



Sean Higman, Jon Prime & George Hauptfuhrer • Consultants
Brian Basiliere • Investment Analyst
Melissa Terry • Performance Analyst

pbaTPBH@primebuchholz.com

Town of Palm Beach Health Insurance Trust

Investment Performance Analysis

Period Ended June 30, 2015

Index

- Market Environment Tab I
- Total Fund Review Tab II
 - Total Fund Highlights
 - Segment Performance
 - Executive Summary
 - Asset Allocation
 - Plan Sponsor Peer Group Analysis
 - Schedule of Investable Assets
 - Liquidity Schedule
 - Operational Detail
 - Fee Schedule
 - Peer Performance Comparison
- Exposures and Characteristics Tab III
- Investment Detail Tab IV
 - Performance Highlights
 - Manager Profiles
 - Historical Performance

Tab I

Sequential economic data (annualized) released during the second quarter showed that the U.S. fell 0.2% in the first quarter compared to 1.5% growth in the euro area and Great Britain, 3.9% in Japan, and 5.3% in China. While seasonal factors and poor weather were cited as impacting first quarter growth in the U.S., it was notably weak in a global context. Within the euro area, Germany's 1.1% figure anchored the currency union while stronger growth in Spain (+3.8%), France (+2.5%), and the Netherlands (+2.3%) helped deliver the upside surprise. India's 11.0% gain was a bright spot among emerging markets (EM) countries while Brazil's 0.6% decline and Ukraine's 21.9% tumble rate were notable laggards.

Of the 31 policy meetings during the quarter, 12 resulted in rate hikes. Brazil cumulatively raised rates 100 bps to 13.75% in an effort to halt inflationary pressure and the slide in the currency. In addition, several central banks in Africa and in Eastern Europe also raised rates. Rate reductions occurred across both developed and emerging countries, with Australia, New Zealand, and Norway increasing policy accommodation. The most notable cuts occurred in Russia and China. Russia cut rates by a total of 250 bps, while China reduced its lending rate by 50 bps to support equities. China introduced a number of other easing measures such as changes to bank reserve requirement ratios.

Inflation across the Organisation for Economic Co-operation and Development (OECD) countries was a modest 0.6% over the 12-month period ended May 2015. Over this period, food prices rose 1.6% while energy prices fell 10.0%. Inflation was muted in Germany, France, Austria, and the Netherlands, and several euro area countries such as Greece (-2.1%), Switzerland (-1.2%), Ireland (-0.3%), and Spain (-0.2%) faced disinflationary pressure. U.S. Bureau of Labor Statistics data for this time period reflected the dramatic decline in energy prices, with headline CPI being flat over the 12-month period. Excluding food and energy, U.S. prices were 1.7% higher in the trailing year through May.

Unemployment across OECD countries was 6.9% at the end of May. The euro area remained elevated at 11.1%, with Spain (22.5%), Portugal (13.2%), Italy (12.4%), and France (10.3%) reporting the highest rates of unemployment. The lowest unemployment rates as of May 31st were largely outside the euro area, led by (3.3%), Korea (3.9%), Mexico (4.5%), Germany (4.7%), and the U.S. (5.5%). U.S. job creation continued its upward trend, but data has been mixed. Job growth and a declining labor force participation rate in the U.S. have both contributed to reducing the level of unemployment.

The Federal Housing Finance Agency (FHFA) reported its seasonally-adjusted, Purchase-Only House Price Index rose 1.3% during the first quarter of 2015, the 15th consecutive increase. The FHFA stated that widespread increases across the country were notable given modest gains in household income and inflation. Over the trailing 12 months ended March 2015, home prices rose 5.0%.

Oil prices reversed course and rallied during the quarter. West Texas Intermediate (WTI) rose 24.9% to end the quarter at \$59.47. Brent crude gained 15.4% and was trading at \$63.59 at the end of June. The spread between WTI and Brent narrowed from \$7.51 at the end of the first quarter to \$4.12 the end of the second quarter of 2015.

Gold prices moderated 1.0% to \$1,171.50 per ounce in the second quarter in light of an ongoing tepid environment for inflation and growing uncertainty related to the timing of the Fed's first rate hike. Gold has not received a safe-haven bid despite the reversal in the upward trend of the U.S. dollar (USD), heightened geopolitical uncertainty in Europe, and weak equity markets in China.

The USD declined relative to most major currencies during the second quarter with the Dollar Spot Index (DXY), which measures the performance of the USD against a basket of currencies, falling 2.9%. The euro, British pound, Swiss franc, and Swedish krona sharply rose against USD during the quarter.

Historical Returns

Second Quarter 2015

Equity Index Returns	Qtr	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr
S&P 500	0.3	7.4	15.7	17.3	17.3	7.9
CRSP US Total Market	0.1	7.2	15.9	17.7	17.5	8.4
Russell 3000 (Broad Market)	0.1	7.3	15.9	17.7	17.5	8.2
Russell 1000 (Large Cap)	0.1	7.4	16.0	17.7	17.6	8.1
Russell Midcap	-1.5	6.6	16.3	19.3	18.2	9.4
Russell 2000 (Small Cap)	0.4	6.5	14.7	17.8	17.1	8.4
MSCI ACWI (USD)	0.3	0.7	11.3	13.0	11.9	6.4
MSCI ACWI (Local)	-0.4	8.7	14.9	16.6	13.5	7.1
MSCI ACWI ex-U.S. (USD)	0.5	-5.3	7.4	9.4	7.8	5.5
MSCI ACWI ex-U.S. (Local)	-1.1	10.1	14.0	15.8	10.4	6.5
MSCI EAFE (USD)	0.6	-4.2	8.8	12.0	9.5	5.1
MSCI EAFE (Local)	-1.8	11.8	14.8	18.1	11.3	5.4
MSCI EM (USD)	0.7	-5.1	4.1	3.7	3.7	8.1
MSCI EM (Local)	0.7	6.2	9.9	8.6	6.9	9.7
S&P Developed ex-U.S. (Small Cap)	4.6	-1.6	13.1	14.9	12.0	7.5
London - FTSE 100*	-2.8	0.2	6.1	9.2	9.6	6.2
Japan - Nikkei 225*	5.6	35.5	23.6	33.2	--	--
Hong Kong - Hang Seng*	7.2	17.5	16.4	14.5	9.2	10.0
China - Shanghai Composite*	14.1	108.2	46.8	24.3	12.2	14.7
40% R 3000/40% EAFE/20% EM	0.5	0.2	10.8	12.7	11.6	7.1

Fixed Income Index Returns	Qtr	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr
LIBOR US 3m	0.1	0.3	0.2	0.3	0.3	1.8
Citigroup 3m T-Bill	0.0	0.0	0.0	0.0	0.1	1.3
BOA ML 1-3 Yr Treasury	0.1	0.9	0.8	0.7	0.8	2.5
Barclays 3-10 Yr Treasury	-1.0	2.6	2.4	1.1	3.1	4.6
Barclays 5-10 Yr Treasury	-1.6	3.1	2.8	1.0	3.7	5.0
Barclays Long-Term Treasury	-8.3	6.3	6.3	1.2	6.2	6.2
Barclays Credit	-2.9	0.9	4.1	3.0	4.9	5.1
Barclays Gov't/Credit	-2.1	1.7	3.0	1.8	3.5	4.4
Barclays Aggregate	-1.7	1.9	3.1	1.8	3.3	4.4
Barclays Municipal	-0.9	3.0	4.6	3.1	4.5	4.5
Barclays High Yield	0.0	-0.4	5.5	6.8	8.6	7.9
JPM Global Bond	-1.7	-7.5	-0.7	-2.2	1.3	3.4
JPM Non-U.S. Bond	-1.5	-13.2	-2.8	-4.0	0.3	2.8
JPM Global Bond-Hedged	-2.7	3.6	4.1	3.1	3.5	4.2
JPM Non-U.S. Bond-Hedged	-3.2	4.2	5.1	4.3	3.9	4.2
JPM EMBI+	-0.9	-2.1	4.1	2.8	6.1	7.2
JPM GBI-EM Global Div Bond	-1.0	-15.4	-6.2	-3.8	0.9	5.9
JPM GBI-EM Global Div Bond-Hedged	-1.6	-0.2	0.8	0.9	2.9	4.5

Illiquid Partnerships	Qtr	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr
Private Real Assets (as of 3/31/2015)						
NCREIF Property Index	3.6	12.7	11.9	11.5	12.8	8.4
Apartment	0.0	7.9	9.0	9.6	13.0	7.7
Industrial	3.5	14.2	13.4	12.4	12.7	8.3
Office	3.3	12.7	11.4	10.6	11.8	8.2
Retail	4.9	13.8	13.7	13.3	13.6	9.2
NCREIF Timber Index	1.7	10.6	10.2	9.8	6.2	8.3
Private Equity (as of 12/31/2014)						
VC: Early Stage	13.7	26.6	26.7	20.1	17.4	10.1
VC: Late/Expansion Stage	4.8	9.0	21.6	14.0	16.5	12.5
VC: Multi - Stage	10.2	23.3	24.3	17.6	14.8	10.3
Growth Equity	0.8	11.1	15.7	14.2	14.0	12.6
Buyout: Small Cap	1.6	7.1	11.4	12.1	14.0	17.3
Buyout: Mid Cap	2.5	9.1	11.7	11.6	11.9	14.6
Buyout: Large Cap	1.7	9.1	13.4	13.6	13.9	14.0
Buyout: Mega Cap	2.6	10.2	17.2	17.2	15.5	11.0

MSCI ACWI Sector	Qtr	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr
Consumer Discretionary	0.9	8.8	14.8	19.5	18.4	-
Consumer Staples	-0.4	2.8	8.8	11.5	14.0	-
Energy	0.1	-25.3	-1.9	1.2	5.3	-
Financials	2.0	2.6	10.7	15.7	10.4	-
Health Care	1.5	17.5	23.1	24.5	21.3	-
Industrials	-0.8	-1.3	11.1	13.8	12.5	-
Information Technology	-0.8	8.6	19.5	16.2	15.5	-
Materials	-0.4	-11.1	4.5	1.9	2.8	-
Telecom	3.0	1.3	9.7	10.0	11.7	-
Utilities	-2.3	-8.3	6.6	6.1	6.1	-

Hedge Fund Index Returns	Qtr	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr
HFRI Fund Weighted Composite						
Absolute Return						
HFRI Event Driven (Total)	1.3	-0.1	5.4	7.7	6.1	5.7
HFRI Relative Value (Total)	0.4	1.5	5.2	6.5	6.3	6.4
HFRI RV: FI-Convertible Arbitrage	1.4	1.6	4.3	5.9	5.3	5.6
HFRI EH: Equity Market Neutral	0.6	3.5	4.4	4.6	3.2	2.6
Directional Hedge						
HFRI Equity Hedge (Total)	2.0	2.6	7.4	8.4	6.1	4.9
HFRI Macro (Total)	-3.6	4.1	2.8	1.8	1.8	4.2
HFRI Emerging Markets (Total)	3.9	-0.4	4.3	5.7	3.0	6.0
HFRI EH: Short Bias	-0.8	-3.7	-8.3	-12.4	-11.9	-6.4
Fund of Funds						
HFRI FOF Strategic	0.8	4.2	6.6	7.2	4.7	3.6
HFRI FOF Diversified	-0.1	4.0	5.7	6.2	4.2	3.3
HFRI FOF Conservative	0.3	2.7	4.7	5.5	3.7	2.6

Real Assets and Inflation	Qtr	1 Yr	2 Yr	3 Yr	5 Yr	10 Yr
REITs						
FTSE EPRA/NAREIT Dev'd	-6.7	0.4	7.2	9.5	12.4	6.2
Commodities						
Bloomberg Commodity	4.7	-23.7	-9.1	-8.8	-3.9	-2.6
S&P GSCI	8.7	-36.8	-16.5	-10.7	-4.3	-6.2
Natural Resources						
S&P NA Natural Resources	-2.7	-25.7	-0.5	3.0	5.4	5.6
Inflation-Protected Bonds						
Barclays U.S. TIPS	-1.1	-1.7	1.3	-0.8	3.3	4.1
Inflation						
U.S. CPI	1.1	0.1	1.1	1.3	1.8	2.1
U.S. CPI Plus 5%	2.3	5.1	6.2	6.4	6.9	7.2

*Returns in local currency.

Note: All returns as of 6/30/2015, unless otherwise noted.

Option-Adjusted Spreads		
	Current QTR	1 Year Ago
U.S. High Yield	476	337
U.S. Corporate	145	99
U.S. IG Financials	133	96
CDX IG 5-Yr	70	59
CDX HY 5-Yr	355	303
Agency MBS	26	24
CMBS	103	86
ABS - Fixed Rate	62	48
ABS - Floating Rate	82	79
TED ¹	27	20
Emerging Markets (External)	328	260

¹ 3 month US LIBOR minus 3 Month US T Bills

U.S. Economy		
	Current QTR	1 Year Ago
Unemployment Rate	5.30%	6.70%
Quarterly GDP ²	-0.20%	2.60%
Current Account Deficit ²	\$113.30	\$81.10
Annualized Current Account Deficit/GDP ²	2.60%	1.90%

² Statistics as of one quarter prior

Central Bank Activity		
	Current QTR	1 Year Ago
Fed Funds Rate	0-0.25%	0-0.25%
Bank of Japan Target Rate	0.10%	0.10%
European Central Bank Policy Rate	0.05%	0.25%
European Central Bank Deposit Facility Rate	-0.20%	0.00%
Bank of England Official Bank Rate	0.50%	0.50%

Inflation Forecast		
	Current QTR	1 Year Ago
10-Year Treasury Yield	2.35%	2.72%
10-Year Breakeven ⁴	1.89%	2.14%
5-Year Treasury Yield	1.65%	1.72%
5-Year Breakeven ⁴	1.67%	1.87%

⁴ Breakeven rates calculated by Bloomberg

Equity Market Valuations	Current QTR			1-Year Ago		
	Trailing P/E	Forward P/E	Div. Yield	Trailing P/E	Forward P/E	Div. Yield
S&P 500 Index	17.3x	16.3x	2.0%	16.8x	15.6x	2.0%
Russell 1000 Index	17.4x	16.7x	1.9%	17.1x	16.x	1.9%
Russell Midcap Index	19.4x	18.3x	1.6%	19.3x	17.9x	1.5%
Russell 2000 Index	19.7x	23.2x	1.6%	20.2x	22.6x	1.5%
Russell 3000 Index	17.5x	17.x	1.9%	17.3x	16.3x	1.9%
Russell 3000 Growth Index	19.6x	18.8x	1.5%	21.1x	18.5x	1.5%
Russell 3000 Value Index	15.8x	15.5x	2.4%	14.7x	14.6x	2.3%
MSCI ACWI Index	16.2x	15.4x	2.5%	15.8x	14.5x	2.5%
MSCI ACWI ex-U.S. Index	15.1x	14.3x	3.0%	14.6x	13.5x	3.0%
MSCI EAFE Index	15.9x	15.2x	3.1%	15.x	14.2x	3.1%
MSCI EM Index	12.6x	11.8x	2.7%	12.1x	11.x	2.8%
MSCI Frontier Markets Index	12.3x	6.2x	4.2%	13.7x	11.2x	4.0%
London - FTSE 100*	15.5x	14.6x	2.9%	16.3x	15.1x	3.0%
Japan - Nikkei 225*	21.3x	18.7x	1.5%	18.5x	16.5x	1.7%
Hong Kong - Hang Seng*	11.7x	12.1x	3.3%	10.9x	10.5x	3.6%
China - Shanghai Composite*	16.4x	13.8x	2.1%	8.8x	7.2x	3.5%

³ Returns in local currency

P/E excludes companies with negative earnings

U.S. Treasury Yields								Curve Steepness
Date	3-Mo T-Bill	6-Mo T-Bill	2-Yr Note	5-Yr Note	10-Yr Note	30-Yr Note	10-Yr - 2-Yr	
1 Year Ago	0.02%	0.06%	0.46%	1.63%	2.53%	3.36%	2.07%	
Current Quarter	0.01%	0.11%	0.64%	1.65%	2.35%	3.12%	1.71%	

Currency Rates (per U.S. Dollar) (%)								
	MTD	QTD	YTD	1 Year	2 Year*	3 Year*	5 Year*	Current Spot Rate
U.S. Dollar Spot (DXY)**	-1.4	-2.9	5.8	19.7	7.2	5.4	2.1	95.529
Canadian Dollar	0.0	1.4	-7.2	-14.7	-8.1	-6.5	-3.2	1.248
Japanese Yen	1.4	-2.0	-2.0	-17.2	-9.9	-13.3	-6.3	122.365
British Pound	3.1	5.9	0.9	-8.0	1.8	0.1	1.0	0.636
Euro	1.6	3.7	-7.9	-18.6	-7.4	-4.2	-1.9	0.898
Swiss Franc	0.9	3.9	6.3	-5.1	0.6	0.4	2.9	0.935
Australian Dollar	0.4	0.6	-6.1	-18.6	-8.4	-9.2	-1.9	1.301
Brazilian Real	2.8	2.9	-14.4	-29.0	-15.7	-13.4	-10.3	3.106
China Yuan/Renminbi	0.0	0.0	0.0	0.1	-0.5	0.8	1.8	6.201
GBP/Euro	1.4	2.1	9.5	13.0	10.0	4.5	2.9	0.708
Yen/Euro	-0.2	-5.5	6.4	1.7	-2.7	-9.4	-4.5	136.339

*Annualized Price Change

**Index measures value of USD relative to basket of foreign currencies.

St. Louis Fed Trade Weighted USD Index



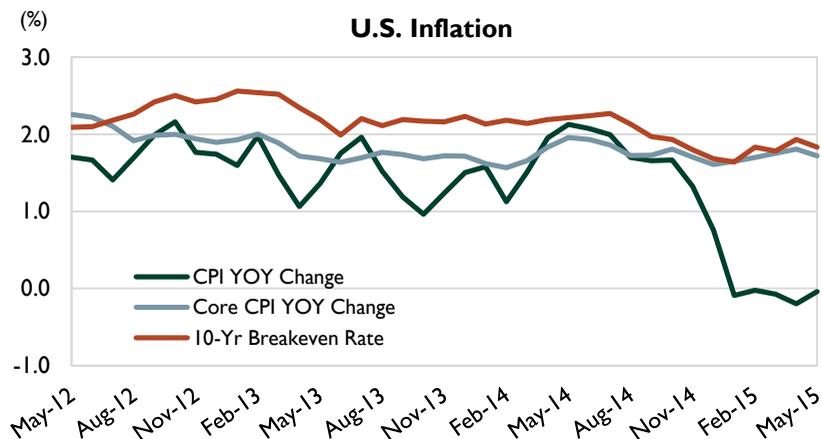
The strong uptrend in the trade-weighted strength of the U.S. dollar briefly paused during the second quarter, particularly in the first two months. The dollar strengthened in June, but did not return to its recent peak in March.

WTI Crude Oil Spot Price (\$/bbl)



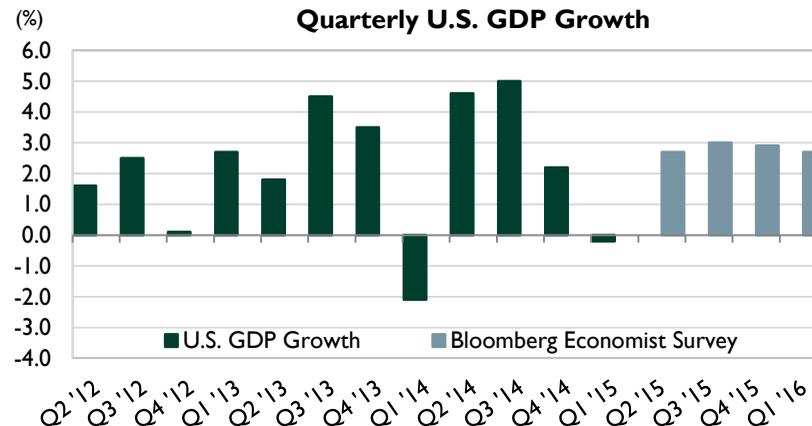
Oil prices reversed course and rallied during the second quarter. WTI rose 24.9% to end the quarter at \$59.47. Brent crude gained 15.4% and was trading at \$63.59 by quarter-end. The spread between WTI and Brent narrowed from \$7.51 at first quarter-end to \$4.12 the end of the second quarter.

U.S. Inflation



CPI increases remained muted during the quarter, with headline inflation reporting no change year-over-year. A sharp decline in energy held back overall inflation and dampened the impact of higher food prices. On a year-over-year basis, core CPI rose 1.7% as of May 31st, which is still below the Federal Reserve's target level.

Quarterly U.S. GDP Growth



U.S. real GDP decreased at an annual rate of -0.2% in the first quarter, a sharp deceleration from previous quarters. Estimates for the second quarter of 2015 have been revised higher as a result of an expected rebound from a surprisingly weak first quarter. Second half estimates suggest growth will continue, albeit below the 3% threshold.

Source: Bloomberg

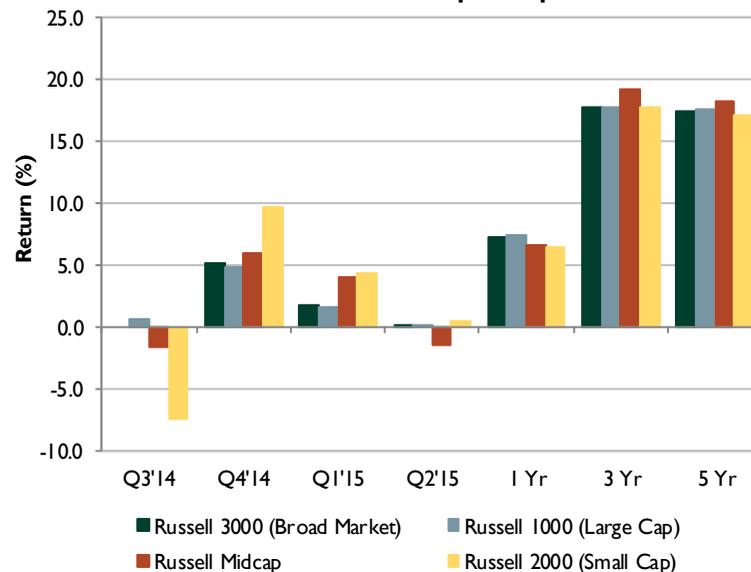
The Russell 3000 Index, a broad proxy for domestic equities, gained 0.1% for the quarter. After positive returns in April and May, the benchmark gave up most of its gains in June as investor enthusiasm was dampened by fears around a potential Greek exit from the euro area and sharp market declines in China. Accordingly, volatility picked up during the quarter, with the VIX Index, a measure of the implied volatility of the S&P 500 Index, moving up from 15.3 to 18.2.

The utilities sector was the worst performing sector in the second quarter (-6.3%), continuing its declines from the first quarter. Utilities had a banner year in 2014, as investors flocked to the sector in search for yield; however, with bond yields rising and valuations above historical averages, investors have rotated out of utilities. The industrials sector was another weak performer, declining 2.5% due in part to the recent strength of the USD. Like the first quarter, the health care sector (+3.4%) was the best performer, benefiting from the strength in the biotech space and the robust merger and acquisition activity throughout the sector.

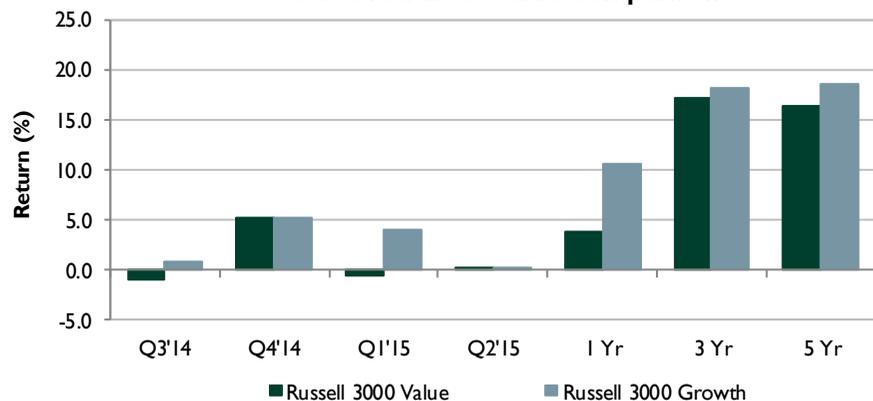
Small cap was the best market capitalization segment for the quarter, with the Russell 2000 Index gaining 0.4%. The Russell 1000 Index gained 0.1% while the Russell Midcap Index fell 1.5%. Despite the drawdown this quarter, mid cap has been the best performing segment size over the past five years, with an annualized return in excess of 18%.

The Russell 3000 Growth Index finished the quarter ahead of the Russell 3000 Value Index. The Russell 3000 Growth Index is ahead of the Value Index for the trailing one-, three-, and five-year periods.

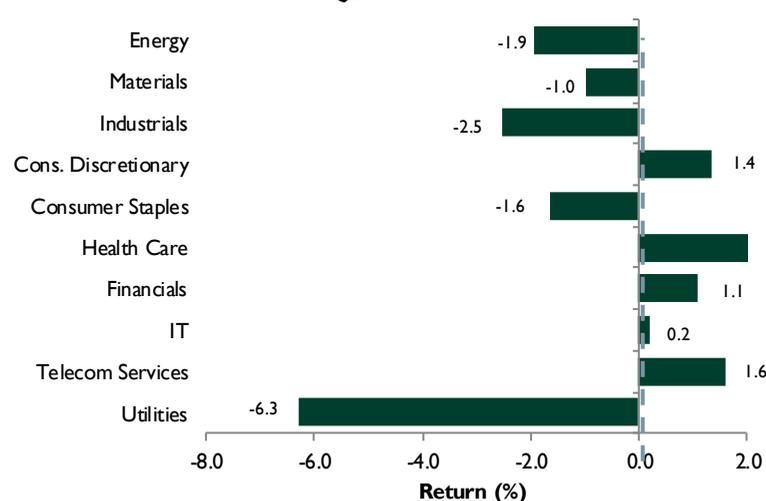
U.S. Market Cap Comparison



U.S. Growth vs. Value Comparison



Q2'15 U.S. Sector Returns*



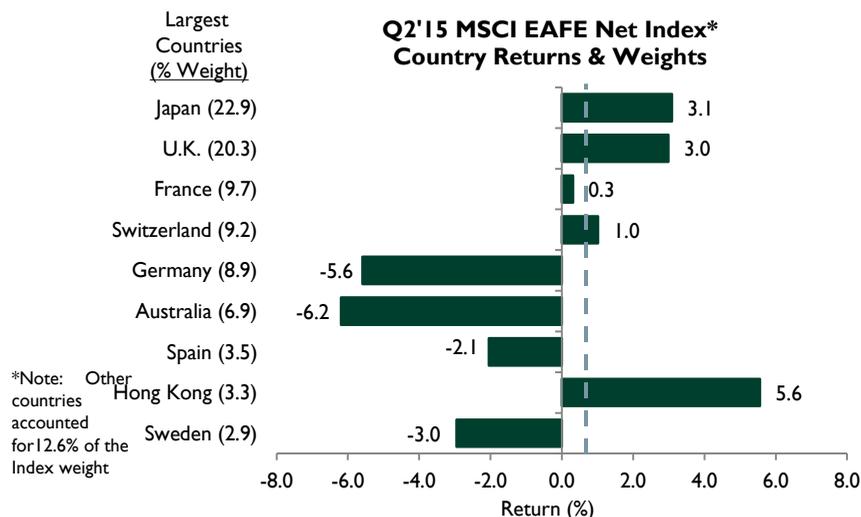
*Dotted line indicates total Russell 3000 Index return

Developed foreign equities posted a modest gain of 0.6% in the second quarter. The strength of the USD abated during the quarter after having served as a significant headwind to U.S.-based investors over the past year. Though the yen remained weak (-2.0%), the euro and British pound rose 3.7% and 5.9%, respectively, against the USD. As a whole, non-U.S. equities declined 1.8% in local terms.

- Japan (+3.1% USD, +5.2% local) remained one of the strongest performing developed market countries in 2015. While continued weakness in the yen has hurt returns for U.S. investors, it has helped improve the earnings and competitiveness of Japan's globally oriented companies.
- Returns across Europe were mixed. Reforms in Italy (+2.5% USD, -1.2% local) appeared to have a positive impact as economic growth increased modestly and unemployment declined. Germany (-5.6% USD, -9.0% local) slipped as the country remained mired in the Greek saga and experienced disappointing inflation data.
- At the sector level, energy generated a 2.3% gain as oil prices rebounded. Telecom services, utilities, and financials also posted gains in excess of 1%, while all other sectors were flat to modestly negative.

