



**PERSPECTIVES  
THAT DRIVE  
ENTERPRISE  
SUCCESS**



**PERIOD ENDING: JUNE 30, 2016**

Investment Performance Review for

**Contra Costa County Employees' Retirement Association**

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**PERSPECTIVES  
THAT DRIVE  
ENTERPRISE  
SUCCESS**

3<sup>RD</sup> QUARTER 2016  
Investment Landscape

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# 2<sup>nd</sup> quarter summary

## THE ECONOMIC CLIMATE

- The U.K. vote to leave the European Union surprised markets and caused the beginning of a reassessment of associated risks. *p. 17, 30*
- Economic growth has been mixed across the developed markets. BRICS economies exhibited a slight improvement in growth. Brazil and Russia may be rounding the corner from severe recession. *p. 16, 31*
- Inflation around the world continued downward with the U.S. being an exception. *p. 15, 16*

## MARKET PORTFOLIO IMPACTS

- The U.S. dollar rose 0.5% in Q2 on a trade-weighted basis. If we see stabilization of the dollar this may have a positive impact on U.S. earnings. Investors who have unhedged international equity exposure would also benefit. *p. 25, 38*
- The Bloomberg Commodity index exhibited a bounce in Q2 returning 12.8%, but is still down -13.3% over the past year. *p. 36*

## THE INVESTMENT CLIMATE

- Government bond yields have reached all time lows in many developed countries around the globe and a third of government bonds as measured by market value are now characterized by negative yields. *p. 19*
- Following Britain's unexpected vote to leave the E.U., markets saw significant drawdowns. Most equity markets have now recovered losses and some have reached new highs. *p. 17, 25, 30*

## ASSET ALLOCATION ISSUES

- We continue to remain underweight risk and believe that market risks are asymmetrically skewed to the downside. *p. 32, 33*
- U.S. inflation expectations decreased during the quarter although inflation has now begun to rise. Market pricing implies U.S. inflation will decline from the current level and stay lower for longer. *p. 14*

We remain underweight to risk

Further U.S. earnings weakness could cause an adjustment of risk appetite amongst investors

# What drove the market in Q2?

## “LAID-OFF AMERICANS ARE FINALLY RETURNING TO THE LABOR MARKET: WILL THEY FIND JOBS?”

### U.S. Labor Participation Rate

Jan 31st	Feb 29th	Mar 31st	April 30th	May 31st	June 30th
62.70%	62.90%	63.00%	62.80%	62.60%	62.70%

Source: LA Times, April 1<sup>st</sup> 2016

## “OIL PRICES POISED TO HIT SWEET SPOT FOR GLOBAL ECONOMY”

### WTI Crude Oil

Jan 29th	Feb 29th	Mar 31st	April 29th	May 31st	June 30th
\$40.91	\$37.89	\$41.33	\$47.49	\$50.56	\$49.13

Source: WSJ, May 26<sup>th</sup> 2016

## “TREASURY YIELDS PLUMMET TO 3-YEAR LOW AMID GLOBAL BOND RALLY”

### U.S. 10 Year Treasury Yield

Jan 29th	Feb 29th	Mar 31st	April 29th	May 31st	June 30th
1.92%	1.73%	1.77%	1.83%	1.85%	1.47%

Source: WSJ, June 10<sup>th</sup> 2016

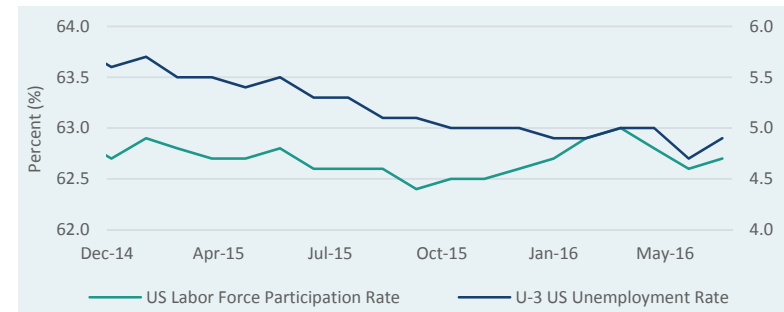
## “BRITISH EU VOTE UNNERVES WORLD LEADERS AND MARKETS”

### VIX

Jan 29th	Feb 29th	Mar 31st	April 29th	May 31st	June 24th
20.20	20.55	13.95	15.70	14.19	25.76

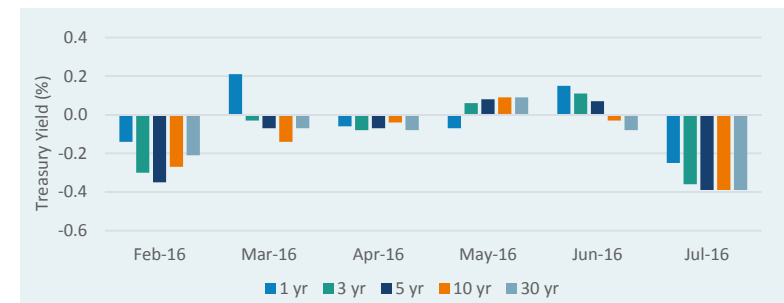
Source: Reuters, June 27<sup>th</sup> 2016

### UNEMPLOYMENT VS PARTICIPATION



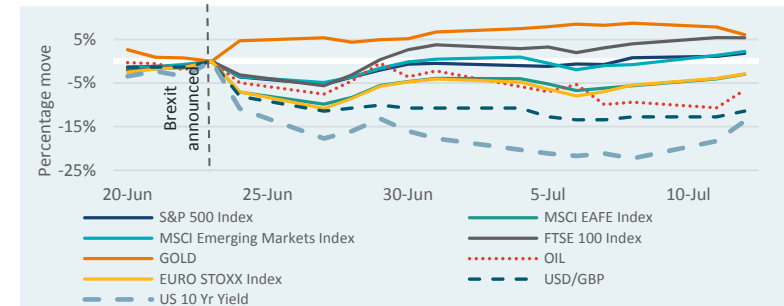
Source: FRED, as of 6/30/16

### U.S. TREASURY MONTHLY YIELD CHANGE



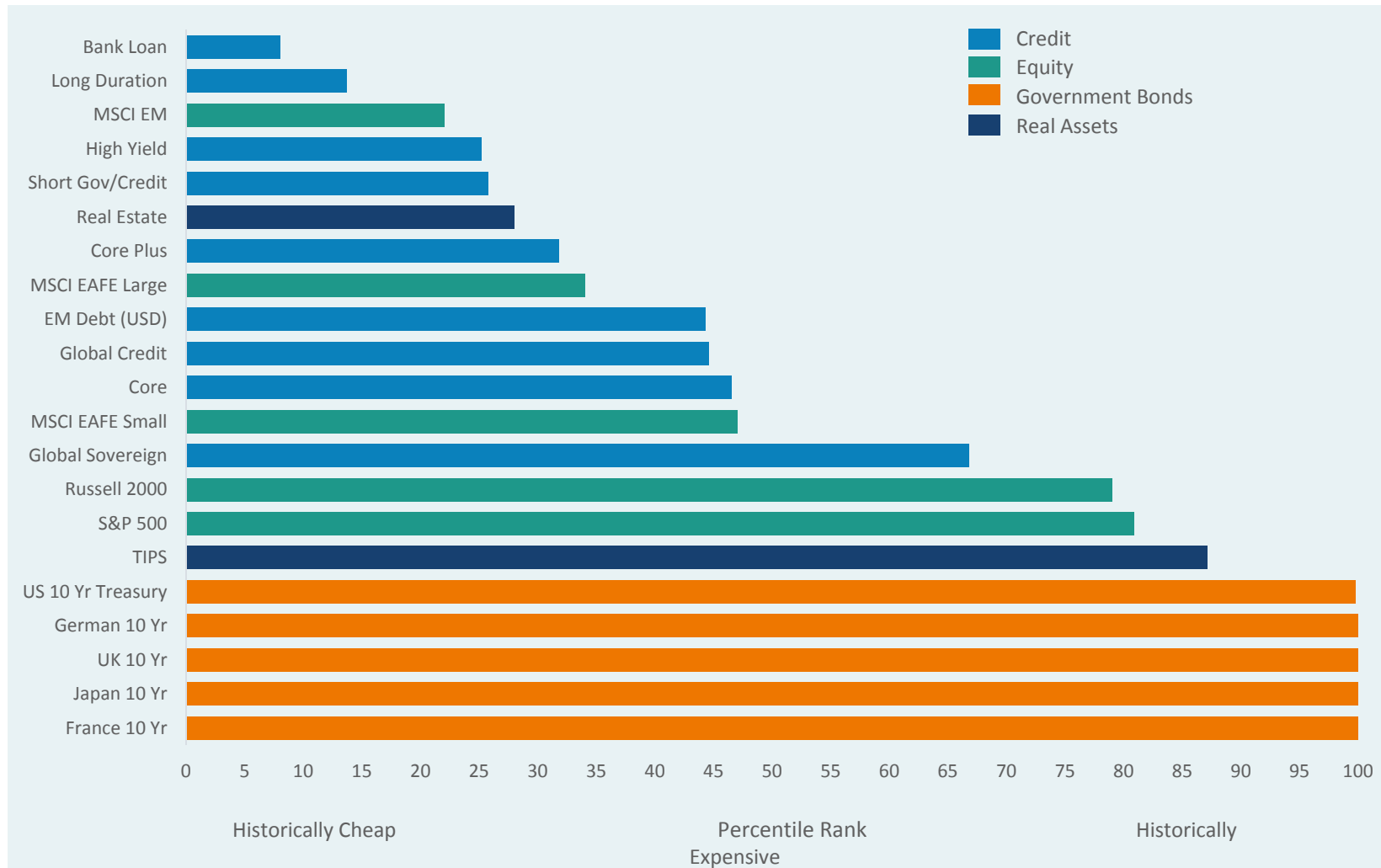
Source: Federal Reserve, as of 6/30/16

### BREXIT PRICE IMPACT



Source: Bloomberg, as of 7/11/16

# Not everything is expensive



Government bonds are priced exceptionally rich relative to history

Some credit and equity markets are priced near or below historical average levels

Note: The bars show current value of each asset class relative to itself based on percentile rank as of June 29, 2016. Equity valuations take into account both Shiller P/E and Regular P/E. Credit valuations are based on nominal credit spreads. Government Bonds reflect the current yield on the 10 Year. Bank Loans represent Bank Loan Spread to LIBOR. Real Estate is valued based on the current annual Cap Rate Spread. Treasury Inflation Protected Securities (TIPS) reflect the current 10 year real yield. Historical data varies, ranging from 1962 (10 Yr Treasury) to 2005 (MSCI EM).

# Economic environment



# U.S. economics summary

- U.S. real GDP grew at a 2.1% pace YoY (and 1.1% QoQ) in Q1, driven by consumption. The Atlanta Fed GDPNow indicator forecasts 2.4% QoQ real GDP growth in Q2, as of July 19<sup>th</sup>. High inventory levels in the U.S., causing little further inventory growth, have been a drag on growth over recent quarters.
- Robust economic expansion would be needed in the second half of the year to reach the Fed's 2.0% YoY expected real GDP growth target.
- U.S. CPI sits at 1.0% YoY while Core CPI (CPI excluding energy and food prices) sits at 2.2% YoY, as of May. The difference between Headline CPI and Core CPI is driven by swings in energy and food prices. If we see a stabilization in these two

contributors, then Core inflation should begin to revert towards Headline inflation levels.

- The Fed left interest rates unchanged at the June policy meeting prior to the Brexit vote. Following the U.K.'s surprising decision to leave the E.U., Fed fund futures suggest that the market is no longer pricing in a rate hike this year.
- Nonfarm payrolls added 287,000 jobs in June, beating the consensus estimate of 180,000, according to Econoday. The unemployment rate ticked up 0.2% to 4.9% and the labor force participation rate increased 0.1% to 62.7% as people re-entered the labor force.

	Most Recent	12 Months Prior
GDP ( <i>annual YoY</i> )	2.1% <i>3/31/2016</i>	2.9% <i>3/31/15</i>
Inflation ( <i>CPI YoY, Headline</i> )	1.0% <i>6/30/16</i>	0.1% <i>6/30/15</i>
Expected Inflation ( <i>5yr-5yr forward</i> )	1.5% <i>6/30/16</i>	2.2% <i>6/30/15</i>
Fed Funds Rate	0.25% <i>6/30/16</i>	0.12% <i>6/30/15</i>
10 Year Rate	1.5% <i>6/30/16</i>	2.4% <i>6/30/15</i>
U-3 Unemployment	4.9% <i>6/30/16</i>	5.3% <i>6/30/15</i>
U-6 Unemployment	9.6% <i>6/30/16</i>	10.5% <i>6/30/15</i>

# U.S. economics – GDP growth

U.S. real GDP grew at a 2.1% pace YoY (and 1.1% QoQ) in Q1, driven by consumption. The Atlanta Fed GDPNow indicator forecasts 2.4% QoQ real GDP growth in Q2, as of July 19<sup>th</sup>. Robust economic growth would be needed in the second half of the year to reach the Fed's 2.0% YoY expected annual growth.

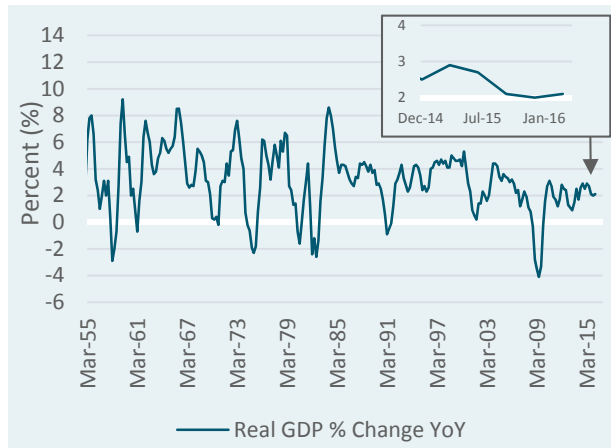
Overbuilt inventories in the U.S. have been a material drag on growth over recent quarters, as demonstrated in the far right chart, and a rebalancing would improve future prospects.

Forecasts for medium-term U.S. GDP growth have fallen to around 2%, and Fed expectations were further revised downward in Q2.

Expectations for economic growth should be naturally lower in this environment due to weak population increases (0.77% growth over the past 5 years relative to the long term average of 1.26%) and anemic productivity gains relative to past decades. (0.52% growth over the past 5 years relative to the long term average of 1.97%) Productivity effects have generally been attributed to lower corporate capital investment.

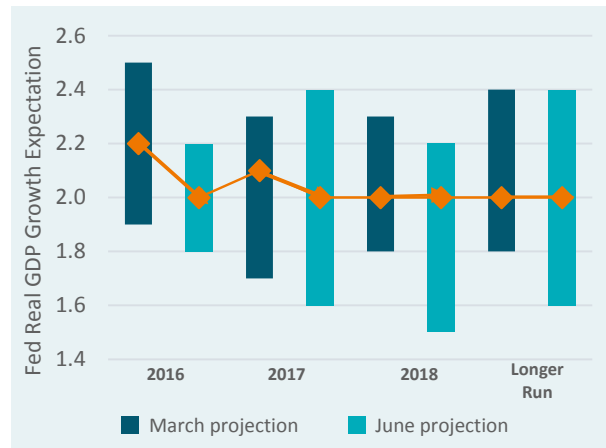
Consumer expenditures remain the sole contributor to real GDP growth

## U.S. REAL GDP GROWTH



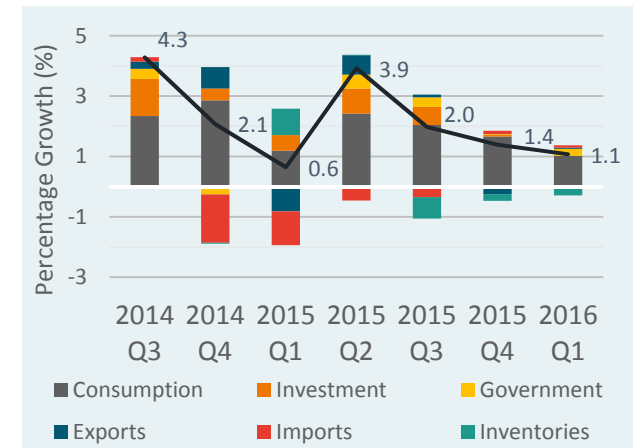
Source: FRED, as of 3/31/16

## CHANGING FED GROWTH EXPECTATIONS



Source: Federal Reserve, as of 6/15/16  
Range of expectations - Fed Board members and presidents

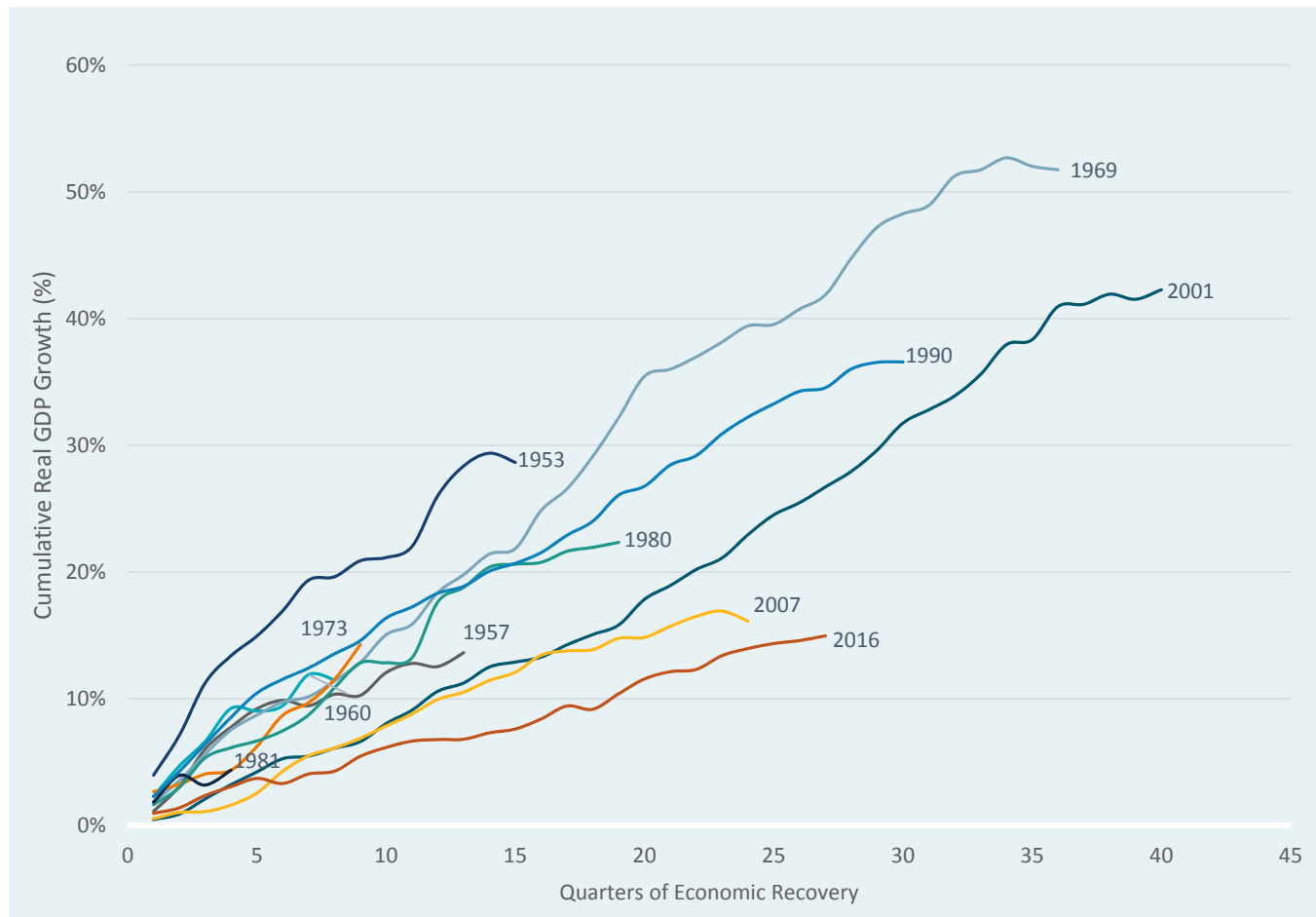
## GDP COMPONENTS



Source: FRED

# U.S. economics – Cyclical comparisons

## REAL ECONOMIC GROWTH - ECONOMIC RECOVERIES DURING THE PAST 60 YEARS



Economic cycles are characterized by a growth “boom” and “bust”

Though long in tenure, this “boom” has been of lesser magnitude than some of the past

Source: Verus, as of Q1 2016

NOTE: X-axis value of “0” represents the beginning of an economic expansion. “Expansion” is defined by the National Bureau of Economic Research (NBER) as a period between an economic trough and peak.

# U.S. economics – Unemployment

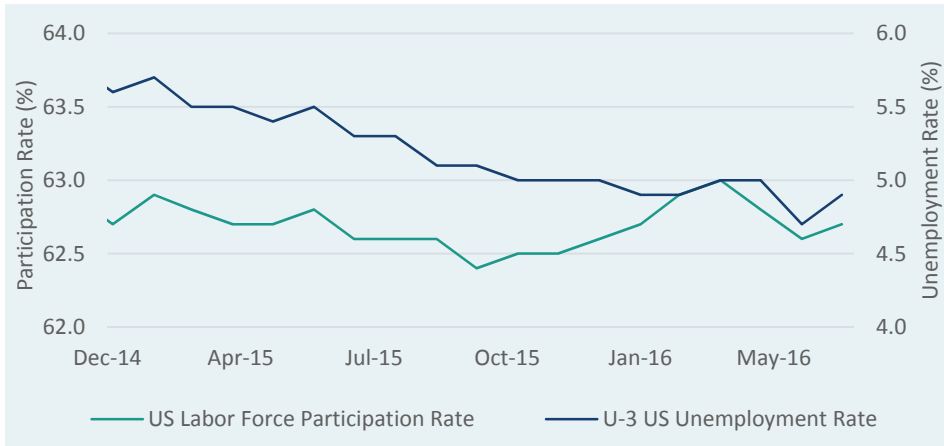
Job growth within the U.S showed signs of slowing during the quarter with nonfarm payrolls increasing only 38,000 in May. June's report subdued fears however, as 287,000 nonfarm payrolls were added vs an expected 180,000. The unemployment rate ticked up to 4.9%, from 4.7% in May corresponding with an increase in the participation rate. Growth in average hourly wages remains steady with a recent print of 2.6% YoY.

As the job market tightens (by the U-3 unemployment definition) we have seen structurally unemployed workers (those that are not looking for work or have given up on their search for work) begin to return to the workforce.

An increasingly tight labor market can have both positive and negative effects. Rising wages are paid from corporate earnings, and in an environment of lower corporate earnings an increase in wage pressure could be unwelcome for shareholders.

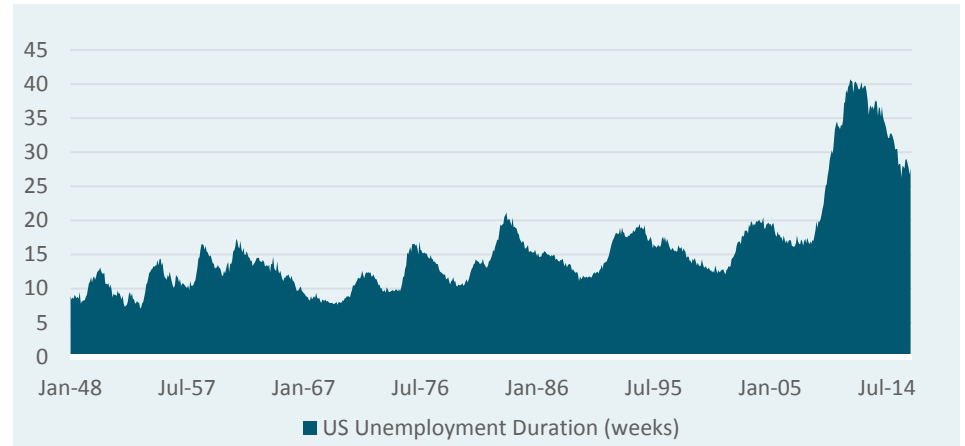
Discouraged workers reentering the workforce increased both unemployment & participation rates

U.S. UNEMPLOYMENT & PARTICIPATION



Source: FRED, as of 6/30/16

UNEMPLOYMENT DURATION



Source: FRED, as of 5/31/16

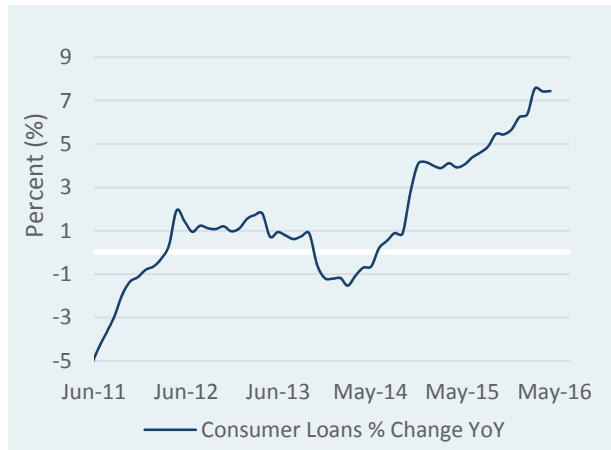
# U.S. economics – The consumer

Consumption continues to be the primary driver of GDP growth, while other contributors remain stagnant. A strong labor market has helped push real wages up. Greater discretionary income, appreciating real estate values, lower debt service burdens (through lower interest rates) and greater job security have created a healthy environment for the consumer and may lead to further spending growth and credit expansion.

Consumer health is still uneven across demographics

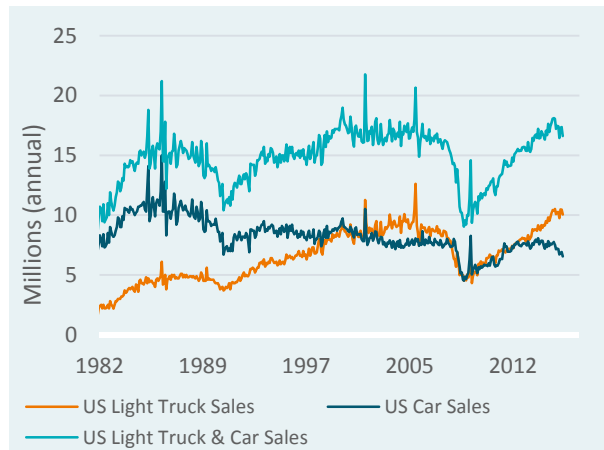
and worker skillset cohorts. Shifts in the U.S. economy have led to mismatches between available workers and job openings as these workers do not have the skills needed for these roles. This contributes to structural unemployment and remains a concern. It has been suggested that recent job gains were 'lopsided' because these jobs may have benefited older and less skilled workers. This may actually be a positive sign that some structurally unemployed workers are successfully moving back into the job market.

**CONSUMER LOAN GROWTH**



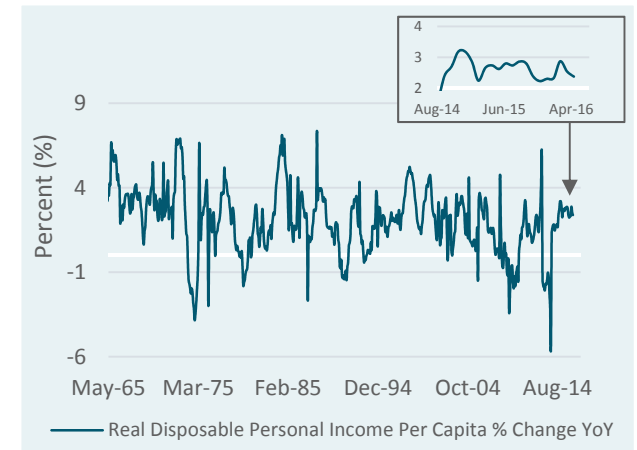
Source: FRED, as of 5/1/16

**AUTO SALES**



Source: FRED, as of 5/31/16

**GROWTH OF DISPOSABLE INCOME**



Source: FRED, as of 5/1/16

# U.S. economics – Sentiment

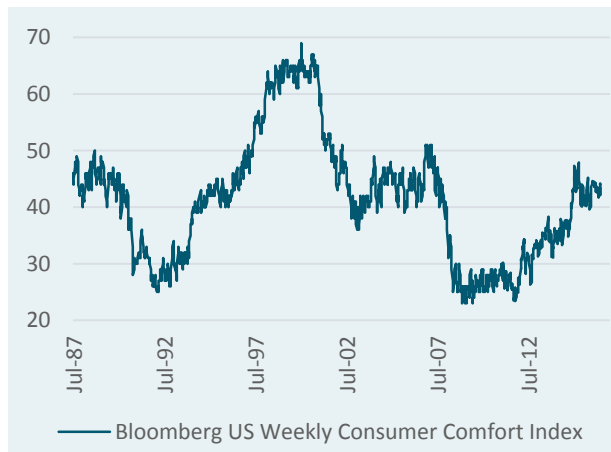
Consumer sentiment has been relatively stable through recent quarters, as indicated by the Bloomberg and University of Michigan surveys. The Citi Economic Surprise index experienced a large positive swing after being in negative territory for the first half of 2016.

It is worth noting that these sentiment indicators suggest consumers have recovered psychologically from the global financial crisis. The University of Michigan survey has moved above its long-term average level – a

point not reached since January 2007. Stronger positive consumer sentiment is of great importance to the future path of the U.S. economy.

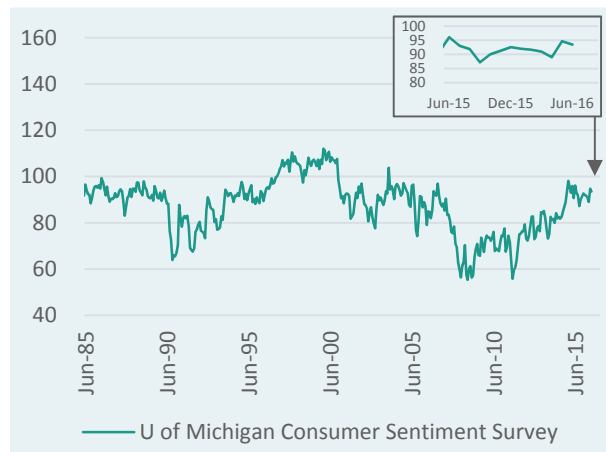
The large positive move in the Citi Economic Surprise index was driven by a strong U.S. jobs number which we discussed in slide 10. This positive news had a notable risk-on effect across markets.

**CONSUMER COMFORT INDEX**



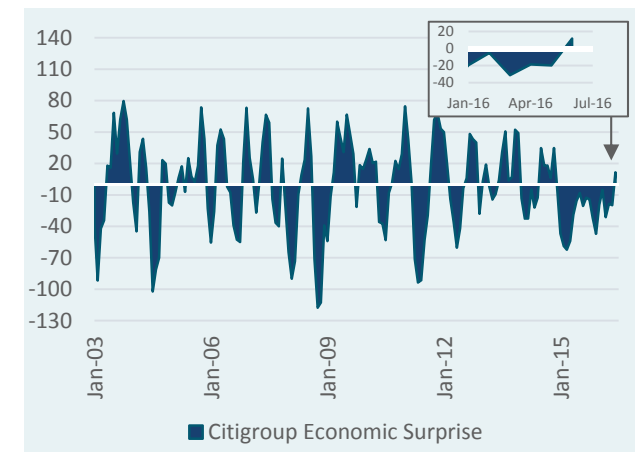
Source: Bloomberg, as of 6/26/16 (see Appendix)

**CONSUMER SENTIMENT**



Source: University of Michigan, as of 6/30/16 (see Appendix)

**ECONOMIC SURPRISE**



Source: Bloomberg, as of 7/12/16 (see Appendix)

# U.S. economics – Housing

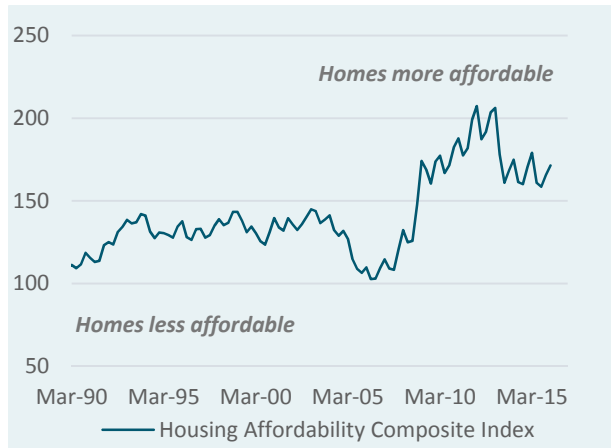
In the first three months of the year, U.S. homeownership moved down to a rate of 63.5%, which is the lowest rate of homeownership since 1967.

Sales of existing homes rose substantially over the second quarter, climbing to a nine-year high. A tightening labor market and low interest rates have fueled growth. If the Fed increases rates and median home prices continue to increase, lower home

affordability could be a headwind for future demand. However, new single-family home sales remain lackluster, potentially because of weaker employment among residential builders and contractors.

Although housing starts seem to be gaining momentum, they still remain below the 30-year average. This limited supply has contributed to positive price pressure.

## HOME AFFORDABILITY



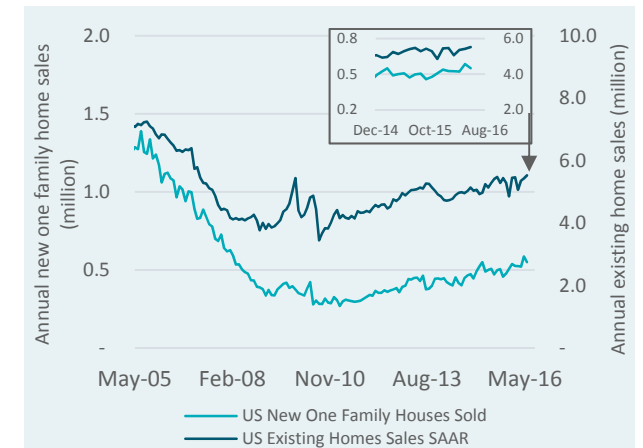
Source: National Association of Realtors, as of 3/31/16

## HOMEOWNERSHIP RATE



Source: FRED, as of 4/1/2016

## NEW & EXISTING HOME SALES



Source: Bloomberg, as of 5/31/16

# U.S. economics – Inflation

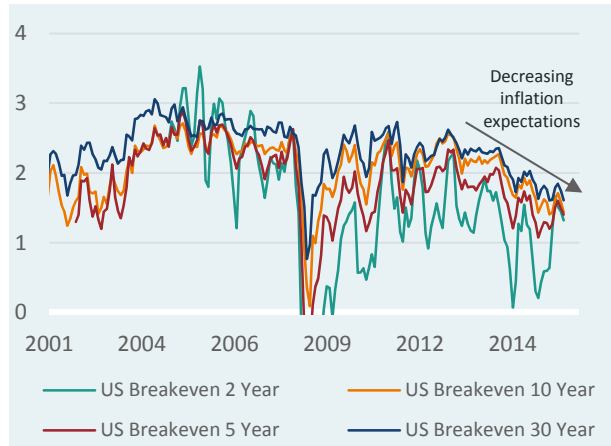
Inflation expectations decreased during the quarter as indicated by the 10yr TIPS Breakeven Rate and the University of Michigan Inflation Expectations Survey.

U.S. CPI rose 1.0% YoY while Core CPI (CPI excluding energy and food prices) sits at 2.2% YoY, as of May. Since differences between CPI and Core CPI are driven by swings in energy and food prices, we can expect CPI and Core CPI to converge once these price effects “roll off” of the CPI calculation.

It is interesting to note that the market is pricing future inflation to be less than the current Core CPI number, which implies investors expect inflation levels to fall from the already below-average level.

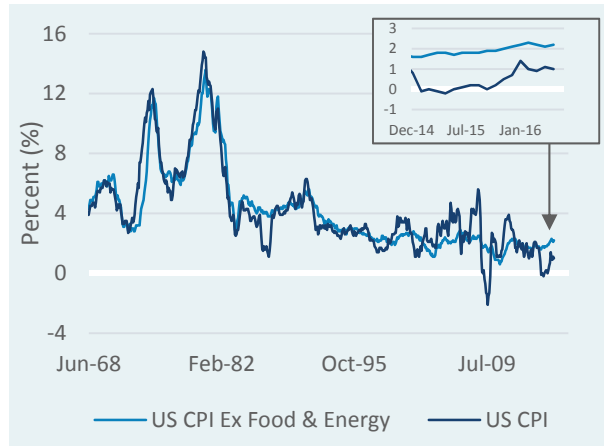
The current environment of very low inflation expectations and cheaper inflation-related assets (priced for inflation to fall further in the future) may offer investors with an underweight to inflation-protecting assets an opportunity to rebalance these assets back to equal-weight.

**US TIPS BREAKEVEN INFLATION**



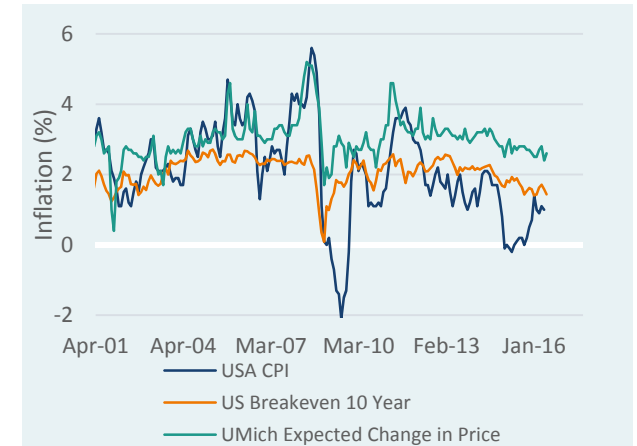
Source: FRED, as of 6/30/16

**U.S. CPI (YOY)**



Source: FRED, as of 5/31/16

**MARKET EXPECTATIONS OF INFLATION**



Source: Bloomberg, as of 6/30/16



# International economics summary

- Inflation around the world continued downward, with the U.S. and the Eurozone being an exception. Inflation in the BRICS nations has decreased slightly but remains positive overall at 3.4% YoY.
- The ECB continued aggressive monetary easing. Expanding eligible assets for purchase to include corporate bonds in Europe has further suppressed yields both in sovereign debt and investment grade credit.
- The BOJ maintained existing monetary policy and emphasized their commitment to reach the 2% inflation target despite the disappointing CPI figures printed in the second quarter.
- Western Europe saw inflation rise in June, from just slightly negative to slightly positive. This figure is still far below the ECB's inflation target of just under 2% which could be a catalyst for further more dramatic monetary policy. Some investors are fearful that Brexit could be an additional headwind for inflation going forward.
- Capital continues to flow out of China in record quantities and fixed asset investment growth has decelerated and is below 10% for the first time since year 2000.
- Brazil's annual inflation fell to a new low and the Brazilian economy continues to suffer from political pressures and negative growth.

Area	GDP (Real, YoY)	Inflation (CPI, YoY)	Unemployment
United States	2.1% 3/31/16	1.0% 6/30/16	4.9% 6/30/16
Western Europe	1.7% 3/31/16	0.1% 6/30/16	8.6% 3/31/16
Japan	0.1% 3/31/16	(0.4%) 5/31/16	3.2% 3/31/16
BRIC Nations	4.9% 3/31/16	4.0% 3/31/16	5.1% 3/31/16
Brazil	(5.4%) 3/31/16	8.8% 6/30/16	11.2% 6/30/16
Russia	(3.7%) 12/31/15	7.5% 6/30/16	5.6% 6/30/16
India	7.9% 3/31/16	5.8% 5/31/16	7.1% 12/31/15
China	6.7% 6/30/16	1.9% 6/30/16	4.0% 3/31/16

# International economics

As inflation continues to show signs of slowing and growth estimates are revised further downwards, the ECB and BOJ maintained aggressive expansionary monetary policy. The ECB expanded their asset purchasing program to include investment grade credit, further suppressing yields.

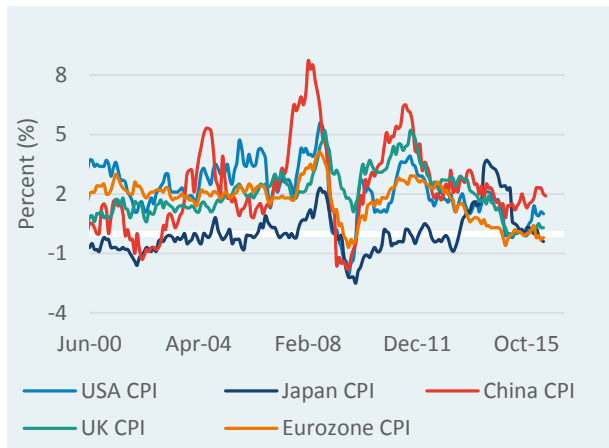
Western Europe has exhibited signs of growth, inflation (rather than deflation), improving manufacturing data, and continuing employment gains. However, with the instability introduced from Brexit, the future outlook is less clear.

China remains a source of uncertainty as capital continues to

flow out of the country. Additionally, fixed asset investment has fallen to a 15 year low. Brazil's annual inflation fell to a new low and the Brazilian economy continues to suffer from lackluster growth and political turmoil.

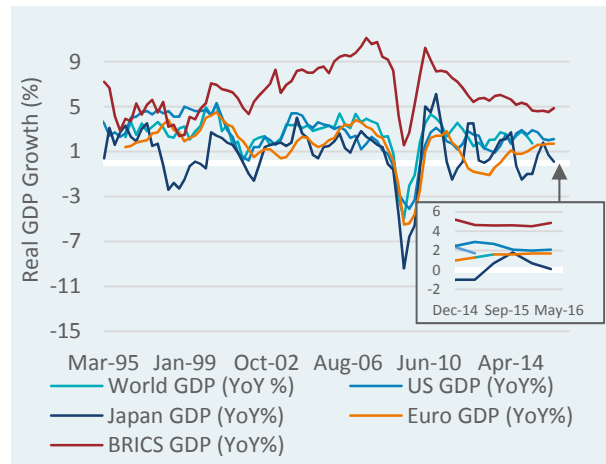
Japan has continued to struggle to generate inflation, though volatile food and energy prices continue to be a headwind to Headline CPI. This has caused Headline CPI to be at the -0.4% YoY level, while CPI Ex Food & Energy is 0.6%. This significant difference makes the failure to achieve inflation more understandable.

## INTERNATIONAL INFLATION



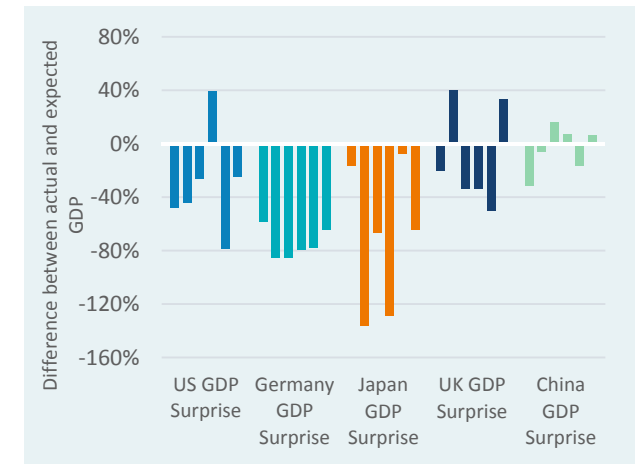
Source: Bloomberg, as of 6/30/16

## REAL GDP GROWTH



Source: Bloomberg, as of 3/31/16

## GDP VS EXPECTATIONS

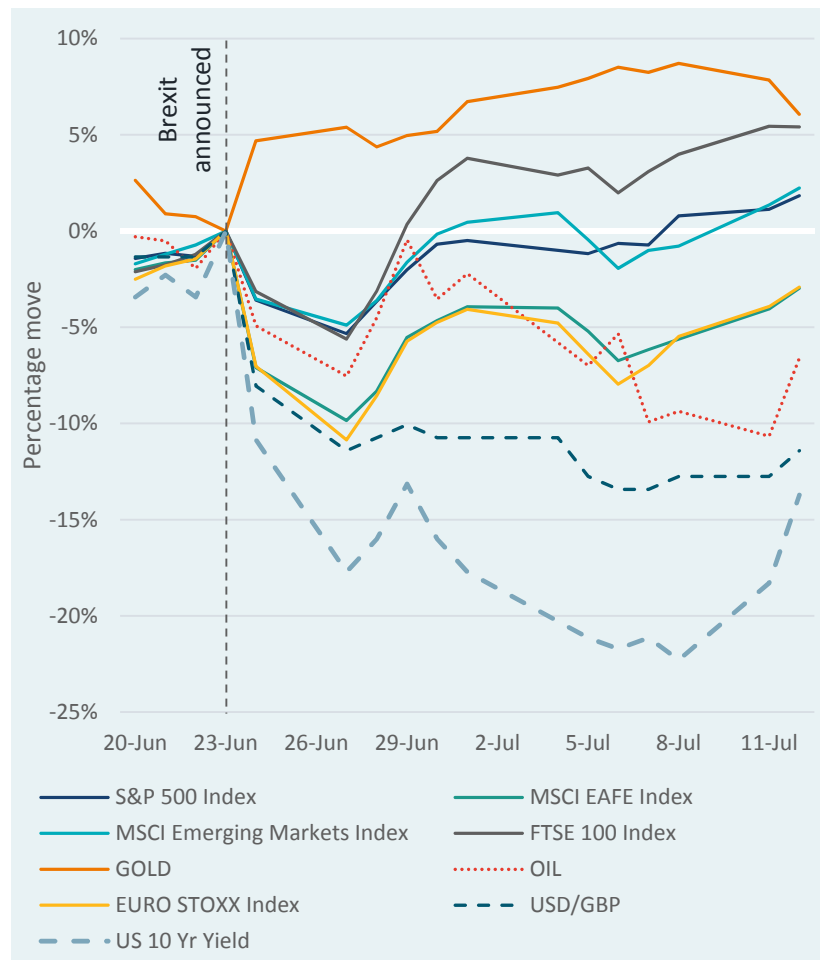


Source: Bloomberg, quarterly Q4 2014 through Q1 2016

# Price reaction following Brexit

Market expectations before the Brexit vote were for a remain vote, and for the markets to react positively to this decision. The actual result was a significant vote for withdrawal. Importantly this vote was not partisan – the heartlands of both major parties voted for leave. There have been immediate and significant impacts including a wholesale change in government. Long term consequences remain to be seen. However, it is interesting to note that most of the predicted bad consequences of a leave vote failed to materialize, with a range of countries already reaching out to create new trade deals, and with companies which had initially threatened they might move from the U.K. backing off those suggestions.

Market reactions were also different than initial expectations. While the pound fell and has remained weak, many other markets have rebounded, and the U.K. has been one of the strongest performers since the vote. As Brexit moves closer, attention is likely to shift to the remaining EU countries. In particular, markets will watch the effect on periphery economies of the removal of U.K. funding and the U.K. voice against centralization.



Markets fell suddenly on the Brexit surprise, but have since recovered losses

Source: Bloomberg, as of 7/11/16

# Fixed income rates & credit

# Interest rate environment

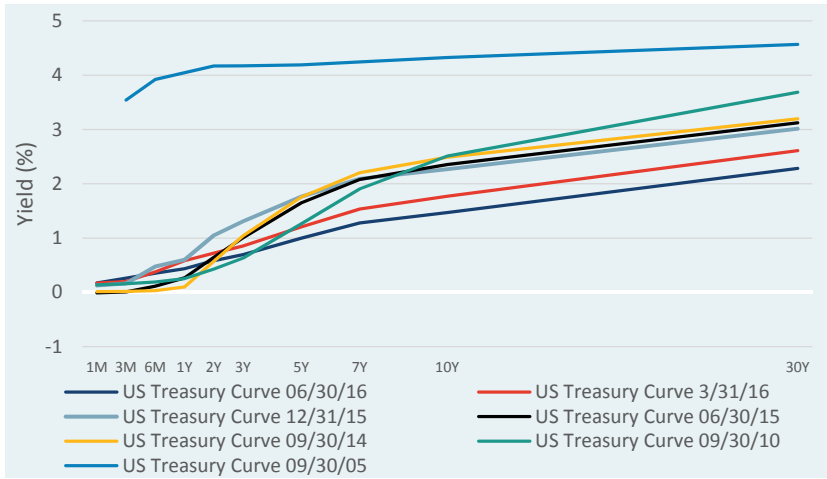
- The U.S. 10 year treasury note traded in a 50 basis point range over the course of the second quarter, touching a record low 1.36% in the first week of July. Risk-off market sentiment following Brexit as well as relatively higher yields compared to European counterparts has substantially increased demand for U.S. bonds.
- Fear following the British referendum encouraged speculation that the ECB and BOJ would further expand existing monetary policy. Investors continue to demand safe haven assets.
- The German and Japanese yield curves both have negative yields out to the 15 year tenor. Additionally, Germany became the second G-7 nation, after Japan, to issue negative yielding instruments, highlighting the willingness of investors to hold high quality instruments with negative yield.
- A third of global government bonds are now trading with a negative yield, accounting for more than \$10 trillion in market value.
- The United States yield curve continues to flatten as economic data stabilizes the fears of rate cuts, pushing the front end higher. Inflation is struggling to gain significant momentum, keeping the back end of the curve relatively low.

Area	Short Term (3M)	10 Year
United States	0.26%	1.47%
Germany	(0.68%)	0.13%
France	(0.57%)	0.18%
Spain	(0.30%)	1.16%
Italy	(0.28%)	1.26%
Greece	3.38%	8.29%
U.K.	0.46%	0.87%
Japan	(0.27%)	(0.22%)
Australia	1.69%	1.98%
China	2.63%	2.86%
Brazil	14.05%	12.06%
Russia	10.21%	8.29%

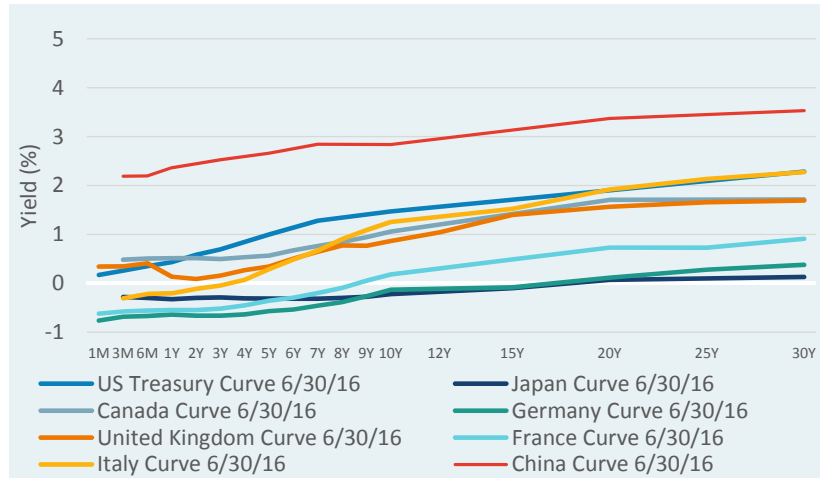
Source: Bloomberg, as of 6/30/16

# Yield environment

U.S. YIELD CURVE

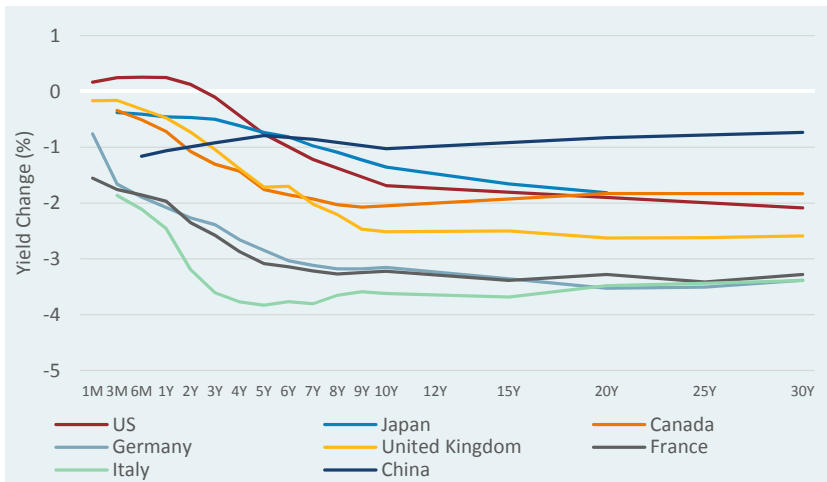


GLOBAL GOVERNMENT YIELD CURVES

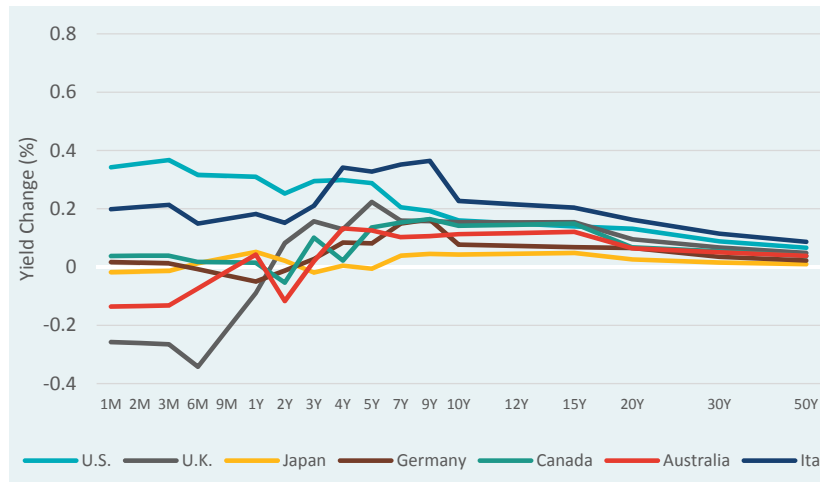


The U.S. yield curve has come down across all major tenors since the end of the fourth quarter

YIELD CURVE CHANGES OVER LAST FIVE YEARS



IMPLIED CHANGES OVER NEXT YEAR



Source: Bloomberg, as of 6/30/16

# Examining the credit cycle

Forecasting turning points in the credit cycle is extremely challenging. However, after examining current characteristics relative to history, data suggests we may be later in the expansion phase. In examining the fundamentals underlying the current cycle, it seems possible that the economy may continue to muddle along for some time. We must be careful when interpreting recent credit market shifts due to oil price-specific fallout in the energy sector.

We do not see traditional credit cycle risks as particularly apparent today, but new economic influences such as

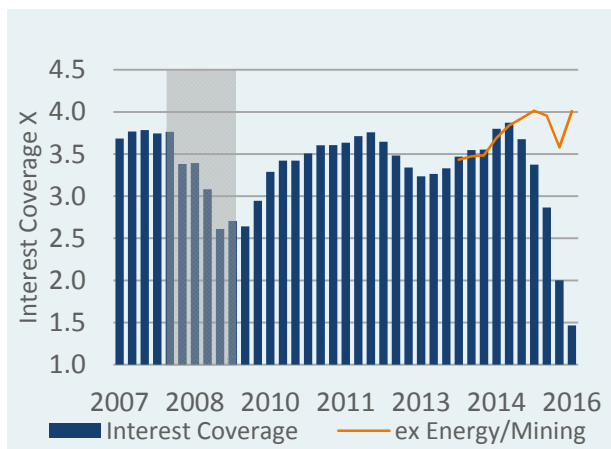
extreme liquidity injections into the markets have led to unique risks. Greater economic leverage has occurred as consumers and businesses exploit record-low interest rates. This environment may be particularly susceptible to a further deceleration in economic growth.

In the current environment we believe it is wise to keep higher on the credit quality spectrum and to maintain liquidity. We will continue to watch the health of the credit markets, as a downturn may present opportunities to pick up attractive yield.

Credit cycle appears to be maturing

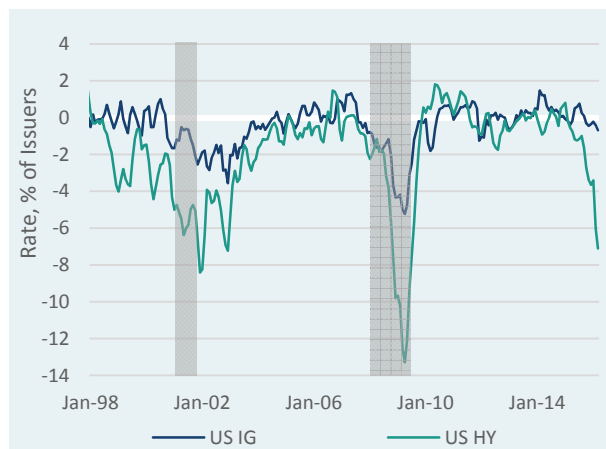
We favor investment grade over higher risk issues

## HIGH YIELD INTEREST COVERAGE



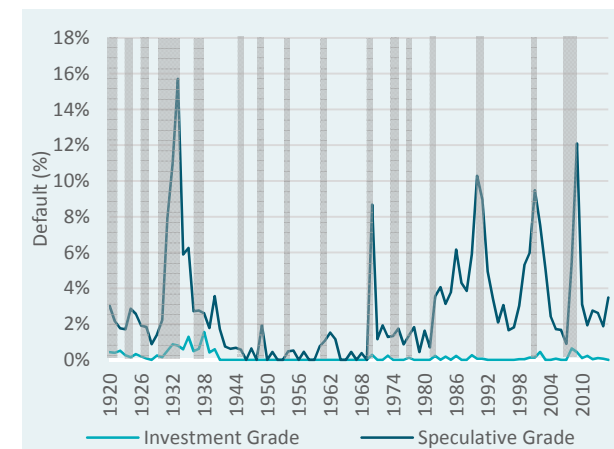
Source: Deutsche Bank, as of 3/31/16  
NOTE: Grey bars represent economic recessions

## CREDIT RATING MIGRATION



Source: BofAML, as of 3/31/16

## ANNUAL DEFAULT RATES



Source: Moody's, as of 2015 year-end

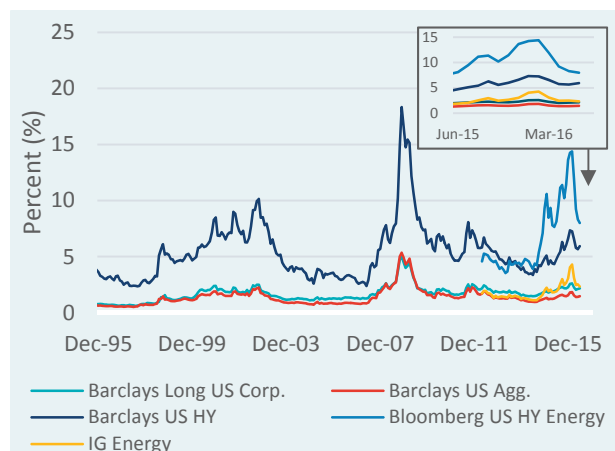
# Credit environment

High yield spreads, and high yield energy spreads in particular, peaked in Q1 but have rallied substantially since that time. High yield spreads have compressed to below 5.5% as of mid-July from a high of 8.9% earlier in the year. High yield energy spreads are now below 8%, from a high of around 15%. The price of oil, along with market risk-on/risk-off sentiment, seems to be guiding the price of riskier credit instruments. We show the oil/high yield relationship below.

Spreads are an important indicator of health across the credit market. Spread levels represent investors' expectations for future borrower defaults and general risk appetite in the markets. Credit market liquidity is also reflected in levels, and since high yield liquidity is very low we should expect additional spread as compensation.

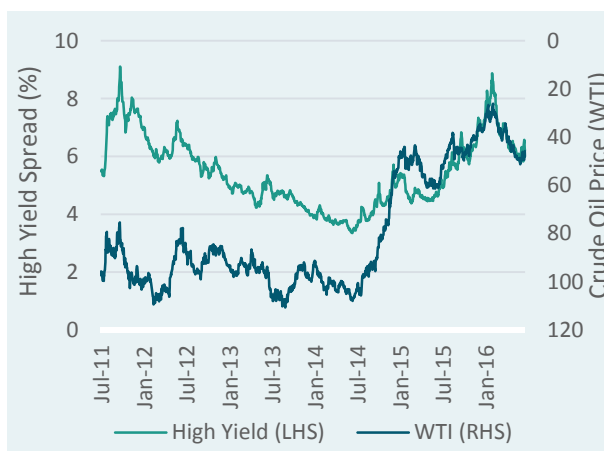
Sensitivity of high yield spreads to oil is much higher in a low oil price environment

## CREDIT SPREADS



Source: Barclays Capital Indices, Bloomberg, as of 6/30/16

## HIGH YIELD SPREADS & OIL



Source: Bloomberg, as of 6/30/16

## SPREADS

Market	Credit Spread (6/30/16)	Credit Spread (1 Year Ago)
Long US Corporate	2.0%	1.9%
US Aggregate	1.0%	1.1%
US High Yield	6.3%	5.3%
US High Yield Energy	8.0%	8.1%
US Bank Loans	3.9%	3.9%

Source: Barclays, Credit Suisse, Bloomberg, as of 6/30/16



# Issuance and default

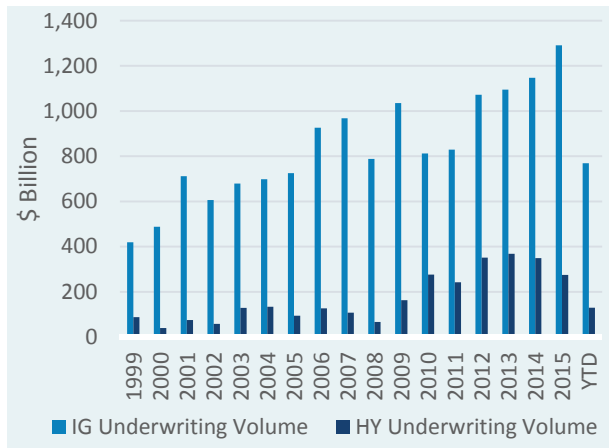
Investment grade debt issuance has trended higher each year since the global financial crisis. The first half of 2016 put the year on track for another record high. Issuance of higher-risk debt seems to have peaked in recent years and is somewhat flat year-to-date.

Lower global GDP growth expectations may put additional pressure on high yield issuance. However, strong flows into the space from investors seeking yield may put a cap on borrowing costs which could allow issuers to more easily restructure balance sheets. Year-

over-year high yield default rates have accelerated, driven by pain in the energy sector. It remains to be seen whether this trend will be halted by the rebound in oil price.

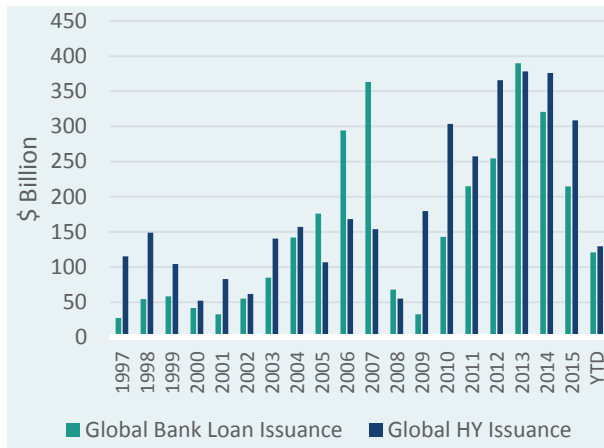
Reduced CLO demand has adversely affected bank loan issuance, which has also tapered off in recent years.

**IG & HIGH YIELD ISSUANCE**



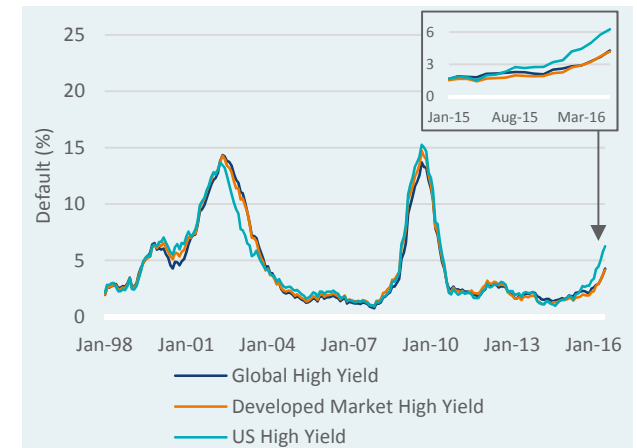
Source: Bloomberg, as of 6/30/16

**BANK LOAN & GLOBAL HY ISSUANCE**



Source: BofA Merrill Lynch Global Research, as of 6/30/16

**HY DEFAULT TRENDS (ROLLING 1 YEAR)**



Source: Credit Suisse, BofA, as of 6/30/16

# Equity

# Equity environment

- Equity market risks continue to appear asymmetrical to the downside.
- U.S. equities fell after the Brexit vote. The S&P 500 dropped by over 100 points in the two trading days following the vote, but managed to recoup its losses by month end. Implied volatility spiked while investors digested the Brexit news. The VIX jumped to 25.8, but fell back to 15.6 to close the month.
- Another quarter of negative earnings is forecast for Q2. According to FactSet, the estimated earnings decline for the S&P 500 is -5.3%.
- Financials (-3.2%) were the worst performing sector in the S&P 500, likely affected by lower interest rate expectations. Telecom services (9.3%) and utilities (7.8%) were the best performing sectors in the index.
- Value stocks delivered strong outperformance relative to growth stocks year-to-date. Russell 1000 Value provided a 6.3% return while Russell 1000 Growth provided 1.4%.
- The U.S. dollar rose 0.5% in Q2 on a trade-weighted basis. Stabilization of the dollar (or at least less appreciation) should have a positive impact on domestic equities in future quarters.

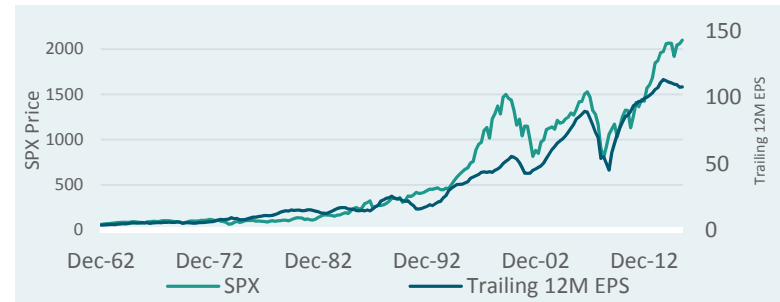
	QTD Total Return (unhedged)	QTD Total Return (hedged)	YTD Total Return (unhedged)	YTD Total Return (hedged)	1 Year Total Return (unhedged)	1 Year Total Return (hedged)
US Large Cap (Russell 1000)	2.5%		3.7%		2.9%	
US Small Cap (Russell 2000)	3.8%		2.2%		(6.7%)	
US Large Value (Russell 1000 Value)	4.6%		6.3%		2.9%	
US Large Growth (Russell 1000 Growth)	0.6%		1.4%		3.0%	
International Large (MSCI EAFE)	(1.5%)	(0.7%)	(4.4%)	(6.9%)	(10.2%)	(9.9%)
Eurozone (Euro Stoxx 50)	(5.1%)	(1.1%)	(8.2%)	(8.5%)	(14.1%)	(13.3%)
U.K. (FTSE 100)	(1.8%)	5.9%	(4.0%)	6.4%	(12.3%)	3.8%
Japan (NIKKEI 225)	1.4%	(7.7%)	(3.4%)	(19.0%)	(7.2%)	(24.0%)
Emerging Markets (MSCI Emerging Markets)	0.7%	0.1%	6.4%	2.6%	(12.1%)	(9.5%)

Source: Russell Investments, MSCI, STOXX, FTSE, Nikkei, as of 6/30/16

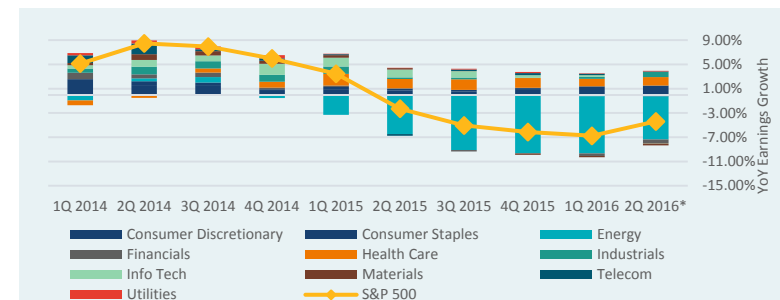
# U.S. earnings recession?

- Corporate earnings typically underpin the value of equities.
- Recent U.S. earnings deterioration can be attributed to the energy sector, though other sectors are also not growing *as quickly* as in previous quarters.
- A long-term negative relationship can be observed between U.S. dollar appreciation and U.S. corporate earnings.
- We might therefore be careful with the phrase U.S. earnings “recession”, which has cyclical implications. The recent earnings downturn may not, in fact, be cyclical.
- It is important to ask how earnings would react to stability in the U.S. dollar and stability across the energy sector. There may be potential for upside surprise in U.S. earnings over the next year. However, the affects of a stronger dollar will likely be felt for awhile as domestic companies are in a tougher position to compete.

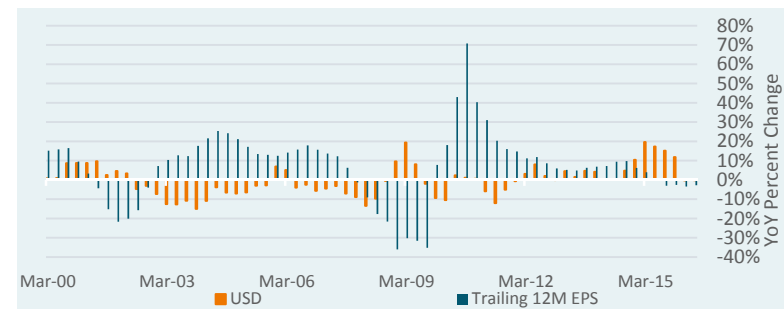
## EARNINGS & PRICE LEVEL



## EARNINGS RECESSION, OR OIL RECESSION?



## EARNINGS TRENDS & USD MOVES



(Top) Source: Standard & Poor's, as of 6/30/16

(Middle) Source: Standard & Poor's, Verus, as of 6/30/16

(Bottom) Source: Standard & Poor's, US Trade Weighted Major Currency, as of 6/30/16

# Domestic equity

U.S equity markets were range-bound throughout Q2 leading up to Brexit. Following the referendum results, the S&P 500 dropped more than 100 points over two trading days before recouping these losses by quarter-end. The Brexit vote prompted more risk-off sentiment and further reinforced dovish commentary from the Fed amid sharp volatility increases.

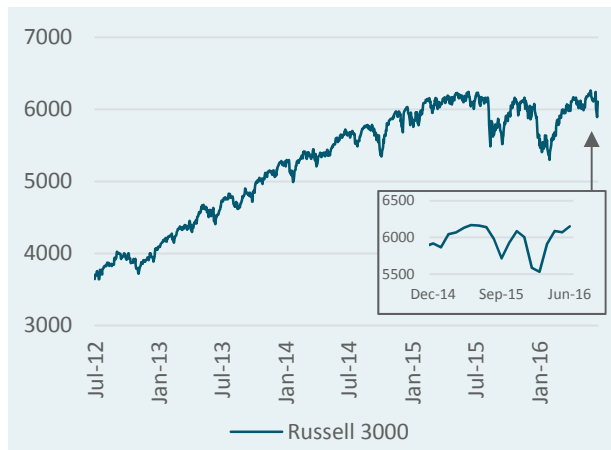
which along with flat equity prices has resulted in a rise in valuations. According to Factset, the estimated earnings decline for the S&P 500 is -5.3%. This would mark the fifth consecutive quarter of year-over-year earnings contraction. Stability in the U.S. dollar and the energy sector may provide a solid platform for earnings improvement.

Equity markets shrugged off Brexit

U.S. earnings results will likely dictate the path of equities

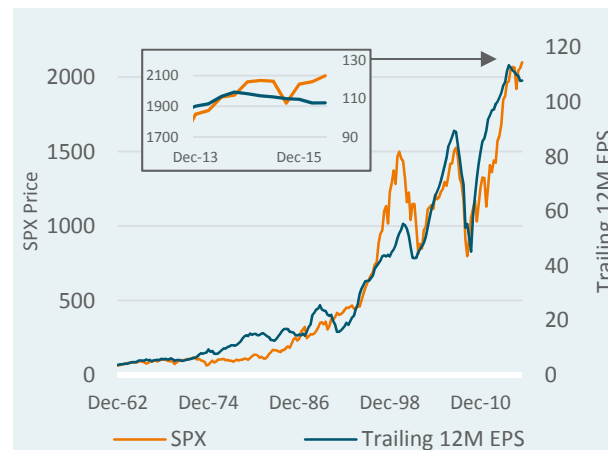
Earnings growth is expected to remain negative for Q2,

## U.S. EQUITIES



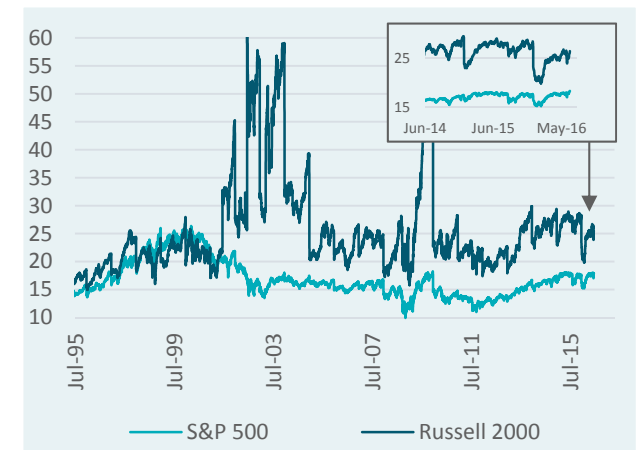
Source: Russell Investments, as of 6/29/16

## S&P 500 EARNINGS



Source: Standard & Poor's, as of 6/30/16

## FORWARD P/E



Source: Standard & Poor's, Russell Investments, as of 6/30/16

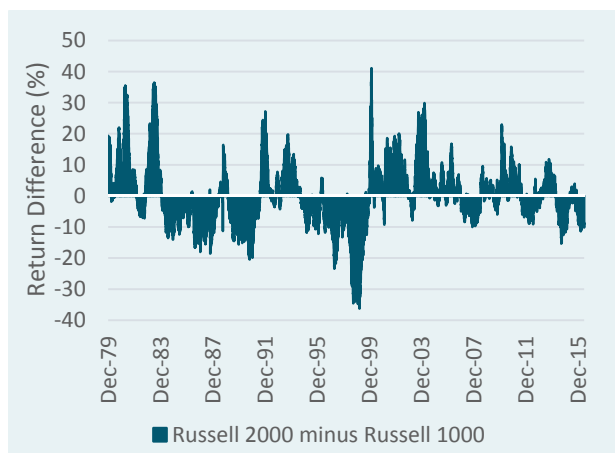
# Domestic equity size and style

Value stocks delivered strong outperformance relative to growth stocks year-to-date. Russell 1000 Value provided a 6.3% return while Russell 1000 Growth provided 1.4%.

Large cap equities outperformed small cap for the first time in four months as the Russell 1000 Index and Russell 2000 Index returned 0.2% and -0.1%, respectively. Besides the current quarter, the Russell

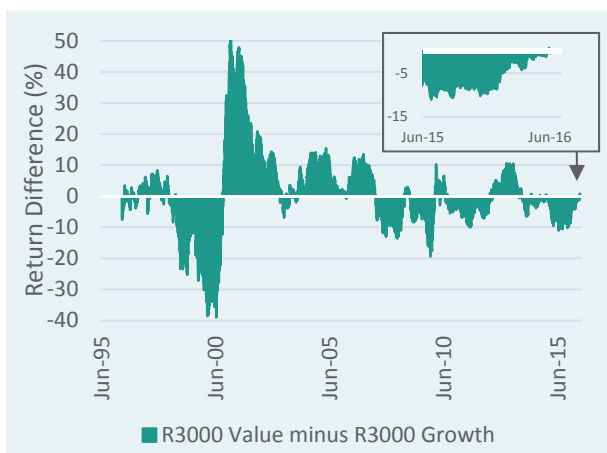
1000 Index has outperformed the Russell 2000 Index on an absolute and risk-adjusted basis in every time period examined over the last 20 years. The relative P/E ratio of small to large cap equities at the end of June was 2.01, well above its long-term average of 1.38, suggesting that despite weak recent performance small cap stocks remain relatively overvalued.

**SMALL CAP VS LARGE CAP (YOY)**



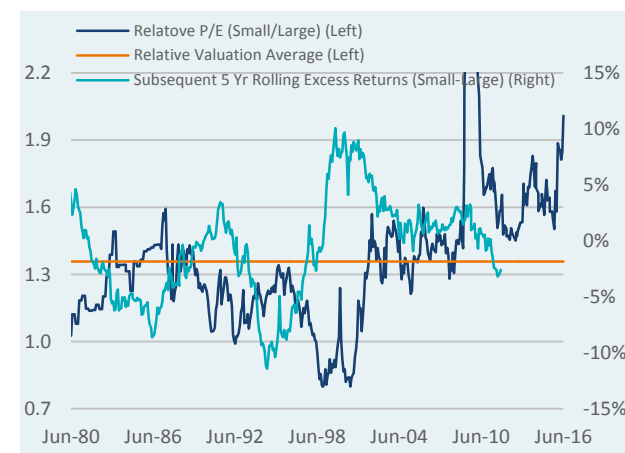
Source: Russell Investments, as of 6/29/16

**VALUE VS GROWTH (YOY)**



Source: Russell Investments, as of 6/29/16

**RELATIVE P/E RATIO (SMALL VS LARGE)**



Source: Russell, Bloomberg, as of 6/30/16

# Death of the value premium?

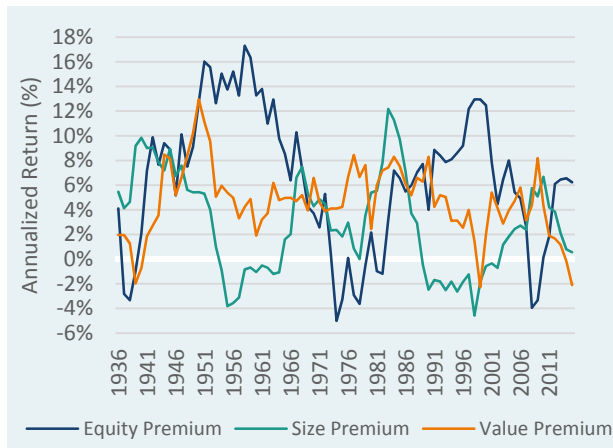
U.S. value equities have underperformed U.S. growth equities over the past 1-, 3-, 5-, 7-, and 10-year periods. Longer-term underperformance in the U.S. occurred two other times in the past 89 years, but value bounced back shortly thereafter. This topic of interest paper may be found on our website [verusinvestments.com](http://verusinvestments.com).

