S. and International stocks have been the key driver of performance with returns of +16.0% YTD through 9/30/19. The U.S. equity position was up +18.7% YTD.
- The Federal Reserve's pivot to a more accommodative monetary stance by reducing the Federal Funds rate in July and September helped fixed income markets produce another quarter of positive performance, returning +1.8% for the quarter and +8.5% YTD through 9/30/19. Higher yielding fixed income strategies, High Yield Bond Fund and Emerging Markets Debt Fund, have posted double-digit returns in 2019.

Economic Outlook

- We think there is still life in the economic expansion, both in the U.S. and globally, but there's no denying that a synchronized global growth slowdown is underway. However, it does not mean that the global economy is in (or near) recession.
- The U.S. economy continues to perform well, showing good forward momentum, strong corporate profits with low inflation, unemployment, and rising wages. Geopolitical events continue to pressure the economies of China, Europe, U.K., Japan and Korea restraining GDP growth.
- The Federal Reserve's and other global Central Banks move to a more accommodative monetary policy should provide some support for GDP growth, but with rates moving lower the impact of monetary policy adjustments in the future is reduced.

Please refer to the important disclosures accompanying your portfolio performance in this presentation for information on performance calculations.

The outlook: Animal spirits: From aging bull to market mule?

The good news

- Global growth has slowed as trade tensions and last year's monetary policy tightening by the Federal Reserve have taken their toll. A recession still seems to be a low-probability event, especially in the U.S.
- Although global manufacturing trends are weak, service industries remain resilient.
- China's monetary and fiscal stimulus measures should help its economy gain traction, despite trade tensions with the U.S.
- The Federal Reserve's sharp pivot to renewed accommodation should delay a build-up in financial stress.
- We expect U.S. stock prices to grind higher from here, although the ride could be bumpy owing to ongoing manufacturing weakness and U.S. and global political uncertainties.

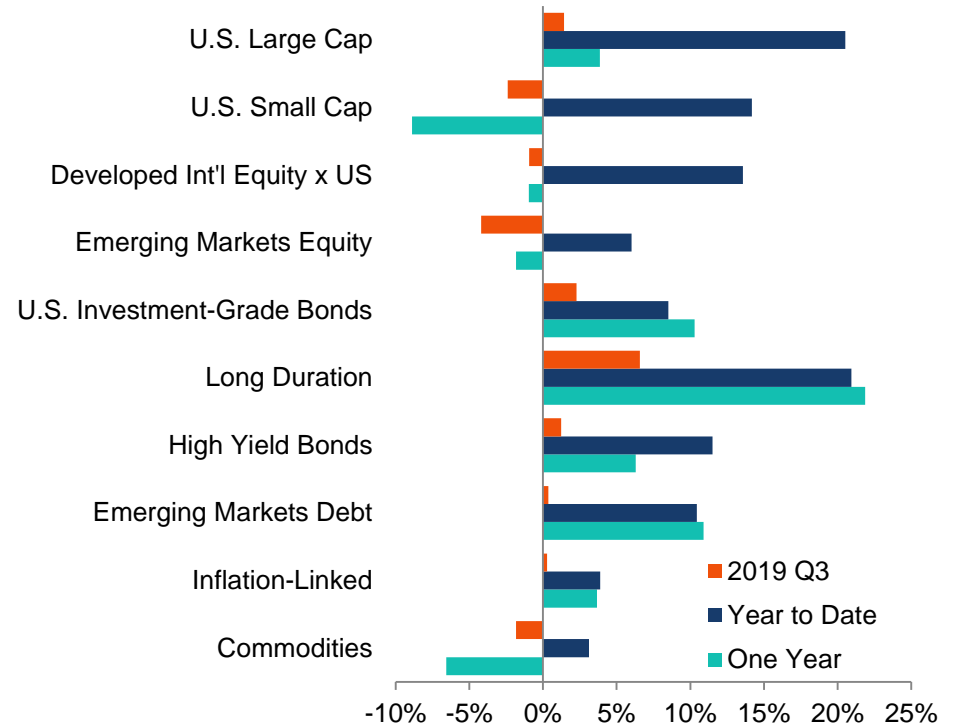
The bad news

- Manufacturing across the globe has slowed as trade flows decline and growth in China slows.
- Protectionism will remain a top concern as the Trump administration threatens to keep using tariffs as a tool of foreign policy against both friends and foes.
- Monetary policy seems to be losing its effectiveness in Europe and Japan as rates move toward and below the zero boundary.
- U.S. corporate profit margins are contracting as the key drivers of their expansion (falling interest rates, lower taxes and wage savings) fade.
- Europe remains a relative laggard economically, and investor sentiment toward the region would be hurt further if a hard (no-deal) Brexit were to occur.

