

June 30, 2018



## **Mendocino County Employees' Retirement Association**

**Investment Measurement Service  
Quarterly Review**

---

Information contained herein includes confidential, trade secret and proprietary information. Neither this Report nor any specific information contained herein is to be used other than by the intended recipient for its intended purpose or disseminated to any other person without Callan's permission. Certain information herein has been compiled by Callan and is based on information provided by a variety of sources believed to be reliable for which Callan has not necessarily verified the accuracy or completeness of or updated. This content may consist of statements of opinion, which are made as of the date they are expressed and are not statements of fact. This content is for informational purposes only and should not be construed as legal or tax advice on any matter. Any decision you make on the basis of this content is your sole responsibility. You should consult with legal and tax advisers before applying any of this information to your particular situation. Past performance is no guarantee of future results. For further information, please see Appendix for Important Information and Disclosures.

---

## Table of Contents

### June 30, 2018

---

#### Active Management Overview

Foreword	2
Domestic Equity Overview	3
International Equity Overview	4
Domestic Fixed-Income Overview	5

---

#### Asset Allocation and Performance

Foreword	7
Actual vs. Target Asset Allocation	8
Asset Allocation Across Investment Managers	9
Investment Manager Returns	10
Investment Manager Returns	12
Quarterly Total Fund Attribution	14
Total Fund Ranking	18
Total Fund vs. CAI Public Fund Sponsor Database	19

---

#### Domestic Equity

Domestic Equity Composite	23
Vanguard S&P 500 Index	27
SSGA S&P Eq Weighted NL CTF	30
Boston Partners	33
Harbor Cap Appreciation	36
Fidelity Low Priced Stock	39
Janus Enterprise	42
Prudential Small Cap Value	45
AB US Small Growth	48

---

#### International Equity

International Equity Composite	52
EuroPacific	57
Harbor International	61
Oakmark International	65
Mondrian International	69
T. Rowe Price Intl Small Cap	73
Investec	77

---

#### Domestic Fixed Income

Domestic Fixed Income Composite	82
Dodge & Cox Income	85
PIMCO	88

---

## **Table of Contents**

### **June 30, 2018**

---

#### **Real Estate**

RREEF Private	92
Barings Core Property Fund	93

---

<b>Capital Markets Review</b>	94
-------------------------------	----

---

<b>Callan Research/Education</b>	110
----------------------------------	-----

---

#### **Definitions**

General definitions	114
---------------------	-----

---

<b>Disclosures</b>	120
--------------------	-----



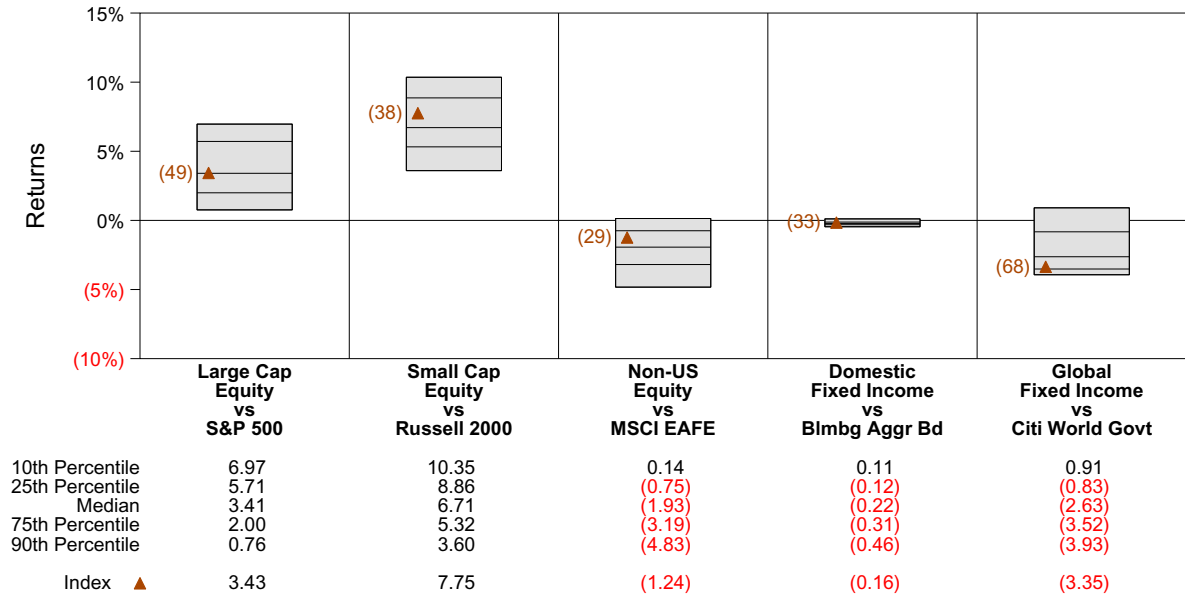
## Market Overview

### Active Management vs Index Returns

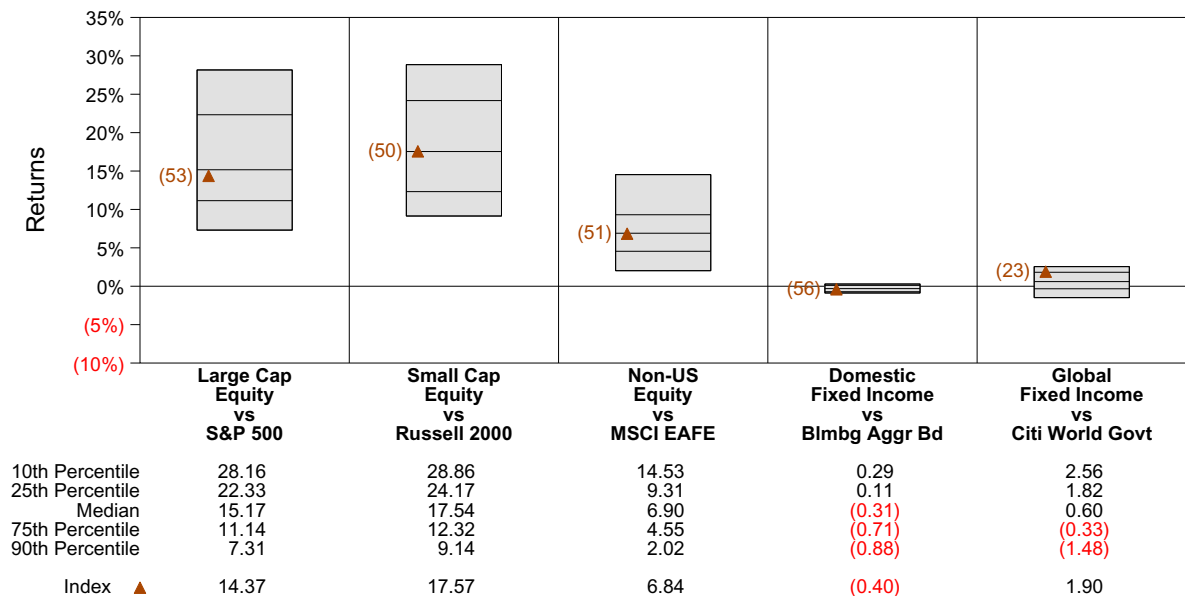
#### Market Overview

The charts below illustrate the range of returns across managers in Callan's Mutual Fund database over the most recent one quarter and one year time periods. The database is broken down by asset class to illustrate the difference in returns across those asset classes. An appropriate index is also shown for each asset class for comparison purposes. As an example, the first bar in the upper chart illustrates the range of returns for domestic equity managers over the last quarter. The triangle represents the S&P 500 return. The number next to the triangle represents the ranking of the S&P 500 in the Large Cap Equity manager database.

#### Range of Mutual Fund Returns by Asset Class One Quarter Ended June 30, 2018



#### Range of Mutual Fund Returns by Asset Class One Year Ended June 30, 2018

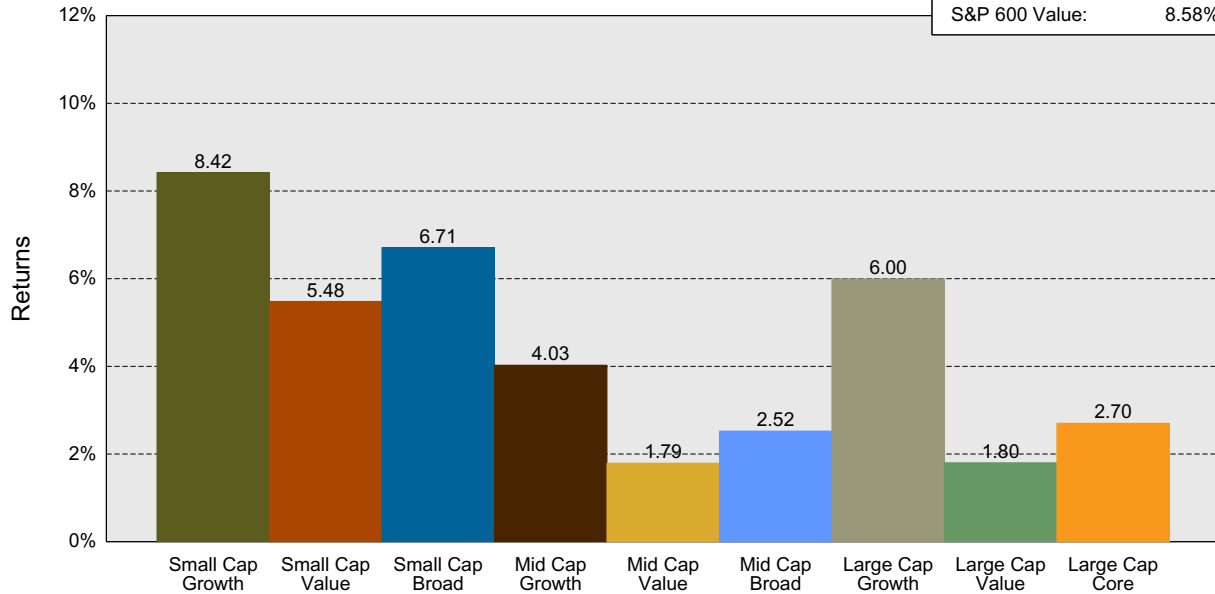


## Domestic Equity Active Management Overview

The U.S. equity market posted solid returns in the second quarter on the back of strong first quarter earnings as well as record share buybacks fueled by the Trump Administration's \$1.5 trillion tax cut. The S&P 500 Index gained 3.4%. Small cap stocks, thought to be relatively immune to global trade spats, surged nearly 8% (Russell 2000: +7.8%) and large cap growth (Russell 1000 Growth: +5.8%) continued to dominate large cap value (Russell 1000 Value: +1.2%). Within the S&P 500, rising oil prices fueled the Energy sector (+13.5%), but Consumer Discretionary (+8.2%) and Technology stocks (+7.1%) were not far behind. In spite of a late quarter boost, Financials (-3.2%) were hurt by rising short rates and a flattening yield curve. Industrials (-3.2%) and Consumer Staples (-1.5%) also lost ground during the quarter. The oft-quoted "FANG" stocks plus Apple and Microsoft accounted for over half of the second quarter total returns for both the Russell 1000 Growth and S&P 500 indices.

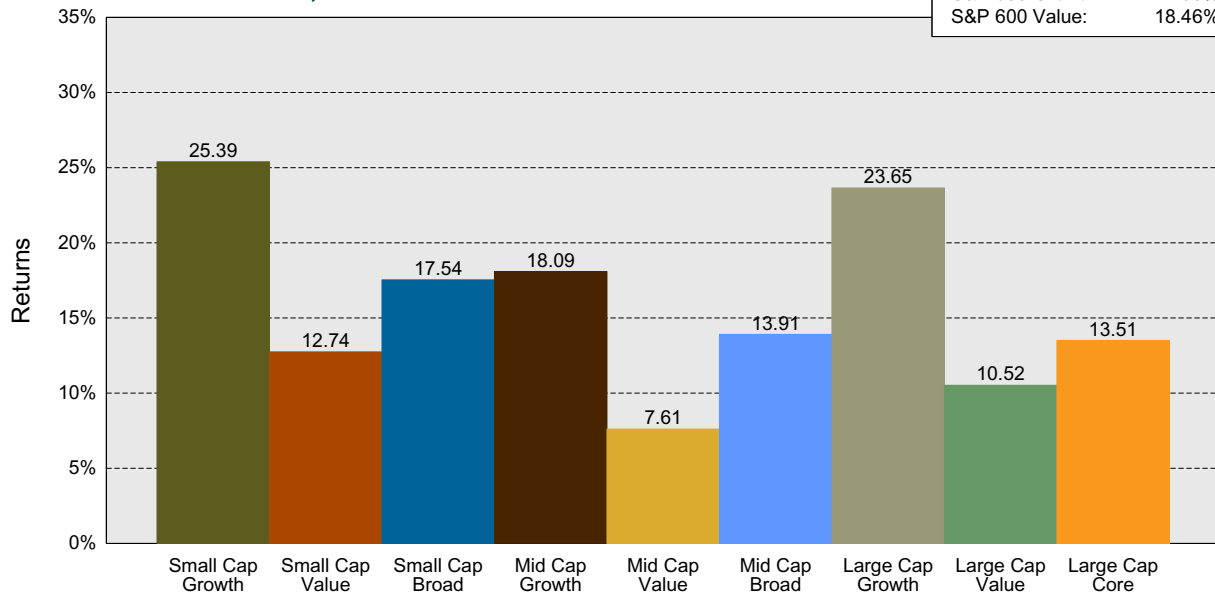
S&P 500:	3.43%
S&P 500 Growth:	5.25%
S&P 500 Value:	1.40%
S&P Mid Cap:	4.29%
S&P 600:	8.77%
S&P 600 Growth:	8.97%
S&P 600 Value:	8.58%

**Mutual Fund Style Group Median Returns  
for Quarter Ended June 30, 2018**



S&P 500:	14.37%
S&P 500 Growth:	20.64%
S&P 500 Value:	7.58%
S&P Mid Cap:	13.50%
S&P 600:	20.50%
S&P 600 Growth:	22.50%
S&P 600 Value:	18.46%

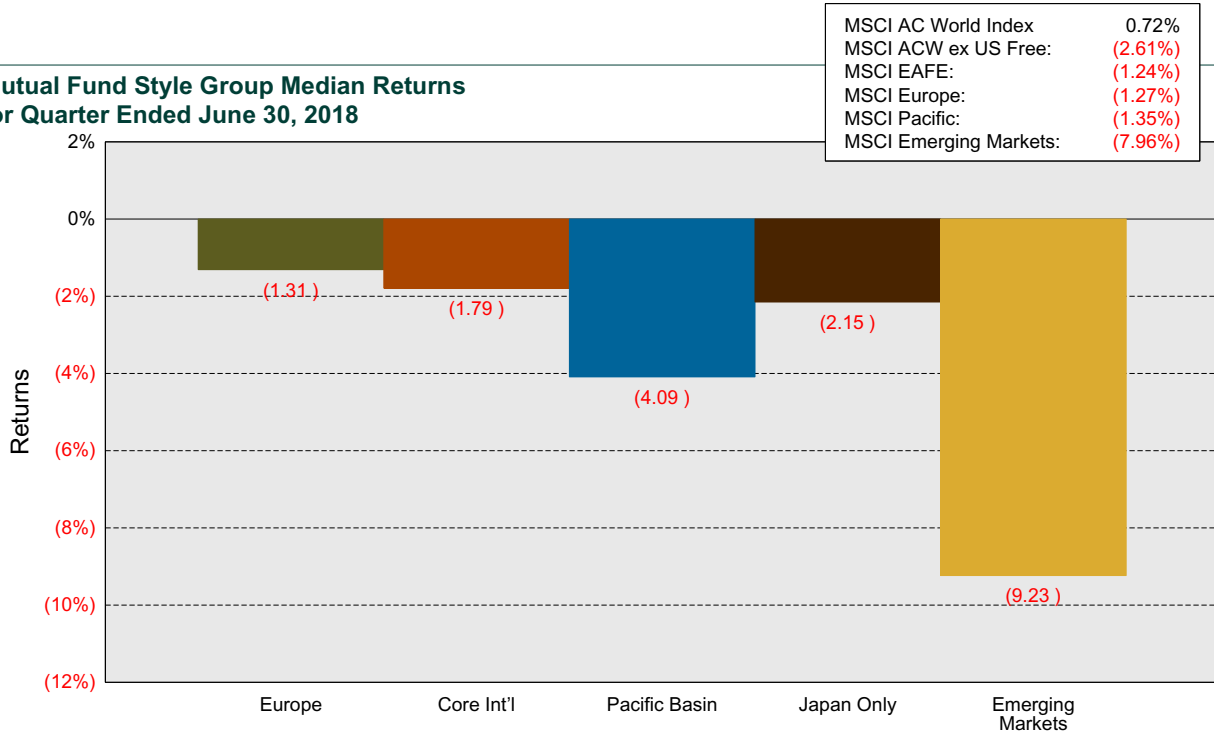
**Mutual Fund Style Group Median Returns  
for One Year Ended June 30, 2018**



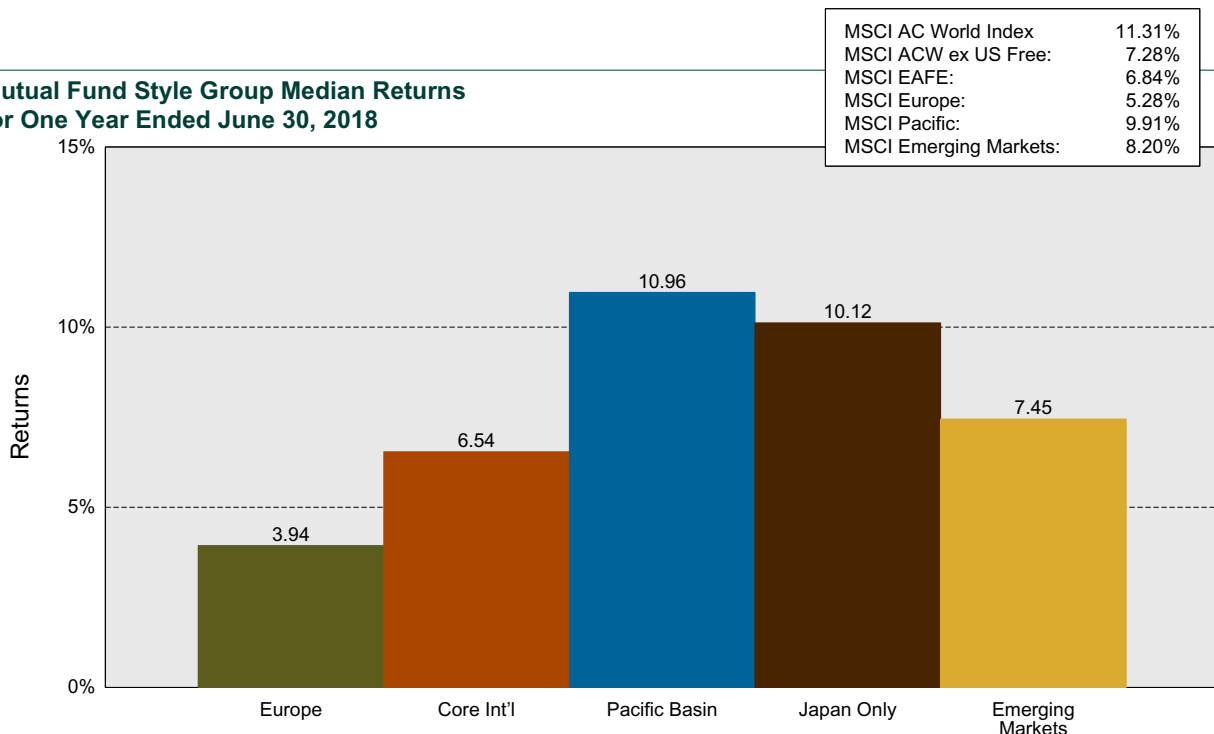
## International Equity Active Management Overview

Developed markets underperformed the U.S. in the second quarter (in U.S. dollar terms); the MSCI ACWI ex-U.S. Index returned -2.6% and the MSCI EAFE Index lost 1.2%. The U.S. dollar appreciated roughly 5% over the quarter (versus a basket of developed market currencies). As in the U.S., the Energy sector (+7.3%) was the top performer while Financials (-7.3%) lagged. Also mirroring U.S. results, growth outperformed value. Italy (-7.3%) was down sharply on political woes while the UK (+3.0%) and Australia (+5.2%) benefited from significant exposure to energy. Emerging markets underperformed developed; the MSCI Emerging Markets Index fell 8.0% with many countries posting double-digit declines. Regionally, Emerging Europe (-10.2%) and Latin America (-17.8%) fared the worst with Emerging Asia (-5.9%) dropping less. Results among the BRICs were mixed; Brazil (-26.4%); Russia (-6.0%), India (-0.6%) and China (-3.5%).

**Mutual Fund Style Group Median Returns  
for Quarter Ended June 30, 2018**



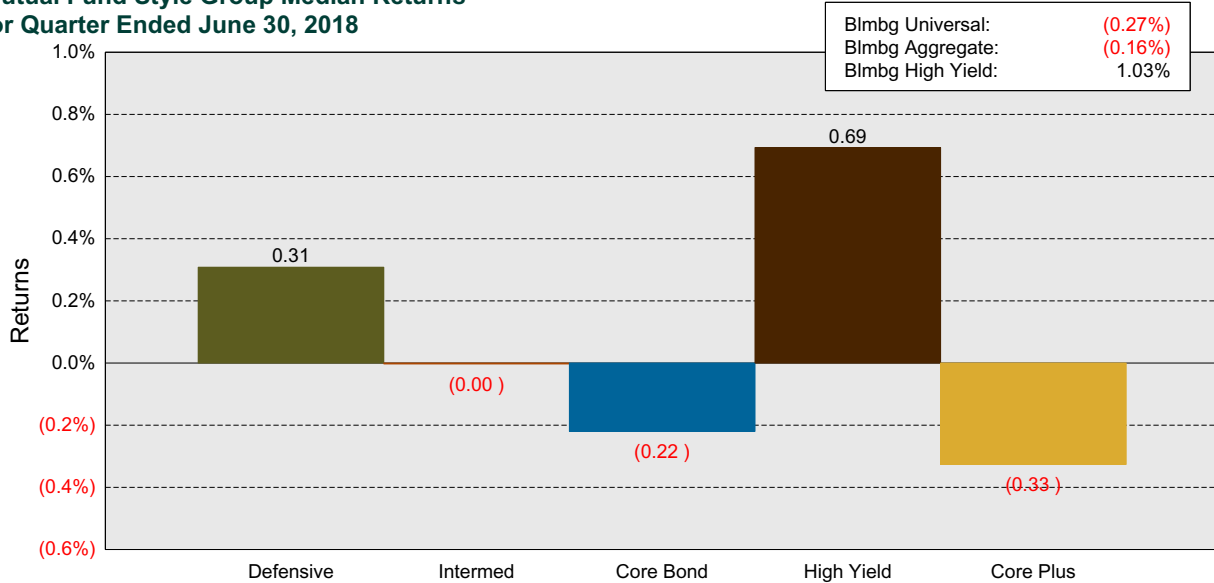
**Mutual Fund Style Group Median Returns  
for One Year Ended June 30, 2018**



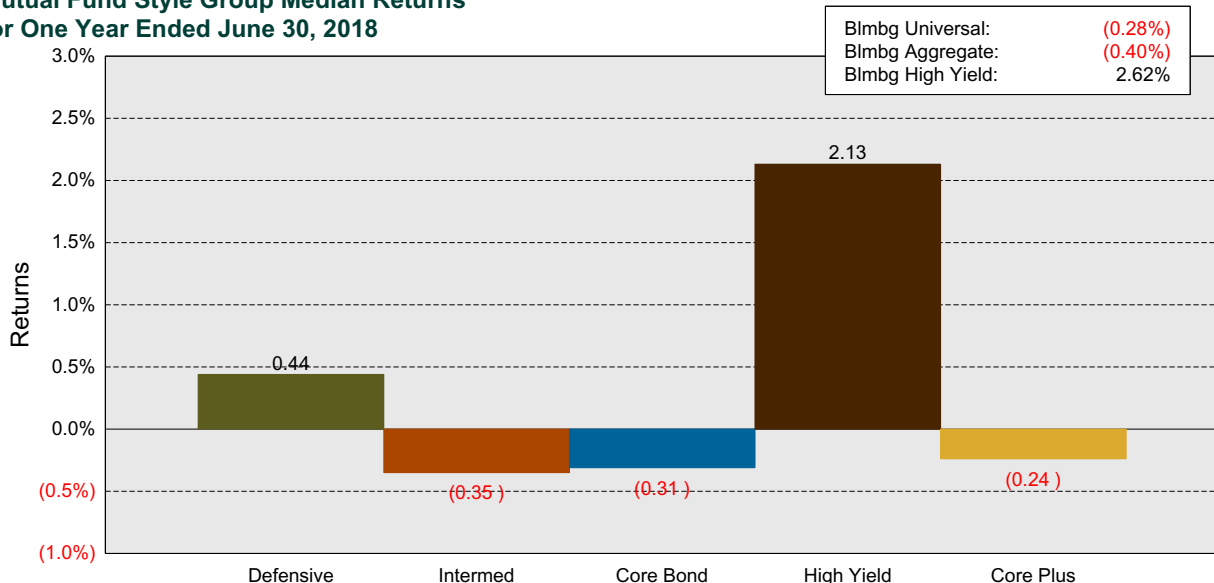
## Domestic Fixed Income Active Management Overview

U.S. rates rose in the second quarter and the yield curve continued its flattening trend. The yield on the 10-year U.S. Treasury note hit an intra-quarter high of 3.11% in May but closed the quarter at 2.85%, only 11 bps higher than March 31. Concerns over mounting trade tensions and slower global growth pushed yields lower going into quarter-end. The 2-year U.S. Treasury note closed at 2.52%, up sharply from 2.27% as of March 31 and its highest level since August 2008. The yield curve continued to flatten and the spread between the 2-year and 10-year ended at its lowest level (33 bps) in more than 10 years. The Fed hiked rates in June, as was widely expected, and expects two more increases in 2018. The Bloomberg Barclays US Aggregate Bond Index returned -0.2%. Investment grade corporates underperformed Treasuries as heavy supply and concerns over heightened M&A activity weighed on the market. TIPS outperformed as inflation expectations climbed; the 10-year breakeven rate closed the quarter at 2.11%, up from 2.05% on 3/31. The Bloomberg Barclays TIPS Index gained 0.8%. High yield corporates (Blomberg Barclays High Yield: +1.0%) outperformed, and leveraged bank loans (S&P LSTA: +0.7%), which carry a floating rate coupon, also did well.

### Mutual Fund Style Group Median Returns for Quarter Ended June 30, 2018



### Mutual Fund Style Group Median Returns for One Year Ended June 30, 2018







---

## ASSET ALLOCATION AND PERFORMANCE

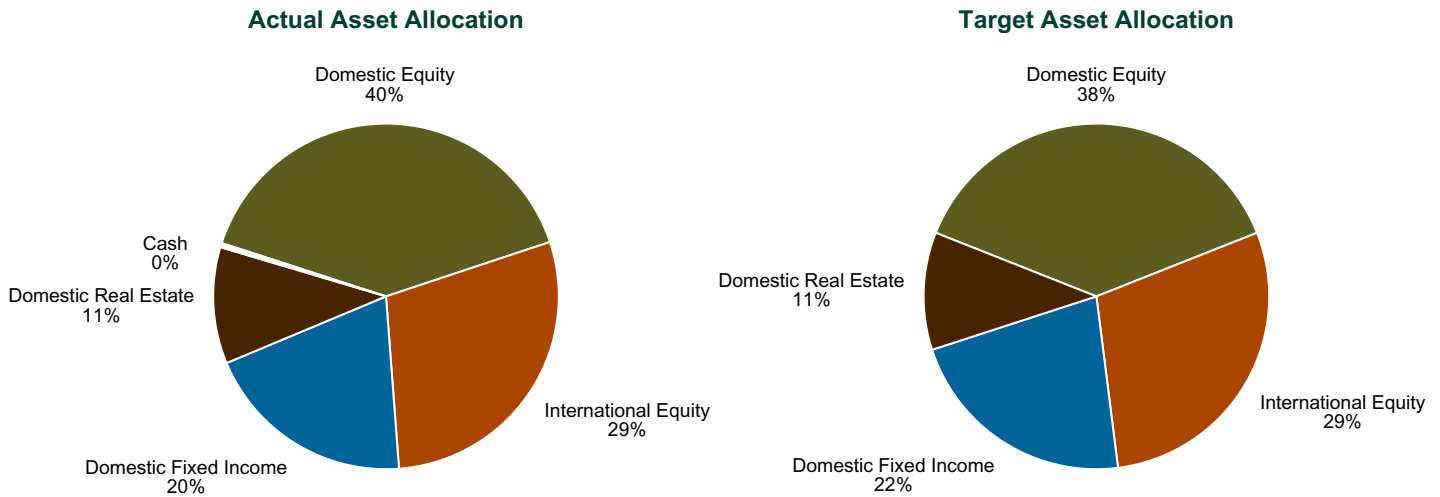
---

### **Asset Allocation and Performance**

This section begins with an overview of the fund's asset allocation at the broad asset class level. This is followed by a top down performance attribution analysis which analyzes the fund's performance relative to the performance of the fund's policy target asset allocation. The fund's historical performance is then examined relative to funds with similar objectives. Performance of each asset class is then shown relative to the asset class performance of other funds. Finally, a summary is presented of the holdings of the fund's investment managers, and the returns of those managers over various recent periods.

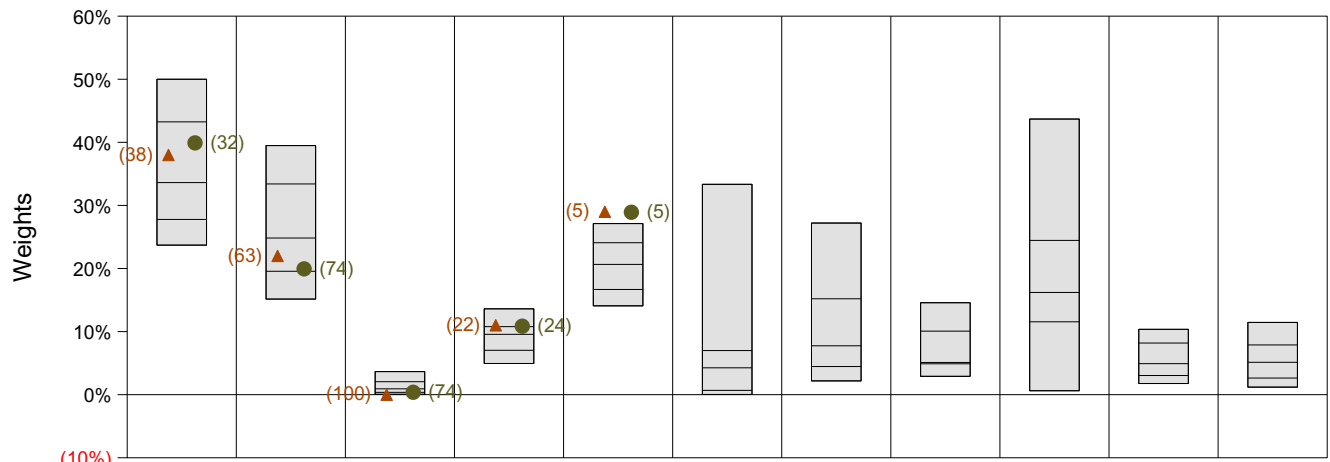
## Actual vs Target Asset Allocation As of June 30, 2018

The top left chart shows the Fund's asset allocation as of June 30, 2018. The top right chart shows the Fund's target asset allocation as outlined in the investment policy statement. The bottom chart ranks the fund's asset allocation and the target allocation versus the Callan Public Fund Sponsor Database.



Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Domestic Equity	207,674	39.9%	38.0%	1.9%	9,938
International Equity	150,450	28.9%	29.0%	(0.1%)	(454)
Domestic Fixed Income	103,774	19.9%	22.0%	(2.1%)	(10,705)
Domestic Real Estate	56,470	10.9%	11.0%	(0.1%)	(769)
Cash	1,990	0.4%	0.0%	0.4%	1,990
Total	520,359	100.0%	100.0%		

### Asset Class Weights vs Callan Public Fund Sponsor Database



	Domestic Equity	Domestic Fixed Income	Cash	Domestic Real Estate	International Equity	Intl Fixed-Inc	Alternative	Global Balanced Equity	Global Equity Broad	Private Equity	Real Assets
10th Percentile	50.00	39.49	3.66	13.61	27.12	33.35	27.21	14.58	43.69	10.36	11.45
25th Percentile	43.24	33.40	2.06	10.78	24.09	6.99	15.20	10.07	24.45	8.19	7.88
Median	33.62	24.83	0.93	9.56	20.65	4.26	7.75	5.11	16.20	4.92	5.13
75th Percentile	27.78	19.56	0.37	7.03	16.68	0.68	4.46	4.90	11.55	3.04	2.64
90th Percentile	23.70	15.15	0.05	4.94	14.08	0.03	2.18	2.91	0.62	1.77	1.19
<b>Fund</b>	● 39.91	19.94	0.38	10.85	28.91	-	-	-	-	-	-
<b>Target</b>	▲ 38.00	22.00	0.00	11.00	29.00	-	-	-	-	-	-
% Group Invested	98.50%	96.24%	72.18%	72.93%	96.24%	13.53%	43.07%	15.04%	12.78%	30.83%	26.32%

\* Current Quarter Target = 38.0% Russell 3000 Index, 29.0% MSCI ACWIxUS Gross, 22.0% Blmbg Aggregate and 11.0% NCREIF NFI-ODCE Eq Wt Net.

## Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of June 30, 2018, with the distribution as of March 31, 2018. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

### Asset Distribution Across Investment Managers

	June 30, 2018		Net New Inv.	Inv. Return	March 31, 2018	
	Market Value	Weight			Market Value	Weight
<b>Domestic Equities</b>	<b>\$207,674,212</b>	<b>39.91%</b>	<b>\$(3,000,000)</b>	<b>\$7,747,146</b>	<b>\$202,927,066</b>	<b>39.06%</b>
<b>Large Cap Equities</b>	<b>\$142,897,342</b>	<b>27.46%</b>	<b>\$(2,500,000)</b>	<b>\$4,412,979</b>	<b>\$140,984,363</b>	<b>27.14%</b>
Vanguard S&P 500 Index	36,691,255	7.05%	0	1,213,626	35,477,629	6.83%
SSGA S&P Equal Weighted NL CTF	35,353,687	6.79%	0	987,334	34,366,353	6.61%
Boston Partners	35,062,832	6.74%	0	(85,277)	35,148,109	6.77%
Harbor Cap Appreciation	35,789,568	6.88%	(2,500,000)	2,297,296	35,992,272	6.93%
<b>Mid Cap Equities</b>	<b>\$31,887,086</b>	<b>6.13%</b>	<b>\$0</b>	<b>\$645,434</b>	<b>\$31,241,652</b>	<b>6.01%</b>
Fidelity Low Priced Stock	15,475,295	2.97%	0	298,252	15,177,044	2.92%
Janus Enterprise	16,411,791	3.15%	0	347,183	16,064,608	3.09%
<b>Small Cap Equities</b>	<b>\$32,889,783</b>	<b>6.32%</b>	<b>\$(500,000)</b>	<b>\$2,688,732</b>	<b>\$30,701,051</b>	<b>5.91%</b>
Prudential Small Cap Value	14,253,767	2.74%	0	744,754	13,509,013	2.60%
AB US Small Growth	18,636,016	3.58%	(500,000)	1,943,978	17,192,037	3.31%
<b>International Equities</b>	<b>\$150,450,203</b>	<b>28.91%</b>	<b>\$(2,000,000)</b>	<b>\$(4,430,381)</b>	<b>\$156,880,584</b>	<b>30.20%</b>
EuroPacific	26,498,826	5.09%	(1,000,000)	(769,262)	28,268,088	5.44%
Harbor International	30,620,516	5.88%	0	(225,251)	30,845,767	5.94%
Oakmark International	29,118,244	5.60%	(1,000,000)	(1,392,738)	31,510,982	6.07%
Mondrian International	25,859,842	4.97%	0	(980,507)	26,840,349	5.17%
T. Rowe Price Intl Small Cap	23,445,588	4.51%	0	(36,312)	23,481,900	4.52%
Investec	14,907,187	2.86%	0	(1,026,310)	15,933,497	3.07%
<b>Domestic Fixed Income</b>	<b>\$103,773,892</b>	<b>19.94%</b>	<b>\$0</b>	<b>\$(400,776)</b>	<b>\$104,174,668</b>	<b>20.05%</b>
Dodge & Cox Income	52,096,559	10.01%	0	(173,555)	52,270,115	10.06%
PIMCO	51,677,332	9.93%	0	(227,221)	51,904,553	9.99%
<b>Real Estate</b>	<b>\$56,470,400</b>	<b>10.85%</b>	<b>\$1,480,120</b>	<b>\$1,057,566</b>	<b>\$53,932,714</b>	<b>10.38%</b>
RREEF Private Fund	28,915,125	5.56%	1,500,000	543,907	26,871,218	5.17%
Barings Core Property Fund	26,405,275	5.07%	0	493,778	25,911,497	4.99%
625 Kings Court	1,150,000	0.22%	(19,880)	19,880	1,150,000	0.22%
<b>Cash</b>	<b>\$1,990,220</b>	<b>0.38%</b>	<b>\$364,452</b>	<b>\$(0)</b>	<b>\$1,625,768</b>	<b>0.31%</b>
<b>Total Fund</b>	<b>\$520,358,925</b>	<b>100.0%</b>	<b>\$(3,155,428)</b>	<b>\$3,973,554</b>	<b>\$519,540,799</b>	<b>100.0%</b>

## Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended June 30, 2018. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

### Returns for Periods Ended June 30, 2018

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
<b>Domestic Equities</b>	<b>3.81%</b>	<b>17.47%</b>	<b>11.35%</b>	<b>13.50%</b>	<b>12.89%</b>
Russell 3000 Index	3.89%	14.78%	11.58%	13.29%	13.01%
<b>Large Cap Equities</b>					
Vanguard S&P 500 Index	3.42%	14.33%	11.90%	-	-
S&P 500 Index	3.43%	14.37%	11.93%	13.42%	13.23%
SSGA S&P Eq Weighted NL CTF	2.87%	-	-	-	-
S&P 500 Eq Weighted	2.80%	11.98%	10.49%	12.76%	12.65%
Boston Partners	(0.24%)	9.80%	8.13%	10.24%	11.61%
S&P 500 Index	3.43%	14.37%	11.93%	13.42%	13.23%
Russell 1000 Value Index	1.18%	6.77%	8.26%	10.34%	11.27%
Harbor Cap Appreciation (1)	6.36%	29.31%	15.34%	18.17%	15.29%
S&P 500 Index	3.43%	14.37%	11.93%	13.42%	13.23%
Russell 1000 Growth Index	5.76%	22.51%	14.98%	16.36%	14.88%
<b>Mid Cap Equities</b>					
Fidelity Low Priced Stock	1.97%	12.98%	8.07%	10.55%	11.01%
Russell MidCap Value Idx	2.41%	7.60%	8.80%	11.27%	11.70%
Janus Enterprise (2)	2.16%	19.03%	14.11%	15.51%	14.06%
Russell MidCap Growth Idx	3.16%	18.52%	10.73%	13.37%	12.16%
<b>Small Cap Equities</b>					
Prudential Small Cap Value (3)	5.51%	10.64%	10.34%	11.10%	10.91%
US Small Cap Value Idx	6.65%	11.86%	10.84%	11.42%	11.52%
Russell 2000 Value Index	8.30%	13.10%	11.22%	11.18%	11.10%
AB US Small Growth (4)	11.42%	35.90%	15.07%	15.77%	14.74%
Russell 2000 Growth Index	7.23%	21.86%	10.60%	13.65%	12.50%

(1) Switched share class in June 2016.

(2) Switched share class in July 2016.

(3) Switched share class in September 2015.

(4) Switched to a mutual fund in September 2015.

## Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended June 30, 2018. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

### Returns for Periods Ended June 30, 2018

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
<b>International Equities</b>	<b>(2.96%)</b>	<b>6.78%</b>	<b>4.73%</b>	<b>5.91%</b>	<b>4.17%</b>
MSCI ACWI ex-US Index	(2.39%)	7.79%	5.56%	6.48%	4.28%
EuroPacific	(2.82%)	9.35%	6.51%	8.34%	6.08%
Harbor International (1)	(0.73%)	4.55%	2.90%	4.90%	3.56%
Oakmark International (2)	(4.53%)	4.10%	6.14%	7.10%	7.31%
Mondrian International	(3.85%)	3.30%	3.14%	4.73%	3.64%
MSCI EAFE Index	(1.24%)	6.84%	4.90%	6.44%	4.89%
MSCI ACWI ex-US Index	(2.39%)	7.79%	5.56%	6.48%	4.28%
T. Rowe Price Intl Small Cap	(0.41%)	-	-	-	-
MSCI ACWI ex US Small Cap	(2.60%)	10.57%	7.94%	8.98%	5.86%
Investec	(6.63%)	9.12%	-	-	-
MSCI Emerging Markets Index	(7.96%)	8.20%	5.60%	5.01%	1.43%
<b>Domestic Fixed Income</b>	<b>(0.38%)</b>	<b>0.12%</b>	<b>2.37%</b>	<b>2.79%</b>	<b>3.14%</b>
Blmbg Aggregate Index	(0.16%)	(0.40%)	1.72%	2.27%	2.57%
Dodge & Cox Income	(0.33%)	0.37%	2.64%	3.09%	3.35%
PIMCO	(0.44%)	(0.12%)	2.09%	2.49%	2.93%
Blmbg Aggregate Index	(0.16%)	(0.40%)	1.72%	2.27%	2.57%
<b>Real Estate</b>	<b>1.91%</b>	<b>7.56%</b>	<b>8.63%</b>	<b>9.64%</b>	<b>9.55%</b>
Real Estate Custom Benchmark (3)	1.89%	7.68%	8.88%	10.04%	10.04%
RREEF Private	1.92%	7.79%	8.71%	10.77%	10.81%
Barings Core Property Fund	1.91%	7.32%	8.62%	8.89%	-
NFI-ODCE Equal Weight Net	1.89%	7.68%	8.70%	10.21%	10.47%
625 Kings Court	1.73%	7.16%	14.63%	13.22%	13.81%
<b>Total Fund</b>	<b>0.73%</b>	<b>9.48%</b>	<b>7.43%</b>	<b>8.58%</b>	<b>7.97%</b>
Total Fund Benchmark*	0.96%	8.57%	7.54%	8.50%	7.97%

\* Current Quarter Target = 38.0% Russell 3000 Index, 29.0% MSCI ACWIxUS Gross, 22.0% Blmbg Aggregate and 11.0% NCREIF NFI-ODCE Eq Wt Net.

(1) Switched share class in June 2016.

(2) Switched to CIT in November 2015.

(3) Real Estate Custom Benchmark is 50% NAREIT Composite Index and 50% NFI-ODCE Equal Wt Net through 12/31/2011; 20% NAREIT Composite Index and 80% NFI-ODCE Equal Wt Net through 12/31/2016 and NFI-ODCE Equal Wt Net thereafter.

## Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

	12/2017- 6/2018	2017	2016	2015	2014
<b>Domestic Equities</b>	<b>4.52%</b>	<b>23.74%</b>	<b>10.90%</b>	<b>(0.15%)</b>	<b>9.59%</b>
Russell 3000 Index	3.22%	21.13%	12.74%	0.48%	12.56%
<b>Large Cap Equities</b>					
Vanguard S&P 500 Index	2.63%	21.79%	11.93%	1.37%	13.65%
S&P 500 Index	2.65%	21.83%	11.96%	1.38%	13.69%
SSGA S&P Eq Weighted NL CTF	1.79%	-	-	-	-
S&P 500 Eq Weighted	1.77%	18.90%	14.80%	(2.20%)	14.49%
Boston Partners	(1.89%)	19.23%	13.76%	(4.99%)	10.87%
S&P 500 Index	2.65%	21.83%	11.96%	1.38%	13.69%
Russell 1000 Value Index	(1.69%)	13.66%	17.34%	(3.83%)	13.45%
Harbor Cap Appreciation (1)	10.99%	36.68%	(1.04%)	10.99%	9.93%
S&P 500 Index	2.65%	21.83%	11.96%	1.38%	13.69%
Russell 1000 Growth Index	7.25%	30.21%	7.08%	5.67%	13.05%
<b>Mid Cap Equities</b>					
Fidelity Low Priced Stock	0.88%	20.67%	8.79%	(0.56%)	7.65%
Russell MidCap Value Idx	(0.16%)	13.34%	20.00%	(4.78%)	14.75%
Janus Enterprise (2)	7.23%	26.65%	12.13%	3.49%	12.01%
Russell MidCap Growth Idx	5.40%	25.27%	7.33%	(0.20%)	11.90%
<b>Small Cap Equities</b>					
Prudential Small Cap Value (3)	2.17%	6.43%	33.99%	(7.00%)	5.89%
US Small Cap Value Idx	4.00%	9.22%	27.64%	(5.14%)	7.44%
Russell 2000 Value Index	5.44%	7.84%	31.74%	(7.47%)	4.22%
AB US Small Growth (4)	17.25%	35.03%	6.91%	(0.66%)	(1.24%)
Russell 2000 Growth Index	9.70%	22.17%	11.32%	(1.38%)	5.60%

(1) Switched share class in June 2016.

(2) Switched share class in July 2016.

(3) Switched share class in September 2015.

(4) Switched to a mutual fund in September 2015.

## Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

	12/2017- 6/2018	2017	2016	2015	2014
<b>International Equities</b>	<b>(3.21%)</b>	<b>27.94%</b>	<b>2.84%</b>	<b>(4.62%)</b>	<b>(5.73%)</b>
MSCI ACWI ex-US Index	(3.44%)	27.77%	5.01%	(5.25%)	(3.44%)
EuroPacific	(1.82%)	31.18%	1.01%	(0.48%)	(2.29%)
Harbor International (1)	(1.29%)	22.98%	0.27%	(3.82%)	(6.81%)
Oakmark International (2)	(7.09%)	30.47%	8.19%	(3.99%)	(5.41%)
Mondrian International	(5.25%)	22.29%	4.50%	(6.33%)	(2.06%)
MSCI EAFE Index	(2.75%)	25.03%	1.00%	(0.81%)	(4.90%)
MSCI ACWI ex-US Index	(3.44%)	27.77%	5.01%	(5.25%)	(3.44%)
T. Rowe Price Intl Small Cap	2.01%	-	-	-	-
MSCI ACWI ex US Small Cap	(2.94%)	31.65%	3.91%	2.60%	(4.03%)
Investec	(5.51%)	-	-	-	-
MSCI Emerging Markets Index	(6.66%)	37.28%	11.19%	(14.92%)	(2.19%)
<b>Domestic Fixed Income</b>	<b>(1.47%)</b>	<b>4.74%</b>	<b>4.10%</b>	<b>0.07%</b>	<b>5.09%</b>
Blmbg Aggregate Index	(1.62%)	3.54%	2.65%	0.55%	5.97%
Dodge & Cox Income	(1.23%)	4.36%	5.61%	(0.59%)	5.49%
PIMCO	(1.71%)	5.12%	2.59%	0.73%	4.69%
Blmbg Aggregate Index	(1.62%)	3.54%	2.65%	0.55%	5.97%
<b>Real Estate</b>	<b>3.80%</b>	<b>6.88%</b>	<b>7.02%</b>	<b>12.14%</b>	<b>14.50%</b>
Real Estate Custom Benchmark (3)	3.89%	6.92%	8.62%	11.81%	14.57%
RREEF Private	4.10%	6.43%	7.95%	15.63%	11.95%
Barings Core Property Fund	3.51%	6.59%	8.62%	12.99%	8.64%
NFI-ODCE Equal Weight Net	3.89%	6.92%	8.36%	14.18%	11.42%
625 Kings Court	3.48%	26.09%	10.01%	9.85%	12.15%
<b>Total Fund</b>	<b>0.90%</b>	<b>18.89%</b>	<b>6.67%</b>	<b>0.01%</b>	<b>4.72%</b>
Total Fund Benchmark*	0.29%	17.34%	7.78%	0.21%	6.80%

\* Current Quarter Target = 38.0% Russell 3000 Index, 29.0% MSCI ACWIxUS Gross, 22.0% Blmbg Aggregate and 11.0% NCREIF NFI-ODCE Eq Wt Net.

(1) Switched share class in June 2016.

(2) Switched to CIT in November 2015.

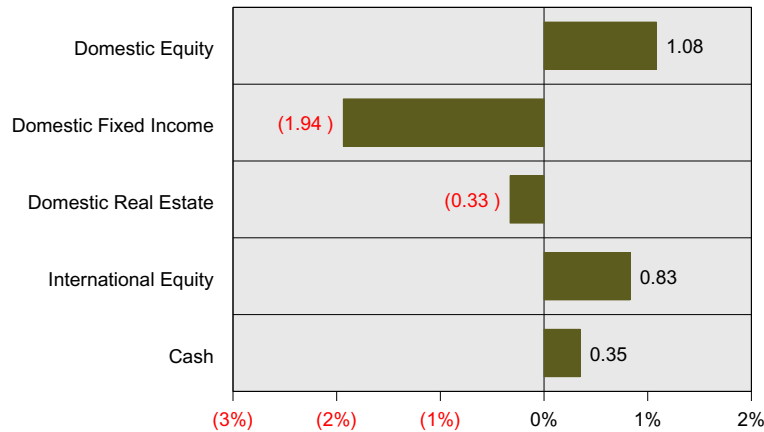
(3) Real Estate Custom Benchmark is 50% NAREIT Composite Index and 50% NFI-ODCE Equal Wt Net through 12/31/2011; 20% NAREIT Composite Index and 80% NFI-ODCE Equal Wt Net through 12/31/2016 and NFI-ODCE Equal Wt Net thereafter.



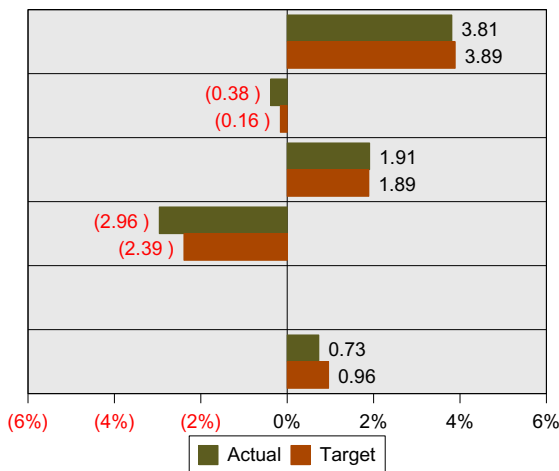
## Quarterly Total Fund Relative Attribution - June 30, 2018

The following analysis approaches Total Fund Attribution from the perspective of relative return. Relative return attribution separates and quantifies the sources of total fund excess return relative to its target. This excess return is separated into two relative attribution effects: Asset Allocation Effect and Manager Selection Effect. The Asset Allocation Effect represents the excess return due to the actual total fund asset allocation differing from the target asset allocation. Manager Selection Effect represents the total fund impact of the individual managers excess returns relative to their benchmarks.

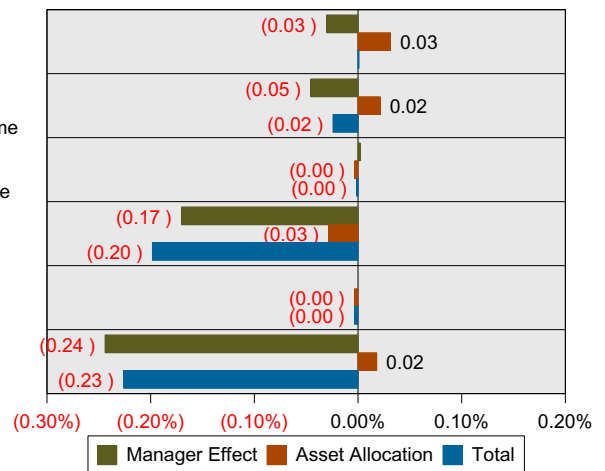
### Asset Class Under or Overweighting



### Actual vs Target Returns



### Relative Attribution by Asset Class



### Relative Attribution Effects for Quarter ended June 30, 2018

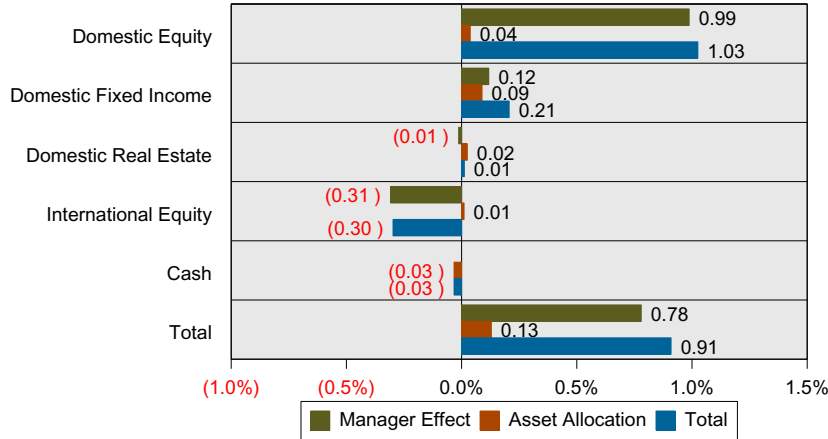
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	39%	38%	3.81%	3.89%	(0.03%)	0.03%	0.00%
Domestic Fixed Income	20%	22%	(0.38%)	(0.16%)	(0.05%)	0.02%	(0.02%)
Domestic Real Estate	11%	11%	1.91%	1.89%	0.00%	(0.00%)	(0.00%)
International Equity	30%	29%	(2.96%)	(2.39%)	(0.17%)	(0.03%)	(0.20%)
Cash	0%	0%	0.00%	0.00%	0.00%	(0.00%)	(0.00%)
<b>Total</b>			<b>0.73%</b>	<b>0.96%</b>	<b>(0.24%)</b>	<b>0.02%</b>	<b>(0.23%)</b>

\* Current Quarter Target = 38.0% Russell 3000 Index, 29.0% MSCI ACWIxUS Gross, 22.0% Blmbg Aggregate and 11.0% NCREIF NFI-ODCE Eq Wt Net.

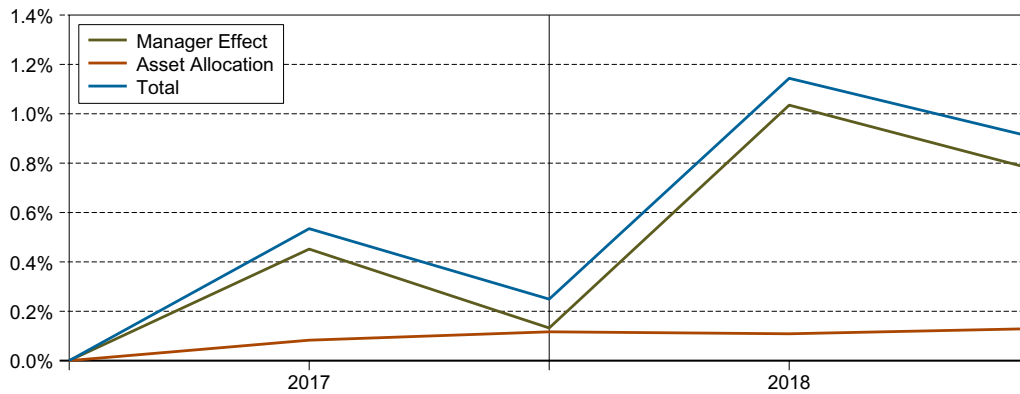
## Cumulative Total Fund Relative Attribution - June 30, 2018

The charts below accumulate the Total Fund Attribution Analysis (shown earlier) over multiple periods to examine the cumulative sources of excess total fund performance relative to target. These cumulative results quantify the longer-term sources of total fund excess return relative to target by asset class. These relative attribution effects separate the cumulative sources of total fund excess return into Asset Allocation Effect and Manager Selection Effect.

### One Year Relative Attribution Effects



### Cumulative Relative Attribution Effects



### One Year Relative Attribution Effects

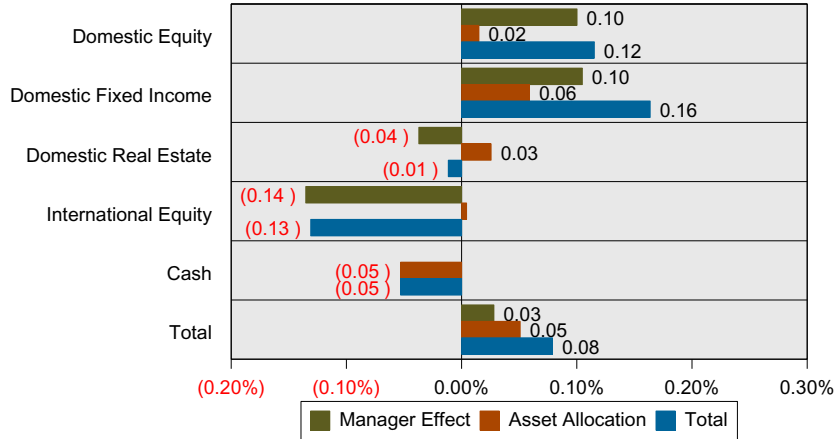
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	39%	38%	17.47%	14.78%	0.99%	0.04%	1.03%
Domestic Fixed Income	21%	22%	0.12%	(0.40%)	0.12%	0.09%	0.21%
Domestic Real Estate	10%	11%	7.56%	7.68%	(0.01%)	0.02%	0.01%
International Equity	30%	29%	6.78%	7.79%	(0.31%)	0.01%	(0.30%)
Cash	0%	0%	0.00%	0.00%	0.00%	(0.03%)	(0.03%)
<b>Total</b>			<b>9.48%</b>	<b>8.57%</b>	<b>+ 0.78%</b>	<b>+ 0.13%</b>	<b>0.91%</b>

\* Current Quarter Target = 38.0% Russell 3000 Index, 29.0% MSCI ACWIxUS Gross, 22.0% Blmbg Aggregate and 11.0% NCREIF NFI-ODCE Eq Wt Net.

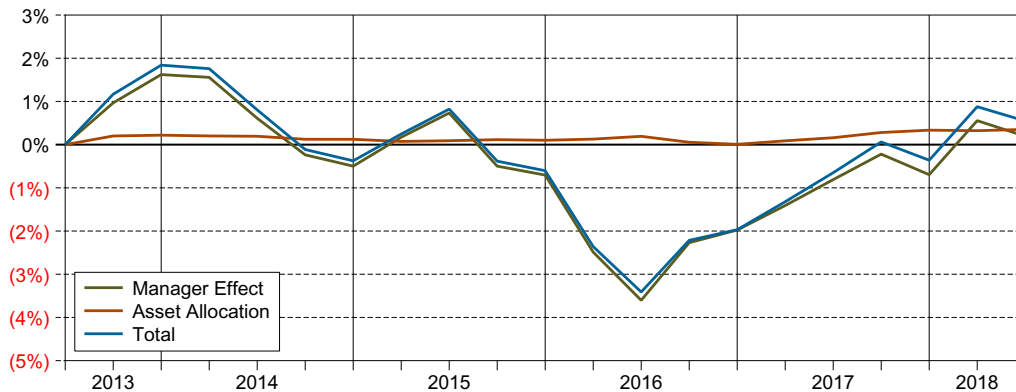
## Cumulative Total Fund Relative Attribution - June 30, 2018

The charts below accumulate the Total Fund Attribution Analysis (shown earlier) over multiple periods to examine the cumulative sources of excess total fund performance relative to target. These cumulative results quantify the longer-term sources of total fund excess return relative to target by asset class. These relative attribution effects separate the cumulative sources of total fund excess return into Asset Allocation Effect and Manager Selection Effect.

### Five Year Annualized Relative Attribution Effects



### Cumulative Relative Attribution Effects



### Five Year Annualized Relative Attribution Effects

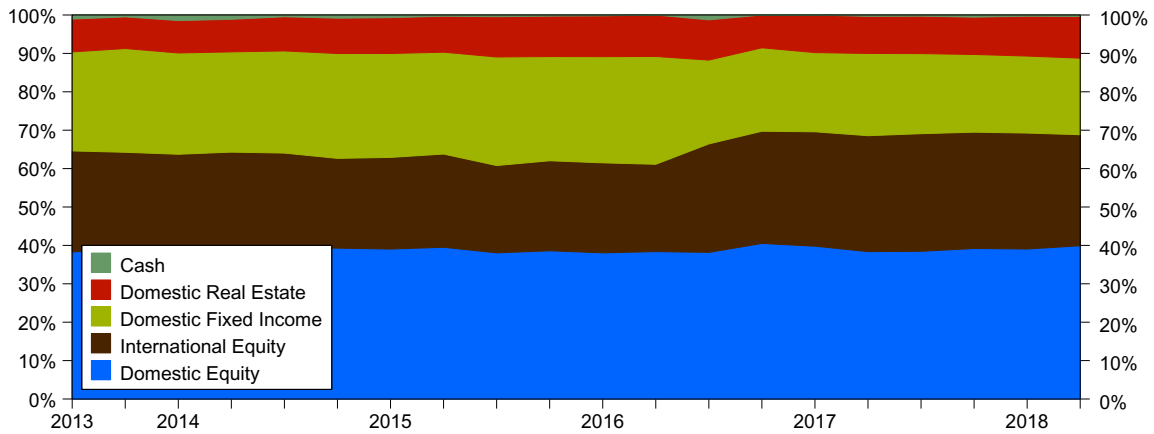
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	39%	38%	13.50%	13.29%	0.10%	0.02%	0.12%
Domestic Fixed Income	25%	26%	2.79%	2.27%	0.10%	0.06%	0.16%
Domestic Real Estate	10%	10%	9.64%	10.04%	(0.04%)	0.03%	(0.01%)
International Equity	26%	26%	5.91%	6.48%	(0.14%)	0.00%	(0.13%)
Cash	1%	0%	0.00%	0.00%	0.00%	(0.05%)	(0.05%)
<b>Total</b>			<b>8.58%</b>	<b>8.50%</b>	<b>+ 0.03%</b>	<b>+ 0.05%</b>	<b>0.08%</b>

\* Current Quarter Target = 38.0% Russell 3000 Index, 29.0% MSCI ACWIxUS Gross, 22.0% Blmbg Aggregate and 11.0% NCREIF NFI-ODCE Eq Wt Net.

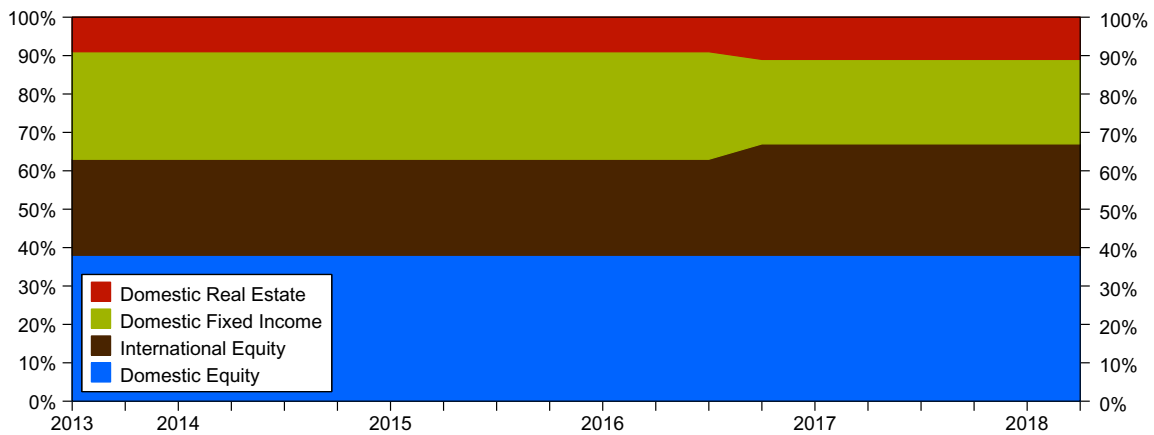
## Actual vs Target Historical Asset Allocation

The Historical asset allocation for a fund is by far the largest factor explaining its performance. The charts below show the fund's historical actual asset allocation, the fund's historical target asset allocation, and the historical asset allocation of the average fund in the Callan Public Fund Sponsor Database.

