

June 30, 2016



Mendocino County Employees' Retirement Association

**Investment Measurement Service
Quarterly Review**

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Second Quarter 2016

Keep Calm and Carry On

ECONOMY

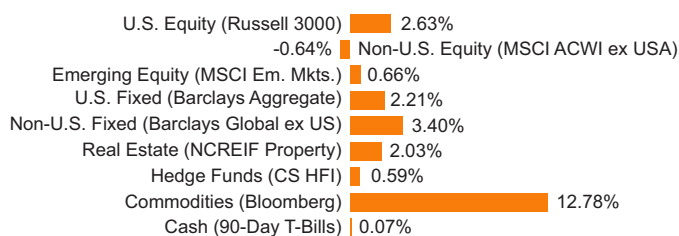
2 Despite global turmoil, all indicators of the U.S. economy pointed toward the strongest growth in consumption in a decade. But a disappointing first read on GDP for the second quarter is likely to give the Fed enough reason to delay a much-anticipated September rate hike.

Any Relief in Sight?

FUND SPONSOR

4 Corporate funds outperformed all others during the quarter because of their higher exposure to U.S. fixed income investments. But that brought little relief for their funding status, which fell by more than 3 percentage points.

Broad Market Quarterly Returns



Sources: Barclays, Bloomberg, Citigroup, Credit Suisse Hedge Index, Merrill Lynch, MSCI, NCREIF, Russell Investment Group

Greener Grass

U.S. EQUITY

6 The **S&P 500** ended the quarter only 1.5% below its all-time high achieved in May 2015, indicating that for investors wary of the turbulence around the world, the grass does appear to be greener in the United States.

Fasten Your Seat Belts

NON-U.S. EQUITY

9 Markets around the world ended the quarter relatively stable despite the Brexit vote, with the **MSCI ACWI ex USA Index** down only slightly (-0.64%), and the **MSCI Pacific Index** up a bit (+0.87%). The **MSCI Europe Index**, not surprisingly, finished down more 2.69%.

Rally Across the Board

U.S. FIXED INCOME

12 All sectors rallied during the quarter and produced positive returns, with investment-grade corporates leading the way, as investors assessed the broad strength of the U.S. economy and relatively attractive opportunities with the U.S. fixed income markets in the wake of Brexit.

How Low Can Rates Go?

NON-U.S. FIXED INCOME

15 Major global bond indices showed positive returns for the quarter, as sovereign yields fell. Most major global currencies weakened against the U.S. dollar; the British pound was hit hardest. Emerging market bonds continued to rebound despite a bumpy ride.

It Really Is Location, Location, Location

REAL ESTATE

17 The U.S. real estate market has become increasingly attractive and has captured nearly 30% of global capital allocations in 2016. Investors are flooding into the U.S. due to low government bond yields globally, Brexit uncertainties, and concerns about China's slowing growth.

Sticker Shock

PRIVATE EQUITY

19 Fundraising surged in the second quarter, with a large jump in venture capital. The investment pace by funds into companies slowed, but the amount invested into VC companies increased. And IPOs by both buyout-backed and VC-backed firms increased in the quarter.

Caution as Britannia Waives the Rule

HEDGE FUNDS

20 Hedge funds eked out modest gains in the second quarter, with convertible arb funds performing best and short bias the worst. Emerging market and fixed income arb funds showed positive returns, making up for losses in the first quarter.

Target Date Funds Continue to Rule

DEFINED CONTRIBUTION

21 As usual, target date funds attracted most of the assets during the first quarter, and now command more than a quarter of total DC assets. But the **Callan DC Index** lagged the Age 45 Target Date Fund by 42 bps in the quarter.

Keep Calm and Carry On

ECONOMY | Jay Kloepfer

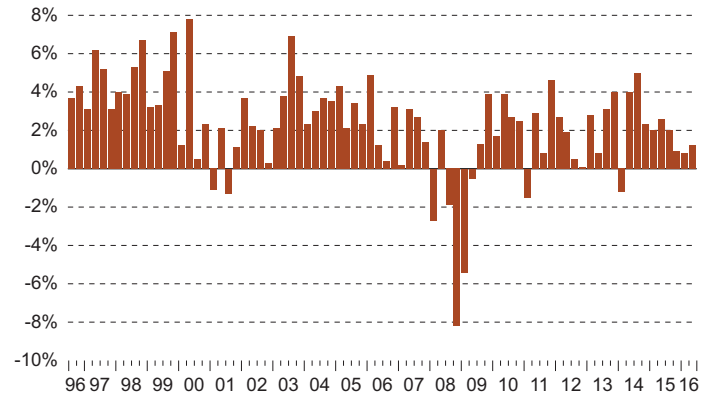
Voters in the United Kingdom narrowly approved a referendum to leave the European Union on June 23, and this unexpected result completely overshadowed everything else that happened in the global economy during the second quarter. Global bond yields fell to record lows, the British pound hit a 31-year low versus the U.S. dollar, and global equity markets plunged before quickly bouncing back to regain much of what they lost over a period of just a week.

In the background, the U.S. economy seemed to be calmly carrying on, as all indicators pointed toward the strongest growth in consumption in a decade. The first read of second-quarter gross domestic product (GDP) growth was therefore clearly disappointing at just 1.2%, dashing consensus expectations (or maybe just hopes) for a rate of 2% or higher. The revision to the first-quarter result was disappointing as well, pulled down from 1.1% to just 0.8%. The U.S. economy has now expanded by just 1.2% over the past year, the weakest 12-month gain since the reduction in Federal fiscal stimulus during 2013. Second-quarter growth was fueled by the standout strength in consumer spending, which increased at a robust rate of 4.2%. Gains in employment, disposable income, and home asset values (boosting household wealth)—along with low energy prices, modest inflation, and low interest rates—are providing the tailwind for consumers. Weighing down overall GDP growth is continued retrenchment in non-residential fixed investment, a blip downward in residential investment, and the fourth consecutive quarter of inventory reduction, which subtracted more than 1% from overall GDP growth. This weak GDP growth is likely to give the Federal Reserve sufficient reason to delay a much-anticipated September rate hike.

The job market gave quite a scare during the second quarter and was likely a primary factor in derailing what looked to be a certain Fed rate hike in June. April job gains slowed to 144,000 after averaging close to 200,000 during the first quarter, and then plummeted to just 11,000 in May, before recovering to an impressive 287,000 gain in June. The April and May

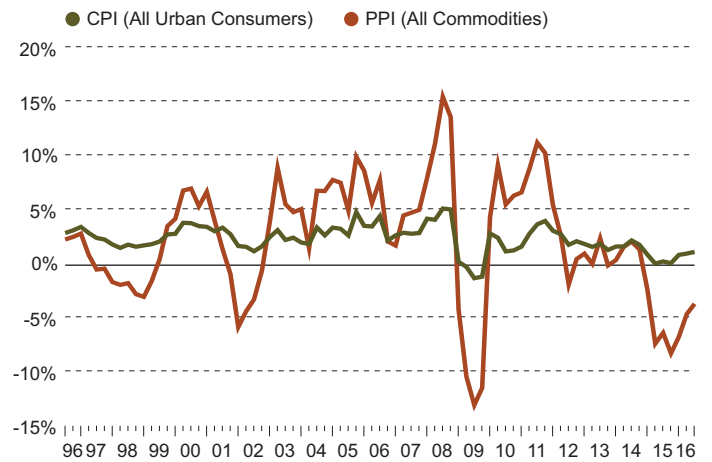
Quarterly Real GDP Growth

(20 Years)



Source: Bureau of Economic Analysis

Inflation Year-Over-Year



Source: Bureau of Labor Statistics

jobs reports spurred fears that the economy was stalling, but the June gain may dispel some of those fears. As the U.S. economy approaches full employment, payroll gains can't grow at 200,000 per month indefinitely, let alone the 250,000 rate achieved in much of 2015. The unemployment rate remains below 5%, although it actually bounced up in June from 4.7% to 4.9% as more people rejoined the workforce. The biggest challenge for the labor market is the mismatch between the strong demand for skilled labor and the ample supply of relatively lower-skilled workers.

The conundrum holding back stronger economic growth is the decline in company capital investment in a period of very low interest rates. Non-residential fixed investment fell in both the first and second quarters of 2016, dragged down by the collapse in drilling activity for oil and natural gas. The strong dollar has also hit exports and domestic sales of manufacturing industries exposed to international competition, and weak global growth has suppressed prices for agricultural goods. On a more positive note, the impact of these forces suppressing capital spending has peaked and is fading relative to last year. The Institute for Supply Management's index of manufacturing activity rose back above 50—the line between expansion and contraction—and reached a 16-month high in June, suggesting that manufacturing may have bottomed in the first quarter of the year. Another anomaly impacting GDP growth is the inventory buildup caused by last winter's warm weather. A huge buildup in natural gas stocks was to be expected, but oddly enough, the warm weather spurred excess inventories in wholesalers and retailers, and the correction has slowed demand from manufacturers.

The Brexit vote will likely be a small bump in the road for U.S. trade. U.S. exports of goods and services to the U.K. and the EU constitute just 1% and 3% of GDP, respectively. The damage to U.S. GDP will likely be limited to a few tenths of one percent. The larger impact may come from Brexit's potential to dampen consumer and business confidence and to complicate central governments' attempts to address global economic stagnation.

The European Central Bank (ECB) continued its efforts to stimulate euro-zone economies, where unemployment remains at 10%. The ECB began buying corporate bonds in June, reaching nearly 5 billion euros by the end of the month. The average yield on investment-grade European corporate debt dropped to a record low of less than 1%. Negative-yielding government debt

The Long-Term View

Index	2016 2nd Qtr	Periods ended December 31, 2015			
		Year	5 Yrs	10 Yrs	25 Yrs
U.S. Equity					
Russell 3000	2.63	0.48	12.18	7.35	10.03
S&P 500	2.46	1.38	12.57	7.31	9.82
Russell 2000	3.79	-4.41	9.19	6.80	10.50
Non-U.S. Equity					
MSCI EAFE	-1.46	-0.81	3.60	3.03	5.40
MSCI Emerging Markets	0.66	-14.92	-4.80	3.61	—
S&P ex-U.S. Small Cap	-1.30	5.92	5.51	5.33	6.80
Fixed Income					
Barclays Aggregate	2.21	0.55	3.25	4.51	6.15
90-Day T-Bill	0.07	0.05	0.07	1.24	2.93
Barclays Long G/C	6.55	-3.30	6.98	6.45	8.08
Citi Non-U.S. Govt	3.40	-5.54	-1.30	3.05	5.37
Real Estate					
NCREIF Property	2.03	13.33	12.18	7.76	8.05
FTSE NAREIT Equity	6.96	3.20	11.96	7.41	12.13
Alternatives					
CS Hedge Fund	0.59	-0.71	3.55	4.97	—
Cambridge PE*	—	6.69	13.08	11.18	15.74
Bloomberg Commodity	12.78	-24.66	-13.47	-6.43	—
Gold Spot Price	6.88	-10.46	-5.70	7.41	4.02
Inflation – CPI-U	1.22	0.73	1.53	1.86	2.30

*Private equity data is time-weighted return for period. Most recent quarterly data not available. Sources: Barclays, Bloomberg, Citigroup, Credit Suisse, FTSE, MSCI, NCREIF, Russell Investment Group, Standard & Poor's, Thomson/Cambridge, Bureau of Economic Analysis.

in the euro zone surged to nearly \$12 trillion. By comparison, U.S. yields look high, suggesting further downward pressure on seemingly rock-bottom U.S. interest rates is possible. The decline in U.S. rates since the start of the year caught most market participants by surprise. The consensus was for the U.S. to embark on a path to gradually higher rates, starting this year. As expectations for rising rates fade, the fear is that the optimism for growth which would have justified higher rates will fade, too.

Recent Quarterly Economic Indicators

	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15	4Q14	3Q14
Employment Cost–Total Compensation Growth	2.3%	1.9%	2.0%	2.0%	2.0%	2.6%	2.2%	2.2%
Nonfarm Business–Productivity Growth	1.9%*	-0.6%	-1.7%	2.0%	3.1%	-0.8%	-1.7%	3.1%
GDP Growth	1.2%	0.8%	0.9%	2.0%	2.6%	2.0%	2.3%	5.0%
Manufacturing Capacity Utilization	75.0%	75.3%	75.4%	75.6%	75.5%	75.5%	76.0%	75.7%
Consumer Sentiment Index (1966=100)	92.4	91.5	91.3	90.8	94.2	95.5	89.8	83.0

*Estimate.

Sources: Bureau of Economic Analysis, Bureau of Labor Statistics, Federal Reserve, IHS Economics, Reuters/University of Michigan.

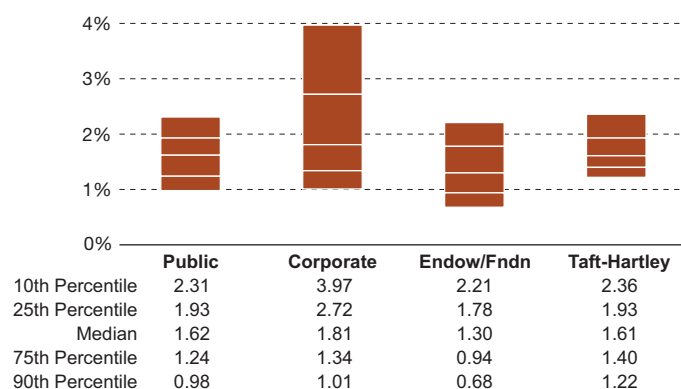
Any Relief in Sight?

FUND SPONSOR | Rufash Lama

A closer look at returns for the quarter from the Callan Fund Sponsor Databases reveals that the median corporate fund bested all other fund types. Corporate funds also had the widest dispersion of returns, and the highest total return as shown by results for funds in the 10th percentile. However, some Taft-Hartley funds outperformed the lowest-performing corporate funds, as shown by returns in the 90th percentile.

The outperformance of corporate funds during the quarter stemmed from their higher exposure to U.S. fixed income, particularly those funds with long duration. At the other end of the spectrum, endowments/foundations lagged all other fund types given their minimal exposure to U.S. fixed income. Higher allocations to non-U.S. equity and hedge funds also dragged down relative performance for endowments/foundations. Over longer time periods (5 and 10 years), compound returns for all fund sponsors have been in the range of 5% to 7%, with endowments/foundations lagging over short- and long-term periods.

Callan Fund Sponsor Returns for the Quarter



Source: Callan

The median funded status of corporate defined benefit plans declined for the quarter, primarily due to the dramatic fall in interest rates. Based on data from actuaries and asset managers, the median and average funded ratio fell by more than 3 percentage points in the quarter, to 76.0% and 76.4%, respectively. Year to date, the median funded status has declined by more than 6 percentage points.

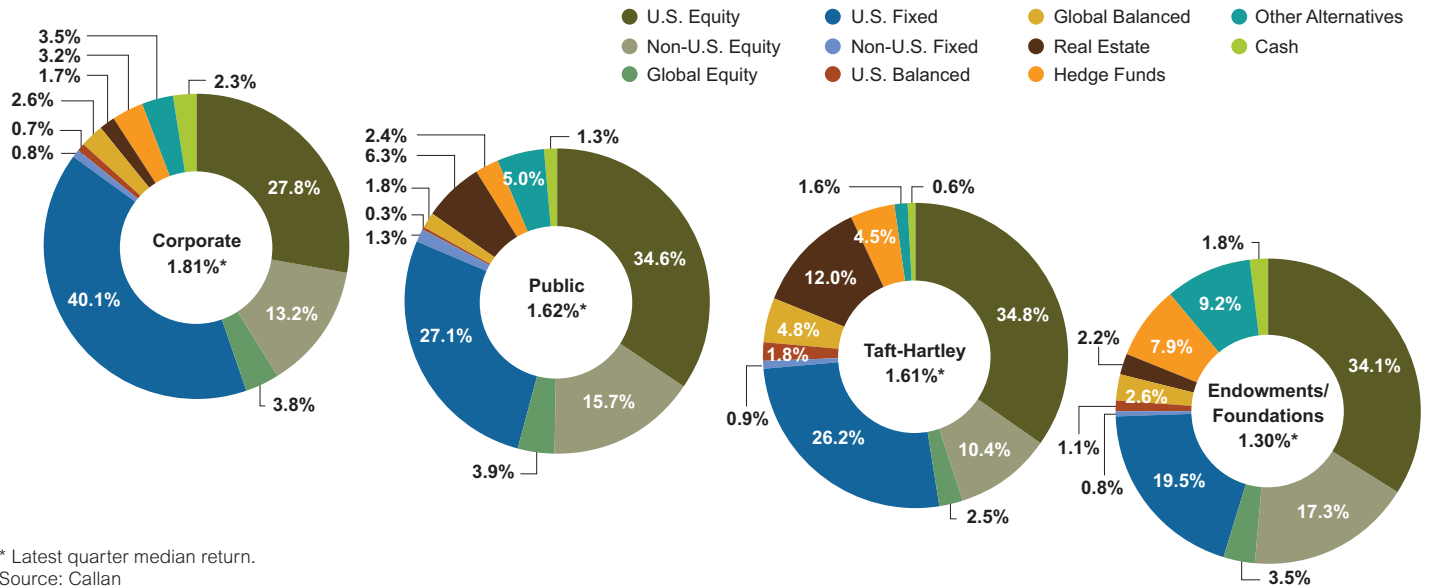
Callan Database Median Returns* for Periods ended June 30, 2016

Fund Sponsor	Quarter	YTD	Year	3 Years	5 Years	10 Years	15 Years
Public Funds	1.62	2.98	0.54	6.39	6.42	5.65	5.94
Corporate Funds	1.81	3.88	1.66	6.59	6.62	5.85	6.00
Endowments/Foundations	1.30	2.05	-1.55	5.24	5.53	5.34	5.69
Taft-Hartley	1.61	2.69	0.97	7.12	6.97	5.54	5.68

*Returns less than one year are not annualized.

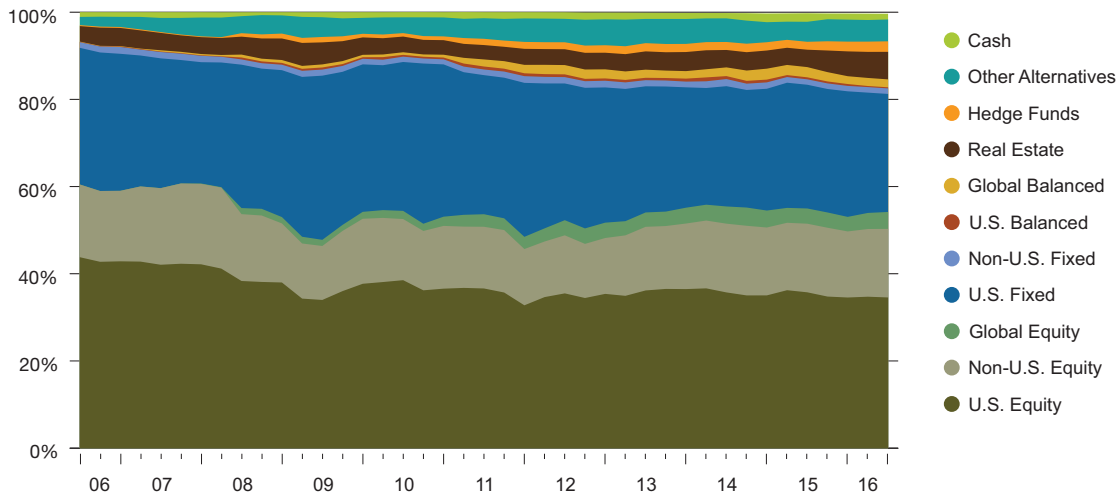
Source: Callan. Callan's database includes the following groups: public defined benefit, corporate defined benefit, endowments/foundations, and Taft-Hartley plans. Approximately 10% to 15% of the database constituents are Callan's clients. All database group returns presented gross of fees. Past performance is no guarantee of future results. Reference to or inclusion in this report of any product, service, or entity should not be construed as a recommendation, approval, affiliation, or endorsement of such product, service, or entity by Callan.

Callan Fund Sponsor Average Asset Allocation



Callan Public Fund Database Average Asset Allocation

(10 Years)



Source: Callan. Callan's database includes the following groups: public defined benefit, corporate defined benefit, endowments/foundations, and Taft-Hartley plans. Approximately 10% to 15% of the database constituents are Callan's clients. All database group returns presented gross of fees. Past performance is no guarantee of future results. Reference to or inclusion in this report of any product, service, or entity should not be construed as a recommendation, approval, affiliation, or endorsement of such product, service, or entity by Callan.

Greener Grass

U.S. EQUITY | Lauren Mathias, CFA

Though the **S&P 500 Index** ended in positive territory (+2.46%), it was subject to substantial volatility during the quarter. The U.K.'s vote to leave the European Union sent global markets reeling in late June; the S&P 500 fell 5.3% in the first two trading days after the vote. Volatility, as measured by VIX, spiked but remained below values posted in January. Despite uncertainty abroad and the steep drop after Brexit, the S&P 500 ended the quarter only 1.5% below its all-time high achieved in May 2015. Amid the global turmoil, it appears the grass is greener in the U.S.

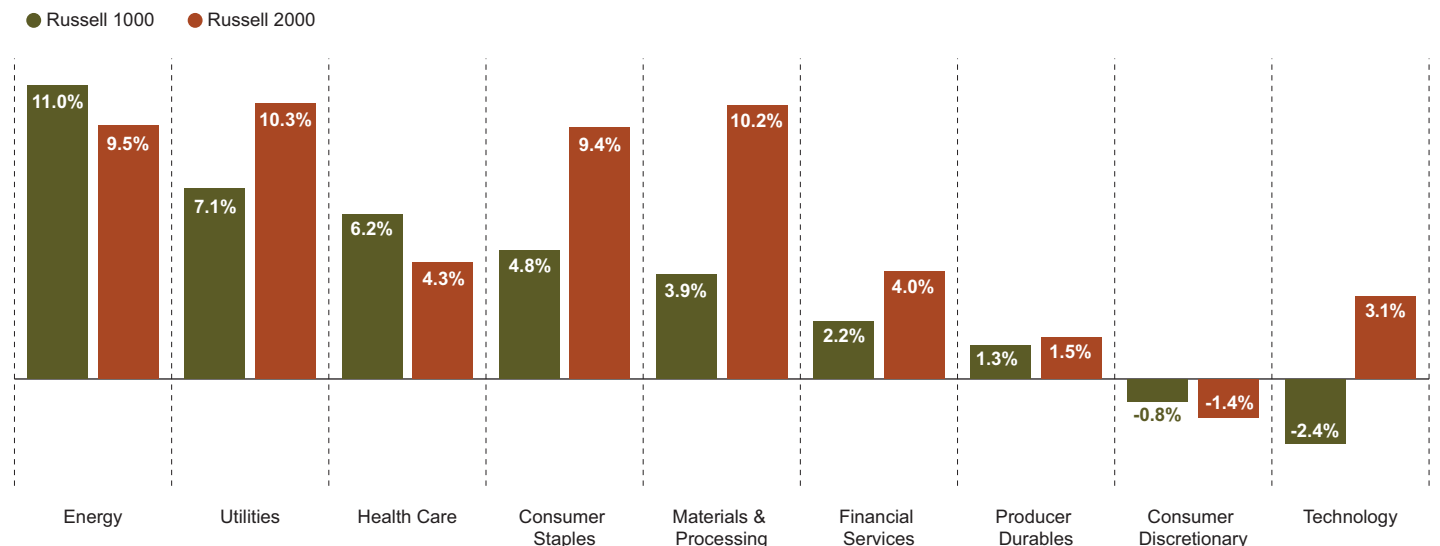
Global markets did not appear to affect domestic production either: Manufacturing activity increased (the ISM Composite Index hit a 16-month high); existing home sales were up 4.5% in May; and retail sales showed strength. But disappointing unemployment figures—4.7% due to a lower labor force

participation rate of 62.6%—and low first-quarter GDP prompted the Fed to keep interest rates at current levels.

After another strong quarter, value remained ahead of growth in all capitalizations (**Russell 2000 Value Index**: +4.31% and **Russell 2000 Growth Index**: +3.24%); the difference was most significant within large capitalizations (**Russell 1000 Value Index**: +4.58% and **Russell 1000 Growth Index**: +0.61%). Smaller was better: micro-, small-, and mid-capitalization companies outpaced large-capitalization stocks (**Russell Microcap Index**: +3.97%, **Russell 2000 Index**: +3.79%, **Russell Midcap Index**: +3.18%, and **Russell 1000 Index**: +2.54%).

With economic uncertainty and lower interest rates in the foreseeable future, defensive and yielding areas of the mar-

Economic Sector Quarterly Performance



Source: Russell Investment Group

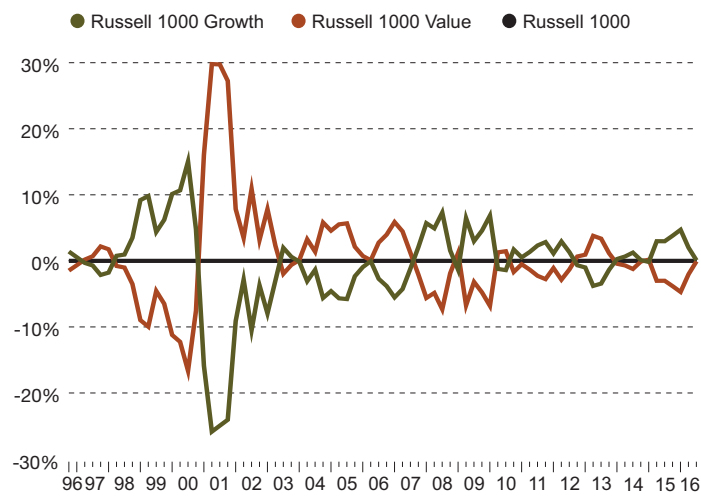
Note: As of the fourth quarter of 2015, the Capital Market Review reports sector-specific returns using the Russell Global Sectors (RGS) classification system rather than the Global Industry Classification Standard (GICS) system. RGS uses a three-tier classification system containing nine sectors; GICS uses a four-tier system containing 10 sectors.

ket did well: Utilities, Telecommunications, Health Care, and Consumer Staples. Factors like low beta and high dividend yield were in favor and boosted the performance of these sectors. After a long period of poor performance, Energy was by far the leading sector, buoyed by an almost 30% increase in oil prices. Financials lagged, mostly due to a tough June—both the Brexit crisis and absent interest rate hike were the culprits. Health Care and Technology, large sectors in the growth benchmark, were dragged down by the pharmaceuticals/

biotechnology and hardware and equipment industries, respectively. Stock correlations elevated in June, making it challenging for active management; however, levels remain below those experienced in 2015.

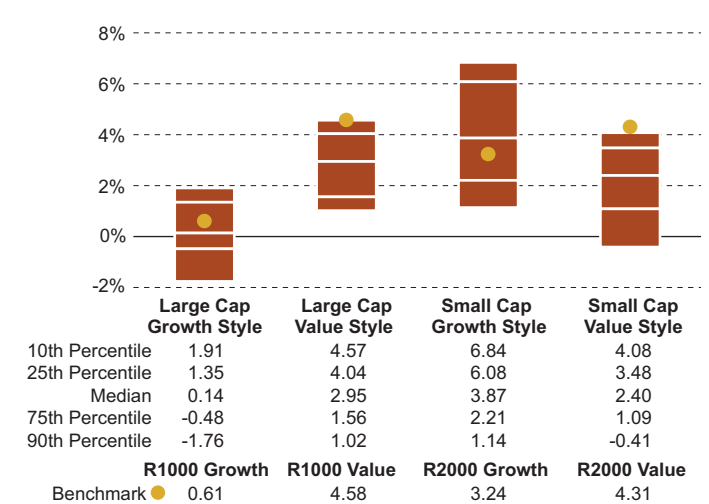
The U.S. equity market managed to escape a tumultuous June with positive results in the full quarter. However, active funds have found it challenging to outpace their respective benchmarks this year—fewer than 50% were able to do so.

Rolling One-Year Relative Returns (vs. Russell 1000)



Source: Russell Investment Group

Callan Style Group Quarterly Returns



Sources: Callan, Russell Investment Group

U.S. Equity Index Characteristics as of June 30, 2016

	S&P 500	Rus 3000	Rus 1000	Rus Midcap	Rus 2500	Rus 2000
Number of Issues	506	3,007	1,000	800	2,507	2,006
% of Russell 3000	82%	100%	92%	27%	17%	7%
Wtd Avg Mkt Cap (\$bn)	127.80	106.54	114.81	12.03	3.79	1.70
Price/Book Ratio	2.7	2.6	2.7	2.4	2.1	1.9
Forward P/E Ratio	16.6	17.1	17	18.5	18.4	18.7
Dividend Yield	2.2%	2.1%	2.1%	1.8%	1.7%	1.6%
5-Yr Earnings (forecasted)	11.9%	12.0%	12.0%	10.2%	11.7%	12.9%

Sources: Russell Investment Group, Standard & Poor's.

U.S. EQUITY (Continued)

Callan Style Median and Index Returns* for Periods ended June 30, 2016

Large Cap Equity	Quarter	YTD	Year	3 Years	5 Years	10 Years	15 Years
Large Cap Core Style	1.73	1.44	0.33	11.02	11.74	7.68	6.31
Russell 3000	2.63	3.62	2.14	11.13	11.60	7.40	6.09
Russell 1000	2.54	3.74	2.93	11.48	11.88	7.51	6.02
S&P 500	2.46	3.84	3.99	11.66	12.10	7.42	5.75
Large Cap Growth Style	0.14	-1.72	-0.14	12.60	11.60	8.68	5.75
Russell 1000 Growth	0.61	1.36	3.02	13.07	12.35	8.78	5.50
Large Cap Value Style	2.95	3.34	-0.81	9.20	10.97	6.52	7.07
Russell 1000 Value	4.58	6.30	2.86	9.87	11.35	6.13	6.38
Mid Cap Equity	Quarter	YTD	Year	3 Years	5 Years	10 Years	15 Years
Mid Cap Core Style	1.67	3.33	-1.67	10.90	10.64	8.25	9.24
Russell Midcap	3.18	5.50	0.56	10.80	10.90	8.07	8.68
Mid Cap Growth Style	2.31	-0.02	-5.69	9.24	8.94	8.17	7.86
Russell Midcap Growth	1.56	2.15	-2.14	10.52	9.98	8.12	6.99
Mid Cap Value Style	3.29	4.90	-0.82	10.13	10.67	8.17	9.91
Russell Midcap Value	4.77	8.87	3.25	11.00	11.70	7.79	9.50
Small Cap Equity	Quarter	YTD	Year	3 Years	5 Years	10 Years	15 Years
Small Cap Core Style	2.85	2.80	-4.76	9.34	10.24	7.92	9.43
Russell 2000	3.79	2.22	-6.73	7.09	8.35	6.20	6.96
Small Cap Growth Style	3.87	-1.57	-12.40	7.18	8.37	7.55	7.39
Russell 2000 Growth	3.24	-1.59	-10.75	7.74	8.51	7.14	5.91
Small Cap Value Style	2.40	4.64	-2.44	8.63	9.94	7.61	10.00
Russell 2000 Value	4.31	6.08	-2.58	6.36	8.15	5.15	7.73
Smid Cap Equity	Quarter	YTD	Year	3 Years	5 Years	10 Years	15 Years
Smid Cap Broad Style	2.21	2.85	-4.23	8.86	10.29	9.49	-
Russell 2500	3.57	3.98	-3.67	8.61	9.48	7.32	8.09
Smid Cap Growth Style	3.25	-0.46	-8.43	8.00	8.70	8.35	8.01
Russell 2500 Growth	2.70	-0.03	-7.69	9.06	9.27	7.96	6.76
Smid Cap Value Style	2.39	5.38	-4.11	8.27	9.86	7.95	10.08
Russell 2500 Value	4.37	7.84	0.22	8.14	9.59	6.52	8.77
Russell 3000 Sectors	Quarter	YTD	Year	3 Years	5 Years	10 Years	15 Years
Consumer Discretionary	-0.88	0.98	0.99	11.18	14.59	9.98	-
Consumer Staples	4.94	10.42	18.31	15.50	15.49	12.63	-
Energy	10.94	14.41	-8.17	-3.18	-0.85	3.18	-
Financial Services	2.35	-1.03	-1.30	9.00	11.42	0.99	-
Health Care	6.04	-1.44	-5.23	16.22	17.08	11.43	-
Materials & Processing	4.70	10.67	1.01	8.70	6.88	6.17	-
Producer Durables	1.28	6.10	4.35	11.33	10.81	6.76	-
Technology	-2.06	-0.37	2.44	14.67	11.81	9.83	-
Utilities	7.34	23.69	28.37	13.60	12.63	8.50	-

*Returns less than one year are not annualized.

Sources: Callan, Russell Investment Group, Standard & Poor's.

Fasten Your Seat Belts

NON-U.S. EQUITY | Lyman Jung

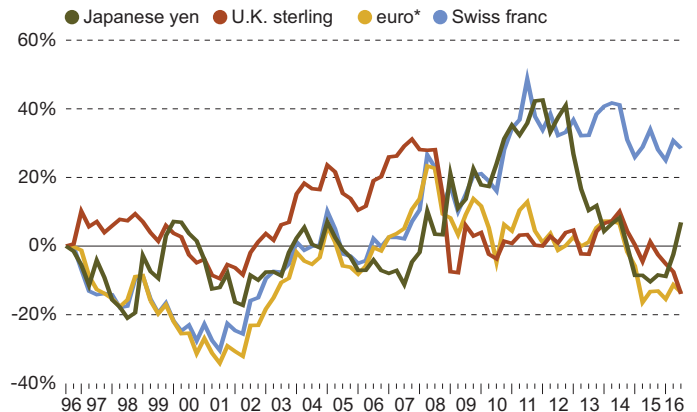
For the second consecutive quarter, non-U.S. equity markets endured a bout of extreme volatility. After a tepid start to the quarter, markets reacted to the surprise June 23 Brexit referendum to leave the European Union. Global markets lost \$2 trillion the day after, but quickly stabilized. In this uncertain environment, we expect volatility to continue.

Despite the vote, the **MSCI ACWI ex USA Index** ended the quarter down only slightly (-0.64%), buoyed by accommodative central bank policies and a strong rebound in commodity prices. Energy (+8.05%) led the charge followed by Health Care (+4.29%), as investors favored defensive, dividend-paying stocks amid the turmoil. Economic and interest-rate-sensitive sectors fared worst, with Consumer Discretionary (-6.87%) and Financials (-4.31%) leading the plunge.

Around the broader markets, the **MSCI Emerging Markets Index** (+0.66%) bested its developed counterpart in the **MSCI World ex USA Index** (-1.05%). Without Canada (+3.40%), one of the best-performing countries in developed markets, the **MSCI EAFE Index** was even more depressed (-1.46%). The **MSCI ACWI ex USA Growth Index** continued an eight-quarter trend of outperforming the Value Index. Moreover, the **MSCI ACWI ex USA Small Cap** (-0.87%) topped its developed cousin, the **MSCI World ex USA Small Cap Index** (-1.28%).

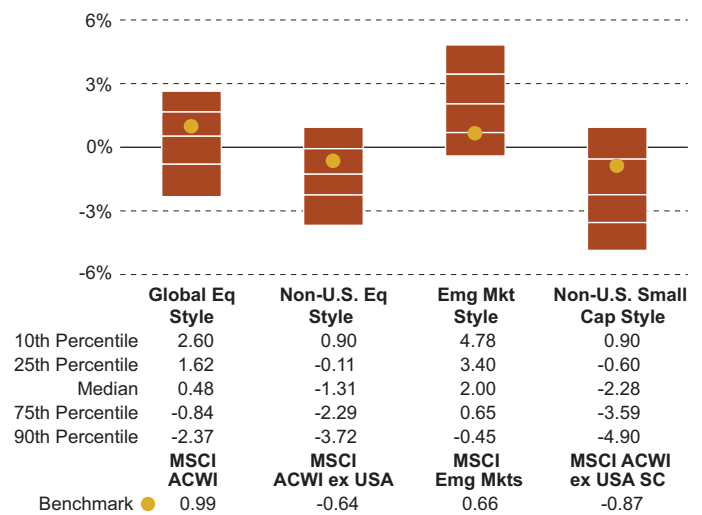
As Brexit dominated the headlines, European equity markets fell sharply only to rally in the final few days of the quarter. The **MSCI Europe Index** finished down 2.69%. Amid a general move to safe-haven countries, Switzerland (+2.03%) was a top-performer. Italy (-10.45%) and Spain (-7.67%) were among the worst mainly due to double-digit declines in banks burdened by souring loans and the potential loss of the U.K. as the financial center. Regionally, European sectors performed in line with the rest of the developed world. Energy stocks contributed 12.51% thanks to oil at nearly \$50. Conversely, Consumer Discretionary and Financials tumbled 11.10% and 10.82%, respectively,

Major Currencies' Cumulative Returns (vs. U.S. Dollar)



*German mark returns before 1Q99
Source: MSCI

Callan Style Group Quarterly Returns



Sources: Callan, MSCI

weighed down by recession fears and concerns about a slowdown in finance and investment activity.

In contrast to Europe, the **MSCI Pacific Index** (+0.87%) fared much better, boosted by Japan (+1.01%) and New Zealand (+5.85%). While Japan was positive on a U.S. dollar-return basis, on a local-return basis it fell 7.80% because the yen

NON-U.S. EQUITY (Continued)

surged 10% in the quarter—despite operating in a negative interest rate environment. The yen has been bolstered by its re-emergence as a haven currency with an uncertain Europe and also by the dollar's recent weakness after the Federal Reserve pared back expectations of U.S. interest rate increases. New Zealand gained on improved sentiment partly due to a reported trade surplus that was more than double analysts' forecasts.

Emerging market countries produced a wide spectrum of returns, but closed out the quarter slightly ahead (MSCI Emerging Market Index: +0.66%). Commodity producers such as Brazil (+13.90%) and Russia (+4.05%) benefited from the rebound in oil prices, continuing their first-quarter rally. The former was also propped up by an impeachment motion against President Dilma Rousseff that sent the equity market into a frenzied rally. Stocks in China ended the quarter nearly flat (+0.11%) thanks to a slower predicted growth of 6.6%, the weakest since the Global Financial Crisis. Further, concerns about the amount of debt on corporate balance sheets and recent policy changes

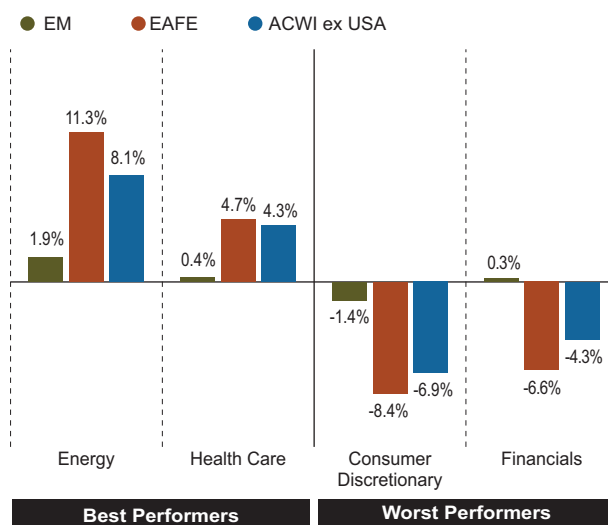
Quarterly Return Attribution for Non-U.S. Developed Countries (U.S. Dollar)

Country	Total	Local	Currency	Wtg
Australia	0.46%	3.79%	-3.20%	5.13%
Austria	-9.99%	-7.67%	-2.51%	0.12%
Belgium	2.29%	4.92%	-2.51%	1.05%
Canada	3.40%	3.82%	-0.40%	6.82%
Denmark	-0.58%	1.84%	-2.37%	1.40%
Finland	-2.12%	0.40%	-2.51%	0.69%
France	-4.31%	-1.85%	-2.51%	6.79%
Germany	-5.57%	-3.14%	-2.51%	6.11%
Hong Kong	0.94%	0.96%	-0.02%	2.34%
Ireland	-9.87%	-7.55%	-2.51%	0.33%
Israel	-3.80%	-1.72%	-2.38%	0.55%
Italy	-10.45%	-8.14%	-2.51%	1.38%
Japan	1.01%	-7.80%	9.56%	16.43%
Netherlands	-5.06%	-2.72%	-2.51%	2.24%
New Zealand	5.85%	3.19%	2.58%	0.13%
Norway	2.35%	3.55%	-1.16%	0.45%
Portugal	-2.76%	-0.25%	-2.51%	0.11%
Singapore	0.35%	0.29%	0.05%	0.96%
Spain	-7.67%	-5.29%	-2.51%	2.08%
Sweden	-5.38%	-1.11%	-4.32%	1.95%
Switzerland	2.03%	3.80%	-1.70%	6.55%
U.K.	-0.73%	6.73%	-6.99%	13.83%

Sources: MSCI, Russell Investment Group, Standard & Poor's.

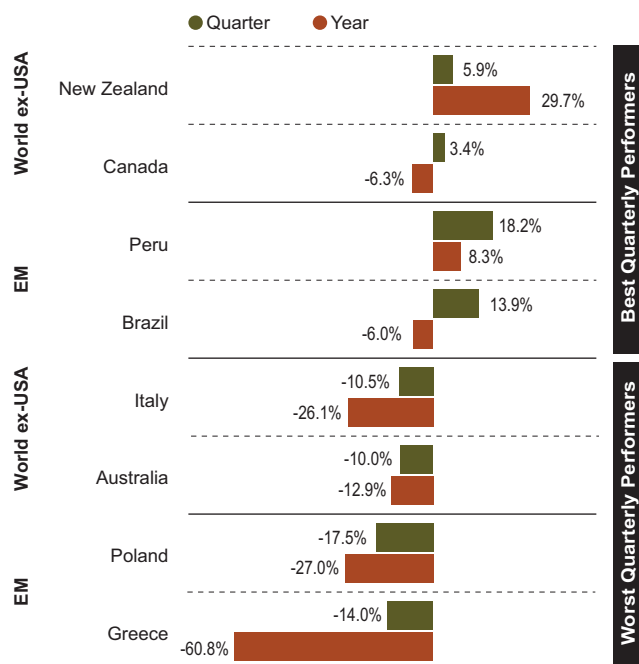
led to questions on how much stimulus the government would provide to sustain growth. Elsewhere, stocks in India (+3.72%) advanced on faster-than-expected growth and earnings of some of its biggest companies, bolstered by optimism about the nation's economic recovery.

Quarterly Returns: Strong and Struggling Sectors



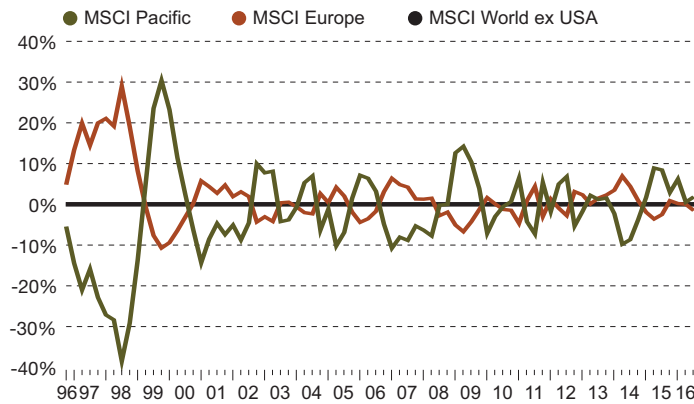
Source: MSCI

Quarterly and Annual Country Performance Snapshot



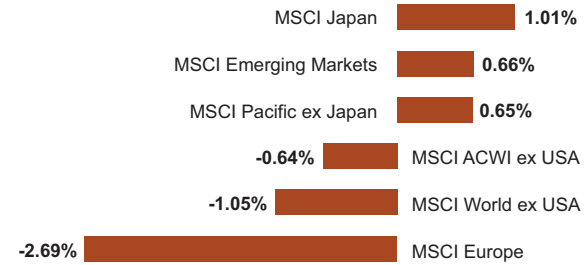
Source: MSCI

Rolling One-year Relative Returns (vs. MSCI World ex USA)



Source: MSCI

Regional Quarterly Performance (U.S. Dollar)



Source: MSCI

Style Median and Index Returns* for Periods ended June 30, 2016

Global Equity	Quarter	YTD	Year	3 Years	5 Years	10 Years	15 Years
Global Equity Style	0.48	-0.92	-4.47	7.16	7.08	5.37	6.31
MSCI World	1.01	0.66	-2.78	6.95	6.63	4.43	4.86
MSCI ACWI	0.99	1.23	-3.73	6.03	5.38	4.26	4.98
Non-U.S. Equity	Quarter	YTD	Year	3 Years	5 Years	10 Years	15 Years
Non-U.S. Style	-1.31	-3.49	-9.43	3.27	2.83	2.91	6.25
MSCI World ex USA	-1.05	-2.98	-9.84	1.88	1.23	1.63	4.47
MSCI ACWI ex USA	-0.64	-1.02	-10.24	1.16	0.10	1.87	4.96
Regional Equity	Quarter	YTD	Year	3 Years	5 Years	10 Years	15 Years
MSCI Europe ex UK	-3.53	-6.02	-10.80	2.58	0.66	1.56	4.52
MSCI Japan	1.01	-5.58	-8.94	2.71	4.21	0.14	2.32
MSCI Japan (local)	-7.80	-19.47	-23.66	3.82	9.31	-0.93	1.00
MSCI Pacific	0.87	-2.94	-8.19	2.16	2.98	1.72	4.10
MSCI Pacific (local)	-4.29	-13.22	-17.85	4.25	7.59	0.59	2.38
MSCI Pacific ex Japan	0.65	2.47	-6.75	1.08	0.86	5.43	8.89
MSCI Pacific ex Japan (local)	2.64	0.47	-5.02	5.64	5.69	5.01	6.69
MSCI United Kingdom	-0.73	-3.05	-12.14	0.67	1.71	1.43	4.22
MSCI United Kingdom (local)	6.73	6.89	3.36	5.00	5.50	4.78	4.57
Emerging/Frontier Markets	Quarter	YTD	Year	3 Years	5 Years	10 Years	15 Years
Emerging Market Style	2.00	6.57	-8.83	-0.07	-2.06	4.88	10.67
MSCI Emerging Markets	0.66	6.41	-12.05	-1.56	-3.78	3.54	9.12
MSCI Emerging Markets (local)	0.70	3.45	-7.70	3.70	2.02	5.72	9.92
MSCI Frontier Markets	0.47	-0.47	-12.09	1.00	1.45	0.18	-
Global/Non-U.S. Small Cap Equity	Quarter	YTD	Year	3 Years	5 Years	10 Years	15 Years
Non-U.S. Small Cap Style	-2.28	-3.11	-3.61	7.82	6.35	5.52	10.28
MSCI World Small Cap	1.61	2.29	-3.76	7.60	6.80	5.58	8.51
MSCI ACWI Small Cap	1.51	2.22	-4.72	6.79	5.83	6.00	8.60
MSCI World ex USA Small Cap	-1.28	-0.69	-3.35	6.34	3.61	3.33	8.17
MSCI ACWI ex USA Small Cap	-0.87	-0.20	-5.46	4.93	2.28	4.08	8.71

*Returns less than one year are not annualized.
Sources: Callan, MSCI.

Rally Across the Board

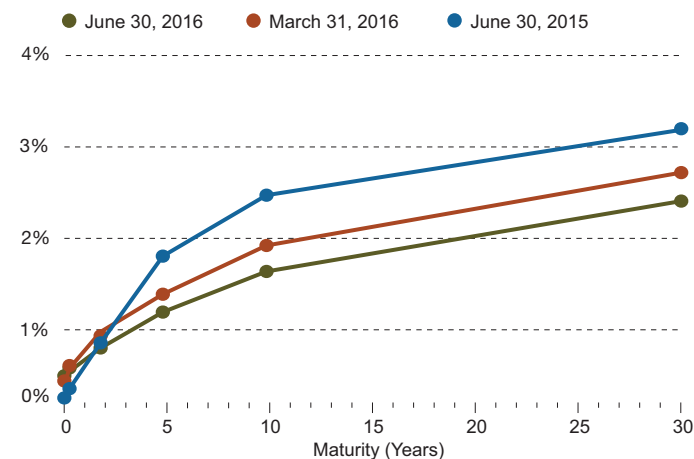
U.S. FIXED INCOME | Nate Wong, CFA

Treasuries rallied in a flight to quality during the second quarter as U.S. economic data and trepidation surrounding the U.K.'s Brexit dominated activity. The Fed changed to a more dovish tone as the quarter ended. The **Barclays U.S. Aggregate Index** increased 2.21% while the **Barclays High Yield Corporate Index** again outpaced it with a 5.52% gain.

The surprising vote in the U.K. to exit the European Union triggered an immediate run on risk assets. The panic was short-lived and credit spreads ended the quarter marginally tighter as more-rational investors assessed the broader strength of the U.S. economy and the relatively attractive opportunities within the U.S. fixed income markets.

Following the Brexit vote, the Fed elected not to make any changes at its June meeting. Its forward-looking dot plot now implies a reduced number of rate hikes from four to three, while the long-term projection for the short-term rate was lowered from 3.25% to 3.0%.

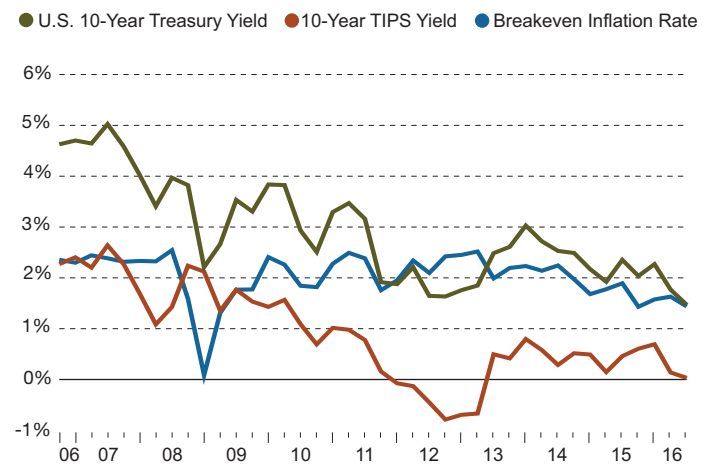
U.S. Treasury Yield Curves



Source: Bloomberg

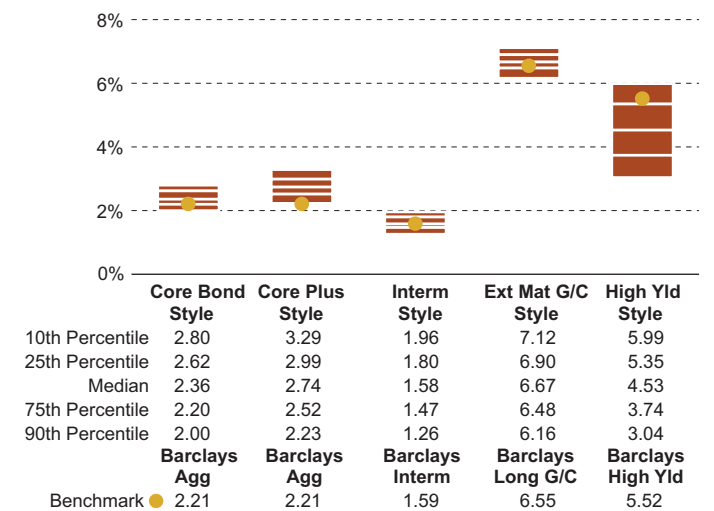
Yields declined across the maturity spectrum with the 10-year yield closing the quarter at 1.47%, its lowest level in nearly three years. Weak economic data and the negative yield environment around the globe contributed to downward pressure on U.S. yields. The 2- to 30-year spread tightened to 170 bps by the end of the quarter. Treasury returns were strong, particularly on the

Historical 10-Year Yields



Source: Bloomberg

Callan Style Group Quarterly Returns



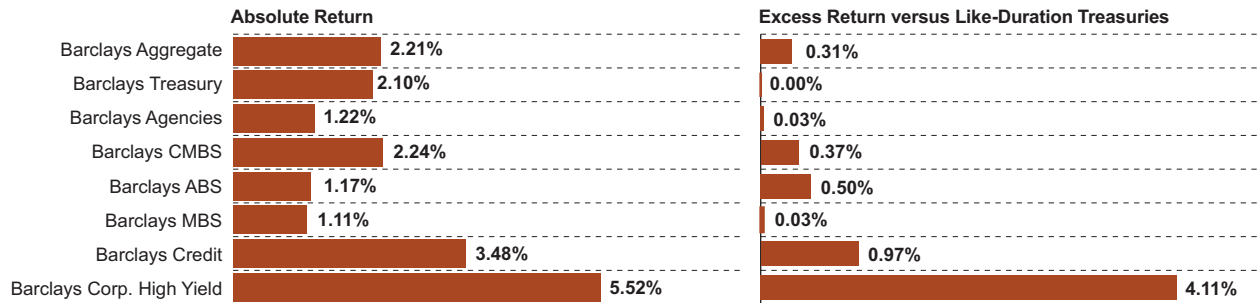
Sources: Barclays, Callan

long end of the curve, with 30-year Treasuries gaining 7.24%. All sectors rallied and produced positive returns, with investment-grade corporates leading the way. Inflation-protected securities trailed their nominal counterparts but continued their strong performance for the year.

Corporate credit performed well across the quality spectrum, gaining 3.48% and outperforming Treasuries by 97 bps on a duration-adjusted basis. Companies took advantage of low rates, with new issuance of \$350 billion during the quarter.

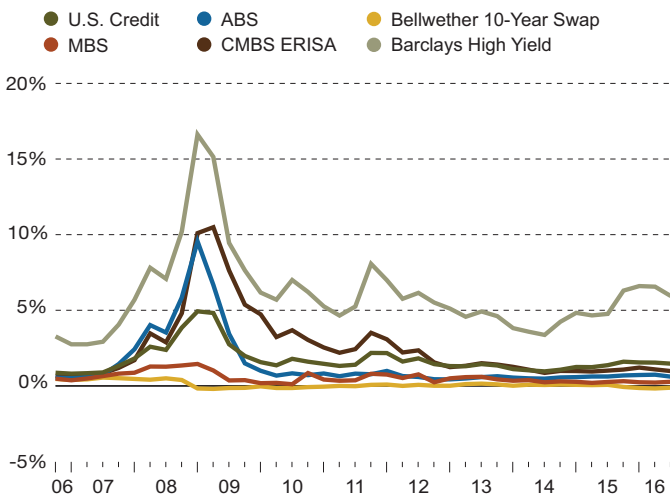
On a duration-adjusted basis, industrials outperformed utilities and financials. Corporate spreads were generally flat before experiencing some widening in reaction to the Brexit and ended the quarter at 156 bps. MBS gained 1.11%, outperforming like-duration Treasuries by 3 bps. MBS spreads also widened as the quarter closed on prepayment fears. High-yield bonds continued to rebound, gaining 5.52% and outperforming like-duration Treasuries by 411 bps. New issuance amounted to \$84 billion, returning to more normal levels and more than doubling the amount in the prior quarter.

Fixed Income Index Quarterly Returns



Source: Barclays

Effective Yield Over Treasuries



Source: Barclays

U.S. Fixed Income Index Characteristics as of June 30, 2016

Barclays Indices	Yield to Worst	Mod Adj Duration	Avg Maturity
Barclays Aggregate	1.91	5.47	7.77
Barclays Universal	2.42	5.36	7.63
Barclays Govt/Credit	1.85	6.69	8.96
1-3 Year	0.89	1.91	1.98
Intermediate	1.41	4.08	4.44
Long-Term	3.36	15.59	24.36
Barclays Long Credit	4.16	13.99	23.99
Barclays Corp High Yield	7.27	4.26	6.30
Barclays TIPS	1.47	5.26	8.71
Barclays Muni Bond 1-5 Year	0.94	2.67	3.16
Barclays Muni 1-10 Year	1.20	3.97	5.81
Barclays Municipal	1.61	5.55	13.06

Source: Barclays

U.S. FIXED INCOME (Continued)

Callan Style Median and Index Returns* for Periods ended June 30, 2016

Broad Fixed Income	Quarter	YTD	Year	3 Years	5 Years	10 Years	15 Years
Core Bond Style	2.36	5.39	6.20	4.37	4.25	5.62	5.54
Core Bond Plus Style	2.74	5.68	5.45	4.48	4.62	6.00	6.09
Barclays Aggregate	2.21	5.31	6.00	4.06	3.76	5.13	5.08
Barclays Universal	2.53	5.68	5.82	4.19	4.01	5.30	5.33
Long-Term	Quarter	YTD	Year	3 Years	5 Years	10 Years	15 Years
Extended Maturity Credit Style	6.77	14.26	14.09	9.26	9.15	8.65	--
Barclays Long Credit	6.65	13.92	13.76	8.70	8.45	8.14	7.78
Extended Maturity Gov/Credit Style	6.67	14.56	15.48	9.46	9.61	9.00	8.22
Barclays Long Gov/Credit	6.55	14.33	15.72	9.33	9.18	8.42	7.88
Intermediate-Term	Quarter	YTD	Year	3 Years	5 Years	10 Years	15 Years
Intermediate Style	1.58	3.95	4.44	3.19	3.23	4.92	4.92
Barclays Intermediate Gov/Credit	1.59	4.07	4.33	2.95	2.90	4.48	4.52
Short-Term	Quarter	YTD	Year	3 Years	5 Years	10 Years	15 Years
Defensive Style	0.72	1.76	1.95	1.57	1.49	3.13	3.30
Barclays Gov/Credit 1-3 Year	0.67	1.65	1.59	1.22	1.10	2.80	3.03
Bank Loans	Quarter	YTD	Year	3 Years	5 Years	10 Years	15 Years
Bank Loan Style	2.43	4.11	2.01	3.28	4.28	4.61	4.85
Credit Suisse Leveraged Loans	2.86	4.23	0.93	3.03	3.87	4.10	4.51
High Yield	Quarter	YTD	Year	3 Years	5 Years	10 Years	15 Years
High Yield Style	4.53	7.34	1.10	4.37	5.97	7.52	7.95
Barclays Corp High Yield	5.52	9.06	1.62	4.18	5.84	7.56	7.93
Unconstrained	Quarter	YTD	Year	3 Years	5 Years	10 Years	15 Years
Unconstrained Fixed Style	1.50	1.74	0.92	2.11	2.77	4.68	6.31
90 Day T-Bill + 3%	0.81	1.63	3.19	3.09	3.09	4.04	4.44
Stable Value	Quarter	YTD	Year	3 Years	5 Years	10 Years	15 Years
Stable Value Style	0.45	0.91	1.81	1.79	2.14	3.03	3.82
iMoneyNet Mutual Fund Avg	0.03	0.05	0.06	0.03	0.03	0.94	--
TIPS	Quarter	YTD	Year	3 Years	5 Years	10 Years	15 Years
Inflation-Linked Style	1.74	6.35	4.30	2.27	2.70	4.82	5.60
Barclays TIPS	1.71	6.24	4.35	2.31	2.63	4.75	5.49
Municipal	Quarter	YTD	Year	3 Years	5 Years	10 Years	15 Years
Short Municipal Style	0.43	0.82	1.17	0.94	1.02	1.95	2.07
Barclays Municipal 1-5 Year	0.75	1.55	2.60	2.03	1.93	3.30	3.26
Intermediate Municipal Style	2.06	3.54	6.19	4.29	4.10	4.23	4.21
Barclays Municipal 1-10 Year	1.44	2.70	4.88	3.62	3.45	4.33	4.21
Long Municipal Style	2.63	4.42	8.10	5.93	5.76	5.43	5.42
Barclays Municipal	2.61	4.33	7.65	5.58	5.33	5.13	5.10

*Returns for less than one year are not annualized.

Sources: Barclays, Callan, Citigroup, Merrill Lynch.

How Low Can Rates Go?

NON-U.S. FIXED INCOME | Kevin Machiz, CFA, FRM

Sovereign yields fell in the second quarter, driven largely by a knee-jerk reaction to Brexit, sentiment to reduce risk, and globally loose monetary policy. That led major global bond indices to show positive returns for the quarter.

In addition, most major global currencies weakened against the U.S. dollar during the quarter. The British pound was hit hardest, plummeting 7% versus the U.S. dollar. While the U.S. dollar broadly strengthened immediately following Brexit, some of those gains were quickly erased over the remainder of the quarter. The Japanese yen took an opposite tack among global currencies during the quarter and soared 10% versus the U.S. dollar by the end of the period. The yen's tendency to strengthen in risk-off environments proved a tailwind to unhedged foreign bond returns for the quarter. The euro was weaker versus the

Quarterly Return Attribution for Non-U.S. Gov't Indices (U.S. Dollar)

Country	Total	Local	Currency	Wtg
Australia	0.19%	3.51%	-3.20%	2.17%
Austria	-0.02%	2.56%	-2.51%	1.76%
Belgium	0.81%	3.40%	-2.51%	2.90%
Canada	1.58%	1.99%	-0.40%	2.29%
Denmark	1.51%	3.97%	-2.37%	0.79%
Finland	-0.18%	2.39%	-2.51%	0.70%
France	0.32%	2.90%	-2.51%	11.31%
Germany	0.27%	2.85%	-2.51%	8.49%
Ireland	-0.92%	1.63%	-2.51%	0.91%
Italy	-2.08%	0.45%	-2.51%	10.81%
Japan	12.91%	3.06%	9.56%	35.77%
Malaysia	-1.89%	1.38%	-3.22%	0.54%
Mexico	-5.45%	1.79%	-7.11%	0.99%
Netherlands	0.42%	3.01%	-2.51%	2.76%
Norway	-0.08%	1.08%	-1.16%	0.29%
Poland	-5.79%	0.27%	-6.04%	0.67%
Singapore	0.56%	0.51%	0.05%	0.42%
South Africa	5.03%	4.58%	0.43%	0.53%
Spain	-0.33%	2.23%	-2.51%	6.22%
Sweden	-1.65%	2.79%	-4.32%	0.57%
Switzerland	-0.83%	0.88%	-1.70%	0.27%
U.K.	-0.73%	6.74%	-6.99%	8.83%

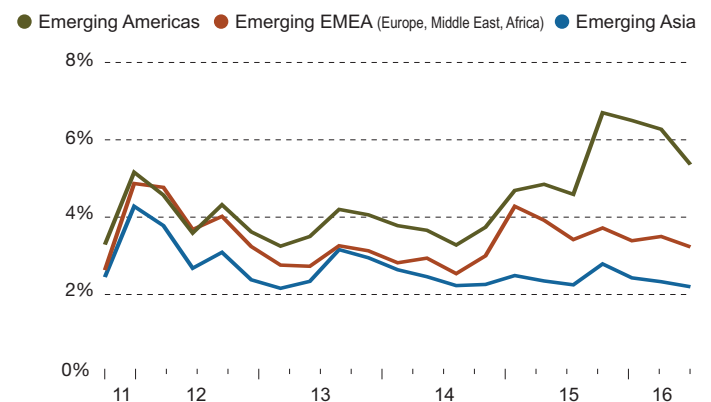
Source: Citigroup

dollar (-2.51%). The ECB maintained its dovish stance, keeping interest rates negative and proceeding with asset purchases announced in March. Interest rates fell across developed markets, leading to strong bond returns. The **Barclays Global Aggregate** gained 2.89% (+2.51% hedged).

In Germany, 10-year yields fell 28 bps and joined the rapidly growing universe of negative-yielding bonds. Similarly, 10-year yields in Japan, which were already negative, fell a further 19 bps as the Bank of Japan maintained its easy monetary policy stance. The 10-year yield in the U.K. led the pack following Brexit, falling 55 bps, though it remained in positive territory by the end of the quarter. Market expectations moved firmly toward relatively easier monetary policy in the U.K.

Emerging market bonds continued to rebound in the second quarter despite a bumpy ride. Falling bond yields were a tailwind and narrowing sovereign credit spreads further contributed to returns. The hard currency **JPM EMBI Global Diversified Index** gained 5.02%. Hard currency returns in most countries were positive, led by Venezuela. Bonds there have suffered extreme volatility as markets speculate on the timing of the country's default. The local currency **JPM GBI-EM Global Diversified** returned 2.96%, as local yields in emerging markets generally followed those in developed markets lower. Brazil was the leader for returns in local markets as yields fell and

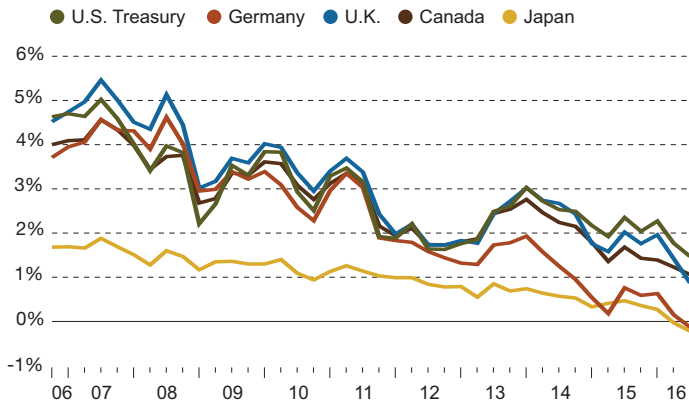
Emerging Spreads Over Developed (By Region)



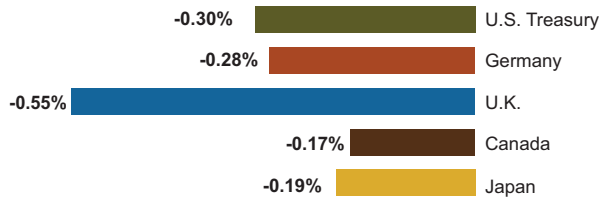
Source: Barclays

NON-U.S. FIXED INCOME (Continued)

10-Year Global Government Bond Yields



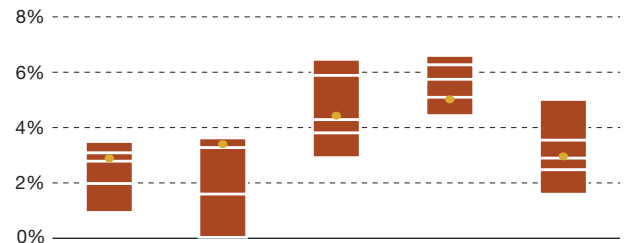
Change in 10-Year Yields from 1Q16 to 2Q16



Source: Bloomberg

the currency strengthened. During the quarter, Brazil's President Dilma Rousseff was suspended from the presidency during her impeachment trial. The market in Brazil has experienced volatility as the political future of the country is being determined.

Callan Style Group Quarterly Returns



	Global Fixed Style	Non-U.S. Fixed Style	Global High Yld	Em Debt USD DB	Em Debt Local
10th Percentile	3.52	3.75	6.49	6.63	5.04
25th Percentile	3.11	3.65	5.91	6.29	3.57
Median	2.81	3.30	4.31	5.77	2.92
75th Percentile	2.00	1.62	3.83	5.12	2.50
90th Percentile	0.96	0.06	2.94	4.46	1.62
Barclays GI Agg Benchmark	2.89				
Barclays GI Agg ex US		3.40			
Barclays High Yld			4.43		
JPM EMBI GI Div				5.02	
JPM GBI-EM GI Div					2.96

Sources: Callan, JPMorgan Chase

Callan Style Median and Index Returns* for Periods ended June 30, 2016

Global Fixed Income	Quarter	YTD	Year	3 Years	5 Years	10 Years	15 Years
Global Fixed Income Style	2.81	8.34	7.56	2.84	2.20	4.89	6.54
Barclays Global Aggregate	2.89	8.96	8.87	2.80	1.77	4.40	5.50
Global Fixed Income Style (hedged)	2.67	5.87	7.22	5.49	5.29	5.60	5.83
Barclays Global Aggregate (hedged)	2.51	5.87	7.37	5.15	4.76	5.03	4.92
High Yield	Quarter	YTD	Year	3 Years	5 Years	10 Years	15 Years
Global High Yield Style	4.31	7.39	1.29	3.03	4.96	7.20	9.08
Barclays Global High Yield	4.43	8.73	3.76	4.35	5.71	7.80	8.70
Non-U.S. Fixed Income	Quarter	YTD	Year	3 Years	5 Years	10 Years	15 Years
Non-U.S. Fixed Income Style	3.30	11.49	10.12	2.17	1.04	4.39	6.71
Barclays Global Agg ex US	3.40	11.94	11.24	1.85	0.34	3.83	5.85
Emerging Markets Fixed Income	Quarter	YTD	Year	3 Years	5 Years	10 Years	15 Years
Emerging Debt Style (US\$)	5.77	11.06	8.44	5.62	5.99	8.35	10.42
JPM EMBI Global Diversified	5.02	10.31	9.79	7.20	6.46	7.97	9.16
Emerging Debt Style (local)	2.92	13.64	1.62	-3.12	-2.10	5.04	7.18
JPM GBI-EM Global Diversified	2.96	14.30	2.24	-3.49	-2.19	5.74	--
Emerging Debt Blend Style	4.03	11.28	4.99	1.14	2.77	8.01	11.56
JPM EMBI GI Div/JPM GBI-EM GI Div	3.99	12.34	6.11	1.82	2.14	6.94	--
Emerging Debt Corporate Style	4.45	8.60	4.93	5.71	5.32	--	--
JPM CEMBI	4.27	9.02	5.78	5.72	5.45	7.45	--

*Returns less than one year are not annualized.

Sources: Barclays, Callan, JPMorgan Chase.

It Really Is Location, Location, Location

REAL ESTATE | Kevin Nagy

The **NCREIF Property Index** gained 2.03% during the second quarter, the lowest return since the first quarter of 2010, recording a 1.19% income return and a 0.84% appreciation return. Industrial (+2.90%) and retail (+2.17%) topped property sector performance for the quarter while hotels (+1.46%) brought up the rear. The West region was the strongest performer, up 2.46%, while the East was the worst at 1.73%. Transaction volume hit \$9 billion, which represents a 25% increase over the second quarter of 2015. Appraisal capitalization rates increased to 4.60%, up from an all-time low of 4.55% last quarter. Occupancy rates also increased and hit a 15-year high at 93.2%. All property types have seen occupancy increase for the year, though retail was down 20 bps for the quarter.

The preliminary return for the **NFI-ODCE Index** was 1.91%, comprising a 0.90% income return and a 1.01% appreciation return. This marks a decrease of 5 bps from last quarter's return and a new low since 2010. The U.S. real estate market has become increasingly attractive and has captured nearly 30% of global capital allocations in 2016. Investors are flooding into the U.S. due to low government bond yields globally, uncertainty caused by the Brexit vote in late June, and concerns about China's slowing growth. According to Preqin, which provides data on the alternative assets industry, the amount of dry powder for real estate investing globally increased to \$234 billion in the quarter, up 11.4% from year-end 2015.

The **FTSE EPRA/NAREIT Developed REIT Index (USD)** overcame the shock of Brexit and gained 3.74%, while U.S. REITs tracked by the **FTSE NAREIT Equity Index** surged ahead 6.96%.

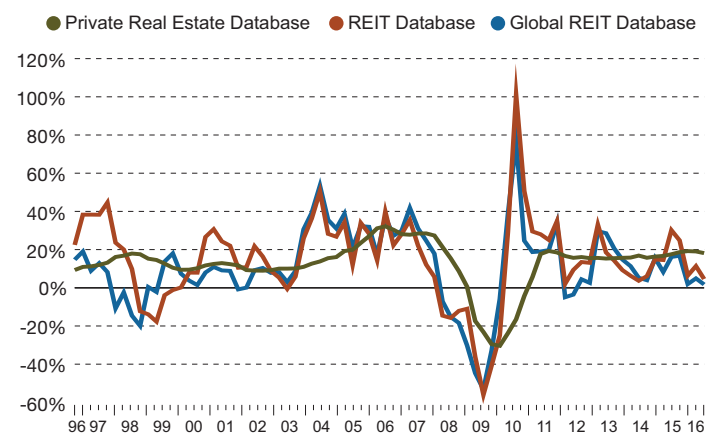
In the U.S., the strong performance of REITs was attributed to investors in search of yield. After the Brexit vote cast doubt on a Fed rate increase, global bond yields compressed 25 bps, making high-yielding REITs more attractive. Data centers (+20.59%), industrial (+15.38%), and infrastructure (+15.33%) were the

best-performing sectors. Self-storage (-5.76%) suffered a sharp fall from grace and was the worst performer in the second quarter after being the strongest performer in the first. Strong data center performance was driven by robust tenant demand and less economic sensitivity. Conversely, self-storage assets with more acute economic sensitivity struggled due to fears of slowing growth. As of June 30, U.S. REITs were trading at a 7.1% premium to net asset value (NAV), contrasting sharply with U.K. REITs, which were trading at a 21.6% discount to NAV.

Uncertainty over the Brexit vote—and its surprising result—had a tremendous effect on real estate in the U.K. compared to continental Europe. According to Cushman & Wakefield, investment volume in the U.K. was down 25% year-to-date compared to 2015, versus a 10% increase in the rest of the EU.

CMBS issuance for the quarter was \$10.8 billion, down sharply from the second quarter of 2015 (\$26.0 billion) and first quarter of 2016 (\$19.3 billion). The decline was attributed to continued concerns over economic instability, including the Brexit vote; only \$800 million in CMBS was issued in June.

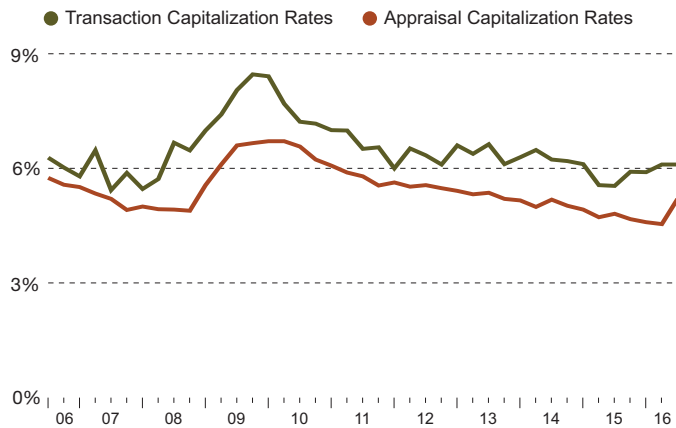
Rolling One-Year Returns



Source: Callan

REAL ESTATE (Continued)

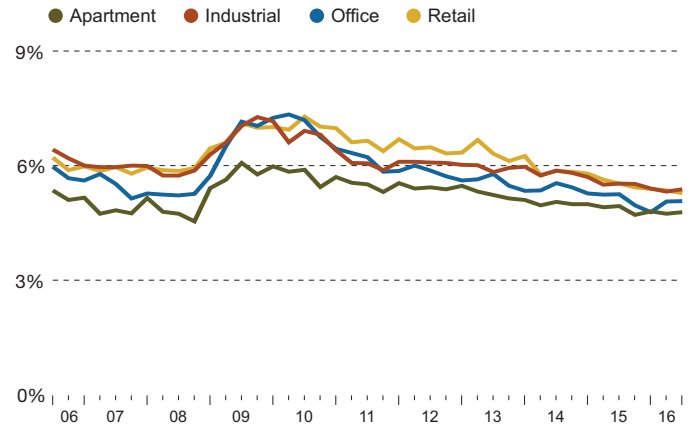
NCREIF Transaction and Appraisal Capitalization Rates



Source: NCREIF

Note: Transaction capitalization rate is equal-weighted.