Emerging markets also saw a slight gain, as the MSCI EM Index returned 0.7% in USD and local terms, as currency movements had a muted impact. The strength in oil prices provided welcomed relief to a number of oil-producing nations and their currencies; however, net energy importers generally struggled.

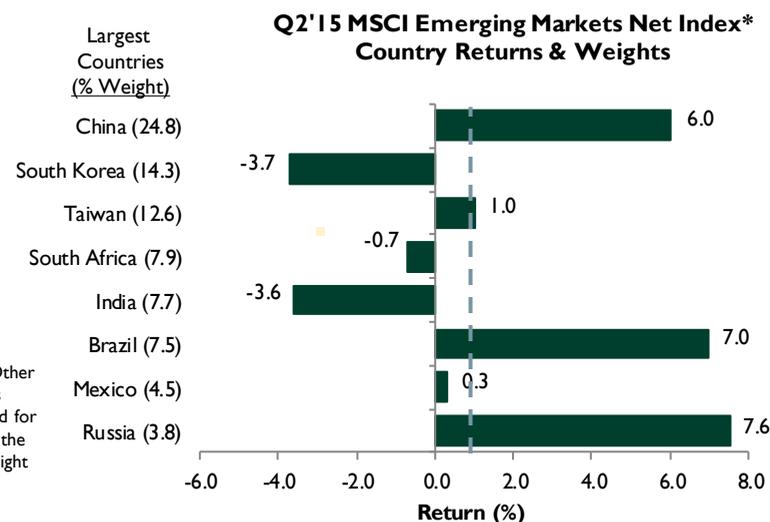
- Greece (+5.2% USD, +1.4% local) rallied in April and May but fell sharply in June as the country failed to reach an agreement with its creditors, and uncertainty regarding its future in the euro area was heightened. Russia (+7.6% USD, +4.0% local) continued to rebound despite the European Union extending sanctions until 2016.
- High volatility across Chinese equity markets (+6.0% USD, +6.0% local) were partially overshadowed by Greece headlines. The rally in China that began in 2014 and continued into the second quarter despite disappointing economic data and growth came to a halt in mid-June as markets fell sharply. Despite the correction the MSCI China Index, which consists of securities that trade primarily on the Hong Kong exchange, remained up 14.7% year-to-date.
- Within Latin America, countries such as Brazil (+7.0% USD, +4.0% local) and Colombia (+3.5% USD, +3.5% local) were beneficiaries of the recovery in energy prices.



*Note: Other countries accounted for 12.6% of the Index weight

Sources: MSCI/Barra, Wall Street Journal, Financial Times.

Note: All returns quoted in USD terms, unless otherwise noted.



*Note: Other countries accounted for 18.2% of the Index weight

*Dotted line indicates total index return.

Interest rates rose across the U.S. Treasury yield curve during the second quarter. The curve steepened as yields at the long end rose more than the short. The 10-year yield, which began the quarter at 1.9%, increased 49 bps to 2.4%. Meanwhile, the yield on the 2-year note ended the quarter only 8 bps higher. The spread between the 2- and 10-year yields stood at 1.7% as of quarter-end, up from 1.4% at the end of the first quarter. Overall, the Treasury sector declined 1.6% during the quarter, resulting in a flat return on a year-to-date basis.

The Federal Open Market Committee held the federal funds target rate steady during the quarter. However, the Fed appears to remain on track for an initial rate hike by the end of the year. While most market participants expect lift-off by the end of the year, the possibility of an initial hike in early 2016 has been growing thanks to the ongoing uncertainty and increasing volatility out of China and Greece. Fed estimates of future policy rate levels continue to point toward a gradual hiking cycle.

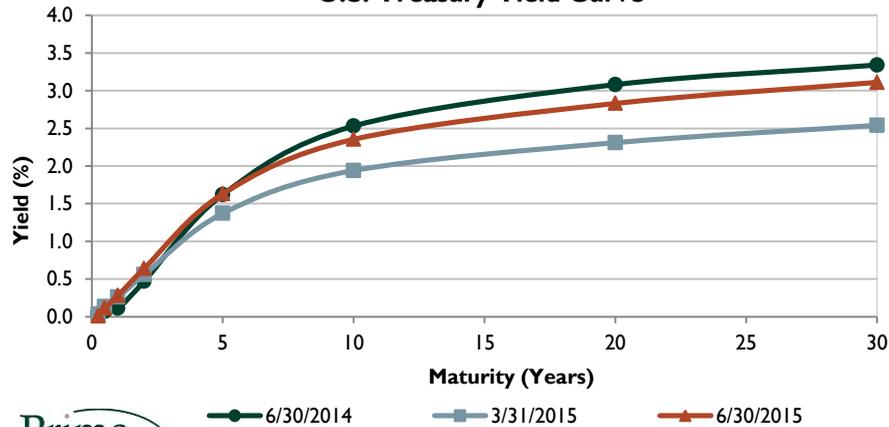
The Barclays Aggregate Index declined 1.7% in the quarter, erasing first quarter gains and bringing year-to-date results to -0.1%. With the exception of asset-backed securities (ABS), which generated a slight gain, all major sectors ended the quarter in negative territory. Regarding maturities, longer-term securities generally underperformed shorter maturities as the curve steepened. Lower quality securities also underperformed as BBB-rated securities declined 3.2%, compared to the 1.2% loss of AAA-rated securities.

While U.S. corporate fundamentals remained relatively strong, the sector was weighed down by rising interest rates and strong new issuance; the sector fell 3.2% during the quarter. Investment-grade corporate option-adjusted spreads (OAS) widened 16 bps to end at 145 bps. In terms of quality, BBB-rated securities generally underperformed, dropping 3.5%. Corporate issuance remained strong (\$877.7 billion year-to-date) and is on track to top last year's record issuance of \$1.4 trillion.

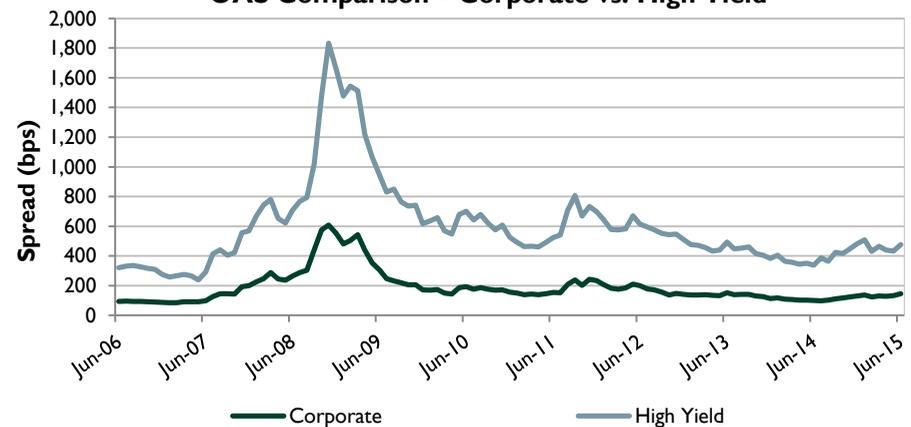
The securitized sector generated a modest loss (-0.8%), but outperformed all other major sectors. Agency mortgage-backed securities (MBS) declined 0.7%, largely driven by an increase in interest rate volatility. Commercial MBS declined 1.6% as spreads widened during the quarter. ABS was the only major sector to generate a positive return (+0.2%), with auto ABS generating relatively attractive performance. Prices on non-agency MBS declined during the quarter; however, the sector continued to be supported by a favorable technical environment.

Despite rising interest rates, high yield bonds were flat while loans rose 0.6%. Within bonds, financials (+0.3%) and utilities (+0.1%) offset the 4 bps decline in industrials. Among industrials, a 2.0% gain in energy was not large enough to offset weakness in basic industry, capital goods, and communications. In loans, industrials (+3.0%) and financials (+1.4%) offset a 0.1% decline in utilities. Regarding quality, B-rated (+0.4%) and CCC-rated bonds (+0.5%) were the strongest categories, while BB-rated loans (+0.8%) outperformed lower credit tiers.

U.S. Treasury Yield Curve



OAS Comparison – Corporate vs. High Yield



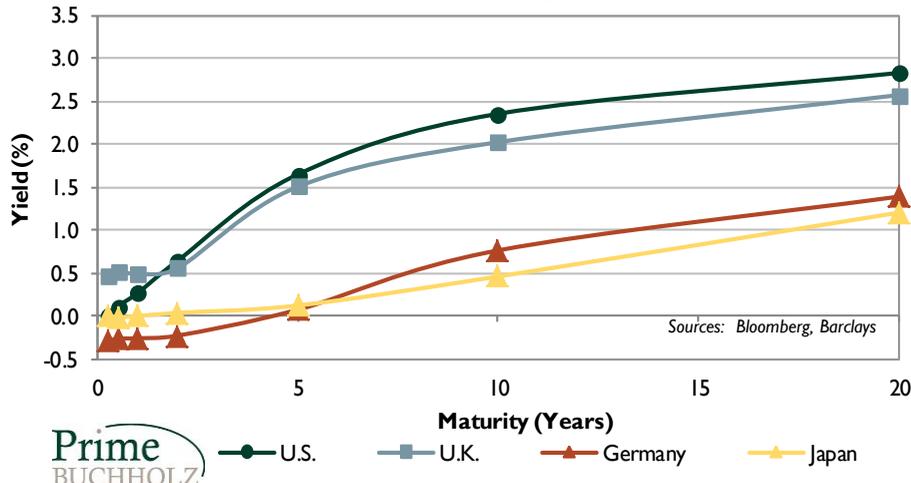
Policy actions during the quarter were skewed toward policy rate cuts. However, Brazil cumulatively raised rates 100 bps to 13.75% in an effort to stem rising inflation. Although rate cuts occurred across advanced and advancing economies, Russia made a sizeable reduction to its key rate (250 bps cut, to 11.0%). Similarly, China surprised markets twice as its actions cumulatively reduced the lending rate from 5.4% to 4.9%. China also adjusted reserve requirements. There were no changes to the Bank of Japan (BoJ) and European Central Bank (ECB) bond-buying programs and policymakers at both institutions voted to keep policy rates on hold. The ECB announced plans to frontload its €60 billion per month program during the third quarter to avoid disrupting markets during the typical summer slowdown in Europe.

The DXY fell 2.9% as weakness in the yen (-2.0%) was more than offset by strength in the British pound (+5.9%), the euro (+3.7%), and 3.9% gains in both the Swedish krona and the Swiss franc. While other developed European currencies rallied along with the euro, most Asia-Pacific nations delivered mixed results with the Australian dollar up a modest 0.6% but the New Zealand dollar down 9.8%. The USD generally rallied against EM currencies such as the Thai baht (-3.7%), Mexican peso (-2.9%), Chilean peso (-2.5%), Indonesian rupiah (-1.9%), and Indian rupee (-1.7%). However, the Israeli shekel (+5.4%), Czech koruna (+4.9%), Russian ruble (+4.3%), and Brazilian real (+2.9) were exceptions.

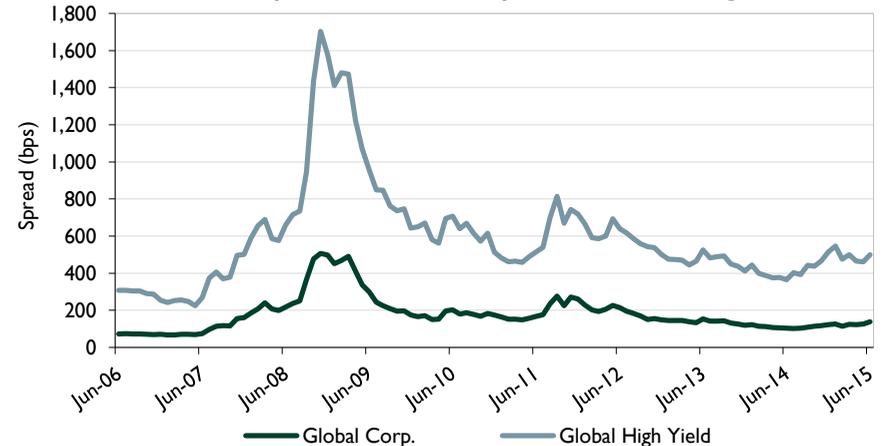
The sharp reversal in the dollar helped offset the pressure from rising non-U.S. bond yields. The USD weakened against a number of developed market currencies. As a result, the 1.5% decline of the Barclays Global Treasury ex-U.S. Index in unhedged USD terms outperformed the 2.8% drop of the Index on a USD hedged basis. Using local returns as a proxy for hedged returns, Europe was a key area of weakness due to the situation with Greece. The euro area fell 5.4% in local terms with Germany's -4.5% standing out as a positive compared to France's 5.2% fall and the 6.1% declines in Italy, Spain, and Belgium. It should be noted that due to strength in the currency, the euro area delivered a more modest decline of -1.9% in hedged terms. Japan's -0.2% local market return was another relative bright spot; however, when weakness in the yen is considered, the bonds dropped 2.2%. Canada's return (-1.5% local, -0.1% USD) was another area of relative strength.

The Barclays EM Local Currency GBI fell just 0.6% in unhedged USD terms but dropped 1.3% on a hedged basis. Strength in EM currencies versus the USD helped offset local market weakness; only Russia, Brazil, Chile, and the Philippines delivered positive local returns. From a hedged perspective, EM Americas (-0.2%) outperformed EM EMEA (-2.4%) and EM Asia (-1.3%), mainly due to local market gains in Brazil and Chile. When taking EM currency strength into consideration, EM Americas (+1.7%), led by a rally in the Brazilian real, was still the strongest region followed by EM EMEA (-0.1%) and EM Asia (-2.0%). EM EMEA's unhedged return was driven by significant strength in the Russian ruble.

Global Yield Curves as of June 30, 2015



OAS Comparison - Global Corporate vs. Global High Yield



North American private equity raised \$63 billion from 94 funds during the first quarter of 2015, representing 61% of funds closed and 57% of total capital raised globally. This was an 18% decrease in the number of funds and a 23% decrease in capital. Globally, of the 166 funds that closed during the first quarter, 50% closed above target, 24% met their target, and 26% fell short of their fundraising goal. The average fundraising period for funds closed in the first quarter was 14.8 months, which is down from its peak of 18.1 months in 2013.

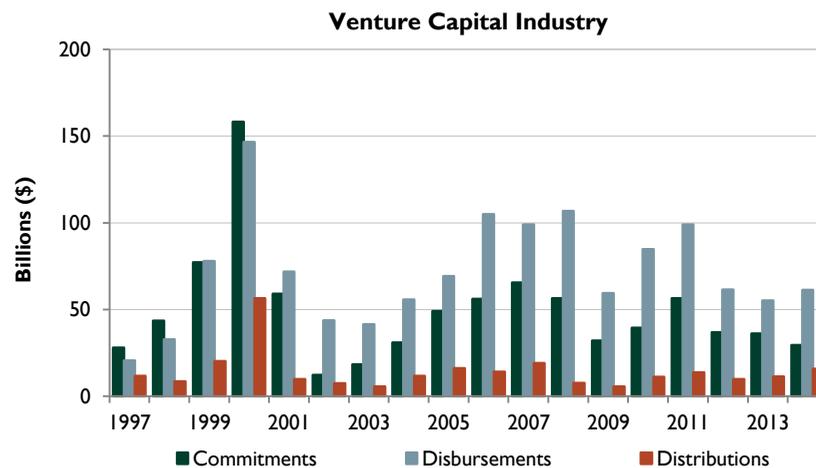
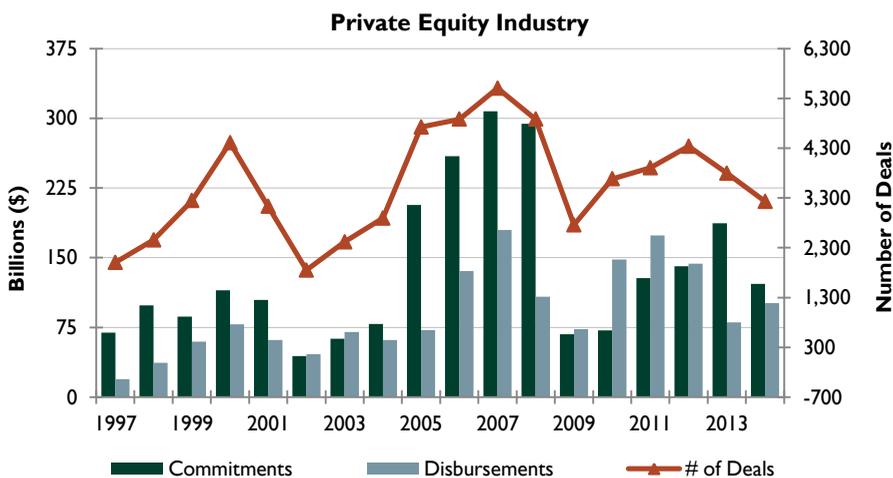
North America private equity-backed buyout deal volume fell 18%, but increased in value by 86% during the first quarter—driven by an emergence of mega-deals. There were four deals exceeding \$5 billion in value during the quarter, including Kraft Foods and PetSmart. At \$69 billion, aggregate deal value for the quarter was just below peak levels seen in the first quarter of 2013.

In the U.S., valuations remain elevated as the median valuation-to-EBITDA multiple came in at 11.5x, remaining above pre-crisis peak levels. Middle-market valuations remained slightly behind the overall market at 10.5x for the trailing year—below the top end of the market, which is producing the highest multiple at 12.7x. Private equity investors spent more capital in the U.S. middle market in the first quarter of 2015, with just under 70% of the amount invested in the deals below \$100 million in value.

Sixty-one U.S. venture capital funds raised \$7.0 billion during the first quarter, a 24% decrease in dollar commitments from the fourth quarter. Commitments were allocated to 44 follow-on funds and 18 new funds, with 2.4x new capital committed going to follow-on funds. There were 17 venture-backed initial public offerings during the quarter, which were valued at \$1.4 billion. This represented a 54% decrease in the number of deals from the fourth quarter and a 58% decrease in the dollar amount.

The total dollar volume of U.S. mergers and acquisitions increased 28% from the prior quarter, while the transaction count increased 3%. This contrasts with middle-market mergers and acquisitions, which experienced both transaction counts and dollar volume declines quarter-over-quarter by 8% and 2%, respectively.

Private equity dry powder remained at historic levels, reaching \$1.3 trillion at June 2015, which is an 18% increase from December 2014 levels. Of this amount, buyout funds accounted for nearly one-third of total dry powder in the industry, followed by private real estate and venture funds. While the first quarter saw a slowdown, private equity fundraising has been robust and fund sizes have increased, which has contributed to the growth in dry powder.

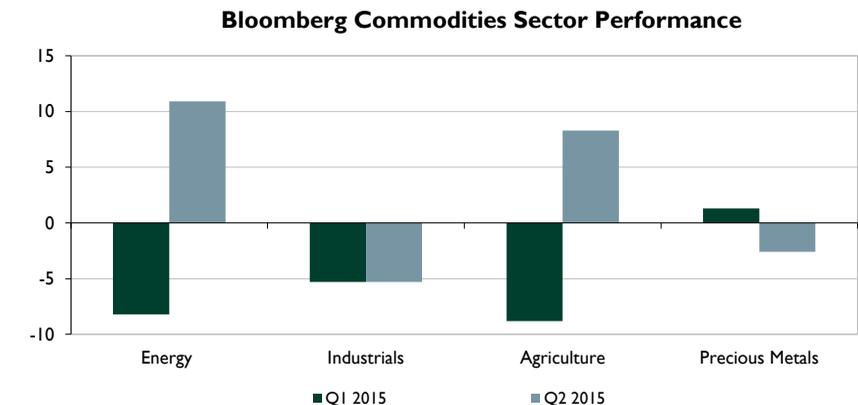
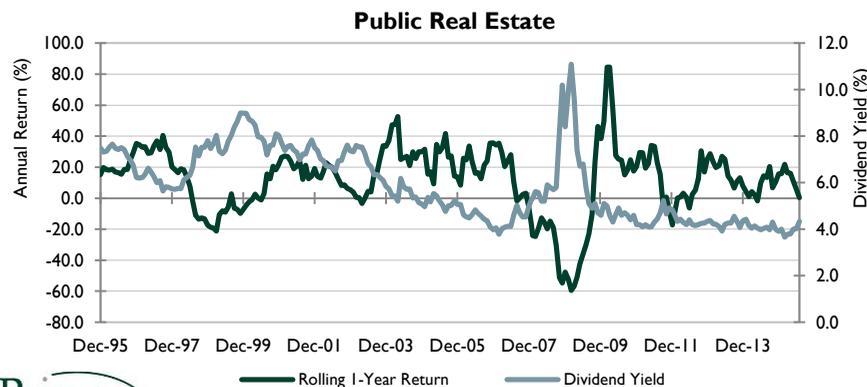


After advancing 4.2% during the first quarter, global real estate securities retreated 6.7% during the second quarter, as measured by the FTSE EPRA/NAREIT Developed Index. The decline was led by the U.S.-dominated North American region, which fell sharply (-10.3%) on rising long-term Treasury yields, forward-looking interest rate concerns, and significant new equity issuance in the first four months of 2015. Elsewhere, European REITs declined 3.3% after advancing 6.1% in the first quarter and 10.4% in calendar year 2014. Despite generally positive data from the region, prices declined on robust equity issuance (€9.1 billion) not seen since prior to the financial crisis, interest rate concerns, and uncertainty surrounding the Greece bailout negotiations. Lastly, Asian-listed securities moved modestly lower (-1.8%) on rising Treasury yields and a weaker macro outlook in Japan (-5.1%).

The Bloomberg Commodity Index rallied 4.7% during the second quarter. Energy and agricultural commodities led the advance, returning 10.9% and 8.3%, respectively. Within energy, crude oil rallied 24.9% (as measured by WTI) to close the quarter at \$59 per barrel. The price increase was primarily the result of higher-than-expected global demand and a weaker USD (-2.9%, as measured by the DXY). Agricultural commodities moved higher on multiple weather events. Corn (+17.5%) and soybeans (+15.3%) advanced as wet and cooler weather in the growing regions of the U.S. delayed planting and reduced crop size expectations. Meanwhile, the wheat market jumped 23.2% on dry and hot conditions in Europe and wet weather in the U.S., delaying the winter crop harvest and heightened concerns around quality.

The NCREIF Property Index returned 3.6% during the first quarter. The Index has now delivered positive returns for 21 straight quarterly periods. During the quarter, all five property types posted positive returns, led by retail (+4.9%), industrial (+3.5%), and office (+3.3%). The combination of investor demand for the attractive relative yields offered by real estate, widely available and inexpensive debt capital, and improving real estate fundamentals in primary and select secondary markets, continued to drive private real estate valuations higher. Since the financial crisis, domestic fundamentals have generally improved on modest but steady economic growth—with total employment eclipsing previous highs, a growing population, and historically low levels of new product supply in most sectors and markets.

U.S. TIPS fell 1.1% for the quarter. Real yields rose across all tenors, but the shape of the curve steepened with the 2- to 10-year spread widening 7 bps to 1.1% and the 5- to 30-year spread gaining 12 bps to 1.2%. Regarding term structures, TIPS maturing in the 1- to 5-year range delivered the strongest performance, gaining 0.6%, compared to the 0.7% decline of TIPS in the 5- to 10-year segment and the 4.1% drop of those in the 10 years-plus part of the curve. Inflation expectations increased with the 5-year breakeven inflation expectations rising 10 bps to 1.7% and 10-year levels increasing 12 bps to 1.9%. As a result of rising breakeven expectations, U.S. TIPS outperformed their nominal U.S. Treasury counterparts across the maturity spectrum.



During the second quarter, the HFRI Fund Weighted Composite Index gained 0.2%, nearly matching the 0.3% return of the S&P 500 Index; however, performance was choppy along the way. Event-driven and long/short equity were two of the stronger strategies, while the macro strategy struggled, erasing first quarter gains. Long positions generally performed well in May and held up for most of June as hedge funds preserved value during the month relative to the S&P 500, which fell off nearly 2%.

Long/short equity hedge funds carried their strong performance into the second quarter. The HFRI Equity Hedge Index (+1.9% for the quarter, +4.0% year-to-date) outperformed the S&P 500 (+0.3% for the quarter, +1.2% year-to-date). Health care continued to drive returns for many funds as a result of increased levels of consolidation. A popular hedge fund holding, Valeant Pharmaceutical, gained almost 12% following the completion of its acquisition of Salix Pharmaceutical and speculation that the company may be pursuing other deals in the health care space. Hedge funds experienced mixed results in technology. Semiconductor manufacturer Micron Technologies sold off 30% on the back of weak earnings and concerns about its future diversification of product lines. Others have exited the position given the near-term cost of moving into other market segments. Baidu (-4.4%) was another tech name that suffered from volatility in China. Losses were weighed against a gain of more than 50% by Netflix in the quarter. Managers with energy exposure tended to struggle with volatility in oil prices.

Absolute return-oriented managers had a mixed quarter, with fundamentals-based equity and event-driven managers generally reporting modest gains. Meanwhile, macro managers struggled, particularly in June. The HFRI Macro Index was down 3.6% in the quarter, while the HFRI Macro: Systematic Index fell 6.3%. Elevated volatility in Europe and Asia late in the quarter caused reversals in a number of popular macro trades, most notably a long European equities/short euro trade that was hit hard in June due to the issues in Greece. There were also several reversals in the currency space, with the USD weakening and currencies such as the British pound and Swedish krona rallying.

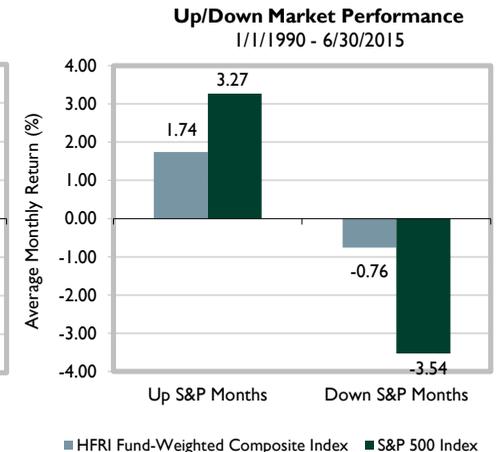
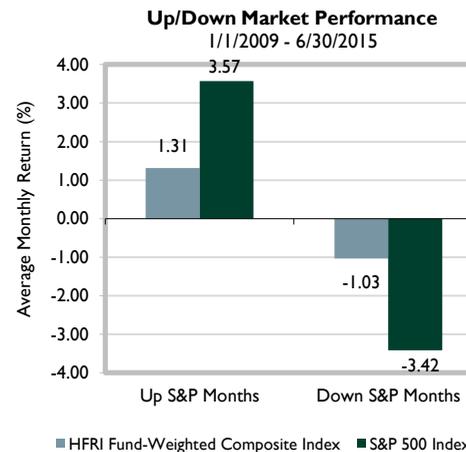
The HFRI Event-Driven Index was up 0.8%, with strong contributions from merger-arbitrage and activist strategies. Merger volume continued to be high, with a number of large deals in the health care, cable/media, and energy space announced during the quarter. Distressed managers were generally negative as issues relating to the energy sector remained a headwind. While many distressed managers had reduced exposure to Greece before the country's default, Puerto Rico credit-related positions were more widely held and served as a drag on returns for many managers, as the island faces its own fiscal issues and is working on a restructuring solution. On the positive side, progress has been made in the Icelandic banks, leading to modest appreciation in claims relating to Glitnir and Kaupthing as managers expect distributions to commence later this year or early in 2016.

Goldman Sachs Hedge Fund VIP Basket*

Top 5 Q2 2015 Performers		Bottom 5 Q2 2015 Performers	
Company		Company	
Netflix Inc	57.7%	Micron Technology Inc	-30.6%
SunEdison Inc	24.6%	American Airlines Group	-24.2%
Gilead Sciences Inc	19.7%	NorthStar Asset Mgmt	-20.4%
Time Warner Cable Inc	19.4%	Yahoo! Inc	-11.6%
Amazon.com Inc	16.7%	Charter Communications	-11.3%
S&P 500 Index	0.3%	S&P 500 Index	0.3%

* 50 companies that "matter most" to hedge funds; positions that appear most frequently as top ten holdings of hedge funds with 10-200 total holdings. Performance based on price change.