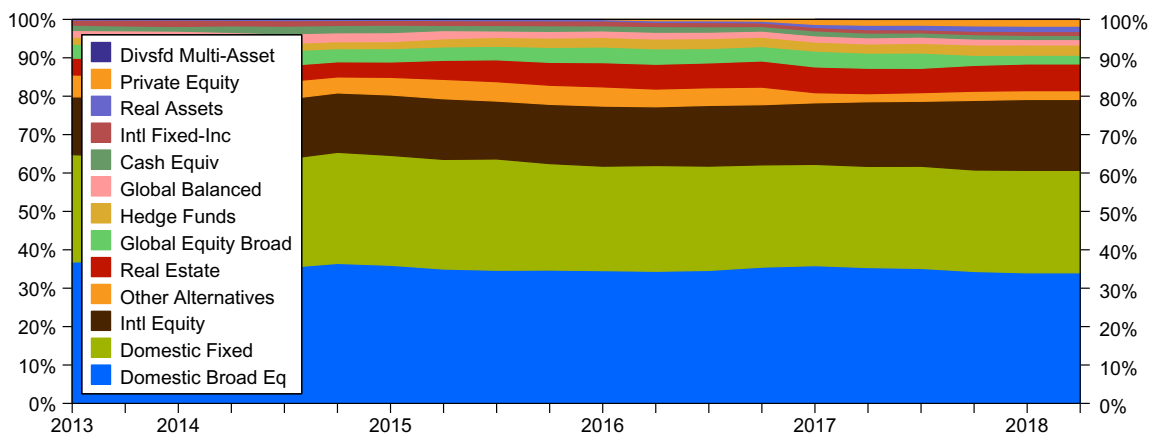
### Actual Historical Asset Allocation



### Target Historical Asset Allocation



### Average Callan Public Fund Sponsor Database Historical Asset Allocation

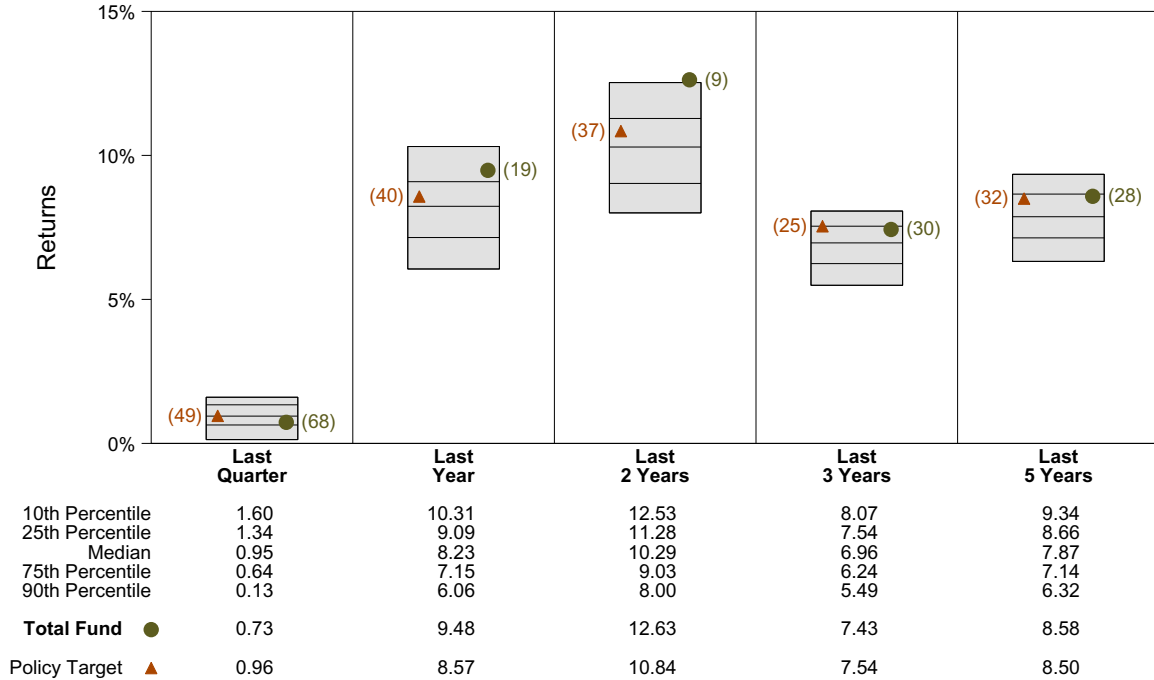


\* Current Quarter Target = 38.0% Russell 3000 Index, 29.0% MSCI ACWIxUS Gross, 22.0% Blmbg Aggregate and 11.0% NCREIF NFI-ODCE Eq Wt Net.

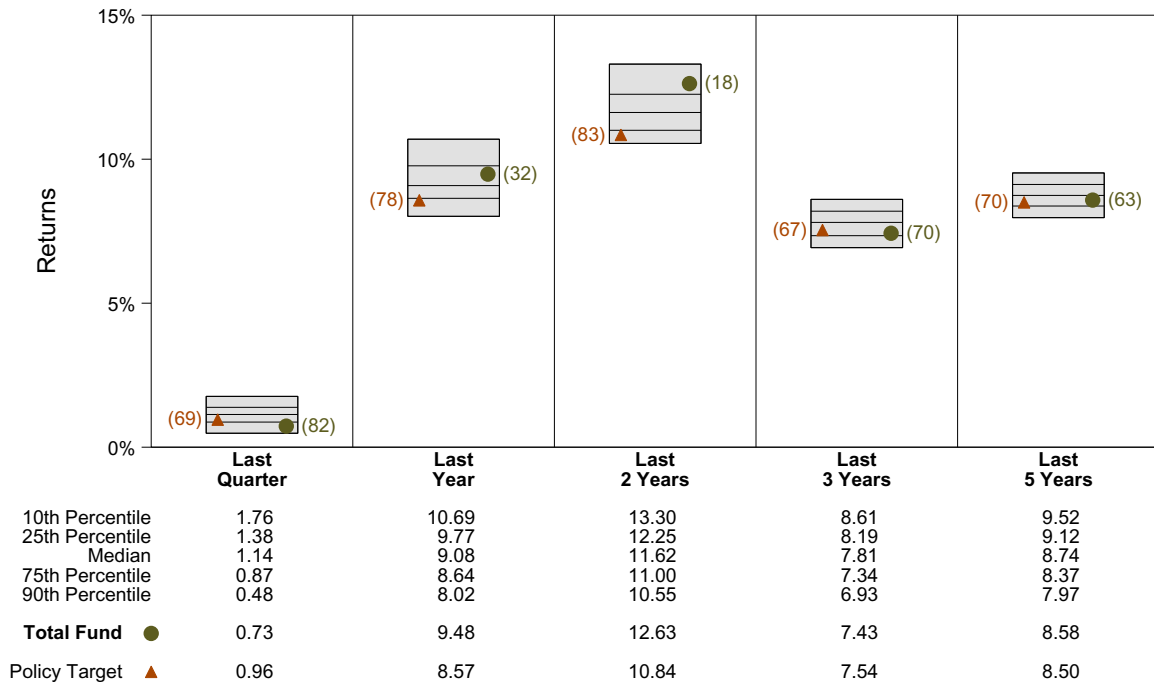
## Total Fund Ranking

The first two charts show the ranking of the Total Fund's performance relative to that of the Callan Public Fund Sponsor Database for periods ended June 30, 2018. The first chart is a standard unadjusted ranking. In the second chart each fund in the database is adjusted to have the same historical asset allocation as that of the Total Fund.

### Callan Public Fund Sponsor Database



### Asset Allocation Adjusted Ranking



\* Current Quarter Target = 38.0% Russell 3000 Index, 29.0% MSCI ACWIxUS Gross, 22.0% Blmbg Aggregate and 11.0% NCREIF NFI-ODCE Eq Wt Net.

# Total Fund

## Period Ended June 30, 2018

### Investment Philosophy

The Public Fund Sponsor Database consists of public employee pension total funds including both Callan LLC client and surveyed non-client funds.

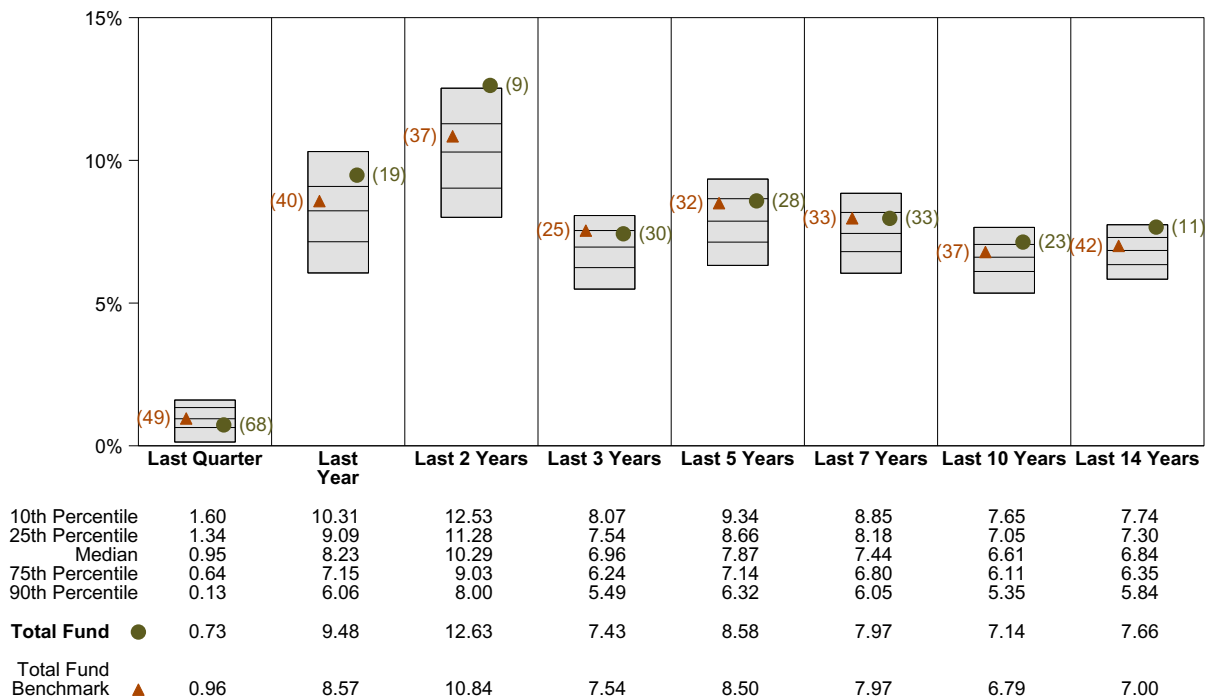
### Quarterly Summary and Highlights

- Total Fund's portfolio posted a 0.73% return for the quarter placing it in the 68th percentile of the Callan Public Fund Sponsor Database group for the quarter and in the 19th percentile for the last year.
- Total Fund's portfolio underperformed the Total Fund Benchmark by 0.23% for the quarter and outperformed the Total Fund Benchmark for the year by 0.91%.

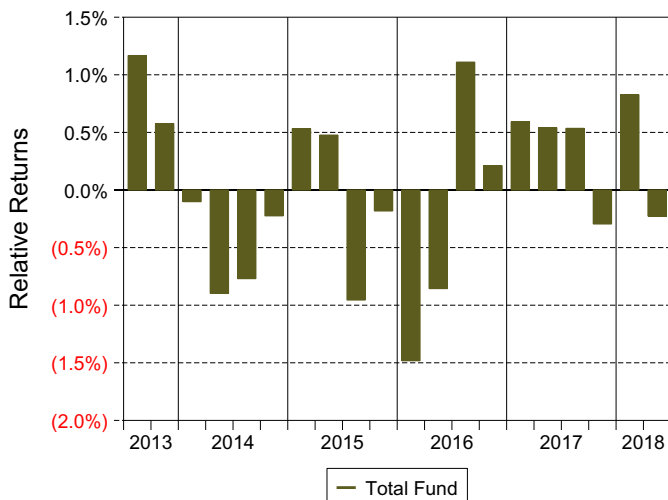
### Quarterly Asset Growth

Beginning Market Value	\$519,540,799
Net New Investment	\$-3,155,428
Investment Gains/(Losses)	\$3,973,554
Ending Market Value	\$520,358,925

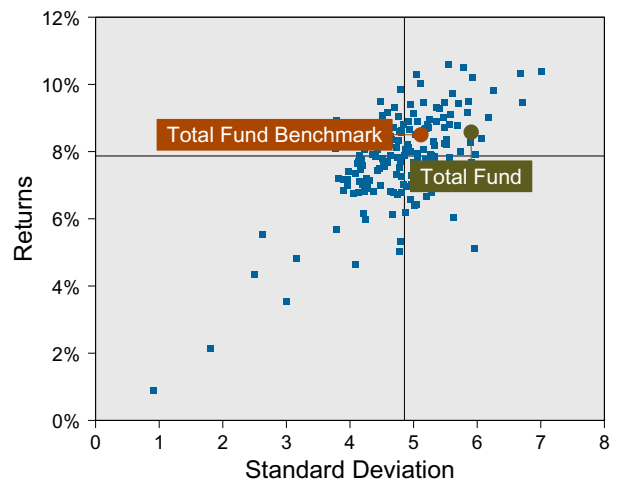
### Performance vs Callan Public Fund Sponsor Database (Gross)



### Relative Return vs Total Fund Benchmark



### Callan Public Fund Sponsor Database (Gross) Annualized Five Year Risk vs Return

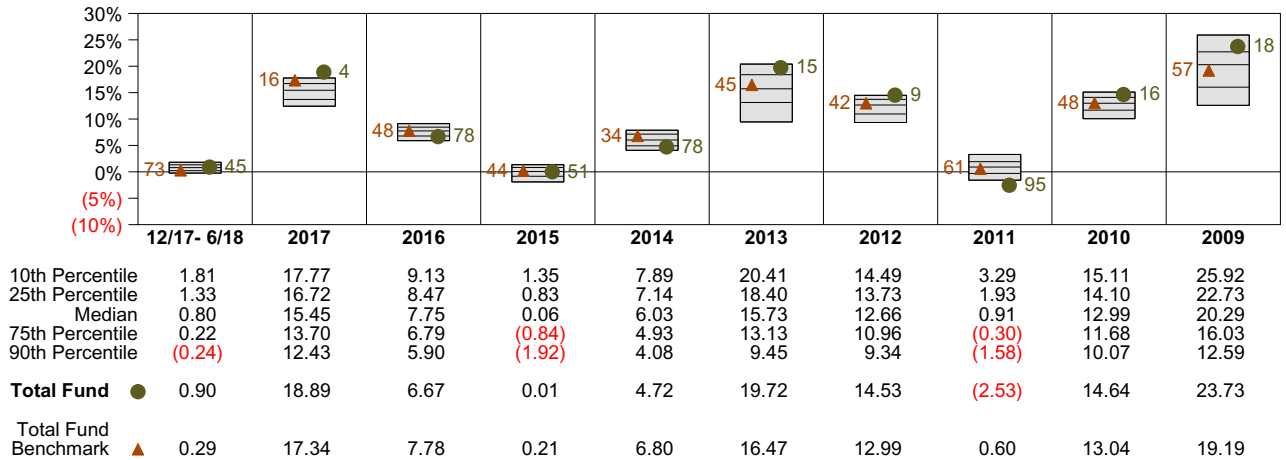


# Total Fund Return Analysis Summary

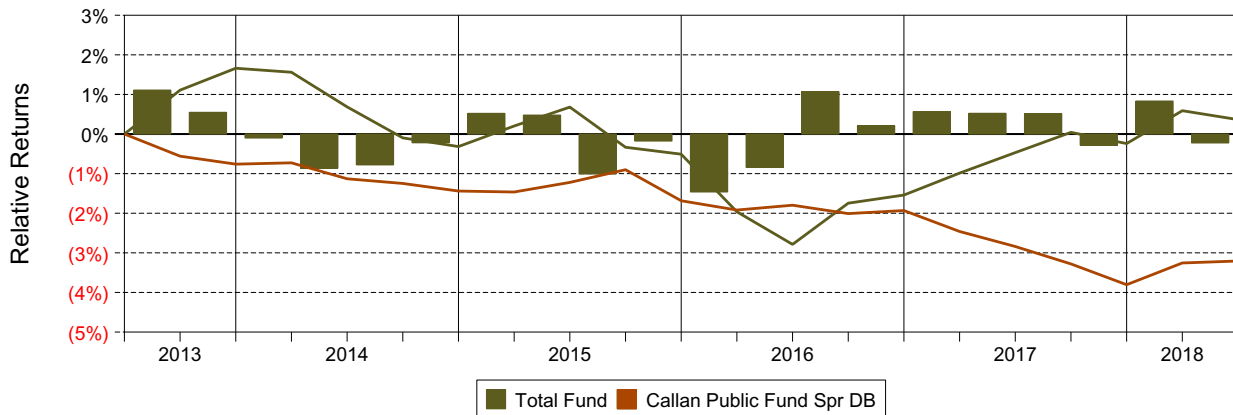
## Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

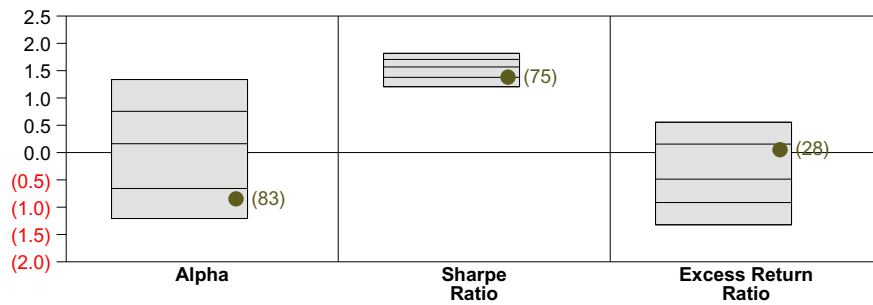
### Performance vs Callan Public Fund Sponsor Database (Gross)



### Cumulative and Quarterly Relative Return vs Total Fund Benchmark



### Risk Adjusted Return Measures vs Total Fund Benchmark Rankings Against Callan Public Fund Sponsor Database (Gross) Five Years Ended June 30, 2018

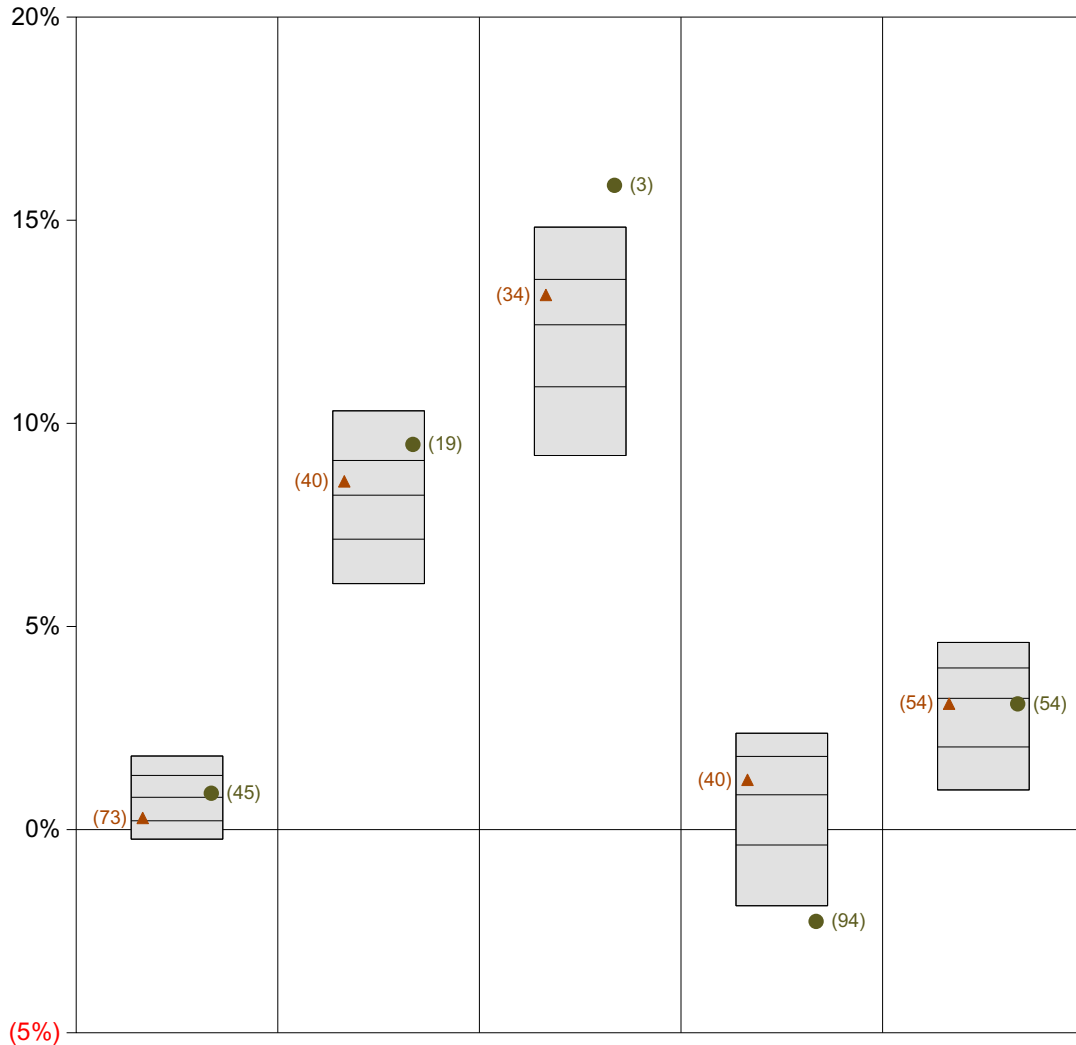


	Alpha	Sharpe Ratio	Excess Return Ratio
10th Percentile	1.34	1.82	0.56
25th Percentile	0.76	1.71	0.16
Median	0.16	1.57	(0.49)
75th Percentile	(0.66)	1.38	(0.92)
90th Percentile	(1.21)	1.21	(1.32)
<b>Total Fund</b>	● (0.85)	1.38	0.05

# Mendocino County Employees' Retirement Association Performance vs Callan Public Fund Sponsor Database Periods Ended June 30, 2018

## Return Ranking

The chart below illustrates fund rankings over various periods versus the Callan Public Fund Sponsor Database. The bars represent the range of returns from the 10th percentile to the 90th percentile for each period for all funds in the Callan Public Fund Sponsor Database. The numbers to the right of the bar represent the percentile rankings of the fund being analyzed. The table below the chart details the rates of return plotted in the graph above.



	Calendar YTD	Fiscal YTD	FY 2017	FY 2016	FY 2015
10th Percentile	1.81	10.31	14.83	2.37	4.61
25th Percentile	1.33	9.09	13.54	1.80	3.98
Median	0.80	8.23	12.43	0.86	3.23
75th Percentile	0.22	7.15	10.90	(0.38)	2.04
90th Percentile	(0.24)	6.06	9.21	(1.87)	0.98
<b>Total Fund</b> ●	0.90	9.48	15.86	(2.26)	3.09
<b>Total Fund Benchmark</b> ▲	0.29	8.57	13.16	1.23	3.10

\* Current Quarter Target = 38.0% Russell 3000 Index, 29.0% MSCI ACWixUS Gross, 22.0% Blmbg Aggregate and 11.0% NCREIF NFI-ODCE Eq Wt Net.





# Domestic Equity Composite Period Ended June 30, 2018

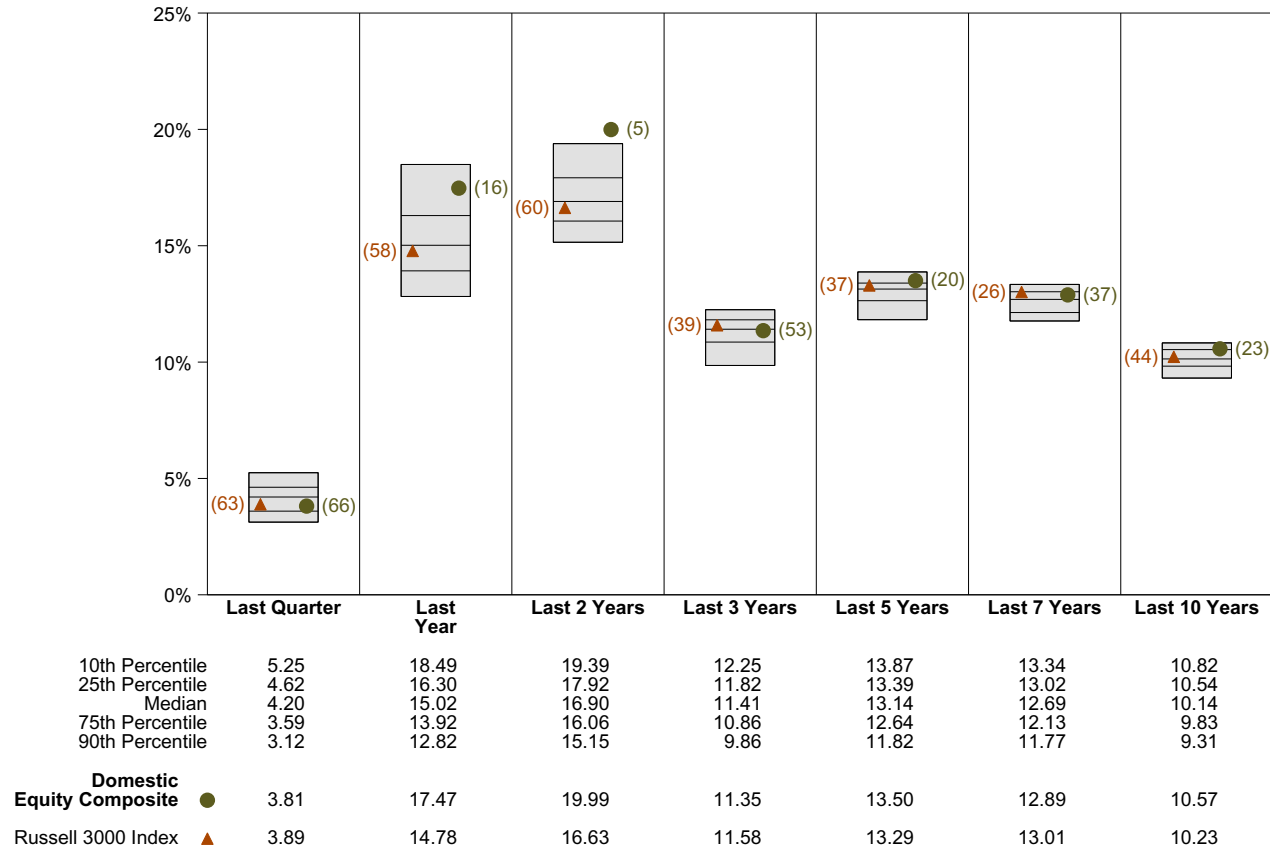
## Quarterly Summary and Highlights

- Domestic Equity Composite's portfolio posted a 3.81% return for the quarter placing it in the 66 percentile of the Public Fund - Domestic Equity group for the quarter and in the 16 percentile for the last year.
- Domestic Equity Composite's portfolio underperformed the Russell 3000 Index by 0.08% for the quarter and outperformed the Russell 3000 Index for the year by 2.70%.

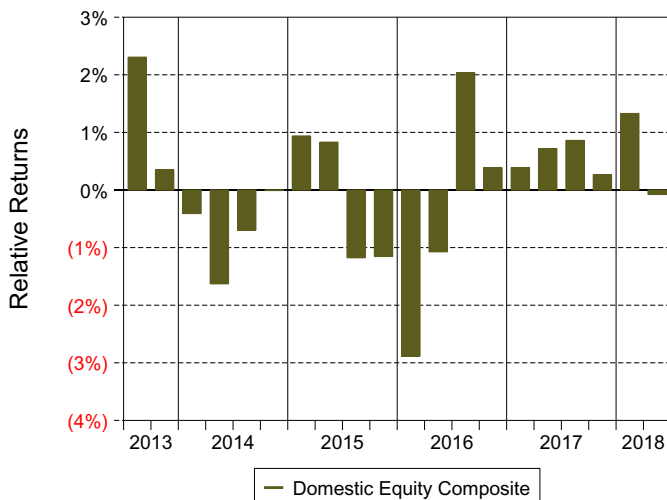
## Quarterly Asset Growth

Beginning Market Value	\$202,927,066
Net New Investment	\$-3,000,000
Investment Gains/(Losses)	\$7,747,146
Ending Market Value	\$207,674,212

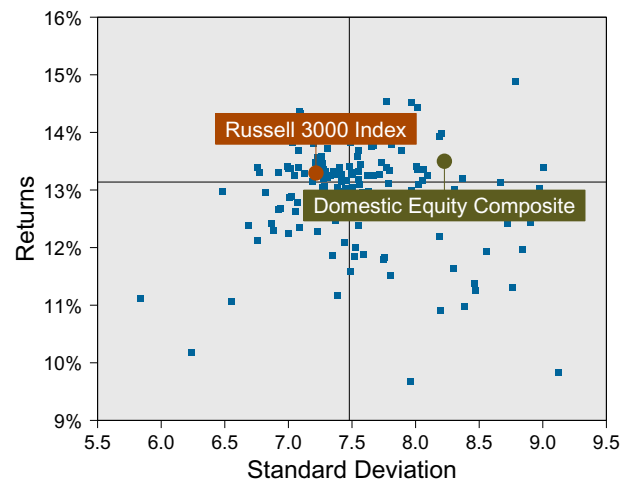
## Performance vs Public Fund - Domestic Equity (Gross)



## Relative Return vs Russell 3000 Index



## Public Fund - Domestic Equity (Gross) Annualized Five Year Risk vs Return

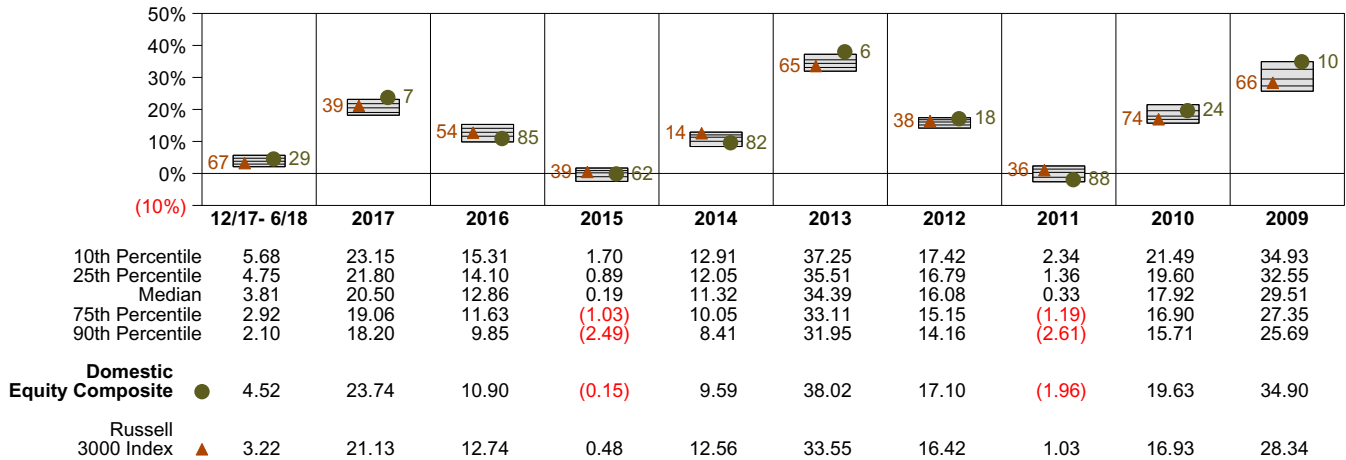


# Domestic Equity Composite Return Analysis Summary

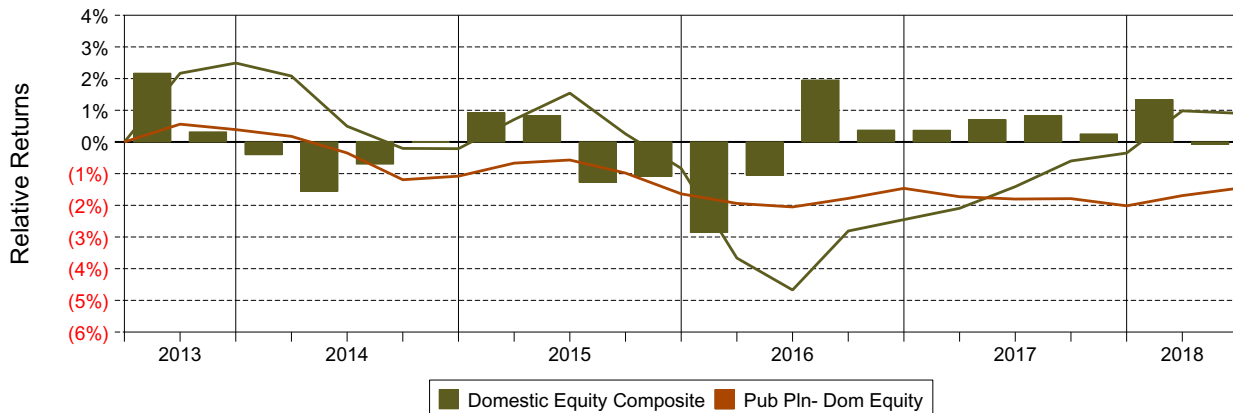
## Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

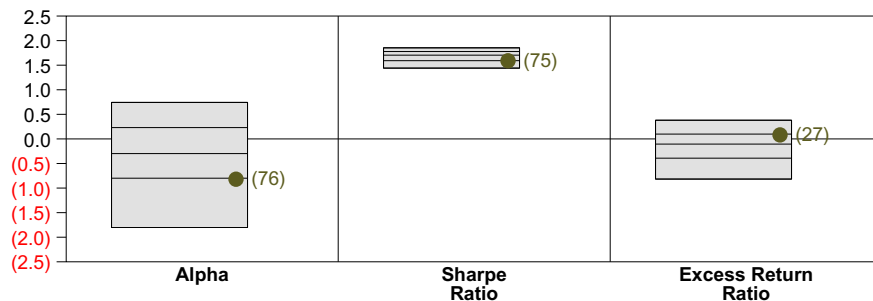
### Performance vs Public Fund - Domestic Equity (Gross)



### Cumulative and Quarterly Relative Return vs Russell 3000 Index



### Risk Adjusted Return Measures vs Russell 3000 Index Rankings Against Public Fund - Domestic Equity (Gross) Five Years Ended June 30, 2018



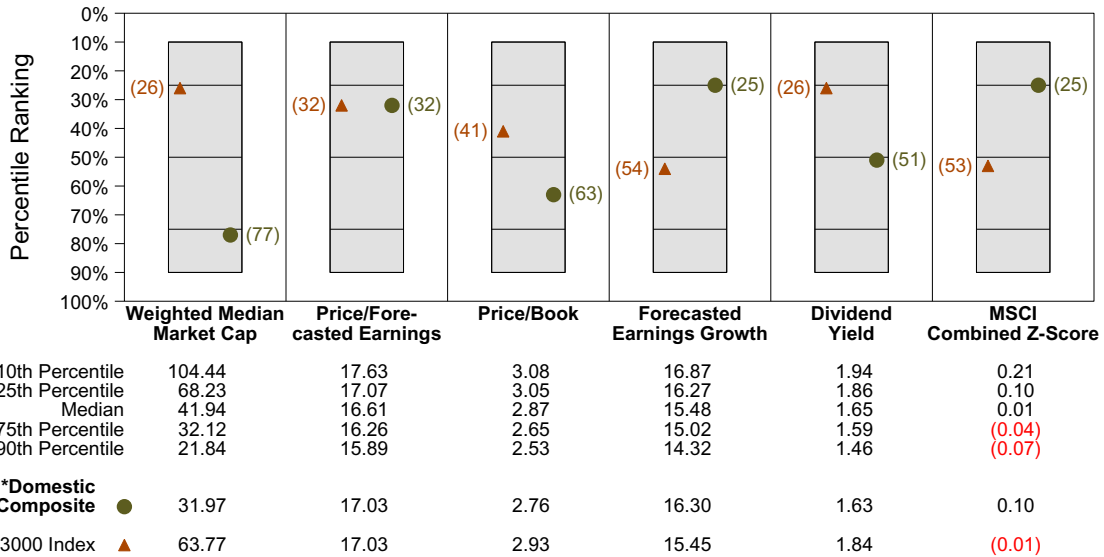
10th Percentile	0.74	1.85	0.38
25th Percentile	0.23	1.78	0.10
Median	(0.30)	1.70	(0.11)
75th Percentile	(0.80)	1.59	(0.39)
90th Percentile	(1.80)	1.44	(0.82)
<b>Domestic Equity Composite</b>	(0.82)	1.59	0.08

# Domestic Equity Composite Equity Characteristics Analysis Summary

## Portfolio Characteristics

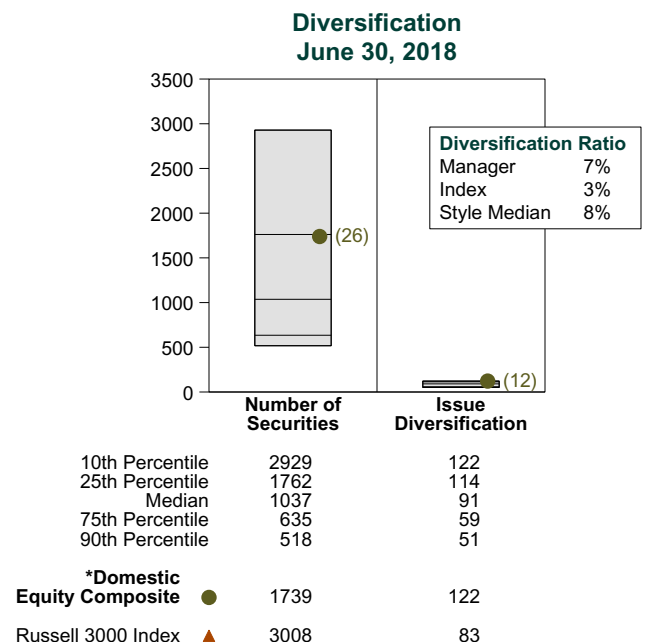
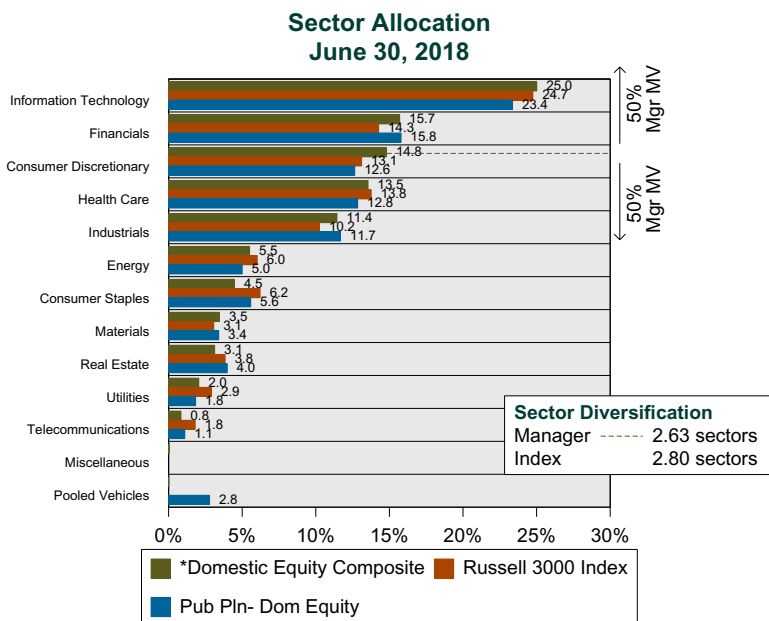
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Portfolio Characteristics Percentile Rankings Rankings Against Public Fund - Domestic Equity as of June 30, 2018



## Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.

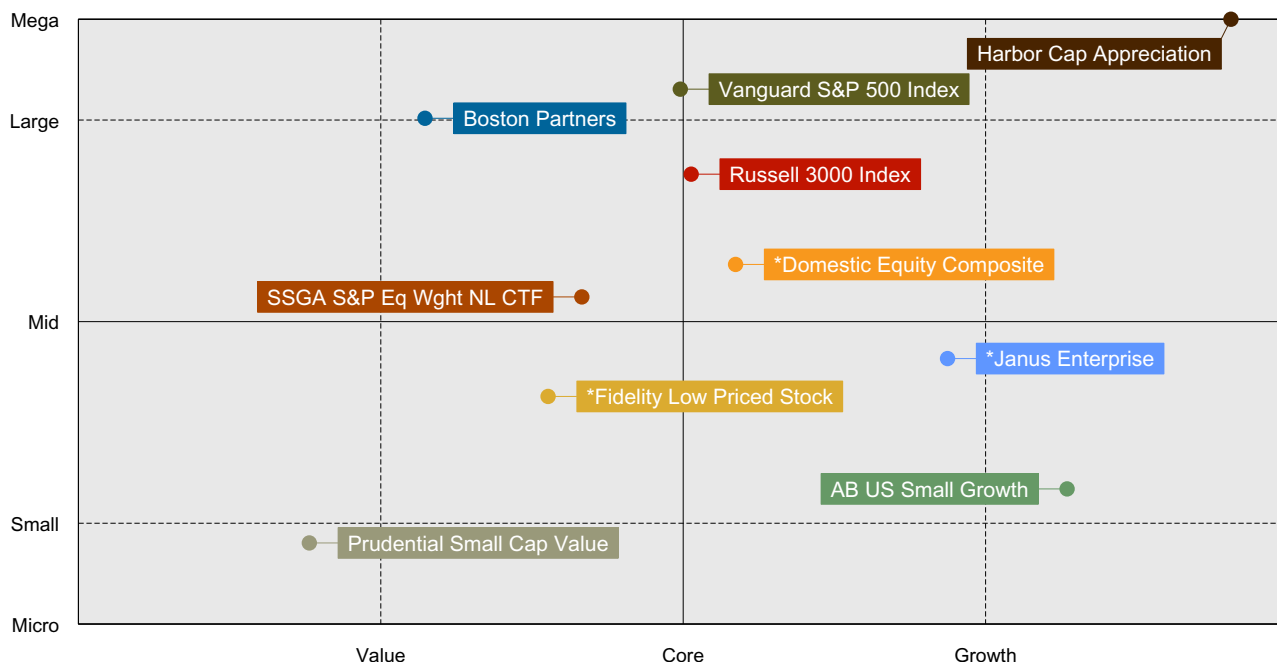


\*6/30/18 portfolio characteristics generated using most recently available holdings (3/31/18) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.

## Holdings Based Style Analysis For One Quarter Ended June 30, 2018

This page analyzes and compares the investment styles of multiple portfolios using a detailed holdings-based style analysis methodology. The size component of style is measured by the weighted median market capitalization of the holdings. The value/core/growth style dimension is captured by the "Combined Z-Score" of the portfolio. This score is based on eight fundamental factors used in the MSCI stock style scoring system. The table below gives a more detailed breakdown of several relevant style metrics on the portfolios.

### Style Map Holdings for One Quarter Ended June 30, 2018



	Weight %	Wtd Median Mkt Cap	Combined Z-Score	Growth Z-Score	Value Z-Score	Number of Securities	Security Diversification
Vanguard S&P 500 Index	17.67%	104.67	(0.04)	(0.01)	0.03	507	51.12
SSGA S&P Eq Wght NL CTF	17.02%	20.53	(0.27)	(0.13)	0.15	505	238.83
Boston Partners	16.88%	84.08	(0.65)	(0.13)	0.52	82	18.79
Harbor Cap Appreciation	17.23%	172.14	1.33	0.57	(0.76)	52	13.71
*Fidelity Low Priced Stock	7.45%	8.21	(0.36)	(0.09)	0.26	932	28.98
*Janus Enterprise	7.90%	10.04	0.62	0.19	(0.43)	86	26.32
Prudential Small Cap Value	6.86%	1.78	(0.93)	(0.15)	0.78	303	66.91
AB US Small Growth	8.97%	3.74	0.92	0.28	(0.64)	96	34.91
*Domestic Equity Composite	100.00%	31.97	0.10	0.08	(0.02)	1739	121.87
Russell 3000 Index	-	63.77	(0.01)	(0.00)	0.01	3008	83.11

\*6/30/18 portfolio characteristics generated using most recently available holdings (3/31/18) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.

# Vanguard S&P 500 Index Period Ended June 30, 2018

## Investment Philosophy

Vanguard's Institutional Index Fund is passively administered using a "full replication" approach. Under this method, the fund holds all of the 500 underlying securities in proportion to their weighting in the index. The fund remains fully invested in equities at all times and does not make judgement calls on the direction of the S&P 500 Index.

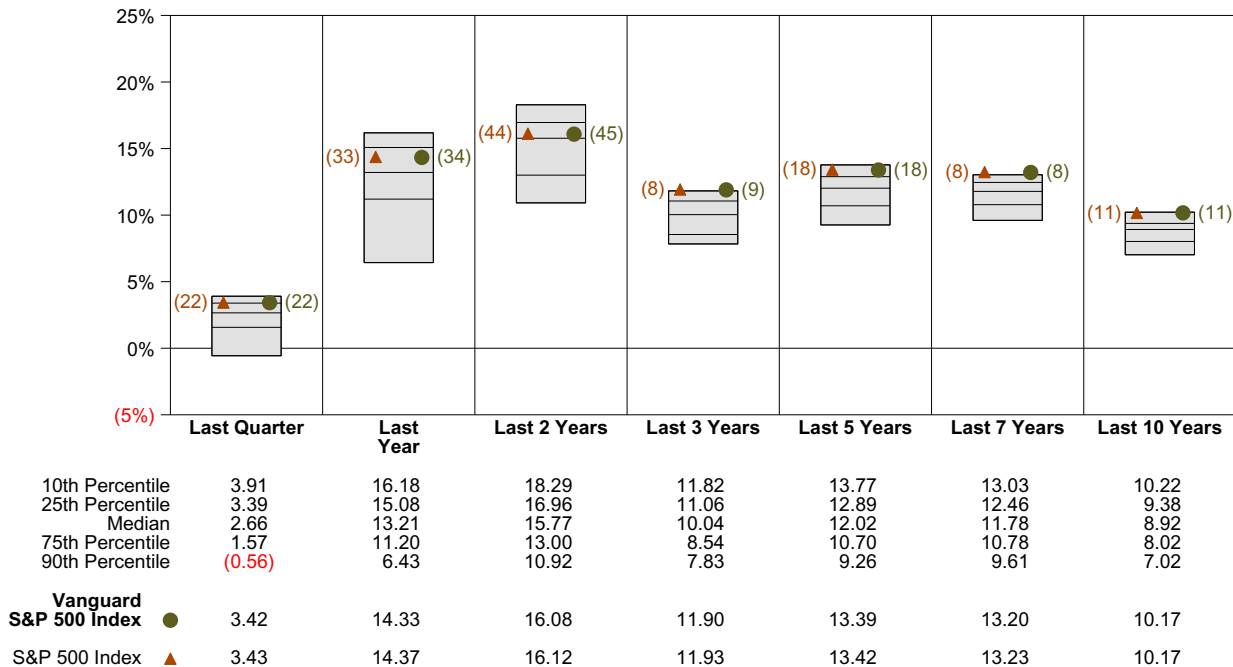
## Quarterly Summary and Highlights

- Vanguard S&P 500 Index's portfolio posted a 3.42% return for the quarter placing it in the 22 percentile of the Callan Large Cap Core Mutual Funds group for the quarter and in the 34 percentile for the last year.
- Vanguard S&P 500 Index's portfolio underperformed the S&P 500 Index by 0.01% for the quarter and underperformed the S&P 500 Index for the year by 0.04%.

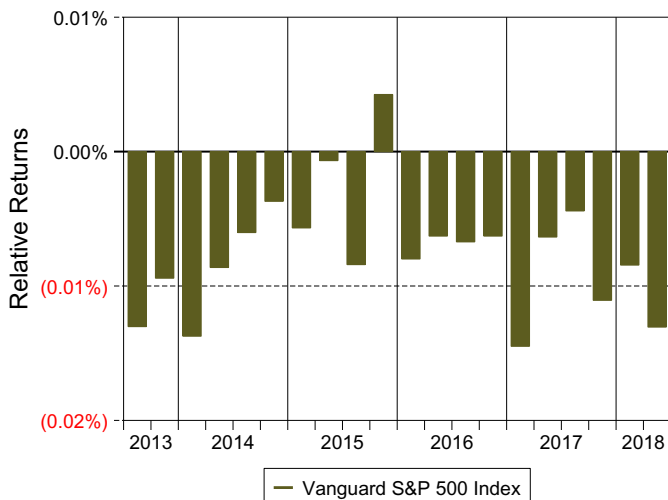
## Quarterly Asset Growth

Beginning Market Value	\$35,477,629
Net New Investment	\$0
Investment Gains/(Losses)	\$1,213,626
Ending Market Value	\$36,691,255

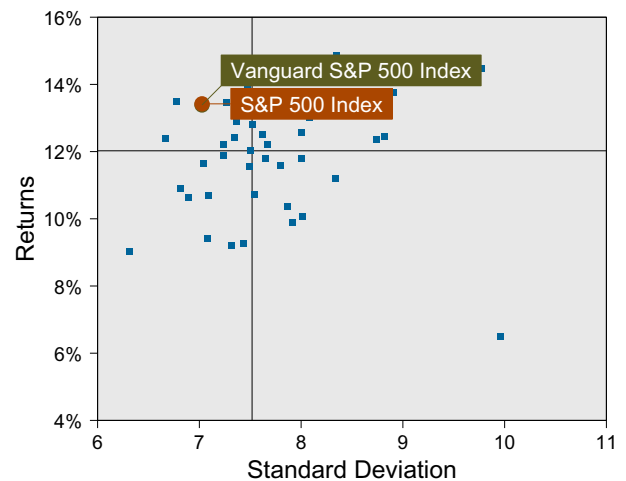
## Performance vs Callan Large Cap Core Mutual Funds (Net)



## Relative Return vs S&P 500 Index



## Callan Large Cap Core Mutual Funds (Net) Annualized Five Year Risk vs Return

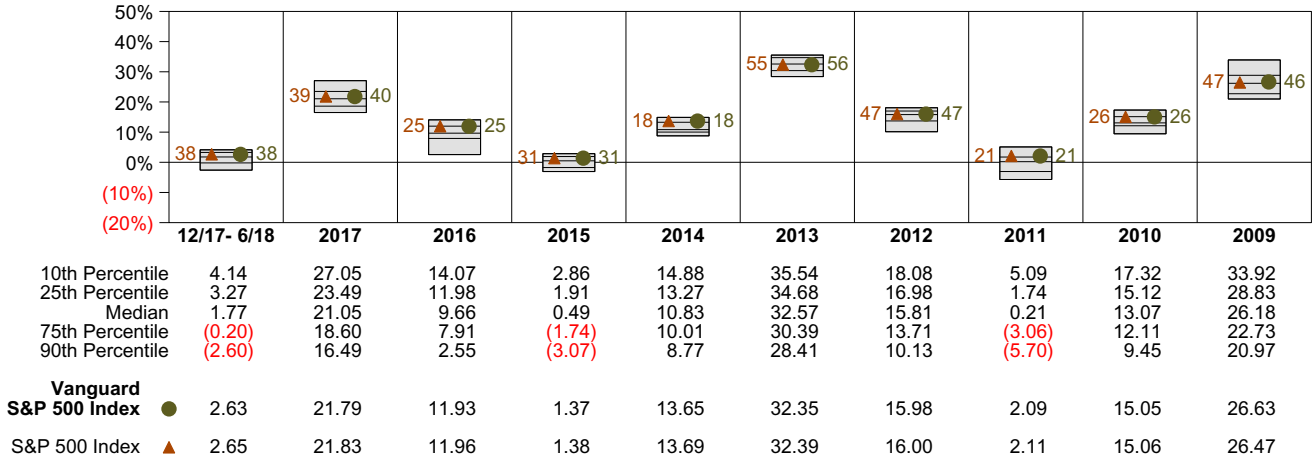


# Vanguard S&P 500 Index Return Analysis Summary

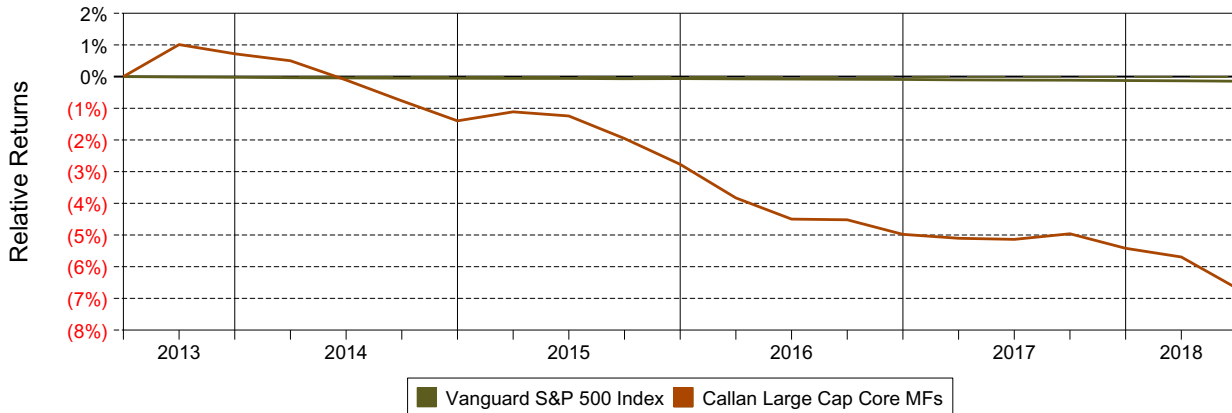
## Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

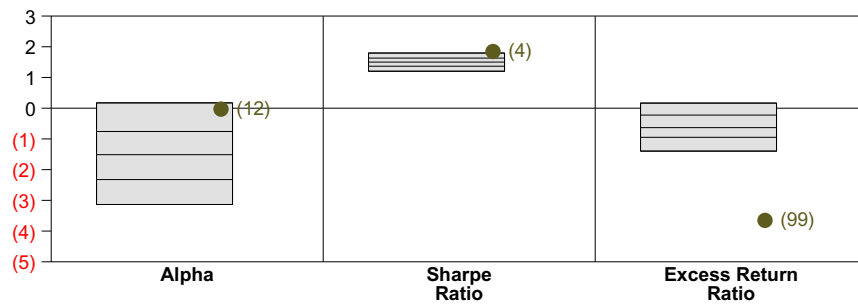
### Performance vs Callan Large Cap Core Mutual Funds (Net)



### Cumulative and Quarterly Relative Return vs S&P 500 Index



### Risk Adjusted Return Measures vs S&P 500 Index Rankings Against Callan Large Cap Core Mutual Funds (Net) Five Years Ended June 30, 2018



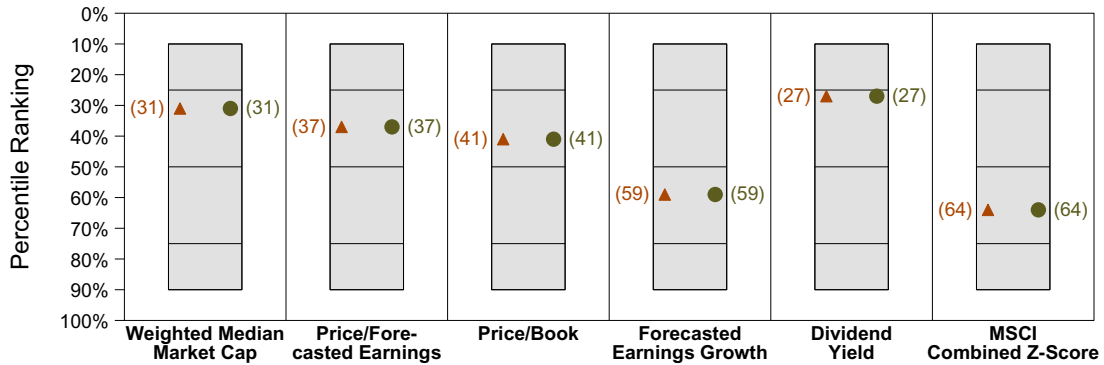
	Alpha	Sharpe Ratio	Excess Return Ratio
10th Percentile	0.17	1.80	0.17
25th Percentile	(0.76)	1.63	(0.22)
Median	(1.51)	1.50	(0.63)
75th Percentile	(2.32)	1.37	(0.95)
90th Percentile	(3.13)	1.20	(1.40)
<b>Vanguard S&amp;P 500 Index</b>	<b>(0.03)</b>	<b>1.85</b>	<b>(3.65)</b>

# Vanguard S&P 500 Index Equity Characteristics Analysis Summary

## Portfolio Characteristics

This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

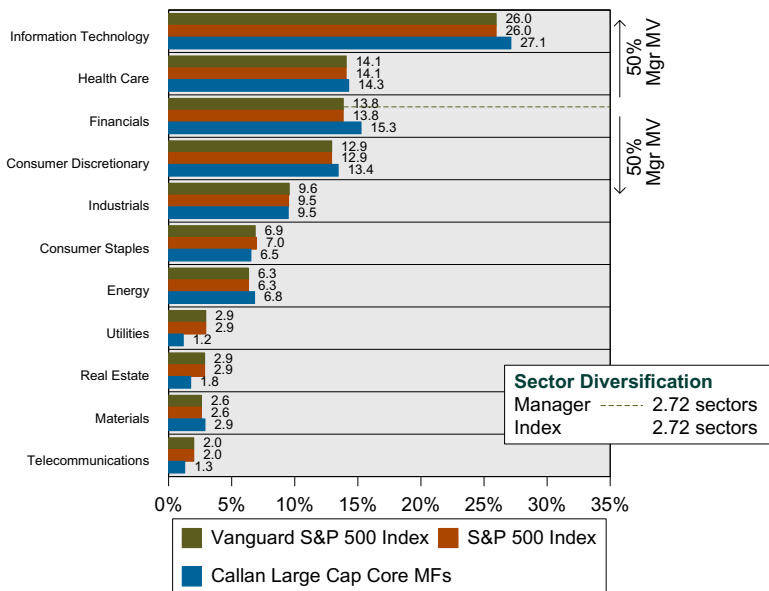
## Portfolio Characteristics Percentile Rankings Rankings Against Callan Large Cap Core Mutual Funds as of June 30, 2018



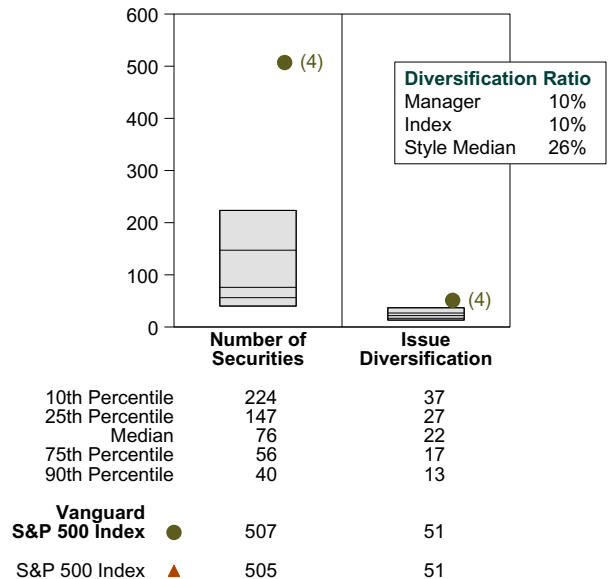
## Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.

### Sector Allocation June 30, 2018



### Diversification June 30, 2018





# SSGA S&P Eq Weighted NL CTF Period Ended June 30, 2018

## Investment Philosophy

SSGA believes that their passive investment strategy can provide market-like returns with minimal transaction costs.

## Quarterly Summary and Highlights

- SSGA S&P Eq Weighted NL CTF's portfolio posted a 2.87% return for the quarter placing it in the 44 percentile of the Callan Large Cap Core Mutual Funds group for the quarter and in the 46 percentile for the last year.
- SSGA S&P Eq Weighted NL CTF's portfolio outperformed the S&P 500 Eq Weighted by 0.06% for the quarter and outperformed the S&P 500 Eq Weighted for the year by 1.42%.