Market performance overview

- Asset class performance was mixed during the third quarter. The prospects of additional U.S.-China tariffs and a sharp slowdown in global economic growth (especially in manufacturing) caused interest rates to fall sharply and the U.S. dollar to strengthen.
- Outside U.S. large caps, stocks had a challenging quarter. Returns were slightly negative overall in developed markets outside the U.S., while emerging market and U.S. small cap equities fell more sharply in a risk-off environment.
- Concerns about slower growth pulled interest rates sharply lower, providing a strong tailwind to higher-quality fixed income. High yield debt was modestly positive. Emerging markets debt (EMD) was just slightly better than flat; while dollar-denominated EMD fared reasonably well, local-currency assets struggled.
- Commodities were down overall for the quarter. Strength in industrial and precious metals was more than offset by weakness in energy and agricultural materials. Energy enjoyed a brief rebound following the mid-September attack on refining facilities in Saudi Arabia but gave all of those gains back and more by the end of the quarter.

Financial Markets Review



Commodities = Bloomberg Commodity Total Return Index (USD), Inflation-Linked = Bloomberg Barclays 1-5 Year US TIPS Index (USD), Emerging Markets Debt = 50/50 JPM EMBI Global Div & JPM GBI EM Global Div, High Yield Bonds = ICE BofAML US High Yield Constrained Index (USD), Long Duration = Bloomberg Barclays Long US Government/Credit Index (USD), U.S. Investment-Grade Bonds = Bloomberg Barclays US Aggregate Bond Index (USD), Emerging Markets Equity = MSCI EFM (Emerging+Frontier Markets) Index (Net) (USD), Developed Int'l Equity x US = MSCI World ex-USA Index (Net) (USD), U.S. Small Cap = Russell 2000 Index (USD), U.S. Large Cap = Russell 1000 Index (USD). Sources: SEI, index providers. Past performance is no guarantee of future results. All returns denominated in USD. As of 9/30/2019.

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Asset Allocation & Performance Review - 9/30/2019

Important information: Asset valuation and portfolio returns

Inception date 12/31/2015 Historical Total Index can be provided upon request.

The Portfolio Return and fund performance numbers are calculated using Gross Fund Performance, using a true time-weighted performance method (prior to 6/30/2012, the Modified Dietz method of calculation was used). 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. For additional information about how performance is calculated, please see your monthly performance report.

If applicable, alternative, property and private assets performance and valuations may be reported on a monthly or quarterly lag. 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 expenses; and Energy Debt Fund performance is calculated net of management fees, performance fees, as applicable, and operating expenses.

Net Portfolio Returns since 6/30/2012 reflect the deduction of SIMC's investment management fee and the impact that fee had on the client's portfolio performance. Prior to 6/30/2012, 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.

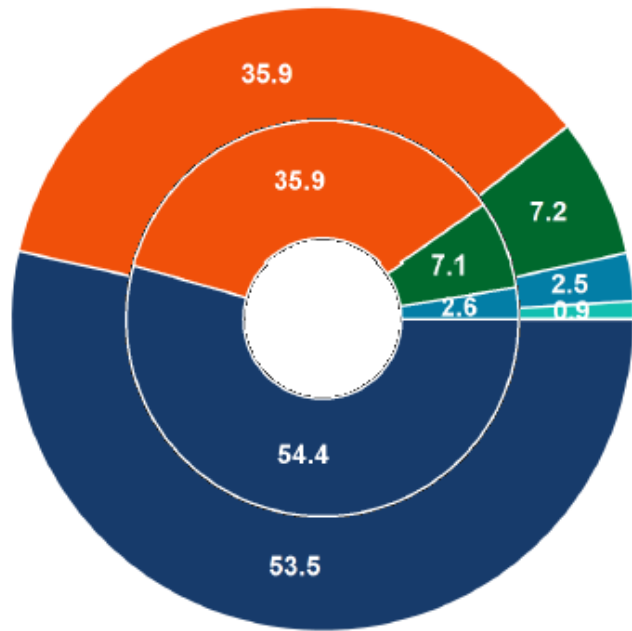
As of the close of business on 4/30/2017, the Total Index Composition is as follows:

27.0 %	Russell 1000 Index
17.0 %	Bloomberg Barclays US Agg Bond Index
16.9 %	MSCI All Country World ex US Index
8.0 %	ICE BofA ML 3 Mth Cons Mat LIBOR Index
7.1 %	Hist Blind: Dynamic Asset Allocation Index
7.0 %	Russell 2000 Index
5.0 %	ICE BofAML US HY Master II Constrained Idx
5.0 %	Bloomberg Barclays 1-5 Year US TIPS Index
4.0 %	50% JPM EMBI Global Div/50% GBI-EM Global
3.0 %	MSCI Emerging + Frontier Mkts Index (Net)

The Alternatives allocation listed on the following Investment Returns slide is a non SEI investment asset that is a legacy holding from the previous portfolio implementation. The Invesco Partnership Fund VI, LP, is a private equity fund. Future allocations, if any, to the Alternative asset class will be determined by the Board.