In recent research, we tested the value premium from three angles: First, how dependable has the value premium been through time, and how does this compare to other recognized risk premia? Second, have

unique macro forces contributed to value performance in recent years, and if so do we believe those macro forces affect the long-term efficacy of value? Third, what are the philosophical underpinnings of value and has anything changed?

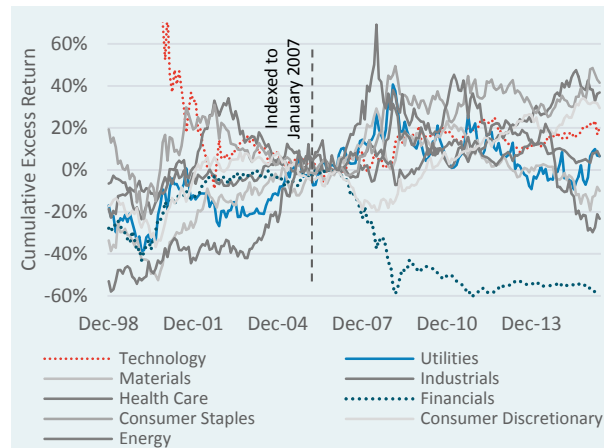
The results of these tests suggest value investors should stay on course. For those investors comfortable with more tactical timing decisions, now may be a good time to begin tilting towards a value allocation.

## 20YR ROLLING PERFORMANCE



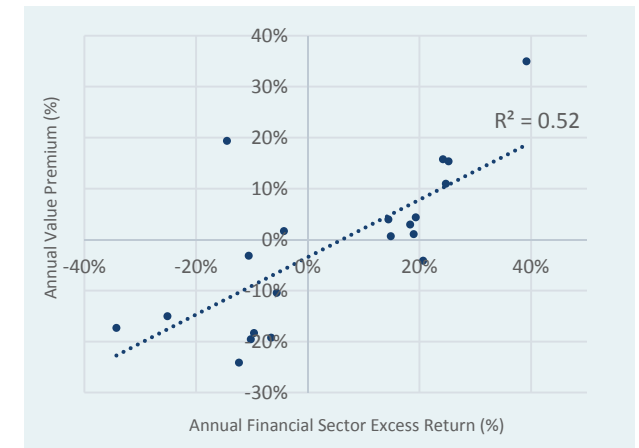
Source: Kenneth French's Data Library, as of 12/31/15

## FINANCIAL SECTOR PERFORMANCE\*



Source: Standard & Poor's, as of 5/31/16  
\*Sector returns net of market return (S&P 500 TR)

## FINANCIAL SECTOR EXPLANATORY POWER



Source: Standard & Poor's, 2015 year-end, annual data since 1974

# International equity

The U.K.'s unexpected decision to leave the European Union in its June 23rd referendum caused a wave of volatility throughout the global financial markets. Brexit resulted in \$3 trillion in global equity market losses in two days as investors reacted to the surprise; however, most markets recouped these losses by the end of the quarter.

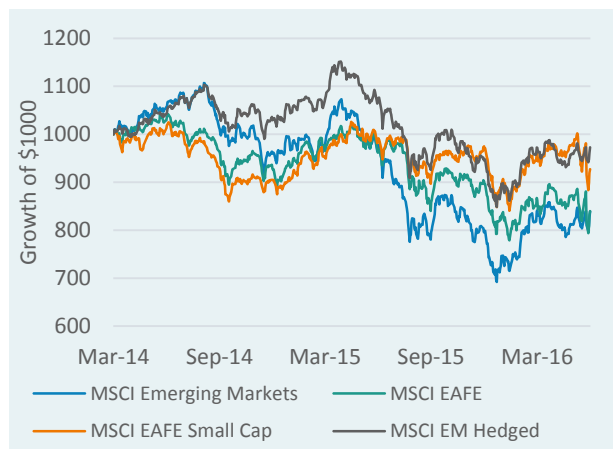
European banks also felt pain following Brexit, illuminating concerns of a disruption to the European

financial sector. The Euro Stoxx 600 Bank Index is yet to recover, trading over 10% below pre-Brexit levels.

International developed markets (MSCI EAFE, -1.5%) underperformed emerging markets (MSCI EM, 0.7%) in the second quarter. Comparatively the S&P 500 returned 2.5% during the quarter.

Currency movement continues to have severe impacts on unhedged international equity exposure.

## GLOBAL EQUITY PERFORMANCE



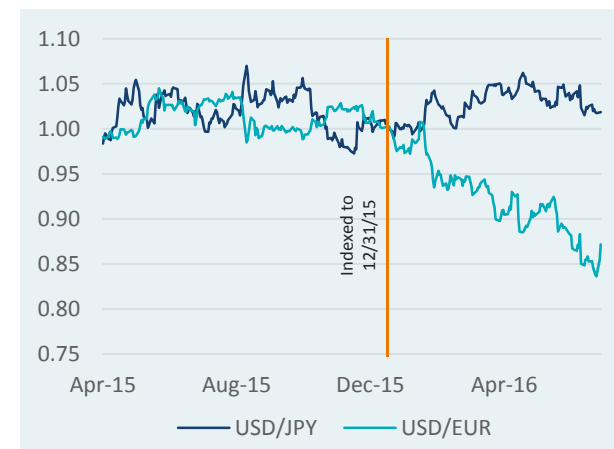
Source: MSCI, as of 6/30/16

## EQUITY YIELD LESS BOND YIELD



Source: MSCI, as of 6/30/16

## USD/EUR, USD/YEN



Source: MSCI, as of 7/12/16



# Emerging market equity

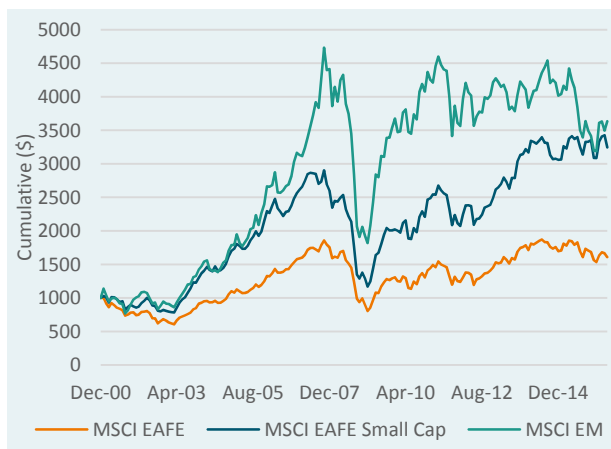
Higher commodity prices provided a tailwind for emerging market equities, which outperformed international developed markets during the quarter. Latin America was the best performing region driven by strong returns in Brazil and Peru equity markets. The hope of political reform in Brazil due to the impending impeachment of president Dilma Rousseff has provided a boost to Brazilian equities.

MSCI denied the inclusion of China's domestic A Shares in its global benchmarks for a third straight year. The

index provider said that although China has made positive steps in opening up its markets, significant obstacles to free fund movement remain.

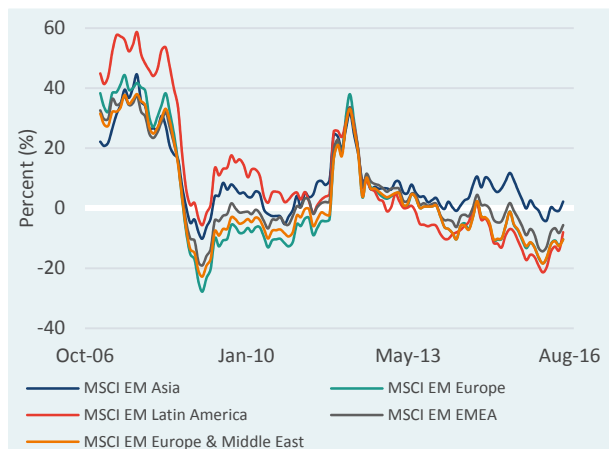
Expectations of further accommodative central bank policies following Brexit and continued low yields in developed markets should help emerging market fund flows as higher yielding investment options remain limited. Furthermore, expectations for a more gradual pace of Fed rate hikes should help keep borrowing costs lower in emerging markets.

## LONG TERM PERFORMANCE



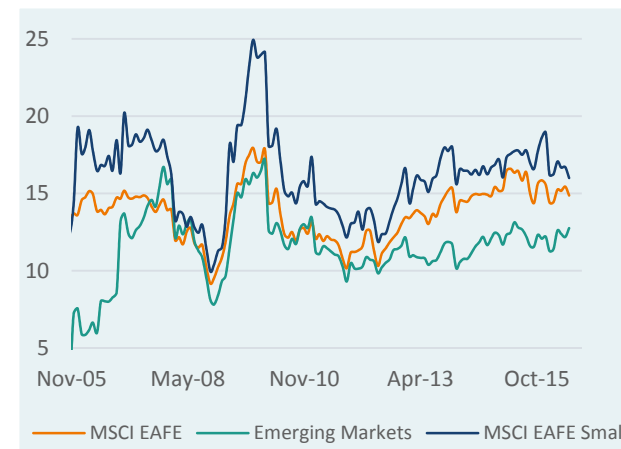
Source: MSCI, as of 6/30/16

## ROLLING 3 YEAR RETURN



Source: MSCI, as of 6/30/16

## FORWARD P/E



Source: MSCI, as of 6/30/16

# Equity valuations

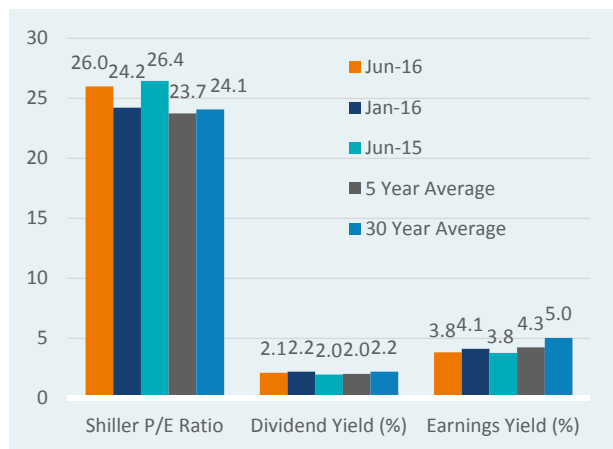
Domestic equity valuations remain above average. Large cap U.S. equity trailing P/E is modestly above the long-term average (18.8 vs. 16.4 over 62 years), while small cap U.S. equities are substantially above the long-term average (33.3 vs. 26.3 over 38 years).

International developed market valuations (MSCI EAFE) in aggregate remain roughly normal relative to history on a trailing P/E basis, but very cheap (9<sup>th</sup> percentile) on a Shiller P/E basis. Emerging market equities (MSCI EM)

are cheap, but as we have discussed recently this may be due to widely acknowledged fundamental problems. An active management approach is recommended.

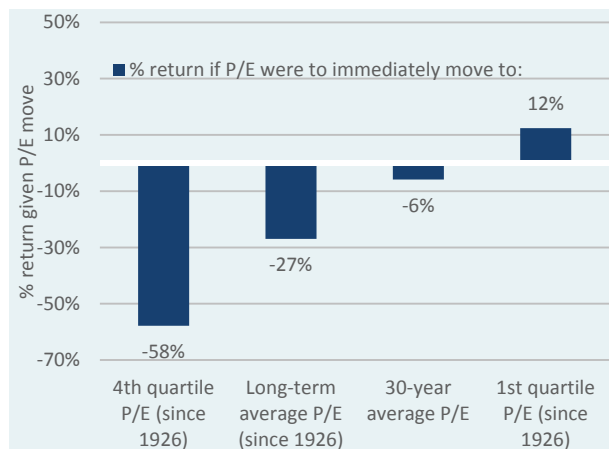
In the current low interest rate environment we should likely expect equity valuations to be above the long-term average. As yields across asset classes fall, the price investors are willing (or forced) to pay for risk assets is higher. This causes complications in understanding whether equities are truly overvalued.

## US LARGE CAP (S&P 500) VALUATION SNAPSHOT



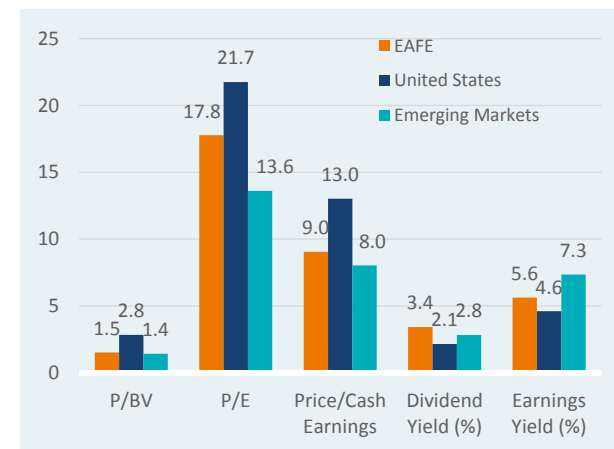
Source: Yale/Shiller, as of 6/30/16

## RETURNS IF P/E MOVED TO HISTORIC LEVEL



Source: Yale/Shiller, Verus

## MSCI VALUATION METRICS (3 MONTH AVERAGE)



Source: MSCI, as of 6/30/16

# Equity volatility

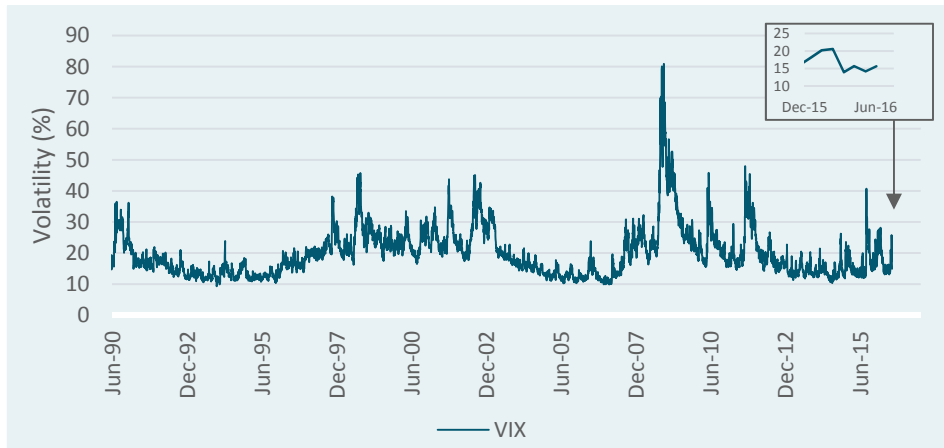
Despite muted volatility levels for much of the second quarter, the end of June brought significant turmoil, particularly in European stock markets. In the weeks leading up to the Brexit referendum, poll results were extremely close and the outcome was unpredictable. This gave investors concern, not only for the implications it would have for the U.K. and Europe, but also for peripheral countries.

Implied volatility spiked while investors digested the

Brexit news. The VIX jumped to 25.8, but fell back to 15.6 to close the month. With quantity and timing of Federal Reserve rate hikes in question, the instability catalyzed by Brexit helped reduce the possibility of a rate hike, calming domestic investors.

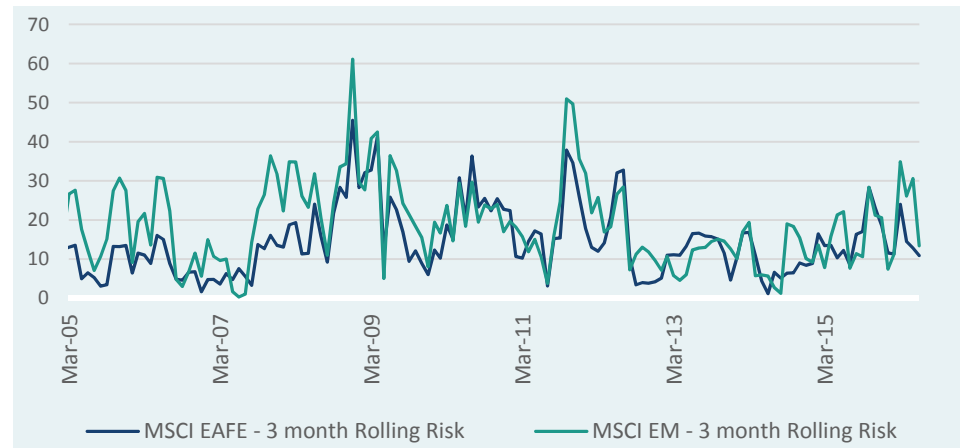
Markets may experience higher than normal levels of volatility as political uncertainty remains high both internationally and within the U.S.

## U.S. EQUITY VOLATILITY



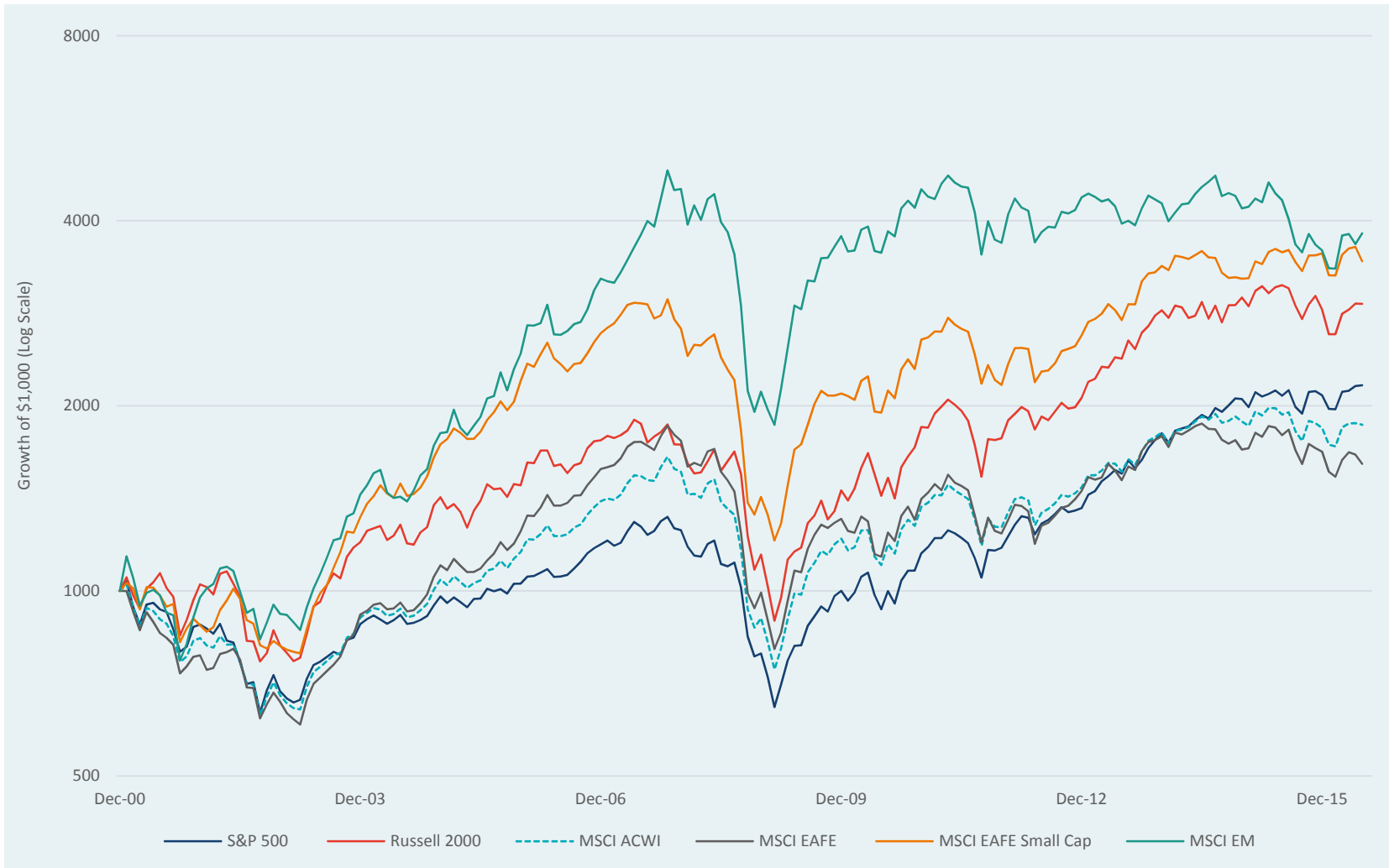
Source: CBOE, as of 6/30/16

## INTERNATIONAL EQUITY VOLATILITY



Source: MSCI, as of 6/30/16

# Long-term equity performance



U.S. equities have remained flat for nearly two years

Intl. developed and emerging market equities are down materially over the same period

Source: MPI, as of 6/30/16

# Other assets

# Other asset volatility

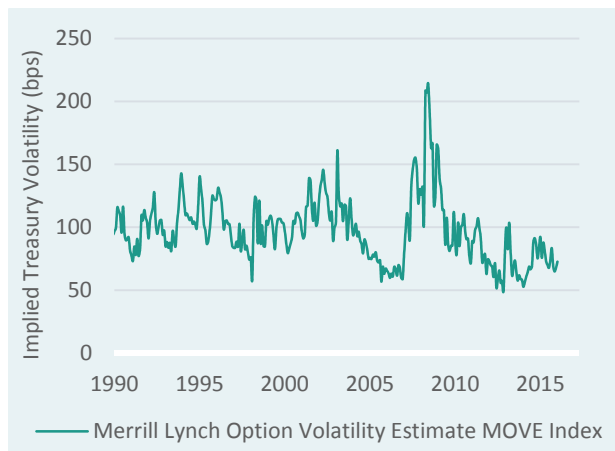
Volatility was relatively low throughout most of the quarter. However, speculation leading up to the June Brexit vote and the surprising outcome generated higher market volatility, especially in the currency markets. Demand for safe haven assets helped strengthen the yen and dollar against the pound and caused a spike in gold prices.

Oil volatility rose slightly during the quarter as prices continued higher. U.S. oil production and inventories have declined steadily over recent weeks, but overall

inventory levels remain very high. Rig counts have recently increased, suggesting production may be coming back on line.

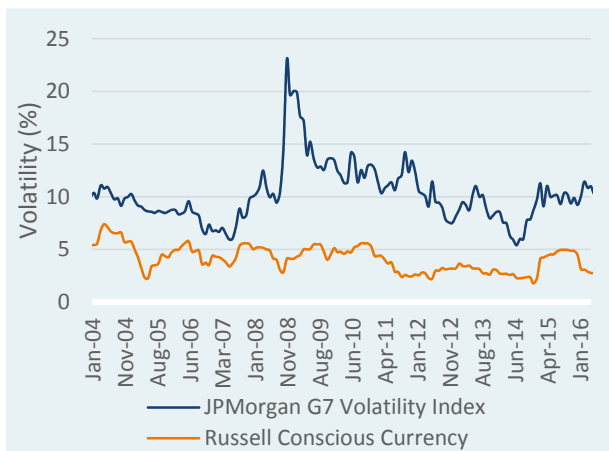
Fixed income implied volatility rose during the quarter but remains below average. Brexit caused sovereign yields to plunge due to demand for safety and increased expectations of accommodative monetary policies. Market expectations of a more gradual pace of interest rate hikes has helped keep short term fixed income risk low.

## FIXED INCOME VOLATILITY



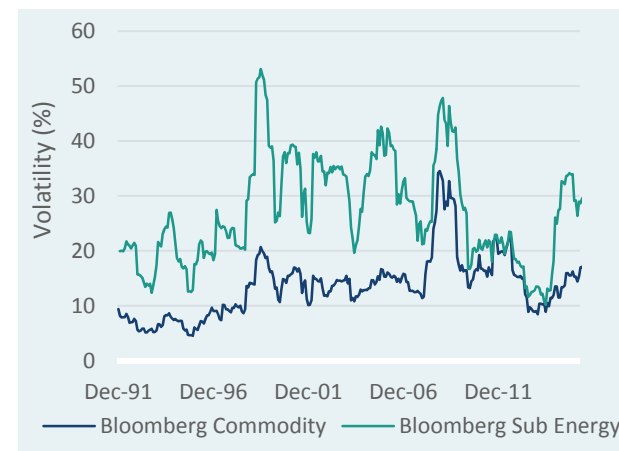
Source: Merrill Lynch, as of 6/30/16 (see Appendix)

## FX VOLATILITY



Source: JP Morgan, Russell Investments, as of 6/30/16

## COMMODITY VOLATILITY



Source: Bloomberg, as of 6/30/16

# Hedge funds

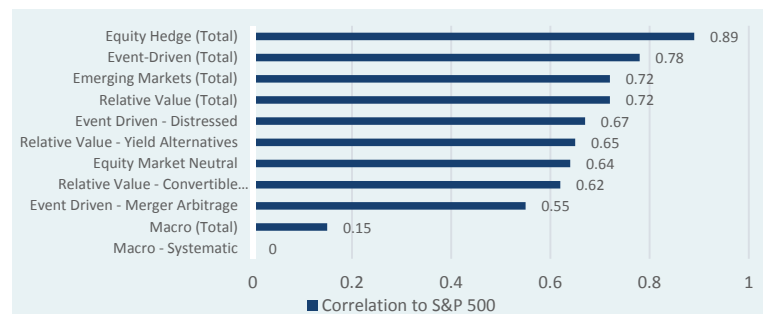
Hedge fund performance has been underwhelming, which has led to much debate regarding the continued role of these strategies in portfolios.

The demise of hedge funds may be exaggerated. Four problems often persist:

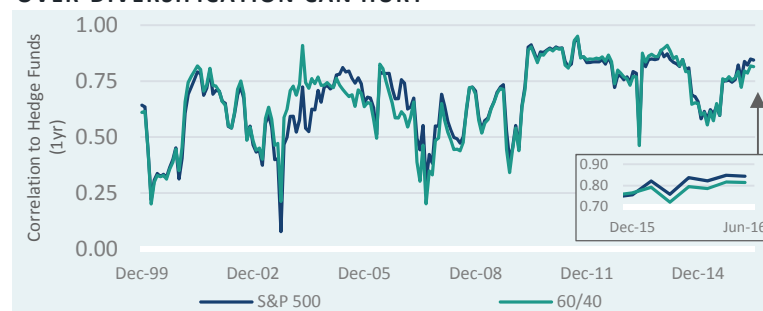
- **What ARE hedge funds?** – Hedge fund strategies typically involve trading public market assets in a proprietary manner. This means that when underlying public markets are performing poorly hedge funds should be expected to perform less well.
- **Misaligned expectations** – Hedge funds can generally be thought of to *diversify* the portfolio or *enhance returns*.
- **Improper attribution** – Investors should understand what types of hedge funds they hold, and what these hedge funds should be expected to deliver. Evaluate performance accordingly, and over a longer horizon.
- **Over-diversification** – Overly diversified/complicated hedge fund portfolios should be expected to take on more “market-like” performance profiles.

An appropriately designed hedge fund exposure can be a useful component of an investment portfolio, but investors should be careful to ensure that they know why they have the exposures that they do.

## DIVERSIFICATION VALUE VARIES DRASTICALLY BY STRATEGY



## OVER-DIVERSIFICATION CAN HURT



## YOU GET (RETURN) WHAT YOU GIVE (RISK)



(Top) Source: MPI, HFRI FoF Composite Index, 3-year correlation, as of 6/30/16 (Middle) Source: MPI, 60/40 portfolio (S&P 500/BC Agg), as of 6/30/2016 (Bottom) Source: MPI, HFRI FoF, Composite Index, as of 6/30/16

# Currency

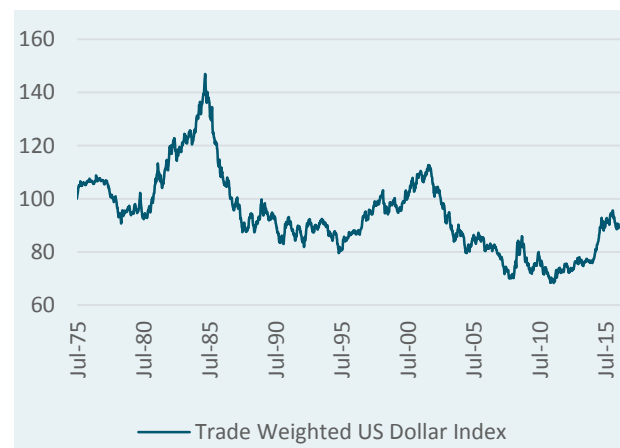
The U.S. dollar rose 0.5% in Q2 on a trade-weighted basis. Stabilization of the dollar should have a positive impact on corporate earnings in future quarters.

While U.S. investors have been harshly penalized in recent years for holding unhedged international equity exposure, these effects have moderated on a one-year basis. Though forecasting currency movements in an incredibly complex and difficult task, differences in interest rates and currency exchange prices indicate that U.S. investors might expect a positive return from

foreign currency exposure over the longer-term (interest rate parity). As discussed in recent quarters U.S. dollar moves can be somewhat arbitrarily driven by central bank actions which impact interest rates and exchange rate movement.

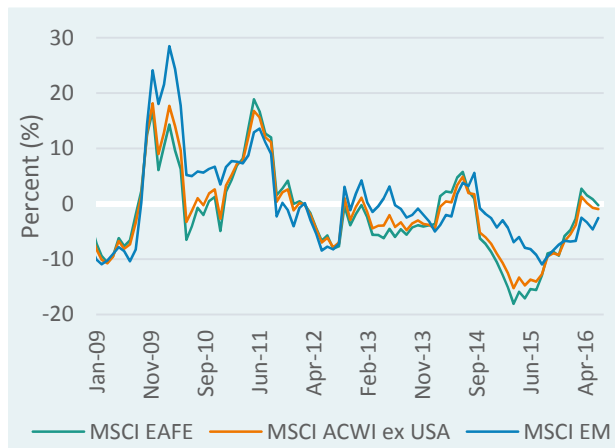
Currency indices are available which provide more accurate representations of true currency market investment. One such index, the Russell Conscious Currency Index, showed sharply positive currency returns in recent months.

## LONG-TERM TRADE WEIGHTED USD



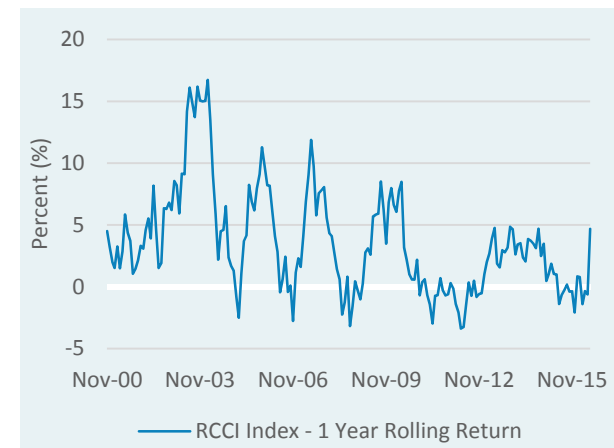
Source: FRED, as of 7/01/16

## EFFECT OF CURRENCY (1YR ROLLING)



Source: MSCI, as of 6/30/16

## CURRENCY MARKET BEHAVIOR



Source: Russell Investments, as of 6/30/16



# Appendix

# Periodic table of returns – June 2016

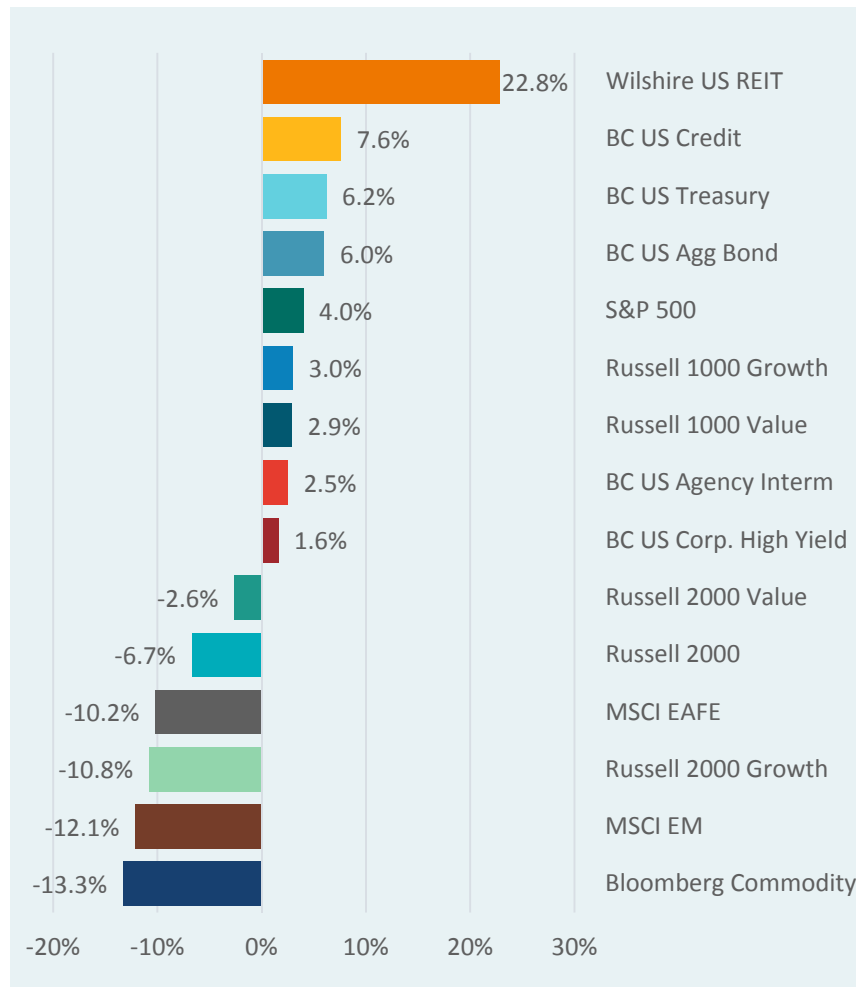
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	YTD	5-Year	10-Year
Commodities	74.8	16.6	38.4	23.2	35.2	38.7	66.4	31.8	14.0	25.9	56.3	26.0	34.5	32.6	39.8	5.2	79.0	29.1	14.3	18.6	43.3	13.5	10.1	13.3	12.3	8.8
Emerging Markets Equity	32.9	8.1	37.8	23.1	32.9	27.0	43.1	22.8	8.4	10.3	48.5	22.2	21.4	26.9	16.2	1.4	37.2	26.9	7.8	18.1	38.8	13.2	5.7	6.4	11.9	7.6
Large Cap Value	26.3	6.4	37.2	22.4	31.8	20.3	33.2	12.2	7.3	6.7	47.3	20.7	20.1	23.5	15.8	-6.5	34.5	24.5	2.6	17.9	34.5	13.0	0.9	6.3	11.9	7.5
Small Cap Value	23.8	4.4	31.0	21.6	30.5	19.3	27.3	11.6	3.3	1.6	46.0	18.3	14.0	22.2	11.8	-21.4	32.5	19.2	1.5	17.5	33.5	11.8	0.6	6.1	11.4	7.1
US Bonds	19.3	3.2	28.5	21.4	22.4	16.2	26.5	7.0	2.8	1.0	39.2	16.5	7.5	18.4	11.6	-25.9	28.4	16.8	0.4	16.4	33.1	6.0	0.0	5.3	8.5	6.2
60/40 Global Portfolio	18.9	2.6	25.7	16.5	16.2	15.6	24.3	6.0	2.5	-5.9	30.0	14.5	7.1	16.6	10.9	-28.9	27.2	16.7	0.1	16.3	32.5	5.6	-0.4	4.4	8.4	6.1
Large Cap Equity	18.1	0.4	19.6	14.4	13.9	8.7	21.3	4.1	-2.4	-6.0	29.9	14.3	6.3	15.5	10.3	-33.8	23.3	16.1	-2.1	15.3	23.3	4.9	-0.8	3.7	8.1	5.2
Small Cap Equity	13.4	-1.5	18.5	11.3	12.9	4.9	20.9	-3.0	-5.6	-11.4	29.7	12.9	5.3	15.1	7.0	-35.6	20.6	15.5	-2.9	14.6	12.1	4.2	-1.4	2.2	4.1	5.1
Real Estate	10.2	-1.8	15.2	10.3	10.6	1.2	13.2	-7.3	-9.1	-15.5	25.2	11.4	4.7	13.3	7.0	-36.8	19.7	13.1	-4.2	11.5	11.0	3.4	-2.5	2.2	3.8	4.6
Large Cap Growth	9.7	-2.0	11.6	9.9	9.7	-2.5	11.4	-7.8	-9.2	-15.7	23.9	9.1	4.6	10.4	5.8	-37.6	18.9	10.2	-5.5	10.5	9.0	2.8	-3.8	1.4	1.7	3.5
Cash	3.1	-2.4	11.1	6.4	5.2	-5.1	7.3	-14.0	-12.4	-20.5	11.6	6.9	4.6	9.1	4.4	-38.4	11.5	8.2	-5.7	4.8	0.1	0.0	-4.4	0.1	1.7	1.6
Small Cap Growth	2.9	-2.9	7.5	6.0	2.1	-6.5	4.8	-22.4	-19.5	-21.7	9.0	6.3	4.2	4.8	-0.2	-38.5	5.9	6.5	-11.7	4.2	-2.0	-1.8	-7.5	-1.6	0.1	1.6
Hedge Funds of Funds	1.4	-3.5	5.7	5.1	-3.4	-25.3	-0.8	-22.4	-20.4	-27.9	4.1	4.3	3.2	4.3	-1.6	-43.1	0.2	5.7	-13.3	0.1	-2.3	-4.5	-14.9	-2.4	-3.8	0.9
International Equity	-1.1	-7.3	-5.2	3.6	-11.6	-27.0	-1.5	-30.6	-21.2	-30.3	1.0	1.4	2.4	2.1	-9.8	-53.2	-16.9	0.1	-18.2	-1.1	-9.5	-17.0	-24.7	-4.4	-10.8	-5.6

- Large Cap Equity
- Small Cap Growth
- Commodities
- Large Cap Value
- International Equity
- Real Estate
- Large Cap Growth
- Emerging Markets Equity
- Hedge Funds of Funds
- US Bonds
- 60% MSCI ACWI/40% BC Global Bond
- Cash

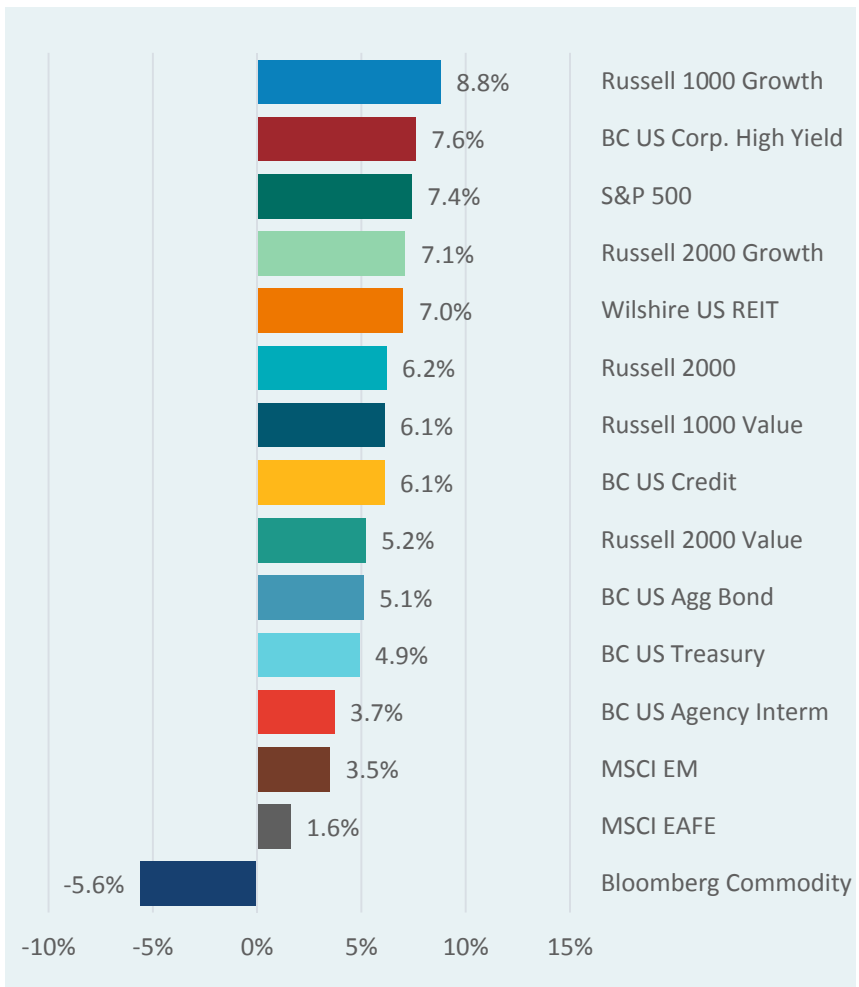
Source Data: Morningstar, Inc., Hedge Fund Research, Inc. (HFR), National Council of Real Estate Investment Fiduciaries (NCREIF). Indices used: Russell 1000, Russell 1000 Value, Russell 1000 Growth, Russell 2000, Russell 2000 Value, Russell 2000 Growth, MSCI EAFE, MSCI EM, BC Agg, T-Bill 90 Day, Bloomberg Commodity, NCREIF Property, HFRI FOF, MSCI ACWI, BC Global Bond. NCREIF Property performance data as of 3/31/16.

# Major asset class returns

ONE YEAR ENDING JUNE



TEN YEARS ENDING JUNE

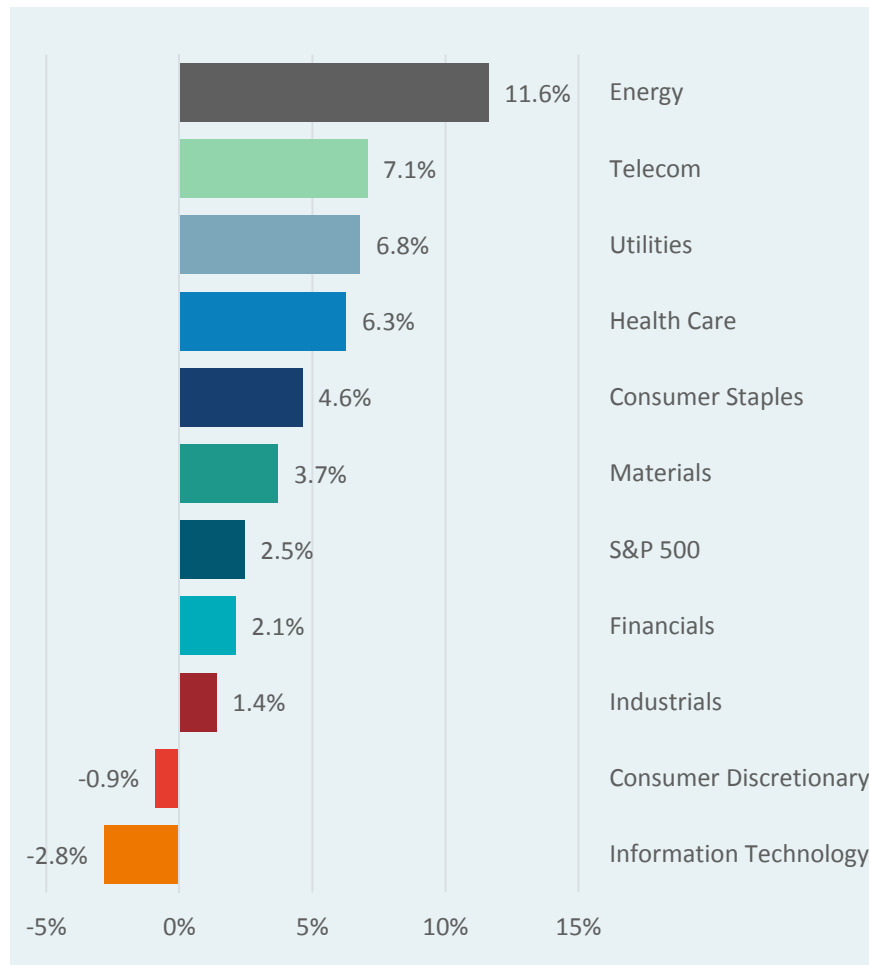


Source: Morningstar, as of 6/30/16

Source: Morningstar, as of 6/30/16

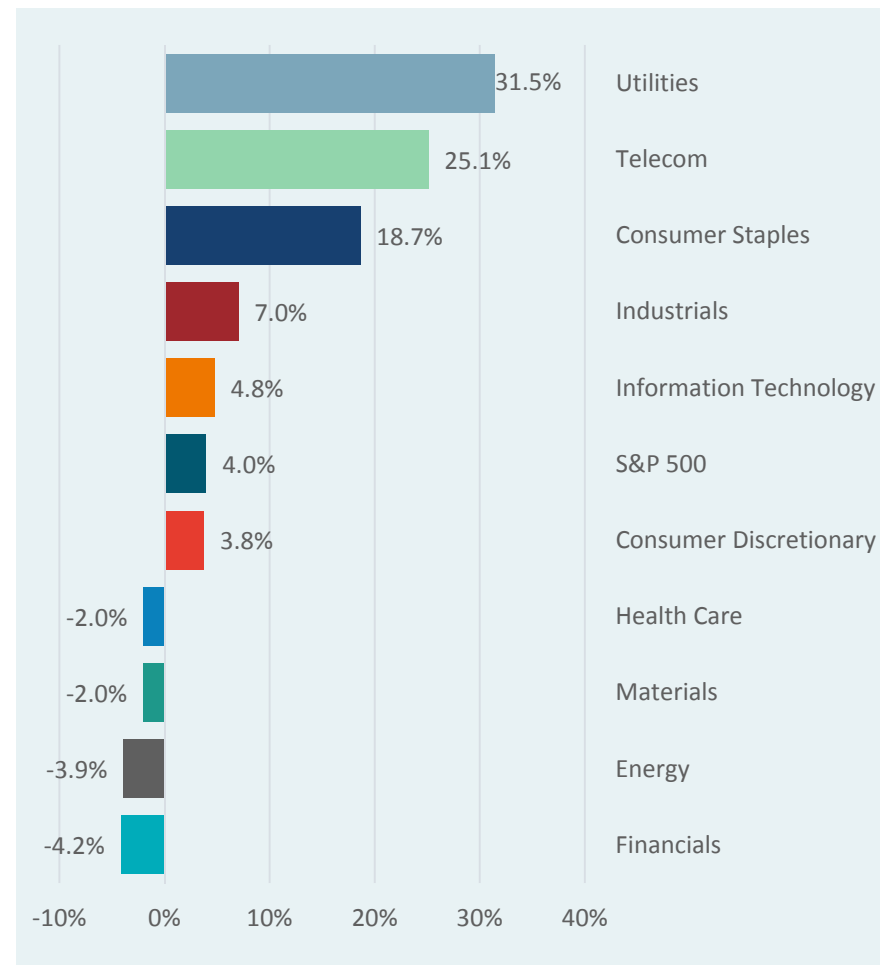
# S&P 500 and S&P 500 sector returns

QTD



Source: Morningstar, as of 6/30/16

ONE YEAR ENDING JUNE



Source: Morningstar, as of 6/30/16

# Detailed index returns

## DOMESTIC EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
<b>Core Index</b>							
S&P 500	0.3	2.5	3.8	4.0	11.7	12.1	7.4
S&P 500 Equal Weighted	(0.1)	2.7	5.8	2.7	11.6	11.9	8.7
DJ Industrial Average	0.9	2.1	4.3	4.5	9.0	10.4	7.7
Russell Top 200	0.1	2.3	3.0	4.0	11.8	12.3	7.3
Russell 1000	0.2	2.5	3.7	2.9	11.5	11.9	7.5
Russell 2000	(0.1)	3.8	2.2	(6.7)	7.1	8.4	6.2
Russell 3000	0.2	2.6	3.6	2.1	11.1	11.6	7.4
Russell Mid Cap	0.5	3.2	5.5	0.6	10.8	10.9	8.1
<b>Style Index</b>							
Russell 1000 Growth	(0.4)	0.6	1.4	3.0	13.1	12.3	8.8
Russell 1000 Value	0.9	4.6	6.3	2.9	9.9	11.4	6.1
Russell 2000 Growth	(0.5)	3.2	(1.6)	(10.8)	7.7	8.5	7.1
Russell 2000 Value	0.3	4.3	6.1	(2.6)	6.4	8.1	5.2

## INTERNATIONAL EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
<b>Broad Index</b>							
MSCI EAFE	(3.4)	(1.5)	(4.4)	(10.2)	2.1	1.7	1.6
MSCI AC World ex US	(1.5)	(0.6)	(1.0)	(10.2)	1.2	0.1	1.9
MSCI EM	4.0	0.7	6.4	(12.1)	(1.6)	(3.8)	3.5
MSCI EAFE Small Cap	(5.3)	(2.6)	(3.2)	(3.7)	7.3	4.8	3.6
<b>Style Index</b>							
MSCI EAFE Growth	(1.8)	(0.1)	(2.2)	(4.8)	4.2	3.2	2.9
MSCI EAFE Value	(5.0)	(2.8)	(6.6)	(15.4)	(0.1)	0.1	0.2
<b>Regional Index</b>							
MSCI UK	(3.6)	(0.7)	(3.1)	(12.1)	0.7	1.7	1.4
MSCI Japan	(2.5)	1.0	(5.6)	(8.9)	2.7	4.2	0.1
MSCI Euro	(6.3)	(5.0)	(7.4)	(12.8)	1.7	(1.0)	0.1
MSCI EM Asia	2.8	0.3	2.2	(12.2)	1.8	(0.6)	5.3
MSCI EM Latin American	11.4	5.3	25.5	(7.6)	(8.3)	(10.1)	2.3

## FIXED INCOME

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
<b>Broad Index</b>							
BC US Treasury US TIPS	2.1	1.7	6.2	4.4	2.3	2.6	4.7
BC US Treasury Bills	0.1	0.1	0.2	0.3	0.1	0.1	1.1
BC US Agg Bond	1.8	2.2	5.3	6.0	4.1	3.8	5.1
<b>Duration</b>							
BC US Treasury 1-3 Yr	0.6	0.5	1.4	1.3	1.0	0.8	2.5
BC US Treasury Long	6.1	6.4	15.1	19.3	10.5	10.3	8.8
BC US Treasury	2.2	2.1	5.4	6.2	3.5	3.5	4.9
<b>Issuer</b>							
BC US MBS	0.8	1.1	3.1	4.3	3.8	3.0	5.0
BC US Corp. High Yield	0.9	5.5	9.1	1.6	4.2	5.8	7.6
BC US Agency Interm	0.8	0.7	2.3	2.5	2.0	1.8	3.7
BC US Credit	2.3	3.5	7.5	7.6	5.3	5.2	6.1

## OTHER

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
<b>Index</b>							
Bloomberg Commodity	4.1	12.8	13.3	(13.3)	(10.6)	(10.8)	(5.6)
Wilshire US REIT	6.5	5.6	11.1	22.8	13.6	12.5	7.0
<b>Regional Index</b>							
JPM EMBI Global Div	3.4	5.0	10.3	9.8	7.2	6.5	8.0
JPM GBI-EM Global Div	5.9	2.7	14.0	2.0	(3.6)	(2.2)	5.7

Source: Morningstar, as of 6/30/16

# Definitions

**Bloomberg US Weekly Consumer Comfort Index** - tracks the public's economic attitudes each week, providing a high-frequency read on consumer sentiment. The index, based on cell and landline telephone interviews with a random, representative national sample of U.S. adults, tracks Americans' ratings of the national economy, their personal finances and the buying climate on a weekly basis, with views of the economy's direction measured separately each month. ([www.langerresearch.com](http://www.langerresearch.com))

**University of Michigan Consumer Sentiment Index** - A survey of consumer attitudes concerning both the present situation as well as expectations regarding economic conditions conducted by the University of Michigan. For the preliminary release approximately three hundred consumers are surveyed while five hundred are interviewed for the final figure. The level of consumer sentiment is related to the strength of consumer spending. ([www.Bloomberg.com](http://www.Bloomberg.com))

**Citi Economic Surprise Index** - objective and quantitative measures of economic news. Defined as weighted historical standard deviations of data surprises (actual releases vs Bloomberg survey median). A positive reading of the Economic Surprise Index suggests that economic releases have on balance been beating consensus. The indices are calculated daily in a rolling three-month window. The weights of economic indicators are derived from relative high-frequency spot FX impacts of 1 standard deviation data surprises. The indices also employ a time decay function to replicate the limited memory of markets. ([www.Bloomberg.com](http://www.Bloomberg.com))

**Merrill Lynch Option Volatility Estimate (MOVE) Index** - a yield curve weighted index comprised of a weighted set of 1-month Treasury options, including 2.5.10 and 30 year tenor contracts. This index is an indicator of the expected (implied) future volatility in the rate markets.

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# Contra Costa County Employees' Retirement Association

Investment Performance Review

Period Ending: June 30, 2016



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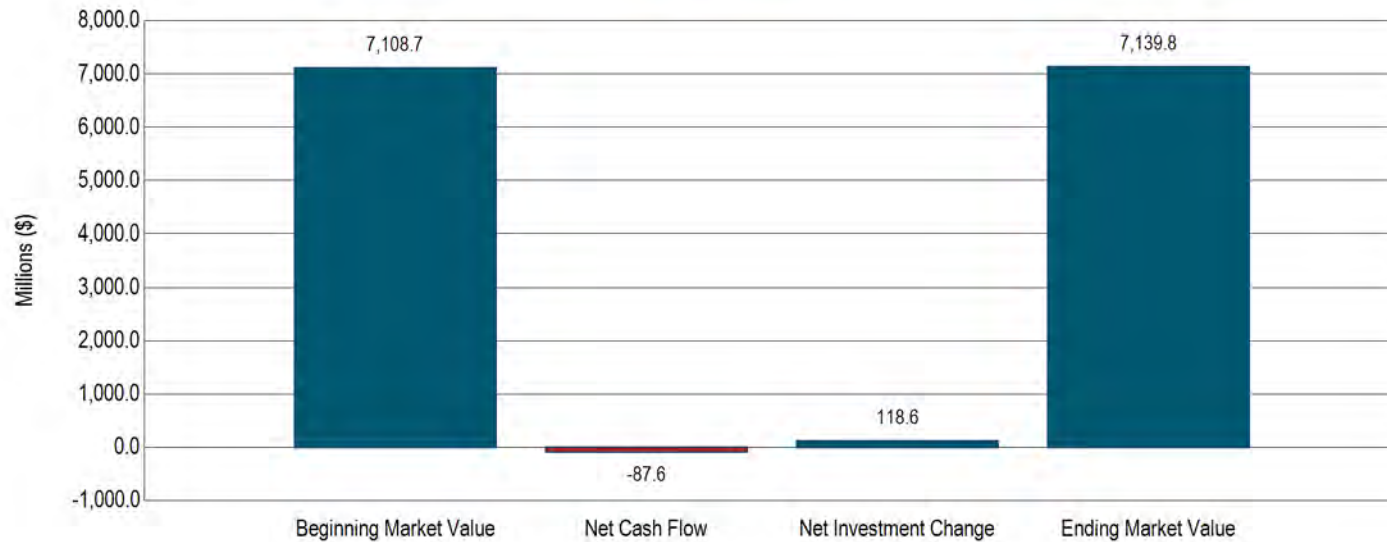
LOS ANGELES 310-297-1777

SAN FRANCISCO 415-362-3484

**Portfolio Reconciliation**

	Last Three Months	Year-To-Date
Beginning Market Value	\$7,108,745,665	\$7,104,853,428
Net Cash Flow	-\$87,583,338	-\$168,444,802
Net Investment Change	\$118,642,546	\$203,396,247
Ending Market Value	\$7,139,804,873	\$7,139,804,873

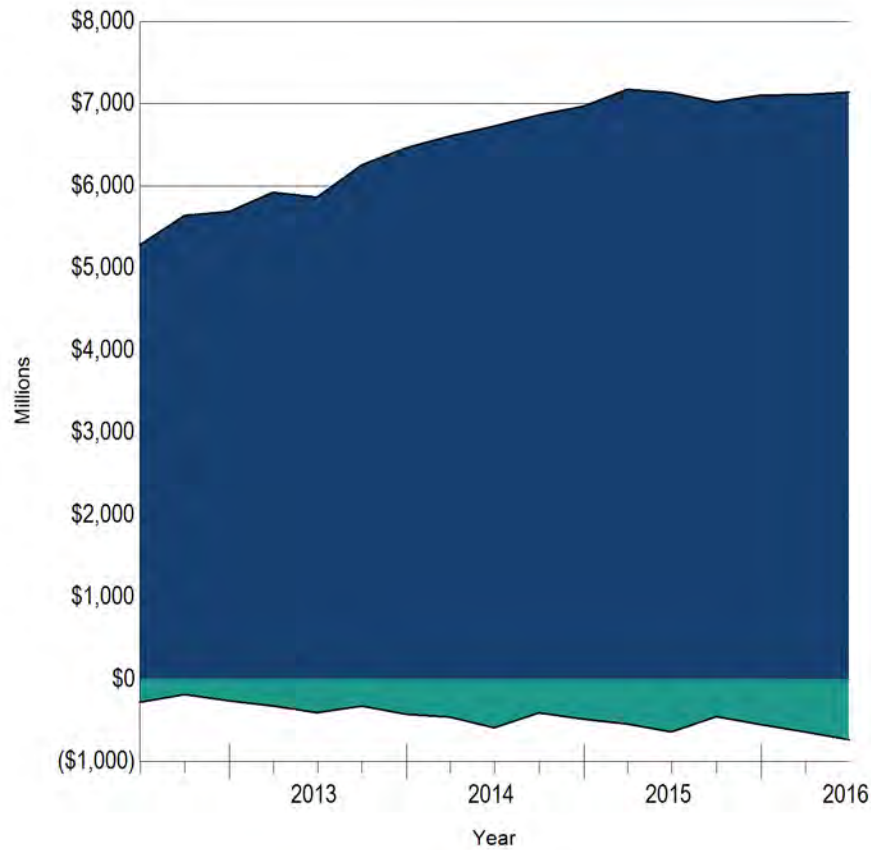
**Change in Market Value  
Last Three Months**



Contributions and withdrawals may include intra-account transfers between managers/funds.

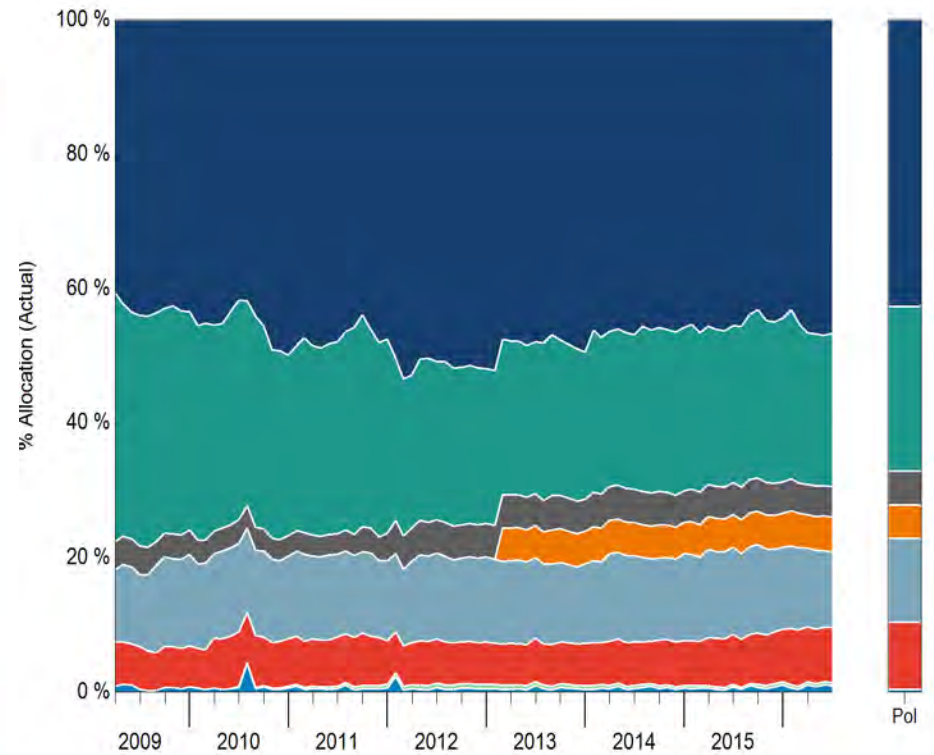


Market Value History  
 Cumulative Cash Flows

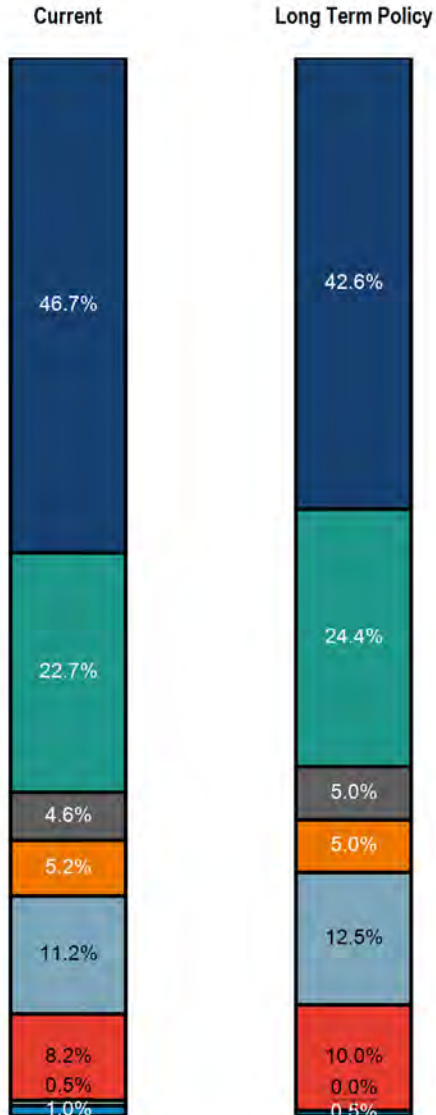


Market Value Net Cash Flow

Asset Allocation History



Global Equity Global Fixed Income High Yield Fixed Income Inflation Hedge/Real Assets Real Estate Alternative Investments Opportunistic Cash



Allocation vs. Long Term Target

	Current Balance	Current Allocation	Long Term Target	Difference	Long Term Target Range	Within IPS Range?
Global Equity	\$3,335,445,942	46.7%	42.6%	\$293,889,066	40.0% - 55.0%	Yes
Global Fixed Income	\$1,619,856,445	22.7%	24.4%	-\$122,255,943	20.0% - 30.0%	Yes
High Yield Fixed Income	\$325,609,008	4.6%	5.0%	-\$31,381,235	2.0% - 9.0%	Yes
Inflation Hedge/Real Assets	\$373,838,564	5.2%	5.0%	\$16,848,320	0.0% - 10.0%	Yes
Real Estate	\$799,271,098	11.2%	12.5%	-\$93,204,511	10.0% - 16.0%	Yes
Alternative Investments	\$582,380,875	8.2%	10.0%	-\$131,599,612	5.0% - 12.0%	Yes
Opportunistic	\$32,709,024	0.5%	0.0%	\$32,709,024	0.0% - 5.0%	Yes
Cash	\$70,693,917	1.0%	0.5%	\$34,994,893	0.0% - 1.0%	Yes
<b>Total</b>	<b>\$7,139,804,873</b>	<b>100.0%</b>	<b>100.0%</b>			

Allocation vs. Current Targets

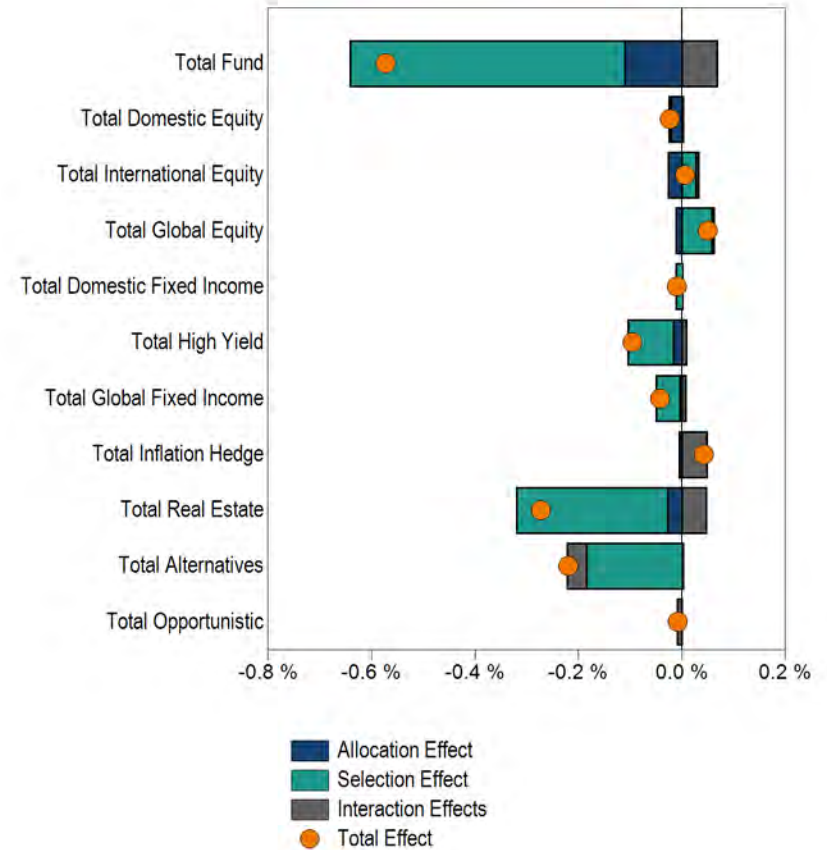
	Current Balance	Current Allocation	Current Target	Difference
Global Equity	\$3,335,445,942	46.7%	46.6%	\$8,296,871
Global Fixed Income	\$1,619,856,445	22.7%	23.6%	-\$65,137,505
High Yield Fixed Income	\$325,609,008	4.6%	5.0%	-\$31,381,235
Inflation Hedge/Real Assets	\$373,838,564	5.2%	5.0%	\$16,848,320
Real Estate	\$799,271,098	11.2%	12.5%	-\$93,204,511
Alternative Investments	\$582,380,875	8.2%	6.0%	\$153,992,583
Opportunistic	\$32,709,024	0.5%	0.8%	-\$24,409,415
Cash	\$70,693,917	1.0%	0.5%	\$34,994,893
<b>Total</b>	<b>\$7,139,804,873</b>	<b>100.0%</b>	<b>100.0%</b>	

# Total Fund Executive Summary (Gross of Fees)

Period Ending: June 30, 2016

	QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
<b>Total Fund</b>	<b>1.7</b>	<b>3.0</b>	<b>1.3</b>	<b>8.2</b>	<b>8.1</b>	<b>6.6</b>
Policy Index	2.3	4.8	3.2	8.0	8.1	--
CPI + 4%	2.2	3.9	5.0	5.1	5.4	5.8
InvestorForce Public DB > \$1B Gross Rank	57	43	27	3	3	7
<b>Total Domestic Equity</b>	<b>2.6</b>	<b>2.2</b>	<b>-1.4</b>	<b>11.2</b>	<b>11.7</b>	<b>7.8</b>
Russell 3000	2.6	3.6	2.1	11.1	11.6	7.4
eA US All Cap Equity Gross Rank	38	46	47	26	24	44
<b>Total International Equity</b>	<b>-0.1</b>	<b>-0.1</b>	<b>-5.3</b>	<b>5.2</b>	<b>3.1</b>	<b>1.8</b>
MSCI ACWI ex USA Gross	-0.4	-0.7	-9.8	1.6	0.6	2.3
MSCI EAFE Gross	-1.2	-4.0	-9.7	2.5	2.1	2.1
eA All ACWI ex-US Equity Gross Rank	32	33	34	31	49	93
<b>Total Global Equity</b>	<b>1.5</b>	<b>1.8</b>	<b>-1.0</b>	<b>8.2</b>	<b>6.2</b>	<b>--</b>
MSCI ACWI	1.0	1.2	-3.7	6.0	5.4	--
eA All Global Equity Gross Rank	42	44	37	40	65	--
<b>Total Domestic Fixed Income</b>	<b>2.2</b>	<b>5.0</b>	<b>5.4</b>	<b>5.3</b>	<b>5.6</b>	<b>6.4</b>
Barclays U.S. Universal	2.5	5.7	5.8	4.2	4.0	5.3
Barclays Aggregate	2.2	5.3	6.0	4.1	3.8	5.1
eA US Core Fixed Inc Gross Rank	70	75	80	8	5	10
<b>Total High Yield</b>	<b>4.1</b>	<b>6.3</b>	<b>-0.5</b>	<b>3.2</b>	<b>5.5</b>	<b>7.6</b>
BofA ML High Yield Master II	5.9	9.3	1.7	4.2	5.7	7.4
eA US High Yield Fixed Inc Gross Rank	56	63	78	85	68	40
<b>Total Global Fixed Income</b>	<b>1.8</b>	<b>7.6</b>	<b>6.5</b>	<b>2.4</b>	<b>1.7</b>	<b>4.0</b>
Barclays Global Aggregate	2.9	9.0	8.9	2.8	1.8	4.4
eA All Global Fixed Inc Gross Rank	63	31	27	69	74	92

Attribution Effects  
3 Months Ending June 30, 2016



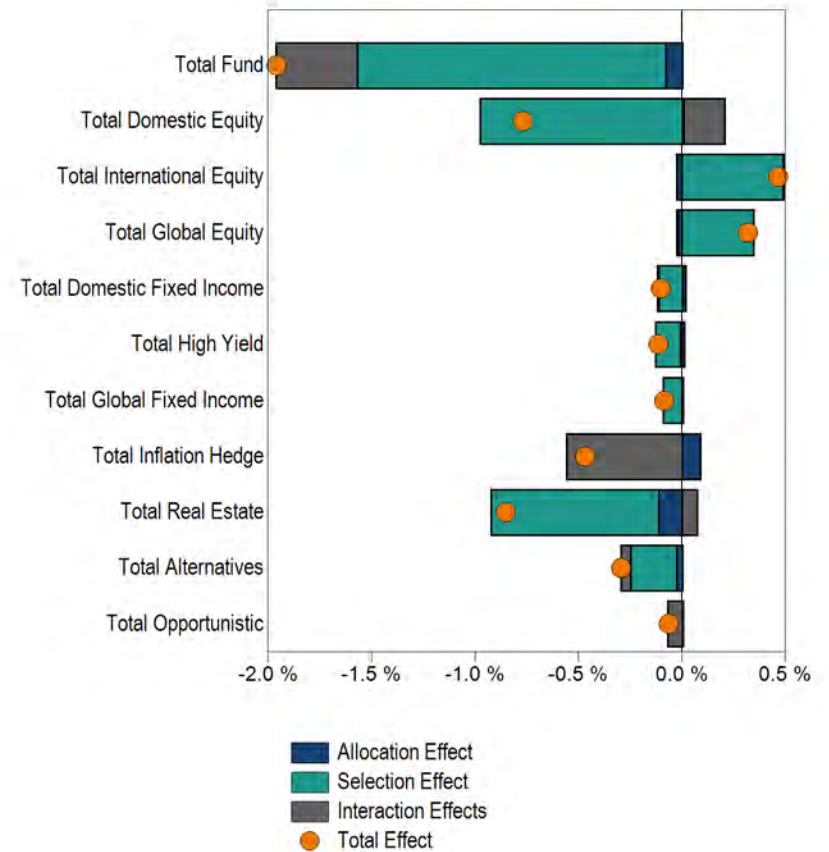
Policy Index (as of 4/1/2012): 27.7% Russell 3000, 10.6% MSCI ACWI ex-US (Gross), 12.3% MSCI ACWI (Net), 19.6% Barclays U.S. Aggregate, 5% Bank of America High Yield Master II, 4% Barclays Global Aggregate, 13.5% Real Estate Benchmark, 6.8% S&P 500 +4% (Lagged), 0.5% 91-Day T-Bills. Real Estate Benchmark: 40% Wilshire REIT, 50% NCREIF Property Index, 10% FTSE/EPRA NAREIT Developed ex-USA.

# Total Fund Executive Summary (Gross of Fees)

Period Ending: June 30, 2016

	QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
<b>Total Inflation Hedge</b>	<b>3.1</b>	<b>1.4</b>	<b>-5.6</b>	<b>-0.5</b>	<b>--</b>	<b>--</b>
CPI + 4%	2.2	3.9	5.0	5.1	--	--
<b>Total Real Estate</b>	<b>1.2</b>	<b>3.3</b>	<b>8.2</b>	<b>13.5</b>	<b>12.9</b>	<b>6.0</b>
Real Estate Benchmark	3.4	7.3	14.7	12.0	11.9	8.1
NCREIF-ODCE	2.1	4.4	11.8	13.0	12.7	6.2
NCREIF Property Index	2.0	4.3	10.6	11.6	11.5	7.4
<b>Total Alternatives</b>	<b>0.0</b>	<b>2.6</b>	<b>3.1</b>	<b>13.9</b>	<b>12.2</b>	<b>12.0</b>
S&P 500 Index +4% (Lagged)	2.3	10.6	5.9	16.3	16.0	11.3
<b>Total Opportunistic</b>	<b>0.6</b>	<b>0.4</b>	<b>-9.7</b>	<b>0.9</b>	<b>3.1</b>	<b>--</b>
CPI + 4%	2.2	3.9	5.0	5.1	5.4	--

Attribution Effects  
1 Year Ending June 30, 2016

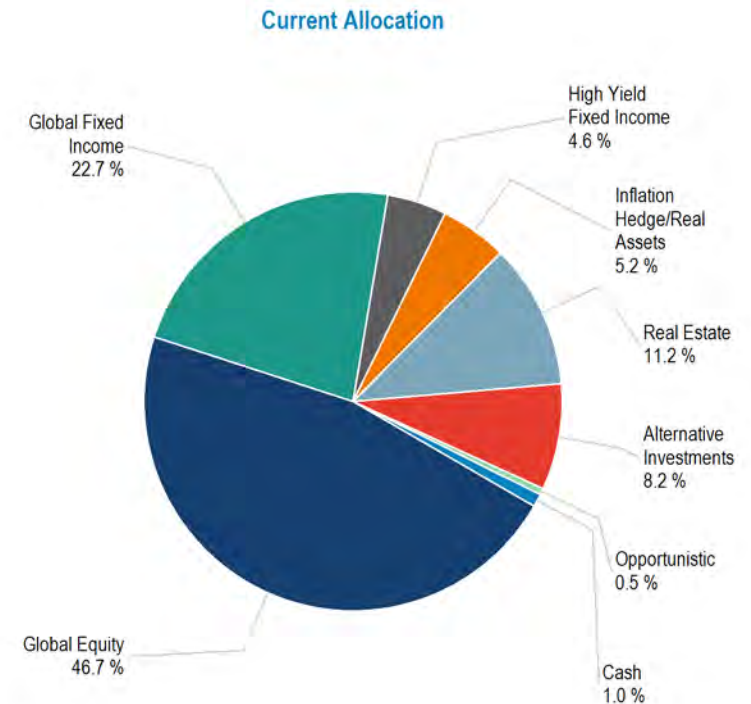


Policy Index (as of 4/1/2012): 27.7% Russell 3000, 10.6% MSCI ACWI ex-US (Gross), 12.3% MSCI ACWI (Net), 19.6% Barclays U.S. Aggregate, 5% Bank of America High Yield Master II, 4% Barclays Global Aggregate, 13.5% Real Estate Benchmark, 6.8% S&P 500 +4% (Lagged), 0.5% 91-Day T-Bills. Real Estate Benchmark: 40% Wilshire REIT, 50% NCREIF Property Index, 10% FTSE/EPRA NAREIT Developed ex-USA.