## Quarterly Asset Growth

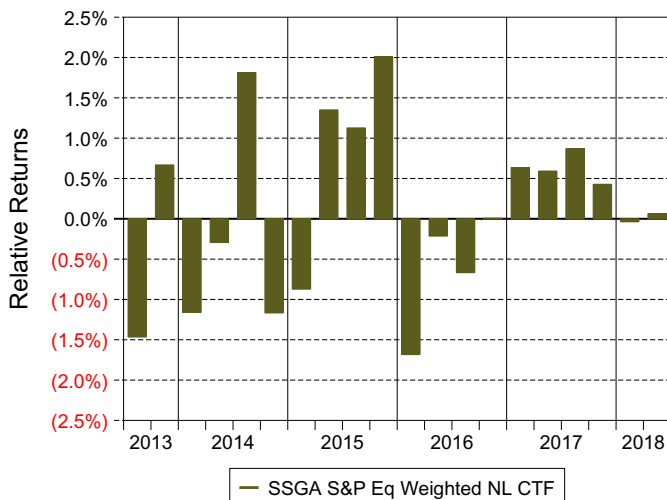
Beginning Market Value	\$34,366,353
Net New Investment	\$0
Investment Gains/(Losses)	\$987,334
Ending Market Value	\$35,353,687

## Performance vs Callan Large Cap Core Mutual Funds (Net)

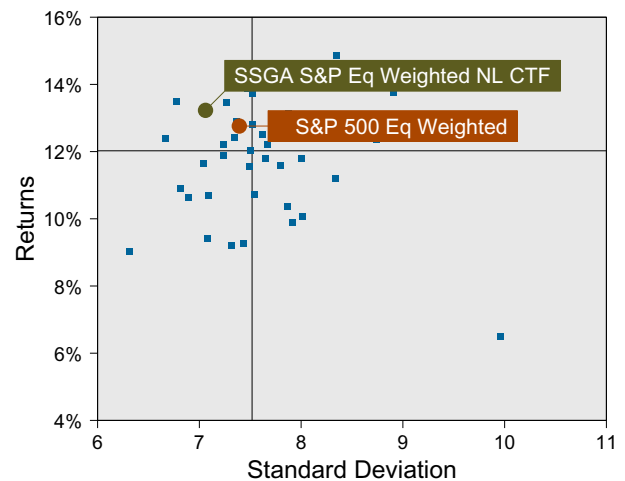


10th Percentile	3.91	16.18	18.29	11.82	13.77	13.03	10.22
25th Percentile	3.39	15.08	16.96	11.06	12.89	12.46	9.38
Median	2.66	13.21	15.77	10.04	12.02	11.78	8.92
75th Percentile	1.57	11.20	13.00	8.54	10.70	10.78	8.02
90th Percentile	(0.56)	6.43	10.92	7.83	9.26	9.61	7.02
<b>SSGA S&amp;P Eq Weighted NL CTF</b>	● 2.87	13.40	15.63	11.62	13.23	13.10	10.09
S&P 500 Eq Weighted	▲ 2.80	11.98	14.59	10.49	12.76	12.65	11.62

## Relative Return vs S&P 500 Eq Weighted



## Callan Large Cap Core Mutual Funds (Net) Annualized Five Year Risk vs Return

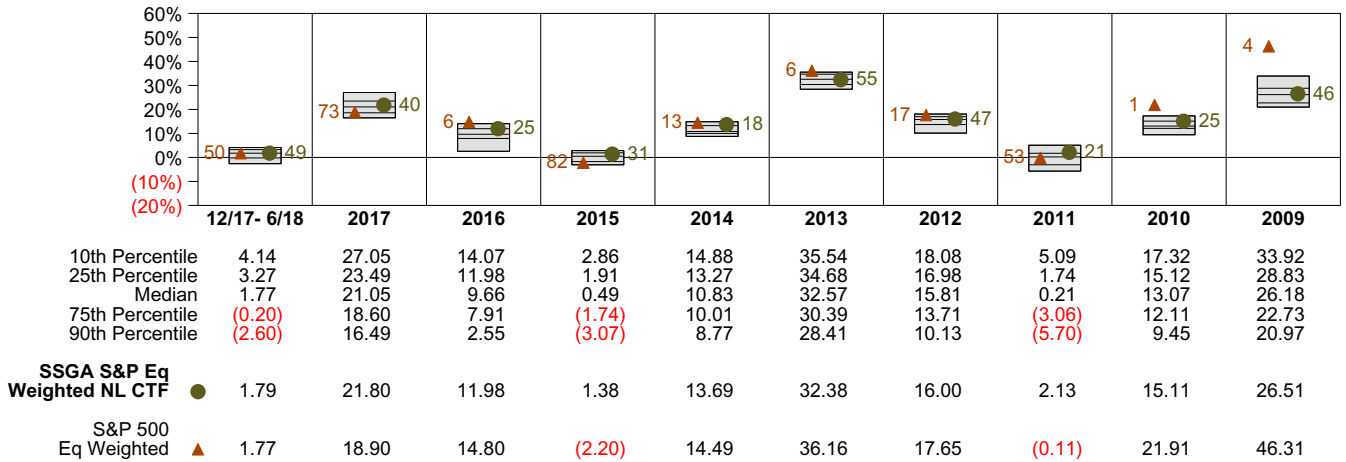


# SSGA S&P Eq Weighted NL CTF Return Analysis Summary

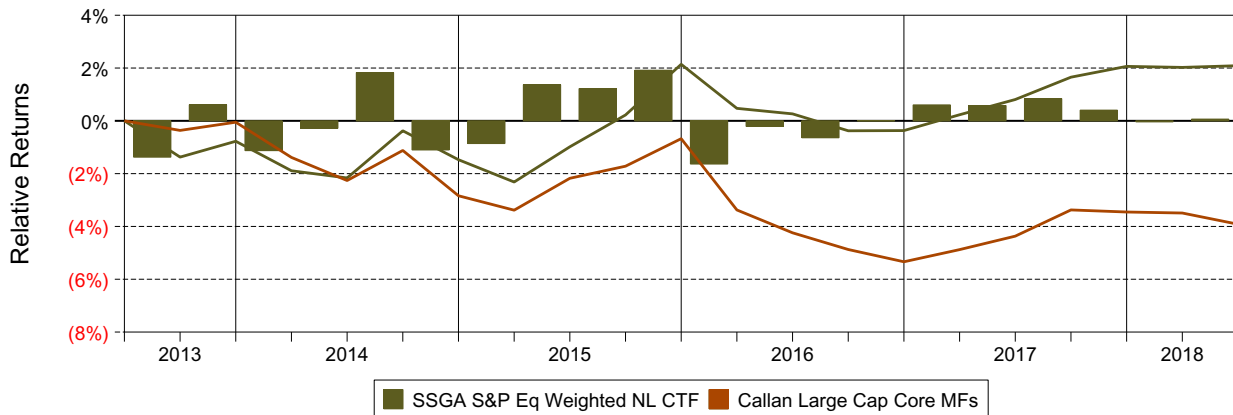
## Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

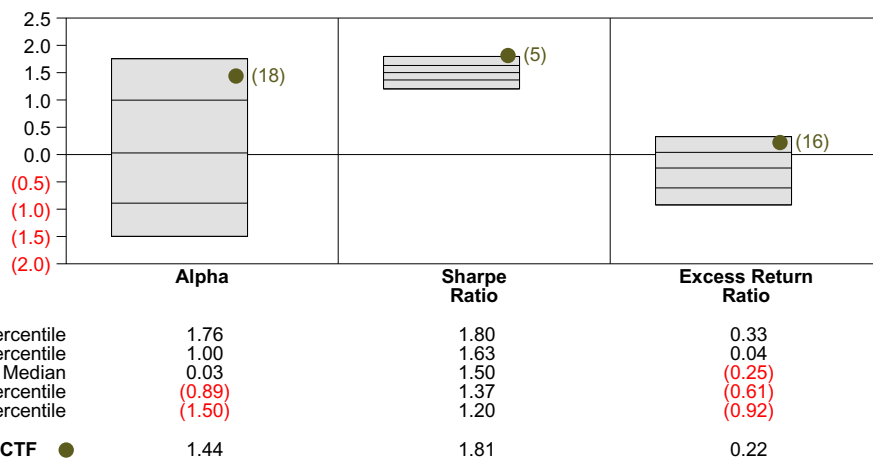
### Performance vs Callan Large Cap Core Mutual Funds (Net)



### Cumulative and Quarterly Relative Return vs S&P 500 Eq Weighted



### Risk Adjusted Return Measures vs S&P 500 Eq Weighted Rankings Against Callan Large Cap Core Mutual Funds (Net) Five Years Ended June 30, 2018

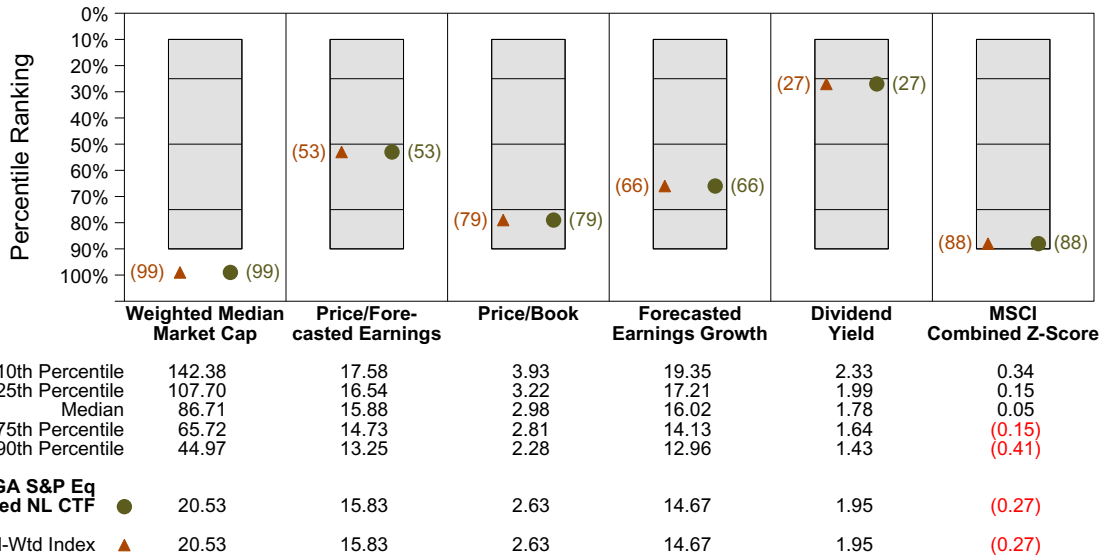


# SSGA S&P Eq Weighted NL CTF Equity Characteristics Analysis Summary

## Portfolio Characteristics

This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

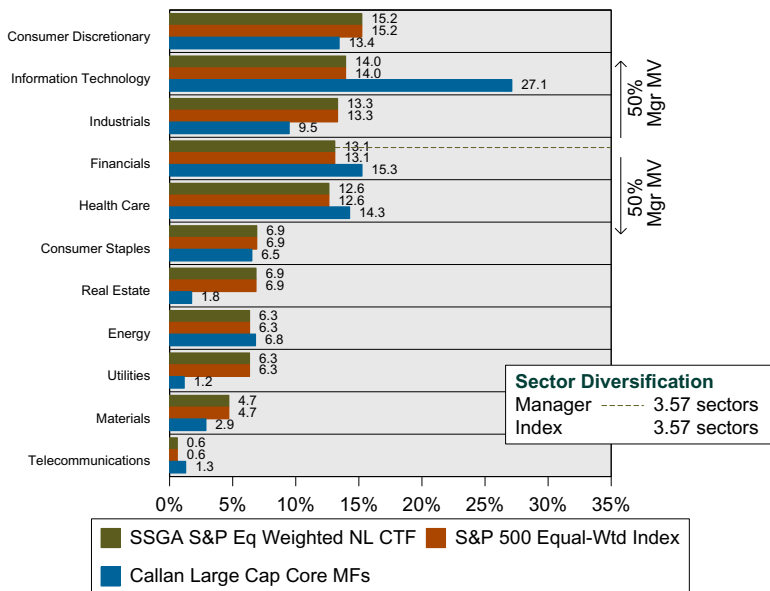
## Portfolio Characteristics Percentile Rankings Rankings Against Callan Large Cap Core Mutual Funds as of June 30, 2018



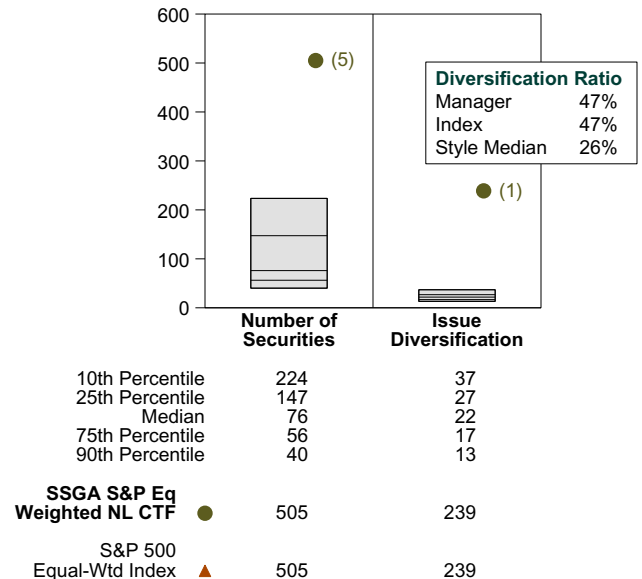
## Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.

### Sector Allocation June 30, 2018



### Diversification June 30, 2018



# Boston Partners Period Ended June 30, 2018

## Investment Philosophy

Boston Partners' investment philosophy is grounded in certain "fundamental truths" to investing, namely that low valuation stocks outperform high valuation stocks, companies with strong fundamentals, e.g. high and sustainable returns on invested capital, outperform companies with weak fundamentals, and stocks with positive business momentum, e.g. rising earnings estimates, outperform stocks with negative business momentum. The firm seeks to construct well-diversified portfolios that consistently possess these three characteristics, attempting to limit downside risk, preserve capital, and maximize the power of compounding. Boston Partner's management fee is 50 bps on all assets.

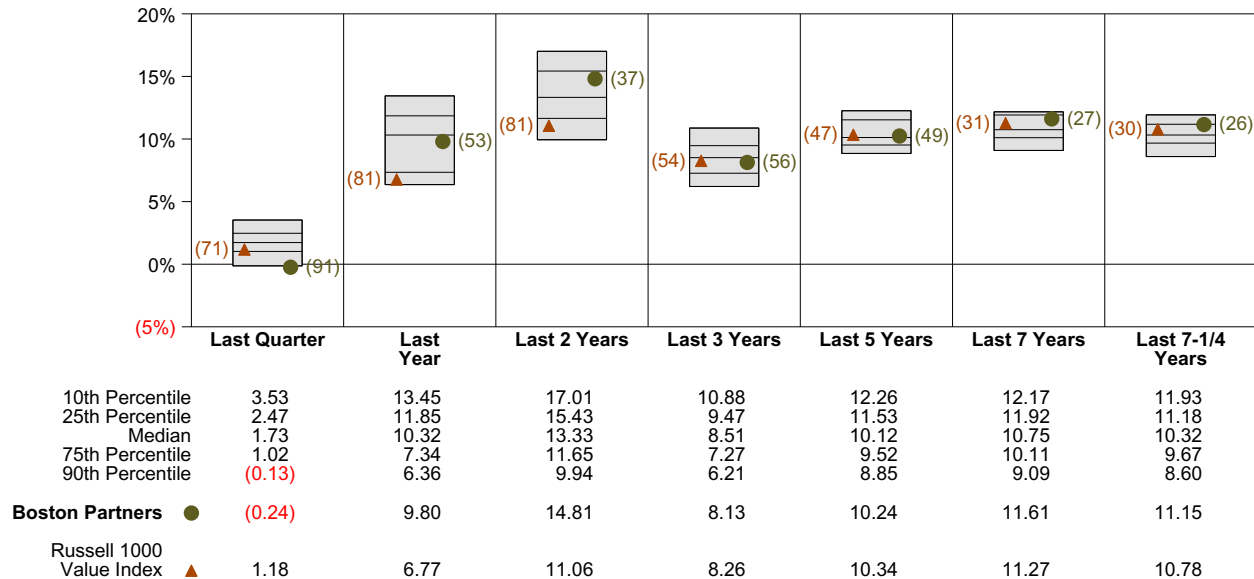
## Quarterly Summary and Highlights

- Boston Partners's portfolio posted a (0.24)% return for the quarter placing it in the 91 percentile of the Callan Large Cap Value Mutual Funds group for the quarter and in the 53 percentile for the last year.
- Boston Partners's portfolio underperformed the Russell 1000 Value Index by 1.42% for the quarter and outperformed the Russell 1000 Value Index for the year by 3.03%.

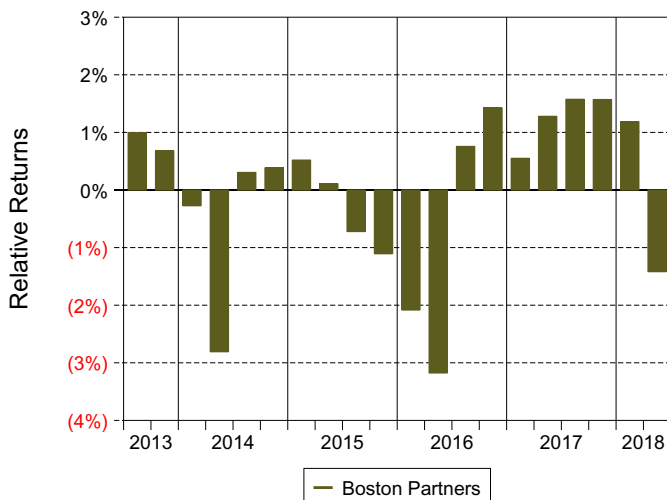
## Quarterly Asset Growth

Beginning Market Value	\$35,148,109
Net New Investment	\$0
Investment Gains/(Losses)	\$-85,277
Ending Market Value	\$35,062,832

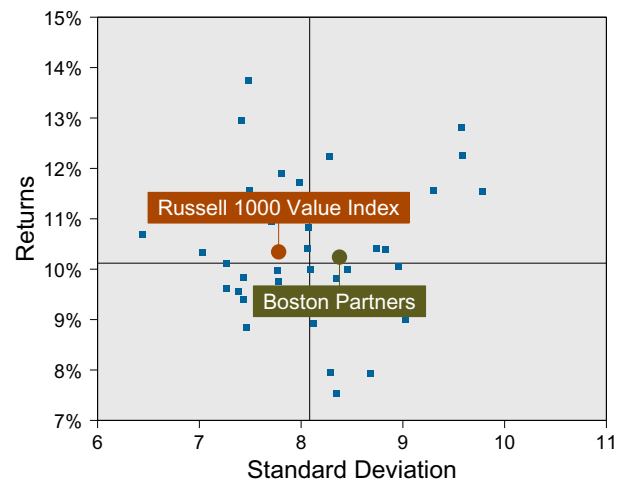
## Performance vs Callan Large Cap Value Mutual Funds (Net)



## Relative Return vs Russell 1000 Value Index



## Callan Large Cap Value Mutual Funds (Net) Annualized Five Year Risk vs Return

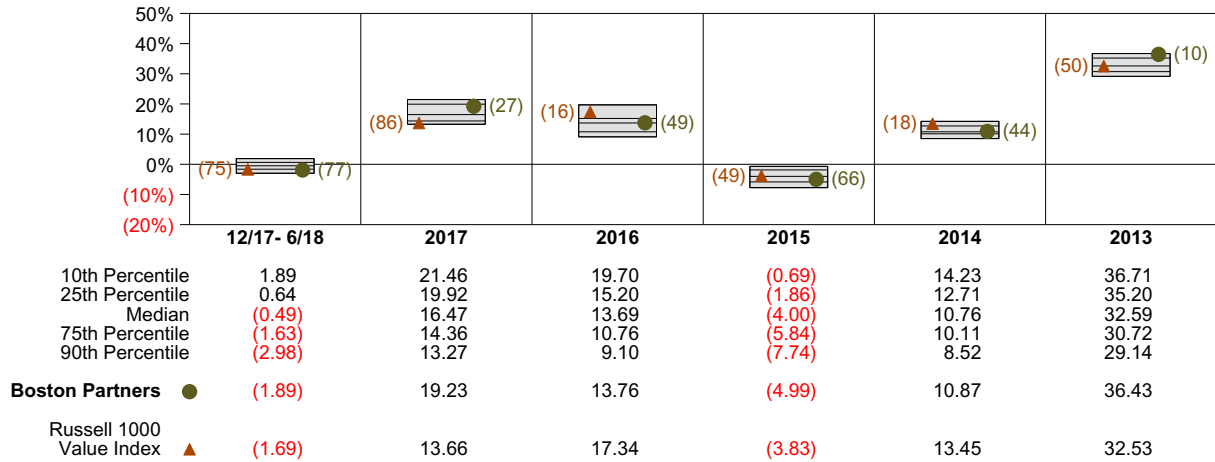


# Boston Partners Return Analysis Summary

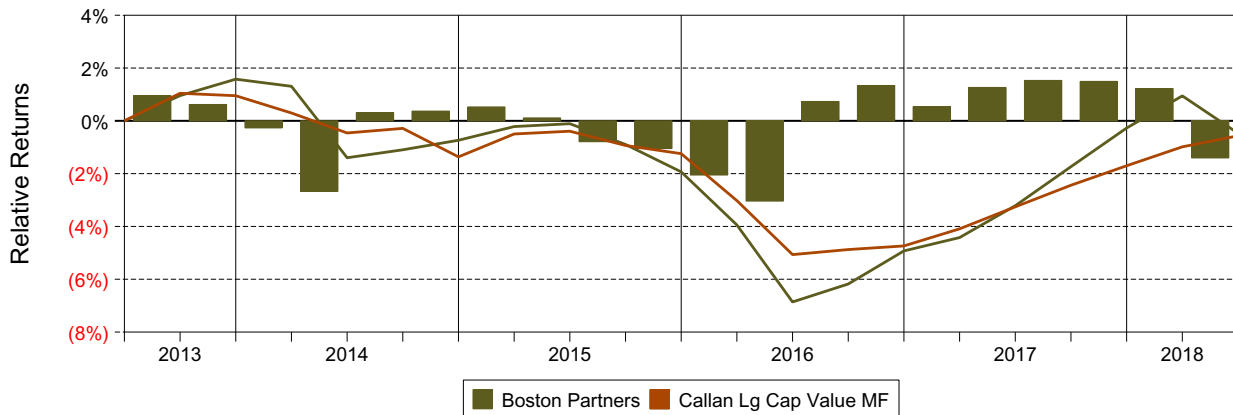
## Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

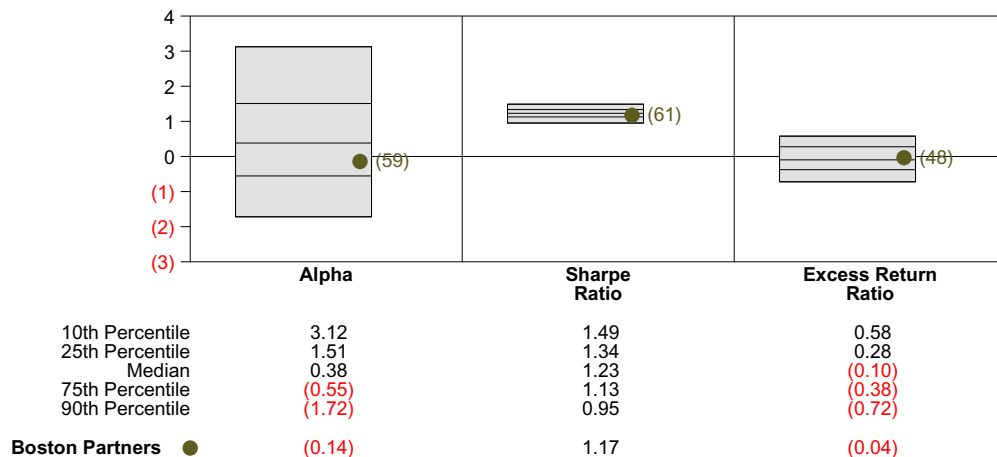
### Performance vs Callan Large Cap Value Mutual Funds (Net)



### Cumulative and Quarterly Relative Return vs Russell 1000 Value Index



### Risk Adjusted Return Measures vs Russell 1000 Value Index Rankings Against Callan Large Cap Value Mutual Funds (Net) Five Years Ended June 30, 2018

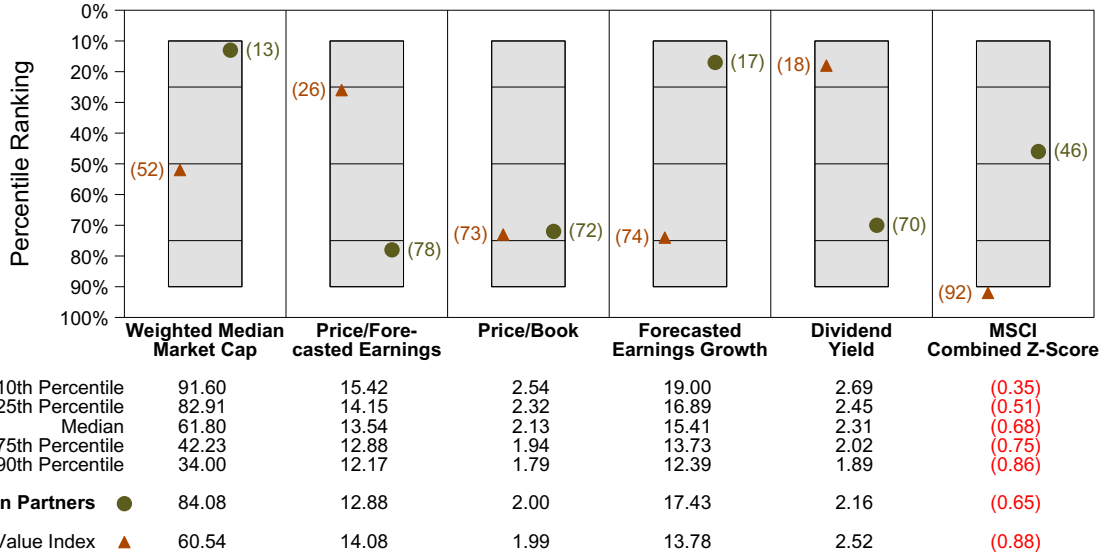


# Boston Partners Equity Characteristics Analysis Summary

## Portfolio Characteristics

This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

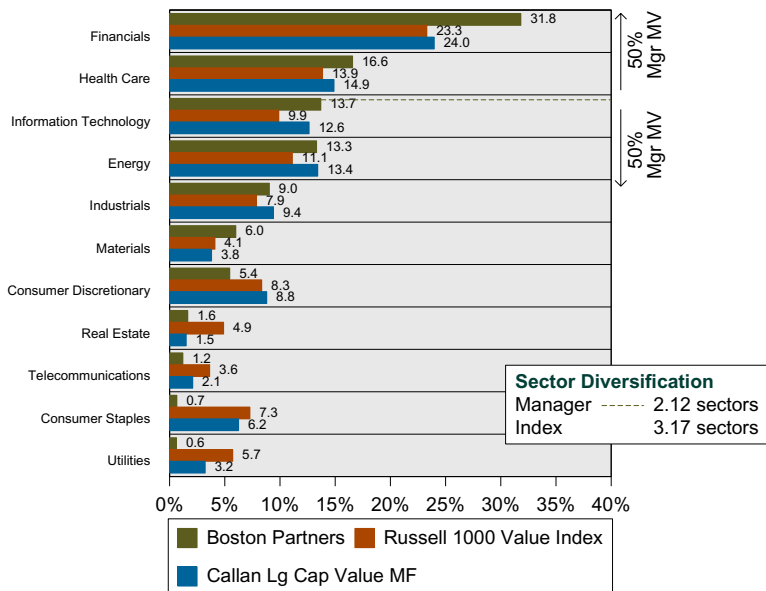
## Portfolio Characteristics Percentile Rankings Rankings Against Callan Large Cap Value Mutual Funds as of June 30, 2018



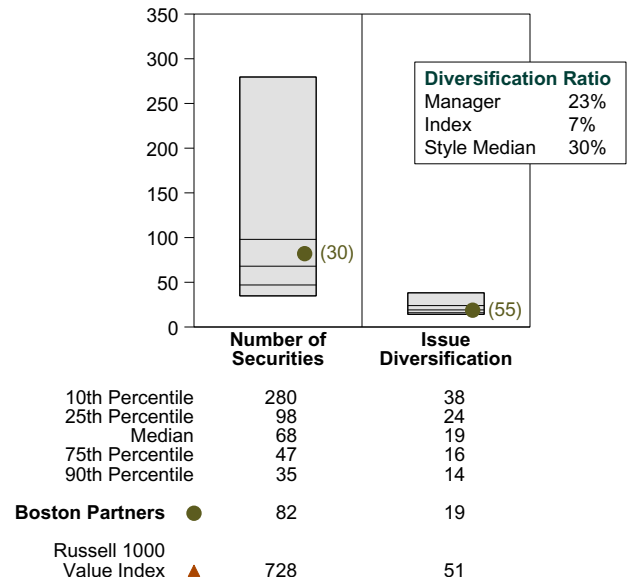
## Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.

### Sector Allocation June 30, 2018



### Diversification June 30, 2018



# Harbor Cap Appreciation Period Ended June 30, 2018

## Investment Philosophy

Key elements of Jennison's investment philosophy include a bottom-up stock selection approach and internal fundamental research. These elements are critical to successful stock selection. Jennison believes that carefully selected, reasonably priced growth stocks should generate investment results superior to the stock market over an intermediate to long-term period.

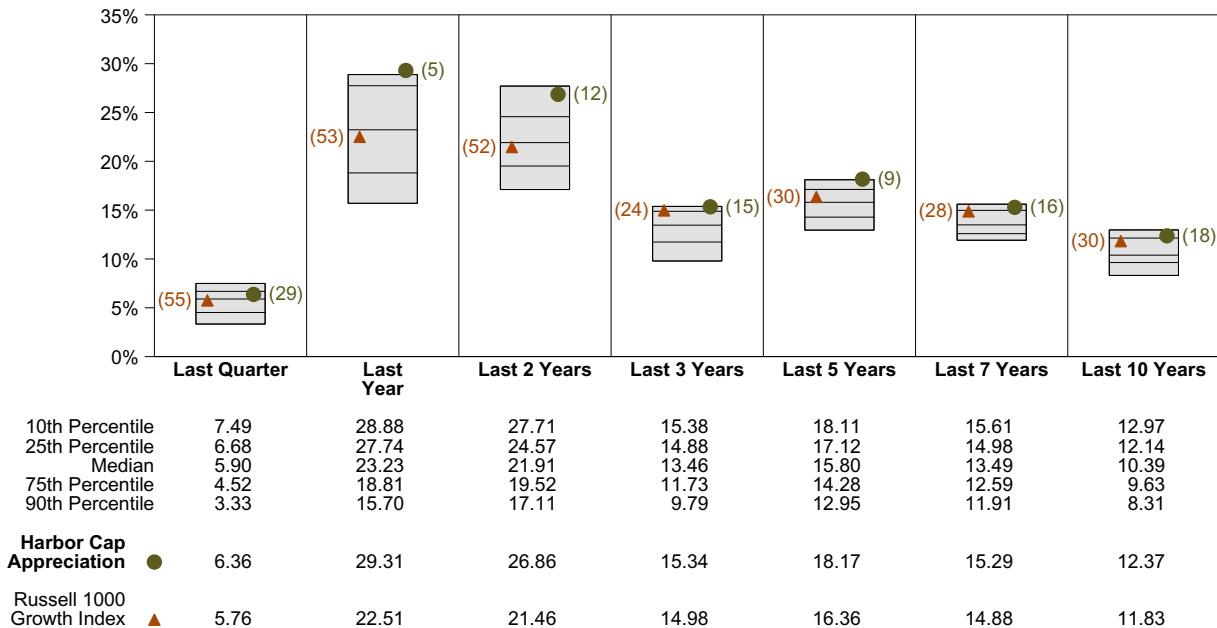
## Quarterly Summary and Highlights

- Harbor Cap Appreciation's portfolio posted a 6.36% return for the quarter placing it in the 29 percentile of the Callan Large Cap Growth Mutual Funds group for the quarter and in the 5 percentile for the last year.
- Harbor Cap Appreciation's portfolio outperformed the Russell 1000 Growth Index by 0.61% for the quarter and outperformed the Russell 1000 Growth Index for the year by 6.80%.

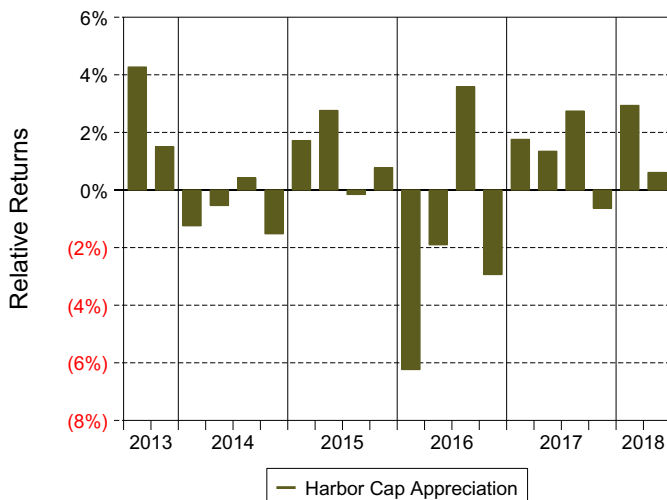
## Quarterly Asset Growth

Beginning Market Value	\$35,992,272
Net New Investment	\$-2,500,000
Investment Gains/(Losses)	\$2,297,296
Ending Market Value	\$35,789,568

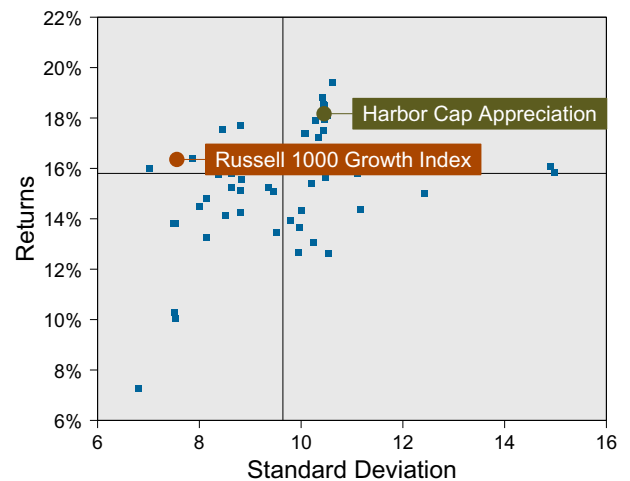
## Performance vs Callan Large Cap Growth Mutual Funds (Net)



## Relative Return vs Russell 1000 Growth Index



## Callan Large Cap Growth Mutual Funds (Net) Annualized Five Year Risk vs Return

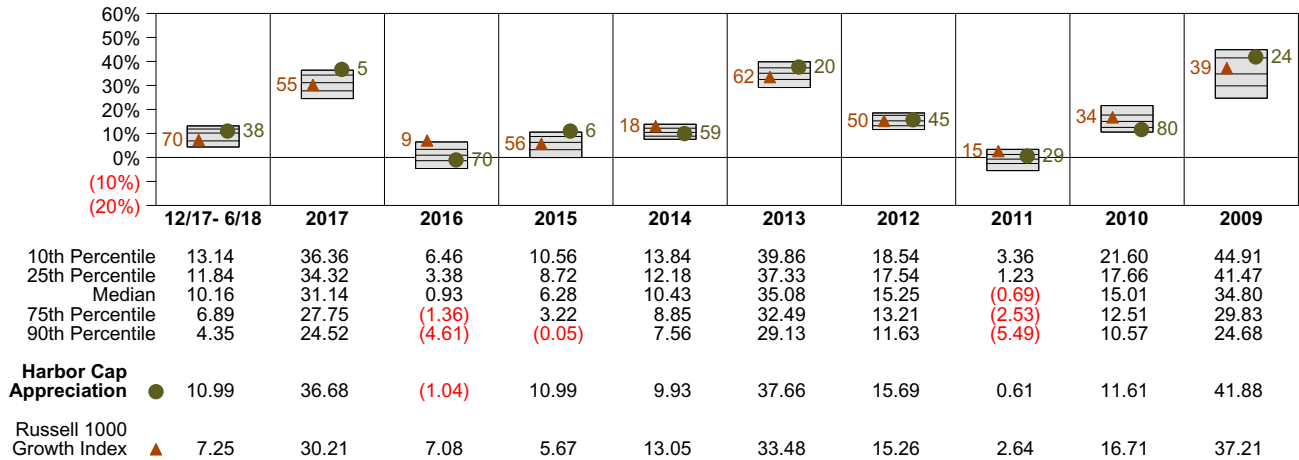


# Harbor Cap Appreciation Return Analysis Summary

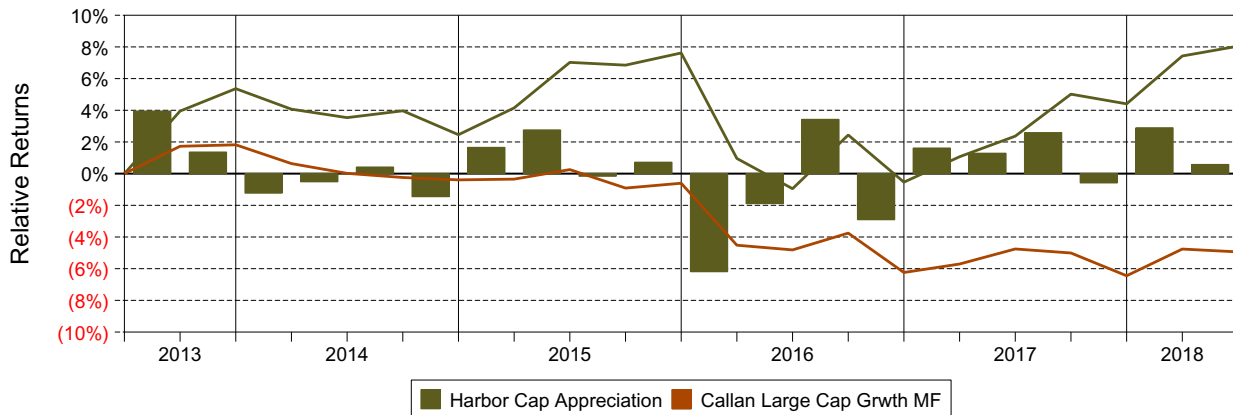
## Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

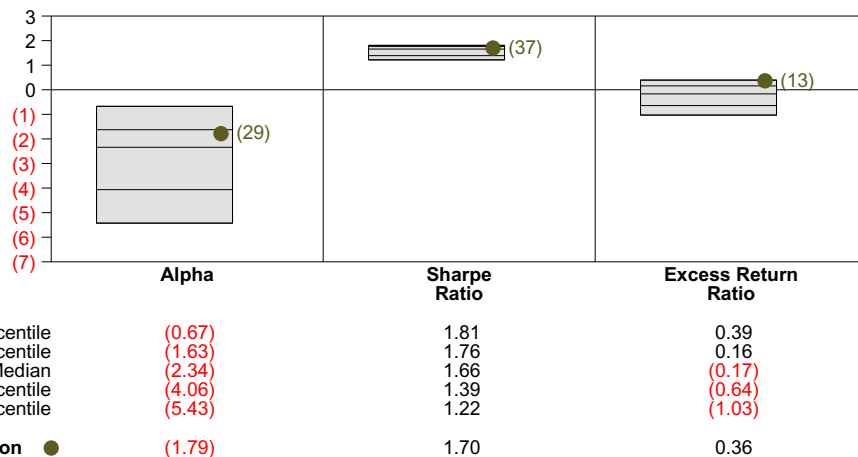
### Performance vs Callan Large Cap Growth Mutual Funds (Net)



### Cumulative and Quarterly Relative Return vs Russell 1000 Growth Index



### Risk Adjusted Return Measures vs Russell 1000 Growth Index Rankings Against Callan Large Cap Growth Mutual Funds (Net) Five Years Ended June 30, 2018



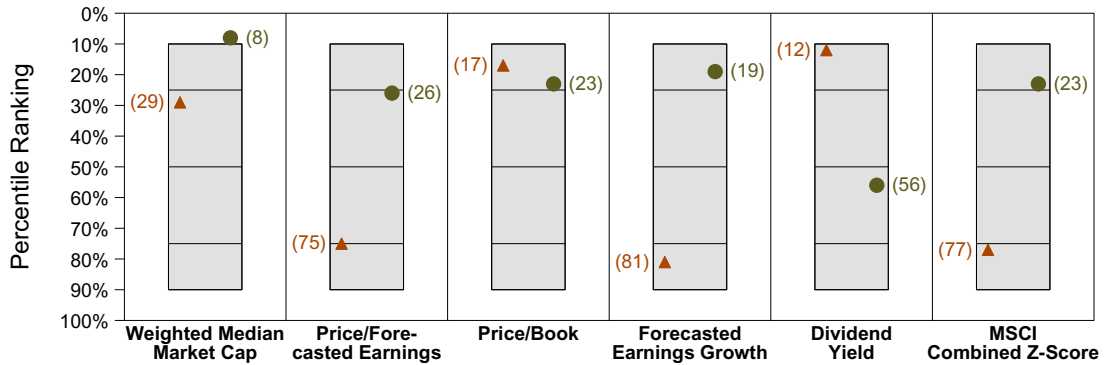


# Harbor Cap Appreciation Equity Characteristics Analysis Summary

## Portfolio Characteristics

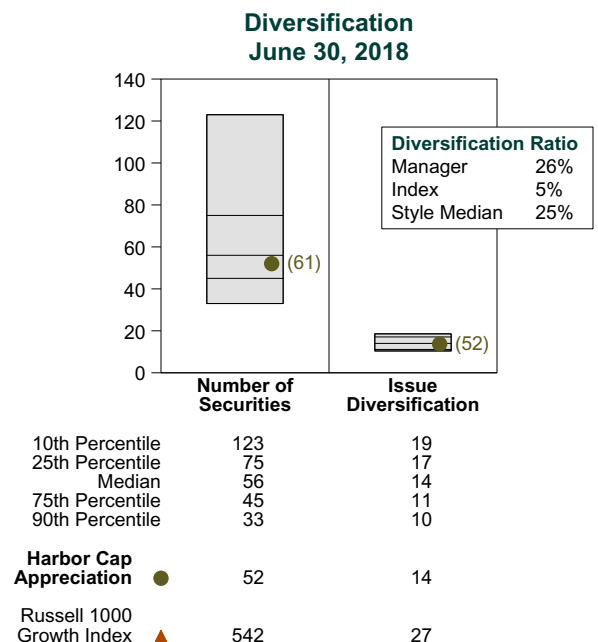
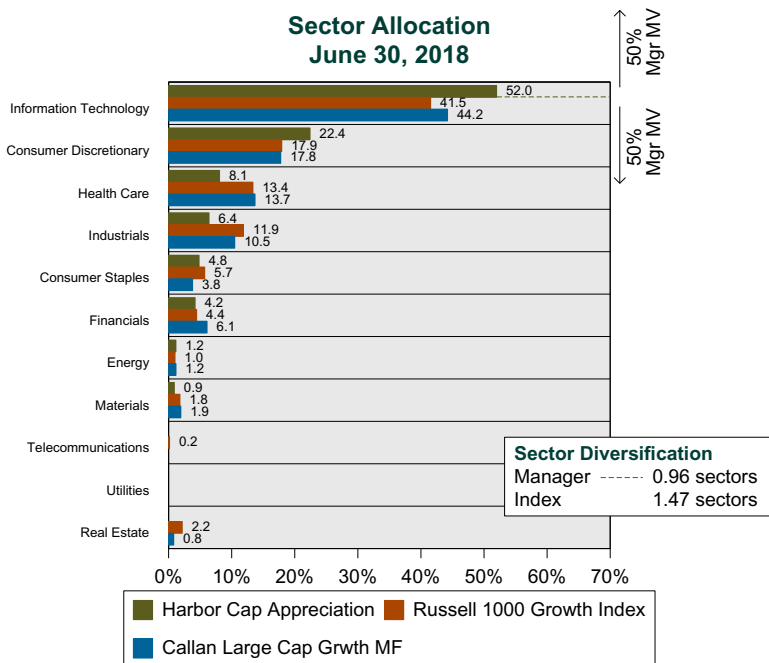
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Portfolio Characteristics Percentile Rankings Rankings Against Callan Large Cap Growth Mutual Funds as of June 30, 2018



## Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.



# Fidelity Low Priced Stock Period Ended June 30, 2018

## Investment Philosophy

The Low Priced Stock team believes that many low priced, non-glamour, small companies are mispriced, providing opportunities, and seeks capital appreciation by investing mostly in common and preferred domestic stocks, but also international equities, convertible securities, and other fixed income securities.

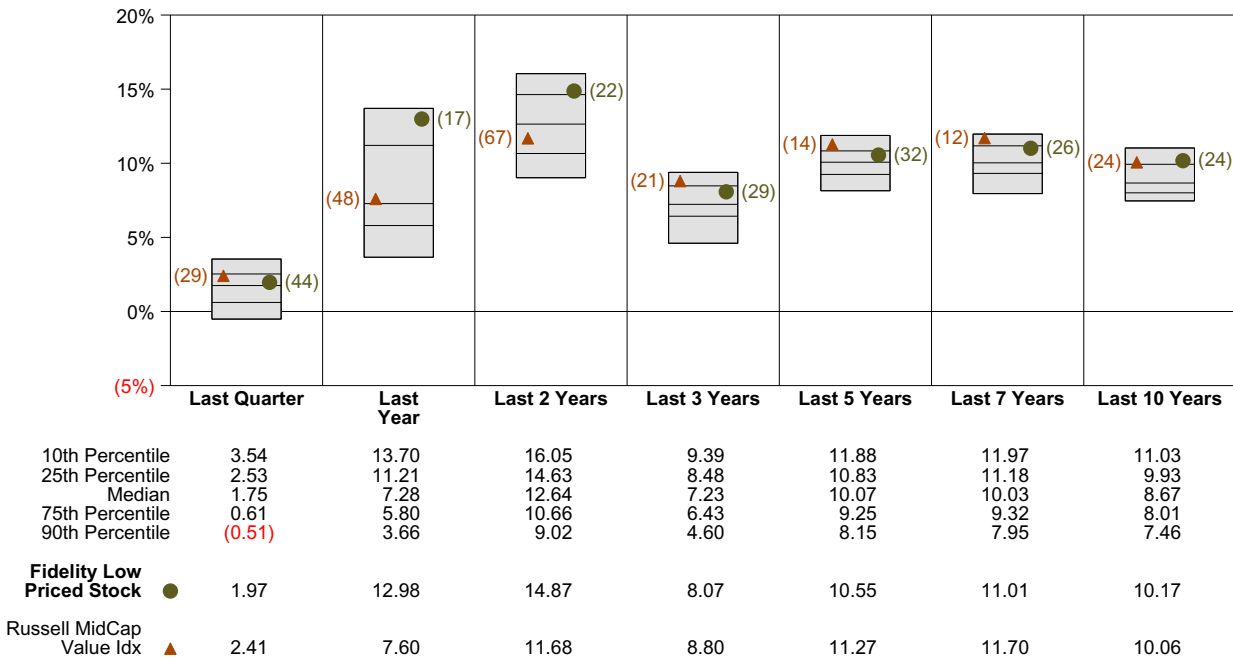
## Quarterly Summary and Highlights

- Fidelity Low Priced Stock's portfolio posted a 1.97% return for the quarter placing it in the 44 percentile of the Callan Mid Cap Value Mutual Funds group for the quarter and in the 17 percentile for the last year.
- Fidelity Low Priced Stock's portfolio underperformed the Russell MidCap Value Idx by 0.44% for the quarter and outperformed the Russell MidCap Value Idx for the year by 5.39%.

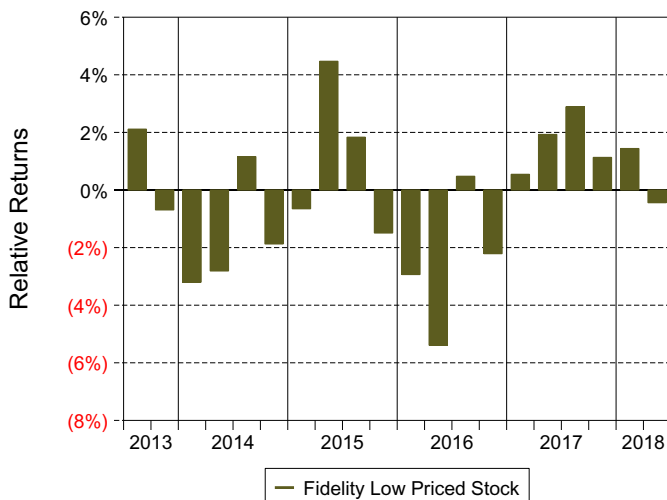
## Quarterly Asset Growth

Beginning Market Value	\$15,177,044
Net New Investment	\$0
Investment Gains/(Losses)	\$298,252
Ending Market Value	\$15,475,295

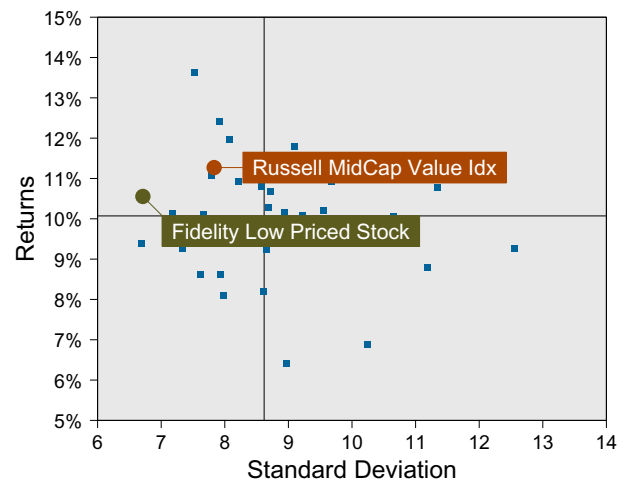
## Performance vs Callan Mid Cap Value Mutual Funds (Net)



## Relative Return vs Russell MidCap Value Idx



## Callan Mid Cap Value Mutual Funds (Net) Annualized Five Year Risk vs Return

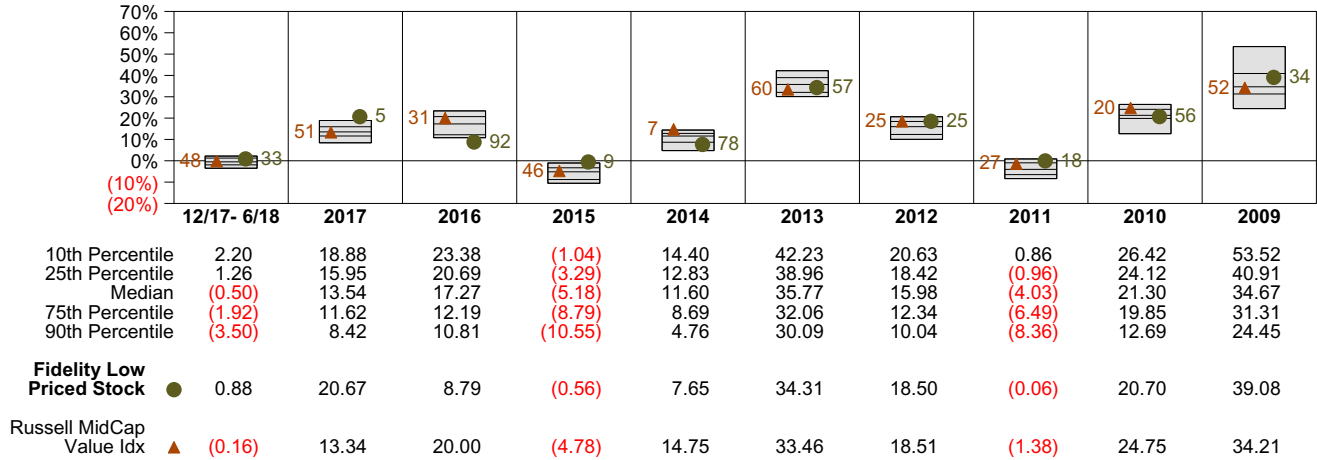


# Fidelity Low Priced Stock Return Analysis Summary

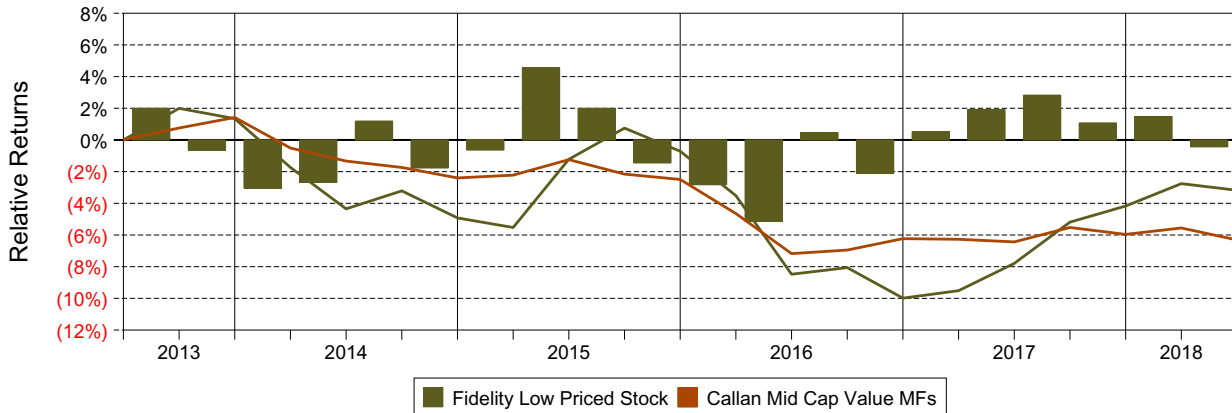
## Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

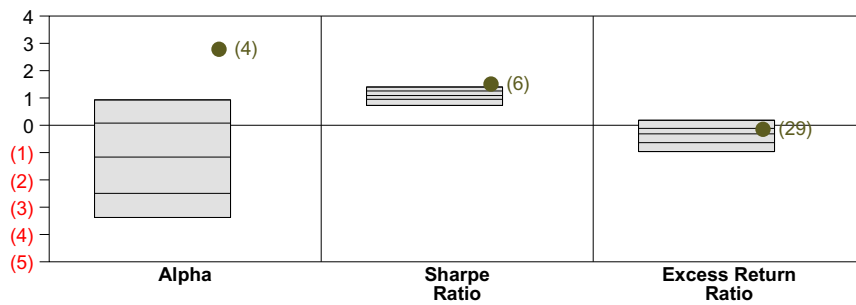
### Performance vs Callan Mid Cap Value Mutual Funds (Net)



### Cumulative and Quarterly Relative Return vs Russell MidCap Value Idx



### Risk Adjusted Return Measures vs Russell MidCap Value Idx Rankings Against Callan Mid Cap Value Mutual Funds (Net) Five Years Ended June 30, 2018

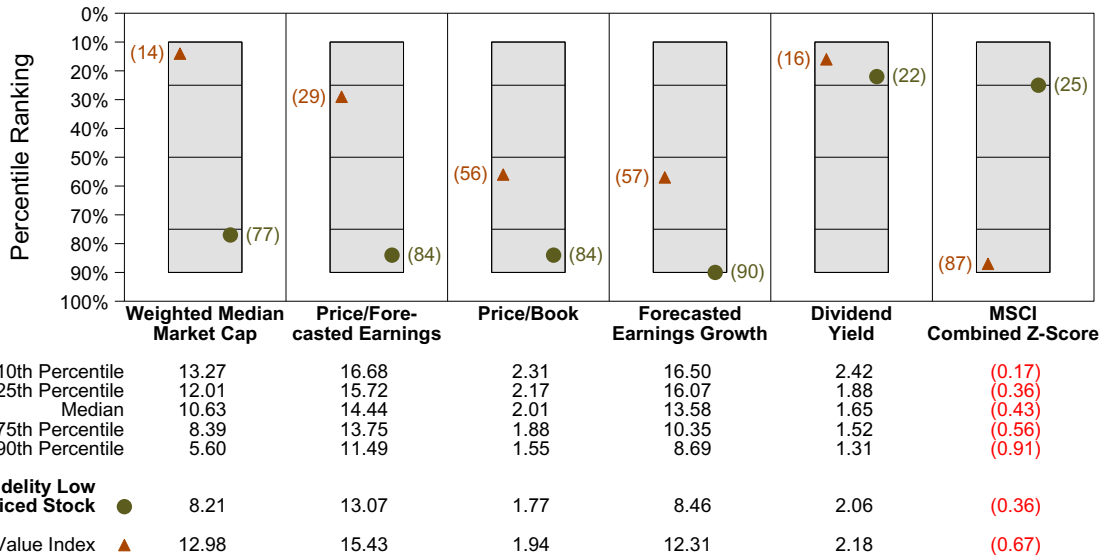


# Fidelity Low Priced Stock Equity Characteristics Analysis Summary

## Portfolio Characteristics

This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

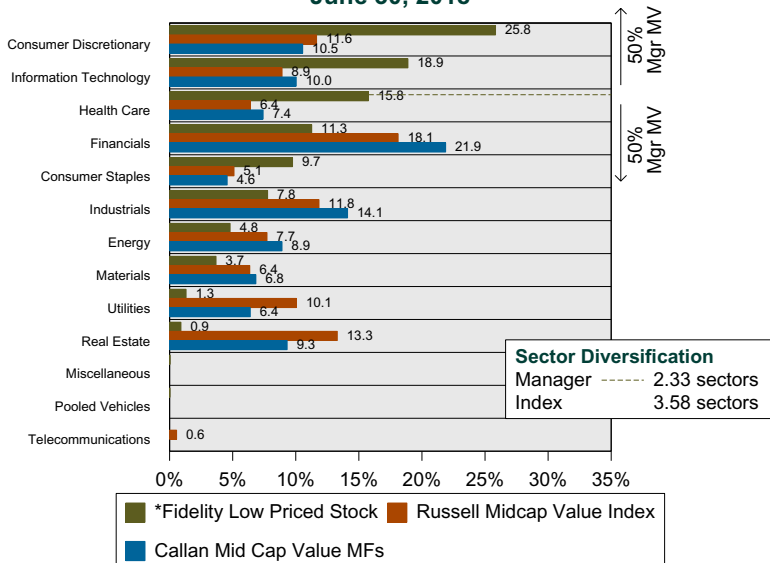
## Portfolio Characteristics Percentile Rankings Rankings Against Callan Mid Cap Value Mutual Funds as of June 30, 2018



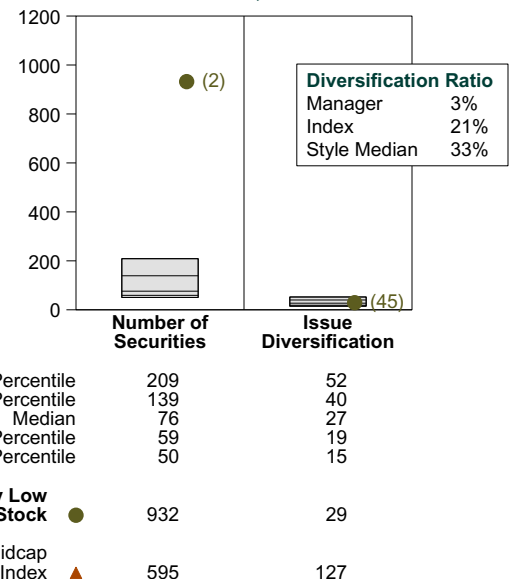
## Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.

### Sector Allocation June 30, 2018



### Diversification June 30, 2018



\*6/30/18 portfolio characteristics generated using most recently available holdings (4/30/18) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.

# Janus Enterprise Period Ended June 30, 2018

## Investment Philosophy

Janus believes that investing in companies with sustainable growth and high return on invested capital can drive consistent returns with moderate risk. The team seeks to identify mid cap companies with high quality management teams that wisely allocate capital to drive growth over time. Switched from Class T Shares to Class I Shares in December 2009 and Class N Shares in July 2016.

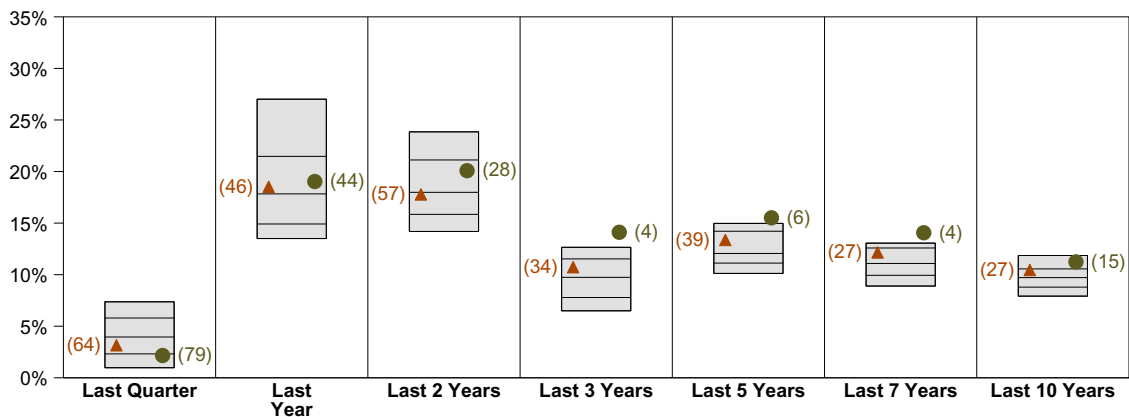
## Quarterly Summary and Highlights

- Janus Enterprise's portfolio posted a 2.16% return for the quarter placing it in the 79 percentile of the Callan Mid Cap Growth Mutual Funds group for the quarter and in the 44 percentile for the last year.
- Janus Enterprise's portfolio underperformed the Russell MidCap Growth Idx by 1.00% for the quarter and outperformed the Russell MidCap Growth Idx for the year by 0.51%.