Fulton County: Portfolio summary – September 30, 2019

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



■ Total Equity
 ■ Other
 ■ Alternatives
■ Total Fixed
 ■ Real Estate/Property

Summary for periods ending 9/30/2019

	One Month	Three Month	Year To Date	1 Year
Beginning Portfolio Value	\$421,774,072	\$426,257,428	\$383,161,205	\$424,516,945
Net Cash Flows	(\$736,848)	(\$2,249,901)	(\$7,903,613)	(\$9,791,909)
Gain / Loss	\$3,963,582	\$993,280	\$49,743,214	\$10,275,770
Ending Portfolio Value	\$425,000,806	\$425,000,806	\$425,000,806	\$425,000,806

Alternative, Property and Private Assets valuations and performance may be reported on a monthly or quarterly lag.

Fulton County: Portfolio holdings – September 30, 2019

Strategy	Target Allocation (%)	Actual Allocation (%)
SEI EMERGING MARKETS EQUITY FUND SMQFX)	3.0	3.0
SEI EXTENDED MARKETS INDEX FUND (SMXAX)	8.0	7.9
SEI S&P 500 INDEX FUND (SPINX)	18.0	18.9
SEI WORLD EQUITY EX-US FUND (WEUSX)	24.0	23.7
SEI DYNAMIC ASSET ALLOCATION FUND (SDLAX)	7.0	7.2
SEI CORE FIXED INCOME FUND (SCOAX)	23.0	23.8
SEI EMERGING MARKETS DEBT FUND (SEDAX)	4.0	4.0
SEI OPPORTUNISTIC INCOME FUND (ENIAX)	3.0	3.1
SEI HIGH YIELD BOND FUND (SGYAX)	5.0	5.1
PRIVATE EQUITY	2.5	0.9
SEI CORE PROPERTY	2.5	2.5
SEI GOVERNMENT FUND (SEOXX)	0.0	0.0
TOTAL	100.0	100.0

	Total	Actual	Cumulative (%)			Annualized (%)				Inception
	Assets (\$)	Alloc (%)	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	12/31/2015
Total Portfolio Return	425,000,806	100	0.95	0.28	13.17	2.71	7.66	-	-	7.92
<i>Standard Deviation Portfolio</i>							7.77	-	-	
Total Portfolio Index			1.16	0.38	12.92	3.59	7.80	-	-	8.11
<i>Standard Deviation Index</i>							7.51	-	-	
60% MSCI World/ 40% Bloomberg Barclays Agg			1.06	1.26	14.13	5.54	7.43	-	-	7.50

Appendix

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Important information

SEI's Institutional Group does not sell services to managers and does not engage in activities that result in compensation paid by such managers to SEI. There are no circumstances where our officers or employees receive direct or indirect compensation from managers. There are also no database subscription fees, manager/client conference fees or other "pay to play" practices that exist in our manager selection and oversight processes. In addition, SEI does not participate in any client-directed brokerage programs.

Fulton County Schools Employees' Pension Plan

Institutional investment strategies

Domestic Equity	
<p>SEI Large Cap Index Strategy State Street Global Advisors – Passive</p> <p>SEI Large Cap Equity Strategy AJO, L.P. – Quantitative Relative Value Coho Partners – Relative Value Fred Alger Management, Inc. – Differentiated Momentum LSV Asset Management* – Quantitative Contrarian Value Mar Vista Investment Partners LLC – Stability Schafer Cullen Capital Management – Disciplined Value</p>	<p>SEI U.S. Small Cap II Equity Strategy ArrowMark Partners – Stable Growth Copeland Capital Management, LLC – Dividend Growth EAM Investors, LLC – Momentum Growth LMCG Investments, LLC – Relative Value Snow Capital Management, LP – Value</p>
International Equity	
<p>SEI World Equity ex-U.S. Strategy Acadian Asset Management – Quant Value/Momentum Alliance Bernstein, L.P. – Quant Value Baillie Gifford – Growth BlackRock International Ltd. – Style Flexibility EARNEST Partners – Core/Relative Value Tilt JO Hambro Capital Management – GARP McKinley Capital Management – Quantitative Momentum Wells Capital Management, Inc. – Value</p>	<p>SEI Emerging Markets Equity Strategy AllianceBernstein L.P. – Value Causeway Capital Management – Quantitative Core JO Hambro Capital Management – Growth Kleinwort Benson Investors International Ltd. – Dividend Focus RWC Asset Advisors (U.S.) LLC. – Growth WCM Investment Management – Quality Growth</p>

Sub-Adviser Diversification as of September 30, 2019. The strategies above are not an exhaustive list, but represent those that are typically utilized by SEI Institutional clients. Certain strategies are currently available only in registered mutual fund products. References to specific SEI funds are designed to illustrate SEI's manager selection process, which is implemented by SEI Investments Management Corporation (SIMC). The managers may be offered exclusively through mutual funds. References to specific securities do not constitute an offer or recommendation to buy, sell or hold such securities. *As of June 30, 2019, SEI Investments Company has a 38.9% minority ownership interest in LSV Asset Management.