NCREIF Capitalization Rates by Property Type



Source: NCREIF

Note: Capitalization rates are appraisal-based.

Callan Database Median and Index Returns* for Periods ended June 30, 2016

	Quarter	YTD	Year	3 Years	5 Years	10 Years	15 Years
Private Real Estate							
Real Estate Database (net of fees)	2.17	4.38	11.86	13.09	12.23	4.89	7.36
NCREIF Property	2.03	4.29	10.64	11.61	11.51	7.40	8.91
NFI-ODCE (value wtd. net)	1.91	3.89	10.80	11.97	11.66	5.19	6.95
Public Real Estate							
REIT Database	5.87	11.19	23.14	13.97	13.00	8.24	12.57
FTSE NAREIT Equity	6.96	13.38	24.04	13.58	12.60	7.45	11.29
Global Public Real Estate							
Global REIT Database	2.96	7.74	10.87	9.50	9.24	5.56	10.14
FTSE EPRA/NAREIT Developed REIT	3.74	9.38	12.57	8.95	8.63	5.00	9.81
Global ex U.S. Public Real Estate							
Global ex-U.S. REIT Database	0.46	4.08	0.47	4.98	5.41	3.12	--
EPRA/NAREIT Dev REITs ex-U.S.	0.68	5.91	1.40	4.26	4.97	3.12	9.31

*Returns for less than one year are not annualized.

All REIT returns are reported gross in USD.

Sources: Callan, NAREIT, NCREIF, The FTSE Group. NCREIF statistics are the product of direct queries and may fluctuate over time.

Sticker Shock

PRIVATE EQUITY | Gary Robertson

In fundraising, *Private Equity Analyst* reports that second-quarter commitments totaled \$102.2 billion with 196 new partnerships formed. The number of funds raised increased by only 11% from 177 in the first quarter, but the dollar volume rocketed 92% from \$53.2 billion. Distressed debt surged to \$13.3 billion from only \$2.4 billion in the first quarter of 2016. Venture capital also saw a large jump of \$14.6 billion from only \$8.9 billion in the first quarter.

According to *Buyouts* newsletter, the investment pace by funds into companies totaled 356 transactions, bringing the first-half total to 816. The deal count is down by 86 transactions (19%) from the first quarter, and 216 transactions (21%) from the first half of 2015. The announced aggregate dollar volume in the second quarter was \$37.6 billion, and \$95.8 billion for the first half. The announced volume is down by \$20.6 billion (35%) from the first quarter, but up \$26 billion (27%) year-to-date. Only six deals with announced values of \$1 billion or more closed in the second quarter, down from 12 in the first quarter.

According to the National Venture Capital Association, new investments in venture capital companies totaled 961 rounds and \$15.3 billion in announced volume. The number of rounds decreased from 1,011 in the first quarter, but the dollar volume jumped from \$12.7 billion, primarily due to a \$3.5 billion expansion investment in Uber.

Funds Closed January 1 to June 30, 2016

Strategy	No. of Funds	Amt (\$mm)	Percent*
Venture Capital	201	23,441	15%
Buyouts	119	102,687	66%
Subordinated Debt	9	2,397	2%
Distressed Debt	11	15,568	10%
Secondary and Other	10	5,513	4%
Fund-of-funds	23	5,767	4%
Totals	373	155,373	100%

Source: Private Equity Analyst

*Totals more than 100% due to rounding.

Regarding exits, *Buyouts* reports that there were 118 private M&A exits of buyout-backed companies, with 35 deals disclosing values totaling \$24.6 billion. The M&A exits count was down from 140 in the first quarter, but the announced value increased from \$15.6 billion. There were three buyout-backed IPOs floating an aggregate \$1.6 billion—a recovery from no IPOs in the first quarter.

Venture-backed M&A exits totaled 64 transactions, with 11 disclosing a total dollar volume of \$9.0 billion. The number of private sale exits declined from 91 in the first quarter, but the announced dollar volume increased from the first quarter's \$5.2 billion, driven by a single \$5.8 billion biotechnology exit. There were 12 VC-backed IPOs in the second quarter with a combined float of \$893.9 million. For comparison, the first quarter of 2016 had 6 IPOs and total issuance of \$574.5 million.

Private Equity Performance Database (%)

(Pooled Horizon IRRs through December 31, 2015*)

Strategy	3 Months	Year	3 Years	5 Years	10 Years	15 Years	20 Years
All Venture	2.1	13.8	22.0	16.5	11.1	4.7	24.3
Growth Equity	3.3	9.2	13.6	11.3	11.8	9.8	14.3
All Buyouts	2.4	8.5	13.3	12.3	11.2	11.8	12.8
Mezzanine	0.5	5.2	9.5	10.7	9.6	7.8	9.5
Distressed	-0.1	1.8	9.2	9.4	9.6	10.7	10.8
All Private Equity	2.1	8.6	14.1	12.4	11.0	9.6	13.8
S&P 500 Index	7.0	1.4	15.1	12.6	7.3	5.0	8.2
Russell 3000	6.3	0.5	14.7	12.2	7.4	5.4	8.3

Private equity returns are net of fees.

Sources: Standard & Poor's, Thomson/Cambridge.

*Most recent data available at time of publication.

Note: Transaction count and dollar volume figures across all private equity measures are preliminary figures and are subject to update in subsequent versions of *Capital Market Review* and other Callan publications.

Caution as Britannia Waives the Rule

HEDGE FUNDS | Jim McKee

Amid the sudden disorder caused by Brexit, already cautious hedge funds mistrustful of the first quarter's skittishness were relatively unaffected and eked out modest gains, on average. Representing a paper portfolio of hedge fund interests without implementation costs, the **Credit Suisse Hedge Fund Index** (CS HFI) gained 0.59%. The median manager in the **Callan Hedge Fund-of-Funds Database** edged ahead 0.78%, net of all fees.

Returns across underlying strategies, however, were varied. The strongest performers were *Convertible Arb* (+2.65%), *Event-Driven Multi-Strategy* (+2.24%), and *Distressed* (+1.95%), as their credit exposures mended strongly from weakness in the prior quarter. *Emerging Markets* (+1.77%) and *Fixed Income Arb* (+1.02%) also regained ground from first-quarter losses.

Aside from the endangered species of *Short Bias* managers (-6.32%), the quarter's most notable loser was *Equity Market Neutral* (-3.17%), caught flat-footed by shifting risk appetites surrounding Brexit. Suffering from range-bound markets earlier in the quarter, *Managed Futures* lost 2.22% while *Global Macro* salvaged a 0.71% gain. The average *Long/Short Equity* fell 1.21%, trailing the S&P 500 (+2.46%) for the third consecutive quarter.

Callan Style Group Quarterly Returns



Sources: Callan, Merrill Lynch

Within Callan's Hedge Fund-of-Funds Database, market movements only marginally affected investment styles in the second quarter. For instance, despite the stock rally at quarter end, the median *Callan Long/Short Equity FOF* (+0.28%) trailed the *Callan Absolute Return FOF* (+0.89%). With exposures to both non-directional and directional styles, the *Core Diversified FOF* gained 0.95%.

Callan Database Median and Index Returns* for Periods ended June 30, 2016

	Quarter	YTD	Year	3 Years	5 Years	10 Years	15 Years
Hedge Fund-of-Funds Database	0.78	-2.18	-5.26	2.32	2.94	3.43	4.56
CS Hedge Fund Index	0.59	-1.62	-4.23	2.49	2.88	4.17	5.69
CS Equity Market Neutral	-3.17	-3.52	-1.49	1.02	1.13	-2.43	0.72
CS Convertible Arbitrage	2.65	2.24	0.10	1.16	2.48	3.90	4.52
CS Fixed Income Arbitrage	1.02	-0.21	-0.37	2.37	4.07	3.25	4.17
CS Multi-Strategy	1.24	0.65	1.23	5.90	5.99	5.51	6.68
CS Distressed	1.95	-0.04	-5.25	1.41	3.17	4.08	6.93
CS Risk Arbitrage	0.58	2.71	0.73	1.55	1.46	3.46	3.49
CS Event-Driven Multi-Strategy	2.24	-3.46	-12.43	-0.49	0.32	3.98	5.92
CS Long/Short Equity	-1.21	-5.01	-5.00	4.53	4.00	4.73	5.86
CS Dedicated Short Bias	-6.32	-7.16	4.31	-8.41	-10.15	-9.89	-7.63
CS Global Macro	0.71	-1.54	-3.86	1.54	3.11	5.75	8.15
CS Managed Futures	-2.22	2.03	5.37	6.54	2.34	4.20	5.59
CS Emerging Markets	1.77	0.52	-2.43	2.39	2.21	4.50	7.85

*Returns less than one year are not annualized. Sources: Callan, Credit Suisse.

Target Date Funds Continue to Rule

DEFINED CONTRIBUTION | Tom Szkwarla

In a tumultuous first quarter, the Callan DC Index™ earned just 0.38%, lagging the Age 45 Target Date Fund, which gained nearly 1%. Over the past three years the Index has performed in line with the Age 45 fund; however, since inception, it has trailed with just 5.09% annually versus the Age 45 fund's 5.70% return.

For the quarter, DC plan balances grew 0.85%. Inflows—participant and plan sponsor contributions—added slightly more to total growth (+0.475%) than market performance (+0.375%).

As usual, target date funds attracted the majority of assets during the quarter, approximately 72 cents of every dollar that flowed into DC funds. Target date funds grew to their largest allocation yet, commanding 26.1% of total DC assets in the quarter. The growth seems to be at the expense of U.S. equity, which contracted to 23.4% of total assets.

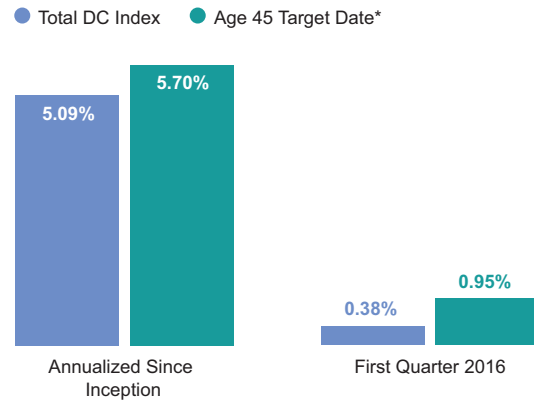
Stable value was the only other asset class with sizable inflows; this asset class typically attracts flows when markets are weak or particularly volatile. Several DC investments saw material net outflows, including U.S. equities (large and small/mid cap), U.S./global balanced, U.S. fixed income, non-U.S. equities, and company stock.

Overall turnover (i.e., net transfer activity levels within DC plans) was on par with last quarter (0.46%) at 0.44%. Turnover has been well below the historical average of 0.64% since mid-2014.

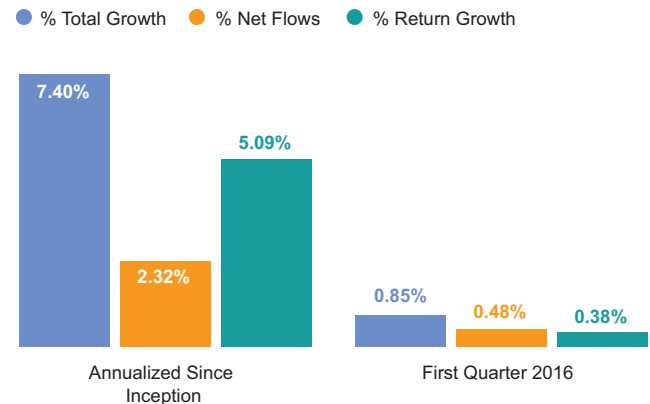
The Callan DC Index's overall equity allocation ended the quarter at 69%. Overall equity allocation has remained fairly static over the past few quarters, modestly above the Index's historical average (67%).

The Callan DC Index is an equally weighted index tracking the cash flows and performance of nearly 90 plans, representing more than one million DC participants and over \$135 billion in assets. The Index is updated quarterly and is available on Callan's website, as is the quarterly DC Observer newsletter.

Investment Performance*



Growth Sources*



Net Cash Flow Analysis (First Quarter 2016)* (Top Two and Bottom Two Asset Gatherers)

Asset Class	Flows as % of Total Net Flows
Target Date Funds	71.60%
Stable Value	15.57%
U.S. Small/Mid Cap	-23.49%
U.S. Large Cap	-29.02%
Total Turnover**	0.44%

Source: Callan DC Index
Data provided here is the most recent available at time of publication.

* DC Index inception date is January 2006.

**Total Index "turnover" measures the percentage of total invested assets (transfers only, excluding contributions and withdrawals) that moved between asset classes.

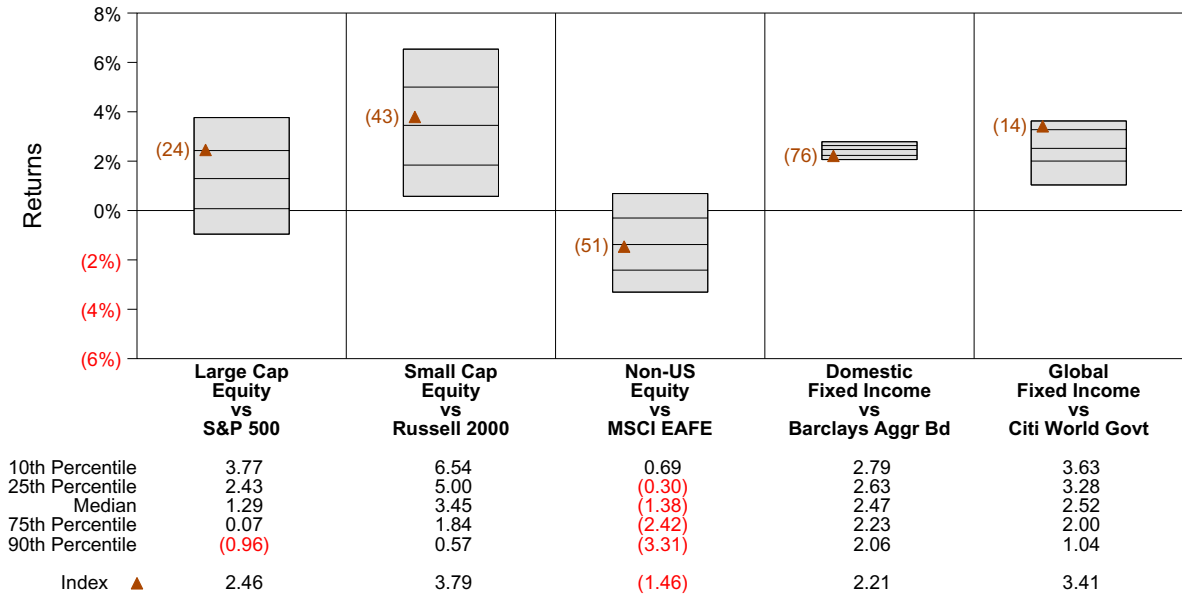
Market Overview

Active Management vs Index Returns

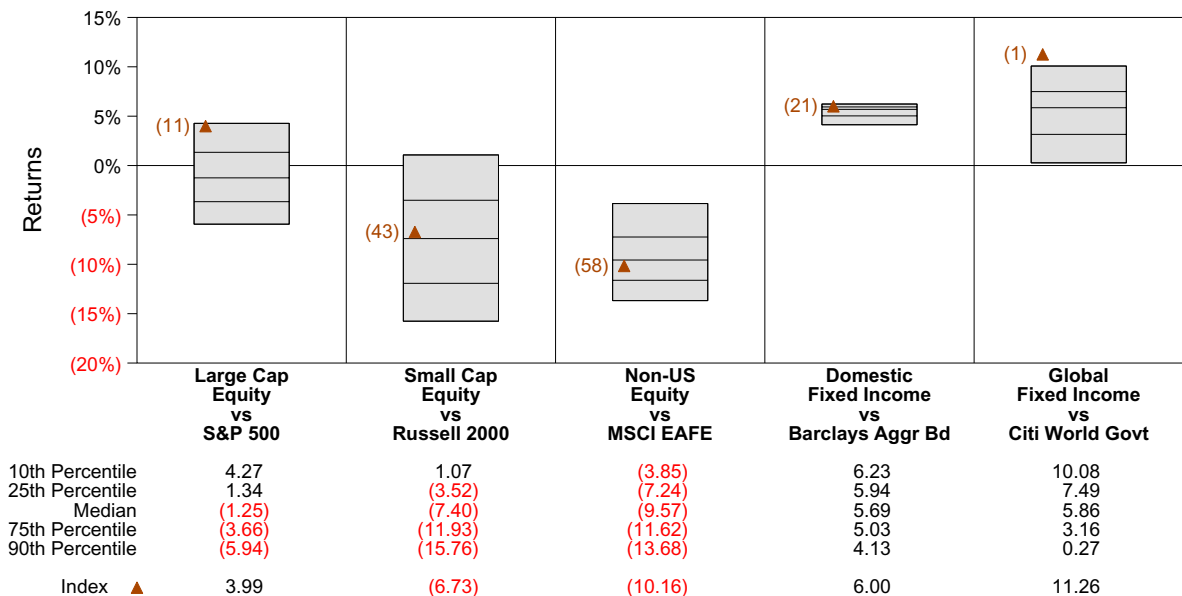
Market Overview

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, 2016



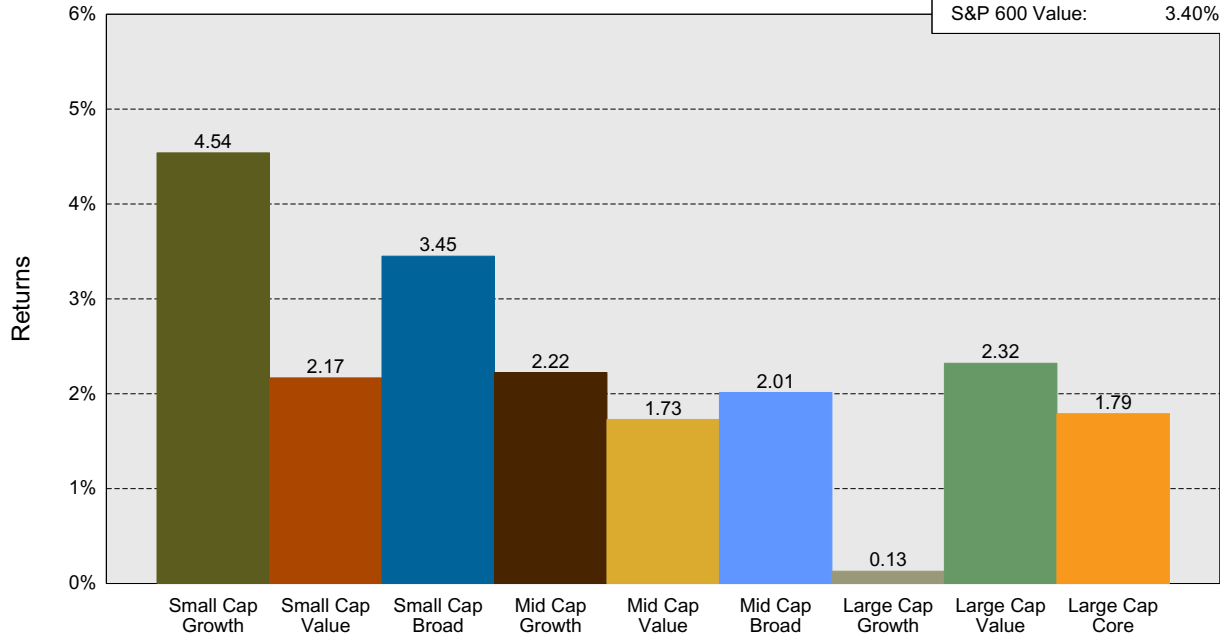
Range of Mutual Fund Returns by Asset Class One Year Ended June 30, 2016



Domestic Equity Active Management Overview

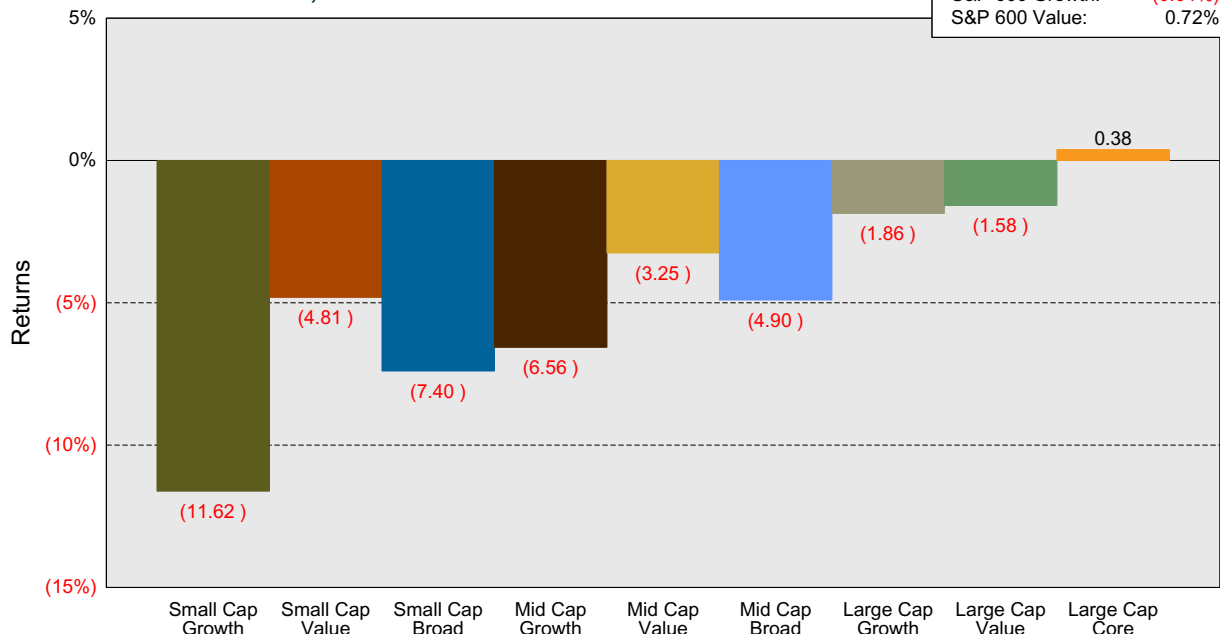
US equity benchmark performance was positive for the quarter but masked significant volatility. The S&P 500 staged a strong recovery in the wake of the sharp Brexit-related decline in late June, and closed up 2.5% for the quarter. Mid and small capitalization stocks outperformed large cap in the quarter as the S&P Mid Cap gained 4.0% and the S&P 600 rose 3.5%. Value exceeded growth within large cap, and growth was the winner by a slight margin over value within small cap. Active managers trailed their respective indices across the market cap and style spectrum with the exception of small cap growth where active outpaced passive by 99 basis points.

Mutual Fund Style Group Median Returns for Quarter Ended June 30, 2016



S&P 500:	2.46%
S&P 500 Growth:	1.01%
S&P 500 Value:	3.96%
S&P Mid Cap:	3.99%
S&P 600:	3.48%
S&P 600 Growth:	3.55%
S&P 600 Value:	3.40%

Mutual Fund Style Group Median Returns for One Year Ended June 30, 2016

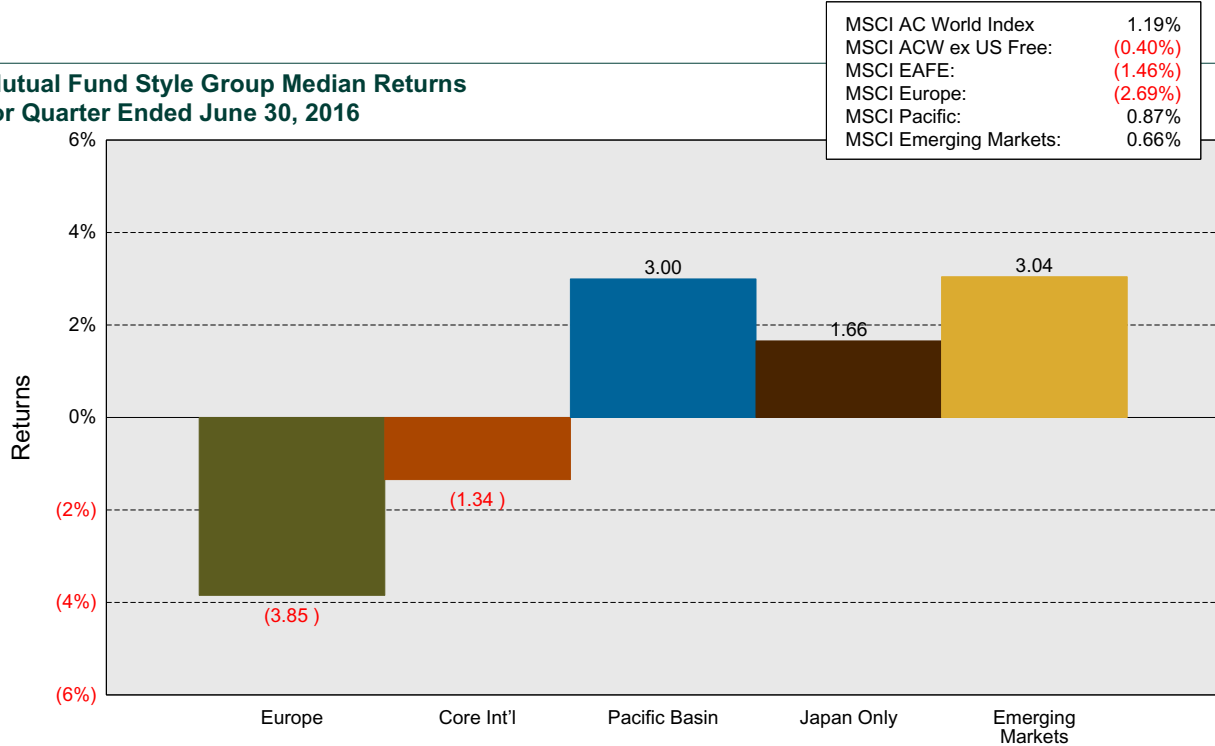


S&P 500:	3.99%
S&P 500 Growth:	4.24%
S&P 500 Value:	3.38%
S&P Mid Cap:	1.33%
S&P 600:	(0.03%)
S&P 600 Growth:	(0.64%)
S&P 600 Value:	0.72%

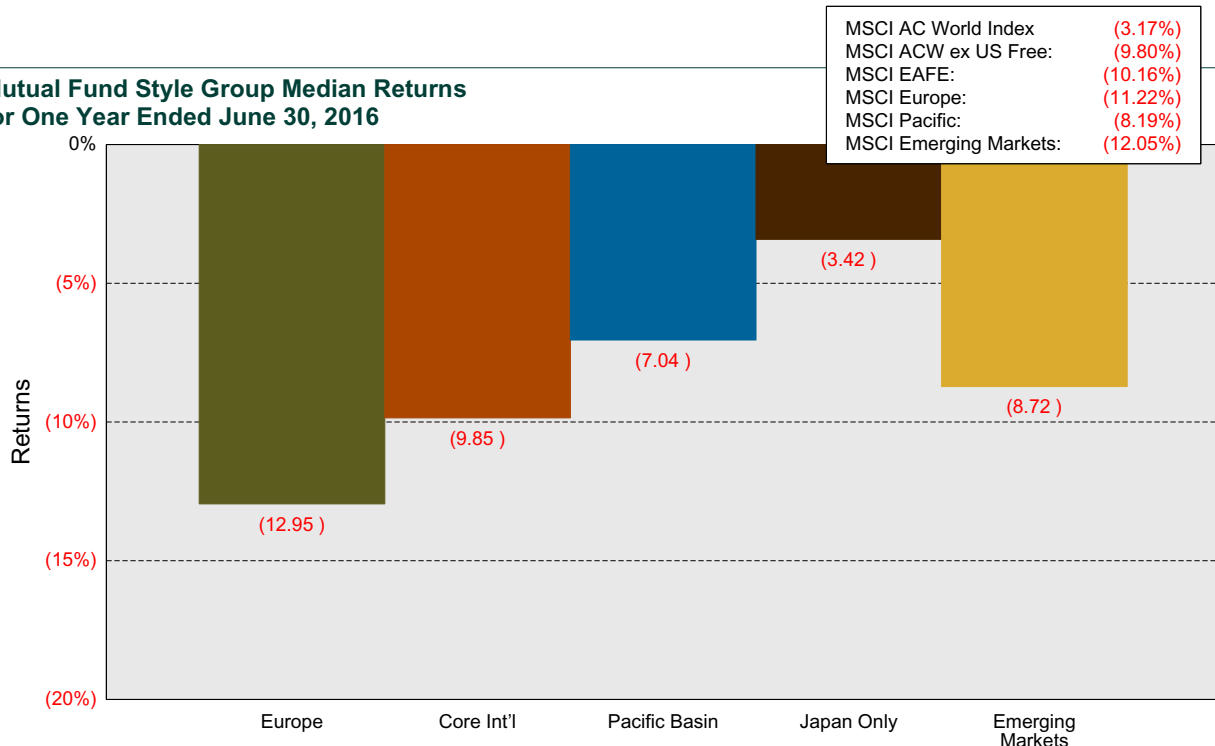
International Equity Active Management Overview

International developed markets continued on their negative trajectory in the 2nd quarter with a -1.5% return (MSCI EAFE Index) while emerging markets held on to post a +0.7% (MSCI Emerging Markets Index). Year-to-date, emerging markets have outperformed both international developed and US stocks yet maintain a price-to-book value near the financial crisis low. With the brewing economic turmoil in Europe, Italy (-10%) and Spain (-8%) were among the worst performers within EAFE. Within emerging markets, commodity producers such as Brazil (+14%) and Russia (+4%) benefited from the rebound in oil prices. Active management outpaced passive within the Core, Pacific Basin and Emerging Markets for the quarter whereas Europe only managers trailed the MSCI Europe Index.

Mutual Fund Style Group Median Returns for Quarter Ended June 30, 2016



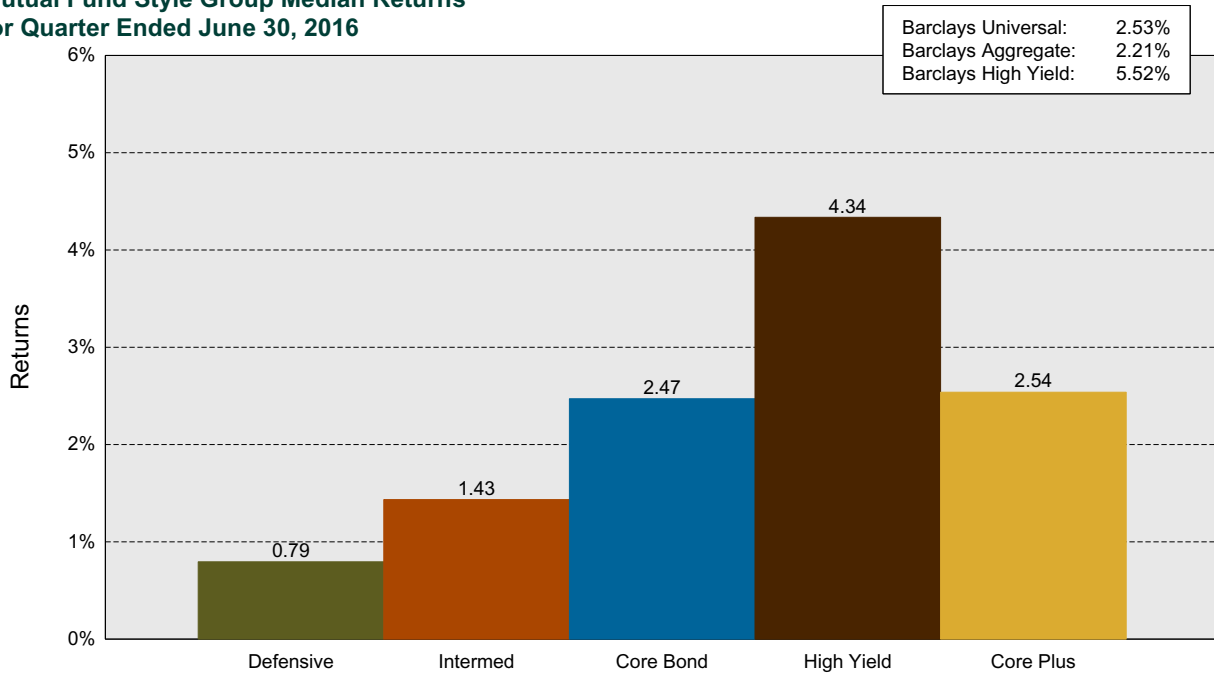
Mutual Fund Style Group Median Returns for One Year Ended June 30, 2016



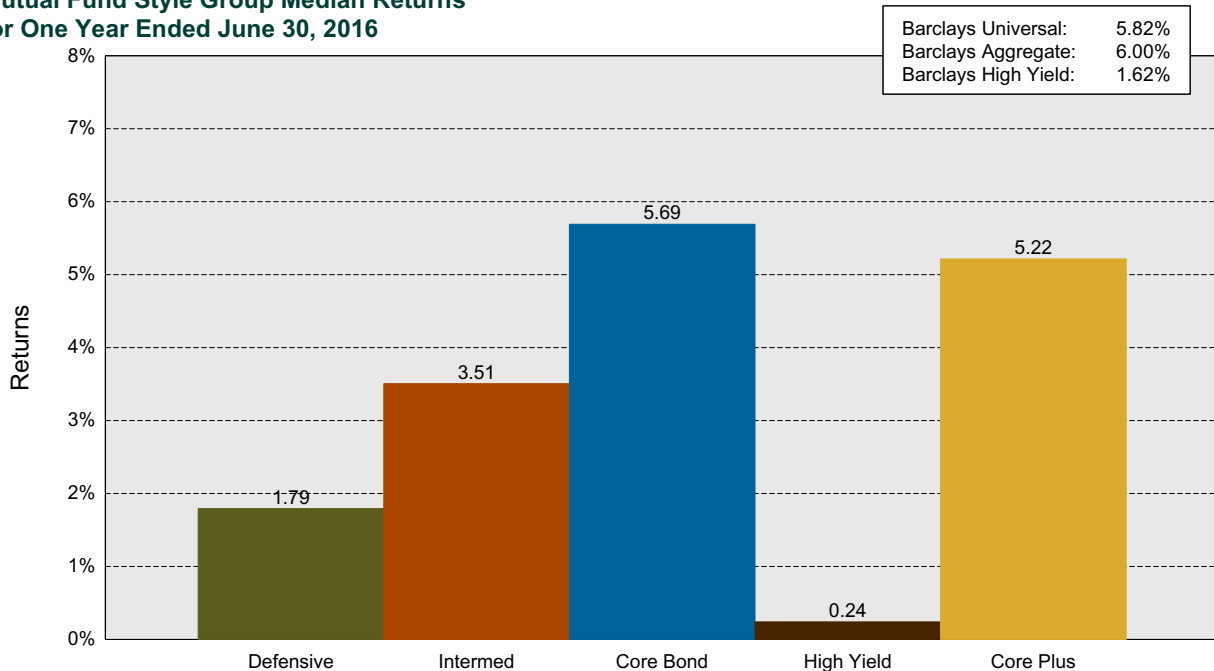
Domestic Fixed Income Active Management Overview

The 10-year US Treasury yield approached record lows, closing the quarter at 1.49%. The 10-year Treasury returned 3.0% for the quarter and is up nearly 8% year-to-date. The Barclays Aggregate Index gained 2.2%, bringing its 2016 result to +5.3%. Long duration assets posted double-digit returns with the Barclays Long US Government/Credit +6.6% for the quarter and +14.3% for six months. Given very strong performance in April, high yield was the best performer for the quarter; the Barclays High Yield Index returned +5.5% for the quarter and is up 9.1% thus far this year.

**Mutual Fund Style Group Median Returns
for Quarter Ended June 30, 2016**



**Mutual Fund Style Group Median Returns
for One Year Ended June 30, 2016**



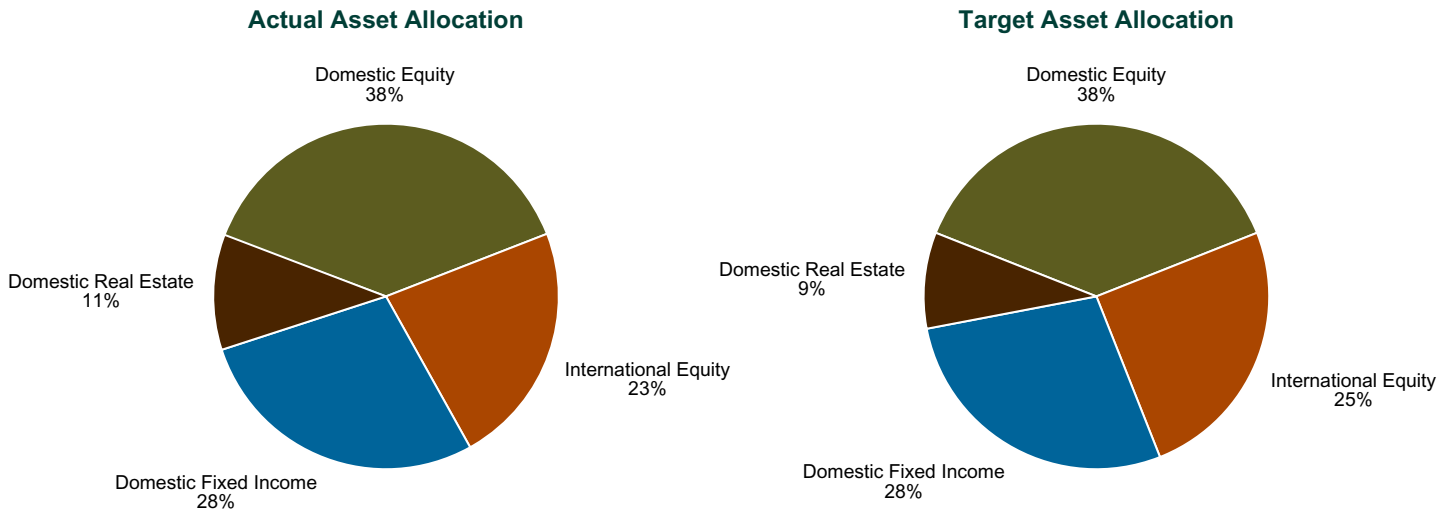
ASSET ALLOCATION AND PERFORMANCE

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.

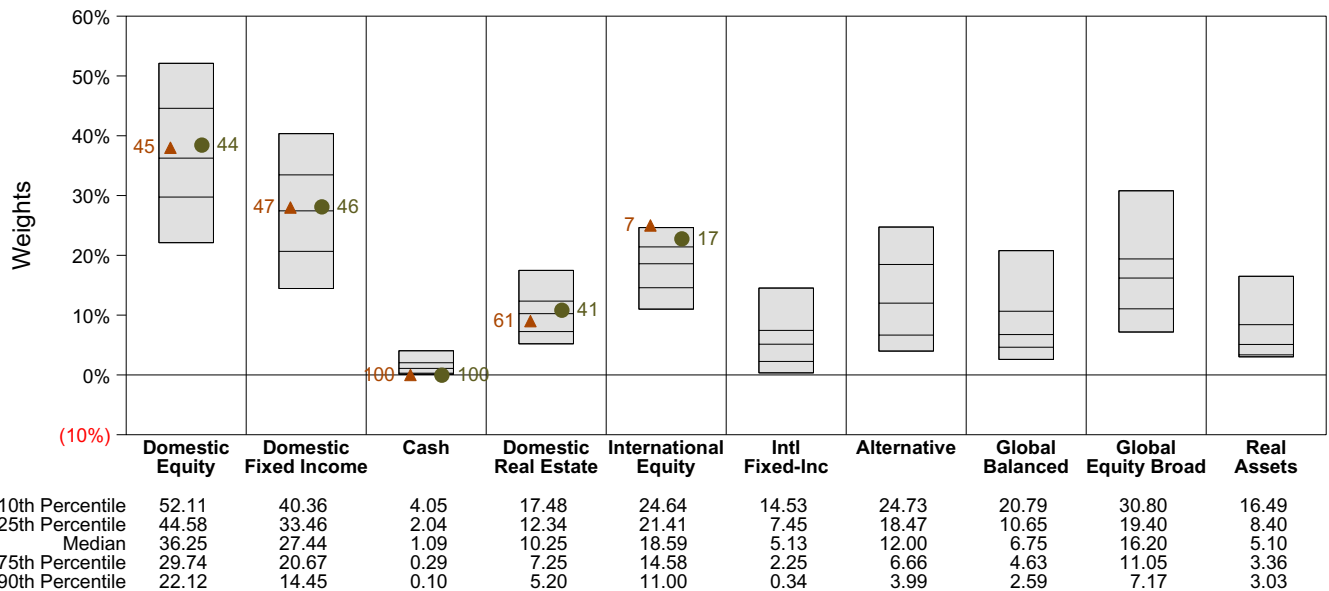
Actual vs Target Asset Allocation As of June 30, 2016

The top left chart shows the Fund's asset allocation as of June 30, 2016. 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 CAI Public Fund Sponsor Database.



Asset Class	\$Dollars Actual	Weight Actual	Target	Percent Difference	Difference
Domestic Equity	163,710,974	38.4%	38.0%	0.4%	1,746,311
International Equity	96,976,684	22.8%	25.0%	(2.2%)	(9,579,016)
Domestic Fixed Income	119,739,443	28.1%	28.0%	0.1%	397,058
Domestic Real Estate	46,044,183	10.8%	9.0%	1.8%	7,684,132
Cash	-248,482	-0.1%	0.0%	(0.1%)	(248,482)
Total	426,222,802	100.0%	100.0%		

Asset Class Weights vs CAI Public Fund Sponsor Database



	Domestic Equity	Domestic Fixed Income	Cash	Domestic Real Estate	International Equity	Intl Fixed-Inc	Alternative	Global Balanced	Global Equity Broad	Real Assets
10th Percentile	52.11	40.36	4.05	17.48	24.64	14.53	24.73	20.79	30.80	16.49
25th Percentile	44.58	33.46	2.04	12.34	21.41	7.45	18.47	10.65	19.40	8.40
Median	36.25	27.44	1.09	10.25	18.59	5.13	12.00	6.75	16.20	5.10
75th Percentile	29.74	20.67	0.29	7.25	14.58	2.25	6.66	4.63	11.05	3.36
90th Percentile	22.12	14.45	0.10	5.20	11.00	0.34	3.99	2.59	7.17	3.03
Fund ●	38.41	28.09	(0.06)	10.80	22.75	-	-	-	-	-
Target ▲	38.00	28.00	0.00	9.00	25.00	-	-	-	-	-
% Group Invested	98.94%	97.87%	68.62%	62.23%	97.34%	18.09%	48.95%	20.21%	22.87%	5.85%

* Current Quarter Target = 38.0% Russell 3000 Index, 28.0% Barclays Aggregate Index, 25.0% MSCI ACWIxUS Gross, 7.2% NFI-ODCE Equal Weight Net and 1.8% NAREIT.

Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of June 30, 2016, with the distribution as of March 31, 2016. 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, 2016		Net New Inv.	Inv. Return	March 31, 2016	
	Market Value	Weight			Market Value	Weight
Domestic Equities	\$163,710,974	38.41%	\$0	\$2,539,684	\$161,171,290	38.06%
Large Cap Equities	\$113,166,236	26.55%	\$0	\$1,152,440	\$112,013,796	26.45%
Vanguard S&P 500 Index	22,812,377	5.35%	0	545,664	22,266,714	5.26%
Dodge & Cox Stock	21,933,343	5.15%	0	366,925	21,566,417	5.09%
Boston Partners	23,104,704	5.42%	0	348,860	22,755,844	5.37%
Harbor Cap Appreciation	22,211,427	5.21%	0	(289,732)	22,501,159	5.31%
Janus Research	23,104,385	5.42%	0	180,723	22,923,661	5.41%
Mid Cap Equities	\$19,585,630	4.60%	\$0	\$364,858	\$19,220,772	4.54%
Fidelity Low Priced Stock	5,012,567	1.18%	0	(31,381)	5,043,948	1.19%
Royce Total Return	4,805,386	1.13%	0	154,141	4,651,245	1.10%
Morgan Stanley	4,219,166	0.99%	0	94,438	4,124,728	0.97%
Janus Enterprise	5,548,511	1.30%	0	147,661	5,400,851	1.28%
Small Cap Equities	\$23,343,856	5.48%	\$0	\$640,980	\$22,702,876	5.36%
Prudential Small Cap Value	12,421,863	2.91%	0	317,032	12,104,831	2.86%
AB US Small Growth	6,279,778	1.47%	0	298,821	5,980,957	1.41%
RS Investments	4,642,215	1.09%	0	25,127	4,617,088	1.09%
Micro Cap Equities	\$7,615,252	1.79%	\$0	\$381,406	\$7,233,846	1.71%
AMG Managers Emerging Opportunities Fund	7,615,252	1.79%	0	381,406	7,233,846	1.71%
International Equities	\$96,976,684	22.75%	\$0	\$(2,289,329)	\$99,266,014	23.44%
EuroPacific	21,684,238	5.09%	0	(68,792)	21,753,029	5.14%
Harbor International	21,647,323	5.08%	0	(361,096)	22,008,418	5.20%
Columbia Acorn Int'l	10,901,809	2.56%	0	(152,314)	11,054,122	2.61%
Oakmark International	19,901,625	4.67%	0	(1,789,136)	21,690,761	5.12%
Mondrian International	22,841,690	5.36%	0	82,008	22,759,682	5.37%
Domestic Fixed Income	\$119,739,443	28.09%	\$(140,558)	\$2,756,804	\$117,123,198	27.66%
Dodge & Cox Income	60,180,844	14.12%	0	1,546,960	58,633,883	13.85%
PIMCO	59,558,599	13.97%	(140,558)	1,209,844	58,489,314	13.81%
Real Estate	\$46,044,183	10.80%	\$(18,449)	\$1,047,636	\$45,014,996	10.63%
RREEF Public Fund	8,629,981	2.02%	0	396,313	8,233,668	1.94%
RREEF Private Fund	21,073,910	4.94%	0	406,539	20,667,370	4.88%
Cornerstone Patriot Fund	15,476,292	3.63%	0	226,334	15,249,958	3.60%
625 Kings Court	864,000	0.20%	(18,449)	18,449	864,000	0.20%
Cash	-\$248,482	(0.06%)	\$(1,158,787)	\$0	\$910,305	0.21%
Total Fund	\$426,222,802	100.0%	\$(1,317,794)	\$4,054,794	\$423,485,802	100.0%

Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended June 30, 2016. 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, 2016

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Domestic Equities	1.58%	(4.04%)	9.41%	10.19%	14.38%
Russell 3000 Index	2.63%	2.14%	11.13%	11.60%	14.95%
Large Cap Equities					
Vanguard S&P 500 Index	2.45%	3.97%	-	-	-
S&P 500 Index	2.46%	3.99%	11.66%	12.10%	14.92%
Dodge & Cox Stock	1.70%	(5.09%)	8.28%	10.44%	13.87%
Boston Partners	1.41%	(4.09%)	7.29%	10.35%	-
S&P 500 Index	2.46%	3.99%	11.66%	12.10%	14.92%
Russell 1000 Value Index	4.58%	2.86%	9.87%	11.35%	14.50%
Harbor Cap Appreciation	(1.29%)	(4.65%)	12.71%	10.96%	14.12%
Janus Research (1)	0.79%	(0.88%)	12.57%	11.35%	15.26%
S&P 500 Index	2.46%	3.99%	11.66%	12.10%	14.92%
Russell 1000 Growth Index	0.61%	3.02%	13.07%	12.35%	15.52%
Mid Cap Equities					
Fidelity Low Priced Stock	(0.62%)	(4.34%)	7.77%	9.50%	14.38%
Royce Total Return (1)	3.31%	0.15%	6.44%	7.80%	12.76%
Russell MidCap Value Idx	4.77%	3.25%	11.00%	11.70%	17.05%
Morgan Stanley (2)	2.29%	(14.88%)	2.16%	2.29%	11.37%
Janus Enterprise (1)	2.73%	3.04%	12.56%	11.74%	16.65%
Russell MidCap Growth Idx	1.56%	(2.14%)	10.52%	9.98%	15.82%
Small Cap Equities					
Prudential Small Cap Value (3)	2.62%	(3.25%)	6.82%	8.26%	-
US Small Cap Value Idx	3.47%	0.54%	8.23%	9.64%	15.09%
Russell 2000 Value Index	4.31%	(2.58%)	6.36%	8.15%	13.53%
AB US Small Growth (4)	5.00%	(12.93%)	5.92%	8.38%	16.32%
RS Investments (1)	0.54%	(20.87%)	6.47%	7.84%	15.15%
Russell 2000 Growth Index	3.24%	(10.75%)	7.74%	8.51%	14.29%
Micro Cap Equities					
AMG Managers Emerging Opp	5.27%	(13.30%)	5.32%	8.61%	13.46%
Russell Microcap Index	3.97%	(12.06%)	5.95%	8.20%	13.12%
Russell Micro Growth Idx	3.17%	(18.47%)	5.73%	7.48%	12.73%

(1) Switched share class December 2009.

(2) Switched share class in February 2014.

(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, 2016. 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, 2016

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
International Equities	(2.31%)	(12.35%)	0.57%	0.31%	6.12%
MSCI ACWI ex-US Index	(0.40%)	(9.80%)	1.62%	0.56%	5.81%
EuroPacific (1)	(0.32%)	(9.57%)	3.76%	2.50%	7.03%
Harbor International	(1.64%)	(11.51%)	1.04%	0.74%	6.98%
Columbia Acorn Int'l (2)	(1.38%)	(7.30%)	2.59%	3.00%	8.96%
Oakmark International (4)	(8.25%)	(18.69%)	(1.41%)	2.18%	8.31%
Mondrian International	0.17%	(7.81%)	1.92%	1.53%	-
MSCI EAFE Index	(1.46%)	(10.16%)	2.06%	1.68%	5.97%
MSCI ACWI ex-US Index	(0.40%)	(9.80%)	1.62%	0.56%	5.81%
Domestic Fixed Income	2.36%	4.33%	3.73%	3.85%	5.19%
BC Aggregate Index	2.21%	6.00%	4.06%	3.76%	4.58%
Dodge & Cox Income	2.64%	4.36%	3.96%	3.98%	5.64%
PIMCO	2.07%	4.31%	3.48%	3.71%	5.35%
BC Aggregate Index	2.21%	6.00%	4.06%	3.76%	4.58%
Real Estate	2.33%	13.34%	11.89%	10.85%	13.53%
Real Estate Custom Benchmark (3)	3.09%	13.50%	12.36%	11.43%	14.62%
RREEF Public	4.81%	22.69%	12.87%	11.38%	19.97%
NAREIT	7.54%	22.72%	12.84%	12.02%	19.82%
RREEF Private	1.97%	11.42%	13.10%	12.21%	11.29%
Cornerstone Patriot Fund	1.48%	11.44%	10.00%	-	-
NFI-ODCE Equal Weight Net	1.97%	11.24%	12.08%	11.70%	9.59%
625 Kings Court	2.16%	10.03%	10.77%	12.56%	7.34%
Total Fund	0.96%	(2.19%)	6.00%	6.18%	9.46%
Total Fund Benchmark*	1.80%	1.23%	6.97%	6.84%	9.75%

* Current Quarter Target = 38.0% Russell 3000 Index, 28.0% Barclays Aggregate Index, 25.0% MSCI ACWIxUS Gross, 7.2% NFI-ODCE Equal Weight Net and 1.8% NAREIT.

(1) Switched share class December 2009.

(2) Switched share class in February 2014.

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

(4) Switched to CIT in November 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.

	12/2015- 6/2016	2015	2014	2013	2012
Domestic Equities	(0.35%)	(0.08%)	9.59%	38.02%	17.10%
Russell 3000 Index	3.62%	0.48%	12.56%	33.55%	16.42%
Large Cap Equities					
Vanguard S&P 500 Index	3.82%	1.37%	13.65%	-	-
S&P 500 Index	3.84%	1.38%	13.69%	32.39%	16.00%
Dodge & Cox Stock	0.70%	(4.49%)	10.40%	40.55%	22.01%
Boston Partners	0.96%	(4.99%)	10.87%	36.43%	20.18%
S&P 500 Index	3.84%	1.38%	13.69%	32.39%	16.00%
Russell 1000 Value Index	6.30%	(3.83%)	13.45%	32.53%	17.51%
Harbor Cap Appreciation	(6.71%)	10.99%	9.93%	37.66%	15.69%
Janus Research (1)	(1.64%)	5.55%	14.10%	35.36%	16.78%
S&P 500 Index	3.84%	1.38%	13.69%	32.39%	16.00%
Russell 1000 Growth Index	1.36%	5.67%	13.05%	33.48%	15.26%
Mid Cap Equities					
Fidelity Low Priced Stock	0.36%	(0.56%)	7.65%	34.31%	18.50%
Royce Total Return (1)	8.76%	(7.17%)	1.51%	32.93%	14.48%
Russell MidCap Value Idx	8.87%	(4.78%)	14.75%	33.46%	18.51%
Morgan Stanley (2)	(7.43%)	(5.73%)	1.47%	38.35%	9.49%
Janus Enterprise (1)	5.60%	3.49%	12.01%	30.86%	17.83%
Russell MidCap Growth Idx	2.15%	(0.20%)	11.90%	35.74%	15.81%
Small Cap Equities					
Prudential Small Cap Value (3)	4.93%	(7.00%)	5.89%	35.87%	14.14%
US Small Cap Value Idx	7.05%	(5.14%)	7.44%	33.71%	18.80%
Russell 2000 Value Index	6.08%	(7.47%)	4.22%	34.52%	18.05%
AB US Small Growth (4)	(3.28%)	(0.66%)	(1.24%)	46.72%	16.21%
RS Investments (1)	(10.86%)	0.36%	9.67%	49.64%	15.13%
Russell 2000 Growth Index	(1.59%)	(1.38%)	5.60%	43.30%	14.59%
Micro Cap Equities					
AMG Managers Emerging Opp	(0.42%)	(8.44%)	2.62%	56.34%	14.32%
Russell Microcap Index	(1.68%)	(5.16%)	3.65%	45.62%	19.75%
Russell Micro Growth Idx	(5.90%)	(3.85%)	4.30%	52.84%	15.17%

(1) Switched share class in December 2009.

(2) Switched share class in February 2014.

(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.

	12/2015- 6/2016	2015	2014	2013	2012
International Equities	(2.91%)	(4.50%)	(5.73%)	19.25%	18.78%
MSCI ACWI ex-US Index	(0.67%)	(5.25%)	(3.44%)	15.78%	17.39%
EuroPacific (1)	(2.63%)	(0.48%)	(2.29%)	20.58%	19.64%
Harbor International	(1.14%)	(3.82%)	(6.81%)	16.84%	20.87%
Columbia Acorn Int'l (2)	(1.23%)	(1.23%)	(4.23%)	22.33%	21.60%
Oakmark International	(10.81%)	(3.99%)	(5.41%)	29.34%	29.22%
Mondrian International	1.74%	(6.33%)	(2.06%)	16.69%	11.50%
MSCI EAFE Index	(4.42%)	(0.81%)	(4.90%)	22.78%	17.32%
MSCI ACWI ex-US Index	(0.67%)	(5.25%)	(3.44%)	15.78%	17.39%
Domestic Fixed Income	4.48%	0.07%	5.09%	(0.65%)	9.15%
BC Aggregate Index	5.31%	0.55%	5.97%	(2.02%)	4.21%
Dodge & Cox Income	5.07%	(0.59%)	5.49%	0.64%	7.94%
PIMCO	3.90%	0.73%	4.69%	(1.92%)	10.36%
BC Aggregate Index	5.31%	0.55%	5.97%	(2.02%)	4.21%
Real Estate	4.97%	12.14%	14.50%	10.21%	10.73%
Real Estate Custom Benchmark (3)	6.10%	11.81%	14.57%	10.40%	11.88%
RREEF Public	10.10%	3.86%	31.88%	(0.59%)	16.97%
NAREIT	13.72%	2.05%	27.23%	2.34%	19.73%
RREEF Private	3.73%	15.63%	11.95%	14.50%	10.12%
Cornerstone Patriot Fund	4.20%	12.99%	8.64%	9.82%	10.18%
NFI-ODCE Equal Weight Net	4.24%	14.18%	11.42%	12.36%	9.93%
625 Kings Court	4.86%	9.85%	12.15%	33.50%	3.64%
Total Fund	0.91%	0.07%	4.72%	19.72%	14.53%
Total Fund Benchmark*	3.24%	0.21%	6.80%	16.47%	12.99%

* Current Quarter Target = 38.0% Russell 3000 Index, 28.0% Barclays Aggregate Index, 25.0% MSCI ACWIxUS Gross, 7.2% NFI-ODCE Equal Weight Net and 1.8% NAREIT.

(1) Switched share class December 2009.

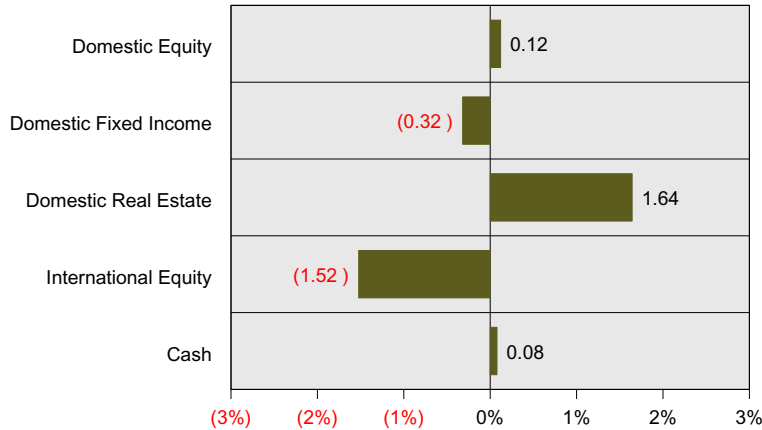
(2) Switched share class February 2014.

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

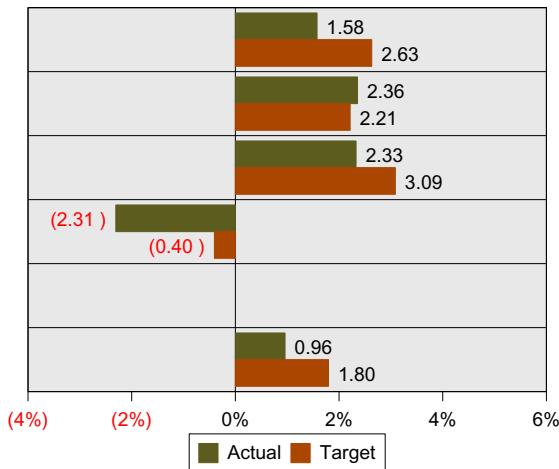
Quarterly Total Fund Relative Attribution - June 30, 2016

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, 2016

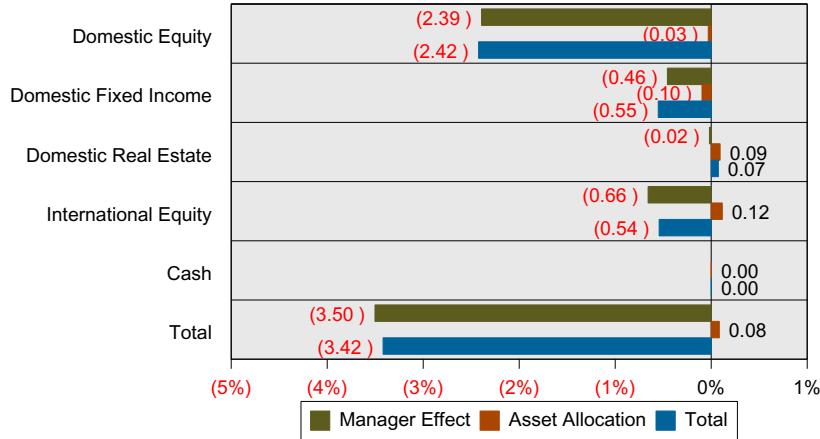
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	38%	38%	1.58%	2.63%	(0.40%)	0.00%	(0.40%)
Domestic Fixed Income	28%	28%	2.36%	2.21%	0.04%	(0.00%)	0.04%
Domestic Real Estate	11%	9%	2.33%	3.09%	(0.08%)	0.02%	(0.06%)
International Equity	23%	25%	(2.31%)	(0.40%)	(0.45%)	0.03%	(0.41%)
Cash	0%	0%	0.00%	0.00%	0.00%	(0.00%)	(0.00%)
Total			0.96%	1.80%	(0.89%)	0.05%	(0.84%)

* Current Quarter Target = 38.0% Russell 3000 Index, 28.0% Barclays Aggregate Index, 25.0% MSCI ACWIxUS Gross, 7.2% NFI-ODCE Equal Weight Net and 1.8% NAREIT.

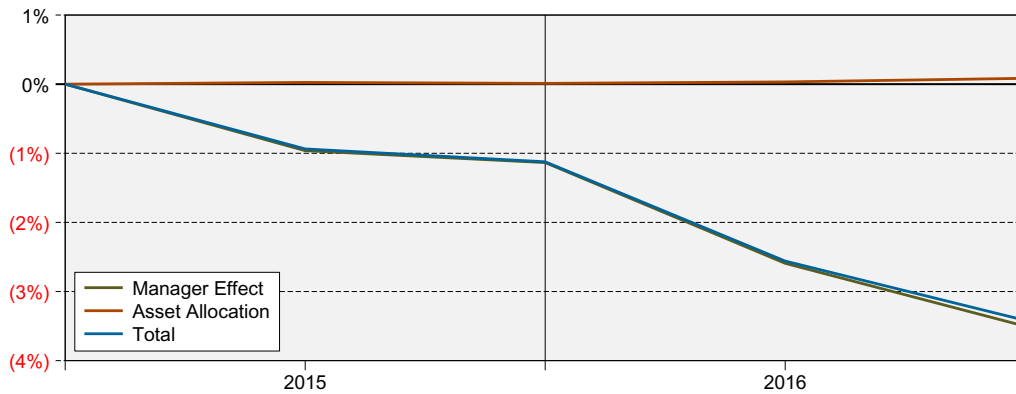
Cumulative Total Fund Relative Attribution - June 30, 2016

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

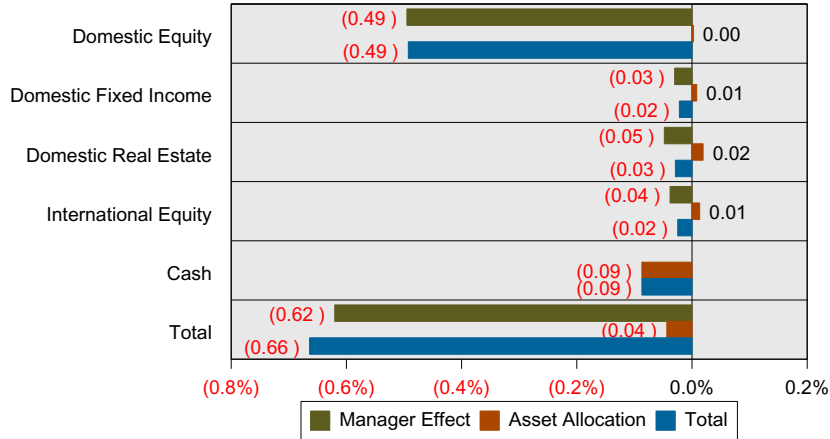
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	38%	38%	(4.04%)	2.14%	(2.39%)	(0.03%)	(2.42%)
Domestic Fixed Income	27%	28%	4.33%	6.00%	(0.46%)	(0.10%)	(0.55%)
Domestic Real Estate	10%	9%	13.34%	13.50%	(0.02%)	0.09%	0.07%
International Equity	24%	25%	(12.35%)	(9.80%)	(0.66%)	0.12%	(0.54%)
Cash	0%	0%	0.00%	0.00%	0.00%	0.00%	0.00%
Total			(2.19%)	1.23%	+ (3.50%)	+ 0.08%	(3.42%)

* Current Quarter Target = 38.0% Russell 3000 Index, 28.0% Barclays Aggregate Index, 25.0% MSCI ACWixUS Gross, 7.2% NFI-ODCE Equal Weight Net and 1.8% NAREIT.

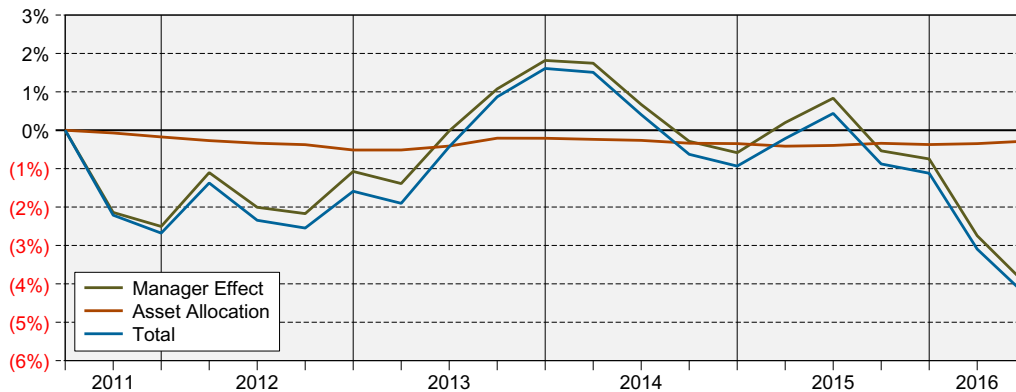
Cumulative Total Fund Relative Attribution - June 30, 2016

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

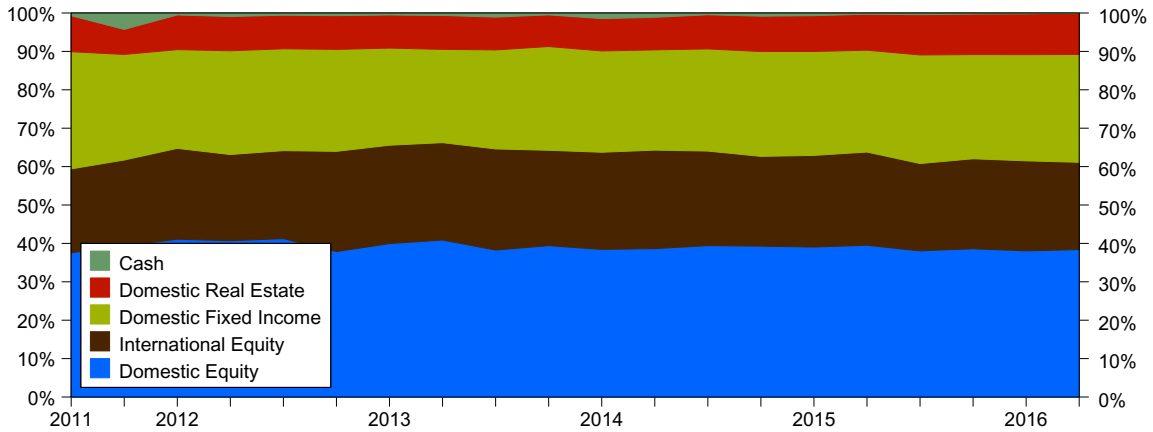
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	39%	38%	10.19%	11.60%	(0.49%)	0.00%	(0.49%)
Domestic Fixed Income	27%	28%	3.85%	3.76%	(0.03%)	0.01%	(0.02%)
Domestic Real Estate	9%	9%	10.85%	11.43%	(0.05%)	0.02%	(0.03%)
International Equity	24%	25%	0.31%	0.56%	(0.04%)	0.01%	(0.02%)
Cash	1%	0%	0.06%	0.06%	0.00%	(0.09%)	(0.09%)
Total			6.18%	6.84%	(0.62%)	(0.04%)	(0.66%)

* Current Quarter Target = 38.0% Russell 3000 Index, 28.0% Barclays Aggregate Index, 25.0% MSCI ACWIxUS Gross, 7.2% NFI-ODCE Equal Weight Net and 1.8% NAREIT.

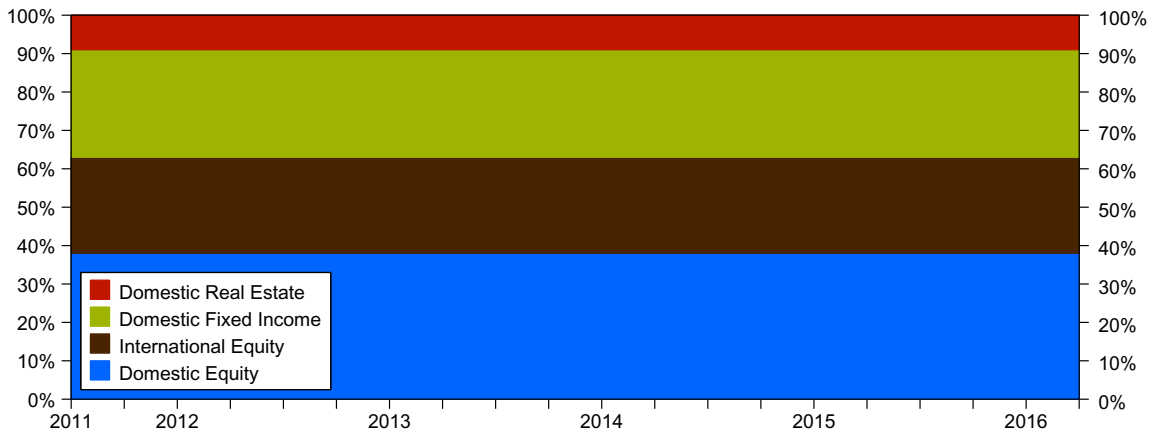
Actual vs Target Historical Asset Allocation

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 CAI Public Fund Sponsor Database.

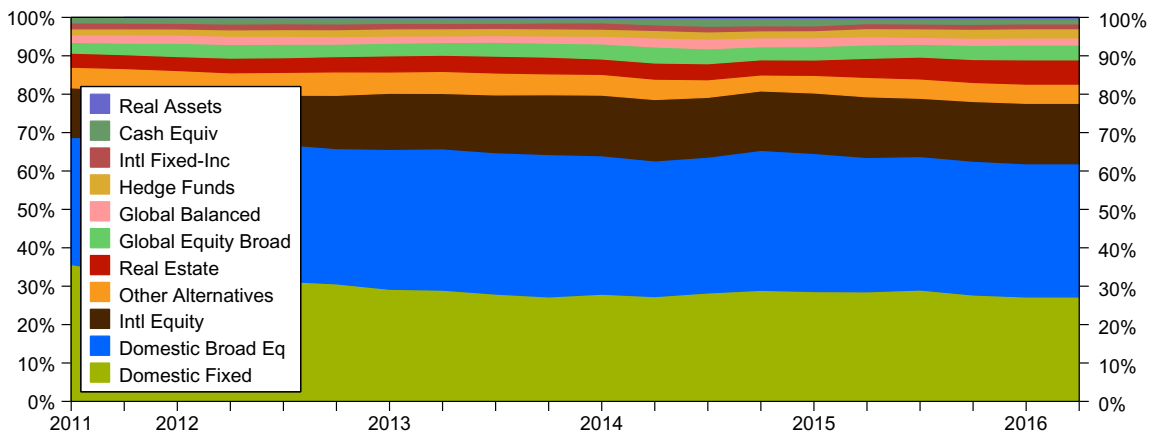
Actual Historical Asset Allocation



Target Historical Asset Allocation



Average CAI Public Fund Sponsor Database Historical Asset Allocation

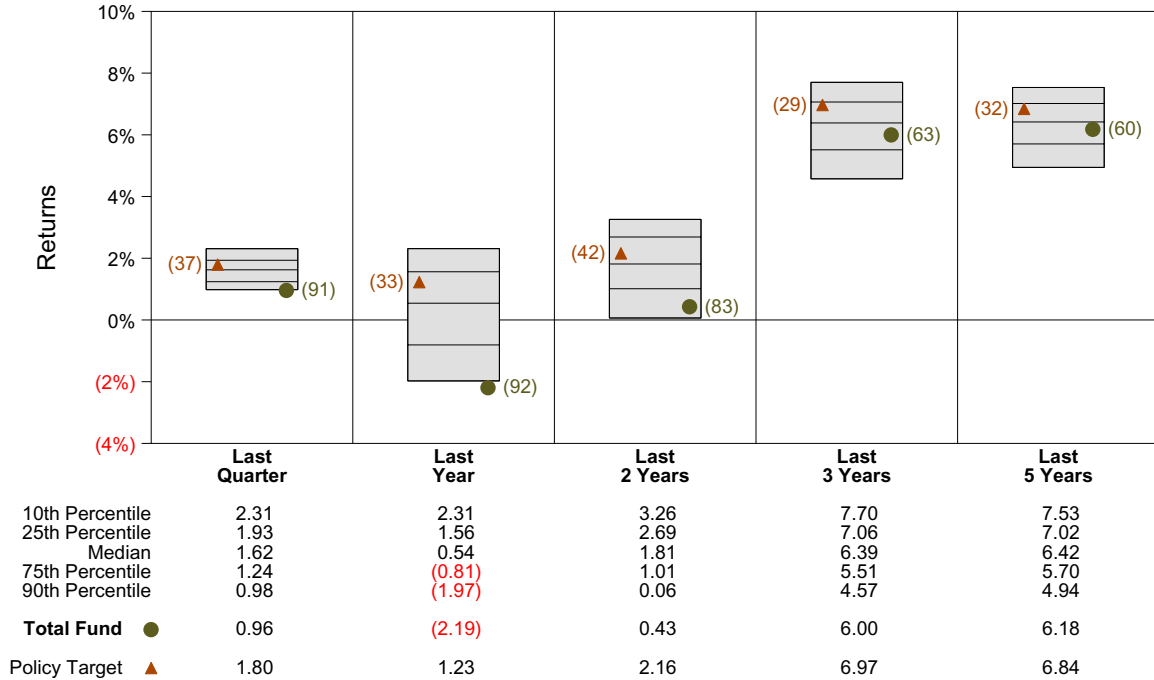


* Current Quarter Target = 38.0% Russell 3000 Index, 28.0% Barclays Aggregate Index, 25.0% MSCI ACWIxUS Gross, 7.2% NFI-ODCE Equal Weight Net and 1.8% NAREIT.

