

December 31, 2016



Mendocino County Employees' Retirement Association

**Investment Measurement Service
Quarterly Review**

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Fourth Quarter 2016

A Sentimental Journey

ECONOMY

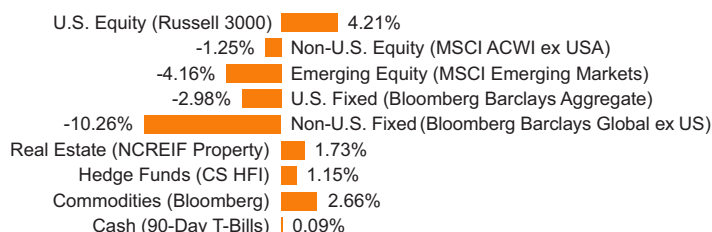
2 Real GDP grew 1.9% in the fourth quarter and **PAGE** 1.6% for the year. The dollar strengthened, raising the cost of exports. The unemployment rate stood at 4.7% at the end of the year, the lowest since August 2007.

Friends Mattered

FUND SPONSOR

4 Funds faced a tough **PAGE** fourth quarter. Taft-Hartley plans fared best, up 1.20%, while corporate funds had the weakest returns, falling 0.09%. Results stemmed primarily from how they chose “friends” in the securities markets.

Broad Market Quarterly Returns



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

Election Rally

U.S. EQUITY

6 The **S&P 500 Index** hit **PAGE** an all-time high during the quarter and ended up 3.82% amid a bullish rally in the wake of the presidential election and a string of encouraging economic reports. Value dominated growth during the quarter, and small cap particularly benefited from Trump-fueled enthusiasm.

A Depressing Dollar

NON-U.S. EQUITY

9 The dollar's strength **PAGE** hampered returns for U.S. investors from non-U.S. equity markets in the fourth quarter; local investors fared better. For the year most world stock markets posted positive results, driven by economic improvements, accommodative central bank policies, and price hikes for commodities.

Treacherous Treasuries

U.S. FIXED INCOME

12 The **Bloomberg Barclays U.S. Aggregate Bond Index** **PAGE** fell 2.98% during the tumultuous quarter, but ended up 2.65% for the year. Rising yields sent returns across the fixed income sector down for the quarter, and spreads tightened as record new bond issuances met strong global demand.

Big-League Yields

NON-U.S. FIXED INCOME

15 Yields overseas **PAGE** increased and the dollar surged, weighing heavily on sovereign debt performance. The **Bloomberg Barclays Global Aggregate ex US** fell 10.26%. Geopolitical risk dominated the quarter, with the U.S. election, the Brexit vote, and a referendum in Italy.

Rates Trump Fundamentals

REAL ESTATE

17 The **NCREIF Property Index** again turned in **PAGE** its worst performance since the first quarter of 2010, and the **NCREIF Open End Diversified Core Equity Index** barely eclipsed the third quarter's five-year low return. U.S. REITs outperformed global REITs, but still posted negative returns.

Down but Far From Out

PRIVATE EQUITY

19 Company investments **PAGE** and exits trended down during the year and the quarter for both buyouts and venture capital, but activity continued at relatively high levels (except for IPOs). The one other anomaly was that the announced dollar volume for buyouts in 2016 reached an eight-year high.

Making Alpha Great Again

HEDGE FUNDS

20 The **Credit Suisse Hedge Fund Index** **PAGE** advanced 1.15% in the quarter, while the **Callan Hedge Fund-of-Funds Database**, a proxy for live portfolios, grew 1.33%. The best-performing strategy was *Global Macro* (+4.59%), while *Managed Futures* (-5.65%) took the worst hit.

A Case of the Jitters

DEFINED CONTRIBUTION

21 The average DC plan **PAGE** gained 3.92% in the third quarter, as measured by the Callan DC Index™, but trailed the Age 45 Target Date Fund's return of 4.53%. Plan balances grew 3.67%, although money flowed out of plans on a net basis at the highest level since the third quarter of 2006.

A Sentimental Journey

ECONOMY | Jay Kloepfer

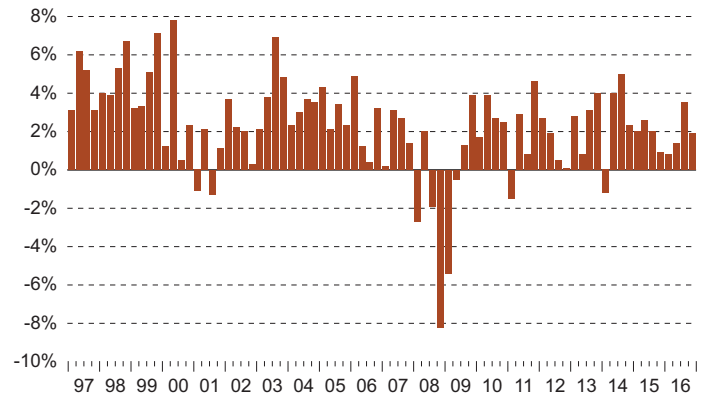
Last year turned out to be a tumultuous one, with two essentially non-economic events jolting the capital markets for reasons solely related to investor sentiment: the U.K. Brexit vote in June and the U.S. presidential election in November. In both instances, wild swings in sentiment and in confidence about the future moved markets around the globe without regard to the underlying economic data. Interest rates and the stock market were taken on a wild ride through the year, with stocks plunging through the summer and then surging following the U.S. election, and interest rates sliding while bonds rallied, only to see rates head back up in a hurry in November and December. This journey was driven almost entirely by sentiment rather than any sudden changes in economic fortune or financial fundamentals.

Real GDP growth in the U.S. came in at a modest 1.9% in the fourth quarter, down from the 3.5% gain in the third quarter. Combined with the weak growth in the first two quarters, total GDP growth for the year was 1.6%, down from the 2.6% gain in 2015. A sustained inventory correction that began in 2015 hung a black cloud over business sentiment during the first half of 2016, and the lingering effect of the bust in energy-sector investment spurred by the collapse in oil prices in 2015 held back economic growth for much of the year. The dollar strengthened over the course of the year, raising the cost of U.S. exports. The stronger dollar combined with anemic growth in Europe and Japan and slowing growth in developing markets held back demand for U.S. exports, while suppressing the cost of imports and driving demand for them higher. Imports are a negative in the GDP calculation and weigh on the measure of total GDP growth. As a result, net exports (exports minus imports) subtracted a hefty 1.7% from GDP growth during the fourth quarter, a reduction equal to the 1.7% gain provided by growth in consumption, which accounts for 70% of total GDP.

One bright spot in the fourth quarter GDP report was a rebound in fixed non-residential investment, which means capital spending: equipment, structures, and intellectual property. To give an

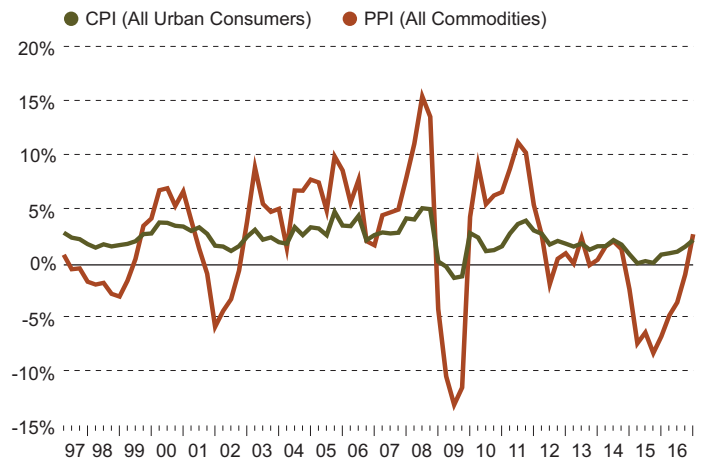
Quarterly Real GDP Growth

(20 Years)



Source: Bureau of Economic Analysis

Inflation Year-Over-Year



Source: Bureau of Labor Statistics

idea of just how depressed the domestic oil and gas industry got, the drilling rig count published by Baker Hughes dropped to a 71-year low of 404 in May 2016; the count rebounded to more than 650 by the end of the year, as energy prices appear to have moved off of a bottom. The downward pressure on capital spending from energy has therefore abated, and capital spending was further aided in the third and fourth quarters by a rebound in aircraft investment.

Consumption spending rose 2.5%, leading GDP gains, supported by gains in real disposable income and household net worth. As the year drew to a close, household finances appeared to be in great shape on an aggregate basis, helped by the post-election stock market rally, rising home prices, and almost a decade of restraint in consumer borrowing. Consumer sentiment indices took big hits in October as the U.S. election loomed, only to spike back up in November and December to levels last seen in 2004. The job market has cooperated, showing a strong 204,000 gain in November after a weak October report, and adding another 156,000 in December. The unemployment rate is now 4.7%, near a nine-year low and well below any target once articulated by policymakers as sufficient to handle a rise in interest rates.

With the economy at or near full employment, interest in inflation has perked up once again, although the measures of inflation remain relatively benign. The headline all-urban CPI was up 2.1% in December year-over-year, and core inflation (less food and energy) rose 2.2%, while the GDP deflator used by the Fed to target inflation was up 2.2%. Energy prices dragged down headline inflation until the second half of 2016, when the energy index increased for four consecutive months through December. Tight labor markets, confident consumers, and a potential for continued capital spending all point to the chance for inflation to move beyond the 1% to 2% range in which it has been bound for the past several years; countering this upward pressure is the strong U.S. dollar, which allows the U.S. to import deflationary pressure through falling import prices.

The Long-Term View

Index	2016 4th Qtr	Periods ended Dec. 31, 2016			
		1 Year	5 Yrs	10 Yrs	25 Yrs
U.S. Equity					
Russell 3000	4.21	12.74	14.67	7.07	9.29
S&P 500	3.82	11.96	14.66	6.95	9.15
Russell 2000	8.83	21.31	14.46	7.07	9.69
Non-U.S. Equity					
MSCI EAFE	-0.71	1.00	6.53	0.75	4.95
MSCI Emerging Markets	-4.16	11.19	1.28	1.84	-
S&P ex-U.S. Small Cap	-3.12	3.78	9.67	3.03	6.70
Fixed Income					
Bloomberg Barclays Agg	-2.98	2.65	2.23	4.34	5.63
90-Day T-Bills	0.09	0.33	0.12	0.80	2.71
Bloomberg Barclays Long G/C	-7.84	6.67	4.07	6.85	7.58
Bloomberg Barclays GI Agg ex US	-10.26	1.49	-1.39	2.44	4.73
Real Estate					
NCREIF Property	1.73	7.97	10.91	6.93	8.63
FTSE NAREIT Equity	-2.89	8.52	12.01	5.08	11.13
Alternatives					
CS Hedge Fund	1.15	1.25	4.34	3.75	-
Cambridge PE*	-	3.95	10.89	10.33	14.35
Bloomberg Commodity	2.66	11.77	-8.95	-5.57	2.55
Gold Spot Price	-12.56	8.63	-5.97	6.08	4.82
Inflation – CPI-U	0.00	2.07	1.36	1.81	2.26

*Private equity returns show pooled horizon IRRs for periods ended June 30, 2016. Most recent quarterly data not available.

Sources: Bloomberg Barclays, Bloomberg, Credit Suisse, FTSE, MSCI, NCREIF, Russell Investment Group, Standard & Poor's, Thomson/Cambridge, Bureau of Economic Analysis.

Recent Quarterly Economic Indicators

	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15
Employment Cost–Total Compensation Growth	2.2%	2.3%	2.3%	1.9%	2.0%	2.0%	2.0%	2.6%
Nonfarm Business–Productivity Growth	-0.2%*	3.1%	-0.2%	-0.6%	-1.7%	2.0%	3.1%	-0.8%
GDP Growth	1.9%	3.5%	1.4%	0.8%	0.9%	2.0%	2.6%	2.0%
Manufacturing Capacity Utilization	74.8%	74.8%	74.9%	75.3%	75.4%	75.6%	75.5%	75.5%
Consumer Sentiment Index (1966=100)	93.2	90.3	92.4	91.5	91.3	90.8	94.2	95.5

*Estimate.

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

Friends Mattered

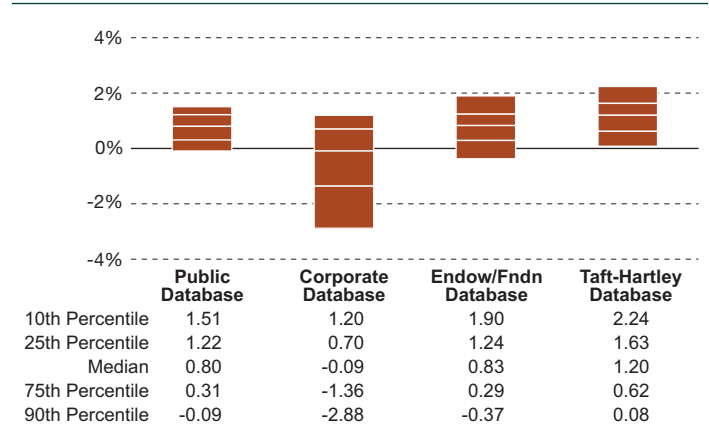
FUND SPONSOR | Kitty Lin

The surprising election results in the U.S.—and the unsurprising December interest rate hike—spurred a significant divergence in U.S. securities markets. Despite some predictions otherwise, U.S. stocks caught fire with the election of what investors saw as a pro-business president who will lower taxes and cut regulations. U.S. fixed income markets, on the other hand, were sharply lower as they prepared for higher interest rates in the future.

These events had a significant impact on the results of institutional funds tracked by Callan, as all types experienced weaker performance compared to the previous quarter. According to Callan’s database, the median return for all fund types was +0.65% in the fourth quarter, compared to +3.44% in the third. But how funds did depended on how well they chose their “friends” in the markets. Corporate plans performed the worst with a -0.09% return and Taft-Hartley plans the best at +1.20%.

Taft-Hartley plans saw better results because they had higher allocations to U.S. equity than other plan types, and the lowest among all types to non-U.S. equity. The **S&P 500 Index** jumped 3.82% for the quarter, while the **MSCI ACWI ex USA Index** dropped 1.25%. Although non-U.S. equities helped performance in the third quarter, major upcoming elections in Europe and Asia may have contributed to the shift in sentiment, contributing to the lackluster performance by stocks in the fourth quarter.

Callan Fund Sponsor Returns for the Quarter



Source: Callan

On the other end of the spectrum, the weak performance by corporate plans may have stemmed from their higher allocations to U.S. fixed income. While Taft-Hartley plans had an average of 25% of their portfolios allocated to U.S. fixed income, corporate plans had an average of 40%, and the lowest allocation to U.S. equity among the types of plans Callan tracks. The **Bloomberg Barclays U.S. Aggregate Index** was off 2.98% for the quarter, whereas the **Russell 2000 Index** jumped 8.83% and the **Russell 1000 Index** rose 3.83%. Although corporate plans had a tough fourth quarter, they topped all other institutional funds in the past year with a +7.88% return. In addition to their solid

Callan Database Median Returns* for Periods ended December 31, 2016

Fund Sponsor	Quarter	YTD	Year	3 Years	5 Years	10 Years	15 Years
Public Funds	0.80	7.49	7.49	4.62	8.32	5.25	6.34
Corporate Funds	-0.09	7.88	7.88	4.70	8.02	5.36	6.37
Endowments/Foundations	0.83	7.09	7.09	3.59	7.84	4.94	6.13
Taft-Hartley	1.20	7.81	7.81	5.26	8.87	5.23	6.01

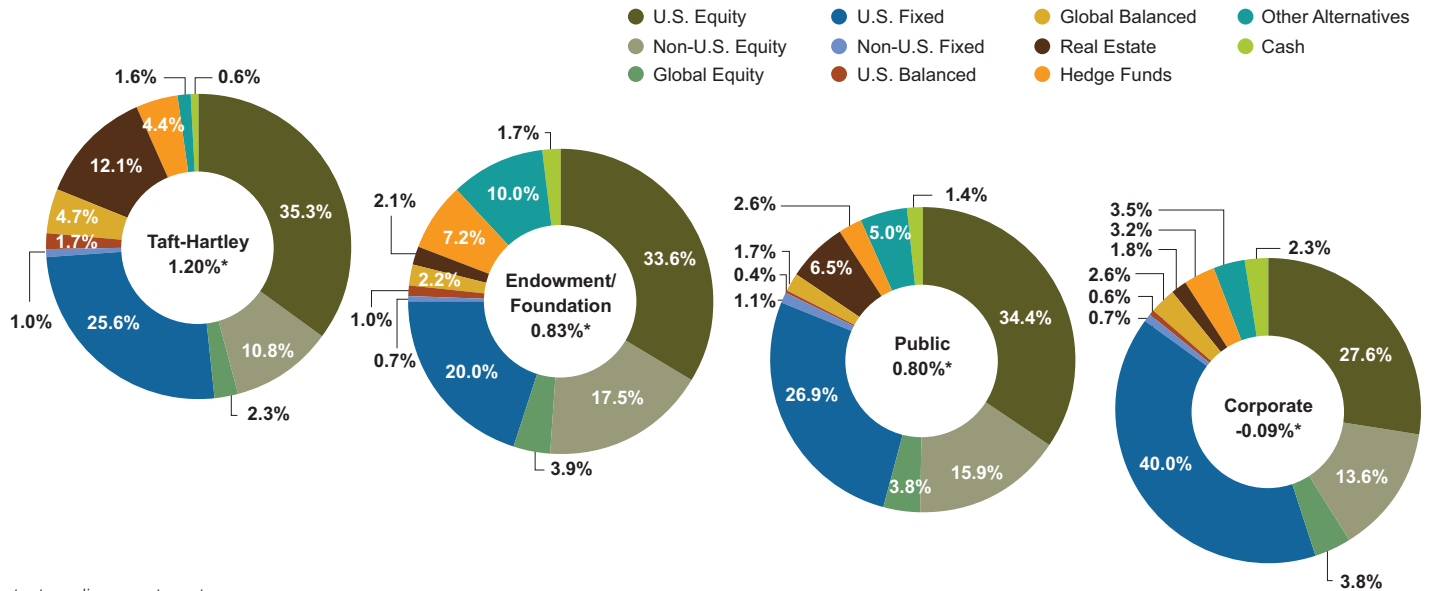
*Returns less than one year are not annualized.

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.

performance this quarter, Taft-Hartley plans have performed well over the past one, three, and five years compared to other institutional funds.

By size, small funds led during the fourth quarter with a median return of +0.72% while large funds had the lowest return at +0.56%. On the other hand, large funds performed the best when looking at funds in the 10th percentile, up 1.82%.

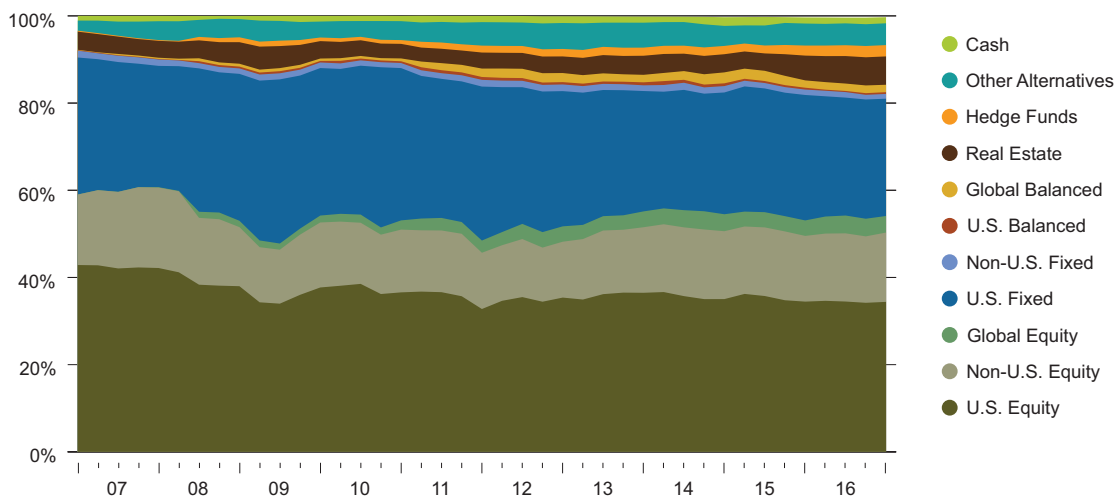
Callan Fund Sponsor Average Asset Allocation



*Latest median quarter return.
 Note: charts may not sum to 100% due to rounding.
 Source: Callan

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.

Election Rally

U.S. EQUITY | Lauren Mathias, CFA

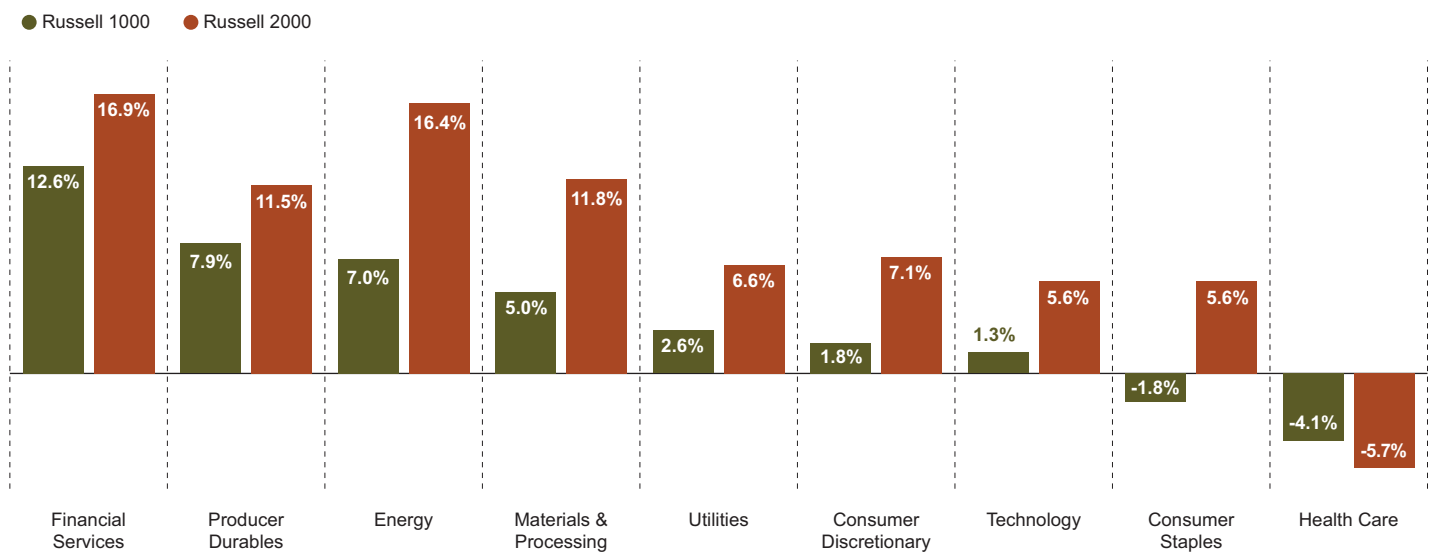
The **S&P 500 Index** notched a +3.82% return for the fourth quarter after reaching an all-time high (2,239) just days before the end of 2016. Even more impressive was the return from small-capitalization companies (**Russell 2000 Index**: +8.83%), as was the divergence between value and growth across the size spectrum (**Russell 1000 Value Index**: +6.68% vs. **Russell 1000 Growth Index**: +1.01%; **Russell 2000 Value Index**: +14.07% vs. **Russell 2000 Growth Index**: +3.57%).

The market in the fourth quarter was trumped by politics as the incoming administration promised to lower personal and corporate income taxes, decrease business and environmental regulation, and increase infrastructure spending. Investors appeared to approve; November saw the highest monthly return of the quarter (+3.70%). Other tailwinds furthered the frenzy, including upwardly revised third-quarter GDP (to +3.5%), subdued initial jobless claims, unemployment at the lowest level in nine years (4.6%), average wage growth of 2.9% in December,

and a surging U.S. dollar; home and automobile prices hit all-time highs, as did consumer confidence. In light of the progress, the Fed Funds rate was increased in December to a range of 0.50% to 0.75%. There are still pockets of uncertainty, however; across the pond the European Central Bank continued quantitative easing and back at home a Trump government could mean higher debt and subsequently inflation. Sentiment is nonetheless revved up, at least for now.

U.S. equity was the preferred market globally; small cap particularly benefited from Trump-fueled enthusiasm. Micro and small capitalization companies outpaced mid and large cap stocks (**Russell Microcap Index**: +10.05%, **Russell 2000 Index**: +8.83%, **Russell Midcap Index**: +3.21%, and **Russell 1000 Index**: +3.83%). Value regained its lead over growth in all capitalizations; the dispersion in style returns was broad across market capitalizations, with the widest (1,050 bps) in small cap (Russell 2000 Value minus Russell 2000 Growth)—the most since the technology bubble burst in 2001.

Economic Sector Quarterly Performance



Source: Russell Investment Group

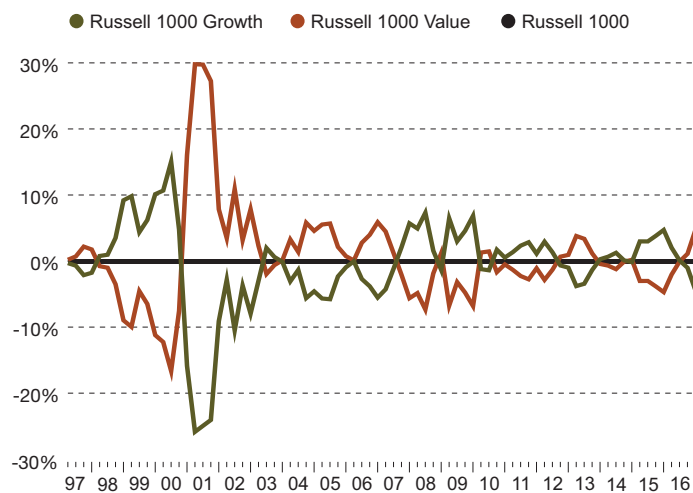
Note: As of the fourth quarter of 2015, the Capital Market Review reports sector-specific returns using the Russell Global Sectors (RGS) classification system rather than the Global Industry Classification Standard (GICS) system. RGS uses a three-tier classification system containing nine sectors; GICS uses a four-tier system containing 11 sectors.

Sector performance reflected the style shift; the best-performing sectors in the S&P 500 during the quarter were value-oriented, including Financials (+21.10%), Energy (+7.28%), and Materials (+4.70%). Within Financials, banks did especially well, benefiting from both an increase in interest rates and talk of deregulation. The Organization of Petroleum Exporting Countries (OPEC) agreed on oil production cuts in the quarter, boosting Energy stocks. In general, investors preferred companies with lower leverage and higher operating margins and return on equity. The growth-oriented, momentum areas of the market declined, including Health Care (-4.00%) and Consumer

Staples (-2.02%). The new Real Estate sector, representing 2.9% of the S&P 500, finished the quarter down 4.41% as these investments tend to move in the opposite direction of interest rates.

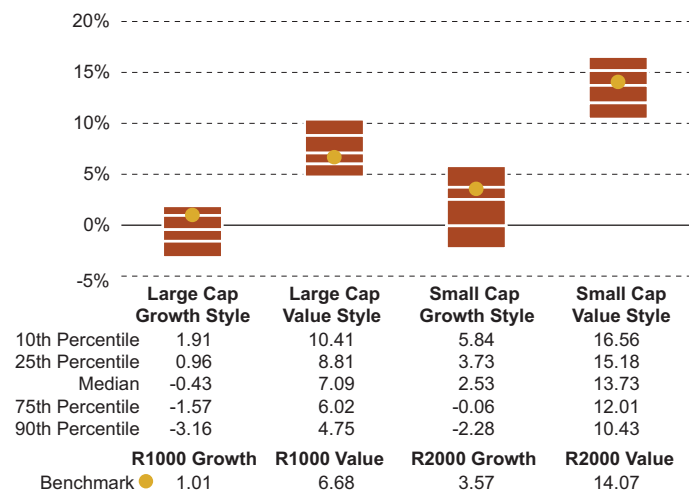
U.S. equity valuations were elevated; the S&P 500 Index Forward P/E was 16.9x at the end of the year versus the 25-year average of 15.9x. In this environment active managers were challenged; outflows from this group have totaled over \$1 trillion since 2005. However, a future with more volatility, lower returns, and higher interest rates should favor active management.

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 December 31, 2016

	S&P 500	Rus 3000	Rus 1000	Rus Midcap	Rus 2500	Rus 2000
Number of Issues	505	2,972	994	793	2,473	1,978
Wtd Avg Mkt Cap (\$bn)	139.0	115.8	125.6	13.0	4.2	2.1
Price/Book Ratio	2.8	2.7	2.7	2.4	2.2	2.1
Forward P/E Ratio	17.1	17.6	17.4	18.9	20.0	21.1
Dividend Yield	2.1%	2.0%	2.0%	1.7%	1.5%	1.4%
5-Yr Earnings (forecasted)	12.3%	12.3%	12.2%	10.9%	11.8%	12.8%

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

U.S. EQUITY (Continued)

Callan Style Median and Index Returns* for Periods ended December 31, 2016

Large Cap Equity	Quarter	YTD	Year	3 Years	5 Years	10 Years	15 Years
Large Cap Core Style	3.83	10.40	10.40	8.30	14.44	7.22	7.26
Russell 3000	4.21	12.74	12.74	8.43	14.67	7.07	7.11
Russell 1000	3.83	12.05	12.05	8.59	14.69	7.08	7.00
S&P 500	3.82	11.96	11.96	8.87	14.66	6.95	6.69
Large Cap Growth Style	-0.43	3.42	3.42	7.31	13.98	8.18	6.55
Russell 1000 Growth	1.01	7.08	7.08	8.55	14.50	8.33	6.42
Large Cap Value Style	7.09	15.25	15.25	8.28	14.69	6.51	8.11
Russell 1000 Value	6.68	17.34	17.34	8.59	14.8	5.72	7.41
Mid Cap Equity	Quarter	YTD	Year	3 Years	5 Years	10 Years	15 Years
Mid Cap Core Style	5.47	14.48	14.48	8.53	15.49	8.83	10.13
Russell Midcap	3.21	13.80	13.80	7.92	14.72	7.86	9.51
Mid Cap Growth Style	0.30	4.23	4.23	4.36	12.33	8.09	8.30
Russell Midcap Growth	0.46	7.33	7.33	6.23	13.51	7.83	7.96
Mid Cap Value Style	6.55	17.10	17.10	8.26	15.03	8.41	10.45
Russell Midcap Value	5.52	20.00	20.00	9.45	15.70	7.59	10.28
Small Cap Equity	Quarter	YTD	Year	3 Years	5 Years	10 Years	15 Years
Small Cap Core Style	9.76	20.58	20.58	8.53	16.32	8.47	10.60
Russell 2000	8.83	21.31	21.31	6.74	14.46	7.07	8.49
Small Cap Growth Style	2.53	8.63	8.63	3.44	13.40	8.62	8.54
Russell 2000 Growth	3.57	11.32	11.32	5.05	13.74	7.76	7.48
Small Cap Value Style	13.73	27.75	27.75	9.13	16.43	8.61	11.17
Russell 2000 Value	14.07	31.74	31.74	8.31	15.07	6.26	9.22
Smid Cap Equity	Quarter	YTD	Year	3 Years	5 Years	10 Years	15 Years
Smid Cap Core Style	5.56	16.00	16.00	6.84	15.17	9.47	-
Russell 2500	6.12	17.59	17.59	6.93	14.54	7.69	9.17
Smid Cap Growth Style	1.81	7.70	7.70	3.95	13.11	8.95	8.91
Russell 2500 Growth	2.60	9.73	9.73	5.45	13.88	8.24	8.03
Smid Cap Value Style	10.12	22.16	22.16	7.93	14.78	8.59	10.96
Russell 2500 Value	9.34	25.20	25.20	8.22	15.04	6.94	9.72
Russell 3000 Sectors	Quarter	YTD	Year	3 Years	5 Years	10 Years	15 Years
Consumer Discretionary	2.22	6.85	6.85	6.90	16.75	10.79	-
Consumer Staples	-1.57	5.79	5.79	10.14	13.53	10.79	-
Energy	7.31	26.29	26.29	-4.45	2.64	3.40	-
Financial Services	13.04	17.96	17.96	10.65	18.18	1.41	-
Health Care	-4.22	-3.33	-3.33	9.10	17.25	10.15	-
Materials & Processing	5.95	23.09	23.09	5.65	11.94	6.42	-
Producer Durables	8.23	20.13	20.13	8.07	15.81	7.44	-
Technology	1.55	14.82	14.82	12.56	15.52	9.81	-
Utilities	2.87	20.49	20.49	11.26	11.34	6.41	-

*Returns less than one year are not annualized.

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

A Depressing Dollar

NON-U.S. EQUITY | Irina Sushch

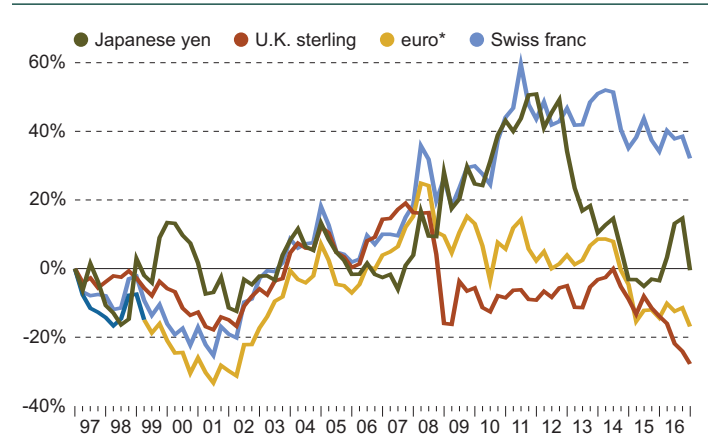
During the final quarter of 2016, foreign developed and emerging markets floundered in U.S. dollar terms despite hearty local returns. Donald Trump's election drove U.S. stocks to record highs, as investors reacted positively to his business-friendly stances on taxes, trade, and regulations. The U.S. dollar hit a multi-year high versus the euro and the yen and appreciated roughly 7% compared to a basket of currencies.

That broad-based dollar strength detracted from overseas returns for U.S. investors. The **MSCI ACWI ex USA Index** was down 1.25% for the quarter (but up 4.93% in local currency). As in the previous quarter, the defensive-oriented sectors dragged down returns (Consumer Staples: -10.09%, Health Care: -8.08%, REITs: -7.90%, Utilities: -7.19%). The interest rate-sensitive sectors helped limit the damage (Energy: +8.32%, Financials: +6.84%).

In dollar-denominated results, emerging markets (**MSCI Emerging Markets Index**: -4.16%) trailed their developed peers (**MSCI World ex USA Index**: -0.36%, **MSCI EAFE Index**: -0.71%). The **MSCI ACWI ex USA Value Index** (+3.29%) fared much better than the **MSCI ACWI ex USA Growth Index** (-5.72%). Small cap stocks joined growth and emerging market stocks at the bottom of the barrel (**MSCI ACWI ex USA Small Cap Index**: -3.52%). Despite multiple headwinds, the **MSCI ACWI ex USA Index** ended the year up 4.50%.

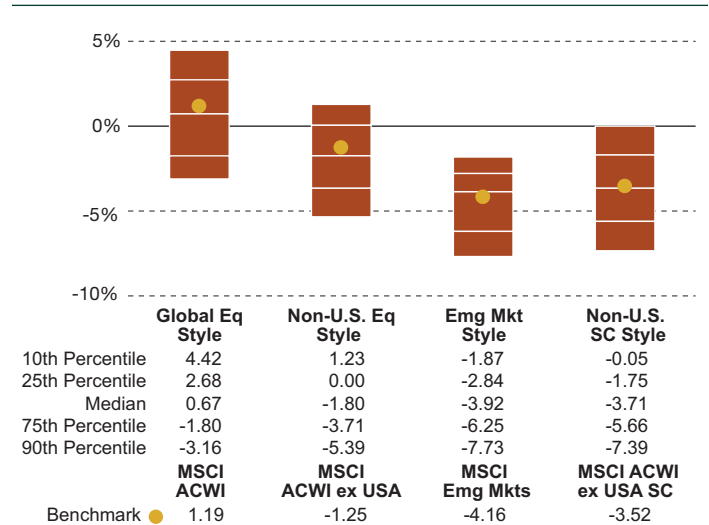
The European Central Bank announced that it would extend its bond purchase program, although it plans to lower investments from €80 billion to €60 billion per month. The unemployment rate in the euro zone declined to 9.8%, the lowest since July 2009. Consumer prices ticked up 0.6% year-over-year in November, and GDP was on track to increase at a 0.4% to 0.5% pace from 0.3% in the third quarter, based on early indications ahead of the release of the official figures in early 2017. Against this backdrop, the **MSCI Europe Index** rose 5.44% in the fourth quarter and 7.23% during the year for local investors; however, in U.S. dollar terms, the Index was essentially flat for the quarter

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



* German mark returns before 1Q99
Source: MSCI

Callan Style Group Quarterly Returns



Sources: Callan, MSCI

and year (-0.40% for both periods). Italy (+10.75%) led the pack during the quarter, while Belgium (-11.80%) brought up the rear. Across the euro zone, economically sensitive Financial (+11.45%) and Energy (+11.16%) stocks posted healthy returns, while defensively oriented REIT (-9.96%) and Utility (-9.40%) stocks faltered.

NON-U.S. EQUITY (Continued)

In Southeast Asia and the Pacific, Japan's stimulus measures boosted returns for local investors (+14.99%). But the dollar hit a 14-year high versus the yen, hammering returns for U.S. investors (-0.16%). New Zealand had a rough quarter (-10.88%), although it closed out the year up 18.37%. Australia was the only country in the region to end the quarter in the black, up 0.69% (and +11.45% for the year), buoyed by rebounding commodity prices and higher interest rates. The **MSCI Pacific Index** slumped 1.03% for the quarter, but rose for the year (+4.18%).

Despite the MSCI Emerging Markets Index's decline during the quarter, it jumped a robust 11.19% during 2016, buttressed by strengthening commodity prices as well as reform efforts and accommodative monetary policies in several countries. Russia, up 18.56% in the quarter and 54.82% for the year, benefited richly from rising prices for oil and industrial commodities. China fell

during the quarter (-7.07%) but ended the year essentially flat (+0.90%). Most emerging Asian markets gained ground during the year (**MSCI EM Asia**: +6.14%), despite a rough fourth quarter (-6.06%), driven by economic reform and technology stocks. Mexico dropped 7.88% for the quarter and 9.16% for the year, hurt by peso weakness and Trump's election.

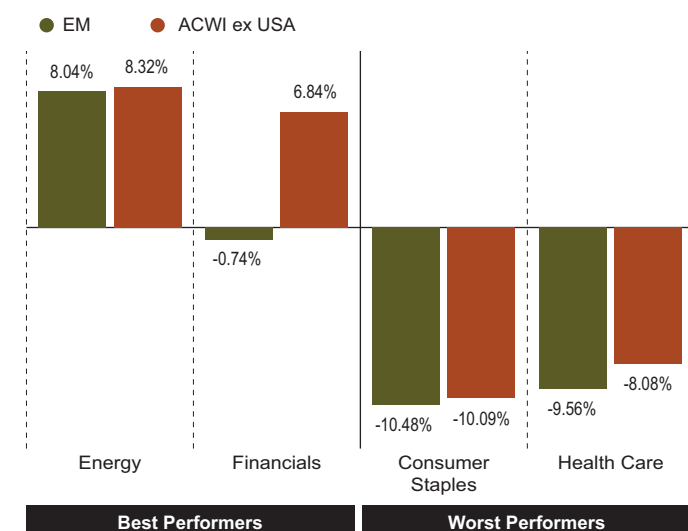
Quarterly Returns for Non-U.S. Developed Countries

Country	Equity Index			Weight*
	(US\$)	(Local Currency)	Local Currency	
Australia	0.69%	6.41%	-5.38%	5.20%
Austria	6.51%	13.48%	-6.14%	0.14%
Belgium	-11.80%	-6.03%	-6.14%	0.83%
Canada	3.26%	5.36%	-2.00%	7.05%
Denmark	-8.74%	-2.90%	-6.01%	1.16%
Finland	-4.40%	1.86%	-6.14%	0.68%
France	2.93%	9.67%	-6.14%	7.16%
Germany	1.45%	8.10%	-6.14%	6.53%
Hong Kong	-8.97%	-9.00%	0.04%	2.28%
Ireland	0.14%	6.69%	-6.14%	0.33%
Israel	-11.32%	-9.61%	-2.51%	0.48%
Italy	10.75%	18.01%	-6.14%	1.46%
Japan	-0.16%	14.99%	-13.18%	16.95%
Netherlands	-2.10%	3.72%	-6.14%	2.33%
New Zealand	-10.88%	-7.06%	-4.11%	0.13%
Norway	2.40%	10.29%	-7.15%	0.47%
Portugal	-2.92%	3.44%	-6.14%	0.11%
Singapore	-3.64%	2.02%	-5.62%	0.87%
Spain	2.24%	8.94%	-6.14%	2.21%
Sweden	-0.84%	5.15%	-5.69%	2.00%
Switzerland	-3.86%	0.80%	-4.62%	6.08%
U.K.	-0.90%	4.19%	-4.88%	12.89%

*Weight in the MSCI ACWI ex USA Index

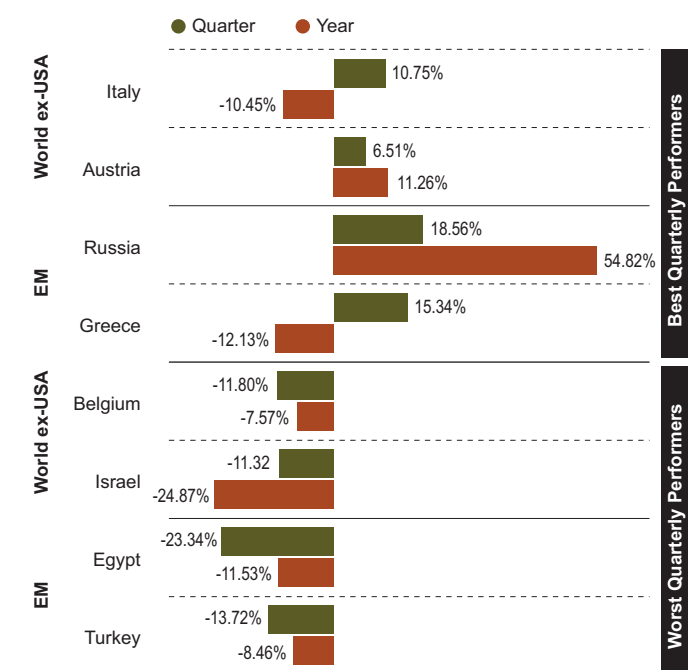
Sources: MSCI, Russell Investment Group, Standard & Poor's.

Quarterly Returns: Strong and Struggling Sectors



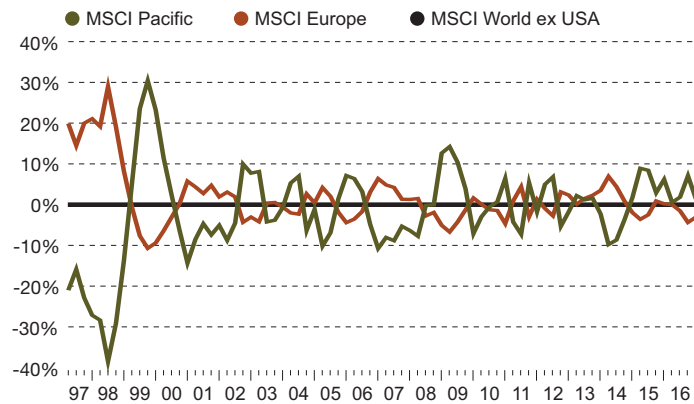
Source: MSCI

Quarterly and Annual Country Performance Snapshot



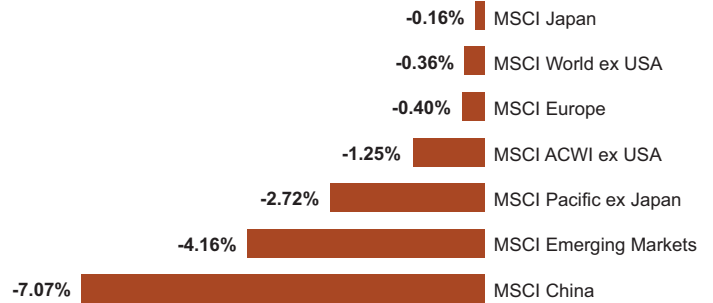
Source: MSCI

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



Source: MSCI

Regional Quarterly Performance (U.S. Dollar)



Source: MSCI

Callan Style Median and Index Returns* for Periods ended December 31, 2016

Global Equity	Quarter	YTD	Year	3 Years	5 Years	10 Years	15 Years
Global Equity Style	0.67	6.41	6.41	3.53	10.74	4.86	7.11
MSCI World	1.86	7.51	7.51	3.80	10.41	3.83	5.83
MSCI ACWI	1.19	7.86	7.86	3.13	9.36	3.56	5.92
Non-U.S. Equity	Quarter	YTD	Year	3 Years	5 Years	10 Years	15 Years
Non-U.S. Equity Style	-1.80	1.47	1.47	-0.55	7.39	2.01	7.00
MSCI World ex USA	-0.36	2.75	2.75	-1.59	6.07	0.86	5.45
MSCI ACWI ex USA	-1.25	4.50	4.50	-1.78	5.00	0.96	5.87
Regional Equity	Quarter	YTD	Year	3 Years	5 Years	10 Years	15 Years
MSCI China	-7.07	0.90	0.90	0.14	5.02	3.76	11.62
MSCI Europe ex UK	-0.20	-0.56	-0.56	-2.62	7.41	0.36	5.22
MSCI Japan	-0.16	2.38	2.38	2.49	8.17	0.54	4.69
MSCI Japan (local)	14.99	-0.74	-0.74	6.11	17.56	0.32	3.88
MSCI Pacific	-1.03	4.18	4.18	1.43	7.15	1.62	6.05
MSCI Pacific (local)	10.16	2.26	2.26	5.34	14.46	1.24	4.70
MSCI Pacific ex Japan	-2.72	7.85	7.85	-0.59	5.24	3.94	9.45
MSCI Pacific ex Japan (local)	1.23	8.34	8.34	4.28	10.08	4.25	7.43
MSCI United Kingdom	-0.90	-0.10	-0.10	-4.40	3.97	0.32	4.51
MSCI United Kingdom (local)	4.19	19.16	19.16	5.41	8.85	5.05	5.66
Emerging/Frontier Markets	Quarter	YTD	Year	3 Years	5 Years	10 Years	15 Years
Emerging Market Style	-3.92	11.66	11.66	-1.25	3.09	3.06	10.94
MSCI Emerging Markets	-4.16	11.19	11.19	-2.55	1.28	1.84	9.50
MSCI Emerging Markets (local)	-1.44	9.69	9.69	2.83	5.64	4.35	10.02
MSCI Frontier Markets	0.49	2.66	2.66	-2.10	5.16	-0.62	-
Global/Non-U.S. Small Cap Equity	Quarter	YTD	Year	3 Years	5 Years	10 Years	15 Years
Non-U.S. Small Cap Style	-3.71	-0.17	-0.17	2.35	11.72	4.69	11.27
MSCI World Small Cap	2.74	12.71	12.71	4.62	12.21	5.59	9.40
MSCI ACWI Small Cap	1.76	11.59	11.59	3.97	11.29	5.66	9.66
MSCI World ex USA Small Cap	-2.74	4.32	4.32	1.36	8.96	2.69	9.26
MSCI ACWI ex USA Small Cap	-3.52	3.91	3.91	0.76	7.74	2.89	9.64

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

Treacherous Treasuries

U.S. FIXED INCOME | Rufash Lama

The U.S. bond market experienced a tumultuous fourth quarter, triggered by the unexpected election results and strong economic data, among other factors. The **Bloomberg Barclays U.S. Aggregate Bond Index** dropped 2.98%, while the **Bloomberg Barclays High Yield Index** rose 1.75%. But the year ended on an upbeat note, with the Aggregate up 2.65% and the High Yield Index delivering equity-like returns at 17.13%.

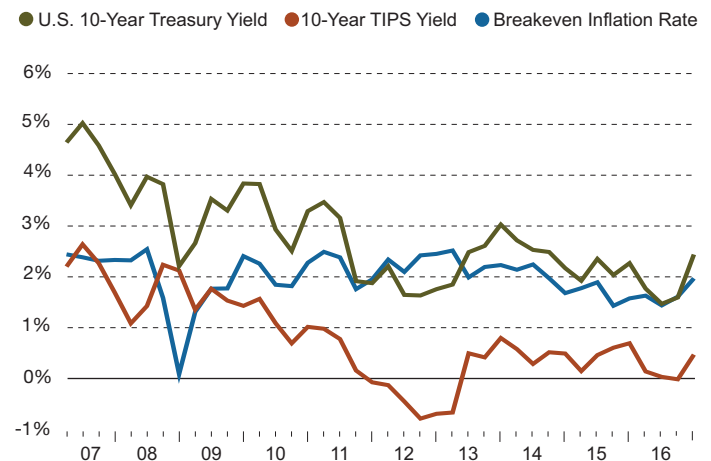
The yield curve rose following the presidential election and an upward revision for third-quarter GDP to 3.5%, the highest quarterly increase in two years. Yields rose across the maturity spectrum. The benchmark 10-year Treasury note showed the biggest change, ending the quarter at 2.45% (an increase of 85 bps). Yields on the 5-year and 30-year finished at 1.93% and 3.07%, respectively.

Markets entered 2016 expecting four rate hikes, but the Fed increased the Federal Funds rate only once, by 25 bps to a range of 0.50% to 0.75% in December. As a result of rising yields, returns across the broad fixed income sector were negative for the quarter. Tax-exempt municipal bonds and Treasuries dropped 3.62% and 3.84%, respectively. On a duration-adjusted

basis, Treasuries underperformed credit securities by 156 bps. Long Treasuries were hit particularly hard, falling 11.67%.

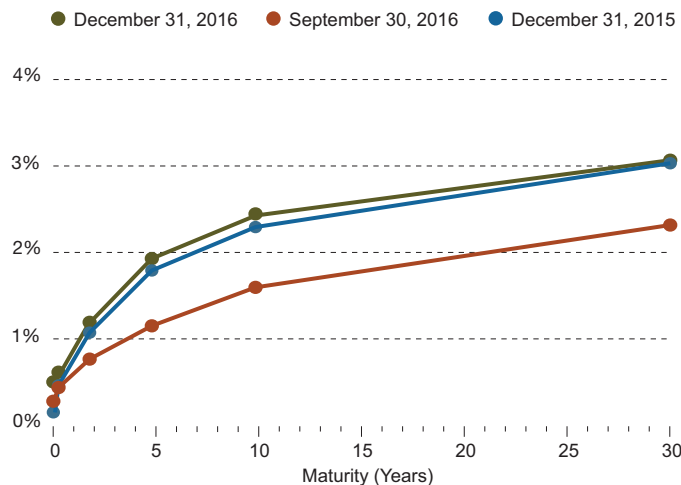
Spreads tightened during the quarter. Investment-grade corporate spreads over comparable Treasuries tightened 42 bps and ended the year at 123 bps—a stark contrast to the first half of the year, in which spreads had widened up to 214 bps in February.

Historical 10-Year Yields



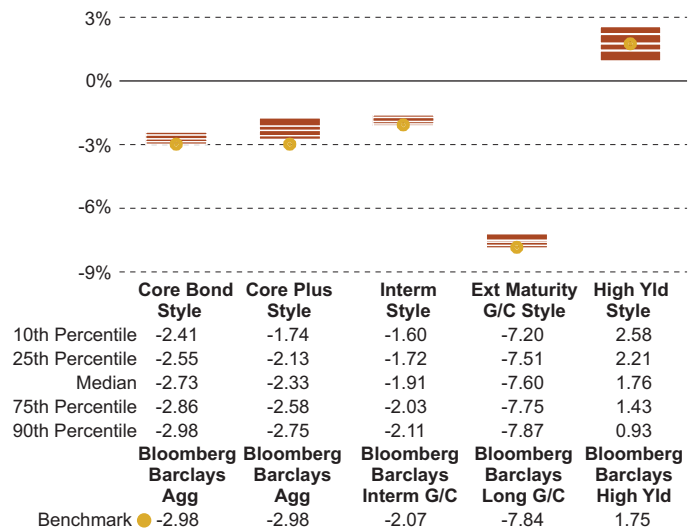
Source: Bloomberg

U.S. Treasury Yield Curves



Source: Bloomberg

Callan Style Group Quarterly Returns



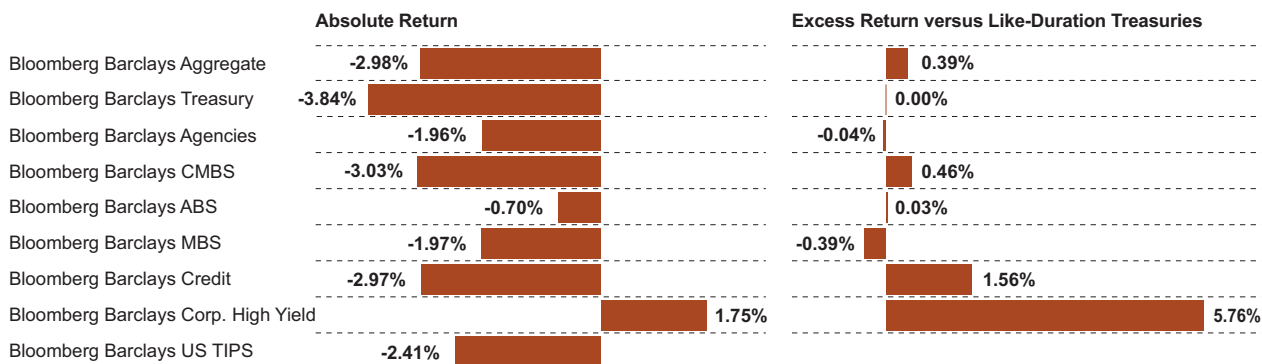
Sources: Bloomberg Barclays, Callan

Corporates declined 2.8% for the quarter, but generated a strong return (+6.11%) for the year. On a duration-adjusted basis, long credit outperformed intermediate credit by 330 bps. Despite a slow start, high yield corporates made a powerful comeback to end the year on a strong note; they delivered 407 bps of excess returns for the quarter. Mortgage-backed securities (MBS), plagued by rate volatility and elevated prepayment concerns, fell 1.97% for the quarter (but were up 1.67% for the year) and underperformed duration-matched Treasuries by 39 bps.

Asset-backed securities (ABS) were off 0.70% for the quarter but up 2.03% for the year. Commercial mortgage-backed securities (CMBS) experienced a similar divergence, falling 3.03% in the quarter but rising 3.32% over the year.

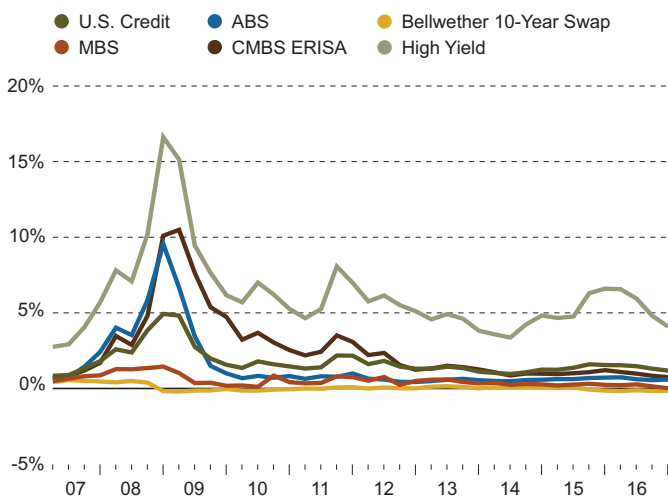
In 2016, U.S. corporations set a milestone with new high yield and investment-grade issuances that totaled \$1.5 trillion. The municipal bond market also set a record with new offerings totaling \$445 billion.

Fixed Income Index Quarterly Returns



Source: Bloomberg Barclays

Effective Yield Over Treasuries



Source: Bloomberg Barclays

U.S. Fixed Income Index Characteristics as of Dec. 31, 2016

Bloomberg Barclays Indices	Yield to Worst	Mod Adj Duration	Avg Maturity
Bloomberg Barclays Aggregate	2.61	5.89	8.19
Bloomberg Barclays Universal	2.99	5.69	7.97
Bloomberg Barclays Gov/Credit	2.51	6.45	8.74
1-3 Year	1.45	1.92	1.98
Intermediate	2.11	4.05	4.39
Long-Term	3.95	14.97	24.18
Bloomberg Barclays Long Credit	4.55	13.57	23.77
Bloomberg Barclays Corp High Yield	6.12	4.11	6.30
Bloomberg Barclays TIPS	2.20	4.87	8.25
Bloomberg Barclays Muni Bond 1-5 Year	1.76	2.69	3.17
Bloomberg Barclays Muni 1-10 Year	2.11	4.04	5.79
Bloomberg Barclays Municipal	2.65	6.24	12.82

Source: Bloomberg Barclays

U.S. FIXED INCOME (Continued)

Callan Style Median and Index Returns* for Periods ended December 31, 2016

	Quarter	YTD	Year	3 Years	5 Years	10 Years	15 Years
Broad Fixed Income							
Core Bond Style	-2.73	3.13	3.13	3.39	2.86	4.90	5.05
Core Bond Plus Style	-2.33	4.67	4.67	3.54	3.72	5.35	5.67
Bloomberg Barclays Aggregate	-2.98	2.65	2.65	3.03	2.23	4.34	4.58
Bloomberg Barclays Universal	-2.61	3.91	3.91	3.27	2.78	4.57	4.92
Long-Term							
Extended Maturity Credit Style	-5.33	10.77	10.77	7.47	6.09	7.27	-
Bloomberg Barclays Long Credit	-5.40	10.22	10.22	6.98	5.20	6.87	7.15
Extended Maturity Gov/Credit Style	-7.60	7.28	7.28	7.33	4.64	7.45	7.46
Bloomberg Barclays Long Gov/Credit	-7.84	6.67	6.67	7.16	4.07	6.85	7.03
Intermediate-Term							
Intermediate Style	-1.91	2.33	2.33	2.31	2.27	4.27	4.50
Bloomberg Barclays Interm Gov/Credit	-2.07	2.08	2.08	2.09	1.85	3.84	4.07
Short-Term							
Defensive Style	-0.33	1.54	1.54	1.19	1.29	2.74	2.98
Bloomberg Barclays Gov/Credit 1-3 Yr	-0.39	1.28	1.28	0.90	0.92	2.44	2.72
Bank Loans							
Bank Loan Style	2.13	9.38	9.38	3.90	5.43	4.89	5.17
Credit Suisse Leveraged Loans	2.25	9.88	9.88	3.76	5.21	4.26	4.87
High Yield							
High Yield Style	1.76	14.74	14.74	4.61	7.36	7.42	8.26
Bloomberg Barclays Corp High Yield	1.75	17.13	17.13	4.66	7.36	7.45	8.35
Unconstrained							
Unconstrained Fixed Style	0.79	5.07	5.07	2.34	3.89	4.59	6.33
90 Day T-Bill + 3%	0.82	3.33	3.33	3.14	3.12	3.80	4.34
Stable Value							
Stable Value Style	0.48	1.87	1.87	1.78	1.89	2.76	3.44
iMoneyNet Mutual Fund Avg	0.05	0.13	0.13	0.05	0.04	0.71	-
TIPS							
Inflation-Linked Style	-2.34	4.82	4.82	2.27	0.93	4.44	5.39
Bloomberg Barclays TIPS	-2.41	4.68	4.68	2.26	0.89	4.36	5.30
Municipal							
Short Municipal Style	-0.91	-0.10	-0.10	0.45	0.64	1.65	1.88
Bloomberg Barclays Municipal 1-5 Yr	-1.36	0.00	0.00	1.08	1.25	2.86	2.99
Intermediate Municipal Style	-3.47	-0.29	-0.29	2.84	2.35	3.47	3.77
Bloomberg Barclays Municipal 1-10 Yr	-2.62	-0.10	-0.10	2.32	2.03	3.69	3.87
Long Municipal Style	-3.50	0.50	0.50	4.32	3.60	4.54	4.97
Bloomberg Barclays Municipal	-3.62	0.25	0.25	4.14	3.28	4.25	4.67

*Returns for less than one year are not annualized.

Sources: Bloomberg Barclays, Callan, Credit Suisse, Merrill Lynch

Big-League Yields

NON-U.S. FIXED INCOME | Kyle Fekete

The U.S. dollar skyrocketed against a trade-weighted basket of currencies on the back of the November U.S. election and higher U.S. interest rates. Investment strategies with foreign currency exposure faced strong headwinds as the **Bloomberg Barclays Global Aggregate ex US** fell 10.26% (-1.86% on a hedged basis).

Continuing 2016's anti-establishment geopolitical theme, Italians voted against reforms proposed by the government, leading to Italian President Matteo Renzi's resignation. In December, European Central Bank President Mario Draghi announced the extension of its stimulus program out to December 2017; however, the bond buying will be dialed

Quarterly Returns for Non-U.S. Government Indices

Country	Country Debt (\$)	Country Debt	Local Currency	Weight*
Australia	-9.22%	-4.06%	-5.38%	2.45%
Austria	-8.58%	-2.60%	-6.14%	1.85%
Belgium	-9.47%	-3.54%	-6.14%	3.03%
Canada	-5.79%	-3.87%	-2.00%	2.55%
Denmark	-8.77%	-2.93%	-6.01%	0.77%
Finland	-8.12%	-2.11%	-6.14%	0.72%
France	-9.35%	-3.42%	-6.14%	11.80%
Germany	-8.47%	-2.48%	-6.14%	8.85%
Ireland	-7.81%	-1.77%	-6.14%	0.93%
Italy	-9.24%	-3.30%	-6.14%	11.41%
Japan	-14.72%	-1.78%	-13.18%	33.08%
Malaysia	-10.17%	-2.55%	-7.81%	0.52%
Mexico	-11.18%	-5.46%	-6.06%	0.94%
Netherlands	-8.70%	-2.73%	-6.14%	2.82%
Norway	-8.54%	-1.50%	-7.15%	0.33%
Poland	-10.13%	-1.98%	-8.31%	0.72%
Singapore	-8.91%	-3.49%	-5.62%	0.45%
South Africa	0.72%	0.16%	0.56%	0.64%
Spain	-8.80%	-2.83%	-6.14%	6.61%
Sweden	-7.73%	-2.16%	-5.69%	0.56%
Switzerland	-6.03%	-1.48%	-4.62%	0.29%
U.K.	-8.40%	-3.70%	-4.88%	8.69%

*Weight in the Citi Non-U.S. World Government Bond Index.
Source: Citigroup

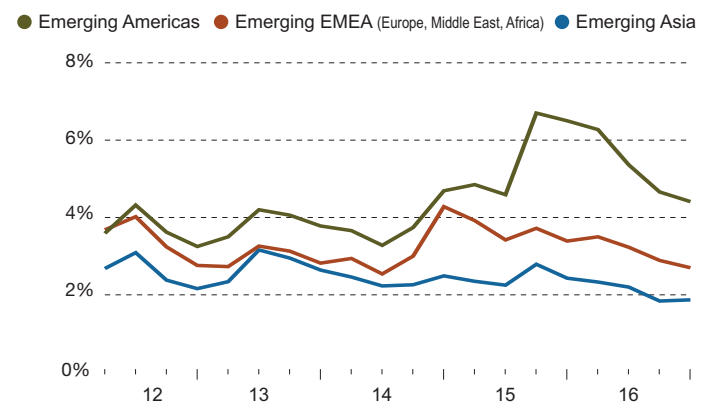
back to €60 billion per month, down from €80 billion. The quantitative easing program reached approximately €1.7 trillion in 2016, and should top €2.2 trillion by the end of 2017.

Yields on 10-year German government bonds increased to 0.21%, 224 bps below that of the 10-year Treasury. The U.S./German 10-year debt spread reached the widest it has been since 1990. The euro declined 6.14% against the dollar.

Ahead of the uncertainty surrounding the Brexit process, the Bank of England (BOE) elected to hold the benchmark rate at 0.25% and maintain the same rate of bond purchasing, saying the sterling's recent appreciation against the euro may curtail inflation. The U.K. 10-year yield jumped 49 bps to 1.24% and the sterling declined 4.9% against the dollar. Changes to Japan's monetary policy were also put on hold as the unemployment rate reached a healthy level and a weakened yen stood poised to boost potential earnings growth. The Bank of Japan upheld its pledge to keep the yield of 10-year Japanese debt near 0%; its yield settled at 0.05%.

Emerging market debt weakened and underperformed developed markets. The local currency-denominated **JP Morgan GBI-EM Global Diversified Index** fell 6.09%. The USD-denominated **JPM EM Global Diversified Index** fell 4.02%.

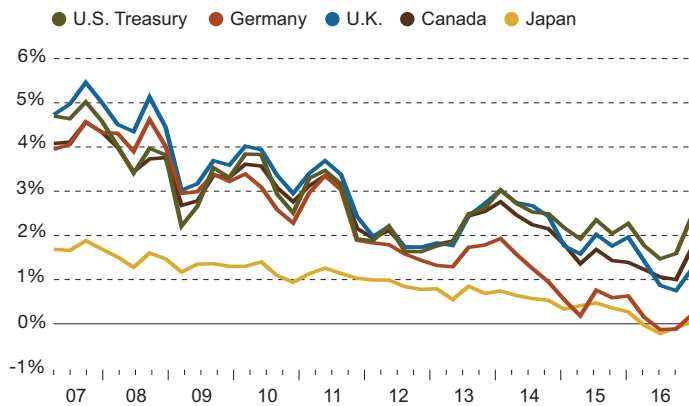
Emerging Spreads Over Developed (By Region)



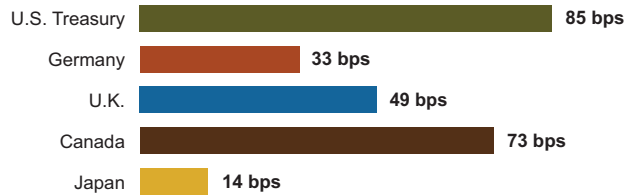
Source: Bloomberg Barclays

NON-U.S. FIXED INCOME (Continued)

10-Year Global Government Bond Yields



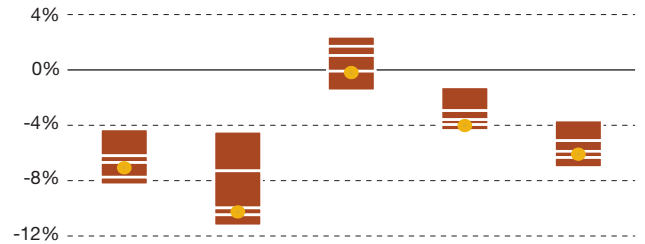
Change in 10-Year Yields from 3Q16 to 4Q16



Source: Bloomberg

Turkey and Mexico were among the worst performers in both indices. However, emerging market sovereign debt proved to be one of the strongest asset classes in 2016, gaining roughly 10% in both JP Morgan indices, benefiting from the tailwind of increased commodity prices.

Callan Style Group Quarterly Returns



	Global Fixed Style	Non-U.S. Fixed Style	Global High Yield	Em Debt USD DB	Em Debt Local
10th Percentile	-4.21	-4.38	2.48	-1.17	-3.57
25th Percentile	-6.15	-7.24	1.76	-2.89	-5.06
Median	-6.64	-9.92	1.09	-3.54	-5.83
75th Percentile	-7.70	-10.42	-0.04	-3.90	-6.28
90th Percentile	-8.25	-11.22	-1.46	-4.32	-7.00
Benchmark	-7.07	-10.26	-0.19	-4.02	-6.09

Sources: Bloomberg Barclays, Callan, JPMorgan Chase

Callan Style Median and Index Returns* for Periods ended December 31, 2016

Global Fixed Income	Quarter	YTD	Year	3 Years	5 Years	10 Years	15 Years
Global Fixed Income Style	-6.64	2.23	2.23	0.08	0.69	3.77	5.69
Bloomberg Barclays Global Aggregate	-7.07	2.09	2.09	-0.19	0.21	3.29	4.79
Global Fixed Income Style (hedged)	-2.32	4.37	4.37	4.29	4.17	4.96	5.36
Bloomberg Barclays Global Aggregate (hedged)	-2.34	3.95	3.95	4.15	3.59	4.39	4.55
High Yield	1.09	14.82	14.82	3.10	6.43	6.76	9.15
Bloomberg Barclays Global High Yield	-0.19	14.27	14.27	3.60	7.37	7.35	9.18
Non-U.S. Fixed Income	-9.92	2.28	2.28	-1.70	-0.15	3.48	5.70
Bloomberg Barclays Global Aggregate ex US	-10.26	1.49	1.49	-2.59	-1.39	2.44	4.96
Emerging Markets Fixed Income	-3.54	12.05	12.05	5.46	5.94	7.28	10.23
JPM EMBI Global Diversified	-4.02	10.15	10.15	6.19	5.91	6.89	9.02
Emerging Debt Style (local)	-5.83	9.97	9.97	-3.77	-0.93	3.64	7.04
JPM GBI-EM Global Diversified	-6.09	9.94	9.94	-4.10	-1.29	3.82	-
Emerging Debt Blend Style	-3.98	10.25	10.25	0.69	2.48	6.50	11.84
JPM EMBI GI Div/JPM GBI-EM GI Div	-5.06	10.24	10.24	1.05	2.36	5.44	-
Emerging Debt Corporate Style	-1.19	11.51	11.51	5.42	6.51	-	-
JPM CEMBI	-1.29	11.11	11.11	5.33	5.90	6.74	7.83

*Returns less than one year are not annualized.

Sources: Bloomberg Barclays, Callan, JPMorgan

Rates Trump Fundamentals

REAL ESTATE | Kevin Nagy

The **NCREIF Property Index** advanced 1.73% during the fourth quarter (1.14% from income and 0.59% from appreciation). This was the lowest return since 2010, eclipsing the third quarter's mark of 1.78%. Appreciation fell for the seventh consecutive quarter.

Industrial (+2.89%) was the best-performing sector for the third quarter in a row and Apartments (+1.67%) and Retail (+1.65%) also posted strong relative returns; Hotels (+0.37%) were the worst performers. The West region posted the strongest results (+2.22%), and the Midwest was the weakest (+1.29%). Transaction volume totaled \$14 billion, the highest on record, a 45% jump over the previous quarter, and a 24% increase over the same period in 2015. Appraisal capitalization rates fell to 4.43%, a new all-time low, undercutting the third quarter's 4.48%. Transaction capitalization rates fell sharply from 6.2% to 5.7% in the fourth quarter, tightening the spread between appraisal and transactional rates to 123 basis points.

Occupancy rates stayed steady at 93.22%, a 15-year high hit in the third quarter. For the second straight quarter Retail and Apartment occupancy rates fell slightly, and Industrial and Office rates increased.

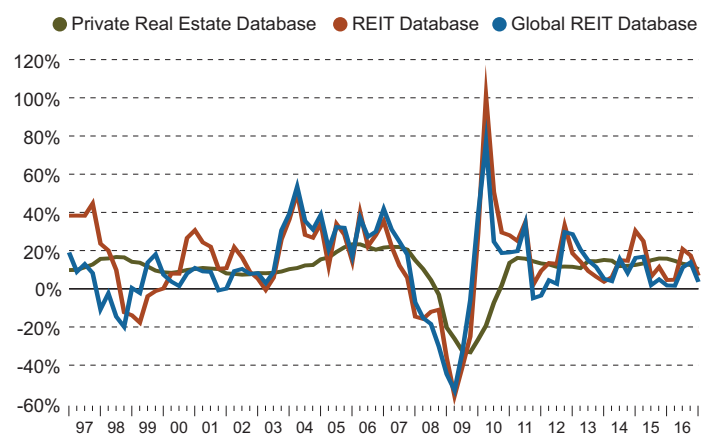
The **NCREIF Open End Diversified Core Equity Index** rose 1.88% (0.84% from income and 1.04% from appreciation). This marked a 5 bps increase over the third quarter return of 1.83%, which was the lowest for the Index since 2010. Income returns fell slightly, but appreciation bounced back from a five-year low in the third quarter.

Global real estate investment trusts (REITs), tracked by the **FTSE EPRA/NAREIT Developed REIT Index (USD)**, lagged behind their U.S. counterparts and dropped 5.39%. U.S. REITs, as measured by the **FTSE NAREIT Equity REITs Index**, lost 2.89% for the quarter.