Sources: Bloomberg, Hedge Fund Research, Goldman Sachs, Morgan Stanley



Tab II

Total Fund Highlights

- The Town of Palm Beach Health Insurance Trust portfolio declined 0.3% during the second quarter of 2015. Over the trailing 1-year, the Total Fund returned -1.4%, finishing in line with its Target Index.
- Overall the global equity segment declined 0.3%, with the domestic equity segment declining 0.2%, slightly trailing its benchmark the Russell 3000 Index (+0.1%). The international equity segment (-0.4%) detracted from relative performance and trailed its benchmark the MSCI AC World ex USA Index (+0.5%) by 90 bps. The total flexible capital segment declined 0.2%, trailing its benchmark the HFRI FOF Composite Index (+0.1%). The total fixed income segment declined 0.7% and finished in line with its benchmark the Fixed Income Composite Index (-0.8%). The total inflation hedging segment was flat during the quarter, performing in line with its benchmark the Inflation Hedging Composite Index (0.0%).
- At quarter-end, total fund assets are valued at approximately \$26.0 million and all asset class segments are within their targeted asset allocation range.

Recent Actions Taken	Upcoming Agenda Items
<p>Second Quarter 2015</p> <ul style="list-style-type: none"> • No significant activity occurred. <p>First Quarter 2015</p> <ul style="list-style-type: none"> • No significant activity occurred. <p>Fourth Quarter 2014</p> <ul style="list-style-type: none"> • Replaced PIMCO CommoditiesPlus with Nuveen Gresham Diversified Commodities. • Replaced PIMCO Total Return II with JP Morgan Core Bond Select Fund. <p>Third Quarter 2014</p> <ul style="list-style-type: none"> • No significant activity occurred. 	<ul style="list-style-type: none"> • 2Q15 Performance Review

Segment Performance

Benchmark Dependent Metrics relative to S&P 500 Index

As of June 30, 2015

	I Quarter Return	I Year Return	2 Years Return	3 Years Return	5 Years Return	Since Inception Return	Since Inception Standard Deviation	Since Inception Beta	Since Inception Actual Correlation	Inception Date
Total Fund	-0.3	-1.4	7.4	9.0	8.9	3.1	9.9	0.6	0.9	Jul-07
Target Index	0.0	-1.4	6.8	7.9	8.1	3.3	9.4	0.6	0.9	Jul-07
Actual Index	0.0	-0.5	7.6	8.7	8.5	3.5	8.8	0.5	0.9	Jul-07
Consumer Price Index	1.1	0.1	1.1	1.3	1.8	1.7	1.5	0.0	0.1	Jul-07
Domestic Equity	-0.2	5.3	14.6	16.5	16.1	4.5	17.1	1.0	1.0	Jul-07
Russell 3000 Index	0.1	7.3	15.9	17.7	17.5	6.6	16.6	1.0	1.0	Jul-07
International Equity	-0.4	-2.1	11.0	14.6	11.8	2.3	20.4	1.2	0.9	Jul-07
MSCI AC World ex USA (Net)	0.5	-5.3	7.4	9.4	7.8	0.4	20.3	1.1	0.9	Jul-07
MSCI EAFE (Net)	0.6	-4.2	8.8	12.0	9.5	0.3	19.7	1.1	0.9	Jul-07
Total Flexible Capital	-0.2	0.0	4.5	6.8	5.8	3.6	5.4	0.2	0.7	Jul-07
HFRI Fund of Funds Composite Index	0.1	3.8	5.7	6.2	4.1	1.0	5.6	0.3	0.7	Jul-07
Total Fixed Income	-0.7	1.2	2.0	1.4	3.0	3.2	5.6	0.2	0.7	Jul-07
Fixed Income Composite Index	-0.8	1.6	2.2	1.3	2.7	3.7	4.6	0.2	0.7	Jul-07
Total Inflation Hedging	0.0	-23.1	-4.4	-3.7	0.6	-5.6	15.2	0.2	0.2	Jul-07
Inflation Hedging Composite Index	0.0	-21.7	-3.6	-2.3	1.7	-0.5	11.9	0.2	0.2	Jul-07

Executive Summary

Town of Palm Beach

Health Insurance Trust

Preliminary as of June 30, 2015

Market Value	% of Portfolio		QTR Ended Sep-14	QTR Ended Dec-14	QTR Ended Mar-15	QTR Ended Jun-15	Calendar YTD	1 YR	2 YRS	3 YRS	5 YRS	Return Since	Inception Date
\$26,030,061	100.0	Total Fund	-2.3	-0.5	1.7	-0.3	1.4	-1.4	7.4	9.0	8.9	3.1	Jul-07
		Target Index	-2.1	-0.8	1.6	0.0	1.6	-1.4	6.8	7.9	8.1	3.3	Jul-07
		Actual Index	-2.0	-0.2	1.8	0.0	1.7	-0.5	7.6	8.7	8.5	3.5	Jul-07
		Consumer Price Index	-0.1	-1.4	0.6	1.1	1.6	0.1	1.1	1.3	1.8	1.7	Jul-07
\$13,124,261	50.4	Global Equity	-2.0	2.1	2.6	-0.3	2.4	2.4	13.2	15.8	14.4	3.7	Jul-07
\$8,234,140	31.6	Domestic Equity	-1.0	4.8	1.7	-0.2	1.5	5.3	14.6	16.5	16.1	4.5	Jul-07
		Russell 3000 Index	0.0	5.2	1.8	0.1	1.9	7.3	15.9	17.7	17.5	6.6	
\$5,794,743	22.3	Fidelity Spartan Total Market Index Advisor Fund	-0.1	5.2	1.8	0.1	1.9	7.2	15.7	17.6	17.5	6.6	Jul-07
		Wilshire 5000 Index	0.0	4.9	1.8	0.0	1.8	6.7	15.6	17.6	17.4	6.7	
\$1,166,706	4.5	FPA Crescent Fund	-1.0	2.5	0.1	-0.1	0.0	1.5	8.5	11.5	NA	9.6	Apr-12
		S&P 500 Index	1.1	4.9	1.0	0.3	1.2	7.4	15.7	17.3	17.3	14.9	
		60% Russell 2500 / 40% BC Global Credit	-4.1	3.8	2.7	-0.5	2.2	1.7	10.2	12.3	12.7	10.5	
		HFRI Equity Hedge (Total) Index	-1.4	0.0	2.0	2.0	4.1	2.6	7.5	8.4	6.1	6.2	
\$1,272,691	4.9	FMI Common Stock Fund	-4.9	4.8	2.4	-1.6	0.7	0.4	13.1	14.3	NA	11.3	Apr-12
		Russell 2500 Index	-5.3	6.8	5.2	-0.3	4.8	5.9	15.3	18.7	17.9	15.6	
\$4,890,121	18.8	International Equity	-3.7	-2.1	4.2	-0.4	3.9	-2.1	11.0	14.6	11.8	2.3	Jul-07
		MSCI AC World ex USA (Net)	-5.3	-3.9	3.5	0.5	4.0	-5.3	7.4	9.4	7.8	0.4	
		MSCI EAFE (Net)	-5.9	-3.6	4.9	0.6	5.5	-4.2	8.8	12.0	9.5	0.3	
\$2,420,485	9.3	Dodge & Cox International Stock Fund	-2.7	-4.7	4.2	-0.3	3.9	-3.6	11.6	15.4	11.2	2.2	Jul-07
		MSCI AC World ex USA (Net)	-5.3	-3.9	3.5	0.5	4.0	-5.3	7.4	9.4	7.8	0.4	
\$2,469,636	9.5	Artisan International Institutional Fund	-4.7	0.5	4.3	-0.4	3.8	-0.5	10.4	13.7	NA	9.1	Jul-11
		MSCI EAFE (Net)	-5.9	-3.6	4.9	0.6	5.5	-4.2	8.8	12.0	9.5	4.9	

Executive Summary

Town of Palm Beach

Health Insurance Trust

Preliminary as of June 30, 2015

Market Value	% of Portfolio		QTR Ended Sep-14	QTR Ended Dec-14	QTR Ended Mar-15	QTR Ended Jun-15	Calendar YTD	1 YR	2 YRS	3 YRS	5 YRS	Return Since	Inception Date
\$5,038,663	19.4	Total Flexible Capital	-1.0	0.0	1.2	-0.2	1.0	0.0	4.5	6.8	5.8	3.6	Jul-07
		HFRI Fund of Funds Composite Index	0.3	0.9	2.5	0.1	2.6	3.8	5.7	6.2	4.1	1.0	
\$2,166,431	8.3	Forester Offshore A2, Ltd.	-0.3	3.8	1.8	0.2	2.0	5.5	7.8	9.0	7.6	5.2	Jul-07
		HFRI FOF: Strategic Index	-0.2	0.9	2.6	1.0	3.7	4.4	6.7	7.3	4.7	1.0	
\$2,872,232	11.0	Archstone Absolute Return Strategies Fund, Ltd. Class A	-1.5	-2.7	0.7	-0.5	0.3	-3.8	2.1	5.2	4.4	2.3	Jul-07
		HFRI FOF: Conservative Index	0.2	0.3	1.9	0.2	2.1	2.6	4.6	5.5	3.6	0.8	
\$5,199,019	20.0	Total Fixed Income	-0.3	1.1	1.1	-0.7	0.4	1.2	2.0	1.4	3.0	3.2	Jul-07
		Fixed Income Composite Index	0.1	1.1	1.2	-0.8	0.4	1.6	2.2	1.3	2.7	3.7	
\$2,877,379	11.1	JP Morgan Core Bond Select Fund	NA	NA	1.5	-1.3	0.2	NA	NA	NA	NA	0.2	Jan-15
		Barclays U.S. Aggregate	0.2	1.8	1.6	-1.7	-0.1	1.9	3.1	1.8	3.3	-0.1	
\$2,321,640	8.9	Vanguard Short Term US Treasury Admiral Fund	-0.1	0.3	0.5	0.1	0.6	0.9	0.9	0.7	NA	0.7	Dec-11
		Barclays U.S. Treasury: 1-5 Year	0.0	0.4	0.9	0.0	0.9	1.3	1.2	0.8	1.4	0.8	
\$2,503,512	9.6	Total Inflation Hedging	-8.7	-15.0	-0.9	0.0	-1.0	-23.1	-4.4	-3.7	0.6	-5.6	Jul-07
		Inflation Hedging Composite Index	-8.4	-12.7	-2.0	0.0	-2.0	-21.7	-3.6	-2.3	1.7	-0.5	
\$773,964	3.0	Vanguard Short-Term Inflation Protected Securities Adm. Fund	-1.4	-1.5	0.3	0.5	0.9	-2.0	NA	NA	NA	-0.7	Mar-14
		Barclays U.S. Treasury: 0-5 Year TIPS Index	-1.4	-1.5	0.4	0.5	0.9	-2.0	0.1	-0.1	1.3	-0.6	
\$600,971	2.3	Nuveen Gresham Diversified Commodities Fund	NA	NA	-5.9	4.1	-2.1	NA	NA	NA	NA	-2.1	Jan-15
		Bloomberg Commodity Index	-11.8	-12.1	-5.9	4.7	-1.6	-23.7	-9.1	-8.8	-3.9	-1.6	
\$1,128,577	4.3	Van Eck Global Hard Assets I Fund	-10.5	-20.4	0.9	-2.5	-1.6	-29.9	-3.7	-0.4	NA	-4.7	Apr-12
		S&P North American Natural Res Sector Index (TR)	-10.0	-13.9	-1.5	-2.7	-4.1	-25.7	-0.5	3.0	5.4	-0.4	

Executive Summary

Town of Palm Beach

Health Insurance Trust

Preliminary as of June 30, 2015

Market Value	% of Portfolio		QTR Ended Sep-14	QTR Ended Dec-14	QTR Ended Mar-15	QTR Ended Jun-15	Calendar YTD	1 YR	2 YRS	3 YRS	5 YRS	Return Since	Inception Date
\$164,606	0.6	Total Liquid Capital	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.6	Jul-07
\$164,606	0.6	Government Stif 15	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.6	Jul-07
		Citigroup 3 Month T-Bill	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.6	

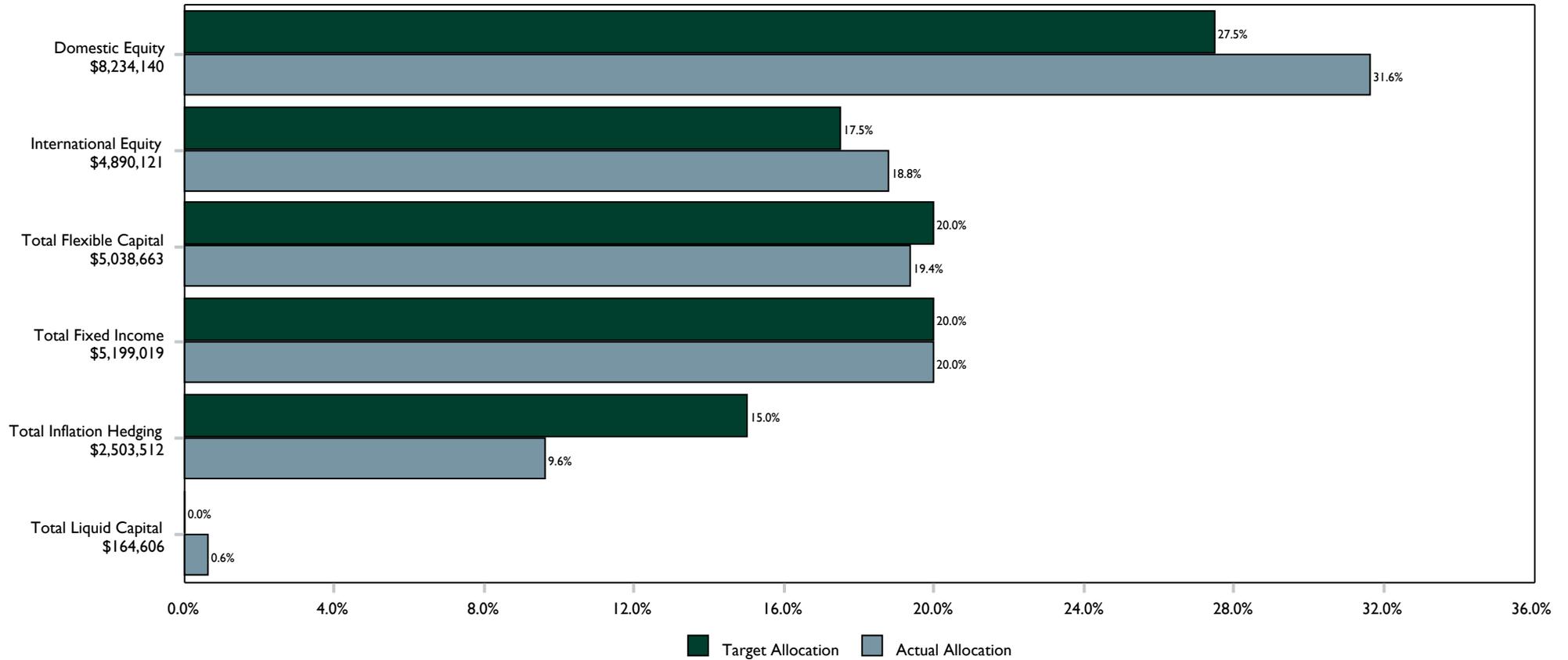
Please Note:

- Periods greater than one year are annualized
- Returns are net of investment management fees and gross of consulting fees unless otherwise stated
- Since inception returns are calculated from the first full month
- Actual Index calculated using manager allocations and index returns
- Performance and market values are subject to change based on statement availability from the investment manager/custodian
- Target Index (as of 9/01/2013): 27.5% Russell 3000 Index/ 17.5% MSCI ACWI ex USA/ 20% HFRI FOF Index/ 20% Fixed Income Composite Index/ 15% Inflation Hedging Composite Index
- Target Index (as of 12/01/2011): 27.5% Russell 3000 Index/ 17.5% MSCI EAFE Net Index/ 20% HFRI FOF Index/ 20% Fixed Income Composite Index/ 15% Inflation Hedging Composite Index
- Target Index reflects the policy limitations regarding international constraints
- Inflation Hedging Composite Index reflects manager allocations and index returns. Components have changed over time.
- Fixed Income Composite Index effective 12/01/2011: 50% Barclays U.S. Aggregate Index / 50% Barclays US Treasury: 1-5 Year Index
- Fixed Income Composite Index (prior to 11/30/2011): 50% Barclays Aggregate Index / 50% BOA Conv. Bond US Inv. Gr. Index
- Domestic Equity, Fixed Income, Inflation Hedging: Performance includes terminated managers
- Government Stif 15: Client specific cash performance not available. Citigroup Treasury Bill 3 Month Index is being reported
- Forester Offshore A2, Ltd: Market value estimated using preliminary manager reported performance.
- FPA Crescent Fund: Market value estimated using manager reported NAV.

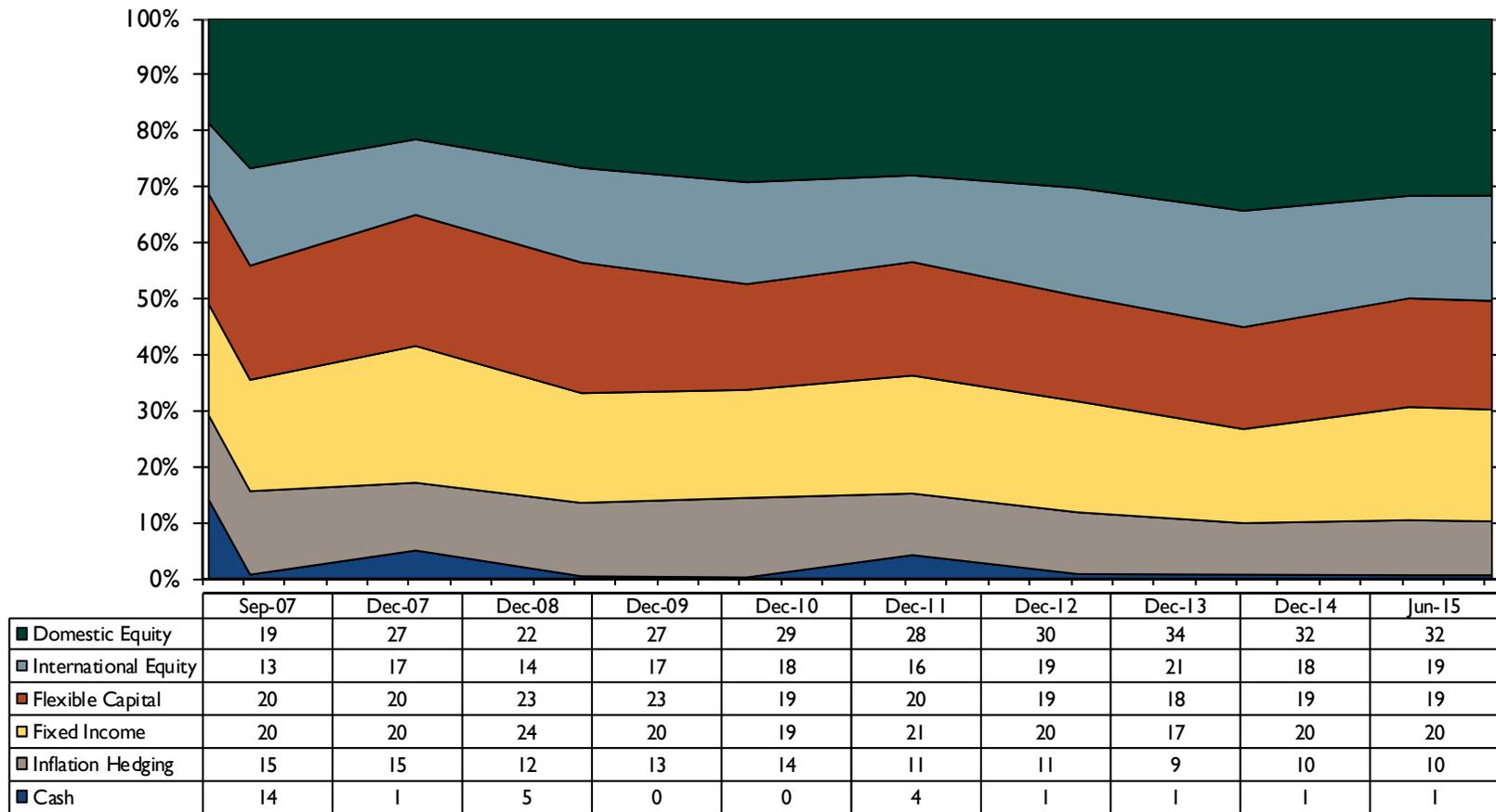
Asset Allocation - Current

As of June 30, 2015

	Asset Allocation (%)	Lower (%)	Target (%)	Upper (%)	Difference (%)
Total Fund	100.0	-	100.0	-	0.0
Domestic Equity	31.6	22.5	27.5	32.5	4.1
International Equity	18.8	15.0	17.5	20.0	1.3
Total Flexible Capital	19.4	15.0	20.0	25.0	-0.6
Total Fixed Income	20.0	15.0	20.0	25.0	0.0
Total Inflation Hedging	9.6	10.0	15.0	20.0	-5.4
Total Liquid Capital	0.6	0.0	0.0	1.0	0.6



Asset Allocation – Historical



- Sep-07 reflects earliest period for which asset allocation is available

Asset Allocation - Performance Comparison

As of June 30, 2015

Total Fund Performance

	1 Quarter Return	1 Year Return	2 Years Return	3 Years Return	5 Years Return	Since Inception Return	1 Year Standard Deviation	2 Years Standard Deviation	3 Years Standard Deviation	5 Years Standard Deviation	Since Inception Standard Deviation	Inception Date
Total Fund	-0.3	-1.4	7.4	9.0	8.9	3.1	5.3	6.2	5.7	8.5	9.9	Jul-07
Target Index	0.0	-1.4	6.8	7.9	8.1	3.3	5.4	5.8	5.4	7.9	9.4	
Actual Index	0.0	-0.5	7.6	8.7	8.5	3.5	5.3	6.0	5.6	7.8	8.8	
Domestic Index	-0.4	5.7	12.0	12.8	13.3	6.4	6.4	6.6	6.0	8.5	11.7	
Global Index	-0.1	-1.6	7.8	8.8	9.0	3.5	6.6	7.3	6.7	10.3	13.5	
Consumer Price Index	1.1	0.1	1.1	1.3	1.8	1.7	1.4	1.2	1.2	1.2	1.5	

Inflation Adjusted Nominal Portfolio Statistics

Statistical Output (%)	Target Index	Actual Index	Domestic Index	Global Index
Expected Return (Arithmetic)	7.4	7.4	7.2	7.4
Expected Standard Deviation	12.2	12.4	14.0	13.8
Expected Return (Geometric)	6.7	6.6	6.3	6.5
Sharpe Ratio	0.4	0.4	0.3	0.4
Historical Return (Arithmetic)	9.5	9.3	9.8	8.7
Historical Standard Deviation	11.0	11.1	12.3	12.8
Historical Return (Geometric)	8.9	8.7	9.1	7.9
Beta (to S&P 500 Index)	0.6	0.6	0.7	0.7
Correlation (to S&P 500 Index)	0.9	0.9	1.0	0.9
Probability of Returns Exceeding 5%				
10 Years	67.6	66.6	61.4	63.7

Historical Stress Test

	Deflation: Fall '08 to S&P Trough Sep-08 to Mar-09	Corporate Scandals May-02 to Jul-02	Tech Bubble Collapse Mar-00 to Mar-01	Russian Debt/LTCM Collapse Jul-98 to Oct-98	Rising Rates Jan-94 to Dec-94	Shock Inflation Jan-73 to Dec-73	High Inflation Jan-73 to Dec-81
Target Index	-28.8%	-12.0%	-7.0%	-9.4%	+1.8%	-1.6%	+5.9%
Actual Index	-29.1%	-13.2%	-9.4%	-10.2%	+1.7%	-2.7%	+5.6%
Domestic Index	-32.5%	-16.9%	-11.9%	-11.3%	-0.8%	-9.6%	+5.5%
Global Index	-34.1%	-13.0%	-17.3%	-10.1%	+2.2%	-8.2%	+5.7%

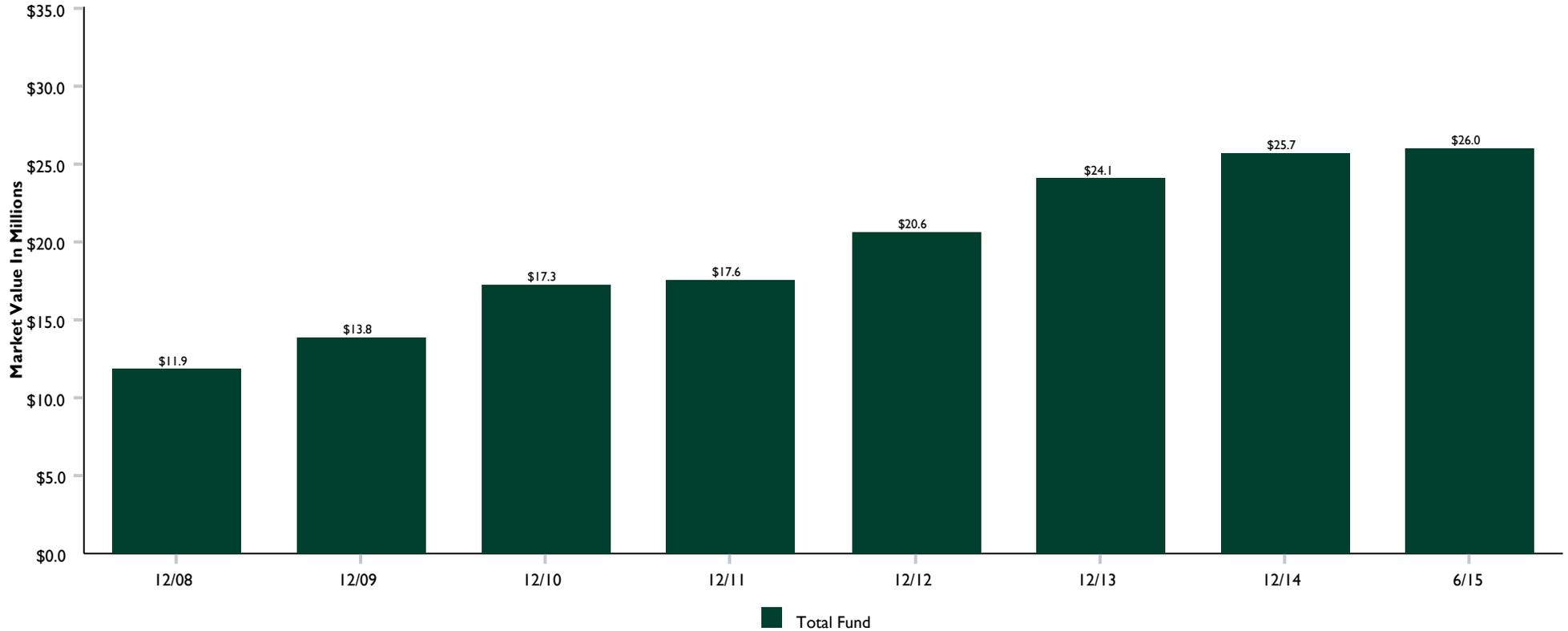
Notes: - Domestic Index: 70% Russell 3000 Index/30% Barclays Aggregate Index; Global Index: 70% MSCI AC World Index/30% Barclays Global Aggregate Index
 - Expected return/risk using 10-15 year Prime Buchholz capital market assumptions
 - Historical data based on index returns from 1/1/1988 through 6/30/2014
 - Index components utilized: Russell 3000/MSCI World ex U.S./MSCI Emerging Mkts./All Private Equity Benchmark/Barclays Aggregate/Barclays Long G/C/Barclays U.S. Corp. HY/Barclays Muni/HFRI Fund Weighted/Barclays U.S. TIPS/Private Equity-All Buyouts/S&P Natural Resources/S&P GSCI-DJ UBS/NCREIF Leverage & Fee Adj./Barclays Long Treasury/30-Day T-Bill/JPM Non-U.S. Global Govt.