Fulton County Schools Employees' Pension Plan

Institutional investment strategies

Fixed Income

SEI U.S. Core Fixed Income Strategy

Jennison Associates – Security Selector w/Corporate Bond Focus
Logan Circle Partners, L.P. – Core Fixed Income
Metropolitan West Asset Management – Macro/Value-Oriented
Wells Capital Management – Security Selection
Western Asset Management – Macro/Sector Rotator

SEI Opportunistic Income Strategy

Ares Management – Bank Loans
Manulife Asset Management – Multi-Sector LIBOR Plus
Schroders Asset Management. – Enhanced Cash
Wellington Management Company – Enhanced Cash

SEI High Yield Bond Strategy

Ares Management – Opportunistic
Benefit Street Partners – Relative Value
Brigade Capital Management – Opportunistic
J.P. Morgan Asset Management – Relative Value
T. Rowe Price Associates – High Yield

SEI Emerging Markets Debt Strategy

Colchester Global Investors – Consistency
Investec Asset Management – Security Selection
Marathon Asset Management, LP – Experience
Neuberger Berman – Macro
Stone Harbor Investment Partners – Relative Value

Alternative Investments

SEI Alternative Investments

Equity Long/Short Strategies
Event Driven Strategies
Global Macro Strategies
Relative Value Strategies
Venture Capital Strategies
Buyout Strategies
Private Debt Strategies
Private Real Assets Strategies
Private Real Estate Strategies
Structured Credit Strategies
Energy Debt Strategies

Other

SEI Dynamic Asset Allocation Strategy

State Street Global Advisors

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Important information

This presentation is provided by SEI Investments Management Corporation (SIMC), a registered investment adviser and wholly owned subsidiary of SEI Investments Company. The material included herein is based on the views of SIMC. Statements that are not factual in nature, including opinions, projections and estimates, assume certain economic conditions and industry developments and constitute only current opinions that are subject to change without notice. Nothing herein is intended to be a forecast of future events, or a guarantee of future results. This presentation should not be relied upon by the reader as research or investment advice (unless SIMC has otherwise separately entered into a written agreement for the provision of investment advice).

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.

For those SEI products which employ a multi-manager structure, SIMC is responsible for overseeing the sub-advisers and recommending their hiring, termination, and replacement. References to specific securities, if any, are provided solely to illustrate SIMC's investment advisory services and do not constitute an offer or recommendation to buy, sell or hold such securities.

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 specific 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.

Certain economic and market information contained herein has been obtained from published sources prepared by other parties, which in certain cases have not been updated through the date hereof. While such sources are believed to be reliable, neither SEI nor its affiliates assumes any responsibility for the accuracy or completeness of such information and such information has not been independently verified by SEI.

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.

Important information

As identified in the presentation, certain funds are collective trust funds, not mutual funds. A collective trust fund is an investment fund that is maintained by a bank or trust company for the collective investment of qualified retirement plans and governmental plans, and that is exempt from SEC registration as an investment company under Section 3(c)(11) of the Investment Company Act of 1940. Collective trust funds eliminate many of the administrative costs associated with institutional and retail mutual funds.

For more information on the collective trust funds, including fees and expenses, please read the disclosure document for the trust.

There is no guarantee that the investment objective will be fulfilled. If the fund is a target date fund, the principal balance of the portfolio may be depleted prior to a portfolio's target end-date and, therefore, distributions may end earlier than expected. This risk increases if the distribution amount chosen is a significant portion of the starting principal. The target date represents the respective date when an investor intends to retire. Principal of any target date fund is not guaranteed at any time, including the target date. The projected time periods do not take into account the payment of fees to the advisor out of the portfolio or any other additional distribution from the account.

For those SEI collective trust funds that may be held in the account, the SEI collective trust fund is part of a Collective Investment Trust (the "Trust") operated by SEI Trust Company ("STC"). STC manages the Trust based on the advice of one or more third party managers, which may include SIMC. Additionally, STC serves as the trustee of the collective trust funds and maintains ultimate fiduciary authority over the management of, and the investments made, in the funds. STC is also a wholly owned subsidiary of SEI Investments Company.

Performance for the SEI CT-4 share classes prior to inception is that of the CT-1 share class adjusted for fees of the newer class.