In the U.S., REITs started the quarter with a sharp decline due to an increase in interest rates. Donald Trump's surprise victory in the presidential election sent rates even higher and further punished many REIT sectors, especially those that represent a higher weight in the Index. Health Care (-10.80%) was the worst performer, hammered by the possibility that the incoming Republican administration would repeal the Affordable Care Act. Retail (-10.73%) and Infrastructure (-6.95%) also suffered large losses. The biggest winner for the quarter was the Hotel sector, which skyrocketed 20.39% with the election of Donald Trump, a hotelier. Specialty (+6.67%) and Data Centers (+0.82%) were other strong-performing sectors for the quarter. Politics and interest rates drove some REIT valuations downward, despite generally strong fundamentals.

Political issues also impacted the European market. Fears of a hard Brexit slowed transaction volume in the U.K., despite strong economic data suggesting that the economy was still on track. On the continent, pricing and transactions were weighed down by fears of an Italian banking crisis and uncertainty concerning France's upcoming elections.

Rolling One-Year Returns

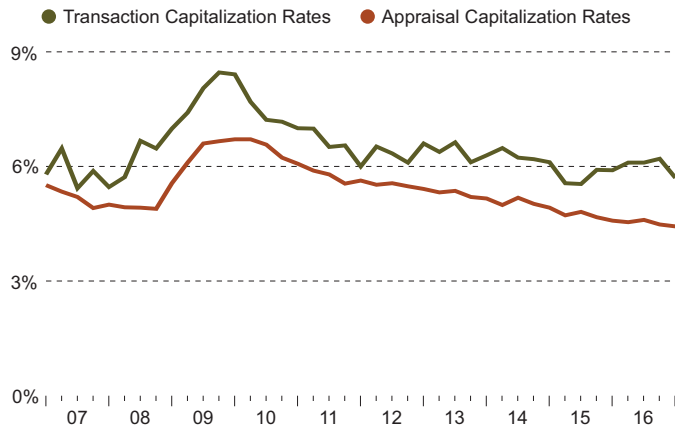


Source: Callan

*Index subreturns are calculated separately from index return and may not total.

REAL ESTATE (Continued)

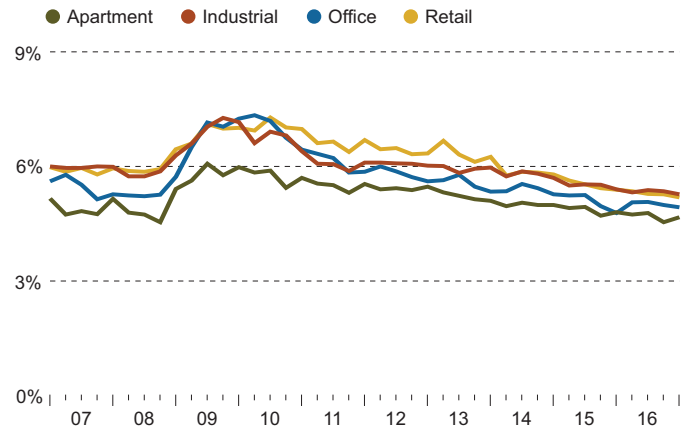
NCREIF Transaction and Appraisal Capitalization Rates



Source: NCREIF

Note: Transaction capitalization rate is equal weighted.

NCREIF Capitalization Rates by Property Type



Source: NCREIF

Note: Capitalization rates are appraisal-based.

Commercial mortgage-backed securities (CMBS) issuance for the quarter jumped 31% to \$26.0 billion from the \$19.8 billion in the third quarter. This also represented a 19.3% increase over the fourth quarter of 2015 (\$21.8 billion).

Callan Database Median and Index Returns* for Periods ended December 31, 2016

	Quarter	YTD	Year	3 Years	5 Years	10 Years	15 Years
Private Real Estate							
Real Estate Database (net of fees)	1.87	8.34	8.34	11.89	11.89	4.56	7.57
NCREIF Property	1.73	7.97	7.97	11.02	10.91	6.93	9.00
NFI-ODCE (value wtd. net)	1.88	7.79	7.79	11.04	11.16	4.84	7.15
Public Real Estate							
REIT Database	-2.66	6.87	6.87	13.59	12.26	5.65	11.85
FTSE NAREIT Equity	-2.89	8.52	8.52	13.38	12.01	5.08	10.80
Global Public Real Estate							
Global REIT Database	-5.11	3.97	3.97	7.26	10.83	2.82	10.55
FTSE EPRA/NAREIT Developed REIT	-5.39	4.99	4.99	6.78	10.34	2.23	9.84
Global ex U.S. Public Real Estate							
Global ex-U.S. REIT Database	-7.77	0.48	0.48	1.13	8.95	-0.12	10.03
EPRA/NAREIT Dev REITs ex-U.S.	-7.68	1.97	1.97	0.61	8.42	0.12	9.24

*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.

Down but Far From Out

PRIVATE EQUITY | Gary Robertson

Based on preliminary data, private equity funds raised \$281 billion in 2016, a moderate \$24.2 billion (9%) increase over 2015, and 783 partnerships were formed, up by 101 (15%) over the previous year, according to *Private Equity Analyst*.

In the fourth quarter, commitments totaled \$86.9 billion and 267 funds were created. The amount raised skyrocketed by 125% compared to the third quarter's \$38.6 billion, and the number of new funds jumped by 87% from the prior quarter's 143.

Private equity firms purchased 1,728 companies in 2016, down 14% from 2,006 in 2015, according to *Buyouts* newsletter. The year's announced dollar volume was \$163.2 billion, an eight-year high and up 39% from \$117.5 billion in 2015. The fourth quarter saw 322 transactions, down from 385 in the third quarter, and disclosed dollar volume totaled \$28.3 billion, down from \$39.0 billion.

The year produced 8,136 rounds of new investment in venture capital companies, down 22% from 2015's 10,468, according to the National Venture Capital Association. The announced volume of \$69.1 billion for the year was down 13% from \$79.3 billion in 2015. Fourth quarter VC investments totaled 1,744 rounds and \$12.7 billion of announced financing, down from 1,979 rounds and \$15.7 billion in the previous quarter.

Funds Closed January 1 to December 31, 2016

Strategy	No. of Funds	Amt (\$mm)	Percent
Venture Capital	401	41,060	15%
Buyouts	278	168,798	60%
Subordinated Debt	22	17,739	6%
Distressed Debt	20	21,972	8%
Secondary and Other	23	22,525	8%
Fund-of-funds	39	8,808	3%
Totals	783	280,902	100%

Source: Private Equity Analyst

Buyouts reports that 2016's 505 private M&A exits of buyout-backed companies was down 11% from the 567 in 2015. The year's aggregate disclosed M&A exit values of \$85.7 billion was down 35% from 2015's \$131.4 billion. In the fourth quarter, there were 105 M&A exits, and announced values totaled \$18.1 billion, down from 142 exits totaling \$27.5 billion in the third quarter. There were three buyout-backed IPOs, with a total value of \$2.0 billion, and eight for the full year, raising a total of \$4.1 billion.

Venture-backed M&A exits for the year totaled 687, down 22% from 884 in 2015, with announced values of \$43.9 billion, up 3.8% from \$42.3 billion in 2015. The quarter had 184 exits with announced values totaling \$7.52 billion, compared to 192 and \$13.4 billion in the third quarter. The year produced 39 venture-backed IPOs raising \$2.9 billion, down from the 77 IPOs in 2015 that raised \$8.1 billion.

Private Equity Performance Database (%)

(Pooled Horizon IRRs through June 30, 2016*)

Strategy	3 Months	Year	3 Years	5 Years	10 Years	15 Years	20 Years
All Venture	0.26	-0.09	19.18	13.63	10.38	5.66	20.65
Growth Equity	1.60	1.83	12.86	10.13	11.25	10.25	13.65
All Buyouts	2.85	6.29	12.91	10.81	10.40	12.32	12.62
Mezzanine	2.25	7.09	8.79	9.67	9.35	8.12	9.19
Distressed	2.34	1.41	7.34	8.73	9.26	10.50	10.55
All Private Equity	2.13	3.95	13.11	10.89	10.33	10.32	13.26
S&P 500	2.46	3.99	11.66	12.10	7.42	5.75	7.87
Russell 3000	2.63	2.14	11.13	11.60	7.40	6.09	7.96

*Most recent data available at time of publication.

Notes: Private equity returns are net of fees. 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.

Sources: Russell Investment Group, Standard & Poor's, Thomson Reuters/Cambridge

Making Alpha Great Again

HEDGE FUNDS | Jim McKee

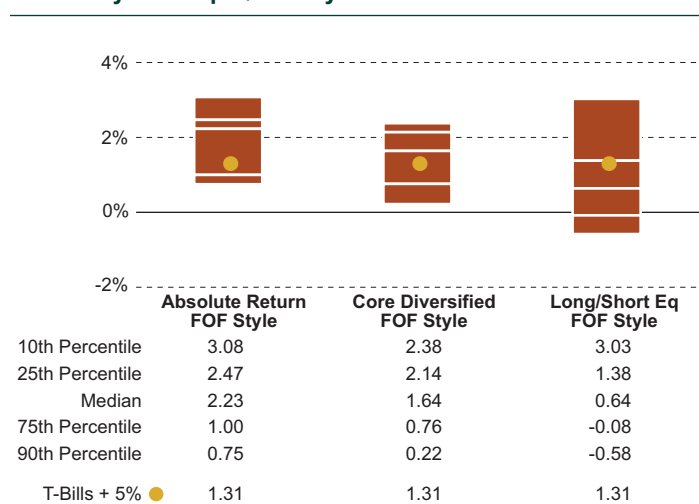
In the wake of the U.S. presidential election, the reflation trade exploded as U.S. stocks jumped and Treasuries were dumped. The dollar also strengthened dramatically. During this rapid market paradigm shift, the average hedge fund appeared to gain little over embedded betas, as most conservatively positioned their gross and net exposures going into the election. However, the hedge fund community will likely see a combination of more fiscal policy and less monetary policy as a better trading environment.

Representing the average fund's performance without implementation costs, the **Credit Suisse Hedge Fund Index (CS HFI)** rose 1.15% in the fourth quarter. As a proxy for live portfolios, the median manager in the **Callan Hedge Fund-of-Funds Database** advanced 1.26%, net of all fees.

Within CS HFI, the best-performing strategy was *Global Macro* (+4.59%), aided by a stronger dollar. *Distressed* gained 3.57%. The sharp reversals following the election across currencies, rates, and equities upset the trend-following mantra of *Managed Futures* (-5.65%). *Long/Short Equity* (-0.20%) was also caught flat-footed by the unexpected Trump effect.

Within Callan's Hedge Fund-of-Funds Database, market exposures marginally affected performance in the fourth quarter. Aided by tightening credits and supportive fundamentals, the median *Callan Absolute Return FoF* (+2.23%) outpaced the *Callan Long/Short Equity FoF* (+0.64%). With diversifying exposures to both non-directional and directional styles, the *Callan Core Diversified FoF* gained 1.64%.

Callan Style Group Quarterly Returns



Sources: Callan, Merrill Lynch

Callan Database Median and Index Returns* for Periods ended December 31, 2016

	Quarter	YTD	Year	3 Years	5 Years	10 Years	15 Years
Hedge Fund-of-Funds Database	1.26	1.19	1.19	1.43	4.91	3.31	4.74
CS Hedge Fund Index	1.15	1.25	1.25	1.54	4.34	3.75	5.74
CS Equity Market Neutral	-2.65	-4.58	-4.58	-1.40	1.11	-2.93	0.47
CS Convertible Arbitrage	0.42	6.60	6.60	1.85	3.85	3.69	4.43
CS Fixed Income Arbitrage	1.85	4.29	4.29	3.07	4.76	3.42	4.25
CS Multi-Strategy	1.16	4.41	4.41	4.78	7.30	5.19	6.81
CS Distressed	3.57	6.38	6.38	1.09	6.02	3.96	6.94
CS Risk Arbitrage	0.77	5.89	5.89	1.62	2.51	3.33	3.66
CS Event-Driven Multi-Strategy	1.77	1.25	1.25	-1.50	3.95	3.67	6.07
CS Long/Short Equity	-0.20	-3.43	-3.43	1.82	6.10	4.03	6.00
CS Dedicated Short Bias	1.82	-16.87	-16.87	-7.04	-13.65	-9.95	-8.11
CS Global Macro	4.59	3.58	3.58	2.28	3.14	5.82	8.07
CS Managed Futures	-5.65	-6.84	-6.84	2.99	0.66	2.67	4.77
CS Emerging Markets	-0.27	4.47	4.47	1.91	4.89	3.68	7.97

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

A Case of the Jitters

DEFINED CONTRIBUTION | Tom Szkwarla

The average defined contribution (DC) plan gained 3.92% in the third quarter of 2016, as measured by the Callan DC Index™. Still, the Index trailed the Age 45 Target Date Fund—the average of target date funds that would be selected by participants age 45 and retiring at age 65—which gained 4.53%. Since inception, the DC Index's annual return of 5.41% has trailed the Age 45 Target Date Fund by 74 basis points.

During the third quarter, DC plan balances grew by 3.67%, driven entirely by market returns. Participants appeared to be jittery; money flowed out of plans on a net basis, reducing total balance growth by 25 basis points. The quarter's outflows were the highest since the third quarter of 2006. And third quarter turnover (i.e., net transfer activity levels within DC plans) in the DC Index came in at 0.82%, its highest level since the third quarter of 2012.

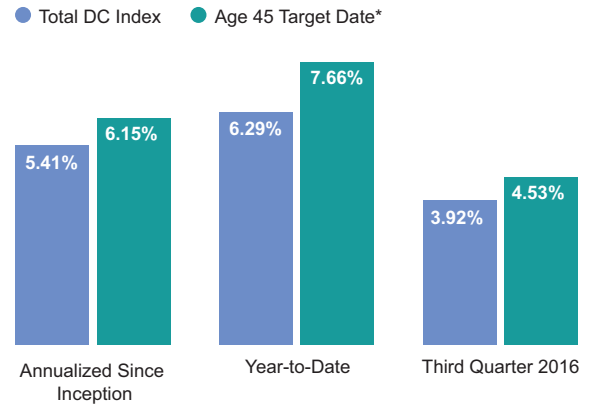
Stable value experienced its fifth quarter in a row of net inflows—and the highest of the five—during the period. Meanwhile, U.S. large, small, and mid cap equity saw significant outflows. Even non-U.S. equity experienced outflows, despite its exceptional performance during the quarter. Target date funds held fast; for the third quarter, over 55 cents of every dollar that moved within DC plans flowed to TDFs. Target date funds now make up 27.7% of the average DC plan.

The Callan DC Index's overall equity allocation ended the quarter at 68%, modestly above the Index's historical average (67%).

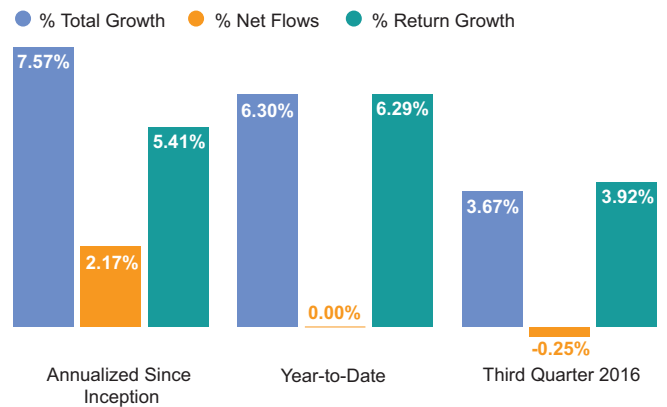
Target date funds are less prevalent than U.S. large cap equity; however, when target date funds are available in a DC plan, they hold a much greater portion of assets (32%) than U.S. large cap equity funds (23%).

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 (Third Quarter 2016) (Top Two and Bottom Two Asset Gatherers)

Asset Class	Flows as % of Total Net Flows
Target Date Funds	55.31%
Stable Value	28.35%
Company Stock	-20.41%
U.S. Large Cap	-33.88%
Total Turnover**	0.82%

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.

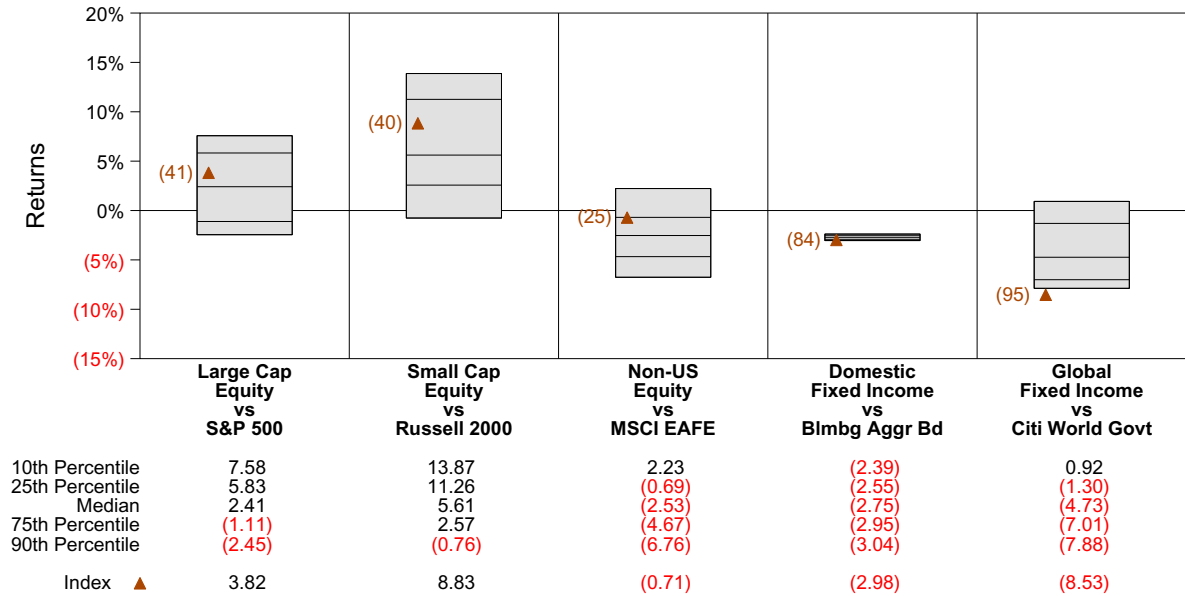
Market Overview

Active Management vs Index Returns

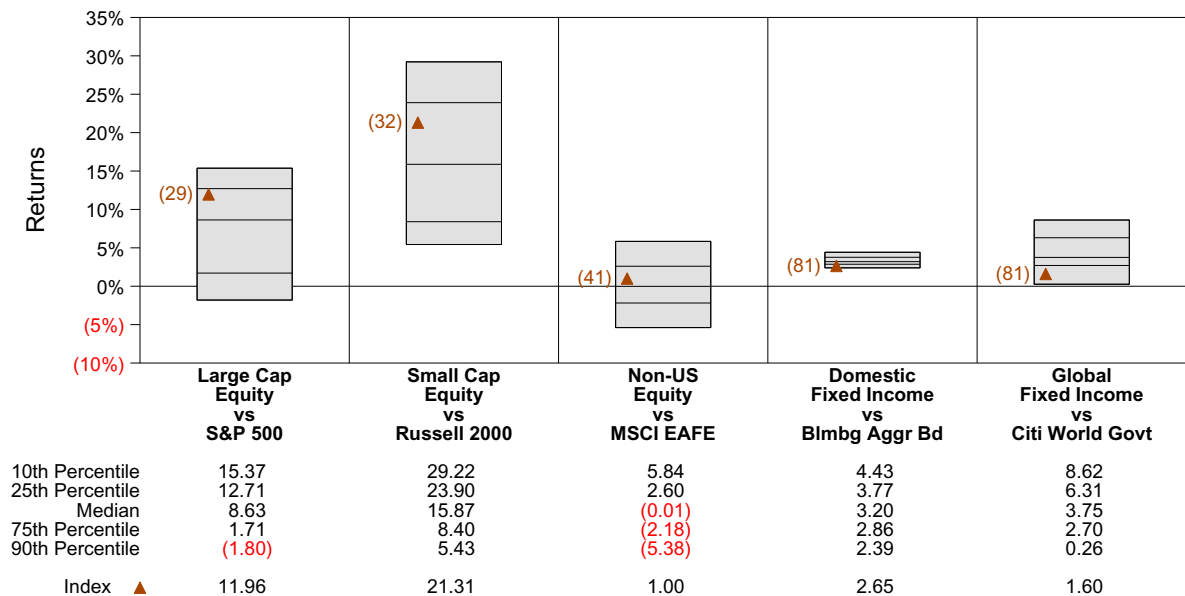
Market Overview

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 December 31, 2016



Range of Mutual Fund Returns by Asset Class One Year Ended December 31, 2016

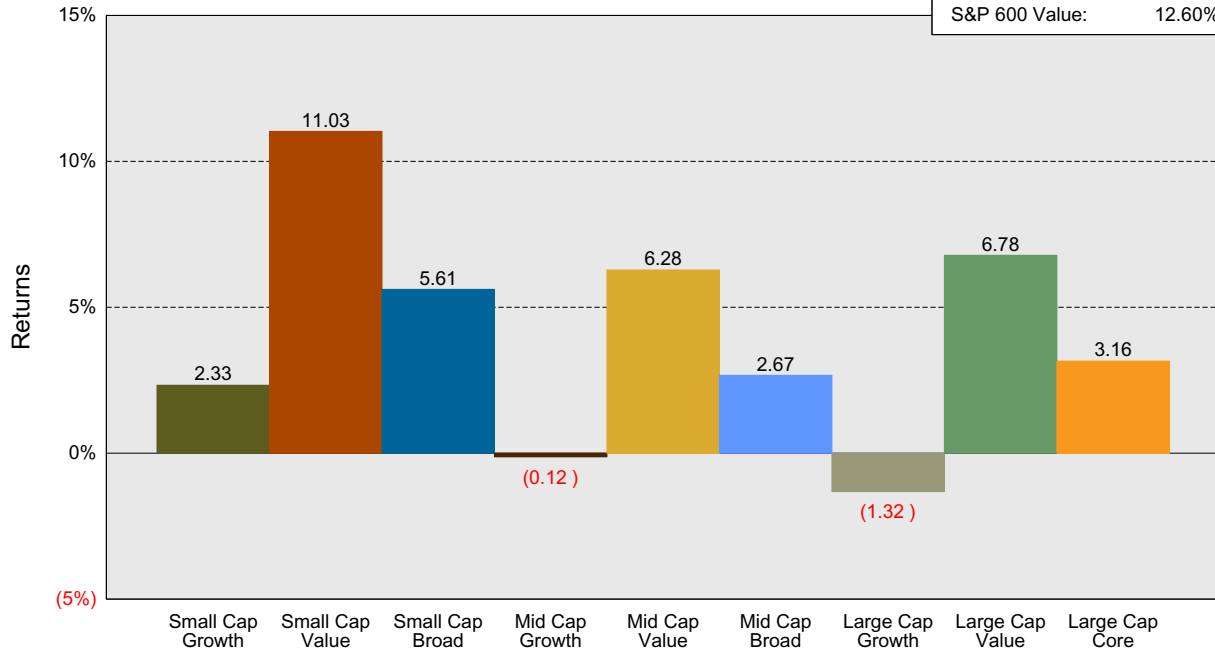


Domestic Equity Active Management Overview

Domestic equities posted strong returns in the fourth quarter, cheered by relatively good economic data, a rebound in corporate earnings, and speculation that Trump's presidency will bring lower taxes, lighter regulation and increased spending. Small capitalization stocks outperformed large cap by a wide margin; additionally, the largest difference between growth and value was in small caps. Large cap value outperformed growth by over 5% for the quarter. Across the board, active managers trailed their respective benchmark.

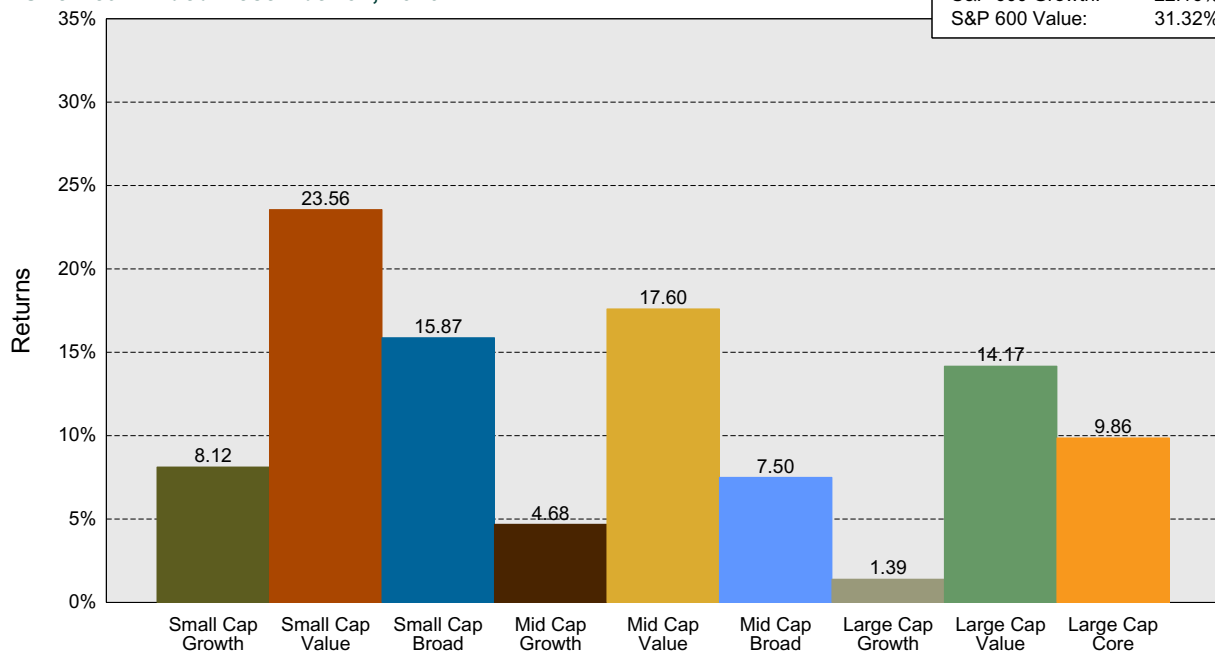
S&P 500:	3.82%
S&P 500 Growth:	0.48%
S&P 500 Value:	7.35%
S&P Mid Cap:	7.42%
S&P 600:	11.13%
S&P 600 Growth:	9.67%
S&P 600 Value:	12.60%

**Mutual Fund Style Group Median Returns
for Quarter Ended December 31, 2016**



S&P 500:	11.96%
S&P 500 Growth:	6.89%
S&P 500 Value:	17.40%
S&P Mid Cap:	20.74%
S&P 600:	26.56%
S&P 600 Growth:	22.16%
S&P 600 Value:	31.32%

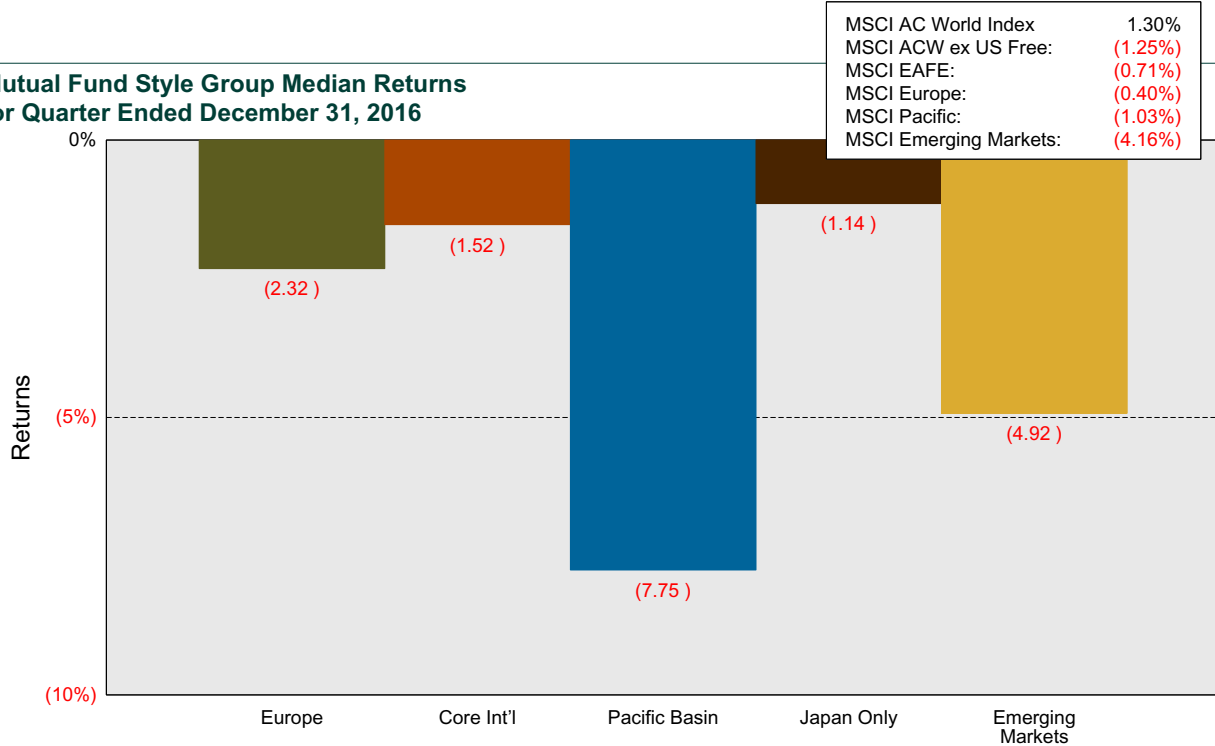
**Mutual Fund Style Group Median Returns
for One Year Ended December 31, 2016**



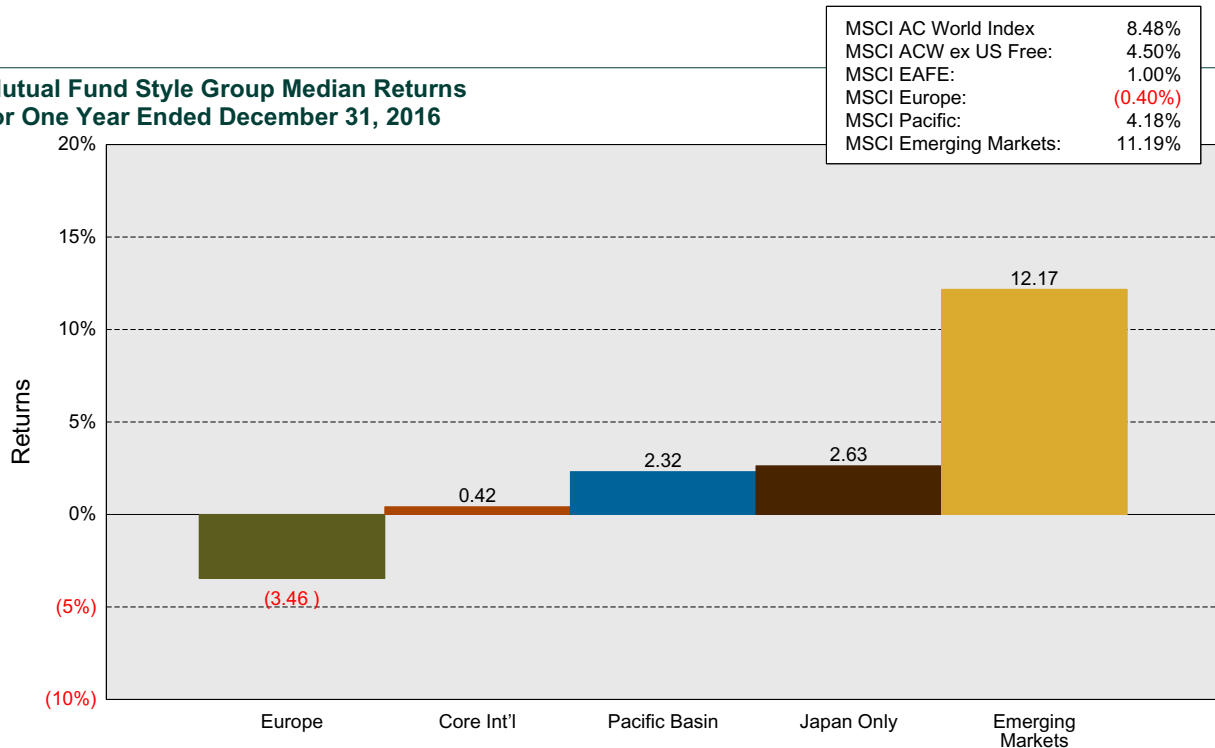
International Equity Active Management Overview

Foreign developed and emerging market indices trailed the S&P 500 in the fourth quarter. The MSCI ACWI ex-US fell 1.3%, modestly below the MSCI EAFE's -0.7% result. Dollar strength was broad-based and thus detracted from returns for U.S. investors. In developed markets, Italy (+11%) was the top performer in the fourth quarter, although it remains at the bottom of the pack for the year (-11%). The MSCI Emerging Markets Index dropped 4.2% for the quarter. Among emerging markets, Russia posted the best return (+19%) while Turkey (-14%) sank. India (-8%) and China (-7%) were also notable underperformers while Brazil (+2%) continued to post positive returns. Brazil is up 66% for the year. Both Core International and Emerging Markets managers underperformed their respective indices.

Mutual Fund Style Group Median Returns for Quarter Ended December 31, 2016



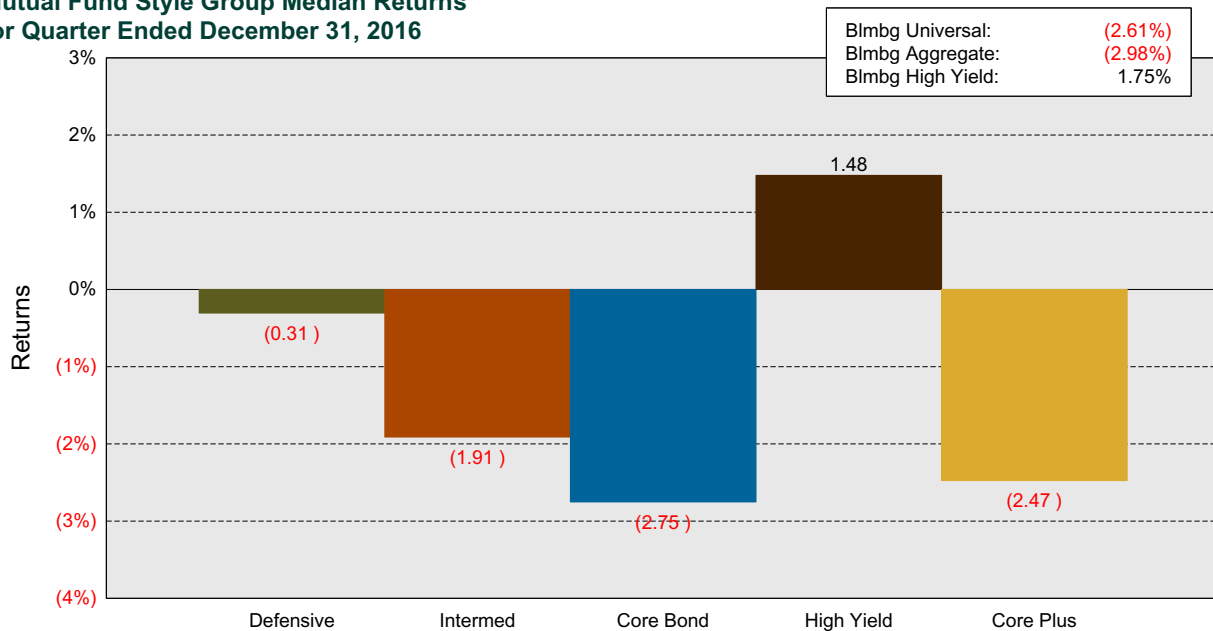
Mutual Fund Style Group Median Returns for One Year Ended December 31, 2016



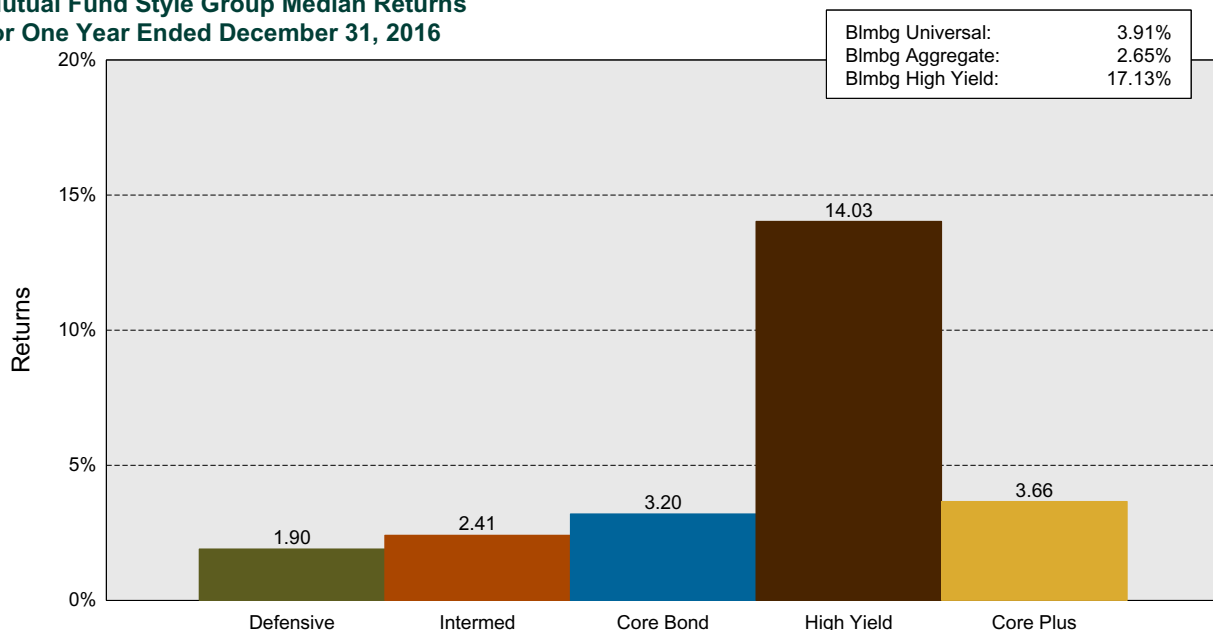
Domestic Fixed Income Active Management Overview

The 10-year U.S. Treasury yield rose 85 bps and returned -6.8% for the quarter in the sharpest quarterly selloff in more than two decades. TIPS outperformed nominal Treasuries, bolstered by rising expectations for inflation. The Bloomberg Barclays TIPS Index returned -2.4% for the quarter and the 10-year inflation breakeven rate widened to 1.95% as of December 30th. The Bloomberg Barclays U.S. Aggregate returned -3.0% for the quarter with the corporate sector performing the best, in spite of robust issuance. While long maturity corporates lost 5%, they performed well in relative terms, outperforming like-duration Treasuries by 436 bps. Mortgages underperformed Treasuries as durations extended with the increase in interest rates. The Bloomberg Barclays High Yield Index gained 1.8% in the quarter and more than 17% for the year. Both Core and Core Plus Fixed Income managers outperformed the Bloomberg Barclays Aggregate Index.

Mutual Fund Style Group Median Returns for Quarter Ended December 31, 2016



Mutual Fund Style Group Median Returns for One Year Ended December 31, 2016



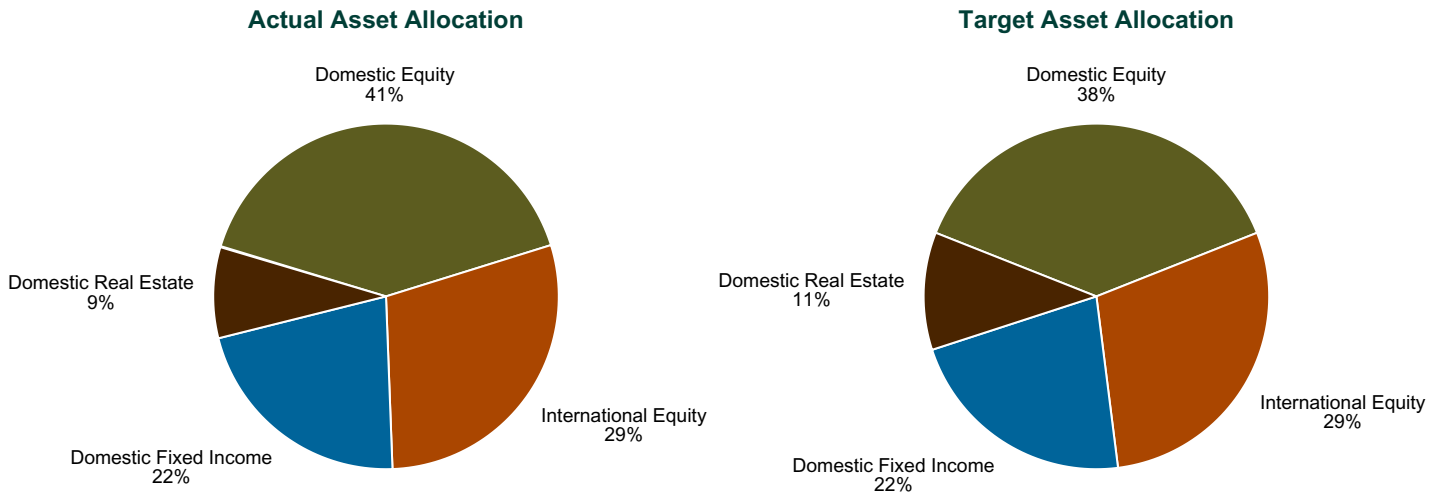
ASSET ALLOCATION AND PERFORMANCE

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.

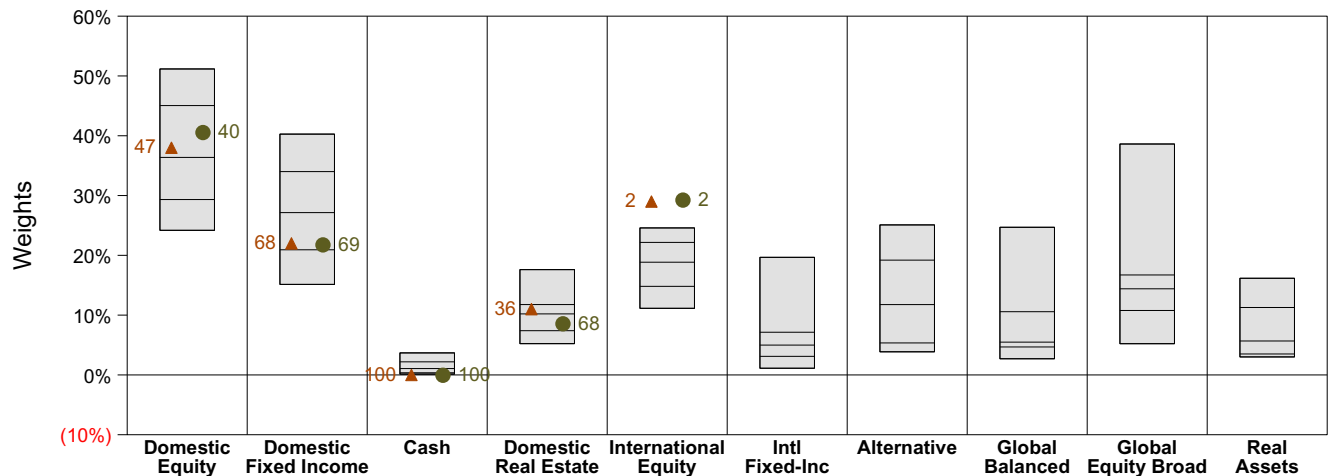
Actual vs Target Asset Allocation As of December 31, 2016

The top left chart shows the Fund's asset allocation as of December 31, 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	177,501,285	40.5%	38.0%	2.5%	11,089,692
International Equity	128,025,375	29.2%	29.0%	0.2%	1,027,056
Domestic Fixed Income	95,227,788	21.7%	22.0%	(0.3%)	(1,115,767)
Domestic Real Estate	37,425,884	8.5%	11.0%	(2.5%)	(10,745,894)
Cash	-255,081	-0.1%	0.0%	(0.1%)	(255,081)
Total	437,925,251	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	51.17	40.27	3.68	17.61	24.59	19.66	25.09	24.69	38.62	16.17
25th Percentile	45.05	34.00	2.19	11.77	22.16	7.14	19.20	10.57	16.72	11.28
Median	36.38	27.15	1.07	10.21	18.85	4.99	11.76	5.49	14.40	5.68
75th Percentile	29.33	20.93	0.36	7.40	14.81	3.11	5.35	4.68	10.78	3.50
90th Percentile	24.18	15.14	0.14	5.23	11.14	1.12	3.87	2.70	5.22	3.01
Fund ●	40.53	21.75	(0.06)	8.55	29.23	-	-	-	-	-
Target ▲	38.00	22.00	0.00	11.00	29.00	-	-	-	-	-
% Group Invested	98.88%	97.75%	69.10%	62.92%	97.75%	12.92%	49.16%	17.98%	20.79%	6.74%

* Current Quarter Target = 38.0% Russell 3000 Index, 29.0% MSCI ACWIxUS Gross, 22.0% Blmbg Aggregate Idx, 8.8% NFI-ODCE Equal Weight Net and 2.2% FTSE NAREIT Composite Idx.

Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of December 31, 2016, with the distribution as of September 30, 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

	December 31, 2016		Net New Inv.	Inv. Return	September 30, 2016	
	Market Value	Weight			Market Value	Weight
Domestic Equities	\$177,501,285	40.53%	\$0	\$7,830,077	\$169,671,208	38.18%
Large Cap Equities	\$121,564,431	27.76%	\$0	\$4,683,391	\$116,881,040	26.30%
Vanguard S&P 500 Index	22,312,891	5.10%	0	820,572	21,492,319	4.84%
Dodge & Cox Stock	26,417,302	6.03%	0	2,556,031	23,861,271	5.37%
Boston Partners	26,099,697	5.96%	0	1,985,903	24,113,793	5.43%
Harbor Cap Appreciation	23,562,112	5.38%	0	(462,094)	24,024,206	5.41%
Janus Research	23,172,429	5.29%	0	(217,022)	23,389,451	5.26%
Mid Cap Equities	\$20,849,860	4.76%	\$0	\$195,535	\$20,654,325	4.65%
Fidelity Low Priced Stock	5,433,704	1.24%	0	174,260	5,259,444	1.18%
Royce Total Return	5,572,751	1.27%	0	484,532	5,088,219	1.14%
Morgan Stanley	3,951,675	0.90%	0	(484,144)	4,435,819	1.00%
Janus Enterprise	5,891,731	1.35%	0	20,887	5,870,844	1.32%
Small Cap Equities	\$26,065,254	5.95%	\$0	\$2,410,325	\$23,654,929	5.32%
Prudential Small Cap Value	13,856,181	3.16%	0	2,098,582	11,757,598	2.65%
AB US Small Growth	6,941,220	1.59%	0	180,007	6,761,212	1.52%
RS Investments	5,267,854	1.20%	0	131,736	5,136,118	1.16%
Micro Cap Equities	\$9,021,740	2.06%	\$0	\$540,826	\$8,480,914	1.91%
AMG Managers Emerging Opportunities Fund	9,021,740	2.06%	0	540,826	8,480,914	1.91%
International Equities	\$128,025,375	29.23%	\$4,585,294	\$(2,123,685)	\$125,563,767	28.25%
EuroPacific	27,258,060	6.22%	0	(1,179,679)	28,437,739	6.40%
Harbor International	27,313,002	6.24%	0	(1,224,575)	28,537,578	6.42%
Columbia Acorn Int'l	14,346,879	3.28%	0	(1,335,478)	15,682,357	3.53%
Oakmark International	31,012,239	7.08%	0	1,883,439	29,128,800	6.55%
Mondrian International	28,095,195	6.42%	4,585,294	(267,392)	23,777,293	5.35%
Domestic Fixed Income	\$95,227,788	21.75%	\$0	\$(1,792,060)	\$97,019,848	21.83%
Dodge & Cox Income	48,137,991	10.99%	0	(606,404)	48,744,394	10.97%
PIMCO	47,089,798	10.75%	0	(1,185,656)	48,275,453	10.86%
Real Estate	\$37,425,884	8.55%	\$(9,374,606)	\$246,597	\$46,553,893	10.47%
RREEF Public Fund	0	0.00%	(7,853,852)	(577,507)	8,431,360	1.90%
RREEF Private Fund	20,428,994	4.66%	(1,500,000)	484,992	21,444,002	4.83%
Barings Core Property Fund	16,132,889	3.68%	0	318,358	15,814,531	3.56%
625 Kings Court	864,000	0.20%	(20,754)	20,754	864,000	0.19%
Cash	-\$255,081	(0.06%)	\$(5,875,517)	\$(0)	\$5,620,436	1.26%
Total Fund	\$437,925,251	100.0%	\$(10,664,829)	\$4,160,929	\$444,429,152	100.0%

Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended December 31, 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 December 31, 2016

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Domestic Equities	4.60%	10.90%	6.66%	14.42%	12.64%
Russell 3000 Index	4.21%	12.74%	8.43%	14.67%	12.92%
Large Cap Equities					
Vanguard S&P 500 Index	3.82%	11.93%	8.85%	-	-
S&P 500 Index	3.82%	11.96%	8.87%	14.66%	12.83%
Dodge & Cox Stock	10.71%	21.28%	8.55%	17.01%	13.24%
Boston Partners	8.10%	13.76%	6.22%	14.46%	-
S&P 500 Index	3.82%	11.96%	8.87%	14.66%	12.83%
Russell 1000 Value Index	6.68%	17.34%	8.59%	14.80%	12.72%
Harbor Cap Appreciation (5)	(1.92%)	(1.04%)	6.49%	13.97%	11.62%
Janus Research (6)	(0.93%)	1.60%	6.95%	14.10%	12.33%
S&P 500 Index	3.82%	11.96%	8.87%	14.66%	12.83%
Russell 1000 Growth Index	1.01%	7.08%	8.55%	14.50%	13.03%
Mid Cap Equities					
Fidelity Low Priced Stock	3.31%	8.79%	5.21%	13.14%	12.18%
Royce Total Return (1)	9.52%	26.13%	5.93%	12.59%	11.92%
Russell MidCap Value Idx	5.52%	20.00%	9.45%	15.70%	14.32%
Morgan Stanley (2)	(10.91%)	(13.30%)	(6.05%)	4.67%	6.51%
Janus Enterprise (6)	0.36%	12.13%	9.13%	14.92%	13.89%
Russell MidCap Growth Idx	0.46%	7.33%	6.23%	13.51%	12.93%
Small Cap Equities					
Prudential Small Cap Value (3)	17.85%	33.99%	9.68%	15.40%	-
US Small Cap Value Idx	12.11%	27.64%	9.16%	15.62%	13.84%
Russell 2000 Value Index	14.07%	31.74%	8.31%	15.07%	13.14%
AB US Small Growth (4)	2.66%	6.91%	1.61%	12.33%	14.70%
RS Investments (1)	2.56%	1.16%	3.64%	13.91%	13.39%
Russell 2000 Growth Index	3.57%	11.32%	5.05%	13.74%	13.23%
Micro Cap Equities					
AMG Managers Emerging Opp	6.38%	17.97%	3.49%	14.65%	13.89%
Russell Microcap Index	10.05%	20.37%	5.77%	15.59%	13.41%
Russell Micro Growth Idx	1.46%	6.86%	2.33%	13.53%	12.19%

(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.

(5) Switched share class in June 2016.

(6) Switched share class in July 2016.

Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended December 31, 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 December 31, 2016

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
International Equities	(1.67%)	2.84%	(2.58%)	5.55%	3.46%
MSCI ACWI ex-US Index	(1.20%)	5.01%	(1.32%)	5.48%	3.39%
EuroPacific (1)	(4.15%)	1.01%	(0.60%)	7.22%	4.36%
Harbor International (5)	(4.29%)	0.27%	(3.50%)	4.88%	3.39%
Oakmark International (4)	6.47%	8.19%	(0.58%)	10.43%	7.32%
Mondrian International	(1.14%)	4.50%	(1.40%)	4.52%	-
MSCI EAFE Index	(0.71%)	1.00%	(1.60%)	6.53%	3.81%
MSCI ACWI ex-US Index	(1.20%)	5.01%	(1.32%)	5.48%	3.39%
Columbia Acorn Int'l (2)	(8.52%)	(2.19%)	(2.55%)	6.60%	5.46%
MSCI ACWI ex US Small Cap	(3.52%)	3.91%	0.76%	7.74%	5.78%
Domestic Fixed Income	(1.85%)	4.10%	3.06%	3.49%	4.18%
Bimbg Aggregate Index	(2.98%)	2.65%	3.03%	2.23%	3.63%
Dodge & Cox Income	(1.24%)	5.61%	3.46%	3.77%	4.48%
PIMCO	(2.46%)	2.59%	2.66%	3.21%	4.13%
Bimbg Aggregate Index	(2.98%)	2.65%	3.03%	2.23%	3.63%
Real Estate	0.79%	7.02%	11.17%	10.89%	12.51%
Real Estate Custom Benchmark (3)	0.97%	8.62%	11.64%	11.44%	12.86%
RREEF Private	2.27%	7.95%	11.80%	12.00%	13.22%
Barings Core Property Fund	2.01%	8.62%	10.06%	10.04%	-
NFI-ODCE Equal Weight Net	1.95%	8.36%	11.29%	11.23%	12.31%
625 Kings Court	2.43%	10.01%	10.66%	13.40%	8.08%
Total Fund	0.91%	6.67%	3.76%	8.90%	7.98%
Total Fund Benchmark*	0.70%	7.78%	4.87%	8.71%	8.11%

* Current Quarter Target = 38.0% Russell 3000 Index, 29.0% MSCI ACWIxUS Gross, 22.0% Bimbg Aggregate Idx, 8.8% NFI-ODCE Equal Weight Net and 2.2% FTSE NAREIT Composite Idx.

(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.

(5) Switched share class in June 2016.

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.

	2016	2015	2014	2013	2012
Domestic Equities	10.90%	(0.15%)	9.59%	38.02%	17.10%
Russell 3000 Index	12.74%	0.48%	12.56%	33.55%	16.42%
Large Cap Equities					
Vanguard S&P 500 Index	11.93%	1.37%	13.65%	-	-
S&P 500 Index	11.96%	1.38%	13.69%	32.39%	16.00%
Dodge & Cox Stock	21.28%	(4.49%)	10.40%	40.55%	22.01%
Boston Partners	13.76%	(4.99%)	10.87%	36.43%	20.18%
S&P 500 Index	11.96%	1.38%	13.69%	32.39%	16.00%
Russell 1000 Value Index	17.34%	(3.83%)	13.45%	32.53%	17.51%
Harbor Cap Appreciation (5)	(1.04%)	10.99%	9.93%	37.66%	15.69%
Janus Research (6)	1.60%	5.55%	14.10%	35.36%	16.78%
S&P 500 Index	11.96%	1.38%	13.69%	32.39%	16.00%
Russell 1000 Growth Index	7.08%	5.67%	13.05%	33.48%	15.26%
Mid Cap Equities					
Fidelity Low Priced Stock	8.79%	(0.56%)	7.65%	34.31%	18.50%
Royce Total Return (1)	26.13%	(7.17%)	1.51%	32.93%	14.48%
Russell MidCap Value Idx	20.00%	(4.78%)	14.75%	33.46%	18.51%
Morgan Stanley (2)	(13.30%)	(5.73%)	1.47%	38.35%	9.49%
Janus Enterprise (6)	12.13%	3.49%	12.01%	30.86%	17.83%
Russell MidCap Growth Idx	7.33%	(0.20%)	11.90%	35.74%	15.81%
Small Cap Equities					
Prudential Small Cap Value (3)	33.99%	(7.00%)	5.89%	35.87%	14.14%
US Small Cap Value Idx	27.64%	(5.14%)	7.44%	33.71%	18.80%
Russell 2000 Value Index	31.74%	(7.47%)	4.22%	34.52%	18.05%
AB US Small Growth (4)	6.91%	(0.66%)	(1.24%)	46.72%	16.21%
RS Investments (1)	1.16%	0.36%	9.67%	49.64%	15.13%
Russell 2000 Growth Index	11.32%	(1.38%)	5.60%	43.30%	14.59%
Micro Cap Equities					
AMG Managers Emerging Opp	17.97%	(8.44%)	2.62%	56.34%	14.32%
Russell Microcap Index	20.37%	(5.16%)	3.65%	45.62%	19.75%
Russell Micro Growth Idx	6.86%	(3.85%)	4.30%	52.84%	15.17%

(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.

(5) Switched share class in June 2016.

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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.

	2016	2015	2014	2013	2012
International Equities	2.84%	(4.62%)	(5.73%)	19.25%	18.78%
MSCI ACWI ex-US Index	5.01%	(5.25%)	(3.44%)	15.78%	17.39%
EuroPacific (1)	1.01%	(0.48%)	(2.29%)	20.58%	19.64%
Harbor International (5)	0.27%	(3.82%)	(6.81%)	16.84%	20.87%
Oakmark International (4)	8.19%	(3.99%)	(5.41%)	29.34%	29.22%
Mondrian International	4.50%	(6.33%)	(2.06%)	16.69%	11.50%
MSCI EAFE Index	1.00%	(0.81%)	(4.90%)	22.78%	17.32%
MSCI ACWI ex-US Index	5.01%	(5.25%)	(3.44%)	15.78%	17.39%
Columbia Acorn Int'l (2)	(2.19%)	(1.23%)	(4.23%)	22.33%	21.60%
MSCI ACWI ex US Small Cap	3.91%	2.60%	(4.03%)	19.73%	18.52%
Domestic Fixed Income	4.10%	0.07%	5.09%	(0.65%)	9.15%
Blmbg Aggregate Index	2.65%	0.55%	5.97%	(2.02%)	4.21%
Dodge & Cox Income	5.61%	(0.59%)	5.49%	0.64%	7.94%
PIMCO	2.59%	0.73%	4.69%	(1.92%)	10.36%
Blmbg Aggregate Index	2.65%	0.55%	5.97%	(2.02%)	4.21%
Real Estate	7.02%	12.14%	14.50%	10.21%	10.73%
Real Estate Custom Benchmark (3)	8.62%	11.81%	14.57%	10.40%	11.88%
RREEF Private	7.95%	15.63%	11.95%	14.50%	10.12%
Barings Core Property Fund	8.62%	12.99%	8.64%	9.82%	10.18%
NFI-ODCE Equal Weight Net	8.36%	14.18%	11.42%	12.36%	9.93%
625 Kings Court	10.01%	9.85%	12.15%	33.50%	3.64%
Total Fund	6.67%	0.01%	4.72%	19.72%	14.53%
Total Fund Benchmark*	7.78%	0.21%	6.80%	16.47%	12.99%

* Current Quarter Target = 38.0% Russell 3000 Index, 29.0% MSCI ACWIxUS Gross, 22.0% Blmbg Aggregate Idx, 8.8% NFI-ODCE Equal Weight Net and 2.2% FTSE NAREIT Composite Idx.

(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.

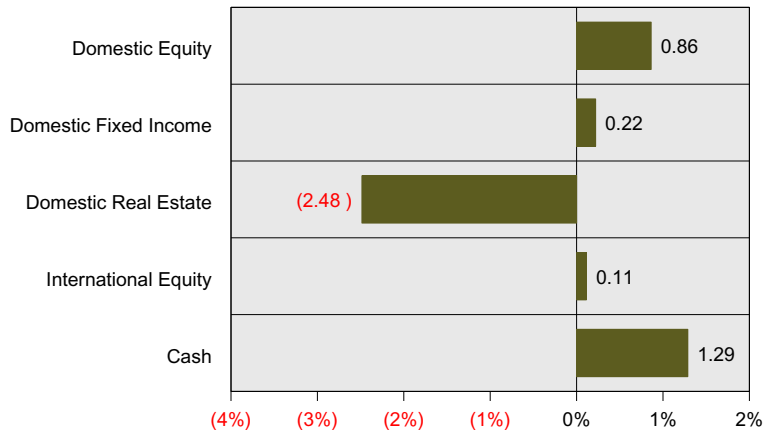
(4) Switched to CIT in November 2015.

(5) Switched share class in June 2016.

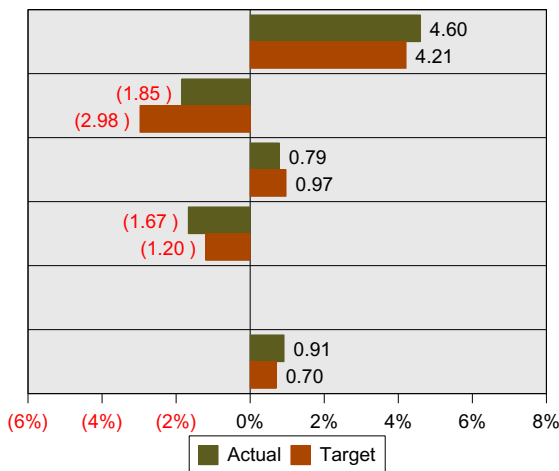
Quarterly Total Fund Relative Attribution - December 31, 2016

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.

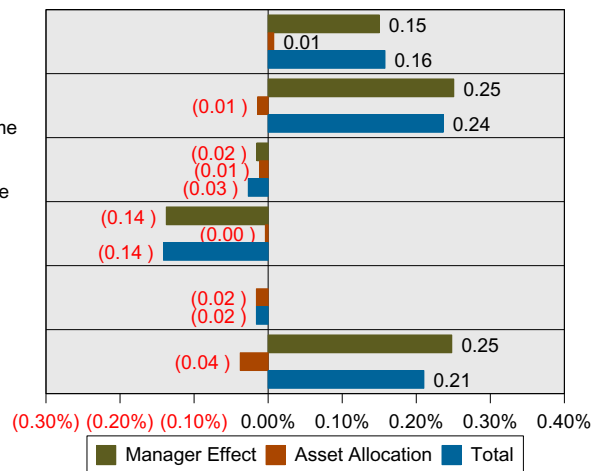
Asset Class Under or Overweighting



Actual vs Target Returns



Relative Attribution by Asset Class



Relative Attribution Effects for Quarter ended December 31, 2016

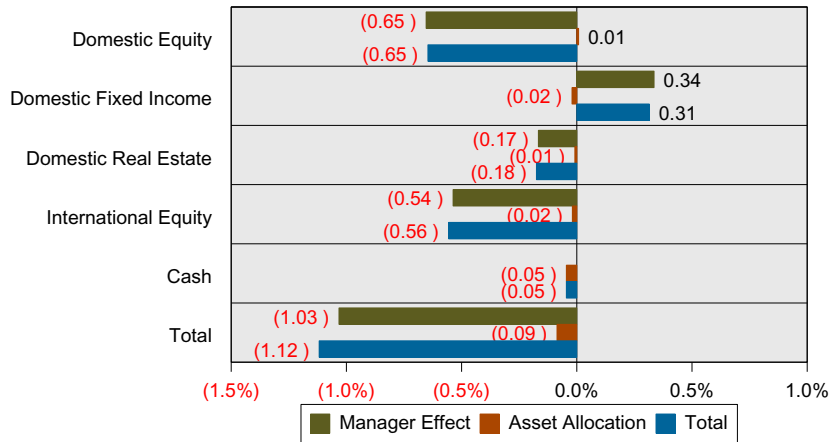
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	39%	38%	4.60%	4.21%	0.15%	0.01%	0.16%
Domestic Fixed Income	22%	22%	(1.85%)	(2.98%)	0.25%	(0.01%)	0.24%
Domestic Real Estate	9%	11%	0.79%	0.97%	(0.02%)	(0.01%)	(0.03%)
International Equity	29%	29%	(1.67%)	(1.20%)	(0.14%)	(0.00%)	(0.14%)
Cash	1%	0%	0.00%	0.00%	0.00%	(0.02%)	(0.02%)
Total			0.91%	0.70%	0.25%	(0.04%)	0.21%

* Current Quarter Target = 38.0% Russell 3000 Index, 29.0% MSCI ACWIxUS Gross, 22.0% Blmbg Aggregate Idx, 8.8% NFI-ODCE Equal Weight Net and 2.2% FTSE NAREIT Composite Idx.

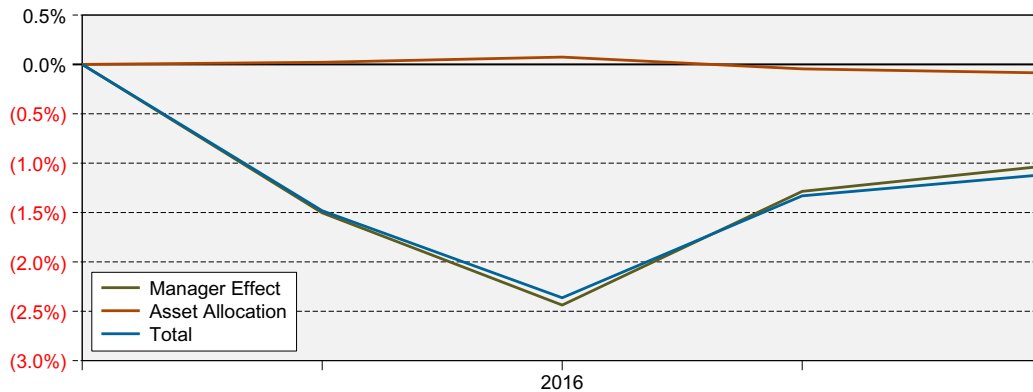
Cumulative Total Fund Relative Attribution - December 31, 2016

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

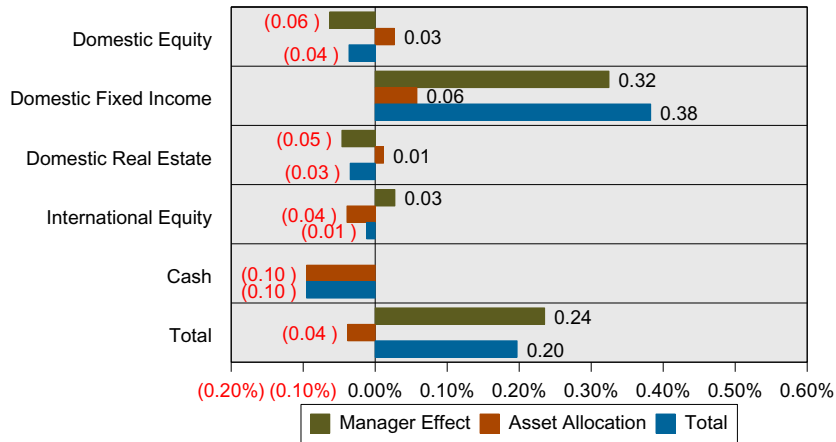
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	38%	38%	10.90%	12.74%	(0.65%)	0.01%	(0.65%)
Domestic Fixed Income	26%	26%	4.10%	2.65%	0.34%	(0.02%)	0.31%
Domestic Real Estate	10%	9%	7.02%	8.62%	(0.17%)	(0.01%)	(0.18%)
International Equity	25%	26%	2.84%	5.01%	(0.54%)	(0.02%)	(0.56%)
Cash	1%	0%	0.00%	0.00%	0.00%	(0.05%)	(0.05%)
Total			6.67%	7.78%	(1.03%)	(0.09%)	(1.12%)

* Current Quarter Target = 38.0% Russell 3000 Index, 29.0% MSCI ACWIxUS Gross, 22.0% Blmbg Aggregate Idx, 8.8% NFI-ODCE Equal Weight Net and 2.2% FTSE NAREIT Composite Idx.

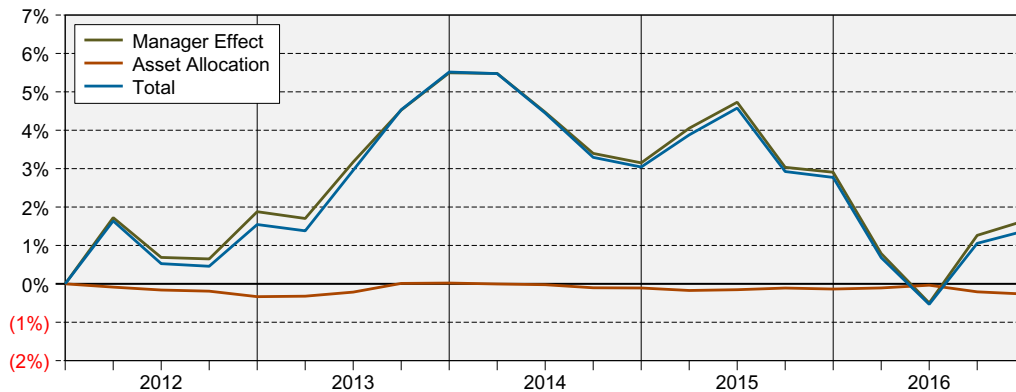
Cumulative Total Fund Relative Attribution - December 31, 2016

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

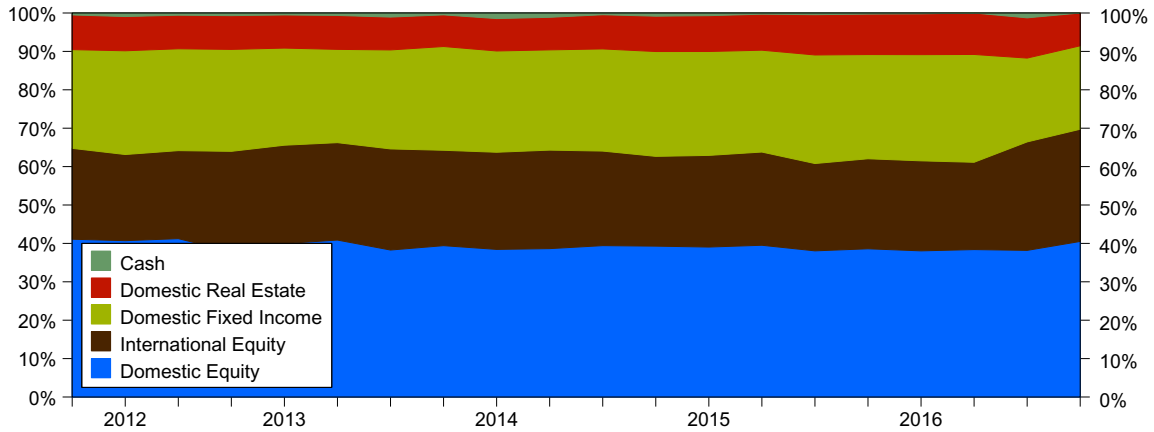
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	39%	38%	14.42%	14.67%	(0.06%)	0.03%	(0.04%)
Domestic Fixed Income	27%	28%	3.49%	2.23%	0.32%	0.06%	0.38%
Domestic Real Estate	9%	9%	10.89%	11.44%	(0.05%)	0.01%	(0.03%)
International Equity	25%	25%	5.55%	5.48%	0.03%	(0.04%)	(0.01%)
Cash	1%	0%	0.02%	0.02%	0.00%	(0.10%)	(0.10%)
Total			8.90%	8.71%	+ 0.24%	+ (0.04%)	0.20%

* Current Quarter Target = 38.0% Russell 3000 Index, 29.0% MSCI ACWIxUS Gross, 22.0% Blmbg Aggregate Idx, 8.8% NFI-ODCE Equal Weight Net and 2.2% FTSE NAREIT Composite Idx.

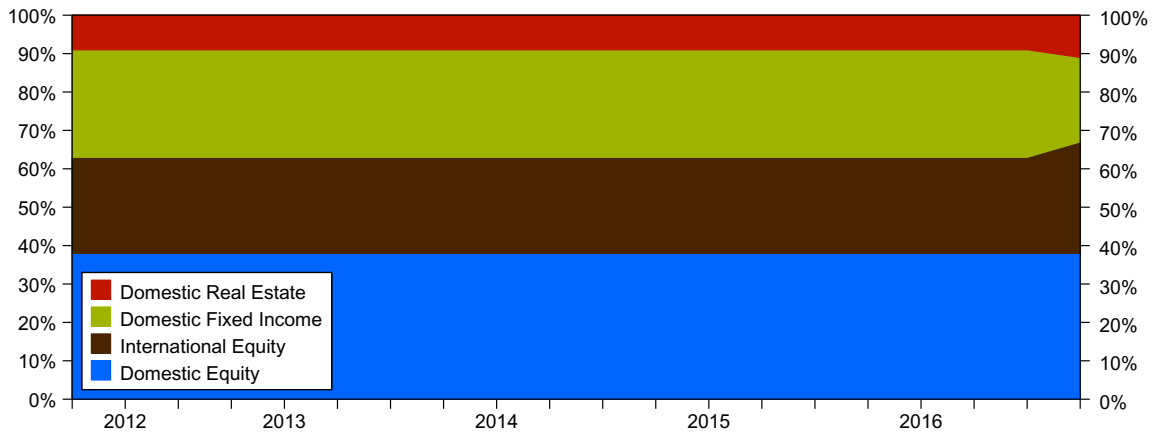
Actual vs Target Historical Asset Allocation

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.

