

WRS U.S. Small/Mid Cap Equity Fund

(Modeled WRS Fund Performance & Historic Manager Performance as of 12/31/2016. Net Expense Ratio 0.58%)



RETIREMENT SYSTEM

Investment Objective & Strategy

The Fund seeks to provide long-term capital appreciation by primarily investing in the common stock of small and mid-sized companies located in the United States. The Fund invests in a wide array of stocks that have market capitalizations similar to the securities within the Russell 2500™ Index benchmark. The fund combines both growth and value-oriented investment styles with active and passive management, thereby providing style and strategy diversification.

Risk Profile

Small/Mid Cap investments may be most appropriate for someone willing to accept a high degree of market volatility in exchange for greater potential returns over time. Stock investments tend to be more volatile than bonds, stable value or money market investments.



Risk Statistics	1 Year	3 Years	5 Years	7 Years
Alpha	-1.41	1.11	1.96	2.40
Beta	0.90	0.91	0.93	0.91
R-Squared	0.99	0.98	0.98	0.99
Sharpe Ratio	1.01	0.63	1.26	1.03
Standard Deviation	13.97	12.49	12.13	14.67

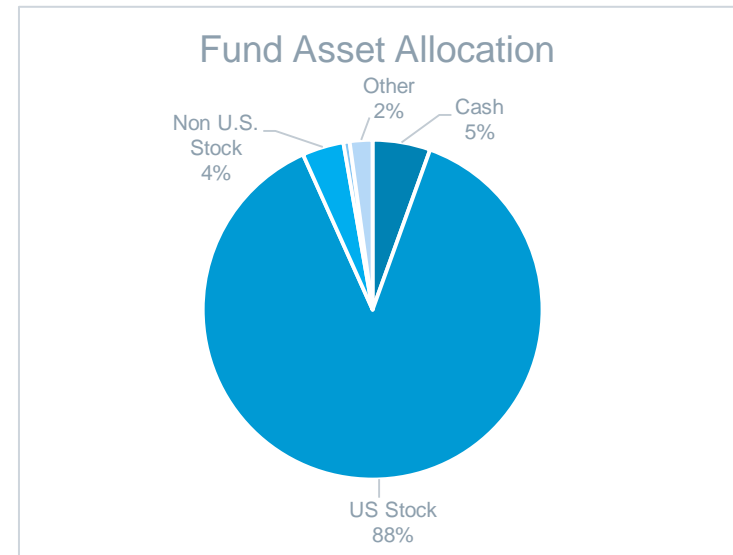
Note: Risk/Return Meter is calculated using the S&P MidCap 400 TR USD benchmark's historic risk/return performance. Fund Risk Statistics have been modeled based on manager historic performance against the Fund benchmark. Alpha measures manager generated excess returns. Beta measures return sensitivity to benchmark performance. R-Squared shows how much of portfolio movement can be explained by market movement. Sharpe Ratio measures the amount of risk for each unit of return. Standard deviation measures the degree of volatility.

WRS U.S. Small/Mid Cap Equity Fund Performance and Composite Manager Performance and Fees

	% of WL Fund	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2015	2014	2013	2012	Net Expense Ratio
WRS Small/Mid Cap US Equity Fund	100%	3.70	14.27	7.49	15.72	15.09	N/A	1.55	7.04	43.30	16.57	0.58%
Russell 2500 Index Benchmark		6.12	17.59	6.93	14.54	13.56	7.69	-2.90	7.07	36.80	17.88	
Difference		-2.42	-3.32	0.56	1.18	1.53	N/A	4.45	-0.03	6.50	-1.31	
Diamond Hill S/Md Cp;Y (DHMYX)	37.5%	6.53	18.29	8.88	16.23	14.10	9.54	1.41	7.60	41.88	15.84	0.85%
BlackRock Russell 2500 Index Fund M (CF)	25.0%	6.24	17.87	7.10	14.70	13.70	N/A	-2.74	7.16	36.84	18.08	0.03%
T Rowe Price New Hzns;l (PRJIX)	37.5%	-0.74	7.95	6.19	15.71	16.88	10.80	4.54	6.10	49.11	16.20	0.67%

Sector Distribution	Weight (%)
Consumer Discretionary	18.73
Consumer Staples	6.37
Energy	3.43
Financials	17.96
Health Care	12.74
Industrials	15.54
Information Technology	16.15
Materials	2.61
Real Estate	4.04
Telecom Services	0.44
Utilities	1.98

Top 10 Equity Holdings	Weight (%)
Willis Towers Watson plc	1.80
Cimarex Energy Co.	1.47
BankUnited Inc	1.21
Vail Resorts Inc.	1.11
Aaron's Inc	1.10
Hub Group Inc	1.09
Axalta Coating Systems Ltd	1.09
Brown & Brown Inc	1.06
O'Reilly Automotive Inc	1.05
BorgWarner Inc	1.02
Total Weight	12.00
Total Equity Holdings	2,487



Performance is net of investment fees. Fund rebalanced to target on a monthly basis. The Fund was launched October 3rd, 2016. Please note, investment in securities involves a high degree of risk, including the risk of loss of the entire investment. Diversification will not protect investors from losses in a down market

This communication was developed for WRS by an independent investment consultant. Please consider the investment objectives, risks, fees and expenses carefully before investing.