

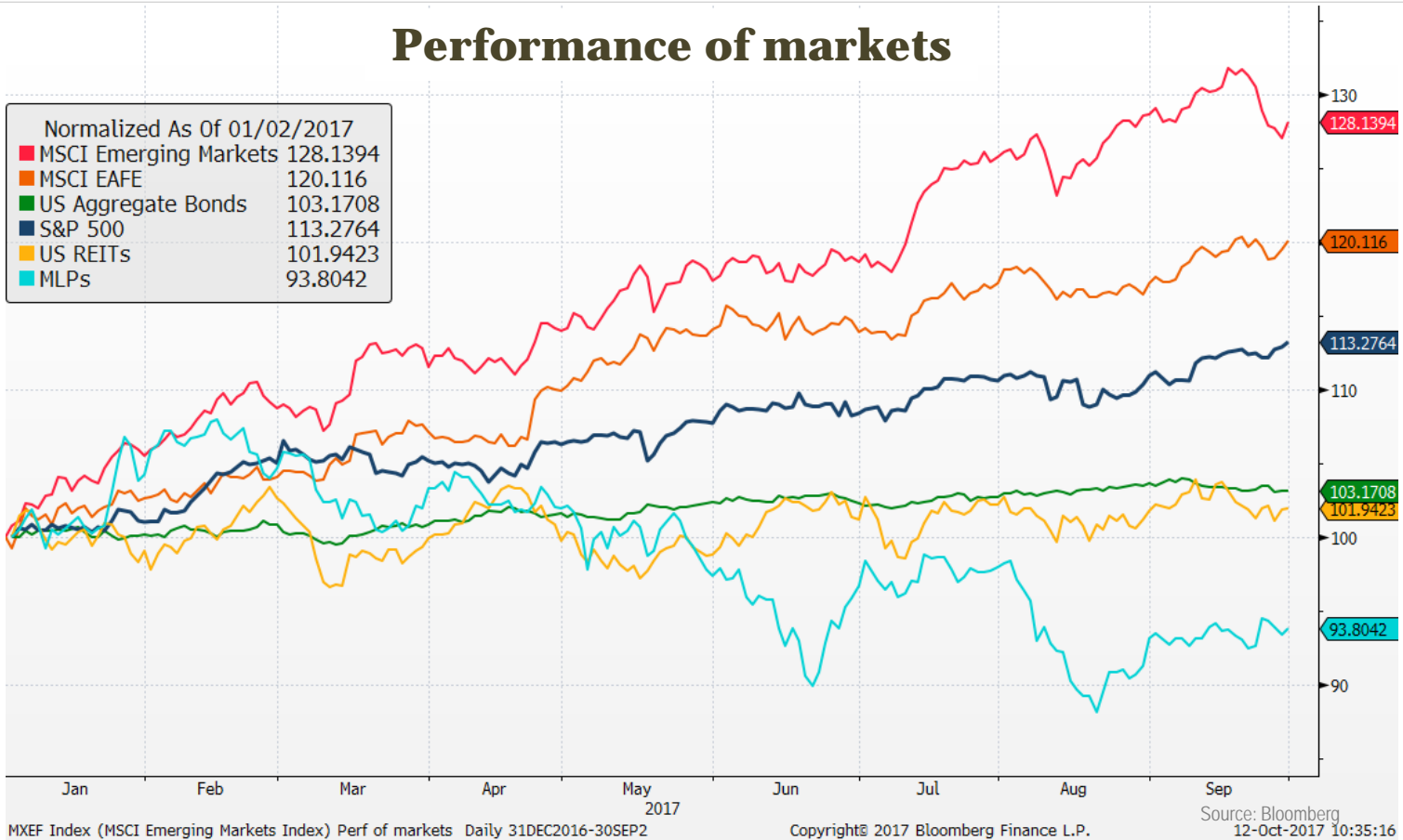


July, 2017

2017 Q3 performance review

Internal use only

Performance of markets

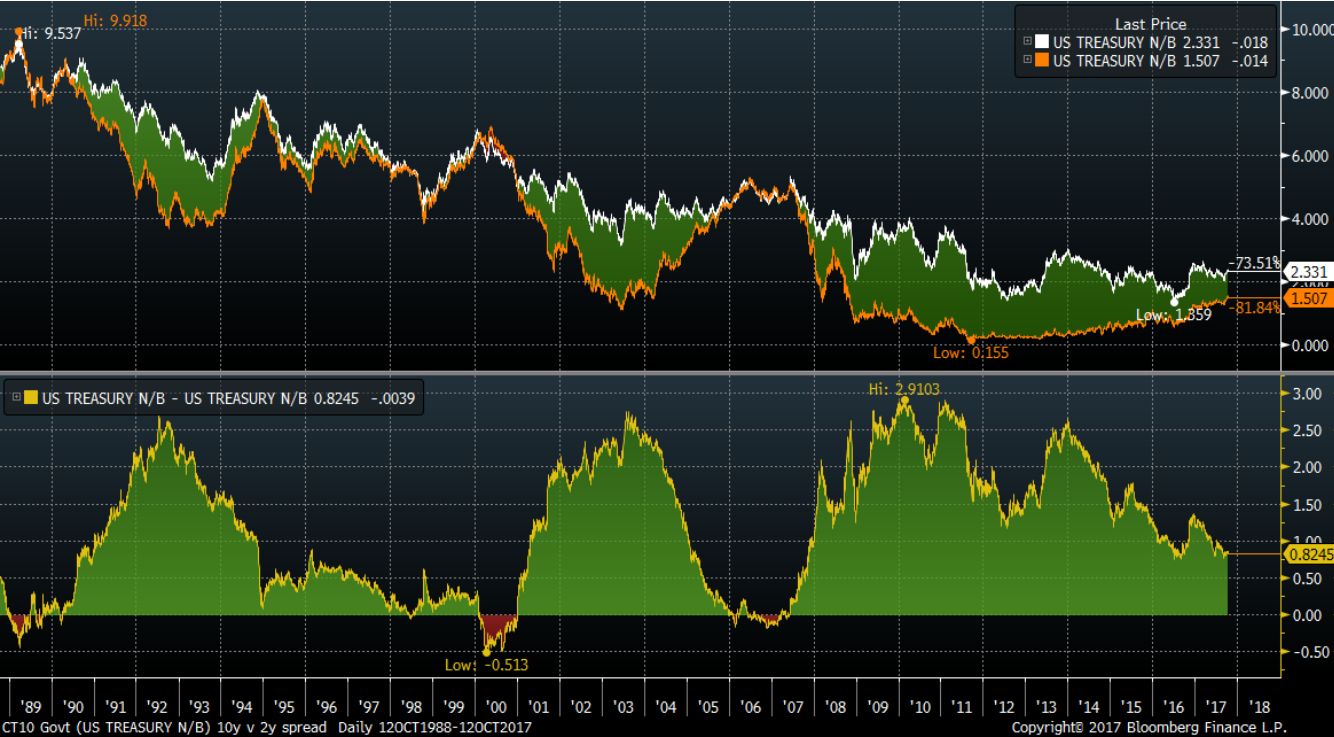


- > MLP's and REITs have lagged
- > International Developed stocks have rebounded