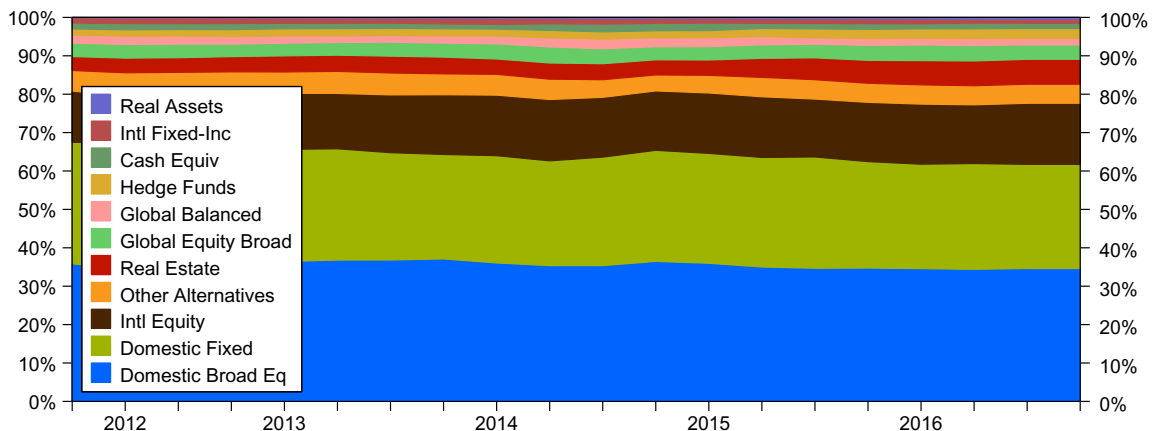
Actual Historical Asset Allocation



Target Historical Asset Allocation



Average CAI Public Fund Sponsor Database Historical Asset Allocation

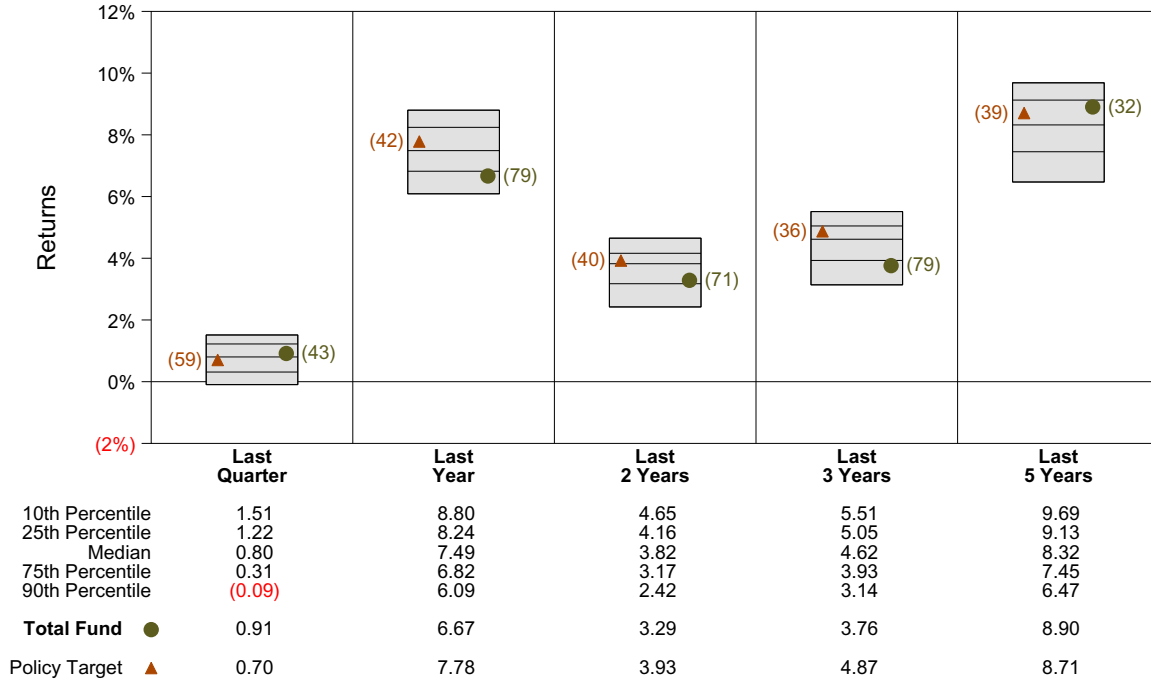


* Current Quarter Target = 38.0% Russell 3000 Index, 29.0% MSCI ACWIxUS Gross, 22.0% Blmbg Aggregate Idx, 8.8% NFI-ODCE Equal Weight Net and 2.2% FTSE NAREIT Composite Idx.

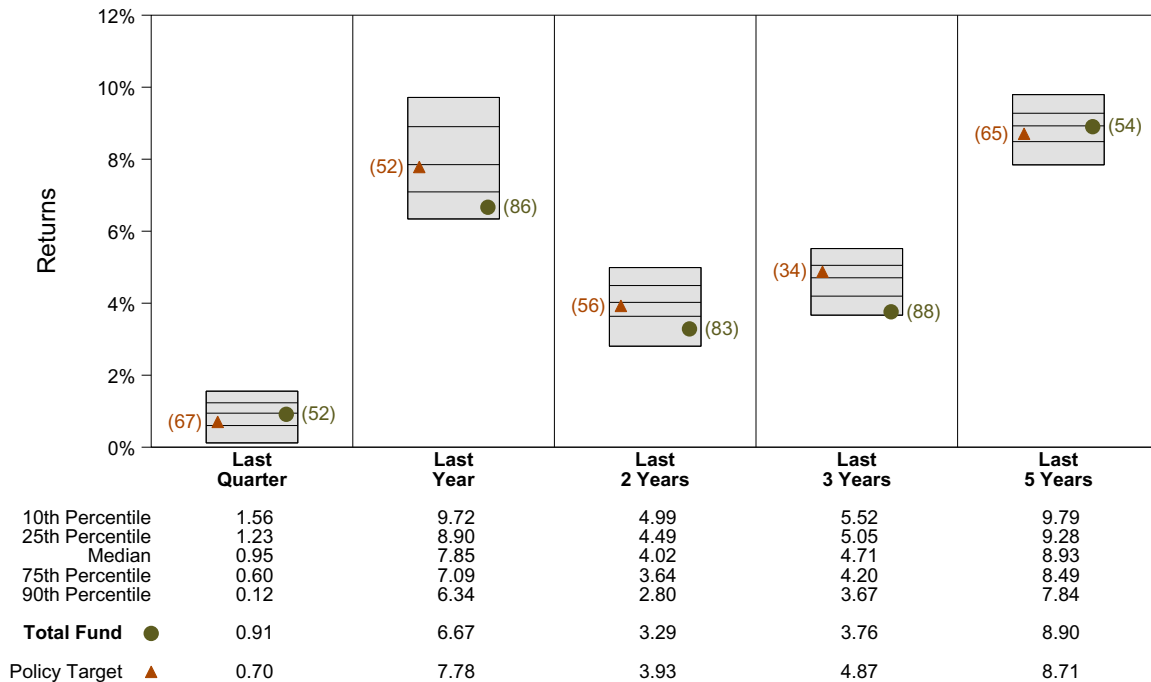
Total Fund Ranking

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 December 31, 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, 29.0% MSCI ACWIxUS Gross, 22.0% Blmbg Aggregate Idx, 8.8% NFI-ODCE Equal Weight Net and 2.2% FTSE NAREIT Composite Idx.

Total Fund

Period Ended December 31, 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.

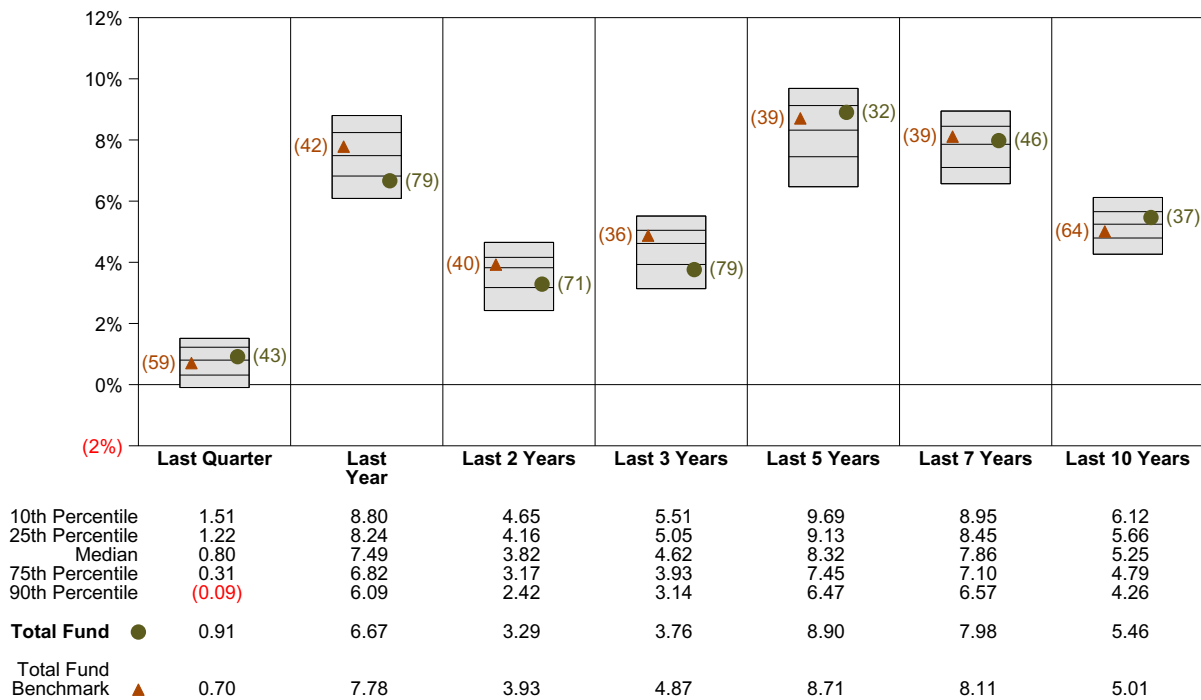
Quarterly Summary and Highlights

- Total Fund's portfolio posted a 0.91% return for the quarter placing it in the 43 percentile of the CAI Public Fund Sponsor Database group for the quarter and in the 79 percentile for the last year.
- Total Fund's portfolio outperformed the Total Fund Benchmark by 0.21% for the quarter and underperformed the Total Fund Benchmark for the year by 1.12%.

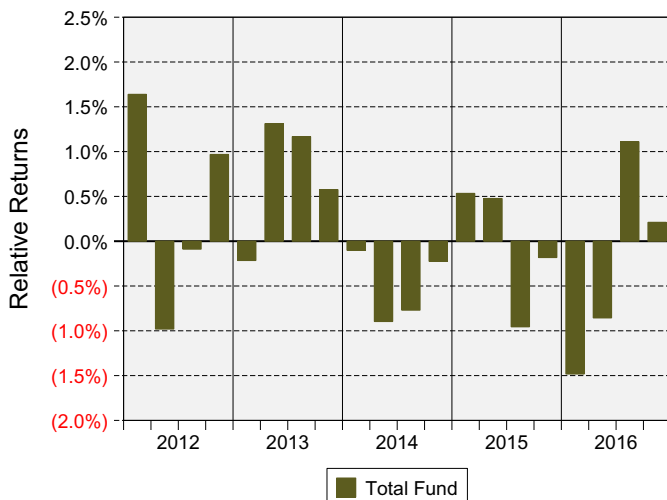
Quarterly Asset Growth

Beginning Market Value	\$444,429,152
Net New Investment	\$-10,664,829
Investment Gains/(Losses)	\$4,160,929
Ending Market Value	\$437,925,251

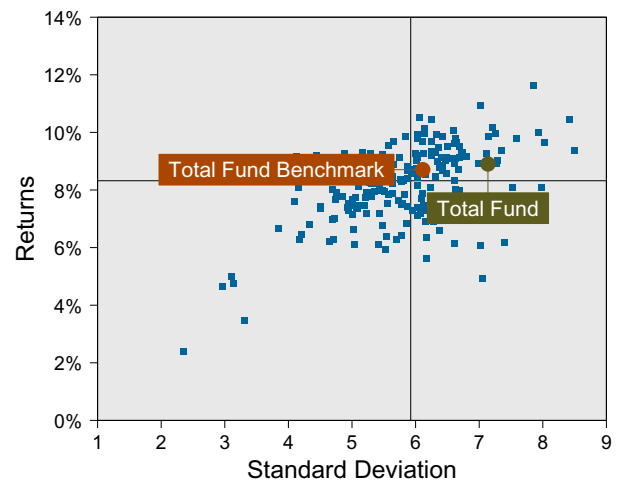
Performance vs CAI Public Fund Sponsor Database (Gross)



Relative Return vs Total Fund Benchmark



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

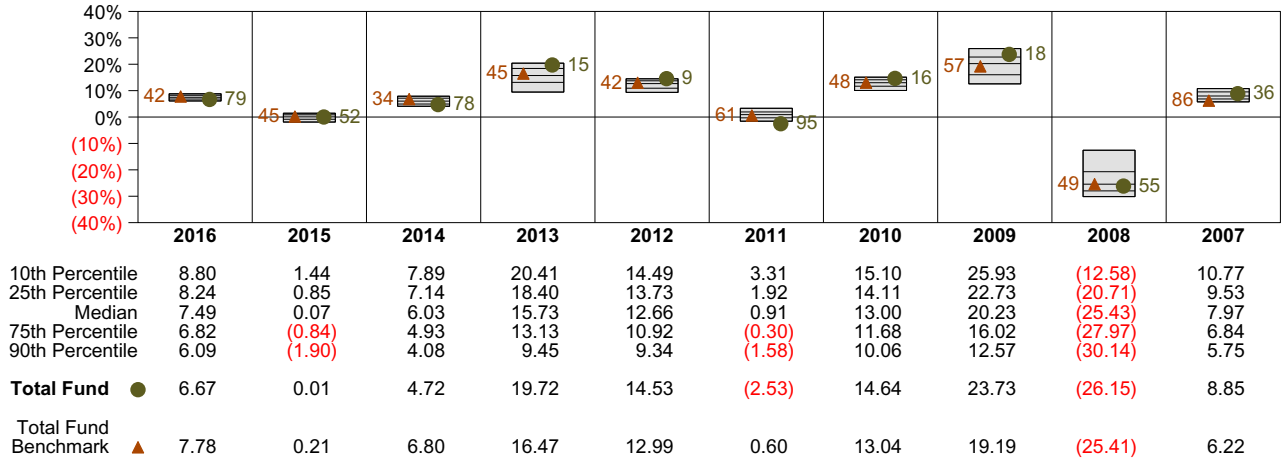


Total Fund Return Analysis Summary

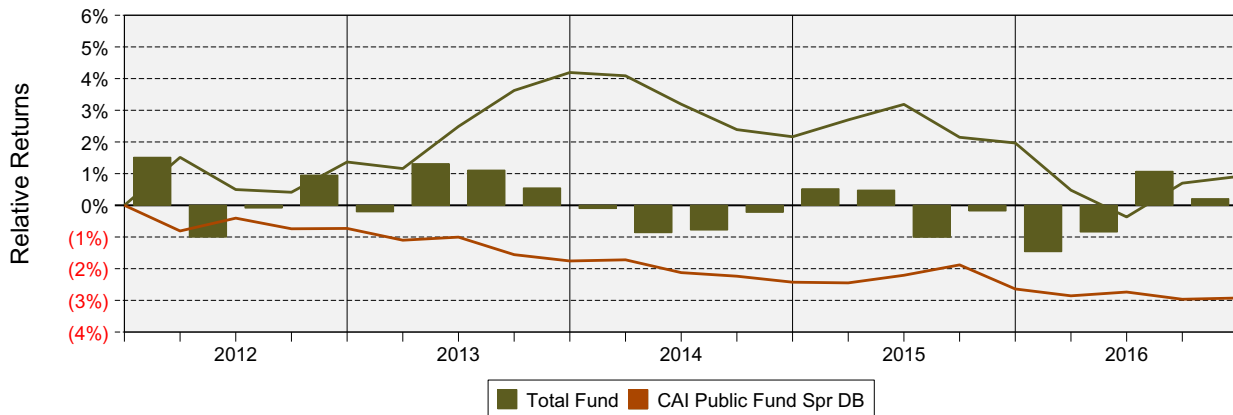
Return Analysis

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 chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

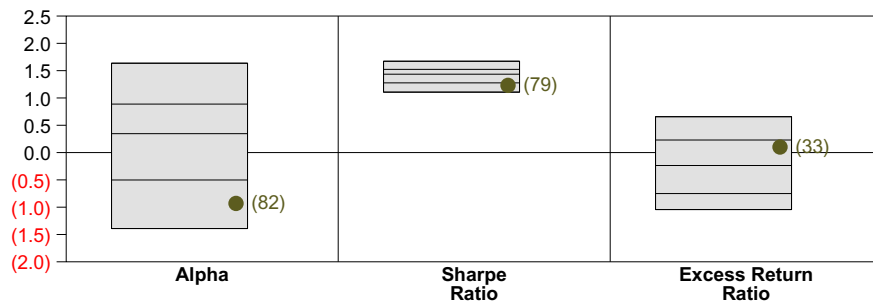
Performance vs CAI Public Fund Sponsor Database (Gross)



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 December 31, 2016

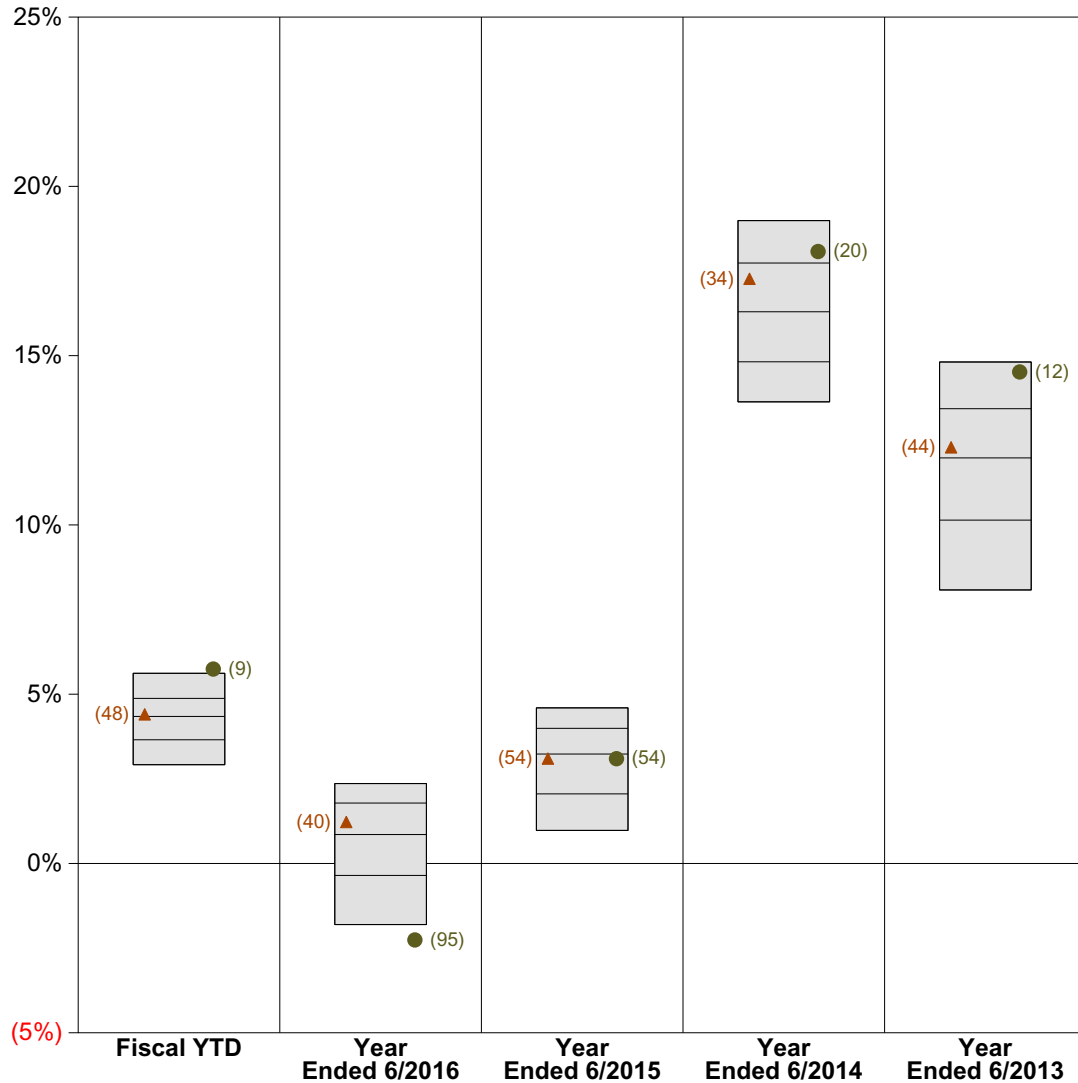


	Alpha	Sharpe Ratio	Excess Return Ratio
10th Percentile	1.64	1.67	0.66
25th Percentile	0.89	1.52	0.23
Median	0.35	1.43	(0.24)
75th Percentile	(0.50)	1.28	(0.75)
90th Percentile	(1.39)	1.11	(1.04)
Total Fund	(0.93)	1.23	0.10

Mendocino County Employees' Retirement Association Performance vs CAI Public Fund Sponsor Database Periods Ended December 31, 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 YTD	Year Ended 6/2016	Year Ended 6/2015	Year Ended 6/2014	Year Ended 6/2013
10th Percentile	5.62	2.36	4.60	18.99	14.81
25th Percentile	4.88	1.78	3.99	17.74	13.43
Median	4.34	0.85	3.23	16.30	11.98
75th Percentile	3.65	(0.35)	2.06	14.82	10.14
90th Percentile	2.92	(1.80)	0.98	13.63	8.08
Total Fund ●	5.74	(2.26)	3.09	18.08	14.52
Total Fund Benchmark ▲	4.41	1.23	3.10	17.27	12.29

* Current Quarter Target = 38.0% Russell 3000 Index, 29.0% MSCI ACWixUS Gross, 22.0% Blmbg Aggregate Idx, 8.8% NFI-ODCE Equal Weight Net and 2.2% FTSE NAREIT Composite Idx.

Domestic Equity Composite Period Ended December 31, 2016

Quarterly Summary and Highlights

- Domestic Equity Composite's portfolio posted a 4.60% return for the quarter placing it in the 44 percentile of the Pub Pln- Domestic Equity group for the quarter and in the 83 percentile for the last year.
- Domestic Equity Composite's portfolio outperformed the Russell 3000 Index by 0.39% for the quarter and underperformed the Russell 3000 Index for the year by 1.84%.

Quarterly Asset Growth

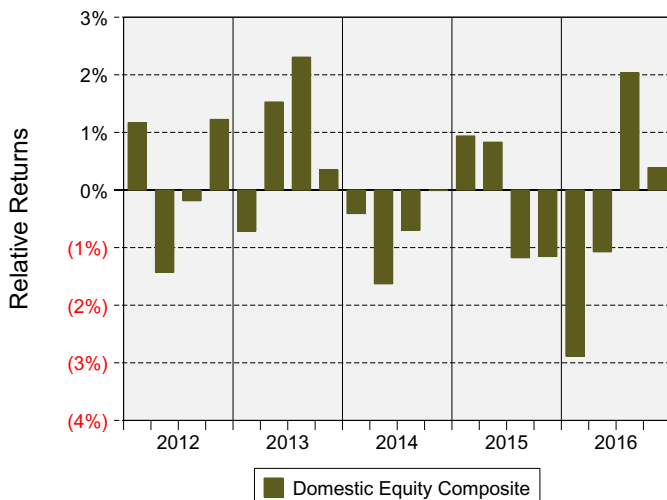
Beginning Market Value	\$169,671,208
Net New Investment	\$0
Investment Gains/(Losses)	\$7,830,077
Ending Market Value	\$177,501,285

Performance vs Pub Pln- Domestic Equity (Gross)

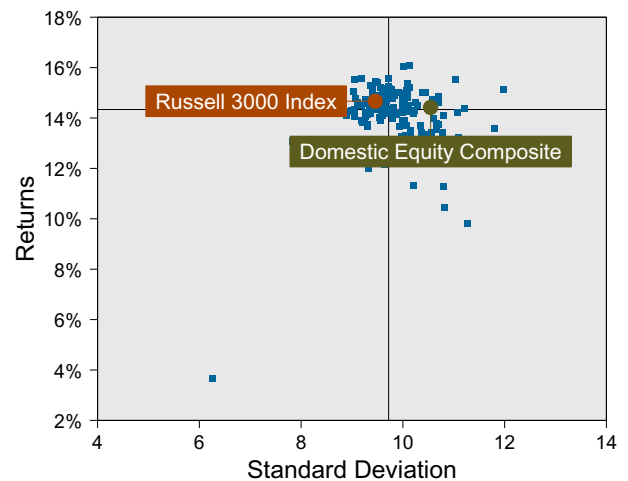


10th Percentile	5.75	15.69	7.51	8.93	15.16	13.57	7.83
25th Percentile	5.19	14.16	7.01	8.60	14.83	13.29	7.46
Median	4.44	12.79	6.33	7.92	14.34	12.85	7.08
75th Percentile	3.89	11.72	5.40	7.06	13.78	12.37	6.78
90th Percentile	3.31	9.42	4.53	6.00	13.00	11.65	6.20
Domestic Equity Composite ●	4.60	10.90	5.23	6.66	14.42	12.64	7.34
Russell 3000 Index ▲	4.21	12.74	6.43	8.43	14.67	12.92	7.07

Relative Return vs Russell 3000 Index



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

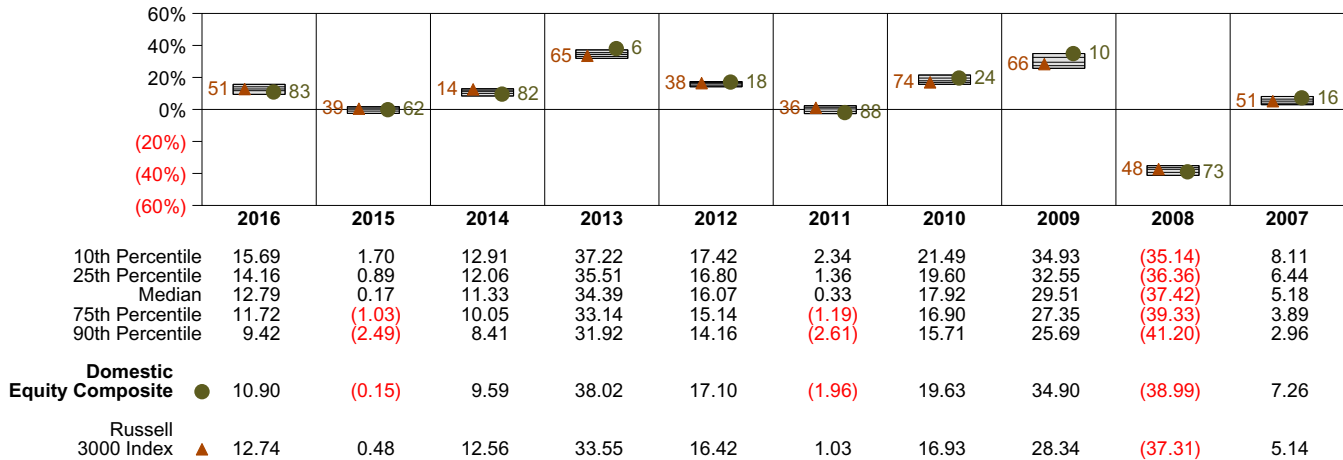


Domestic Equity Composite Return Analysis Summary

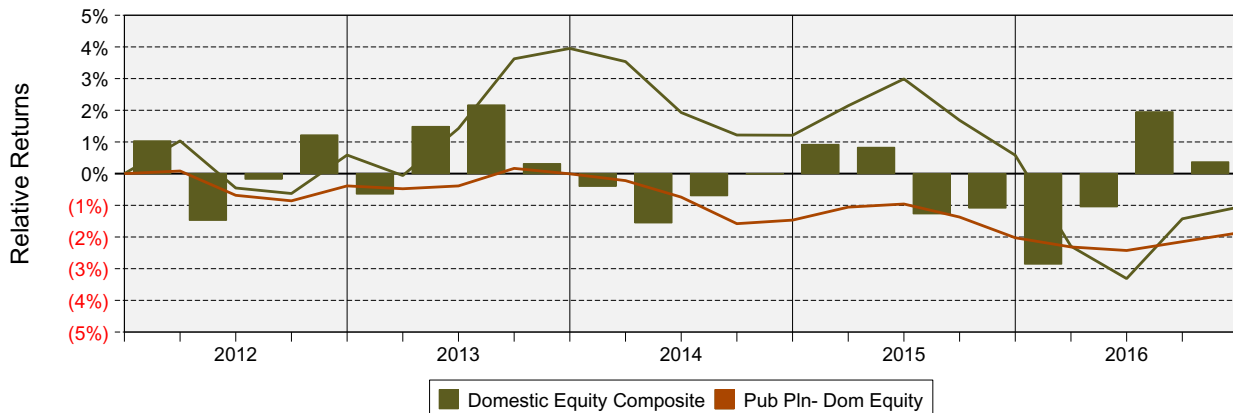
Return Analysis

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 and returns for rising/declining periods.

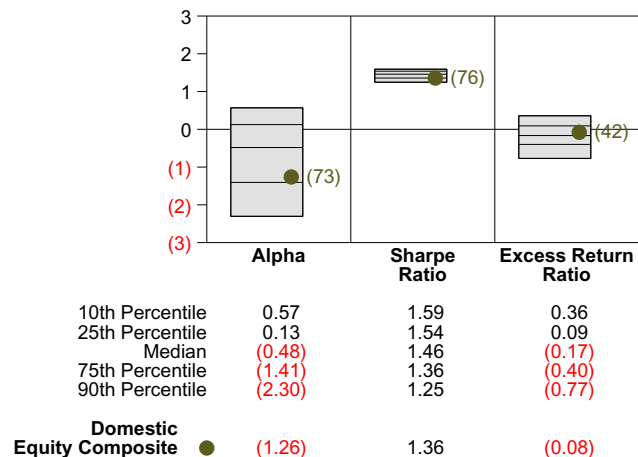
Performance vs Pub Pln- Domestic Equity (Gross)



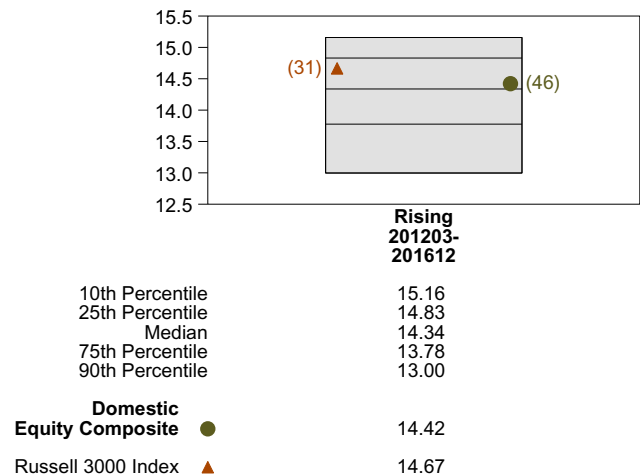
Cumulative and Quarterly Relative Return vs Russell 3000 Index



Risk Adjusted Return Measures vs Russell 3000 Index Rankings Against Pub Pln- Domestic Equity (Gross) Five Years Ended December 31, 2016



Returns for Domestic Equity Rising/Declining Periods Five Years Ended December 31, 2016

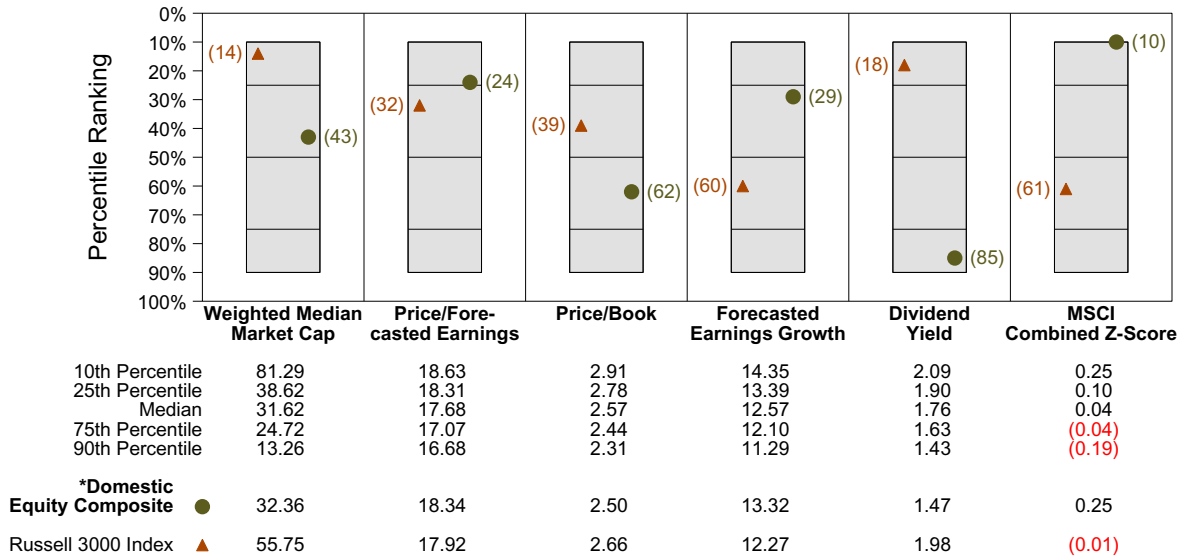


Domestic Equity Composite Equity Characteristics Analysis Summary

Portfolio Characteristics

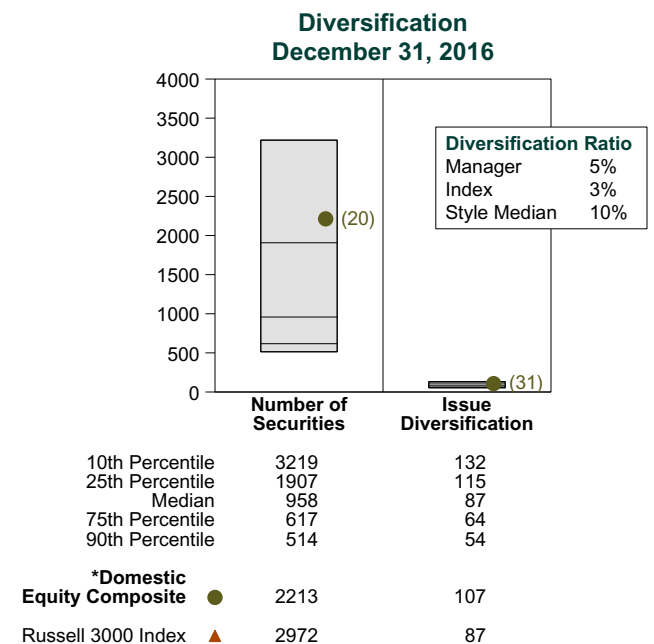
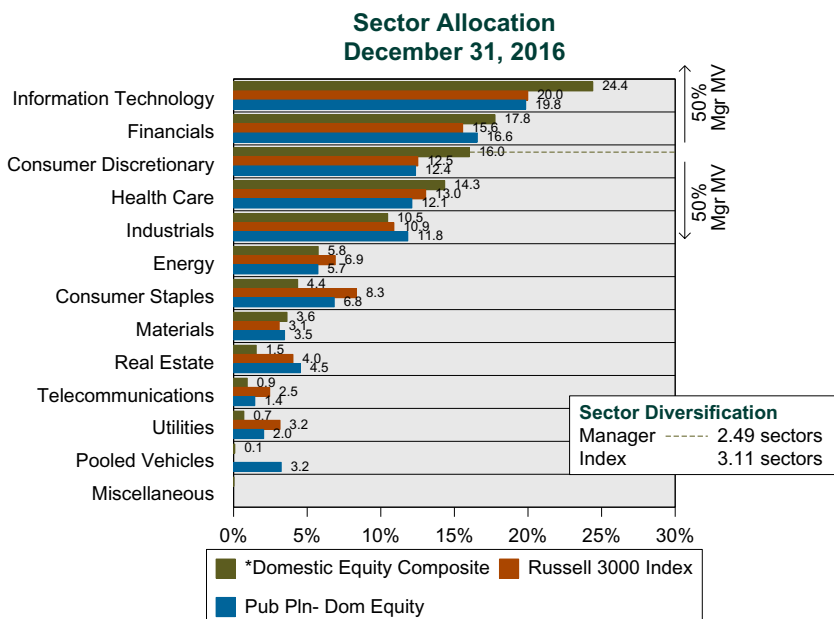
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Portfolio Characteristics Percentile Rankings Rankings Against Pub Pln- Domestic Equity as of December 31, 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.

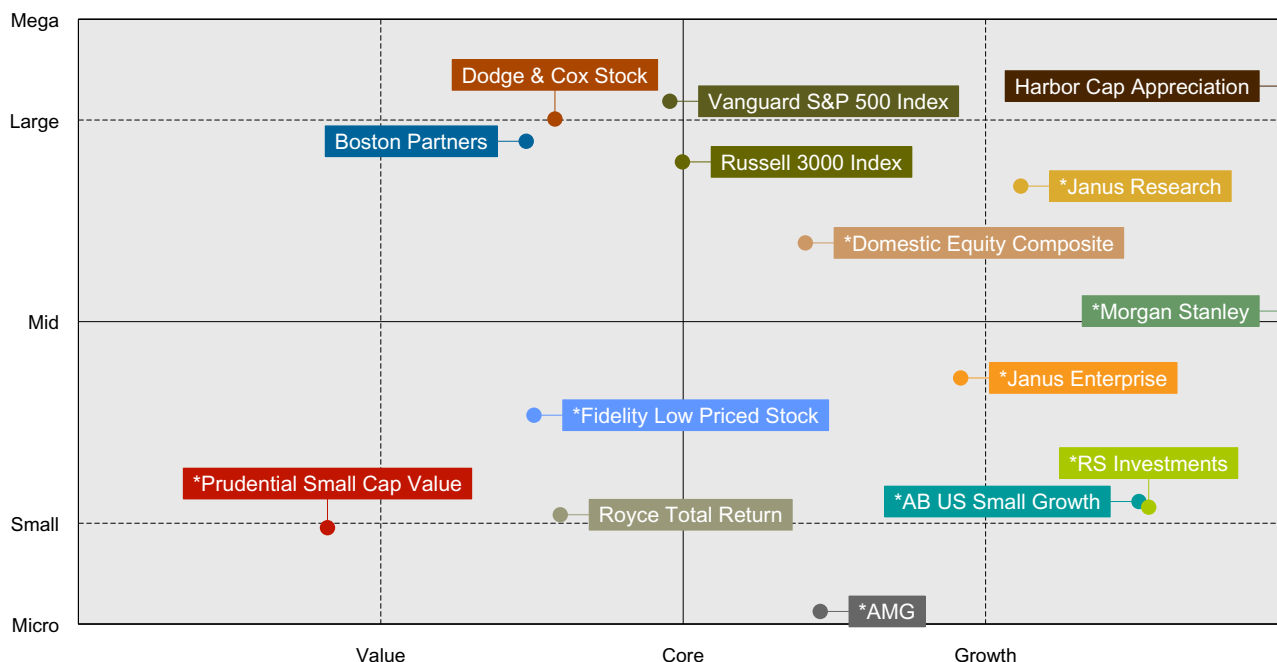


*12/31/16 portfolio characteristics generated using most recently available holdings (9/30/16) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.

Holdings Based Style Analysis For One Quarter Ended December 31, 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 December 31, 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	12.57%	81.02	(0.04)	(0.01)	0.03	505	55.11
Dodge & Cox Stock	14.88%	68.54	(0.26)	(0.13)	0.13	66	16.37
Boston Partners	14.70%	61.70	(0.32)	(0.05)	0.27	88	21.95
Harbor Cap Appreciation	13.27%	91.69	1.41	0.64	(0.77)	56	15.93
*Janus Research	13.05%	48.76	0.70	0.28	(0.42)	102	25.19
*Fidelity Low Priced Stock	3.06%	6.04	(0.30)	(0.02)	0.28	807	31.46
Royce Total Return	3.14%	2.21	(0.25)	(0.13)	0.12	266	53.82
*Morgan Stanley	2.23%	12.69	1.48	0.53	(0.94)	49	10.98
*Janus Enterprise	3.32%	7.48	0.57	0.20	(0.37)	86	26.16
*Prudential Small Cap Value	7.81%	1.83	(0.70)	(0.13)	0.58	357	65.93
*AB US Small Growth	3.91%	2.72	0.95	0.34	(0.61)	102	34.13
*RS Investments	2.97%	2.50	0.97	0.34	(0.62)	81	24.84
*AMG	5.08%	0.67	0.28	0.05	(0.22)	323	68.75
*Domestic Equity Composite	100.00%	32.36	0.25	0.13	(0.12)	2213	106.76
Russell 3000 Index	-	55.75	(0.01)	(0.00)	0.01	2972	86.60

* 12/31/16 portfolio characteristics generated using most recently available holdings (9/30/16) 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 December 31, 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.

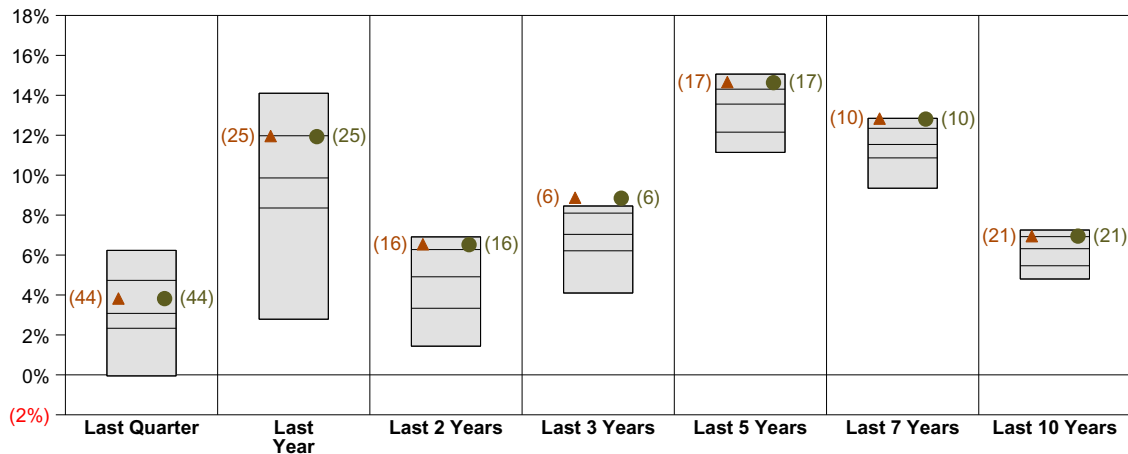
Quarterly Summary and Highlights

- Vanguard S&P 500 Index's portfolio posted a 3.82% return for the quarter placing it in the 44 percentile of the CAI Large Cap Core Mutual Funds group for the quarter and in the 25 percentile for the last year.
- Vanguard S&P 500 Index's portfolio underperformed the S&P 500 Index by 0.01% for the quarter and underperformed the S&P 500 Index for the year by 0.03%.

Quarterly Asset Growth

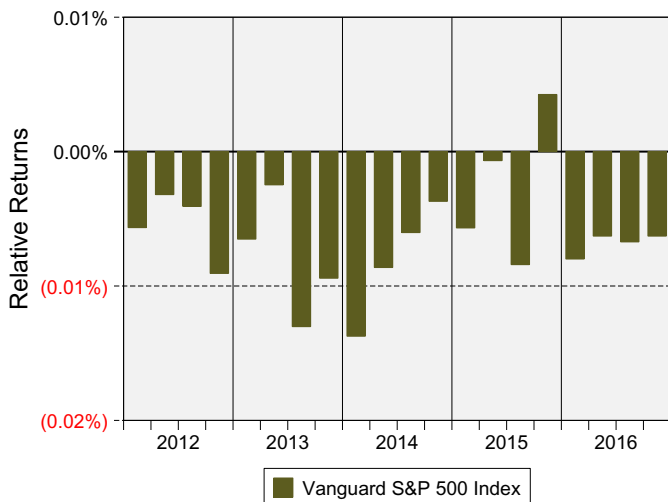
Beginning Market Value	\$21,492,319
Net New Investment	\$0
Investment Gains/(Losses)	\$820,572
Ending Market Value	\$22,312,891

Performance vs CAI Large Cap Core Mutual Funds (Net)

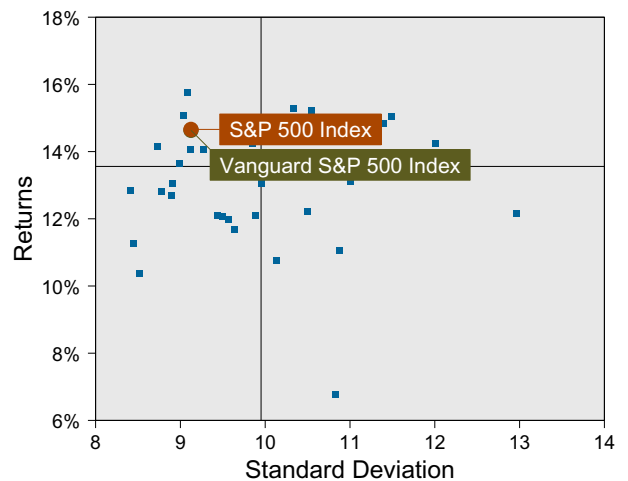


10th Percentile	6.23	14.10	6.91	8.46	15.06	12.85	7.25
25th Percentile	4.73	11.97	6.27	8.10	14.31	12.35	6.92
Median	3.08	9.86	4.91	7.04	13.56	11.54	6.32
75th Percentile	2.33	8.36	3.33	6.21	12.16	10.87	5.46
90th Percentile	(0.05)	2.79	1.44	4.10	11.14	9.35	4.80
Vanguard S&P 500 Index ●	3.82	11.93	6.52	8.85	14.63	12.81	6.95
S&P 500 Index ▲	3.82	11.96	6.54	8.87	14.66	12.83	6.95

Relative Return vs S&P 500 Index



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

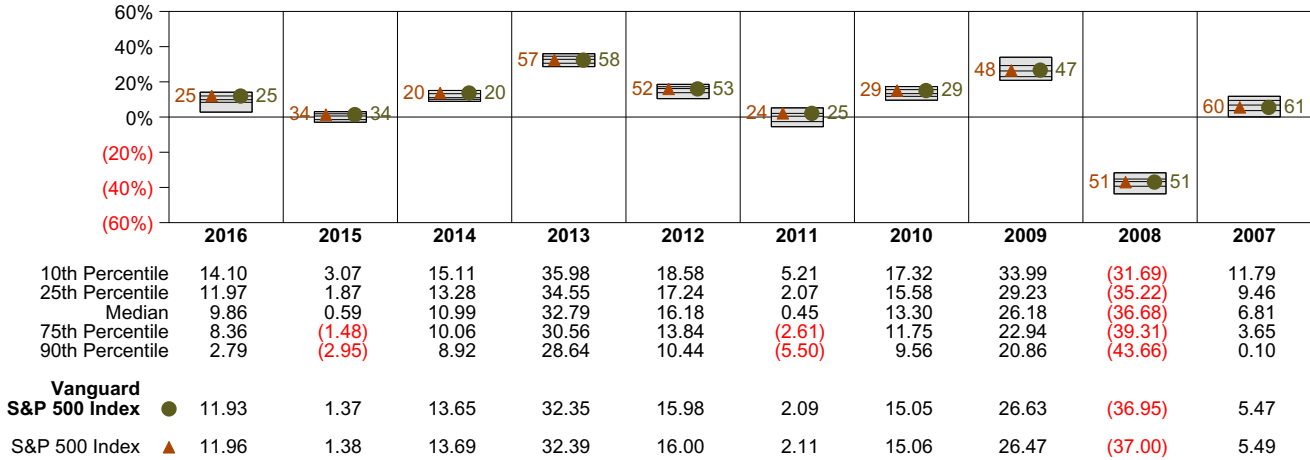


Vanguard S&P 500 Index Return Analysis Summary

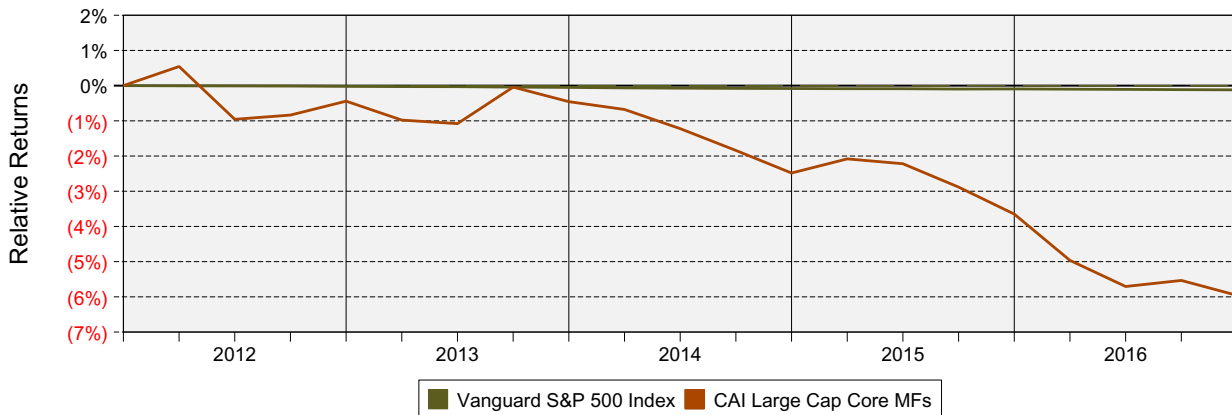
Return Analysis

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 and returns for rising/declining periods.

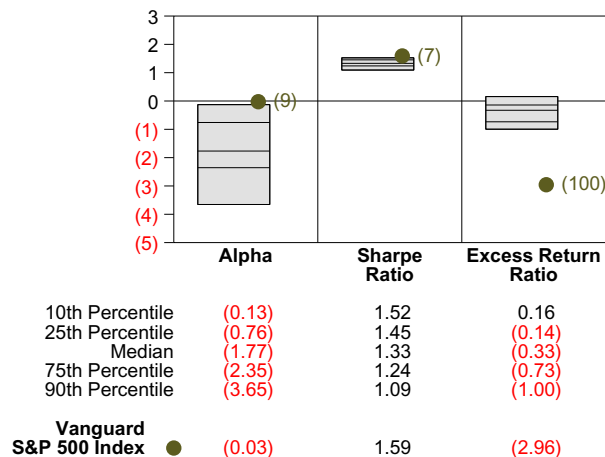
Performance vs CAI Large Cap Core Mutual Funds (Net)



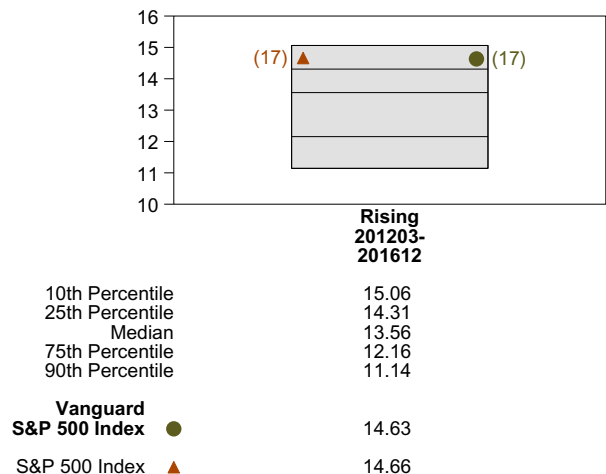
Cumulative and Quarterly Relative Return vs S&P 500 Index



Risk Adjusted Return Measures vs S&P 500 Index Rankings Against CAI Large Cap Core Mutual Funds (Net) Five Years Ended December 31, 2016



Returns for Domestic Equity Rising/Declining Periods Five Years Ended December 31, 2016

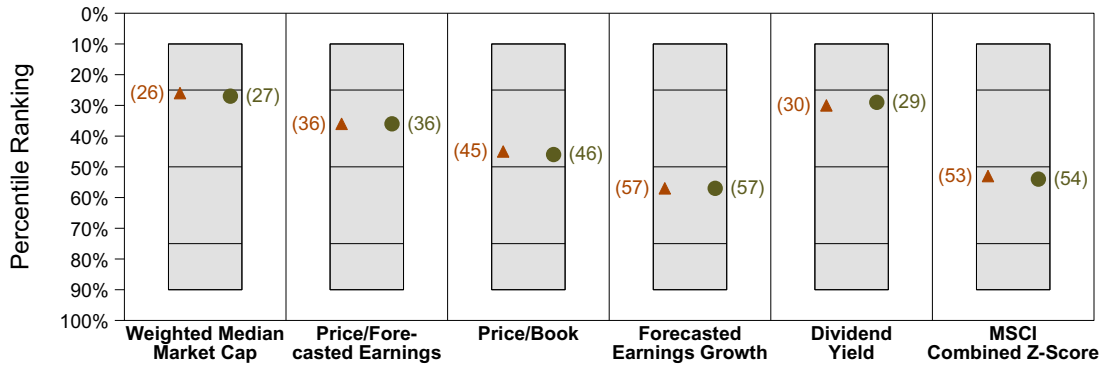


Vanguard S&P 500 Index Equity Characteristics Analysis Summary

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.

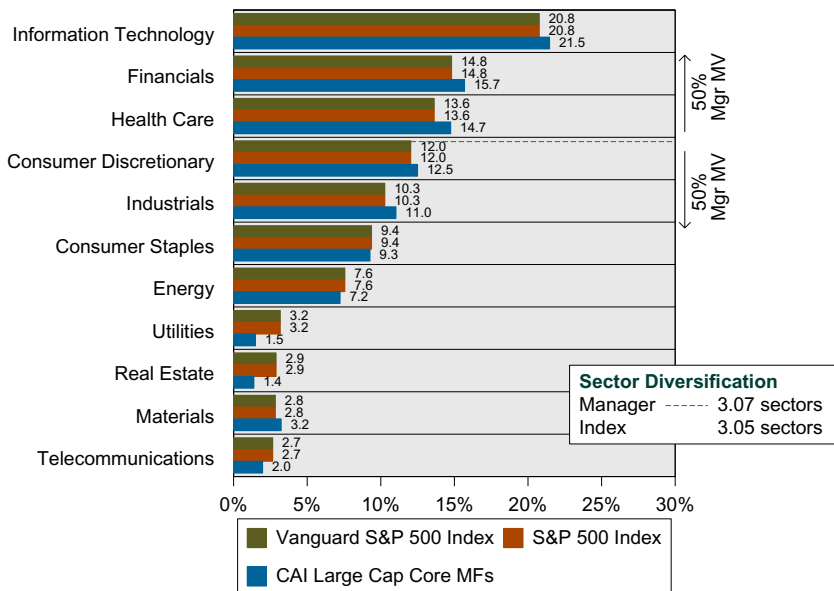
Portfolio Characteristics Percentile Rankings Rankings Against CAI Large Cap Core Mutual Funds as of December 31, 2016



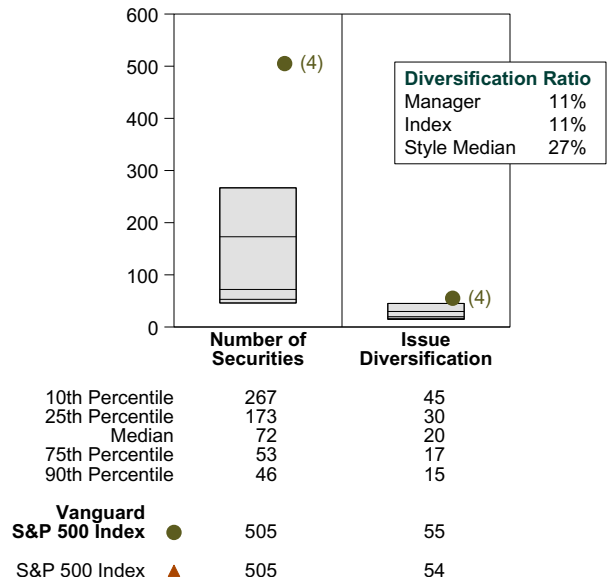
Sector Weights

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 December 31, 2016



Diversification December 31, 2016



Dodge & Cox Stock Period Ended December 31, 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.

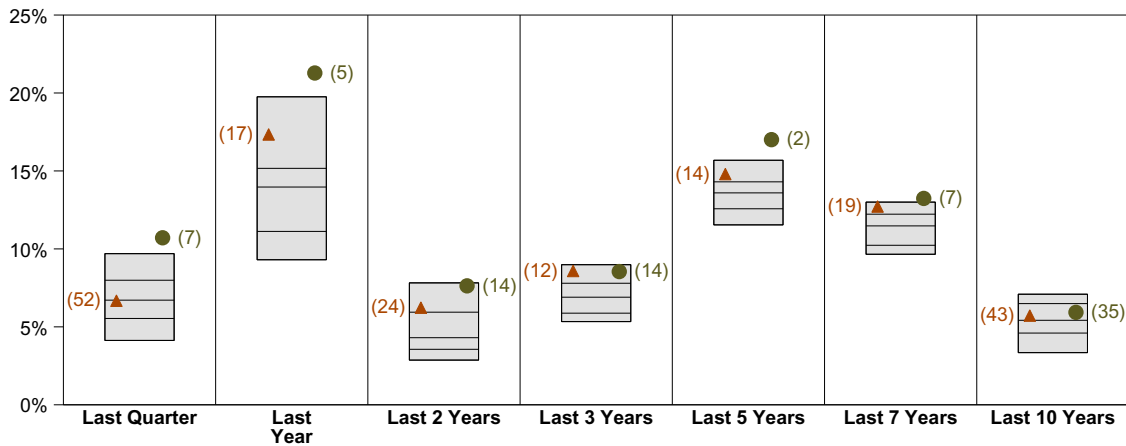
Quarterly Summary and Highlights

- Dodge & Cox Stock's portfolio posted a 10.71% return for the quarter placing it in the 7 percentile of the CAI Large Cap Value Mutual Funds group for the quarter and in the 5 percentile for the last year.
- Dodge & Cox Stock's portfolio outperformed the Russell 1000 Value Index by 4.04% for the quarter and outperformed the Russell 1000 Value Index for the year by 3.94%.

Quarterly Asset Growth

Beginning Market Value	\$23,861,271
Net New Investment	\$0
Investment Gains/(Losses)	\$2,556,031
Ending Market Value	\$26,417,302

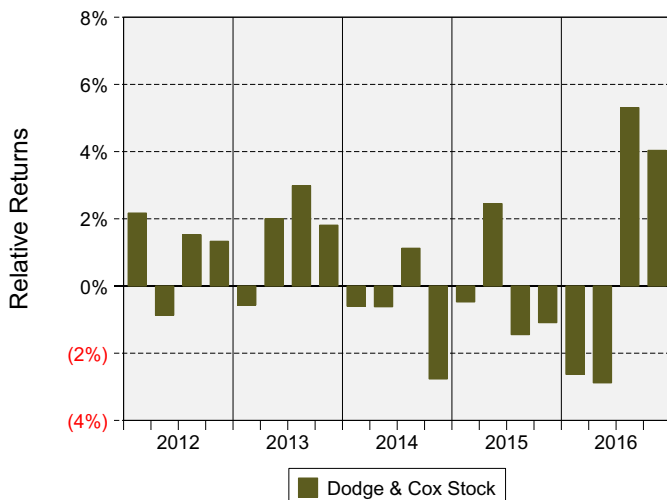
Performance vs CAI Large Cap Value Mutual Funds (Net)



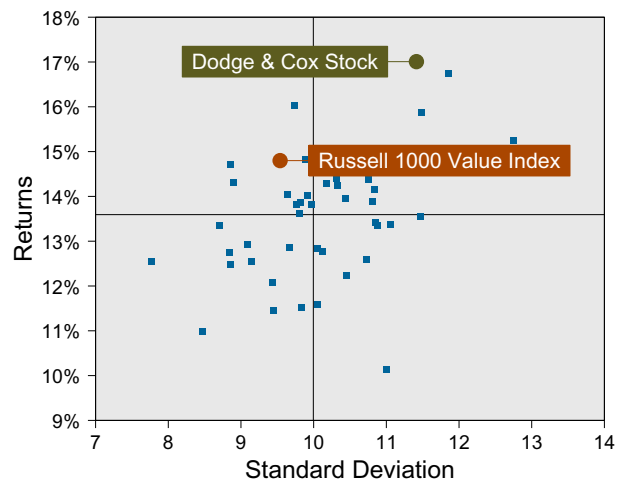
10th Percentile	9.70	19.76	7.82	8.99	15.68	13.00	7.09
25th Percentile	7.99	15.17	5.94	7.80	14.30	12.23	6.49
Median	6.71	13.97	4.30	6.90	13.59	11.48	5.42
75th Percentile	5.54	11.12	3.56	5.88	12.57	10.23	4.60
90th Percentile	4.13	9.30	2.87	5.34	11.54	9.66	3.35

Dodge & Cox Stock ●	10.71	21.28	7.63	8.55	17.01	13.24	5.93
Russell 1000 Value Index ▲	6.68	17.34	6.23	8.59	14.80	12.72	5.72

Relative Return vs Russell 1000 Value Index



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

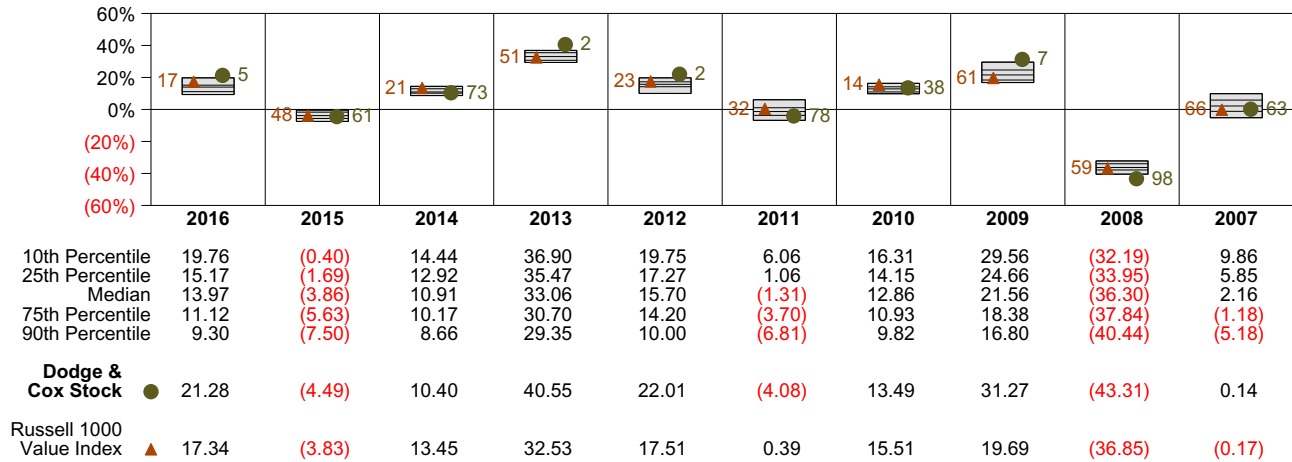


Dodge & Cox Stock Return Analysis Summary

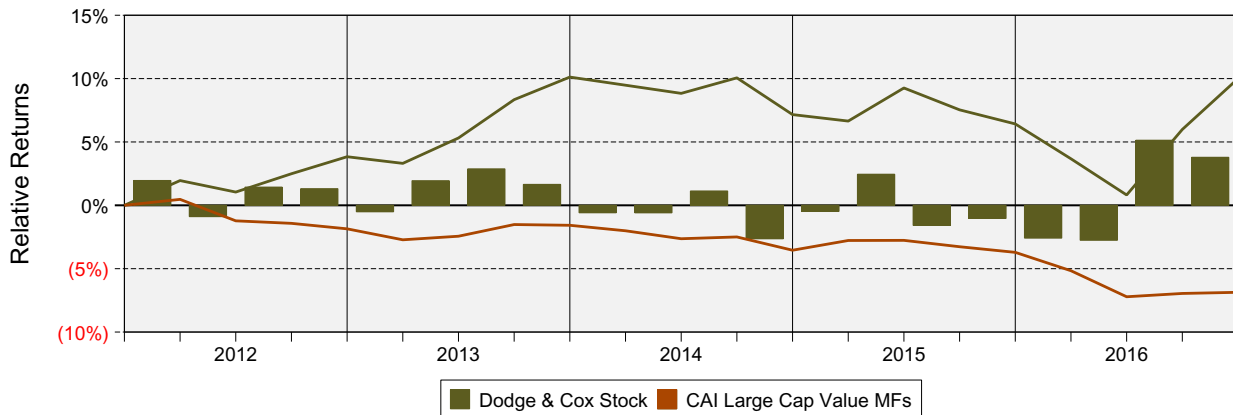
Return Analysis

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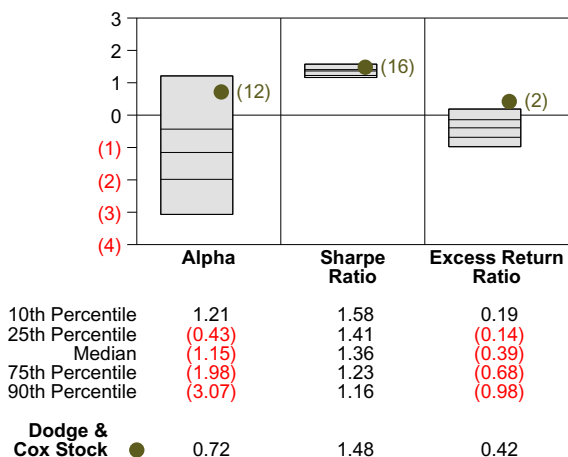
Performance vs CAI Large Cap Value Mutual Funds (Net)



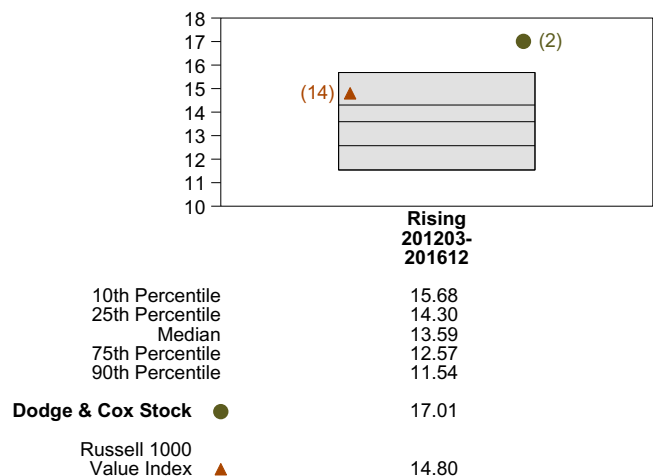
Cumulative and Quarterly Relative Return vs Russell 1000 Value Index



Risk Adjusted Return Measures vs Russell 1000 Value Index Rankings Against CAI Large Cap Value Mutual Funds (Net) Five Years Ended December 31, 2016



Returns for Domestic Equity Rising/Declining Periods Five Years Ended December 31, 2016

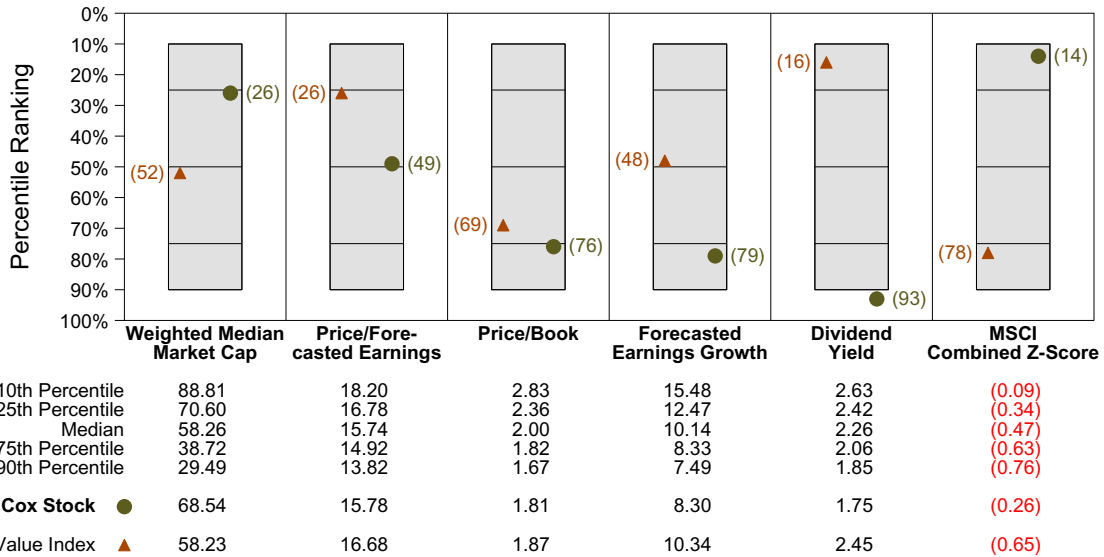


Dodge & Cox Stock Equity Characteristics Analysis Summary

Portfolio Characteristics

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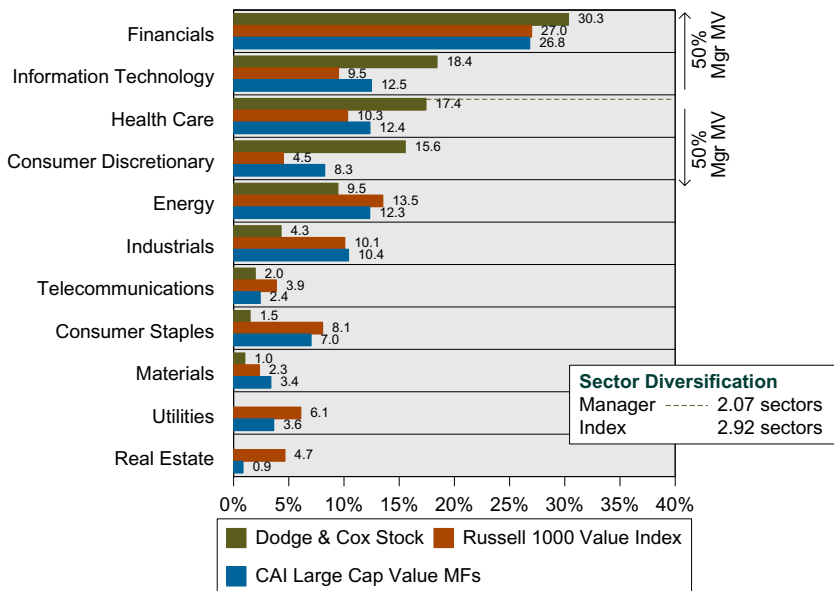
Portfolio Characteristics Percentile Rankings Rankings Against CAI Large Cap Value Mutual Funds as of December 31, 2016



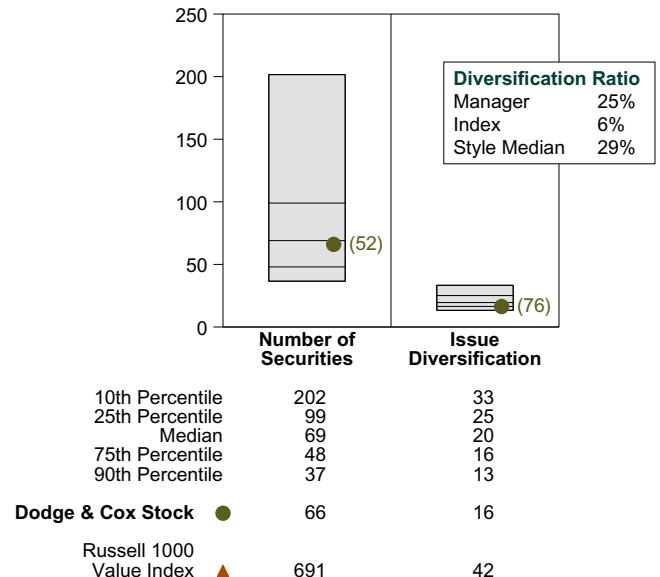
Sector Weights

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Sector Allocation December 31, 2016



Diversification December 31, 2016



Boston Partners

Period Ended December 31, 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.

