

March 31, 2017



Mendocino County Employees' Retirement Association

**Investment Measurement Service
Quarterly Review**

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Table of Contents

March 31, 2017

| | |
|---|-----|
| Capital Market Review | 1 |
| <hr/> | |
| Active Management Overview | |
| Foreword | 24 |
| Domestic Equity Overview | 25 |
| International Equity Overview | 26 |
| Domestic Fixed-Income Overview | 27 |
| <hr/> | |
| Asset Allocation and Performance | |
| Foreword | 29 |
| Actual vs. Target Asset Allocation | 30 |
| Asset Allocation Across Investment Managers | 31 |
| Investment Manager Returns | 32 |
| Investment Manager Returns | 34 |
| Quarterly Total Fund Attribution | 36 |
| Total Fund Ranking | 40 |
| Total Fund vs. CAI Public Fund Sponsor Database | 41 |
| <hr/> | |
| Domestic Equity | |
| Domestic Equity Composite | 45 |
| Vanguard S&P 500 Index | 49 |
| Dodge & Cox Stock | 52 |
| Boston Partners | 55 |
| Harbor Cap Appreciation | 58 |
| Janus Research | 61 |
| Fidelity Low Priced Stock | 64 |
| Royce Total Return | 67 |
| Morgan Stanley | 70 |
| Janus Enterprise | 73 |
| Prudential Small Cap Value | 76 |
| AB US Small Growth | 79 |
| RS Investments | 82 |
| Managers Inst Micro Cap | 85 |
| <hr/> | |
| International Equity | |
| International Equity Composite | 89 |
| EuroPacific | 94 |
| Harbor International | 98 |
| Columbia Acorn International | 102 |
| Oakmark International | 106 |
| Mondrian International | 110 |

Table of Contents
March 31, 2017

Domestic Fixed Income

| | |
|---------------------------------|-----|
| Domestic Fixed Income Composite | 115 |
| Dodge & Cox Income | 118 |
| PIMCO | 121 |

Real Estate

| | |
|---------------------|-----|
| RREEF Private | 125 |
| Cornerstone Patriot | 126 |

Callan Research/Education

127

Definitions

| | |
|---------------------|-----|
| General definitions | 131 |
|---------------------|-----|

Disclosures

137



First Quarter 2017

'Hitch in Our Git-Along'?

ECONOMY

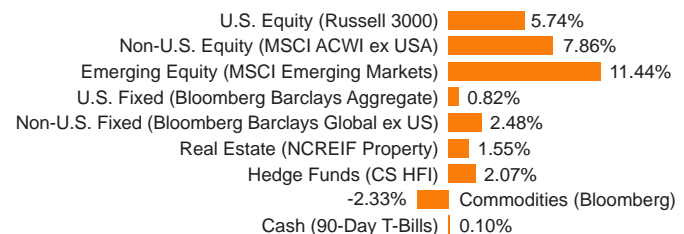
2 GDP growth disappointed in the first quarter for the fourth straight year. But other measures such as consumer confidence held up during the quarter. The question is whether this is a hitch—or a problem with the GDP metric.

No Homefield Advantage

FUND SPONSOR

4 Strong equity results helped boost institutional funds. The median return for all fund types was +4.31%; endowments and foundations did best, jumping 4.58%. Taft-Hartley plans had the lowest return at +3.93%. The key difference was exposure to non-U.S. equities.

Broad Market Quarterly Returns



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

Steady as She Goes

U.S. EQUITY

6 The **S&P 500 Index** hit a high during the first quarter and ended with a 6.07% jump, continuing last year's gains. But in a reversal from the previous quarter, small cap stocks fell behind large cap and growth overtook value.

Profits Trump Populism

NON-U.S. EQUITY

8 Despite political turmoil in Europe and choppy growth in Asia, non-U.S. markets advanced in the first quarter. The dollar's weakness bolstered returns for U.S. investors. Emerging markets outpaced their developed peers, and non-U.S. growth stocks bested their value counterparts.

Up, Up, and Away

U.S. FIXED INCOME

10 Strong economic data and upbeat investors drove U.S. bond returns higher. High yield securities performed the best, but returns were up for all fixed income sectors. The Treasury yield curve flattened as short-term Treasuries rose while longer-term issues fell.

Separation Anxiety

NON-U.S. FIXED INCOME

12 Sovereign debt performed strongly amid policy uncertainty in the European Union, and emerging market debt outperformed developed market debt for the third straight quarter. Returns were bolstered by the U.S. dollar's broad-based decline against most currencies.

New Year, New Lows

REAL ESTATE

14 The **NCREIF Property Index** turned in its worst performance (+1.55%) since 2010, while the **NCREIF Open End Diversified Core Equity Index** also set a new seven-year low (+1.77%). U.S. REITs underperformed global REITs, but still managed to generate positive returns.

On a Roll

PRIVATE EQUITY

16 Private equity stayed healthy in the first quarter. Buyout M&A exits dropped significantly, while venture capital-backed M&A exits were mixed. Both buyout and VC-backed IPOs raised more money than in the previous quarter.

Dollops of Alpha with Beta

HEDGE FUNDS

17 Most hedge fund strategies reported positive returns in the first quarter, amid a broad rally in global markets. The **Credit Suisse Hedge Fund Index** advanced 2.07% and the median manager in the **Callan Hedge Fund-of-Funds Database** appreciated 2.29%.

Eventful Year, but TDFs Still Rule

DEFINED CONTRIBUTION

18 The Callan DC Index™ increased 7.99% during 2016, its best year since 2013. But it trailed the Age 45 Target Date Fund, which gained 8.59% in 2016. For the year, DC plan balances increased 8.31%, mostly attributable to market performance.

‘Hitch in Our Git-Along’?

ECONOMY | Jay Kloepfer

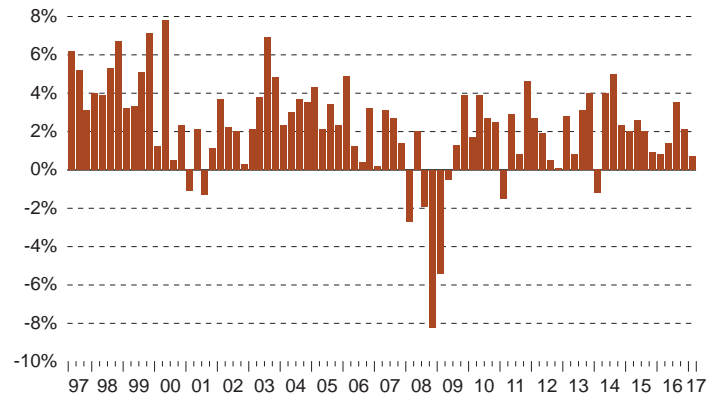
For the fourth year in a row, reported GDP growth disappointed in the first quarter, coming in at just 0.7%, down from a 2.1% rate in the fourth quarter. This paltry gain was the weakest in three years and was concentrated in consumer spending on autos and utilities (reflecting unseasonably warm weather in states with typically cold winters), a drop in defense spending, and a sharp slowdown in the accumulation of inventories. “Softer” measures of economic activity like consumer confidence and the ISM Report on Business, which records the forward-looking purchasing intentions of industry, held up through the first quarter, countering the weakening of GDP as the quarter unfolded. Business and consumer confidence rose after the U.S. presidential election, likely in anticipation of changes to policy and taxes, and without any reference to the strength of the underlying economy.

The question is whether we really have an annual “hitch in our git-along” each January, or is something else going on? Four years in a row with an unexpected drop in growth during the first quarter, which is then typically made up with an offsetting increase in the second quarter—although the GDP numbers are supposed to be seasonally adjusted—suggests perhaps a problem with this metric of evaluating the volume of our economic activity. GDP has come under increasing scrutiny as an outdated measure of the modern U.S. (and global) economy, predicated more on the flow of traditional goods and services, particularly agriculture and manufacturing. It may be very challenged to measure the output and economic impact of industries such as software, social media, and electronic commerce.

Inventory buildup usually signals confidence in the prospects for the economy. For several years prior to 2016, inventory “decumulation” was a clear drag on growth, as firms were reluctant to maintain output in the face of soft demand. The U.S. economy shifted toward inventory accumulation in the third and fourth quarters of 2016, only to reverse in the first quarter. That reversal subtracted almost 1% from GDP growth. Total personal

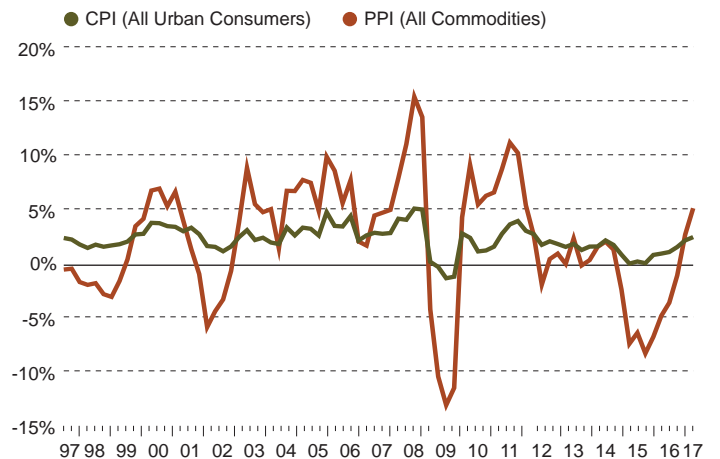
Quarterly Real GDP Growth

(20 Years)



Source: Bureau of Economic Analysis

Inflation Year-Over-Year



Source: Bureau of Labor Statistics

consumption expenditures led broad economic growth in 2016, averaging gains of well over 3% during each of the last three quarters of the year, only to drop to just 0.3% growth during the first quarter.

The U.S. job market enjoyed a robust 2016, adding 2.2 million new jobs. The economy entered 2017 with two strong months in January and February, adding more than 200,000 net new jobs each month, before the rate of job creation halved in March

to 98,000. Retail jobs took a serious hit in both February and March (seasonally adjusted), with the continuing advance of e-commerce challenging retail establishments, particularly shopping malls. Signs now point to further softness in the job market as the second quarter begins.

In spite of this potential softening, the unemployment rate dipped to 4.5% in March, the lowest in the current cycle, and many urban regions report very tight job markets, with unemployment rates as low as 2% to 3%. In response, the growth in average hourly earnings, which had been stuck in a narrow range below a 2% annual rate for five years following the Global Financial Crisis, rose above 2.5% annual growth during 2016 and continued at this rate through the first quarter.

The minutes of the past several Federal Reserve Open Market Committee meetings show a continuing split among members about whether or not an acceleration of inflation is a looming concern. The data suggest inflation remains low, and futures markets indicate expectations are still anchored at or below the Fed's long-term target of 2% for core inflation. While the Fed uses the consumption deflator in its targeting, the CPI is still a useful measure of price activity. The headline CPI All-Urban index rose 2.4% year-over-year through March, although the measure actually declined between February and March. The energy portion of the Index rose 10.9% over the last 12 months, even after a 3.2% drop in March, reflecting a return toward normal in energy prices after the sharp drop in 2015. The core measure of CPI—which excludes food and energy—rose 2.0% over the 12 months ended in March, the smallest 12-month increase since the end of 2015.

The Long-Term View

| Index | 2017 1st Qtr | Periods ended Dec. 31, 2016 | | | |
|---------------------------------|-----------------|-----------------------------|-------|--------|--------|
| | | Year | 5 Yrs | 10 Yrs | 25 Yrs |
| U.S. Equity | | | | | |
| Russell 3000 | 5.74 | 12.74 | 14.67 | 7.07 | 9.29 |
| S&P 500 | 6.07 | 11.96 | 14.66 | 6.95 | 9.15 |
| Russell 2000 | 2.47 | 21.31 | 14.46 | 7.07 | 9.69 |
| Non-U.S. Equity | | | | | |
| MSCI EAFE | 7.25 | 1.00 | 6.53 | 0.75 | 4.95 |
| MSCI Emerging Markets | 11.44 | 11.19 | 1.28 | 1.84 | -- |
| MSCI ACWI ex USA Small Cap | 8.78 | 3.91 | 7.74 | 2.89 | -- |
| Fixed Income | | | | | |
| Bloomberg Barclays Agg | 0.82 | 2.65 | 2.23 | 4.34 | 5.63 |
| 90-Day T-Bill | 0.10 | 0.33 | 0.12 | 0.80 | 2.71 |
| Bloomberg Barclays Long G/C | 1.58 | 6.67 | 4.07 | 6.85 | 7.58 |
| Bloomberg Barclays GI Agg ex US | 2.48 | 1.49 | -1.39 | 2.44 | 4.73 |
| Real Estate | | | | | |
| NCREIF Property | 1.55 | 7.97 | 10.91 | 6.93 | 8.63 |
| FTSE NAREIT Equity | 1.16 | 8.52 | 12.01 | 5.08 | 11.13 |
| Alternatives | | | | | |
| CS Hedge Fund | 2.07 | 1.25 | 4.34 | 3.75 | -- |
| Cambridge PE* | -- | 9.17 | 13.05 | 10.59 | 15.53 |
| Bloomberg Commodity | -2.33 | 11.77 | -8.95 | -5.57 | 2.55 |
| Gold Spot Price | 8.64 | 8.63 | -5.97 | 6.08 | 4.82 |
| Inflation – CPI-U | 0.98 | 2.07 | 1.36 | 1.81 | 2.26 |

*Private equity returns show pooled horizon IRRs for periods ended September 30, 2016. Most recent quarterly data not available.
Sources: Bloomberg Barclays, Bloomberg, Citigroup, Credit Suisse, FTSE, MSCI, NCREIF, Russell Investment Group, Standard & Poor's, Thomson/Cambridge, Bureau of Economic Analysis.

Recent Quarterly Economic Indicators

| | 1Q17 | 4Q16 | 3Q16 | 2Q16 | 1Q16 | 4Q15 | 3Q15 | 2Q15 |
|---|--------|-------|-------|-------|-------|-------|-------|-------|
| Employment Cost–Total Compensation Growth | 2.4% | 2.2% | 2.3% | 2.3% | 1.9% | 2.0% | 2.0% | 2.0% |
| Nonfarm Business–Productivity Growth | -0.6%* | 1.3% | 3.3% | -0.1% | -0.6% | -2.0% | 1.8% | 1.0% |
| GDP Growth | 0.7% | 2.1% | 3.5% | 1.4% | 0.8% | 0.9% | 2.0% | 2.6% |
| Manufacturing Capacity Utilization | 75.4% | 75.1% | 74.9% | 75.1% | 75.4% | 75.4% | 75.7% | 75.5% |
| Consumer Sentiment Index (1966=100) | 97.2 | 93.2 | 90.3 | 92.4 | 91.5 | 91.3 | 90.8 | 94.2 |

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

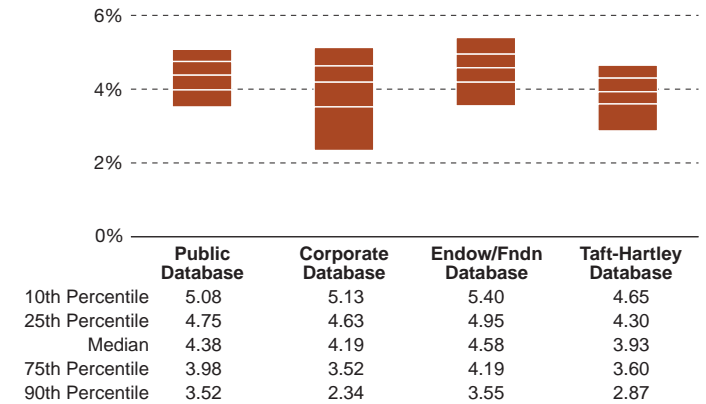
No Homefield Advantage

FUND SPONSOR | Kitty Lin

A post-election rally, higher interest rates, and political uncertainty in Europe and Asia left global markets unfazed as stocks and bonds rallied. Both U.S. and non-U.S. stocks delivered stellar returns in the first three months of 2017. That put some juice into the performance of institutional funds tracked by Callan, which did far better than they had in the last quarter of 2016.

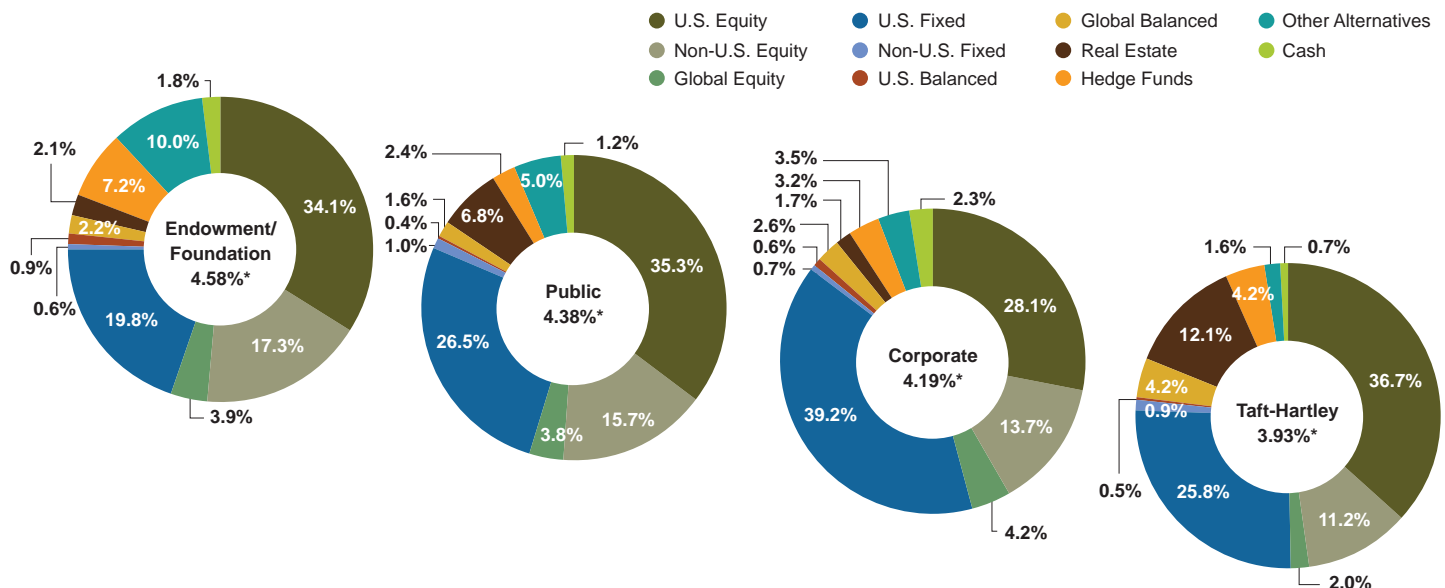
The median return for all fund types for the first quarter clocked in at +4.31%, compared to only +0.65% in the fourth quarter. Endowment and foundation funds bested all other fund types and jumped 4.58%, while Taft-Hartley plans slipped in the ranks and had the lowest median return, up only 3.93%.

Callan Fund Sponsor Returns for the Quarter



Source: Callan

Callan Fund Sponsor Average Asset Allocation



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

How funds did depended in large part on where they had their money. Endowment and foundation plans have the highest exposure to non-U.S. equity, which performed quite well despite an ousted South Korean president and an unpredictable French election. The **MSCI ACWI ex USA Index** rose 7.86%, the **MSCI EAFE Index** gained 7.25%, and the **MSCI Emerging Markets Index** jumped 11.44%.

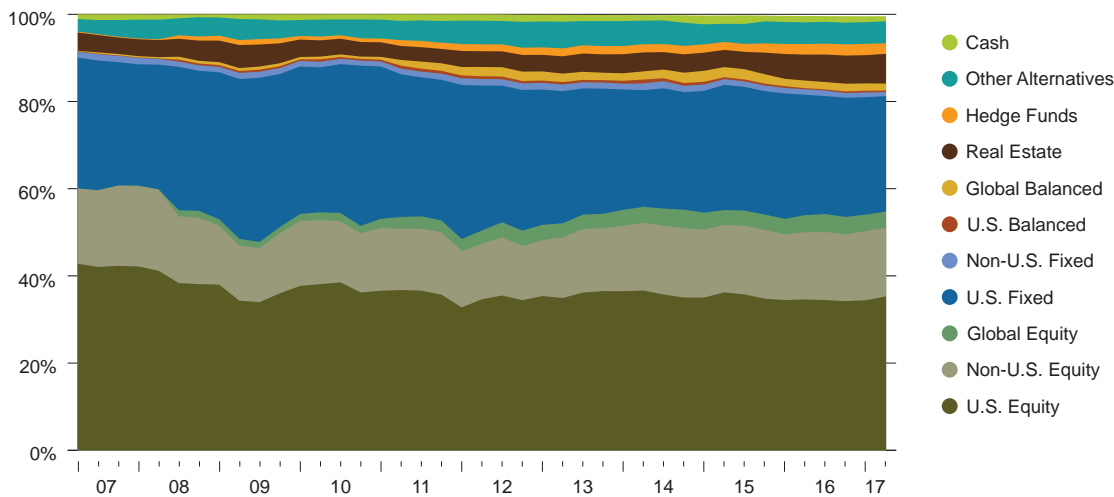
On the other end of the spectrum, Taft-Hartley plans had the most exposure to U.S. equity and the lowest to non-U.S. and global equity. While U.S. equities delivered strong returns, they

lagged their overseas counterparts; the **S&P 500 Index** surged 6.07% and the **Russell 1000 Index** rose 6.02%. Taft-Hartley plans had an average allocation of 11.2% to non-U.S. equity, which was the lowest of all fund types.

Although Taft-Hartley plans had the worst performance in the first quarter, they had the best returns over the last three (+5.99%) and five years (+8.22%) due to their home country bias in equities and the dominance of U.S. versus non-U.S. stocks. Endowment and foundation funds had the best performance in the first quarter (+4.58%) and last year (+11.32%).

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.

Steady as She Goes

U.S. EQUITY | Lauren Mathias, CFA

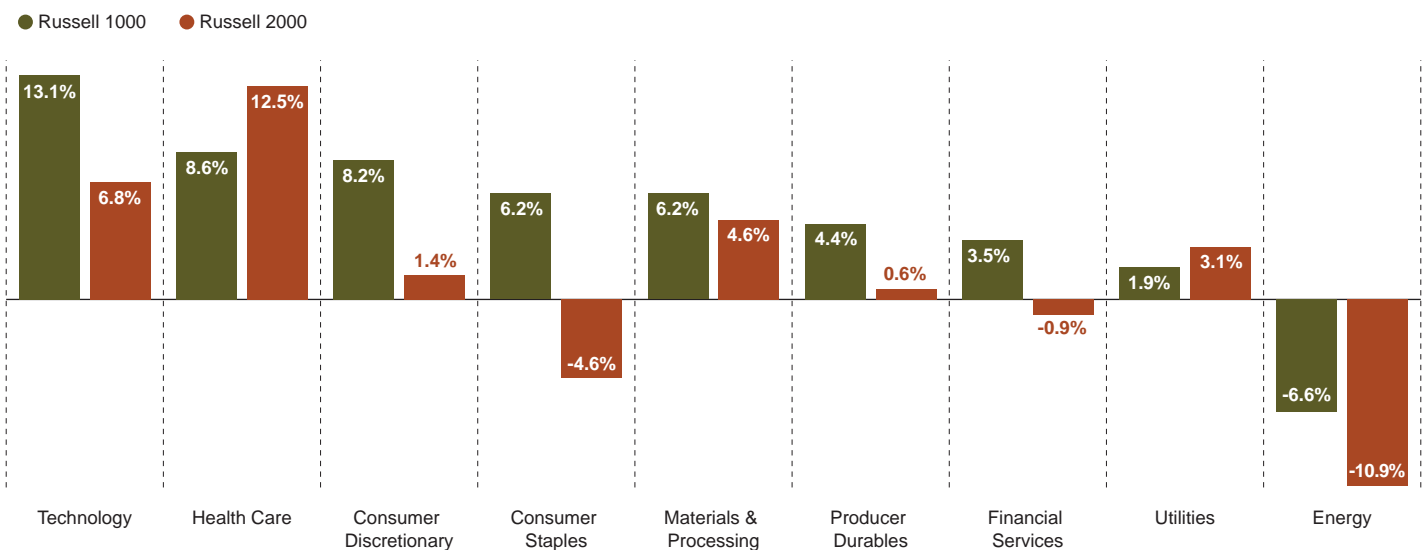
Despite concerns over the Trump administration’s ability to follow through on promises of lower taxes and decreased regulation, the market accelerated higher in the first quarter. The **S&P 500 Index** hit a peak (2,396) in March and notched a 6.07% gain over the full three-month period. But the quarter was marked by reversals from the previous one—small cap fell behind large cap (**Russell 2000 Index**: +2.47% vs. **Russell 1000 Index**: +6.03%) and growth overtook value (**Russell 1000 Growth Index**: +8.91% vs. **Russell 1000 Value Index**: +3.27%).

The broader U.S. economy reflected the market’s optimism, and to no one’s surprise the Fed raised rates a quarter-point in mid-March. Wages continued to grow, consumer confidence was up, inflation moved closer to the Fed’s 2% target, and unemployment fell to 4.7%. Yet some headwinds persisted in the U.S., with slowing GDP growth (the fourth quarter trailed the third, 2.1% vs. 3.5%), and significant issues abroad: elections

and Brexit in Europe, the Syrian war in the Middle East, and South Korea’s presidential impeachment in Asia. Valuations in the U.S. remain high by various measures, but investors appear unfazed—for now.

Technology shares were especially strong; the FANG stocks—Facebook, Amazon, Netflix, and Google—hit record highs during the quarter. (Technically it should be the FANA stocks because Google is officially Alphabet—but FANG sounds better!) Micro and small cap companies ran out of steam after a strong 2016, while mid and large cap stocks charged ahead (**Russell Microcap Index**: +0.38%, **Russell 2000 Index**: +2.47%, **Russell Midcap Index**: +5.15%, and **Russell 1000 Index**: +6.03%). Value lost its lead over growth in all capitalizations (**Russell 2000 Value Index**: -0.13% vs. **Russell 2000 Growth Index**: +5.35%). The dispersion in style returns was broad across market capitalizations.

Economic Sector Quarterly Performance



Source: Russell Investment Group

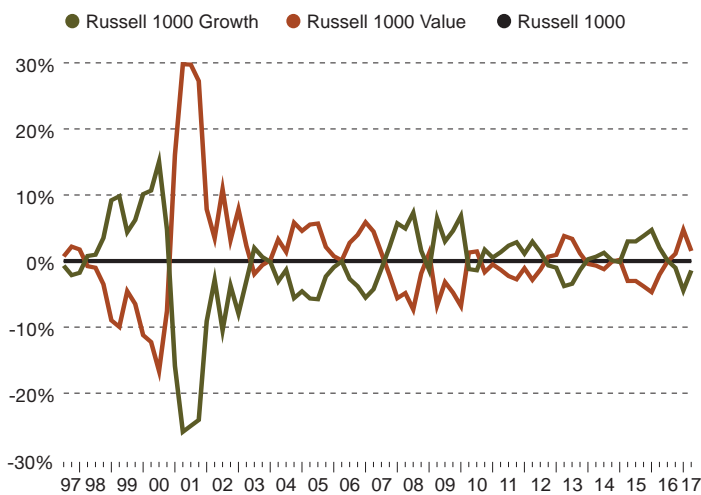
Note: As of the fourth quarter of 2015, the Capital Market Review reports sector-specific returns using the Russell Global Sectors (RGS) classification system rather than the Global Industry Classification Standard (GICS) system. RGS uses a three-tier classification system containing nine sectors; GICS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

Reflecting the reversal in investor preference, the best-performing sectors in the S&P 500 Index during the quarter were growth-oriented; Technology (+12.57%) was No. 1, followed by Consumer Discretionary (+8.45%) and Health Care (+8.37%). After leading in the fourth quarter, Financials (+2.53%) and Energy (-6.68%) trailed the broad market in the first. Both Health Care and Financials traded on President Donald Trump's failure to amend the Affordable Care Act—Health Care stocks gained on the certainty of the status quo and Financials dropped on fear the administration may fall short on deregulation and tax reform as well. Energy was the worst-performing sector during the quarter as last year's agreement by the Organization of the

Petroleum Exporting Countries (OPEC) has not reduced fears of oversupply or meaningfully increased the price of oil.

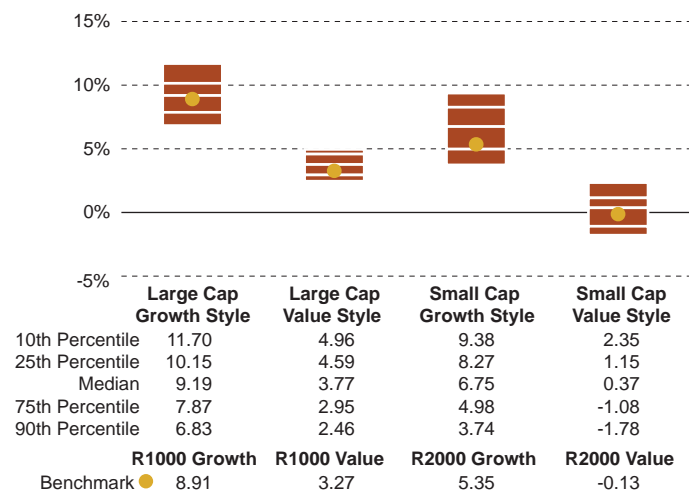
As the U.S. equity market powered on, valuations across indices traded at historically high levels—the S&P 500 Index NTM (next 12 months) P/E was 17.5x versus the 25-year average of 14x as of March 31, 2017. Correlation among stocks (measured by S&P 500 stocks) ended the quarter below average and at levels not seen in 10 years, a positive for active management. Volatility (as measured by the **CBOE Market Volatility Index**, or VIX) also tracked below its average, seemingly unfazed by geopolitical uncertainty.

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 March 31, 2017

| | S&P 500 | Rus 3000 | Rus 1000 | Rus Midcap | Rus 2500 | Rus 2000 |
|----------------------------|---------|----------|----------|------------|----------|----------|
| Number of Issues | 507 | 2,941 | 995 | 792 | 2,438 | 1,946 |
| Wtd Avg Mkt Cap (\$bn) | 151.6 | 127.6 | 137.9 | 13.7 | 4.6 | 2.2 |
| Price/Book Ratio | 2.9 | 2.8 | 2.9 | 2.6 | 2.3 | 2.1 |
| Forward P/E Ratio | 17.7 | 18.2 | 18 | 19.3 | 20.4 | 21.1 |
| Dividend Yield | 2.0% | 1.9% | 2.0% | 1.7% | 1.5% | 1.4% |
| 5-Yr Earnings (forecasted) | 12.6% | 12.5% | 12.5% | 11.8% | 11.8% | 12.4% |

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

Profits Trump Populism

NON-U.S. EQUITY | Irina Sushch

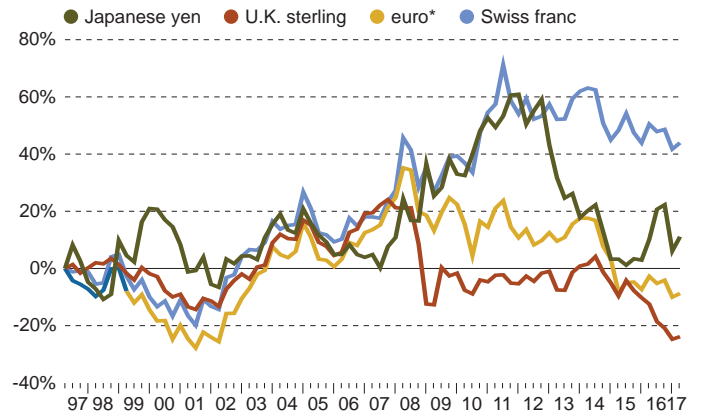
A flurry of political skirmishes and uneven growth in Asia failed to deter non-U.S. equity investors, and the “risk-on” theme of last year continued into 2017. The weak U.S. dollar also bolstered overseas returns for U.S. investors.

The **MSCI ACWI ex USA Index** jumped 7.86% during the quarter. All of its sectors were in the black, with the exception of Energy (-0.91%), which was hurt by falling oil prices. Economically sensitive sectors led the pack: Information Technology contributed 14.59% and Industrials added 9.48%. Defensive and cyclical sectors such as Telecommunications (+5.98%) and Real Estate (+6.72%) lagged.

Helped by a weaker dollar, emerging markets (**MSCI Emerging Markets Index**: +11.44%) outperformed their developed peers (**MSCI World ex USA Index**: +6.81% and **MSCI EAFE Index**: +7.25%). The **MSCI ACWI ex USA Growth Index** (+9.13%) resumed dominance over the **MSCI ACWI ex USA Value Index** (+6.68%). Small cap stocks also performed well (**MSCI ACWI ex USA Small Cap Index**: +8.78%).

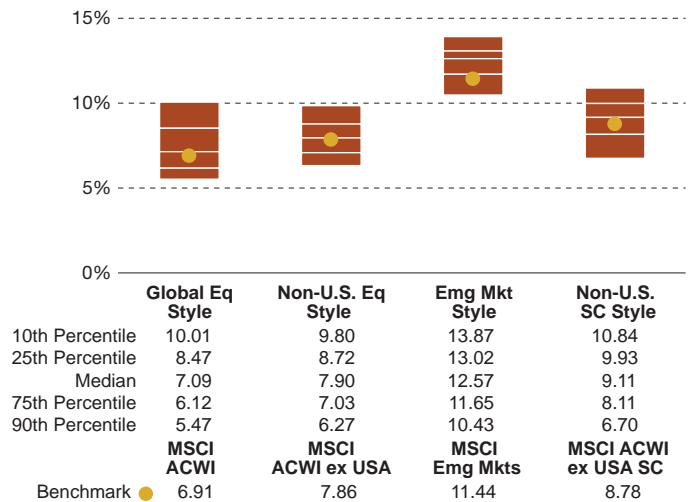
Politics continued to roil Europe. Most notably, British Prime Minister Theresa May triggered Article 50 of the Lisbon Treaty on March 29, giving the U.K. two years to negotiate an exit from the European Union. The negotiations are likely to be arduous, particularly concerning trade and immigration. And France’s presidential elections weighed on investors during the quarter. (A runoff is slated for May. Marine Le Pen, the far right contender and opponent of the EU, finished second in the first round of voting but is widely expected to lose to Emmanuel Macron, a more centrist leader and supporter of the EU.) On the other hand, the economic outlook brightened in the euro zone. Inflation hit a four-year high (2%) in February. Fourth quarter GDP was 1.7% (year-over-year) and positive in each country except Greece (-1.2%). The **MSCI Europe Index** jumped 7.44% in the first quarter; all of the countries posted positive returns. Spain (+14.76%) and the Netherlands (+11.33%) contributed most, while Ireland (+3.75%) and Norway (+1.43%) lagged.

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



* German mark returns before 1Q99
Source: MSCI

Callan Style Group Quarterly Returns



Sources: Callan, MSCI

Information Technology (+12.89%) and Industrials (+10.39%) rallied, while Energy stocks (-3.10%) brought up the rear.

In Southeast Asia and the Pacific, Japan’s economy grew at a meager (yet notably positive) annualized 1.2% in the fourth quarter. Industrial output and inflation rose and unemployment fell. But the stronger yen (+5%) dampened exporters’ returns, and Japan ended the quarter up just 4.49%; only New Zealand

NON-U.S. EQUITY (Continued)

posted worse returns (+1.95%) in the region, owing to a faltering Materials sector (-19.33%). Singapore (+13.46%) and Hong Kong (+13.41%) fared best, thanks to thriving real estate markets. Australia advanced 10.98%, propped up by currency strength. The **MSCI Pacific Index** was up 6.92% and the **MSCI Pacific ex Japan Index** jumped 11.76%.

Emerging market returns were boosted by a weaker U.S. dollar, economic growth in China, and rising industrial metal prices. Poland (+17.75%) and India (+17.12%) were the top performers. The party of India's prime minister, Narendra Modi, won a key regional election despite an abrupt currency recall last year, and the central bank predicted strong economic growth for the next 12 months. Gains in IT stocks bolstered Korean returns. China, which makes up more than a quarter of the MSCI Emerging Markets Index, also experienced growth in its IT sector, as well as in Manufacturing and Real Estate. Its fourth

quarter GDP came in at 6.8%, and China ended the quarter up 12.93%. Mexico was among the top performers (+16.03%) as the peso rebounded 9%. Russia (-4.61%) and Greece (-3.49%) were the region's poorest performers. Russia was hurt by falling oil prices, and Greece by negative GDP growth.

Quarterly Returns for Non-U.S. Developed Countries

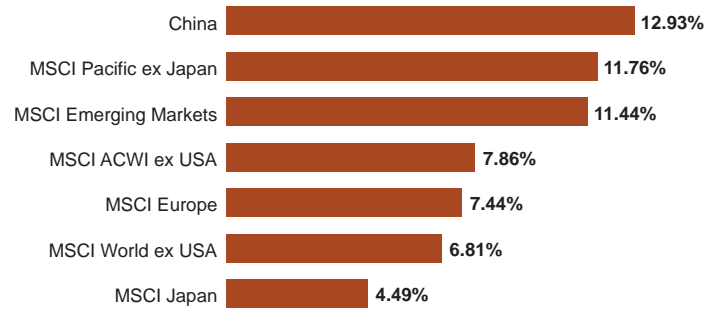
| Country | Equity Index | | Currency Return | Weight* |
|-------------|--------------|------------------|-----------------|---------|
| | (US\$) | (Local Currency) | | |
| Australia | 10.98% | 5.34% | 5.35% | 5.30% |
| Austria | 8.96% | 7.45% | 1.40% | 0.14% |
| Belgium | 5.13% | 3.68% | 1.40% | 0.81% |
| Canada | 2.51% | 1.94% | 0.55% | 6.85% |
| Denmark | 6.11% | 4.65% | 1.39% | 1.14% |
| Finland | 7.31% | 5.83% | 1.40% | 0.67% |
| France | 7.28% | 5.80% | 1.40% | 7.10% |
| Germany | 8.36% | 6.87% | 1.40% | 6.62% |
| Hong Kong | 13.41% | 13.65% | -0.24% | 2.44% |
| Ireland | 3.75% | 2.32% | 1.40% | 0.32% |
| Israel | 5.53% | 3.28% | 6.01% | 0.47% |
| Italy | 6.17% | 4.70% | 1.40% | 1.51% |
| Japan | 4.49% | -0.17% | 4.67% | 16.29% |
| Netherlands | 11.33% | 9.92% | 1.40% | 2.41% |
| New Zealand | 1.95% | 1.69% | 0.25% | 0.12% |
| Norway | 1.43% | 1.21% | 0.22% | 0.44% |
| Portugal | 8.25% | 6.75% | 1.40% | 0.11% |
| Singapore | 13.46% | 9.79% | 3.39% | 0.92% |
| Spain | 14.76% | 13.18% | 1.40% | 2.34% |
| Sweden | 9.46% | 7.58% | 1.75% | 2.01% |
| Switzerland | 8.34% | 6.70% | 1.54% | 6.08% |
| U.K. | 5.04% | 3.80% | 1.20% | 12.44% |

*Weight in the MSCI ACWI ex USA Index

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

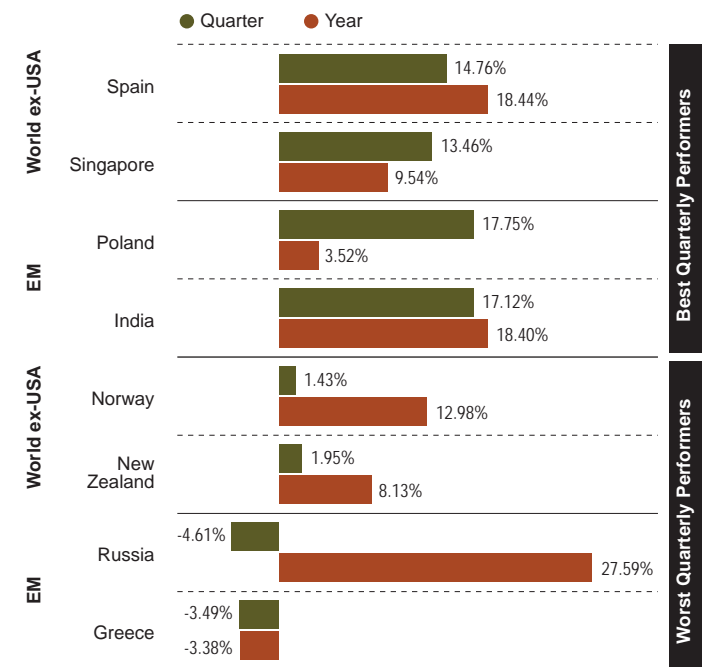
Regional Quarterly Performance

(U.S. Dollar)



Source: MSCI

Quarterly and Annual Country Performance Snapshot



Source: MSCI

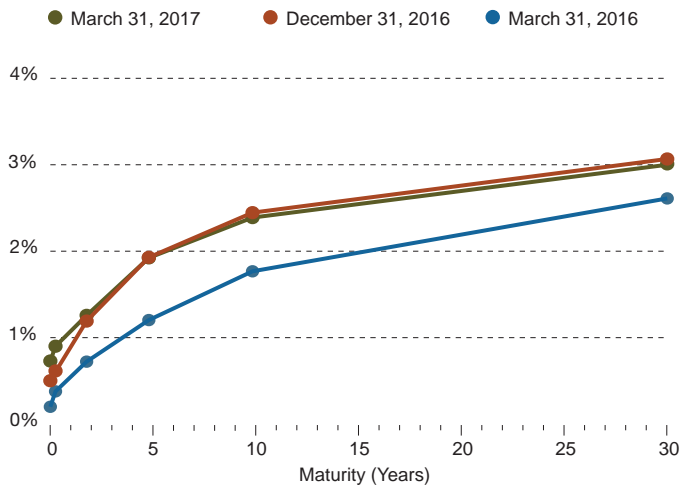
Up, Up, and Away

U.S. FIXED INCOME | Rufash Lama

During the first quarter, the U.S. bond market generated positive returns across the board due in part to strong economic data and upbeat investors compressing spreads. U.S. fourth quarter GDP grew at an annualized rate of 2.1%, consumer spending rose 3.5%, and the unemployment rate fell to 4.7%. High yield bonds performed best; the **Bloomberg Barclays High Yield Index** climbed 2.70% for the quarter.

The Fed increased rates by 25 basis points in March, to a range of 0.75% – 1.00%, as U.S. economic indicators continued to signal growth; two additional hikes are expected over the rest of the year. The Treasury yield curve flattened during the quarter as short-term Treasury yields rose while longer-term Treasury yields fell. Despite hitting an intra-quarter high of 2.62%, the benchmark 10-year Treasury note ended the quarter at 2.39%, 5 bps lower than the yield at the end of 2016. For the quarter, U.S. Treasuries returned 0.67%; long Treasuries (+1.40%) outperformed intermediate ones (+0.54%). TIPS were up 1.26% as expectations for future inflation rose. At the end of the quarter, the 10-year breakeven inflation rate, a market-based gauge of investors' expectations for future inflation, stood at 1.97%.

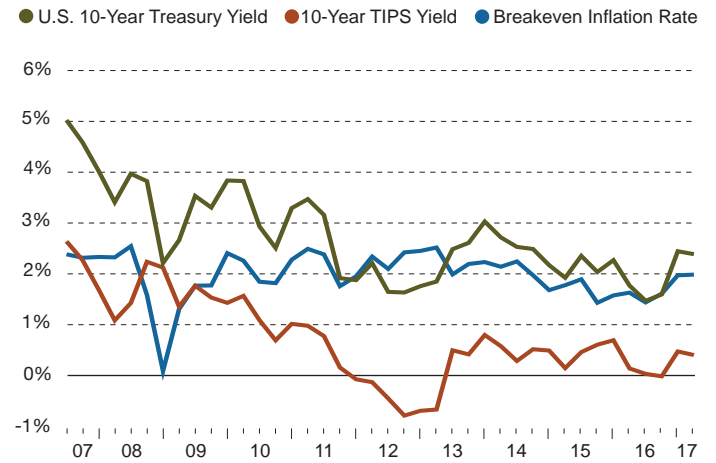
U.S. Treasury Yield Curves



Source: Bloomberg

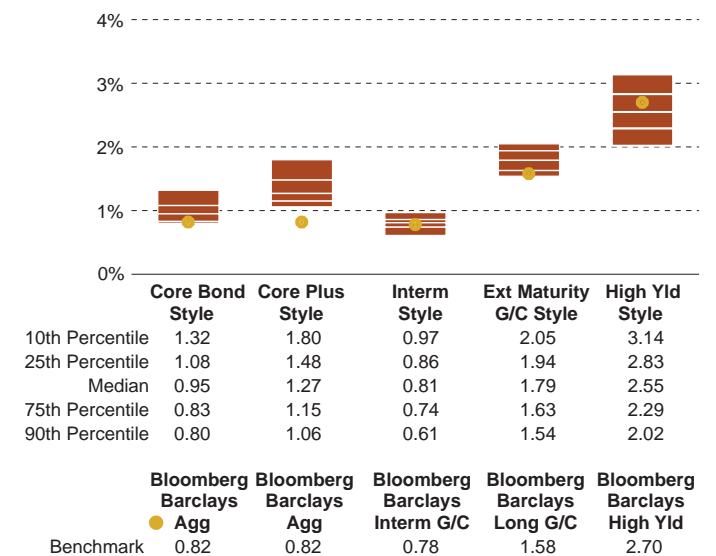
All fixed income sectors reported returns in the black as both the corporate credit market and the structured-debt market benefited from strong investor demand; the **Bloomberg Barclays U.S. Aggregate Bond Index** rose 0.82%. Issuance in the investment-grade primary market totaled \$390 billion, easily surpassing the prior record of \$357 billion in the second quarter

Historical 10-Year Yields



Source: Bloomberg

Callan Style Group Quarterly Returns



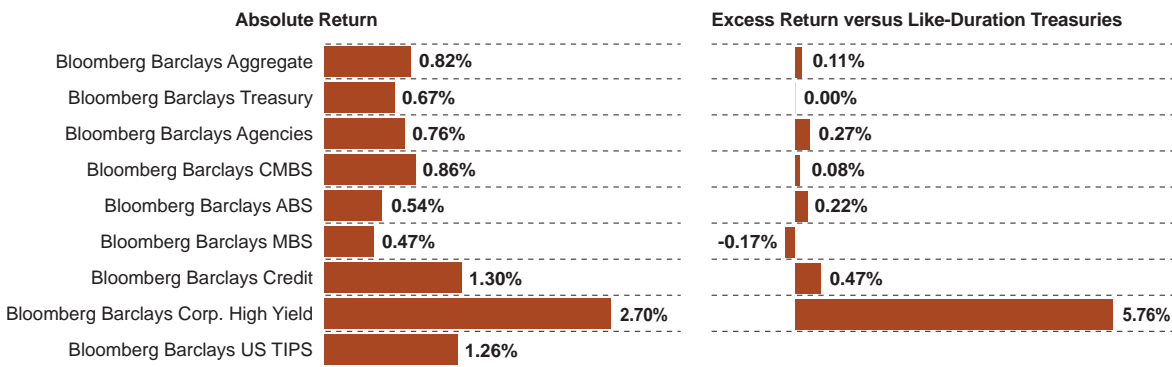
Source: Bloomberg Barclays, Callan

of 2015. Overall, spreads tightened and investor appetite for bonds remained strong despite the headwind of higher rates. High yield spreads over comparable Treasuries tightened by 26 bps and delivered the strongest return. Lower-rated bonds outperformed higher-rated issues; BBB-rated securities generated an excess return of 85 bps and outperformed AAA securities by 70 bps. ABS and investment-grade corporate spreads tightened by 5 bps and rose 1.22% and 0.54%, respectively.

Mortgage-backed securities (MBS) (+0.47%) underperformed duration-matched Treasuries by 17 bps. Commercial mortgage-backed securities (CMBS) rose 0.86% for the quarter and benefited from strong demand.

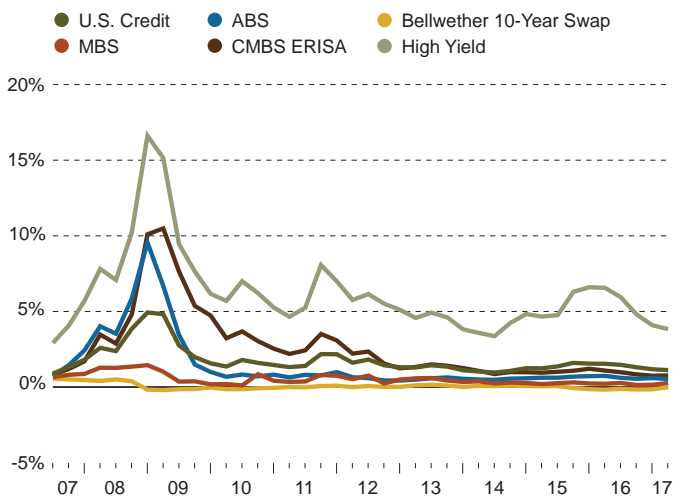
Municipal bonds also delivered a strong quarter as expectations for U.S. tax reform fell and new issuance remained light. The **Bloomberg Barclays Municipal Bond Index** jumped 1.58%.

Fixed Income Index Quarterly Returns



Source: Bloomberg Barclays

Effective Yield Over Treasuries



Source: Bloomberg Barclays

U.S. Fixed Income Index Characteristics as of March 31, 2017

| Bloomberg Barclays Indices | Yield to Worst | Mod Adj Duration | Avg Maturity |
|------------------------------------|----------------|------------------|--------------|
| Bloomberg Barclays Aggregate | 2.61 | 6.00 | 8.22 |
| Bloomberg Barclays Universal | 2.95 | 5.78 | 7.99 |
| Bloomberg Barclays Gov/Credit | 2.49 | 6.47 | 8.70 |
| 1-3 Year | 1.50 | 1.94 | 2.00 |
| Intermediate | 2.10 | 4.06 | 4.41 |
| Long-Term | 3.88 | 15.15 | 24.19 |
| Bloomberg Barclays Long Credit | 4.51 | 13.71 | 23.76 |
| Bloomberg Barclays Corp High Yield | 5.84 | 4.03 | 6.24 |
| Bloomberg Barclays TIPS | 2.27 | 5.72 | 8.31 |
| Bloomberg Barclays Municipal | 2.46 | 6.40 | 12.85 |
| 1-5 Year | 1.46 | 2.65 | 3.13 |
| 1-10 Year | 1.86 | 4.03 | 5.77 |

Source: Bloomberg Barclays

Separation Anxiety

NON-U.S. FIXED INCOME | Kyle Fekete

Sovereign debt performed well in the first quarter amid political uncertainty about the future of the European Union (EU). Emerging market debt outperformed developed market debt for the third straight quarter as the **JPM GBI-EM Global Diversified Index** advanced 6.50% versus the **Bloomberg Barclays Global Aggregate ex-US Index's** 2.48% gain. Returns were bolstered by the U.S. dollar's drop against most currencies.

European sovereign bond yields rose in the midst of critical elections and debate over the future of the EU. The safe-haven German 10-year bond yield climbed 12 basis points to

Quarterly Returns for Non-U.S. Government Indices

| Country | Country Debt* | Country Debt** | Currency Return | Weight*** |
|--------------|---------------|----------------|-----------------|-----------|
| Australia | 6.66% | 1.24% | 5.35% | 2.64% |
| Austria | 0.60% | -0.80% | 1.40% | 1.75% |
| Belgium | -0.31% | -1.69% | 1.40% | 2.99% |
| Canada | 1.05% | 0.50% | 0.55% | 2.54% |
| Denmark | 0.79% | -0.59% | 1.39% | 0.71% |
| Finland | 0.65% | -0.75% | 1.40% | 0.74% |
| France | -0.92% | -2.29% | 1.40% | 11.85% |
| Germany | 0.64% | -0.75% | 1.40% | 8.62% |
| Ireland | 0.05% | -1.34% | 1.40% | 0.96% |
| Italy | -0.60% | -1.98% | 1.40% | 11.24% |
| Japan | 4.15% | -0.50% | 4.67% | 33.21% |
| Malaysia | 2.94% | 1.56% | 1.37% | 0.50% |
| Mexico | 13.62% | 3.88% | 9.38% | 1.11% |
| Netherlands | 0.50% | -0.90% | 1.40% | 2.75% |
| Norway | 1.44% | 1.22% | 0.22% | 0.33% |
| Poland | 7.16% | 1.71% | 5.36% | 0.81% |
| Singapore | 5.69% | 2.22% | 3.39% | 0.50% |
| South Africa | 4.42% | 2.38% | 1.99% | 0.66% |
| Spain | 0.60% | -0.79% | 1.40% | 6.70% |
| Sweden | 1.31% | -0.43% | 1.75% | 0.55% |
| Switzerland | 1.07% | -0.46% | 1.54% | 0.23% |
| U.K. | 2.85% | 1.63% | 1.20% | 8.63% |

*U.S. dollar-denominated.

**Local currency-denominated.

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

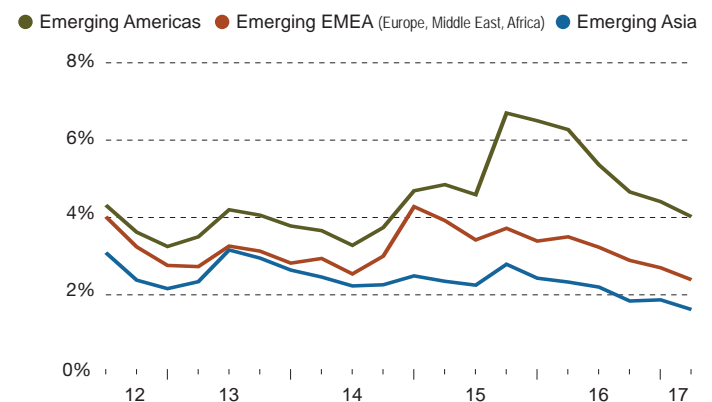
Source: Citigroup

0.33%, steepening the yield curve to its highest since 2014. France's 10-year bonds sold off in the middle of the quarter as the markets priced in the risk of a potential victory by presidential candidate Marine Le Pen, who wants the French to vote on whether to leave the EU. The Italian 10-year yield jumped 50 bps to 2.32% as an air of political risk also loomed over Europe's third-largest economy.

The European Central Bank continued its stimulus efforts, extending its bond-buying program until December 2017 and maintaining interest rates near record lows. Yet there was renewed confidence in the region's economic health as a result of solid manufacturing data, strength in the region's labor market, and encouraging inflation news. The euro strengthened against the U.S. dollar, providing some headwind to the hedged Bloomberg Barclays Global Aggregate ex-US Index, which increased only slightly (+0.06%).

In the Asia-Pacific region, Japan's 10-year yield edged up 2 bps to 0.07%, in line with the Bank of Japan's goal of maintaining its yield at approximately zero. The Reserve Bank of Australia left rates unchanged despite rapid growth in household debt. The Australian 10-year yield declined 6 bps to 2.70%. Both countries' currencies advanced roughly 5% against the U.S. dollar.

Emerging Spreads Over Developed (By Region)



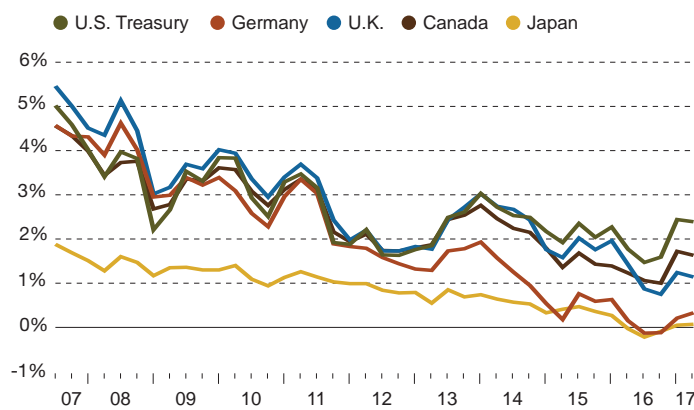
Source: Bloomberg Barclays

NON-U.S. FIXED INCOME (Continued)

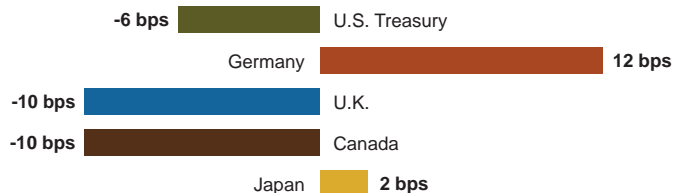
Emerging markets performed quite well. The U.S. dollar-denominated **JPM EMBI Global Diversified Index** rose 3.87%, and only three countries out of 65 posted negative returns for the quarter. Mexico, the most heavily weighted in the Index, was the strongest performer (+5.46%). Venezuela was the worst, falling 1.29%. Emerging market currencies also

generally appreciated versus the U.S. dollar, accounting for the JPM GBI-EM Global Diversified Index's 6.50% rise. Argentina reentered the Index in February, and its debt posted the strongest return (+15.60%). Mexico (+13.60%) and Brazil (+9.69%) were also top performers, while Turkey (-0.68%) was the only country in the index to deliver a negative return.

10-Year Global Government Bond Yields

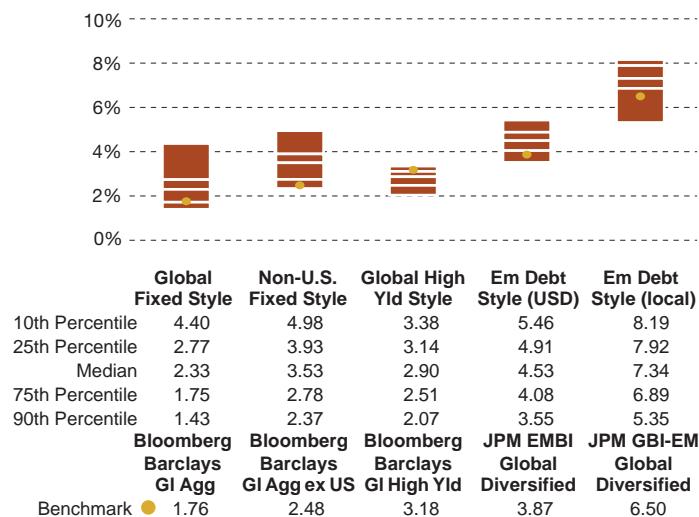


Change in 10-Year Yields from 4Q16 to 1Q17



Source: Bloomberg

Callan Style Group Quarterly Returns



Sources: Bloomberg Barclays, Callan, JPMorgan Chase

New Year, New Lows

REAL ESTATE | Kevin Nagy

The **NCREIF Property Index** advanced 1.55% during the first quarter (1.15% from income and 0.40% from appreciation). This was the lowest return since 2010, eclipsing the fourth quarter's mark of 1.73%. Appreciation fell for the eighth consecutive quarter and made up less than a third of total return.

Industrial (+2.83%) was the best-performing sector for the fourth consecutive quarter with Retail (+1.56%) and Apartments (+1.30%) also posting positive returns; Hotels (-0.16%) fared the worst and the was only property sector to fall during the quarter. All property sectors posted lower results than the previous quarter.

The West surpassed all other regions for the second quarter in a row, rising 1.96%; the East was the weakest, up only 0.95%. Transaction volume fell steeply to \$6.6 billion, a 53% decline from last quarter's all-time high. This also represented a drop of 13% from the first quarter of 2016. Appraisal capitalization rates stayed mostly flat, increasing to 4.44%, 1 basis point above last quarter's all-time low of 4.43%. Transaction capitalization rates recovered from the precipitous decline of the fourth quarter and rose from 5.7% to 6.3%. The spread between appraisal and transactional rates increased to 183 bps.

Occupancy rates dropped slightly from the 15-year high in the fourth quarter to 92.96%. Apartment occupancy rates increased slightly while Industrial, Office, and Retail rates decreased.

The **NCREIF Open End Diversified Core Equity Index** rose 1.77%. This marked a 34 basis point decrease from the fourth quarter return of 2.11%, and was the lowest for the index since 2010. Income accounted for 1.06% of the return, moderating slightly; appreciation (+0.70%, with rounding accounting for the slight discrepancy) fell to a new seven-year low.

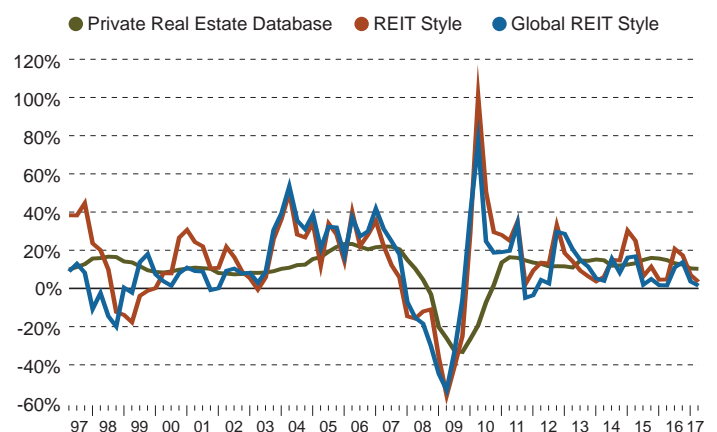
Global real estate investment trusts (REITs), tracked by the

FTSE EPRA/NAREIT Developed REIT Index (USD), outperformed their U.S. counterparts and rose 2.29%. U.S. REITs, as measured by the **FTSE NAREIT Equity REITs Index**, gained 1.16% for the quarter.

In the U.S., REITs enjoyed two months of positive returns to start the quarter before giving some of the gains back with a poor showing in March. Retail (-4.75%) fared the worst, hurt by weak earnings results from large retailers and the fear of store closings because of the emergence of e-commerce. Hotel (-1.90%) and Self Storage (-1.42%) also did poorly. Health Care (+6.92%) recovered from a sharp decline in the fourth quarter on the back of the failure of the new administration to fulfill its promise to repeal the Affordable Care Act. Specialty (+13.23%), Timber (+12.85%), Infrastructure (+12.25%), and Data Centers (+11.45%) all experienced double-digit gains.

Europe, as represented by the **FTSE EPRA/NAREIT Europe Index**, bested the U.S. in both local currency and U.S. dollar terms, buoyed by a weakening greenback and improving economic data. Markets also reacted positively to the failure of populist politicians to gain power in the Netherlands. As in the U.S., Retail lagged the broader index as e-commerce continued to take market share from traditional retailers.

Rolling One-Year Returns



Source: Callan

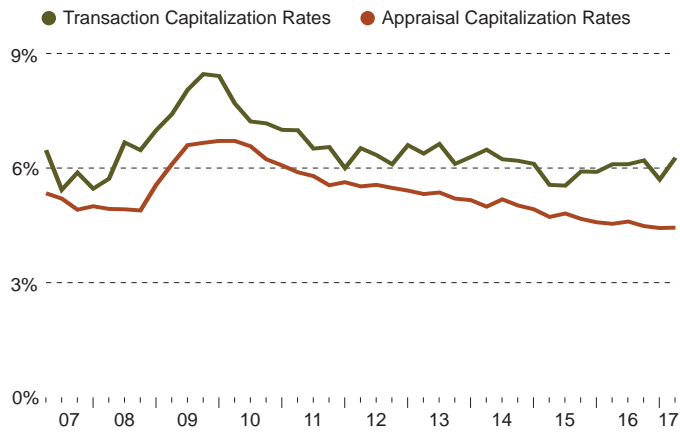
*Index subreturns are calculated separately from index return and may not total.

REAL ESTATE (Continued)

The Asia-Pacific region beat all others with the **FTSE EPRA/NAREIT Asia Index** jumping 5.94% during the first quarter in U.S. dollar terms. Singapore and Hong Kong were the major winners, up 17.4% and 16.2%, respectively. In both countries this was mainly attributed to strong performance by their residential sectors.

Commercial mortgage-backed securities (CMBS) issuance for the quarter was down sharply, by 58%, to \$11.3 billion from the \$26.9 billion in the fourth quarter of 2016. This represents a 42% decrease from the first quarter of 2016 (\$19.4 billion).

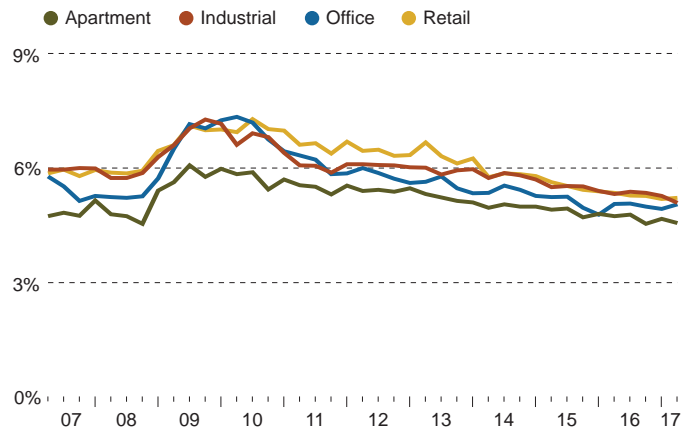
NCREIF Transaction and Appraisal Capitalization Rates



Source: NCREIF

Note: Transaction capitalization rate is equal weighted.

NCREIF Capitalization Rates by Property Type



Source: NCREIF

Note: Capitalization rates are appraisal-based.

On a Roll

PRIVATE EQUITY | Gary Robertson

New private equity partnership commitments totaled \$80.0 billion in the first quarter, with 310 new partnerships formed, according to preliminary data from *Private Equity Analyst*. The number of partnerships jumped 75% from 177 in the first quarter of 2016, and the dollar volume rose 51% from \$53.1 billion. KKR Americas Fund XII raised the most money in the quarter, \$3.1 billion, and its final close of \$13.9 billion exceeded its \$12 billion target.

Investments by funds into companies totaled 379 deals, up 18% from 322 in the prior quarter, according to *Buyouts* newsletter. The announced total volume was \$35.0 billion, up 24% from \$28.3 billion in the fourth quarter. The \$6.0 billion take-private of hospital staffing firm Team Health Holdings was the quarter's largest buyout. Nine deals with announced values of \$1 billion or more closed in the quarter.

According to the National Venture Capital Association, new investments in VC companies totaled 1,808 rounds with \$16.5 billion of announced value. The number of rounds fell by 5% from 1,898 in the fourth quarter, but disclosed value increased 15% from \$14.3 billion.

Buyout M&A exits fell steeply; there were just 117 in the first quarter, down 25% from the prior quarter's 157, according to

Funds Closed January 1 to March 31, 2017

| Strategy | No. of Funds | Amt (\$mm) | Percent |
|---------------------|--------------|---------------|-------------|
| Venture Capital | 145 | 7,505 | 9% |
| Buyouts | 108 | 54,622 | 68% |
| Subordinated Debt | 13 | 3,038 | 4% |
| Distressed Debt | 7 | 4,526 | 6% |
| Secondary and Other | 7 | 5,162 | 6% |
| Fund-of-funds | 30 | 5,178 | 6% |
| Totals | 310 | 80,031 | 100% |

Source: Private Equity Analyst
Figures may not total due to rounding.

Buyouts. Announced deal value also dropped: 30 deals totaling \$14.4 billion, off 47% from \$27.0 billion in the fourth. Three buyout-backed IPOs in the first quarter raised an aggregate \$2.4 billion. The number of IPOs was the same as the prior quarter, but the proceeds increased from \$2.0 billion.

Venture-backed M&A exits totaled 132 and disclosed value hit \$10.4 billion. The number of exits declined 19% but the dollar volume increased 53% from the fourth quarter, which had 162 sales totaling \$6.8 billion. There were seven VC-backed IPOs in the first quarter with a combined float of \$4 billion. The fourth quarter also had seven but they only raised \$684 million.

Please see our upcoming issue of *Private Markets Trends* for more in-depth coverage.

Private Equity Performance Database (%) (Pooled Horizon IRRs through September 30, 2016*)

| Strategy | 3 Months | Year | 3 Years | 5 Years | 10 Years | 15 Years | 20 Years |
|---------------------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|
| All Venture | 3.33 | 3.35 | 17.77 | 14.78 | 10.51 | 6.72 | 20.92 |
| Growth Equity | 3.82 | 8.77 | 11.95 | 12.28 | 11.20 | 10.92 | 13.62 |
| All Buyouts | 3.91 | 11.48 | 11.97 | 13.68 | 10.41 | 12.96 | 12.60 |
| Mezzanine | 2.92 | 9.19 | 8.75 | 10.32 | 9.38 | 8.96 | 9.17 |
| Distressed | 4.22 | 7.72 | 7.30 | 11.93 | 9.42 | 10.71 | 10.67 |
| All Private Equity | 3.80 | 9.08 | 12.24 | 13.41 | 10.37 | 11.06 | 13.23 |
| S&P 500 | 3.85 | 15.43 | 11.16 | 16.37 | 7.24 | 7.15 | 7.91 |
| Russell 3000 | 4.40 | 14.96 | 10.44 | 16.36 | 7.37 | 7.61 | 8.03 |

Private equity returns are net of fees.
Sources: Standard & Poor's, Thomson Reuters/Cambridge
*Most recent data available at time of publication.

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

Dollops of Alpha with Beta

HEDGE FUNDS | Jim McKee

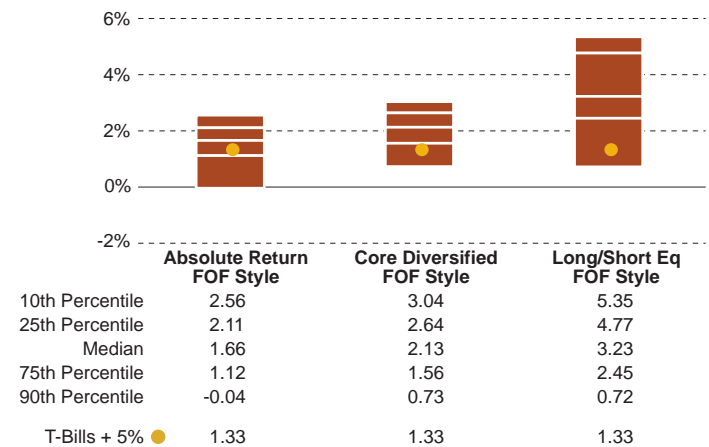
The U.S. economy moved steadily forward with revived animal spirits in the first quarter. Tangible evidence of growth and inflation emerged in the euro zone, soothing market worries globally. Amid geopolitical anxieties testing the Trump administration, the **S&P 500 Index** cleared 6.07% with very little market volatility. With more upbeat expectations abroad, **MSCI EAFE** climbed 7.25% while **MSCI Emerging Markets** soared 11.44%. After being beaten down in the prior quarter, the **Citi 10-Year Treasury** (+0.79%) held steady.

With global risk appetites encouraged by improving fundamentals, most hedge fund strategies generated positive returns. The **Credit Suisse Hedge Fund Index (CS HFI)**, a proxy of unmanaged hedge fund interests gross of fees, advanced 2.07%. Representing live hedge fund portfolios net of all fees, the median manager in the **Callan Hedge Fund-of-Funds Database** appreciated 2.29%.

Within CS HFI, *Long-Short Equity* (+3.46%) was particularly strong in the first quarter compared to 2016, even after adjusting for equity beta. Lack of market volatility and distinct trends left *Managed Futures* (-1.02%) and *Global Macro* (+0.24%) struggling.

Within the **Callan Hedge Fund-of-Funds Database**, market exposures differentiated performance. Supported by the stock market rallies around the globe, the median *Callan Long/Short Equity FOF* (+3.23%) outpaced the *Callan Absolute Return FOF* (+1.66%). With exposures to both non-directional and directional styles, the *Core Diversified FOF* gained 2.13%.