- > EM stocks have performed well



- Yields rose sharply after US Presidential election
- Our bond duration is 4.5 years, shorter than US Aggregate at 5.8 years

Bond markets – spreads (10y-2y)

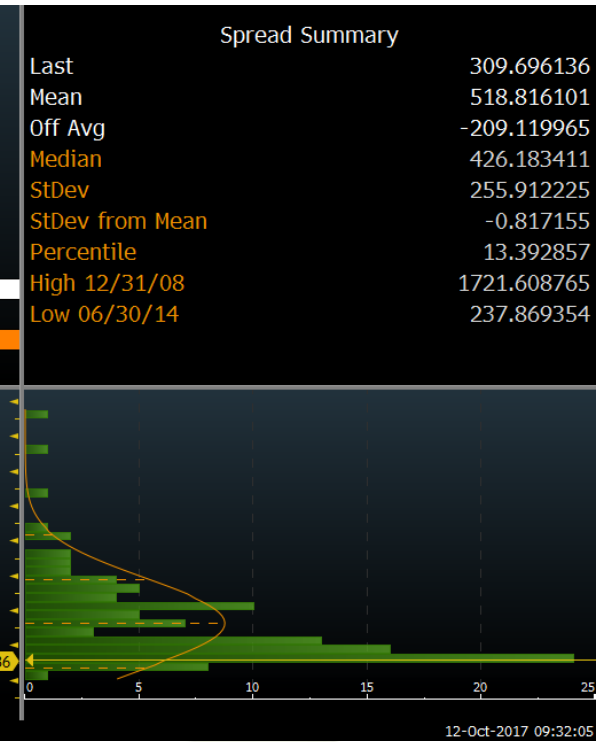
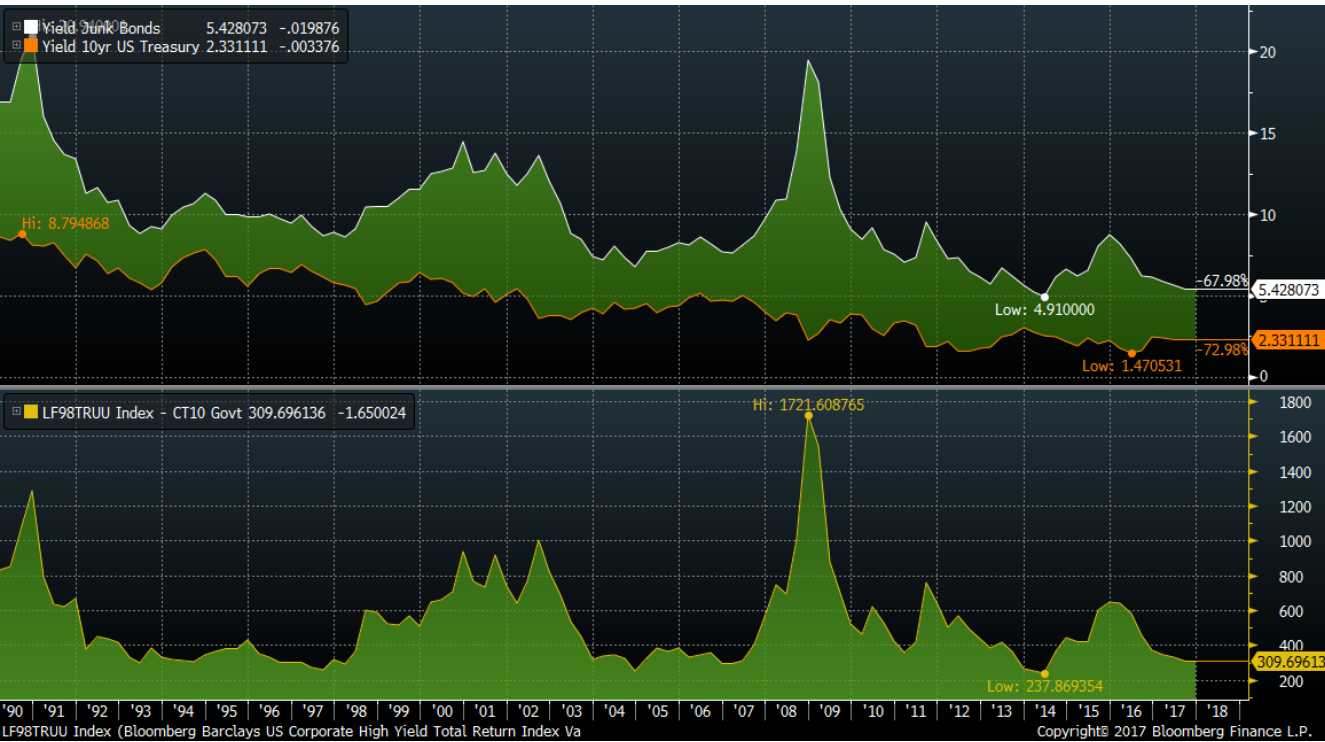