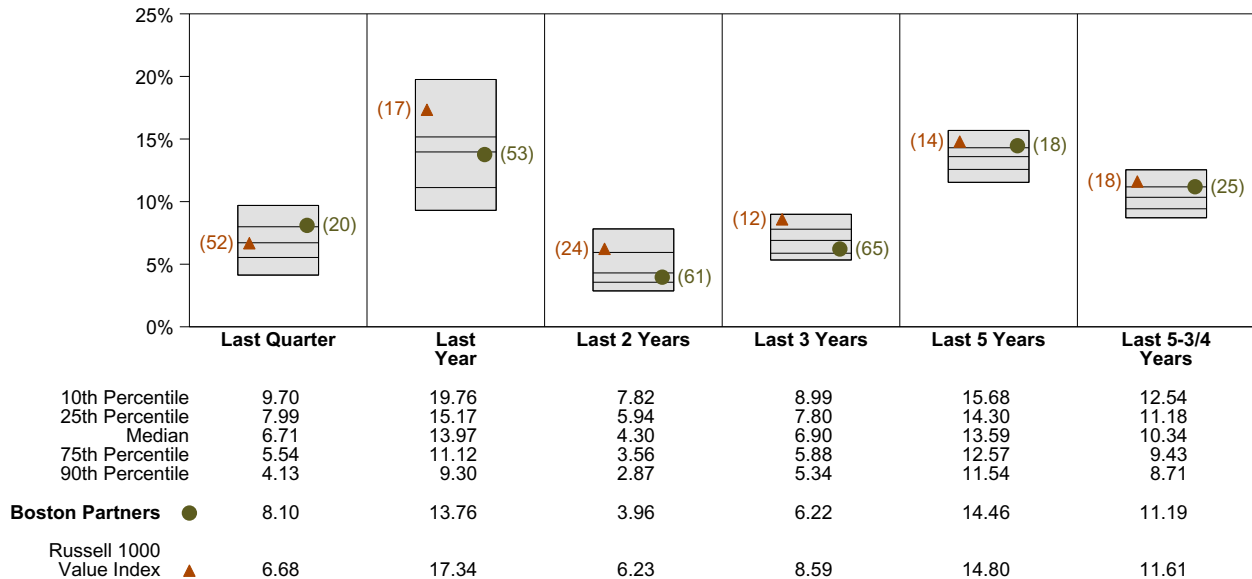
Quarterly Summary and Highlights

- Boston Partners's portfolio posted a 8.10% return for the quarter placing it in the 20 percentile of the CAI Large Cap Value Mutual Funds group for the quarter and in the 53 percentile for the last year.
- Boston Partners's portfolio outperformed the Russell 1000 Value Index by 1.42% for the quarter and underperformed the Russell 1000 Value Index for the year by 3.58%.

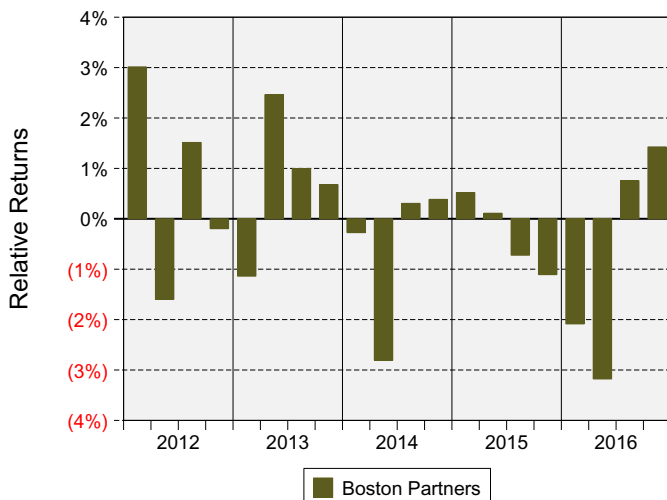
Quarterly Asset Growth

Beginning Market Value	\$24,113,793
Net New Investment	\$0
Investment Gains/(Losses)	\$1,985,903
Ending Market Value	\$26,099,697

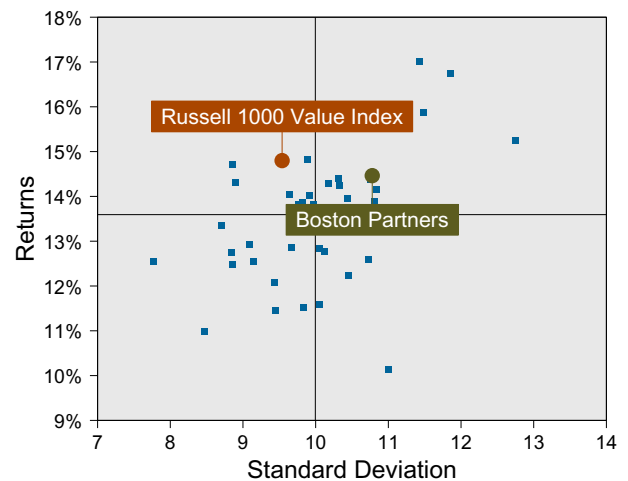
Performance vs CAI Large Cap Value Mutual Funds (Net)



Relative Return vs Russell 1000 Value Index



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

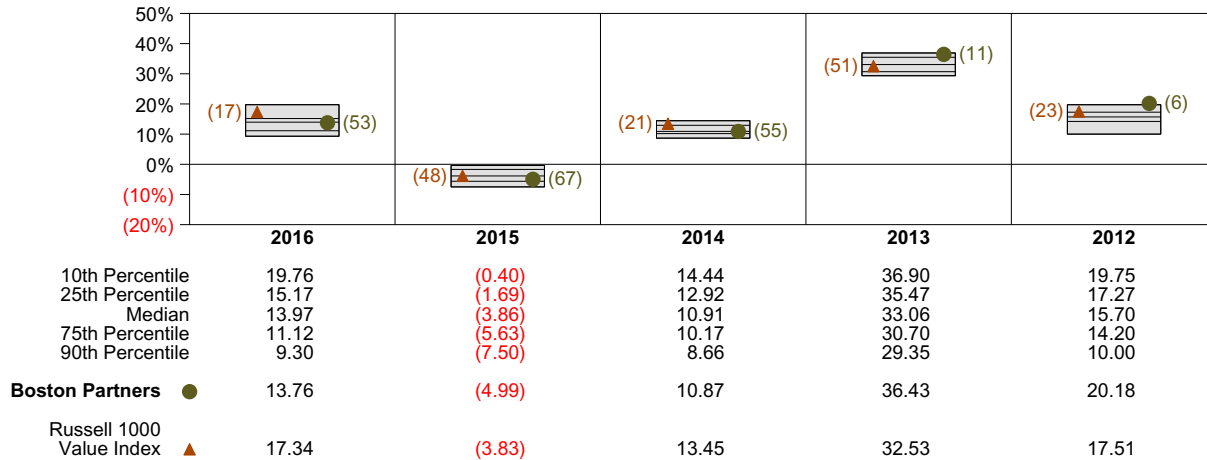


Boston Partners Return Analysis Summary

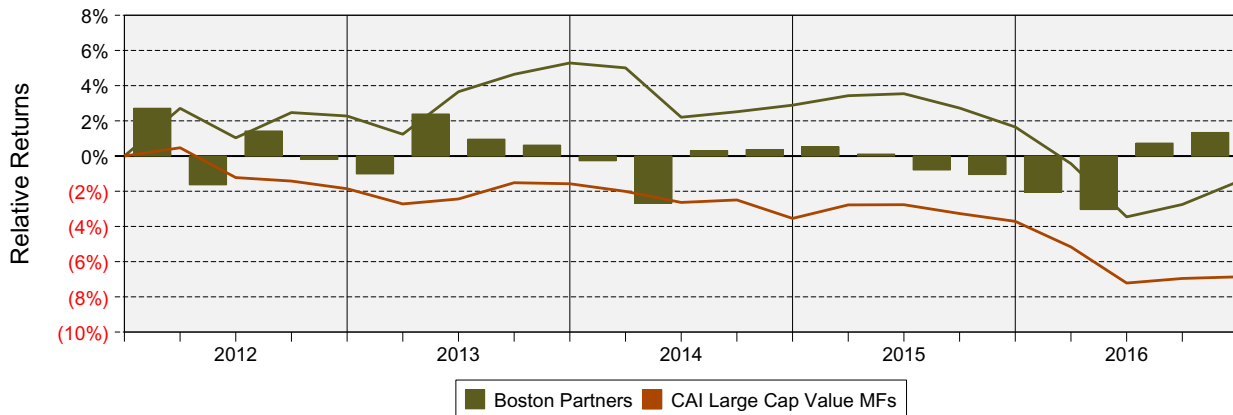
Return Analysis

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 and returns for rising/declining periods.

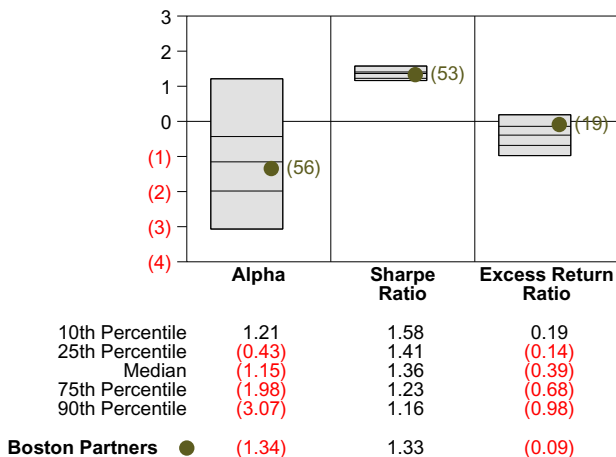
Performance vs CAI Large Cap Value Mutual Funds (Net)



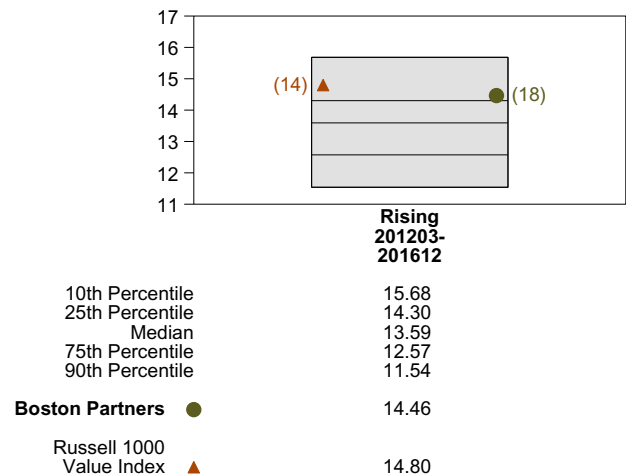
Cumulative and Quarterly Relative Return vs Russell 1000 Value Index



Risk Adjusted Return Measures vs Russell 1000 Value Index Rankings Against CAI Large Cap Value Mutual Funds (Net) Five Years Ended December 31, 2016



Returns for Domestic Equity Rising/Declining Periods Five Years Ended December 31, 2016

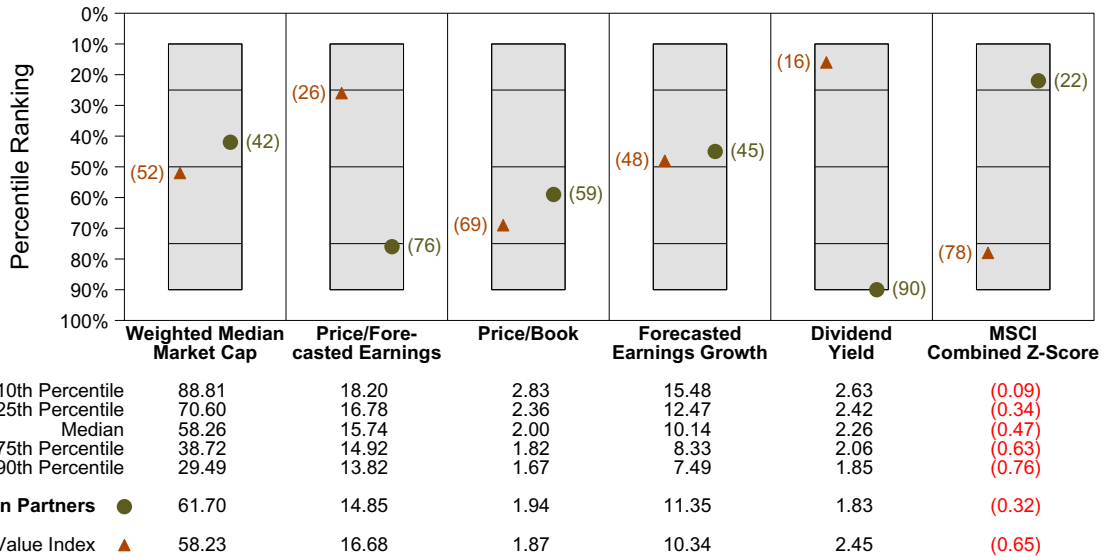


Boston Partners Equity Characteristics Analysis Summary

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.

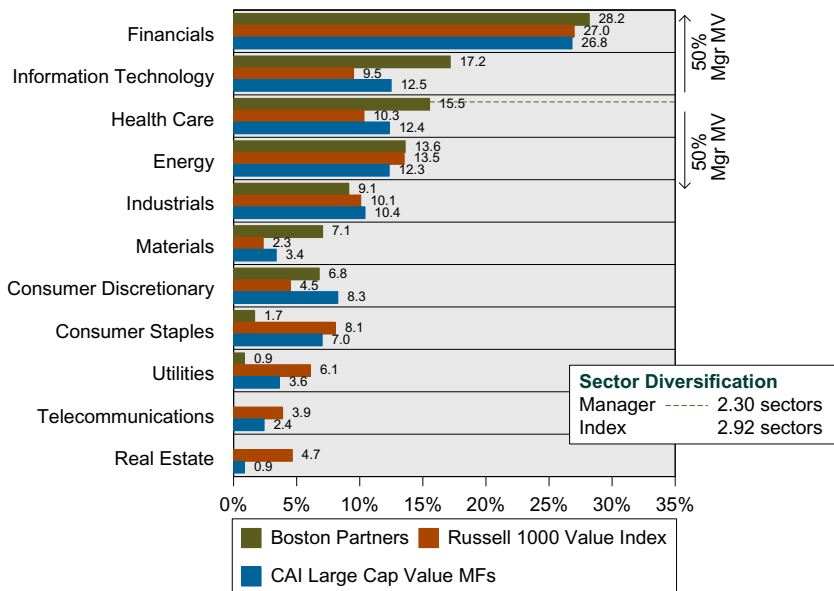
Portfolio Characteristics Percentile Rankings Rankings Against CAI Large Cap Value Mutual Funds as of December 31, 2016



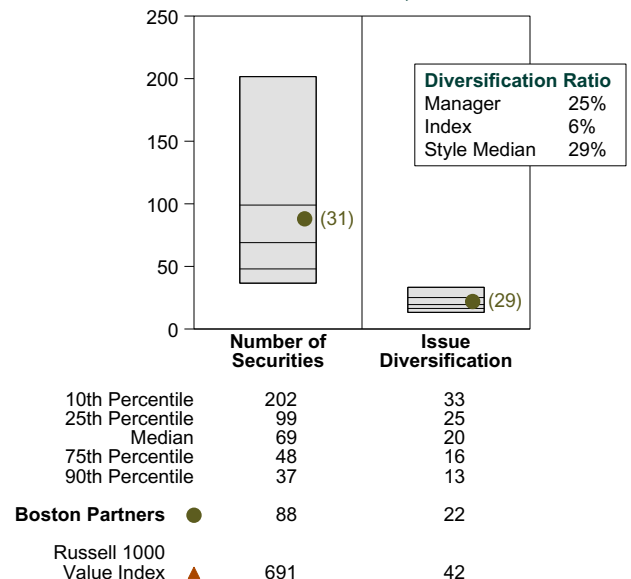
Sector Weights

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 December 31, 2016



Diversification December 31, 2016



Harbor Cap Appreciation Period Ended December 31, 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.

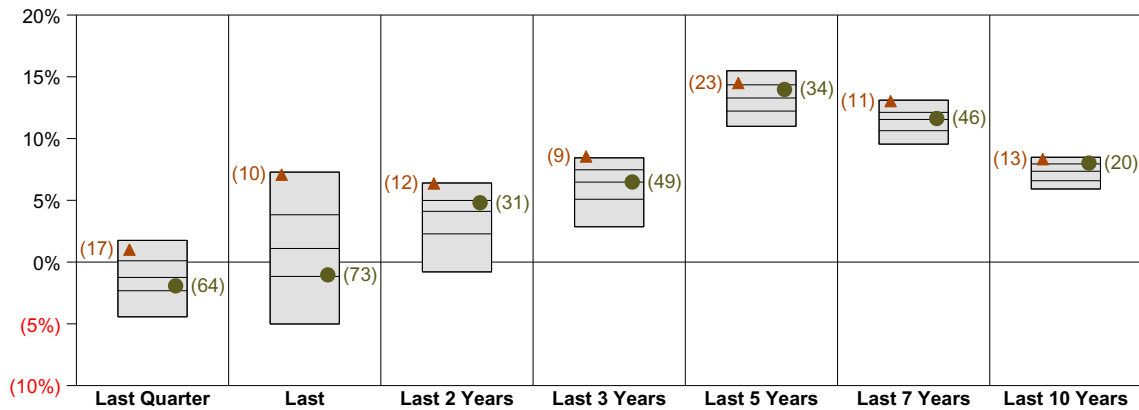
Quarterly Summary and Highlights

- Harbor Cap Appreciation's portfolio posted a (1.92)% return for the quarter placing it in the 64 percentile of the CAI Large Cap Growth Mutual Funds group for the quarter and in the 73 percentile for the last year.
- Harbor Cap Appreciation's portfolio underperformed the Russell 1000 Growth Index by 2.94% for the quarter and underperformed the Russell 1000 Growth Index for the year by 8.11%.

Quarterly Asset Growth

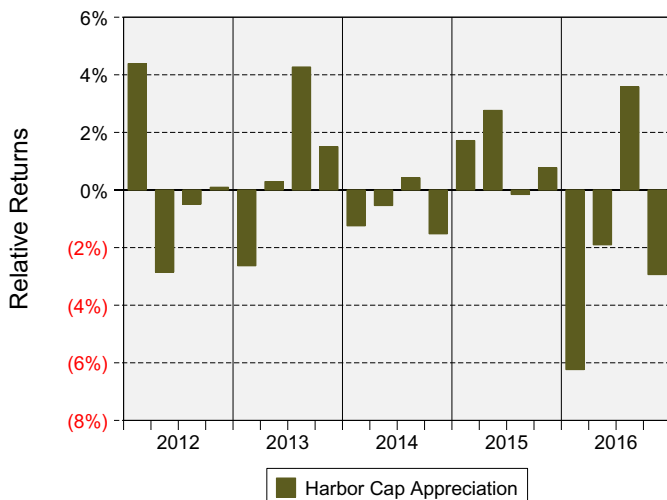
Beginning Market Value	\$24,024,206
Net New Investment	\$0
Investment Gains/(Losses)	\$-462,094
Ending Market Value	\$23,562,112

Performance vs CAI Large Cap Growth Mutual Funds (Net)

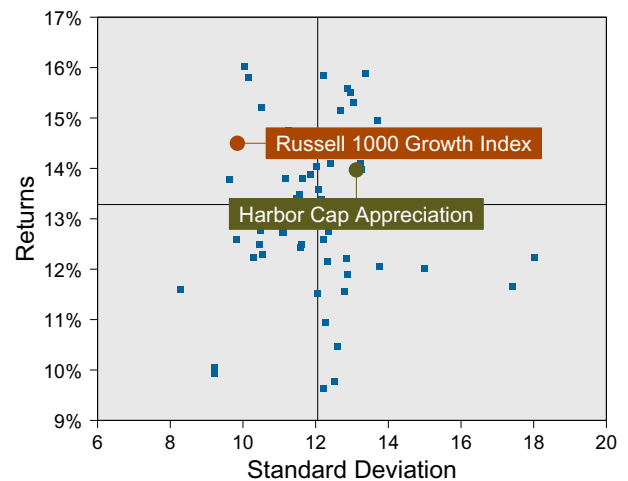


10th Percentile	1.76	7.28	6.40	8.44	15.49	13.11	8.49
25th Percentile	0.11	3.83	4.99	7.47	14.35	12.12	7.95
Median	(1.24)	1.10	4.11	6.47	13.28	11.54	7.35
75th Percentile	(2.32)	(1.16)	2.28	5.09	12.22	10.64	6.59
90th Percentile	(4.43)	(5.01)	(0.80)	2.86	10.99	9.55	5.92
Harbor Cap Appreciation	● (1.92)	(1.04)	4.80	6.49	13.97	11.62	8.02
Russell 1000 Growth Index	▲ 1.01	7.08	6.37	8.55	14.50	13.03	8.33

Relative Return vs Russell 1000 Growth Index



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

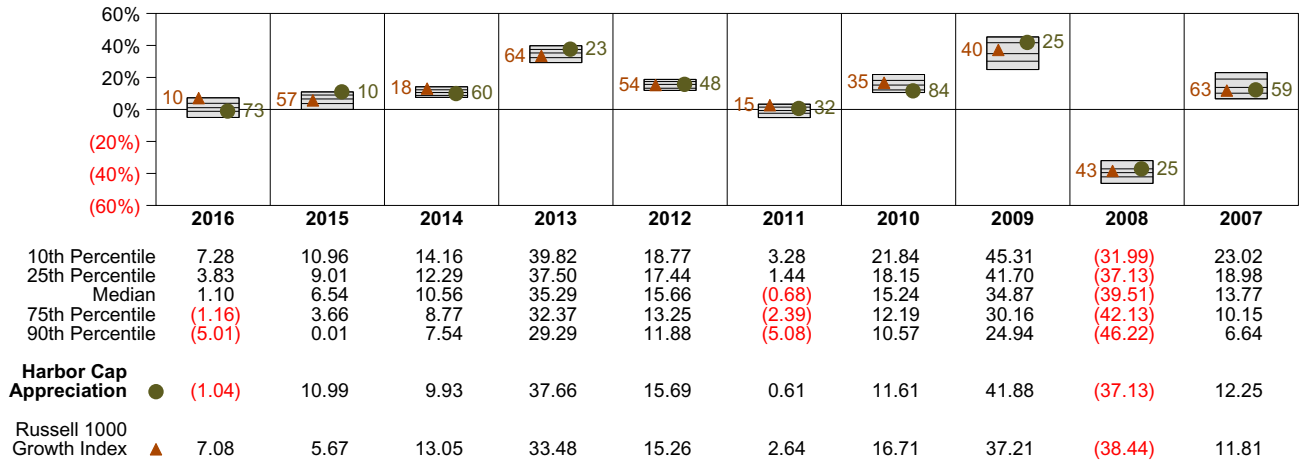


Harbor Cap Appreciation Return Analysis Summary

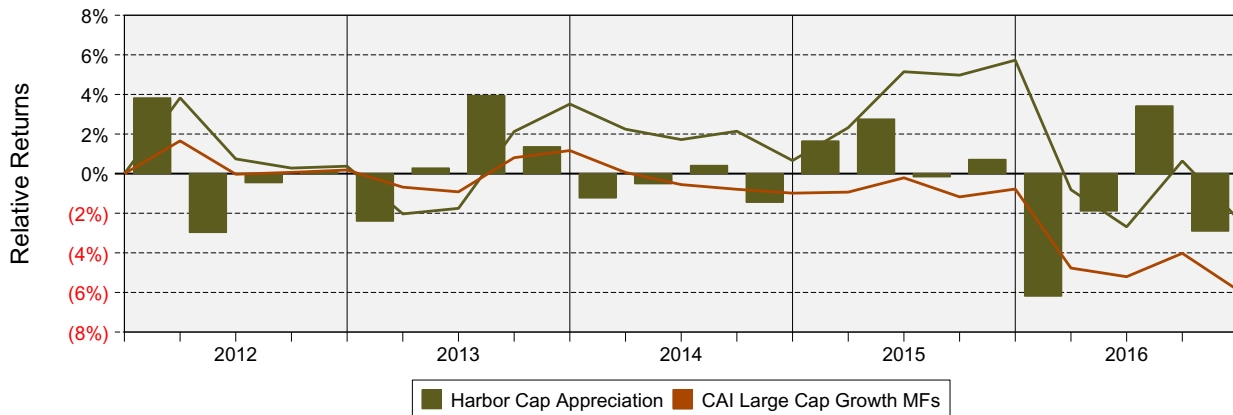
Return Analysis

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 and returns for rising/declining periods.

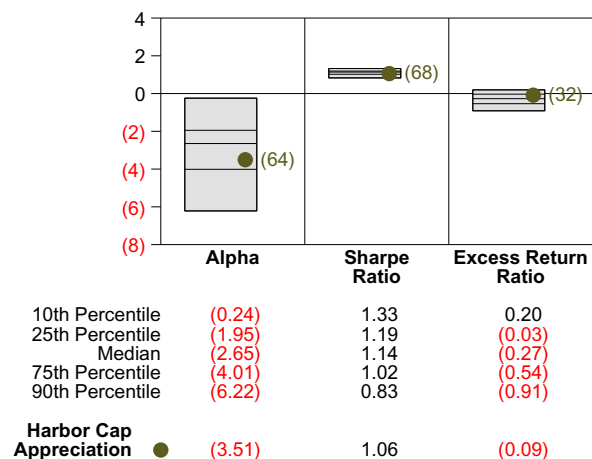
Performance vs CAI Large Cap Growth Mutual Funds (Net)



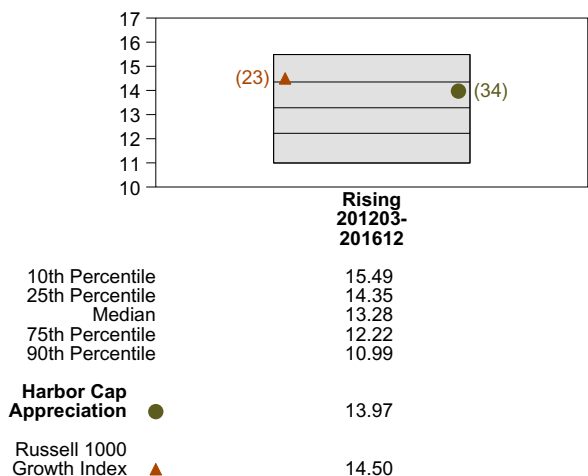
Cumulative and Quarterly Relative Return vs Russell 1000 Growth Index



Risk Adjusted Return Measures vs Russell 1000 Growth Index Rankings Against CAI Large Cap Growth Mutual Funds (Net) Five Years Ended December 31, 2016



Returns for Domestic Equity Rising/Declining Periods Five Years Ended December 31, 2016

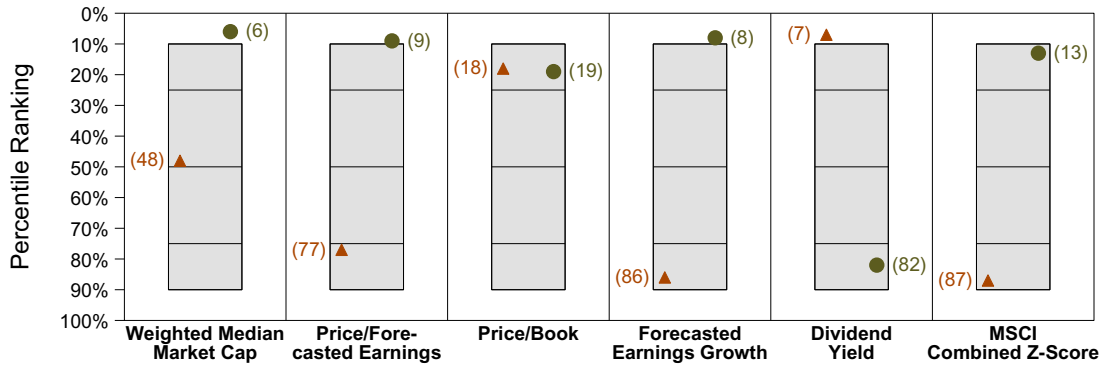


Harbor Cap Appreciation Equity Characteristics Analysis Summary

Portfolio Characteristics

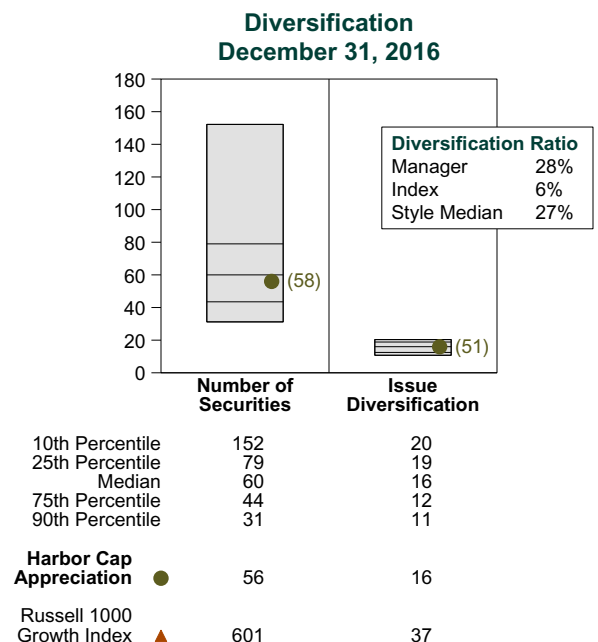
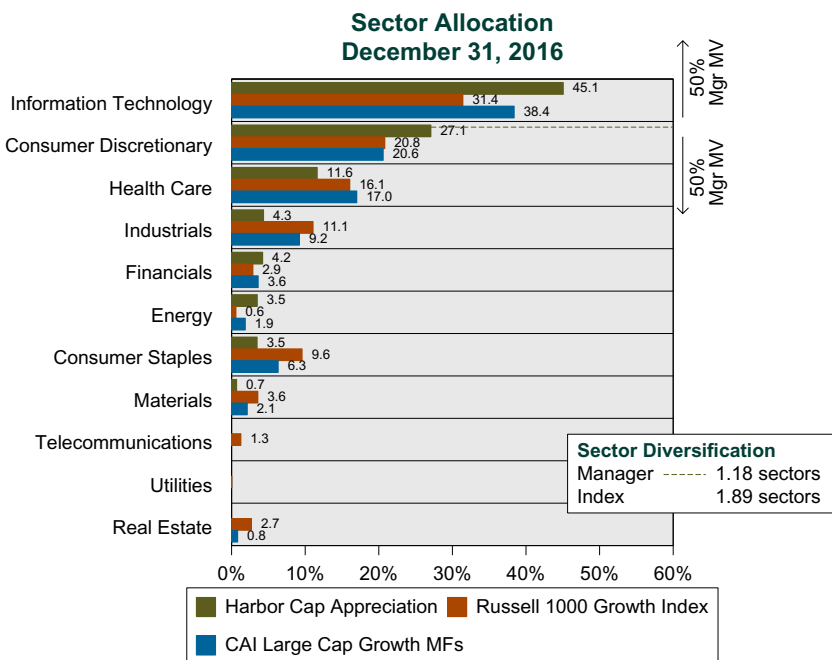
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Portfolio Characteristics Percentile Rankings Rankings Against CAI Large Cap Growth Mutual Funds as of December 31, 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 December 31, 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 and to Class N Shares in July 2016.

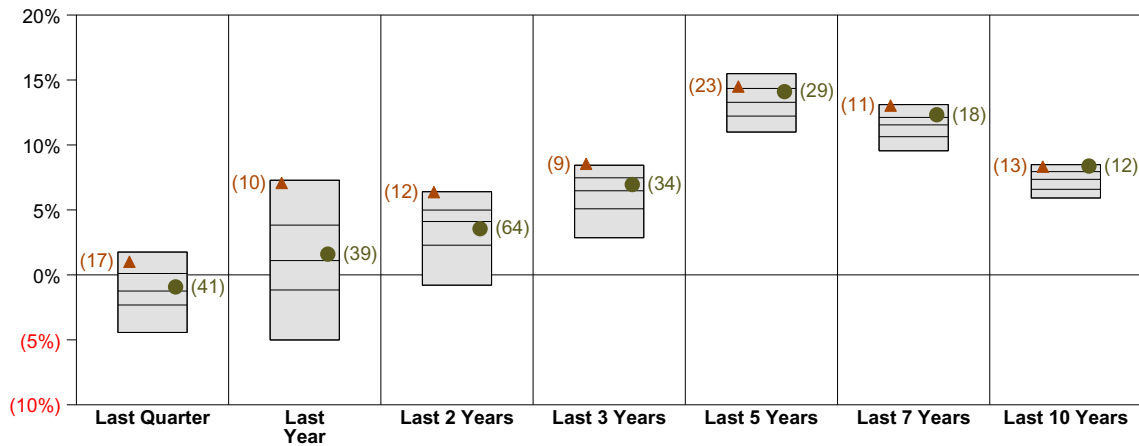
Quarterly Summary and Highlights

- Janus Research's portfolio posted a (0.93)% return for the quarter placing it in the 41 percentile of the CAI Large Cap Growth Mutual Funds group for the quarter and in the 39 percentile for the last year.
- Janus Research's portfolio underperformed the Russell 1000 Growth Index by 1.94% for the quarter and underperformed the Russell 1000 Growth Index for the year by 5.48%.

Quarterly Asset Growth

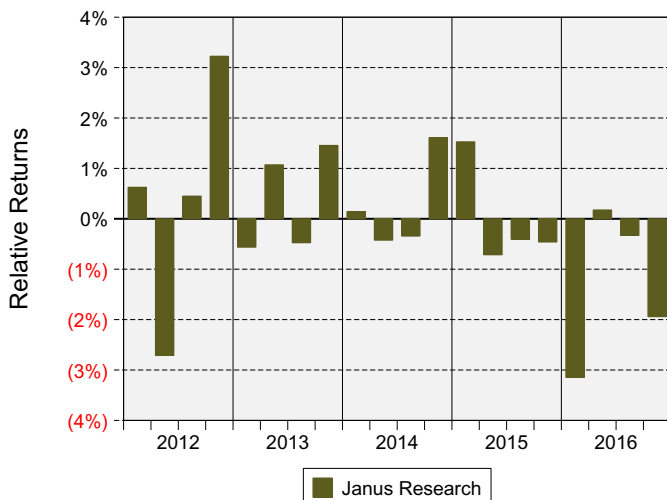
Beginning Market Value	\$23,389,451
Net New Investment	\$0
Investment Gains/(Losses)	\$-217,022
Ending Market Value	\$23,172,429

Performance vs CAI Large Cap Growth Mutual Funds (Net)

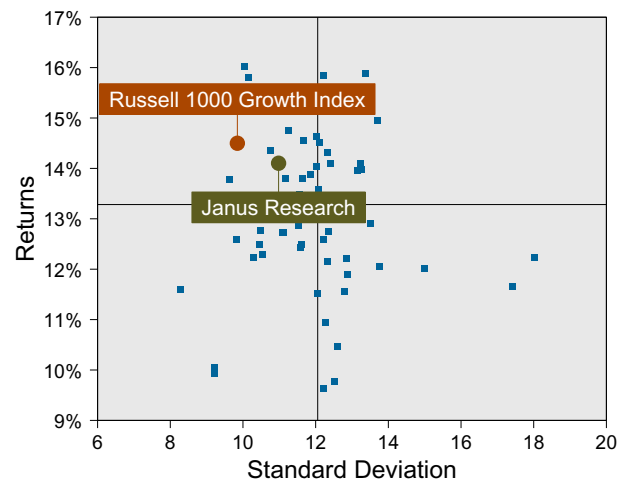


10th Percentile	1.76	7.28	6.40	8.44	15.49	13.11	8.49
25th Percentile	0.11	3.83	4.99	7.47	14.35	12.12	7.95
Median	(1.24)	1.10	4.11	6.47	13.28	11.54	7.35
75th Percentile	(2.32)	(1.16)	2.28	5.09	12.22	10.64	6.59
90th Percentile	(4.43)	(5.01)	(0.80)	2.86	10.99	9.55	5.92
Janus Research ●	(0.93)	1.60	3.55	6.95	14.10	12.33	8.38
Russell 1000 Growth Index ▲	1.01	7.08	6.37	8.55	14.50	13.03	8.33

Relative Return vs Russell 1000 Growth Index



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

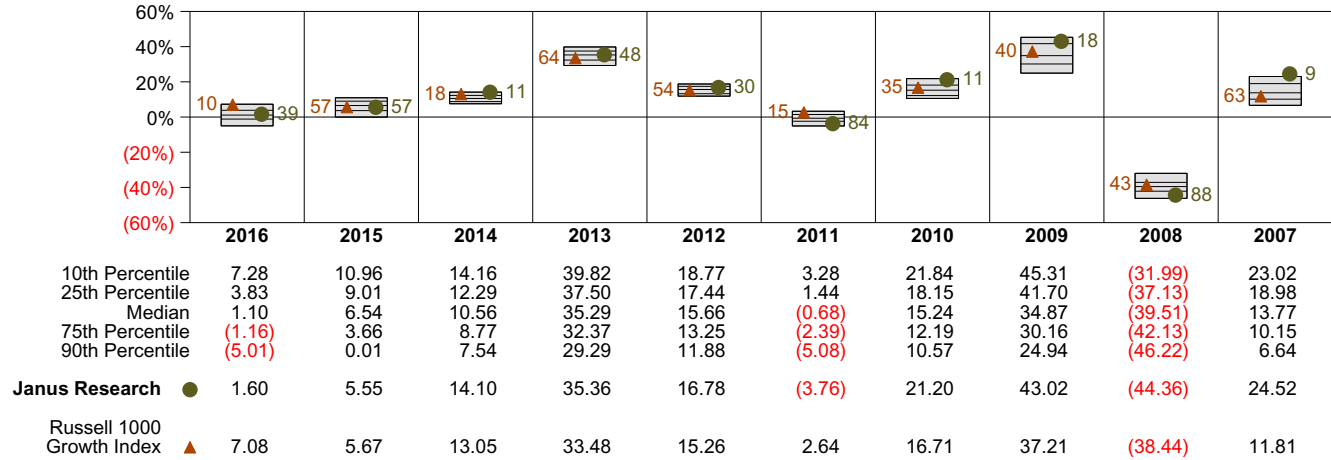


Janus Research Return Analysis Summary

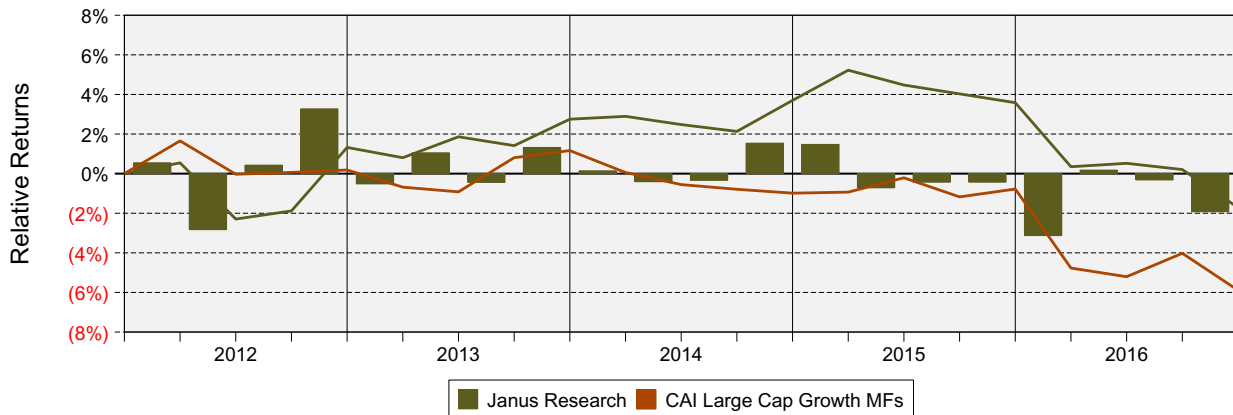
Return Analysis

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 and returns for rising/declining periods.

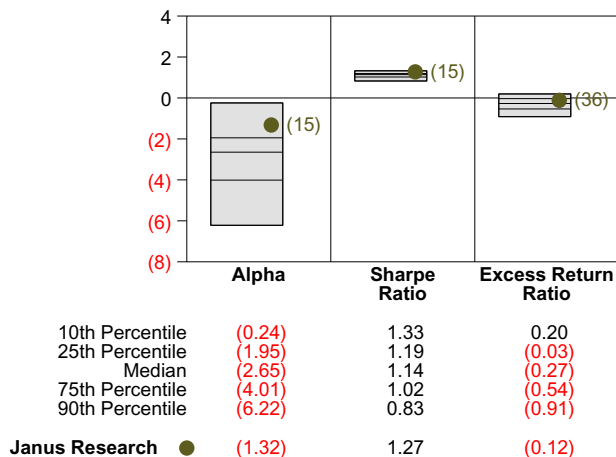
Performance vs CAI Large Cap Growth Mutual Funds (Net)



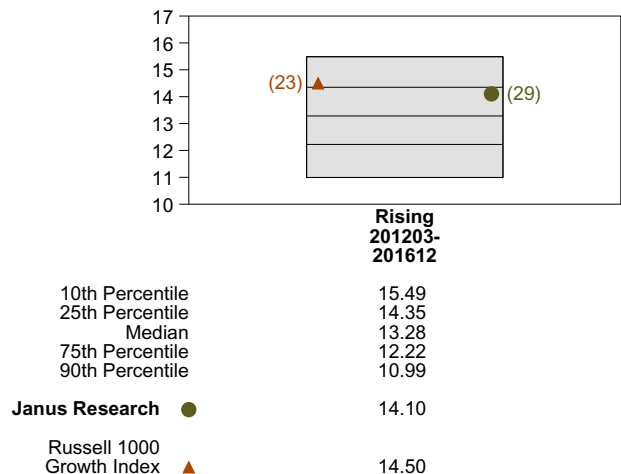
Cumulative and Quarterly Relative Return vs Russell 1000 Growth Index



Risk Adjusted Return Measures vs Russell 1000 Growth Index Rankings Against CAI Large Cap Growth Mutual Funds (Net) Five Years Ended December 31, 2016



Returns for Domestic Equity Rising/Declining Periods Five Years Ended December 31, 2016

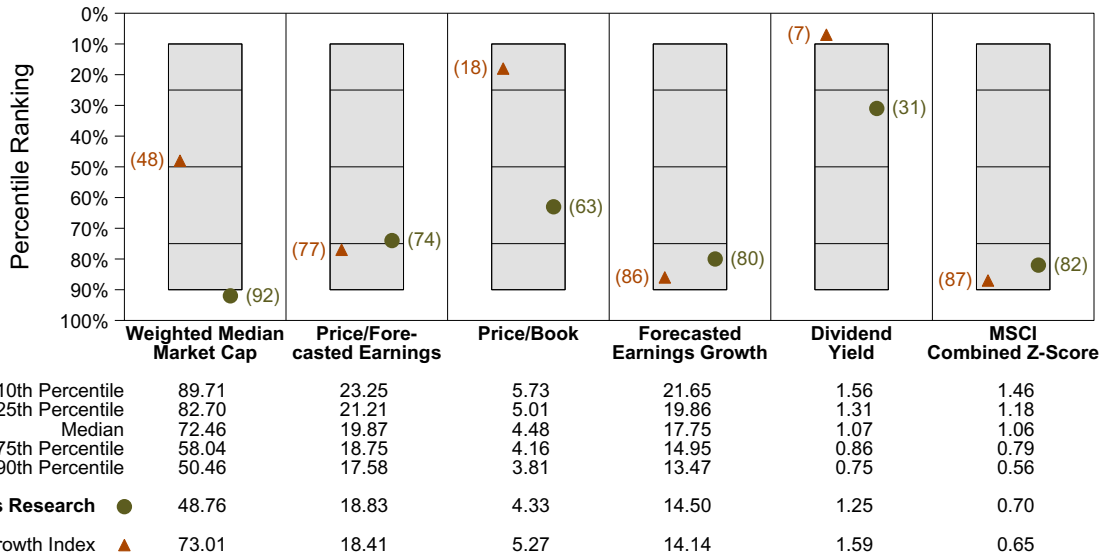


Janus Research Equity Characteristics Analysis Summary

Portfolio Characteristics

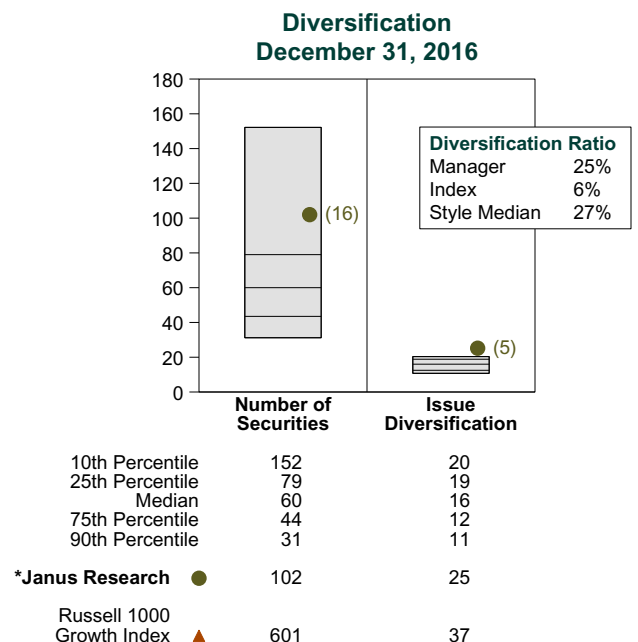
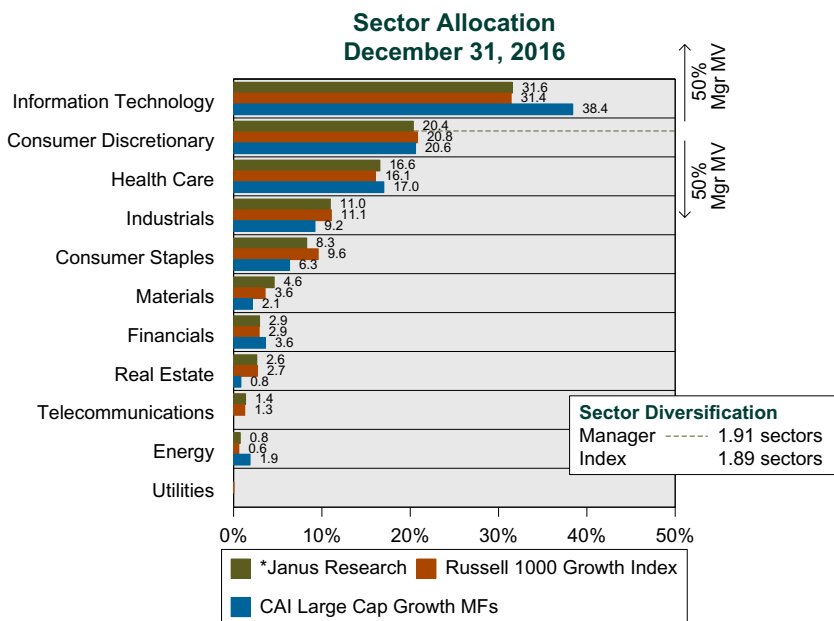
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Portfolio Characteristics Percentile Rankings Rankings Against CAI Large Cap Growth Mutual Funds as of December 31, 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.



* 12/31/16 portfolio characteristics generated using most recently available holdings (9/30/16) 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 December 31, 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.

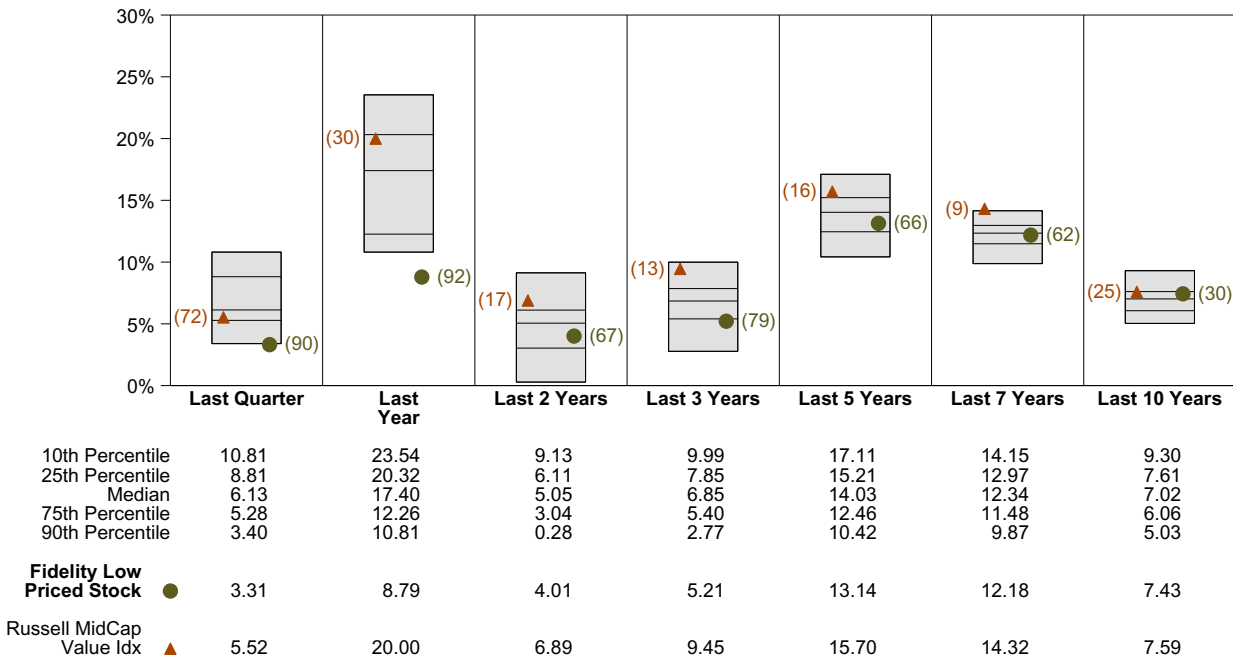
Quarterly Summary and Highlights

- Fidelity Low Priced Stock's portfolio posted a 3.31% return for the quarter placing it in the 90 percentile of the CAI Mid Cap Value Mutual Funds group for the quarter and in the 92 percentile for the last year.
- Fidelity Low Priced Stock's portfolio underperformed the Russell MidCap Value Idx by 2.21% for the quarter and underperformed the Russell MidCap Value Idx for the year by 11.21%.

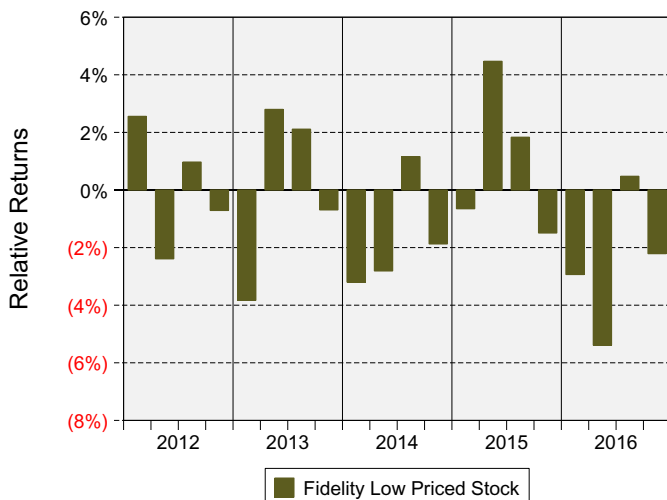
Quarterly Asset Growth

Beginning Market Value	\$5,259,444
Net New Investment	\$0
Investment Gains/(Losses)	\$174,260
Ending Market Value	\$5,433,704

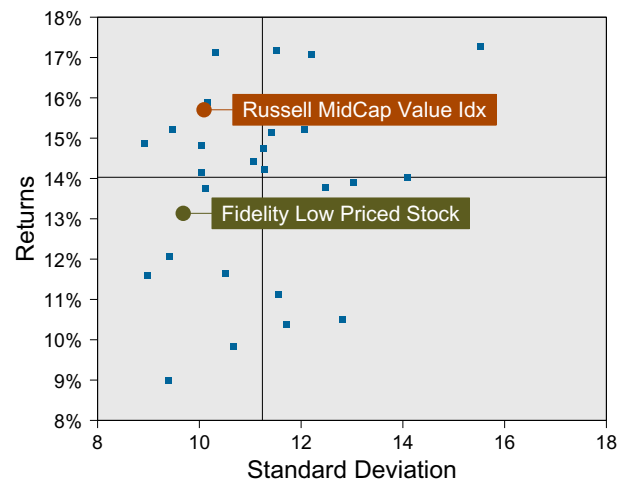
Performance vs CAI Mid Cap Value Mutual Funds (Net)



Relative Return vs Russell MidCap Value Idx



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

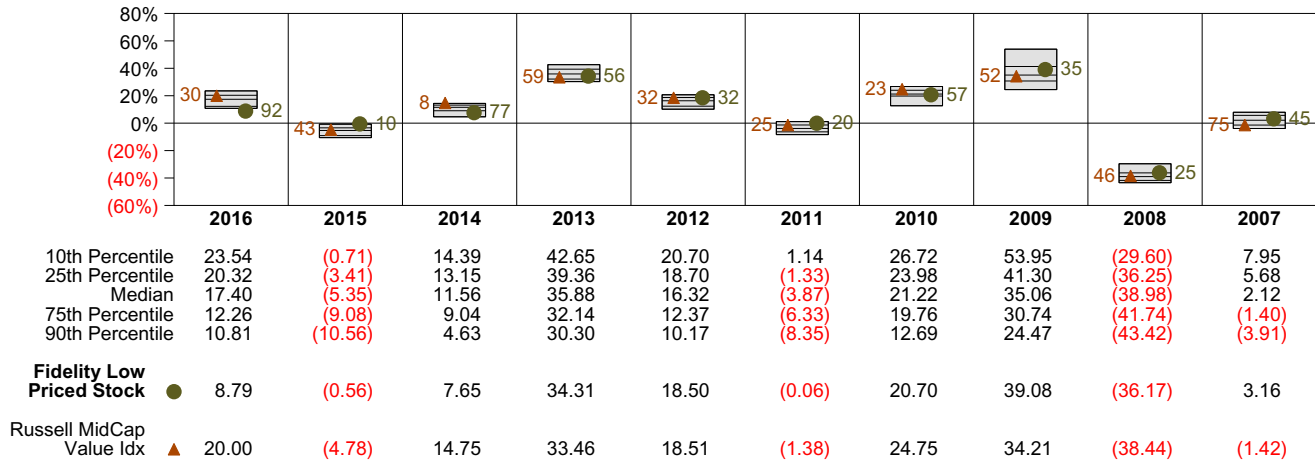


Fidelity Low Priced Stock Return Analysis Summary

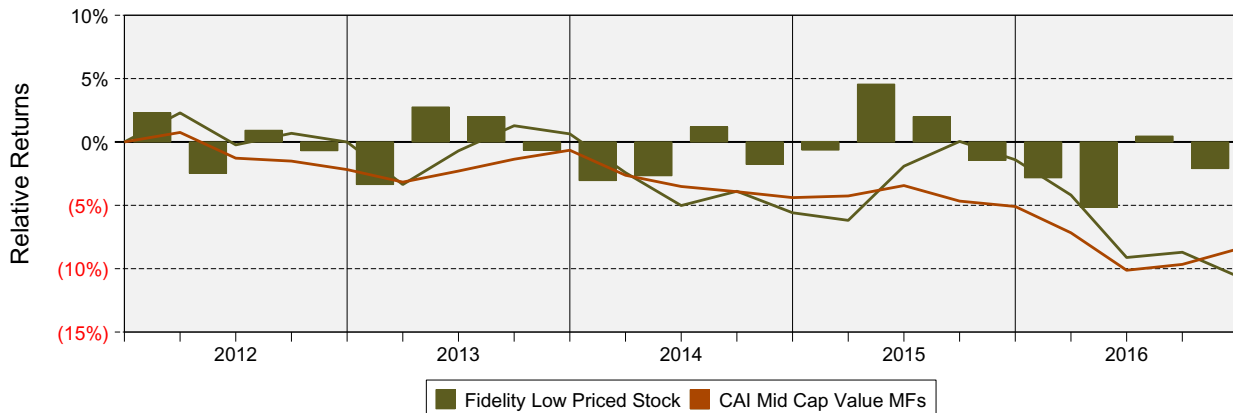
Return Analysis

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 and returns for rising/declining periods.

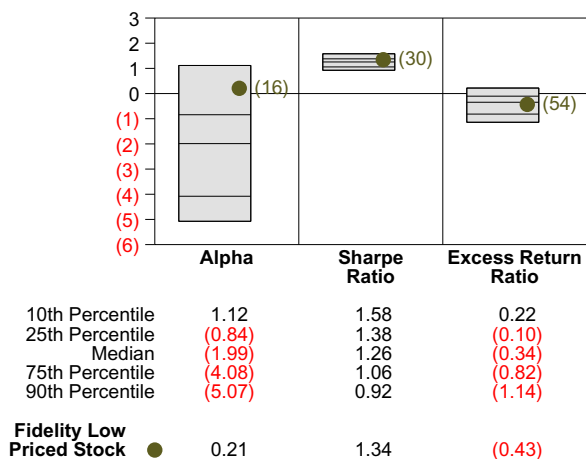
Performance vs CAI Mid Cap Value Mutual Funds (Net)



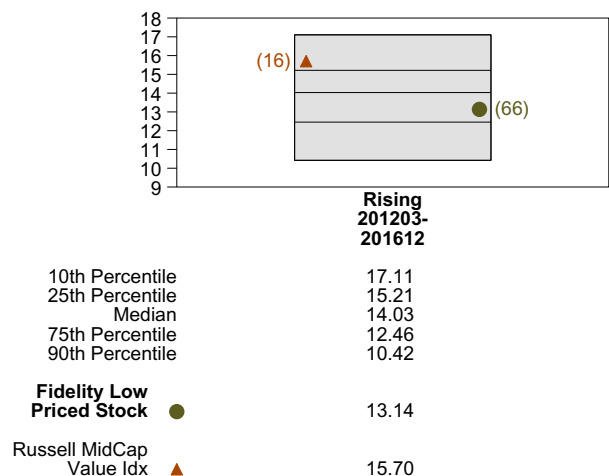
Cumulative and Quarterly Relative Return vs Russell MidCap Value Idx



Risk Adjusted Return Measures vs Russell MidCap Value Idx Rankings Against CAI Mid Cap Value Mutual Funds (Net) Five Years Ended December 31, 2016



Returns for Domestic Equity Rising/Declining Periods Five Years Ended December 31, 2016

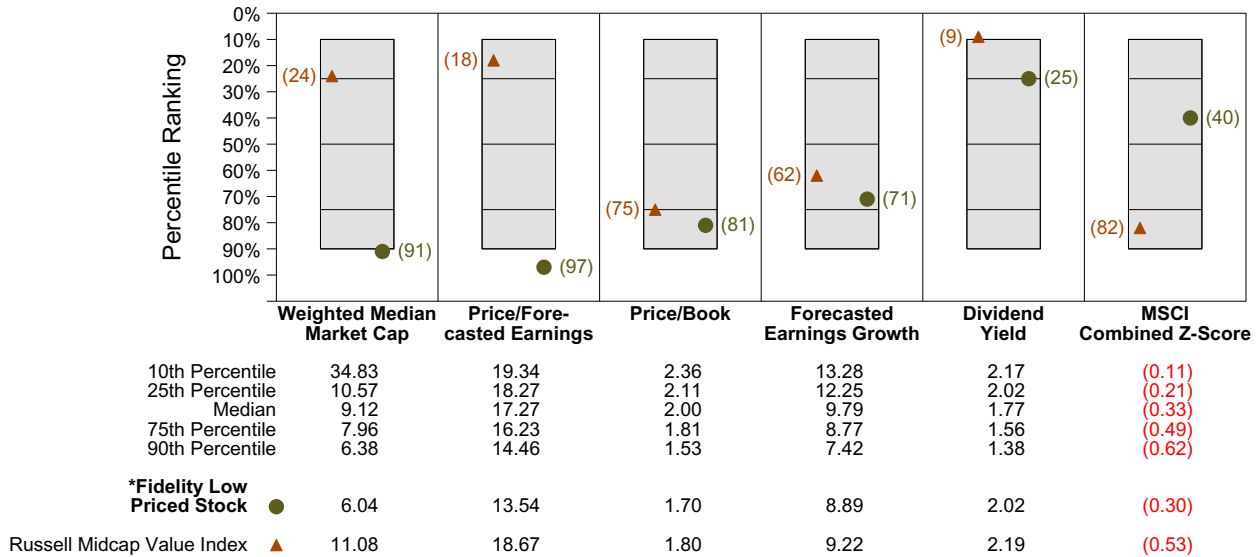


Fidelity Low Priced Stock Equity Characteristics Analysis Summary

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.

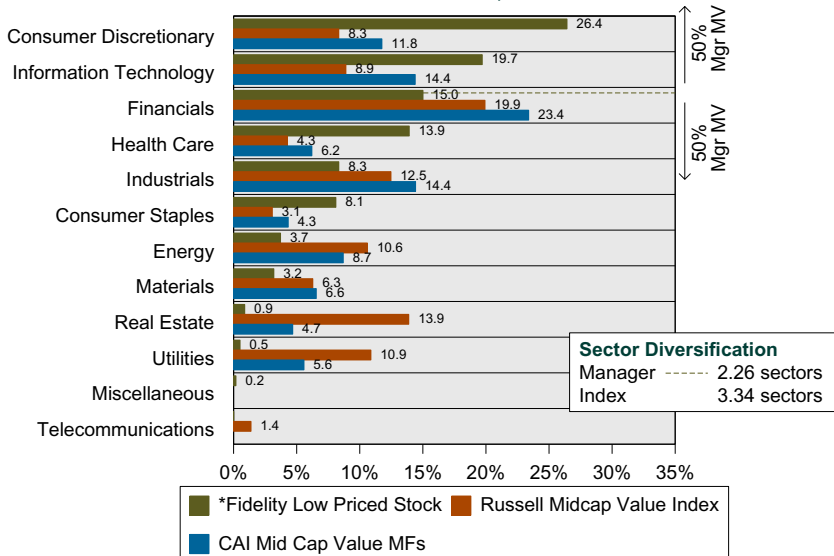
Portfolio Characteristics Percentile Rankings Rankings Against CAI Mid Cap Value Mutual Funds as of December 31, 2016



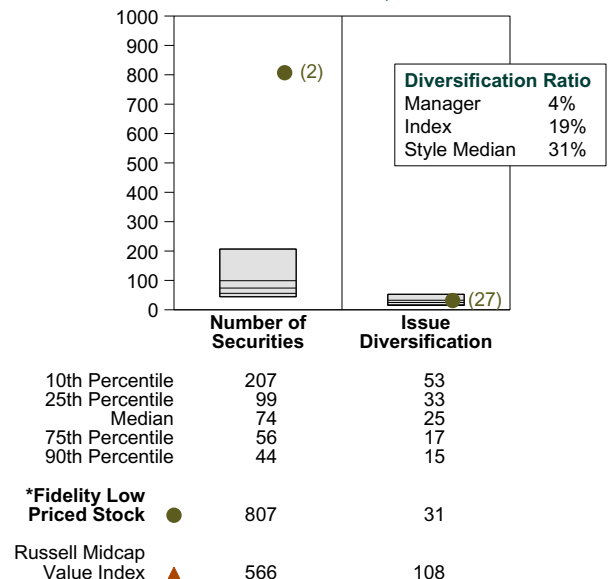
Sector Weights

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 December 31, 2016



Diversification December 31, 2016



*12/31/16 portfolio characteristics generated using most recently available holdings (9/30/16) 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 December 31, 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 9.52% return for the quarter placing it in the 22 percentile of the CAI Mid Cap Value Mutual Funds group for the quarter and in the 2 percentile for the last year.
- Royce Total Return's portfolio outperformed the Russell MidCap Value Idx by 4.00% for the quarter and outperformed the Russell MidCap Value Idx for the year by 6.14%.

Quarterly Asset Growth

Beginning Market Value	\$5,088,219
Net New Investment	\$0
Investment Gains/(Losses)	\$484,532
Ending Market Value	\$5,572,751

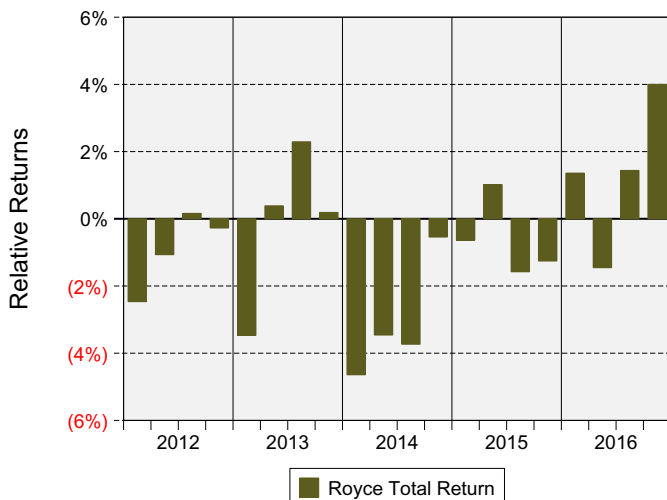
Performance vs CAI Mid Cap Value Mutual Funds (Net)



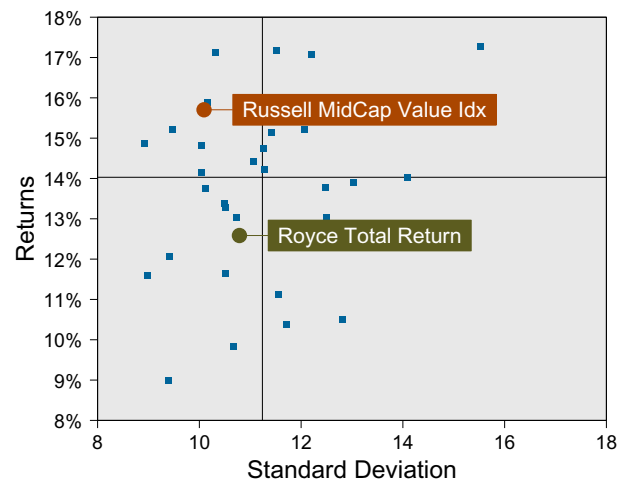
10th Percentile	10.81	23.54	9.13	9.99	17.11	14.15	9.30
25th Percentile	8.81	20.32	6.11	7.85	15.21	12.97	7.61
Median	6.13	17.40	5.05	6.85	14.03	12.34	7.02
75th Percentile	5.28	12.26	3.04	5.40	12.46	11.48	6.06
90th Percentile	3.40	10.81	0.28	2.77	10.42	9.87	5.03

Royce Total Return ●	9.52	26.13	8.21	5.93	12.59	11.92	6.95
Russell MidCap Value Idx ▲	5.52	20.00	6.89	9.45	15.70	14.32	7.59

Relative Return vs Russell MidCap Value Idx



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

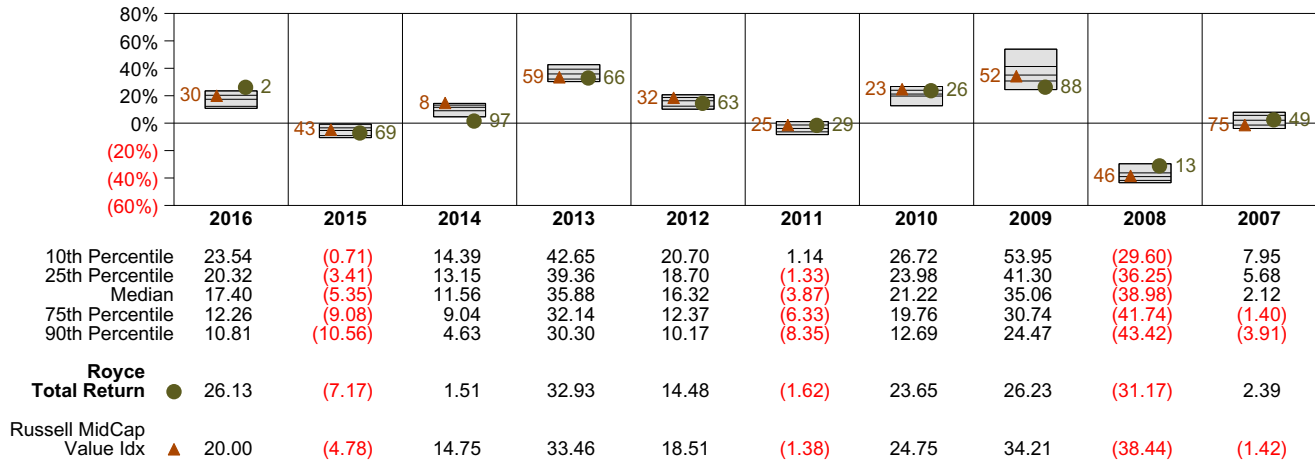


Royce Total Return Return Analysis Summary

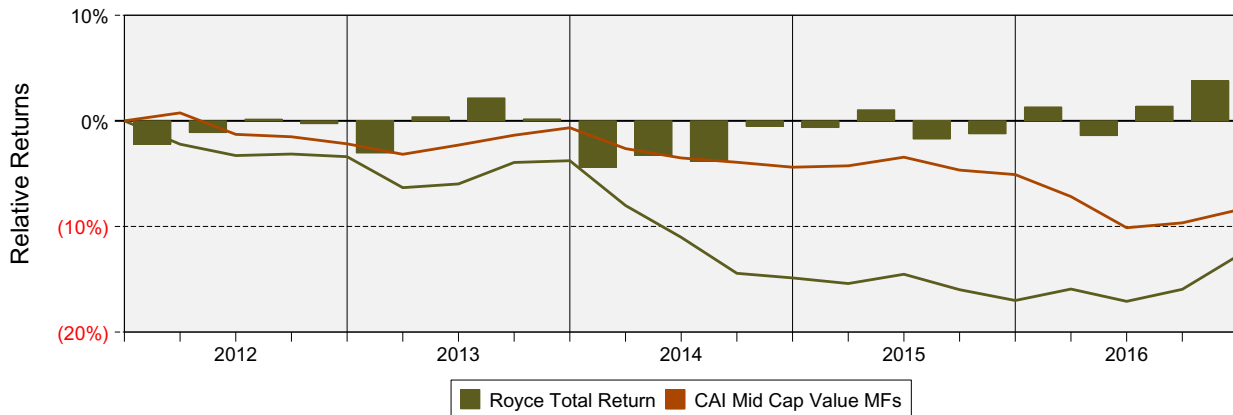
Return Analysis

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 and returns for rising/declining periods.

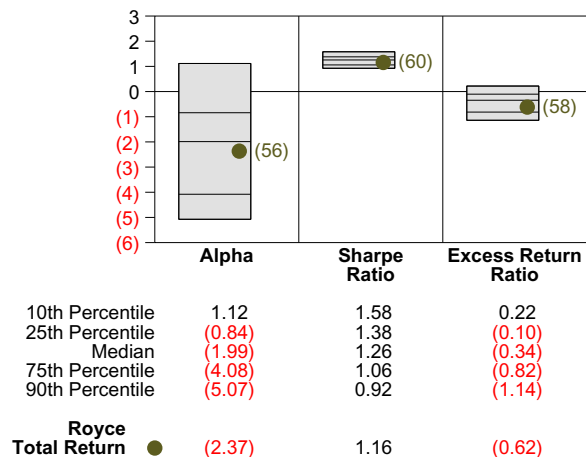
Performance vs CAI Mid Cap Value Mutual Funds (Net)



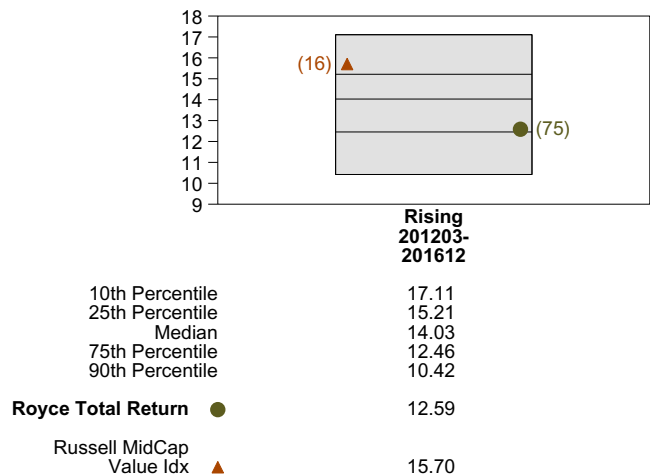
Cumulative and Quarterly Relative Return vs Russell MidCap Value Idx



Risk Adjusted Return Measures vs Russell MidCap Value Idx Rankings Against CAI Mid Cap Value Mutual Funds (Net) Five Years Ended December 31, 2016



Returns for Domestic Equity Rising/Declining Periods Five Years Ended December 31, 2016

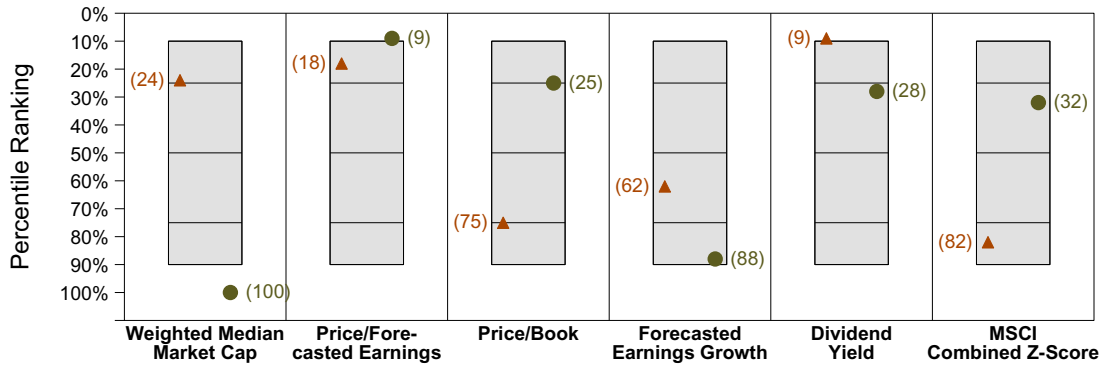


Royce Total Return Equity Characteristics Analysis Summary

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.