## Quarterly Asset Growth

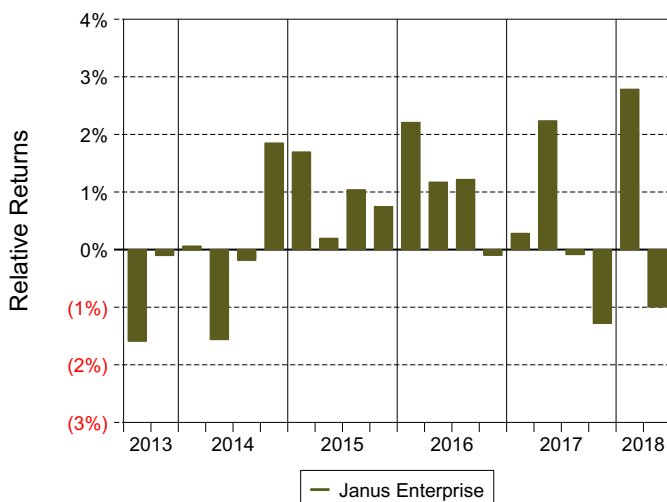
Beginning Market Value	\$16,064,608
Net New Investment	\$0
Investment Gains/(Losses)	\$347,183
Ending Market Value	\$16,411,791

## Performance vs Callan Mid Cap Growth Mutual Funds (Net)

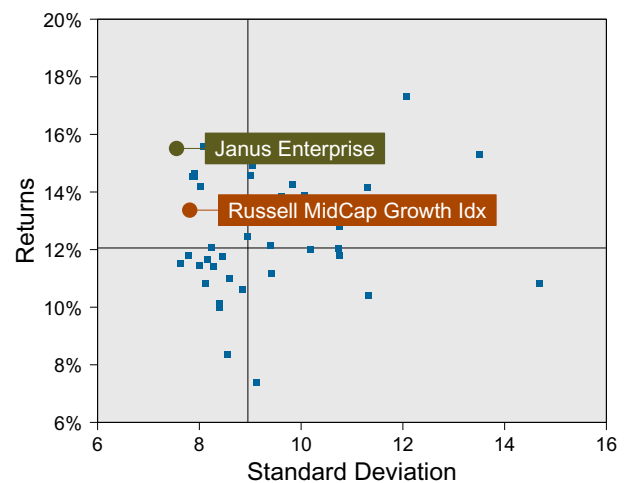


10th Percentile	7.37	27.02	23.85	12.65	14.97	13.06	11.86
25th Percentile	5.80	21.47	21.12	11.53	14.21	12.59	10.56
Median	3.96	17.83	17.98	9.74	12.06	11.09	9.71
75th Percentile	2.32	14.91	15.85	7.79	11.12	9.94	8.79
90th Percentile	0.98	13.50	14.19	6.50	10.12	8.89	7.92
<b>Janus Enterprise</b> ●	2.16	19.03	20.08	14.11	15.51	14.06	11.24
Russell MidCap Growth Idx ▲	3.16	18.52	17.78	10.73	13.37	12.16	10.45

## Relative Return vs Russell MidCap Growth Idx



## Callan Mid Cap Growth Mutual Funds (Net) Annualized Five Year Risk vs Return

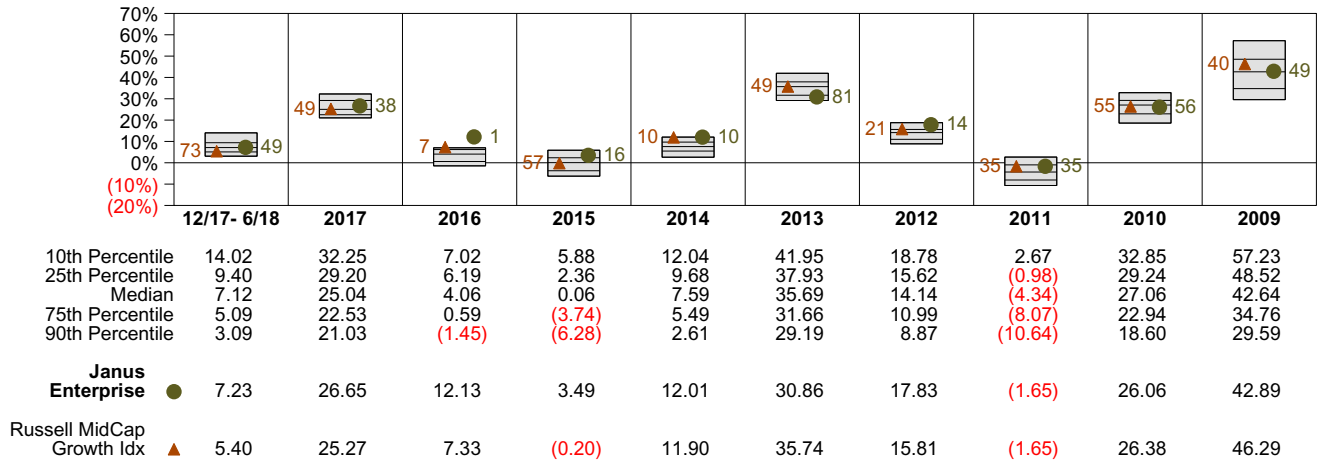


# Janus Enterprise Return Analysis Summary

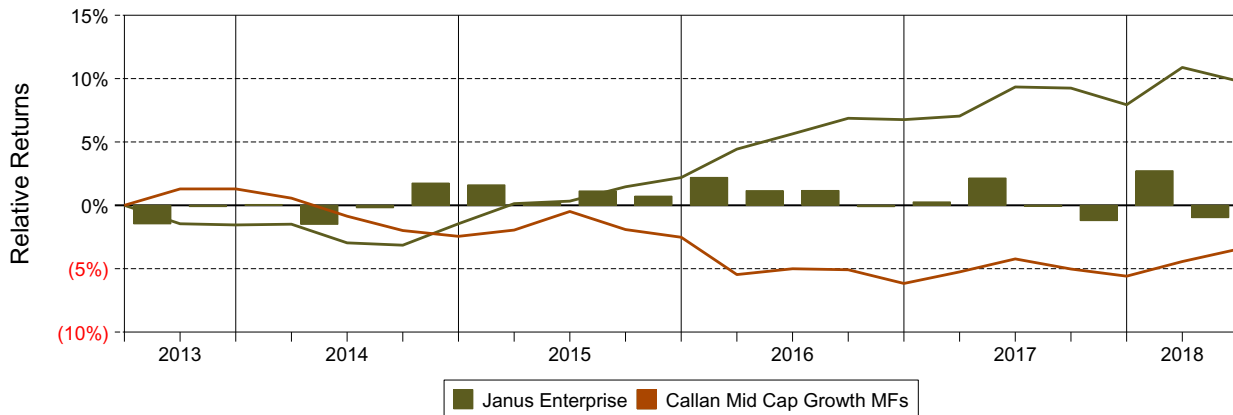
## Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

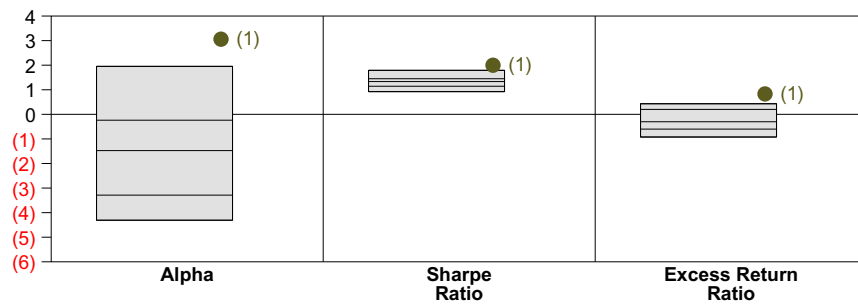
### Performance vs Callan Mid Cap Growth Mutual Funds (Net)



### Cumulative and Quarterly Relative Return vs Russell MidCap Growth Idx



### Risk Adjusted Return Measures vs Russell MidCap Growth Idx Rankings Against Callan Mid Cap Growth Mutual Funds (Net) Five Years Ended June 30, 2018



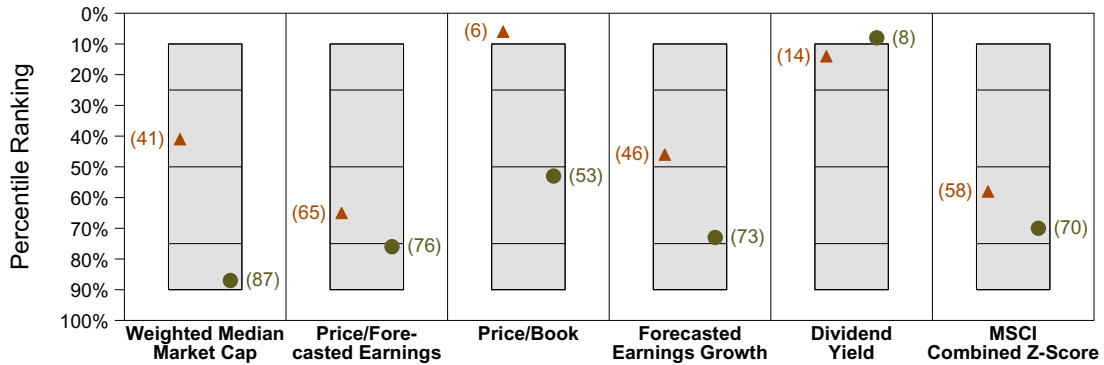
10th Percentile	1.95	1.79	0.43
25th Percentile	(0.24)	1.45	0.20
Median	(1.48)	1.33	(0.30)
75th Percentile	(3.29)	1.14	(0.60)
90th Percentile	(4.31)	0.92	(0.92)
<b>Janus Enterprise</b>	3.06	2.00	0.83

# Janus Enterprise Equity Characteristics Analysis Summary

## Portfolio Characteristics

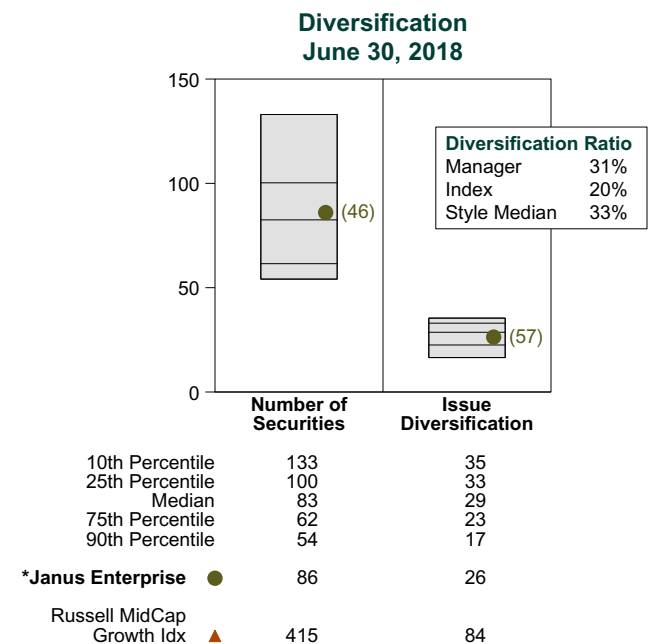
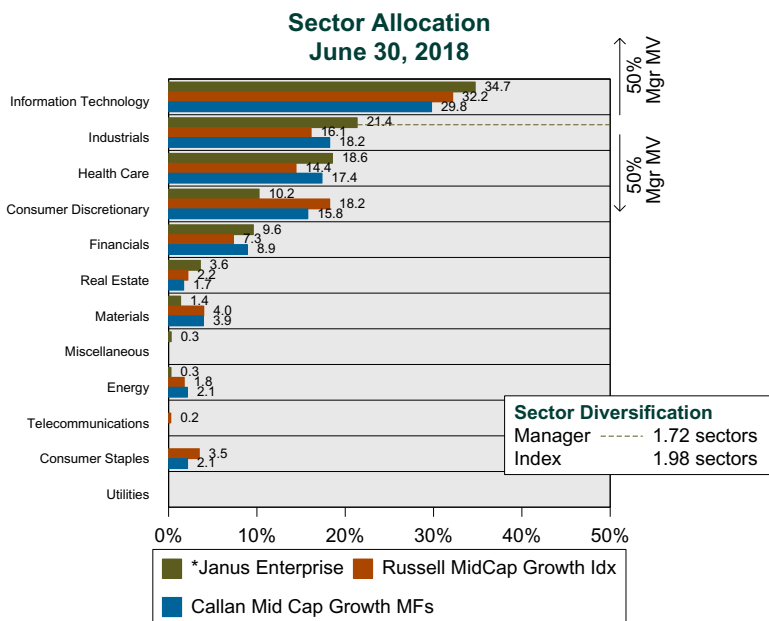
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Portfolio Characteristics Percentile Rankings Rankings Against Callan Mid Cap Growth Mutual Funds as of June 30, 2018



## Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.



\*6/30/18 portfolio characteristics generated using most recently available holdings (3/31/18) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.

# Prudential Small Cap Value Period Ended June 30, 2018

## Investment Philosophy

QMA believes a systematic approach that focuses on stocks with low valuations and confirming signals of attractiveness can outperform a small cap value benchmark. Its research shows that adapting to changing market conditions by dynamically shifting the weight on specific factors, while simultaneously maintaining a focus on value stocks, leads to better performance than using static factor exposures. Switched share class in September 2015.

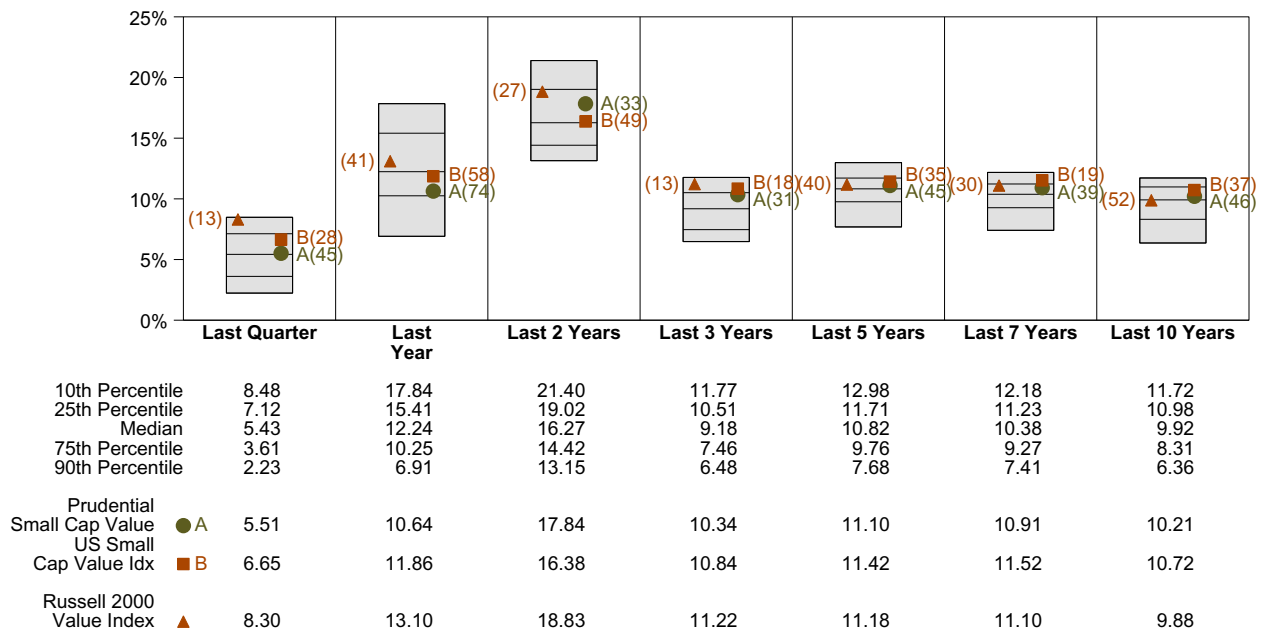
## Quarterly Summary and Highlights

- Prudential Small Cap Value's portfolio posted a 5.51% return for the quarter placing it in the 45 percentile of the Callan Small Cap Value Mutual Funds group for the quarter and in the 74 percentile for the last year.
- Prudential Small Cap Value's portfolio underperformed the Russell 2000 Value Index by 2.79% for the quarter and underperformed the Russell 2000 Value Index for the year by 2.46%.

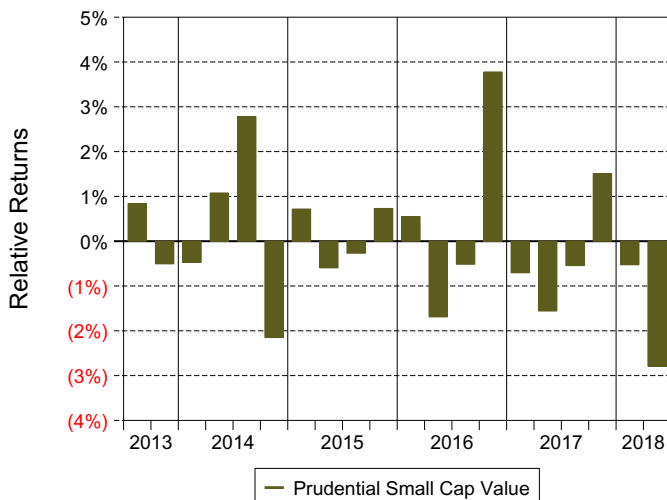
## Quarterly Asset Growth

Beginning Market Value	\$13,509,013
Net New Investment	\$0
Investment Gains/(Losses)	\$744,754
Ending Market Value	\$14,253,767

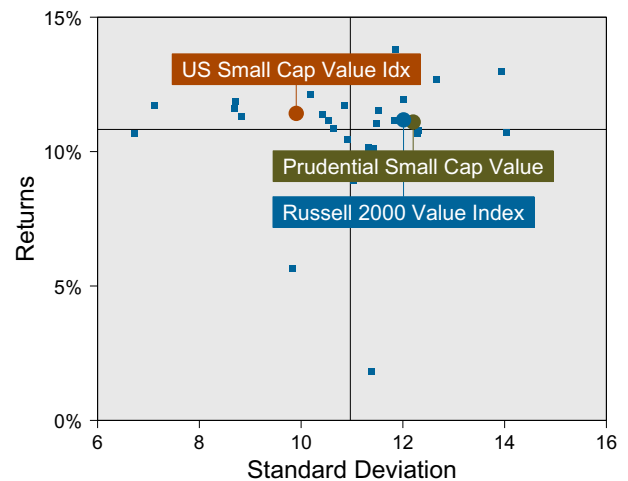
## Performance vs Callan Small Cap Value Mutual Funds (Net)



## Relative Return vs Russell 2000 Value Index



## Callan Small Cap Value Mutual Funds (Net) Annualized Five Year Risk vs Return



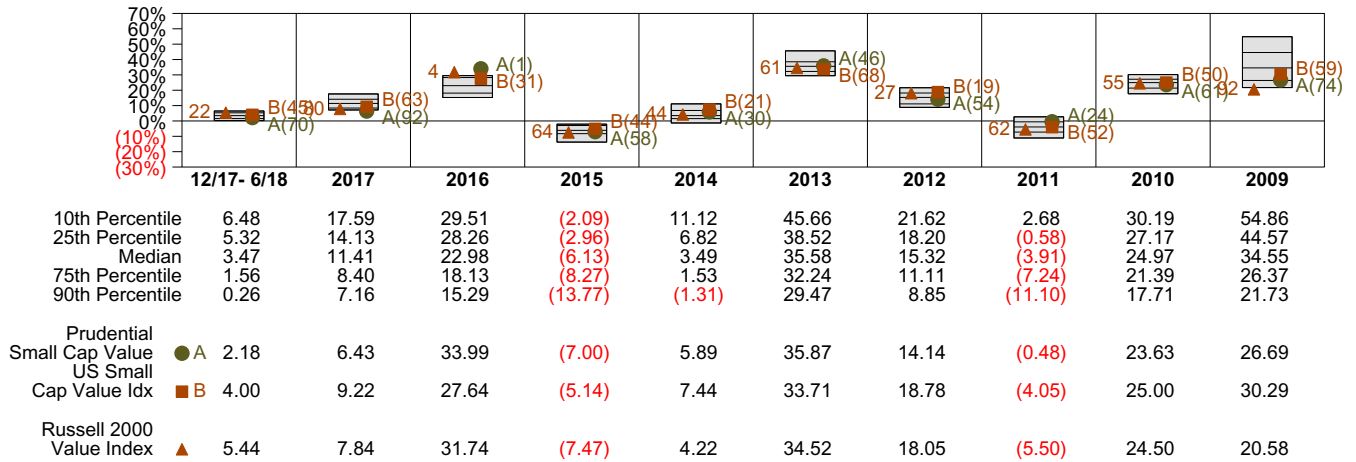


# Prudential Small Cap Value Return Analysis Summary

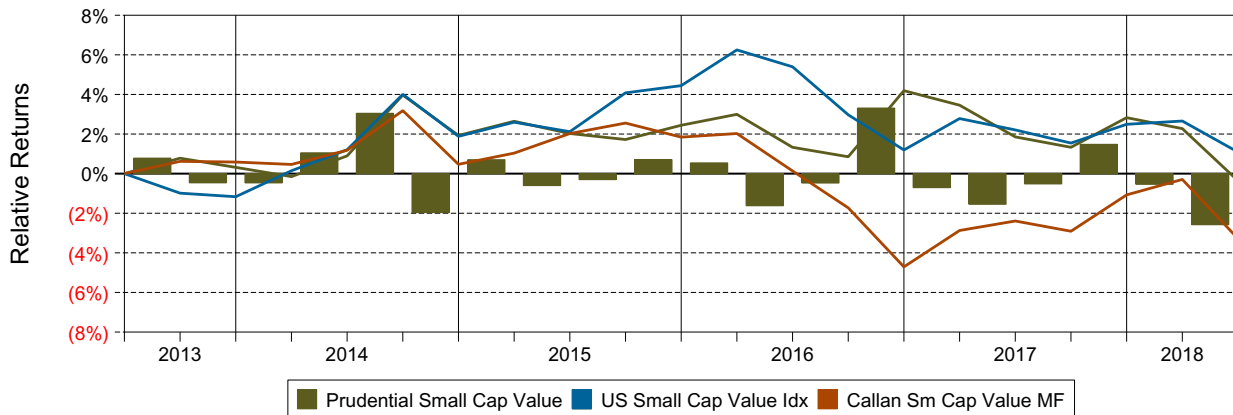
## Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

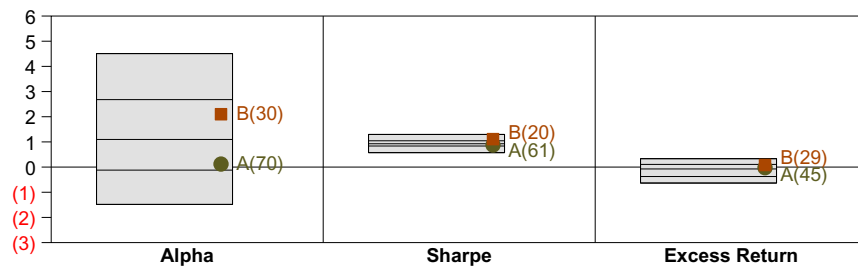
### Performance vs Callan Small Cap Value Mutual Funds (Net)



### Cumulative and Quarterly Relative Return vs Russell 2000 Value Index



### Risk Adjusted Return Measures vs Russell 2000 Value Index Rankings Against Callan Small Cap Value Mutual Funds (Net) Five Years Ended June 30, 2018

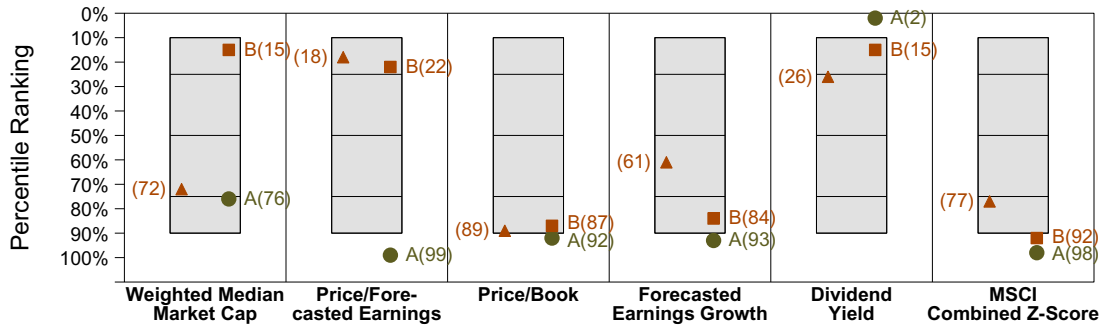


# Prudential Small Cap Value Equity Characteristics Analysis Summary

## Portfolio Characteristics

This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Portfolio Characteristics Percentile Rankings Rankings Against Callan Small Cap Value Mutual Funds as of June 30, 2018

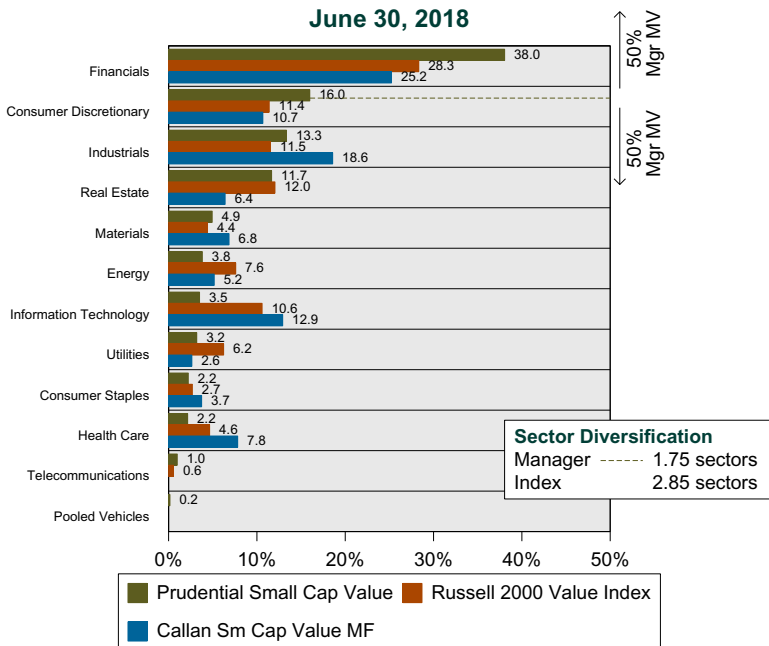


	Weighted Median Market Cap	Price/Forecasted Earnings	Price/Book	Forecasted Earnings Growth	Dividend Yield	MSCI Combined Z-Score
10th Percentile	2.93	19.52	2.05	14.88	2.54	(0.12)
25th Percentile	2.55	15.98	1.98	12.64	2.06	(0.28)
Median	2.23	14.97	1.87	11.20	1.53	(0.41)
75th Percentile	1.80	13.93	1.68	9.12	1.29	(0.59)
90th Percentile	1.25	13.11	1.43	8.26	1.10	(0.65)
Prudential Small Cap Value	1.78	12.42	1.37	7.85	2.83	(0.93)
US Small Cap Value Idx	2.83	16.31	1.58	8.70	2.36	(0.67)
Russell 2000 Value Index	1.89	17.51	1.46	9.99	2.05	(0.61)

## Sector Weights

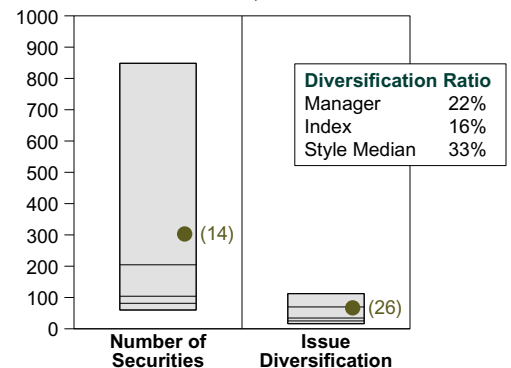
The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.

### Sector Allocation June 30, 2018



Sector Diversification	
Manager	1.75 sectors
Index	2.85 sectors

### Diversification June 30, 2018



	Number of Securities	Issue Diversification
10th Percentile	848	112
25th Percentile	205	70
Median	104	34
75th Percentile	82	25
90th Percentile	60	16
Prudential Small Cap Value	303	67
Russell 2000 Value Index	1362	216

Diversification Ratio	
Manager	22%
Index	16%
Style Median	33%

# AB US Small Growth Period Ended June 30, 2018

## Investment Philosophy

AB's small cap growth investment process emphasizes in-house fundamental research and direct management contact in order to identify rapidly growing companies with accelerating earnings power and reasonable valuations.

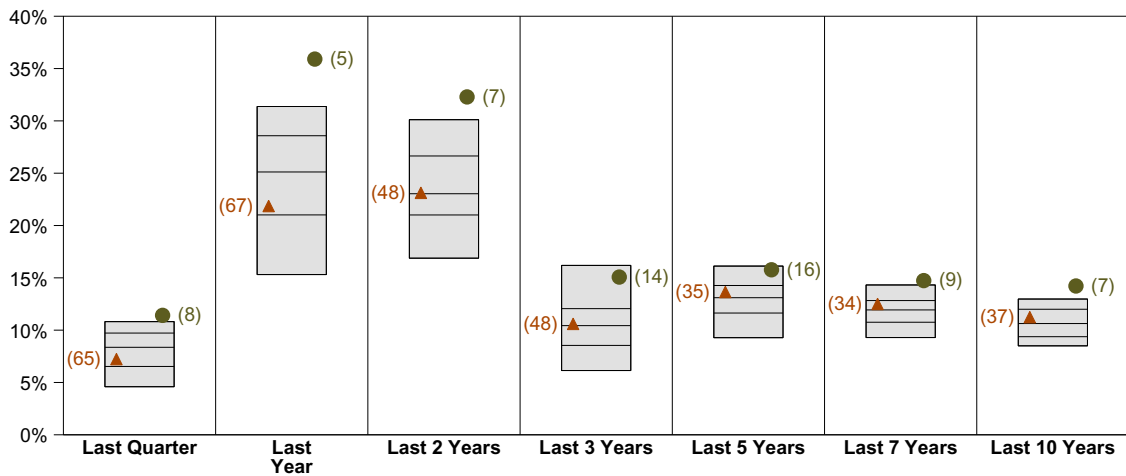
## Quarterly Summary and Highlights

- AB US Small Growth's portfolio posted a 11.42% return for the quarter placing it in the 8 percentile of the Callan Small Cap Growth Mutual Funds group for the quarter and in the 5 percentile for the last year.
- AB US Small Growth's portfolio outperformed the Russell 2000 Growth Index by 4.18% for the quarter and outperformed the Russell 2000 Growth Index for the year by 14.04%.

## Quarterly Asset Growth

Beginning Market Value	\$17,192,037
Net New Investment	\$-500,000
Investment Gains/(Losses)	\$1,943,978
Ending Market Value	\$18,636,016

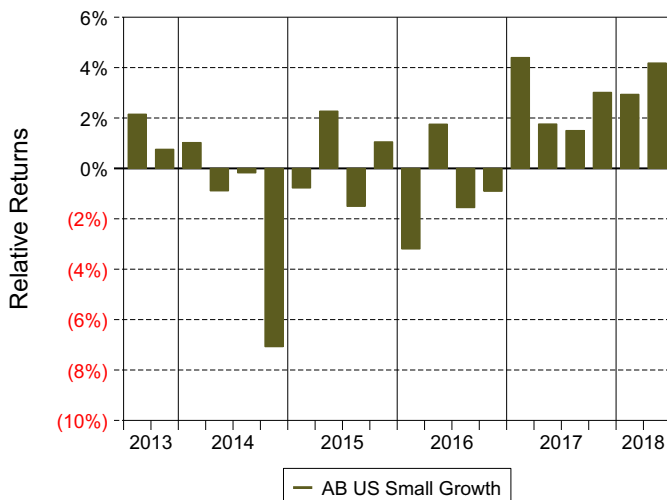
## Performance vs Callan Small Cap Growth Mutual Funds (Net)



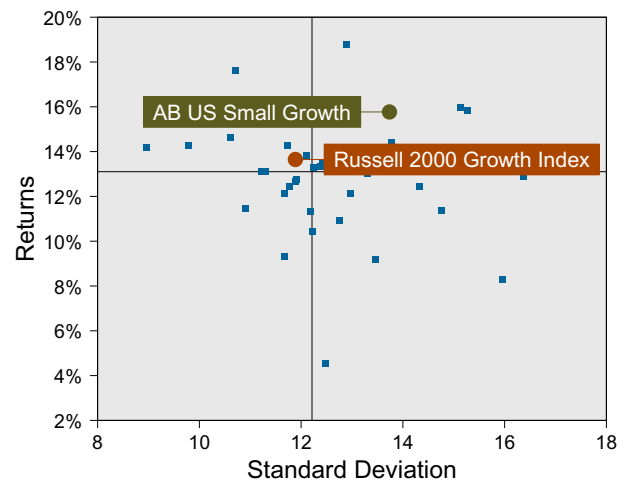
10th Percentile	10.82	31.37	30.11	16.19	16.12	14.32	12.97
25th Percentile	9.72	28.58	26.65	12.06	14.27	12.83	12.00
Median	8.36	25.12	23.04	10.43	13.10	11.94	10.63
75th Percentile	6.53	21.01	21.01	8.54	11.64	10.76	9.38
90th Percentile	4.59	15.31	16.88	6.14	9.28	9.30	8.50

<b>AB US Small Growth</b> ●	11.42	35.90	32.29	15.07	15.77	14.74	14.22
Russell 2000 Growth Index ▲	7.23	21.86	23.13	10.60	13.65	12.50	11.24

## Relative Return vs Russell 2000 Growth Index



## Callan Small Cap Growth Mutual Funds (Net) Annualized Five Year Risk vs Return

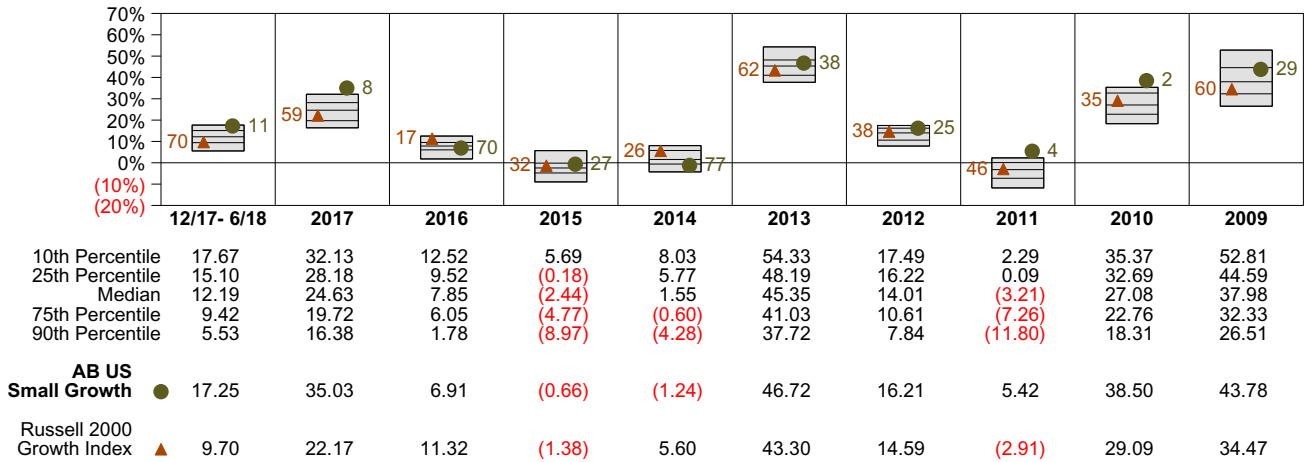


# AB US Small Growth Return Analysis Summary

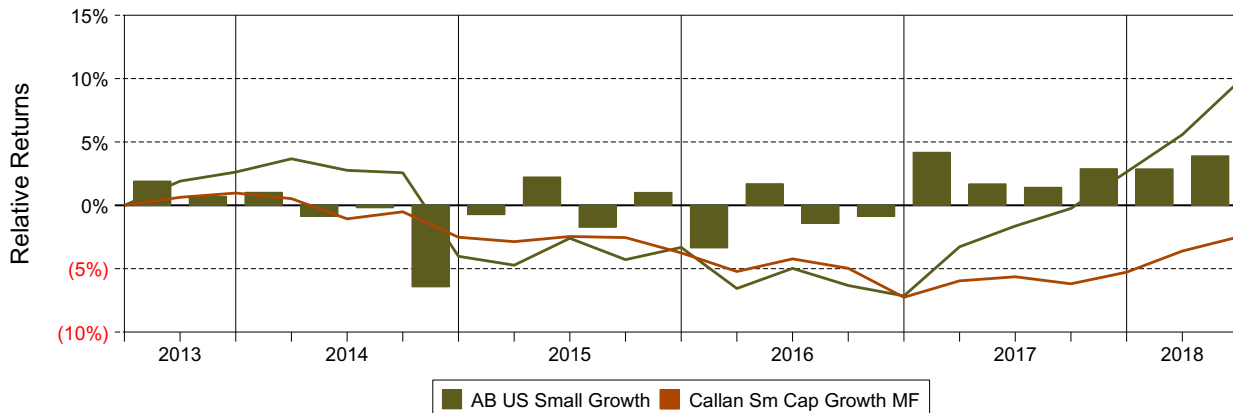
## Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

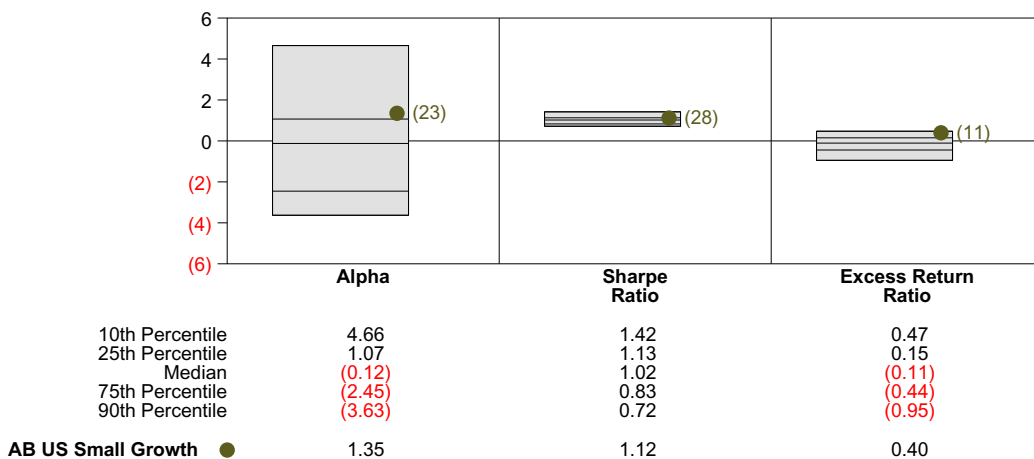
### Performance vs Callan Small Cap Growth Mutual Funds (Net)



### Cumulative and Quarterly Relative Return vs Russell 2000 Growth Index



### Risk Adjusted Return Measures vs Russell 2000 Growth Index Rankings Against Callan Small Cap Growth Mutual Funds (Net) Five Years Ended June 30, 2018

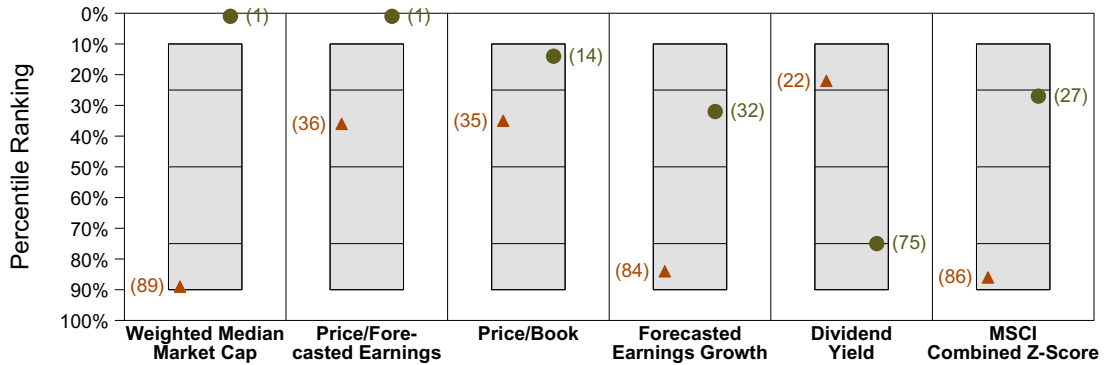


# AB US Small Growth Equity Characteristics Analysis Summary

## Portfolio Characteristics

This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Portfolio Characteristics Percentile Rankings Rankings Against Callan Small Cap Growth Mutual Funds as of June 30, 2018

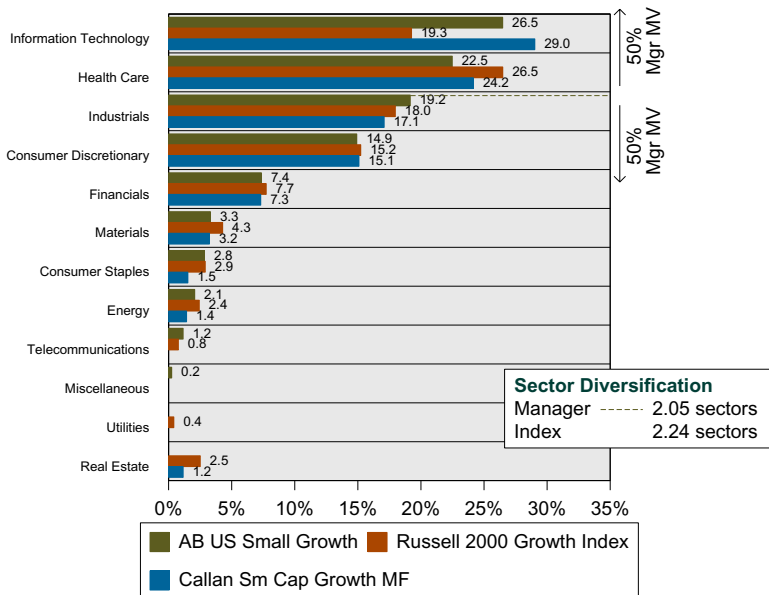


	Weighted Median Market Cap	Price/Forecasted Earnings	Price/Book	Forecasted Earnings Growth	Dividend Yield	MSCI Combined Z-Score
10th Percentile	3.44	38.93	5.57	23.23	0.69	1.05
25th Percentile	3.33	36.52	4.62	20.69	0.60	0.94
Median	2.91	31.72	3.92	19.18	0.45	0.67
75th Percentile	2.49	25.25	3.53	17.15	0.28	0.59
90th Percentile	2.18	23.91	3.19	15.20	0.15	0.49
<b>AB US Small Growth</b> ●	3.74	49.45	5.32	20.12	0.28	0.92
Russell 2000 Growth Index ▲	2.26	34.92	4.20	16.44	0.63	0.55

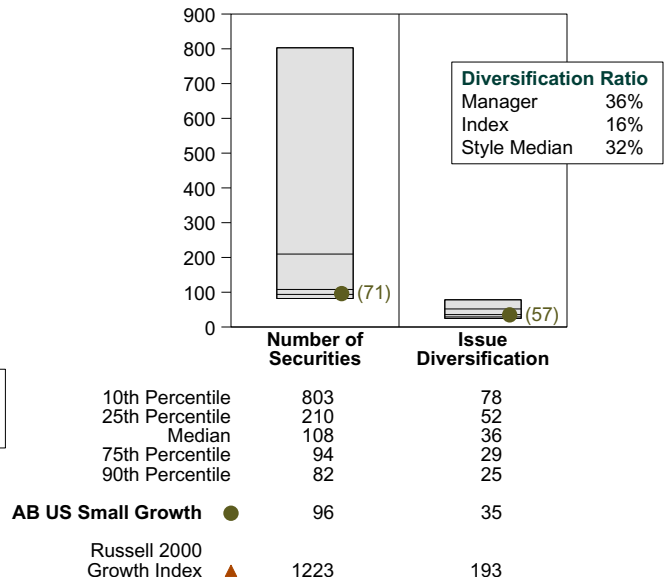
## Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.

### Sector Allocation June 30, 2018



### Diversification June 30, 2018





# International Equity Composite Period Ended June 30, 2018

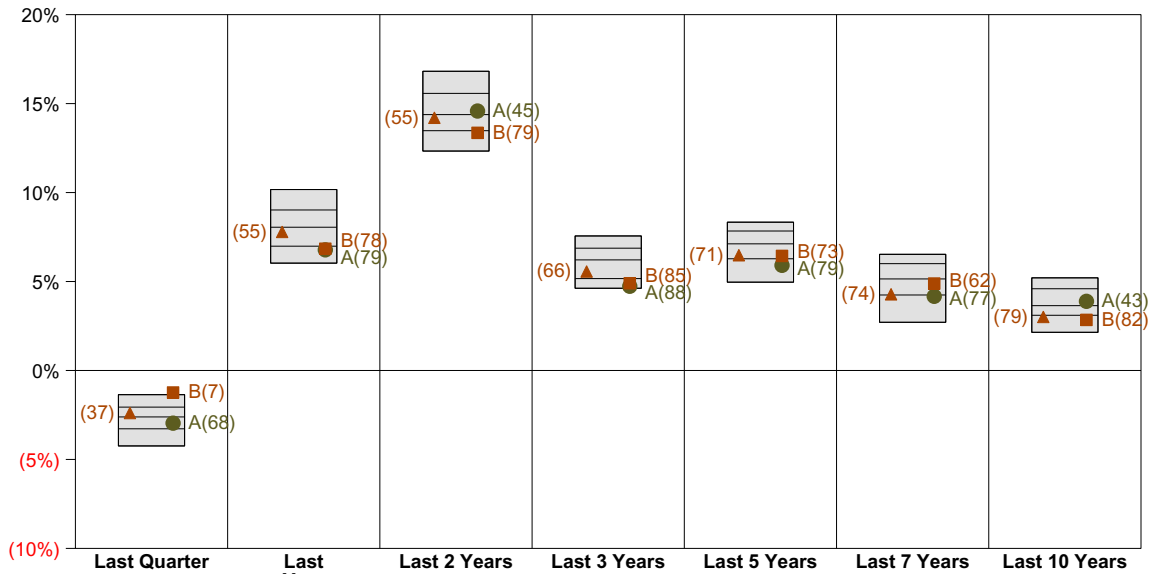
## Quarterly Summary and Highlights

- International Equity Composite's portfolio posted a (2.96)% return for the quarter placing it in the 68 percentile of the Public Fund - International Equity group for the quarter and in the 79 percentile for the last year.
- International Equity Composite's portfolio underperformed the MSCI ACWixUS Gross by 0.57% for the quarter and underperformed the MSCI ACWixUS Gross for the year by 1.01%.

## Quarterly Asset Growth

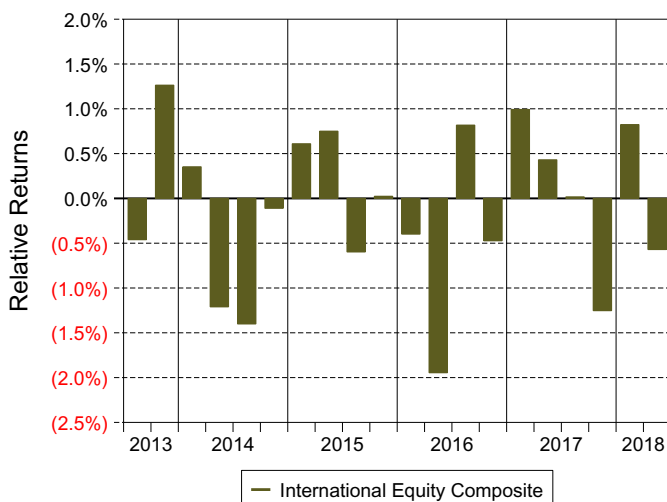
Beginning Market Value	\$156,880,584
Net New Investment	\$-2,000,000
Investment Gains/(Losses)	\$-4,430,381
Ending Market Value	\$150,450,203

## Performance vs Public Fund - International Equity (Gross)

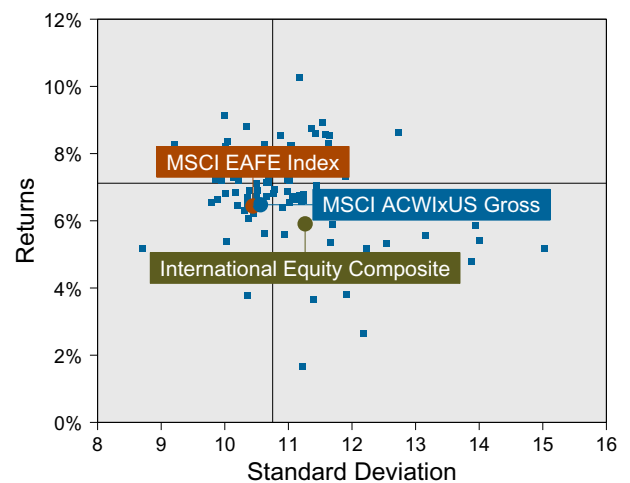


10th Percentile	(1.36)	10.17	16.82	7.56	8.34	6.53	5.21
25th Percentile	(2.06)	9.02	15.57	6.87	7.84	6.00	4.59
Median	(2.61)	8.05	14.38	6.22	7.12	5.15	3.64
75th Percentile	(3.28)	6.99	13.48	5.16	6.28	4.24	3.10
90th Percentile	(4.24)	6.03	12.33	4.62	4.96	2.71	2.15
International Equity Composite	● A (2.96)	6.78	14.58	4.73	5.91	4.17	3.89
MSCI EAFE Index	■ B (1.24)	6.84	13.36	4.90	6.44	4.89	2.84
MSCI ACWixUS Gross	▲ (2.39)	7.79	14.20	5.56	6.48	4.28	3.01

## Relative Return vs MSCI ACWixUS Gross



## Public Fund - International Equity (Gross) Annualized Five Year Risk vs Return

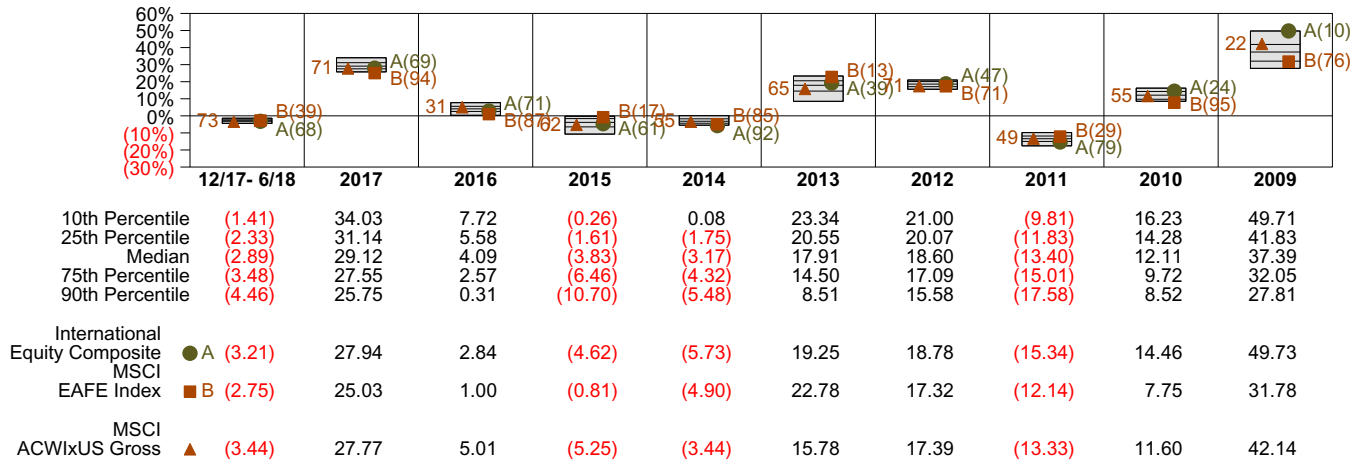


# International Equity Composite Return Analysis Summary

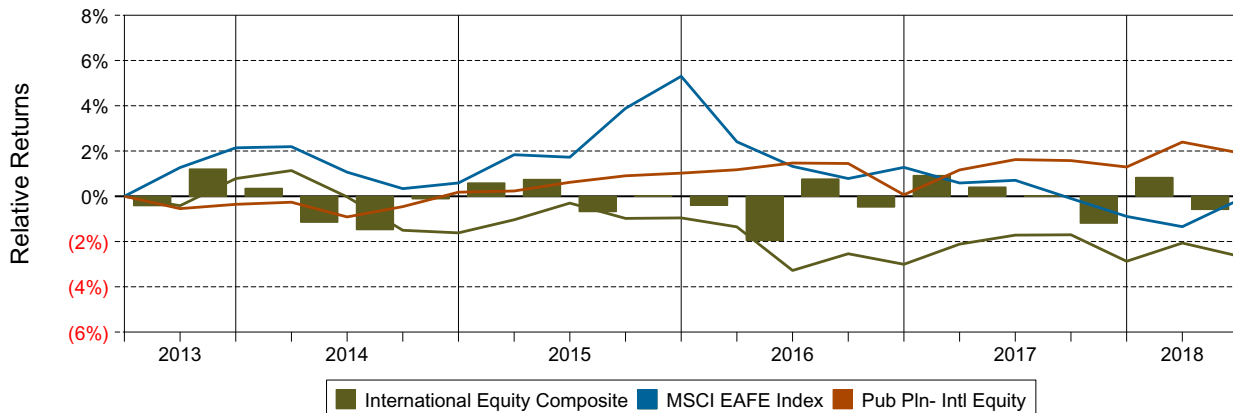
## Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

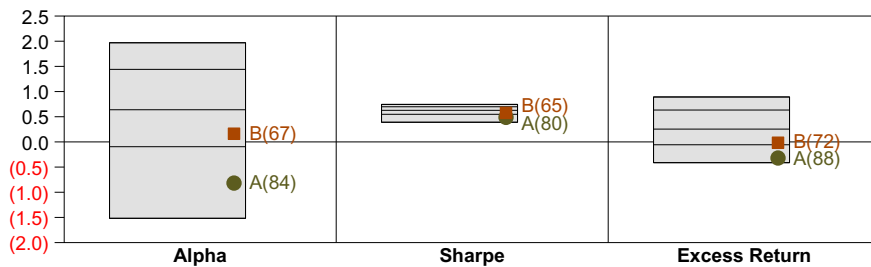
### Performance vs Public Fund - International Equity (Gross)



### Cumulative and Quarterly Relative Return vs MSCI ACWixUS Gross



### Risk Adjusted Return Measures vs MSCI ACWixUS Gross Rankings Against Public Fund - International Equity (Gross) Five Years Ended June 30, 2018



	Alpha	Sharpe Ratio	Excess Return Ratio
10th Percentile	1.97	0.74	0.89
25th Percentile	1.44	0.70	0.63
Median	0.64	0.63	0.25
75th Percentile	(0.10)	0.55	(0.06)
90th Percentile	(1.52)	0.39	(0.41)
International Equity Composite	● A (0.82)	0.49	(0.32)
MSCI EAFE Index	■ B (0.16)	0.58	(0.02)



# International Equity Composite Equity Characteristics Analysis Summary

## Portfolio Characteristics

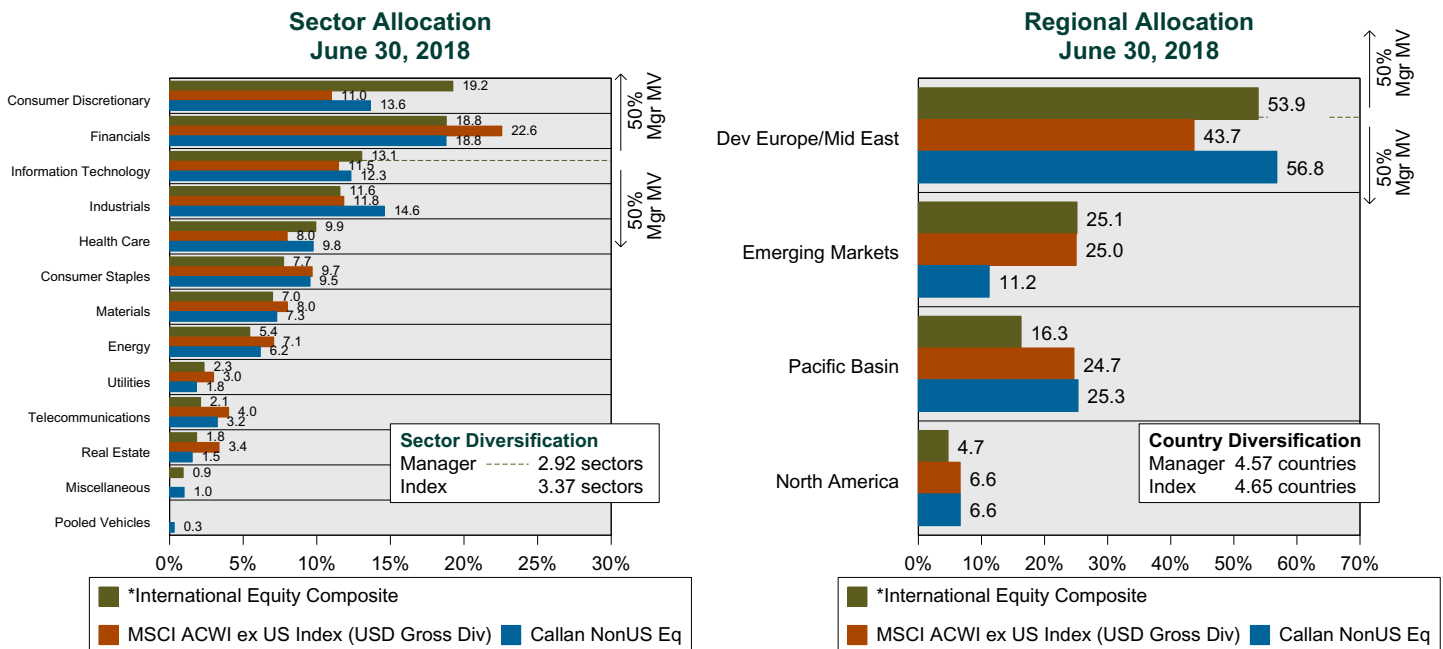
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Portfolio Characteristics Percentile Rankings Rankings Against Callan Non-US Equity as of June 30, 2018



## Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. The regional allocation chart compares the manager's geographical region weights with those of the benchmark as well as the median region weights of the peer group.



\*6/30/18 portfolio characteristics generated using most recently available holdings (3/31/18) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.

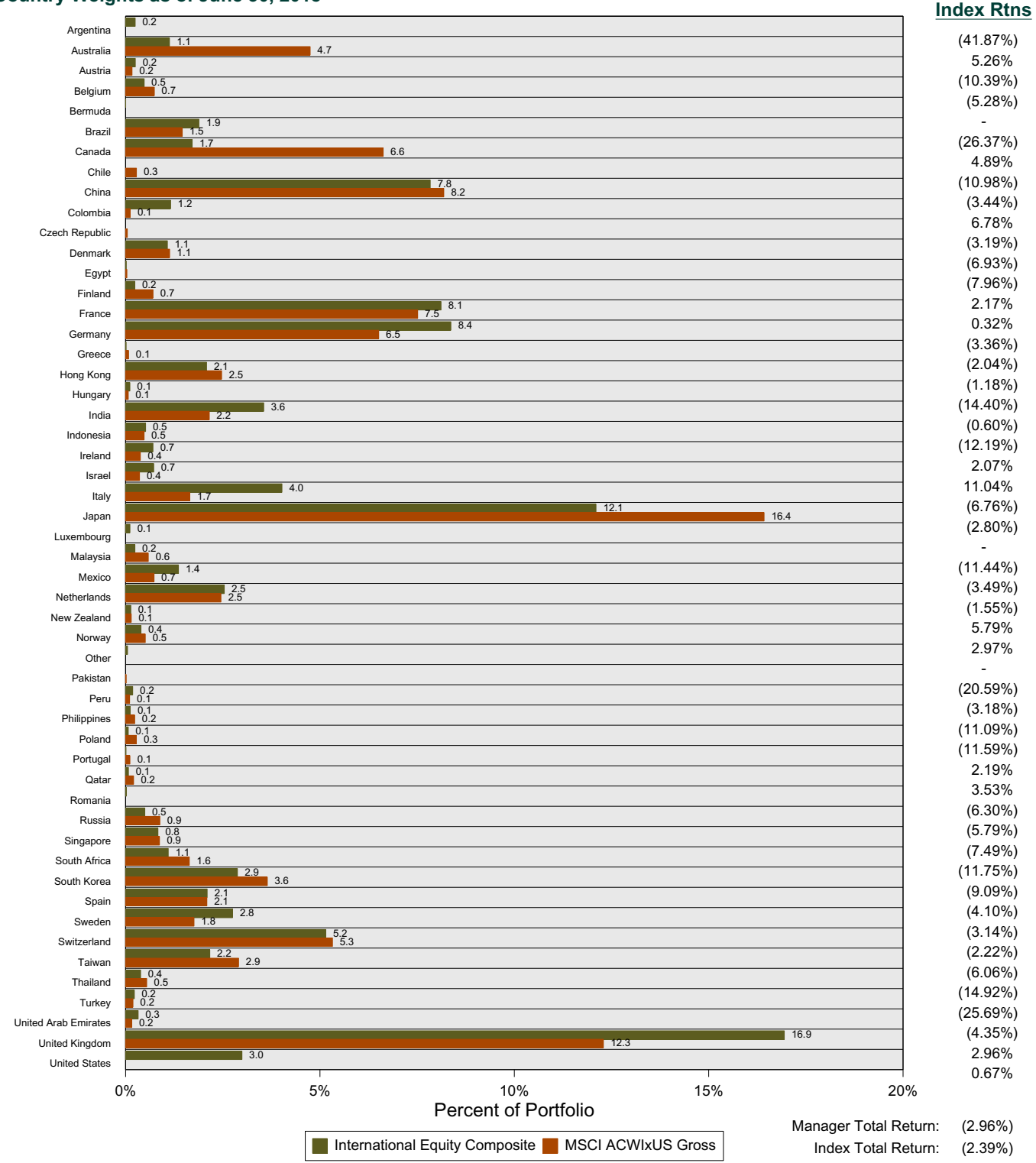
# Country Allocation

## International Equity Composite VS MSCI ACWI ex US Index (USD Gross Div)

### Country Allocation

The chart below contrasts the portfolio's country allocation with that of the index as of June 30, 2018. This chart is useful because large deviations in country allocation relative to the index are often good predictors of tracking error in the subsequent quarter. To the extent that the portfolio allocation is similar to the index, the portfolio should experience more "index-like" performance. In order to illustrate the performance effect on the portfolio and index of these country allocations, the individual index country returns are also shown.

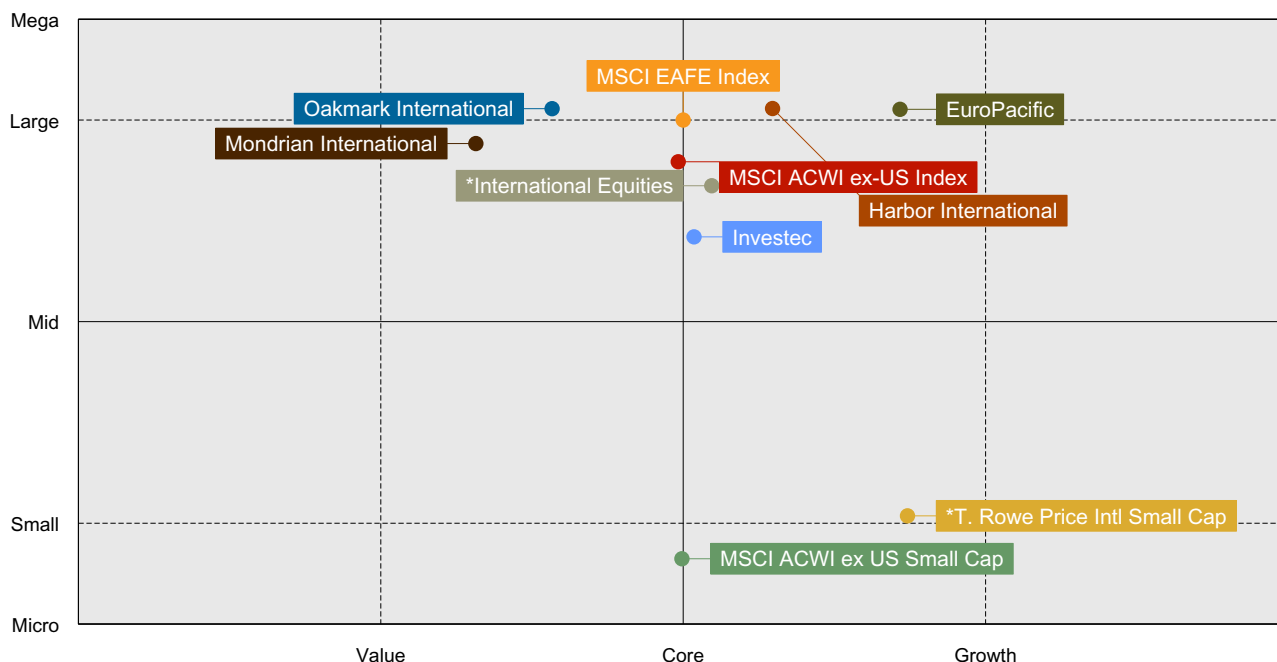
Country Weights as of June 30, 2018



## International Holdings Based Style Analysis For One Quarter Ended June 30, 2018

This page analyzes and compares the investment styles of multiple portfolios using a detailed holdings-based style analysis methodology. The size component of style is measured by the weighted median market capitalization of the holdings. The value/core/growth style dimension is captured by the "Combined Z-Score" of the portfolio. This score is based on eight fundamental factors used in the MSCI stock style scoring system. The table below gives a more detailed breakdown of several relevant style metrics on the portfolios.

### Style Map Holdings for One Quarter Ended June 30, 2018



	Weight %	Wtd Median Mkt Cap	Combined Z-Score	Growth Z-Score	Value Z-Score	Number of Securities	Security Diversification
EuroPacific	17.61%	43.47	0.63	0.25	(0.39)	279	36.93
Harbor International	20.35%	44.01	0.25	(0.04)	(0.28)	69	18.17
Oakmark International	19.35%	43.89	(0.44)	(0.12)	0.32	57	13.77
Mondrian International	17.19%	33.57	(0.68)	(0.17)	0.50	113	23.87
*T. Rowe Price Intl Small Cap	15.58%	2.71	0.66	0.24	(0.41)	230	71.21
Investec	9.91%	23.19	0.01	0.09	0.08	88	20.42
*International Equities	100.00%	28.88	0.06	0.03	(0.04)	718	79.02
MSCI ACWI ex US Small Cap	-	1.89	(0.03)	(0.01)	0.02	4303	745.83
MSCI EAFE Index	-	36.19	(0.02)	(0.02)	0.01	926	117.71
MSCI ACWI ex-US Index	-	31.55	(0.04)	(0.02)	0.02	2144	203.42

\*6/30/18 portfolio characteristics generated using most recently available holdings (3/31/18) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.