CT10 Govt (US TREASURY N/B) 10y v 2y spread Daily 12OCT1988-12OCT2017

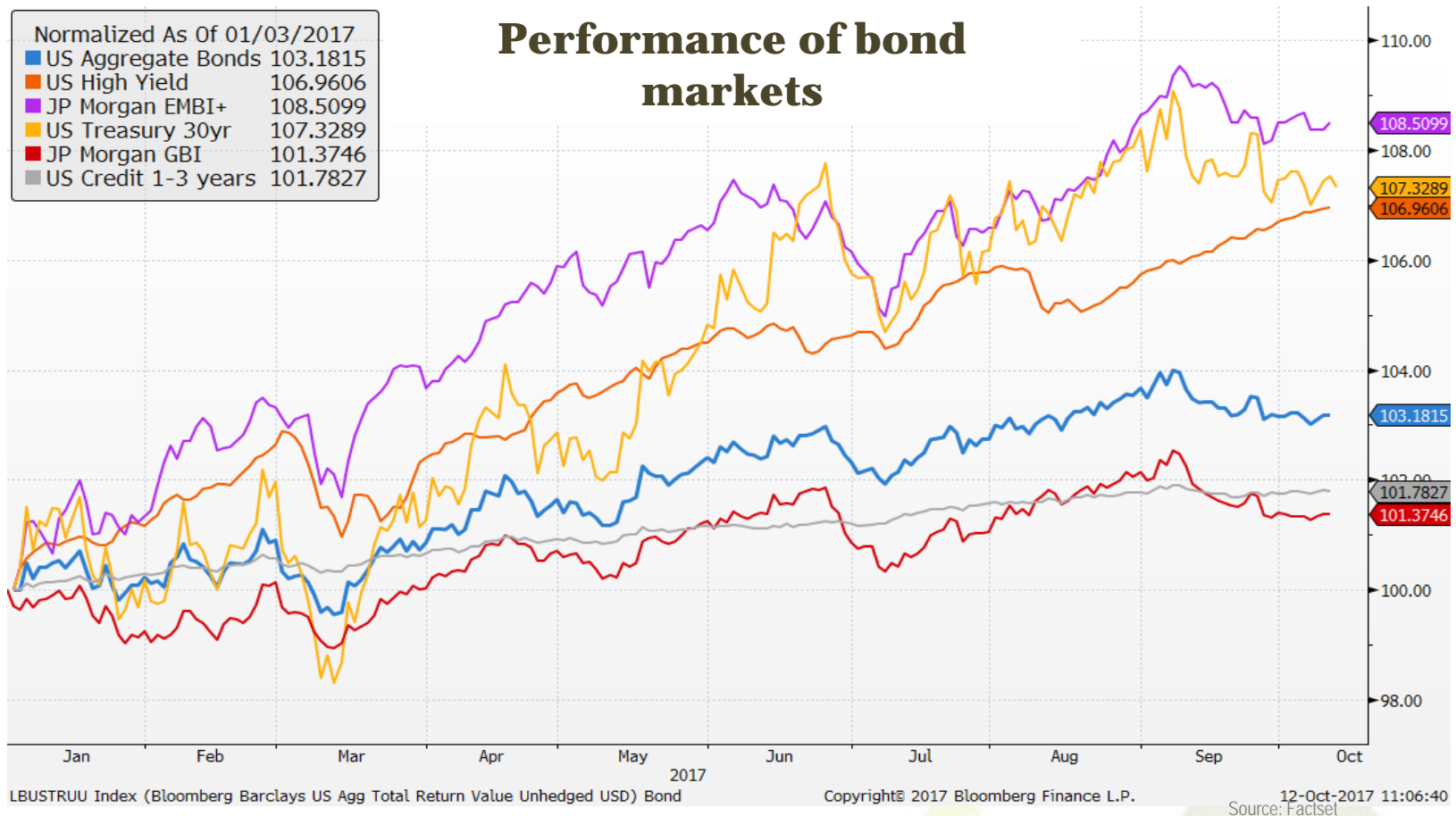
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High Yield Spreads