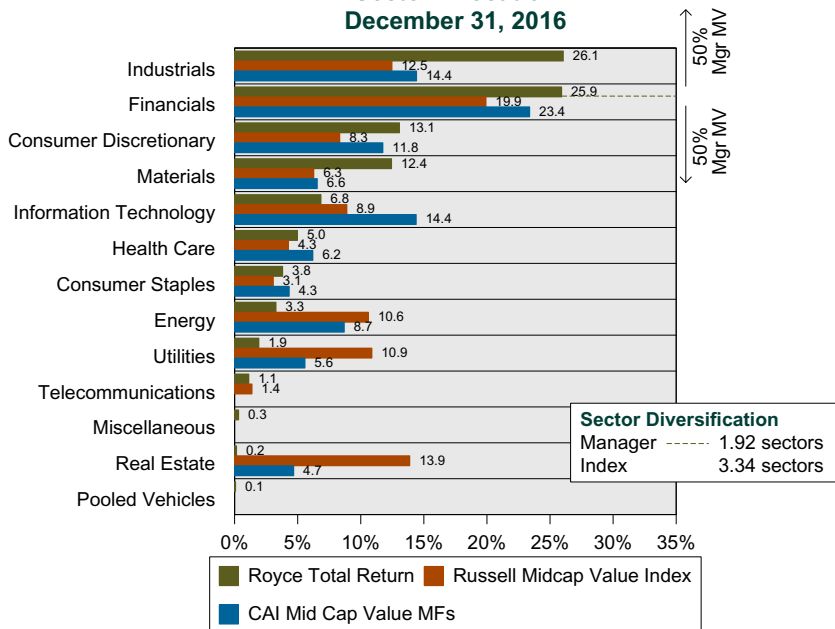
Portfolio Characteristics Percentile Rankings Rankings Against CAI Mid Cap Value Mutual Funds as of December 31, 2016



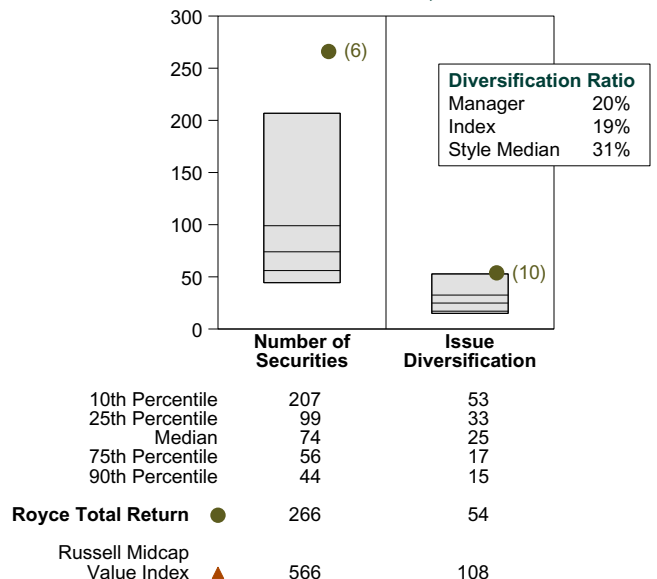
Sector Weights

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 December 31, 2016



Diversification December 31, 2016



Morgan Stanley Period Ended December 31, 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.

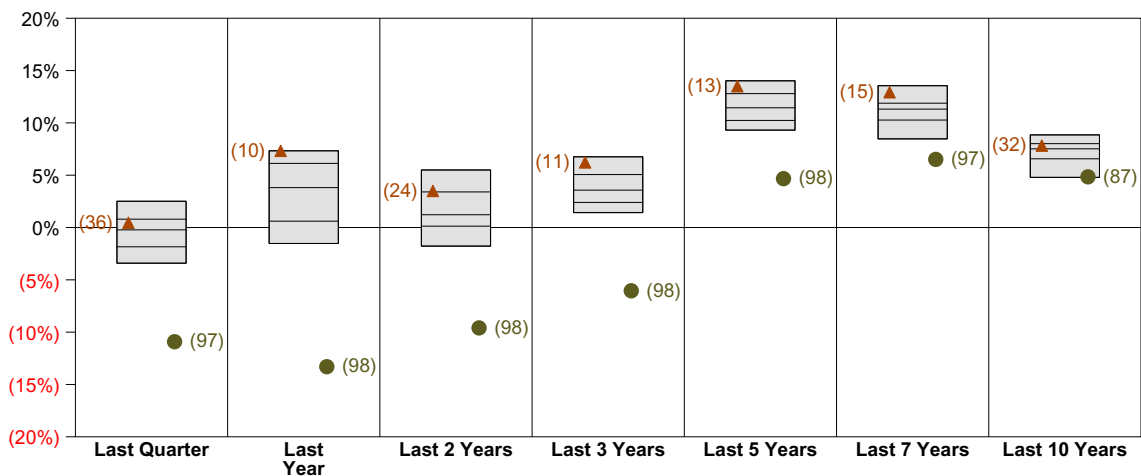
Quarterly Summary and Highlights

- Morgan Stanley's portfolio posted a (10.91)% return for the quarter placing it in the 97 percentile of the CAI Mid Cap Growth Mutual Funds group for the quarter and in the 98 percentile for the last year.
- Morgan Stanley's portfolio underperformed the Russell MidCap Growth Idx by 11.37% for the quarter and underperformed the Russell MidCap Growth Idx for the year by 20.63%.

Quarterly Asset Growth

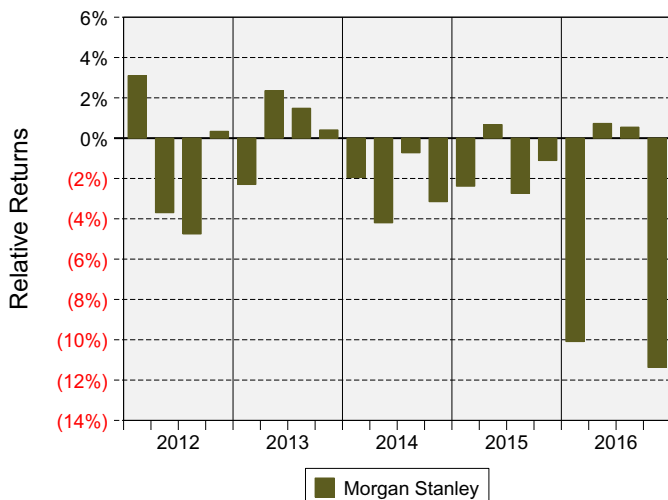
Beginning Market Value	\$4,435,819
Net New Investment	\$0
Investment Gains/(Losses)	\$-484,144
Ending Market Value	\$3,951,675

Performance vs CAI Mid Cap Growth Mutual Funds (Net)

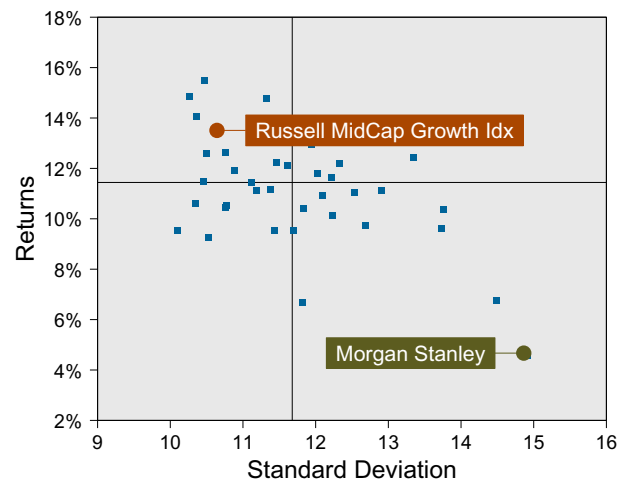


	Last Quarter	Last Year	Last 2 Years	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
10th Percentile	2.51	7.33	5.50	6.76	14.02	13.56	8.85
25th Percentile	0.80	6.13	3.40	5.06	12.79	11.88	8.02
Median	(0.22)	3.81	1.22	3.57	11.44	11.32	7.52
75th Percentile	(1.84)	0.61	0.13	2.40	10.24	10.27	6.57
90th Percentile	(3.41)	(1.52)	(1.78)	1.42	9.31	8.47	4.79
Morgan Stanley	(10.91)	(13.30)	(9.59)	(6.05)	4.67	6.51	4.85
Russell MidCap Growth Idx	0.46	7.33	3.50	6.23	13.51	12.93	7.83

Relative Return vs Russell MidCap Growth Idx



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

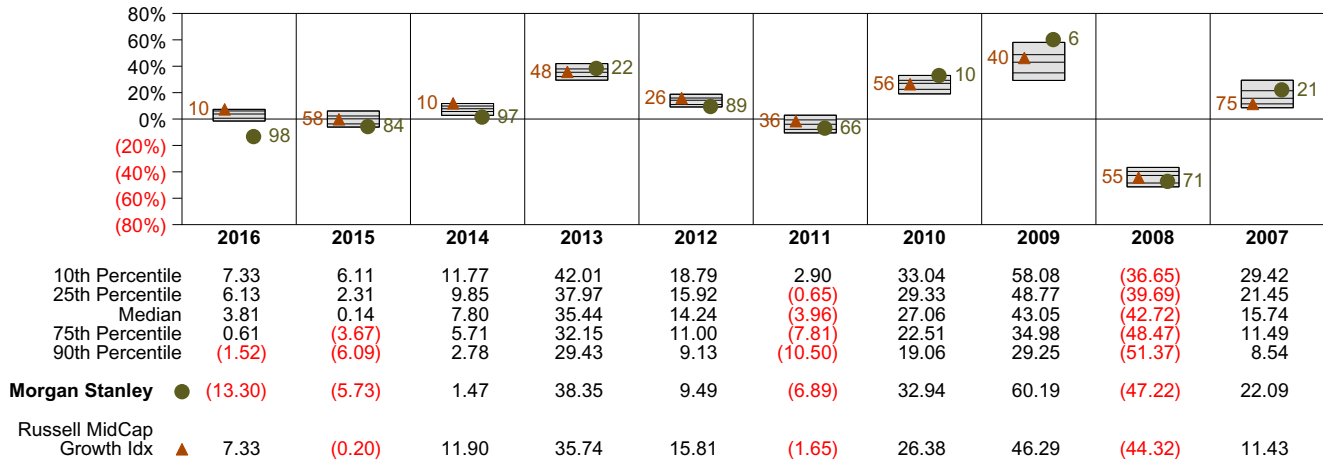


Morgan Stanley Return Analysis Summary

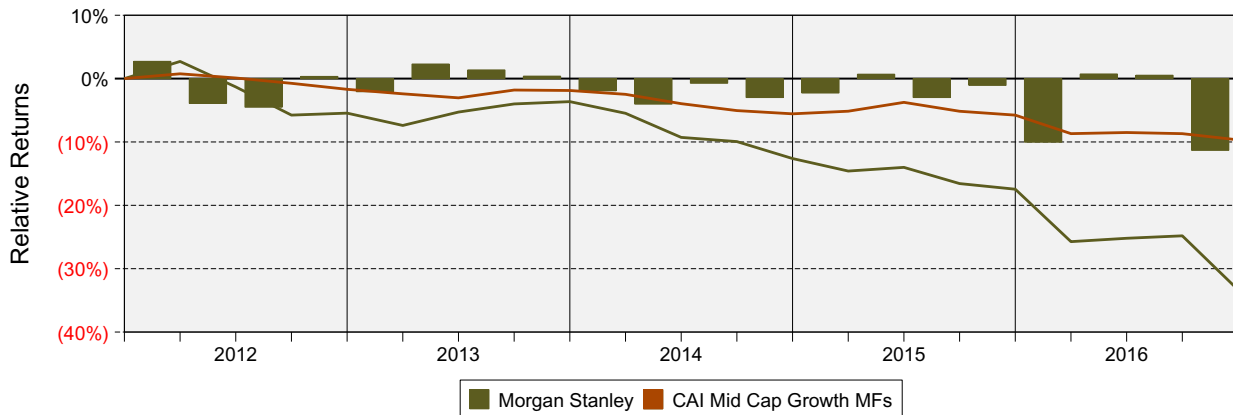
Return Analysis

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 and returns for rising/declining periods.

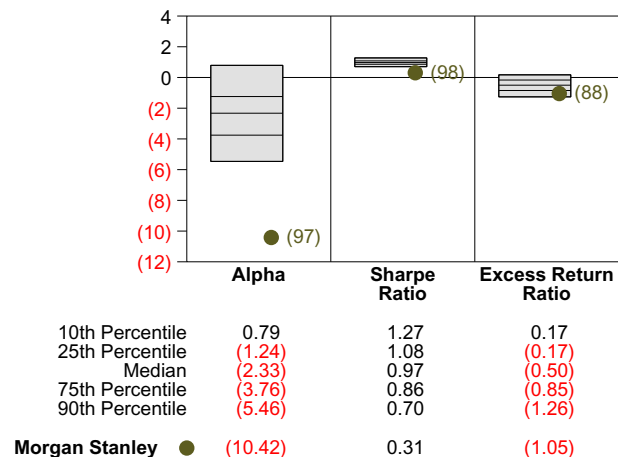
Performance vs CAI Mid Cap Growth Mutual Funds (Net)



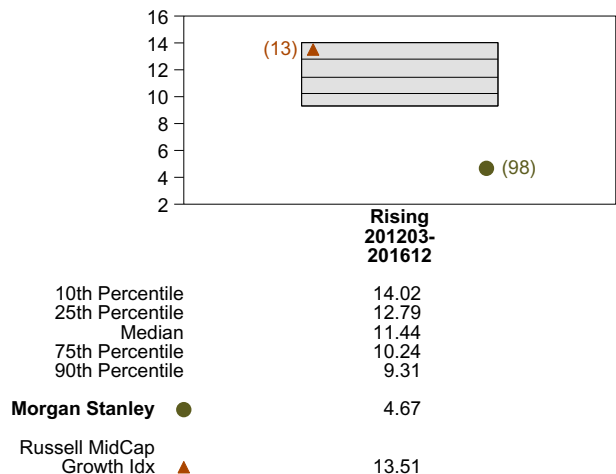
Cumulative and Quarterly Relative Return vs Russell MidCap Growth Idx



Risk Adjusted Return Measures vs Russell MidCap Growth Idx Rankings Against CAI Mid Cap Growth Mutual Funds (Net) Five Years Ended December 31, 2016



Returns for Domestic Equity Rising/Declining Periods Five Years Ended December 31, 2016

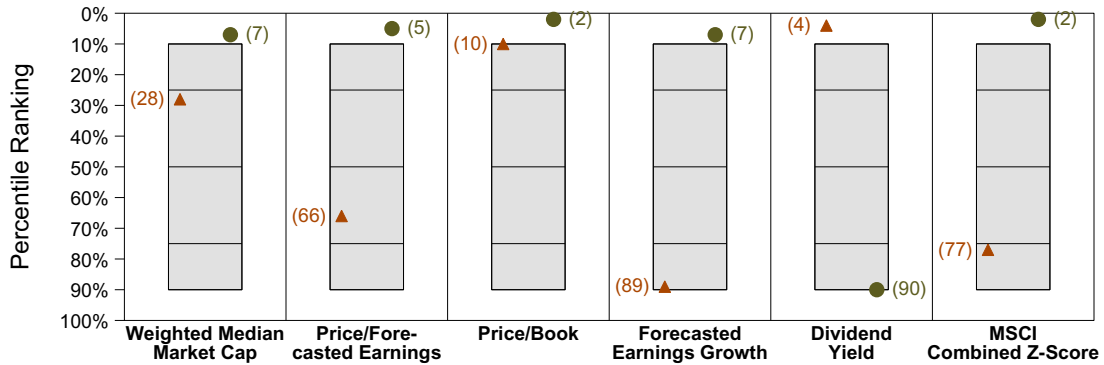


Morgan Stanley Equity Characteristics Analysis Summary

Portfolio Characteristics

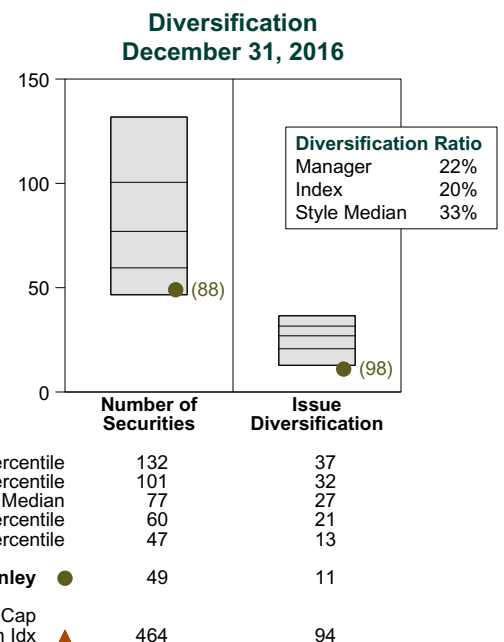
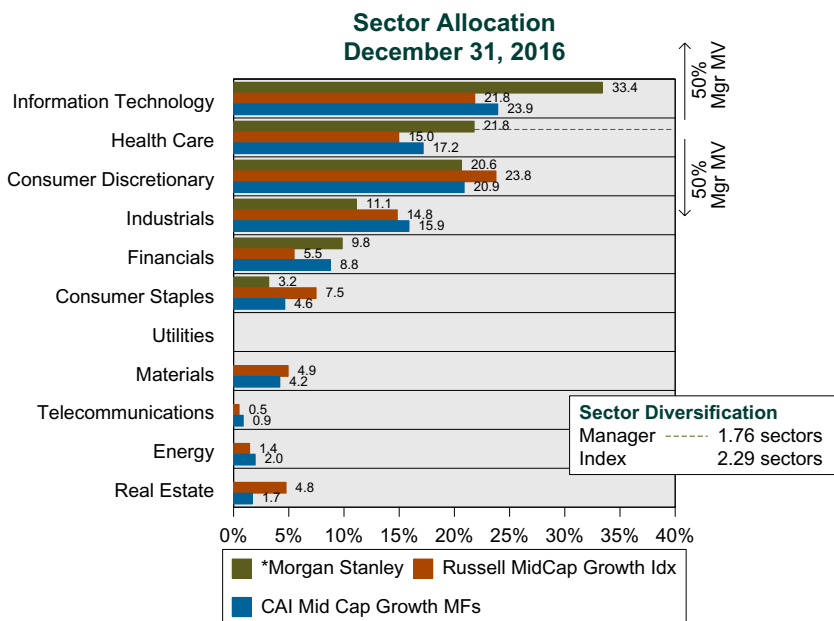
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Portfolio Characteristics Percentile Rankings Rankings Against CAI Mid Cap Growth Mutual Funds as of December 31, 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.



*12/31/16 portfolio characteristics generated using most recently available holdings (9/30/16) 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 December 31, 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 and Class N Shares in July 2016.

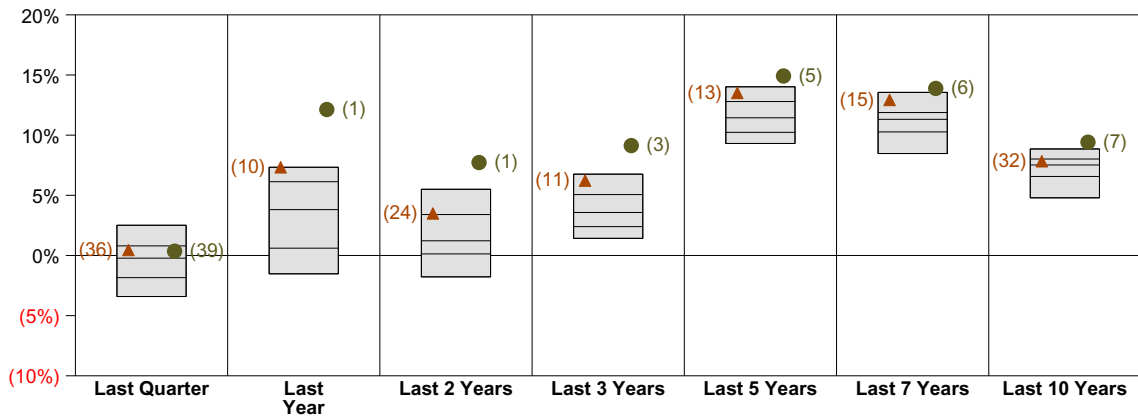
Quarterly Summary and Highlights

- Janus Enterprise's portfolio posted a 0.36% return for the quarter placing it in the 39 percentile of the CAI Mid Cap Growth Mutual Funds group for the quarter and in the 1 percentile for the last year.
- Janus Enterprise's portfolio underperformed the Russell MidCap Growth Idx by 0.10% for the quarter and outperformed the Russell MidCap Growth Idx for the year by 4.80%.

Quarterly Asset Growth

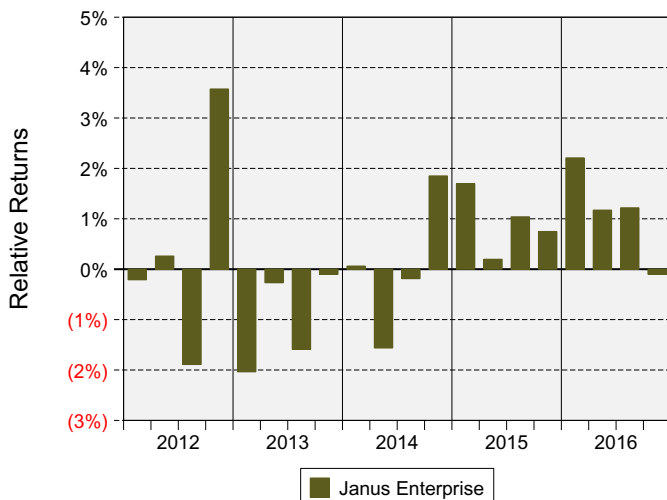
Beginning Market Value	\$5,870,844
Net New Investment	\$0
Investment Gains/(Losses)	\$20,887
Ending Market Value	\$5,891,731

Performance vs CAI Mid Cap Growth Mutual Funds (Net)

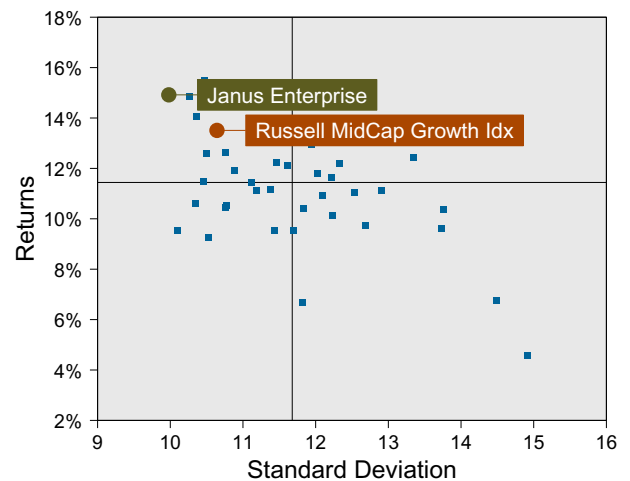


10th Percentile	2.51	7.33	5.50	6.76	14.02	13.56	8.85
25th Percentile	0.80	6.13	3.40	5.06	12.79	11.88	8.02
Median	(0.22)	3.81	1.22	3.57	11.44	11.32	7.52
75th Percentile	(1.84)	0.61	0.13	2.40	10.24	10.27	6.57
90th Percentile	(3.41)	(1.52)	(1.78)	1.42	9.31	8.47	4.79
Janus Enterprise ●	0.36	12.13	7.72	9.13	14.92	13.89	9.42
Russell MidCap Growth Idx ▲	0.46	7.33	3.50	6.23	13.51	12.93	7.83

Relative Return vs Russell MidCap Growth Idx



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

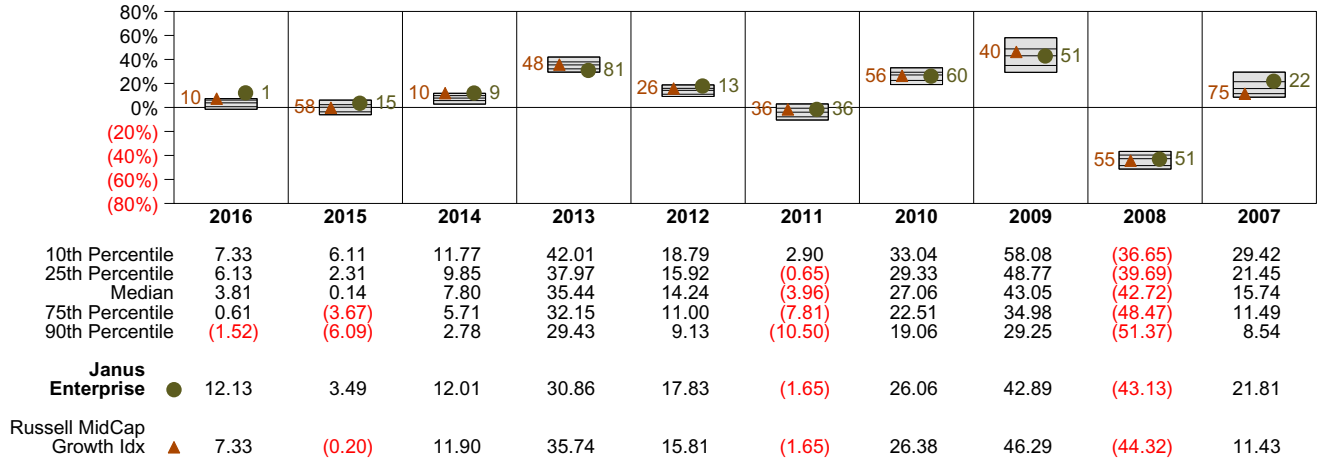


Janus Enterprise Return Analysis Summary

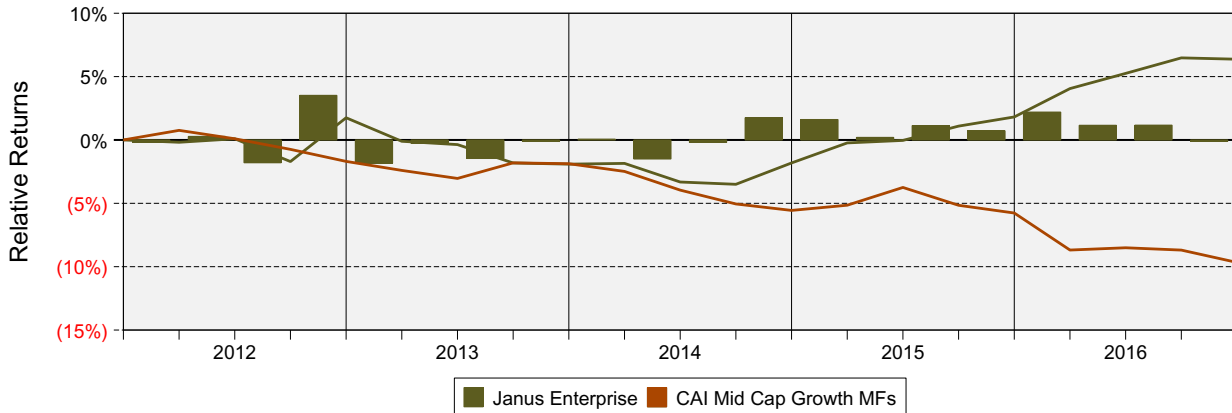
Return Analysis

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 and returns for rising/declining periods.

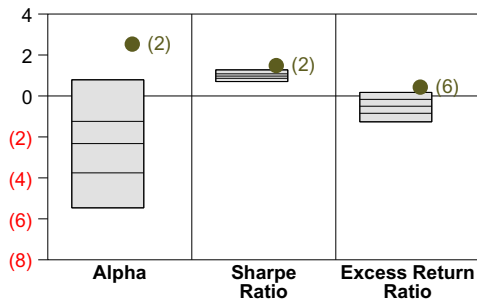
Performance vs CAI Mid Cap Growth Mutual Funds (Net)



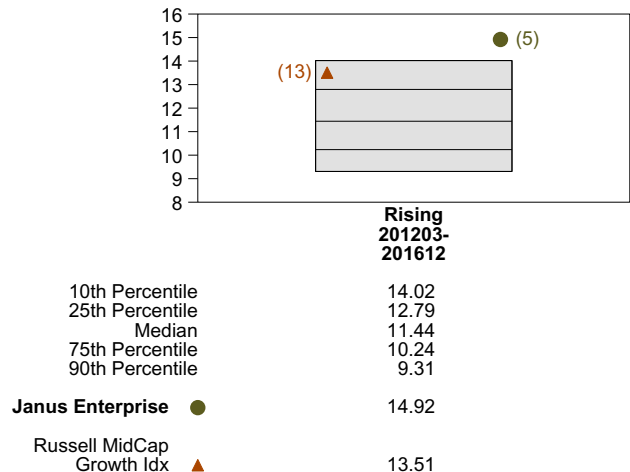
Cumulative and Quarterly Relative Return vs Russell MidCap Growth Idx



Risk Adjusted Return Measures vs Russell MidCap Growth Idx Rankings Against CAI Mid Cap Growth Mutual Funds (Net) Five Years Ended December 31, 2016



Returns for Domestic Equity Rising/Declining Periods Five Years Ended December 31, 2016

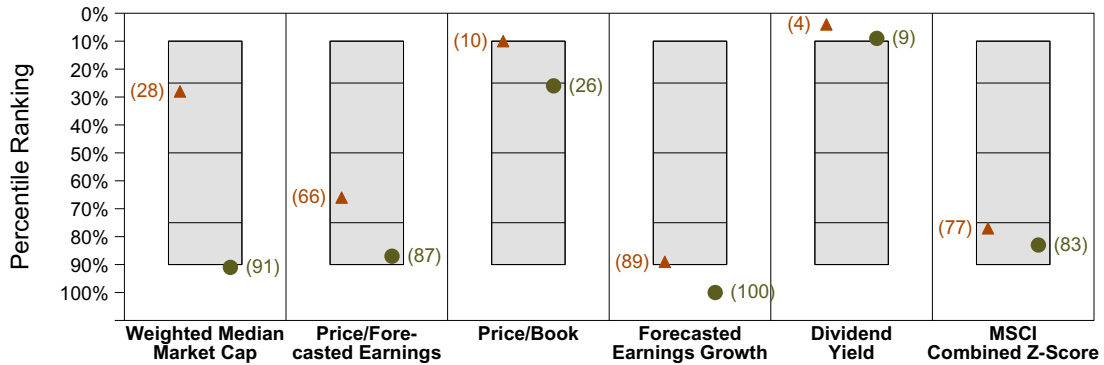


Janus Enterprise Equity Characteristics Analysis Summary

Portfolio Characteristics

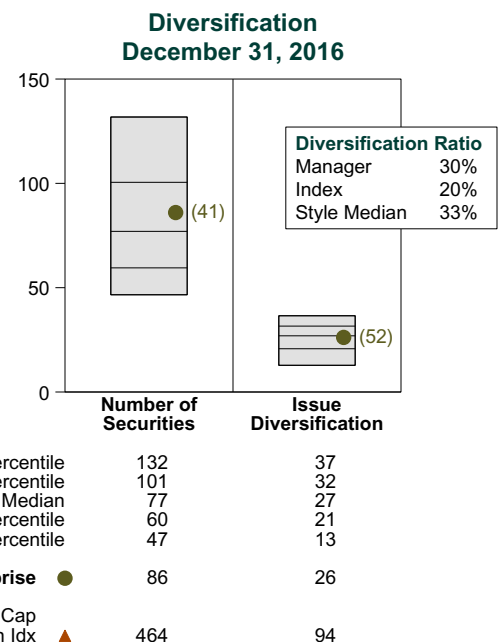
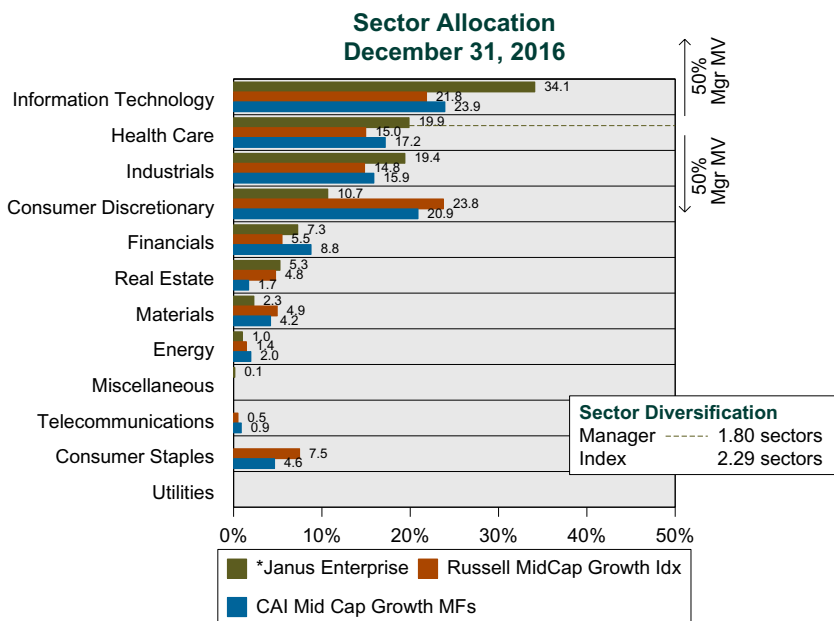
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Portfolio Characteristics Percentile Rankings Rankings Against CAI Mid Cap Growth Mutual Funds as of December 31, 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.



*12/31/16 portfolio characteristics generated using most recently available holdings (9/30/16) 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 December 31, 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.

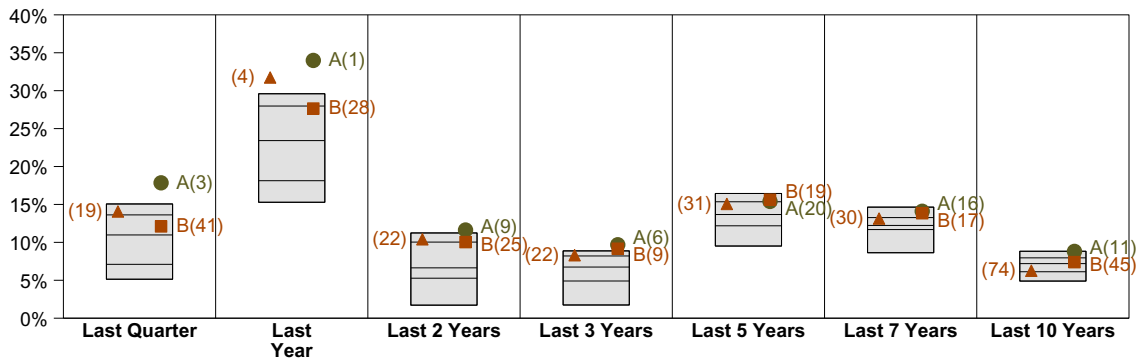
Quarterly Summary and Highlights

- Prudential Small Cap Value's portfolio posted a 17.85% return for the quarter placing it in the 3 percentile of the CAI Small Cap Value Mutual Funds group for the quarter and in the 1 percentile for the last year.
- Prudential Small Cap Value's portfolio outperformed the Russell 2000 Value Index by 3.78% for the quarter and outperformed the Russell 2000 Value Index for the year by 2.25%.

Quarterly Asset Growth

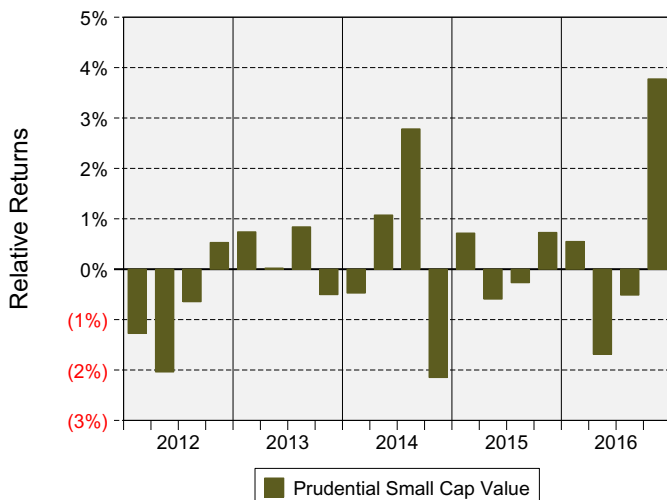
Beginning Market Value	\$11,757,598
Net New Investment	\$0
Investment Gains/(Losses)	\$2,098,582
Ending Market Value	\$13,856,181

Performance vs CAI Small Cap Value Mutual Funds (Net)

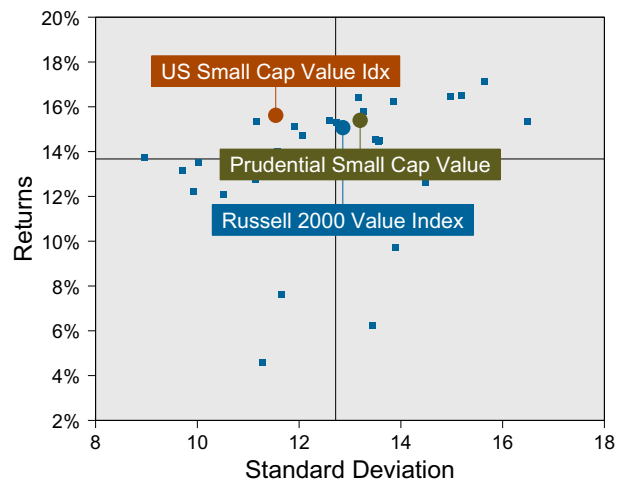


10th Percentile	15.06	29.59	11.24	8.87	16.44	14.64	8.83	
25th Percentile	13.62	27.97	10.04	8.21	15.35	13.27	7.96	
Median	10.98	23.42	6.64	6.74	13.67	12.23	7.20	
75th Percentile	7.10	18.13	5.27	4.91	12.18	11.69	6.13	
90th Percentile	5.14	15.29	1.72	1.74	9.51	8.63	4.90	
Prudential Small Cap Value	● A	17.85	33.99	11.63	9.68	15.40	14.10	8.81
US Small Cap Value Idx	■ B	12.11	27.64	10.03	9.16	15.62	13.84	7.39
Russell 2000 Value Index	▲	14.07	31.74	10.41	8.31	15.07	13.14	6.26

Relative Return vs Russell 2000 Value Index



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

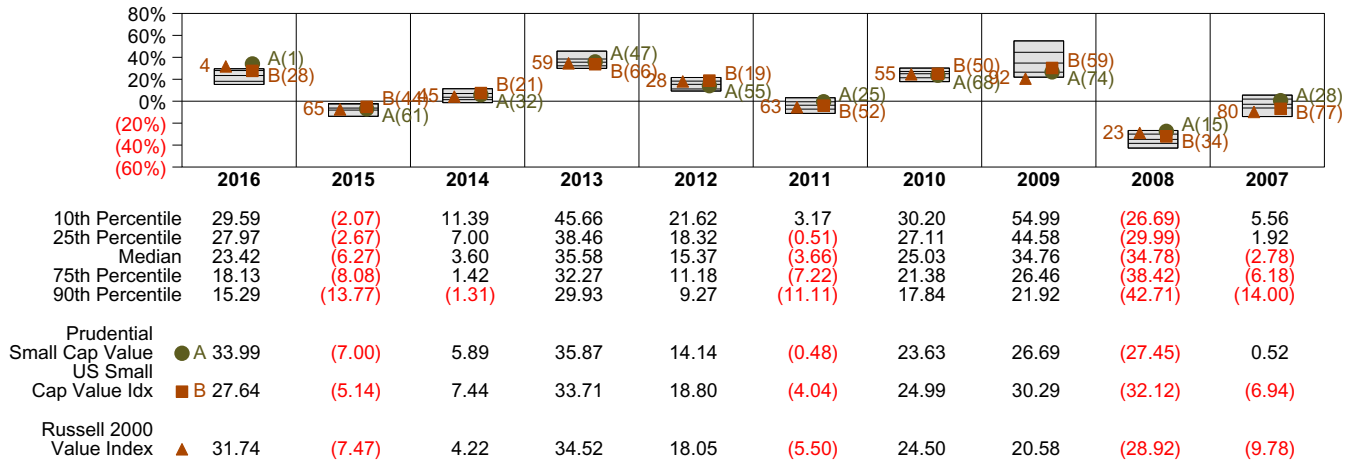


Prudential Small Cap Value Return Analysis Summary

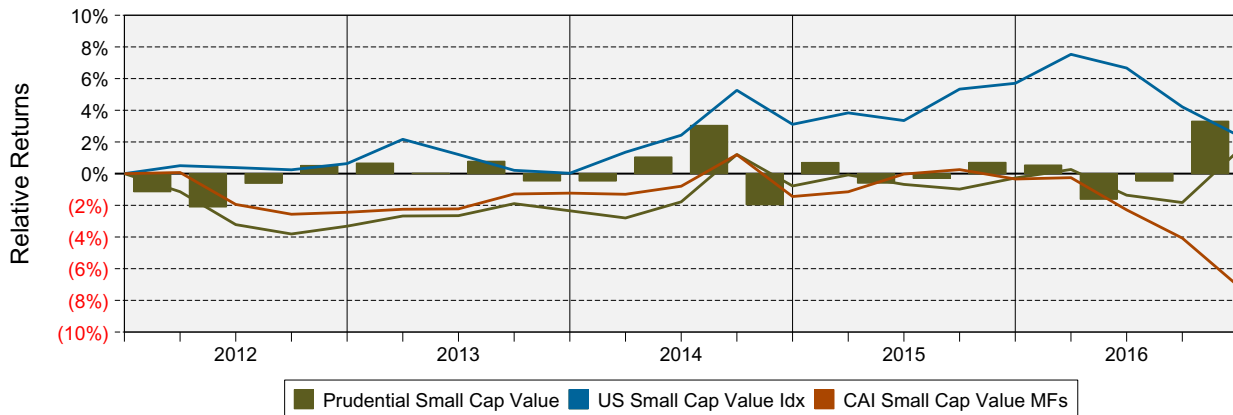
Return Analysis

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 and returns for rising/declining periods.

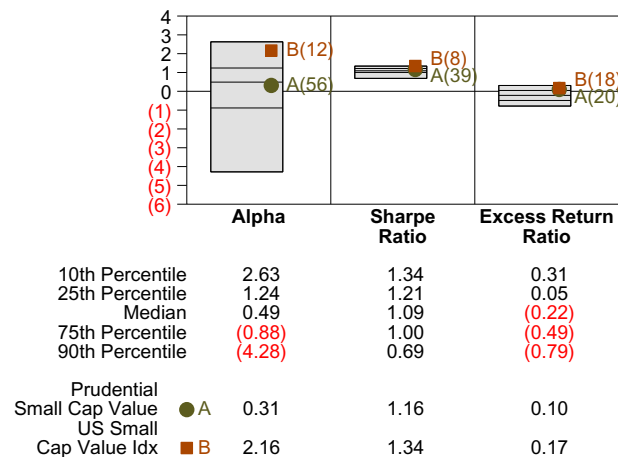
Performance vs CAI Small Cap Value Mutual Funds (Net)



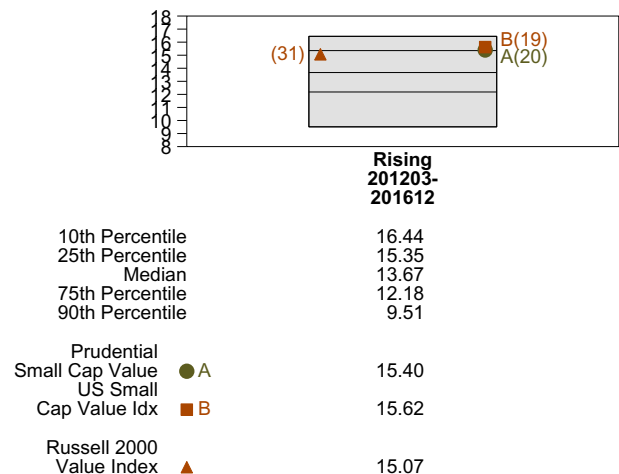
Cumulative and Quarterly Relative Return vs Russell 2000 Value Index



Risk Adjusted Return Measures vs Russell 2000 Value Index Rankings Against CAI Small Cap Value Mutual Funds (Net) Five Years Ended December 31, 2016



Returns for Domestic Equity Rising/Declining Periods Five Years Ended December 31, 2016

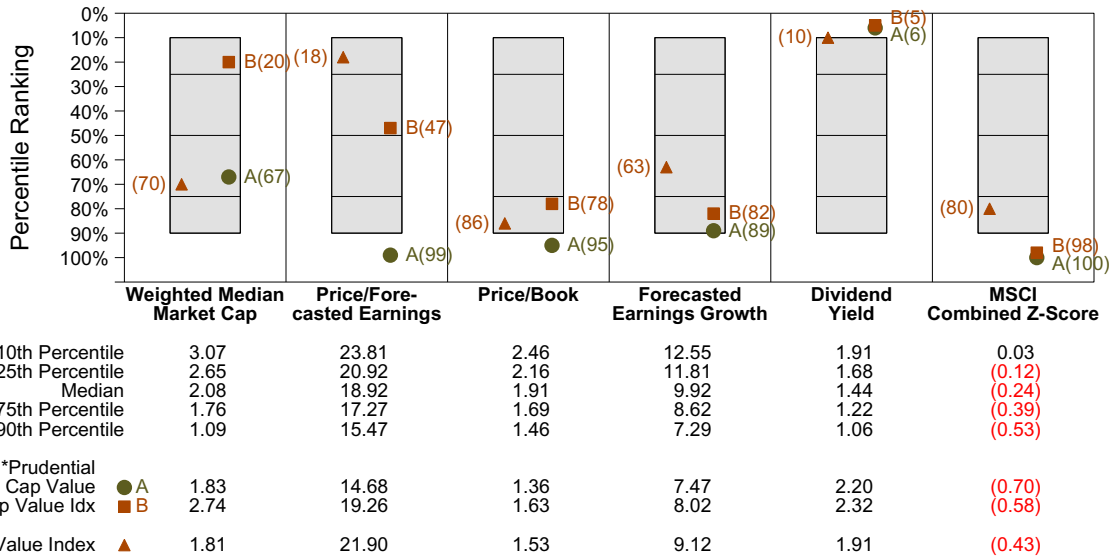


Prudential Small Cap Value Equity Characteristics Analysis Summary

Portfolio Characteristics

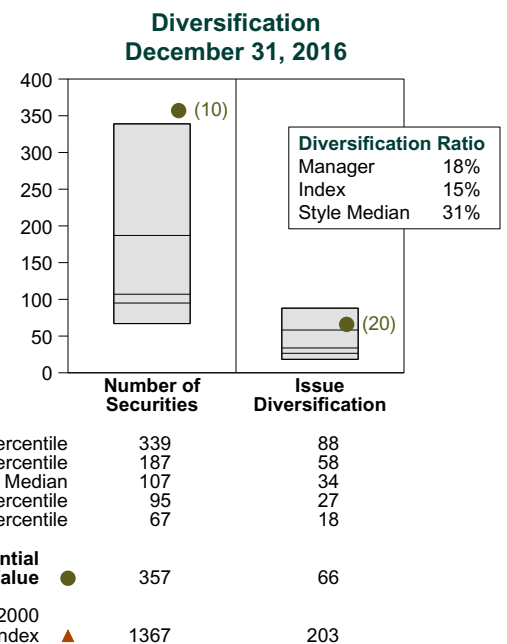
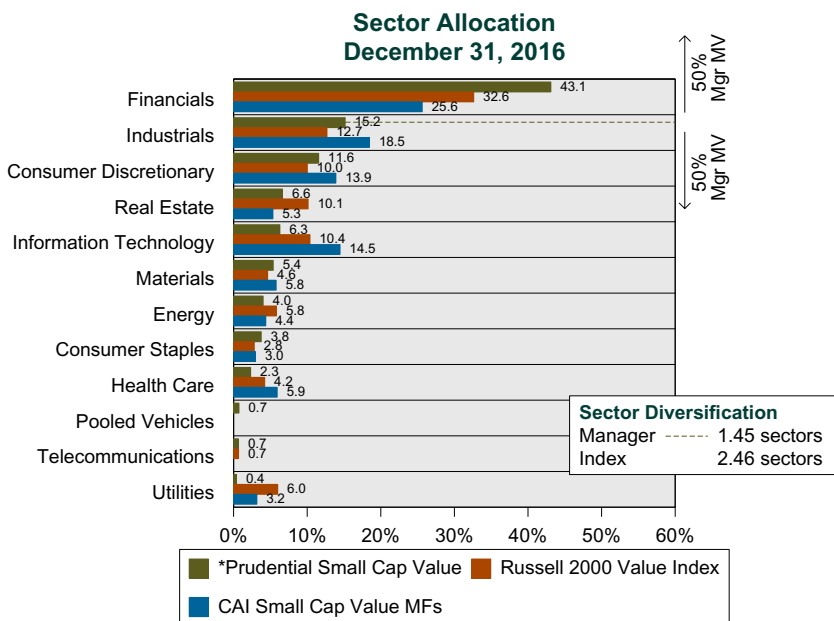
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Portfolio Characteristics Percentile Rankings Rankings Against CAI Small Cap Value Mutual Funds as of December 31, 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.



*12/31/16 portfolio characteristics generated using most recently available holdings (10/31/16) 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 December 31, 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.

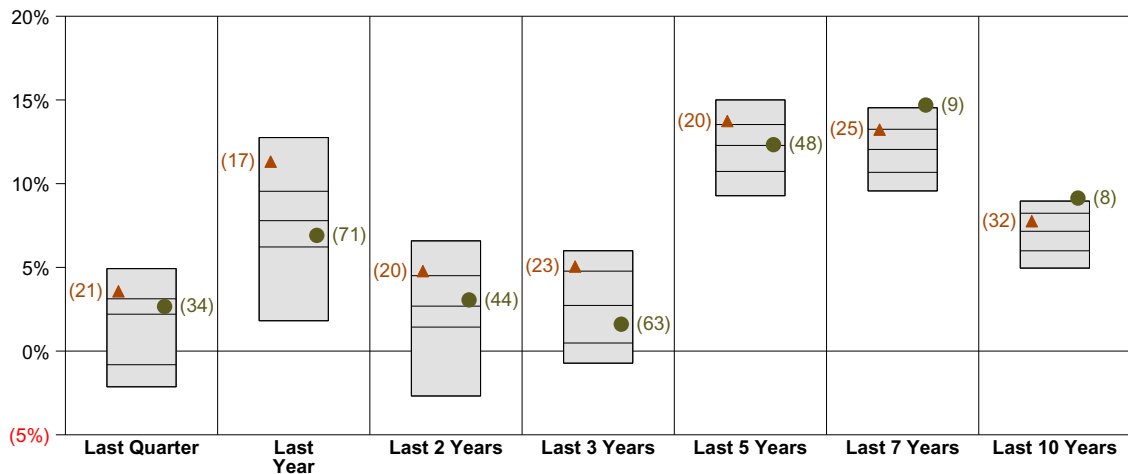
Quarterly Summary and Highlights

- AB US Small Growth's portfolio posted a 2.66% return for the quarter placing it in the 34 percentile of the CAI Small Cap Growth Mutual Funds group for the quarter and in the 71 percentile for the last year.
- AB US Small Growth's portfolio underperformed the Russell 2000 Growth Index by 0.91% for the quarter and underperformed the Russell 2000 Growth Index for the year by 4.41%.

Quarterly Asset Growth

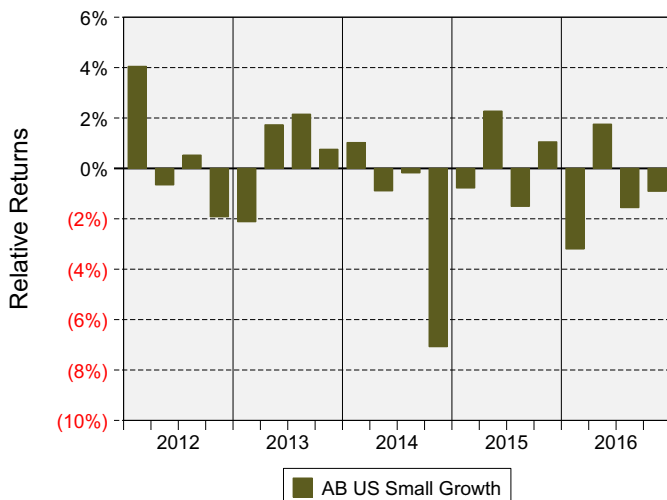
Beginning Market Value	\$6,761,212
Net New Investment	\$0
Investment Gains/(Losses)	\$180,007
Ending Market Value	\$6,941,220

Performance vs CAI Small Cap Growth Mutual Funds (Net)

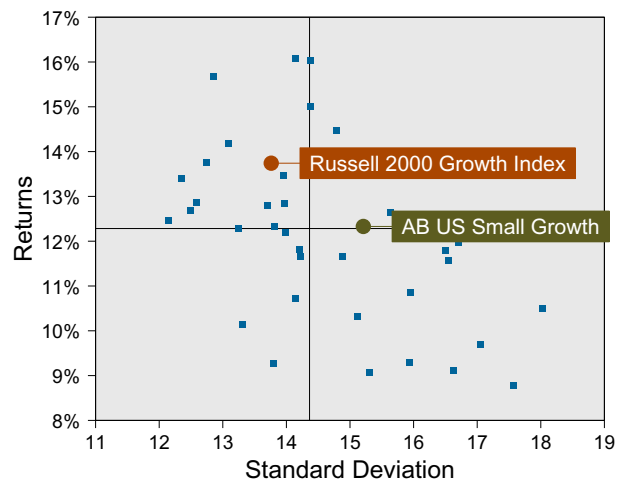


10th Percentile	4.93	12.75	6.58	5.99	15.00	14.53	8.96
25th Percentile	3.12	9.55	4.50	4.77	13.53	13.25	8.23
Median	2.20	7.79	2.69	2.73	12.28	12.04	7.16
75th Percentile	(0.81)	6.22	1.43	0.48	10.73	10.68	5.99
90th Percentile	(2.13)	1.81	(2.68)	(0.72)	9.28	9.57	4.96
AB US Small Growth	● 2.66	6.91	3.06	1.61	12.33	14.70	9.14
Russell 2000 Growth Index	▲ 3.57	11.32	4.78	5.05	13.74	13.23	7.76

Relative Return vs Russell 2000 Growth Index



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

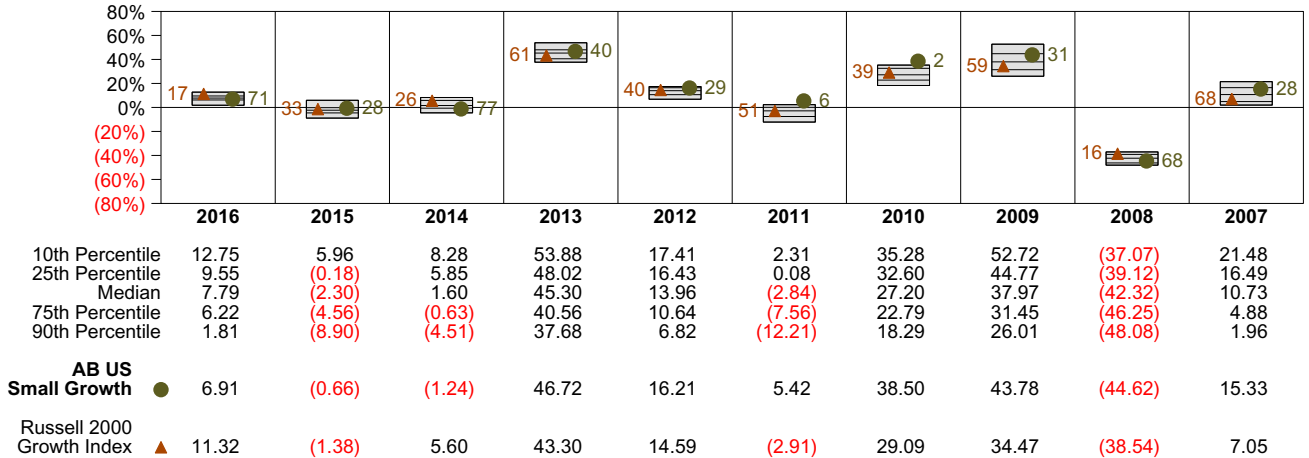


AB US Small Growth Return Analysis Summary

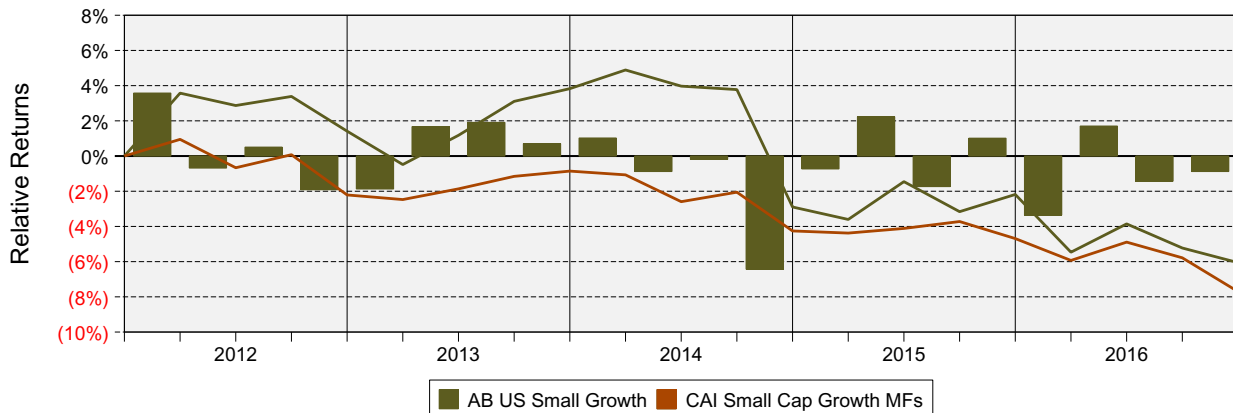
Return Analysis

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 and returns for rising/declining periods.

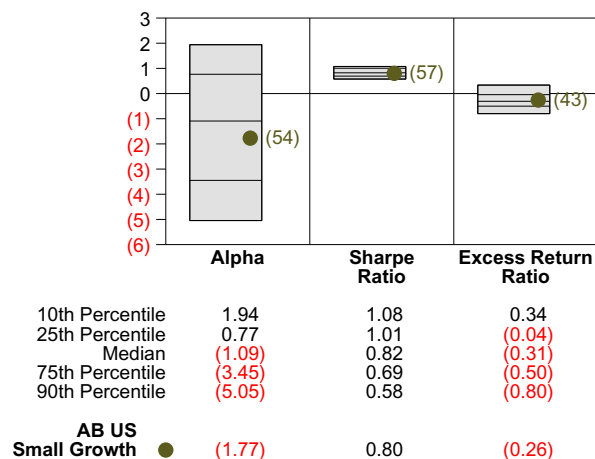
Performance vs CAI Small Cap Growth Mutual Funds (Net)



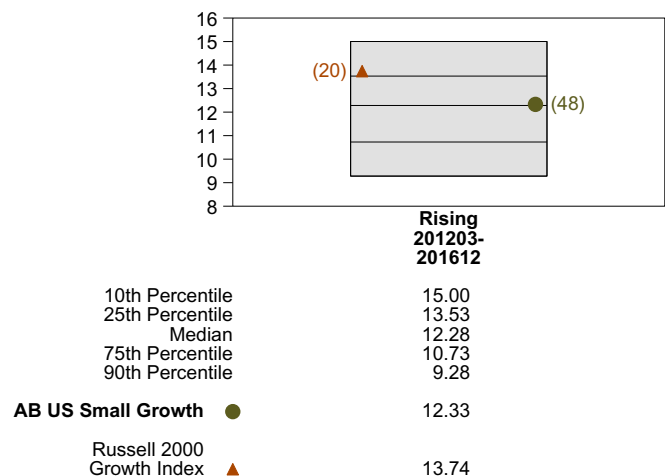
Cumulative and Quarterly Relative Return vs Russell 2000 Growth Index



Risk Adjusted Return Measures vs Russell 2000 Growth Index Rankings Against CAI Small Cap Growth Mutual Funds (Net) Five Years Ended December 31, 2016



Returns for Domestic Equity Rising/Declining Periods Five Years Ended December 31, 2016

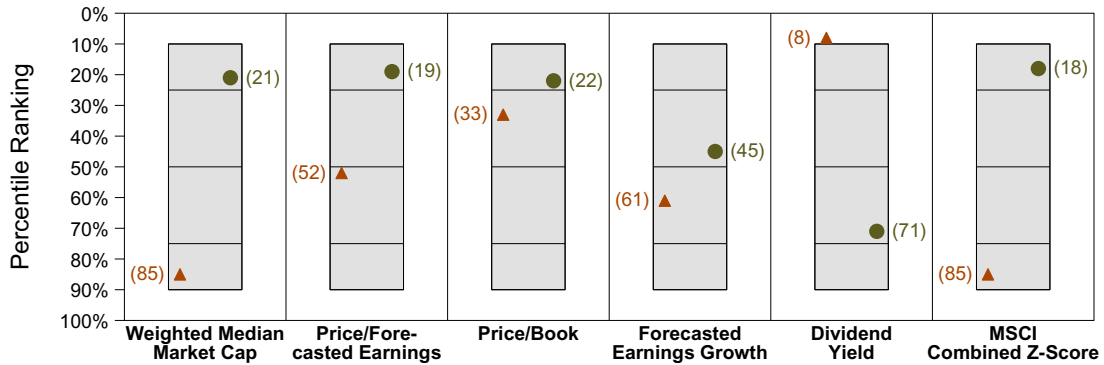


AB US Small Growth Equity Characteristics Analysis Summary

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.

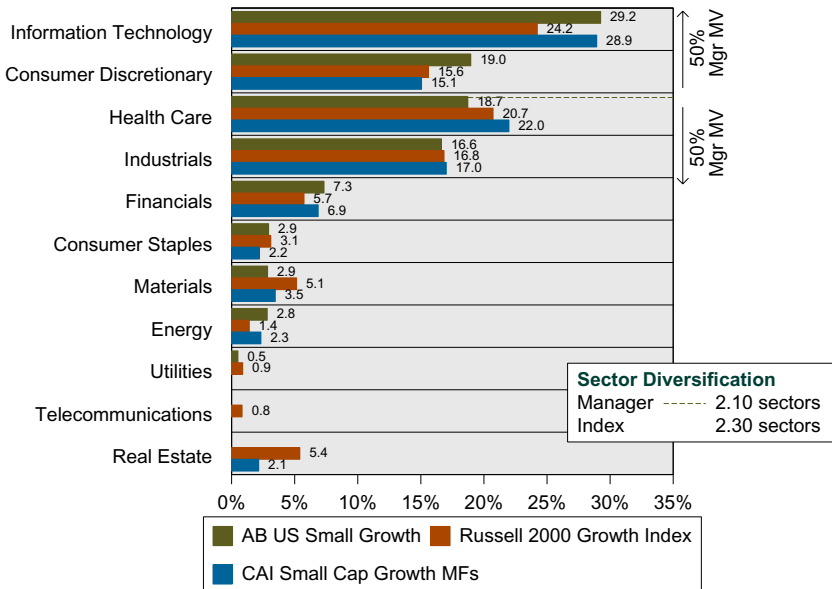
Portfolio Characteristics Percentile Rankings Rankings Against CAI Small Cap Growth Mutual Funds as of December 31, 2016



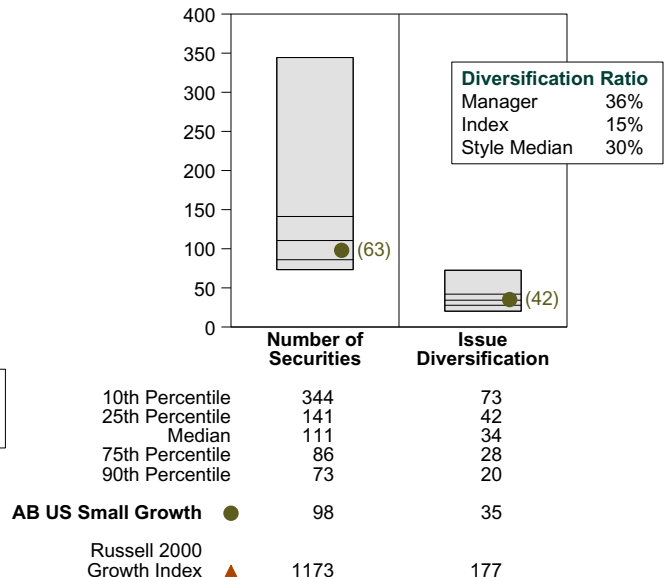
Sector Weights

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 December 31, 2016



Diversification December 31, 2016



RS Investments

Period Ended December 31, 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.

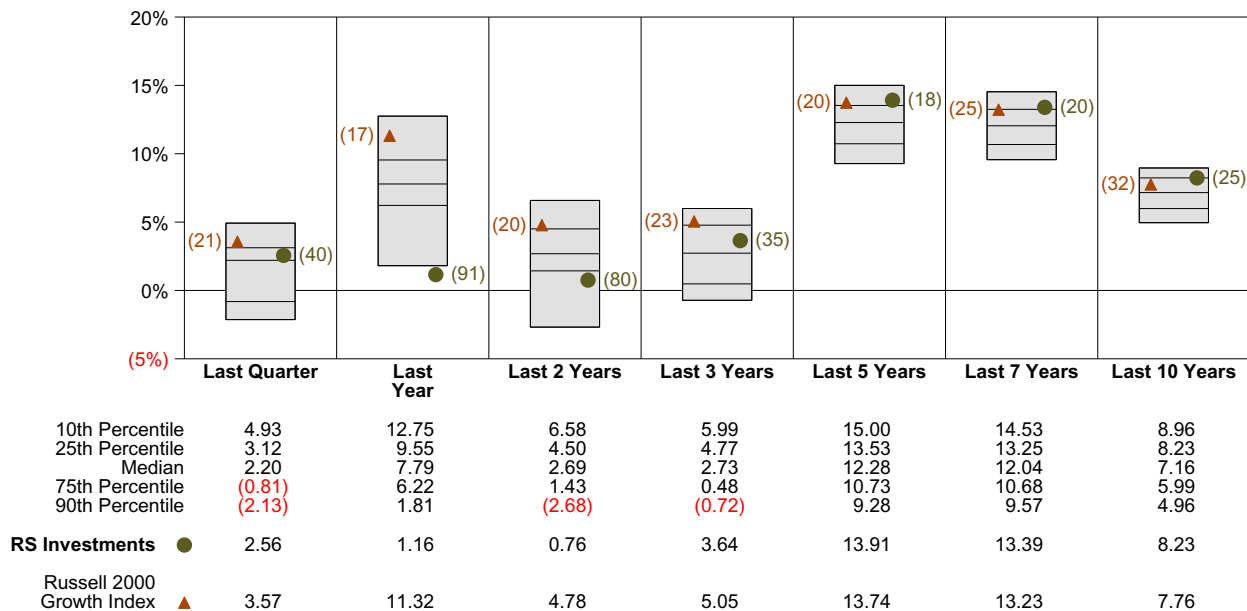
Quarterly Summary and Highlights

- RS Investments's portfolio posted a 2.56% return for the quarter placing it in the 40 percentile of the CAI Small Cap Growth Mutual Funds group for the quarter and in the 91 percentile for the last year.
- RS Investments's portfolio underperformed the Russell 2000 Growth Index by 1.01% for the quarter and underperformed the Russell 2000 Growth Index for the year by 10.16%.

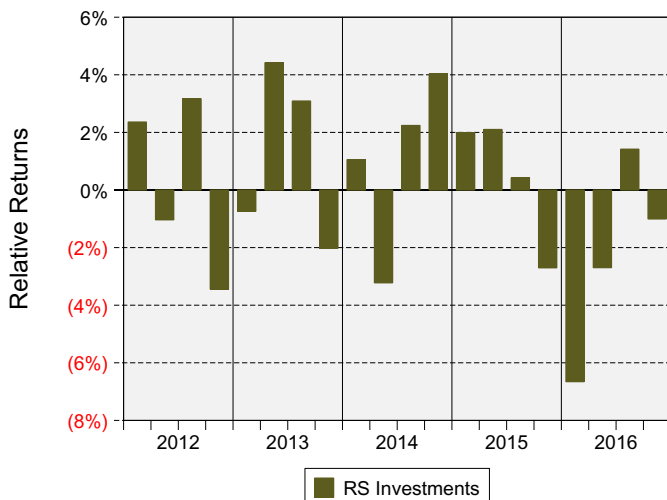
Quarterly Asset Growth

Beginning Market Value	\$5,136,118
Net New Investment	\$0
Investment Gains/(Losses)	\$131,736
Ending Market Value	\$5,267,854

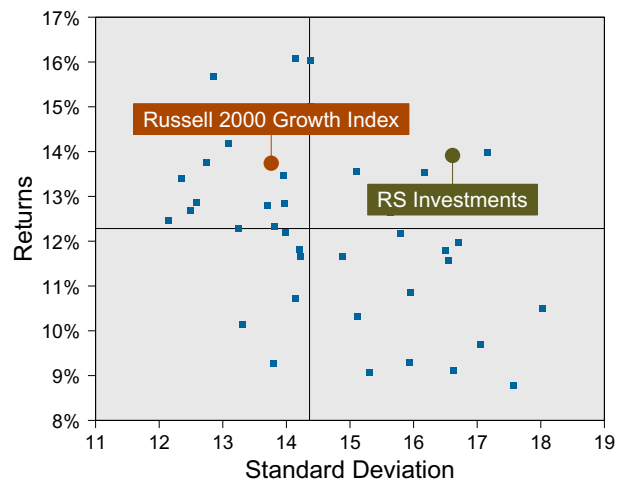
Performance vs CAI Small Cap Growth Mutual Funds (Net)



Relative Return vs Russell 2000 Growth Index



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

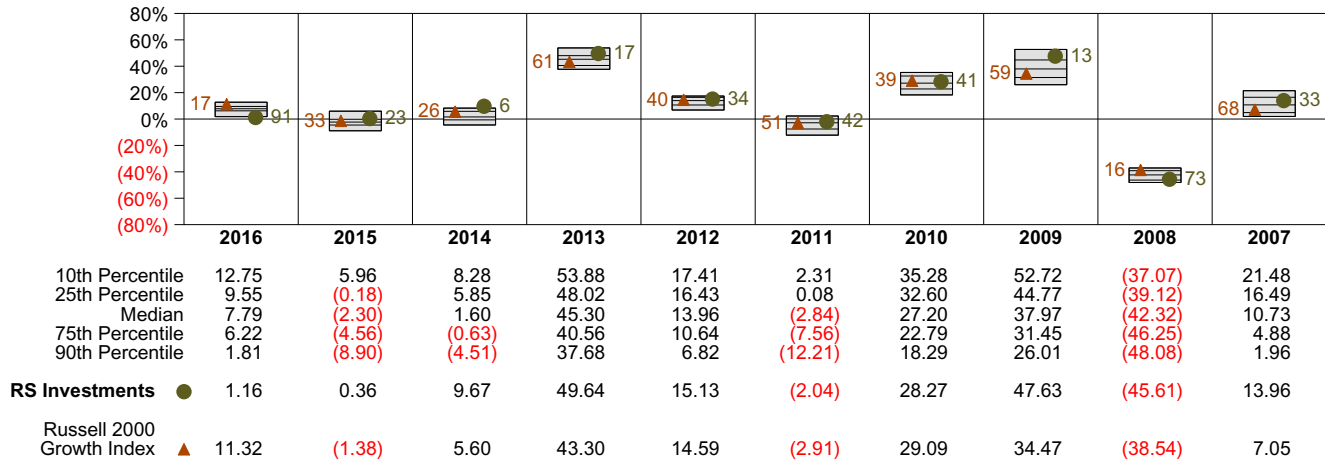


RS Investments Return Analysis Summary

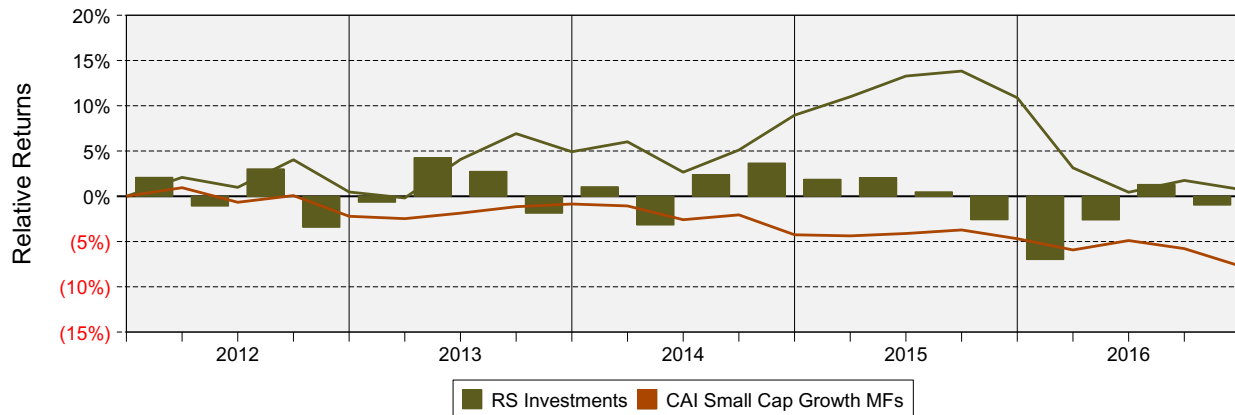
Return Analysis

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 and returns for rising/declining periods.