# Total Fund Executive Summary (Net of Fees)

Period Ending: June 30, 2016

	QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
<b>Total Fund</b>	<b>1.6</b>	<b>2.8</b>	<b>0.8</b>	<b>7.5</b>	<b>7.4</b>	<b>5.9</b>
<i>Policy Index</i>	2.3	4.8	3.2	8.0	8.1	--
<i>CPI + 4%</i>	2.2	3.9	5.0	5.1	5.4	5.8
<b>Total Domestic Equity</b>	<b>2.5</b>	<b>2.0</b>	<b>-1.8</b>	<b>10.7</b>	<b>11.3</b>	<b>7.3</b>
<i>Russell 3000</i>	2.6	3.6	2.1	11.1	11.6	7.4
<b>Total International Equity</b>	<b>-0.2</b>	<b>-0.3</b>	<b>-5.7</b>	<b>4.9</b>	<b>2.6</b>	<b>1.3</b>
<i>MSCI ACWI ex USA Gross</i>	-0.4	-0.7	-9.8	1.6	0.6	2.3
<i>MSCI EAFE Gross</i>	-1.2	-4.0	-9.7	2.5	2.1	2.1
<b>Total Global Equity</b>	<b>1.3</b>	<b>1.4</b>	<b>-1.6</b>	<b>7.5</b>	<b>5.6</b>	<b>--</b>
<i>MSCI ACWI</i>	1.0	1.2	-3.7	6.0	5.4	--
<b>Total Domestic Fixed Income</b>	<b>2.1</b>	<b>4.8</b>	<b>5.1</b>	<b>4.9</b>	<b>5.2</b>	<b>5.9</b>
<i>Barclays U.S. Universal</i>	2.5	5.7	5.8	4.2	4.0	5.3
<i>Barclays Aggregate</i>	2.2	5.3	6.0	4.1	3.8	5.1
<b>Total High Yield</b>	<b>4.0</b>	<b>6.1</b>	<b>-0.9</b>	<b>2.8</b>	<b>5.1</b>	<b>7.4</b>
<i>BofA ML High Yield Master II</i>	5.9	9.3	1.7	4.2	5.7	7.4
<b>Total Global Fixed Income</b>	<b>1.7</b>	<b>7.5</b>	<b>6.2</b>	<b>2.1</b>	<b>1.4</b>	<b>3.7</b>
<i>Barclays Global Aggregate</i>	2.9	9.0	8.9	2.8	1.8	4.4
<b>Total Inflation Hedge</b>	<b>3.0</b>	<b>1.0</b>	<b>-6.4</b>	<b>-1.4</b>	<b>--</b>	<b>--</b>
<i>CPI + 4%</i>	2.2	3.9	5.0	5.1	--	--

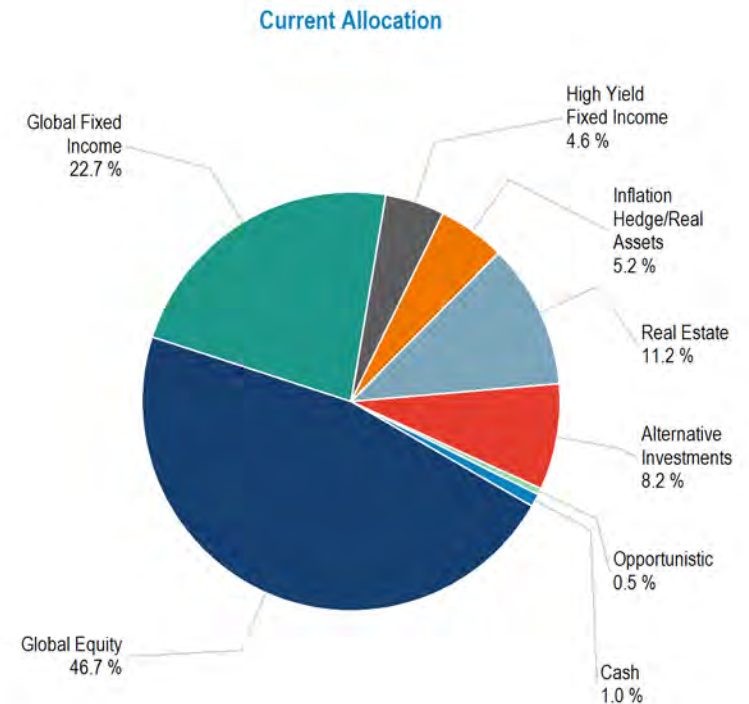


*Policy Index (as of 4/1/2012): 27.7% Russell 3000, 10.6% MSCI ACWI ex-US (Gross), 12.3% MSCI ACWI (Net), 19.6% Barclays U.S. Aggregate, 5% Bank of America High Yield Master II, 4% Barclays Global Aggregate, 13.5% Real Estate Benchmark, 6.8% S&P 500 +4% (Lagged), 0.5% 91-Day T-Bills. Real Estate Benchmark: 40% Wilshire REIT, 50% NCREIF Property Index, 10% FTSE/EPRA NAREIT Developed ex-USA.*

# Total Fund Executive Summary (Net of Fees)

Period Ending: June 30, 2016

	QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
<b>Total Real Estate</b>	<b>1.1</b>	<b>2.9</b>	<b>7.3</b>	<b>12.2</b>	<b>11.7</b>	<b>4.9</b>
Real Estate Benchmark	3.4	7.3	14.7	12.0	11.9	8.1
NCREIF-ODCE	2.1	4.4	11.8	13.0	12.7	6.2
NCREIF Property Index	2.0	4.3	10.6	11.6	11.5	7.4
<b>Total Alternatives</b>	<b>-0.2</b>	<b>2.4</b>	<b>2.5</b>	<b>12.3</b>	<b>10.3</b>	<b>9.5</b>
S&P 500 Index +4% (Lagged)	2.3	10.6	5.9	16.3	16.0	11.3
<b>Total Opportunistic</b>	<b>0.6</b>	<b>0.3</b>	<b>-9.9</b>	<b>0.8</b>	<b>3.1</b>	<b>--</b>
CPI + 4%	2.2	3.9	5.0	5.1	5.4	--



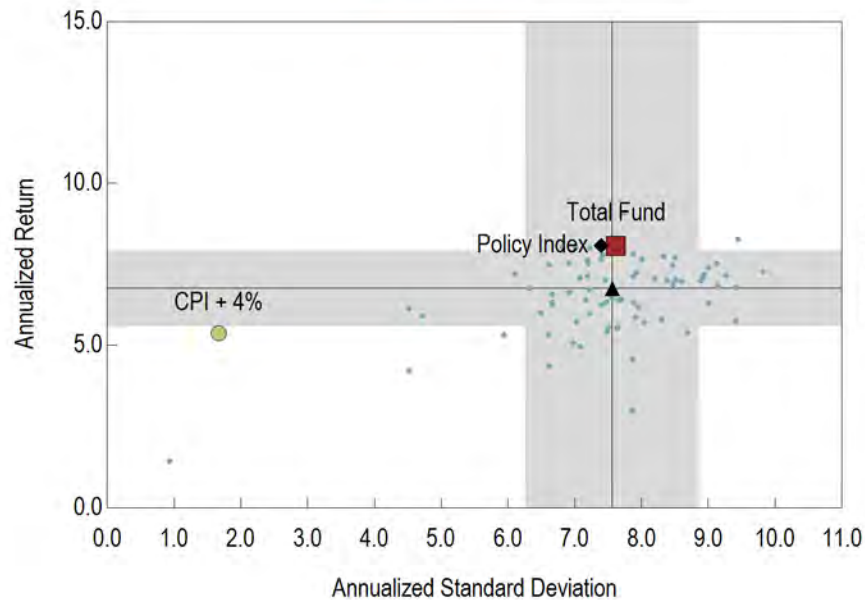
Policy Index (as of 4/1/2012): 27.7% Russell 3000, 10.6% MSCI ACWI ex-US (Gross), 12.3% MSCI ACWI (Net), 19.6% Barclays U.S. Aggregate, 5% Bank of America High Yield Master II, 4% Barclays Global Aggregate, 13.5% Real Estate Benchmark, 6.8% S&P 500 +4% (Lagged), 0.5% 91-Day T-Bills. Real Estate Benchmark: 40% Wilshire REIT, 50% NCREIF Property Index, 10% FTSE/EPRA NAREIT Developed ex-USA.

Total Fund  
Risk Analysis - 5 Years (Gross of Fees)

Period Ending: June 30, 2016

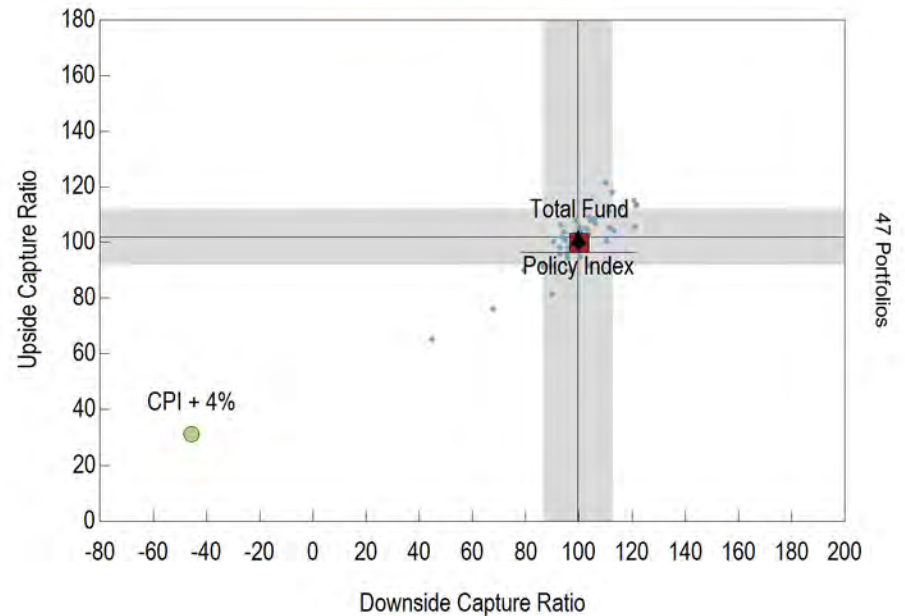
	Anlzd Ret	Ann Excess BM Return	Anlzd Std Dev	Anlzd Alpha	Beta	Tracking Error	R-Squared	Sharpe Ratio	Info Ratio	Up Mkt Cap Ratio	Down Mkt Cap Ratio
Total Fund	8.07%	-0.01%	7.62%	-0.16%	1.02	1.17%	0.98	1.05	-0.01	99.92%	100.08%

Risk vs. Return



- Total Fund
- ◆ Policy Index
- CPI + 4%
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB > \$1B Gross

Up Markets vs. Down Markets



- Total Fund
- ◆ Policy Index
- CPI + 4%
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB > \$1B Gross

Total Fund  
Performance Summary (Gross of Fees)

Period Ending: June 30, 2016

	Market Value	% of Portfolio	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2015	2014	2013	2012	2011
<b>Total Fund</b>	<b>7,139,804,873</b>	<b>100.0</b>	<b>1.7</b>	<b>3.0</b>	<b>1.3</b>	<b>8.2</b>	<b>8.1</b>	<b>6.6</b>	<b>2.7</b>	<b>8.4</b>	<b>16.4</b>	<b>14.3</b>	<b>2.7</b>
<i>Policy Index</i>			2.3	4.8	3.2	8.0	8.1	--	0.6	9.0	15.6	14.6	2.8
<i>CPI + 4%</i>			2.2	3.9	5.0	5.1	5.4	5.8	4.8	4.8	5.6	5.8	7.1
<i>InvestorForce Public DB &gt; \$1B Gross Rank</i>			57	43	27	3	3	7	5	6	33	13	9
<b>Total Domestic Equity</b>	<b>1,632,139,652</b>	<b>22.9</b>	<b>2.6</b>	<b>2.2</b>	<b>-1.4</b>	<b>11.2</b>	<b>11.7</b>	<b>7.8</b>	<b>1.1</b>	<b>11.4</b>	<b>36.2</b>	<b>18.2</b>	<b>1.1</b>
<i>Russell 3000</i>			2.6	3.6	2.1	11.1	11.6	7.4	0.5	12.6	33.6	16.4	1.0
<i>eA US All Cap Equity Gross Rank</i>			38	46	47	26	24	44	36	36	41	24	34
<i>Intech Large Cap Core</i>	288,157,951	4.0	3.5	5.0	6.9	13.5	12.7	--	3.8	14.7	32.7	15.3	3.6
<i>S&amp;P 500</i>			2.5	3.8	4.0	11.7	12.1	--	1.4	13.7	32.4	16.0	2.1
<i>eA US Large Cap Core Equity Gross Rank</i>			16	24	14	9	19	--	16	31	54	54	25
<i>PIMCO Stocks+ Absolute Return</i>	256,875,775	3.6	4.0	5.0	1.5	11.0	12.3	7.7	-1.2	13.6	31.4	20.6	2.3
<i>S&amp;P 500</i>			2.5	3.8	4.0	11.7	12.1	7.4	1.4	13.7	32.4	16.0	2.1
<i>eA US Large Cap Core Equity Gross Rank</i>			8	24	47	54	30	50	73	45	68	4	36
<i>Jackson Square Partners</i>	291,479,993	4.1	-1.2	-7.2	-6.1	11.1	12.3	8.1	6.1	13.9	35.4	16.9	8.9
<i>Russell 1000 Growth</i>			0.6	1.4	3.0	13.1	12.3	8.8	5.7	13.0	33.5	15.3	2.6
<i>eA US Large Cap Growth Equity Gross Rank</i>			87	97	92	73	29	60	37	31	40	37	3
<i>Robeco Boston Partners</i>	322,773,580	4.5	1.6	1.5	-3.1	8.4	11.4	7.8	-3.9	12.0	37.4	21.6	0.9
<i>Russell 1000 Value</i>			4.6	6.3	2.9	9.9	11.4	6.1	-3.8	13.5	32.5	17.5	0.4
<i>eA US Large Cap Value Equity Gross Rank</i>			70	68	69	73	36	25	65	55	24	5	46
<i>Emerald Advisers</i>	220,204,158	3.1	2.3	-3.9	-14.7	10.2	10.9	8.2	4.1	7.3	50.3	18.5	-0.6
<i>Russell 2000 Growth</i>			3.2	-1.6	-10.8	7.7	8.5	7.1	-1.4	5.6	43.3	14.6	-2.9
<i>eA US Small Cap Growth Equity Gross Rank</i>			68	78	81	25	22	39	19	21	27	22	42
<i>Ceredex</i>	252,648,195	3.5	6.5	15.1	5.8	11.3	--	--	-4.4	3.3	36.5	19.0	--
<i>Russell 2000 Value</i>			4.3	6.1	-2.6	6.4	--	--	-7.5	4.2	34.5	18.1	--
<i>eA US Small Cap Value Equity Gross Rank</i>			6	3	3	7	--	--	52	74	66	38	--
<b>Total International Equity</b>	<b>797,893,193</b>	<b>11.2</b>	<b>-0.1</b>	<b>-0.1</b>	<b>-5.3</b>	<b>5.2</b>	<b>3.1</b>	<b>1.8</b>	<b>-1.2</b>	<b>0.3</b>	<b>17.8</b>	<b>18.5</b>	<b>-11.5</b>
<i>MSCI ACWI ex USA Gross</i>			-0.4	-0.7	-9.8	1.6	0.6	2.3	-5.3	-3.4	15.8	17.4	-13.3
<i>MSCI EAFE Gross</i>			-1.2	-4.0	-9.7	2.5	2.1	2.1	-0.4	-4.5	23.3	17.9	-11.7
<i>eA All ACWI ex-US Equity Gross Rank</i>			32	33	34	31	49	93	61	17	69	63	43
<i>Pyrford</i>	402,770,851	5.6	0.5	3.2	-2.4	--	--	--	-2.9	--	--	--	--
<i>MSCI ACWI ex USA Value</i>			-1.8	-2.2	-14.3	--	--	--	-10.1	--	--	--	--
<i>eA ACWI ex-US Value Equity Gross Rank</i>			30	15	18	--	--	--	59	--	--	--	--
<i>William Blair</i>	394,587,335	5.5	-0.8	-3.6	-8.5	3.8	4.0	--	0.5	-1.2	20.9	24.3	-13.2
<i>MSCI ACWI ex USA Growth</i>			0.5	0.1	-6.2	3.1	1.5	--	-1.3	-2.6	15.5	16.7	-14.2
<i>eA ACWI ex-US Growth Equity Gross Rank</i>			64	72	75	69	52	--	69	37	44	6	55

Individual closed end funds are not shown in performance summary table.



# Total Fund Performance Summary (Gross of Fees)

Period Ending: June 30, 2016

	Market Value	% of Portfolio	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2015	2014	2013	2012	2011
International Equity Transition	535,008	0.0											
<b>Total Global Equity</b>	<b>905,413,097</b>	<b>12.7</b>	<b>1.5</b>	<b>1.8</b>	<b>-1.0</b>	<b>8.2</b>	<b>6.2</b>	<b>--</b>	<b>2.2</b>	<b>5.2</b>	<b>23.7</b>	<b>11.1</b>	<b>-5.6</b>
MSCI ACWI			1.0	1.2	-3.7	6.0	5.4	--	-2.4	4.2	22.8	16.1	-7.3
eA All Global Equity Gross Rank			42	44	37	40	65	--	31	44	64	90	40
Artisan Partners	307,247,242	4.3	1.2	0.6	-0.5	10.3	--	--	9.2	3.9	26.1	--	--
MSCI ACWI			1.0	1.2	-3.7	6.0	--	--	-2.4	4.2	22.8	--	--
eA All Global Equity Gross Rank			47	52	35	16	--	--	4	56	51	--	--
First Eagle	312,233,727	4.4	3.1	6.8	4.6	7.7	7.5	--	0.2	4.5	17.9	13.9	--
MSCI ACWI			1.0	1.2	-3.7	6.0	5.4	--	-2.4	4.2	22.8	16.1	--
eA All Global Equity Gross Rank			20	21	20	48	45	--	49	51	80	78	--
Intech Global Low Vol	24,180,755	0.3	3.4	9.7	11.6	11.9	--	--	4.1	11.2	24.2	--	--
MSCI ACWI			1.0	1.2	-3.7	6.0	--	--	-2.4	4.2	22.8	--	--
eA All Global Equity Gross Rank			18	10	7	8	--	--	18	14	62	--	--
JP Morgan Global Opportunities	261,751,373	3.7	-0.3	-3.1	-8.4	5.9	5.6	--	-2.9	6.7	26.9	19.2	-9.0
MSCI ACWI			1.0	1.2	-3.7	6.0	5.4	--	-2.4	4.2	22.8	16.1	-7.3
eA All Global Equity Gross Rank			72	85	83	74	72	--	75	30	46	32	63
<b>Total Domestic Fixed Income</b>	<b>1,376,825,019</b>	<b>19.3</b>	<b>2.2</b>	<b>5.0</b>	<b>5.4</b>	<b>5.3</b>	<b>5.6</b>	<b>6.4</b>	<b>1.7</b>	<b>7.3</b>	<b>1.3</b>	<b>9.7</b>	<b>7.2</b>
Barclays U.S. Universal			2.5	5.7	5.8	4.2	4.0	5.3	0.4	5.6	-1.3	5.5	7.4
Barclays Aggregate			2.2	5.3	6.0	4.1	3.8	5.1	0.6	6.0	-2.0	4.2	7.8
eA US Core Fixed Inc Gross Rank			70	75	80	8	5	10	8	8	2	5	71
AFL-CIO	233,681,863	3.3	1.8	4.7	5.7	4.4	4.1	5.5	1.6	6.6	-1.9	4.7	8.3
Barclays Aggregate			2.2	5.3	6.0	4.1	3.8	5.1	0.6	6.0	-2.0	4.2	7.8
eA US Core Fixed Inc Gross Rank			88	84	71	46	64	61	15	25	78	80	23
Goldman Sachs Core Plus	327,919,621	4.6	1.9	5.1	3.9	4.5	4.8	--	0.8	6.0	-0.4	7.9	7.6
Barclays Aggregate			2.2	5.3	6.0	4.1	3.8	--	0.6	6.0	-2.0	4.2	7.8
eA US Core Plus Fixed Inc Gross Rank			97	79	87	52	47	--	36	47	49	59	43
GSAM Workout Portfolio	4,078	0.0											
Lord Abbett	330,700,695	4.6	2.8	6.0	5.5	4.7	5.0	--	0.0	6.7	-0.6	8.6	8.2
Barclays Aggregate			2.2	5.3	6.0	4.1	3.8	--	0.6	6.0	-2.0	4.2	7.8
eA US Core Fixed Inc Gross Rank			14	15	75	27	12	--	94	18	18	8	27
PIMCO Fixed Income	352,291,744	4.9	2.2	5.1	5.9	4.2	4.1	6.2	0.5	6.3	-1.6	8.5	5.0
Barclays Aggregate			2.2	5.3	6.0	4.1	3.8	5.1	0.6	6.0	-2.0	4.2	7.8
eA US Core Fixed Inc Gross Rank			69	71	67	67	63	15	75	34	61	8	97

Individual closed end funds are not shown in performance summary table.

# Total Fund Performance Summary (Gross of Fees)

Period Ending: June 30, 2016

	Market Value	% of Portfolio	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2015	2014	2013	2012	2011
<b>Total High Yield</b>	<b>325,609,008</b>	<b>4.6</b>	<b>4.1</b>	<b>6.3</b>	<b>-0.5</b>	<b>3.2</b>	<b>5.5</b>	<b>7.6</b>	<b>-3.5</b>	<b>1.2</b>	<b>8.8</b>	<b>14.1</b>	<b>6.4</b>
<i>BofA ML High Yield Master II</i>			5.9	9.3	1.7	4.2	5.7	7.4	-4.6	2.5	7.4	15.6	4.4
<i>eA US High Yield Fixed Inc Gross Rank</i>			56	63	78	85	68	40	68	83	28	73	19
Allianz Global Investors	325,609,008	4.6	4.1	6.3	-0.5	3.2	5.5	7.6	-3.5	1.2	8.8	14.1	6.4
<i>BofA ML High Yield Master II</i>			5.9	9.3	1.7	4.2	5.7	7.4	-4.6	2.5	7.4	15.6	4.4
<i>eA US High Yield Fixed Inc Gross Rank</i>			56	63	78	84	68	39	68	83	28	73	21
<b>Total Global Fixed Income</b>	<b>243,031,427</b>	<b>3.4</b>	<b>1.8</b>	<b>7.6</b>	<b>6.5</b>	<b>2.4</b>	<b>1.7</b>	<b>4.0</b>	<b>-3.0</b>	<b>0.4</b>	<b>-3.5</b>	<b>6.7</b>	<b>5.6</b>
<i>Barclays Global Aggregate</i>			2.9	9.0	8.9	2.8	1.8	4.4	-3.2	0.6	-2.6	4.3	5.6
<i>eA All Global Fixed Inc Gross Rank</i>			63	31	27	69	74	92	59	77	83	68	40
Lazard	243,031,427	3.4	1.8	7.6	6.5	2.4	1.7	--	-3.0	0.4	-3.5	6.7	5.6
<i>Barclays Global Aggregate</i>			2.9	9.0	8.9	2.8	1.8	--	-3.2	0.6	-2.6	4.3	5.6
<i>eA All Global Fixed Inc Gross Rank</i>			64	31	27	69	74	--	59	77	83	68	40
<b>Total Inflation Hedge</b>	<b>375,022,707</b>	<b>5.3</b>	<b>3.1</b>	<b>1.4</b>	<b>-5.6</b>	<b>-0.5</b>	<b>--</b>	<b>--</b>	<b>-5.1</b>	<b>-0.6</b>	<b>1.3</b>	<b>--</b>	<b>--</b>
<i>CPI + 4%</i>			2.2	3.9	5.0	5.1	--	--	4.8	4.8	5.6	--	--
PIMCO All Asset Fund	124,588,296	1.7	4.3	9.9	0.9	2.5	--	--	-8.0	1.7	--	--	--
<i>CPI + 4%</i>			2.2	3.9	5.0	5.1	--	--	4.8	4.8	--	--	--
Wellington Real Total Return	181,386,563	2.5	3.5	-3.7	-10.7	-3.1	--	--	-4.9	-2.5	--	--	--
<i>CPI + 4%</i>			2.2	3.9	5.0	5.1	--	--	4.8	4.8	--	--	--
<b>Total Real Estate</b>	<b>799,271,098</b>	<b>11.2</b>	<b>1.2</b>	<b>3.3</b>	<b>8.2</b>	<b>13.5</b>	<b>12.9</b>	<b>6.0</b>	<b>13.5</b>	<b>20.6</b>	<b>10.5</b>	<b>16.7</b>	<b>10.4</b>
<i>Real Estate Benchmark</i>			3.4	7.3	14.7	12.0	11.9	8.1	8.2	18.8	7.1	13.6	13.6
<i>NCREIF-ODCE</i>			2.1	4.4	11.8	13.0	12.7	6.2	15.0	12.5	13.9	10.9	16.0
<i>NCREIF Property Index</i>			2.0	4.3	10.6	11.6	11.5	7.4	13.3	11.8	11.0	10.5	14.3
Adelante	97,972,609	1.4	3.9	7.9	17.8	14.1	12.7	6.4	5.1	33.4	3.6	17.7	9.2
<i>Wilshire REIT</i>			5.6	11.1	22.8	13.6	12.5	7.0	4.2	31.8	1.9	17.6	9.2
INVESCO International REIT	56,980,917	0.8	0.5	4.1	-0.9	3.7	4.8	--	-2.9	2.8	5.4	42.3	-16.5
<i>FTSE EPRA/NAREIT Developed ex-USA</i>			0.7	5.9	1.4	4.3	5.0	--	-3.2	3.2	6.1	38.6	-15.3

Individual closed end funds are not shown in performance summary. Willows Office Property liquidated 3/24/2016. Willows Property sold for \$8,180,770 on March 24<sup>th</sup>. A final income distribution of \$771,325 occurred on April 16<sup>th</sup>.

Total Fund  
Performance Summary (Net of Fees)

Period Ending: June 30, 2016

	Market Value	% of Portfolio	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2015	2014	2013	2012	2011
<b>Total Fund</b>	<b>7,139,804,873</b>	<b>100.0</b>	<b>1.6</b>	<b>2.8</b>	<b>0.8</b>	<b>7.5</b>	<b>7.4</b>	<b>5.9</b>	<b>2.1</b>	<b>7.7</b>	<b>15.6</b>	<b>13.6</b>	<b>2.1</b>
<i>Policy Index</i>			2.3	4.8	3.2	8.0	8.1	--	0.6	9.0	15.6	14.6	2.8
<i>CPI + 4%</i>			2.2	3.9	5.0	5.1	5.4	5.8	4.8	4.8	5.6	5.8	7.1
<b>Total Domestic Equity</b>	<b>1,632,139,652</b>	<b>22.9</b>	<b>2.5</b>	<b>2.0</b>	<b>-1.8</b>	<b>10.7</b>	<b>11.3</b>	<b>7.3</b>	<b>0.6</b>	<b>11.0</b>	<b>35.7</b>	<b>17.8</b>	<b>0.8</b>
<i>Russell 3000</i>			2.6	3.6	2.1	11.1	11.6	7.4	0.5	12.6	33.6	16.4	1.0
Intech Large Cap Core	288,157,951	4.0	3.4	4.8	6.4	13.1	12.3	--	3.3	14.2	32.2	14.8	3.3
<i>S&amp;P 500</i>			2.5	3.8	4.0	11.7	12.1	--	1.4	13.7	32.4	16.0	2.1
PIMCO Stocks+ Absolute Return	256,875,775	3.6	3.9	4.9	1.4	10.8	12.1	7.4	-1.4	13.2	31.0	20.3	2.0
<i>S&amp;P 500</i>			2.5	3.8	4.0	11.7	12.1	7.4	1.4	13.7	32.4	16.0	2.1
Jackson Square Partners	291,479,993	4.1	-1.3	-7.4	-6.5	10.7	11.8	7.7	5.6	13.4	35.0	16.4	8.4
<i>Russell 1000 Growth</i>			0.6	1.4	3.0	13.1	12.3	8.8	5.7	13.0	33.5	15.3	2.6
Robeco Boston Partners	322,773,580	4.5	1.6	1.4	-3.4	8.1	11.1	7.5	-4.2	11.6	37.0	21.2	0.6
<i>Russell 1000 Value</i>			4.6	6.3	2.9	9.9	11.4	6.1	-3.8	13.5	32.5	17.5	0.4
Emerald Advisers	220,204,158	3.1	2.2	-4.2	-15.2	9.6	10.2	7.6	3.5	6.6	49.4	17.8	-1.2
<i>Russell 2000 Growth</i>			3.2	-1.6	-10.8	7.7	8.5	7.1	-1.4	5.6	43.3	14.6	-2.9
Ceredex	252,648,195	3.5	6.4	14.8	5.2	10.7	--	--	-5.0	2.7	35.8	18.6	--
<i>Russell 2000 Value</i>			4.3	6.1	-2.6	6.4	--	--	-7.5	4.2	34.5	18.1	--
<b>Total International Equity</b>	<b>797,893,193</b>	<b>11.2</b>	<b>-0.2</b>	<b>-0.3</b>	<b>-5.7</b>	<b>4.9</b>	<b>2.6</b>	<b>1.3</b>	<b>-1.6</b>	<b>0.0</b>	<b>17.4</b>	<b>17.9</b>	<b>-12.0</b>
<i>MSCI ACWI ex USA Gross</i>			-0.4	-0.7	-9.8	1.6	0.6	2.3	-5.3	-3.4	15.8	17.4	-13.3
<i>MSCI EAFE Gross</i>			-1.2	-4.0	-9.7	2.5	2.1	2.1	-0.4	-4.5	23.3	17.9	-11.7
Pyrford	402,770,851	5.6	0.4	3.0	-2.8	--	--	--	-3.3	--	--	--	--
<i>MSCI ACWI ex USA Value</i>			-1.8	-2.2	-14.3	--	--	--	-10.1	--	--	--	--
William Blair	394,587,335	5.5	-0.9	-3.8	-8.9	3.3	3.5	--	0.0	-1.7	20.4	23.7	-13.7
<i>MSCI ACWI ex USA Growth</i>			0.5	0.1	-6.2	3.1	1.5	--	-1.3	-2.6	15.5	16.7	-14.2
International Equity Transition	535,008	0.0											
<b>Total Global Equity</b>	<b>905,413,097</b>	<b>12.7</b>	<b>1.3</b>	<b>1.4</b>	<b>-1.6</b>	<b>7.5</b>	<b>5.6</b>	<b>--</b>	<b>1.6</b>	<b>4.5</b>	<b>22.9</b>	<b>10.6</b>	<b>-6.1</b>
<i>MSCI ACWI</i>			1.0	1.2	-3.7	6.0	5.4	--	-2.4	4.2	22.8	16.1	-7.3
Artisan Partners	307,247,242	4.3	1.0	0.3	-1.2	9.4	--	--	8.4	3.1	25.2	--	--
<i>MSCI ACWI</i>			1.0	1.2	-3.7	6.0	--	--	-2.4	4.2	22.8	--	--
First Eagle	312,233,727	4.4	2.9	6.4	3.8	6.9	6.7	--	-0.6	3.7	17.1	13.1	--
<i>MSCI ACWI</i>			1.0	1.2	-3.7	6.0	5.4	--	-2.4	4.2	22.8	16.1	--
Intech Global Low Vol	24,180,755	0.3	3.4	9.5	11.4	11.6	--	--	3.9	10.8	23.8	--	--
<i>MSCI ACWI</i>			1.0	1.2	-3.7	6.0	--	--	-2.4	4.2	22.8	--	--
JP Morgan Global Opportunities	261,751,373	3.7	-0.4	-3.4	-8.8	5.4	5.1	--	-3.3	6.2	26.4	18.7	-9.4
<i>MSCI ACWI</i>			1.0	1.2	-3.7	6.0	5.4	--	-2.4	4.2	22.8	16.1	-7.3

Individual closed end funds are not shown in performance summary.

Total Fund  
Performance Summary (Net of Fees)

Period Ending: June 30, 2016

	Market Value	% of Portfolio	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2015	2014	2013	2012	2011
<b>Total Domestic Fixed Income</b>	<b>1,376,825,019</b>	<b>19.3</b>	<b>2.1</b>	<b>4.8</b>	<b>5.1</b>	<b>4.9</b>	<b>5.2</b>	<b>5.9</b>	<b>1.4</b>	<b>6.7</b>	<b>0.9</b>	<b>9.2</b>	<b>6.8</b>
<i>Barclays U.S. Universal</i>			2.5	5.7	5.8	4.2	4.0	5.3	0.4	5.6	-1.3	5.5	7.4
<i>Barclays Aggregate</i>			2.2	5.3	6.0	4.1	3.8	5.1	0.6	6.0	-2.0	4.2	7.8
AFL-CIO	233,681,863	3.3	1.7	4.5	5.3	4.0	3.7	5.1	1.1	6.1	-2.4	4.3	7.9
<i>Barclays Aggregate</i>			2.2	5.3	6.0	4.1	3.8	5.1	0.6	6.0	-2.0	4.2	7.8
Goldman Sachs Core Plus	327,919,621	4.6	1.8	5.0	3.7	4.3	4.6	--	0.6	5.8	-0.6	7.7	7.3
<i>Barclays Aggregate</i>			2.2	5.3	6.0	4.1	3.8	--	0.6	6.0	-2.0	4.2	7.8
GSAM Workout Portfolio	4,078	0.0											
Lord Abbett	330,700,695	4.6	2.7	5.9	5.3	4.5	4.8	--	-0.2	6.5	-0.8	8.4	8.0
<i>Barclays Aggregate</i>			2.2	5.3	6.0	4.1	3.8	--	0.6	6.0	-2.0	4.2	7.8
PIMCO Fixed Income	352,291,744	4.9	2.1	4.9	5.6	3.9	3.8	5.9	0.3	6.0	-1.9	8.2	4.7
<i>Barclays Aggregate</i>			2.2	5.3	6.0	4.1	3.8	5.1	0.6	6.0	-2.0	4.2	7.8
<b>Total High Yield</b>	<b>325,609,008</b>	<b>4.6</b>	<b>4.0</b>	<b>6.1</b>	<b>-0.9</b>	<b>2.8</b>	<b>5.1</b>	<b>7.4</b>	<b>-3.9</b>	<b>0.8</b>	<b>8.4</b>	<b>13.7</b>	<b>6.4</b>
<i>BofA ML High Yield Master II</i>			5.9	9.3	1.7	4.2	5.7	7.4	-4.6	2.5	7.4	15.6	4.4
Allianz Global Investors	325,609,008	4.6	4.0	6.1	-0.9	2.8	5.1	7.1	-3.9	0.8	8.4	13.6	6.0
<i>BofA ML High Yield Master II</i>			5.9	9.3	1.7	4.2	5.7	7.4	-4.6	2.5	7.4	15.6	4.4
<b>Total Global Fixed Income</b>	<b>243,031,427</b>	<b>3.4</b>	<b>1.7</b>	<b>7.5</b>	<b>6.2</b>	<b>2.1</b>	<b>1.4</b>	<b>3.7</b>	<b>-3.3</b>	<b>0.1</b>	<b>-3.8</b>	<b>6.4</b>	<b>5.3</b>
<i>Barclays Global Aggregate</i>			2.9	9.0	8.9	2.8	1.8	4.4	-3.2	0.6	-2.6	4.3	5.6
Lazard	243,031,427	3.4	1.7	7.5	6.2	2.1	1.4	--	-3.3	0.1	-3.8	6.4	5.3
<i>Barclays Global Aggregate</i>			2.9	9.0	8.9	2.8	1.8	--	-3.2	0.6	-2.6	4.3	5.6
<b>Total Inflation Hedge</b>	<b>375,022,707</b>	<b>5.3</b>	<b>3.0</b>	<b>1.0</b>	<b>-6.4</b>	<b>-1.4</b>	<b>--</b>	<b>--</b>	<b>-6.0</b>	<b>-1.5</b>	<b>0.3</b>	<b>--</b>	<b>--</b>
CPI + 4%			2.2	3.9	5.0	5.1	--	--	4.8	4.8	5.6	--	--
PIMCO All Asset Fund	124,588,296	1.7	4.1	9.5	0.1	1.6	--	--	-8.8	0.8	--	--	--
CPI + 4%			2.2	3.9	5.0	5.1	--	--	4.8	4.8	--	--	--
Wellington Real Total Return	181,386,563	2.5	3.4	-4.0	-11.2	-3.6	--	--	-5.4	-3.1	--	--	--
CPI + 4%			2.2	3.9	5.0	5.1	--	--	4.8	4.8	--	--	--
<b>Total Real Estate</b>	<b>799,271,098</b>	<b>11.2</b>	<b>1.1</b>	<b>2.9</b>	<b>7.3</b>	<b>12.2</b>	<b>11.7</b>	<b>4.9</b>	<b>12.4</b>	<b>19.1</b>	<b>8.9</b>	<b>15.7</b>	<b>9.4</b>
Real Estate Benchmark			3.4	7.3	14.7	12.0	11.9	8.1	8.2	18.8	7.1	13.6	13.6
NCREIF-ODCE			2.1	4.4	11.8	13.0	12.7	6.2	15.0	12.5	13.9	10.9	16.0
NCREIF Property Index			2.0	4.3	10.6	11.6	11.5	7.4	13.3	11.8	11.0	10.5	14.3
Adelante	97,972,609	1.4	3.8	7.6	17.3	13.5	12.2	5.9	4.6	32.7	3.0	17.2	8.6
Wilshire REIT			5.6	11.1	22.8	13.6	12.5	7.0	4.2	31.8	1.9	17.6	9.2
INVESCO International REIT	56,980,917	0.8	0.4	3.8	-1.5	3.1	4.2	--	-3.5	2.2	4.7	41.3	-17.0
FTSE EPRA/NAREIT Developed ex-USA			0.7	5.9	1.4	4.3	5.0	--	-3.2	3.2	6.1	38.6	-15.3

Individual closed end funds are not shown in performance summary. Willows Office Property liquidated 3/24/2016. Willows Property sold for \$8,180,770 on March 24<sup>th</sup>. A final income distribution of \$771,325 occurred on April 16<sup>th</sup>.

Total Fund  
Closed End Funds - Investment Summary

Period Ending: June 30, 2016

Verus Internal Analysis												
Inception Date	Manager Name/Fund Name	Estimated Market Value as of 6/30/16 <sup>3</sup>	Total Commitment	% Called	Capital Called	Current Qtr. Capital Called	Current Qtr. Distributions	Total Distributions	Remaining Commitment	Distrib./Paid-In (DPI) <sup>1</sup>	Tot. Value/Paid-In (TVPI) <sup>2</sup>	Latest Valuation
<b>Fixed Income</b>												
07/01/2006	Torchlight II	\$48,771,321	\$128,000,000	100%	\$128,000,000	\$0	\$0	\$154,335,580	\$0	1.21	1.59	06/30/2016
12/12/2008	Torchlight III	\$10,541,892	\$75,000,000	100%	\$75,000,000	\$0	\$0	\$98,512,563	\$0	1.31	1.45	06/30/2016
08/01/2012	Torchlight IV	\$61,922,320	\$60,000,000	100%	\$60,000,000	\$0	\$901,972	\$35,218,456	\$0	0.59	1.62	06/30/2016
03/12/2015	Torchlight V	\$10,991,485	\$75,000,000	15%	\$11,250,000	\$0	\$0	\$0	\$63,750,000	0.00	0.98	03/31/2016
<b>Total Fixed Income</b>		<b>\$132,227,018</b>										
% of Portfolio (Market Value)		1.9%										
<b>Inflation Hedge</b>												
11/27/2013	Aether Real Assets III	\$12,600,943	\$25,000,000	48%	\$11,929,347	\$1,938,563	\$31,385	\$125,612	\$13,186,453	0.01	1.07	03/31/2016
11/27/2013	Aether Real Assets III Surplus	\$30,868,838	\$50,000,000	57%	\$28,556,544	\$3,362,950	\$3,261	\$225,184	\$21,620,148	0.01	1.09	03/31/2016
03/16/2016	Aether Real Assets IV	\$320,679	\$50,000,000	1%	\$500,000	\$0	\$0	\$0	\$49,500,000	0.00	0.64	03/31/2016
06/28/2013	Commonfund	\$24,073,245	\$50,000,000	54%	\$27,125,000	\$4,500,000	\$0	\$0	\$22,875,000	0.00	0.89	03/31/2016
12/08/2015	Wastewater Opportunity Fund	\$1,184,143	\$25,000,000	8%	\$1,895,798	\$753,286	\$0	\$0	\$23,103,972	0.00	0.62	06/30/2016
<b>Total Inflation Hedge</b>		<b>\$69,047,848</b>										
% of Portfolio (Market Value)		1.0%										
<b>Opportunistic</b>												
02/18/2010	Oaktree PIF 2009 <sup>3</sup>	\$17,046,005	\$40,000,000	87%	\$34,800,000	\$0	\$1,600,000	\$28,118,579	\$6,308,960	0.81	1.30	06/30/2016
09/24/2015	Angelo Gordon Energy Credit Opp.	\$14,478,876	\$75,000,000	20%	\$15,000,000	\$0	\$0	\$0	\$60,000,000	0.00	0.97	03/31/2016
<b>Total Opportunistic</b>		<b>\$31,524,881</b>										
% of Portfolio (Market Value)		0.4%										

<sup>1</sup>(DPI) is equal to (capital returned / capital called)

<sup>2</sup>(TVPI) is equal to (market value + capital returned) / capital called

<sup>3</sup>Latest valuation + capital calls - distributions

Total Fund  
Closed End Funds - Investment Summary

Period Ending: June 30, 2016

Verus Internal Analysis												
Inception Date	Manager Name/Fund Name	Estimated Market Value as of 6/30/16 <sup>3</sup>	Total Commitment	Capital Called	Total % Called	Current Qtr. Capital Called	Current Qtr. Distributions	Total Distributions <sup>7</sup>	Remaining Commitment	Distrib./Paid-In (DPI) <sup>1</sup>	Tot. Value/Paid-In (TVPI) <sup>2</sup>	Latest Valuation
<b>Real Estate</b>												
01/23/2012	Angelo Gordon Realty Fund VIII	\$51,354,067	\$80,000,000	\$75,401,855	94%	\$801,855	\$15,400,000	\$61,552,397	\$12,334,302	0.82	1.50	03/31/2016
12/08/2014	Angelo Gordon Realty Fund IX	\$13,855,871	\$65,000,000	\$14,300,000	22%	\$0	\$0	\$0	\$50,700,000	0.00	0.97	03/31/2016
06/23/2005	DLJ RECP III	\$42,073,341	\$75,000,000	\$75,000,000	100%	\$0	\$0	\$58,420,451	\$4,031,338	0.78	1.34	06/30/2016
02/11/2008	DLJ RECP IV	\$82,280,597	\$100,000,000	\$101,966,029	102%	\$1,966,029	-\$1,603,101	\$52,685,445	\$12,145,906	0.52	1.32	06/30/2016
07/01/2014	DLJ RECP V	\$39,866,075	\$75,000,000	\$50,552,862	67%	\$242,020	\$6,048,058	\$21,472,837	\$41,185,826	0.42	1.21	06/30/2016
06/17/1998	Hearthstone II <sup>4</sup>	\$9,137	\$25,000,000	\$19,925,048	80%	\$0	\$0	\$19,952,734	\$2,527,686	1.00	1.00	06/30/2016
02/01/2005	Invesco Real Estate I	\$2,078,104	\$50,000,000	\$46,241,947	92%	\$0	\$4,491,708	\$48,107,821	\$3,758,053	1.04	1.09	06/30/2016
11/26/2007	Invesco Real Estate II	\$13,923,945	\$85,000,000	\$78,202,813	92%	\$0	\$619,837	\$87,322,650	\$6,797,187	1.12	1.29	06/30/2016
06/30/2013	Invesco Real Estate III	\$19,642,233	\$35,000,000	\$30,685,961	88%	\$0	\$0	\$22,527,850	\$4,314,039	0.73	1.37	06/30/2016
06/30/2014	Invesco Real Estate IV	\$9,633,404	\$35,000,000	\$21,423,457	61%	\$0	\$0	\$13,317,018	\$26,512,274	0.62	1.07	06/30/2016
07/16/2013	LaSalle Income & Growth VI	\$79,800,237	\$75,000,000	\$71,428,571	95%	\$0	\$5,781,837	\$18,480,153	\$3,571,429	0.26	1.38	06/30/2016
03/30/2007	Long Wharf Fund III	\$12,270,220	\$75,000,000	\$66,940,230	89%	\$0	\$685,175	\$77,724,625	\$8,059,770	1.16	1.34	06/30/2016
07/03/2013	Long Wharf Fund IV	\$24,189,065	\$25,000,000	\$25,000,000	100%	\$0	\$789,110	\$6,470,704	-\$0	0.26	1.23	06/30/2016
12/31/2011	Oaktree REOF V	\$25,483,450	\$50,000,000	\$50,000,000	100%	\$0	\$8,109,858	\$54,809,858	\$25,750,000	1.10	1.61	06/30/2016
09/30/2013	Oaktree REOF VI <sup>5</sup>	\$85,176,903	\$80,000,000	\$80,000,000	100%	\$0	\$4,800,000	\$24,041,206	\$0	0.30	1.37	06/30/2016
04/01/2015	Oaktree REOF VII	\$0	\$65,000,000	\$0	0%	\$0	\$0	\$0	\$65,000,000	-	-	-
11/10/2013	Paulson Real Estate Fund II	\$21,431,120	\$20,000,000	\$15,307,123	77%	\$0	\$0	\$0	\$4,692,877	0.00	1.40	03/31/2016
01/25/2012	Siguler Guff DREOF	\$62,511,581	\$75,000,000	\$68,625,000	92%	\$0	\$1,246,250	\$40,679,738	\$6,375,000	0.59	1.50	03/31/2016
08/31/2013	Siguler Guff DREOF II	\$49,216,733	\$70,000,000	\$46,550,000	67%	\$3,150,000	\$40,000	\$681,123	\$23,450,000	0.01	1.07	03/31/2016
01/27/2016	Siguler Guff DREOF II Co-Inv	\$9,521,488	\$25,000,000	\$10,000,362	40%	\$0	\$0	\$0	\$14,999,638	0.00	0.95	03/31/2016
<b>Total Closed End Real Estate</b>		<b>\$644,317,572</b>	<b>\$1,185,000,000</b>	<b>\$947,551,259</b>	<b>80%</b>	<b>\$6,159,904</b>	<b>\$46,408,732</b>	<b>\$608,246,610</b>	<b>\$316,205,324</b>	<b>0.33</b>	<b>1.01</b>	
<b>% of Portfolio (Market Value)</b>		<b>9.0%</b>										

<sup>1</sup>(DPI) is equal to (capital returned / capital called)

<sup>2</sup>(TVPI) is equal to (market value + capital returned) / capital called

<sup>3</sup>Latest valuation + capital calls - distributions

<sup>4</sup>No further capital to be called

<sup>5</sup>Actual capital called is \$85,600,000 which includes recallable distributions

<sup>6</sup>Fund paid out it's final distribution during the quarter

Total Fund  
Closed End Funds - Investment Summary

Period Ending: June 30, 2016

Verus Internal Analysis											
Inception Date	Manager Name/Fund Name	Estimated Market Value as of 6/30/16 <sup>3</sup>	Total Commitment	Total % Called	Current Qtr. Capital Called	Current Qtr. Distributions	Total Distributions	Remaining Commitment	Distrib./Paid-In (DPI) <sup>1</sup>	Tot. Value/Paid-In (TVPI) <sup>2</sup>	Latest Valuation
<b>Private Equity &amp; Venture Capital</b>											
03/18/1996	Adams Street Partners	\$118,927,017	\$210,000,000	70%	\$2,697,000	\$3,054,158	\$78,394,603	\$62,815,375	0.53	1.34	03/31/2016
01/16/2009	Adams Street Partners II	\$15,657,219	\$30,000,000	95%	\$0	\$2,036,947	\$29,629,996	\$1,635,000	1.04	1.60	03/31/2016
09/21/2012	Adams Street Partners - Fund 5	\$17,315,564	\$40,000,000	61%	\$0	\$0	\$6,713,361	\$15,492,000	0.27	0.98	03/31/2016
01/18/1996	Adams Street Partners - BPF	\$5,154,845	\$59,565,614	97%	\$0	\$307,564	\$98,714,813	\$2,048,205	1.72	1.81	03/31/2016
06/14/2004	Bay Area Equity Fund	\$4,297,848	\$10,000,000	100%	\$0	\$0	\$35,310,439	\$0	3.53	3.96	03/31/2016
12/07/2009	Bay Area Equity Fund II	\$9,444,281	\$10,000,000	99%	\$253,000	\$0	\$1,015,352	\$63,000	0.10	1.05	03/31/2016
11/26/2003	EIF US Power Fund I	\$806,550	\$30,000,000	100%	\$0	\$0	\$64,168,646	\$0	2.14	2.17	03/31/2016
08/16/2005	EIF US Power Fund II	\$42,654,091	\$50,000,000	100%	\$0	\$466,219	\$43,145,140	\$0	0.86	1.72	03/31/2016
05/30/2007	EIF US Power Fund III	\$61,144,444	\$65,000,000	93%	\$0	\$1,925,926	\$27,941,205	\$5,196,860	0.46	1.48	03/31/2016
11/28/2011	EIF US Power Fund IV	\$41,125,890	\$50,000,000	94%	\$0	\$8,977,245	\$16,895,930	\$3,117,517	0.36	1.24	03/31/2016
05/24/2011	Pathway 6	\$28,419,407	\$40,000,000	69%	\$809,550	\$158,990	\$3,496,313	\$12,287,836	0.13	1.15	03/31/2016
02/07/2013	Pathway 7	\$28,256,155	\$70,000,000	44%	\$300,089	\$300,089	\$1,757,622	\$39,325,688	0.06	0.98	03/31/2016
11/23/2015	Pathway 8	\$5,796,967	\$50,000,000	12%	\$1,892,520	\$0	\$0	\$44,032,118	0.00	0.97	03/31/2016
11/09/1998	Pathway	\$39,798,186	\$125,000,000	97%	\$247,500	\$5,557,773	\$137,393,989	\$3,528,166	1.13	1.46	03/31/2016
12/26/2008	Pathway 2008	\$23,488,086	\$30,000,000	82%	\$477,072	\$162,193	\$8,716,492	\$5,350,295	0.35	1.31	03/31/2016
01/31/2008	Carpenter Bancfund	\$27,657,891	\$30,000,000	97%	\$0	\$0	\$17,137,847	\$979,074	0.59	1.54	03/31/2016
02/15/2004	Nogales	\$319,542	\$15,000,000	99%	\$0	\$0	\$12,079,772	\$111,251	0.82	0.84	03/31/2016
11/30/2007	Paladin III	\$25,228,992	\$25,000,000	98%	\$1,541,239	\$0	\$14,504,615	\$2,752,481	0.59	1.63	03/31/2016
06/11/2014	Ocean Avenue Fund II	\$17,626,186	\$30,000,000	60%	\$3,000,000	\$0	\$589,938	\$12,000,000	0.03	1.01	03/31/2016
04/15/2016	Ocean Avenue Fund III	\$5,000,000	\$50,000,000	10%	\$5,000,000	\$0	\$0	\$45,000,000	0.00	1.00	-
06/03/2014	Siguler Guff CCCERA Opportunities	\$64,261,715	\$200,000,000	31%	\$6,900,000	\$0	\$4,589,491	\$138,607,500	0.07	1.12	03/31/2016
<b>Total Private Equity and Venture Capital</b>		<b>\$582,380,875</b>	<b>\$1,219,565,614</b>	<b>68%</b>	<b>\$23,117,970</b>	<b>\$22,947,104</b>	<b>\$602,195,563</b>	<b>\$394,342,365</b>	<b>0.73</b>	<b>1.43</b>	
% of Portfolio (Market Value)		8.2%									

<sup>1</sup>(DPI) is equal to (capital returned / capital called)

<sup>2</sup>(TVPI) is equal to (market value + capital returned) / capital called

<sup>3</sup>Latest valuation + capital calls - distributions

Total Fund  
Closed End Funds - IRR Summary

Period Ending: June 30, 2016

Fixed Income	Inception	Fund Level (G)	CCCERA (G)	Fund Level (N)	CCCERA (N)	IRR Date
Torchlight II	07/01/2006	-0.2%	0.0%	-1.5%	-1.3%	06/30/2016
Torchlight III	12/12/2008	18.0%	18.1%	13.6%	13.7%	06/30/2016
Torchlight IV	08/01/2012	11.0%	12.1%	8.8%	10.3%	06/30/2016
Torchlight V	03/12/2015	7.6%	9.5%	-8.2%	-3.3%	03/31/2016
Inflation Hedge	Inception	Fund Level (G)	CCCERA (G)	Fund Level (N)	CCCERA (N)	IRR Date
Aether Real Assets III <sup>4</sup>	11/27/2013	15.0%	15.0%	8.3%	8.3%	06/30/2016
Aether Real Assets III Surplus <sup>4</sup>	11/27/2013	12.0%	12.0%	8.8%	8.8%	06/30/2016
Aether Real Assets IV <sup>1</sup>	01/01/2016	-	-	-	-	-
CommonFund <sup>4</sup>	06/28/2013	-	-	-	-9.5%	03/31/2016
Wastewater Opportunity Fund <sup>1</sup>	12/08/2015	-	-	-	-	-
Opportunistic	Inception	Fund Level (G)	CCCERA (G)	Fund Level (N)	CCCERA (N)	IRR Date
Oaktree PIF	02/18/2010	6.9%	-	6.7%	-	06/30/2016
Angelo Gordon Energy Cred Opp. <sup>1</sup>	09/24/2015	-	-	-	-	-
Real Estate	Inception	Fund Level (G)	CCCERA (G)	Fund Level (N)	CCCERA (N)	IRR Date
Angelo Gordon VIII	01/23/2012	20.4%	21.5%	15.6%	17.0%	12/31/2015
Angelo Gordon IX <sup>1</sup>	12/08/2014	-	-	-	-	-
DLJ RECP III	06/23/2005	2.0%	-	-	-	06/30/2016
DLJ RECP IV	02/11/2008	6.0%	-	-	3.0%	06/30/2016
DLJ RECP V <sup>1</sup>	07/01/2014	-	-	-	-	-
Hearthstone II	06/17/1998	-	30.1%	-	30.1%	12/31/2015
Invesco Fund I	02/01/2005	2.6%	2.6%	1.6%	1.6%	06/30/2016
Invesco Fund II	11/26/2007	8.4%	7.5%	6.9%	6.7%	06/30/2016
Invesco Fund III	06/30/2013	21.8%	23.2%	20.4%	17.0%	06/30/2016
Invesco Fund IV	06/30/2014	32.4%	32.4%	22.8%	22.2%	06/30/2016
LaSalle Income & Growth	07/16/2013	19.2%	19.3%	15.6%	15.6%	06/30/2016
Long Wharf III	03/30/2007	9.8%	9.8%	7.8%	7.5%	06/30/2016
Long Wharf IV	07/03/2013	20.3%	20.7%	13.8%	13.9%	06/30/2016
Oaktree REOF V	12/31/2011	17.7%	-	13.0%	-	06/30/2016
Oaktree REOF VI	09/30/2013	19.1%	-	12.8%	-	06/30/2016
Oaktree REOF VII <sup>1</sup>	04/01/2015	-	-	-	-	-
Paulson <sup>1</sup>	11/10/2013	-	-	-	-	-
Siguler Guff I	01/25/2012	16.0%	17.2%	13.7%	15.1%	06/30/2016
Siguler Guff II	08/31/2013	8.7%	7.3%	5.8%	5.0%	06/30/2016
Siguler Guff DREOF II Co-Inv <sup>1</sup>	01/27/2016	-	-	-	-	-

<sup>1</sup>Manager has yet to report IRR figure due to no capital invested or meaningful distributions.

<sup>2</sup>Fund level data includes CCCERA and all other fund investors.

<sup>3</sup>Net IRR calculated after deductions of management fees and carried interest to the General Partner.

<sup>4</sup>Manager has reported IRR figures, but does not consider them to be meaningful, due to the age of the fund.



Total Fund  
Closed End Funds - IRR Summary

Period Ending: June 30, 2016

Private Equity & Venture Capital	Inception	Fund Level (G)	CCCERA (G)	Fund Level (N)	CCCERA (N)	IRR Date
Adams Street Partners	03/18/1996	-	11.7%	-	8.7%	03/31/2016
Adams Street Partners II	01/16/2009	-	18.7%	-	16.0%	03/31/2016
Adams Street Partners - Fund 5	09/21/2012	-	2.3%	-	-1.6%	12/31/2015
Adams Street Partners - BPF	01/18/1996	-	14.3%	-	11.6%	03/31/2016
Bay Area Equity Fund I	06/14/2004	31.9%	32.4%	24.0%	24.4%	09/30/2015
Bay Area Equity Fund II	12/07/2009	12.0%	11.3%	5.1%	4.9%	09/30/2015
Energy Investor Fund	11/26/2003	33.6%	34.8%	28.6%	28.4%	03/31/2016
Energy Investor Fund II	08/16/2005	8.5%	8.0%	5.8%	5.2%	03/31/2016
Energy Investor Fund III	05/30/2007	8.5%	8.5%	5.9%	5.9%	03/31/2016
Energy Investor Fund IV	11/28/2011	19.5%	20.0%	12.3%	12.0%	03/31/2016
Pathway 6	05/24/2011	13.0%	13.0%	8.4%	8.4%	03/31/2016
Benchmark <sup>4</sup>		8.2%	-	-	-	03/31/2016
Pathway 7 <sup>1</sup>	02/07/2013	-	-	-	-	-
Pathway 8 <sup>1</sup>	11/06/2015	-	-	-	-	-
Pathway Private Equity Fund	11/09/1998	10.2%	10.2%	8.3%	8.3%	03/31/2016
Benchmark <sup>3</sup>		8.2%	-	-	-	03/31/2016
Pathway Private Equity Fund 2008	12/26/2008	12.4%	12.4%	8.9%	8.9%	03/31/2016
Benchmark <sup>5</sup>		9.2%	-	-	-	03/31/2016
Carpenter Bancfund	01/31/2008	9.6%	9.4%	8.2%	8.0%	03/31/2016
Nogales	02/15/2004		-4.5%	-8.6%	-8.8%	03/31/2015
Paladin III	11/30/2007	16.9%	-	7.9%	7.9%	03/31/2016
Ocean Avenue II	06/11/2014	-	-	1.0%	-	03/31/2016
Ocean Avenue III	04/15/2016	-	-	-	-	03/31/2016
Siguler Guff CCCERA Opportunities	06/03/2014	-	27.5%	-	18.9%	03/31/2016

<sup>1</sup>Manager has yet to report IRR figure due to no capital invested or meaningful distributions.

<sup>2</sup>Fund level data includes CCCERA and all other fund investors.

<sup>3</sup>Net IRR calculated after deductions of management fees and carried interest to the General Partner.

<sup>4</sup>Private iQ global all private equity median pooled return for vintage years 2011-2014, as of March 31, 2015.

<sup>5</sup>Private iQ global all private equity median pooled return for vintage years 1999-2011, as of March 31, 2015.

<sup>6</sup>Private iQ global all private equity median pooled return for vintage years 2008-2014, as of March 31, 2015.

Total Fund  
Performance Analysis - 3 Years (Net of Fees)

Period Ending: June 30, 2016

	3 Years										
	Anlzd Ret	Ann Excess BM Return	Anlzd Std Dev	Anlzd Alpha	Beta	Tracking Error	R-Squared	Sharpe Ratio	Info Ratio	Up Mkt Cap Ratio	Down Mkt Cap Ratio
Intech Large Cap Core	13.07%	1.42%	8.23%	2.79%	0.88	3.69%	0.81	1.58	0.38	103.03%	58.84%
PIMCO Stocks+ Absolute Return	10.77%	-0.88%	10.13%	-2.95%	1.18	2.54%	0.96	1.06	-0.35	105.32%	158.51%
Jackson Square Partners	10.68%	-2.40%	11.95%	-6.37%	1.30	4.98%	0.87	0.89	-0.48	87.57%	136.22%
Robeco Boston Partners	8.07%	-1.80%	9.39%	-1.63%	0.98	2.79%	0.91	0.85	-0.64	82.65%	93.29%
Emerald Advisers	9.58%	1.85%	16.35%	1.72%	1.02	6.83%	0.83	0.58	0.27	106.63%	90.70%
Ceredex	10.69%	4.34%	13.43%	4.35%	1.00	5.02%	0.86	0.79	0.86	126.17%	84.26%
William Blair	3.34%	0.22%	10.53%	0.32%	0.97	2.75%	0.93	0.31	0.08	100.05%	96.96%
Artisan Partners	9.45%	3.42%	10.01%	3.46%	0.99	3.81%	0.85	0.94	0.90	127.69%	79.67%
First Eagle	6.94%	0.91%	7.41%	2.48%	0.74	3.64%	0.87	0.93	0.25	102.27%	84.70%
Intech Global Low Vol	11.60%	5.57%	6.10%	8.72%	0.48	6.40%	0.53	1.89	0.87	131.43%	39.79%
JP Morgan Global Opportunities	5.41%	-0.62%	10.77%	-1.31%	1.12	3.01%	0.93	0.50	-0.21	92.11%	97.66%
AFL-CIO	3.98%	-0.08%	2.50%	0.33%	0.90	0.60%	0.95	1.57	-0.13	93.70%	74.64%
Goldman Sachs Core Plus	4.30%	0.23%	2.62%	1.07%	0.79	1.60%	0.67	1.61	0.15	91.25%	23.17%
Lord Abbett	4.46%	0.39%	2.86%	0.50%	0.97	1.09%	0.85	1.53	0.36	100.29%	55.03%
PIMCO Fixed Income	3.91%	-0.15%	2.59%	0.12%	0.93	0.55%	0.96	1.48	-0.28	93.47%	81.80%
Allianz Global Investors	2.78%	-1.40%	5.46%	-0.86%	0.87	1.34%	0.96	0.50	-1.04	79.91%	99.25%
Lazard	2.11%	-0.69%	4.85%	-0.43%	0.91	1.25%	0.94	0.42	-0.55	80.18%	87.62%
PIMCO All Asset Fund	1.60%	-3.50%	7.78%	-11.92%	2.65	6.94%	0.33	0.20	-0.50	48.49%	771.76%
Wellington Real Total Return	-3.63%	-8.74%	7.52%	-14.24%	2.08	6.88%	0.22	-0.49	-1.27	-35.56%	1,307.20%
Adelante	13.52%	-0.11%	12.62%	0.95%	0.92	2.18%	0.98	1.07	-0.05	91.68%	82.28%
INVESCO International REIT	3.08%	-1.18%	8.57%	-0.87%	0.93	1.52%	0.97	0.35	-0.78	83.21%	95.60%

Performance Analysis excludes closed end funds and those funds without 3 years of performance.

Total Fund  
Performance Analysis - 5 Years (Net of Fees)

Period Ending: June 30, 2016

	5 Years										
	Anlzd Ret	Ann Excess BM Return	Anlzd Std Dev	Anlzd Alpha	Beta	Tracking Error	R-Squared	Sharpe Ratio	Info Ratio	Up Mkt Cap Ratio	Down Mkt Cap Ratio
Intech Large Cap Core	12.26%	0.16%	12.73%	0.49%	0.97	3.21%	0.94	0.96	0.05	97.84%	93.10%
PIMCO Stocks+ Absolute Return	12.06%	-0.03%	13.90%	-1.07%	1.09	2.27%	0.98	0.86	-0.02	106.97%	113.89%
Jackson Square Partners	11.80%	-0.54%	14.30%	-1.38%	1.07	4.32%	0.91	0.82	-0.13	94.57%	97.54%
Robeco Boston Partners	11.09%	-0.26%	15.06%	-1.08%	1.07	3.33%	0.96	0.73	-0.08	102.14%	106.87%
Emerald Advisers	10.24%	1.73%	21.46%	0.86%	1.10	6.65%	0.91	0.47	0.26	119.35%	104.54%
William Blair	3.52%	2.01%	14.74%	2.03%	0.99	2.55%	0.97	0.23	0.79	109.85%	91.87%
First Eagle	6.67%	1.30%	9.21%	3.08%	0.67	5.00%	0.94	0.72	0.26	85.61%	69.19%
JP Morgan Global Opportunities	5.14%	-0.24%	15.05%	-0.84%	1.11	2.89%	0.97	0.34	-0.08	100.95%	103.46%
AFL-CIO	3.66%	-0.10%	2.89%	0.12%	0.94	0.58%	0.96	1.25	-0.18	95.51%	91.10%
Goldman Sachs Core Plus	4.59%	0.82%	2.93%	1.34%	0.86	1.42%	0.78	1.54	0.58	108.21%	54.33%
Lord Abbett	4.82%	1.06%	3.04%	1.44%	0.90	1.42%	0.79	1.57	0.74	117.03%	68.13%
PIMCO Fixed Income	3.84%	0.08%	3.01%	0.91%	0.78	1.99%	0.61	1.26	0.04	100.02%	92.46%
Allianz Global Investors	5.06%	-0.64%	6.27%	-0.04%	0.89	1.37%	0.97	0.80	-0.47	86.81%	90.28%
Lazard	1.39%	-0.38%	4.69%	-0.34%	0.98	1.21%	0.93	0.28	-0.31	89.52%	98.03%
Adelante	12.19%	-0.30%	14.22%	0.51%	0.94	2.08%	0.98	0.85	-0.14	89.98%	87.79%
INVESCO International REIT	4.16%	-0.81%	15.23%	-0.96%	1.03	1.91%	0.99	0.27	-0.42	96.13%	103.71%

Performance Analysis excludes closed end funds and those funds without 5 years of performance.

# Total Fund Investment Fund Fee Analysis

Period Ending: June 30, 2016

Name	Asset Class	Fee Schedule	Market Value	Estimated Fee Value	Estimated Fee
Intech Large Cap Core	Global Equity	0.50% of First \$100.0 Mil, 0.45% of Next \$100.0 Mil, 0.35% of Next \$100.0 Mil, 0.30% of Next \$200.0 Mil, 0.25% Thereafter	\$288,157,951	\$1,253,553	0.44%
PIMCO Stocks+ Absolute Return	Global Equity	0.15% of Assets	\$256,875,775	\$385,314	0.15%
Jackson Square Partners	Global Equity	0.50% of First \$100.0 Mil, 0.40% of Next \$150.0 Mil, 0.35% Thereafter	\$291,479,993	\$1,245,180	0.43%
Robeco Boston Partners	Global Equity	0.50% of First \$25.0 Mil, 0.30% Thereafter	\$322,773,580	\$1,018,321	0.32%
Emerald Advisers	Global Equity	0.75% of First \$10.0 Mil, 0.60% Thereafter	\$220,204,158	\$1,336,225	0.61%
Ceredex	Global Equity	0.85% of First \$10.0 Mil, 0.68% of Next \$40.0 Mil, 0.51% Thereafter	\$252,648,195	\$1,390,506	0.55%
Pyrford	Global Equity	0.70% of First \$50.0 Mil, 0.50% of Next \$50.0 Mil, 0.35% Thereafter	\$402,770,851	\$1,659,698	0.41%
William Blair	Global Equity	0.80% of First \$20.0 Mil, 0.60% of Next \$30.0 Mil, 0.50% of Next \$50.0 Mil, 0.45% of Next \$50.0 Mil, 0.40% of Next \$50.0 Mil, 0.30% Thereafter	\$394,587,335	\$1,598,762	0.41%
Artisan Partners	Global Equity	0.75% of Assets	\$307,247,242	\$2,304,354	0.75%
First Eagle	Global Equity	0.75% of Assets	\$312,233,727	\$2,341,753	0.75%
Intech Global Low Vol	Global Equity	0.25% of First \$100.0 Mil, 0.21% of Next \$100.0 Mil, 0.18% of Next \$100.0 Mil, 0.16% of Next \$200.0 Mil, 0.14% Thereafter	\$24,180,755	\$59,243	0.25%
JP Morgan Global Opportunities	Global Equity	0.50% of First \$100.0 Mil, 0.40% Thereafter	\$261,751,373	\$1,147,005	0.44%
AFL-CIO	Global Fixed Income	0.43% of Assets	\$233,681,863	\$1,004,832	0.43%

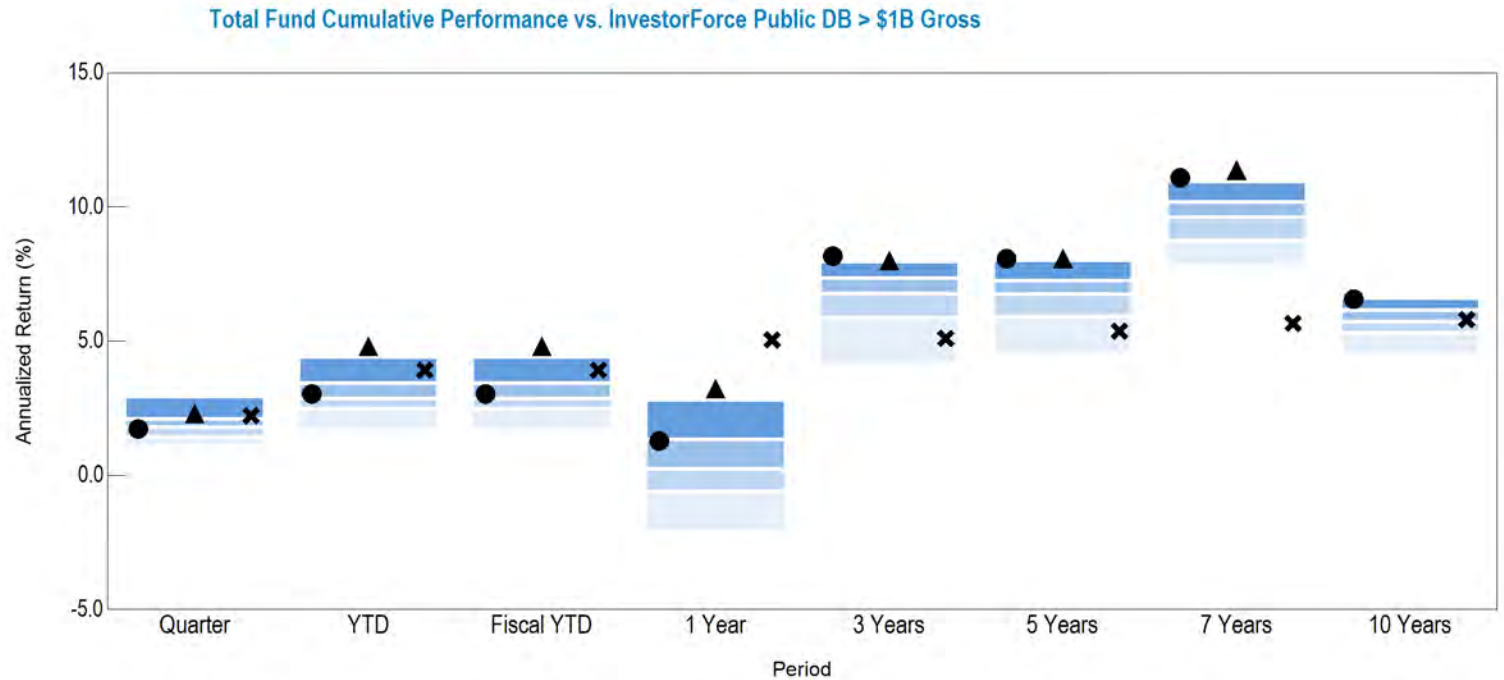
Mutual fund fees shown are sourced from Morningstar and are as of the most current prospectus.

Total Fund  
Investment Fund Fee Analysis

Period Ending: June 30, 2016

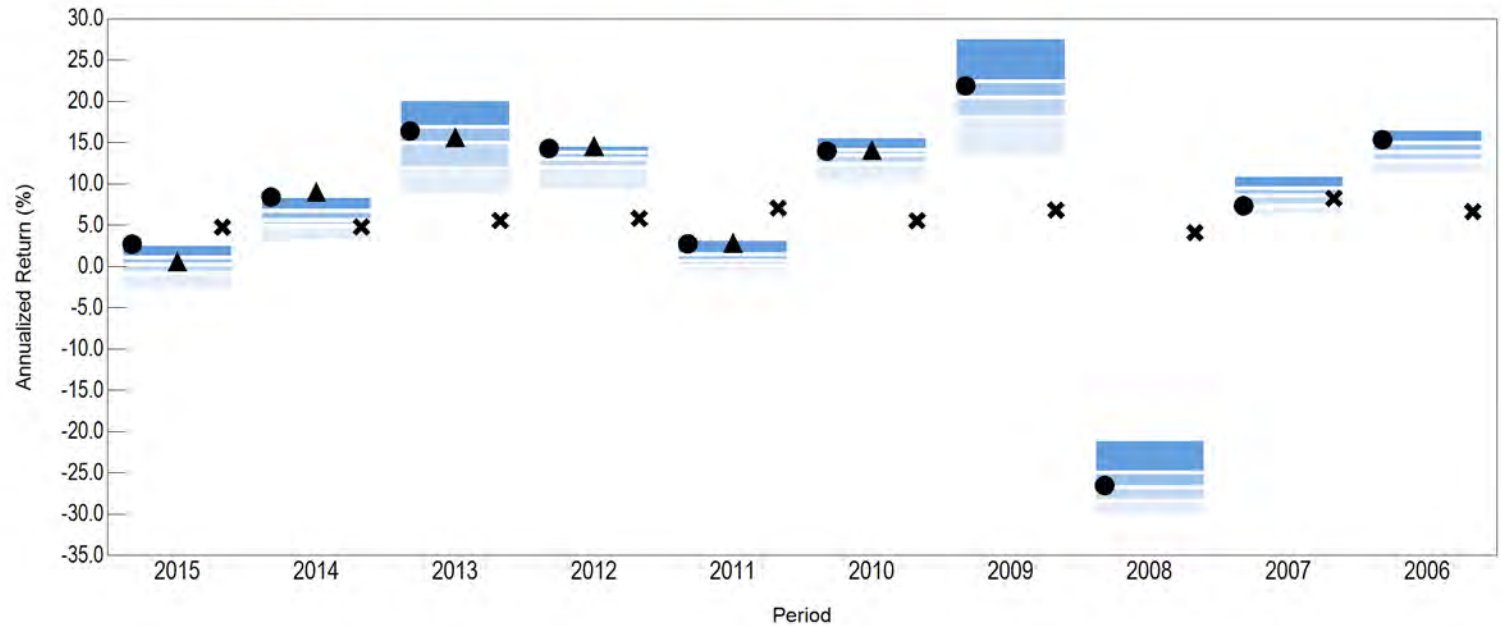
Name	Asset Class	Fee Schedule	Market Value	Estimated Fee Value	Estimated Fee
Goldman Sachs Core Plus	Global Fixed Income	0.18% of First \$500.0 Mil, 0.16% Thereafter	\$327,919,621	\$573,859	0.18%
GSAM Workout Portfolio	Global Fixed Income		\$4,078		
Lord Abbett	Global Fixed Income	0.20% of First \$250.0 Mil, 0.15% of Next \$250.0 Mil, 0.13% Thereafter	\$330,700,695	\$621,051	0.19%
PIMCO Fixed Income	Global Fixed Income	0.25% of First \$600.0 Mil, 0.15% Thereafter	\$352,291,744	\$880,729	0.25%
Allianz Global Investors	High Yield Fixed Income	0.50% of First \$50.0 Mil, 0.40% of Next \$50.0 Mil, 0.35% Thereafter	\$325,609,008	\$1,239,632	0.38%
Lazard	Global Fixed Income	0.40% of First \$25.0 Mil, 0.30% of Next \$25.0 Mil, 0.25% Thereafter	\$243,031,427	\$657,579	0.27%
PIMCO All Asset Fund	Inflation Hedge/Real Assets	0.88% of Assets	\$124,588,296	\$1,096,377	0.88%
Wellington Real Total Return	Inflation Hedge/Real Assets	0.55% of Assets	\$181,386,563	\$997,626	0.55%

Mutual fund fees shown are sourced from Morningstar and are as of the most current prospectus.



	Return (Rank)													
	2.9	4.4	4.4	2.8	7.9	8.0	10.9	6.6						
5th Percentile	2.9	4.4	4.4	2.8	7.9	8.0	10.9	6.6						
25th Percentile	2.1	3.5	3.5	1.4	7.4	7.3	10.2	6.2						
Median	1.8	2.9	2.9	0.3	6.8	6.8	9.6	5.7						
75th Percentile	1.5	2.5	2.5	-0.6	5.9	5.9	8.8	5.3						
95th Percentile	1.1	1.7	1.7	-2.1	4.1	4.5	7.8	4.5						
# of Portfolios	95	91	91	91	80	79	71	66						
● Total Fund	1.7 (57)	3.0 (43)	3.0 (43)	1.3 (27)	8.2 (3)	8.1 (3)	11.1 (3)	6.6 (7)						
▲ Policy Index	2.3 (15)	4.8 (3)	4.8 (3)	3.2 (3)	8.0 (4)	8.1 (3)	11.4 (1)	-- (-)						
✕ CPI + 4%	2.2 (20)	3.9 (15)	3.9 (15)	5.0 (1)	5.1 (91)	5.4 (89)	5.7 (99)	5.8 (45)						

Total Fund Consecutive Periods vs. InvestorForce Public DB > \$1B Gross



	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>5th Percentile</b>	2.7	8.5	20.2	14.7	3.3	15.7	27.7	-21.0	11.0	16.6
<b>25th Percentile</b>	1.1	6.8	17.0	13.9	1.6	14.2	22.5	-24.9	9.5	15.0
<b>Median</b>	0.3	5.7	15.0	13.0	0.8	13.5	20.5	-26.7	8.6	13.9
<b>75th Percentile</b>	-0.7	4.9	12.0	12.1	0.1	12.5	18.1	-28.3	7.4	12.9
<b>95th Percentile</b>	-2.8	3.1	8.7	9.2	-0.9	10.2	13.4	-30.2	6.2	11.2
<b># of Portfolios</b>	98	79	67	74	68	66	66	65	64	64
<b>● Total Fund</b>	2.7 (5)	8.4 (6)	16.4 (33)	14.3 (13)	2.7 (9)	14.0 (29)	21.9 (34)	-26.5 (48)	7.3 (78)	15.4 (19)
<b>▲ Policy Index</b>	0.6 (40)	9.0 (2)	15.6 (43)	14.6 (8)	2.8 (9)	14.1 (27)	-- (--)	-- (--)	-- (--)	-- (--)
<b>✕ CPI + 4%</b>	4.8 (1)	4.8 (80)	5.6 (99)	5.8 (99)	7.1 (1)	5.6 (99)	6.8 (99)	4.1 (1)	8.2 (53)	6.6 (99)

## **Domestic Equity Managers**

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# Intech Large Cap Core Manager Portfolio Overview

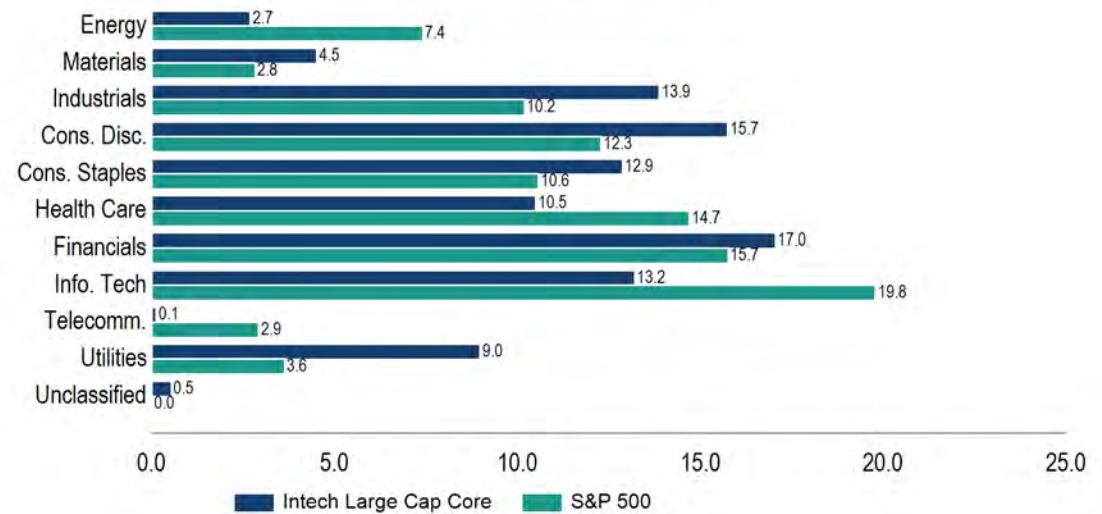
Period Ending: June 30, 2016

Domestic equity large cap core portfolio with high correlation exposure to a broad universe seeking enhanced returns. Primary personnel include Adrian Banner, Vassilios Papatlanakos, Joseph Runnels, and Phillip Whitman.