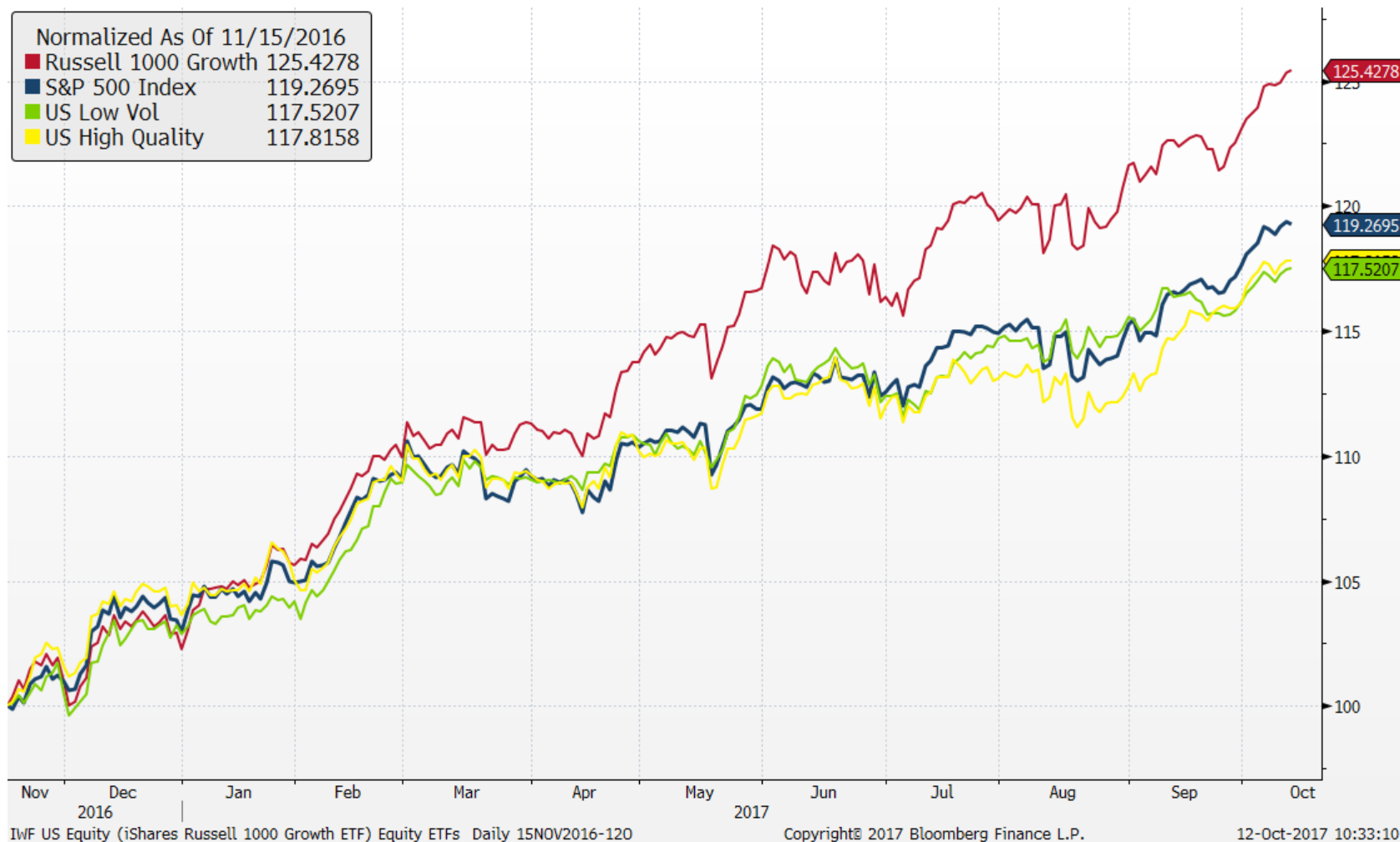
Market Returns



- Argentina issued \$2.75b of a 100 year bond 7 1/8 coupon (~400bps over UST) – defaulted 8 times since 1816 and most recently in 2001 and 2014