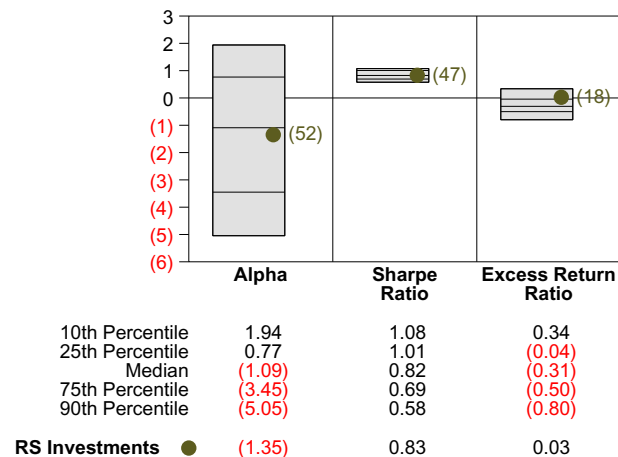
Performance vs CAI Small Cap Growth Mutual Funds (Net)



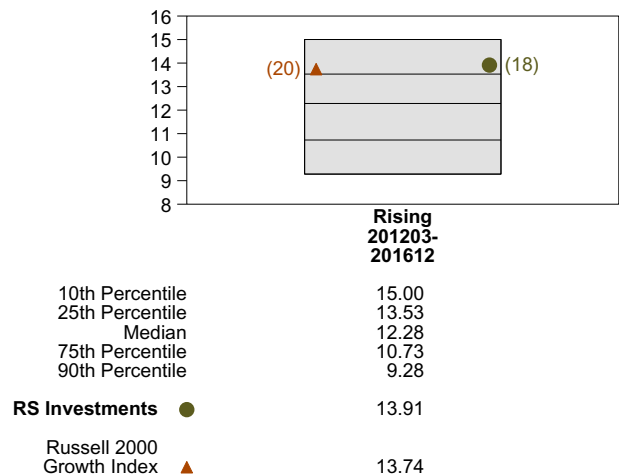
Cumulative and Quarterly Relative Return vs Russell 2000 Growth Index



Risk Adjusted Return Measures vs Russell 2000 Growth Index Rankings Against CAI Small Cap Growth Mutual Funds (Net) Five Years Ended December 31, 2016



Returns for Domestic Equity Rising/Declining Periods Five Years Ended December 31, 2016

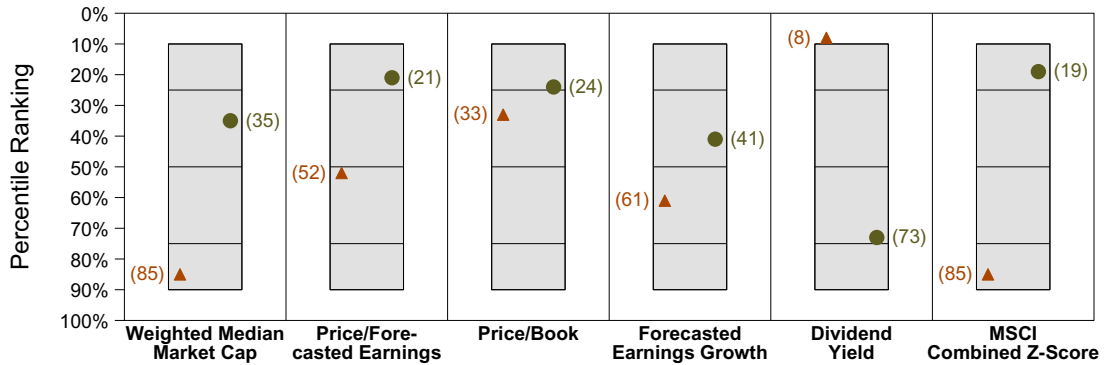


RS Investments Equity Characteristics Analysis Summary

Portfolio Characteristics

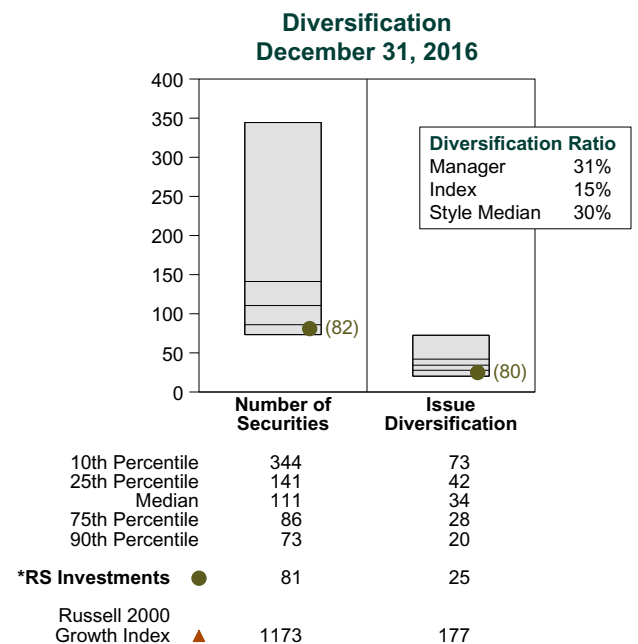
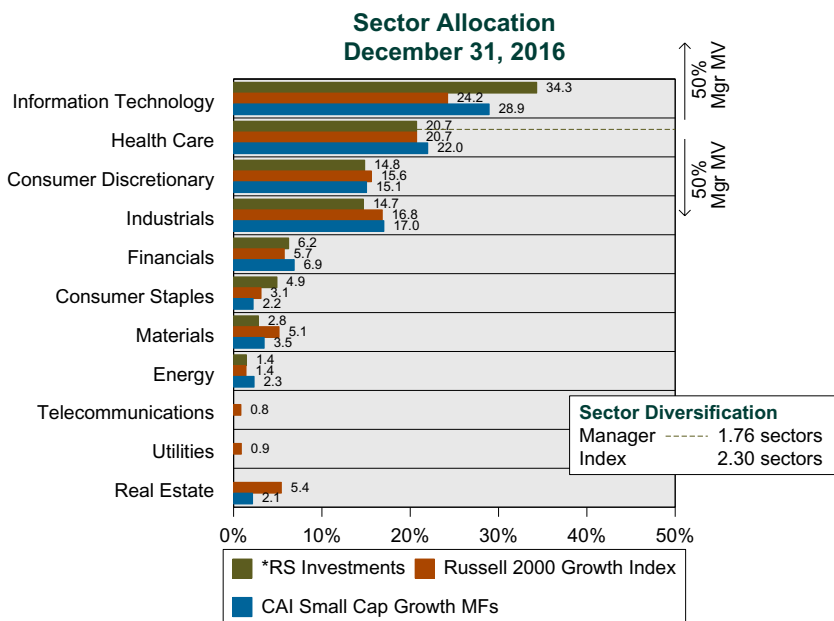
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Portfolio Characteristics Percentile Rankings Rankings Against CAI Small Cap Growth Mutual Funds as of December 31, 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.



*12/31/16 portfolio characteristics generated using most recently available holdings (9/30/16) 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 December 31, 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

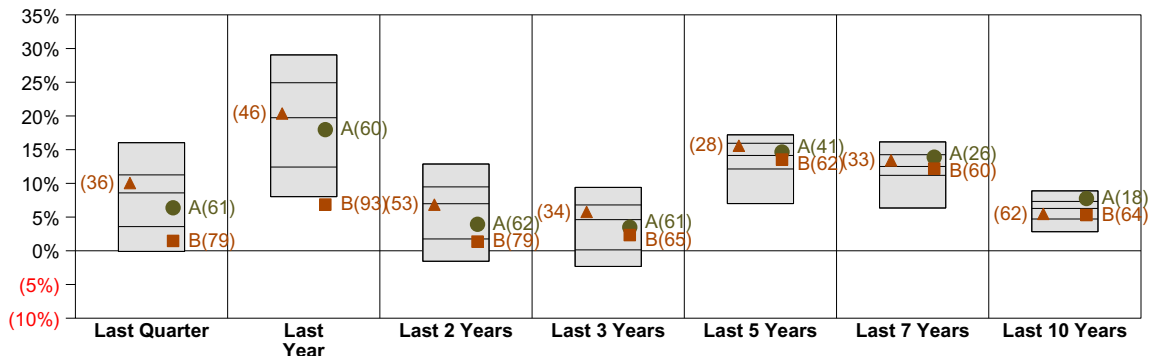
Quarterly Summary and Highlights

- AMG Managers Emerging Opportunities Fund's portfolio posted a 6.38% return for the quarter placing it in the 61 percentile of the Lipper Micro Cap Objective Mutual Funds group for the quarter and in the 60 percentile for the last year.
- AMG Managers Emerging Opportunities Fund's portfolio underperformed the Russell Microcap Index by 3.67% for the quarter and underperformed the Russell Microcap Index for the year by 2.40%.

Quarterly Asset Growth

Beginning Market Value	\$8,480,914
Net New Investment	\$0
Investment Gains/(Losses)	\$540,826
Ending Market Value	\$9,021,740

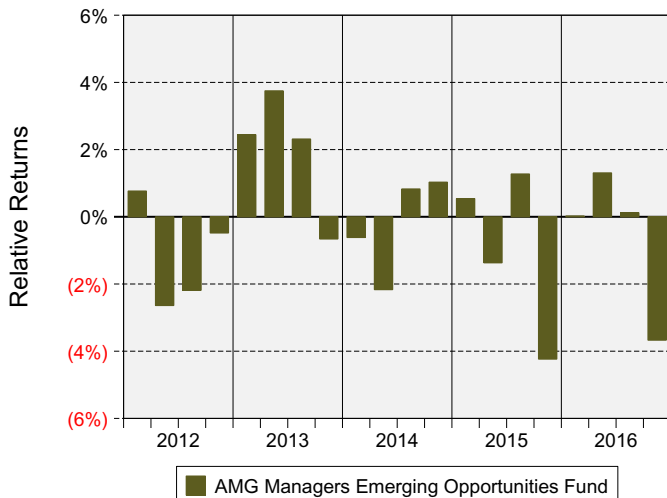
Performance vs Lipper Micro Cap Objective Mutual Funds (Net)



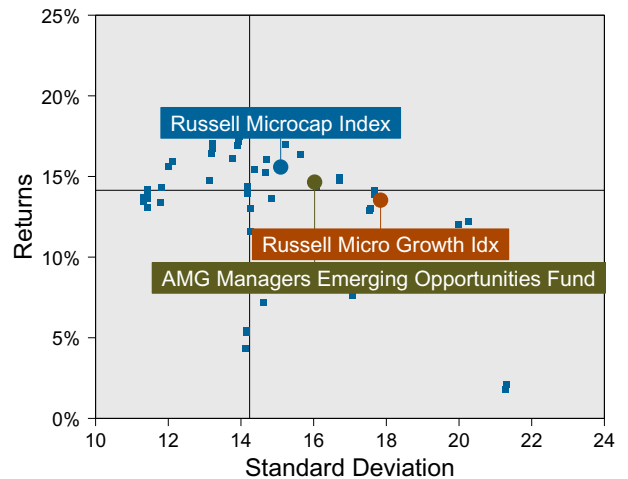
10th Percentile	16.04	29.06	12.87	9.40	17.20	16.15	8.89
25th Percentile	11.26	24.93	9.48	6.80	15.95	14.25	7.32
Median	8.59	19.74	6.98	4.62	14.14	12.51	6.28
75th Percentile	3.59	12.42	1.76	0.13	12.14	11.19	4.71
90th Percentile	(0.10)	8.03	(1.55)	(2.32)	7.00	6.35	2.83

AMG Managers Emerging Opportunities Fund	● A	6.38	17.97	3.93	3.49	14.65	13.89	7.75
Russell Micro Growth Idx	■ B	1.46	6.86	1.36	2.33	13.53	12.19	5.31
Russell Microcap Index	▲	10.05	20.37	6.84	5.77	15.59	13.41	5.47

Relative Return vs Russell Microcap Index



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

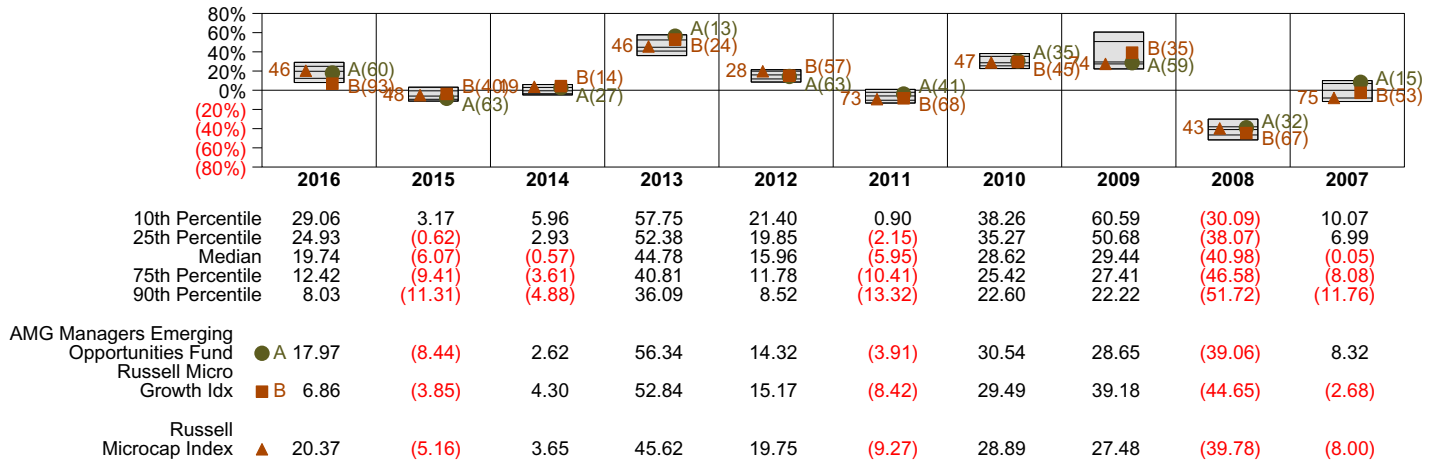


AMG Managers Emerging Opportunities Fund Return Analysis Summary

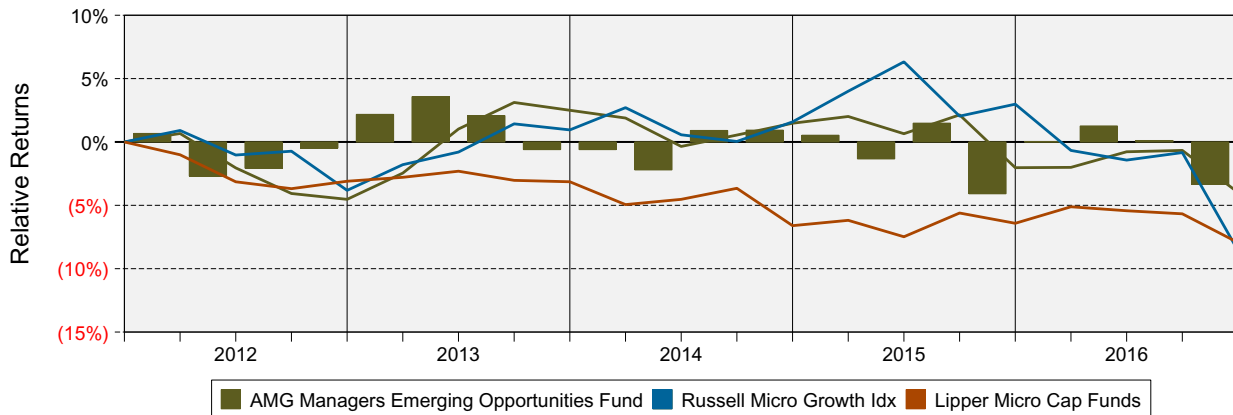
Return Analysis

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 and returns for rising/declining periods.

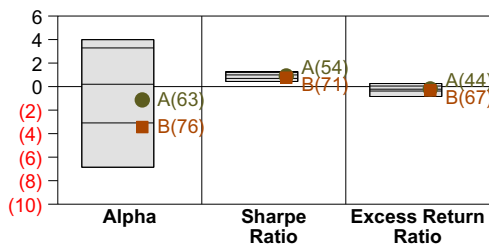
Performance vs Lipper Micro Cap Objective Mutual Funds (Net)



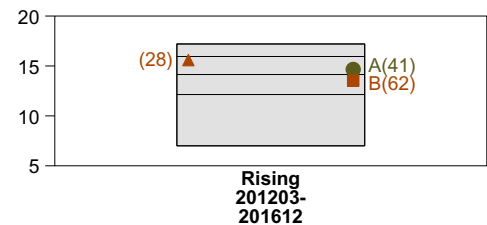
Cumulative and Quarterly Relative Return vs Russell Microcap Index



Risk Adjusted Return Measures vs Russell Microcap Index Rankings Against Lipper Micro Cap Objective Mutual Funds (Net) Five Years Ended December 31, 2016



Returns for Domestic Equity Rising/Declining Periods Five Years Ended December 31, 2016

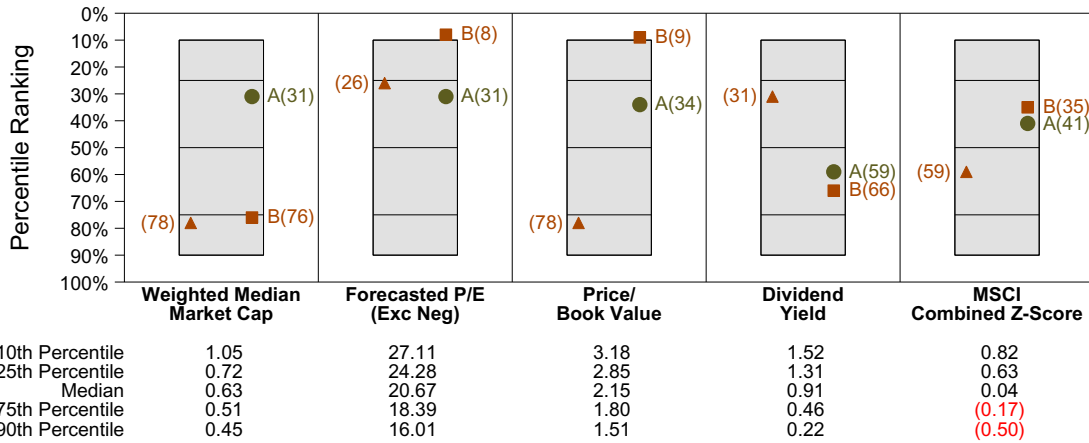


AMG Managers Emerging Opportunities Fund Equity Characteristics Analysis Summary

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 December 31, 2016



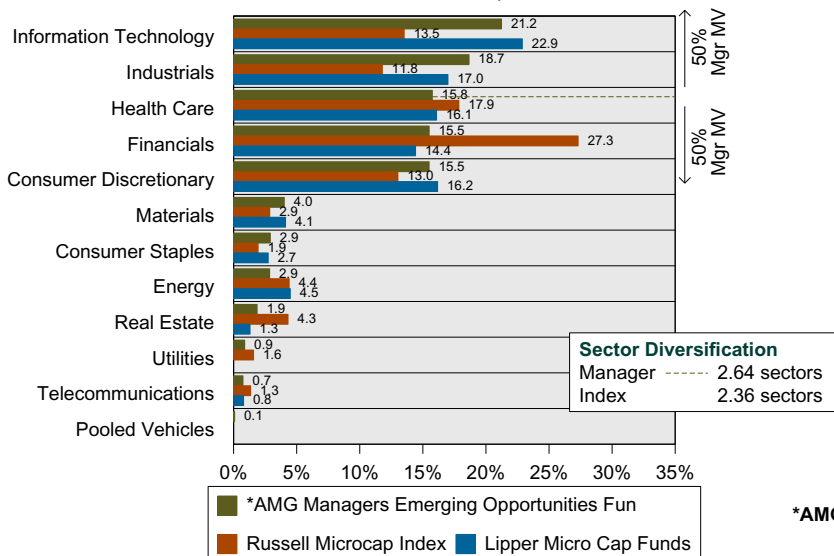
*AMG Managers Emerging Opportunities Fun
Russell Micro Growth Idx
Russell Microcap Index

● A	0.67	23.00	2.51	0.75	0.28
■ B	0.50	30.97	3.19	0.62	0.54
▲	0.50	24.19	1.79	1.17	(0.09)

Sector Weights

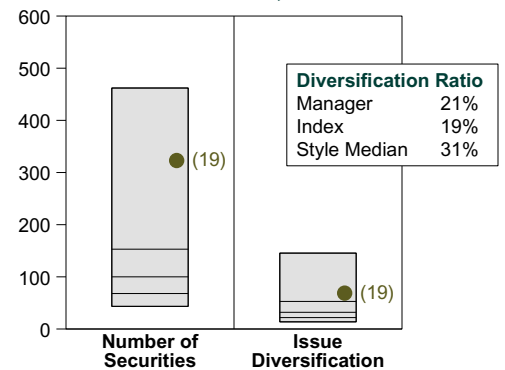
The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration 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 December 31, 2016



Sector Diversification
Manager ----- 2.64 sectors
Index ----- 2.36 sectors

Diversification December 31, 2016



●	*AMG Managers Emerging Opportunities Fun	323	69
▲	Russell Microcap Index	1510	283

*12/31/16 portfolio characteristics generated using most recently available holdings (9/30/16) 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 December 31, 2016

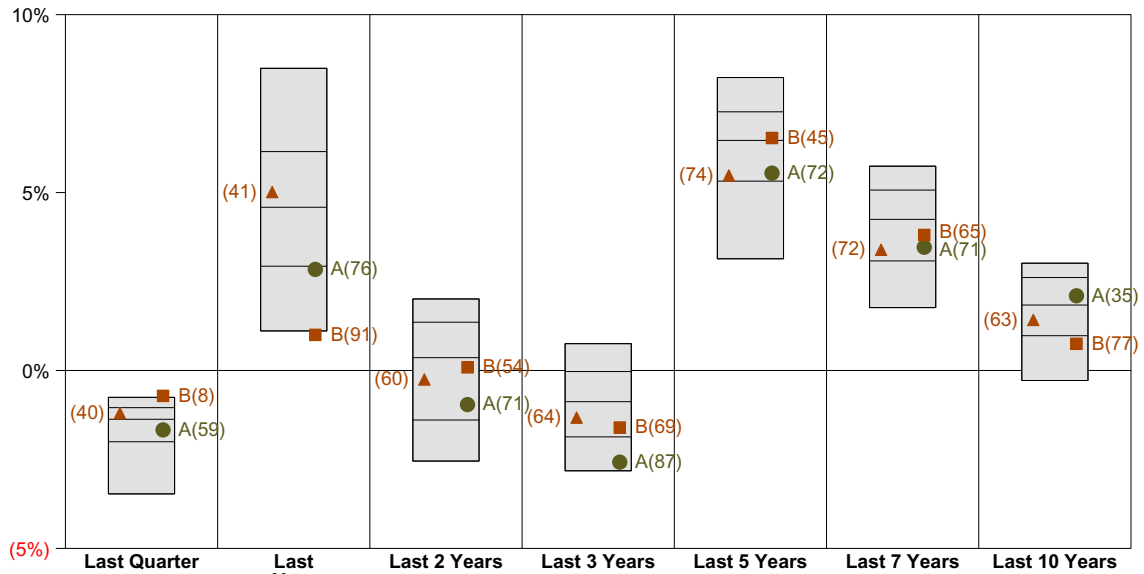
Quarterly Summary and Highlights

- International Equity Composite's portfolio posted a (1.67)% return for the quarter placing it in the 59 percentile of the Pub Pln- International Equity group for the quarter and in the 76 percentile for the last year.
- International Equity Composite's portfolio underperformed the MSCI ACWixUS Gross by 0.47% for the quarter and underperformed the MSCI ACWixUS Gross for the year by 2.17%.

Quarterly Asset Growth

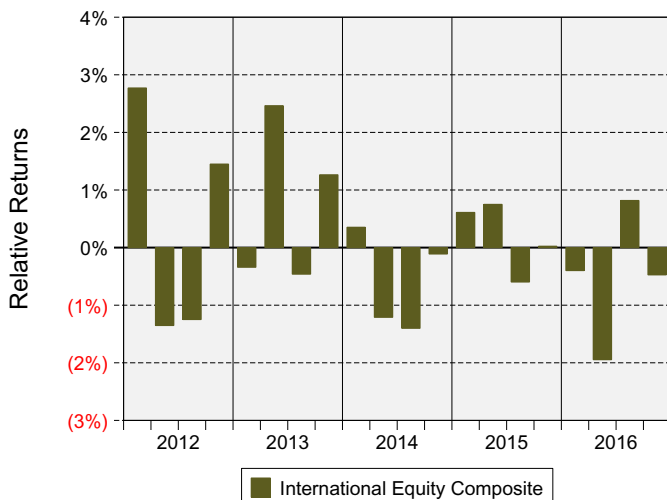
Beginning Market Value	\$125,563,767
Net New Investment	\$4,585,294
Investment Gains/(Losses)	\$-2,123,685
Ending Market Value	\$128,025,375

Performance vs Pub Pln- International Equity (Gross)

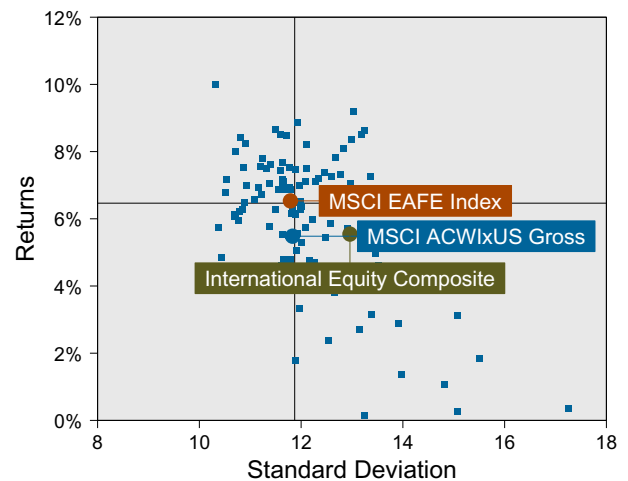


10th Percentile	(0.76)	8.49	2.01	0.75	8.23	5.74	3.01
25th Percentile	(1.04)	6.15	1.36	(0.03)	7.27	5.07	2.61
Median	(1.37)	4.59	0.36	(0.88)	6.46	4.25	1.84
75th Percentile	(2.00)	2.93	(1.39)	(1.87)	5.32	3.08	0.98
90th Percentile	(3.47)	1.11	(2.55)	(2.82)	3.14	1.77	(0.28)
International Equity Composite	● A (1.67)	2.84	(0.96)	(2.58)	5.55	3.46	2.10
MSCI EAFE Index	■ B (0.71)	1.00	0.09	(1.60)	6.53	3.81	0.75
MSCI ACWixUS Gross	▲ (1.20)	5.01	(0.25)	(1.32)	5.48	3.39	1.42

Relative Return vs MSCI ACWixUS Gross



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

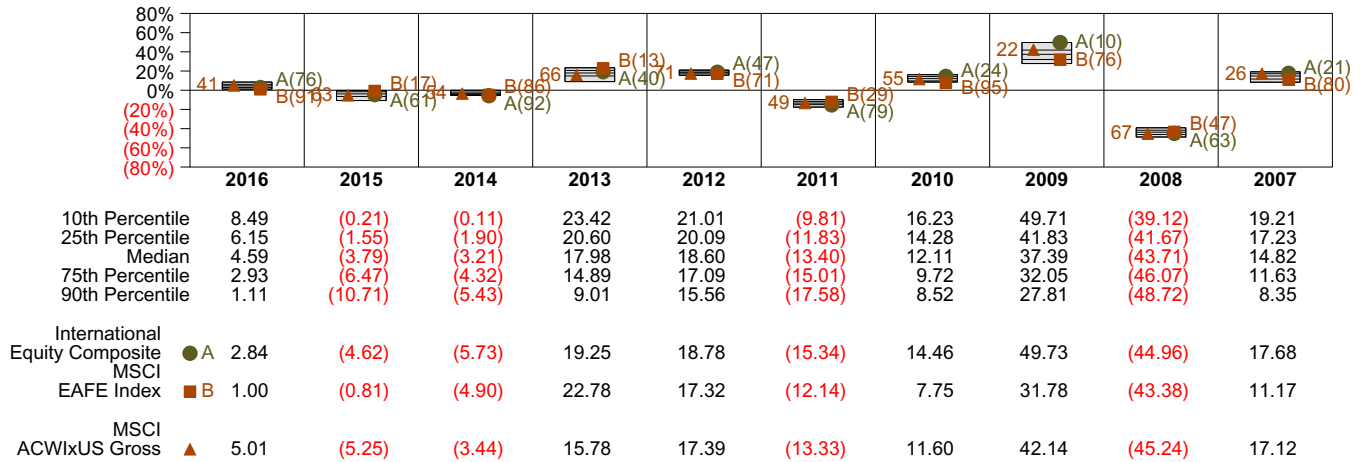


International Equity Composite Return Analysis Summary

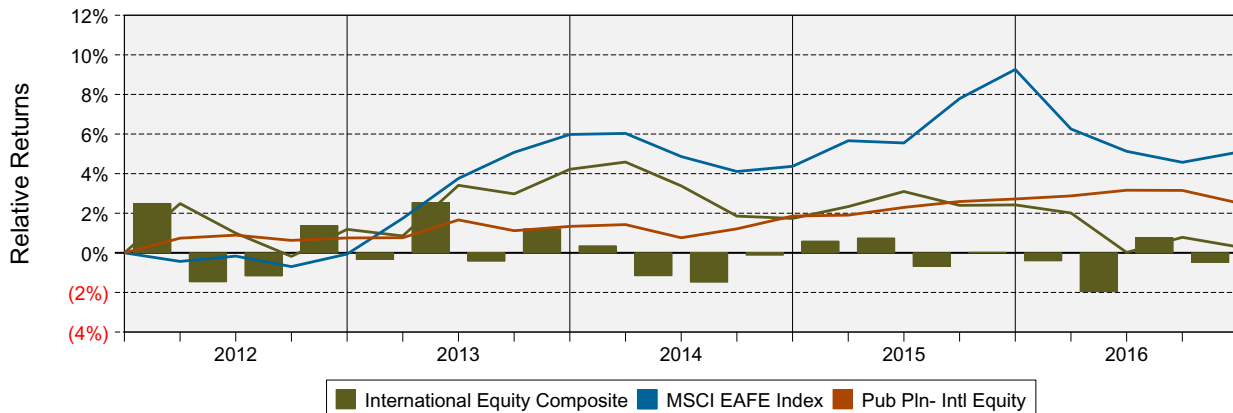
Return Analysis

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 and returns for rising/declining periods.

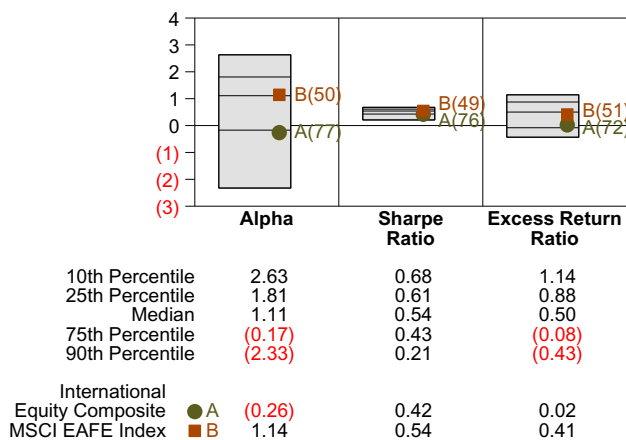
Performance vs Pub Pln- International Equity (Gross)



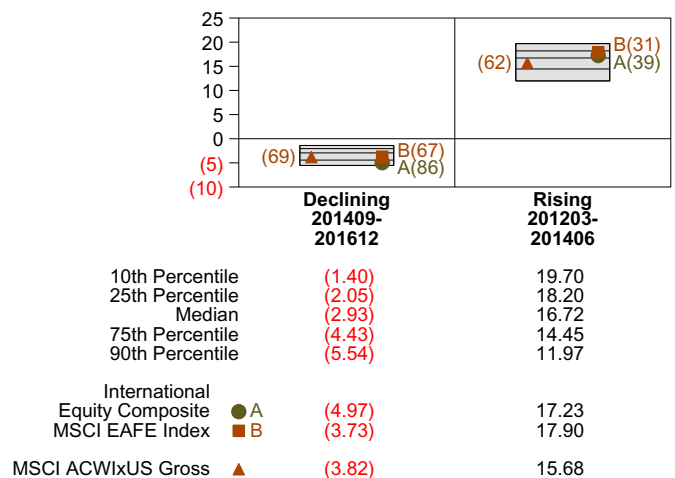
Cumulative and Quarterly Relative Return vs MSCI ACWixUS Gross



Risk Adjusted Return Measures vs MSCI ACWixUS Gross Rankings Against Pub Pln- International Equity (Gross) Five Years Ended December 31, 2016



Returns for International Equity Rising/Declining Periods Five Years Ended December 31, 2016



International Equity Composite Equity Characteristics Analysis Summary

Portfolio Characteristics

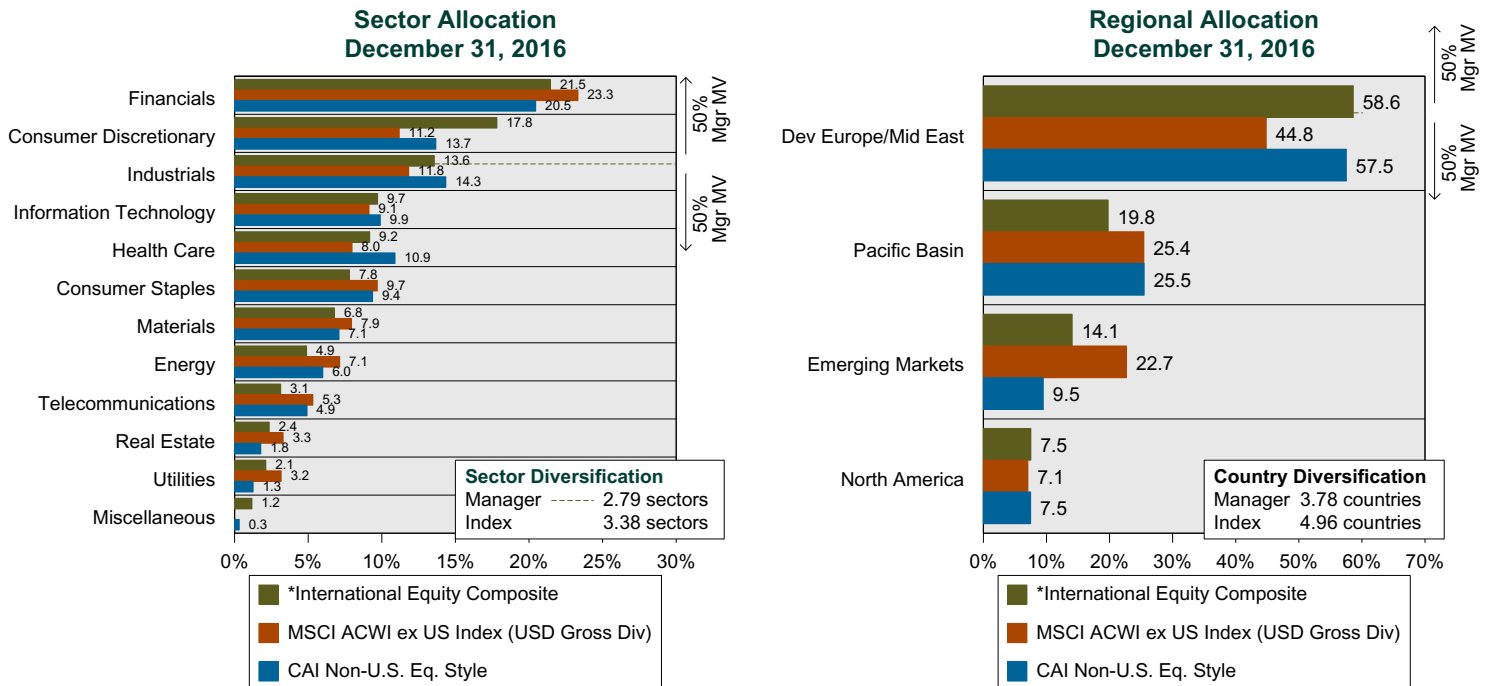
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Portfolio Characteristics Percentile Rankings Rankings Against CAI Non-U.S. Equity Style as of December 31, 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.



*12/31/16 portfolio characteristics generated using most recently available holdings (9/30/16) 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.

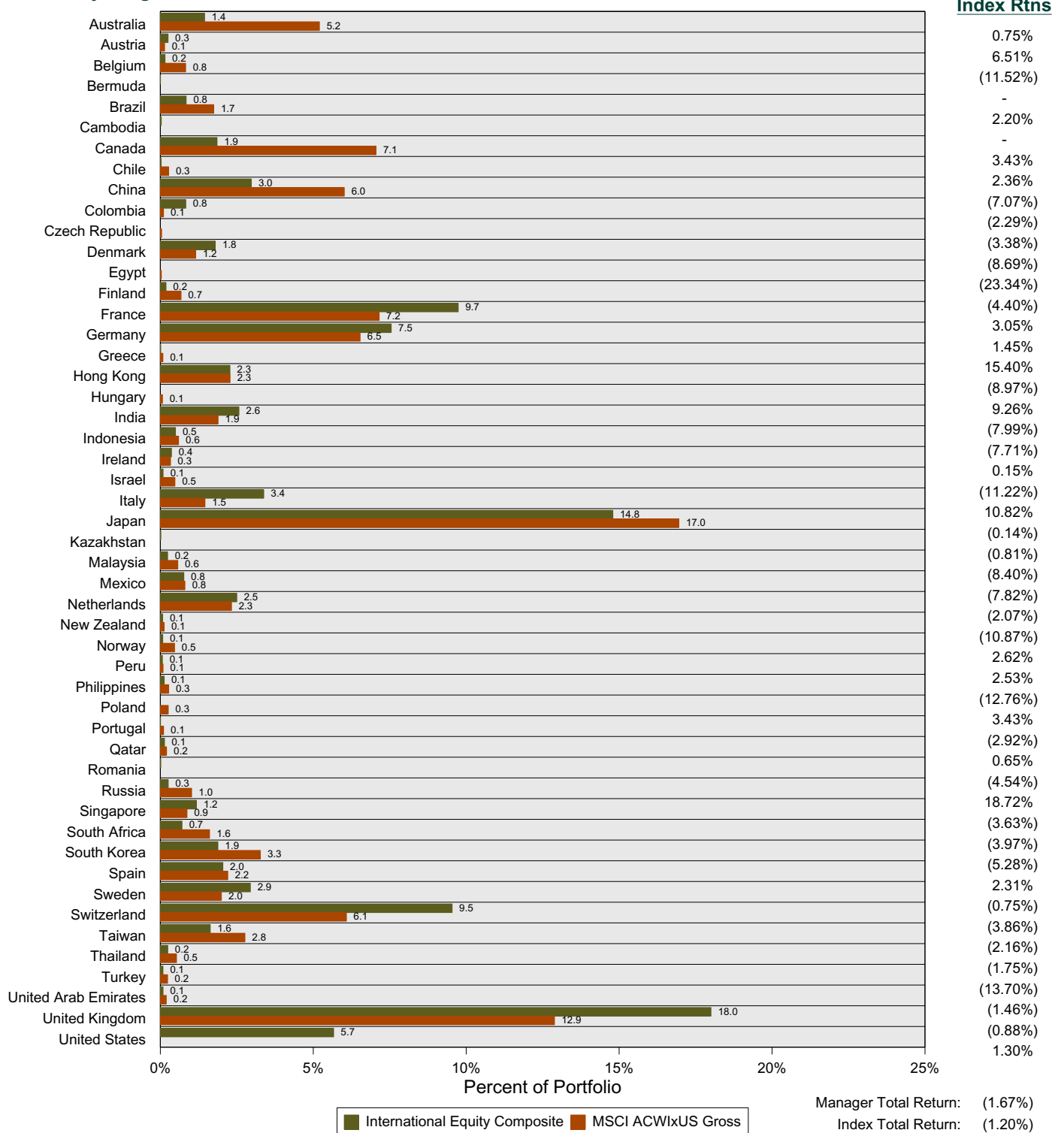
Country Allocation

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 December 31, 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.

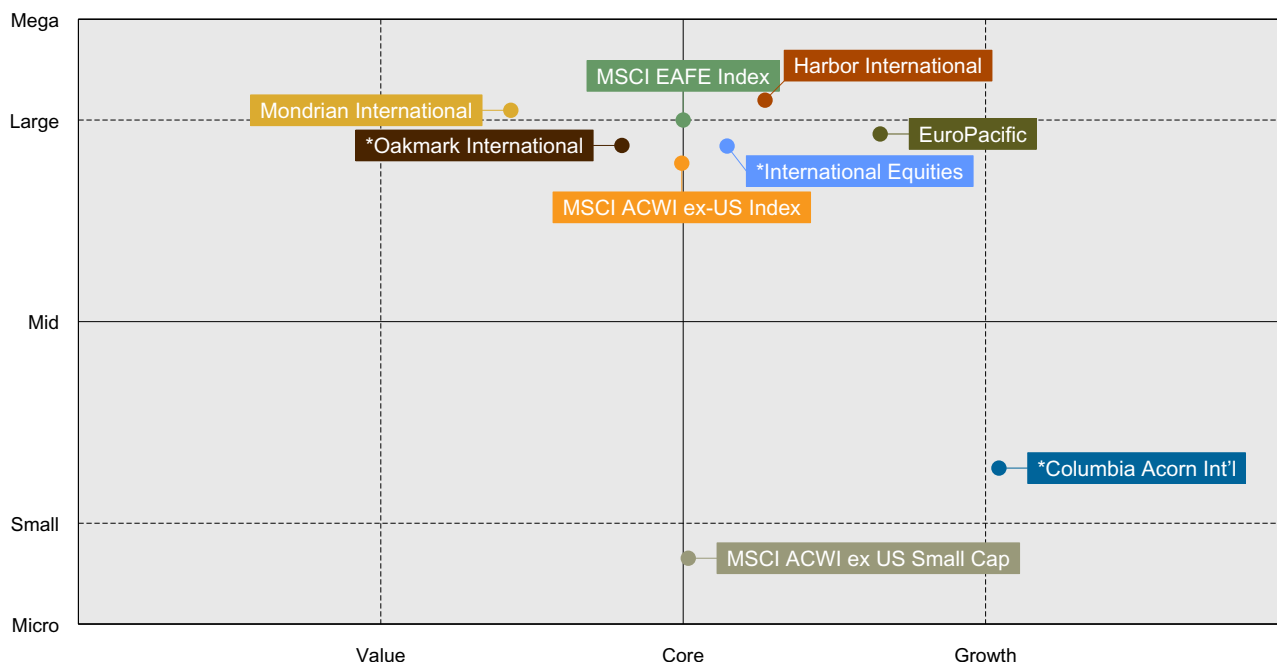
Country Weights as of December 31, 2016



International Holdings Based Style Analysis For One Quarter Ended December 31, 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 December 31, 2016



	Weight %	Wtd Median Mkt Cap	Combined Z-Score	Growth Z-Score	Value Z-Score	Number of Securities	Security Diversification
EuroPacific	21.29%	31.30	0.53	0.24	(0.29)	251	37.94
Harbor International	21.33%	42.39	0.20	(0.03)	(0.24)	71	18.93
*Columbia Acorn Int'l	11.21%	4.47	0.87	0.26	(0.60)	110	33.34
*Oakmark International	24.22%	30.08	(0.19)	(0.03)	0.16	56	14.08
Mondrian International	21.95%	37.50	(0.48)	(0.19)	0.29	124	22.19
*International Equities	100.00%	30.01	0.10	0.02	(0.08)	529	67.90
MSCI ACWI ex US Small Cap	-	1.56	(0.01)	(0.00)	0.01	4276	763.06
MSCI EAFE Index	-	32.78	(0.03)	(0.02)	0.01	930	109.78
MSCI ACWI ex-US Index	-	28.19	(0.03)	(0.02)	0.01	1850	180.57

* 12/31/16 portfolio characteristics generated using most recently available holdings (9/30/16) 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 December 31, 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.

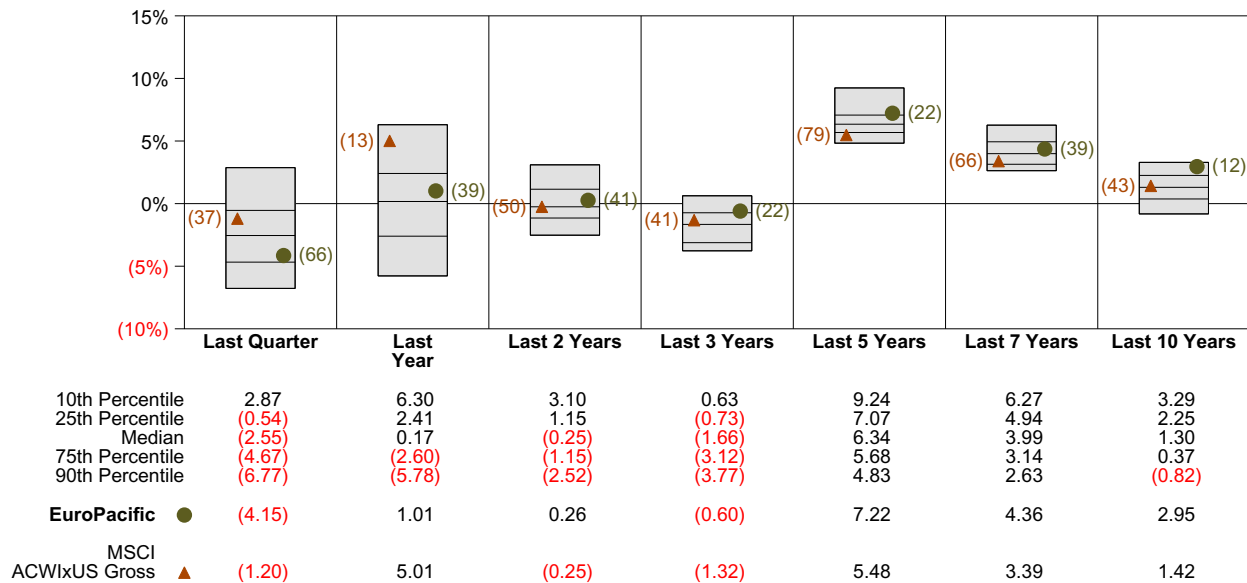
Quarterly Summary and Highlights

- EuroPacific's portfolio posted a (4.15)% return for the quarter placing it in the 66 percentile of the CAI Non US Equity Mutual Funds group for the quarter and in the 39 percentile for the last year.
- EuroPacific's portfolio underperformed the MSCI ACWixUS Gross by 2.95% for the quarter and underperformed the MSCI ACWixUS Gross for the year by 4.00%.

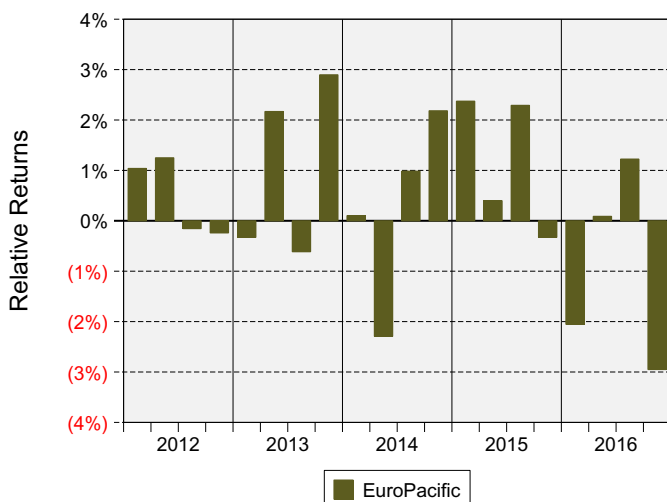
Quarterly Asset Growth

Beginning Market Value	\$28,437,739
Net New Investment	\$0
Investment Gains/(Losses)	-\$1,179,679
Ending Market Value	\$27,258,060

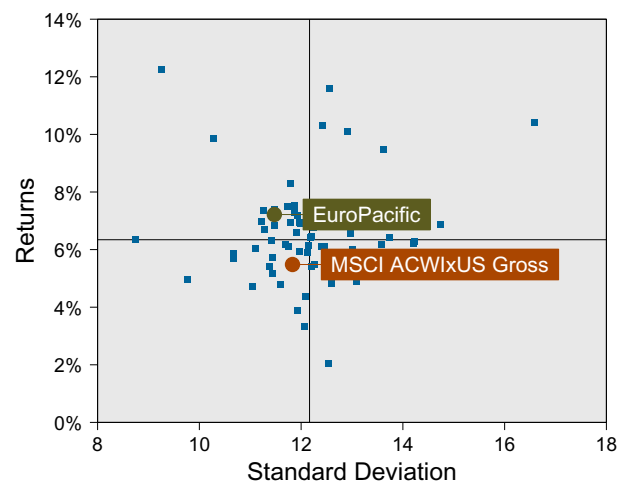
Performance vs CAI Non US Equity Mutual Funds (Net)



Relative Return vs MSCI ACWixUS Gross



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

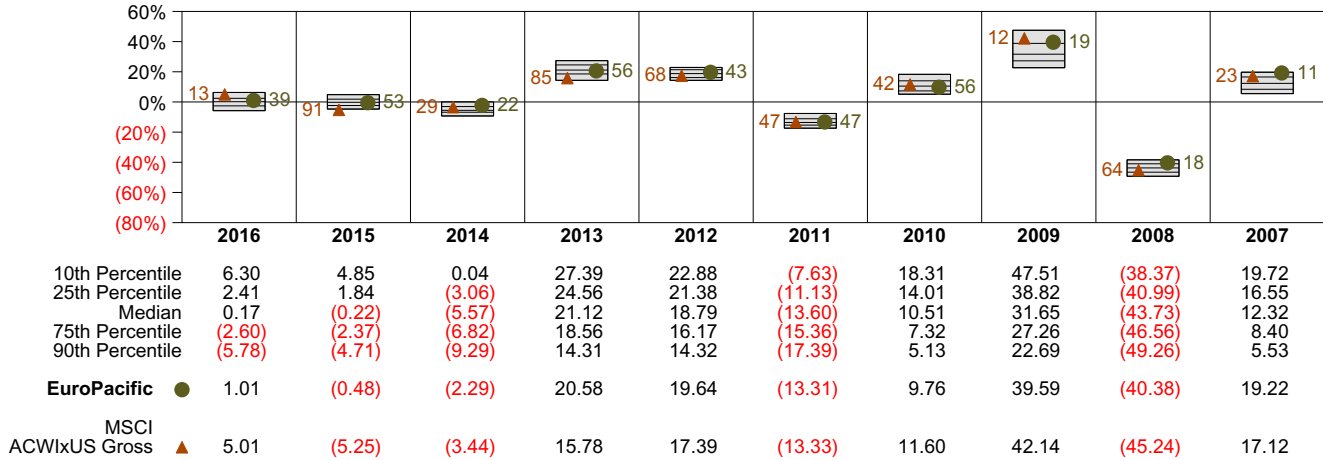


EuroPacific Return Analysis Summary

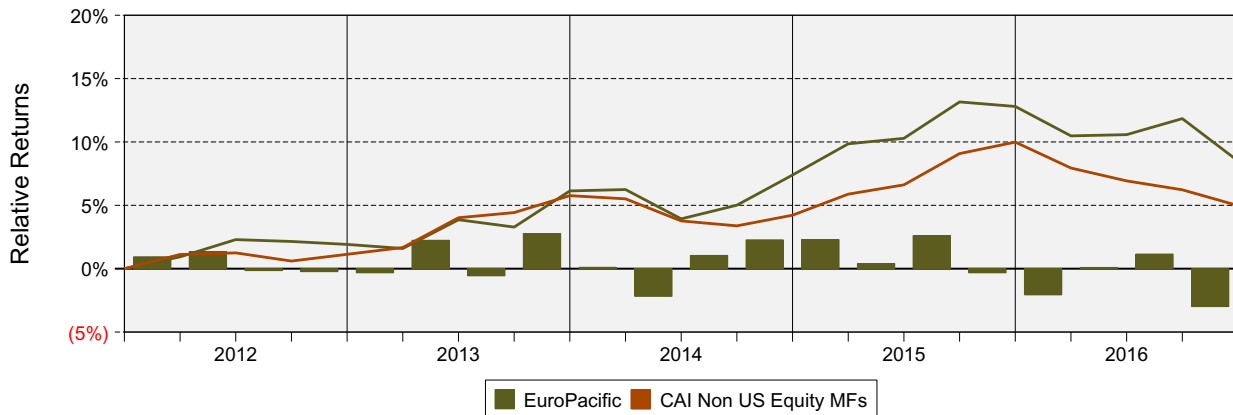
Return Analysis

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 and returns for rising/declining periods.

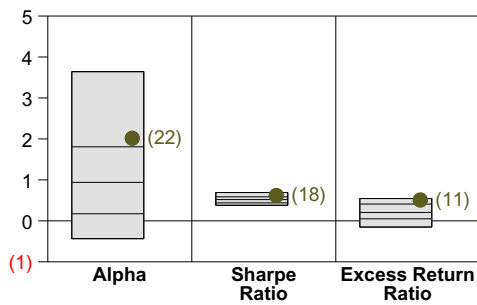
Performance vs CAI Non US Equity Mutual Funds (Net)



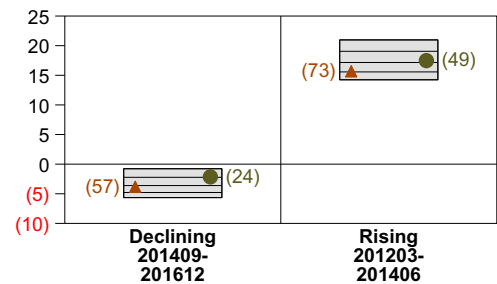
Cumulative and Quarterly Relative Return vs MSCI ACWixUS Gross



Risk Adjusted Return Measures vs MSCI ACWixUS Gross Rankings Against CAI Non US Equity Mutual Funds (Net) Five Years Ended December 31, 2016



Returns for International Equity Rising/Declining Periods Five Years Ended December 31, 2016

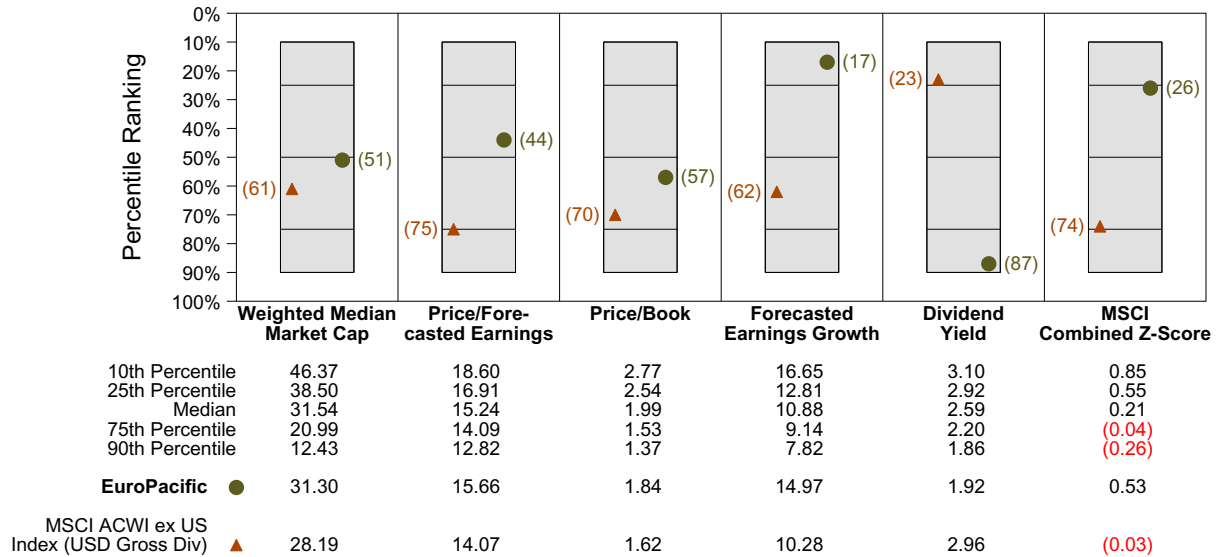


EuroPacific Equity Characteristics Analysis Summary

Portfolio Characteristics

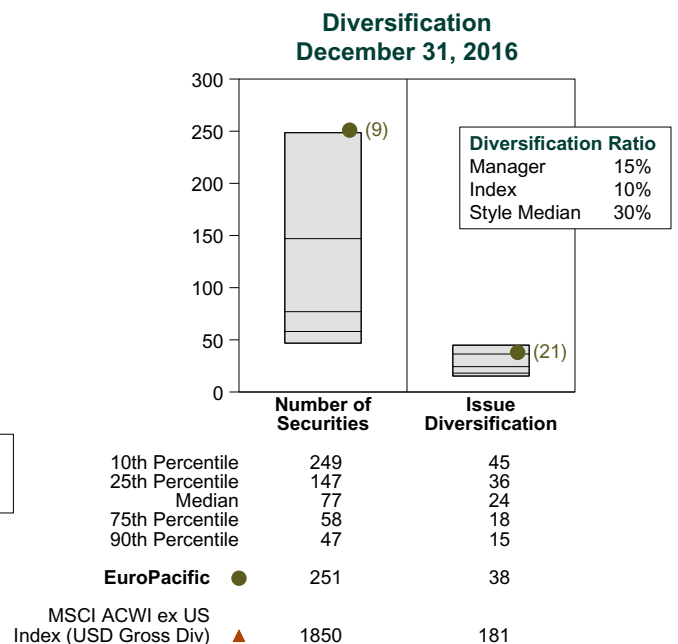
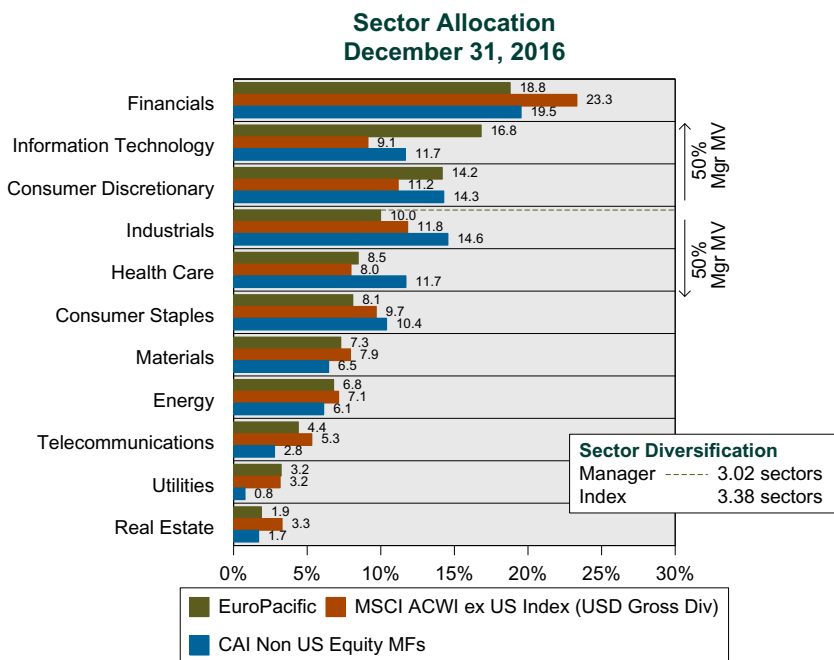
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Portfolio Characteristics Percentile Rankings Rankings Against CAI Non US Equity Mutual Funds as of December 31, 2016



Sector Weights

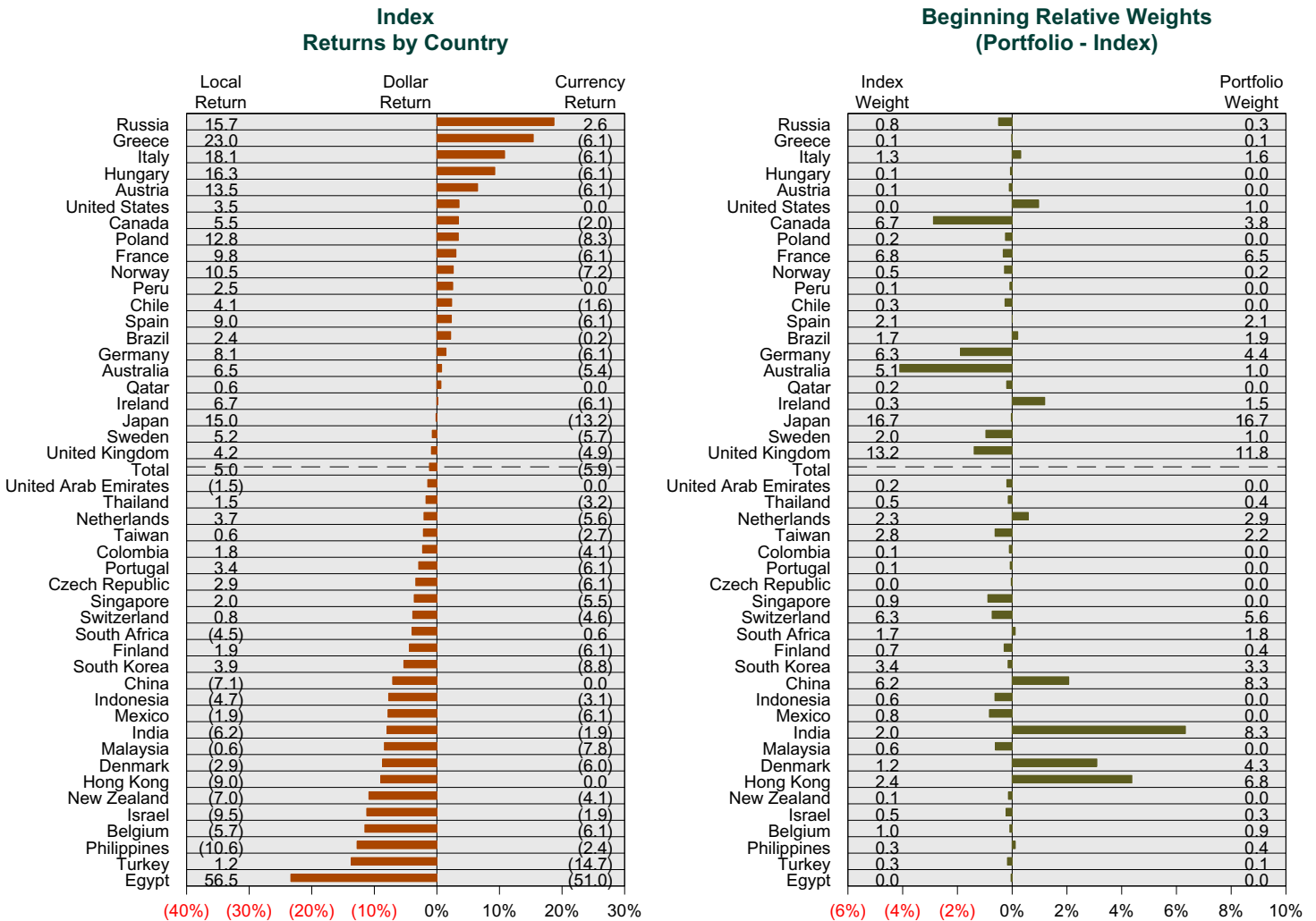
The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration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



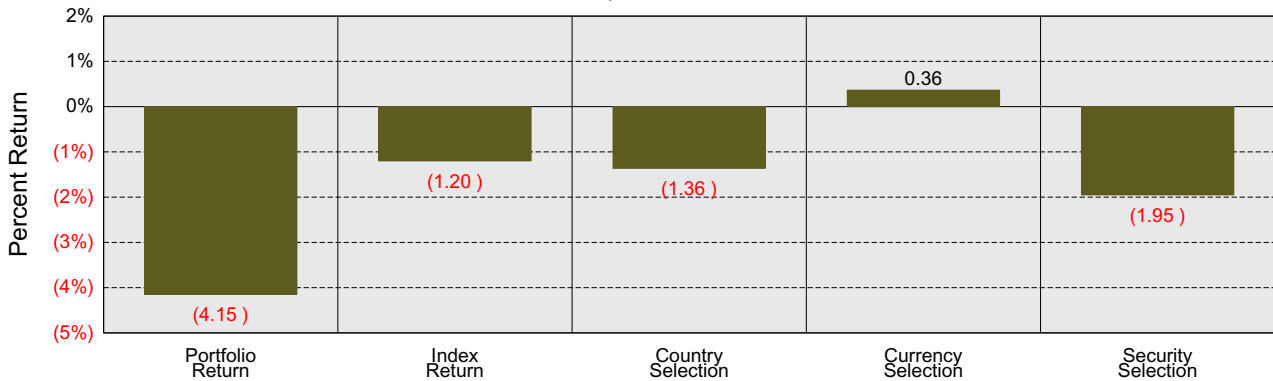
EuroPacific vs MSCI ACWixUS Gross Attribution for Quarter Ended December 31, 2016

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 December 31, 2016



Harbor International Period Ended December 31, 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.

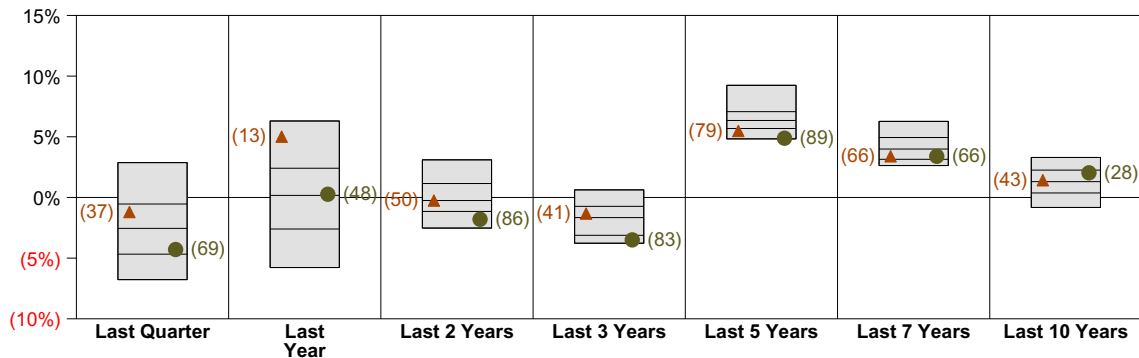
Quarterly Summary and Highlights

- Harbor International's portfolio posted a (4.29)% return for the quarter placing it in the 69 percentile of the CAI Non US Equity Mutual Funds group for the quarter and in the 48 percentile for the last year.
- Harbor International's portfolio underperformed the MSCI ACWixUS Gross by 3.09% for the quarter and underperformed the MSCI ACWixUS Gross for the year by 4.75%.

Quarterly Asset Growth

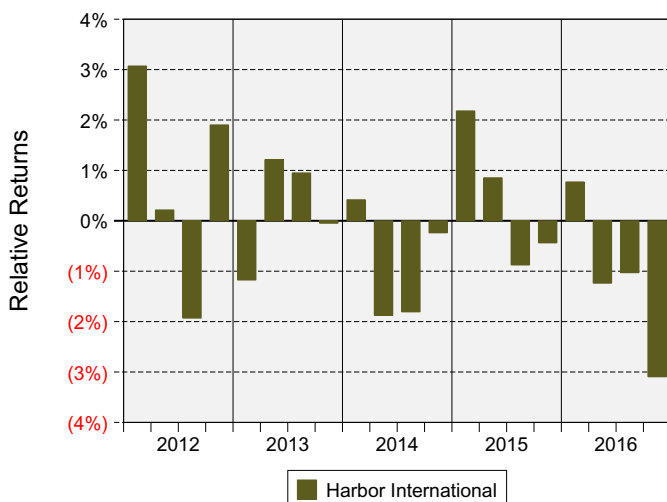
Beginning Market Value	\$28,537,578
Net New Investment	\$0
Investment Gains/(Losses)	\$-1,224,575
Ending Market Value	\$27,313,002

Performance vs CAI Non US Equity Mutual Funds (Net)

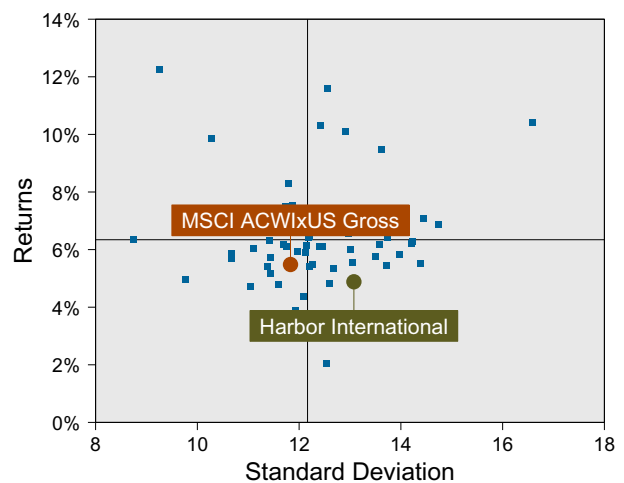


	Last Quarter	Last Year	Last 2 Years	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
10th Percentile	2.87	6.30	3.10	0.63	9.24	6.27	3.29
25th Percentile	(0.54)	2.41	1.15	(0.73)	7.07	4.94	2.25
Median	(2.55)	0.17	(0.25)	(1.66)	6.34	3.99	1.30
75th Percentile	(4.67)	(2.60)	(1.15)	(3.12)	5.68	3.14	0.37
90th Percentile	(6.77)	(5.78)	(2.52)	(3.77)	4.83	2.63	(0.82)
Harbor International ●	(4.29)	0.27	(1.80)	(3.50)	4.88	3.39	2.03
MSCI ACWixUS Gross ▲	(1.20)	5.01	(0.25)	(1.32)	5.48	3.39	1.42

Relative Return vs MSCI ACWixUS Gross



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

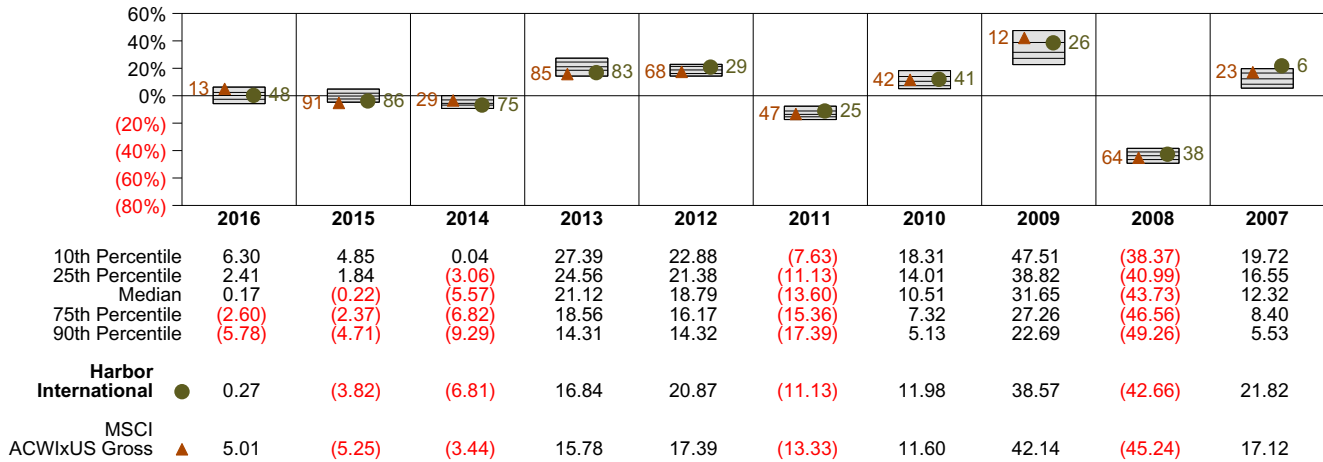


Harbor International Return Analysis Summary

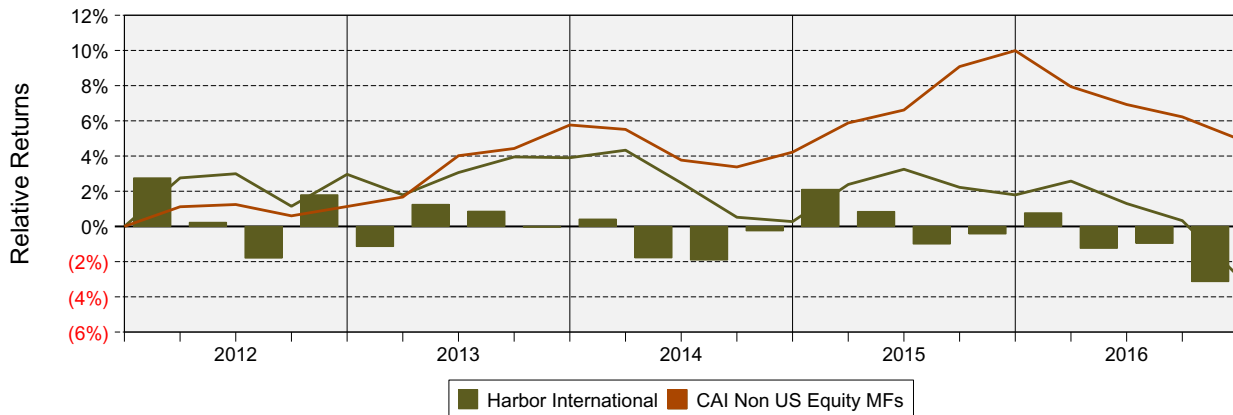
Return Analysis

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 and returns for rising/declining periods.