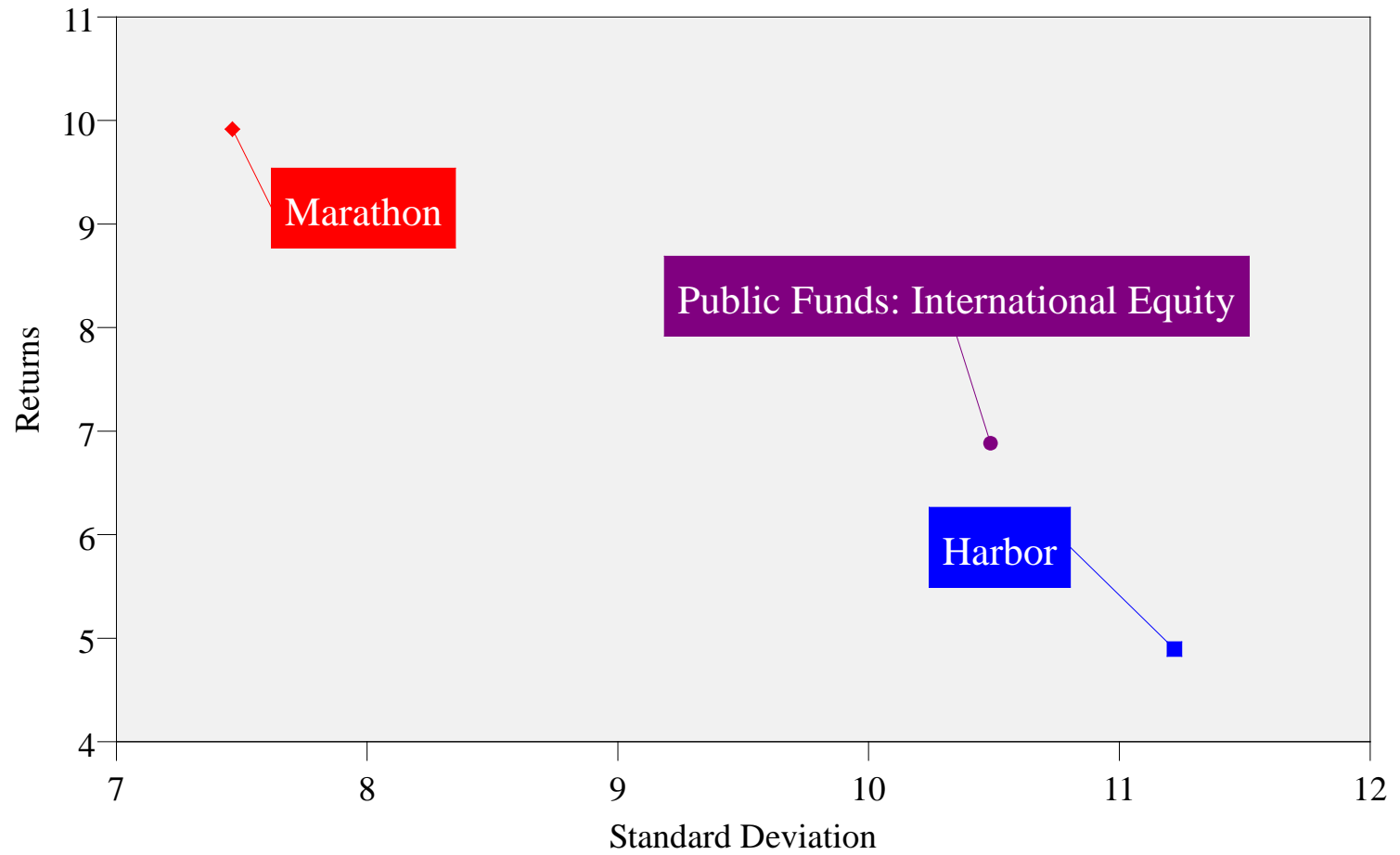
# Harbor and Marathon Comparison

Returns  
for Periods Ended June 30, 2018

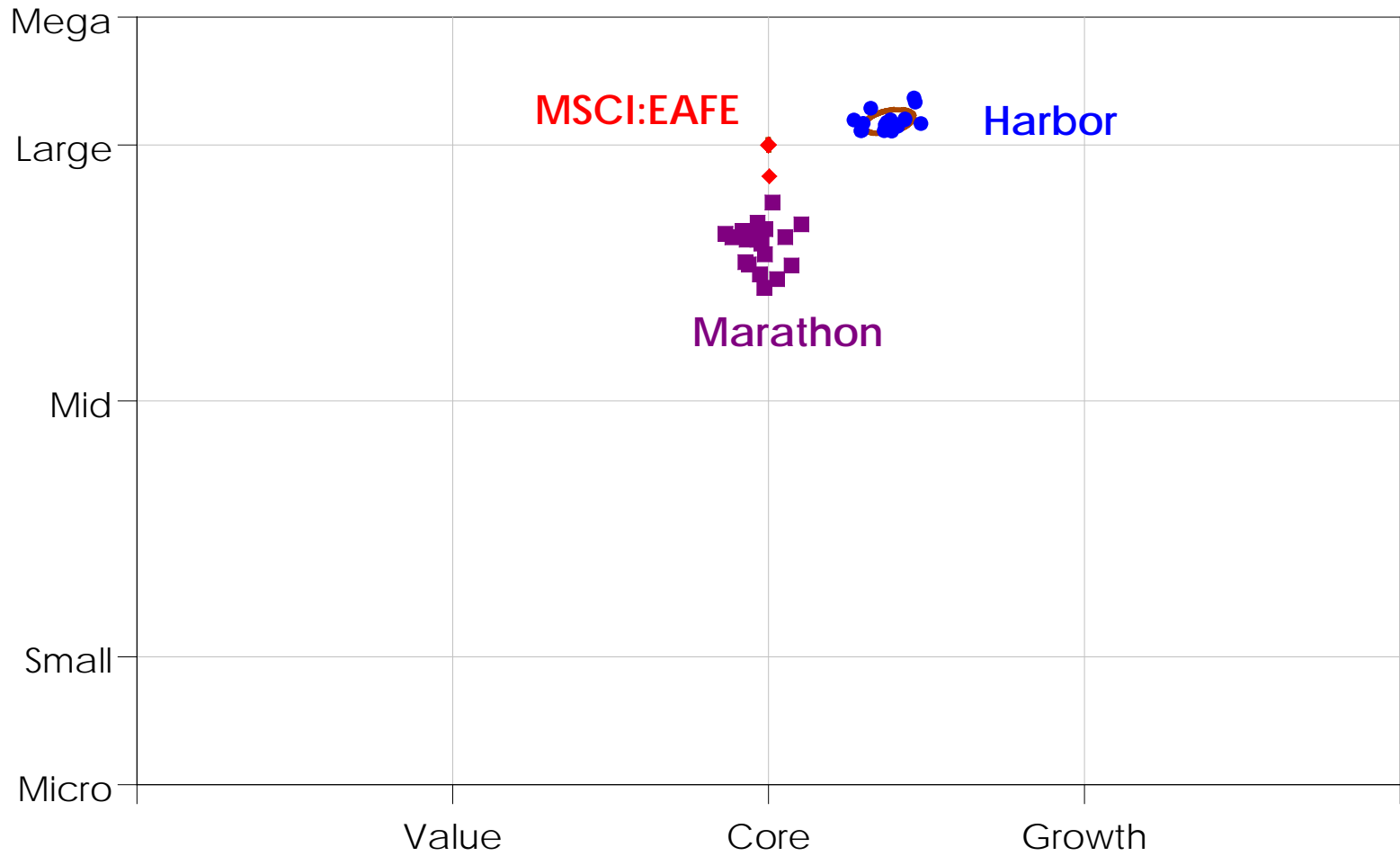
	Last Quarter	Last Year	Last 2 Years	Last 3 Years	Last 5 Years
Harbor	(0.73)	4.55	10.96	2.90	4.90
Marathon	(0.23)	8.57	13.82	9.50	9.92
MSCI:EAFE	(1.24)	6.84	13.36	4.90	6.44

## Scatter Chart

for 5 Years Ended June 30, 2018

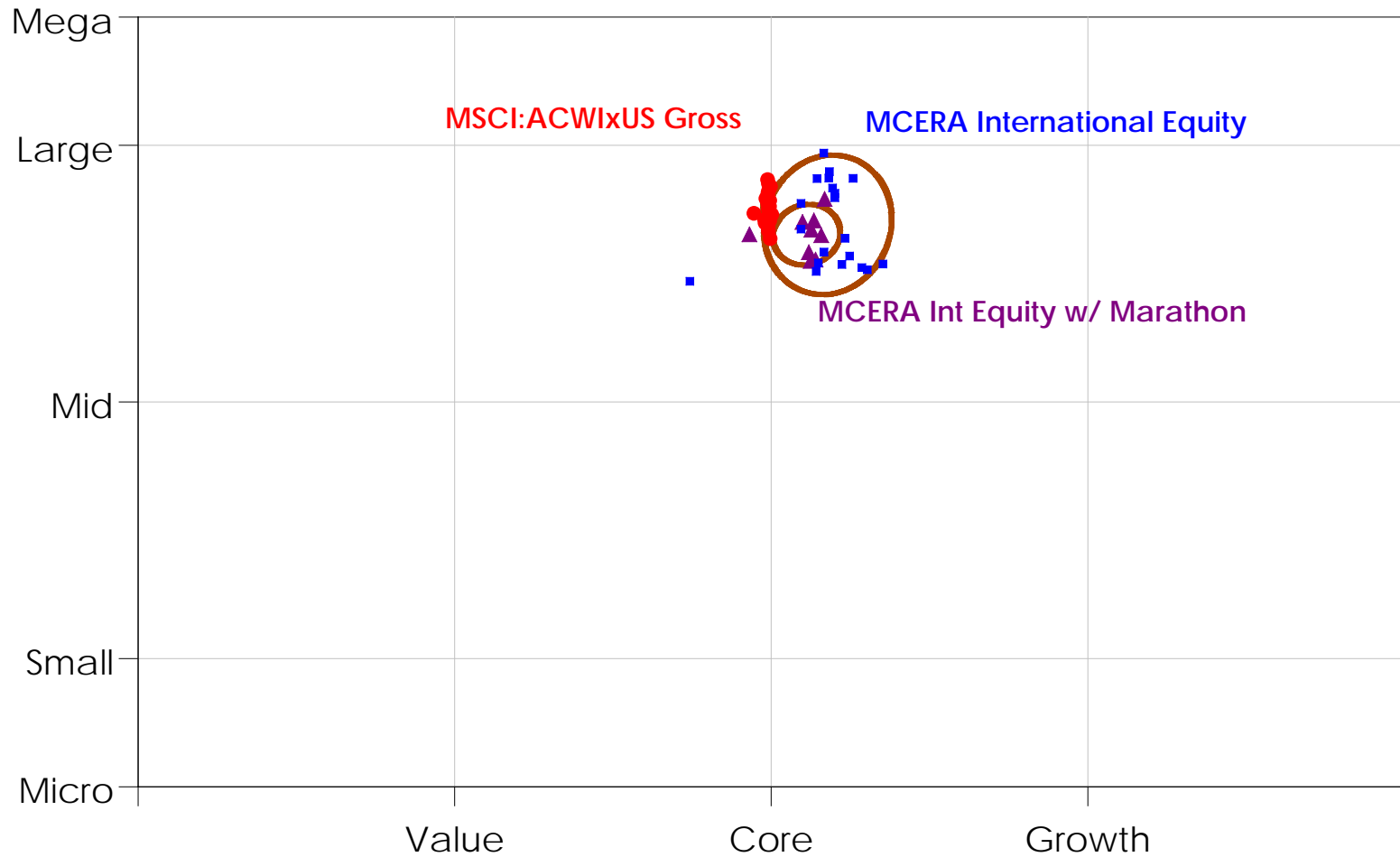


# International Equity Style Map for 5 Years Ended June 30, 2018



# International Equity: Northern Cross replaced with Marathon

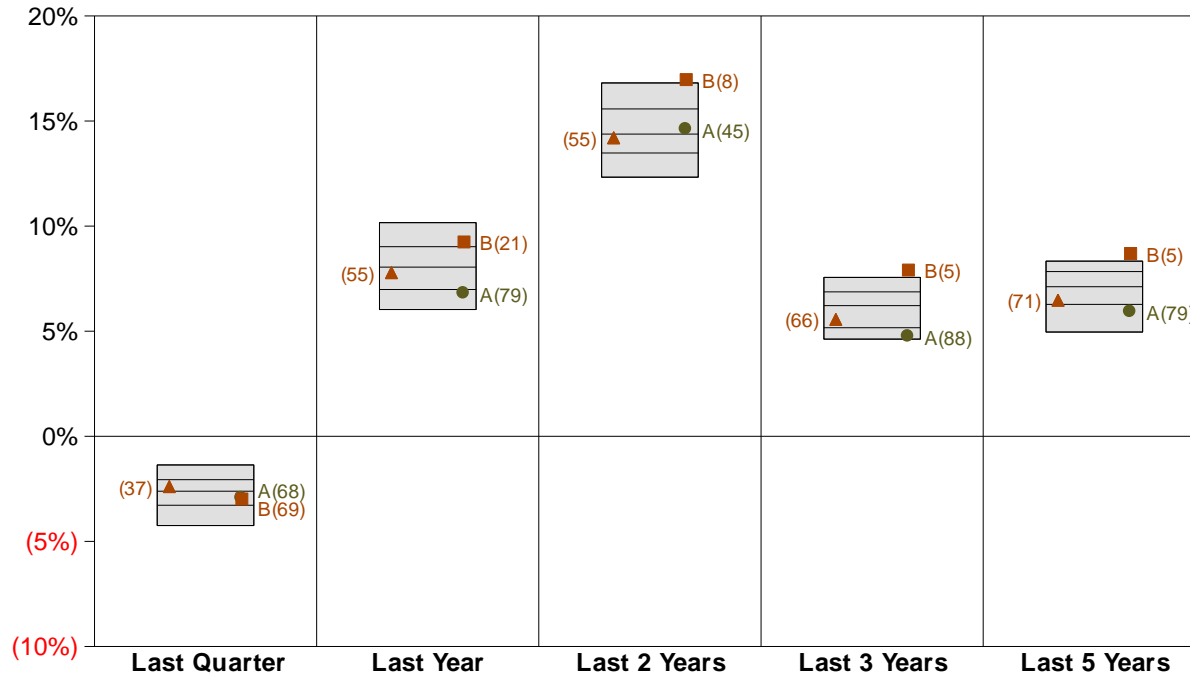
International Equity Style Map  
for 5 Years Ended June 30, 2018





# International Equity Comparison

Performance vs Public Fund - International Equity (Gross)



	Last Quarter	Last Year	Last 2 Years	Last 3 Years	Last 5 Years
10th Percentile	(1.36)	10.17	16.82	7.56	8.34
25th Percentile	(2.06)	9.02	15.57	6.87	7.84
Median	(2.61)	8.05	14.38	6.22	7.12
75th Percentile	(3.28)	6.99	13.48	5.16	6.28
90th Percentile	(4.24)	6.03	12.33	4.62	4.96
International Equity Composite ● A	(2.96)	6.78	14.58	4.73	5.91
International Equity w/ Marathon* ■ B	(2.98)	9.25	16.97	7.91	8.70
MSCI ACWIxUS Gross ▲	(2.39)	7.79	14.20	5.56	6.48

\*Excludes Janus Overseas

# International Equity Comparison

Style Exposure Matrix

for 1 Year Ended June 30, 2018

Top: MCERA International Equity

Middle: MCERA Intl Eq w/ Marathon

Large	22.3% (83) 22.3%	19.3% (80) 18.9%	28.2% (114) 24.0%	69.8% (276) 65.3%
Mid	3.8% (41) 4.2%	7.0% (77) 8.4%	8.3% (103) 9.1%	19.0% (221) 21.7%
Small	1.5% (29) 1.7%	3.3% (56) 4.1%	4.2% (61) 4.8%	9.0% (145) 10.7%
Micro	0.6% (13) 0.7%	1.0% (24) 1.1%	0.6% (12) 0.6%	2.2% (49) 2.4%
Total	28.1% (165) 28.9%	30.6% (236) 32.5%	41.3% (289) 38.6%	100.0% (690) 100.0%
	Value	Core	Growth	Total

# International Equity Comparison

Style Exposure Matrix

for 1 Year Ended June 30, 2018

Top: MCERA International Equity

Middle: MCERA Intl Eq w/ Marathon

Europe	14.5% (50) 12.7%	15.7% (87) 12.9%	21.2% (133) 15.8%	51.4% (270) 41.5%
N. America	2.2% (8) 3.8%	1.9% (14) 4.6%	1.3% (13) 3.8%	5.5% (36) 12.1%
Pacific	4.7% (37) 4.7%	4.9% (46) 5.2%	7.3% (65) 6.3%	16.9% (147) 16.1%
Emerging	6.7% (70) 7.8%	8.1% (90) 9.7%	11.4% (78) 12.7%	26.2% (238) 30.2%
Total	28.1% (165) 28.9%	30.6% (236) 32.5%	41.3% (289) 38.6%	100.0% (690) 100.0%

Value

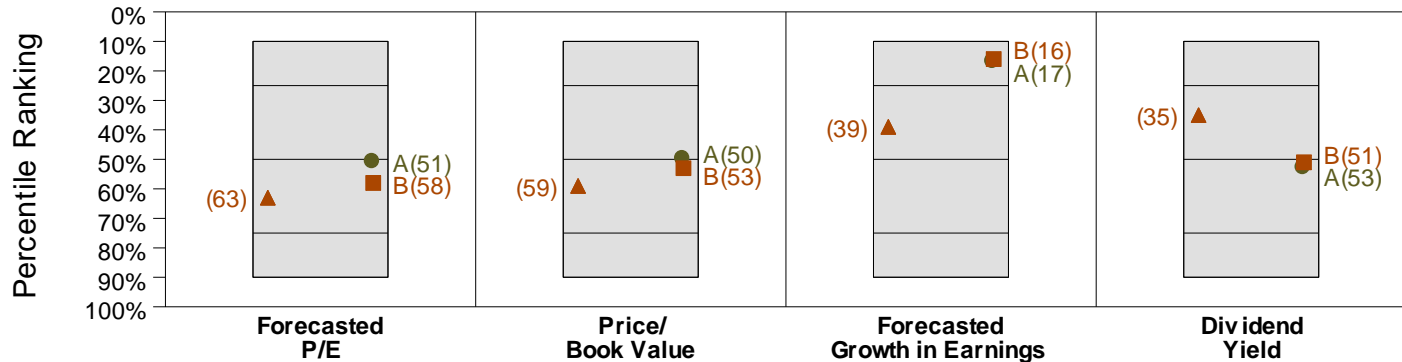
Core

Growth

Total

# International Equity Comparison

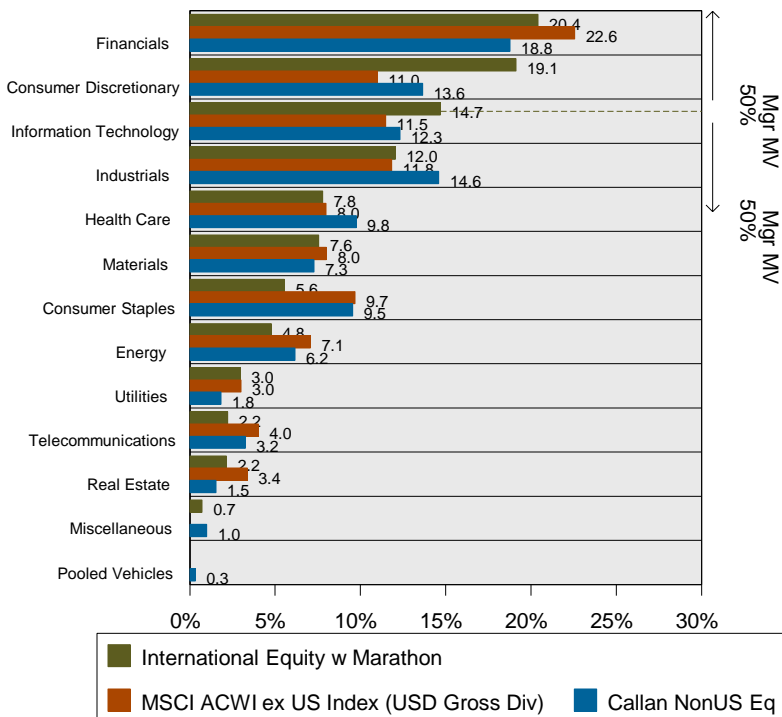
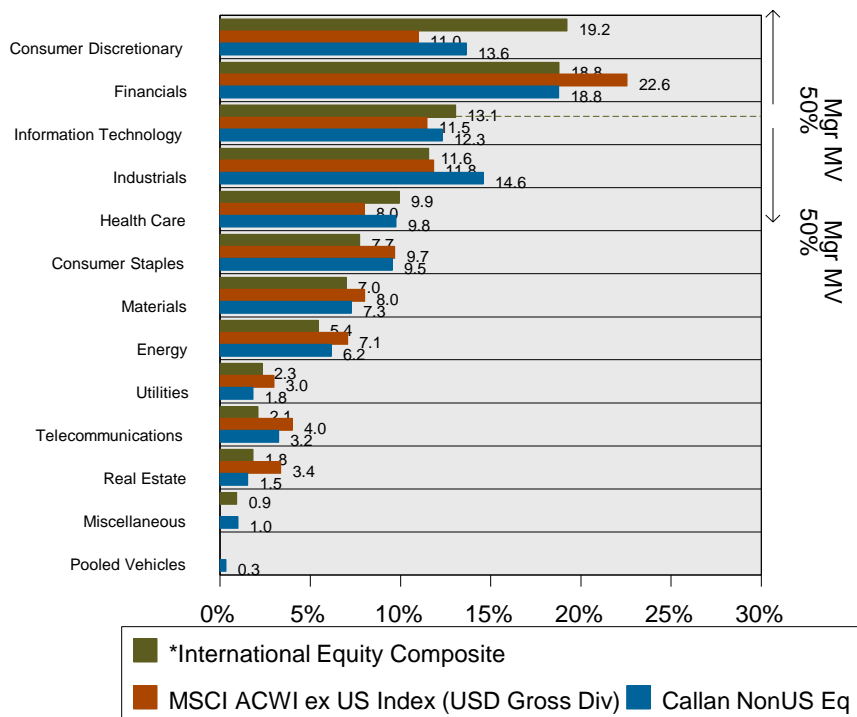
## Portfolio Characteristics Percentile Rankings Rankings Against Callan Non-US Equity as of June 30, 2018



	Forecasted P/E	Price/Book Value	Forecasted Growth in Earnings	Dividend Yield
10th Percentile	19.30	3.10	16.77	3.40
25th Percentile	16.22	2.47	13.18	3.06
Median	13.88	1.80	11.25	2.68
75th Percentile	11.95	1.47	9.87	2.18
90th Percentile	10.97	1.31	8.70	1.70

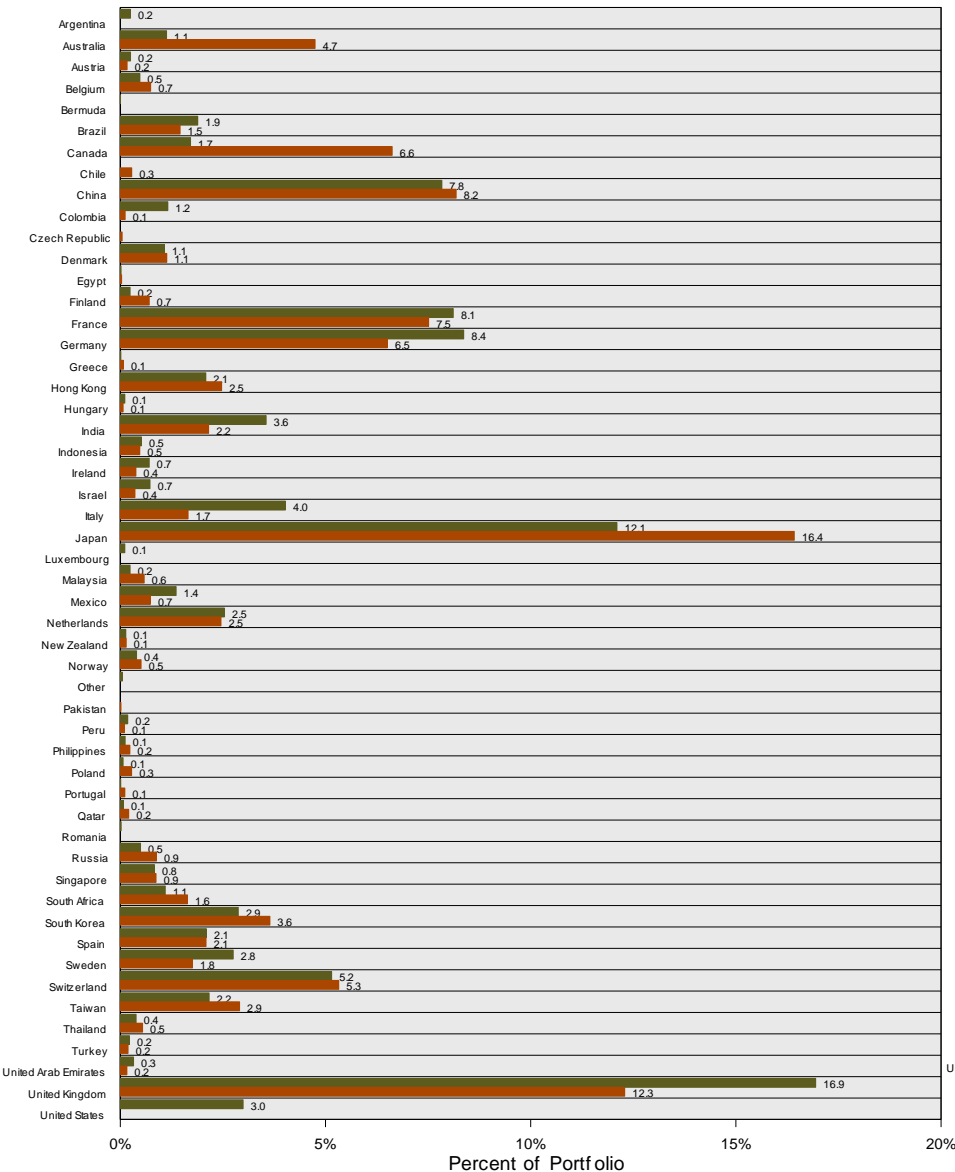
*International Equity Composite	● A	13.79	1.80	13.92	2.59
International Equity w/ Marathon	■ B	13.11	1.73	14.11	2.67
MSCI ACWI ex US Index (USD Gross Div)	▲	12.80	1.65	12.00	2.96

# International Equity Sector Allocation



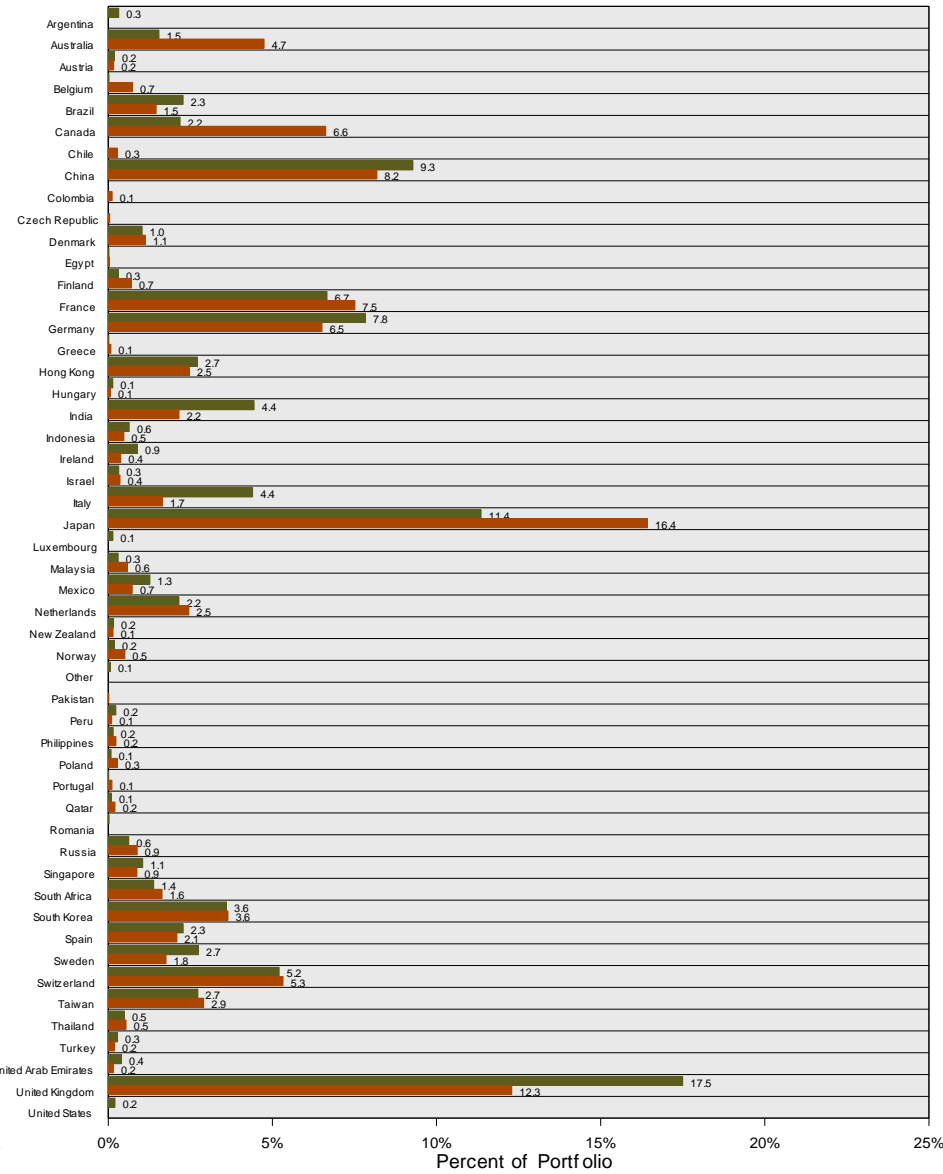
# International Equity Country Weights

Country Weights as of June 30, 2018



International Equity Composite MSCI ACWIxUS Gross

Country Weights as of June 30, 2018



International Equity w Marathon MSCI ACWIxUS Gross

# EuroPacific

## Period Ended June 30, 2018

### Investment Philosophy

Capital Group has a research-driven approach to non-U.S. investing. Their bottom-up fundamental approach is blended with macroeconomic and political judgments on the outlook of economies, industries, currencies, and markets. The fund uses a "multiple manager" approach where individual portfolio managers, each with different styles, manage separate sleeves of the strategy independently. Sleeves are combined to form the fund. Individual managers are selected so that the aggregate fund adheres to its stated objective of capital appreciation. Switched from Class R-5 Shares to Class R-6 Shares in December 2009.

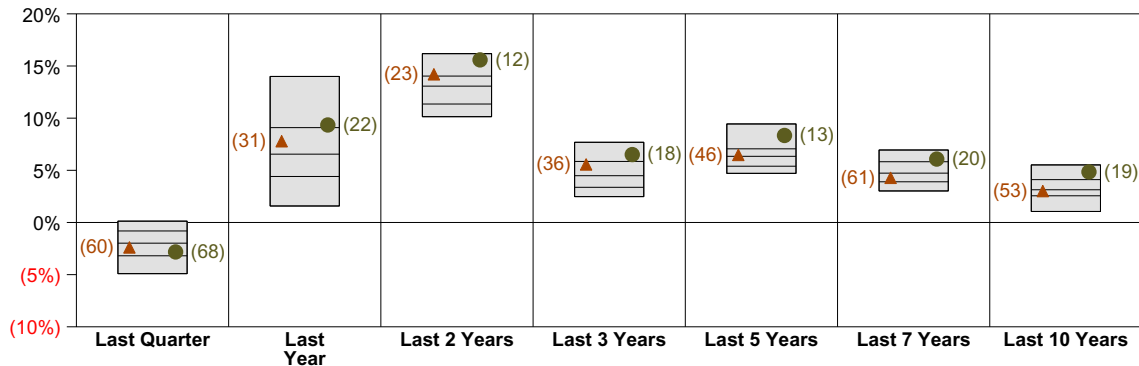
### Quarterly Summary and Highlights

- EuroPacific's portfolio posted a (2.82)% return for the quarter placing it in the 68 percentile of the Callan Non US Equity Mutual Funds group for the quarter and in the 22 percentile for the last year.
- EuroPacific's portfolio underperformed the MSCI ACWixUS Gross by 0.43% for the quarter and outperformed the MSCI ACWixUS Gross for the year by 1.56%.

### Quarterly Asset Growth

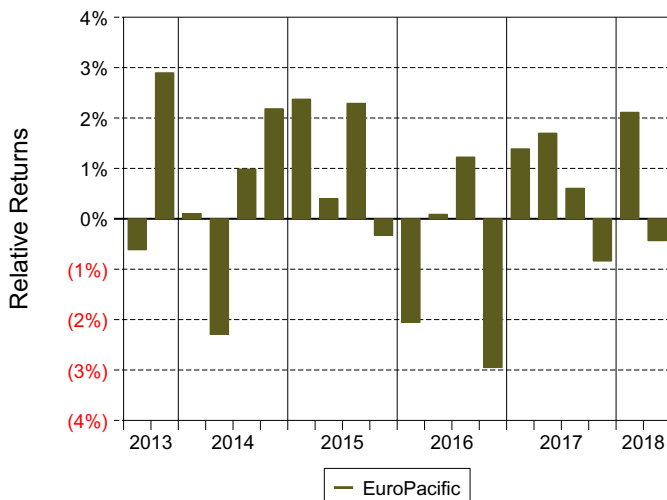
Beginning Market Value	\$28,268,088
Net New Investment	\$-1,000,000
Investment Gains/(Losses)	\$-769,262
Ending Market Value	\$26,498,826

### Performance vs Callan Non US Equity Mutual Funds (Net)

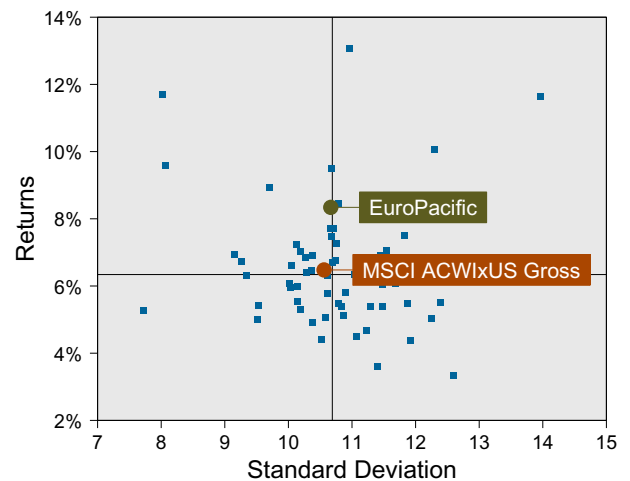


10th Percentile	0.13	14.00	16.18	7.69	9.45	6.95	5.52
25th Percentile	(0.81)	9.09	14.03	5.85	7.06	5.82	4.11
Median	(1.98)	6.55	13.07	4.48	6.34	4.73	3.14
75th Percentile	(3.19)	4.41	11.35	3.37	5.39	3.90	2.56
90th Percentile	(4.90)	1.58	10.14	2.48	4.71	3.02	1.06
<b>EuroPacific</b>	● (2.82)	9.35	15.59	6.51	8.34	6.08	4.85
MSCI ACWixUS Gross	▲ (2.39)	7.79	14.20	5.56	6.48	4.28	3.01

### Relative Return vs MSCI ACWixUS Gross



### Callan Non US Equity Mutual Funds (Net) Annualized Five Year Risk vs Return

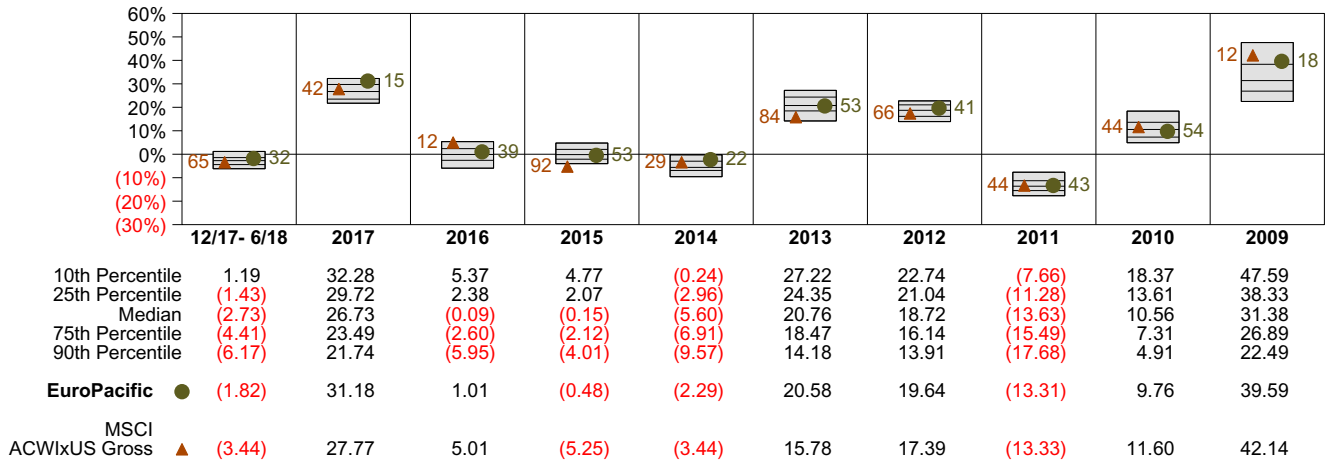


# EuroPacific Return Analysis Summary

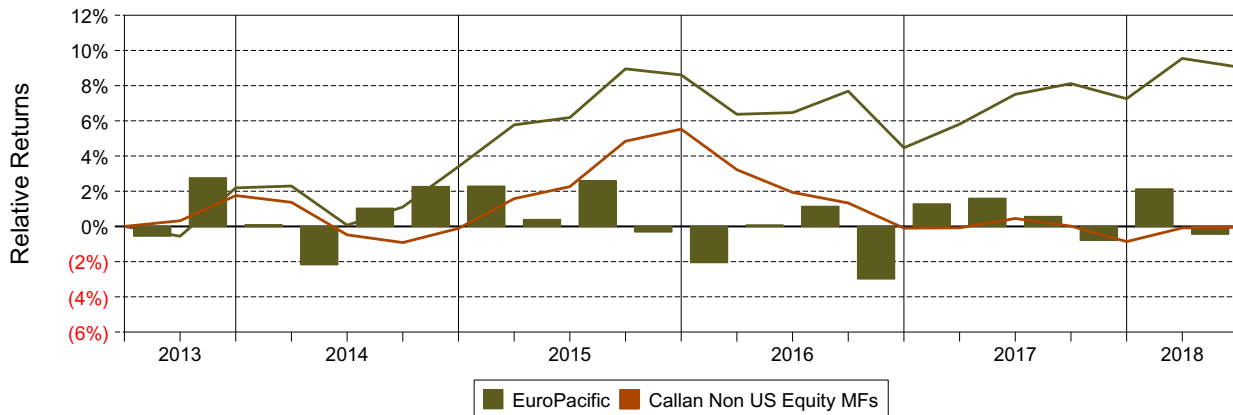
## Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

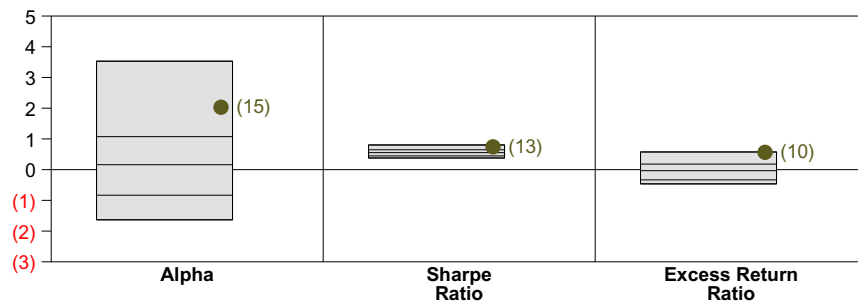
### Performance vs Callan Non US Equity Mutual Funds (Net)



### Cumulative and Quarterly Relative Return vs MSCI ACWixUS Gross



### Risk Adjusted Return Measures vs MSCI ACWixUS Gross Rankings Against Callan Non US Equity Mutual Funds (Net) Five Years Ended June 30, 2018



10th Percentile	3.53	0.80	0.58
25th Percentile	1.07	0.65	0.18
Median	0.16	0.55	(0.03)
75th Percentile	(0.83)	0.45	(0.33)
90th Percentile	(1.63)	0.38	(0.46)
<b>EuroPacific</b>	● 2.03	0.74	0.56

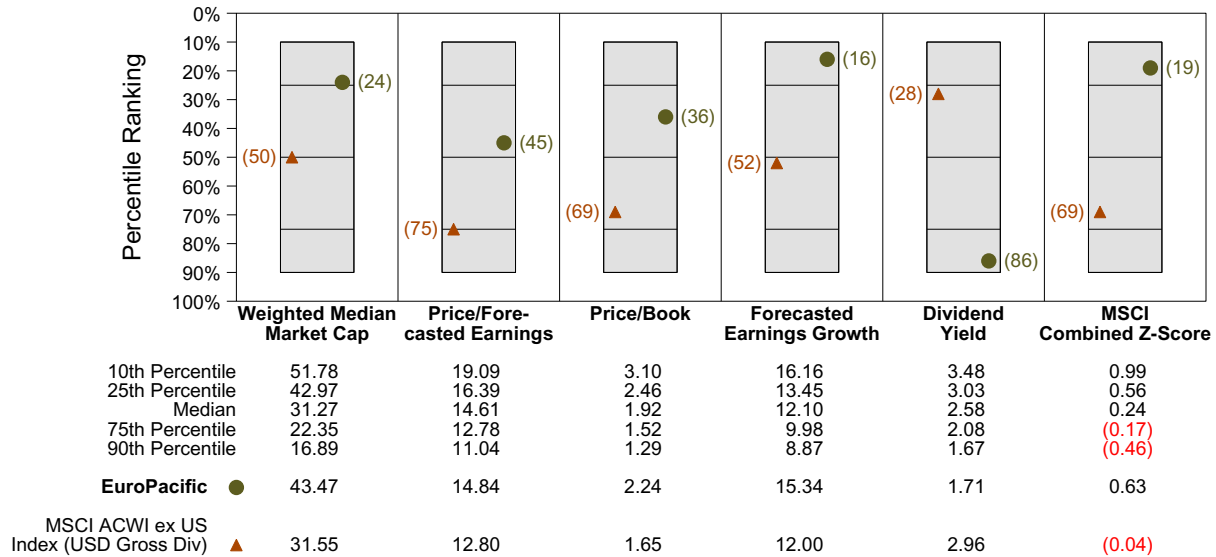


# EuroPacific Equity Characteristics Analysis Summary

## Portfolio Characteristics

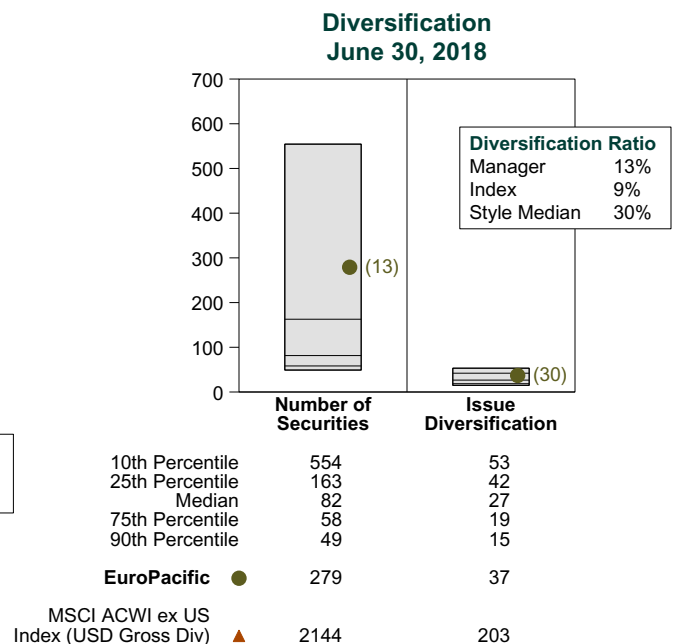
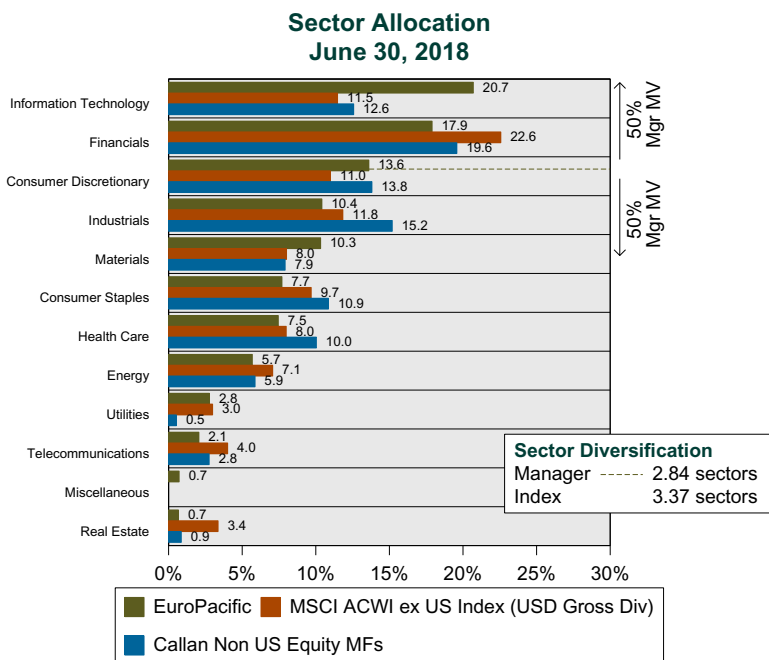
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Portfolio Characteristics Percentile Rankings Rankings Against Callan Non US Equity Mutual Funds as of June 30, 2018



## Sector Weights

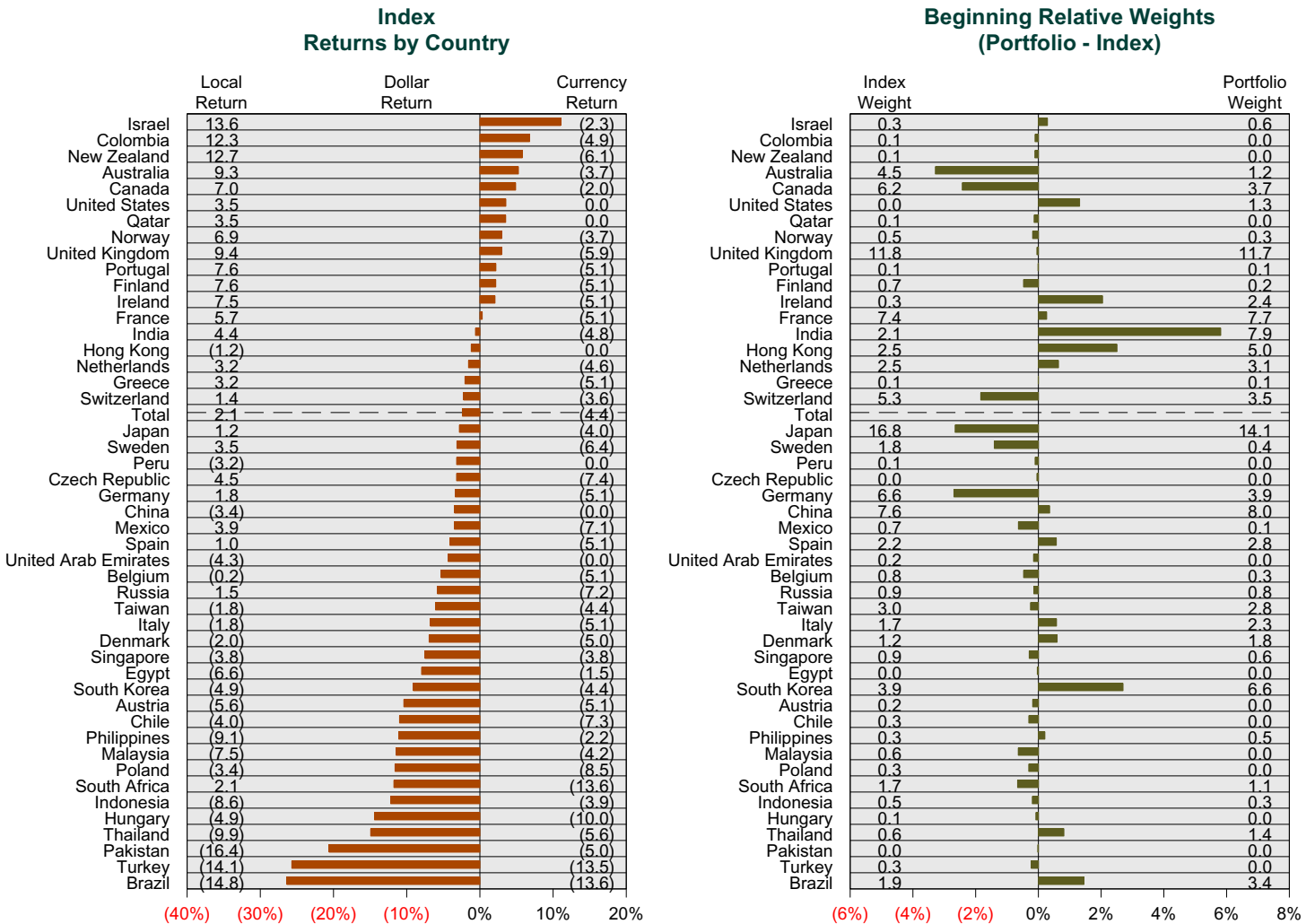
The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.



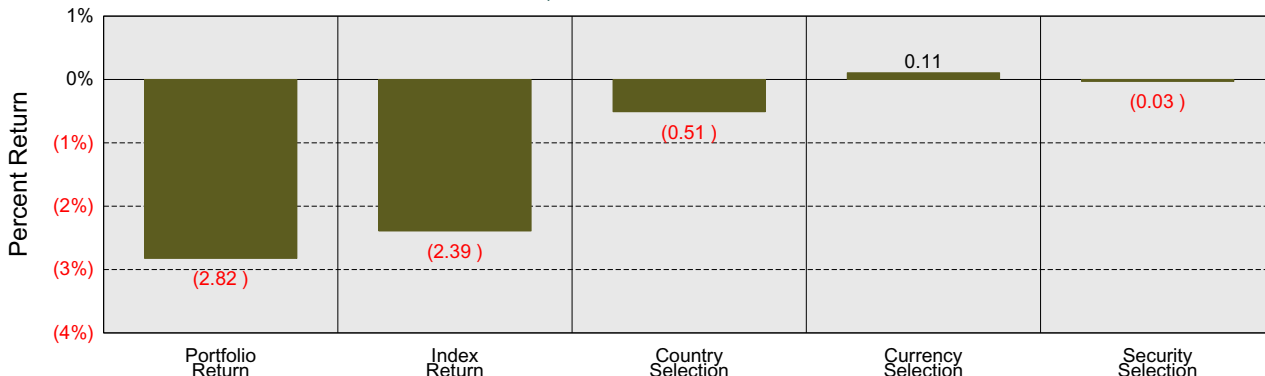
# EuroPacific vs MSCI ACWixUS Gross Attribution for Quarter Ended June 30, 2018

## International Attribution

The first chart below illustrates the return for each country in the index sorted from high to low. The total return for the index is highlighted with a dotted line. The second chart (countries presented in the same order) illustrates the manager's country allocation decisions relative to the index. To the extent that the manager over-weighted a country that had a higher return than the total return for the index (above the dotted line) it contributes positively to the manager's country (or currency) selection effect. The last chart details the manager return, the index return, and the attribution factors for the quarter.



## Attribution Factors for Quarter Ended June 30, 2018



# Harbor International Period Ended June 30, 2018

## Investment Philosophy

The Harbor International Fund is sub-advised by Northern Cross, LLC. The investment philosophy focuses on companies with prospects of margin expansion and those that have strong franchise value or asset value. The fund takes a long-term view, expecting to hold a security for 7-10 years. Patient due diligence of companies, countries, and regions are of the utmost importance to the investment process. The team believes this due diligence, in combination with a top down investment theme, provides the best opportunity to invest in truly undervalued companies. The strategy has remained consistent in this philosophy over the past decades of international investment.

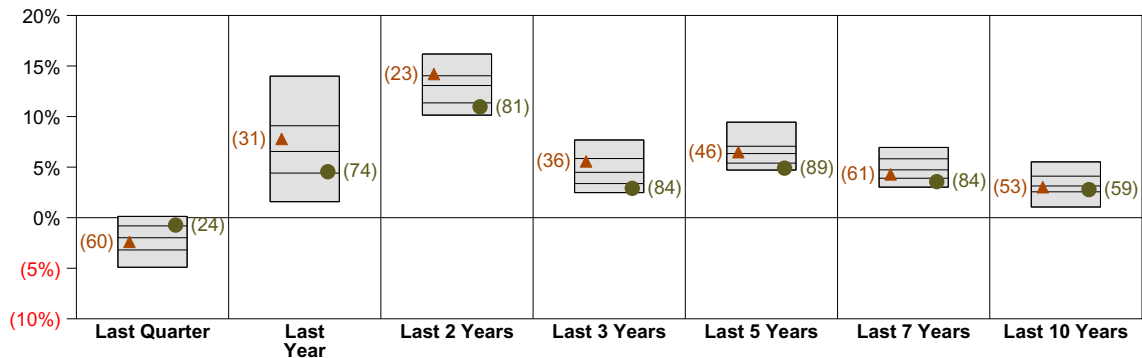
## Quarterly Summary and Highlights

- Harbor International's portfolio posted a (0.73)% return for the quarter placing it in the 24 percentile of the Callan Non US Equity Mutual Funds group for the quarter and in the 74 percentile for the last year.
- Harbor International's portfolio outperformed the MSCI ACWIxUS Gross by 1.66% for the quarter and underperformed the MSCI ACWIxUS Gross for the year by 3.24%.

## Quarterly Asset Growth

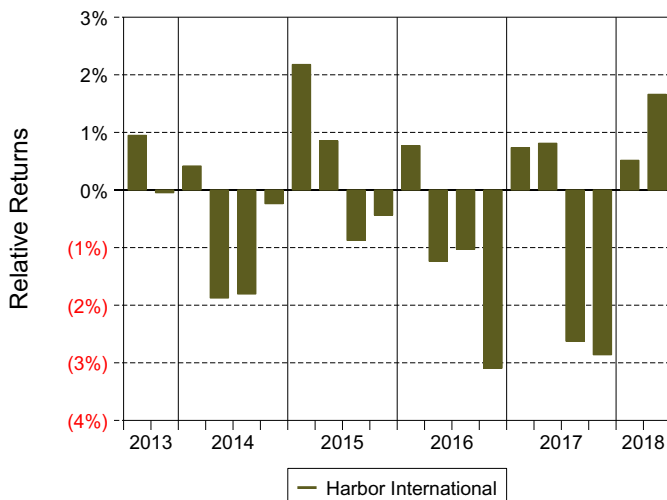
Beginning Market Value	\$30,845,767
Net New Investment	\$0
Investment Gains/(Losses)	\$-225,251
Ending Market Value	\$30,620,516

## Performance vs Callan Non US Equity Mutual Funds (Net)

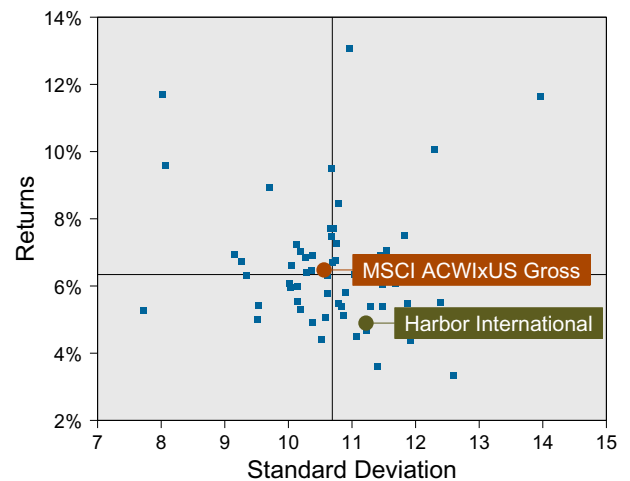


	Last Quarter	Last Year	Last 2 Years	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
10th Percentile	0.13	14.00	16.18	7.69	9.45	6.95	5.52
25th Percentile	(0.81)	9.09	14.03	5.85	7.06	5.82	4.11
Median	(1.98)	6.55	13.07	4.48	6.34	4.73	3.14
75th Percentile	(3.19)	4.41	11.35	3.37	5.39	3.90	2.56
90th Percentile	(4.90)	1.58	10.14	2.48	4.71	3.02	1.06
<b>Harbor International</b> ●	<b>(0.73)</b>	4.55	10.96	2.90	4.90	3.56	2.77
MSCI ACWIxUS Gross ▲	<b>(2.39)</b>	7.79	14.20	5.56	6.48	4.28	3.01

## Relative Return vs MSCI ACWIxUS Gross



## Callan Non US Equity Mutual Funds (Net) Annualized Five Year Risk vs Return

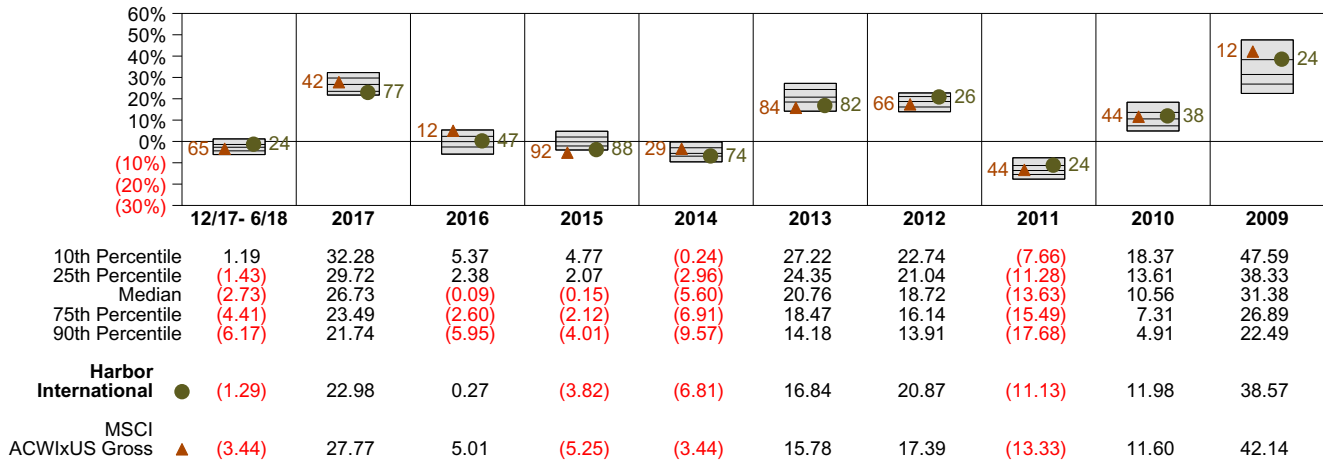


# Harbor International Return Analysis Summary

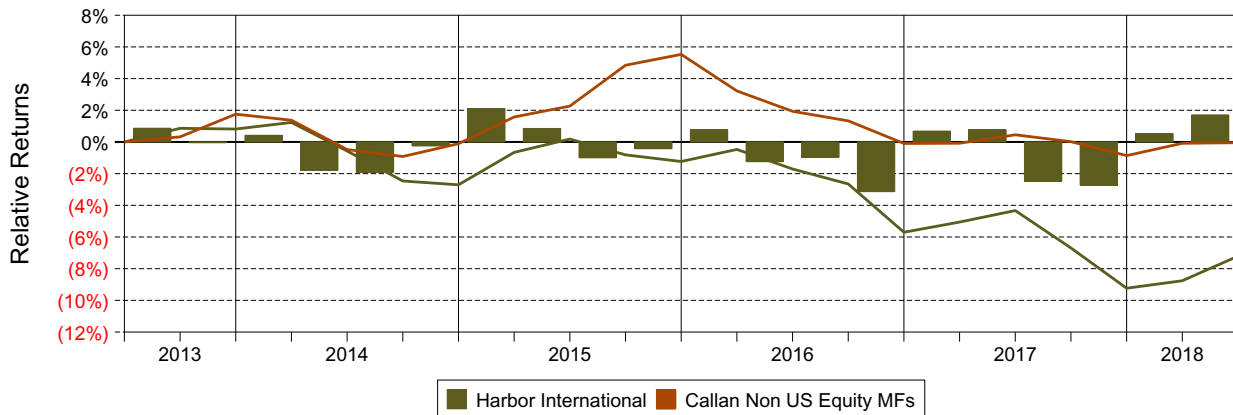
## Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

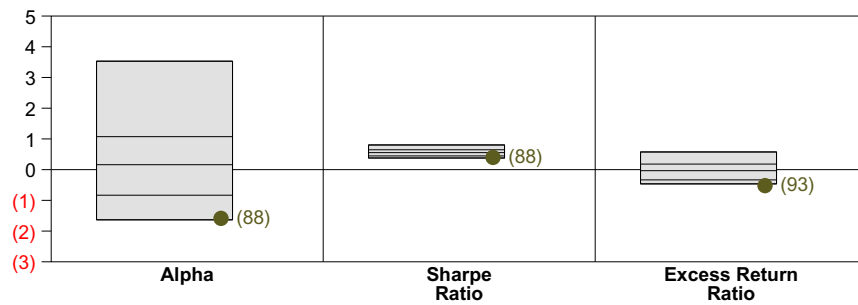
### Performance vs Callan Non US Equity Mutual Funds (Net)



### Cumulative and Quarterly Relative Return vs MSCI ACWixUS Gross



### Risk Adjusted Return Measures vs MSCI ACWixUS Gross Rankings Against Callan Non US Equity Mutual Funds (Net) Five Years Ended June 30, 2018



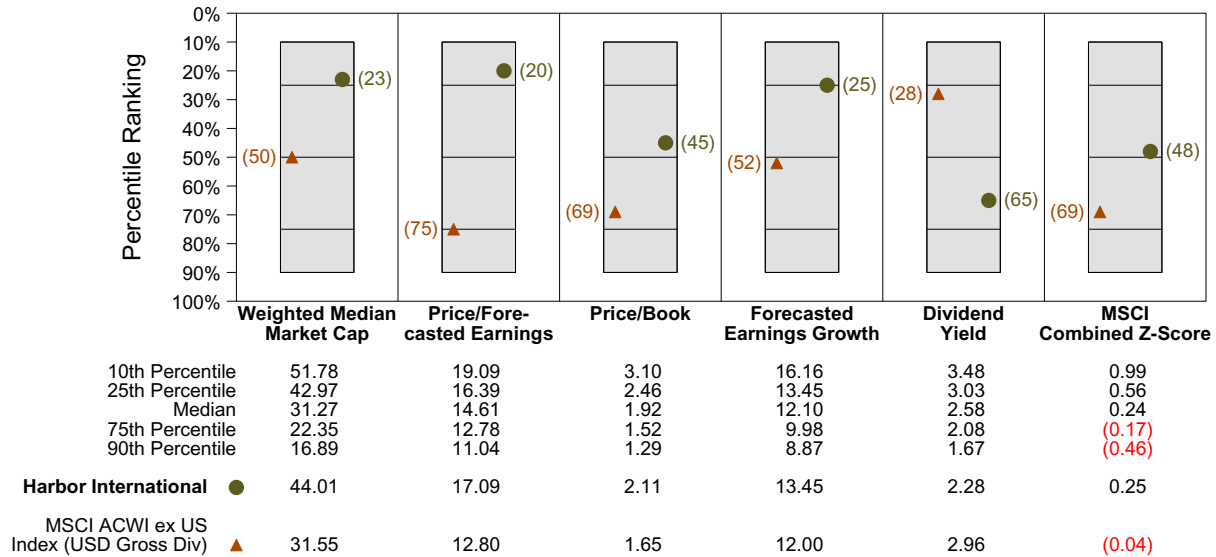
10th Percentile	3.53	0.80	0.58
25th Percentile	1.07	0.65	0.18
Median	0.16	0.55	(0.03)
75th Percentile	(0.83)	0.45	(0.33)
90th Percentile	(1.63)	0.38	(0.46)
<b>Harbor International</b>	● (1.59)	0.40	(0.52)

# Harbor International Equity Characteristics Analysis Summary

## Portfolio Characteristics

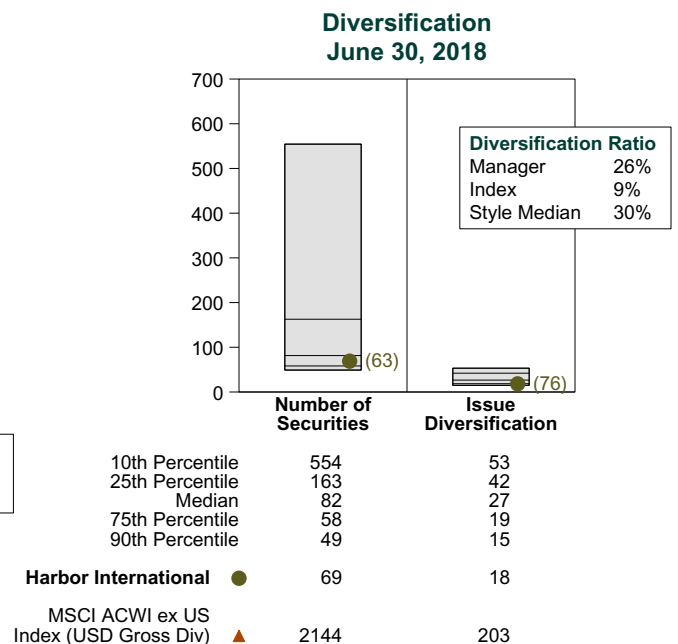
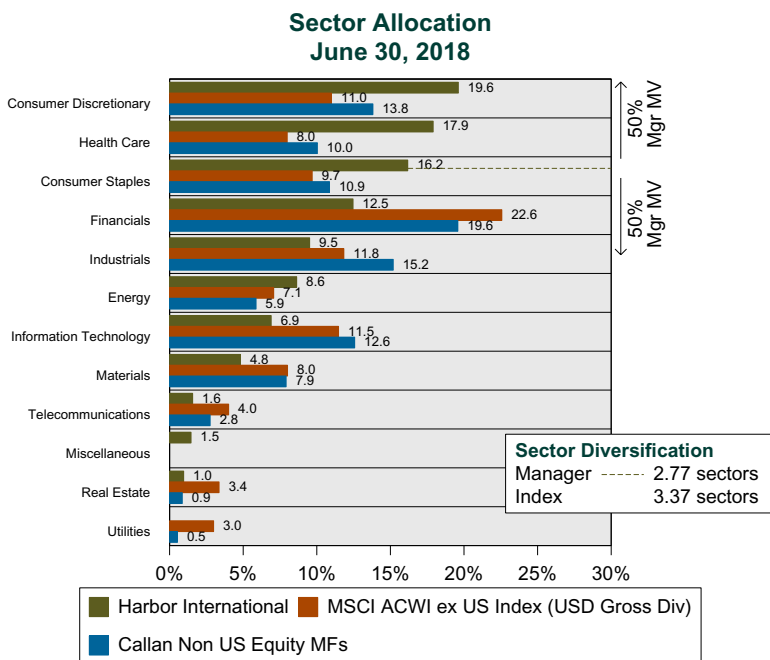
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Portfolio Characteristics Percentile Rankings Rankings Against Callan Non US Equity Mutual Funds as of June 30, 2018



## Sector Weights

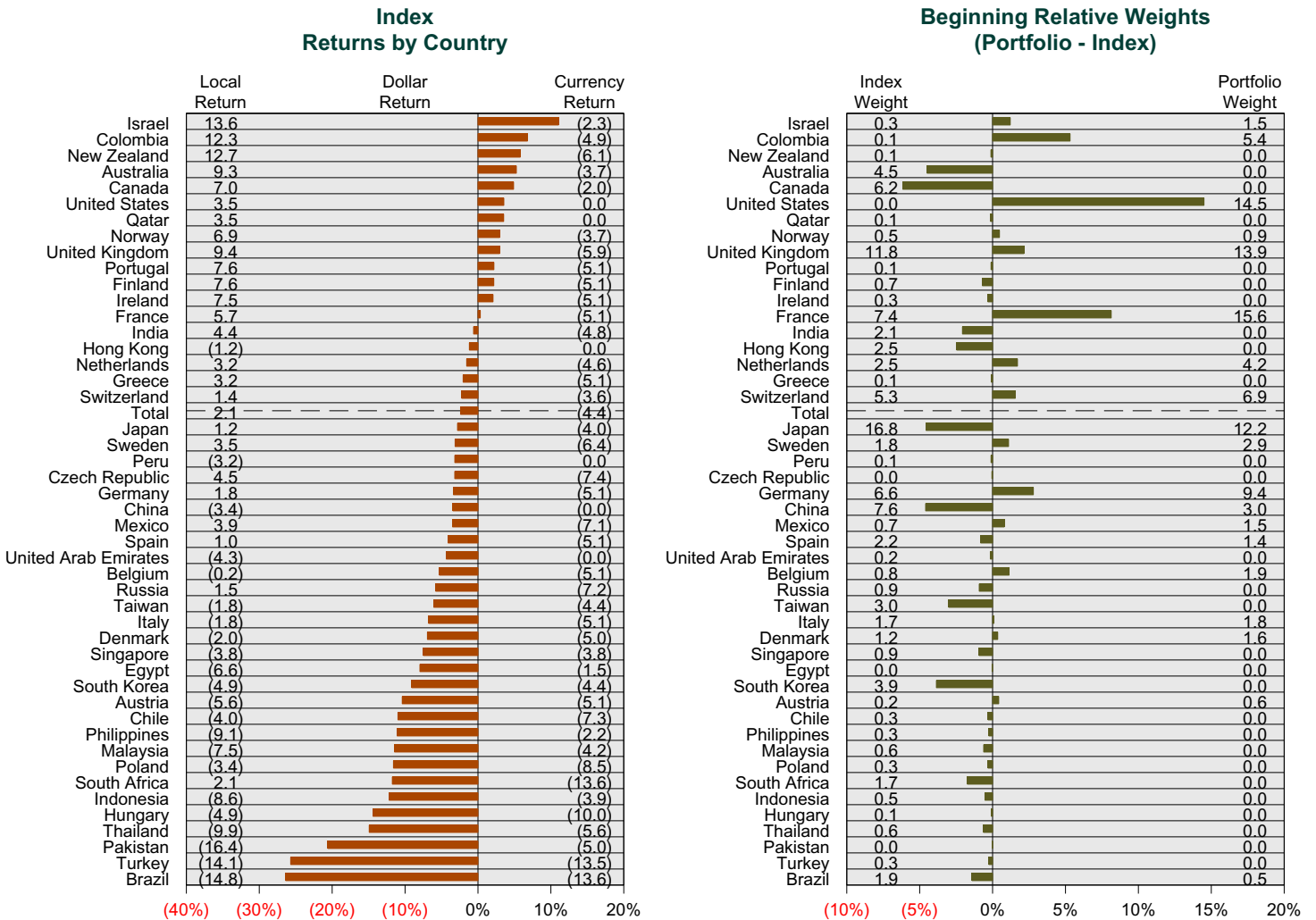
The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.