Schedule of Investable Assets

Total Fund

January 1, 2008 To June 30, 2015

Periods Ending	Beginning Market Value	Net Cash Flow	Investment Performance	Ending Market Value
2008	\$16,305,625	\$8,989	-\$4,447,739	\$11,866,875
2009	\$11,866,875	0	\$1,976,750	\$13,843,625
2010	\$13,843,625	\$1,506,198	\$1,904,937	\$17,254,761
2011	\$17,254,761	\$792,031	-\$489,399	\$17,557,392
2012	\$17,557,392	\$999,098	\$2,078,366	\$20,634,856
2013	\$20,634,856	0	\$3,450,029	\$24,084,884
2014	\$24,084,884	\$1,000,000	\$595,975	\$25,680,859
To 06/2015	\$25,680,859	0	\$349,202	\$26,030,061
	\$16,305,625	\$4,306,315	\$5,418,121	\$26,030,061



Liquidity Schedule

As of June 30, 2015

Redemption Terms						
Daily			\$18,114,019			69.6
Semi Liquid			\$5,038,663			19.4
Total			\$26,030,061			100.0
Investments	Inception	Subscriptions	Market Value	Daily	Semi Liquid	Notes
Global Equity						
Fidelity Spartan Total Market Index Advisor Fund	Jun-07	Daily	\$5,794,743	\$5,794,743		
FPA Crescent Fund	Mar-12	Daily	\$1,166,706	\$1,166,706		
FMI Common Stock Fund	Mar-12	Daily	\$1,272,691	\$1,272,691		
Dodge & Cox International Stock Fund	Jun-07	Daily	\$2,420,485	\$2,420,485		
Artisan International Institutional Fund	Jun-11	Daily	\$2,469,636	\$2,469,636		
Flexible Capital						
Total Flexible Capital	Jul-07	Various	\$5,038,663		\$5,038,663	See additional report
Fixed Income						
JP Morgan Core Bond Select Fund	Dec-14		\$2,877,379			
Vanguard Short Term US Treasury Admiral Fund	Nov-11	Daily	\$2,321,640	\$2,321,640		
Inflation Hedging						
Vanguard Short-Term Inflation Protected Securities Adm. Fund	Feb-14	Daily	\$773,964	\$773,964		
Nuveen Gresham Diversified Commodities Fund	Dec-14	Daily	\$600,971	\$600,971		
Van Eck Global Hard Assets I Fund	Mar-12	Daily	\$1,128,577	\$1,128,577		
Liquid Capital						
Government Stif 15	Jun-07	Daily	\$164,606	\$164,606		
Total (\$)			\$26,030,061	\$18,114,019	\$5,038,663	
Total (%)			100.0	69.6	19.4	

Definitions:

- Semi-liquid: Redemption can be processed within a period greater than 30 days; liquidity details for semi-liquid investments can be found on the following Flexible Capital Detail Report.
- Illiquid: Redemption cannot be processed (closed end partnerships).

Flexible Capital Detail

Investment	Tranche	Subscription Frequency	Subscription Date	Market Value	Redemption Frequency	Notice Period	Redemption Notice Deadline	Next Possible Redemption Date	Lock	Notes
Forester Offshore, Ltd.	Series A2 Sub-series 07/10	Quarterly	07/01/07	\$2,166,431	Annual	60 days	05/01/16	06/30/16	Two years - expired	Reds: available annually on anniversary
Archstone Absolute Return Strategies Fund, Ltd.	A-PB	Monthly	07/01/07	\$2,872,232	Semi-annual	90 days	10/02/15	12/31/15	One year - expired	Reds: available on 6/30 and 12/31

Operational Detail

Town of Palm Beach Health Insurance Trust							
Manager	Vehicle Type	Latest Audited Financials	Auditor/Accountant	Legal Counsel	Custodian	Administrator	Holdings Transparency
Archstone Absolute Return Strategies Fund, Ltd.	Pooled	12/31/2015	Ernst & Young LLP	Walkers SPV Limited (Cayman); Will	BNY Mellon	SS&C Technologies, Inc.	High
Artisan International Instl Fd	Pooled	9/30/2014	Ernst & Young LLP	Ropes & Gray LLP	State Street Bank & Trust Company	Artisan Partners LP	High
Dodge & Cox Intl Stock Fund	Pooled	12/31/2015	PricewaterhouseCoopers LLP	Dechert LLP	State Street Bank & Trust Company	Dodge & Cox	High
Fidelity Spartan Total Market Index Adv Fund	Pooled	2/28/2014	PricewaterhouseCoopers LLP	Fidelity Legal Department	BNY Mellon	Fidelity Management & Research Company	High
FMI Common Stock Fund	Pooled	9/30/2014	PricewaterhouseCoopers LLP	Foley & Lardner LLP	U.S. Bank, N.A.	U.S. Bancorp Fund Services, LLC	High
Forester Offshore A2, Ltd.	Pooled	6/30/2014	Ernst & Young LLP	Ogier	State Street Bank and Trust Company	International Fund Services LLC	High
FPA Crescent Fund	Pooled	12/31/2015	Deloitte & Touche LLP	K&L Gates LLP	State Street Bank & Trust Company	First Pacific Advisors, LLC	High
Nuveen Gresham Diversified Commodities Fund	Pooled	9/30/2014	PricewaterhouseCoopers LLP	Dechert LLP	State Street Bank & Trust Company	Nuveen Gresham	High
JP Morgan Core Bond Select Fund	Pooled	2/28/2014	PricewaterhouseCoopers LLP	Dechert LLP	JPMorgan Chase & Co.	JP Morgan Funds Management, Inc.	High
Van Eck Global Hard Assets I Fund	Pooled	12/31/2015	Ernst & Young LLP	Goodwin Procter LLP	State Street Bank & Trust Company	Van Eck Associates Corporation	High
Vanguard Short Term US Treas Adm Fd	Pooled	1/31/2015	PricewaterhouseCoopers LLP	Internal Legal Department	BNY Mellon	The Vanguard Group	High
Vanguard Short-Term Inflation Protected Securities Adm. Fund	Pooled	9/30/2014	PriceWaterhouseCoopers LLP	Internal Legal Department	JPMorgan Chase & Co.	The Vanguard Group	High

N/A: information not applicable. N/P: information not provided at the time of report creation.

Low Transparency: limited disclosure of underlying portfolio holdings/components.

Medium Transparency: partial disclosure of underlying holdings/components.

High Transparency: access to underlying portfolio holdings/components.

Transparency assessments may not be comparable across asset classes or vehicles, given the existence of differing industry practices and implementation methods.

Auditor, latest audited financials, and legal counsel data provided for separate accounts is that of the management firm and provided for informational purposes only. Separate accounts typically are not audited.

Information obtained from third party sources is believed to be reliable, however, the accuracy of the information is not guaranteed and is not subject to independent verification.

Data is as of the most recent calendar year end and updated annually.

Fee Schedule

As of June 30, 2015

Health Insurance Trust

	<u>Fee Schedule</u>	<u>Assets Market Value</u>	<u>Projected Annual Fee (\$)</u>	<u>Projected Annual Fee (%)</u>
Fidelity Spartan Total Market Index Advisor Fund	0.05% of NAV	\$5,794,743	\$2,897	0.05%
FPA Crescent Fund	1.11% of NAV	\$1,166,706	\$12,950	1.11%
FMI Common Stock Fund	1.18% of NAV	\$1,272,691	\$15,018	1.18%
Dodge & Cox International Stock Fund	0.64% of NAV	\$2,420,485	\$15,491	0.64%
Artisan International Institutional Fund	0.95% of NAV	\$2,469,636	\$23,462	0.95%
Forester Offshore A2, Ltd.	1.00% on assets managed	\$2,166,431	\$21,664	1.00% *
Archstone Absolute Return Strategies Fund, Ltd. Class A	1.14% on assets managed **	\$2,872,232	\$32,743	1.14% *
JP Morgan Core Bond Select Fund	0.59% of NAV	\$2,877,379	\$16,977	0.59%
Vanguard Short Term US Treasury Admiral Fund	0.10% of NAV	\$2,321,640	\$2,322	0.10%
Vanguard Short-Term Inflation Protected Securities Adm Fund	0.10% of NAV	\$773,964	\$774	0.10%
Nuveen Gresham Diversified Commodities Fund	1.07% of NAV	\$600,971	\$6,430	1.07%
Van Eck Global Hard Assets I Fund	1.00% of NAV	\$1,128,577	\$11,286	1.00%
Total Liquid Capital	--	\$164,606	--	--
Total Investment Management Fees		\$26,030,061	\$162,014	0.62%

Fee Schedule

As of June 30, 2015

Health Insurance Trust

	<u>Fee Schedule</u>	<u>Assets Market Value</u>	<u>Projected Annual Fee (\$)</u>	<u>Projected Annual Fee (%)</u>
State Street Bank & Trust Co.				
-Custody Fees	0.015% on assets custodied	\$26,030,061	\$3,905	0.015%
-Accounting Fees				
Separate Domestic Equity Accounts	\$4,000 each (0)		--	
Separate Fixed Income Accounts	\$2,500 each (0)		--	
Multiple Line Item Portfolios	\$1,500 each (1)		\$1,500	
Commingled/Mutual Funds	\$500 each (13)		\$6,500	
Estimated Total SSB&T Fee:		\$26,030,061	\$11,905	0.05%
PBA Fees	0.25% on first \$20 million 0.10% on next \$50 million 0.05% over \$70 million \$60,000 minimum	\$26,030,061	\$60,000	0.23%
Total Fees		\$26,030,061	\$233,919	0.90%

Please Note:

* Base fee only; underlying manager fees, incentive fees, and operating expenses not included

** Archstone management fees may range from 1.1% to 1.2%

- Estimated State Street Bank & Trust Co. custody fee does not include trading/transaction fees

Peer Performance Comparison

As of June 30, 2015

	1 Year Return	3 Years Return	5 Years Return	5 Years Standard Deviation	5 Years Beta	5 Years Actual Correlation	Year To Date Return	2014 Return	2013 Return	2012 Return	2011 Return
Fidelity Spartan Total Market Index Advisor Fund	7.2 (30)	17.6 (50)	17.5 (25)	13.1	1.0	1.0	1.9 (49)	12.5 (28)	33.4 (54)	16.4 (35)	1.0 (19)
Wilshire 5000 Total Market Index	6.7 (39)	17.6 (51)	17.4 (26)	13.1	1.0	1.0	1.8 (55)	12.1 (32)	34.0 (49)	16.1 (40)	0.6 (24)
<i>IM U.S. Multi-Cap Core Equity (MF) Median</i>	<i>5.6</i>	<i>17.6</i>	<i>16.2</i>	<i>14.0</i>	<i>1.0</i>	<i>1.0</i>	<i>1.9</i>	<i>10.7</i>	<i>33.7</i>	<i>15.4</i>	<i>-1.5</i>
FPA Crescent Fund	1.5 (28)	11.5 (12)	11.0 (18)	8.4	0.7	1.0	0.0 (68)	6.6 (22)	21.9 (12)	10.3 (60)	3.0 (18)
S&P 500 Index	7.4 (2)	17.3 (2)	17.3 (3)	12.4	1.0	1.0	1.2 (45)	13.7 (4)	32.4 (4)	16.0 (15)	2.1 (23)
60% Russell 2500 / 40% BC Global Credit	1.7 (26)	12.3 (10)	12.7 (9)	11.1	0.8	0.9	2.2 (23)	5.3 (30)	21.4 (12)	15.6 (17)	0.5 (33)
HFRI Equity Hedge (Total) Index	2.6 (18)	8.4 (38)	6.1 (86)	8.0	0.6	0.9	4.1 (4)	1.8 (68)	14.3 (38)	7.4 (83)	-8.4 (92)
<i>IM Flexible Portfolio (MF) Median</i>	<i>-0.8</i>	<i>7.6</i>	<i>8.5</i>	<i>9.3</i>	<i>0.6</i>	<i>0.9</i>	<i>0.9</i>	<i>3.3</i>	<i>10.9</i>	<i>11.5</i>	<i>-1.5</i>
FMI Common Stock Fund	0.4 (93)	14.3 (95)	14.8 (80)	14.3	0.8	1.0	0.7 (82)	6.5 (73)	32.0 (74)	10.2 (87)	4.5 (3)
Russell 2500 Index	5.9 (50)	18.7 (36)	17.9 (22)	16.5	1.0	1.0	4.8 (25)	7.1 (68)	36.8 (29)	17.9 (26)	-2.5 (42)
<i>IM U.S. Mid Cap Core Equity (MF) Median</i>	<i>5.9</i>	<i>18.0</i>	<i>16.3</i>	<i>15.9</i>	<i>0.9</i>	<i>1.0</i>	<i>3.1</i>	<i>9.0</i>	<i>34.5</i>	<i>16.2</i>	<i>-3.4</i>
Dodge & Cox International Stock Fund	-3.6 (44)	15.4 (3)	11.2 (6)	16.4	1.1	1.0	3.9 (85)	0.1 (14)	26.3 (1)	21.0 (11)	-16.0 (93)
MSCI AC World ex USA (Net)	-5.3 (80)	9.4 (76)	7.8 (89)	15.2	1.0	1.0	4.0 (85)	-3.9 (17)	15.3 (79)	16.8 (62)	-13.7 (70)
<i>IM International Large Cap Core Equity (MF) Median</i>	<i>-3.9</i>	<i>10.5</i>	<i>9.2</i>	<i>15.5</i>	<i>1.0</i>	<i>1.0</i>	<i>6.3</i>	<i>-6.2</i>	<i>19.5</i>	<i>17.8</i>	<i>-12.7</i>
Artisan International Institutional Fund	-0.5 (20)	13.7 (8)	14.1 (1)	15.6	1.0	1.0	3.8 (82)	-0.7 (12)	25.5 (2)	25.6 (2)	-4.1 (4)
MSCI EAFE (Net)	-4.2 (62)	12.0 (21)	9.5 (32)	14.9	1.0	1.0	5.5 (69)	-4.9 (34)	22.8 (9)	17.3 (58)	-12.1 (37)
<i>IM International Large Cap Equity (MF) Median</i>	<i>-3.5</i>	<i>10.7</i>	<i>9.1</i>	<i>15.5</i>	<i>1.0</i>	<i>1.0</i>	<i>6.3</i>	<i>-5.8</i>	<i>19.7</i>	<i>18.1</i>	<i>-13.2</i>
JP Morgan Core Bond Select Fund	2.0 (7)	1.9 (56)	3.5 (49)	2.7	0.9	1.0	0.2 (23)	5.2 (64)	-1.8 (42)	5.1 (70)	7.3 (29)
Barclays U.S. Aggregate	1.9 (13)	1.8 (59)	3.3 (58)	3.0	1.0	1.0	-0.1 (50)	6.0 (27)	-2.0 (54)	4.2 (80)	7.8 (11)
<i>IM U.S. Broad Market Core Fixed Income (MF) Median</i>	<i>1.2</i>	<i>2.0</i>	<i>3.5</i>	<i>3.0</i>	<i>0.9</i>	<i>0.9</i>	<i>-0.1</i>	<i>5.5</i>	<i>-2.0</i>	<i>6.0</i>	<i>6.7</i>

Peer Performance Comparison

As of June 30, 2015

	1 Year Return	3 Years Return	5 Years Return	5 Years Standard Deviation	5 Years Beta	5 Years Actual Correlation	Year To Date Return	2014 Return	2013 Return	2012 Return	2011 Return
Nuveen Gresham Diversified Commodities Fund	-24.1 (35)	NA	NA	NA	NA	NA	-2.1 (45)	-17.3 (45)	-7.8 (38)	NA	NA
Bloomberg Commodity Index	-23.7 (30)	-8.8 (38)	-3.9 (50)	15.6	1.0	1.0	-1.6 (32)	-17.0 (41)	-9.5 (53)	-1.1 (45)	-13.3 (85)
<i>IM Commodities General (MF) Median</i>	<i>-25.0</i>	<i>-9.5</i>	<i>-4.0</i>	<i>17.8</i>	<i>1.1</i>	<i>0.9</i>	<i>-2.2</i>	<i>-17.7</i>	<i>-9.2</i>	<i>-1.5</i>	<i>-7.9</i>
Van Eck Global Hard Assets I Fund	-29.9 (68)	-0.4 (50)	2.2 (44)	24.1	1.1	1.0	-1.6 (37)	-19.1 (70)	11.2 (46)	2.9 (42)	-16.3 (50)
S&P North American Natural Res Sector Index (TR)	-25.7 (53)	3.0 (24)	5.4 (16)	22.0	1.0	1.0	-4.1 (68)	-9.8 (16)	16.5 (26)	2.2 (46)	-7.4 (10)
<i>IM Global Natural Resources (MF) Median</i>	<i>-25.1</i>	<i>-0.6</i>	<i>1.4</i>	<i>23.0</i>	<i>1.0</i>	<i>1.0</i>	<i>-3.1</i>	<i>-13.1</i>	<i>10.2</i>	<i>1.5</i>	<i>-16.3</i>

Please Note:

- Standard Deviation, Beta and Correlation are relative to the primary benchmark for the strategy
- Manager and benchmark universe rankings are listed in parenthesis next to manager and benchmark returns
- Peer Universe rankings range from 1 to 100. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100.
- IM Median returns for mutual fund (MF) universes reported net of fees.

Tab III

Portfolio Comparison

As of June 30, 2015

	Fidelity Spartan Total Market Index	FPA Crescent Fund	FMI Common Stock	Domestic Equity	Russell 3000
Composition					
# of Holdings	3,458	52	42	3,484	3,004
% Top 15 Holdings	18.2	56.9	56.9	18.3	17.9
% Top 25 Holdings	25.4	75.2	76.6	24.7	24.8
Characteristics					
Wtd Avg Mkt Cap (\$B)	108.1	96.1	3.6	90.2	108.2
Forecast P/E	17.7	16.3	17.6	17.5	17.8
Price/Book ratio	3.0	2.6	2.6	2.9	3.0
Historical EPS Growth - 5 Year	13.2	10.2	14.1	12.9	13.1
Forecast EPS Growth - Long-Term	11.9	11.1	10.8	11.6	12.0
Current Yield	2.0	1.8	1.3	1.8	1.9
GICS Sectors (%)					
Energy	7.1	5.1	0.0	5.8	7.2
Materials	3.4	4.4	10.2	4.6	3.5
Industrials	10.5	9.1	33.1	13.8	10.8
Consumer Discretionary	13.3	6.9	9.5	11.8	13.4
Consumer Staples	7.7	14.0	0.0	7.4	8.1
Health Care	15.0	8.4	3.1	12.2	15.2
Financials	17.9	20.6	10.5	17.2	17.9
Information Technology	19.1	27.3	20.2	20.4	19.0
Telecommunication Services	2.1	0.9	0.0	1.6	2.0
Utilities	2.9	0.0	0.0	2.0	2.9
Cash	1.0	1.7	13.4	3.0	0.0
Other	0.0	1.5	0.0	0.2	0.0
Market Capitalization (%)					
Mega (Above \$50B)	49.1	58.8	0.0	42.9	49.9
Large (\$12B - \$50B)	26.6	25.2	0.0	22.3	26.6
Mid (\$4B - \$12B)	13.4	8.6	47.1	17.9	13.4
Small/Mid (\$2B - \$4B)	5.2	4.1	23.5	7.9	5.2
Small (\$0 - \$2B)	4.7	0.0	16.1	5.8	4.8
Cash	1.0	1.7	13.4	3.0	0.0
Other	0.0	1.5	0.0	0.2	0.0

Portfolio Comparison

As of June 30, 2015

	Dodge & Cox International Stock	Artisan International	International Equity	MSCI AC World ex USA	MSCI EAFE	Global Equity	MSCI AC World
Composition							
# of Holdings	84	69	140	1,843	911	3,608	2,483
% Top 15 Holdings	37.7	48.1	31.9	11.7	16.0	16.0	11.0
% Top 25 Holdings	53.6	65.7	44.8	16.7	22.5	22.2	15.5
Characteristics							
Wtd Avg Mkt Cap (\$B)	67.4	72.8	70.1	55.4	60.7	82.7	91.7
Forecast P/E	14.1	17.8	15.7	14.7	15.4	16.8	16.1
Price/Book ratio	2.1	2.9	2.4	2.1	2.2	2.7	2.6
Historical EPS Growth - 5 Year	7.0	17.6	12.2	11.2	11.2	12.7	12.3
Forecast EPS Growth - Long-Term	14.1	14.2	14.2	11.0	10.0	12.6	11.4
Current Yield	2.4	1.7	2.1	3.0	3.0	1.9	2.5
GICS Sectors (%)							
Energy	7.3	0.7	4.0	7.0	5.2	5.1	7.4
Materials	4.7	7.5	6.1	7.5	7.4	5.1	5.3
Industrials	7.7	10.8	9.3	11.0	12.6	12.1	10.3
Consumer Discretionary	16.1	22.6	19.4	11.8	13.2	14.6	12.7
Consumer Staples	3.1	11.4	7.3	9.9	10.9	7.4	9.5
Health Care	12.7	17.4	15.1	9.0	11.2	13.3	12.4
Financials	25.2	12.9	19.0	27.8	26.2	17.8	21.9
Information Technology	15.0	12.8	13.9	7.4	4.7	18.0	13.8
Telecommunication Services	6.2	3.9	5.0	5.2	4.9	2.9	3.7
Utilities	0.0	0.0	0.0	3.4	3.6	1.3	3.1
Cash	1.8	0.0	0.9	0.0	0.0	2.2	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.1	0.0
Market Capitalization (%)							
Mega (Above \$50B)	44.3	46.2	45.2	36.0	40.9	43.8	47.5
Large (\$12B - \$50B)	45.4	37.8	41.6	39.9	40.5	29.5	35.5
Mid (\$4B - \$12B)	7.2	16.0	11.6	19.8	16.3	15.6	14.9
Small/Mid (\$2B - \$4B)	1.3	0.0	0.6	3.7	2.2	5.2	1.8
Small (\$0 - \$2B)	0.0	0.0	0.0	0.6	0.0	3.6	0.3
Cash	1.8	0.0	0.9	0.0	0.0	2.2	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.1	0.0

Regional Exposure

As of June 30, 2015

Regional Allocation (%)

	Global Equity	MSCI AC World	Dodge & Cox International Stock	Artisan International	International Equity	MSCI AC World ex USA	MSCI EAFE
Canada	0.2	3.2	0.4	0.0	0.2	6.7	0.0
United States	61.0	50.7	7.8	12.2	10.0	0.0	0.0
Pacific ex Japan	1.5	5.0	2.5	4.8	3.7	10.0	11.7
Japan	4.4	7.9	13.0	10.8	11.9	16.4	22.9
Europe ex UK	17.5	16.1	39.6	44.2	41.9	31.8	44.5
United Kingdom	5.3	7.1	12.2	13.7	13.0	14.5	20.3
Middle East	0.0	0.2	0.0	0.0	0.0	0.4	0.6
Developed Markets	90.0	90.2	75.5	85.8	80.7	79.8	100.0
EM Asia	3.8	6.5	9.8	10.4	10.1	13.3	0.0
EM Europe	0.5	0.8	1.3	0.0	0.6	1.6	0.0
EM Latin America	1.8	1.5	5.5	3.8	4.6	3.1	0.0
EM Mid East+Africa	1.5	1.0	6.0	0.0	3.0	2.1	0.0
Emerging Markets	7.6	9.8	22.7	14.2	18.4	20.2	0.0
Cash	2.2	0.0	1.8	0.0	0.9	0.0	0.0
Other	0.1	0.0	0.0	0.0	0.0	0.0	0.0

Regional Allocation (%)

	Global Equity	MSCI AC World
United States	61.0	50.7
Non-US Developed	29.0	39.5
Emerging Markets	7.6	9.8
Cash	2.2	0.0
Other	0.1	0.0

Flexible Capital

As of June 30, 2015

	Forester Offshore Fund, Ltd.	Archstone Absolute Return Strategies Fund, Ltd. Class A	Total Flexible Capital	FPA Crescent Fund	Total Leveraged Portfolio
Market Value	\$2,166	\$2,872	\$5,039	\$1,167	\$6,205
% of Total Managed Portfolio (\$26,030)	8.3	11.0	19.4	4.5	23.8
Market Exposure (%)					
Gross Long %	100.0	113.7	107.8	57.9	98.4
Gross Short %	56.0	59.6	58.1	3.8	47.8
Net %	44.0	54.1	49.8	54.2	50.6
Total Gross	156.0	173.3	165.9	61.7	146.3
Strategy Weights (%)					
L/S Equity	100.0	23.6	56.4	55.5	56.3
L/S Credit	0.0	26.7	15.2	0.3	12.4
Event-Driven	0.0	6.1	3.5	0.0	2.8
Distressed	0.0	19.8	11.3	0.0	9.2
Special Situations	0.0	2.3	1.3	0.0	1.1
Relative Value	0.0	4.8	2.7	0.0	2.2
Macro	0.0	0.0	0.0	0.0	0.0
Other/Cash	0.0	16.7	9.5	44.2	16.0
Geography (%)					
U.S. & Canada	71.1	59.9	64.7	67.4	65.2
Dev Europe	18.6	21.3	20.1	28.6	21.7
Asia	5.8	6.7	6.3	0.0	5.1
Emerging Mkts	4.5	0.0	1.9	2.9	2.1
Other	0.0	12.1	6.9	1.1	5.8
Top 10 Long Holdings/Managers					
Forester Offshore Fund, Ltd.		Archstone Absolute Return Strategies Fund, Ltd. Class A		FPA Crescent Fund	
Company	%	Company	%	Company	%
KENSICO	9.0	ELLIOTT INT'L	11.5	ORACLE	3.7
VIKING GLOBAL	9.0	FARALLON	11.3	AON	3.1
SAMLYN CAPITAL	7.0	YORK CREDIT	10.4	MICROSOFT	3.0
PENNANT CAPITAL	4.0	DAVIDSON KEMPNER	10.2	NASPERS	2.3
COATUE	4.0	FIR TREE	10.1	TE CONNECTIVITY	2.2
FALCON EDGE	4.0	SILVER POINT	9.9	CITI GROUP	2.2
LANSDOWNE	4.0	DW CATALYST	9.7	CVS CAREMARK	2.1
STEADFAST	4.0	SERENGETI	9.5	THERMO FISHER	2.1
TIGER GLOBAL	3.0	KING STREET	8.7	AIG	2.1
CASTINE	3.0	OZ OVERSEAS	8.7	CISCO SYSTEMS	1.8

-Forester Offshore, Ltd 6/30/2015 statistics as of 3/31/2015.

-Archstone Absolute Return Strategies Fund Ltd 6/30/2015 statistics as of 3/31/2015.

- FPA Crescent Fund market and geographic exposure exclude cash. Region classification "Other" includes Pacific Basin. 6/30/2015 statistics as of 3/31/2015.

Flexible Capital Underlying Manager Exposure

Data as of 3/31/2015						
	2,885,670	2,163,153	1,168,435	6,217,258	26,109,513	
Product/Investment	Archstone Absolute Return Strategies Fund, Ltd.	Forester Offshore A2, Ltd.	FPA Crescent Fund	% weighting within FlexCap	% weighting within Total Fund	\$ weighting within Total Fund
FPA Contrarian Value			100.0%	18.8%	4.5%	1,168,435
Elliott Associates	12.0%			5.6%	1.3%	346,280
Farallon Capital	11.0%			5.1%	1.2%	317,424
Davidson Kempner	10.0%			4.6%	1.1%	288,567
DW Catalyst Fund	10.0%			4.6%	1.1%	288,567
Fir Tree Capital Opportunity Fund	10.0%			4.6%	1.1%	288,567
Serengeti Opportunities Fund	10.0%			4.6%	1.1%	288,567
Silver Point Capital	10.0%			4.6%	1.1%	288,567
York Credit Opportunities	10.0%			4.6%	1.1%	288,567
King Street Capital	9.0%			4.2%	1.0%	259,710
Och-Ziff	9.0%			4.2%	1.0%	259,710
Kensico Partners		9.0%		3.1%	0.7%	194,684
Viking Global Equities		9.0%		3.1%	0.7%	194,684
Samlyn Capital		7.0%		2.4%	0.6%	151,421
Coatue Qualified Partners		4.0%		1.4%	0.3%	86,526
Falcon Edge Capital		4.0%		1.4%	0.3%	86,526
Lansdowne Developed Markets Long Only Fund		4.0%		1.4%	0.3%	86,526
Pennant Windward		4.0%		1.4%	0.3%	86,526
Steadfast		4.0%		1.4%	0.3%	86,526
Abrams Capital		3.0%		1.0%	0.2%	64,895
Castine Capital		3.0%		1.0%	0.2%	64,895
Hengistbury Fund, Ltd		3.0%		1.0%	0.2%	64,895
Hirzel Capital		3.0%		1.0%	0.2%	64,895
The Children's Investment Fund		3.0%		1.0%	0.2%	64,895
Tiger Global		3.0%		1.0%	0.2%	64,895
Wellington Management Company		3.0%		1.0%	0.2%	64,895

- Content is current as of the date indicated.

- Gray cells represent overlap within the Flexible Capital composite.

- Analysis includes only the top 20 underlying funds for each fund of funds.