Callan Style Group Quarterly Returns



Sources: Callan, Merrill Lynch

Callan Database Median and Index Returns* for Periods ended March 31, 2017

| | Quarter | YTD | Year | 3 Years | 5 Years | 10 Years | 15 Years |
|-------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Hedge Fund-of-Funds Database | 2.29 | 2.29 | 8.04 | 2.00 | 4.66 | 3.24 | 4.83 |
| CS Hedge Fund Index | 2.07 | 2.07 | 5.67 | 1.92 | 3.95 | 3.62 | 5.83 |
| CS Equity Market Neutral | 2.13 | 2.13 | -2.19 | -0.62 | 1.26 | -2.99 | 0.55 |
| CS Convertible Arbitrage | 2.25 | 2.25 | 9.43 | 1.78 | 3.33 | 3.61 | 4.74 |
| CS Fixed Income Arbitrage | 2.32 | 2.32 | 8.02 | 3.15 | 4.64 | 3.43 | 4.23 |
| CS Multi-Strategy | 2.76 | 2.76 | 7.92 | 5.05 | 6.9 | 5.09 | 6.98 |
| CS Distressed | 2.23 | 2.23 | 10.91 | 0.82 | 5.28 | 3.75 | 6.94 |
| CS Risk Arbitrage | 1.21 | 1.21 | 4.94 | 1.78 | 2.33 | 3.18 | 3.74 |
| CS Event-Driven Multi-Strategy | 2.88 | 2.88 | 10.33 | -1.48 | 3.53 | 3.4 | 6.11 |
| CS Long/Short Equity | 3.46 | 3.46 | 3.91 | 2.44 | 5.35 | 3.99 | 6.29 |
| CS Global Macro | 0.24 | 0.24 | 6.2 | 2.57 | 2.87 | 5.53 | 7.88 |
| CS Managed Futures | -1.02 | -1.02 | -11.63 | 4.15 | 0.59 | 3.06 | 5.02 |
| CS Emerging Markets | 4.27 | 4.27 | 10.28 | 4.04 | 4.55 | 3.79 | 7.59 |

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

Eventful Year, but TDFs Still Rule

DEFINED CONTRIBUTION | Tom Szkwarla

The Callan DC Index™ increased 7.99% during the wild year that was 2016, its best year since 2013. And the Index did not suffer a single negative quarter, ending with a fourth quarter return of 1.59%. But the Index trailed the average Age 45 Target Date Fund, which gained 8.59% in 2016.

For the year, DC plan balances increased 8.31%. Almost all of the growth is attributable to market performance. Inflows (participant and plan sponsor contributions) added only 32 basis points to total growth.

Turnover (i.e., net transfer activity levels within DC plans) in 2016 reached 2.31%, the highest since 2012.

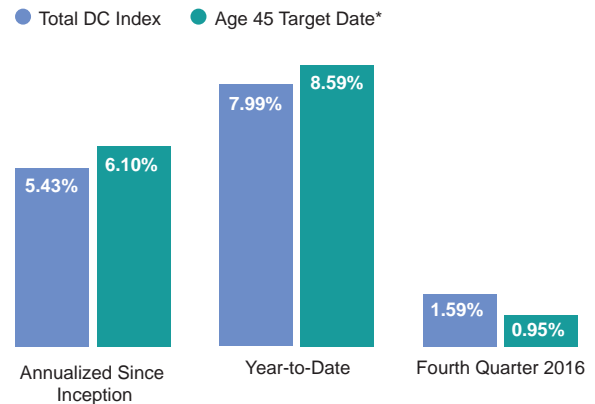
Last year, flows retreated from equities into stable value, money market, and domestic fixed income funds. As usual, TDFs dominated net inflows for the quarter and the year. For the year, roughly 61 cents of every dollar flowed to TDFs. The fourth quarter of 2016 saw a significant spike in TDF assets, increasing 1.3% from the third quarter to make up 29.0% of the average DC plan.

The Callan DC Index's equity allocation ended the quarter at 69%, below the equity allocation of the average Age 45 Target Date Fund (74%) but above the Index's historical average (67%).

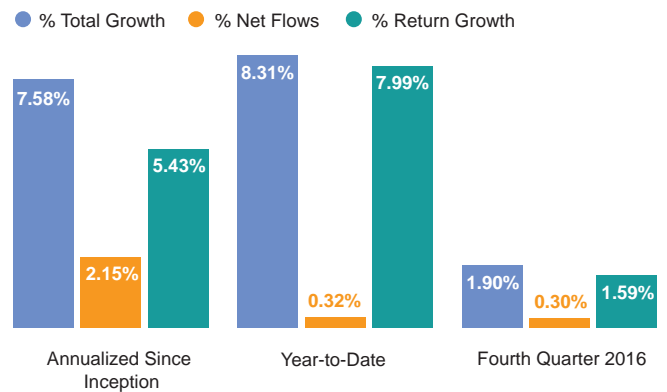
TDFs' dominance of the typical DC plan continues to grow. When TDFs are held within a DC plan, they now account for 35% of plan assets, up from 30% a year ago. The next largest plan holding, U.S. large cap equity funds, now account for 22.7% of plan assets. The fourth quarter of 2016 marks the highest level of TDF prevalence (91%) since the inception of the Callan DC Index™.

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

| Asset Class | Flows as % of Total Net Flows |
|-------------------------|-------------------------------|
| Target Date Funds | 68.47% |
| Stable Value | 22.76% |
| U.S. Large Cap | -30.44% |
| Company Stock | -40.41% |
| Total Turnover** | 0.50% |

Data provided here is the most recent available at time of publication.

Source: Callan DC Index

Note: DC Index inception date is January 2006.

* The Age 45 Fund transitioned from the average 2030 TDF to the 2035 TDF in June 2013.

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

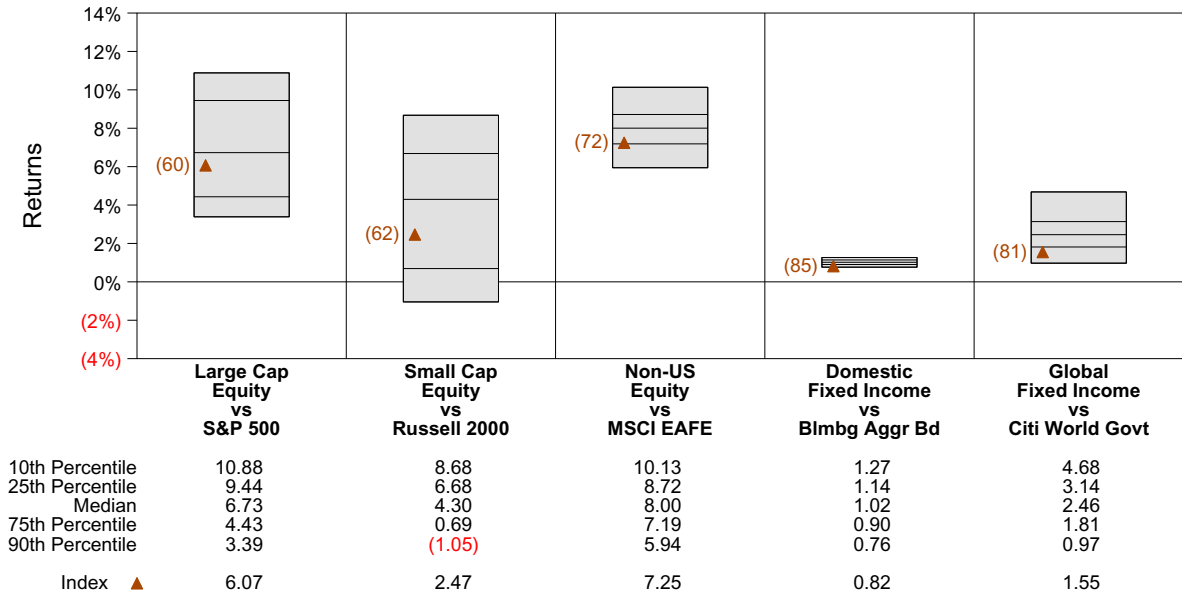
Market Overview

Active Management vs Index Returns

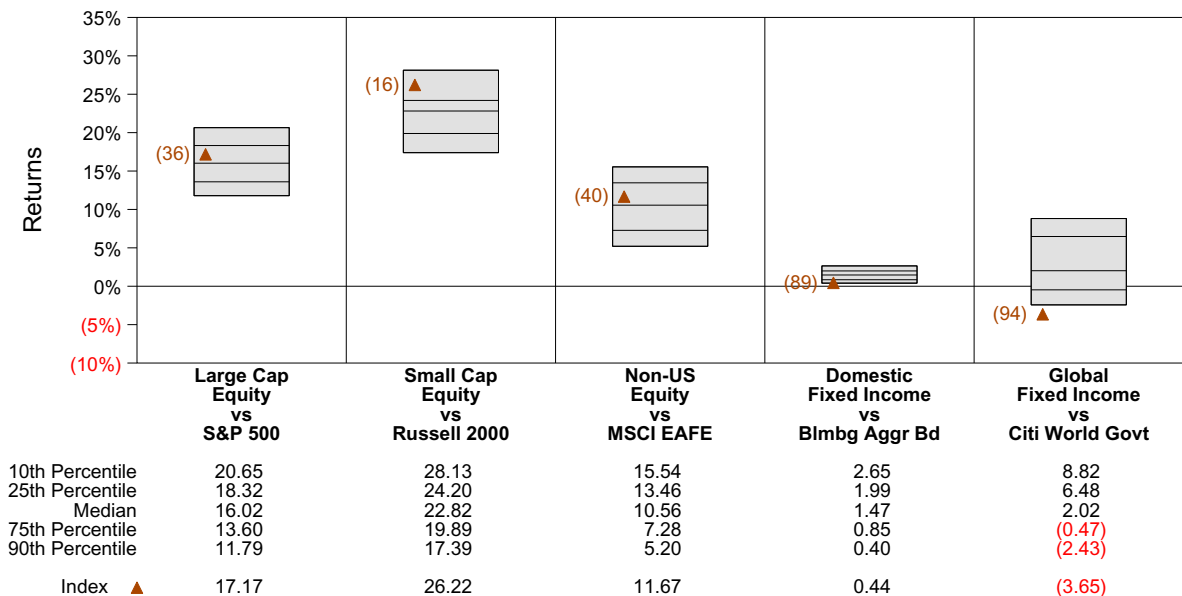
Market Overview

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 March 31, 2017



Range of Mutual Fund Returns by Asset Class One Year Ended March 31, 2017

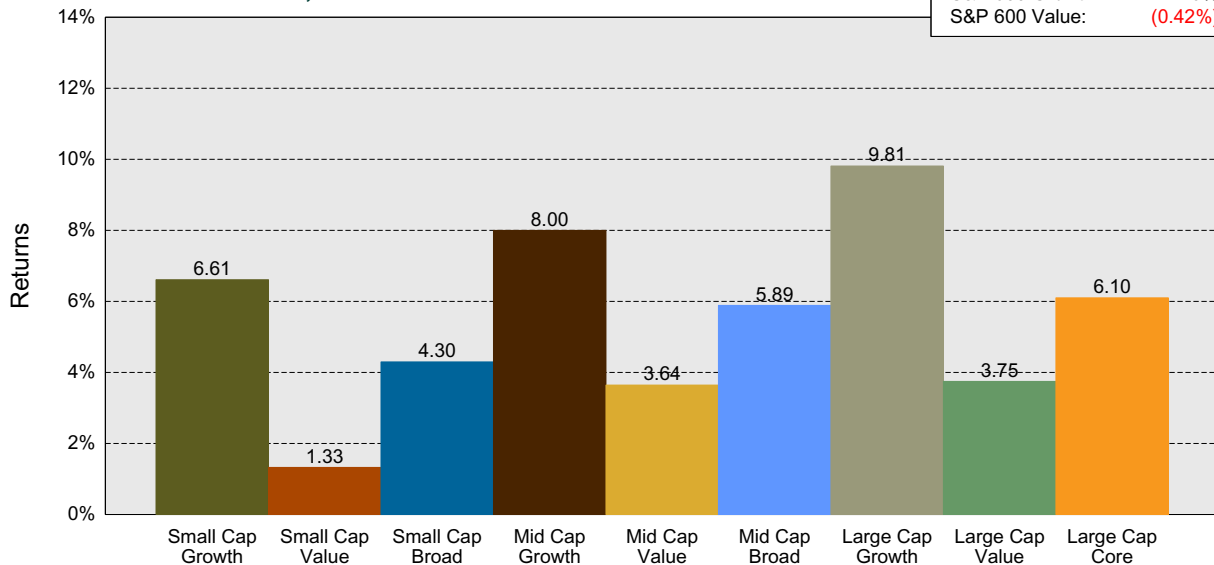


Domestic Equity Active Management Overview

The S&P 500 Index has lodged gains for eight consecutive calendar years, and the first quarter's results continued on that trajectory. The Index climbed 6.1% while the tech-heavy NASDAQ gained 10%. In the Tech sector, the "FANG" collective drove results: Facebook (+24%), Amazon (+18%), Netflix (19%), and Google (+8%). Solid quarterly earnings and expectations that President Trump's pro-growth agenda will be executed translated into strong investor sentiment. Growth stocks outperformed value by a wide margin across the capitalization spectrum; the most pronounced difference was in large caps (R1000 G +8.9% vs. R1000 V +3.3%). Large cap stocks also broadly outperformed small (R1000 +6.0% vs. R2000 +2.5%). Small cap value was the only segment to post a negative return (R2000 V -0.1%) after leading in 2016 (+31.7%). Within the S&P 500, the Tech sector performed the best (+12.6%). Health Care (the worst performer in 2016) rebounded with a +8.4% return. The worst performing sectors for the quarter were Energy (-6.7%) and Telecom (-4.0%). Pre-tax corporate profits grew sharply in the fourth quarter at 9.3% year-over-year, the fastest gain since 2012. Active managers outperformed their respective benchmarks across the board.

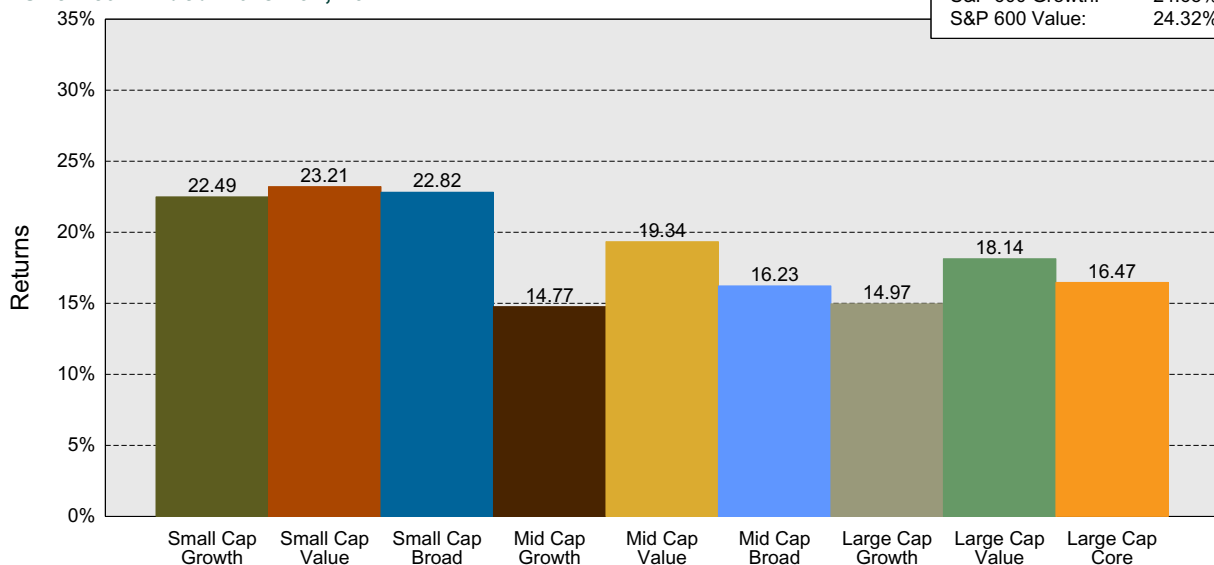
| | |
|-----------------|---------|
| S&P 500: | 6.07% |
| S&P 500 Growth: | 8.53% |
| S&P 500 Value: | 3.29% |
| S&P Mid Cap: | 3.94% |
| S&P 600: | 1.06% |
| S&P 600 Growth: | 2.43% |
| S&P 600 Value: | (0.42%) |

Mutual Fund Style Group Median Returns for Quarter Ended March 31, 2017



| | |
|-----------------|--------|
| S&P 500: | 17.17% |
| S&P 500 Growth: | 15.40% |
| S&P 500 Value: | 18.66% |
| S&P Mid Cap: | 20.92% |
| S&P 600: | 24.59% |
| S&P 600 Growth: | 24.65% |
| S&P 600 Value: | 24.32% |

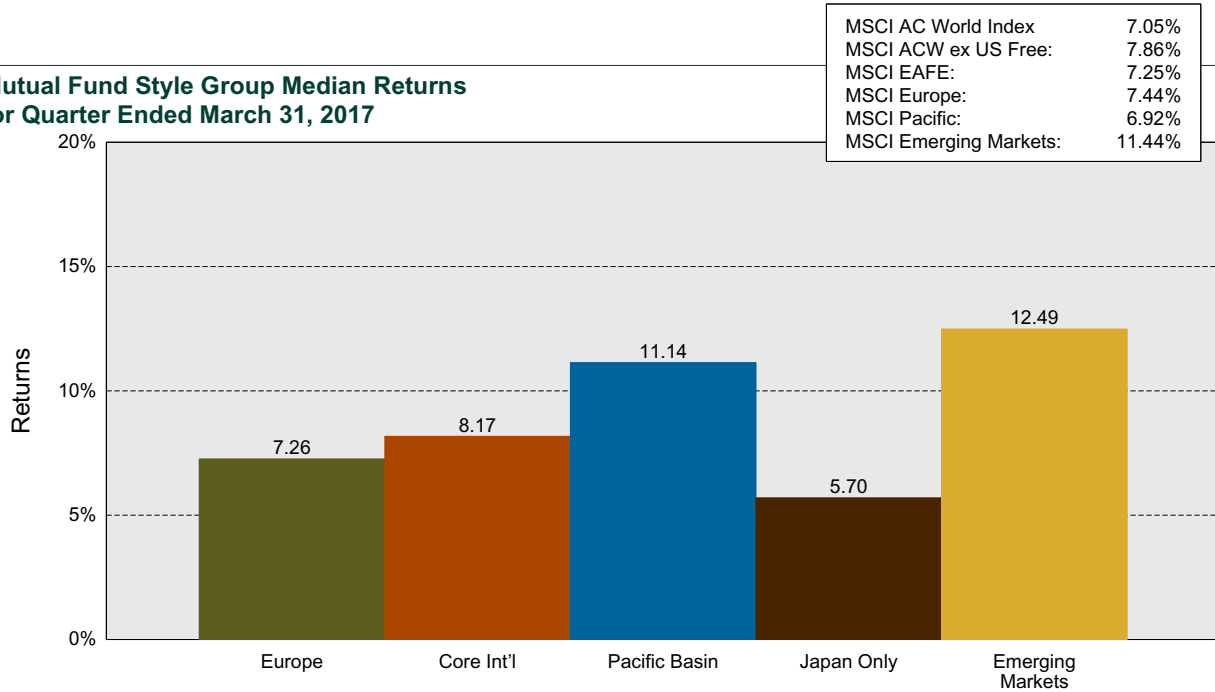
Mutual Fund Style Group Median Returns for One Year Ended March 31, 2017



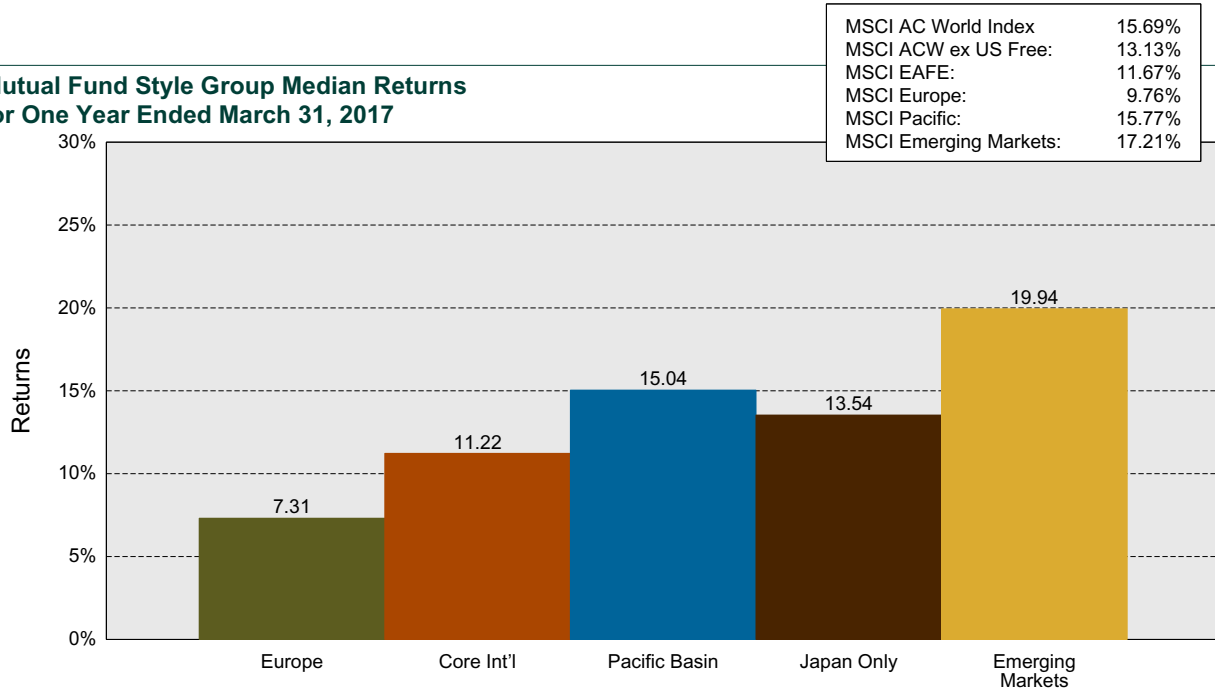
International Equity Active Management Overview

International equity markets posted strong returns in the first quarter. The MSCI EAFE Index climbed 7.2%. Dollar weakness bolstered results; in local terms the Index was up 4.7%. Gains were broad-based; Spain (+14.8%), Germany (+8.4%), the U.K. (+5.0%), France (+7.3%), and Japan (+4.5%) with none of the developed market countries posting a loss. Consistent with the trend in the U.S., growth outperformed value, Technology was the best performing sector and Energy was the worst. However, unlike in the US, international small cap (MSCI EAFE Sm Cap: +8.0%) outperformed large cap. Emerging markets equities outperformed developed market equities and delivered robust results in the first quarter (MSCI EM USD: +11.4%; MSCI EM Local: +7.8%). Countries with the top performance included India (+17.1%), Mexico (+16.0%), Korea (+16.8%), China (+12.9%), and Brazil (+10.4%). India rebounded from poor performance in the 4th quarter as investors applauded a win by the pro-reform governing party in an important state election. Mexico was also a rebound story (down 9% in 2016) while Brazil continued to add to the 66% return it posted in 2016. Emerging Markets managers outpaced the MSCI Emerging Markets Index.

Mutual Fund Style Group Median Returns for Quarter Ended March 31, 2017



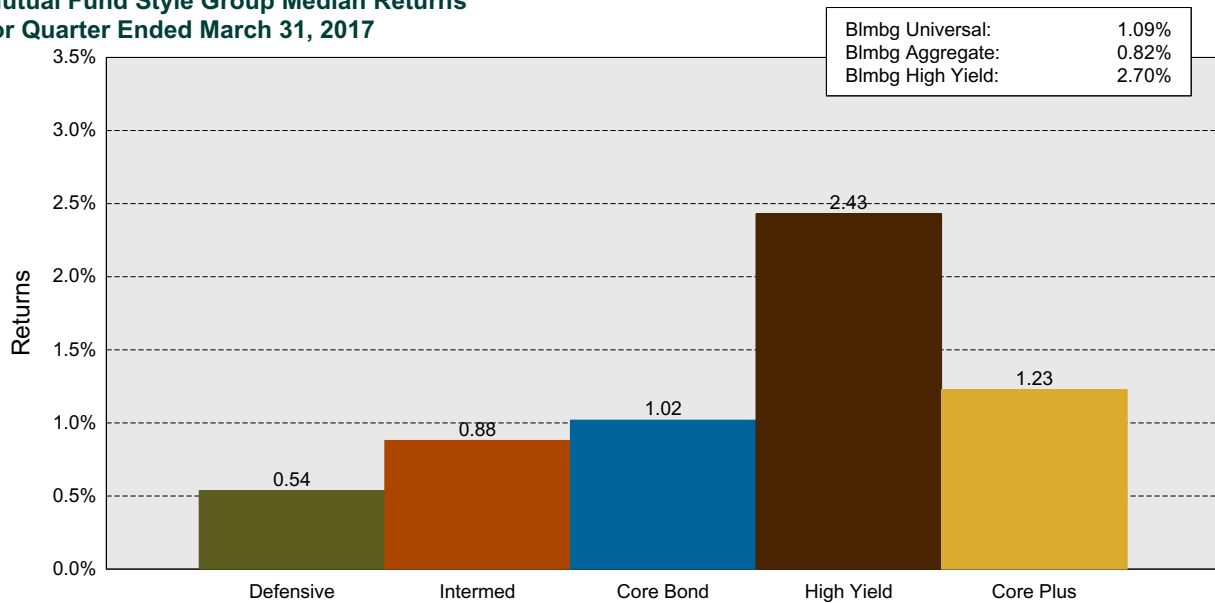
Mutual Fund Style Group Median Returns for One Year Ended March 31, 2017



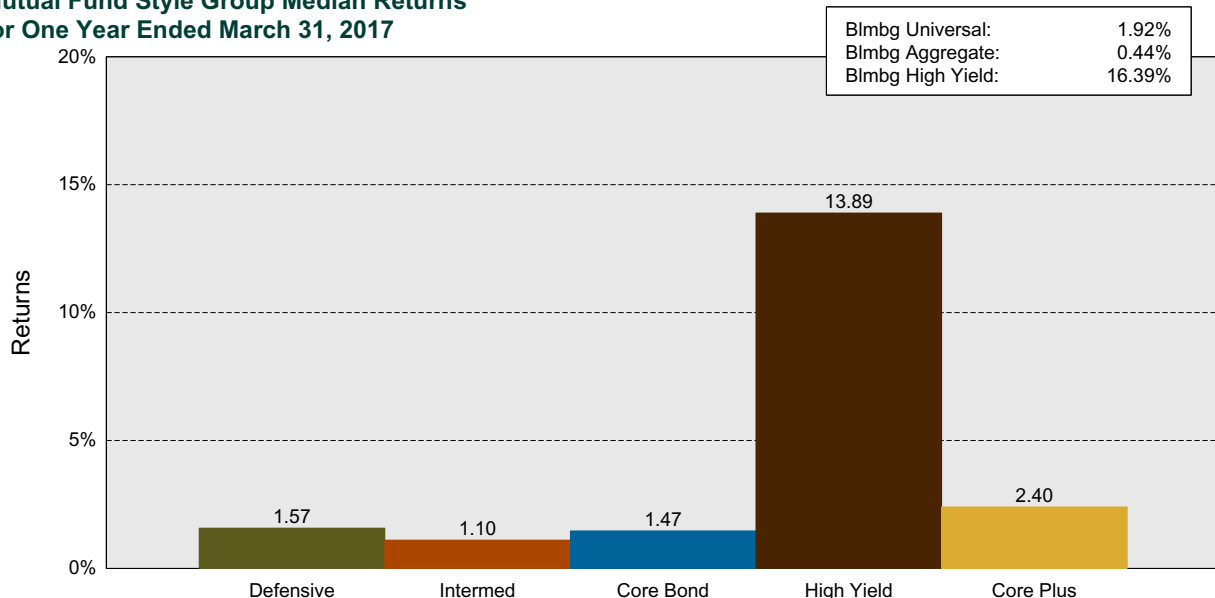
Domestic Fixed Income Active Management Overview

U.S. Treasury yields were relatively range-bound in the first quarter despite a Fed hike in March. The 10-year U.S. Treasury hit an intra-quarter high of 2.62% on March 13 and closed the quarter at 2.40%, five basis points lower than at year-end. TIPS performed relatively well as expectations for future inflation climbed. The 10-year breakeven spread (the difference between nominal and real yields) was 197 bps as of quarter-end, and the Bloomberg Barclays TIPS Index gained 1.3% for the quarter. The Bloomberg Barclays Aggregate Index earned 0.8%; within the Index, corporate bonds outperformed like-duration Treasuries, with BBB-rated credit (+1.7%) posting the strongest returns. Mortgages underperformed Treasuries on a duration-adjusted basis, as expectations that the Fed would begin to trim its reinvestment in the sector weighed on the market. The Bloomberg Barclays High Yield Index gained 2.7%, with lower-rated bonds again outperforming higher-rated issues. High Yield managers trailed the Bloomberg Barclays High Yield Index, while Core Bond and Core Plus managers bested the Bloomberg Barclays Aggregate.

**Mutual Fund Style Group Median Returns
for Quarter Ended March 31, 2017**



**Mutual Fund Style Group Median Returns
for One Year Ended March 31, 2017**



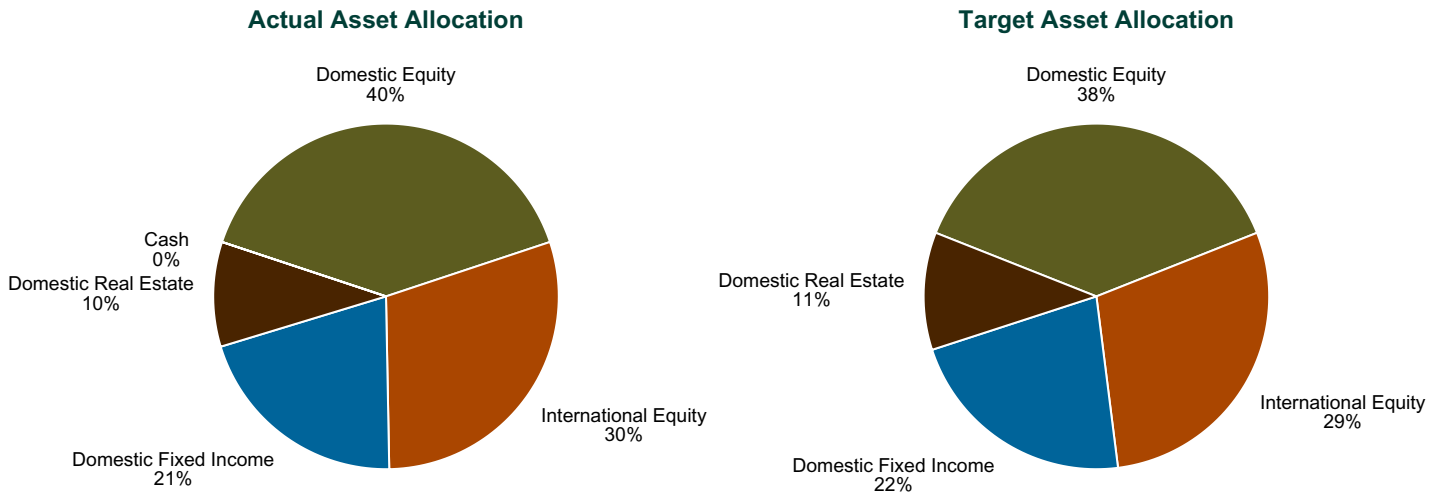
ASSET ALLOCATION AND PERFORMANCE

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.

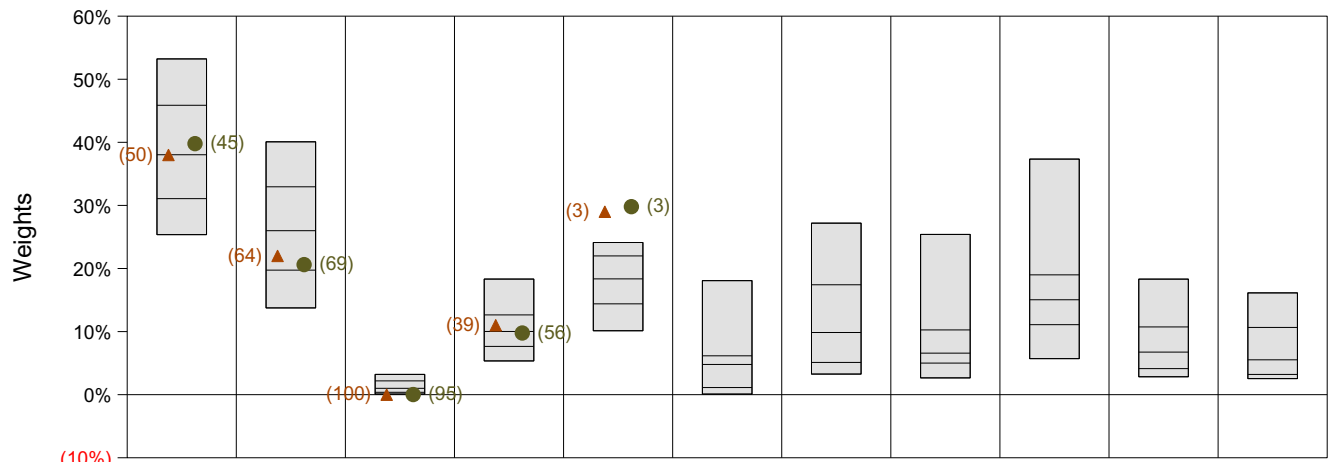
Actual vs Target Asset Allocation As of March 31, 2017

The top left chart shows the Fund's asset allocation as of March 31, 2017. 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 versus the CAI Public Fund Sponsor Database.



| Asset Class | \$000s Actual | Weight Actual | Target | Percent Difference | \$000s Difference |
|-----------------------|----------------|---------------|---------------|--------------------|-------------------|
| Domestic Equity | 186,368 | 39.8% | 38.0% | 1.8% | 8,393 |
| International Equity | 139,574 | 29.8% | 29.0% | 0.8% | 3,751 |
| Domestic Fixed Income | 96,557 | 20.6% | 22.0% | (1.4%) | (6,481) |
| Domestic Real Estate | 45,778 | 9.8% | 11.0% | (1.2%) | (5,741) |
| Cash | 77 | 0.0% | 0.0% | 0.0% | 77 |
| Total | 468,354 | 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 | Private Equity | Real Assets |
|------------------|-----------------|-----------------------|-------------|----------------------|----------------------|----------------|-------------|-----------------|---------------------|----------------|-------------|
| 10th Percentile | 53.22 | 40.08 | 3.21 | 18.33 | 24.12 | 18.08 | 27.19 | 25.40 | 37.34 | 18.32 | 16.14 |
| 25th Percentile | 45.87 | 32.95 | 2.18 | 12.64 | 21.99 | 6.16 | 17.42 | 10.26 | 19.00 | 10.74 | 10.66 |
| Median | 38.03 | 25.99 | 1.01 | 10.02 | 18.35 | 4.79 | 9.85 | 6.58 | 15.04 | 6.75 | 5.53 |
| 75th Percentile | 31.08 | 19.74 | 0.38 | 7.65 | 14.40 | 1.13 | 5.11 | 5.01 | 11.10 | 4.13 | 3.21 |
| 90th Percentile | 25.37 | 13.75 | 0.10 | 5.35 | 10.13 | 0.09 | 3.27 | 2.66 | 5.71 | 2.84 | 2.55 |
| Fund ● | 39.79 | 20.62 | 0.02 | 9.77 | 29.80 | - | - | - | - | - | - |
| Target ▲ | 38.00 | 22.00 | 0.00 | 11.00 | 29.00 | - | - | - | - | - | - |
| % Group Invested | 98.86% | 97.16% | 69.32% | 64.20% | 97.73% | 13.64% | 46.67% | 17.05% | 22.73% | 6.25% | 7.39% |

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

Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of March 31, 2017, with the distribution as of December 31, 2016. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

Asset Distribution Across Investment Managers

| | March 31, 2017 | | Net New Inv. | Inv. Return | December 31, 2016 | |
|--|----------------------|---------------|----------------------|---------------------|----------------------|----------------|
| | Market Value | Weight | | | Market Value | Weight |
| Domestic Equities | \$186,367,790 | 39.79% | \$(2,000,000) | \$10,866,505 | \$177,501,285 | 40.53% |
| Large Cap Equities | \$128,536,755 | 27.44% | \$(1,250,000) | \$8,222,324 | \$121,564,431 | 27.76% |
| Vanguard S&P 500 Index | 23,663,183 | 5.05% | 0 | 1,350,292 | 22,312,891 | 5.10% |
| Dodge & Cox Stock | 26,466,880 | 5.65% | (1,250,000) | 1,299,578 | 26,417,302 | 6.03% |
| Boston Partners | 27,129,465 | 5.79% | 0 | 1,029,768 | 26,099,697 | 5.96% |
| Harbor Cap Appreciation | 26,075,181 | 5.57% | 0 | 2,513,069 | 23,562,112 | 5.38% |
| Janus Research | 25,202,046 | 5.38% | 0 | 2,029,617 | 23,172,429 | 5.29% |
| Mid Cap Equities | \$22,124,448 | 4.72% | \$0 | \$1,274,588 | \$20,849,860 | 4.76% |
| Fidelity Low Priced Stock | 5,667,612 | 1.21% | 0 | 233,909 | 5,433,704 | 1.24% |
| Royce Total Return | 5,696,406 | 1.22% | 0 | 123,655 | 5,572,751 | 1.27% |
| Morgan Stanley | 4,445,921 | 0.95% | 0 | 494,247 | 3,951,675 | 0.90% |
| Janus Enterprise | 6,314,508 | 1.35% | 0 | 422,778 | 5,891,731 | 1.35% |
| Small Cap Equities | \$26,439,738 | 5.65% | \$(750,000) | \$1,124,483 | \$26,065,254 | 5.95% |
| Prudential Small Cap Value | 12,998,730 | 2.78% | (750,000) | (107,451) | 13,856,181 | 3.16% |
| AB US Small Growth | 7,617,941 | 1.63% | 0 | 676,721 | 6,941,220 | 1.59% |
| RS Investments | 5,823,067 | 1.24% | 0 | 555,214 | 5,267,854 | 1.20% |
| Micro Cap Equities | \$9,266,849 | 1.98% | \$0 | \$245,109 | \$9,021,740 | 2.06% |
| AMG Managers Emerging Opportunities Fund | 9,266,849 | 1.98% | 0 | 245,109 | 9,021,740 | 2.06% |
| International Equities | \$139,573,909 | 29.80% | \$0 | \$11,548,534 | \$128,025,375 | 29.23% |
| EuroPacific | 29,811,989 | 6.37% | 0 | 2,553,929 | 27,258,060 | 6.22% |
| Harbor International | 29,693,944 | 6.34% | 0 | 2,380,942 | 27,313,002 | 6.24% |
| Columbia Acorn Int'l | 15,746,850 | 3.36% | 0 | 1,399,971 | 14,346,879 | 3.28% |
| Oakmark International | 33,927,699 | 7.24% | 0 | 2,915,460 | 31,012,239 | 7.08% |
| Mondrian International | 30,393,427 | 6.49% | 0 | 2,298,232 | 28,095,195 | 6.42% |
| Domestic Fixed Income | \$96,556,555 | 20.62% | \$0 | \$1,328,767 | \$95,227,788 | 21.75% |
| Dodge & Cox Income | 48,708,568 | 10.40% | 0 | 570,577 | 48,137,991 | 10.99% |
| PIMCO | 47,847,987 | 10.22% | 0 | 758,189 | 47,089,798 | 10.75% |
| Real Estate | \$45,778,387 | 9.77% | \$7,777,859 | \$574,644 | \$37,425,884 | 8.55% |
| RREEF Private Fund | 20,682,820 | 4.42% | 0 | 253,826 | 20,428,994 | 4.66% |
| Barings Core Property Fund | 24,231,567 | 5.17% | 7,800,000 | 298,678 | 16,132,889 | 3.68% |
| 625 Kings Court | 864,000 | 0.18% | (22,141) | 22,141 | 864,000 | 0.20% |
| Cash | \$77,258 | 0.02% | \$332,339 | \$() | -\$255,081 | (0.06%) |
| Total Fund | \$468,353,899 | 100.0% | \$6,110,198 | \$24,318,450 | \$437,925,251 | 100.0% |

Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended March 31, 2017. 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 March 31, 2017

| | Last Quarter | Last Year | Last 3 Years | Last 5 Years | Last 7 Years |
|--------------------------------|-----------------|---------------|--------------------|--------------------|--------------------|
| Domestic Equities | 6.13% | 19.99% | 8.24% | 12.79% | 12.63% |
| Russell 3000 Index | 5.74% | 18.07% | 9.76% | 13.18% | 12.89% |
| Large Cap Equities | | | | | |
| Vanguard S&P 500 Index | 6.05% | 17.13% | 10.34% | - | - |
| S&P 500 Index | 6.07% | 17.17% | 10.37% | 13.30% | 12.94% |
| Dodge & Cox Stock | 4.97% | 28.58% | 9.44% | 15.24% | 12.98% |
| Boston Partners | 3.82% | 18.63% | 6.58% | 12.32% | - |
| S&P 500 Index | 6.07% | 17.17% | 10.37% | 13.30% | 12.94% |
| Russell 1000 Value Index | 3.27% | 19.22% | 8.67% | 13.13% | 12.18% |
| Harbor Cap Appreciation (5) | 10.67% | 15.88% | 10.19% | 12.31% | 12.81% |
| Janus Research (6) | 8.76% | 13.22% | 9.53% | 12.78% | 12.73% |
| S&P 500 Index | 6.07% | 17.17% | 10.37% | 13.30% | 12.94% |
| Russell 1000 Growth Index | 8.91% | 15.76% | 11.27% | 13.32% | 13.68% |
| Mid Cap Equities | | | | | |
| Fidelity Low Priced Stock | 4.30% | 12.36% | 5.99% | 11.15% | 11.57% |
| Royce Total Return (1) | 2.22% | 22.47% | 6.50% | 11.16% | 11.15% |
| Russell MidCap Value Idx | 3.76% | 19.82% | 8.94% | 14.07% | 13.42% |
| Morgan Stanley (2) | 12.51% | 7.79% | (2.31%) | 3.74% | 7.34% |
| Janus Enterprise (6) | 7.18% | 16.92% | 10.91% | 13.45% | 14.05% |
| Russell MidCap Growth Idx | 6.89% | 14.07% | 7.88% | 11.95% | 12.81% |
| Small Cap Equities | | | | | |
| Prudential Small Cap Value (3) | (0.83%) | 29.95% | 8.91% | 12.96% | - |
| US Small Cap Value Idx | 1.44% | 25.14% | 8.56% | 13.32% | 12.50% |
| Russell 2000 Value Index | (0.13%) | 29.37% | 7.62% | 12.54% | 11.59% |
| AB US Small Growth (4) | 9.75% | 27.37% | 4.28% | 10.84% | 14.59% |
| RS Investments (1) | 10.54% | 26.12% | 6.62% | 12.89% | 13.71% |
| Russell 2000 Growth Index | 5.35% | 23.03% | 6.72% | 12.10% | 12.88% |
| Micro Cap Equities | | | | | |
| AMG Managers Emerging Opp | 2.72% | 28.10% | 3.60% | 11.89% | 13.13% |
| Russell Microcap Index | 0.38% | 27.77% | 4.86% | 12.43% | 11.96% |
| Russell Micro Growth Idx | 2.63% | 20.24% | 1.62% | 10.72% | 11.61% |

(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 March 31, 2017. 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 March 31, 2017

| | Last Quarter | Last Year | Last 3 Years | Last 5 Years | Last 7 Years |
|----------------------------------|-----------------|---------------|--------------------|--------------------|--------------------|
| International Equities | 8.97% | 12.82% | (0.07%) | 4.58% | 4.31% |
| MSCI ACWI ex-US Index | 7.98% | 13.70% | 1.03% | 4.84% | 4.29% |
| EuroPacific (1) | 9.37% | 13.10% | 2.17% | 6.64% | 5.58% |
| Harbor International (5) | 8.72% | 8.46% | (1.11%) | 3.82% | 4.54% |
| Oakmark International (4) | 9.40% | 21.77% | 2.17% | 9.00% | 7.85% |
| Mondrian International | 7.97% | 11.09% | 0.14% | 4.50% | - |
| MSCI EAFE Index | 7.25% | 11.67% | 0.50% | 5.83% | 4.72% |
| MSCI ACWI ex-US Index | 7.98% | 13.70% | 1.03% | 4.84% | 4.29% |
| Columbia Acorn Int'l (2) | 9.76% | 7.19% | 0.11% | 5.60% | 6.35% |
| MSCI ACWI ex US Small Cap | 8.78% | 12.26% | 2.46% | 6.68% | 6.26% |
| Domestic Fixed Income | 1.40% | 3.40% | 2.92% | 3.18% | 3.99% |
| Blmbg Aggregate Index | 0.82% | 0.44% | 2.68% | 2.34% | 3.48% |
| Dodge & Cox Income | 1.19% | 4.39% | 3.08% | 3.41% | 4.26% |
| PIMCO | 1.61% | 2.41% | 2.76% | 2.95% | 3.93% |
| Blmbg Aggregate Index | 0.82% | 0.44% | 2.68% | 2.34% | 3.48% |
| Real Estate | 1.27% | 5.65% | 10.35% | 10.50% | 12.04% |
| Real Estate Custom Benchmark (3) | 1.62% | 7.25% | 10.93% | 10.90% | 12.34% |
| RREEF Private | 1.24% | 7.43% | 11.27% | 11.74% | 13.26% |
| Barings Core Property Fund | 1.25% | 7.11% | 10.04% | 9.84% | - |
| NFI-ODCE Equal Weight Net | 1.62% | 7.72% | 11.05% | 11.03% | 12.49% |
| 625 Kings Court | 2.60% | 9.96% | 10.10% | 13.85% | 8.31% |
| Total Fund | 5.45% | 12.55% | 5.04% | 8.02% | 8.17% |
| Total Fund Benchmark* | 4.86% | 11.44% | 5.93% | 8.03% | 8.31% |

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

(1) Switched share class December 2009.

(2) Switched share class in February 2014.

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

(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.

| | 12/2016- 3/2017 | 2016 | 2015 | 2014 | 2013 |
|--------------------------------|--------------------|---------------|----------------|--------------|---------------|
| Domestic Equities | 6.13% | 10.90% | (0.15%) | 9.59% | 38.02% |
| Russell 3000 Index | 5.74% | 12.74% | 0.48% | 12.56% | 33.55% |
| Large Cap Equities | | | | | |
| Vanguard S&P 500 Index | 6.05% | 11.93% | 1.37% | 13.65% | - |
| S&P 500 Index | 6.07% | 11.96% | 1.38% | 13.69% | 32.39% |
| Dodge & Cox Stock | 4.97% | 21.28% | (4.49%) | 10.40% | 40.55% |
| Boston Partners | 3.82% | 13.76% | (4.99%) | 10.87% | 36.43% |
| S&P 500 Index | 6.07% | 11.96% | 1.38% | 13.69% | 32.39% |
| Russell 1000 Value Index | 3.27% | 17.34% | (3.83%) | 13.45% | 32.53% |
| Harbor Cap Appreciation (5) | 10.67% | (1.04%) | 10.99% | 9.93% | 37.66% |
| Janus Research (6) | 8.76% | 1.60% | 5.55% | 14.10% | 35.36% |
| S&P 500 Index | 6.07% | 11.96% | 1.38% | 13.69% | 32.39% |
| Russell 1000 Growth Index | 8.91% | 7.08% | 5.67% | 13.05% | 33.48% |
| Mid Cap Equities | | | | | |
| Fidelity Low Priced Stock | 4.30% | 8.79% | (0.56%) | 7.65% | 34.31% |
| Royce Total Return (1) | 2.22% | 26.13% | (7.17%) | 1.51% | 32.93% |
| Russell MidCap Value Idx | 3.76% | 20.00% | (4.78%) | 14.75% | 33.46% |
| Morgan Stanley (2) | 12.51% | (13.30%) | (5.73%) | 1.47% | 38.35% |
| Janus Enterprise (6) | 7.18% | 12.13% | 3.49% | 12.01% | 30.86% |
| Russell MidCap Growth Idx | 6.89% | 7.33% | (0.20%) | 11.90% | 35.74% |
| Small Cap Equities | | | | | |
| Prudential Small Cap Value (3) | (0.83%) | 33.99% | (7.00%) | 5.89% | 35.87% |
| US Small Cap Value Idx | 1.44% | 27.64% | (5.14%) | 7.44% | 33.71% |
| Russell 2000 Value Index | (0.13%) | 31.74% | (7.47%) | 4.22% | 34.52% |
| AB US Small Growth (4) | 9.75% | 6.91% | (0.66%) | (1.24%) | 46.72% |
| RS Investments (1) | 10.54% | 1.16% | 0.36% | 9.67% | 49.64% |
| Russell 2000 Growth Index | 5.35% | 11.32% | (1.38%) | 5.60% | 43.30% |
| Micro Cap Equities | | | | | |
| AMG Managers Emerging Opp | 2.72% | 17.97% | (8.44%) | 2.62% | 56.34% |
| Russell Microcap Index | 0.38% | 20.37% | (5.16%) | 3.65% | 45.62% |
| Russell Micro Growth Idx | 2.63% | 6.86% | (3.85%) | 4.30% | 52.84% |

(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. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

| | 12/2016- 3/2017 | 2016 | 2015 | 2014 | 2013 |
|----------------------------------|--------------------|--------------|----------------|----------------|----------------|
| International Equities | 8.97% | 2.84% | (4.62%) | (5.73%) | 19.25% |
| MSCI ACWI ex-US Index | 7.98% | 5.01% | (5.25%) | (3.44%) | 15.78% |
| EuroPacific (1) | 9.37% | 1.01% | (0.48%) | (2.29%) | 20.58% |
| Harbor International (5) | 8.72% | 0.27% | (3.82%) | (6.81%) | 16.84% |
| Oakmark International (4) | 9.40% | 8.19% | (3.99%) | (5.41%) | 29.34% |
| Mondrian International | 7.97% | 4.50% | (6.33%) | (2.06%) | 16.69% |
| MSCI EAFE Index | 7.25% | 1.00% | (0.81%) | (4.90%) | 22.78% |
| MSCI ACWI ex-US Index | 7.98% | 5.01% | (5.25%) | (3.44%) | 15.78% |
| Columbia Acorn Int'l (2) | 9.76% | (2.19%) | (1.23%) | (4.23%) | 22.33% |
| MSCI ACWI ex US Small Cap | 8.78% | 3.91% | 2.60% | (4.03%) | 19.73% |
| Domestic Fixed Income | 1.40% | 4.10% | 0.07% | 5.09% | (0.65%) |
| Blmbg Aggregate Index | 0.82% | 2.65% | 0.55% | 5.97% | (2.02%) |
| Dodge & Cox Income | 1.19% | 5.61% | (0.59%) | 5.49% | 0.64% |
| PIMCO | 1.61% | 2.59% | 0.73% | 4.69% | (1.92%) |
| Blmbg Aggregate Index | 0.82% | 2.65% | 0.55% | 5.97% | (2.02%) |
| Real Estate | 1.27% | 7.02% | 12.14% | 14.50% | 10.21% |
| Real Estate Custom Benchmark (3) | 1.62% | 8.62% | 11.81% | 14.57% | 10.40% |
| RREEF Private | 1.24% | 7.95% | 15.63% | 11.95% | 14.50% |
| Barings Core Property Fund | 1.25% | 8.62% | 12.99% | 8.64% | 9.82% |
| NFI-ODCE Equal Weight Net | 1.62% | 8.36% | 14.18% | 11.42% | 12.36% |
| 625 Kings Court | 2.60% | 10.01% | 9.85% | 12.15% | 33.50% |
| Total Fund | 5.45% | 6.67% | 0.01% | 4.72% | 19.72% |
| Total Fund Benchmark* | 4.86% | 7.78% | 0.21% | 6.80% | 16.47% |

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

(1) Switched share class December 2009.

(2) Switched share class in February 2014.

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

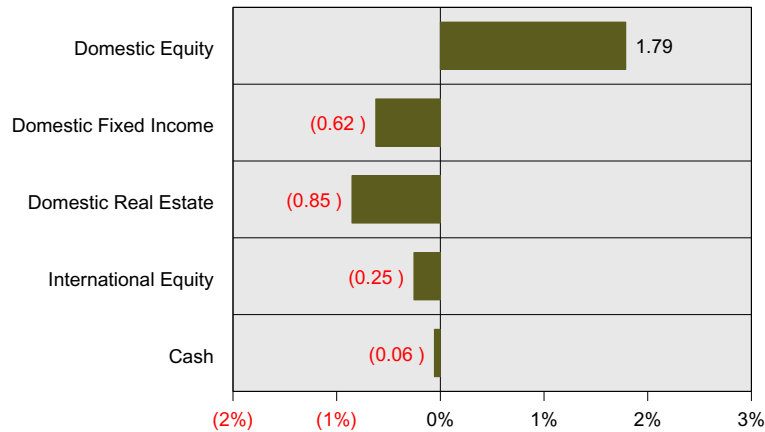
(4) Switched to CIT in November 2015.

(5) Switched share class in June 2016.

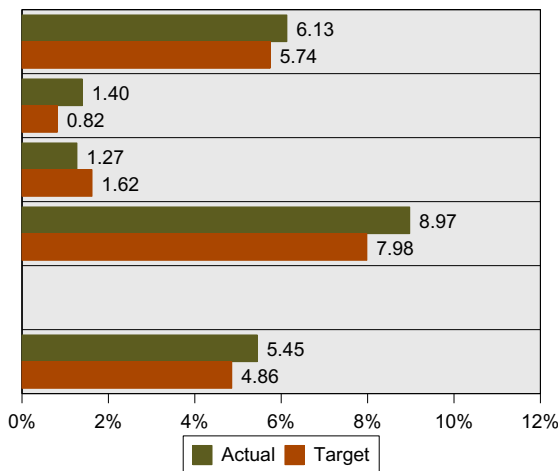
Quarterly Total Fund Relative Attribution - March 31, 2017

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 March 31, 2017

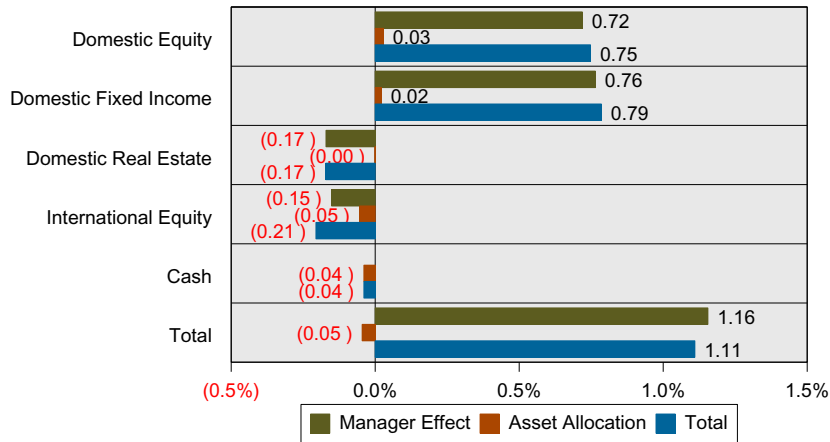
| Asset Class | Effective Actual Weight | Effective Target Weight | Actual Return | Target Return | Manager Effect | Asset Allocation | Total Relative Return |
|-----------------------|-------------------------|-------------------------|---------------|---------------|----------------|------------------|-----------------------|
| Domestic Equity | 40% | 38% | 6.13% | 5.74% | 0.15% | 0.02% | 0.17% |
| Domestic Fixed Income | 21% | 22% | 1.40% | 0.82% | 0.12% | 0.03% | 0.15% |
| Domestic Real Estate | 10% | 11% | 1.27% | 1.62% | (0.04)% | 0.03% | (0.01)% |
| International Equity | 29% | 29% | 8.97% | 7.98% | 0.29% | (0.01)% | 0.28% |
| Cash | (0%) | 0% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Total | | | 5.45% | 4.86% | + 0.53% | + 0.06% | 0.59% |

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

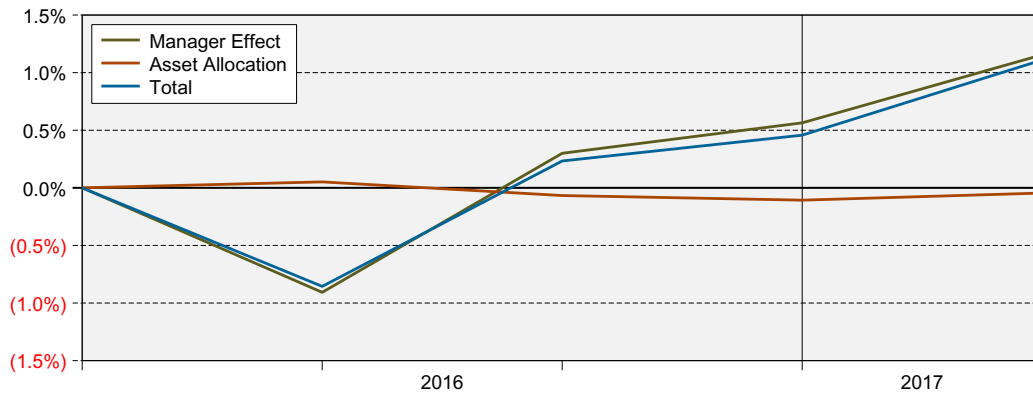
Cumulative Total Fund Relative Attribution - March 31, 2017

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

One Year Relative Attribution Effects



Cumulative Relative Attribution Effects



One Year Relative Attribution Effects

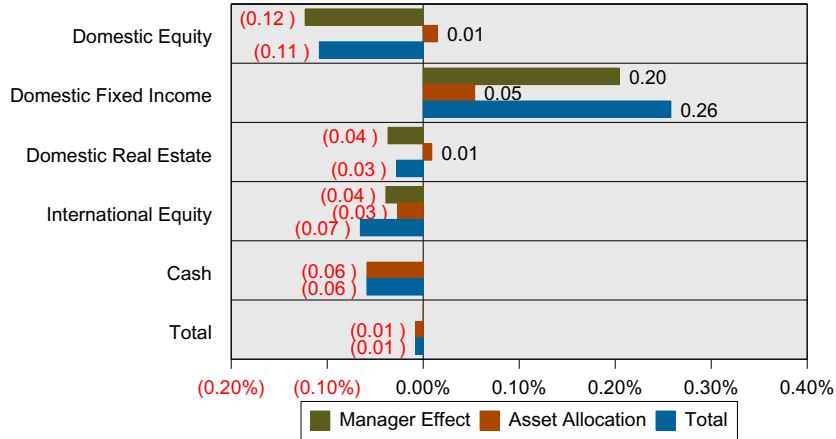
| Asset Class | Effective Actual Weight | Effective Target Weight | Actual Return | Target Return | Manager Effect | Asset Allocation | Total Relative Return |
|-----------------------|-------------------------|-------------------------|---------------|---------------|----------------|------------------|-----------------------|
| Domestic Equity | 39% | 38% | 19.99% | 18.07% | 0.72% | 0.03% | 0.75% |
| Domestic Fixed Income | 25% | 25% | 3.40% | 0.44% | 0.76% | 0.02% | 0.79% |
| Domestic Real Estate | 10% | 10% | 5.65% | 7.25% | (0.17%) | (0.00%) | (0.17%) |
| International Equity | 26% | 27% | 12.82% | 13.70% | (0.15%) | (0.05%) | (0.21%) |
| Cash | 0% | 0% | 0.00% | 0.00% | 0.00% | (0.04%) | (0.04%) |
| Total | | | 12.55% | 11.44% | + 1.16% | + (0.05%) | 1.11% |

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

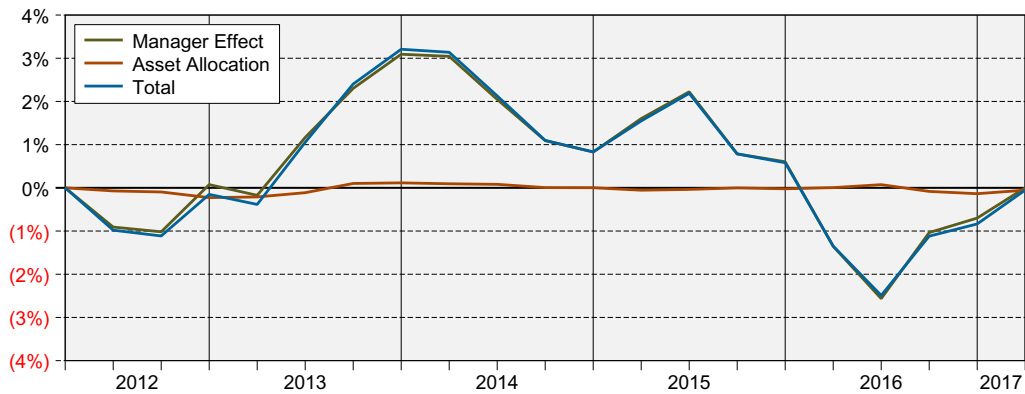
Cumulative Total Fund Relative Attribution - March 31, 2017

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

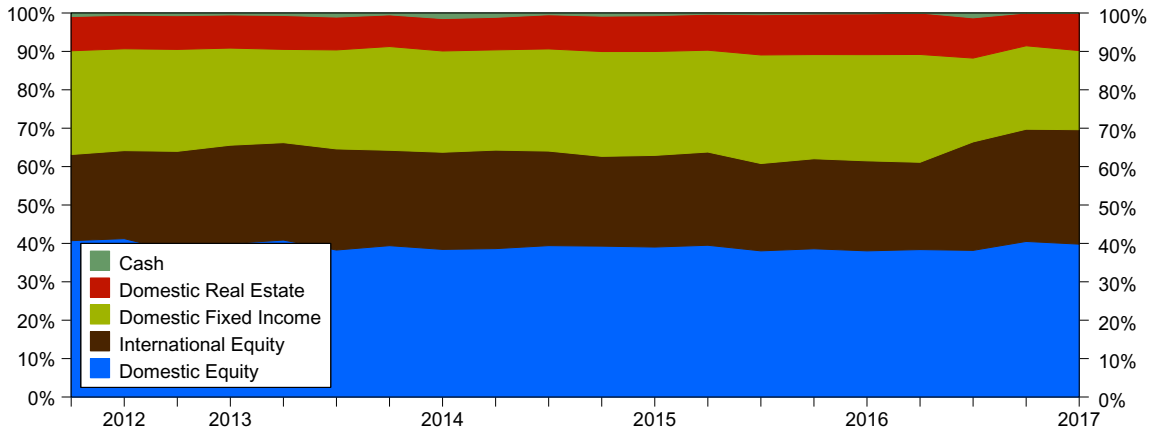
| Asset Class | Effective Actual Weight | Effective Target Weight | Actual Return | Target Return | Manager Effect | Asset Allocation | Total Relative Return |
|-----------------------|-------------------------|-------------------------|---------------|---------------|----------------|------------------|-----------------------|
| Domestic Equity | 39% | 38% | 12.79% | 13.18% | (0.12%) | 0.01% | (0.11%) |
| Domestic Fixed Income | 26% | 27% | 3.18% | 2.34% | 0.20% | 0.05% | 0.26% |
| Domestic Real Estate | 9% | 9% | 10.50% | 10.90% | (0.04%) | 0.01% | (0.03%) |
| International Equity | 25% | 25% | 4.58% | 4.84% | (0.04%) | (0.03%) | (0.07%) |
| Cash | 1% | 0% | 0.00% | 0.00% | 0.00% | (0.06%) | (0.06%) |
| Total | | | 8.02% | 8.03% | + 0.00% | + (0.01%) | (0.01%) |

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

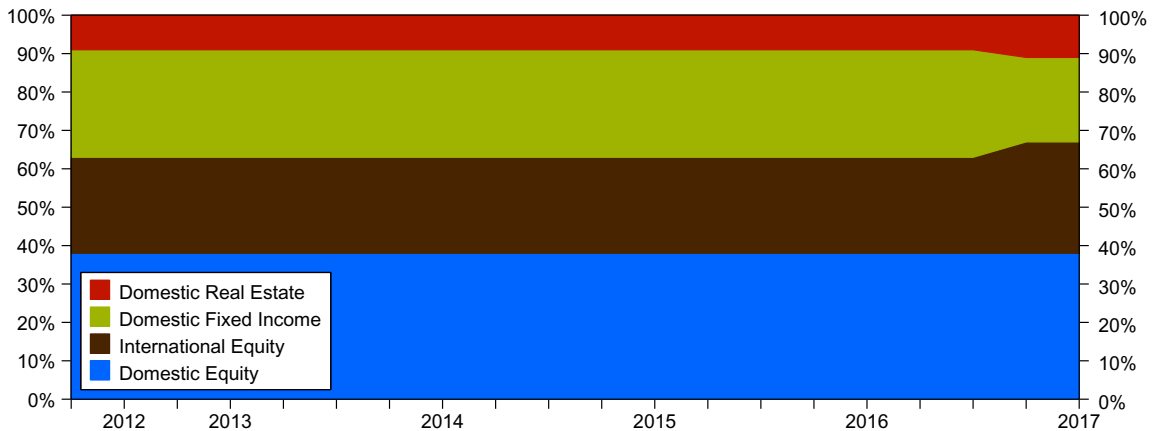
Actual vs Target Historical Asset Allocation

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

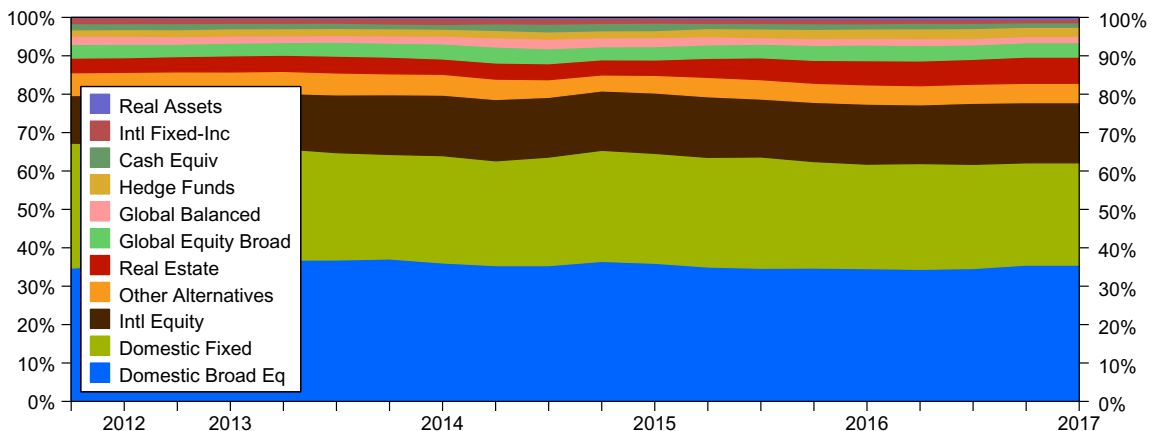
Actual Historical Asset Allocation



Target Historical Asset Allocation



Average CAI Public Fund Sponsor Database Historical Asset Allocation

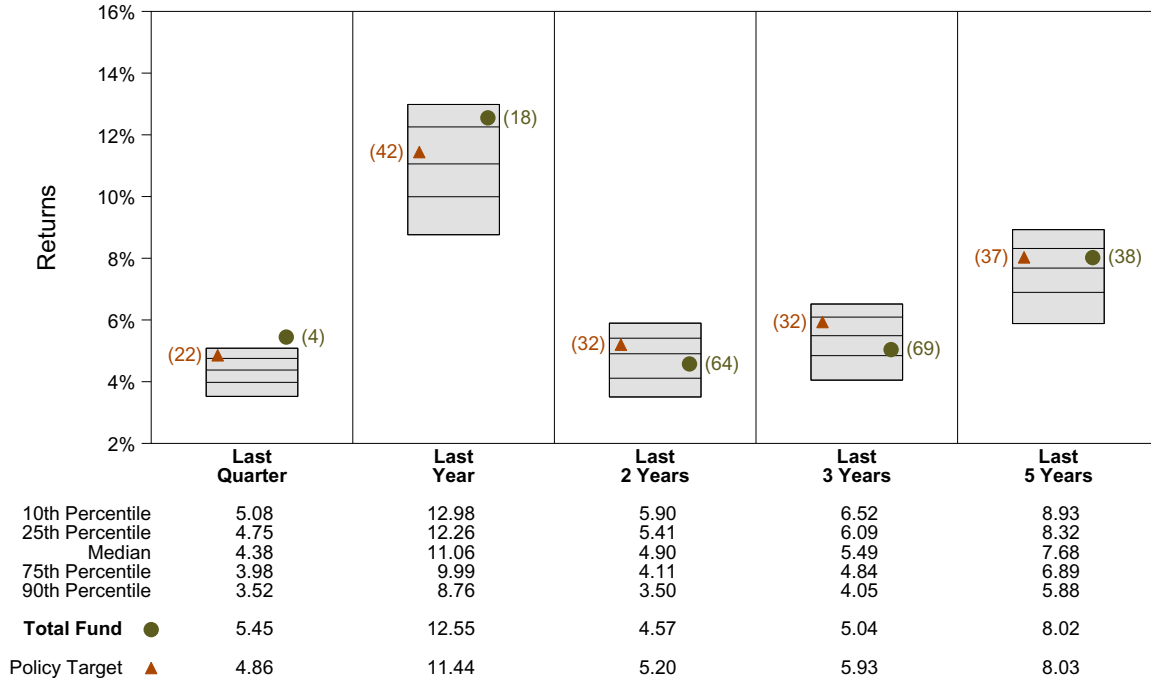


* Current Quarter Target = 38.0% Russell 3000 Index, 29.0% MSCI ACWIxUS Gross, 22.0% Blmbg Aggregate and 11.0% NCREIF NFI-ODCE Eq Wt Net.

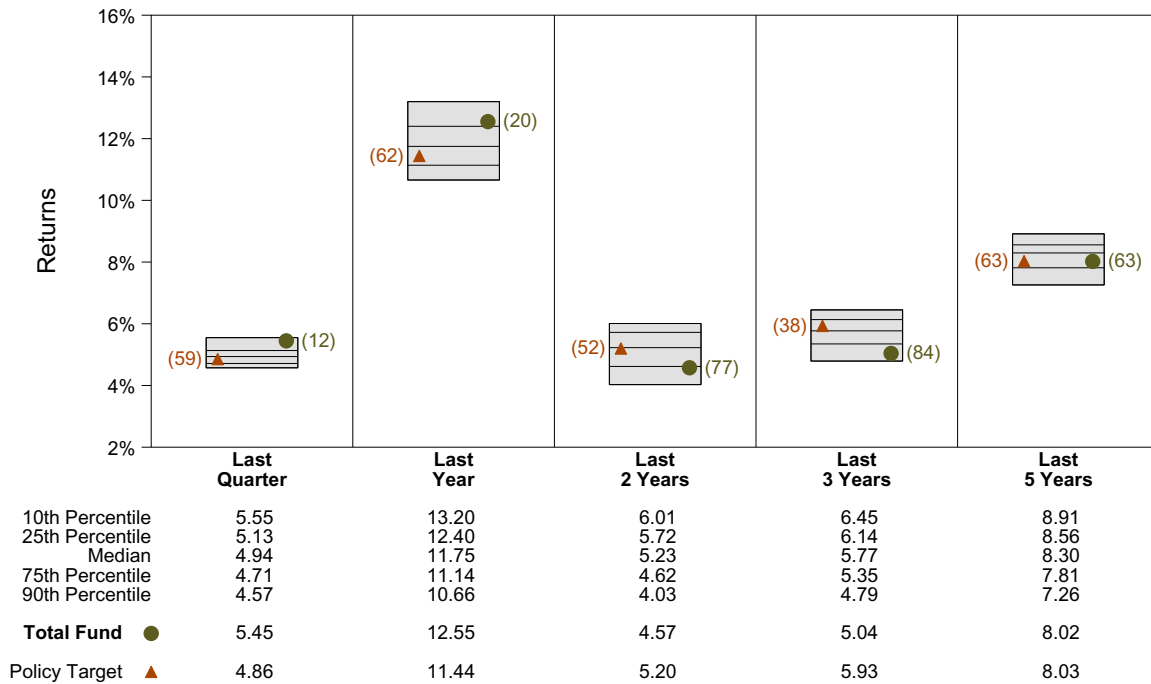
Total Fund Ranking

The first two charts show the ranking of the Total Fund's performance relative to that of the CAI Public Fund Sponsor Database for periods ended March 31, 2017. 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 and 11.0% NCREIF NFI-ODCE Eq Wt Net.