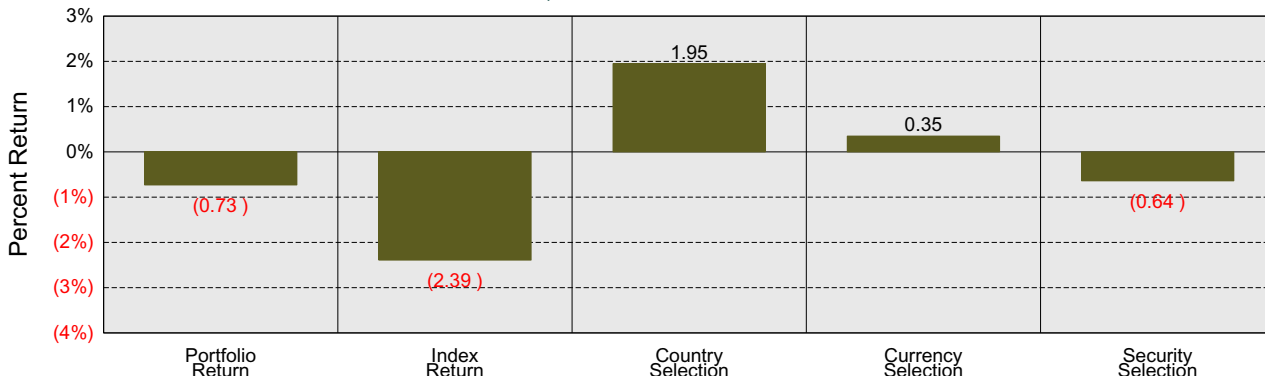
# Harbor International vs MSCI ACWIxUS Gross Attribution for Quarter Ended June 30, 2018

## International Attribution

The first chart below illustrates the return for each country in the index sorted from high to low. The total return for the index is highlighted with a dotted line. The second chart (countries presented in the same order) illustrates the manager's country allocation decisions relative to the index. To the extent that the manager over-weighted a country that had a higher return than the total return for the index (above the dotted line) it contributes positively to the manager's country (or currency) selection effect. The last chart details the manager return, the index return, and the attribution factors for the quarter.



## Attribution Factors for Quarter Ended June 30, 2018



# Oakmark International Period Ended June 30, 2018

## Investment Philosophy

Harris Associates are value investors. They seek to invest in companies that trade at a substantial discount to their underlying business values and run by managers who think and act as owners. They believe that purchasing a quality business at a discount to its underlying value minimizes risk while providing substantial profit potential. Over time, they believe the price of a stock will rise to reflect the company's underlying business value; in practice, their investment time horizon is generally three to five years. They are concentrated investors, building focused portfolios that provide diversification but are concentrated enough so that their best ideas can make a meaningful impact on investment performance. They believe they can add value through their stock selection capabilities and low correlation to international indices and peers. Harris believes their greatest competitive advantage is their long-term investment horizon, exploiting the mispricing of securities caused by what they believe is the short-term focus of many market participants. \*This fund was converted into a CIT in November 2015.

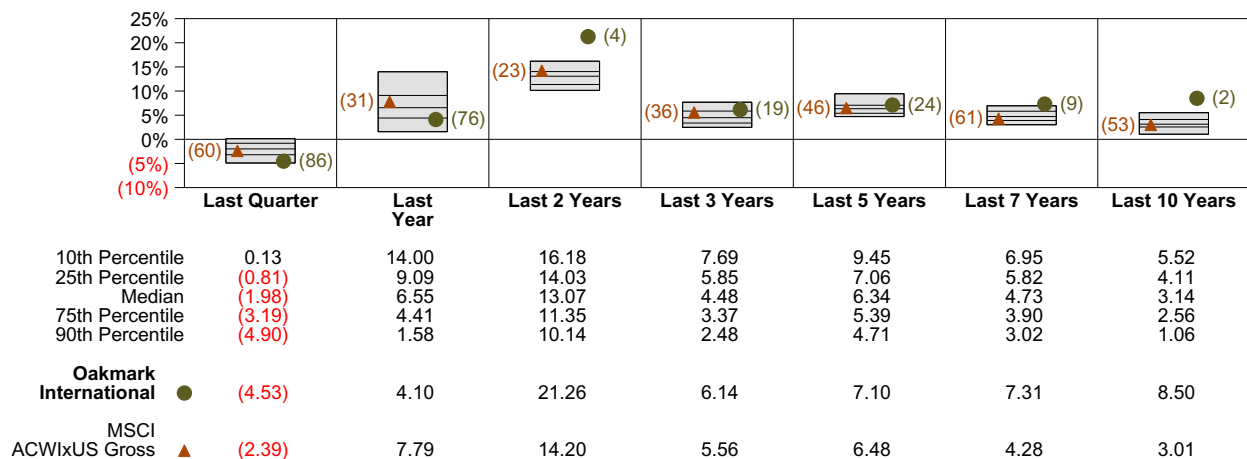
## Quarterly Summary and Highlights

- Oakmark International's portfolio posted a (4.53)% return for the quarter placing it in the 86 percentile of the Callan Non US Equity Mutual Funds group for the quarter and in the 76 percentile for the last year.
- Oakmark International's portfolio underperformed the MSCI ACWixUS Gross by 2.14% for the quarter and underperformed the MSCI ACWixUS Gross for the year by 3.69%.

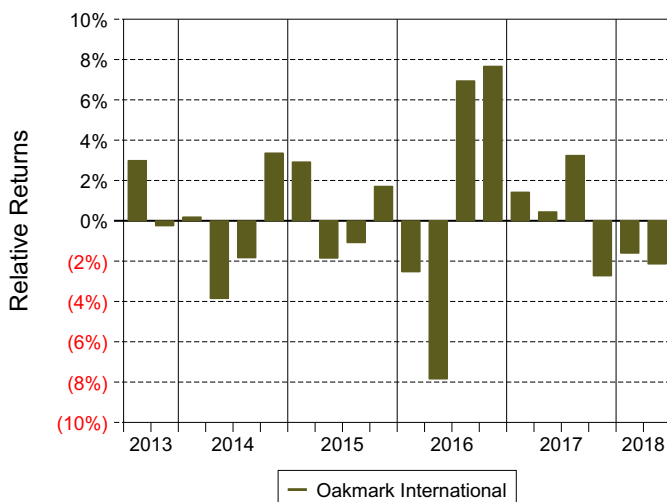
## Quarterly Asset Growth

Beginning Market Value	\$31,510,982
Net New Investment	-\$1,000,000
Investment Gains/(Losses)	-\$1,392,738
Ending Market Value	\$29,118,244

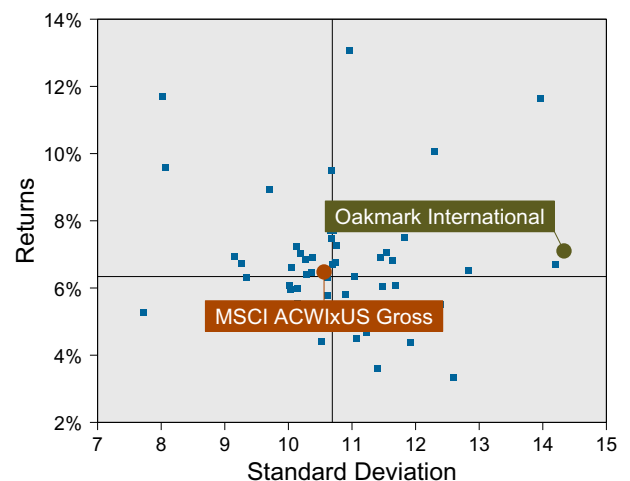
## Performance vs Callan Non US Equity Mutual Funds (Net)



## Relative Return vs MSCI ACWixUS Gross



## Callan Non US Equity Mutual Funds (Net) Annualized Five Year Risk vs Return

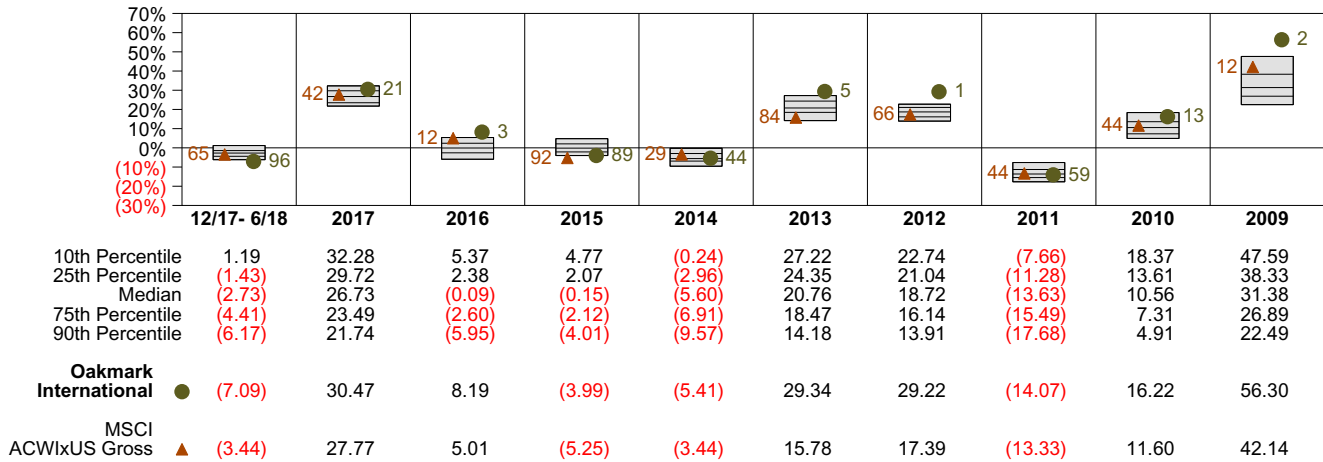


# Oakmark International Return Analysis Summary

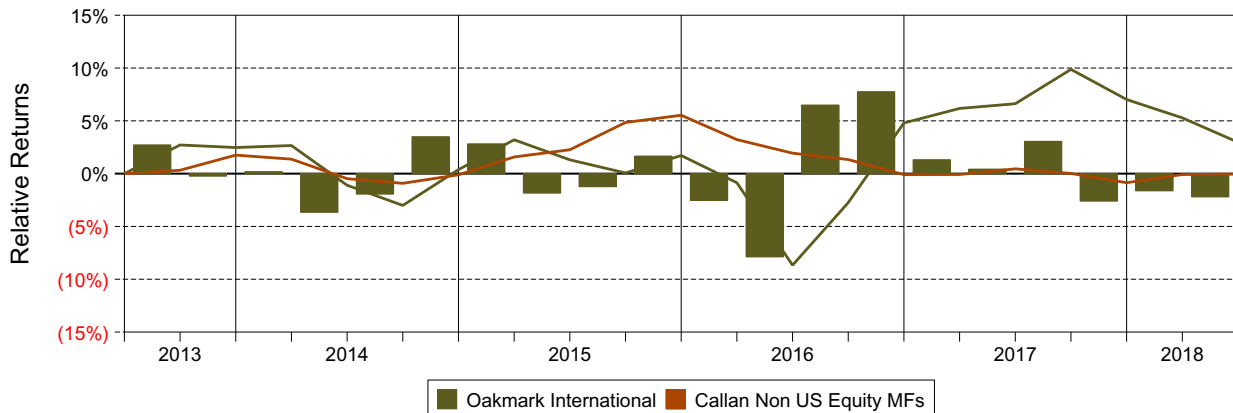
## Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

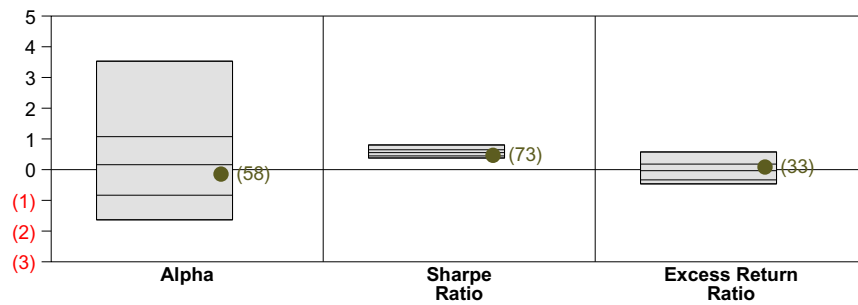
### Performance vs Callan Non US Equity Mutual Funds (Net)



### Cumulative and Quarterly Relative Return vs MSCI ACWIxUS Gross



### Risk Adjusted Return Measures vs MSCI ACWIxUS Gross Rankings Against Callan Non US Equity Mutual Funds (Net) Five Years Ended June 30, 2018



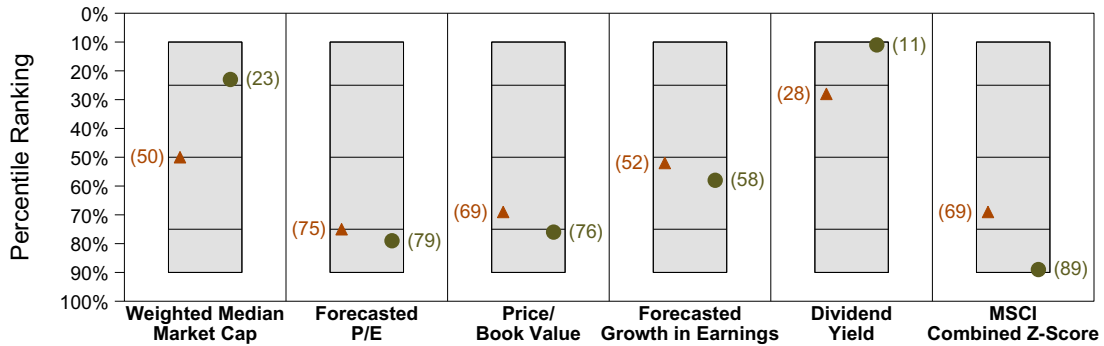


# Oakmark International Equity Characteristics Analysis Summary

## Portfolio Characteristics

This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

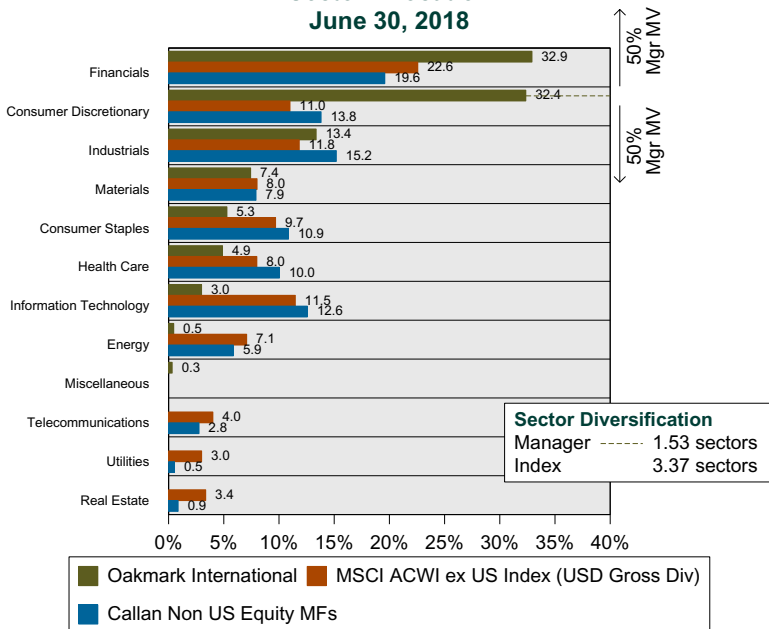
## Portfolio Characteristics Percentile Rankings Rankings Against Callan Non US Equity Mutual Funds as of June 30, 2018



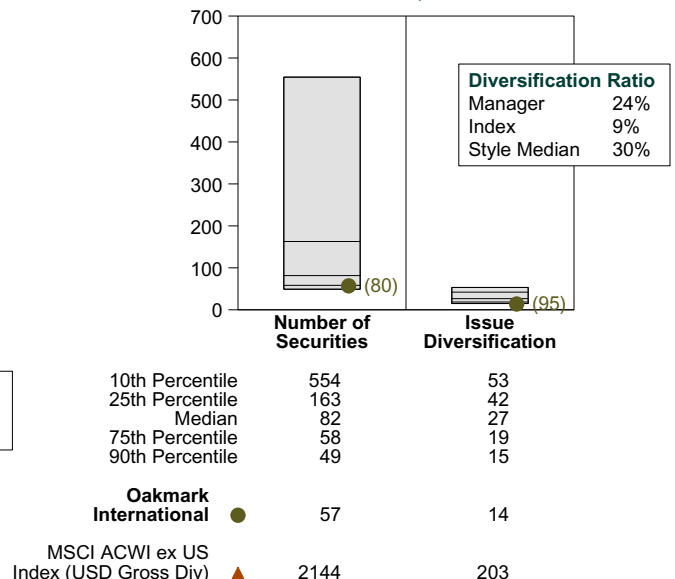
## Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.

### Sector Allocation June 30, 2018



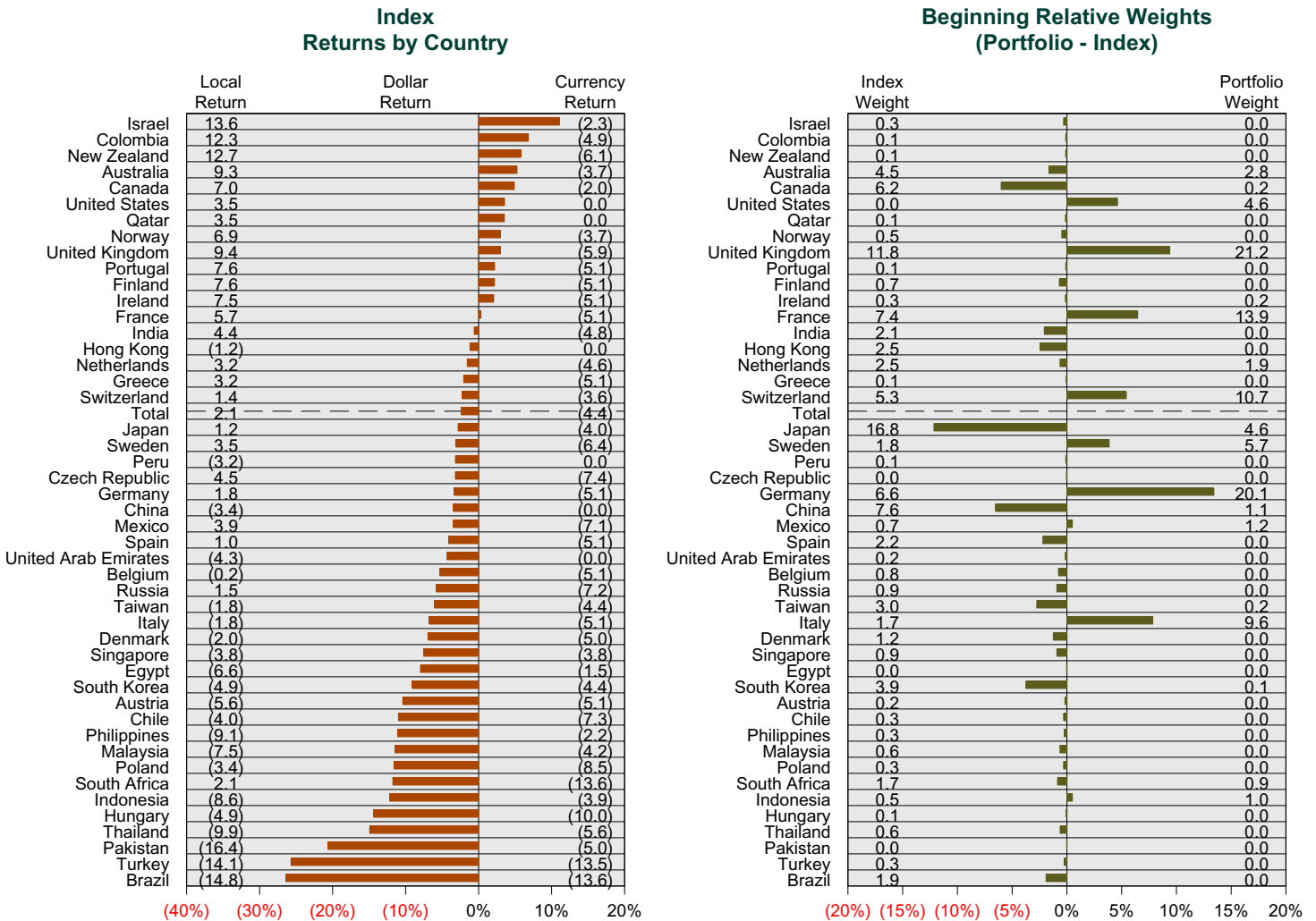
### Diversification June 30, 2018



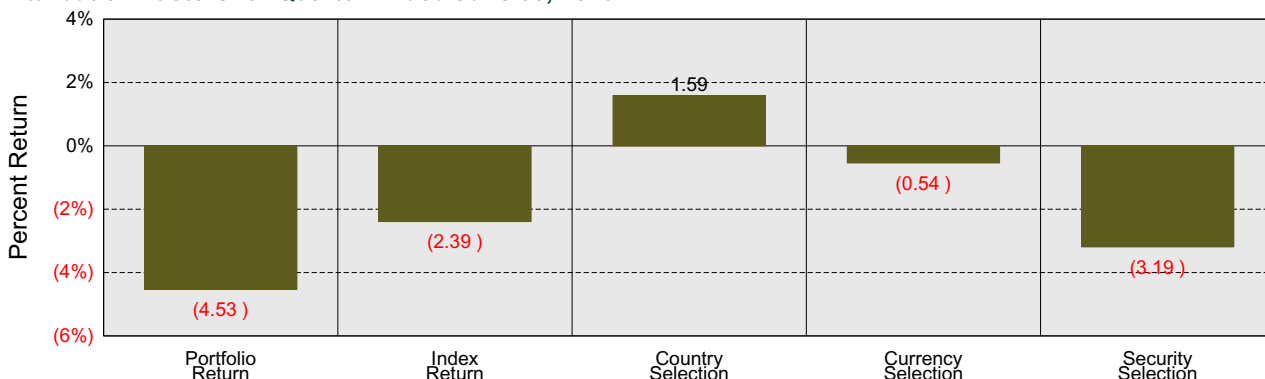
# Oakmark International vs MSCI ACWIxUS Gross Attribution for Quarter Ended June 30, 2018

## International Attribution

The first chart below illustrates the return for each country in the index sorted from high to low. The total return for the index is highlighted with a dotted line. The second chart (countries presented in the same order) illustrates the manager's country allocation decisions relative to the index. To the extent that the manager over-weighted a country that had a higher return than the total return for the index (above the dotted line) it contributes positively to the manager's country (or currency) selection effect. The last chart details the manager return, the index return, and the attribution factors for the quarter.



## Attribution Factors for Quarter Ended June 30, 2018



# Mondrian International Period Ended June 30, 2018

## Investment Philosophy

Mondrian's value driven investment philosophy is based on the belief that investments need to be evaluated in terms of their fundamental long-term value. In the management of international equity assets, they invest in securities where rigorous dividend discount analysis identifies value in terms of the long term flow of income. Mondrian's management fee is 80 bps on all assets.

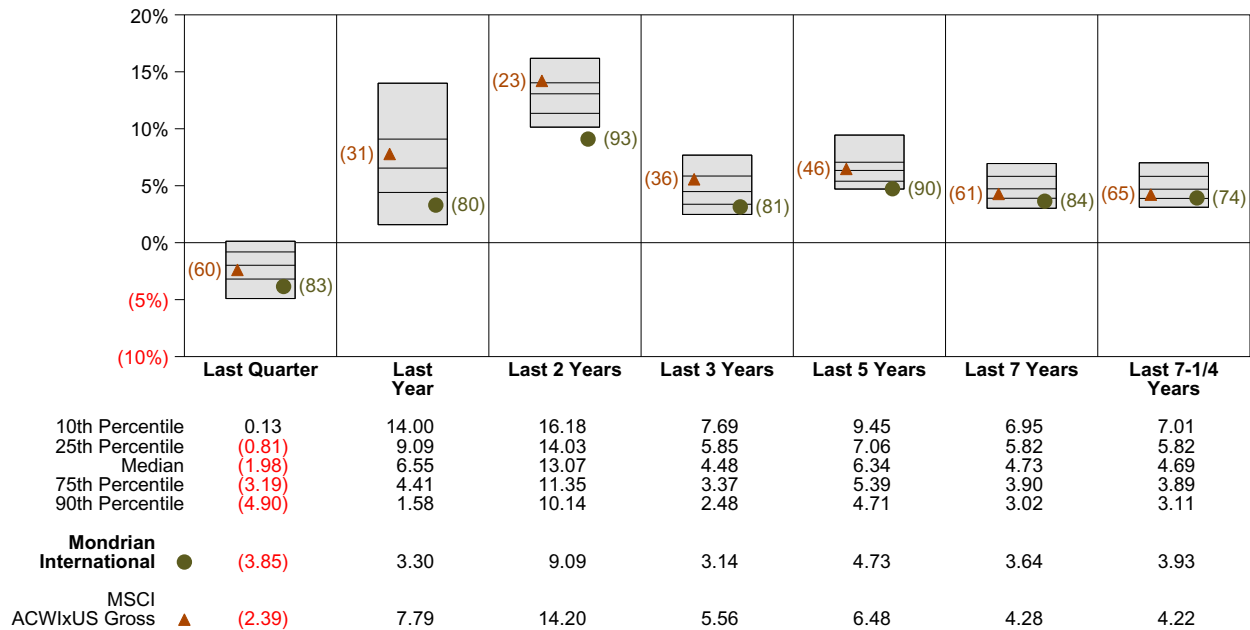
## Quarterly Summary and Highlights

- Mondrian International's portfolio posted a (3.85)% return for the quarter placing it in the 83 percentile of the Callan Non US Equity Mutual Funds group for the quarter and in the 80 percentile for the last year.
- Mondrian International's portfolio underperformed the MSCI ACWixUS Gross by 1.46% for the quarter and underperformed the MSCI ACWixUS Gross for the year by 4.49%.

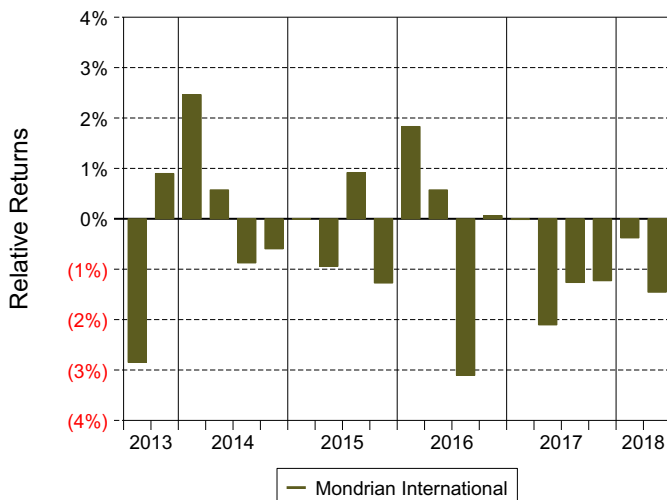
## Quarterly Asset Growth

Beginning Market Value	\$26,840,349
Net New Investment	\$0
Investment Gains/(Losses)	\$-980,507
Ending Market Value	\$25,859,842

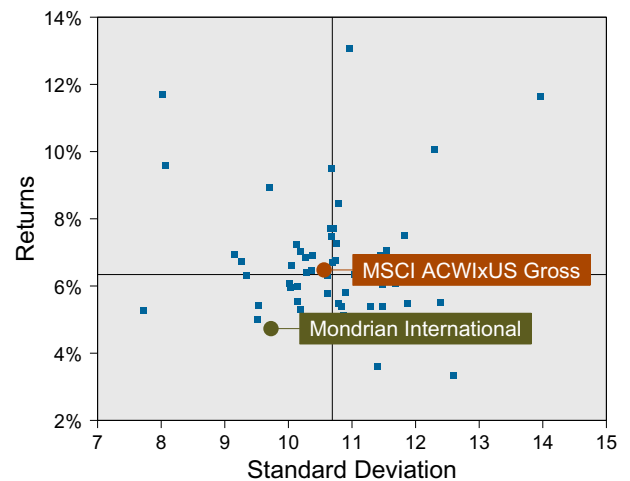
## Performance vs Callan Non US Equity Mutual Funds (Net)



## Relative Return vs MSCI ACWixUS Gross



## Callan Non US Equity Mutual Funds (Net) Annualized Five Year Risk vs Return

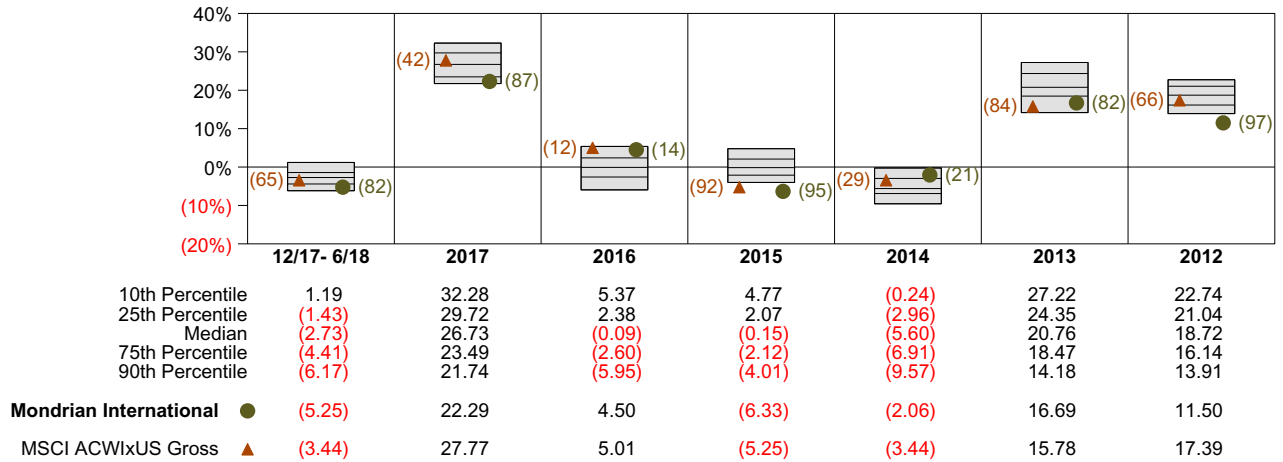


# Mondrian International Return Analysis Summary

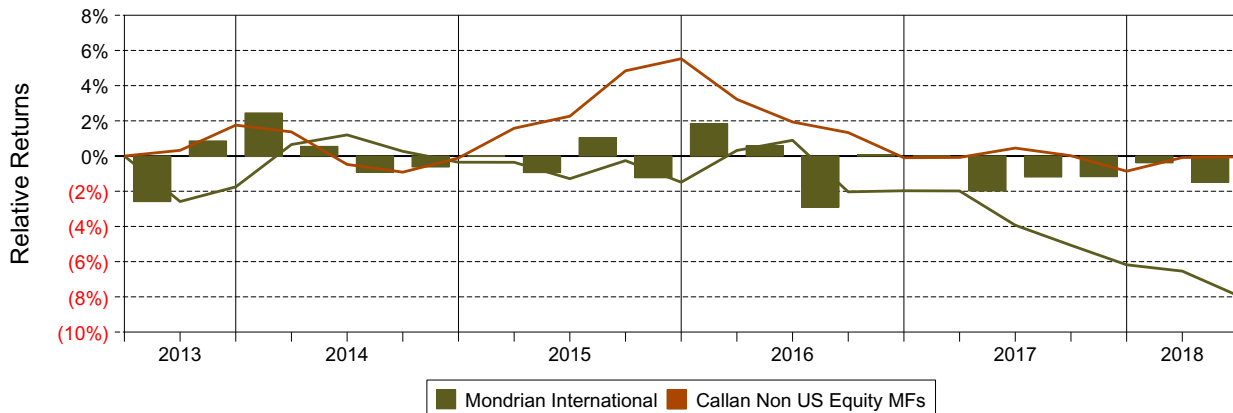
## Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

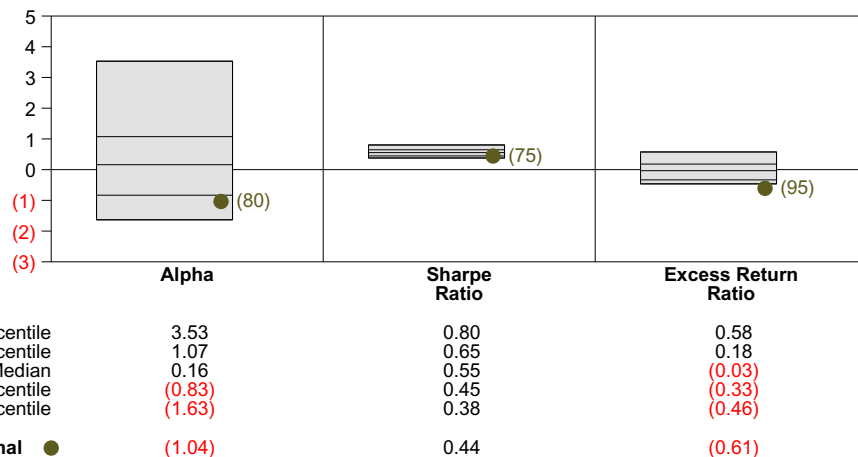
### Performance vs Callan Non US Equity Mutual Funds (Net)



### Cumulative and Quarterly Relative Return vs MSCI ACWixUS Gross



### Risk Adjusted Return Measures vs MSCI ACWixUS Gross Rankings Against Callan Non US Equity Mutual Funds (Net) Five Years Ended June 30, 2018

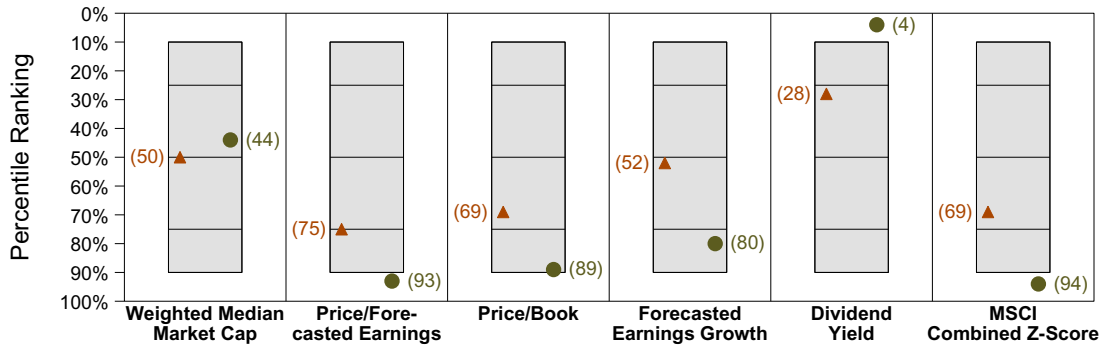


# Mondrian International Equity Characteristics Analysis Summary

## Portfolio Characteristics

This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

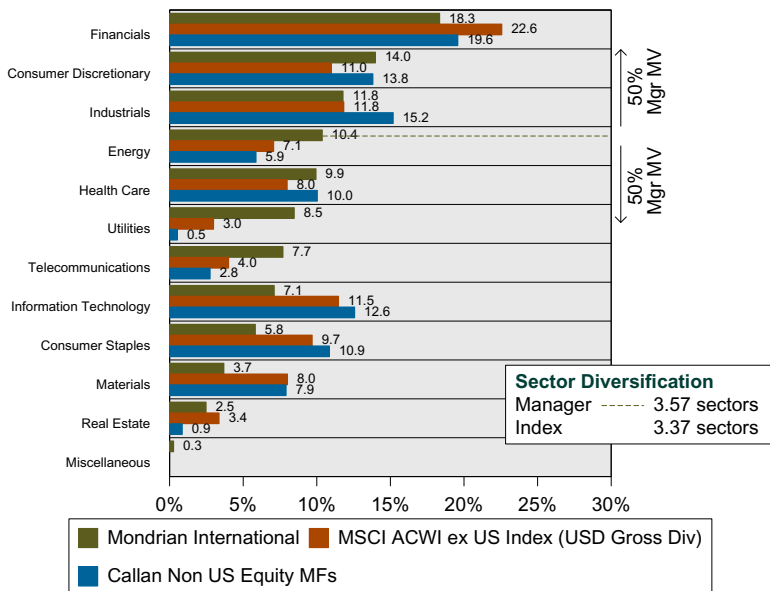
## Portfolio Characteristics Percentile Rankings Rankings Against Callan Non US Equity Mutual Funds as of June 30, 2018



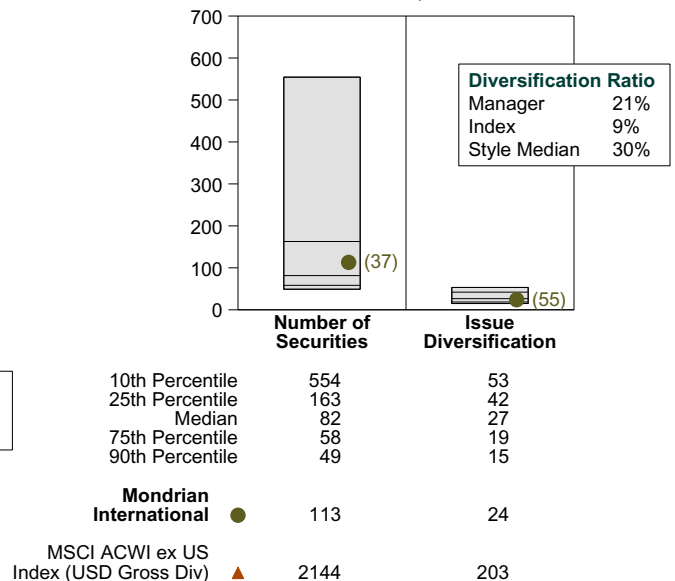
## Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.

### Sector Allocation June 30, 2018



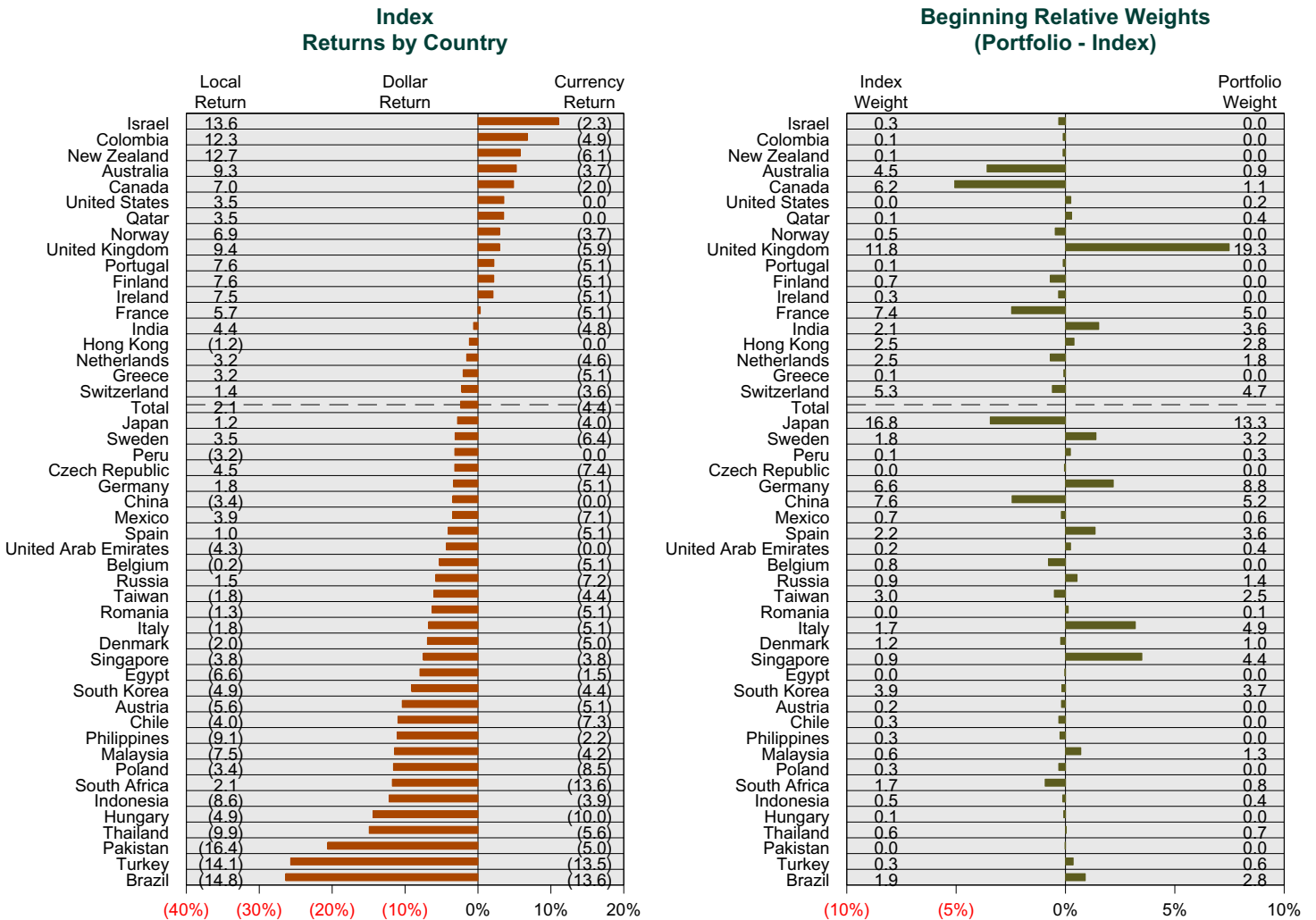
### Diversification June 30, 2018



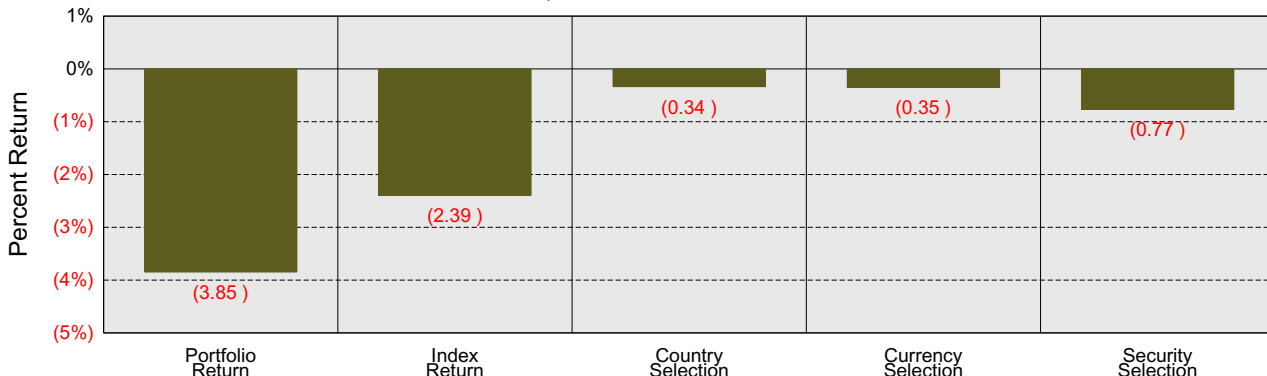
# Mondrian International vs MSCI ACWixUS Gross Attribution for Quarter Ended June 30, 2018

## International Attribution

The first chart below illustrates the return for each country in the index sorted from high to low. The total return for the index is highlighted with a dotted line. The second chart (countries presented in the same order) illustrates the manager's country allocation decisions relative to the index. To the extent that the manager over-weighted a country that had a higher return than the total return for the index (above the dotted line) it contributes positively to the manager's country (or currency) selection effect. The last chart details the manager return, the index return, and the attribution factors for the quarter.



## Attribution Factors for Quarter Ended June 30, 2018



# T. Rowe Price Intl Small Cap Period Ended June 30, 2018

## Investment Philosophy

Central to T. Rowe's investment philosophy is the belief that the market for international small-cap equities has significant pricing inefficiencies. These inefficiencies stem from the fact that global investors tend to be underexposed to international small-cap equities and that these equities are under researched given the sheer size and scope of the opportunity set. Further, they believe that a disciplined decision-making process nourished by superior research information is the best way to take advantage of market inefficiencies. The team's approach emphasizes reasonably priced growth stocks that they believe can grow their earnings faster than the overall market, which should result in a portfolio of stocks that outperforms the broad market over time. Portfolio was funded September 2017. Historical returns are that of the manager's composite.

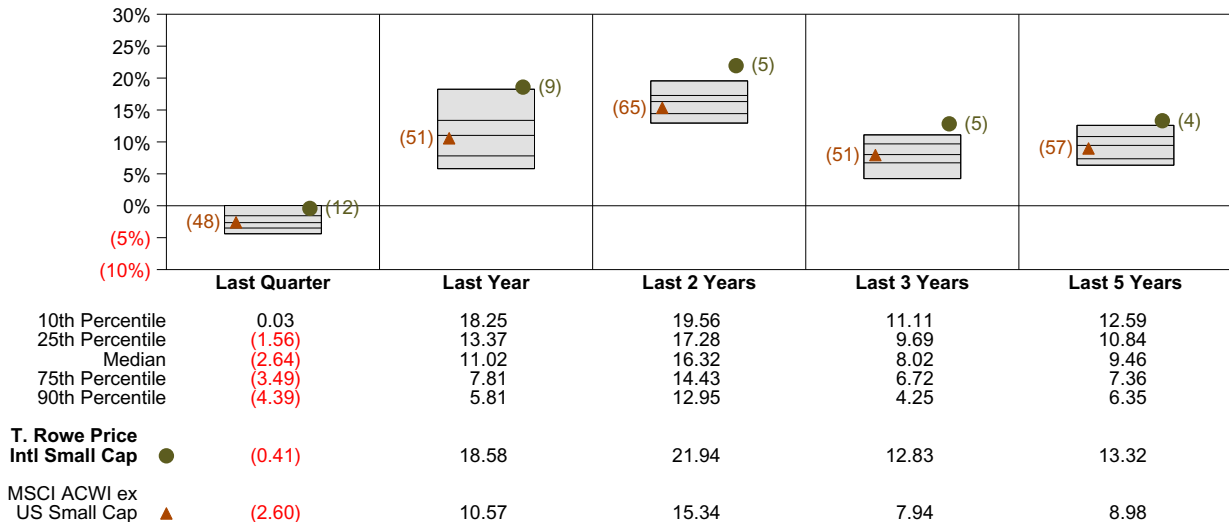
## Quarterly Summary and Highlights

- T. Rowe Price Intl Small Cap's portfolio posted a (0.41)% return for the quarter placing it in the 12 percentile of the Callan International Small Cap Mut Funds group for the quarter and in the 9 percentile for the last year.
- T. Rowe Price Intl Small Cap's portfolio outperformed the MSCI ACWI ex US Small Cap by 2.18% for the quarter and outperformed the MSCI ACWI ex US Small Cap for the year by 8.02%.

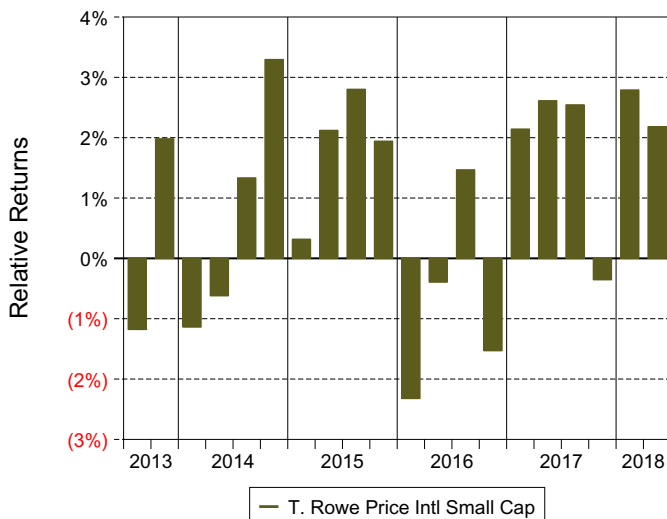
## Quarterly Asset Growth

Beginning Market Value	\$23,481,900
Net New Investment	\$0
Investment Gains/(Losses)	\$-36,312
Ending Market Value	\$23,445,588

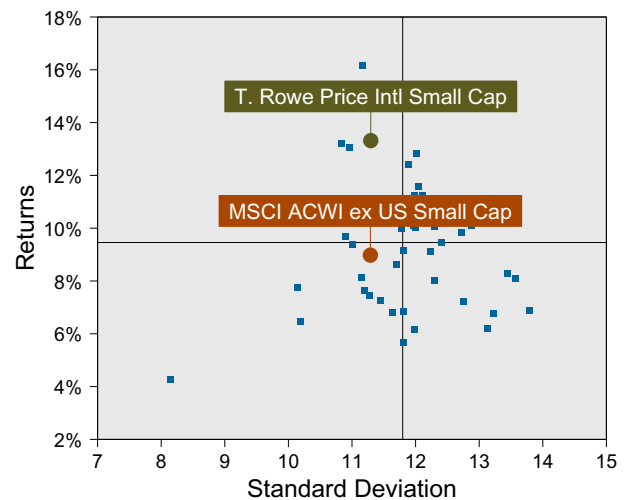
## Performance vs Callan International Small Cap Mut Funds (Net)



## Relative Returns vs MSCI ACWI ex US Small Cap



## Callan International Small Cap Mut Funds (Net) Annualized Five Year Risk vs Return

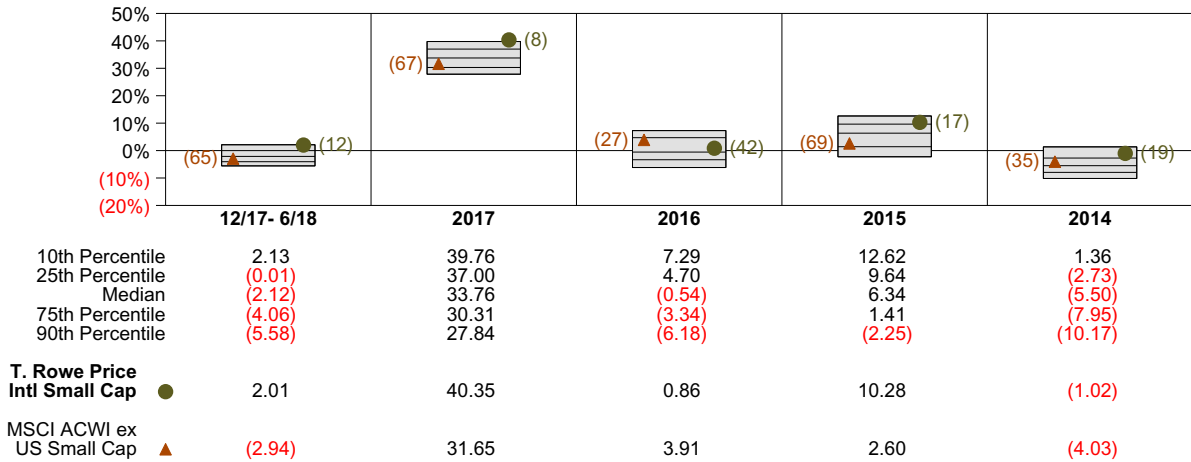


# T. Rowe Price Intl Small Cap Return Analysis Summary

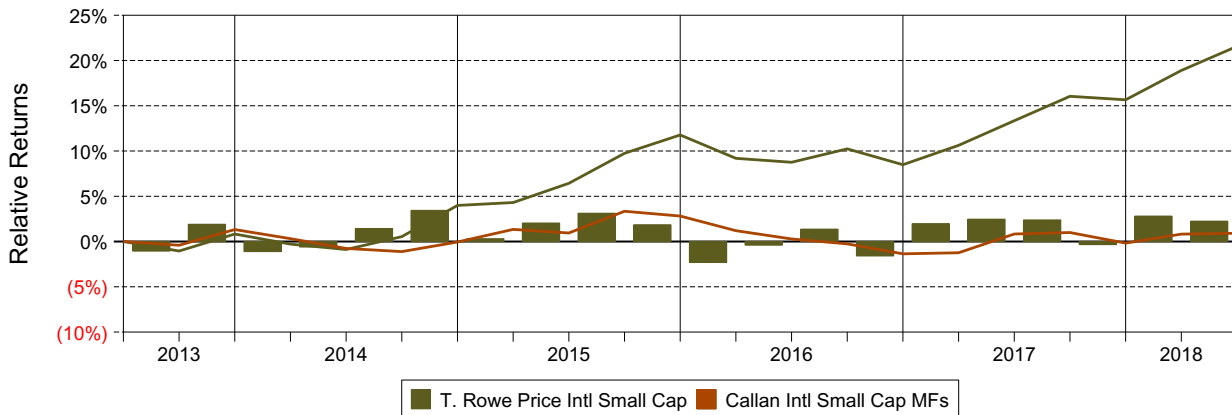
## Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

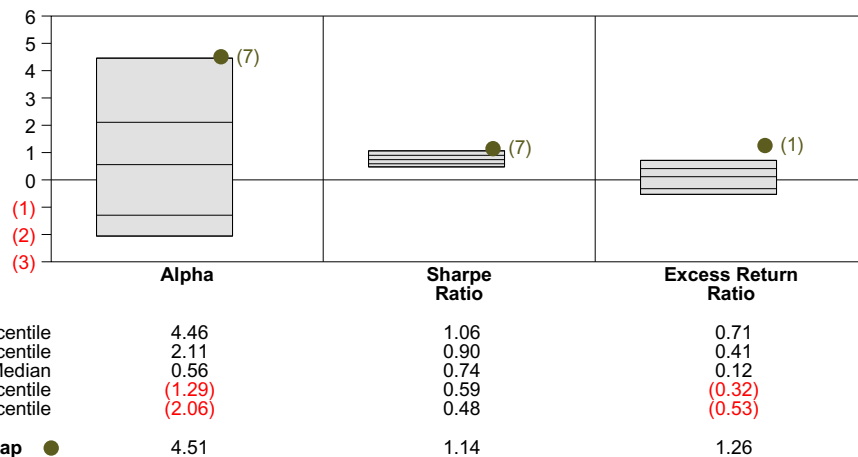
### Performance vs Callan International Small Cap Mut Funds (Net)



### Cumulative and Quarterly Relative Return vs MSCI ACWI ex US Small Cap



### Risk Adjusted Return Measures vs MSCI ACWI ex US Small Cap Rankings Against Callan International Small Cap Mut Funds (Net) Five Years Ended June 30, 2018



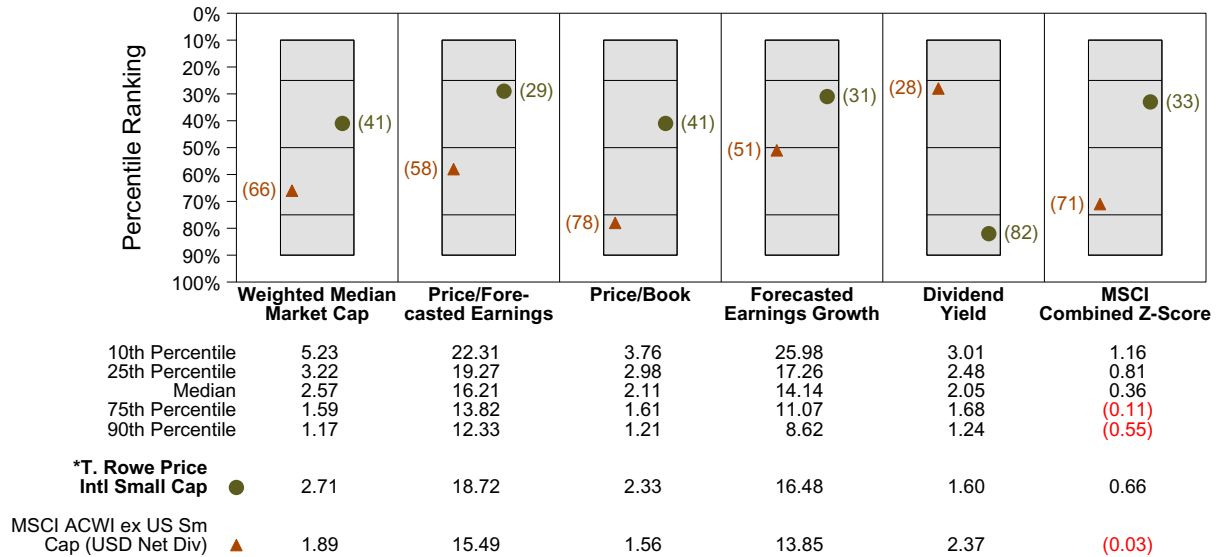


# T. Rowe Price Intl Small Cap Equity Characteristics Analysis Summary

## Portfolio Characteristics

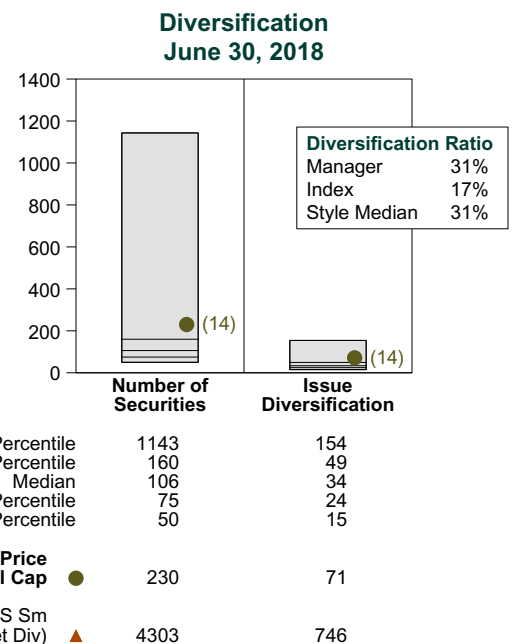
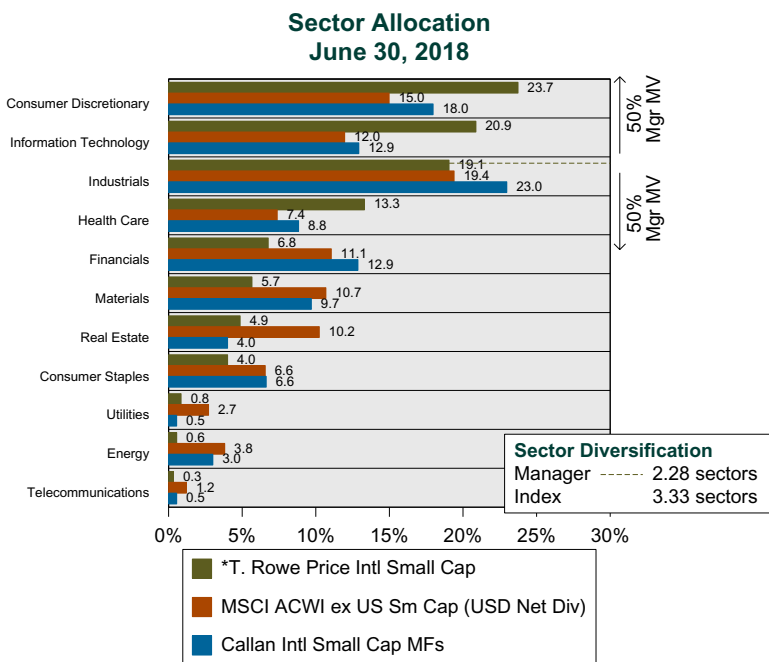
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Portfolio Characteristics Percentile Rankings Rankings Against Callan International Small Cap Mut Funds as of June 30, 2018



## Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.