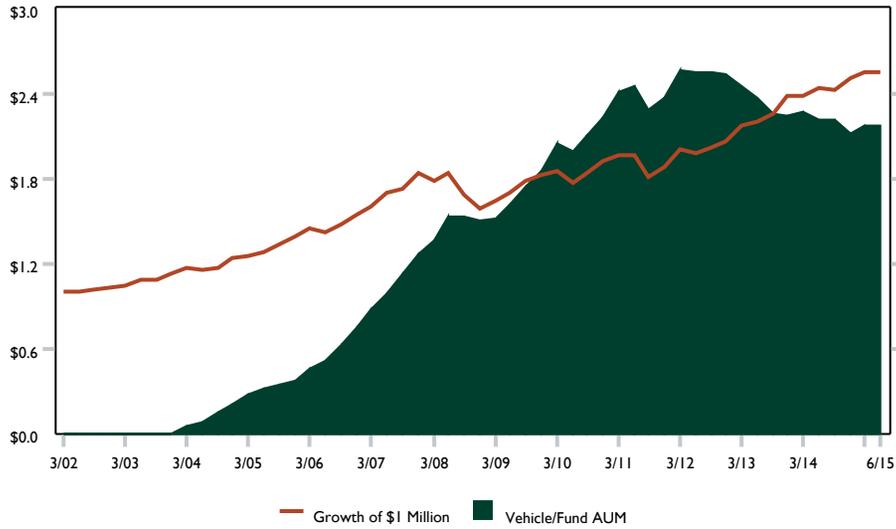
- 5 top 20 underlying funds have exposures of less than 1% of the total Flexible Capital composite and have been excluded from the above table.

Flexible Capital Strategies

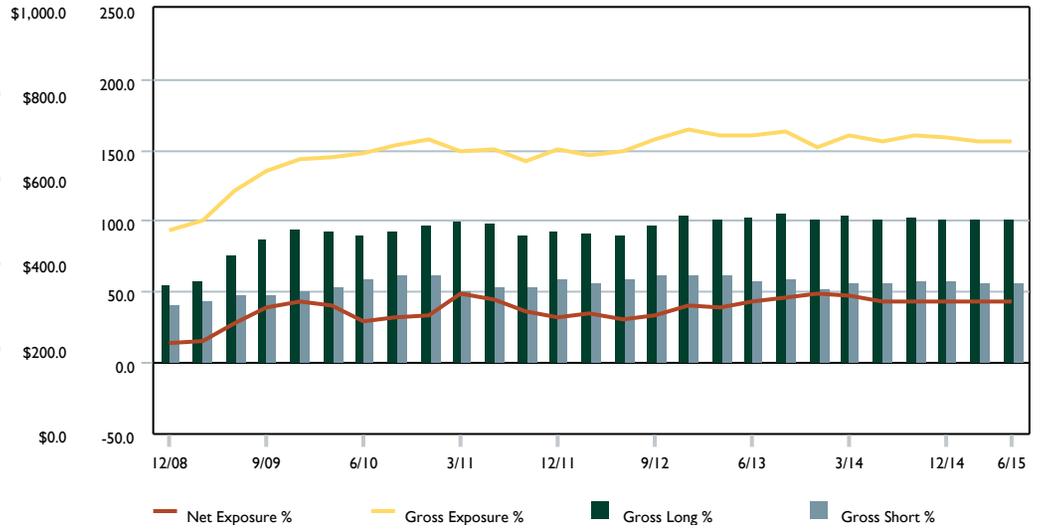
Forester Offshore, Ltd.

As of June 30, 2015

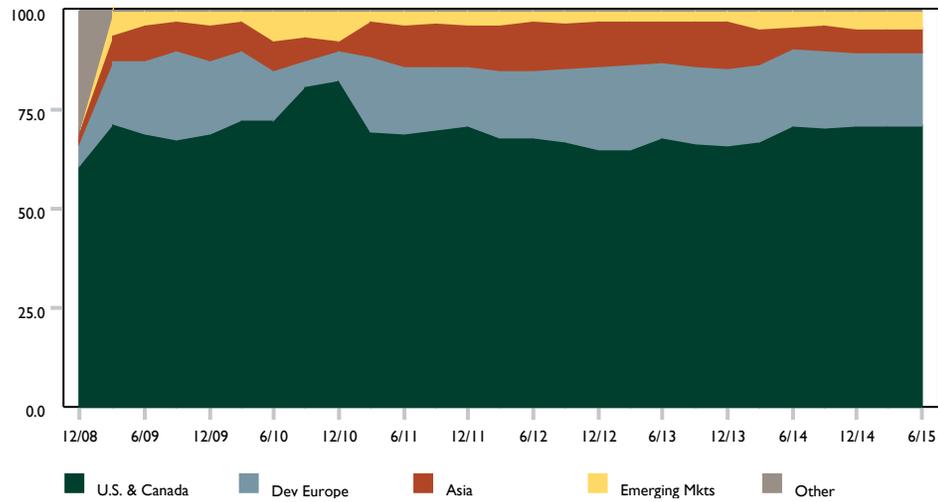
Asset Growth



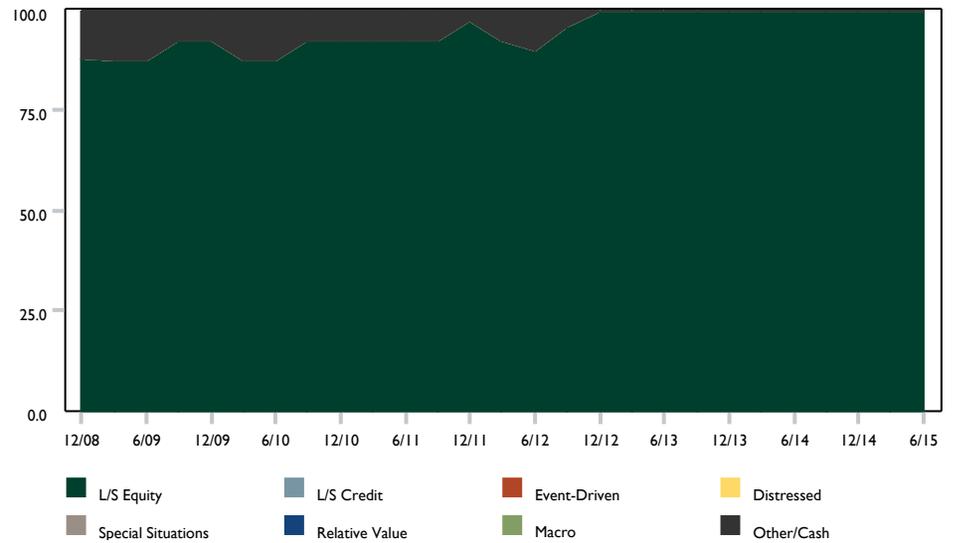
Market Exposure



Geographic Exposure



Strategy Weights



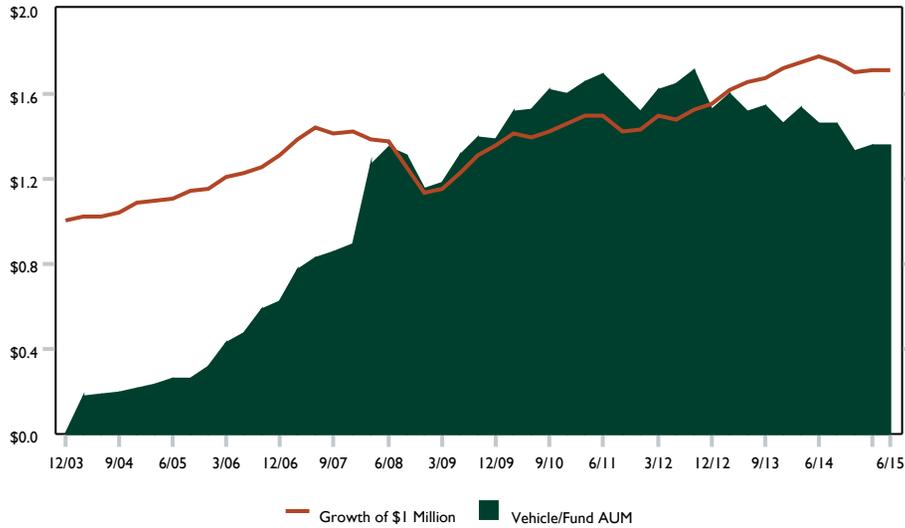
-6/30/2015 statistics as of 3/31/2015. Current assets unavailable.

Flexible Capital Strategies

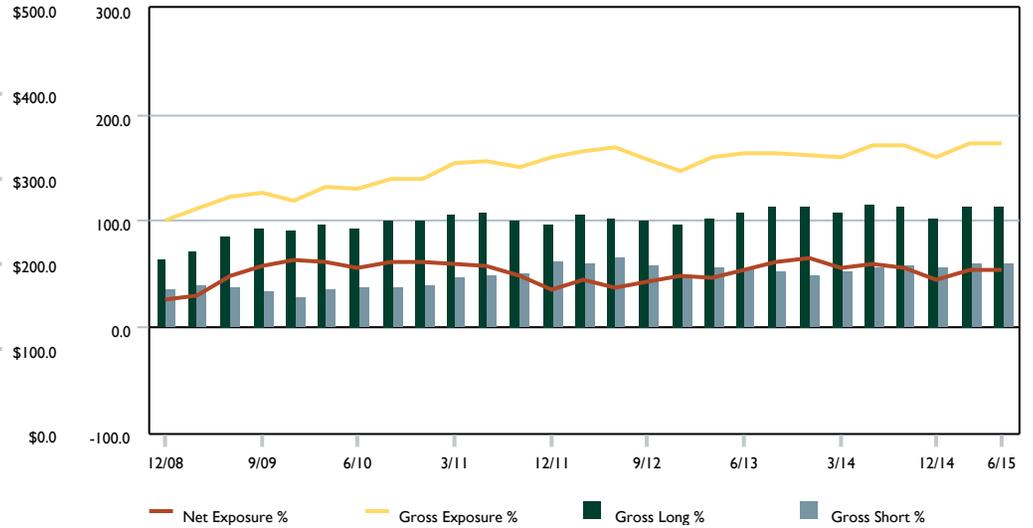
Archstone Absolute Return Strategies Fund, Ltd.

As of June 30, 2015

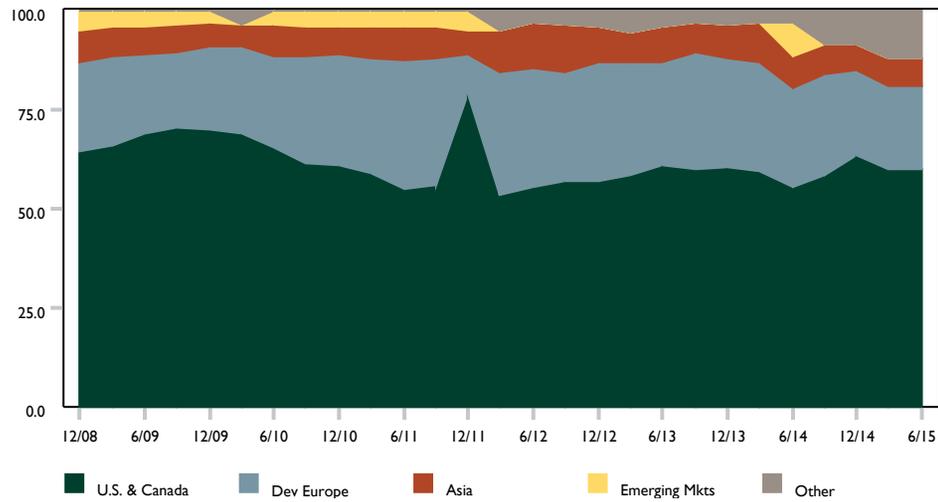
Asset Growth



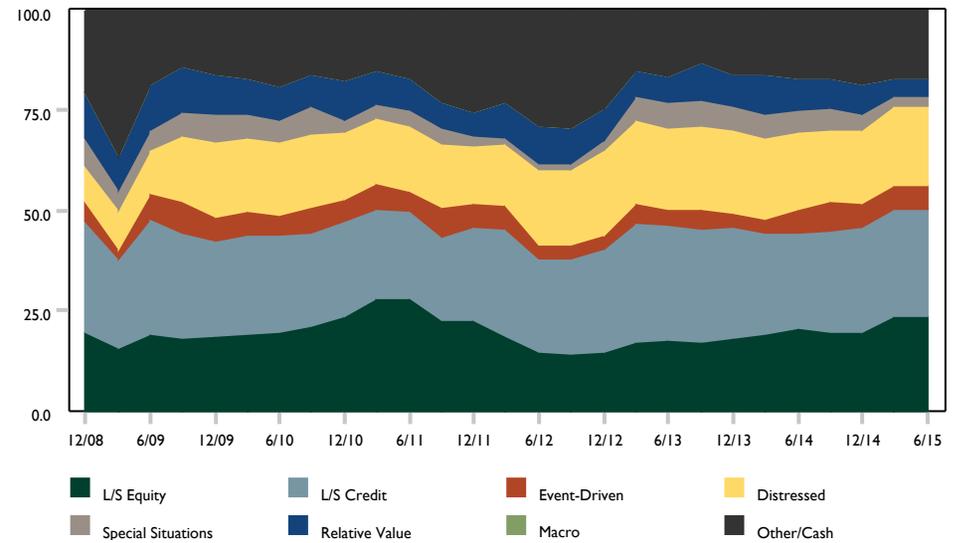
Market Exposure



Geographic Exposure



Strategy Weights



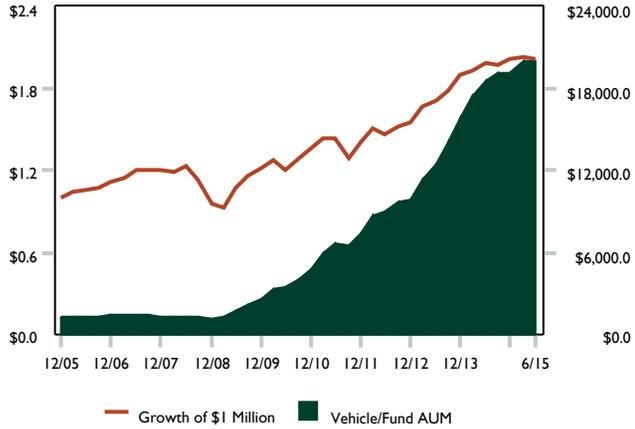
-6/30/2015 statistics as of 3/31/2015. Current assets unavailable.

Flexible Capital Strategies

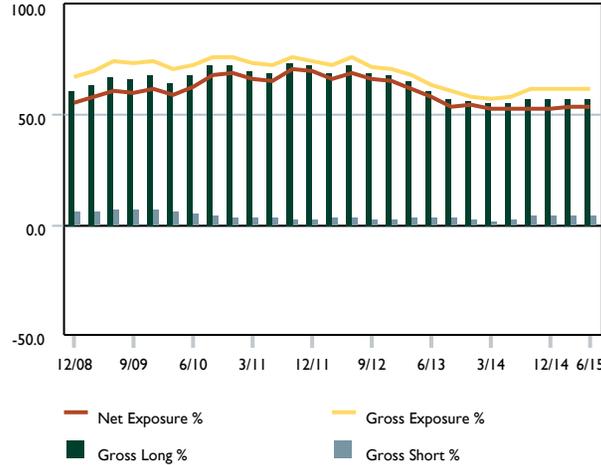
FPA Crescent Fund

As of June 30, 2015

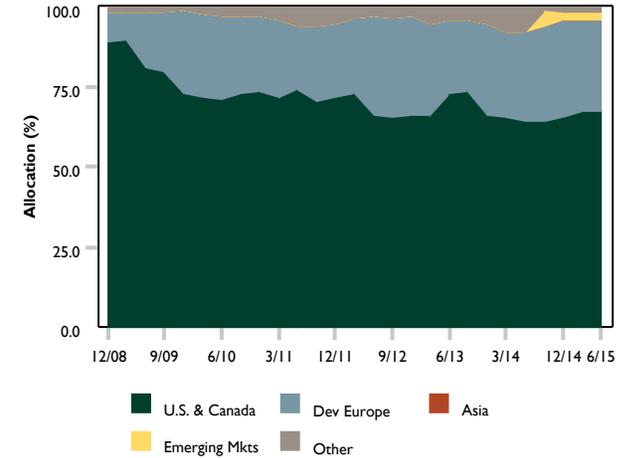
Asset Growth



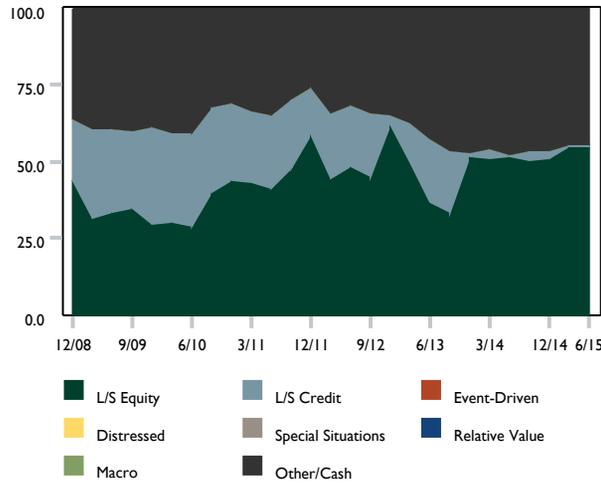
Market Exposure



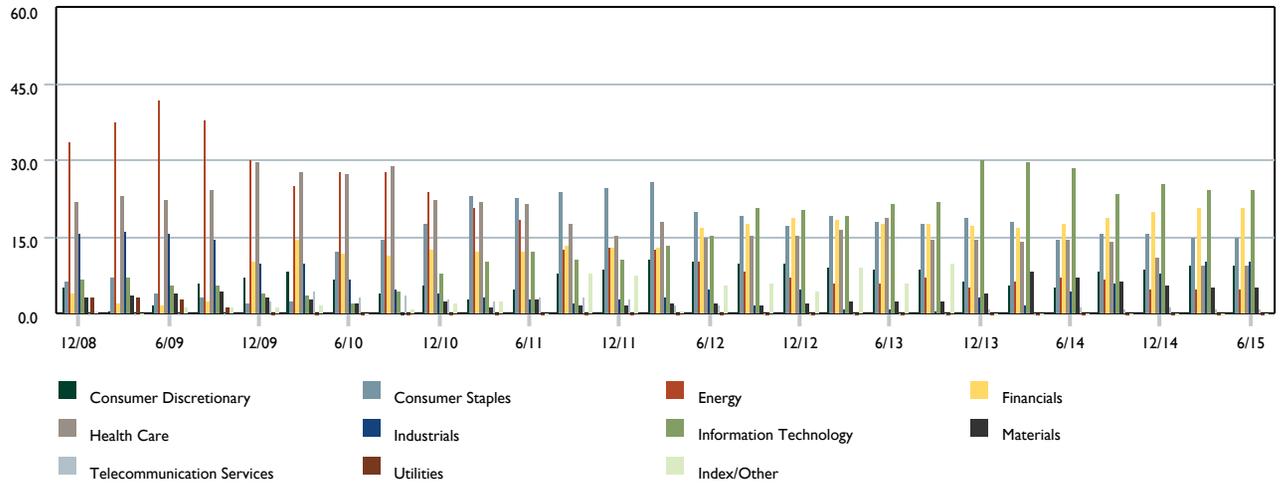
Geographic Exposure



Strategy Weights



Sector Breakdown



Market and geographic exposure exclude cash. 6/30/2015 statistics as of 3/31/2015. Current assets unavailable.

Fixed Income

As of June 30, 2015

	JP Morgan Core Bond Select Fund	Barclays U.S. Aggregate	Vanguard Short Term US Treasury Admiral Fund	Barclays U.S. Treasury: 1-5 Year	Total Fixed Income
Portfolio Characteristics					
Yield	2.1	2.4	0.9	0.9	1.5
Average Maturity	6.2	7.9	2.7	2.7	4.6
Duration	4.8	5.6	2.3	2.7	3.7
Quality Breakdown					
U.S. Treasury	24.7	36.1	98.7	100.0	57.7
U.S. Govt/Agency	3.0	3.2	0.0	0.0	1.6
Agency MBS	13.4	28.1	5.0	0.0	9.6
Non-U.S. Sov/Agency	0.0	4.5	0.0	0.0	0.0
AAA	29.7	4.0	0.0	0.0	16.4
AA	4.5	2.3	0.0	0.0	2.5
A	10.0	10.9	0.0	0.0	5.5
BBB	8.6	10.9	0.0	0.0	4.7
BB and Below	1.6	0.0	0.0	0.0	0.9
NR/Other	4.7	0.0	-3.7	0.0	1.0
Sector Breakdown					
U.S. Treasury	24.7	36.1	99.9	100.0	58.3
U.S. Government Related	3.0	3.2	0.0	0.0	1.6
Non-U.S. Sovereign/Agency	0.0	4.5	0.0	0.0	0.0
Investment Grade Corporate	17.4	23.9	0.0	0.0	9.6
Industrials	8.5	14.4	0.0	0.0	4.7
Utility	1.3	1.8	0.0	0.0	0.7
Financials	7.6	7.7	0.0	0.0	4.2
High Yield	0.0	0.0	0.0	0.0	0.0
Non-U.S. Dollar	0.0	0.0	0.0	0.0	0.0
Emerging Market Debt	0.0	0.0	0.0	0.0	0.0
MBS	19.2	28.1	5.0	0.0	12.8
MBS-Agency	13.4	28.1	5.0	0.0	9.6
MBS-NonAgency	5.8	0.0	0.0	0.0	3.2
CMBS	4.6	1.9	0.0	0.0	2.6
ABS	7.5	0.6	0.0	0.0	4.1
Municipals	0.0	0.0	0.0	0.0	0.0
Cash	7.9	0.0	0.0	0.0	4.4
Other	15.8	1.7	-4.9	0.0	6.5

- Barclays U.S. Aggregate Duration represents Modified Adjusted Duration. Sector Breakdown Other is Supranationals and Other Mtgs.

- Vanguard Short Term Treasury Duration represents Average Duration. Maturity is Average Effective Maturity. Quality and Sector breakout Other/Cash reflects Short-Term Reserves.

- Barclays U.S. Treasury 1-5 Year Index Duration represents Modified Adjusted Duration.

Inflation Hedging

As of June 30, 2015

Vanguard Short-Term Inflation Protected Securities Adm. Fund

Barclays U.S. Treasury: 0-5 Year TIPS Index

Portfolio Characteristics

Yield	0.9	0.9
Average Maturity	2.4	2.4
Duration	2.4	1.5

Quality Breakdown

U.S. Treasury	99.8	100.0
U.S. Govt/Agency	0.0	0.0
Agency MBS	0.0	0.0
Non-U.S. Sov/Agency	0.0	0.0
AAA	0.2	0.0
AA	0.0	0.0
A	0.0	0.0
BBB	0.0	0.0
BB and Below	0.0	0.0
NR/Other	0.0	0.0

Sector Breakdown

U.S. Treasury	99.8	100.0
U.S. Government Related	0.0	0.0
Non-U.S. Sovereign/Agency	0.0	0.0
Investment Grade Corporate	0.0	0.0
Industrials	0.0	0.0
Utility	0.0	0.0
Financials	0.0	0.0
High Yield	0.0	0.0
Non-U.S. Dollar	0.0	0.0
Emerging Market Debt	0.0	0.0
MBS	0.0	0.0
MBS-Agency	0.0	0.0
MBS-NonAgency	0.0	0.0
CMBS	0.0	0.0
ABS	0.0	0.0
Municipals	0.0	0.0
Cash	0.0	0.0
Other	0.2	0.0

- Vanguard Short-Term Inflation Protected Securities Duration represents Average Duration. Maturity is Average Effective Maturity.

- Barclays U.S. Treasury TIPS 0-5 Years Duration represents Modified Adjusted Duration.

Inflation Hedging

As of June 30, 2015

Nuveen Gresham Diversified Commodities Fund		Bloomberg Commodity Index
Sector Breakdown		
Energy	35.9	33.2
Industrial Metals	18.5	16.7
Precious Metals	12.7	16.5
Agriculture/Livestock	32.9	33.7
Other	0.0	0.0

- Nuveen Sector breakout Agriculture/Livestock includes Food & Fibers.

Portfolio Comparison

As of June 30, 2015

	Van Eck Global Hard Assets	S&P North American Natural Res Sector Index (TR)
Composition		
# of Holdings	61	142
% Top 15 Holdings	54.1	52.7
% Top 25 Holdings	73.6	65.5
Characteristics		
Wtd Avg Mkt Cap (\$B)	21.7	69.0
Forecast P/E	26.9	25.2
Price/Book ratio	2.0	1.9
Historical EPS Growth - 5 Year	11.3	8.3
Forecast EPS Growth - Long-Term	12.9	7.3
Current Yield	1.5	2.6
GICS Industries (%)		
Oil & Gas Drilling	2.7	2.2
Oil & Gas Equipment & Services	12.2	14.9
Integrated Oil & Gas	0.0	21.6
Oil & Gas Exploration & Production	34.2	27.2
Oil & Gas Refining & Marketing	4.3	7.7
Oil & Gas Storage & Transportation	6.2	10.9
Coal & Consumable Fuels	3.0	0.6
Fertilizers & Agricultural Chemicals	2.3	0.0
Construction Materials	0.0	1.4
Metal & Glass Containers	0.0	1.9
Paper Packaging	0.0	3.0
Aluminum	0.0	0.8
Diversified Metals & Mining	9.8	1.8
Gold	9.5	3.8
Precious Metals & Minerals	0.0	0.2
Silver	0.0	0.5
Steel	3.3	0.0
Forest Products	2.0	0.1
Paper Products	0.0	1.4
Building Products	0.7	0.0
Construction & Farm Machinery & Heavy Trucks	1.9	0.0
Railroads	0.9	0.0
Semiconductor Equipment	3.3	0.0
Cash	3.7	0.0
Market Capitalization (%)		
Mega (Above \$50B)	11.7	33.2
Large (\$12B - \$50B)	35.9	41.3
Mid (\$4B - \$12B)	31.0	18.4
Small/Mid (\$2B - \$4B)	13.1	5.5
Small (\$0 - \$2B)	4.6	1.6
Cash	3.7	0.0

Inflation Hedging

As of June 30, 2015

Country/Region Allocation (%)

	Van Eck Global Hard Assets	S&P North American Natural Res Sector Index (TR)
Canada	11.8	11.9
United States	76.4	86.4
Europe ex UK	0.0	1.4
United Kingdom	7.4	0.3
Middle East	0.2	0.0
Developed Markets	95.8	100.0
Cash	3.7	0.0
Other	0.5	0.0

Tab IV

Performance Highlights

Equity

- FPA Crescent declined 0.2% in the quarter and was flat for the year-to-date period. The Fund's contrarian value approach and increased emphasis on larger companies curbed returns, causing FPA to lag the market in the first half of 2015. FPA maintains a sizable cash position of more than 40%, which has limited volatility but also restrained upside capture. FPA's technology weight has increased in recent periods, and performance in this area has been mixed, with positive contribution from Microsoft weighed against negative returns for TE Connectivity and Oracle. FPA continues to view mega cap technology companies as undervalued and believes the large cash balances provide the companies with considerable options to grow and return capital to shareholders. FPA profited from short positions in Chinese technology and online retailers as the local market fell late in the quarter. Other positive contributors included positions in financials, including AIG, Citigroup, and Aon. The energy sector was also modestly positive, with Occidental Petroleum up nearly 8%. FPA has been active in pushing for a turnaround at Occidental in recent years, but its share price continues to be largely driven by oil price movements.
- The FMI Small/Mid Cap Equity strategy fell 1.6%, versus a 0.3% decline for the Russell 2500 Index. Stock selection was the primary detractor, particularly within information technology and health care. Business technology providers Broadridge Financial (-9%) and Genpact Ltd. (-8%), both top five holdings, were notable laggards. Within health care, lack of exposure to the high-flying biotechnology sector was detrimental. In addition, Patterson Companies and Varian were among the companies where FMI's thesis did not play out as expected. Patterson made an expensive acquisition of an animal health business the team did not deem as prudent use of capital, and Varian's growth has disappointed. Another notable detractor was a Chilean potash mining company SQM (-12%), the only American depositary receipt in the portfolio. The team underestimated the political risk inherent in the company, which ran afoul of local regulators. Partly offsetting these drawdowns was stock selection within industrials and financials, where energy control provider Woodward Inc. (+8%) and banks Zions Bancorp (+18%) and Cullen/Frost (+15%) were strong performers. With \$3.0 billion in assets, the Small/Mid Cap strategy remains effectively closed to new investors.
- FMI announced the addition of Jordan Teschendorf to the research team. Teschendorf is a graduate of the Applied Security Analysis Program at the University of Wisconsin. Upon his arrival, FMI's investment team expanded to 10 individuals.