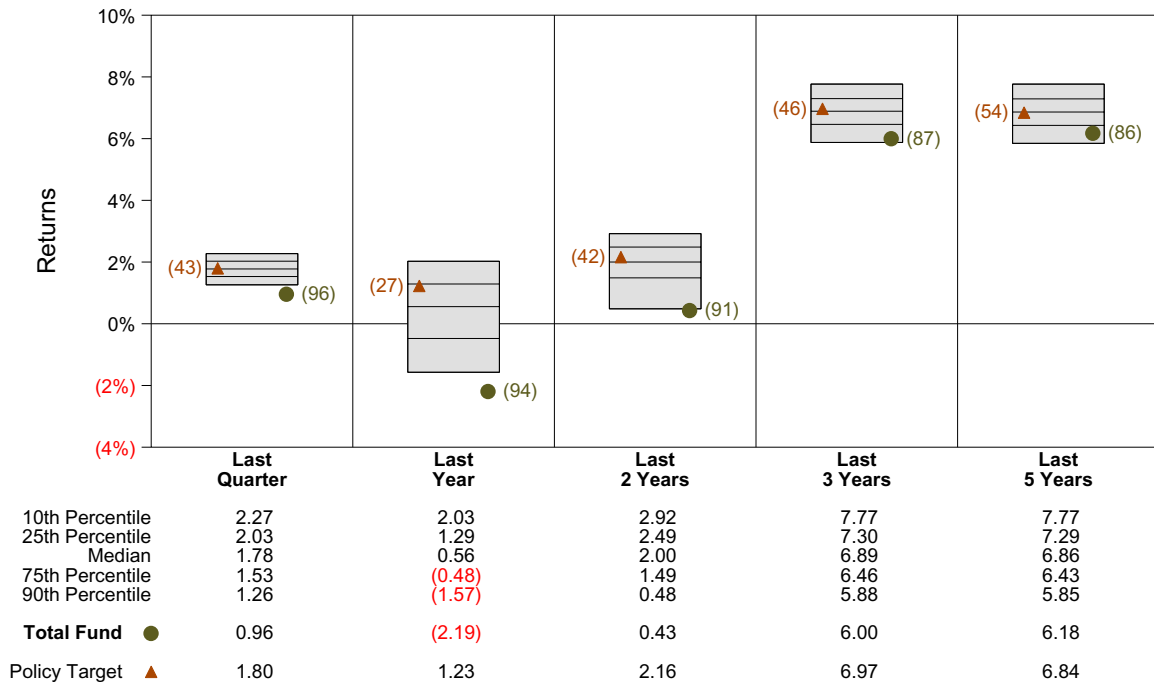
Total Fund Ranking

The first two charts show the ranking of the Total Fund's performance relative to that of the CAI Public Fund Sponsor Database for periods ended June 30, 2016. 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.

CAI Public Fund Sponsor Database



Asset Allocation Adjusted Ranking



* Current Quarter Target = 38.0% Russell 3000 Index, 28.0% Barclays Aggregate Index, 25.0% MSCI ACWixUS Gross, 7.2% NFI-ODCE Equal Weight Net and 1.8% NAREIT.

Total Fund Period Ended June 30, 2016

Investment Philosophy

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

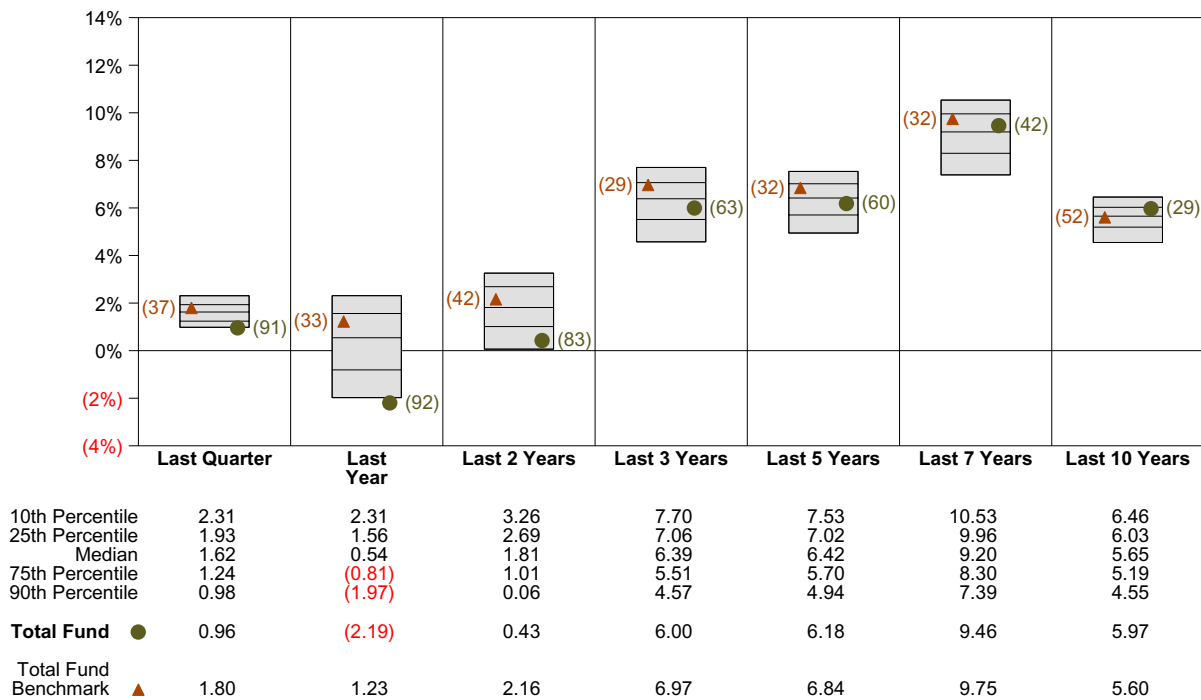
Quarterly Summary and Highlights

- Total Fund's portfolio posted a 0.96% return for the quarter placing it in the 91 percentile of the CAI Public Fund Sponsor Database group for the quarter and in the 92 percentile for the last year.
- Total Fund's portfolio underperformed the Total Fund Benchmark by 0.84% for the quarter and underperformed the Total Fund Benchmark for the year by 3.42%.

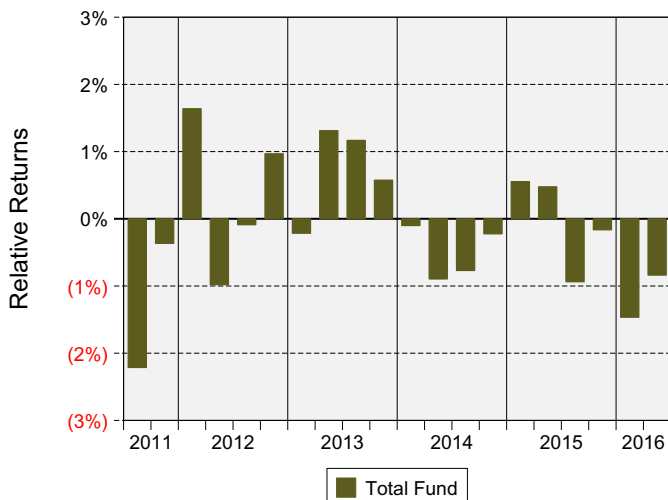
Quarterly Asset Growth

Beginning Market Value	\$423,485,802
Net New Investment	\$-1,317,794
Investment Gains/(Losses)	\$4,054,794
Ending Market Value	\$426,222,802

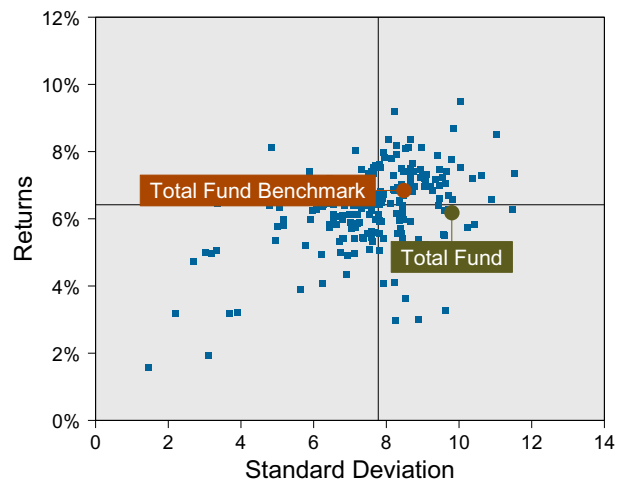
Performance vs CAI Public Fund Sponsor Database (Gross)



Relative Return vs Total Fund Benchmark



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

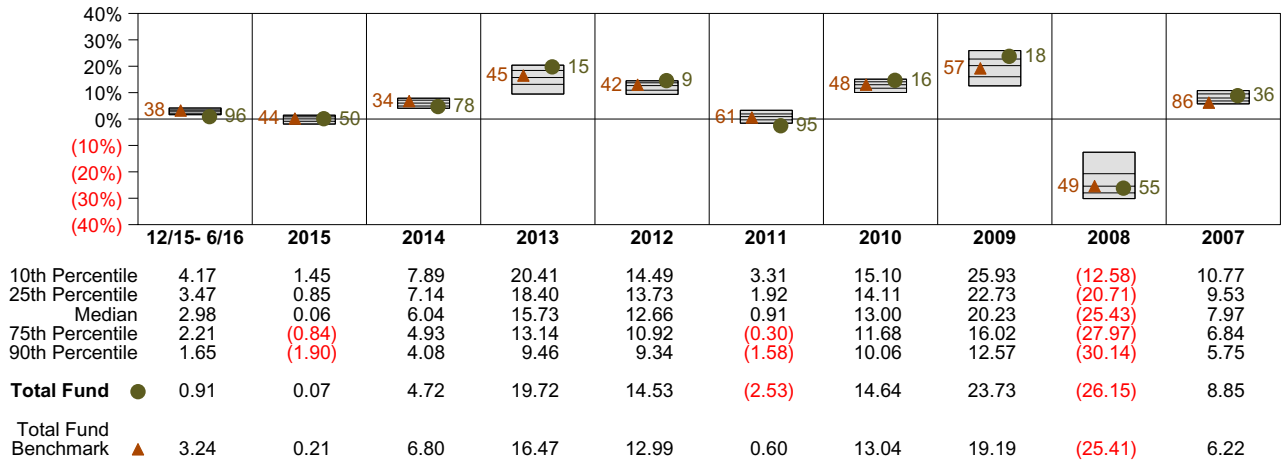


Total Fund Return Analysis Summary

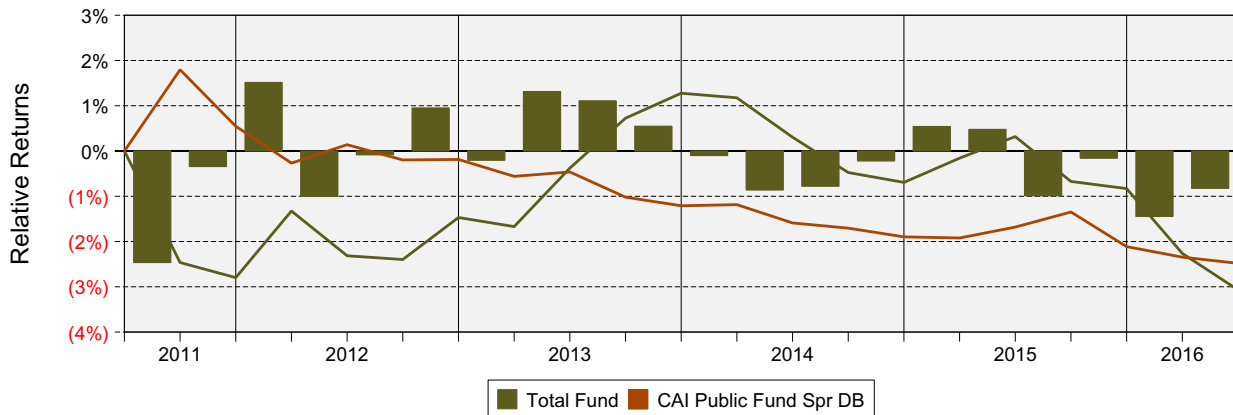
Return Analysis

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 two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

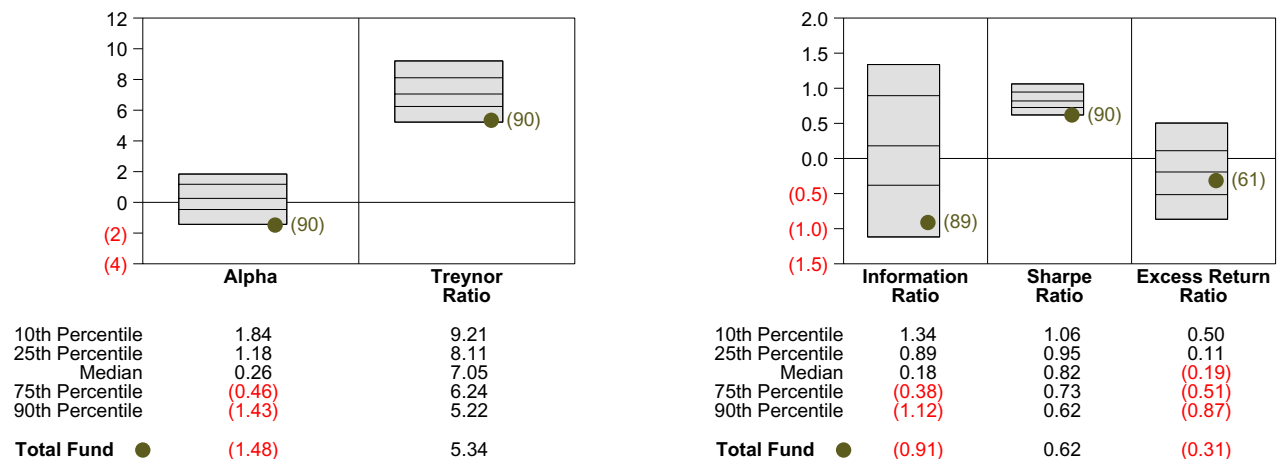
Performance vs CAI Public Fund Sponsor Database (Gross)



Cumulative and Quarterly Relative Return vs Total Fund Benchmark



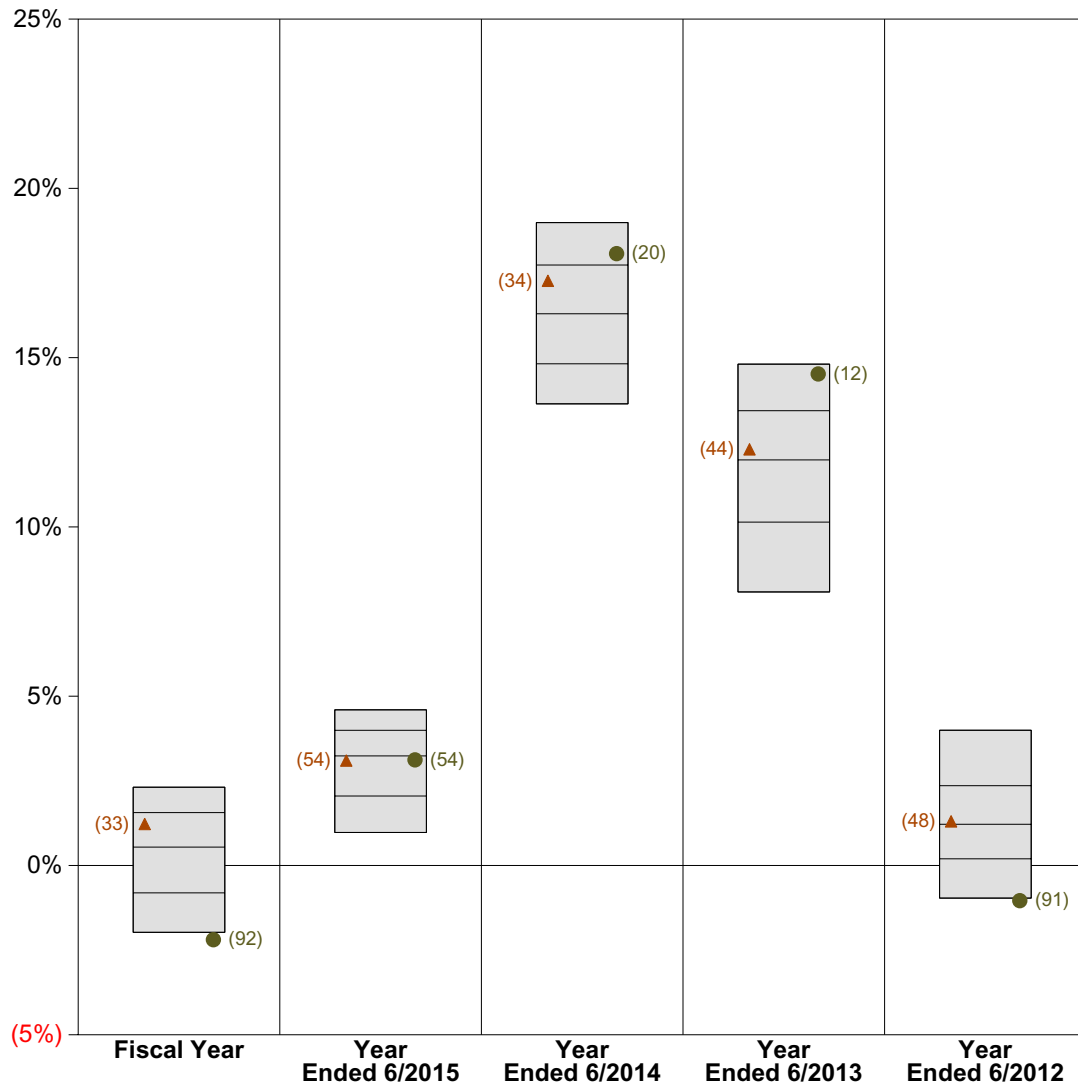
Risk Adjusted Return Measures vs Total Fund Benchmark Rankings Against CAI Public Fund Sponsor Database (Gross) Five Years Ended June 30, 2016



Mendocino County Employees' Retirement Association Performance vs CAI Public Fund Sponsor Database Periods Ended June 30, 2016

Return Ranking

The chart below illustrates fund rankings over various periods versus the CAI 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 CAI 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.



	Fiscal Year	Year Ended 6/2015	Year Ended 6/2014	Year Ended 6/2013	Year Ended 6/2012
10th Percentile	2.31	4.60	18.99	14.81	3.99
25th Percentile	1.56	3.99	17.74	13.43	2.36
Median	0.54	3.24	16.30	11.98	1.22
75th Percentile	(0.81)	2.05	14.82	10.14	0.20
90th Percentile	(1.97)	0.98	13.63	8.08	(0.96)
Total Fund ●	(2.19)	3.11	18.08	14.52	(1.04)
Total Fund Benchmark ▲	1.23	3.10	17.27	12.29	1.30

* Current Quarter Target = 38.0% Russell 3000 Index, 28.0% Barclays Aggregate Index, 25.0% MSCI ACWIxUS Gross, 7.2% NFI-ODCE Equal Weight Net and 1.8% NAREIT.

Domestic Equity Composite Period Ended June 30, 2016

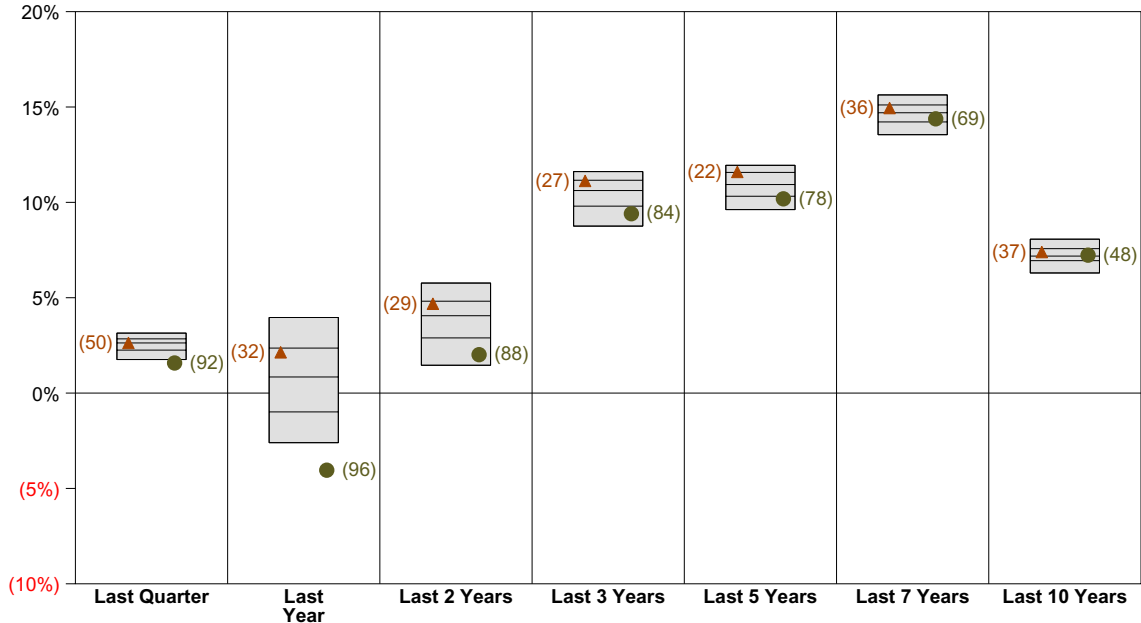
Quarterly Summary and Highlights

- Domestic Equity Composite's portfolio posted a 1.58% return for the quarter placing it in the 92 percentile of the Pub Pln- Domestic Equity group for the quarter and in the 96 percentile for the last year.
- Domestic Equity Composite's portfolio underperformed the Russell 3000 Index by 1.05% for the quarter and underperformed the Russell 3000 Index for the year by 6.18%.

Quarterly Asset Growth

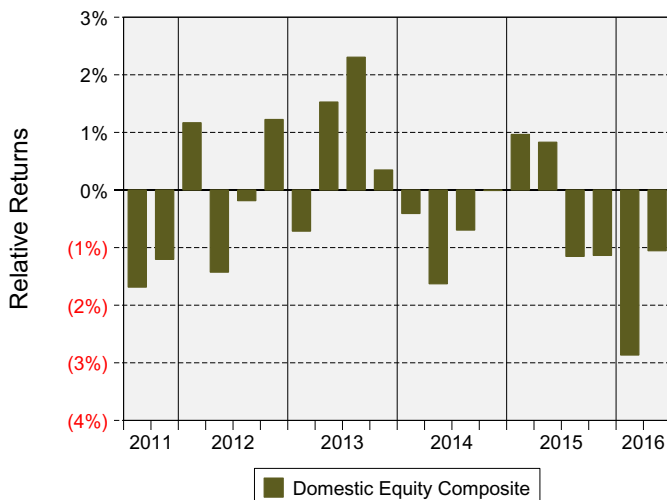
Beginning Market Value	\$161,171,290
Net New Investment	\$0
Investment Gains/(Losses)	\$2,539,684
Ending Market Value	\$163,710,974

Performance vs Pub Pln- Domestic Equity (Gross)

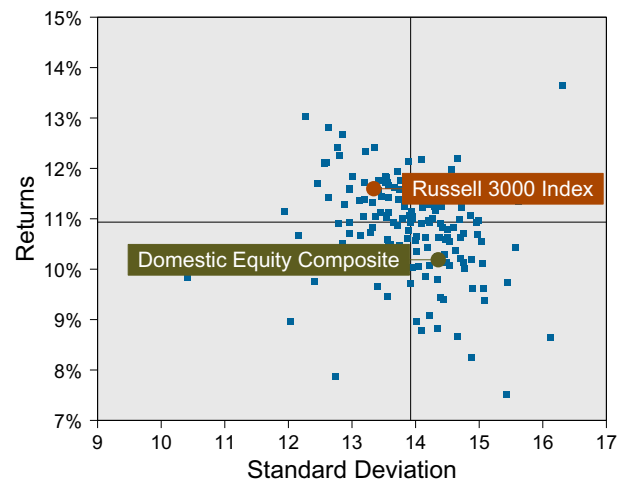


10th Percentile	3.14	3.96	5.77	11.61	11.94	15.63	8.07
25th Percentile	2.84	2.36	4.82	11.16	11.57	15.11	7.57
Median	2.63	0.84	4.06	10.62	10.93	14.70	7.18
75th Percentile	2.25	(0.99)	2.89	9.80	10.32	14.22	6.94
90th Percentile	1.76	(2.60)	1.46	8.75	9.62	13.55	6.30
Domestic Equity Composite ●	1.58	(4.04)	2.01	9.41	10.19	14.38	7.22
Russell 3000 Index ▲	2.63	2.14	4.68	11.13	11.60	14.95	7.40

Relative Return vs Russell 3000 Index



Pub Pln- Domestic Equity (Gross) Annualized Five Year Risk vs Return

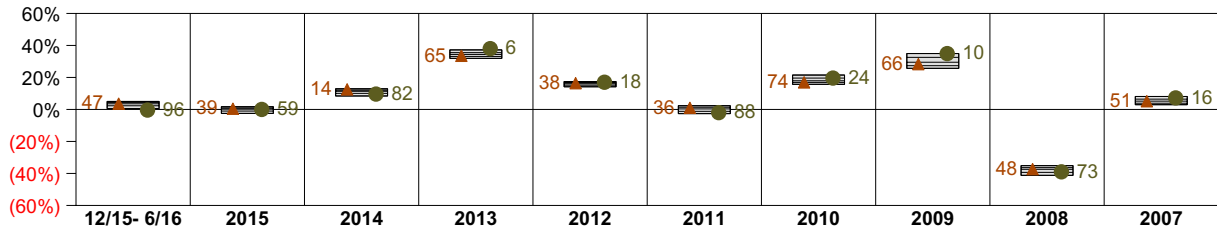


Domestic Equity Composite Return Analysis Summary

Return Analysis

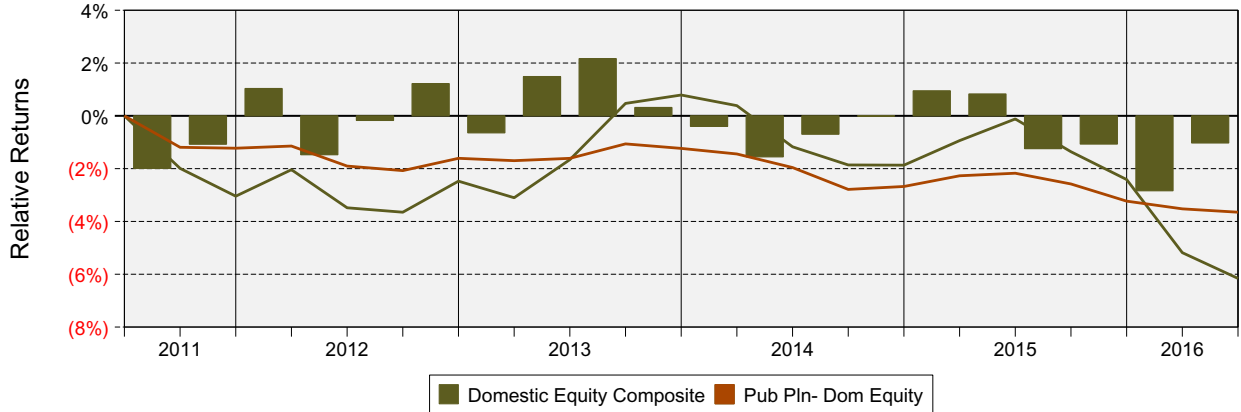
The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate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

Performance vs Pub Pln- Domestic Equity (Gross)

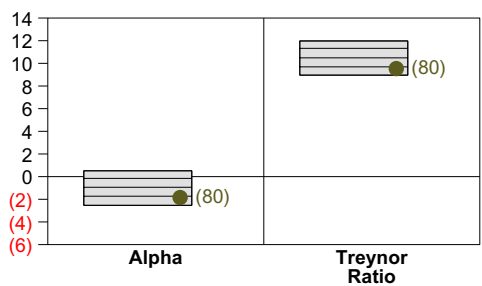


	12/15- 6/16	2015	2014	2013	2012	2011	2010	2009	2008	2007
10th Percentile	4.99	1.70	12.91	37.22	17.42	2.34	21.49	34.93	(35.14)	8.11
25th Percentile	4.38	0.89	12.06	35.51	16.80	1.36	19.60	32.55	(36.36)	6.44
Median	3.53	0.17	11.33	34.39	16.07	0.33	17.92	29.51	(37.42)	5.18
75th Percentile	2.29	(1.01)	10.05	33.14	15.14	(1.19)	16.90	27.35	(39.33)	3.89
90th Percentile	0.54	(2.49)	8.41	31.92	14.16	(2.61)	15.71	25.69	(41.20)	2.96
Domestic Equity Composite	● (0.35)	(0.08)	9.59	38.02	17.10	(1.96)	19.63	34.90	(38.99)	7.26
Russell 3000 Index	▲ 3.62	0.48	12.56	33.55	16.42	1.03	16.93	28.34	(37.31)	5.14

Cumulative and Quarterly Relative Return vs Russell 3000 Index

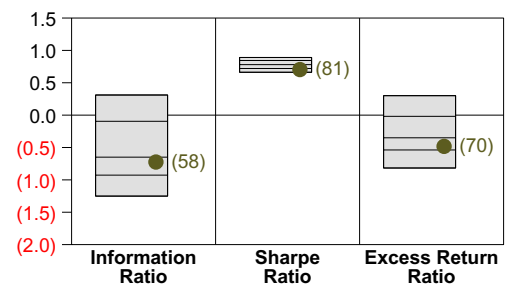


Risk Adjusted Return Measures vs Russell 3000 Index Rankings Against Pub Pln- Domestic Equity (Gross) Five Years Ended June 30, 2016



	Alpha	Treynor Ratio
10th Percentile	0.52	11.98
25th Percentile	(0.16)	11.33
Median	(0.94)	10.49
75th Percentile	(1.73)	9.69
90th Percentile	(2.54)	8.96

Domestic Equity Composite ● (1.86) 9.53



	Information Ratio	Sharpe Ratio	Excess Return Ratio
10th Percentile	0.31	0.89	0.30
25th Percentile	(0.10)	0.84	(0.02)
Median	(0.65)	0.78	(0.35)
75th Percentile	(0.93)	0.72	(0.54)
90th Percentile	(1.25)	0.66	(0.82)

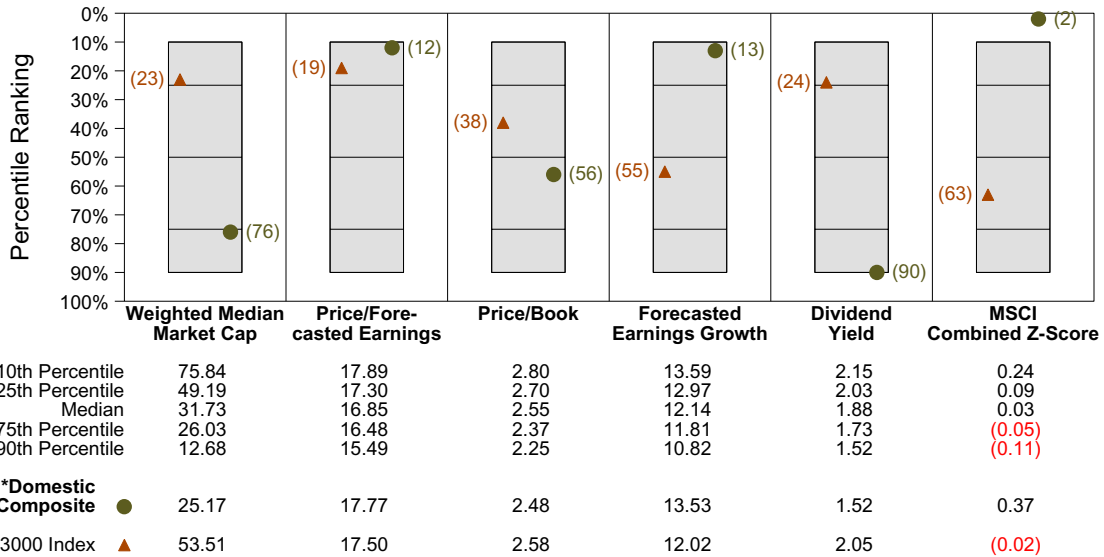
Domestic Equity Composite ● (0.72) 0.70 (0.48)

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.

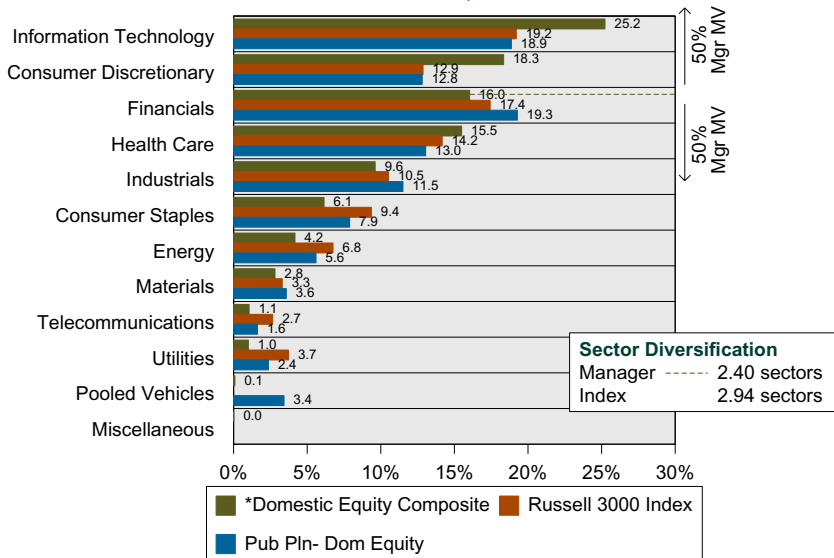
Portfolio Characteristics Percentile Rankings Rankings Against Pub Pln- Domestic Equity as of June 30, 2016



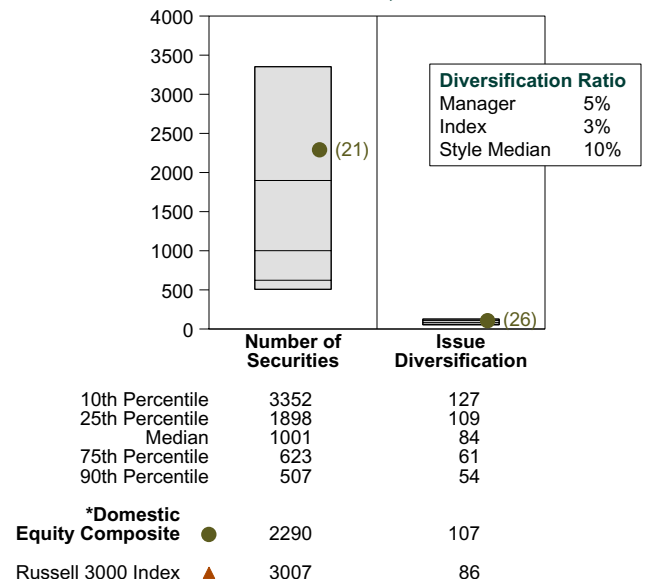
Sector Weights

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, 2016



Diversification June 30, 2016

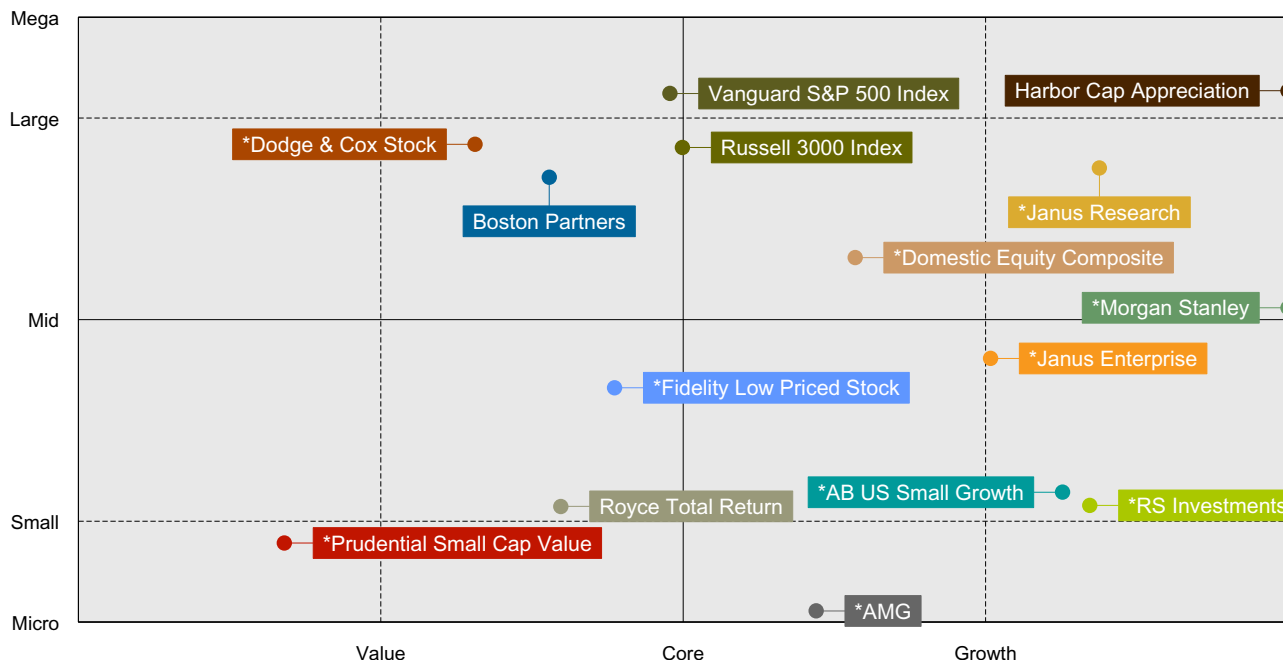


*6/30/16 portfolio characteristics generated using most recently available holdings (3/31/16) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.

Holdings Based Style Analysis For One Quarter Ended June 30, 2016

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, 2016



	Weight %	Wtd Median Mkt Cap	Combined Z-Score	Growth Z-Score	Value Z-Score	Number of Securities	Security Diversification
Vanguard S&P 500 Index	13.93%	76.24	(0.05)	(0.01)	0.03	507	54.66
*Dodge & Cox Stock	13.40%	54.33	(0.47)	(0.18)	0.29	63	16.79
Boston Partners	14.11%	45.89	(0.31)	(0.08)	0.23	88	21.98
Harbor Cap Appreciation	13.57%	77.99	1.48	0.71	(0.77)	58	16.37
*Janus Research	14.11%	48.21	0.91	0.44	(0.46)	103	26.21
*Fidelity Low Priced Stock	3.06%	6.64	(0.17)	0.04	0.21	865	33.03
Royce Total Return	2.94%	2.14	(0.28)	(0.11)	0.17	283	57.27
*Morgan Stanley	2.58%	12.28	1.61	0.64	(0.97)	47	11.29
*Janus Enterprise	3.39%	7.75	0.67	0.28	(0.38)	82	24.98
*Prudential Small Cap Value	7.59%	1.34	(0.89)	(0.16)	0.73	358	64.29
*AB US Small Growth	3.84%	2.67	0.83	0.29	(0.53)	98	32.47
*RS Investments	2.84%	2.17	0.89	0.32	(0.57)	85	23.15
*AMG	4.65%	0.62	0.28	0.10	(0.18)	343	71.68
*Domestic Equity Composite	100.00%	25.17	0.37	0.20	(0.17)	2290	107.33
Russell 3000 Index	-	53.51	(0.02)	(0.00)	0.01	3007	85.90

*6/30/16 portfolio characteristics generated using most recently available holdings (3/31/16) 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, 2016

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.

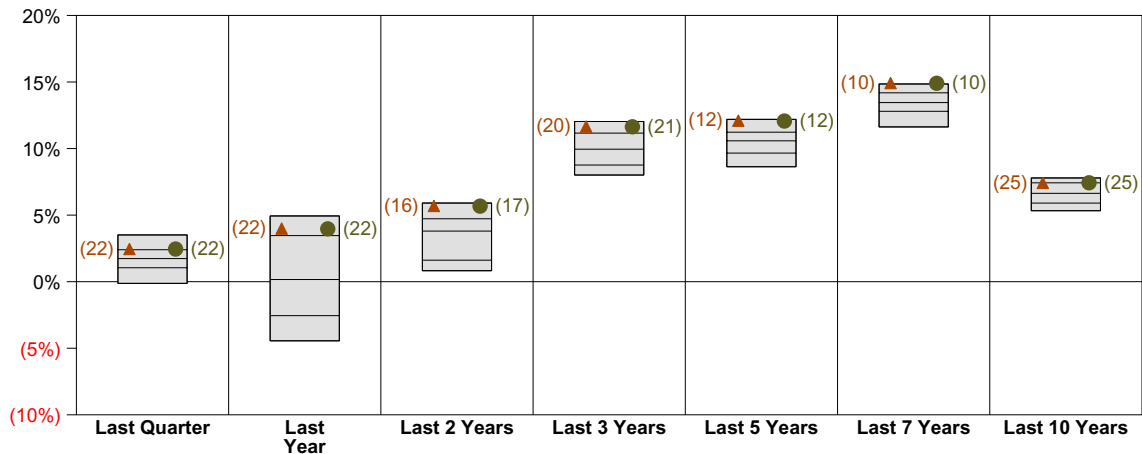
Quarterly Summary and Highlights

- Vanguard S&P 500 Index's portfolio posted a 2.45% return for the quarter placing it in the 22 percentile of the CAI Large Cap Core Mutual Funds group for the quarter and in the 22 percentile for the last year.
- Vanguard S&P 500 Index's portfolio underperformed the S&P 500 Index by 0.00% for the quarter and underperformed the S&P 500 Index for the year by 0.02%.

Quarterly Asset Growth

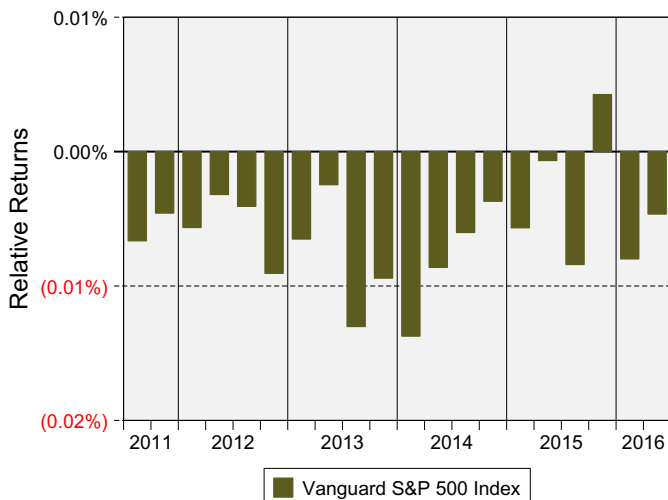
Beginning Market Value	\$22,266,714
Net New Investment	\$0
Investment Gains/(Losses)	\$545,664
Ending Market Value	\$22,812,377

Performance vs CAI Large Cap Core Mutual Funds (Net)

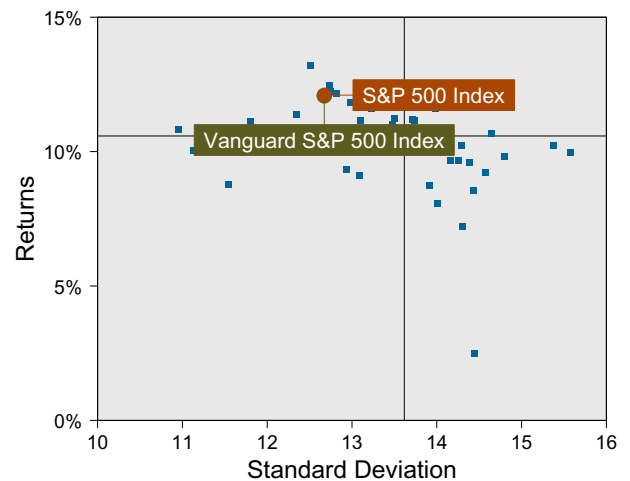


10th Percentile	3.51	4.94	5.91	12.03	12.19	14.85	7.79
25th Percentile	2.40	3.46	4.73	11.16	11.23	14.19	7.43
Median	1.73	0.16	3.80	9.95	10.58	13.45	6.64
75th Percentile	1.05	(2.55)	1.61	8.76	9.66	12.80	5.90
90th Percentile	(0.13)	(4.44)	0.82	8.01	8.63	11.63	5.33
Vanguard S&P 500 Index ●	2.45	3.97	5.68	11.63	12.07	14.90	7.43
S&P 500 Index ▲	2.46	3.99	5.69	11.66	12.10	14.92	7.42

Relative Return vs S&P 500 Index



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

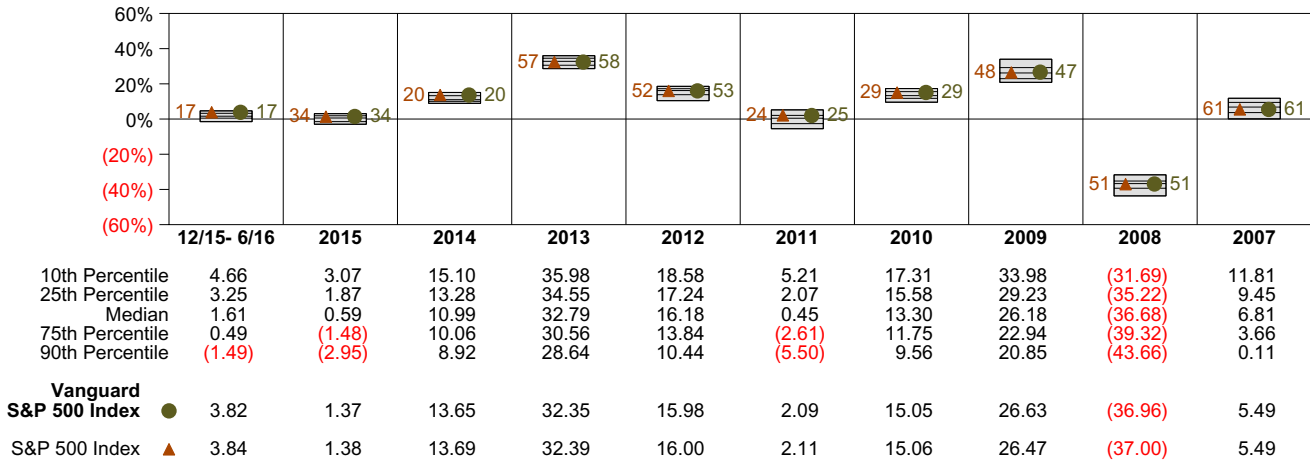


Vanguard S&P 500 Index Return Analysis Summary

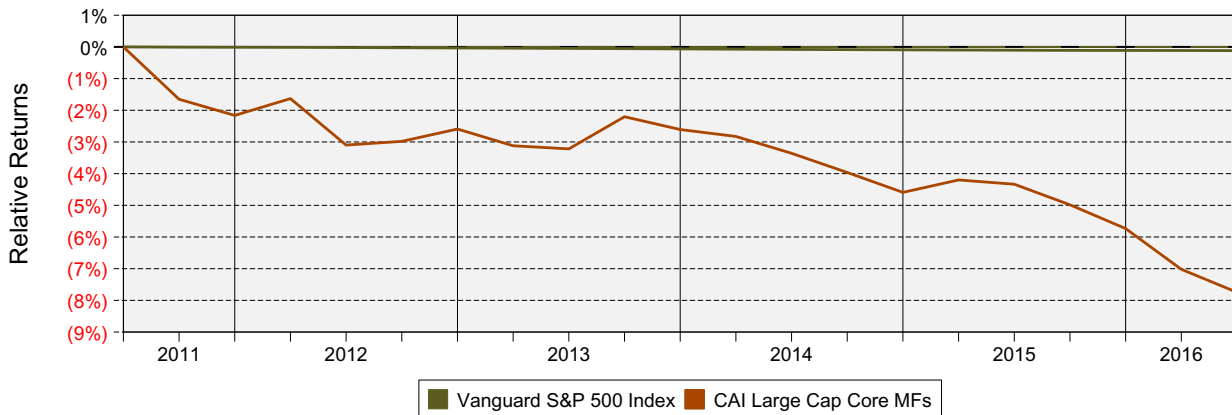
Return Analysis

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 two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

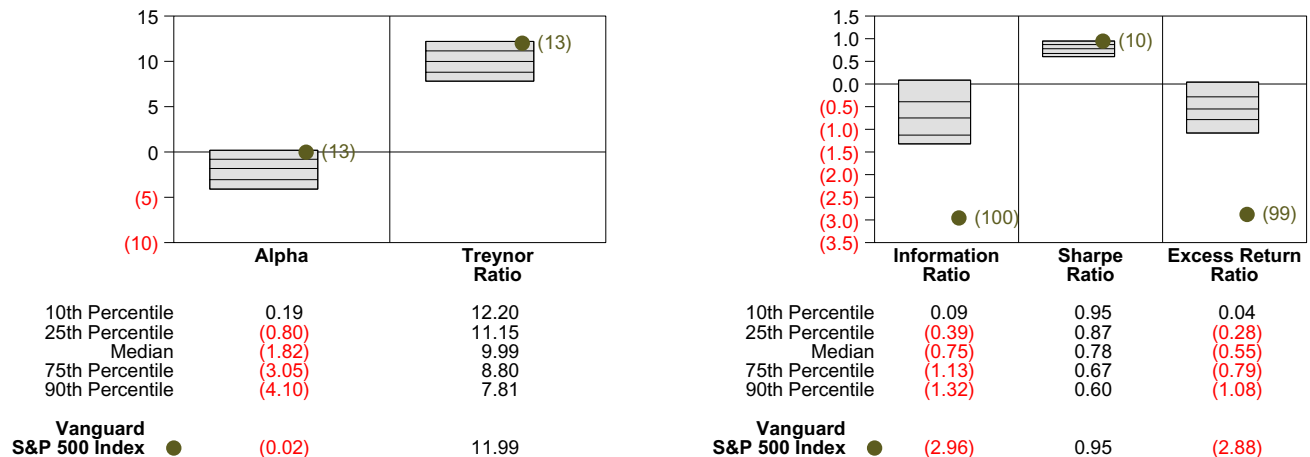
Performance vs CAI Large Cap Core Mutual Funds (Net)



Cumulative and Quarterly Relative Return vs S&P 500 Index



Risk Adjusted Return Measures vs S&P 500 Index Rankings Against CAI Large Cap Core Mutual Funds (Net) Five Years Ended June 30, 2016

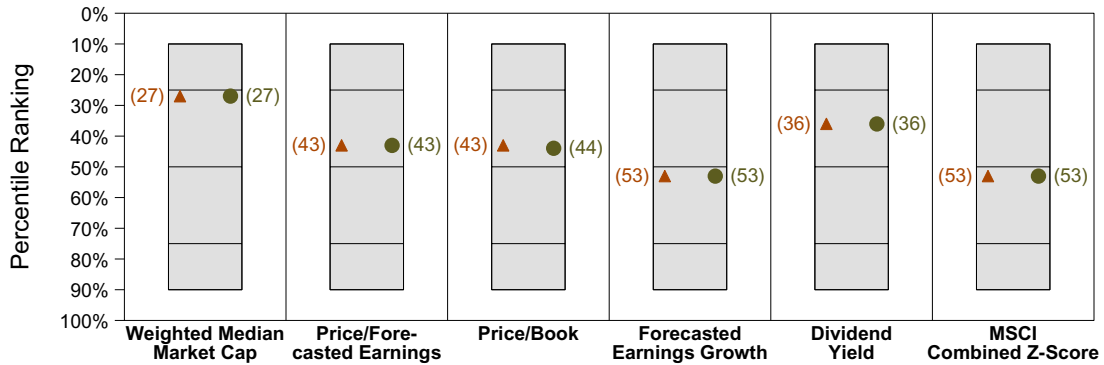


Vanguard S&P 500 Index Equity Characteristics Analysis Summary

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.

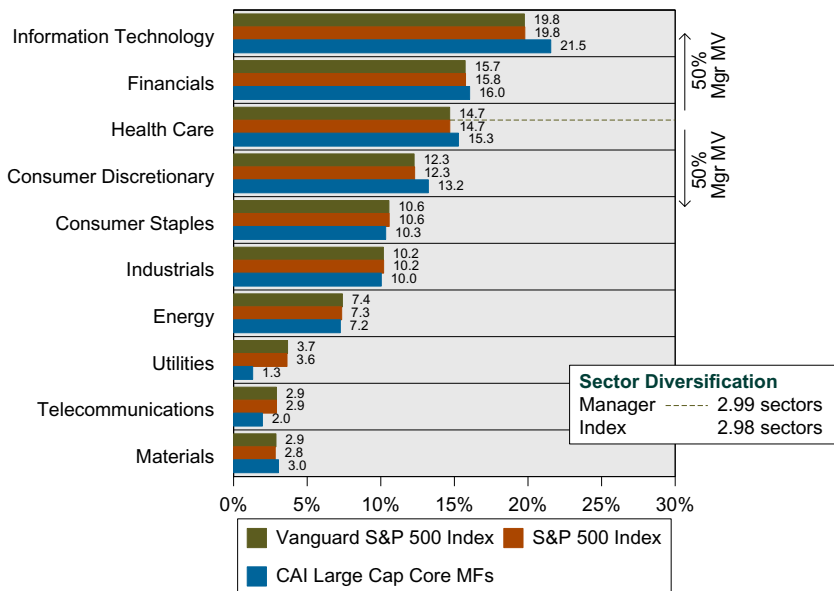
Portfolio Characteristics Percentile Rankings Rankings Against CAI Large Cap Core Mutual Funds as of June 30, 2016



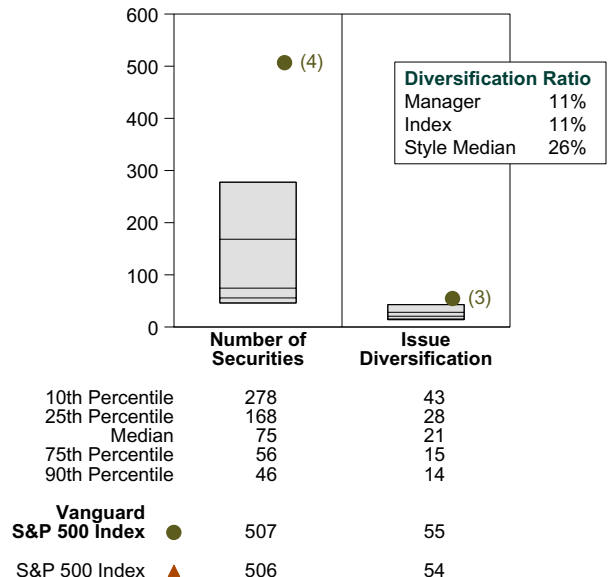
Sector Weights

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, 2016



Diversification June 30, 2016



Dodge & Cox Stock Period Ended June 30, 2016

Investment Philosophy

Dodge & Cox seeks to build a portfolio of individual companies where the current market valuation does not adequately reflect the company's long-term profit opportunities. The firm maintains a long-term focus, conducts their own research, and employs a rigorous price discipline.

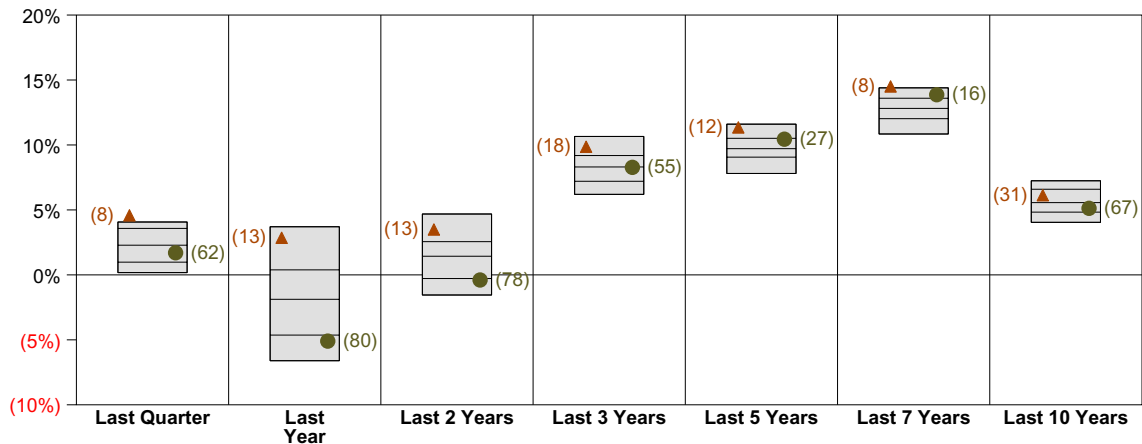
Quarterly Summary and Highlights

- Dodge & Cox Stock's portfolio posted a 1.70% return for the quarter placing it in the 62 percentile of the CAI Large Cap Value Mutual Funds group for the quarter and in the 80 percentile for the last year.
- Dodge & Cox Stock's portfolio underperformed the Russell 1000 Value Index by 2.88% for the quarter and underperformed the Russell 1000 Value Index for the year by 7.95%.

Quarterly Asset Growth

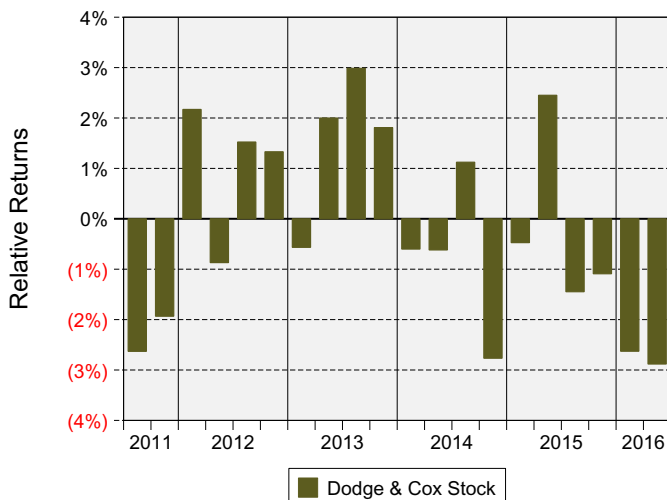
Beginning Market Value	\$21,566,417
Net New Investment	\$0
Investment Gains/(Losses)	\$366,925
Ending Market Value	\$21,933,343

Performance vs CAI Large Cap Value Mutual Funds (Net)

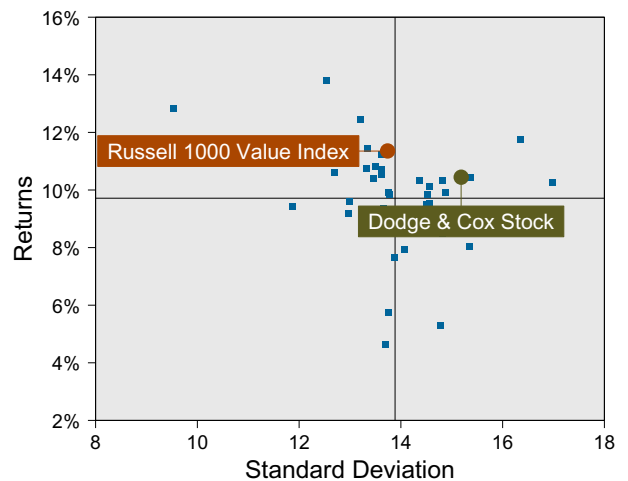


	Last Quarter	Last Year	Last 2 Years	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
10th Percentile	4.07	3.71	4.69	10.66	11.60	14.40	7.24
25th Percentile	3.58	0.39	2.56	9.19	10.51	13.60	6.59
Median	2.29	(1.88)	1.44	8.31	9.71	12.81	5.56
75th Percentile	0.98	(4.63)	(0.28)	7.20	9.06	12.02	4.83
90th Percentile	0.17	(6.61)	(1.55)	6.20	7.81	10.84	4.04
Dodge & Cox Stock ●	1.70	(5.09)	(0.39)	8.28	10.44	13.87	5.13
Russell 1000 Value Index ▲	4.58	2.86	3.49	9.87	11.35	14.50	6.13

Relative Return vs Russell 1000 Value Index



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

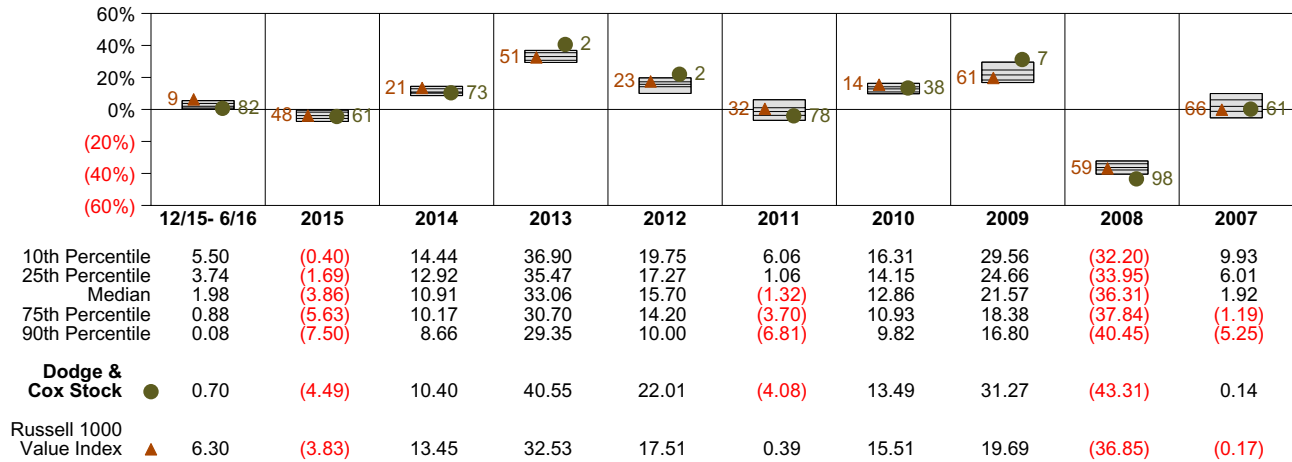


Dodge & Cox Stock Return Analysis Summary

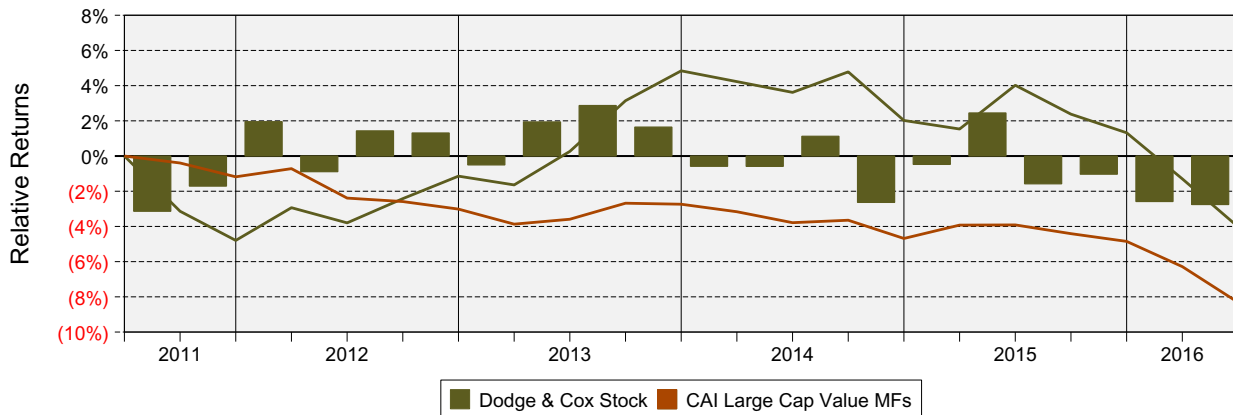
Return Analysis

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 two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

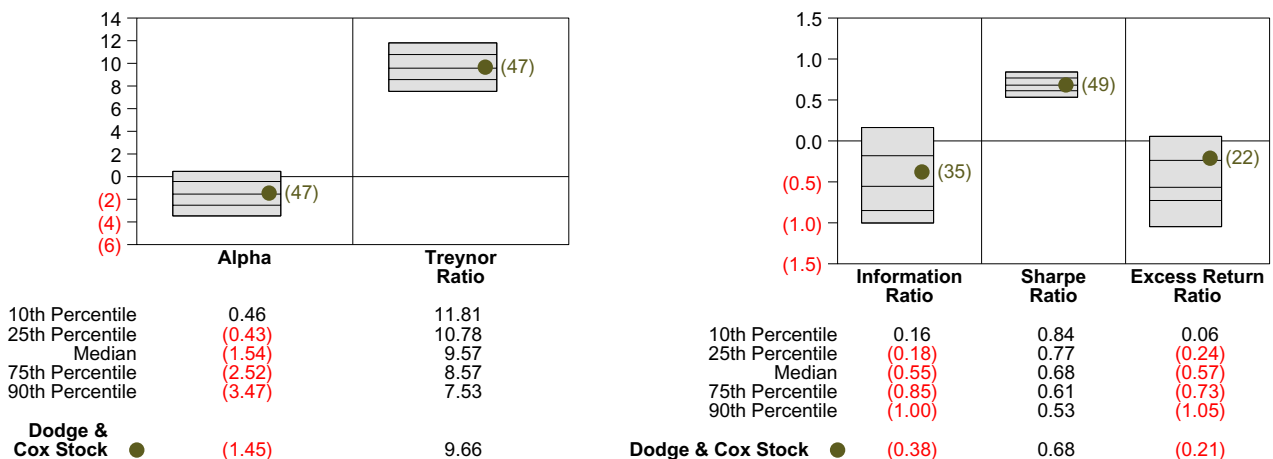
Performance vs CAI Large Cap Value Mutual Funds (Net)



Cumulative and Quarterly Relative Return vs Russell 1000 Value Index



Risk Adjusted Return Measures vs Russell 1000 Value Index Rankings Against CAI Large Cap Value Mutual Funds (Net) Five Years Ended June 30, 2016

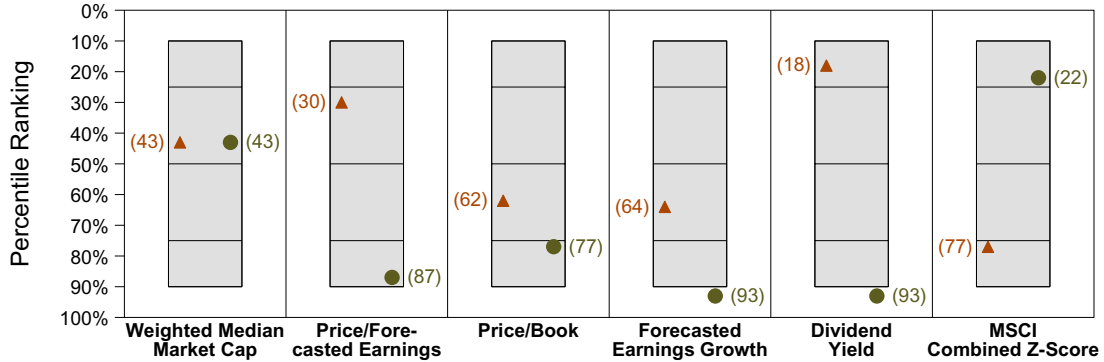


Dodge & Cox Stock Equity Characteristics Analysis Summary

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 CAI Large Cap Value Mutual Funds as of June 30, 2016

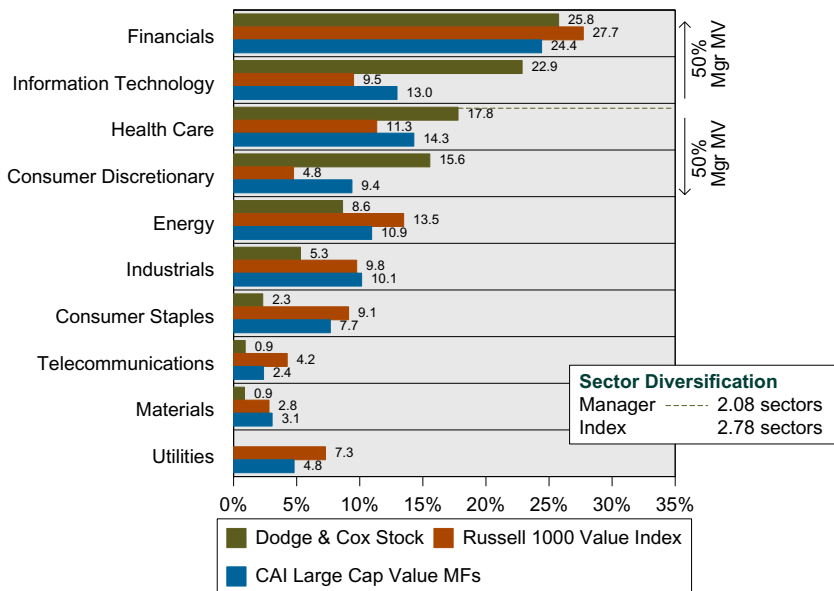


10th Percentile	88.39	17.96	2.71	14.38	2.73	(0.10)
25th Percentile	71.28	16.27	2.17	12.57	2.54	(0.44)
Median	54.33	14.65	1.83	10.62	2.42	(0.57)
75th Percentile	33.62	12.88	1.70	9.03	2.25	(0.71)
90th Percentile	28.83	12.43	1.51	7.49	2.07	(0.87)
Dodge & Cox Stock	● 57.82	12.52	1.64	7.24	2.02	(0.42)
Russell 1000 Value Index	▲ 57.77	16.06	1.77	9.67	2.61	(0.72)

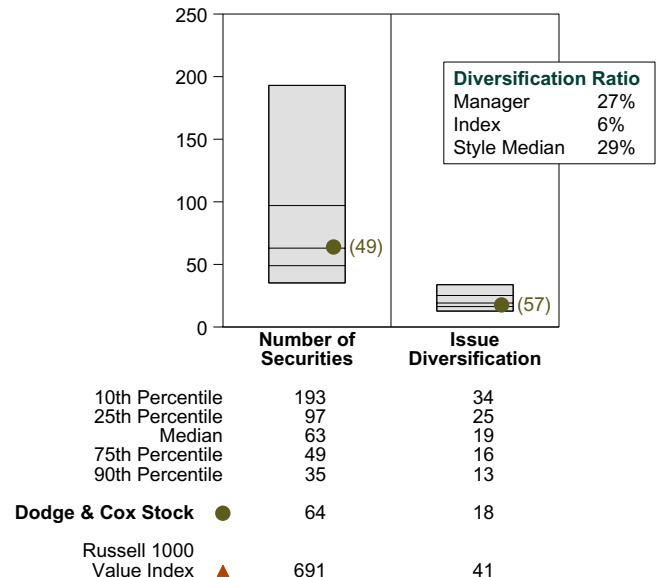
Sector Weights

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, 2016



Diversification June 30, 2016



Boston Partners Period Ended June 30, 2016

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.

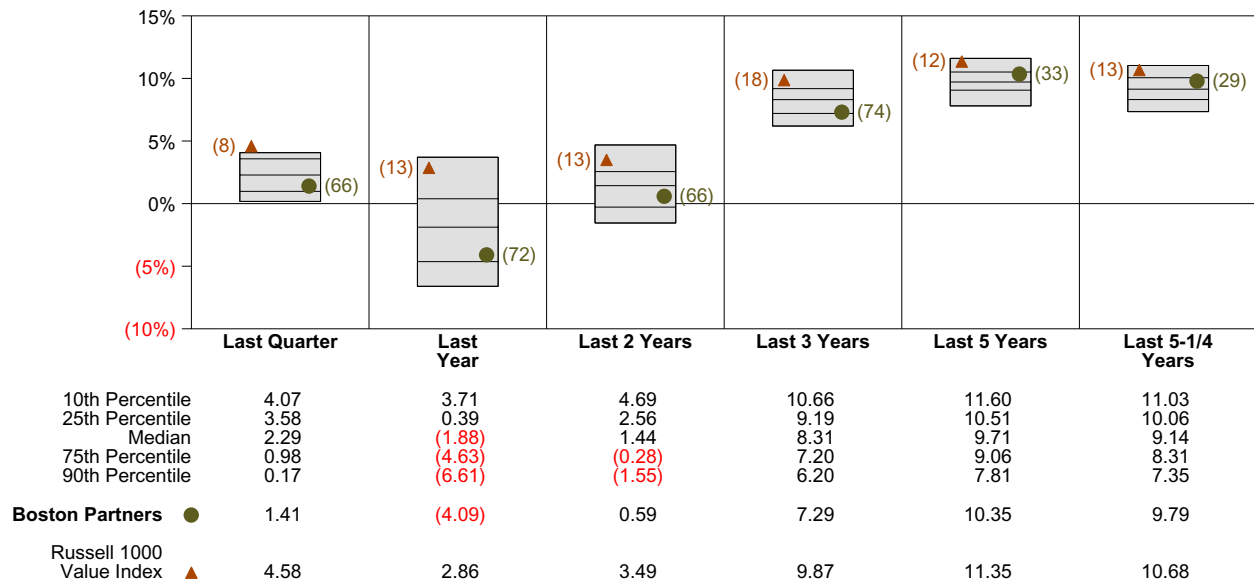
Quarterly Summary and Highlights

- Boston Partners's portfolio posted a 1.41% return for the quarter placing it in the 66 percentile of the CAI Large Cap Value Mutual Funds group for the quarter and in the 72 percentile for the last year.
- Boston Partners's portfolio underperformed the Russell 1000 Value Index by 3.18% for the quarter and underperformed the Russell 1000 Value Index for the year by 6.95%.