Total Fund Period Ended March 31, 2017

Investment Philosophy

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

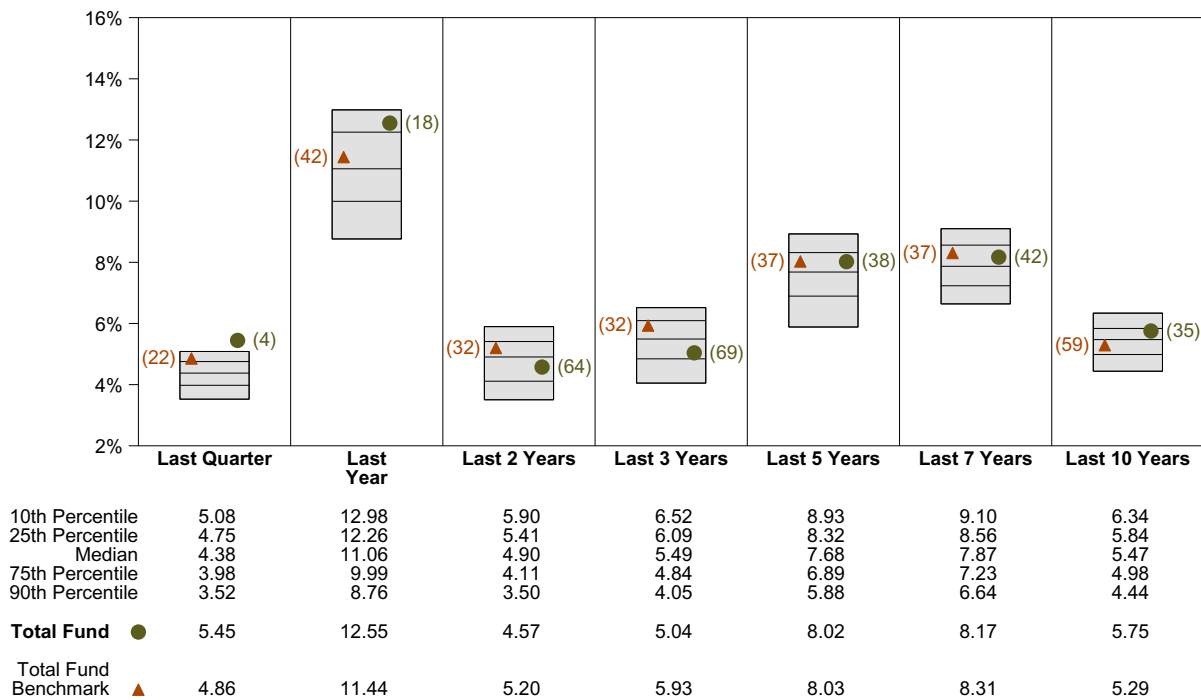
Quarterly Summary and Highlights

- Total Fund's portfolio posted a 5.45% return for the quarter placing it in the 4 percentile of the CAI Public Fund Sponsor Database group for the quarter and in the 18 percentile for the last year.
- Total Fund's portfolio outperformed the Total Fund Benchmark by 0.59% for the quarter and outperformed the Total Fund Benchmark for the year by 1.11%.

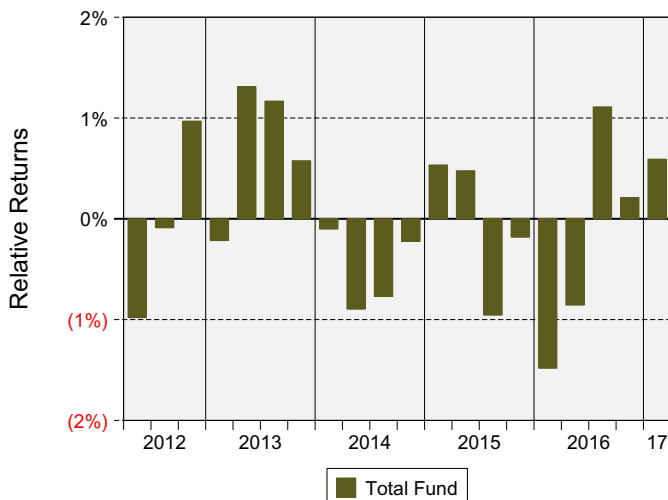
Quarterly Asset Growth

| | |
|---------------------------|---------------|
| Beginning Market Value | \$437,925,251 |
| Net New Investment | \$5,981,344 |
| Investment Gains/(Losses) | \$24,318,448 |
| Ending Market Value | \$468,225,044 |

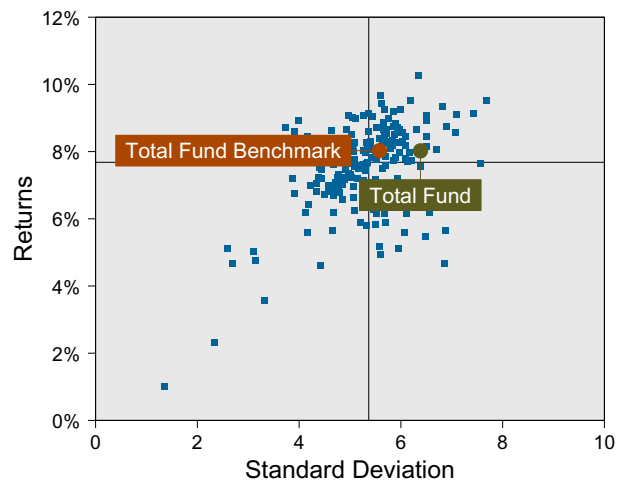
Performance vs CAI Public Fund Sponsor Database (Gross)



Relative Return vs Total Fund Benchmark



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

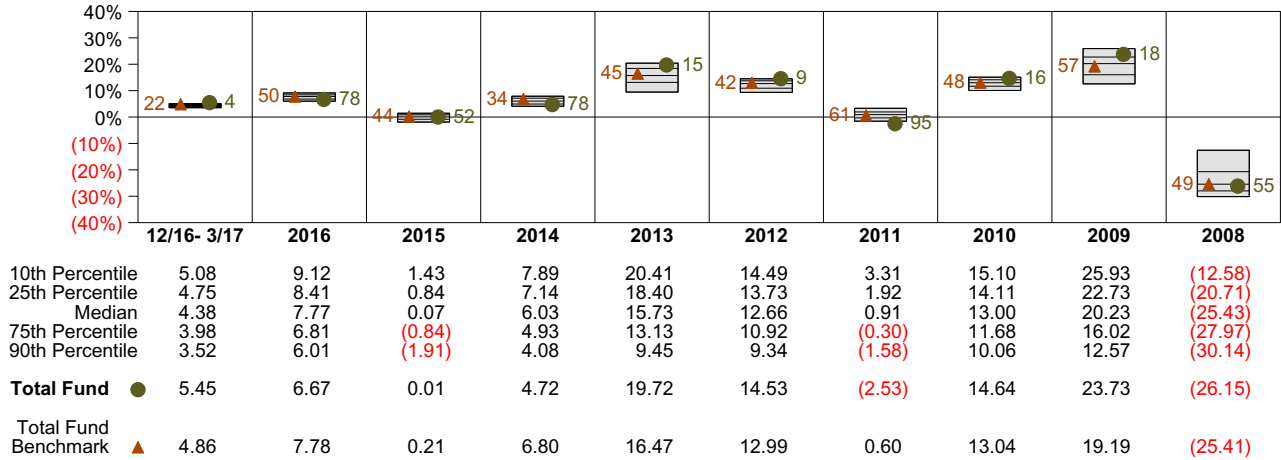


Total Fund Return Analysis Summary

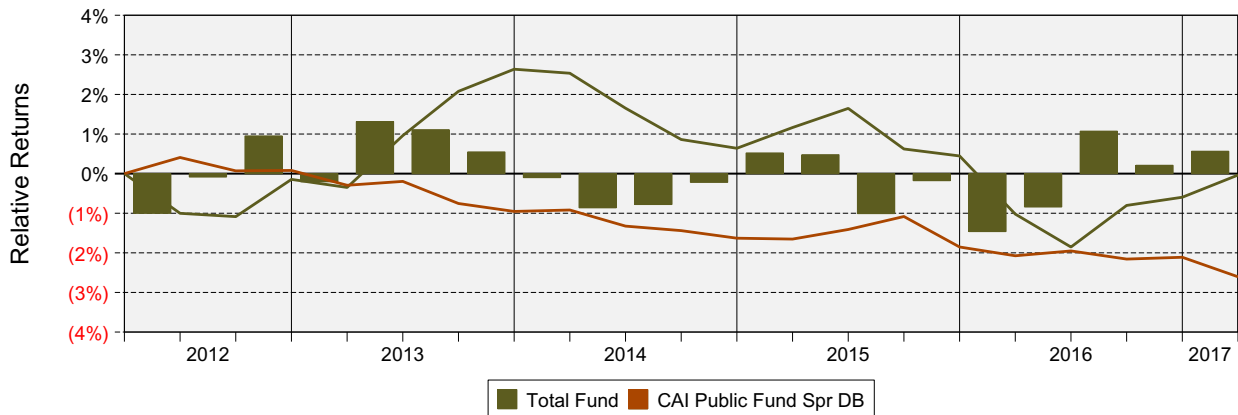
Return Analysis

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.

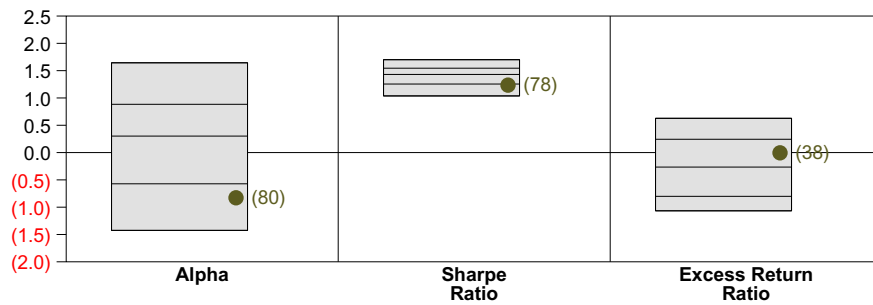
Performance vs CAI Public Fund Sponsor Database (Gross)



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 March 31, 2017

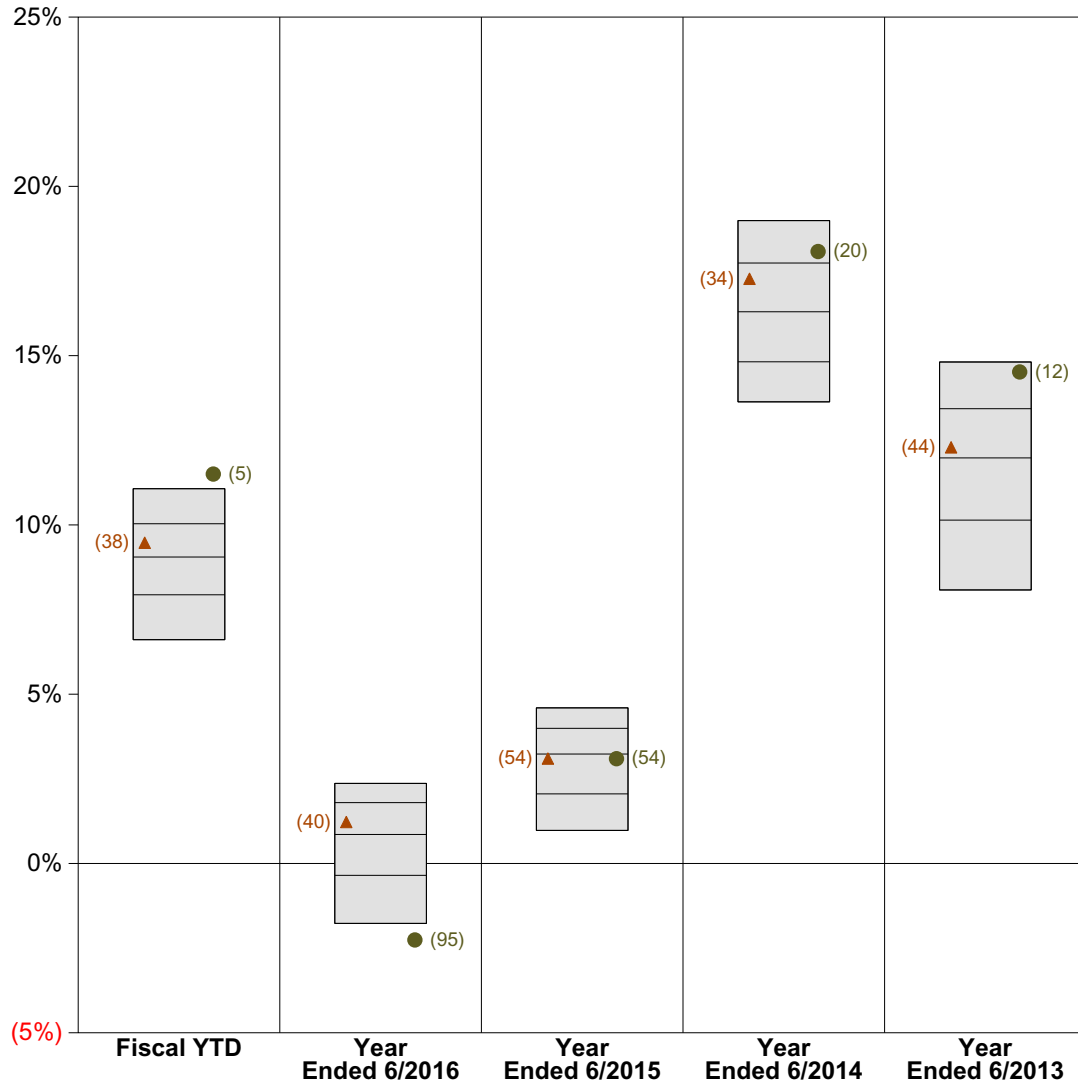


| | | | |
|-------------------|----------|------|--------|
| 10th Percentile | 1.64 | 1.70 | 0.63 |
| 25th Percentile | 0.88 | 1.54 | 0.24 |
| Median | 0.30 | 1.43 | (0.27) |
| 75th Percentile | (0.57) | 1.25 | (0.80) |
| 90th Percentile | (1.42) | 1.04 | (1.07) |
| Total Fund | ● (0.83) | 1.23 | (0.00) |

Mendocino County Employees' Retirement Association Performance vs CAI Public Fund Sponsor Database Periods Ended March 31, 2017

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 | 11.07 | 2.37 | 4.60 | 18.99 | 14.81 |
| 25th Percentile | 10.03 | 1.80 | 3.99 | 17.74 | 13.43 |
| Median | 9.05 | 0.86 | 3.23 | 16.30 | 11.98 |
| 75th Percentile | 7.94 | (0.35) | 2.06 | 14.82 | 10.14 |
| 90th Percentile | 6.61 | (1.77) | 0.98 | 13.63 | 8.08 |
| Total Fund ● | 11.50 | (2.26) | 3.09 | 18.08 | 14.52 |
| Total Fund Benchmark ▲ | 9.47 | 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 and 11.0% NCREIF NFI-ODCE Eq Wt Net.

Domestic Equity Composite Period Ended March 31, 2017

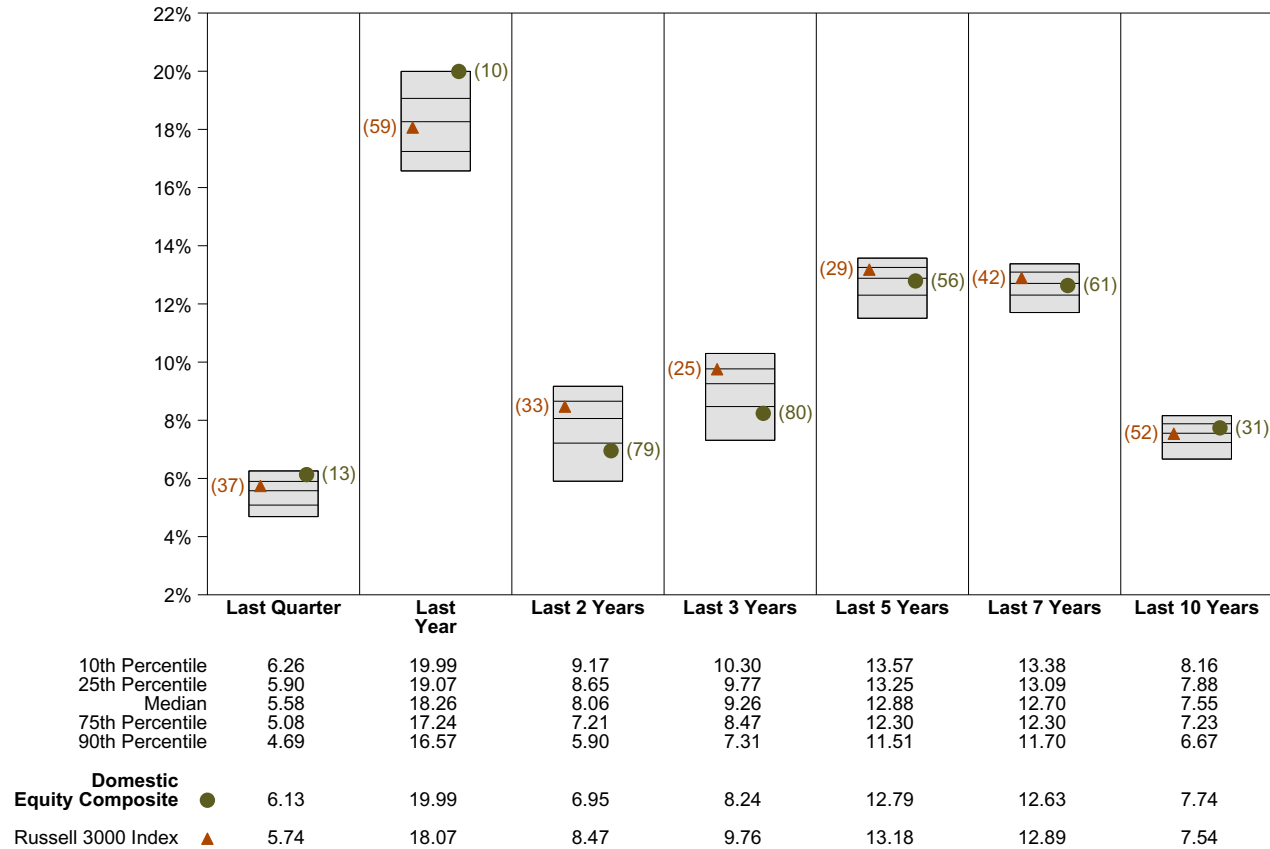
Quarterly Summary and Highlights

- Domestic Equity Composite's portfolio posted a 6.13% return for the quarter placing it in the 13 percentile of the Pub Pln- Domestic Equity group for the quarter and in the 10 percentile for the last year.
- Domestic Equity Composite's portfolio outperformed the Russell 3000 Index by 0.39% for the quarter and outperformed the Russell 3000 Index for the year by 1.93%.

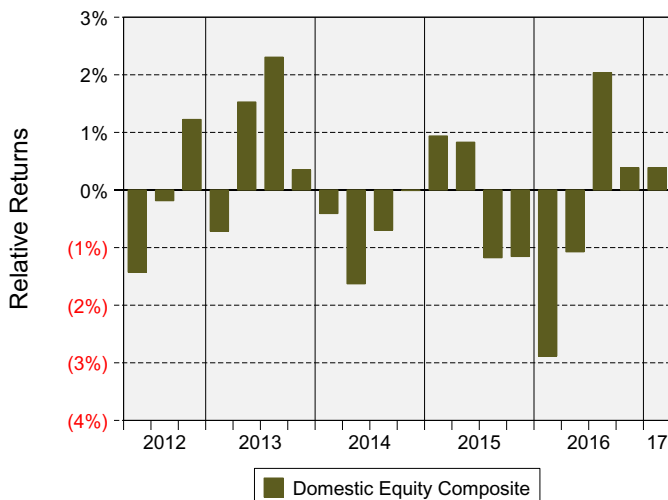
Quarterly Asset Growth

| | |
|---------------------------|---------------|
| Beginning Market Value | \$177,501,285 |
| Net New Investment | \$-2,000,000 |
| Investment Gains/(Losses) | \$10,866,505 |
| Ending Market Value | \$186,367,790 |

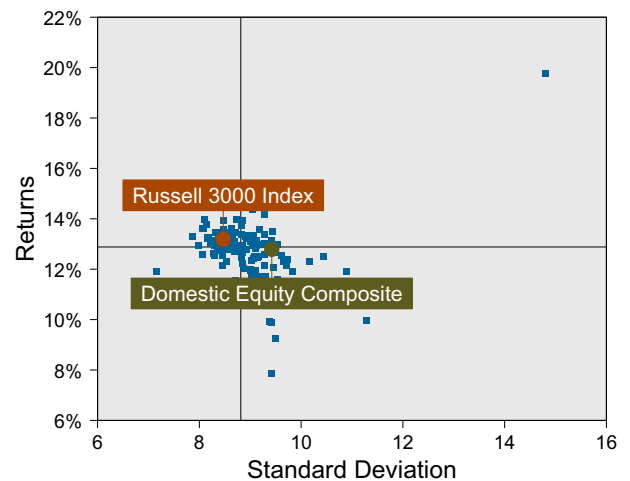
Performance vs Pub Pln- Domestic Equity (Gross)



Relative Return vs Russell 3000 Index



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

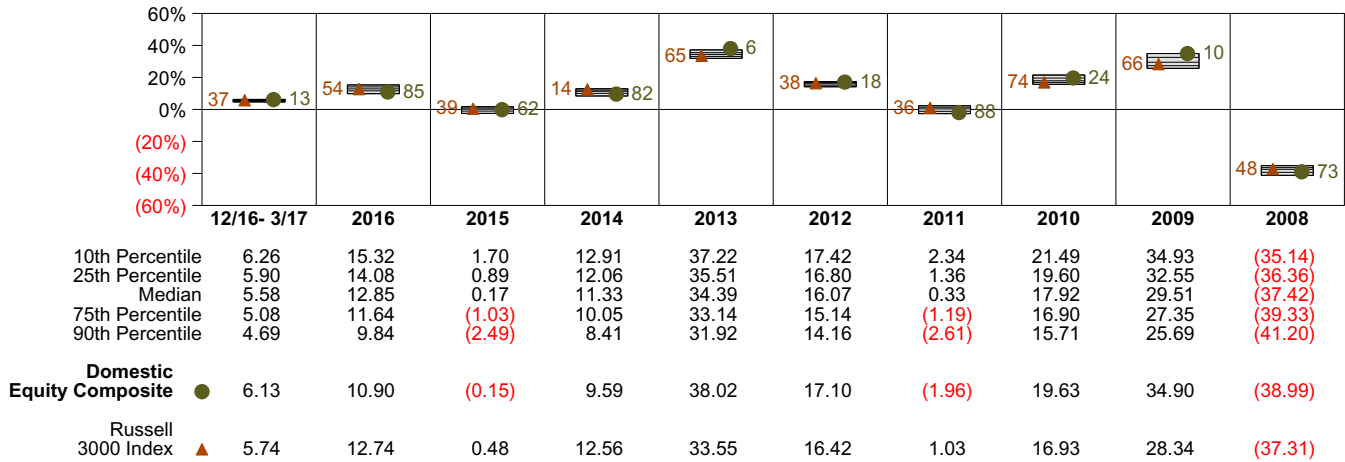


Domestic Equity Composite Return Analysis Summary

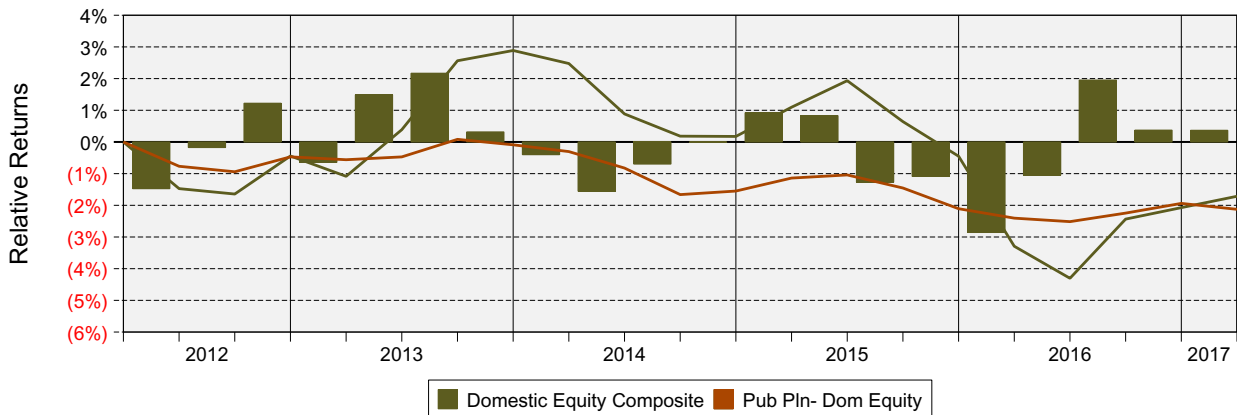
Return Analysis

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

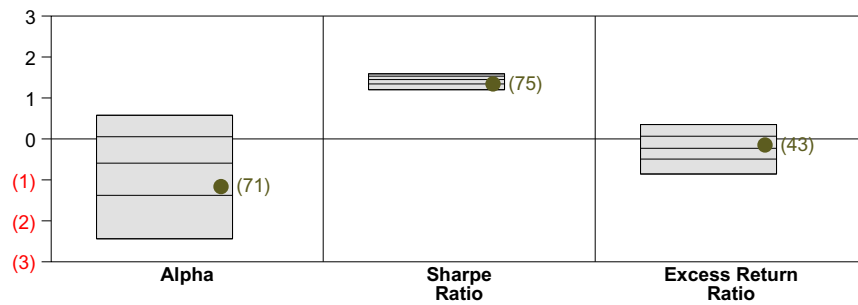
Performance vs Pub Pln- Domestic Equity (Gross)



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 March 31, 2017

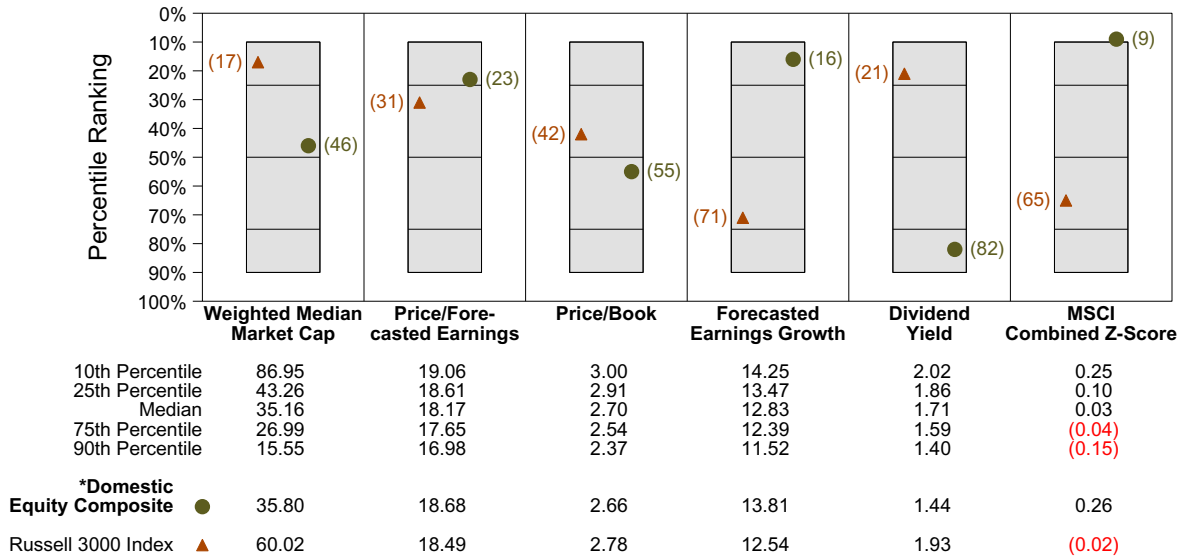


Domestic Equity Composite Equity Characteristics Analysis Summary

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.

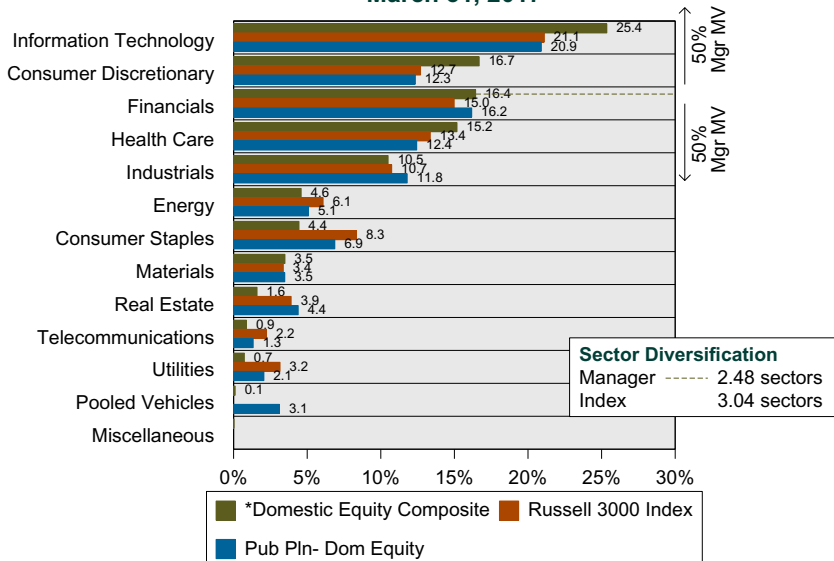
Portfolio Characteristics Percentile Rankings Rankings Against Pub Pln- Domestic Equity as of March 31, 2017



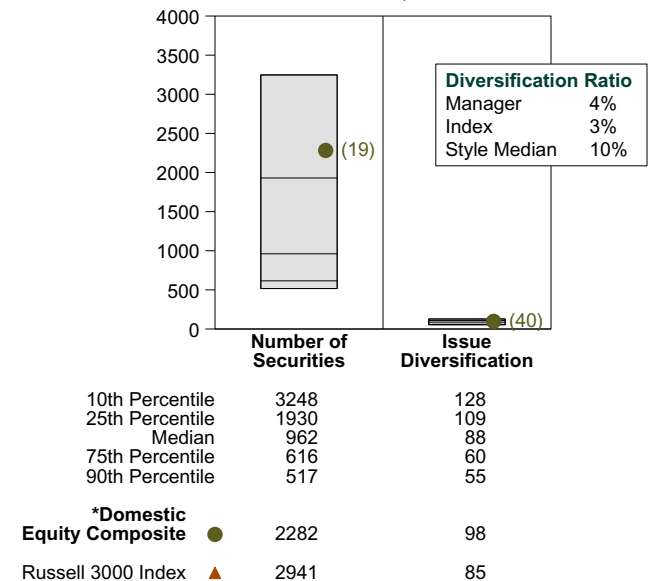
Sector Weights

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 March 31, 2017



Diversification March 31, 2017

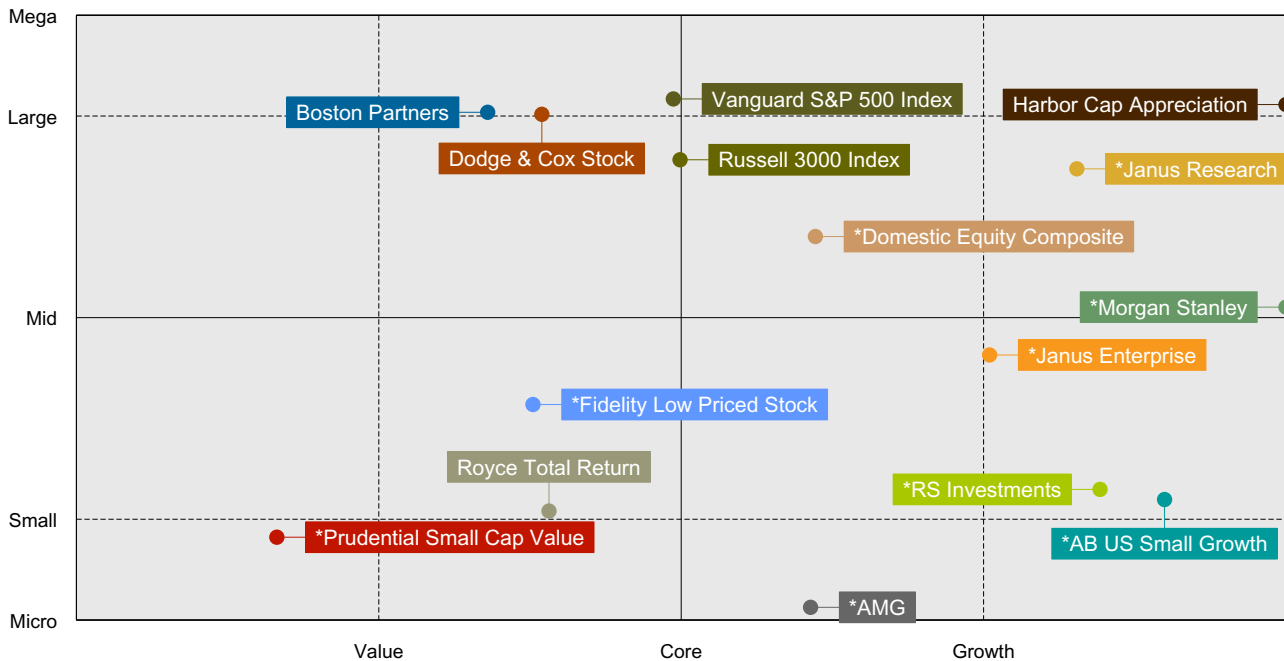


*3/31/17 portfolio characteristics generated using most recently available holdings (12/31/16) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.

Holdings Based Style Analysis For One Quarter Ended March 31, 2017

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 March 31, 2017



| | Weight % | Wtd Median Mkt Cap | Combined Z-Score | Growth Z-Score | Value Z-Score | Number of Securities | Security Diversification |
|-----------------------------|----------|--------------------|------------------|----------------|---------------|----------------------|--------------------------|
| Vanguard S&P 500 Index | 12.70% | 87.22 | (0.03) | (0.00) | 0.03 | 508 | 55.04 |
| Dodge & Cox Stock | 14.20% | 75.17 | (0.29) | (0.15) | 0.14 | 64 | 16.64 |
| Boston Partners | 14.56% | 76.76 | (0.40) | (0.10) | 0.30 | 87 | 21.10 |
| Harbor Cap Appreciation | 13.99% | 82.84 | 1.44 | 0.65 | (0.79) | 55 | 14.90 |
| *Janus Research | 13.52% | 57.15 | 0.79 | 0.32 | (0.47) | 94 | 24.39 |
| *Fidelity Low Priced Stock | 3.04% | 6.67 | (0.31) | (0.03) | 0.28 | 878 | 32.84 |
| Royce Total Return | 3.06% | 2.32 | (0.28) | (0.10) | 0.17 | 282 | 53.21 |
| *Morgan Stanley | 2.39% | 13.53 | 1.62 | 0.61 | (1.00) | 34 | 9.44 |
| *Janus Enterprise | 3.39% | 8.69 | 0.61 | 0.22 | (0.40) | 81 | 26.25 |
| *Prudential Small Cap Value | 6.97% | 1.72 | (0.81) | (0.14) | 0.67 | 350 | 68.05 |
| *AB US Small Growth | 4.09% | 2.79 | 0.97 | 0.35 | (0.62) | 101 | 35.90 |
| *RS Investments | 3.12% | 3.20 | 0.84 | 0.26 | (0.58) | 85 | 25.38 |
| *AMG | 4.97% | 0.69 | 0.25 | 0.08 | (0.16) | 323 | 66.93 |
| *Domestic Equity Composite | 100.00% | 35.80 | 0.26 | 0.13 | (0.13) | 2282 | 97.83 |
| Russell 3000 Index | - | 60.02 | (0.02) | (0.00) | 0.02 | 2941 | 84.73 |

*3/31/17 portfolio characteristics generated using most recently available holdings (12/31/16) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.

Vanguard S&P 500 Index Period Ended March 31, 2017

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.

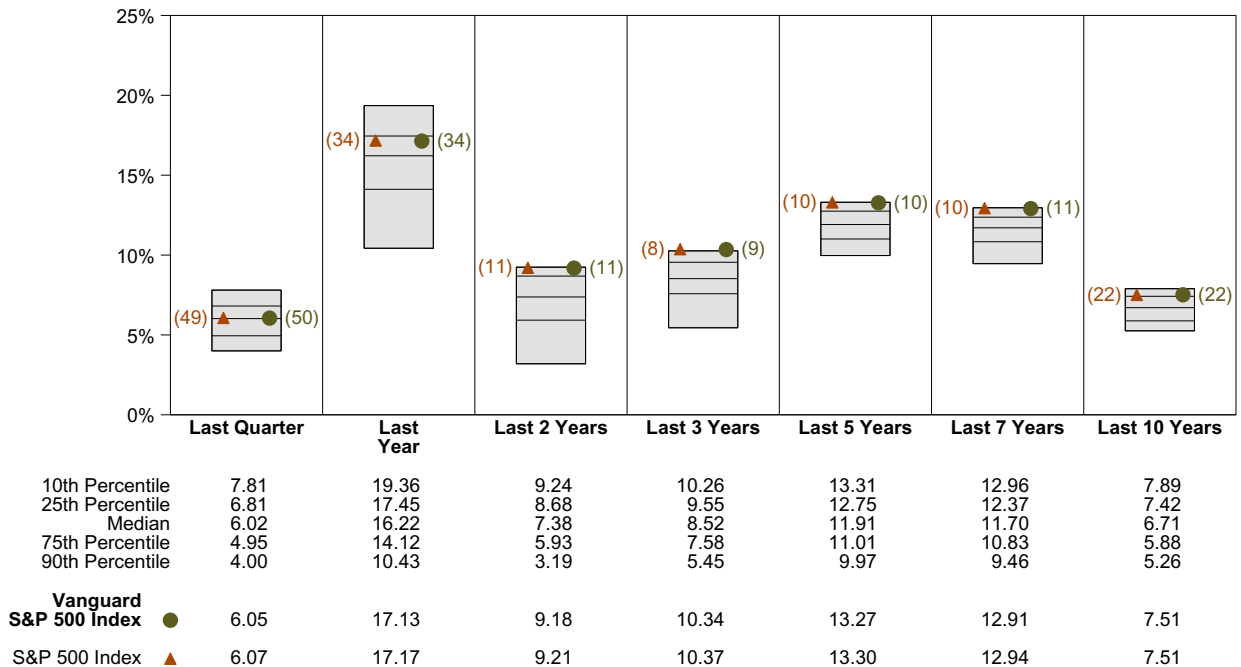
Quarterly Summary and Highlights

- Vanguard S&P 500 Index's portfolio posted a 6.05% return for the quarter placing it in the 50 percentile of the CAI Large Cap Core Mutual Funds group for the quarter and in the 34 percentile for the last year.
- Vanguard S&P 500 Index's portfolio underperformed the S&P 500 Index by 0.01% for the quarter and underperformed the S&P 500 Index for the year by 0.04%.

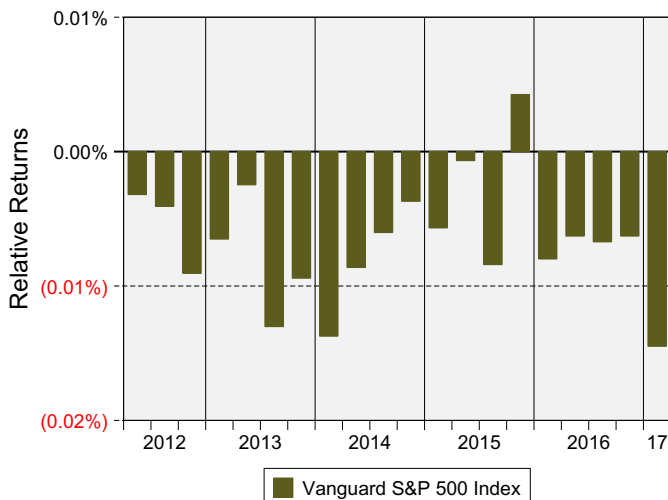
Quarterly Asset Growth

| | |
|---------------------------|--------------|
| Beginning Market Value | \$22,312,891 |
| Net New Investment | \$0 |
| Investment Gains/(Losses) | \$1,350,292 |
| Ending Market Value | \$23,663,183 |

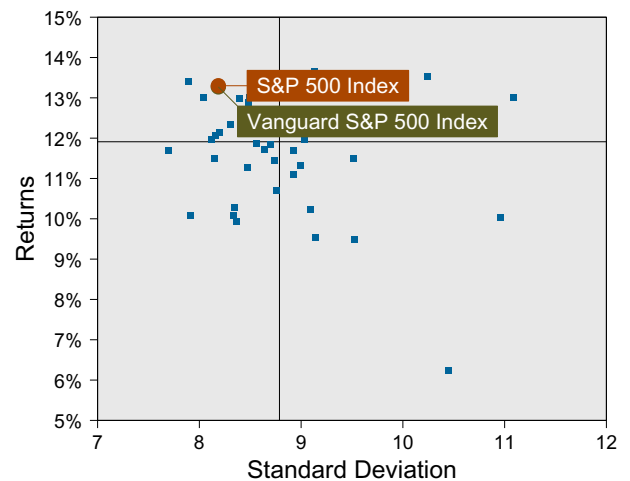
Performance vs CAI Large Cap Core Mutual Funds (Net)



Relative Return vs S&P 500 Index



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

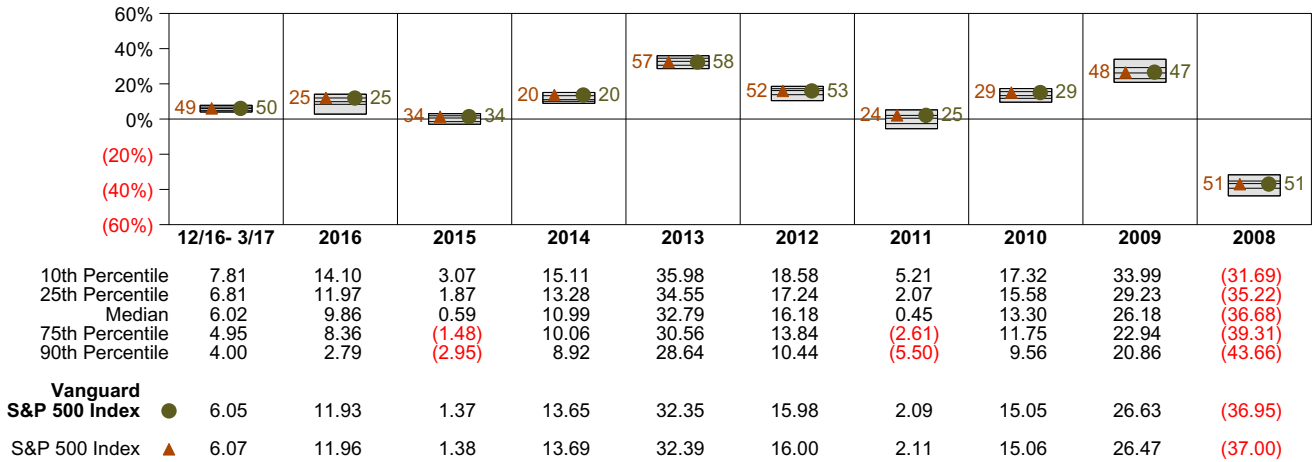


Vanguard S&P 500 Index Return Analysis Summary

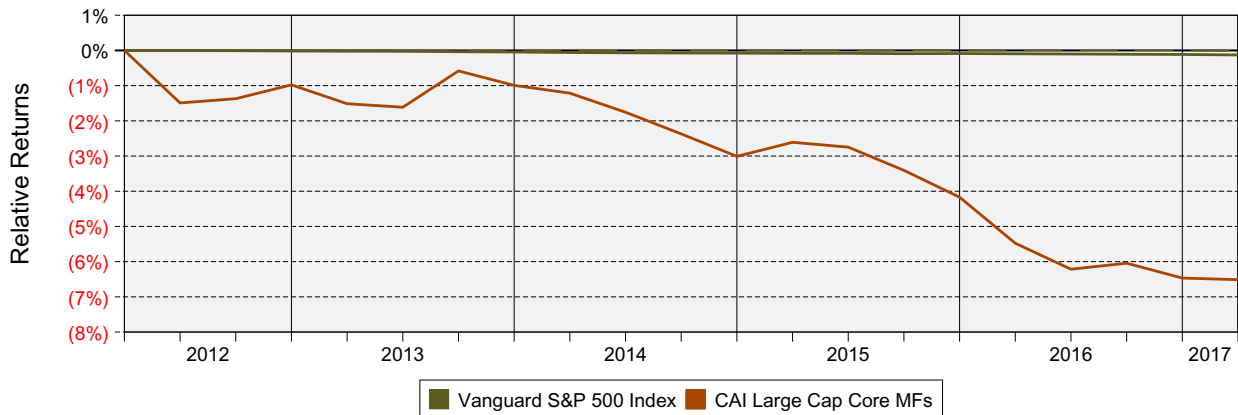
Return Analysis

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

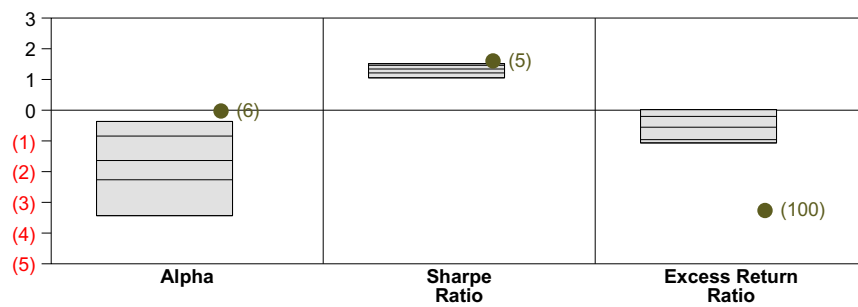
Performance vs CAI Large Cap Core Mutual Funds (Net)



Cumulative and Quarterly Relative Return vs S&P 500 Index



Risk Adjusted Return Measures vs S&P 500 Index Rankings Against CAI Large Cap Core Mutual Funds (Net) Five Years Ended March 31, 2017



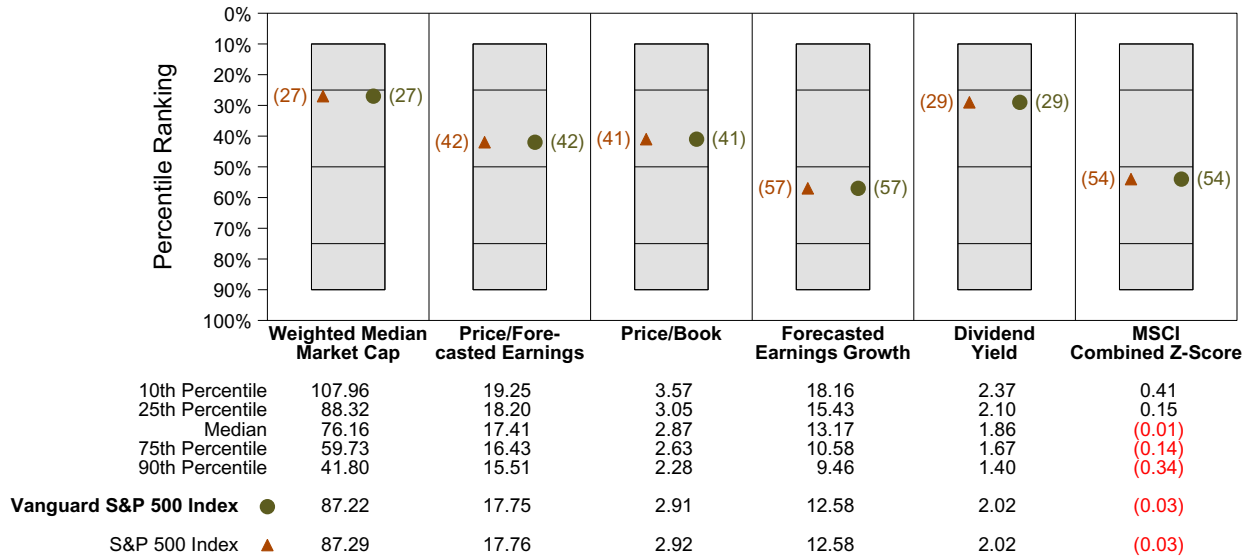
| | | | |
|-----------------------------------|---------------|-------------|---------------|
| 10th Percentile | (0.37) | 1.51 | 0.02 |
| 25th Percentile | (0.84) | 1.46 | (0.20) |
| Median | (1.64) | 1.34 | (0.55) |
| 75th Percentile | (2.26) | 1.21 | (0.96) |
| 90th Percentile | (3.43) | 1.05 | (1.07) |
| Vanguard S&P 500 Index | (0.03) | 1.60 | (3.26) |

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.

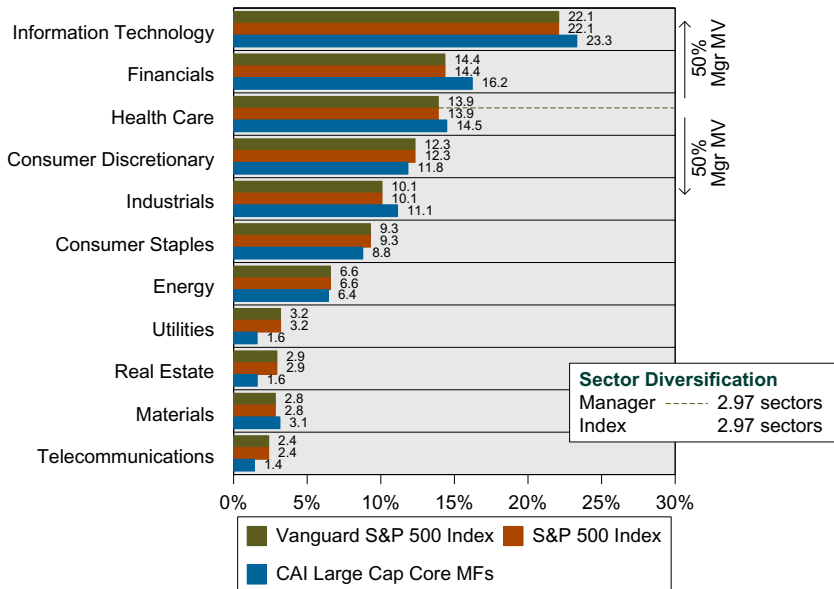
Portfolio Characteristics Percentile Rankings Rankings Against CAI Large Cap Core Mutual Funds as of March 31, 2017



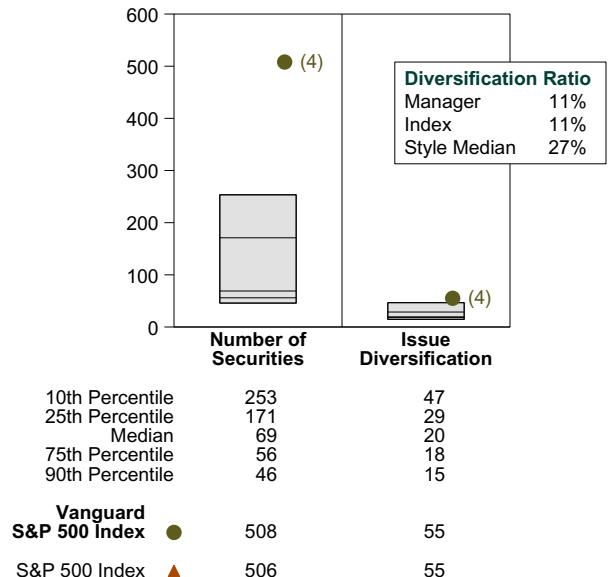
Sector Weights

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 March 31, 2017



Diversification March 31, 2017



Dodge & Cox Stock Period Ended March 31, 2017

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.

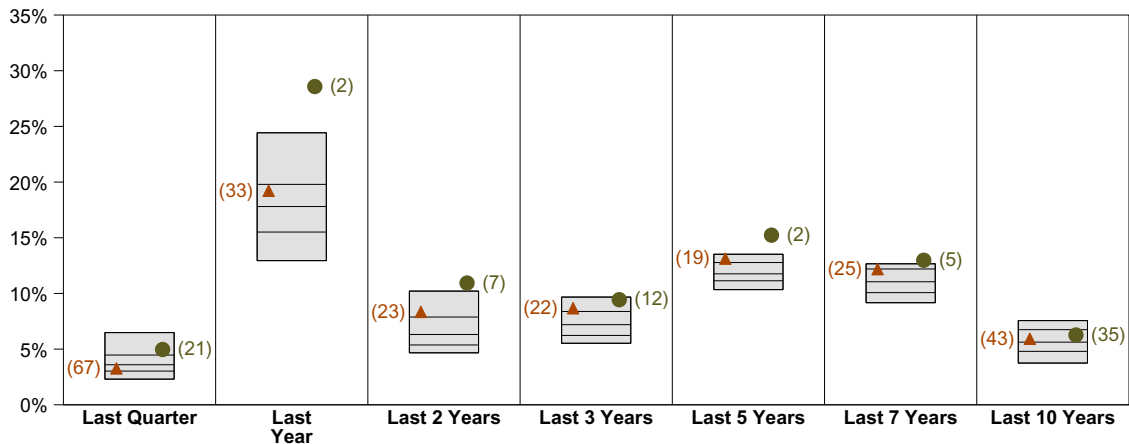
Quarterly Summary and Highlights

- Dodge & Cox Stock's portfolio posted a 4.97% return for the quarter placing it in the 21 percentile of the CAI Large Cap Value Mutual Funds group for the quarter and in the 2 percentile for the last year.
- Dodge & Cox Stock's portfolio outperformed the Russell 1000 Value Index by 1.70% for the quarter and outperformed the Russell 1000 Value Index for the year by 9.35%.

Quarterly Asset Growth

| | |
|---------------------------|--------------|
| Beginning Market Value | \$26,417,302 |
| Net New Investment | \$-1,250,000 |
| Investment Gains/(Losses) | \$1,299,578 |
| Ending Market Value | \$26,466,880 |

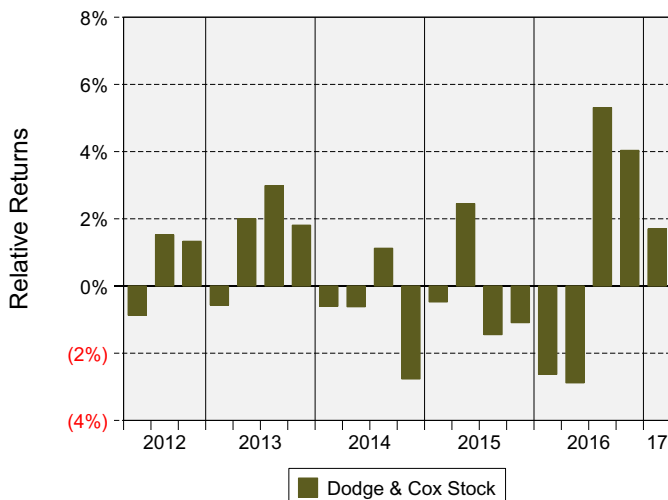
Performance vs CAI Large Cap Value Mutual Funds (Net)



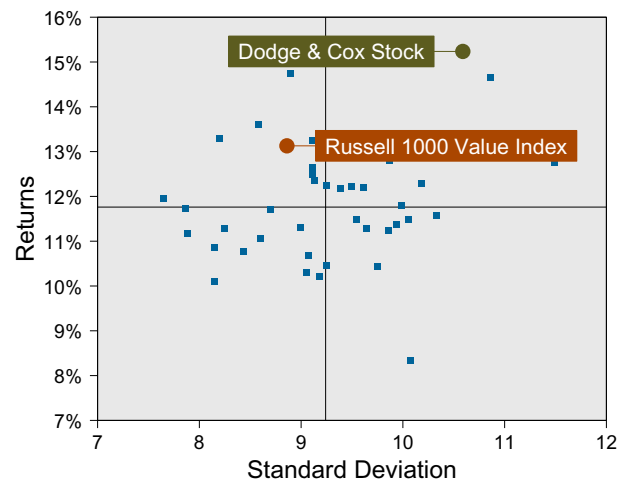
| | | | | | | | |
|-----------------|------|-------|-------|------|-------|-------|------|
| 10th Percentile | 6.48 | 24.43 | 10.21 | 9.67 | 13.52 | 12.66 | 7.56 |
| 25th Percentile | 4.47 | 19.80 | 7.88 | 8.38 | 12.78 | 12.20 | 6.75 |
| Median | 3.60 | 17.80 | 6.31 | 7.20 | 11.76 | 11.05 | 5.63 |
| 75th Percentile | 3.03 | 15.51 | 5.37 | 6.23 | 11.14 | 10.07 | 4.80 |
| 90th Percentile | 2.30 | 12.94 | 4.67 | 5.52 | 10.34 | 9.17 | 3.74 |

| | | | | | | | |
|--------------------------------|------|-------|-------|------|-------|-------|------|
| Dodge & Cox Stock ● | 4.97 | 28.58 | 10.93 | 9.44 | 15.24 | 12.98 | 6.26 |
| Russell 1000 Value Index ▲ | 3.27 | 19.22 | 8.34 | 8.67 | 13.13 | 12.18 | 5.93 |

Relative Return vs Russell 1000 Value Index



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

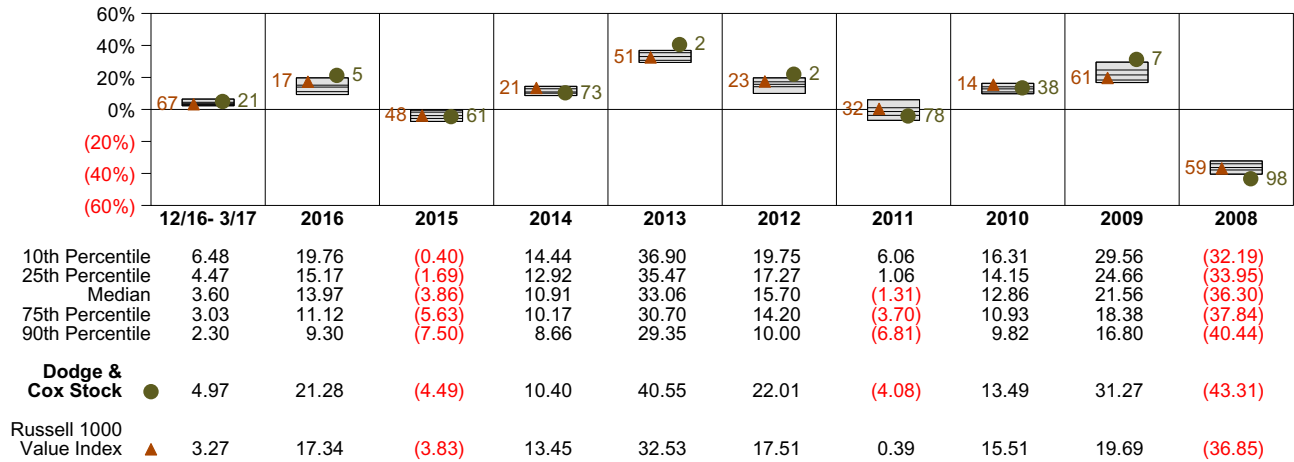


Dodge & Cox Stock Return Analysis Summary

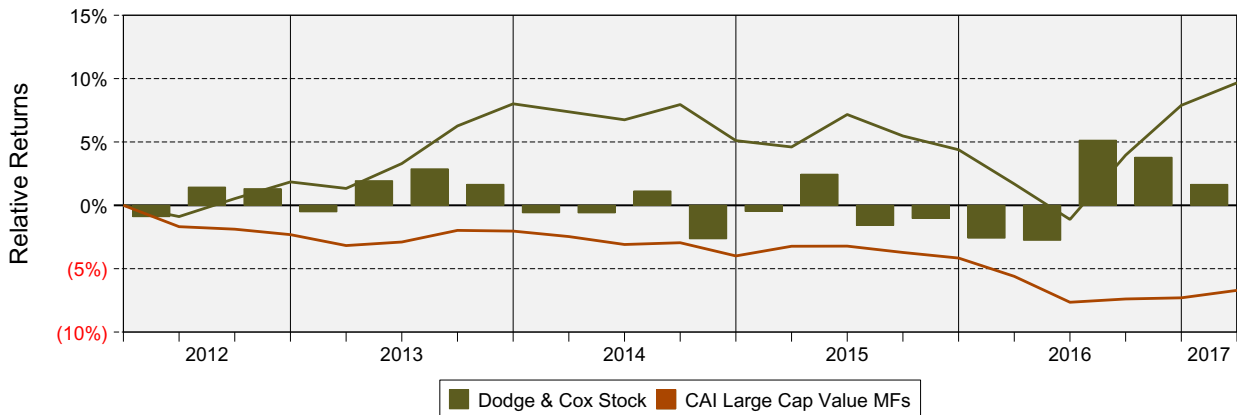
Return Analysis

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

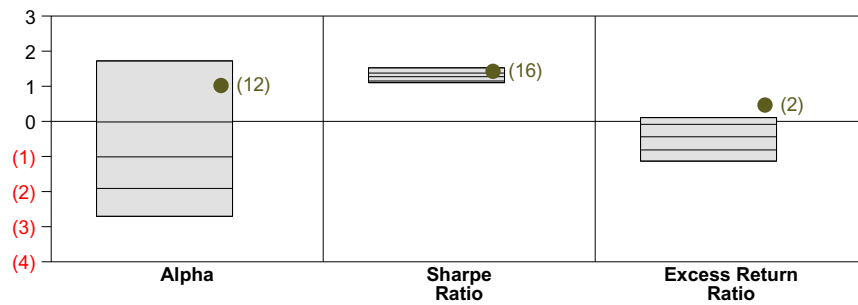
Performance vs CAI Large Cap Value Mutual Funds (Net)



Cumulative and Quarterly Relative Return vs Russell 1000 Value Index



Risk Adjusted Return Measures vs Russell 1000 Value Index Rankings Against CAI Large Cap Value Mutual Funds (Net) Five Years Ended March 31, 2017



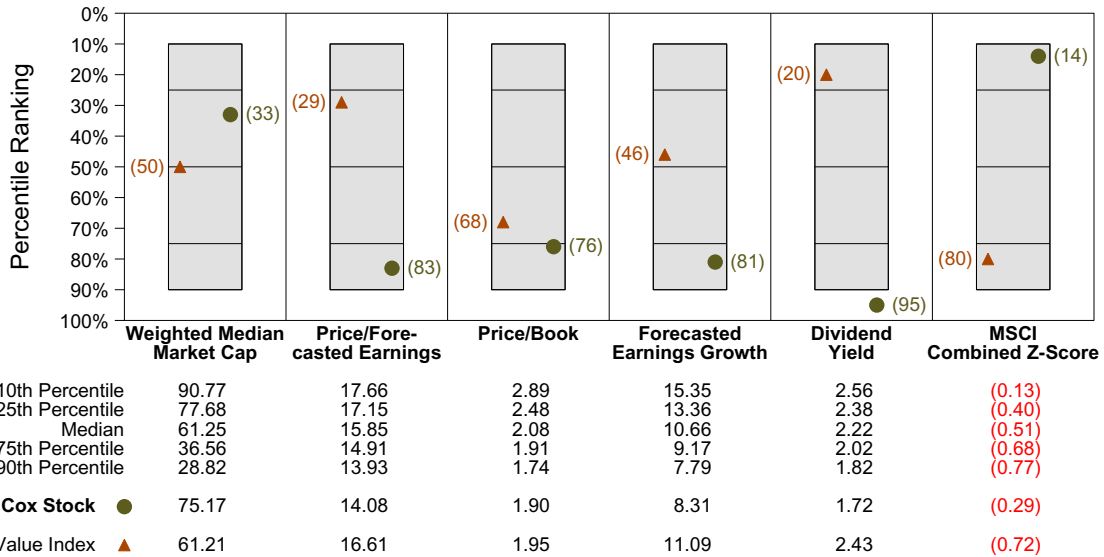
| | Alpha | Sharpe Ratio | Excess Return Ratio |
|------------------------------|--------|--------------|---------------------|
| 10th Percentile | 1.72 | 1.53 | 0.11 |
| 25th Percentile | (0.02) | 1.38 | (0.08) |
| Median | (1.01) | 1.27 | (0.44) |
| 75th Percentile | (1.91) | 1.15 | (0.81) |
| 90th Percentile | (2.71) | 1.10 | (1.13) |
| Dodge & Cox Stock | ● 1.02 | 1.43 | 0.46 |

Dodge & Cox Stock Equity Characteristics Analysis Summary

Portfolio Characteristics

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

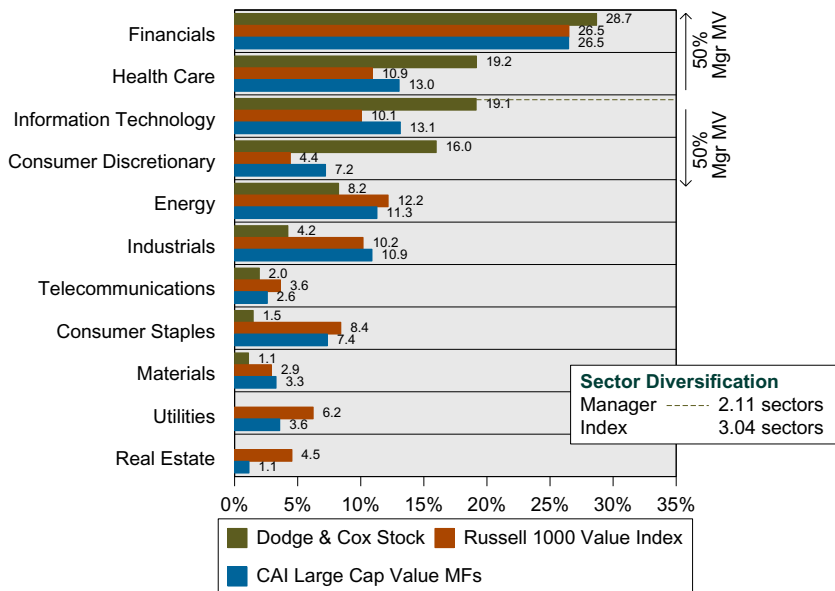
Portfolio Characteristics Percentile Rankings Rankings Against CAI Large Cap Value Mutual Funds as of March 31, 2017



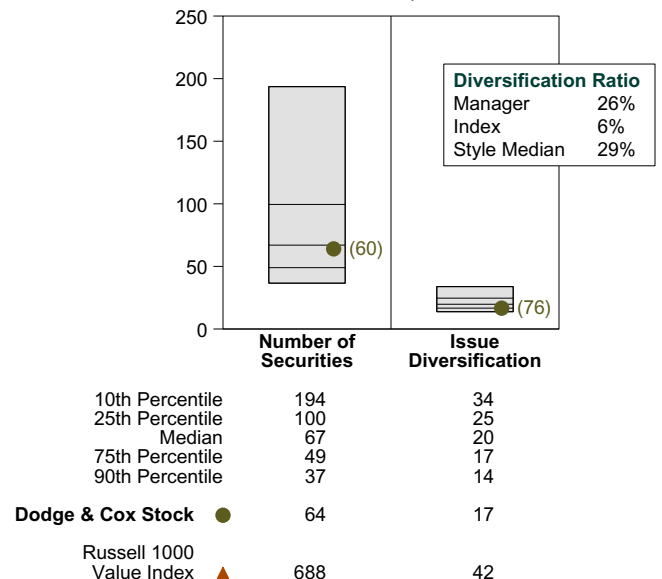
Sector Weights

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 March 31, 2017



Diversification March 31, 2017



Boston Partners Period Ended March 31, 2017

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.

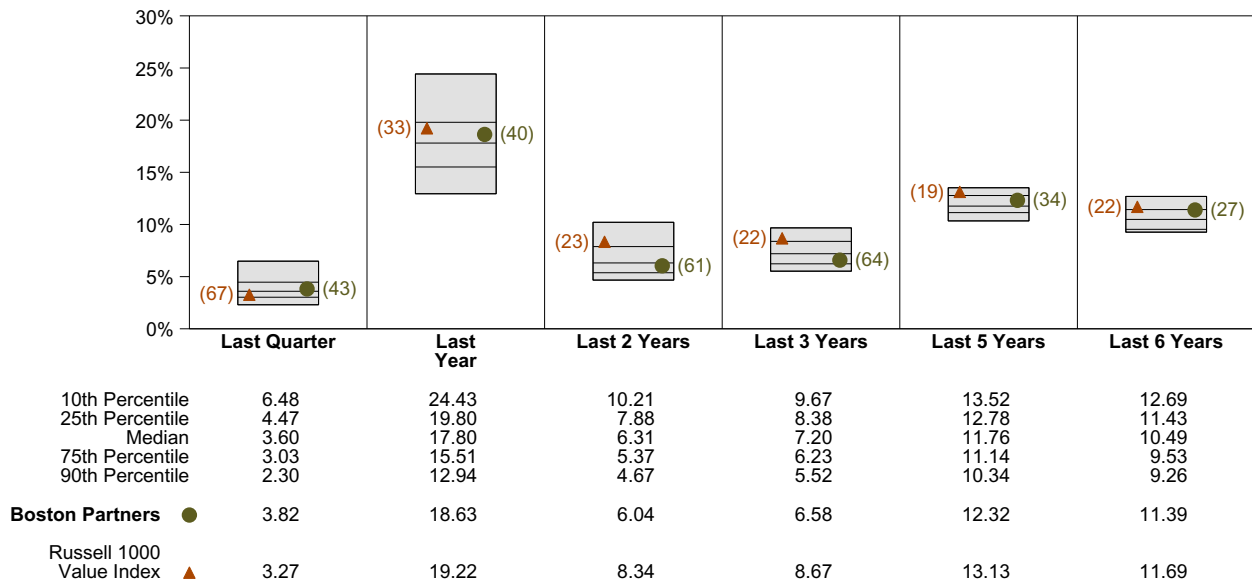
Quarterly Summary and Highlights

- Boston Partners's portfolio posted a 3.82% return for the quarter placing it in the 43 percentile of the CAI Large Cap Value Mutual Funds group for the quarter and in the 40 percentile for the last year.
- Boston Partners's portfolio outperformed the Russell 1000 Value Index by 0.55% for the quarter and underperformed the Russell 1000 Value Index for the year by 0.59%.