Performance Highlights

Equity (cont'd)

- The Dodge & Cox International Stock Fund declined 30 bps, lagging the gains of the MSCI EAFE Index (+62 bps) and the MSCI All Country World Index (ACWI) ex-U.S. (+52 bps). The strategy was up 3.9% year-to-date, but trailed the EAFE (+5.5%) and ACWI ex-U.S. (+4.0%). Stocks in IT were the largest source of relative underperformance from a sector perspective. Within the sector, Japanese-based Fujitsu (-18%), Ericsson (-15%), and Samsung Electronics (-12%) each struggled. Among top performers were Dai-Ichi Life Insurance (+35%) and Petrobras (+34%). The portfolio maintains over 20% exposure to emerging markets (EM), which is at the high end of its historical exposure to the region. EM exposure is fairly broad, with emphasis on media, technology, and financials names—not unlike the positioning within developed markets.
- Dodge & Cox closed the International Stock Fund to new investors effective January 16th. The Fund saw significant inflow activity from new investors prior to the close. By soft-closing, Dodge & Cox is seeking to preserve capacity for existing clients and manage asset flows. Future capacity of the Firm's Global Stock Fund, which remains open, was also a factor in the decision. Dodge & Cox noted the International Stock Fund will remain open to existing investors for the foreseeable future.
- The Artisan International Fund declined 0.4% and trailed the 0.6% gain of the MSCI EAFE Index. Stock selection during the quarter was mixed. The investment team added value within consumer discretionary and health care. Notable contributors included Actelion (Swiss based pharma/biotech), InterContinental Hotels Group (British multinational hotel chain), and media names including Grupo Televisa (Mexico) and Liberty Global (headquartered in the U.K.). Consumer staples was the most notable area of weakness, specifically within the beverage industry, where positions in AmBev (Brazil), Pernod Ricard (France), SABMiller (U.K.), and Diageo (U.K.) all posted losses. Sector allocation, including underweights to financials and health care, was a slight detractor to returns. The portfolio's longtime underweight to energy—where it holds just one modest position, in Schlumberger—was beneficial. From a regional perspective, allocation had a slightly positive effect. Emerging markets exposure was a tailwind, due to the portfolio's focus on China. The portfolio held a number of Chinese internet (Tencent, Baidu, Alibaba) and insurance (Ping An insurance) names, all of which posted gains during the quarter. Investors should note all of the portfolio's Chinese exposure was listed outside of the local Shanghai and Shenzhen markets (either American Depositary Receipts or listed in Hong Kong). As a result, these positions have not been subject to the same level of volatility recently seen in the local markets.

Performance Highlights

Alternative Strategies

- Forester Offshore gained 0.2% in the quarter, bringing year-to-date returns to 2.1%. Gains and losses were generally modest across the Fund, with the majority of managers falling in a range of +/-2.0%. Kensico remained the top allocation and was up roughly 2.0%. Kensico profited from positions in financials, most notably AIG, which continues to perform well within its core insurance business units. Wellington's financials-focused hedge funds also performed well, as the broader sector offered both long and short trading opportunities. European equity manager Lansdowne contributed positively, particularly late in the quarter, when the Fund's more bearish positioning was a benefit amid heightened volatility in the region. On the negative side, technology specialist Coatue underperformed, declining 3.5%. Coatue was hurt by long positions in Alibaba and Micron Technology, which both reported earnings below expectations. Lakewood Capital, which also had a meaningful position in Micron, was down 1% on the quarter.
- Archstone Absolute Return declined 0.3% in the quarter, but is up 0.4% year-to-date through June. The second quarter was relatively low-returning for Archstone's managers as there continued to be a limited supply of new distressed credit opportunities. The Fund's top performer was Elliott, which gained 2.6%. Elliott profited from portfolio volatility and protection trades, as well as event/arbitrage trades. Among Elliott's more profitable trades was Juniper Networks, which was up 15%. As the company's largest shareholder, Elliott has encouraged Juniper's management to pursue a sale to a strategic buyer. Other multi-strategy managers—such as Och-Ziff, Davidson Kempner, and Farallon—reported modest gains of less than 1%. This was driven in large part by profits in merger-arbitrage trades, an area of the market where volumes remain robust and deal spreads are deemed attractive. Dedicated credit managers underperformed, with Fir Tree down 1%, while York, King Street, and Silver Point were down 50 bps or less. Credit market volatility rose late in the quarter as Puerto Rico teetered on the edge of default, leading to losses for managers that held bonds in the municipality. The situation in Greece and ongoing stress in the energy sector also weighed on credit markets. On the positive side, progress has been made in the liquidation of failed Icelandic banks Glitnir and Kaupthing, which was favorable for several managers, as distributions are expected to commence in early 2016.

Performance Highlights

Fixed Income

- JPMorgan Core Bond Select dipped 1.3% during the quarter compared to a 1.7% loss in the Barclays US Aggregate Index. As the yield curve steepened during the quarter, a shorter duration stance and underweight to the long-end of the term structure was a key driver of outperformance during the period. Furthermore, an emphasis on mortgages, and in particular collateralized mortgage obligation (CMOs), which have a more stable cash flow profile, and an underweight to corporate credit was beneficial to performance. This was because CMOs did not experience the degree of duration extension as traditional pass-throughs and corporate spreads widened during the quarter. Lastly, an overweight to ABS was additive as this was one of the only areas in the domestic fixed income universe to deliver positive absolute performance during the quarter. On the downside, the Fund had an underweight to Treasuries but had longer duration exposure in its Treasury allocation compared to the Index. This weighted on returns due to the steepening of the yield curve. Furthermore, an underweight to areas of non-corporate credit, particularly USD-denominated sovereigns, also hurt relative performance as these outperformed similar maturity U.S. Treasuries. Entering the third quarter, there were a few changes in exposure. The weight to Treasuries modestly increased via a reduction in mortgage exposure. In addition, trims in corporate credit and a reduction in the cash balance helped fund an increase to ABS exposure. Duration modestly increased 0.25 years to 4.9 years, but it remains below the Index duration of 5.5 years. An overweight to non-Treasuries helped the Fund maintain a modest 3 bps yield advantage to the Index, 2.37% vs 2.34%.
- Please note that JPMorgan Private Wealth, a division of JPMorgan Asset Management, is being scrutinized by the SEC and the Office of the Comptroller of the Currency regarding conflicts of interest related to allegations that JPMorgan recommended its own funds to clients rather than better performing options.
- Vanguard Short-Term Treasury gained 0.1% for the quarter, outperforming the flat return of the Barclays 1–5 Year Treasury Index. The Fund held 82.4% of the portfolio in Treasuries in the 1–3 year maturity range, compared to the Index weight of 64.9%. The remainder of both Fund and Index holdings were in the 3–5 year maturity range. Treasuries maturing in the next 1–3 years appreciated 0.2%, compared to a 0.2% loss for those maturing in the next 3–5 years. Positive exposure was somewhat offset by the Fund's non-Index exposure in the 5–7 year part of the curve, where Treasuries fell 1.1%. However, the Fund also held a non-Index position in short-dated agency MBS, which contributed positively to performance and helped offset the non-Index weight to Treasuries maturing in 5–7 years. Entering the third quarter, the Fund's 2.3-year duration was roughly 0.4 years shorter than that of the Index, and its 0.8% yield was 10 bps lower than the Index.

Performance Highlights

Inflation Hedging

- The Gresham TAP Strategy and the Nuveen Diversified Commodity Fund appreciated 4.3%, but lagged the 4.7% Bloomberg Commodity Index return. Energy (+10.9%) and agricultural commodities (+8.3%) led the advance during the quarter. Within energy, crude oil rallied 24.9% (as measured by WTI) to close the quarter at \$59/barrel. Gains were attributable to higher-than-expected global crude demand, a weaker dollar (-2.9%, as measured by the U.S. Dollar Spot Index), and the continued supply response of non-OPEC producers to an extended period of low prices. In relative terms, the portfolio's energy allocation detracted as a result of curve positioning—particularly within crude. Agricultural commodities moved higher on multiple weather events. Corn (+17.5%) and soybeans (+15.3%) advanced as wet and cooler weather in the growing regions of the U.S. delayed planting and reduced crop size expectations. Meanwhile, the wheat market jumped 23.2% on dry and hot conditions in Europe and on wet weather in the United States. This delayed the winter crop harvest and heightened concerns around quality. Within the portfolio, an underweight to the agriculture sub-sector, combined with contract selection within wheat and soybean meal, detracted on a relative basis. Precious metals was also a source of relative weakness, which was attributable to out-of-benchmark positions in platinum and palladium.
- Van Eck Global Hard Assets declined 2.6%, but outperformed the S&P North American Natural Resources Index by approximately 10 bps. In a reversal of last quarter's results, the Fund's allocation to energy drove negative performance—particularly its 34% allocation to exploration and production and coal and consumable fuels. CONSOL Energy, a natural-gas heavy coal and consumable fuels company, detracted given weak natural gas and coal markets. Exploration and production holdings such as Pioneer Natural Resources, Gulfport Energy, SM Energy, and Bonanza Creek Energy dragged results, as energy equities underperformed the commodity. Exposure to gold, which accounted for nearly 10% of Fund assets, also diminished returns. Positive contributors included Marathon Oil, which benefited from the quality of its assets and strong balance sheets, and CF Industries Holdings, which benefited from a strong agriculture outlook during the quarter.

Firm Information: First Pacific Advisors

Total Assets (\$M):	\$32,827
Style:	Long/Short Equity
Assets in Style (\$M):	\$19,600
Year Founded:	1953
Location:	Los Angeles, CA
Ownership:	100% Employee Owned. Romick is largest owner at ~25%
Registration:	SEC (2006)
GP Capital:	N/A

Key Investment Professionals:

Steve Romick, CFA joined FPA in 1993 and currently serves as portfolio manager of the FPA Crescent fund and separate accounts in the Contrarian Value style, as well as the FPA Hawkeye Fund and FPA Multi-Advisor Fund. Romick was previously Chairman of Crescent Management and a consulting security analyst for Kaplan, Nathan, and Company. He earned a BS in education from Northwestern University.

Brian Selmo, CFA joined FPA in 2008 and currently serves as co-portfolio manager of FPA Crescent and Dir. of Research for the FPA Contrarian Value Strategy. He was previously a founder and managing member of Eagle Lake Capital, LLC, and Portfolio Manager of its predecessor - the Coast Special Situations Fund, from 2003 to 2008. Previously, he was Analyst at Third Avenue Management and Rothschild, Inc. Brian earned a Bachelor's degree in Economics from The John Hopkins University.

Mark Landecker, CFA joined FPA in 2009 and currently serves as co-portfolio manager of FPA Crescent and as portfolio manager for the FPA Global Opportunity Fund. Prior to joining FPA, Mark served as Portfolio Manager at both Kinney Asset Management and Arrow Investments, Inc. Mark earned a BBA from the Schulich School of Business, York University, Toronto, Canada.

Investment Objective and Philosophy/Process

Portfolio manager Steve Romick seeks to take an opportunistic approach to investing, looking for value in all parts of a company's capital structure, including common and preferred stocks as well as corporate, mortgage-backed and convertible bonds. The focus is on value, emphasizing low price-to-earnings ratios as well as discounts to private market value. The contrarian style may lead to a focus on absolute rather than relative return. As such, Romick has the flexibility to hold meaningful levels of cash during periods when he is not identifying compelling opportunities. The portfolio is constructed without regard to asset class as each investment must pass the same return/risk hurdle. The most commonly held equity positions are intended to be what Romick classifies as 3:1s. Expected return is targeted to be at least the rate of return they expect from the equity market over the long term, and the 12-month downside potential cannot be greater than one-third of the upside potential over the next 24 months. Romick directs his attention to companies that he believes offer the best combination of quality criteria including, but not limited to, strong market share, good management, and high normalized return on capital. Sales will generally occur when a company reaches its price target. For stocks that meaningfully decline in value, the thesis for ownership is revisited such that the position may be increased if the case for investment still holds, or sold if there is substantive negative change. Short equity investments, which are limited to 10% of assets by the Fund's Board of Directors, are often initiated in deteriorating businesses or companies with balance sheet issues. Romick will allocate to high yield debt when he believes yields are attractive and will also look for distressed debt situations in both the corporate and structured asset classes.

Assessment

FPA has historically generated attractive risk-adjusted returns following a contrarian value strategy in a mutual fund format. Portfolio manager Steve Romick is more than content owning high levels of cash or fixed income if he does not see what he describes as 'fat pitches' in the equity market and cash has reached as high as 55%. Romick's fixed income holdings are typically high yield offerings while his stock investments are value-oriented names, more recently emphasizing large caps but historically tilted to small and midcap stocks. This contrarian approach has done very well in down markets such as 2001, 2002, and 2008. Given the potential heavy allocation to cash, the strategy is likely to underperform in rising markets even during periods when stock selection is strong. Assets for this strategy have increased considerably over the last several years and this may limit FPA's ability to meaningfully invest in smaller companies going forward. However, we believe the highly flexible mandate employed by FPA and the contrarian nature of the strategy make this an attractive option for clients seeking a more liquid absolute return oriented strategy. FPA added Selmo and Landecker as co-PMs in 2013, with Dennis Bryan stepping down as PM to focus on his duties as PM of the Firm's SMAV strategy. We still consider Romick to be the key decision maker for FPA Crescent and do not believe that this transition will have a meaningful impact on the management of the Fund.

This is a Prime Buchholz recommended strategy.

Vehicle Information

Inception:	June 1993
Assets (\$M):	\$19,600
Minimum Account Size:	\$1,500
Management Fee:	1.11%, 2.0% redemption < 90 days
Profit Allocation:	None
Highwater Mark:	None
Hurdle Rate:	None
UBTI:	N/A
Additional Expenses:	Short sale dividend expense, custody, transfer agent, etc.
Additional Vehicles:	N/A

3c1/3c7:	None
Subscriptions:	Daily
Redemptions (notice):	Daily (2% redemption fee < 90 days)
Lock-up:	None
ERISA Capacity:	N/A
Prime Broker:	N/A
Administrator:	First Pacific Advisors, LLC
Auditor:	Deloitte & Touche LLP
Legal Counsel:	K&L Gates LLP

This report is not an offer, nor does it invite anyone to make an offer, to buy or sell securities. Information obtained from third parties is believed to be reliable, however, accuracy of the data is not guaranteed and may not have been independently verified. Information provided by investment managers may be confidential and should be treated as such. Content is current as of the date indicated and subject to change without notice. The assessment within is the opinion of Prime Buchholz and intended solely for our clients. Clients may, at times, invest in managers or products that are not recommended by us. Due diligence and monitoring of managers or products that are not Prime Buchholz recommended is less rigorous than the level applied to recommended managers or products. Reports provided to clients regarding managers or products that have not been recommended by us are for informational purposes only and do not necessarily constitute our endorsement of the manager or product. Also, because these managers and products were not recommended by us, they are not actively assessed relative to changes in Firm recommendations (e.g., watch list and/or sell recommendations). Returns are provided by third-party sources and are net of fees unless otherwise stated. Performance may or may not reflect reinvestment of dividends and other earnings. Past performance is not an indication of future results and there is no guarantee the manager will achieve its goals or objectives.

Firm Information: Forester Capital

Total Assets (\$M):	\$4,000	Key Investment Professionals:	Trent Carmichael - Prior to founding Forester Capital, Mr. Carmichael was with Tiger Management from 1996 to 1999, Nelson Capital Management from 1991-1994 and Donaldson, Lufkin and Jenrette from 1988-1990. Mr. Carmichael has a Master's degree in Management from the Kellogg School and a BA in Economics from Duke University. He has obtained the Chartered Financial Analyst designation.
Style:	Directional Hedge FOF		Fritz Fortmiller - Mr. Fortmiller joined Forester in 2006. Prior to Forester, he worked at Cambridge Associates from 1999-2005 as a Specialist Consultant, Research Consultant and Associate. Prior to that, he founded Turnbuckle Records and worked as a Paralegal Specialist in the U.S. Attorney's Office. BA in Philosophy from Yale University. He has obtained the Chartered Financial Analyst designation.
Assets in Style (\$M):	\$1,675		
Year Founded:	1999		
Location:	Greenwich, CT		
Ownership:	100% Trent Carmichael and family.		
Registration:	SEC		
GP Capital:	\$28.5 million across funds		

Investment Objective, Philosophy/Process, and Assessment

The fund seeks to achieve medium to long-term returns that are superior to the broad market averages while assuming less risk.

Diversification will be achieved through investment in managers that have different expertise in industry sectors, cap sizes, or geographical areas. Forester looks for managers who have a demonstrated track record, and a past ability to generate both long and short ideas, as well as have a significant amount of their own net worth in their fund. Individual managers are limited to 25% of overall portfolio. Forester may invest up to 10% in an affiliated fund. The fund does not invest in managers who specialize in currencies, bonds or commodities.

Based on our research of hedge funds, we believe the Fund consists of high quality underlying hedge funds and is offered at a reasonable fee. This Fund may be more diversified than some other fund-of-funds as Forester tends to weight highest conviction ideas in the range of 4.5%-6.5%. Forester has been able to leverage long-standing relationships in the hedge fund industry that can often lead to early access to new managers. Forester provides a high degree of transparency, including manager names and allocation ranges, market and regional exposures, and quarterly letters.

The offshore fund was rolled out in January of 2004. The fund is identical in strategy and process to the Forester Partners, LP. Forester Partners II, LP was created to accommodate 3c1 investors when Forester Partners LP converted to a 3c7 vehicle in January 2008. There is substantial overlap between managers in Forester Partners, LP, Forester Partners II, LP and Forester Offshore, Ltd. This is a Prime Buchholz recommended strategy.

*A partial list of the Fund's largest manager allocations appears to the right. Prime, Buchholz receives full transparency from Forester and clients may receive a full manager list by signing a separate non-disclosure agreement with Forester.

*Forester prefers offshore investors under the \$2 million minimum to choose the 3yr liquidity, B share class.

*Allocations to 3c-I products are subject to slot availability.

Sample Portfolio Characteristics

<i>Underlying Funds</i>	<i>Alloc %</i>	<i>Strategy</i>
Kensico Offshore Fund, Ltd.	9	Long/Short Equity
Viking Global Equities III, Ltd.	9	Long/Short Equity
Samlyn Offshore Fund, Ltd.	7	Long/Short Equity
Pennant Windward Fund, Ltd.	4	Long/Short Equity
Coatue Offshore Fund, Ltd.	4	Long/Short Equity
Falcon Edge Global, Ltd	4	Global L/S Equity
Lansdowne Developed Markets Long Only Fund Limited	4	
USD Shares		
Steadfast International Ltd.	4	Long/Short Equity
Tiger Global, Ltd.	3	Long/Short Equity
Castine Offshore Fund, Ltd	3	US Low Net Sector
Hengistbury Fund, Ltd	3	European Equity
Abrams Bison Offshore Fund, Ltd.	3	Long/Short Equity
Hirzel Capital	3	Long/Short Equity
The Children's Investment Fund	3	Global Value Activist Equity
Wellington Management Company	3	Long/Short Equity
HHR Atlas Ltd.	2	Long/Short Equity
Cyrus Capital Partners, LP	2	Absolute Return
Impala Fund, LP	2	Long/Short Equity
Lakewood Capital Partners, L.P.	2	Long/Short Equity
Newtyn Partners, LP	2	Long/Short Equity

Vehicle Information

Inception:	January 2004	3c1/3c7:	3c7
Assets (\$M):	\$725	Subscriptions:	Quarterly
Minimum Account Size:	\$2,000,000	Redemptions (notice):	A: Annual (anniversary) B: Three-year liquidity (95 days)
Management Fee:	1.0%, underlying manager fees	Lock-up:	A: Two years B: Three years
Profit Allocation:	A: 3%, B: None	ERISA Capacity:	No
Highwater Mark:	Yes	Prime Broker:	N/A
Hurdle Rate:	NA	Administrator:	International Fund Services LLC
UBTI:	No	Auditor:	Ernst & Young LLP
Additional Expenses:	Admin, Legal, and Operating (5-15 bps)	Legal Counsel:	Ogier
Additional Vehicles:	Onshore 3c1 and 3c7		

This report is not an offer, nor does it invite anyone to make an offer, to buy or sell securities. Information obtained from third parties is believed to be reliable, however, accuracy of the data is not guaranteed and may not have been independently verified. Information provided by investment managers may be confidential and should be treated as such. Content is current as of the date indicated and subject to change without notice. The assessment within is the opinion of Prime Buchholz and intended solely for our clients. Clients may, at times, invest in managers or products that are not recommended by us. Due diligence and monitoring of managers or products that are not Prime Buchholz recommended is less rigorous than the level applied to recommended managers or products. Reports provided to clients regarding managers or products that have not been recommended by us are for informational purposes only and do not necessarily constitute our endorsement of the manager or product. Also, because these managers and products were not recommended by us, they are not actively assessed relative to changes in Firm recommendations (e.g., watch list and/or sell recommendations). Returns are provided by third-party sources and are net of fees unless otherwise stated. Performance may or may not reflect reinvestment of dividends and other earnings. Past performance is not an indication of future results and there is no guarantee the manager will achieve its goals or objectives.

Firm Information: Archstone Partners

Total Assets (\$M):	\$3,256	Key Investment Professionals:	
Style:	Absolute Return - Market Neutral	- Alfred Shuman - Founder. BA from Harvard ('61) and MBA from Harvard Business School ('63). Serves as Trustee of various non-profit and educational organizations.	
Assets in Style (\$M):	\$293	- Joe Pignatelli - President of Archstone Funds. Over 15 years experience in investment management. Oversees all manager analysis, asset allocation, and coordination of legal/financial issues. Bachelors from Pace University and Masters from Baruch College.	
Year Founded:	1991	- David Parker - COO and Chief Compliance Officer. BS from University of Texas and MBA from Harvard Business School. Duties include all management-related issues, strategy, planning, and governance.	
Location:	New York, NY	Other investment professionals include Mark Smith, Barbara Barlick, Kevin Jornlin & Edgar Smith.	
Ownership:	Alfred Shuman 80%; Balance in declining order: Stanley Shuman; Richard Nye; Steven Kodler; Stephanie Shuman; Joseph Pignatelli; David Parker; John Marshall		
Registration:	SEC		
GP Capital:	\$6.8 Million		

Investment Objective, Philosophy/Process, and Assessment

The Fund's primary objective is to consistently earn positive returns regardless of the direction of the market.

The Fund seeks to achieve its objective by employing a diversified group of managers and strategies that have a low correlation to traditional broad markets. The Fund's volatility seeks to approximate that of the U.S. fixed income markets. Hedge funds that have relatively conservative investment strategies are generally preferred. Relative value and non-directional strategies are emphasized, along with event driven and distressed investing. Specific strategies employed by the underlying managers (ten to twenty) include convertible arbitrage, merger arbitrage, statistical arbitrage, event driven, and fixed income arbitrage (allocations are listed to the right). Archstone requires that its underlying managers have at least \$5 million invested in the Fund and that the invested amount represents at least 50% of the managers' net worth. Leverage may be employed by the underlying managers, but has, for the most part, used rarely and for operational purposes at the fund level.

We believe Archstone has a strong and experienced team. Based on our research of hedge funds, we believe the Fund consists of high quality underlying hedge funds. This Fund may be more concentrated than some other fund-of-funds and Archstone is willing to size up their high conviction managers. The firm has been able to leverage long-standing relationships in the hedge fund industry that can often lead to early access to new managers. Archstone provides full transparency, including manager names and allocations, exposures, and detailed quarterly letters. Archstone passes through a greater percentage of operating expenses to fund investors than many of their peers and these increased fees should be taken into consideration when investing with Archstone. This is a Prime Buchholz recommended strategy.

*Management fee reflects discount of 0.36-0.39% for Prime Buchholz clients.

Sample Portfolio Characteristics

<i>Underlying Funds (3/31/2015)</i>	<i>Alloc %</i>	<i>Strategy</i>
Elliott International, Ltd	12	Multi-strategy Hedge
Farallon Capital Offshore Investors, Inc.	11	Absolute Return - Event-Driven
York Credit Opportunities Unit Trust	10	Credit and distressed debt
Davidson Kempner International, Ltd.	10	Absolute Return Multi-Strategy
Fir Tree Capital Opportunity Fund II, Ltd.	10	Absolute Return
Silver Point Capital Offshore Fund, Ltd.	10	Absolute Return
DW Catalyst Offshore Fund, LTD.	10	Absolute Return - Relative Value
Serengeti Opportunities Fund	10	Event Driven
King Street Capital Ltd.	9	Distressed Debt/Credit
Och Ziff Overseas Fund, Ltd.	9	Absolute Return - Event Driven

Vehicle Information

Inception:	January 2002	3c1/3c7:	3c7
Assets (\$M):	\$293	Subscriptions:	Monthly (1mm min for PBA)
Minimum Account Size:	\$2,500,000	Redemptions (notice):	Semiannual (6/30, 12/31) with 90 days notice
Management Fee:	1.11%-1.14% flat fee or 1% & 5% incentive; Underlying Manager Fees	Lock-up:	One year
Profit Allocation:	0% for flat fee/5% for incentive fee structure	ERISA Capacity:	Yes
Highwater Mark:	Yes, for incentive fee structure	Prime Broker:	N/A
Hurdle Rate:	NA	Administrator:	SS&C Technologies, Inc.
UBTI:	No	Auditor:	Ernst & Young LLP
Additional Expenses:	Payroll and all operating expenses (capped at 0.60% excl. interest expense)	Legal Counsel:	Walkers SPV Limited (Cayman); Willkie Farr & Gallagher LLP (US)
Additional Vehicles:	NA		

This report is not an offer, nor does it invite anyone to make an offer, to buy or sell securities. Information obtained from third parties is believed to be reliable, however, accuracy of the data is not guaranteed and may not have been independently verified. Information provided by investment managers may be confidential and should be treated as such. Content is current as of the date indicated and subject to change without notice. The assessment within is the opinion of Prime Buchholz and intended solely for our clients. Clients may, at times, invest in managers or products that are not recommended by us. Due diligence and monitoring of managers or products that are not Prime Buchholz recommended is less rigorous than the level applied to recommended managers or products. Reports provided to clients regarding managers or products that have not been recommended by us are for informational purposes only and do not necessarily constitute our endorsement of the manager or product. Also, because these managers and products were not recommended by us, they are not actively assessed relative to changes in Firm recommendations (e.g., watch list and/or sell recommendations). Returns are provided by third-party sources and are net of fees unless otherwise stated. Performance may or may not reflect reinvestment of dividends and other earnings. Past performance is not an indication of future results and there is no guarantee the manager will achieve its goals or objectives.

Firm Information: Vanguard Group, Inc.

Total Assets (\$M): \$3,183,372
Style: Domestic Fixed Sector Index
Assets in Style (\$M): \$11,800
Year Founded: 1975
Product Inception: December 2012
Location: Valley Forge, PA
Ownership: The Firm is owned by fund shareholders.

Key Investment Professionals:
 - Greg Davis - Davis is Head of Fixed Income Portfolio Management and has been with Vanguard since 1999. He earned a B.S. from Pennsylvania State University and an M.B.A. from the University of Pennsylvania.
 - Joshua Barrickman, CFA - Barrickman was promoted to Head of Vanguard's Bond Index Group in 2013 and he joined the firm in 1999. He earned a B.S. from Ohio Northern University and an M.B.A. from Lehigh University.
 - Gemma Wright-Casparius. Wright-Casparius joined Vanguard in 2011 from GIC, Singapore's SWF. She has more than 30 years of experience and obtained a B.B.A. degree in Economics and Finance and an M.B.A. degree from Bernard M. Baruch College of The City University of New York.

Investment Objective and Philosophy/Process

Investment Objective: The Fund seeks to provide inflation protection and income consistent with investment in short-term U.S. inflation-indexed securities.

Philosophy/Process: Unlike the existing Vanguard Inflation-Protected Securities Fund, which is actively managed, Vanguard Short-Term Inflation-Protected utilizes a more passive approach to build the portfolio; however modest benchmark relative deviations may be implemented from time to time. PM Gemma Write-Casparius works closely with the Bond Index Group that is led by Joshua Barrickman. Securities are selected that will keep the fund's characteristics in line with those of the index. Risk control is a priority of Vanguard. The group created a desktop dashboard report to monitor various risks across the products such as yield curve mismatches, broad sector allocation differences, quality exposure, and issuer-level violations. In addition, the risk management team produces, on a monthly basis, tracking error reports that show total tracking error and the various contributions to tracking error. The dashboard is used on a daily basis to manage tracking error that results from the various risk factors whereas the risk management report quantifies sources of tracking error each month. Given the liquidity of the U.S. TIPS market, virtually all Index securities will be held in the portfolio.