## Characteristics

	Portfolio	S&P 500
Number of Holdings	276	505
Weighted Avg. Market Cap. (\$B)	33.85	127.61
Median Market Cap. (\$B)	19.38	18.11
Price To Earnings	26.22	23.28
Price To Book	5.56	4.40
Price To Sales	3.31	3.03
Return on Equity (%)	21.27	17.73
Yield (%)	1.79	2.15
Beta	0.88	1.00

## Sector Allocation (%) vs S&P 500



## Largest Holdings

	End Weight	Return
CONSTELLATION BRANDS 'A'	1.60	9.75
NORTHROP GRUMMAN	1.57	12.79
LOCKHEED MARTIN	1.49	12.81
FISERV	1.37	6.00
O REILLY AUTOMOTIVE	1.27	-0.94
ACTIVISION BLIZZARD	1.08	17.11
TYSON FOODS 'A'	1.04	0.43
KROGER	1.04	-3.53
DR PEPPER SNAPPLE GROUP	1.02	8.68
CLOROX	1.00	10.45

## Top Contributors

	Avg Wgt	Return	Contribution
NVIDIA	0.73	32.27	0.24
NORTHROP GRUMMAN	1.44	12.79	0.18
LOCKHEED MARTIN	1.41	12.81	0.18
ACTIVISION BLIZZARD	0.98	17.11	0.17
CONSTELLATION BRANDS 'A'	1.50	9.75	0.15
ELECTRONIC ARTS	0.91	14.60	0.13
MARSH & MCLENNAN	0.94	13.19	0.12
EQUINIX	0.67	17.84	0.12
EDWARDS LIFESCIENCES	0.87	13.06	0.11
FIDELITY NAT.INFO.SVS.	0.63	16.79	0.11

## Bottom Contributors

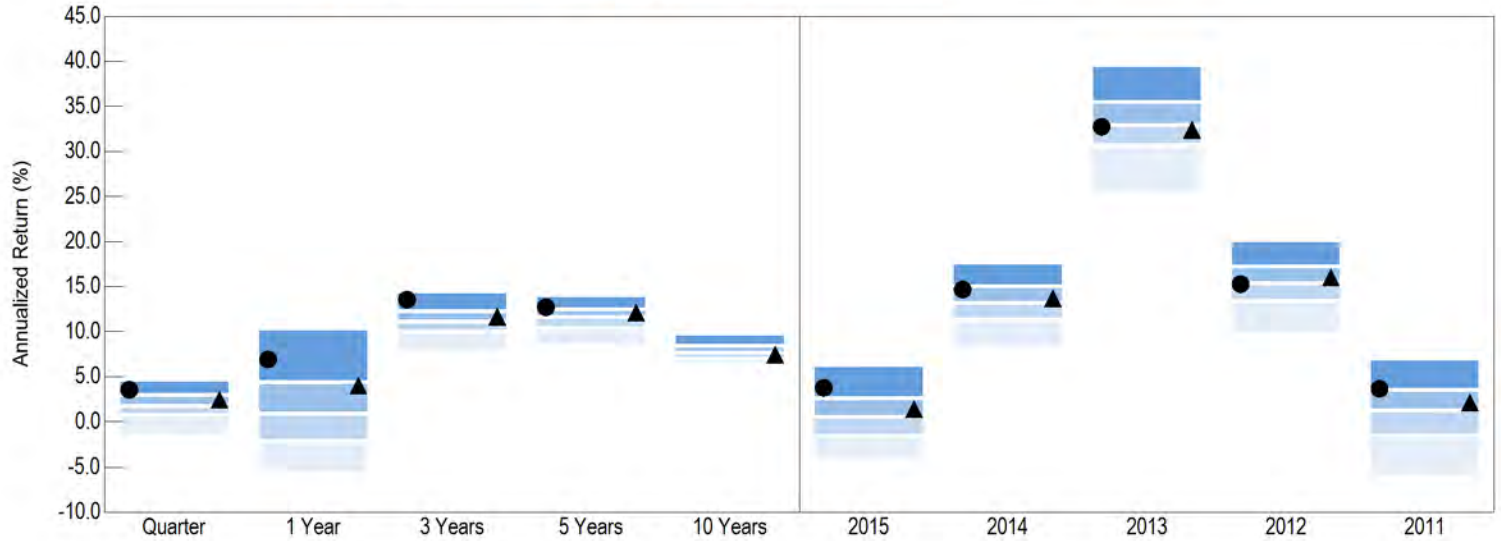
	Avg Wgt	Return	Contribution
L BRANDS	0.72	-22.88	-0.17
DELPHI AUTOMOTIVE	0.76	-16.21	-0.12
VALERO ENERGY	0.53	-19.61	-0.10
ROYAL CARIBBEAN CRUISES	0.56	-17.85	-0.10
ALLERGAN	0.70	-13.78	-0.10
GOODYEAR TIRE & RUB.	0.44	-22.01	-0.10
HORMEL FOODS	0.62	-15.04	-0.09
DELTA AIR LINES	0.34	-24.93	-0.08
APPLE	0.72	-11.75	-0.08
CARNIVAL	0.51	-15.65	-0.08

Unclassified sector allocation includes cash allocations.

Intech Large Cap Core  
 Manager Performance Comparisons (Gross of Fees)

Period Ending: June 30, 2016

Intech Large Cap Core vs. eA US Large Cap Core Equity Gross Universe

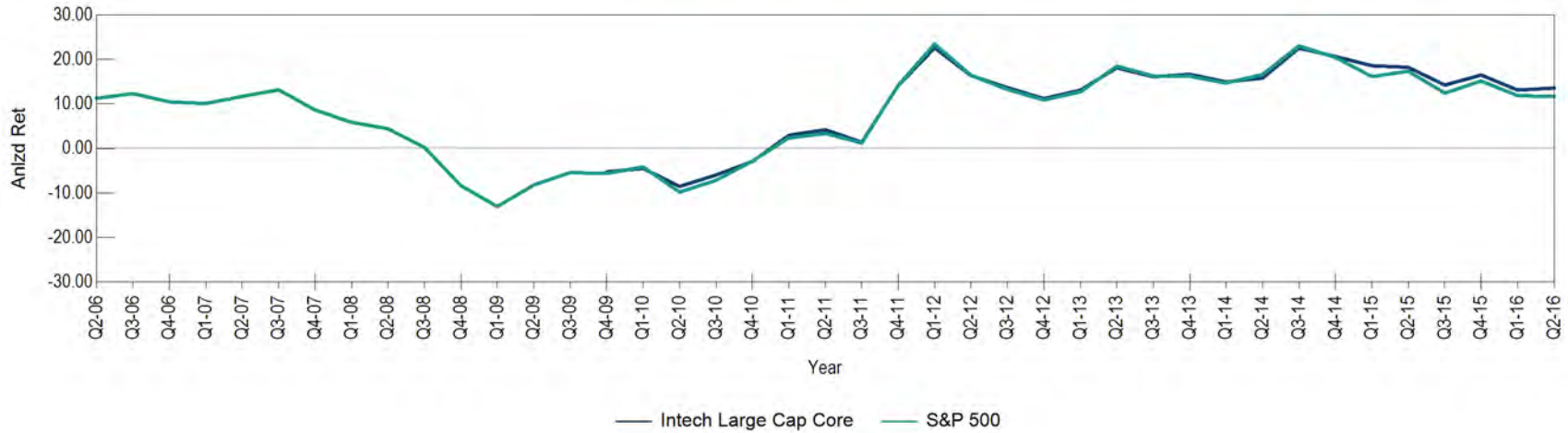


	Return (Rank)									
5th Percentile	4.6	10.3	14.4	14.0	9.8	6.3	17.7	39.6	20.1	7.0
25th Percentile	3.0	4.4	12.3	12.5	8.5	2.7	15.1	35.5	17.2	3.6
Median	1.8	0.9	11.2	11.7	7.7	0.6	13.3	32.9	15.4	1.3
75th Percentile	0.8	-2.1	10.0	10.4	7.0	-1.6	11.4	30.8	13.4	-1.5
95th Percentile	-1.5	-5.7	7.7	8.5	6.3	-4.1	8.2	25.4	9.8	-5.9
# of Portfolios	266	265	261	241	197	267	267	261	254	259
● Intech Large Cap Core	3.5 (16)	6.9 (14)	13.5 (9)	12.7 (19)	-- (--)	3.8 (16)	14.7 (31)	32.7 (54)	15.3 (54)	3.6 (25)
▲ S&P 500	2.5 (37)	4.0 (28)	11.7 (42)	12.1 (39)	7.4 (61)	1.4 (42)	13.7 (42)	32.4 (58)	16.0 (41)	2.1 (40)

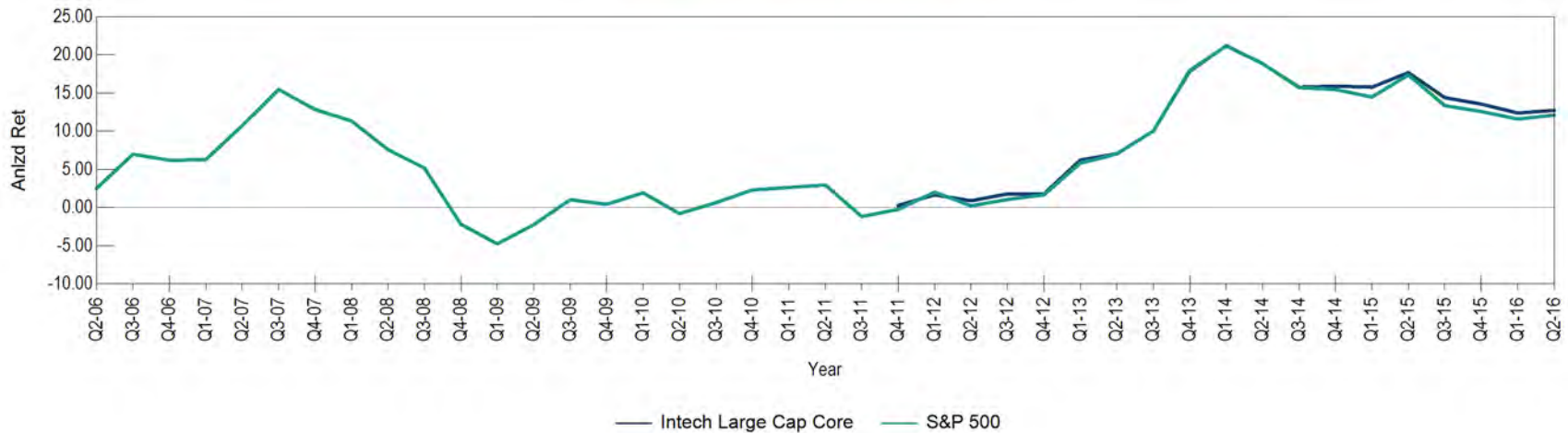
Intech Large Cap Core  
 Manager Performance - Rolling 3 & 5 Year (Gross of Fees)

Period Ending: June 30, 2016

Rolling 3 Year Annualized Return (%)

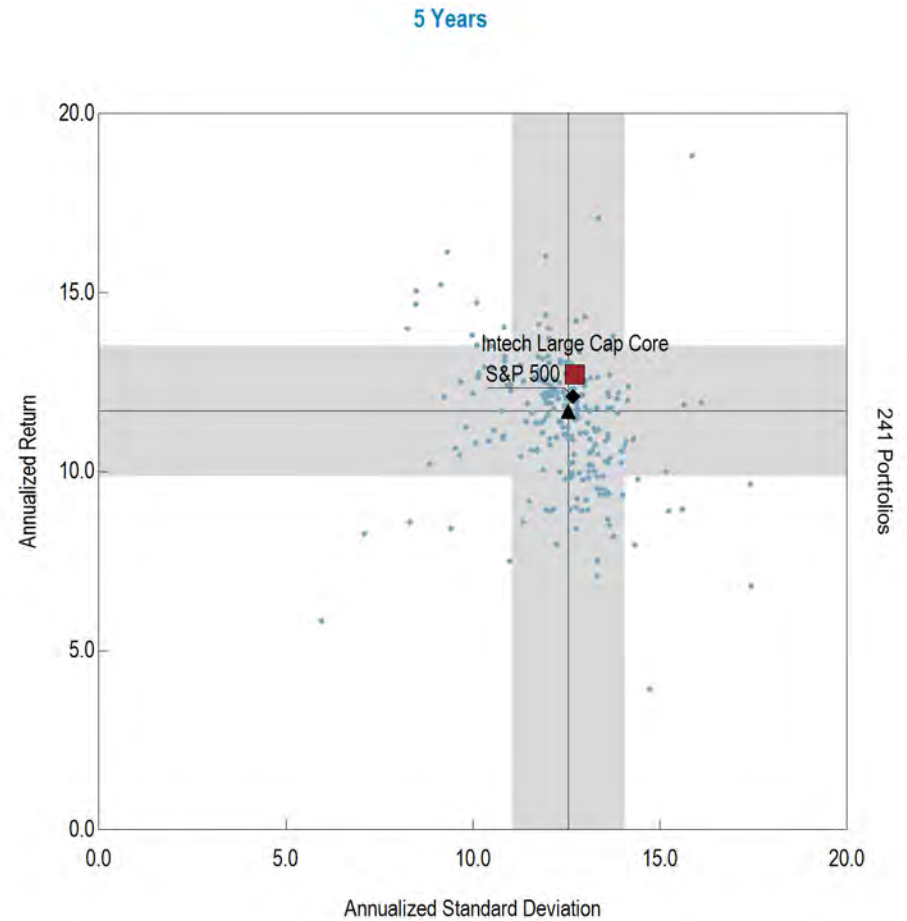
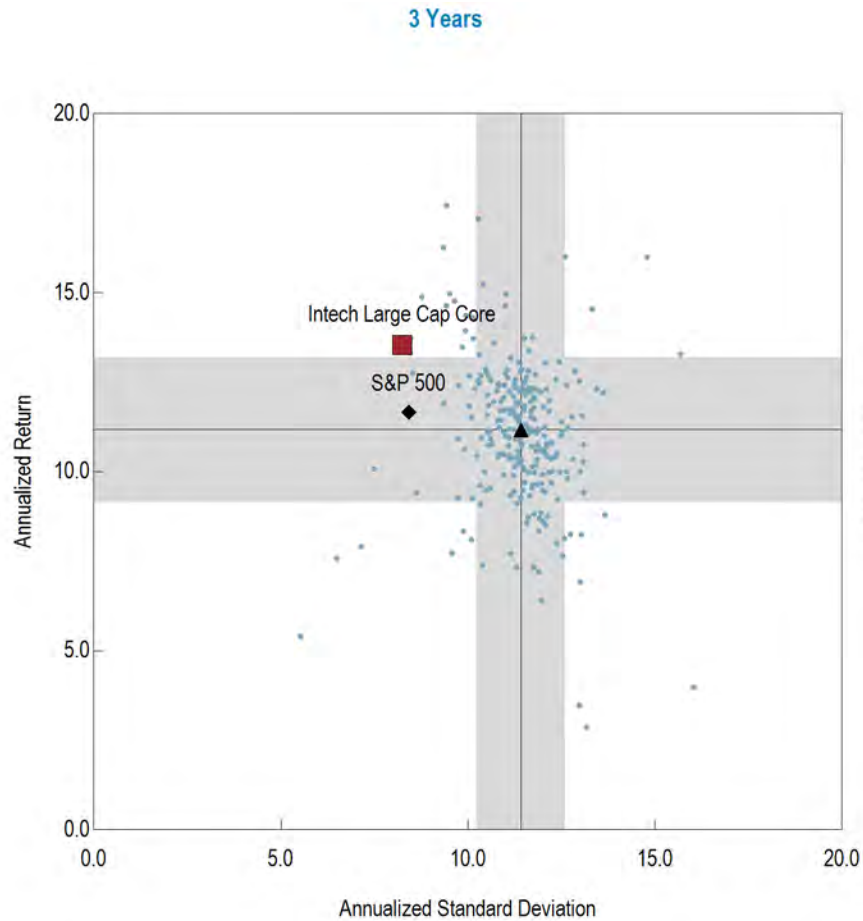


Rolling 5 Year Annualized Return (%)



Intech Large Cap Core  
 Risk vs. Return 3 & 5 Year (Gross of Fees)

Period Ending: June 30, 2016



	<b>3 Years</b>		
	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio
Intech Large Cap Core	13.5%	8.2%	1.6
S&P 500	11.7%	8.4%	1.4
eA US Large Cap Core Equity Gross Median	11.2%	11.4%	1.0

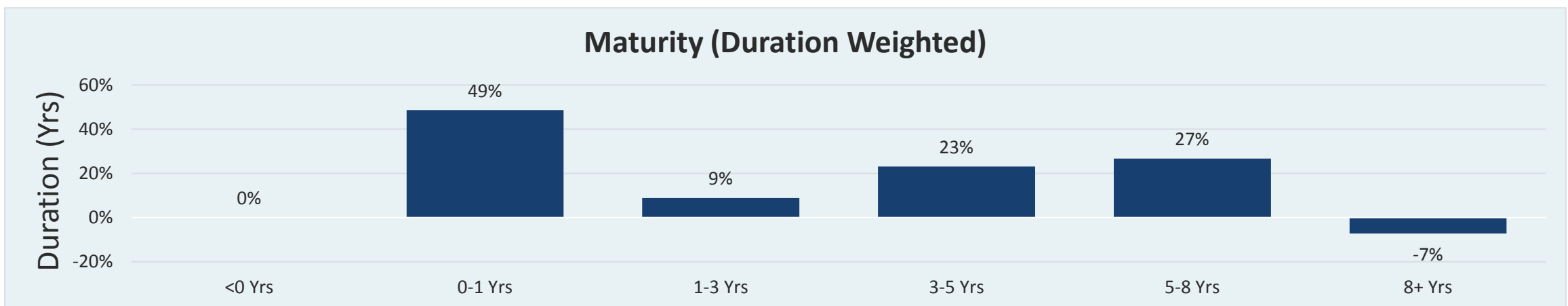
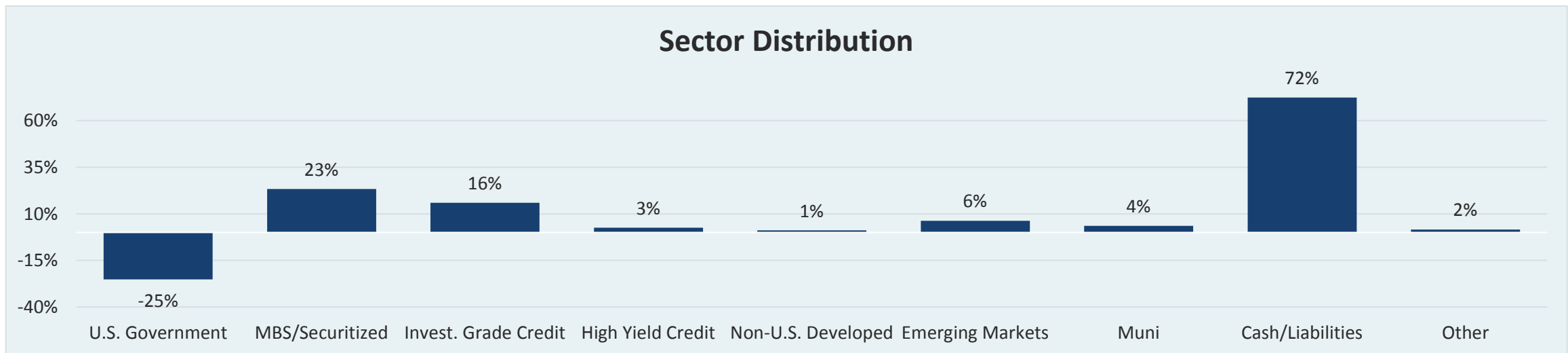
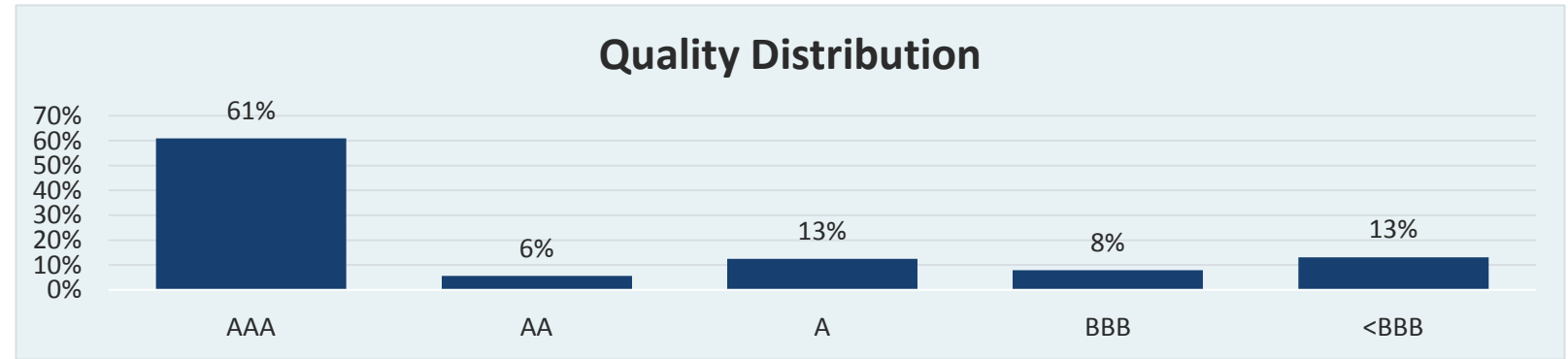
	<b>5 Years</b>		
	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio
Intech Large Cap Core	12.7%	12.7%	1.0
S&P 500	12.1%	12.7%	0.9
eA US Large Cap Core Equity Gross Median	11.7%	12.6%	0.9

# PIMCO Stocks+ Absolute Return Manager Portfolio Overview

Period Ending: June 30, 2016

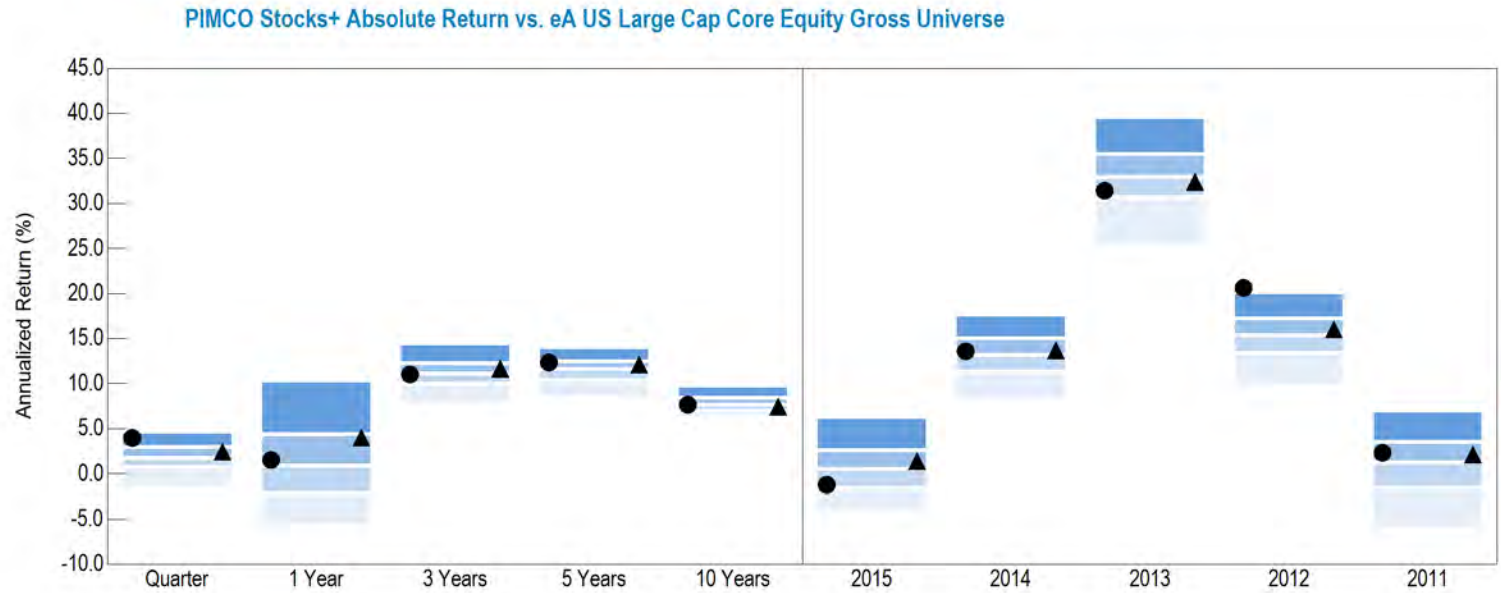
Domestic equity large cap core portfolio with high correlation exposure to a broad universe seeking enhanced returns. Primary personnel include Mohsen Fahmi and Scott Mather.

	PIMCO Stocks+
Effective Duration	0.23
Futures Adjusted Duration	0.17
Yield to Maturity	2.42
Average Quality	AA-



PIMCO Stocks+ Absolute Return  
 Manager Performance Comparisons (Gross of Fees)

Period Ending: June 30, 2016

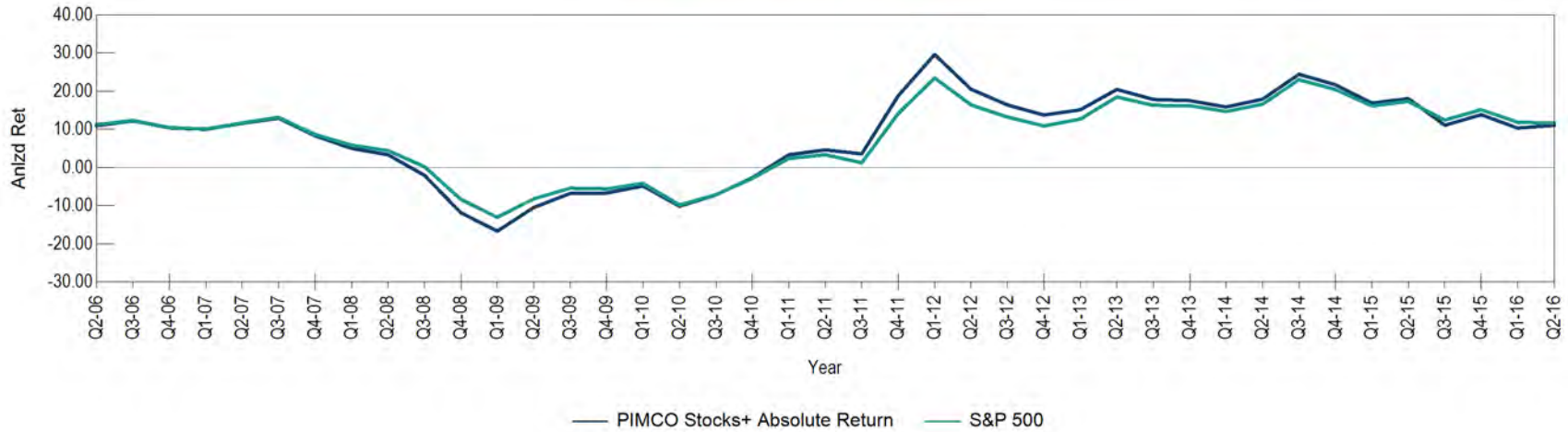


	Return (Rank)									
	Quarter	1 Year	3 Years	5 Years	10 Years	2015	2014	2013	2012	2011
5th Percentile	4.6	10.3	14.4	14.0	9.8	6.3	17.7	39.6	20.1	7.0
25th Percentile	3.0	4.4	12.3	12.5	8.5	2.7	15.1	35.5	17.2	3.6
Median	1.8	0.9	11.2	11.7	7.7	0.6	13.3	32.9	15.4	1.3
75th Percentile	0.8	-2.1	10.0	10.4	7.0	-1.6	11.4	30.8	13.4	-1.5
95th Percentile	-1.5	-5.7	7.7	8.5	6.3	-4.1	8.2	25.4	9.8	-5.9
# of Portfolios	266	265	261	241	197	267	267	261	254	259
● PIMCO Stocks+ Absolute Return	4.0 (8)	1.5 (47)	11.0 (54)	12.3 (30)	7.7 (50)	-1.2 (73)	13.6 (45)	31.4 (68)	20.6 (4)	2.3 (36)
▲ S&P 500	2.5 (37)	4.0 (28)	11.7 (42)	12.1 (39)	7.4 (61)	1.4 (42)	13.7 (42)	32.4 (58)	16.0 (41)	2.1 (40)

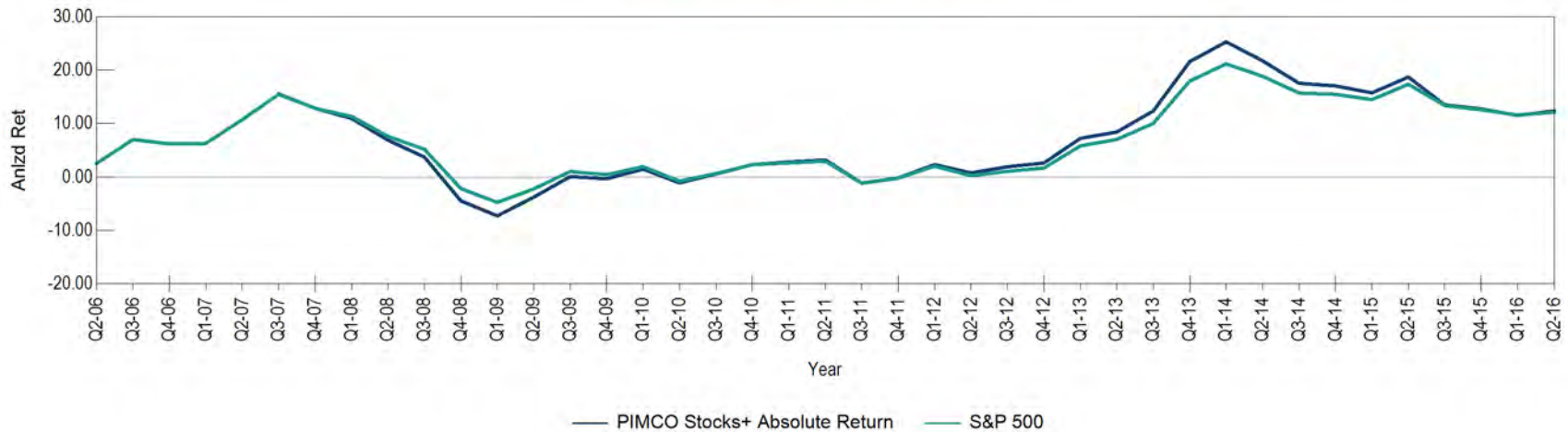
PIMCO Stocks+ Absolute Return  
 Manager Performance - Rolling 3 & 5 Year (Gross of Fees)

Period Ending: June 30, 2016

Rolling 3 Year Annualized Return (%)



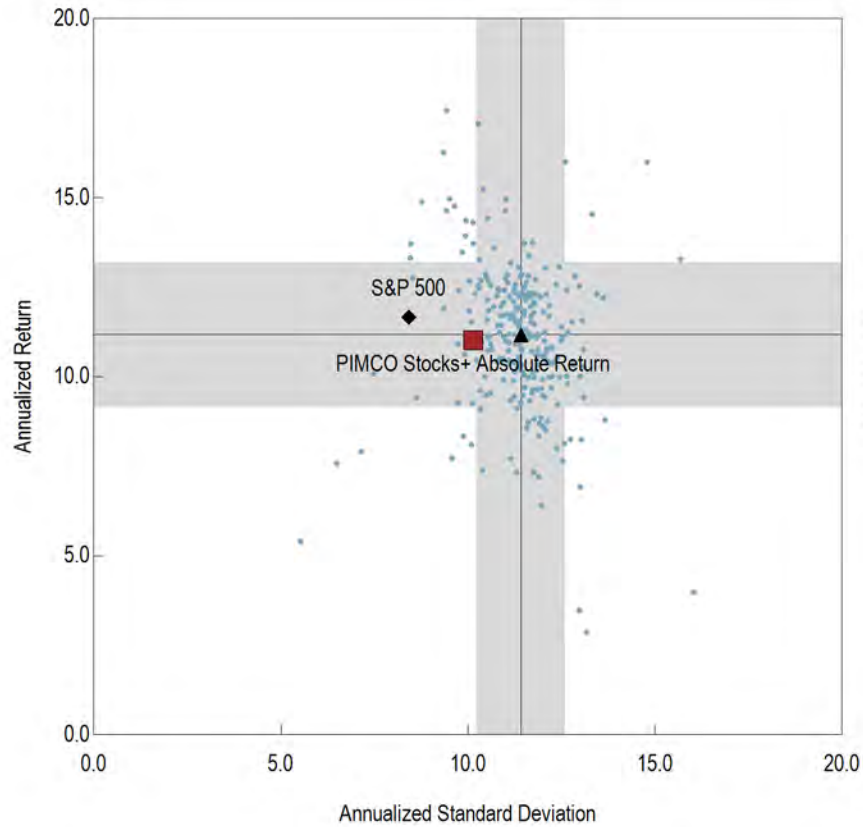
Rolling 5 Year Annualized Return (%)



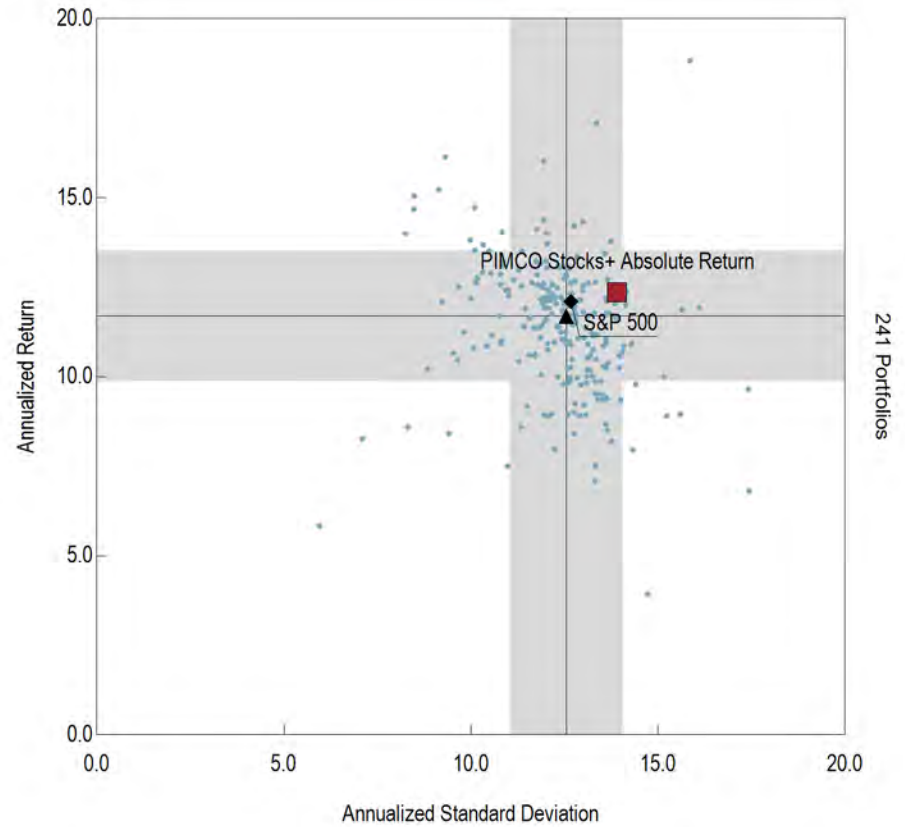
PIMCO Stocks+ Absolute Return  
Risk vs. Return 3 & 5 Year (Gross of Fees)

Period Ending: June 30, 2016

3 Years



5 Years



3 Years

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio
PIMCO Stocks+ Absolute Return	11.0%	10.1%	1.1
S&P 500	11.7%	8.4%	1.4
eA US Large Cap Core Equity Gross Median	11.2%	11.4%	1.0

5 Years

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio
PIMCO Stocks+ Absolute Return	12.3%	13.9%	0.9
S&P 500	12.1%	12.7%	0.9
eA US Large Cap Core Equity Gross Median	11.7%	12.6%	0.9



# Jackson Square Partners Manager Portfolio Overview

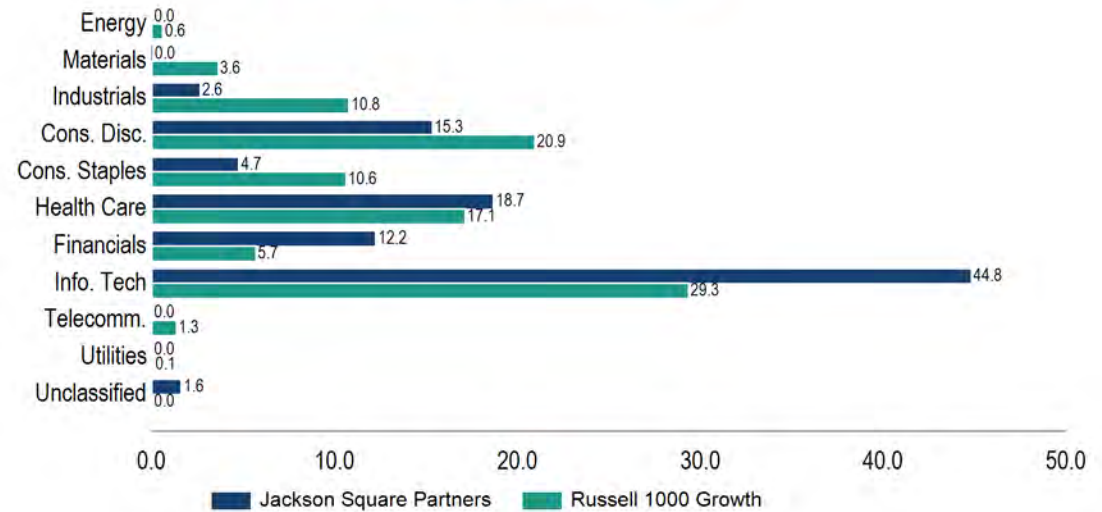
Period Ending: June 30, 2016

Domestic equity large cap growth portfolio concentrated in companies with sustainable long-term growth characteristics. Primary personnel include Jeffrey Van Harte, Christopher Bonavico, Christopher Ericksen, and Daniel Prislin.

## Characteristics

	Portfolio	Russell 1000 Growth
Number of Holdings	34	600
Weighted Avg. Market Cap. (\$B)	89.60	120.12
Median Market Cap. (\$B)	28.56	8.46
Price To Earnings	29.44	27.18
Price To Book	6.19	6.51
Price To Sales	6.78	3.94
Return on Equity (%)	21.00	23.47
Yield (%)	1.06	1.57
Beta	1.30	1.00

## Sector Allocation (%) vs Russell 1000 Growth



## Largest Holdings

	End Weight	Return
VISA 'A'	5.85	-2.84
CROWN CASTLE INTL.	5.45	18.36
CELGENE	5.08	-1.46
QUALCOMM	4.89	5.76
ALLERGAN	4.75	-13.78
WALGREENS BOOTS ALLIANCE	4.74	-0.70
ELECTRONIC ARTS	4.67	14.60
MICROSOFT	4.53	-6.69
PAYPAL HOLDINGS	4.52	-5.41
LIBERTY INTACT.QVC GROUP 'A'	4.44	0.48

## Top Contributors

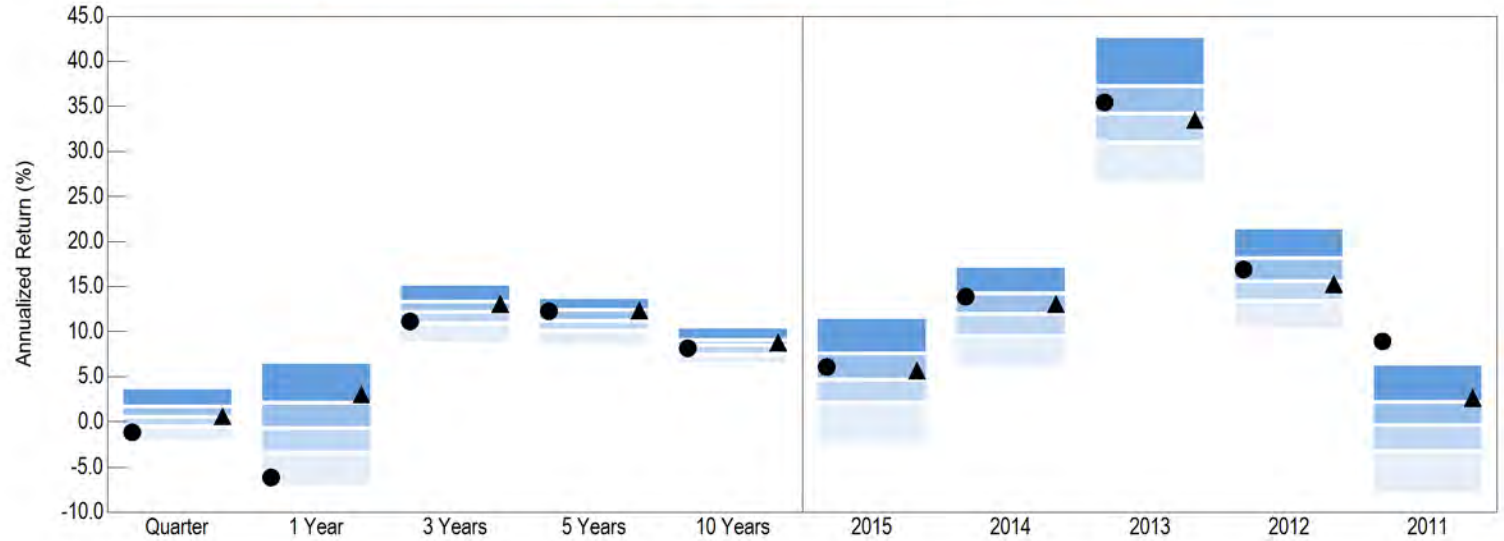
	Avg Wgt	Return	Contribution
CROWN CASTLE INTL.	4.69	18.36	0.86
ELECTRONIC ARTS	4.22	14.60	0.62
EQUINIX	3.27	17.84	0.58
INTERCONTINENTAL EX.	3.40	9.21	0.31
QUALCOMM	5.23	5.76	0.30
INTUIT	2.21	7.62	0.17
LIBERTY INTACT.QVC GROUP 'A'	4.56	0.48	0.02
DENTSPLY INTL.	2.41	0.79	0.02
FACEBOOK CLASS A	4.01	0.16	0.01
SYNGENTA SPN.ADR 5:1	0.00	-4.72	0.00

## Bottom Contributors

	Avg Wgt	Return	Contribution
ALLERGAN	4.80	-13.78	-0.66
L BRANDS	2.31	-22.88	-0.53
MICROSOFT	4.61	-6.69	-0.31
ALPHABET 'A'	3.83	-7.78	-0.30
MASTERCARD	4.43	-6.63	-0.29
BIOGEN	3.88	-7.11	-0.28
PAYPAL HOLDINGS	4.74	-5.41	-0.26
LIBERTY GLOBAL SR.C	2.09	-12.08	-0.25
ALPHABET 'C'	3.02	-7.09	-0.21
VALEANT PHARMS. (NYS) INTL.	0.90	-23.42	-0.21

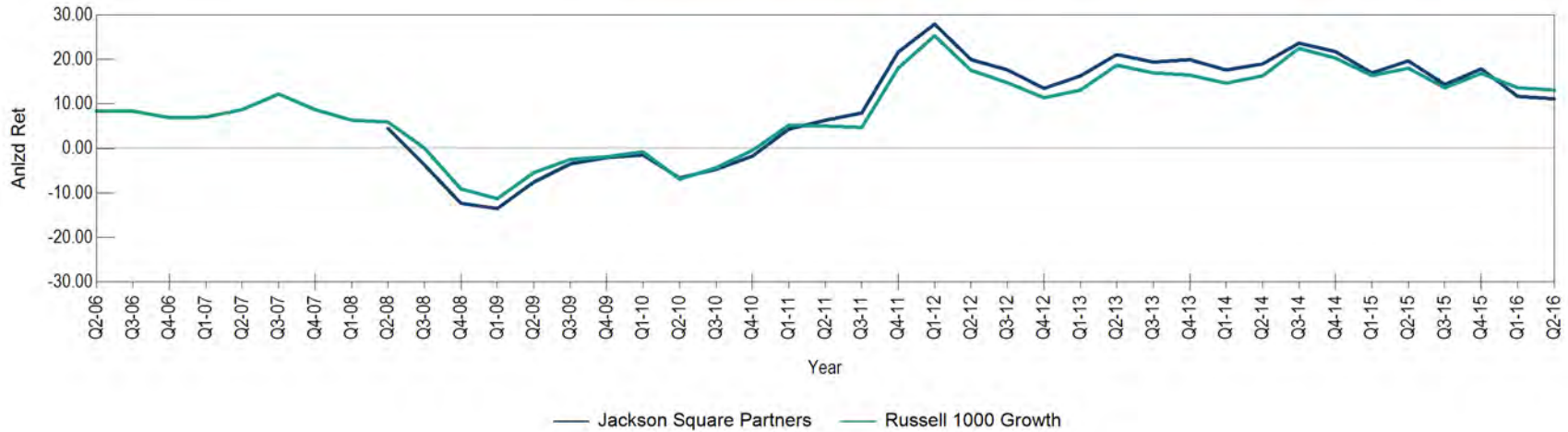
Unclassified sector allocation includes cash allocations.

Jackson Square Partners vs. eA US Large Cap Growth Equity Gross Universe

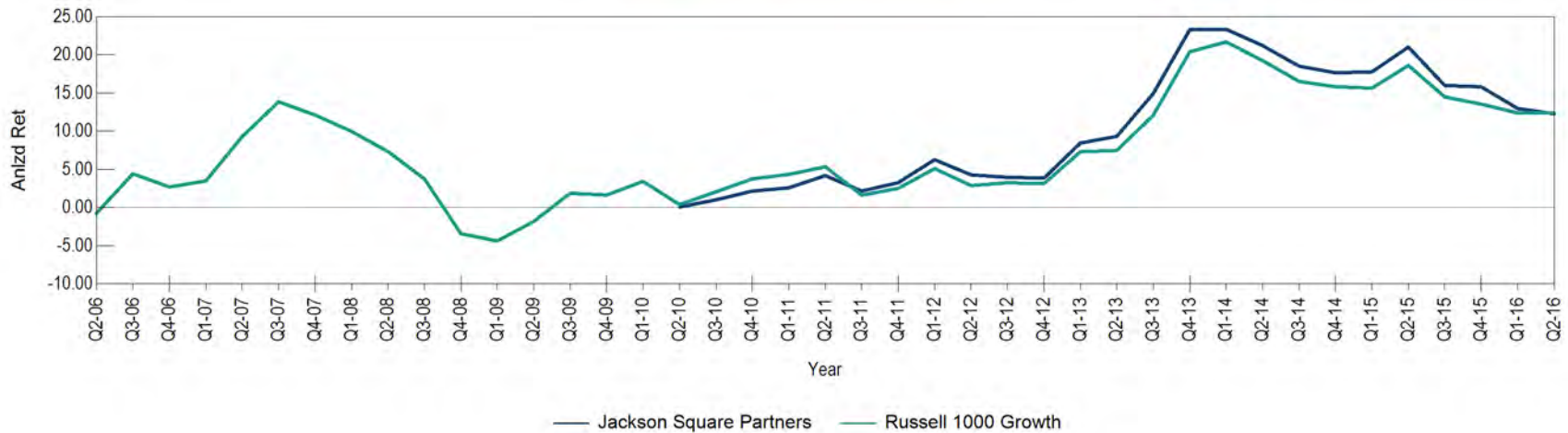


	Quarter	1 Year	3 Years	5 Years	10 Years	2015	2014	2013	2012	2011
<b>5th Percentile</b>	3.7	6.6	15.3	13.8	10.5	11.6	17.3	42.8	21.6	6.4
<b>25th Percentile</b>	1.7	2.1	13.4	12.4	9.1	7.6	14.3	37.3	18.2	2.2
<b>Median</b>	0.6	-0.7	12.3	11.2	8.5	4.7	12.0	34.3	15.7	-0.3
<b>75th Percentile</b>	-0.5	-3.3	11.0	10.2	7.5	2.1	9.5	31.0	13.4	-3.2
<b>95th Percentile</b>	-2.2	-7.1	8.8	8.5	6.4	-2.4	5.8	26.6	10.2	-8.0
<b># of Portfolios</b>	270	270	266	249	212	270	291	274	274	294
<b>● Jackson Square Partners</b>	-1.2 (87)	-6.1 (92)	11.1 (73)	12.3 (29)	8.1 (60)	6.1 (37)	13.9 (31)	35.4 (40)	16.9 (37)	8.9 (3)
<b>▲ Russell 1000 Growth</b>	0.6 (50)	3.0 (17)	13.1 (34)	12.3 (28)	8.8 (40)	5.7 (42)	13.0 (38)	33.5 (56)	15.3 (55)	2.6 (22)

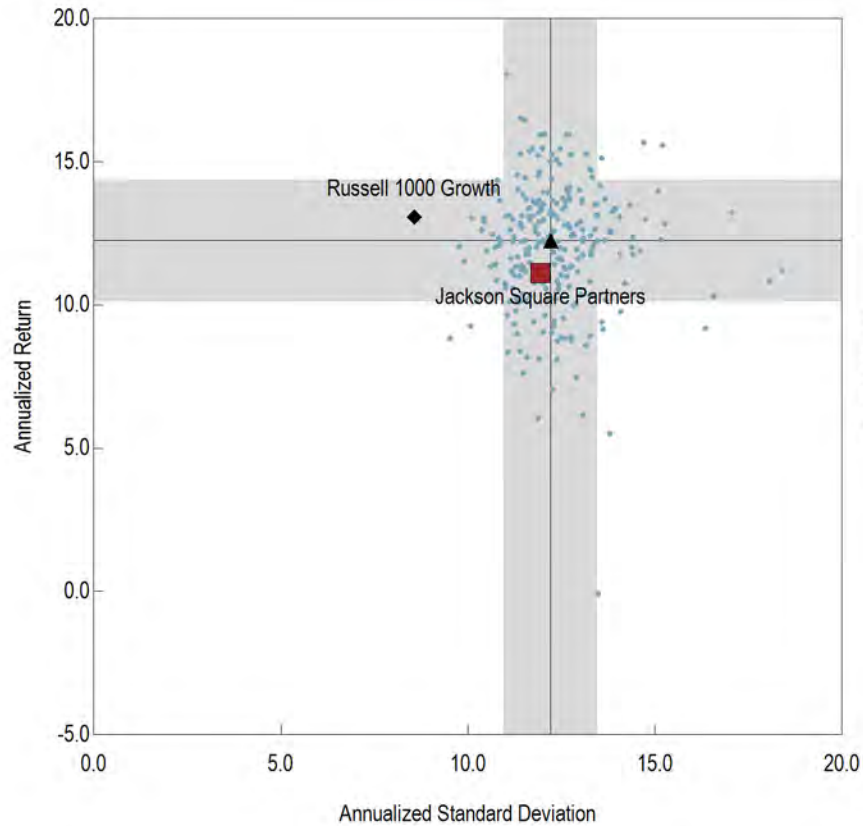
Rolling 3 Year Annualized Return (%)



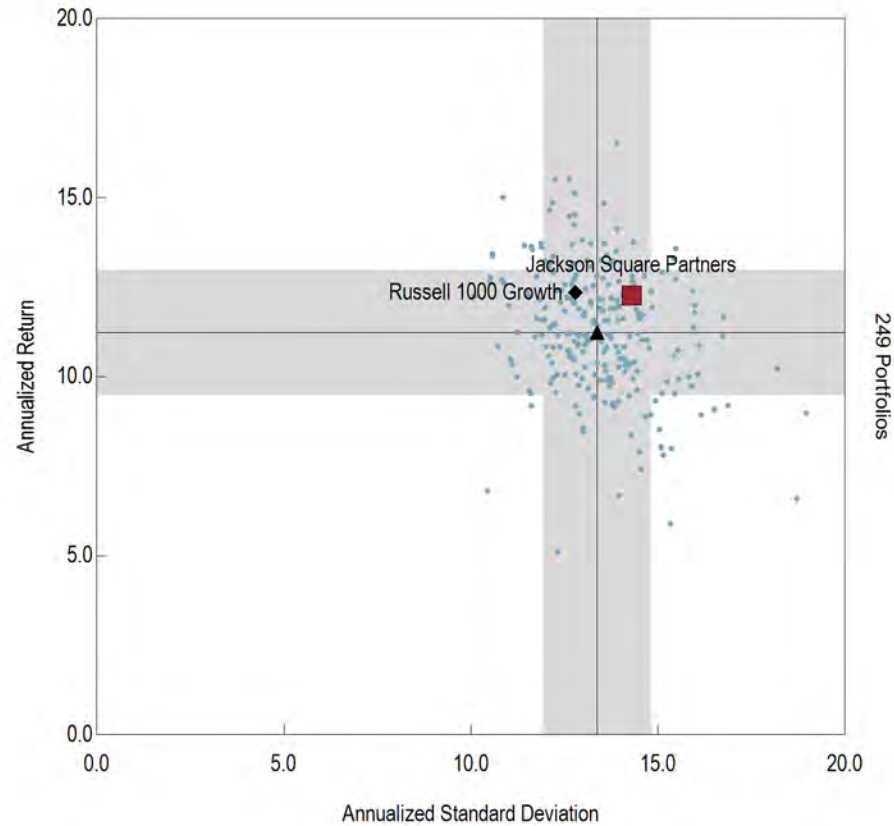
Rolling 5 Year Annualized Return (%)



3 Years



5 Years



3 Years

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio
Jackson Square Partners	11.1%	11.9%	0.9
Russell 1000 Growth	13.1%	8.6%	1.5
eA US Large Cap Growth Equity Gross Median	12.3%	12.2%	1.0

5 Years

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio
Jackson Square Partners	12.3%	14.3%	0.9
Russell 1000 Growth	12.3%	12.8%	1.0
eA US Large Cap Growth Equity Gross Median	11.2%	13.4%	0.8

# Robeco Boston Partners Manager Portfolio Overview

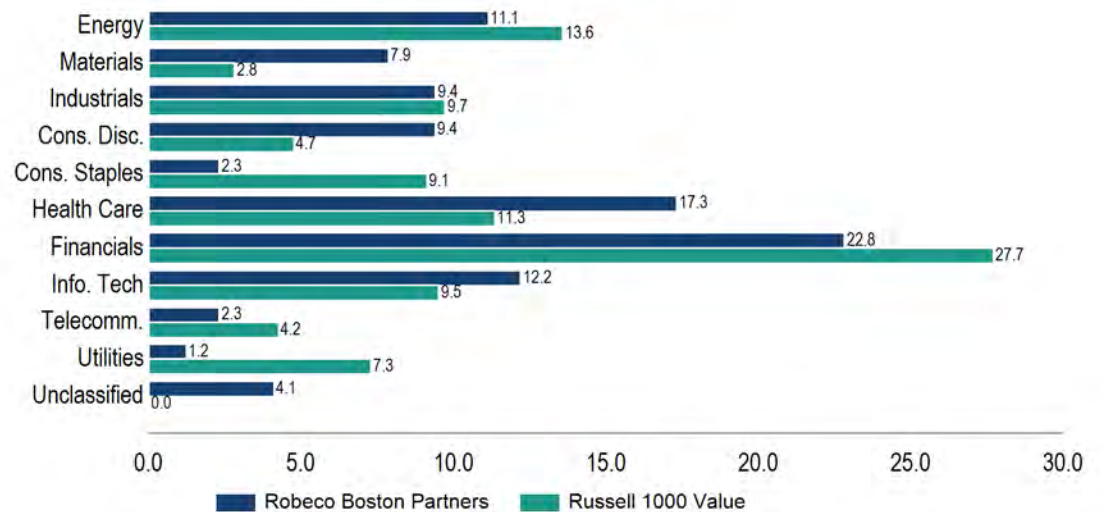
Period Ending: June 30, 2016

Domestic equity large cap value portfolio exhibiting low turnover in companies with low valuations relative to intrinsic value. Primary personnel include Mark Donovan and David Pyle.

## Characteristics

	Portfolio	Russell 1000 Value
Number of Holdings	90	692
Weighted Avg. Market Cap. (\$B)	91.21	109.24
Median Market Cap. (\$B)	27.78	7.25
Price To Earnings	15.15	19.83
Price To Book	3.31	2.32
Price To Sales	2.17	2.57
Return on Equity (%)	15.76	12.00
Yield (%)	1.90	2.59
Beta	0.98	1.00

## Sector Allocation (%) vs Russell 1000 Value



## Largest Holdings

	End Weight	Return
BERKSHIRE HATHAWAY 'B'	4.91	2.05
JOHNSON & JOHNSON	4.83	12.90
JP MORGAN CHASE & CO.	4.19	5.71
MERCK & COMPANY	2.60	9.78
OCCIDENTAL PTL.	2.39	11.52
VERIZON COMMUNICATIONS	2.29	4.34
BANK OF AMERICA	2.19	-1.52
MCKESSON	2.16	18.87
PHILLIPS 66	2.11	-7.64
RAYTHEON 'B'	2.08	11.52

## Top Contributors

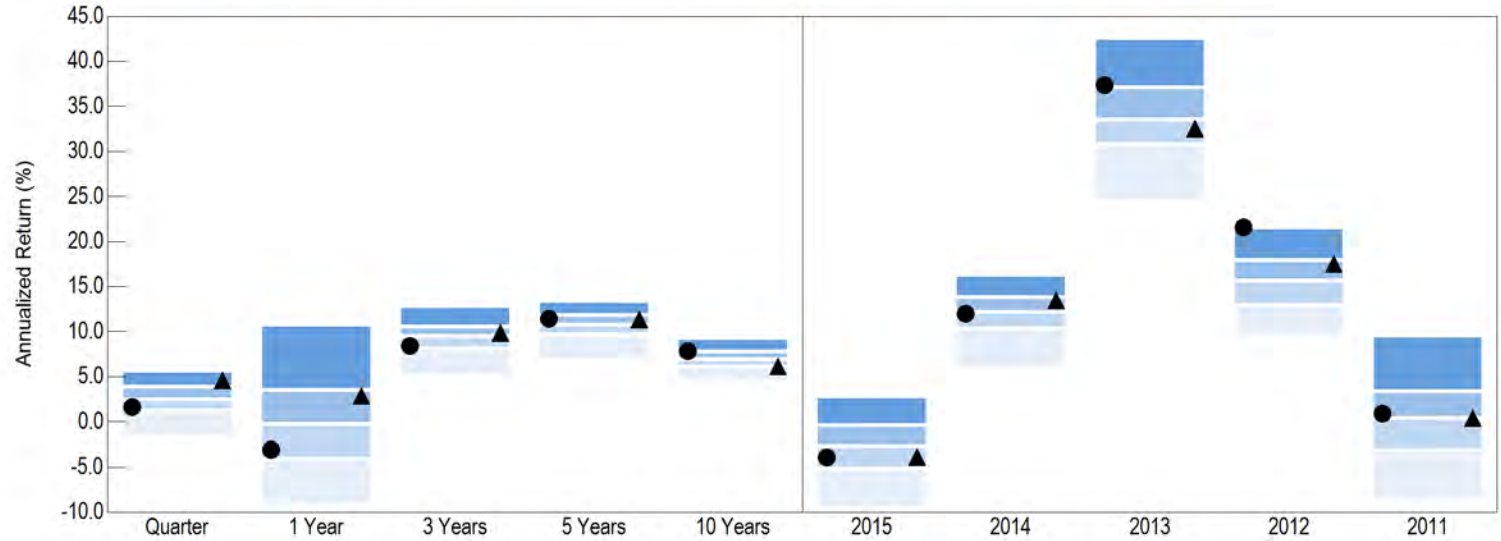
	Avg Wgt	Return	Contribution
JOHNSON & JOHNSON	4.10	12.90	0.53
BARRICK GOLD (NYS)	0.78	57.40	0.45
COMPUTER SCIS.	0.86	45.36	0.39
EOG RES.	1.89	15.18	0.29
OCCIDENTAL PTL.	2.41	11.52	0.28
JP MORGAN CHASE & CO.	4.22	5.71	0.24
ST. JUDE MEDICAL	0.45	42.39	0.19
MERCK & COMPANY	1.79	9.78	0.18
MCKESSON	0.91	18.87	0.17
CANADIAN NTRL.RES. (NYS)	1.04	16.41	0.17

## Bottom Contributors

	Avg Wgt	Return	Contribution
DELTA AIR LINES	1.91	-24.93	-0.48
UNITED CONTINENTAL HDG.	0.79	-31.44	-0.25
CAPITAL ONE FINL.	2.73	-7.84	-0.21
TARGET	1.17	-14.51	-0.17
PHILLIPS 66	2.22	-7.64	-0.17
MICROSOFT	2.45	-6.69	-0.16
GILEAD SCIENCES	1.49	-8.68	-0.13
LIBERTY GLOBAL SR.C	1.06	-12.08	-0.13
LYONDELLBASELL	0.75	-12.12	-0.09
INDS.CL.A	0.75	-12.12	-0.09
APPLE	0.70	-11.75	-0.08

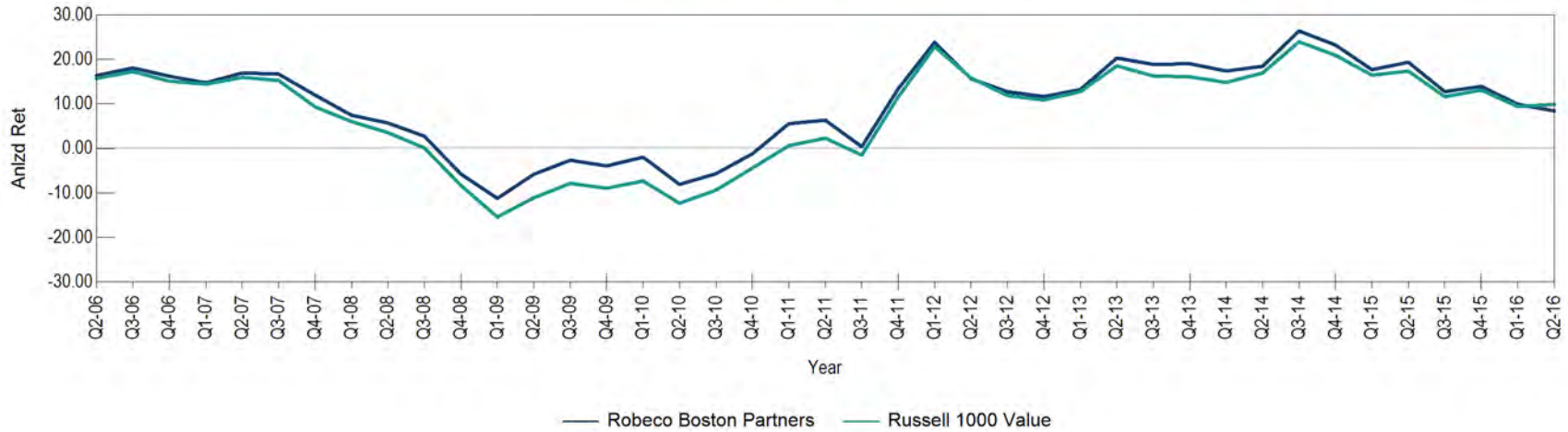
Unclassified sector allocation includes cash allocations.

Robeco Boston Partners vs. eA US Large Cap Value Equity Gross Universe

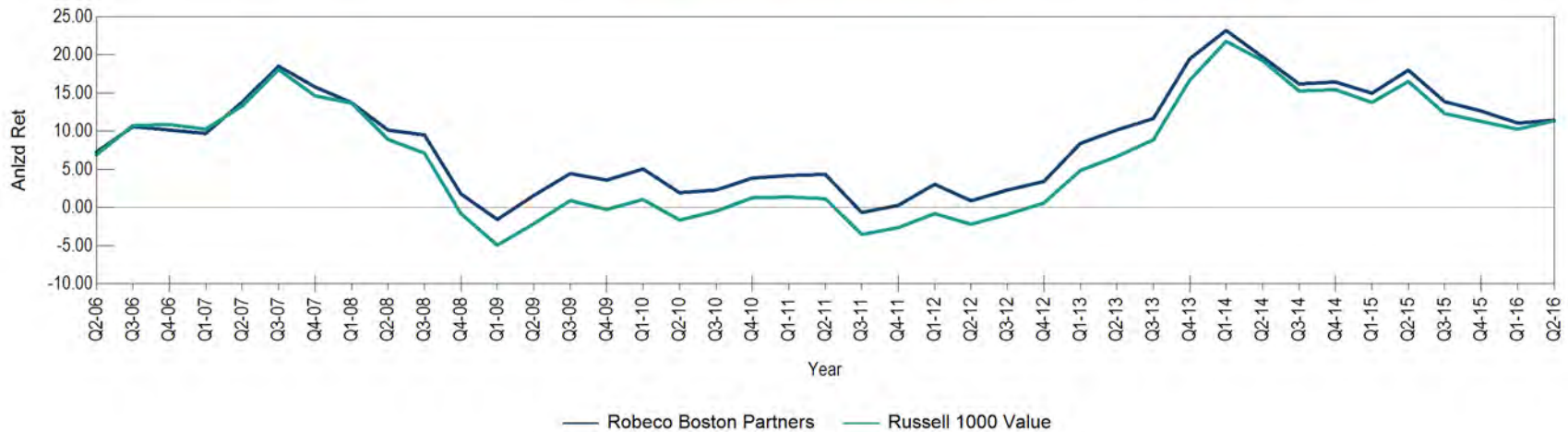


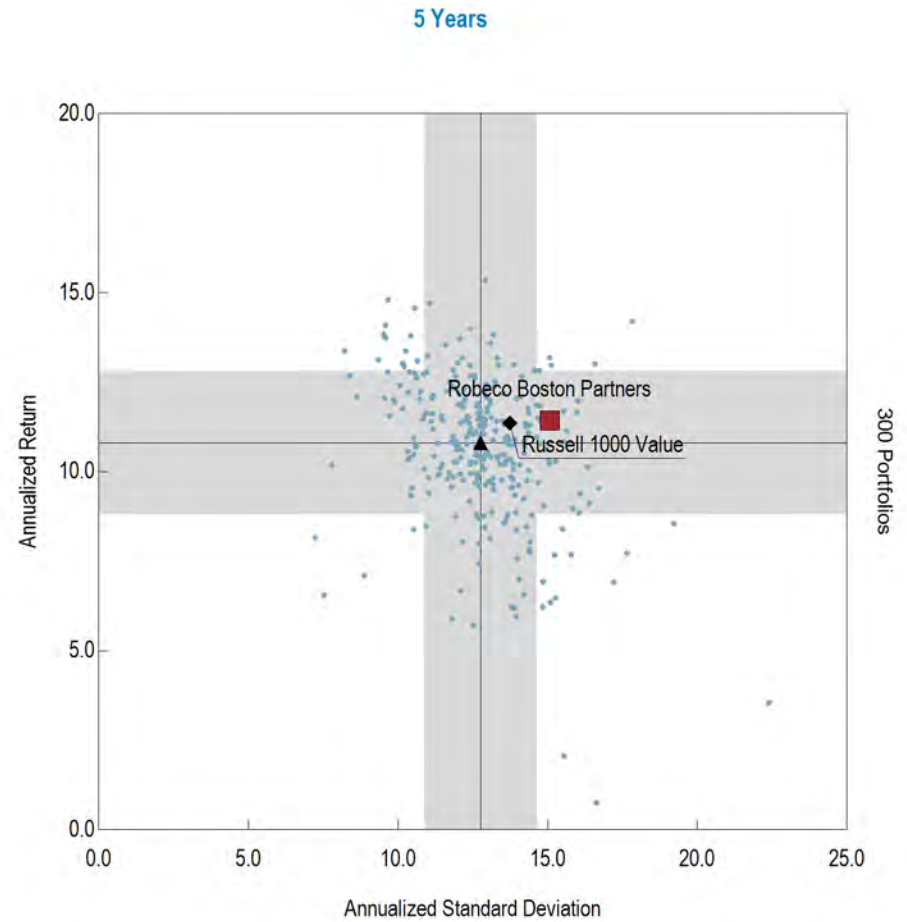
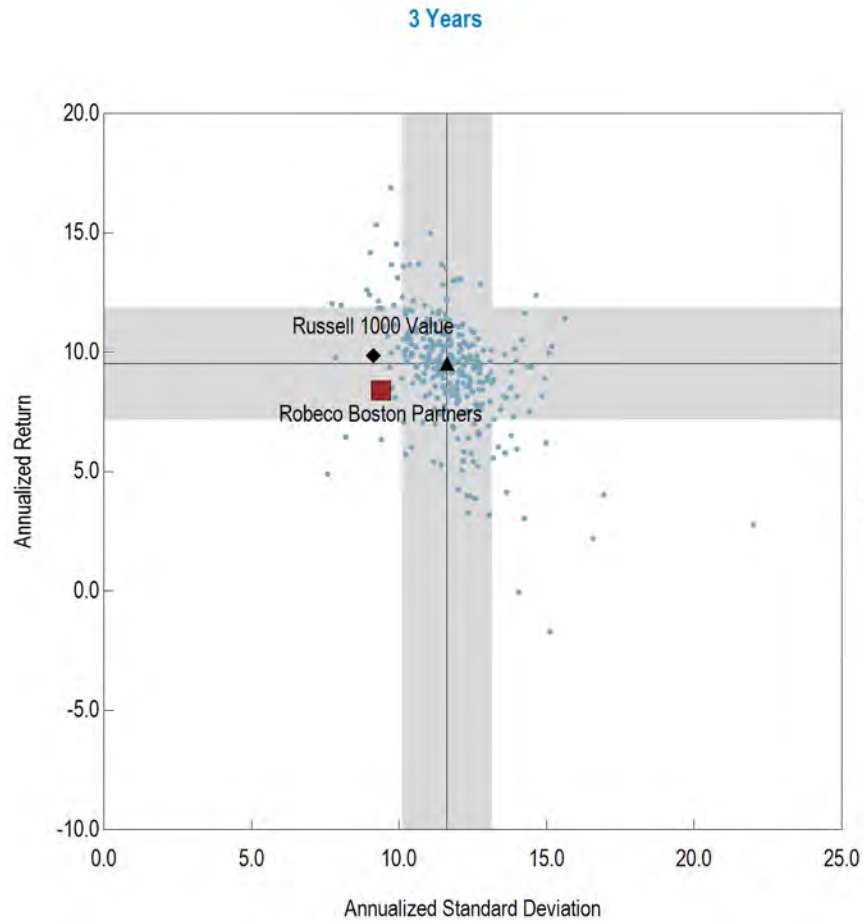
	Return (Rank)										
	Quarter	1 Year	3 Years	5 Years	10 Years	2015	2014	2013	2012	2011	
5th Percentile	5.6	10.7	12.8	13.4	9.3	2.8	16.3	42.5	21.5	9.5	
25th Percentile	3.9	3.6	10.6	11.9	7.8	-0.4	13.9	37.2	18.0	3.4	
Median	2.5	-0.2	9.5	10.8	6.9	-2.6	12.2	33.6	15.7	0.5	
75th Percentile	1.3	-4.1	8.2	9.8	6.2	-5.1	10.4	30.8	13.0	-3.1	
95th Percentile	-1.5	-9.2	5.2	6.9	4.4	-9.4	5.9	24.6	9.6	-8.6	
# of Portfolios	326	326	317	300	248	312	307	310	303	310	
● Robeco Boston Partners	1.6 (70)	-3.1 (69)	8.4 (73)	11.4 (36)	7.8 (25)	-3.9 (65)	12.0 (55)	37.4 (24)	21.6 (5)	0.9 (46)	
▲ Russell 1000 Value	4.6 (15)	2.9 (29)	9.9 (40)	11.4 (39)	6.1 (76)	-3.8 (64)	13.5 (33)	32.5 (60)	17.5 (30)	0.4 (51)	

Rolling 3 Year Annualized Return (%)



Rolling 5 Year Annualized Return (%)





	<b>3 Years</b>			<b>5 Years</b>			
	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	
Robeco Boston Partners	8.4%	9.4%	0.9	Robeco Boston Partners	11.4%	15.1%	0.8
Russell 1000 Value	9.9%	9.1%	1.1	Russell 1000 Value	11.4%	13.7%	0.8
eA US Large Cap Value Equity Gross Median	9.5%	11.6%	0.8	eA US Large Cap Value Equity Gross Median	10.8%	12.8%	0.8



# Emerald Advisers Manager Portfolio Overview

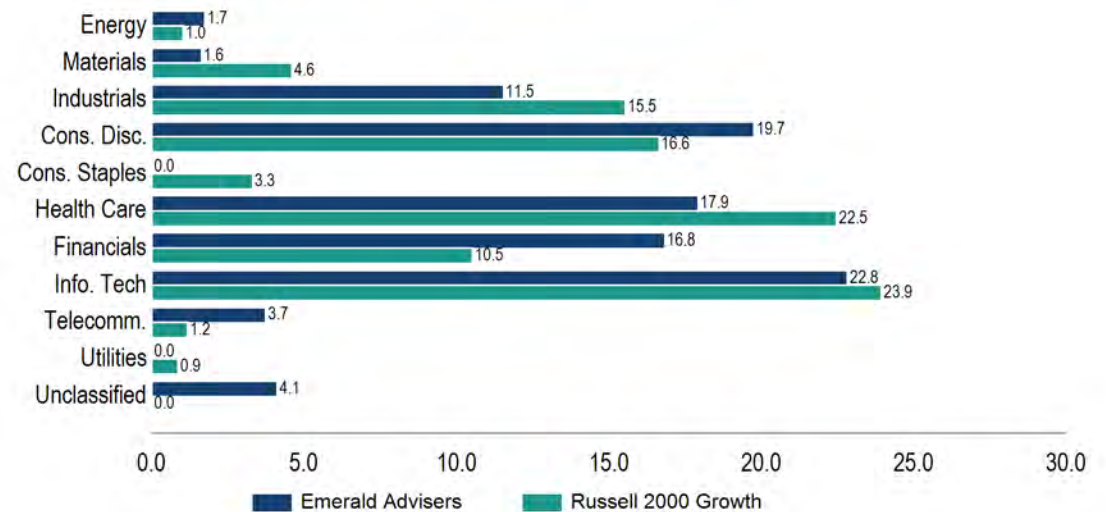
Period Ending: June 30, 2016

Domestic equity small cap growth portfolio of companies with significantly high growth rates. Primary personnel include Kenneth Mertz, Joseph Garner, and Stacey Sears.

## Characteristics

	Portfolio	Russell 2000 Growth
Number of Holdings	120	1,177
Weighted Avg. Market Cap. (\$B)	1.91	1.80
Median Market Cap. (\$B)	1.25	0.76
Price To Earnings	29.62	26.56
Price To Book	4.44	4.31
Price To Sales	3.79	3.13
Return on Equity (%)	14.98	14.63
Yield (%)	0.47	0.69
Beta	1.02	1.00

## Sector Allocation (%) vs Russell 2000 Growth



## Largest Holdings

	End Weight	Return
VEEVA SYSTEMS CL.A	2.38	36.26
MICROSTRATEGY	2.06	-2.62
8X8	2.00	45.23
VONAGE HOLDINGS	1.73	33.48
BANK OF THE OZARKS	1.72	-10.28
OPUS BANK	1.67	-0.08
QTS REALTY TRUST CL.A	1.67	18.92
APOGEE ENTERPRISES	1.66	5.93
FIVE BELOW	1.63	12.26
EPAM SYSTEMS	1.59	-13.87

## Top Contributors

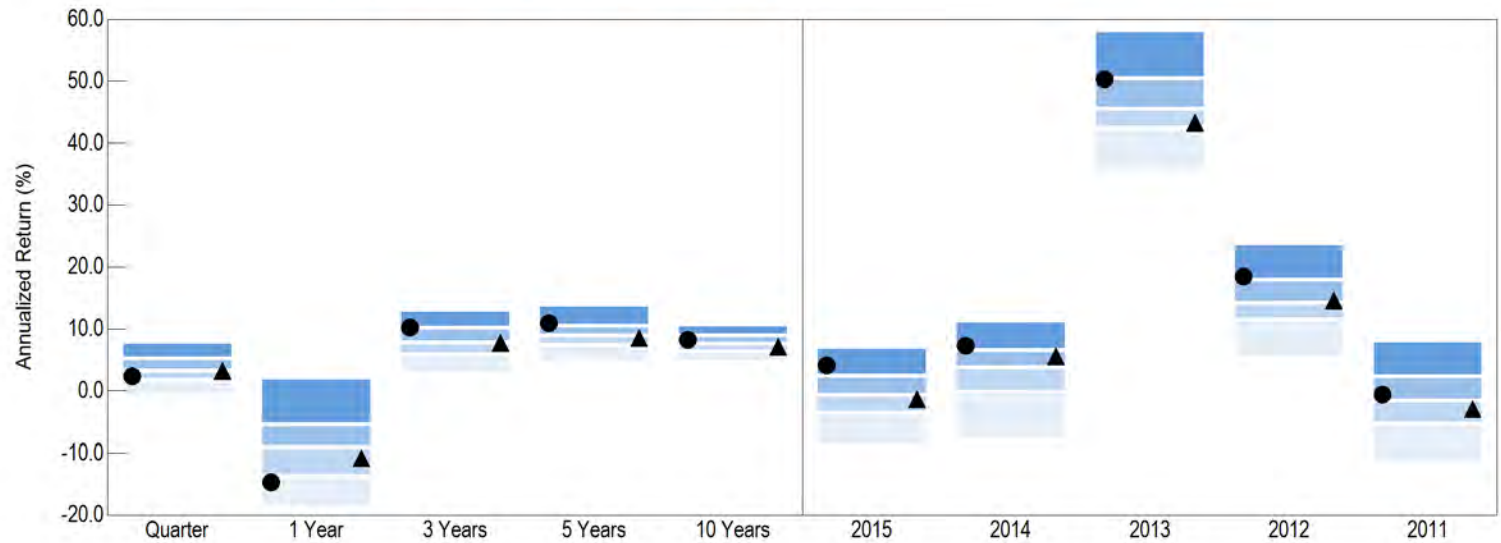
	Avg Wgt	Return	Contribution
8X8	1.61	45.23	0.73
VEEVA SYSTEMS CL.A	1.97	36.26	0.72
JACK IN THE BOX	1.48	35.07	0.52
TUTOR PERINI	0.99	51.54	0.51
VONAGE HOLDINGS	1.31	33.48	0.44
INSTALLED BUILDING PRDS.	1.19	36.38	0.43
WELLCARE HEALTH PLANS	1.78	15.67	0.28
DAVE & BUSTER'S ENTM.	1.27	20.65	0.26
TILE SHOP HOLDINGS	0.78	33.33	0.26
MACROGENICS	0.58	43.95	0.26

## Bottom Contributors

	Avg Wgt	Return	Contribution
CAVIUM	1.06	-36.89	-0.39
RED ROBIN	1.35	-26.43	-0.36
GMT.BURGERS	0.99	-35.38	-0.35
KORN FERRY INTERNATIONAL	1.21	-26.50	-0.32
M/A-COM TECHNOLOGY SLTN. HOLDINGS	1.07	-24.69	-0.27
EPAM SYSTEMS	1.80	-13.87	-0.25
SUPER MICRO COMPUTER	0.80	-27.08	-0.22
COMSCORE	1.04	-20.51	-0.21
MICROSEMI	1.40	-14.70	-0.21

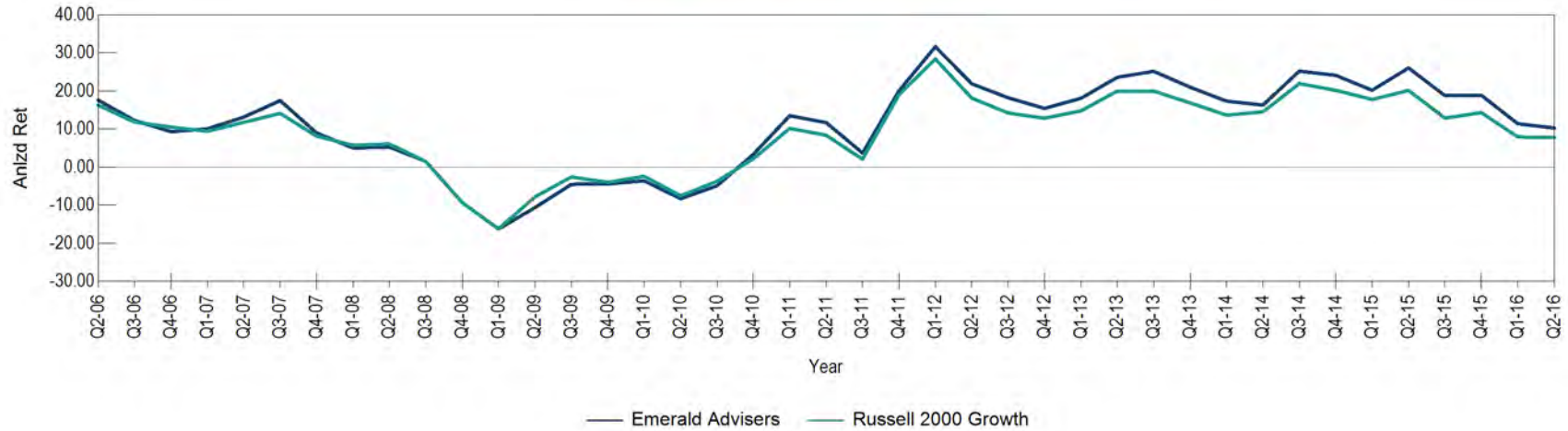
Unclassified sector allocation includes cash allocations.