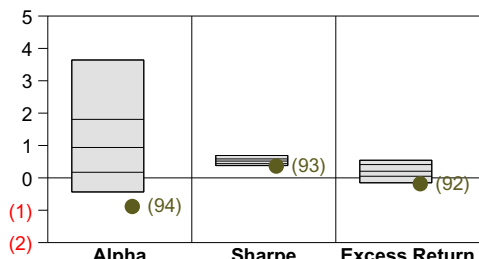
Performance vs CAI Non US Equity Mutual Funds (Net)



Cumulative and Quarterly Relative Return vs MSCI ACWixUS Gross

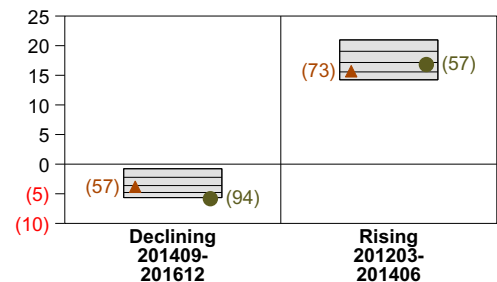


Risk Adjusted Return Measures vs MSCI ACWixUS Gross Rankings Against CAI Non US Equity Mutual Funds (Net) Five Years Ended December 31, 2016



	Alpha	Sharpe Ratio	Excess Return Ratio
10th Percentile	3.64	0.69	0.54
25th Percentile	1.81	0.59	0.41
Median	0.94	0.52	0.21
75th Percentile	0.17	0.44	0.05
90th Percentile	(0.44)	0.38	(0.15)
Harbor International	(0.88)	0.36	(0.18)

Returns for International Equity Rising/Declining Periods Five Years Ended December 31, 2016



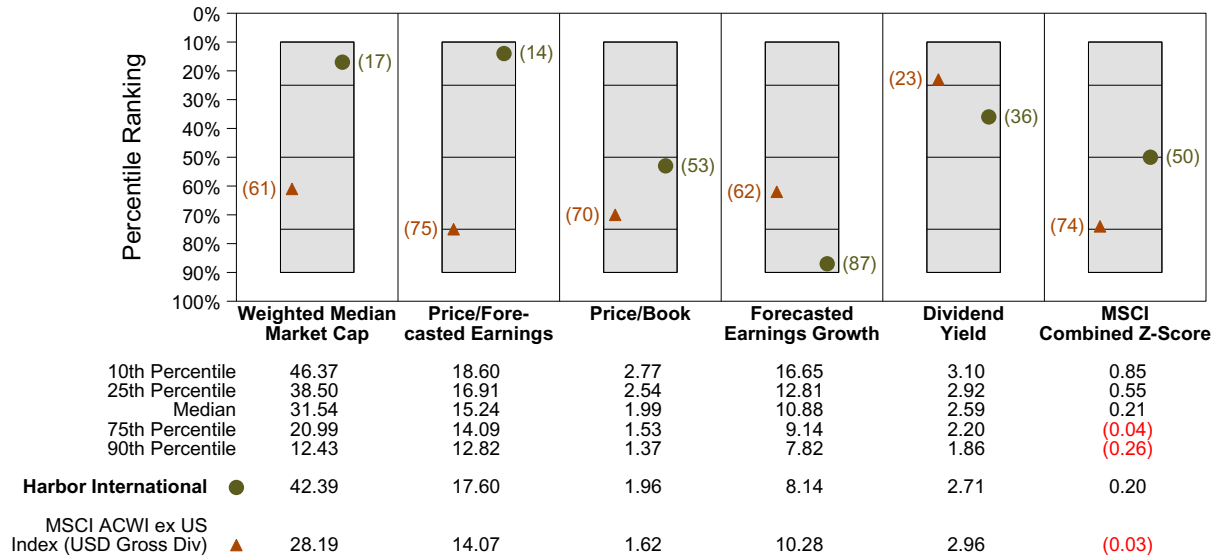
	Declining 2010-2012	Rising 2013-2016
10th Percentile	(0.77)	20.97
25th Percentile	(2.22)	19.05
Median	(3.61)	17.16
75th Percentile	(4.78)	15.57
90th Percentile	(5.65)	14.24
Harbor International	(5.83)	16.81
MSCI ACWixUS Gross	(3.82)	15.68

Harbor International Equity Characteristics Analysis Summary

Portfolio Characteristics

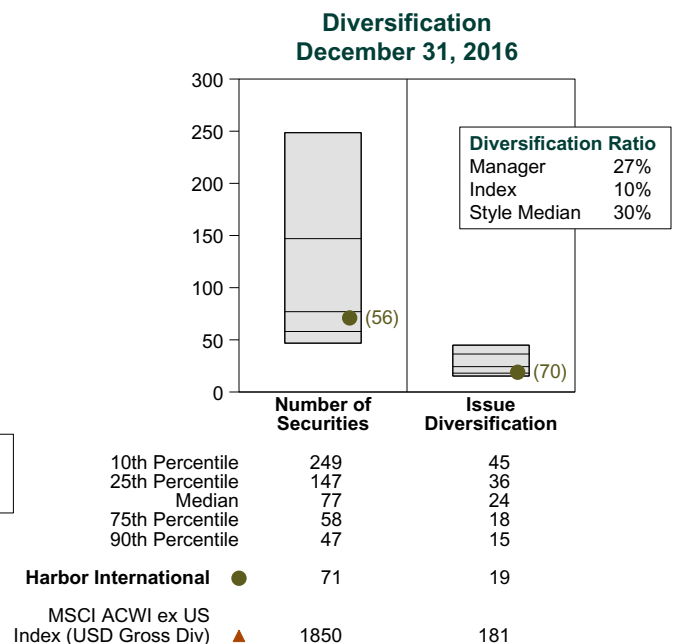
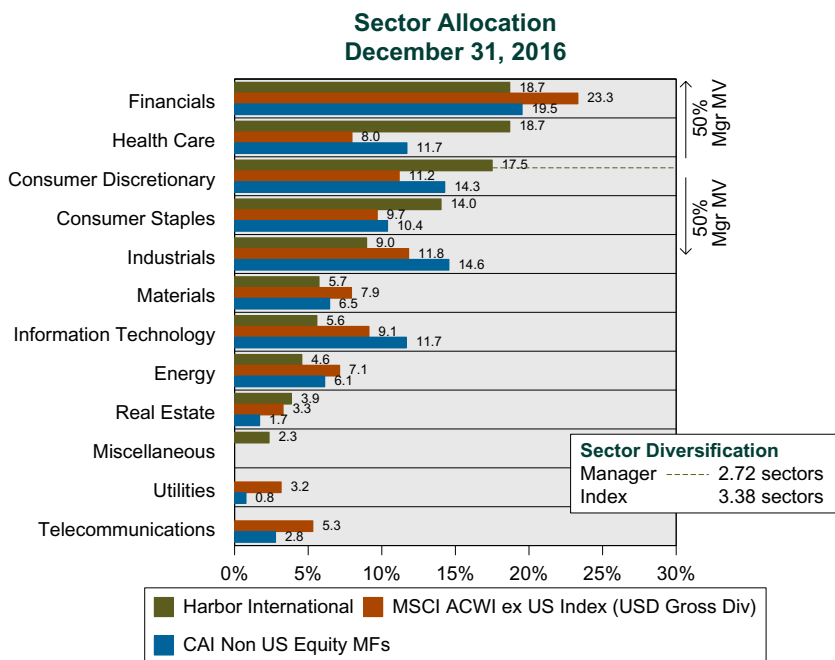
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Portfolio Characteristics Percentile Rankings Rankings Against CAI Non US Equity Mutual Funds as of December 31, 2016



Sector Weights

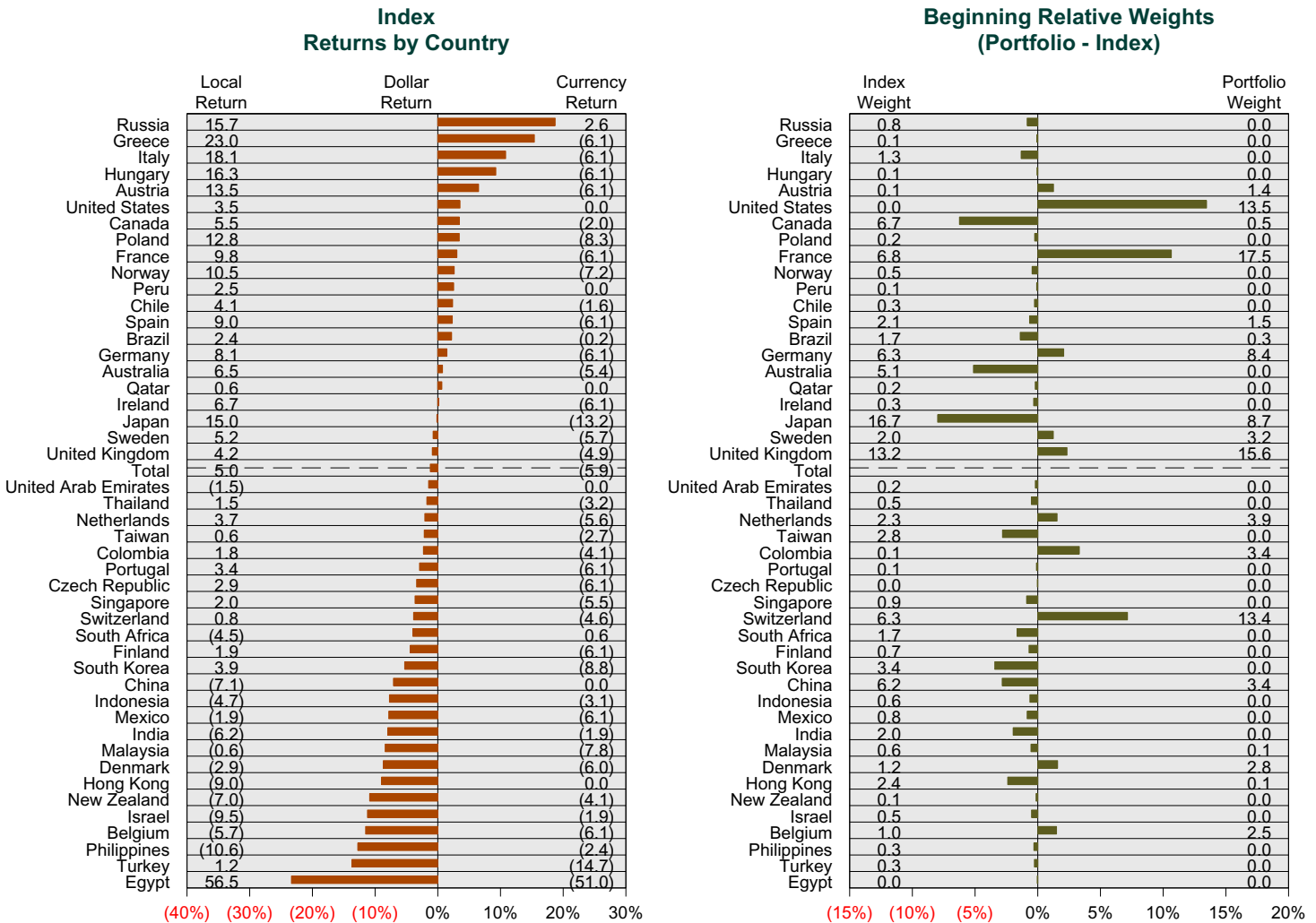
The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration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



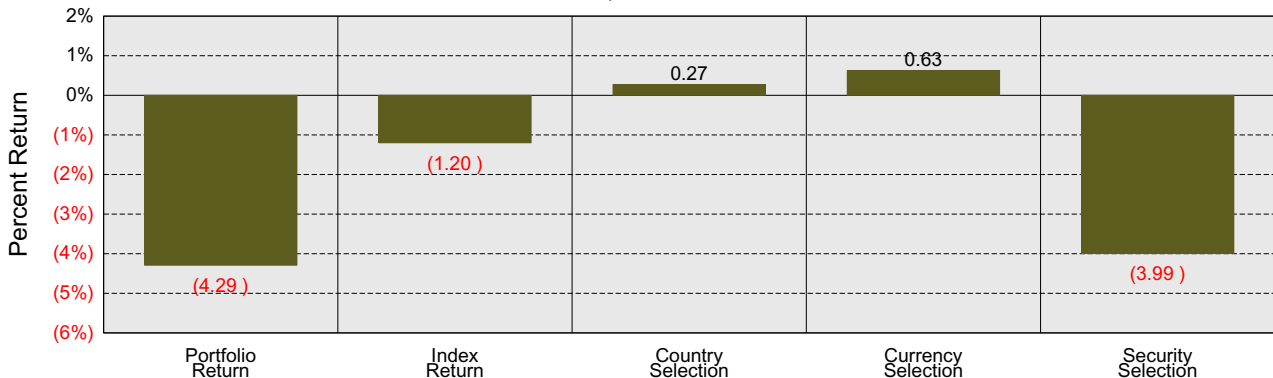
Harbor International vs MSCI ACWIxUS Gross Attribution for Quarter Ended December 31, 2016

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 December 31, 2016



Columbia Acorn International Period Ended December 31, 2016

Investment Philosophy

International Small Cap funds invest at least 65% of their assets in equity securities of non-United States companies with a market capitalization of less than US \$1 billion at the time of purchase. Switched from Class Z shares to Class Y shares in February 2014.

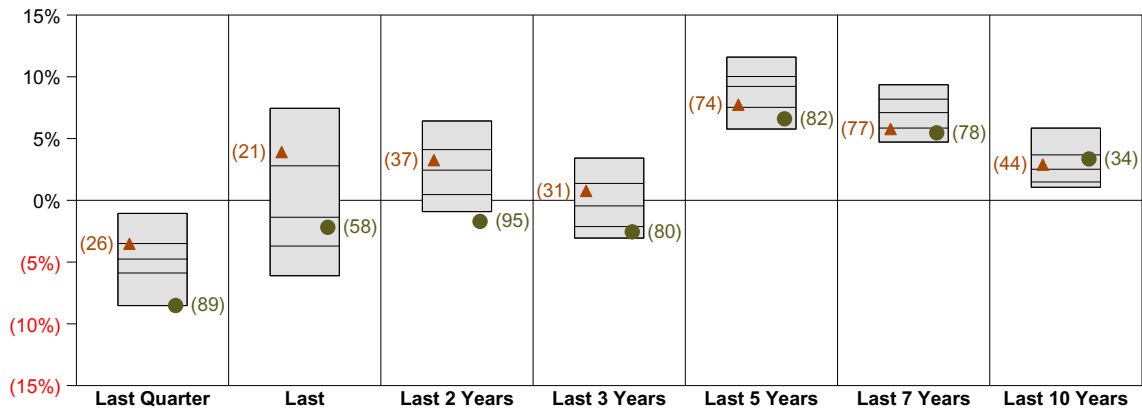
Quarterly Summary and Highlights

- Columbia Acorn International's portfolio posted a (8.52)% return for the quarter placing it in the 89 percentile of the CAI International Small Cap Mut Funds group for the quarter and in the 58 percentile for the last year.
- Columbia Acorn International's portfolio underperformed the MSCI ACWI ex US Small Cap by 5.00% for the quarter and underperformed the MSCI ACWI ex US Small Cap for the year by 6.10%.

Quarterly Asset Growth

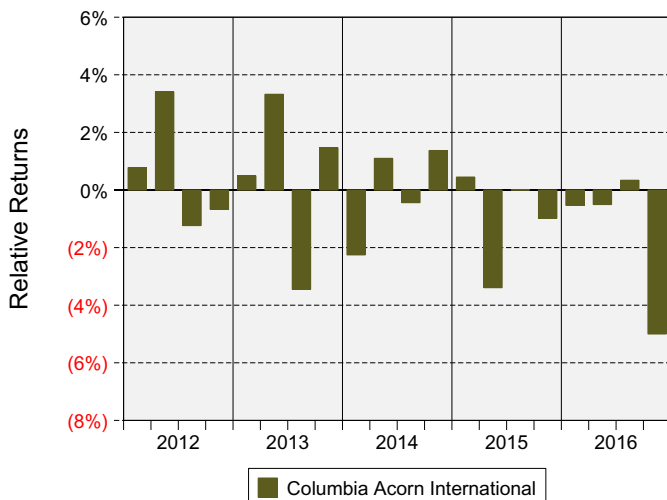
Beginning Market Value	\$15,682,357
Net New Investment	\$0
Investment Gains/(Losses)	\$-1,335,478
Ending Market Value	\$14,346,879

Performance vs CAI International Small Cap Mut Funds (Net)

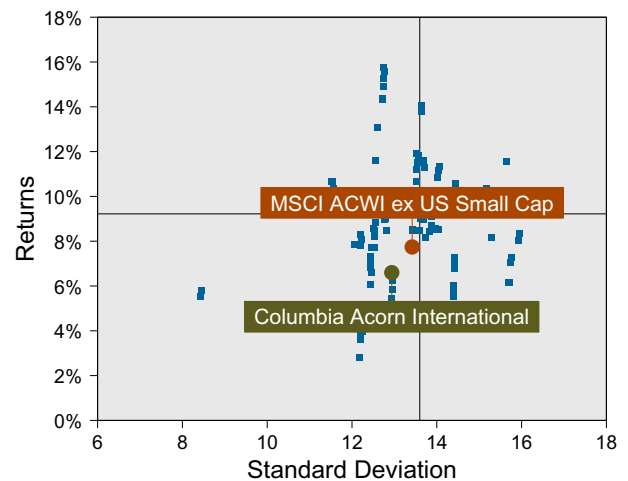


10th Percentile	(1.06)	7.45	6.42	3.42	11.59	9.36	5.85
25th Percentile	(3.50)	2.79	4.11	1.37	10.02	8.19	3.68
Median	(4.76)	(1.37)	2.44	(0.45)	9.22	7.10	2.51
75th Percentile	(5.88)	(3.70)	0.46	(2.13)	7.53	5.85	1.49
90th Percentile	(8.52)	(6.10)	(0.91)	(3.06)	5.77	4.72	1.06
Columbia Acorn International	● (8.52)	(2.19)	(1.71)	(2.55)	6.60	5.46	3.35
MSCI ACWI ex US Small Cap	▲ (3.52)	3.91	3.25	0.76	7.74	5.78	2.89

Relative Returns vs MSCI ACWI ex US Small Cap



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

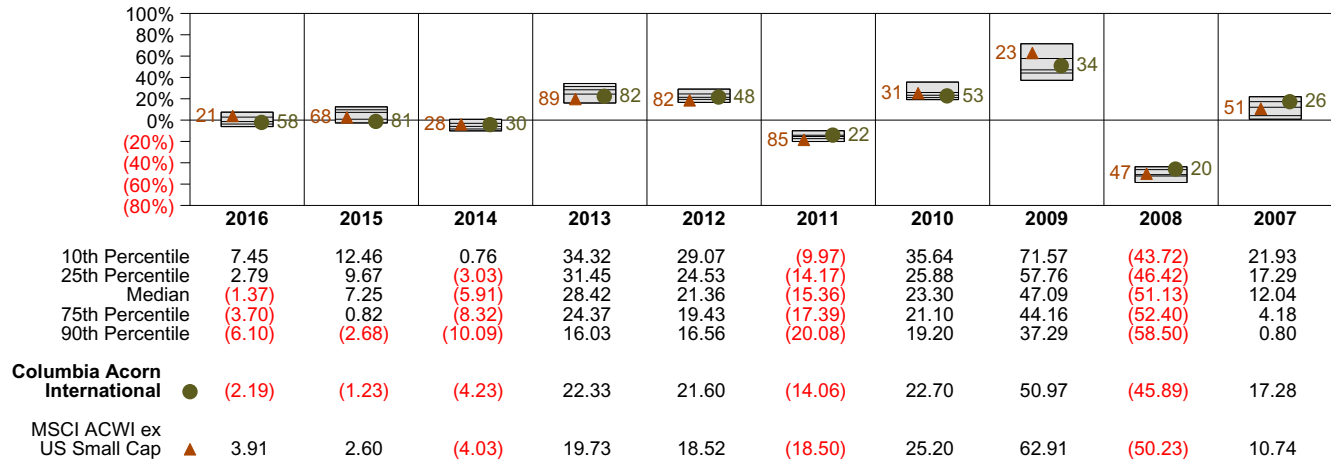


Columbia Acorn International Return Analysis Summary

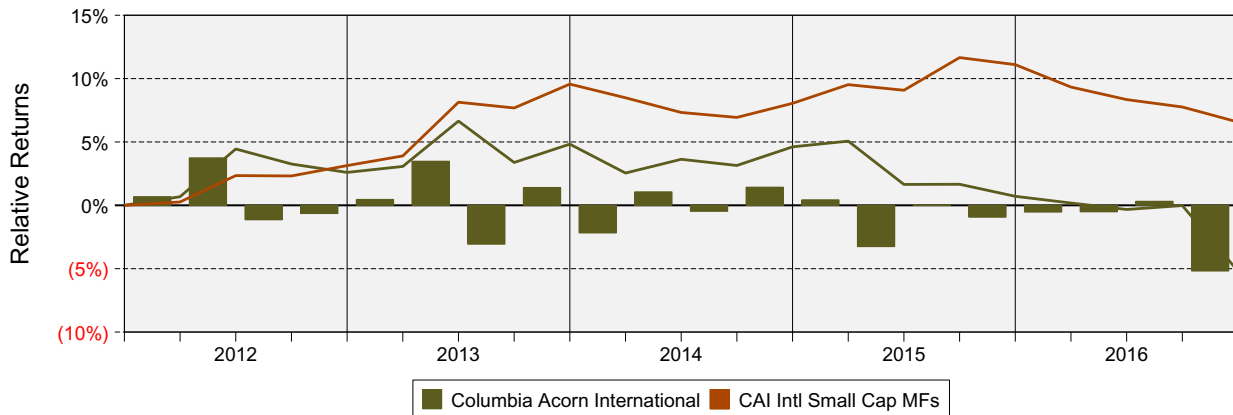
Return Analysis

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 and returns for rising/declining periods.

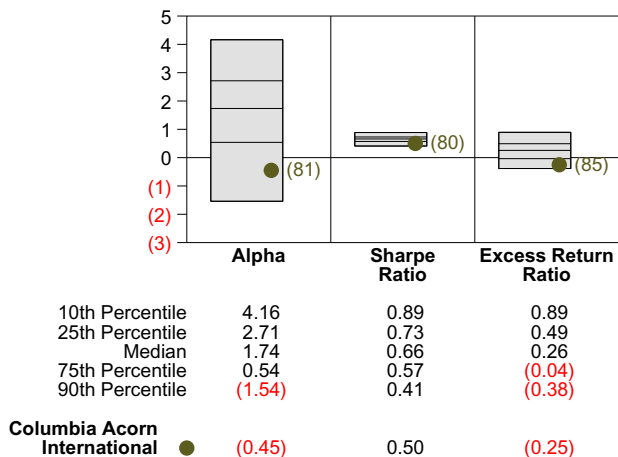
Performance vs CAI International Small Cap Mut Funds (Net)



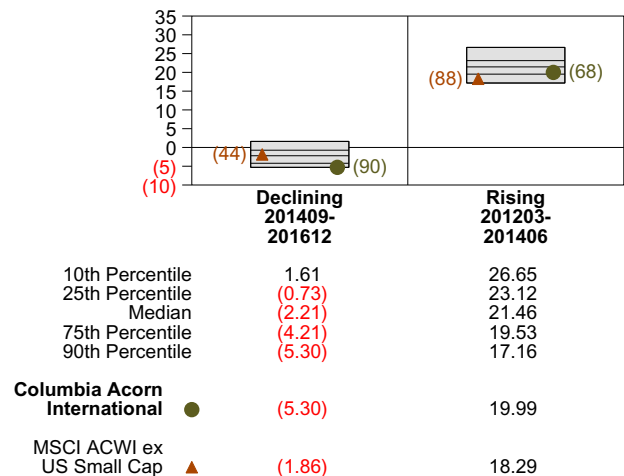
Cumulative and Quarterly Relative Return vs MSCI ACWI ex US Small Cap



Risk Adjusted Return Measures vs MSCI ACWI ex US Small Cap Rankings Against CAI International Small Cap Mut Funds (Net) Five Years Ended December 31, 2016



Returns for International Equity Rising/Declining Periods Five Years Ended December 31, 2016

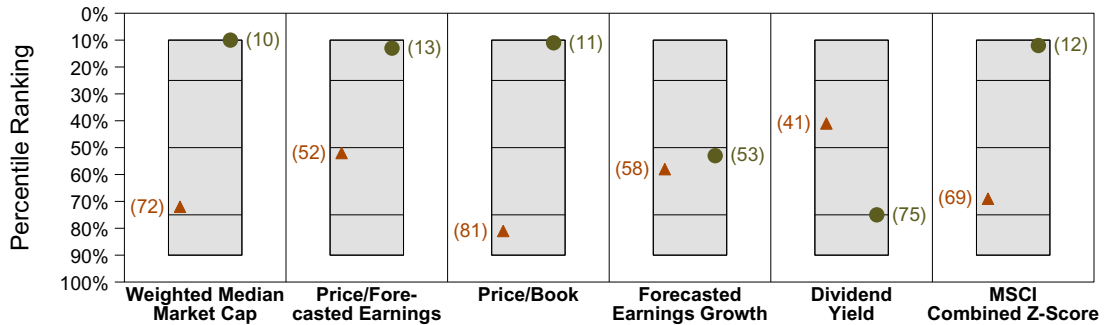


Columbia Acorn International Equity Characteristics Analysis Summary

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 International Small Cap Mut Funds as of December 31, 2016

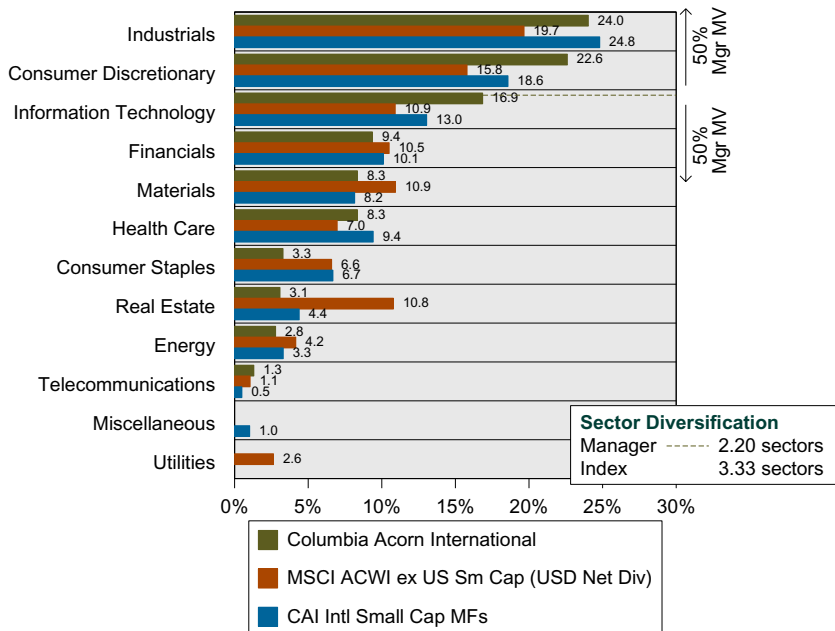


	Weighted Median Market Cap	Price/Forecasted Earnings	Price/Book	Forecasted Earnings Growth	Dividend Yield	MSCI Combined Z-Score
10th Percentile	4.34	20.79	3.21	19.70	3.11	1.01
25th Percentile	2.85	17.95	2.64	16.49	2.50	0.68
Median	2.14	15.68	1.99	14.07	2.13	0.22
75th Percentile	1.44	14.61	1.60	10.89	1.89	(0.07)
90th Percentile	0.90	13.84	1.32	8.11	1.47	(0.27)
Columbia Acorn International	4.42	19.45	3.20	13.45	1.90	0.97
MSCI ACWI ex US Sm Cap (USD Net Div)	1.56	15.61	1.48	12.52	2.32	(0.01)

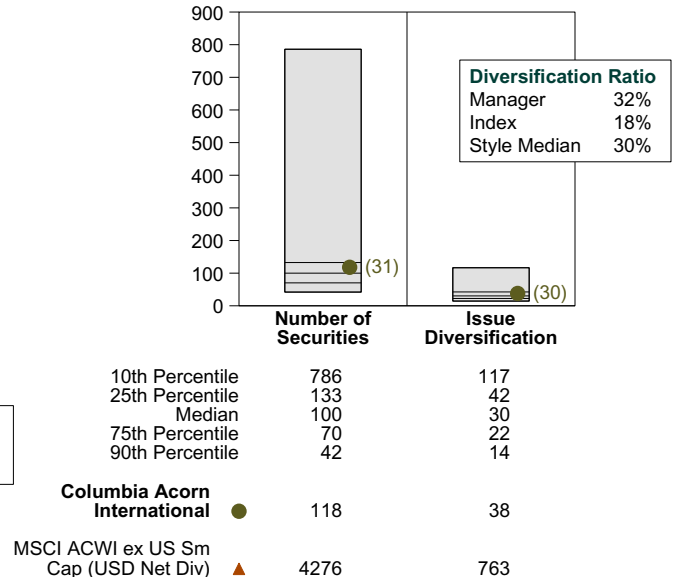
Sector Weights

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 December 31, 2016



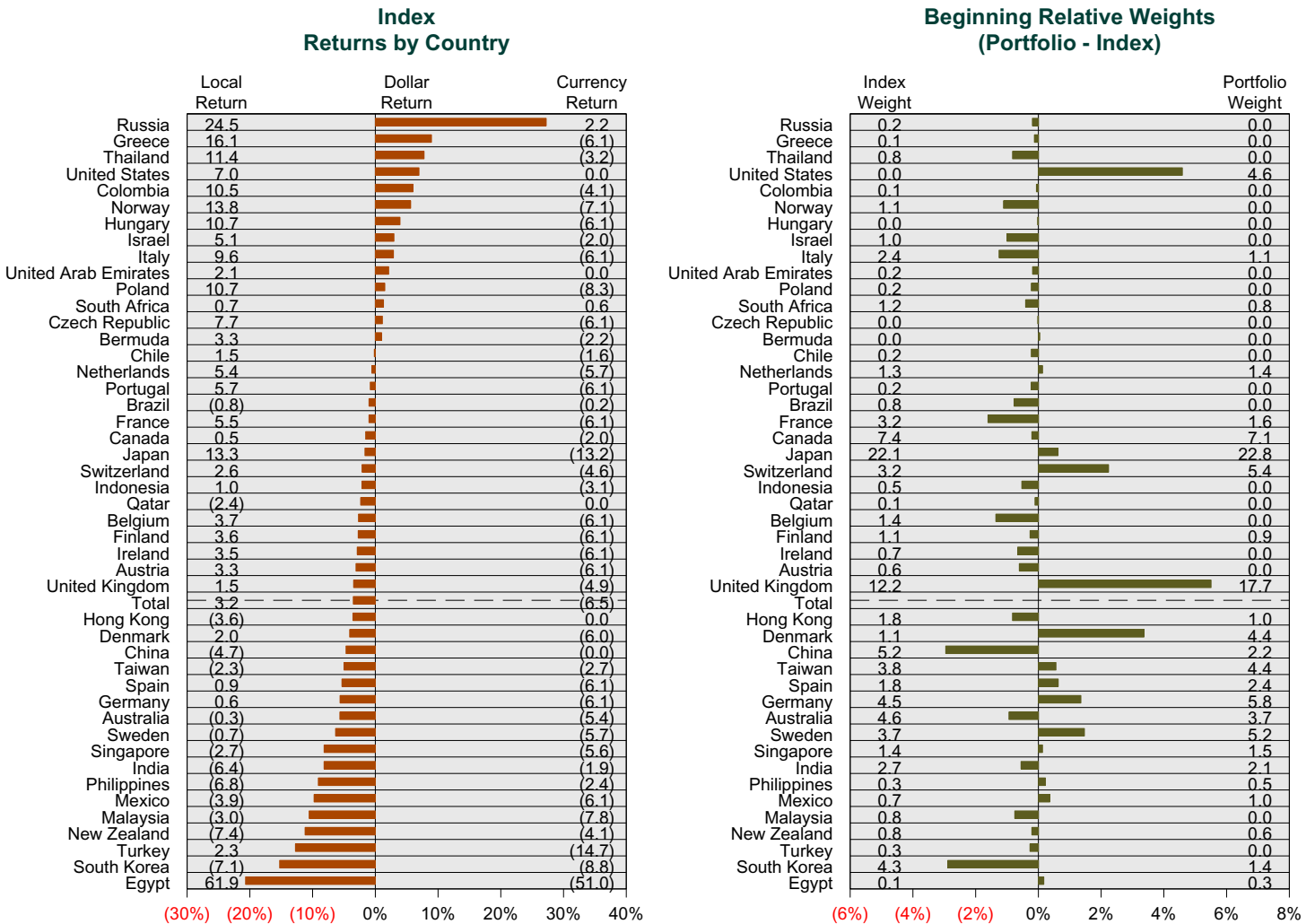
Diversification December 31, 2016



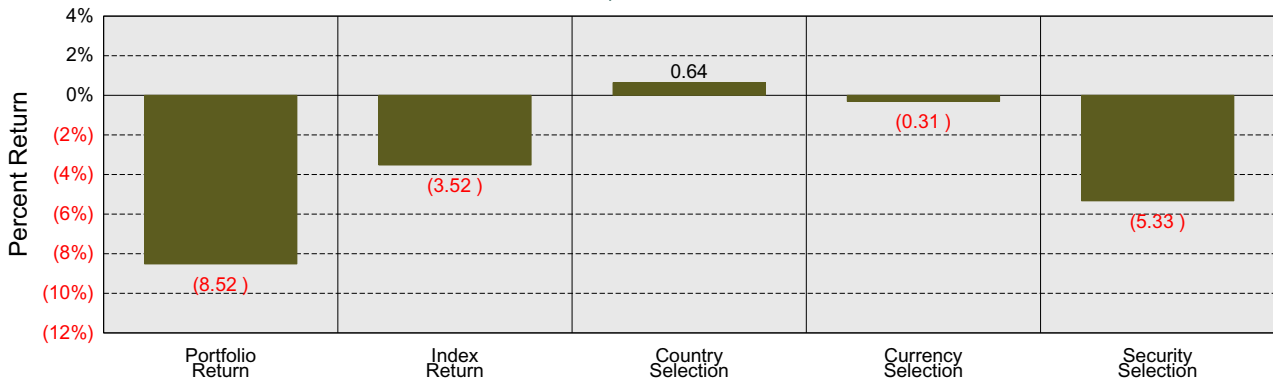
Columbia Acorn International vs MSCI ACWI ex US Small Cap Attribution for Quarter Ended December 31, 2016

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 December 31, 2016



Oakmark International

Period Ended December 31, 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.

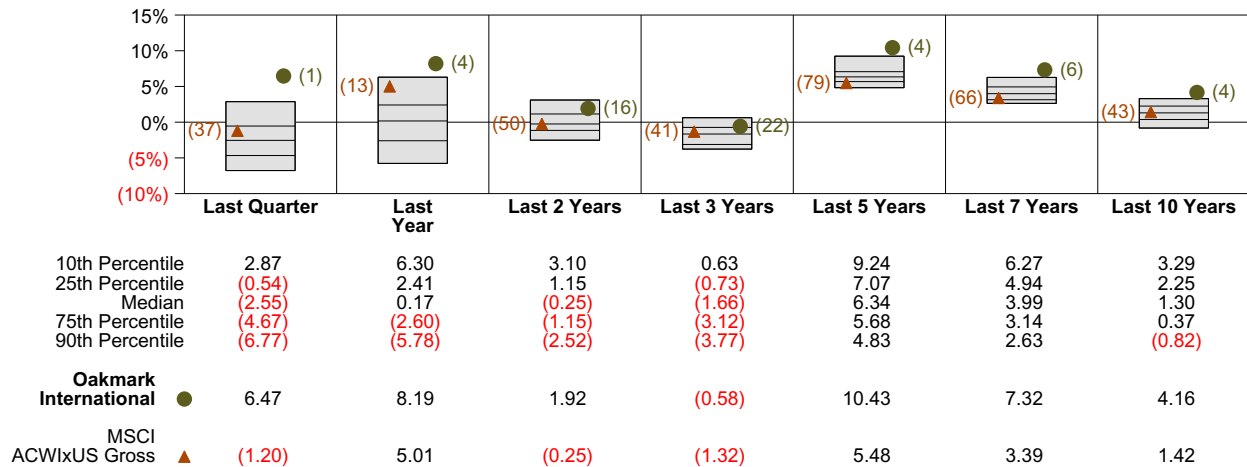
Quarterly Summary and Highlights

- Oakmark International's portfolio posted a 6.47% return for the quarter placing it in the 1 percentile of the CAI Non US Equity Mutual Funds group for the quarter and in the 4 percentile for the last year.
- Oakmark International's portfolio outperformed the MSCI ACWixUS Gross by 7.66% for the quarter and outperformed the MSCI ACWixUS Gross for the year by 3.18%.

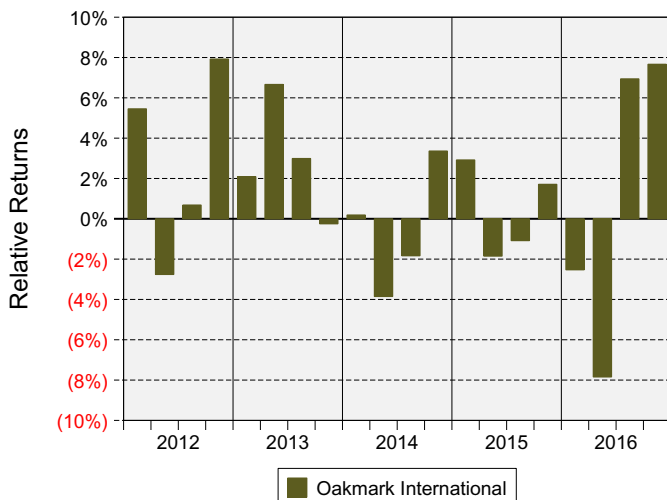
Quarterly Asset Growth

Beginning Market Value	\$29,128,800
Net New Investment	\$0
Investment Gains/(Losses)	\$1,883,439
Ending Market Value	\$31,012,239

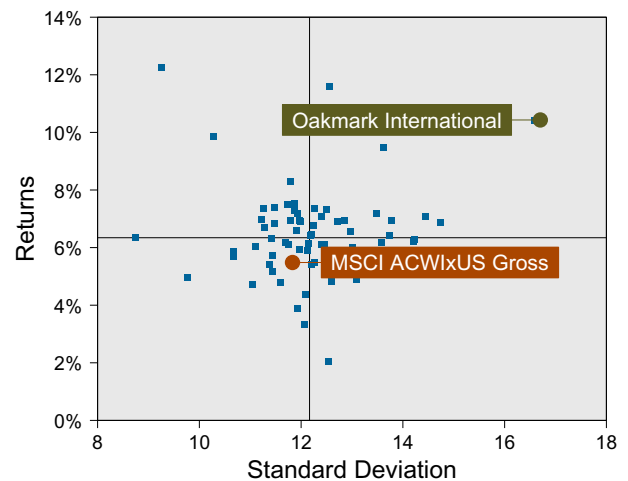
Performance vs CAI Non US Equity Mutual Funds (Net)



Relative Return vs MSCI ACWixUS Gross



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

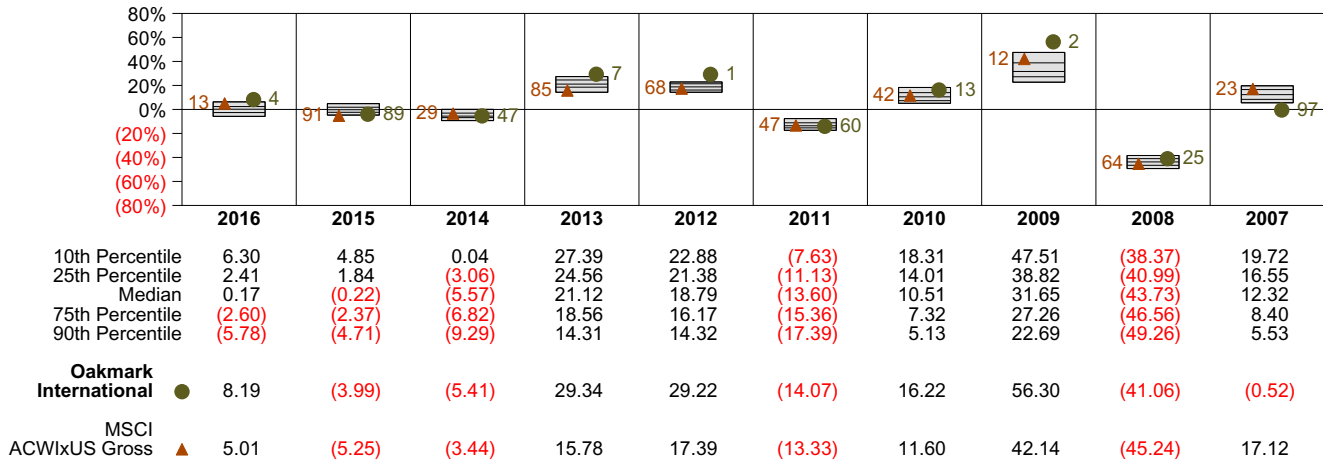


Oakmark International Return Analysis Summary

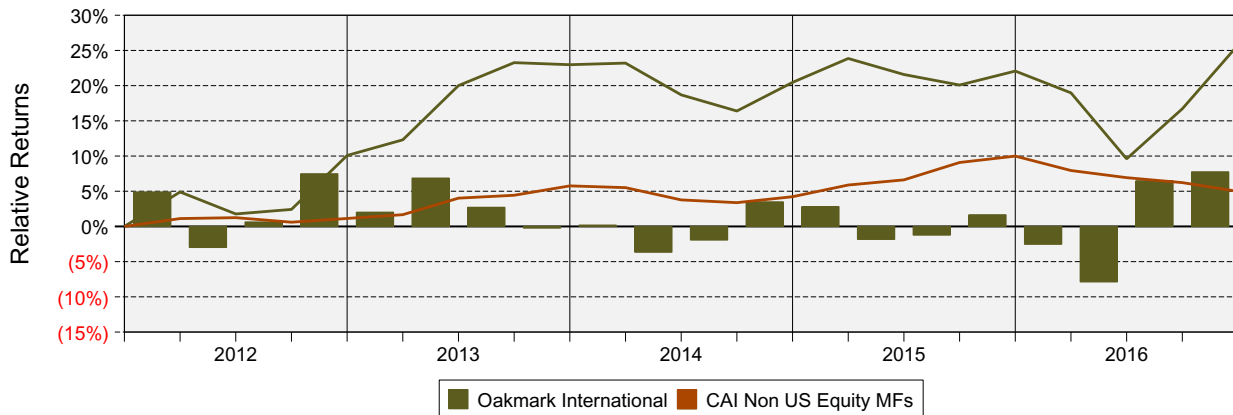
Return Analysis

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 and returns for rising/declining periods.

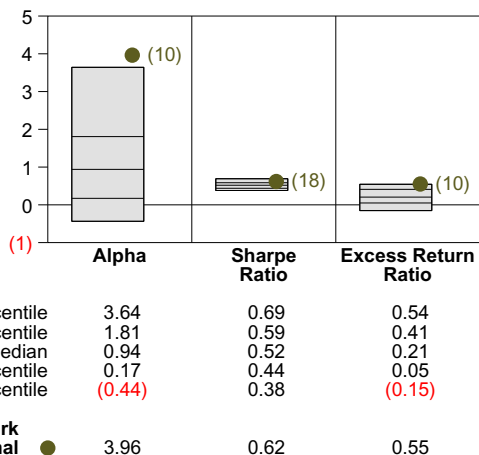
Performance vs CAI Non US Equity Mutual Funds (Net)



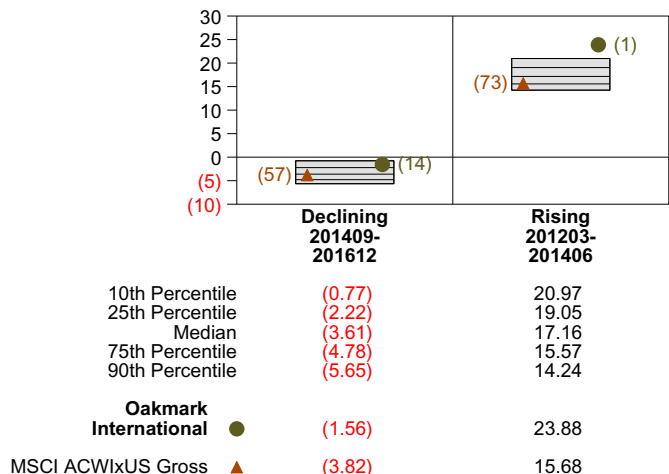
Cumulative and Quarterly Relative Return vs MSCI ACWixUS Gross



Risk Adjusted Return Measures vs MSCI ACWixUS Gross Rankings Against CAI Non US Equity Mutual Funds (Net) Five Years Ended December 31, 2016



Returns for International Equity Rising/Declining Periods Five Years Ended December 31, 2016

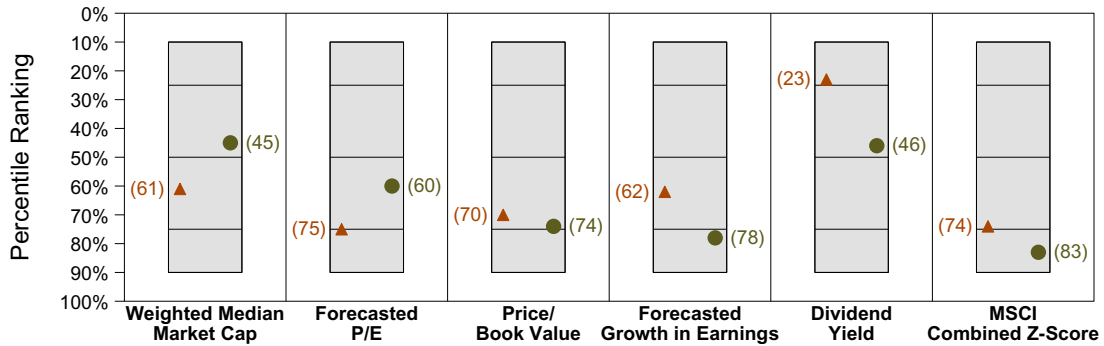


Oakmark International Equity Characteristics Analysis Summary

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 December 31, 2016

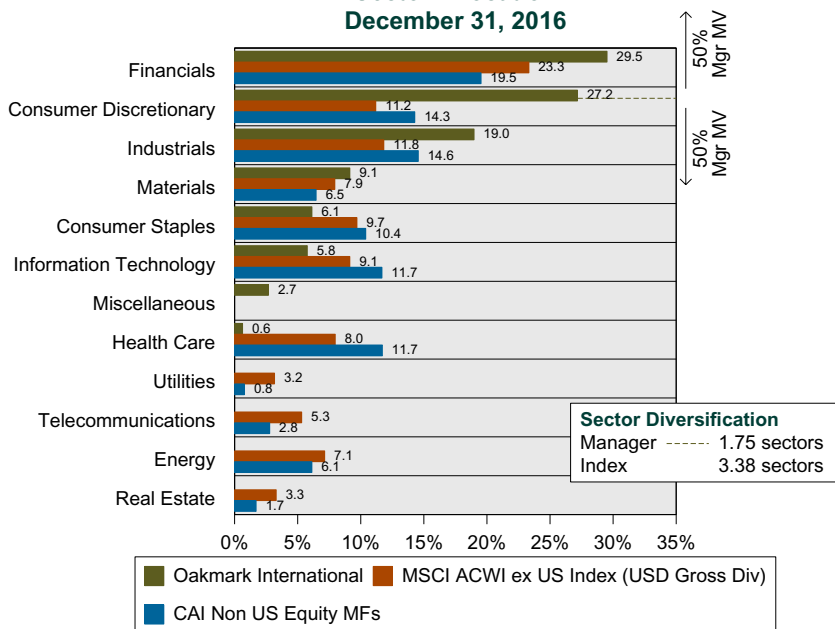


	Weighted Median Market Cap	Forecasted P/E	Price/Book Value	Forecasted Growth in Earnings	Dividend Yield	MSCI Combined Z-Score
10th Percentile	46.37	18.60	2.77	16.65	3.10	0.85
25th Percentile	38.50	16.91	2.54	12.81	2.92	0.55
Median	31.54	15.24	1.99	10.88	2.59	0.21
75th Percentile	20.99	14.09	1.53	9.14	2.20	(0.04)
90th Percentile	12.43	12.82	1.37	7.82	1.86	(0.26)
Oakmark International	31.84	14.62	1.54	9.03	2.62	(0.15)
MSCI ACWI ex US Index (USD Gross Div)	28.19	14.07	1.62	10.28	2.96	(0.03)

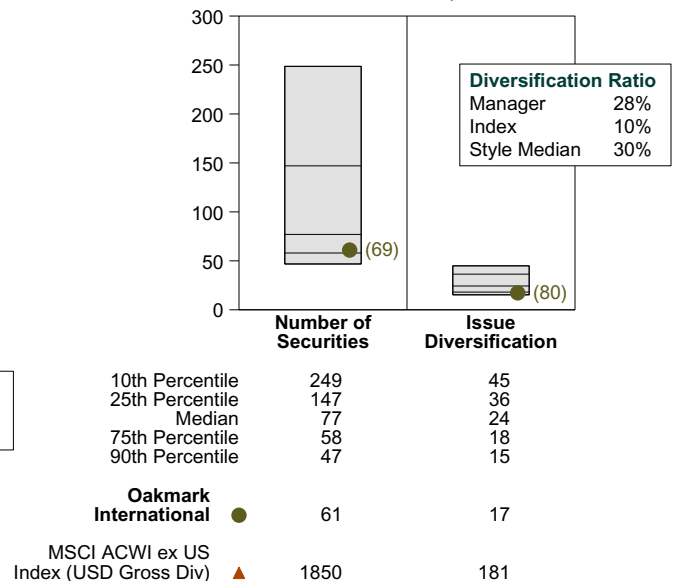
Sector Weights

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 December 31, 2016



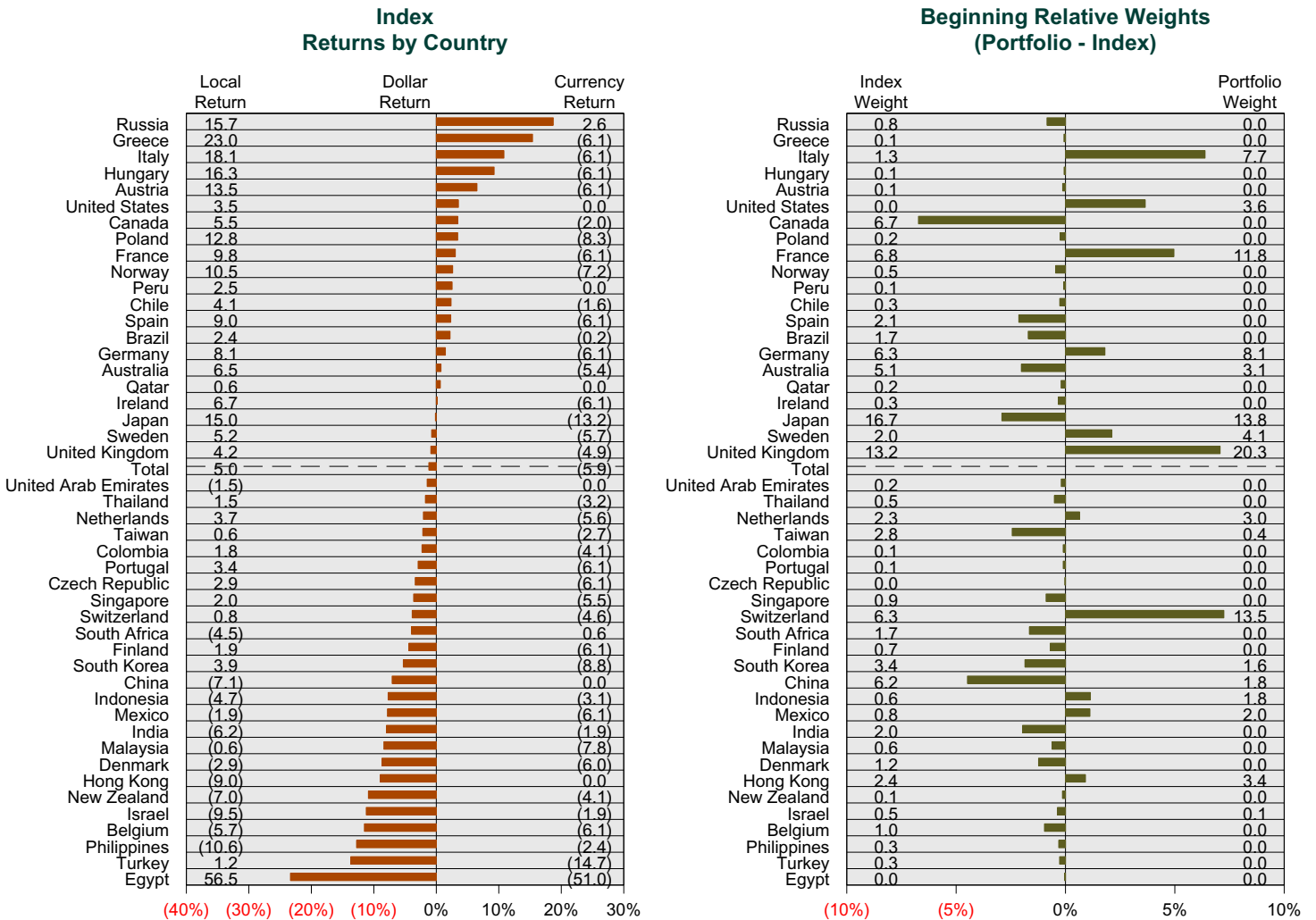
Diversification December 31, 2016



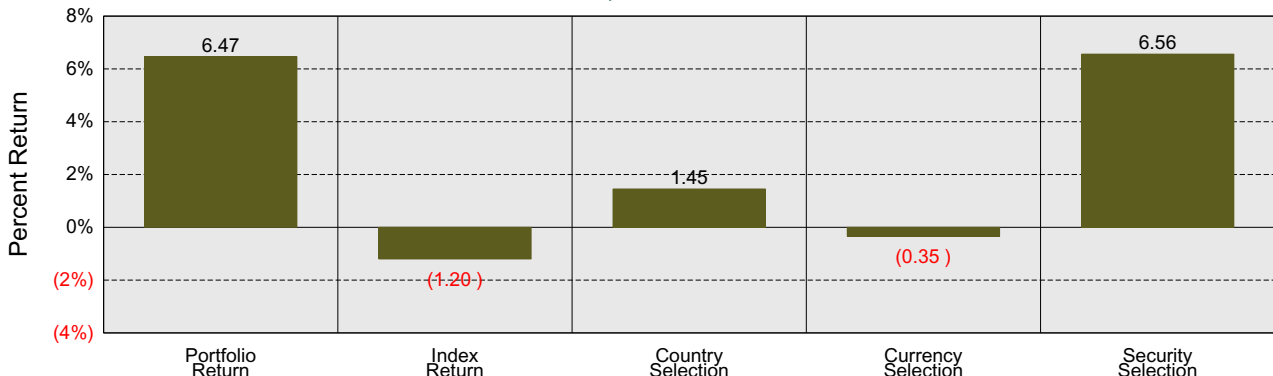
Oakmark International vs MSCI ACWIxUS Gross Attribution for Quarter Ended December 31, 2016

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 December 31, 2016



Mondrian International Period Ended December 31, 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.

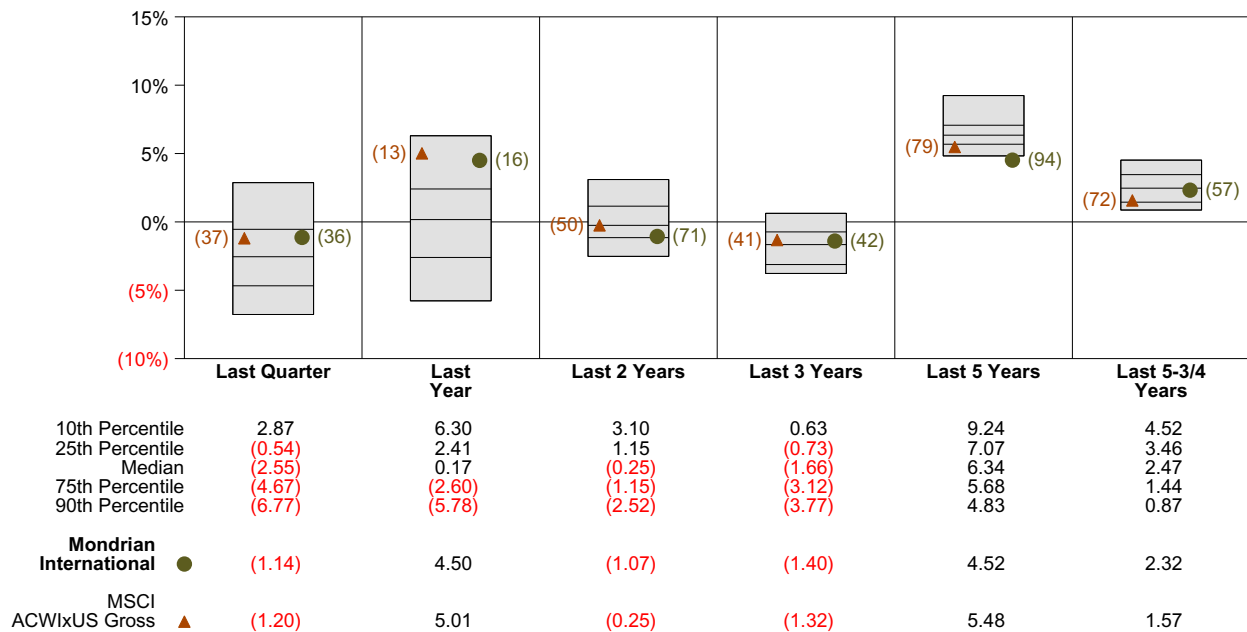
Quarterly Summary and Highlights

- Mondrian International's portfolio posted a (1.14)% return for the quarter placing it in the 36 percentile of the CAI Non US Equity Mutual Funds group for the quarter and in the 16 percentile for the last year.
- Mondrian International's portfolio outperformed the MSCI ACWIxUS Gross by 0.06% for the quarter and underperformed the MSCI ACWIxUS Gross for the year by 0.52%.

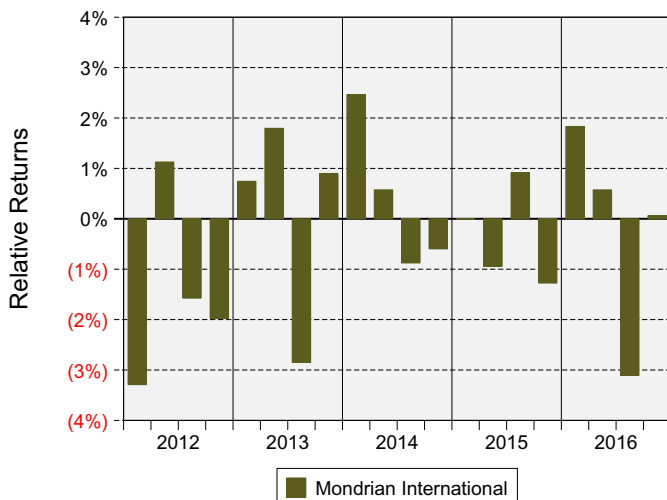
Quarterly Asset Growth

Beginning Market Value	\$23,777,293
Net New Investment	\$4,585,294
Investment Gains/(Losses)	\$-267,392
Ending Market Value	\$28,095,195

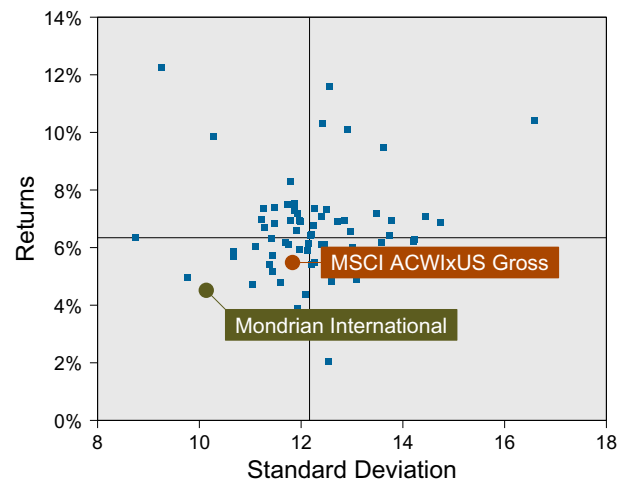
Performance vs CAI Non US Equity Mutual Funds (Net)



Relative Return vs MSCI ACWIxUS Gross



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

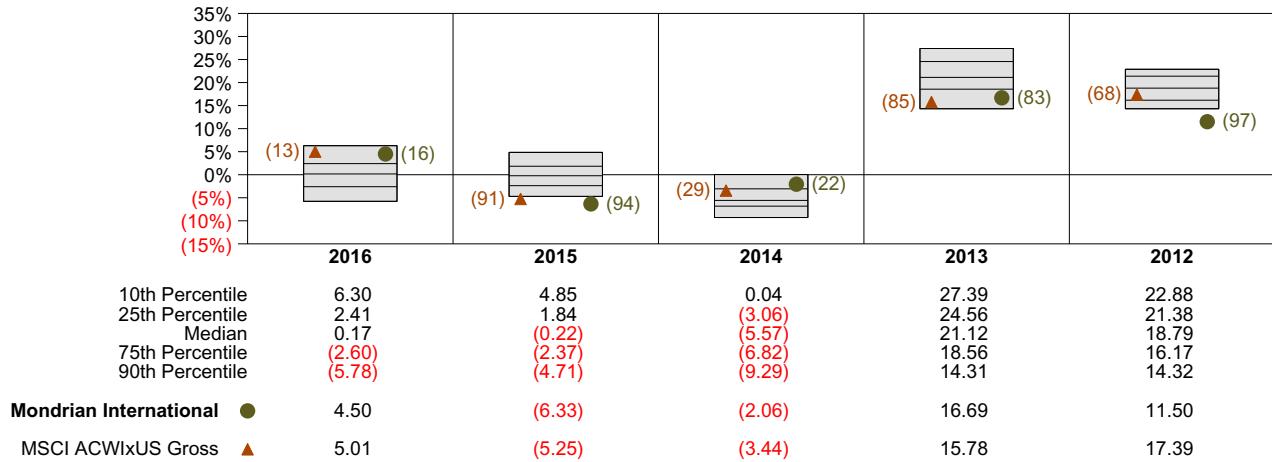


Mondrian International Return Analysis Summary

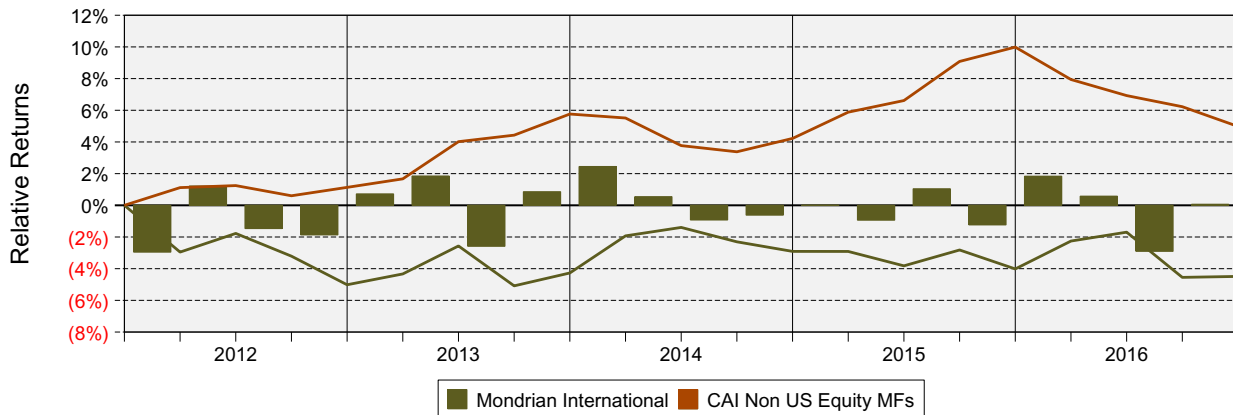
Return Analysis

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 and returns for rising/declining periods.

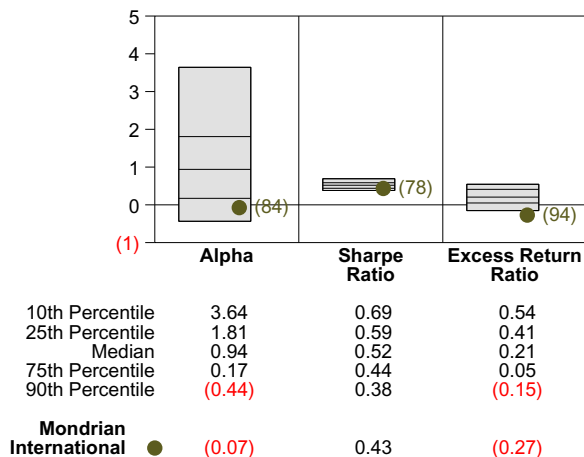
Performance vs CAI Non US Equity Mutual Funds (Net)



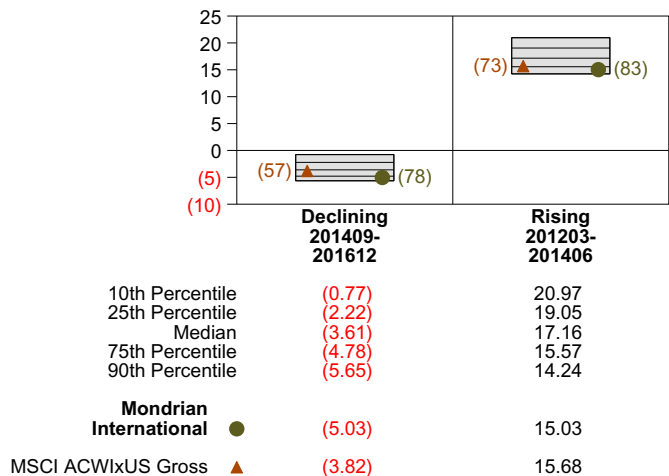
Cumulative and Quarterly Relative Return vs MSCI ACWixUS Gross



Risk Adjusted Return Measures vs MSCI ACWixUS Gross Rankings Against CAI Non US Equity Mutual Funds (Net) Five Years Ended December 31, 2016



Returns for International Equity Rising/Declining Periods Five Years Ended December 31, 2016

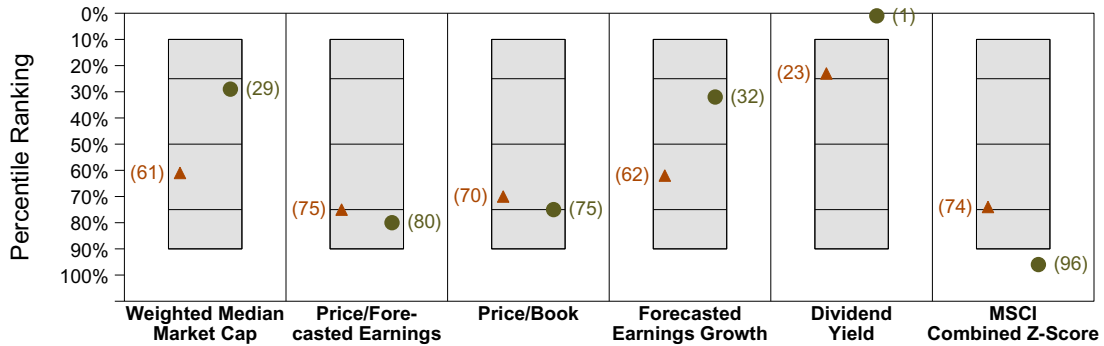


Mondrian International Equity Characteristics Analysis Summary

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.