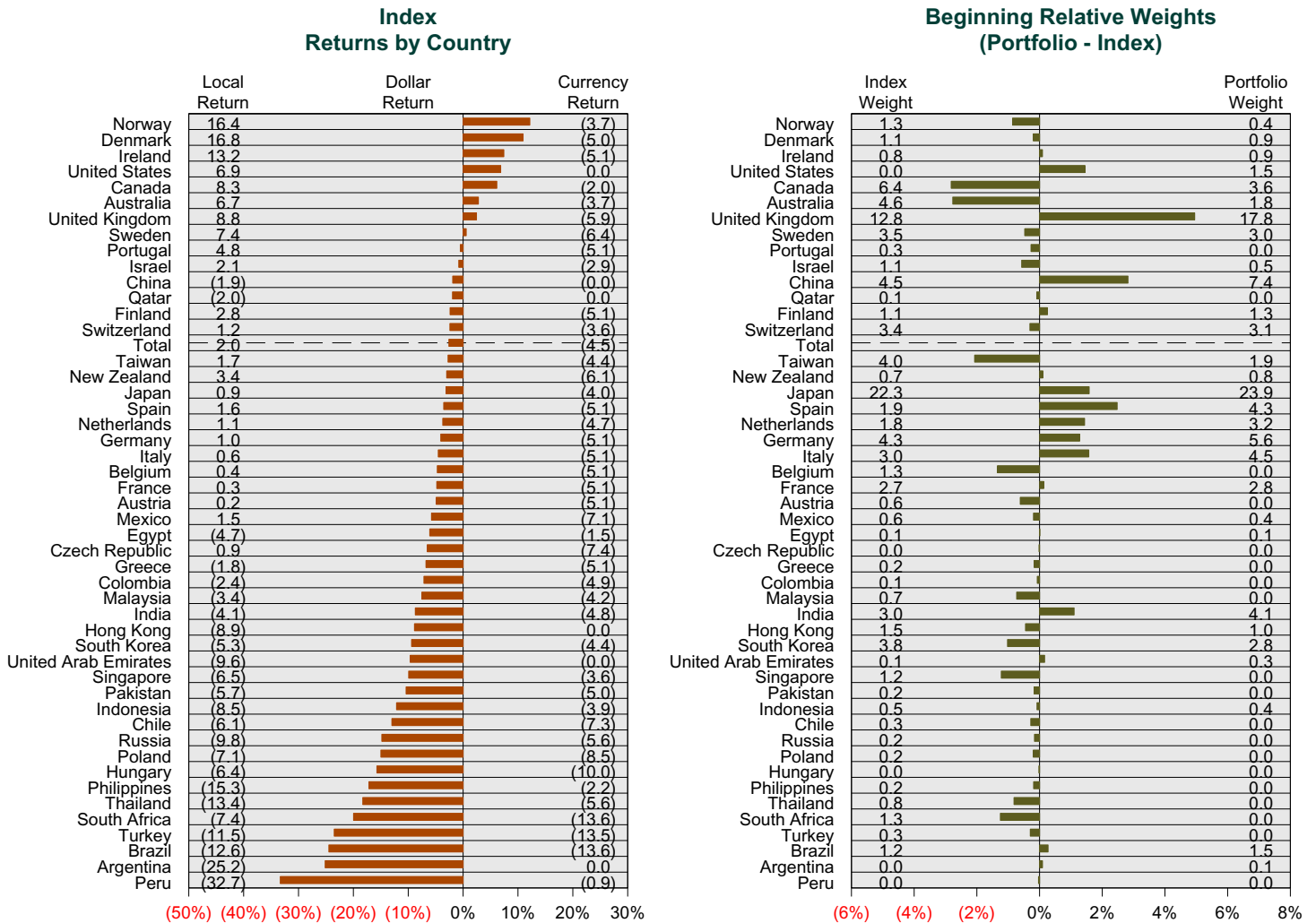


\*6/30/18 portfolio characteristics generated using most recently available holdings (3/31/18) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.

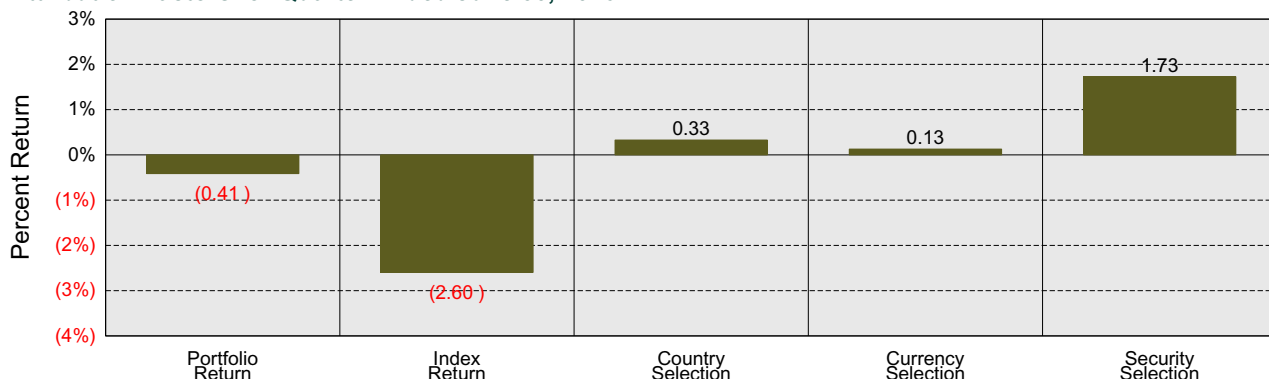
# T. Rowe Price Intl Small Cap vs MSCI ACWI ex US Small Cap Attribution for Quarter Ended June 30, 2018

## International Attribution

The first chart below illustrates the return for each country in the index sorted from high to low. The total return for the index is highlighted with a dotted line. The second chart (countries presented in the same order) illustrates the manager's country allocation decisions relative to the index. To the extent that the manager over-weighted a country that had a higher return than the total return for the index (above the dotted line) it contributes positively to the manager's country (or currency) selection effect. The last chart details the manager return, the index return, and the attribution factors for the quarter.



## Attribution Factors for Quarter Ended June 30, 2018



# Investec

## Period Ended June 30, 2018

### Investment Philosophy

Investec's 4Factor Equity team believes that share prices are driven by four key attributes over time and investing in companies that display these characteristics will drive long-term performance. They look to invest in high quality, attractively valued companies, which are improving operating performance and receiving increasing investor attention. These four factors (i.e., Strategy, Value, Earnings, and Technicals) are confirmed as performance drivers by academic research, empirical testing and intuitive reasoning. They believe that each factor can be a source of outperformance but in combination they are intended to produce more stable returns over the market cycle. Investec's management fee is 80 bps on all assets. The portfolio was funded June 2017. Historical returns are that of the manager's composite.

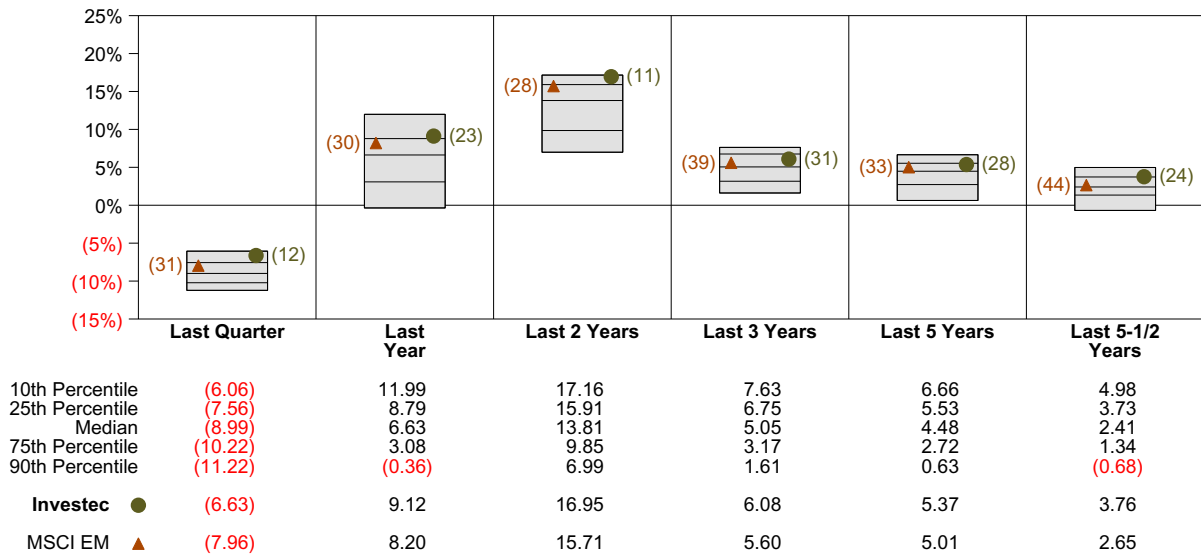
### Quarterly Summary and Highlights

- Investec's portfolio posted a (6.63)% return for the quarter placing it in the 12 percentile of the Morningstar Diversified Emg Mkts Fds group for the quarter and in the 23 percentile for the last year.
- Investec's portfolio outperformed the MSCI EM by 1.33% for the quarter and outperformed the MSCI EM for the year by 0.92%.

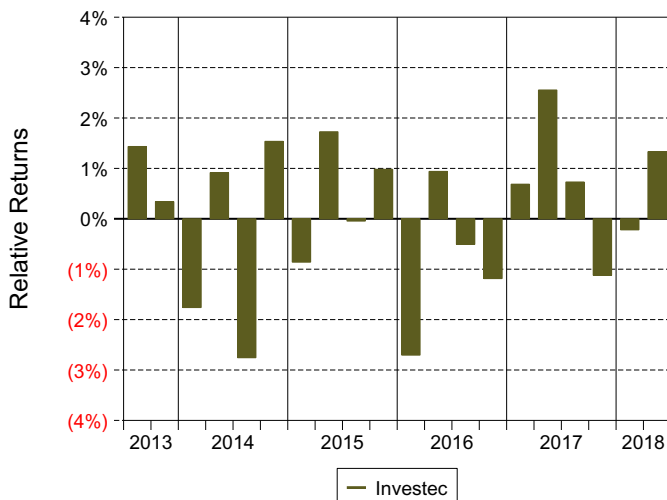
### Quarterly Asset Growth

Beginning Market Value	\$15,933,497
Net New Investment	\$0
Investment Gains/(Losses)	-\$1,026,310
Ending Market Value	\$14,907,187

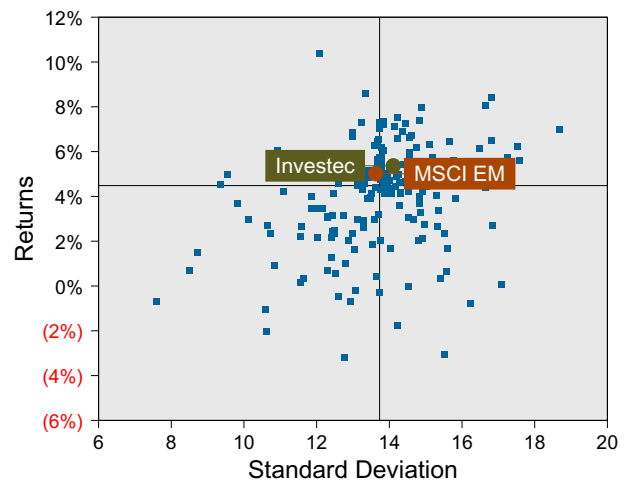
### Performance vs Morningstar Diversified Emg Mkts Fds (Net)



### Relative Return vs MSCI EM



### Morningstar Diversified Emg Mkts Fds (Net) Annualized Five Year Risk vs Return

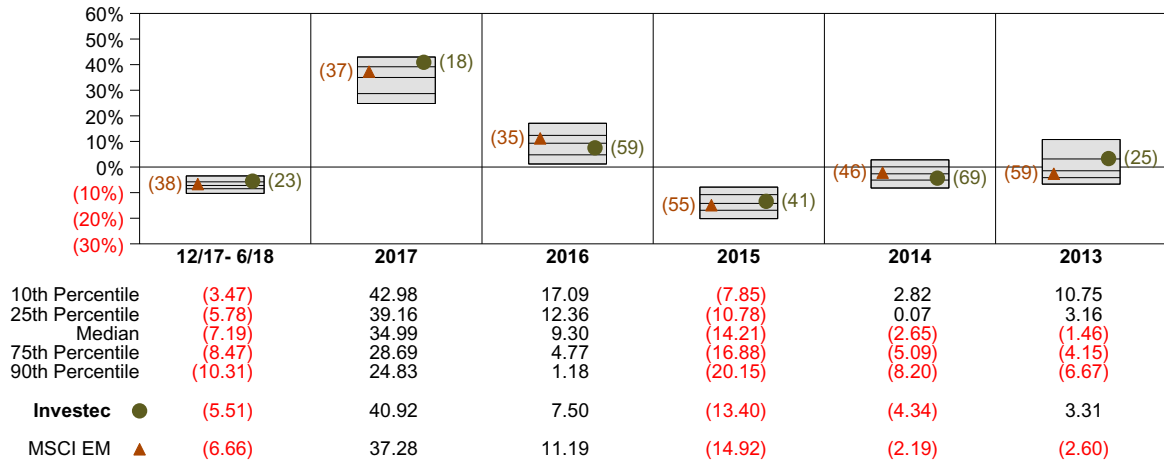


# Investec Return Analysis Summary

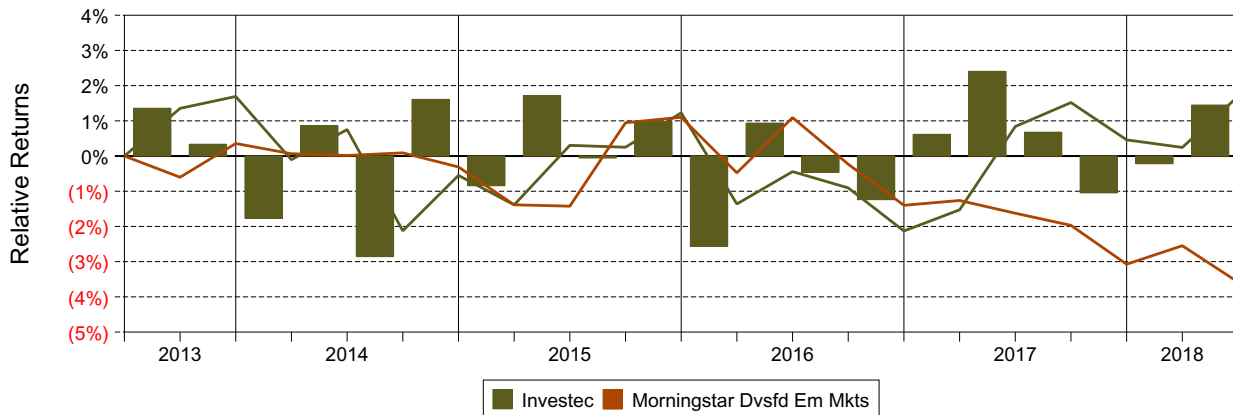
## Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

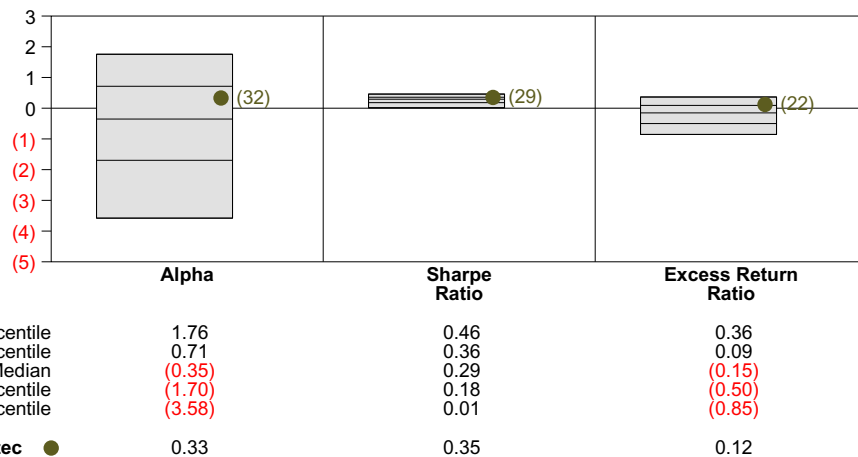
### Performance vs Morningstar Diversified Emg Mkts Fds (Net)



### Cumulative and Quarterly Relative Return vs MSCI EM



### Risk Adjusted Return Measures vs MSCI EM Rankings Against Morningstar Diversified Emg Mkts Fds (Net) Five Years Ended June 30, 2018

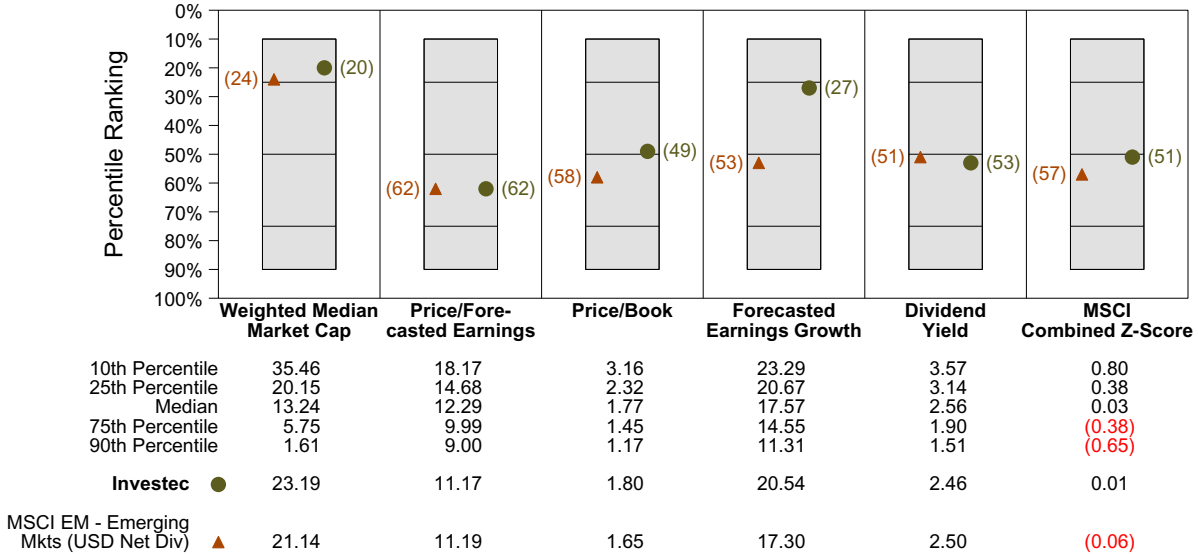


# Investec Equity Characteristics Analysis Summary

## Portfolio Characteristics

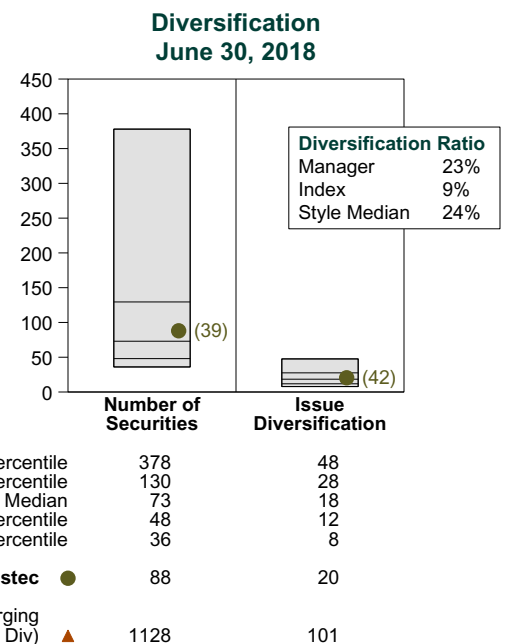
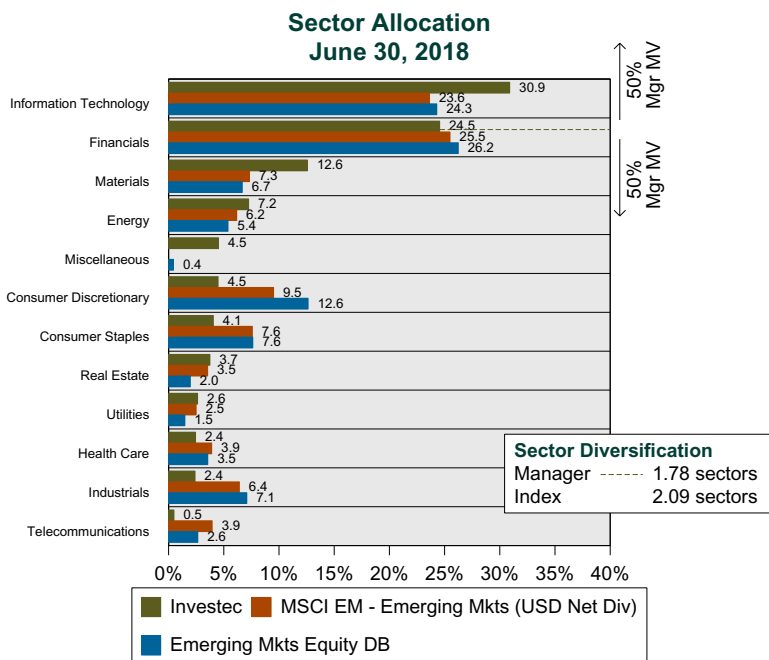
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Portfolio Characteristics Percentile Rankings Rankings Against Emerging Markets Equity DB as of June 30, 2018



## Sector Weights

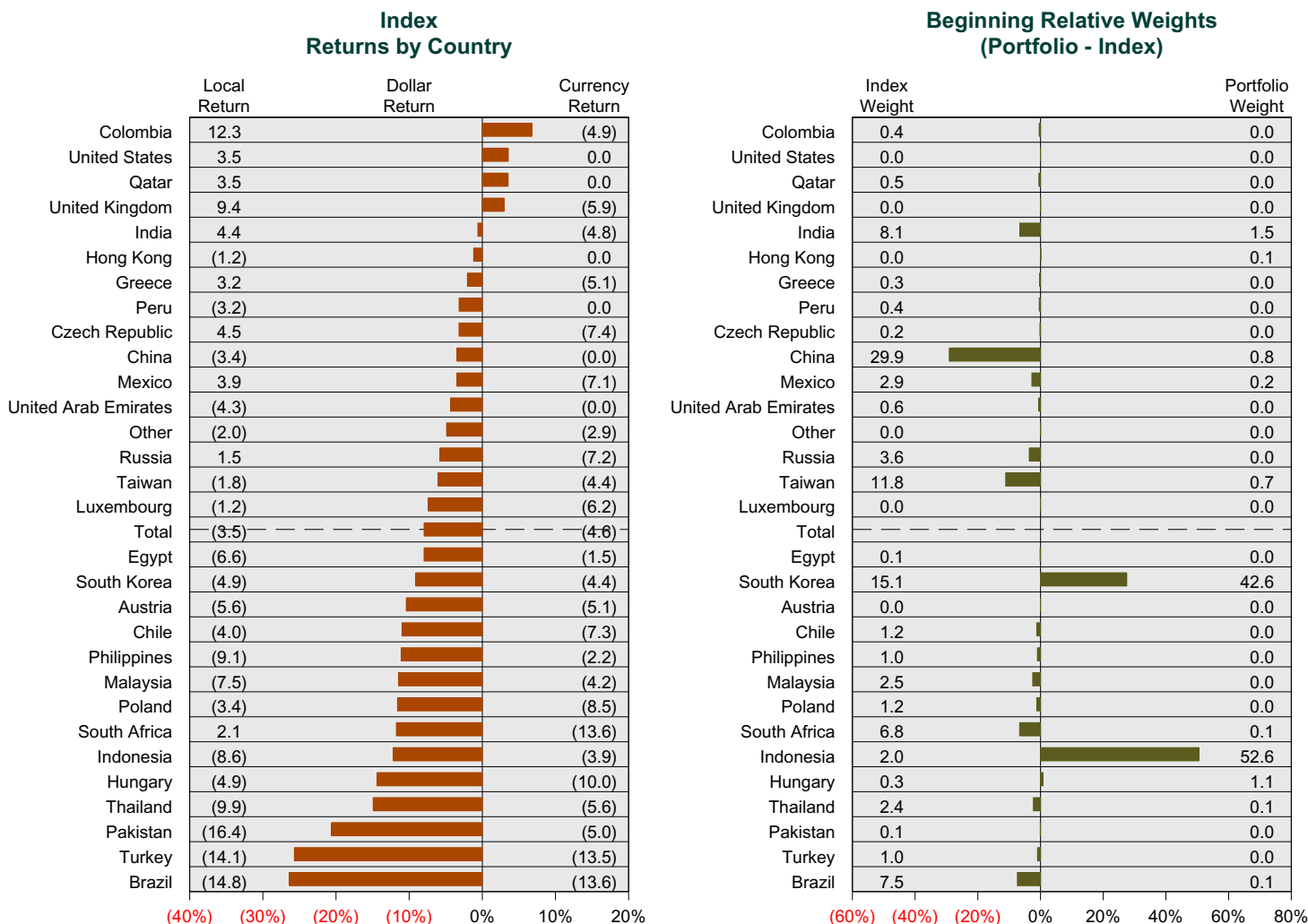
The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.



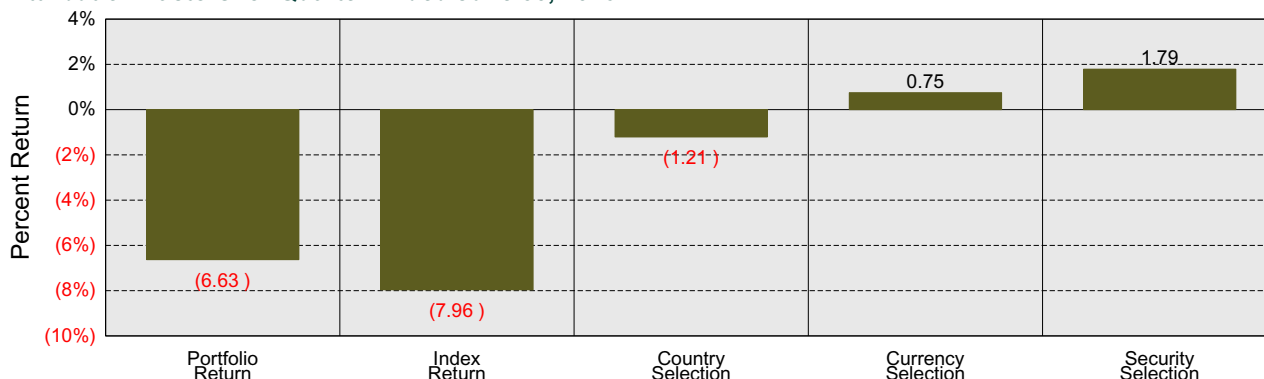
# Investec vs MSCI EM Attribution for Quarter Ended June 30, 2018

## International Attribution

The first chart below illustrates the return for each country in the index sorted from high to low. The total return for the index is highlighted with a dotted line. The second chart (countries presented in the same order) illustrates the manager's country allocation decisions relative to the index. To the extent that the manager over-weighted a country that had a higher return than the total return for the index (above the dotted line) it contributes positively to the manager's country (or currency) selection effect. The last chart details the manager return, the index return, and the attribution factors for the quarter.



## Attribution Factors for Quarter Ended June 30, 2018





# Domestic Fixed Income Composite Period Ended June 30, 2018

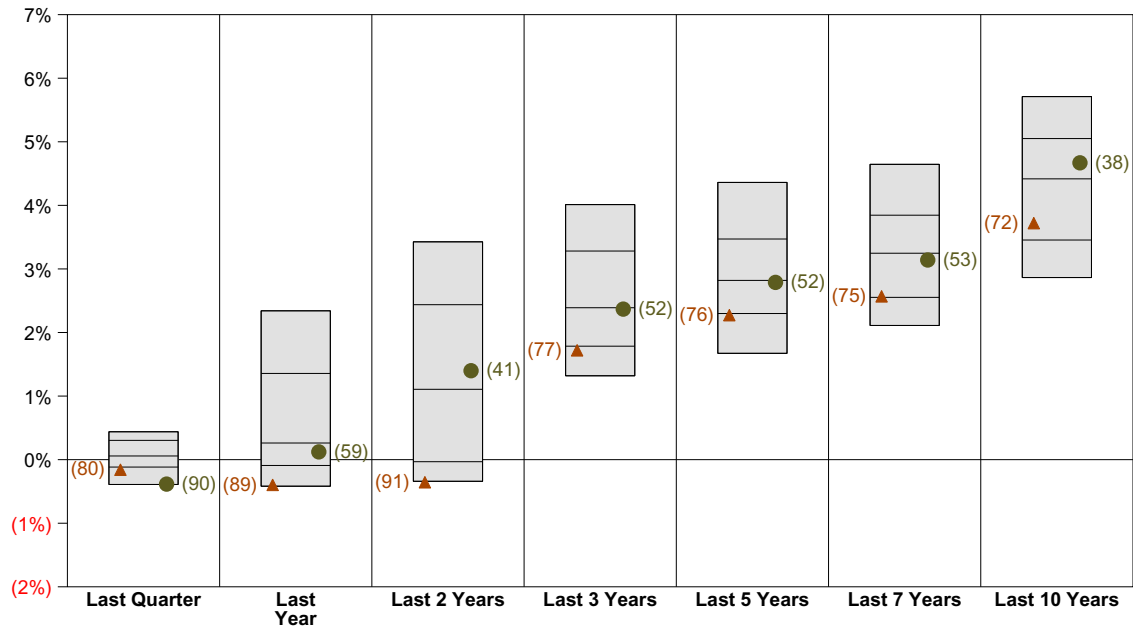
## Quarterly Summary and Highlights

- Domestic Fixed Income Composite's portfolio posted a (0.38)% return for the quarter placing it in the 90 percentile of the Public Fund - Domestic Fixed group for the quarter and in the 59 percentile for the last year.
- Domestic Fixed Income Composite's portfolio underperformed the Blmbg Aggregate by 0.23% for the quarter and outperformed the Blmbg Aggregate for the year by 0.52%.

## Quarterly Asset Growth

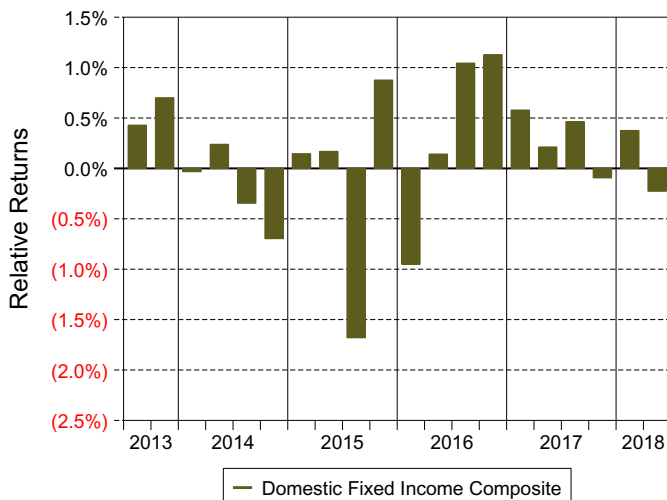
Beginning Market Value	\$104,174,668
Net New Investment	\$0
Investment Gains/(Losses)	\$-400,776
Ending Market Value	\$103,773,892

## Performance vs Public Fund - Domestic Fixed (Gross)

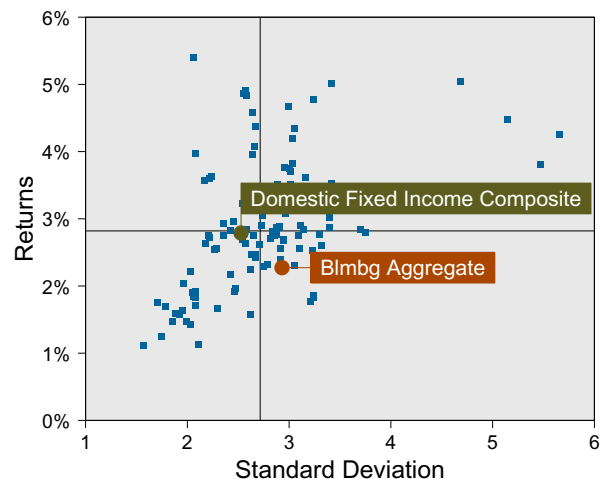


10th Percentile	0.44	2.34	3.43	4.01	4.36	4.65	5.71
25th Percentile	0.30	1.36	2.44	3.28	3.47	3.85	5.05
Median	0.06	0.26	1.11	2.39	2.82	3.25	4.42
75th Percentile	(0.12)	(0.09)	(0.03)	1.78	2.30	2.55	3.45
90th Percentile	(0.39)	(0.42)	(0.34)	1.32	1.67	2.11	2.86
<b>Domestic Fixed Income Composite</b>	<b>● (0.38)</b>	<b>0.12</b>	<b>1.40</b>	<b>2.37</b>	<b>2.79</b>	<b>3.14</b>	<b>4.67</b>
<b>Blmbg Aggregate</b>	<b>▲ (0.16)</b>	<b>(0.40)</b>	<b>(0.36)</b>	<b>1.72</b>	<b>2.27</b>	<b>2.57</b>	<b>3.72</b>

## Relative Return vs Blmbg Aggregate



## Public Fund - Domestic Fixed (Gross) Annualized Five Year Risk vs Return



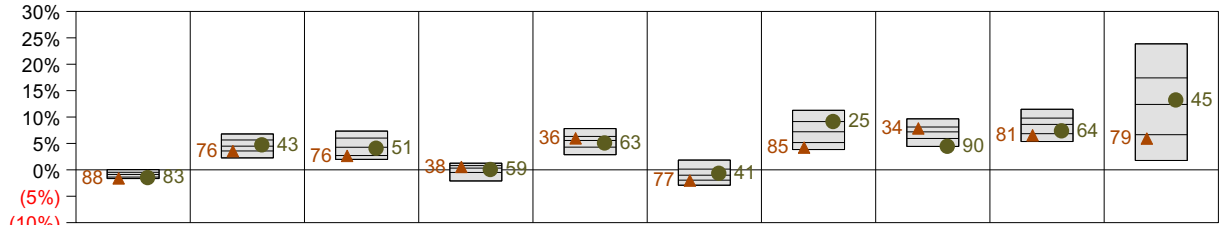


# Domestic Fixed Income Composite Return Analysis Summary

## Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

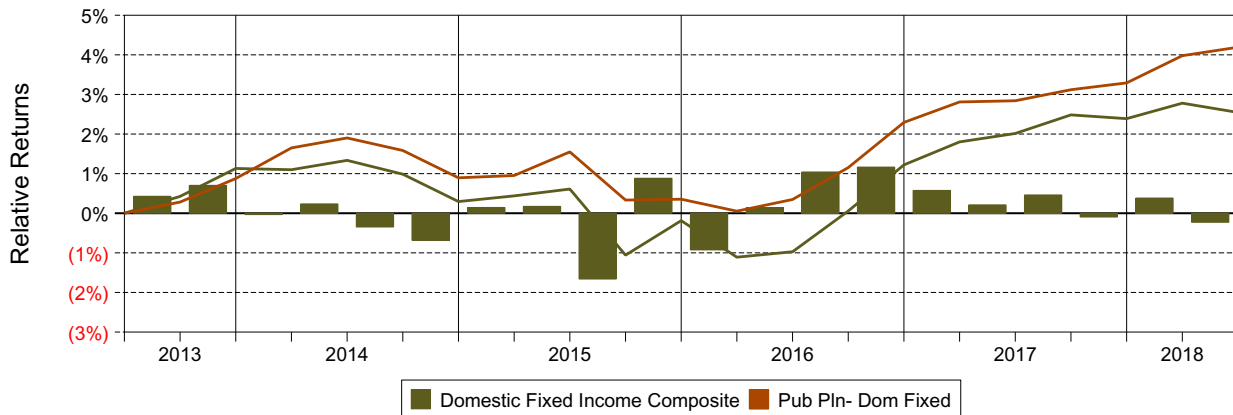
### Performance vs Public Fund - Domestic Fixed (Gross)



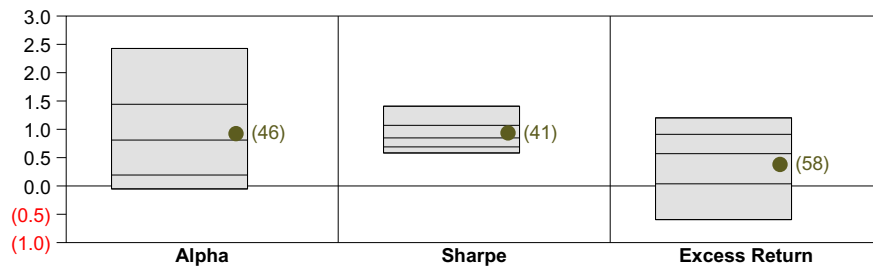
	12/17- 6/18	2017	2016	2015	2014	2013	2012	2011	2010	2009
10th Percentile	0.04	6.80	7.34	1.26	7.82	1.85	11.27	9.66	11.47	23.86
25th Percentile	(0.46)	5.66	6.02	0.80	6.33	0.14	9.14	8.11	9.80	17.41
Median	(0.87)	4.49	4.28	0.33	5.56	(1.02)	7.21	7.19	8.60	12.39
75th Percentile	(1.38)	3.58	2.71	(0.50)	4.30	(1.96)	5.17	5.94	6.85	6.66
90th Percentile	(1.65)	2.26	1.98	(2.11)	2.87	(2.92)	3.84	4.44	5.36	1.77

	12/17- 6/18	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Domestic Fixed Income Composite</b>	● (1.47)	4.74	4.10	0.07	5.09	(0.65)	9.15	4.47	7.39	13.24
<b>Blmbg Aggregate</b>	▲ (1.62)	3.54	2.65	0.55	5.97	(2.02)	4.21	7.84	6.54	5.93

### Cumulative and Quarterly Relative Return vs Blmbg Aggregate



### Risk Adjusted Return Measures vs Blmbg Aggregate Rankings Against Public Fund - Domestic Fixed (Gross) Five Years Ended June 30, 2018



	Alpha	Sharpe Ratio	Excess Return Ratio
10th Percentile	2.43	1.41	1.20
25th Percentile	1.44	1.07	0.91
Median	0.81	0.85	0.57
75th Percentile	0.19	0.69	0.04
90th Percentile	(0.05)	0.58	(0.59)

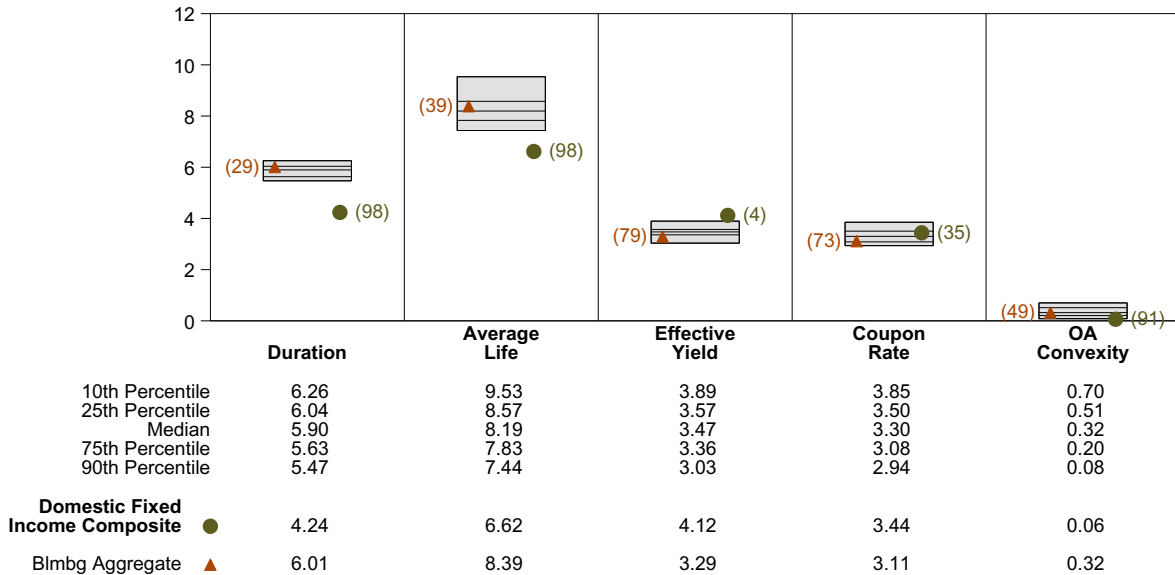
	Alpha	Sharpe Ratio	Excess Return Ratio
<b>Domestic Fixed Income Composite</b>	● 0.92	0.94	0.38

# Domestic Fixed Income Composite Bond Characteristics Analysis Summary

## Portfolio Characteristics

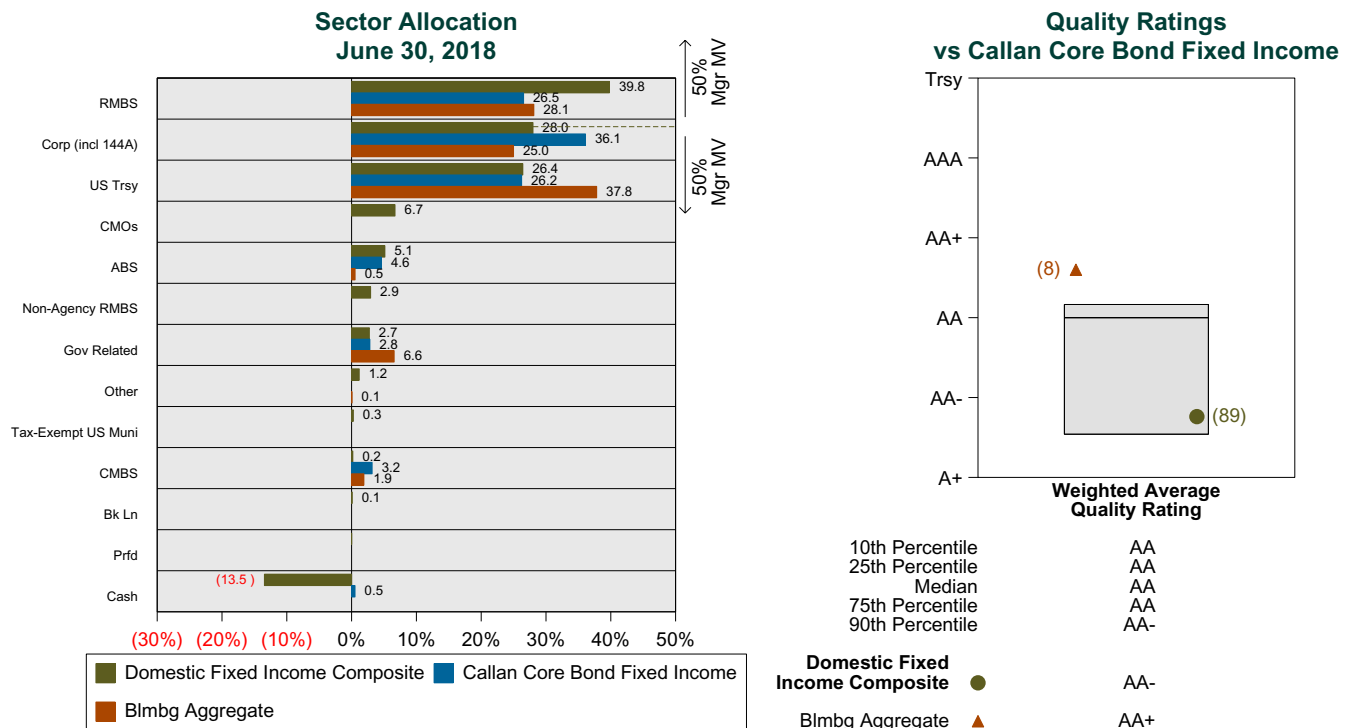
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Fixed Income Portfolio Characteristics Rankings Against Callan Core Bond Fixed Income as of June 30, 2018



## Sector Allocation and Quality Ratings

The first graph compares the manager's sector allocation with the average allocation across all the members of the manager's style. The second graph compares the manager's weighted average quality rating with the range of quality ratings for the style.



# Dodge & Cox Income Period Ended June 30, 2018

## Investment Philosophy

Dodge & Cox's Fixed Income philosophy is to construct and manage a high-quality and diversified portfolio of securities that is selected through bottom-up, fundamental analysis. They believe that by combining fundamental research with a long-term investment horizon, it is possible to uncover and act upon inefficiencies in the valuation of market sectors and individual securities. In their efforts to seek attractive returns, the team: 1) emphasizes market sector and individual security selection; 2) strives to build portfolios which have a higher yield than the composite yield of the broad bond market; and 3) analyzes portfolio and individual security risk. Their credit research focuses on analysis of the fundamental factors that impact an individual issuer's or market sector's credit risk. They also consider economic trends and special circumstances which may affect an industry or a specific issue or issuer.

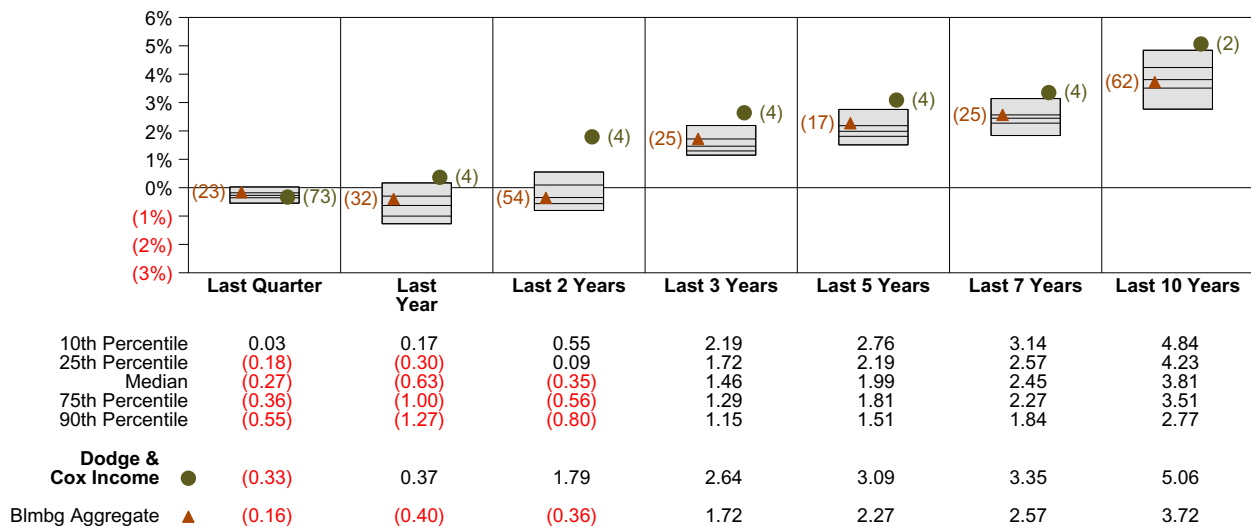
## Quarterly Summary and Highlights

- Dodge & Cox Income's portfolio posted a (0.33)% return for the quarter placing it in the 73 percentile of the Callan Core Bond Mutual Funds group for the quarter and in the 4 percentile for the last year.
- Dodge & Cox Income's portfolio underperformed the Blmbg Aggregate by 0.17% for the quarter and outperformed the Blmbg Aggregate for the year by 0.76%.

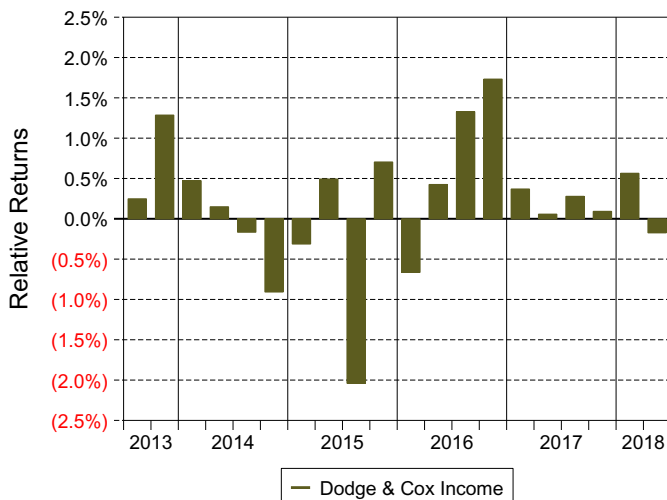
## Quarterly Asset Growth

Beginning Market Value	\$52,270,115
Net New Investment	\$0
Investment Gains/(Losses)	\$-173,555
Ending Market Value	\$52,096,559

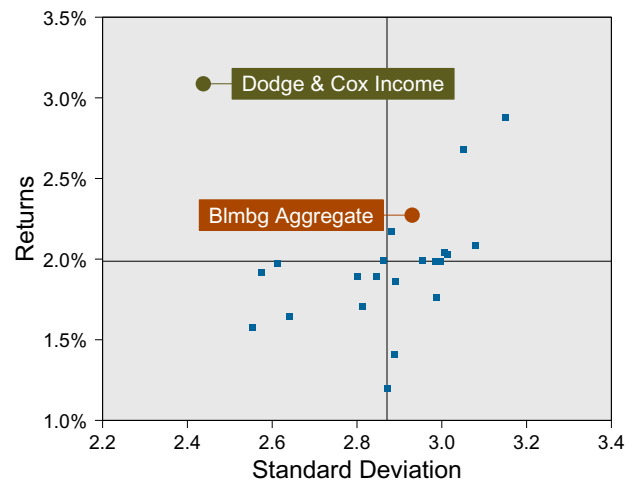
## Performance vs Callan Core Bond Mutual Funds (Net)



## Relative Return vs Blmbg Aggregate



## Callan Core Bond Mutual Funds (Net) Annualized Five Year Risk vs Return

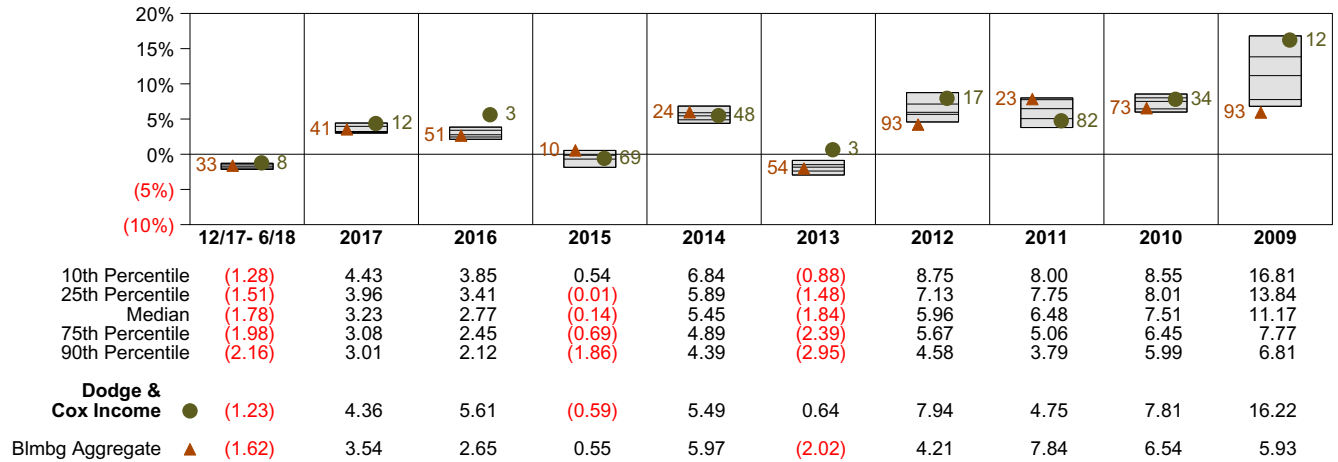


# Dodge & Cox Income Return Analysis Summary

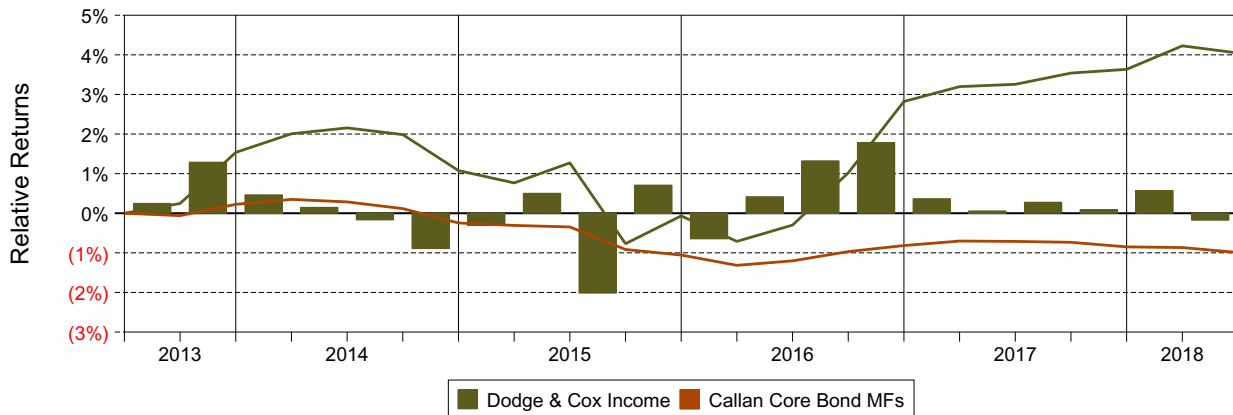
## Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

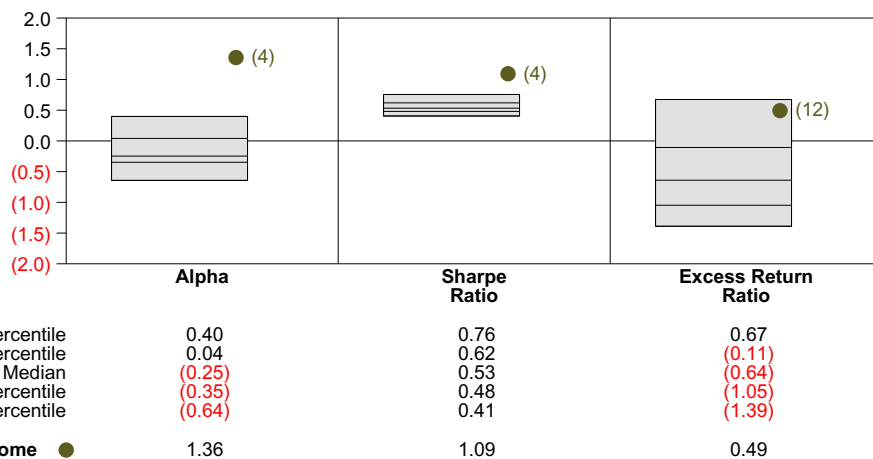
### Performance vs Callan Core Bond Mutual Funds (Net)



### Cumulative and Quarterly Relative Return vs Blmbg Aggregate



### Risk Adjusted Return Measures vs Blmbg Aggregate Rankings Against Callan Core Bond Mutual Funds (Net) Five Years Ended June 30, 2018

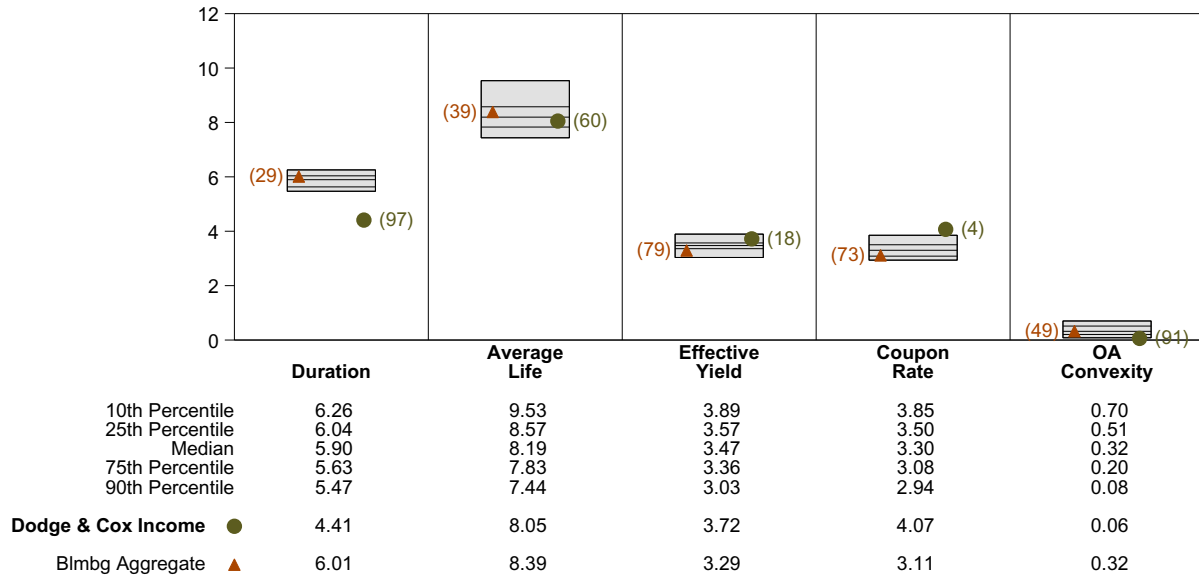


# Dodge & Cox Income Bond Characteristics Analysis Summary

## Portfolio Characteristics

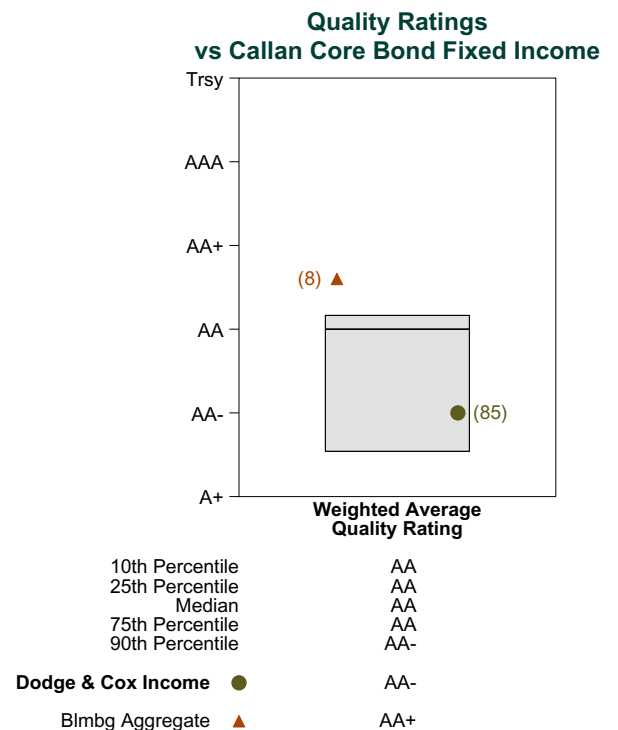
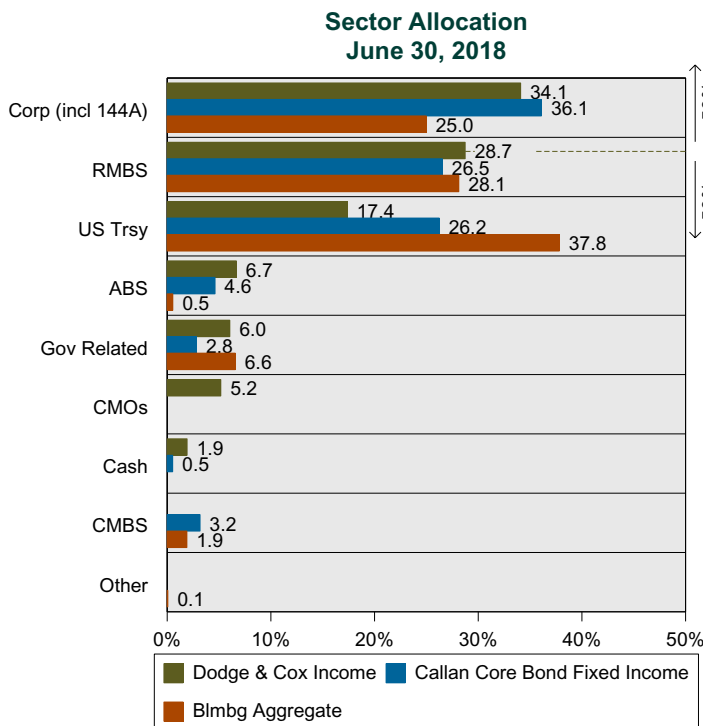
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Fixed Income Portfolio Characteristics Rankings Against Callan Core Bond Fixed Income as of June 30, 2018



## Sector Allocation and Quality Ratings

The first graph compares the manager's sector allocation with the average allocation across all the members of the manager's style. The second graph compares the manager's weighted average quality rating with the range of quality ratings for the style.



# PIMCO

## Period Ended June 30, 2018

### Investment Philosophy

PIMCO emphasizes adding value by rotating through the major sectors of the domestic and international bond markets. They also seek to enhance returns through duration management.

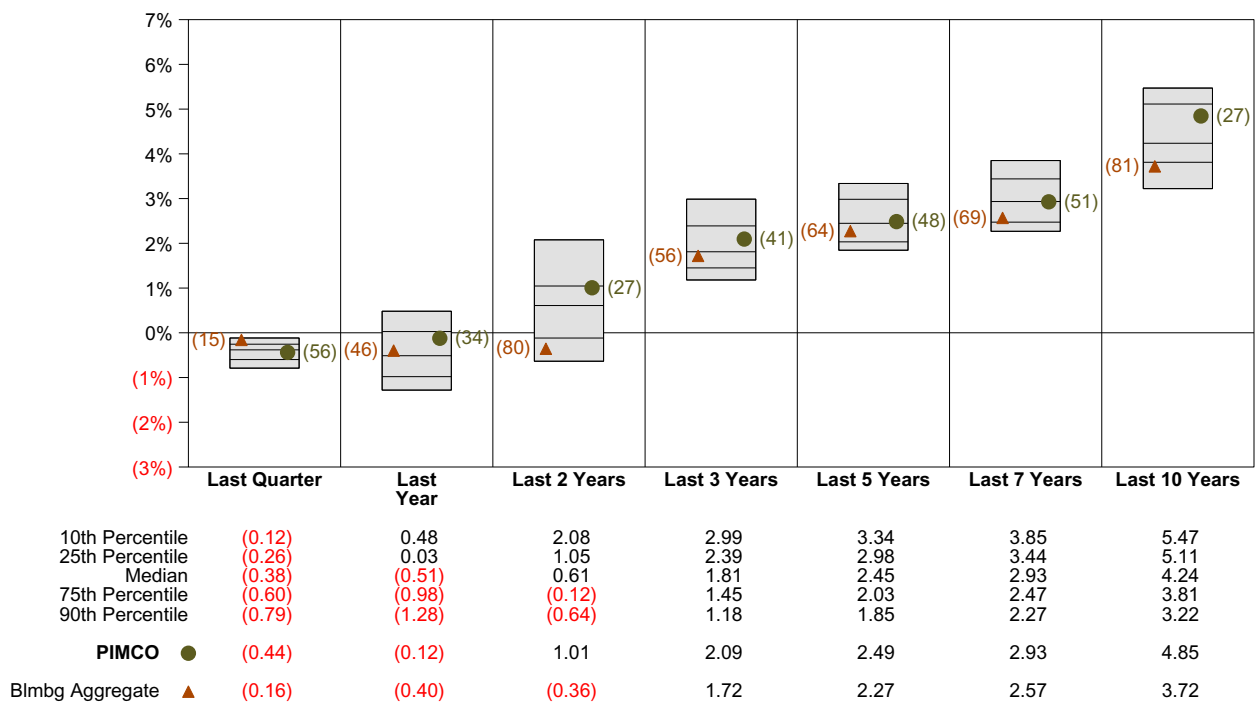
### Quarterly Summary and Highlights

- PIMCO's portfolio posted a (0.44)% return for the quarter placing it in the 56 percentile of the Callan Core Plus Mutual Funds group for the quarter and in the 34 percentile for the last year.
- PIMCO's portfolio underperformed the Blmbg Aggregate by 0.28% for the quarter and outperformed the Blmbg Aggregate for the year by 0.27%.