Emerald Advisers vs. eA US Small Cap Growth Equity Gross Universe

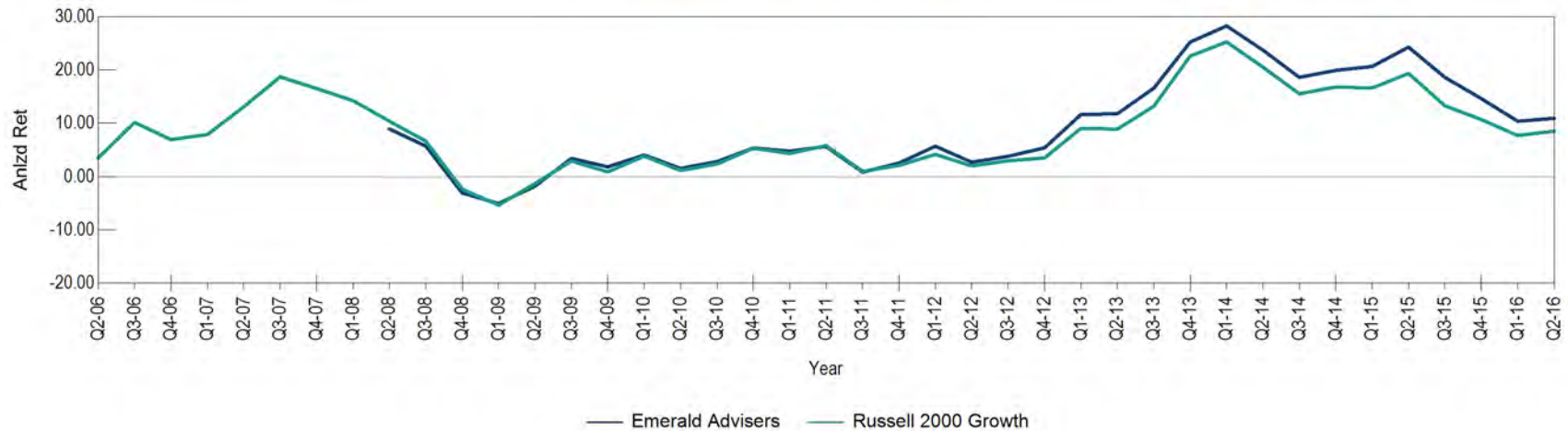


	Return (Rank)									
	Quarter	1 Year	3 Years	5 Years	10 Years	2015	2014	2013	2012	2011
5th Percentile	7.8	2.1	13.1	13.9	10.7	7.1	11.3	58.2	23.8	8.1
25th Percentile	5.3	-5.3	10.2	10.6	9.0	2.5	6.7	50.6	18.0	2.4
Median	3.4	-8.9	7.9	9.0	7.7	-0.6	3.9	45.6	14.3	-1.5
75th Percentile	1.8	-13.6	6.0	7.5	6.4	-3.5	-0.1	42.6	11.6	-5.2
95th Percentile	-0.7	-18.7	2.8	4.7	4.7	-8.7	-7.6	35.6	5.4	-11.5
# of Portfolios	156	156	152	145	119	154	161	160	162	166
● Emerald Advisers	2.3 (68)	-14.7 (81)	10.2 (25)	10.9 (22)	8.2 (39)	4.1 (19)	7.3 (21)	50.3 (27)	18.5 (22)	-0.6 (42)
▲ Russell 2000 Growth	3.2 (53)	-10.8 (61)	7.7 (54)	8.5 (58)	7.1 (62)	-1.4 (59)	5.6 (32)	43.3 (70)	14.6 (48)	-2.9 (60)

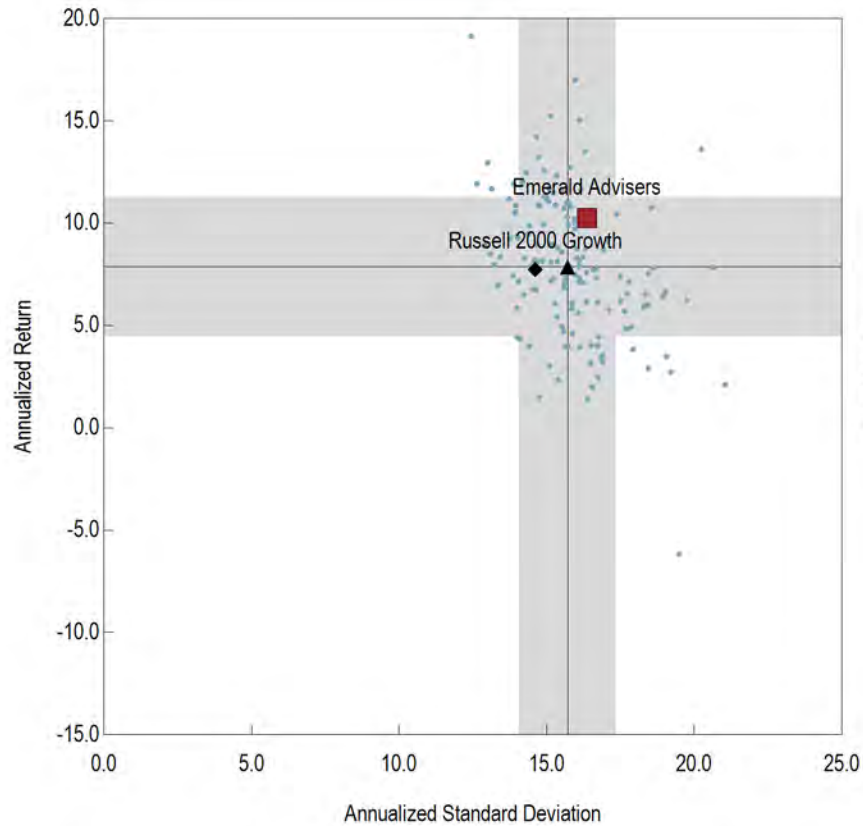
Rolling 3 Year Annualized Return (%)



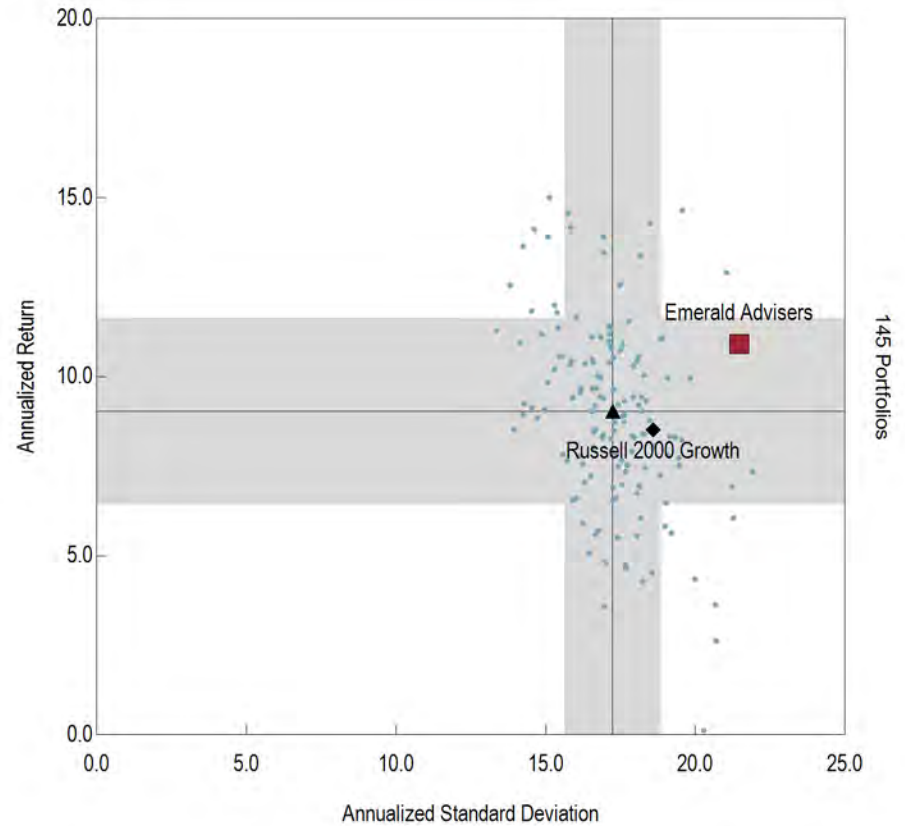
Rolling 5 Year Annualized Return (%)



3 Years



5 Years



3 Years

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio
Emerald Advisers	10.2%	16.4%	0.6
Russell 2000 Growth	7.7%	14.6%	0.5
eA US Small Cap Growth Equity Gross Median	7.9%	15.7%	0.5

5 Years

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio
Emerald Advisers	10.9%	21.5%	0.5
Russell 2000 Growth	8.5%	18.6%	0.5
eA US Small Cap Growth Equity Gross Median	9.0%	17.2%	0.5

# Ceredex Manager Portfolio Overview

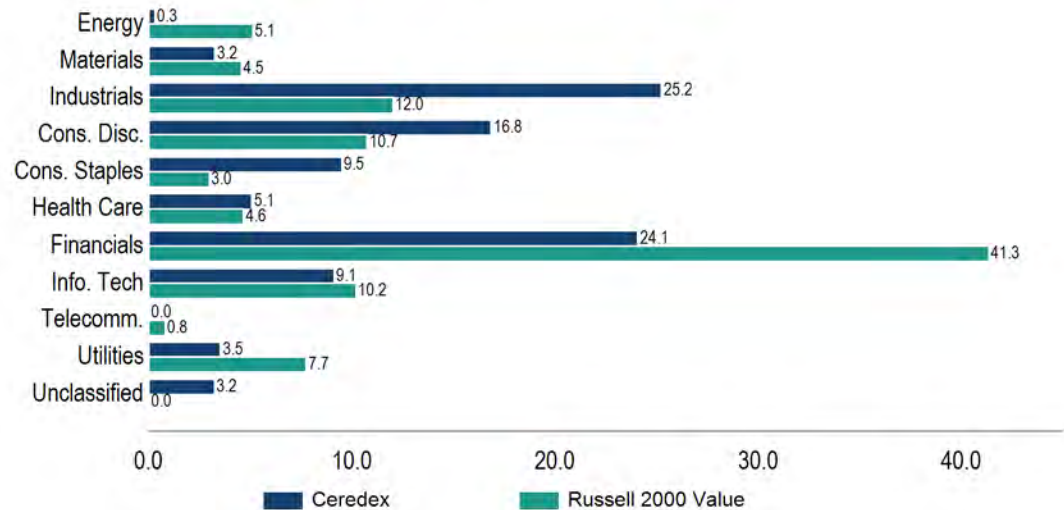
Period Ending: June 30, 2016

Domestic equity small cap value portfolio of companies with dividend yields and low valuations. Primary personnel include Brett Barner and David Maynard.

## Characteristics

	Portfolio	Russell 2000 Value
Number of Holdings	85	1,361
Weighted Avg. Market Cap. (\$B)	2.23	1.58
Median Market Cap. (\$B)	1.76	0.56
Price To Earnings	27.95	16.75
Price To Book	3.59	1.52
Price To Sales	1.88	2.26
Return on Equity (%)	12.94	7.06
Yield (%)	2.30	2.02
Beta	1.00	1.00

## Sector Allocation (%) vs Russell 2000 Value



## Largest Holdings

	End Weight	Return
FAIR ISAAC	4.95	6.54
ENERGIZER HOLDINGS	4.08	27.79
B & G FOODS	3.12	39.72
MEDICAL PROPS.TRUST	3.06	19.01
HANOVER INSURANCE GROUP	2.90	-5.70
AMC ENTERTAINMENT HDG. CL.A	2.68	-0.68
HILL-ROM HOLDINGS	2.64	0.63
HSN	2.49	-5.83
PRIMERICA	2.38	28.96
PLANTRONICS	2.22	12.67

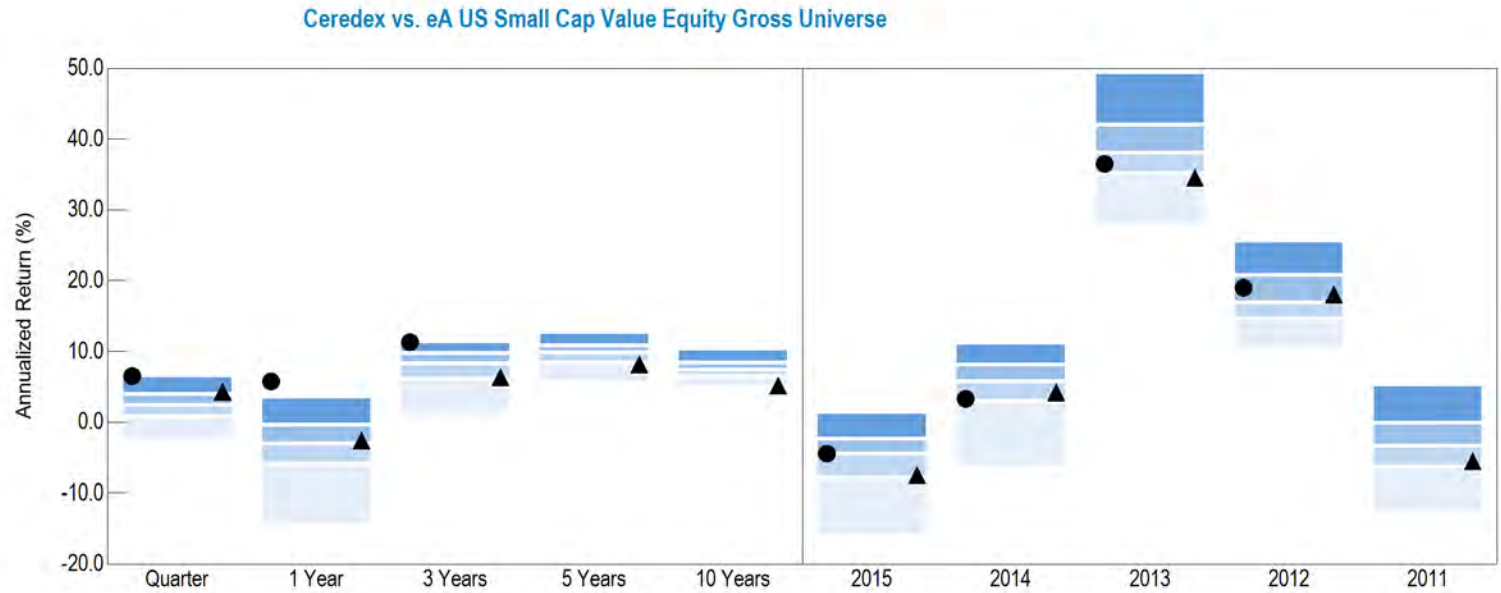
## Top Contributors

	Avg Wgt	Return	Contribution
HECLA MINING	1.86	83.56	1.55
B & G FOODS	2.53	39.72	1.00
ENERGIZER HOLDINGS	3.56	27.79	0.99
PRIMERICA	2.15	28.96	0.62
MEDICAL PROPS.TRUST	2.72	19.01	0.52
PROGRESSIVE WASTE (NYS) SLTN.	3.50	12.09	0.42
CAL.WATER SER.	1.07	31.52	0.34
MUELLER WATER PRODUCTS	2.09	15.92	0.33
FAIR ISAAC	4.96	6.54	0.32
OUTFRONT MEDIA	1.98	16.23	0.32

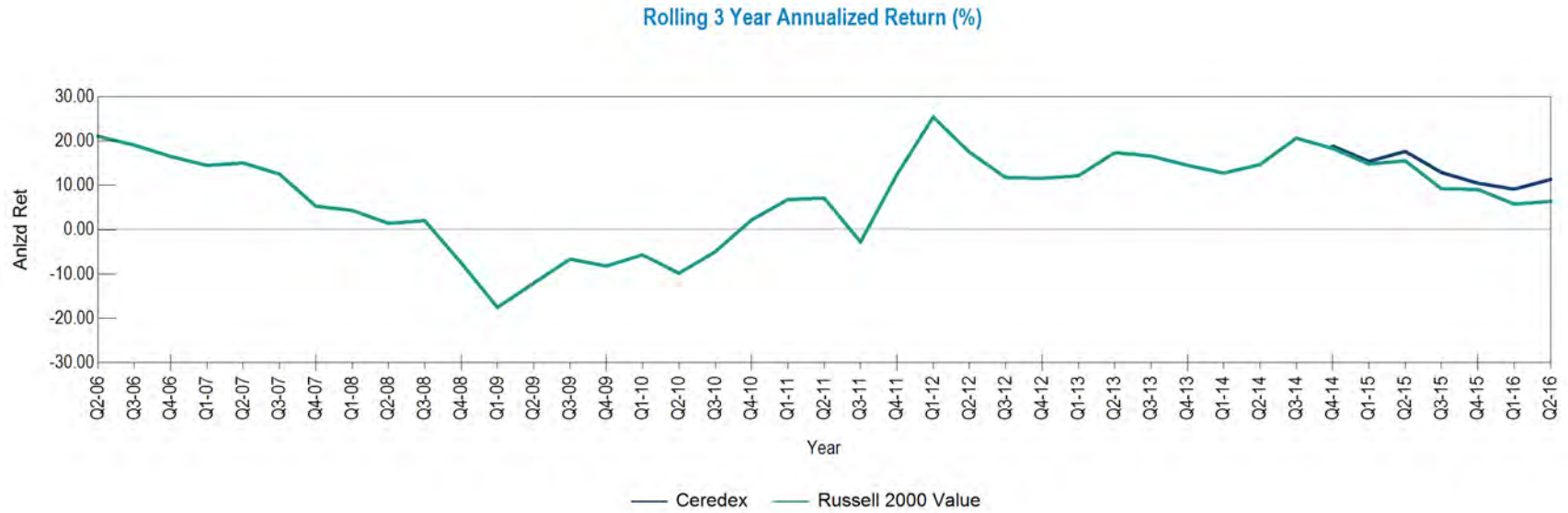
## Bottom Contributors

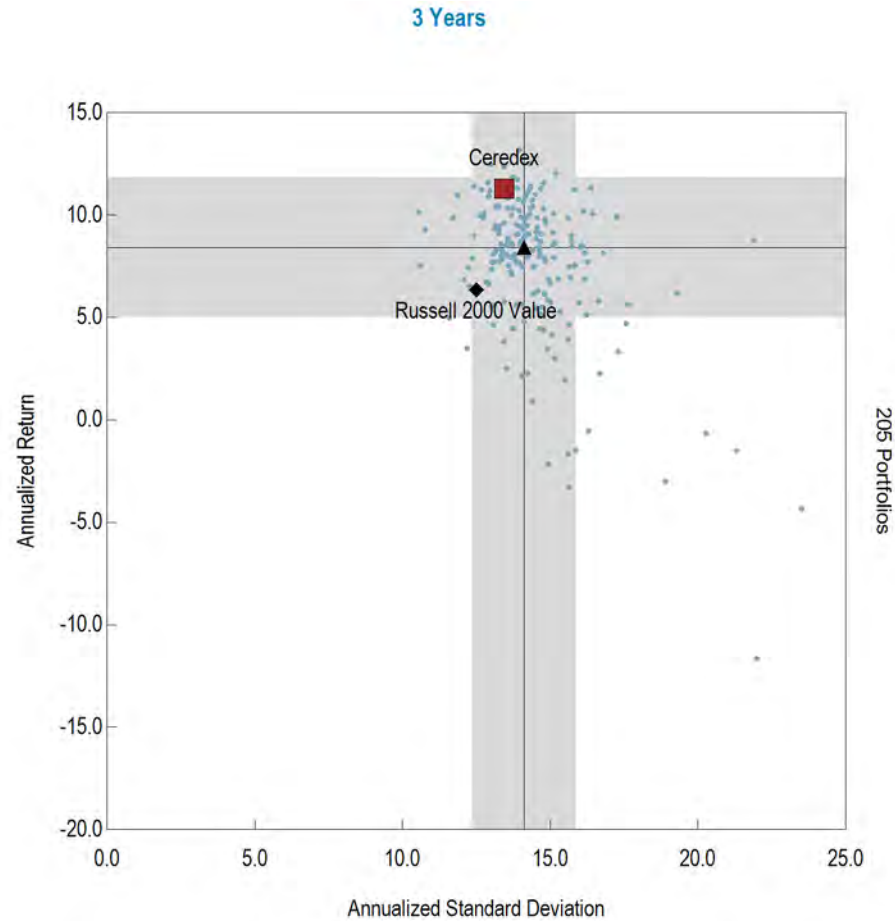
	Avg Wgt	Return	Contribution
GUESS	2.02	-18.67	-0.38
EVERCORE PARTNERS 'A'	1.99	-14.09	-0.28
BRISTOW GROUP	0.65	-39.41	-0.26
CHICO'S FAS	1.26	-18.72	-0.24
HANOVER INSURANCE GROUP	3.17	-5.70	-0.18
HSN	2.61	-5.83	-0.15
MDC PARTNERS 'A' (NAS)	0.56	-21.51	-0.12
DAKTRONICS	0.57	-19.66	-0.11
SONIC AUTOMOTIVE 'A'	1.10	-7.14	-0.08
HERMAN MILLER	2.33	-2.78	-0.06

Unclassified sector allocation includes cash allocations.



	Return (Rank)									
	Quarter	1 Year	3 Years	5 Years	10 Years	2015	2014	2013	2012	2011
5th Percentile	6.6	3.6	11.4	12.7	10.3	1.5	11.2	49.4	25.7	5.3
25th Percentile	4.1	-0.3	9.9	10.9	8.5	-2.2	8.2	42.1	20.8	0.0
Median	2.5	-2.9	8.4	9.9	7.5	-4.3	5.8	38.1	16.9	-3.3
75th Percentile	0.9	-5.8	6.2	8.5	6.5	-7.7	3.1	35.2	14.7	-6.2
95th Percentile	-2.6	-14.3	1.1	5.6	5.0	-15.8	-6.3	27.8	10.3	-12.6
# of Portfolios	211	211	205	197	153	212	206	199	187	177
● Ceredex	6.5 (6)	5.8 (3)	11.3 (7)	-- (--)	-- (--)	-4.4 (52)	3.3 (74)	36.5 (66)	19.0 (38)	-- (--)
▲ Russell 2000 Value	4.3 (22)	-2.6 (46)	6.4 (75)	8.1 (80)	5.2 (94)	-7.5 (74)	4.2 (68)	34.5 (78)	18.1 (43)	-5.5 (69)





3 Years

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio
Ceredex	11.3%	13.4%	0.8
Russell 2000 Value	6.4%	12.5%	0.5
eA US Small Cap Value Equity Gross Median	8.4%	14.1%	0.6



# International Equity Managers

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# Pyrford Manager Portfolio Overview

Period Ending: June 30, 2016

International equity value portfolio of non-US companies with low valuations at the country and stock level. Primary personnel include Tony Cousins, Daniel McDonagh, and Paul Simons.

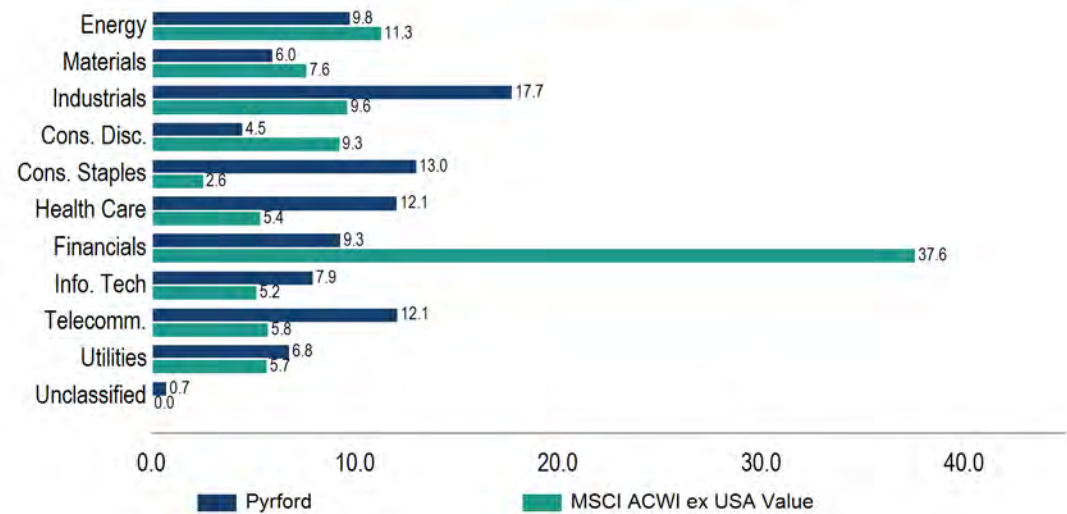
## Characteristics

	MSCI ACWI Portfolio	ex USA Value
Number of Holdings	75	1,038
Weighted Avg. Market Cap. (\$B)	55.23	43.92
Median Market Cap. (\$B)	18.15	6.10
Price To Earnings	21.83	12.87
Price To Book	3.47	1.35
Price To Sales	2.18	1.51
Return on Equity (%)	16.34	9.78
Yield (%)	3.64	4.30
Beta		1.00

## Country Allocation

	Manager Ending Allocation (USD)	Index Ending Allocation (USD)
<b>Totals</b>		
Developed	92.6%	77.4%
Emerging*	7.4%	22.6%
<b>Top 10 Largest Countries</b>		
Switzerland	14.2%	3.3%
United Kingdom	14.1%	16.4%
Australia	10.1%	5.1%
Japan	8.8%	16.4%
France	7.4%	8.1%
Germany	7.0%	5.8%
Hong Kong	6.5%	2.4%
Netherlands	6.1%	1.0%
Singapore	4.7%	1.0%
Sweden	4.4%	2.0%
<b>Total-Top 10 Largest Countries</b>	<b>83.3%</b>	<b>61.4%</b>

## Sector Allocation (%) vs MSCI ACWI ex USA Value



## Top Contributors

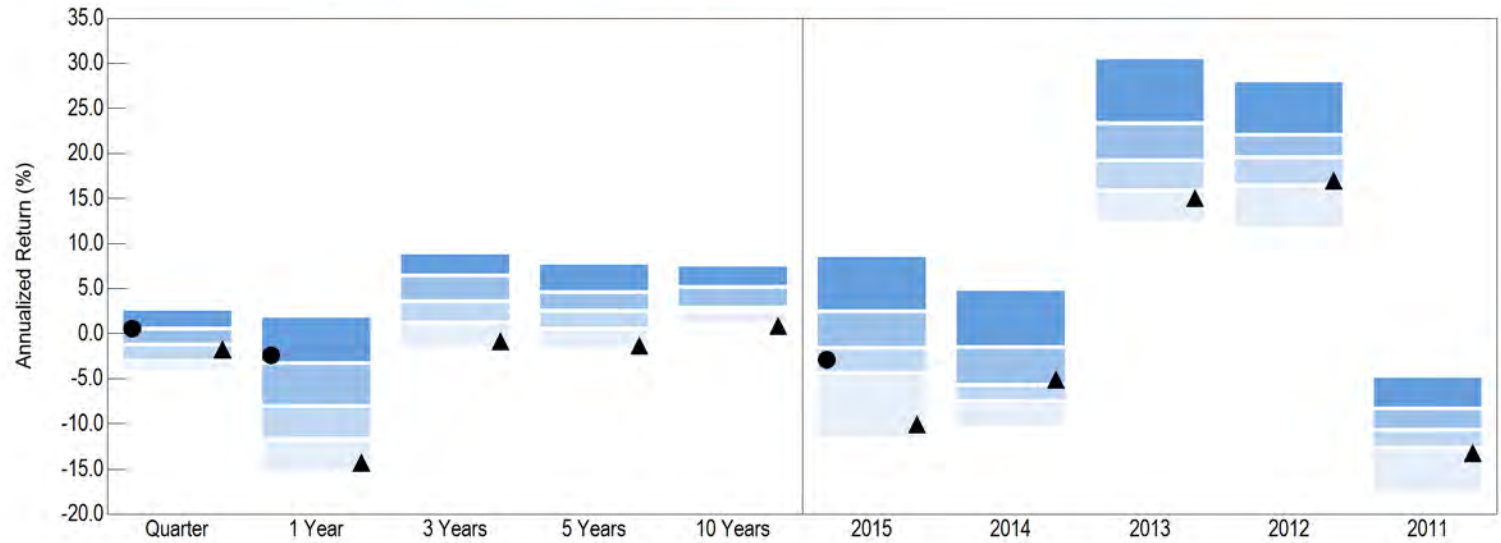
	Avg Wgt	Return	Contribution
META FINANCIAL GROUP	2.94	12.04	0.35
NOVARTIS 'R'	2.46	13.03	0.32
NEWCREST MINING	0.83	31.27	0.26
ROYAL DUTCH SHELL A	1.49	14.88	0.22
KDDI	1.55	13.46	0.21
ZURICH INSURANCE GROUP	1.44	14.24	0.20
NESTLE 'R'	3.29	6.11	0.20
MITSUBISHI ELECTRIC	1.53	12.20	0.19
BRITISH AMERICAN TOBACCO	1.84	10.13	0.19
ROCHE HOLDING	2.71	6.35	0.17

## Bottom Contributors

	Avg Wgt	Return	Contribution
LEGAL & GENERAL	1.62	-21.29	-0.34
SKY	1.25	-22.98	-0.29
BRENTAG	1.57	-15.21	-0.24
FUCHS PETROLUB PREF.	1.69	-10.73	-0.18
VTECH HOLDINGS	1.29	-11.47	-0.15
SUMITOMO RUBBER INDS.	1.21	-12.21	-0.15
MALAYAN BANKING	1.46	-9.60	-0.14
COMPUTERSHARE	1.48	-9.24	-0.14
WOOLWORTHS	1.61	-8.51	-0.14
ASM PACIFIC TECH.	1.32	-8.29	-0.11

Unclassified sector allocation includes cash allocations.

Pyrford vs. eA ACWI ex-US Value Equity Gross Universe



	Return (Rank)															
5th Percentile	2.7	2.0	9.0	7.8	7.6	8.7	4.9	30.7	28.1	-4.7						
25th Percentile	0.6	-3.3	6.5	4.7	5.2	2.5	-1.4	23.4	22.1	-8.2						
Median	-1.2	-8.0	3.6	2.6	3.0	-1.6	-5.7	19.3	19.6	-10.7						
75th Percentile	-3.0	-11.6	1.3	0.6	2.5	-4.3	-7.4	15.9	16.5	-12.6						
95th Percentile	-4.0	-15.2	-1.6	-1.6	1.1	-11.6	-10.4	12.4	11.7	-17.7						
# of Portfolios	47	47	43	37	27	45	37	34	32	26						
● Pyrford	0.5 (30)	-2.4 (18)	-- (--)	-- (--)	-- (--)	-2.9 (59)	-- (--)	-- (--)	-- (--)	-- (--)						
▲ MSCI ACWI ex USA Value	-1.8 (55)	-14.3 (85)	-0.8 (88)	-1.4 (88)	0.9 (97)	-10.1 (93)	-5.1 (49)	15.0 (83)	17.0 (74)	-13.2 (81)						

# William Blair Manager Portfolio Overview

Period Ending: June 30, 2016

International equity growth portfolio of non-US companies with high growth rates constructed from the security level. Primary personnel include Simon Fennell and Jeffrey Urbina.

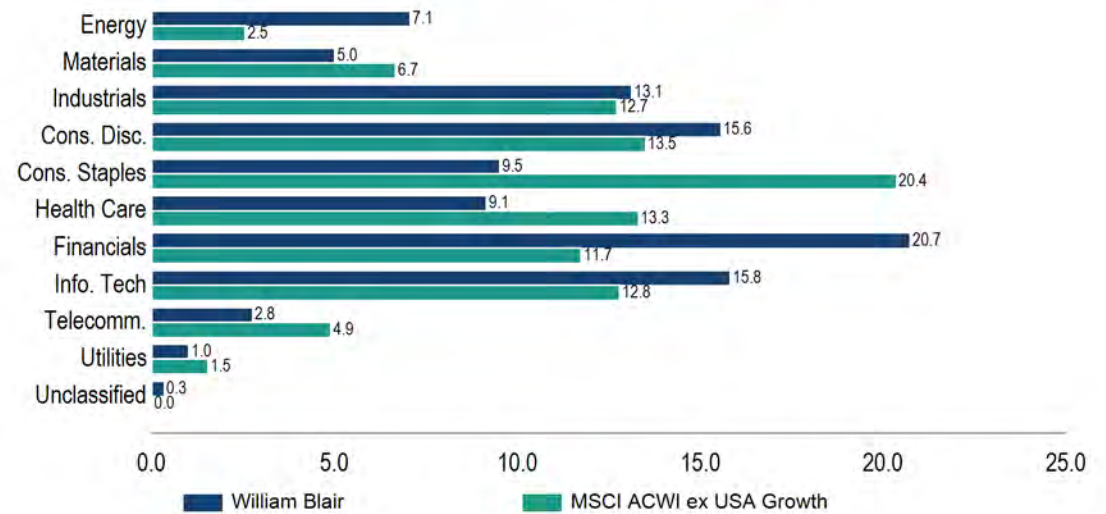
## Characteristics

	Portfolio	MSCI ACWI ex USA Growth
Number of Holdings	201	1,060
Weighted Avg. Market Cap. (\$B)	37.40	52.18
Median Market Cap. (\$B)	8.93	6.74
Price To Earnings	22.90	23.56
Price To Book	4.87	3.98
Price To Sales	3.30	3.18
Return on Equity (%)	21.76	18.45
Yield (%)	2.34	2.17
Beta	0.97	1.00

## Country Allocation

	Manager Ending Allocation (USD)	Index Ending Allocation (USD)
<b>Totals</b>		
Developed	83.7%	77.9%
Emerging*	16.3%	22.1%
<b>Top 10 Largest Countries</b>		
United Kingdom	15.9%	11.3%
Japan	14.6%	16.8%
France	11.8%	5.5%
Canada	7.1%	6.6%
Switzerland	4.2%	9.6%
Germany	3.8%	6.5%
Hong Kong	3.7%	2.5%
Korea*	3.7%	3.2%
Denmark	3.3%	2.2%
Australia	3.1%	5.1%
<b>Total-Top 10 Largest Countries</b>	<b>71.2%</b>	<b>69.3%</b>

## Sector Allocation (%) vs MSCI ACWI ex USA Growth



## Top Contributors

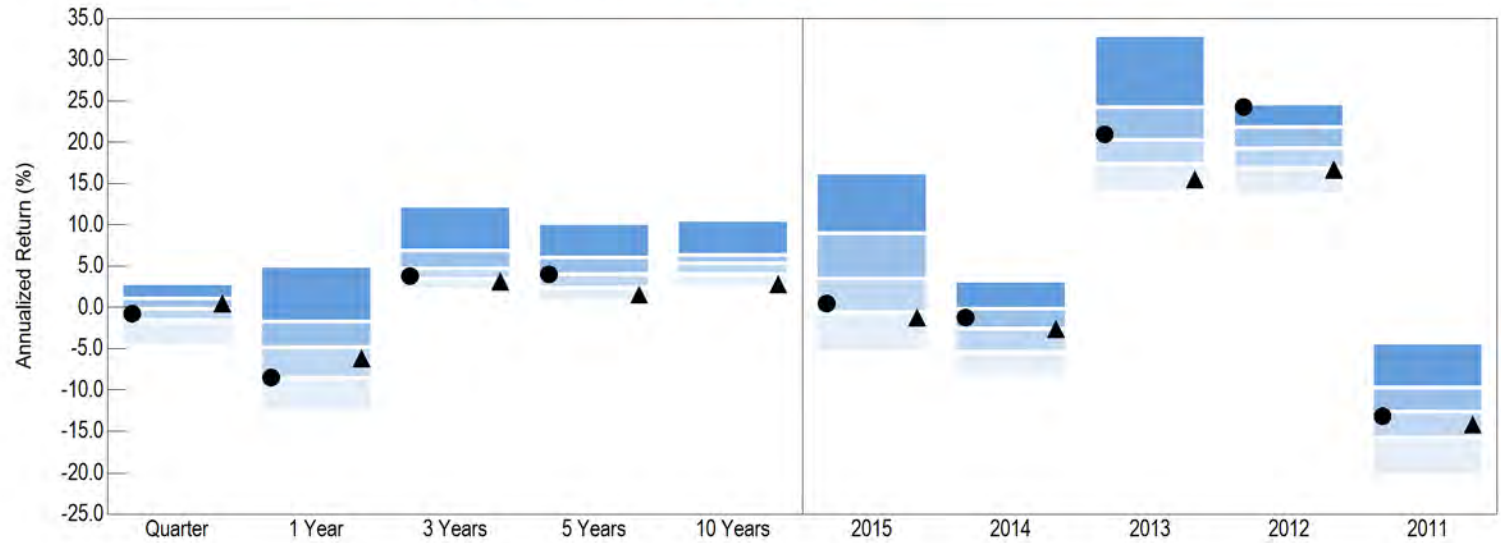
	Avg Wgt	Return	Contribution
ROYAL DUTCH SHELL A	1.49	14.88	0.22
NETEASE ADR 1:25	0.55	35.17	0.19
META FINANCIAL GROUP	1.55	12.04	0.19
KDDI	1.09	13.46	0.15
AMBEV SPONSORED ADR 1:1	0.99	14.09	0.14
TOTAL	1.81	7.08	0.13
KEYENCE	0.53	23.48	0.12
UNILEVER (UK)	1.84	6.46	0.12
ACTELION	0.93	12.72	0.12
TAISEI	0.49	23.40	0.11

## Bottom Contributors

	Avg Wgt	Return	Contribution
INTESA SANPAOLO	0.77	-27.44	-0.21
ITV	0.69	-26.38	-0.18
EASYJET	0.52	-33.50	-0.18
CONTINENTAL	1.15	-15.02	-0.17
PROVIDENT FINANCIAL	0.61	-25.76	-0.16
ORIX	1.32	-10.74	-0.14
VALEO	1.06	-12.31	-0.13
PROSIEBENSAT 1 MEDIA	0.83	-15.18	-0.13
TUI	0.46	-26.92	-0.12
AXA	1.03	-11.59	-0.12

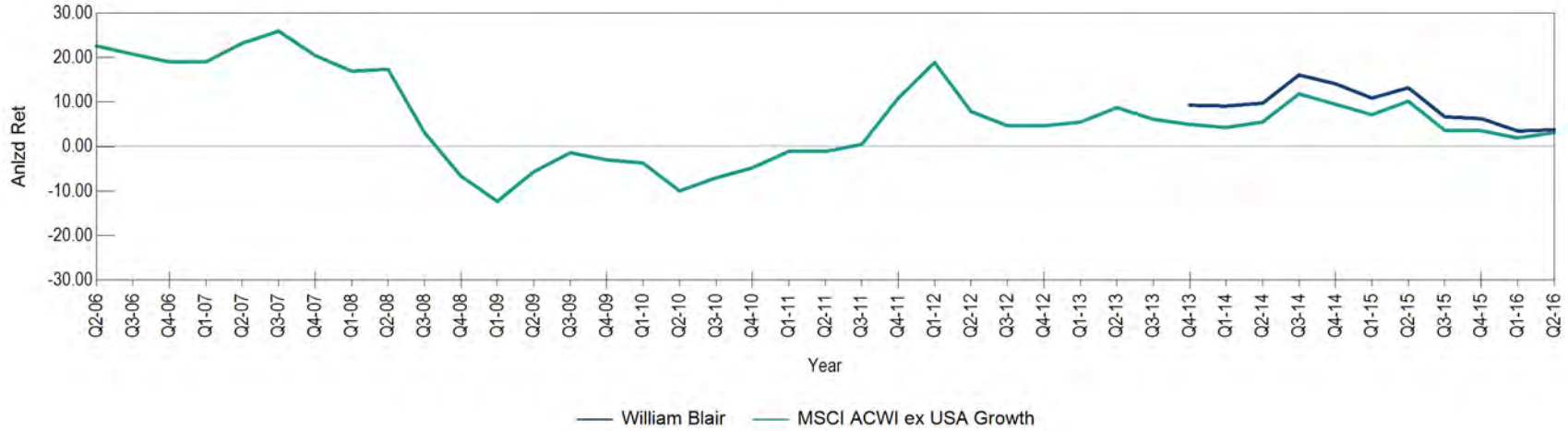
Unclassified sector allocation includes cash allocations.

William Blair vs. eA ACWI ex-US Growth Equity Gross Universe

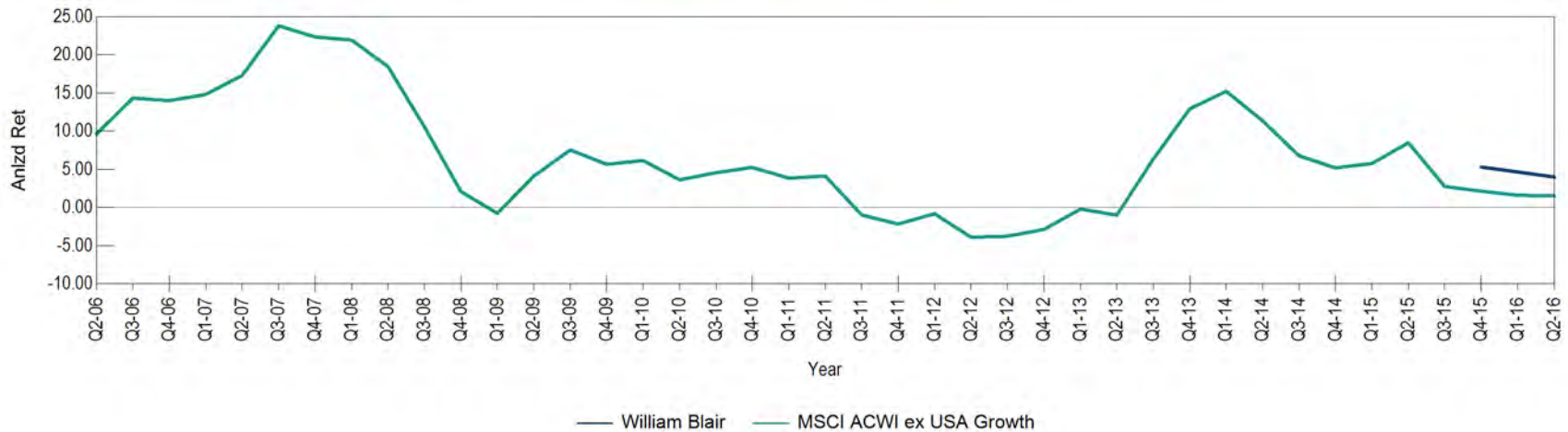


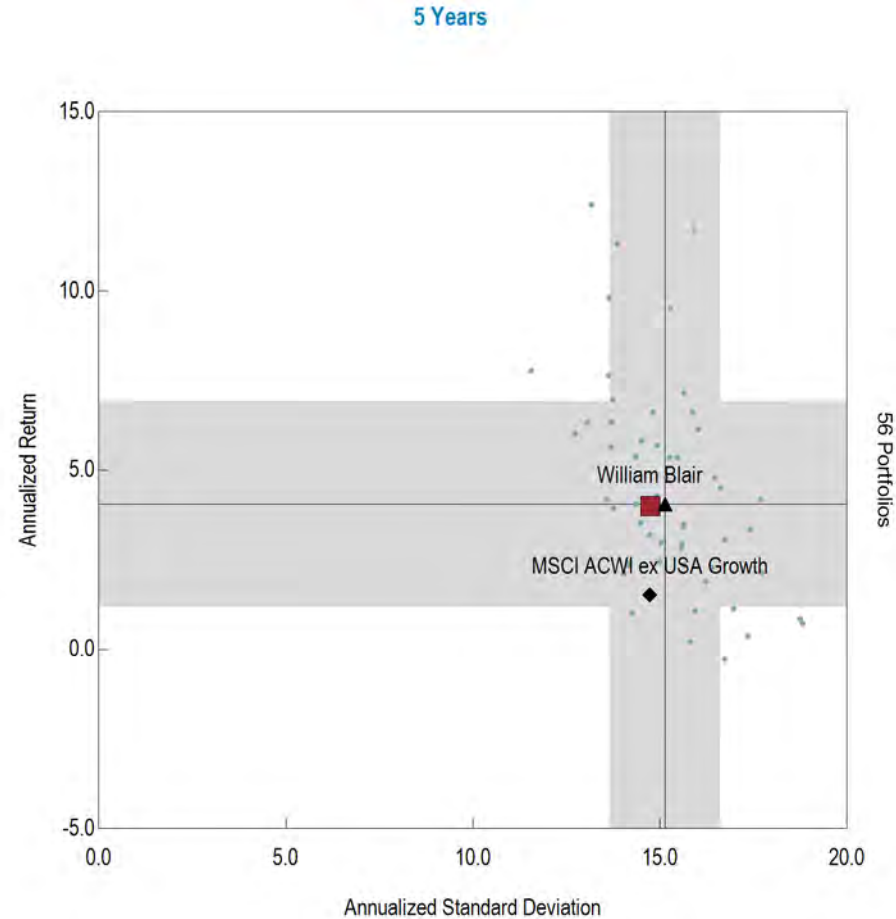
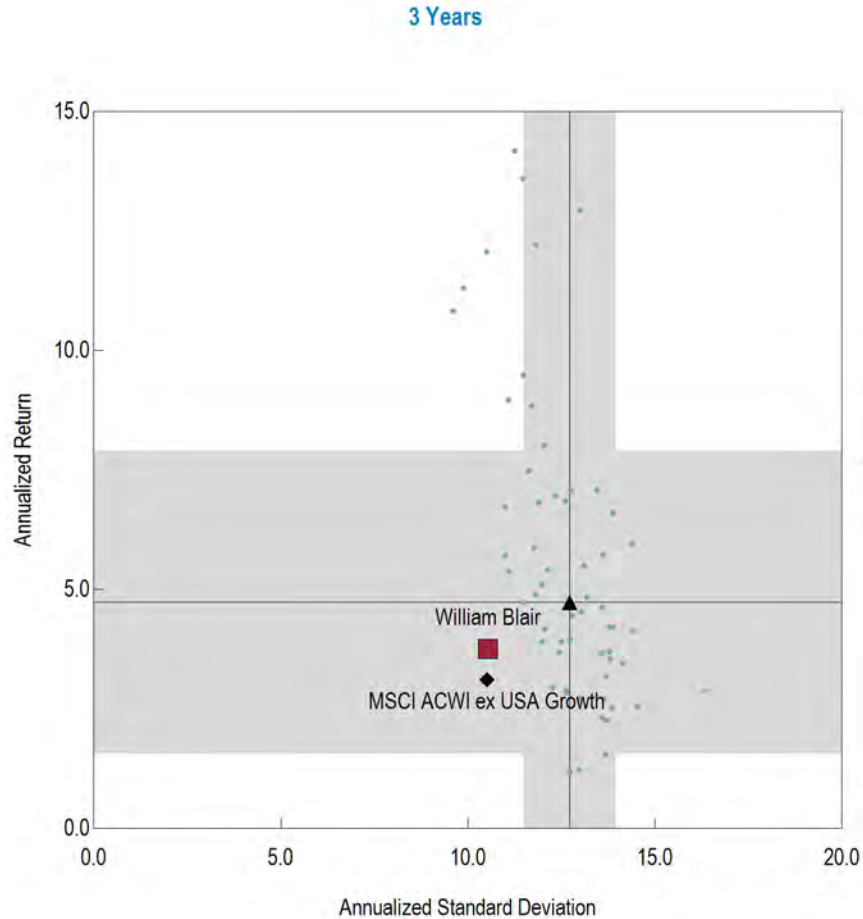
	Quarter	1 Year	3 Years	5 Years	10 Years	2015	2014	2013	2012	2011
<b>5th Percentile</b>	2.9	4.9	12.3	10.2	10.6	16.3	3.2	33.0	24.6	-4.3
<b>25th Percentile</b>	1.1	-1.7	6.9	6.0	6.4	9.0	-0.1	24.3	21.9	-9.7
<b>Median</b>	-0.2	-4.8	4.7	4.1	5.3	3.5	-2.5	20.3	19.3	-12.6
<b>75th Percentile</b>	-1.5	-8.5	3.5	2.4	4.1	-0.5	-5.3	17.5	16.9	-15.7
<b>95th Percentile</b>	-4.5	-12.6	2.2	0.6	2.6	-5.4	-8.2	14.0	13.7	-20.3
<b># of Portfolios</b>	65	65	59	56	41	70	50	46	51	51
<b>● William Blair</b>	-0.8 (64)	-8.5 (75)	3.8 (69)	4.0 (52)	-- (--)	0.5 (69)	-1.2 (37)	20.9 (44)	24.3 (6)	-13.2 (55)
<b>▲ MSCI ACWI ex USA Growth</b>	0.5 (37)	-6.2 (56)	3.1 (79)	1.5 (87)	2.8 (92)	-1.3 (83)	-2.6 (53)	15.5 (87)	16.7 (78)	-14.2 (62)

Rolling 3 Year Annualized Return (%)



Rolling 5 Year Annualized Return (%)





	3 Years				5 Years		
	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio		Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio
William Blair	3.8%	10.5%	0.4	William Blair	4.0%	14.7%	0.3
MSCI ACWI ex USA Growth	3.1%	10.5%	0.3	MSCI ACWI ex USA Growth	1.5%	14.7%	0.1
eA ACWI ex-US Growth Equity Gross Median	4.7%	12.7%	0.4	eA ACWI ex-US Growth Equity Gross Median	4.1%	15.1%	0.3

## Global Equity Managers

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# Artisan Partners Manager Portfolio Overview

Period Ending: June 30, 2016

Global equity portfolio of companies that is benchmark agnostic with accelerating profit cycles and a focus on capital allocation. Primary personnel include James Hamel, Craig Cepukenas, and Matthew Kamm.

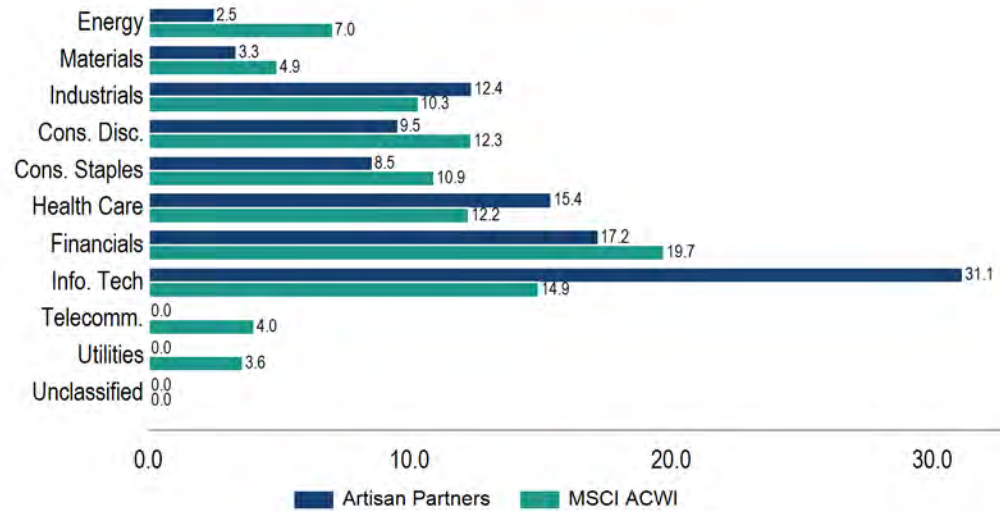
## Characteristics

	Portfolio	MSCI ACWI
Number of Holdings	47	2,481
Weighted Avg. Market Cap. (\$B)	53.95	87.64
Median Market Cap. (\$B)	19.99	8.09
Price To Earnings	33.31	21.27
Price To Book	6.32	3.22
Price To Sales	5.97	2.67
Return on Equity (%)	15.72	15.45
Yield (%)	0.83	2.63
Beta	0.99	1.00

## Country Allocation

	Manager Ending Allocation (USD)	Index Ending Allocation (USD)
<b>Totals</b>		
Developed	94.5%	89.6%
Emerging*	5.5%	10.4%
<b>Top 10 Largest Countries</b>		
United States	63.2%	53.5%
United Kingdom	7.4%	6.4%
Japan	6.7%	7.7%
Hong Kong	5.1%	1.1%
Denmark	3.5%	0.6%
Australia	3.4%	2.4%
France	2.3%	3.2%
Germany	2.1%	2.8%
Brazil*	1.9%	0.8%
Korea*	1.4%	1.5%
<b>Total-Top 10 Largest Countries</b>	<b>97.1%</b>	<b>80.1%</b>

## Sector Allocation (%) vs MSCI ACWI



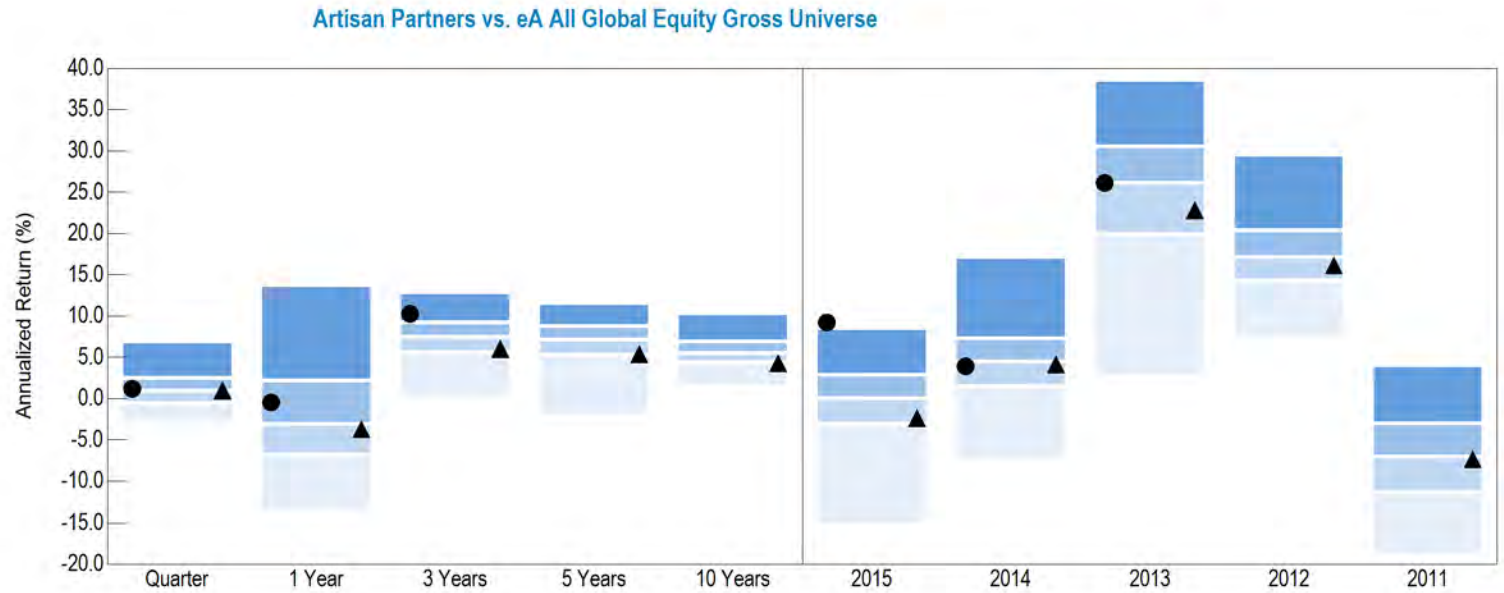
## Top Contributors

	Avg Wgt	Return	Contribution
HERMES MICROVISION	2.07	44.33	0.92
GENMAB	2.56	30.17	0.77
APPLIED MATS.	5.45	13.65	0.74
RAIA DROGASIL ON	1.52	34.12	0.52
PROSHARES ULTRA SEMICS.	6.59	6.59	0.43
TENCENT HOLDINGS	3.22	11.48	0.37
ASOS	2.03	14.10	0.29
JAMES HARDIE INDS.CDI.	2.08	12.90	0.27
ELECTRONIC ARTS	1.54	14.60	0.23
WEIR GROUP	0.84	23.85	0.20

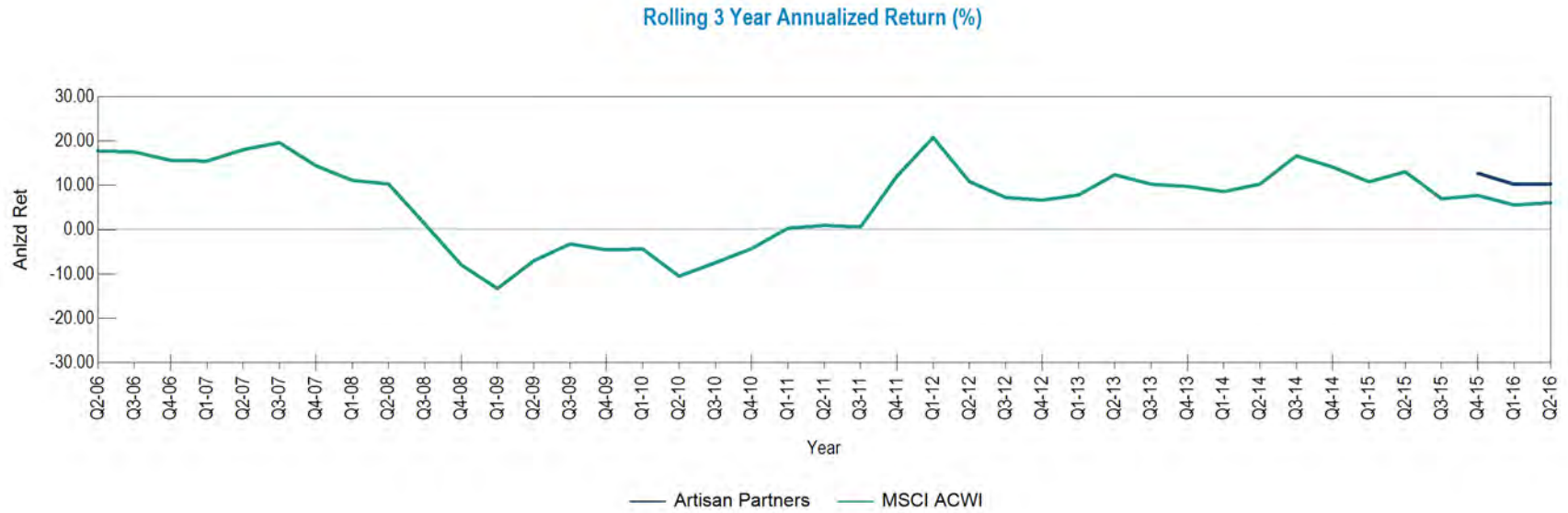
## Bottom Contributors

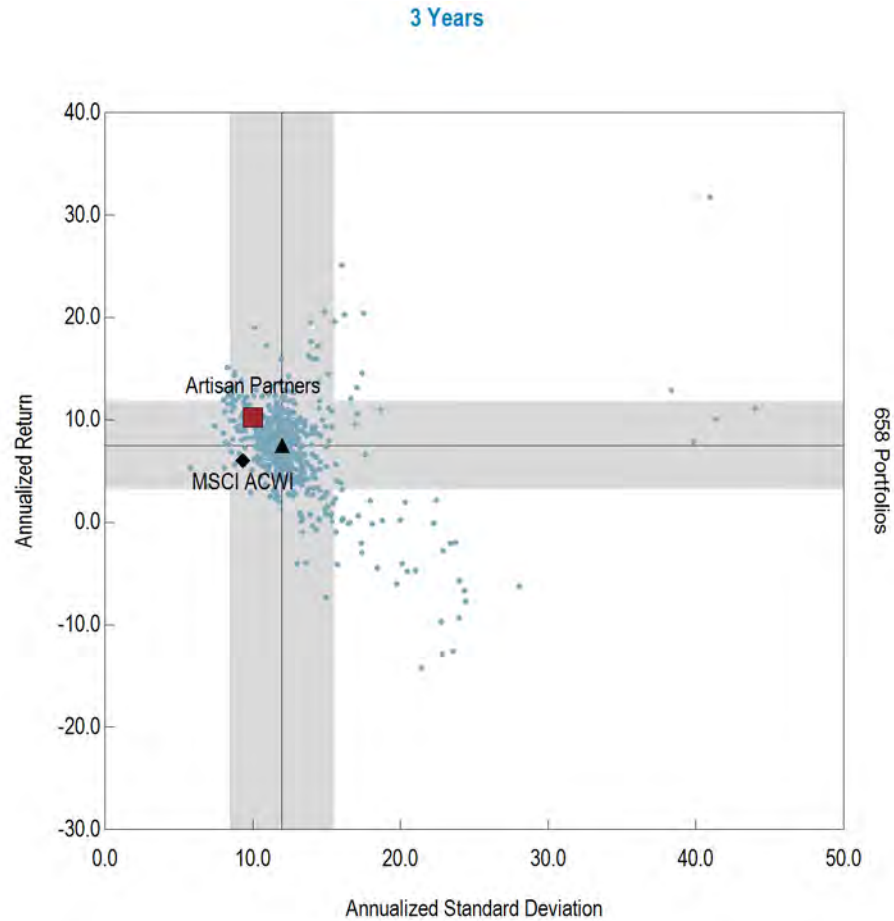
	Avg Wgt	Return	Contribution
APPLE	3.51	-11.75	-0.41
ILLUMINA	2.89	-13.40	-0.39
IHS 'A'	5.16	-6.89	-0.36
HEXAGON 'B'	5.19	-6.19	-0.32
BIOGEN	3.73	-7.11	-0.27
BURBERRY GROUP	1.06	-20.96	-0.22
ASSOCIATED	0.87	-24.22	-0.21
BRIT.FOODS	0.87	-24.22	-0.21
MARKIT	2.60	-7.78	-0.20
CHIPOTLE MEXN.GRILL	1.27	-14.48	-0.18
ZALANDO	0.97	-18.80	-0.18

Unclassified sector allocation includes cash allocations.



	Return (Rank)									
	Quarter	1 Year	3 Years	5 Years	10 Years	2015	2014	2013	2012	2011
5th Percentile	6.9	13.7	12.8	11.5	10.3	8.5	17.1	38.6	29.5	4.0
25th Percentile	2.6	2.2	9.3	8.8	7.0	3.0	7.4	30.6	20.4	-3.0
Median	1.0	-3.0	7.5	7.2	5.6	0.1	4.6	26.2	17.2	-7.0
75th Percentile	-0.5	-6.7	5.6	5.4	4.5	-2.9	1.5	20.0	14.4	-11.2
95th Percentile	-3.0	-13.4	0.1	-2.0	1.6	-15.1	-7.4	2.7	7.4	-18.7
# of Portfolios	699	698	658	564	298	692	609	552	475	434
● Artisan Partners	1.2 (47)	-0.5 (35)	10.3 (16)	-- (--)	-- (--)	9.2 (4)	3.9 (56)	26.1 (51)	-- (--)	-- (--)
▲ MSCI ACWI	1.0 (51)	-3.7 (55)	6.0 (73)	5.4 (75)	4.3 (79)	-2.4 (73)	4.2 (54)	22.8 (66)	16.1 (61)	-7.3 (53)





3 Years

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio
Artisan Partners	10.3%	10.0%	1.0
MSCI ACWI	6.0%	9.3%	0.6
eA All Global Equity Gross Median	7.5%	12.0%	0.6

# First Eagle Manager Portfolio Overview

Period Ending: June 30, 2016

Global equity portfolio that is benchmark agnostic comprised of companies with low valuations. Primary personnel include Matt McLennan and Kimball Brooker.

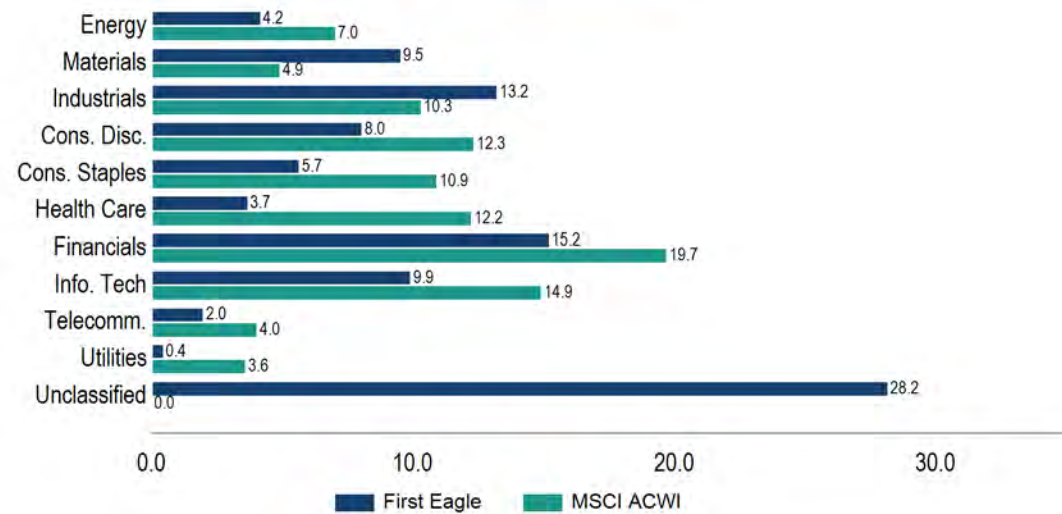
## Characteristics

	Portfolio	MSCI ACWI
Number of Holdings	193	2,481
Weighted Avg. Market Cap. (\$B)	51.34	87.64
Median Market Cap. (\$B)	14.05	8.09
Price To Earnings	19.93	21.27
Price To Book	3.31	3.22
Price To Sales	2.74	2.67
Return on Equity (%)	14.65	15.45
Yield (%)	2.04	2.63
Beta	0.74	1.00

## Country Allocation

	Manager Ending Allocation (USD)	Index Ending Allocation (USD)
<b>Totals</b>		
Developed	78.1%	89.6%
Emerging*	3.6%	10.4%
Cash	18.3%	
<b>Top 10 Largest Countries</b>		
United States	44.9%	53.5%
Cash	18.3%	0.0%
Japan	12.5%	7.7%
France	5.0%	3.2%
Canada	4.3%	3.2%
United Kingdom	3.2%	6.4%
Mexico*	1.5%	0.4%
Korea*	1.5%	1.5%
Germany	1.4%	2.8%
Singapore	1.3%	0.4%
<b>Total-Top 10 Largest Countries</b>	<b>93.8%</b>	<b>79.2%</b>

## Sector Allocation (%) vs MSCI ACWI



## Top Contributors

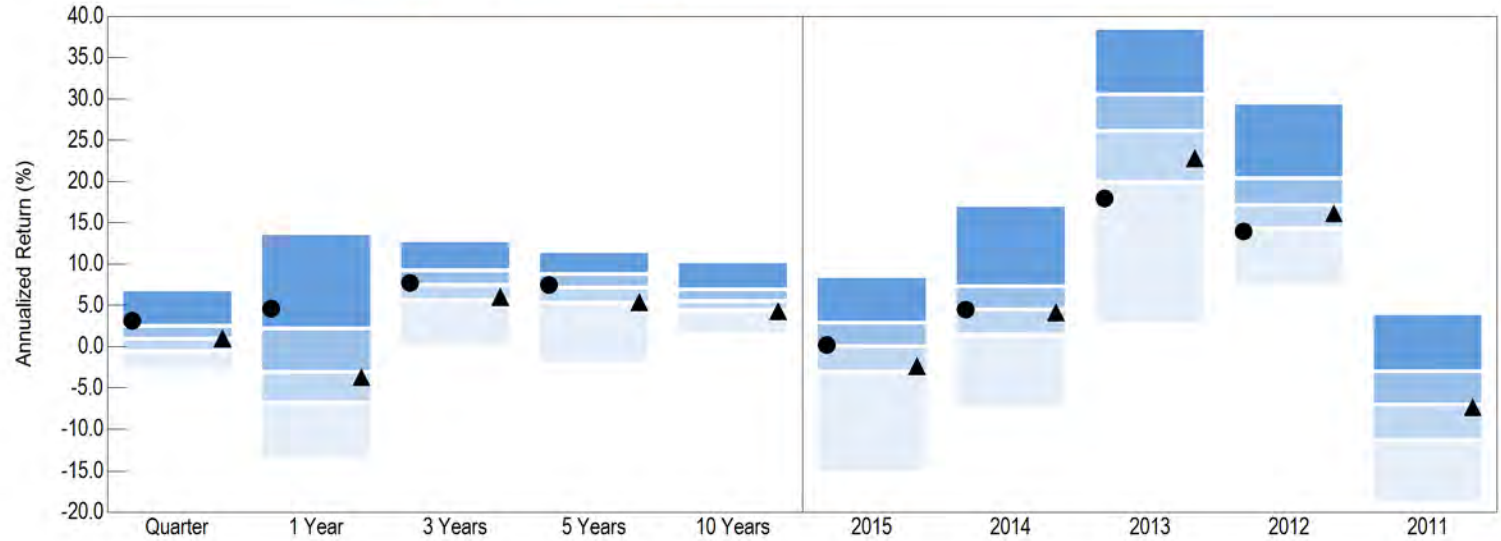
	Avg Wgt	Return	Contribution
BARRICK GOLD (NYS)	0.75	57.40	0.43
NEWCREST MINING	1.04	31.27	0.33
FRESNILLO	0.54	60.88	0.33
KEYENCE	1.28	23.48	0.30
AGNICO EAGLE MINES	0.64	46.81	0.30
KDDI	1.93	13.46	0.26
KT & G	0.78	23.20	0.18
DEVON ENERGY	0.45	32.33	0.15
COMCAST 'A'	2.00	7.21	0.14
INDUST PENOLES	0.16	87.31	0.14

## Bottom Contributors

	Avg Wgt	Return	Contribution
BOUYGUES	0.85	-25.65	-0.22
BERKELEY GROUP HDG.(THE)	0.65	-27.08	-0.18
HEIDELBERGCEMENT	1.37	-11.20	-0.15
MICROSOFT	1.76	-6.69	-0.12
LIBERTY GLOBAL SR.C	0.64	-12.08	-0.08
SAINT GOBAIN	0.65	-10.78	-0.07
SOMPO JAPAN NPNK.HDG.	0.96	-7.26	-0.07
SYNCHRONY FINANCIAL	0.54	-11.79	-0.06
KIA MOTORS	0.56	-11.20	-0.06
LOTTE CONFECTIONERY	0.23	-24.42	-0.06

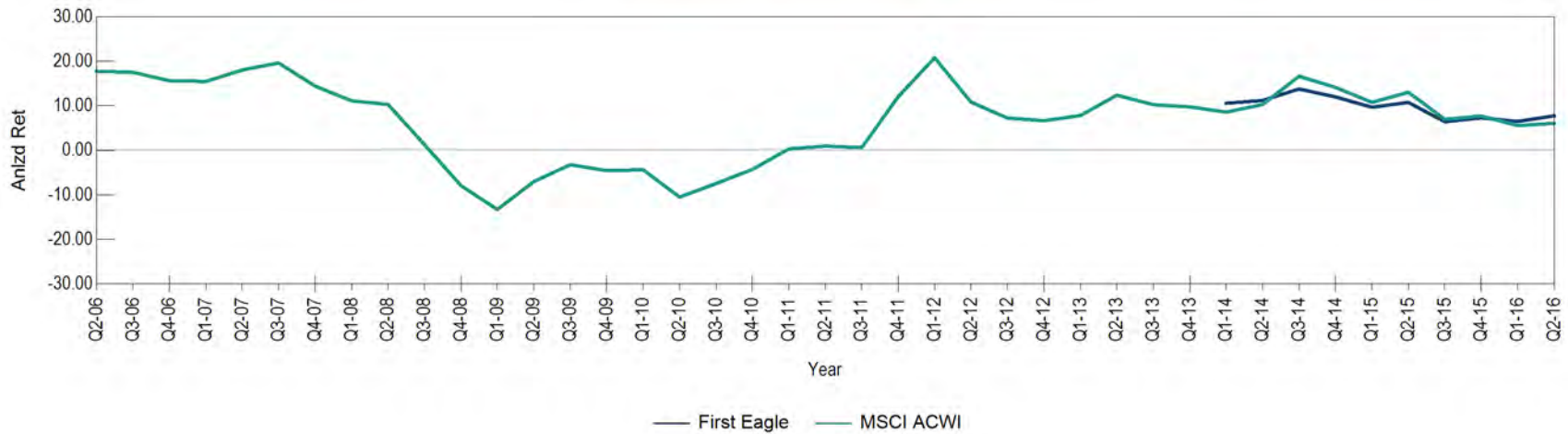
Unclassified sector allocation includes cash allocations and Gold allocations (6.7% as of 6/30/2016).

First Eagle vs. eA All Global Equity Gross Universe

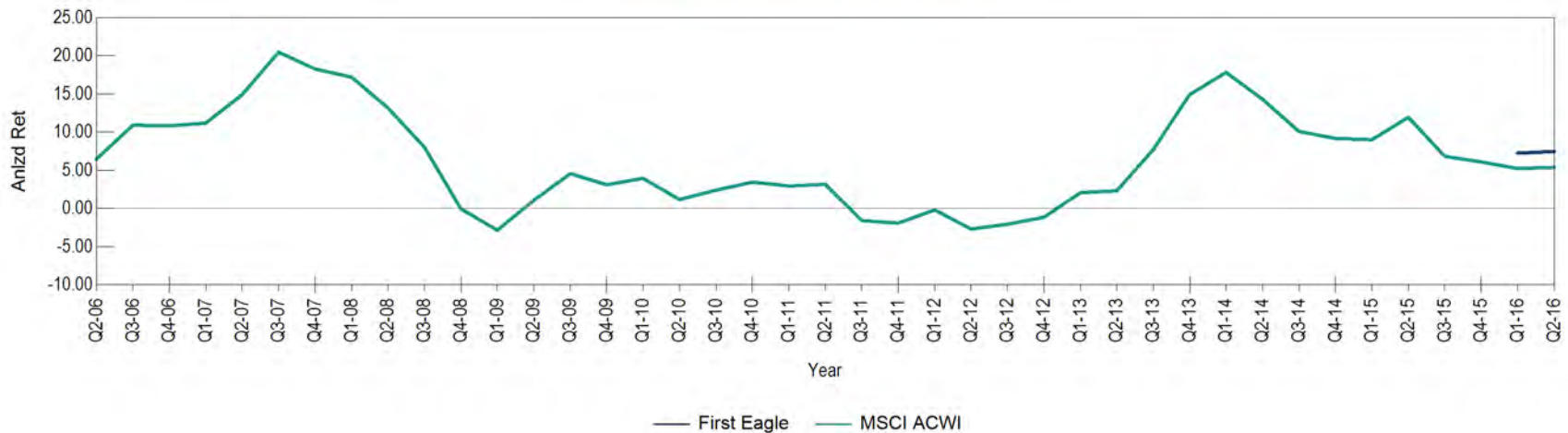


	Return (Rank)									
5th Percentile	6.9	13.7	12.8	11.5	10.3	8.5	17.1	38.6	29.5	4.0
25th Percentile	2.6	2.2	9.3	8.8	7.0	3.0	7.4	30.6	20.4	-3.0
Median	1.0	-3.0	7.5	7.2	5.6	0.1	4.6	26.2	17.2	-7.0
75th Percentile	-0.5	-6.7	5.6	5.4	4.5	-2.9	1.5	20.0	14.4	-11.2
95th Percentile	-3.0	-13.4	0.1	-2.0	1.6	-15.1	-7.4	2.7	7.4	-18.7
# of Portfolios	699	698	658	564	298	692	609	552	475	434
● First Eagle	3.1 (20)	4.6 (20)	7.7 (48)	7.5 (45)	-- (--)	0.2 (49)	4.5 (51)	17.9 (80)	13.9 (78)	-- (--)
▲ MSCI ACWI	1.0 (51)	-3.7 (55)	6.0 (73)	5.4 (75)	4.3 (79)	-2.4 (73)	4.2 (54)	22.8 (66)	16.1 (61)	-7.3 (53)

Rolling 3 Year Annualized Return (%)



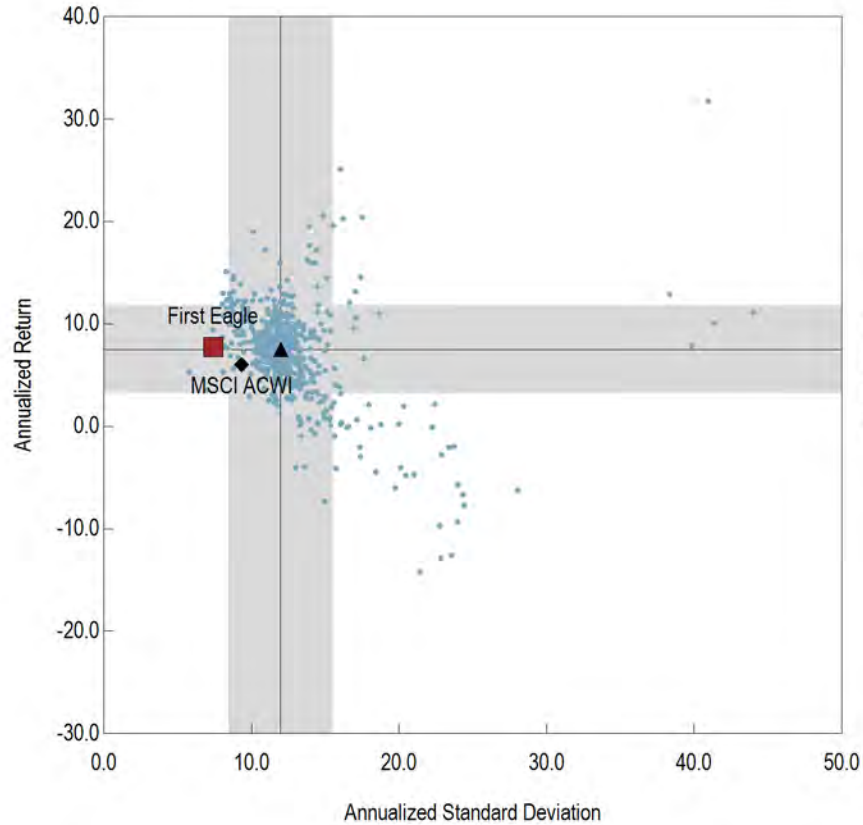
Rolling 5 Year Annualized Return (%)



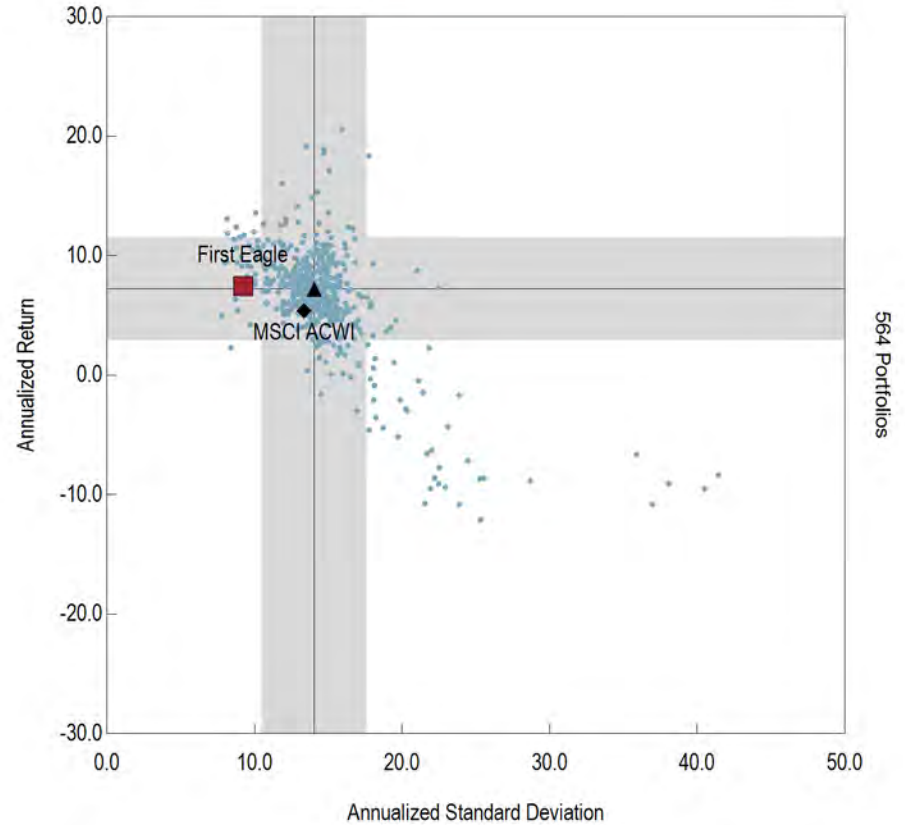
First Eagle  
Risk vs. Return 3 & 5 Year (Gross of Fees)

Period Ending: June 30, 2016

3 Years



5 Years



3 Years

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio
First Eagle	7.7%	7.4%	1.0
MSCI ACWI	6.0%	9.3%	0.6
eA All Global Equity Gross Median	7.5%	12.0%	0.6

5 Years

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio
First Eagle	7.5%	9.2%	0.8
MSCI ACWI	5.4%	13.3%	0.4
eA All Global Equity Gross Median	7.2%	14.1%	0.5



# Intech Global Low Vol Manager Portfolio Overview

Period Ending: June 30, 2016

Global equity diversified portfolio focused on maintaining volatility at or below the benchmark. Primary personnel include Adrian Banner, Vassilios Papathanakos, and Joseph Runnels.