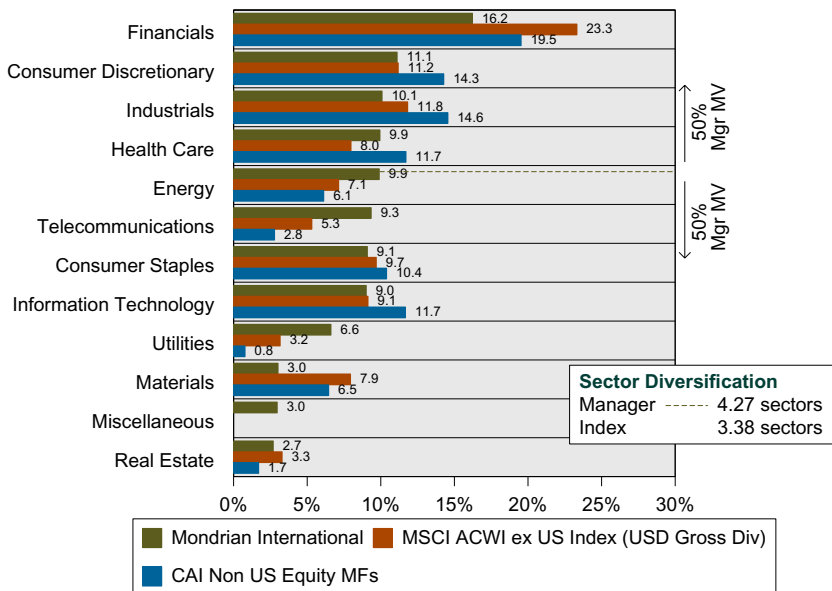
Portfolio Characteristics Percentile Rankings Rankings Against CAI Non US Equity Mutual Funds as of December 31, 2016



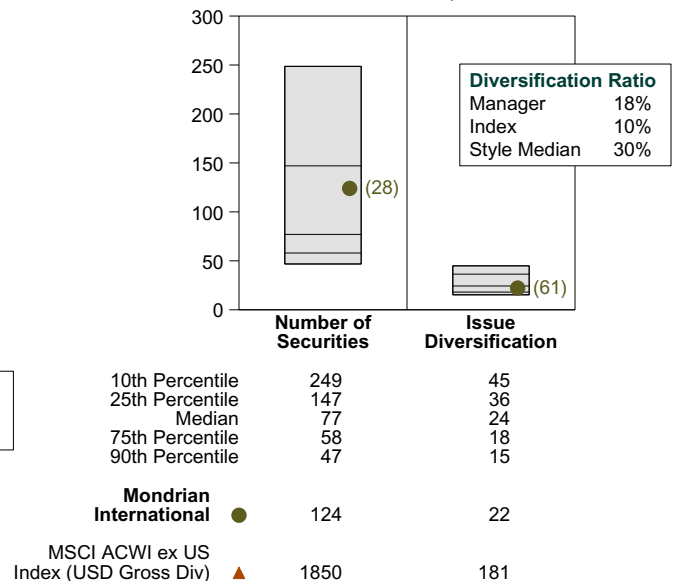
Sector Weights

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 December 31, 2016



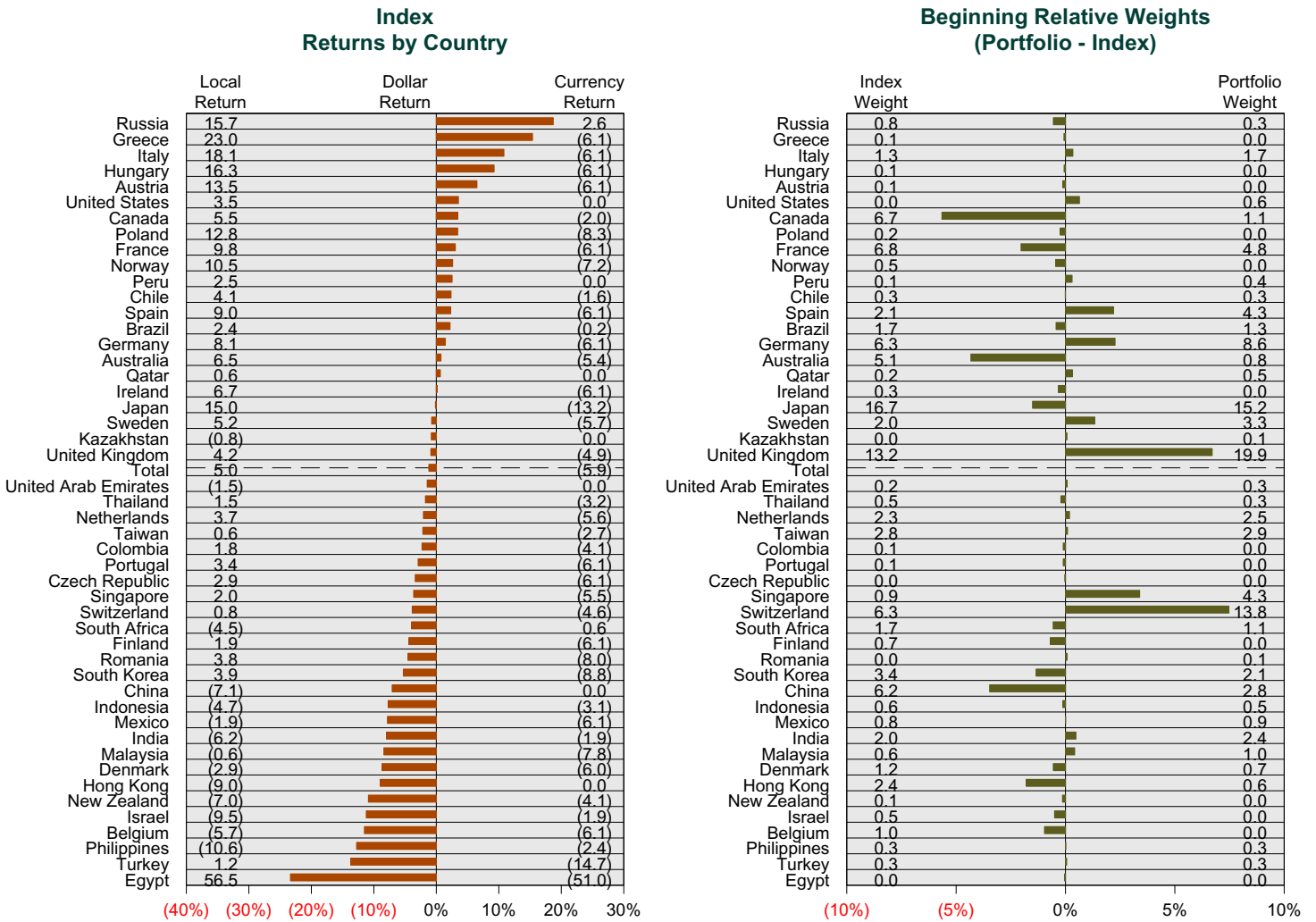
Diversification December 31, 2016



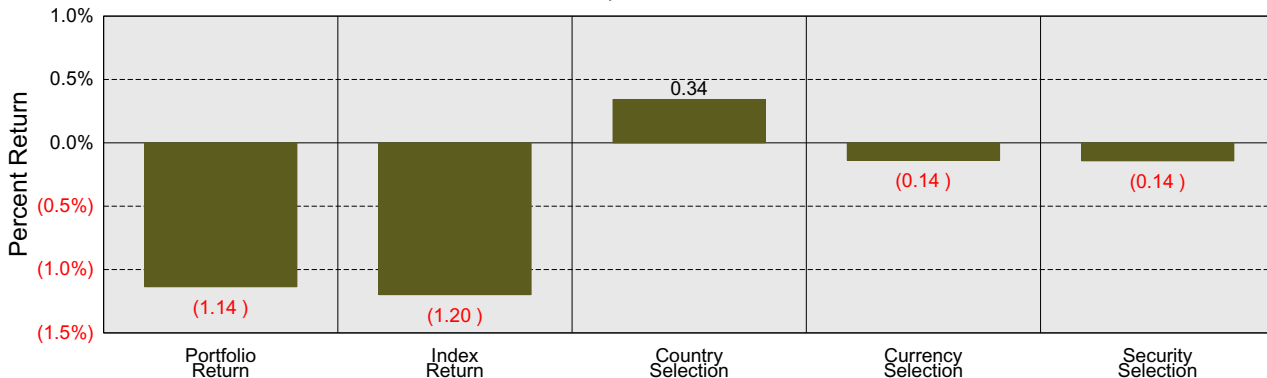
Mondrian International vs MSCI ACWixUS Gross Attribution for Quarter Ended December 31, 2016

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 December 31, 2016



Domestic Fixed Income Composite Period Ended December 31, 2016

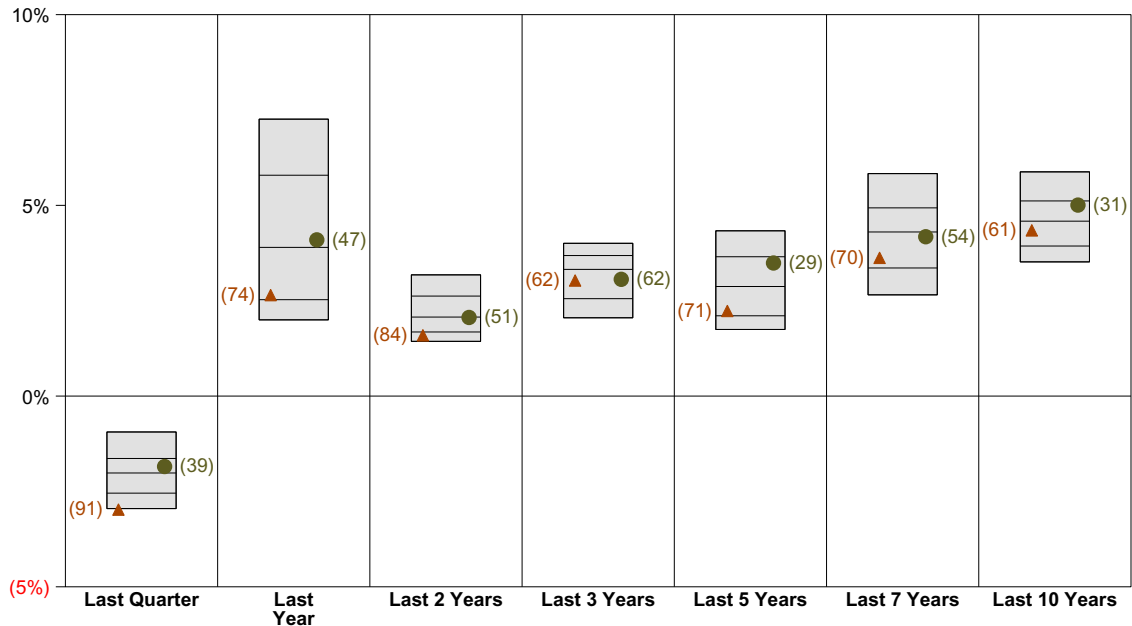
Quarterly Summary and Highlights

- Domestic Fixed Income Composite's portfolio posted a (1.85)% return for the quarter placing it in the 39 percentile of the Pub Pln- Domestic Fixed group for the quarter and in the 47 percentile for the last year.
- Domestic Fixed Income Composite's portfolio outperformed the Blmbg Aggregate Idx by 1.13% for the quarter and outperformed the Blmbg Aggregate Idx for the year by 1.45%.

Quarterly Asset Growth

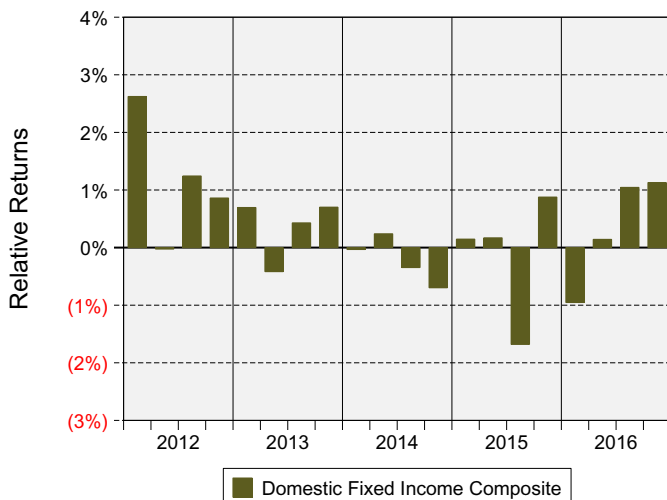
Beginning Market Value	\$97,019,848
Net New Investment	\$0
Investment Gains/(Losses)	-\$1,792,060
Ending Market Value	\$95,227,788

Performance vs Pub Pln- Domestic Fixed (Gross)

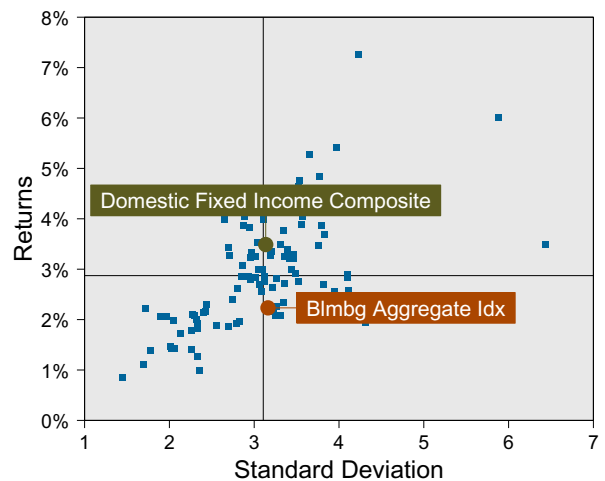


10th Percentile	(0.94)	7.26	3.18	4.00	4.33	5.83	5.88
25th Percentile	(1.64)	5.79	2.62	3.68	3.65	4.93	5.12
Median	(2.02)	3.90	2.07	3.32	2.87	4.30	4.59
75th Percentile	(2.54)	2.53	1.68	2.55	2.10	3.36	3.93
90th Percentile	(2.95)	2.00	1.43	2.05	1.75	2.65	3.52
Domestic Fixed Income Composite	(1.85)	4.10	2.06	3.06	3.49	4.18	5.01
Blmbg Aggregate Idx	(2.98)	2.65	1.59	3.03	2.23	3.63	4.34

Relative Return vs Blmbg Aggregate Idx



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

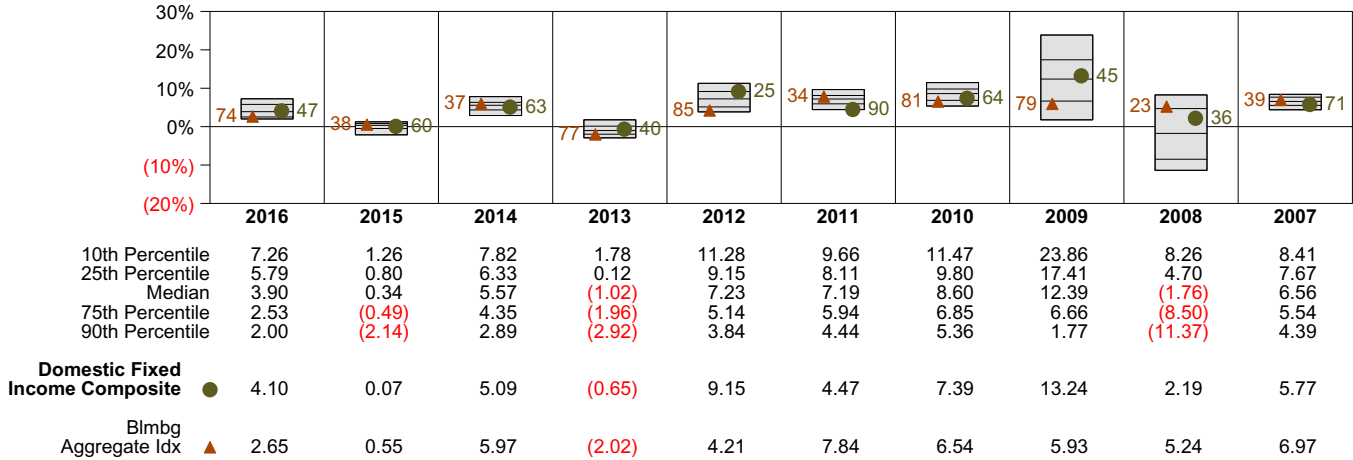


Domestic Fixed Income Composite Return Analysis Summary

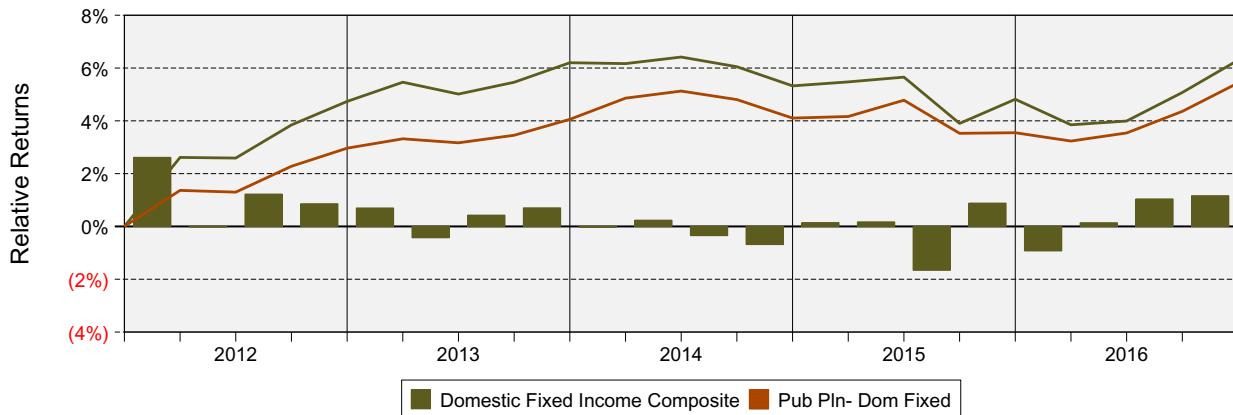
Return Analysis

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 and returns for rising/declining periods.

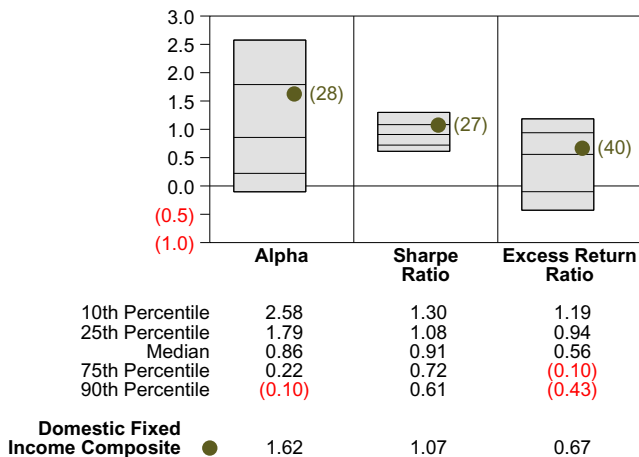
Performance vs Pub Pln- Domestic Fixed (Gross)



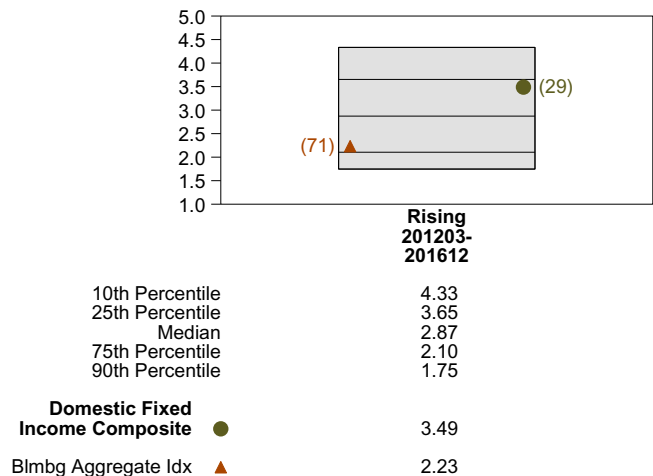
Cumulative and Quarterly Relative Return vs Blmbg Aggregate Idx



Risk Adjusted Return Measures vs Blmbg Aggregate Idx Rankings Against Pub Pln- Domestic Fixed (Gross) Five Years Ended December 31, 2016



Returns for Domestic Fixed-Income Rising/Declining Periods Five Years Ended December 31, 2016

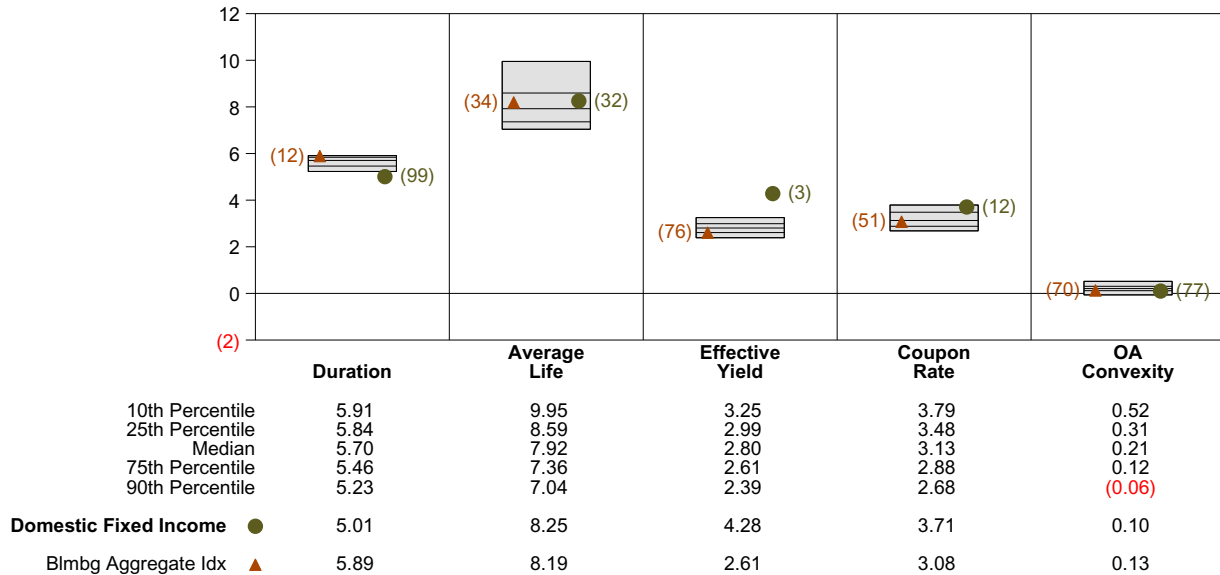


Domestic Fixed Income Bond Characteristics Analysis Summary

Portfolio Characteristics

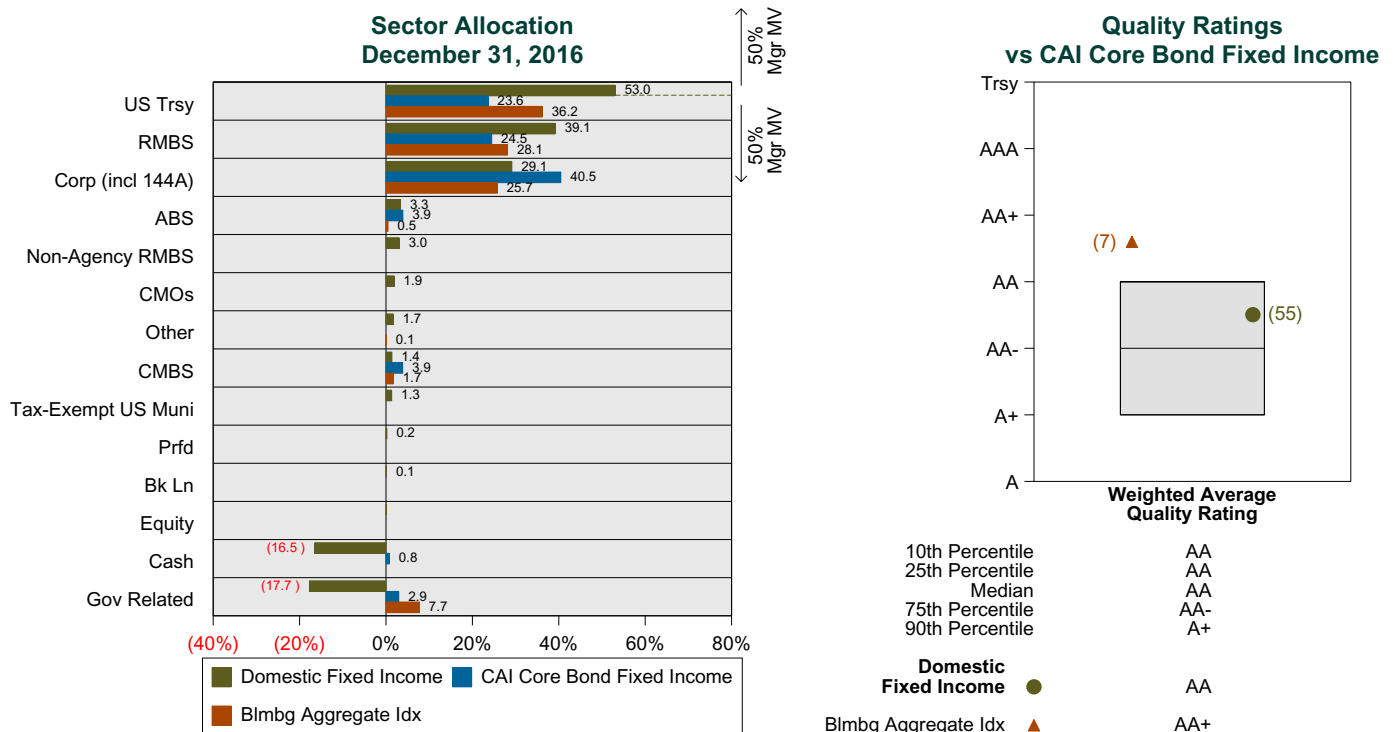
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Fixed Income Portfolio Characteristics Rankings Against CAI Core Bond Fixed Income as of December 31, 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.



Dodge & Cox Income

Period Ended December 31, 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.

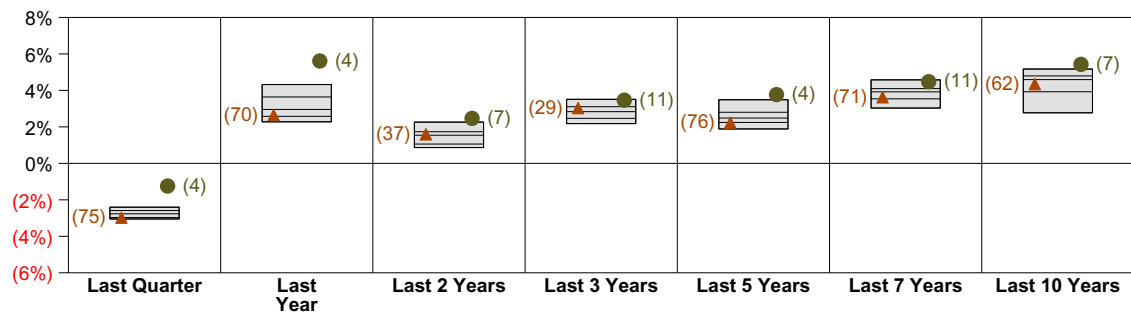
Quarterly Summary and Highlights

- Dodge & Cox Income's portfolio posted a (1.24)% return for the quarter placing it in the 4 percentile of the CAI Core Bond Mutual Funds group for the quarter and in the 4 percentile for the last year.
- Dodge & Cox Income's portfolio outperformed the Blmbg Aggregate Idx by 1.73% for the quarter and outperformed the Blmbg Aggregate Idx for the year by 2.97%.

Quarterly Asset Growth

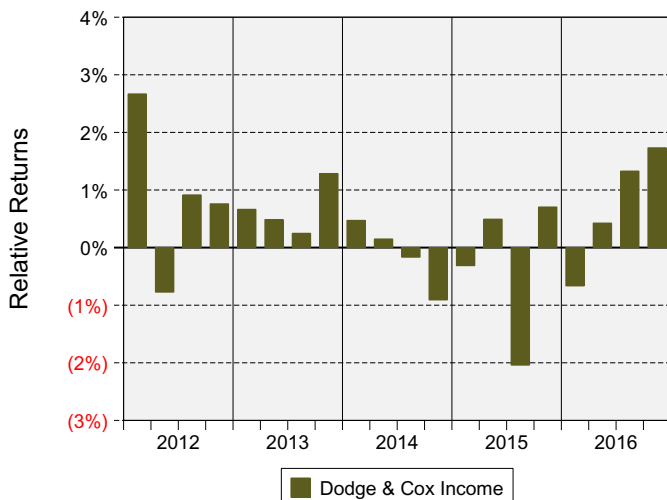
Beginning Market Value	\$48,744,394
Net New Investment	\$0
Investment Gains/(Losses)	\$-606,404
Ending Market Value	\$48,137,991

Performance vs CAI Core Bond Mutual Funds (Net)

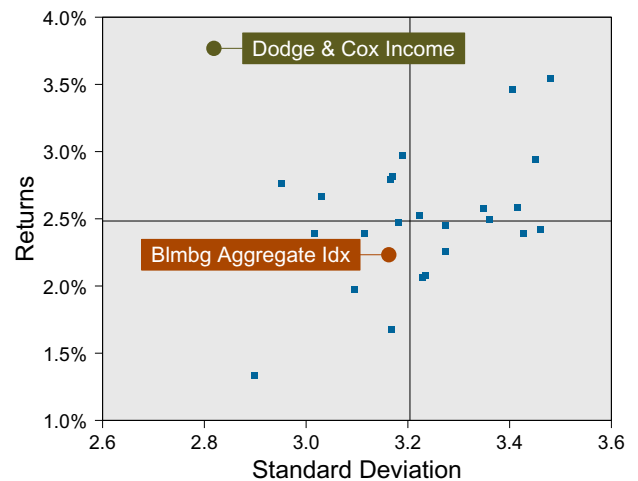


10th Percentile	(2.40)	4.32	2.26	3.51	3.49	4.58	5.17
25th Percentile	(2.59)	3.64	1.73	3.11	2.80	4.10	4.79
Median	(2.76)	2.96	1.54	2.83	2.48	3.92	4.59
75th Percentile	(2.97)	2.58	1.06	2.47	2.24	3.54	3.93
90th Percentile	(3.05)	2.28	0.87	2.18	1.89	3.03	2.77
Dodge & Cox Income	● (1.24)	5.61	2.47	3.46	3.77	4.48	5.43
Blmbg Aggregate Idx	▲ (2.98)	2.65	1.59	3.03	2.23	3.63	4.34

Relative Return vs Blmbg Aggregate Idx



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

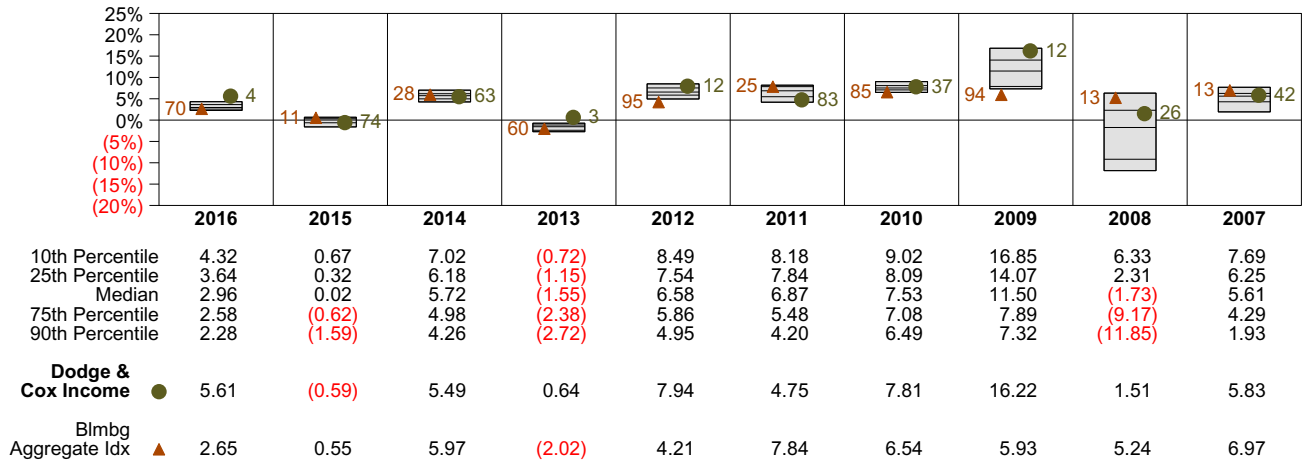


Dodge & Cox Income Return Analysis Summary

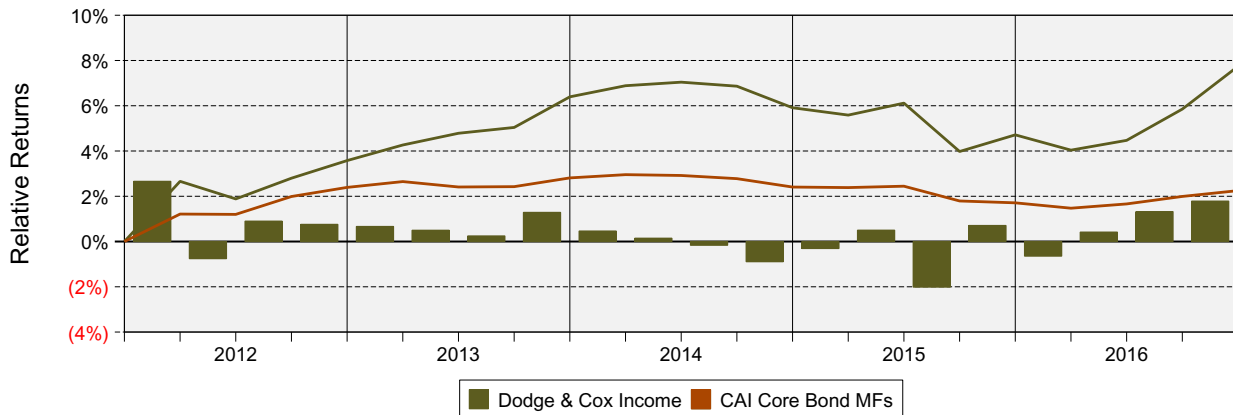
Return Analysis

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 and returns for rising/declining periods.

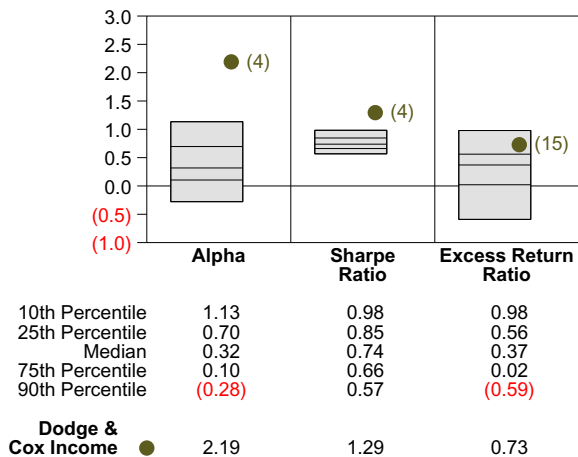
Performance vs CAI Core Bond Mutual Funds (Net)



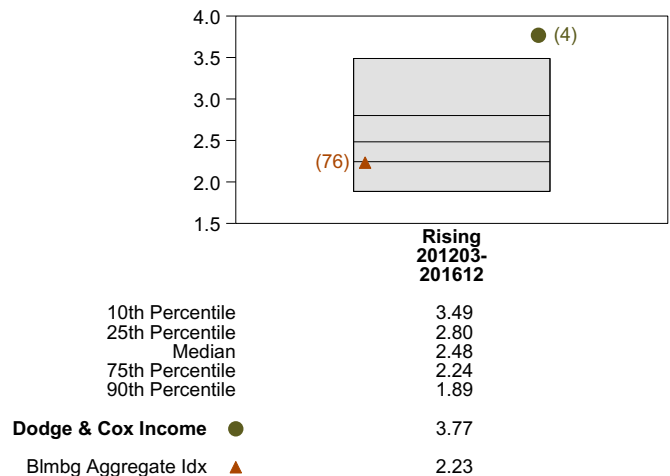
Cumulative and Quarterly Relative Return vs Blmbg Aggregate Idx



Risk Adjusted Return Measures vs Blmbg Aggregate Idx Rankings Against CAI Core Bond Mutual Funds (Net) Five Years Ended December 31, 2016



Returns for Domestic Fixed-Income Rising/Declining Periods Five Years Ended December 31, 2016

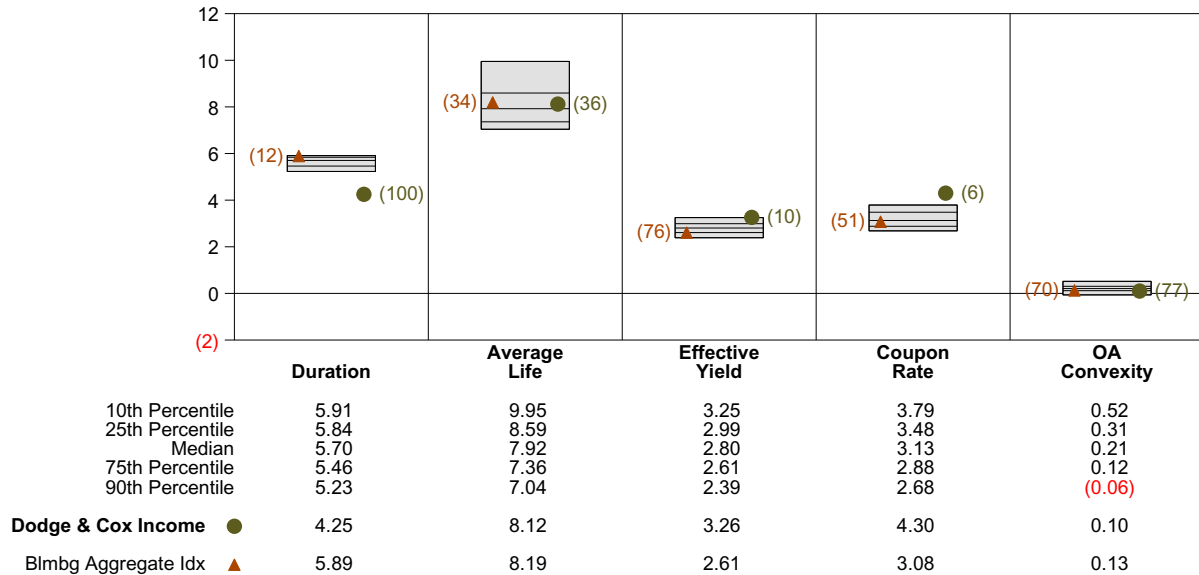


Dodge & Cox Income Bond Characteristics Analysis Summary

Portfolio Characteristics

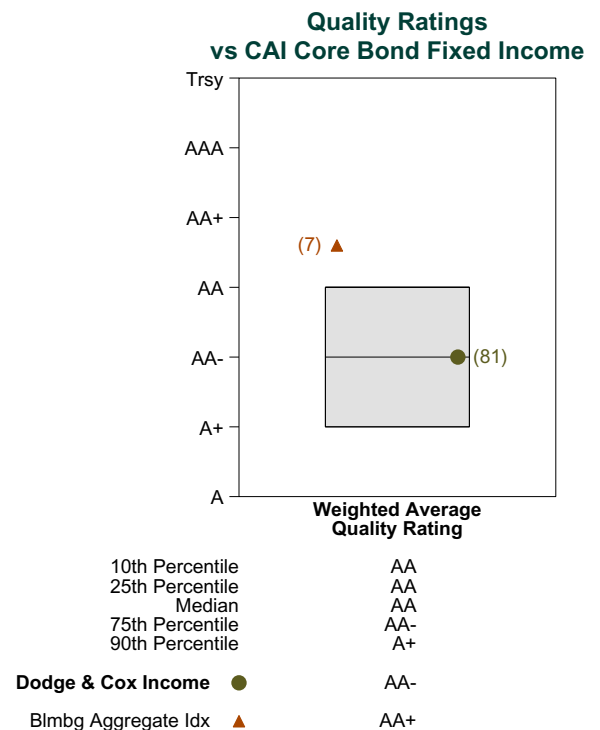
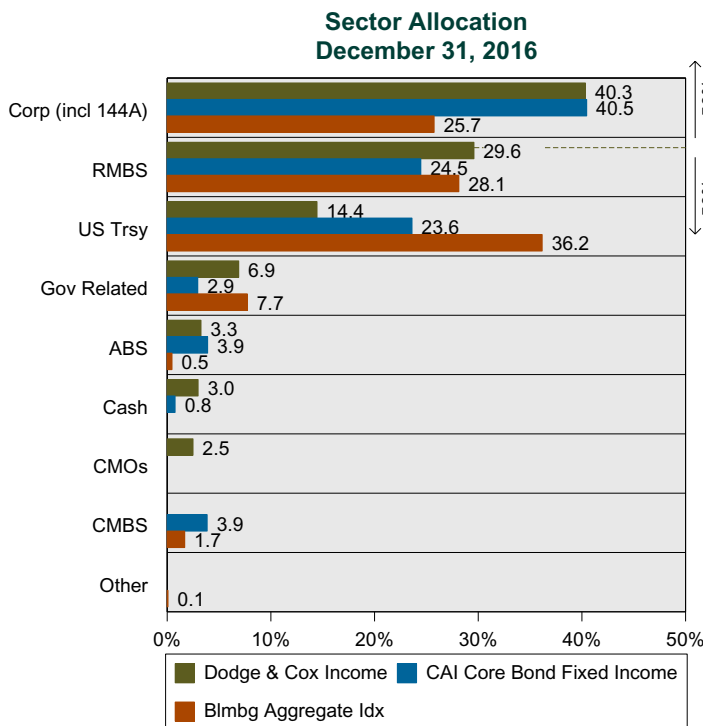
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Fixed Income Portfolio Characteristics Rankings Against CAI Core Bond Fixed Income as of December 31, 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 December 31, 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.

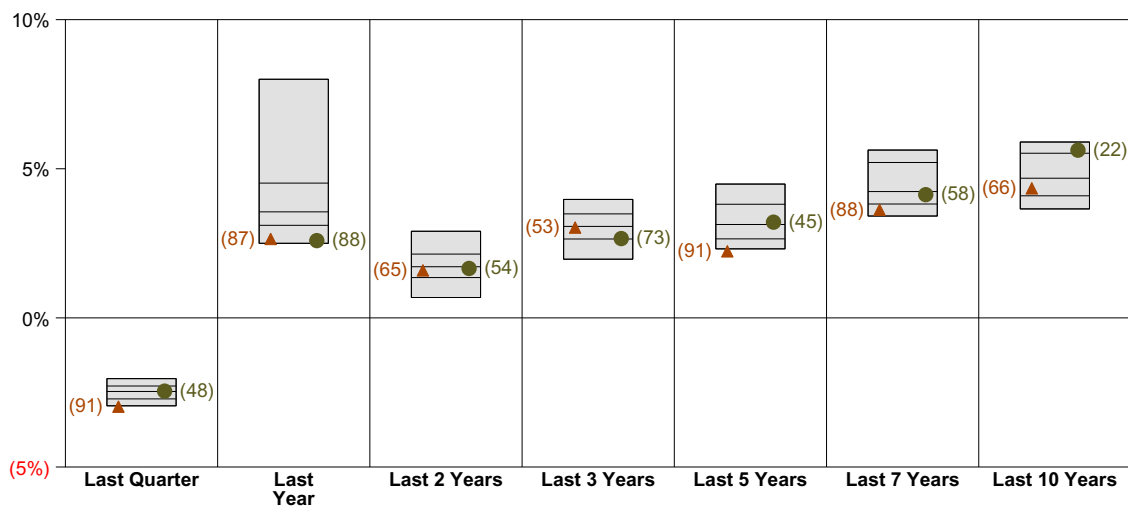
Quarterly Summary and Highlights

- PIMCO's portfolio posted a (2.46)% return for the quarter placing it in the 48 percentile of the CAI Core Plus Mutual Funds group for the quarter and in the 88 percentile for the last year.
- PIMCO's portfolio outperformed the Blmbg Aggregate Idx by 0.52% for the quarter and underperformed the Blmbg Aggregate Idx for the year by 0.06%.

Quarterly Asset Growth

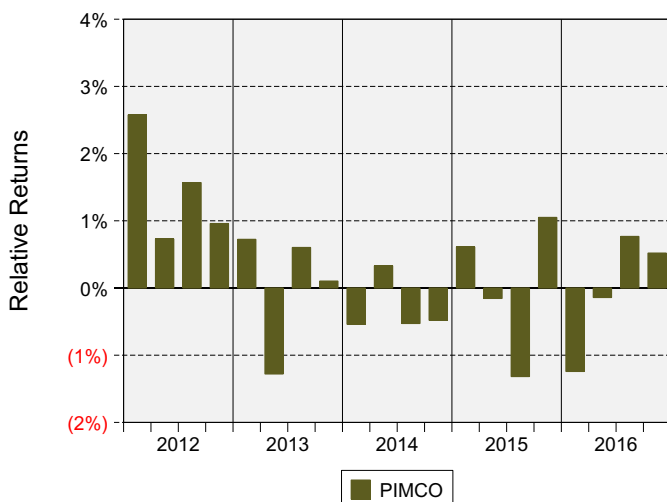
Beginning Market Value	\$48,275,453
Net New Investment	\$0
Investment Gains/(Losses)	-\$1,185,656
Ending Market Value	\$47,089,798

Performance vs CAI Core Plus Mutual Funds (Net)

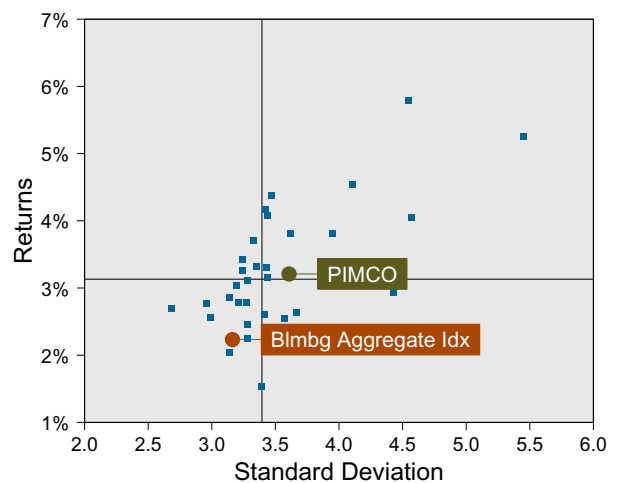


10th Percentile	(2.04)	8.00	2.90	3.97	4.49	5.63	5.90
25th Percentile	(2.28)	4.52	2.14	3.49	3.81	5.21	5.52
Median	(2.47)	3.56	1.72	3.07	3.13	4.24	4.68
75th Percentile	(2.72)	3.10	1.35	2.64	2.65	3.82	4.09
90th Percentile	(2.95)	2.50	0.68	1.97	2.31	3.41	3.65
PIMCO	● (2.46)	2.59	1.66	2.66	3.21	4.13	5.62
Blmbg Aggregate Idx	▲ (2.98)	2.65	1.59	3.03	2.23	3.63	4.34

Relative Return vs Blmbg Aggregate Idx



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

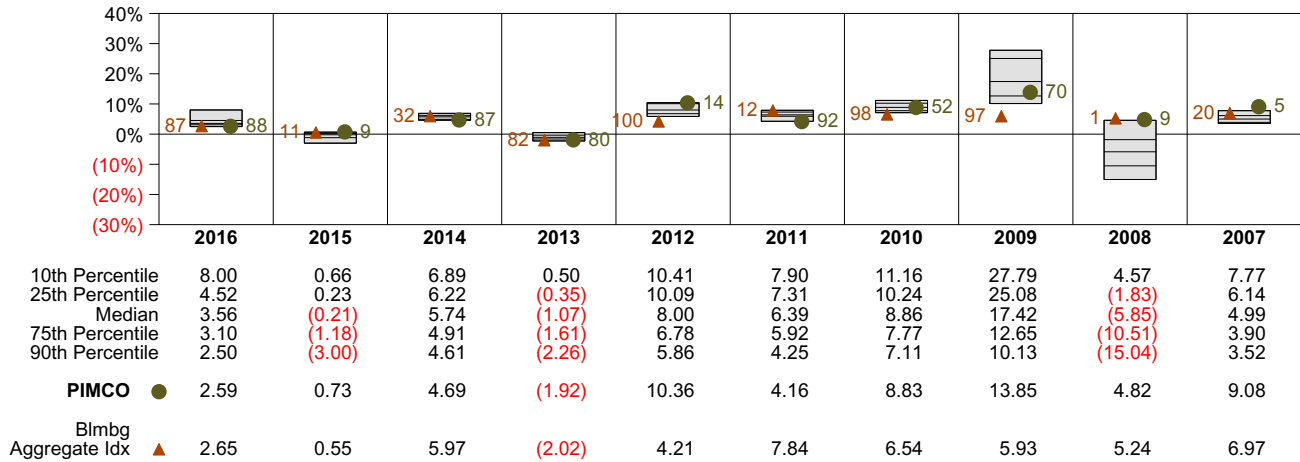


PIMCO Return Analysis Summary

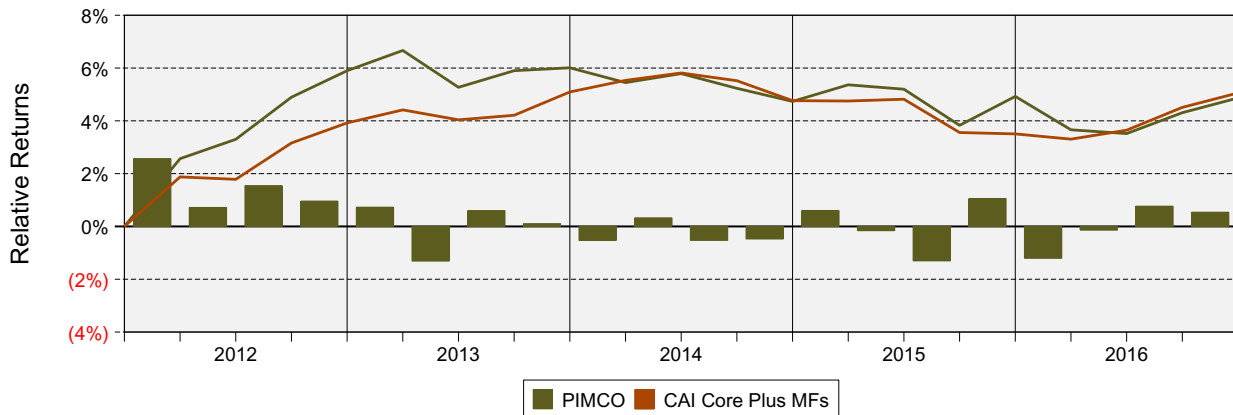
Return Analysis

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 and returns for rising/declining periods.

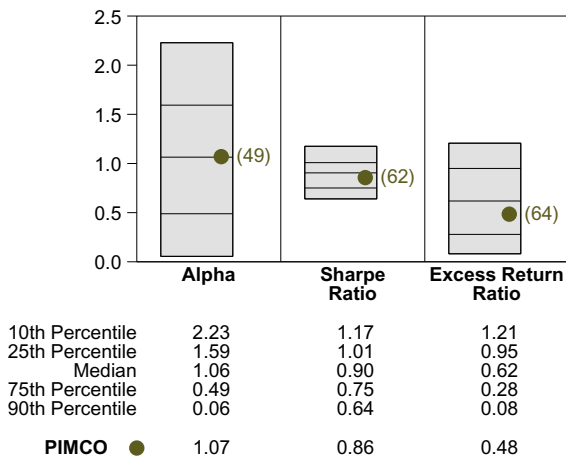
Performance vs CAI Core Plus Mutual Funds (Net)



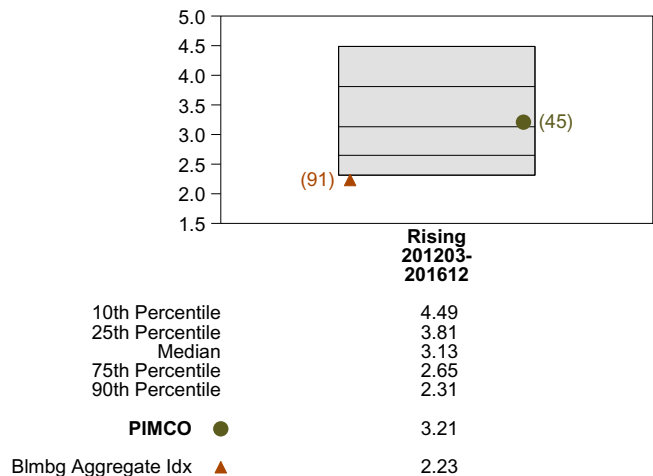
Cumulative and Quarterly Relative Return vs Blmbg Aggregate Idx



Risk Adjusted Return Measures vs Blmbg Aggregate Idx Rankings Against CAI Core Plus Mutual Funds (Net) Five Years Ended December 31, 2016



Returns for Domestic Fixed-Income Rising/Declining Periods Five Years Ended December 31, 2016

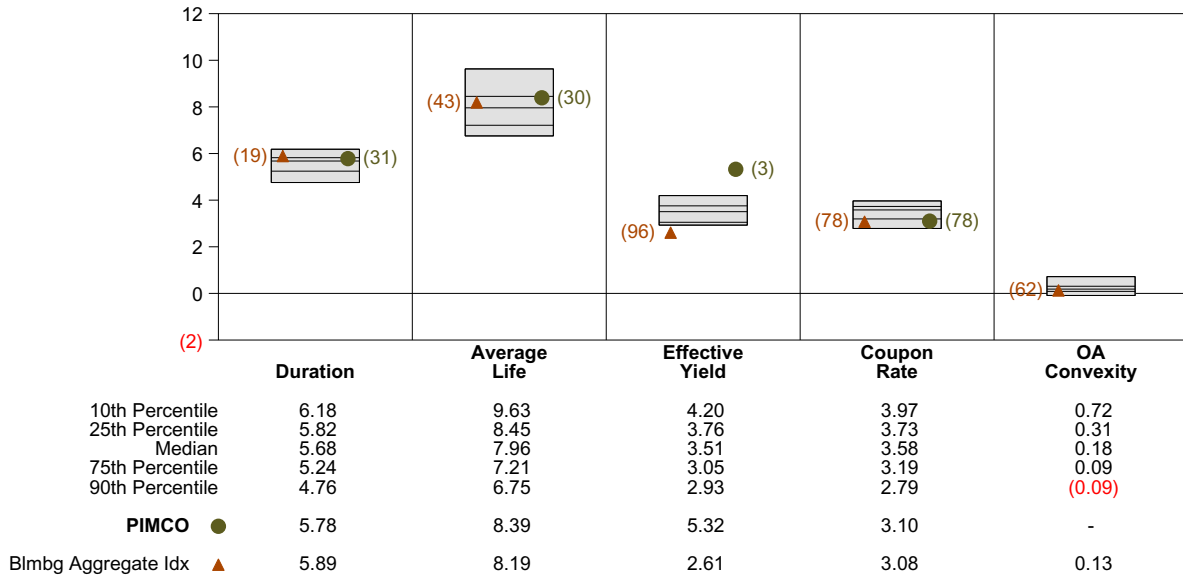


PIMCO Bond Characteristics Analysis Summary

Portfolio Characteristics

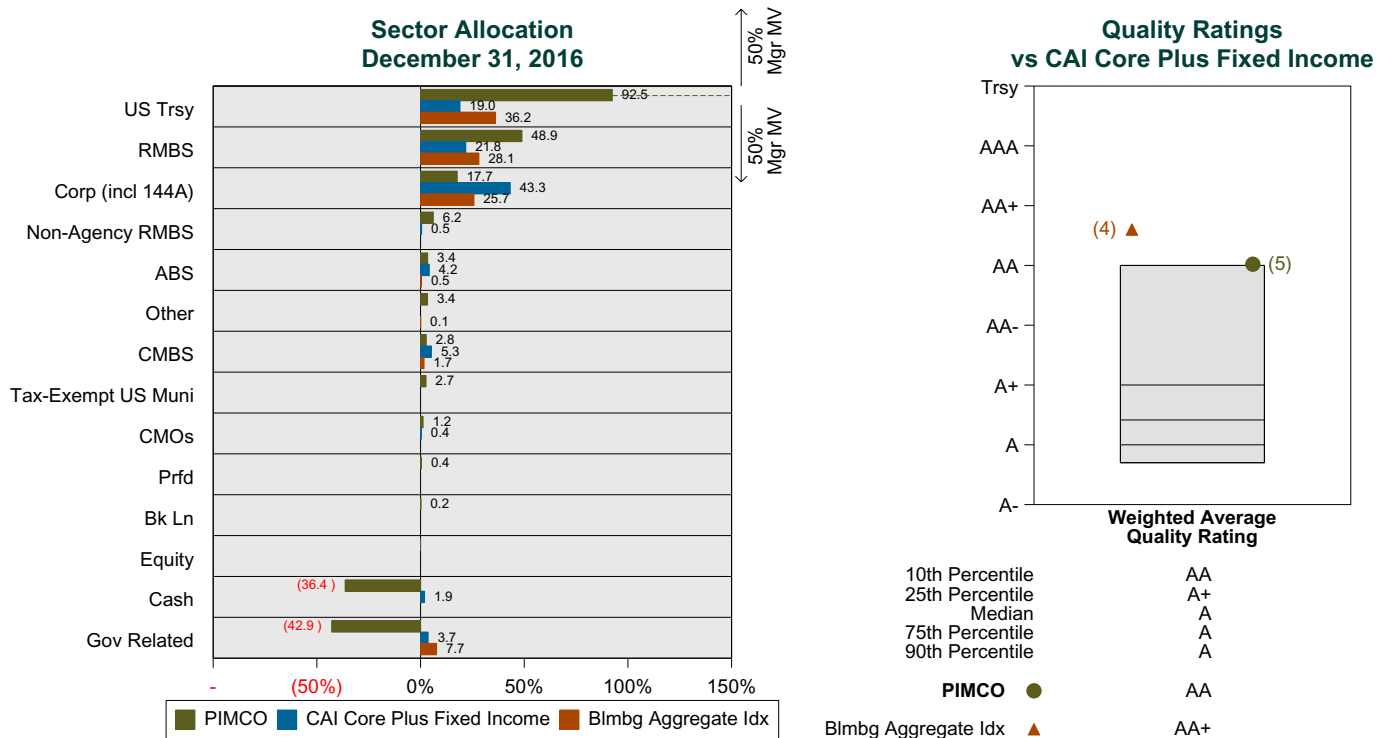
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Fixed Income Portfolio Characteristics Rankings Against CAI Core Plus Fixed Income as of December 31, 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 Private

Period Ended December 31, 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.

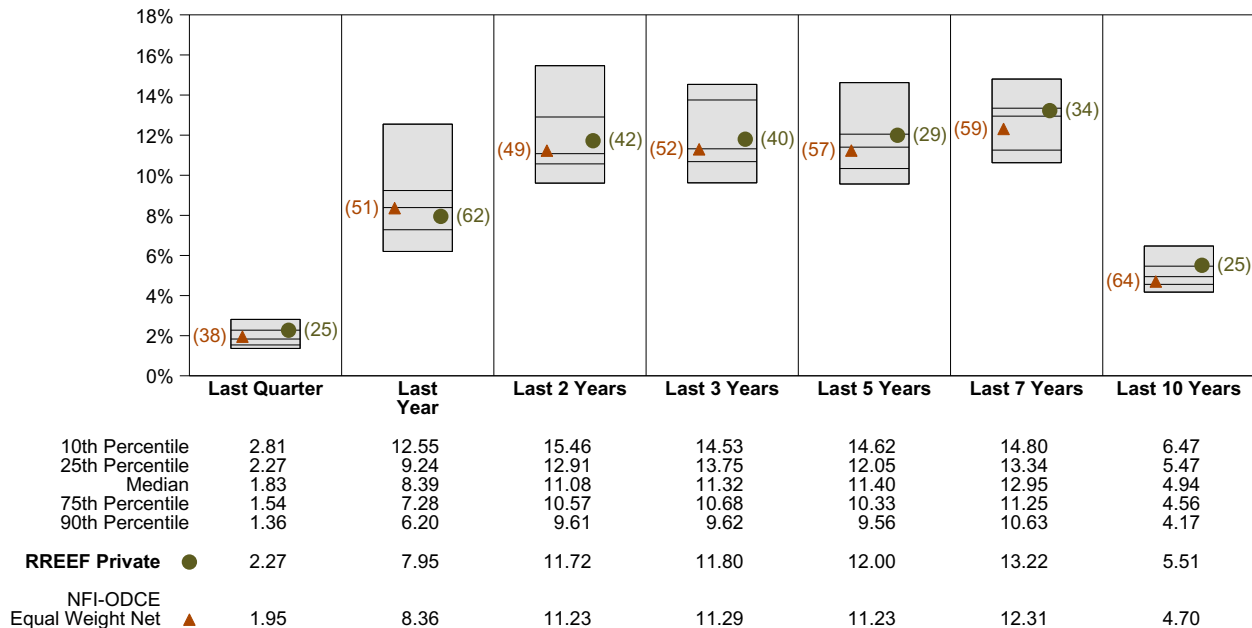
Quarterly Summary and Highlights

- RREEF Private's portfolio posted a 2.27% return for the quarter placing it in the 25 percentile of the CAI Open End Core Commingled Real Estate group for the quarter and in the 62 percentile for the last year.
- RREEF Private's portfolio outperformed the NFI-ODCE Equal Weight Net by 0.32% for the quarter and underperformed the NFI-ODCE Equal Weight Net for the year by 0.41%.

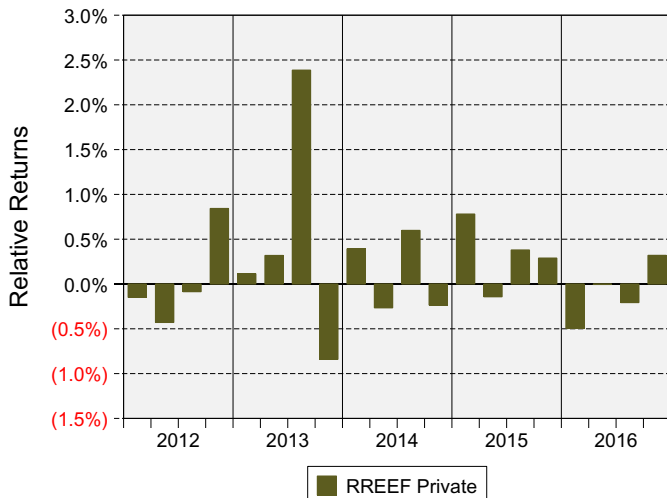
Quarterly Asset Growth

Beginning Market Value	\$21,444,002
Net New Investment	\$-1,500,000
Investment Gains/(Losses)	\$484,992
Ending Market Value	\$20,428,994

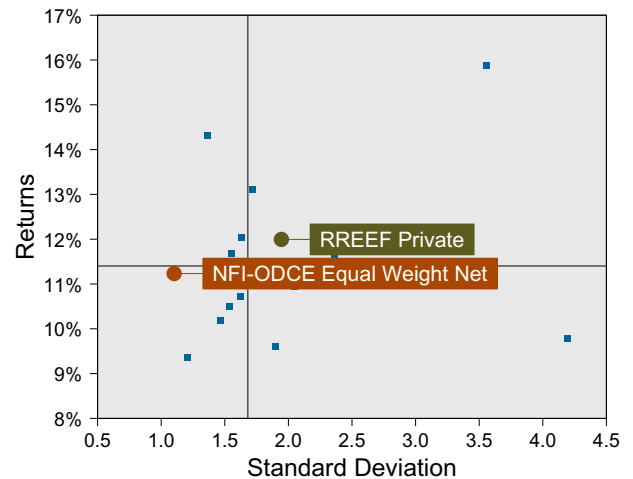
Performance vs CAI Open End Core Commingled Real Estate (Net)



Relative Returns vs NFI-ODCE Equal Weight Net



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



Barings Core Property Fund Period Ended December 31, 2016

Investment Philosophy

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

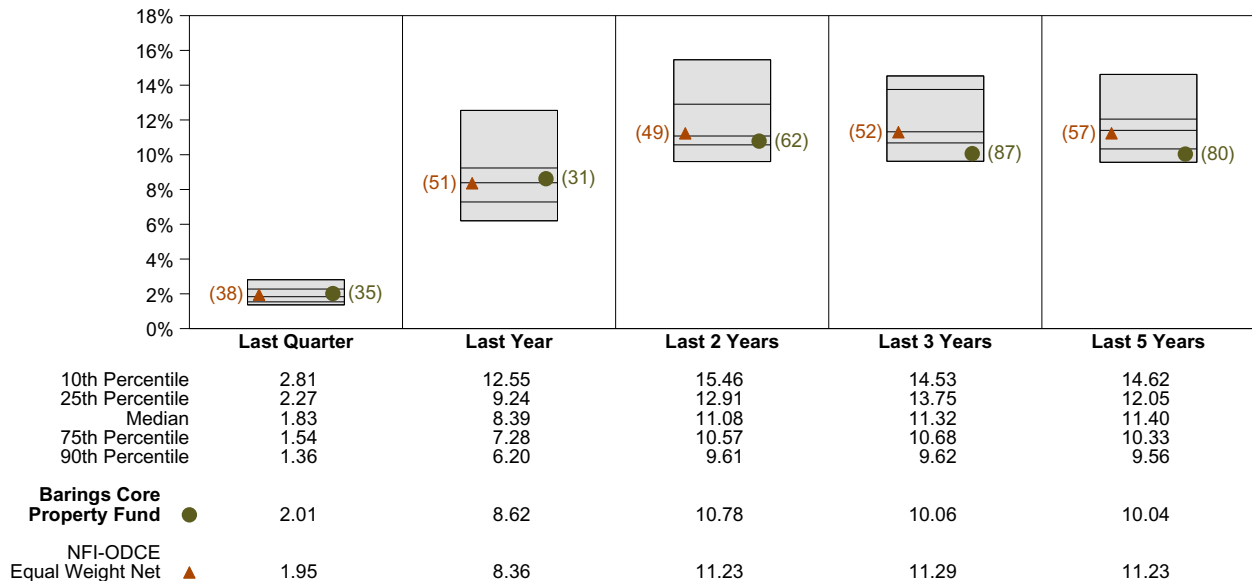
Quarterly Summary and Highlights

- Barings Core Property Fund's portfolio posted a 2.01% return for the quarter placing it in the 35 percentile of the CAI Open End Core Commingled Real Estate group for the quarter and in the 31 percentile for the last year.
- Barings Core Property Fund's portfolio outperformed the NFI-ODCE Equal Weight Net by 0.06% for the quarter and outperformed the NFI-ODCE Equal Weight Net for the year by 0.26%.

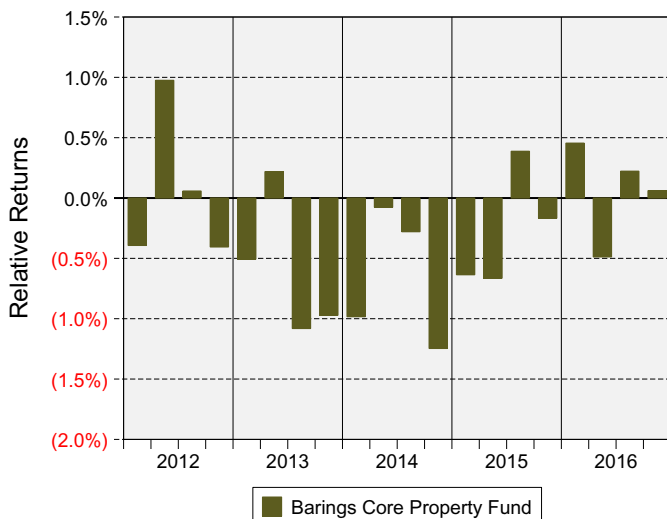
Quarterly Asset Growth

Beginning Market Value	\$15,814,531
Net New Investment	\$0
Investment Gains/(Losses)	\$318,358
Ending Market Value	\$16,132,889

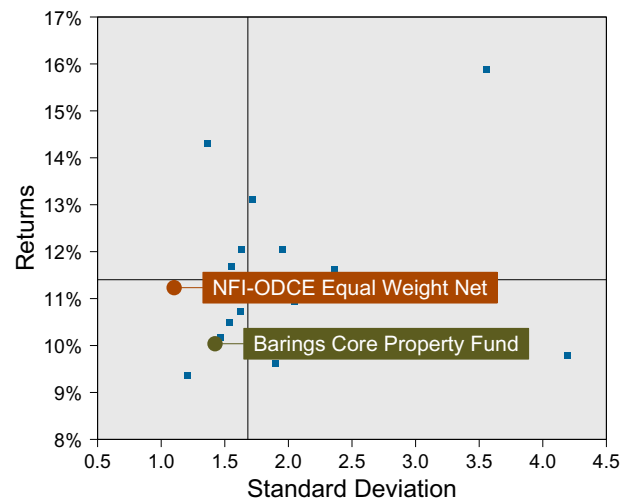
Performance vs CAI Open End Core Commingled Real Estate (Net)



Relative Returns vs NFI-ODCE Equal Weight Net



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



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

2017 Defined Contribution Trends Survey | Callan's 10th Annual DC Trends Survey highlights plan sponsors' key themes from 2016 and expectations for 2017.

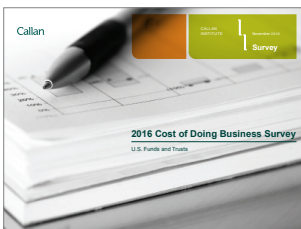
ESG Factors: U.S. Investor Usage Crystallizes | This charticle looks at environmental, social, and governance (ESG) factors from the perspectives of U.S. asset owners and global investment managers, revealing the growing incorporation of ESG factors in investment decision making.



Fixed Income: A Macroeconomic Lightning Rod | Callan's October 2016 Regional Workshop addressed alternative fixed income strategies to deal with the shifting market and economic environment investors face, as the extended period of low yields in the wake of the Global Financial Crisis appears to be ending.

ESG Interest and Implementation Survey | Callan's fourth annual survey on the status of ESG factor integration in the U.S. institutional market reflects responses from 84 funds representing approximately \$843 billion in assets.

2016 Cost of Doing Business Survey | In this survey, Callan compares the costs of administering and operating funds and trusts across all types of tax-exempt and tax-qualified organizations in the U.S. We identify practices and trends to help institutional investors manage expenses.



ESG and Investors: What, Why, and Who | In this video, Mark Wood, CFA, of Callan's Global Manager Research group explains ESG investing principles and how asset managers can implement them.

Momentum: The Trend Is Your Friend | Callan's director of Hedge Fund Research, Jim McKee, explores the advantages of momentum-based investing strategies, which profit from market trends in whichever direction. He discusses the rationale behind them, how they are defined and harnessed for different diversification needs, and whether they are appropriate for fund sponsors.

Periodicals

Private Markets Trends, Fall 2016 | Gary Robertson, manager of Callan's Private Equity Research group, discusses the steady performance of private markets in 2016, with year-to-date figures tracking very close to 2015's levels.

DC Observer, 3rd Quarter 2016 | This quarter's cover story is "Merging DC Plans: Making the Transition Smooth."

Hedge Fund Monitor, 3rd Quarter 2016 | This quarter's cover story is "Musketeers or Mercenaries..." on the growing appeal of the multi-strategy hedge fund category.

Capital Market Review, 3rd Quarter 2016 | A quarterly macroeconomic newsletter providing thoughtful insights on the economy and recent performance in equity, fixed income, alternatives, international, real estate, and other capital markets.

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 **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 sessions are:

Introduction to Investments

San Francisco, April 18-19, 2017

San Francisco, July 25-26, 2017

Chicago, October 24-25, 2017

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

International Equity Market Indicators

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

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

Real Estate Market Indicators

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

Callan 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 Bloomberg Capital Government/Credit Bond Index or the Barclays Bloomberg 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 Bloomberg Capital Government/Credit Bond Index or the Barclays Bloomberg 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
Barings LLC
Baron Capital Management, Inc.
Barrow, Hanley, Mewhinney & Strauss, LLC
BlackRock
BMO Global Asset Management
BNP Paribas Investment Partners
BNY Mellon Asset Management
Boston Partners
Brandes Investment Partners, L.P.
Brandywine Global Investment Management, LLC
Brown Brothers Harriman & Company

Manager Name
Cambiar Investors, LLC
Capital Group
CastleArk Management, LLC
Causeway Capital Management
Channing Capital Management, LLC
Chartwell Investment Partners
ClearBridge Investments, LLC
Cohen & Steers Capital Management, Inc.
Columbia Management Investment Advisers, LLC
Columbia Threadneedle Investments
Columbus Circle Investors
Corbin Capital Partners, L.P.
Cornerstone Capital Management
Cramer Rosenthal McGlynn, LLC
Credit Suisse Asset Management
Crestline Investors, Inc.
D.E. Shaw Investment Management, L.L.C.
Delaware Investments
DePrince, Race & Zollo, Inc.
Deutsche Asset Management
Diamond Hill Capital Management, Inc.
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
First Quadrant L.P.
Fisher Investments
Fort Washington Investment Advisors, Inc.
Franklin Templeton Institutional
Fred Alger Management, Inc.

Manager Name
Fuller & Thaler Asset Management, Inc.
GAM (USA) Inc.
GE Asset Management
GMO
Goldman Sachs Asset Management
Guggenheim Investments
GW&K Investment Management
Harbor Capital Group Trust
Hartford Funds
Hartford Investment Management Co.
Henderson Global Investors
Holland Capital Management
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
Ivy Investments
Janus Capital Management, LLC
Jennison Associates LLC
Jensen Investment Management
J.P. Morgan Asset Management
KeyCorp
Lazard Asset Management
Legal & General Investment Management America
Lincoln National Corporation
LMCG Investments, LLC
Logan Capital Management
Logan Circle Partners, L.P.
Longview Partners
Loomis, Sayles & Company, L.P.
Lord Abbett & Company
Los Angeles Capital Management
LSV Asset Management
MacKay Shields LLC
Man Investments Inc.
Manning & Napier Advisors, LLC
Manulife Asset Management
Martin Currie Inc.
Mellon Capital Management
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)
Nicholas Investment Partners
Nikko Asset Management Co., Ltd.
Northern Trust Asset Management
Nuveen Investments, Inc.
OFI Global Asset Management
Old Mutual Asset Management

Manager Name
Opus Capital Management Inc.
Pacific Investment Management Company
Parametric Portfolio Associates
Peregrine Capital Management, Inc.
PGIM
PGIM Fixed Income
Pictet Asset Management Ltd.
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 Davis Companies
The Hartford
The London Company
The TCW Group, Inc.
Thompson, Siegel & Walmsley LLC
Timberland Investment Resources, LLC
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
Windham Capital Management, LLC