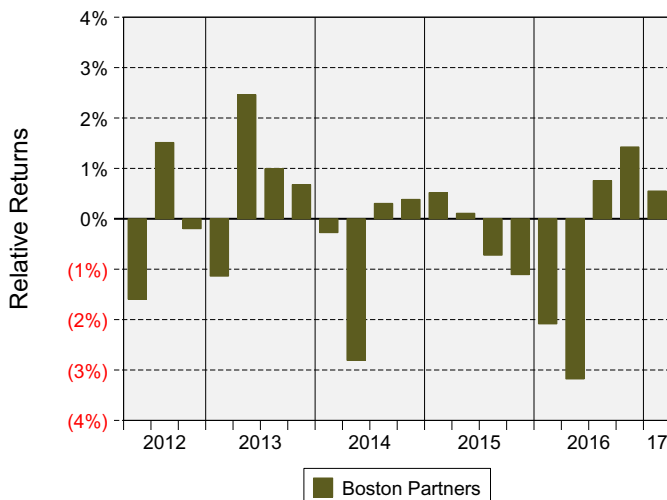
Quarterly Asset Growth

| | |
|---------------------------|--------------|
| Beginning Market Value | \$26,099,697 |
| Net New Investment | \$0 |
| Investment Gains/(Losses) | \$1,029,768 |
| Ending Market Value | \$27,129,465 |

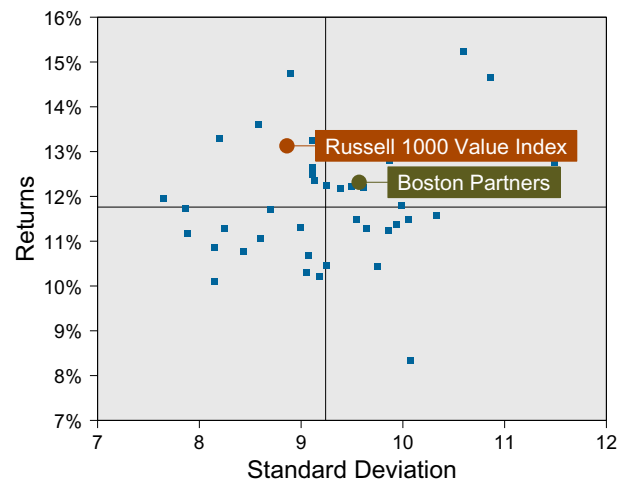
Performance vs CAI Large Cap Value Mutual Funds (Net)



Relative Return vs Russell 1000 Value Index



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

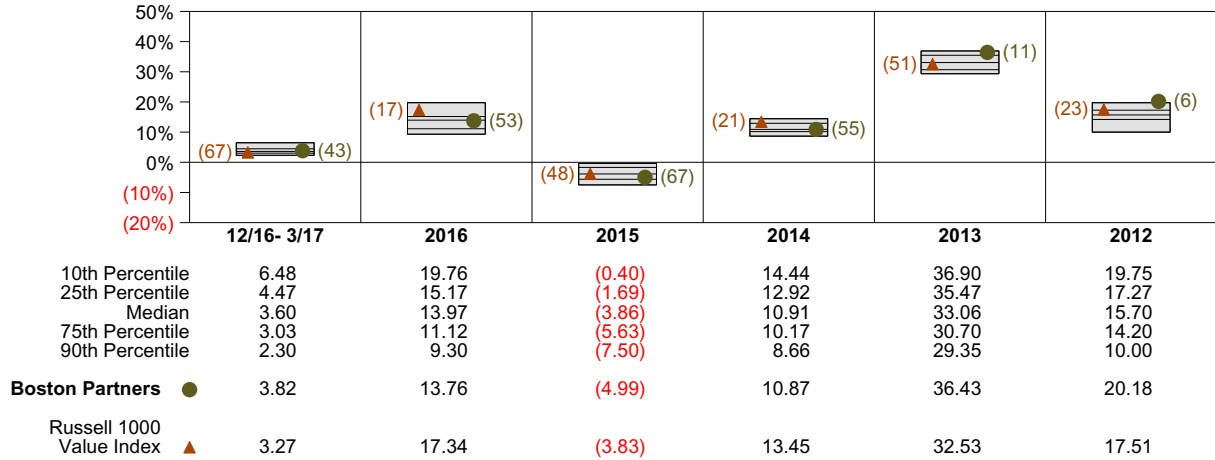


Boston Partners Return Analysis Summary

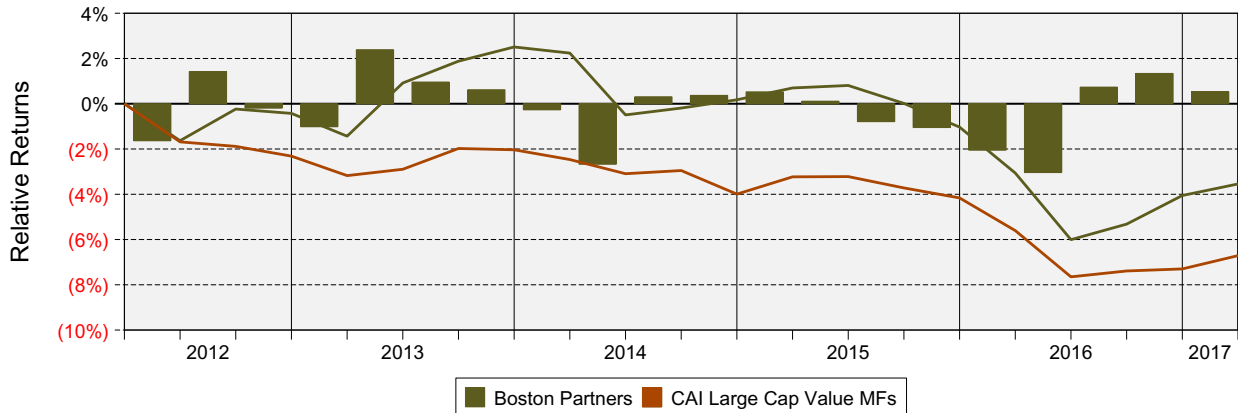
Return Analysis

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

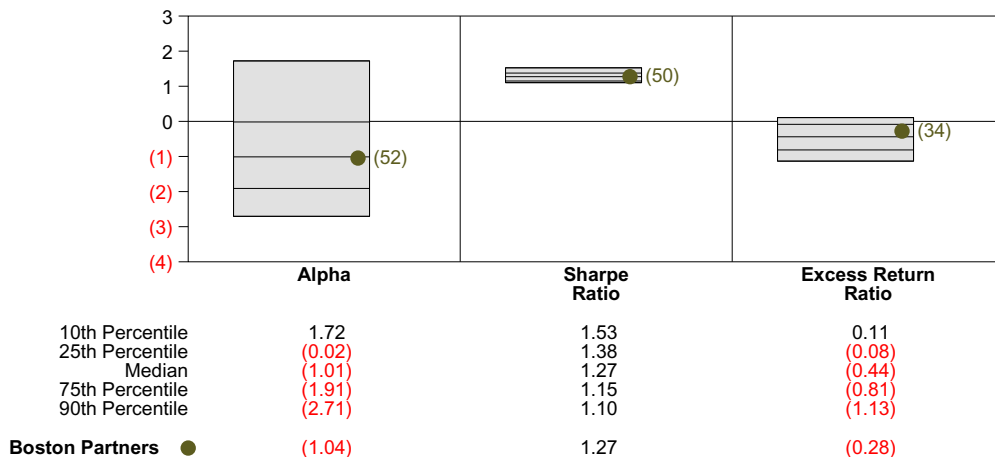
Performance vs CAI Large Cap Value Mutual Funds (Net)



Cumulative and Quarterly Relative Return vs Russell 1000 Value Index



Risk Adjusted Return Measures vs Russell 1000 Value Index Rankings Against CAI Large Cap Value Mutual Funds (Net) Five Years Ended March 31, 2017

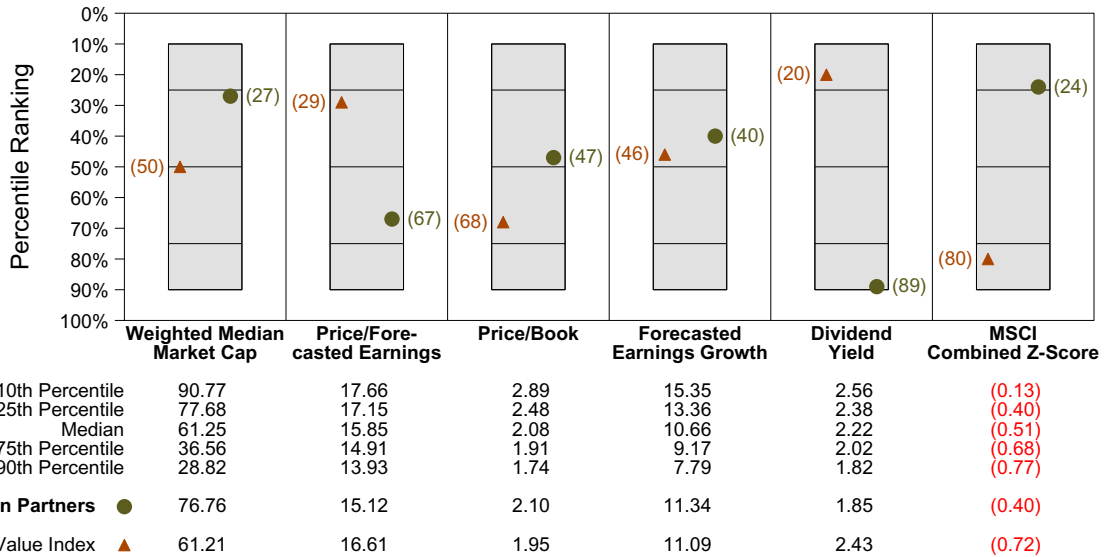


Boston Partners Equity Characteristics Analysis Summary

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.

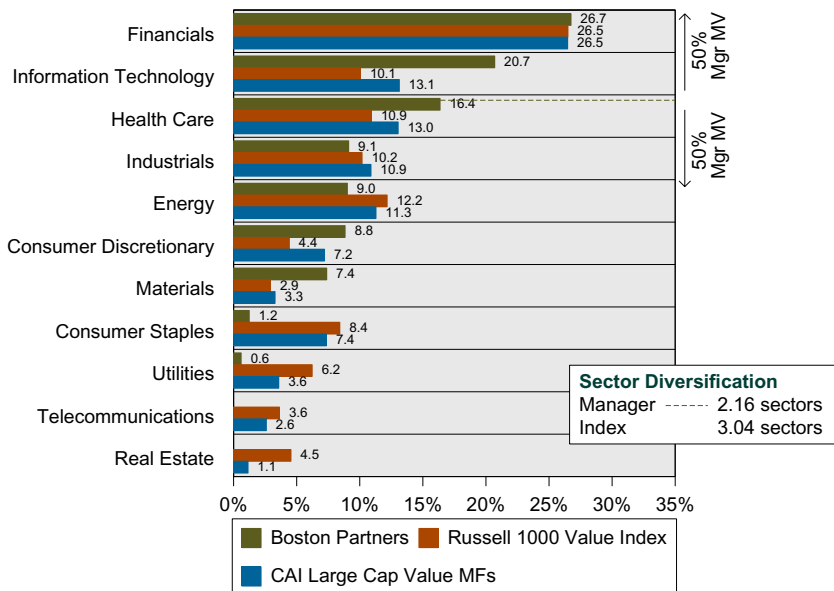
Portfolio Characteristics Percentile Rankings Rankings Against CAI Large Cap Value Mutual Funds as of March 31, 2017



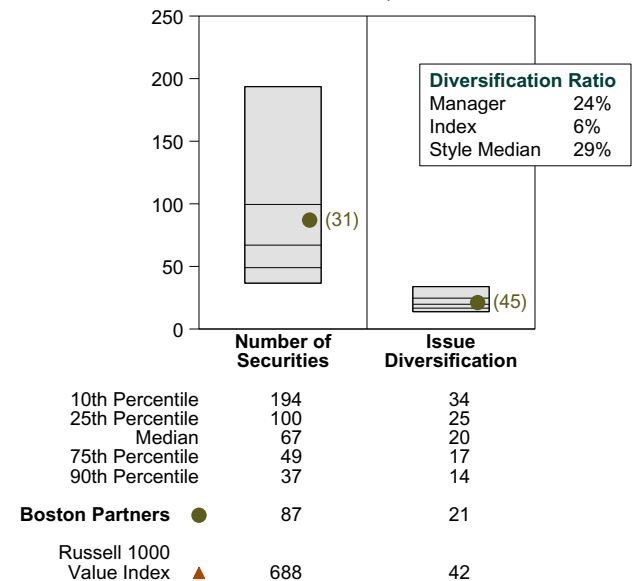
Sector Weights

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 March 31, 2017



Diversification March 31, 2017



Harbor Cap Appreciation Period Ended March 31, 2017

Investment Philosophy

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

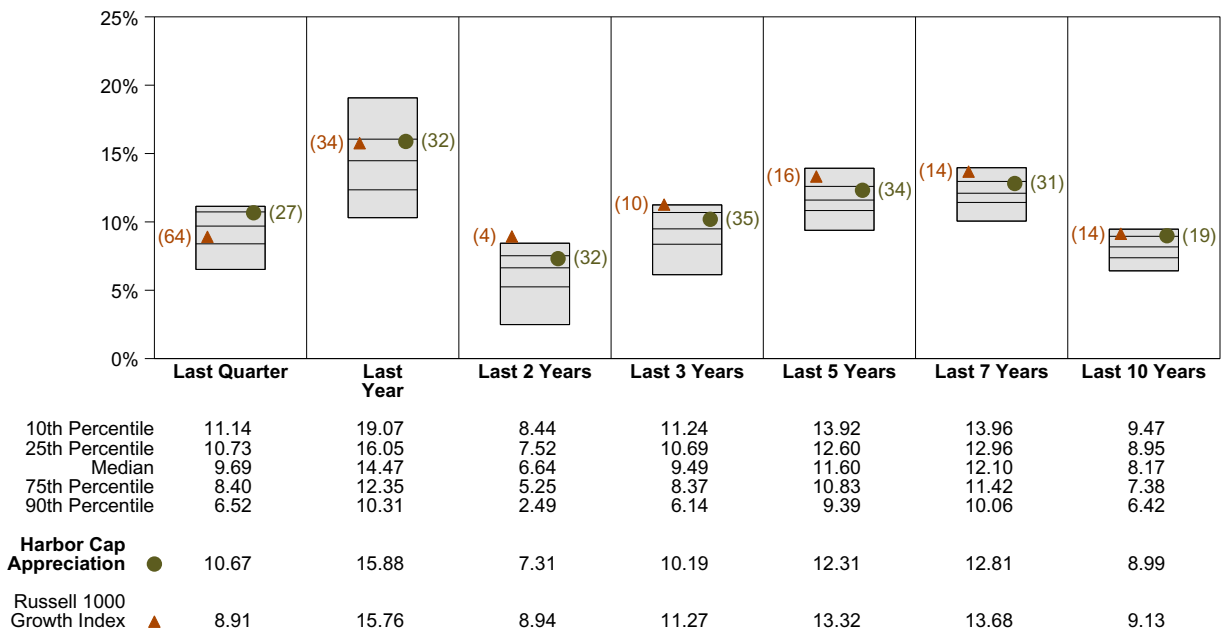
Quarterly Summary and Highlights

- Harbor Cap Appreciation's portfolio posted a 10.67% return for the quarter placing it in the 27 percentile of the CAI Large Cap Growth Mutual Funds group for the quarter and in the 32 percentile for the last year.
- Harbor Cap Appreciation's portfolio outperformed the Russell 1000 Growth Index by 1.76% for the quarter and outperformed the Russell 1000 Growth Index for the year by 0.13%.

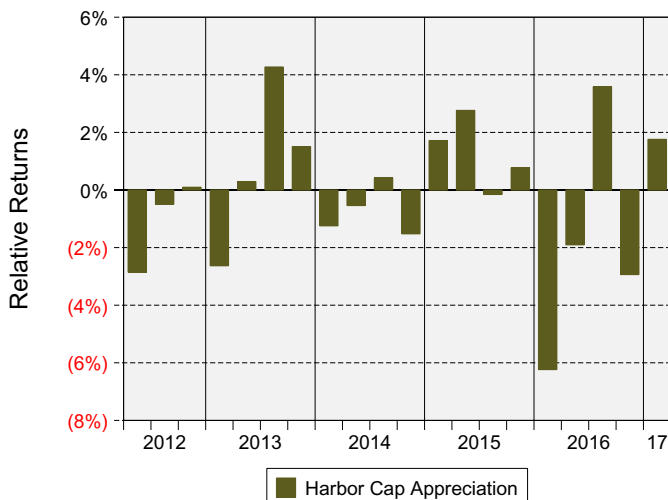
Quarterly Asset Growth

| | |
|---------------------------|--------------|
| Beginning Market Value | \$23,562,112 |
| Net New Investment | \$0 |
| Investment Gains/(Losses) | \$2,513,069 |
| Ending Market Value | \$26,075,181 |

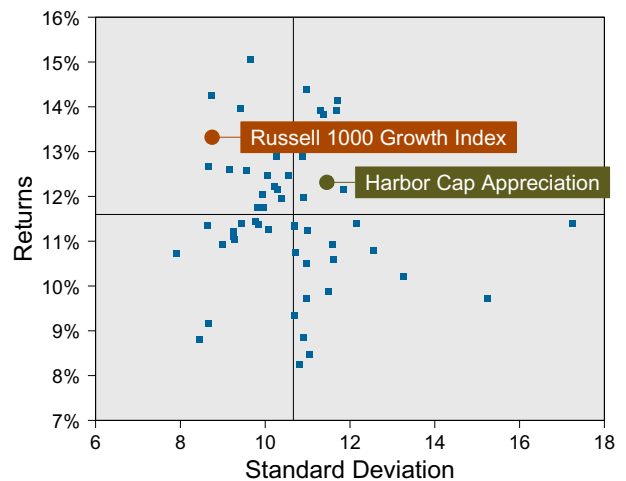
Performance vs CAI Large Cap Growth Mutual Funds (Net)



Relative Return vs Russell 1000 Growth Index



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

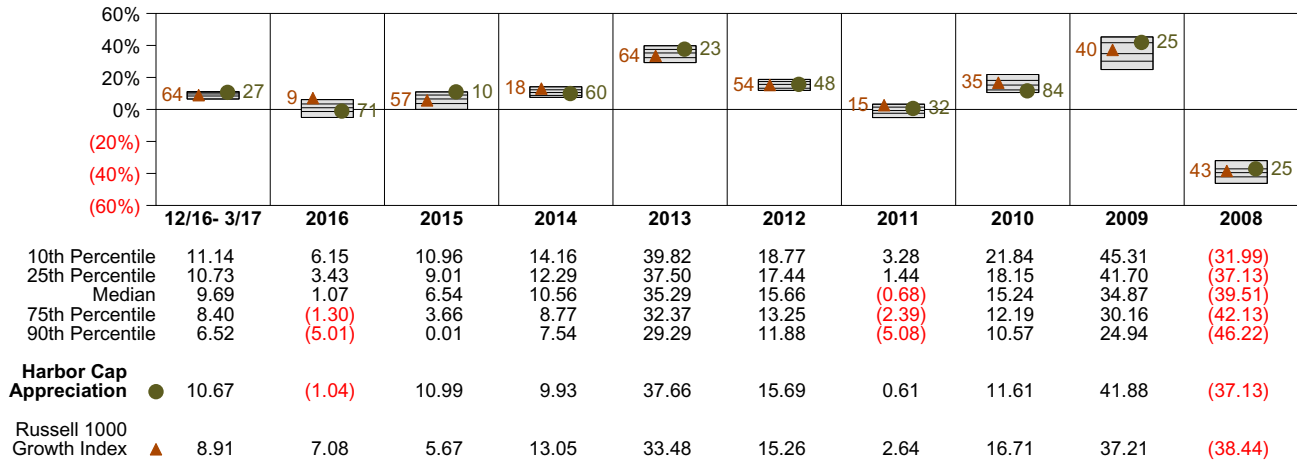


Harbor Cap Appreciation Return Analysis Summary

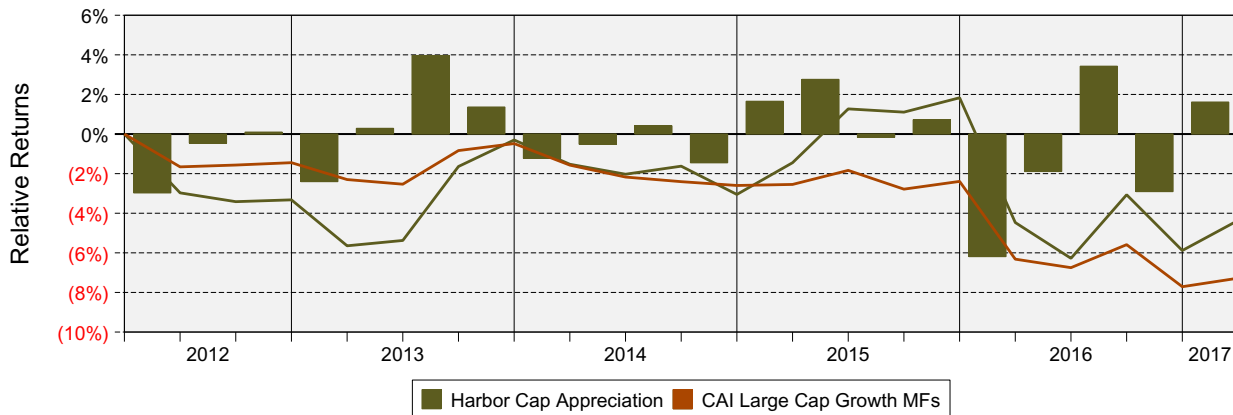
Return Analysis

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

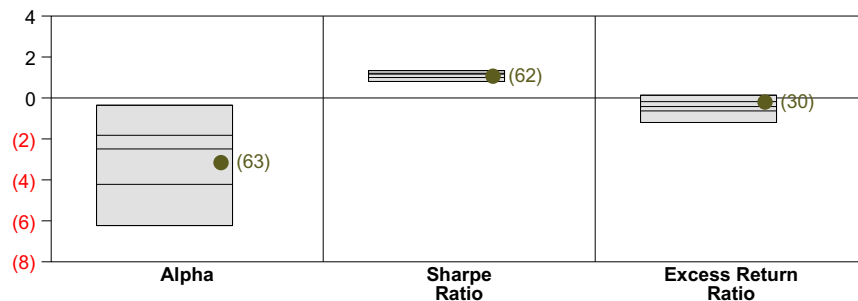
Performance vs CAI Large Cap Growth Mutual Funds (Net)



Cumulative and Quarterly Relative Return vs Russell 1000 Growth Index



Risk Adjusted Return Measures vs Russell 1000 Growth Index Rankings Against CAI Large Cap Growth Mutual Funds (Net) Five Years Ended March 31, 2017

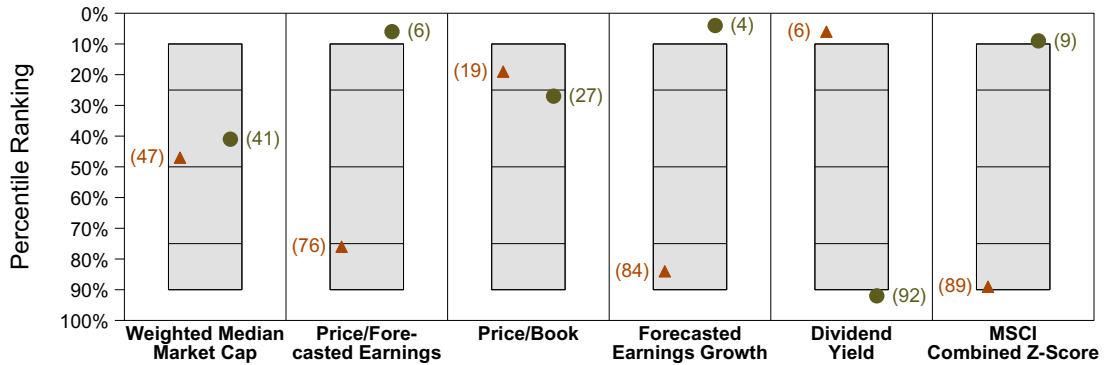


Harbor Cap Appreciation Equity Characteristics Analysis Summary

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.

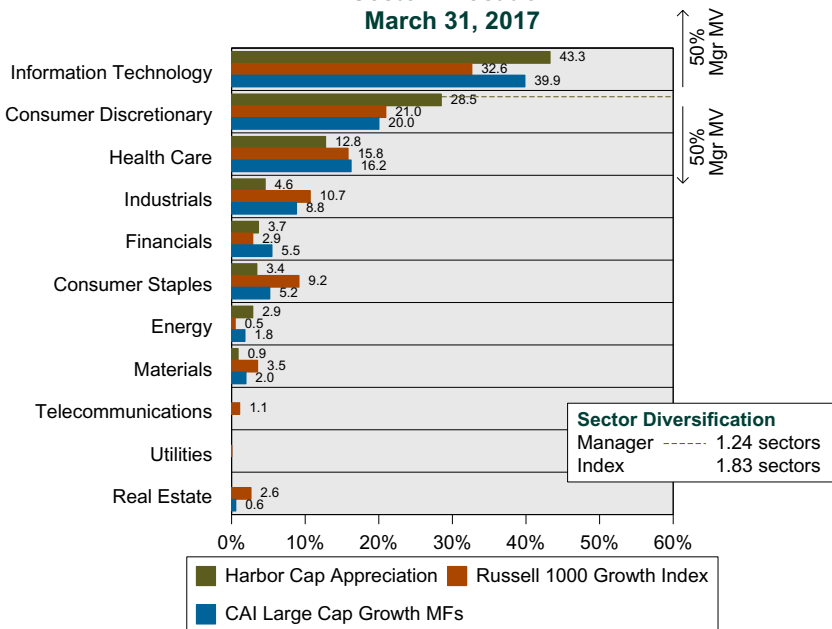
Portfolio Characteristics Percentile Rankings Rankings Against CAI Large Cap Growth Mutual Funds as of March 31, 2017



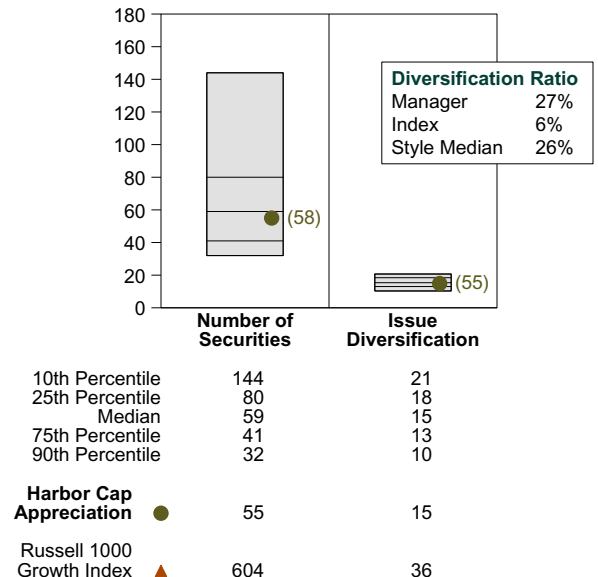
Sector Weights

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 March 31, 2017



Diversification March 31, 2017



Janus Research Period Ended March 31, 2017

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.

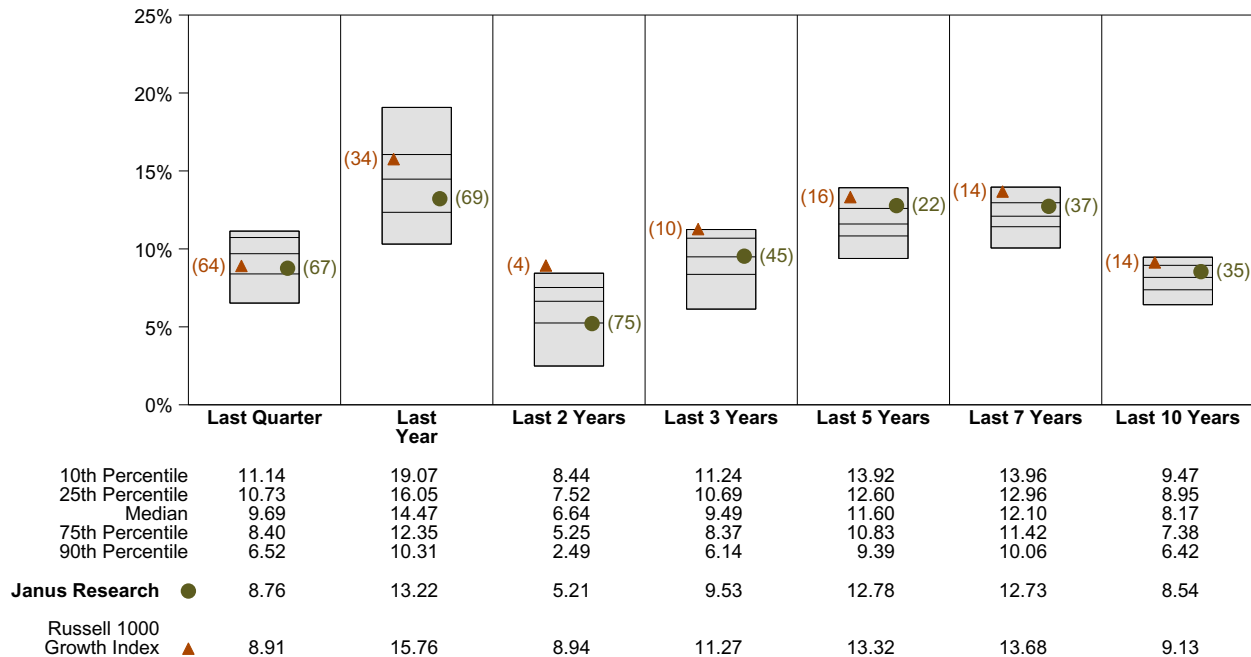
Quarterly Summary and Highlights

- Janus Research's portfolio posted a 8.76% return for the quarter placing it in the 67 percentile of the CAI Large Cap Growth Mutual Funds group for the quarter and in the 69 percentile for the last year.
- Janus Research's portfolio underperformed the Russell 1000 Growth Index by 0.15% for the quarter and underperformed the Russell 1000 Growth Index for the year by 2.54%.

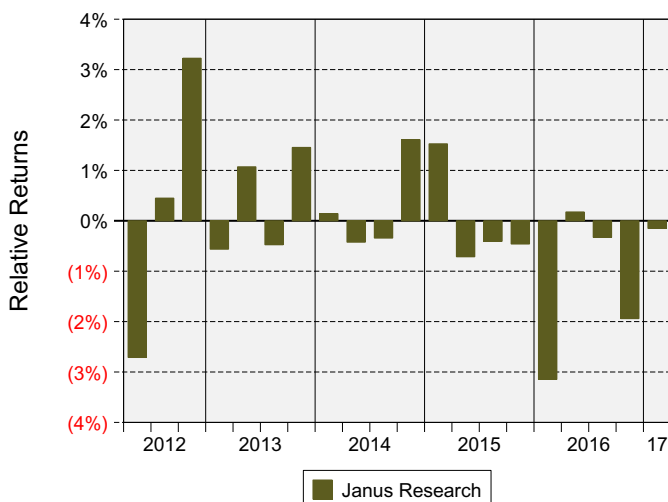
Quarterly Asset Growth

| | |
|---------------------------|--------------|
| Beginning Market Value | \$23,172,429 |
| Net New Investment | \$0 |
| Investment Gains/(Losses) | \$2,029,617 |
| Ending Market Value | \$25,202,046 |

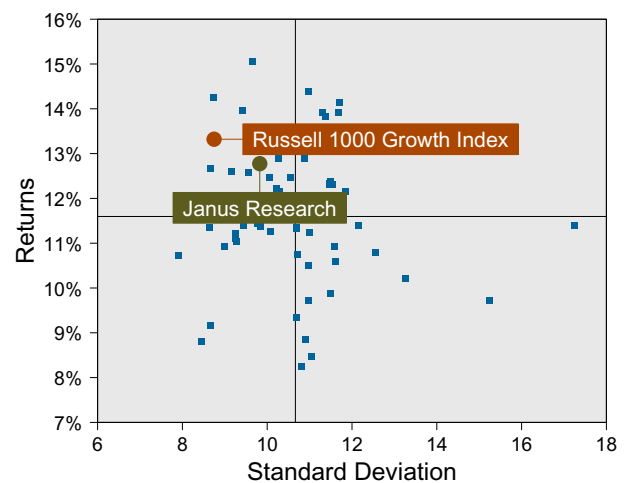
Performance vs CAI Large Cap Growth Mutual Funds (Net)



Relative Return vs Russell 1000 Growth Index



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

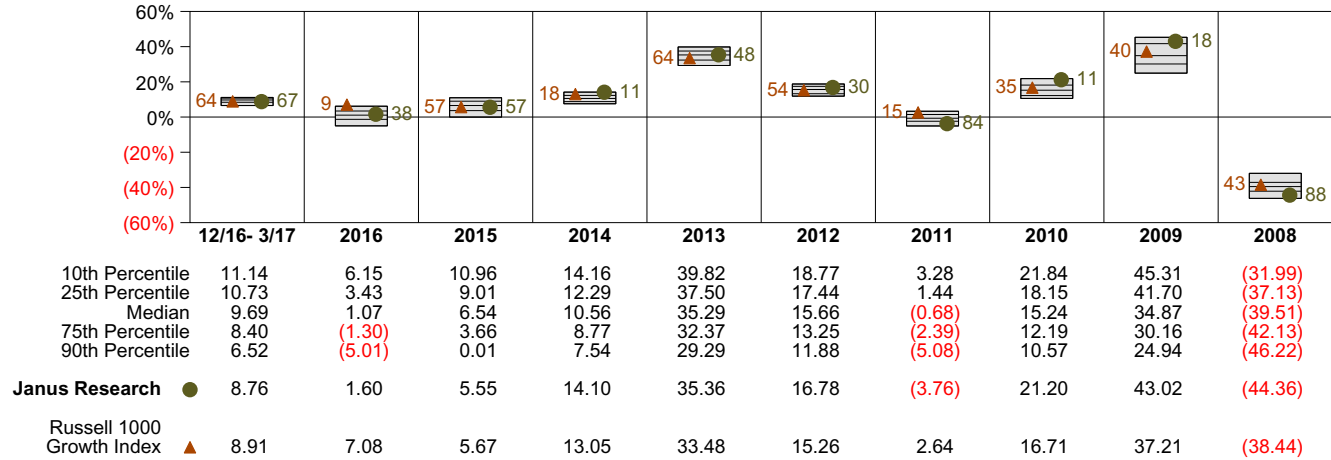


Janus Research Return Analysis Summary

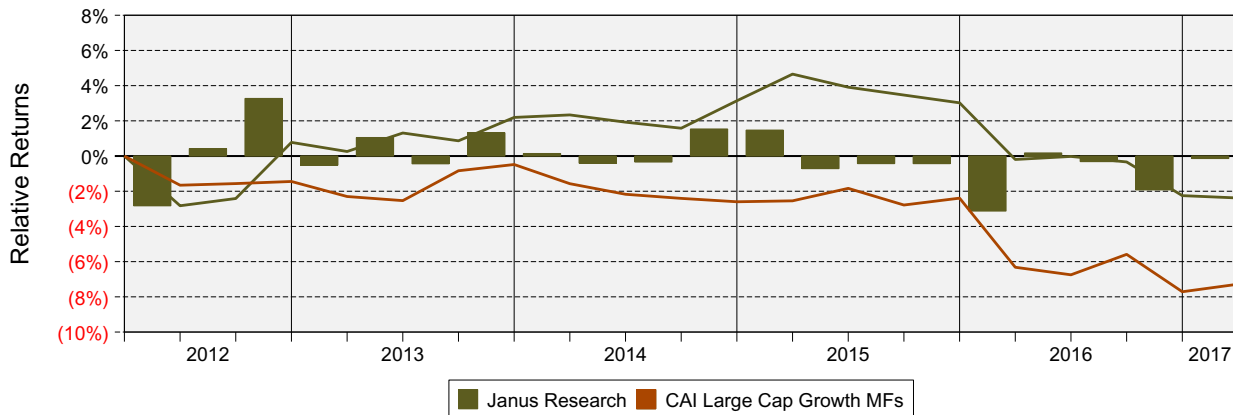
Return Analysis

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

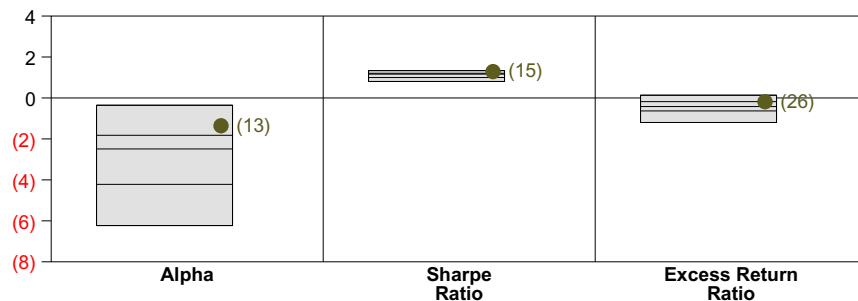
Performance vs CAI Large Cap Growth Mutual Funds (Net)



Cumulative and Quarterly Relative Return vs Russell 1000 Growth Index



Risk Adjusted Return Measures vs Russell 1000 Growth Index Rankings Against CAI Large Cap Growth Mutual Funds (Net) Five Years Ended March 31, 2017



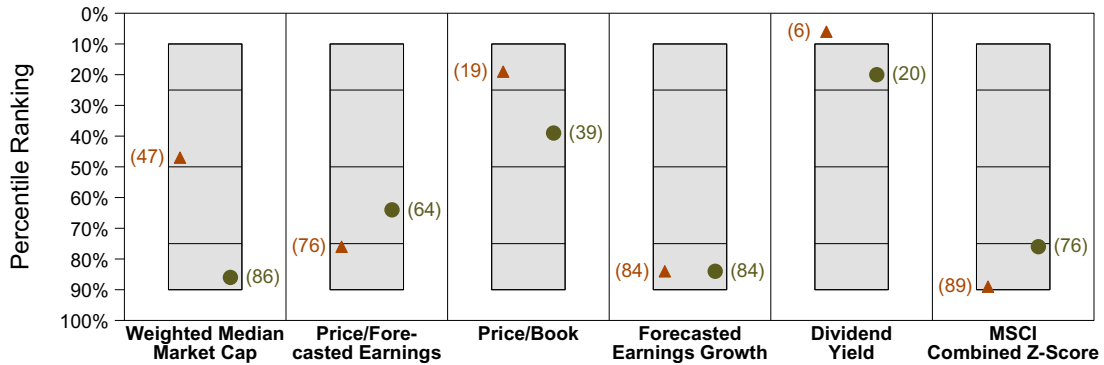
| | | | |
|-----------------------|--------|------|--------|
| 10th Percentile | (0.36) | 1.34 | 0.13 |
| 25th Percentile | (1.82) | 1.21 | (0.18) |
| Median | (2.49) | 1.16 | (0.42) |
| 75th Percentile | (4.22) | 1.00 | (0.63) |
| 90th Percentile | (6.23) | 0.81 | (1.20) |
| Janus Research | (1.36) | 1.29 | (0.18) |

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 March 31, 2017

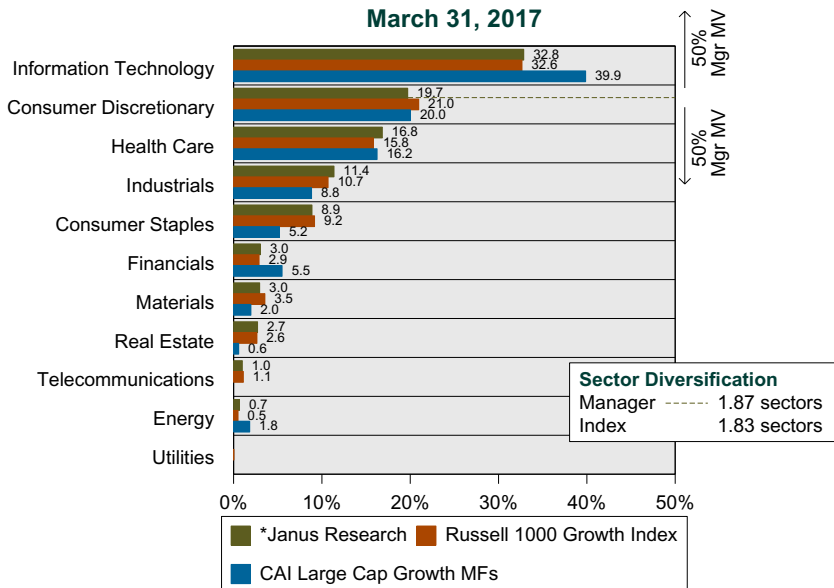


| | | | | | | |
|---------------------------|-------|-------|------|-------|------|------|
| 10th Percentile | 91.80 | 25.05 | 5.83 | 22.58 | 1.44 | 1.42 |
| 25th Percentile | 87.87 | 22.88 | 5.27 | 19.46 | 1.16 | 1.24 |
| Median | 79.41 | 21.49 | 4.65 | 17.44 | 0.97 | 1.06 |
| 75th Percentile | 62.59 | 19.92 | 4.33 | 15.08 | 0.80 | 0.82 |
| 90th Percentile | 52.15 | 18.07 | 3.99 | 13.29 | 0.72 | 0.55 |
| *Janus Research | 57.15 | 20.52 | 4.81 | 13.88 | 1.23 | 0.79 |
| Russell 1000 Growth Index | 80.62 | 19.80 | 5.45 | 13.93 | 1.51 | 0.67 |

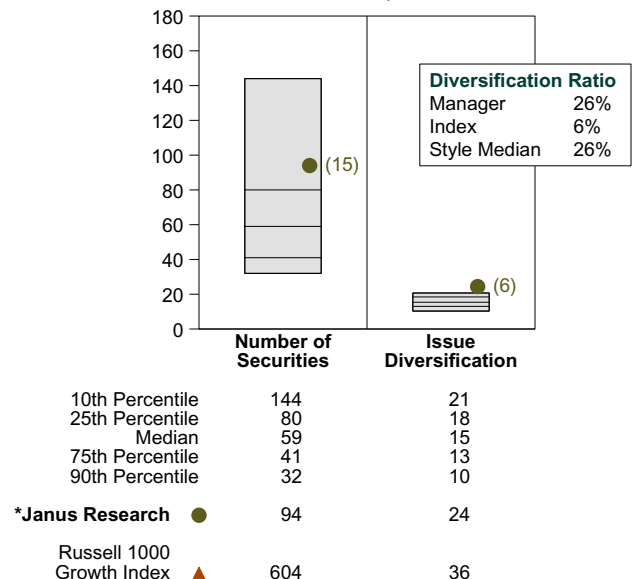
Sector Weights

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 March 31, 2017



Diversification March 31, 2017



*3/31/17 portfolio characteristics generated using most recently available holdings (12/31/16) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.

Fidelity Low Priced Stock Period Ended March 31, 2017

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.

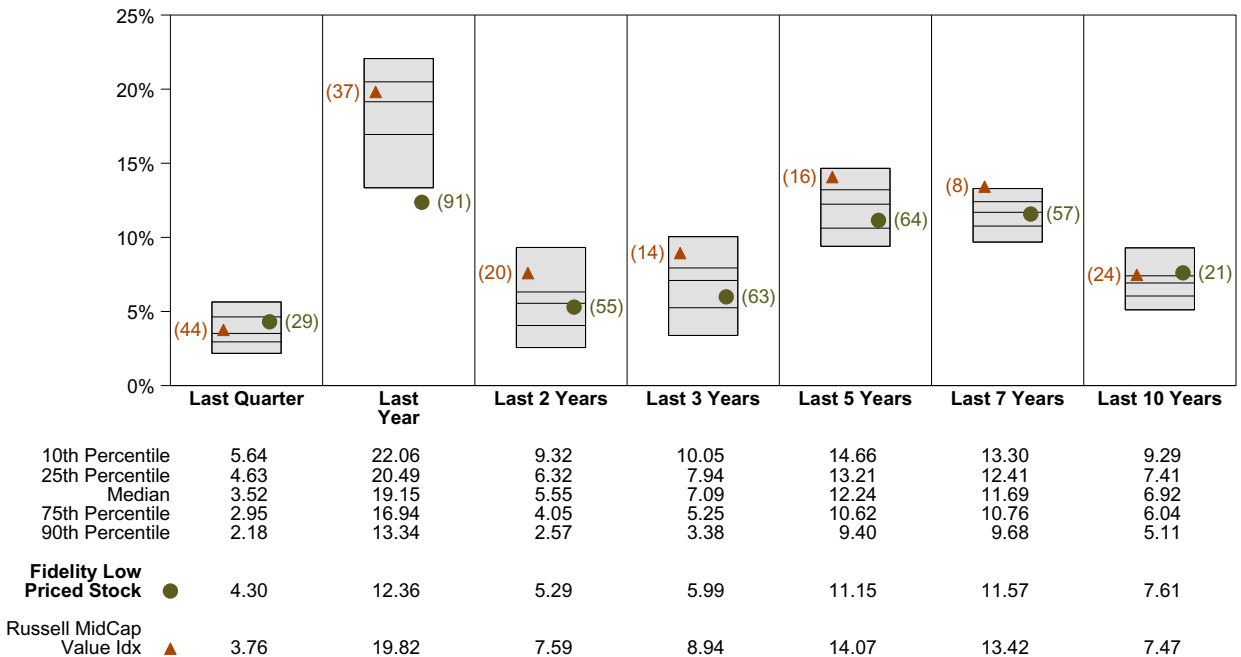
Quarterly Summary and Highlights

- Fidelity Low Priced Stock's portfolio posted a 4.30% return for the quarter placing it in the 29 percentile of the CAI Mid Cap Value Mutual Funds group for the quarter and in the 91 percentile for the last year.
- Fidelity Low Priced Stock's portfolio outperformed the Russell MidCap Value Idx by 0.54% for the quarter and underperformed the Russell MidCap Value Idx for the year by 7.45%.

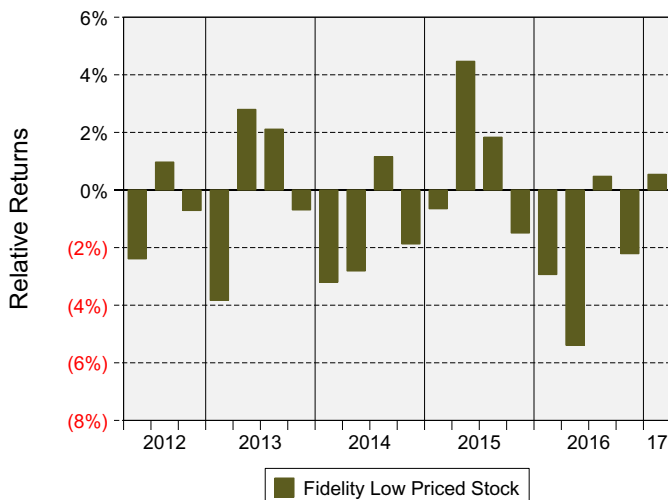
Quarterly Asset Growth

| | |
|---------------------------|-------------|
| Beginning Market Value | \$5,433,704 |
| Net New Investment | \$0 |
| Investment Gains/(Losses) | \$233,909 |
| Ending Market Value | \$5,667,612 |

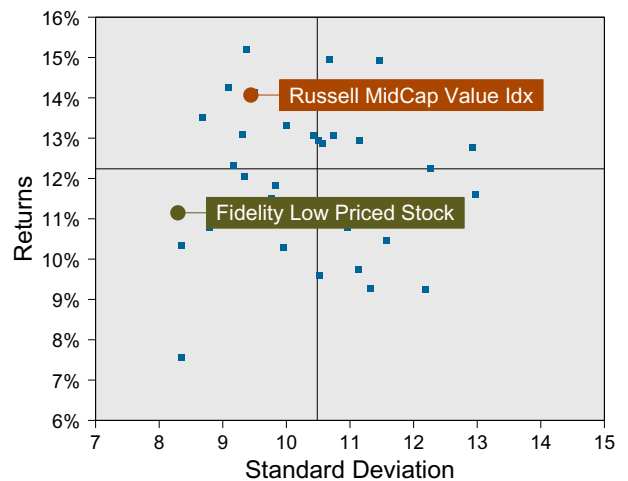
Performance vs CAI Mid Cap Value Mutual Funds (Net)



Relative Return vs Russell MidCap Value Idx



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

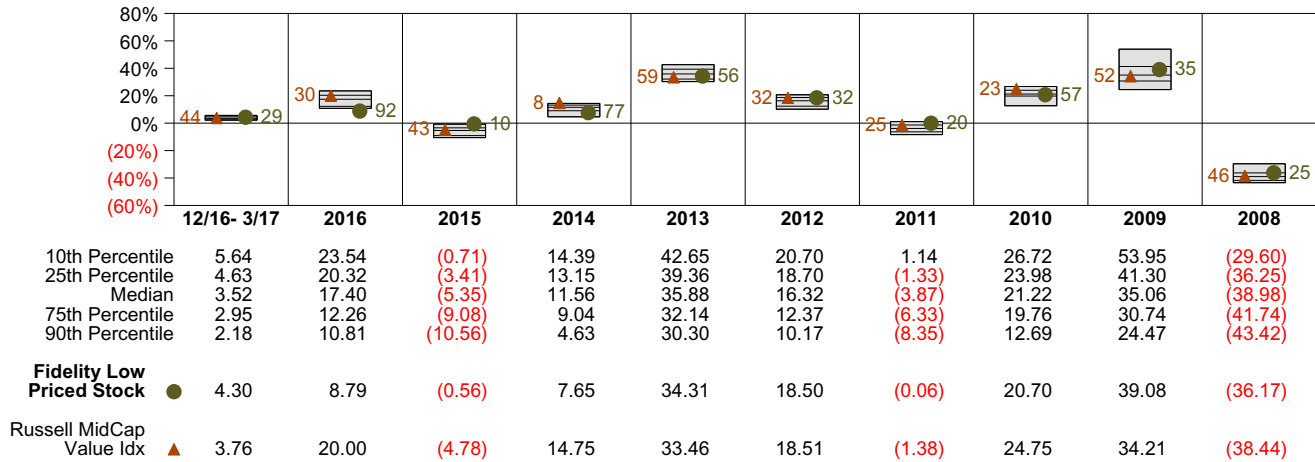


Fidelity Low Priced Stock Return Analysis Summary

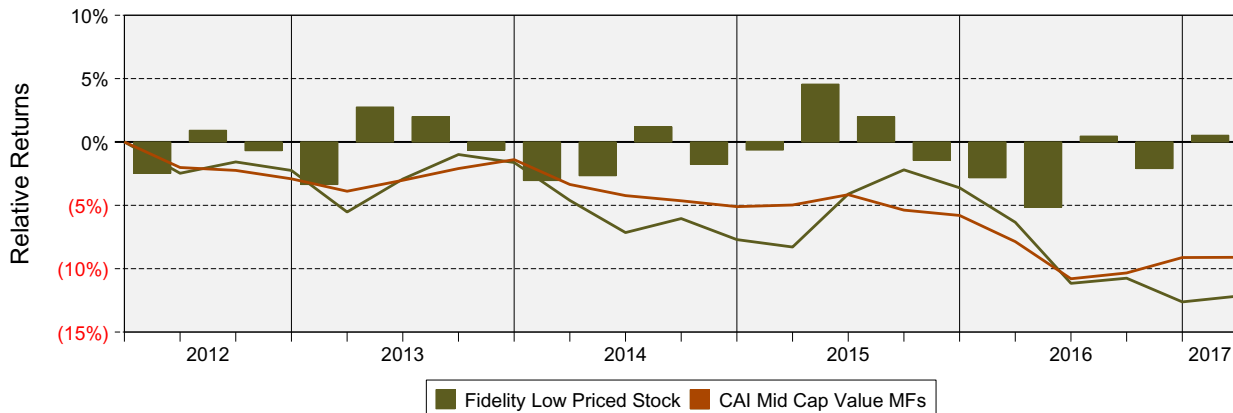
Return Analysis

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

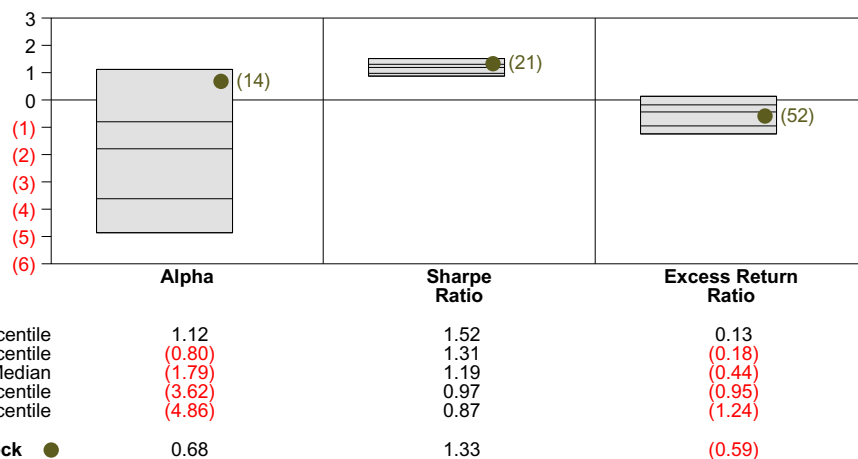
Performance vs CAI Mid Cap Value Mutual Funds (Net)



Cumulative and Quarterly Relative Return vs Russell MidCap Value Idx



Risk Adjusted Return Measures vs Russell MidCap Value Idx Rankings Against CAI Mid Cap Value Mutual Funds (Net) Five Years Ended March 31, 2017

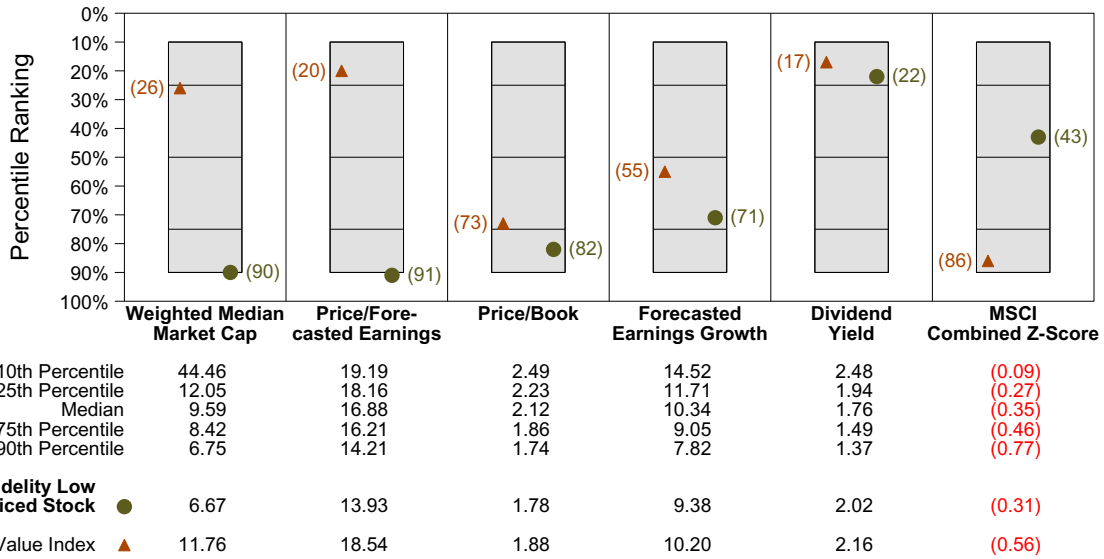


Fidelity Low Priced Stock Equity Characteristics Analysis Summary

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.

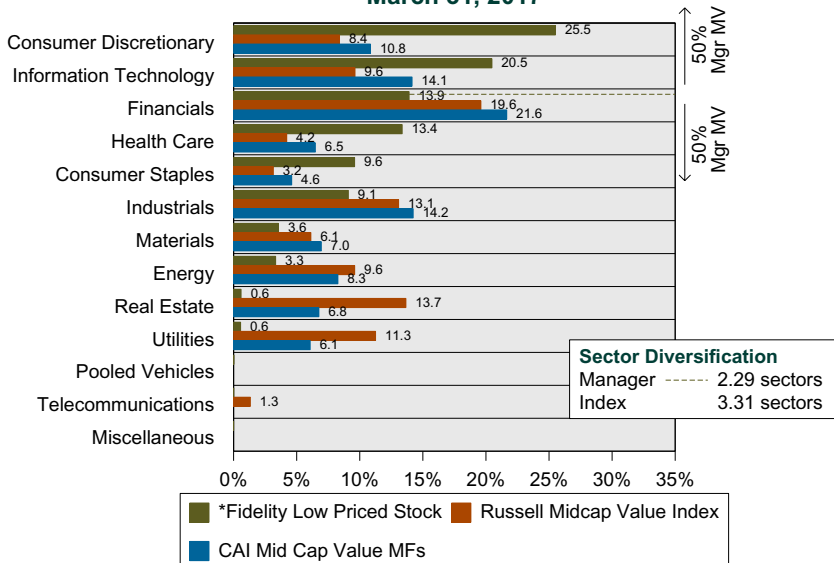
Portfolio Characteristics Percentile Rankings Rankings Against CAI Mid Cap Value Mutual Funds as of March 31, 2017



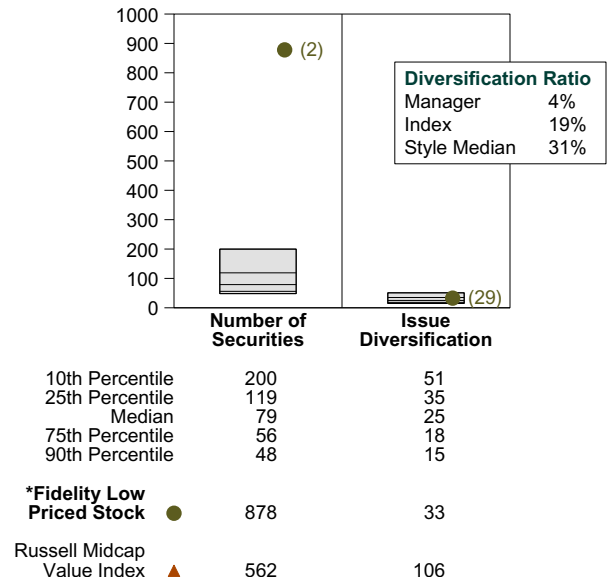
Sector Weights

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 March 31, 2017



Diversification March 31, 2017



*3/31/17 portfolio characteristics generated using most recently available holdings (1/31/17) 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 March 31, 2017

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.

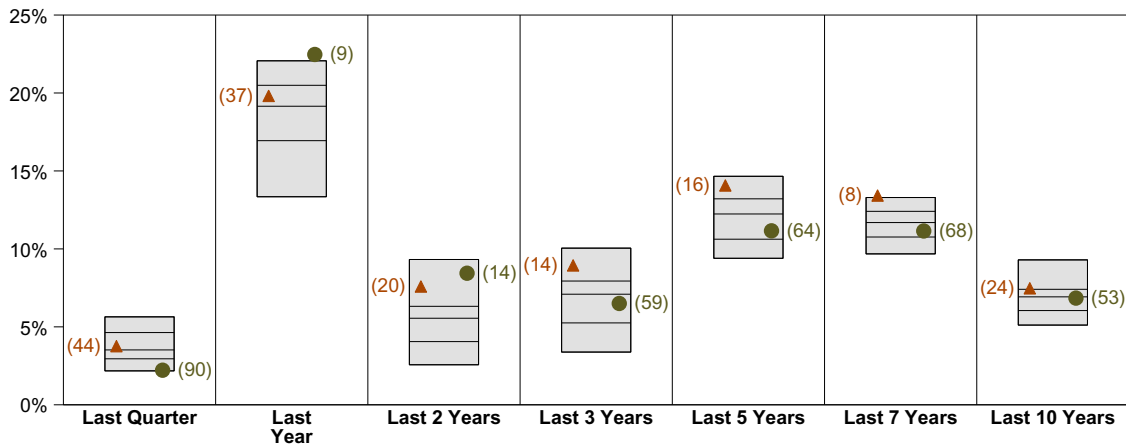
Quarterly Summary and Highlights

- Royce Total Return's portfolio posted a 2.22% 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 9 percentile for the last year.
- Royce Total Return's portfolio underperformed the Russell MidCap Value Idx by 1.54% for the quarter and outperformed the Russell MidCap Value Idx for the year by 2.66%.

Quarterly Asset Growth

| | |
|---------------------------|-------------|
| Beginning Market Value | \$5,572,751 |
| Net New Investment | \$0 |
| Investment Gains/(Losses) | \$123,655 |
| Ending Market Value | \$5,696,406 |

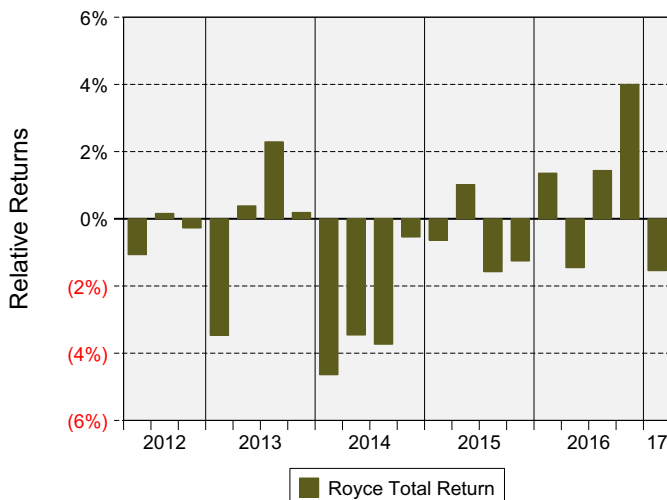
Performance vs CAI Mid Cap Value Mutual Funds (Net)



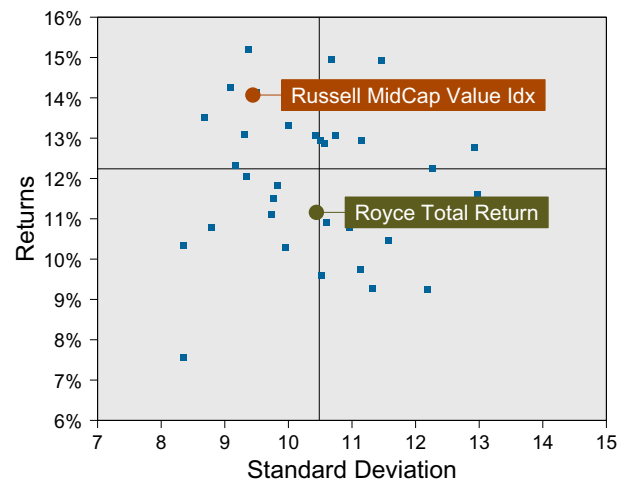
| | | | | | | | |
|-----------------|------|-------|------|-------|-------|-------|------|
| 10th Percentile | 5.64 | 22.06 | 9.32 | 10.05 | 14.66 | 13.30 | 9.29 |
| 25th Percentile | 4.63 | 20.49 | 6.32 | 7.94 | 13.21 | 12.41 | 7.41 |
| Median | 3.52 | 19.15 | 5.55 | 7.09 | 12.24 | 11.69 | 6.92 |
| 75th Percentile | 2.95 | 16.94 | 4.05 | 5.25 | 10.62 | 10.76 | 6.04 |
| 90th Percentile | 2.18 | 13.34 | 2.57 | 3.38 | 9.40 | 9.68 | 5.11 |

| | | | | | | | |
|-----------------------------|------|-------|------|------|-------|-------|------|
| Royce Total Return ● | 2.22 | 22.47 | 8.44 | 6.50 | 11.16 | 11.15 | 6.84 |
| Russell MidCap Value Idx ▲ | 3.76 | 19.82 | 7.59 | 8.94 | 14.07 | 13.42 | 7.47 |

Relative Return vs Russell MidCap Value Idx



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

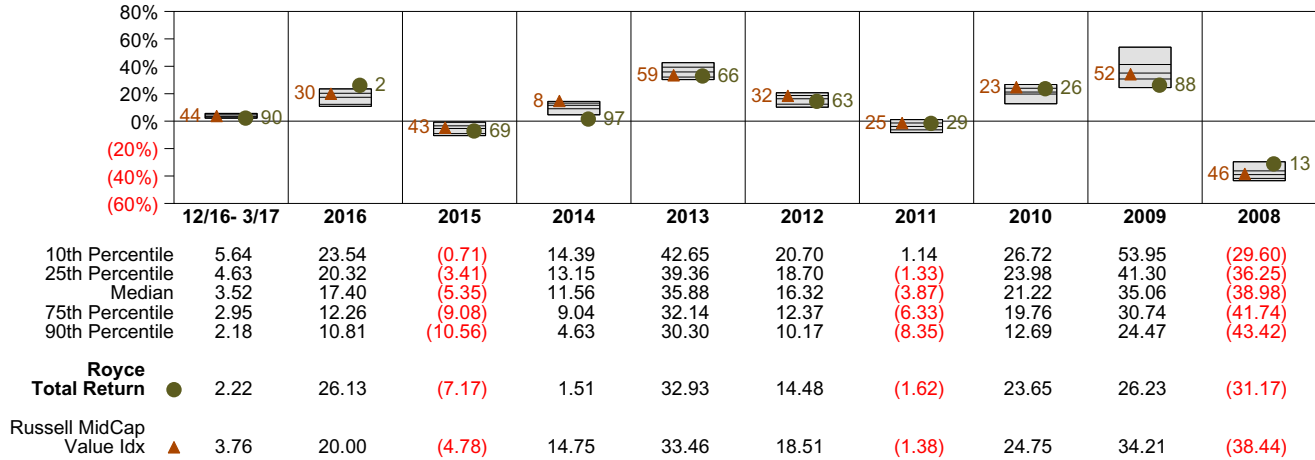


Royce Total Return Return Analysis Summary

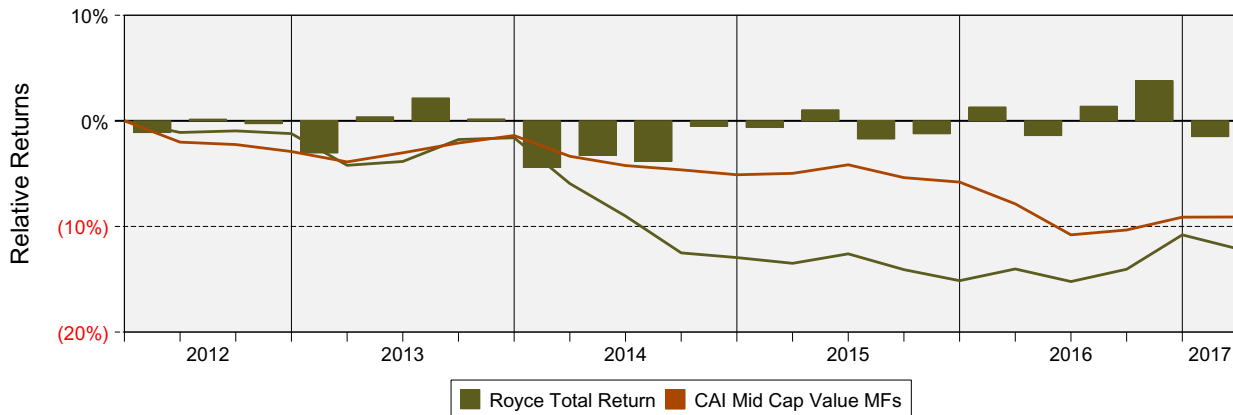
Return Analysis

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

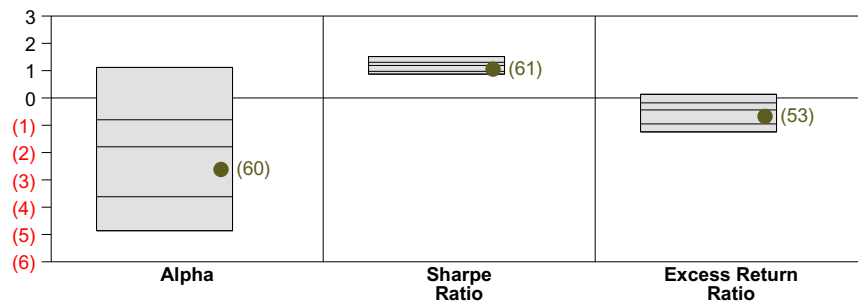
Performance vs CAI Mid Cap Value Mutual Funds (Net)



Cumulative and Quarterly Relative Return vs Russell MidCap Value Idx



Risk Adjusted Return Measures vs Russell MidCap Value Idx Rankings Against CAI Mid Cap Value Mutual Funds (Net) Five Years Ended March 31, 2017

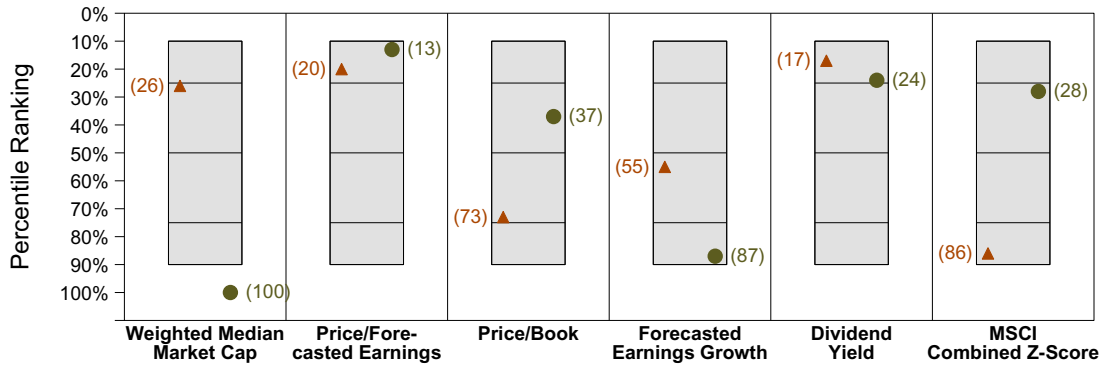


Royce Total Return Equity Characteristics Analysis Summary

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 March 31, 2017

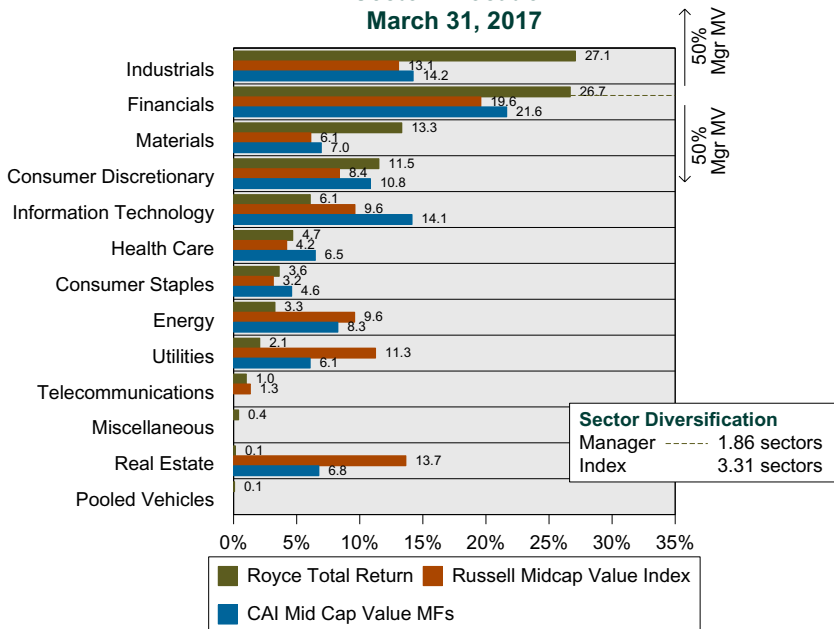


| | | | | | | |
|-----------------|-------|-------|------|-------|------|--------|
| 10th Percentile | 44.46 | 19.19 | 2.49 | 14.52 | 2.48 | (0.09) |
| 25th Percentile | 12.05 | 18.16 | 2.23 | 11.71 | 1.94 | (0.27) |
| Median | 9.59 | 16.88 | 2.12 | 10.34 | 1.76 | (0.35) |
| 75th Percentile | 8.42 | 16.21 | 1.86 | 9.05 | 1.49 | (0.46) |
| 90th Percentile | 6.75 | 14.21 | 1.74 | 7.82 | 1.37 | (0.77) |

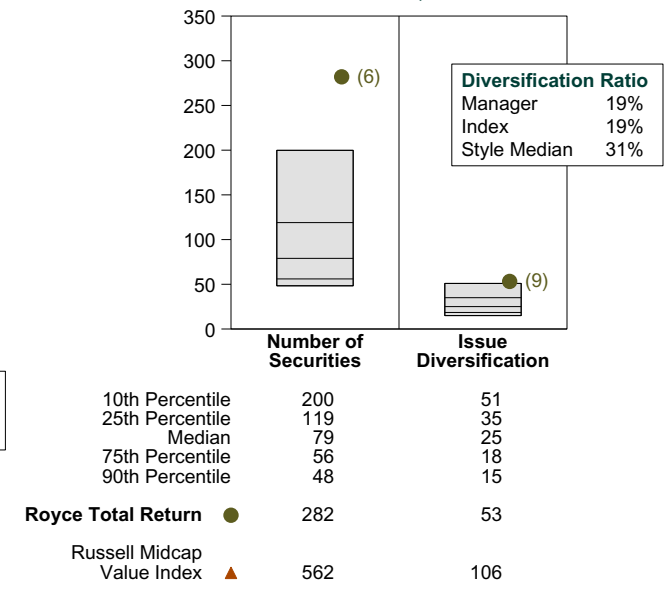
Sector Weights

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 March 31, 2017



Diversification March 31, 2017



Morgan Stanley Period Ended March 31, 2017

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 12.51% return for the quarter placing it in the 5 percentile of the CAI Mid Cap Growth Mutual Funds group for the quarter and in the 90 percentile for the last year.
- Morgan Stanley's portfolio outperformed the Russell MidCap Growth Idx by 5.61% for the quarter and underperformed the Russell MidCap Growth Idx for the year by 6.28%.