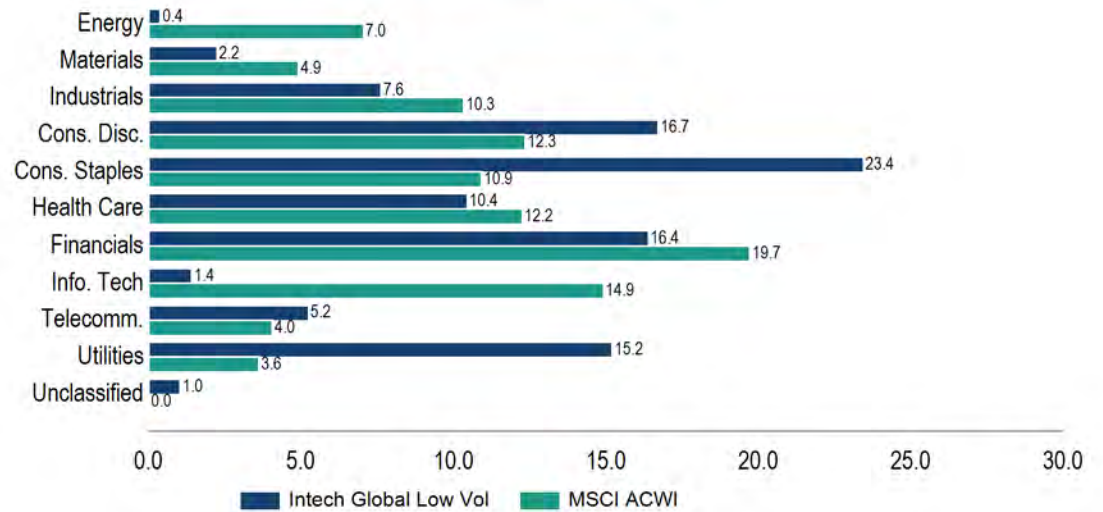
## Characteristics

	Portfolio	MSCI ACWI
Number of Holdings	377	2,481
Weighted Avg. Market Cap. (\$B)	40.88	87.64
Median Market Cap. (\$B)	11.20	8.09
Price To Earnings	25.39	21.27
Price To Book	4.20	3.22
Price To Sales	3.08	2.67
Return on Equity (%)	15.81	15.45
Yield (%)	2.63	2.63
Beta	0.48	1.00

## Country Allocation

	Manager Ending Allocation (USD)	Index Ending Allocation (USD)
<b>Totals</b>		
Developed	99.0%	89.6%
Cash	1.0%	
<b>Top 10 Largest Countries</b>		
United States	59.0%	53.5%
Japan	16.6%	7.7%
Hong Kong	7.8%	1.1%
Canada	3.7%	3.2%
Switzerland	2.5%	3.0%
Israel	2.2%	0.3%
Singapore	1.7%	0.4%
United Kingdom	1.0%	6.4%
New Zealand	1.0%	0.1%
Cash	1.0%	0.0%
<b>Total-Top 10 Largest Countries</b>	<b>96.4%</b>	<b>75.8%</b>

## Sector Allocation (%) vs MSCI ACWI



## Top Contributors

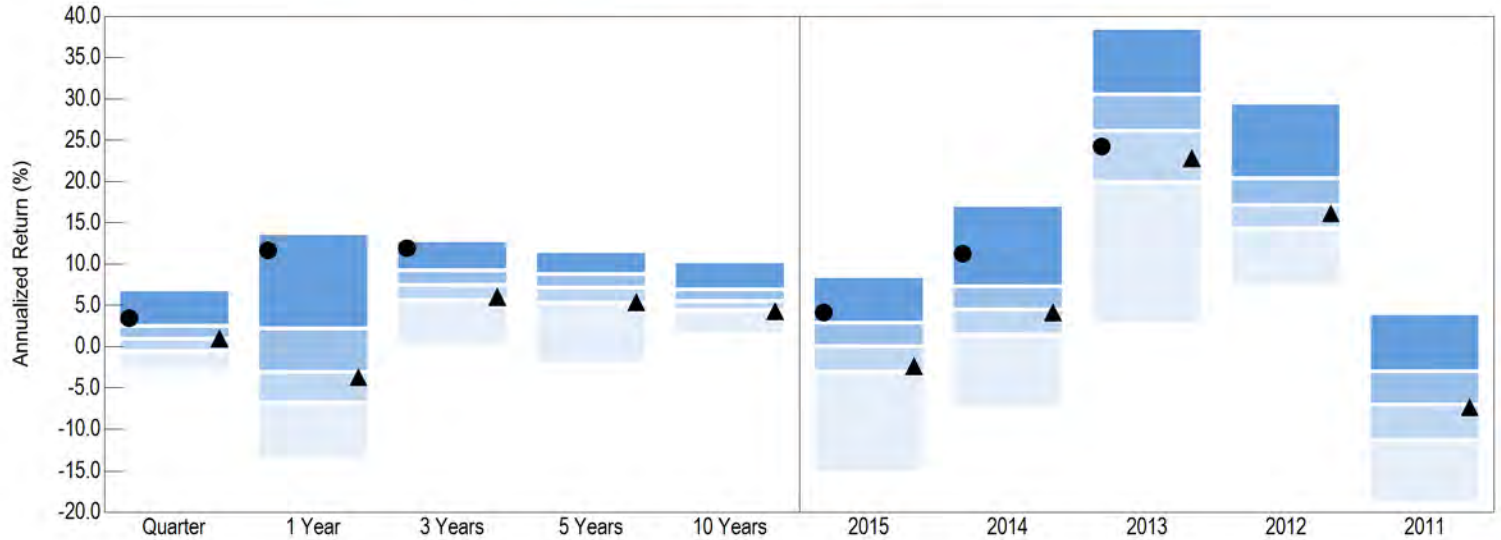
	Avg Wgt	Return	Contribution
GENERAL MILLS	3.68	13.40	0.49
HERSHEY	1.29	24.03	0.31
CLP HOLDINGS	2.05	13.49	0.28
SOUTHERN	5.18	4.83	0.25
CLOROX	1.74	10.45	0.18
NITORI HOLDINGS	0.57	31.13	0.18
AGNICO EAGLE MINES	0.34	46.81	0.16
JOHNSON & JOHNSON	1.14	12.90	0.15
NTT DOCOMO INC	0.76	18.74	0.14
ULTA SALON CO&FRA.	0.54	25.76	0.14

## Bottom Contributors

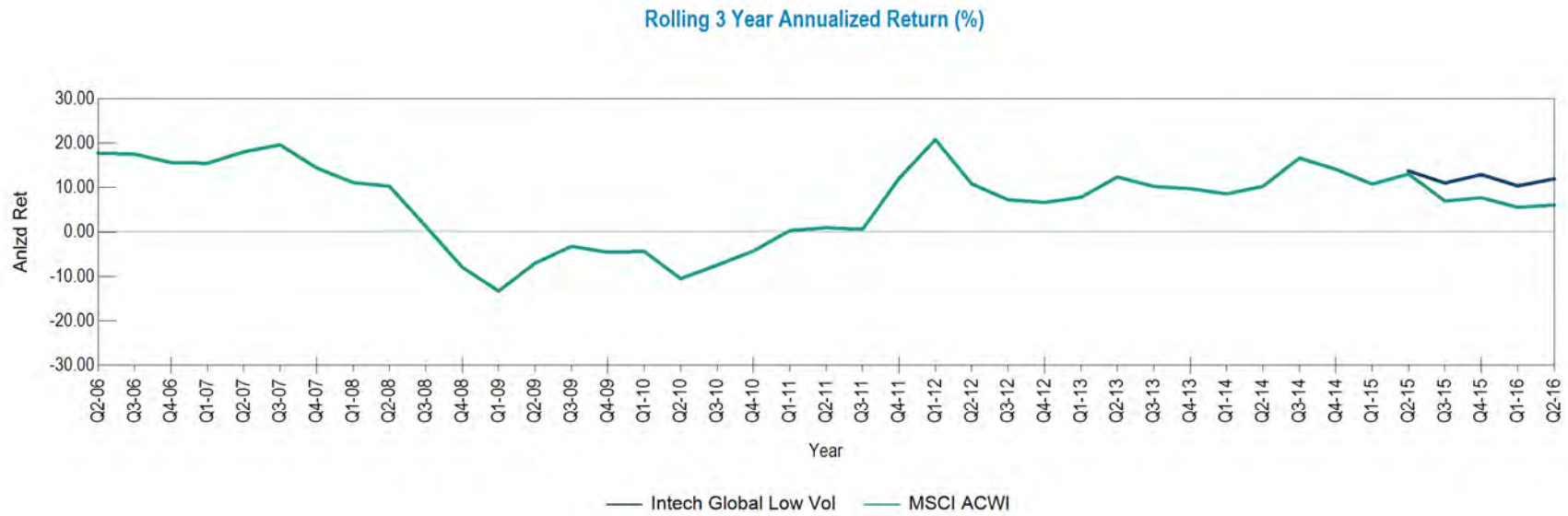
	Avg Wgt	Return	Contribution
STAPLES	0.63	-20.77	-0.13
ORIENTAL LAND	1.18	-8.95	-0.11
POWER ASSETS HOLDINGS	1.09	-8.00	-0.09
PERRIGO	0.29	-29.02	-0.08
L BRANDS	0.37	-22.88	-0.08
CHEUNG KONG INFR.HDG.	0.81	-10.21	-0.08
FOOT LOCKER	0.57	-14.57	-0.08
FAST RETAILING	0.47	-16.96	-0.08
MCDONALDS	2.03	-3.55	-0.07
NORDSTROM	0.19	-32.84	-0.06

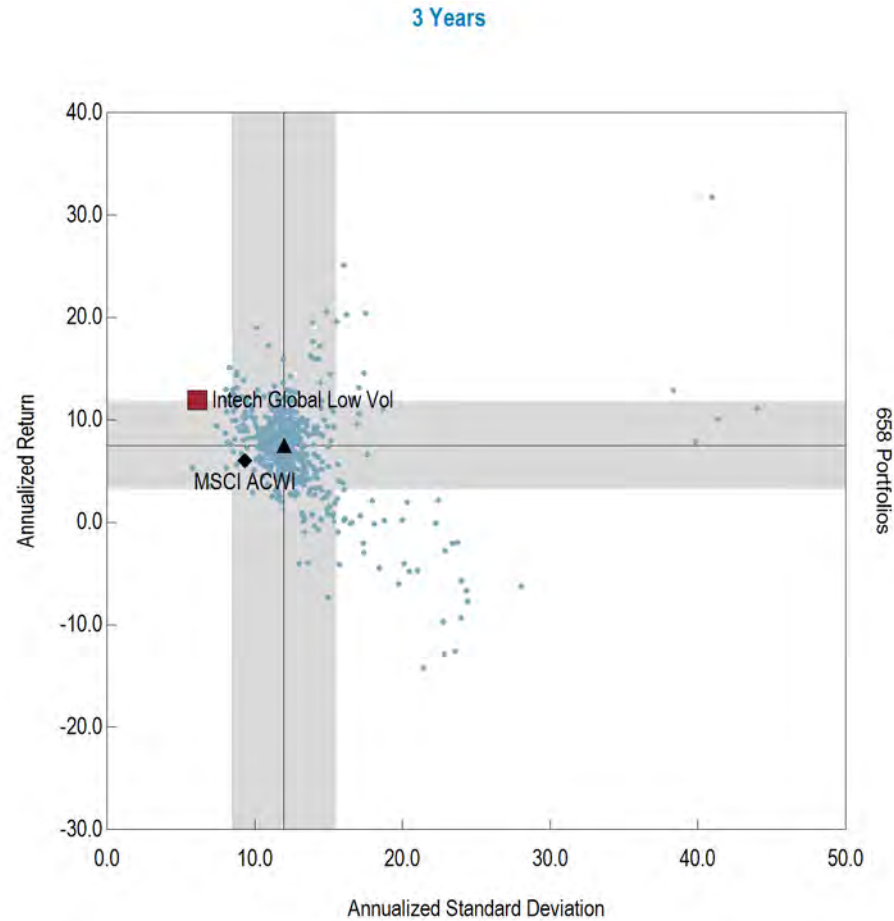
Unclassified sector allocation includes cash allocations.

Intech Global Low Vol vs. eA All Global Equity Gross Universe



	Return (Rank)									
	Quarter	1 Year	3 Years	5 Years	10 Years	2015	2014	2013	2012	2011
5th Percentile	6.9	13.7	12.8	11.5	10.3	8.5	17.1	38.6	29.5	4.0
25th Percentile	2.6	2.2	9.3	8.8	7.0	3.0	7.4	30.6	20.4	-3.0
Median	1.0	-3.0	7.5	7.2	5.6	0.1	4.6	26.2	17.2	-7.0
75th Percentile	-0.5	-6.7	5.6	5.4	4.5	-2.9	1.5	20.0	14.4	-11.2
95th Percentile	-3.0	-13.4	0.1	-2.0	1.6	-15.1	-7.4	2.7	7.4	-18.7
# of Portfolios	699	698	658	564	298	692	609	552	475	434
● Intech Global Low Vol	3.4 (18)	11.6 (7)	11.9 (8)	-- (--)	-- (--)	4.1 (18)	11.2 (14)	24.2 (62)	-- (--)	-- (--)
▲ MSCI ACWI	1.0 (51)	-3.7 (55)	6.0 (73)	5.4 (75)	4.3 (79)	-2.4 (73)	4.2 (54)	22.8 (66)	16.1 (61)	-7.3 (53)





3 Years

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio
Intech Global Low Vol	11.9%	6.1%	1.9
MSCI ACWI	6.0%	9.3%	0.6
eA All Global Equity Gross Median	7.5%	12.0%	0.6

# JP Morgan Global Opportunities Manager Portfolio Overview

Period Ending: June 30, 2016

Global equity diversified portfolio focused on companies with valuations below their intrinsic value. Primary personnel include Jeroen Huysinga, Georgina Perceval-Maxwell, and Gerd Woort-Menker.

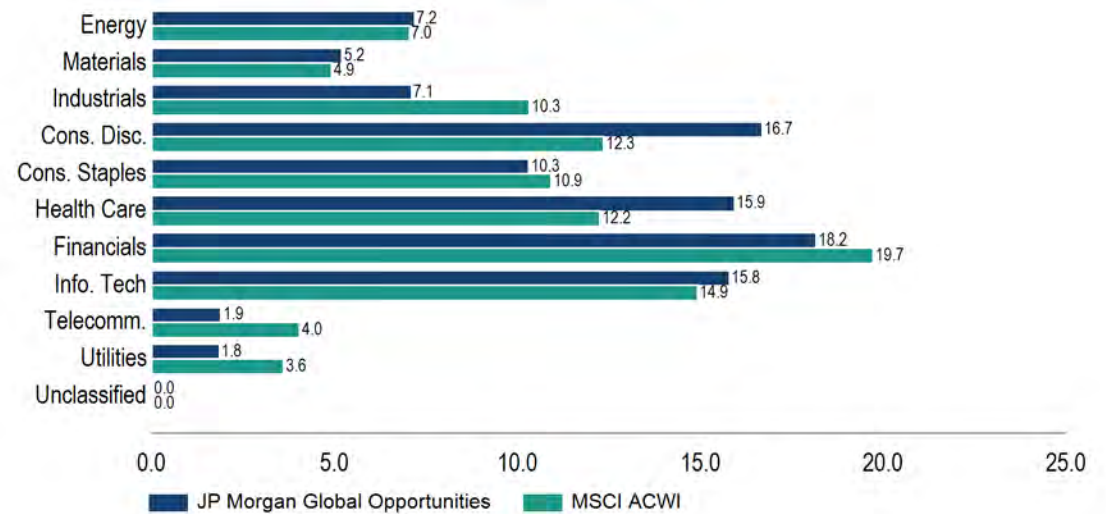
## Characteristics

	Portfolio	MSCI ACWI
Number of Holdings	101	2,481
Weighted Avg. Market Cap. (\$B)	69.28	87.64
Median Market Cap. (\$B)	42.55	8.09
Price To Earnings	20.62	21.27
Price To Book	3.98	3.22
Price To Sales	2.99	2.67
Return on Equity (%)	16.66	15.45
Yield (%)	2.12	2.63
Beta	1.12	1.00

## Country Allocation

	Manager Ending Allocation (USD)	Index Ending Allocation (USD)
<b>Totals</b>		
Developed	96.9%	89.6%
Emerging*	3.1%	10.4%
<b>Top 10 Largest Countries</b>		
United States	50.1%	53.5%
United Kingdom	12.4%	6.4%
Japan	8.3%	7.7%
Germany	4.3%	2.8%
France	3.8%	3.2%
Netherlands	3.4%	1.0%
Switzerland	2.4%	3.0%
Sweden	2.0%	0.9%
Italy	1.9%	0.6%
Belgium	1.8%	0.5%
<b>Total-Top 10 Largest Countries</b>	<b>90.4%</b>	<b>79.7%</b>

## Sector Allocation (%) vs MSCI ACWI



## Top Contributors

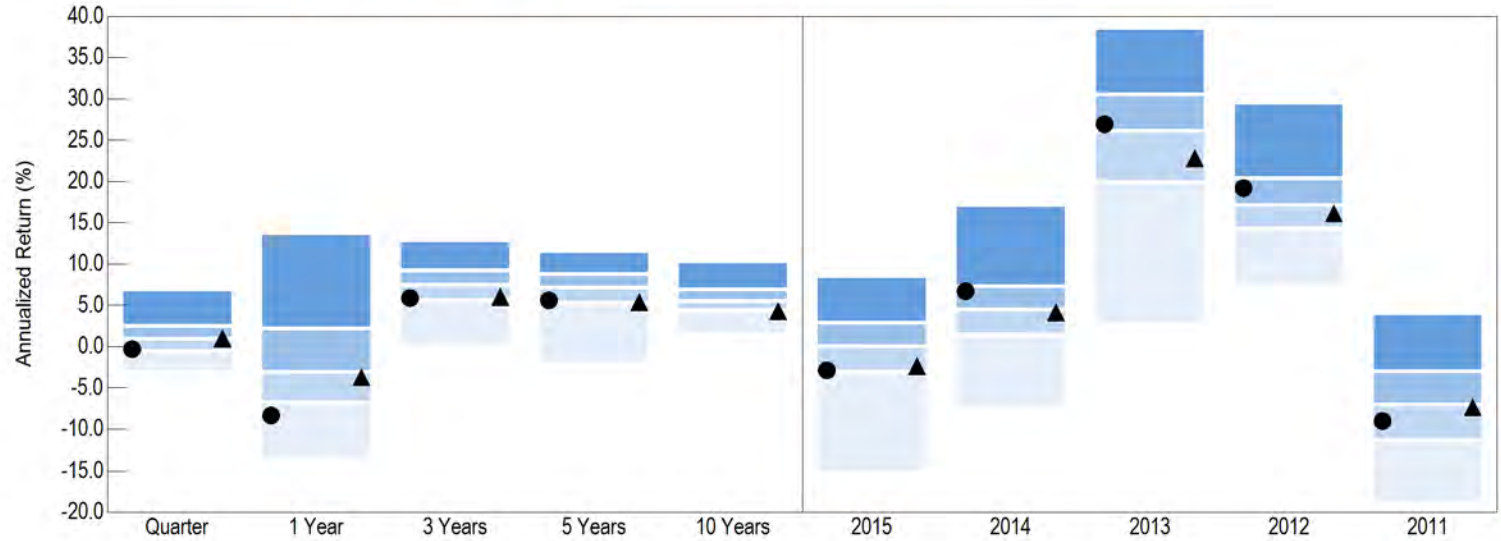
	Avg Wgt	Return	Contribution
META FINANCIAL GROUP	1.89	12.04	0.23
MCKESSON	1.15	18.87	0.22
BIDVEST GROUP	0.48	39.65	0.19
DISH NETWORK 'A'	1.24	13.27	0.16
SHIRE	1.69	9.03	0.15
UNITEDHEALTH GROUP	1.50	10.04	0.15
KEYENCE	0.64	23.48	0.15
BOSTON SCIENTIFIC	0.59	24.24	0.14
BRISTOL MYERS SQUIBB	0.83	15.74	0.13
ROYAL DUTCH SHELL A(LON)	0.80	15.30	0.12

## Bottom Contributors

	Avg Wgt	Return	Contribution
DAIMLER	1.94	-17.88	-0.35
ASSOCIATED BRIT.FOODS	1.28	-24.22	-0.31
ROYAL CARIBBEAN CRUISES	1.54	-17.85	-0.27
BAYER	2.14	-12.23	-0.26
INTESA SANPAOLO	0.75	-27.44	-0.21
ALPHABET 'A'	2.54	-7.78	-0.20
PRUDENTIAL	1.72	-10.14	-0.17
MITSUI FUDOSAN	1.91	-9.03	-0.17
AIRBUS GROUP	1.40	-11.50	-0.16
ALLERGAN	1.11	-13.78	-0.15

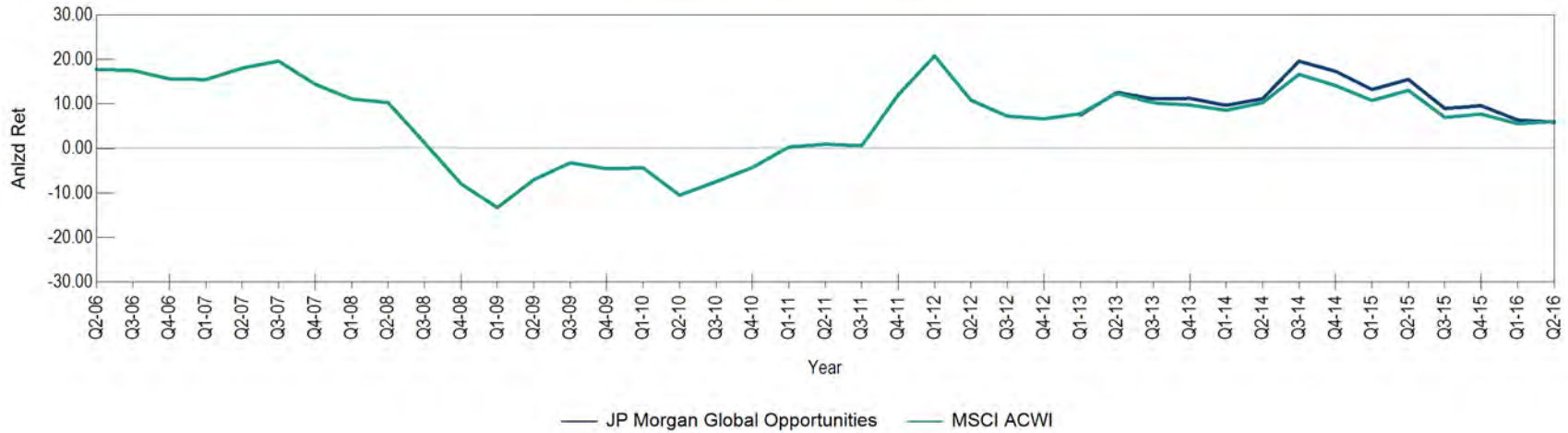
Unclassified sector allocation includes cash allocations.

JP Morgan Global Opportunities vs. eA All Global Equity Gross Universe

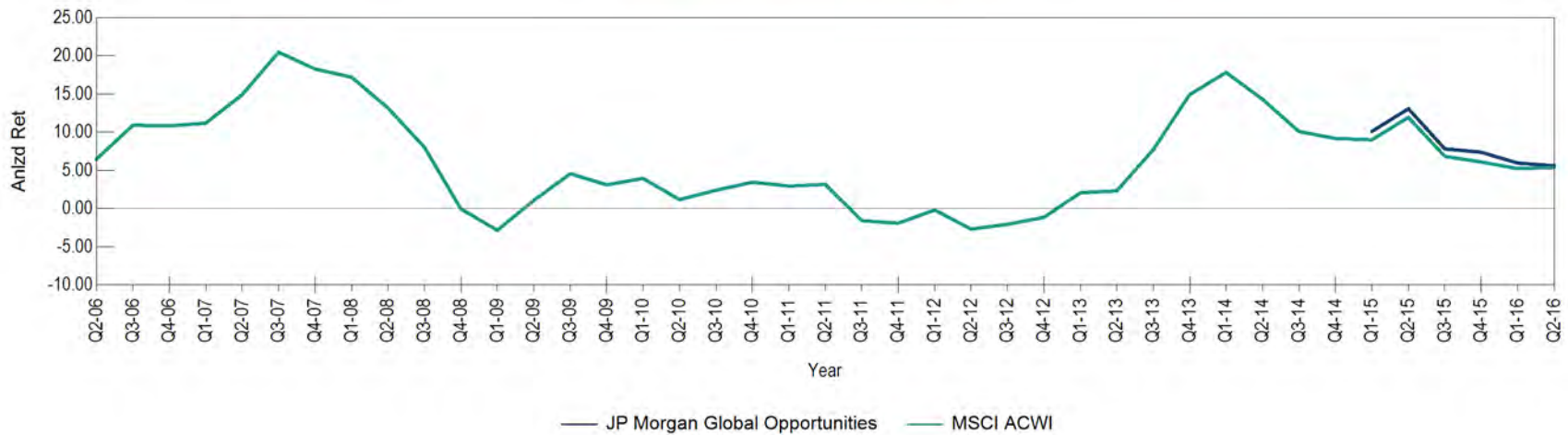


	Return (Rank)									
	Quarter	1 Year	3 Years	5 Years	10 Years	2015	2014	2013	2012	2011
5th Percentile	6.9	13.7	12.8	11.5	10.3	8.5	17.1	38.6	29.5	4.0
25th Percentile	2.6	2.2	9.3	8.8	7.0	3.0	7.4	30.6	20.4	-3.0
Median	1.0	-3.0	7.5	7.2	5.6	0.1	4.6	26.2	17.2	-7.0
75th Percentile	-0.5	-6.7	5.6	5.4	4.5	-2.9	1.5	20.0	14.4	-11.2
95th Percentile	-3.0	-13.4	0.1	-2.0	1.6	-15.1	-7.4	2.7	7.4	-18.7
# of Portfolios	699	698	658	564	298	692	609	552	475	434
● JP Morgan Global Opportunities	-0.3 (72)	-8.4 (83)	5.9 (74)	5.6 (72)	-- (--)	-2.9 (75)	6.7 (30)	26.9 (46)	19.2 (32)	-9.0 (63)
▲ MSCI ACWI	1.0 (51)	-3.7 (55)	6.0 (73)	5.4 (75)	4.3 (79)	-2.4 (73)	4.2 (54)	22.8 (66)	16.1 (61)	-7.3 (53)

Rolling 3 Year Annualized Return (%)



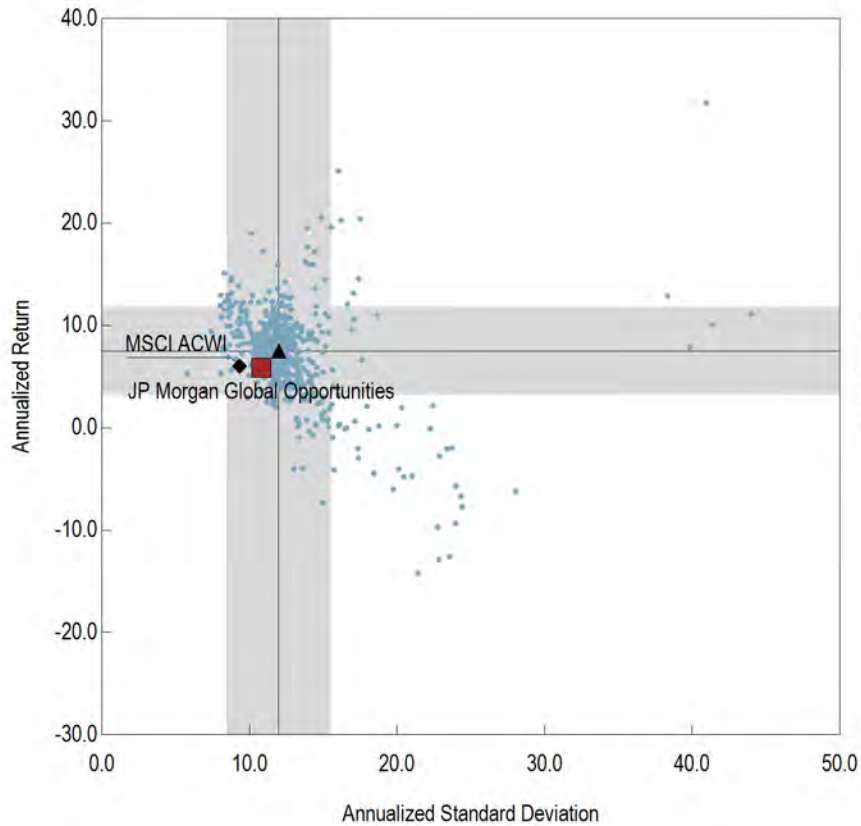
Rolling 5 Year Annualized Return (%)



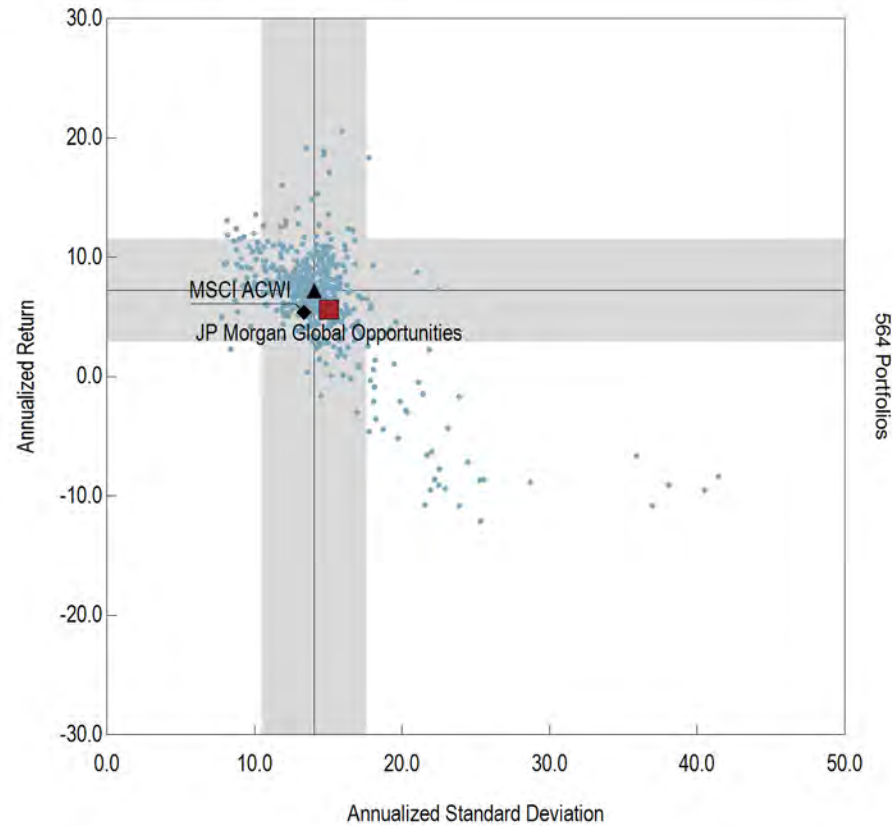
JP Morgan Global Opportunities  
 Risk vs. Return 3 & 5 Year (Gross of Fees)

Period Ending: June 30, 2016

3 Years



5 Years



3 Years

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio
JP Morgan Global Opportunities	5.9%	10.8%	0.5
MSCI ACWI	6.0%	9.3%	0.6
eA All Global Equity Gross Median	7.5%	12.0%	0.6

5 Years

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio
JP Morgan Global Opportunities	5.6%	15.1%	0.4
MSCI ACWI	5.4%	13.3%	0.4
eA All Global Equity Gross Median	7.2%	14.1%	0.5

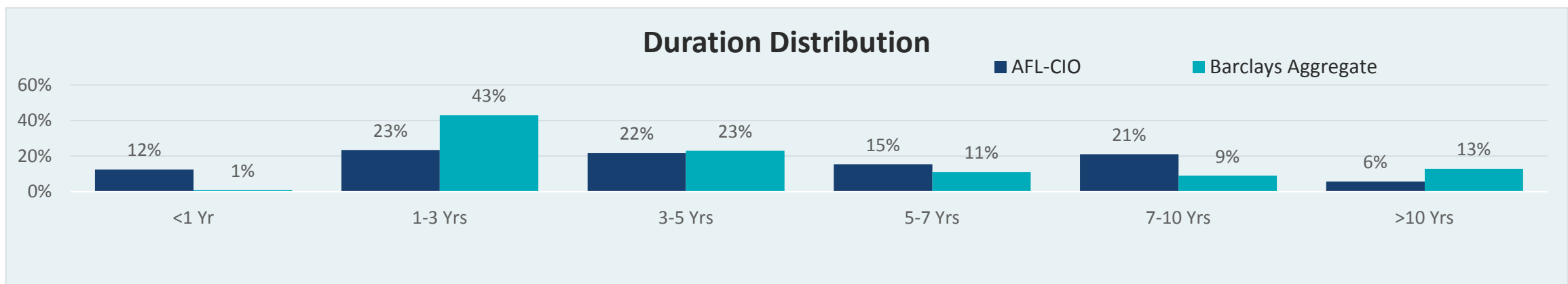
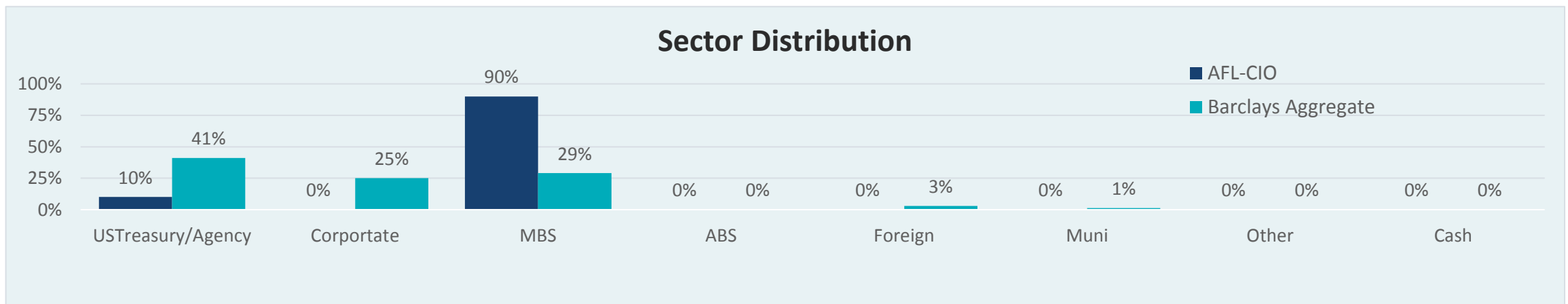
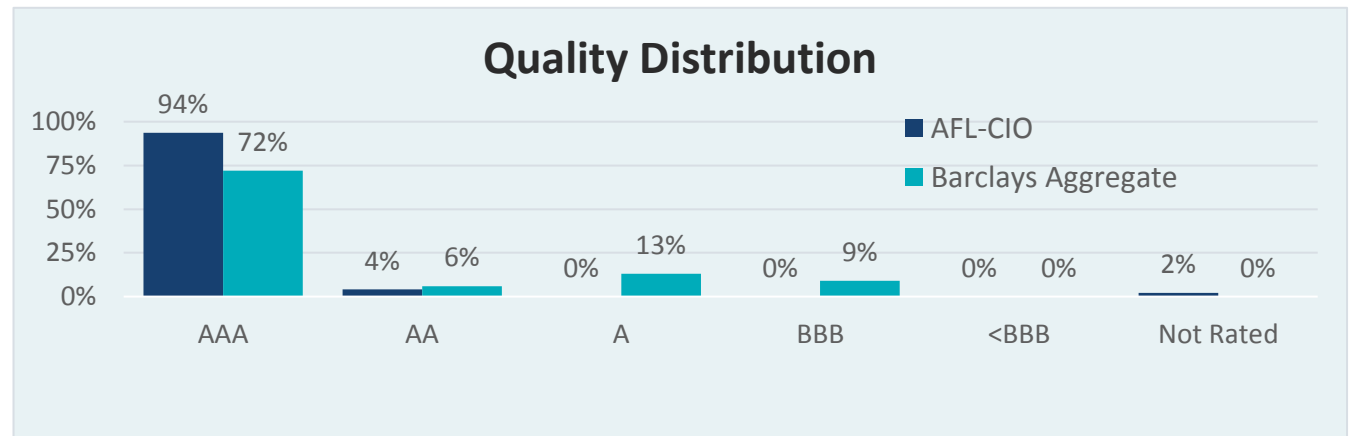


## **Domestic Fixed Income Managers**

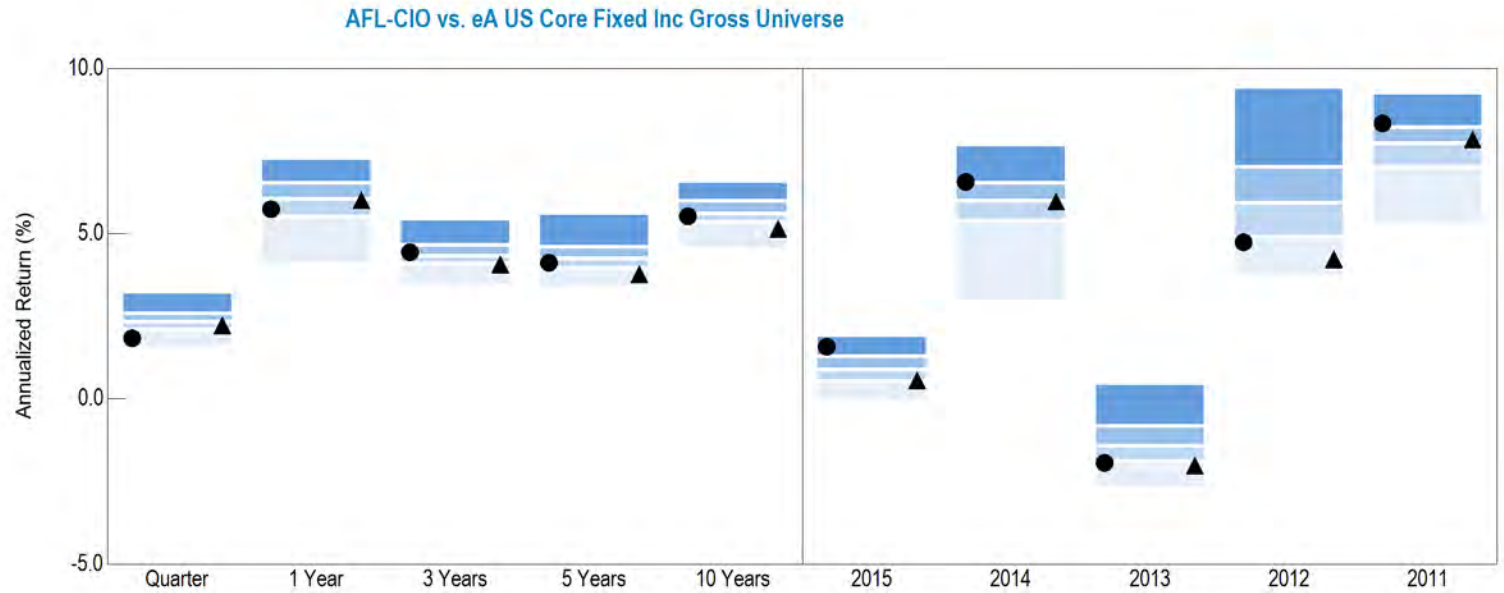
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Domestic core fixed income portfolio with an exclusive focus on mortgage-related securities. Primary personnel include Stephen Coyle and Chang Su.

	AFL-CIO	Barclays Aggregate
Effective Duration	5.30	5.34
Yield to Maturity	3.14	1.83
Average Quality	AAA	AA+
Average Coupon	3.25%	3.23%

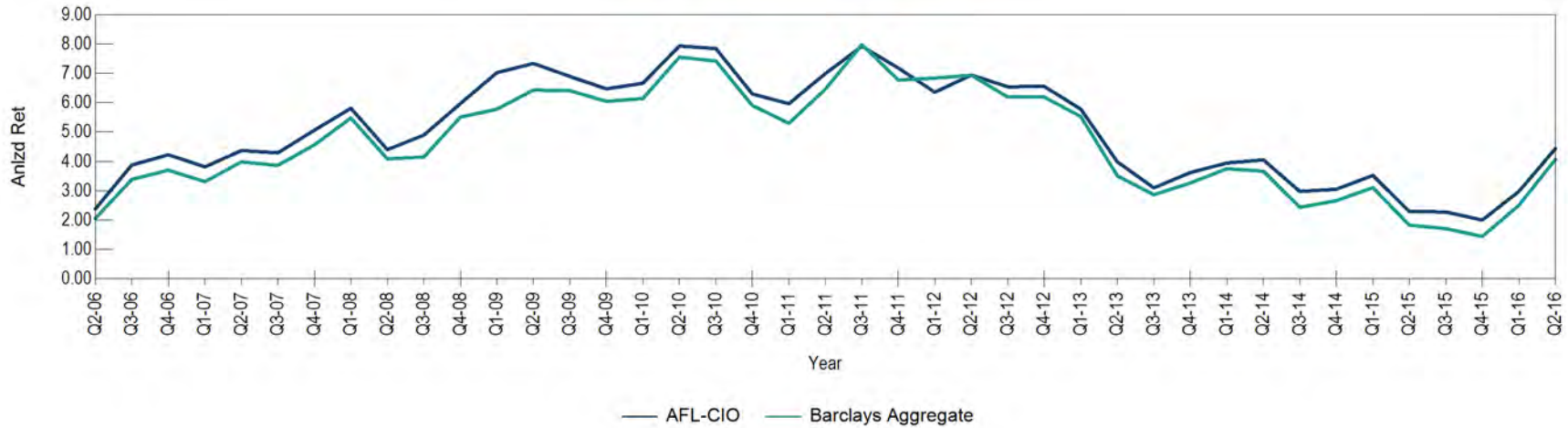


Duration and Quality distributions exclude cash.

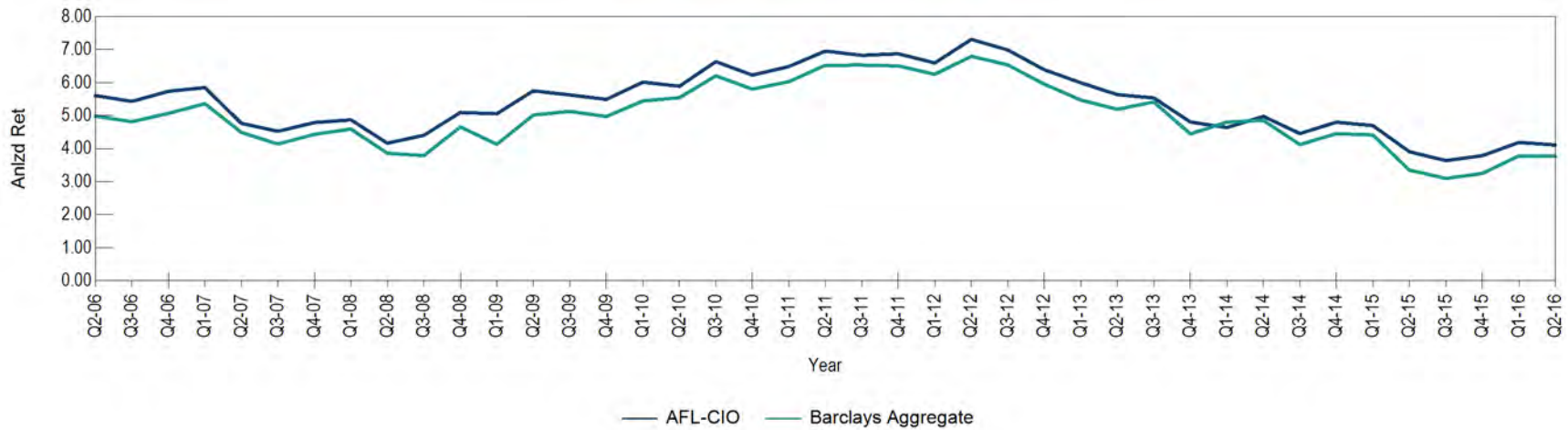


	Return (Rank)									
	Quarter	1 Year	3 Years	5 Years	10 Years	2015	2014	2013	2012	2011
5th Percentile	3.2	7.3	5.4	5.6	6.6	1.9	7.7	0.5	9.4	9.2
25th Percentile	2.6	6.5	4.7	4.6	6.0	1.3	6.5	-0.8	7.0	8.2
Median	2.3	6.1	4.3	4.3	5.6	0.9	6.0	-1.4	5.9	7.7
75th Percentile	2.1	5.5	4.1	4.0	5.4	0.5	5.4	-1.9	4.9	7.0
95th Percentile	1.5	4.1	3.4	3.4	4.5	-0.1	2.9	-2.7	3.7	5.3
# of Portfolios	198	198	195	193	172	196	213	209	228	213
● AFL-CIO	1.8 (88)	5.7 (71)	4.4 (46)	4.1 (64)	5.5 (61)	1.6 (15)	6.6 (25)	-1.9 (78)	4.7 (80)	8.3 (23)
▲ Barclays Aggregate	2.2 (64)	6.0 (56)	4.1 (77)	3.8 (85)	5.1 (87)	0.6 (75)	6.0 (52)	-2.0 (82)	4.2 (90)	7.8 (46)

Rolling 3 Year Annualized Return (%)



Rolling 5 Year Annualized Return (%)

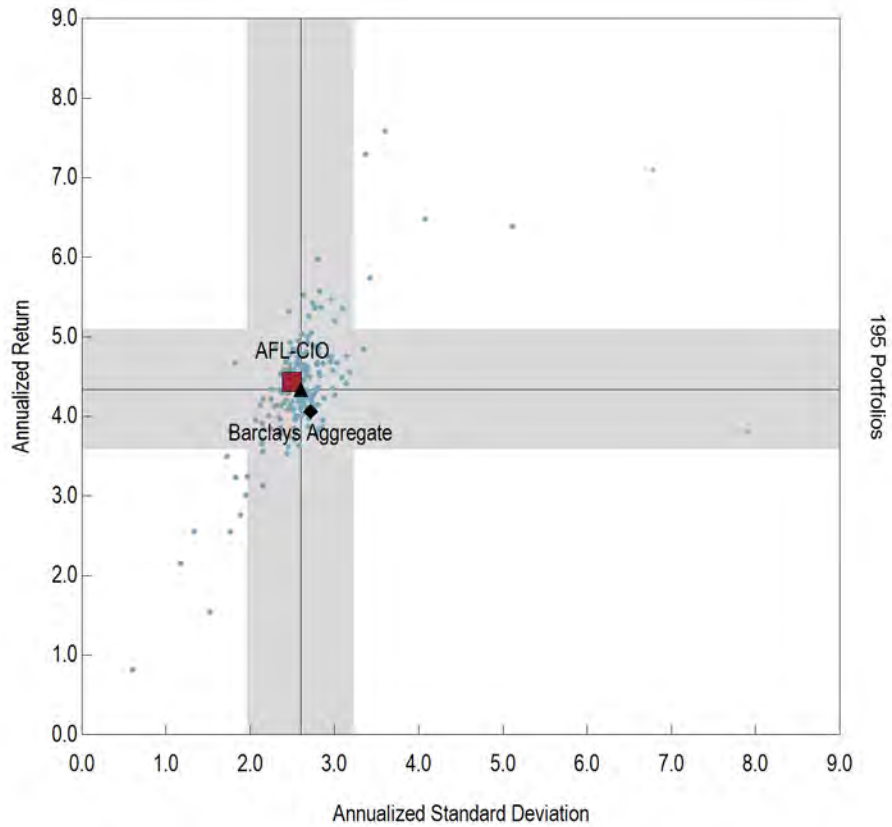


# AFL-CIO

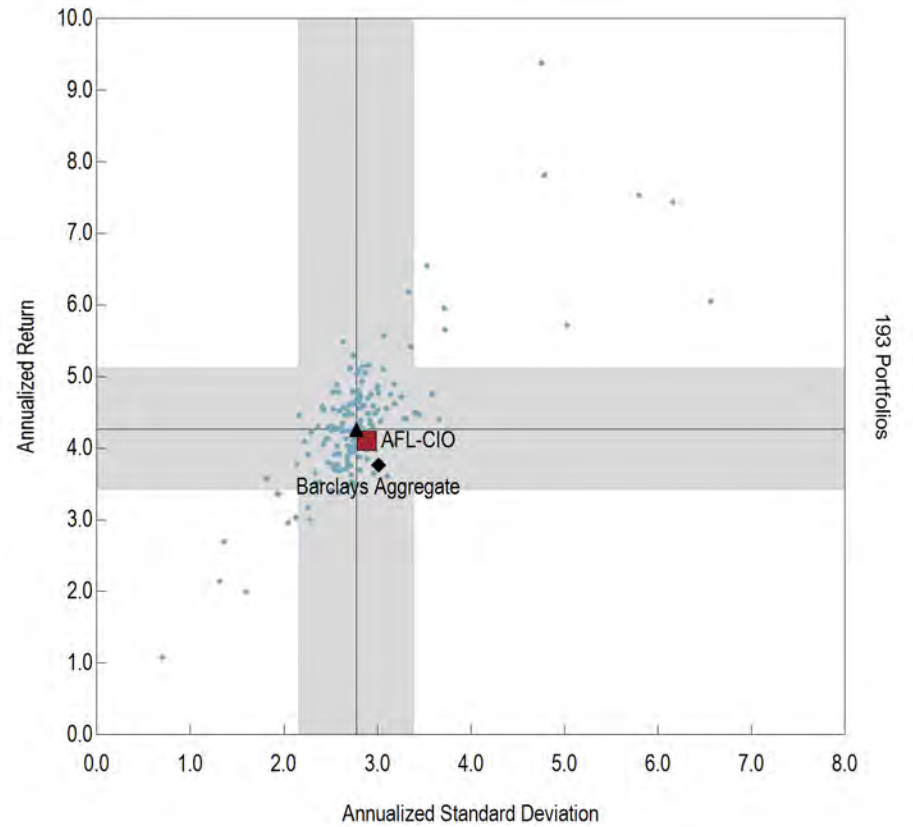
## Risk vs. Return 3 & 5 Year (Gross of Fees)

Period Ending: June 30, 2016

3 Years



5 Years



3 Years

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio
AFL-CIO	4.4%	2.5%	1.7
Barclays Aggregate	4.1%	2.7%	1.5
eA US Core Fixed Inc Gross Median	4.3%	2.6%	1.7

5 Years

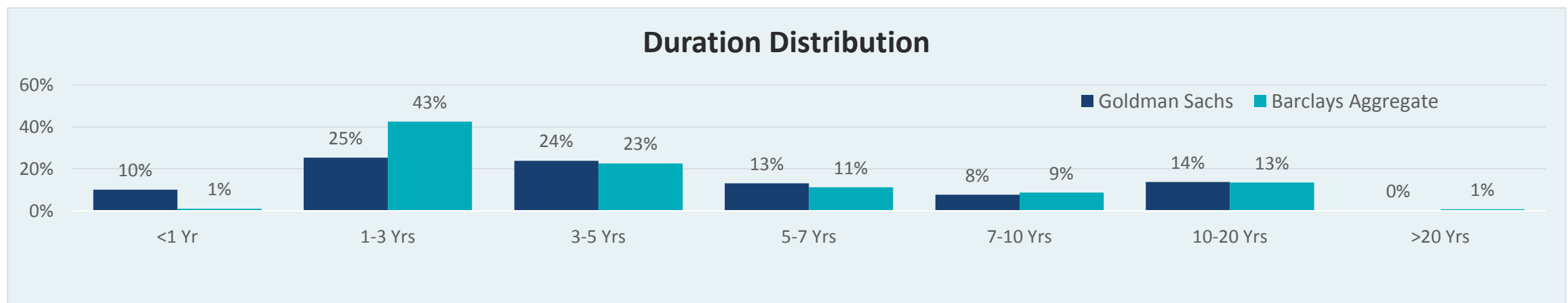
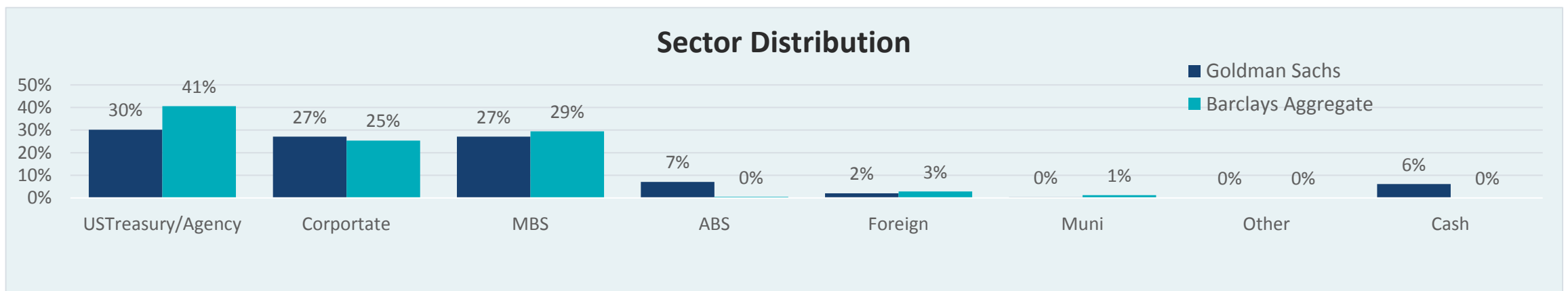
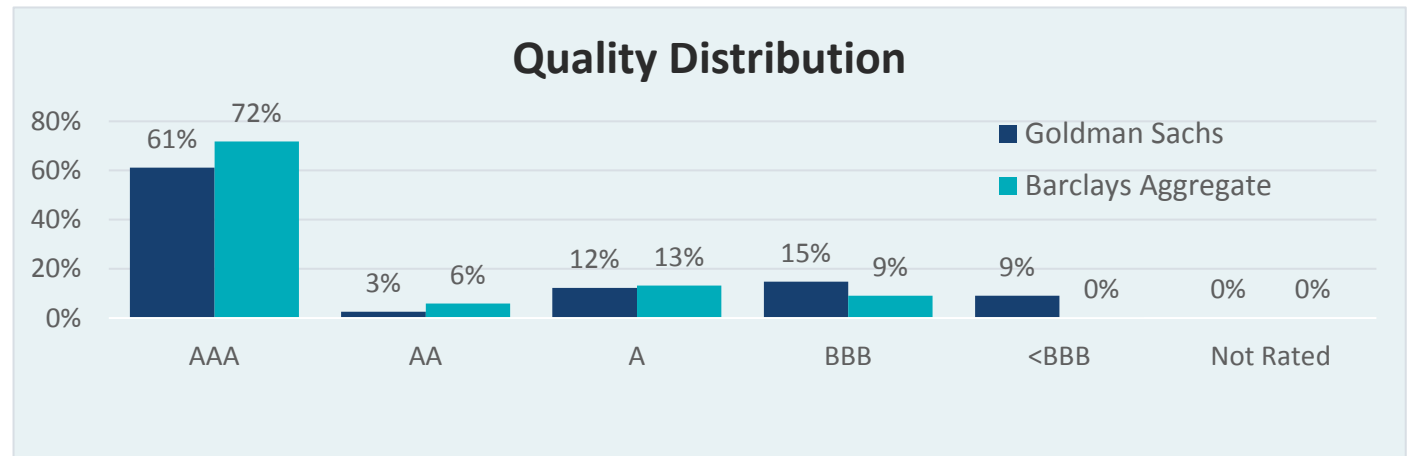
	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio
AFL-CIO	4.1%	2.9%	1.4
Barclays Aggregate	3.8%	3.0%	1.2
eA US Core Fixed Inc Gross Median	4.3%	2.8%	1.5

# Goldman Sachs Core Plus Manager Portfolio Overview

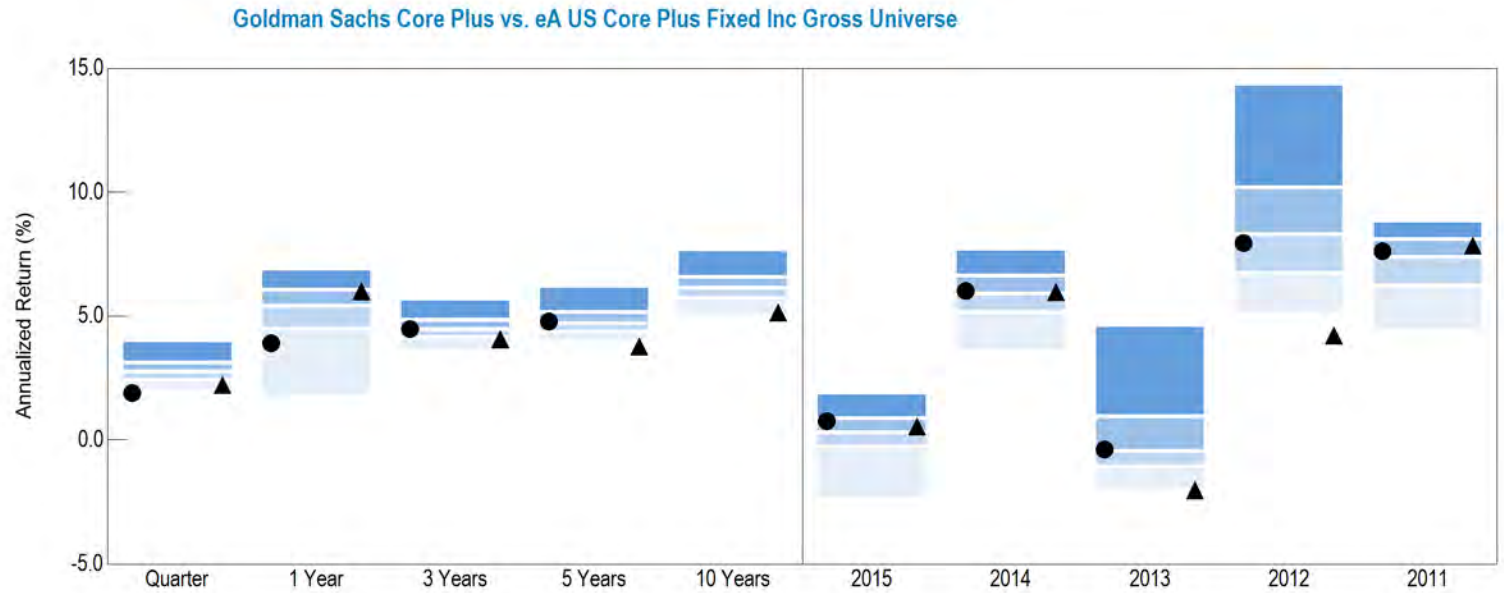
Period Ending: June 30, 2016

Domestic core plus fixed income portfolio with a focus on security selection seeking enhanced returns. Primary personnel include Jonathan Beinler.

	Goldman Sachs	Barclays Aggregate
Option Adjusted Duration	5.12	5.34
Yield to Maturity	2.20	1.83
Average Quality	AA-	AA+
Average Coupon	3.12%	3.23%



Duration and Quality distributions exclude cash.

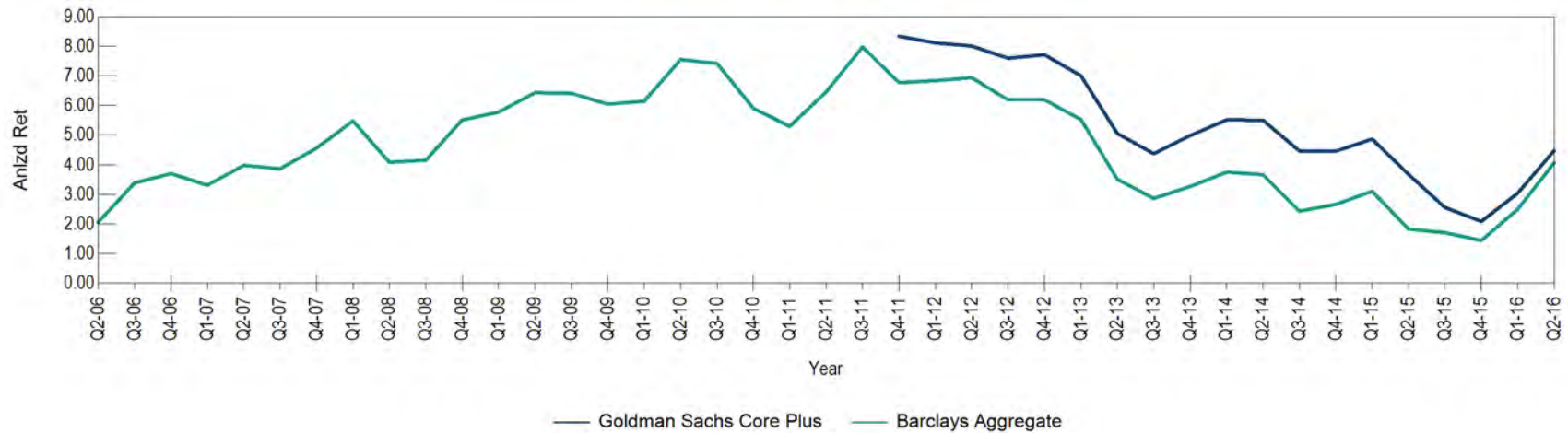


	Return (Rank)										
5th Percentile	4.0	6.9	5.7	6.2	7.7	1.9	7.7	4.6	14.4	8.8	
25th Percentile	3.1	6.1	4.9	5.2	6.6	0.9	6.7	1.0	10.2	8.1	
Median	2.8	5.4	4.5	4.7	6.2	0.3	5.9	-0.4	8.3	7.4	
75th Percentile	2.4	4.5	4.2	4.4	5.7	-0.2	5.2	-1.0	6.7	6.3	
95th Percentile	2.0	1.8	3.6	4.0	5.0	-2.4	3.6	-2.0	5.1	4.4	
# of Portfolios	122	122	121	116	93	115	118	116	124	118	
● Goldman Sachs Core Plus	1.9 (97)	3.9 (87)	4.5 (52)	4.8 (47)	-- (--)	0.8 (36)	6.0 (47)	-0.4 (49)	7.9 (59)	7.6 (43)	
▲ Barclays Aggregate	2.2 (89)	6.0 (28)	4.1 (79)	3.8 (98)	5.1 (92)	0.6 (42)	6.0 (50)	-2.0 (96)	4.2 (97)	7.8 (37)	

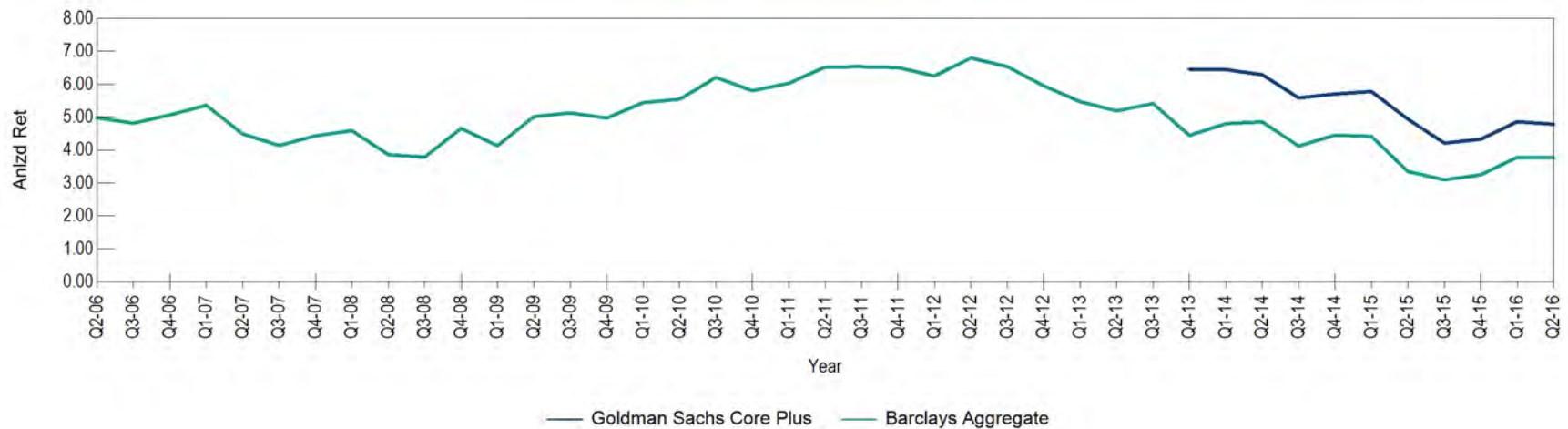
Goldman Sachs Core Plus  
 Manager Performance - Rolling 3 & 5 Year (Gross of Fees)

Period Ending: June 30, 2016

Rolling 3 Year Annualized Return (%)



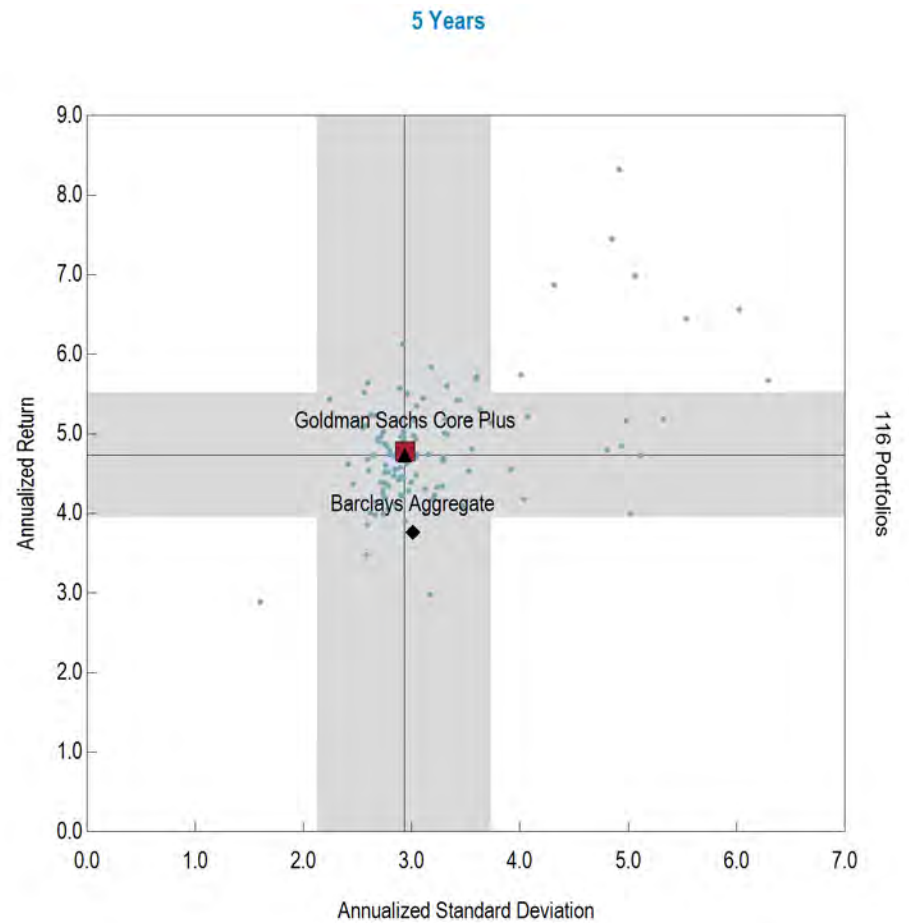
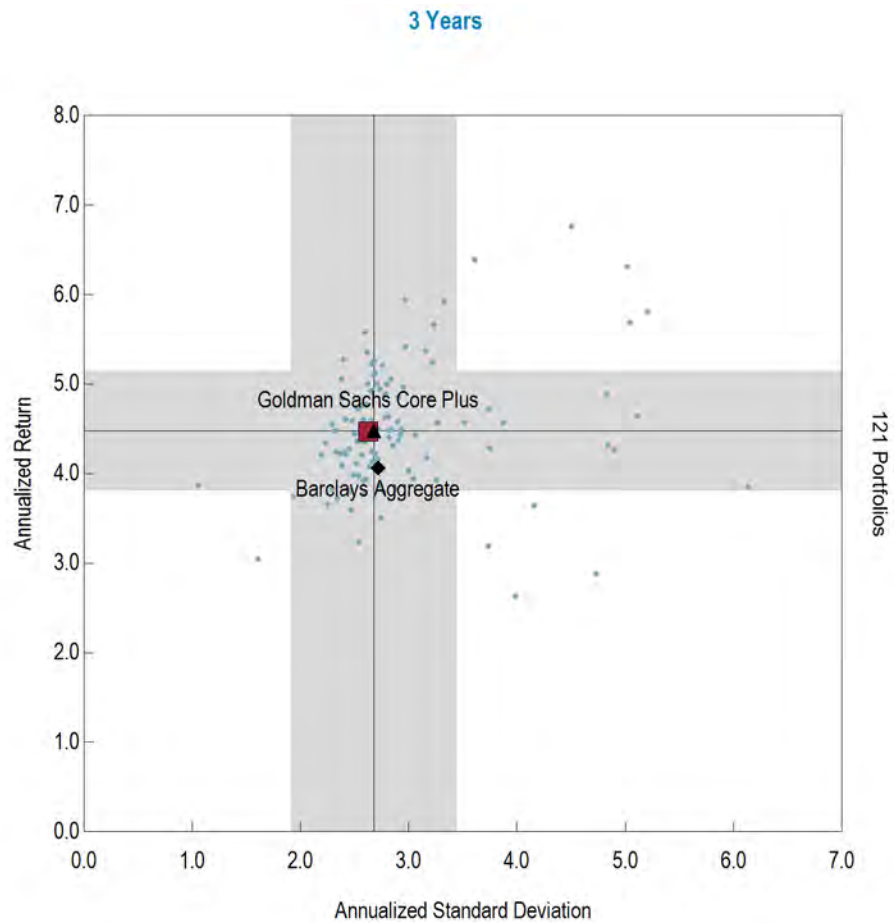
Rolling 5 Year Annualized Return (%)





Goldman Sachs Core Plus  
Risk vs. Return 3 & 5 Year (Gross of Fees)

Period Ending: June 30, 2016



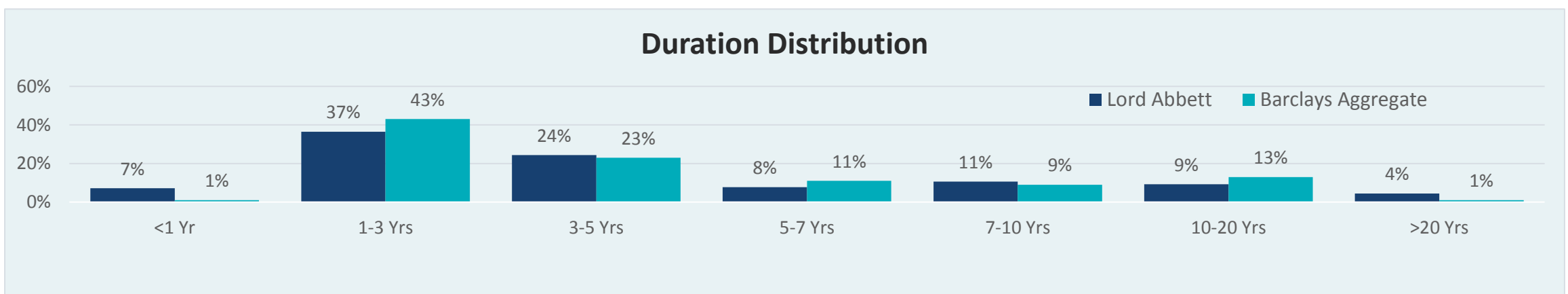
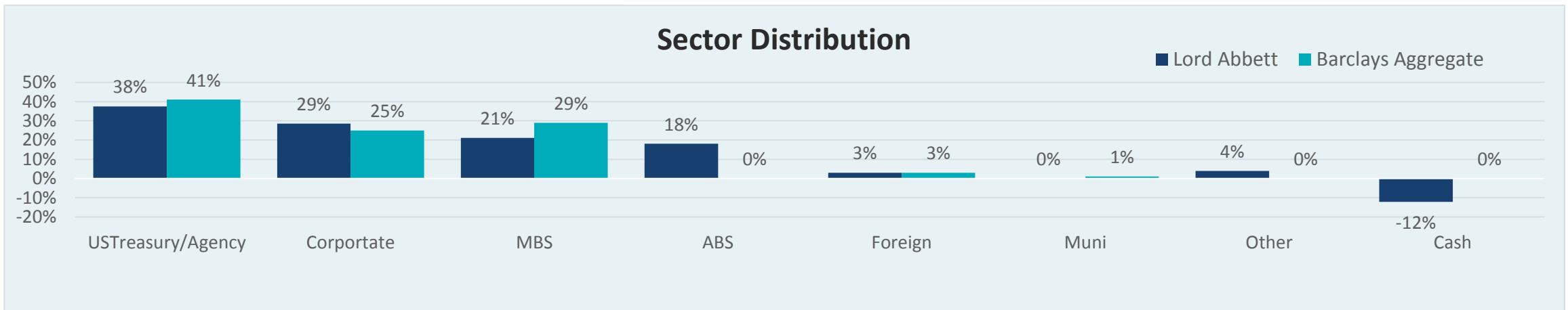
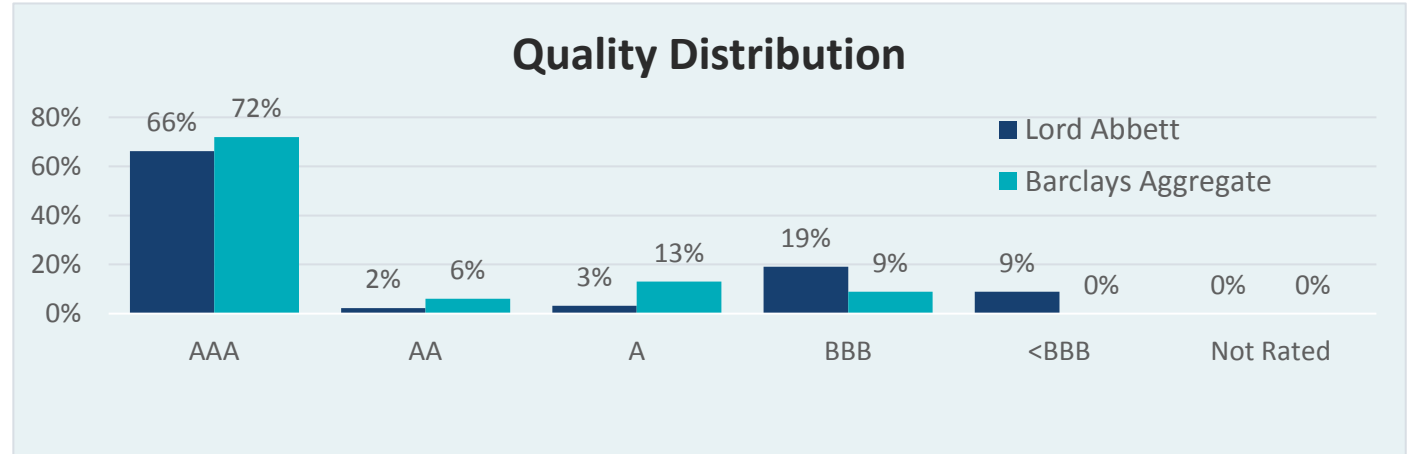
	<b>3 Years</b>			<b>5 Years</b>			
	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	
Goldman Sachs Core Plus	4.5%	2.6%	1.7	Goldman Sachs Core Plus	4.8%	2.9%	1.6
Barclays Aggregate	4.1%	2.7%	1.5	Barclays Aggregate	3.8%	3.0%	1.2
eA US Core Plus Fixed Inc Gross Median	4.5%	2.7%	1.6	eA US Core Plus Fixed Inc Gross Median	4.7%	2.9%	1.5

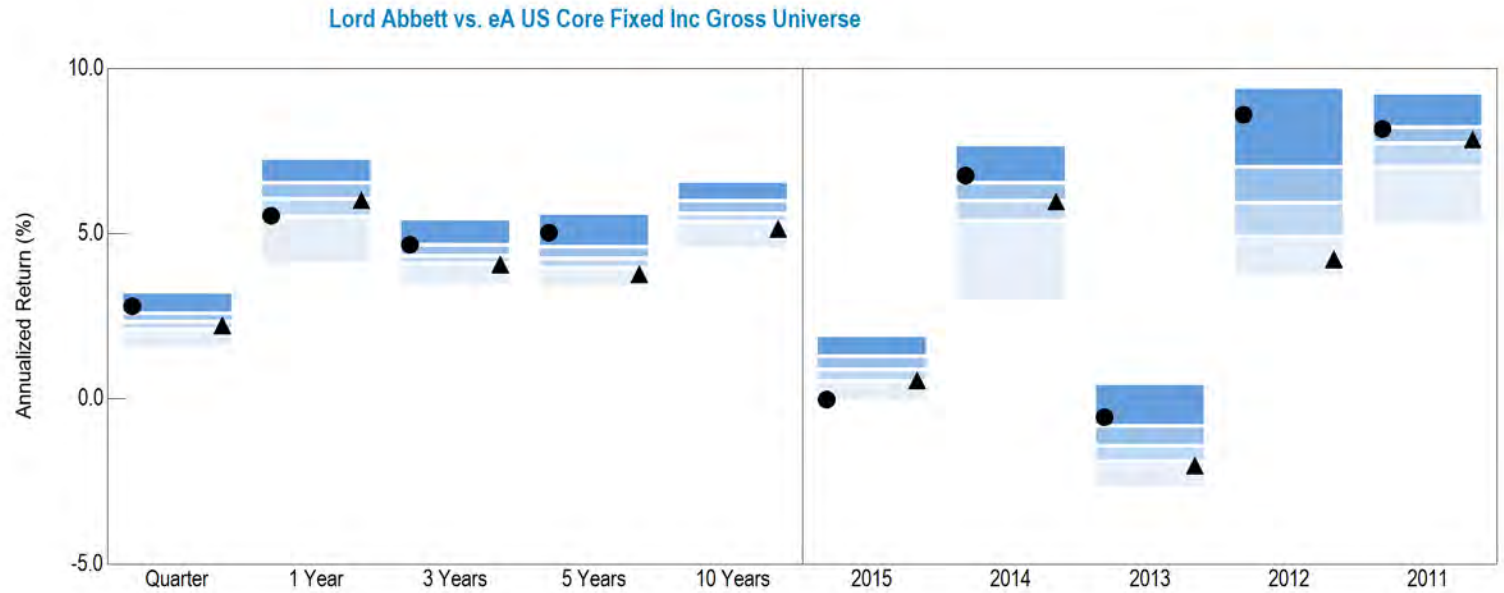
# Lord Abbett Manager Portfolio Overview

Period Ending: June 30, 2016

Domestic core plus fixed income portfolio that is duration-neutral with a focus on sector selection seeking enhanced returns. Primary personnel include Robert Lee and Robert Gerber.