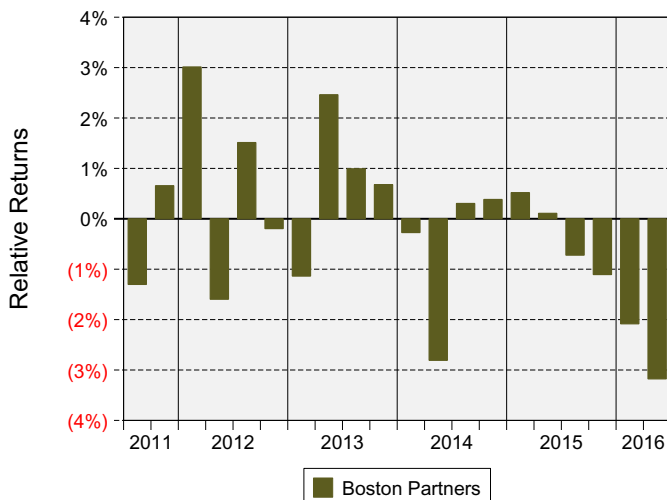
Quarterly Asset Growth

Beginning Market Value	\$22,755,844
Net New Investment	\$0
Investment Gains/(Losses)	\$348,860
Ending Market Value	\$23,104,704

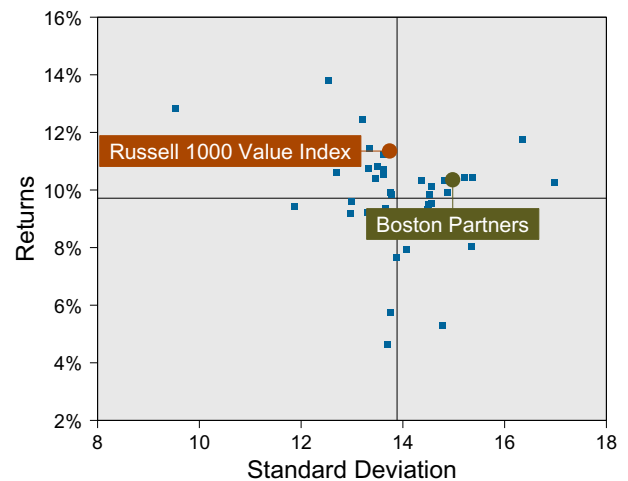
Performance vs CAI Large Cap Value Mutual Funds (Net)



Relative Return vs Russell 1000 Value Index



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

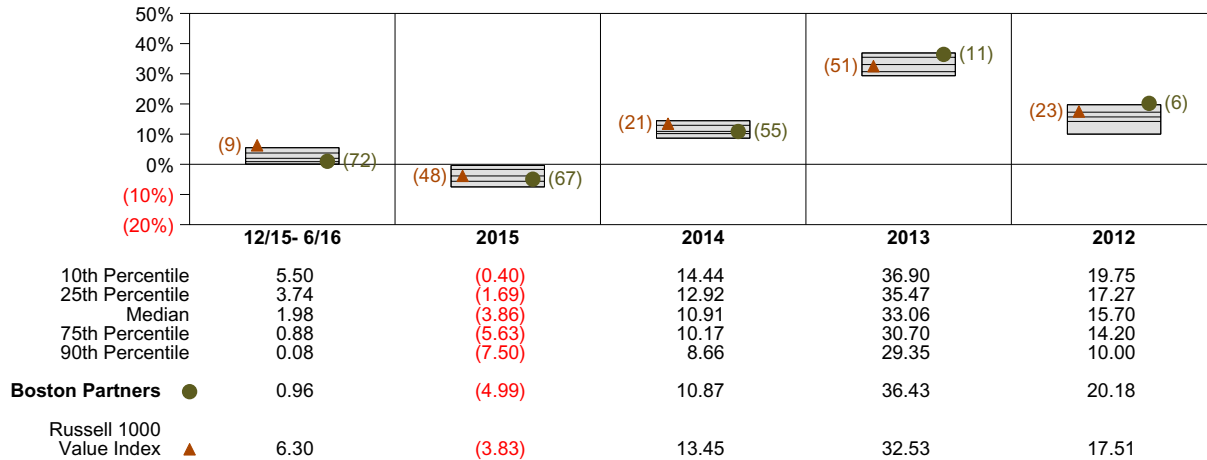


Boston Partners Return Analysis Summary

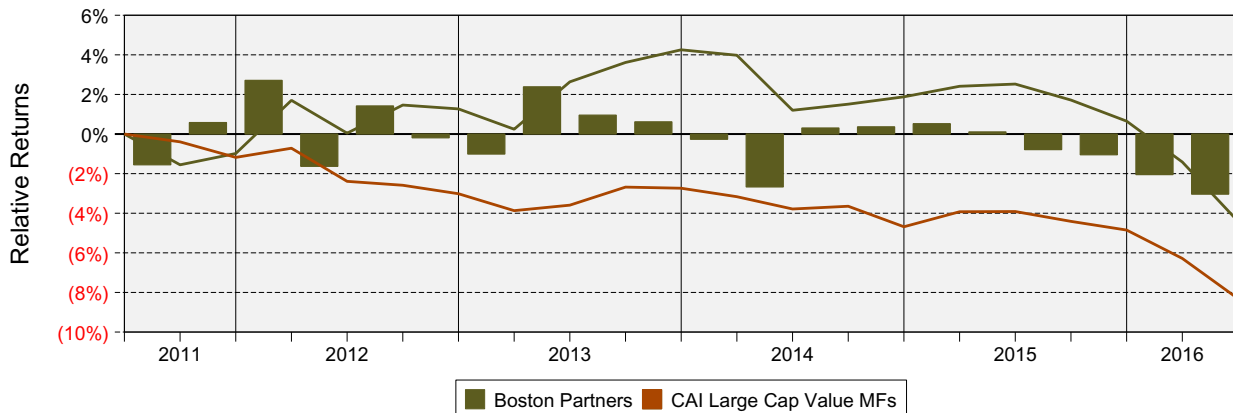
Return Analysis

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 two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

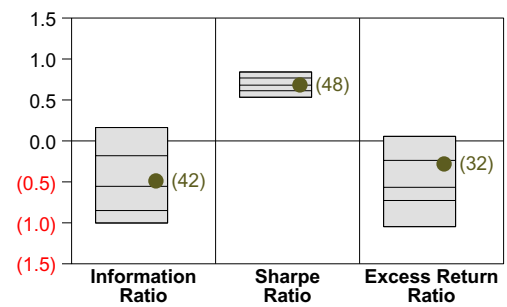
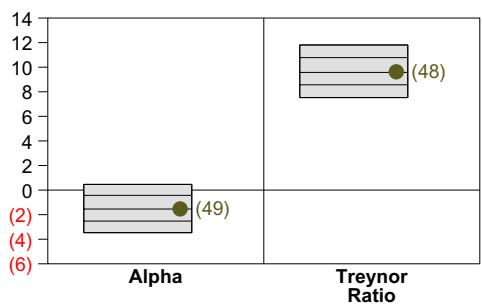
Performance vs CAI Large Cap Value Mutual Funds (Net)



Cumulative and Quarterly Relative Return vs Russell 1000 Value Index



Risk Adjusted Return Measures vs Russell 1000 Value Index Rankings Against CAI Large Cap Value Mutual Funds (Net) Five Years Ended June 30, 2016

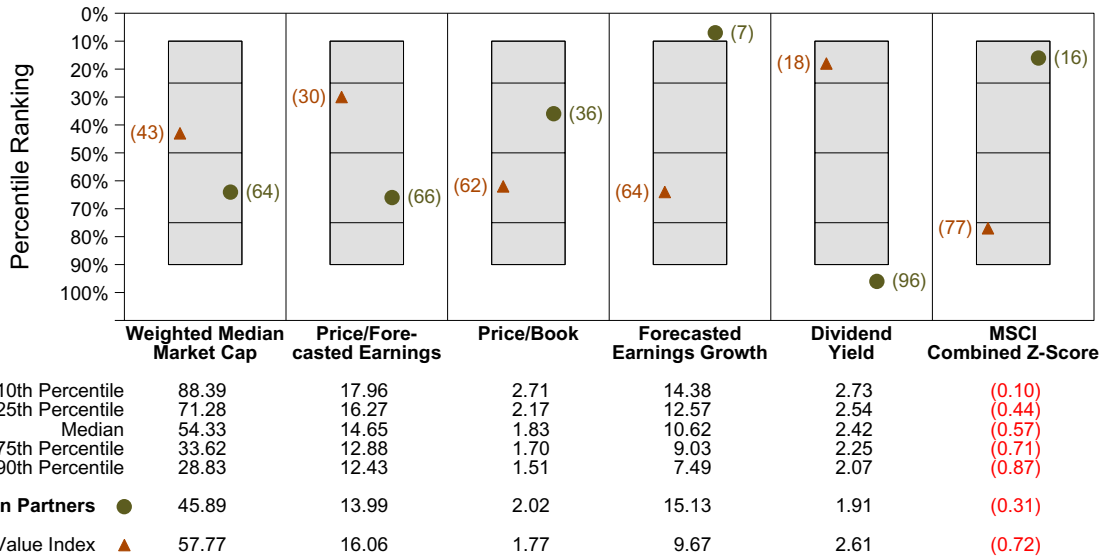


Boston Partners Equity Characteristics Analysis Summary

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.

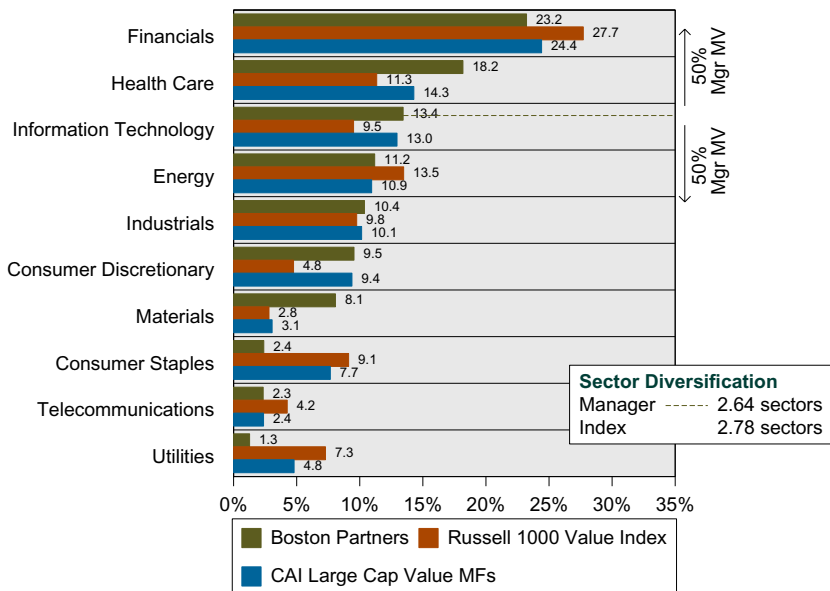
Portfolio Characteristics Percentile Rankings Rankings Against CAI Large Cap Value Mutual Funds as of June 30, 2016



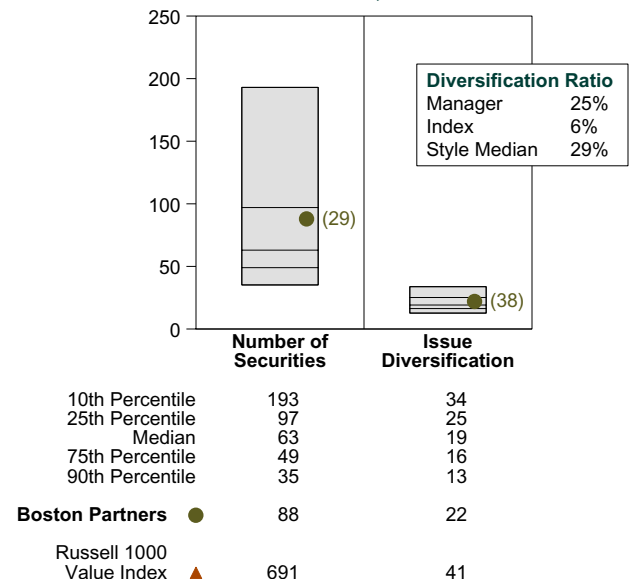
Sector Weights

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, 2016



Diversification June 30, 2016



Harbor Cap Appreciation Period Ended June 30, 2016

Investment Philosophy

The Jennison Large Cap Growth team believes that a stock's value over time is driven by above-average growth in units, revenues, earnings, and cash flow. The strategy seeks to capture the inflection point in a company's growth rate before it is fully appreciated by the market or reflected in the stock price.

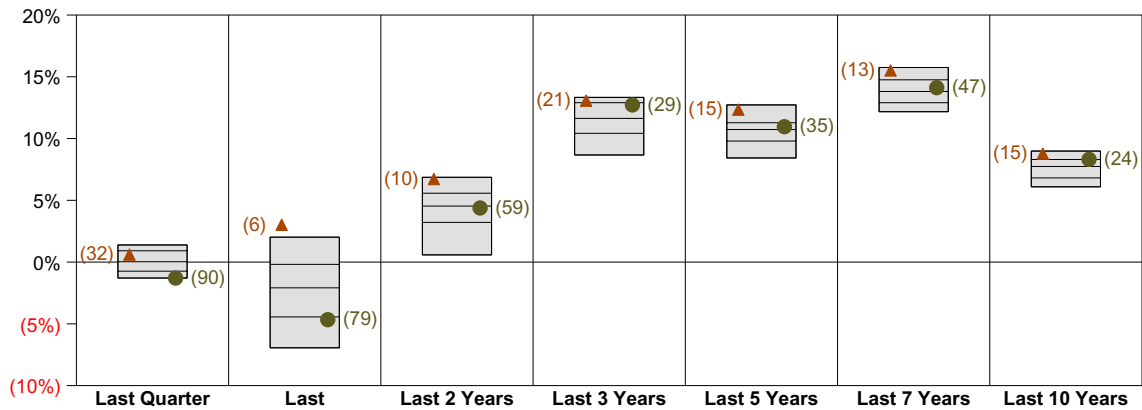
Quarterly Summary and Highlights

- Harbor Cap Appreciation's portfolio posted a (1.29)% return for the quarter placing it in the 90 percentile of the CAI Large Cap Growth Mutual Funds group for the quarter and in the 79 percentile for the last year.
- Harbor Cap Appreciation's portfolio underperformed the Russell 1000 Growth Index by 1.90% for the quarter and underperformed the Russell 1000 Growth Index for the year by 7.68%.

Quarterly Asset Growth

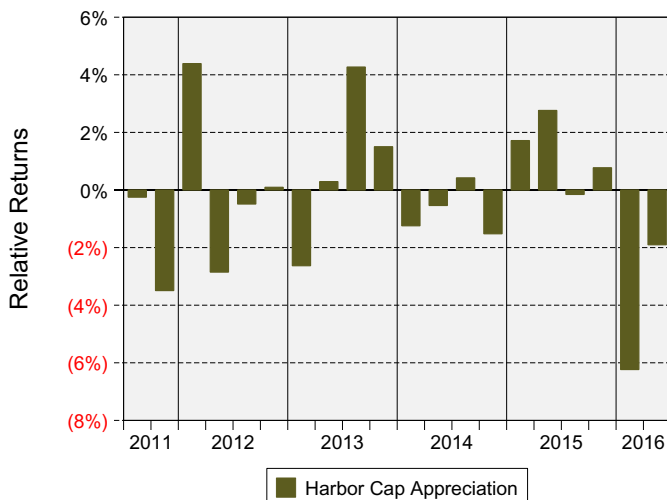
Beginning Market Value	\$22,501,159
Net New Investment	\$0
Investment Gains/(Losses)	\$-289,732
Ending Market Value	\$22,211,427

Performance vs CAI Large Cap Growth Mutual Funds (Net)

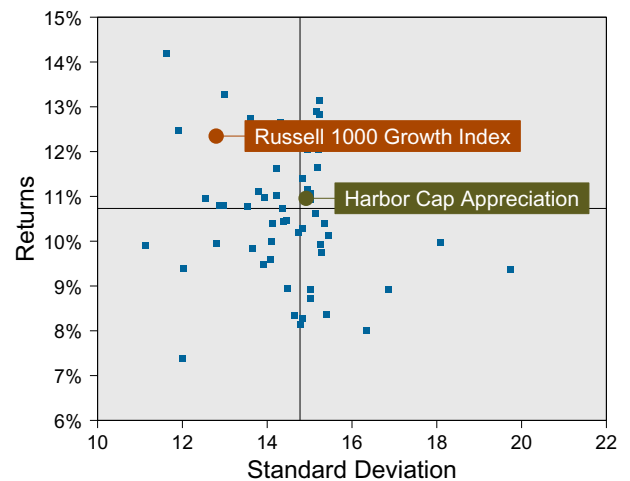


10th Percentile	1.39	2.02	6.86	13.33	12.72	15.75	8.99
25th Percentile	0.92	(0.19)	5.57	12.90	11.28	14.76	8.31
Median	0.03	(2.08)	4.53	11.63	10.73	13.81	7.74
75th Percentile	(0.74)	(4.44)	3.21	10.42	9.80	12.90	6.82
90th Percentile	(1.29)	(6.94)	0.58	8.67	8.43	12.17	6.09
Harbor Cap Appreciation	● (1.29)	(4.65)	4.38	12.71	10.96	14.12	8.31
Russell 1000 Growth Index	▲ 0.61	3.02	6.72	13.07	12.35	15.52	8.78

Relative Return vs Russell 1000 Growth Index



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

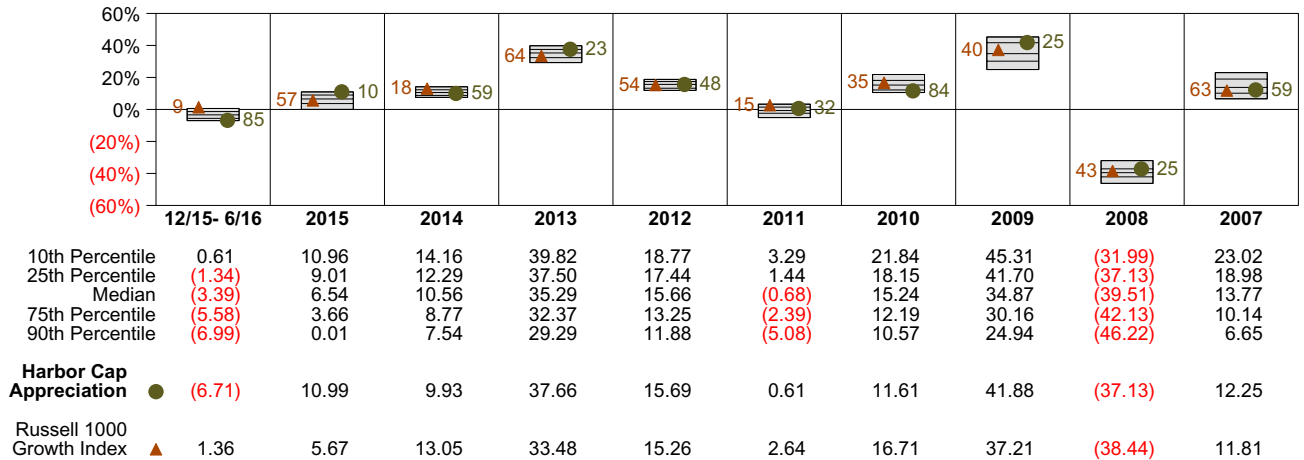


Harbor Cap Appreciation Return Analysis Summary

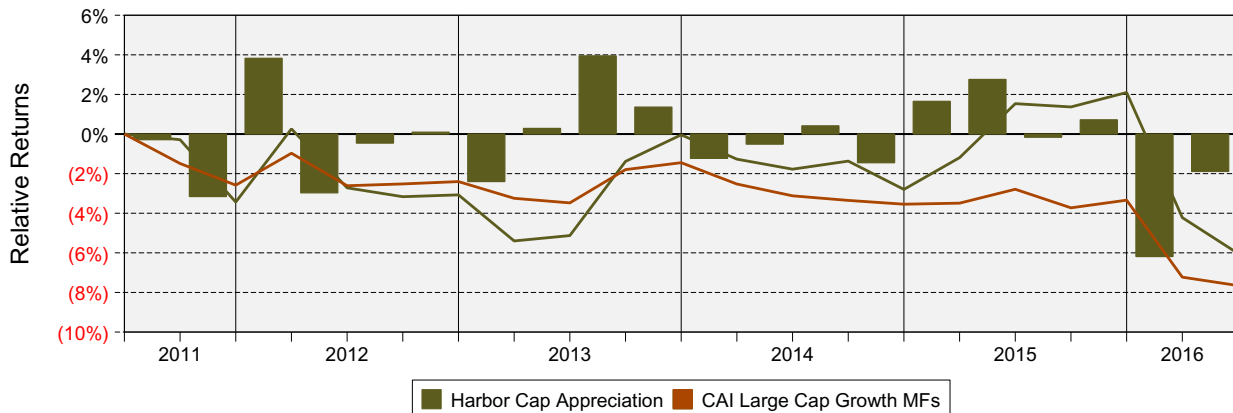
Return Analysis

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 two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

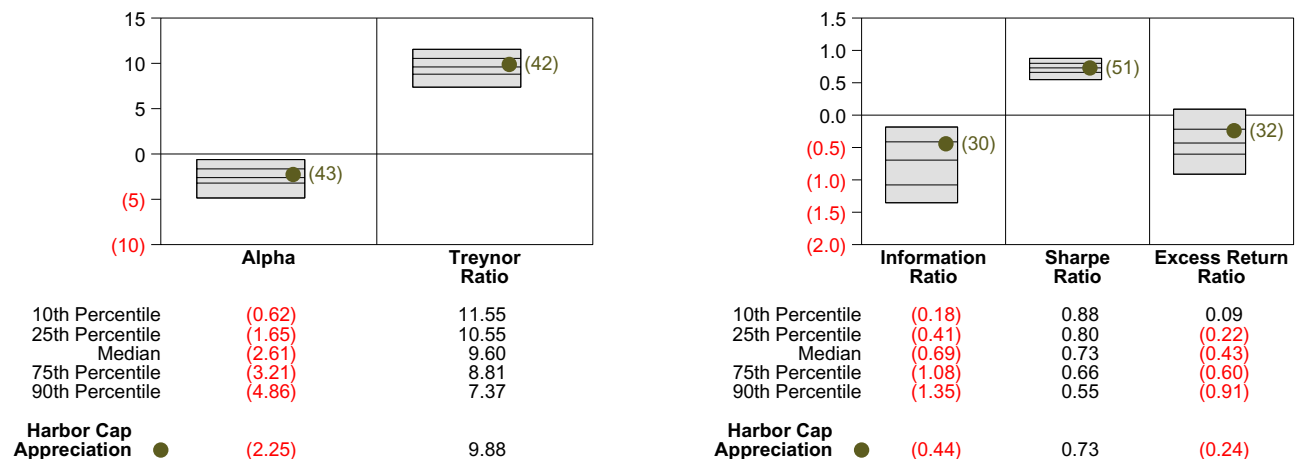
Performance vs CAI Large Cap Growth Mutual Funds (Net)



Cumulative and Quarterly Relative Return vs Russell 1000 Growth Index



Risk Adjusted Return Measures vs Russell 1000 Growth Index Rankings Against CAI Large Cap Growth Mutual Funds (Net) Five Years Ended June 30, 2016

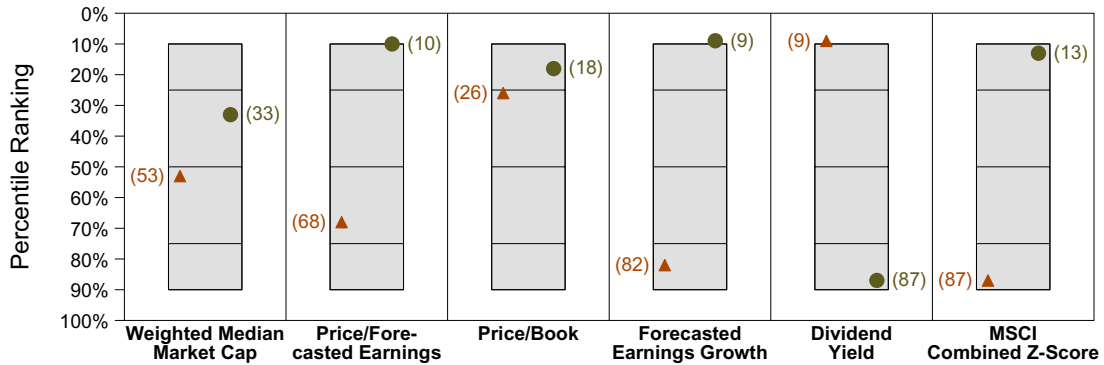


Harbor Cap Appreciation Equity Characteristics Analysis Summary

Portfolio Characteristics

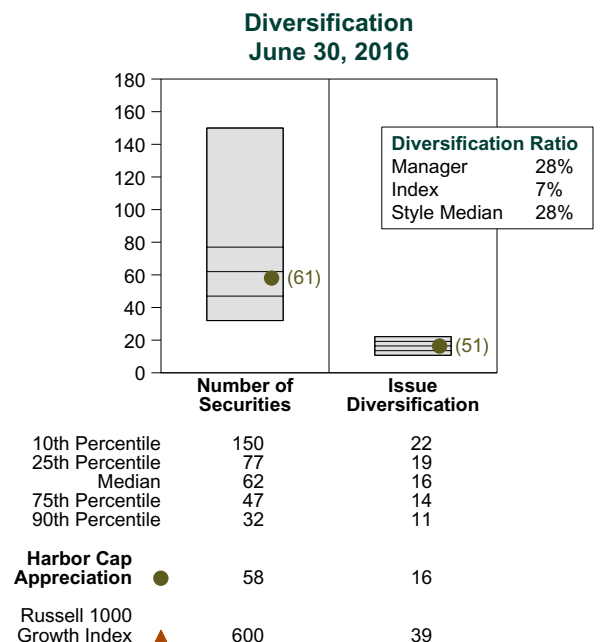
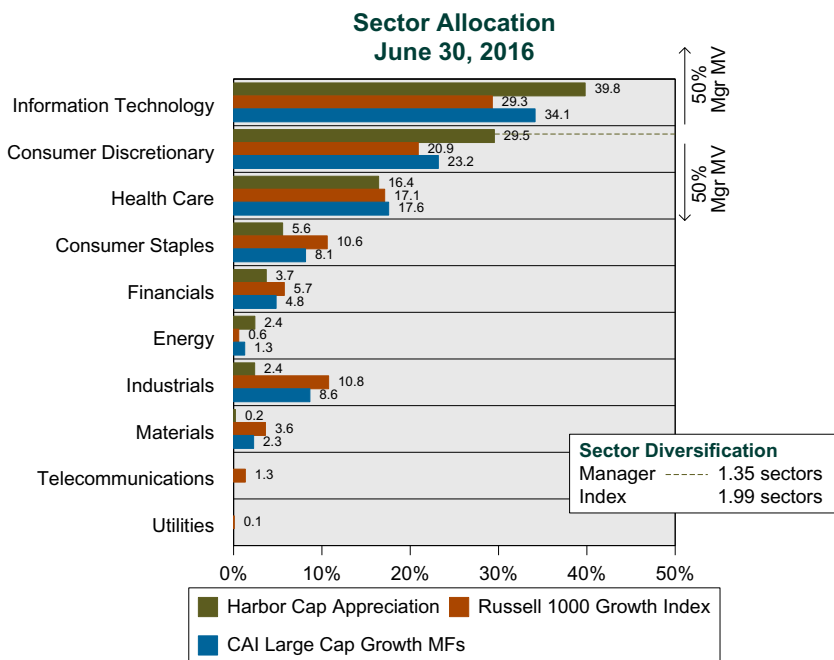
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Portfolio Characteristics Percentile Rankings Rankings Against CAI Large Cap Growth Mutual Funds as of June 30, 2016



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.



Janus Research Period Ended June 30, 2016

Investment Philosophy

Growth Equity Style mutual funds 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 stock selection. Switched from Class T Shares to Class I Shares in December 2009.

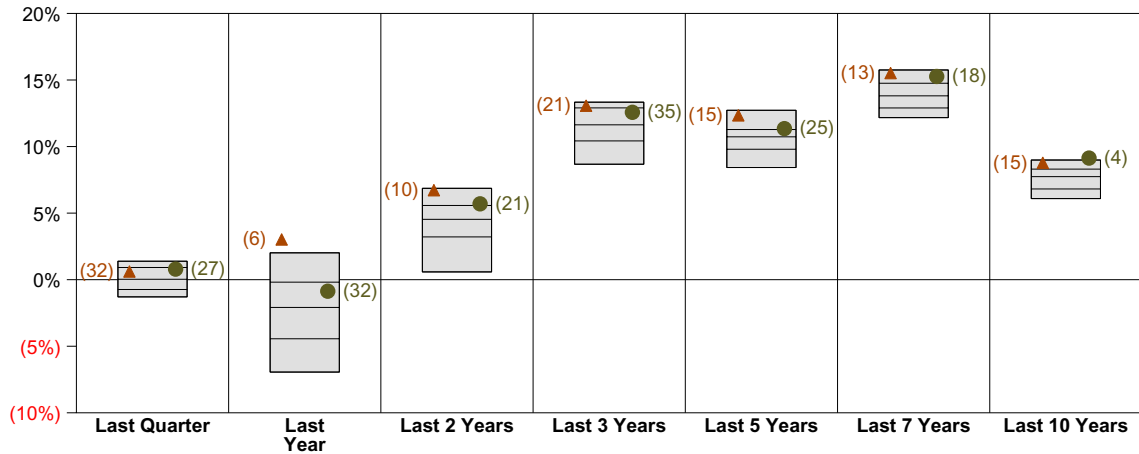
Quarterly Summary and Highlights

- Janus Research's portfolio posted a 0.79% return for the quarter placing it in the 27 percentile of the CAI Large Cap Growth Mutual Funds group for the quarter and in the 32 percentile for the last year.
- Janus Research's portfolio outperformed the Russell 1000 Growth Index by 0.17% for the quarter and underperformed the Russell 1000 Growth Index for the year by 3.90%.

Quarterly Asset Growth

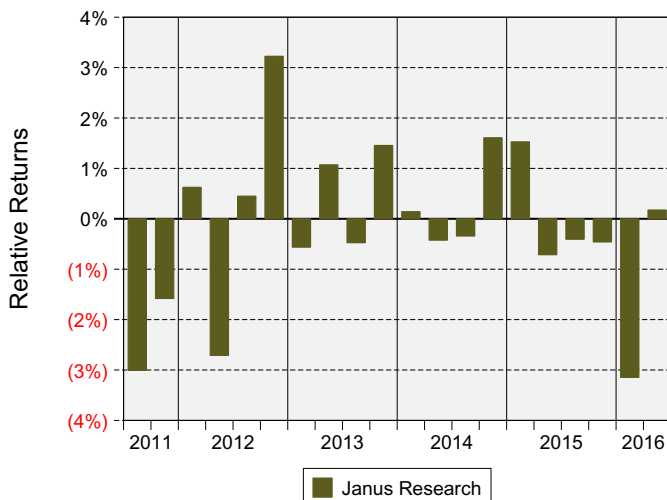
Beginning Market Value	\$22,923,661
Net New Investment	\$0
Investment Gains/(Losses)	\$180,723
Ending Market Value	\$23,104,385

Performance vs CAI Large Cap Growth Mutual Funds (Net)

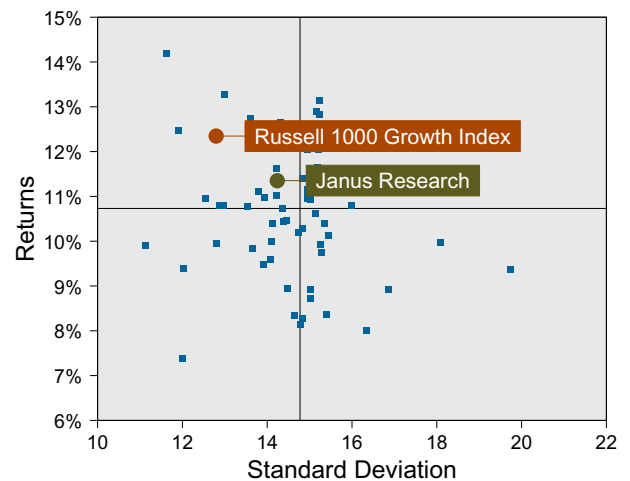


10th Percentile	1.39	2.02	6.86	13.33	12.72	15.75	8.99
25th Percentile	0.92	(0.19)	5.57	12.90	11.28	14.76	8.31
Median	0.03	(2.08)	4.53	11.63	10.73	13.81	7.74
75th Percentile	(0.74)	(4.44)	3.21	10.42	9.80	12.90	6.82
90th Percentile	(1.29)	(6.94)	0.58	8.67	8.43	12.17	6.09
Janus Research	● 0.79	(0.88)	5.70	12.57	11.35	15.26	9.14
Russell 1000 Growth Index	▲ 0.61	3.02	6.72	13.07	12.35	15.52	8.78

Relative Return vs Russell 1000 Growth Index



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

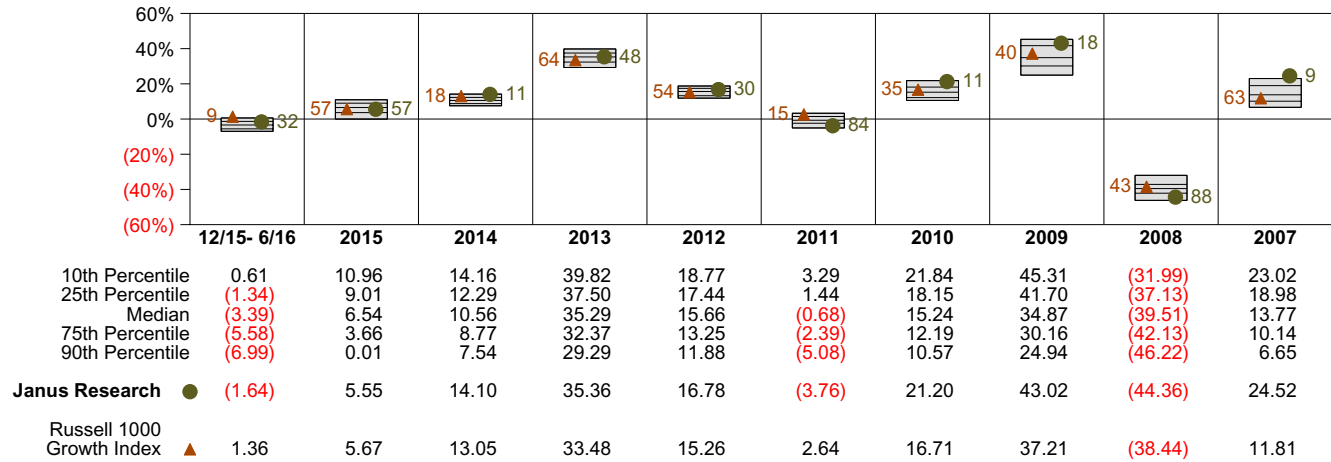


Janus Research Return Analysis Summary

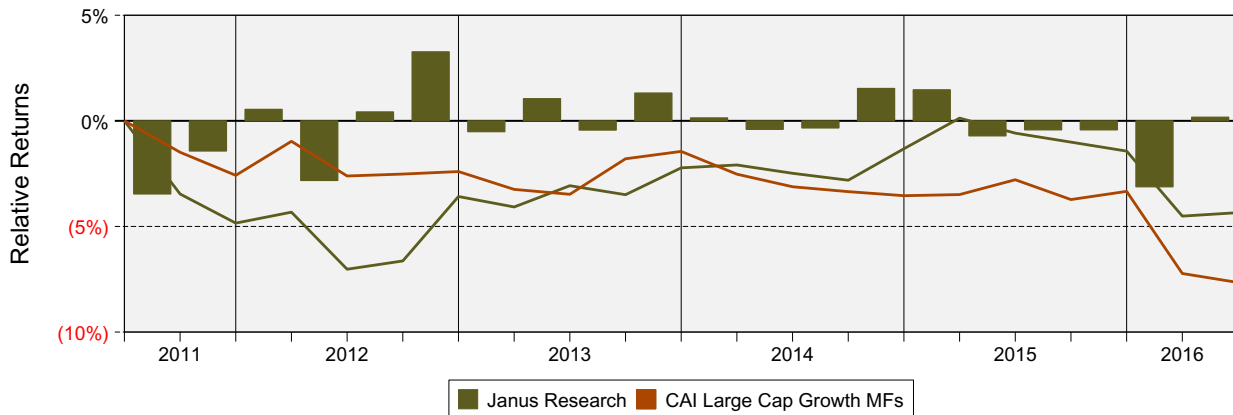
Return Analysis

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 two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

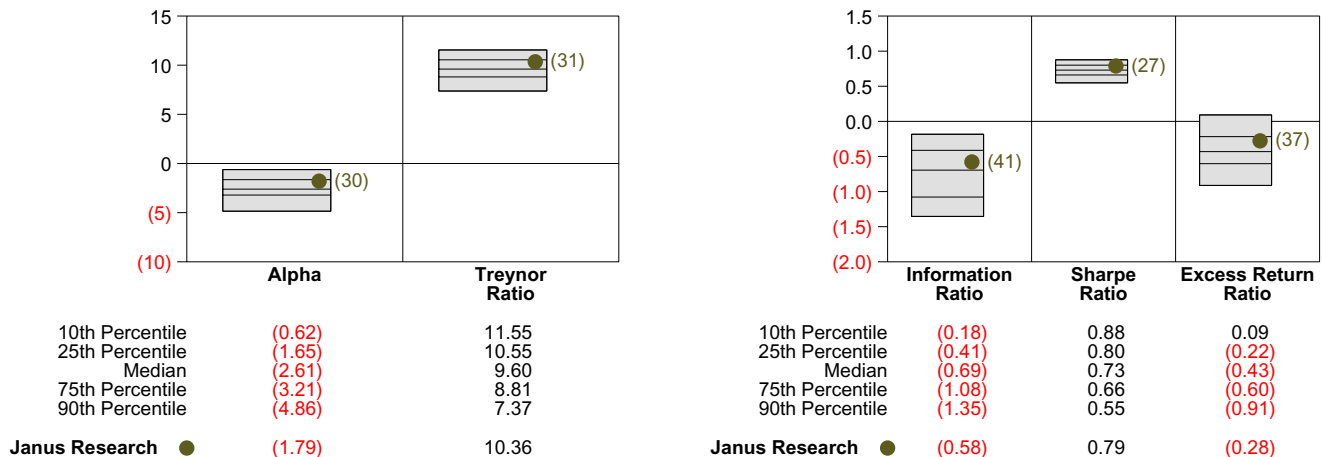
Performance vs CAI Large Cap Growth Mutual Funds (Net)



Cumulative and Quarterly Relative Return vs Russell 1000 Growth Index



Risk Adjusted Return Measures vs Russell 1000 Growth Index Rankings Against CAI Large Cap Growth Mutual Funds (Net) Five Years Ended June 30, 2016

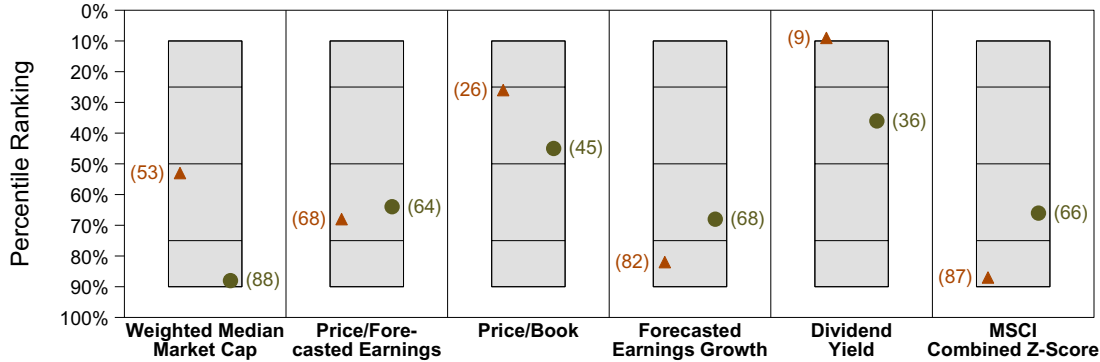


Janus Research Equity Characteristics Analysis Summary

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 CAI Large Cap Growth Mutual Funds as of June 30, 2016

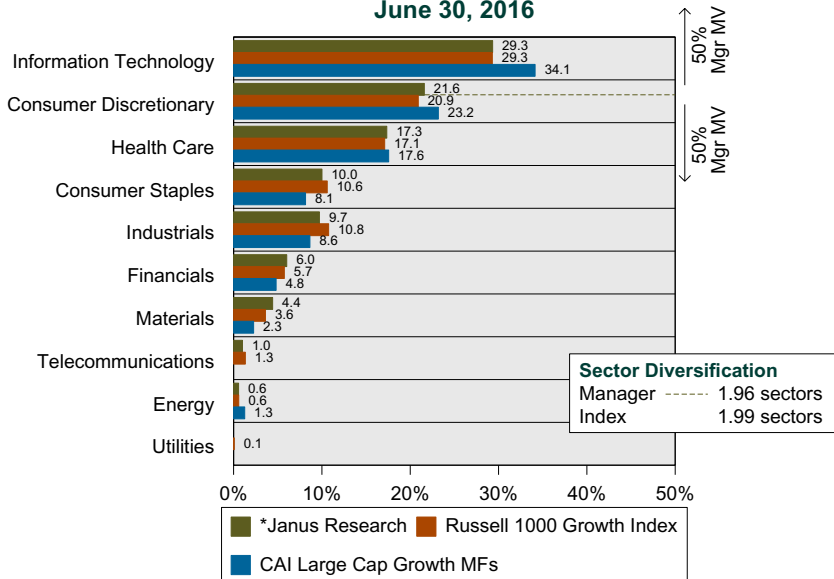


10th Percentile	89.82	23.62	6.09	20.11	1.56	1.51
25th Percentile	83.03	21.16	5.48	19.19	1.29	1.22
Median	69.90	19.34	4.56	17.05	1.09	1.03
75th Percentile	57.36	18.27	4.14	15.27	0.86	0.87
90th Percentile	48.01	17.57	3.81	12.55	0.71	0.57
*Janus Research	48.21	18.74	4.60	15.91	1.14	0.91
Russell 1000 Growth Index	69.75	18.46	5.41	14.17	1.57	0.69

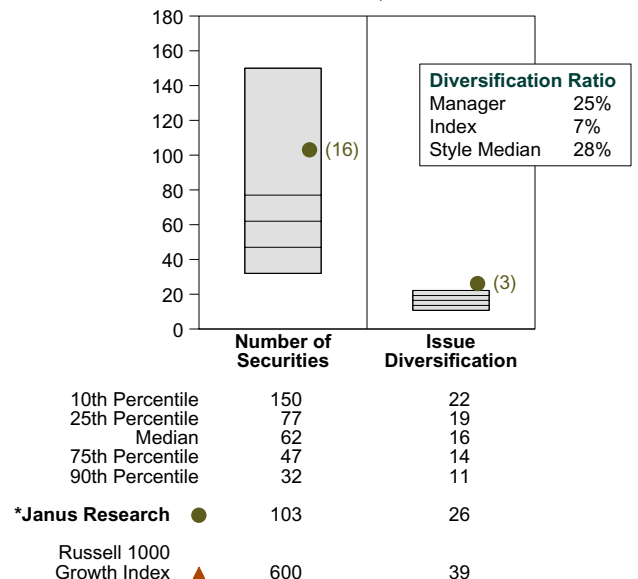
Sector Weights

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, 2016



Diversification June 30, 2016



*6/30/16 portfolio characteristics generated using most recently available holdings (3/31/16) 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.

Fidelity Low Priced Stock Period Ended June 30, 2016

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.

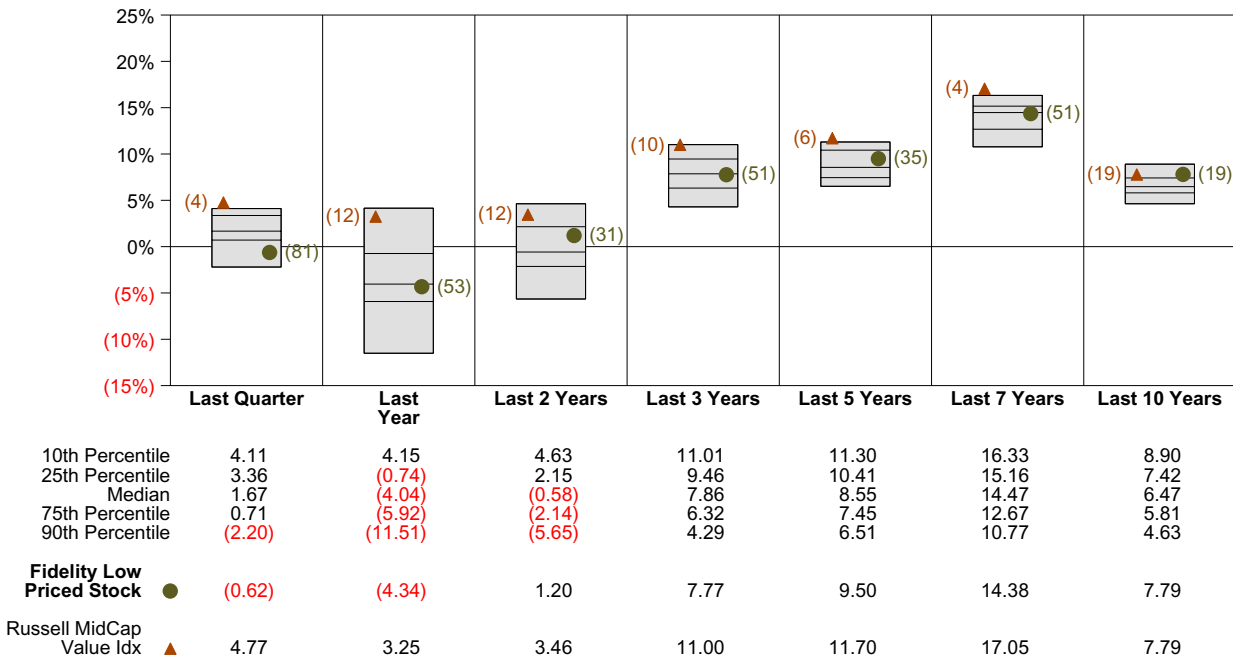
Quarterly Summary and Highlights

- Fidelity Low Priced Stock's portfolio posted a (0.62)% return for the quarter placing it in the 81 percentile of the CAI Mid Cap Value Mutual Funds group for the quarter and in the 53 percentile for the last year.
- Fidelity Low Priced Stock's portfolio underperformed the Russell MidCap Value Idx by 5.39% for the quarter and underperformed the Russell MidCap Value Idx for the year by 7.59%.

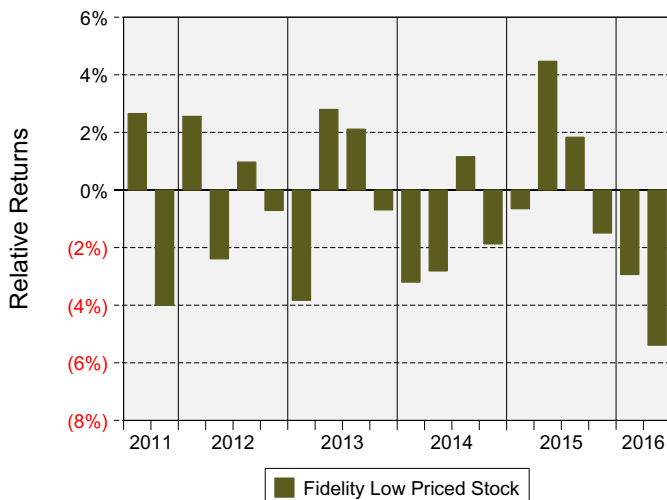
Quarterly Asset Growth

Beginning Market Value	\$5,043,948
Net New Investment	\$0
Investment Gains/(Losses)	-\$31,381
Ending Market Value	\$5,012,567

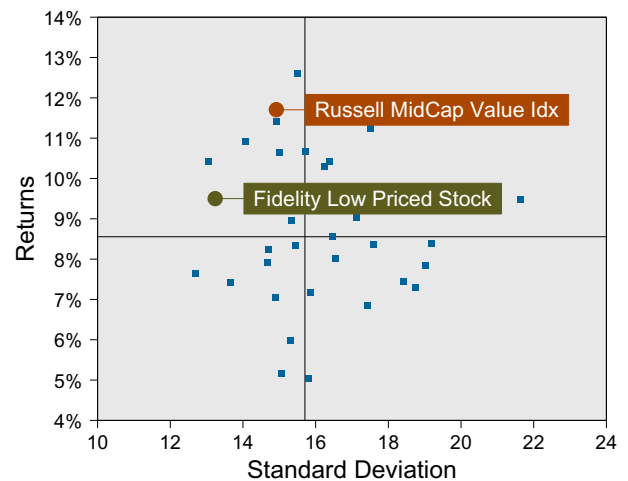
Performance vs CAI Mid Cap Value Mutual Funds (Net)



Relative Return vs Russell MidCap Value Idx



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

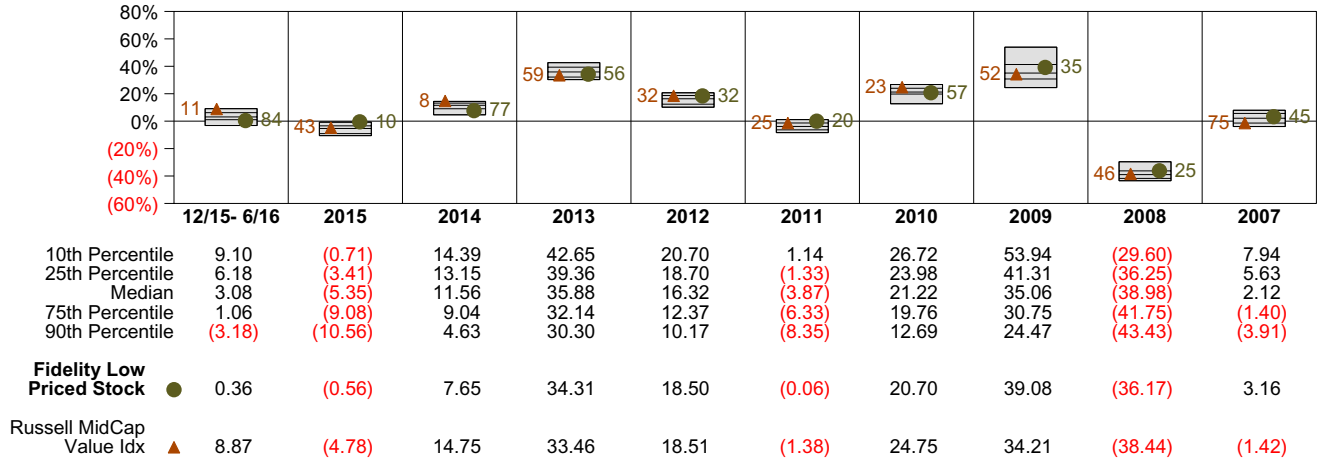


Fidelity Low Priced Stock Return Analysis Summary

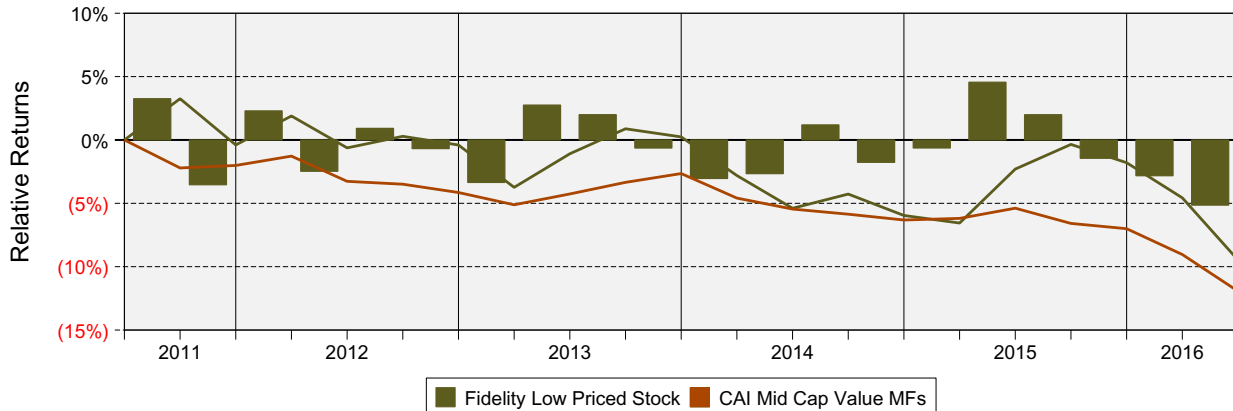
Return Analysis

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 two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

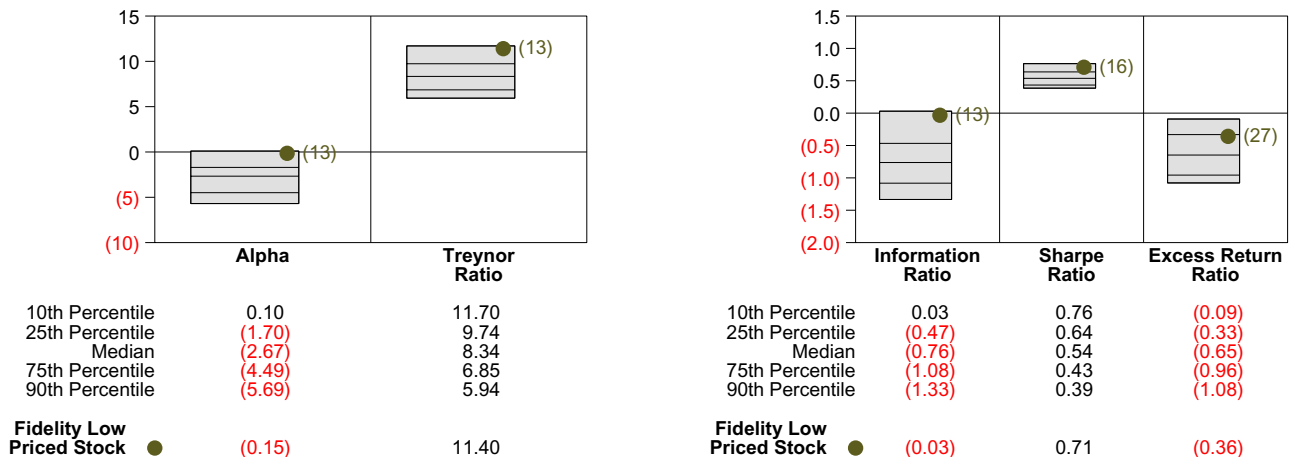
Performance vs CAI Mid Cap Value Mutual Funds (Net)



Cumulative and Quarterly Relative Return vs Russell MidCap Value Idx



Risk Adjusted Return Measures vs Russell MidCap Value Idx Rankings Against CAI Mid Cap Value Mutual Funds (Net) Five Years Ended June 30, 2016

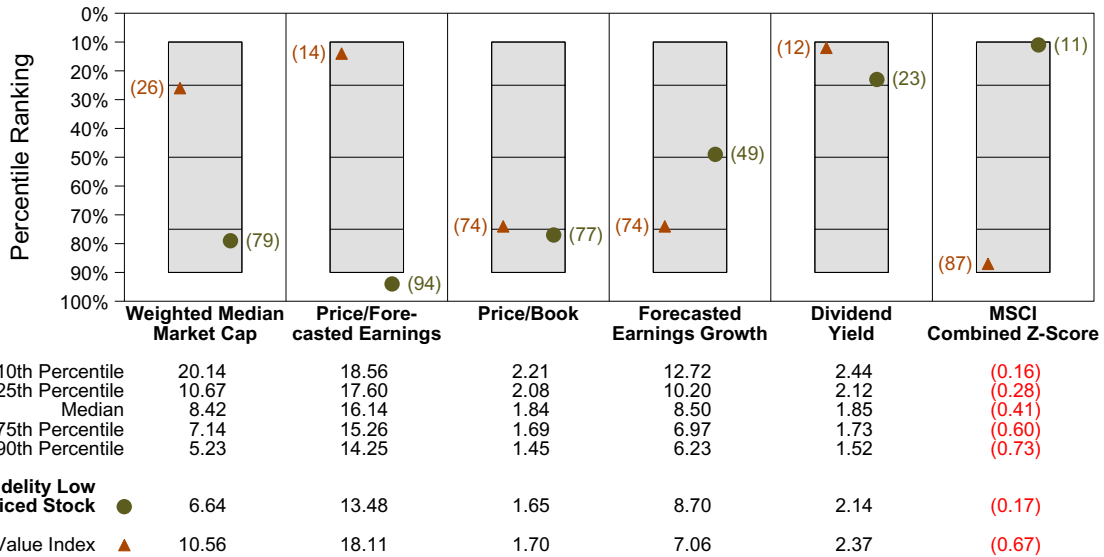


Fidelity Low Priced Stock Equity Characteristics Analysis Summary

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.

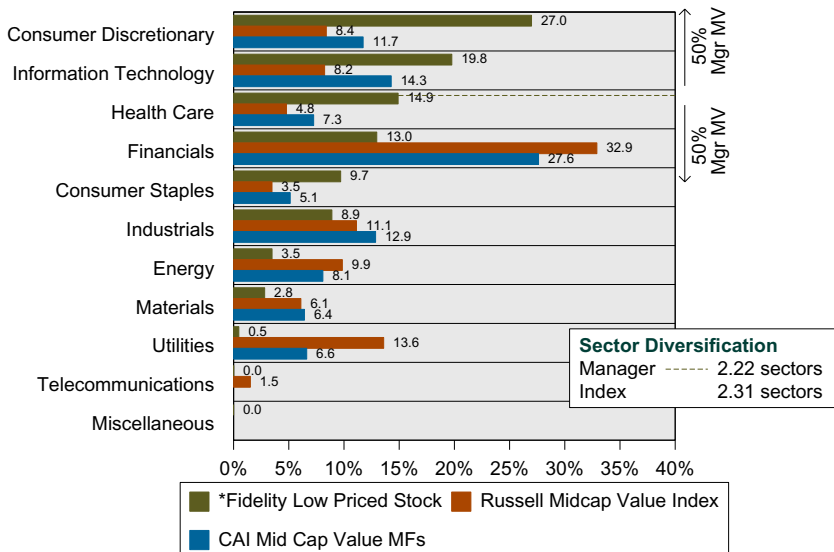
Portfolio Characteristics Percentile Rankings Rankings Against CAI Mid Cap Value Mutual Funds as of June 30, 2016



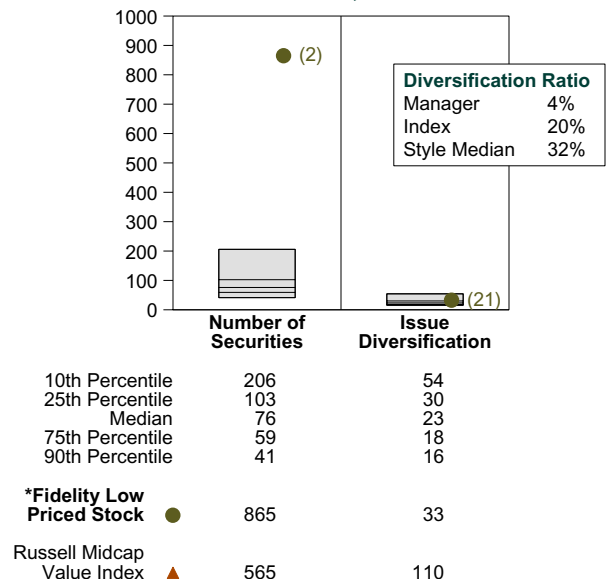
Sector Weights

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, 2016



Diversification June 30, 2016



*6/30/16 portfolio characteristics generated using most recently available holdings (3/31/16) 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.

Royce Total Return Period Ended June 30, 2016

Investment Philosophy

The Royce Total Return Fund is managed with a disciplined value approach. The Fund's investment objectives are long-term growth and current income. Royce invests the Fund's assets primarily in dividend-paying small- and micro-cap companies. Switched from Investment Class Shares to Institutional Class Shares in December 2009.

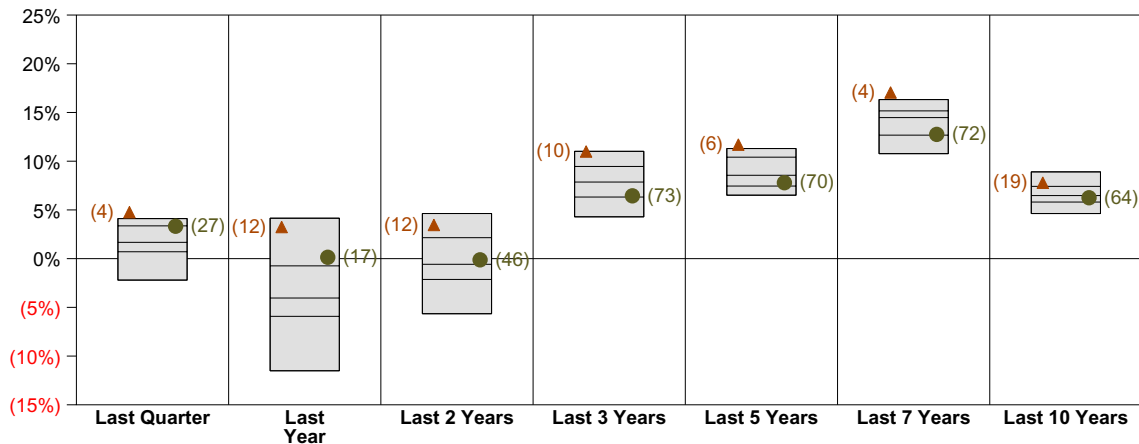
Quarterly Summary and Highlights

- Royce Total Return's portfolio posted a 3.31% return for the quarter placing it in the 27 percentile of the CAI Mid Cap Value Mutual Funds group for the quarter and in the 17 percentile for the last year.
- Royce Total Return's portfolio underperformed the Russell MidCap Value Idx by 1.45% for the quarter and underperformed the Russell MidCap Value Idx for the year by 3.10%.

Quarterly Asset Growth

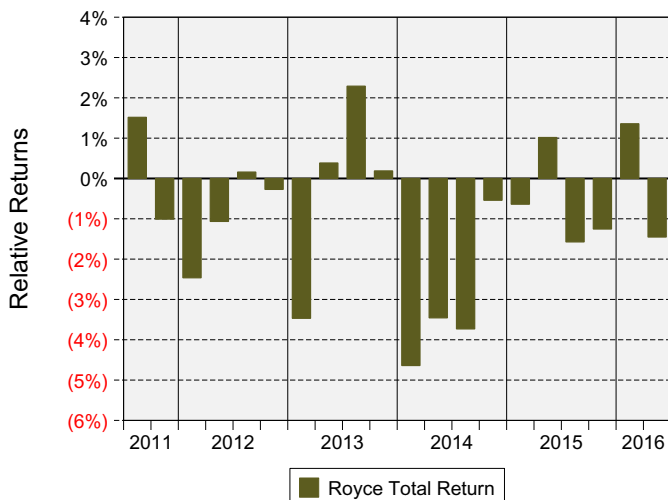
Beginning Market Value	\$4,651,245
Net New Investment	\$0
Investment Gains/(Losses)	\$154,141
Ending Market Value	\$4,805,386

Performance vs CAI Mid Cap Value Mutual Funds (Net)

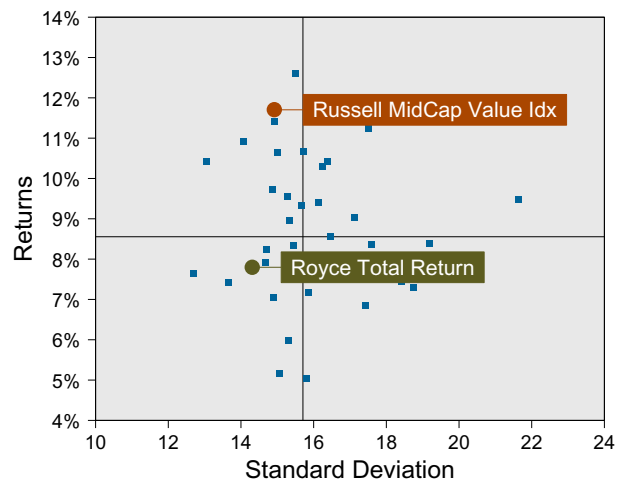


10th Percentile	4.11	4.15	4.63	11.01	11.30	16.33	8.90
25th Percentile	3.36	(0.74)	2.15	9.46	10.41	15.16	7.42
Median	1.67	(4.04)	(0.58)	7.86	8.55	14.47	6.47
75th Percentile	0.71	(5.92)	(2.14)	6.32	7.45	12.67	5.81
90th Percentile	(2.20)	(11.51)	(5.65)	4.29	6.51	10.77	4.63
Royce Total Return ●	3.31	0.15	(0.13)	6.44	7.80	12.76	6.24
Russell MidCap Value Idx ▲	4.77	3.25	3.46	11.00	11.70	17.05	7.79

Relative Return vs Russell MidCap Value Idx



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

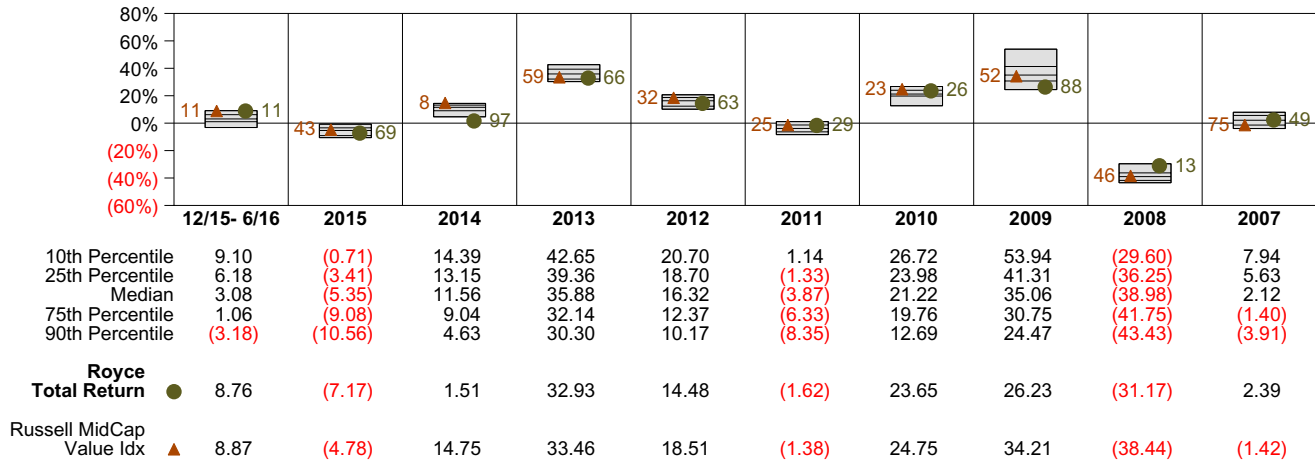


Royce Total Return Return Analysis Summary

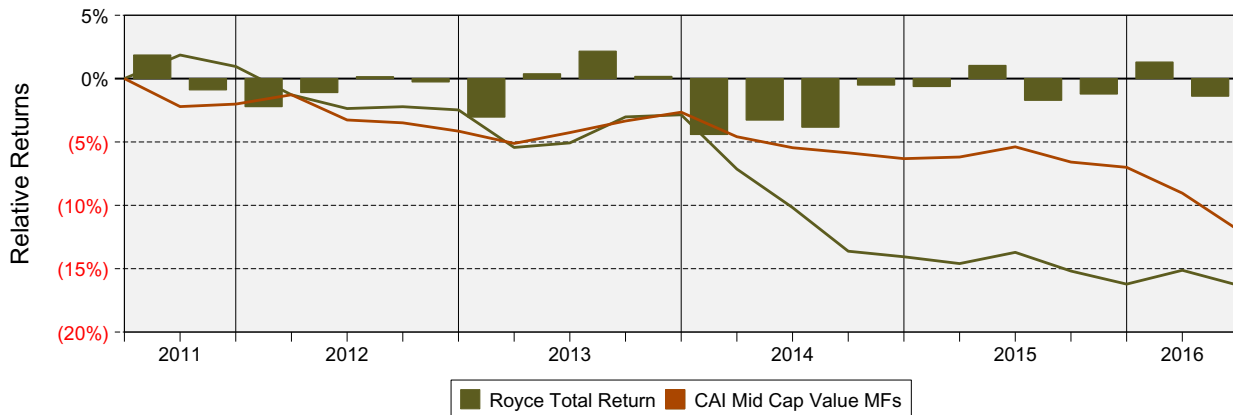
Return Analysis

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 two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

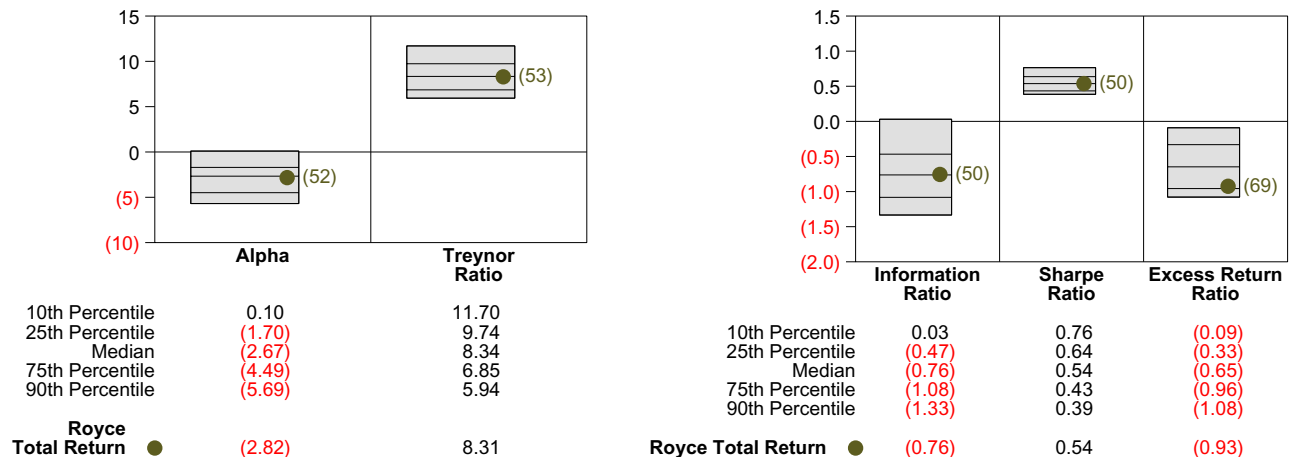
Performance vs CAI Mid Cap Value Mutual Funds (Net)



Cumulative and Quarterly Relative Return vs Russell MidCap Value Idx



Risk Adjusted Return Measures vs Russell MidCap Value Idx Rankings Against CAI Mid Cap Value Mutual Funds (Net) Five Years Ended June 30, 2016

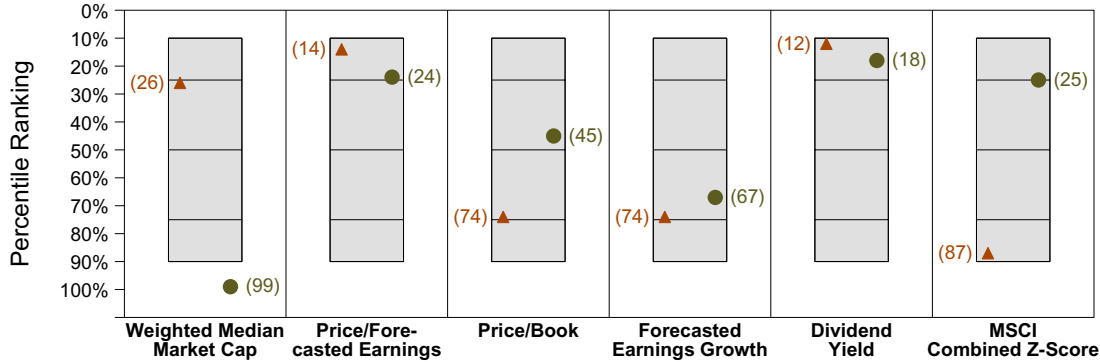


Royce Total Return Equity Characteristics Analysis Summary

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.

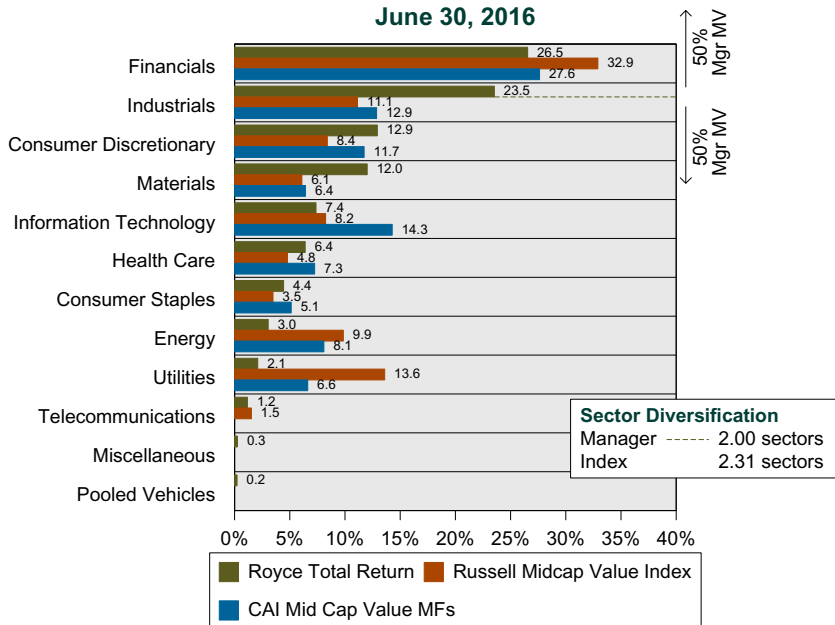
Portfolio Characteristics Percentile Rankings Rankings Against CAI Mid Cap Value Mutual Funds as of June 30, 2016



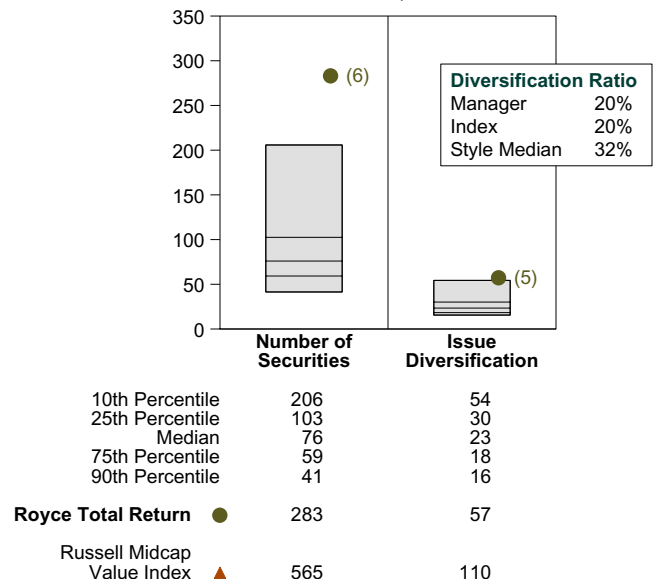
Sector Weights

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, 2016



Diversification June 30, 2016



Morgan Stanley Period Ended June 30, 2016

Investment Philosophy

Morgan Stanley believes that sustainable growth that exceeds market expectations will produce superior investment results. Switched from Class I shares to Class IS shares in February 2014.