Quarterly Asset Growth

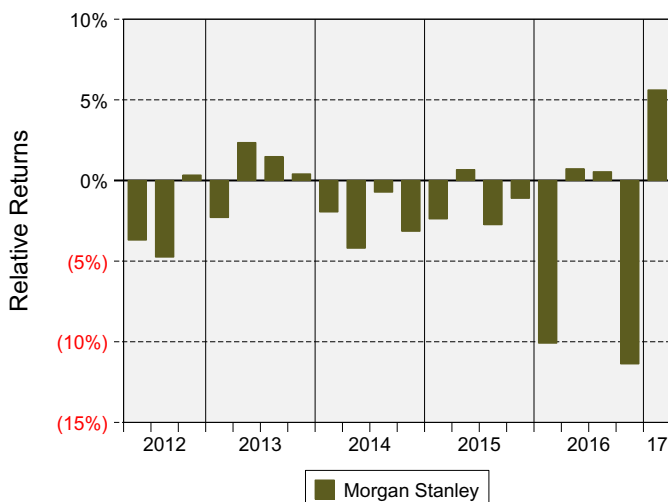
| | |
|---------------------------|-------------|
| Beginning Market Value | \$3,951,675 |
| Net New Investment | \$0 |
| Investment Gains/(Losses) | \$494,247 |
| Ending Market Value | \$4,445,921 |

Performance vs CAI Mid Cap Growth Mutual Funds (Net)

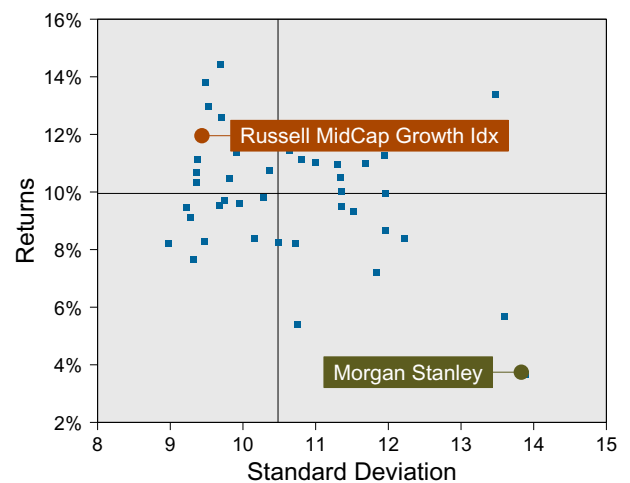


| | | | | | | | |
|-----------------------------|-------|-------|--------|--------|-------|-------|------|
| 10th Percentile | 10.22 | 18.53 | 6.48 | 8.94 | 12.88 | 13.51 | 9.30 |
| 25th Percentile | 8.99 | 16.22 | 4.11 | 7.03 | 11.13 | 12.03 | 8.43 |
| Median | 7.79 | 14.55 | 2.24 | 5.71 | 9.95 | 11.32 | 7.86 |
| 75th Percentile | 6.65 | 11.62 | 0.74 | 4.43 | 8.40 | 10.52 | 6.98 |
| 90th Percentile | 5.31 | 8.06 | (1.26) | 3.65 | 7.29 | 9.03 | 5.07 |
| Morgan Stanley ● | 12.51 | 7.79 | (5.51) | (2.31) | 3.74 | 7.34 | 5.77 |
| Russell MidCap Growth Idx ▲ | 6.89 | 14.07 | 4.24 | 7.88 | 11.95 | 12.81 | 8.13 |

Relative Return vs Russell MidCap Growth Idx



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

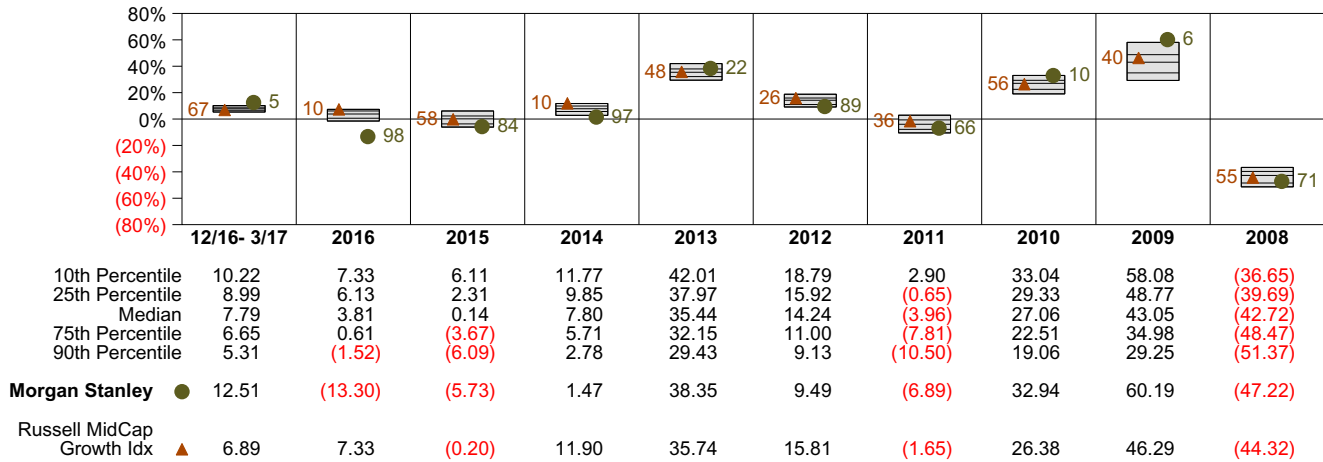


Morgan Stanley Return Analysis Summary

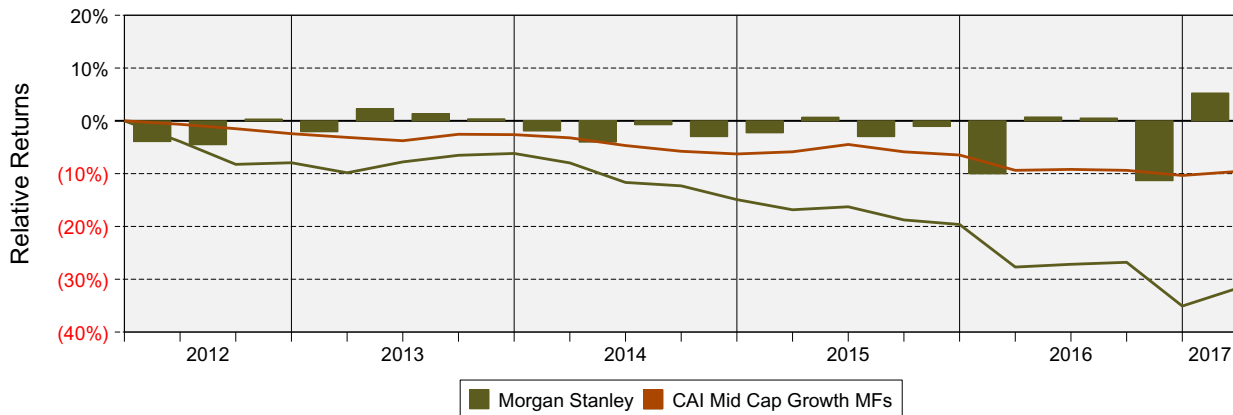
Return Analysis

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

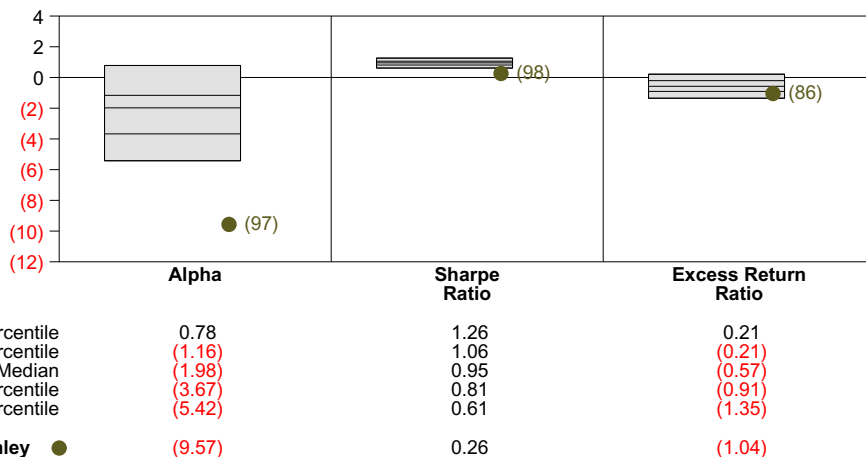
Performance vs CAI Mid Cap Growth Mutual Funds (Net)



Cumulative and Quarterly Relative Return vs Russell MidCap Growth Idx



Risk Adjusted Return Measures vs Russell MidCap Growth Idx Rankings Against CAI Mid Cap Growth Mutual Funds (Net) Five Years Ended March 31, 2017

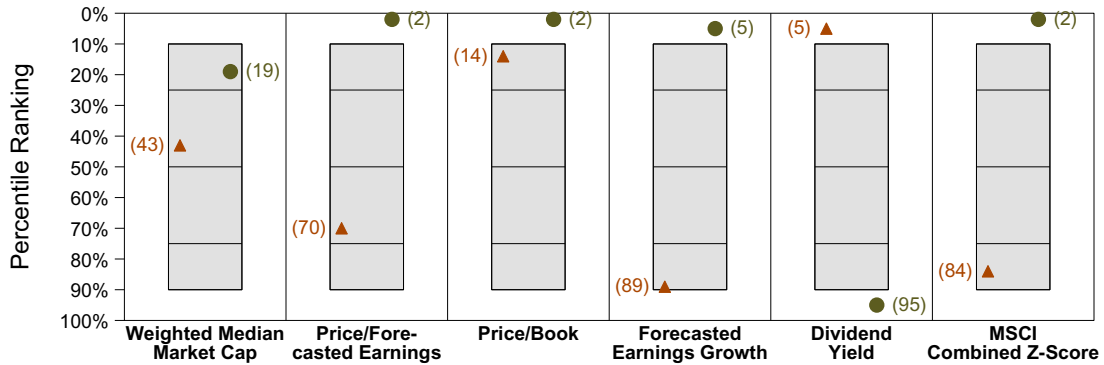


Morgan Stanley Equity Characteristics Analysis Summary

Portfolio Characteristics

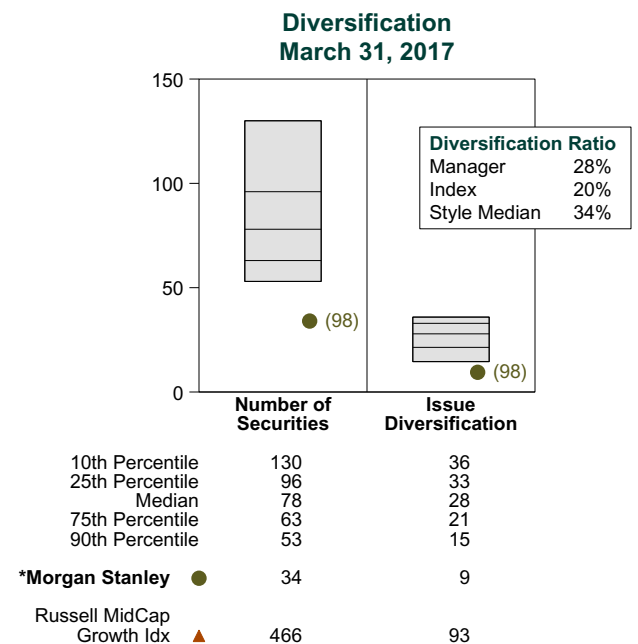
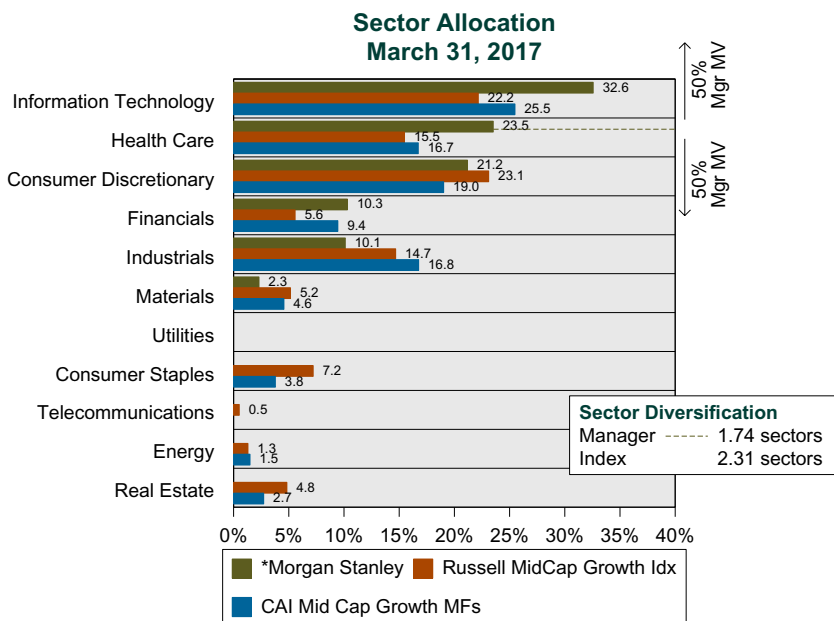
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Portfolio Characteristics Percentile Rankings Rankings Against CAI Mid Cap Growth Mutual Funds as of March 31, 2017



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.



*3/31/17 portfolio characteristics generated using most recently available holdings (12/31/16) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.

Janus Enterprise Period Ended March 31, 2017

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.

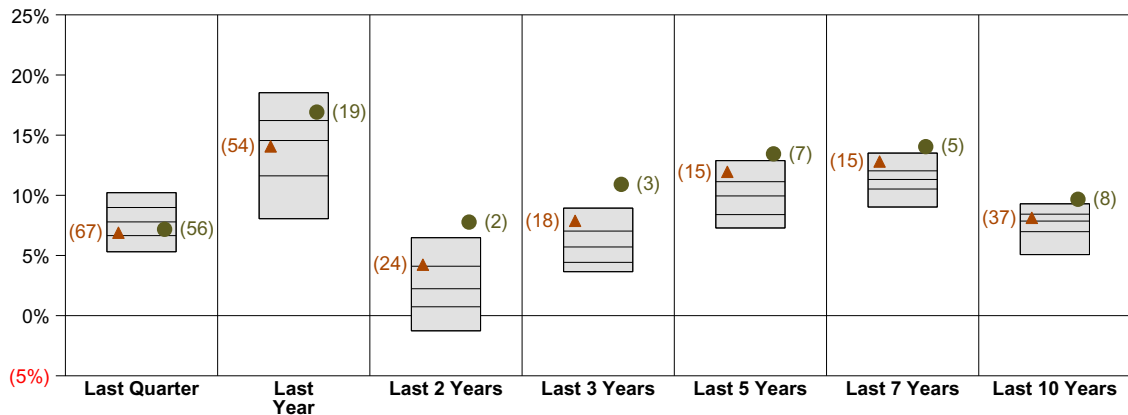
Quarterly Summary and Highlights

- Janus Enterprise's portfolio posted a 7.18% return for the quarter placing it in the 56 percentile of the CAI Mid Cap Growth Mutual Funds group for the quarter and in the 19 percentile for the last year.
- Janus Enterprise's portfolio outperformed the Russell MidCap Growth Idx by 0.28% for the quarter and outperformed the Russell MidCap Growth Idx for the year by 2.85%.

Quarterly Asset Growth

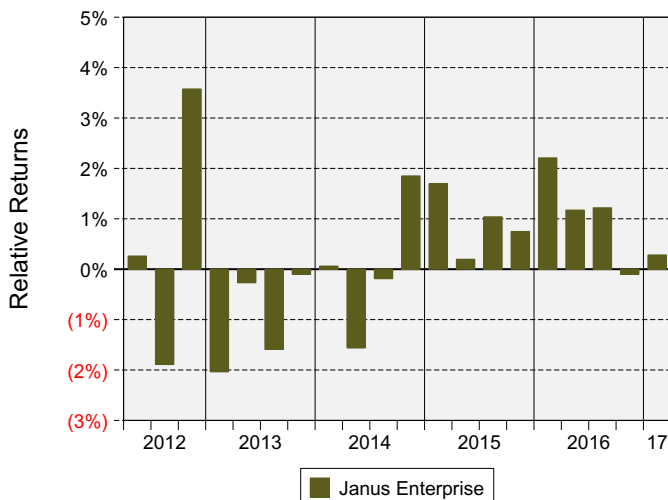
| | |
|---------------------------|-------------|
| Beginning Market Value | \$5,891,731 |
| Net New Investment | \$0 |
| Investment Gains/(Losses) | \$422,778 |
| Ending Market Value | \$6,314,508 |

Performance vs CAI Mid Cap Growth Mutual Funds (Net)

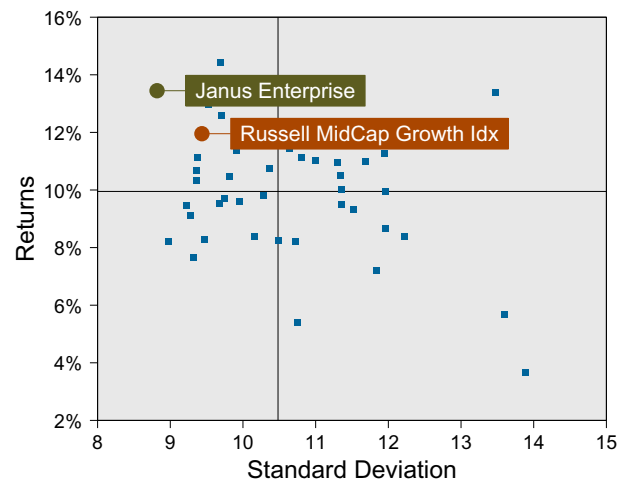


| | | | | | | | |
|-----------------------------|-------|-------|--------|-------|-------|-------|------|
| 10th Percentile | 10.22 | 18.53 | 6.48 | 8.94 | 12.88 | 13.51 | 9.30 |
| 25th Percentile | 8.99 | 16.22 | 4.11 | 7.03 | 11.13 | 12.03 | 8.43 |
| Median | 7.79 | 14.55 | 2.24 | 5.71 | 9.95 | 11.32 | 7.86 |
| 75th Percentile | 6.65 | 11.62 | 0.74 | 4.43 | 8.40 | 10.52 | 6.98 |
| 90th Percentile | 5.31 | 8.06 | (1.26) | 3.65 | 7.29 | 9.03 | 5.07 |
| Janus Enterprise ● | 7.18 | 16.92 | 7.77 | 10.91 | 13.45 | 14.05 | 9.67 |
| Russell MidCap Growth Idx ▲ | 6.89 | 14.07 | 4.24 | 7.88 | 11.95 | 12.81 | 8.13 |

Relative Return vs Russell MidCap Growth Idx



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

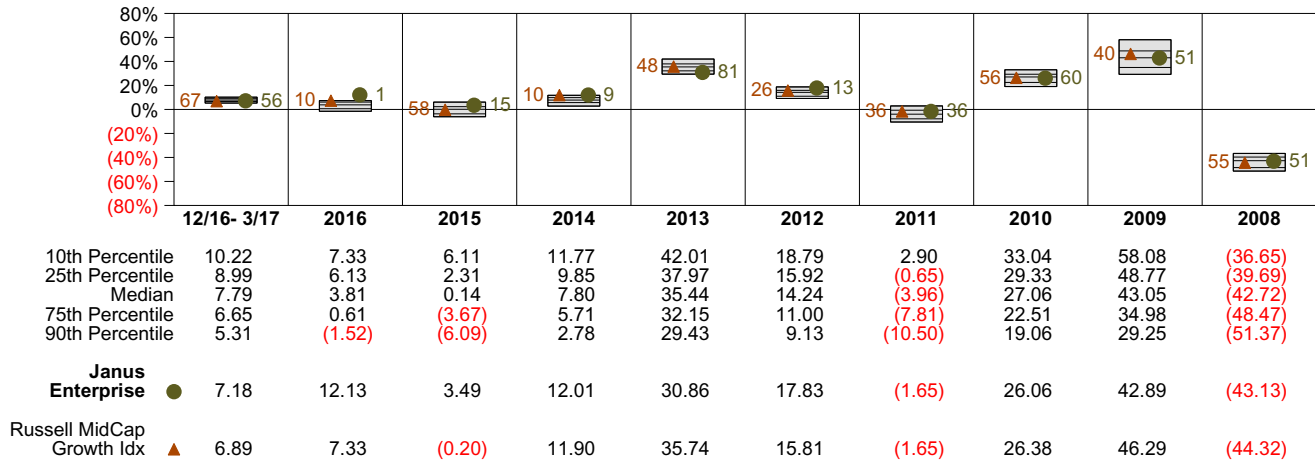


Janus Enterprise Return Analysis Summary

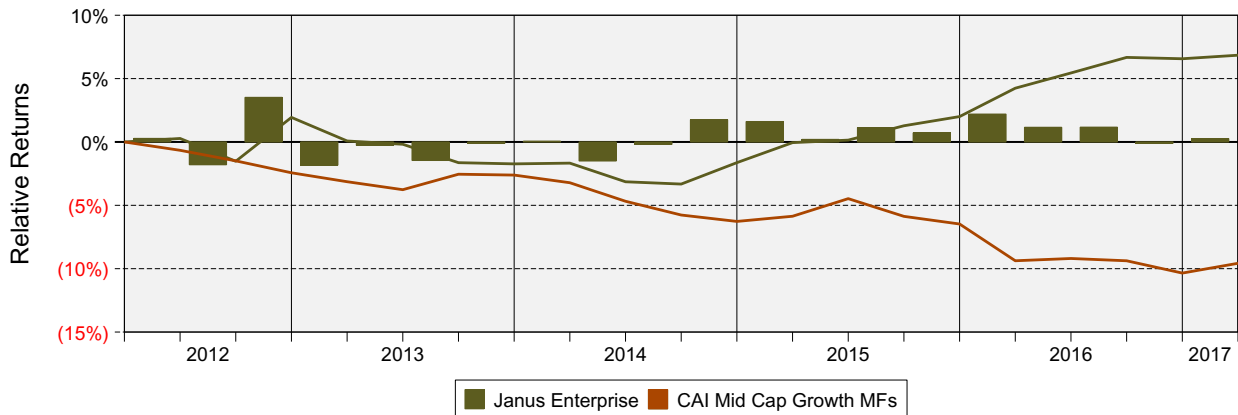
Return Analysis

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

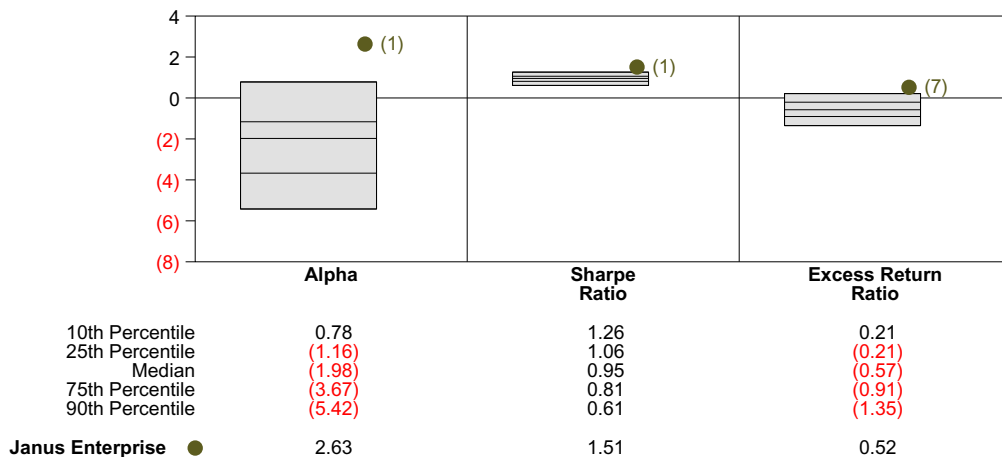
Performance vs CAI Mid Cap Growth Mutual Funds (Net)



Cumulative and Quarterly Relative Return vs Russell MidCap Growth Idx



Risk Adjusted Return Measures vs Russell MidCap Growth Idx Rankings Against CAI Mid Cap Growth Mutual Funds (Net) Five Years Ended March 31, 2017

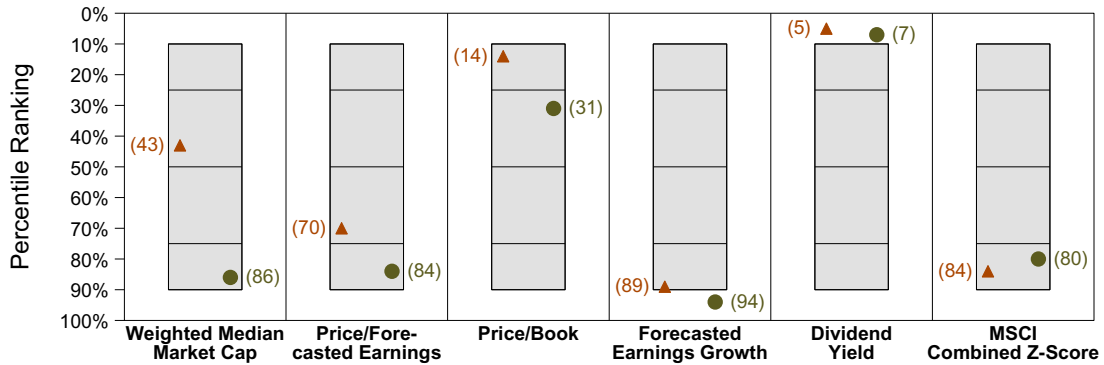


Janus Enterprise Equity Characteristics Analysis Summary

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 March 31, 2017



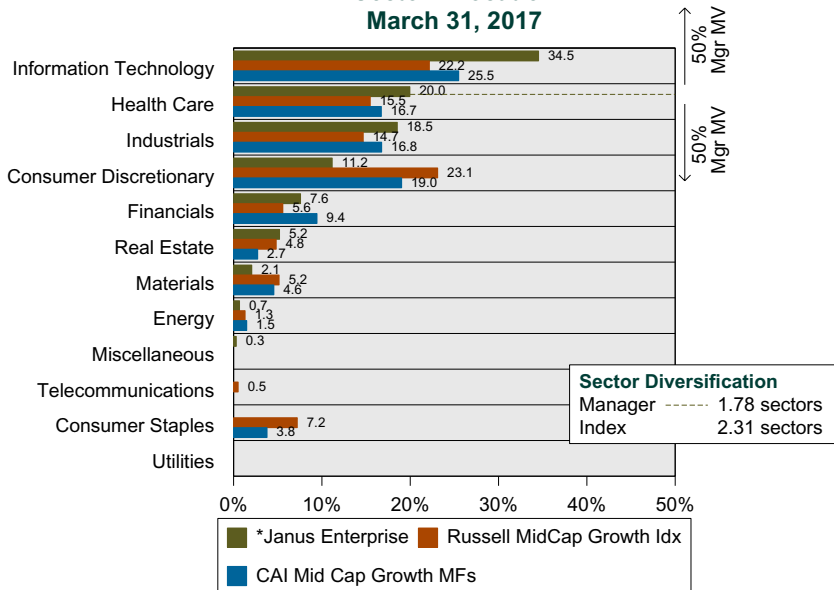
| | | | | | | |
|-----------------|-------|-------|------|-------|------|------|
| 10th Percentile | 14.11 | 29.43 | 5.16 | 19.33 | 0.98 | 1.06 |
| 25th Percentile | 12.46 | 25.29 | 4.52 | 16.53 | 0.85 | 0.88 |
| Median | 10.81 | 22.37 | 4.15 | 15.27 | 0.74 | 0.77 |
| 75th Percentile | 9.26 | 20.95 | 3.71 | 14.18 | 0.63 | 0.66 |
| 90th Percentile | 7.98 | 19.97 | 3.40 | 13.65 | 0.46 | 0.46 |

| | | | | | | |
|---------------------------|-------|-------|------|-------|------|------|
| *Janus Enterprise | 8.69 | 20.58 | 4.43 | 12.77 | 1.04 | 0.61 |
| Russell MidCap Growth Idx | 11.68 | 21.09 | 4.81 | 13.81 | 1.14 | 0.59 |

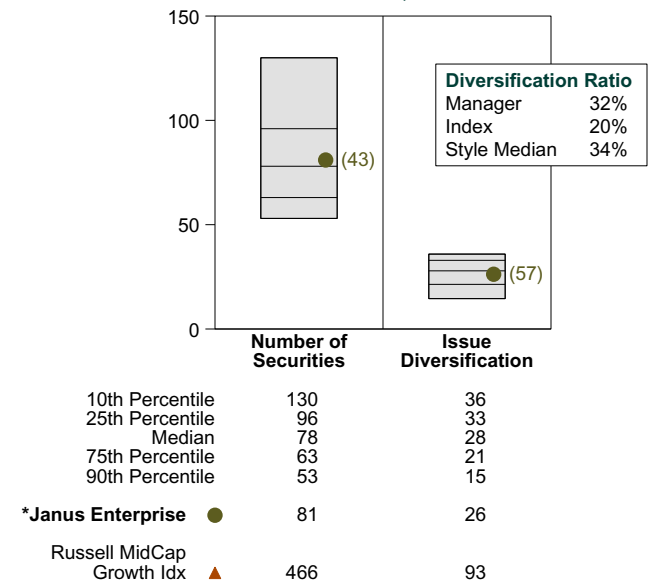
Sector Weights

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 March 31, 2017



Diversification March 31, 2017



*3/31/17 portfolio characteristics generated using most recently available holdings (12/31/16) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.

Prudential Small Cap Value Period Ended March 31, 2017

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.

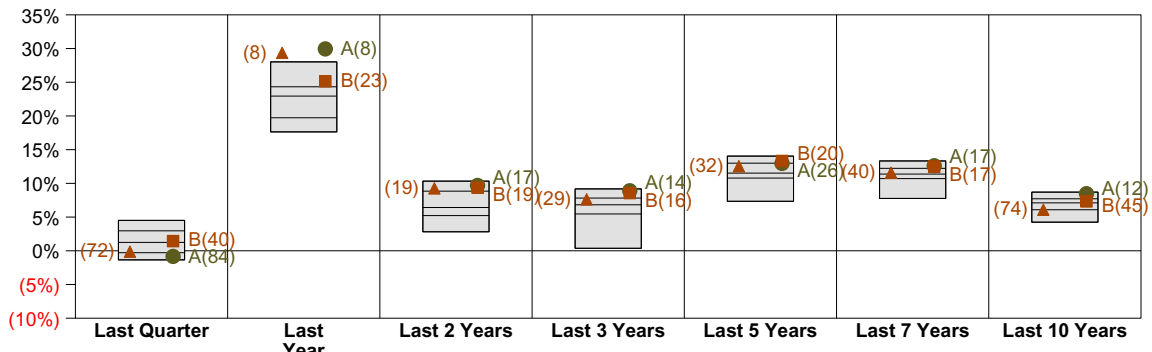
Quarterly Summary and Highlights

- Prudential Small Cap Value's portfolio posted a (0.83)% return for the quarter placing it in the 84 percentile of the CAI Small Cap Value Mutual Funds group for the quarter and in the 8 percentile for the last year.
- Prudential Small Cap Value's portfolio underperformed the Russell 2000 Value Index by 0.70% for the quarter and outperformed the Russell 2000 Value Index for the year by 0.58%.

Quarterly Asset Growth

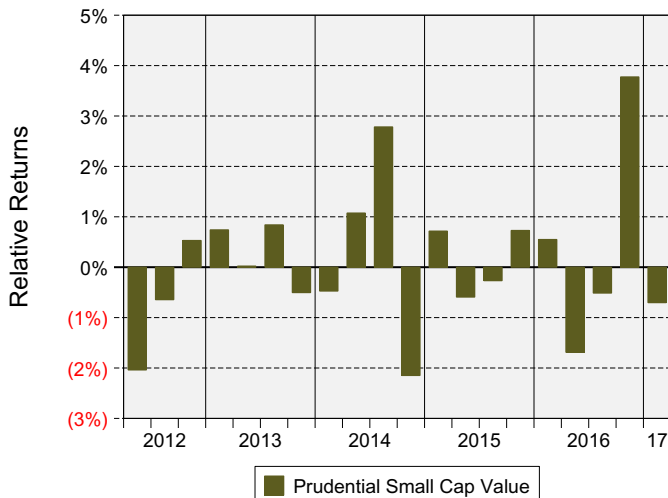
| | |
|---------------------------|--------------|
| Beginning Market Value | \$13,856,181 |
| Net New Investment | \$-750,000 |
| Investment Gains/(Losses) | \$-107,451 |
| Ending Market Value | \$12,998,730 |

Performance vs CAI Small Cap Value Mutual Funds (Net)

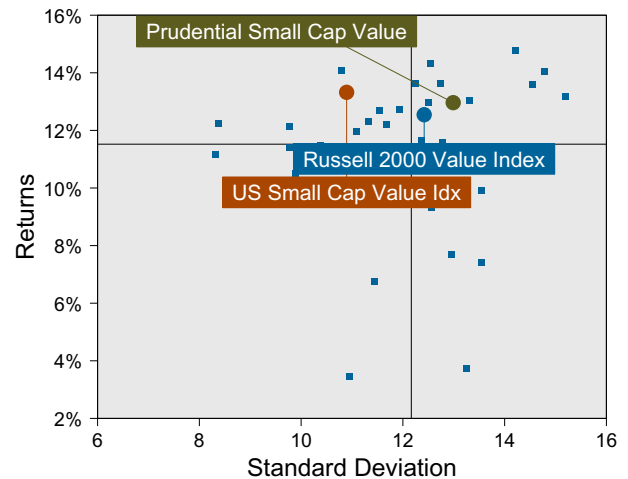


| | | | | | | | |
|---|------------|-------|-------|------|-------|-------|------|
| 10th Percentile | 4.51 | 28.02 | 10.33 | 9.18 | 14.05 | 13.33 | 8.70 |
| 25th Percentile | 2.96 | 24.33 | 8.84 | 7.82 | 13.00 | 12.23 | 7.71 |
| Median | 1.25 | 22.95 | 6.42 | 6.82 | 11.52 | 11.38 | 7.11 |
| 75th Percentile | (0.28) | 19.73 | 5.22 | 5.46 | 10.79 | 10.71 | 6.09 |
| 90th Percentile | (1.35) | 17.63 | 2.81 | 0.37 | 7.34 | 7.76 | 4.24 |
| Prudential Small Cap Value US Small Cap Value Idx | ● A (0.83) | 29.95 | 9.69 | 8.91 | 12.96 | 12.61 | 8.47 |
| Russell 2000 Value Index | ▲ (0.13) | 29.37 | 9.26 | 7.62 | 12.54 | 11.59 | 6.09 |

Relative Return vs Russell 2000 Value Index



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

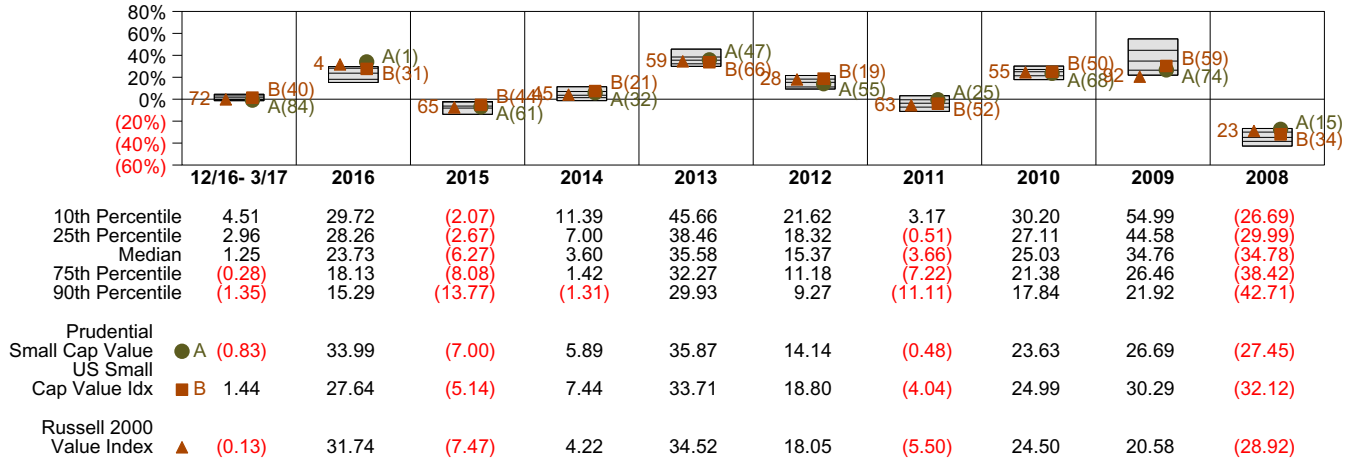


Prudential Small Cap Value Return Analysis Summary

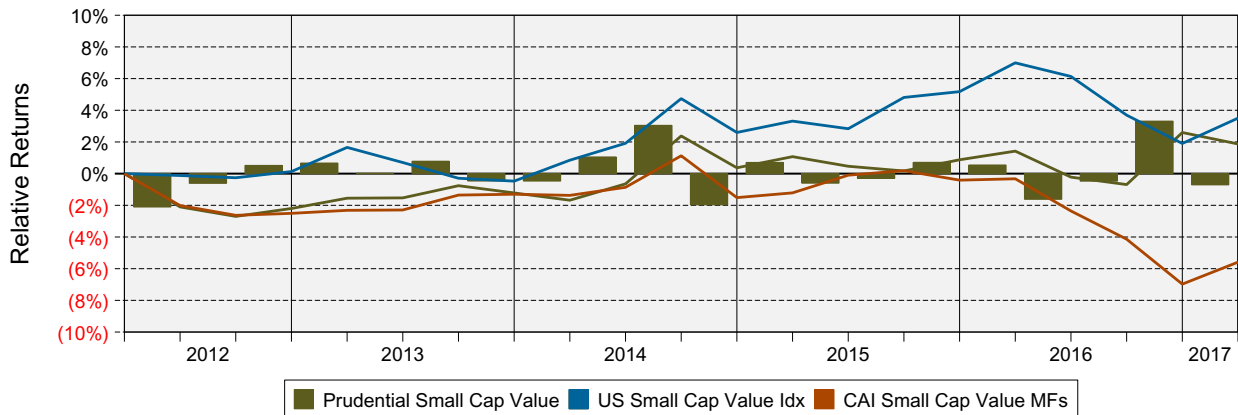
Return Analysis

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

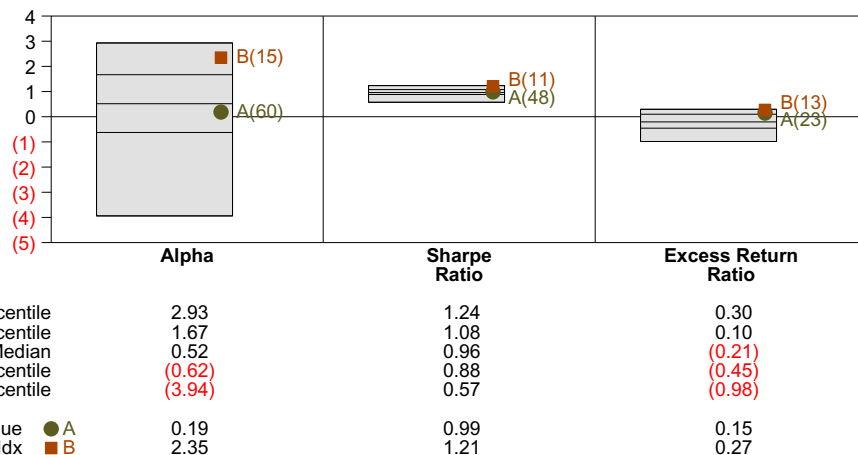
Performance vs CAI Small Cap Value Mutual Funds (Net)



Cumulative and Quarterly Relative Return vs Russell 2000 Value Index



Risk Adjusted Return Measures vs Russell 2000 Value Index Rankings Against CAI Small Cap Value Mutual Funds (Net) Five Years Ended March 31, 2017

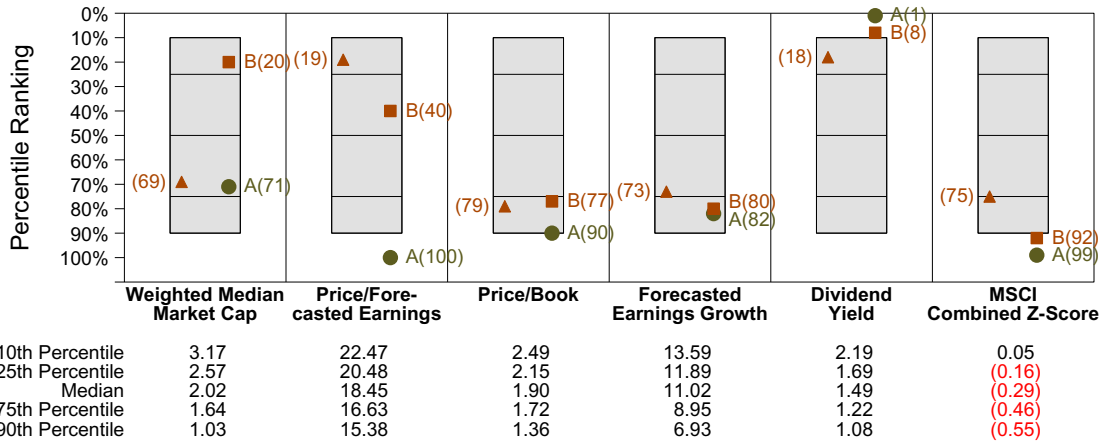


Prudential Small Cap Value Equity Characteristics Analysis Summary

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 March 31, 2017

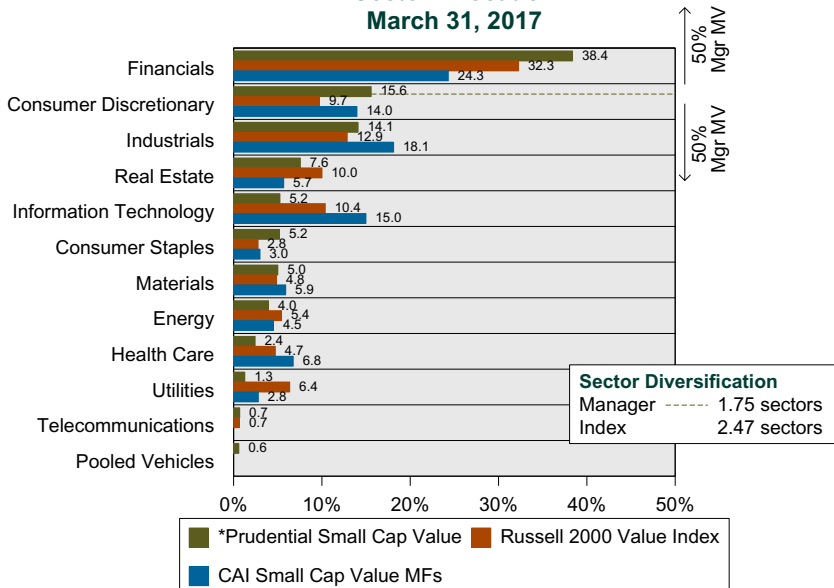


| | A | B | ▲ |
|-----------------------------|------|-------|-------|
| *Prudential Small Cap Value | 1.72 | 2.78 | 19.10 |
| US Small Cap Value Idx | 1.72 | 2.78 | 19.10 |
| Russell 2000 Value Index | 1.77 | 21.18 | 1.55 |

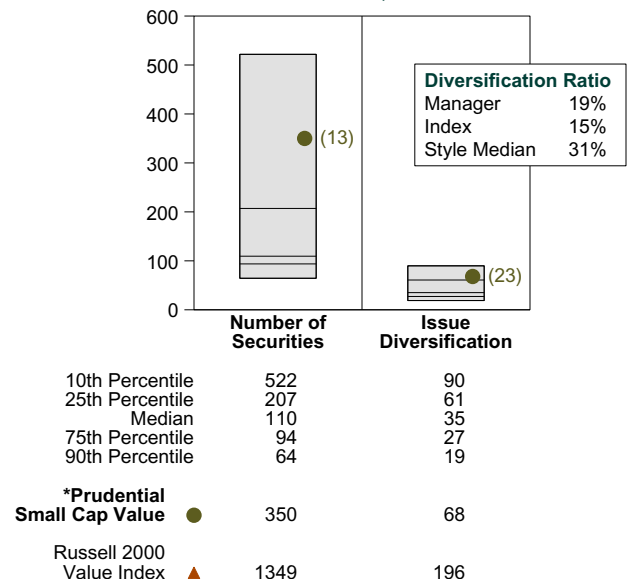
Sector Weights

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

Sector Allocation March 31, 2017



Diversification March 31, 2017



*3/31/17 portfolio characteristics generated using most recently available holdings (2/28/17) 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 March 31, 2017

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.

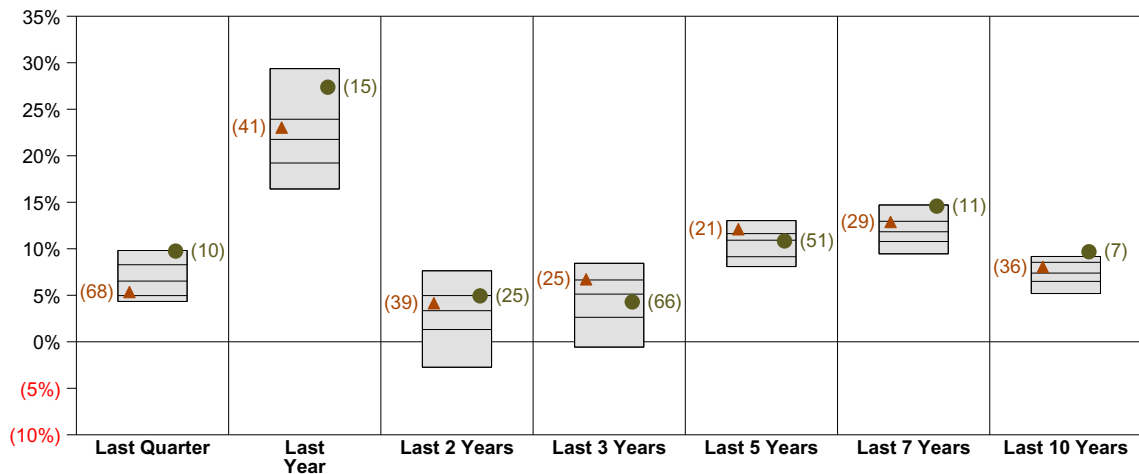
Quarterly Summary and Highlights

- AB US Small Growth's portfolio posted a 9.75% return for the quarter placing it in the 10 percentile of the CAI Small Cap Growth Mutual Funds group for the quarter and in the 15 percentile for the last year.
- AB US Small Growth's portfolio outperformed the Russell 2000 Growth Index by 4.40% for the quarter and outperformed the Russell 2000 Growth Index for the year by 4.34%.

Quarterly Asset Growth

| | |
|---------------------------|-------------|
| Beginning Market Value | \$6,941,220 |
| Net New Investment | \$0 |
| Investment Gains/(Losses) | \$676,721 |
| Ending Market Value | \$7,617,941 |

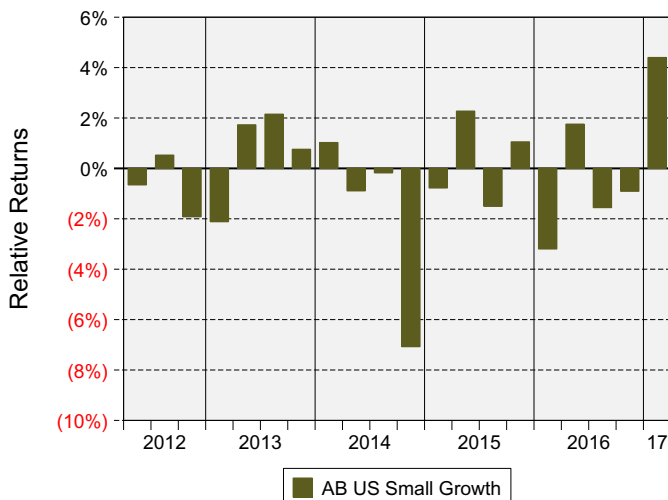
Performance vs CAI Small Cap Growth Mutual Funds (Net)



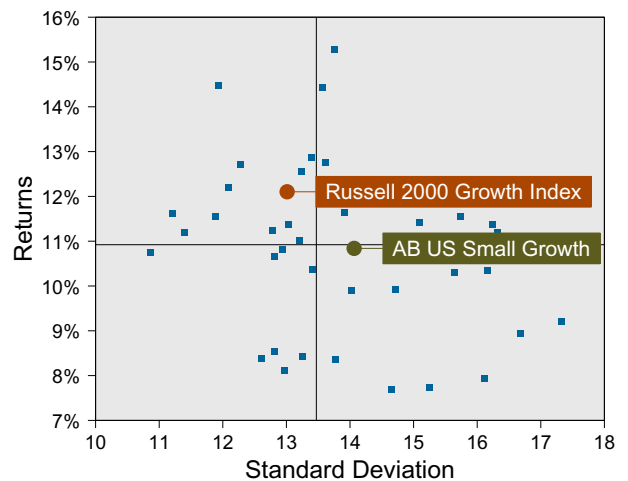
| | | | | | | | |
|-----------------|------|-------|--------|--------|-------|-------|------|
| 10th Percentile | 9.81 | 29.37 | 7.63 | 8.44 | 13.03 | 14.71 | 9.17 |
| 25th Percentile | 8.28 | 23.92 | 4.97 | 6.65 | 11.63 | 12.95 | 8.54 |
| Median | 6.53 | 21.76 | 3.34 | 5.13 | 10.92 | 11.83 | 7.38 |
| 75th Percentile | 4.96 | 19.22 | 1.32 | 2.63 | 9.15 | 10.78 | 6.49 |
| 90th Percentile | 4.34 | 16.43 | (2.74) | (0.57) | 8.09 | 9.46 | 5.19 |

| | | | | | | | |
|-----------------------------|------|-------|------|------|-------|-------|------|
| AB US Small Growth ● | 9.75 | 27.37 | 4.94 | 4.28 | 10.84 | 14.59 | 9.68 |
| Russell 2000 Growth Index ▲ | 5.35 | 23.03 | 4.14 | 6.72 | 12.10 | 12.88 | 8.06 |

Relative Return vs Russell 2000 Growth Index



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

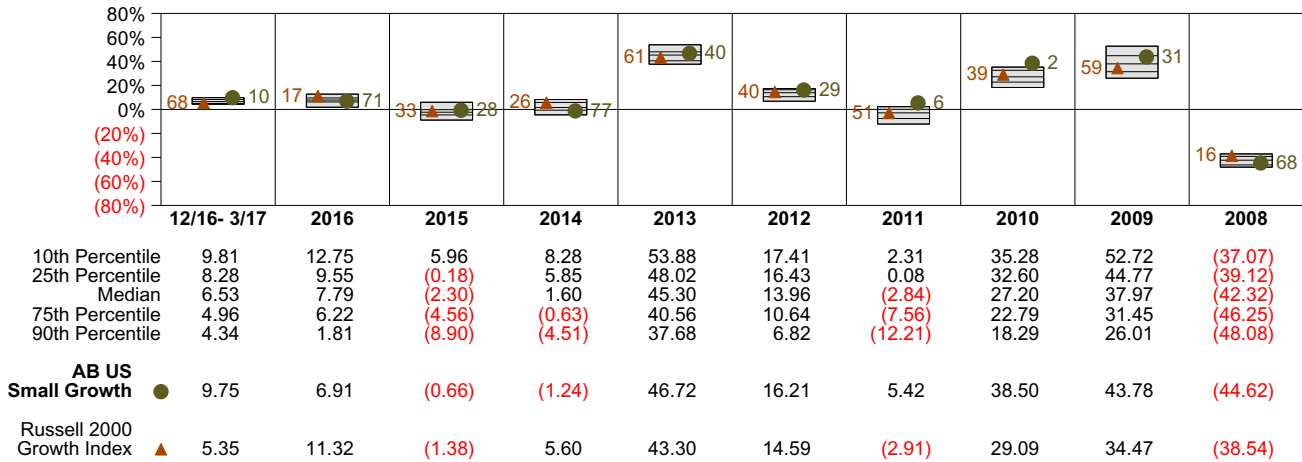


AB US Small Growth Return Analysis Summary

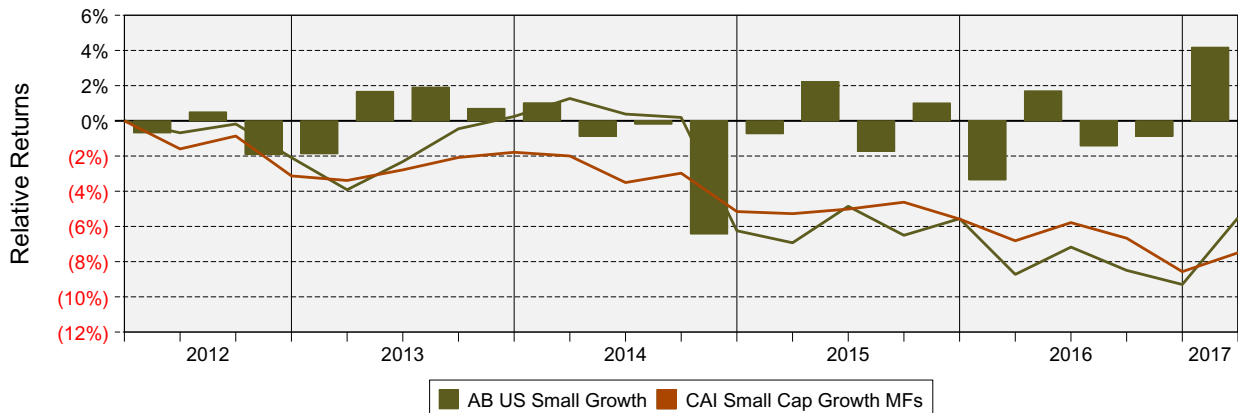
Return Analysis

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

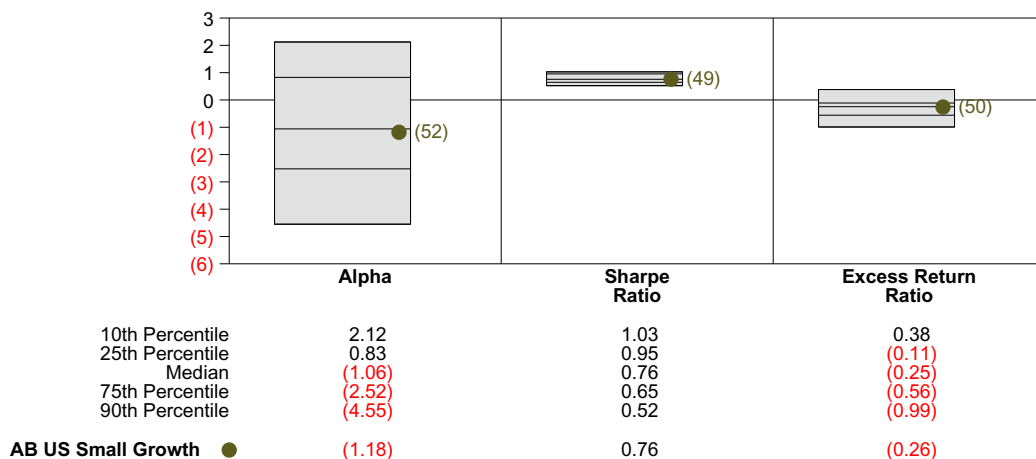
Performance vs CAI Small Cap Growth Mutual Funds (Net)



Cumulative and Quarterly Relative Return vs Russell 2000 Growth Index



Risk Adjusted Return Measures vs Russell 2000 Growth Index Rankings Against CAI Small Cap Growth Mutual Funds (Net) Five Years Ended March 31, 2017

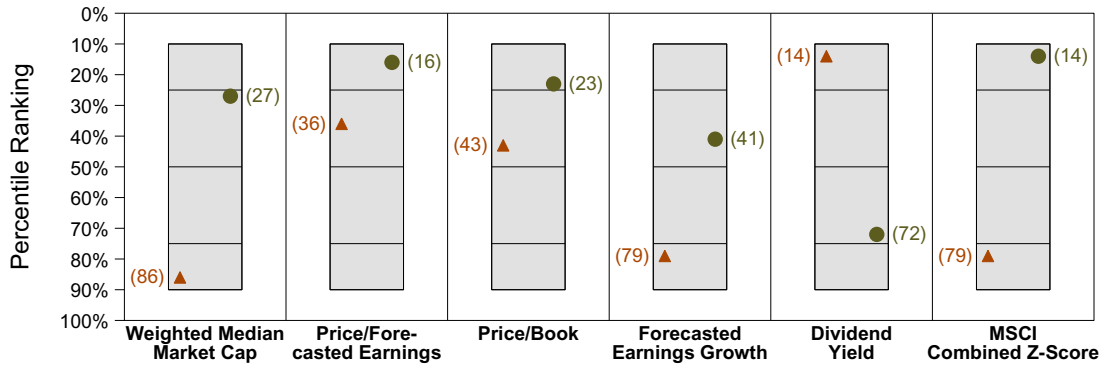


AB US Small Growth Equity Characteristics Analysis Summary

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.

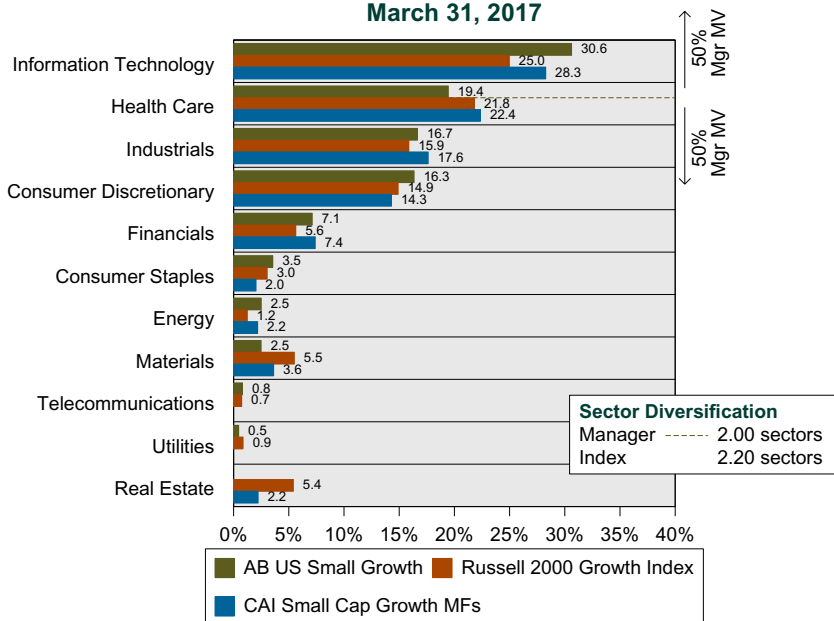
Portfolio Characteristics Percentile Rankings Rankings Against CAI Small Cap Growth Mutual Funds as of March 31, 2017



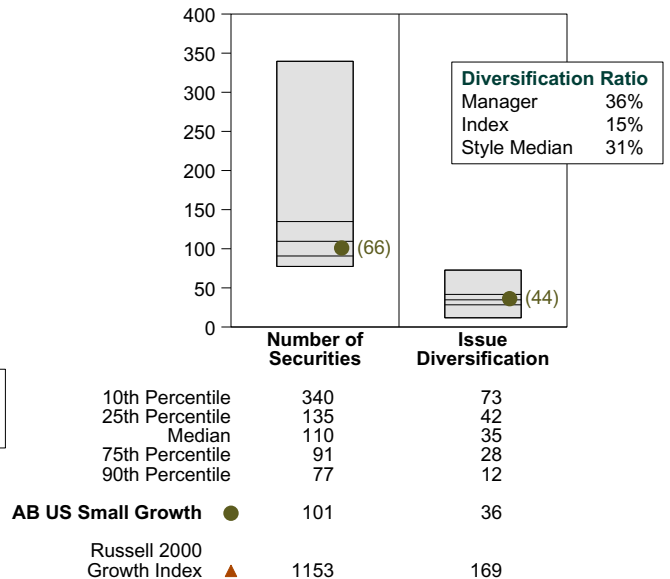
Sector Weights

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 March 31, 2017



Diversification March 31, 2017



RS Investments

Period Ended March 31, 2017

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.

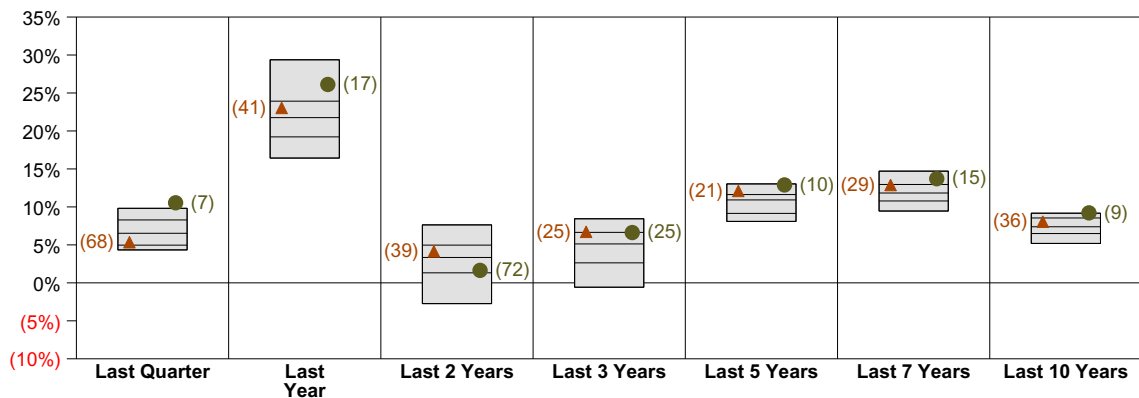
Quarterly Summary and Highlights

- RS Investments's portfolio posted a 10.54% return for the quarter placing it in the 7 percentile of the CAI Small Cap Growth Mutual Funds group for the quarter and in the 17 percentile for the last year.
- RS Investments's portfolio outperformed the Russell 2000 Growth Index by 5.19% for the quarter and outperformed the Russell 2000 Growth Index for the year by 3.09%.

Quarterly Asset Growth

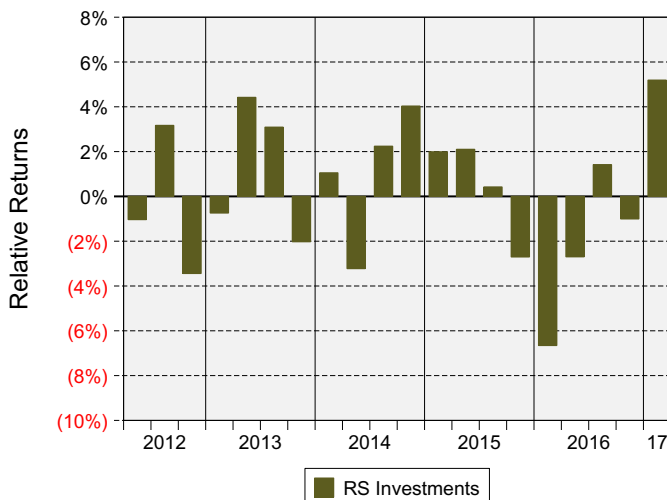
| | |
|---------------------------|-------------|
| Beginning Market Value | \$5,267,854 |
| Net New Investment | \$0 |
| Investment Gains/(Losses) | \$555,214 |
| Ending Market Value | \$5,823,067 |

Performance vs CAI Small Cap Growth Mutual Funds (Net)

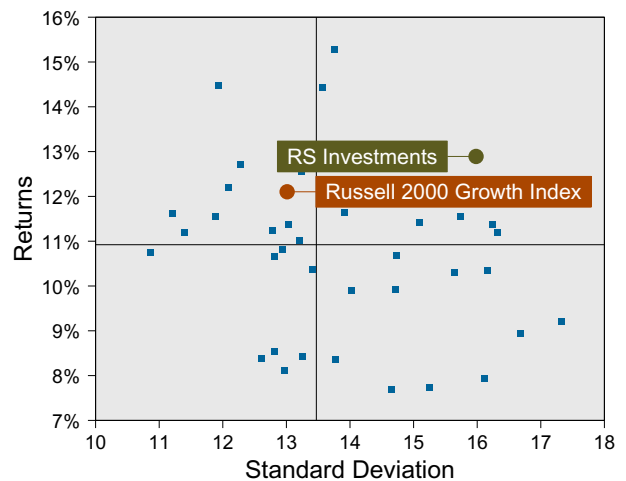


| | | | | | | | |
|-----------------------------|-------|-------|--------|--------|-------|-------|------|
| 10th Percentile | 9.81 | 29.37 | 7.63 | 8.44 | 13.03 | 14.71 | 9.17 |
| 25th Percentile | 8.28 | 23.92 | 4.97 | 6.65 | 11.63 | 12.95 | 8.54 |
| Median | 6.53 | 21.76 | 3.34 | 5.13 | 10.92 | 11.83 | 7.38 |
| 75th Percentile | 4.96 | 19.22 | 1.32 | 2.63 | 9.15 | 10.78 | 6.49 |
| 90th Percentile | 4.34 | 16.43 | (2.74) | (0.57) | 8.09 | 9.46 | 5.19 |
| RS Investments ● | 10.54 | 26.12 | 1.64 | 6.62 | 12.89 | 13.71 | 9.21 |
| Russell 2000 Growth Index ▲ | 5.35 | 23.03 | 4.14 | 6.72 | 12.10 | 12.88 | 8.06 |

Relative Return vs Russell 2000 Growth Index



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

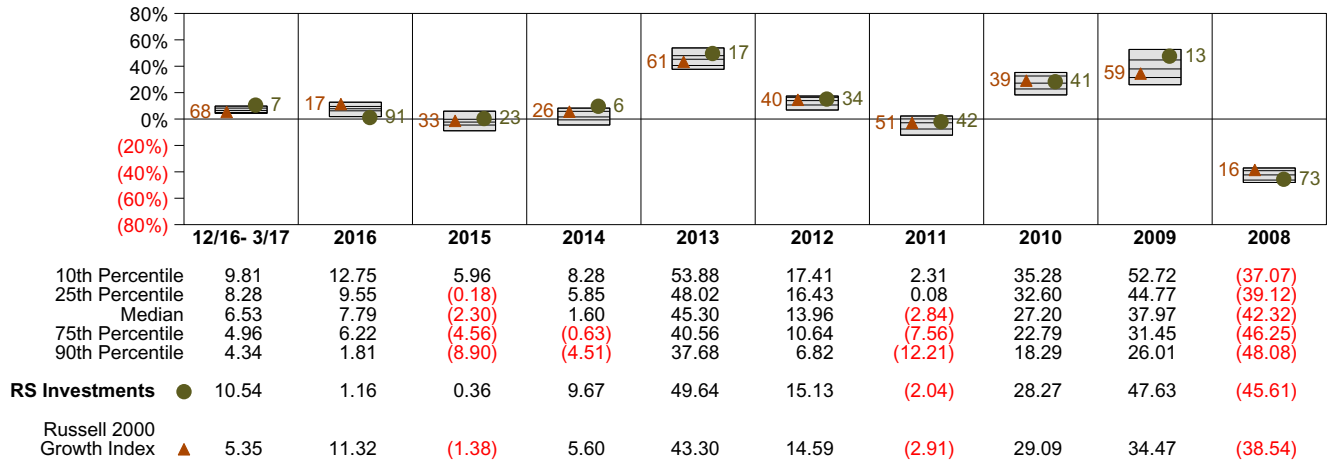


RS Investments Return Analysis Summary

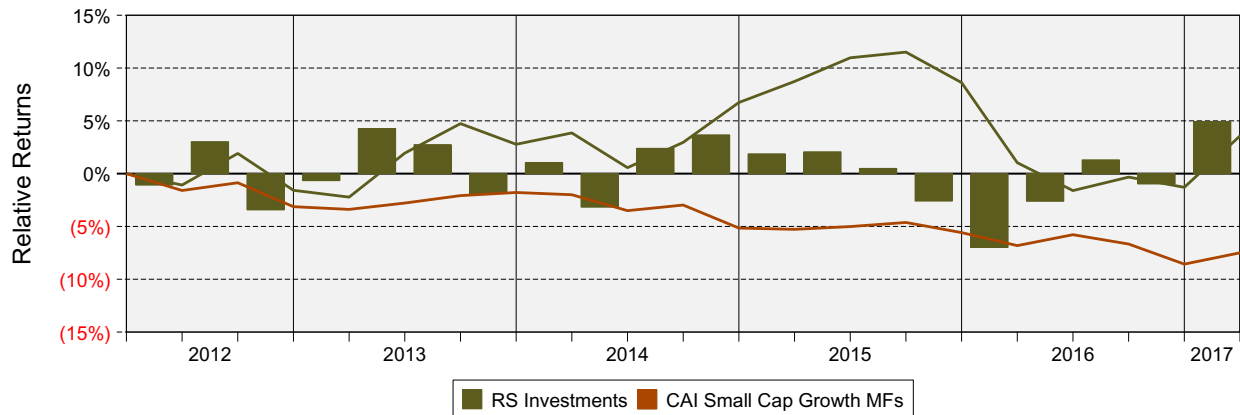
Return Analysis

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

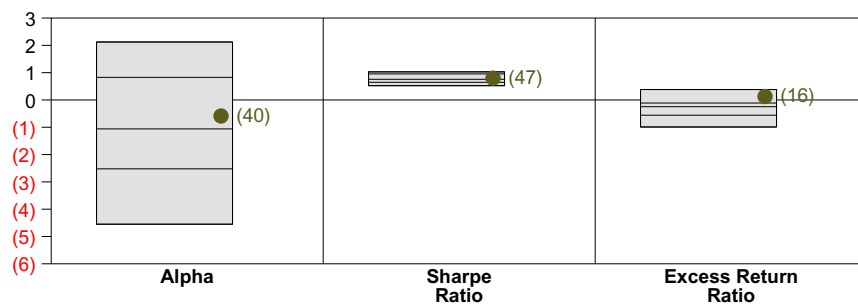
Performance vs CAI Small Cap Growth Mutual Funds (Net)



Cumulative and Quarterly Relative Return vs Russell 2000 Growth Index



Risk Adjusted Return Measures vs Russell 2000 Growth Index Rankings Against CAI Small Cap Growth Mutual Funds (Net) Five Years Ended March 31, 2017

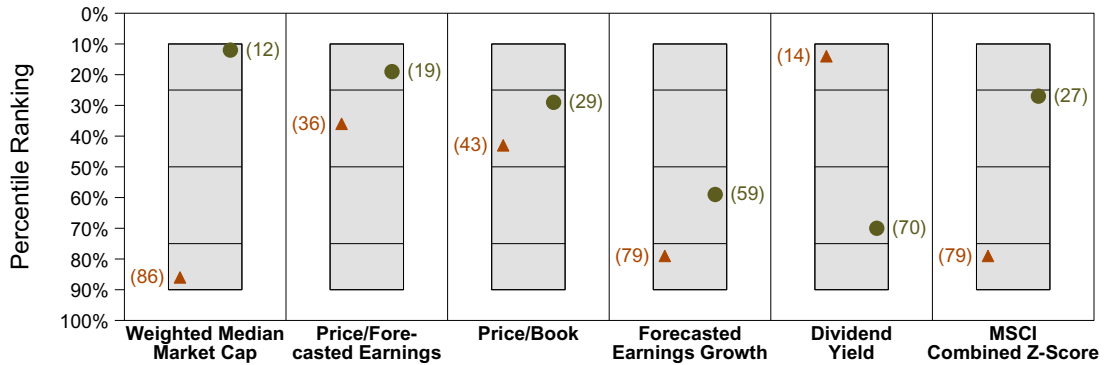


RS Investments Equity Characteristics Analysis Summary

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.