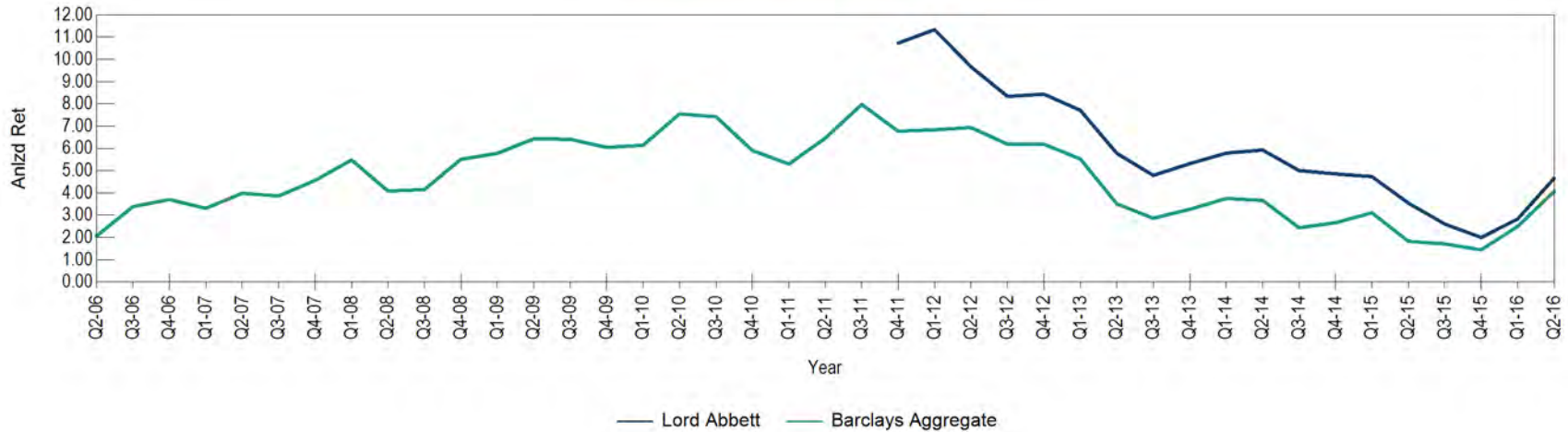
	Lord Abbett	Barclays Aggregate
Effective Duration	5.40	5.34
Yield to Maturity	2.70	1.83
Average Quality	AA	AA+
Average Coupon	3.30%	3.23%



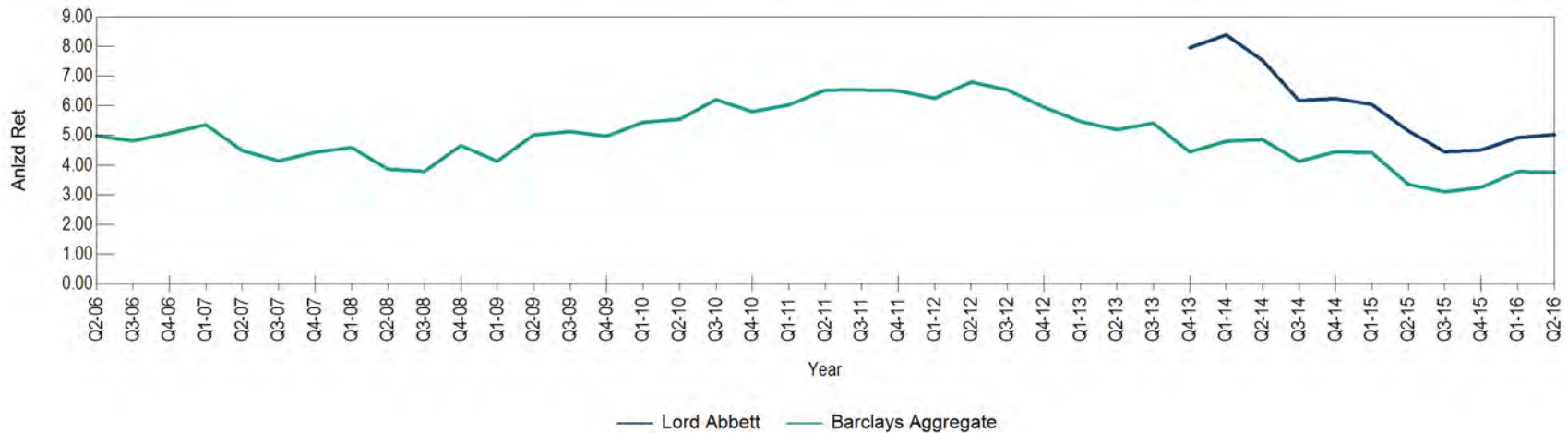


	Return (Rank)									
	Quarter	1 Year	3 Years	5 Years	10 Years	2015	2014	2013	2012	2011
5th Percentile	3.2	7.3	5.4	5.6	6.6	1.9	7.7	0.5	9.4	9.2
25th Percentile	2.6	6.5	4.7	4.6	6.0	1.3	6.5	-0.8	7.0	8.2
Median	2.3	6.1	4.3	4.3	5.6	0.9	6.0	-1.4	5.9	7.7
75th Percentile	2.1	5.5	4.1	4.0	5.4	0.5	5.4	-1.9	4.9	7.0
95th Percentile	1.5	4.1	3.4	3.4	4.5	-0.1	2.9	-2.7	3.7	5.3
# of Portfolios	198	198	195	193	172	196	213	209	228	213
● Lord Abbett	2.8 (14)	5.5 (75)	4.7 (27)	5.0 (12)	-- (--)	0.0 (94)	6.7 (18)	-0.6 (18)	8.6 (8)	8.2 (27)
▲ Barclays Aggregate	2.2 (64)	6.0 (56)	4.1 (77)	3.8 (85)	5.1 (87)	0.6 (75)	6.0 (52)	-2.0 (82)	4.2 (90)	7.8 (46)

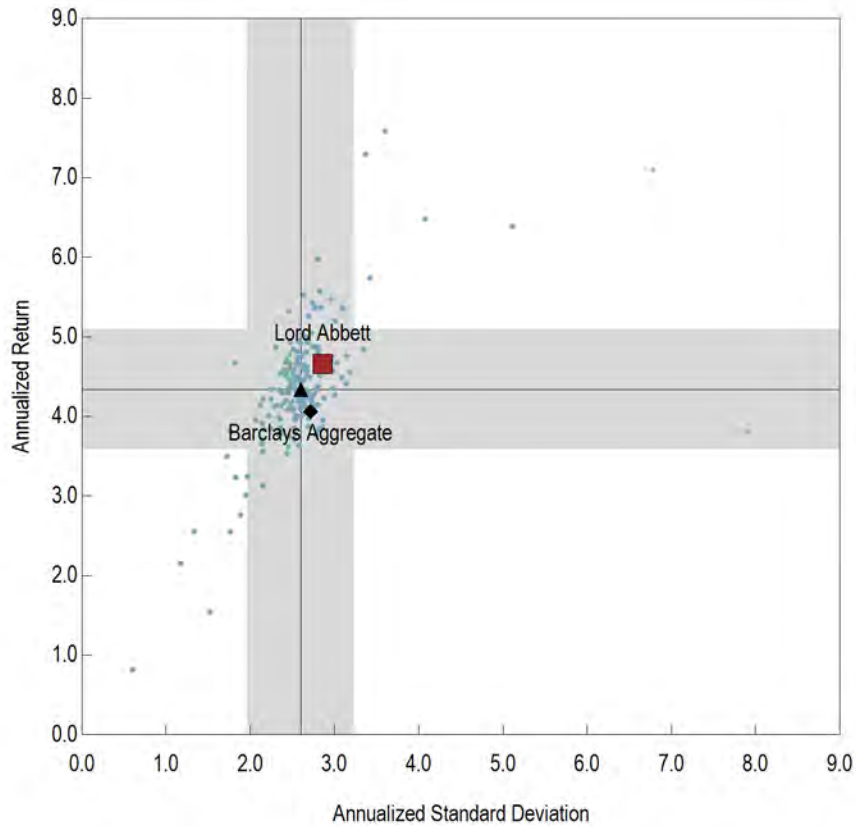
Rolling 3 Year Annualized Return (%)



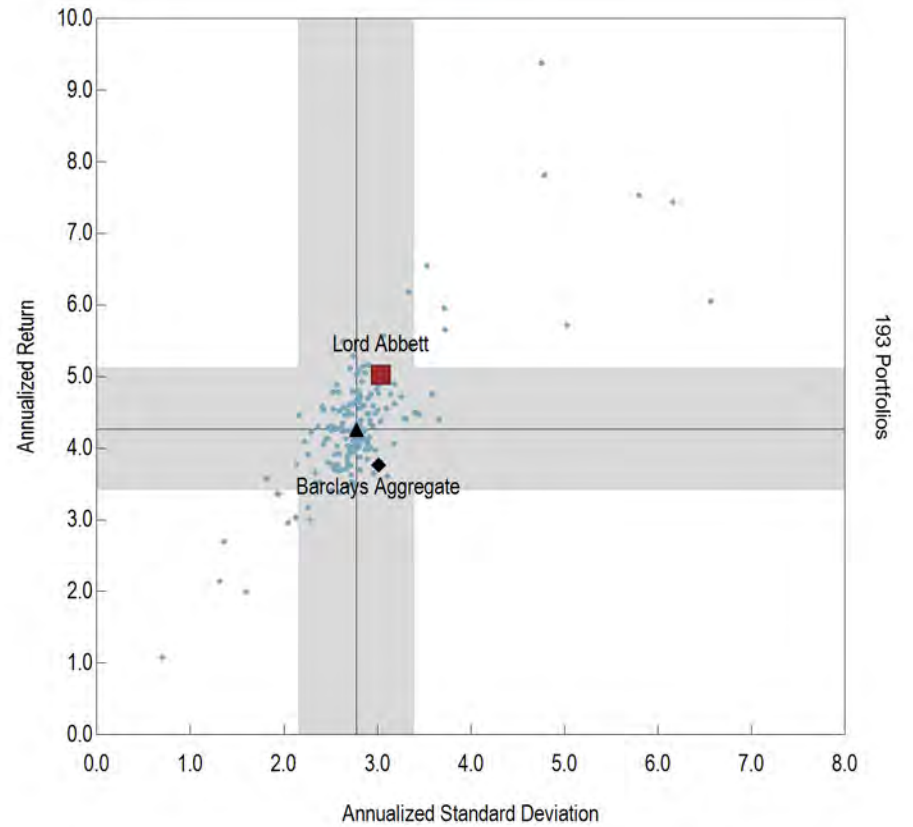
Rolling 5 Year Annualized Return (%)



3 Years



5 Years



3 Years

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio
Lord Abbett	4.7%	2.9%	1.6
Barclays Aggregate	4.1%	2.7%	1.5
eA US Core Fixed Inc Gross Median	4.3%	2.6%	1.7

5 Years

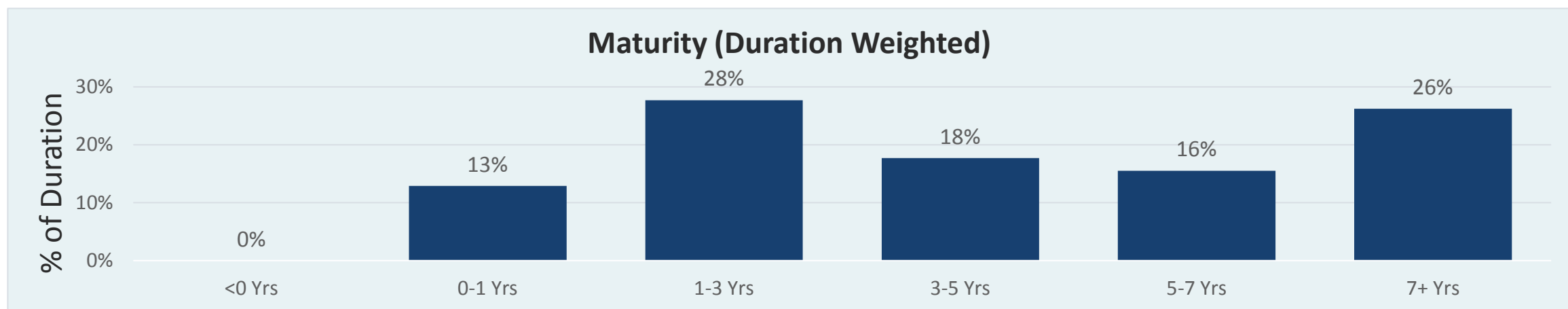
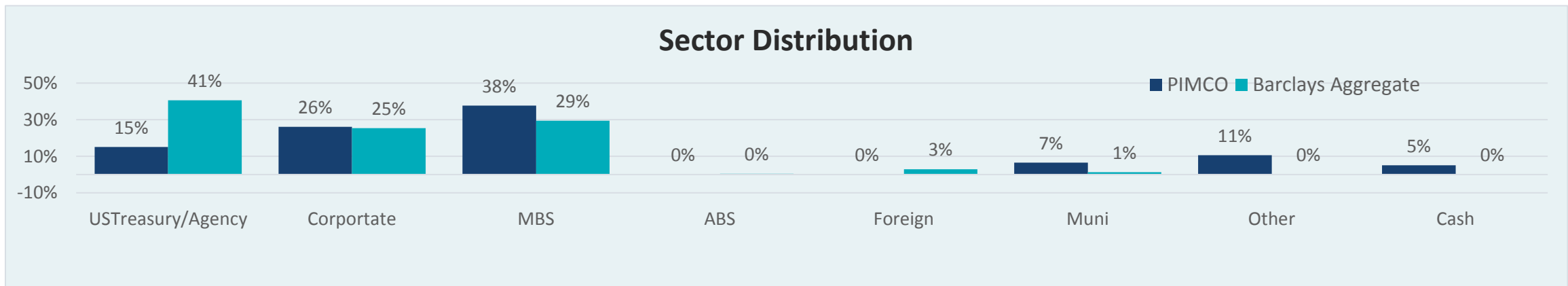
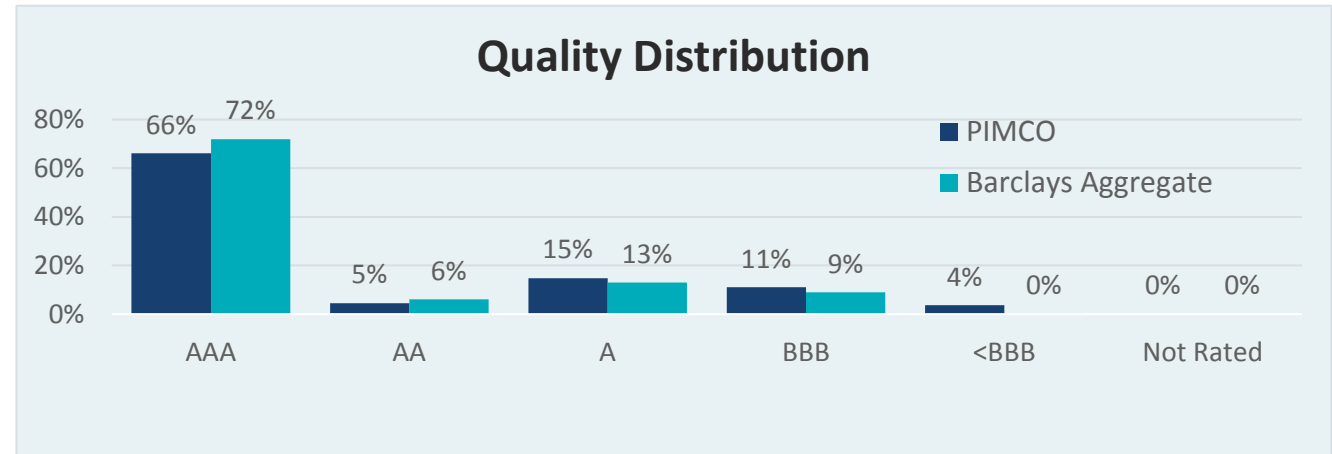
	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio
Lord Abbett	5.0%	3.0%	1.6
Barclays Aggregate	3.8%	3.0%	1.2
eA US Core Fixed Inc Gross Median	4.3%	2.8%	1.5

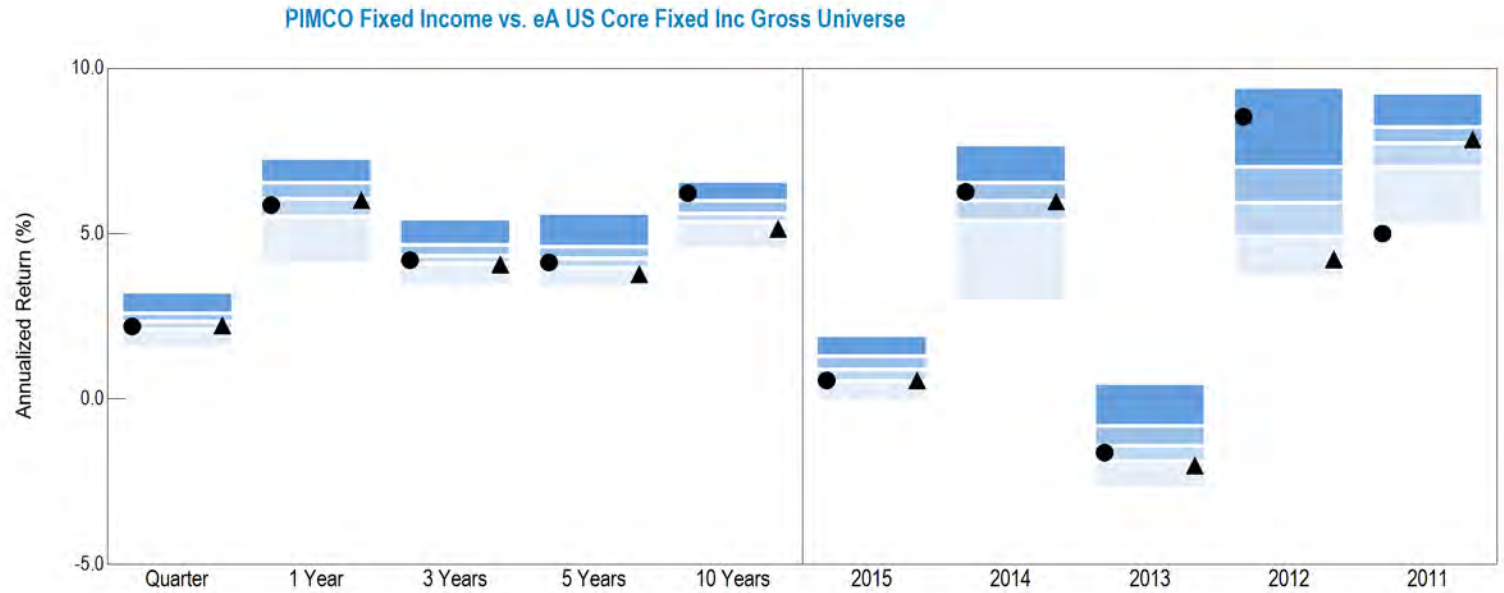
# PIMCO Fixed Income Manager Portfolio Overview

Period Ending: June 30, 2016

Domestic core plus fixed income portfolio seeking enhanced returns through sector and security selection, yield curve structure, and duration decision.

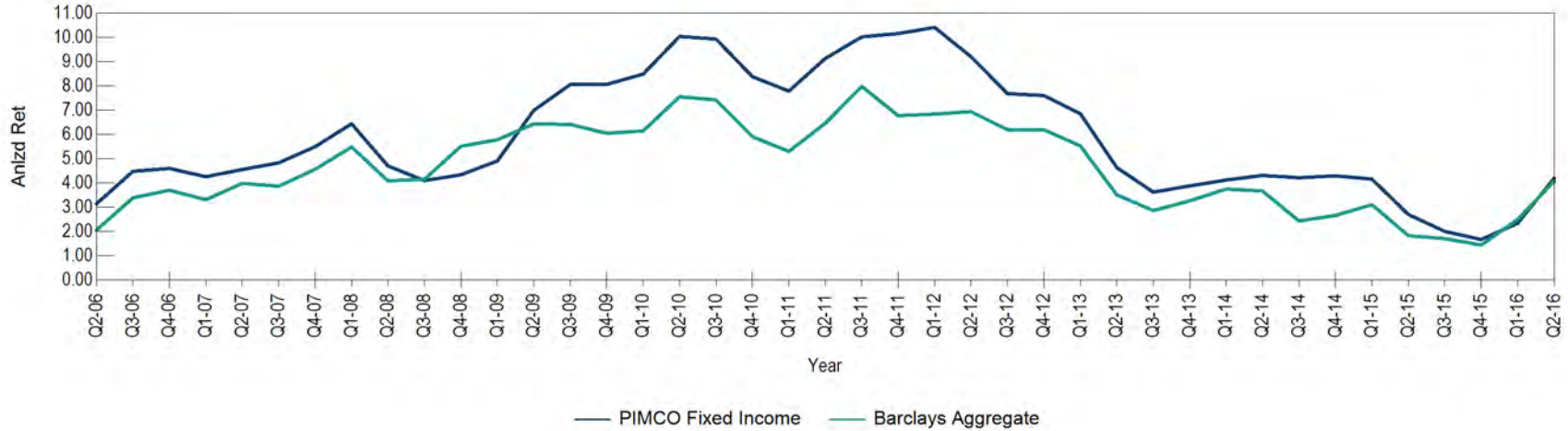
	PIMCO	Barclays Aggregate
Effective Duration	5.13	5.34
Yield to Maturity	2.35	1.83
Average Quality	AA	AA+
Average Coupon	3.62%	3.23%



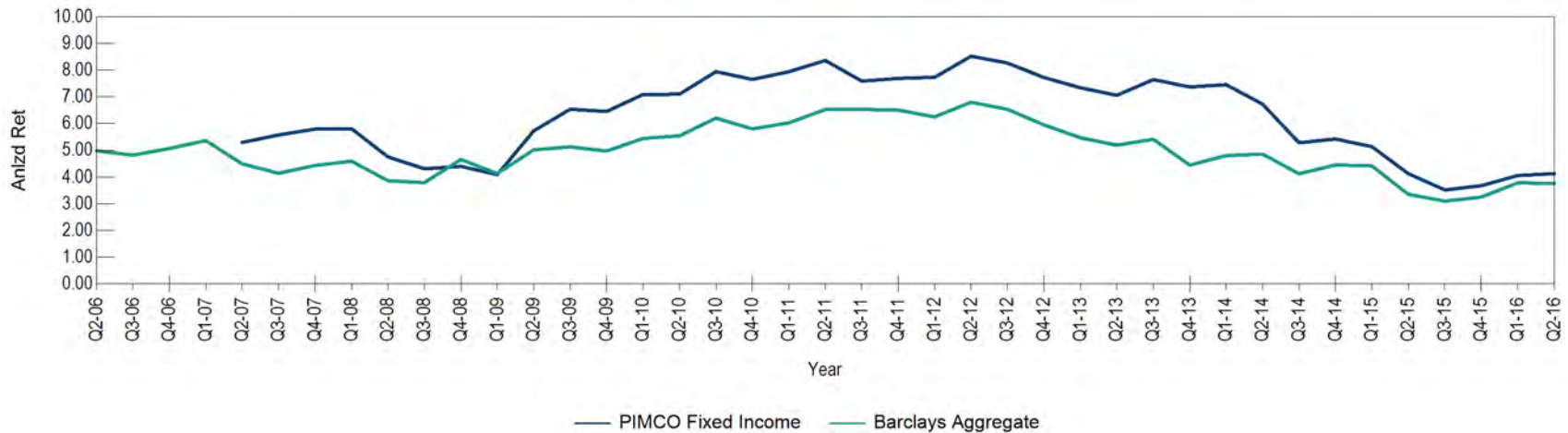


	Return (Rank)									
	Quarter	1 Year	3 Years	5 Years	10 Years	2015	2014	2013	2012	2011
5th Percentile	3.2	7.3	5.4	5.6	6.6	1.9	7.7	0.5	9.4	9.2
25th Percentile	2.6	6.5	4.7	4.6	6.0	1.3	6.5	-0.8	7.0	8.2
Median	2.3	6.1	4.3	4.3	5.6	0.9	6.0	-1.4	5.9	7.7
75th Percentile	2.1	5.5	4.1	4.0	5.4	0.5	5.4	-1.9	4.9	7.0
95th Percentile	1.5	4.1	3.4	3.4	4.5	-0.1	2.9	-2.7	3.7	5.3
# of Portfolios	198	198	195	193	172	196	213	209	228	213
● PIMCO Fixed Income	2.2 (69)	5.9 (67)	4.2 (67)	4.1 (63)	6.2 (15)	0.5 (75)	6.3 (34)	-1.6 (61)	8.5 (8)	5.0 (97)
▲ Barclays Aggregate	2.2 (64)	6.0 (56)	4.1 (77)	3.8 (85)	5.1 (87)	0.6 (75)	6.0 (52)	-2.0 (82)	4.2 (90)	7.8 (46)

Rolling 3 Year Annualized Return (%)

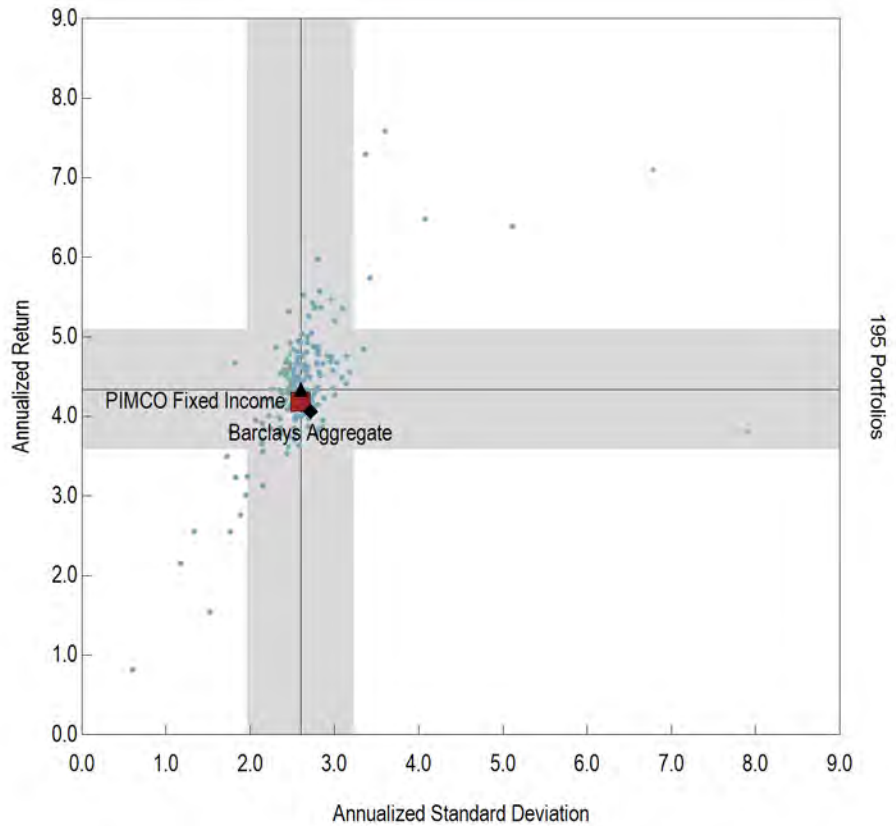


Rolling 5 Year Annualized Return (%)

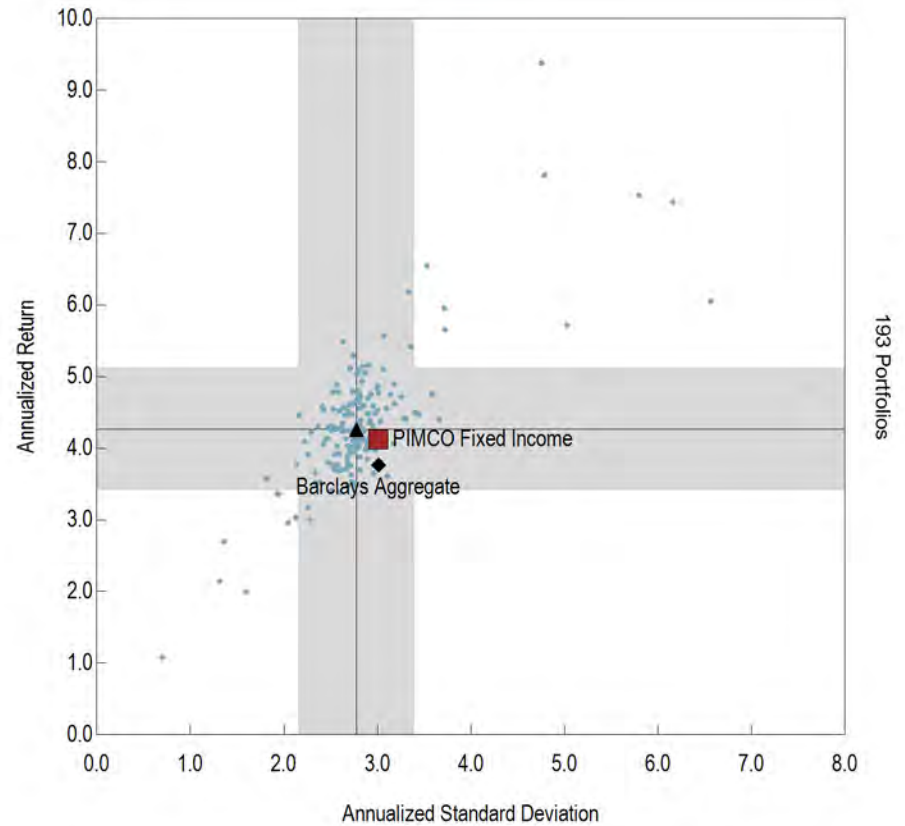




3 Years



5 Years



3 Years

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio
PIMCO Fixed Income	4.2%	2.6%	1.6
Barclays Aggregate	4.1%	2.7%	1.5
eA US Core Fixed Inc Gross Median	4.3%	2.6%	1.7

5 Years

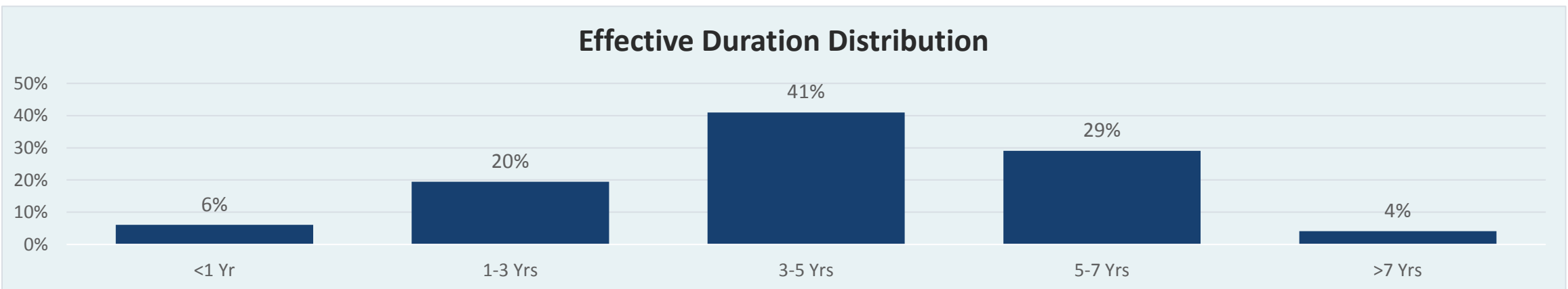
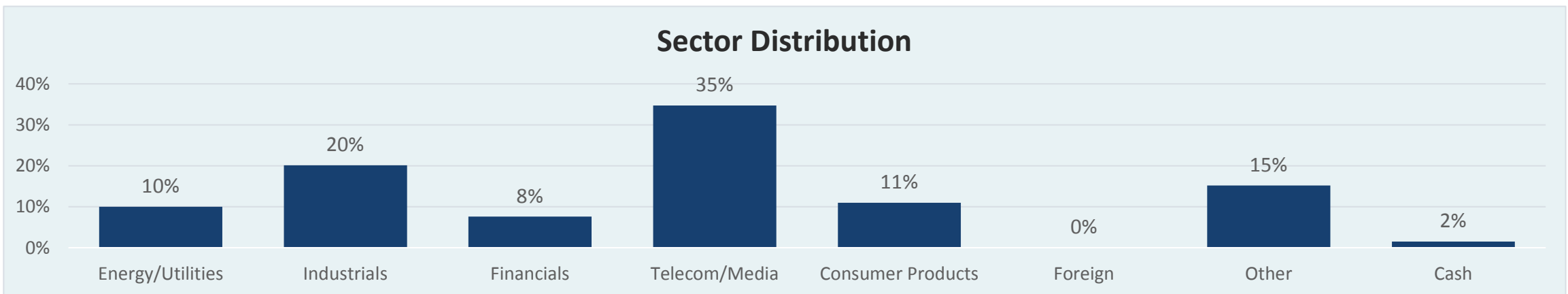
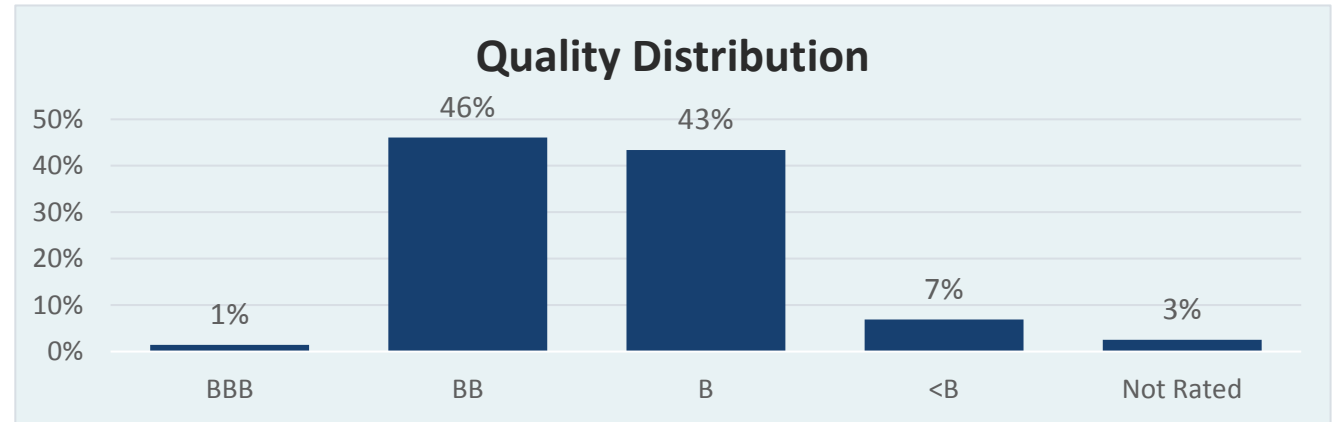
	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio
PIMCO Fixed Income	4.1%	3.0%	1.3
Barclays Aggregate	3.8%	3.0%	1.2
eA US Core Fixed Inc Gross Median	4.3%	2.8%	1.5

## High Yield Managers

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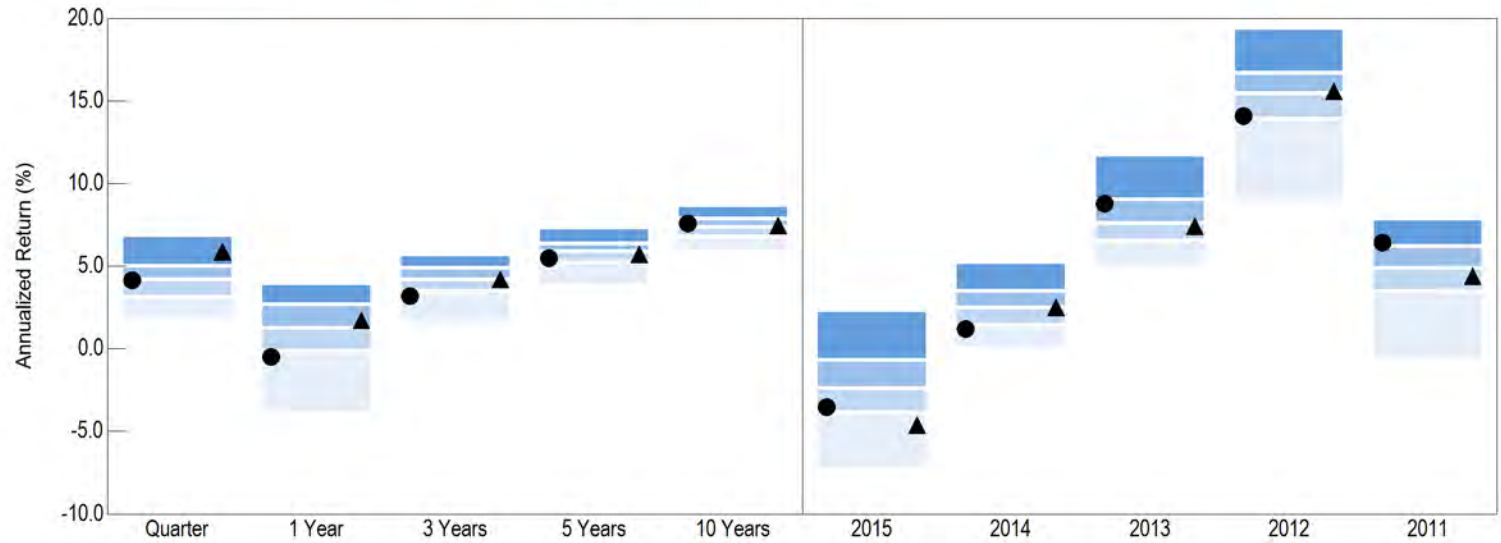
Domestic high yield fixed income portfolio with a focus on security selection. Primary personnel include Douglas Forsyth, Justin Kass, William Stickney, and Michael Yee.

	Allianz	BofA ML HY Master II
Effective Duration	4.1	4.4
Yield to Maturity	7.5	7.6
Average Quality	B1	B1
Average Coupon	7.0%	6.6%



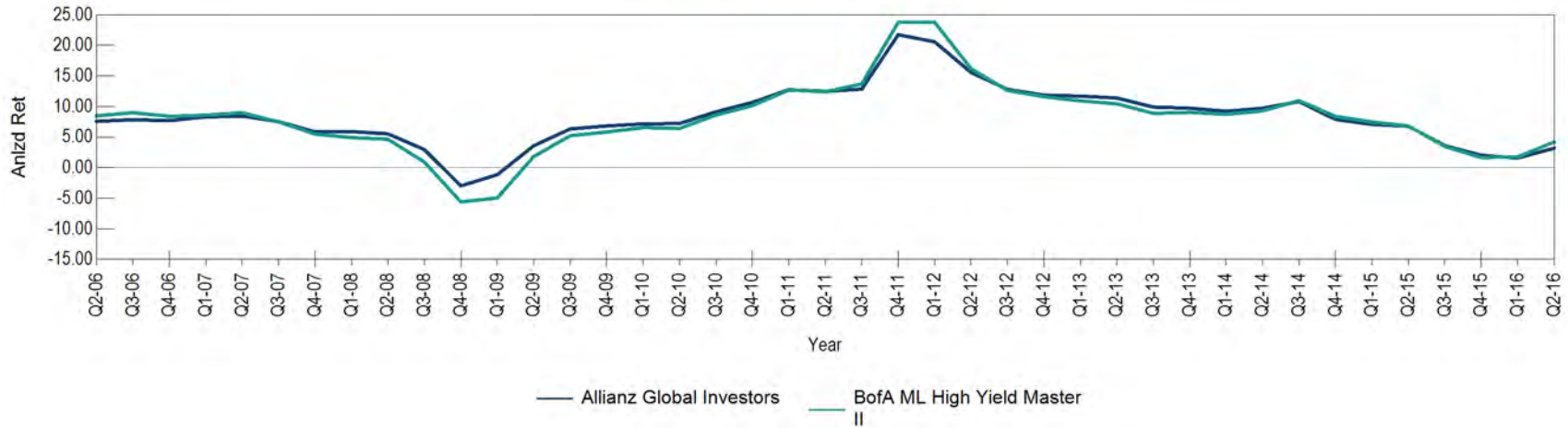
Quality distribution excludes cash.

Allianz Global Investors vs. eA US High Yield Fixed Inc Gross Universe



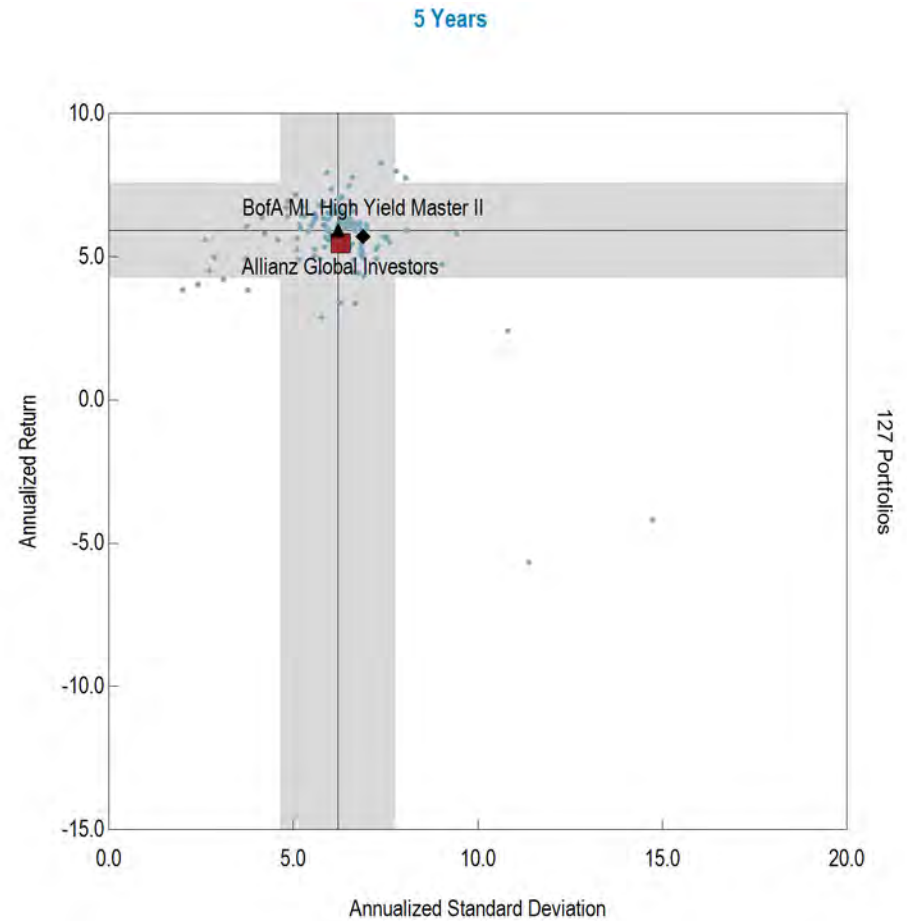
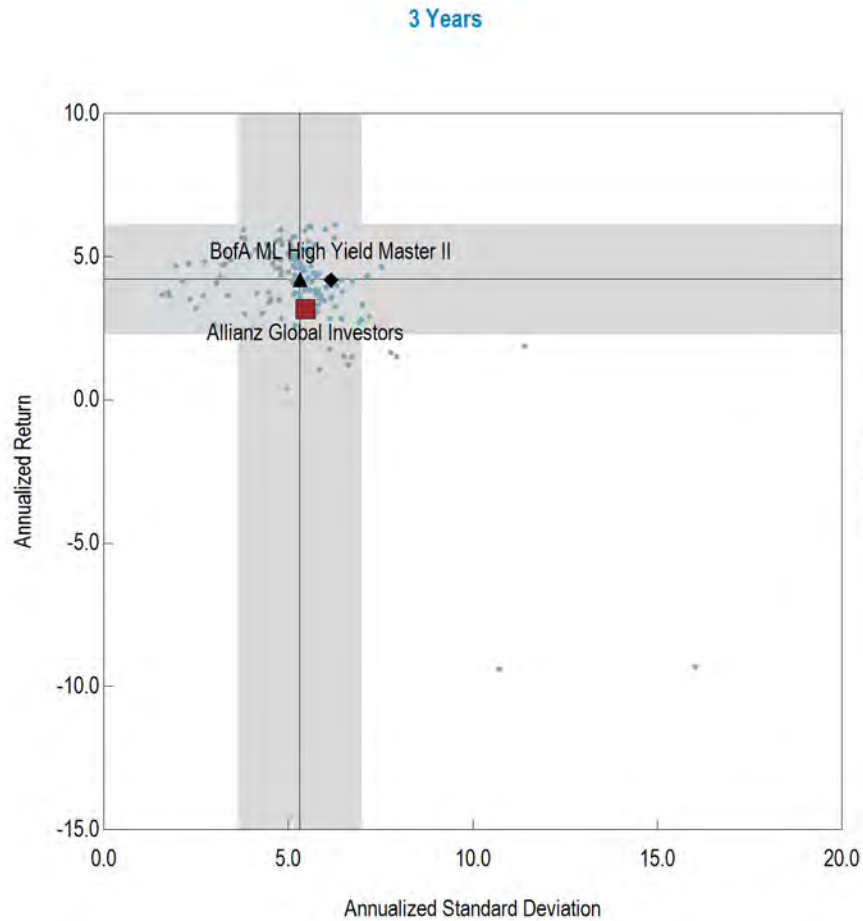
	Return (Rank)									
	Quarter	1 Year	3 Years	5 Years	10 Years	2015	2014	2013	2012	2011
5th Percentile	6.9	4.0	5.7	7.3	8.7	2.3	5.2	11.7	19.4	7.9
25th Percentile	5.0	2.7	4.9	6.4	7.9	-0.7	3.5	9.1	16.7	6.2
Median	4.2	1.3	4.2	5.9	7.4	-2.4	2.5	7.6	15.5	4.9
75th Percentile	3.2	-0.1	3.5	5.3	6.8	-3.8	1.5	6.6	14.0	3.5
95th Percentile	1.9	-3.9	1.5	3.8	5.8	-7.2	0.0	5.0	8.9	-0.7
# of Portfolios	150	150	144	127	103	155	141	130	129	117
● Allianz Global Investors	4.1 (56)	-0.5 (78)	3.2 (84)	5.5 (68)	7.6 (39)	-3.5 (68)	1.2 (83)	8.8 (28)	14.1 (73)	6.4 (21)
▲ BofA ML High Yield Master II	5.9 (13)	1.7 (44)	4.2 (51)	5.7 (58)	7.4 (49)	-4.6 (83)	2.5 (50)	7.4 (55)	15.6 (47)	4.4 (60)

Rolling 3 Year Annualized Return (%)



Rolling 5 Year Annualized Return (%)





	<b>3 Years</b>			<b>5 Years</b>		
	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio
Allianz Global Investors	3.2%	5.5%	0.6	Allianz Global Investors	5.5%	0.9
BofA ML High Yield Master II	4.2%	6.2%	0.7	BofA ML High Yield Master II	5.7%	0.8
eA US High Yield Fixed Inc Gross Median	4.2%	5.3%	0.8	eA US High Yield Fixed Inc Gross Median	5.9%	1.0

## **Global Fixed Income Managers**

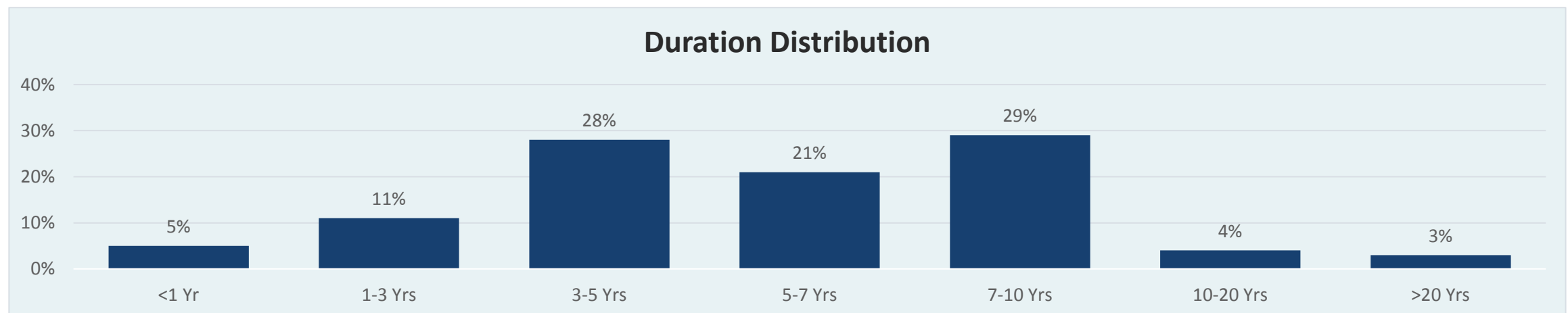
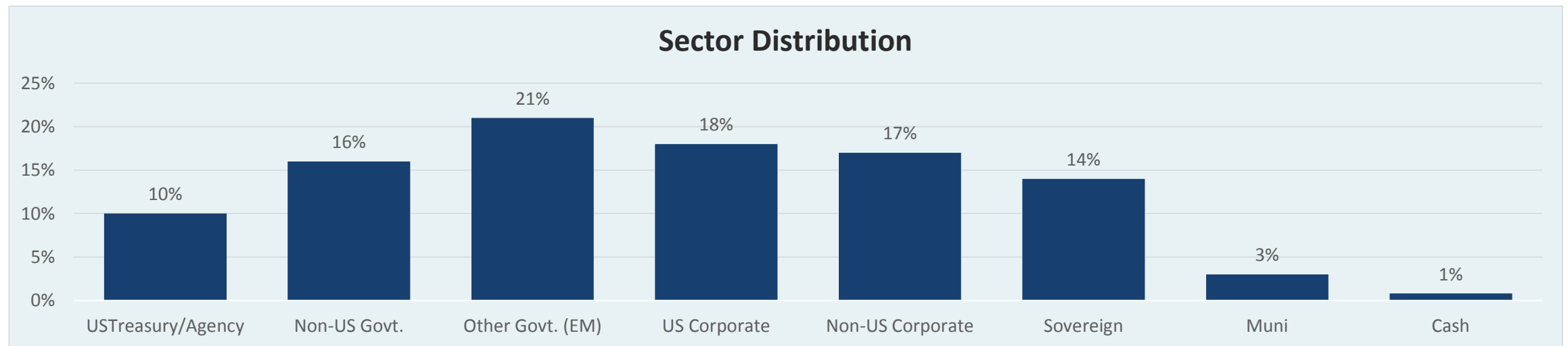
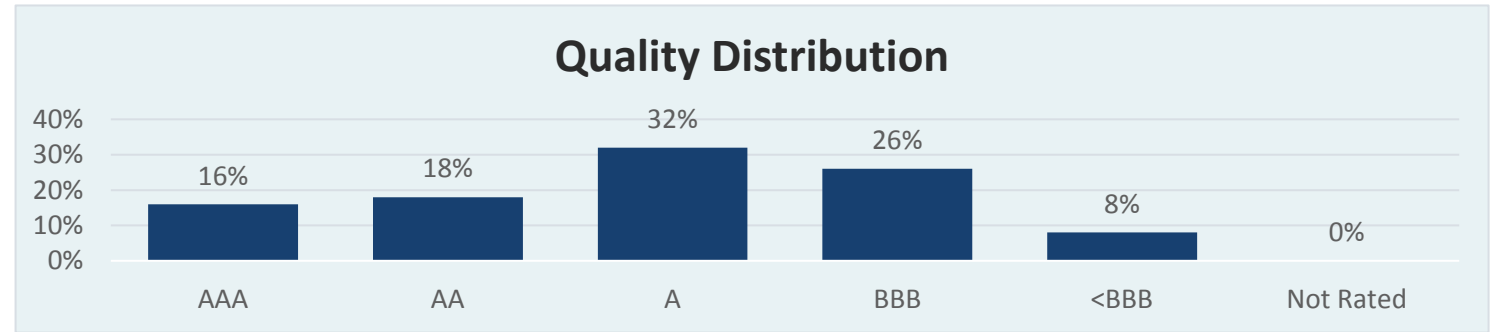
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# Lazard Manager Portfolio Overview

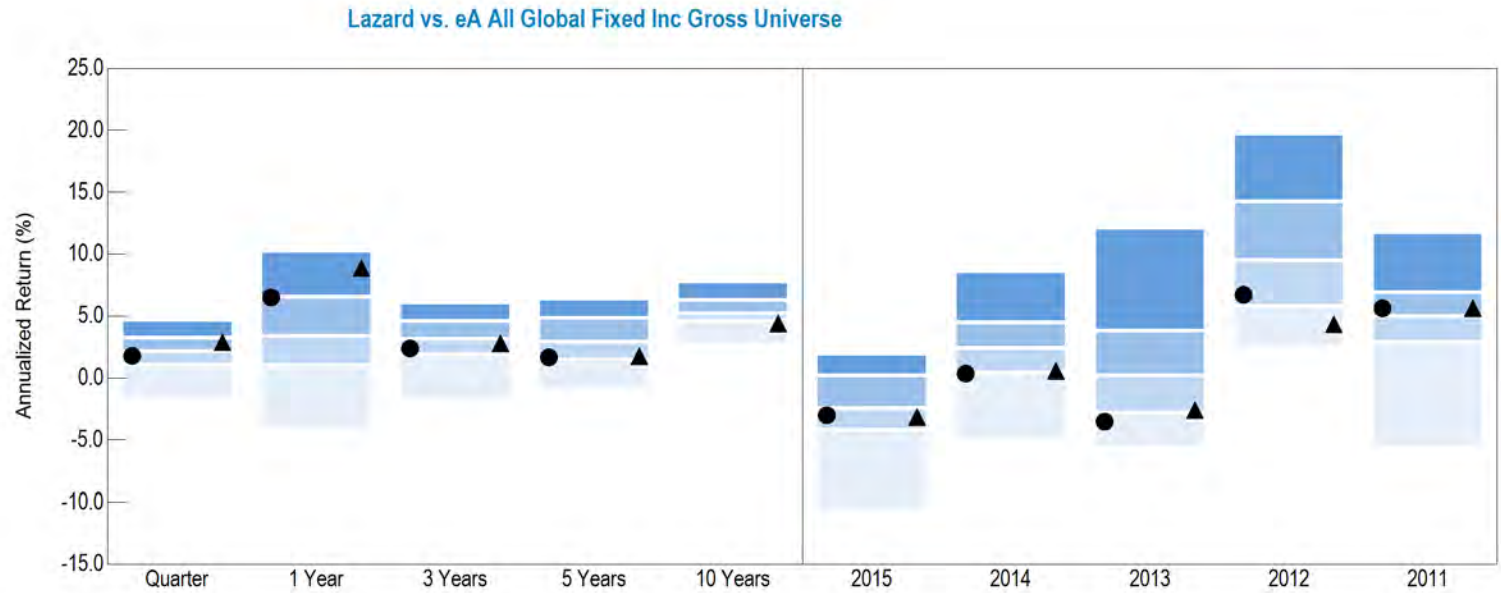
Period Ending: June 30, 2016

Global core fixed income portfolio with a focus on country selection and currency management. Primary personnel include Yvette Klevan, Benjamin Dietrich, and Jared Daniels.

	Lazard
Effective Duration	5.00
Average Maturity	6.4
Average Quality	A-

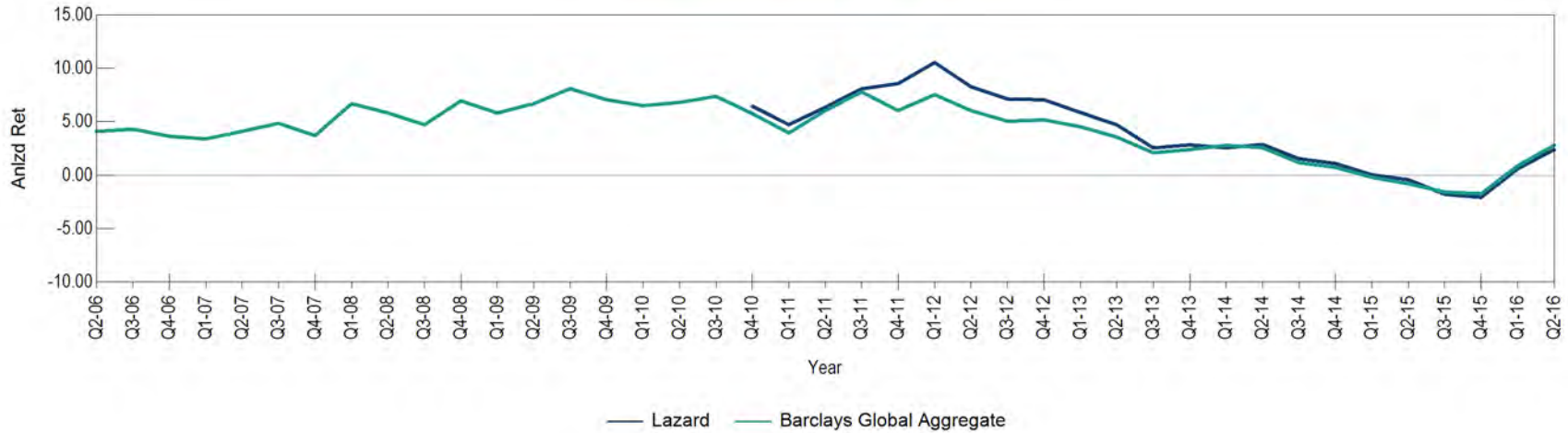




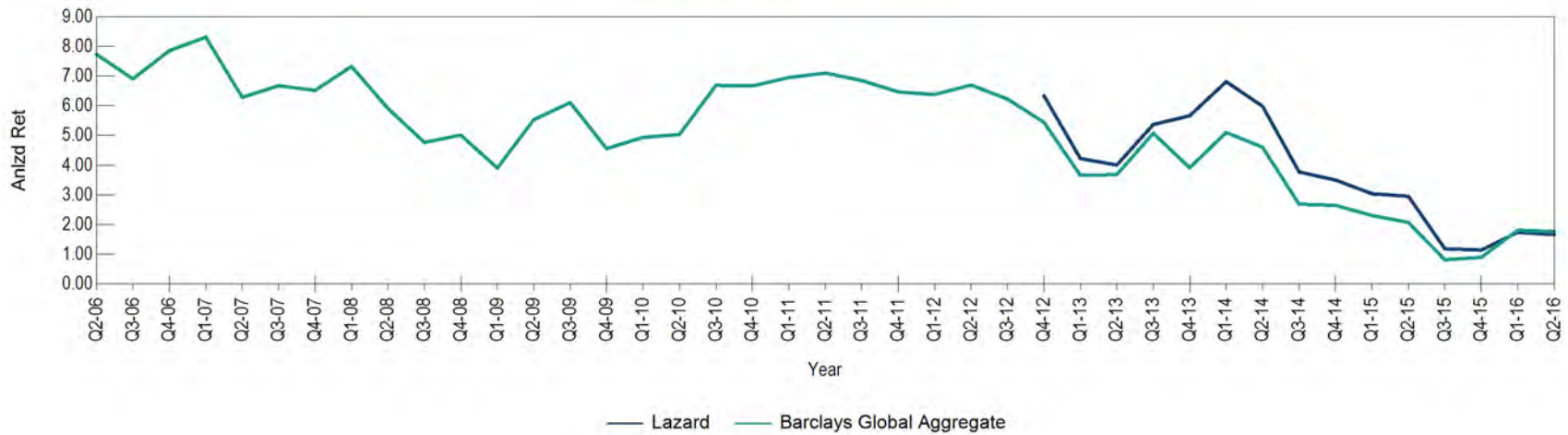


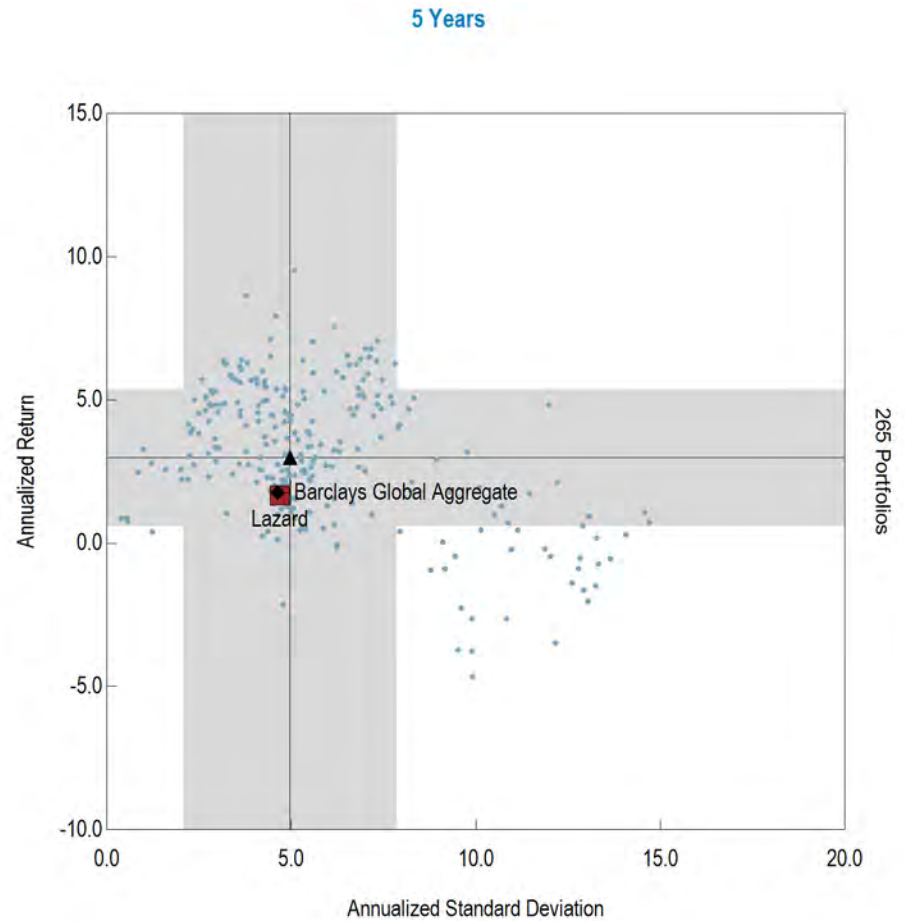
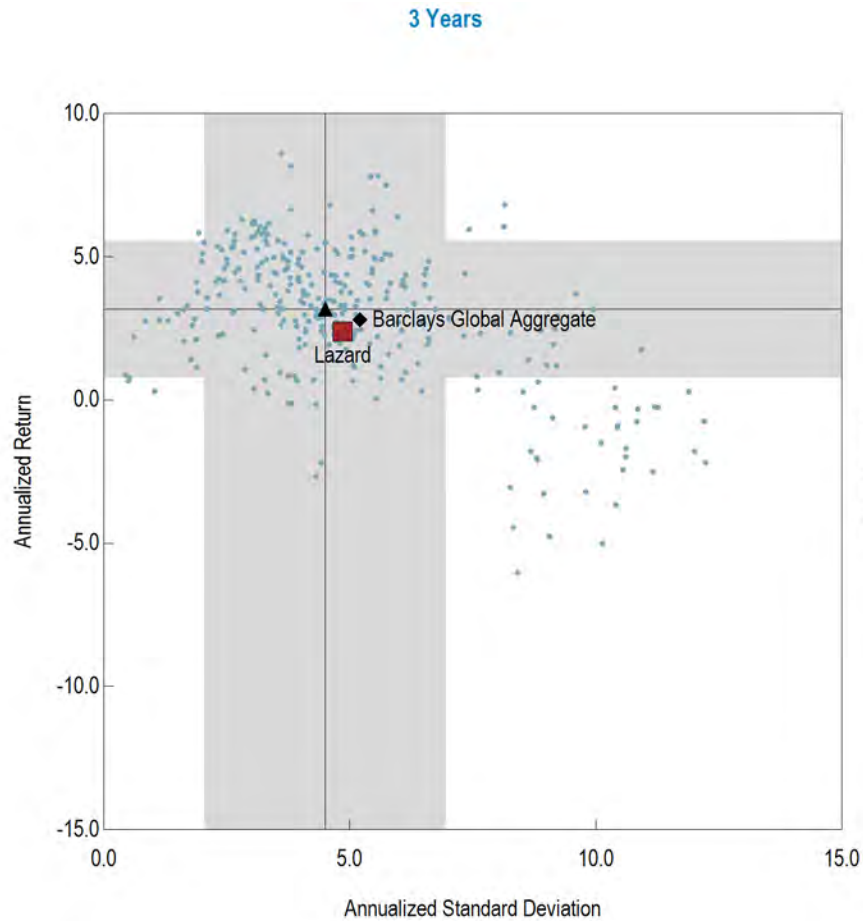
	Quarter	1 Year	3 Years	5 Years	10 Years	2015	2014	2013	2012	2011
<b>Return (Rank)</b>										
5th Percentile	4.7	10.3	6.0	6.4	7.8	1.9	8.6	12.1	19.7	11.7
25th Percentile	3.3	6.6	4.6	4.9	6.3	0.3	4.5	3.9	14.3	6.9
Median	2.2	3.5	3.2	3.0	5.2	-2.4	2.5	0.2	9.5	5.0
75th Percentile	1.1	1.1	1.9	1.5	4.7	-4.2	0.5	-2.8	5.9	2.9
95th Percentile	-1.6	-4.1	-1.8	-0.9	2.7	-10.6	-4.9	-5.6	2.5	-5.5
# of Portfolios	339	339	315	265	150	332	263	225	197	171
● Lazard	1.8 (64)	6.5 (27)	2.4 (69)	1.7 (74)	-- (--)	-3.0 (59)	0.4 (77)	-3.5 (83)	6.7 (68)	5.6 (40)
▲ Barclays Global Aggregate	2.9 (36)	8.9 (11)	2.8 (60)	1.8 (72)	4.4 (84)	-3.2 (61)	0.6 (74)	-2.6 (74)	4.3 (87)	5.6 (39)

Rolling 3 Year Annualized Return (%)



Rolling 5 Year Annualized Return (%)





	<b>3 Years</b>			<b>5 Years</b>			
	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio		Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio
Lazard	2.4%	4.9%	0.5	Lazard	1.7%	4.7%	0.3
Barclays Global Aggregate	2.8%	5.2%	0.5	Barclays Global Aggregate	1.8%	4.6%	0.4
eA All Global Fixed Inc Gross Median	3.2%	4.5%	0.7	eA All Global Fixed Inc Gross Median	3.0%	5.0%	0.6

## **Inflation Hedge Managers**

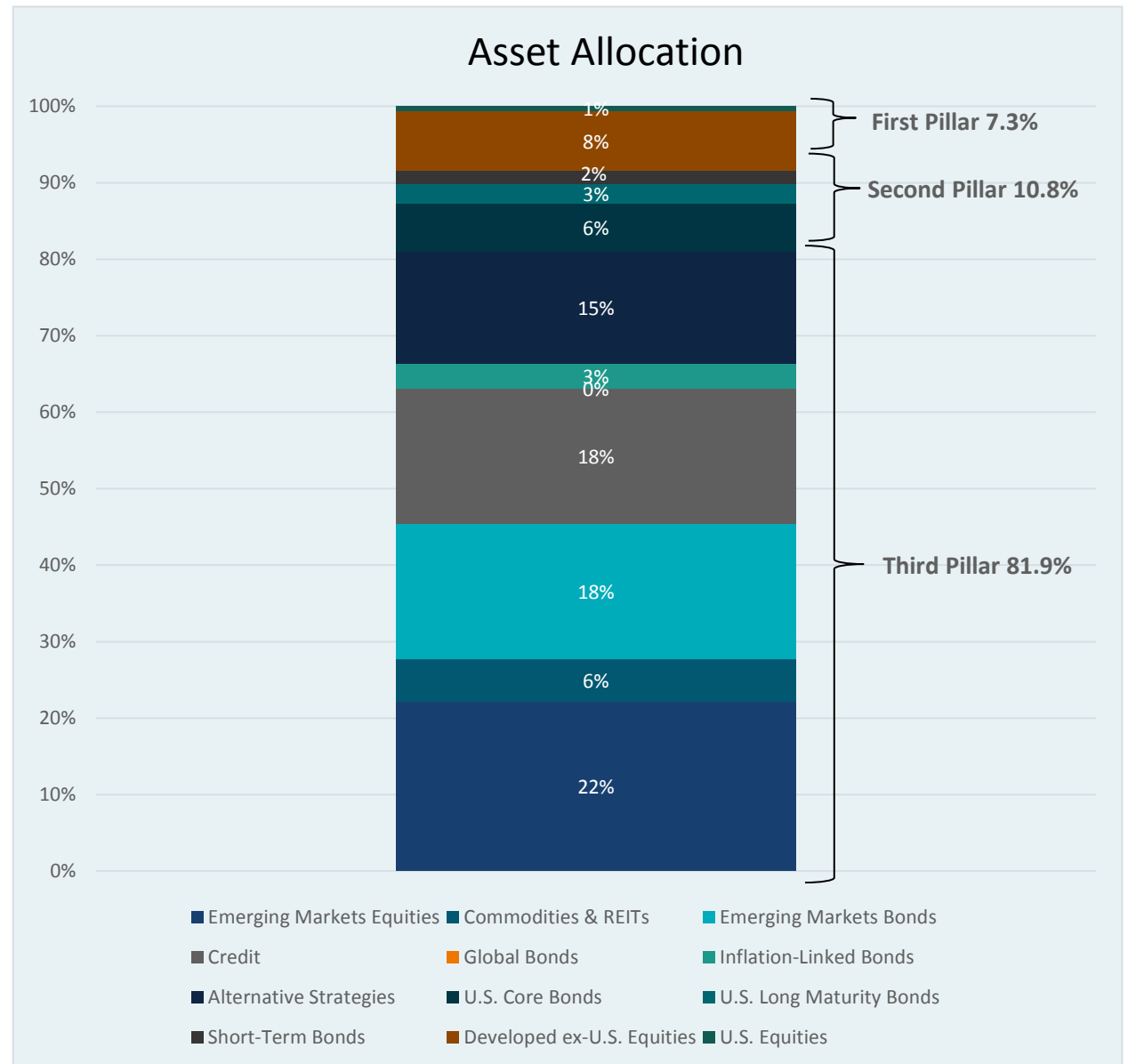
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# PIMCO All Asset Manager Portfolio Overview

Period Ending: June 30, 2016

Tactical multi-asset class real return strategy with a primary focus on inflation protection and a secondary focus on enhanced returns

	PIMCO All Asset
Effective Duration	2.55
Sharpe Ratio (10 year)	0.40
Volatility (10 Year)	9.7%
Equity Beta (10 Year)	0.5

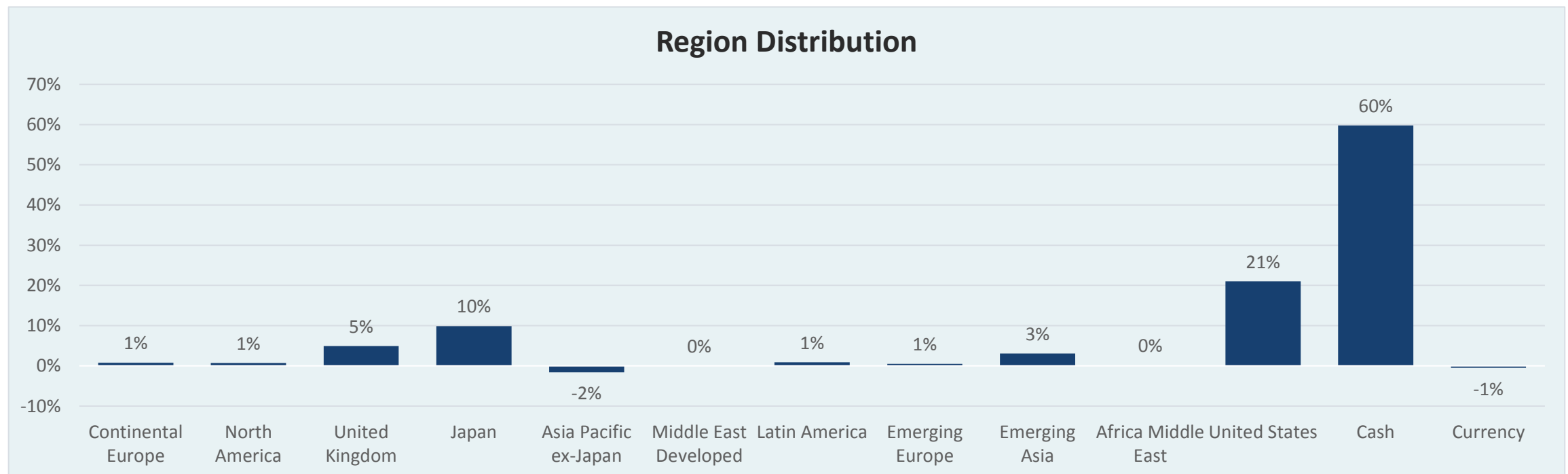
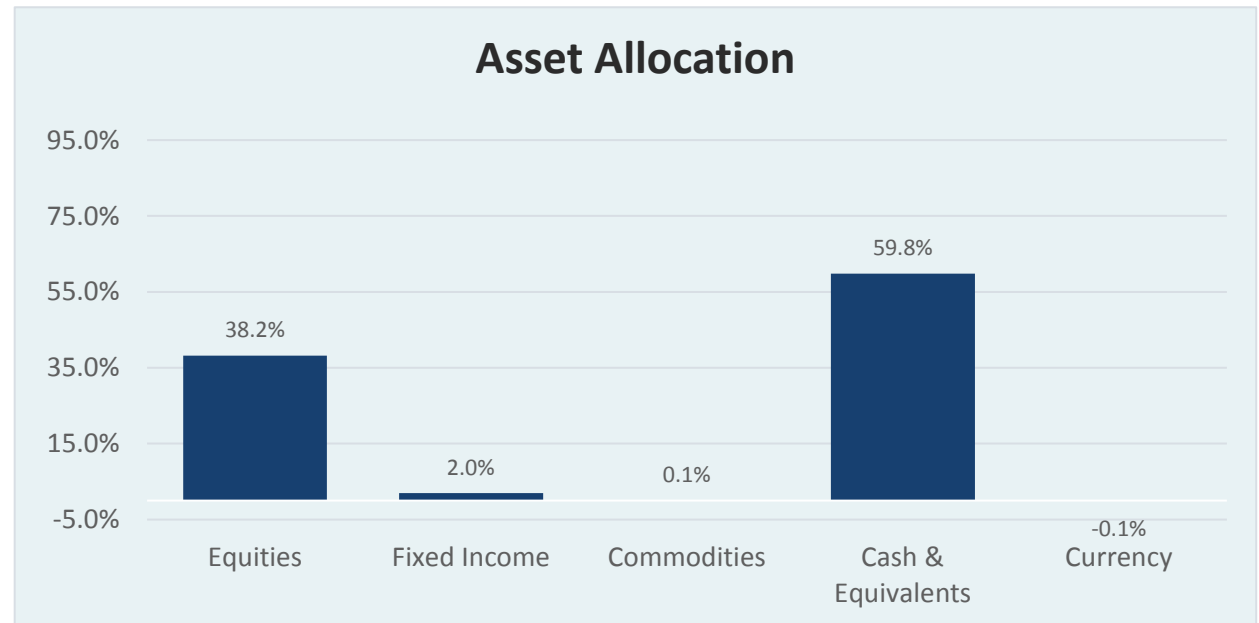


# Wellington Total Return Manager Portfolio Overview

Period Ending: June 30, 2016

Tactical multi-asset class real return strategy with a focus on managing risk of active strategies used to gain exposure to attractive assets of markets.