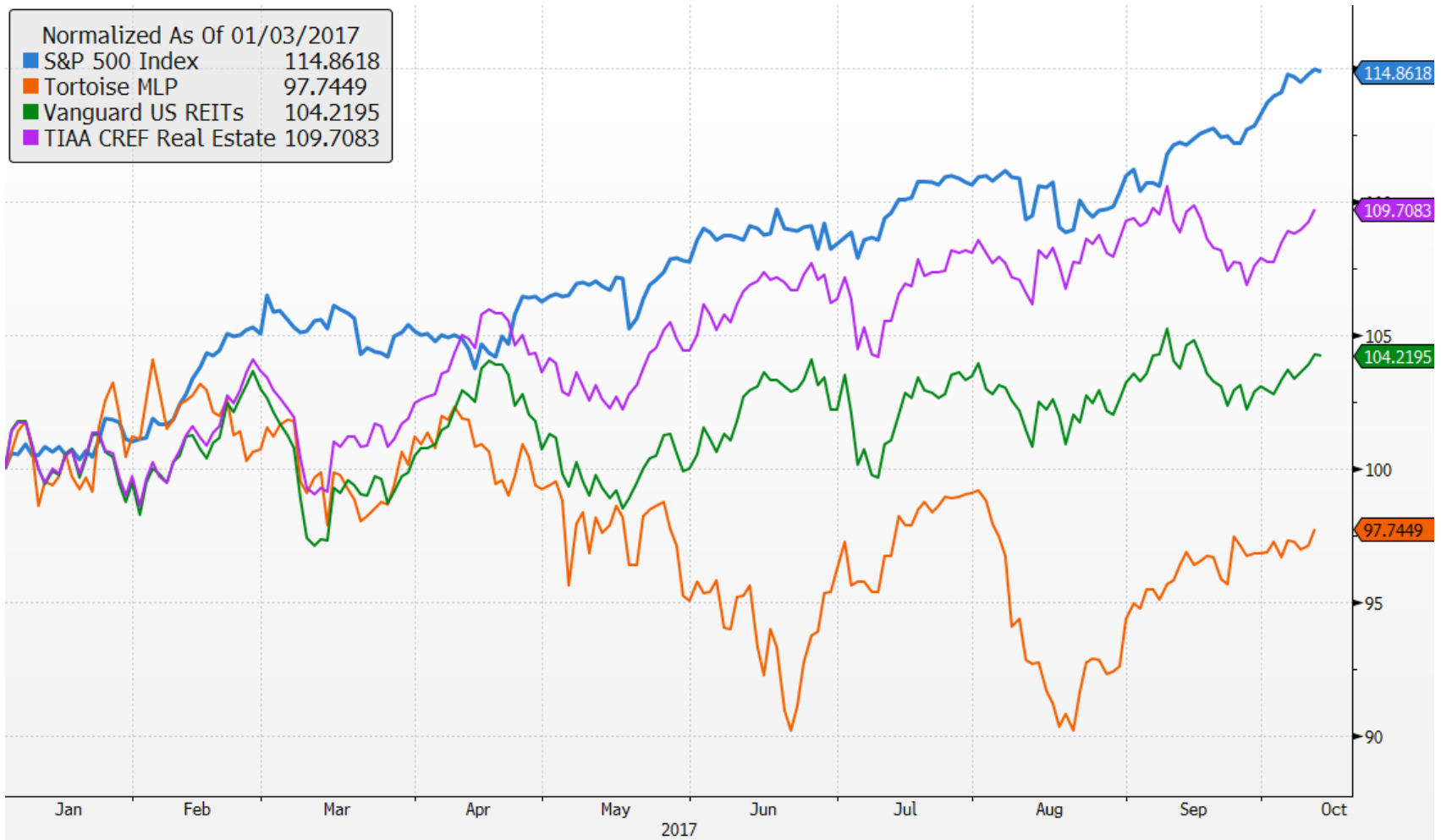
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U.S. stock market ETFs