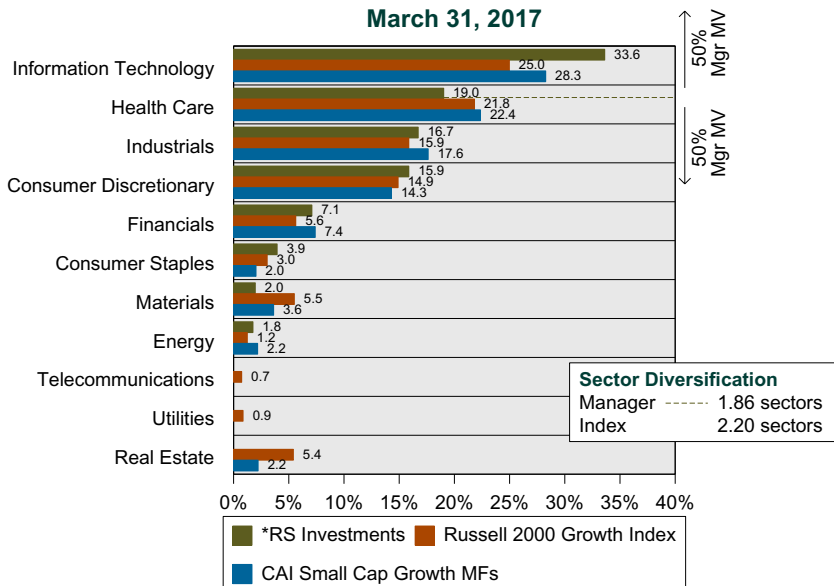
Portfolio Characteristics Percentile Rankings Rankings Against CAI Small Cap Growth Mutual Funds as of March 31, 2017



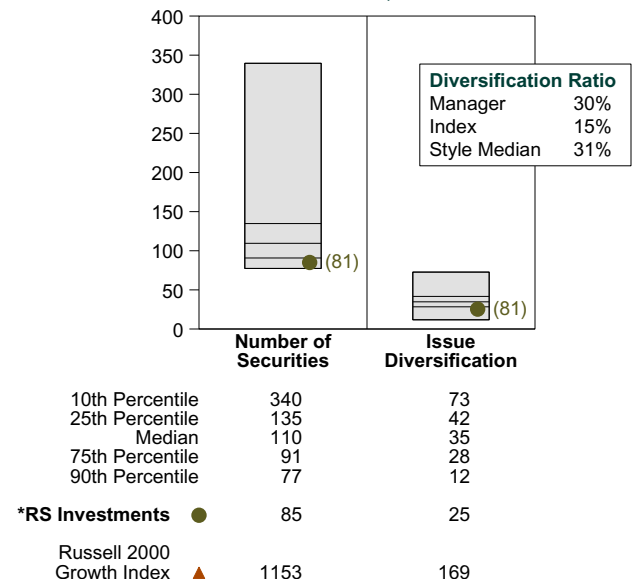
Sector Weights

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 March 31, 2017



Diversification March 31, 2017



*3/31/17 portfolio characteristics generated using most recently available holdings (12/31/16) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.

AMG Managers Emerging Opportunities Fund Period Ended March 31, 2017

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

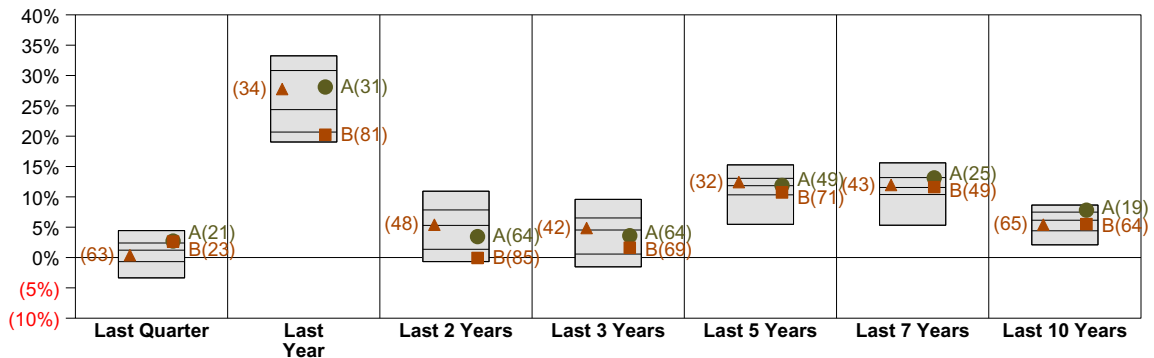
Quarterly Summary and Highlights

- AMG Managers Emerging Opportunities Fund's portfolio posted a 2.72% return for the quarter placing it in the 21 percentile of the Lipper Micro Cap Objective Mutual Funds group for the quarter and in the 31 percentile for the last year.
- AMG Managers Emerging Opportunities Fund's portfolio outperformed the Russell Microcap Index by 2.34% for the quarter and outperformed the Russell Microcap Index for the year by 0.34%.

Quarterly Asset Growth

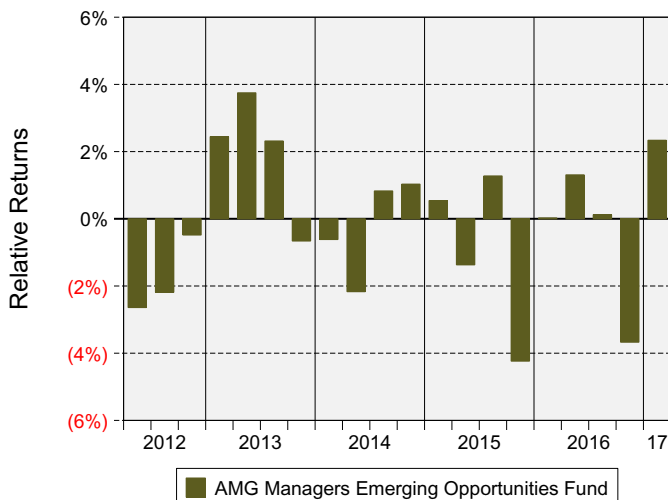
| | |
|---------------------------|-------------|
| Beginning Market Value | \$9,021,740 |
| Net New Investment | \$0 |
| Investment Gains/(Losses) | \$245,109 |
| Ending Market Value | \$9,266,849 |

Performance vs Lipper Micro Cap Objective Mutual Funds (Net)

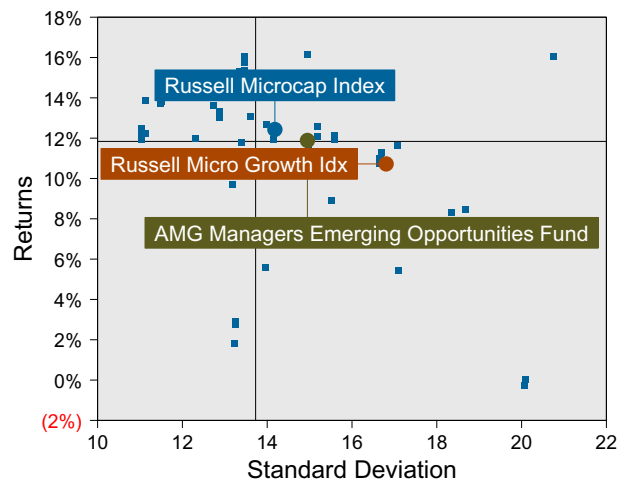


| | | | | | | | | |
|--|--------|-------|--------|--------|-------|-------|-------|------|
| 10th Percentile | 4.44 | 33.24 | 10.93 | 9.59 | 15.27 | 15.61 | 8.65 | |
| 25th Percentile | 2.39 | 30.82 | 7.84 | 6.52 | 13.05 | 13.18 | 7.48 | |
| Median | 1.21 | 24.38 | 5.30 | 4.54 | 11.84 | 11.54 | 6.15 | |
| 75th Percentile | (0.68) | 20.68 | 1.36 | 0.57 | 10.33 | 10.38 | 4.41 | |
| 90th Percentile | (3.35) | 19.04 | (0.67) | (1.54) | 5.47 | 5.32 | 2.09 | |
| AMG Managers Emerging Opportunities Fund | ● A | 2.72 | 28.10 | 3.44 | 3.60 | 11.89 | 13.13 | 7.80 |
| Russell Micro Growth Idx | ■ B | 2.63 | 20.24 | (0.07) | 1.62 | 10.72 | 11.61 | 5.51 |
| Russell Microcap Index | ▲ | 0.38 | 27.77 | 5.40 | 4.86 | 12.43 | 11.96 | 5.42 |

Relative Return vs Russell Microcap Index



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

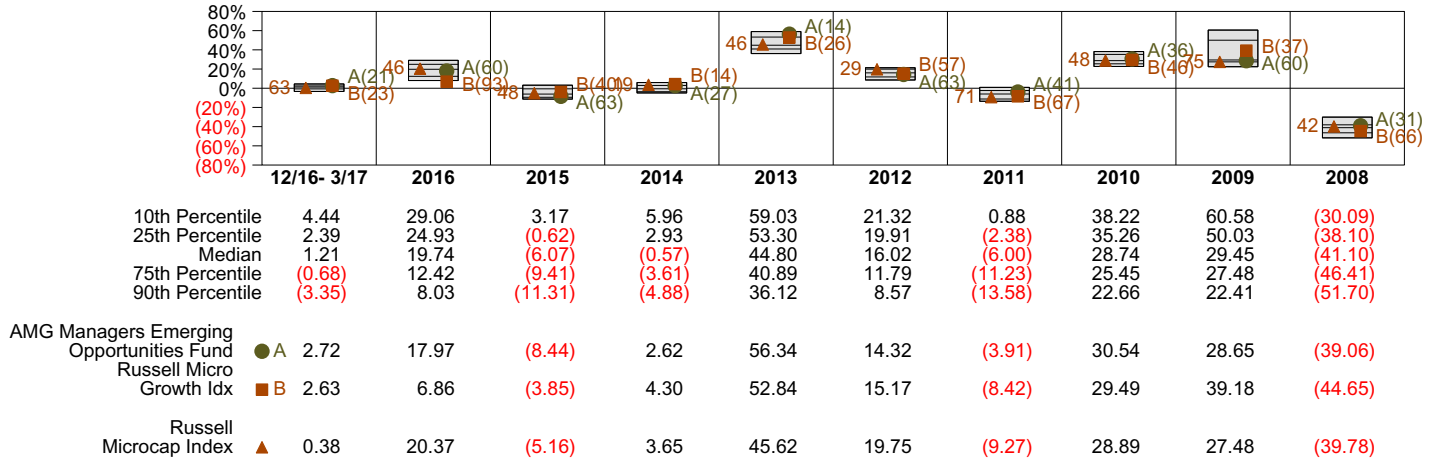


AMG Managers Emerging Opportunities Fund Return Analysis Summary

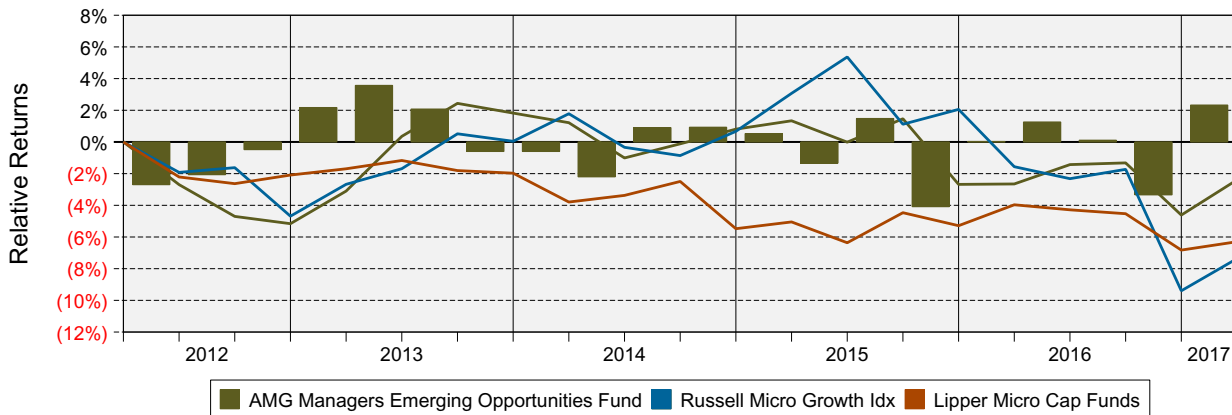
Return Analysis

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

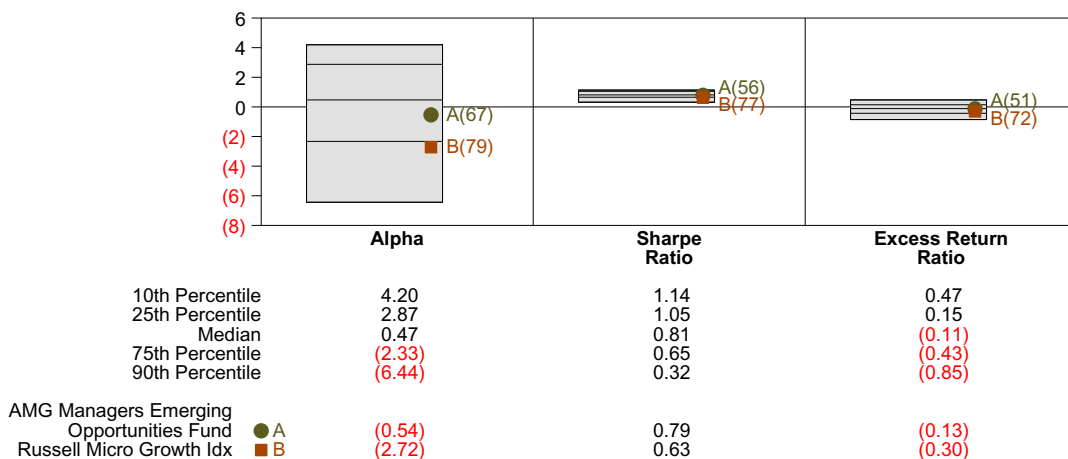
Performance vs Lipper Micro Cap Objective Mutual Funds (Net)



Cumulative and Quarterly Relative Return vs Russell Microcap Index



Risk Adjusted Return Measures vs Russell Microcap Index Rankings Against Lipper Micro Cap Objective Mutual Funds (Net) Five Years Ended March 31, 2017

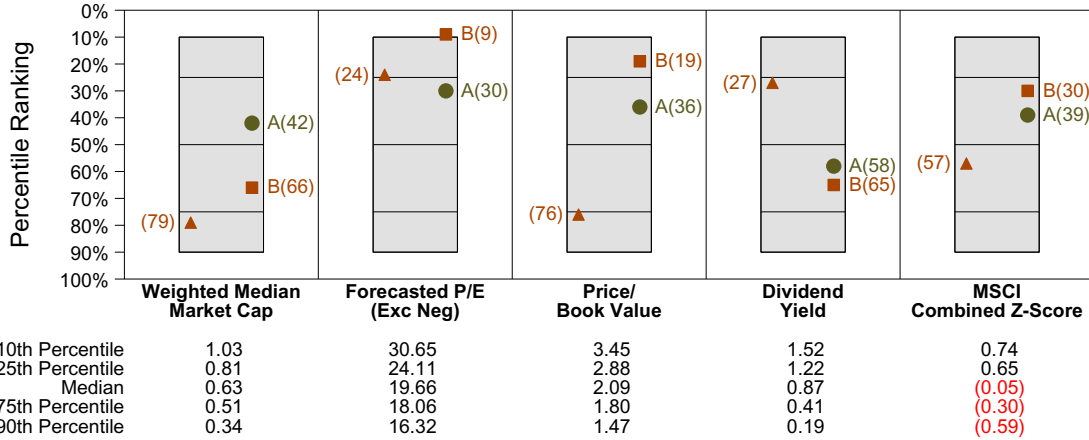


AMG Managers Emerging Opportunities Fund Equity Characteristics Analysis Summary

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 March 31, 2017

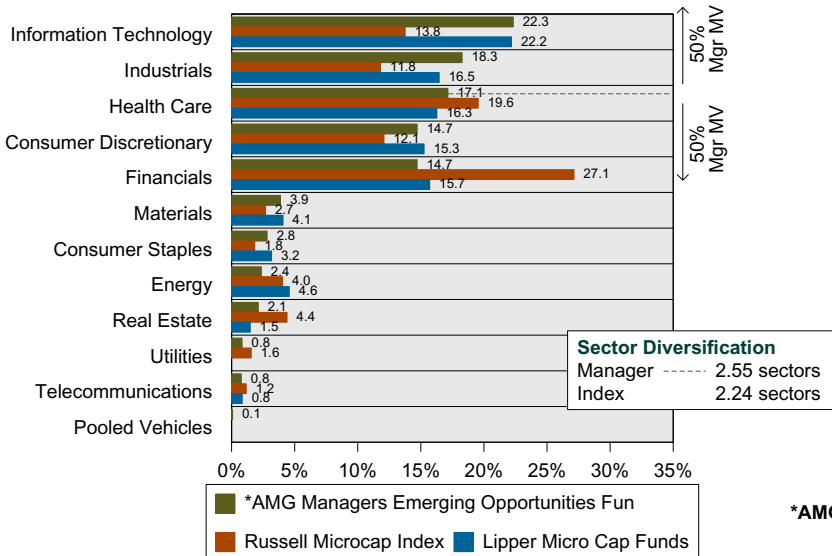


| | | | | | | |
|--|-----|------|-------|------|------|--------|
| *AMG Managers Emerging Opportunities Fun | ● A | 0.69 | 22.86 | 2.50 | 0.77 | 0.25 |
| Russell Micro Growth Idx | ■ B | 0.53 | 32.55 | 3.18 | 0.62 | 0.51 |
| Russell Microcap Index | ▲ | 0.51 | 24.33 | 1.79 | 1.19 | (0.13) |

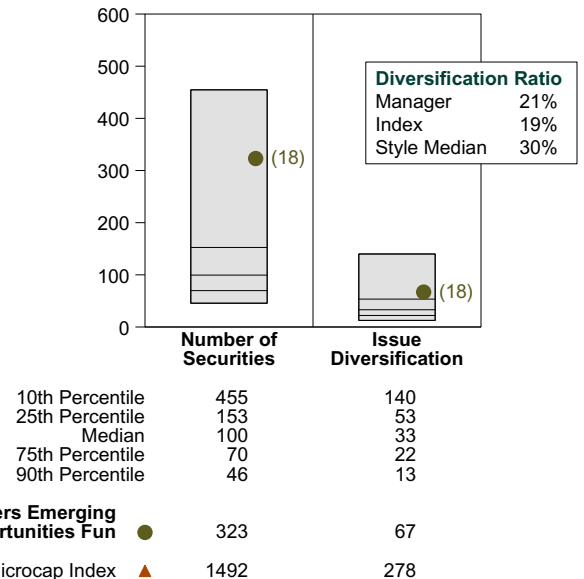
Sector Weights

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 March 31, 2017



Diversification March 31, 2017



*3/31/17 portfolio characteristics generated using most recently available holdings (12/31/16) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.

International Equity Composite Period Ended March 31, 2017

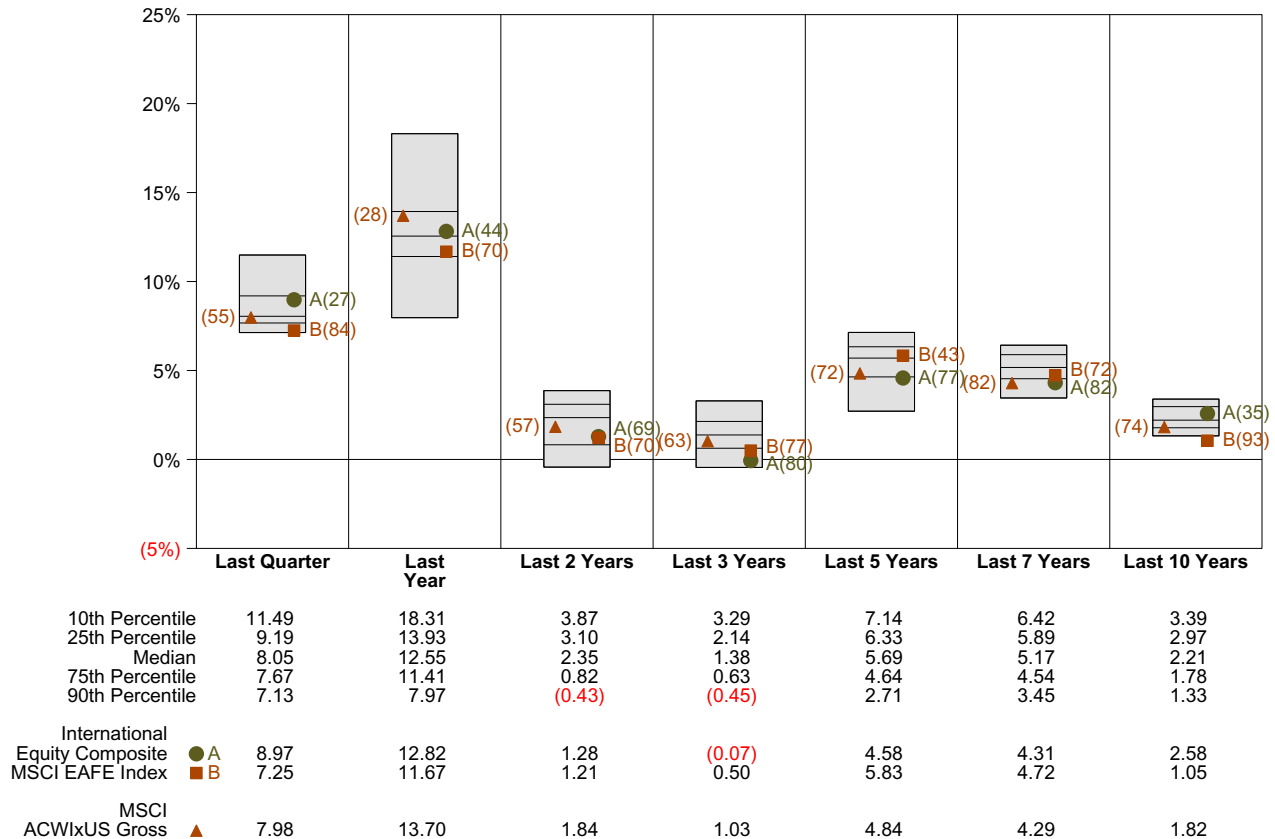
Quarterly Summary and Highlights

- International Equity Composite's portfolio posted a 8.97% return for the quarter placing it in the 27 percentile of the Pub Pln- International Equity group for the quarter and in the 44 percentile for the last year.
- International Equity Composite's portfolio outperformed the MSCI ACWixUS Gross by 0.99% for the quarter and underperformed the MSCI ACWixUS Gross for the year by 0.88%.

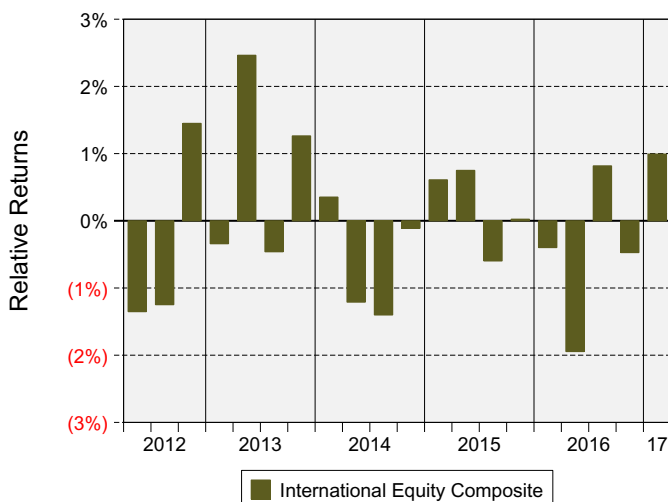
Quarterly Asset Growth

| | |
|---------------------------|---------------|
| Beginning Market Value | \$128,025,375 |
| Net New Investment | \$0 |
| Investment Gains/(Losses) | \$11,548,534 |
| Ending Market Value | \$139,573,909 |

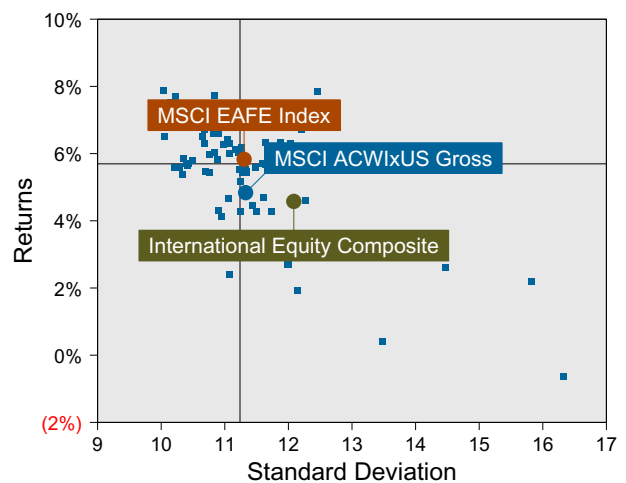
Performance vs Pub Pln- International Equity (Gross)



Relative Return vs MSCI ACWixUS Gross



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

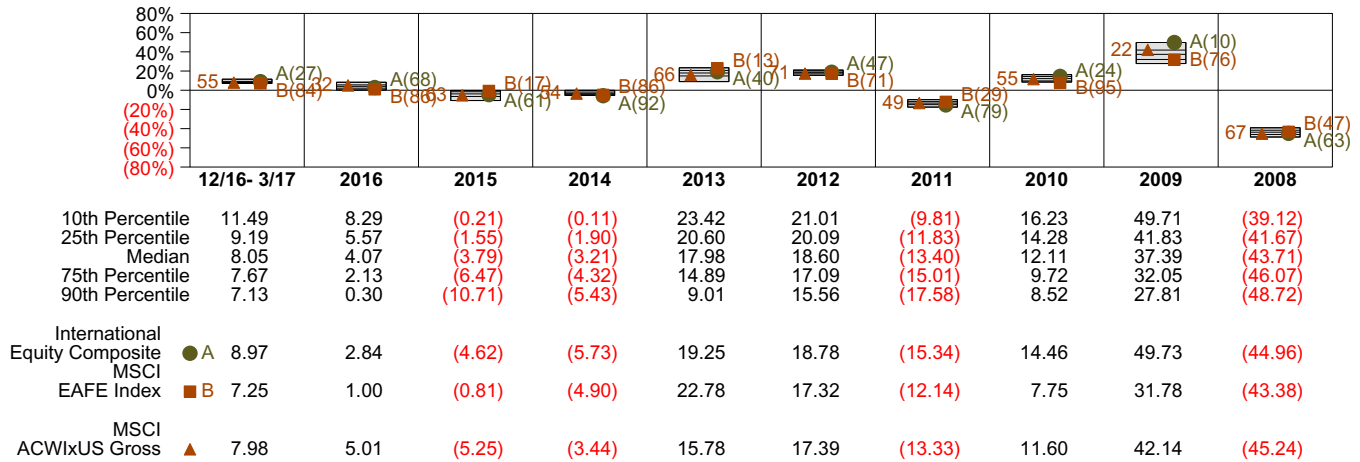


International Equity Composite Return Analysis Summary

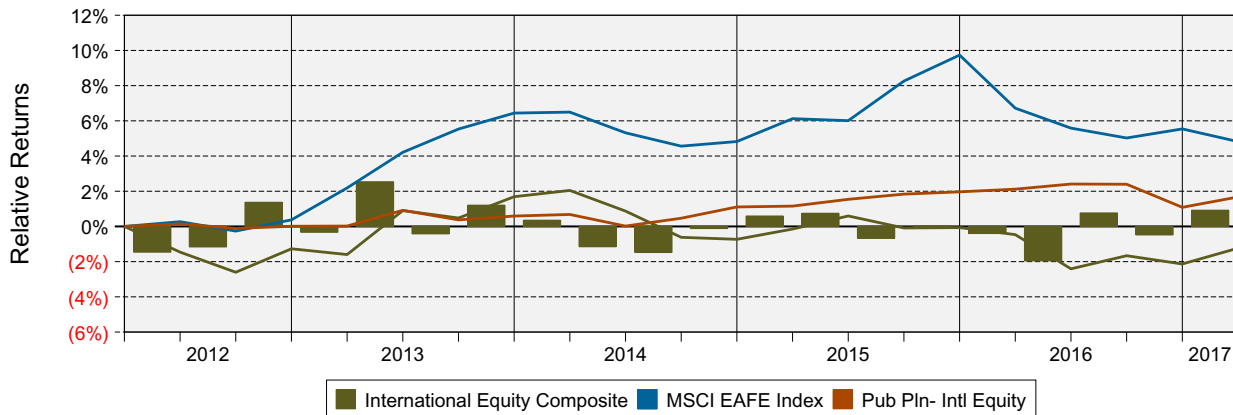
Return Analysis

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

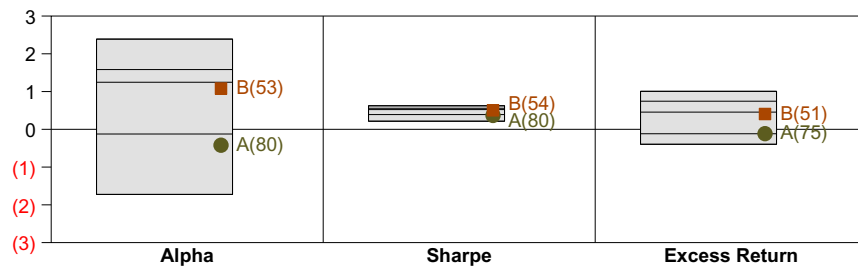
Performance vs Pub Pln- International Equity (Gross)



Cumulative and Quarterly Relative Return vs MSCI ACWIxUS Gross



Risk Adjusted Return Measures vs MSCI ACWIxUS Gross Rankings Against Pub Pln- International Equity (Gross) Five Years Ended March 31, 2017



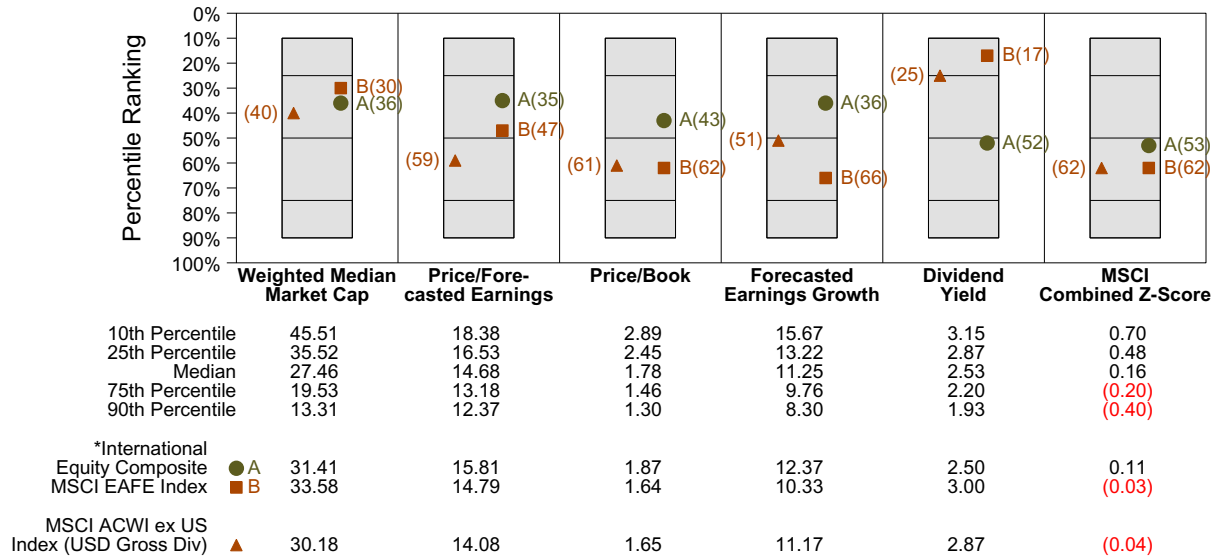
| | Alpha | Sharpe Ratio | Excess Return Ratio |
|--------------------------------|------------|--------------|---------------------|
| 10th Percentile | 2.39 | 0.62 | 1.01 |
| 25th Percentile | 1.58 | 0.56 | 0.74 |
| Median | 1.25 | 0.52 | 0.46 |
| 75th Percentile | (0.12) | 0.39 | (0.12) |
| 90th Percentile | (1.72) | 0.21 | (0.40) |
| International Equity Composite | ● A (0.42) | 0.37 | (0.12) |
| MSCI EAFE Index | ■ B 1.08 | 0.50 | 0.41 |

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.

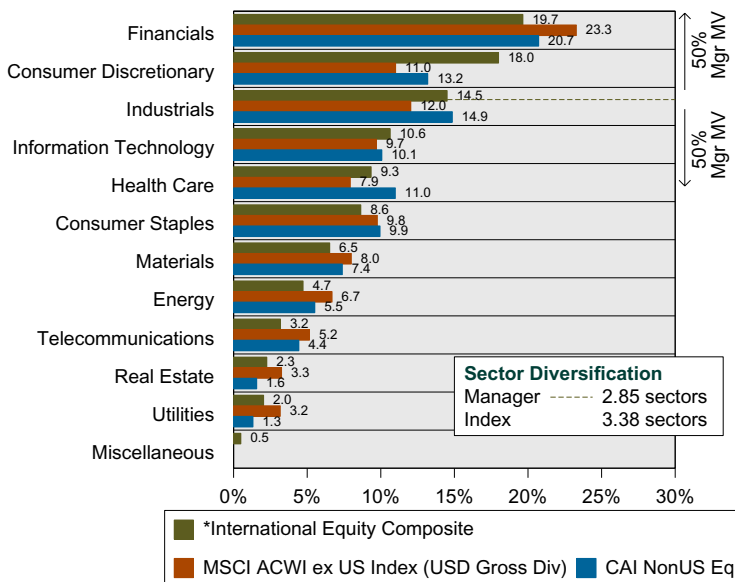
Portfolio Characteristics Percentile Rankings Rankings Against CAI Non-US Equity as of March 31, 2017



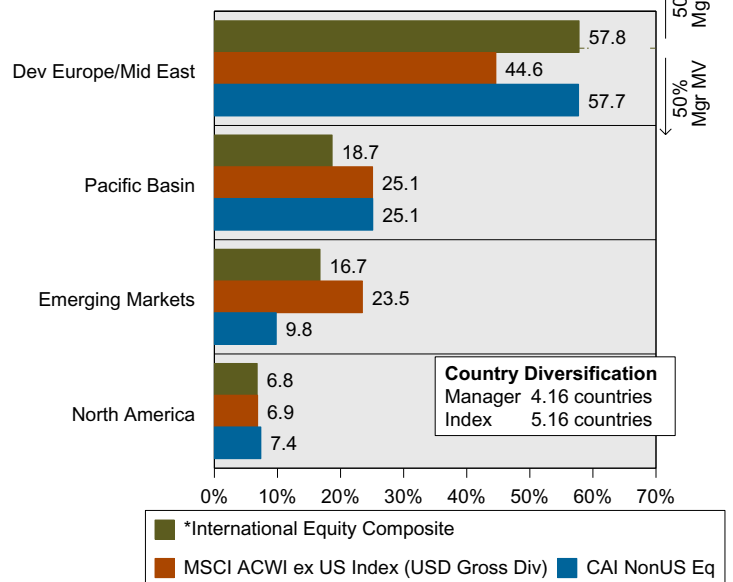
Sector Weights

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.

Sector Allocation March 31, 2017



Regional Allocation March 31, 2017



*3/31/17 portfolio characteristics generated using most recently available holdings (2/28/17) 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.

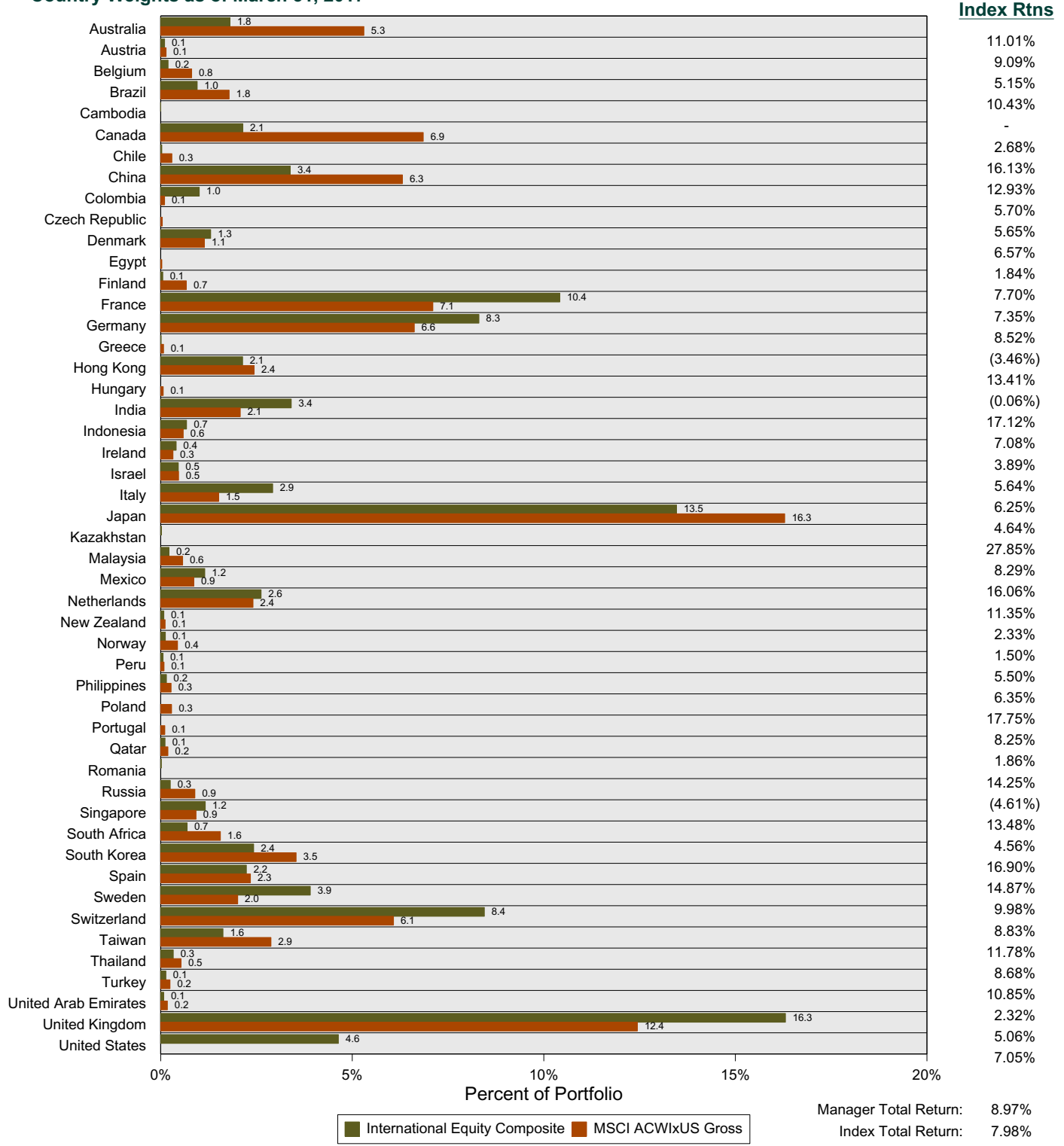
Country Allocation

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 March 31, 2017. 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.

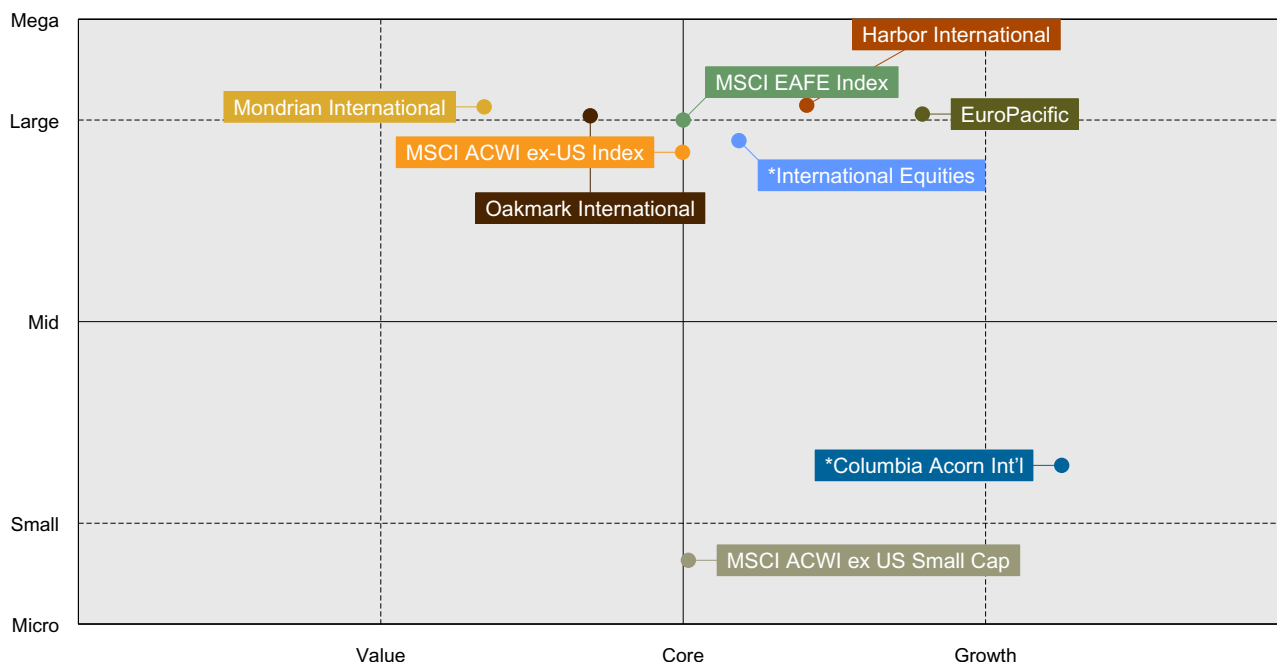
Country Weights as of March 31, 2017



International Holdings Based Style Analysis For One Quarter Ended March 31, 2017

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 March 31, 2017



| | Weight % | Wtd Median Mkt Cap | Combined Z-Score | Growth Z-Score | Value Z-Score | Number of Securities | Security Diversification |
|---------------------------|----------|--------------------|------------------|----------------|---------------|----------------------|--------------------------|
| EuroPacific | 21.36% | 36.76 | 0.59 | 0.26 | (0.33) | 241 | 35.40 |
| Harbor International | 21.27% | 41.48 | 0.29 | 0.01 | (0.28) | 71 | 20.20 |
| *Columbia Acorn Int'l | 11.28% | 5.00 | 0.96 | 0.31 | (0.65) | 113 | 34.38 |
| Oakmark International | 24.31% | 35.85 | (0.27) | (0.15) | 0.11 | 60 | 17.62 |
| Mondrian International | 21.78% | 40.60 | (0.53) | (0.27) | 0.26 | 123 | 22.63 |
| *International Equities | 100.00% | 31.41 | 0.11 | (0.00) | (0.12) | 516 | 73.03 |
| MSCI ACWI ex US Small Cap | - | 1.68 | (0.02) | (0.01) | 0.01 | 4255 | 754.54 |
| MSCI EAFE Index | - | 33.58 | (0.03) | (0.03) | 0.01 | 929 | 111.70 |
| MSCI ACWI ex-US Index | - | 30.18 | (0.04) | (0.02) | 0.01 | 1847 | 182.36 |

*3/31/17 portfolio characteristics generated using most recently available holdings (2/28/17) 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 March 31, 2017

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.

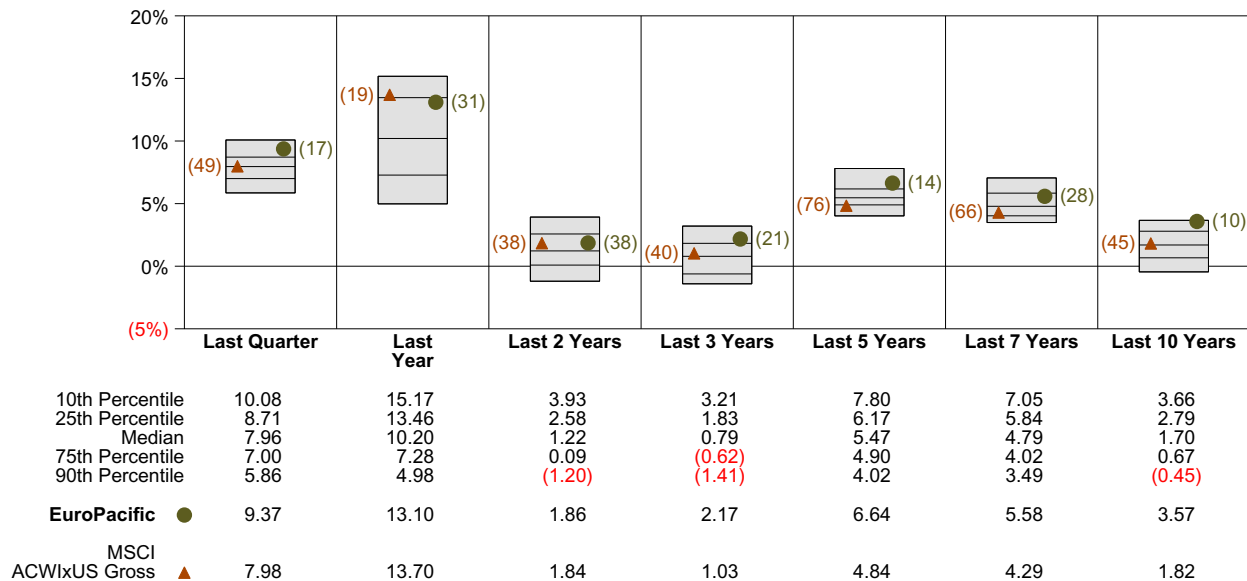
Quarterly Summary and Highlights

- EuroPacific's portfolio posted a 9.37% return for the quarter placing it in the 17 percentile of the CAI Non US Equity Mutual Funds group for the quarter and in the 31 percentile for the last year.
- EuroPacific's portfolio outperformed the MSCI ACWixUS Gross by 1.39% for the quarter and underperformed the MSCI ACWixUS Gross for the year by 0.60%.

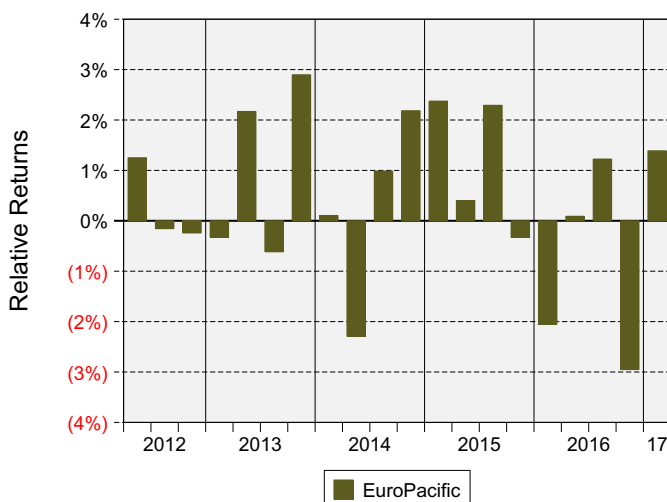
Quarterly Asset Growth

| | |
|---------------------------|--------------|
| Beginning Market Value | \$27,258,060 |
| Net New Investment | \$0 |
| Investment Gains/(Losses) | \$2,553,929 |
| Ending Market Value | \$29,811,989 |

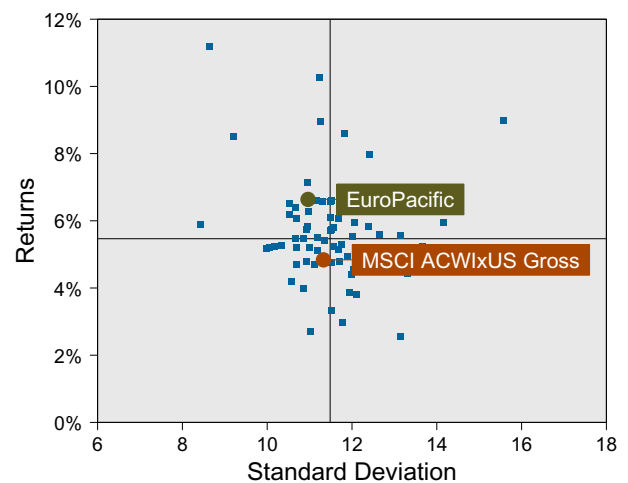
Performance vs CAI Non US Equity Mutual Funds (Net)



Relative Return vs MSCI ACWixUS Gross



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

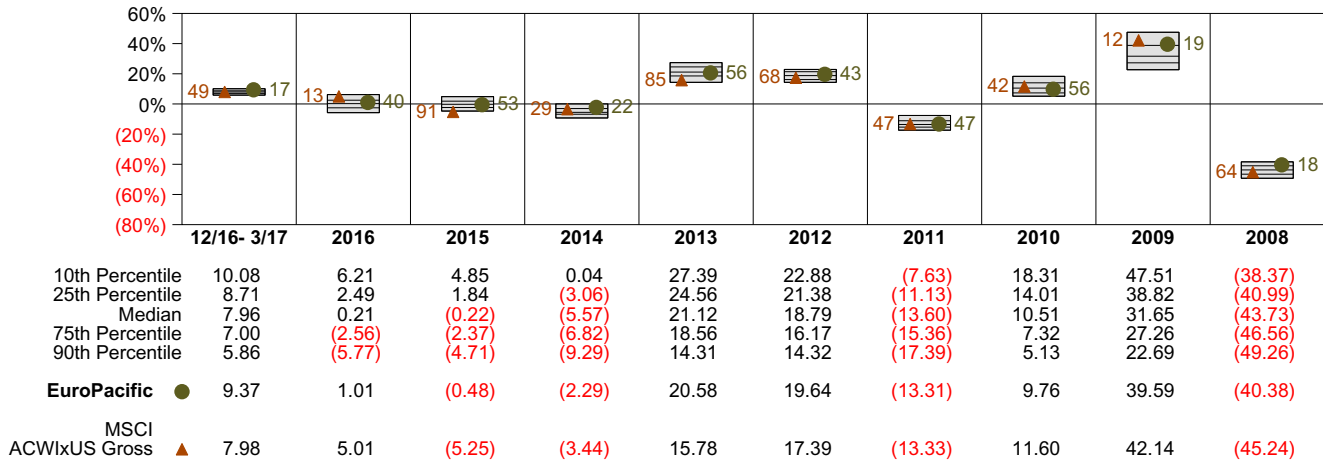


EuroPacific Return Analysis Summary

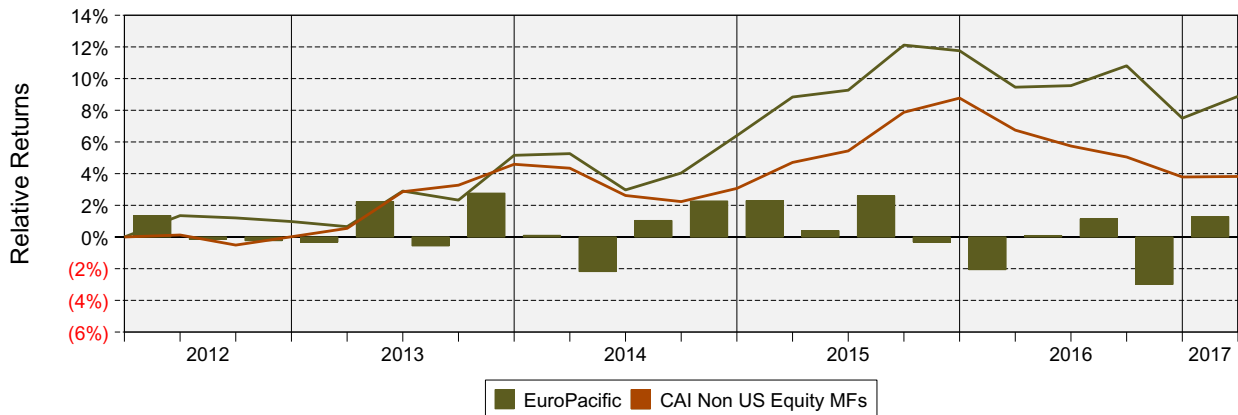
Return Analysis

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

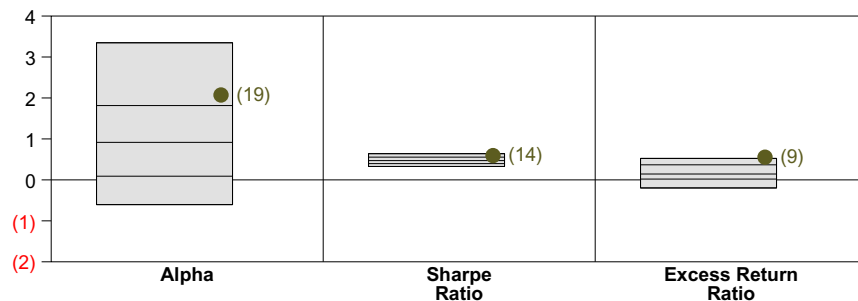
Performance vs CAI Non US Equity Mutual Funds (Net)



Cumulative and Quarterly Relative Return vs MSCI ACWixUS Gross



Risk Adjusted Return Measures vs MSCI ACWixUS Gross Rankings Against CAI Non US Equity Mutual Funds (Net) Five Years Ended March 31, 2017



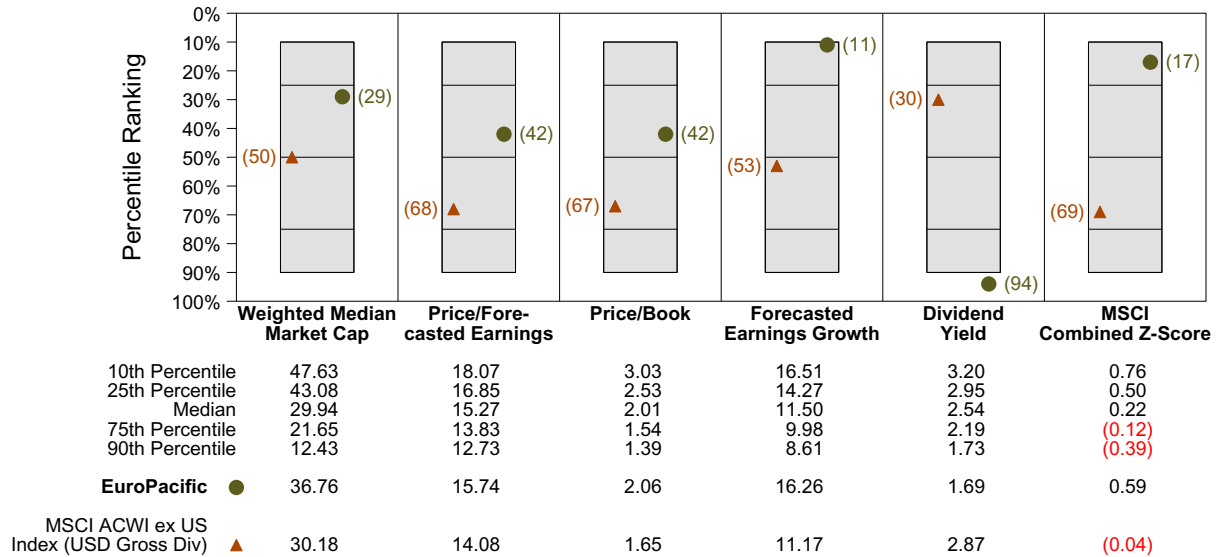
| | | | |
|--------------------|-------------|-------------|-------------|
| 10th Percentile | 3.35 | 0.64 | 0.52 |
| 25th Percentile | 1.81 | 0.56 | 0.37 |
| Median | 0.92 | 0.47 | 0.14 |
| 75th Percentile | 0.09 | 0.40 | 0.02 |
| 90th Percentile | (0.60) | 0.33 | (0.20) |
| EuroPacific | 2.07 | 0.59 | 0.55 |

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.

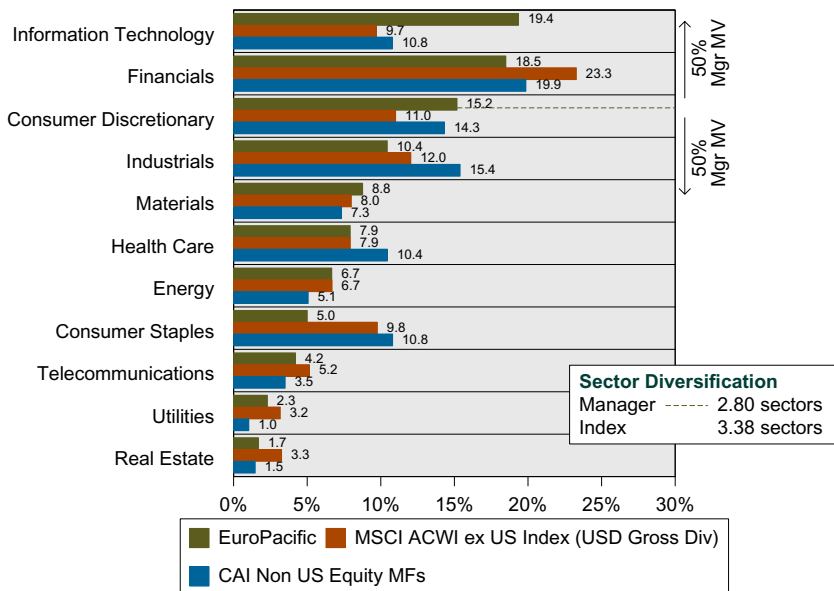
Portfolio Characteristics Percentile Rankings Rankings Against CAI Non US Equity Mutual Funds as of March 31, 2017



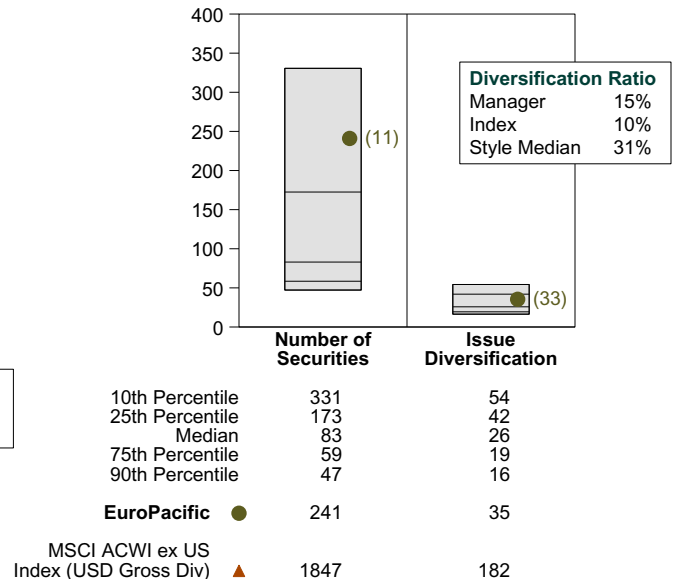
Sector Weights

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 March 31, 2017



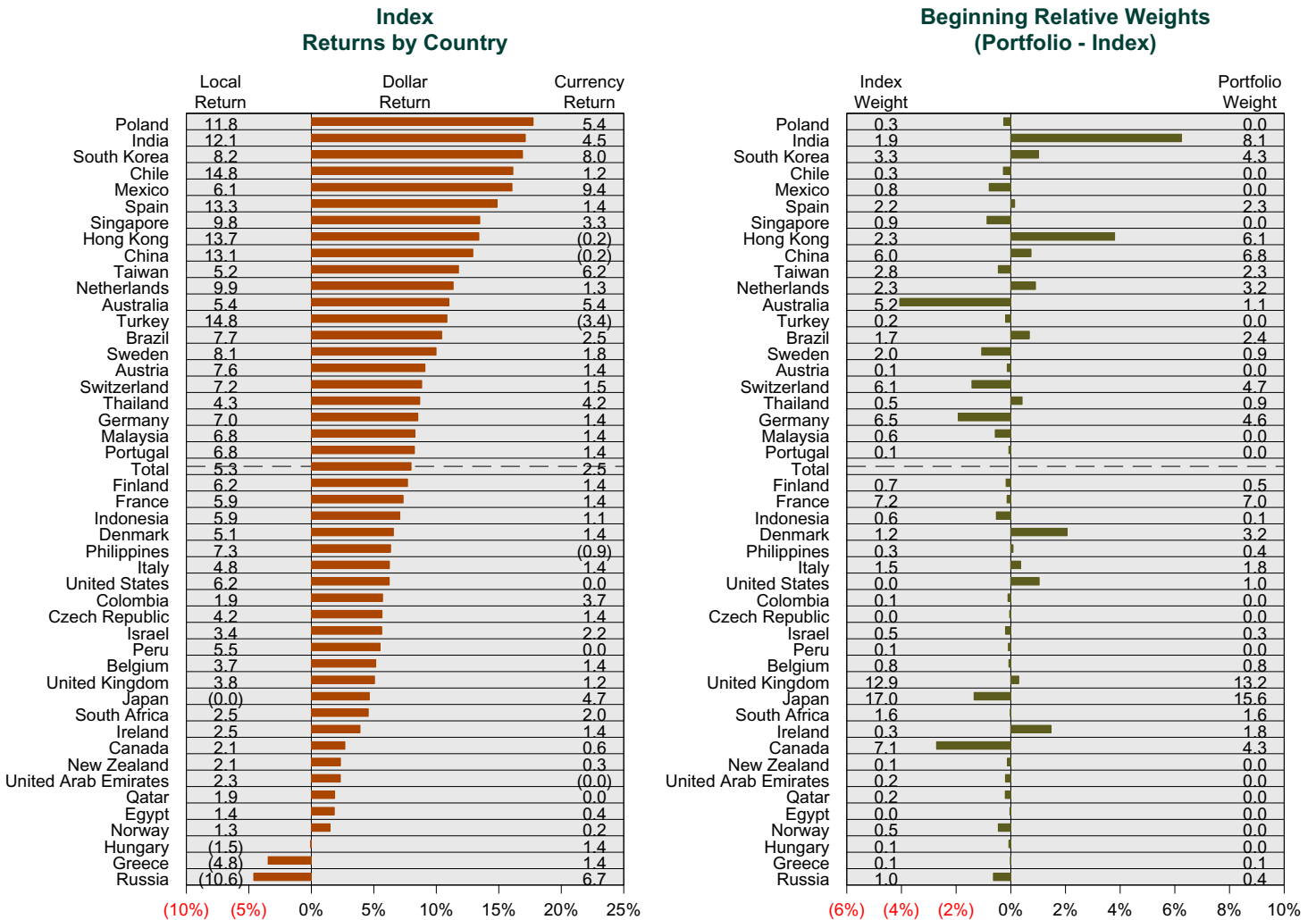
Diversification March 31, 2017



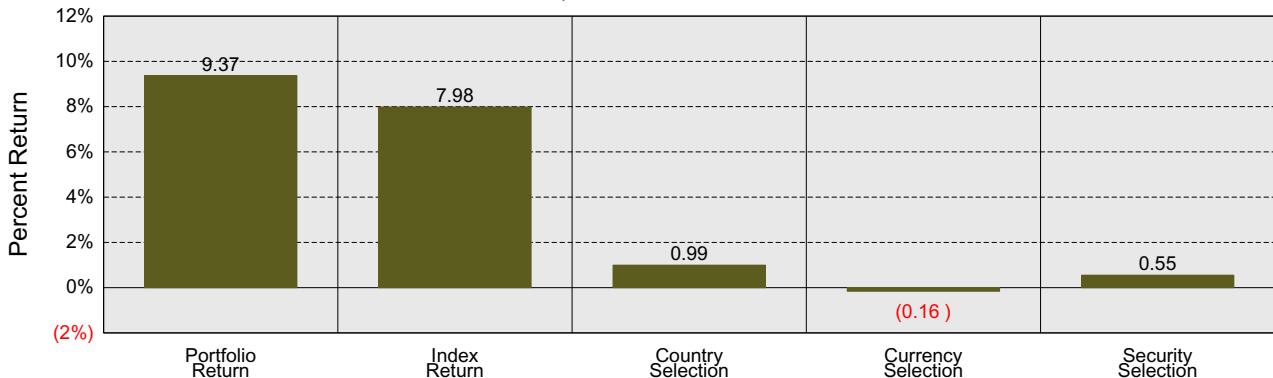
EuroPacific vs MSCI ACWixUS Gross Attribution for Quarter Ended March 31, 2017

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 March 31, 2017



Harbor International Period Ended March 31, 2017

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.

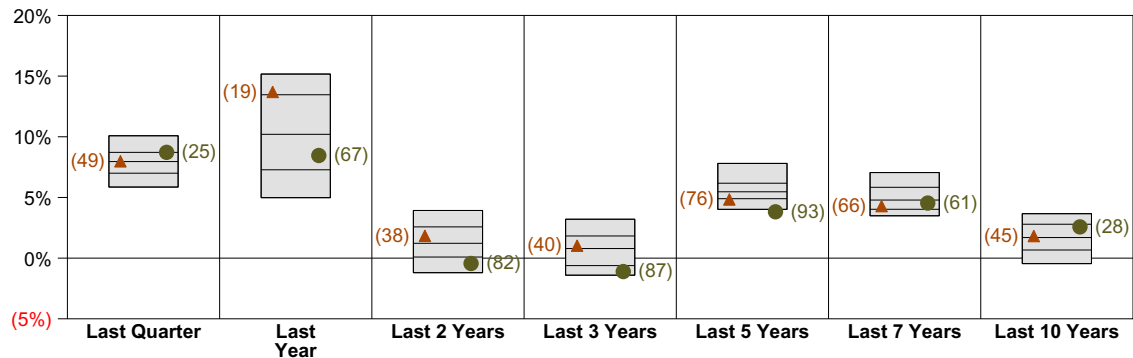
Quarterly Summary and Highlights

- Harbor International's portfolio posted a 8.72% return for the quarter placing it in the 25 percentile of the CAI Non US Equity Mutual Funds group for the quarter and in the 67 percentile for the last year.
- Harbor International's portfolio outperformed the MSCI ACWixUS Gross by 0.73% for the quarter and underperformed the MSCI ACWixUS Gross for the year by 5.24%.

Quarterly Asset Growth

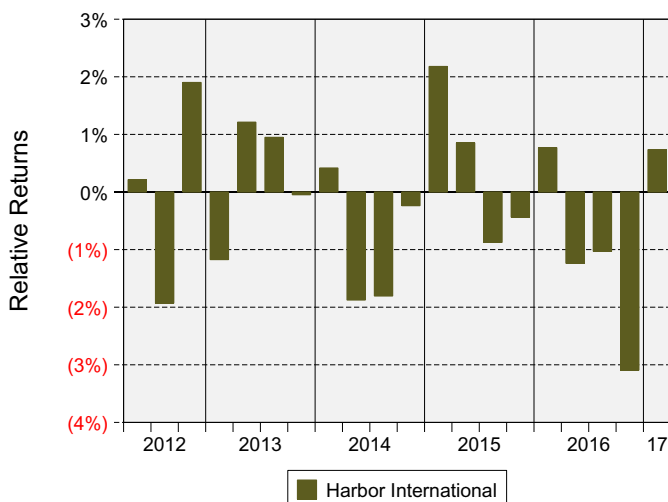
| | |
|---------------------------|--------------|
| Beginning Market Value | \$27,313,002 |
| Net New Investment | \$0 |
| Investment Gains/(Losses) | \$2,380,942 |
| Ending Market Value | \$29,693,944 |

Performance vs CAI Non US Equity Mutual Funds (Net)

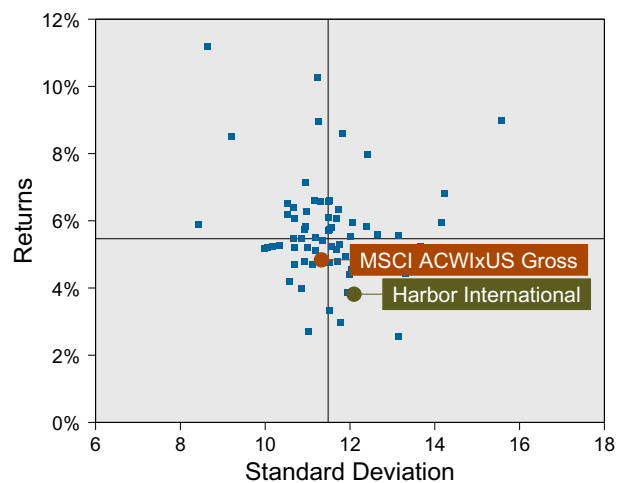


| | Last Quarter | Last Year | Last 2 Years | Last 3 Years | Last 5 Years | Last 7 Years | Last 10 Years |
|-------------------------------|--------------|-----------|--------------|--------------|--------------|--------------|---------------|
| 10th Percentile | 10.08 | 15.17 | 3.93 | 3.21 | 7.80 | 7.05 | 3.66 |
| 25th Percentile | 8.71 | 13.46 | 2.58 | 1.83 | 6.17 | 5.84 | 2.79 |
| Median | 7.96 | 10.20 | 1.22 | 0.79 | 5.47 | 4.79 | 1.70 |
| 75th Percentile | 7.00 | 7.28 | 0.09 | (0.62) | 4.90 | 4.02 | 0.67 |
| 90th Percentile | 5.86 | 4.98 | (1.20) | (1.41) | 4.02 | 3.49 | (0.45) |
| Harbor International ● | 8.72 | 8.46 | (0.44) | (1.11) | 3.82 | 4.54 | 2.57 |
| MSCI ACWixUS Gross ▲ | 7.98 | 13.70 | 1.84 | 1.03 | 4.84 | 4.29 | 1.82 |

Relative Return vs MSCI ACWixUS Gross



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

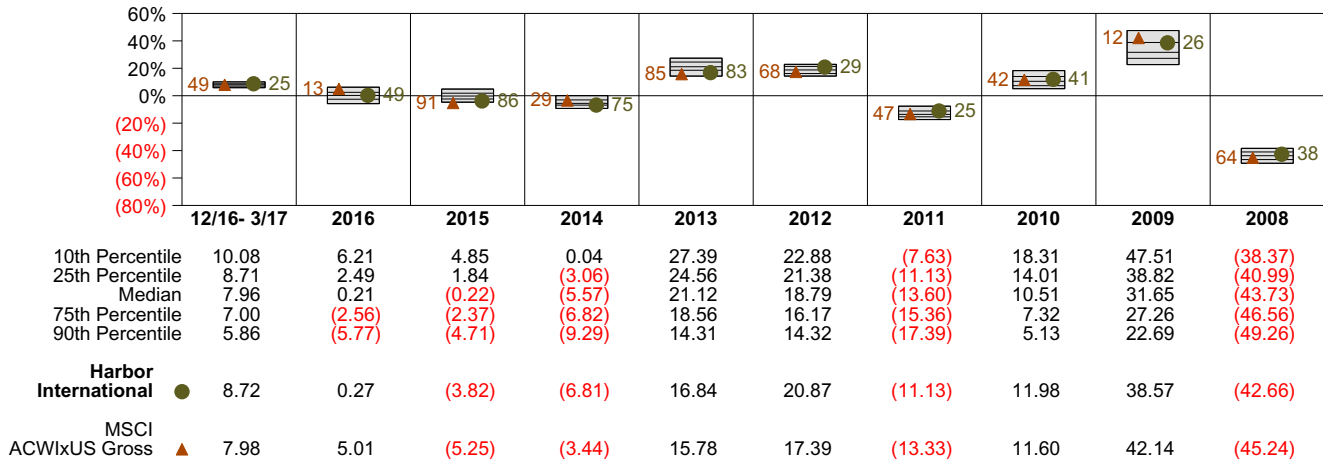


Harbor International Return Analysis Summary

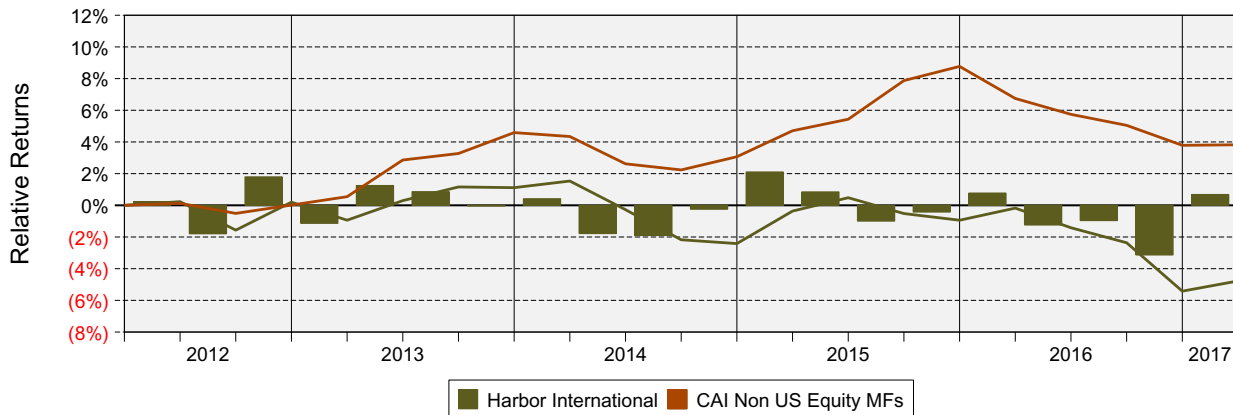
Return Analysis

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

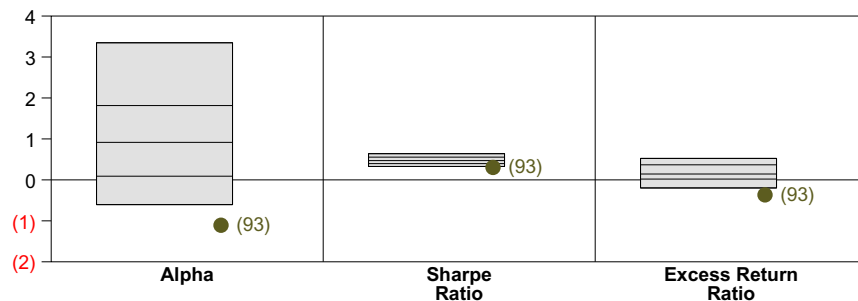
Performance vs CAI Non US Equity Mutual Funds (Net)



Cumulative and Quarterly Relative Return vs MSCI ACWixUS Gross



Risk Adjusted Return Measures vs MSCI ACWixUS Gross Rankings Against CAI Non US Equity Mutual Funds (Net) Five Years Ended March 31, 2017



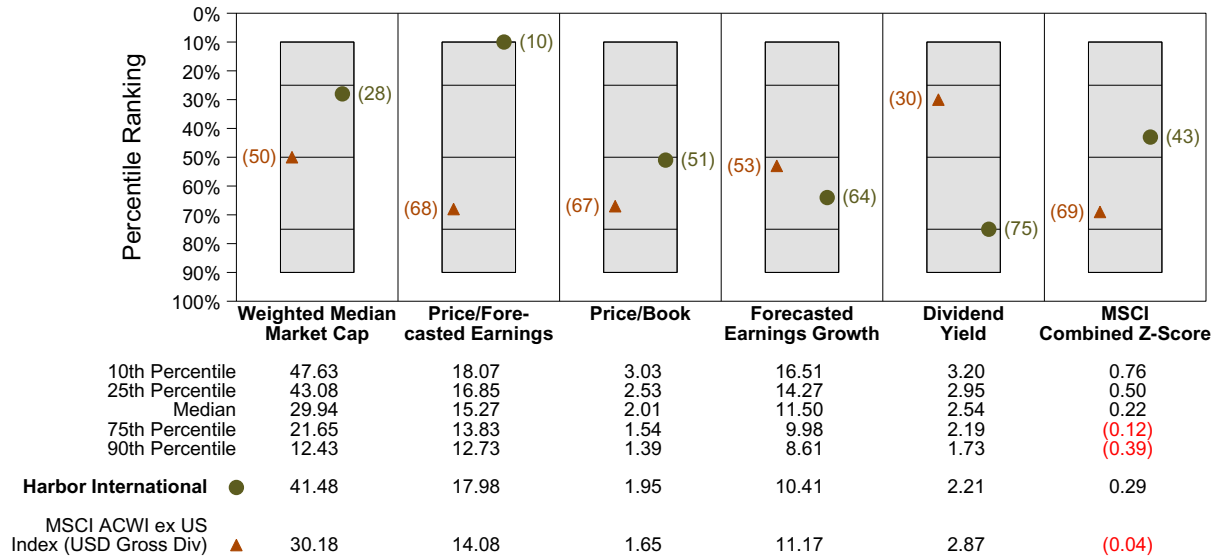
| | | | |
|-----------------------------|---------------|-------------|---------------|
| 10th Percentile | 3.35 | 0.64 | 0.52 |
| 25th Percentile | 1.81 | 0.56 | 0.37 |
| Median | 0.92 | 0.47 | 0.14 |
| 75th Percentile | 0.09 | 0.40 | 0.02 |
| 90th Percentile | (0.60) | 0.33 | (0.20) |
| Harbor International | (1.11) | 0.30 | (0.37) |

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.