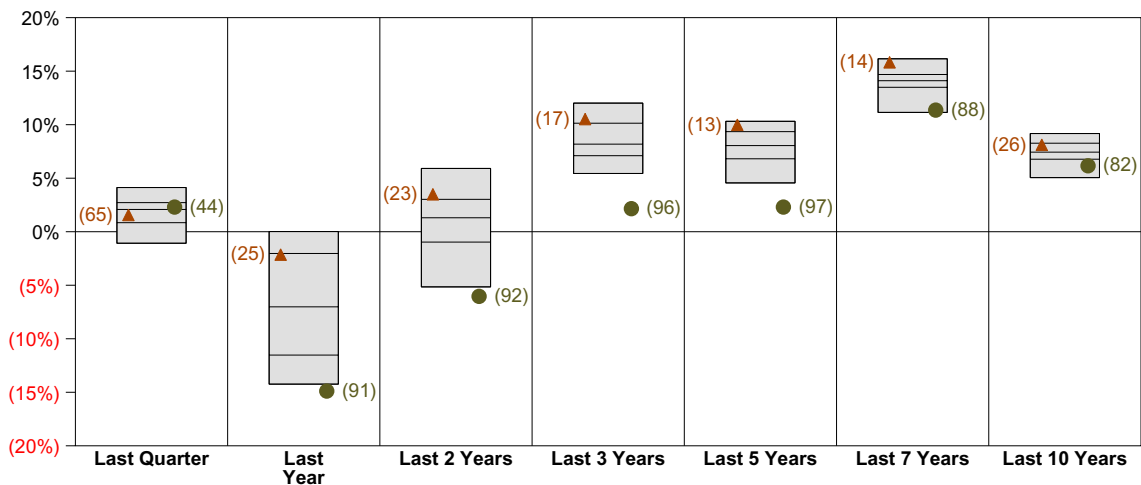
Quarterly Summary and Highlights

- Morgan Stanley's portfolio posted a 2.29% return for the quarter placing it in the 44 percentile of the CAI Mid Cap Growth Mutual Funds group for the quarter and in the 91 percentile for the last year.
- Morgan Stanley's portfolio outperformed the Russell MidCap Growth Idx by 0.73% for the quarter and underperformed the Russell MidCap Growth Idx for the year by 12.74%.

Quarterly Asset Growth

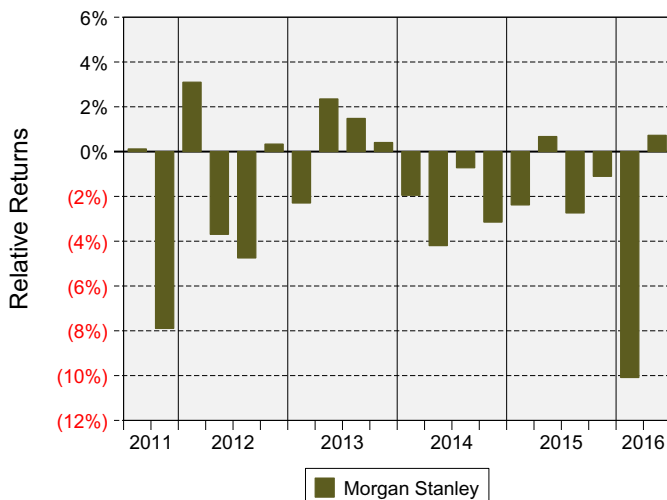
Beginning Market Value	\$4,124,728
Net New Investment	\$0
Investment Gains/(Losses)	\$94,438
Ending Market Value	\$4,219,166

Performance vs CAI Mid Cap Growth Mutual Funds (Net)

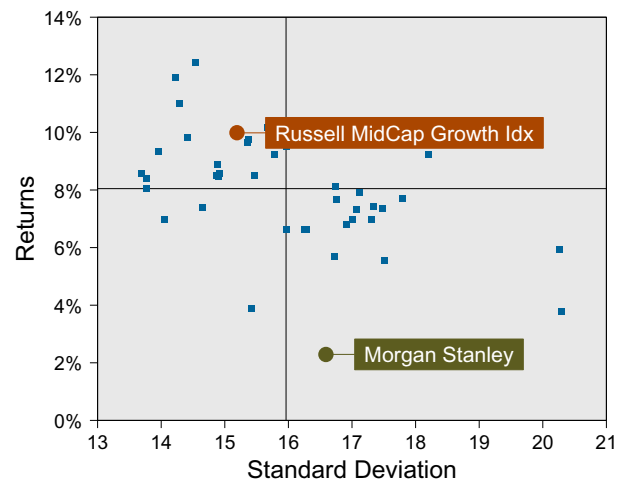


10th Percentile	4.13	0.02	5.91	12.01	10.31	16.15	9.17
25th Percentile	2.72	(2.03)	3.02	10.14	9.35	14.69	8.27
Median	2.08	(7.02)	1.30	8.18	8.05	14.11	7.43
75th Percentile	0.85	(11.53)	(0.97)	7.10	6.81	13.49	6.77
90th Percentile	(1.08)	(14.24)	(5.15)	5.44	4.56	11.15	5.06
Morgan Stanley	● 2.29	(14.88)	(6.03)	2.16	2.29	11.37	6.17
Russell MidCap Growth Idx	▲ 1.56	(2.14)	3.49	10.52	9.98	15.82	8.12

Relative Return vs Russell MidCap Growth Idx



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

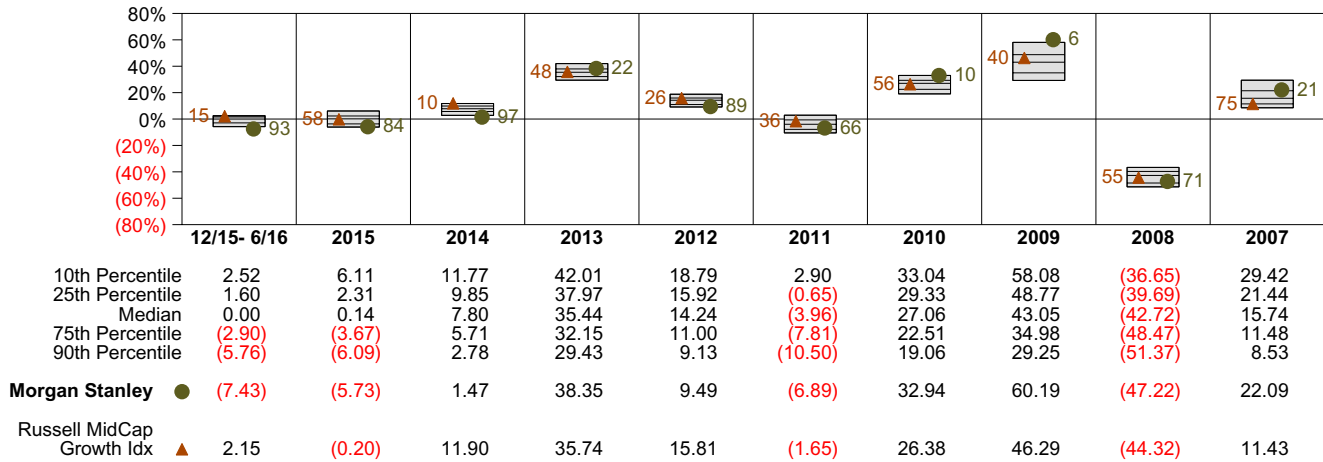


Morgan Stanley Return Analysis Summary

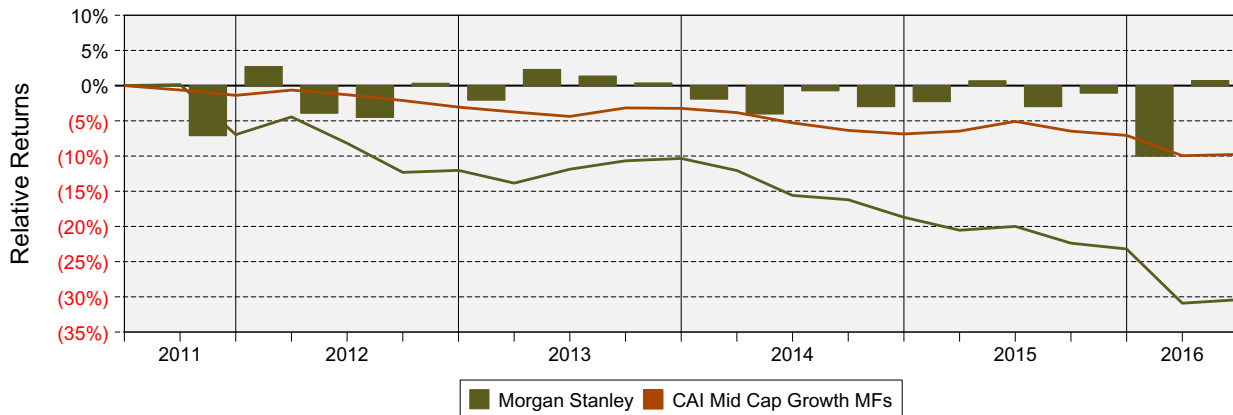
Return Analysis

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 two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

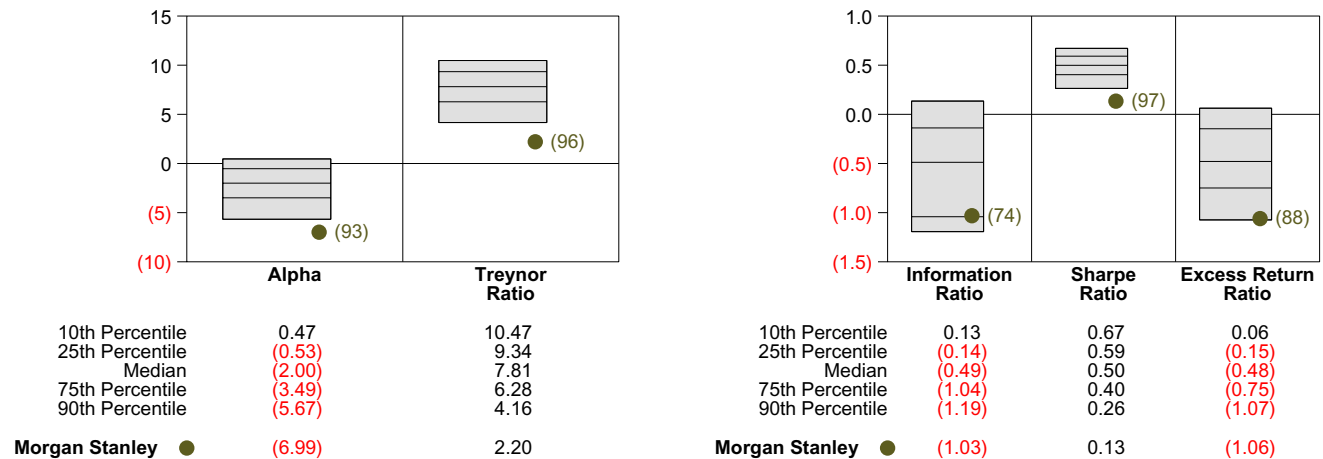
Performance vs CAI Mid Cap Growth Mutual Funds (Net)



Cumulative and Quarterly Relative Return vs Russell MidCap Growth Idx



Risk Adjusted Return Measures vs Russell MidCap Growth Idx Rankings Against CAI Mid Cap Growth Mutual Funds (Net) Five Years Ended June 30, 2016

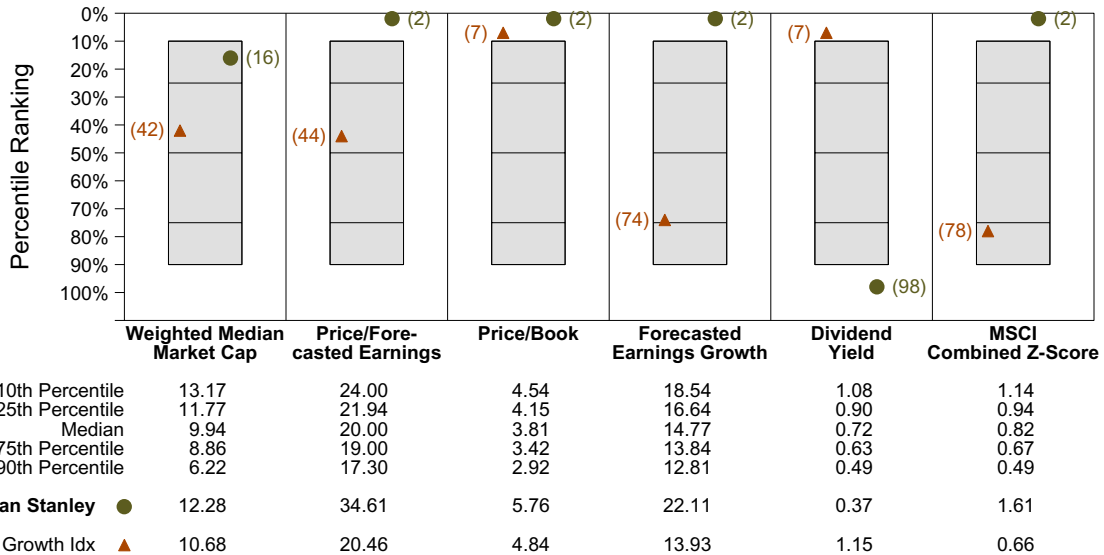


Morgan Stanley Equity Characteristics Analysis Summary

Portfolio Characteristics

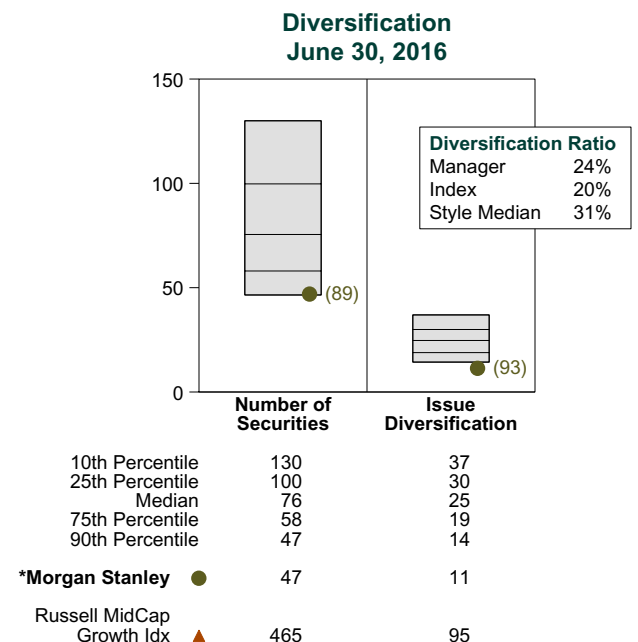
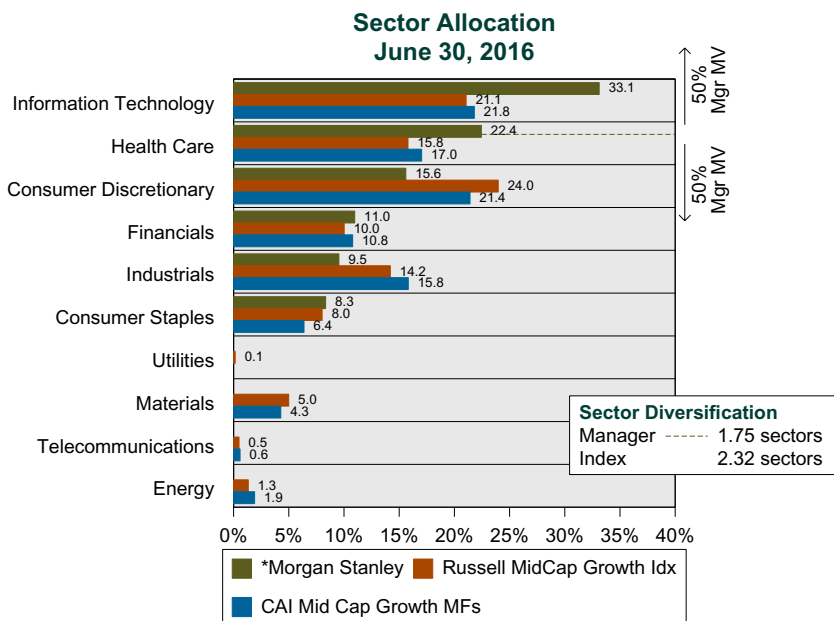
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Portfolio Characteristics Percentile Rankings Rankings Against CAI Mid Cap Growth Mutual Funds as of June 30, 2016



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.



*6/30/16 portfolio characteristics generated using most recently available holdings (3/31/16) 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, 2016

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.

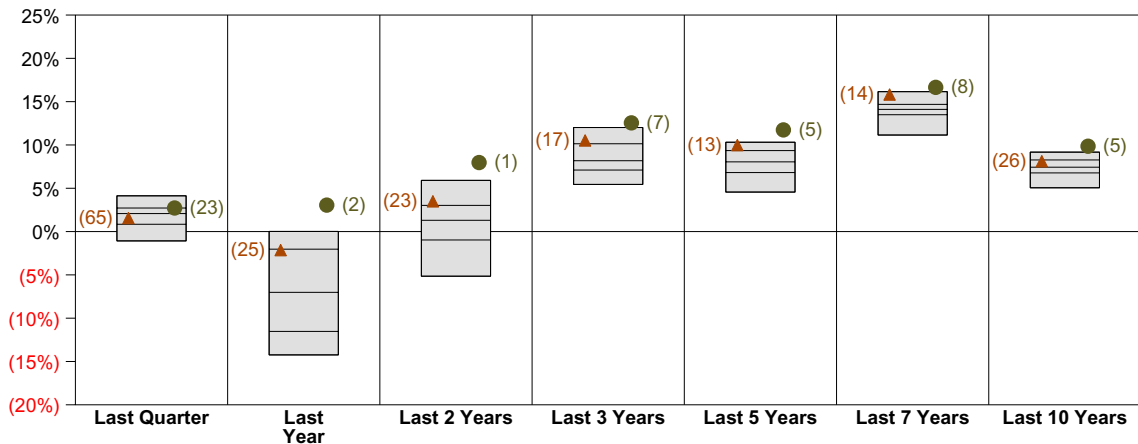
Quarterly Summary and Highlights

- Janus Enterprise's portfolio posted a 2.73% return for the quarter placing it in the 23 percentile of the CAI Mid Cap Growth Mutual Funds group for the quarter and in the 2 percentile for the last year.
- Janus Enterprise's portfolio outperformed the Russell MidCap Growth Idx by 1.17% for the quarter and outperformed the Russell MidCap Growth Idx for the year by 5.18%.

Quarterly Asset Growth

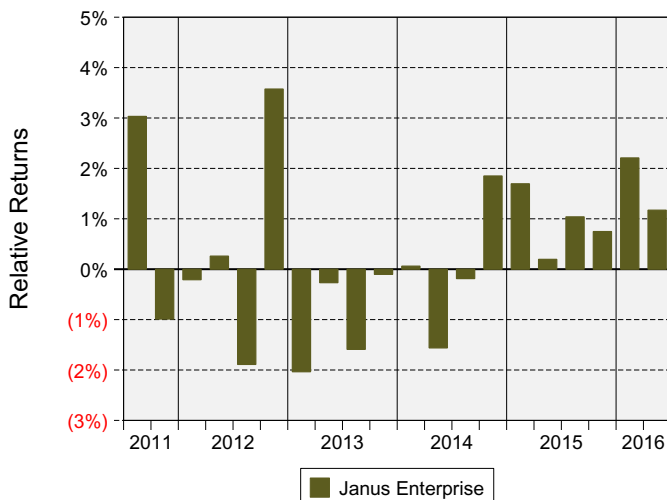
Beginning Market Value	\$5,400,851
Net New Investment	\$0
Investment Gains/(Losses)	\$147,661
Ending Market Value	\$5,548,511

Performance vs CAI Mid Cap Growth Mutual Funds (Net)

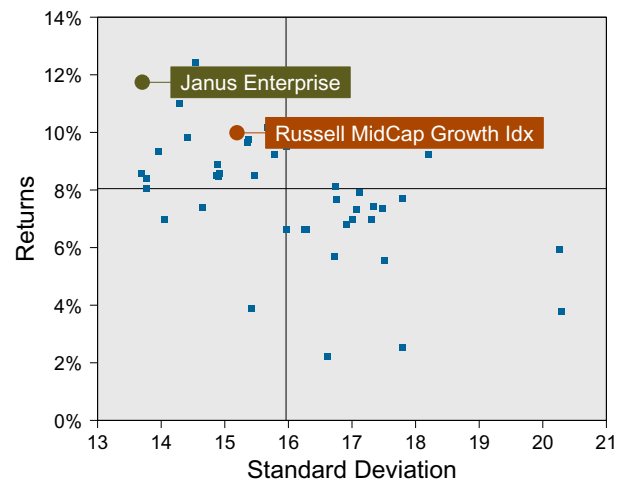


10th Percentile	4.13	0.02	5.91	12.01	10.31	16.15	9.17
25th Percentile	2.72	(2.03)	3.02	10.14	9.35	14.69	8.27
Median	2.08	(7.02)	1.30	8.18	8.05	14.11	7.43
75th Percentile	0.85	(11.53)	(0.97)	7.10	6.81	13.49	6.77
90th Percentile	(1.08)	(14.24)	(5.15)	5.44	4.56	11.15	5.06
Janus Enterprise ●	2.73	3.04	7.98	12.56	11.74	16.65	9.87
Russell MidCap Growth Idx ▲	1.56	(2.14)	3.49	10.52	9.98	15.82	8.12

Relative Return vs Russell MidCap Growth Idx



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

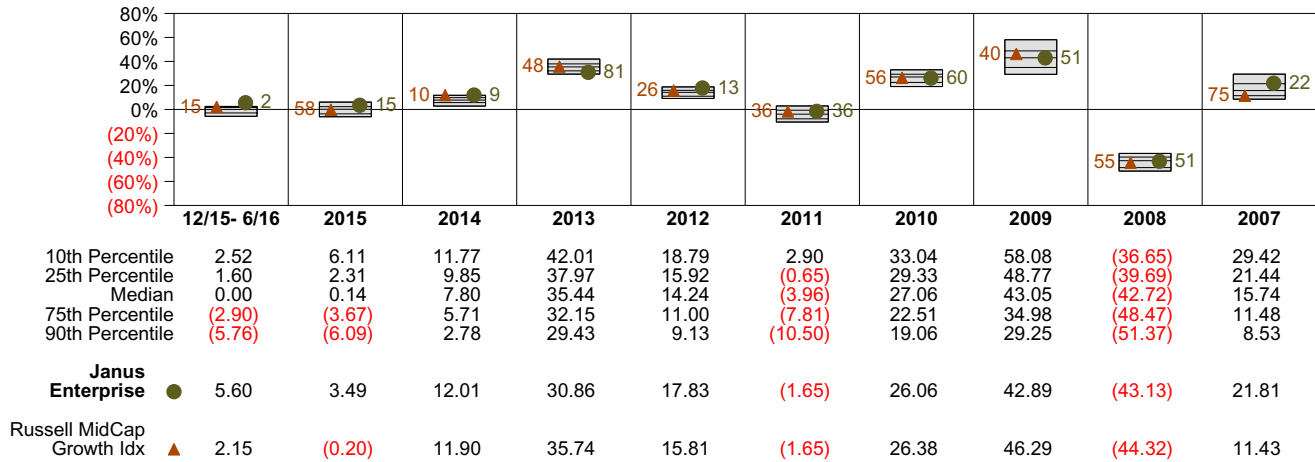


Janus Enterprise Return Analysis Summary

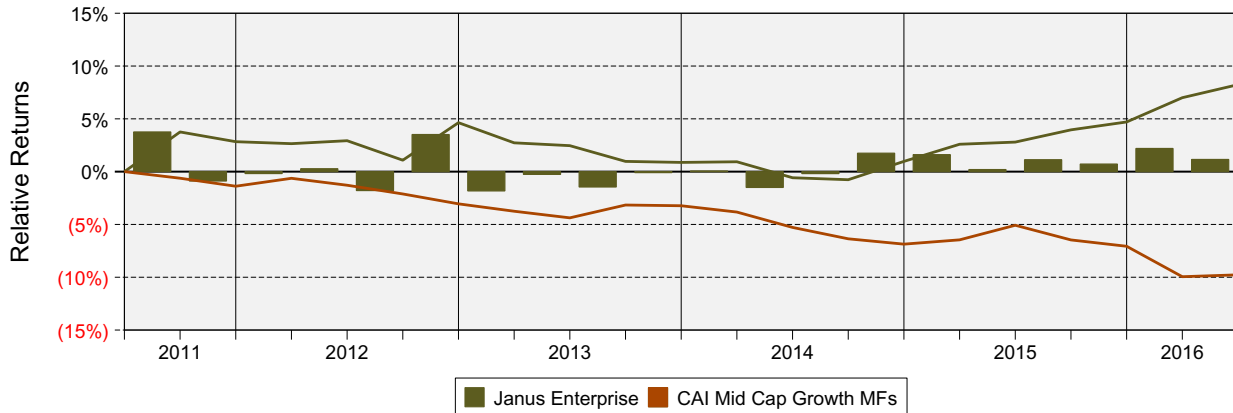
Return Analysis

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 two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

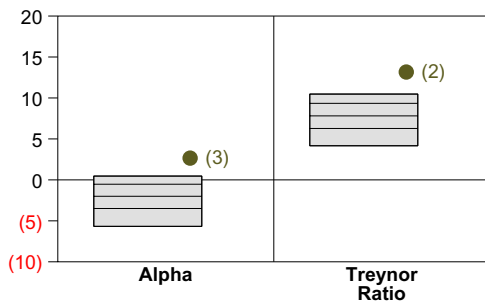
Performance vs CAI Mid Cap Growth Mutual Funds (Net)



Cumulative and Quarterly Relative Return vs Russell MidCap Growth Idx



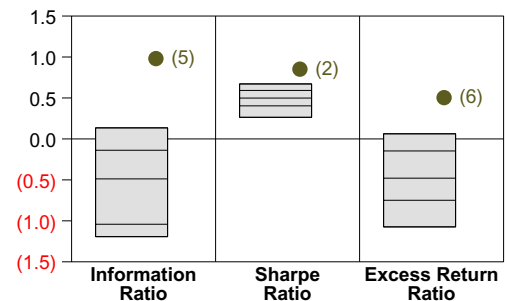
Risk Adjusted Return Measures vs Russell MidCap Growth Idx Rankings Against CAI Mid Cap Growth Mutual Funds (Net) Five Years Ended June 30, 2016



10th Percentile	0.47	10.47
25th Percentile	(0.53)	9.34
Median	(2.00)	7.81
75th Percentile	(3.49)	6.28
90th Percentile	(5.67)	4.16

Janus Enterprise ● 2.65

13.17



10th Percentile	0.13	0.67	0.06
25th Percentile	(0.14)	0.59	(0.15)
Median	(0.49)	0.50	(0.48)
75th Percentile	(1.04)	0.40	(0.75)
90th Percentile	(1.19)	0.26	(1.07)

Janus Enterprise ● 0.98

0.85

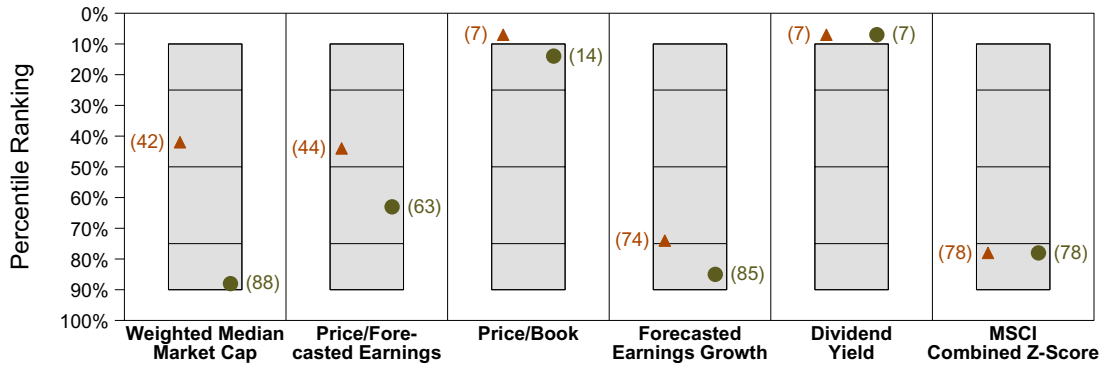
0.50

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.

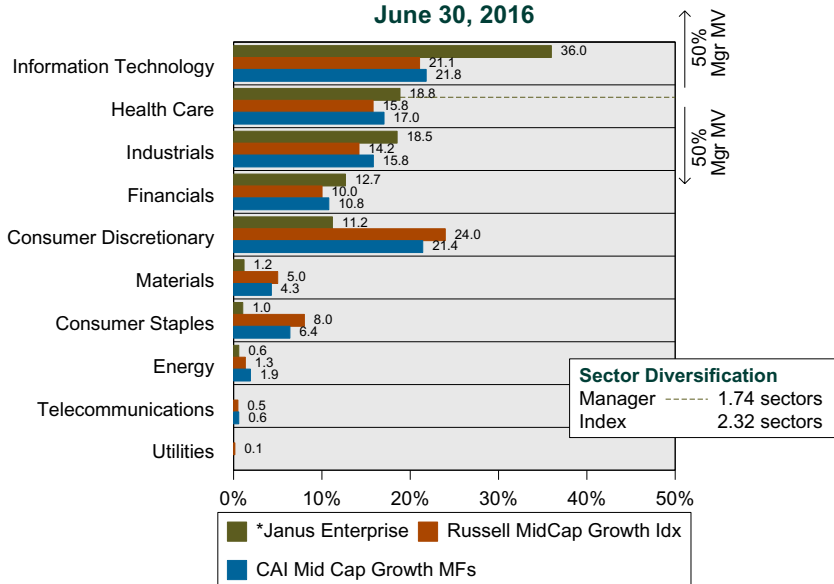
Portfolio Characteristics Percentile Rankings Rankings Against CAI Mid Cap Growth Mutual Funds as of June 30, 2016



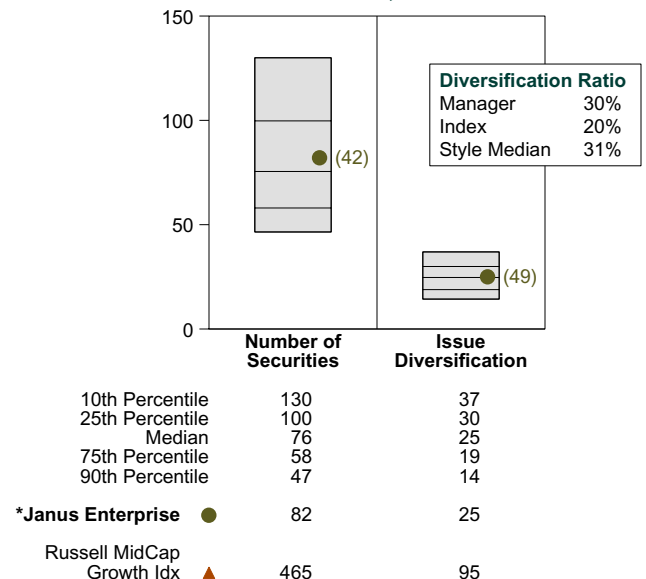
Sector Weights

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, 2016



Diversification June 30, 2016



*6/30/16 portfolio characteristics generated using most recently available holdings (3/31/16) 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, 2016

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.

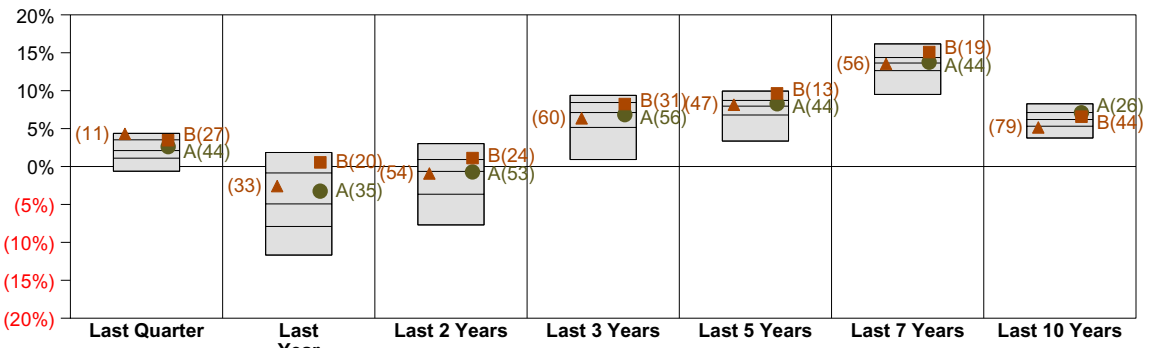
Quarterly Summary and Highlights

- Prudential Small Cap Value's portfolio posted a 2.62% return for the quarter placing it in the 44 percentile of the CAI Small Cap Value Mutual Funds group for the quarter and in the 35 percentile for the last year.
- Prudential Small Cap Value's portfolio underperformed the Russell 2000 Value Index by 1.69% for the quarter and underperformed the Russell 2000 Value Index for the year by 0.67%.

Quarterly Asset Growth

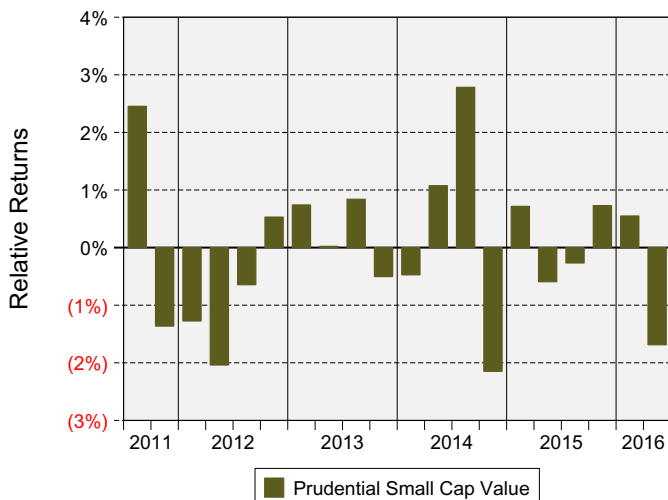
Beginning Market Value	\$12,104,831
Net New Investment	\$0
Investment Gains/(Losses)	\$317,032
Ending Market Value	\$12,421,863

Performance vs CAI Small Cap Value Mutual Funds (Net)

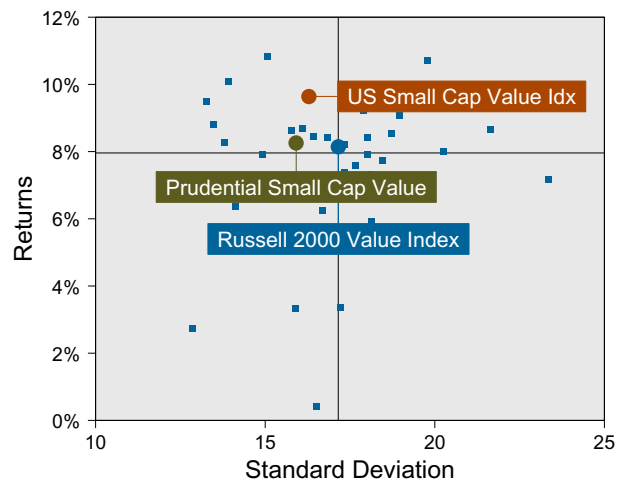


10th Percentile	4.37	1.85	3.02	9.38	9.95	16.17	8.27	
25th Percentile	3.52	(0.85)	0.92	8.44	8.71	14.37	7.12	
Median	2.10	(4.93)	(0.65)	7.12	7.96	13.65	6.20	
75th Percentile	1.10	(7.90)	(3.65)	5.15	6.79	12.65	5.31	
90th Percentile	(0.62)	(11.68)	(7.70)	0.92	3.36	9.50	3.76	
Prudential Small Cap Value	● A	2.62	(3.25)	(0.71)	6.82	8.26	13.74	7.08
US Small Cap Value Idx	■ B	3.47	0.54	1.11	8.23	9.64	15.09	6.57
Russell 2000 Value Index	▲	4.31	(2.58)	(0.92)	6.36	8.15	13.53	5.15

Relative Return vs Russell 2000 Value Index



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

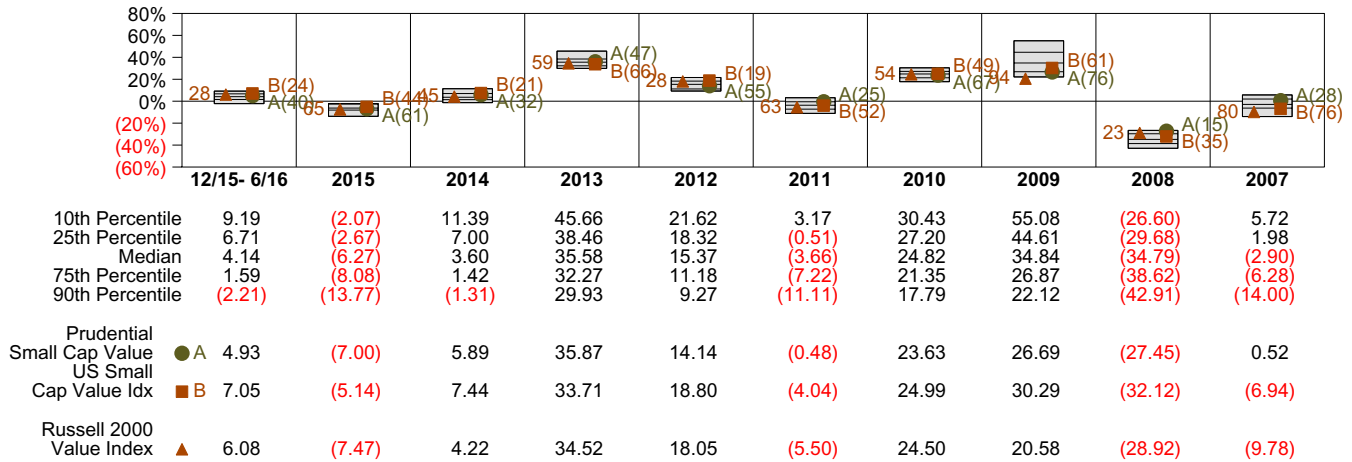


Prudential Small Cap Value Return Analysis Summary

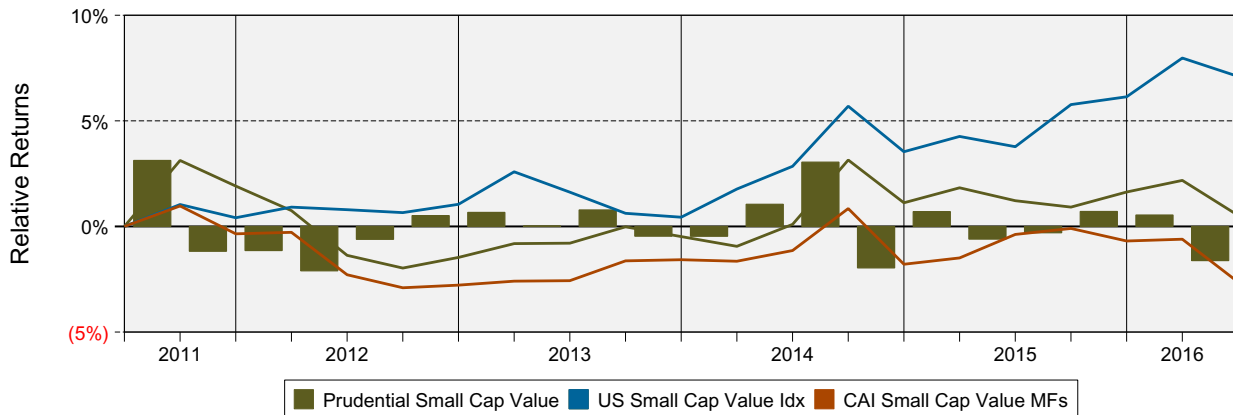
Return Analysis

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 two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

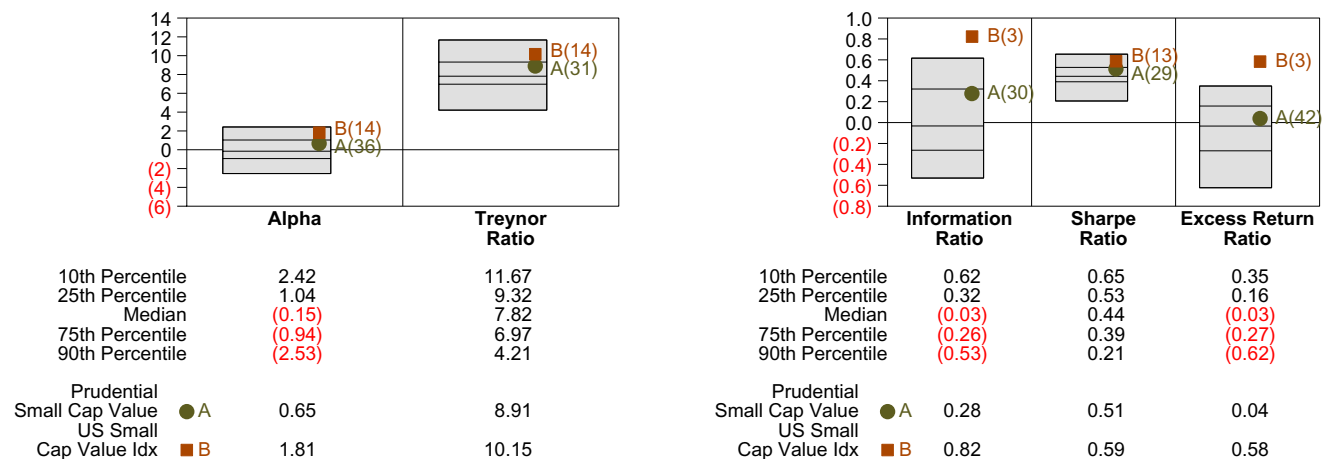
Performance vs CAI Small Cap Value Mutual Funds (Net)



Cumulative and Quarterly Relative Return vs Russell 2000 Value Index



Risk Adjusted Return Measures vs Russell 2000 Value Index Rankings Against CAI Small Cap Value Mutual Funds (Net) Five Years Ended June 30, 2016

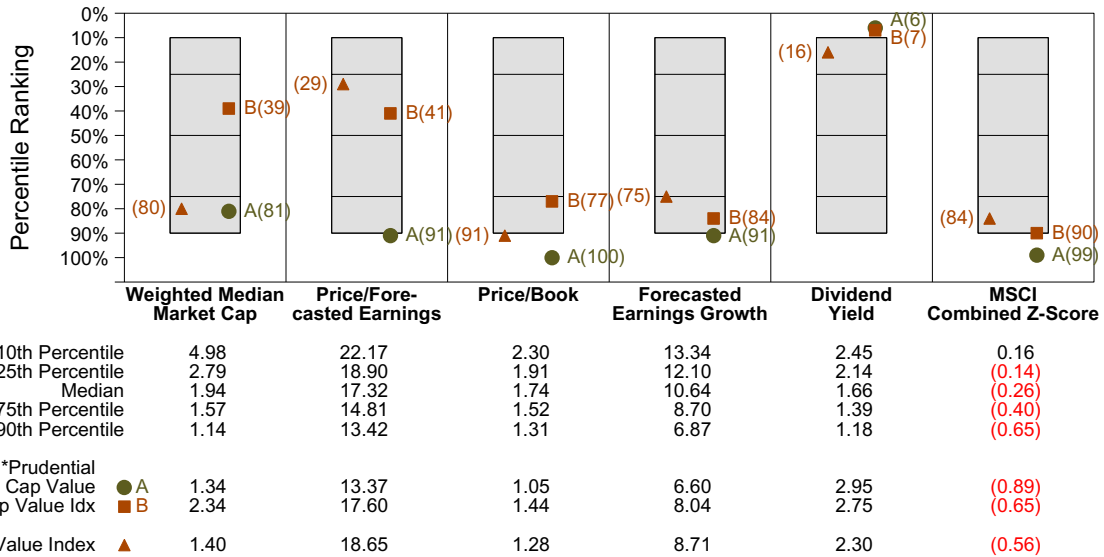


Prudential Small Cap Value Equity Characteristics Analysis Summary

Portfolio Characteristics

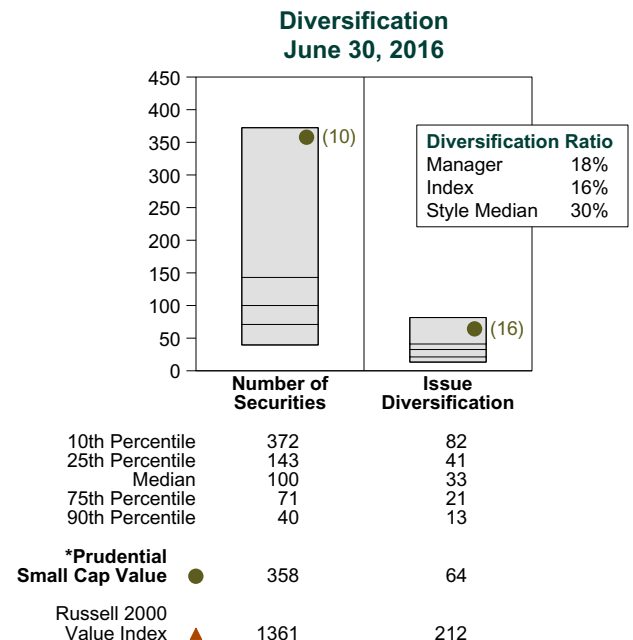
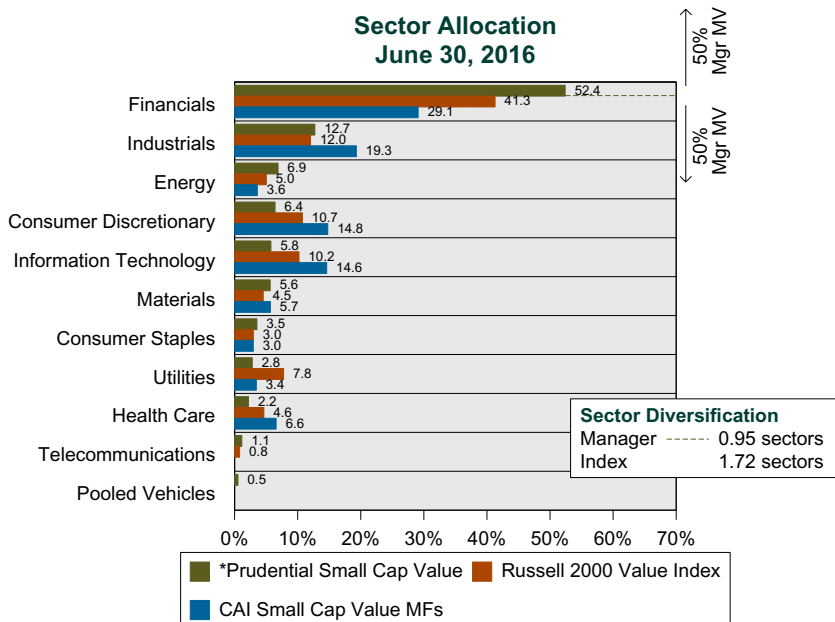
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Portfolio Characteristics Percentile Rankings Rankings Against CAI Small Cap Value Mutual Funds as of June 30, 2016



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.



*6/30/16 portfolio characteristics generated using most recently available holdings (3/31/16) 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.

AB US Small Growth Period Ended June 30, 2016

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.

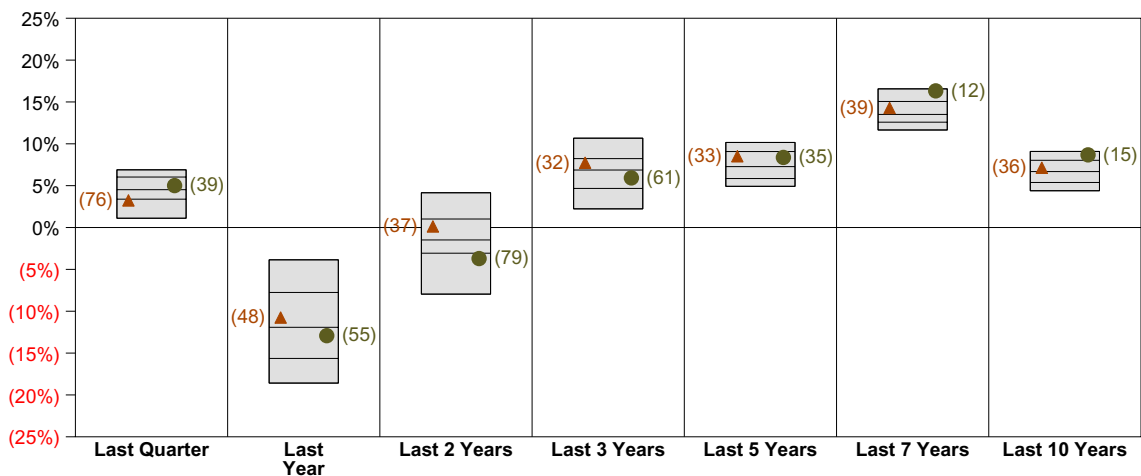
Quarterly Summary and Highlights

- AB US Small Growth's portfolio posted a 5.00% return for the quarter placing it in the 39 percentile of the CAI Small Cap Growth Mutual Funds group for the quarter and in the 55 percentile for the last year.
- AB US Small Growth's portfolio outperformed the Russell 2000 Growth Index by 1.76% for the quarter and underperformed the Russell 2000 Growth Index for the year by 2.18%.

Quarterly Asset Growth

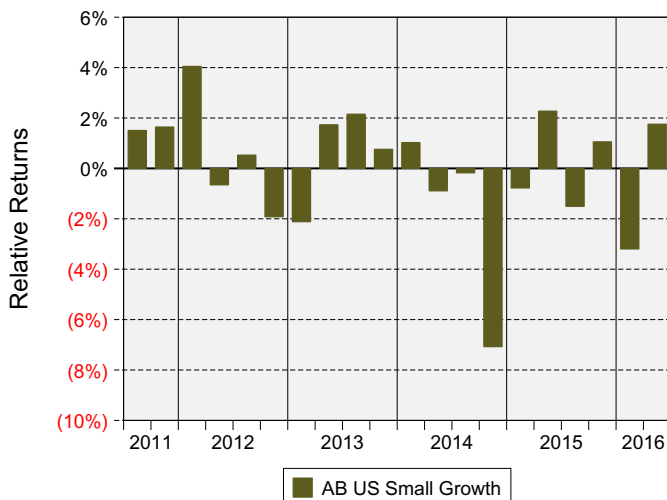
Beginning Market Value	\$5,980,957
Net New Investment	\$0
Investment Gains/(Losses)	\$298,821
Ending Market Value	\$6,279,778

Performance vs CAI Small Cap Growth Mutual Funds (Net)

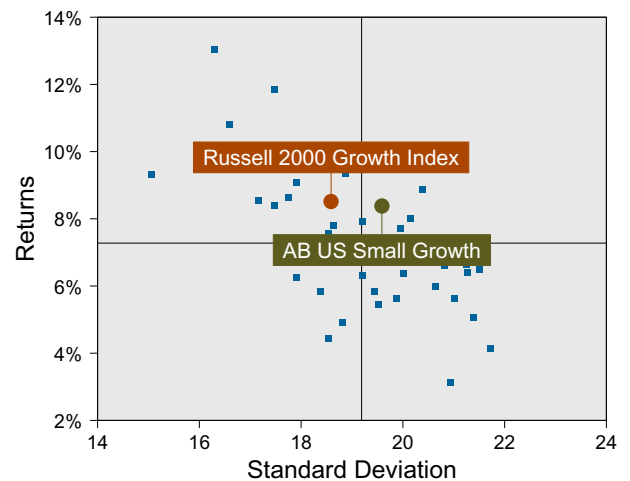


10th Percentile	6.89	(3.86)	4.15	10.67	10.16	16.56	9.09
25th Percentile	6.03	(7.76)	1.02	8.23	9.07	15.06	8.03
Median	4.52	(11.92)	(1.48)	6.87	7.28	13.51	6.68
75th Percentile	3.39	(15.64)	(3.07)	4.67	5.85	12.58	5.38
90th Percentile	1.11	(18.58)	(7.96)	2.23	4.92	11.65	4.39
AB US Small Growth	● 5.00	(12.93)	(3.71)	5.92	8.38	16.32	8.69
Russell 2000 Growth Index	▲ 3.24	(10.75)	0.13	7.74	8.51	14.29	7.14

Relative Return vs Russell 2000 Growth Index



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

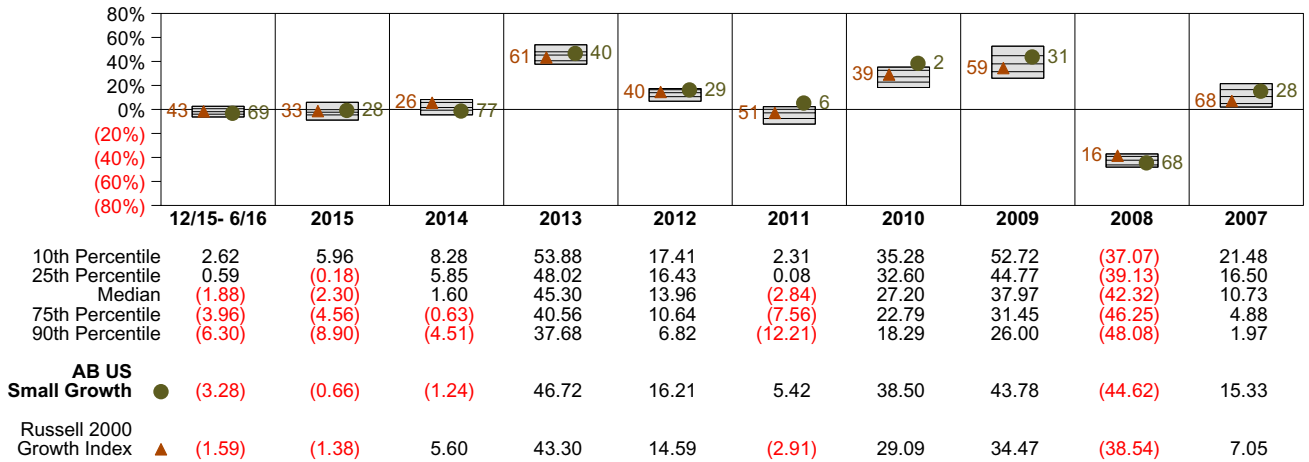


AB US Small Growth Return Analysis Summary

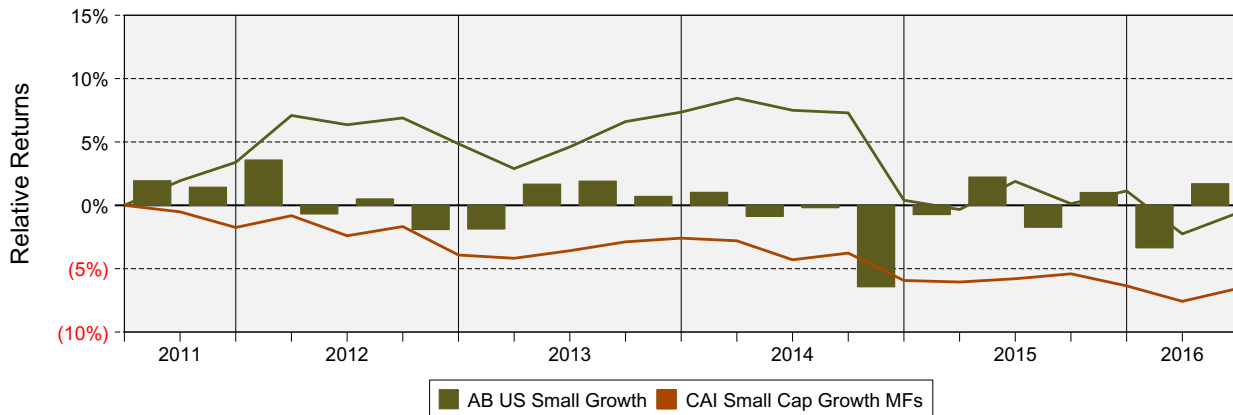
Return Analysis

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 two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

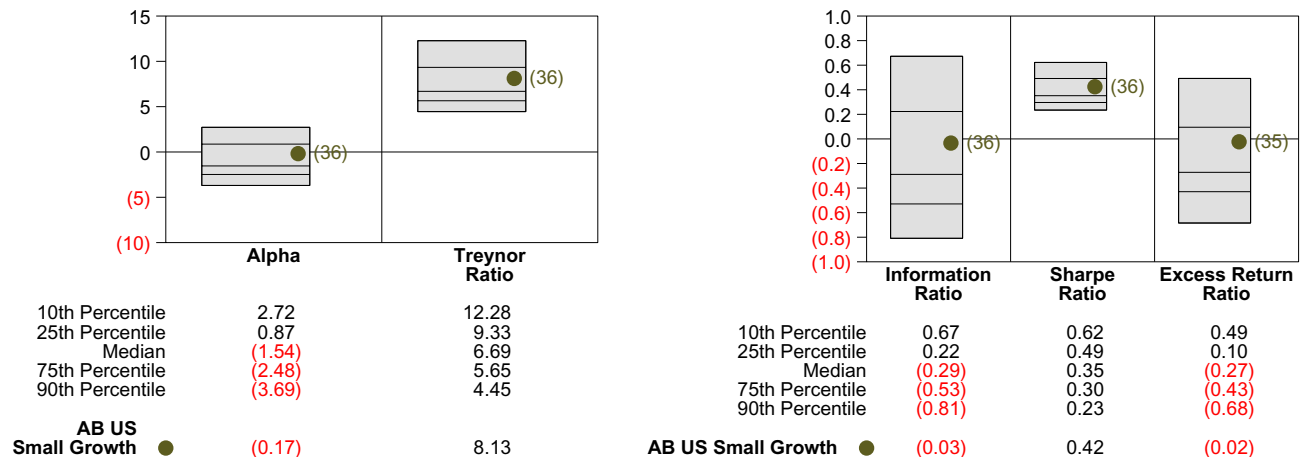
Performance vs CAI Small Cap Growth Mutual Funds (Net)



Cumulative and Quarterly Relative Return vs Russell 2000 Growth Index



Risk Adjusted Return Measures vs Russell 2000 Growth Index Rankings Against CAI Small Cap Growth Mutual Funds (Net) Five Years Ended June 30, 2016

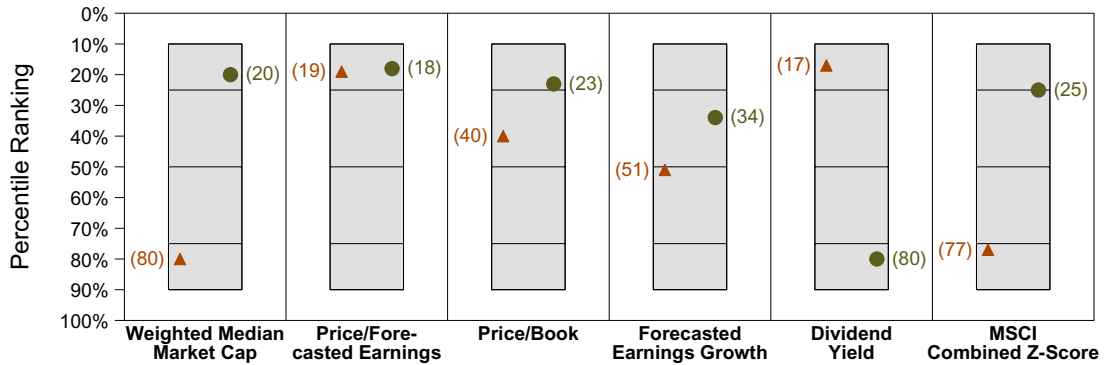


AB US Small Growth Equity Characteristics Analysis Summary

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 CAI Small Cap Growth Mutual Funds as of June 30, 2016

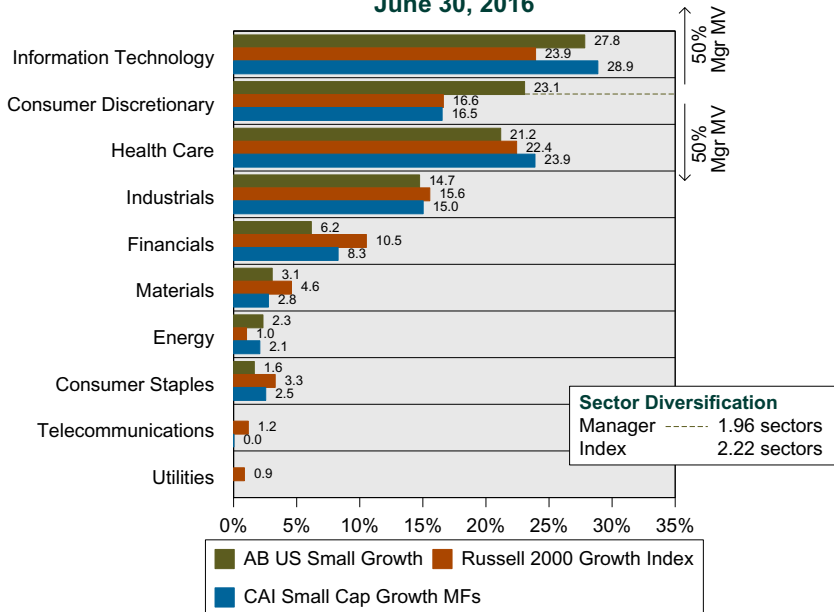


	Weighted Median Market Cap	Price/Forecasted Earnings	Price/Book	Forecasted Earnings Growth	Dividend Yield	MSCI Combined Z-Score
10th Percentile	4.00	32.72	4.45	21.23	0.94	1.11
25th Percentile	2.65	28.40	3.78	18.63	0.75	0.89
Median	2.21	24.62	3.30	17.34	0.55	0.73
75th Percentile	1.74	23.41	3.01	15.60	0.49	0.60
90th Percentile	1.62	19.44	2.74	14.74	0.25	0.42
AB US Small Growth ●	2.82	31.12	3.82	17.99	0.41	0.88
Russell 2000 Growth Index ▲	1.71	30.56	3.49	17.28	0.85	0.57

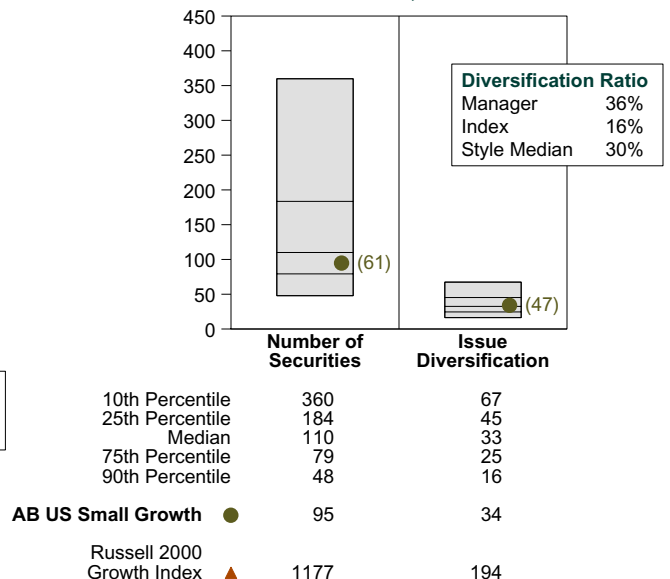
Sector Weights

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, 2016



Diversification June 30, 2016



RS Investments

Period Ended June 30, 2016

Investment Philosophy

RS Growth Team's investment philosophy is based upon the belief that long term capital appreciation can be achieved by exploiting opportunities where an information gap exists. They believe that companies with developing or proven competitive advantages and strong fundamentals can be identified early in their growth cycle, through insightful fundamental research performed by experienced analysts and proprietary quantitative tools. Switched from Class A Shares to Class Y Shares in December 2009.

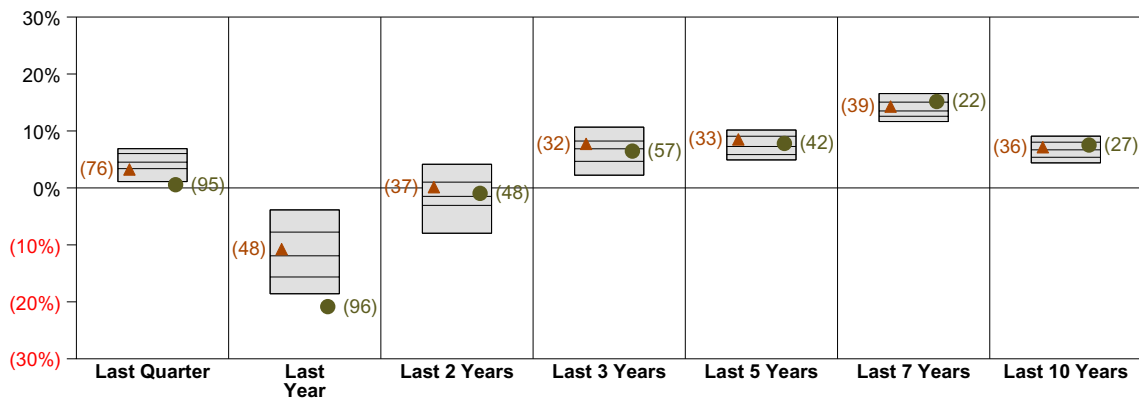
Quarterly Summary and Highlights

- RS Investments's portfolio posted a 0.54% return for the quarter placing it in the 95 percentile of the CAI Small Cap Growth Mutual Funds group for the quarter and in the 96 percentile for the last year.
- RS Investments's portfolio underperformed the Russell 2000 Growth Index by 2.70% for the quarter and underperformed the Russell 2000 Growth Index for the year by 10.11%.

Quarterly Asset Growth

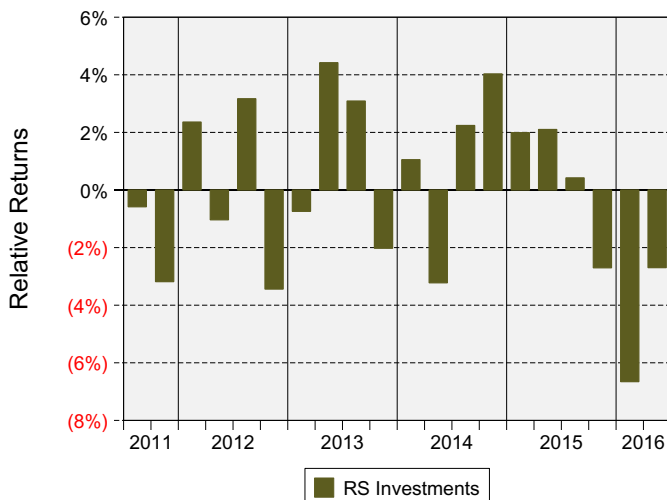
Beginning Market Value	\$4,617,088
Net New Investment	\$0
Investment Gains/(Losses)	\$25,127
Ending Market Value	\$4,642,215

Performance vs CAI Small Cap Growth Mutual Funds (Net)

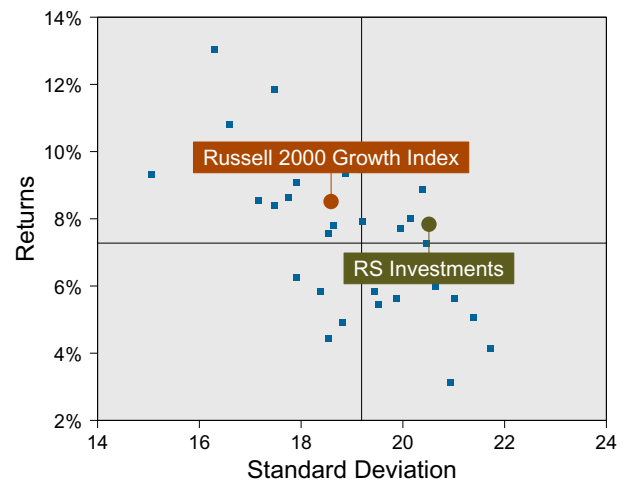


10th Percentile	6.89	(3.86)	4.15	10.67	10.16	16.56	9.09
25th Percentile	6.03	(7.76)	1.02	8.23	9.07	15.06	8.03
Median	4.52	(11.92)	(1.48)	6.87	7.28	13.51	6.68
75th Percentile	3.39	(15.64)	(3.07)	4.67	5.85	12.58	5.38
90th Percentile	1.11	(18.58)	(7.96)	2.23	4.92	11.65	4.39
RS Investments ●	0.54	(20.87)	(0.95)	6.47	7.84	15.15	7.52
Russell 2000 Growth Index ▲	3.24	(10.75)	0.13	7.74	8.51	14.29	7.14

Relative Return vs Russell 2000 Growth Index



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

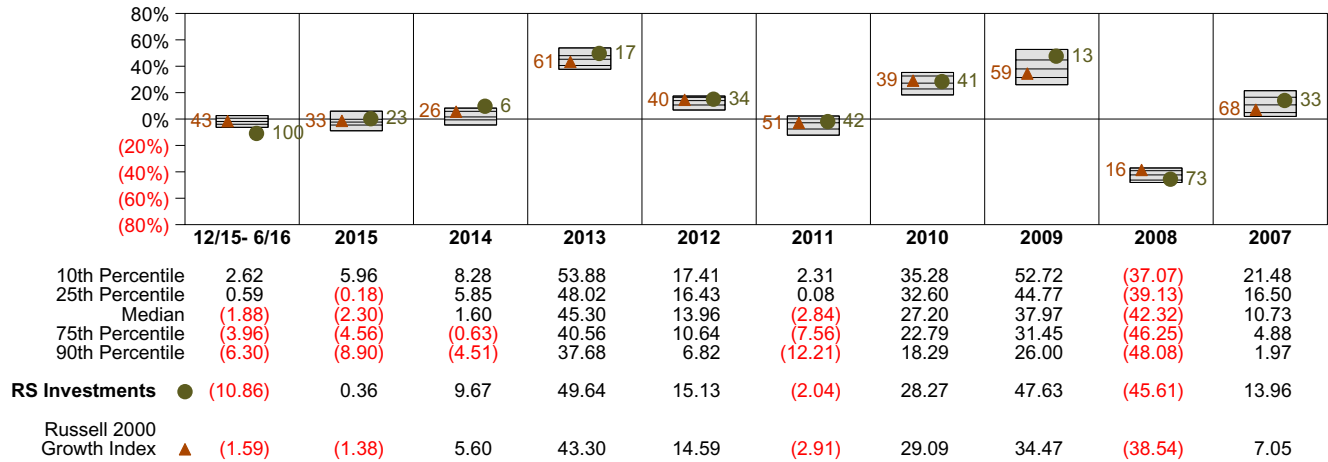


RS Investments Return Analysis Summary

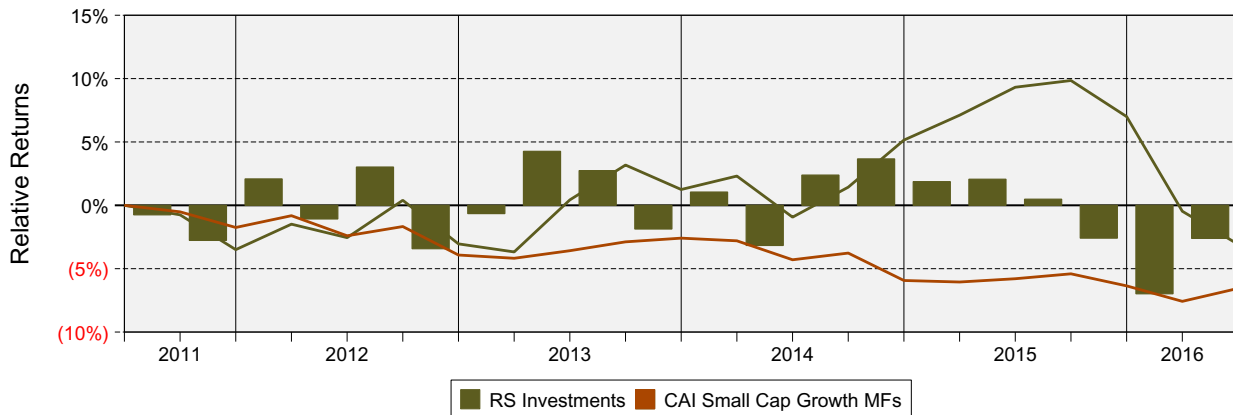
Return Analysis

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 two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

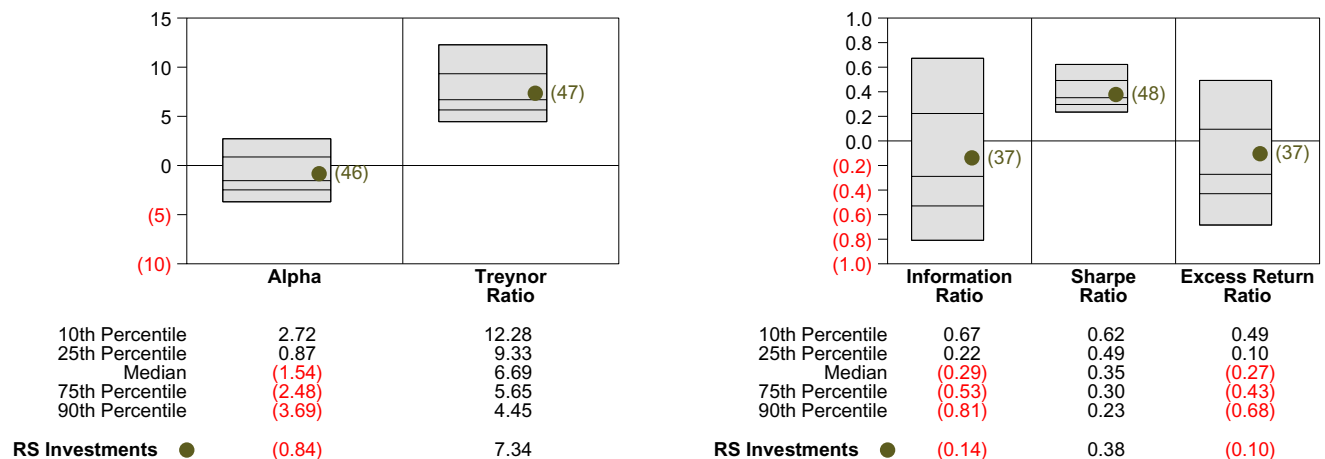
Performance vs CAI Small Cap Growth Mutual Funds (Net)



Cumulative and Quarterly Relative Return vs Russell 2000 Growth Index



Risk Adjusted Return Measures vs Russell 2000 Growth Index Rankings Against CAI Small Cap Growth Mutual Funds (Net) Five Years Ended June 30, 2016

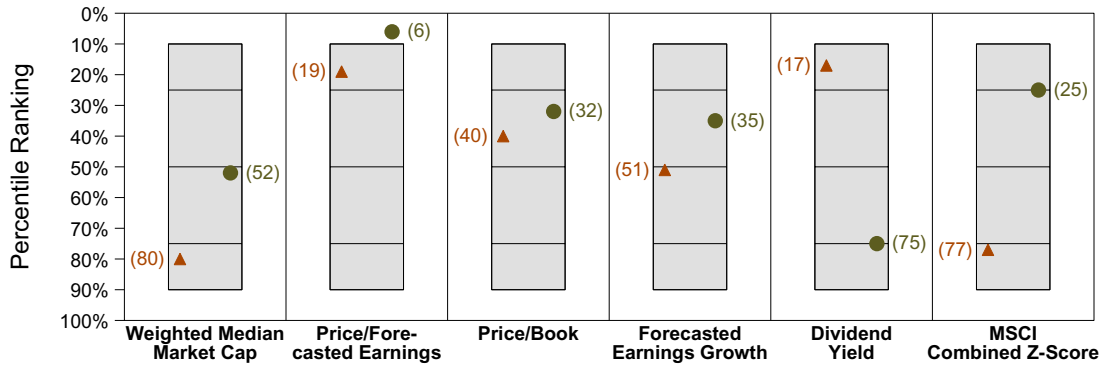


RS Investments Equity Characteristics Analysis Summary

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.