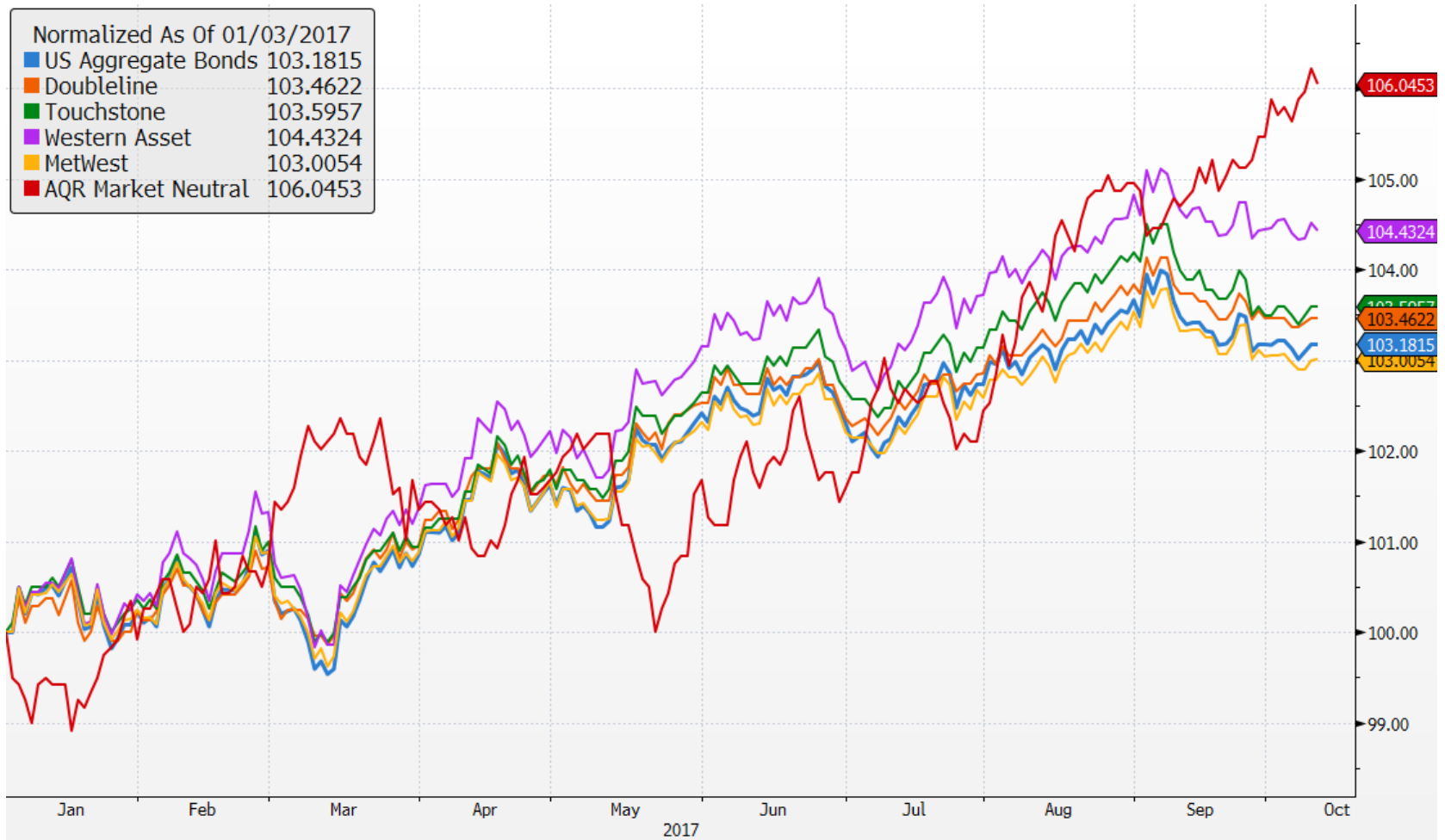


Source: Factset

MLPs and REITs have underperformed



Active bond managers and Market Neutral



LBUSTRUU Index (Bloomberg Barclays US Agg Total Return Value Unhedged USD) Activ

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Vehicle performance

as of 9/30/17



Portfolios	Benchmark Description	Quarter to Date			Year to Date		
		Vehicle Return	Bench. Return	Excess Return	Vehicle Return	Bench. Return	Excess Return
Core Bond							
DoubleLine Total Return Bond F	Bloomberg Barclays US Agg Tota	1.08	0.85	0.23	3.56	3.14	0.42
Metropolitan West Total Return	Bloomberg Barclays US Agg Tota	0.81	0.85	-0.04	3.04	3.14	-0.10
Western Asset Core Bond Fund	Bloomberg Barclays US Agg Tota	1.29	0.85	0.44	4.45	3.14	1.31
Touchstone Total Return Bond F	Bloomberg Barclays US Agg Tota	0.80	0.85	-0.05	3.49	3.14	0.35
Floating Rate							
Eaton Vance Floating-Rate Fund	Bloomberg Barclays US Agg Tota	0.86	0.85	0.01	3.32	3.14	0.18
Short Bonds							
iShares 1-3 Year Credit Bond E	Bloomberg Barclays US Agg Tota	0.45	0.85	-0.39	1.48	3.14	-1.66
Municipal Bond							
Fidelity Intermediate Municipa	Bloomberg Barclays US Agg Tota	1.34	0.85	0.49	4.09	3.14	0.95
Fidelity Limited Term Municipa	Bloomberg Barclays US Agg Tota	0.66	0.85	-0.19	2.67	3.14	-0.47
SPDR Nuveen Bloomberg Barclays	Bloomberg Barclays US Agg Tota	0.46	0.85	-0.38	2.08	3.14	-1.06
Balanced							
Fidelity Four-in-One Index Fun	S&P 500 Index	4.14	4.48	-0.34	13.81	14.24	-0.43
US Large/Mid Cap							
PowerShares S&P 500 Quality Po	S&P 500 Index	3.64	4.48	-0.84	12.01	14.24	-2.23
iShares Russell 1000 Growth ET	S&P 500 Index	5.76	4.48	1.28	20.35	14.24	6.11
iShares Edge MSCI Min Vol USA	S&P 500 Index	3.33	4.48	-1.15	12.89	14.24	-1.35
US Mid/Small Cap							
iShares Russell 2000 Growth ET	Russell 2000 Index	6.44	5.67	0.78	16.94	10.93	6.00
iShares Core S&P Small-Cap ETF	S&P Small Cap 600 Index	6.19	5.96	0.23	8.96	8.90	0.05
International Developed							
iShares Core MSCI EAFE ETF	MSCI EAFE Index	5.39	5.47	-0.08	21.55	20.47	1.08
Hartford Intl Value (HILIX)	MSCI EAFE - Net Return	6.33	5.47	0.86	20.09	20.47	-0.38
Lazard International Strategic (LISIX)	MSCI EAFE - Net Return	5.71	5.47	0.24	20.50	20.47	0.03
iShare MSCI EAFE (EFA)	MSCI EAFE - Net Return	5.03	5.47	-0.44	20.56	20.47	0.09
Emerging Markets							