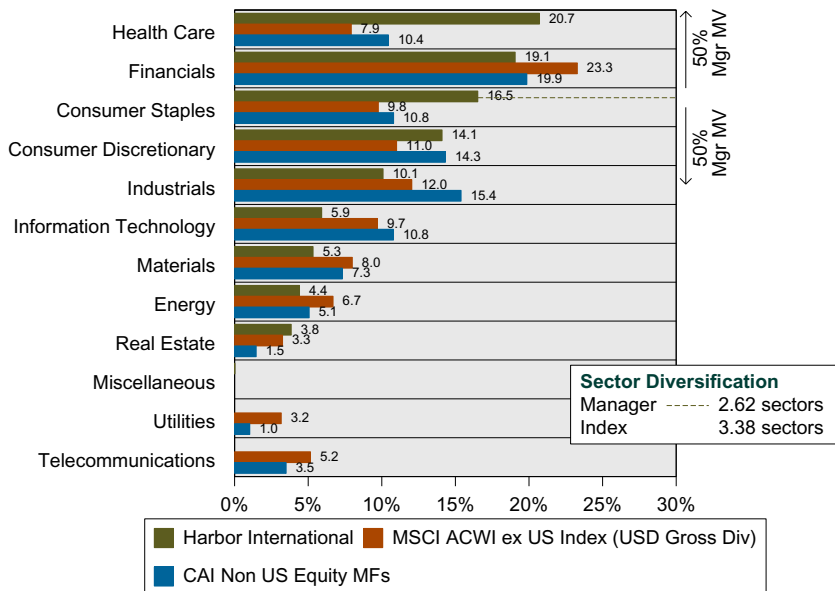
Portfolio Characteristics Percentile Rankings Rankings Against CAI Non US Equity Mutual Funds as of March 31, 2017



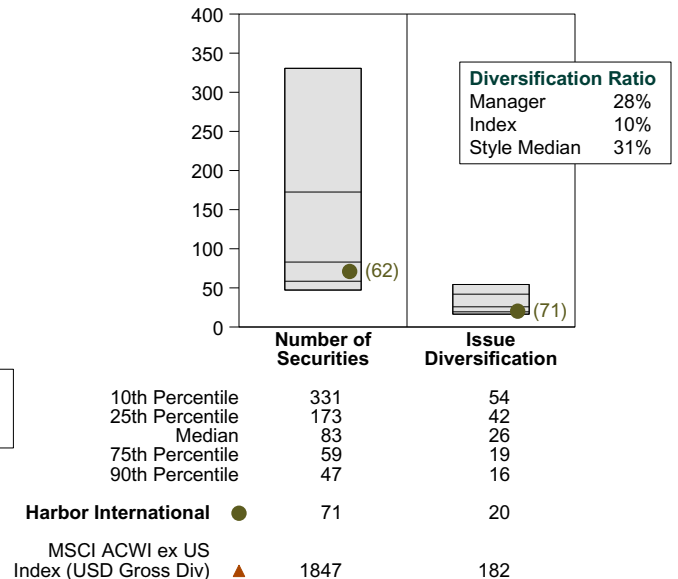
Sector Weights

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 March 31, 2017



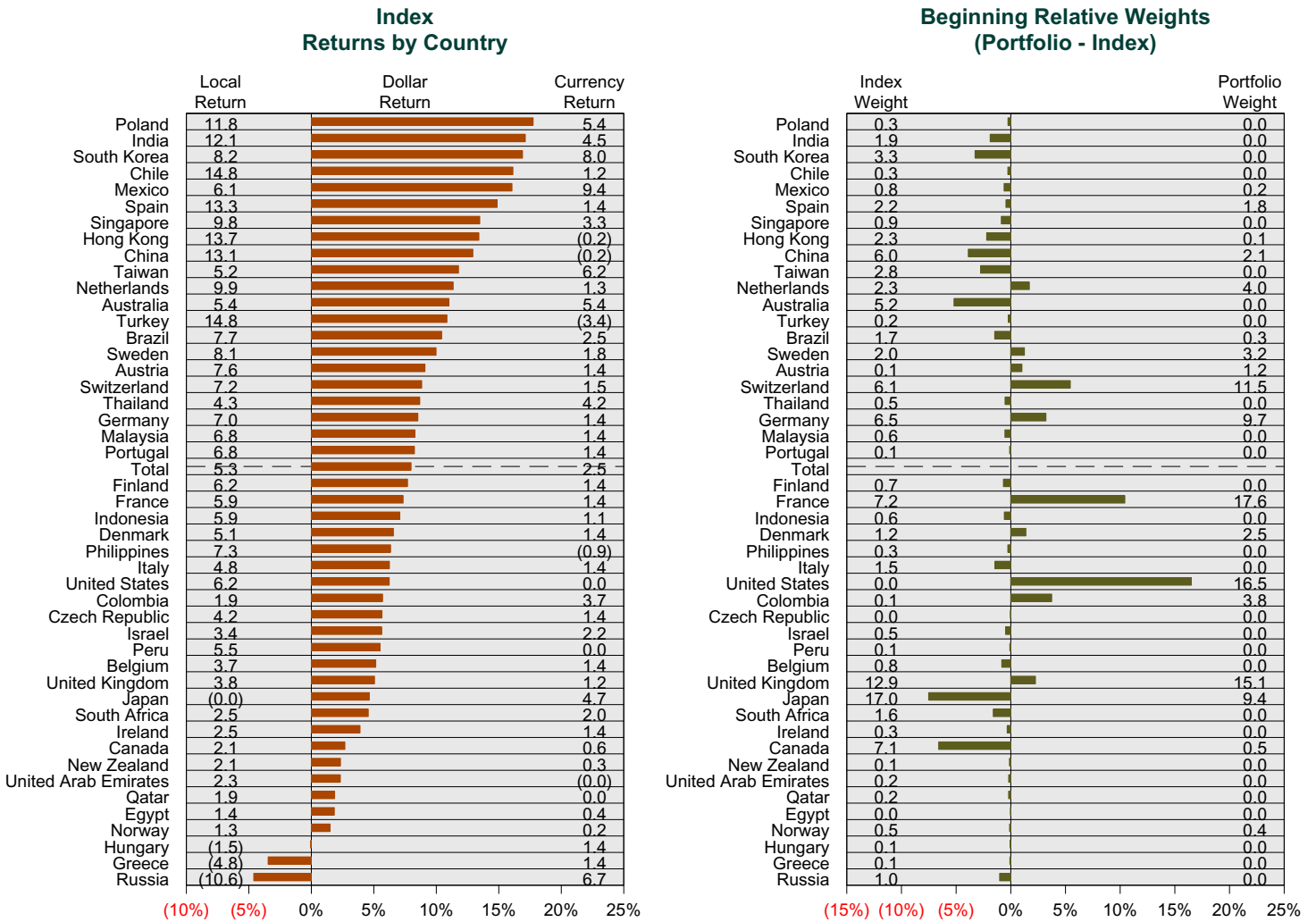
Diversification March 31, 2017



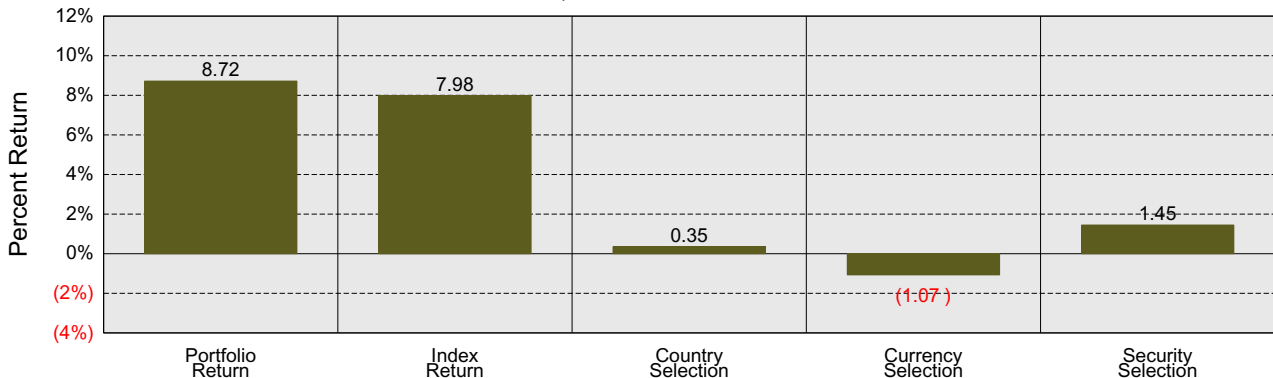
Harbor International vs MSCI ACWIxUS Gross Attribution for Quarter Ended March 31, 2017

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 March 31, 2017



Columbia Acorn International Period Ended March 31, 2017

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.

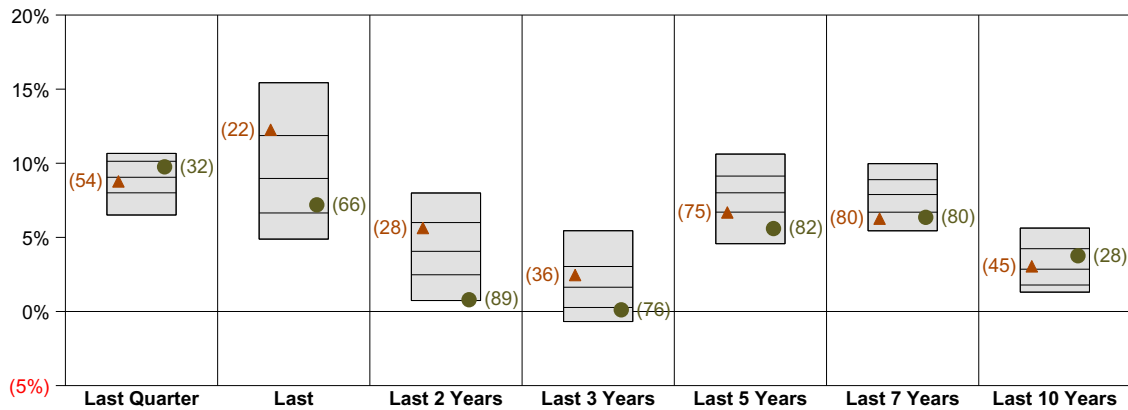
Quarterly Summary and Highlights

- Columbia Acorn International's portfolio posted a 9.76% return for the quarter placing it in the 32 percentile of the CAI International Small Cap Mut Funds group for the quarter and in the 66 percentile for the last year.
- Columbia Acorn International's portfolio outperformed the MSCI ACWI ex US Small Cap by 0.98% for the quarter and underperformed the MSCI ACWI ex US Small Cap for the year by 5.07%.

Quarterly Asset Growth

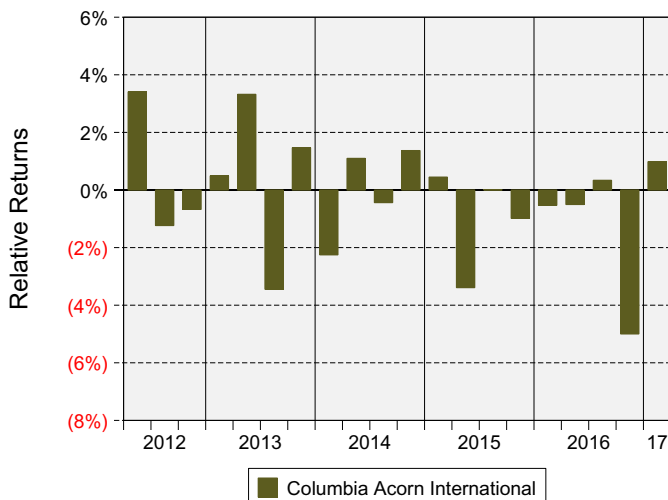
| | |
|---------------------------|--------------|
| Beginning Market Value | \$14,346,879 |
| Net New Investment | \$0 |
| Investment Gains/(Losses) | \$1,399,971 |
| Ending Market Value | \$15,746,850 |

Performance vs CAI International Small Cap Mut Funds (Net)

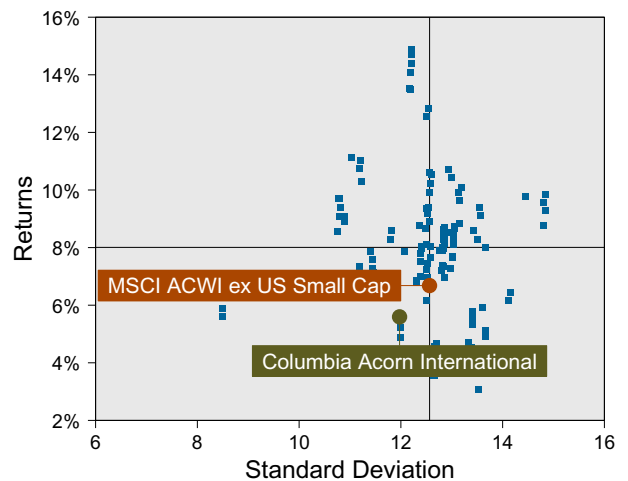


| | Last Quarter | Last Year | Last 2 Years | Last 3 Years | Last 5 Years | Last 7 Years | Last 10 Years |
|-------------------------------------|--------------|-----------|--------------|--------------|--------------|--------------|---------------|
| 10th Percentile | 10.67 | 15.43 | 7.99 | 5.45 | 10.62 | 9.97 | 5.63 |
| 25th Percentile | 10.13 | 11.87 | 6.00 | 3.03 | 9.14 | 8.89 | 4.24 |
| Median | 9.05 | 8.97 | 4.06 | 1.64 | 8.01 | 7.89 | 2.85 |
| 75th Percentile | 8.01 | 6.65 | 2.48 | 0.27 | 6.70 | 6.70 | 1.79 |
| 90th Percentile | 6.51 | 4.88 | 0.74 | (0.68) | 4.57 | 5.44 | 1.31 |
| Columbia Acorn International | ● 9.76 | 7.19 | 0.79 | 0.11 | 5.60 | 6.35 | 3.76 |
| MSCI ACWI ex US Small Cap | ▲ 8.78 | 12.26 | 5.63 | 2.46 | 6.68 | 6.26 | 3.05 |

Relative Returns vs MSCI ACWI ex US Small Cap



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

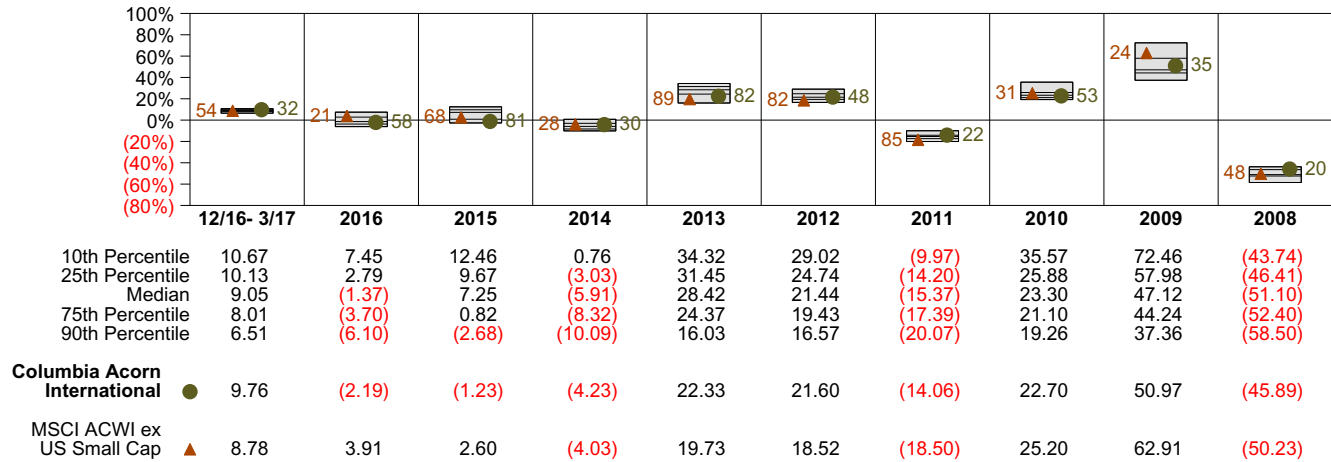


Columbia Acorn International Return Analysis Summary

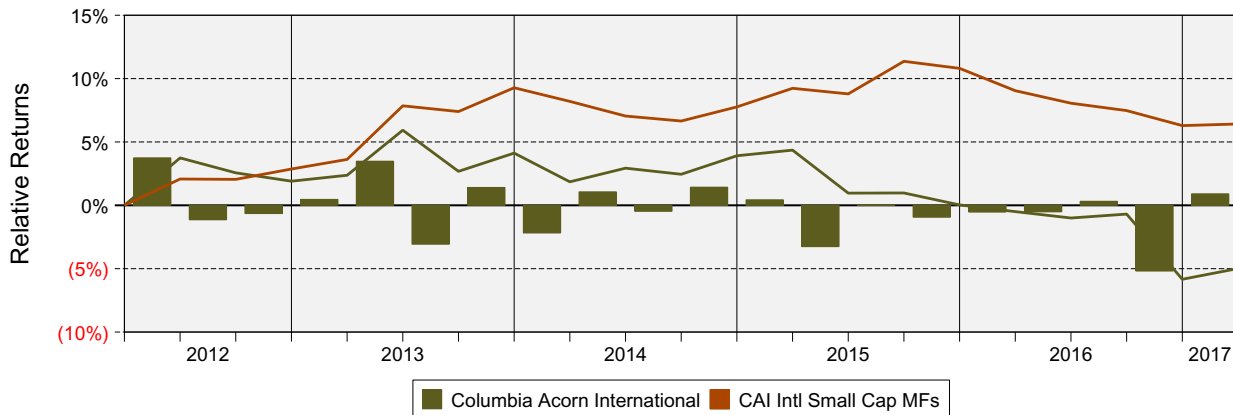
Return Analysis

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

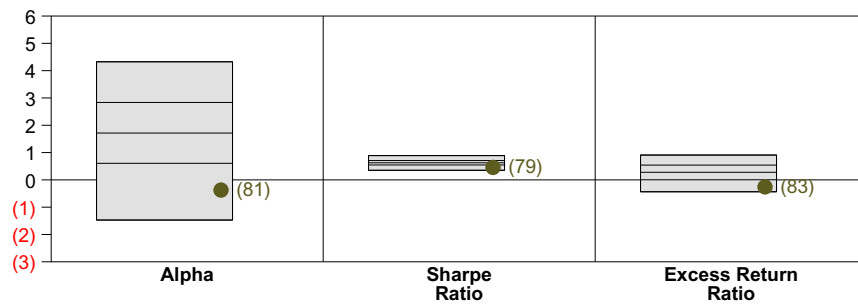
Performance vs CAI International Small Cap Mut Funds (Net)



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 March 31, 2017



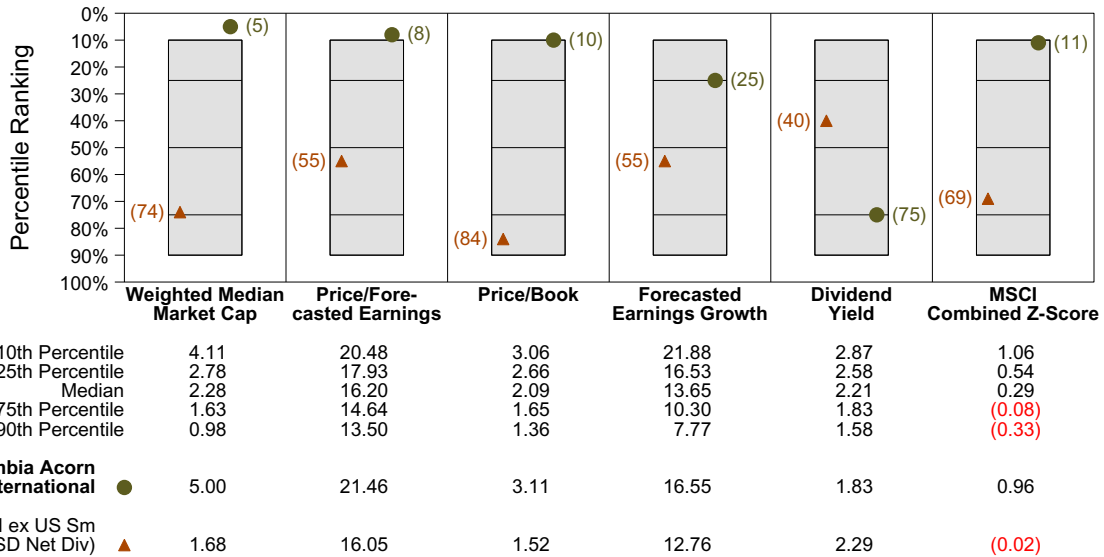
| | Alpha | Sharpe Ratio | Excess Return Ratio |
|-------------------------------------|----------|--------------|---------------------|
| 10th Percentile | 4.33 | 0.89 | 0.91 |
| 25th Percentile | 2.84 | 0.71 | 0.54 |
| Median | 1.72 | 0.63 | 0.28 |
| 75th Percentile | 0.61 | 0.55 | 0.00 |
| 90th Percentile | (1.47) | 0.35 | (0.44) |
| Columbia Acorn International | ● (0.37) | 0.46 | (0.26) |

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.

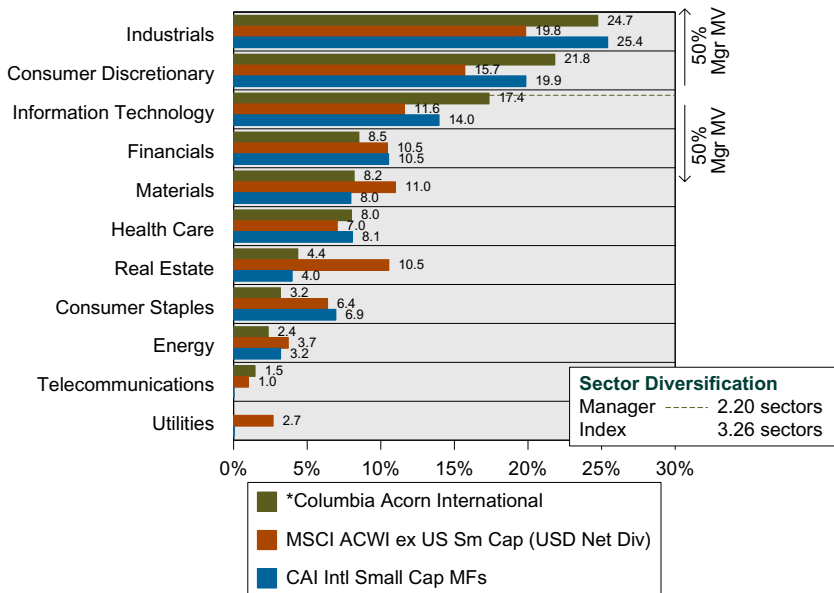
Portfolio Characteristics Percentile Rankings Rankings Against CAI International Small Cap Mut Funds as of March 31, 2017



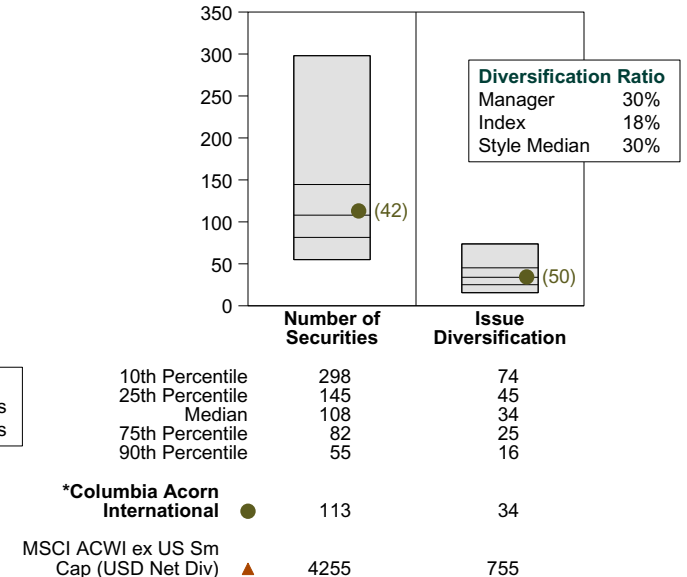
Sector Weights

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 March 31, 2017



Diversification March 31, 2017

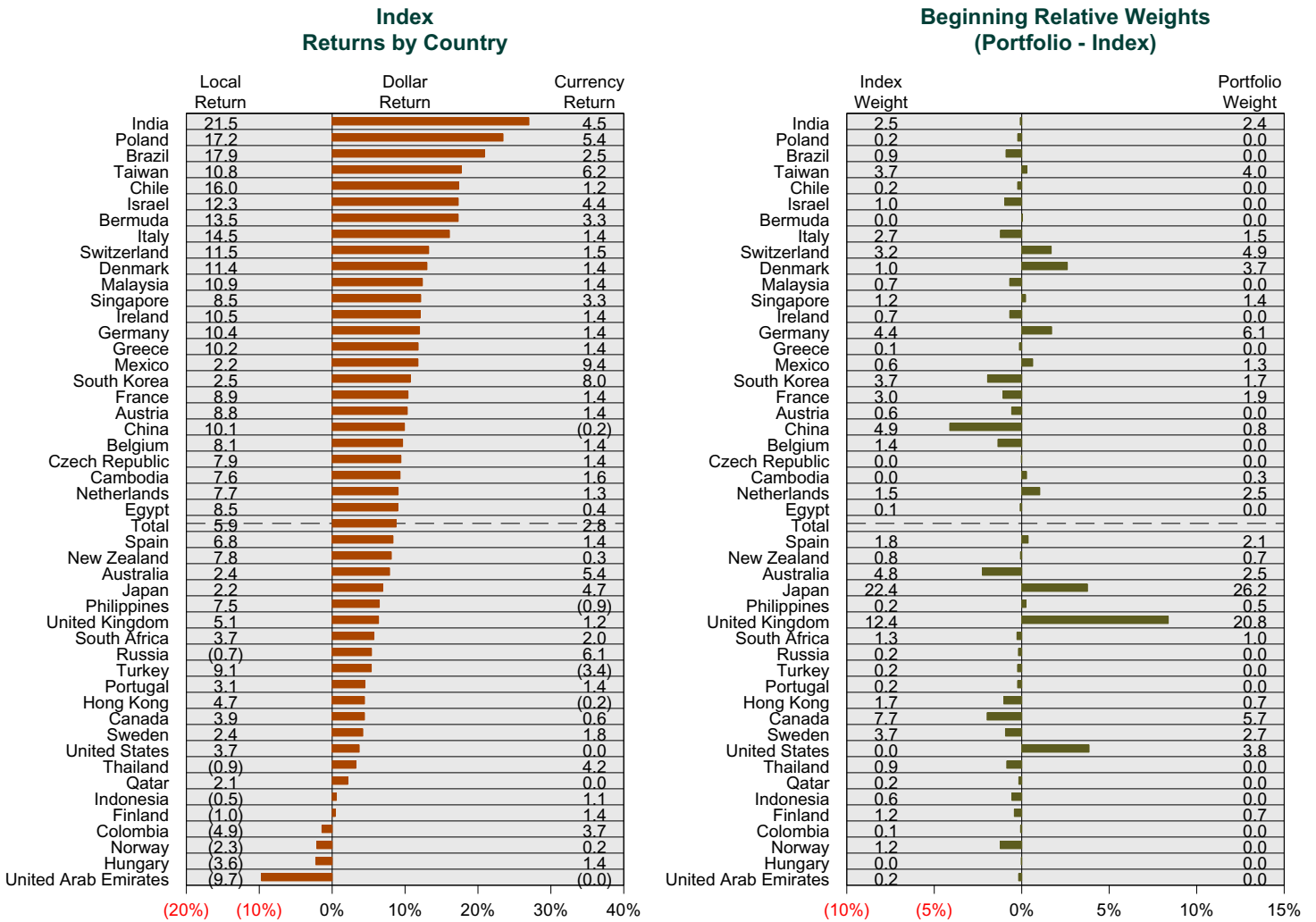


*3/31/17 portfolio characteristics generated using most recently available holdings (2/28/17) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.

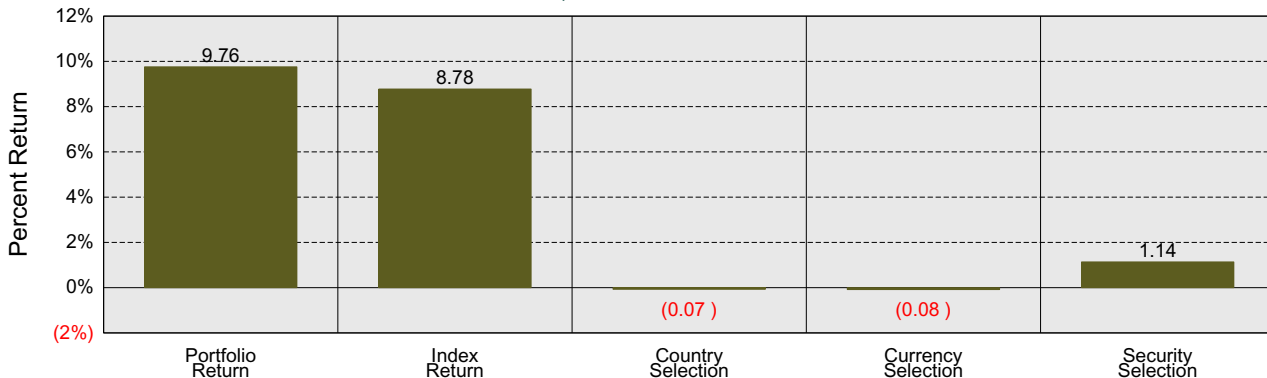
Columbia Acorn International vs MSCI ACWI ex US Small Cap Attribution for Quarter Ended March 31, 2017

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 March 31, 2017



Oakmark International Period Ended March 31, 2017

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.

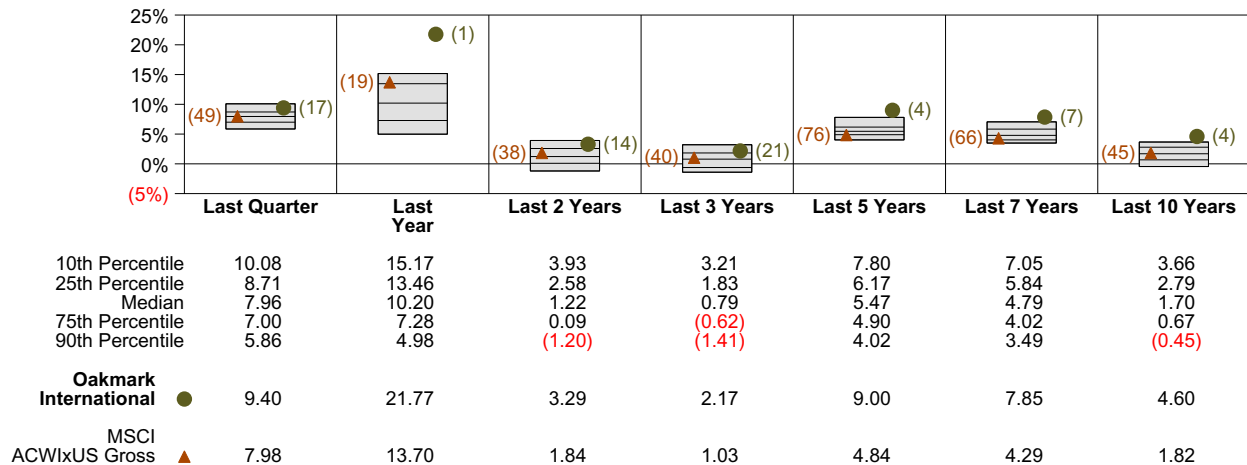
Quarterly Summary and Highlights

- Oakmark International's portfolio posted a 9.40% return for the quarter placing it in the 17 percentile of the CAI Non US Equity Mutual Funds group for the quarter and in the 1 percentile for the last year.
- Oakmark International's portfolio outperformed the MSCI ACWlxUS Gross by 1.42% for the quarter and outperformed the MSCI ACWlxUS Gross for the year by 8.07%.

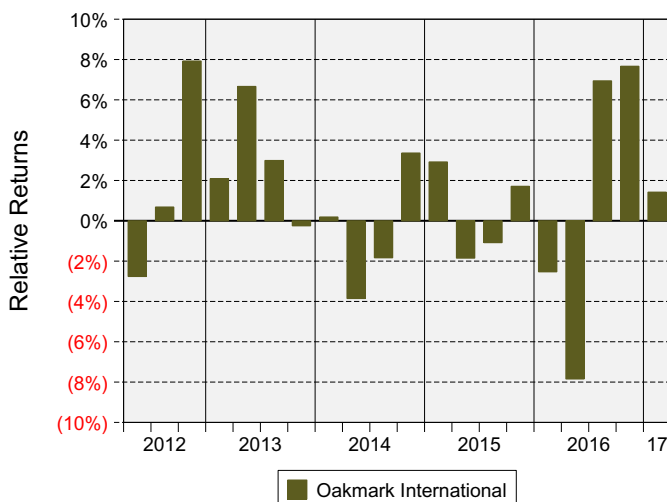
Quarterly Asset Growth

| | |
|---------------------------|--------------|
| Beginning Market Value | \$31,012,239 |
| Net New Investment | \$0 |
| Investment Gains/(Losses) | \$2,915,460 |
| Ending Market Value | \$33,927,699 |

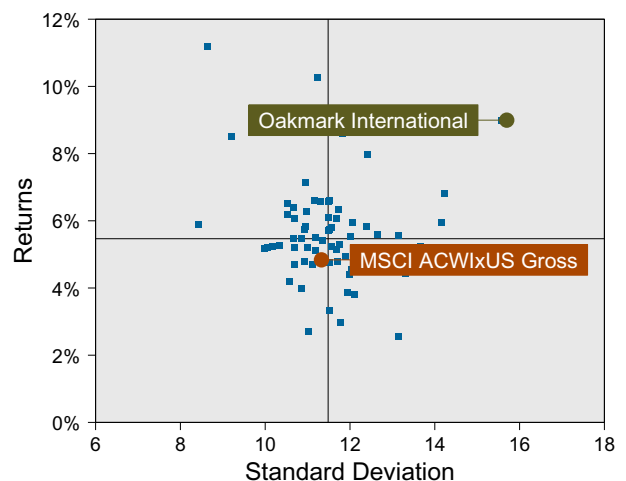
Performance vs CAI Non US Equity Mutual Funds (Net)



Relative Return vs MSCI ACWlxUS Gross



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

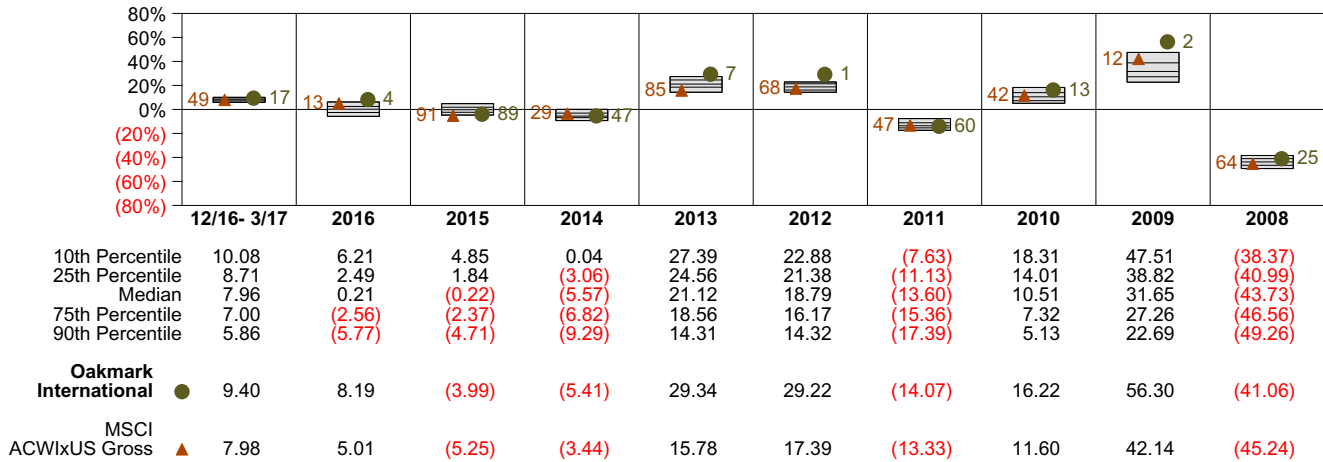


Oakmark International Return Analysis Summary

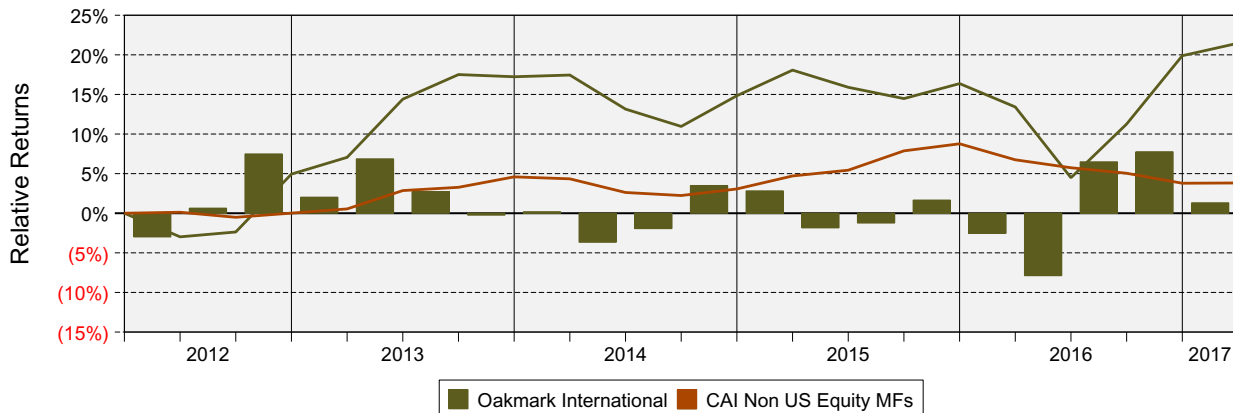
Return Analysis

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

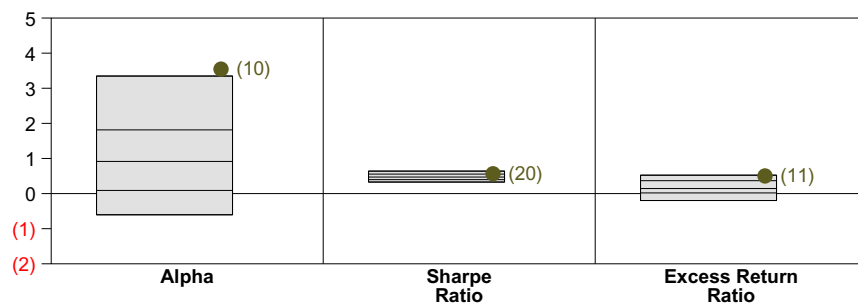
Performance vs CAI Non US Equity Mutual Funds (Net)



Cumulative and Quarterly Relative Return vs MSCI ACWixUS Gross



Risk Adjusted Return Measures vs MSCI ACWixUS Gross Rankings Against CAI Non US Equity Mutual Funds (Net) Five Years Ended March 31, 2017



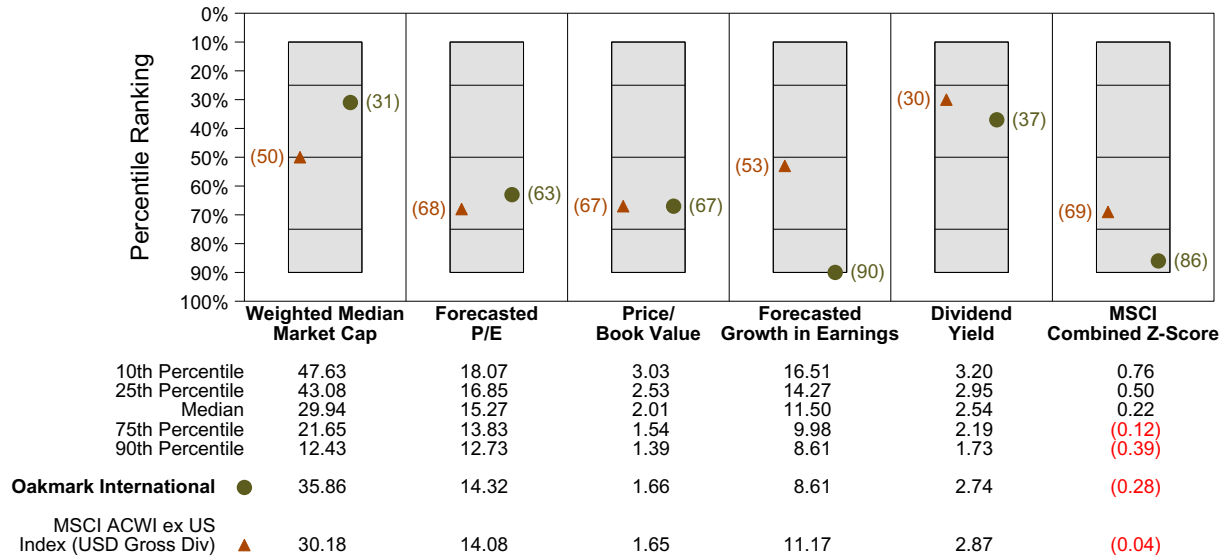
| | | | |
|------------------------------|-------------|-------------|-------------|
| 10th Percentile | 3.35 | 0.64 | 0.52 |
| 25th Percentile | 1.81 | 0.56 | 0.37 |
| Median | 0.92 | 0.47 | 0.14 |
| 75th Percentile | 0.09 | 0.40 | 0.02 |
| 90th Percentile | (0.60) | 0.33 | (0.20) |
| Oakmark International | 3.54 | 0.56 | 0.50 |

Oakmark International Equity Characteristics Analysis Summary

Portfolio Characteristics

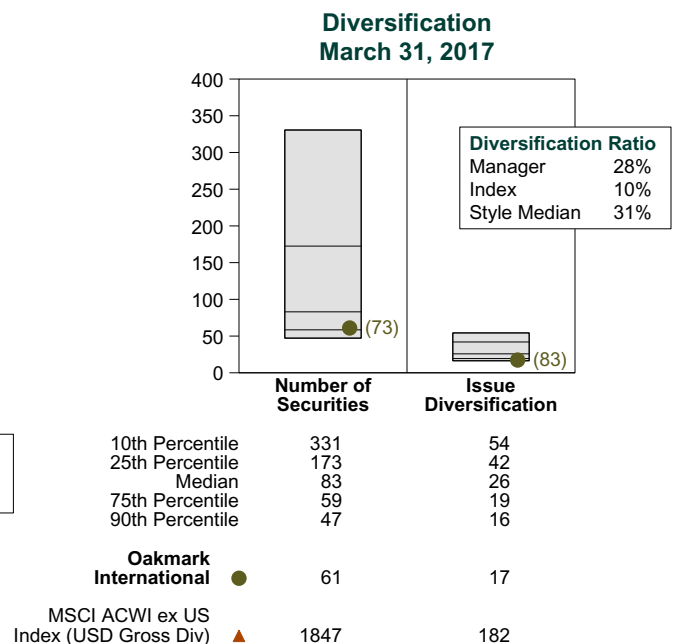
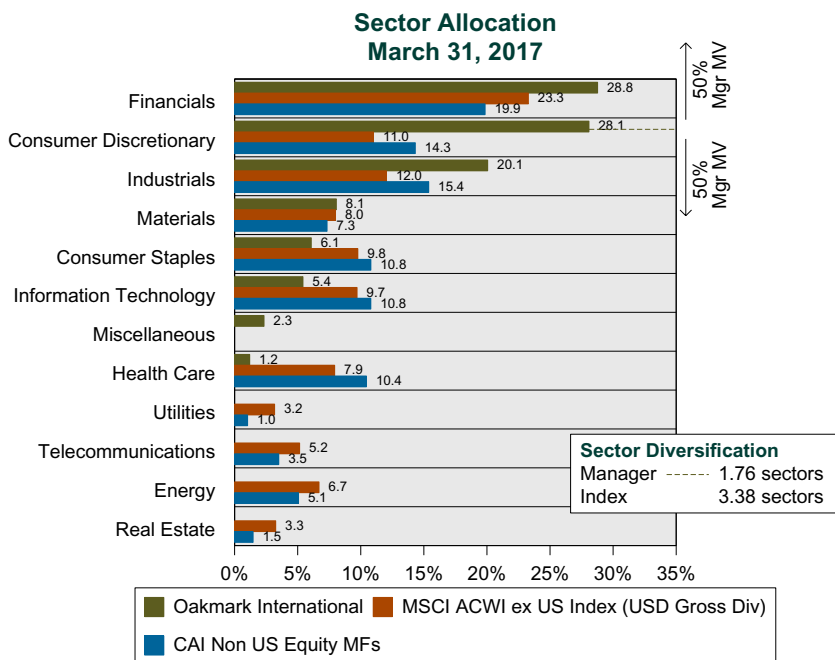
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Portfolio Characteristics Percentile Rankings Rankings Against CAI Non US Equity Mutual Funds as of March 31, 2017



Sector Weights

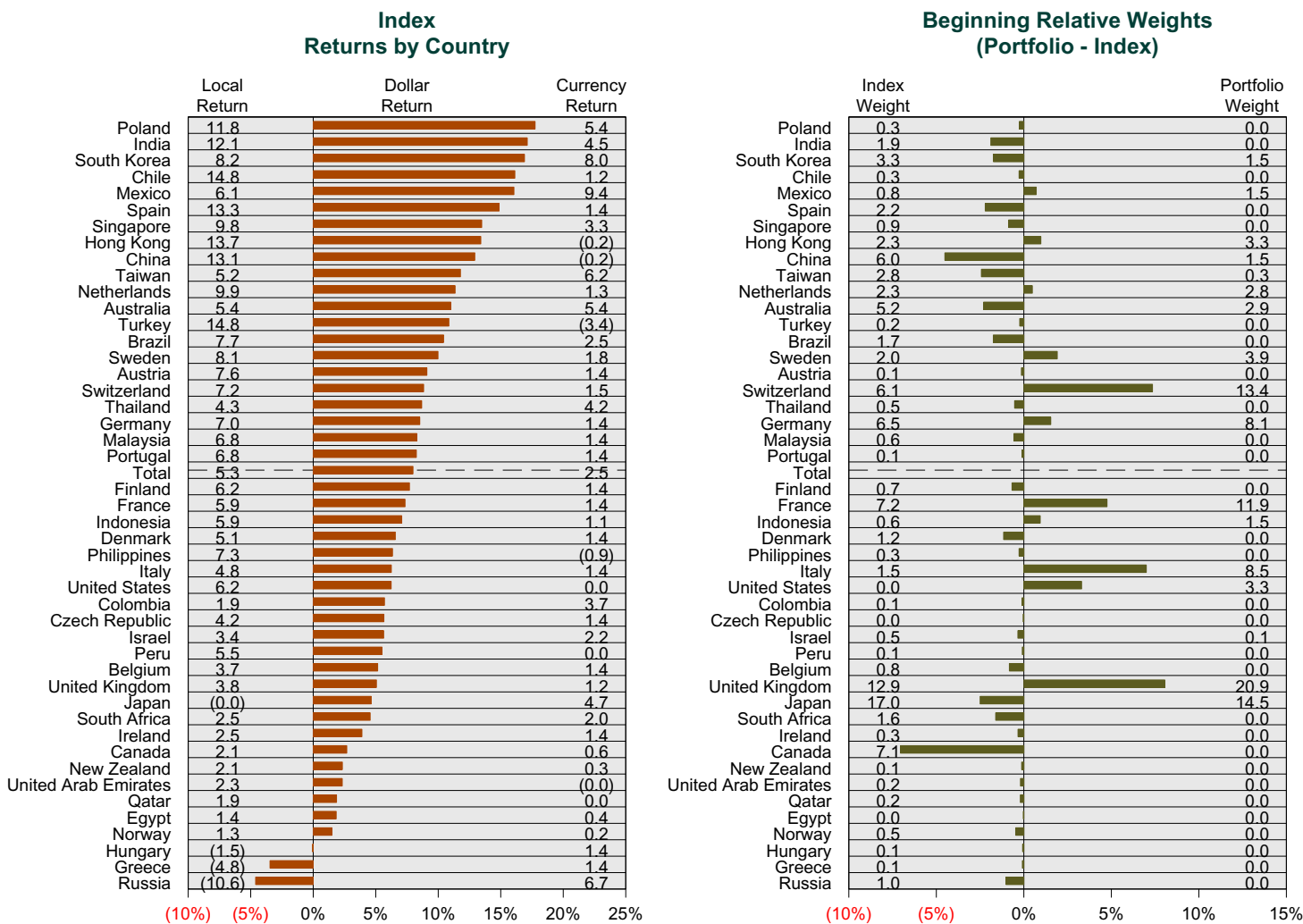
The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration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



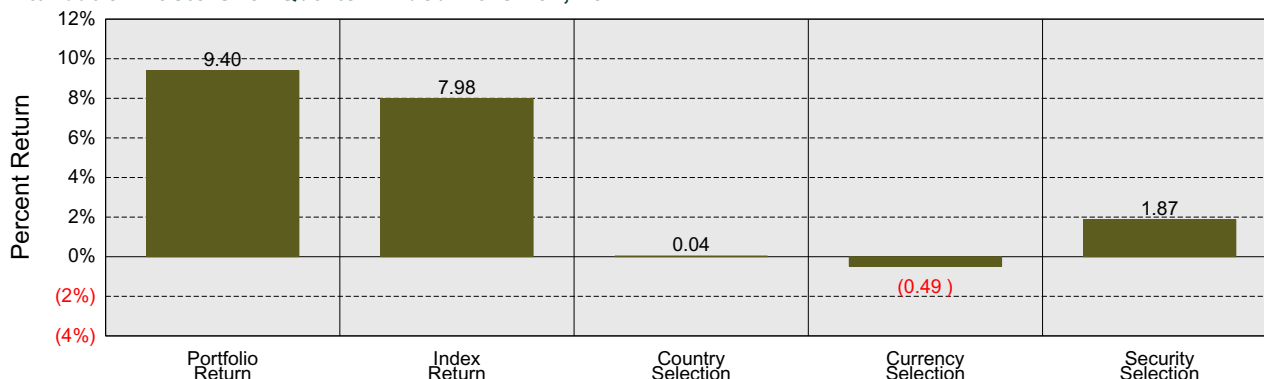
Oakmark International vs MSCI ACWIxUS Gross Attribution for Quarter Ended March 31, 2017

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 March 31, 2017



Mondrian International Period Ended March 31, 2017

Investment Philosophy

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

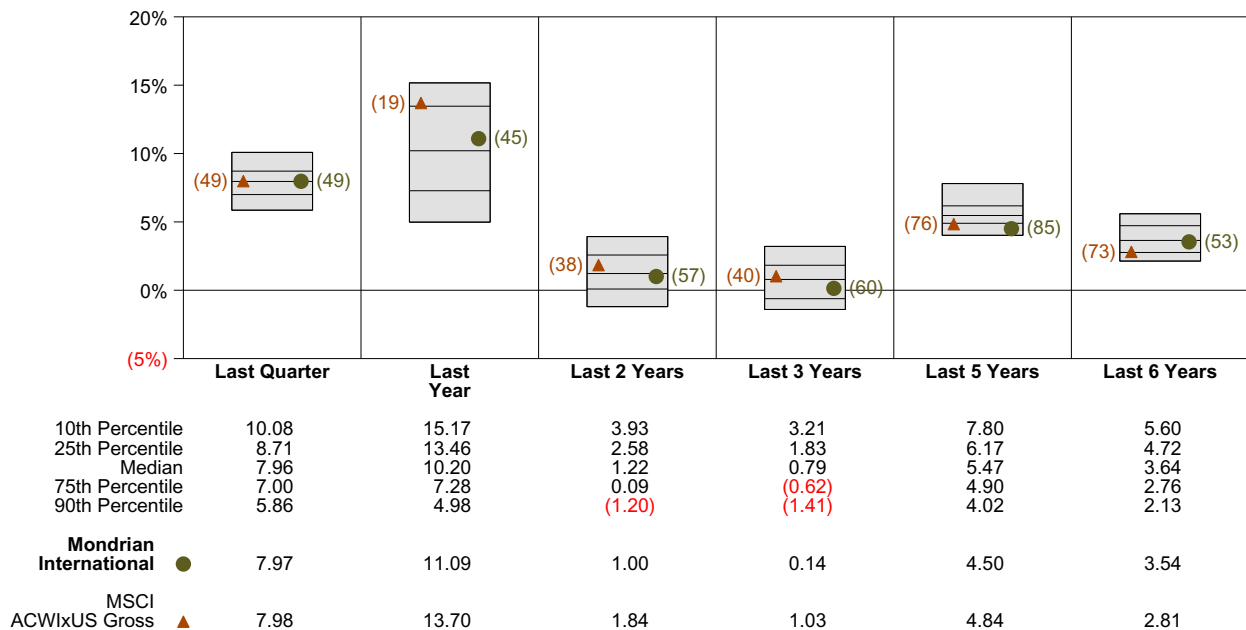
Quarterly Summary and Highlights

- Mondrian International's portfolio posted a 7.97% return for the quarter placing it in the 49 percentile of the CAI Non US Equity Mutual Funds group for the quarter and in the 45 percentile for the last year.
- Mondrian International's portfolio underperformed the MSCI ACWixUS Gross by 0.01% for the quarter and underperformed the MSCI ACWixUS Gross for the year by 2.61%.

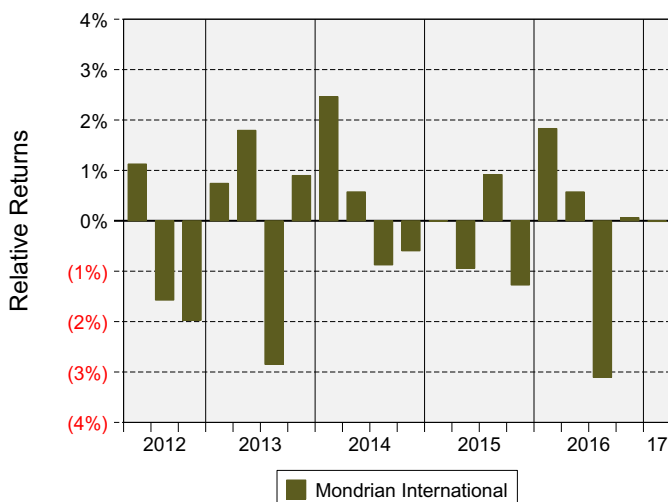
Quarterly Asset Growth

| | |
|---------------------------|--------------|
| Beginning Market Value | \$28,095,195 |
| Net New Investment | \$0 |
| Investment Gains/(Losses) | \$2,298,232 |
| Ending Market Value | \$30,393,427 |

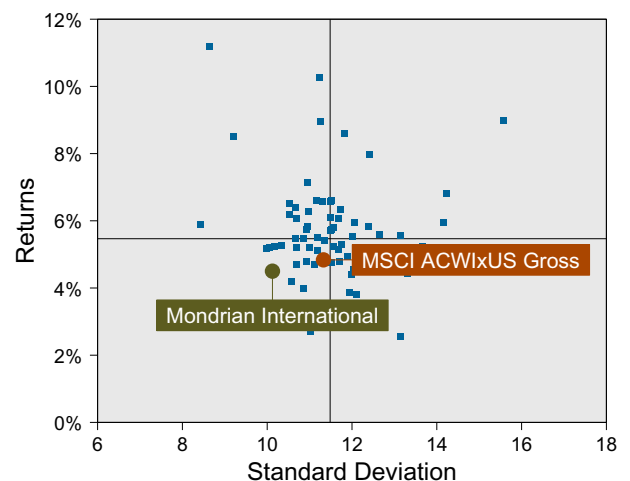
Performance vs CAI Non US Equity Mutual Funds (Net)



Relative Return vs MSCI ACWixUS Gross



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

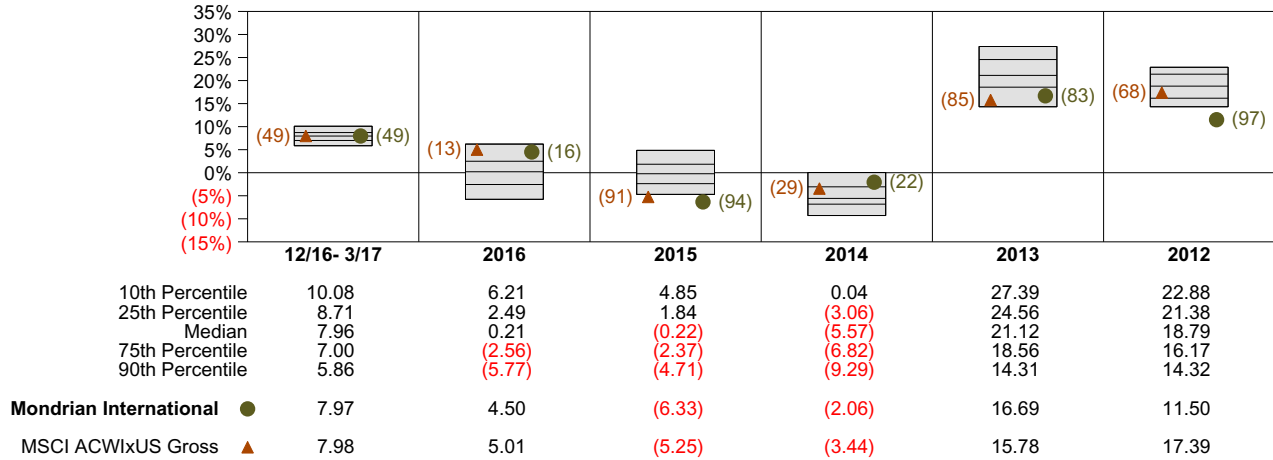


Mondrian International Return Analysis Summary

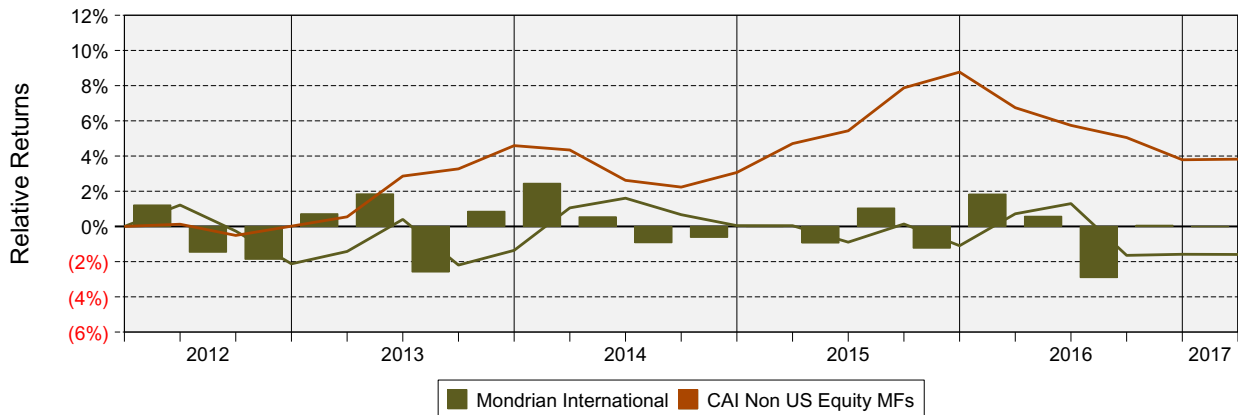
Return Analysis

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

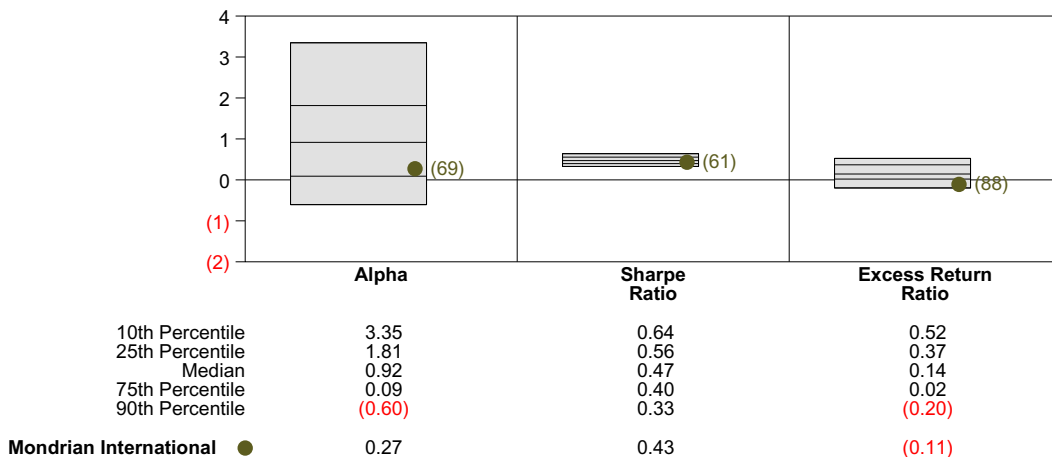
Performance vs CAI Non US Equity Mutual Funds (Net)



Cumulative and Quarterly Relative Return vs MSCI ACWixUS Gross



Risk Adjusted Return Measures vs MSCI ACWixUS Gross Rankings Against CAI Non US Equity Mutual Funds (Net) Five Years Ended March 31, 2017

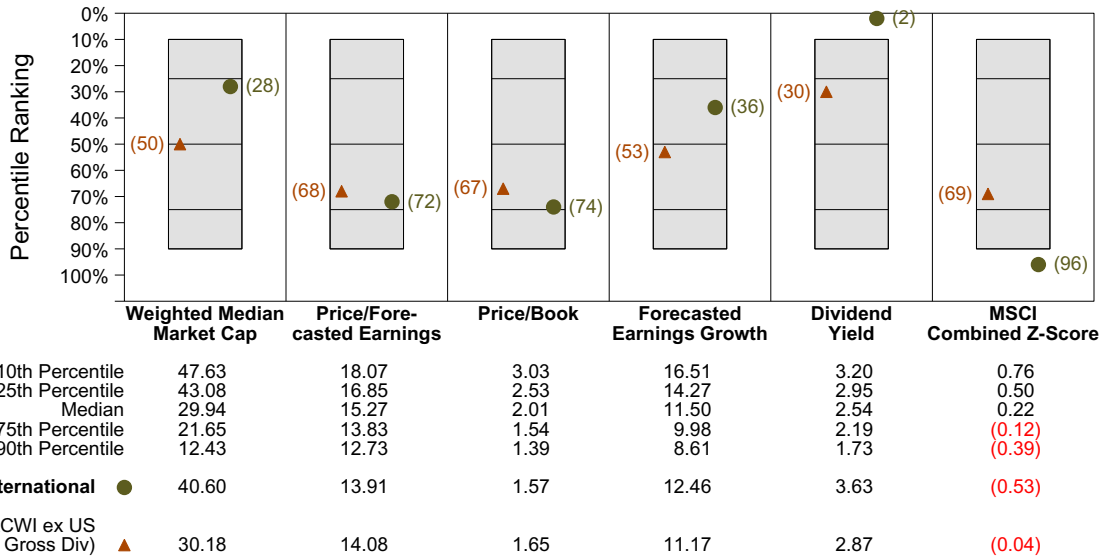


Mondrian International Equity Characteristics Analysis Summary

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.

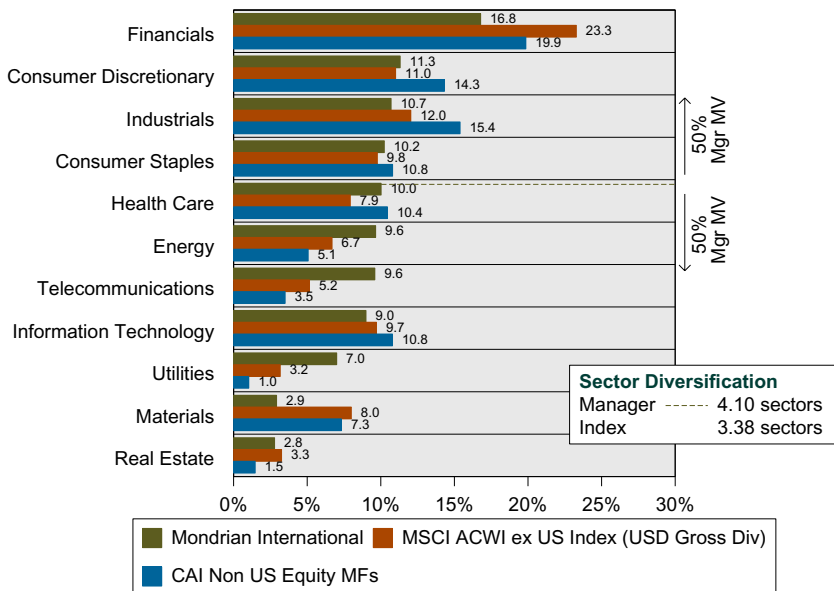
Portfolio Characteristics Percentile Rankings Rankings Against CAI Non US Equity Mutual Funds as of March 31, 2017



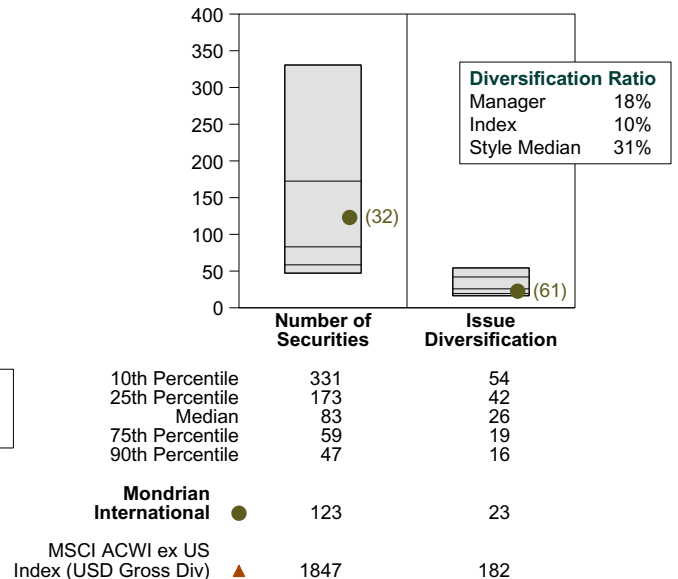
Sector Weights

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 March 31, 2017



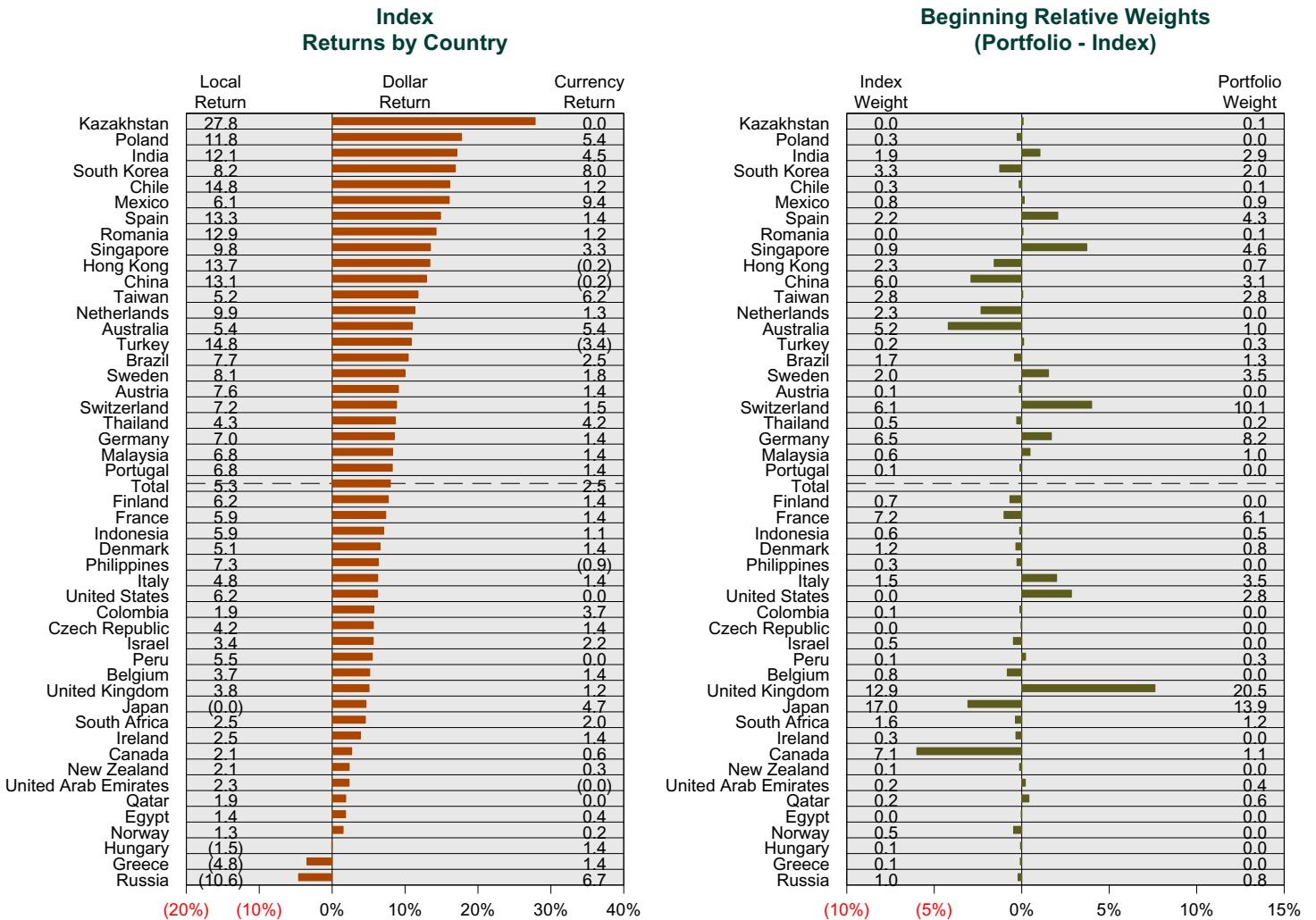
Diversification March 31, 2017



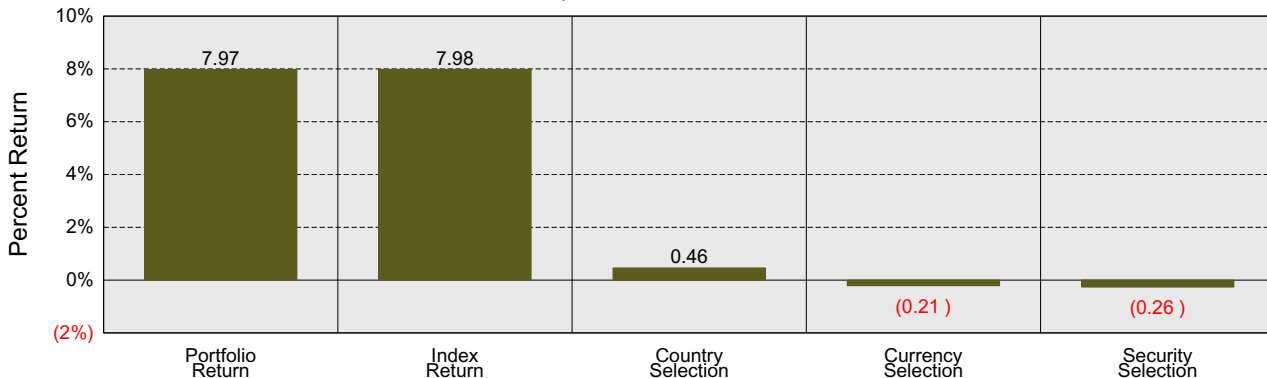
Mondrian International vs MSCI ACWixUS Gross Attribution for Quarter Ended March 31, 2017

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 March 31, 2017



Domestic Fixed Income Composite Period Ended March 31, 2017

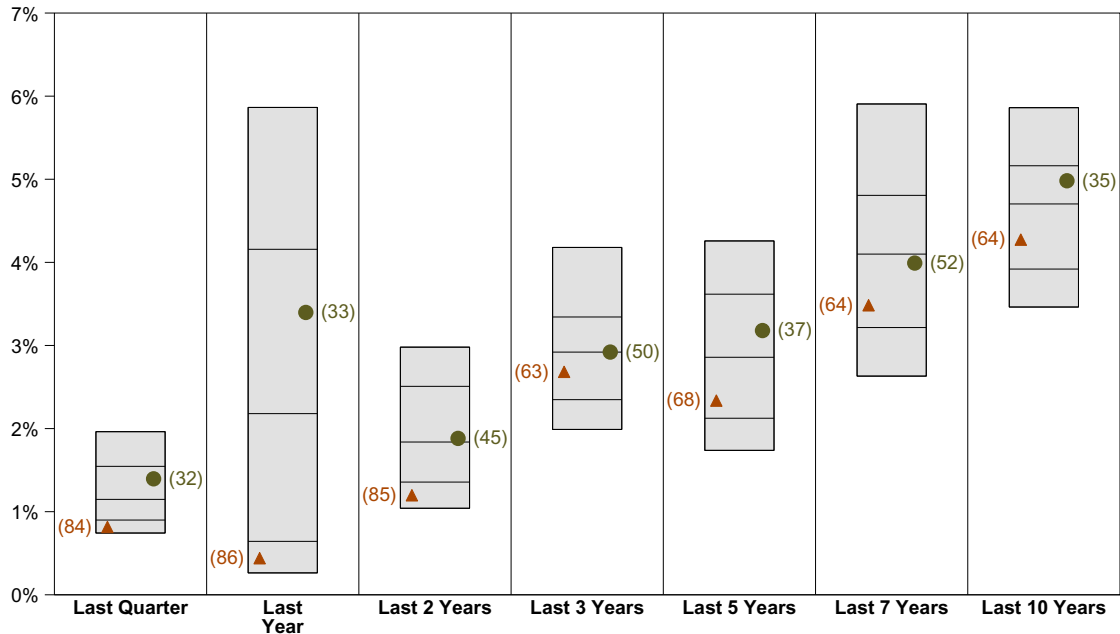
Quarterly Summary and Highlights

- Domestic Fixed Income Composite's portfolio posted a 1.40% return for the quarter placing it in the 32 percentile of the Pub Pln- Domestic Fixed group for the quarter and in the 33 percentile for the last year.
- Domestic Fixed Income Composite's portfolio outperformed the Blmbg Aggregate by 0.58% for the quarter and outperformed the Blmbg Aggregate for the year by 2.96%.