	Wellington Total Return
Number of Equity Holdings	436
Number of Commodity Holdings	87
Effective Duration (Years)	7.40
Average Quality	USTz



## Real Estate Managers

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# Adelante Manager Portfolio Overview

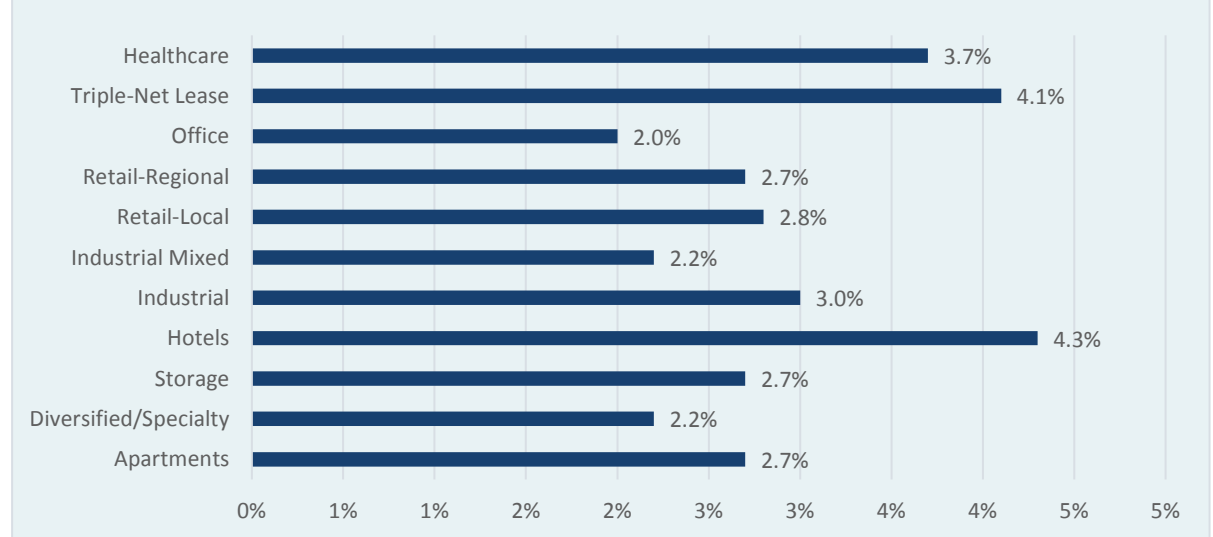
Period Ending: June 30, 2016

Diversified portfolio of U.S. REITs with a focus on the underlying real estate assets

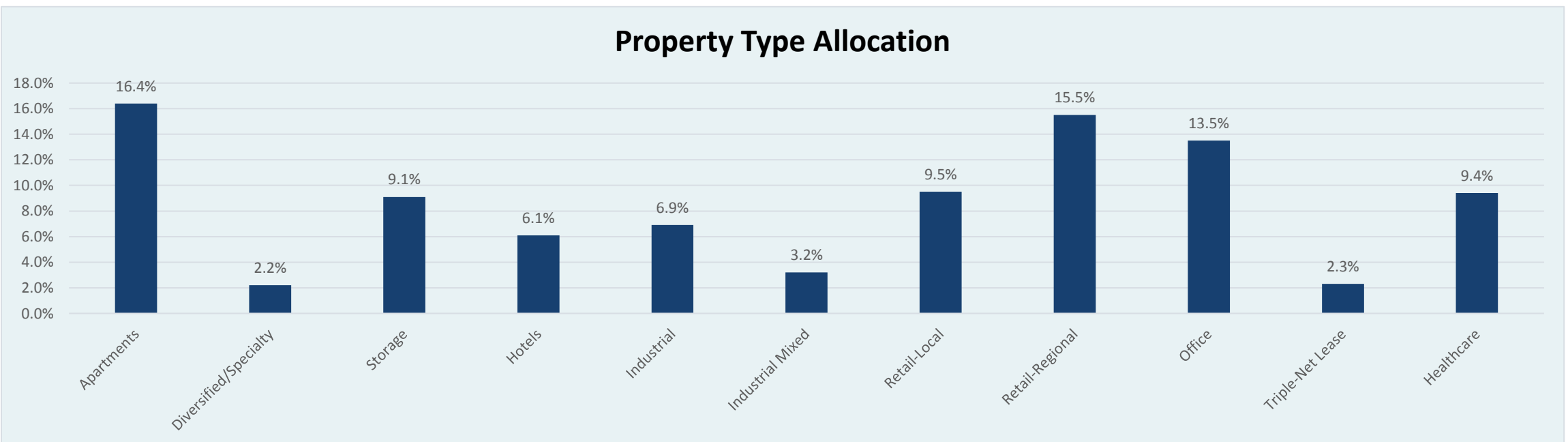
## Top Five Holdings

Company	Property Type	Allocation
Simon Property Group	Retail-Regional	12.4%
Welltower Inc.	Healthcare	6.5%
Boston Properties, Inc	Office	5.3%
Public Storage	Storage	5.2%
Essex Property Trust	Apartments	4.3%

## Dividend Yield by Property Type



## Property Type Allocation



4.6% is allocated to Cash and Cash Equivalents.

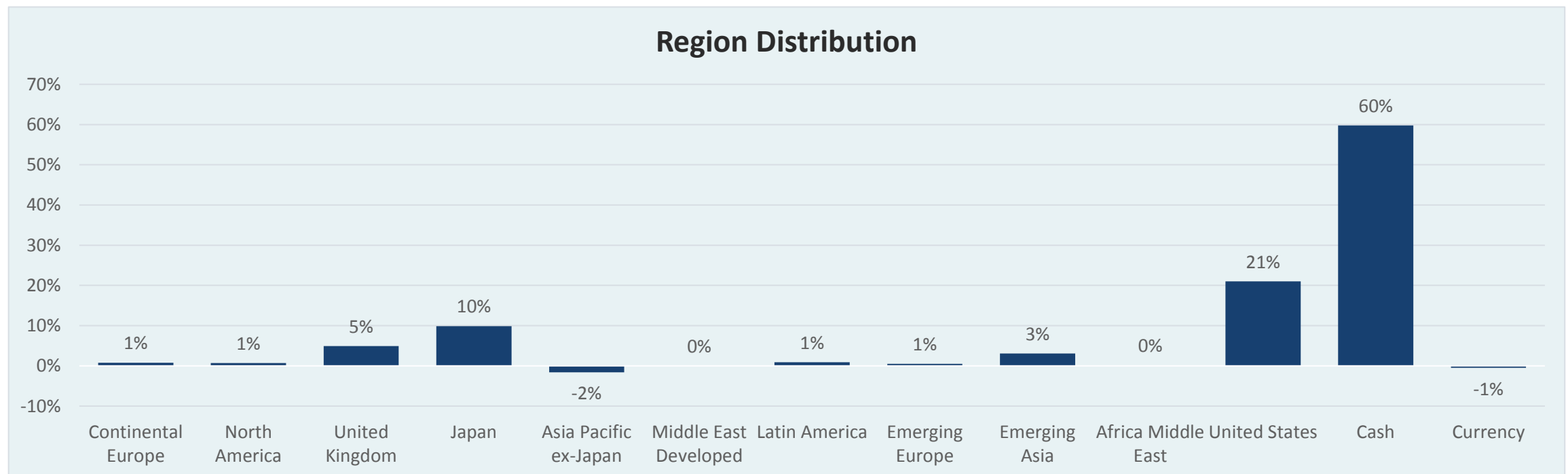
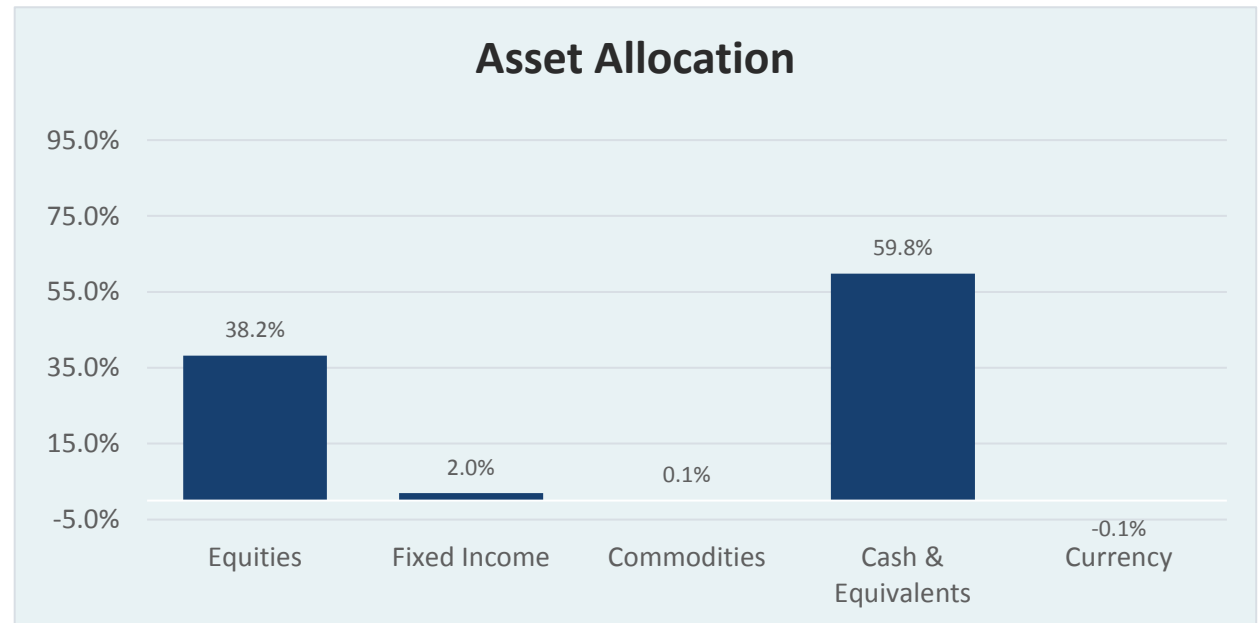


# Wellington Total Return Manager Portfolio Overview

Period Ending: June 30, 2016

Tactical multi-asset class real return strategy with a focus on managing risk of active strategies used to gain exposure to attractive assets of markets.

	Wellington Total Return
Number of Equity Holdings	436
Number of Commodity Holdings	87
Effective Duration (Years)	7.40
Average Quality	USTz



**Performance Return Calculations**

Returns calculated in the performance summary tables are time-weighted rates of return (TWRR). TWRR are calculated from changes in monthly market values, adjusted for weighted cash flows between months. Returns are linked geometrically and annualized for periods longer than one year.

**Data Source**

Verus is an independent third party consulting firm and calculates returns from best source book of record data. Returns calculated by Verus may deviate from those shown by the manager in part, but not limited to, differences in prices and market values reported by the custodian and manager, as well as significant cash flows into or out of an account. It is the responsibility of the manager and custodian to provide insight into the pricing methodologies and any difference in valuation.

**Illiquid Alternatives**

Closed end funds including but not limited to Real Estate, Hedge Funds, Private Equity, and Private Credit may lag performance and market value data due to delayed reporting. Verus will show market values for closed end funds as of the most recent reported performance adjusted for capital calls and distributions. Closed end fund managers report performance using an internal rate of return (IRR), which differs from the TWRR calculation done by Verus. It is inappropriate to compare IRR and TWRR to each other. IRR figures reported in the illiquid alternative pages are provided by the respective managers, and Verus has not made any attempts to verify these returns. Until a partnership is liquidated (typically over 10-12 years), the IRR is only an interim estimated return. The actual IRR performance of any LP is not known until the final liquidation.

**Manager Line Up**

Manager	Inception Date	Data Source	Manager	Inception Date	Data Source
Intech Large Cap Core	11/10/2006	State Street	LaSalle Income & Growth VI	07/16/2013	LaSalle
PIMCO Stocks+ AR	08/31/2002	State Street	Long Wharf Fund III	03/30/2007	Long Wharf
Jackson Square Partners	05/01/2005	State Street	Long Wharf Fund IV	07/03/2013	Long Wharf
Robeco Boston Partners	06/01/1995	State Street	Hearthstone II	06/17/1998	Hearthstone
Emerald Advisors	04/07/2003	State Street	Invesco Real Estate I	02/01/2005	Invesco
Ceredex	11/06/2011	State Street	Invesco Real Estate II	11/26/2007	Invesco
Pyrford	04/25/2014	State Street	Invesco Real Estate III	06/30/2013	Invesco
William Blair	10/29/2010	William Blair	Invesco Real Estate IV	06/30/2014	Invesco
Artisan Partners	10/01/2012	SEI Trust	Oaktree REOF V	12/31/2011	Oaktree
First Eagle	01/18/2011	State Street	Oaktree REOF VI	09/30/2013	Oaktree
Intech Global Low Vol	05/06/2012	State Street	Oaktree REOF VII	04/01/2015	Oaktree
JP Morgan Global Opportunities	01/31/2010	JP Morgan	Siguler Guff DREOF	01/25/2012	Siguler Guff
AFL-CIO	06/30/1991	AFL-CIO	Siguler Guff DREOF II	08/31/2013	Siguler Guff
Goldman Sachs Core Plus	11/01/2008	State Street	Siguler Guff DREOF II Co-Inv	01/27/2016	Siguler Guff
Lord Abbett	10/22/2008	State Street	Paulson Real Estate Fund II	11/10/2013	State Street
PIMCO Total Return	05/31/2002	State Street	Adams Street Partners	03/18/1996	Adams Street
Torchlight II	09/30/2006	Torchlight	Adams Street Partners II	01/16/2009	Adams Street
Torchlight III	12/31/2008	Torchlight	Adams Street Partners - BFP	01/18/1996	Adams Street
Torchlight IV	07/01/2012	Torchlight	Adams Street Partners - Fund 5	09/21/2012	Adams Street
Torchlight V	07/01/2012	Torchlight	Bay Area Equity Fund	06/14/2004	DBL Investors
Allianz Global Investors	04/25/2000	State Street	Bay Area Equity Fund II	12/07/2009	DBL Investors
Lazard	12/31/2007	State Street	Carpenter Bancfund	01/31/2008	Carpenter Bancfund
PIMCO All Asset Fund	02/26/2013	State Street	EIF US Power Fund I	11/26/2003	Ares Management
Wellington Real Total Return	02/26/2013	State Street	EIF US Power Fund II	08/16/2005	Ares Management
Aether Real Assets III	11/27/2013	Aether	EIF US Power Fund III	05/30/2007	Ares Management
Commonfund	06/28/2013	Commonfund	EIF US Power Fund IV	11/28/2011	Ares Management
Adelante	09/30/2001	State Street	Nogales	02/15/2004	Nogales
Invesco International REIT	06/30/2008	Invesco	Paladin III	11/30/2007	Paladin
Angelo Gordon Realty Fund VIII	01/23/2012	Angelo Gordon	Ocean Avenue Fund II	06/11/2014	Ocean Avenue
Angelo Gordon Realty Fund IX	12/08/2014	Angelo Gordon	Ocean Avenue Fund III	04/15/2016	Ocean Avenue
Angelo Gordon Energy Credit Opp	09/24/2015	Angelo Gordon	Pathway	11/09/1998	Pathway
DLJ RECP II	09/24/1999	DLJ	Pathway 2008	12/26/2008	Pathway
DLJ RECP III	06/23/2005	DLJ	Pathway 6	05/24/2011	Pathway
DLJ RECP IV	02/11/2008	DLJ	Pathway 7	02/07/2013	Pathway
DLJ RECP V	07/01/2014	DLJ	Siguler Guff CCCERA Opps	06/03/2014	Siguler Guff
Wastewater Opp. Fund	12/08/2015	Wastewater	Cash	-	State Street
-	-	-	Aether Real Assets IV	03/16/2016	Aether

**Policy & Custom Index Composition**

Policy Index (4/1/2012-Current) 27.7% Russell 3000, 10.6% MSCI ACWI ex-US (Gross), 12.3% MSCI ACWI (Net), 19.6% Barclays U.S. Aggregate, 5% Bank of America High Yield Master II, 4% Barclays Global Aggregate, 13.5% Real Estate Benchmark, 6.8% S&P 500 +4% (Lagged), 0.5% 91-Day T-Bills.

Real Estate Benchmark 40% Wilshire REIT, 50% NCREIF Property Index, 10% FTSE/EPRA NAREIT Developed ex-USA.

**Other Disclosures**

All data prior to 12/31/2014 was provided by previous consultant.

# Glossary

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**Allocation Effect:** An attribution effect that describes the amount attributable to the managers' asset allocation decisions, relative to the benchmark.

**Alpha:** The excess return of a portfolio after adjusting for market risk. This excess return is attributable to the selection skill of the portfolio manager. Alpha is calculated as:  $\text{Portfolio Return} - [\text{Risk-free Rate} + \text{Portfolio Beta} \times (\text{Market Return} - \text{Risk-free Rate})]$ .

**Benchmark R-squared:** Measures how well the Benchmark return series fits the manager's return series. The higher the Benchmark R-squared, the more appropriate the benchmark is for the manager.

**Beta:** A measure of systematic, or market risk; the part of risk in a portfolio or security that is attributable to general market movements. Beta is calculated by dividing the covariance of a security by the variance of the market.

**Book-to-Market:** The ratio of book value per share to market price per share. Growth managers typically have low book-to-market ratios while value managers typically have high book-to-market ratios.

**Capture Ratio:** A statistical measure of an investment manager's overall performance in up or down markets. The capture ratio is used to evaluate how well an investment manager performed relative to an index during periods when that index has risen (up market) or fallen (down market). The capture ratio is calculated by dividing the manager's returns by the returns of the index during the up/down market, and multiplying that factor by 100.

**Correlation:** A measure of the relative movement of returns of one security or asset class relative to another over time. A correlation of 1 means the returns of two securities move in lock step, a correlation of -1 means the returns of two securities move in the exact opposite direction over time. Correlation is used as a measure to help maximize the benefits of diversification when constructing an investment portfolio.

**Excess Return:** A measure of the difference in appreciation or depreciation in the price of an investment compared to its benchmark, over a given time period. This is usually expressed as a percentage and may be annualized over a number of years or represent a single period.

**Information Ratio:** A measure of a manager's ability to earn excess return without incurring additional risk. Information ratio is calculated as: excess return divided by tracking error.

**Interaction Effect:** An attribution effect that describes the portion of active management that is contributable to the cross interaction between the allocation and selection effect. This can also be explained as an effect that cannot be easily traced to a source.

**Portfolio Turnover:** The percentage of a portfolio that is sold and replaced (turned over) during a given time period. Low portfolio turnover is indicative of a buy and hold strategy while high portfolio turnover implies a more active form of management.

**Price-to-Earnings Ratio (P/E):** Also called the earnings multiplier, it is calculated by dividing the price of a company's stock into earnings per share. Growth managers typically hold stocks with high price-to-earnings ratios whereas value managers hold stocks with low price-to-earnings ratios.

**R-Squared:** Also called the coefficient of determination, it measures the amount of variation in one variable explained by variations in another, i.e., the goodness of fit to a benchmark. In the case of investments, the term is used to explain the amount of variation in a security or portfolio explained by movements in the market or the portfolio's benchmark.

**Selection Effect:** An attribution effect that describes the amount attributable to the managers' stock selection decisions, relative to the benchmark.

**Sharpe Ratio:** A measure of portfolio efficiency. The Sharpe Ratio indicates excess portfolio return for each unit of risk associated with achieving the excess return. The higher the Sharpe Ratio, the more efficient the portfolio. Sharpe ratio is calculated as:  $\text{Portfolio Excess Return} / \text{Portfolio Standard Deviation}$ .

**Sortino Ratio:** Measures the risk-adjusted return of an investment, portfolio, or strategy. It is a modification of the Sharpe Ratio, but penalizes only those returns falling below a specified benchmark. The Sortino Ratio uses downside deviation in the denominator rather than standard deviation, like the Sharpe Ratio.

**Standard Deviation:** A measure of volatility, or risk, inherent in a security or portfolio. The standard deviation of a series is a measure of the extent to which observations in the series differ from the arithmetic mean of the series. For example, if a security has an average annual rate of return of 10% and a standard deviation of 5%, then two-thirds of the time, one would expect to receive an annual rate of return between 5% and 15%.

**Style Analysis:** A return based analysis designed to identify combinations of passive investments to closely replicate the performance of funds

**Style Map:** A specialized form or scatter plot chart typically used to show where a Manager lies in relation to a set of style indices on a two-dimensional plane. This is simply a way of viewing the asset loadings in a different context. The coordinates are calculated by rescaling the asset loadings to range from -1 to 1 on each axis and are dependent on the Style Indices comprising the Map.

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Verus receives universe data from InvestorForce, eVestment Alliance, and Morningstar. We believe this data to be robust and appropriate for peer comparison. Nevertheless, these universes may not be comprehensive of all peer investors/managers but rather of the investors/managers that comprise that database. The resulting universe composition is not static and will change over time. Returns are annualized when they cover more than one year. Investment managers may revise their data after report distribution. Verus will make the appropriate correction to the client account but may or may not disclose the change to the client based on the materiality of the change.

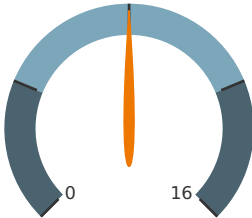
# CCCERA Risk Dashboard

June 30, 2016

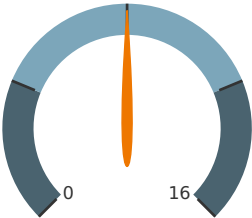
## 1 Portfolio risk



Portfolio: 8.3%



Policy: 8.0%

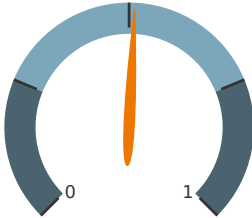


Average Pension: 8.0%

## 2 Portfolio equity beta



Portfolio: 0.55



Policy: 0.51



Average Pension: 0.53

## 3 Portfolio interest rate risk - Duration



Portfolio: 1.5

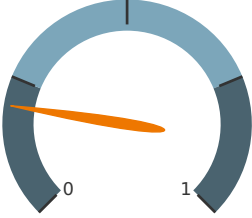


Policy: 1.3



Average Pension: 1.8

## 4 Portfolio credit risk - Spread duration



Portfolio: 0.2



Policy: 0.7

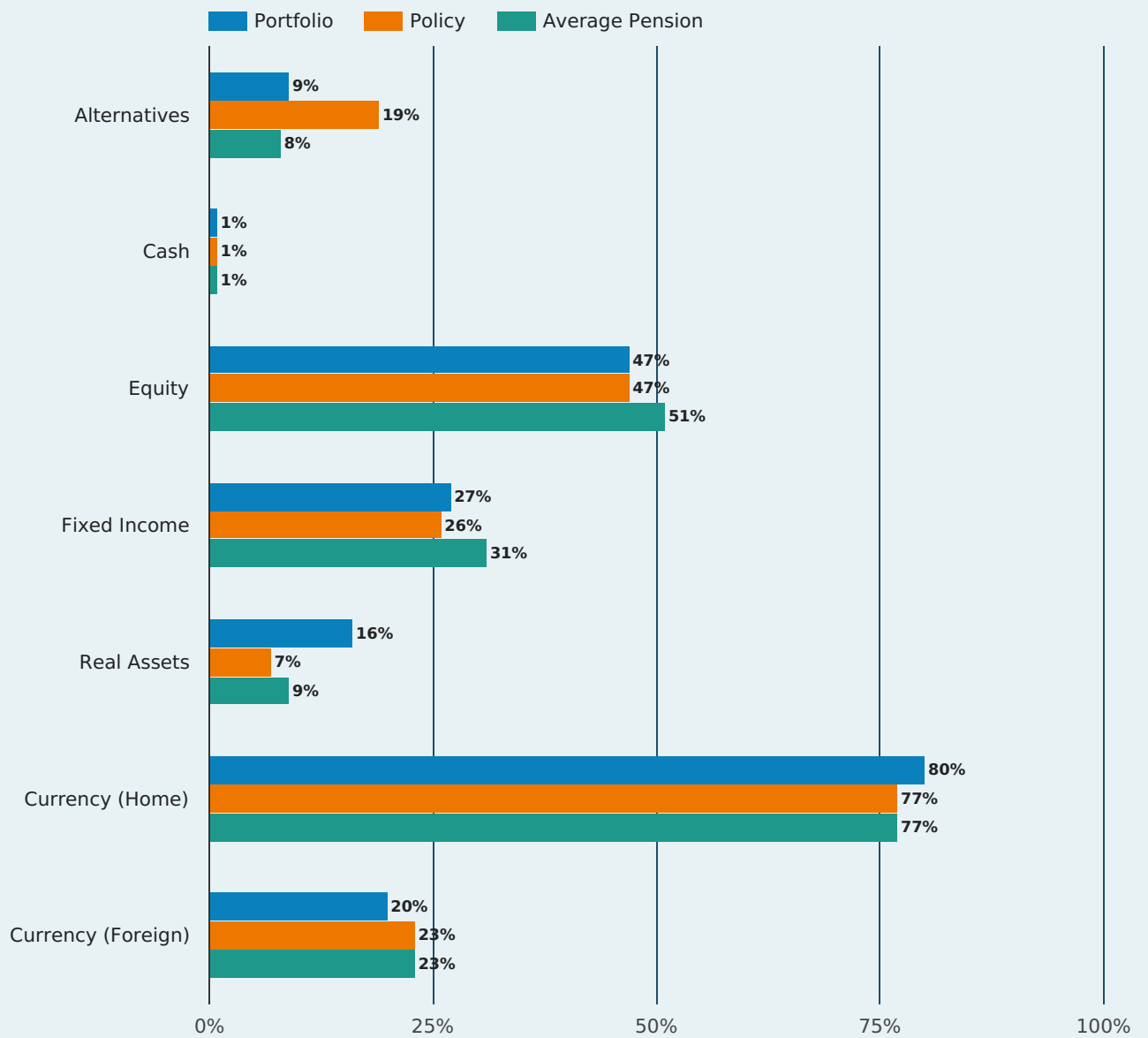


Average Pension: 0.1

## 5 Exposure allocation by asset class

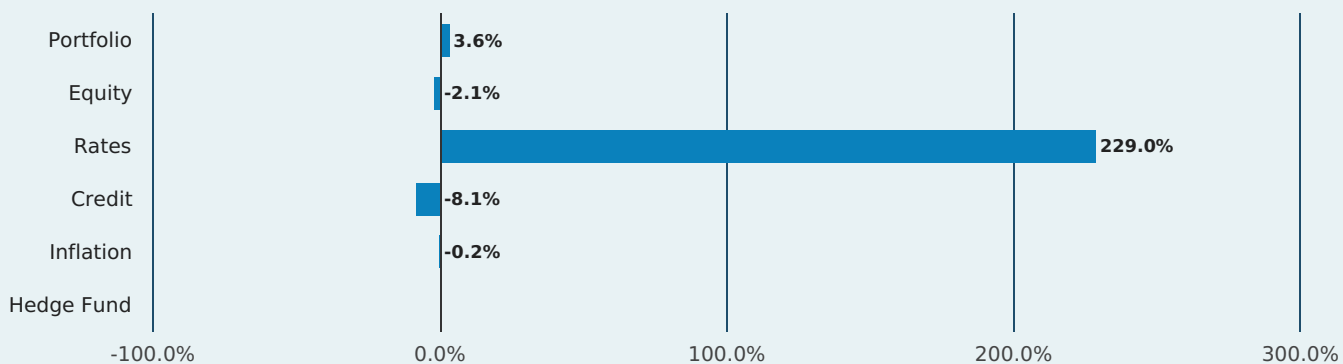
		Portfolio	Policy	Average Pension
Alternatives	Private Credit	0.0%	17.0%	
	Opportunistic	0.4%		
	Risk Diversifying Strategies	8.1%	2.0%	8.1%
<b>Alternatives Total</b>		<b>8.6%</b>	<b>19.0%</b>	<b>8.1%</b>
Cash	Cash	1.3%	1.0%	1.1%
<b>Cash Total</b>		<b>1.3%</b>	<b>1.0%</b>	<b>1.1%</b>
Equity	Emerging Markets	0.0%	14.0%	3.4%
	Private Equity	0.0%	17.0%	6.0%
	International Large	11.1%	10.0%	
	Global Equity	12.6%		15.1%
	Large Cap US Equity	22.8%	6.0%	26.1%
<b>Equity Total</b>		<b>46.6%</b>	<b>47.0%</b>	<b>50.6%</b>
Fixed Income	Short-term Gov and Credit	0.0%	24.0%	
	Short-term Gov/Credit	0.0%		2.4%
	US Treasury	0.0%	2.0%	
	Global Bonds	3.4%		5.8%
	High Yield Fixed	4.5%		
	US Bonds	19.2%		22.5%
<b>Fixed Income Total</b>		<b>27.2%</b>	<b>26.0%</b>	<b>30.7%</b>
Real Assets	Commodites	0.0%		1.0%
	Real Assets	5.2%		1.0%
	Real Estate	11.2%	7.0%	7.4%
<b>Real Assets Total</b>		<b>16.4%</b>	<b>7.0%</b>	<b>9.5%</b>
<b>Total Portfolio</b>		<b>100%</b>	<b>100%</b>	<b>100%</b>

## 6 Exposure allocation

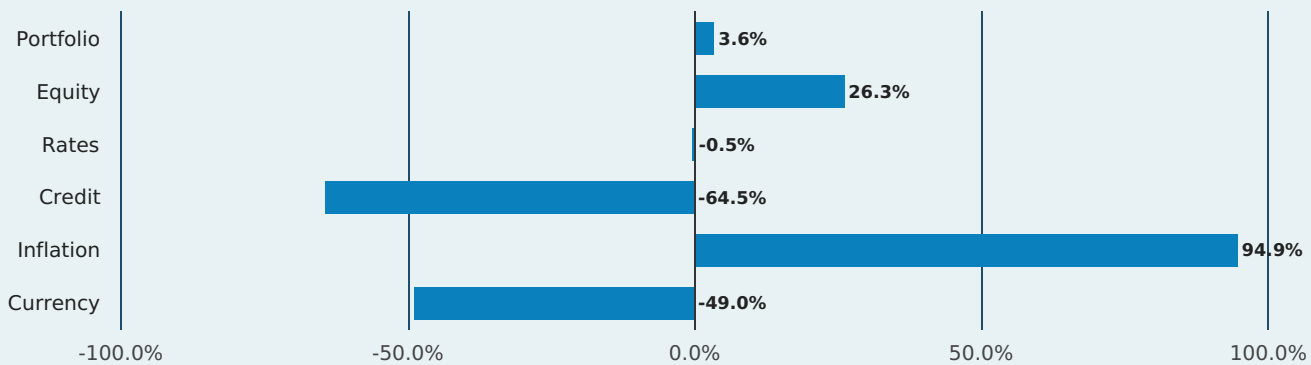




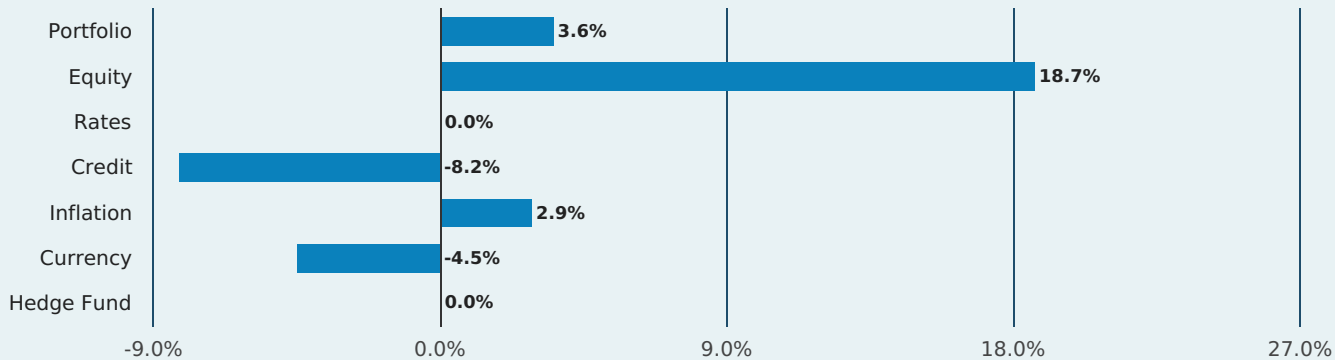
### 7 Relative risk vs target by bucket



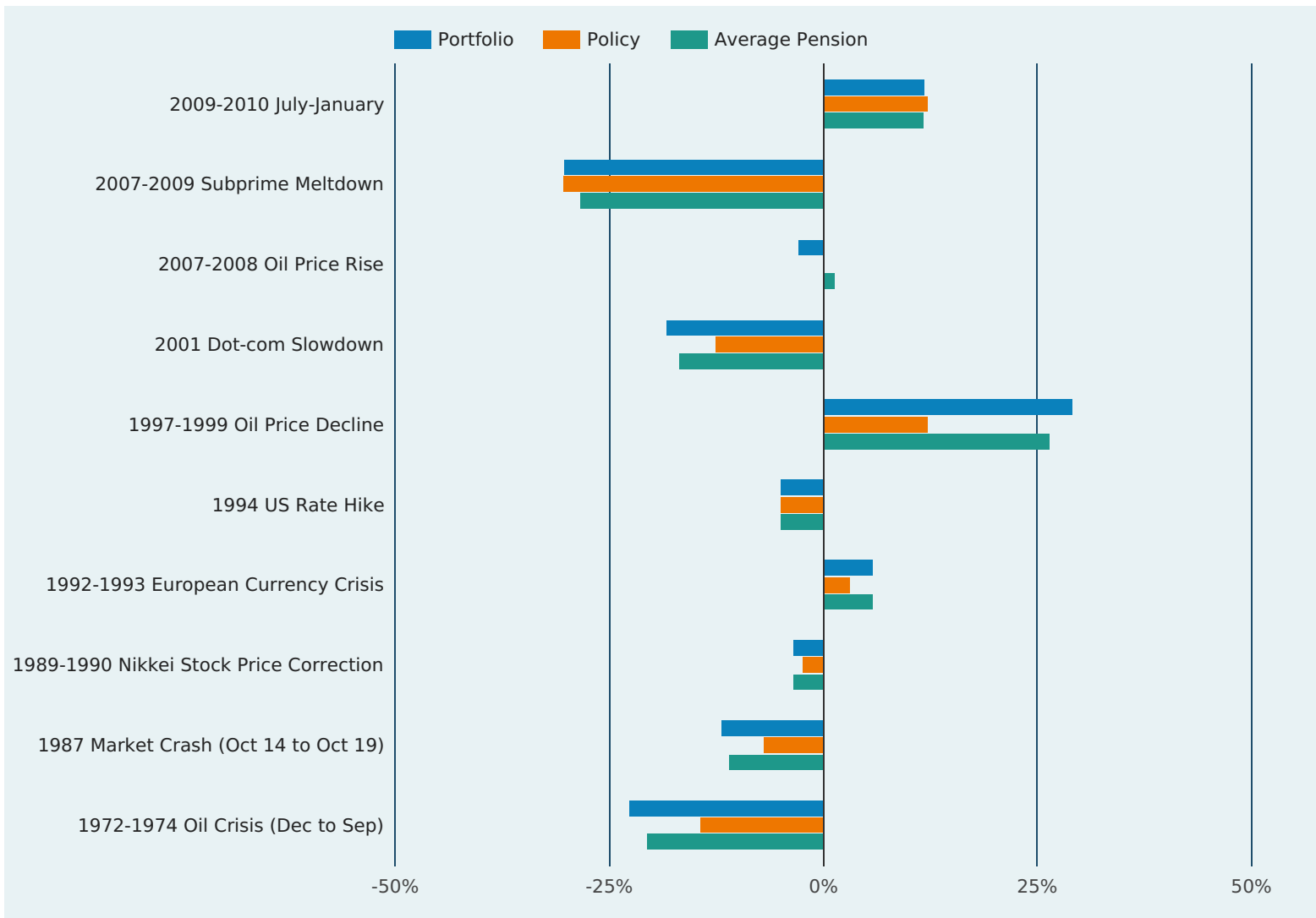
### 8 Relative risk vs target by risk factor



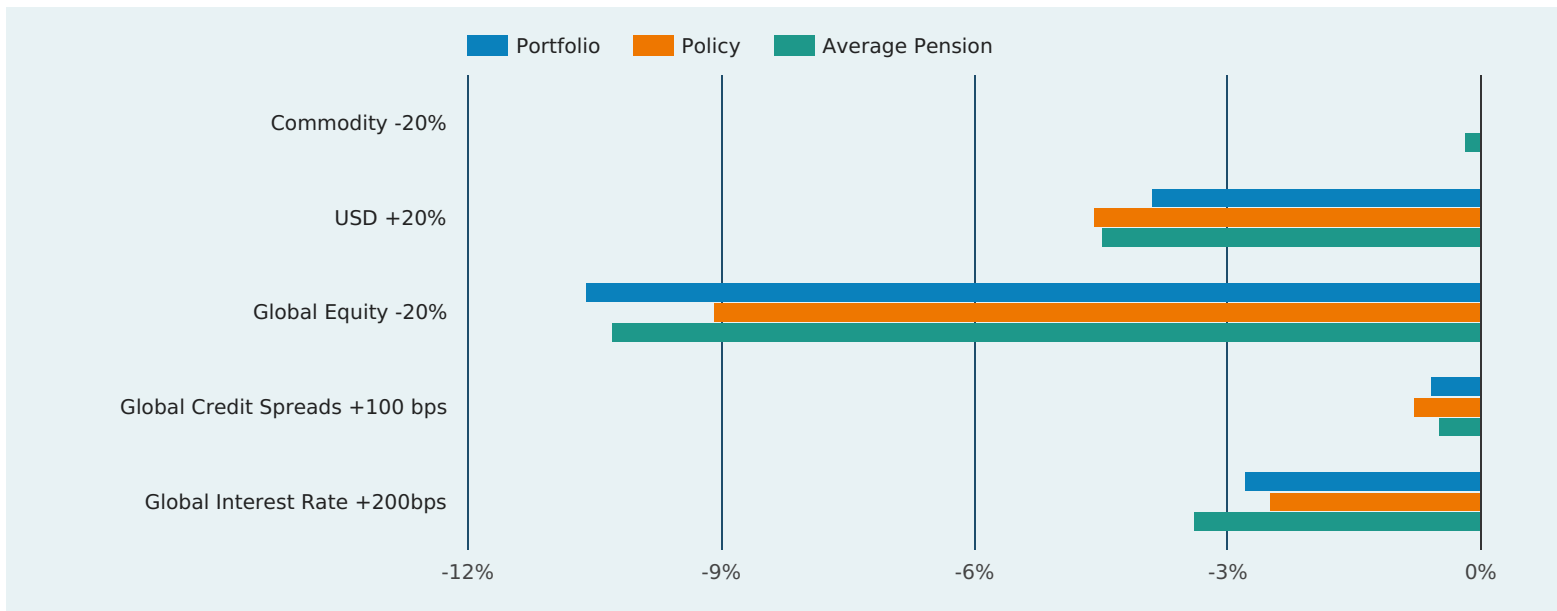
### 9 Risk factor weight relative to target



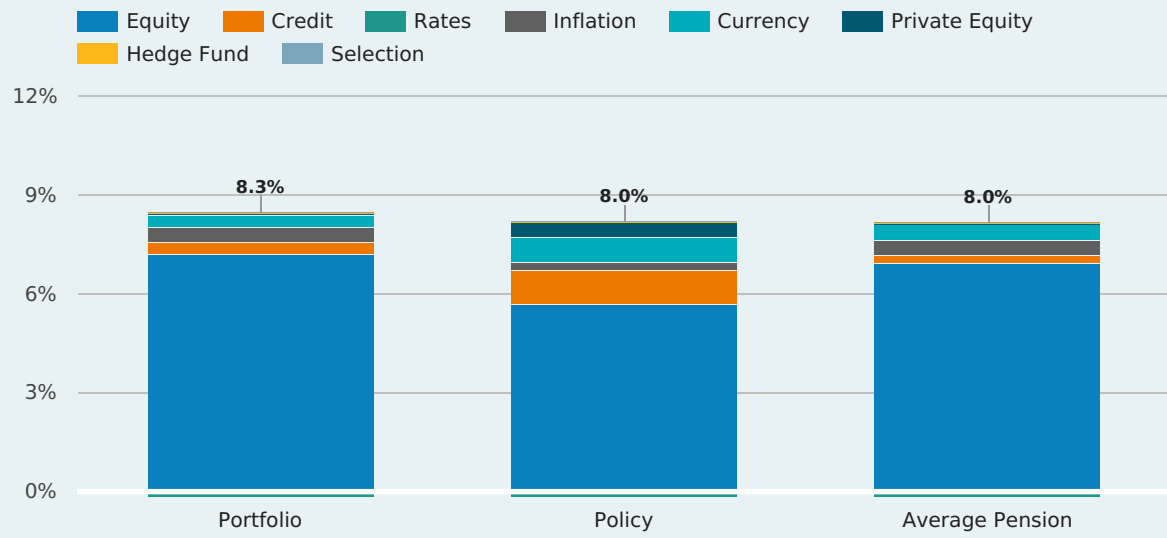
## 10 Tail risk - Scenario analysis



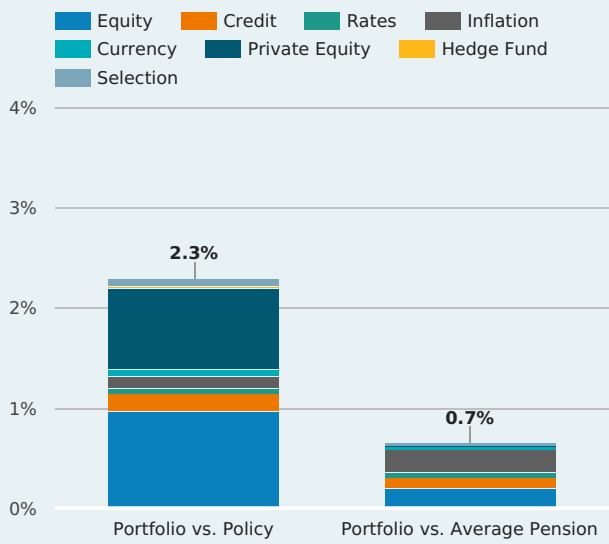
## 11 Tail risk - Stress tests



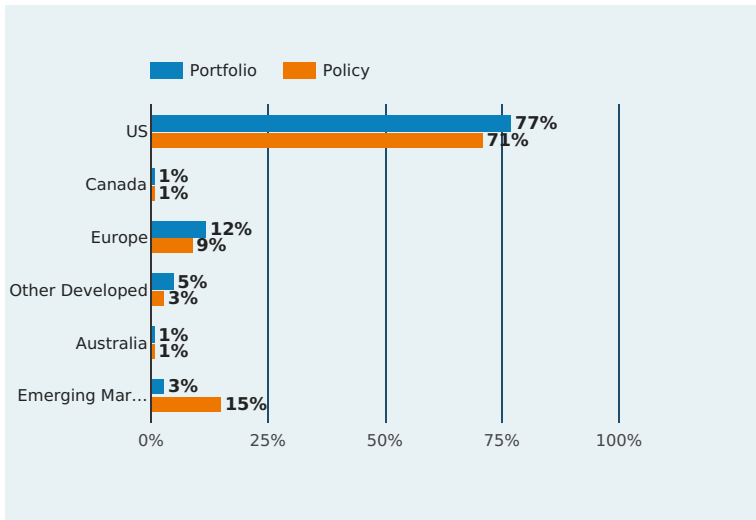
## 12 Risk contribution by risk factor



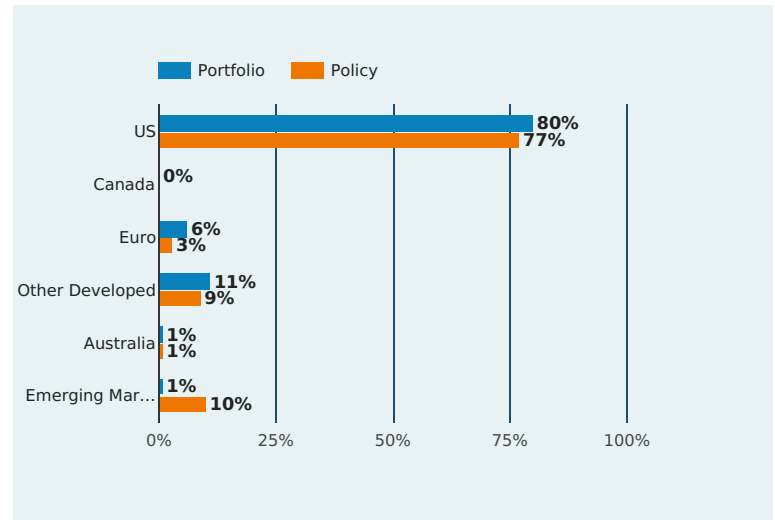
## 13 Active risk contribution by risk factor



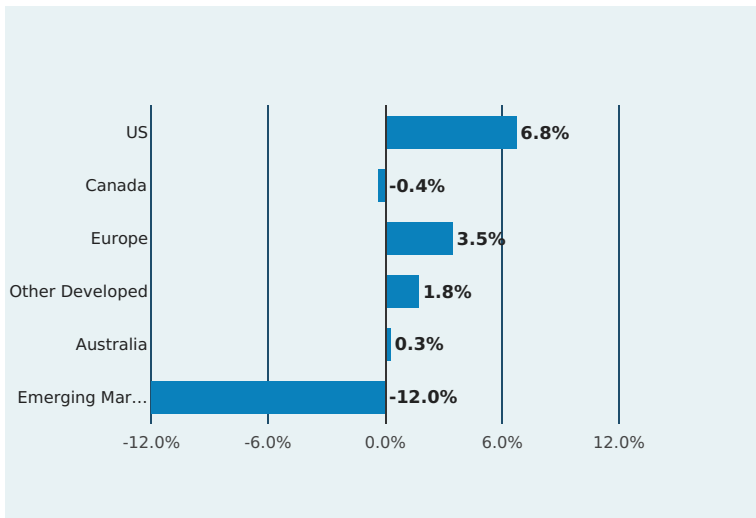
## 14 Geographic exposure



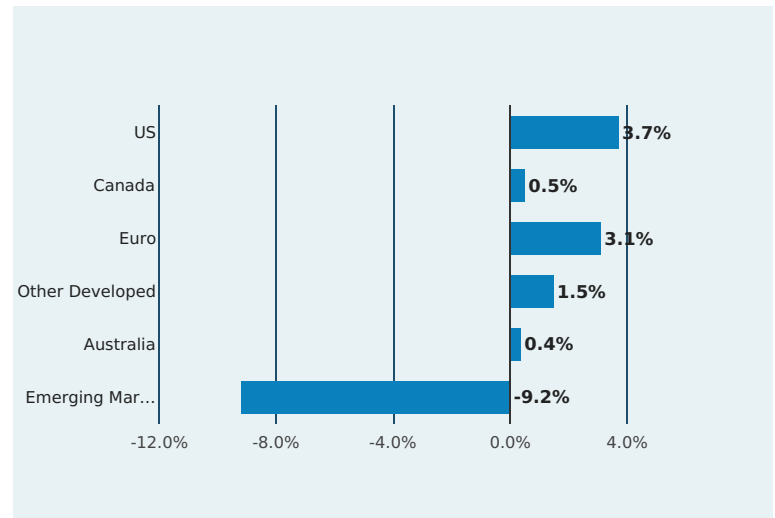
## 15 Currency exposure



## 16 Net geographic exposure



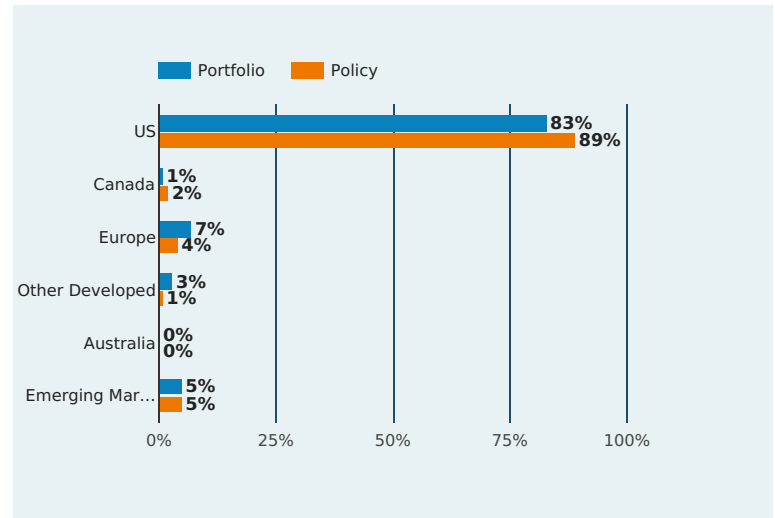
## 17 Net currency exposure



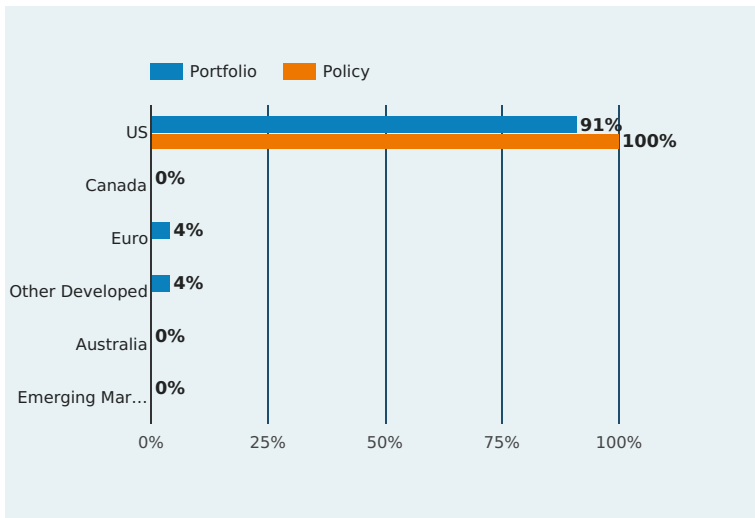
## 18 Interest rate bucket

	Portfolio	Policy	Difference
Duration	5.6	2.3	3.3
Yield to Maturity	2.2%	1.0%	1.2%
Wt. Avg. Rating	Aa1 / Aa2	Aa1 / Aa2	

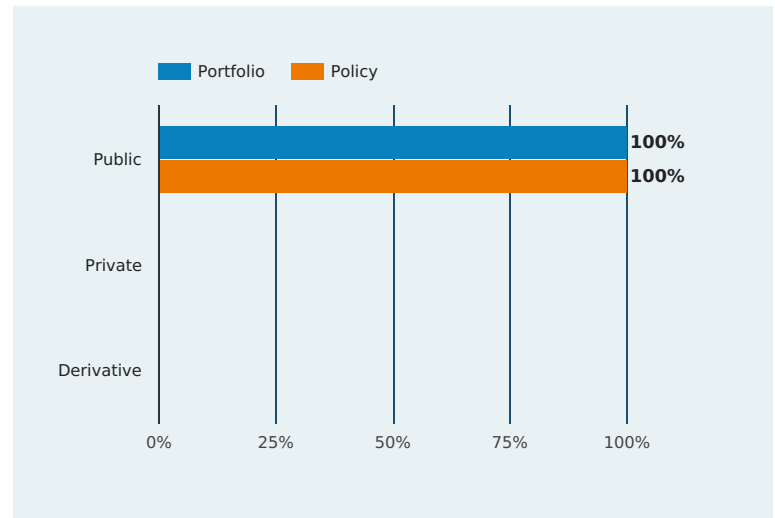
## 19 Rates bucket - Geographic exposure



## 20 Rates bucket - Currency exposure



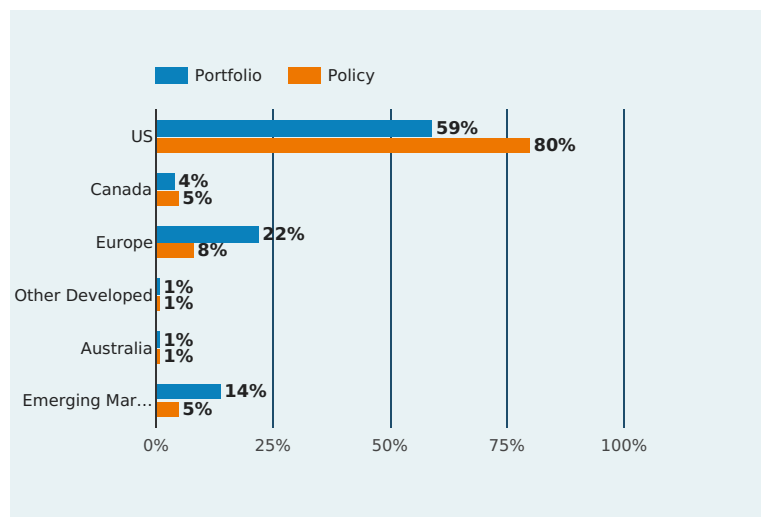
## 21 Rates bucket - Security type



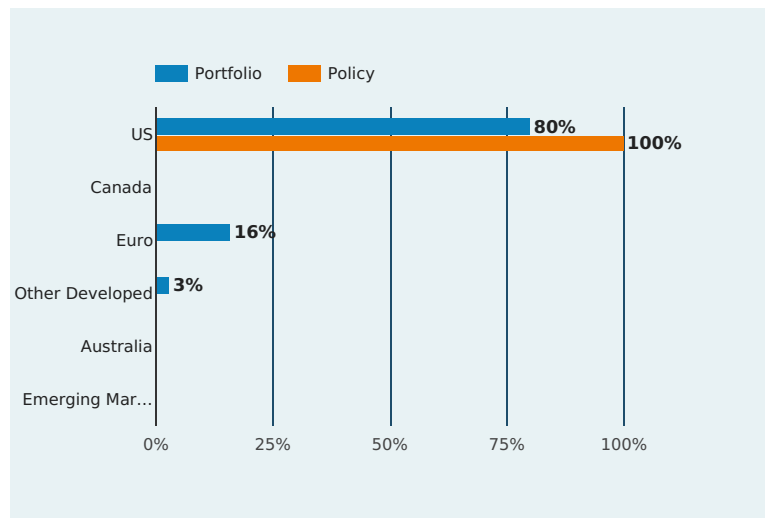
## 22 Credit bucket

	Portfolio	Policy	Difference
Duration	3.9	4.0	-0.0
Coupon Yield	6.6%	6.6%	0.0%
Yield to Maturity	6.8%	7.3%	-0.5%
Wt. Avg. Rating	B1	B1 / B2	

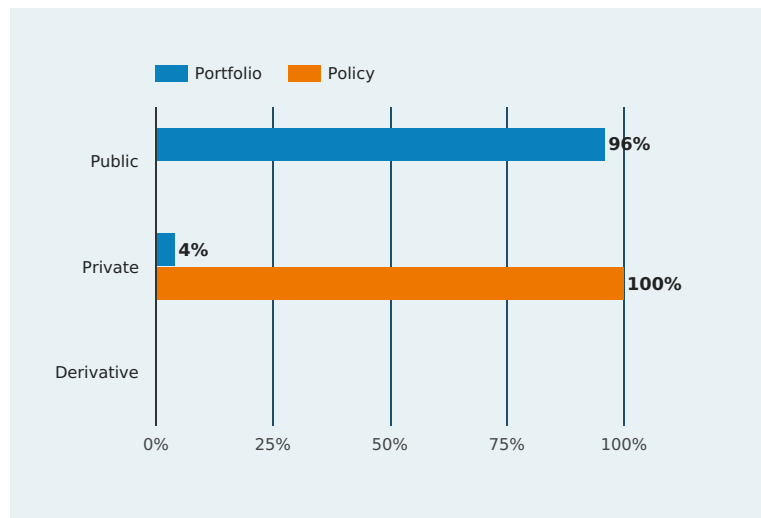
## 23 Credit bucket - Geographic exposure



## 24 Credit bucket - Currency exposure



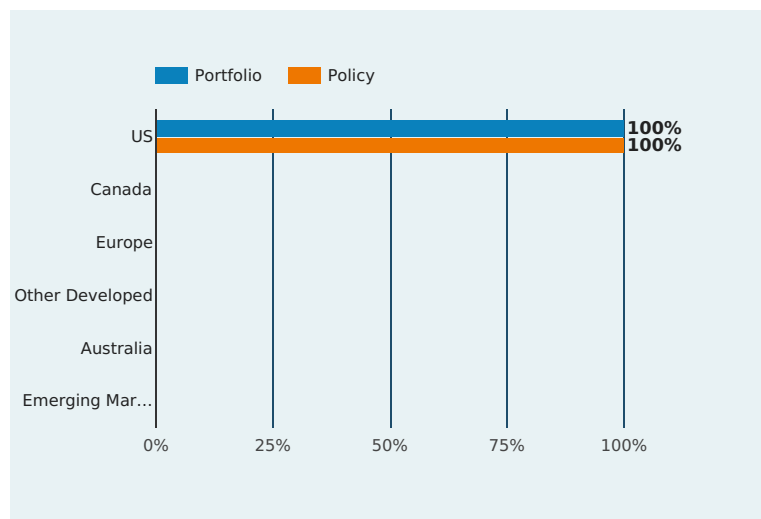
## 25 Credit bucket - Security type



## 26 Inflation bucket

	Portfolio	Policy	Difference
Real Estate Allocation	11.2%	7.0%	4.2%
Other Real Assets	5.2%		

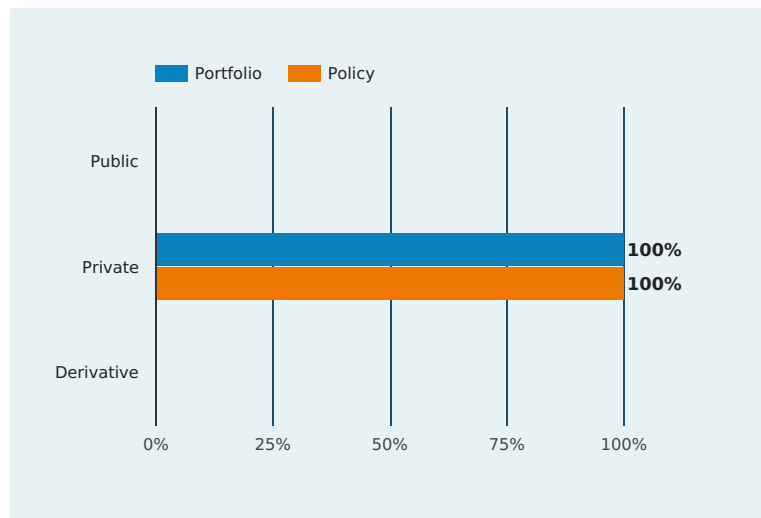
## 27 Inflation bucket - Geographic exposure



## 28 Inflation bucket - Currency exposure



## 29 Inflation bucket - Security type

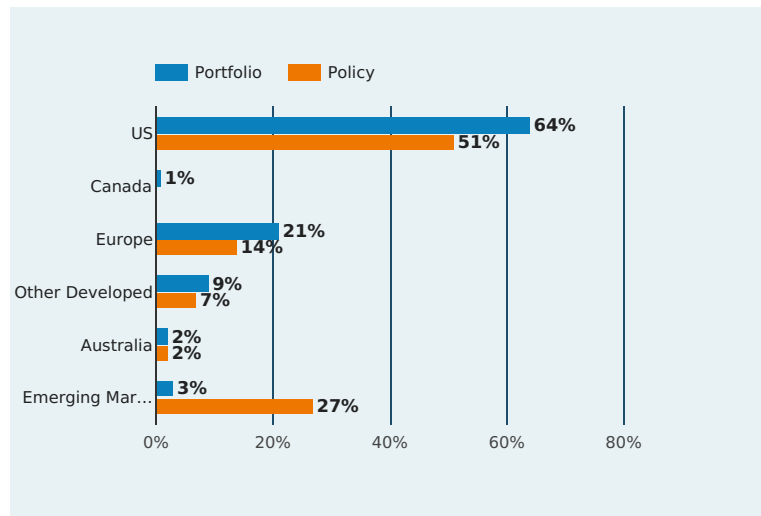




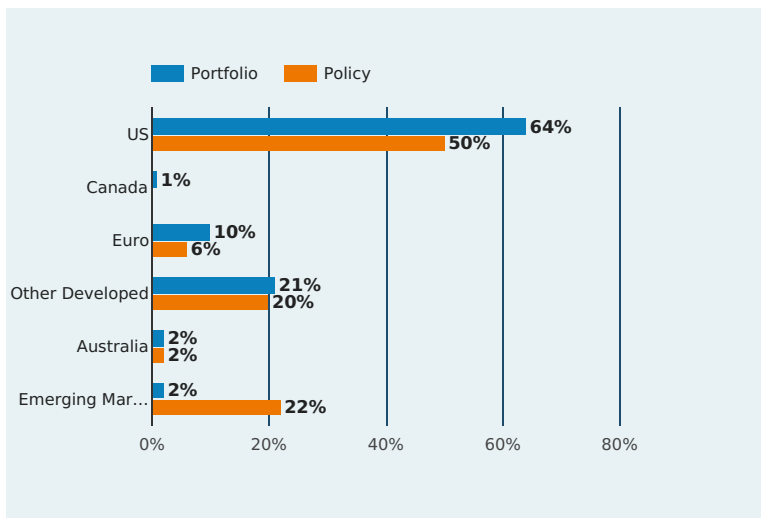
### 30 Equity bucket

	Portfolio	Policy	Difference
Beta	1.0	0.9	0.1
Dividend Yield	2.6%	2.9%	-0.3%
PE Ratio	20.8	26.6	-5.8

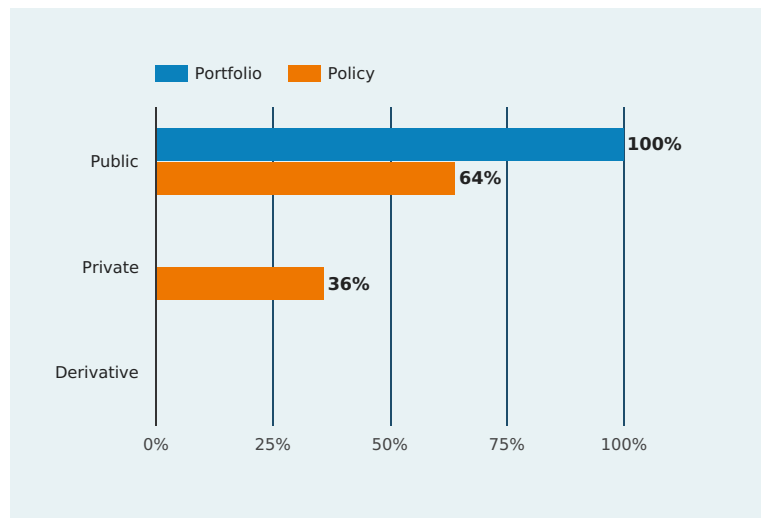
### 31 Equity bucket - Geographic exposure



### 32 Equity bucket - Currency exposure



### 33 Equity bucket - Security type



## 34 Market value summary per BarraOne

Bucket	Asset Class	Account Name	Account	Market Value (millions)
Cash	Cash	Unallocated Cash	Unallocated Cash	70.7
		Transition	Transition	0.0
		Treasurer's Fixed	Treasurer Fixed	0.0
Cash Total				70.7
Credit	High Yield Bonds	Allianz Global Investors	Allianz Global Investors	325.6
	Opportunistic Credit	Angelo Gordon Energy Credit Opportunities	Angelo Gordon Energy Credit Opportunities	14.5
Credit Total				340.1
Equity	EAFE Equity	Pyrford	Pyrford	402.8
		William Blair	William Blair	394.6
		International Equity Transition	International Equity Transition	0.5
	Global Equity	First Eagle	First Eagle	312.2
		Artisan Partners	Artisan Partners	307.3
		JP Morgan Global Opportunities	JP Morgan Global Opportunities	261.8
		Intech Global Low Vol	Intech Global Low Vol	24.2
	Private Equity	Oaktree PIF 2009	Oaktree PIF 2009	17.1
	US Equity	Robeco Boston Partners	Robeco Boston Partners	322.8
		Jackson Square Partners	Jackson Square Partners	291.5
		Intech Large Cap Core	Intech Large Cap Core	288.2
		PIMCO Stocks+ Absolute Return	PIMCO Stocks Absolute Return	256.9
		Ceredex	Ceredex	252.7
		Emerald Advisers	Emerald Advisers	220.2
Equity Total				3,352.5
Hedge Fund	Hedge Fund	Adams Street Partners	Adams Street Partners	118.9
		Siguler Guff CCCERA Opportunities Fund	Siguler Guff CCCERA Opportunities Fund	64.3
		Energy Investor Fund III	Energy Investor Fund III	61.1
		Energy Investor Fund II	Energy Investor Fund II	42.7

	Energy Investor Fund IV	Energy Investor Fund IV	41.1
	Pathway Private Equity Fund	Pathway Private Equity Fund	39.8
	Pathway 6	Pathway 6	28.4
	Pathway 7	Pathway 7	28.3
	Carpenter Bancfund	Carpenter Bancfund	27.7
	Paladin III	Paladin III	25.2
	Pathway Private Equity Fund 2008	Pathway Private Equity Fund 2008	23.5
	Ocean Avenue Fund II	Ocean Avenue Fund II	17.6
	Adams Street Partners Fund 5	Adams Street Partners Fund 5	17.3
	Adams Street Partners II	Adams Street Partners II	15.7
	Bay Area Equity Fund II	Bay Area Equity Fund II	9.4
	Pathway 8	Pathway 8	5.8
	Brinson - Venture Capital	Brinson Venture Capital	5.2
	Ocean Avenue Fund III	Ocean Avenue Fund III	5.0
	Bay Area Equity Fund I	Bay Area Equity Fund I	4.3
	Energy Investor Fund	Energy Investor Fund	0.8
	Nogales	Nogales	0.3

	Hedge Fund Total		582.3
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Inflation	Real Assets	Wellington Real Total Return	Wellington Real Total Return	181.4
		PIMCO All Asset Fund	PIMCO All Asset Fund	124.6
		Aether Real Assets III	Aether Real Assets III	43.5
		Commonfund	Commonfund	24.1
		Wastewater Opportunity Fund LLC	Wastewater Opportunity Fund LLC	1.3
		Aether Real Assets IV	Aether Real Assets IV	0.3
	Real Estate	Adelante	Adelante	98.0
		Oaktree REOF VI	Oaktree REOF VI	85.2
		DLJ Real Estate IV	DLJ Real Estate IV	82.3
		LaSalle Income & Growth Fund VI	LaSalle Income Growth Fund VI	79.8

Siguler Guff Distressed RE Opportunities	Siguler Guff Distressed RE Opportunities	62.5
INVESCO International REIT	Invesco International REIT	57.0
Angelo Gordon & Co. Realty Fund VIII	Angelo Gordon Co Realty Fund VIII	51.4
Siguler Guff Distressed RE Opportunities II	Siguler Guff Distressed RE Opportunities II	49.2
DLJ Real Estate III	DLJ Real Estate III	42.1
DLJ Real Estate V	DLJ Real Estate V	39.9
Oaktree REOF V	Oaktree REOF V	25.5
Long Wharf Fund IV	Long Wharf Fund IV	24.2
Paulson Real Estate II	Paulson Real Estate II	21.4
INVESCO Real Estate III	Invesco Real Estate III	19.6
INVESCO Real Estate II	Invesco Real Estate II	13.9
Angelo Gordon & Co. Realty Fund IX	Angelo Gordon Co Realty Fund IX	13.9
Long Wharf Fund III	Long Wharf Fund III	12.3
INVESCO Real Estate IV	Invesco Real Estate IV	9.6
Siguler Guff Distressed RE Opportunities II Co-Inv	Siguler Guff Distressed RE Opportunities II Co-Inv	9.5
INVESCO Real Estate I	Invesco Real Estate I	2.1
Hearthstone Advisors II	Hearthstone Advisors II	0.0
Long Wharf Fund II	Long Wharf Fund II	0.0

Inflation Total 1,174.4

Rates	Global Bonds	Lazard	Lazard	243.0
	US Bonds	PIMCO Fixed Income	PIMCO Fixed Income	352.3
		Lord Abbett	Lord Abbett	330.7
		Goldman Sachs Core Plus	Goldman Sachs Core Plus	327.9
		AFL-CIO	AFL CIO	233.7
		Torchlight IV	Torchlight IV	61.9
		Torchlight II	Torchlight II	48.8
		Torchlight V	Torchlight V	11.0
		Torchlight III	Torchlight III	10.5

GSAM Workout Portfolio

GSAM Workout Portfolio

0.0

Rates Total

1,619.9

**Total Portfolio (millions)**

**7,139.9**

## Chart Definitions

- 1 Portfolio risk**

Total risk comparison of portfolio, Policy, and Avg. Pension. Policy is composed of 1% Cash, 14% MSCI EM, 10% MSCI EAFE, 6% S&P500, 17% Private Equity, 24% Barclays Capital 1-3 Yr Gov/Credit, 2% Barclays Capital U.S. Treasury: 7-10 Year, 7% NCREIF NPI, 17% Barclays Capital U.S. Corporate High Yield, and 2% HFRI FOF Index. Average pension is based on median allocation of DB Plans > \$1 Billion, which is composed of 1.1% Cash, 26.1% US Equity, 15.1% Global ex-US Equity, 3.4% EM Equity, 6% Private Equity, 22.5% US Fixed Income, 4.3% Global Fixed Income, 1.5% Global ex-US Fixed Income, 2.4% EM Fixed Income, 8.1% Hedge Fund, 1.05% Commodity, 1.05% Forestry, and 7.4% Real Estate.
- 2 Portfolio equity beta**

Equity risk presented by equity beta to market. Equity beta is a measure describing the sensitivity of portfolio returns with returns of the equity market (MSCI ACWI).
- 3 Portfolio interest rate risk - Duration**

Interest rate risk presented by duration and dollar movement of portfolios. Duration of a financial asset that consists of fixed cash flows is the weighted average of the times until those fixed cash flows are received (measured in years). It also measures the percentage change in price for a given change in yields (the price sensitivity to yield). DVo1 \$ (dollar duration) is the change in price in dollars of a financial instrument resulting from a one basis point change in yield.
- 4 Portfolio credit risk - Spread duration**

Credit risk presented by spread duration and dollar movement of portfolios. Spread duration measures the percentage change in price for a one percentage point change in spreads.
- 5 Exposure allocation by asset class**

Exposure allocation among various asset classes.
- 6 Exposure allocation**

Exposure allocation among major risk buckets (rates, credit, equity, inflation, currency) and net currency exposure (domestic vs. foreign). Full Cash collateral is assumed for all derivatives.
- 7 Relative risk vs target by bucket**

Comparative riskiness of Portfolio vs. Policy on total portfolio and risk bucket levels: For example, equity bucket relative risk compares the riskiness of the Portfolio equity bucket vs the Policy equity bucket.
- 8 Relative risk vs target by risk factor**

Comparative riskiness of Portfolio vs. Policy on a total portfolio level and major risk factor levels.
- 9 Risk factor weight relative to target**

Contribution by factor to total relative risk of the Portfolio vs the Policy: For example, Equity is equity risk contribution to Portfolio minus equity risk contribution to the Policy, divided by total risk of the Policy. The factor overweights are additive to the total relative risk at the top line.
- 10 Tail risk - Scenario analysis**

Tail risk is a form of risk measurement that considers the possibility that a market will experience losses greater than what the normal distribution would suggest. This graph shows the expected performance under various historical scenarios (described in the appendix at the end of this report). For each historical scenario, the current market value is recalculated to determine return under identical market conditions, assuming an instantaneous shock.
- 11 Tail risk - Stress tests**

Expected performance under various one-risk-factor stress tests. Directly affected asset classes are revalued at the factor levels.
- 12 Risk contribution by risk factor**

Risk contribution by risk factor. Volatility measures the price variation of a portfolio or financial instrument over time.
- 13 Active risk contribution by risk factor**

Active risk in terms of annual tracking error: Tracking Error (TE) measures how closely a portfolio follows its benchmark. It is the standard deviation of the difference between the portfolio and benchmark returns.
- 14 Geographic exposure**

Geographic exposures are calculated using the notional exposure as a percentage of market value, including derivatives, cash securities and currency holdings, but excluding currency derivatives. Any portfolio that uses derivatives may have a total different than 100% because both cash and derivative country exposures are included.
- 15 Currency exposure**

Currency portfolio allocation. Currency exposures from both the underlying securities and the purchasing currency of the futures contract are included.
- 16 Net geographic exposure**

Difference between portfolio and policy allocation among major geographic areas.
- 17 Net currency exposure**

Difference between portfolio and policy allocation among major currencies.
- 18 Interest rate bucket**

Coupon yield (nominal yield) of a fixed income security is a fixed percentage of the par value that does not vary with the market price of the security. Yield to Maturity (YTM) is the interest rate of return earned by an investor who buys a fixed-interest security today at the market price and holds it until maturity. Ratings indicate credit quality of a security and the issuer's ability to make payments of interest and principal.
- 19 Rates bucket - Geographic exposure**

Geographic exposures specific to the Rates bucket are calculated using the notional exposure as a percentage of market value, including derivatives, cash securities and currency holdings, but excluding currency derivatives. Any portfolio that uses derivatives may have a total different than 100% because both cash and derivative country exposures are included.
- 20 Rates bucket - Currency exposure**

Currency allocation of interest rate instruments.

21	<b>Rates bucket - Security type</b> Allocation of interest rate instruments among different security types.
22	<b>Credit bucket</b> Various characteristics of credit instruments.
23	<b>Credit bucket - Geographic exposure</b> Geographic exposures specific to the Credit bucket are calculated using the notional exposure as a percentage of market value, including derivatives, cash securities and currency holdings, but excluding currency derivatives. Any portfolio that uses derivatives may have a total different than 100% because both cash and derivative country exposures are included.
24	<b>Credit bucket - Currency exposure</b> Currency allocation of credit instruments.
25	<b>Credit bucket - Security type</b> Allocation of credit instruments among different security types.
26	<b>Inflation bucket</b> Composition of inflation hedging instruments in portfolio and benchmark. Notional duration of real rates instruments is also included.
27	<b>Inflation bucket - Geographic exposure</b> Geographic exposures specific to the Inflation bucket are calculated using the notional exposure as a percentage of market value, including derivatives, cash securities and currency holdings, but excluding currency derivatives. Any portfolio that uses derivatives may have a total different than 100% because both cash and derivative country exposures are included.
28	<b>Inflation bucket - Currency exposure</b> Currency allocation of inflation instruments.
29	<b>Inflation bucket - Security type</b> Allocation of inflation instruments among different security types.
30	<b>Equity bucket</b> P/E ratio is a valuation ratio of a company's current share price compared to its per-share earnings. Beta measures sensitivity to Global Equities.
31	<b>Equity bucket - Geographic exposure</b> Geographic exposures specific to the Equity bucket are calculated using the notional exposure as a percentage of market value, including derivatives, cash securities and currency holdings, but excluding currency derivatives. Any portfolio that uses derivatives may have a total different than 100% because both cash and derivative country exposures are included.
32	<b>Equity bucket - Currency exposure</b> Currency allocation of equity assets.
33	<b>Equity bucket - Security type</b> Allocation of equity assets among different security types.
34	<b>Market value summary per BarraOne</b> Summary of market value of Portfolio holdings by bucket as reported through BarraOne. Some differences may exist due to timing, pricing sources and availability of information on new investments.

## Tail Risk Scenario Definitions

1	<b>2009-2010 July-January</b> (7/1/2009 - 12/31/2009) As global economic woes persisted, many countries were saddled with widening budget deficits, rising borrowing costs, slowing growth, higher unemployment, and higher inflation, which made monetary stimulus difficult. Dubai World sought to delay its huge debt repayments, shocking the global market, while the financial distress in Greece and Ireland began to emerge in late 2009.
2	<b>2007-2009 Subprime Meltdown</b> (1/10/2007 - 2/27/2009) The burst of the housing bubble in mid-2007 marked the beginning of the years-long subprime mortgage crisis, rooted from the easy credit, low interest rates, and loose regulatory environment in the early 2000s, which made low quality (subprime) mortgaging extremely easy. The contagious meltdown quickly led to plunging asset prices in the financial markets, rising bankruptcies, delinquencies, and foreclosures, and central bank monetary rescues and fiscal interventions by governments around the globe.
3	<b>2007-2008 Oil Price Rise</b> (1/18/2007 - 6/27/2008) Oil prices spiked from around \$60/bbl in 2007 to a record high of \$145/bbl on 3 July 2008.
4	<b>2001 Dot-com Slowdown</b> (3/10/2001 - 10/9/2002) Upon the burst of the tech bubble in 2000, more and more internet companies went out of business as the stock market plummeted further.
5	<b>1997-1999 Oil Price Decline</b> (1/8/1997 - 2/16/1999) The combined effect of OPEC overproduction and lower oil demand due to the Asia economic crisis sent oil prices into a downward spiral.
6	<b>1994 US Rate Hike</b> (1/31/1994 - 12/13/1994) In combating inflation, the U.S. Federal Reserve raised its interest rate from 3.25% in February to 5.5% in November 1994.
7	<b>1992-1993 European Currency Crisis</b> (9/1/1992 - 8/13/1993) Upon Germany's reunification, the German mark appreciated rapidly, which destabilized exchange rates between European countries under the European Monetary System. It led to a series of European currency devaluations, interest rate increases, and the widening range of exchange rates in 1992.
8	<b>1989-1990 Nikkei Stock Price Correction</b> (12/29/1989 - 3/30/1990) After hitting the Nikkei stock index's all-time high on December 29, 1989, the Japan financial market crashed and plunged to a low in March 1990.

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9 **1987 Market Crash (Oct 14 to Oct 19)**

(10/14/1987 - 10/19/1987) The U.S. stock market began to topple on October 14, 1987 after reaching a record high. It was triggered by reports of a larger trade deficit and the elimination of the tax benefits of financing mergers. The aggravating selling pressure in October 19, from confused and fearful investors, and the failing portfolio insurers' models led to a substantial global market sell-off.

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10 **1972-1974 Oil Crisis (Dec to Sep)**

(12/1/1972 - 9/30/1974) Many developed countries suffered in this energy crisis as OPEC members placed an oil embargo on the U.S. and Israel's allies during the Yom Kippur War in October 1973, which sent global oil prices soaring.



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