Baron Emerging Markets (BEXIX)	EMF (Emerging Markets) - Net Return	10.10	8.01	2.09	32.47	28.08	4.38
Harding Loevner EM (HLMEX)	EMF (Emerging Markets) - Net Return	7.26	8.01	-0.75	28.03	28.08	-0.06
iShares Core EM (IEMG)	EMF (Emerging Markets) - Net Return	7.95	8.01	-0.06	28.18	28.08	0.10
S&P 500 Energy Sector							
JPMorgan Alerian MLP ETN (AMJ)	Alerian MLP - Total Return	-3.31	-3.05	-0.26	-6.40	-5.62	-0.78
Tortoise MLP (TORIX)	Alerian MLP - Total Return	0.59	-3.05	3.64	-2.01	-5.62	3.62
Commodities							
SPDR Gold Trust (GLD)	Bloomberg Commodity Index - Total Return	3.02	2.25	0.77	10.92	-3.49	14.41
Real Estate							
Vanguard REIT (VNQ)	TSE NAREIT Composite Total Return	0.87	1.11	-0.24	3.44	6.04	-2.60
TIAA CREF Real Estate	TSE NAREIT Composite Total Return	1.45	1.11	0.34	8.18	6.04	2.14
Market Neutral							
AQR Market Neutral (QMNIX)	Bloomberg Barclays US Aggregate	3.80	0.85	2.95	4.93	3.14	1.79
Real Assets							
Nuveen Real Asset (NRIAX)	S&P 500 - Total Return	2.66	4.48	-1.82	10.96	14.24	-3.28

Growth model attribution



GROWTH MODEL: GROW vs Default (BALA) by Growth Classif in USD Time Custo 12/30/16 - 09/29/17

Model	Total Return	Unit	Percentage	Curve	Swap
Return Summary					
Portfolio Return	12.07			Active Return Attribution Summary	
Benchmark Return	12.67			Active Return	-0.60
Active Return	-0.60			Allocation	-0.85
				Selection	0.25
Currency 0.00					

Excess Return Summary Graph

Custom | Growth Classification

Port Wgt	Bench Wgt	Wgt Diff	Total Attr	Currency	Allocation	Selection
8.61	0.00	8.61	Alternatives	-0.86	0.00	-0.86
2.00	0.00	2.00	Cash	-0.24	0.00	-0.24
20.27	25.00	-4.73	Fixed Income	0.48	0.00	0.44
69.12	75.00	-5.88	Equity	0.02	0.00	-0.19

GROWTH MODEL: GROW vs Default (BALA) by Growth Classif in USD Time Custo 09/30/16 - 09/29/17

Model	Total Return	Unit	Percentage	Curve	Swap
Return Summary					
Portfolio Return	13.12			Active Return Attribution Summary	
Benchmark Return	13.87			Active Return	-0.75
Active Return	-0.75			Allocation	-1.19
				Selection	0.44
Currency 0.00					

Excess Return Summary Graph

Custom | Growth Classification

Port Wgt	Bench Wgt	Wgt Diff	Total Attr	Currency	Allocation	Selection
7.96	0.00	7.96	Alternatives	-1.18	0.00	-1.18
2.00	0.00	2.00	Cash	-0.26	0.00	-0.26
20.96	25.00	-4.04	Fixed Income	1.08	0.00	0.54
69.09	75.00	-5.91	Equity	-0.39	0.00	-0.29