Quarterly Asset Growth

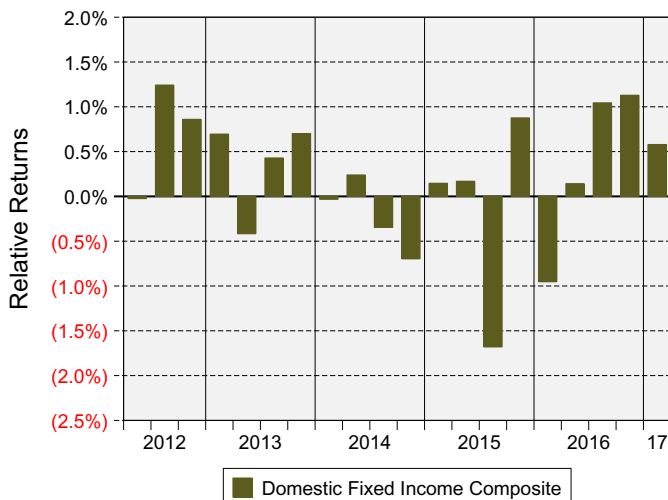
| | |
|---------------------------|--------------|
| Beginning Market Value | \$95,227,788 |
| Net New Investment | \$0 |
| Investment Gains/(Losses) | \$1,328,767 |
| Ending Market Value | \$96,556,555 |

Performance vs Pub Pln- Domestic Fixed (Gross)

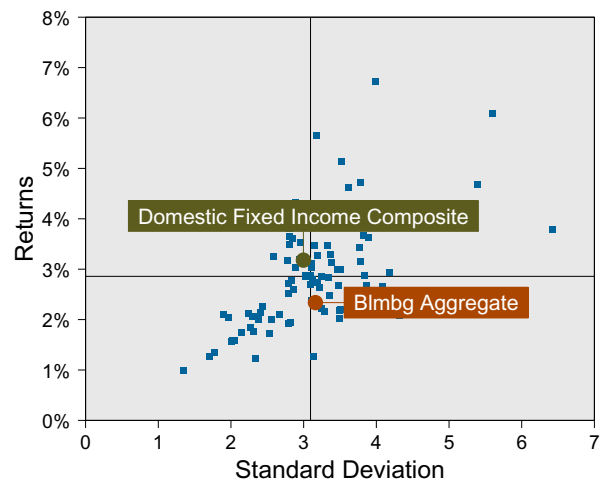


| | | | | | | | |
|--|---------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 10th Percentile | 1.96 | 5.86 | 2.98 | 4.18 | 4.26 | 5.91 | 5.86 |
| 25th Percentile | 1.55 | 4.16 | 2.51 | 3.34 | 3.62 | 4.81 | 5.16 |
| Median | 1.15 | 2.18 | 1.84 | 2.92 | 2.86 | 4.10 | 4.70 |
| 75th Percentile | 0.90 | 0.64 | 1.36 | 2.35 | 2.12 | 3.22 | 3.92 |
| 90th Percentile | 0.74 | 0.26 | 1.04 | 1.99 | 1.74 | 2.63 | 3.46 |
| Domestic Fixed Income Composite | ● 1.40 | 3.40 | 1.88 | 2.92 | 3.18 | 3.99 | 4.98 |
| Blmbg Aggregate | ▲ 0.82 | 0.44 | 1.20 | 2.68 | 2.34 | 3.48 | 4.27 |

Relative Return vs Blmbg Aggregate



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

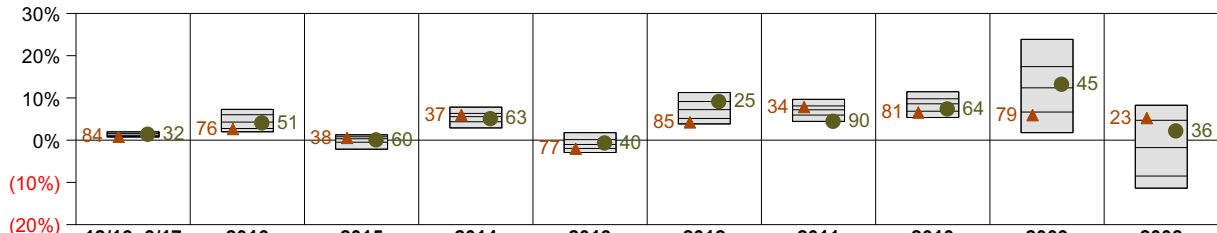


Domestic Fixed Income Composite Return Analysis Summary

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

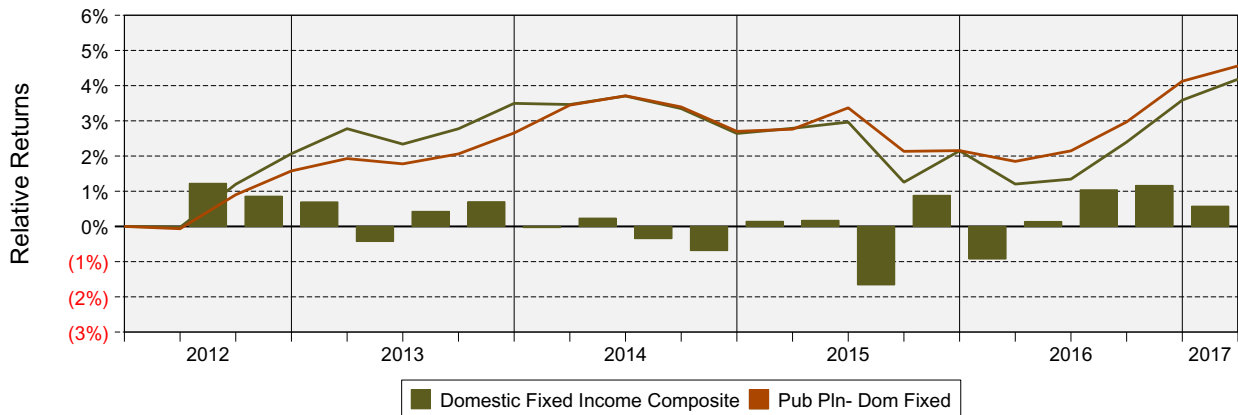
Performance vs Pub Pln- Domestic Fixed (Gross)



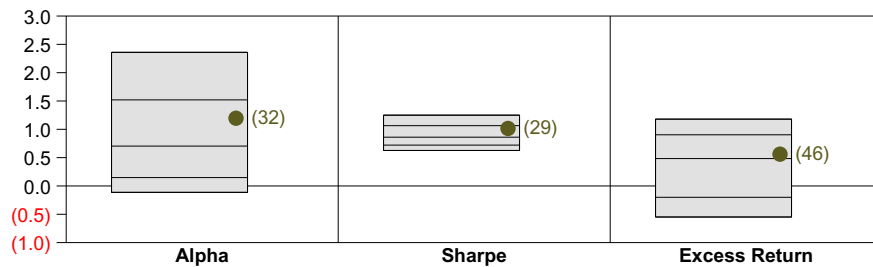
| | 12/16- 3/17 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|-----------------|-------------|------|--------|------|--------|-------|------|-------|-------|---------|
| 10th Percentile | 1.96 | 7.29 | 1.26 | 7.82 | 1.78 | 11.28 | 9.66 | 11.47 | 23.86 | 8.26 |
| 25th Percentile | 1.55 | 6.02 | 0.80 | 6.33 | 0.12 | 9.15 | 8.11 | 9.80 | 17.41 | 4.70 |
| Median | 1.15 | 4.28 | 0.34 | 5.57 | (1.02) | 7.23 | 7.19 | 8.60 | 12.39 | (1.76) |
| 75th Percentile | 0.90 | 2.76 | (0.49) | 4.35 | (1.96) | 5.14 | 5.94 | 6.85 | 6.66 | (8.50) |
| 90th Percentile | 0.74 | 1.98 | (2.14) | 2.89 | (2.92) | 3.84 | 4.44 | 5.36 | 1.77 | (11.37) |

| | 12/16- 3/17 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|--|-------------|------|------|------|--------|------|------|------|-------|------|
| Domestic Fixed Income Composite ● | 1.40 | 4.10 | 0.07 | 5.09 | (0.65) | 9.15 | 4.47 | 7.39 | 13.24 | 2.19 |
| Blmbg Aggregate ▲ | 0.82 | 2.65 | 0.55 | 5.97 | (2.02) | 4.21 | 7.84 | 6.54 | 5.93 | 5.24 |

Cumulative and Quarterly Relative Return vs Blmbg Aggregate



Risk Adjusted Return Measures vs Blmbg Aggregate Rankings Against Pub Pln- Domestic Fixed (Gross) Five Years Ended March 31, 2017



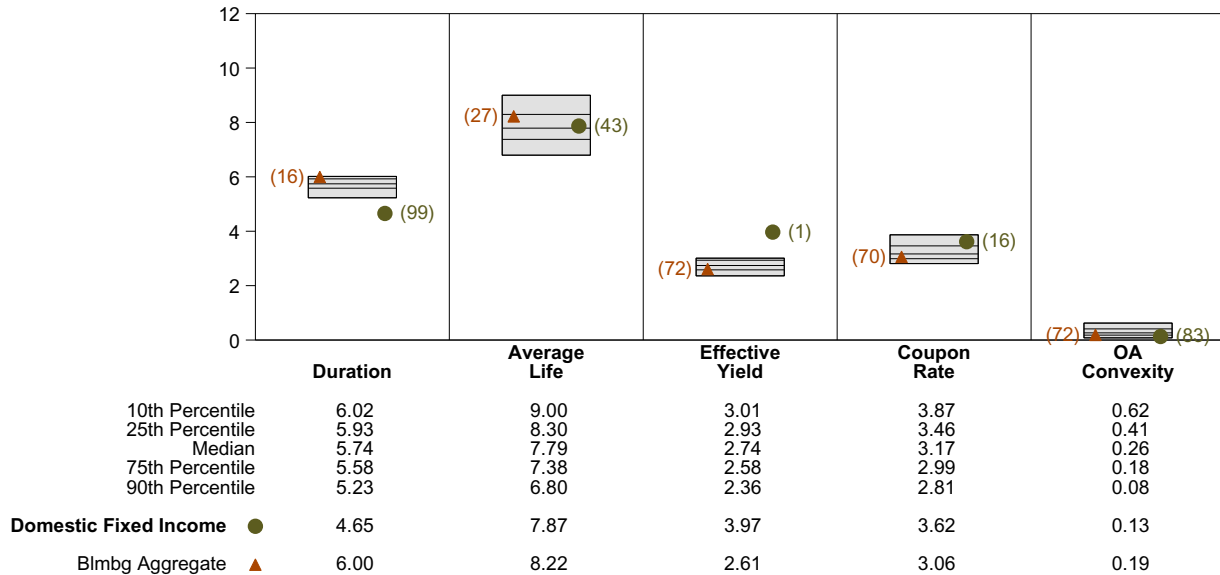
| | Alpha | Sharpe Ratio | Excess Return Ratio |
|--|--------|--------------|---------------------|
| 10th Percentile | 2.36 | 1.25 | 1.18 |
| 25th Percentile | 1.52 | 1.06 | 0.90 |
| Median | 0.70 | 0.86 | 0.48 |
| 75th Percentile | 0.15 | 0.72 | (0.20) |
| 90th Percentile | (0.11) | 0.63 | (0.55) |
| Domestic Fixed Income Composite ● | 1.20 | 1.01 | 0.56 |

Domestic Fixed Income Bond Characteristics Analysis Summary

Portfolio Characteristics

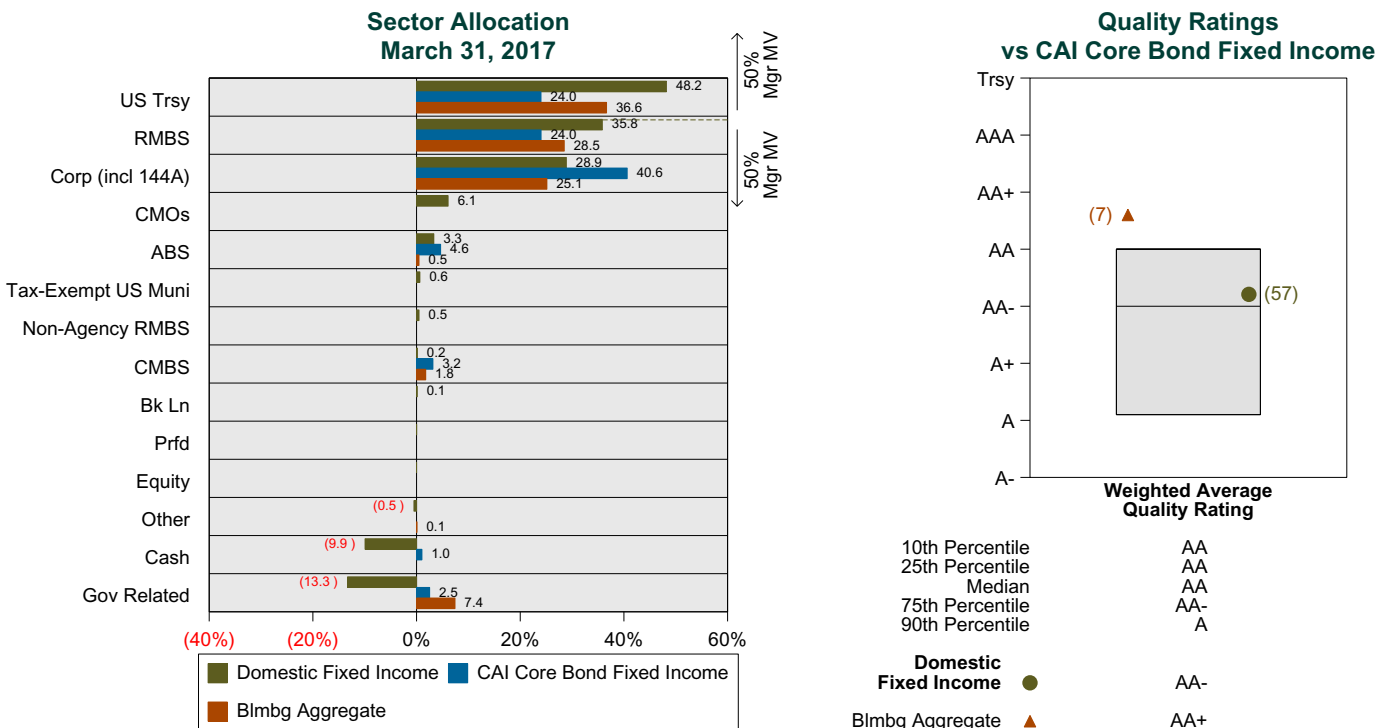
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Fixed Income Portfolio Characteristics Rankings Against CAI Core Bond Fixed Income as of March 31, 2017



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 March 31, 2017

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.

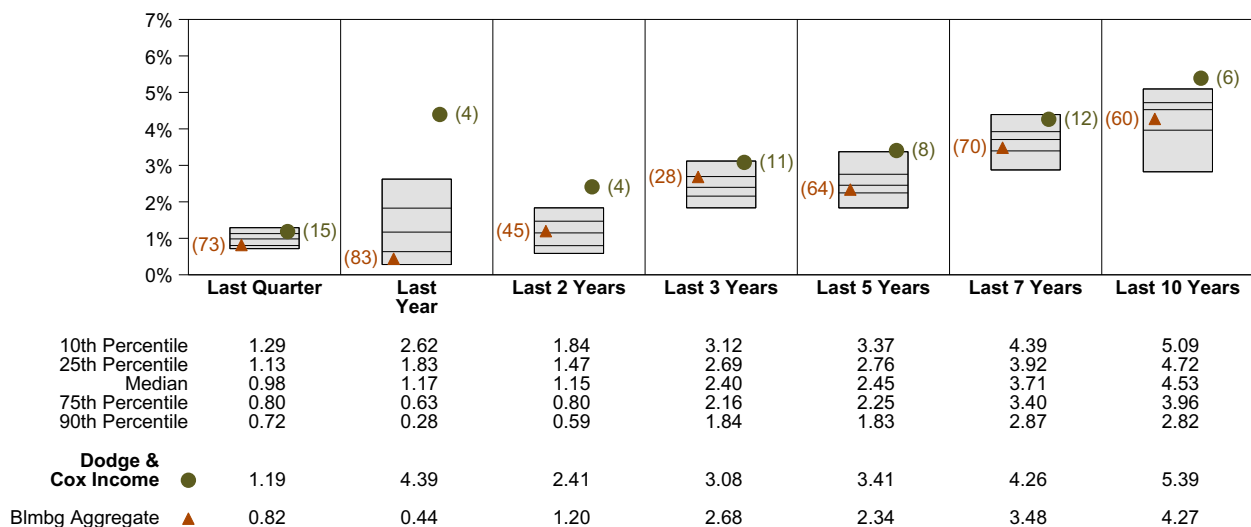
Quarterly Summary and Highlights

- Dodge & Cox Income's portfolio posted a 1.19% return for the quarter placing it in the 15 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 by 0.37% for the quarter and outperformed the Blmbg Aggregate for the year by 3.95%.

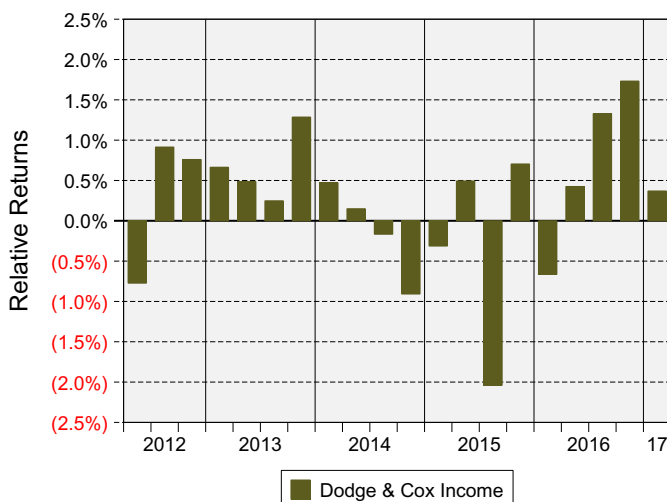
Quarterly Asset Growth

| | |
|---------------------------|--------------|
| Beginning Market Value | \$48,137,991 |
| Net New Investment | \$0 |
| Investment Gains/(Losses) | \$570,577 |
| Ending Market Value | \$48,708,568 |

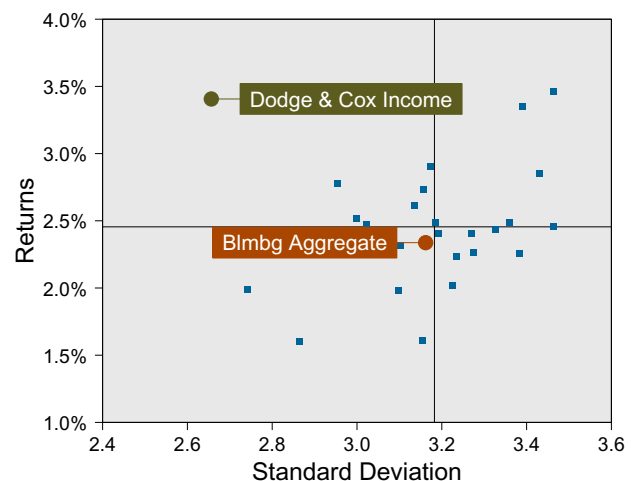
Performance vs CAI Core Bond Mutual Funds (Net)



Relative Return vs Blmbg Aggregate



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

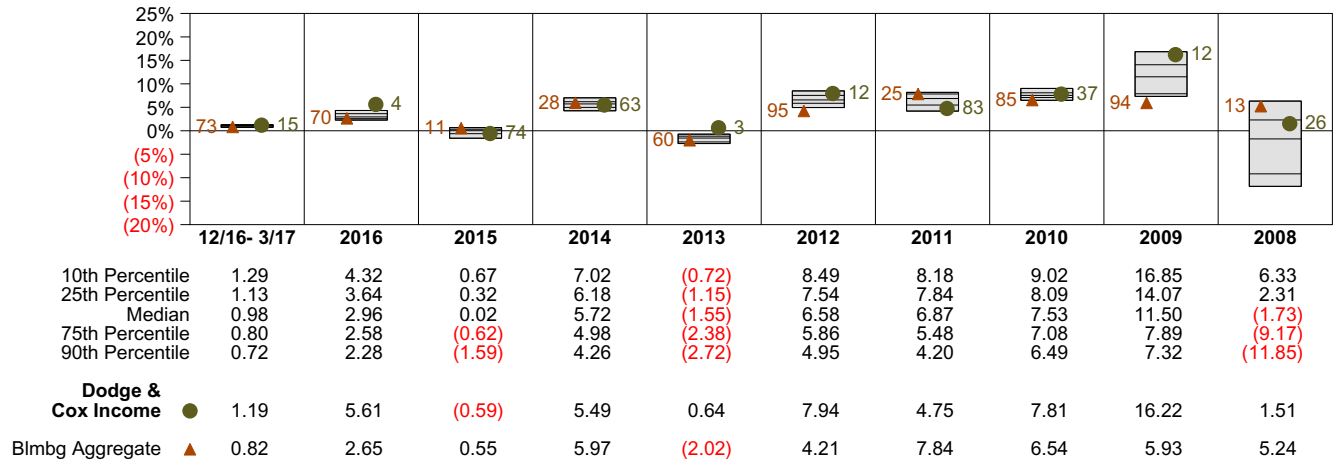


Dodge & Cox Income Return Analysis Summary

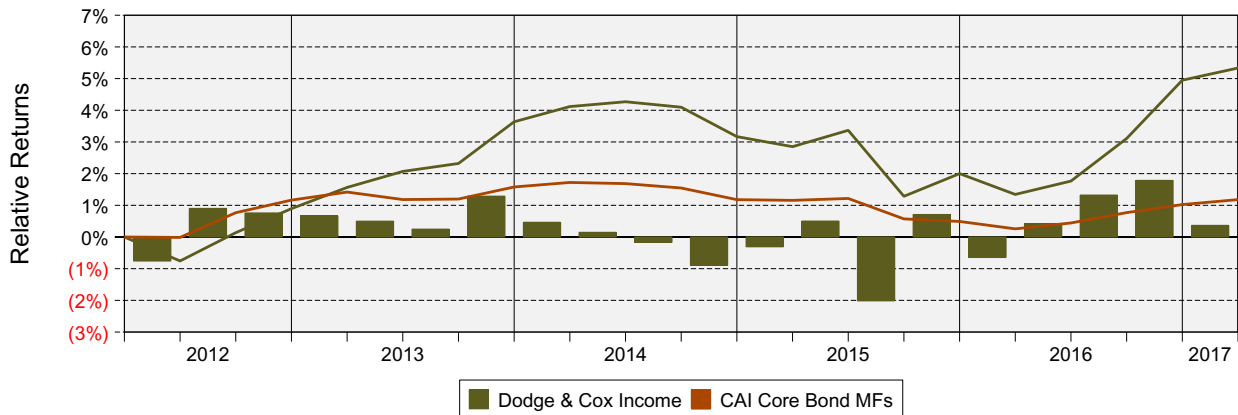
Return Analysis

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

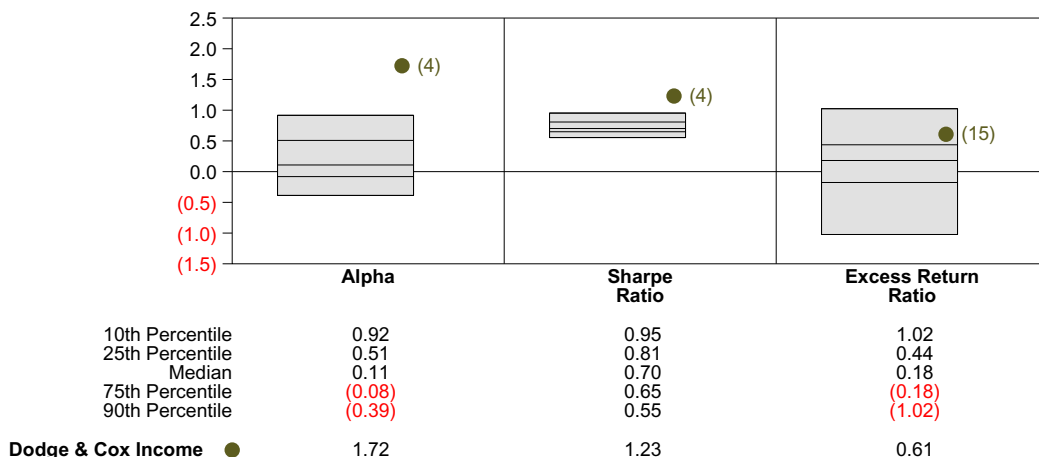
Performance vs CAI Core Bond Mutual Funds (Net)



Cumulative and Quarterly Relative Return vs Blmbg Aggregate



Risk Adjusted Return Measures vs Blmbg Aggregate Rankings Against CAI Core Bond Mutual Funds (Net) Five Years Ended March 31, 2017

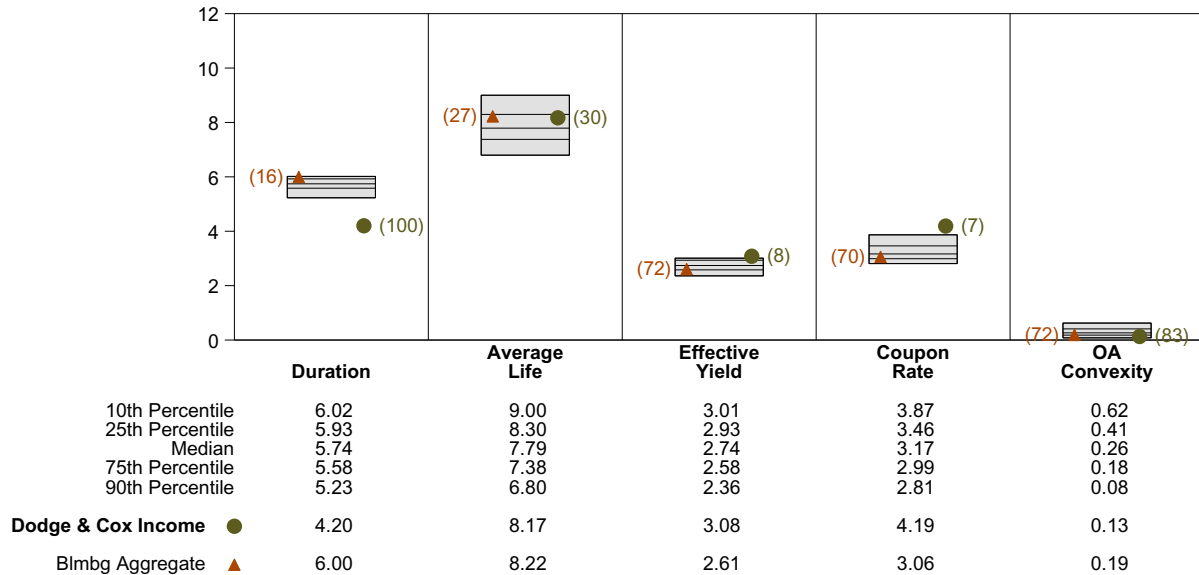


Dodge & Cox Income Bond Characteristics Analysis Summary

Portfolio Characteristics

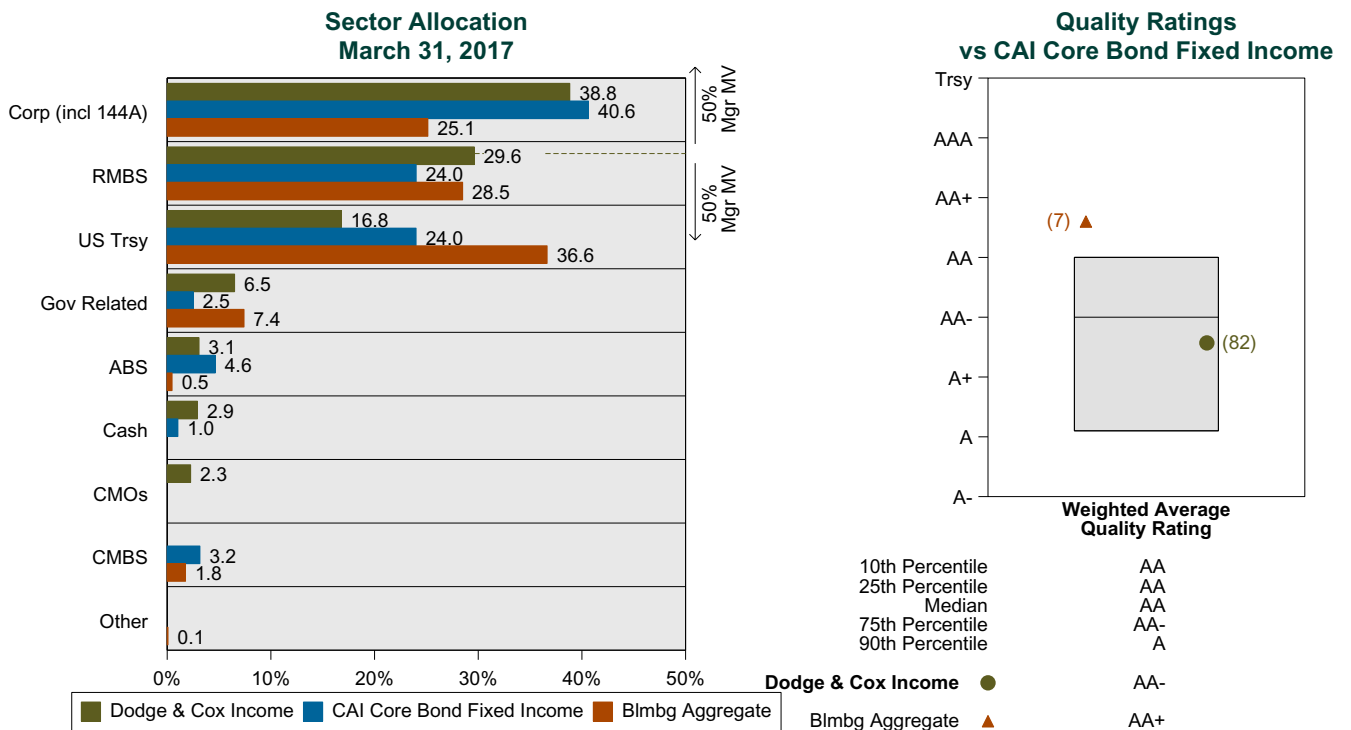
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Fixed Income Portfolio Characteristics Rankings Against CAI Core Bond Fixed Income as of March 31, 2017



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 March 31, 2017

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.

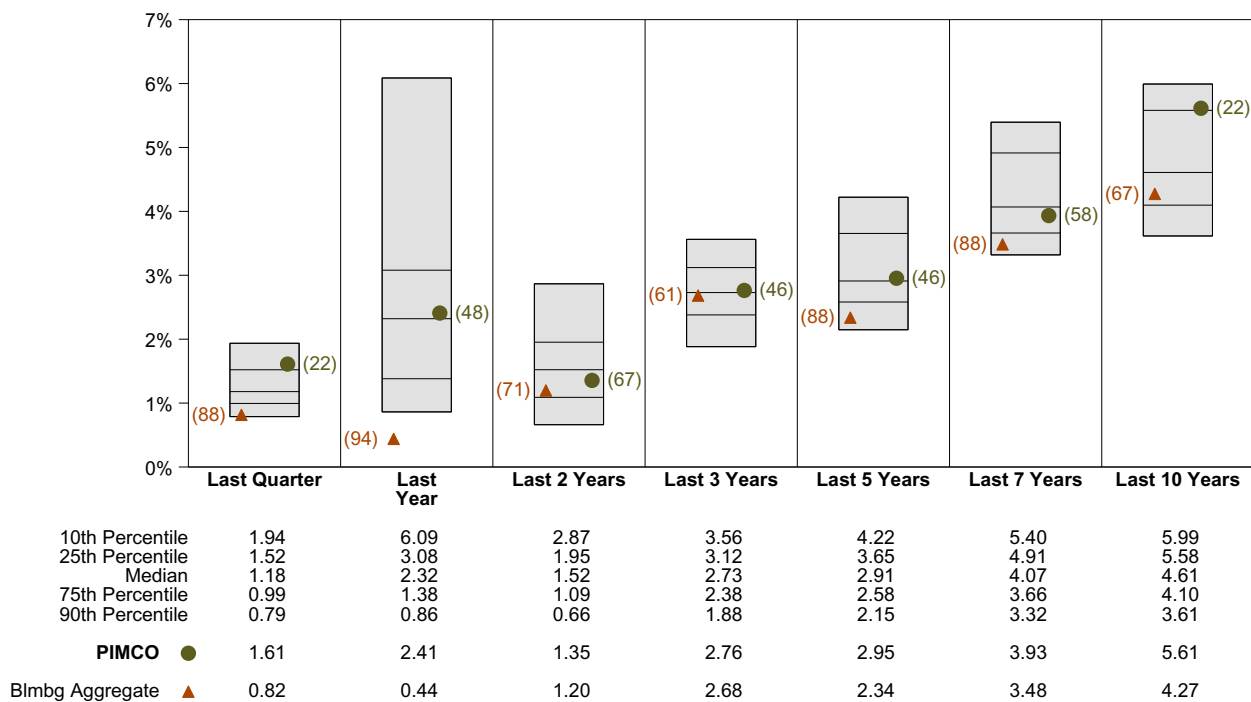
Quarterly Summary and Highlights

- PIMCO's portfolio posted a 1.61% return for the quarter placing it in the 22 percentile of the CAI Core Plus Mutual Funds group for the quarter and in the 48 percentile for the last year.
- PIMCO's portfolio outperformed the Blmbg Aggregate by 0.79% for the quarter and outperformed the Blmbg Aggregate for the year by 1.97%.

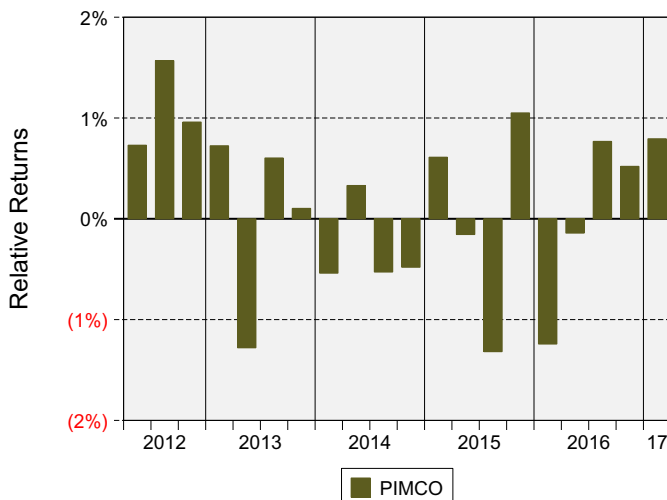
Quarterly Asset Growth

| | |
|---------------------------|--------------|
| Beginning Market Value | \$47,089,798 |
| Net New Investment | \$0 |
| Investment Gains/(Losses) | \$758,189 |
| Ending Market Value | \$47,847,987 |

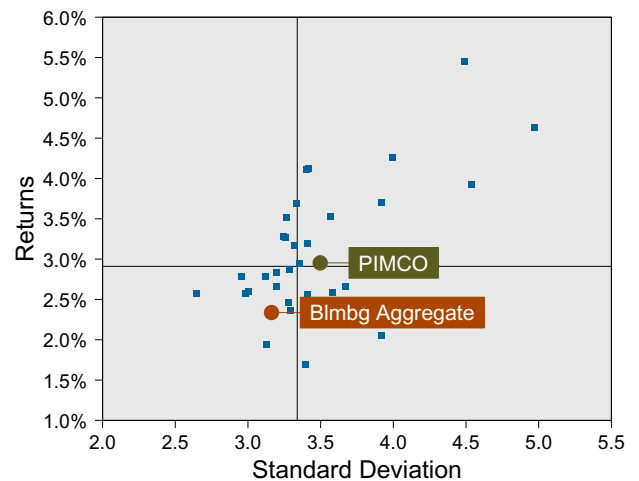
Performance vs CAI Core Plus Mutual Funds (Net)



Relative Return vs Blmbg Aggregate



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

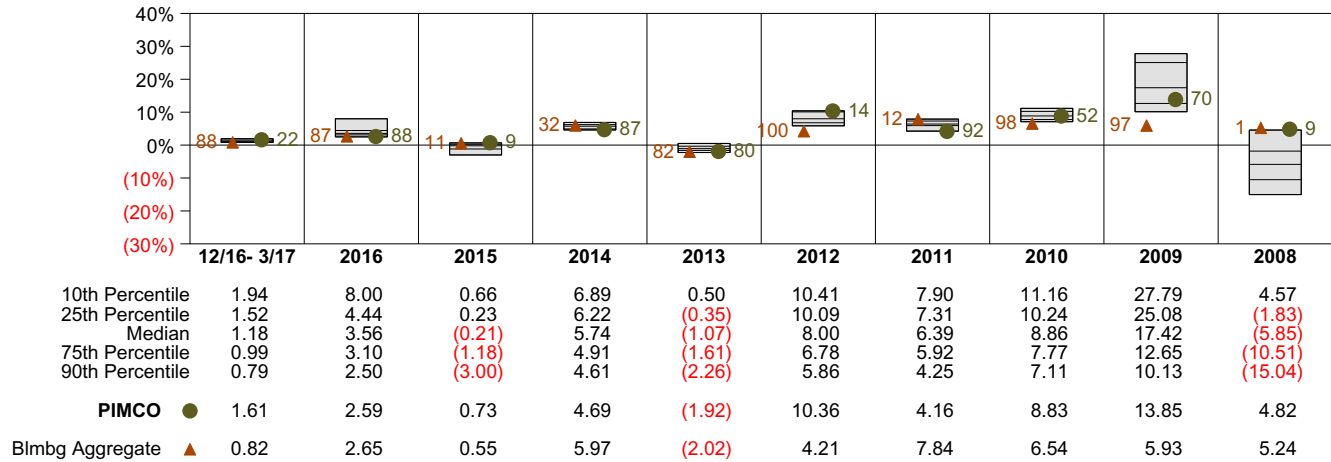


PIMCO Return Analysis Summary

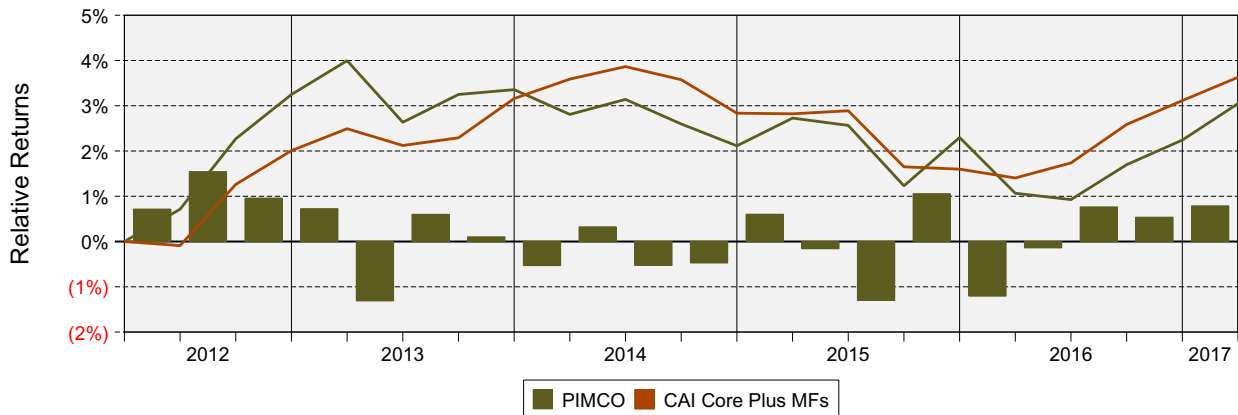
Return Analysis

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

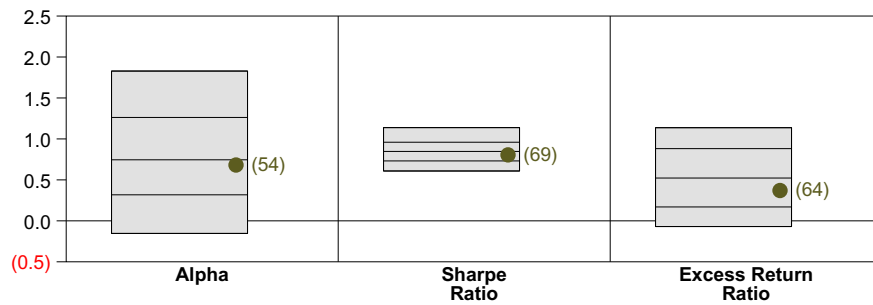
Performance vs CAI Core Plus Mutual Funds (Net)



Cumulative and Quarterly Relative Return vs Blmbg Aggregate



Risk Adjusted Return Measures vs Blmbg Aggregate Rankings Against CAI Core Plus Mutual Funds (Net) Five Years Ended March 31, 2017



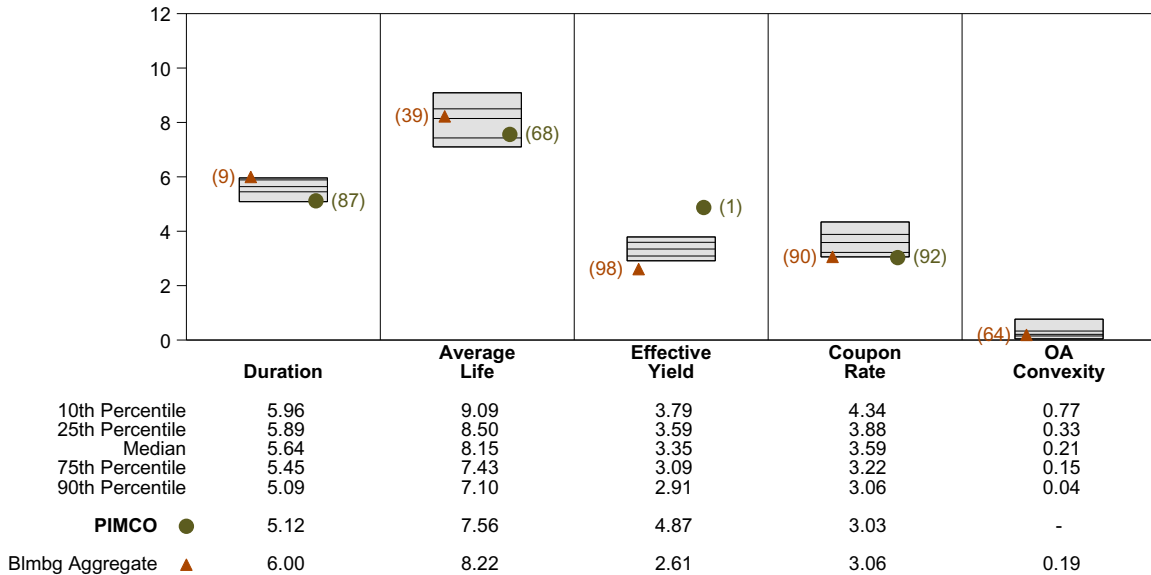
| | Alpha | Sharpe Ratio | Excess Return Ratio |
|-----------------|--------|--------------|---------------------|
| 10th Percentile | 1.83 | 1.14 | 1.14 |
| 25th Percentile | 1.26 | 0.96 | 0.88 |
| Median | 0.74 | 0.85 | 0.52 |
| 75th Percentile | 0.32 | 0.73 | 0.17 |
| 90th Percentile | (0.15) | 0.61 | (0.07) |
| PIMCO | ● 0.68 | 0.81 | 0.37 |

PIMCO Bond Characteristics Analysis Summary

Portfolio Characteristics

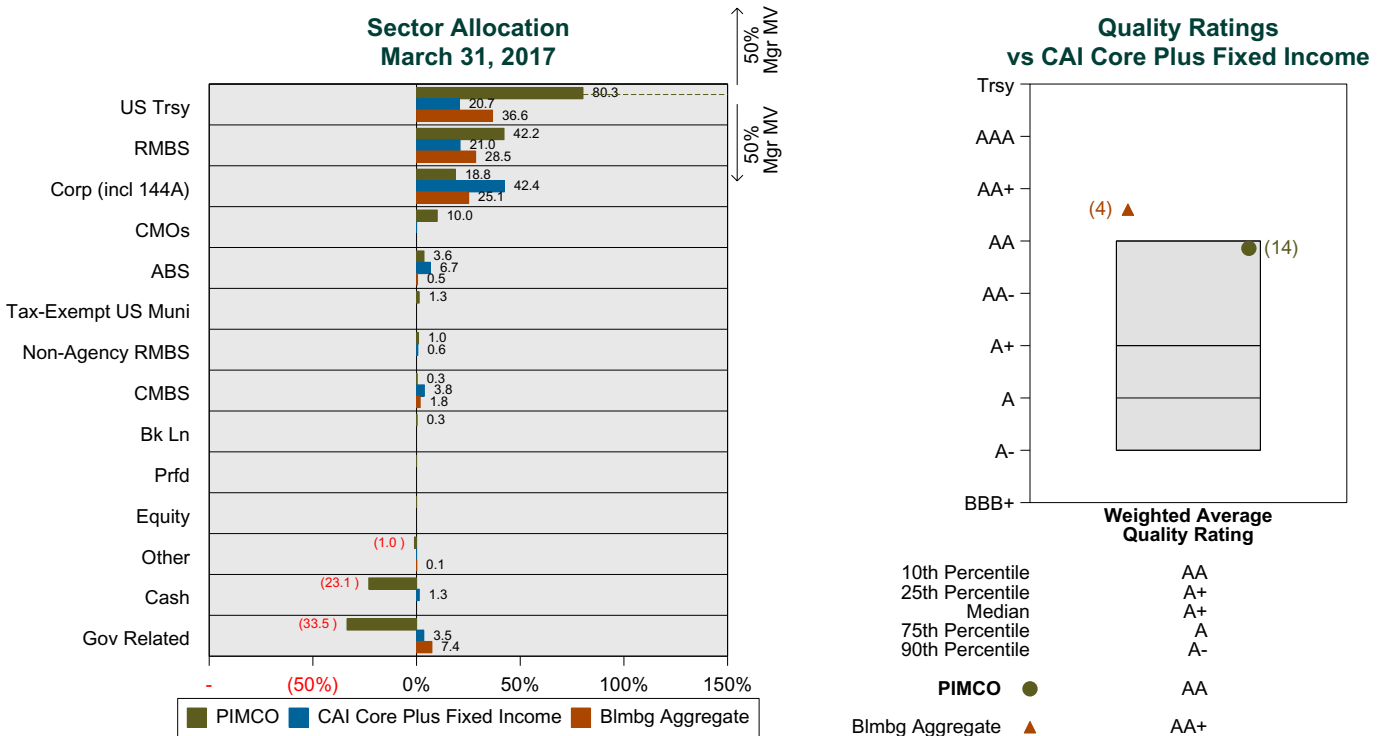
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Fixed Income Portfolio Characteristics Rankings Against CAI Core Plus Fixed Income as of March 31, 2017



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 March 31, 2017

Investment Philosophy

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

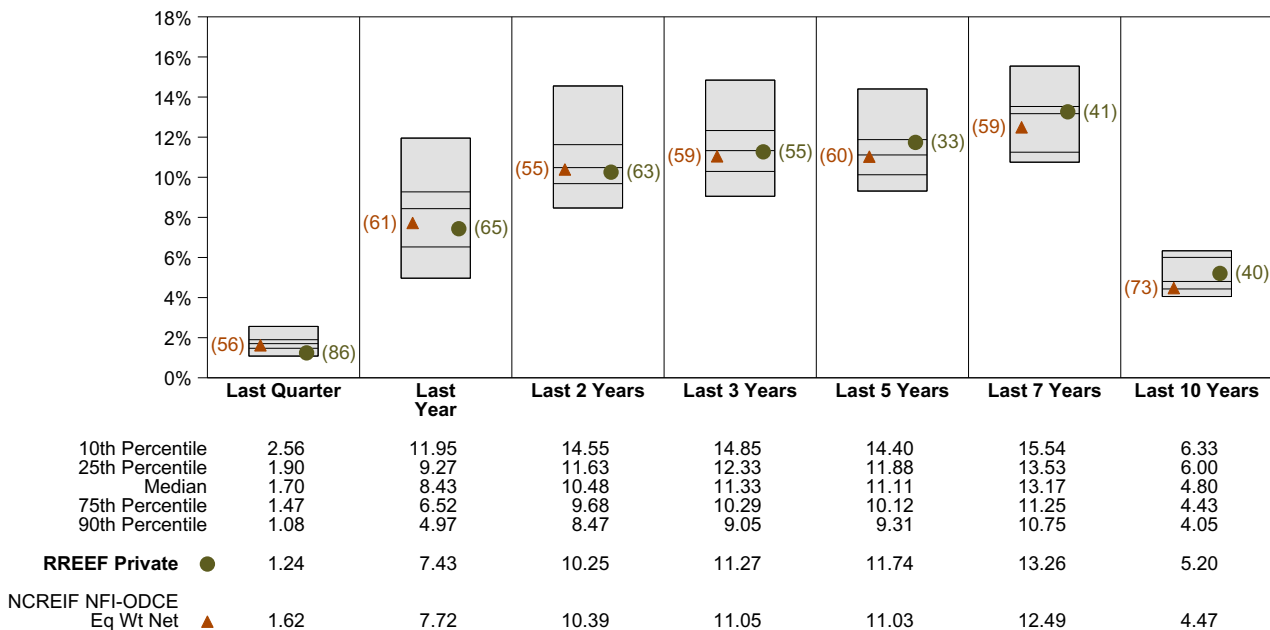
Quarterly Summary and Highlights

- RREEF Private's portfolio posted a 1.24% return for the quarter placing it in the 86 percentile of the CAI Open End Core Commingled Real Estate group for the quarter and in the 65 percentile for the last year.
- RREEF Private's portfolio underperformed the NCREIF NFI-ODCE Eq Wt Net by 0.38% for the quarter and underperformed the NCREIF NFI-ODCE Eq Wt Net for the year by 0.29%.

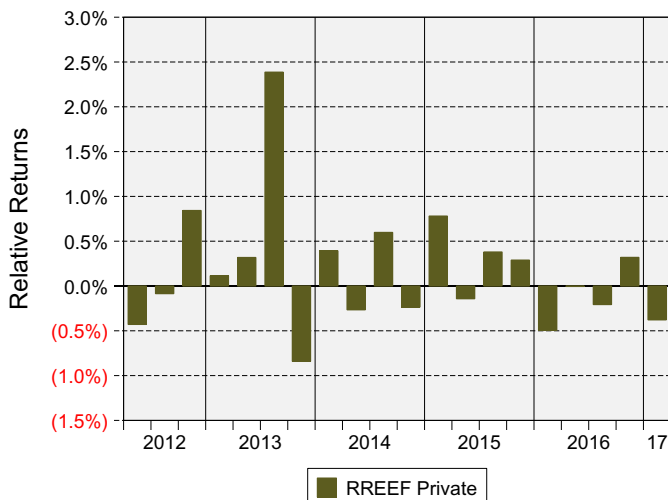
Quarterly Asset Growth

| | |
|---------------------------|--------------|
| Beginning Market Value | \$20,428,994 |
| Net New Investment | \$0 |
| Investment Gains/(Losses) | \$253,826 |
| Ending Market Value | \$20,682,820 |

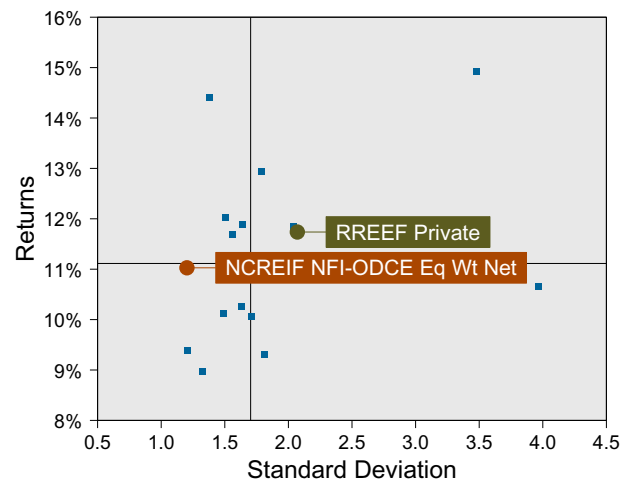
Performance vs CAI Open End Core Commingled Real Estate (Net)



Relative Returns vs NCREIF NFI-ODCE Eq Wt Net



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



Barings Core Property Fund Period Ended March 31, 2017

Investment Philosophy

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

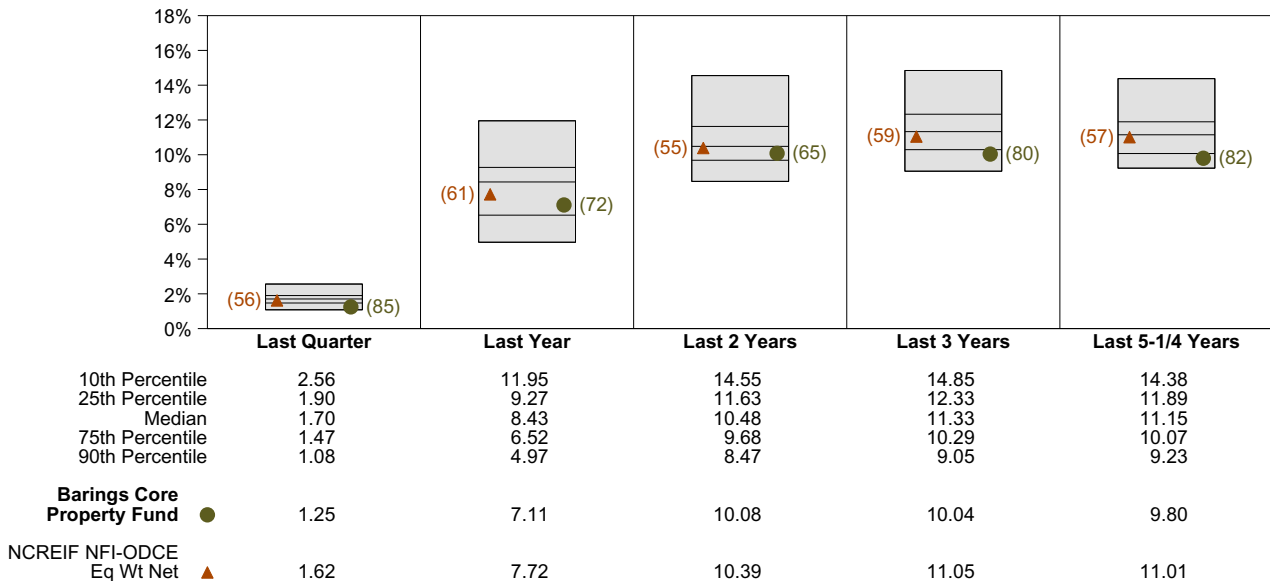
Quarterly Summary and Highlights

- Barings Core Property Fund's portfolio posted a 1.25% return for the quarter placing it in the 85 percentile of the CAI Open End Core Commingled Real Estate group for the quarter and in the 72 percentile for the last year.
- Barings Core Property Fund's portfolio underperformed the NCREIF NFI-ODCE Eq Wt Net by 0.37% for the quarter and underperformed the NCREIF NFI-ODCE Eq Wt Net for the year by 0.61%.

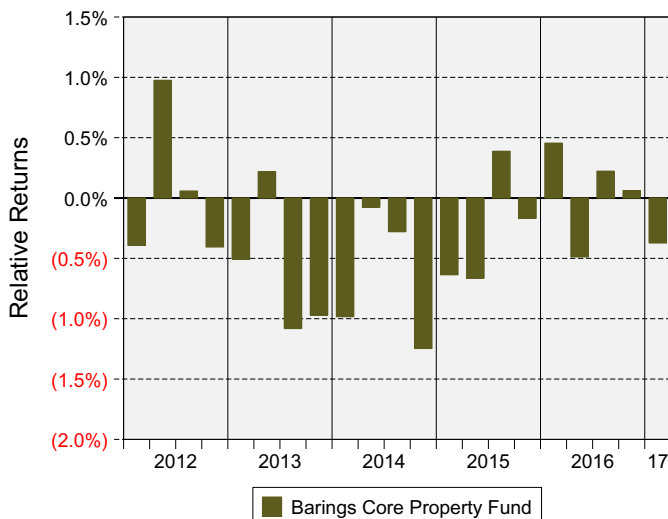
Quarterly Asset Growth

| | |
|---------------------------|--------------|
| Beginning Market Value | \$16,132,889 |
| Net New Investment | \$7,800,000 |
| Investment Gains/(Losses) | \$298,678 |
| Ending Market Value | \$24,231,567 |

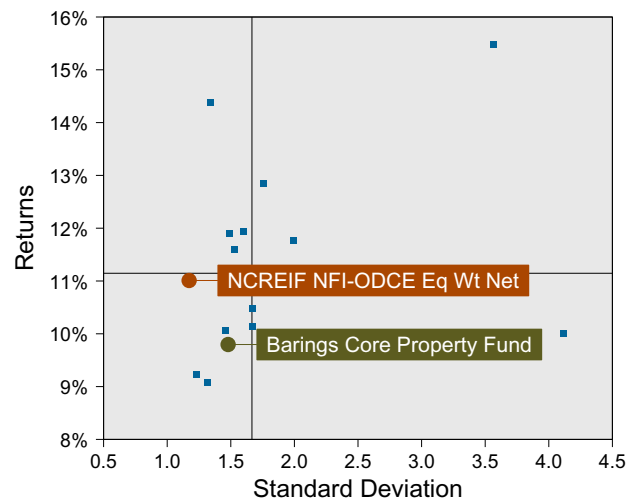
Performance vs CAI Open End Core Commingled Real Estate (Net)



Relative Returns vs NCREIF NFI-ODCE Eq Wt Net



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



Research and Educational Programs

The Callan Institute provides both research to update clients on the latest industry trends and carefully structured educational programs to enhance the knowledge of industry professionals. Visit www.callan.com/library to see all of our publications, and www.callan.com/blog to view our blog “Perspectives.” For more information contact Anna West at 415.974.5060 / institute@callan.com.

New Research from Callan’s Experts

Smart Beta Is the Gateway Drug to Factor Investing | In this paper, a reprint from the *Journal of Portfolio Management’s* special issue on Factor Investing, author Eugene Podkaminer, CFA, of Callan’s Capital Markets Research group describes the connection between alternative indices and more sophisticated risk premia strategies.

2017 National Conference: ‘It’s Private’ | A summary of “It’s Private: Real Estate Debt and Middle Market Direct Lending,” a presentation from Callan experts Kristin Bradbury, Alex Browning, and Jay Nayak.

Capital Market Projections for 2017-2026 | Callan prepares capital market projections annually to help guide clients with their long-term strategic planning. We publish three pieces authored by the team that creates them: Jay Kloepfer, John Pirone, CFA, CAIA, and Jim Van Heuit. A **white paper** delves into the process and thinking behind the 2017 figures; a **Manifesto** outlines the reasons that Callan produces its annual capital market projections and the rigorous process behind it; and a **“charticle”** (chart+article) summarizes key figures from Callan’s 2017 capital market projections.

It’s a (Fiduciary) Trap! But You Don’t Have to Fall In | Defined contribution (DC) plan sponsors often worry about landing in hot water for doing the wrong thing. However, many fiduciary issues crop up because plan sponsors have failed to take action. Author Lori Lucas, CFA, Callan’s Defined Contribution Practice Leader, lists eight potential fiduciary traps and ways for plan sponsors to avoid falling into them in 2017.

The Callan Periodic Table of Investment Returns (Key Indices: 1997-2016) and Collection | The Periodic Table of Investment Returns depicts annual returns for 10 asset classes, ranked from

best to worst performance for each calendar year. The Collection includes 10 additional versions, such as the indices relative to inflation, real estate, and hedge fund sub-strategies.

Periodicals

Real Assets Reporter, Winter/Spring 2017 | Avery Robinson, CAIA, explores how we developed our Real Estate Indicators. We also cover the latest on the real estate market, and share charts and tables on the long-term performance of various real assets.

Private Markets Trends, Winter 2017 | Gary Robertson provides an overview of the environment for private equity in 2016 and a look ahead at 2017. He sees continued liquidity in the private equity market, and writes that distributions will continue to benefit investors.

Hedge Fund Monitor, 4th Quarter 2016 | Jim McKee provides a view of the hedge fund industry and detailed quarterly performance. This quarter’s cover story: “Alternative Facts and the Evolving Role of Hedge Funds.”

DC Observer, 1st Quarter 2017 | Lori Lucas discusses the best approach to crafting, implementing, and maintaining an investment policy statement for defined contribution plans.

Market Pulse Flipbook, Fourth Quarter 2016 | A quarterly market reference guide covering investment and fund sponsor trends in the U.S. economy, U.S. and non-U.S. equities and fixed income, alternatives, and defined contribution.

Capital Market Review, 4th 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/>

'Why Diversify'

Our **June Regional Workshops**, June 27 in Atlanta and June 29 in San Francisco, will focus on diversification, which has turned out to be very expensive for U.S.-based investors, especially since the Global Financial Crisis. In this workshop, Callan experts Mark Andersen, Jay Kloepfer, and Brian Smith analyze diversification from multiple angles, answering the questions of whether investors erred in adopting diversified portfolios over the last 30 years, and what investors should do now.

Also mark your calendars for our **October Regional Workshops**, October 24 in New York and October 26 in Chicago.

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, 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

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

International Equity Market Indicators

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

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

Real Estate Market Indicators

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

Callan 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 Bloomberg Barclays Capital Government/Credit Bond Index or the Bloomberg Barclays Capital Aggregate Bond Index with a modest amount of variability in duration around the index. The objective is to achieve value added from sector and/or issue selection.

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

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

Real Estate Funds

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

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

Other Funds

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

List of Callan's Investment Manager Clients

Confidential – For Callan Client Use Only

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

The list below is an important component of our conflicts management and disclosure process. It identifies those investment managers that pay Callan fees for educational, consulting, software, database or reporting products and services. We update the list quarterly because we believe that our fund sponsor clients should know the investment managers that do business with Callan, particularly those investment manager clients that the fund sponsor clients may be using or considering using. Please 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. |
| Alcentra |
| AllianceBernstein |
| Allianz Global Investors |
| Allianz Life Insurance Company of North America |
| American Century Investments |
| Amundi Smith Breeden LLC |
| 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 |
| Baillie Gifford Overseas Limited |
| Baird Advisors |
| Bank of America |
| 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 |
| BTG Pactual |
| Cambiar Investors, LLC |

| Manager Name |
|--|
| Campbell Global, LLC |
| Capital Group |
| CastleArk Management, LLC |
| Causeway Capital Management |
| Cavanal Hill Investment Management, Inc. |
| Chartwell Investment Partners |
| ClearBridge Investments, LLC |
| Cohen & Steers Capital Management, Inc. |
| Columbia Management Investment Advisers, LLC |
| Columbus Circle Investors |
| Cornerstone Capital Management |
| Cove Street Capital, LLC |
| Cramer Rosenthal McGlynn, LLC |
| Credit Suisse Asset Management |
| Crestline Investors, Inc. |
| DDJ Capital Management, LLC |
| D.E. Shaw Investment Management, L.L.C. |
| DePrince, Race & Zollo, Inc. |
| Deutsche Asset Management |
| Diamond Hill Capital Management, Inc. |
| Dimensional Fund Advisors LP |
| Doubleline |
| 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 |
| Fidelity Management & Research |
| Fiera Capital Corporation |
| First Eagle Investment Management, LLC |
| First Hawaiian Bank Wealth Management Division |
| Fisher Investments |
| Franklin Templeton |
| Franklin Templeton Institutional |

| Manager Name |
|---|
| Fred Alger Management, Inc. |
| Frost Investment Advisors, LLC |
| Fuller & Thaler Asset Management, Inc. |
| GAM (USA) Inc. |
| GlobeFlex Capital, L.P. |
| GMO |
| Goldman Sachs Asset Management |
| Great Lakes Advisors, LLC |
| Guggenheim Investments |
| GW&K Investment Management |
| Harbor Capital Group Trust |
| Hartford Funds |
| Hartford Investment Management Co. |
| Heitman LLC |
| Henderson Global Investors |
| Hotchkis & Wiley Capital Management, LLC |
| HSBC Global Asset Management |
| Income Research + Management, Inc. |
| Insight Investment Management Limited |
| INTECH Investment Management, LLC |
| Invesco |
| Investec Asset Management |
| Ivy Investments |
| Janus Capital Management, LLC |
| Jensen Investment Management |
| Jobs Peak Advisors |
| J.P. Morgan Asset Management |
| Kayne Anderson Capital Advisors LP |
| KeyCorp |
| Lazard Asset Management |
| Legal & General Investment Management America |
| Lincoln National Corporation |
| LMCG Investments, LLC |
| Longview Partners |
| Loomis, Sayles & Company, L.P. |
| Lord Abbett & Company |
| Los Angeles Capital Management |
| LSV Asset Management |
| Mackay Shields LLC |
| Man Investments Inc. |
| Manulife Asset Management |
| Macquarie Investment Management (formerly Delaware Investments) |
| McKinley Capital Management, LLC |
| MFS Investment Management |
| MidFirst Bank |
| Mondrian Investment Partners Limited |
| Montag & Caldwell, LLC |
| Morgan Stanley Investment Management |
| Mountain Lake Investment Management LLC |
| MUFG Union Bank, N.A. |
| Neuberger Berman |
| Newton Investment Management (fka Newton Capital Management) |
| Nikko Asset Management Co., Ltd. |
| Northern Trust Asset Management |

| Manager Name |
|---|
| Nuveen Investments, Inc. |
| OFI Global Asset Management |
| Old Mutual Asset Management |
| Opus Capital Management Inc. |
| O'Shaughnessy Asset Management, LLC |
| Pacific Investment Management Company |
| Peregrine Capital Management, Inc. |
| PGIM |
| PGIM Fixed Income |
| PineBridge Investments |
| 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 |
| Reinhart Partners, Inc. |
| RidgeWorth Capital Management, Inc. |
| Rockefeller & Co., Inc. |
| Rothschild Asset Management, Inc. |
| Russell Investments |
| Santa Barbara Asset Management |
| Santander Global Facilities |
| Schroder Investment Management North America Inc. |
| 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. |
| T. Rowe Price Associates, Inc. |
| Taplin, Canida & Habacht |
| The Boston Company Asset Management, LLC |
| The Hartford |
| The London Company |
| The TCW Group, Inc. |
| Thompson, Siegel & Walmsley LLC |
| Thornburg Investment Management, Inc. |
| Tri-Star Trust Bank |
| UBS Asset Management |
| Van Eck Global |
| Versus Capital Group |
| Victory Capital Management Inc. |
| Vontobel Asset Management, Inc. |
| Voya Financial |
| Voya Investment Management (fka ING) |
| Waterton Associates L.L.C. |
| WCM Investment Management |
| WEDGE Capital Management |
| Wellington Management Company, LLP |
| Wells Capital Management |
| Western Asset Management Company |
| William Blair & Company |