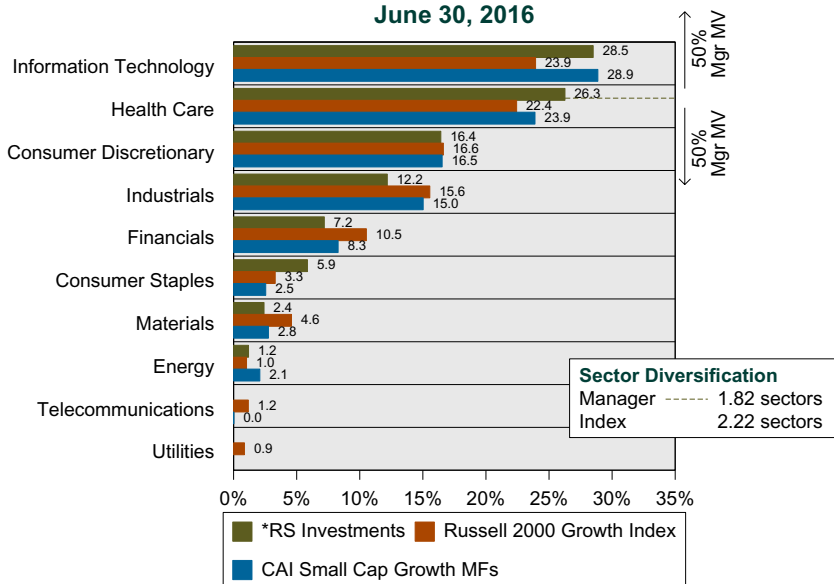
Portfolio Characteristics Percentile Rankings Rankings Against CAI Small Cap Growth Mutual Funds as of June 30, 2016



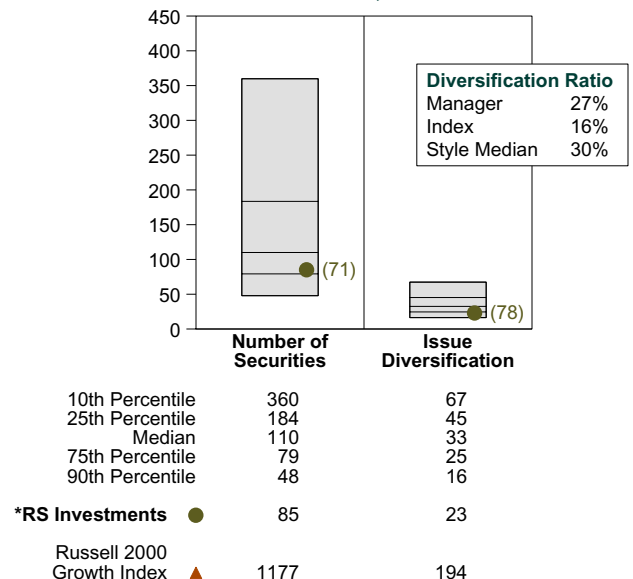
Sector Weights

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, 2016



Diversification June 30, 2016



*6/30/16 portfolio characteristics generated using most recently available holdings (3/31/16) 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.

AMG Managers Emerging Opportunities Fund Period Ended June 30, 2016

Investment Philosophy

The Fund's objective is to achieve long term capital appreciation, through the investment of U.S. companies, which at the time of initial purchase have a market capitalization amongst the smallest 5% of companies listed on the U.S. stock markets

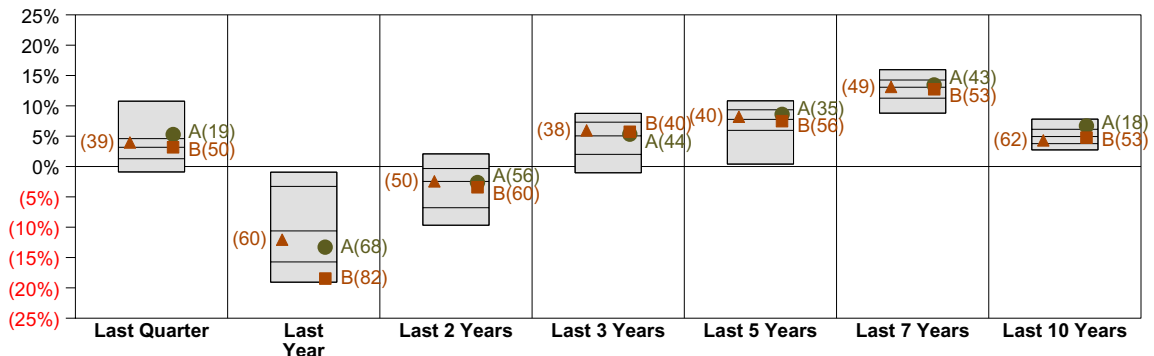
Quarterly Summary and Highlights

- AMG Managers Emerging Opportunities Fund's portfolio posted a 5.27% return for the quarter placing it in the 19 percentile of the Lipper Micro Cap Objective Mutual Funds group for the quarter and in the 68 percentile for the last year.
- AMG Managers Emerging Opportunities Fund's portfolio outperformed the Russell Microcap Index by 1.31% for the quarter and underperformed the Russell Microcap Index for the year by 1.24%.

Quarterly Asset Growth

Beginning Market Value	\$7,233,846
Net New Investment	\$0
Investment Gains/(Losses)	\$381,406
Ending Market Value	\$7,615,252

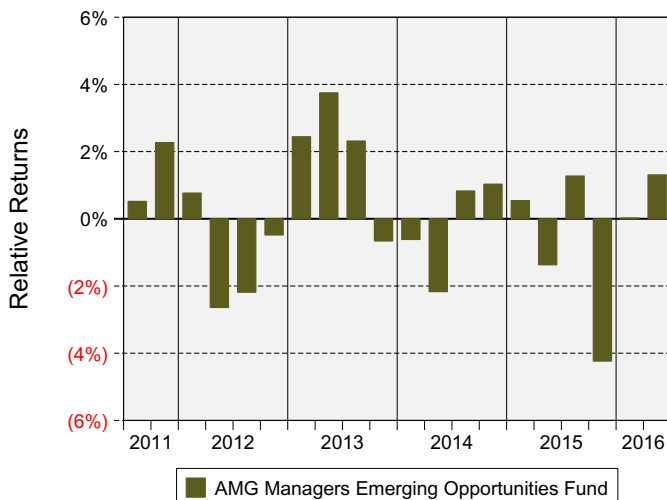
Performance vs Lipper Micro Cap Objective Mutual Funds (Net)



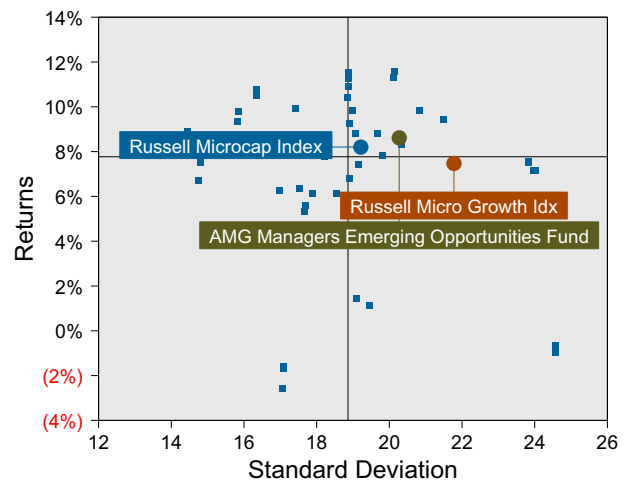
10th Percentile	10.77	(0.93)	2.09	8.76	10.83	15.96	7.81
25th Percentile	4.60	(3.28)	(0.33)	7.31	9.35	14.26	6.13
Median	3.17	(10.62)	(2.46)	5.05	7.77	13.07	4.94
75th Percentile	1.28	(15.73)	(6.79)	2.01	5.96	11.27	3.77
90th Percentile	(0.89)	(19.07)	(9.68)	(1.03)	0.40	8.79	2.74

AMG Managers Emerging Opportunities Fund	● A	5.27	(13.30)	(2.65)	5.32	8.61	13.46	6.69
Russell Micro Growth Idx	■ B	3.17	(18.47)	(3.42)	5.73	7.48	12.73	4.76
Russell Microcap Index	▲	3.97	(12.06)	(2.45)	5.95	8.20	13.12	4.31

Relative Return vs Russell Microcap Index



Lipper Micro Cap Objective Mutual Funds (Net) Annualized Five Year Risk vs Return

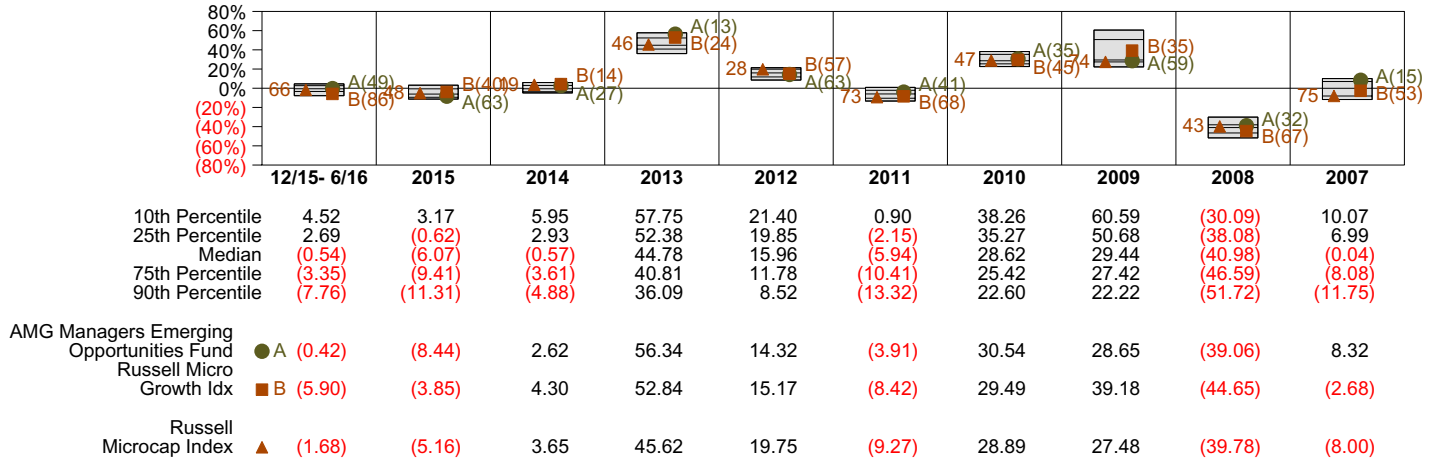


AMG Managers Emerging Opportunities Fund Return Analysis Summary

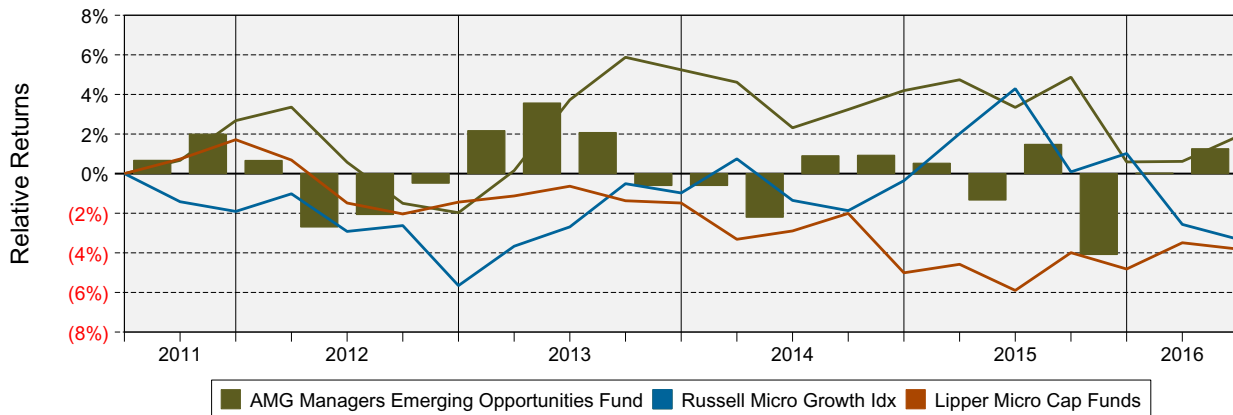
Return Analysis

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 two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

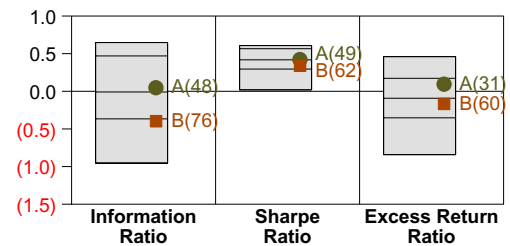
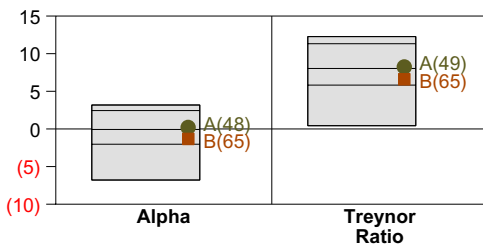
Performance vs Lipper Micro Cap Objective Mutual Funds (Net)



Cumulative and Quarterly Relative Return vs Russell Microcap Index



Risk Adjusted Return Measures vs Russell Microcap Index Rankings Against Lipper Micro Cap Objective Mutual Funds (Net) Five Years Ended June 30, 2016



10th Percentile	3.18
25th Percentile	2.44
Median	(0.07)
75th Percentile	(2.03)
90th Percentile	(6.79)

10th Percentile	12.27
25th Percentile	11.32
Median	8.03
75th Percentile	5.82
90th Percentile	0.43

10th Percentile	0.65
25th Percentile	0.47
Median	(0.01)
75th Percentile	(0.37)
90th Percentile	(0.95)

10th Percentile	0.61
25th Percentile	0.57
Median	0.42
75th Percentile	0.30
90th Percentile	0.02

10th Percentile	0.46
25th Percentile	0.17
Median	(0.09)
75th Percentile	(0.35)
90th Percentile	(0.84)

AMG Managers Emerging Opportunities Fund	● A	0.20	8.23
Russell Micro Growth Idx	■ B	(1.33)	6.59

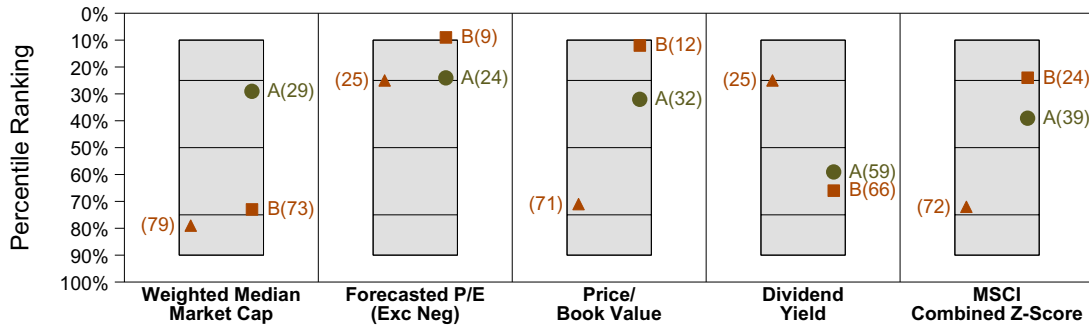
AMG Managers Emerging Opportunities Fund	● A	0.05	0.42	0.09
Russell Micro Growth Idx	■ B	(0.40)	0.34	(0.17)

AMG Managers Emerging Opportunities Fund 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 Lipper Micro Cap Objective Mutual Funds as of June 30, 2016



	Weighted Median Market Cap	Forecasted P/E (Exc Neg)	Price/Book Value	Dividend Yield	MSCI Combined Z-Score
10th Percentile	1.10	27.66	3.01	1.91	0.83
25th Percentile	0.68	20.54	2.38	1.42	0.50
Median	0.47	18.20	1.85	0.96	0.07
75th Percentile	0.40	15.53	1.43	0.43	(0.30)
90th Percentile	0.17	14.92	1.13	0.28	(0.56)

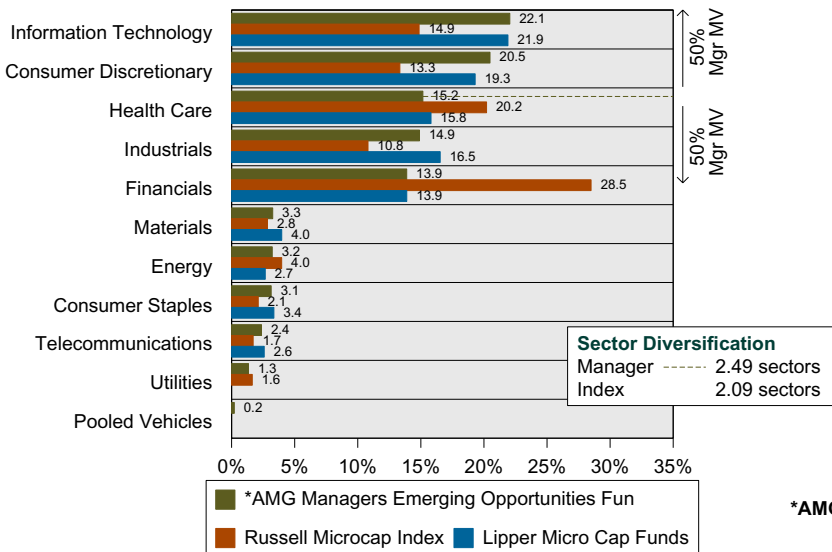
*AMG Managers Emerging Opportunities Fun
Russell Micro Growth Idx

● A	0.62	20.85	2.14	0.82	0.28
■ B	0.42	28.02	2.92	0.64	0.52
▲	0.38	20.51	1.48	1.42	(0.18)

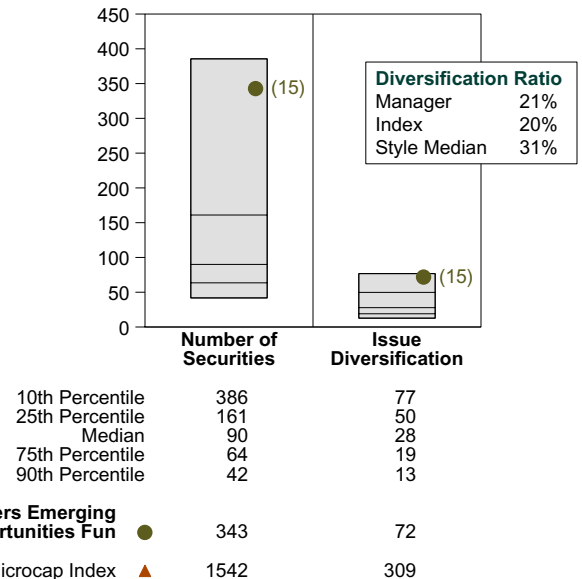
Sector Weights

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, 2016



Diversification June 30, 2016



*6/30/16 portfolio characteristics generated using most recently available holdings (3/31/16) 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.

International Equity Composite Period Ended June 30, 2016

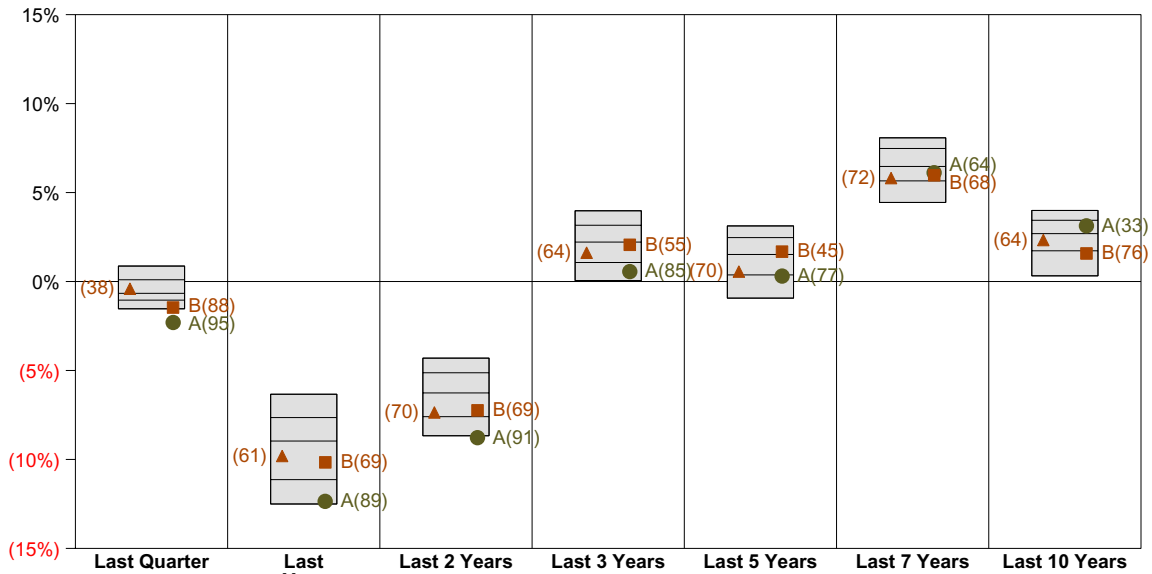
Quarterly Summary and Highlights

- International Equity Composite's portfolio posted a (2.31)% return for the quarter placing it in the 95 percentile of the Pub Pln- International Equity group for the quarter and in the 89 percentile for the last year.
- International Equity Composite's portfolio underperformed the MSCI ACWixUS Gross by 1.90% for the quarter and underperformed the MSCI ACWixUS Gross for the year by 2.54%.

Quarterly Asset Growth

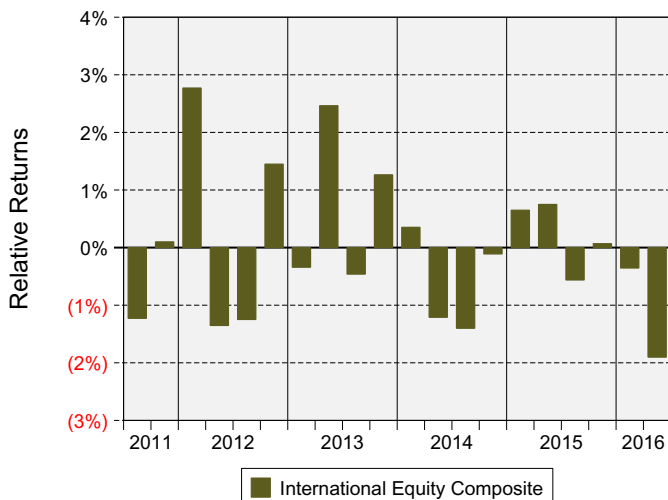
Beginning Market Value	\$99,266,014
Net New Investment	\$0
Investment Gains/(Losses)	\$-2,289,329
Ending Market Value	\$96,976,684

Performance vs Pub Pln- International Equity (Gross)

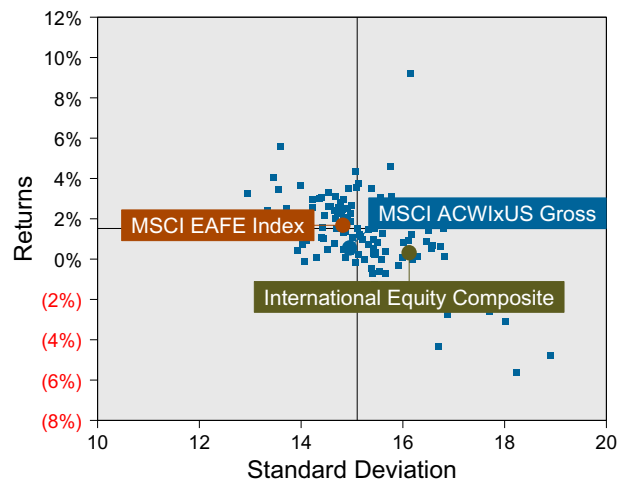


10th Percentile	0.87	(6.34)	(4.31)	3.98	3.12	8.08	3.99	
25th Percentile	0.10	(7.65)	(5.13)	3.16	2.47	7.48	3.44	
Median	(0.66)	(8.97)	(6.26)	2.22	1.52	6.47	2.69	
75th Percentile	(1.05)	(11.13)	(7.60)	1.07	0.37	5.66	1.73	
90th Percentile	(1.53)	(12.50)	(8.67)	0.05	(0.93)	4.44	0.32	
International Equity Composite	● A	(2.31)	(12.35)	(8.78)	0.57	0.31	6.12	3.13
MSCI EAFE Index	■ B	(1.46)	(10.16)	(7.24)	2.06	1.68	5.97	1.58
MSCI ACWixUS Gross	▲	(0.40)	(9.80)	(7.36)	1.62	0.56	5.81	2.33

Relative Return vs MSCI ACWixUS Gross



Pub Pln- International Equity (Gross) Annualized Five Year Risk vs Return

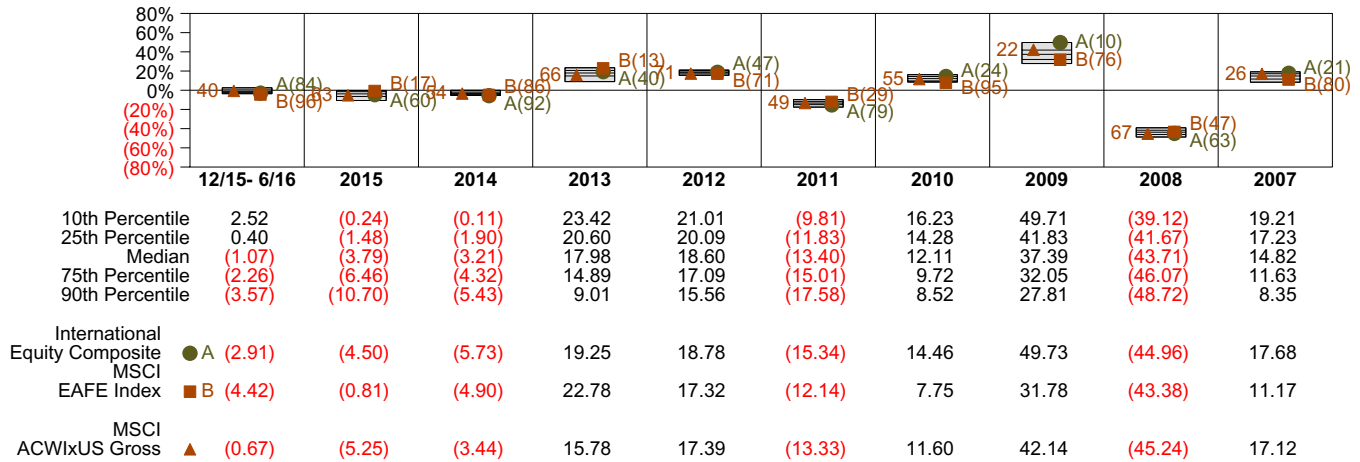


International Equity Composite Return Analysis Summary

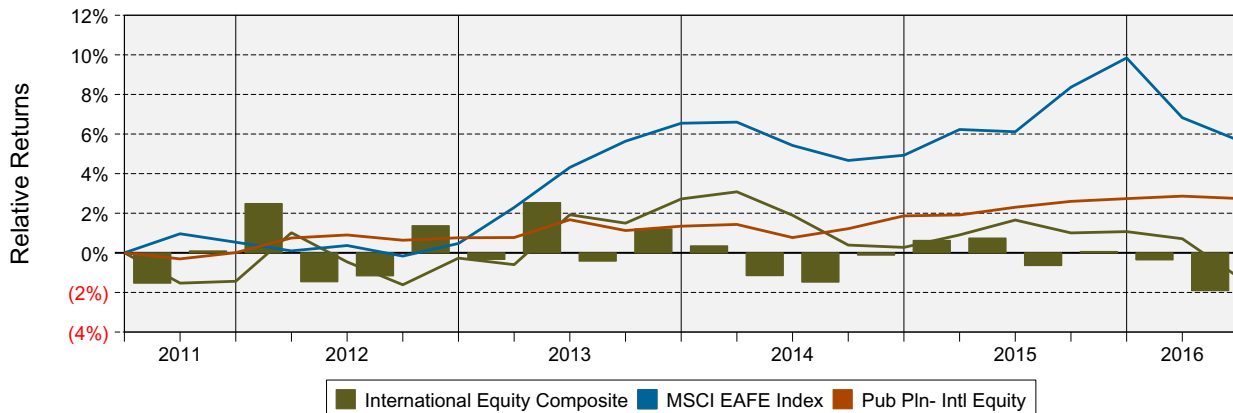
Return Analysis

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 two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

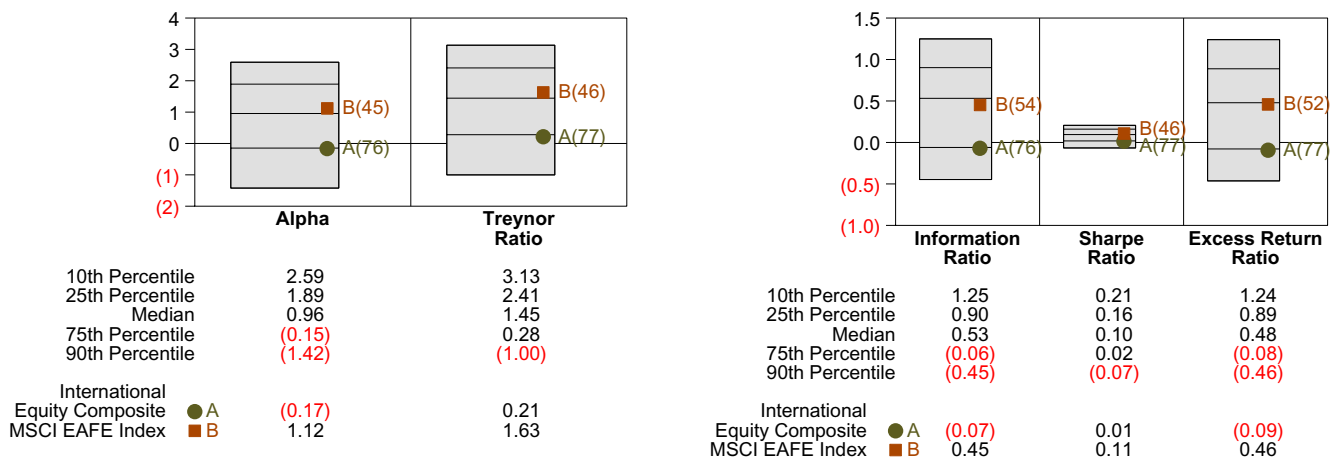
Performance vs Pub Pln- International Equity (Gross)



Cumulative and Quarterly Relative Return vs MSCI ACWIxUS Gross



Risk Adjusted Return Measures vs MSCI ACWIxUS Gross Rankings Against Pub Pln- International Equity (Gross) Five Years Ended June 30, 2016

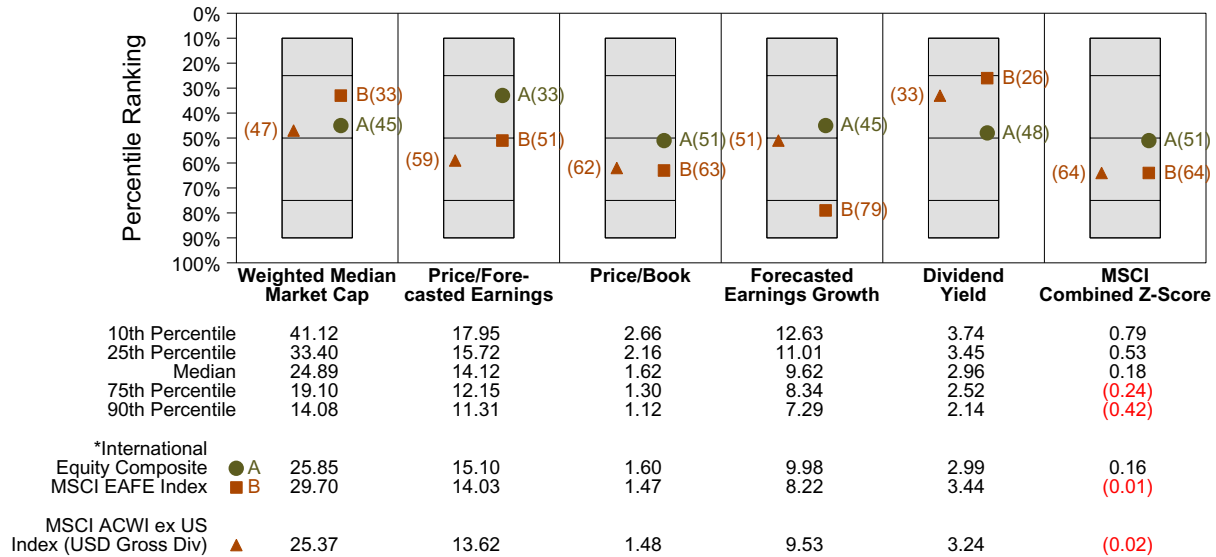


International Equity Composite Equity Characteristics Analysis Summary

Portfolio Characteristics

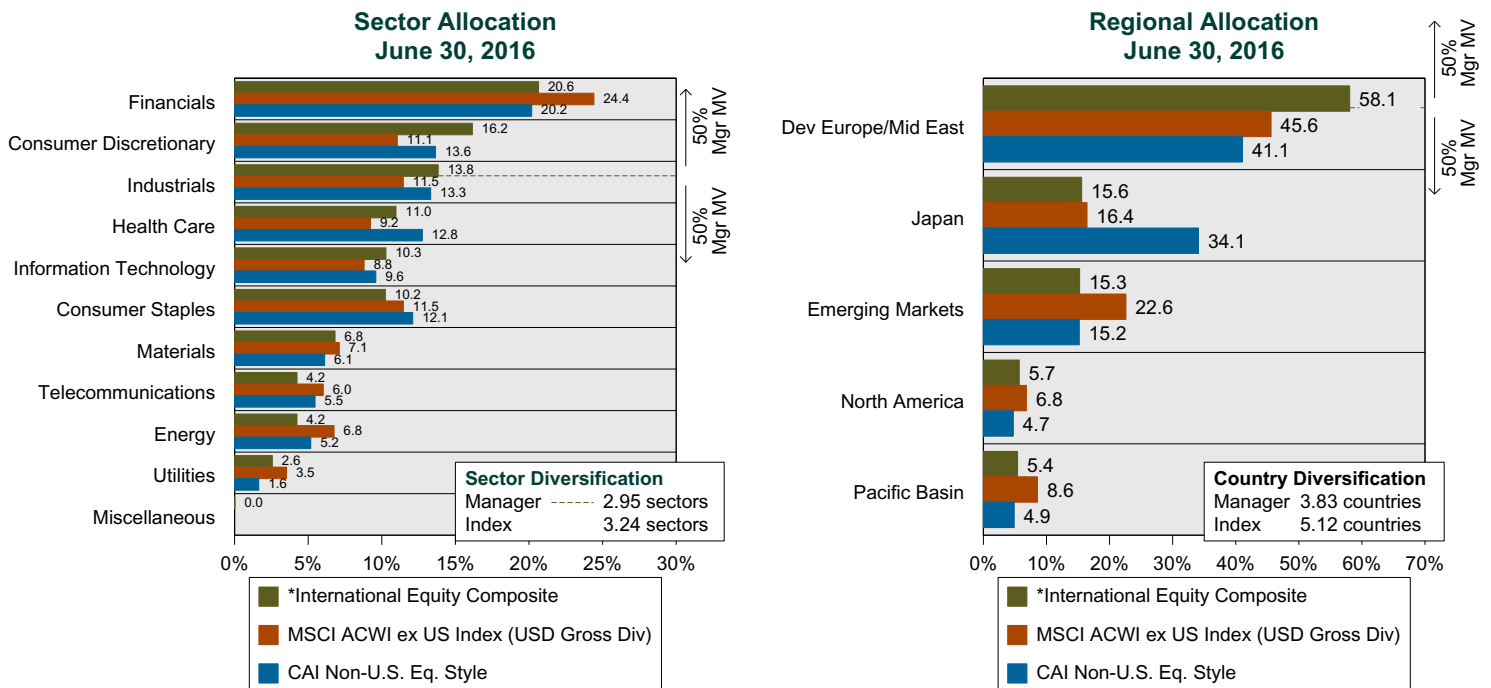
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Portfolio Characteristics Percentile Rankings Rankings Against CAI Non-U.S. Equity Style as of June 30, 2016



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.



*6/30/16 portfolio characteristics generated using most recently available holdings (3/31/16) 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.

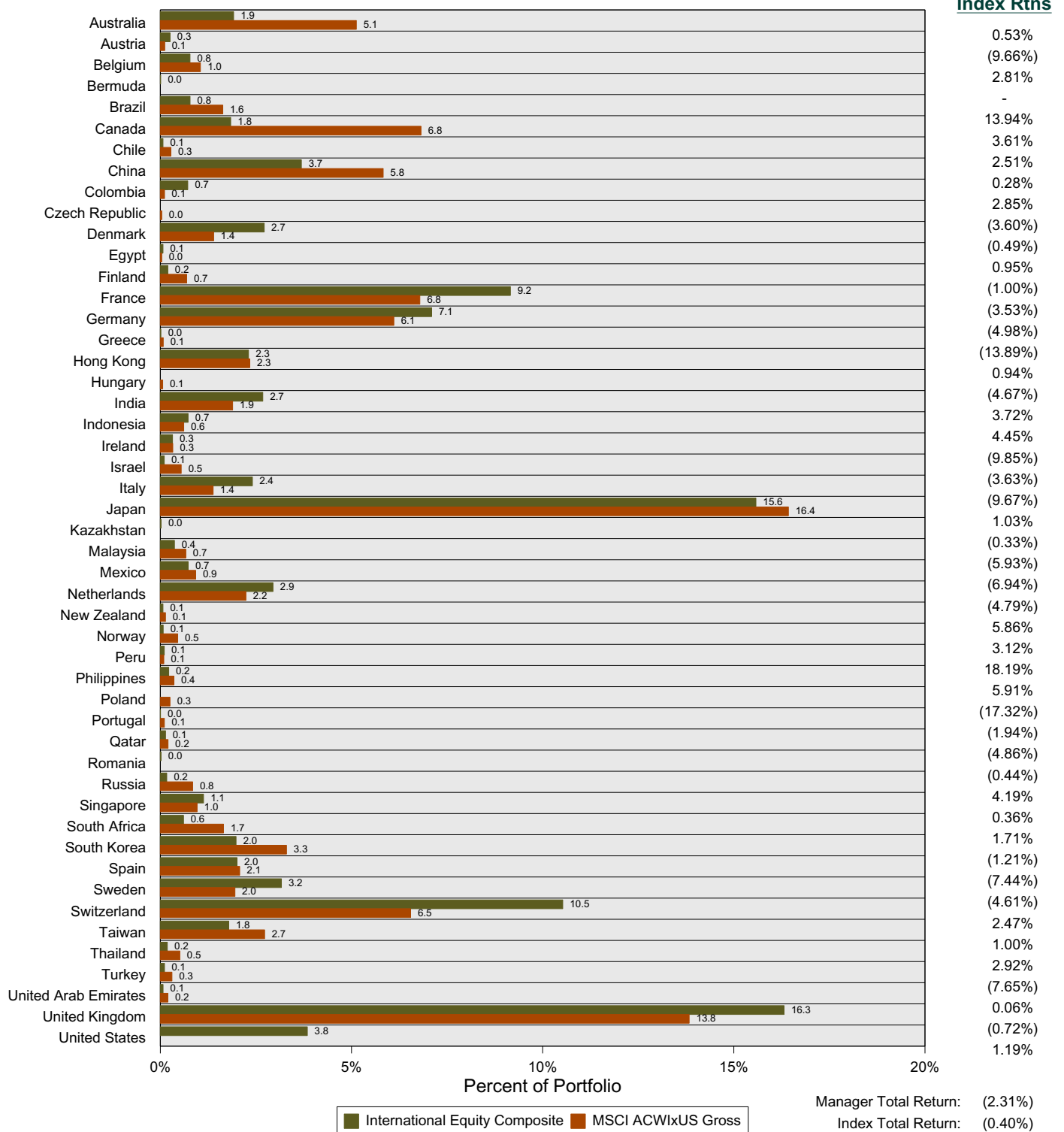
Country Allocation

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, 2016. 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.

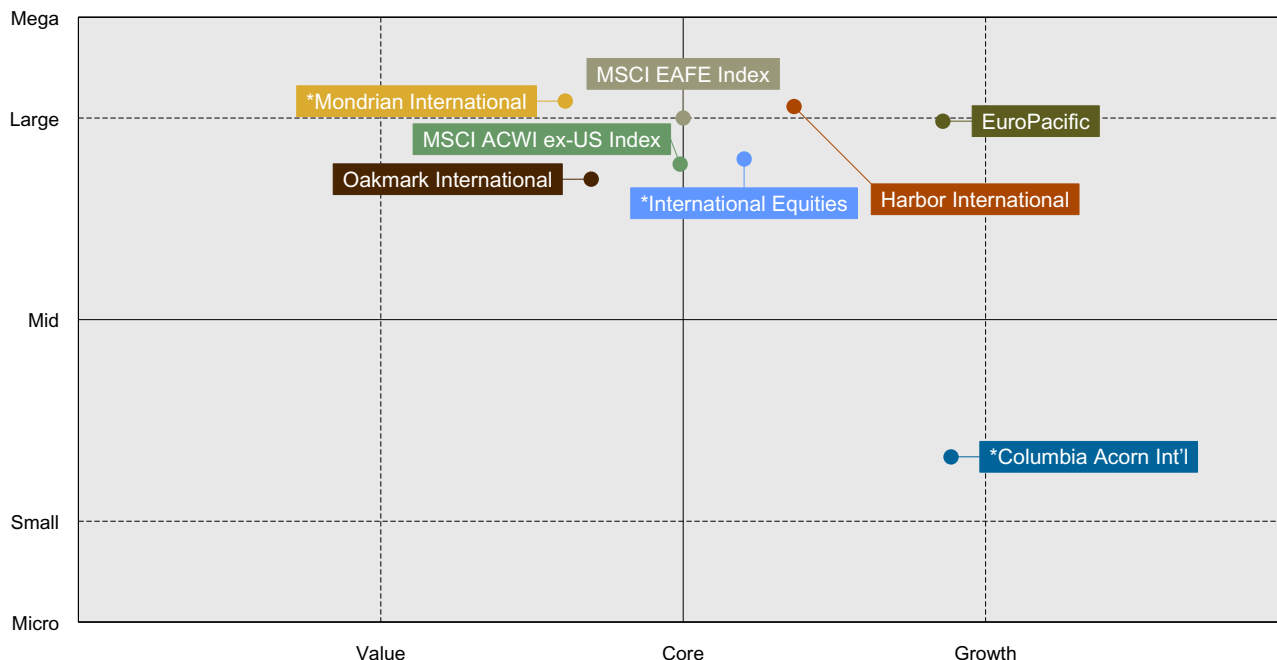
Country Weights as of June 30, 2016



International Holdings Based Style Analysis For One Quarter Ended June 30, 2016

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, 2016



	Weight %	Wtd Median Mkt Cap	Combined Z-Score	Growth Z-Score	Value Z-Score	Number of Securities	Security Diversification
EuroPacific	22.36%	29.40	0.71	0.35	(0.36)	265	36.24
Harbor International	22.32%	34.98	0.30	0.06	(0.24)	72	17.93
*Columbia Acorn Int'l	11.24%	4.67	0.74	0.23	(0.50)	128	37.17
Oakmark International	20.52%	23.96	(0.28)	0.04	0.32	55	15.51
*Mondrian International	23.55%	37.51	(0.36)	(0.21)	0.15	124	21.12
*International Equities	100.00%	25.85	0.16	0.07	(0.09)	549	67.42
MSCI EAFE Index	-	29.70	(0.01)	(0.01)	0.00	930	107.83
MSCI ACWI ex-US Index	-	25.37	(0.02)	(0.01)	0.01	1852	183.29

*6/30/16 portfolio characteristics generated using most recently available holdings (3/31/16) 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.

EuroPacific

Period Ended June 30, 2016

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.

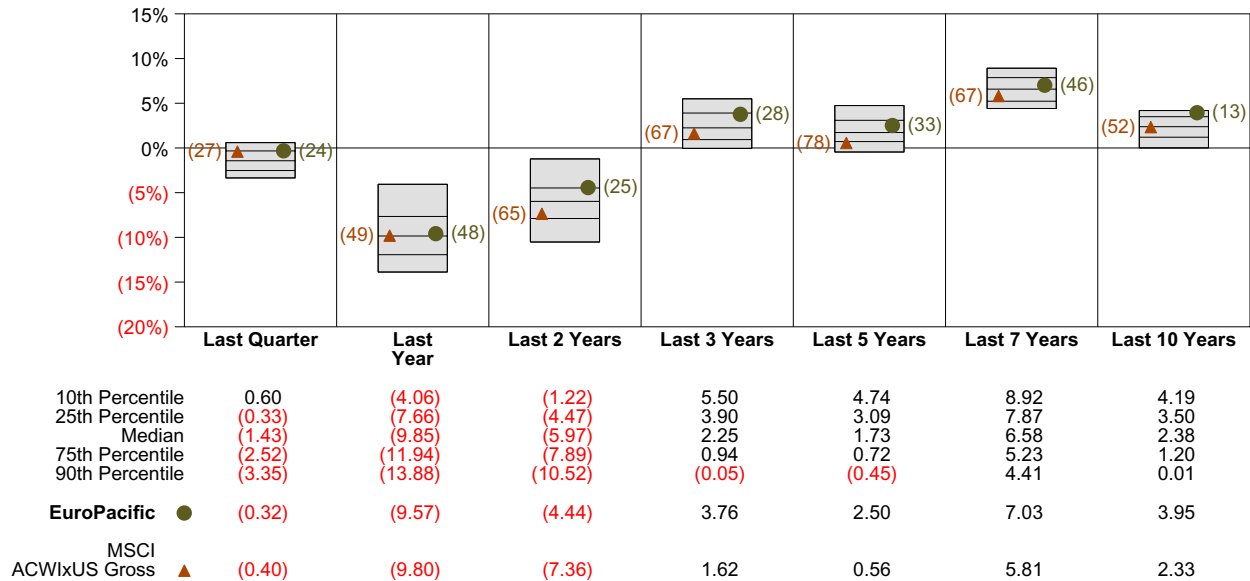
Quarterly Summary and Highlights

- EuroPacific's portfolio posted a (0.32)% return for the quarter placing it in the 24 percentile of the CAI Non US Equity Mutual Funds group for the quarter and in the 48 percentile for the last year.
- EuroPacific's portfolio outperformed the MSCI ACWixUS Gross by 0.09% for the quarter and outperformed the MSCI ACWixUS Gross for the year by 0.24%.

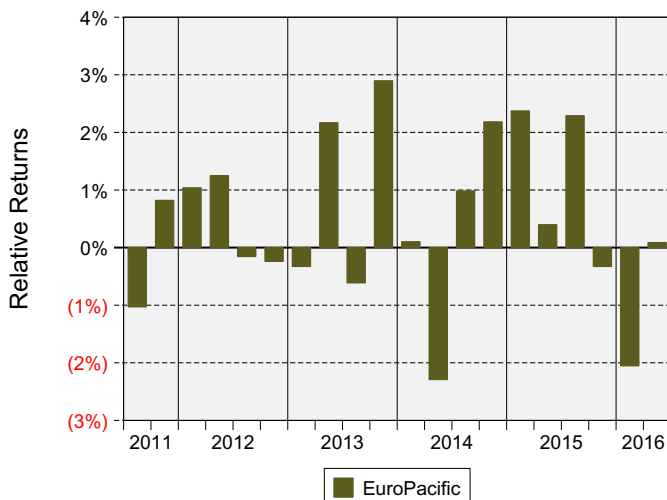
Quarterly Asset Growth

Beginning Market Value	\$21,753,029
Net New Investment	\$0
Investment Gains/(Losses)	\$-68,792
Ending Market Value	\$21,684,238

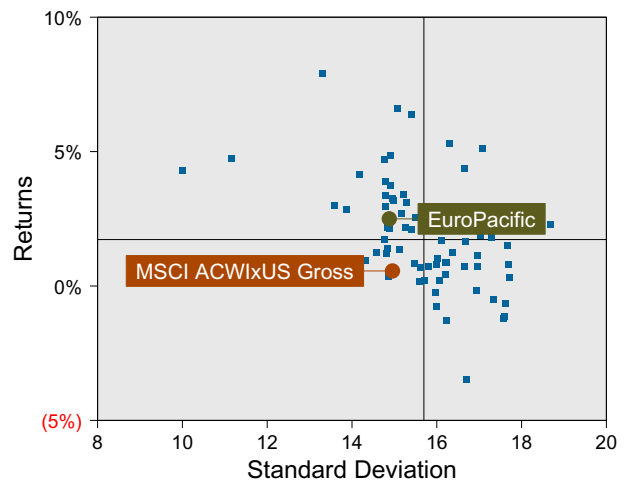
Performance vs CAI Non US Equity Mutual Funds (Net)



Relative Return vs MSCI ACWixUS Gross



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

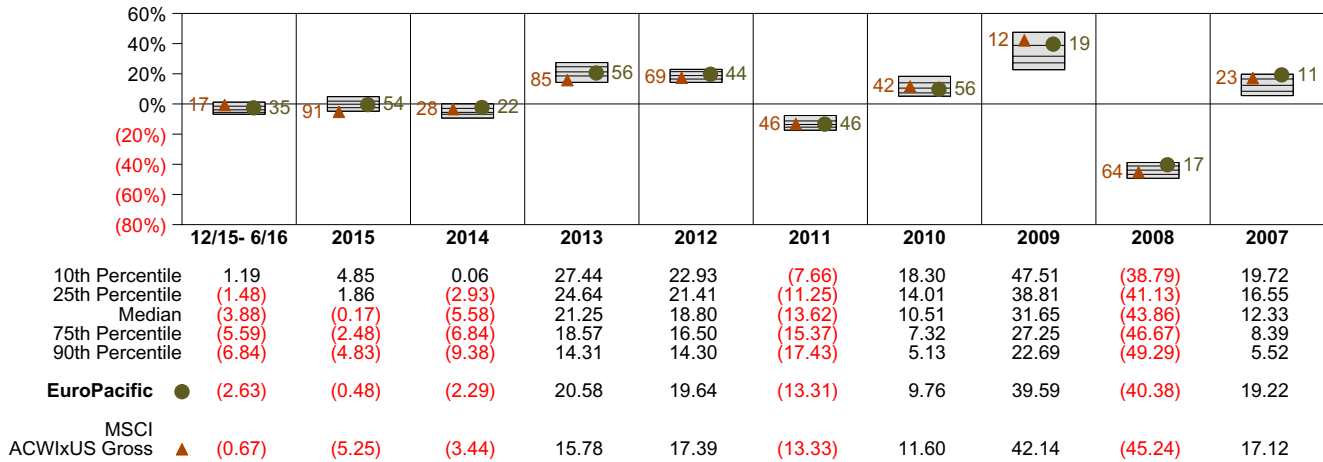


EuroPacific Return Analysis Summary

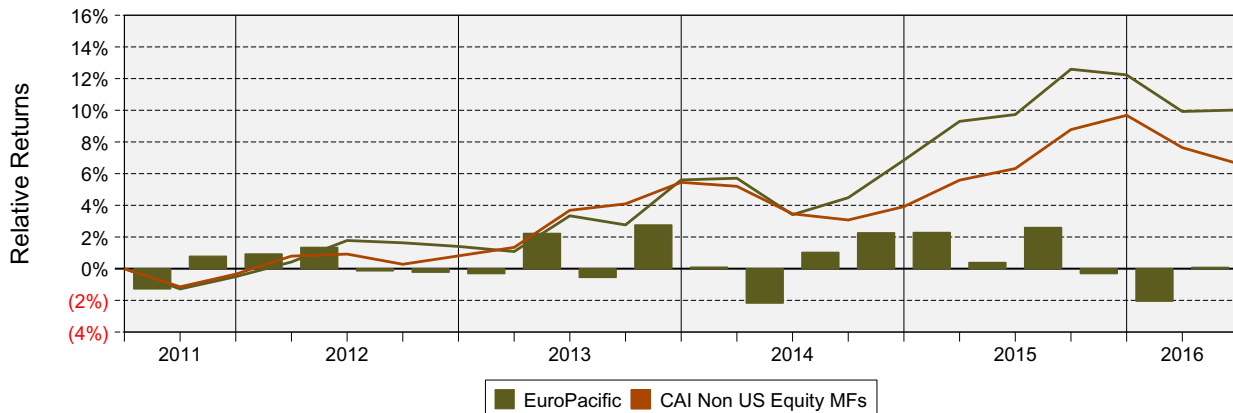
Return Analysis

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 two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

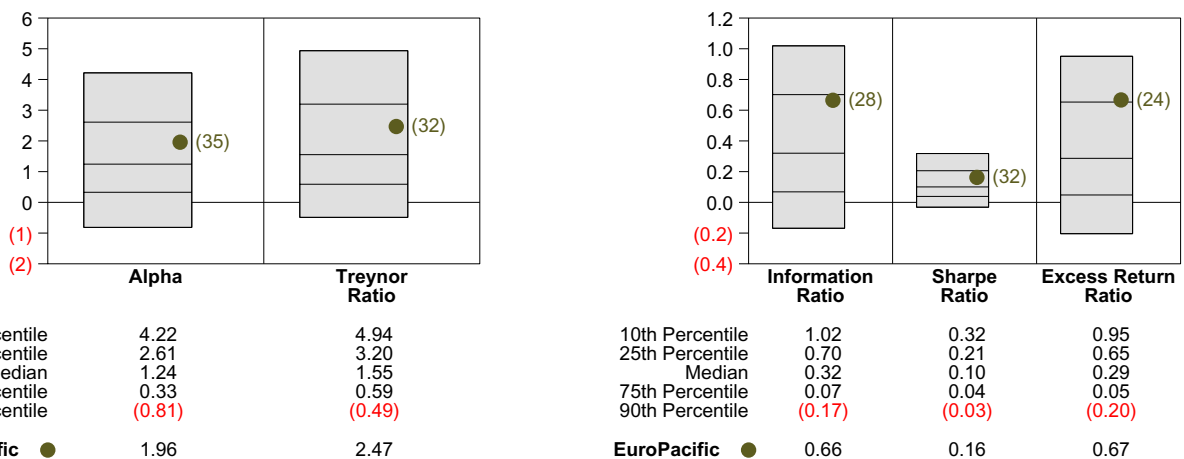
Performance vs CAI Non US Equity Mutual Funds (Net)



Cumulative and Quarterly Relative Return vs MSCI ACWIxUS Gross



Risk Adjusted Return Measures vs MSCI ACWIxUS Gross Rankings Against CAI Non US Equity Mutual Funds (Net) Five Years Ended June 30, 2016

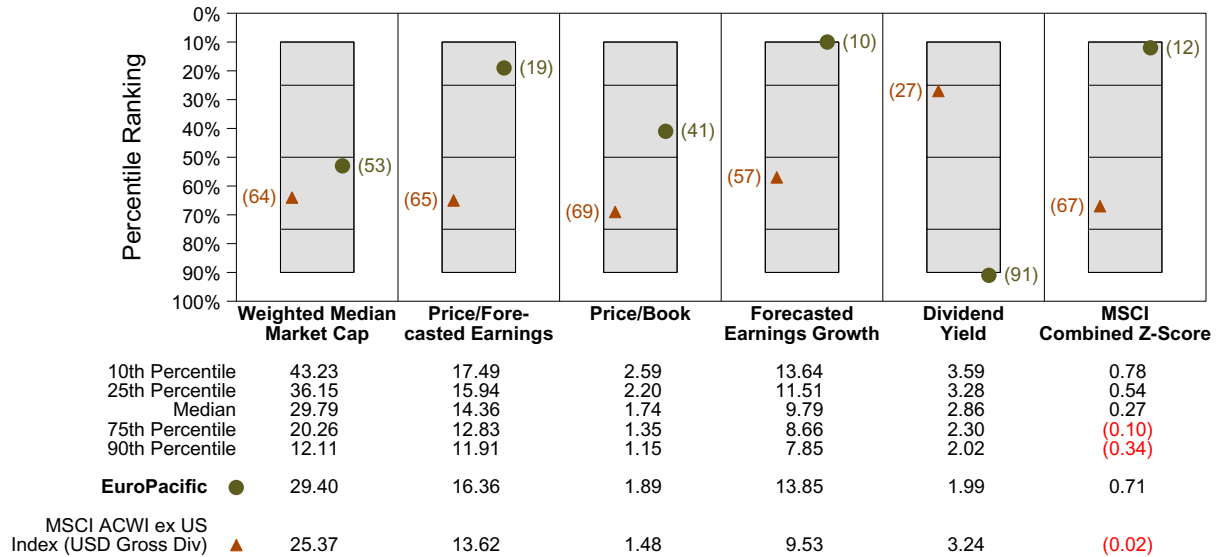


EuroPacific Equity Characteristics Analysis Summary

Portfolio Characteristics

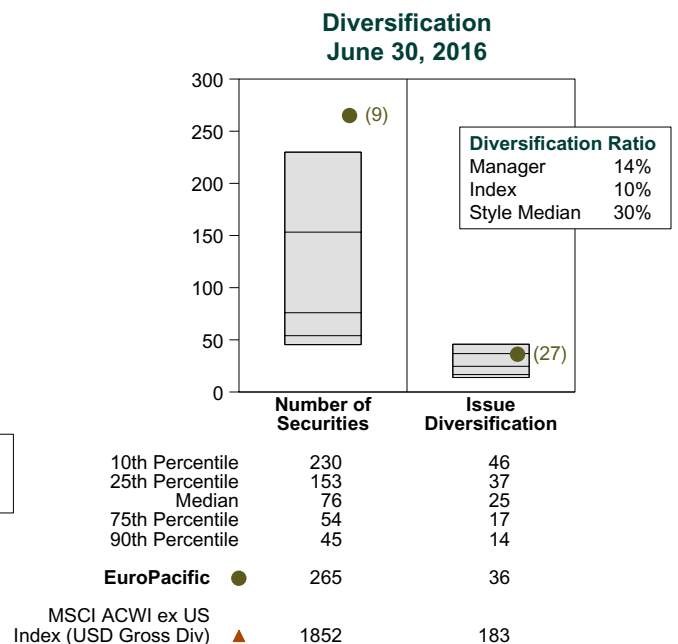
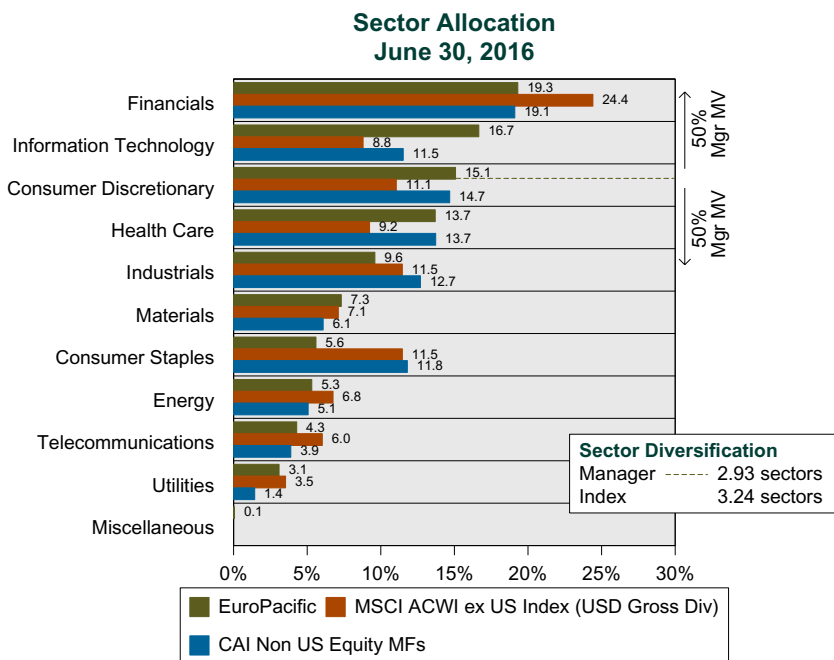
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Portfolio Characteristics Percentile Rankings Rankings Against CAI Non US Equity Mutual Funds as of June 30, 2016



Sector Weights

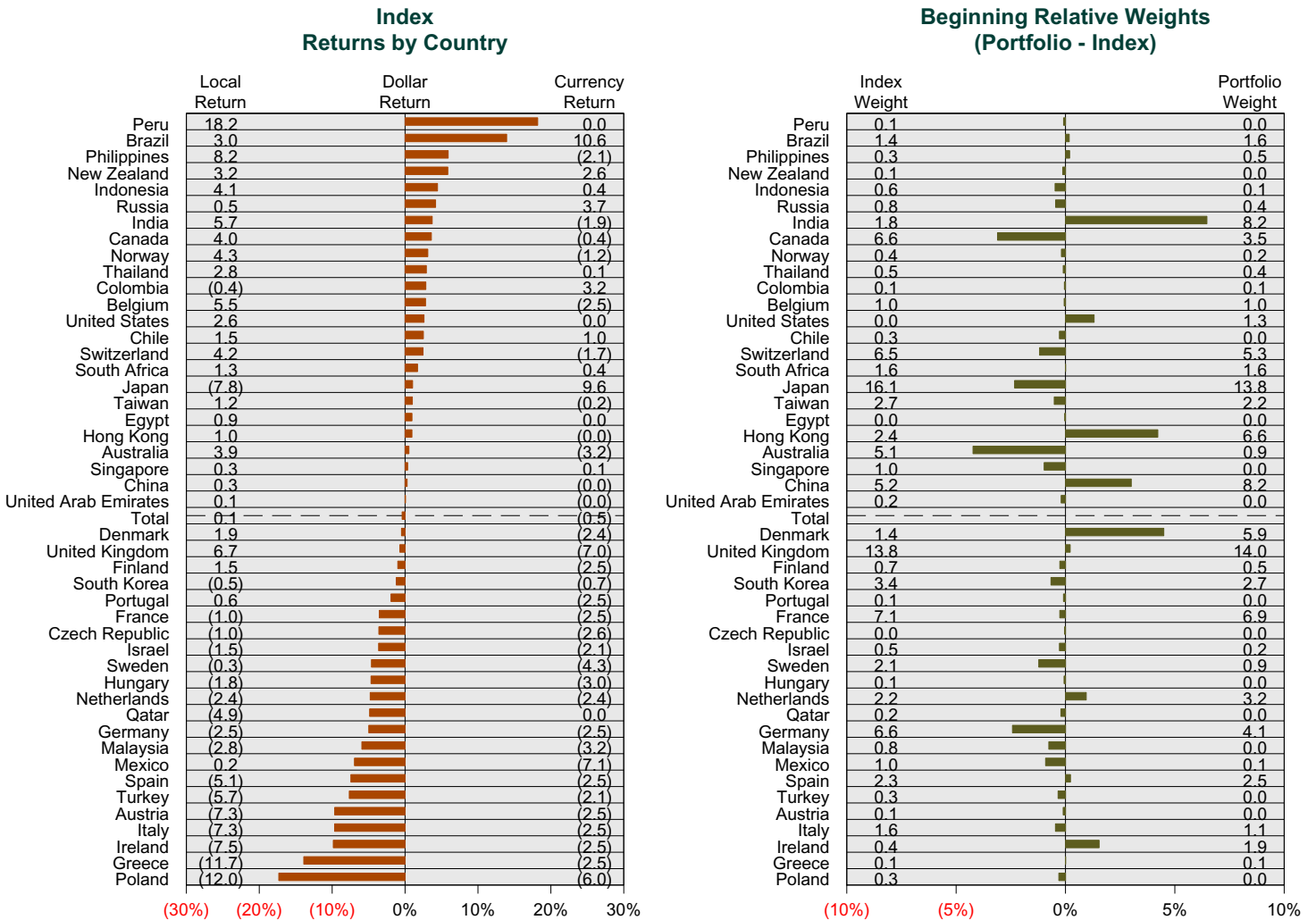
The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration 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.



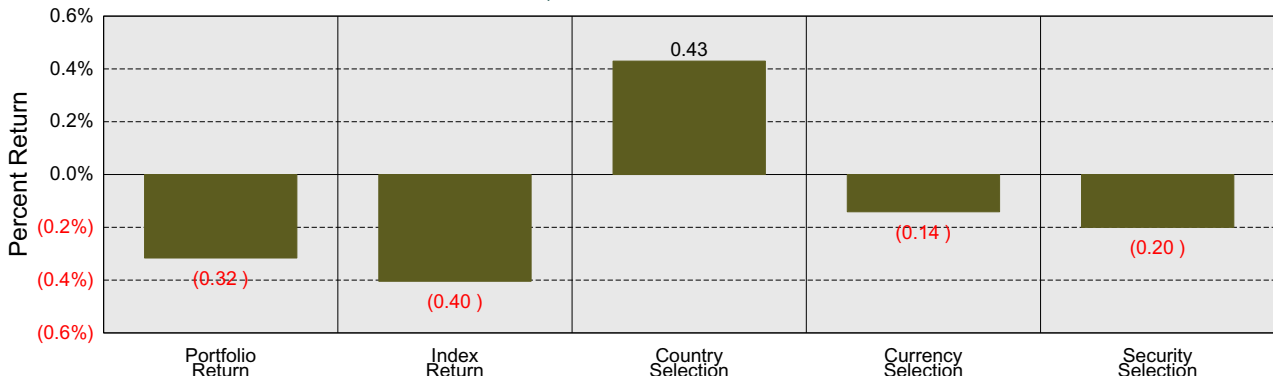
EuroPacific vs MSCI ACWixUS Gross Attribution for Quarter Ended June 30, 2016

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, 2016



Harbor International Period Ended June 30, 2016

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.

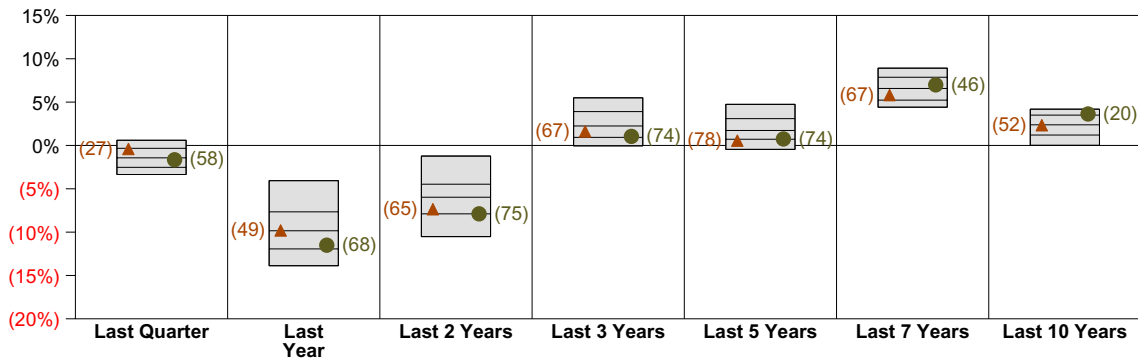
Quarterly Summary and Highlights

- Harbor International's portfolio posted a (1.64)% return for the quarter placing it in the 58 percentile of the CAI Non US Equity Mutual Funds group for the quarter and in the 68 percentile for the last year.
- Harbor International's portfolio underperformed the MSCI ACWixUS Gross by 1.24% for the quarter and underperformed the MSCI ACWixUS Gross for the year by 1.70%.