Assessment

Vanguard is one of the largest asset managers in the world, focusing mainly on low cost, passively managed funds. Similar to many Vanguard index options, the Fund carries a low management fee. One of the benefits highlighted by Vanguard is that short-term TIPS offer a better hedge to inflation, particularly to energy-related inflation. Some considerations include Vanguard's preference for longer-term commitments and securities lending. While the Fund offers daily liquidity, Vanguard prefers longer-term commitments and requests advance notice for redemptions of a large dollar amount. Securities lending is allowed per the prospectus. Near the end of Q3 2011, Vanguard announced that it was discontinuing securities lending in its fixed income strategies. As a reminder, Vanguard only lends special securities with a high scarcity premium rather than a liquid security with a low scarcity premium because they can earn a larger spread from the reinvestment for securities with high scarcity premiums and they see few fixed income opportunities at this time. However, if Vanguard were to re-engage in securities lending, we feel that the firm implements a conservative policy as it pertains to the practice. Furthermore, 100% of the net lending proceeds are credited to the Fund. We remain comfortable with Vanguard's practices and believe that the firm would not want to break the implicit trust of shareholders by taking on more risk to pursue these additional revenue sources. Some market-related considerations include the significant yield disadvantage of short-term TIPS vs. full-market TIPS. Also, investors should consider an investment in this strategy vis a vis the client's real asset portfolio to assess whether the incremental inflation protection to energy is warranted. Please note that Robert Auwaerter retired at the end of March 2014 and was replaced by Greg Davis who previously served as Head of Bond Indexing. This is a Prime Buchholz recommended strategy.

Product Information and Sample Operational Detail (Vanguard Shrt-Term Infl-Prot Sec Idx Ins)

Quality/Avg. Quality: AAA/AAA
Duration: Index-like
% Non-Investment Grade: 0
% Foreign: 0%
Security Constraints: 80% of its assets in inflation-indexed securities
Sector Constraints: 80% of its assets in inflation-indexed securities
Avg # of Securities: ~15
Turnover: N/A

Securities Lending: Yes
Assets in Composite: N/A
GIPS Compliant: No
Last Audited Financials: 9/30/2014
Accountant/Auditor: PricewaterhouseCoopers LLP
Custodian: JPMorgan Chase
Administrator: Vanguard

Vehicle Information

Vehicle Name (Ticker)	Minimum	Assets (\$M)	Fee	Type
Vanguard Short-Term Infl-Prot Secs ETF (VTIP)	\$0	\$1,800.0	0.10%	MF
Vanguard Shrt-Term Infl-Prot Sec Idx Adm (VTAPX)	\$10,000	\$1,700.0	0.10%	MF
Vanguard Shrt-Term Infl-Prot Sec Idx Ins (VTSPX)	\$5,000,000	\$3,400.0	0.07%	MF

This report is not an offer, nor does it invite anyone to make an offer, to buy or sell securities. Information obtained from third parties is believed to be reliable, however, accuracy of the data is not guaranteed and may not have been independently verified. Information provided by investment managers may be confidential and should be treated as such. Content is current as of the date indicated and subject to change without notice. The assessment within is the opinion of Prime Buchholz and intended solely for our clients. Clients may, at times, invest in managers or products that are not recommended by us. Due diligence and monitoring of managers or products that are not Prime Buchholz recommended is less rigorous than the level applied to recommended managers or products. Reports provided to clients regarding managers or products that have not been recommended by us are for informational purposes only and do not necessarily constitute our endorsement of the manager or product. Also, because these managers and products were not recommended by us, they are not actively assessed relative to changes in Firm recommendations (e.g., watch list and/or sell recommendations). Returns are provided by third-party sources and are net of fees unless otherwise stated. Performance may or may not reflect reinvestment of dividends and other earnings. Past performance is not an indication of future results and there is no guarantee the manager will achieve its goals or objectives.

Firm Information: Gresham Investment Management, LLC

Total Assets (\$M):	\$11,500
Style:	Commodities Direct Active
Assets in Style (\$M):	\$4,500
Year Founded:	1992
Product Inception:	December 1987
Location:	New York, NY
Ownership:	40% Gresham/ 60% TIAA-CREF

Key Investment Professionals:

Jonathan S. Spencer, President of Gresham Investment Management LLC, is responsible for the day-to-day investment and operational activities of Gresham.

Robert J. Reeves, CFO. Reeves joined Gresham Investment Management, LLC in July 2009.

Susan Wager, Managing Director of Gresham LLC-- Senior Trader for Gresham NTA since March 2005. She is responsible for Gresham's Long/Short Strategy as well as all option-related strategies, and she assists with implementation of Gresham's long-only strategies, including TAP®

Randy Migdal, Managing Director of Gresham LLC and Head Trader for Gresham NTA (since June 2006). He is responsible for Gresham's Near Term Active Implementation strategies, including TAP®, and he assists with the implementation of Gresham's Long/Short Strategy.

Investment Objective and Philosophy/Process

Investment Philosophy & Process: The investment objective of the Fund is to provide value enhancement to an investor's portfolio as well as a partial inflation hedge, with an attractive risk/return profile as compared to other products using a commodity index or pool of commodities. The TAP strategy utilizes a passive buy-and-hold investment strategy that seeks to benefit from price movements, combined with premium conditions that may exist from time to time. Weightings of each tangible commodity are reset at the beginning of each year and are determined by Gresham's research and development staff based upon such factors as the dollar value of commodities with the highest production values and greatest dollar volumes of trading from each of the following six exchange traded groups: agricultural, livestock, foods and fibers, energy, precious metals and industrial metals. The commodity groups, selections within the groups, and weightings of commodities have changed during TAP trading history. For example, TAP has exposure to Brent Crude Oil despite it not being included in the Bloomberg Commodities Index. The portfolio seeks to take advantage of both mean reverting and trending characteristics of commodities. Commodities in the portfolio are rebalanced periodically to their target weights when the price changes cause their actual allocations to deviate substantially from those weightings. TAP generally trades the near month futures, but other months might be used for liquidity or other reasons. As a futures nears its last trading date or first delivery date, positions in the contract month are closed out and rolled into later contract months. The timing of this process is market driven.

Assessment

Assessment: Commodities futures investment has historically provided a diversified portfolio with inflation protection and diversification over the long term. Gresham Investment Management has established an over 20 year successful track record of investing in commodities through its Tangible Asset Program® (TAP) investment strategy which combines a strict rules based methodology with market driven active management oversight. Prime Buchholz recommends the TAP Fund as an appropriate vehicle to access the attributes of investment in a diversified commodities portfolio.

The collateral portfolio for the TAP vehicle is managed by Gresham Investment Management while the collateral portfolio for the Nuveen mutual fund vehicle is managed by Nuveen Investment Management's fixed income team. Both teams manage to the same conservative guidelines of investing in cash equivalents or short term debt with terms of less than one year and primarily direct and guaranteed obligations of U.S. Government and senior obligations of U.S. Government agencies.

Tracking Error For Mutual Fund: Gresham attempts to manage the mutual fund in an identical manner as the TAP commingled fund. However, at lower AUM levels for the mutual fund, futures contract sizes may be too large for the mutual fund's allocation to an individual commodity, resulting in overweights or under-weights to certain commodities and therefore variations in performance relative to the TAP product AUM has grown to over 100 mln, from \$7.2 at its Q3 2012 inception, but it is still relatively low compared to similar products. The mutual fund's average quarterly tracking error has been less than 10 bps since inception.

Nuveen Investments, which has a 60% equity stake in Gresham, was acquired by TIAA-CREF. Nuveen Investments was previously owned by the private equity firm Madison Dearborn. Gresham has been operating under an independent operating agreement under Nuveen and will continue to operate independently under TIAA-CREF.

This is a Prime Buchholz recommended strategy.

Product Information and Sample Operational Detail (The TAP Fund, LLC)

Security Constraints:	Strategic Portfolios	Securities Lending:	N/A
Sector Constraints:	no 2 sectors may total >60%	GIPS Compliant:	
Avg # of Securities:	25	Last Audited Financials:	12/31/2014
Turnover:	Continuous	Accountant/Auditor:	KPMG (formerly Rothstein Kass)
Assets in Composite:	NA	Custodian:	JPMORGAN CHASE
		Administrator:	Citco Fund Services (Curacao) N.V.

Vehicle Information

Vehicle Name (Ticker)	Minimum	Assets (\$M)	Fee	Type
Nuveen Gresham Diversified Commodity Strategy I Fund	\$100,000	\$283.8	1.07%	MF
The TAP Fund LTD	\$250,000	\$1,500.0	< \$5 mil 100 bps; \$5 to \$10 mil 90bps; >\$10 mil 70 bps	3c7
The TAP Fund, LLC	\$250,000	\$2,998.0	< \$5 mil 100 bps; \$5 to \$10 mil 90bps; >\$10 mil 70 bps	3c7

This report is not an offer, nor does it invite anyone to make an offer, to buy or sell securities. Information obtained from third parties is believed to be reliable, however, accuracy of the data is not guaranteed and may not have been independently verified. Information provided by investment managers may be confidential and should be treated as such. Content is current as of the date indicated and subject to change without notice. The assessment within is the opinion of Prime Buchholz and intended solely for our clients. Clients may, at times, invest in managers or products that are not recommended by us. Due diligence and monitoring of managers or products that are not Prime Buchholz recommended is less rigorous than the level applied to recommended managers or products. Reports provided to clients regarding managers or products that have not been recommended by us are for informational purposes only and do not necessarily constitute our endorsement of the manager or product. Also, because these managers and products were not recommended by us, they are not actively assessed relative to changes in Firm recommendations (e.g., watch list and/or sell recommendations). Returns are provided by third-party sources and are net of fees unless otherwise stated. Performance may or may not reflect reinvestment of dividends and other earnings. Past performance is not an indication of future results and there is no guarantee the manager will achieve its goals or objectives.

Firm Information: Van Eck

Total Assets (\$M):	\$32,602
Style:	Public Real Direct Natural Resources
Assets in Style (\$M):	\$3,100
Year Founded:	1955
Product Inception:	November 1994
Location:	New York
Ownership:	Family Owned - Jan F. Van Eck and Family Trusts (50% - 75%)John C. Van Eck (10% - 25%)Deborah Van Eck and Family Trusts (5% - 10%)

Key Investment Professionals:
 Charles Cameron - He has over 20 years of experience in international and financial markets. He joined Van Eck in 1995 as Director of Trading and oversees all trade execution and specializes in constructing commodity spread and directional trades. He has earned a B.A. from Boston University and an M.B.A. from NYU.
 Shawn Reynolds - He has over 15 years of experience and was previously employed by Goldman Sachs, Lehman Brothers, and C.S. First Boston prior to joining Van Eck in 2005. He has earned an engineering degree from Cornell, a masters from University of Texas, and an M.B.A. from Columbia Business School.

Investment Objective and Philosophy/Process

Van Eck Global Hard Assets seeks long term capital appreciation through investment across various hard asset sector equities and commodities. The Fund uses a flexible approach to investing in commodity related equities, but also has the ability to invest in commodities by using derivatives. The investment process begins with a universe of 500 companies. Van Eck uses a combination of internal and external research to refine the universe and develop the portfolio. The initial universe of 500 stocks is screened for value and potential growth catalysts. The team creates a focused list and then refines the list through fundamental company research and creating a view of the supply and demand dynamics of the commodity markets. Internal research is conducted through proprietary models by checking valuations and conducting technical analysis. In addition, the team visits companies and conducts on-site meetings with management teams. Van Eck then complements their internal research with external research by using sell side reports, attending conferences, reading trade publications, and speaking with industry consultants. Supply and demand views are developed by analyzing macroeconomic factors, geopolitical risks, and contacting competitors. The final step of the process includes portfolio construction and implementing risk controls. The portfolio is created by diversification across sectors and utilizing position limits for each holding. Van Eck seeks to own about 60 -100 positions at all times. The top ten holdings of the fund usually make up about 30-35% of total assets. Typical sector exposure is as follows; 30% - 65% energy, 0% - 25% precious metals, 0% - 25% base metals, and 0% - 25% agriculture/timber. These ranges are guidelines for the portfolio and management and can deviate from these ranges depending on their view of the current market. Individual positions are capped at 5% of the portfolio and typical exposure is about 2.5%. Commodity positions generally fall within a range of 0% - 5% of the portfolio. Van Eck implements their commodity trades through primarily ETFs, but does have the flexibility to use derivatives to gain market exposure.

Assessment

Van Eck is an investment manager with a long term track record of successful investing. The firm has an evolved research process that provides insights into the relative value of resource assets, as well as thoughtful stock analysis, portfolio construction, and diversification. Global Hard Assets maintains diversified natural resource sector exposures and is actively managed in a risk controlled manner relative to its benchmark. Given these characteristics, we recommend Global Hard Assets for appropriate client investment.

Product Information and Sample Operational Detail (Van Eck Global Hard Assets I)

Security Constraints:	5% cap
Sector Constraints:	Energy between 30% - 65%, the remaining between 0% - 25%
Avg # of Securities:	~70
Turnover:	0.4
Assets in Composite:	N/A

Securities Lending:	N/A
GIPS Compliant:	No
Last Audited Financials:	12/31/2014
Accountant/Auditor:	Ernst & Young LLP
Custodian:	State Street Bank & Trust Company
Administrator:	Van Eck Associates Corporation

Vehicle Information

Vehicle Name (Ticker)	Minimum	Assets (\$M)	Fee	Type
Van Eck Global Hard Assets I (GHAIX)	\$1,000,000	\$2,100.0	1.00%	MF
Van Eck Global Hard Assets Y (GHAYX)	\$1,000	\$346.9	1.13%	MF

This report is not an offer, nor does it invite anyone to make an offer, to buy or sell securities. Information obtained from third parties is believed to be reliable, however, accuracy of the data is not guaranteed and may not have been independently verified. Information provided by investment managers may be confidential and should be treated as such. Content is current as of the date indicated and subject to change without notice. The assessment within is the opinion of Prime Buchholz and intended solely for our clients. Clients may, at times, invest in managers or products that are not recommended by us. Due diligence and monitoring of managers or products that are not Prime Buchholz recommended is less rigorous than the level applied to recommended managers or products. Reports provided to clients regarding managers or products that have not been recommended by us are for informational purposes only and do not necessarily constitute our endorsement of the manager or product. Also, because these managers and products were not recommended by us, they are not actively assessed relative to changes in Firm recommendations (e.g., watch list and/or sell recommendations). Returns are provided by third-party sources and are net of fees unless otherwise stated. Performance may or may not reflect reinvestment of dividends and other earnings. Past performance is not an indication of future results and there is no guarantee the manager will achieve its goals or objectives.

Historical Performance

Return and Risk Summary

As of June 30, 2015

	I Quarter Return	Previous Quarter Return	I Year Return	I Year Standard Deviation	3 Years Return	3 Years Standard Deviation	5 Years Return	5 Years Standard Deviation	7 Years Return	7 Years Standard Deviation	10 Years Return	10 Years Standard Deviation
Fidelity Spartan Total Market Index Advisor Fund	0.1	1.8	7.2	4.3	17.6	7.2	17.5	13.1	9.7	18.8	NA	NA
Wilshire 5000 Total Market Index	0.0	1.8	6.7	4.0	17.6	7.2	17.4	13.1	9.8	18.7	8.3	16.5
FPA Crescent Fund	-0.1	0.1	1.5	2.6	11.5	4.8	11.0	8.4	7.3	12.5	8.0	10.8
S&P 500 Index	0.3	1.0	7.4	3.6	17.3	7.1	17.3	12.4	9.4	18.1	7.9	16.0
60% Russell 2500 / 40% BC Global Credit	-0.5	2.7	1.7	6.2	12.3	6.2	12.7	11.1	8.7	15.5	7.7	13.5
HFRI Equity Hedge (Total) Index	2.0	2.0	2.6	2.9	8.4	3.8	6.1	8.0	3.2	11.5	4.9	10.3
FMI Common Stock Fund	-1.6	2.4	0.4	7.4	14.3	8.8	14.8	14.3	12.1	18.9	10.2	16.9
Russell 2500 Index	-0.3	5.2	5.9	9.6	18.7	9.1	17.9	16.5	10.9	21.9	9.1	19.4
Dodge & Cox International Stock Fund	-0.3	4.2	-3.6	6.6	15.4	9.1	11.2	16.4	4.4	25.5	7.0	22.3
MSCI AC World ex USA (Net)	0.5	3.5	-5.3	7.0	9.4	9.1	7.8	15.2	1.5	22.8	5.5	20.2
Artisan International Institutional Fund	-0.4	4.3	-0.5	6.4	13.7	8.6	14.1	15.6	5.0	22.8	8.2	20.3
MSCI EAFE (Net)	0.6	4.9	-4.2	8.2	12.0	9.4	9.5	14.9	2.0	22.2	5.1	19.6
Forester Offshore A2, Ltd.	0.2	1.8	5.5	3.2	9.0	3.4	7.6	6.0	4.8	7.4	7.0	7.0
HFRI FOF: Strategic Index	1.0	2.6	4.4	2.0	7.3	2.7	4.7	5.3	1.3	8.6	3.6	8.3
Archstone Absolute Return Strategies Fund, Ltd. Class A	-0.5	0.7	-3.8	2.5	5.2	3.8	4.4	4.5	3.3	7.5	4.6	6.9
HFRI FOF: Conservative Index	0.2	1.9	2.6	1.5	5.5	1.7	3.6	3.2	0.9	6.6	2.6	6.0
JP Morgan Core Bond Select Fund	-1.3	1.5	2.0	2.3	1.9	2.4	3.5	2.7	5.0	3.0	4.7	3.0
Barclays U.S. Aggregate	-1.7	1.6	1.9	2.8	1.8	2.7	3.3	3.0	4.6	3.3	4.4	3.3
Vanguard Short Term US Treasury Admiral Fund	0.1	0.5	0.9	0.5	0.7	0.6	1.0	0.8	1.9	1.4	2.8	2.0
Barclays U.S. Treasury: 1-5 Year	0.0	0.9	1.3	0.7	0.8	0.7	1.4	1.2	2.4	2.1	3.1	2.5
Vanguard Short-Term Inflation Protected Securities Adm. Fund	0.5	0.3	-2.0	1.9	NA	NA	NA	NA	NA	NA	NA	NA
Barclays U.S. Treasury: 0-5 Year TIPS Index	0.5	0.4	-2.0	1.9	-0.1	2.2	1.3	2.2	1.6	3.5	3.0	3.5

Historical Performance

Return and Risk Summary

As of June 30, 2015

	I Quarter Return	Previous Quarter Return	I Year Return	I Year Standard Deviation	3 Years Return	3 Years Standard Deviation	5 Years Return	5 Years Standard Deviation	7 Years Return	7 Years Standard Deviation	10 Years Return	10 Years Standard Deviation
Nuveen Gresham Diversified Commodities Fund	4.1	-5.9	-24.1	13.2	NA	NA	NA	NA	NA	NA	NA	NA
Bloomberg Commodity Index	4.7	-5.9	-23.7	13.6	-8.8	13.8	-3.9	15.6	-10.9	21.0	-2.6	20.2
Van Eck Global Hard Assets I Fund	-2.5	0.9	-29.9	16.4	-0.4	18.6	2.2	24.1	-5.4	29.5	NA	NA
S&P North American Natural Res Sector Index (TR)	-2.7	-1.5	-25.7	10.3	3.0	16.4	5.4	22.0	-2.9	26.8	5.6	25.0

Historical Performance

Return Summary

As of June 30, 2015

	Year To Date	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Fidelity Spartan Total Market Index Advisor Fund	1.9	12.5	33.4	16.4	1.0	17.4	28.4	-37.2	5.6	15.8	NA
Wilshire 5000 Total Market Index	1.8	12.1	34.0	16.1	0.6	18.1	29.4	-37.3	5.7	15.9	6.3
FPA Crescent Fund	0.0	6.6	21.9	10.3	3.0	12.0	28.4	-20.6	6.8	12.4	10.8
S&P 500 Index	1.2	13.7	32.4	16.0	2.1	15.1	26.5	-37.0	5.5	15.8	4.9
60% Russell 2500 / 40% BC Global Credit	2.2	5.3	21.4	15.6	0.5	18.9	29.6	-26.5	3.6	13.1	4.2
HFRI Equity Hedge (Total) Index	4.1	1.8	14.3	7.4	-8.4	10.5	24.6	-26.7	10.5	11.7	10.6
FMI Common Stock Fund	0.7	6.5	32.0	10.2	4.5	22.2	33.9	-20.4	-2.0	17.1	9.5
Russell 2500 Index	4.8	7.1	36.8	17.9	-2.5	26.7	34.4	-36.8	1.4	16.2	8.1
Dodge & Cox International Stock Fund	3.9	0.1	26.3	21.0	-16.0	13.7	47.5	-46.7	11.7	28.0	16.7
MSCI AC World ex USA (Net)	4.0	-3.9	15.3	16.8	-13.7	11.2	41.4	-45.5	16.7	26.7	16.6
Artisan International Institutional Fund	3.8	-0.7	25.5	25.6	-4.1	6.2	40.0	-46.8	20.0	25.9	16.5
MSCI EAFE (Net)	5.5	-4.9	22.8	17.3	-12.1	7.8	31.8	-43.4	11.2	26.3	13.5
Forester Offshore A2, Ltd.	2.0	5.8	15.2	9.3	-2.5	5.2	14.6	-13.0	18.5	11.5	12.0
HFRI FOF: Strategic Index	3.7	3.1	10.5	5.8	-7.3	6.3	13.2	-25.2	12.8	11.8	10.3
Archstone Absolute Return Strategies Fund, Ltd. Class A	0.3	-0.6	11.2	9.0	-2.3	8.1	19.4	-20.5	8.3	13.8	6.2
HFRI FOF: Conservative Index	2.1	3.1	7.7	4.2	-3.6	5.1	9.6	-19.9	7.7	9.2	5.1
JP Morgan Core Bond Select Fund	0.2	5.2	-1.8	5.1	7.3	7.3	9.7	4.0	7.0	4.0	2.3
Barclays U.S. Aggregate	-0.1	6.0	-2.0	4.2	7.8	6.5	5.9	5.2	7.0	4.3	2.4
Vanguard Short Term US Treasury Admiral Fund	0.6	0.8	0.0	0.8	2.4	2.8	1.5	6.8	8.0	3.9	1.9
Barclays U.S. Treasury: 1-5 Year	0.9	1.2	-0.1	0.9	3.4	3.7	0.2	8.8	8.2	3.8	1.3
Vanguard Short-Term Inflation Protected Securities Adm. Fund	0.9	-1.2	-1.5	NA	NA	NA	NA	NA	NA	NA	NA
Barclays U.S. Treasury: 0-5 Year TIPS Index	0.9	-1.1	-1.6	2.4	4.5	3.3	10.7	-2.0	9.8	2.6	1.6

Historical Performance

Return Summary

As of June 30, 2015

	Year To Date	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Nuveen Gresham Diversified Commodities Fund	-2.1	-17.3	-7.8	NA	NA	NA	NA	NA	NA	NA	NA
Bloomberg Commodity Index	-1.6	-17.0	-9.5	-1.1	-13.3	16.8	18.9	-35.6	16.2	2.1	21.4
Van Eck Global Hard Assets I Fund	-1.6	-19.1	11.2	2.9	-16.3	28.9	53.2	-44.5	43.2	NA	NA
S&P North American Natural Res Sector Index (TR)	-4.1	-9.8	16.5	2.2	-7.4	23.9	37.5	-42.6	34.4	16.8	36.6

AEW Spliced Real Estate Index: Prior to January 1, 2015, UBS Global Investors Index, FTSE EPRA/NAREIT Developed Index thereafter.

All Private Equity Benchmark: Prior to December 31, 2013, the private equity benchmark consisted of Thomson Venture Economics All Private Equity Index, subsequent to this period, it is comprised of Cambridge Associates LLC Global Private Equity & Venture Capital Index. The index is an end-to-end calculation based on data compiled from U.S. private equity funds (buyout, growth equity, private equity energy and mezzanine funds), including fully liquidated partnerships. Client performance is generally reported one quarter in arrears unless otherwise noted.

The Alerian MLP Index is a composite of the 50 most prominent energy Master Limited Partnerships (MLPs). It is calculated using a float-adjusted, capitalization-weighted methodology and is disseminated on a price-return basis and on a total-return basis.

Alerian MLP Index, Alerian MLP Total Return Index, AMZ, and AMZX are trademarks of Alerian and their use is granted under a license from Alerian.

Barclays 1-5 Year G/C Flt Adjusted Composite Index: Prior to 1/1/2010, this index is Barclays 1-5 Year G/C Index.

Barclays Aggregate Index comprises government securities, mortgage-backed securities, asset-backed securities and corporate securities to simulate the universe of bonds in the market. The maturities of the bonds in the index are over one year.

Barclays Aggregate Flt Adjusted Composite Index: Barclays Aggregate Index through 12/31/2009; Barclays Aggregate Flt Adjusted Index thereafter.

Barclays Aggregate Float Adjusted Index is a benchmark of the dollar-denominated investment grade bond market that excludes Treasuries, agencies, and mortgage-backed securities held in Federal Reserve accounts.

Barclays Corporate Bond Index includes investment-grade, SEC-registered publicly issued U.S. corporate debentures and secured notes. The corporate sectors are industrial, utility, and finance. All securities must have at least one year to final maturity and at least \$250 million of par outstanding.

Barclays High Yield Index covers the universe of fixed rate, non-investment grade debt. Pay-in-kind (PIK) bonds, Eurobonds, and debt issues from countries designated as emerging markets (e.g., Argentina, Brazil, Venezuela, etc.) are excluded, but Canadian and global bonds (SEC-registered) of issuers in non-EMG countries are included. Original issue zeroes, step-up coupon structures, and 144-As are also included.

Barclays Global Aggregate Index measures a wide spectrum of global government, government-related agencies, corporate, and securitized fixed-income investments, all with maturities greater than one year.

Barclays Global Emerging Markets Index represents the union of the USD-denominated U.S. Emerging Markets Index and the predominately EUR-denominated Pan Euro Emerging Markets Index, covering emerging markets in the following regions: Americas, Europe, Middle East, Africa, and Asia. Countries must have a maximum sovereign rating of Baa1/BBB+/BBB+.

Barclays Global Treasury Ex-US Capped Index includes government bonds issued by investment-grade countries outside the United States, in local currencies, that have a remaining maturity of one year or more and are rated investment grade.

Barclays Global Treasury Index tracks fixed-rate local currency sovereign debt of investment-grade countries. The Index represents the Treasury sector of the Global Aggregate Index and currently contains issues from more than 30 countries denominated in over 20 currencies. The three major components are the U.S. Treasury Index, the Pan-European Treasury Index, and the Asian-Pacific Treasury Index, in addition to Canadian, Chilean, Mexican, and South-African government bonds.

Barclays GNMA Index is comprised of 30-year GNMA pass-throughs, 15-year GNMA pass-throughs, and GNMA Graduated Payment Mortgages.

Barclays Govt 1-3 Year Flt Adjusted Composite Index: Prior to 1/1/2010, this index is Barclays Govt 1-3 Year Index.

Barclays Intermediate U.S. Treasury Index includes all publicly issued U.S. Treasury securities that have a remaining maturity of greater than or equal to 1 year and less than 10 years, are rated investment grade, and have \$250 million or more of outstanding face value.

Barclays Long U.S. Treasury Index includes all publicly issued, U.S. Treasury securities that have a remaining maturity of 10 or more years, are rated investment grade, and have \$250 million or more of outstanding face value.

Barclays LT G/C Flt Adjusted Composite Index: Prior to 1/1/2010, this index is Barclays LT G/C Index.

Barclays LT Govt Flt Adjusted Composite Index: Prior to 1/1/2010, this index is Barclays Long term Government Index.

Barclays U.S. Credit Index includes publicly issued U.S. corporates, specified foreign debentures, and secured notes denominated in U.S. dollars. The Index is a subset of the U.S. Government/Credit Index and the U.S. Aggregate Index.

Barclays U.S. Mortgage Backed Securities (MBS) Index covers agency mortgage-backed pass-through securities (both fixed-rate and hybrid adjustable rate mortgages) issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).