Growth model changes

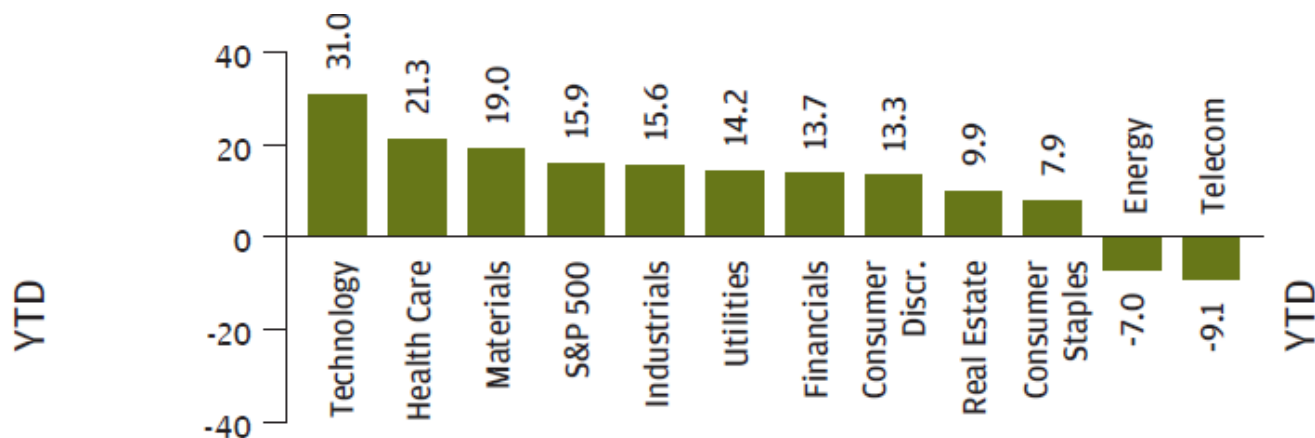
Portfolio changes 2017

- › 1/5 reduced short term bonds, increased small cap and added market neutral
- › 2/7 increased MLPs
- › 5/2 eliminated floating rate increased core bond funds and market neutral
- › 7/11 Increased international developed and reduced US large cap
- › 8/8 Switch REIT exposure to active manager, TIAA CREF Real Estate Fund

S&P 500 – What happened during Q3

- > **The S&P 500 is up a strong 14.5% YTD behind strong fundamentals and continued outperformance by Technology in a growth environment**
 - > S&P 500 returned 4.5% in the third quarter
 - > Five stocks comprising “FAAMG” (FB, AAPL, AMZN, MSFT, and GOOGL) have boosted S&P 500 total returns by over 2% as FAAMG portfolio is up 29.5% YTD
 - > On average these companies are growing sales more than 3x the S&P 500
- > **For Q3, companies with international sales >50% are showing higher earnings growth 7.9% versus 2.8% for S&P 500.**
- > Growth and large firms have performed best.
- > Measures of volatility in the year’s first half were at or near multiyear lows not only in the U.S., but also in Europe and Asia

	V	B	G
L	8.8	15.9	23.1
M	8.5	13.3	19.5
S	6.5	11.9	17.8



Focus equity highlights – YTD

What has driven performance YTD?

- › Our US equities outperformed the market in Q1 2017 but experienced some weakness in Q3 relative to the market driven largely by consumer discretionary underperformance

What's worked?

- › Strong security selection in Industrials (ST and LMT) and Health Care (BCR) this year

What didn't?

- › Security selection in Consumer Discretionary (AAP) and Real Estate (SKT)

Recent Changes

- › Sold Advance Auto
- › Added Fortive
- › Sold Fox

Attribution – YTD



CW EQUITY MODEL		vs	ISHARES CORE	by	Crestwood GIC	in	USD	Time	YTD	12/30/16	-	10/16/17
Model	Total Return	Unit	Percentage									
Return Summary				Active Return Attribution Summary								
Portfolio Return	14.75			Active Return	-1.32	Currency						0.00
Benchmark Return	16.07			Allocation	0.38							
Active Return	-1.32			Selection	-1.70							
Excess Return Summary Graph												
Custom Crestwood GICS Breakdown - GICS Sectors												
Port Wgt	Bench Wgt	Wgt Diff		Total Attr	Currency	Allocation	Selection					
19.53	14.48	5.05	Health Care	0.55	0.00	0.22	0.33					
17.80	14.37	3.42	Financials	-0.17	0.00	-0.04	-0.13					
3.87	0.55	3.31	Not Classified	0.06	0.00	-0.24	0.30					
4.41	2.91	1.50	Real Estate	-0.51	0.00	-0.16	-0.35					
0.00	-0.27	0.27	Offset Cash	-0.06	0.00	-0.06	0.00					
6.24	6.33	-0.09	Energy	-0.23	0.00	0.02	-0.25					
11.61	12.17	-0.56	Consumer Discretionary	-2.01	0.00	0.12	-2.14					
8.81	10.15	-1.34	Industrials	0.71	0.00	0.07	0.64					
7.03	8.63	-1.60	Consumer Staples	0.32	0.00	0.10	0.22					
20.20	22.36	-2.17	Information Technology	-0.66	0.00	-0.30	-0.35					
0.00	2.27	-2.27	Telecommunication Services	0.63	0.00	0.63	0.00					
0.49	2.86	-2.37	Materials	-0.03	0.00	-0.05	0.03					
0.00	3.17	-3.17	Utilities	0.07	0.00	0.07	0.00					

(!) 10 Notices

Heat Map– YTD