Quarterly Asset Growth

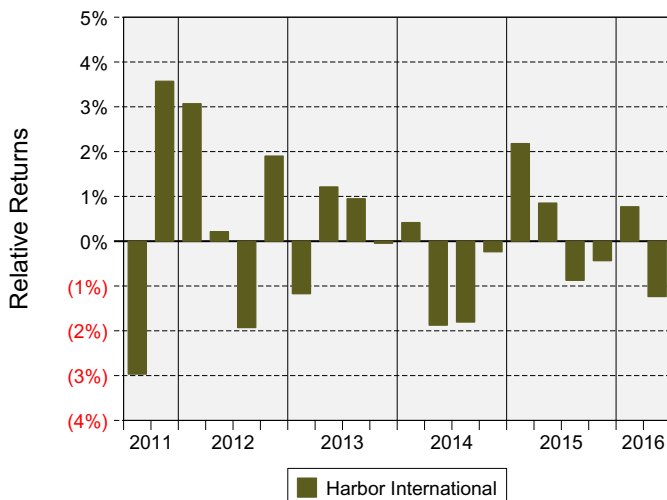
Beginning Market Value	\$22,008,418
Net New Investment	\$0
Investment Gains/(Losses)	\$-361,096
Ending Market Value	\$21,647,323

Performance vs CAI Non US Equity Mutual Funds (Net)

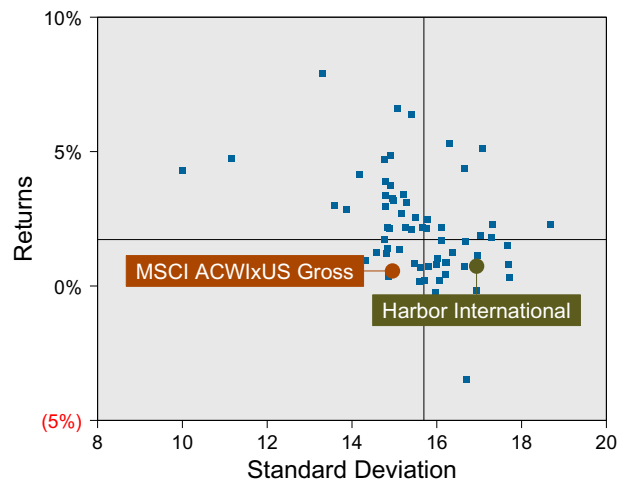


10th Percentile	0.60	(4.06)	(1.22)	5.50	4.74	8.92	4.19
25th Percentile	(0.33)	(7.66)	(4.47)	3.90	3.09	7.87	3.50
Median	(1.43)	(9.85)	(5.97)	2.25	1.73	6.58	2.38
75th Percentile	(2.52)	(11.94)	(7.89)	0.94	0.72	5.23	1.20
90th Percentile	(3.35)	(13.88)	(10.52)	(0.05)	(0.45)	4.41	0.01
Harbor International	● (1.64)	(11.51)	(7.89)	1.04	0.74	6.98	3.61
MSCI ACWixUS Gross	▲ (0.40)	(9.80)	(7.36)	1.62	0.56	5.81	2.33

Relative Return vs MSCI ACWixUS Gross



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

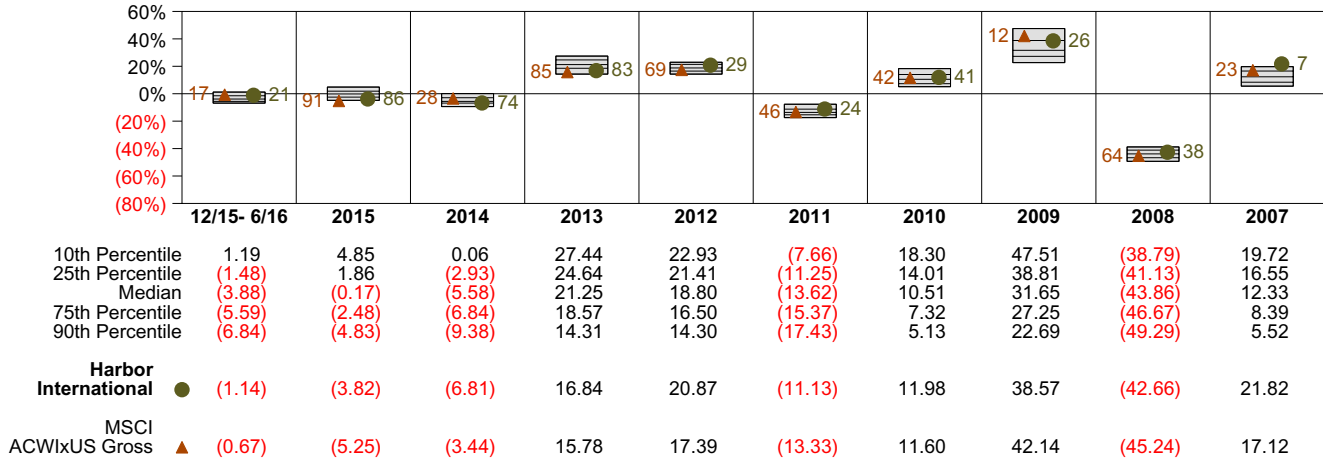


Harbor International Return Analysis Summary

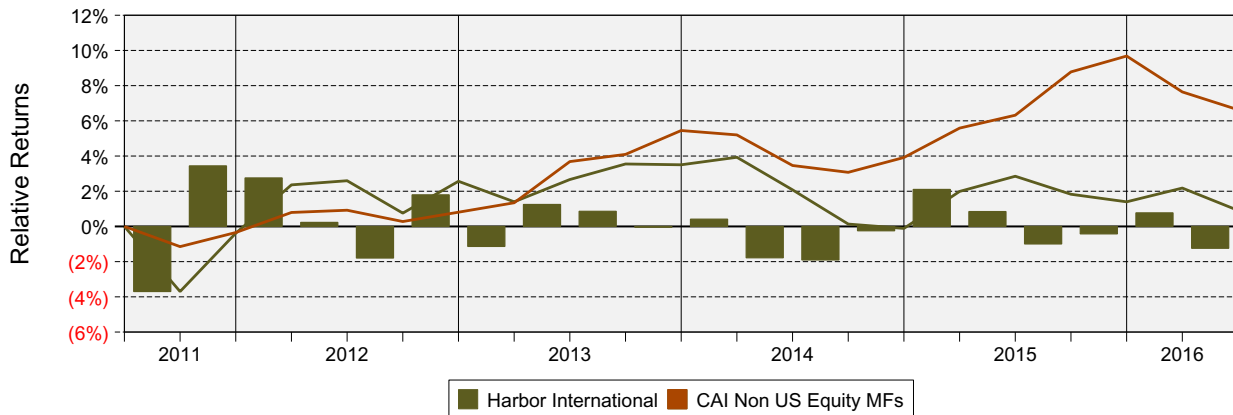
Return Analysis

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 two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

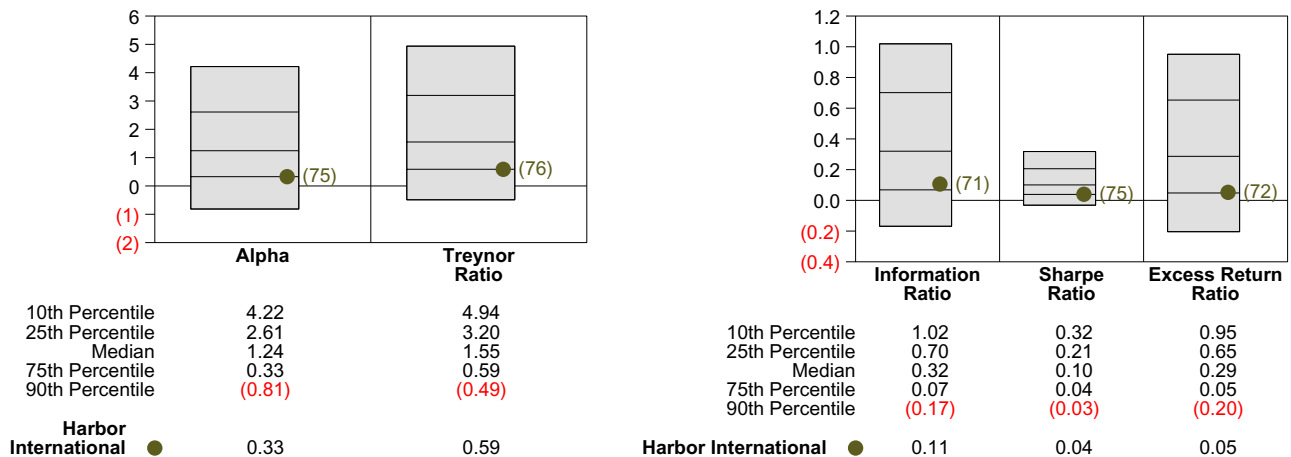
Performance vs CAI Non US Equity Mutual Funds (Net)



Cumulative and Quarterly Relative Return vs MSCI ACWIxUS Gross



Risk Adjusted Return Measures vs MSCI ACWIxUS Gross Rankings Against CAI Non US Equity Mutual Funds (Net) Five Years Ended June 30, 2016

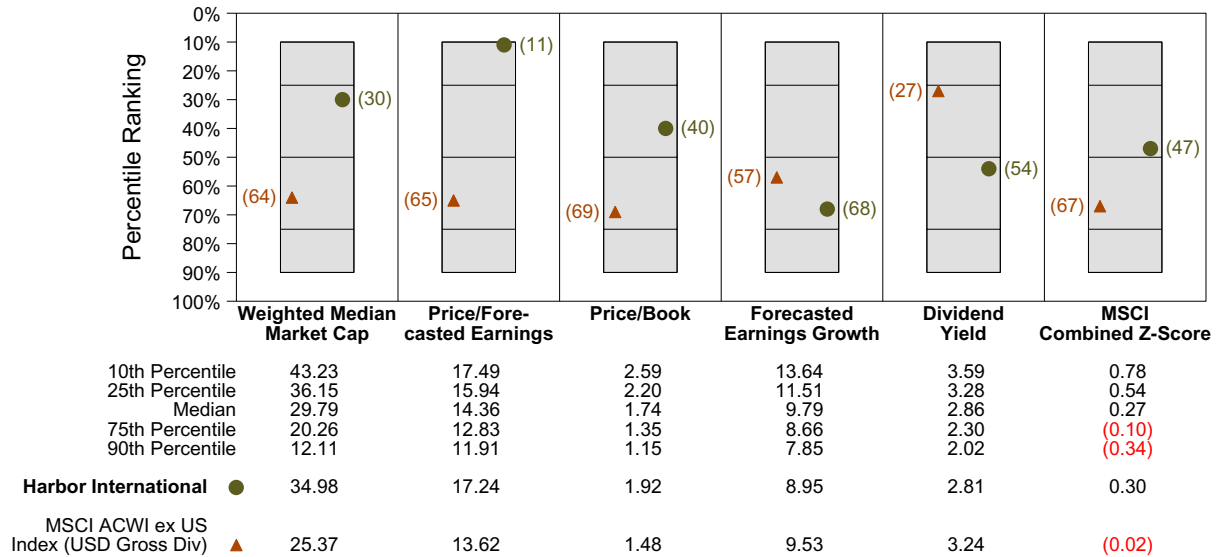


Harbor International Equity Characteristics Analysis Summary

Portfolio Characteristics

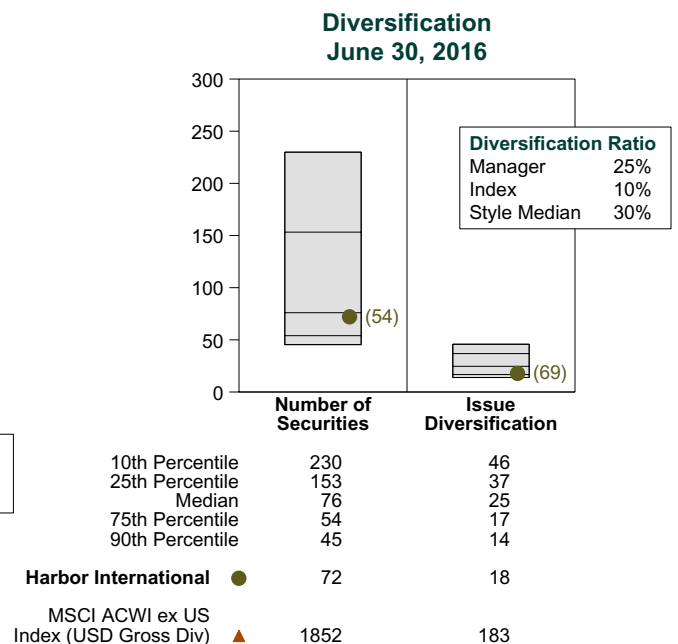
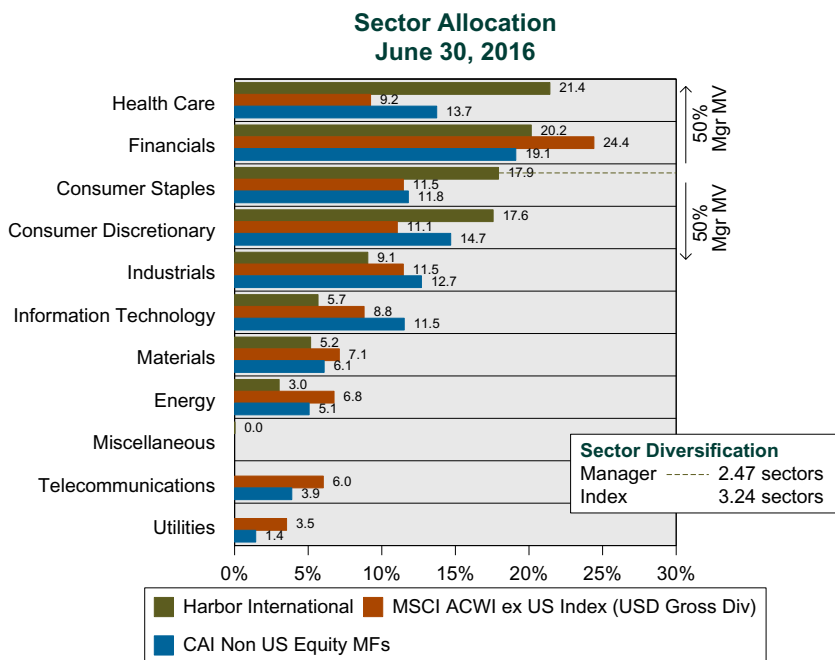
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Portfolio Characteristics Percentile Rankings Rankings Against CAI Non US Equity Mutual Funds as of June 30, 2016



Sector Weights

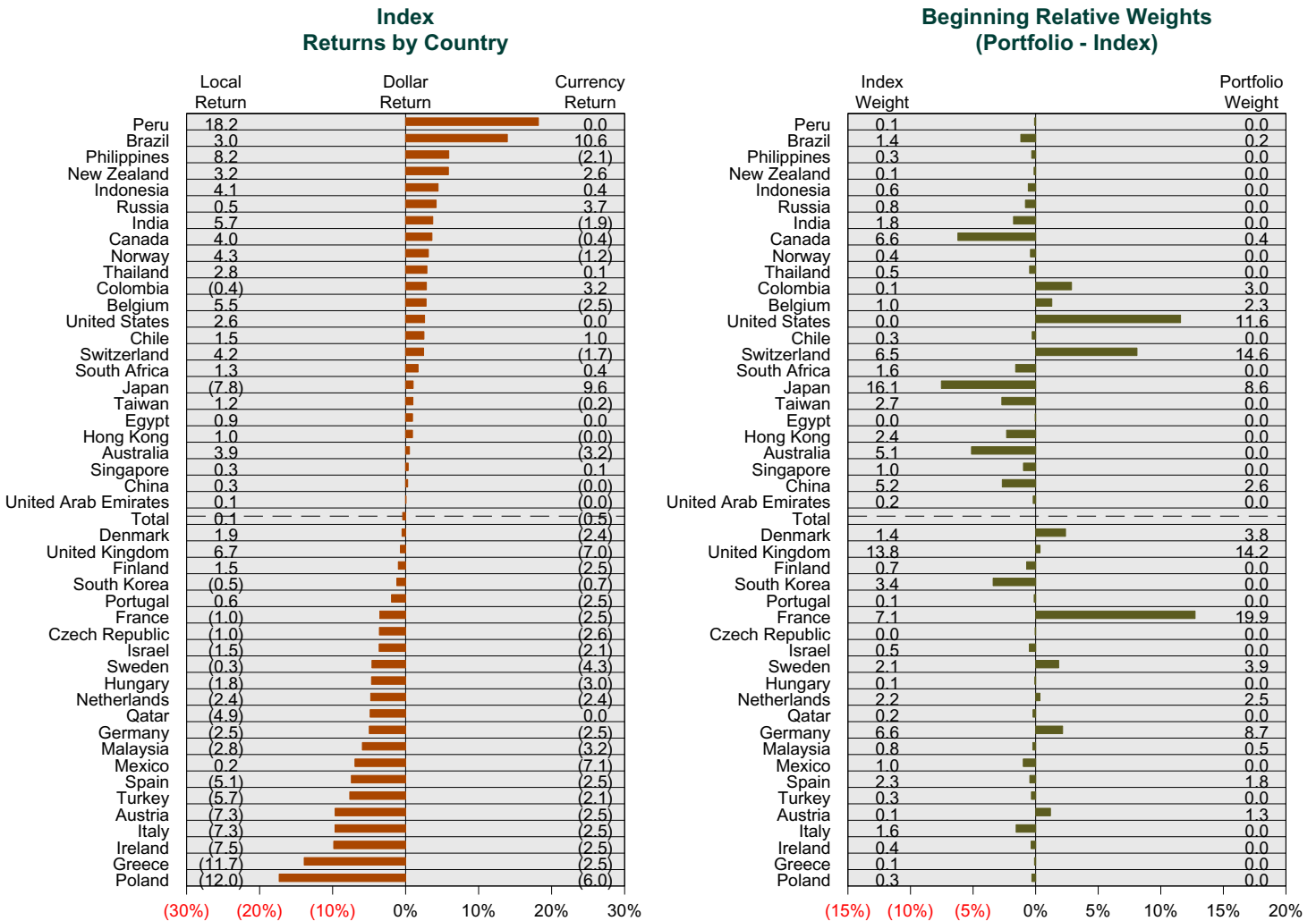
The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration 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.



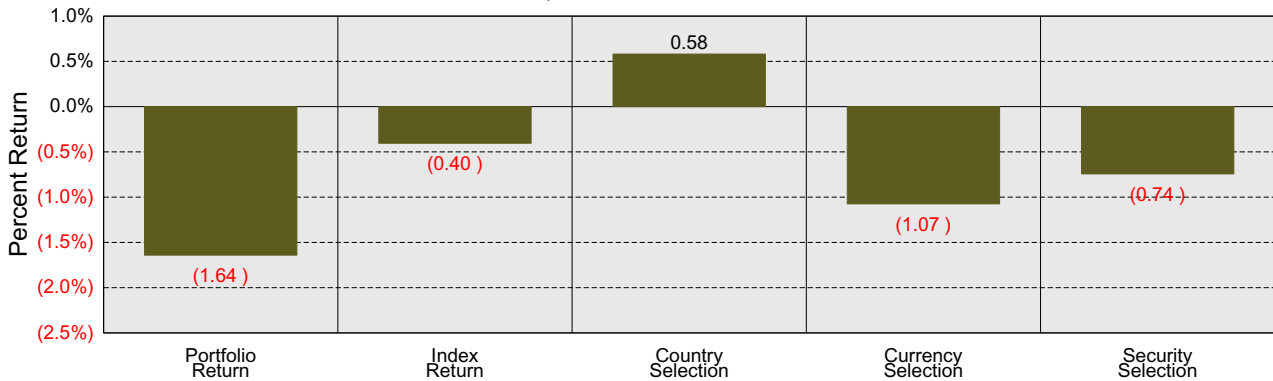
Harbor International vs MSCI ACWIxUS Gross Attribution for Quarter Ended June 30, 2016

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, 2016



Columbia Acorn International Period Ended June 30, 2016

Investment Philosophy

Non-U.S. Equity Style mutual funds invest in only non-U.S. equity securities. This style group excludes regional and index funds. Switched from Class Z shares to Class Y shares in February 2014.

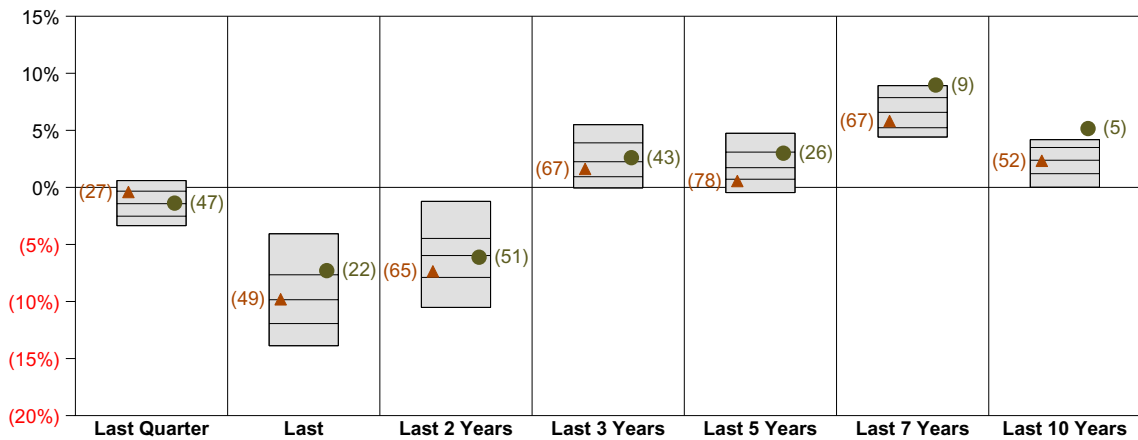
Quarterly Summary and Highlights

- Columbia Acorn International's portfolio posted a (1.38)% return for the quarter placing it in the 47 percentile of the CAI Non US Equity Mutual Funds group for the quarter and in the 22 percentile for the last year.
- Columbia Acorn International's portfolio underperformed the MSCI ACWixUS Gross by 0.97% for the quarter and outperformed the MSCI ACWixUS Gross for the year by 2.51%.

Quarterly Asset Growth

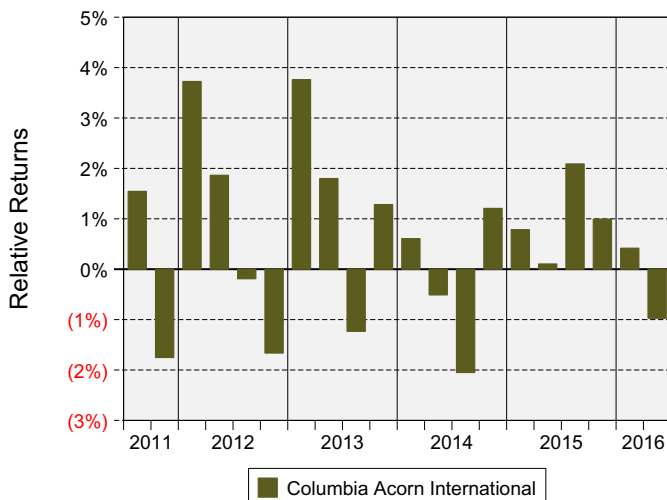
Beginning Market Value	\$11,054,122
Net New Investment	\$0
Investment Gains/(Losses)	\$-152,314
Ending Market Value	\$10,901,809

Performance vs CAI Non US Equity Mutual Funds (Net)

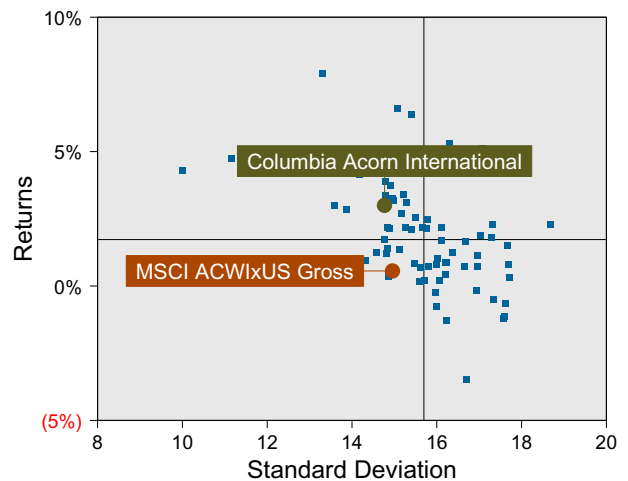


10th Percentile	0.60	(4.06)	(1.22)	5.50	4.74	8.92	4.19
25th Percentile	(0.33)	(7.66)	(4.47)	3.90	3.09	7.87	3.50
Median	(1.43)	(9.85)	(5.97)	2.25	1.73	6.58	2.38
75th Percentile	(2.52)	(11.94)	(7.89)	0.94	0.72	5.23	1.20
90th Percentile	(3.35)	(13.88)	(10.52)	(0.05)	(0.45)	4.41	0.01
Columbia Acorn International	● (1.38)	(7.30)	(6.12)	2.59	3.00	8.96	5.15
MSCI ACWixUS Gross	▲ (0.40)	(9.80)	(7.36)	1.62	0.56	5.81	2.33

Relative Return vs MSCI ACWixUS Gross



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

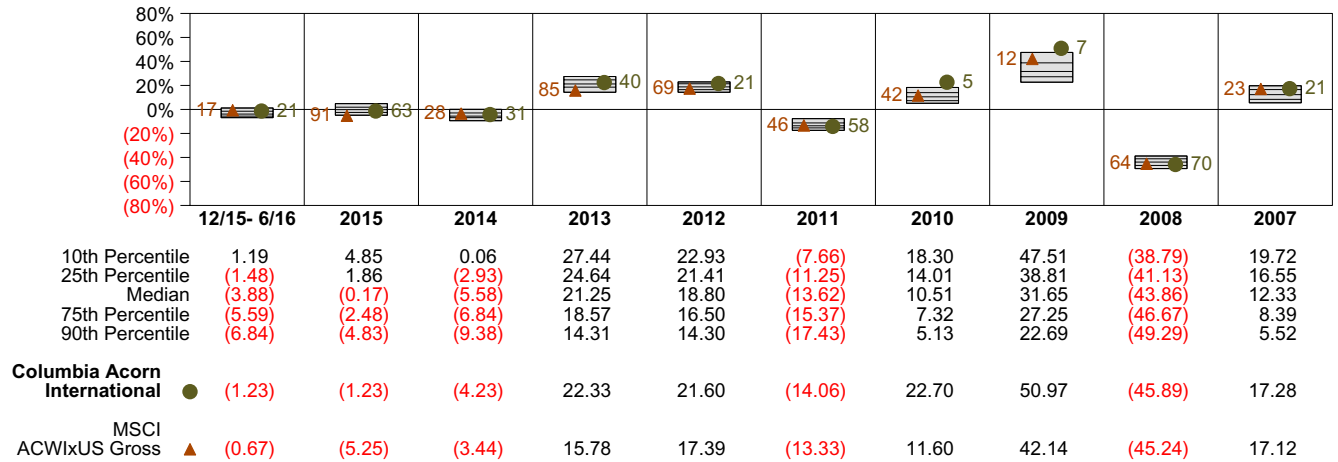


Columbia Acorn International Return Analysis Summary

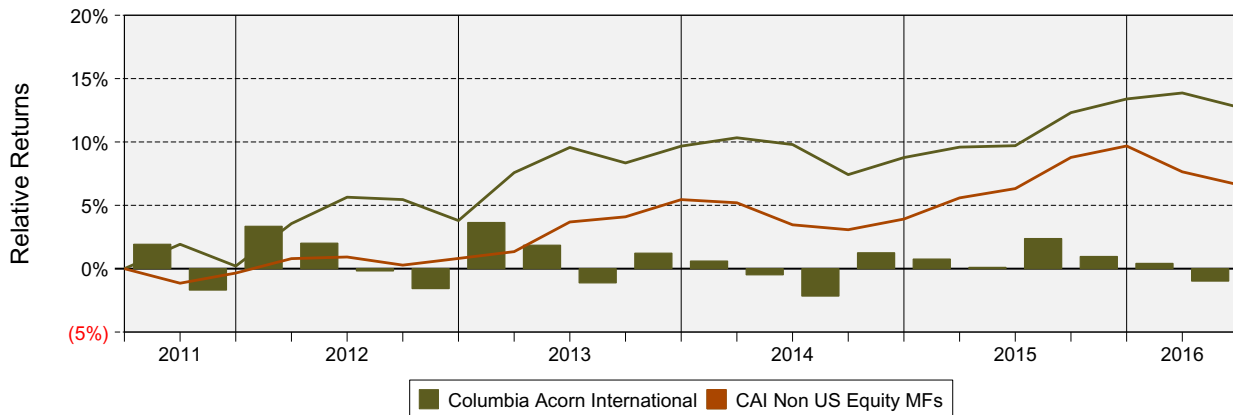
Return Analysis

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 two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

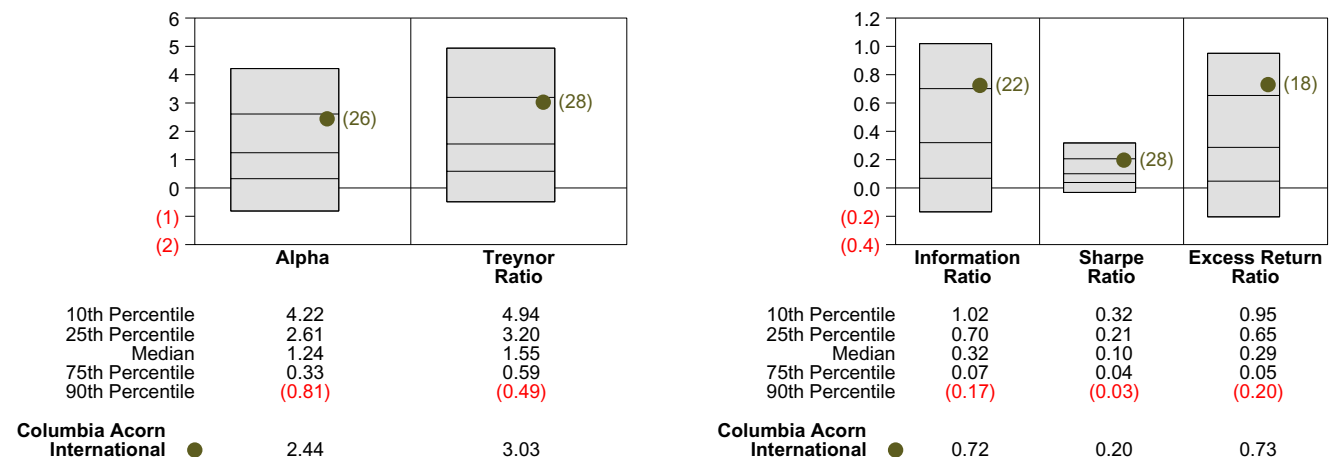
Performance vs CAI Non US Equity Mutual Funds (Net)



Cumulative and Quarterly Relative Return vs MSCI ACWixUS Gross



Risk Adjusted Return Measures vs MSCI ACWixUS Gross Rankings Against CAI Non US Equity Mutual Funds (Net) Five Years Ended June 30, 2016



Columbia Acorn International Equity Characteristics Analysis Summary

Portfolio Characteristics

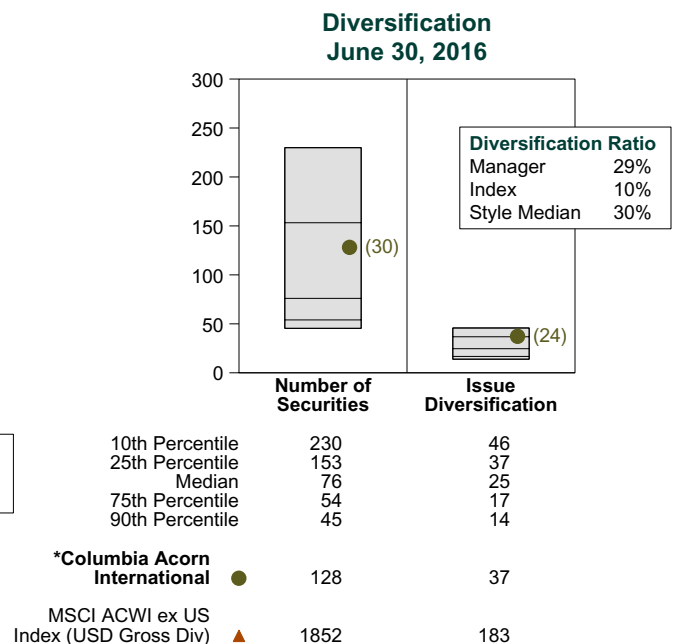
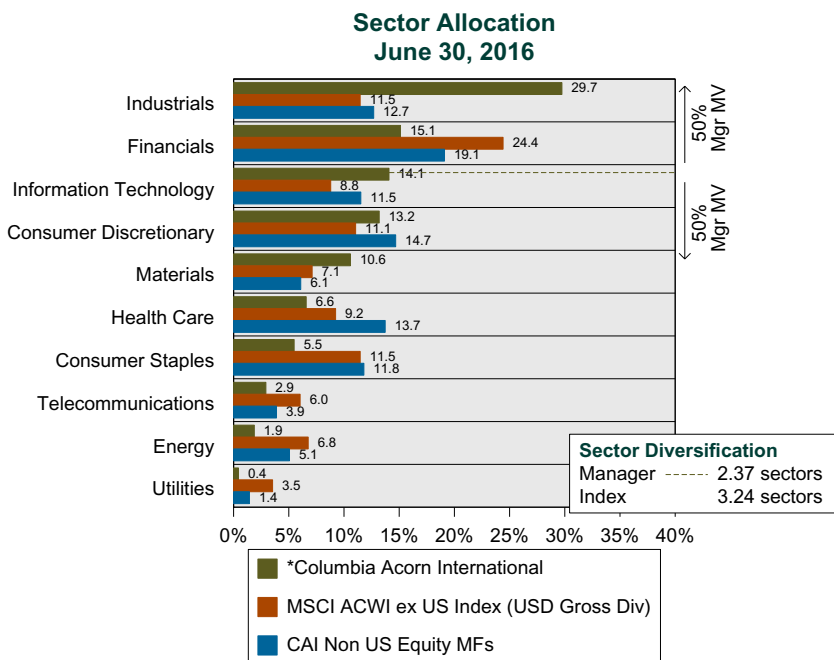
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Portfolio Characteristics Percentile Rankings Rankings Against CAI Non US Equity Mutual Funds as of June 30, 2016



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.

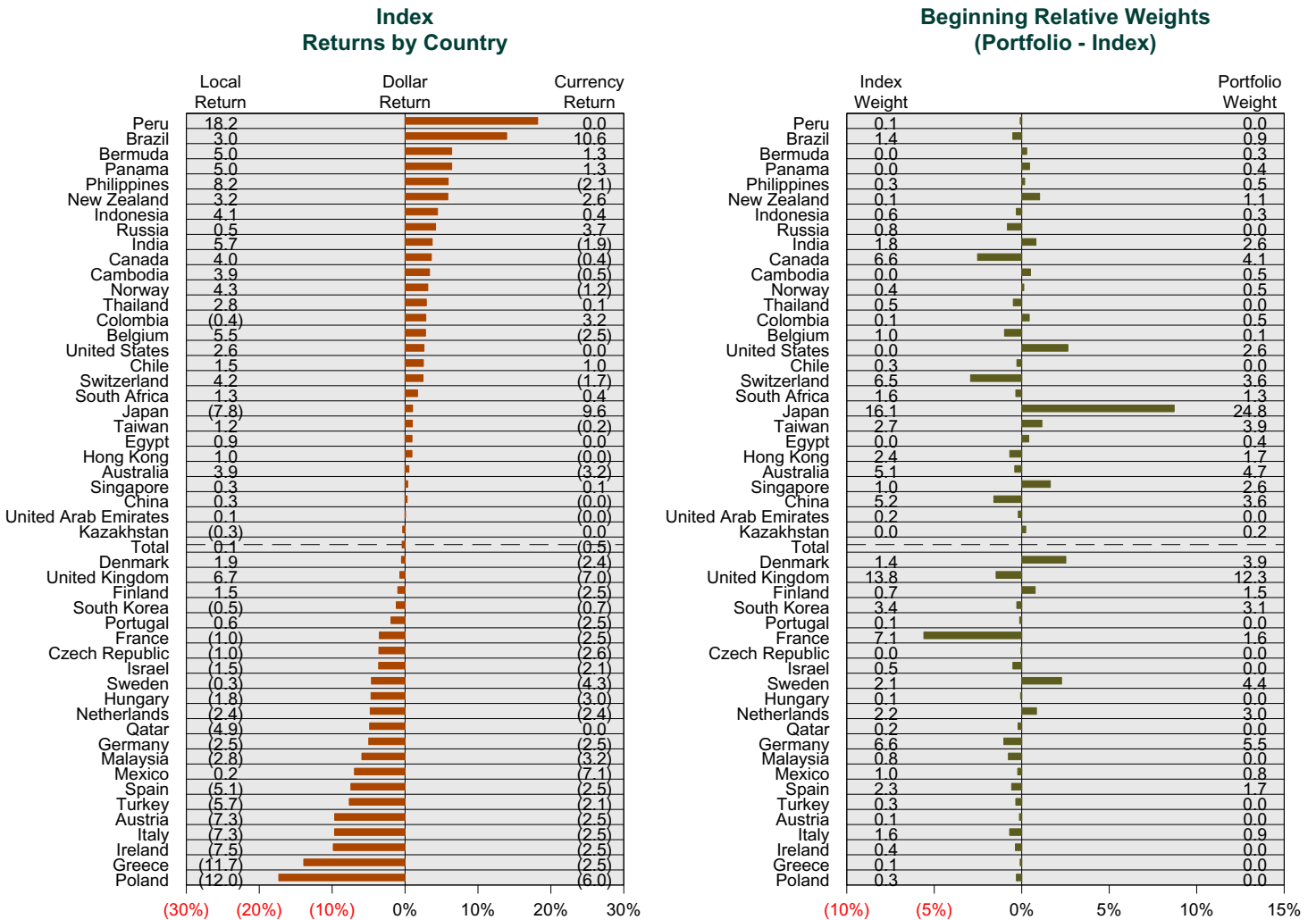


*6/30/16 portfolio characteristics generated using most recently available holdings (3/31/16) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.

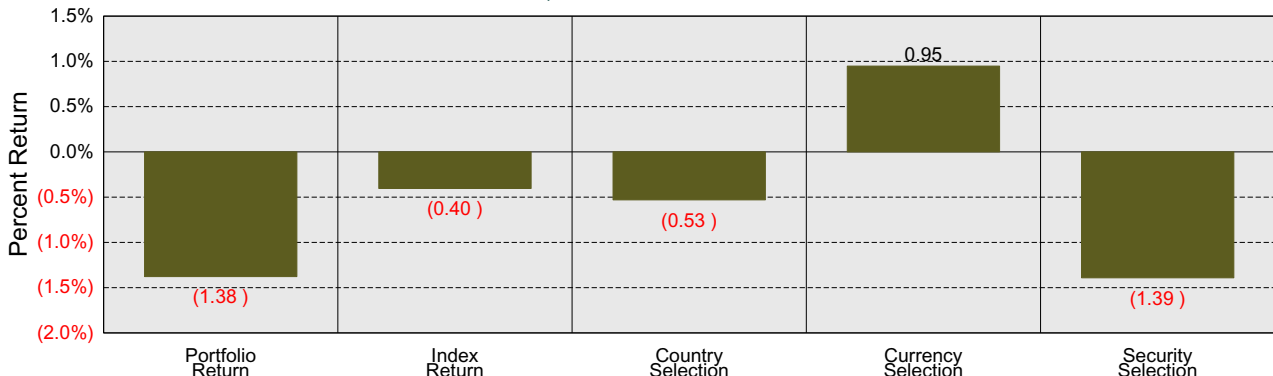
Columbia Acorn International vs MSCI ACWixUS Gross Attribution for Quarter Ended June 30, 2016

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, 2016



Oakmark International

Period Ended June 30, 2016

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.

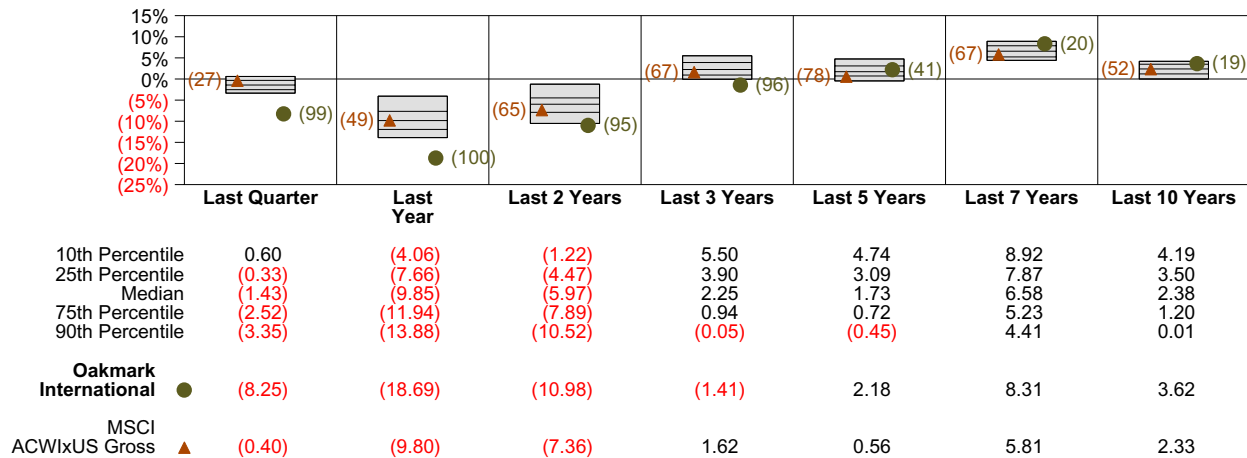
Quarterly Summary and Highlights

- Oakmark International's portfolio posted a (8.25)% return for the quarter placing it in the 99 percentile of the CAI Non US Equity Mutual Funds group for the quarter and in the 100 percentile for the last year.
- Oakmark International's portfolio underperformed the MSCI ACWixUS Gross by 7.84% for the quarter and underperformed the MSCI ACWixUS Gross for the year by 8.88%.

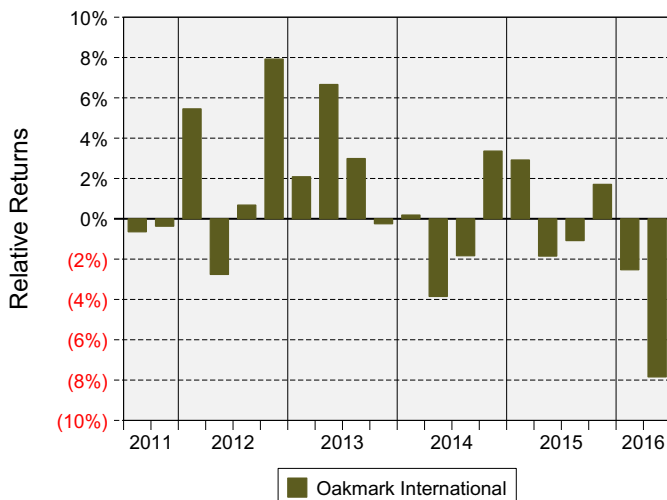
Quarterly Asset Growth

Beginning Market Value	\$21,690,761
Net New Investment	\$0
Investment Gains/(Losses)	-\$1,789,136
Ending Market Value	\$19,901,625

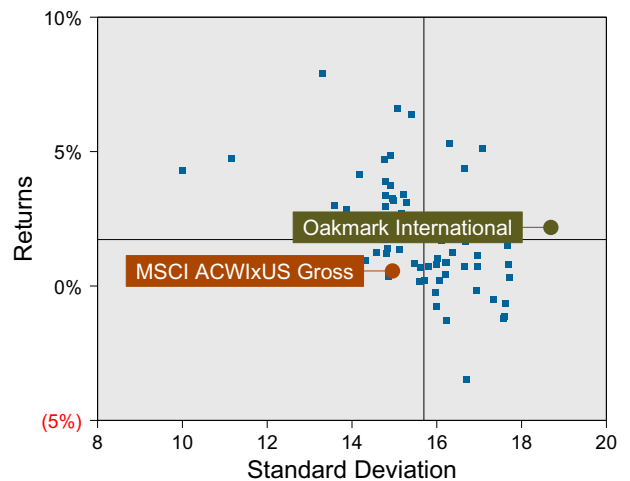
Performance vs CAI Non US Equity Mutual Funds (Net)



Relative Return vs MSCI ACWixUS Gross



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

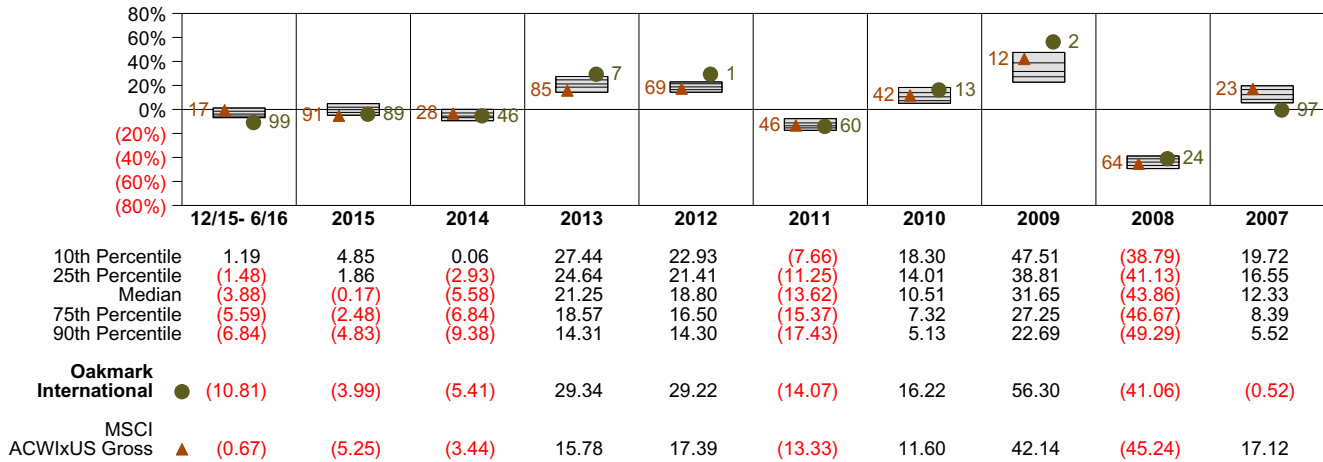


Oakmark International Return Analysis Summary

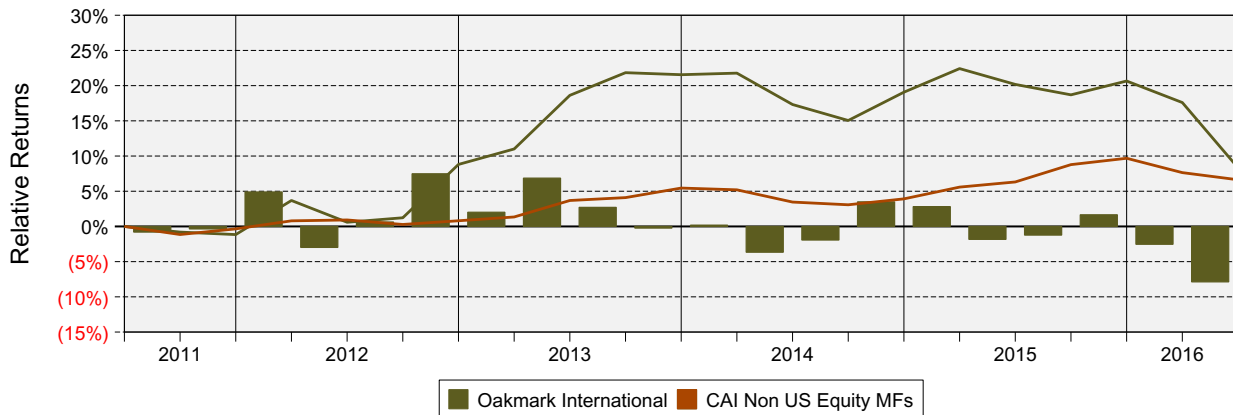
Return Analysis

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 two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

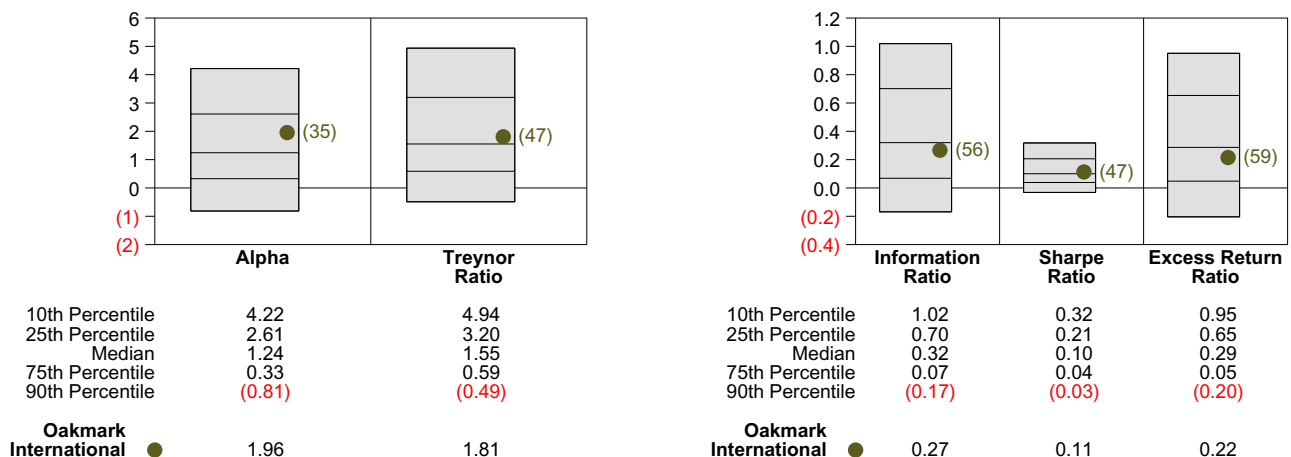
Performance vs CAI Non US Equity Mutual Funds (Net)



Cumulative and Quarterly Relative Return vs MSCI ACWixUS Gross



Risk Adjusted Return Measures vs MSCI ACWixUS Gross Rankings Against CAI Non US Equity Mutual Funds (Net) Five Years Ended June 30, 2016

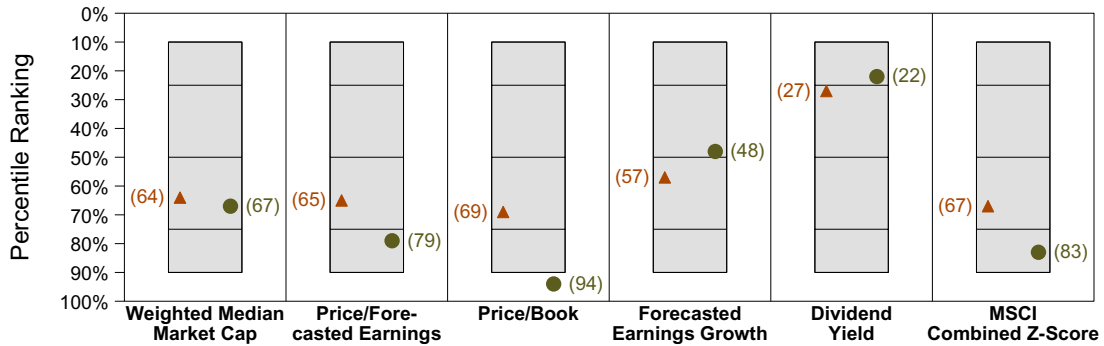


Oakmark International Equity Characteristics Analysis Summary

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 CAI Non US Equity Mutual Funds as of June 30, 2016

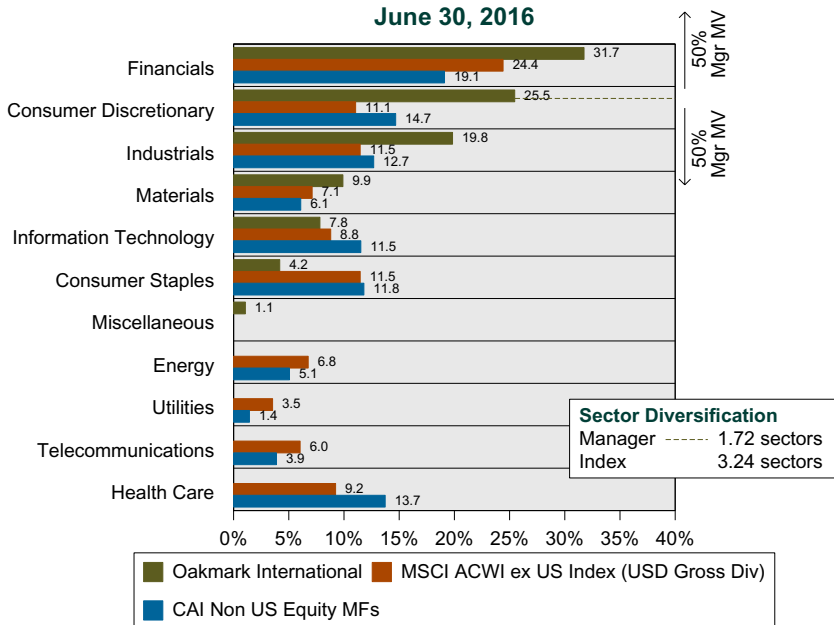


	Weighted Median Market Cap	Price/Forecasted Earnings	Price/Book	Forecasted Earnings Growth	Dividend Yield	MSCI Combined Z-Score
10th Percentile	43.23	17.49	2.59	13.64	3.59	0.78
25th Percentile	36.15	15.94	2.20	11.51	3.28	0.54
Median	29.79	14.36	1.74	9.79	2.86	0.27
75th Percentile	20.26	12.83	1.35	8.66	2.30	(0.10)
90th Percentile	12.11	11.91	1.15	7.85	2.02	(0.34)
Oakmark International ●	23.59	12.45	1.10	9.98	3.35	(0.25)
MSCI ACWI ex US Index (USD Gross Div) ▲	25.37	13.62	1.48	9.53	3.24	(0.02)

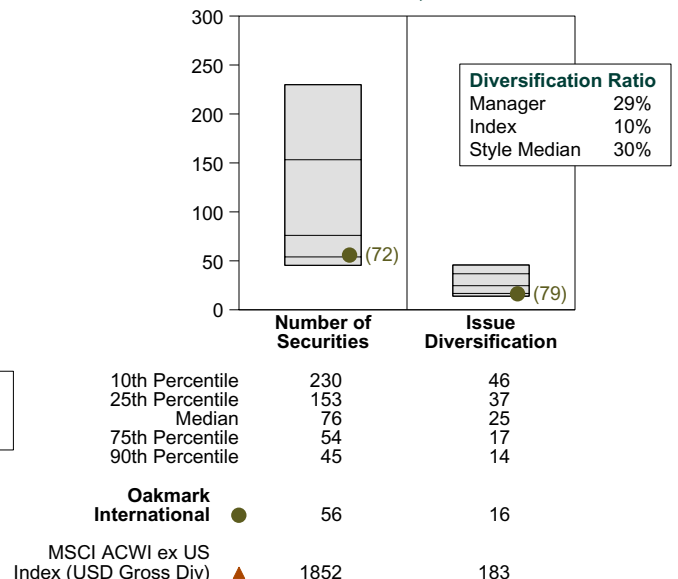
Sector Weights

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, 2016



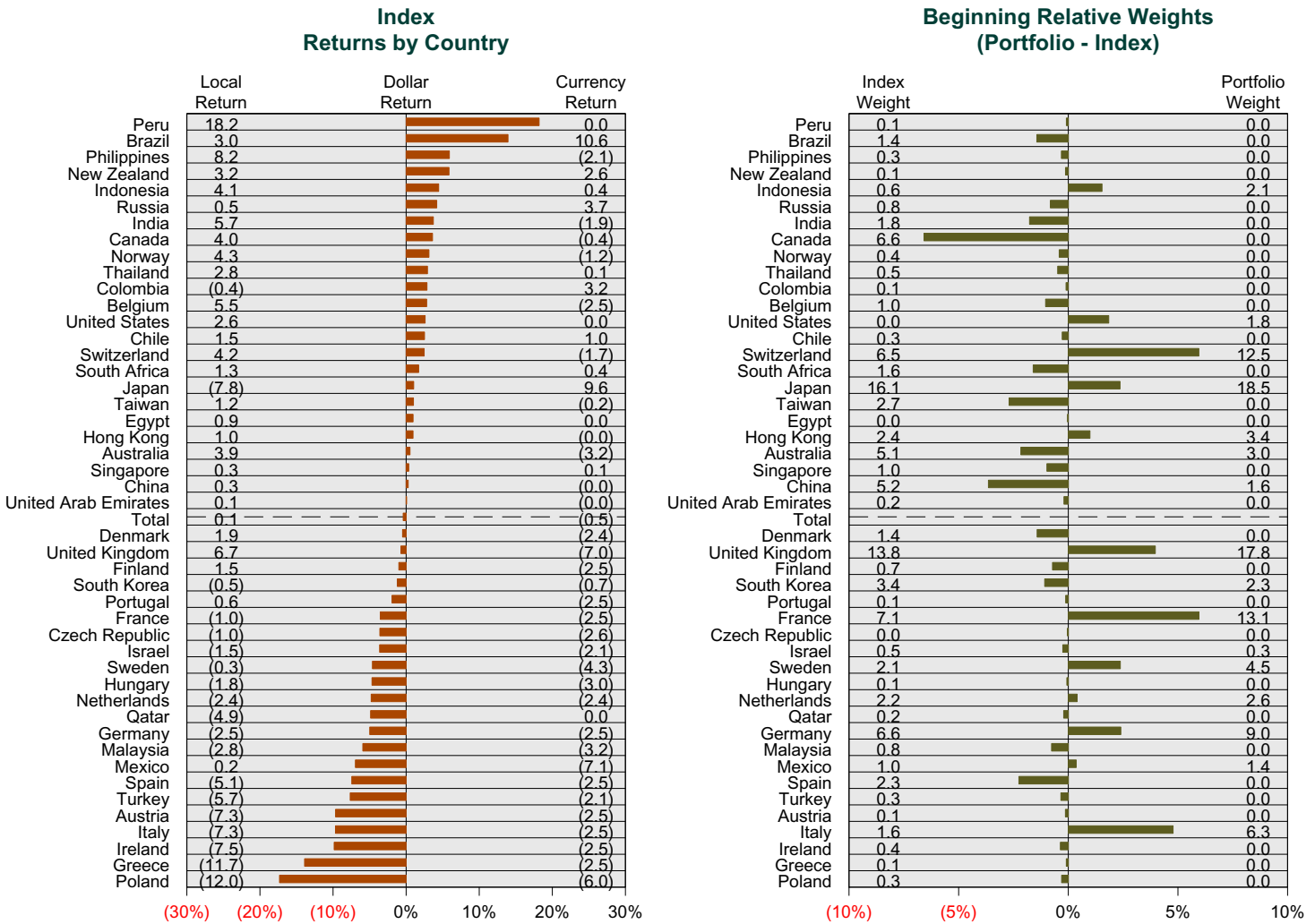
Diversification June 30, 2016



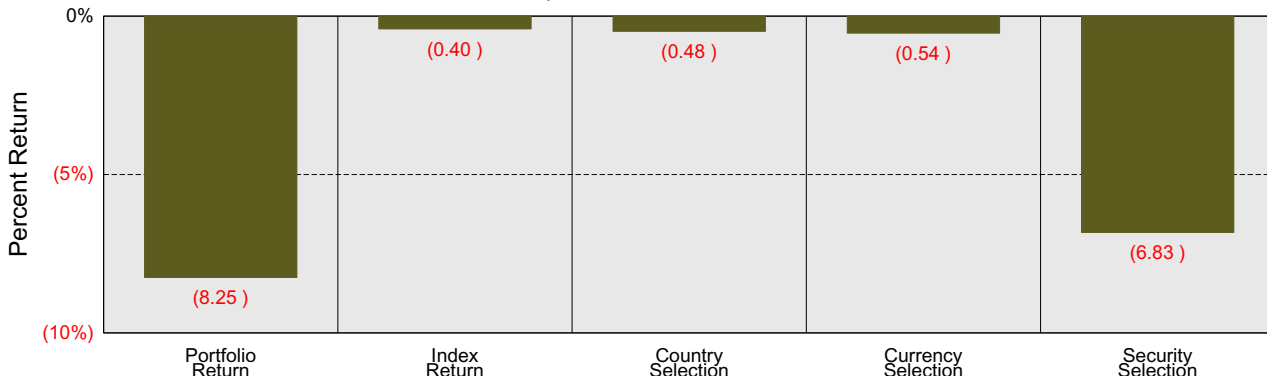
Oakmark International vs MSCI ACWIxUS Gross Attribution for Quarter Ended June 30, 2016

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, 2016



Mondrian International Period Ended June 30, 2016

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 77 bps on all assets.

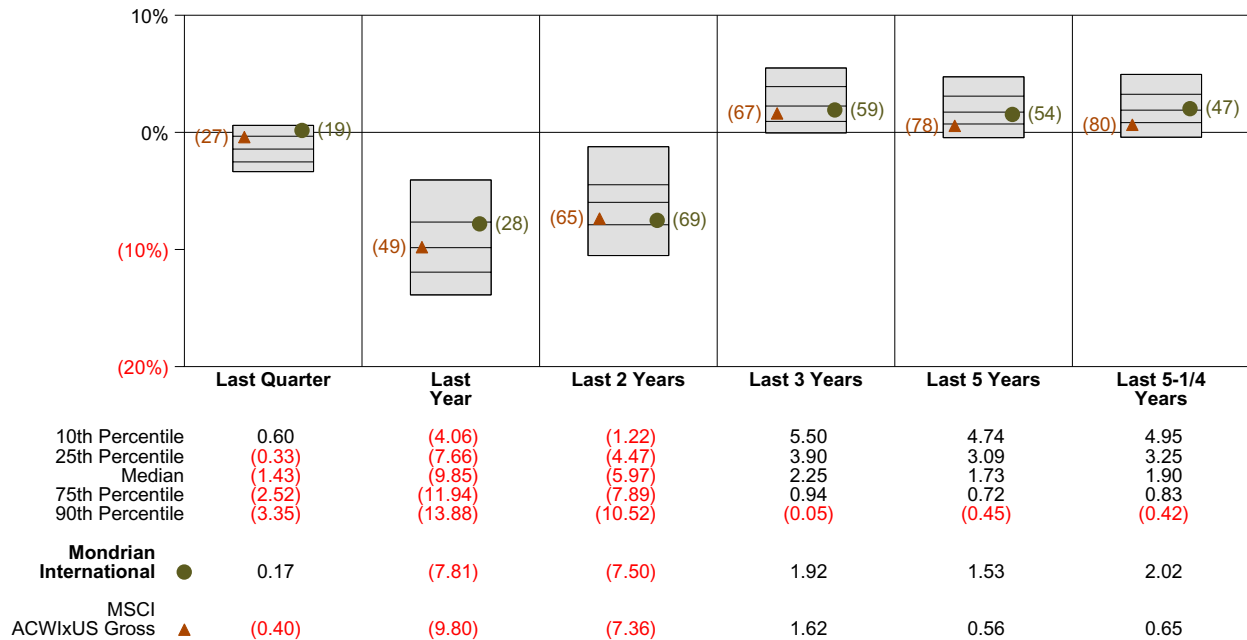
Quarterly Summary and Highlights

- Mondrian International's portfolio posted a 0.17% return for the quarter placing it in the 19 percentile of the CAI Non US Equity Mutual Funds group for the quarter and in the 28 percentile for the last year.
- Mondrian International's portfolio outperformed the MSCI ACWixUS Gross by 0.57% for the quarter and outperformed the MSCI ACWixUS Gross for the year by 1.99%.

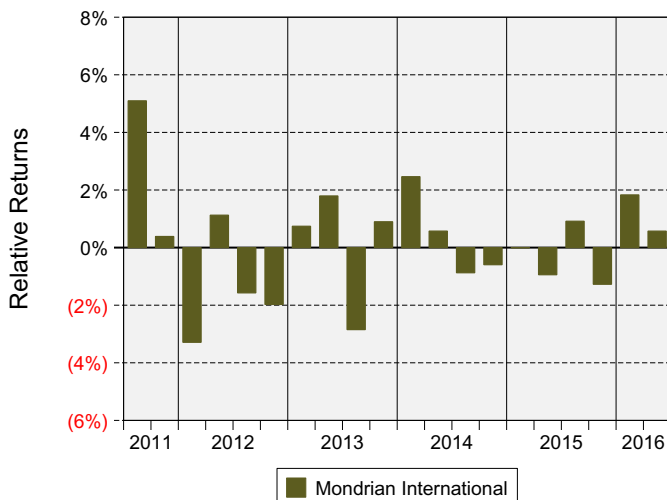
Quarterly Asset Growth

Beginning Market Value	\$22,759,682
Net New Investment	\$0
Investment Gains/(Losses)	\$82,008
Ending Market Value	\$22,841,690

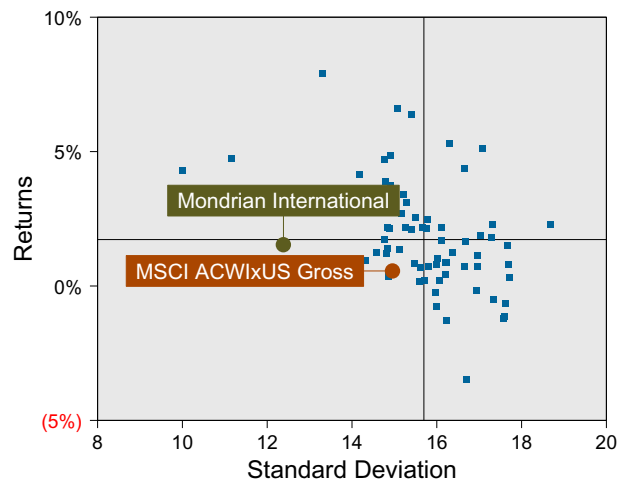
Performance vs CAI Non US Equity Mutual Funds (Net)



Relative Return vs MSCI ACWixUS Gross



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

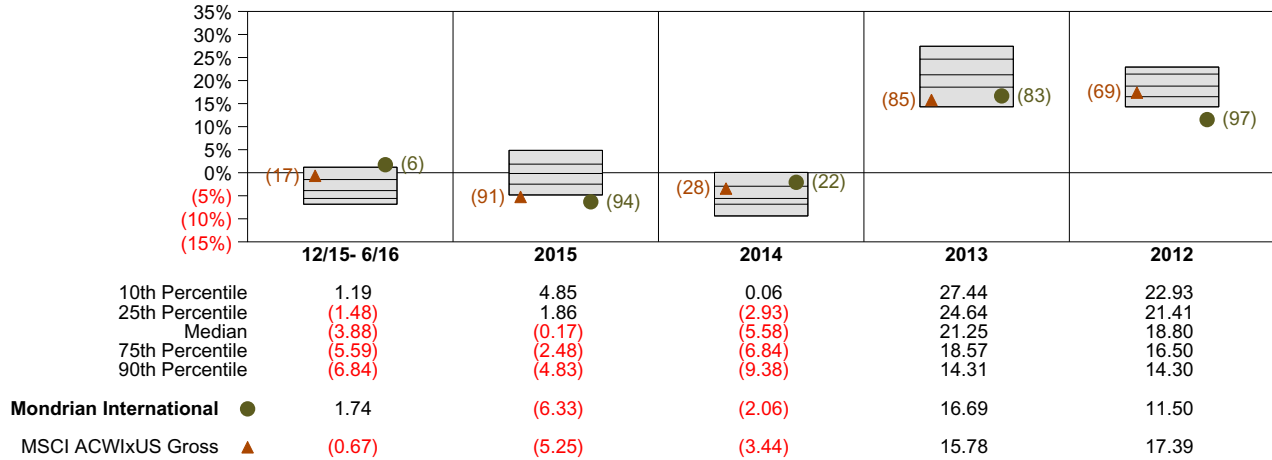


Mondrian International Return Analysis Summary

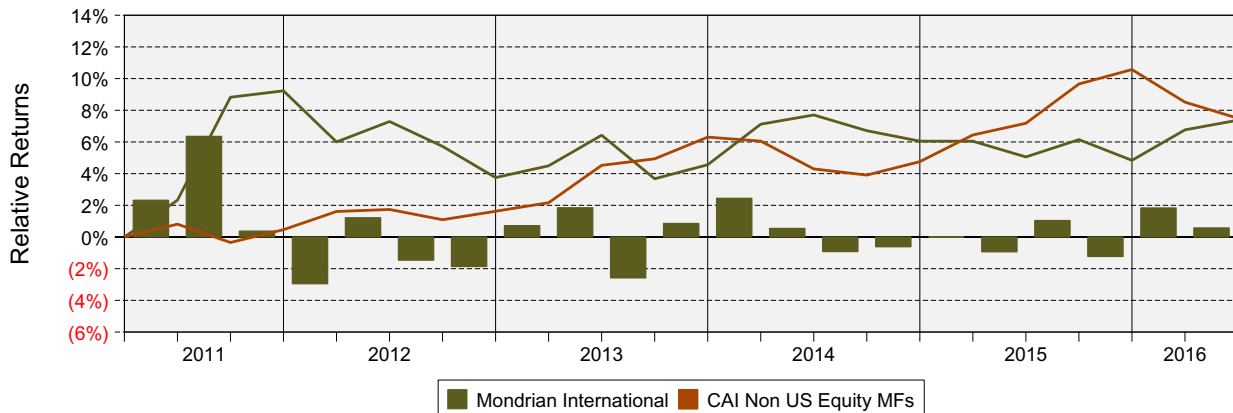
Return Analysis

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 two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

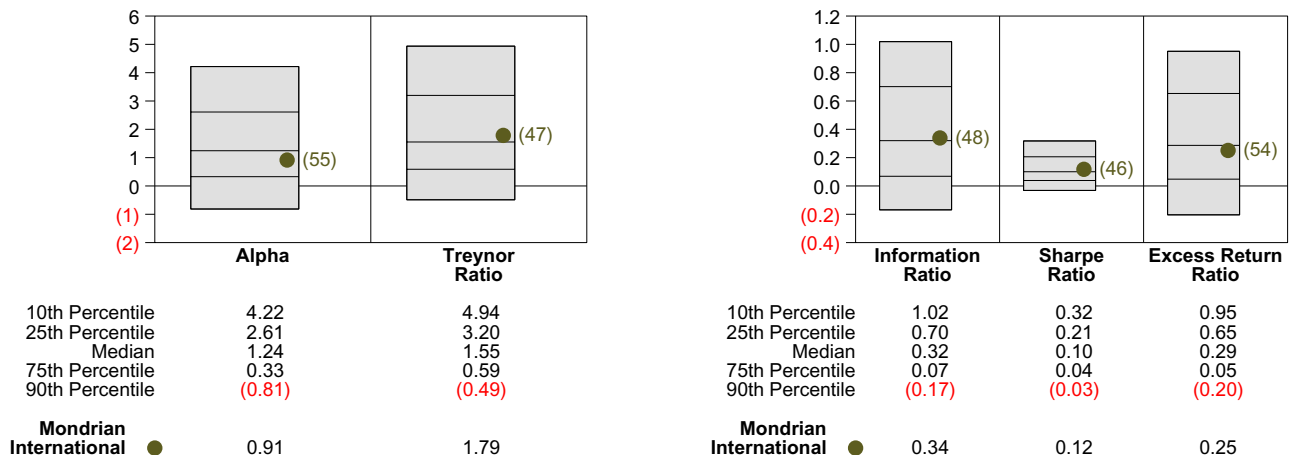
Performance vs CAI Non US Equity Mutual Funds (Net)



Cumulative and Quarterly Relative Return vs MSCI ACWixUS Gross



Risk Adjusted Return Measures vs MSCI ACWixUS Gross Rankings Against CAI Non US Equity Mutual Funds (Net) Five Years Ended June 30, 2016

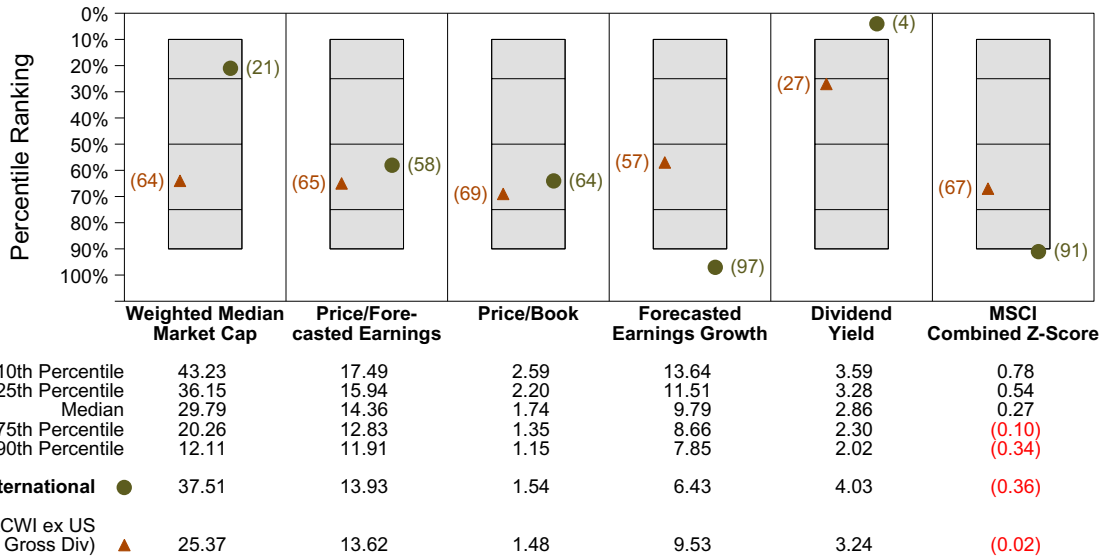


Mondrian International Equity Characteristics Analysis Summary

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.

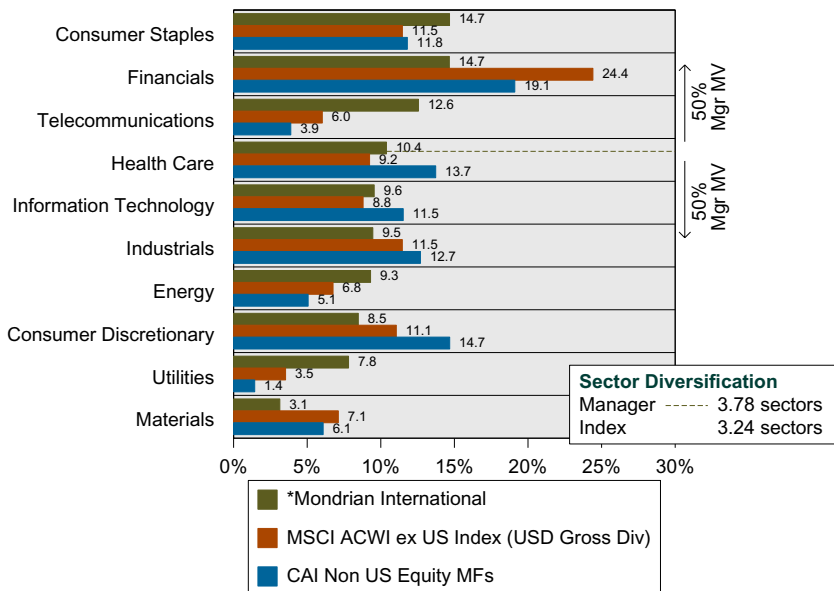
Portfolio Characteristics Percentile Rankings Rankings Against CAI Non US Equity Mutual Funds as of June 30, 2016



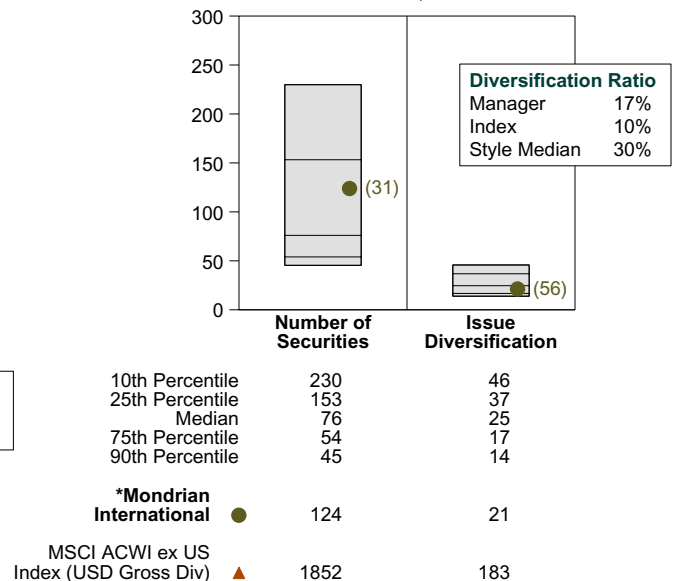
Sector Weights

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, 2016



Diversification June 30, 2016

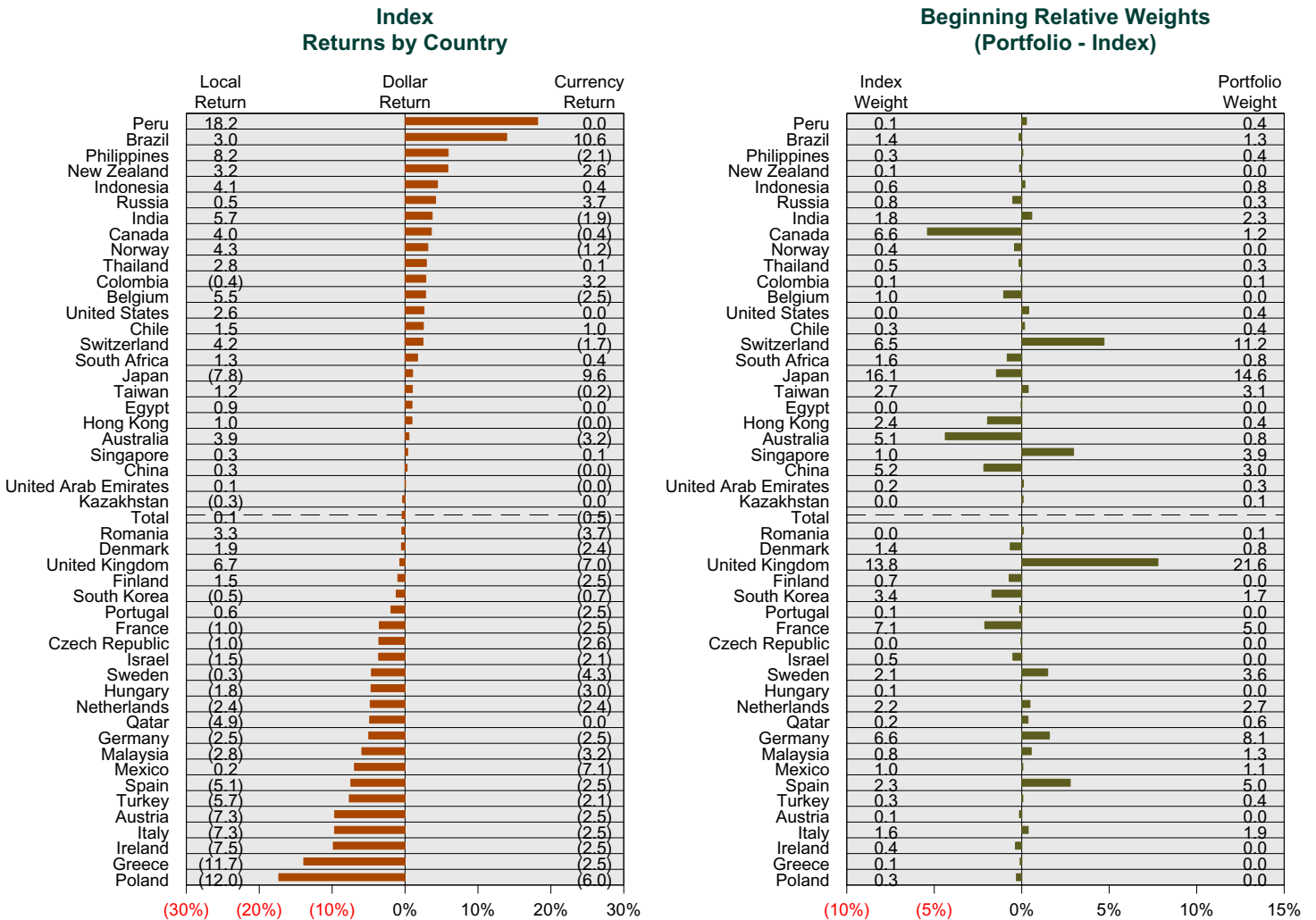


*6/30/16 portfolio characteristics generated using most recently available holdings (3/31/16) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.