Barclays U.S. Treasury Index is comprised of public obligations of the U.S. Treasury. Treasury bills are excluded by the maturity constraint but are part of a separate Short Treasury Index.

Barclays U.S. TIPS Index is a rules-based, market value-weighted index that tracks inflation protected securities issued by the U.S. Treasury.

Barclays Mortgage Index contains 15- and 30-year fixed-rate securities. These securities are pools of mortgage loans issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). The Index holds approximately 600 securities.

Bloomberg Commodity Index (formerly DJ-AIG Commodity Index) is composed of futures contracts on physical commodities. It is composed of commodities traded on U.S. exchanges, with the exception of aluminum, nickel, and zinc, which trade on the London Metal Exchange (LME).

Citigroup 3-Month T-Bill Index consists of equal dollar amounts of three-month Treasury bills that are purchased at the beginning of each of three consecutive months. As each bill matures, all proceeds are rolled over or reinvested in a new three-month bill.

Citigroup World Government Bond Index is a market capitalization weighted index consisting of the government bond markets of the following countries: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Italy, Japan, Netherlands, Spain, Sweden, Switzerland, United Kingdom, and United States. It includes all fixed-rate bonds with a remaining maturity of one year or longer and with amounts outstanding of at least the equivalent of U.S. \$25 million.

Consumer Price Index (CPI) is an inflationary indicator that measures the change in the cost of a fixed basket of products and services, including housing, electricity, food, and transportation.

CRR Composite Index reflects DJ-UBS TR Index + Barclays 1-5 TIPS Index - Citigroup 0-3 month T-Bills Index. The TIPS component of the Index has changed over time reflecting the Barclays 1-10 year from 6/08 to 12/13 and the Barclays US TIPS from 2/97 to 5/08.

CRSP US Total Stock Market Index includes around 4,000 U.S. companies that pass a set of investability screens and is represented by all securities that are members of an index in the CRSP Market Capitalization index family. The Index includes securities traded on NYSE, AMEX, NASDAQ, and ARCA exchanges and is reconstituted quarterly on the third Friday of March, June, September, and December.

CRSP US Large Cap Index includes the U.S. companies that make up the Mega and Mid Cap Indexes, or roughly 85% of investable market capitalization. The Index includes securities traded on NYSE, AMEX, NASDAQ, and ARCA exchanges and is reconstituted quarterly on the third Friday of March, June, September, and December.

CRSP US Large Cap Growth Index includes the U.S. companies that make up the Mega and Mid Cap Indexes, or roughly 85% of investable market capitalization, which are then made eligible for assignment to a growth index using CRSP's multifactor model. CRSP classifies growth securities using the following factors: future long-term growth in earnings per share (EPS), future short-term growth in EPS, three-year historical growth in EPS, three-year historical growth in sales per share, current investment-to-assets ratio, and return on assets.

CRSP US Large Cap Value Index includes the U.S. companies that make up the Mega and Mid Cap Indexes, or roughly 85% of investable market capitalization, which are then made eligible for assignment to a value index using CRSP's multifactor model. CRSP classifies value securities using the following factors: book to price, forward earnings to price, historical earnings to price, dividend-to-price ratio, and sales-to-price ratio.

CRSP US Mid Cap Index includes U.S. companies that make up nearly 15% of investable market capitalization. The Index includes securities traded on NYSE, AMEX, NASDAQ, and ARCA exchanges and is reconstituted quarterly on the third Friday of March, June, September, and December.

CRSP US Mid Cap Growth Index includes U.S. companies that make up nearly 15% of investable market capitalization, which are then made eligible for assignment to a growth index using CRSP's multifactor model. CRSP classifies growth securities using the following factors: future long-term growth in earnings per share (EPS), future short-term growth in EPS, three-year historical growth in EPS, three-year historical growth in sales per share, current investment-to-assets ratio, and return on assets.

CRSP US Mid Cap Value Index includes U.S. companies that make up nearly 15% of investable market capitalization, which are then made eligible for assignment to a value index using CRSP's multifactor model. CRSP classifies value securities using the following factors: book to price, forward earnings to price, historical earnings to price, dividend-to-price ratio, and sales-to-price ratio.

Benchmark analytics and performance are based upon data from Center for Research in Security Prices (CRSP®), The University of Chicago Booth School of Business.

FTSE EPRA/NAREIT Global Index is a free-float, market capitalization weighted real estate index representing 38 countries in both developed and emerging markets. It is designed to represent publicly traded equity REITs and listed property companies.

FTSE EPRA/NAREIT Global Real Estate Index Series is designed to represent general trends in eligible real estate equities worldwide. Relevant real estate activities are defined as the ownership, disposal and development of income-producing real estate. The Index series includes a range of regional and country indices.

The FTSE NAREIT All Equity REITs Index is a free-float adjusted, market capitalization-weighted index of U.S. Equity REITs. The Index includes REITs with more than 50 percent of total assets in qualifying real estate assets, except mortgages secured by real property.

FTSE Emerging Index is a market-capitalization weighted index representing the performance of over 790 large and mid cap companies in 22 emerging markets. The index is part of the FTSE Global Equity Index Series.

FTSE International Limited ("FTSE") © FTSE 2015. FTSE® is a trademark of the London Stock Exchange Group companies and is used by FTSE under license. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.

Global Sustainability Spliced Index: FTSE KLD Global Sustainability Index prior to 9/1/2010; MSCI World ESG Index thereafter.

HFRI Distressed Securities Index is an equally weighted index that represents strategies that invest in, and may sell short the securities of companies where the security's price has been, or is expected to be, affected by a distressed situation as reported by the hedge fund managers listed within the Hedge Fund Research (HFR) database.

HFRI Equity Hedge Index is designed to represent the overall composition of the equity hedge (also known as long/short equity) universe. The Index is constructed with equally weighted composites of constituents as reported by the hedge fund managers listed within the Hedge Fund Research (HFR) database.

HFRI ED: Distressed Restructuring Index is designed to represent strategies which employ an investment process focused on corporate fixed income instruments, primarily on corporate credit instruments of companies trading at significant discounts to their value at issuance or obliged (par value) at maturity as a result of either formal bankruptcy proceeding or financial market perception of near term proceedings.

HFRI Event Driven Index is an equally weighted index that represents constituents investing in opportunities created by significant transactional events as reported by the hedge fund managers listed within the Hedge Fund Research (HFR) database.

HFRI FOF Composite Index includes over 800 constituent fund of funds, both domestic and offshore. Fund of Funds invest with multiple managers through funds or managed accounts. The strategy designs a diversified portfolio of managers with the objective of significantly lowering the risk (volatility) of investing with an individual manager. The Fund of Funds manager has discretion in choosing which strategies to invest in for the portfolio. A manager may allocate funds to numerous managers within a single strategy, or with numerous managers in multiple strategies.

HFRI FOF Conservative Index includes constituents that exhibit one or more of the following characteristics: seeks consistent returns by primarily investing in funds that generally engage in more "conservative" strategies such as Equity Market Neutral, Fixed Income Arbitrage, and Convertible Arbitrage; exhibits a lower historical annual standard deviation than the HFRI Fund of Funds Composite Index. A fund in the Index shows generally consistent performance regardless of market conditions.

HFRI FOF Diversified Index includes constituents that exhibit one or more of the following characteristics: invests in a variety of strategies among multiple managers; historical annual return and/or a standard deviation generally similar to the HFRI Fund of Fund Composite index; demonstrates generally close performance and returns distribution correlation to the HFRI Fund of Fund Composite Index. A fund in the Diversified Index tends to show minimal loss in down markets while achieving superior returns in up markets.

HFRI FOF Strategic Index includes FoFs that exhibit one or more of the following characteristics: seeks superior returns by primarily investing in funds that generally engage in more opportunistic strategies such as Emerging Markets, Sector specific, and Equity Hedge; exhibits a greater dispersion of returns and higher volatility compared to the HFRI Fund of Funds Composite Index.

HFRI Fund Weighted Composite Index is designed to represent the performance of domestic and offshore hedge funds across all strategies with the exception of fund of funds. Comprised of over 2000 hedge funds, it is a fund weighted index in that all funds, regardless of assets under management or other factors, are given an equal weighting.

HFRI Merger Arbitrage Index is designed to represent managers who utilize a merger or risk arbitrage investment strategy by investing in securities of companies that are the subject of some form of extraordinary corporate transaction, including acquisition or merger proposals, exchange offers, cash tender offers and leveraged buy-outs.

HFRIX Convertible Arbitrage Index is designed to represent managers who utilize convertible arbitrage strategies where, in an effort to capitalize on relative pricing inefficiencies, managers will purchase long positions in convertible securities, generally convertible bonds, convertible preferred stock or warrants, and hedge a portion of the equity risk by selling short the underlying common stock.

HFRIX Distressed Securities Index is designed to represent the overall composition of the distressed strategy hedge fund universe. The Index is asset weighted based on the distribution of assets in the hedge fund industry.

HFRIX Equity Hedge Index is designed to represent managers who utilize a long/short equity approach to investing with portfolio exposures anywhere from net long to net short depending on market conditions. Equity hedge managers' source of return is similar to that of traditional stock pickers on the upside, but they use short selling and hedging to attempt to outperform the market on the downside. Stock index put options are also often used as a hedge against market risk.

HFRIX Equity Market Neutral Index is designed to reflect the performance of Equity Market Neutral strategies which employ sophisticated quantitative techniques of analyzing price data to ascertain information about future price movement and relationships between securities and select securities for purchase and sale. These can include both Factor-based and Statistical Arbitrage/Trading strategies. Equity Market Neutral Strategies typically maintain net equity market exposure no greater than 10% long or short.

HFRIX Event Driven Index is designed to represent hedge fund managers who seek investment opportunities created by significant transactional events, such as spin-offs, mergers and acquisitions, industry consolidations, liquidations, reorganizations, bankruptcies, recapitalizations and share buybacks and other extraordinary corporate transactions.

HFRIX Global Hedge Index is designed to be representative of the overall composition of the hedge fund universe. It is comprised of eight strategies: convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, macro, merger arbitrage, and relative value arbitrage. The Index is asset weighted based on the distribution of assets in the hedge fund industry.

HFRIX Macro Index is designed to represent hedge investment strategies that generally employ a top-down global approach that concentrates on forecasting how global macroeconomic and political events affect the valuations of financial instruments. Macro strategies attempt to identify extreme price valuations in stock markets, interest rates, foreign exchange rates and physical commodities, and make leveraged bets on the anticipated price movements in these markets.

HFRIX Merger Arbitrage Index is designed to reflect the performance of Merger Arbitrage strategies which employ an investment process primarily focused on opportunities in equity and equity related instruments of companies which are currently engaged in a corporate transaction.

HFRIX Relative Value Arbitrage Index is designed to represent investment managers who maintain positions in which the investment thesis is predicated on realization of a valuation discrepancy in the relationship between multiple securities. Managers employ a variety of fundamental and quantitative techniques to establish investment theses, and security types range broadly across equity, fixed income, derivative or other security types.

JPMorgan EMBI+ Index is a market capitalization-weighted index that tracks returns for actively traded external debt instruments in emerging markets.

JPMorgan Global Government Bond Index is a total return, market capitalization-weighted index that is rebalanced monthly. The Index currently comprises the local currency, fixed rate coupon issues of 13 markets greater than 1-year in maturity.

Libor 3-Month Index (London Interbank Offered Rate) is the interest rate some of the world's leading banks charge each other for short-term loans.

Merrill Lynch 1-3 Year Treasury Index is an unmanaged index consisting of all public U.S. Treasury obligations having maturities from 1 to 2.99 years and reflects total return.

Merrill Lynch High-Yield Bond Master II Index tracks the performance of below investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market.

MSCI ACWI (All Country World Index) Index (net) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The Index consists of 48 country indices comprising 23 developed and 25 emerging market country indices.

MSCI ACWI ex-U.S. Index (net) 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 U.S.

MSCI EAFE Index (net) is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. & Canada.

MSCI EAFE Small Cap Index (net) is a free float-adjusted market capitalization index that is designed to measure the equity market performance of small companies within developed markets, excluding the U.S. & Canada, and includes companies that are in the Investable Market Index with a market capitalization below that of the companies in the Standard Index in a particular market.

MSCI EM (Emerging Markets) Index (net) is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets.

MSCI U.S. Investable Market Energy Index represents the investable universe of energy companies in the U.S. equity market.

MSCI U.S. Investable Market Energy 25/50 Index consists of stocks of energy companies in the U.S. energy sector whose businesses are dominated by either the construction or provision of oil rigs, drilling equipment, and other energy-related service and equipment, or companies engaged in the exploration, production, marketing, refining, and/or transportation of oil and gas products.

MSCI U.S. REIT Index is a free-float, capitalization-weighted index representing about 85% of the U.S. REIT universe. The Index is comprised of equity REITs that are included in the MSCI US Investable Market 2500 Index, except specialty equity REITs that do not generate a majority of revenue from real estate rental and leasing operations.

MSCI U.S. Mid Cap 450 Index: History prior to May 16, 2003, reflects the S&P Midcap 400 Index.

MSCI World Index (net) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. The Index consists of 23 developed market country indices.

MSCI World Energy Index is an unmanaged index of more than 1,400 stocks listed on exchanges in the U.S., Europe, Canada, Australia, New Zealand, and the Far East.

MSCI Indexes are calculated on a net basis reinvest dividends after the deduction of withholding taxes, using (for international indices) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

NAREIT Equity Index is an unmanaged index of all tax-qualified REITs listed on the NYSE, AMEX, and NASDAQ which have 75% or more of their gross invested book assets invested directly or indirectly in the equity ownership of real estate. Total return calculation for the NAREIT Equity Index include reinvestment of distributions.

NCREIF Property Index provides returns for institutional grade real estate held in a fiduciary environment in the United States. Client performance is generally reported one quarter in arrears unless otherwise noted.

NCREIF Timberland Index is a property-based index reporting returns for three regions of the U.S.: the South, Northeast and Pacific Northwest. In addition to total returns, the Index reports income and appreciation returns. Client performance is generally reported one quarter in arrears unless otherwise noted.

Russell 1000 Growth Index measures the performance of the large cap growth segment of the U.S. equity universe. The Index includes those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 1000 Index measures the performance of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000 Index and includes approximately 1,000 of the largest securities based on a combination of their market cap and current index membership. The Russell 1000 represents approximately 92% of the U.S. market.

Russell 1000 Value Index measures the performance of the large cap value segment of the U.S. equity universe. The Index includes those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

Russell 2000 Growth Index measures the performance of the small cap growth segment of the U.S. equity universe. The Index includes those Russell 2000 companies with higher price-to-value ratios and higher forecasted growth values.

Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000 Index, representing approximately 10% of the total market capitalization of that Index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership.

Russell 2000 Value Index measures the performance of small cap value segment of the U.S. equity universe. It includes those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.

Russell 2500 Index measures the performance of the small to mid-cap segment of the U.S. equity universe, commonly referred to as "smid" cap. The Russell 2500 Index is a subset of the Russell 3000® Index. It includes approximately 2500 of the smallest securities based on a combination of their market cap and current index membership.

Russell 2500 Value Index measures the performance of the small to mid cap value segment of the U.S. equity universe. It includes those Russell 2500 companies with lower price-to-book ratios and lower forecasted growth values.

Russell 3000 Growth Index measures the performance of the broad growth segment of the U.S. equity universe. It includes those Russell 3000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 3000 Index measures the performance of the largest 3000 U.S. companies representing approximately 98% of the investable U.S. equity market.

Russell 3000 Value Index measures the performance of the broad value segment of U.S. equity value universe. It includes those Russell 3000 companies with lower price-to-book ratios and lower forecasted growth values.

Russell Microcap® Index measures the performance of the micro cap segment of the U.S. equity market. It includes 1,000 of the smallest securities in the small cap Russell 2000® Index based on a combination of their market cap and current index membership, and includes the next 1,000 smallest stocks.

Russell Midcap® Growth Index measures the performance of the mid-cap growth segment of the U.S. equity universe. It includes those Russell Midcap Index companies with higher price-to-book ratios and higher forecasted growth values.

Russell Midcap® Value Index measures the performance of the mid-cap value segment of the U.S. equity universe. The Index includes those Russell Midcap Index companies with lower price-to-book ratios and lower forecasted growth values.

S&P 500 Index is a gauge of the U.S. equities market and includes 500 leading companies in leading industries of the U.S. economy.

S&P Completion Index: Prior to 6/30/2005 this index is DJ Wilshire 4500 Index.

S&P 500 Energy Index comprises those companies included in the S&P 500 Index that are classified as members of the GICS energy sector.

The S&P Developed Property Index measures the investable universe of publicly traded property companies in developed markets. The companies in the Index are involved in real estate-related activities, such as property ownership, management, development, rental, and investment.

S&P/Dow Jones U.S. Select REIT Index is comprised of companies with charters that have equity ownership and operation of commercial real estate and operate under the REIT Act of 1960.

S&P/Dow Jones U.S. Select Real Estate Securities Index represents REITs and real estate operating companies traded in the United States.

S&P GSCI is a world-production weighted index composed of 24 commodity futures contracts. It is a composite index of commodity sector returns and represents an unleveraged investment through broadly diversified long positions in commodity futures.

S&P Midcap 400 Index tracks a diverse basket of medium-sized U.S. firms whose market capitalization usually range from approximately \$2 billion to \$10 billion.

S&P MLP Index is designed to provide exposure to partnerships that trade on major U.S. exchanges. It includes both MLPs and publicly traded LLCs.

S&P North American Natural Resources Sector Index measures the performance of natural resource-related stocks traded in the United States.

Spliced Convertibles Composite Index is the CS First Boston Convertible Securities Index through November 30, 2004; Bank of America Merrill Lynch All US Convertibles Index (formerly Bank of America Merrill Lynch All Convertibles-All Qualities Index) through December 31, 2010; and 70% Bank of America Merrill Lynch All US Convertibles Index and 30% Bank of America Merrill Lynch Global 300 Convertibles ex-US Index (hedged) thereafter.

Spliced Developed Ex-North America Index is the MSCI EAFE Index through May 28, 2013; FTSE Developed ex North America Index thereafter.

Spliced Emerging Markets Index reflects performance of the Select Emerging Markets Index through August 23, 2006; the MSCI Emerging Markets Index through January 9, 2013; the FTSE Emerging Transition Index through June 27, 2013; and the FTSE Emerging Index thereafter.

Spliced Energy Index: S&P 500 Index through November 30, 2000; S&P Energy Sector Index through May 31, 2010; MSCI All Country World Energy Index thereafter.

Spliced European Stock Index is the MSCI Europe Index through March 26, 2013; FTSE Developed Europe Index thereafter.

Spliced Extended Market Index is the Dow Jones Wilshire 4500 Index through June 17, 2005; S&P Transitional Completion Index through September 16, 2005; S&P Completion Index thereafter.

Spliced Institutional Total Stock Market Index is the Dow Jones U.S. Total Stock Market Index (formerly known as the Dow Jones Wilshire 5000 Index) through April 8, 2005; the MSCI US Broad Market Index through January 14, 2013; CRSP US Total Market Index thereafter.

Spliced Intermediate Term Bond Index is the Barclays U.S. 5–10 Year Government/Credit Bond Index through December 31, 2009; Barclays U.S. 5–10 Year Government/Credit Float Adjusted Index thereafter.

Spliced Intermediate-Term Tax-Exempt Index includes investment-grade (rated Baa or above by Moody's) tax-exempt bonds that are issued by state and local governments and have maturities of 1 to 15 years.

Spliced International Index is the MSCI EAFE Index through May 31, 2010; MSCI All Country World Index ex-U.S. thereafter.

Spliced Large Cap Index is the MSCI US Prime Market 750 Index through January 30, 2013; CRSP US Large Cap Index thereafter.

Spliced Long Term Bond Index is the Barclays U.S. Long Government/Credit Bond Index through December 31, 2009; Barclays U.S. Long Government/Credit Float Adjusted Index thereafter.

Spliced Mid Cap Index reflects the performance of the S&P MidCap 400 Index through May 16, 2003; the MSCI US Mid Cap 450 Index through January 30, 2013; and the CRSP US Mid Cap Index thereafter.

Spliced Midcap Growth Index is the MSCI US Mid Cap Growth Index through April 16, 2013; CRSP US Mid Cap Growth Index thereafter.

Spliced Midcap Value Index is the MSCI US Mid Cap Value Index through April 16, 2013; CRSP US Mid Cap Value Index thereafter.

Spliced REIT Index is the MSCI US REIT Index adjusted to include a 2% cash position (Lipper Money Market Average) through April 30, 2009; MSCI US REIT Index thereafter.

Spliced Short Term Bond Index is the Barclays U.S. 1–5 Year Government/Credit Bond Index through December 31, 2009; Barclays U.S. 1–5 Year Government/Credit Float Adjusted Index thereafter.

Spliced Small Cap Index reflects the performance of the Russell 2000 Index through May 16, 2003; the MSCI US Small Cap 1750 Index through January 30, 2013; and the CRSP US Small Cap Index thereafter.

Spliced Total Bond Market Index is the Barclays U.S. Aggregate Bond Index through December 31, 2009; Barclays U.S. Aggregate Float Adjusted Index thereafter.

Spliced Total International Stock Index is the Total International Composite Index through August 31, 2006; MSCI EAFE + Emerging Markets Index through December 15, 2010; MSCI ACWI ex USA IMI Index through June 2, 2013; and FTSE Global All Cap ex US Index thereafter.

Spliced Total Stock Market Composite Index: Dow Jones U.S. Total Stock Market Index (formerly Dow Jones Wilshire 5000 Index) through April 22, 2005; MSCI U.S. Broad Market Index through June 2, 2013; and CRSP US Total Market Index thereafter.

Spliced Total World Stock Index consists of the FTSE All-World Index through December 18, 2011, and the FTSE Global All Cap Index thereafter.

SSgA Real Asset Composite Index: 30% Dow Jones US Select REIT Index, 25% Goldman Sachs Commodities Index, 25% MSCI World Natural Resources Index, and 20% Barclays US TIPS Index.

The **UBS Global Real Estate Investors Index** tracks real estate securities within the S&P/Citigroup World Property Index that derive 70% or more of income from rent.

© UBS 2015. All rights reserved. The name UBS Global Real Estate Index and the names of the related UBS AG sub-indices (together then “UBS Real Estate Indices”) are proprietary to UBS AG (“UBS”) UBS and S&P Opco, LLC (a subsidiary of S&P Dow Jones Indices LLC) (“S&P”) (the UBS Indices calculation agent and the provider of the S&P data) are together the “**Index Parties**”. The Index Parties make no express or implied warranties or representations and shall have no liability whatsoever with respect to any Index Parties’ data contained herein. S&P data is provided free of charge courtesy of S&P.

Vanguard Balanced Composite Index is made up of two unmanaged benchmarks, weighted 60% Dow Jones U.S. Total Stock Market Index (formerly known as the Dow Jones Wilshire 5000 Index) and 40% Lehman Brothers U.S. Aggregate Bond Index through May 31, 2005; 60% MSCI US Broad Market Index and 40% Barclays U.S. Aggregate Bond Index through December 31, 2009; 60% MSCI US Broad Market Index and 40% Barclays U.S. Aggregate Float Adjusted Index through January 14, 2013; and 60% CRSP US Total Market Index and 40% Barclays U.S. Aggregate Float Adjusted Index thereafter.

Wellington DIH Composite: 25% MSCI World Energy >\$3 Bil/ 10% MSCI World Metals & Mining >\$3 Bil/ 10% Agriculture, Forest Products & Livestock/3% HSBarclays Global Climate Change/ 3.5% MSCI IMI Gold & Precious Metal/ 1.5% S&P GSCI Precious Metals Total Return / 25% equal sector-weighted S&P Goldman Sachs Commodity/ 20% Barclays US TIPS 1-10 Year / 2% Barclays Emerging Markets Tradable Government Inflation-Linked Bond.

Wellington SRA Composite: Beginning July 1, 2014: 40% MSCI ACW Energy Index, 15% MSCI ACW Metals and Mining Index, 25% Equal-Sector Weighted S&P GSCI, and 20% Barclays Capital TIPS 1-10 Year Index. June 30, 2014 and prior: 40% MSCI Energy \$3 B and above/15% MSCI Metals and Mining \$3 B and above/25% Equal Sector Weighted S&P GSCI Commodities Index/ and 20% Barclays TIPS.

Wilshire 5000 Index represents the broadest index for the U.S. equity market, measuring the performance of all U.S. equity securities with readily available price data.

Policy Index – A custom benchmark consisting of a number of indices which are weighted based on the asset allocation targets within a client investment policy. The index measures the return of the asset allocation strategy if it were implemented using passive (index) portfolios.

Actual Index – A custom benchmark consisting of a number of indices which are weighted based on the allocation of each asset class within a client’s overall structure at the beginning of each quarter. The index measures the return of the current asset allocation if it were implemented using passive (index) portfolios.

The difference between the Actual Index and the Policy Index measures the impact of the decision to allocate assets differently than the client’s policy mandates (allocation effect). The difference between the Total Fund Return and the Actual Index measures how the management team performed versus a passive strategy (manager selection effect). The difference between Total Fund Return and the Policy Index measures both the allocation effect and the manager selection effect.

EXPOSURES AND CHARACTERISTICS

Flexible Capital – Portfolios with incomplete data are excluded from the total leveraged portfolio calculations. Top holdings are reflected as of current quarter-end when provided by the manager. Otherwise, holdings are based on 13Fs with a quarter lag, when applicable. The 13F reflects top equity holdings as a percentage of total equity holdings at the Firm level. Market values are in '000s.

Fixed Income –Yield represents yield to maturity and duration represents effective duration unless otherwise noted.

Information provided by investment managers may be confidential and should be treated as such.

Periods greater than one year are annualized.

Peer groups, performance, risk and equity analytics are provided by InvestmentMetrics, 2015. All rights reserved. Calculations are based on quarterly periods unless noted otherwise.

MPT (Modern Portfolio Theory) statistics are based on monthly data. Quarterly observations are utilized only when monthly data points are not available. Examples include: beta/correlation/standard deviation calculations.

Indices referenced in this report are unmanaged and cannot be invested in directly. Index returns do not reflect any investment management fees or transaction expenses. Index descriptions listed are representative and not all inclusive.

This report is not an offer, nor does it invite anyone to make an offer, to buy or sell securities. Information obtained from third parties is believed to be reliable; however, accuracy of the data is not guaranteed and may not have been independently verified. Unless otherwise noted, content is current as of the date indicated and subject to change without notice.

Commentary within includes the opinion of Prime Buchholz, is intended solely for our clients, and is not meant to provide tax or legal advice. Clients should consult a tax or legal professional for advice regarding their particular situation.

For modeling output: Prime Buchholz proprietary reporting is compiled utilizing analytics provided by InvestmentMetrics.

Clients may, at times, invest in or request information regarding managers or products that are not Prime Buchholz-recommended. Due diligence and monitoring of managers or products that are not Prime Buchholz-recommended is less rigorous than the level of due diligence applied to recommended managers and products. Also, because these managers and products were not recommended by Prime Buchholz, they are not actively assessed relative to changes in Firm recommendations (i.e., watch list and/or sell recommendations). Reports provided to clients regarding managers or products that have not been recommended by Prime Buchholz are for informational purposes only and do not constitute our endorsement of the manager.

Returns are provided by third-party sources and are net of investment management fees and gross of consulting fees unless otherwise stated. Performance may or may not reflect reinvestment of dividends and other earnings. Performance and market values are subject to change based on statement availability from the investment manager/custodian.

The Prime Buchholz asset allocation model is a tool provided to clients to assist in the evaluation and development of long-term investment and spending policies for their investment programs. No asset allocation model can replicate the same experience for any given investor and clients' results may differ materially from the results portrayed. Therefore, the Prime Buchholz asset allocation model results should be only used as a guide—rather than a specific investment program simulation—as a part of a broader discussion to establish the client's policies. Prime Buchholz relies on the client to provide complete and accurate information regarding the client's specific risk/return/spending profile for the model. The model's factors are derived from historical asset class returns and data in combination with forward-looking estimates. These estimates cannot predict the impact of future market conditions that could have a significant negative impact on the reliability of the hypothetical performance presented. Prime Buchholz does not guarantee the accuracy of the data used. Model performance is based on assumptions about asset class investment returns and risk characteristics. It does not represent actual performance, nor does it reflect actual trading in a client portfolio or the management of a model portfolio on a current basis. Model results are based upon total return and reflect the reinvestment of dividends and distributions. They are also gross of management and consulting fees and other expenses an investor would pay, which would lower results.

Hypothetical performance, as well as past performance, is not an indication of future results.