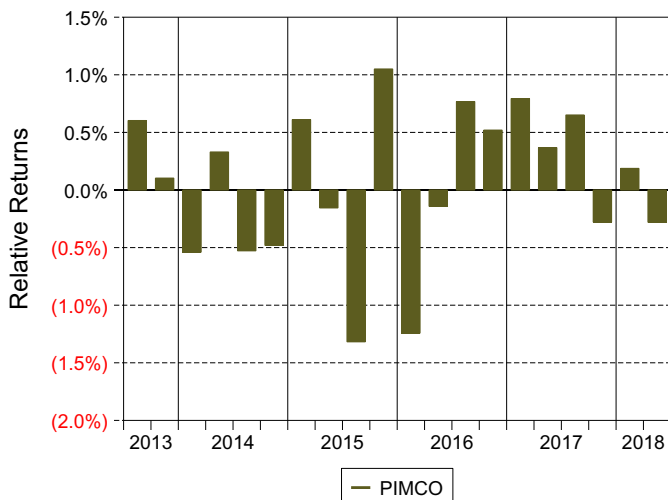
### Quarterly Asset Growth

Beginning Market Value	\$51,904,553
Net New Investment	\$0
Investment Gains/(Losses)	\$-227,221
Ending Market Value	\$51,677,332

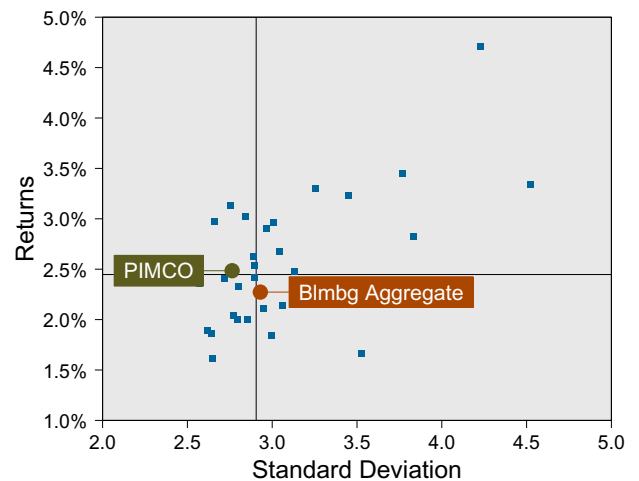
### Performance vs Callan Core Plus Mutual Funds (Net)



### Relative Return vs Blmbg Aggregate



### Callan Core Plus Mutual Funds (Net) Annualized Five Year Risk vs Return

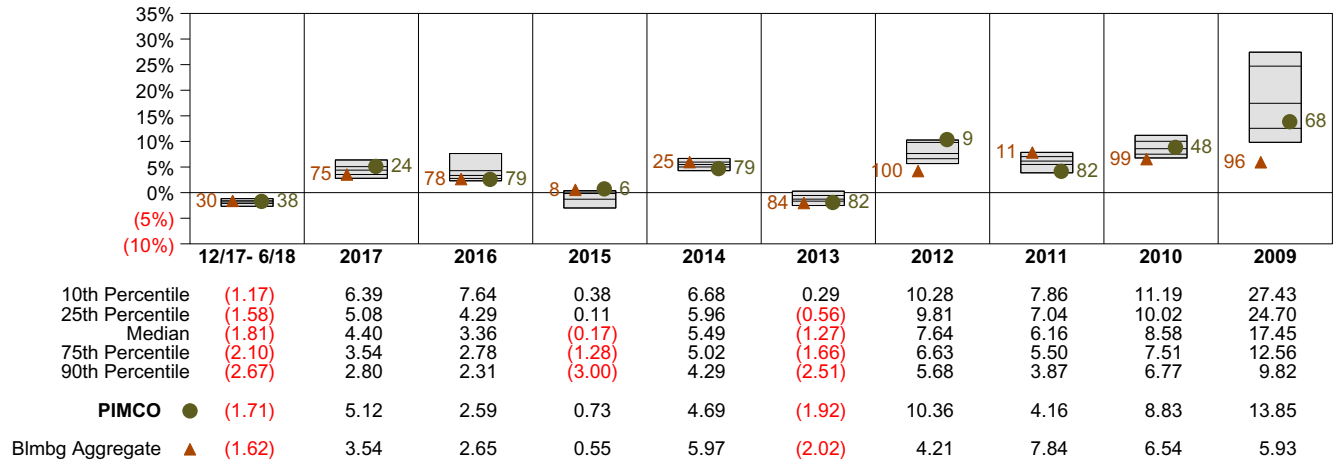


# PIMCO Return Analysis Summary

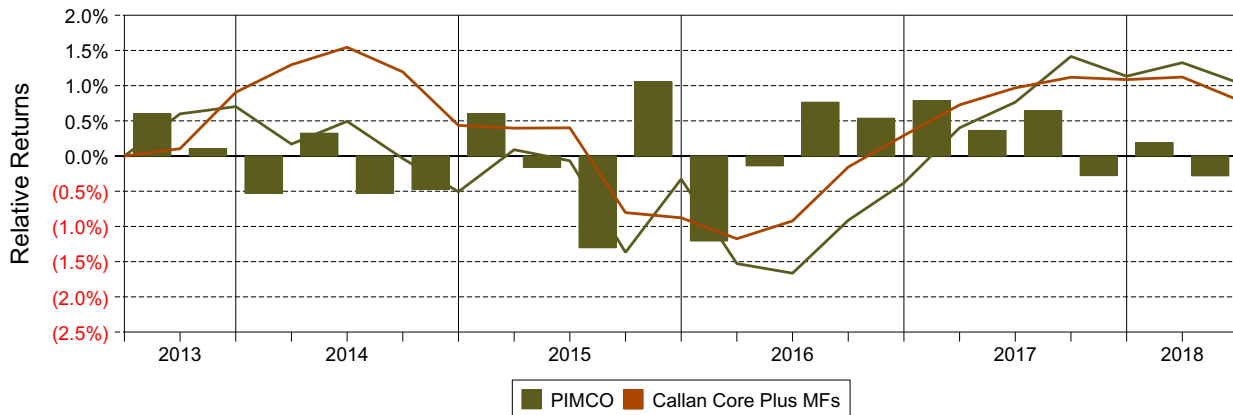
## Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

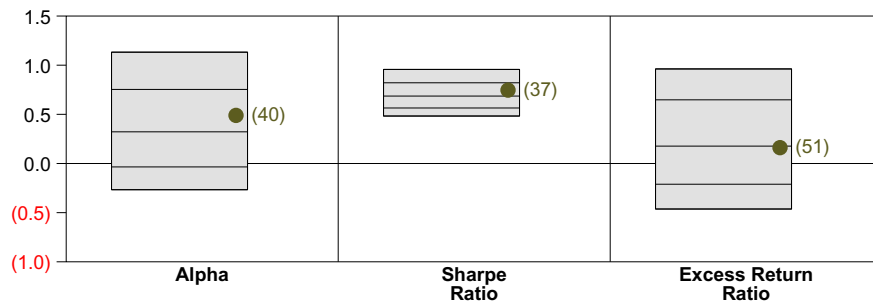
### Performance vs Callan Core Plus Mutual Funds (Net)



### Cumulative and Quarterly Relative Return vs Blmbg Aggregate



### Risk Adjusted Return Measures vs Blmbg Aggregate Rankings Against Callan Core Plus Mutual Funds (Net) Five Years Ended June 30, 2018



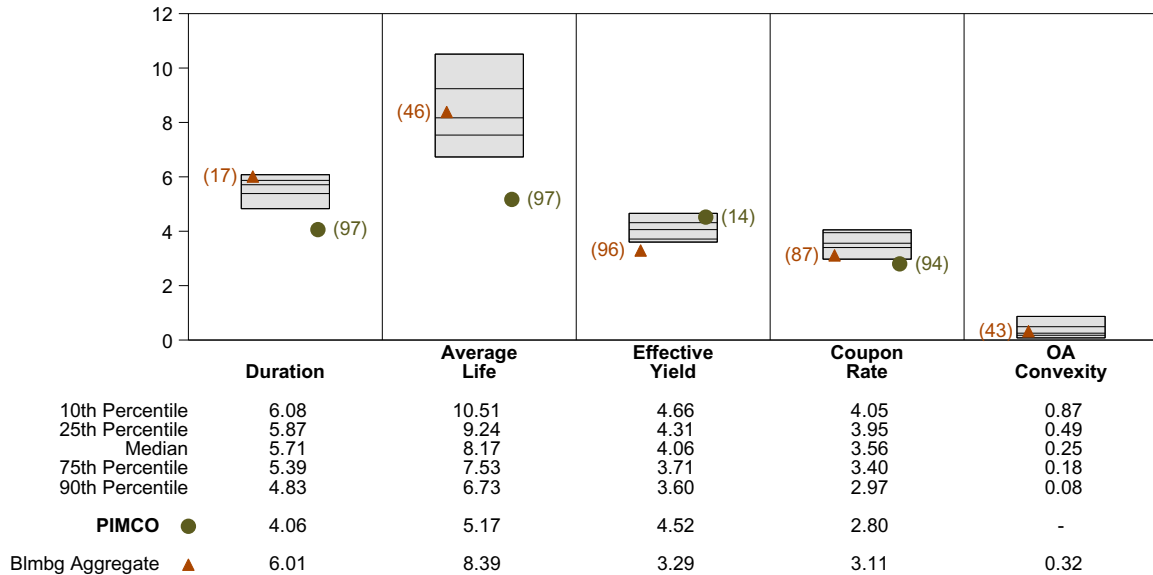
10th Percentile	1.13	0.96	0.96
25th Percentile	0.75	0.82	0.65
Median	0.32	0.69	0.18
75th Percentile	(0.03)	0.56	(0.21)
90th Percentile	(0.27)	0.48	(0.46)
<b>PIMCO</b>	● 0.49	0.75	0.16

# PIMCO Bond Characteristics Analysis Summary

## Portfolio Characteristics

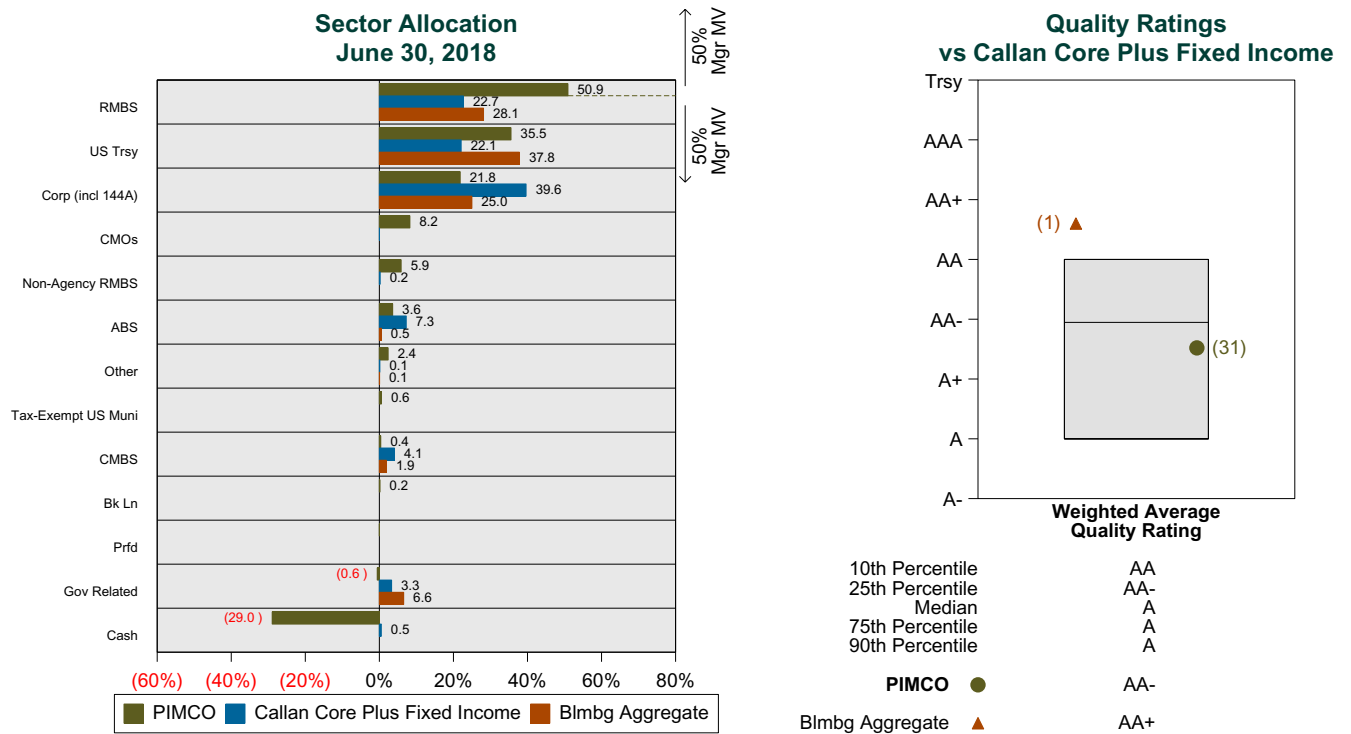
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Fixed Income Portfolio Characteristics Rankings Against Callan Core Plus Fixed Income as of June 30, 2018



## Sector Allocation and Quality Ratings

The first graph compares the manager's sector allocation with the average allocation across all the members of the manager's style. The second graph compares the manager's weighted average quality rating with the range of quality ratings for the style.







# RREEF Private Period Ended June 30, 2018

## Investment Philosophy

RREEF America II acquires 100 percent equity interests in small- to medium-sized (\$10 million to \$70 million) apartment, industrial, retail and office properties in targeted metropolitan areas within the continental United States. The fund capitalizes on RREEF's national research capabilities and market presence to identify superior investment opportunities in major metropolitan areas across the United States.

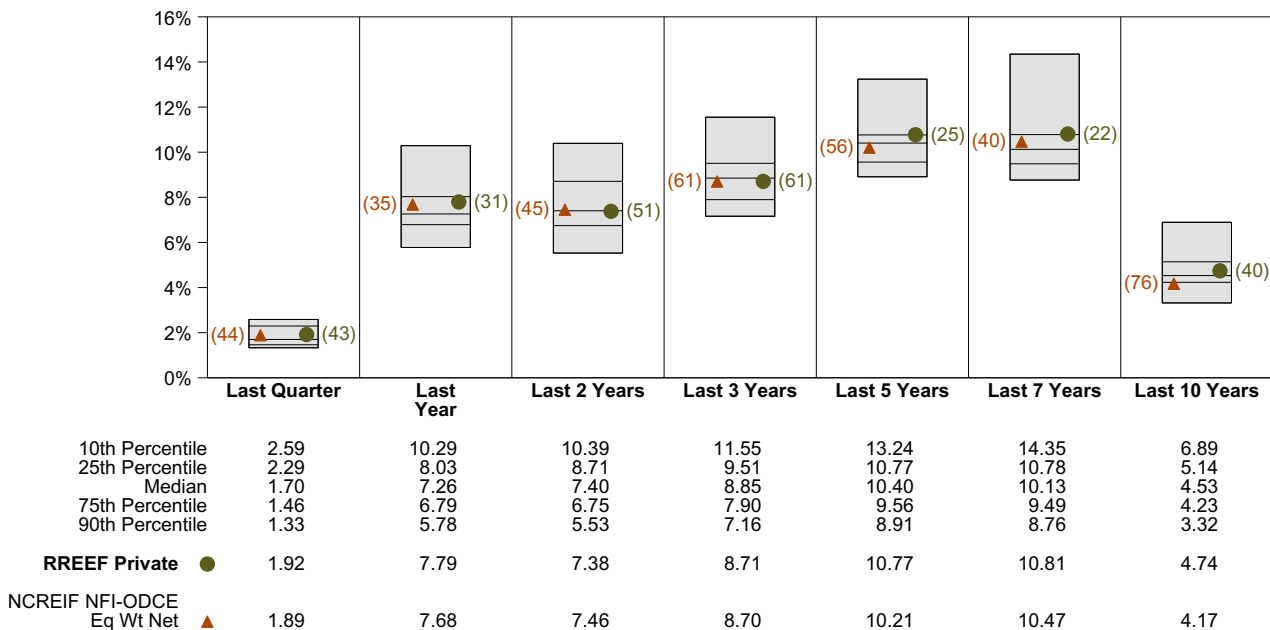
## Quarterly Summary and Highlights

- RREEF Private's portfolio posted a 1.92% return for the quarter placing it in the 43 percentile of the Callan Open End Core Cmmingled Real Est group for the quarter and in the 31 percentile for the last year.
- RREEF Private's portfolio outperformed the NCREIF NFI-ODCE Eq Wt Net by 0.03% for the quarter and outperformed the NCREIF NFI-ODCE Eq Wt Net for the year by 0.11%.

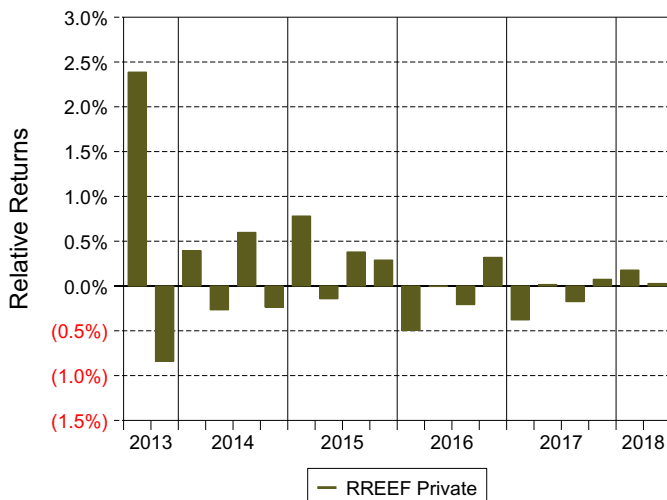
## Quarterly Asset Growth

Beginning Market Value	\$26,871,218
Net New Investment	\$1,500,000
Investment Gains/(Losses)	\$543,907
Ending Market Value	\$28,915,125

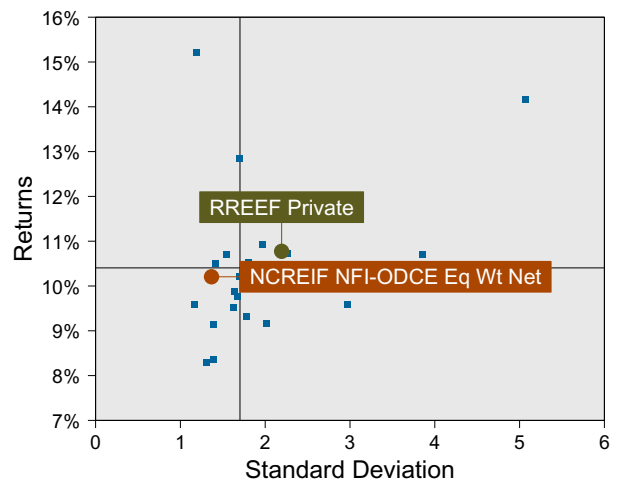
## Performance vs Callan Open End Core Cmmingled Real Est (Net)



## Relative Returns vs NCREIF NFI-ODCE Eq Wt Net



## Callan Open End Core Cmmingled Real Est (Net) Annualized Five Year Risk vs Return



# Barings Core Property Fund Period Ended June 30, 2018

## Investment Philosophy

Barings believes that the investment strategy for the Core Property Fund is unique with the goal of achieving returns in excess of the benchmark index, the NFI-ODCE Index, with a level of risk associated with a core fund. The construct of the Fund relies heavily on input from Barings Research, which provided the fundamentals for the investment strategy. Strategic targets and fund exposure which differentiate the Fund from its competitors with respect to both its geographic and property type weightings, and we believe will result in performance in excess of industry benchmarks over the long-term.

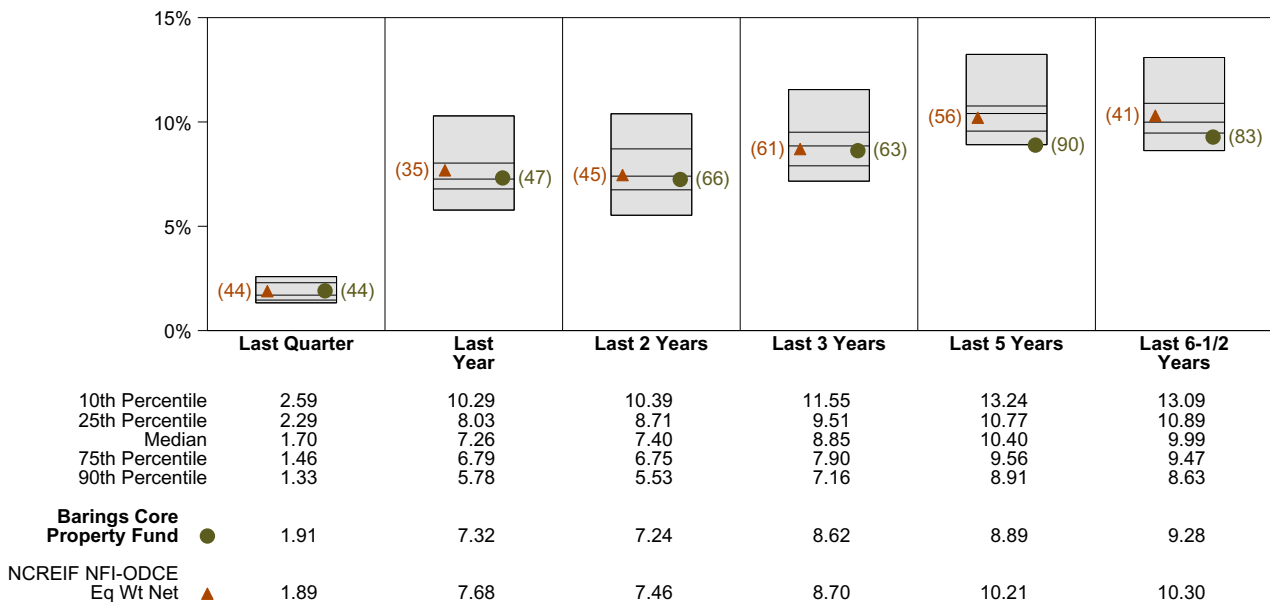
## Quarterly Summary and Highlights

- Barings Core Property Fund's portfolio posted a 1.91% return for the quarter placing it in the 44 percentile of the Callan Open End Core Cmmingled Real Est group for the quarter and in the 47 percentile for the last year.
- Barings Core Property Fund's portfolio outperformed the NCREIF NFI-ODCE Eq Wt Net by 0.02% for the quarter and underperformed the NCREIF NFI-ODCE Eq Wt Net for the year by 0.37%.

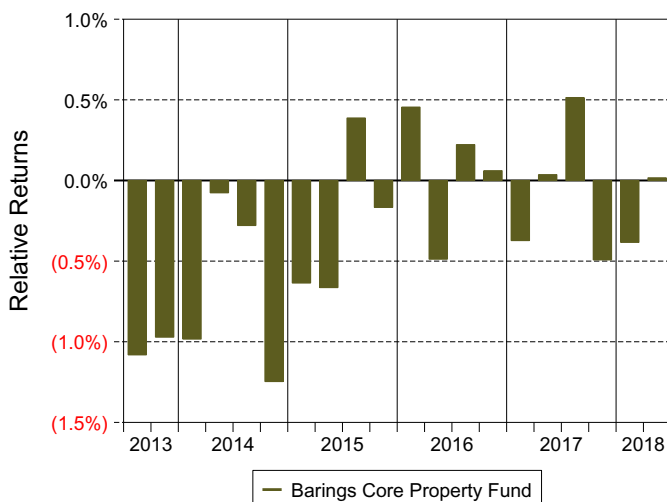
## Quarterly Asset Growth

Beginning Market Value	\$25,911,497
Net New Investment	\$0
Investment Gains/(Losses)	\$493,778
Ending Market Value	\$26,405,275

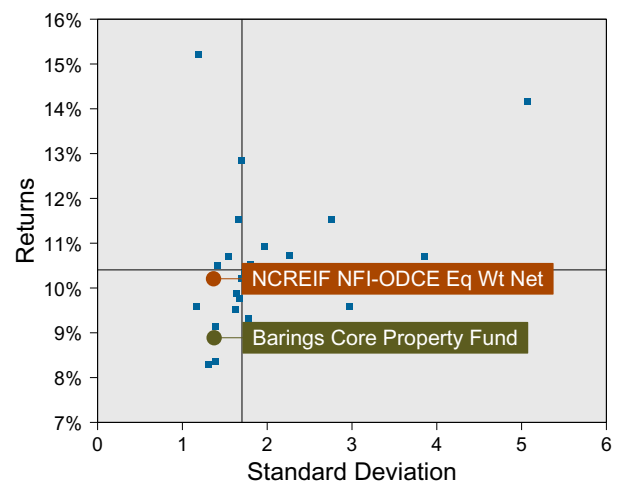
## Performance vs Callan Open End Core Cmmingled Real Est (Net)



## Relative Returns vs NCREIF NFI-ODCE Eq Wt Net



## Callan Open End Core Cmmingled Real Est (Net) Annualized Five Year Risk vs Return





**U.S. EQUITY**

U.S. equities (S&P 500: +3.4%) rose on a strong earnings season and positive economic data. Energy was the best-performing sector (+13.5%) as oil prices trended higher after the U.S. withdrew from the Iran nuclear accord.

Small cap (+7.8%) outperformed large cap (+3.6%) on trade war fears. Large cap companies derive a big portion of revenues from foreign markets (S&P 500 aggregate is approximately 40%) and are more negatively impacted compared to domestically focused small cap firms.

Growth (+5.8%) continued to outperform value (+1.2%) due to strong results in Consumer Discretionary (+8.2%) and Tech (+7.1%).

The concentration of returns within broad indices remains a concern. Excluding the performance of the FAANG stocks (Facebook, Amazon, Apple, Netflix, Google), S&P 500 performance was negative.

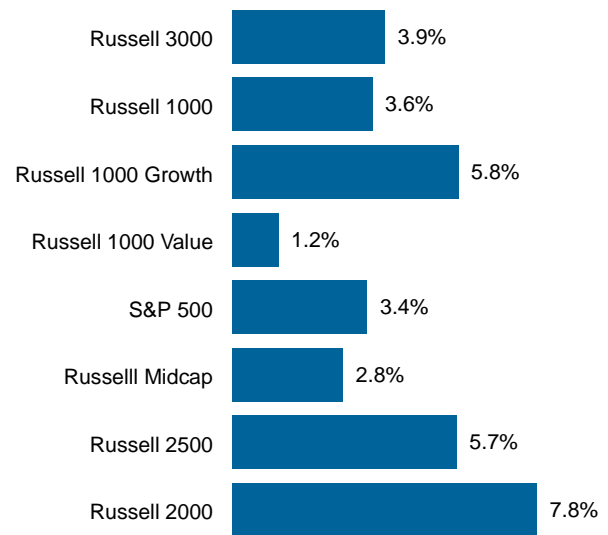
**Large Cap Trails Small Cap Amid Trade War Concerns**

- Retaliatory tariffs hit the U.S. agriculture, auto, and industrial metals sectors, among others. The ongoing decline of U.S. export market share is exacerbating the impact on large caps, which may continue to face macro headwinds in the coming quarters.
- Large cap (+2.9% YTD) is significantly trailing small cap (+7.7% YTD) as investors view small companies as more insulated against potential trade wars/looming tariffs. S&P 500 companies generate 38% of revenue overseas versus 20% for the S&P SmallCap 600.
- The rising dollar and concerns over the divergence between the strong U.S. economy and slower global growth are also driving investors to the relative safety of smaller companies.

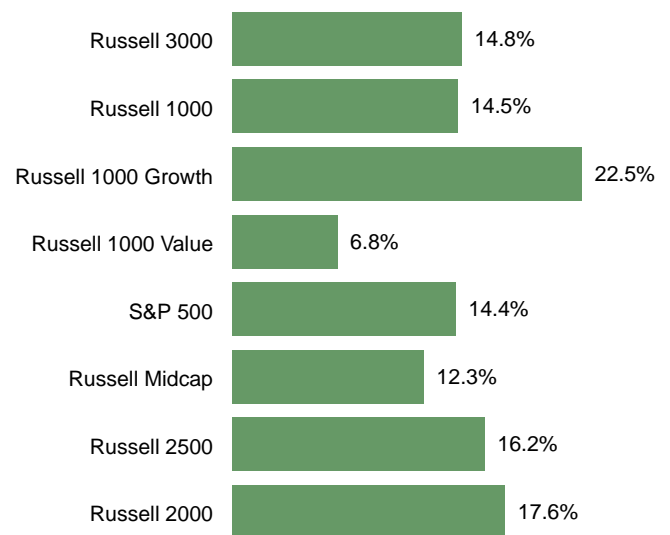
**Large Growth Continues to Dominate**

- Large value trailed large growth by nearly 900 bps in the first half of 2018 (-1.7% vs. +7.3%), driven by ongoing outperformance of the Tech sector and Tech-exposed Consumer Discretionary companies.

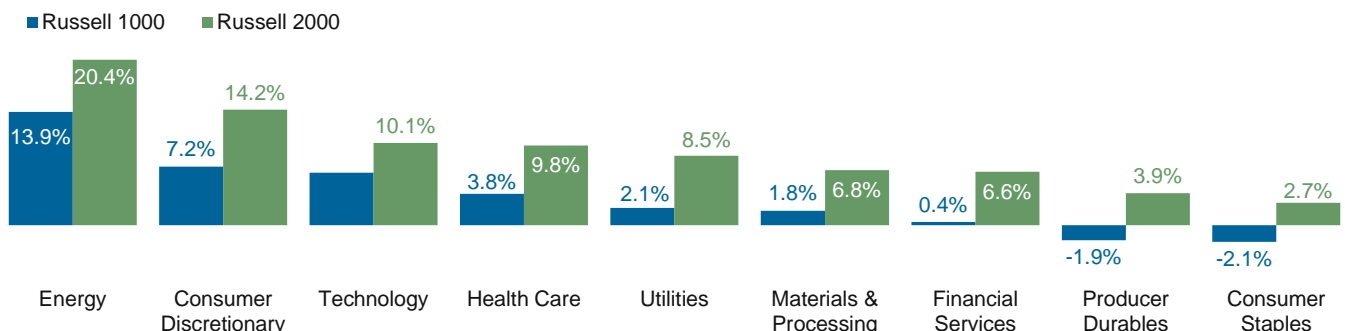
**U.S. Equity: Quarterly Returns**



**U.S. Equity: One-Year Returns**



**Russell Sector Returns, Quarter ended June 30, 2018**



Sources: FTSE Russell, Standard & Poor's

**Concentration Risk**

- FAANG stocks continue to drive an outsized proportion of returns within equity indices.
- Biotech represents half of the Health Care weight of the Russell 2000 Growth (12% vs. 25%), and many small growth managers have struggled in selecting biotech names given the binary outcomes of research and depth of resources needed to do it well.

**Amazon Effect Continues**

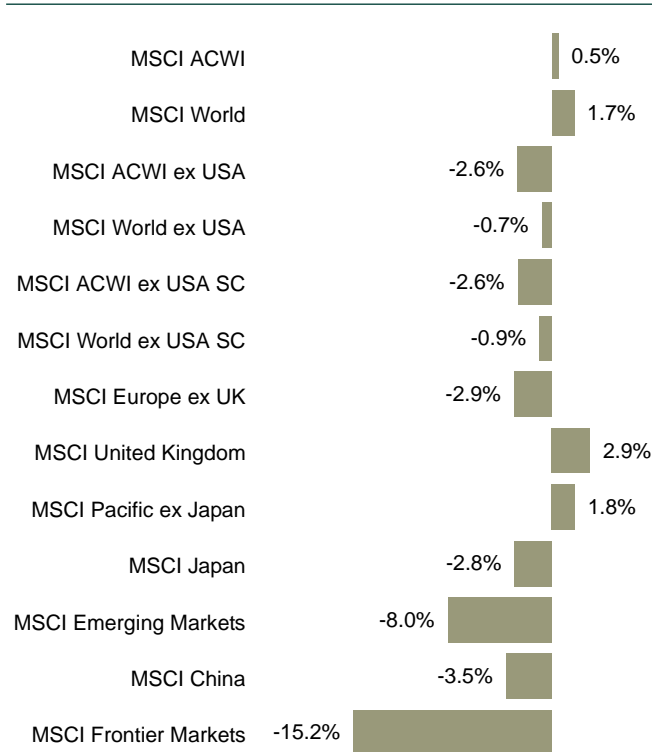
- Amazon (+17%) increased in size by over 69% since last year’s Russell reconstitution with continued market share expansion in the retailing space (including food) and now into Health Care.
- Active large cap managers with underweight positions to Amazon will likely continue to lag their benchmarks given Amazon’s looming presence in large cap indices.

**NON-U.S./GLOBAL EQUITY**

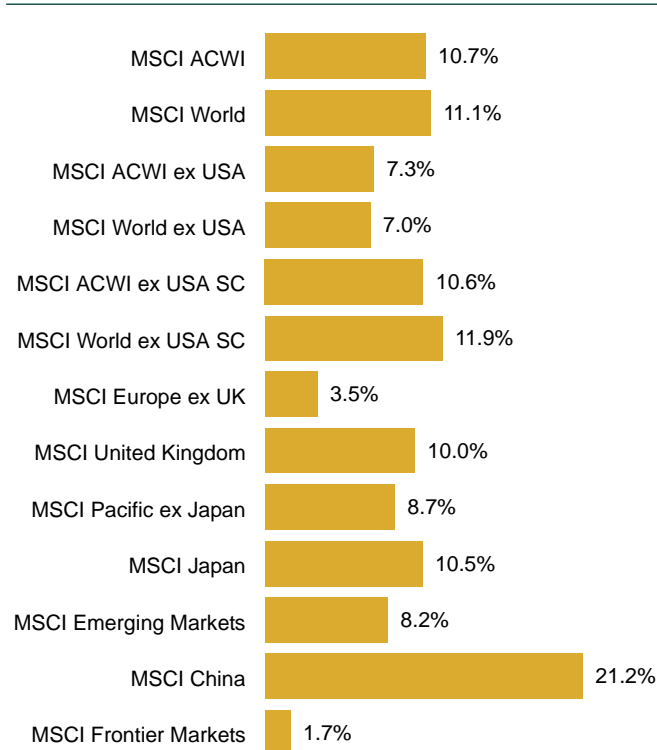
Non-U.S. markets ended in the red as trade war talk moved into action. Although initial tariffs levied by the U.S. were targeted, retaliatory actions and supply chain disruptions broadened their effects.

- Growth outpaced value—although no factor category showed significant strength.
- Cyclical sectors were hurt later in the quarter as the prospect of slower growth led to reduced expectations.
- The U.S. dollar was up, hurting non-U.S. returns. The euro and British pound were hit especially hard with the rise of populism and Brexit turmoil.
- Emerging markets sold off significantly, led by China and Latin America.
- Fears of increasing debt burdens and trade war effects impacted China.
- Brazil was affected by slower global growth, and falling sentiment hit energy and financials hard.
- Frontier markets were singed by Argentina (-42%) on continuing political unrest, severe drought, and a devaluing currency.
- Emerging markets were among the hardest hit with Latin America taking the brunt of the sell-off. In May, Brazil’s central bank unexpectedly left rates unchanged, while a trucking strike and growing concern about October elections weighed on markets. The Brazilian real fell 14% in the quarter versus the U.S. dollar.
- China reversed a five-quarter rally on concerns surrounding growing debt burdens, slower growth, and trade uncertainty.

**Global Equity: Quarterly Returns**



**Global Equity: One-Year Returns**



Source: MSCI

**U.S. FIXED INCOME**

Fixed income markets grappled with multiple issues, resulting in continued volatility. Trade conflicts due to the imposition of tariffs, emerging market elections, and the rising U.S. dollar contributed to the unstable environment.

U.S. rates rose in the second quarter and the yield curve continued its flattening trend.

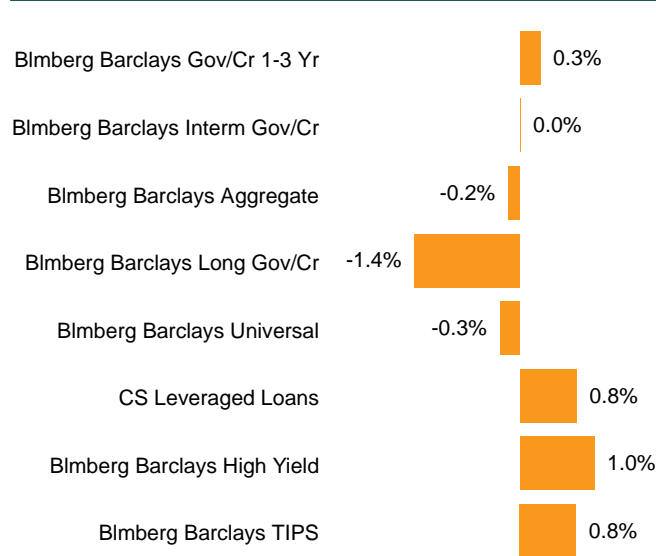
**Treasury Spreads Tighten**

- The spread between the 2-year and 10-year ended at its lowest level (33 bps) in more than 10 years.
- The Bloomberg Barclays U.S. Aggregate Bond Index fell 0.2%.
- Investment-grade (IG) corporates faced increased headwinds during the quarter, dragging returns lower. Concerns over potential trade wars and rising rates increasingly weighed on IG credit despite rising earnings and revenues.
- High yield corporates (Bloomberg Barclays High Yield Index: +1.0%) rebounded in the second quarter, pushing year-to-date returns into positive territory.
- CCC-rated credits continued to outperform higher-rated credits within high yield.
- Earnings growth remains strong and defaults remain benign amid the positive economic outlook.

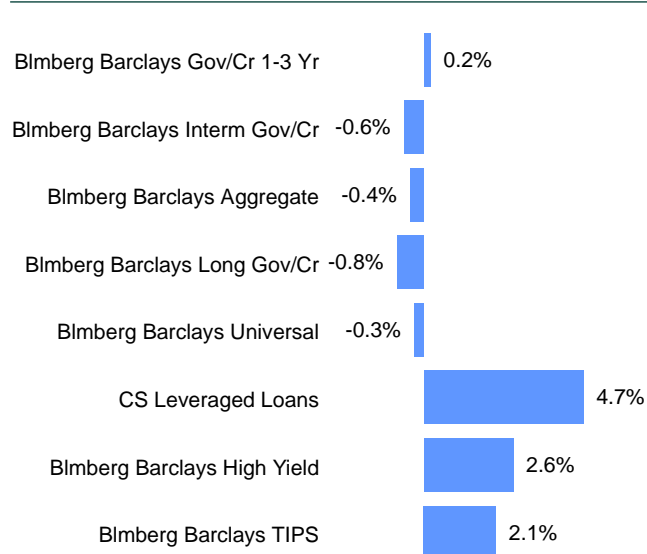
**Yield Curve Nears Inversion**

- The Fed's preferred measure of inflation, personal consumption expenditures (PCE), is on the precipice of its 2% target.
- The impact of increased tariffs and fiscal policy may lead to even higher levels.
- Only the recent strength of the U.S. dollar and a drop in energy prices have curtailed the dramatic rise over the past year.
- With two more hikes forecasted for this year and three more next year, the curve is inching closer to inversion.
- While not an immediate cause of recession, an inverted curve has been a reliable signal of recession in the past.

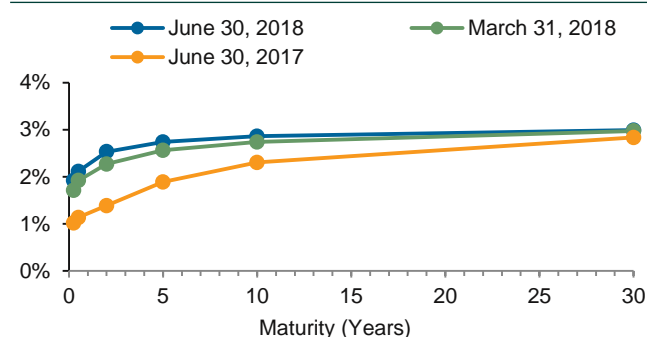
**U.S. Fixed Income: Quarterly Returns**



**U.S. Fixed Income: One-Year Returns**



**U.S. Treasury Yield Curves**



Sources: Bloomberg, Bloomberg Barclays, Credit Suisse

**NON-U.S. FIXED INCOME**

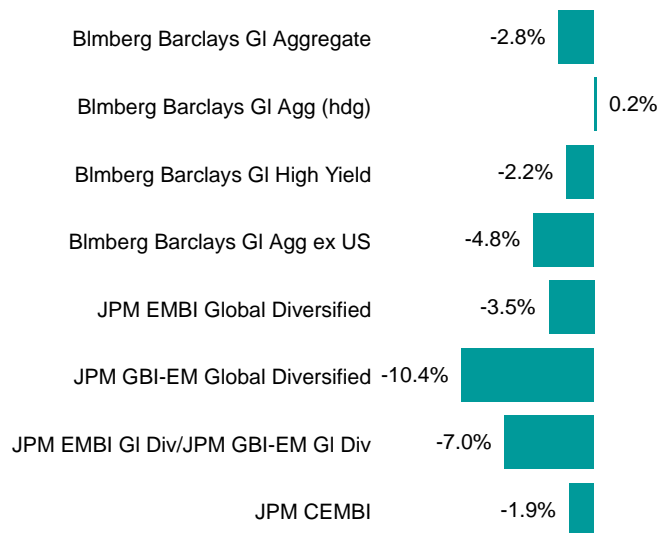
**Most Indices Fell in Second Quarter**

- The Bloomberg Barclays Global Aggregate Bond Index dropped 2.8%.
- The ex-US version of the Index fell even more, declining 4.8%.
- Emerging market indices were especially hard hit (JPM GBI-EM Global Diversified Index: -10.4%).
- For the last year, broad indices were narrowly positive but EM indices were lower.

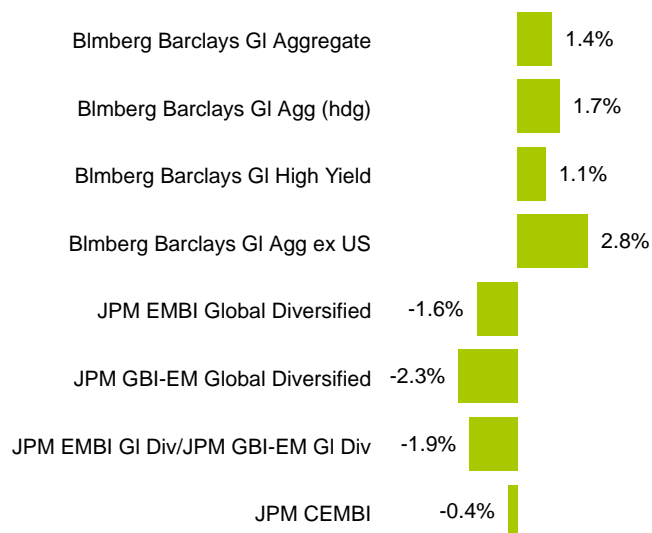
**Uncertainty of Trade War May Have Biggest Impact**

- Announced tariffs aren't expected to have a meaningful impact on growth; however, the extent of the costs ultimately depends on the degree to which other countries counter.
- An OECD study that looks at the far larger shock of a 10% across-the-board increase in tariffs by the U.S., euro zone, and China finds that global GDP would fall by 1.4%.
- The more impactful result may be an increase in uncertainty, which tends to precede weaker economic activity.
- These effects will take time to ultimately play out and are even more difficult to cap and quantify.

**Global Fixed Income: Quarterly Returns**

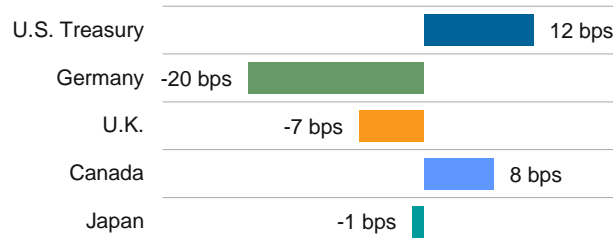


**Global Fixed Income: One-Year Returns**



**Change in 10-Year Global Government Bond Yields**

**1Q18 to 2Q18**



Sources: Bloomberg, Bloomberg Barclays, JP Morgan





## Research and Educational Programs

The Callan Institute provides research to update clients on the latest industry trends and carefully structured educational programs to enhance the knowledge of industry professionals. Visit [www.callan.com/library](http://www.callan.com/library) to see all of our publications, and [www.callan.com/blog](http://www.callan.com/blog) to view our blog “Perspectives.” For more information contact Corry Walsh at 312.346.3536 / [institute@callan.com](mailto:institute@callan.com).

## New Research from Callan’s Experts



**Handle With Extreme Care: Callan’s Take on Cryptocurrencies** | In this paper, author Mark Wood provides a brief overview of cryptocurrencies and addresses primary considerations for potential investors.

He describes why Callan does not currently recommend our clients allocate to cryptocurrency investment strategies, and where we see the greatest future potential in this space.

**Risk Parity: Silver Bullet or a Bridge Too Far?** | In this chapter from the CFA Institute’s book “Multi-Asset Strategies: The Future of Investment Management,” Callan’s Greg Allen describes risk parity strategies, a category of investment strategies in which capital is allocated across asset classes so that each contributes an equal amount of volatility to the portfolio’s total volatility.

**China A-Shares: Key Issues for Investors to Consider** | China is opening up its securities markets to more non-Chinese institutional investors. In particular, expanded access to China A-shares creates new opportunities for investors. But investing in China presents a set of risks that range from the country’s slowing GDP growth to stock trading suspensions. Although China A-shares present an attractive opportunity, implementation is challenged by a shallow manager universe and high fees.

**June 2018 Regional Workshop Summary: Governance Alpha** | Investment committees face complex challenges overseeing institutional investment funds. They must navigate myriad laws and regulations, select the right managers and strategies, monitor their portfolios, and ensure their funds can deliver the returns needed for their beneficiaries. Governance describes the policies and practices established to guide these decisions. What if implementing the

astute governance required to meet these challenges also resulted in better portfolio performance? At this workshop, Callan experts described the most effective institutional fund governance practices and explored new research that connects strong plan governance with performance (i.e., governance alpha), and reviewed how investment managers fit into this framework.

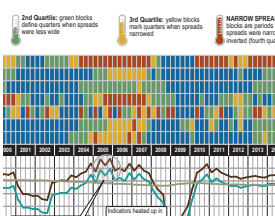
## Quarterly Periodicals

**Private Markets Trends** | This newsletter offers the latest data on activity in private equity fundraising, buyouts, venture capital, and returns for this asset class.

**Market Pulse Flipbook** | A quarterly market reference guide covering investment and fund sponsor trends in the U.S. economy, U.S. and non-U.S. equities and fixed income, alternatives, and defined contribution.

**Capital Market Review** | This quarterly publication provides analysis and a broad overview of the economy and public and private market activity each quarter across a wide range of asset classes.

**Active vs. Passive Report** | This series of charts maps active managers alongside relevant benchmarks over the last two decades.



**Real Estate Indicators: Too Hot to Touch or Cool Enough to Handle?** | Callan’s Real Assets Consulting group identifies seven indicators—based on spreads in real estate and fixed income markets—that, combined with

an understanding of prevailing market dynamics, have helped signal when the institutional real estate market is overheated or cooled.

## Events

Miss out on a Callan conference or workshop? Event summaries and speakers' presentations are available on our website: [www.callan.com/library/](http://www.callan.com/library/)

Callan's **October Regional Workshops** will be held on October 16 in New York and October 18 in Atlanta. Please visit the Events page on our website ([www.callan.com/events/](http://www.callan.com/events/)) for additional information.

Callan's **2019 National Conference** will be held January 28-30, 2019. Mark your calendars for this upcoming event!

**For more information about events, please contact Barb Gerraty: 415.274.3093 / [gerraty@callan.com](mailto:gerraty@callan.com)**

## The Center for Investment Training Educational Sessions

The Center for Investment Training, better known as the "Callan College," provides a foundation of knowledge for industry professionals who are involved in the investment decision-making process. It was founded in 1994 to provide clients and non-clients alike with basic- to intermediate-level instruction. Our next sessions are:

### Introduction to Investments

*Chicago, October 2-3, 2018*

*Atlanta, October 23-24, 2018*

This program familiarizes fund sponsor trustees, staff, and asset management advisers with basic investment theory, terminology, and practices. It lasts one-and-a-half days and is designed for individuals who have less than two years of experience with asset-management oversight and/or support responsibilities. Tuition for the Introductory "Callan College" session is \$2,350 per person. Tuition includes instruction, all materials, breakfast and lunch on each day, and dinner on the first evening with the instructors.

### Customized Sessions

The "Callan College" is equipped to customize a curriculum to meet the training and educational needs of a specific organization. These tailored sessions range from basic to advanced and can take place anywhere—even at your office.

**Learn more at [www.callan.com/events/callan-college-intro](http://www.callan.com/events/callan-college-intro) or contact Kathleen Cunnie: 415.274.3029 / [cunnie@callan.com](mailto:cunnie@callan.com)**

## Education: By the Numbers

**525** Attendees (on average) of the Institute's annual National Conference

**50+** Unique pieces of research the Institute generates each year

**3,700** Total attendees of the "Callan College" since 1994

**1980** Year the Callan Institute was founded



**"Research is the foundation of all we do at Callan, and sharing our best thinking with the investment community is our way of helping to foster dialog to raise the bar across the industry."**

Greg Allen, CEO and CRO



---

## Equity Market Indicators

The market indicators included in this report are regarded as measures of equity or fixed income performance results. The returns shown reflect both income and capital appreciation.

**Russell 1000 Growth** measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

**Russell 1000 Value** measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

**Russell 2000 Growth** contains those Russell 2000 securities with a greater than average growth orientation. Securities in this index tend to exhibit higher price-to-book and price-earning ratios, lower dividend yields and higher forecasted growth values than the Value universe.

**Russell 2000 Value** contains those Russell 2000 securities with a less than average growth orientation. Securities in this index tend to exhibit lower price-to-book and price-earning ratios, higher dividend yields and lower forecasted growth values than the Growth universe.

**Russell 3000 Index** is a composite of 3,000 of the largest U.S. companies by market capitalization. The smallest company's market capitalization is roughly \$20 million and the largest is \$72.5 billion. The index is capitalization-weighted.

**Russell Mid Cap Growth** measures the performance of those Russell Mid Cap Companies with higher price-to-book ratios and higher forecasted growth values. The stocks are also members of the Russell 1000 Growth Index.

**Russell MidCap Value Index** The Russell MidCap Value index contains those Russell MidCap securities with a less than average growth orientation. Securities in this index tend to exhibit lower price-to-book and price-earnings ratio, higher dividend yields and lower forecasted growth values than the Growth universe.

**Standard & Poor's 500 Equal-Weighted Index** is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The stocks are weighted equally within the index.

**Standard & Poor's 500 Index** is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The index is capitalization-weighted, with each stock weighted by its proportion of the total market value of all 500 issues. Thus, larger companies have a greater effect on the index.

---

## Fixed Income Market Indicators

**Bloomberg Barclays Aggregate Bond Index** is a combination of the Mortgage Backed Securities Index and the intermediate and long-term components of the Government/Credit Bond Index.

---

## International Equity Market Indicators

**MSCI ACWI ex US Index** The MSCI ACWI ex US(All Country World Index) Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets, excluding the US. As of May 27, 2010 the MSCI ACWI consisted of 45 country indices comprising 24 developed and 21 emerging market country indices. The developed market country indices included are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom. The emerging market country indices included are: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey.

**Morgan Stanley Capital International (MSCI) EAFE Index** is composed of approximately 1000 equity securities representing the stock exchanges of Europe, Australia, New Zealand and the Far East. The index is capitalization-weighted and is expressed in terms of U.S. dollars.

---

## Real Estate Market Indicators

**NCREIF Open Ended Diversified Core Equity** The NFI-ODCE is an equally-weighted, net of fee, time-weighted return index with an inception date of December 31, 1977. Equally-weighting the funds shows what the results would be if all funds were treated equally, regardless of size. Open-end Funds are generally defined as infinite-life vehicles consisting of multiple investors who have the ability to enter or exit the fund on a periodic basis, subject to contribution and/or redemption requests, thereby providing a degree of potential investment liquidity. The term Diversified Core Equity style typically reflects lower risk investment strategies utilizing low leverage and generally represented by equity ownership positions in stable U.S. operating properties.



---

## Callan Databases

In order to provide comparative investment results for use in evaluating a fund's performance, Callan gathers rate of return data from investment managers. These data are then grouped by type of assets managed and by the type of investment manager. Except for mutual funds, the results are for tax-exempt fund assets. The databases, excluding mutual funds, represent investment managers who handle over 80% of all tax-exempt fund assets.

### Equity Funds

Equity funds concentrate their investments in common stocks and convertible securities. The funds included maintain well-diversified portfolios.

**Core Equity** - Mutual funds whose portfolio holdings and characteristics are similar to that of the broader market as represented by the Standard & Poor's 500 Index, with the objective of adding value over and above the index, typically from sector or issue selection. The core portfolio exhibits similar risk characteristics to the broad market as measured by low residual risk with Beta and R-Squared close to 1.00.

**International Emerging Markets Equity** - The International Emerging Market Equity Database consists of all separate account international equity products that concentrate on newly emerging second and third world countries in the regions of the Far East, Africa, Europe, and Central and South America.

**Large Cap Growth** - Mutual Funds that invest mainly in large companies that are expected to have above average prospects for long-term growth in earnings and profitability. Future growth prospects take precedence over valuation levels in the stock selection process. Invests in companies with P/E ratios, Price-to-Book values, Return-on-Assets values, Growth-in-Earnings values above the broader market. The companies typically have zero dividends or dividend yields below the broader market. Invests in securities which exhibit greater volatility than the broader market as measured by the securities' Beta and Standard Deviation.

**Large Cap Value** - Mutual funds that invest in predominantly large capitalization companies believed to be currently undervalued in the general market. The companies are expected to have a near-term earnings rebound and eventual realization of expected value. Valuation issues take precedence over near-term earnings prospects in the stock selection process. Invests in companies with P/E ratios and Price-to-Book values below the broader market. Usually exhibits lower risk than the broader market as measured by the Beta and Standard Deviation.

**Non-U.S. Equity** A broad array of active managers who employ various strategies to invest assets in a well-diversified portfolio of non-U.S. equity securities. This group consists of all Core, Core Plus, Growth, and Value international products, as well as products using various mixtures of these strategies. Region-specific, index, emerging market, or small cap products are excluded.

**Non-U.S. Equity Style Mutual Funds** - Mutual funds that invest their assets only in non-U.S. equity securities but exclude regional and index funds.

**Small Capitalization (Growth)** - Mutual funds that invest in small capitalization companies that are expected to have above average prospects for long-term growth in earnings and profitability. Future growth prospects take precedence over valuation levels in the stock selection process. Invests in companies with P/E ratios, Price-to-Book values, and Growth-in-Earnings values above the broader market as well as the small capitalization market segment. The companies typically have zero dividends or dividend yields below the broader market. The securities exhibit greater volatility than the broader market as well as the small capitalization market segment as measured by the risk statistics beta and standard deviation.

---

## Callan Databases

**Small Capitalization (Value)** - Mutual funds that invest in small capitalization companies that are believed to be currently undervalued in the general market. Valuation issues take precedence over near-term earnings prospects in the stock selection process. The companies are expected to have a near-term earnings rebound and eventual realization of expected value. Invests in companies with P/E ratios, Return-on-Equity values, and Price-to-Book values below the broader market as well as the small capitalization market segment. The companies typically have dividend yields in the high range for the small capitalization market. Invests in securities with risk/reward profiles in the lower risk range of the small capitalization market.

### Fixed Income Funds

Fixed Income funds concentrate their investments in bonds, preferred stocks, and money market securities. The funds included maintain well-diversified portfolios.

**Core Bond** - Mutual Funds that construct portfolios to approximate the investment results of the Bloomberg Barclays Capital Government/Credit Bond Index or the Bloomberg Barclays Capital Aggregate Bond Index with a modest amount of variability in duration around the index. The objective is to achieve value added from sector and/or issue selection.

**Core Bond** - Managers who construct portfolios to approximate the investment results of the Bloomberg Barclays Capital Government/Credit Bond Index or the Bloomberg Barclays Capital Aggregate Bond Index with a modest amount of variability in duration around the index. The objective is to achieve value added from sector and/or issue selection.

**Core Plus Bond** - Active managers whose objective is to add value by tactically allocating significant portions of their portfolios among non-benchmark sectors (e.g. high yield corporate, non-US\$ bonds, etc.) while maintaining majority exposure similar to the broad market.

### Real Estate Funds

Real estate funds consist of open or closed-end commingled funds. The returns are net of fees and represent the overall performance of commingled institutional capital invested in real estate properties.

**Real Estate Open-End Commingled Funds** - The Open-End Funds Database consists of all open-end commingled real estate funds.

### Other Funds

**Public - Total** - consists of return and asset allocation information for public pension funds at the city, county and state level. The database is made up of Callan clients and non-clients.



## List of Callan's Investment Manager Clients

Confidential – For Callan Client Use Only

Callan takes its fiduciary and disclosure responsibilities to clients very seriously. We recognize that there are numerous potential conflicts of interest encountered in the investment consulting industry and that it is our responsibility to manage those conflicts effectively and in the best interest of our clients. At Callan, we employ a robust process to identify, manage, monitor and disclose potential conflicts on an on-going basis.

The list below is an important component of our conflicts management and disclosure process. It identifies those investment managers that pay Callan fees for educational, consulting, software, database or reporting products and services. We update the list quarterly because we believe that our fund sponsor clients should know the investment managers that do business with Callan, particularly those investment manager clients that the fund sponsor clients may be using or considering using. Please note that if an investment manager receives a product or service on a complimentary basis (e.g. attending and educational event), they are not included in the list below. Callan is committed to ensuring that we do not consider an investment manager's business relationship with Callan, or lack thereof, in performing evaluations for or making suggestions or recommendations to its other clients. Please refer to Callan's ADV Part 2A for a more detailed description of the services and products that Callan makes available to investment manager clients through our Institutional Consulting Group, Independent Adviser Group and Fund Sponsor Consulting Group. Due to the complex corporate and organizational ownership structures of many investment management firms, parent and affiliate firm relationships are not indicated on our list.

Fund sponsor clients may request a copy of the most currently available list at any time. Fund sponsor clients may also request specific information regarding the fees paid to Callan by particular fund manager clients. Per company policy, information requests regarding fees are handled exclusively by Callan's Compliance Department.

Manager Name
Acadian Asset Management LLC
AEGON USA Investment Management
Affiliated Managers Group, Inc.
Alcentra
AllianceBernstein
Allianz Global Investors
Allianz Life Insurance Company of North America
American Century Investments
Apollo Global Management
AQR Capital Management
Ares Management LLC
Ariel Investments, LLC
Atlanta Capital Management Co., LLC
Aviva Investors Americas
AXA Investment Managers
Baillie Gifford International, LLC
Baird Advisors
Baron Capital Management, Inc.
Barrow, Hanley, Mewhinney & Strauss, LLC
BlackRock
BMO Global Asset Management
BNP Paribas Asset Management
BNY Mellon Asset Management
Boston Partners
Brandes Investment Partners, L.P.
Brandywine Global Investment Management, LLC
BrightSphere Investment Group (FKA Old Mutual Asset)
Brown Brothers Harriman & Company
Cambiar Investors, LLC
Capital Group
Carillon Tower Advisers
CastleArk Management, LLC
Causeway Capital Management
Chartwell Investment Partners

Manager Name
ClearBridge Investments, LLC
Cohen & Steers Capital Management, Inc.
Columbia Threadneedle Investments
Columbus Circle Investors
Credit Suisse Asset Management
DePrince, Race & Zollo, Inc.
Deutsche Asset Management
Diamond Hill Capital Management, Inc.
Dimensional Fund Advisors LP
Doubleline
Duff & Phelps Investment Management Co.
EARNEST Partners, LLC
Eaton Vance Management
Epoch Investment Partners, Inc.
Fayez Sarofim & Company
Federated Investors
Fidelity Institutional Asset Management
Fiera Capital Corporation
First Eagle Investment Management, LLC
First Hawaiian Bank Wealth Management Division
Fisher Investments
Franklin Templeton
Fred Alger Management, Inc.
GAM (USA) Inc.
Global Evolution USA
GlobeFlex Capital, L.P.
GMO
Goldman Sachs Asset Management
Green Square Capital LLC
Guggenheim Investments
GW&K Investment Management
Harbor Capital Group Trust
Hartford Funds
Hartford Investment Management Co.

Manager Name
Heitman LLC
Henderson Global Investors
Hotchkis & Wiley Capital Management, LLC
HSBC Global Asset Management
Income Research + Management, Inc.
Insight Investment Management Limited
Intech Investment Management, LLC
Invesco
Investec Asset Management
Ivy Investments
J.P. Morgan
Janus Henderson Investors
Jennison Associates LLC
Jensen Investment Management
Jobs Peak Advisors
KeyCorp
Lazard Asset Management
Legal & General Investment Management America
Lincoln National Corporation
LMCG Investments, LLC
Longview Partners
Loomis, Sayles & Company, L.P.
Lord Abbett & Company
Los Angeles Capital Management
LSV Asset Management
MacKay Shields LLC
Macquarie Investment Management (MIM)
Manulife Asset Management
McKinley Capital Management, LLC
MFS Investment Management
MidFirst Bank
Mondrian Investment Partners Limited
Montag & Caldwell, LLC
Morgan Stanley Investment Management
Mountain Lake Investment Management LLC
MUFG Union Bank, N.A.
Natixis Investment Managers
Neuberger Berman
Newton Investment Management
Nikko Asset Management Co., Ltd.
Northern Trust Asset Management
Nuveen Investments, Inc.
OFI Global Asset Management
O'Shaughnessy Asset Management, LLC
P/E Investments
Pacific Investment Management Company
Pathway Capital Management
Peregrine Capital Management, Inc.
Perkins Investment Management

Manager Name
PGIM
PGIM Fixed Income
PineBridge Investments
Pioneer Investments
PNC Capital Advisors, LLC
Principal Global Investors
Private Advisors, LLC
Putnam Investments, LLC
QMA
RBC Global Asset Management
Regions Financial Corporation
Robeco Institutional Asset Management, US Inc.
Rockefeller & Co., Inc.
Rothschild Asset Management, Inc.
Russell Investments
Santander Global Facilities
Schroder Investment Management North America Inc.
Smith Graham & Co. Investment Advisors, L.P.
Smith Group Asset Management
South Texas Money Management, Ltd.
Standard Life Investments Limited
State Street Global Advisors
Stone Harbor Investment Partners, L.P.
Sun Life Investment Management
T. Rowe Price Associates, Inc.
The Boston Company Asset Management, LLC
The London Company
The TCW Group, Inc.
Thompson, Siegel & Walmsley LLC
Thornburg Investment Management, Inc.
Tri-Star Trust Bank
UBS Asset Management
VanEck
Velanne Asset Management Ltd.
Versus Capital Group
Victory Capital Management Inc.
Virtus Investment Partners, Inc.
Vontobel Asset Management, Inc.
Voya
WCM Investment Management
WEDGE Capital Management
Wellington Management Company, LLP
Wells Capital Management
Western Asset Management Company
Westfield Capital Management Company, LP
Westwood Holdings Group
William Blair & Company