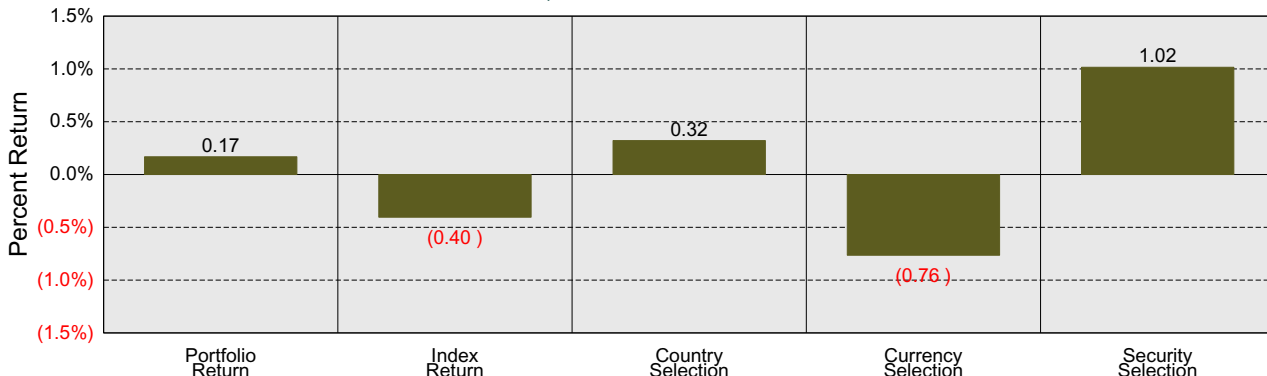
Mondrian International vs MSCI ACWixUS Gross Attribution for Quarter Ended June 30, 2016

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, 2016



Domestic Fixed Income Composite Period Ended June 30, 2016

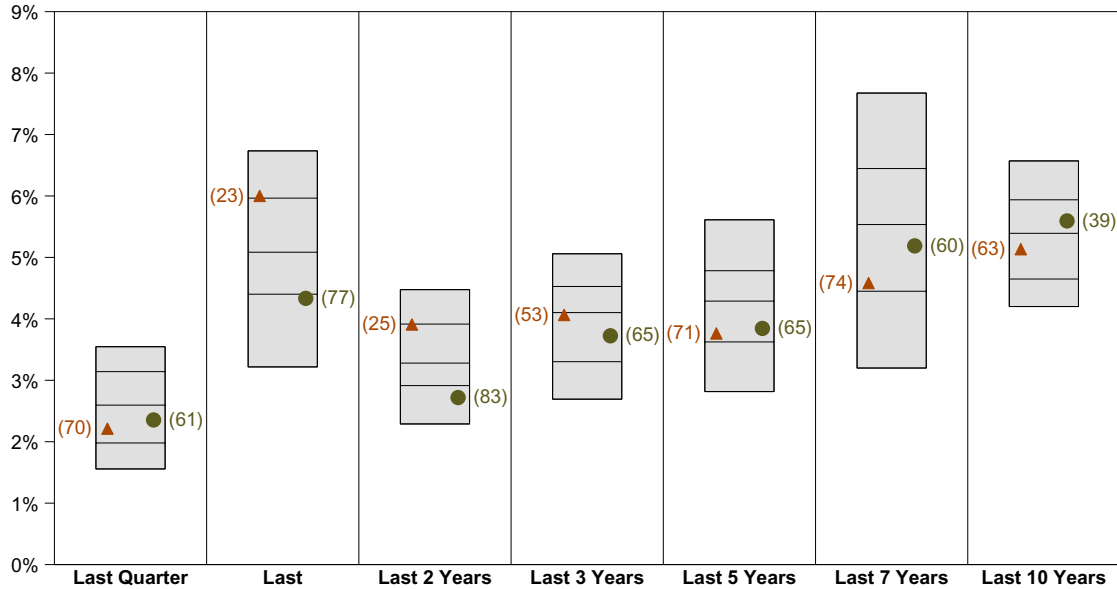
Quarterly Summary and Highlights

- Domestic Fixed Income Composite's portfolio posted a 2.36% return for the quarter placing it in the 61 percentile of the Pub Pln- Domestic Fixed group for the quarter and in the 77 percentile for the last year.
- Domestic Fixed Income Composite's portfolio outperformed the Barclays Aggregate Index by 0.14% for the quarter and underperformed the Barclays Aggregate Index for the year by 1.67%.

Quarterly Asset Growth

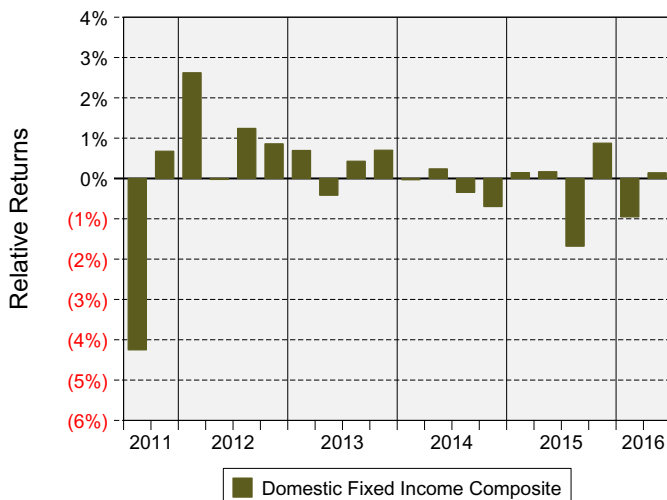
Beginning Market Value	\$117,123,198
Net New Investment	\$-140,558
Investment Gains/(Losses)	\$2,756,804
Ending Market Value	\$119,739,443

Performance vs Pub Pln- Domestic Fixed (Gross)

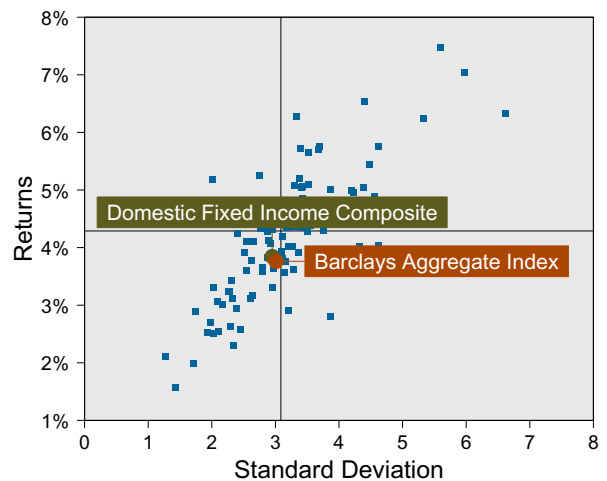


10th Percentile	3.55	6.73	4.48	5.06	5.61	7.67	6.57
25th Percentile	3.14	5.96	3.91	4.53	4.78	6.45	5.94
Median	2.60	5.08	3.28	4.10	4.29	5.53	5.39
75th Percentile	1.98	4.40	2.91	3.30	3.62	4.45	4.65
90th Percentile	1.56	3.22	2.29	2.69	2.82	3.20	4.20
Domestic Fixed Income Composite	● 2.36	4.33	2.72	3.73	3.85	5.19	5.59
Barclays Aggregate Index	▲ 2.21	6.00	3.91	4.06	3.76	4.58	5.13

Relative Return vs Barclays Aggregate Index



Pub Pln- Domestic Fixed (Gross) Annualized Five Year Risk vs Return

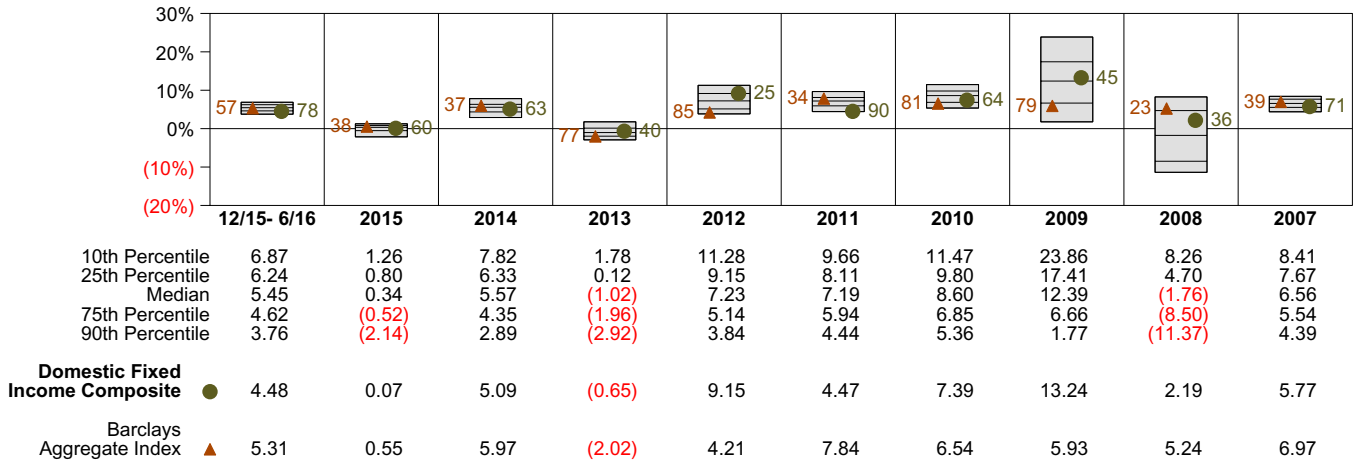


Domestic Fixed Income Composite Return Analysis Summary

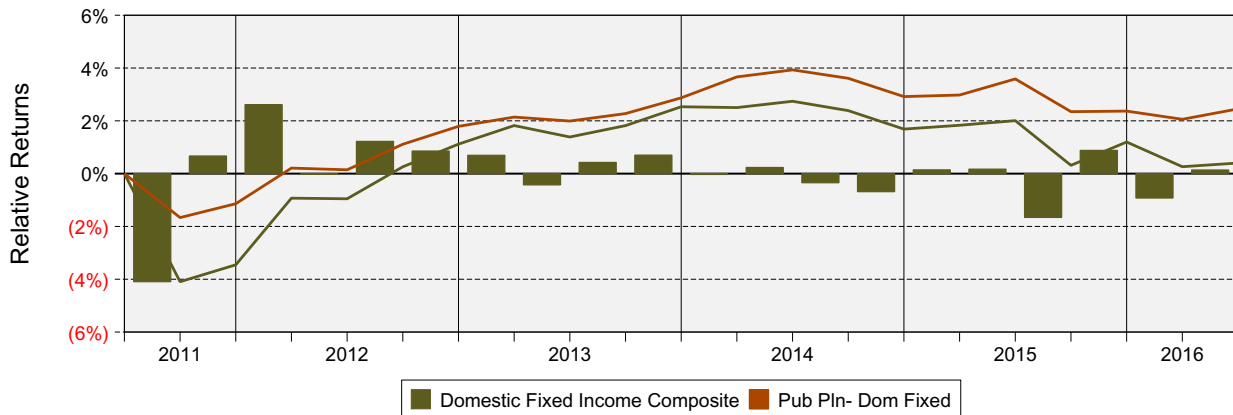
Return Analysis

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 two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

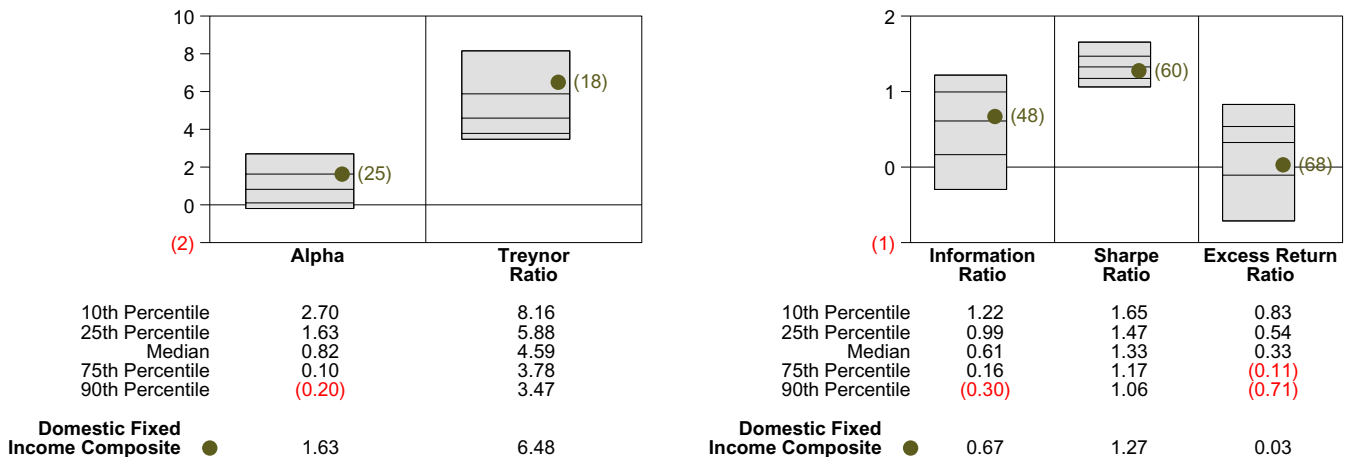
Performance vs Pub Pln- Domestic Fixed (Gross)



Cumulative and Quarterly Relative Return vs Barclays Aggregate Index



Risk Adjusted Return Measures vs Barclays Aggregate Index Rankings Against Pub Pln- Domestic Fixed (Gross) Five Years Ended June 30, 2016

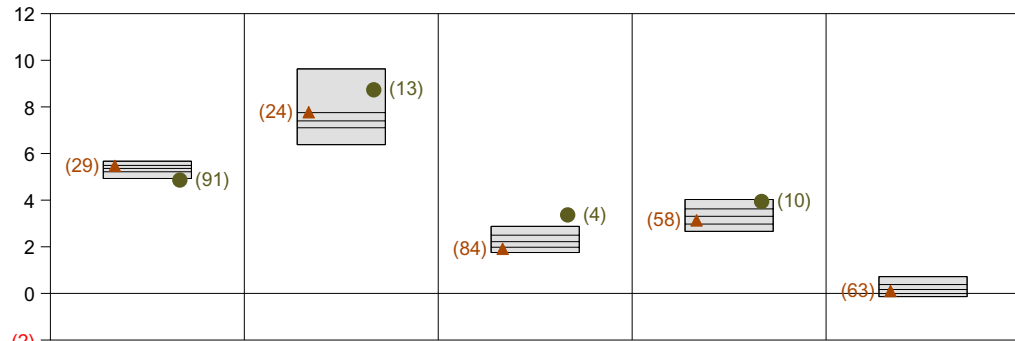


Domestic Fixed Income Bond Characteristics Analysis Summary

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 CAI Core Bond Fixed Income as of June 30, 2016

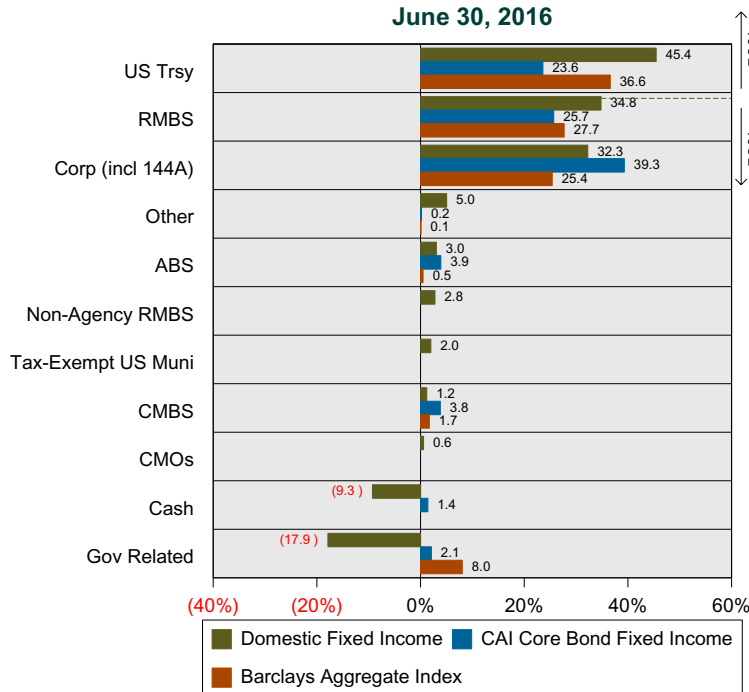


	Duration	Average Life	Effective Yield	Coupon Rate	OA Convexity
10th Percentile	5.67	9.63	2.88	4.03	0.72
25th Percentile	5.49	7.75	2.50	3.62	0.38
Median	5.36	7.40	2.22	3.31	0.17
75th Percentile	5.22	7.11	1.98	2.97	(0.00)
90th Percentile	4.93	6.38	1.75	2.66	(0.14)
Domestic Fixed Income	4.86	8.74	3.37	3.95	-
Barclays Aggregate Index	5.47	7.77	1.91	3.13	0.10

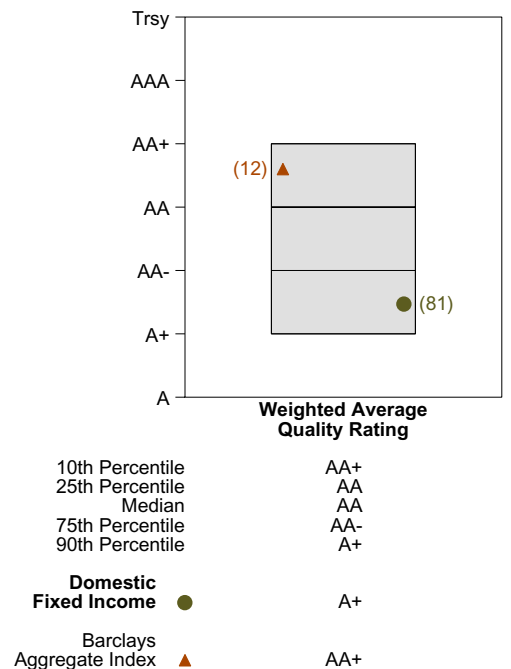
Sector Allocation and Quality Ratings

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.

Sector Allocation June 30, 2016



Quality Ratings vs CAI Core Bond Fixed Income



Dodge & Cox Income Period Ended June 30, 2016

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.

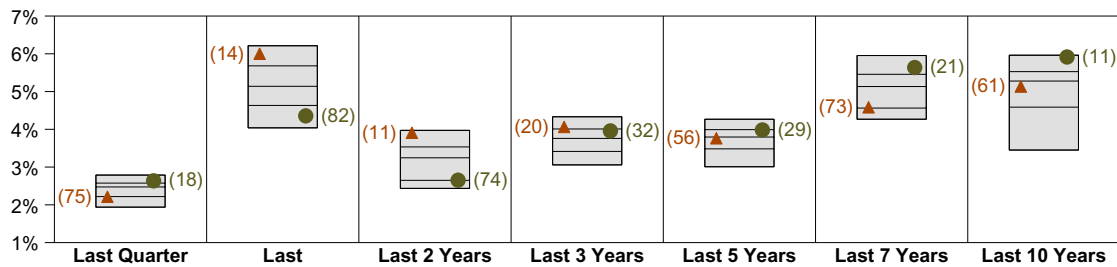
Quarterly Summary and Highlights

- Dodge & Cox Income's portfolio posted a 2.64% return for the quarter placing it in the 18 percentile of the CAI Core Bond Mutual Funds group for the quarter and in the 82 percentile for the last year.
- Dodge & Cox Income's portfolio outperformed the Barclays Aggregate Index by 0.42% for the quarter and underperformed the Barclays Aggregate Index for the year by 1.64%.

Quarterly Asset Growth

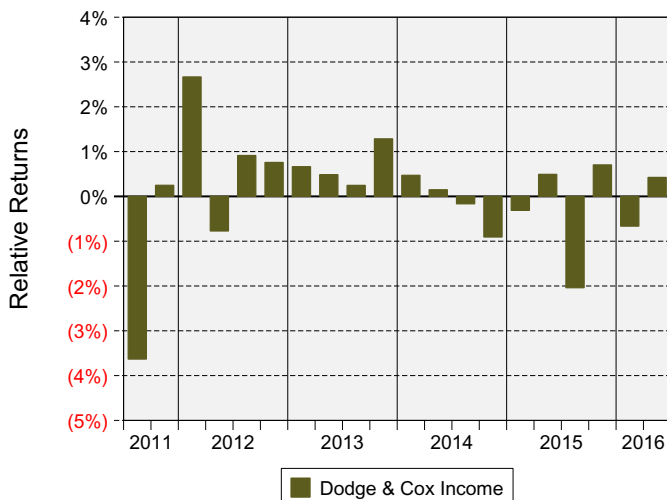
Beginning Market Value	\$58,633,883
Net New Investment	\$0
Investment Gains/(Losses)	\$1,546,960
Ending Market Value	\$60,180,844

Performance vs CAI Core Bond Mutual Funds (Net)

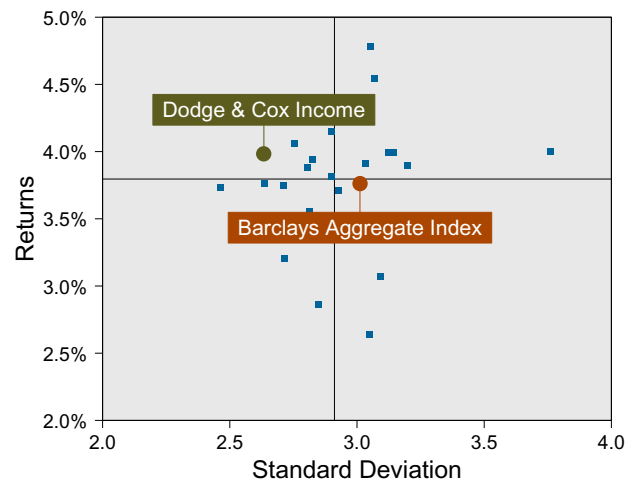


10th Percentile	2.79	6.21	3.97	4.33	4.27	5.95	5.96
25th Percentile	2.58	5.68	3.53	4.01	3.99	5.46	5.53
Median	2.47	5.14	3.25	3.76	3.80	5.13	5.28
75th Percentile	2.22	4.63	2.65	3.41	3.48	4.56	4.59
90th Percentile	1.94	4.04	2.44	3.06	3.01	4.27	3.45
Dodge & Cox Income	● 2.64	4.36	2.65	3.96	3.98	5.64	5.92
Barclays Aggregate Index	▲ 2.21	6.00	3.91	4.06	3.76	4.58	5.13

Relative Return vs Barclays Aggregate Index



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

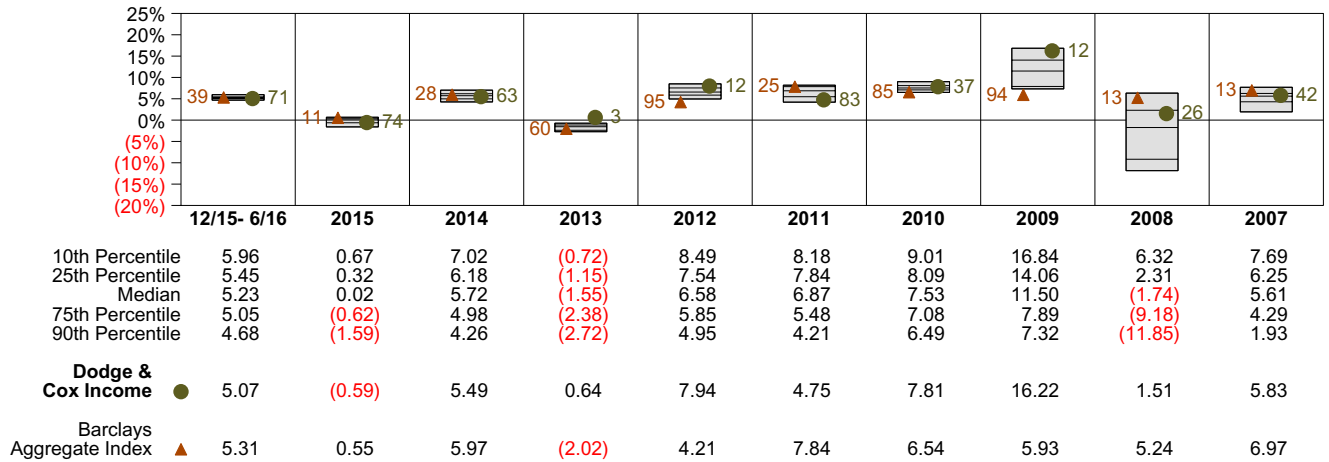


Dodge & Cox Income Return Analysis Summary

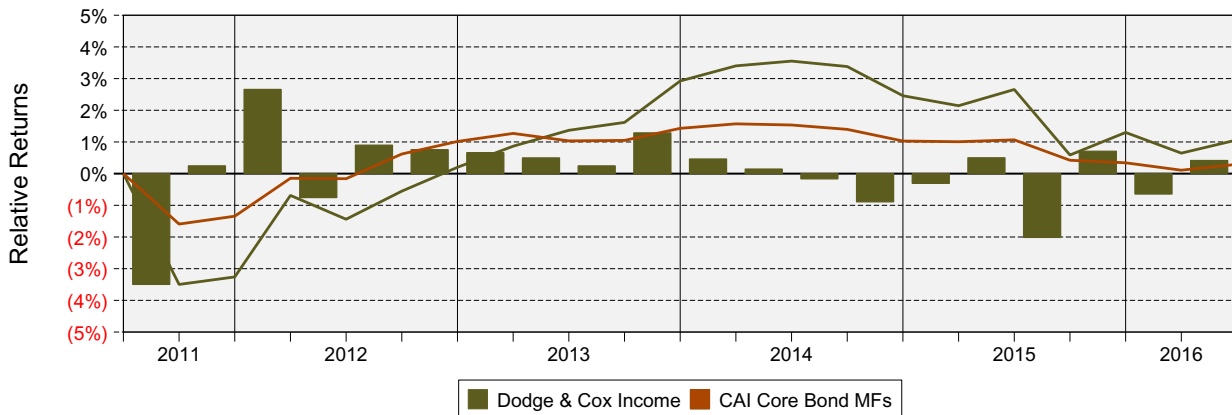
Return Analysis

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 two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

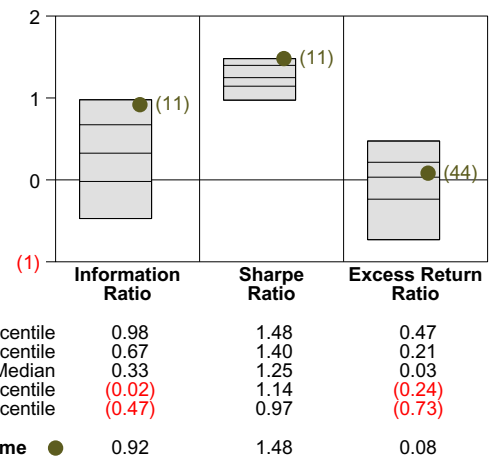
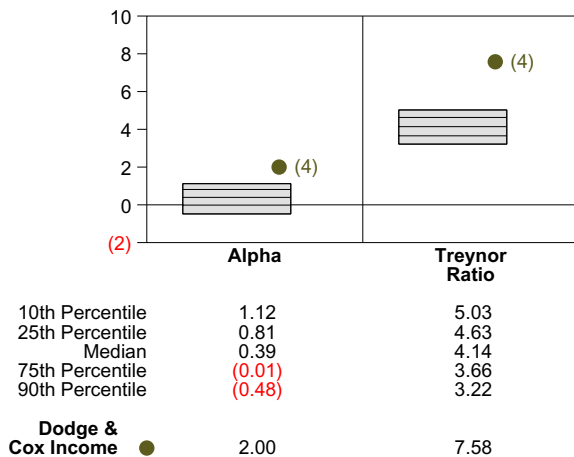
Performance vs CAI Core Bond Mutual Funds (Net)



Cumulative and Quarterly Relative Return vs Barclays Aggregate Index



Risk Adjusted Return Measures vs Barclays Aggregate Index Rankings Against CAI Core Bond Mutual Funds (Net) Five Years Ended June 30, 2016

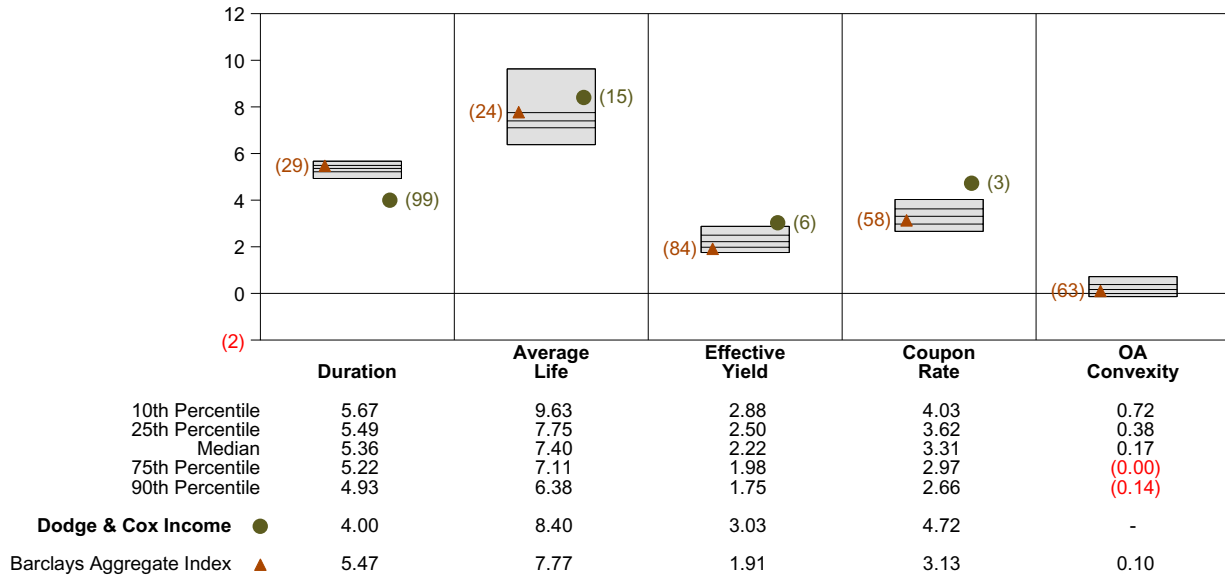


Dodge & Cox Income Bond Characteristics Analysis Summary

Portfolio Characteristics

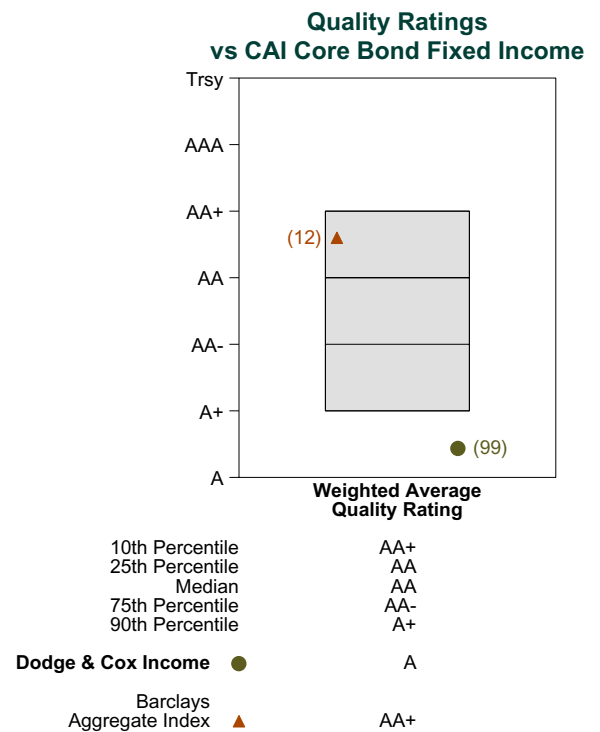
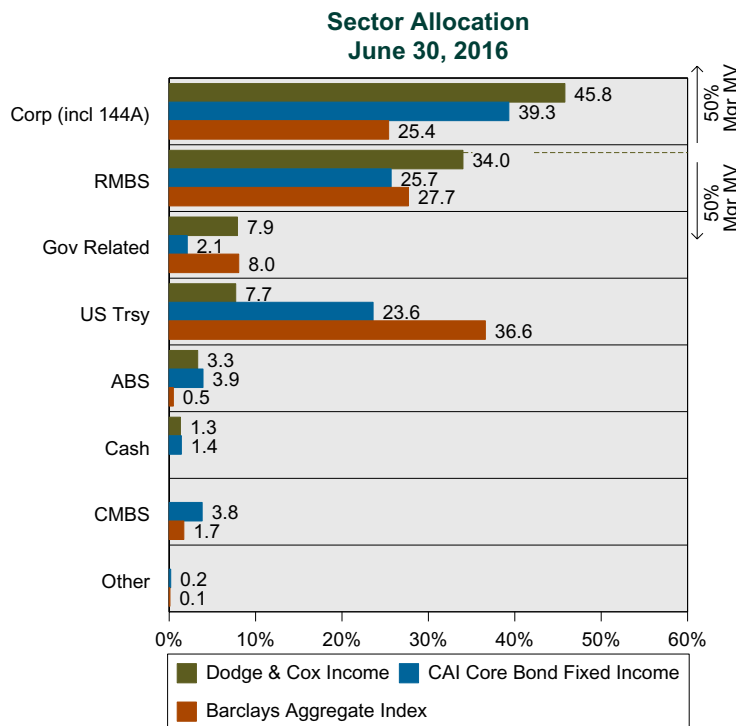
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Fixed Income Portfolio Characteristics Rankings Against CAI Core Bond Fixed Income as of June 30, 2016



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, 2016

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 2.07% return for the quarter placing it in the 88 percentile of the CAI Core Plus Mutual Funds group for the quarter and in the 70 percentile for the last year.
- PIMCO's portfolio underperformed the Barclays Aggregate Index by 0.14% for the quarter and underperformed the Barclays Aggregate Index for the year by 1.69%.

Quarterly Asset Growth

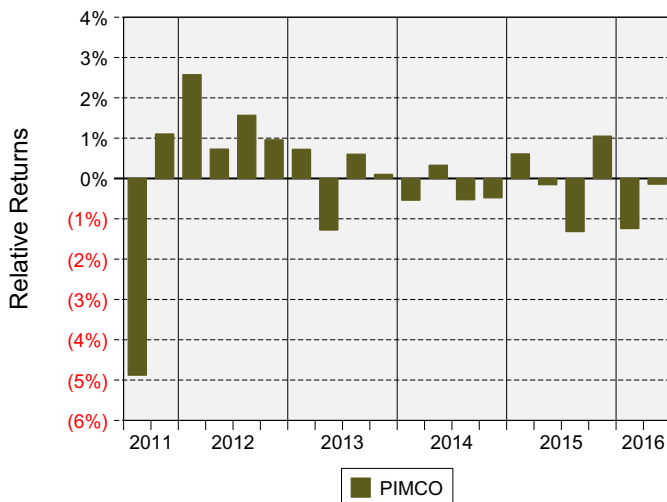
Beginning Market Value	\$58,489,314
Net New Investment	\$-140,558
Investment Gains/(Losses)	\$1,209,844
Ending Market Value	\$59,558,599

Performance vs CAI Core Plus Mutual Funds (Net)

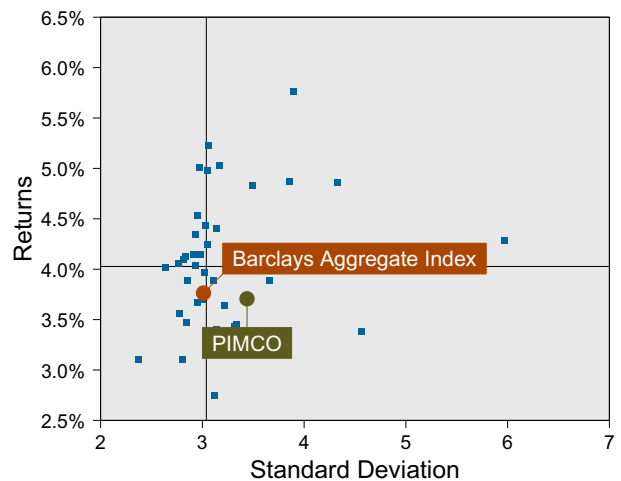


10th Percentile	3.09	5.85	3.83	4.81	5.00	7.25	6.47
25th Percentile	2.74	5.44	3.53	4.23	4.41	6.41	6.08
Median	2.44	5.03	3.27	3.89	4.03	5.73	5.44
75th Percentile	2.18	4.08	2.24	3.49	3.54	4.94	4.83
90th Percentile	2.06	2.50	1.27	3.01	3.35	4.57	4.24
PIMCO ●	2.07	4.31	2.79	3.48	3.71	5.35	6.26
Barclays Aggregate Index ▲	2.21	6.00	3.91	4.06	3.76	4.58	5.13

Relative Return vs Barclays Aggregate Index



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

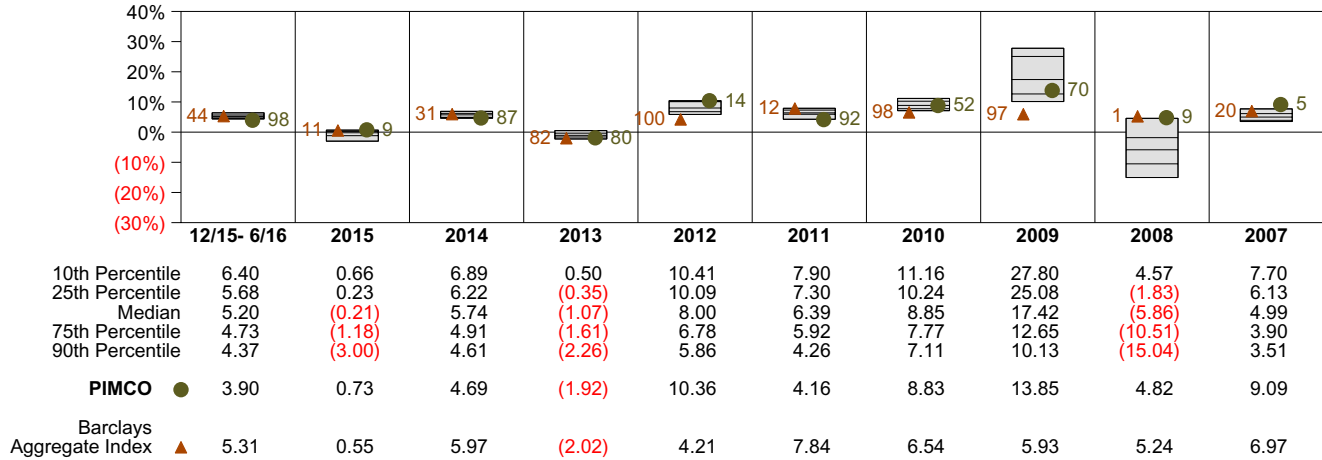


PIMCO Return Analysis Summary

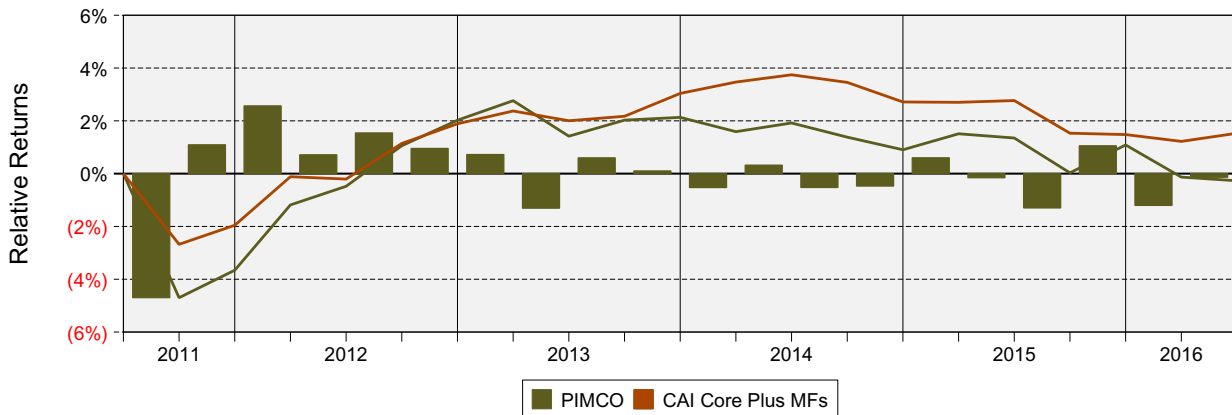
Return Analysis

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 two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

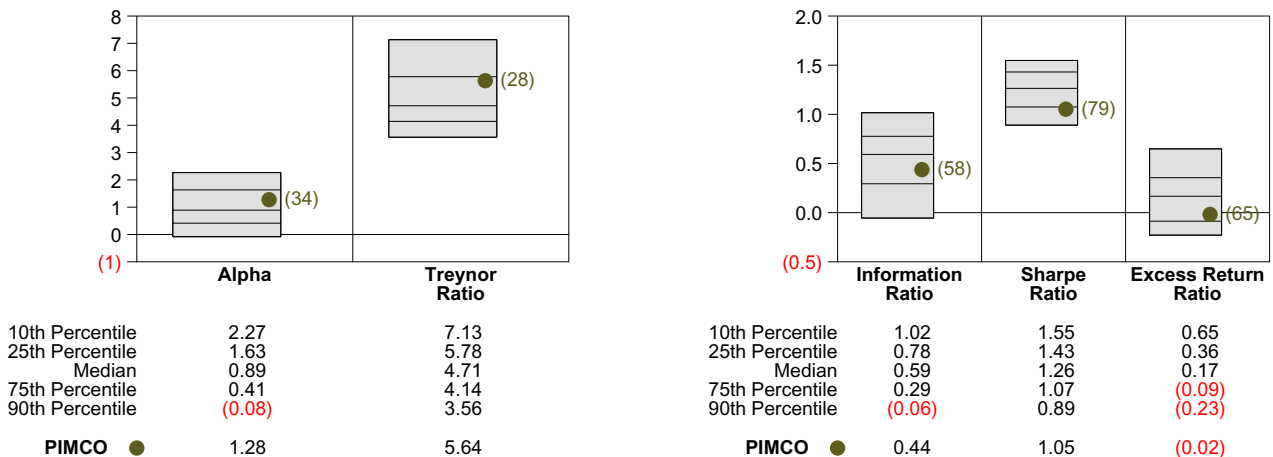
Performance vs CAI Core Plus Mutual Funds (Net)



Cumulative and Quarterly Relative Return vs Barclays Aggregate Index



Risk Adjusted Return Measures vs Barclays Aggregate Index Rankings Against CAI Core Plus Mutual Funds (Net) Five Years Ended June 30, 2016

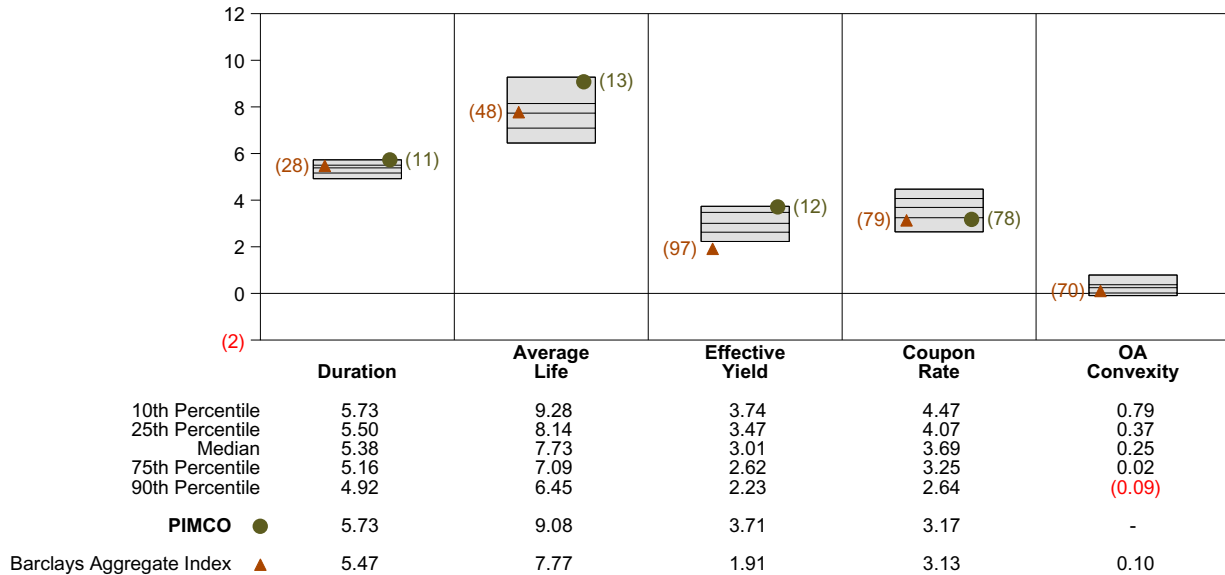


PIMCO Bond Characteristics Analysis Summary

Portfolio Characteristics

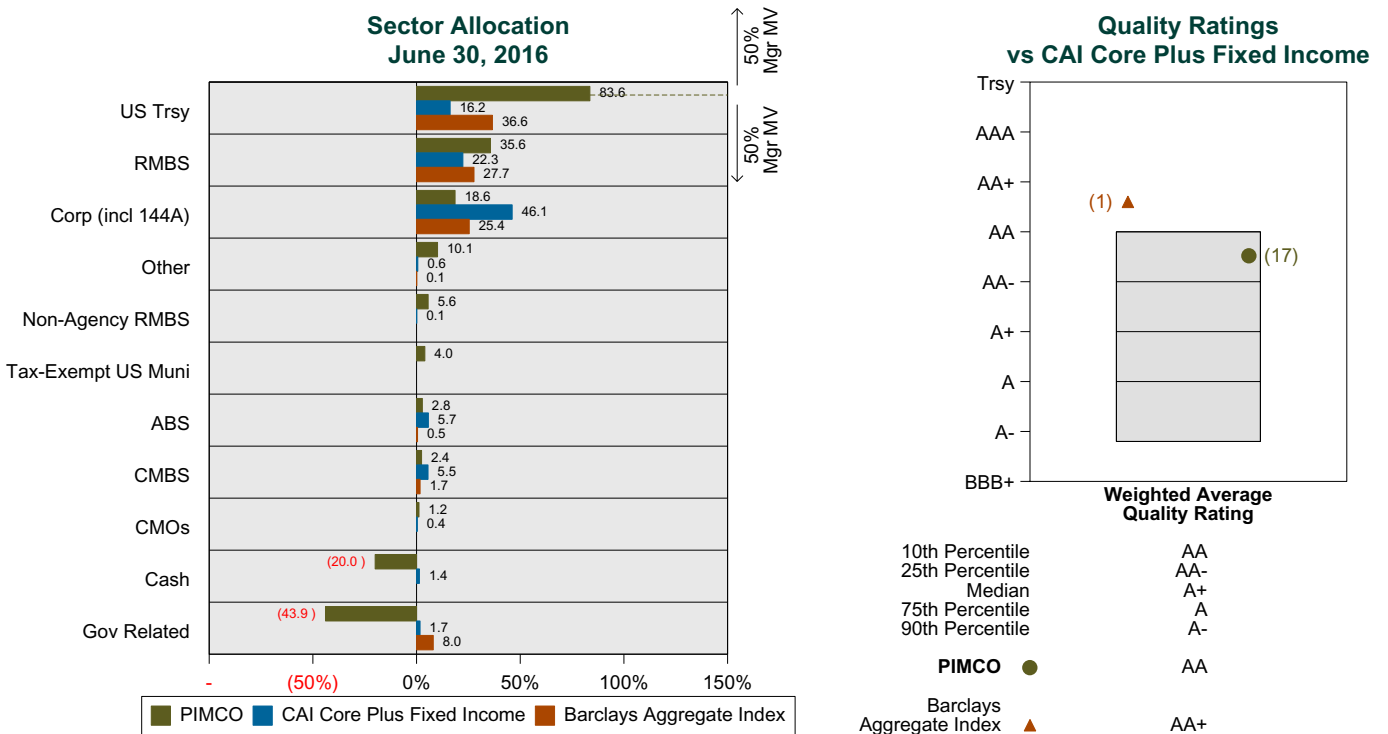
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Fixed Income Portfolio Characteristics Rankings Against CAI Core Plus Fixed Income as of June 30, 2016



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 Public

Period Ended June 30, 2016

Investment Philosophy

RREEF Public Fund invests in Real Estate Investment Trusts (REITs) and Real Estate Operating Companies (REOCs) using an active top down component accompanied with detailed bottom up analysis. RREEF believes underlying real estate fundamentals drive real estate securities returns and that proprietary research and deep resources can capitalize on market inefficiencies.

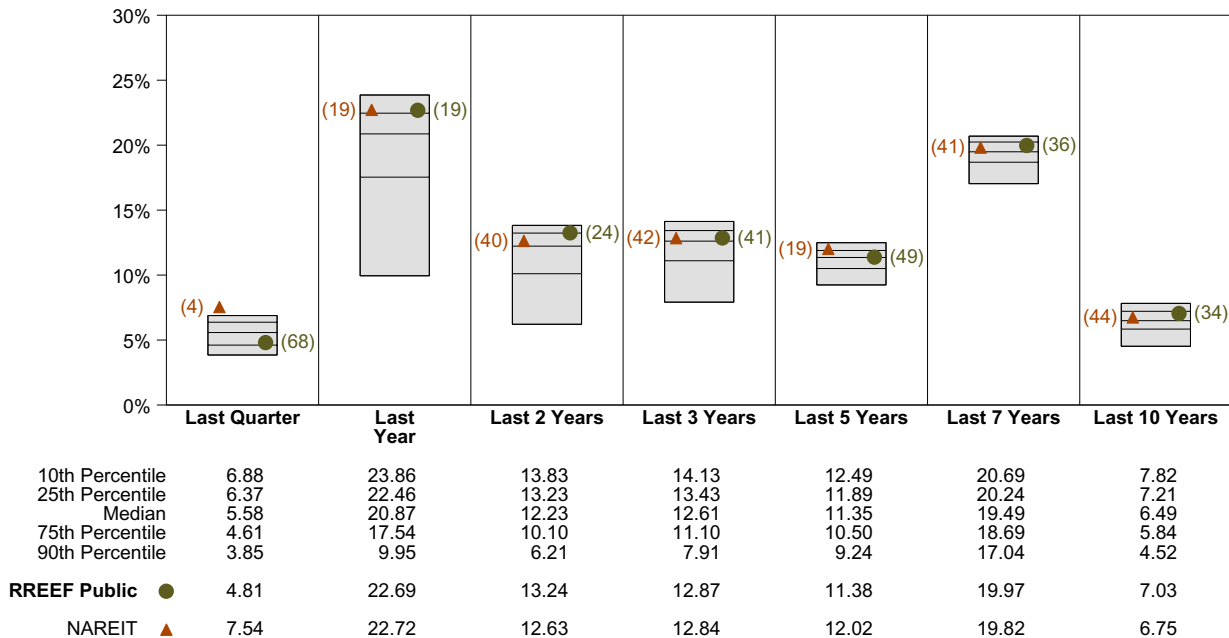
Quarterly Summary and Highlights

- RREEF Public's portfolio posted a 4.81% return for the quarter placing it in the 68 percentile of the CAI Real Estate Mutual Funds group for the quarter and in the 19 percentile for the last year.
- RREEF Public's portfolio underperformed the NAREIT by 2.73% for the quarter and underperformed the NAREIT for the year by 0.03%.

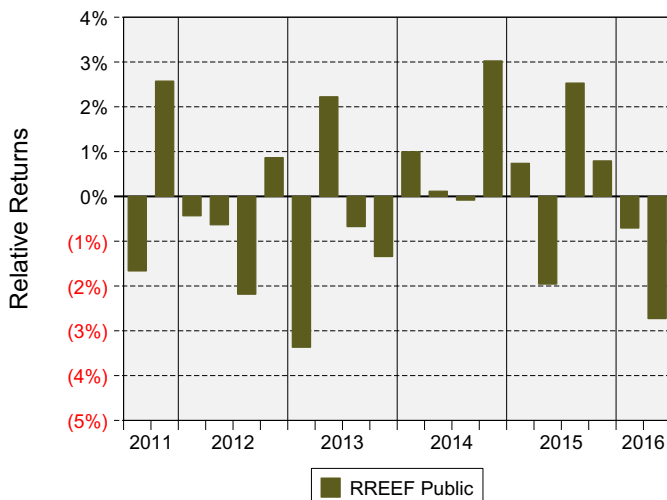
Quarterly Asset Growth

Beginning Market Value	\$8,233,668
Net New Investment	\$0
Investment Gains/(Losses)	\$396,313
Ending Market Value	\$8,629,981

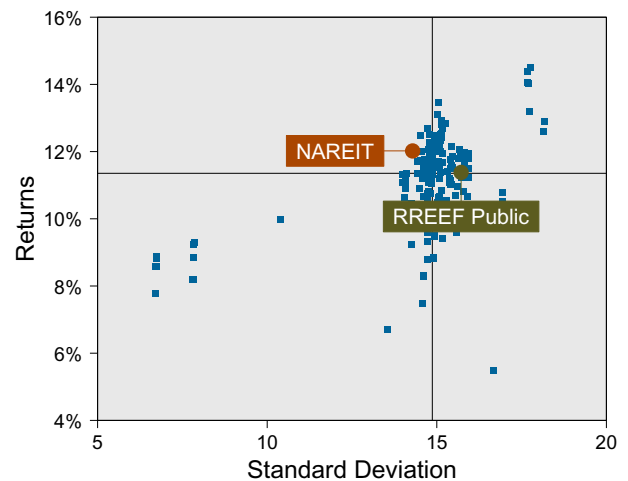
Performance vs CAI Real Estate Mutual Funds (Net)



Relative Return vs NAREIT



CAI Real Estate Mutual Funds (Net) Annualized Five Year Risk vs Return



RREEF Private Period Ended June 30, 2016

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.

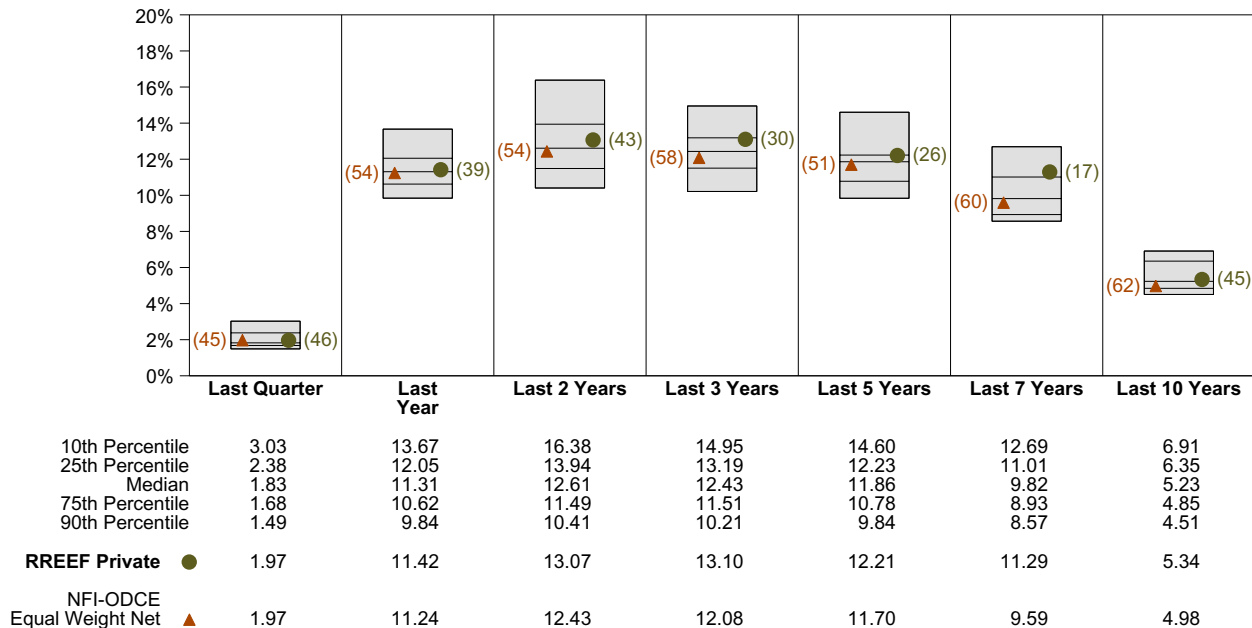
Quarterly Summary and Highlights

- RREEF Private's portfolio posted a 1.97% return for the quarter placing it in the 46 percentile of the CAI Open End Core Commingled Real Estate group for the quarter and in the 39 percentile for the last year.
- RREEF Private's portfolio underperformed the NFI-ODCE Equal Weight Net by 0.00% for the quarter and outperformed the NFI-ODCE Equal Weight Net for the year by 0.18%.

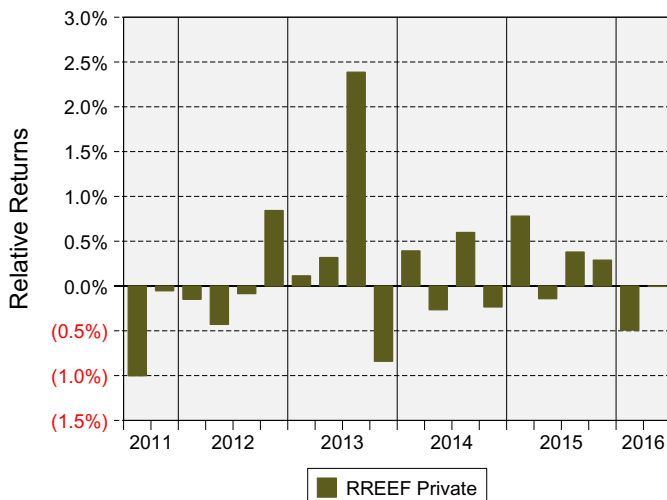
Quarterly Asset Growth

Beginning Market Value	\$20,667,370
Net New Investment	\$0
Investment Gains/(Losses)	\$406,539
Ending Market Value	\$21,073,910

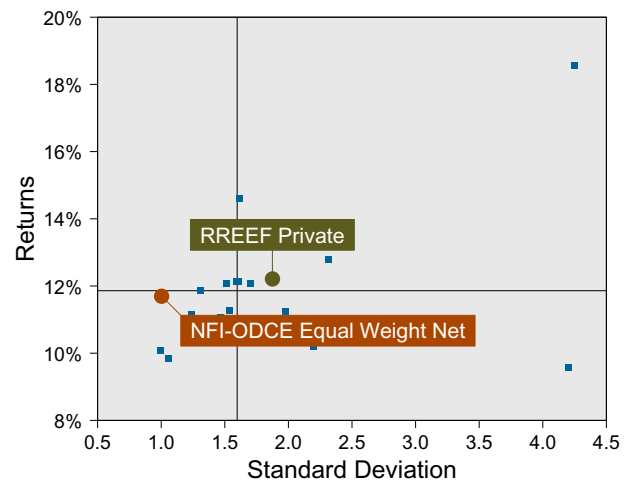
Performance vs CAI Open End Core Commingled Real Estate (Net)



Relative Returns vs NFI-ODCE Equal Weight Net



CAI Open End Core Commingled Real Estate (Net) Annualized Five Year Risk vs Return



Cornerstone Patriot Fund Period Ended June 30, 2016

Investment Philosophy

Cornerstone believes that the investment strategy for the Patriot 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 Cornerstone 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.

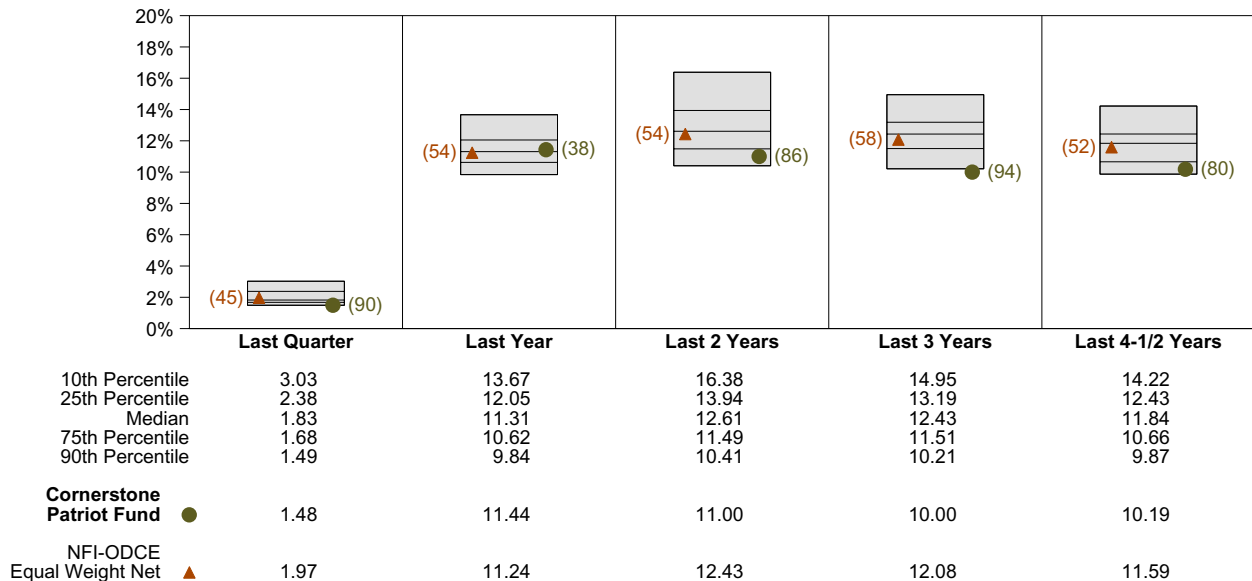
Quarterly Summary and Highlights

- Cornerstone Patriot Fund's portfolio posted a 1.48% return for the quarter placing it in the 90 percentile of the CAI Open End Core Commingled Real Estate group for the quarter and in the 38 percentile for the last year.
- Cornerstone Patriot Fund's portfolio underperformed the NFI-ODCE Equal Weight Net by 0.49% for the quarter and outperformed the NFI-ODCE Equal Weight Net for the year by 0.20%.

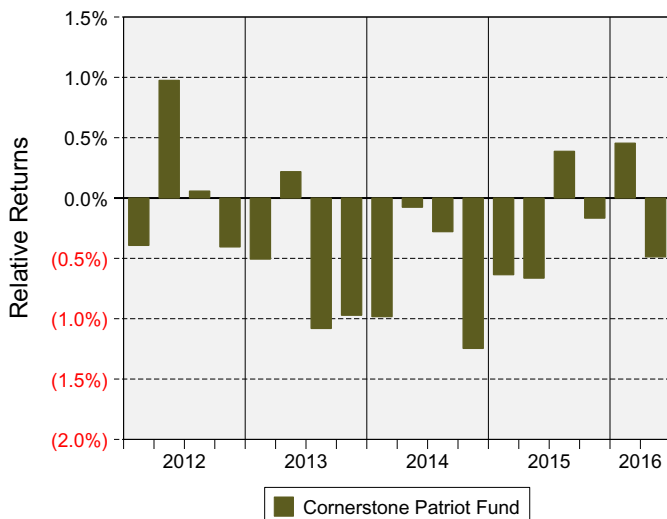
Quarterly Asset Growth

Beginning Market Value	\$15,249,958
Net New Investment	\$0
Investment Gains/(Losses)	\$226,334
Ending Market Value	\$15,476,292

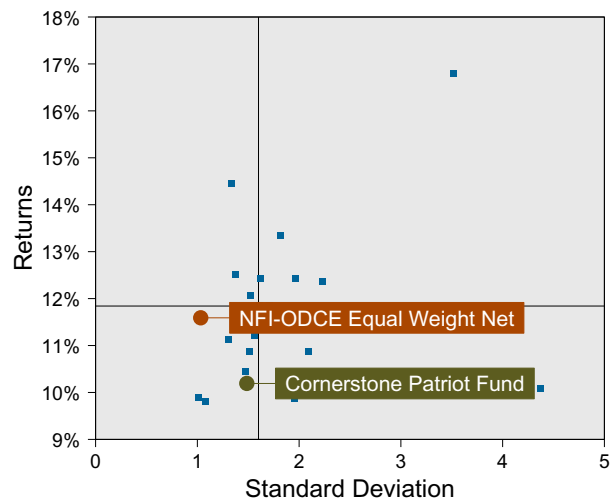
Performance vs CAI Open End Core Commingled Real Estate (Net)



Relative Returns vs NFI-ODCE Equal Weight Net



CAI Open End Core Commingled Real Estate (Net) Annualized Four and One-Half Year Risk vs Return



Research and Educational Programs

The Callan Institute provides research that updates clients on the latest industry trends while helping them learn through carefully structured educational programs. Visit www.callan.com/research to see all of our publications, or for more information contact Anna West at 415.974.5060 / institute@callan.com.

New Research from Callan's Experts



Aspiring Managers: Negotiating the Dual Realities Facing Diverse and Emerging Managers | Callan Chairman and CEO Ron Peyton and Callan Connects Manager Lauren Mathias, CFA, provide perspective on the diverse and emerging manager arenas and offer thoughts on how these managers can succeed.

Asset Managers and ESG: Sensing Opportunity, Bigger Firms Lead the Charge | In Callan's ESG survey of asset managers, author Mark Wood, CFA, reveals that the majority of large asset management firms have formal ESG policies, while smaller firms have yet to exhibit widespread adoption. Around one-third of managers with a formal ESG policy expect it will help them achieve higher risk-adjusted returns and improved risk profiles over the long term.

Video: Sustainability in Real Estate Investing | Sarah Angus, CAIA, a consultant in Callan's Real Assets Consulting group, discusses the benefits in using sustainable practices in managing real estate buildings, including higher tenant satisfaction and retention, greater occupancy, and increased values.

Considering Currency Hedging in an Equity Portfolio: 10 Charts to Help Frame a Policy | Callan recommends a measured approach to managing currency, including creating a policy to ensure short-term decisions made during painful times are in line with the long-term strategic goals of the plan. These 10 charts provide context for currency hedging discussions.

Video: The Costs of Closing: Nuclear Decommissioning Trusts | Julia Moriarty, CFA, of Callan's Capital Markets Research group discusses hedging costs, the impact of license extension, and more.



Emerging Markets: Opportunities and Challenges in Public Equity Investing | Callan's global equity investment experts (Andy Iseri, CFA, Ho Hwang, and Lyman Jung) write that despite risks, emerging market equities still can play an important role in well-diversified institutional portfolios.

Real Estate Indicators: Too Hot to Touch or Cool Enough to Handle? | Callan's Real Assets Consulting group identifies seven indicators that have helped signal when the institutional real estate market is overheated or has cooled down.

Periodicals

Private Markets Trends, Spring 2016 | The latest on private equity.

DC Observer, 1st Quarter 2016 | The PPA, 10 years later: DC assets have grown and target date funds have skyrocketed.

Hedge Fund Monitor, 1st Quarter 2016 | The latest on these funds, plus the challenges in the search for above-average managers.

Market Pulse Flipbook, 1st Quarter 2016 | A guide covering investment and fund sponsor trends, the U.S. economy, the capital markets, and Callan's proprietary DC Index.

Capital Market Review, 1st Quarter 2016 | Insights on the economy and recent performance in equities, fixed income, alternatives, real estate, and more.

Inside Callan's Database, 1st Quarter 2016 | A look at performance and risk data from Callan's proprietary database and relevant market indices.

Events

Miss out on a Callan conference or workshop? Event summaries and speakers' presentations are available on our website: <https://www.callan.com/education/CII/>

Mark your calendars for our fall **Regional Workshop**, October 25 in New York and October 26 in Chicago, and our **National Conference**, January 23–25, 2017, at the Palace Hotel in San Francisco.

For more information about events, please contact Barb Gerraty: 415.274.3093 / 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 session is:

Introduction to Investments

Chicago, October 18–19, 2016

This session familiarizes fund sponsor trustees, staff, and asset management advisors 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 <https://www.callan.com/education/college/> or contact Kathleen Cunnie: 415.274.3029 / cunnie@callan.com

Education: By the Numbers

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

50+ Unique pieces of research the Institute generates each year

3,500 Total attendees of the “Callan College” since 1994

1980 Year the Callan Institute was founded



“We think the best way to learn something is to teach it. Entrusting client education to our consultants and specialists ensures that they have a total command of their subject matter. This is one reason why education and research have been cornerstones of our firm for more than 40 years.”

Ron Peyton, Chairman and CEO

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 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

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.

The NAREIT Composite Index is a REIT index that includes all REITs currently trading on the NYSE, NASDAQ, or American Stock Exchange.

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 Associates Databases

In order to provide comparative investment results for use in evaluating a fund's performance, Callan Associates 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.

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 Associates 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 Barclays Capital Government/Credit Bond Index or the 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 Barclays Capital Government/Credit Bond Index or the 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 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
1607 Capital Partners, LLC
Aberdeen Asset Management PLC
Acadian Asset Management LLC
AEGON USA Investment Management
Affiliated Managers Group, Inc.
AllianceBernstein
Allianz Global Investors
Allianz Life Insurance Company of North America
American Century Investment Management
Amundi Smith Breeden LLC
Analytic Investors
Angelo, Gordon & Co.
Apollo Global Management
AQR Capital Management
Ares Management LLC
Ariel Investments, LLC
Aristotle Capital Management, LLC
Artisan Holdings
Atlanta Capital Management Co., LLC
Aviva Investors Americas
AXA Investment Managers
Babson Capital Management
Baillie Gifford Overseas Limited
Baird Advisors
Bank of America
Baring Asset Management
Baron Capital Management, Inc.
Barrow, Hanley, Mewhinney & Strauss, LLC
BlackRock
BMO Asset Management, Corp.
BNP Paribas Investment Partners
BNY Mellon Asset Management
Boston Partners
Brandes Investment Partners, L.P.
Brandywine Global Investment Management, LLC
Brown Brothers Harriman & Company
Cambiar Investors, LLC

Manager Name
Capital Group
CastleArk Management, LLC
Causeway Capital Management
Chartwell Investment Partners
ClearBridge Investments, LLC
Cohen & Steers Capital Management, Inc.
Columbia Management Investment Advisers, LLC
Columbus Circle Investors
Corbin Capital Partners, L.P.
Cornerstone Capital Management
Cramer Rosenthal McGlynn, LLC
Crawford Investment Counsel, Inc.
Credit Suisse Asset Management
Crestline Investors, Inc.
DE Shaw Investment Management, LLC
Delaware Investments
DePrince, Race & Zollo, Inc.
Deutsche Asset Management
Diamond Hill Investments
Duff & Phelps Investment Mgmt. Co.
Eagle Asset Management, Inc.
EARNEST Partners, LLC
Eaton Vance Management
Epoch Investment Partners, Inc.
Fayez Sarofim & Company
Federated Investors
Fidelity Institutional Asset Management
Fiera Capital Global Asset Management
First Eagle Investment Management, LLC
First Hawaiian Bank Wealth Management Division
Fisher Investments
Fort Washington Investment Advisors, Inc.
Franklin Templeton Institutional
Fred Alger Management, Inc.
Fuller & Thaler Asset Management, Inc.
GAM (USA) Inc.
GE Asset Management

Manager Name
GMO
Goldman Sachs Asset Management
Grand-Jean Capital Management
Guggenheim Investments
GW&K Investment Management
Harbor Capital Group Trust
Hartford Funds
Hartford Investment Management Co.
Henderson Global Investors
Hotchkis & Wiley Capital Management, LLC
HSBC Global Asset Management
Income Research + Management, Inc.
Insight Investment Management Limited
Institutional Capital LLC
INTECH Investment Management, LLC
Invesco
Investec Asset Management
Janus Capital Management, LLC
Jensen Investment Management
J.P. Morgan Asset Management
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
Man Investments Inc.
Manulife Asset Management
Martin Currie Inc.
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.
Neuberger Berman
Newton Investment Management (fka Newton Capital Management)
Nikko Asset Management Co., Ltd.
Northern Trust Asset Management
Nuveen Investments, Inc.
OFI Global Asset Management
Old Mutual Asset Management
Opus Capital Management Inc.
Pacific Investment Management Company

Manager Name
Parametric Portfolio Associates
Peregrine Capital Management, Inc.
PGIM
PineBridge Investments
Pinnacle Asset Management L.P.
Pioneer Investments
PNC Capital Advisors, LLC
Principal Global Investors
Private Advisors, LLC
Putnam Investments, LLC
QMA (Quantitative Management Associates)
RBC Global Asset Management
Regions Financial Corporation
RidgeWorth Capital Management, Inc.
Rockefeller & Co., Inc.
Rothschild Asset Management, Inc.
Russell Investments
Santander Global Facilities
Schroder Investment Management North America Inc.
Scout Investments
SEI Investments
Smith, Graham & Co. Investment Advisors, L.P.
Smith Group Asset Management
Standard Life Investments Limited
Standish
State Street Global Advisors
Stone Harbor Investment Partners, L.P.
Systematic Financial Management
T. Rowe Price Associates, Inc.
Taplin, Canida & Habacht
The Boston Company Asset Management, LLC
The Hartford
The London Company
The TCW Group, Inc.
Tri-Star Trust Bank
UBS Asset Management
Van Eck Global
Versus Capital Group
Victory Capital Management Inc.
Vontobel Asset Management, Inc.
Voya Financial
Voya Investment Management (fka ING)
Waddell & Reed Asset Management Group
WCM Investment Management
WEDGE Capital Management
Wellington Management Company, LLP
Wells Capital Management
Western Asset Management Company
William Blair & Company